



HCC

Hindustan Construction Co Ltd

Investor / Analyst Presentation

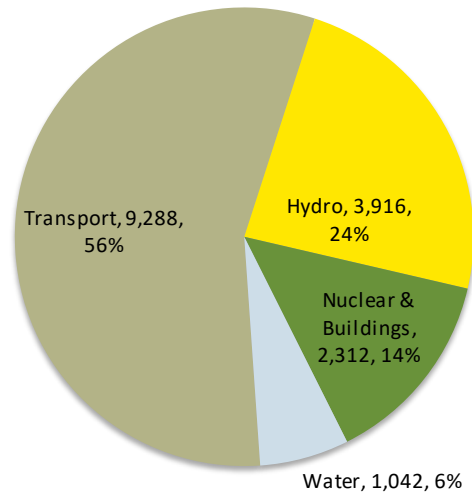
Q1 FY 2020-21

Presentation Flow

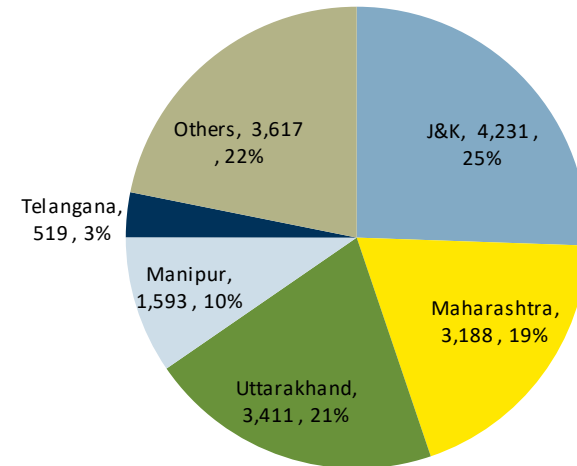
- HCC** - **Key Highlights and Financial Results Q1 FY21**
- HCC Infrastructure** - **Updates**
- Steiner AG** - **Updates**

Order Backlog Q1 FY21 – Rs 16,558 Cr

Order Backlog Business Line wise Breakup



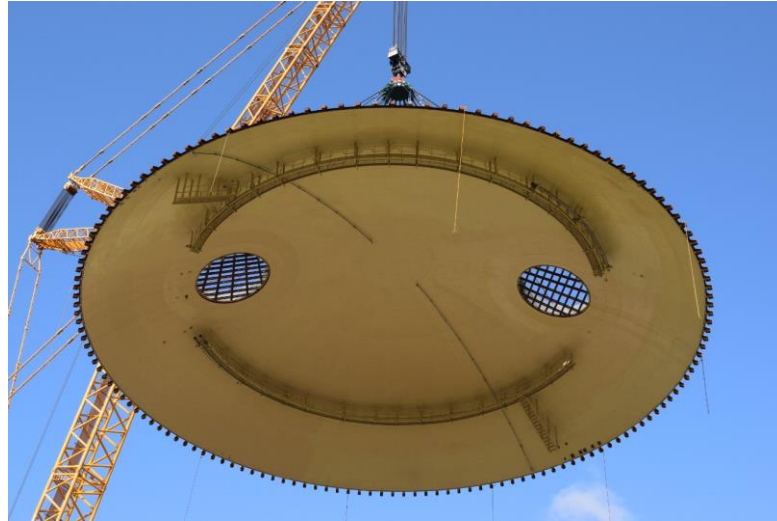
Order Backlog - Geographic Breakup



Balanced portfolio having geographical spread across the country

1. 6 bids submitted in FY 19-20 under evaluation: Rs. 3,432 Crs
2. 2 bids submitted in Q1 FY21 under evaluation: Rs. 3,643 Crs
3. 3 L1 orders in Q1 FY21 which were awarded in Q2 FY21: Rs. 7,402 Cr, HCC share: Rs. 3,337 Crs.
 - i. Shahibganj Bypass, Bihar : Rs. 1,900 Crs (26% JV, HCC share: Rs. 494 Crs)
 - ii. Bhadbut Barrage, Gujarat : Rs. 4,168 Crs (49% JV, HCC share: Rs. 2,042 Crs)
 - iii. RVNL Pkg. 9, Uttarakhand : Rs. 1,335 Crs (60% JV, HCC share: Rs. 801 Crs)

