



**Hindustan Construction Co Ltd**

# **Investor / Analyst Presentation**

**Q2 FY2018-19**

# Presentation Flow

<b>HCC</b>	<b>-</b>	<b>Key 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>Corporate Matters</b>	<b>-</b>	<b>Updates</b>

# Key Highlights: Q2 FY19

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

## ➤ Q2 FY19 Highlights

- Total Income (excluding Other Income) was Rs.984 cr vs. Rs.971 cr in Q2 FY18
  - EBITDA margin (excluding Other Income) was 19.3% vs. 15.3% in Q2 FY18
  - Orders received in Q2 FY19: Rs.1,169 cr (HCC's share only)
- Order backlog as on Sep 30, 2018, at Rs.19,114 cr
- Subsidiary Lavasa Corporation Ltd. admitted into NCLT under IBC on August 30, 2018
- HCC has restructured most of its *with-recourse* liabilities at Lavasa at a material discount
- Upfront write-offs taken as a matter of prudence
- FRHL (BOT asset) sold for an equity consideration of Rs.372 crores; additional consideration may be received based on certain contingencies which, individually, or in aggregate, may be material
- Rights issue of up to Rs.500 crores announced

# Financial Performance : Q2 FY 2018-19 (y-o-y & q-o-q)

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

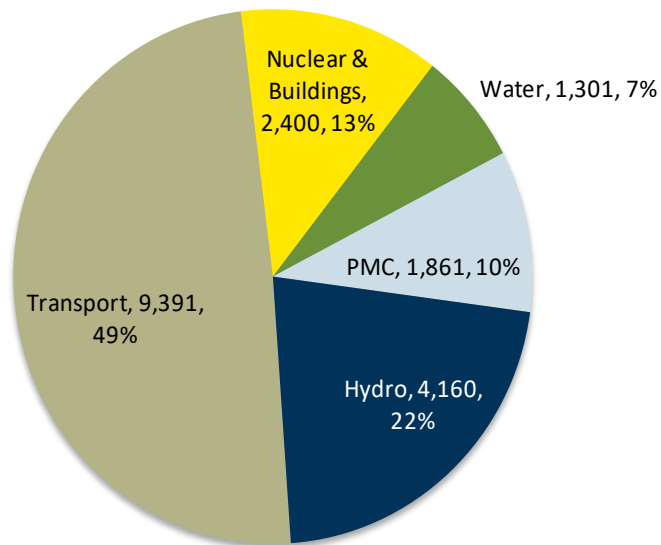
	Q2 FY19	Q2 FY18	y-o-y	Q1 FY19
	Rs. cr	Rs. cr	%	Rs. cr
<b>Total Income</b>	<b>984</b>	<b>971</b>	<b>1%</b>	<b>933</b>
Construction Cost (incl. material) / other exp.	705	712	(1)%	729
Employee Cost	100	110	(9)%	100
<b>EBITDA (excluding Other Income)</b>	<b>190</b>	<b>149</b>	<b>20%</b>	<b>103</b>
<b><i>EBITDA margins (%) (excluding Other Income)</i></b>	<b>19.3%</b>	<b>15.3%</b>		<b>11.0%</b>
Finance Cost	155	163	(5)%	161
Depreciation	40	30	33%	39
Exceptional Item (Write-offs)	(2,011)	-		-
<b>Profit / (Loss) Before Tax and Exceptional items</b>	<b>6</b>	<b>18</b>		<b>(29)</b>
<b>Profit / (Loss) Before Tax after Exceptional items</b>	<b>(2,006)</b>	<b>-</b>		<b>-</b>
Tax	(480)	6		(9)
<b>Profit / (Loss) After Tax</b>	<b>(1,525)</b>	<b>12</b>		<b>(20)</b>
Other comprehensive income after tax	(0)	3		(8)
<b>Total Comprehensive Income (after Tax)</b>	<b>(1,526)</b>	<b>15</b>		<b>(28)</b>



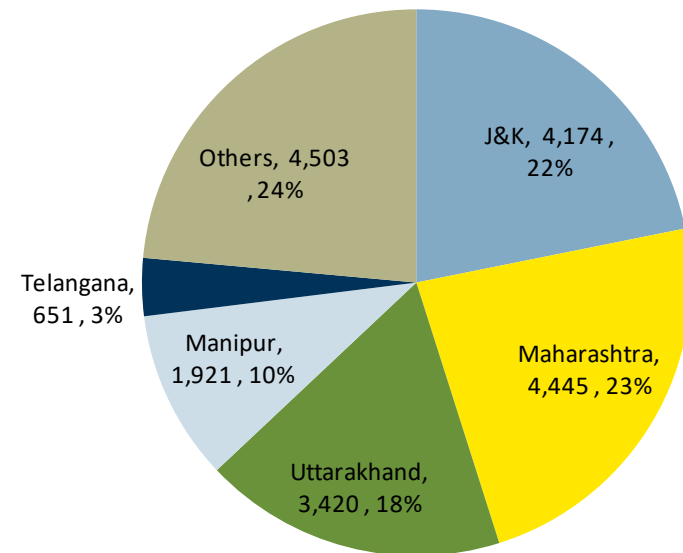
**HCC E&C**

# Order Backlog – Rs 19,114 Cr

## Order Backlog-Business Line wise Breakup



## Order Backlog - Geographic Breakup



Balanced portfolio having geographical spread across the country

## Orders Won: up to September 30, 2018

### Projects awarded in FY19 (up to September 30, 2018): Rs.1,468 cr

S. No.	Business Line	Name of Project	Client	HCC Share (Rs.Cr)
1	NSP	Rooppur Steam Turbine Bldg., Bangladesh	Joint Stock Company "Atomstroyexport"	299
2	Transport	Coastal Road Project – Pkg. 2 (Baroda Palace to Worli End)	Municipal Corporation of Greater Mumbai	1,169
	<b>Total</b>			<b>1,468</b>



