



August 17, 2020

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code- 541019

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400 051
Scrip Symbol- HGINFRA

Dear Sir/Madam,

Sub: Investor Presentation

Please find enclosed a copy of Investor Presentation on the Unaudited Financial Results of the Company for the quarter ended June 30, 2020.

The above information is also being uploaded on the Company's website at www.hginfra.com

This is for your information and records.

Thanking you,

Yours faithfully,

For H.G. Infra Engineering Limited


Rajeev Mishra
Chief Financial Officer



Encl: as above

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H.G. Infra Engineering Ltd.

Investor Presentation Q1 FY21

Agenda



- 1 **Q1FY21 Financial Highlights**
- 2 **Q1FY21 Operational Highlights**
- 3 **A Steady Transformation**
- 4 **Growth Strategy**
- 5 **Historical Financials**



Q1 FY21 Financial Highlights

Standalone profit & loss statement



(Rs mn)	Quarter		
	Q1FY21	Q1FY20	YoY
Revenue from operations	2,979	5,261	-43%
Cost of material consumed	1,407	2,275	
Contract and site expenses	817	1,856	
Employee expenses	223	289	
Other expenses	41	46	
Total Operating expenses	2,488	4,466	
EBITDA	491	795	-38%
EBITDA margin	16.5%	15.1%	
Finance Cost	122	123	
Depreciation	195	176	
Other Income	27	31	
PBT	201	527	-62%
PBT margin	6.8%	10.0%	
Tax Expenses (Credits)	50	183	
PAT	151	344	-56%
PAT margin	5.1%	6.5%	
Other comprehensive income	2	-4	
Total comprehensive income	152	340	

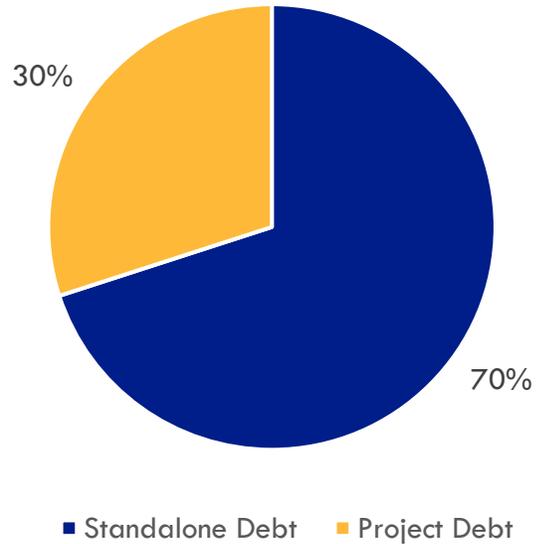
Consolidated profit & loss statement



(Rs mn)	Quarter		
	Q1FY21	Q1FY20	YoY
Revenue from operations	3,119	5,321	-41%
Cost of material consumed	1,407	2,275	
Contract and site expenses	821	1,856	
Employee expenses	226	291	
Other expenses	55	55	
Total Operating expenses	2,509	4,476	
EBITDA	610	845	-28%
EBITDA margin	19.6%	15.9%	
Finance Cost	182	136	
Depreciation	195	176	
Other Income	27	31	
PBT before share of associate	260	563	
Share of profit of associate	-	10	
PBT	260	573	-55%
PBT margin	8.3%	10.8%	
Tax Expenses (Credits)	61	194	
PAT	199	379	-47%
PAT margin	6.4%	7.1%	
Other comprehensive income	2	-4	
Total comprehensive income	201	375	

