

January 28, 2020

BSE Limited

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

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051
Scrip Code- 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 and Nine Months ended December 31, 2019.


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



Ankita Mehra

Company Secretary & Compliance Officer



HG Infra Engineering

Investor Presentation Q3 & 9MFY20

Uncha Nagla Project



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Q3 & 9MFY20 Result Highlights

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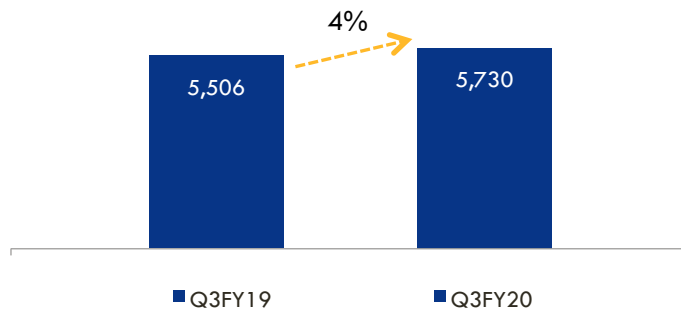
Q3 & 9MFY20 Highlights



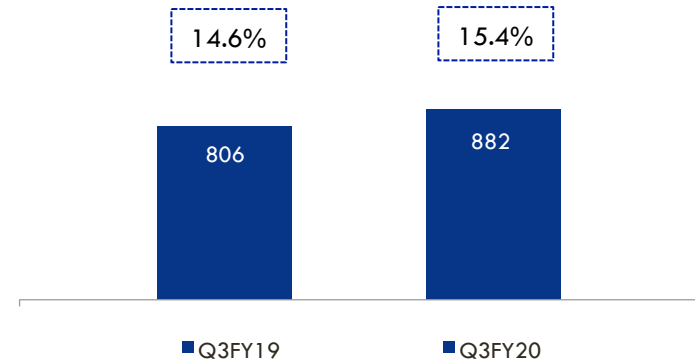
Standalone result highlights Q3FY20

Rs mn

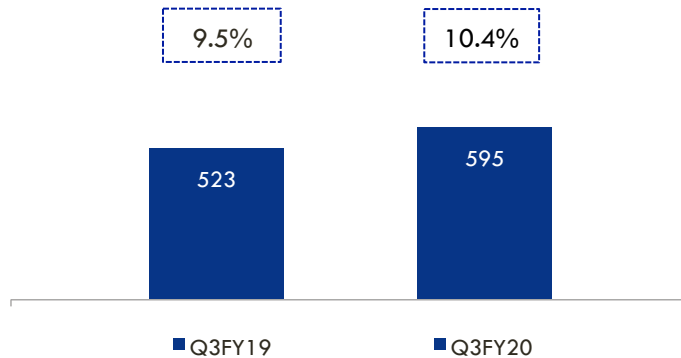
Revenue



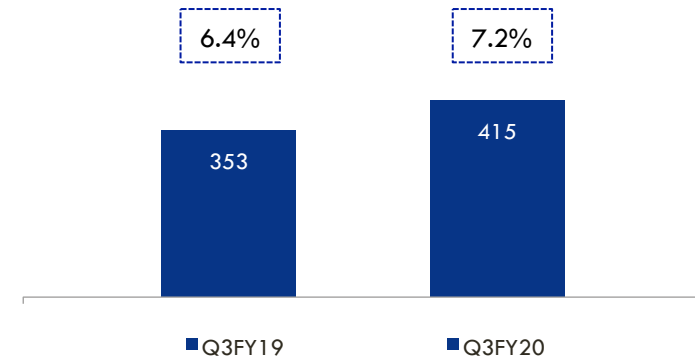
EBITDA and EBITDA Margin



PBT & PBT Margin



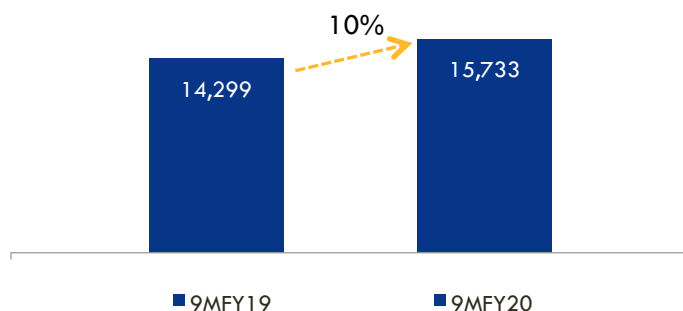
PAT and PAT Margin



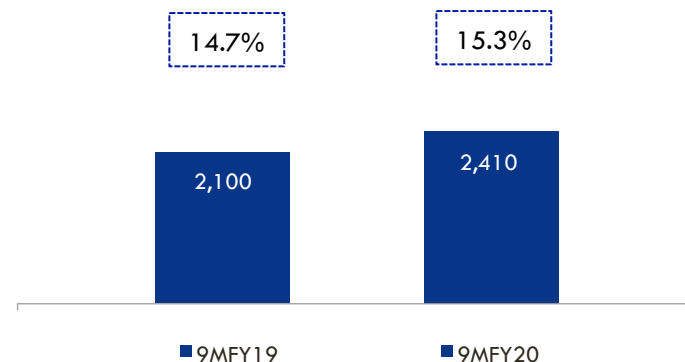
Standalone result highlights 9MFY20

Rs mn

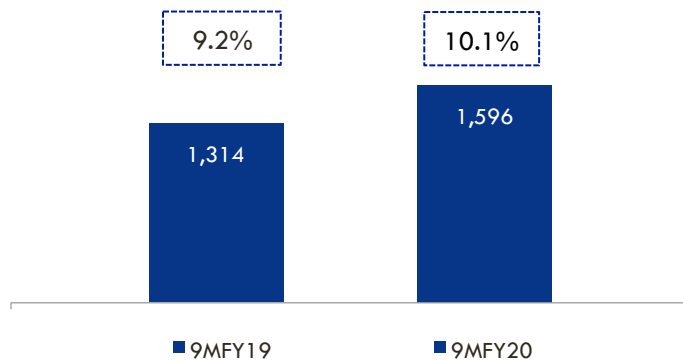
Revenue



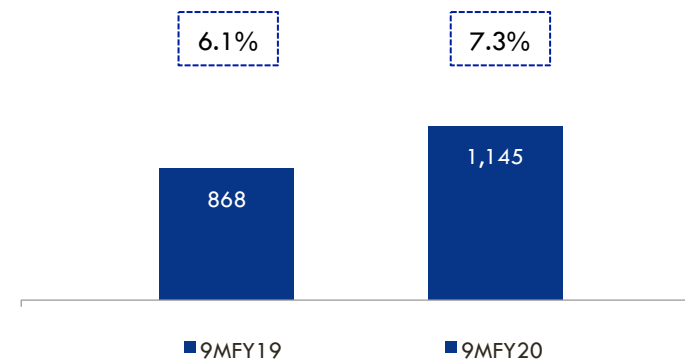
