

January 27, 2021

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Scrip Code- 541019

Dear Sirs,

National Stock Exchange of India Limited

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

Scrip Symbol- HGINFRA

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, 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



Ankita Mehra

Company Secretary & Compliance Officer
M.No-A33288



Encl: as above

H. G. INFRA ENGINEERING LTD.



H.G. Infra Engineering Ltd.

Investor Presentation Q3 & 9MFY21

Agenda



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Q3 & 9MFY21 Financial Highlights

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Q3 & 9MFY21 Financial Highlights



Standalone profit & loss statement



Rs mn	Q3FY21	Q3FY20	YoY	9MFY21	9MFY20	YoY
Revenue from operations	7,343	5,730	28.2%	14,997	15,733	-4.7%
Cost of material consumed	3,376	2,539		7,229	6,546	
Contract and site expenses	2,396	1,943		4,363	5,711	
Employee expenses	315	270		796	823	
Other expenses	76	96		167	243	
Total Operating expenses	6,162	4,848		12,555	13,323	
EBITDA	1,181	882	34.0%	2,442	2,410	1.3%
EBITDA margin	16.1%	15.4%		16.3%	15.3%	
Finance Cost	144	135		403	365	
Depreciation	216	191		619	548	
Other Income	34	39		77	99	
PBT	856	595	43.9%	1,497	1,596	-6.2%
PBT margin	11.7%	10.4%		10.0%	10.1%	
Tax Expenses (Credits)	201	180		364	451	
PAT	655	415	57.9%	1,133	1,145	-1.0%
PAT margin	8.9%	7.2%		7.6%	7.3%	
Other comprehensive income	-1	-4		2	-11	
Total comprehensive income	655	411		1,135	1,133	

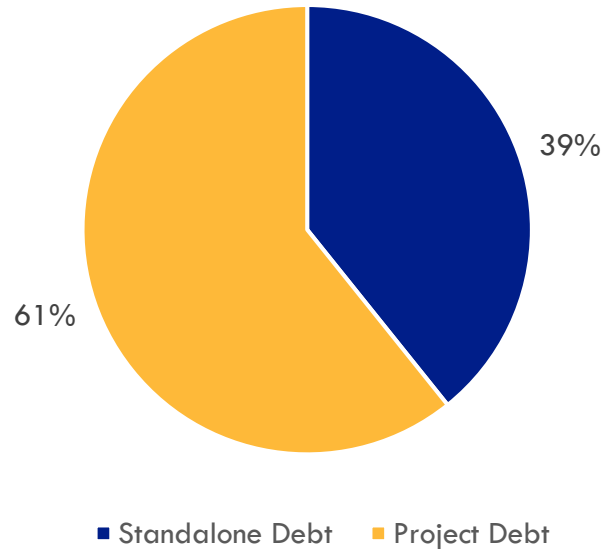
Consolidated profit & loss statement



Rs mn	Q3FY21	Q3FY20	YoY	9MFY21	9MFY20	YoY
Revenue from operations	7,507	5,715	31.4%	15,460	15,829	-2.3%
Cost of material consumed	3,376	2,539		7,229	6,546	
Contract and site expenses	2,399	1,944		4,373	5,717	
Employee expenses	319	272		807	829	
Other expenses	99	111		220	272	
Total Operating expenses	6,194	4,866		12,629	13,363	
EBITDA	1,314	849	54.7%	2,830	2,466	14.8%
EBITDA margin	17.5%	14.9%		18.3%	15.6%	
Finance Cost	244	161		632	420	
Depreciation	216	191		619	548	
Other Income	34	39		76	118	
PBT before share of associate	888	536		1,655	1,617	
Share of profit of associate	0	-34		0	-29	
PBT	888	502	76.8%	1,655	1,588	4.2%
PBT margin	11.8%	8.8%		10.7%	10.0%	
Tax Expenses (Credits)	211	168		399	465	
PAT	678	335	102.3%	1,255	1,123	11.8%
PAT margin	9.0%	5.9%		8.1%	7.1%	
Other comprehensive income	-1	-4		2	-11	
Total comprehensive income	677	331		1,258	1,111	

