



Hindustan Construction Co Ltd

Investor / Analyst Presentation

Q2 FY2015-16



Presentation Flow

HCC	-	Performance Highlights & Financial Results
HCC E&C	-	Updates
Steiner AG	-	Updates
HCC Infrastructure	-	Updates
Lavasa	-	Updates

Key Highlights

1. Order inflow of Rs. 3664 crs :

- Ramban-Banihal sec of NH 1A (4-Lanning) : Rs. 1783 Crs
- Single line BG Tunnel No.12A : Rs. 785 crs
- BARC Tarapur proejct : Rs. 943 crs (received in first week of October'15)

In addition to above inflow, Company having L1 in below major projects;

- Mumbai Metro Line 3-CBS - UGC-02
- Nikachhu HPP (118 MW), Bhutan

2. Order book to cross Rs. 21,000 crs post conversion of L1 into orders in coming months. Highest in last 5 years and 5 times of Annual Turnover of FY15

3. 247 Stake Sale (26%) deal completed with Blackstone. Received Rs. 158 crs on 10th July 2015 in HCC. In addition to this, Rs. 13 Crs will be received later

4. Significant changes have been made to the Arbitration Act by an Ordinance on October 23, 2015 which will help company in future

Key Financial Highlights: Q2 FY2015-16

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

- Turnover is at Rs. 935.2 Cr v/s Rs. 930.3 Cr
- EBITDA margin at 19.50% V/s 18.78%
- Net Profit of Rs. 38.4 Cr v/s Rs. 6.8 Cr

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

- Turnover is at Rs. 1,840.5 Cr v/s Rs. 1,915.6 Cr
- EBITDA margin at 18.78% V/s 19.62%
- Net Profit of Rs. 46.5 Cr v/s Rs. 33.9 Cr

➤ Current Order backlog is at Rs. 16,988 Cr excluding L1 contracts worth Rs. 4,381 Cr

➤ Orders bagged till date Rs. 3,664 Cr



Financial Performance : Q2 FY 2015-16 (3 mth YoY & QoQ)

For the quarter ended	Q2 FY16 30 Sept'15	Q2 FY15 30 Sept'14	Q1 FY16 30 June'15	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
Turnover (net of JV)	935.2	930.3	905.3	0.5	3.3
Other Income & JV Profit/loss	42.9	33.4	52.5		
Construction Cost (incl. material) / other exp.	664.5	663.5	651.7	0.1	2.0
Employee Cost	88.4	92.0	90.4	(3.9)	(2.2)
EBITDA (excluding other income)	182.3	174.7	163.3	4.4	(11.7)
EBITDA Margins	19.50%	18.78%	18.03%		
Interest	175.6	161.2	167.5	9.0	4.8
Depreciation	35.1	36.4	35.7	(3.8)	(1.9)
Exceptional Item	45.2	-	-	-	
Profit / (Loss) Before Tax **	59.8	10.5	12.5		
Tax	21.4	3.7	4.5		
Profit / (Loss) After Tax	38.4	6.8	8.0		

** including Other Income and JV profit

Financial Performance : H1 FY 2015-16 (6 mth YoY)

For the period ended	H1 FY16 30 Sept'15	H1 FY15 30 Sept'14	YoY
	Rs. Cr	Rs. Cr	%
Turnover (net of JV)	1,840.5	1,915.6	(3.9)
Other Income & JV Profit/loss	95.4	68.4	
Construction Cost (incl. material) / other exp.	1,316.2	1,357.2	(3.0)
Employee Cost	178.8	182.6	(2.1)
EBITDA (excluding other income)	345.6	375.8	(8.0)
EBITDA Margins	18.78%	19.62%	
Interest	343.1	317.3	8.1
Depreciation	70.8	76.1	(6.9)
Exceptional Item	45.2	-	-
Profit / (Loss) Before Tax **	72.3	50.8	
Tax	25.9	16.9	
Profit / (Loss) After Tax	46.5	33.9	