HCC continues to deliver projects of national importance



After erection of the dome for Unit 7 of Rajasthan Atomic Power Plant last year, the second dome was successfully erected for Unit 8 on May 17, 2020

HCC continues to deliver projects of national importance



HCC completed both tunnels for Metro III project: HCC is the first contractor to complete the entire length of twin tunnels using TBMs on Mumbai Metro Line 3. The first tunnel was completed on August 02, 2019 and the second one was completed on April 30, 2020

Key Highlights: Q1 FY21

1. Turnover: Rs. 462.3 Cr in Q1 FY21 vs. Rs. 986.9 Cr in Q1 FY20
2. Maintained EBITDA margin (excluding Other Income): 24.9% in Q1 FY21 vs. 19.7% in Q1 FY20
3. Net Loss of Rs. 217.4 Cr after exceptional loss of Rs. 242.4 Cr on conciliation with NHAI for an award; compared to loss of Rs. 5.4 Cr in Q1 FY20
4. Conciliations of Awards/Claims underway with NHAI for E&C and BOT
 - i. Closed 3 conciliations with NHAI in Q1: 2 BOT projects (Badarpur Faridabad Tollway and Narmada Bridge Project) and Assam Road Project (AS23)
 - ii. Other conciliations underway and delayed due to Covid-19; closure expected in Q2 and Q3 of FY21
5. Robust performance of BOT assets
6. Debt carve-out resolution plan with lenders expected to conclude in Q3 FY21; certain amendments to the plan in favour of the Company received in-principle approval by lenders, effectively resulting in zero debt service obligations for next ~3 years and interest cost savings to the tune of Rs. 250 Cr p.a.
7. Return process of Interest Top-up BGs initiated (~ Rs. 850 Cr)

Impact of COVID19

1. Revenue impacted by nation-wide lockdown
2. All 42 sites resumed operations while observing prescribed norms
 - a) Expected gradual normalization
 - b) Work progress suboptimal due to shortage of labour, supply chain disruption, working capital cycle disruption and following of safety norms
3. Additional cost impact due to COVID; company to recover from clients through EoT arbitration claims and Force majeure clause
4. Continuing advocacy by Construction Industry for Government support

Claims & Awards status as on June 30, 2020

Rs. Cr

Post Arbitration Award Stage			
High Court Single Judge (S/34)	High Court Division Bench (S/37)	Supreme Court (SLP)	Total
5,420	635	827	6,882

Award Status as on June 30, 2020	(Rs. Cr)
Total Awards as on June 30, 2020	6,882
Less: Collected through Court against BG	1,111
Less: Collected through CCEA mechanism (75%)	1,570
Balance to be Collected	4,201

Update on Debt Resolution Plan

1. ~2800 Cr/ 50% exposure (TL + Cash Credit + Overdues) carved out to new SPV
2. SPV to be majority owned by third party investor; 49% by HCC
3. HCC recourse limited to only 20% of principal (~550 Cr)
4. Carved-out Debt restructured as 10-year NCD, payable from 6th year onwards
5. Awards and Claims cover to be assigned to 2.2x vs 2.5x of debt transferred resulting in ~800 Cr claims retained with HCC; upside from realisations to be shared with investor and 49% foldback to HCC
6. Monetization proceeds up to Rs. 1250 Cr vs Rs. 750 Cr to be prioritised for operations
7. Additional moratorium on repayment of remaining debt in HCC till FY29.
8. Existing NFB facilities to be re-issued; enhanced NFB facility of Rs.1550 Cr to be re-issued for Execution Petitions in the ratio of 70:30
9. Investor term sheets received for Equity and Debt