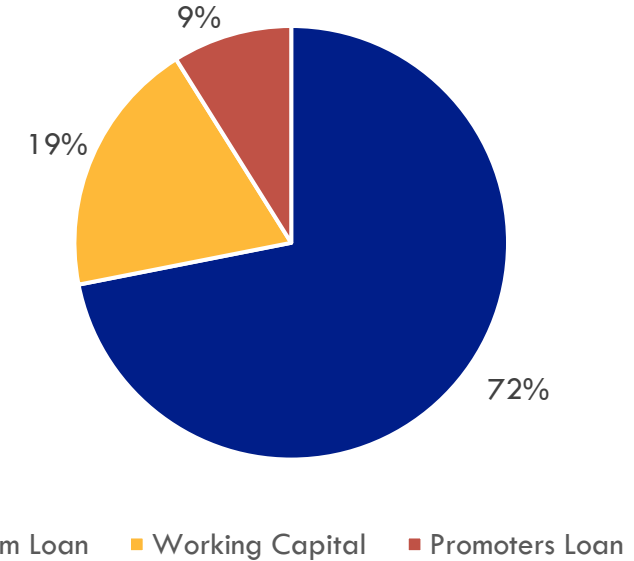
Debt breakup

Consolidated Debt Breakup



Rs mn)	Dec-20
Standalone debt	2,602
Project debt	4,028
Total consolidated debt	6,630
Consolidated Cash & Bank	1,501

Standalone Debt Breakup



(Rs mn)	Dec-20
Term loan + current maturities*	1,871
Working capital	499
Promoters loan	232
Total standalone debt	2,602
Standalone Cash & Bank	1,479

*Includes payables under MSME Trade receivables discounting system (TReDS) - Rs 610 Mn for Dec'20

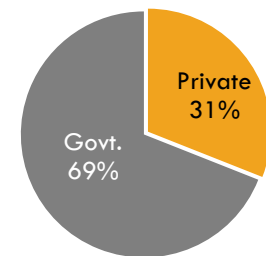
Q3 FY21 Operational Highlights



Robust & well diversified order book

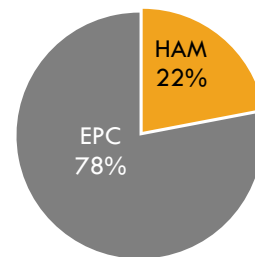
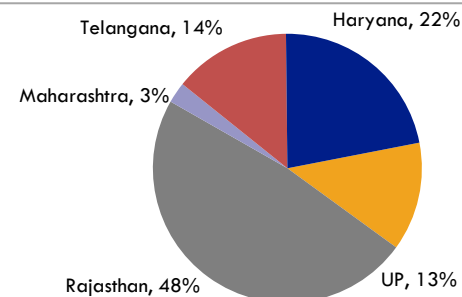


Project	Awarding Authority	Unexecuted Value (Rs mn)
Delhi Vadodara Pkg-9	NHAI	11,296
Mancherial - Repallewa	Adani	8,241
Hapur Morradabad	IRB - MRM	8,028
Delhi Vadodara Pkg-8	NHAI	7,650
Delhi Vadodara Pkg-4	NHAI	4,930
Narnual Bypass	NHAI	4,655
Rewari Bypass Pkg-4	NHAI	3,991
Rewari Ateli Mandi	NHAI	3,060
Bhilwara-Gulabpura	IRB - MRM	2,042
Gurgaon-Sohna (Rajiv chowk)	NHAI	1,633
MoRTH Projects (MH & Rajasthan)	MoRTH	2,044
Rajasthan Project (World Bank funded)	PWD	1,078
Others		1,062
Total		59,710



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 31 st Dec '20 (Rs. Mn)	Completion Status as on 31 st Dec '20 (%)
Gurgaon-Sohna (Rajiv chowk)	NHAI	Haryana	12.7	6,060	2,424	2,879	574.5	1,939.5	72%
Rewari Ateli Mandi	NHAI	Haryana	30.4	5,800	2,320	2,270	430.2	798.0	53%
Narnual Bypass	NHAI	Haryana	40.8	9,521	3,808	4,060	975.0	1,290.5	54%
Rewari Bypass Pkg-4*	NHAI	Haryana	14.4	5,220	2,088	2,200	1.5	-	-

