

November 09, 2019

BSE Limited

P.J. Towers, Dalal Street,
Mumbai- 400001
Scrip Code- 541019

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,
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 Half Year ended September 30, 2019.

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

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For H.G. Infra Engineering Limited


Ankita Mehra

Company Secretary & Compliance Officer



H. G. INFRA ENGINEERING LTD.

HG Infra Engineering

Investor Presentation Q2 & H1FY20

Uncha Nagla Project



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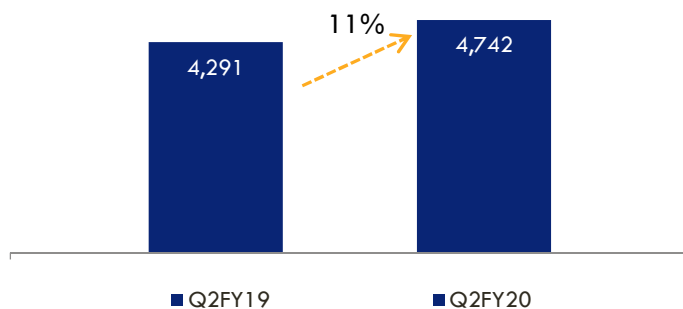
Kaithal Project



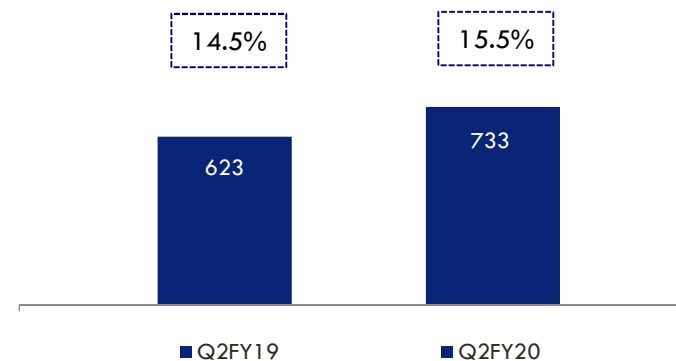
Standalone result highlights Q2FY20

Rs mn

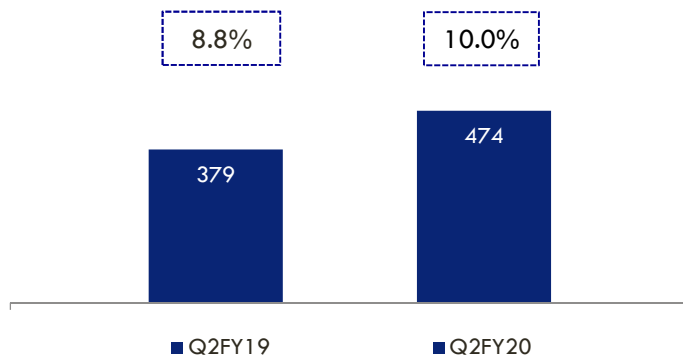
Revenue



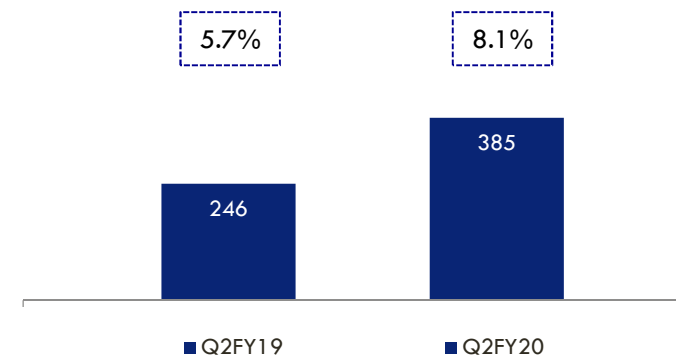
EBITDA and EBITDA Margin



PBT & PBT Margin



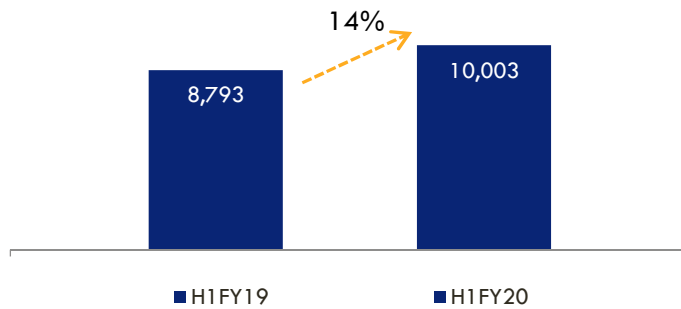
PAT and PAT Margin



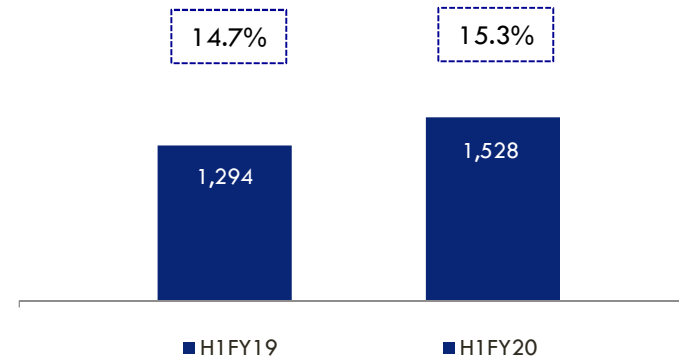
Standalone result highlights H1FY20

Rs mn