EBITDA and EBITDA Margin



PBT & PBT Margin



PAT and PAT Margin



Standalone Profit and loss statement

(Rs mn)	Quarter			9 Months		
	Q3FY20	Q3FY19	YoY	9MFY20	9MFY19	YoY
Revenue from operations	5,729.8	5,505.9	4.1%	15,732.9	14,298.6	10.0%
Cost of material consumed	2,539.0	2,662.0		6,545.8	6,917.2	
Contract and site expenses	1,942.9	1,642.2		5,711.4	4,222.5	
Employee expenses	270.1	328.0		823.3	901.9	
Other expenses	96.3	67.8		242.5	157.1	
Total Operating expenses	4,848.3	4,699.9		13,323.0	12,198.6	
EBITDA	881.6	805.9	9.4%	2,409.9	2,100.0	14.8%
EBITDA margin	15.4%	14.6%		15.3%	14.7%	
Finance Cost	134.7	114.8		364.9	326.1	
Depreciation	190.7	199.8		548.1	551.9	
Other Income	38.7	32.0		98.7	92.1	
PBT before share of associate	594.9	523.4		1,595.5	1,314.1	
Share of profit of associate	-	-		-	-	
PBT	594.9	523.4	13.7%	1,595.5	1,314.1	21.4%
PBT margin	10.4%	9.5%		10.1%	9.2%	
Tax Expenses (Credits)	179.7	170.9		450.8	445.8	
PAT	415.2	352.5	17.8%	1,144.7	868.2	31.8%
PAT margin	7.2%	6.4%		7.3%	6.1%	
Other comprehensive income	-3.8	-0.2		-11.4	-0.7	
Total comprehensive income	411.4	352.3	16.8%	1,133.3	867.5	30.6%



