



**HCC**

**Hindustan Construction Co Ltd**

# **Investor / Analyst Presentation**

**Q2 FY2017-18**



# Presentation Flow

<b>HCC</b>	-	<b>Performance Highlights &amp; Financial Results</b>
<b>HCC E&amp;C</b>	-	<b>Updates</b>
<b>Steiner AG</b>	-	<b>Updates</b>
<b>HCC Infrastructure</b>	-	<b>Updates</b>
<b>Lavasa</b>	-	<b>Updates</b>



# Key Financial Highlights: H1 FY2017-18

Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

➤ **As compared to the same quarter of the previous year (YoY)**

- Total Income is at Rs. 1,031.9 Cr v/s Rs. 972.0 Cr
- EBITDA margin at 15.34% v/s 21.42%
- Profit after Tax of Rs. 11.6 Cr v/s Rs. 23.1 Cr

➤ **As compared to 6 months of the previous year (YoY)**

- Total Income is at Rs. 2,023.1 Cr v/s Rs. 2,013.3 Cr
- Profit after Tax of Rs. 26.1 Cr v/s Rs. 33.9 Cr

➤ Finance cost started downward trend due to impact of Rs. 1,097 Cr received against arbitration award (since beginning)

➤ Order backlog as on 30<sup>th</sup> September, 2017 at Rs. 21,269 Cr excluding L1 contracts worth Rs. 254 Cr

➤ Orders bagged till date Rs. 2,586 Cr

# Financial Performance : Q2 FY 2017-18 (6 mth YoY & QoQ) HCC

Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

For the quarter ended	Q2 FY18 30 Sep'17	Q2 FY17 30 Sep'16	Q1 FY18 30 Jun'17	YOY	QOQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
<b>Total Income</b>	<b>1,031.93</b>	<b>972.01</b>	<b>991.12</b>	<b>6.2%</b>	<b>4.1%</b>
Construction Cost (incl. material) / other exp.	711.57	618.68	656.83	15.0%	8.3%
Employee Cost	110.25	97.32	103.83	13.3%	6.2%
<b>EBITDA (excluding other income)</b>	<b>148.93</b>	<b>195.13</b>	<b>170.00</b>	<b>(23.7)%</b>	<b>(12.4)%</b>
<b>EBITDA Margins</b>	<b>15.34%</b>	<b>21.42%</b>	<b>18.27%</b>		
Finance Cost	163.06	189.99	182.13	(14.2)%	(10.5)%
Depreciation	29.55	33.36	28.84	(11.4)%	2.5%
Exceptional Item	-	-	-		
<b>Profit / (Loss) Before Tax *</b>	<b>17.50</b>	<b>32.66</b>	<b>19.49</b>	<b>(46.4)%</b>	<b>(10.2)%</b>
Tax	5.90	9.58	4.97		18.7%
<b>Profit / (Loss) After Tax</b>	<b>11.60</b>	<b>23.08</b>	<b>14.52</b>	<b>(49.7)%</b>	<b>(20.1)%</b>
Other comprehensive income (after tax)	3.03	2.11	0.78		
<b>Total Comprehensive Income (after Tax)</b>	<b>14.63</b>	<b>25.19</b>	<b>15.30</b>	<b>(41.9)%</b>	<b>(4.4)%</b>