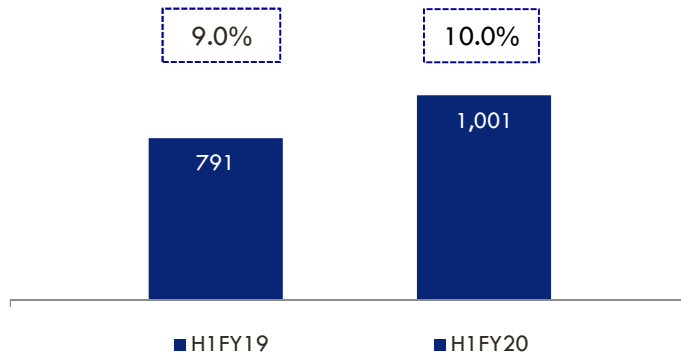
Revenue



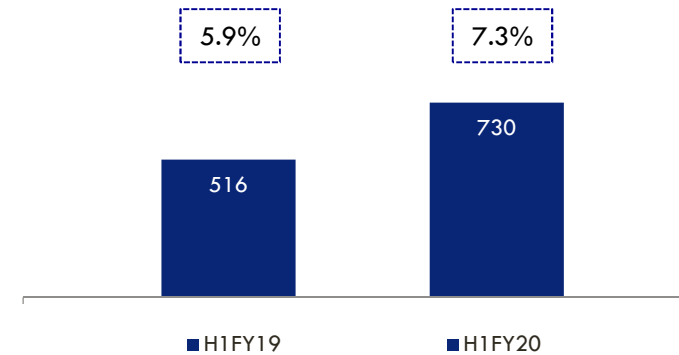
EBITDA and EBITDA Margin



PBT & PBT Margin



PAT and PAT Margin



Standalone Profit and loss statement

(Rs mn)	Quarter			Half year		
	Q2FY20	Q2FY19	YoY	H1FY20	H1FY19	YoY
Revenue from operations	4,742	4,291	10.5%	10,003	8,793	13.8%
Cost of material consumed	1,732	1,999		4,007	4,255	
Contract and site expenses	1,912	1,331		3,768	2,580	
Employee expenses	264	291		553	574	
Other expenses	100	46		146	89	
Total Operating expenses	4,009	3,668		8,475	7,499	
EBITDA	733	623	17.6%	1,528	1,294	18.1%
EBITDA margin	15.5%	14.5%		15.3%	14.7%	
Finance Cost	108	96		230	211	
Depreciation	181	177		357	352	
Other Income	29	30		60	60	
PBT before share of associate	474	379		1001	791	
Share of profit of associate	-	-		-	-	
PBT	474	379	24.9%	1001	791	26.6%
PBT margin	10.0%	8.8%		10.0%	9.0%	
Tax Expenses (Credits)	88	134		271	275	
PAT	386	246	56.9%	730	516	41.4%
PAT margin	8.1%	5.7%		7.3%	5.9%	
Other comprehensive income	(3.8)	(0.2)		(7.6)	(0.5)	
Total comprehensive income	382	245		722	515	