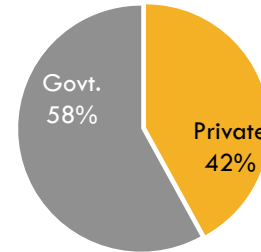
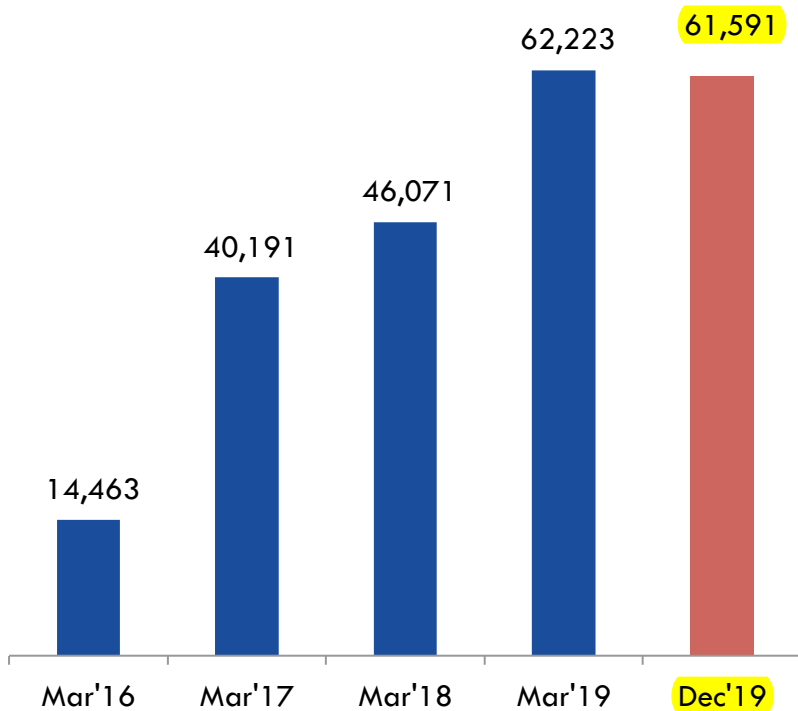
Consolidated Profit and loss statement

(Rs mn)	Quarter			9 Months		
	Q3FY20	Q3FY19	YoY	9MFY20	9MFY19	YoY
Revenue from operations	5,714.9	5507.9	3.8%	15829.44	14303.89	10.7%
Cost of material consumed	2,539.0	2661.95		6545.79	6917.15	
Contract and site expenses	1,944.0	1642.23		5716.52	4222.53	
Employee expenses	272.2	328.96		829.34	904.8	
Other expenses	110.8	69.21		271.63	162.99	
Total Operating expenses	4,866.0	4,702.4		13,363.3	12,207.5	
EBITDA	849.0	805.5	5.4%	2,466.2	2,096.4	17.6%
EBITDA margin	14.9%	14.6%		15.6%	14.7%	
Finance Cost	160.7	114.8		419.5	326.1	
Depreciation	190.7	199.8		548.2	551.9	
Other Income	38.7	32.0		118.2	92.1	
PBT before share of associate	536.3	523.0		1,616.7	1,310.5	
Share of profit of associate	-33.8	3.5		-28.5	22.9	
PBT	502.5	526.5	-4.6%	1,588.1	1,333.4	19.1%
PBT margin	8.8%	9.6%		10.0%	9.3%	
Tax Expenses (Credits)	167.5	170.9		465.3	445.8	
PAT	335.0	355.5	-5.8%	1,122.9	887.6	26.5%
PAT margin	5.9%	6.5%		7.1%	6.2%	
Other comprehensive income	-3.8	-0.2		-11.4	-0.7	
Total comprehensive income	331.2	355.3	-6.8%	1,111.5	886.9	25.3%



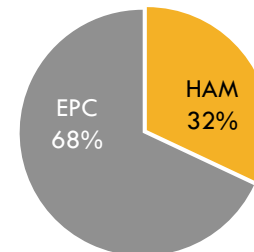
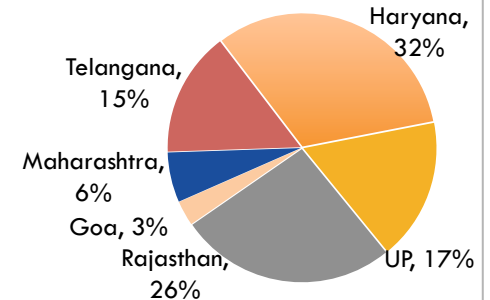
Robust and well diversified order book

