

August 05, 2021

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 Sirs,

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, 2021.

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
M.No-A33288



Encl: as above

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H.G. Infra Engineering Ltd.

**Strong performance,
Stronger outlook**

**Investor Presentation
Q1FY22**

Agenda



1

Q1FY22 Financial/Operational Highlights

2

On the trajectory of higher growth

3

Stronger outlook strengthened by opportunities

4

Historical Financial Highlights

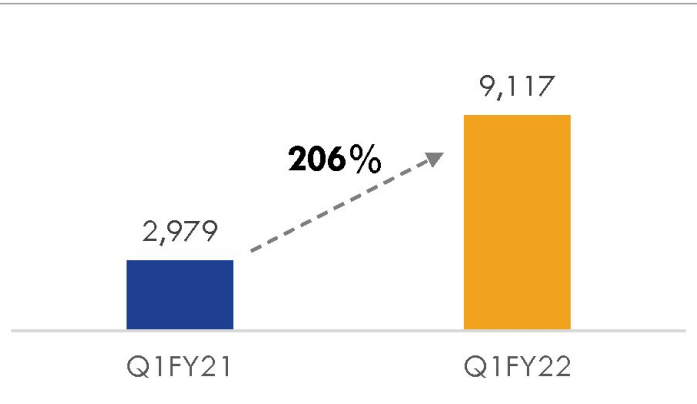
Q1 FY22 Financial/ Operational Highlights



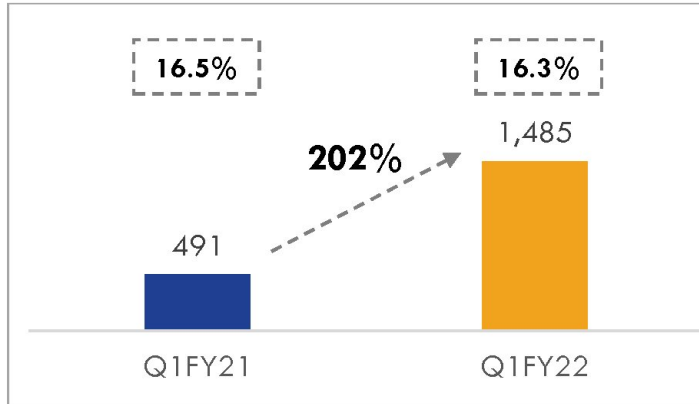
Quarter highlights & recent developments

Quarter Highlights

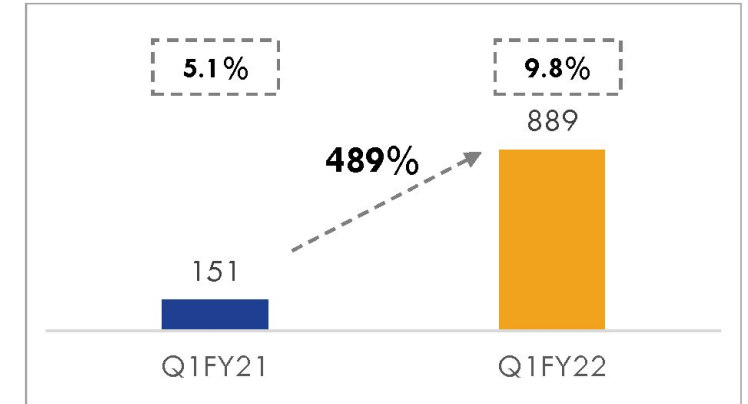
Revenue (Rs Mn)



EBITDA (Rs Mn) & EBITDA Margin (%)



PAT (Rs Mn) & PAT Margin (%)



Recent Developments

- **Awarded EPC project in the State of Delhi in the month of July'21**
 - Development of 6-lane Urban Extension Road (UER) – 2 – NH 344 M, Package 1 (From NH 1 to Karala-Kanjhawala Road, Km - 0+700 to 15+000)
 - Bid Project Cost – Rs 13,931 Mn
- **Received Letter of Award for HAM project Raipur Vishakhapatnam (AP) in the month of July'21**

Standalone profit & loss statement



Rs Mn	Q1FY22	Q1FY21	YoY
Revenue from operations	9,117	2,979	206.0%
Cost of material consumed	4,567	1,407	
Contract and site expenses	2,669	817	
Employee expenses	310	223	
Other expenses	85	41	
Total Operating expenses	7,632	2,488	
EBITDA	1,485	491	202.3%
EBITDA margin	16.3%	16.5%	
Finance Cost	119	122	
Depreciation	203	195	
Other Income	34	27	
PBT	1,197	201	494.6%
PBT margin	13.1%	6.8%	
Tax Expenses (Credits)	308	50	
PAT	889	151	489.3%
PAT margin	9.8%	5.1%	
Other comprehensive income	-1	2	
Total comprehensive income	888	152	

Consolidated profit & loss statement

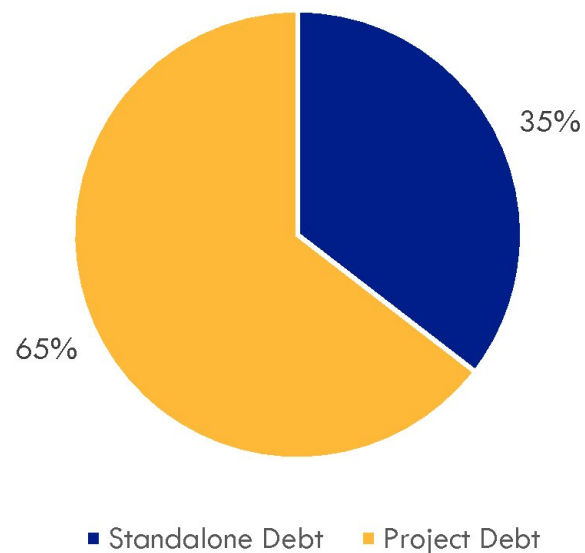


Rs Mn	Q1FY22	Q1FY21	YoY
Revenue from operations	9,414	3,119	201.9%
Cost of material consumed	4,567	1,407	
Contract and site expenses	2,674	821	
Employee expenses	314	226	
Other expenses	100	55	
Total Operating expenses	7,655	2,509	
EBITDA	1,759	610	188.4%
EBITDA margin	18.7%	19.6%	
Finance Cost	258	182	
Depreciation	203	195	
Other Income	33	27	
PBT before share of associate	1331	260	
Share of profit of associate	0	0	
PBT	1,331	260	412.4%
PBT margin	14.1%	8.3%	
Tax Expenses (Credits)	321	61	
PAT	1,010	199	406.8%
PAT margin	10.7%	6.4%	
Other comprehensive income	-1	2	
Total comprehensive income	1,009	201	

