

**Investor Presentation
February 2018**

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Q3 FY18 Result Highlights

- **Revenue from Operations is at Rs. 1,985 lakhs, a growth of 23% from Q3 FY17**
- **EBITDA up 89% to Rs. 343 lakhs as compared to Rs. 182 lakhs in Q3 FY17**
- **EBITDA Margins have improved by 610 bps to 17.3%**
- **Profit after Tax up 116% to Rs. 127 lakhs as compared to Rs. 58 lakhs in Q3 FY17**
- **PAT Margins have improved by 280 bps to 6.4%**

The Government in its efforts to preserve the environment has taxed AAC (Autoclaved Aerated Concrete) at 12% GST which is significantly lower than the earlier tax regime. Traditional red bricks which were earlier not taxable are now taxed at 5%. This shall greatly benefit us in the coming future

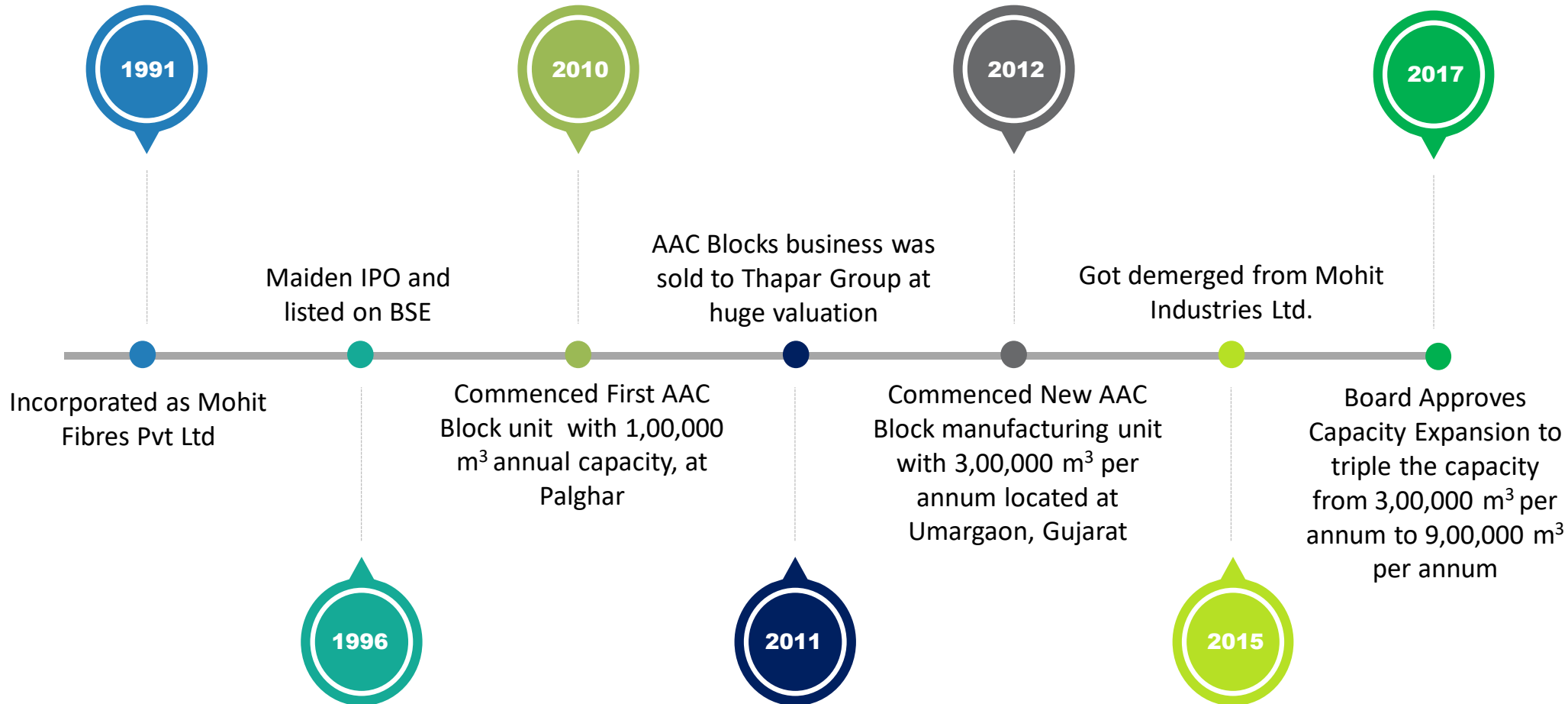
A Snapshot

- ❖ Engaged in the manufacturing of **AAC (Aerated Autoclave Concrete) Blocks**
- ❖ A member of INDIAN GREEN BUILDING COUNCIL
- ❖ Sells AAC Blocks under the Brand Name **NXTBLOC**, Block Joint Mortar Ready mix plaster & Tile Adhesive
- ❖ Reputed clients like Kanakia, Lodha, Mahindra Lifespaces, Raheja, Agarwal Group etc.
- ❖ Technically efficient to take up the leading position in AAC Blocks business with execution skills and business prowess
- ❖ Consistent Quality and Market reach
- ❖ Generating Carbon Credits
- ❖ Strong Balance Sheet
- ❖ Dividend paying Company since listing
 - Dividend for FY16 – Rs. 0.20 per share
 - Dividend for FY17 – Rs. 0.50 per share (including interim dividend of Rs. 0.25 per share)



CARBON CREDITS





The only Listed Company in India solely focused on manufacturing of AAC Blocks

Board of Directors

Mr. Narayan Sitaram Saboo, Director



- 30 years of experience in management and operation of Textile Business and 7 years of experience in AAC Block Business.
- Holds a degree of Bachelor of Laws (LLB)
- Providing industry wise leadership and Management strategy are his key area of expertise. He is actively associated with various social welfare and charitable trusts
- He is also a member of Surat Textile Association

Mr. Naresh Sitaram Saboo, Managing Director

- Experience of 20 years in Textile Business and 7 years of experience in AAC Block Business