Robust growth in order book (Rs mn)



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

Key orders under execution

EPC projects

Project	Awarding authority	State	Project Value (Rs mn)
Eight laning of Haryana-Rajasthan Border; part of Delhi-Vadodara greenfield section	NHAI	Rajasthan	9,971
Six laning of Hapur Bypass to Moradabad	IRB	UP	11,722
Six laning of Gulabpura-Chittorgarh	IRB	Rajasthan	7,117
Maharashtra MoRTH Projects	MoRTH	Maharashtra	19,047
Jodhpur-Marwar Junction-Jojawar	PWD Rajasthan	Rajasthan	3,041
Four laning from Mancherial to Repallewada	Adani Road Transport	Telangana	9,508

HAM projects

Project	Awarding authority	State	Bid Project Cost (Rs mn)	EPC Project Value (Rs mn)	Status
Six laning of Gurgaon-Soha (Pkg-II)	NHAI	Haryana	6,060	5,150	~40% executed
Four laning of Rewari-Ateli Mandi	NHAI	Haryana	5,800	4,880	AD received
Six laning of Ateli Mendi-Narnaul	NHAI	Haryana	9,521	8,010	FC achieved
Rewari Bypass feeder route	NHAI	Haryana	5,220	4,000	Declared L1



Recent developments

Received HAM order from National Highways Authority of India

- ✓ The scope of work involves construction of Rewari Bypass (NH-11) as a feeder route in Rewari district in the state of Haryana
- ✓ The length of the project is 14.40 km
- ✓ Bid project cost of Rs. 5,220 Mn

Received appointed date for Rewari - Ateli HAM project

- ✓ Achieved financial closure and received the appointment date i.e., 14 January 2020 for the same
- ✓ The scope of the work involves upgradation of four lanes of the Rewari – Ateli Mandi section of NH-11 as a feeder route in the state of Haryana
- ✓ Bid project cost of Rs. 5,800 Mn



Overview



Manoharpur Dausa
Project

Company overview

28



**PROJECTS UNDER
EXECUTION**

1,900+



FLEET SIZE

3,500+



MANPOWER

Rs **61,591** mn



ORDER BOOK
(31st December 2019)

39%



Revenue CAGR
(FY16-FY19)

52%



Profit After Tax CAGR
(FY16-FY19)



Leadership team



Mr. Harendra Singh
Chairman and Managing Director

- 25+ years of experience in the construction industry
- Holds bachelor's degree in engineering (civil) from Jodhpur University
- Awarded twice by the Indian Achievers Forum for his outstanding achievement in business and social service

Mr. Rajeev Mishra
Chief Financial Officer

- 18 years of experience in banking and real estate industry
- Holds a master's degree in business administration
- Holds a diploma in human resource development from the National Institute of Industrial Research and Development



Board of directors

Mr. Vijendra Singh

Whole-time Director

- ~28 years of experience in the construction industry
- Responsible for the overall functioning of the Company

Ms. Dinesh Kumar Goyal

Non-Executive Non Independent

- Retired IAS, has more than 40 years experience in working at top level position in departments such as finance, Energy, Public Works, Road & Highway & others

Mr. Onkar Singh

Independent Director

- Holds a bachelor's & master's degree in commerce and philosophy
- Over 20 years of experience in the economic administration and rural development sector

Ms. Pooja Hemant Goyal

Independent Director

- Holds a bachelor's degree in commerce a master's degree in law
- Over 5 years of experience in the legal industry

Mr. Ashok Kumar Thakur

Independent Director

- Holds a master's degree in commerce from Lucknow University
- Over 37 years of experience in the banking industry