Debt breakup

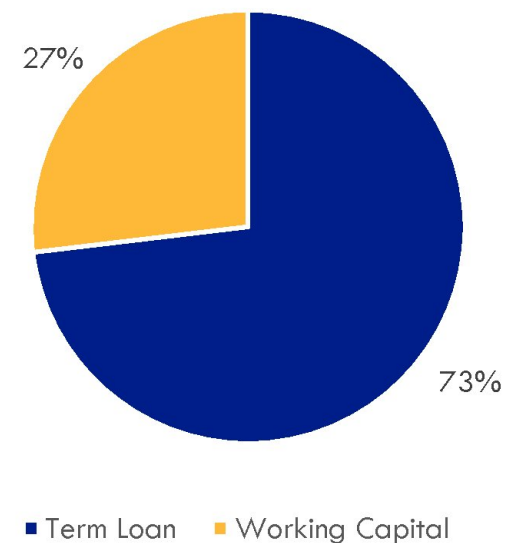


Consolidated Debt Breakup



Rs Mn	June-21
Standalone debt	3,076
Project debt	5598
Total consolidated debt	8,674
Consolidated Cash & Bank	1,535

Standalone Debt Breakup

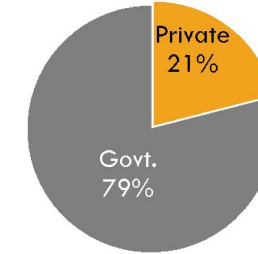


Rs Mn	June-21
Term loan + current maturities*	2,249
Working capital	827
Total standalone debt	3,076
Standalone Cash & Bank	1,504

*Includes payables under MSME Trade receivables discounting system (TReDS) - Rs 584.15 Mn for Jun'21

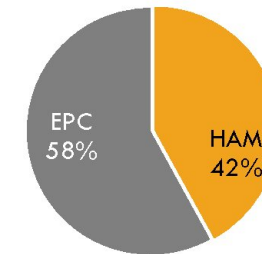
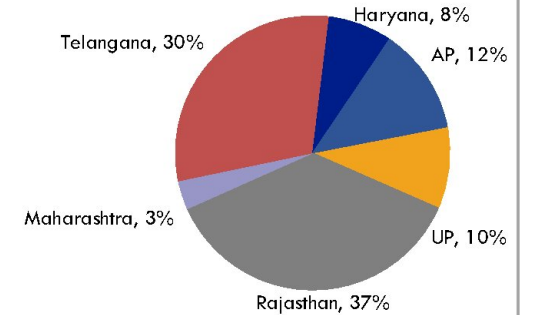
Robust and well diversified order book

Project	Awarding Authority	Unexecuted Value (Rs Mn)
Delhi Vadodara Pkg-9	NHAI	8,852
Mancherial - Repallewa	Adani	6,956
Hapur Morradabad	IRB - MRM	4,820
Delhi Vadodara Pkg-8	NHAI	5,741
Delhi Vadodara Pkg-4	NHAI	2,165
Narnual Bypass	NHAI	2,023
Rewari Bypass Pkg-4	NHAI	3,023
Rewari Ateli Mandi	NHAI	1,755
Gurgaon-Sohna (Rajiv chowk)	NHAI	843
MoRTH Projects (MH)	MoRTH	2,083
Rajasthan Project (World Bank funded)	PWD	977
Khammam-Devarapalle P1	NHAI	5,890
Khammam-Devarapalle P2	NHAI	4,857
Raipur-Visakhapatnam AP P1	NHAI	7,678
Others		3,775
Total		61,438 (30th June'21)
New EPC order awarded in July – Karala-Kanjhawala	NHAI	12,438