- Vast experience in providing strategic direction in selection of technology and machineries in setting up new manufacturing facilities, improvement of production processes and new ventures
- Wide experience in dealing with international companies and agencies

Mr. Mohit Narayan Saboo, Director & CFO

- Qualified Chartered Accountant.
- Experience of 4 years in Corporate Taxation, Finance and Accounts
- Mr. Mohit Saboo is striving to build Bigbloc Construction Limited into a trusted corporate brand with total excellence

Mr. Manish Narayan Saboo, Non Executive Director

- Holds a degree of Masters in finance from Nottingham University, London
- Has more than 5 years of experience in AAC Block Business
- Has expertise in Company's financial planning, Credit Management, Strategic Management and is well aware about the International Market

Ms. Payal Loya, Independent Director

- Aged 31 years, she has a diploma in Architecture
- 2 years of experience in designing of building

Mr. Dishant Kaushikbhai Jariwala, Independent Director

- Aged 28 years, he is a chemical engineer
- 2 years of experience in the field of textile and designing of ornaments
- His expertise lies in graphic design and publishing system

Mr. Premil Shah, Independent Director

- Aged 27 years, he is a M.B.A. in Marketing
- 2 years of experiences in the field of diamond industry
- His expertise lies in wholesale dealing of Embroidery Spare parts

Management Team

Mr. Shailendra Dikshit, Associate Vice President

- 10 years of experience in overseeing improvements in manufacturing operations, new product development, on floor training and development, green field and brown field project implementation, energy conservation

Mr. Paritosh Gajjar General Manager (Marketing)

- More than 34 years of Experience in Sales & Marketing in Building Products Industry
- In charge of Formulation and implementation of sales plans and strategies for product ranges while ensuring their sales & profitability targets
- He is instrumental in new product development and successfully launching new products and building market share for existing products and also keeping the company in pace of the market.