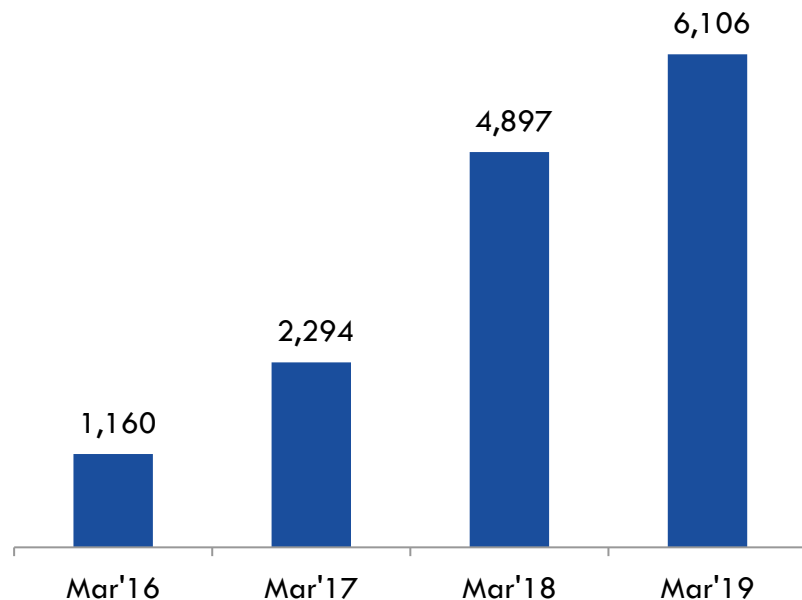
Key Strengths



Tangible pool to drive execution and efficiencies

Machine + People + Process

Gross Block (Rs mn)



**Fleet of modern construction equipment
totaling 1,911 for large scale execution**

**Invested Rs 4,900+ mn in plant and
machinery in last 3 years**

**Better control
over
execution**

**In-house
availability
enable quick
mobilization**

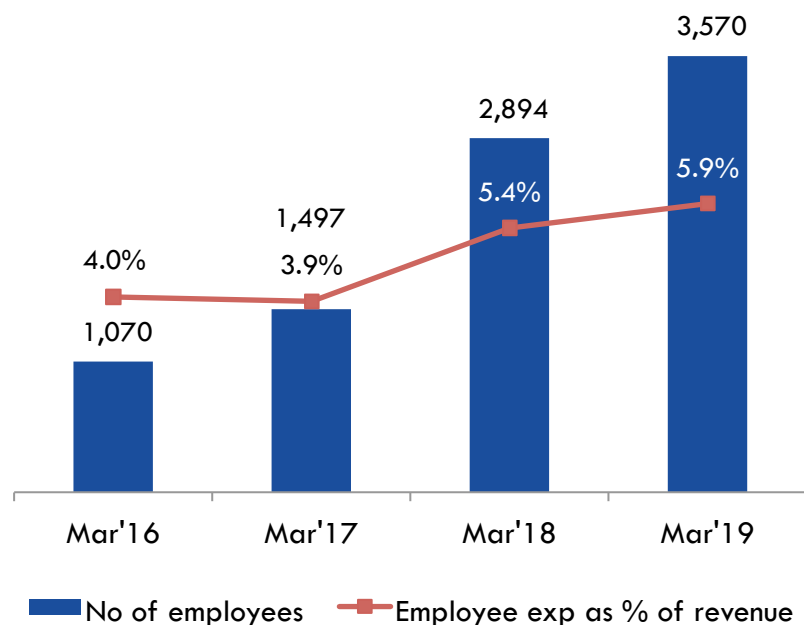
**Eliminate
delays and
cost over-runs**



Tangible pool to drive execution and efficiencies

Machine + **People** + Process

No. of Employees & Expenses



Over 80% of employees are skilled and highly skilled workers such as qualified engineers, management professionals

Net addition of 670+ in employees in FY19

Professional experienced functional heads

Rajesh Gupta	GM - Design
Satish Sharma	SGM – Supply Chain Management
Pardeep Kansal	Deputy General Manager – IT and SAP
Chandrashekhar Kasture	VP – Projects
Ajay Kumar Gupta	AVP – Plant & Equipment
KC Gupta	AVP - Contracts



Tangible pool to drive execution and efficiencies

Machine + People + Process

Preliminary project evaluation



In-depth technical studies



Project planning and execution



Maintenance

Integrated business model with minimal sub-contracting for better efficiency and cost optimization

Successful implementation of SAP in FY19, the benefits of which were reflected during the year and reviewed by the auditors

In process of installing GPS tracking devices for its equipment fleet

Leading to successful evolution to prime road contractor

**EPC
pre-qualification**

2,500

Rs mn
March 2013



17,500

Rs mn
March 2019

**Revenue from
sub-contracting**

55%

Revenue share
FY14



24%

Revenue share
FY19

**Average ticket
size**

~500

Rs mn
FY14



~1,800

Rs mn
FY19

**Geographical
presence**

2

No. of States
FY14



7

No. of States
FY19



Growth Strategy

An aerial photograph showing a two-lane asphalt road with white dashed lines running through a rural landscape. The road is flanked by green trees and fields. To the left, there are some buildings and a large open field. To the right, there are more fields and a small cluster of houses. In the background, a large body of water is visible under a clear sky.