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

An expanding portfolio of HAM projects

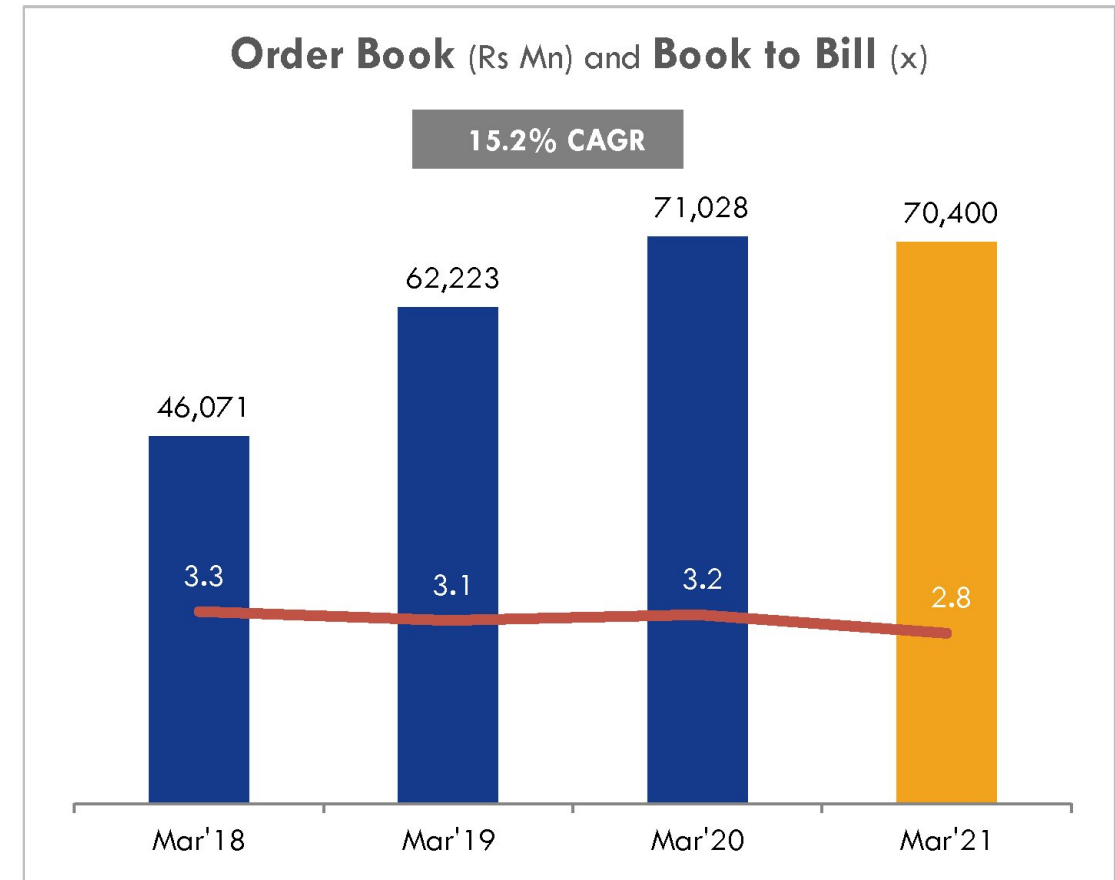
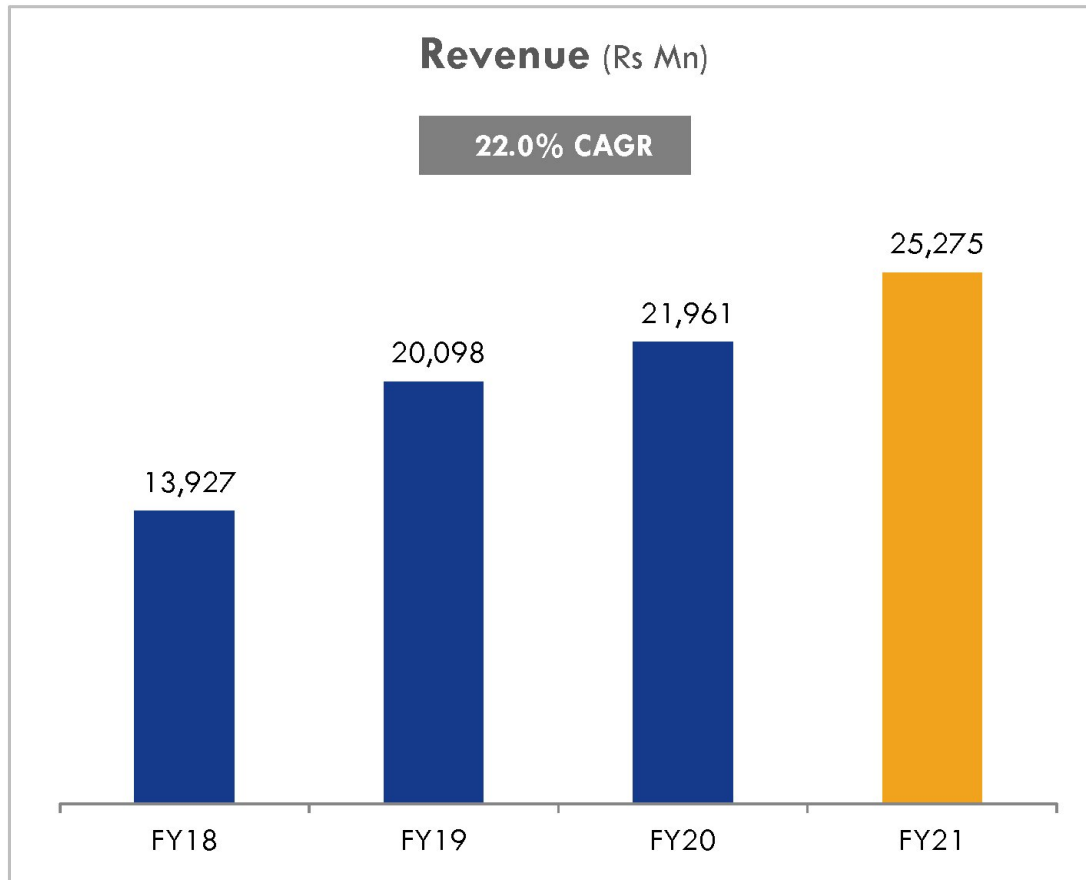
Project	Awarding authority	State	Kms Lanes	BPC (Rs. Mn)	Grant Amount (Rs. Mn)	Total Debt (Rs. Mn)	Invested Equity (Rs. Mn)	Debt as on 30 th June '21 (Rs. Mn)	Physical Progress on 30 th June '21 (%)
Gurgaon-Sohna (Rajiv chowk)	NHAI	Haryana	12.7	6,060	2,424	2,879	656	2,110	87%
Rewari Ateli Mandi	NHAI	Haryana	30.4	5,800	2,320	2,270	547	1168	72%
Narnaul Bypass	NHAI	Haryana	40.8	9,521	3,808	4,060	1059	2,120	75%
Rewari Bypass Pkg-4	NHAI	Haryana	14.4	5,220	2,088	2,200	414	200	19%
Khammam Devarapalle Pkg-1*	NHAI	Telangana	33.6	7,721	3,088	~3,300	-	-	-
Khammam Devarapalle Pkg-2*	NHAI	Telangana	29.5	6,371	2,548	~2,750	-	-	-
Raipur Visakhapatnam*	NHAI	Andhra Pradesh	31.8	10,601	4,240	~4,500	-	-	-

* New HAM Projects awarded in month of Mar-2021

On the trajectory of higher growth



Robust execution capabilities reflected in strong growth in revenue and order book