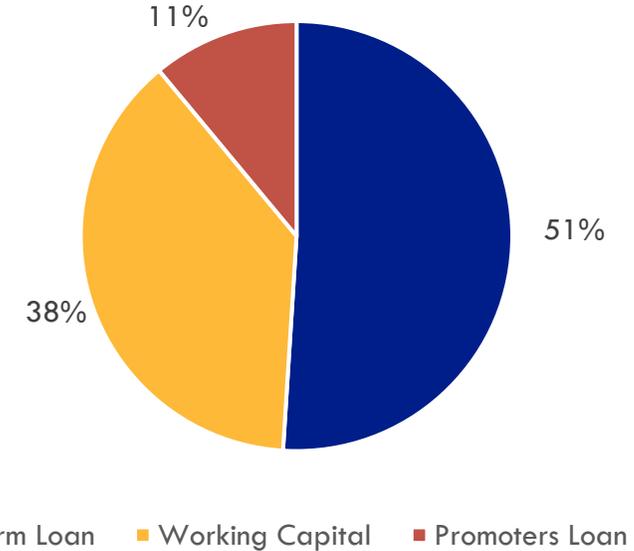
Debt breakup

Consolidated Debt Breakup



Rs mn)	Jun-20
Standalone debt	3,809
Project debt	1,645
Total consolidated debt	5,454
Consolidated Cash & Bank	1,102

Standalone Debt Breakup



(Rs mn)	Jun-20
Term loan + current maturities*	1,935
Working Capital	1,443
Promoters loan	431
Total Standalone Debt	3,809
Standalone Cash & Bank	1,093

*Includes payables under MSME Trade receivables discounting system (TReDS) - Rs 420.6 Mn for Jun'20



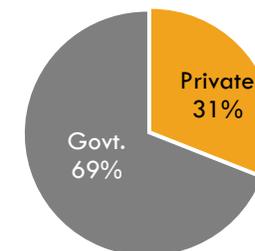
Q1 FY21 Operational Highlights



Robust & well diversified order book

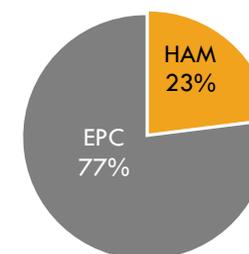
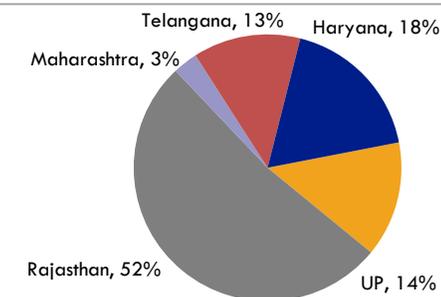


Project	Awarding Authority	Unexecuted Value (Rs mn)
Delhi Vadodara Pkg-9	NHAI	11,635
Hapur Morradabad	MRM	9,441
Mancherial - Repallewa	Adani	8,981
Delhi Vadodara Pkg-8	NHAI	8,212
Delhi Vadodara Pkg-4	NHAI	6,866
Narnual Bypass	NHAI	6,453
Rewari Ateli Mandi Pkg-4	NHAI	3,991
Rewari Ateli Mandi	NHAI	3,451
Gurgaon-Nuh-(Rajiv chowk)	NHAI	2,156
Bhilwara-Gulabpura	IRB - MRM	2,298
MoRTH Projects (MH & Rajasthan)	MoRTH	2,272
Rajasthan Projects (Work Bank funded)	PWD	1,409
Others		1,149
Total		68,314



**Client wise break-up:
Optimum mix of
prime contracts and
select private projects**

**Geographical break-up:
successful
diversification beyond
home state Rajasthan**



**Project type break-up:
foray into HAM to tap
the growing
opportunity**

HAM project details



Project	Awarding authority	State	Kms Lanes	BPC (Rs. mn)	Grant Amount (Rs. mn)	Total Debt (Rs. mn)	Invested Equity (Rs. mn)	Debt as on 30 th Jun '20 (Rs. Mn)	Completion Status as on 30 th Jun '20 (%)
Gurgaon-Sohna (Rajiv chowk)	NHAI	Haryana	12.7	6,060	2,424	2,879	524.5	1,499.5	58%
Rewari Ateli Mandi	NHAI	Haryana	30.4	5,800	2,320	2,270	382.3	145	28%
Narnual Bypass	NHAI	Haryana	40.8	9,521	3,808	4,060	551.5	-	20%
Rewari Ateli Mandi Pkg-4*	NHAI	Haryana	14.4	5,220	2,088	~2,200	1.5	-	-

*Rewari Ateli Mandi Pkg -4 yet to receive FC



A Steady Transformation



What we were...