Well placed to tap the huge opportunity in roads & highways...

Particular	Length (kms)	Planned outlay (Rs bn)
Phase-I of Bharatmala		
- Economic Corridor Development	9,000	1,200
- Inter-corridor and Feeder Route	6,000	800
- National Corridor Efficiency Improvement	5,000	1,000
- Border and International Connectivity Roads	2,000	250
- Coastal and Port Connectivity Roads	2,000	200
- Expressways	800	400
Sub Total	24,800	3,850
Balance Roadworks under NHDP	10,000	1,500
Roads under Other Existing Schemes	48,877	1,573
Grand Total	83,677	6,923

Government's highway development programme under Bharatmala Phase 1 and other schemes entails opportunity of Rs 7tn over next 5 years

└...As well as new infrastructure segments



Water Infra

Government is focused on improving the water infrastructure in the country - nearly 60 crore Indians face high to extreme water stress

Worked on water pipeline projects in the state of Rajasthan



Airport Infra

India plans to construct 100 new airports with an investment of close to USD 60 billion (about Rs 4.2 lakh crore) in the next 10-15 years

Has bagged a Goa airport runway contract in Feb'19



Railway

Indian Railways (IR) is working on a Rs. 35.3 trillion investment plan by 2032 for capacity addition & modernisation. the capex in the sector is expected to be increased 92% annually

Evaluating projects in railway

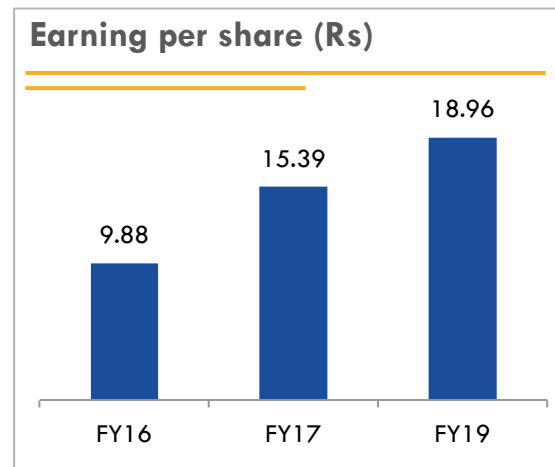
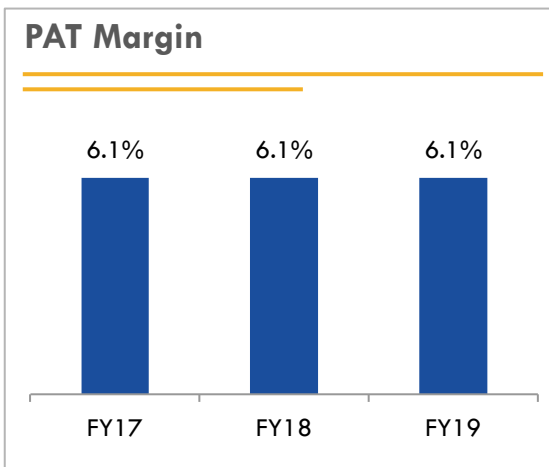
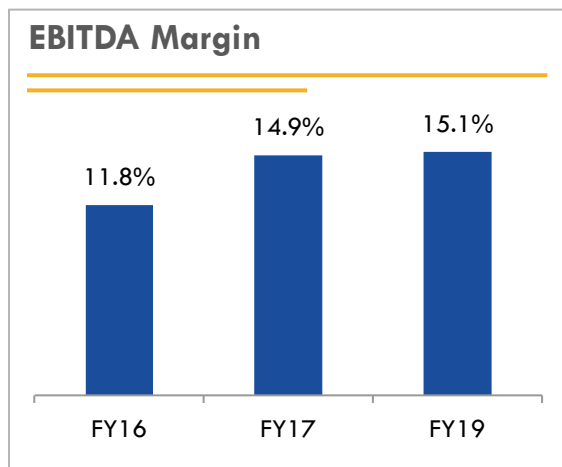
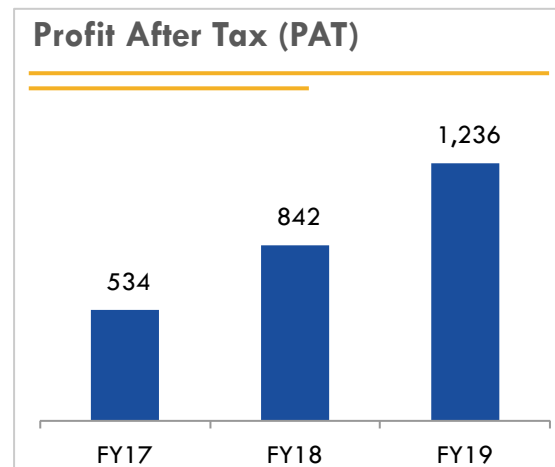
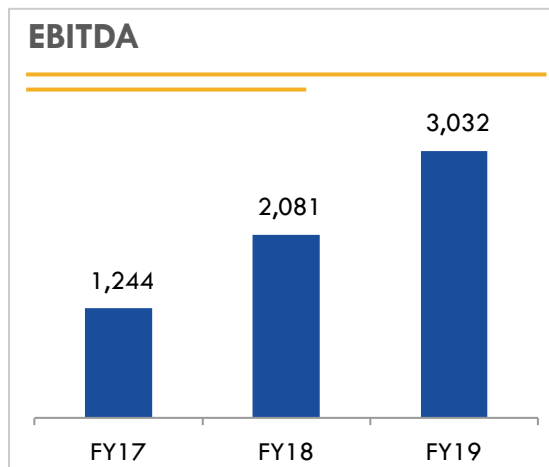
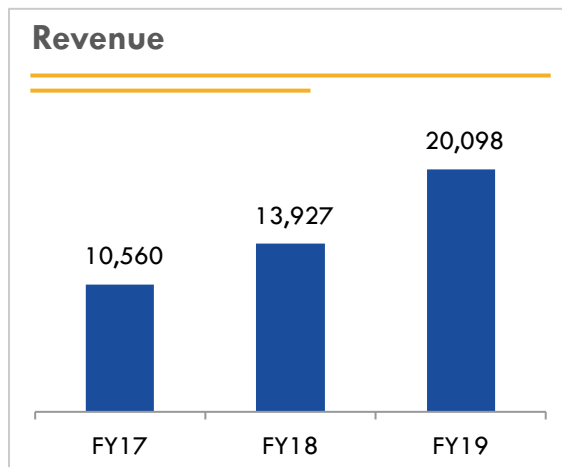