Consolidated Profit and loss statement

(Rs mn)	Quarter			Half year		
	Q2FY20	Q2FY19	YoY	H1FY20	H1FY19	YoY
Revenue from operations	4,793	4,294	11.6%	10,115	8,796	15.0%
Cost of material consumed	1,732	1,999		4,007	4,255	
Contract and site expenses	1,917	1,331		3,773	2,580	
Employee expenses	266	293		557	576	
Other expenses	106	50		161	94	
Total Operating expenses	4,021	3,673		8,497	7,505	
EBITDA	772	621	24.3%	1,617	1,291	25.3%
EBITDA margin	16.1%	14.5%		16.0%	15.7%	
Finance Cost	123	96		259	211	
Depreciation	181	177		357	352	
Other Income	49	30		80	60	
PBT before share of associate	517	377		1,080	788	
Share of profit of associate	(4)	11		5	19	
PBT	513	389	32.0%	1,086	807	34.5%
PBT margin	10.8%	8.8%		10.7%	9.0%	
Tax Expenses (Credits)	104	134		298	275	
PAT	409	255	60.4%	788	532	48.1%
PAT margin	8.5%	5.9%		7.8%	6.0%	
Other comprehensive income	(3.8)	(0.2)		(7.6)	(0.5)	
Total comprehensive income	405	255		780	532	



Standalone Balance Sheet as on 30th Sept 2019

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 as on 30th Sept 2019

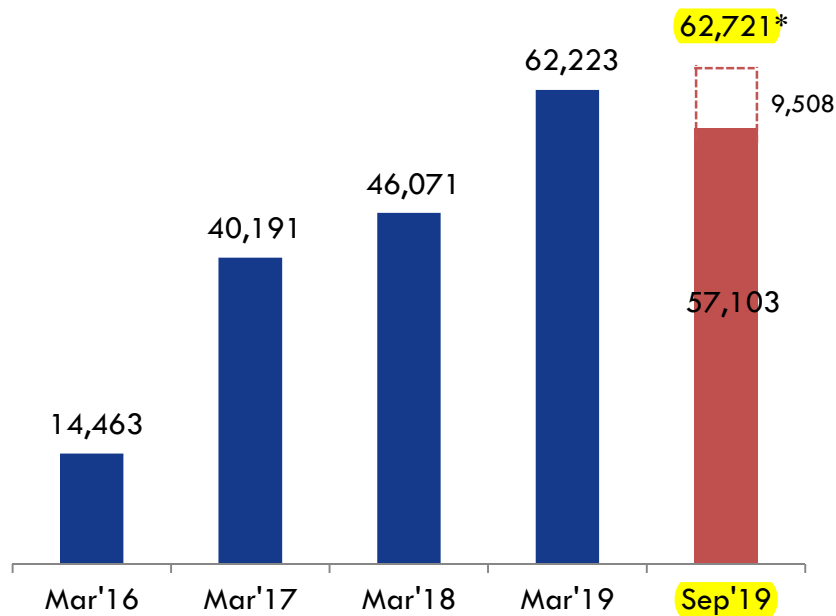
Rs mn	Sep'19	Mar'19
Share Capital	652	652
Reserves	6,719	5,978
Shareholders' Funds	7,371	6,630
Secured Loans	993	593
Other liabilities	617	575
Total Non-Current Liabilities	1,610	1,168.1
Trade Payables	4,206	3,462
Other Current Liabilities	269	177
Current Tax Liabilities	274	158
Other Financial Liabilities	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

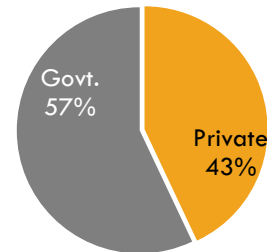


Robust and well diversified order book

Robust growth in **order book** (Rs mn)

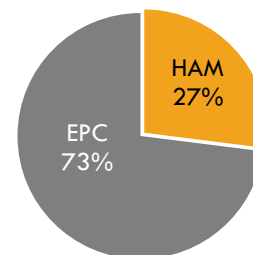
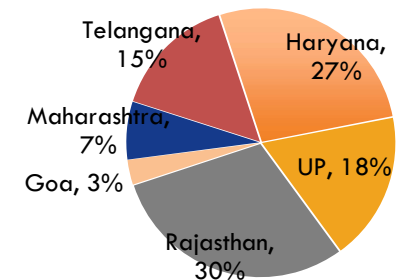


*Total order book of Rs 62,721 includes EPC order from Adani Road Transport worth Rs. 9,508 mn received in Oct'19