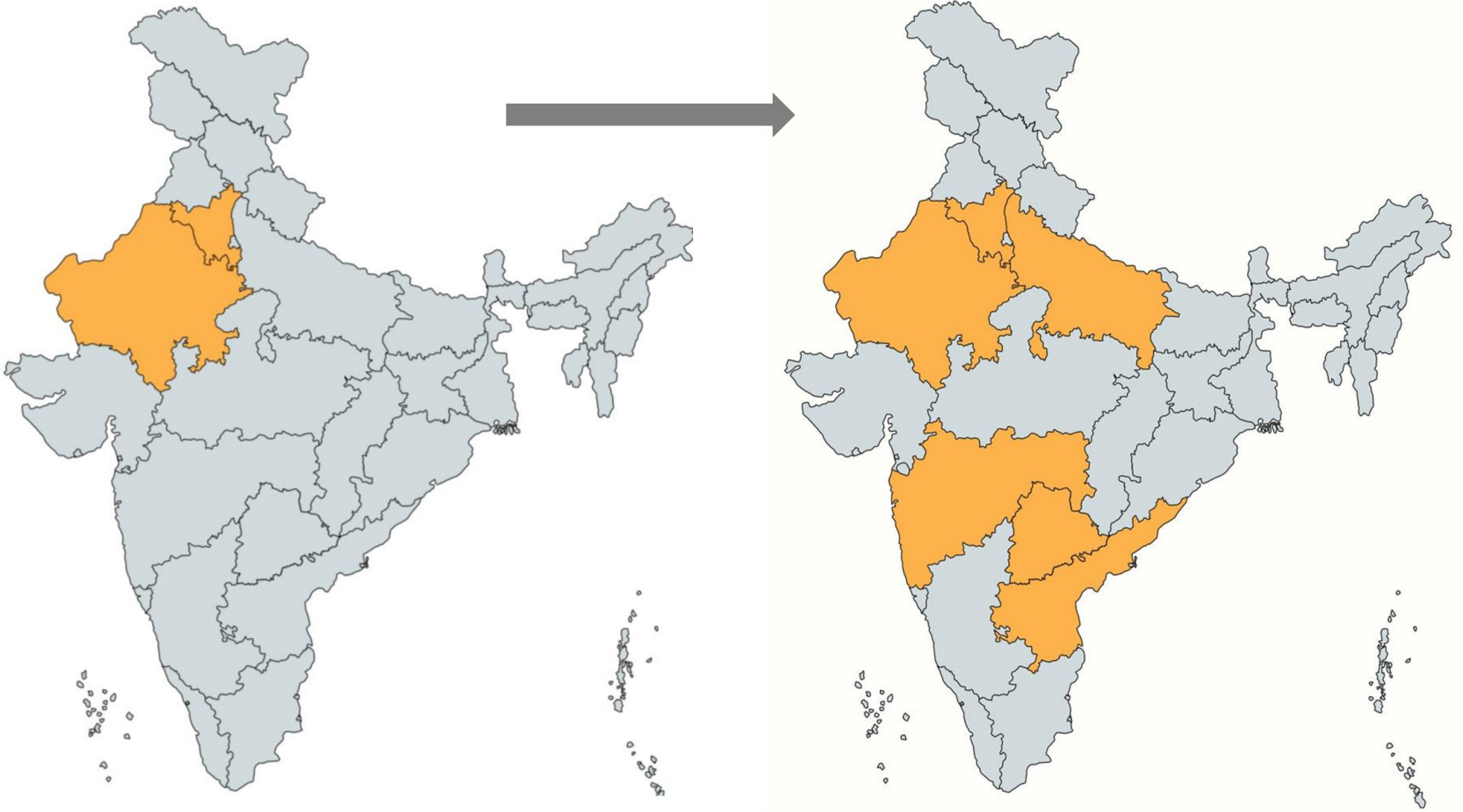


Timely execution of all projects with no delays in any project

And increasing geographic presence across India

FY15

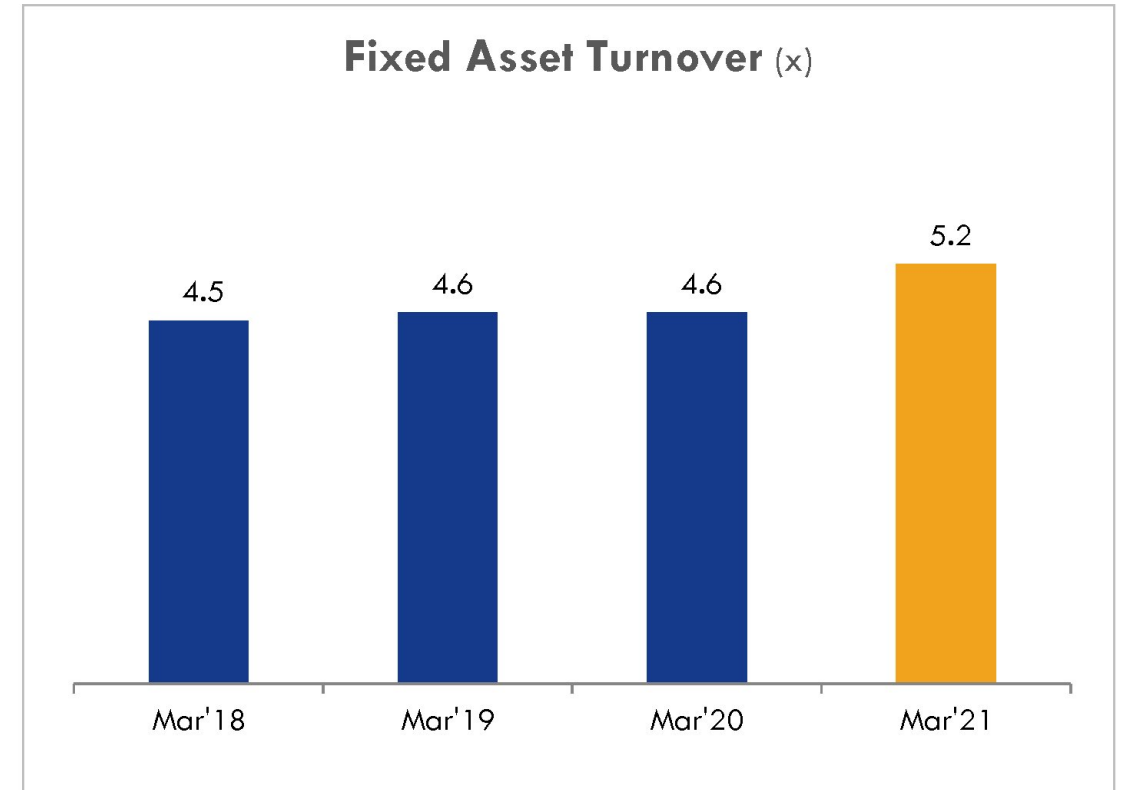
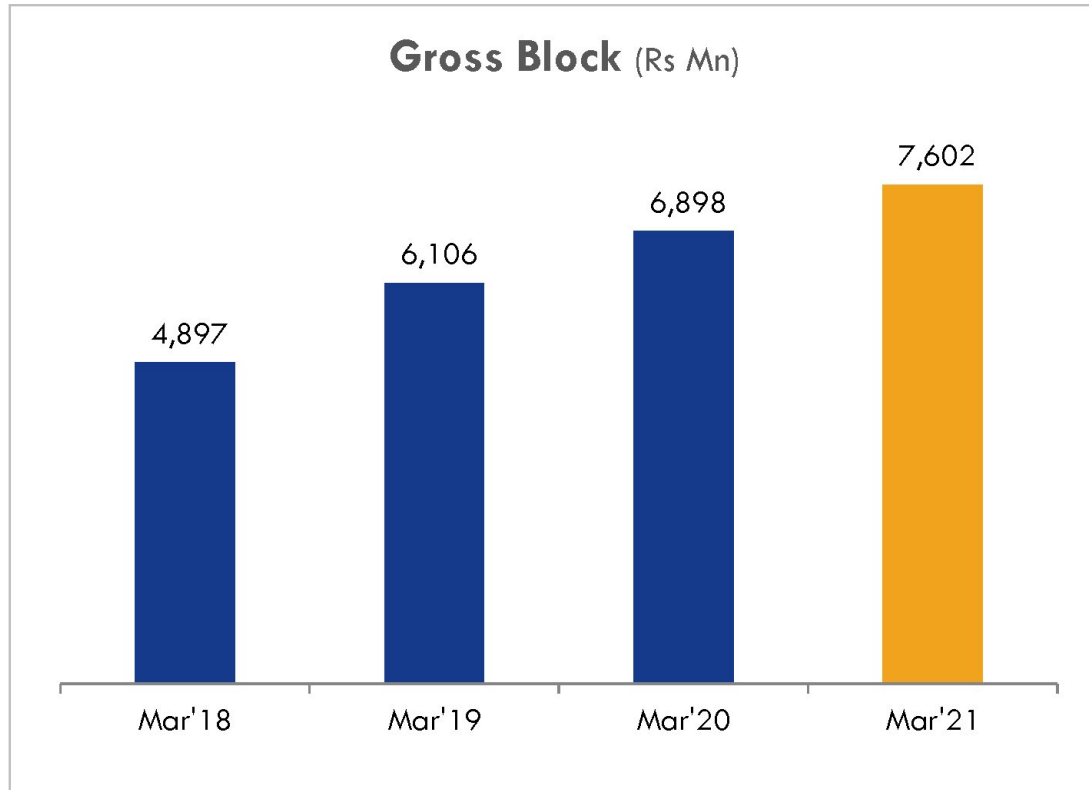
FY21