*Rewari Bypass Pkg -4 received FC and appointed date on 15 Jan 2021

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



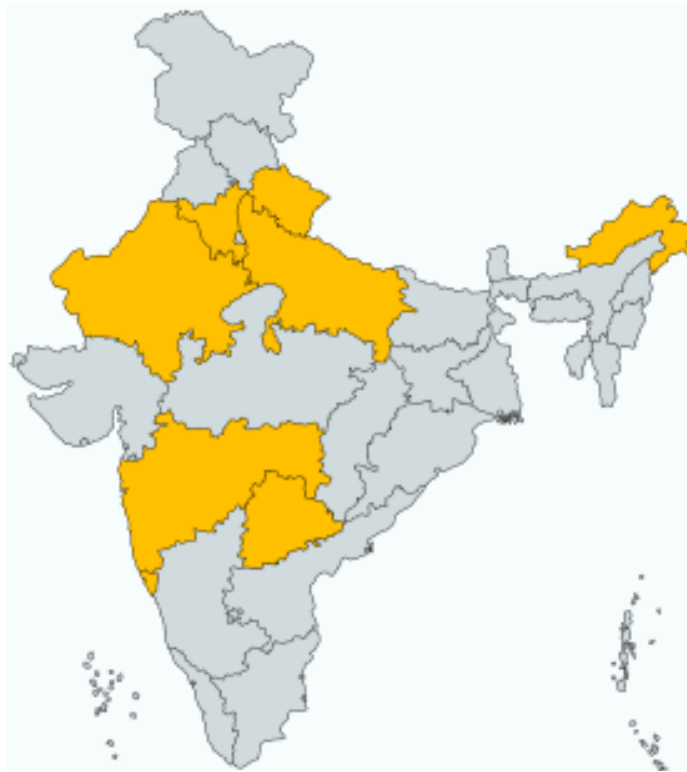
**A leading road infra developer
with pan India presence**

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**

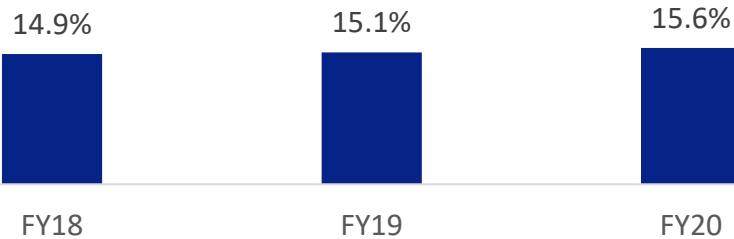
**Order Book
Rs 59,710 mn
(As on Dec 31st, 2020)**

All financials are for FY20

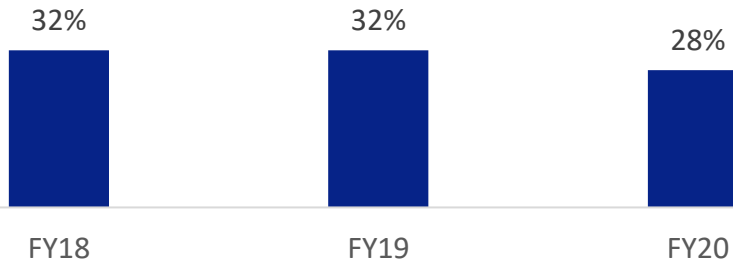
While maintaining these along the way...