** including Other Income and JV profit



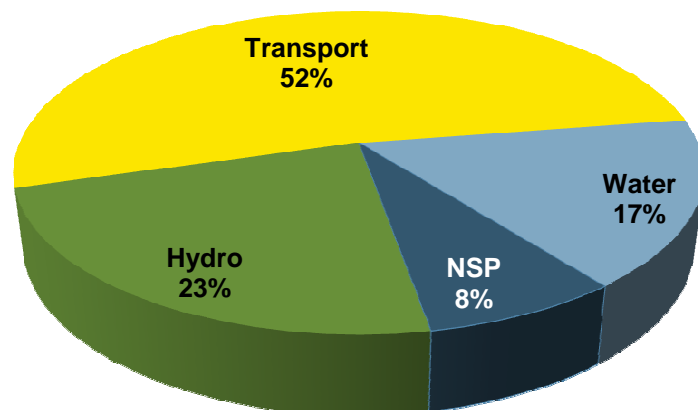
HCC E&C

Awards and Recognitions

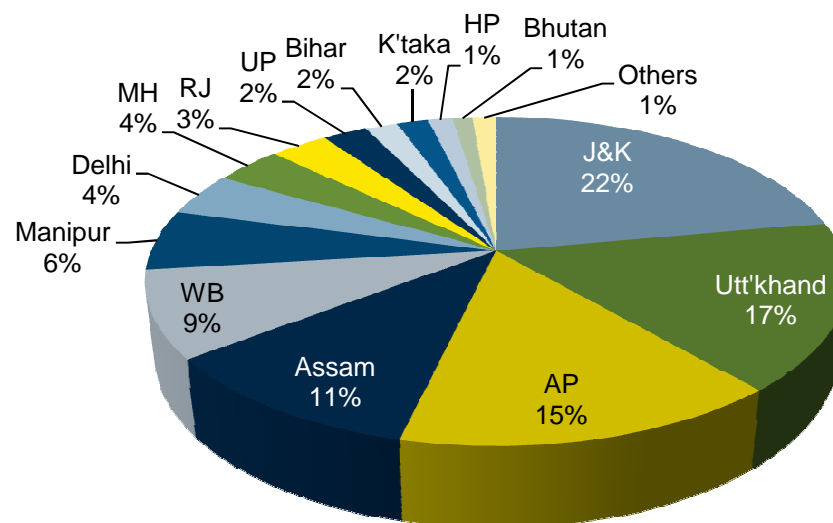
- “Infrastructure Company of the Year Award” to **HCC** by Construction Week for its outstanding contribution in the Infrastructure sector
- ‘Construction Week Award’ for HCC’s **Dagachhu Hydroelectric Power Project** in Bhutan under the category “Water Project of the Year Award”
- “QCI D.L. Shah Quality Award” to HCC’s **Bogibeel Rail-cum-Road Bridge project**
- ‘Indian Concrete Institute Award’ for HCC’s **Padur Cavern Project** under the category “Best Concrete Structure of the year”

Order Backlog (as on 1-Oct-2015): Rs 16,045 Cr

Business Line Wise



Geographical Spread



Order book to cross Rs. 21,000 crs post conversion of L1 into orders

Balanced portfolio having geographical spread across the country

FY 2015-16 : Orders Won till 26-Oct-15

Orders Won

(Rs in Cr)

S. No	Business Line	Name of Project	Client	State	HCC Share (Rs Cr)	Award Month
1	Transportation	Single line BG Tunnel No.12A	NF Railway	Manipur	785	Jul-15
2	Buildings	Tata Memorial Centre Hospital at Vizag	DAE	AP	153	Jul-15
3	Transportation	4-Lanning of Ramban-Banihal sec of NH 1A	NHAI	J&K	1,783	Sep-15
4	Nuclear	C&S Works at BARC Tarapur, Ph I	BARC	MH	943	Oct-15
	Total				3,664	

In addition to order book, Current L1 orders is aggregating to Rs. 4,381 Cr

❑ Claims details :

- ❖ Claims awarded in arbitration / court in favour of the company – **Rs. 2,689 crs**
 - Challenged further by client in court Rs. 2,414 crs
 - Awarded in arbitration but yet not challenged in court Rs. 275 crs
- ❖ Claims under DRB/arbitration / with Engineer –Employer Rs. 7,687 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 1,403 million (Rs.9,425 Cr) excluding contracts of CHF 662 million (Rs.4,447 Cr) yet to be signed
- Order intake during Q2 FY 2015-16 CHF 404 million (Rs. 2,714 Cr)
- Order intake in last 12 months ~ CHF 1,303 million (Rs. 8,753 Cr)
- Key financials of Steiner AG:

(for P&L : exchange rate of 1 CHF = Rs 67.17 as of September 30, 2015)

(for BS : exchange rate of 1 CHF = Rs 67.15 as of September 30, 2015)

As per IGAAP	Q2 FY 2015-16	Q2 FY 2015-16
	CHF Million	Rs. Cr
Turnover	173	1,150
PAT/ (Loss)	(0.03)	(0.2)

- 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):
 - Monsoon quarter toll collection ~Rs.20 lacs daily
 - Baharampore Bypass land entirely procured by NHAI – execution of FCOD stretch underway
 - Farakka-Raiganj (Pkg 4)
 - NHAI land acquisition now complete – execution in full swing with ~70% progress achieved
 - COD expected by fiscal year end
 - Dhule Palesner Highway (NH3)
 - HCC Concessions closes sale of its 60% stake to Sadbhav for Rs.204 crore
 - Toll collection averaged ~Rs.40 lacs daily in last quarter
 - Nirmal Annuity Project
 - HCC Concessions signed definitive documents for sale of Nirmal BOT Ltd in December 2014 for Rs.64 crore
 - Closing expected next month (November 2015)
- Consolidated debt at HCC to reduce by Rs.620 crore after closing of Dhule Palesner & Nirmal Annuity



Package 3 Toll Plaza at Km 206



Construction underway at Package 4



Lavasa Corporation Limited



Aerial View



Aerial View of Dasve

Operations – Highlights

Labour strength : ~ 1000 Nos. on ground

Units handing over, momentum gaining :

- 1010 units ready for possession , around 200 units got ready last quarter

Dasve :

~ 1.5 million Sqft. of residential, commercial & social under development i.e. villas, Club view, lake view, Delfino, Brook view, Valley View etc.

Mugaon :

~1 million Sqft of residential under development

Updates

EHL : 7th batch started with 48 students, operations managed by Expat (properties) Pvt. Ltd.

Oven fresh : Agreement signed to set up a patisserie

Tourism :

- Tourist footfall increased by 40% in Q2 FY2015-16 to 6.1 lakh
- Occupancy at hotels around 65%

Awards & Recognition :

- By Today's Traveler :
 - Lavasa as the 'Smart City of Tourism'
 - 'Best Exhibition and Convention Centre - West India'
- By India Hospitality Awards : Best MICE Destination



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 as well as the respective websites of the BRLMs at www.axiscapital.co.in, <http://investmentbank.kotak.com>, 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.

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.