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 Mancherla 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	23% executed
Four laning of Rewari-Ateli Mandi	NHAI	Haryana	5,800	4,880	FC achieved
Six laning of Ateli Mendi-Narnaul	NHAI	Haryana	9,521	8,010	FC achieved

Synergies in the projects with common base camp leading to cost optimization



Recent developments

Received an EPC order from Adani Road Transport Limited

- ✓ To execute road works, civil & other associated works on Engineering, Procurement and Construction (EPC) basis
- ✓ The scope of work involves four laning of NH-363 from Mancherial to Repallewada in Telangana
- ✓ Valued at Rs 9,508 mn
- ✓ In the state of Telangana, adjoining to Maharashtra border
- ✓ Easy, convenient and cost efficient to move fleets near completion MoRTH projects of Maharashtra



Overview

Manoharpur Dausa
Project



Company overview

32



**PROJECTS UNDER
EXECUTION**

1,850+



FLEET SIZE

3,500+



MANPOWER

Rs 62,700mn+



ORDER BOOK
(30th September 2019+
order in Oct'19)

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

Mr. Raja Dutta

Chief Operating Officer

- Over 20 years of experience in construction industry
- Previously associated with L&T in project execution
- Hold master's degree in business administration and management, from IIM, Ahmedabad



Board of directors

Mr. Vijendra Singh

Whole-time Director

- ~25 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

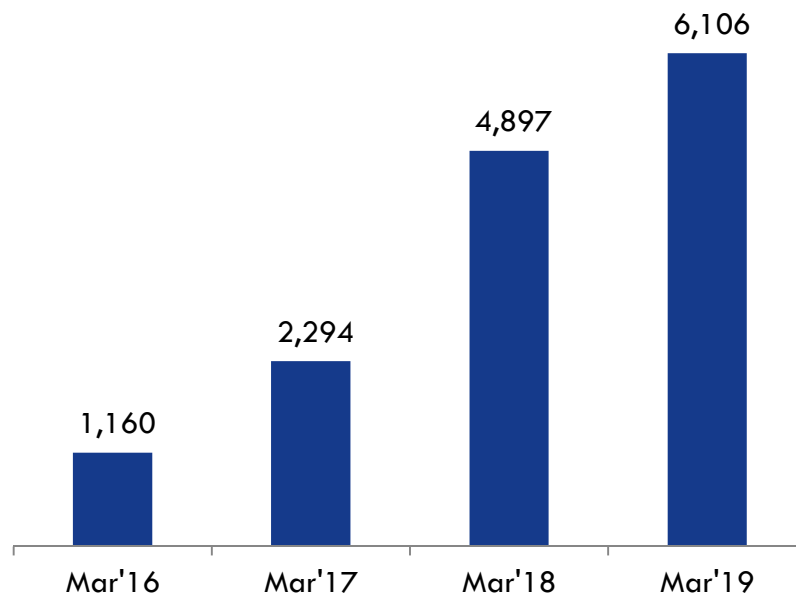


Bhilwara Gulabpura Project

Tangible pool to drive execution and efficiencies

Machine + People + Process

Gross Block (Rs mn)



Fleet of modern construction equipment totaling 1,857 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**