\*Includes other income

# Financial Performance : H1 FY 2017-18 (6 mth YoY)

**HCC**

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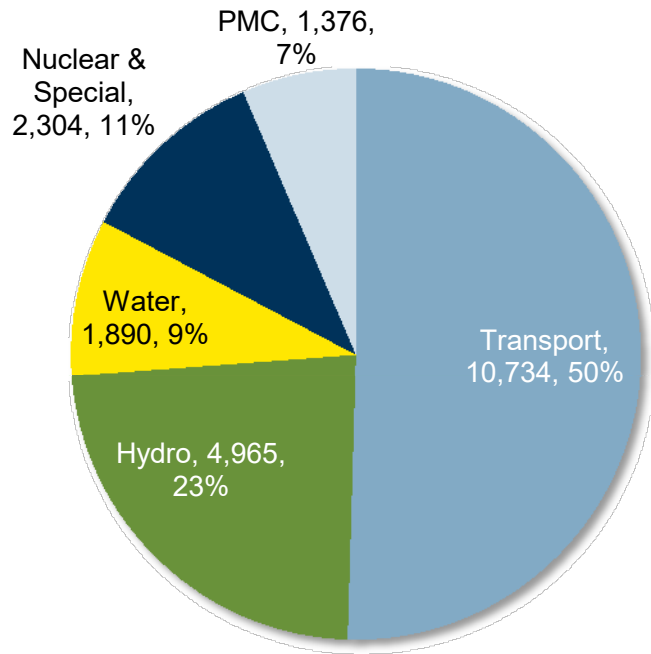
For the half year ended	H1 FY18 30 Sept'17	H1 FY17 30 Sept'16	YoY
	Rs. Cr	Rs. Cr	%
<b>Total Income from operations</b>	<b>2,023.05</b>	<b>2,013.27</b>	0.5%
Construction Cost (incl. material) / other exp.	1,368.40	1,333.27	2.6%
Employee Cost	214.08	192.03	11.5%
<b>EBITDA (excluding other income)</b>	<b>318.93</b>	<b>368.28</b>	(13.4)%
<b>EBITDA Margins</b>	<b>16.77%</b>	<b>19.45%</b>	
Finance Cost	345.19	369.64	(6.6)%
Depreciation	58.39	66.12	(11.7)%
<b>Profit / (Loss) Before Tax (incl other income)</b>	<b>36.99</b>	<b>52.21</b>	(29.2)%
Tax	10.87	18.25	
<b>Profit / (Loss) After Tax</b>	<b>26.12</b>	<b>33.96</b>	(23.1)%
Other comprehensive income (after tax)	3.81	3.22	
<b>Total Comprehensive Income (after Tax)</b>	<b>29.93</b>	<b>37.18</b>	(19.5)%



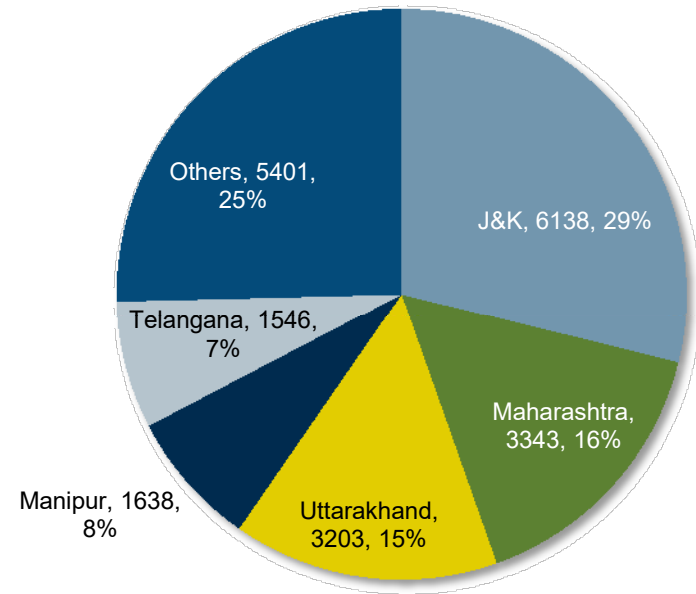
**HCC E&C**

# Order Backlog – Rs 21,269 Cr (Q-on-Q increase of 4%)

### Order Backlog – Business Line wise Breakup



### Order Backlog - Geographic Breakup



**Balanced portfolio having geographical spread across the country**



# H1 FY 2017-18 : Orders Won

## List of projects awarded upto Sep-17 – Rs. 2,586 Cr

S. No.	Business Line	Name of Project	Client	HCC Share (Rs. Cr)	Award Quarter
1	Water	Parwan Dam + Tunnel	Water Resource Department , Rajasthan	606	Q1
2	Transportation	HSR Road - RV Stn. Reach 5 [Pkg 3]	Bangalore Metro Rail Corporation Ltd.,	406	Q1
3	Hydro	New Ganderbal HEP	Jammu & Kashmir Power Development Corporation	810	Q2
4	Nuclear	Construction of Building 401 (Block 3 to 7)	Indira Gandhi Centre for Atomic Research	764	Q2
<b>Total No. of awarded projects</b>				<b>2,586</b>	

