



**Hindustan Construction Co Ltd**

**Investor / Analyst Presentation  
Q3 FY2013-14**



## Presentation Flow

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



## Key Financial Highlights: Q3 & 9M FY2013-14

➤ **As compared to the same quarter of the previous year**

- Turnover at Rs. 852.0 Cr v/s Rs. 1020.8 Cr
- EBITDA margin at 20.57%
- Net Profit of Rs. 5.4 Cr v/s Net loss of Rs. 38.5 Cr

➤ **As compared to the nine months of the previous year**

- Turnover at Rs. 2,884.6 Cr v/s Rs. 2,854.2 Cr
- EBITDA margin at 16.15%
- Net Profit of Rs. 56.2 Cr v/s Net loss of Rs. 87.4 Cr
- Order backlog is at Rs. 13,388 Cr excluding L1 contracts worth Rs. 1,408 Cr

➤ **Despite a dip in Turnover, the operational efficiency standout in the quarter**

- **Inflow of substantially big orders during the quarter will help to improve turnover in the next few quarters**



## Financial Performance : Q3 FY 2013-14 (3 mth YoY & QoQ)

	Q3 FY14 31 Dec, 2013	Q3 FY13 31 Dec, 2012	Q2 FY14 30 Sept, 2013	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
<b>Turnover (net of JV)</b>	<b>852.0</b>	<b>1020.8</b>	<b>890.1</b>	<b>(16.5)</b>	<b>(4.3)</b>
Other Income & JV Profit/loss	28.0	16.7	111.8		
Construction Cost (incl. material)	582.2	801.0	704.9	(27.3)	(17.4)
Employee Cost / other expenses	94.5	105.0	95.9	(9.9)	(1.4)
<b>EBITDA (excluding other income)</b>	<b>175.3</b>	<b>114.8</b>	<b>89.4</b>	<b>52.7</b>	<b>96.0</b>
<b>EBITDA Margins</b>	<b>20.57%</b>	<b>11.25%</b>	<b>10.04%</b>		
Interest	156.6	143.2	152.3	9.3	2.8
Depreciation	36.5	44.4	37.5	(17.7)	(2.6)
Exceptional Item	-	3.9	-	-	-
<b>Profit / (Loss) Before Tax **</b>	<b>10.2</b>	<b>(52.2)</b>	<b>11.4</b>	<b>-</b>	<b>-</b>
Tax	4.8	(13.7)	(20.2)	-	-
<b>Profit / (Loss) After Tax</b>	<b>5.4</b>	<b>(38.5)</b>	<b>31.6</b>	<b>-</b>	<b>-</b>

\*\* including Other Income and JV profit



## Financial Performance : 9M FY 2013-14 (YoY)

	9M FY14 31 Dec 2013	9M FY13 31 Dec 2012	YoY
	Rs. Cr	Rs. Cr	%
<b>Turnover (net of JV)</b>	<b>2,884.6</b>	<b>2,854.2</b>	<b>1.1</b>
Other Income & JV Profit/loss	155.1	102.7	
Construction Cost (incl. material)	2,123.3	2,265.0	(6.3)
Employee Cost / other expenses	295.4	294.8	0.2
<b>EBITDA (excluding other income)</b>	<b>465.9</b>	<b>294.4</b>	<b>58.3</b>
<b>EBITDA Margins</b>	<b>16.15%</b>	<b>10.31%</b>	
Interest	457.7	408.7	12.0
Depreciation	111.1	124.7	(10.9)
Exceptional Item	-	15.6	-
<b>Profit / (Loss) Before Tax **</b>	<b>52.2</b>	<b>(120.9)</b>	<b>-</b>
Tax	(4.0)	(33.5)	-
<b>Profit / (Loss) After Tax</b>	<b>56.2</b>	<b>(87.4)</b>	<b>-</b>