2015



An upcoming subcontractor with presence majorly in Rajasthan

Experience in 2 states

50%+ Revenue from sub-contracting

Avg. ticket size
Rs 500mn

EPC pre-qualification
Rs 2,500mn



Revenue Rs 3,317mn



Employees 600+



Gross Block
Rs 1,489mn

Order Book
Rs 10,677mn

All financials are for FY15

What we are...

2020



A leading road infra developer
with pan India presence

Experience in 8 states

~25% Revenue from
sub-contracting

Avg. ticket size
Rs 1,800mn

EPC pre-qualification
Rs 20,000mn



Revenue Rs 21,961mn



Employees 2,300+



Gross Block
Rs 6,898mn

Order Book
Rs 68,314mn

(As on June 30th, 2020)

All financials are for FY20

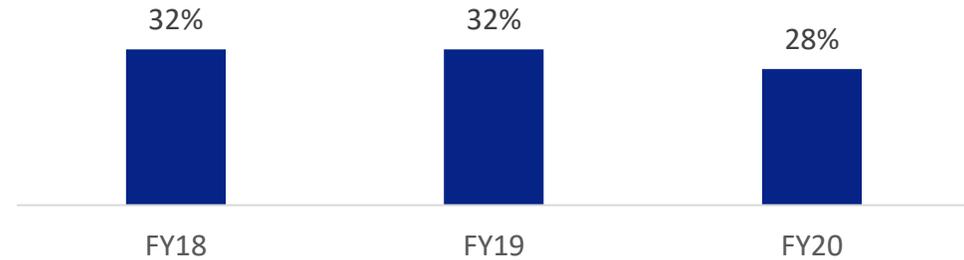
While maintaining these along the way...

Discipline in selecting orders, focusing on Balance Sheet & delivering consistent financial performance

EBITDA Margin



Return on Capital Employed



Working Capital Cycle



Debt to Equity



- ✓ ROCE = EBIT/Total Assets – Current Liabilities
- ✓ Debt to Equity = Total debt/Shareholders Equity
- ✓ Debtor days = Average Trade Receivables (excl. retention money) /Revenue From Operations

- ✓ Inventory Days = Average Inventory / Cost of Materials
- ✓ Creditors Days = Average Trade Payables / (Cost of Materials + Contract & Site Expenses)
- ✓ Net working capital days = Debtor days + Inventory days – Creditor days



Growth Strategy

Growth Strategy

Well placed to tap opportunities in core road sector

- ✓ Continued focus on EPC projects with selective HAM projects – HAM to constitute up to 25% of order book
- ✓ Invested in plant and equipment (Rs ~7,000mn gross block) for large scale execution
- ✓ Built strong team for execution and management – 80%+ of employees are skilled and highly skilled workers



Look at opportunities beyond road in other infra sectors

- ✓ De-risk business by expanding in following sectors:
 - Railways: projects involving civil part of the track laying
 - Water Infra: water supply projects involving laying water pipeline for last mile connectivity; have already done similar projects in Rajasthan
 - Airport: construction of runways, taxiways