Current Order Book

Rajasthan	10 Projects
Maharashtra	7 Projects
Haryana	4 Projects
Telangana	3 Projects
Uttar Pradesh	1 Project
Andhra Pradesh	1 Project

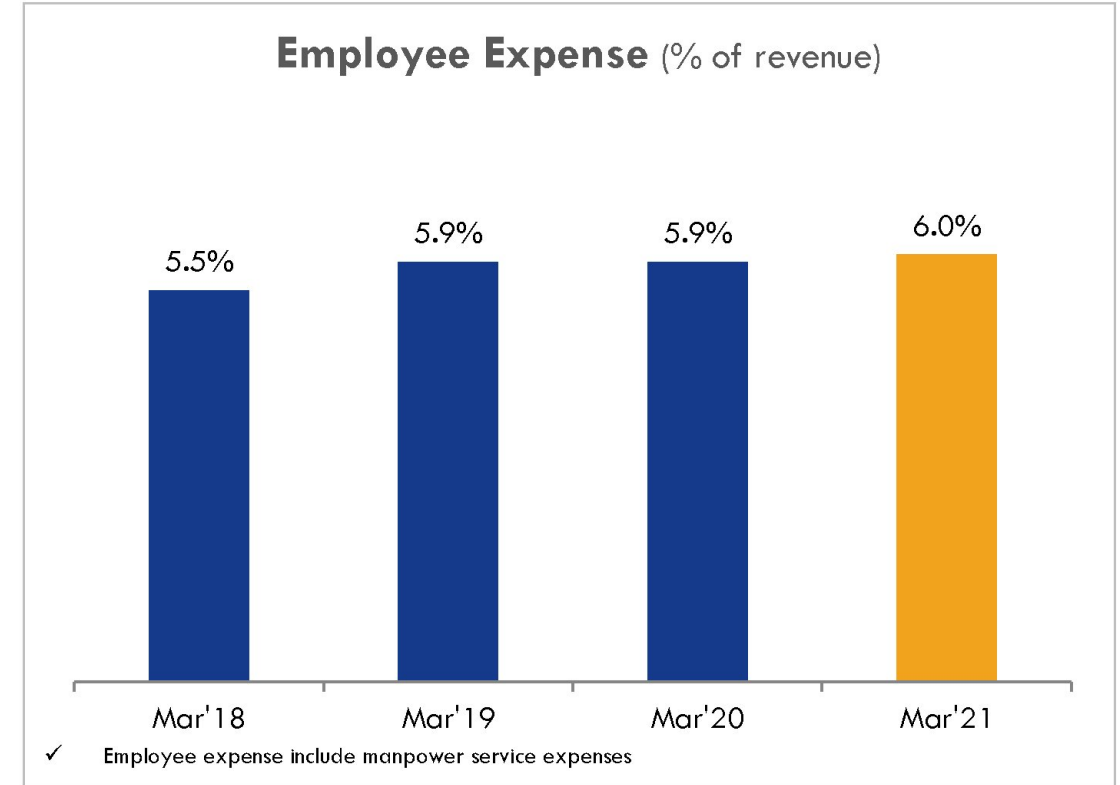
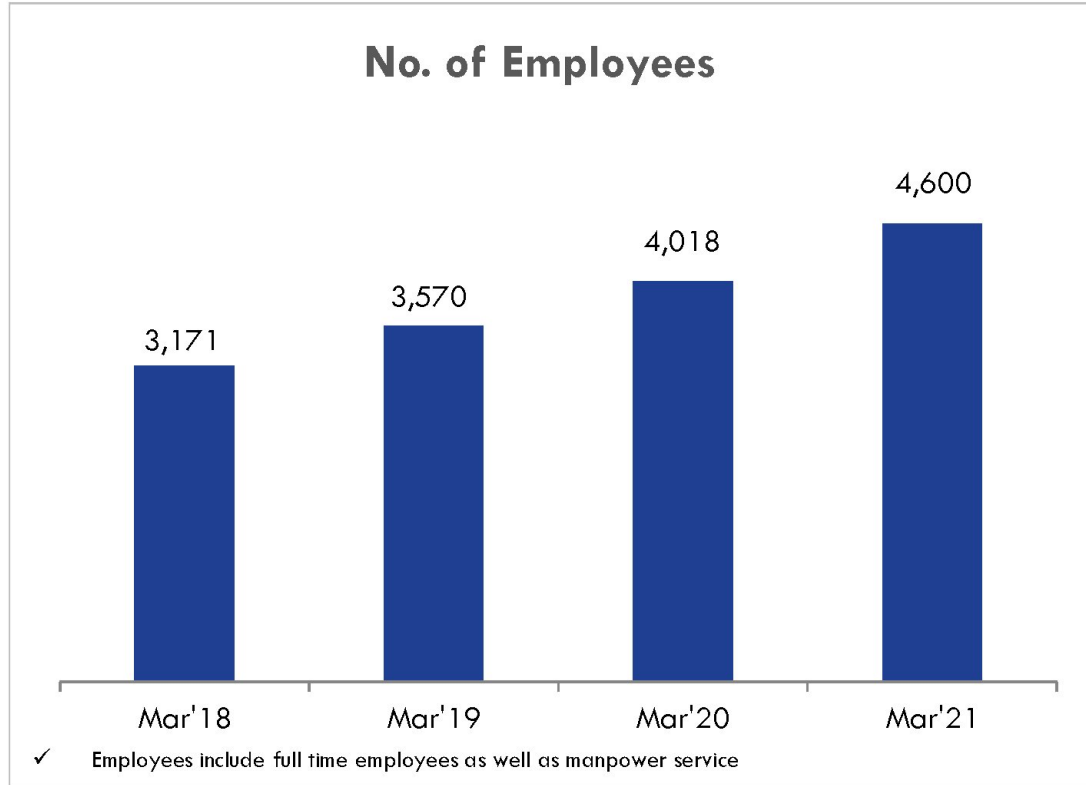
Strong repository of asset base enabling efficient execution