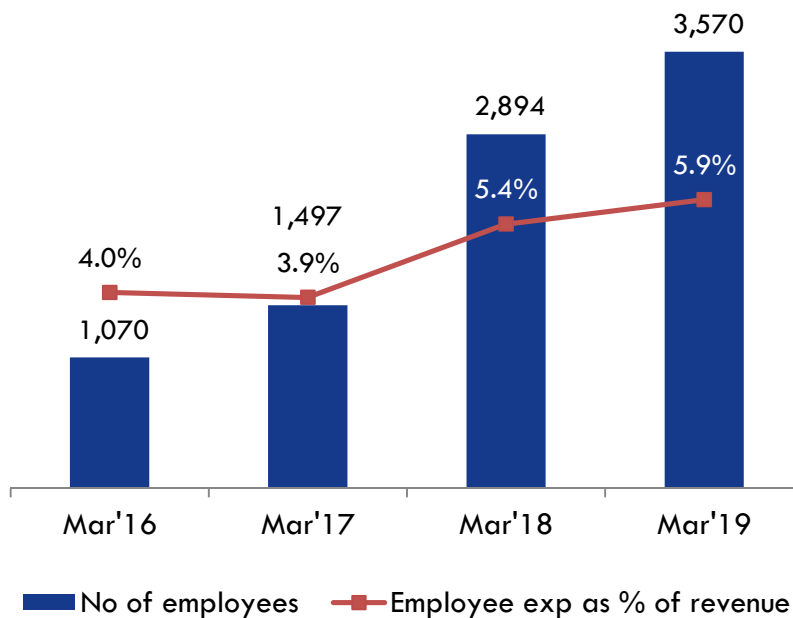
**Eliminate
delays and
cost over-runs**



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

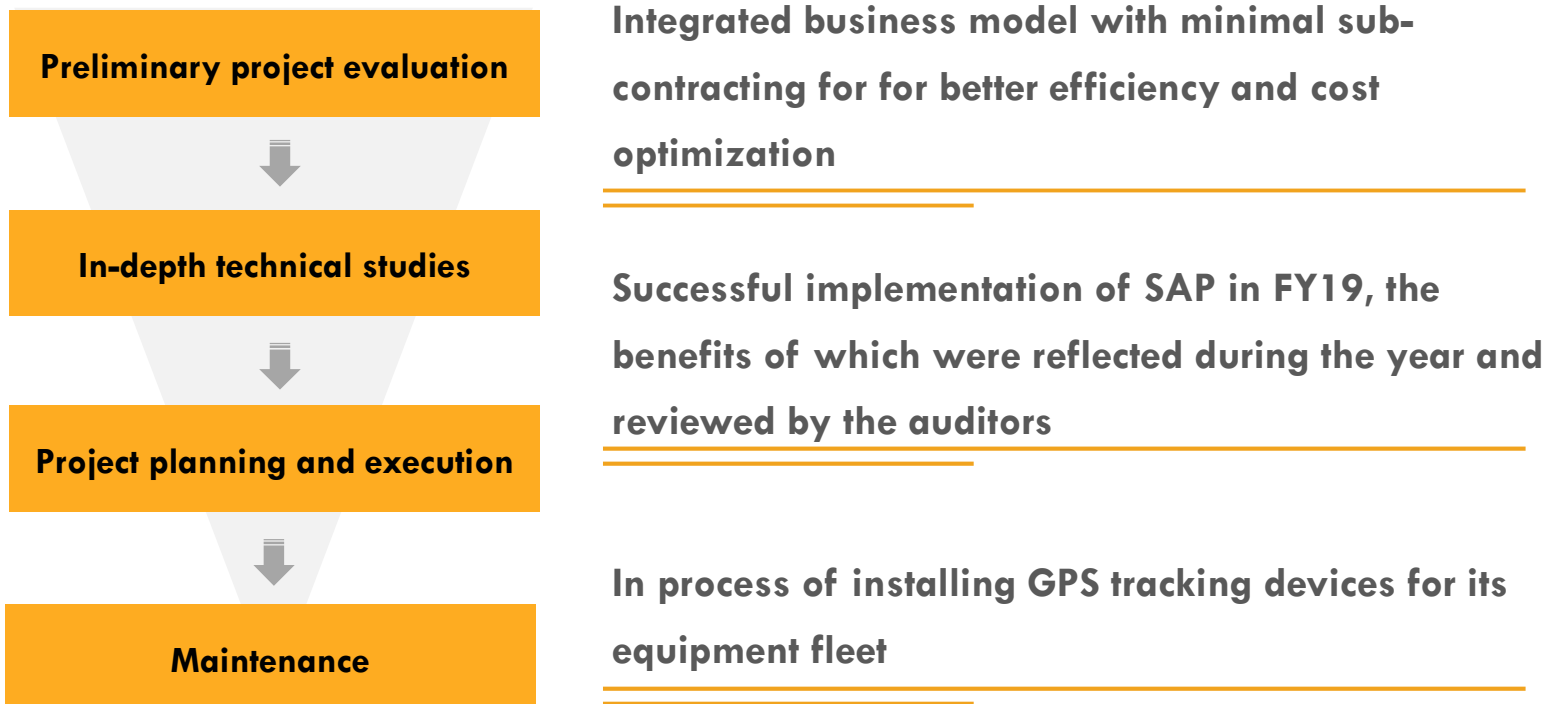
Professional experienced functional heads

