



**Hindustan Construction Co Ltd**

# **Investor / Analyst Presentation**

**Q4 FY2017-18**



# 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: FY18 and 4Q FY18

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

## ➤ FY18 Highlights

- Turnover (excluding Other Income) at Rs.4,575 cr vs. Rs.4,196 cr in FY17
- EBITDA margin (excluding Other Income) at 14.1% vs. 17.9%
- Profit after Tax of Rs.78 cr vs. Rs.59 cr
- Orders received in FY18: Rs.2,277 cr
- Order backlog as on March 31, 2018, at Rs.19,188 cr

## ➤ 4Q FY18 Highlights

- Turnover (excluding Other Income) at Rs.1,443 cr vs. Rs.1,358 cr in 4Q FY17
- EBITDA margin (excluding Other Income) at 11.0% vs. 16.5%
- Finance costs at Rs.164 cr vs. Rs.208 cr
- Profit after Tax of Rs.20 cr vs. Rs.21 cr
- Orders received in 4Q FY18: Rs.274 cr

# Financial Performance : FY 2017-18 (y-o-y)

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

	<b>FY18</b>	<b>FY17</b>	<b>y-o-y</b>
	<b>Rs. cr</b>	<b>Rs. cr</b>	<b>%</b>
<b>Total Income from operations</b>	<b>4,826</b>	<b>4,458</b>	<b>8%</b>
Construction Cost (incl. material) / other exp.	3,493	3,045	15%
Employee Cost	438	397	10%
<b>EBITDA (excluding Other Income)</b>	<b>644</b>	<b>754</b>	<b>(15%)</b>
<b><i>EBITDA margins (excluding Other Income)</i></b>	<b>14.1%</b>	<b>17.9%</b>	
Finance Cost	660	772	
Depreciation	123	125	
<b>Profit / (Loss) Before Tax</b>	<b>112</b>	<b>118</b>	
Tax	34	38	
<b>Profit / (Loss) After Tax</b>	<b>78</b>	<b>59</b>	
Other comprehensive income (after tax)	(12)	22	
<b>Total Comprehensive Income (after Tax)</b>	<b>66</b>	<b>81</b>	

# Financial Performance : Q4 FY 2017-18 (y-o-y & q-o-q)

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

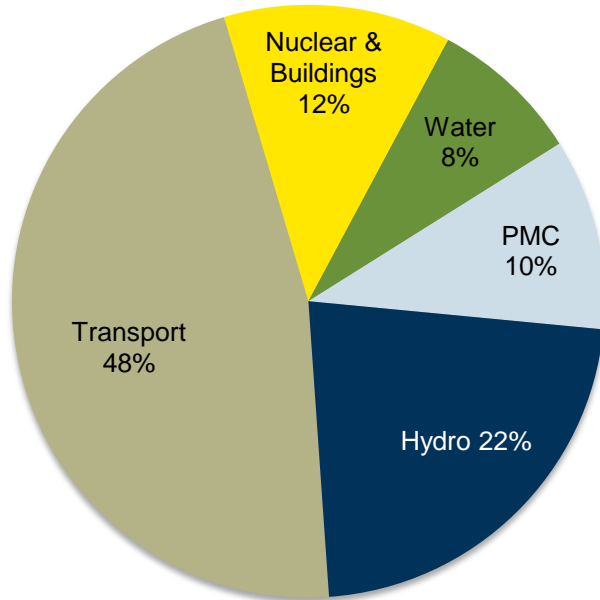
	Q4 FY18	Q4 FY17	y-o-y	Q3 FY18
	Rs. cr	Rs. cr	%	Rs. cr
<b>Total Income</b>	<b>1,511</b>	<b>1,429</b>	<b>6%</b>	<b>1,293</b>
Construction Cost (incl. material) / other exp.	1,167	1,023	14%	959
Employee Cost	116	111	5%	108
<b>EBITDA (excluding Other Income)</b>	<b>159</b>	<b>224</b>	<b>(29%)</b>	<b>164</b>
<b><i>EBITDA margins (%) (excluding Other Income)</i></b>	<b>11.1%</b>	<b>16.5%</b>		<b>13.3%</b>
Finance Cost	164	208		151
Depreciation	35	28		29
Exceptional Item	-	(21)		-
<b>Profit / (Loss) Before Tax</b>	<b>29</b>	<b>37</b>		<b>46</b>
Tax	9	16		15
<b>Profit / (Loss) After Tax</b>	<b>20</b>	<b>21</b>		<b>31</b>
Other comprehensive income after tax	(15)	21		(1)
<b>Total Comprehensive Income (after Tax)</b>	<b>5</b>	<b>42</b>		<b>31</b>