Invested ~Rs 2,705 Mn in plant and machinery in last 3 years

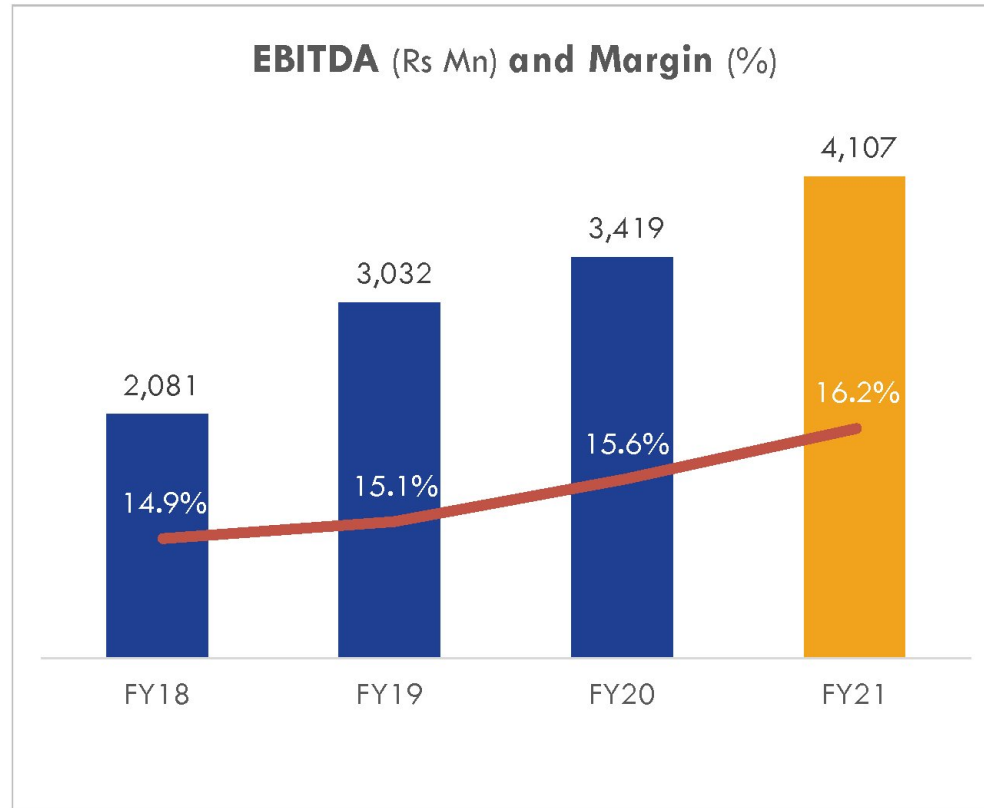
Fleet of modern construction equipment totaling 1,800+ for large scale execution

Coupled with rich resource pool of skilled and talented workforce



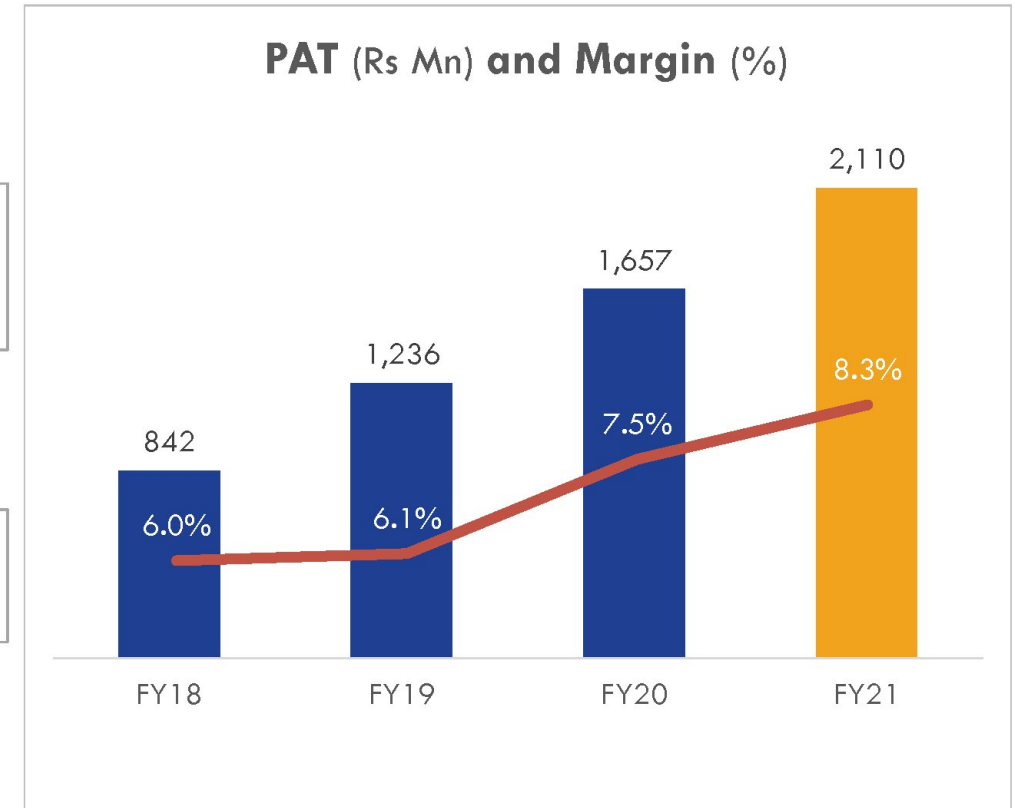
Over 80% of full-time employees are skilled workers such as qualified engineers, management professionals