## L1 projects – Rs. 254 Cr

S. No.	Business Line	Name of Project	Client	HCC Share (Rs. Cr)
1	Transport	9 nos. elevated station of Pune metro station	Mumbai Metro Rail Corporation	254
<b>Total – L1 Bids</b>				<b>254</b>

# Status of Initiatives by CCEA

- Total arbitration awards in favour Rs 4,273 Cr as of September 30, 2017
- Further claims worth around Rs 5,596 Cr in arbitration process
- As at September 30, 2017, Company's receivables include Rs. 2,492 Cr on account of arbitration awards in favour of Company
- Rs. 1,097 Cr collected as per CCEA decision till date, Rs. 113 Cr under pipeline for which BG has been submitted



## **Steiner updates**

# Steiner AG Highlights



- Steiner AG, Headquartered in Zurich, is a leading Real Estate Developer and Total Services Contractor in the Swiss real estate market. Specializes in turnkey development of new buildings and renovation of existing properties
- Closing order backlog at CHF 1,596 million (Rs. 10,812 Cr)
- Order intake during H1 FY 2017-18 CHF 567 million (Rs. 3,841 Cr)
- Cash balance is at CHF 108 million (Rs. 732 Cr)
- Key financials of Steiner AG:

As per IGAAP	Q2 FY 2017-18	Q2 FY 2017-18	Q2 FY 2016-17	Q2 FY 2016-17
	CHF Million	Rs. Cr	CHF Million	Rs. Cr
Turnover	196.7	1,306.9	212.2	1,464.1
PAT/ (Loss)	2.9	19.3	2.00	13.8

(for P&L : exchange rate of 1 CHF = Rs 66.44 as of September 30, 2017)

(for BS: exchange rate of 1 CHF = Rs 67.76 as of September 30, 2017)



# **HCC Infrastructure**

# Business Update (Q2 – FY18)

- Baharampore – Farakka – Raiganj – Dalkhola (NH-34 Packages 3, 4, 5)
  - Farakka-Raiganj (Pkg 4): Average daily revenue of Rs.33.2 lakh for Q2 FY18; decline w.r.t last quarter because of heavy floods in Malda District in the month of August
  - Baharampore-Farakka (Pkg 3): Average daily revenue of Rs.34 lakh in Q2 FY18; decline w.r.t last quarter as a result of rainy season starting early and the region receiving disproportionate heavier monsoon
  - Arbitration award of Rs.448 cr for Pkg3 claims (for land delays) was received on Jul 21, 2017 whilst Arbitration for Pkg4 for Rs.721 cr claims (for land delays) is expected to be completed by Q4 FY18
  - Raiganj-Dalkhola (Pkg 5): Since Authority has not withdrawn its void termination notice, Concessionaire has issued Notice of Dispute, followed by Conciliation notice and intention to commence Arbitration
- Delhi-Faridabad (NH2)
  - Concessionaire issued Termination Notice on Sep 1, 2017 along with demand for termination payment of Rs.775 cr; Authority has refuted the Termination Notice and consequently Concessionaire has disputed this matter and has issued Conciliation notice
  - Arbitration for Rs.397 cr claims is underway



Farakka Raiganj Highway: Toll Plaza at Km 297



Km 341 (Farakka Raiganj Highway)



# Lavasa Corporation Limited



# Invocation of SDR in Lavasa

- **Current debt of Lavasa and subsidiaries at Rs. 5,200 Cr**
- **Lenders invoked Strategic Debt Restructuring (“SDR”) in the Joint Lenders Forum held on September 20, 2017 for conversion of part of debt into equity**
- **Comprehensive solution to Lavasa Debt:**
  - Lowering of debt burden by converting part of debt into equity as part of SDR
  - Implementation of proposed business plan
  - Infusion of fresh capital by way of strategic or financial investor to implement the project
  - Lenders acknowledged working capital needs of the project to be resolved on a priority



## Highlights - THLE

- **Footfall at Lavasa in H1 FY18 more than 5 lakhs**
- **Hospitality revenue in H1 FY18 increased to 1,957 Lac from 1,805 Lac in H1 FY17**
- **Overall average occupancy of Hotels in H1 FY18 increased by 4%**
- **Novotel, the first 5-star resort hotel in Lavasa to start construction from Jan'18**



**Thank You**