



**Hindustan Construction Co Ltd**

# **Investor / Analyst Presentation**

**Q3 FY2014-15**



# 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 FY2014-15

- **As compared to the same quarter of the previous year**
    - Turnover is at Rs. 1,093.4 Cr v/s Rs. 852.0 Cr
    - EBITDA margin at 18.81% V/s 20.57%
    - Profit Before Tax (PBT) of Rs. 40.5Cr V/s Rs. 10.2 Cr
    - Net Profit of Rs. 27.1 Cr v/s Rs. 5.4 Cr
  - **As compared to the nine months of the previous year**
    - Turnover is at Rs. 3,009.0 Cr v/s Rs. 2,884.6 Cr
    - EBITDA margin at 19.32% V/s 16.15%
    - Profit Before Tax (PBT) of Rs. 91.3 Cr V/s Rs. 52.2 Cr
    - Net Profit of Rs. 61.0 Cr v/s Rs. 56.2 Cr
- Order backlog is at Rs. 14,307 Cr excluding L1 contracts worth Rs. 1,176 Cr
- Order Inflow during nine months of FY 2014-15 Rs. 2,071 Cr

# Financial Performance : Q3 FY 2014-15 (3 mth YoY & QoQ)

For the quarter ended	Q3 FY15 31 Dec 14	Q3 FY14 31 Dec 13	Q2 FY15 30 Sept 14	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
<b>Turnover (net of JV)</b>	<b>1,093.4</b>	<b>852.0</b>	<b>930.3</b>	<b>28.3</b>	<b>17.5</b>
Other Income & JV Profit/loss	36.5	28.0	33.4		
Construction Cost (incl. material) / other exp.	800.9	582.2	663.5	37.6	20.7
Employee Cost	86.8	94.5	92.0	(8.1)	(5.6)
<b>EBITDA (excluding other income)</b>	<b>205.7</b>	<b>175.3</b>	<b>174.7</b>	<b>17.4</b>	<b>17.7</b>
<b>EBITDA Margins</b>	<b>18.81%</b>	<b>20.57%</b>	<b>18.78%</b>		
Interest	166.1	156.6	161.2	6.1	3.1
Depreciation	35.5	36.5	36.4	(2.7)	(2.5)
Exceptional Item	-	-	-	-	
<b>Profit / (Loss) Before Tax **</b>	<b>40.5</b>	<b>10.2</b>	<b>10.5</b>	<b>296.7</b>	<b>287.2</b>
Tax	13.4	4.8	3.7		
<b>Profit / (Loss) After Tax</b>	<b>27.1</b>	<b>5.4</b>	<b>6.8</b>	<b>403.5</b>	<b>301.5</b>

\*\* including Other Income and JV profit

# Financial Performance : 9M FY 2014-15

For nine months	9M FY15 31 Dec, 2014	9M FY14 31 Dec, 2013	YoY
	Rs. Cr	Rs. Cr	%
<b>Turnover (net of JV)</b>	<b>3,009.0</b>	<b>2,884.6</b>	<b>4.3</b>
Other Income & JV Profit/loss	104.9	155.1	
Construction Cost (incl. material) ) / other exp.	2,158.1	2,123.3	1.6
Employee Cost	269.5	295.4	(8.8)
<b>EBITDA (excluding other income)</b>	<b>581.4</b>	<b>465.9</b>	<b>24.8</b>
<b>EBITDA Margins</b>	<b>19.32%</b>	<b>16.15%</b>	
Interest	483.5	457.7	5.6
Depreciation	111.5	111.1	0.4
Exceptional Item	-	-	
<b>Profit / (Loss) Before Tax **</b>	<b>91.3</b>	<b>52.2</b>	<b>74.9</b>
Tax	30.3	(4.0)	
<b>Profit / (Loss) After Tax</b>	<b>61.0</b>	<b>56.2</b>	<b>8.5</b>

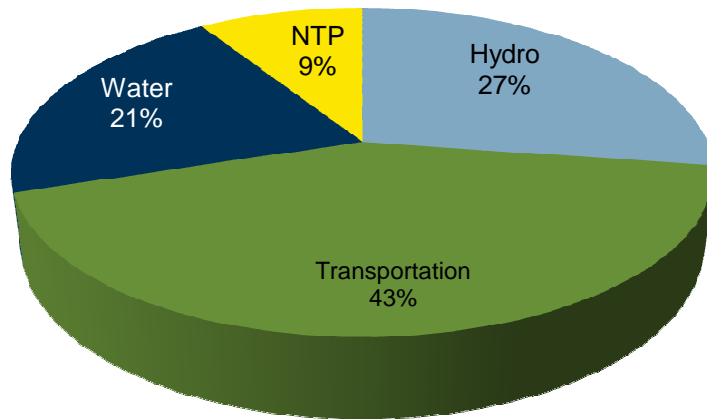
\*\* including Other Income and JV profit