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

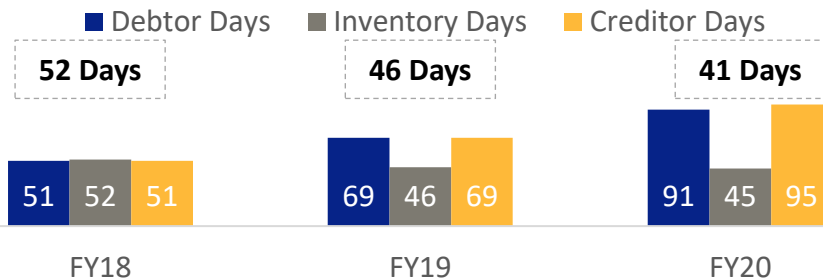
EBITDA Margin



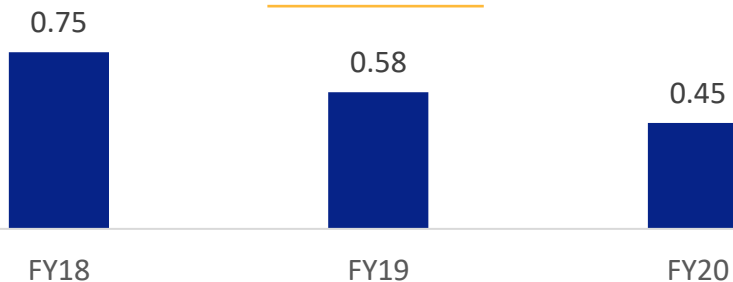
Return on Capital Employed



Working Capital Cycle



Debt to Equity



- ✓ $ROCE = \frac{EBIT}{\text{Total Assets} - \text{Current Liabilities}}$
- ✓ $\text{Debt to Equity} = \frac{\text{Total debt}}{\text{Shareholders Equity}}$
- ✓ $\text{Debtor days} = \frac{\text{Average Trade Receivables (excl. retention money)}}{\text{Revenue From Operations}}$

- ✓ $\text{Inventory Days} = \frac{\text{Average Inventory}}{\text{Cost of Materials}}$
- ✓ $\text{Creditors Days} = \frac{\text{Average Trade Payables}}{(\text{Cost of Materials} + \text{Contract \& Site Expenses})}$
- ✓ $\text{Net working capital days} = \text{Debtor days} + \text{Inventory days} - \text{Creditor days}$