Maintaining strong financials

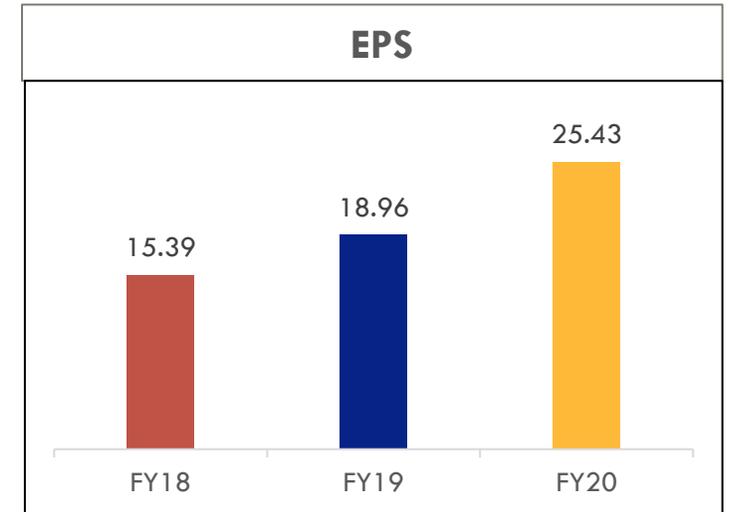
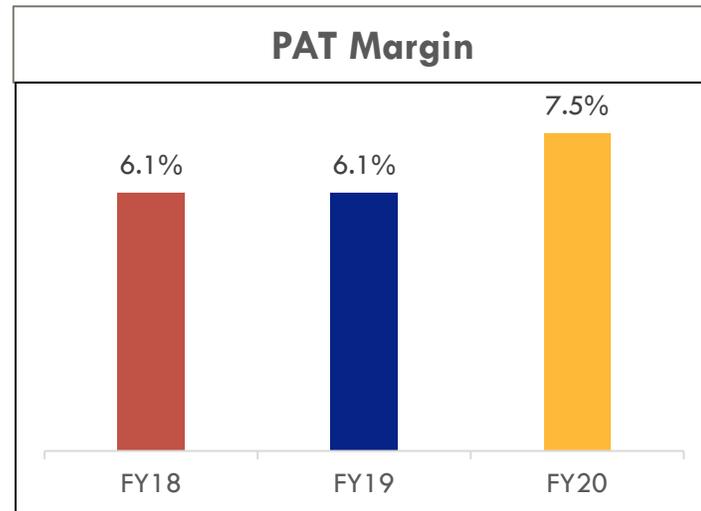
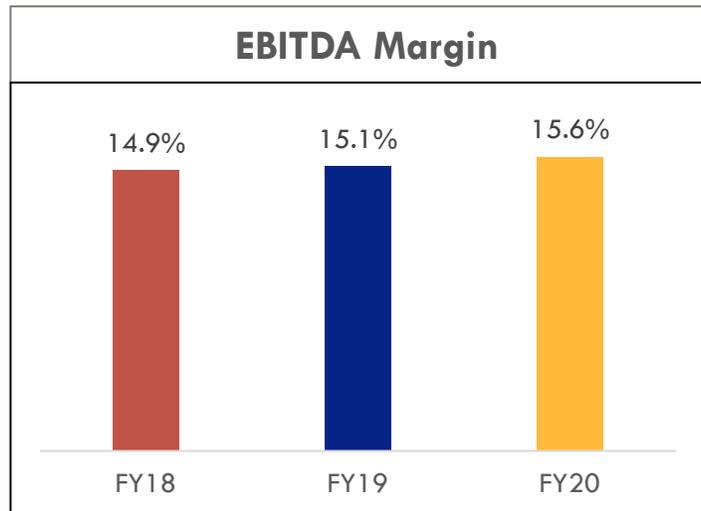
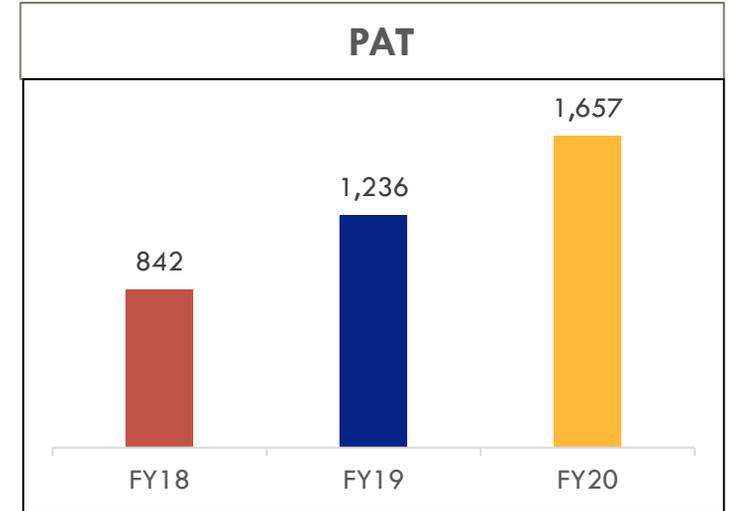
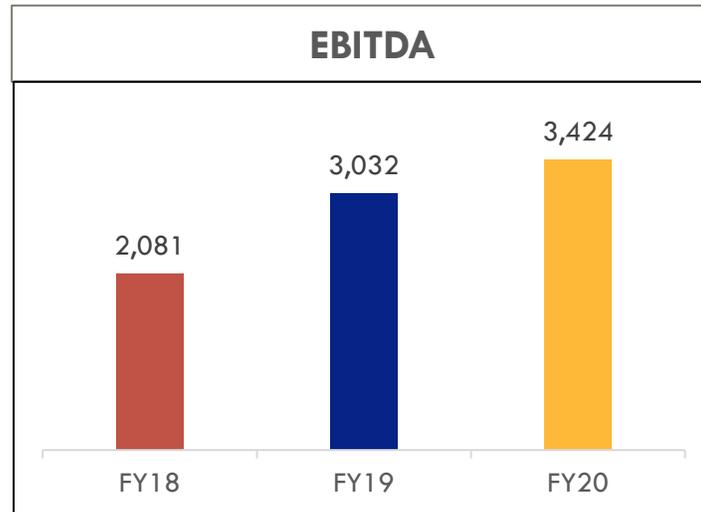
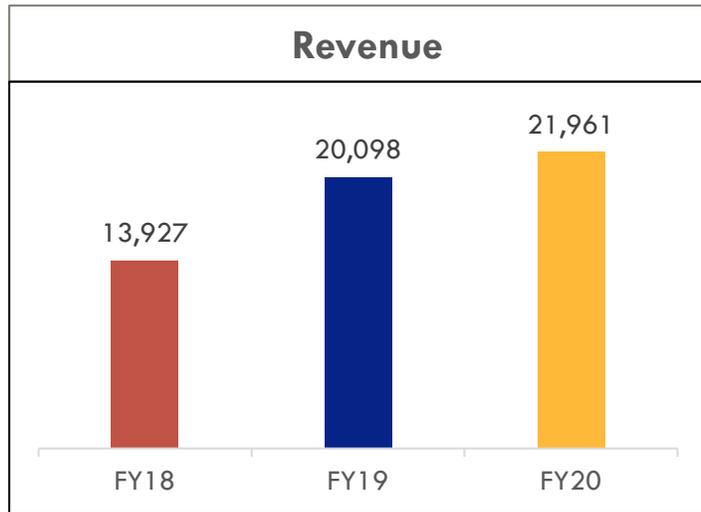
- ✓ Focus projects with desired level of EBITDA margins/ IRRs
- ✓ Maintain and improve profitability ratios through timely execution and strict cost controls
- ✓ Deleverage balance sheet
- ✓ Continued focus on WC management and cash flow generation