Historical Financials

An aerial photograph of a multi-lane highway interchange with several overpasses and ramps. The road is surrounded by dry, brownish-yellow fields and some sparse green vegetation. A blue rectangular box is overlaid on the top left of the image, containing the text 'Historical Financials' in a bold, orange, sans-serif font. The text is underlined with a thin white line.

Robust growth

Financials in Rs mn



Standalone Financials

Lean balance sheet, healthy return ratios

Working capital cycle (Days)

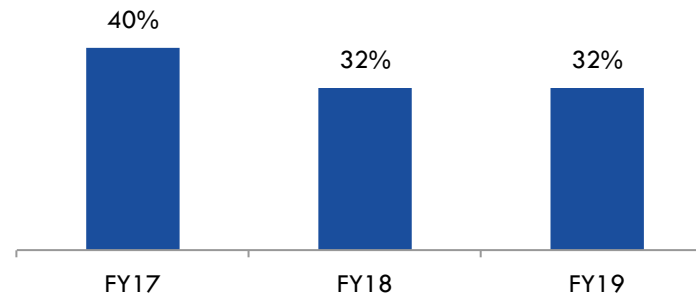
	FY 17	FY 18	FY 19
Debtor Days	36	51	69
Inventory Days	41	52	46
Creditor Days	23	51	69
Net WC Days	54	52	46

- ✓ Debtors Days is calculated as Average Trade Receivables (excl. retention money) / Revenue From Operations
- ✓ Inventory Days is calculated as Average Inventory / Cost of Materials
- ✓ Creditors Days is calculated as Average Trade Payables / (Cost of Materials + Contract & Site Expenses)

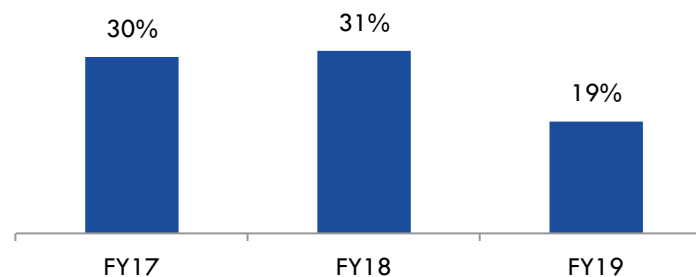
Standalone gross debt break-up as on September 2019