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

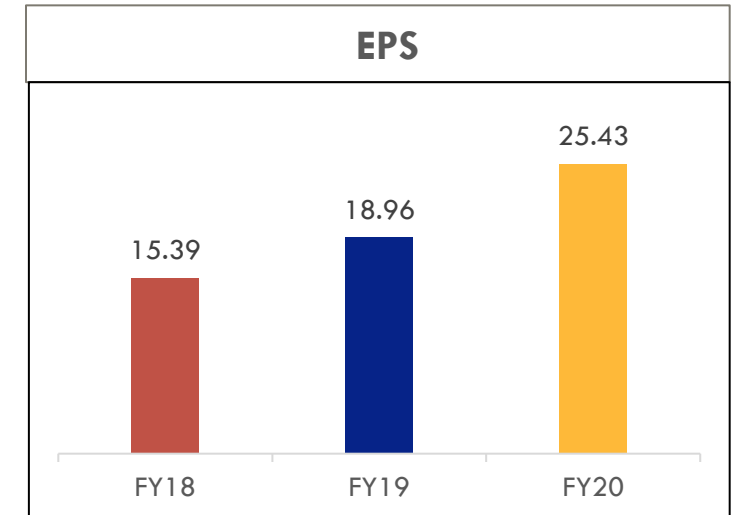
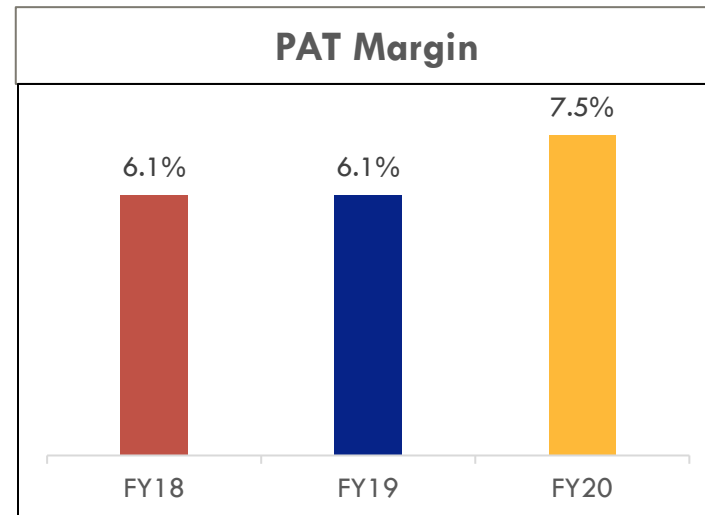
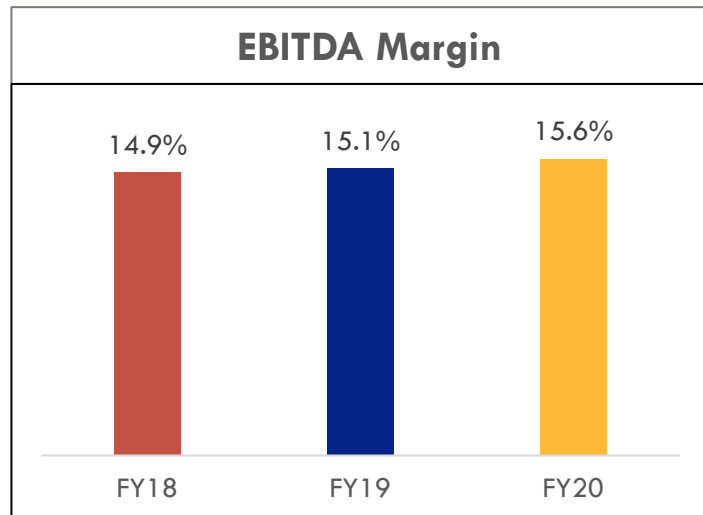
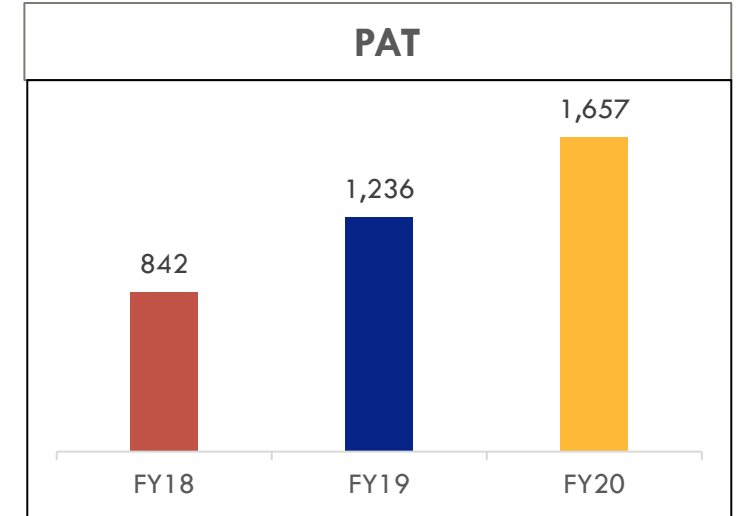
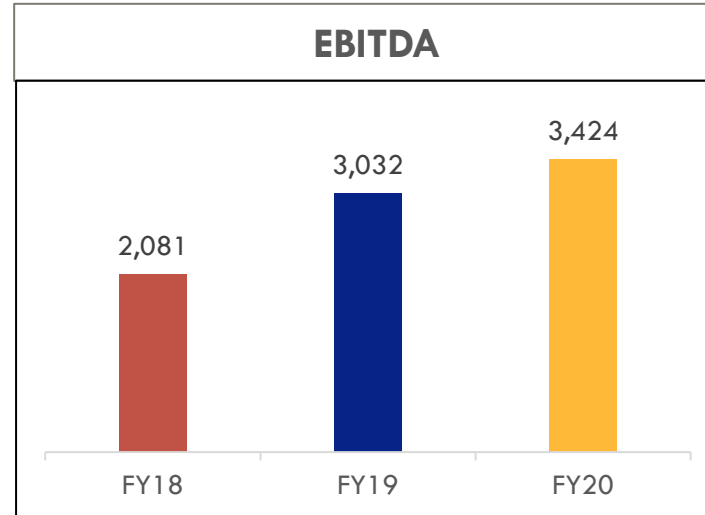
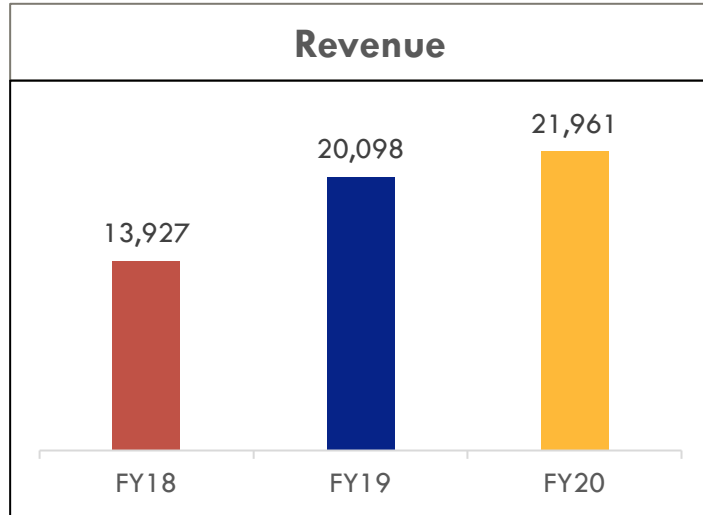
- ✓ De-risk business by expanding in following sectors:
 - Railways: projects involving civil part of the track laying
 - Water Infra: water supply projects involving laying water pipeline for last mile connectivity; have already done similar projects in Rajasthan
 - Airport: construction of runways, 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)	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	Sep'20	Mar'20
Share Capital	652	652
Reserves	8,045	7,564
Shareholders' Funds	8,697	8,216
Secured Loans	477	640
Other liabilities	733	809
Total Non-Current Liabilities	1,210	1,449
Trade Payables	4,720	5,437
Other Current Liabilities	73	172
Current Tax Liabilities	193	48
Other Financial Liabilities	931	1,362
Contract Liabilities	2,529	2,089
Short Term Borrowings*	1,844	1,912
Total Current Liabilities	10,290	11,019
Total Liabilities	20,197	20,685