# Awards status as on September 30, 2018

Rs Crs

Post Arbitration Award Stage				
Recent Arbitration Award	High Court Single Judge (S/34)	High Court Division Bench (S/37)	Supreme Court (SLP)	Total
139	4,125	212	684	5,160

<b>Award Status as on Sept 30, 2018</b>	(Rs. Crore)
Total Awards as on Sept 30, 2018	5,160
Less: Collected through Court against BG	250
Less: Collected through CCEA mechanism (75%)	1,537
<b>Balance to be Collected</b>	<b>3,373</b>



**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 as of September 30, 2018, CHF1.29 billion (Rs.9,600 cr)
- Order intake during Q2 FY 2018-19 CHF177 million (Rs.1,319 cr) as against CHF137 million in the same quarter last year; the company has further secured orders worth CHF350 million (Rs.2,609 cr) where contracts are yet to be signed
- Cash balance CHF110 million (Rs.820 cr)

Key financials of Steiner AG:

As per IndAs	Q2 FY 2018-19	Q2 FY 2018-19	Q2 FY 2017-18	Q2 FY 2017-18
	CHF Million	Rs. cr	CHF Million	Rs. cr
Turnover	199.0	1,392	196.7	1,307
PAT/ (Loss)	14.9	104	2.9	19

(for P&L: exchange rate of 1 CHF = Rs 66.44 for quarter ended Sept 30, 2017)

(for P&L: exchange rate of 1 CHF = Rs 69.971 for quarter ended Sept 30, 2018)

(for BS : exchange rate of 1 CHF = Rs 74.54 for quarter ended Sept 30, 2018)



## **HCC Infrastructure / HCC Concessions**

- Binding Definitive Documents signed on September 28, 2018, for sale of 100% equity of Farakka Raiganj Highways Ltd., a unit of HCC Concessions Ltd. (85.45%-owned by HCC Infrastructure Ltd., a wholly owned unit of HCC Ltd.) to Cube Highways and Infrastructure II Pte. Ltd. for an equity consideration of Rs.372 crores
- Additional sums may be received based on contingencies such as completion of the balance section of the project highway, resolution of certain disputes with NHAI and certain earnouts which, individually, or in aggregate, may have a significant impact on the total consideration received
- Further, all Claims will be passed through to sellers (HCC and HCC Concessions)

- **Baharampore – Farakka – Raiganj – Dalkhola (NH-34 Packages 3, 4, 5)**
  - Baharampore-Farakka (Pkg 3): Average daily revenue of Rs.28.8 lakh and traffic growth of 15.6% y-o-y in Q2 FY19
  - Farakka-Raiganj (Pkg 4): Average daily revenue of Rs.34.0 lakh and traffic growth of 42.7% in Q2 FY19 y-o-y. FRHL traffic growth came off a low base caused by flooding in Q2 FY18
  - Raiganj-Dalkhola (Pkg 5): Arbitration process in under way



Farakka Raiganj Highway: Toll Plaza at Km 297



Km 341 (Farakka Raiganj Highway)



## **Corporate Matters**

# HCC has ring-fenced most of its liabilities at Lavasa Corp.

Rs. in Crores

Particulars	Loan O/s (30-Sep-2018)	HCC Put / CG O/s (30-Sep-2018)	Settlement	Savings Effected	Broad Terms of Settlement
<b>Settlements / Restructurings effected <sup>(1)</sup> (A)</b>	<b>1,017</b>	<b>943</b>	<b>514</b>	<b>428</b>	<ul style="list-style-type: none"> <li>• YTM @ 9.5% p.a. all PIK</li> <li>• No interim coupon payments and/or corporate actions</li> <li>• Payment by 31-Mar-23 via designated claim pool</li> </ul>
<b>Balance Recourse (B)</b>	<b>714</b>	<b>232</b>	<b>232<sup>(2)</sup></b>		<ul style="list-style-type: none"> <li>• Loans have substantial land security cover</li> </ul>
<b>Total (A) + (B)</b>	<b>1,732</b>	<b>1,176</b>	<b>747</b>		

<sup>(1)</sup> Subject to requisite approvals

<sup>(2)</sup> Conservatively assumed to be settled at par for purposes of prudential accounting



## Details on write-offs during the quarter

<b>Investments</b>		(Rs. Crore)
Lavasa-related (Equity & ICDs)		<b>1,046</b>
Other*		<b>219</b>
<b>TOTAL (A)</b>		<b>1,265</b>
<b>CG/Put Liabilities at Lavasa</b>	<b>Original Value as on Sep 30, 2018</b>	<b>Settlement</b>
<b>TOTAL (B)</b>	<b>1,176</b>	<b>747</b>
<b>GRAND TOTAL (A + B)</b>		<b>2,011</b>

\* Mainly pertaining to equity & ICDs written off on sale of Charosa Wineries Ltd.



**НСС**