Raja Dutta	COO
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



Tangible pool to drive execution and efficiencies

Machine + People + Process



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

Sitarganj Project

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



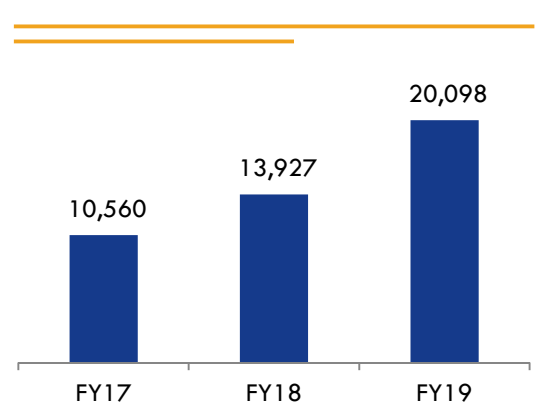
Historical Financials

Kaithal Project

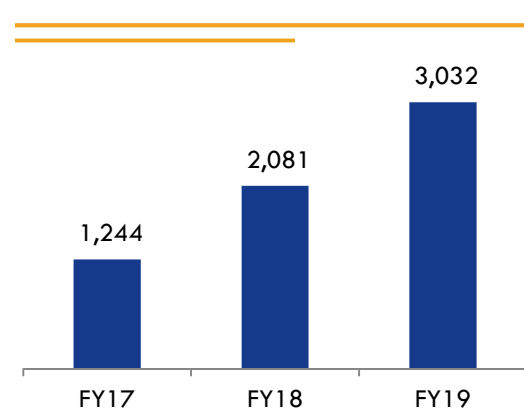
Robust growth

Financials in Rs mn

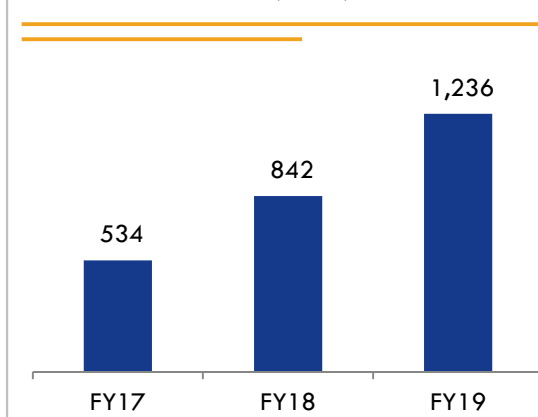
Revenue



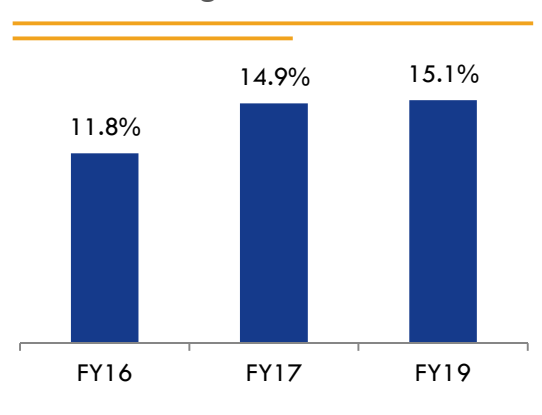
EBITDA



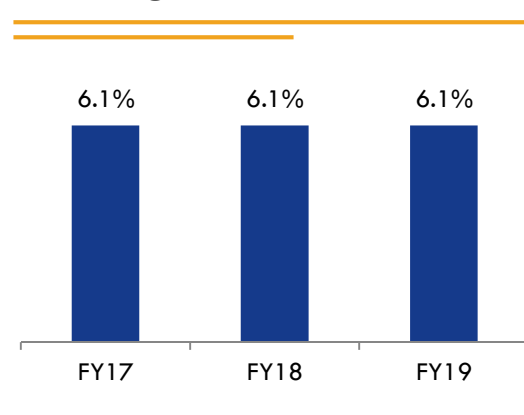
Profit After Tax (PAT)



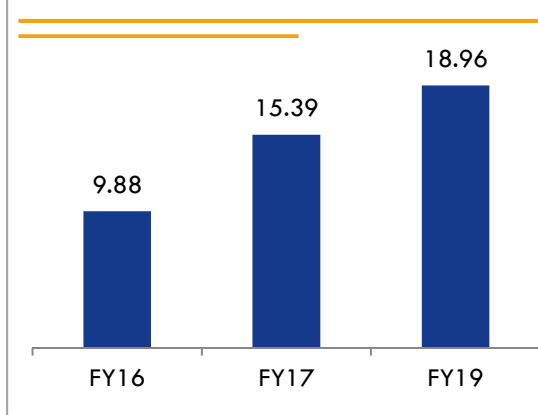
EBITDA Margin



PAT Margin



Earning per share (Rs)