\*\* including Other Income and JV profit

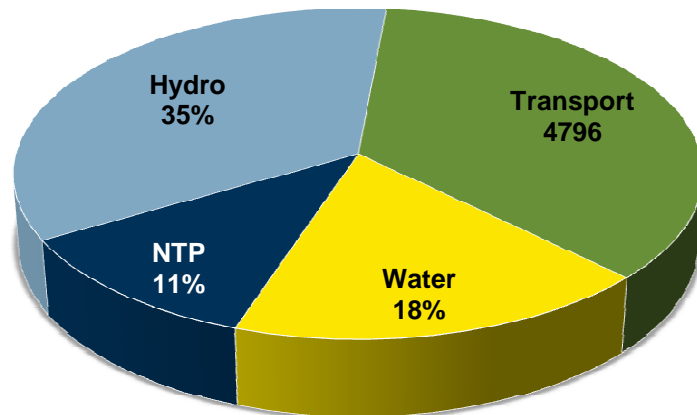




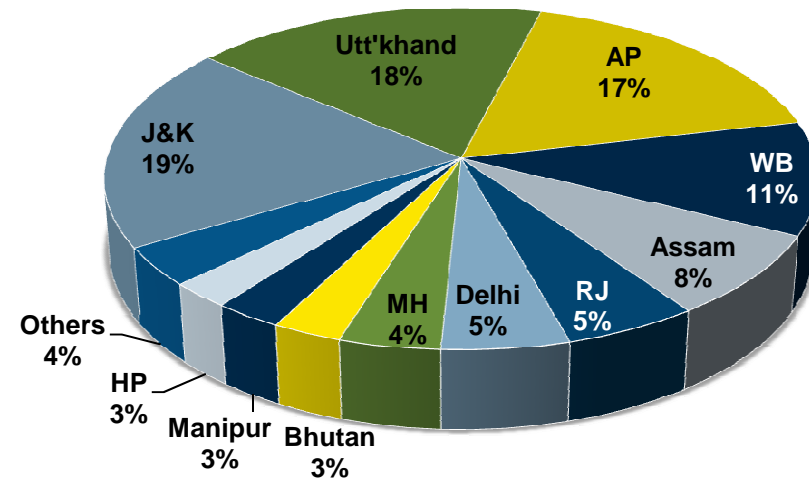
**HCC E&C**

## Order Backlog (as on 1-Jan-2014): Rs 13,388 Cr

Business Line Wise



Geographical Spread



Balanced portfolio having geographical spread across the country



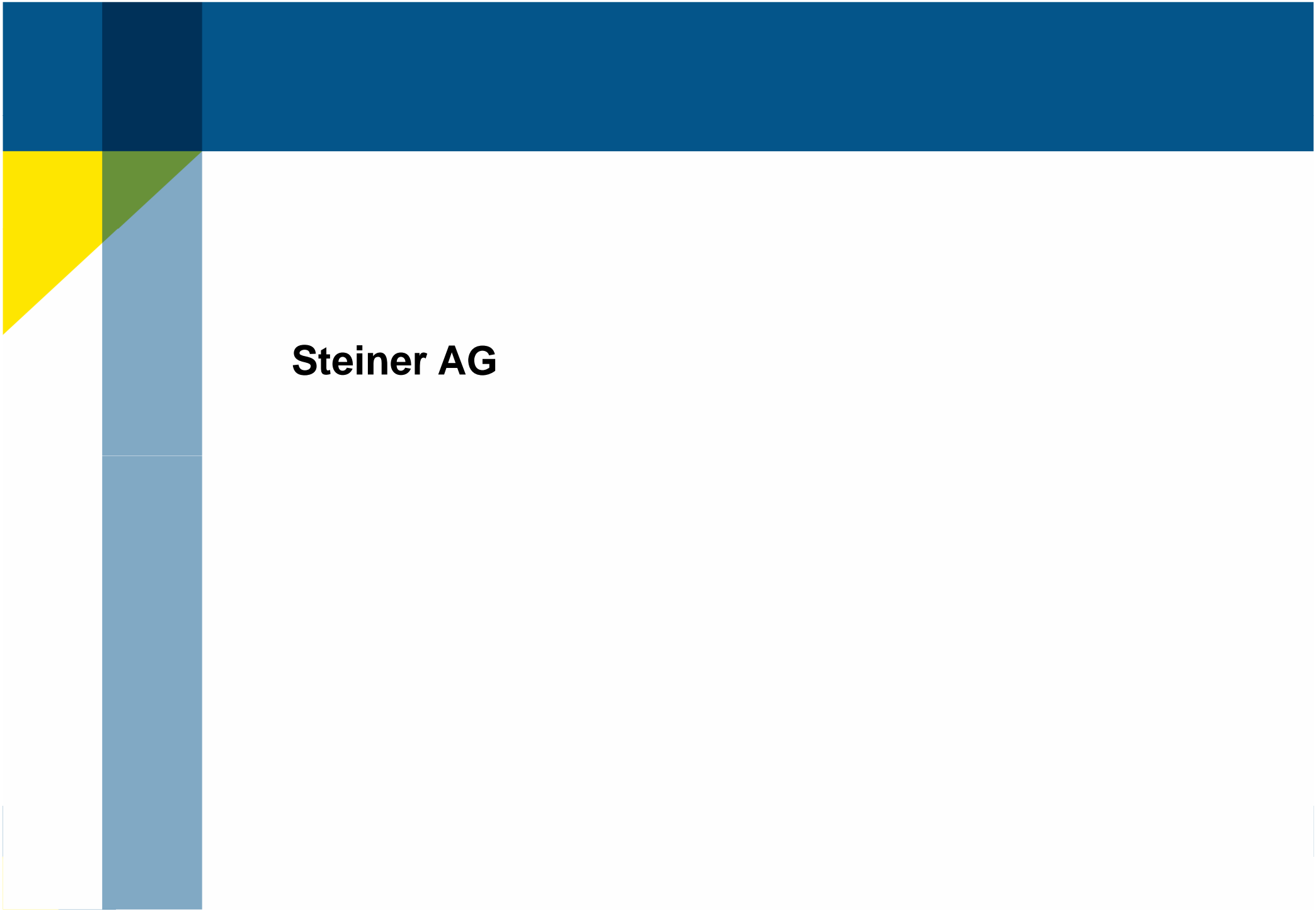
## FY 13-14 - Order's Won : 5 Nos of Rs 2,172 Crs

*Rs in Cr*

S. No	Business Line	Name of Project	Client	State	Contract Value	HCC Share
1	Transportation	Repair & Maintenance work of NH-34	NHAI	WB	31	31
2	Sp. Projects (NTP)	CW for CHP-Ph II for 6x150 MW CPP	Hindalco	Odisha	29	29
3	Sp. Projects (NTP)	Structural works for J3 Refinery Project	Reliance	Gujarat	73	73
4	Hydro	Vishnugad Pipalkoti HEP	THDC	Utt'khand	1,597	1,597
5	Transportation	Tunnel Pkg T49 A	IRCON	J&K	443	443
	<b>Total</b>				<b>2,172</b>	<b>2,172</b>

In addition to orderbook, L1 in five orders aggregating Rs. 1,408 Cr





**Steiner AG**

## Steiner Highlights

- Closing order backlog at CHF 1.16 billion (Rs. 7,980 Cr) excluding contracts of CHF 170 million (Rs. 1,172 Cr) yet to be signed
- Order inflow during the quarter of CHF 330 million (Rs. 2,275 Cr)
- Closing Cash Balance at CHF 154 million (Rs. 1,065 Cr)
- Key financials :

As per IGAAP	Q3 FY 2013-14 (3 mths)	Q3 FY 2013-14 (3 mths)
	CHF Million	Rs. Cr
Turnover	188.3	1,230.1
PAT / (Loss)#	1.6	10.2