Rs mn	Sep'20	Mar'20
Fixed Assets incl. CWIP	4,635	4,870
Other Financial Assets	2,143	1,138
Other Non Current Assets	183	207
Total Non-Current Assets	6,961	6,215
Inventories	1,232	1,055
Sundry Debtors	7,237	8,078
Cash and Bank	1,352	1,144
Other Financial Assets	153	184
Contract Assets	2,801	3,508
Other Current Assets	461	500
Total Current Assets	13,236	14,470
Total Assets	20,197	20,685

*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 705 Mn for Sep'20

Consolidated profit & loss statement



(Rs mn)	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	Sep'20	Mar'20
Share Capital	652	652
Reserves	8,192	7,611
Shareholders' Funds	8,843	8,263
Secured Loans	3,233	2,130
Other liabilities	757	819
Total Non-Current Liabilities	3,990	2,949
Trade Payables	4,720	5,437
Other Current Liabilities	91	205
Current Tax Liabilities	193	48
Other Financial Liabilities	938	1,393
Contract Liabilities	2,104	1,960
Short Term Borrowings*	1,844	1,912
Total Current Liabilities	9,889	10,954
Total Liabilities	22,723	22,166

Rs mn	Sep'20	Mar'20
Fixed Assets incl. CWIP	4,641	4,872
Other Financial Assets	1,468	1,150
Other Non Current Assets	265	255
Total Non-Current Assets	6,373	6,277
Inventories	1,232	1,055
Sundry Debtors	6,277	6,849
Cash and Bank	1,376	1,150
Other Financial Assets	3,613	2,358
Contract Assets	2,801	3,508
Other Current Assets	1,052	968
Total Current Assets	16,349	15,888
Total Assets	22,723	22,166

*Includes payables under MSME Trade receivables discounting system (TReDS)- Rs 705 Mn for Sep'20



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Thank You

HG Infra Engineering Ltd
Rajeev Mishra, CFO
Rajeev.mishra@hginfra.com



III Floor, Sheel Mohar Plaza, A-1,
Tilak Marg, C-Scheme,
Jaipur - 302001

Pareto Capital (Investor Relations)
Pooja Dokania
pooja.dokania@paretocapital.in
Rishav Das
rishav.das@paretocapital.in



210, B Wing, Kanakia Wall Street
Andheri East, Mumbai - 400069