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

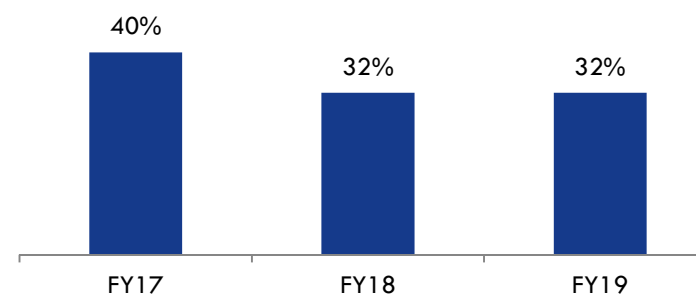
- ✓ Debtors Days is calculated as Average Trade Receivables (excl. retention money) / Revenue From Operations
- ✓ Inventory Days is calculated as Average Inventory / Cost of Materials
- ✓ Creditors Days is calculated as Average Trade Payables / (Cost of Materials + Contract & Site Expenses)

Standalone gross debt break-up as on September 2019

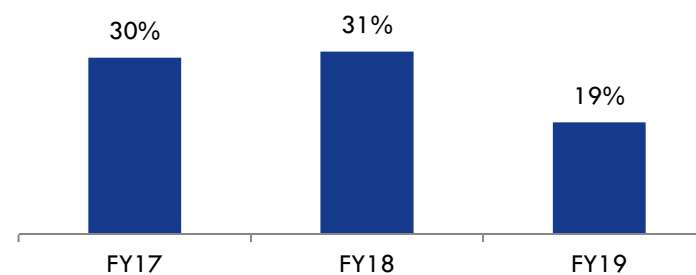
Particulars	Amount (Rs mn)
Term loan + current maturities	1,863
Working capital	1,124
Promoters' loan (interest-free)	444
Total	3,432



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	Mar'19	Mar'18
Share Capital	652	652
Reserves	5,940	4,757
Shareholders' Funds	6,592	5,409
Secured Loans	593	1,247
Other liabilities	575	489
Total Non-Current Liabilities	1,168	1,736
Trade Payables	3,461	2,793
Other Current Liabilities	174	1,764
Current Tax Liabilities	155	48
Other Financial Liabilities	1,436	1,333
Contract Liabilities	873	-
Short Term Borrowings	1,823	1,762
Total Current Liabilities	7,921	7,700
Total Liabilities	15,681	14,844

Rs mn	Mar'19	Mar'18
Fixed Assets incl. CWIP	4,585	4,200
Other Financial Assets	120	142
Other Non Current Assets	437	316
Total Non-Current Assets	5,141	4,658
Inventories	1,161	1,068
Sundry Debtors	6,214*	4,294
Cash and Bank	1,002	2,289
Other Financial Assets	-	2,033
Contract Assets	1,596	-
Other Current Assets	567	502
Total Current Assets	10,540	10,186
Total Assets	15,681	14,844

* Trade receivables include retentions of Rs. 1,461.5 Mn (March 31, 2018 – Rs. 1,508.9 Mn)



Consolidated balance sheet

Rs mn	Mar'19	Mar'18
Share Capital	652	652
Reserves	5,978	4,757
Shareholders' Funds	6,630	5,409
Secured Loans	593	1,247
Other liabilities	575	489
Total Non-Current Liabilities	1,168	1,736
Trade Payables	3,462	2,793
Other Current Liabilities	177	1,764
Current Tax Liabilities	158	48
Other Financial Liabilities	1,436	1,333
Contract Liabilities	873	-
Short Term Borrowings	1,823	1,762
Total Current Liabilities	7,928	7,700
Total Liabilities	15,726	14,844

Rs mn	Mar'19	Mar'18
Fixed Assets incl. CWIP	4,588	4,200
Other Financial Assets	120	142
Other Non Current Assets	265	316
Total Non-Current Assets	4,972	4,658
Inventories	1,161	1,068
Sundry Debtors	6,146	4,294
Cash and Bank	1,002	2,289
Other Financial Assets	258	2,033
Contract Assets	1,596	-
Other Current Assets	591	502
Total Current Assets	10,754	10,186
Total Assets	15,726	14,844



Thank You

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