Press Release

HCC FY20 Revenue at Rs. 3,676 Crore; EBITDA margin at 12.7%

Mumbai: July 09, 2020: HCC reported turnover and EBITDA of Rs.3,676.1 crore and Rs.462.1 crore, respectively, in FY20, as against Rs.4,721.6 crore and Rs.589 crore, respectively, in FY19. The company's order book stood at Rs.16,857 crore as of March 31, 2020.

Project execution activities were halted during March due to the COVID19 pandemic. Turnover shortfall was also affected by working capital constraints which resulted in under recovery of cost. This led to a net loss of Rs. 168.7 crore despite healthy margins. The Company is yet to ascertain the precise impact of COVID on its operations and is working solutions with its various Government Agency clients. The Company is committed to fulfilling its existing contractual obligations and appreciates the various relief measures announced by the Government through Force Majeure invocation and Extension of Time (EoT) recompense measures.

Nearly all of the Company's project sites have started functioning, and per the strict guidelines issued by the relevant Central/State governments. Employees and workmen are observing social distancing and requisite safety norms at the workplace.

Financial highlights - HCC audited standalone results

– Turnover of Rs 3,676.1 crore in FY20 versus Rs 4,721.6 crore last year and Rs.787.7 crore in Q4 FY20 versus Rs.955.6 crore in Q4 FY19

– Net Loss of Rs 168.7 crore in FY20 compared to Loss of Rs 1,925.6 crore last year and Net Loss of Rs.211.9 crore in Q4 FY20 versus Net Profit of Rs.222.2 crore in Q4 FY19

– EBITDA margins at 12.7% in FY20 compared to 12.8% last year

– The order book at Rs 16,857 crore, excluding L1 contract worth Rs 2,042 crore

Mr. Arjun Dhawan, Group Chief Executive Officer said, "COVID19 has exacerbated the liquidity crisis faced by the construction industry. The Government is actively working to mitigate risk aversion by financial institutions through its policies, including settlement of legacy payment lock-ups. HCC has undertaken several initiatives to divest assets and conciliate claims, besides redoubling its efforts to conserve cash. As we restart our operations, we look to the courage of our workforce and the support of our stakeholders, including senior lenders, to engineer unique solutions to meet the challenges of the post-COVID working environment."

In January 2020, the Company initiated a resolution plan with its Lenders which will carve-out ~Rs.2,800 crore of its debt (including all overdues) to an investor run SPV along with certain Arbitration Awards and Claims in a move that will significantly deleverage the company and address its asset-liability mismatch. Pursuant to the plan, HCC will have a cleaner balance sheet with no debt servicing obligations for the next 34 months. Interest costs will reduce by approximately Rs.250 crore per annum. As part of the plan, identified monetisation/conciliation proceeds to the extent of Rs.750 crore would be utilised for the Company's operations and working capital. Finalization and implementation of the resolution plan is delayed due to COVID19 and is expected to conclude with requisite approvals by September 30, 2020.

Currently, Rs.4,159 crore worth of arbitration awards remain unrealized. Post the resolution plan, approximately Rs.1,550 crore awards and Rs. 4,916 crore claims will be retained by HCC.

Performance of HCC subsidiaries:

Steiner AG: Steiner AG reported revenues of CHF 802 million (Rs.5,779 crore) in the financial year 2019-20 as compared to CHF 825 million (Rs.5,855 crore) in the previous year and a profit of CHF 28.04 million (Rs. 202 crore) as compared to a net profit of CHF 38.10 million (Rs.270 crore). The Company secured fresh orders worth CHF 705 million (Rs.5,080 crore). The order book stood at CHF 1.33 billion (Rs.9,584 crore) at the end of the financial year. In addition to this, the Company has secured orders for CHF 428 million (Rs.3,084 crore), where contracts are yet to be signed.

HCC Concessions Ltd.: FY20 turnover of Baharampore Farakka Highways Ltd. grew to Rs.144.7 crore with average daily collection of 39.5 lakh and traffic rising 8 % yoy. Farakka Raiganj Highways Ltd. reported FY20 turnover of 167.1 crore with average daily revenue of Rs.45.5 lakh and traffic rising 20 % yoy. In Q4 FY20 the traffic grew for BFHL and FRHL by 23% and 92%, respectively, on account of a low base effect (Farakka Barrage repair last year). Traffic and revenue for FY20 were marginally impacted from March 22 onwards due to COVID19 lockdowns. On the resumption of toll collection from April 19 onward, traffic has recovered to pre-lockdown levels.

The sale of Farakka Raiganj Highways to Cube Highways was delayed due to COVID19 and is now expected to close in Q2 FY21. The company has also concluded the settlement of its termination payment for Badarpur Faridabad Tollways with NHAI in Q4 FY20.

About HCC:

HCC is a business group of global scale developing and building responsible infrastructure through next practices. With an engineering heritage of nearly 100 years, HCC has executed a majority of India's landmark infrastructure projects, having constructed 27% of India's Hydro Power generation and 60% of India's Nuclear Power generation capacities, over 3,960 lane km of Expressways and Highways, more than 360 km of complex Tunnelling and 383 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs. 9,437 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.