Historical Financial Highlights



Financial Performance



Standalone profit & loss statement



(Rs mn)	Historical		
	FY20	FY19	FY18
Revenue from operations	21,961	20,098	13,927
Cost of material consumed	8,926	8,919	5,462
Contract and site expenses	8,137	6,665	5,475
Employee expenses	1,114	1,191	761
Other expenses	360	291	148
Total Operating expenses	18,538	17,066	11,847
EBITDA	3,424	3,032	2,081
EBITDA margin	15.6%	15.1%	14.9%
Finance Cost	524	490	401
Depreciation	756	755	539
Other Income	137	115	47
PBT	2,281	1,902	1,188
PBT margin	10.4%	9.5%	8.5%
Tax Expenses (Credits)	623	667	345
PAT	1,657	1,236	843
PAT margin	7.5%	6.1%	6.1%
Other comprehensive income	6	(13)	(1)
Total comprehensive income	1,663	1,223	842

Standalone balance sheet



Rs mn	Mar'20	Mar'19
Share Capital	652	652
Reserves	7,564	5,940
Shareholders' Funds	8,216	6,592
Secured Loans	640	593
Other liabilities	809	575
Total Non-Current Liabilities	1,449	1,168
Trade Payables	5,437	3,461
Other Current Liabilities	172	53
Current Tax Liabilities	48	155
Other Financial Liabilities	1,362	1,557
Contract Liabilities	2,089	873
Short Term Borrowings*	1,912	1,823
Total Current Liabilities	11,019	7,921
Total Liabilities	20,685	15,681

Rs mn	Mar'20	Mar'19
Fixed Assets incl. CWIP	4,870	4,586
Other Financial Assets	1,138	349
Other Non Current Assets	207	207
Total Non-Current Assets	6,215	5,142
Inventories	1,055	1,161
Sundry Debtors	8,078	6,214
Cash and Bank	1,144	1,002
Other Financial Assets	184	143
Contract Assets	3,508	1,596
Other Current Assets	500	424
Total Current Assets	14,470	10,540
Total Assets	20,685	15,681

*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 728.9 Mn for Mar'20

Consolidated profit & loss statement



(Rs mn)	Historical		
	FY20	FY19	FY18
Revenue from operations	22,171	20,145	13,927
Cost of material consumed	8,926	8,919	5,462
Contract and site expenses	8,158	6,666	5,475
Employee expenses	1,123	1,194	761
Other expenses	408	320	148
Total Operating expenses	18,615	17,099	11,847
EBITDA	3,555	3,046	2,081
EBITDA margin	16.0%	15.1%	14.9%
Finance Cost	598	490	401
Depreciation	756	755	539
Other Income	137	115	47
PBT before share of associate	2,338	1,916	1,188
Share of profit of associate	-29	29	0
PBT	2,309	1,944	1,188
PBT margin	10.4%	9.7%	8.5%
Tax Expenses (Credits)	643	671	345
PAT	1,666	1,273	843
PAT margin	7.5%	6.3%	6.1%
Other comprehensive income	6	(13)	(0.9)
Total comprehensive income	1,672	1,260	842

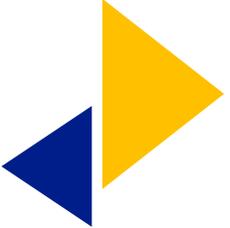
Consolidated balance sheet



Rs mn	Mar'20	Mar'19
Share Capital	652	652
Reserves	7,611	5,978
Shareholders' Funds	8,263	6,630
Secured Loans	2,130	593
Other liabilities	819	575
Total Non-Current Liabilities	2,949	1,168
Trade Payables	5,437	3,462
Other Current Liabilities	205	56
Current Tax Liabilities	48	158
Other Financial Liabilities	1,393	1,557
Contract Liabilities	1,960	873
Short Term Borrowings*	1,912	1,823
Total Current Liabilities	10,954	7,928
Total Liabilities	22,166	15,726

Rs mn	Mar'20	Mar'19
Fixed Assets incl. CWIP	4,872	4,588
Other Financial Assets	1,150	178
Other Non Current Assets	255	207
Total Non-Current Assets	6,277	4,972
Inventories	1,055	1,161
Sundry Debtors	6,849	6,146
Cash and Bank	1,150	1,002
Other Financial Assets	2,358	392
Contract Assets	3,508	1,596
Other Current Assets	968	457
Total Current Assets	15,888	10,754
Total Assets	22,166	15,726

*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 728.9 Mn for Mar'20

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Thank You

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