Delivering value through a disciplined approach



27%
Return on Capital
Employed
FY21

20%
Return on Equity
FY21



Strict discipline in selecting and executing orders translating into robust margins and return profile

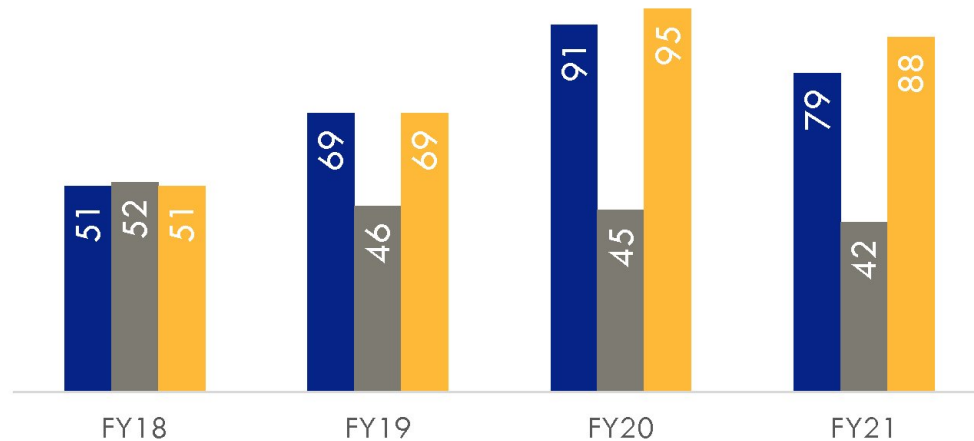
*ROCE = EBIT/Total Assets – Current Liabilities | ROE = Net Income/ Shareholder's Fund

Boosting financial robustness through healthy balance sheet

Net Working Capital (Days)

■ Debtor Days ■ Inventory Days ■ Creditor Days

52 Days **46 Days** **41 Days** **33 Days**

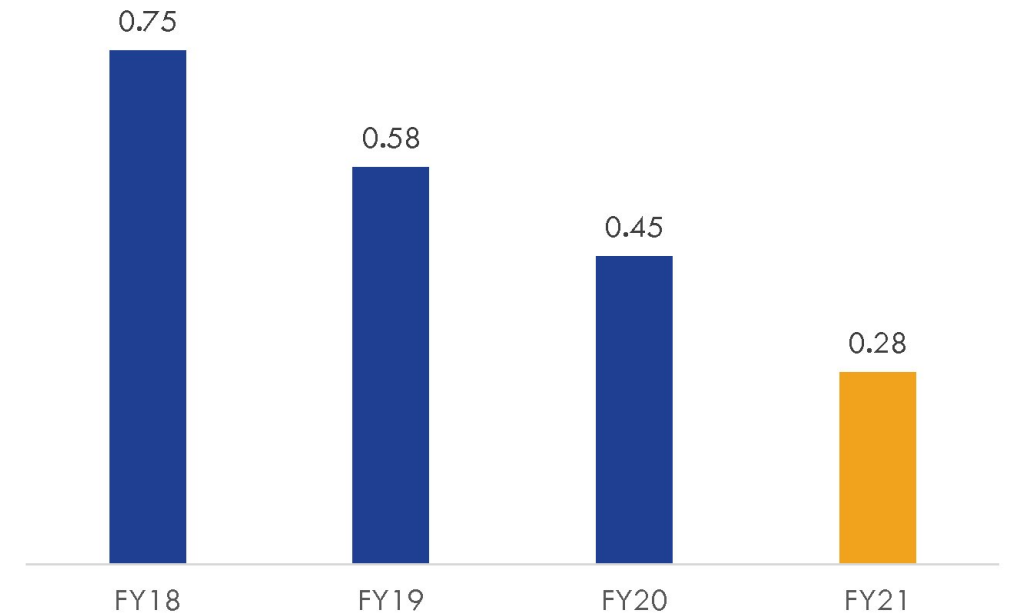


Rs 5,273 Mn
Cash Flow from
Operations
FY21

Rs 2,704 Mn
Free Cash Flow
(FCF)*
FY21

- ✓ 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

Debt to Equity (x)



- ✓ Debt to Equity = Total debt / Shareholders Equity

* FCF = Cash Flow from Operations – Investment in subsidiaries – Net capex

**Stronger
outlook
strengthened
by
opportunities**



Moving forward in our growth journey..

	Phase I (2008-2012)	Phase II (2013-2017)	Phase III (2018-2021)...
	Subcontractor with major experience in 1 state	Upcoming prime contractor starting contracts with NHAI	Leading road developer with pan India presence
Capabilities	PWD/ Civil construction	Highways/ Expressways	High value Road EPC & HAM
Revenue as prime contractor	~25%	~50%	~75%
EPC PQ	~Rs 500 Mn	Rs 15,000 Mn	Rs 28,000 Mn
Geographical Presence	2 State	6 states	8 States
Revenue	Rs 2,872 Mn (FY12)	Rs 10,560 Mn (FY17)	Rs 25,275 Mn (FY21)
EBITDA Margin	13.8% (FY12)	12.0% (FY17)	16.2% (FY21)
PAT	Rs 132 Mn (FY12)	Rs 534 Mn (FY17)	Rs 2,110 Mn (FY21)
Gross Block	Rs 1,193 Mn (FY12)	Rs 2,294 Mn (FY17)	Rs 7,602 Mn (FY21)
Debt/Equity	1.75x (FY12)	1.16x (FY17)	0.28x (FY21)

...& beyond

Core focus on Road EPC & HAM

Diversification to other infra sectors

Maintain financial discipline

.. On the back of well laid out strategy

Core focus on road EPC & HAM



- Continue focus on EPC Projects and timely execution with strong discipline in order selection
- Look at selective HAM projects with a goal of maintaining healthy IRR
- Explore opportunities to monetize HAM projects and free up equity



Diversification to other infra sectors

- De-risk business by expanding into sectors like Railways (track laying), Water Infra (pipeline laying) and Airports (runways/taxiways)



Maintain financial discipline

- Continue focus on projects with desirable levels of EBITDA Margins/ IRR
- Maintain strict cost controls to improve profitability and deleverage balance sheet
- Continue focus on WC management and cash generation

Tapping opportunities beyond road



Railways & Metro

- A National Rail Plan was introduced to develop capacity, infrastructure and enhance rail freight ahead of the demand.
- As part of the National Rail Plan, Vision 2024 has been launched for accelerated implementation of certain critical projects by 2024 such as 100% electrification of railways, multitracking of congested routes, upgradation of speed certain routes and so forth.
- Under the Union Budget'21, the Government of India has placed significant emphasis on the expansion of metro rail network. A total of 702 km of conventional metro is operational and another 1,016 km of metro and RRTS is under construction in 27 cities.