Particulars	Amount (Rs mn)
Term loan + current maturities	1,863
Working capital	1,124
Promoters' loan (interest-free)	444
Total	3,432

Return on Capital Employed



Return on Net Worth



- ✓ ROCE is calculated as: EBIT/(Total Assets-current Liabilities)
- ✓ Return On Net Worth is calculated as: PAT/Networth
- ✓ (IPO proceeds are excluded from the ROCE & Ro NW for FY18)



Profit and loss statement

(Rs mn)	Standalone				Consolidated		
	FY19	FY18	YoY		FY19	FY18	YoY
Revenue from operations	20,098	13,927	44.3%		20,145	13,927	44.6%
Cost of material consumed	8,919	5,462	63.3%		8,919	5,462	63.3%
Contract and site expenses	6,665	5,475	21.7%		6,666	5,475	21.8%
Employee expenses	1,191	761	56.4%		1,194	761	56.8%
Other expenses	290	148	96.2%		320	148	116.1%
Total Operating expenses	17,066	11,847	44.1%		17,099	11,847	44.3%
EBITDA	3,032	2,081	45.7%		3,046	2,081	46.4%
EBITDA margin	15.1%	14.9%	--		15.1%	14.9%	--
Finance Cost	490	401	22.4%		490	401	22.4%
Depreciation	755	539	39.9%		755	539	39.9%
Other Income	115	47	146.8%		114	47	145.2%
PBT before share of associate	1,902	1,188	60.2%		1,916	1,188	61.3%
Share of profit of associate	-	-	-		29	0	-
PBT	1,902	1,188	60.2%		1,944	1,188	63.7%
PBT margin	9.5%	8.5%	--		9.5%	8.5%	--
Tax Expenses (Credits)	667	345			671	345	94.4%
PAT	1,236	843	46.6%		1,273	843	51.1%
PAT margin	6.1%	6.1%	--		6.4%	5.9%	--
Other comprehensive income	-13	-1	-		-13	-0.9	-
Total comprehensive income	1,223	842	45.3%		1,260.5	841.7	49.8%



Standalone Balance Sheet

Rs mn	Sep'19	Mar'19
Share Capital	652	652
Reserves	6,623	5,940
Shareholders' Funds	7,275	6,592
Secured Loans	386	593
Other liabilities	617	575
Total Non-Current Liabilities	1,003	1,168
Trade Payables	3,891	3,461
Other Current Liabilities	260	174
Current Tax Liabilities	269	155
Other Financial Liabilities	1,248	1,436
Contract Liabilities	1,034	873
Short Term Borrowings	1,828	1,823
Total Current Liabilities	8,530	7,921
Total Liabilities	16,808	15,681

Rs mn	Sep'19	Mar'19
Fixed Assets incl. CWIP	4,356	4,585
Other Financial Assets	156	120
Other Non Current Assets	667	437
Total Non-Current Assets	5,179	5,141
Inventories	1,059	1,161
Sundry Debtors*	5,002	6,214
Cash and Bank	967	1,002
Other Financial Assets	-	-
Contract Assets	3,826	1,596
Other Current Assets	7,75	567
Total Current Assets	11,629	10,540
Total Assets	16,808	15,681



* Trade receivables include retentions of Rs. 1,513.6 Mn (March 31, 2019 – Rs. 1,461.5 Mn)

Consolidated Balance Sheet

Rs mn	Sep'19	Mar'19
Share Capital	652	652
Reserves	6,719	5,978
Shareholders' Funds	7,371	6,630
Secured Loans	993	593
Other liabilities	617	575
Total Non-Current Liabilities	1,610	1,168.1
Trade Payables	4,206	3,462
Other Current Liabilities	269	177
Current Tax Liabilities	274	158
Other Financial Liabilities	1,264	1,436
Contract Liabilities	983	873
Short Term Borrowings	1,828	1,823
Total Current Liabilities	8,825	7,928
Total Liabilities	17,805	15,726

Rs mn	Sep'19	Mar'19
Fixed Assets incl. CWIP	4,410	4,588
Other Financial Assets	156	120
Other Non Current Assets	283	265
Total Non-Current Assets	4,849	4,973
Inventories	1,059	1,161
Sundry Debtors	4,857	6,146
Cash and Bank	977	1,002
Other Financial Assets	1,218	258
Contract Assets	3,910	1,596
Other Current Assets	936	591
Total Current Assets	12,956	10,754
Total Assets	17,805	15,726



Thank You

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