Modified plan presented to consortium of lenders on 18 Aug 2020; in-principle approval received from majority of lenders; closure by Q3 FY21, subject to OC and timely Lender Board approvals

HCC Debt Resolution Plan

Particulars (as on 30 Sept 2020) Rs. Cr	Existing	After Carve out	
	HCC	Claims Co.	HCC
Awards & Claims	12,176	6,196	5,980
Awards	4,090	2,816 (1x)	1,274
Claims	8,086	3,380 (1.2x)	4,706
Total fund based debt	5,612	2,816	2,796
Term Loan	784	784	-
Cash Credit	1,368	1,368	-
OCD (Principal)	1,196	-	1,196
Yield on OCD	700	-	700
Est. interest overdues & BG Commissions	318	318	-
Est. NFB Devolvement	346	346	-
LCL with yield	900	-	900
Total non fund based debt	6,585	-	6,585

Financial Performance : Q1 FY 2020-21 (y-o-y & q-o-q)

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

	Q1 FY21	Q1 FY20	y-o-y	Q4 FY20
	Rs. Cr	Rs. Cr	%	Rs. Cr
Total Income	462.3	986.9	(53.2)	787.7
Construction Cost (incl. material) / other exp.	258.9	691.9		780.8
Employee Cost	81.6	95.04		105.6
EBITDA (excluding Other Income)	113.1	193.4	(41.5)	(107.1)
EBITDA margins (%) (excluding Other Income)	24.9%	19.7%		(13.7)%
Finance Cost	197.03	172.3		218.4
Depreciation	19.9	30.9		21.3
Exceptional Items – Gain / (Loss)	(242.4)	0		(11.5)
Profit / (Loss) Before Tax	(95.3)	(3.2)		(338.4)
Profit / (Loss) Before Tax after Exceptional items	(337.7)	(3.2)		(349.8)
Tax	(120.3)	2.21		(137.9)
Profit / (Loss) After Tax	(217.4)	(5.4)		(211.9)
Other comprehensive income after tax	1.4	(3.2)		(2.1)
Total Comprehensive Income (after Tax)	(215.9)	(8.6)		(214.0)



HCC Concessions

Business Update (Q1 FY21)

Baharampore–Farakka–Raiganj (NH-34 Packages 3 & 4)

1. Baharampore-Farakka (Pkg 3):

- Revenue Rs. 24.3 Crs in Q1 FY21 vs Rs. 34.3 Crs in Q1 FY20; decline of 29.1% yoy.

2. Farakka-Raiganj (Pkg 4):

- Revenue Rs. 29.1 Crs in Q1 FY21 vs Rs. 38.3 Crs in Q1 FY20, decline of 24% yoy

- Decline in revenue mainly due to complete suspension of toll; Subsequently, post the easing of lockdown, traffic has recovered to pre-COVID levels.

- Sale of Farakka-Raiganj to Cube Highways and Infrastructure II Pte. Ltd. expected to conclude in Q2 FY21



Farakka Raiganj Highway: Toll Plaza at Km 297



Km 341 (Farakka Raiganj Highway)



Steiner AG

Steiner AG Q1 FY21 Highlights

- 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 June 30, 2020: CHF 1.36 billion (Rs. 10,648 Cr)
- Order intake during Q1 FY 21 was CHF 108.1 million (Rs. 846 Cr) as against CHF 169.8 million (Rs. 1328.87 Cr) in Q1 FY20; company has further secured orders worth CHF 451 million (Rs. 3,531 Cr) where contracts are yet to be signed

Key financials

As per IGAAP	Q1 FY 2020-21	Q1 FY 2020-21	Q1 FY 2019-20	Q1 FY 2019-20
	CHF Million	Rs. Cr	CHF Million	Rs. Cr
Turnover	155.4	1,217	260.2	1,875
PAT/ (Loss)	(20.9)	(164)	14.9	107



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