Water Infrastructure

- In 2019, the Jal Jeevan Mission was introduced for the purpose of augmenting local water sources, recharging existing sources, and promoting water harvesting and de-salination.
- In Union Budget'20, Rs 3.60 lakh crore were approved for the scheme over 5 years. Out of which, Rs 11,500 crore were allocated for the year 2020-21.
- In Union Budget'21, Jal Jeevan Mission (urban) was launched with an investment outlay of Rs 2.87 lakh crore over 5 years.



Airports

- The Udaan Scheme was introduced in 2017 to boost national economic developments, job growth and air transport infrastructure development of all regions and states of India.
- The scheme's aim is to develop new airports and enhance the existing regional airports and to add several hundred new regional flight routes to connect more than 100 underserved and unserved airports in smaller towns.
- The budget proposed rolling out of AAI Airports in Tier 2 and 3 cities under the Asset Monetization Programme. Proceeds from privatization of airports will be used for accomplishing the government's goal of building 100 new airports by 2024.

Target of 10% of order book from new sectors in FY22

Established "New Businesses" Department and hired senior professional having strong experience in infrastructure sector for Business Development

Historical Financial Highlights



Standalone profit & loss statement



(Rs mn)	FY21	FY20	FY19
Revenue from operations	25,275	21,961	20,098
Cost of material consumed	11,857	8,926	8,919
Contract and site expenses	7,952	8,137	6,665
Employee expenses	1,093	1,114	1,191
Other expenses	267	365	291
Total Operating expenses	21,168	18,542	17,066
EBITDA	4,107	3,419	3,032
EBITDA margin	16.2%	15.6%	15.1%
Finance Cost	596	524	490
Depreciation	844	756	755
Other Income	154	141	115
PBT	2,821	2,281	1,902
PBT margin	11.2%	10.4%	9.5%
Tax Expenses (Credits)	712	623	667
PAT	2,110	1,657	1,236
PAT margin	8.3%	7.5%	6.1%
Other comprehensive income	-4	6	(13)
Total comprehensive income	2,106	1,663	1,223

Standalone Balance Sheet



Rs Mn	Mar'21	Mar'20
Share Capital	652	652
Reserves	9,670	7,564
Shareholders' Funds	10,322	8,216
Secured Loans	945	640
Other liabilities	864	806
Total Non-Current Liabilities	1,809	1,446
Trade Payables	4,146	5,437
Other Current Liabilities	131	172
Current Tax Liabilities	74	48
Other Financial Liabilities	767	1,365
Contract Liabilities	3,236	2,089
Short Term Borrowings*	1,322	1,912
Total Current Liabilities	9,676	11,023
Total Liabilities	21,807	20,685

Rs Mn	Mar'21	Mar'20
Fixed Assets incl. CWIP	4,813	4,870
Other Financial Assets	2,771	1,138
Other Non Current Assets	181	207
Total Non-Current Assets	7,765	6,215
Inventories	1,680	1,055
Sundry Debtors	6,534	8,078
Cash and Bank	2,584	1,144
Other Financial Assets	91	185
Contract Assets	2,654	3,508
Other Current Assets	499	500
Total Current Assets	14,042	14,470
Total Assets	21,807	20,685

*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 754.11 Mn for Mar'21 (728.90 Mn in Mar'20)

Consolidated profit & loss statement

(Rs mn)	FY21	FY20	FY19
Revenue from operations	26,023	22,171	20,145
Cost of material consumed	11,857	8,926	8,919
Contract and site expenses	7,967	8,158	6,666
Employee expenses	1,108	1,123	1,194
Other expenses	334	413	320
Total Operating expenses	21,266	18,620	17,099
EBITDA	4,757	3,551	3,046
EBITDA margin	18.3%	16.0%	15.1%
Finance Cost	941	598	490
Depreciation	844	756	755
Other Income	148	141	115
PBT before share of associate	3,120	2,338	1,916
Share of profit of associate	0	-29	29
PBT	3,120	2,309	1,944
PBT margin	12.0%	10.4%	9.7%
Tax Expenses (Credits)	753	643	671
PAT	2,367	1,666	1,273
PAT margin	9.1%	7.5%	6.3%
Other comprehensive income	-4	6	(13)
Total comprehensive income	2,363	1,672	1,260

Consolidated Balance Sheet



Rs Mn	Mar'21	Mar'20
Share Capital	652	652
Reserves	9,974	7,611
Shareholders' Funds	10,626	8,263
Secured Loans	5,570	2,130
Other liabilities	899	815
Total Non-Current Liabilities	6,469	2,945
Trade Payables	4,146	5,437
Other Current Liabilities	132	205
Current Tax Liabilities	74	48
Other Financial Liabilities	1,109	1,396
Contract Liabilities	2,959	1,960
Short Term Borrowings*	1322	1,912
Total Current Liabilities	9,742	10,958
Total Liabilities	26,837	22,166

Rs Mn	Mar'21	Mar'20
Fixed Assets incl. CWIP	4,818	4,872
Other Financial Assets	4,241	1,150
Other Non Current Assets	311	255
Total Non-Current Assets	9,370	6,277
Inventories	1,680	1,055
Sundry Debtors	5,817	6,849
Cash and Bank	2,626	1,150
Other Financial Assets	3,326	2,359
Contract Assets	2,654	3,508
Other Current Assets	1,364	968
Total Current Assets	17,467	15,889
Total Assets	26,837	22,166

*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 754.11 Mn for Mar'21 (728.90 Mn in Mar'20)

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Thank You

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