(for P&L : exchange rate of 1 CHF = Rs 65.33 as of Dec. 31, 2013)

(for BS : exchange rate of 1 CHF = Rs 68.98 as of Dec 31, 2013)





## **HCC Infrastructure**

# Business Update

- Commercial operation & toll collection of West Bengal DBFOT (NH34) expected by year end for Baharampore-Farakka (Pkg 3) & Q1 FY15 for Farakka-Raiganj (Pkg 4)
  - 81% & 67% financial progress achieved for Pkg 3 and Pkg 4, respectively; equity fully invested
  - Big push by West Bengal Government recently, complemented by Project Monitoring Group (Cabinet Committee on Investment, GOI)
  - Significant land acquisition progress for Raiganj-Dalkhola (Pkg 5) and work to re-commence shortly
- Dhule Palesner Highway (NH3)
  - Toll rates revised from Sep 2013; collection averaging ~Rs.34 lacs daily
  - Entire Project Highway tolled; 13 Km Section to be handed over for operations in last quarter of FY15 and to add ~Rs.2-3 lacs daily
- HCC O&M Ltd to provide complete operations & maintenance services to portfolio





Lavasa Corporation Limited





## Aerial View



Aerial View of Dasve



## Operations – Highlights

- Labour strength : 5,300+ Nos. on ground
- Handed Over :
  - 628 units (300 villas and 328 apt) handed over to CMS for handover to customer
  - 447 units (200 villas and 247 apt) handed over to customers
  - 181 units (100 Villas and 81 apt) balance with CMS for handover
- Mugaon : ~ 10 Lakh Sqft. of residential development started
- Dasve : ~ 8 lakh Sqft. of residential, commercial & social under development i.e. villas, Club view, lake view, Delfino, Brook view etc.
- 1.6 lacs tourist visited in last quarter
- Spotless Laundry commissioned (including Tunnel Wash)





## Operations – Highlights

- Sales Update
  - Residential Sales
    - 260 properties sold till Dec-13
    - 165 channel Partners on board
    - 5 Financial institutions added for Housing Finance
    - Participated in 1st international exhibition-India property show at World Trade Centre, Dubai. Over 250 enquiries generated over 3 days amongst 1200 visitors to the stall
  - Institutional Sales
    - Shail Group : Mugaon for International School
    - Sower of Seeds : Bakery
    - Retail space to Bata & Marie Brown.
- Quick Response Team deputed for quality related issues.
- Managers and Executives started operating from respective sites.



## **THL - Highlights**

### **Awards & Recognitions**

- Lavasa won “Tourism & Travel Fair” (TTF) Award for “Most Promising New Destination “at Bangalore in December 2013
- Lavasa receives “Upcoming Tourism Destination” award at the 62nd Travel Congress held at Bangalore in December 2013.

### **Virtual Golf commissioned in FEC (Family Entertainment Centre)**



## Marketing - Highlights

- Lavasa ad Campaign continued till 1st week December. Enhanced reach through Non-TOI media and Airline magazines
- Events to engage and interact. Proliferate to larger audience through Times of India publications, Timesnow and Radio Mirchi
  - Steve Redgrave Rowing Workshop
  - Vintage Car Show
  - Capture Lavasa photography contest
  - Lavasa Hill Run
- Participation for the first time in International Property exhibition, at Sumansa, Dubai
- Marketing communication for travel and education related programs
- Continuous interaction with customers through Lavasa communiqués /Emailers: Diwali, Xmas, New Year , events , film shootings etc.





**Thank You**

## **Disclaimer**

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This presentation contains certain forward looking statements concerning future business prospects and profitability of HCC, which are subject to a number of risks and uncertainties and actual results could materially differ from those in such forward looking statements, important developments that could affect the company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, tax laws, labor relations, litigation etc. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.