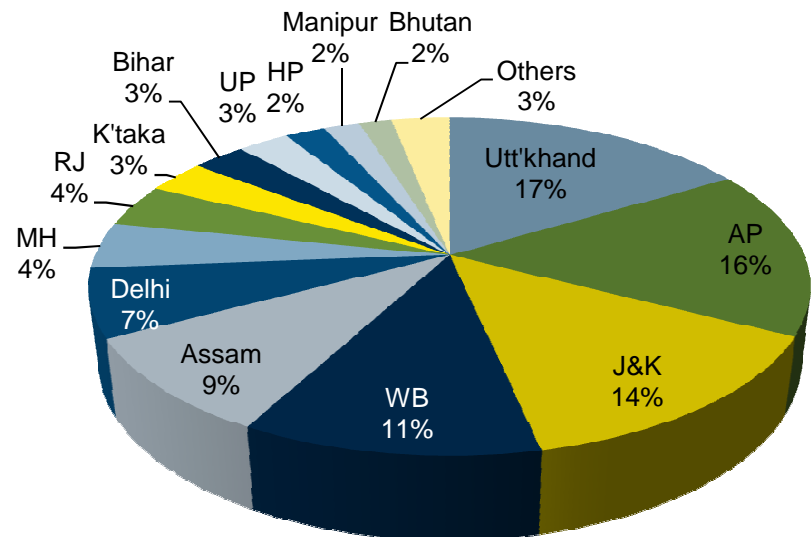
**HCC E&C**

# Order Backlog (as on 1-Jan-2015): Rs 14,307 Cr

## Business Line Wise



## Geographical Spread



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



## FY 2014-15 : Orders Won till 31-Dec-14

(Rs in Cr)

S. No.	Business Line	Name of Project	Client	State	HCC Share (Rs Cr)
1	Transportation	DMRC CC-66 U/G Metro Tunnel	DMRC	Delhi	300
2	Transportation	Elevated Park Circus to EM Bypass- Bal. works	KMDA	West Bengal	257
3	Sp. Projects	Civil Work in C2 Complex, J3 Project, Jamnagar	Reliance Ind.	Gujarat	88
4	Water	Bhandup Pipeline	MCGM	Maharashtra	120
5	Transportation	Indo Nepal Border to Rudhauri Sec of NH-233, UP	MoRTH	UP	393
6	Transportation	Four laning of Numaligarh to Jorhat Section	MoRTH	Assam	455
7	Hydro	Balance Work of HRT for Sawra Kuddu HEP	HPPCL	HP	180
8	Transportation	PWD Munirka Flyover	PWD, Delhi	Delhi	278
	<b>Total</b>				<b>2,071</b>

**In addition to orderbook, L1 orders aggregating Rs. 1,176 Cr**

# Bid Slate as on 31<sup>st</sup> December 2014

(Rs in Crores)

		Hydro	Transport	Water	Sp. Proj (NTP)	Total
<b>A</b>	<b>Price Bids under evaluation</b>	978	2,533	2,000	565	<b>6,076</b>
		1	3	4	2	<b>10</b>
<b>B</b>	<b>Direct Bids/ Bids To Submit where HCC has Pre-Qualified</b>	1,050	22,850	10,647	1,230	<b>35,777</b>
		2	42	16	3	<b>63</b>
<b>C</b>	<b>Bids where HCC has Pre-Qualified and awaiting Tender/ NIT</b>	775	0	400	500	<b>1,675</b>
		2	0	1	1	<b>4</b>
<b>D</b>	<b>PQs bid under evaluation</b>	10,863	10,525	98	7,611	<b>29,097</b>
		8	17	1	8	<b>34</b>
<b>E</b>	<b>PQ to submit</b>	0	5,734	0	0	<b>5,734</b>
		0	9	0	0	<b>9</b>

# Claims Status as on 31 Dec 2014

- ❑ Claims filed so far – **Rs. 10,000 crs plus**
- ❑ Claims details :
  - ❖ Claims awarded in arbitration / court in favour of the company – **Rs. 1,994 crs**
  - ❖ Claims under arbitration – **Rs. 1,370 crs**
  - ❖ Collected till date (since going to CDR) – **Rs. 370 crs**



