

Press Release

HCC wins three new orders worth Rs. 7,402 Cr in Q2 FY21

Turnover at Rs.466.2 cr, hit by COVID19 pandemic

Mumbai: November 12, 2020: After being hit by the COVID19 pandemic and ensuing lockdown, HCC began mobilisation of its sites and gradually resumed operations as per prescribed norms, to almost 80% of its capacity in the quarter ended September 30, 2020. HCC recorded Revenues of Rs.466.2 crore for the quarter, registering a decline of 50.7% yoy primarily due to the pandemic impact, which has also resulted in an under recovery of costs. This impacted EBITDA margins in Q2 FY21 which stood at 8.2% compared to 18.6% in the corresponding period last year. The company is working with its clients on solutions to improve its working capital flow and for the accelerated recovery of costs per contract provisions.

The Company has recorded an exceptional loss of Rs. 84.5 crore on account of conciliating an NHA Award in order to generate immediate liquidity for its operations. During the quarter, HCC also completed the 100% sale of Farakka-Raiganj Highways Limited (FRHL), a subsidiary SPV of HCC Concessions Ltd. and one of the largest Public Private Partnership (PPP) projects in India, to Cube Highways and Infrastructure II Pte Ltd for an enterprise valuation of Rs.1,508 crore.

HCC's registered order backlog stood at Rs.18,995 crore at the end of Q2 FY21. Three projects worth Rs.7,402 crores were won in joint venture in July and August; HCC's share being Rs.3,337 crore. This included a Rs.1,900 crore NHA order to construct a 22 km highway link between Jharkhand and Bihar, a Rs.4,167 crore contract for Bhadbhut barrage in Gujarat and Rs.1,335 crore Rail Vikas Nigam order to construct 8.04 km BG rail line between Rishikesh and Karanprayag in Uttarakhand.

Financial highlights:

Un-audited Standalone results for Q2 FY21 vs. Q2 FY20

- Net Loss of Rs.179.9 crore vs. Net Loss of Rs.173.7 crore
- Turnover of Rs.466.2 crore vs. Rs.946 crore
- EBITDA of Rs.37.3 crore vs. Rs.174.4 crore and EBITDA Margins of 8.2% vs 18.6%
- Order book at Rs.18,995 crore as of September 30, 2020

The debt carve-out resolution plan with lenders is expected to conclude by Q4 FY21. Approximately Rs.3,150 Cr fund-based debt will be carved into an SPV, of which 51% will be owned by an Investor, who has been shortlisted by the consortium of lenders. The plan is in advanced stages of implementation and is expected to be presented to the Overseeing Committee (OC) shortly, post which the lenders' respective Boards will accord final approval.

Performance of HCC subsidiaries:

Steiner AG: Steiner AG reported revenues of CHF 168.4 million (Rs.1,355.2 crore) in Q2 FY21 as compared to CHF 139.8 million (Rs.1,009.6 crore) in the previous year quarter and

a net loss of CHF 9.5 million (Rs.77.4 crore) as compared to a net loss of CHF 22.2 million (Rs.156.7 crore). The Company secured fresh orders worth CHF 154.9 million (Rs.1,230.4 crore). The order book stood at CHF 1.35 billion (Rs.10,691.1 crore) at the end of Q2 FY21. In addition to this, the Company has secured orders for CHF 303 million (Rs.2,406.69 crore), where contracts are yet to be signed.

HCC Concessions Ltd.: 100% sale of Farakka-Raiganj Highways Limited to Cube Highways and Infrastructure II Pte Ltd was completed on September 22, 2020. Baharampore Farakka Highways Ltd registered turnover of Rs. 41.0 crore in Q2 FY21 vs Rs. 31.8 crore in Q2 FY20, an increase of 28.8% yoy and Farakka Raiganj Highways Ltd (FRHL) registered turnover of Rs. 31.1 crore in Q2 FY21 (till September 22, 2020) vs Rs. 30.0 crore in Q2 FY20, an increase of 14% yoy adjusted for period till 22nd September.

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.