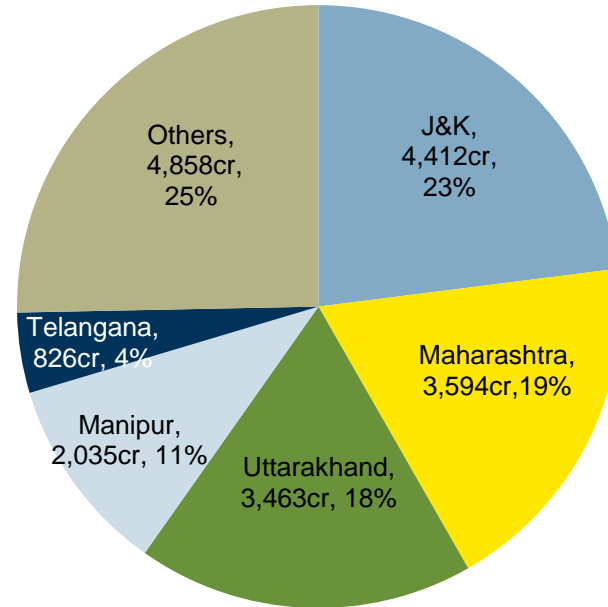
**HCC E&C**

# Order Backlog – Rs.19,188 cr

**Order Backlog - Business Line**



**Order Backlog - Geographic Breakup**



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



# Orders Won: up to March 31, 2018

## Projects awarded in FY18 : Rs.2,277 cr

No.	Business Line	Name of Project	Client	HCC's share (Rs. cr)
1	Water	Parwan Dam + Tunnel	Water Resource Department, Rajasthan	606
2	Transportation	HSR Road - RV Stn. Reach 5 (Pkg 3)	Bangalore Metro Rail Corporation Ltd.	406
3	Nuclear	Construction of Building 401 (Block 3 to 7)	Indira Gandhi Centre for Atomic Research	764
4	Transportation	9 nos. elevated station of Pune metro	Maharashtra Metro Rail Corporation	254
5	Transportation	8 nos. elevated station of Pune metro	Maharashtra Metro Rail Corporation	247
<b>Total awarded projects</b>				<b>2,277</b>

	Post-Arbitration Award stages				
At Arbitration Tribunal	Fresh Arbitration Awards	Lower Court	High Court Single Judge	High Court Division Bench	Supreme Court
Rs.4,915 crores	Total arbitration awards in favour Rs.4,823 crores as of March 31, 2018				

## Status as on March 31, 2018

Total Awards as on March 31, 2018 4,823

Collected through Court against BG 354

**Net Awards 4,469**

Collection as per CCEA Order till date	100% Arbitration Award	75% Payable Amount	Collected	Balance
Letters received per CCEA	2,744	2,043	1,416	627
Letters to be received as on date	1,292	969	-	969
State government	235	-	-	-
<b>Total</b>	<b>4,271</b>	<b>2,831</b>	<b>1,416</b>	<b>1,596</b>

\* CCEA Collection values do not include interest ever since letters were submitted in 2016 & 2017

- ❑ Supreme Court judgment in RJ7 matter to set precedent w.r.t. EoT Claims
  - ABP EoT case (also NHAI) expected to follow and would further entrench core principles that lower courts would be bound to follow
  
- ❑ Landmark SC judgment by Justice Rohinton Nariman w.r.t. Section 36 of new Arbitration Act to help expedite Collections
  - Automatic stay by courts on execution of Arbitration awards no longer applicable, whether or not the appeal was filed under New Act or Old Act
  
- ❑ Numerous censures were delivered this year by Delhi High Court to NHAI on account of frivolous / habitual appeals of Arbitration awards
  - Rationales for censure include loss to exchequer on high interest payable post-award
  
- ❑ Clients more amenable to settle vs. engaging in repeated challenges; for e.g. NHAI in the case of Paradip did not appeal beyond HC Division bench



**Steiner AG**

- 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 CHF1,370 million (Rs.9,260 cr)
- Order intake during FY 2017-18 CHF890 million (Rs.6,011 cr)
- Cash balance CHF107 million (Rs.737 cr)
- Key financials of Steiner AG:

As per IGAAP	FY 2017-18	FY 2017-18	FY 2016-17	FY 2016-17
	CHF Million	Rs. cr	CHF Million	Rs. cr
Turnover	806	5,395	821	5,580
PAT/ (Loss)	9.5	64	3.2	22



## **HCC Infrastructure / HCC Concessions**

# Business Update (Q4 – FY18)

- Baharampore – Farakka – Raiganj – Dalkhola (NH-34 Packages 3, 4, 5)

- Baharampore-Farakka (Pkg 3): Avg daily revenue of Rs.50.7 lakh and PCU growth of 24% y-o-y in Q4 FY18. FY18 saw Avg daily revenue of Rs.43.4 lakh and PCU growth of 13% y-o-y
- Farakka-Raiganj (Pkg 4): Average daily revenue of Rs.37.8 lakh and PCU growth of 31% y-o-y in Q4 FY18. FRHL April PCU growth came in at 22% y-o-y
- Arbitration award of Rs.448 cr for Pkg 3 claims received in Q2 FY18 whilst Arbitration for Pkg 4 for Rs.721 cr claims (for land delays) is expected by Q3 FY19
- Raiganj-Dalkhola (Pkg 5): Project terminated. Arbitration for recoveries commenced

	<b>FY17 Annual PCOD Revenue (Rs. Crores)</b>	<b>FY18 PCOD Revenue (Rs. lakhs per day)</b>	<b>FY18 Annual PCOD Revenue (Rs. Crores)</b>	<b>FY18 Proforma Annual FCOD Revenue (Rs. Crores)</b>
<b>BFHL</b>	135	43.4	158	263
<b>FRHL</b>	68	41.5	152	266
<b>Total</b>	<b>203</b>		<b>310</b>	<b>529</b>



## Lavasa Corporation Limited





# Lavasa Update

## Update on Resolution Plan

- Investors have evinced interest and Resolution plan ongoing with Lenders to find optimal solution for all stakeholders
- HCC working to maximise recovery, while also minimising its liability

## Operational Highlights

- Footfall at Lavasa in FY18 ~1.0 million
- Hospitality revenue in FY18 was down 7% y-o-y at Rs.47 crores
- Overall hotels' average occupancy up 40bps y-o-y in FY18
- Retail revenue in FY18 was up 71% y-o-y



**НСС**