## **Steiner updates**

- 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 1004 million (Rs.6,358 Cr) excluding contracts of CHF 339 million (Rs.2,146 Cr) yet to be signed

- Key financials of Steiner AG:

(for P&L : exchange rate of 1 CHF = Rs 65.81 as of December 31, 2014)  
(for BS : exchange rate of 1 CHF = Rs 63.31 as of December 31, 2014)

As per IGAAP	9M FY 2014-15	9M FY 2014-15
	CHF Million	Rs. Cr
Turnover	675.6	4,446.1
PAT	4.4	29.0

- Steiner India (100% subsidiary of Steiner AG), executing Lavasa project and implementing third-party projects in Mumbai, Pune, Delhi and Bangalore areas



# HCC Infrastructure

# Business Update

- West Bengal Projects (NH34)
  - Baharampore-Farakka (Pkg 3): Toll collection averaging ~Rs.30 lacs daily in last quarter
  - Farakka-Raiganj (Pkg 4) expected to start tolling by Q2 FY16
- Dhule Palesner Highway (NH3)
  - Toll collection averaging ~Rs.36 lacs daily in last quarter
  - 11 Km Section to be handed over for operations in this quarter and to add ~Rs.2-3 lacs of collection daily
- Capital Raising: Company in process of completing stake sales in Portfolio SPVs
  - Definitive documents signed for Nirmal Annuity Project
- HCC O&M Ltd providing comprehensive O&M services to Nirmal BOT and Baharampore-Farakka



Package 3 Toll Plaza at Km 206



Four-laned section on Package 3 at Km 252





Lavasa Corporation Limited





# Aerial View



Aerial View of Dasve



# Operations – Highlights

Labour strength :

- ~ 2500 Nos. on ground

Units handed Over :

- 765 units handed over to CMS.
- 629 units handed over to customers
- 136 units balance with CMS for handover

Dasve :

- 0.8 million sqft. of residential, commercial & social under development i.e. villas, Club view, lake view, Delfino, Brook view etc.

Mugaon :

- ~1 million sqft of residential under development

Recent establishments :

- Jetovator : Personal water craft activity started in Lakeshore water
- Fun Square and Venkys Express are operational

Tourists :

- ~0.3 million tourist visited in last quarter



# Awards & Events

## Awards and Recognitions:

- Awarded for “Best Eco-Tourism Destination” and “Best Convention Centre Western India”. The awards were presented by Chief Guest, Mr. Shripad Yesso Naik, Minister of State for Tourism and Culture
- Awarded for “The Best Tourist Attraction” in West India. The award was presented by Mr. Parvez Diwan, Secretary-Ministry of Tourism

- **WorldFest 2014:**

- One of its kind international fest at Lavasa with 10 nations displaying the art, culture , food and handicrafts

- **New Year Eve:**

- Around 650 tickets were purchased for this successful Event at LICC promenade

- **Continuation of the Smart city campaign :**

- Lavasa as India's first smart city was promoted through ads in TOI and HT



# Highlights : Institutional sales & updates

## Institutional Sales:

- HT has purchased residential inventory and land , proposed to do a training centre and a corporate guest house
- Aashiana Housing Limited purchased additional built up area

Lavasa has initiated talks for residential joint ventures with some of the reputed corporate real estate in India

## Residential Sales:

- Participated in Times Realty India Expo at Mumbai and Dubai, Sumansa Property Exhibition at Dubai, CBRE Property Fair at Pune and generated over 700 leads and tapped visitor base of over 10,000 prospective customers
- DHFL added as Home Loan Provider for Lavasa Residential Properties. Final approval from HDFC for Pre-EMI Waiver Scheme is in progress
- Signed JLL, CBRE & Standard Chartered (Home Assist) as major Institutional Channel Partners. Working on specific, focused promotion strategy with JLL





**Thank You**

# Disclaimer

*Lavasa Corporation Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a draft red herring prospectus, ("DRHP") with the Securities and Exchange Board of India, ("SEBI"). The DRHP is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) as well as the respective websites of the BRLMs at [www.axiscapital.co.in](http://www.axiscapital.co.in), <http://investmentbank.kotak.com>, [www.icicisecurities.com](http://www.icicisecurities.com). Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section "Risk Factors" on page 19 of the DRHP.*

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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.