Mr. Tejas Dhoot, Senior Executive

- Oversees production related tasks including planning, control and trouble shooting
- Ensures adherence to quality standards and maintaining all related documents
- Streamlines efforts for process enhancement & improving operational methods
- Coordinates plant activities with the accountability for strategic utilization & deployment of available resources to achieve organizational objectives

Mr. Sambasiva Rao, Production Head

- A dynamic professional with 16 years of rich experience in Plant Operations, Production, Quality Assurance
- Functional expertise in handling the production operations with key focus on bottom line profitability by ensuring optimal utilization of resources
- Adept in managing production activities involving resource planning, in-process inspection, team building, materials management

AAC vs Traditional Bricks

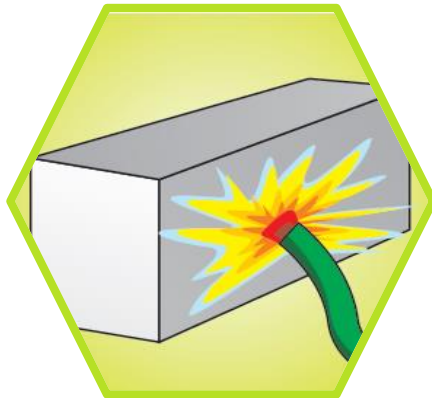
WEIGHT	AAC blocks weigh 600 kg/m ³ as against Bricks which weigh 2,000 kg/m ³ as a result it drastically reduces the dead weight of the building resulting in to reduction in steel and cement i.e. structural costs
REJECTION RATE	Rejection rate in Bricks is 10-15% higher than AAC. Also 9 Bricks equals 1 AAC block, therefore rejection rate is further lower for AAC
COST SAVINGS	Putty work can be done without plaster in case of AAC resulting in cost savings. AAC also reduces air conditioning bills due to its excellent thermal insulation property
FLOOR SPACE AREA	Use of thinner blocks (6" instead of 9" exterior walls) because of its excellent water barrier & insulation properties leads to an increase in floor space area between 3-5%
TIME SAVINGS	AAC wall construction involves 1/3rd the joints as it is 9 times the size of a clay brick, thus an overall savings in time and as a result labour costs.
ENVIRONMENTAL IMPACT	AAC does not consume top layer agricultural soil unlike Bricks. It also consumes significantly less coal and emits less CO₂ as compared with Bricks. 65% of the raw material by weight is fly ash which is a waste for thermal power plants and has toxic effects
SIZE	AAC Blocks are available in customizable sizes unlike Bricks
PEST	Since AAC is made of inorganic materials it does not promote the growth of mould
PRODUCTION FACILITY	The production facility to manufacture AAC are state of the art whereas Brick production facilities have unhealthy conditions with toxic gases
TAX CONTRIBUTION	Production and sale of AAC Blocks contribute to the Government taxes in the form of Central Excise, VAT & Octroi unlike Bricks

Floor Space Area

Use of thinner blocks (6" instead of 9" exterior walls) because of its excellent water barrier & insulation properties leads to an increase in floor space area between 3-5%

Sound Proof

AAC wall has an excellent Sound Transmission Class (STC) rating of 44



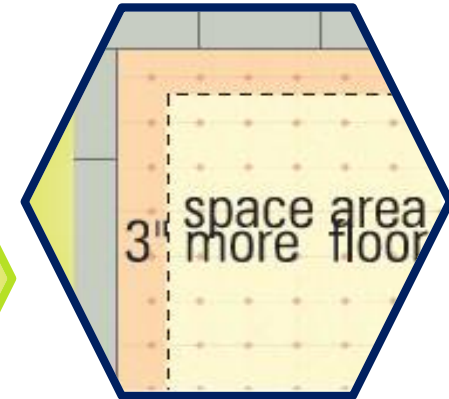
Thermal insulation

Reduces Air Conditioning cost by 30% by providing the highest thermal insulation in the industry. It keeps our warm air in summers and cold air in winters



Earthquake Resistant

Earthquake forces are directly proportional to the weight of the building, hence AAC shows excellent resistance to the earthquake forces. It has been proven to withstand wind loads of category 5 tropical storms



Benefits of using AAC

Pest Resistant

Since it is made of inorganic minerals, it does not promote the growth of molds, as a result pests hate ACC



High Strength

High pressure steam-curing autoclaving process gives AAC unmatched strength to weight ratio, higher than even M 150 concrete and it far exceeds the Indian Building Code requirements



Fire Resistant

Best in class fire rating of 4 hrs. The melting point of AAC is over 1600 degree Celsius, more than twice the typical temperature in a building fire of 650 degree Celsius

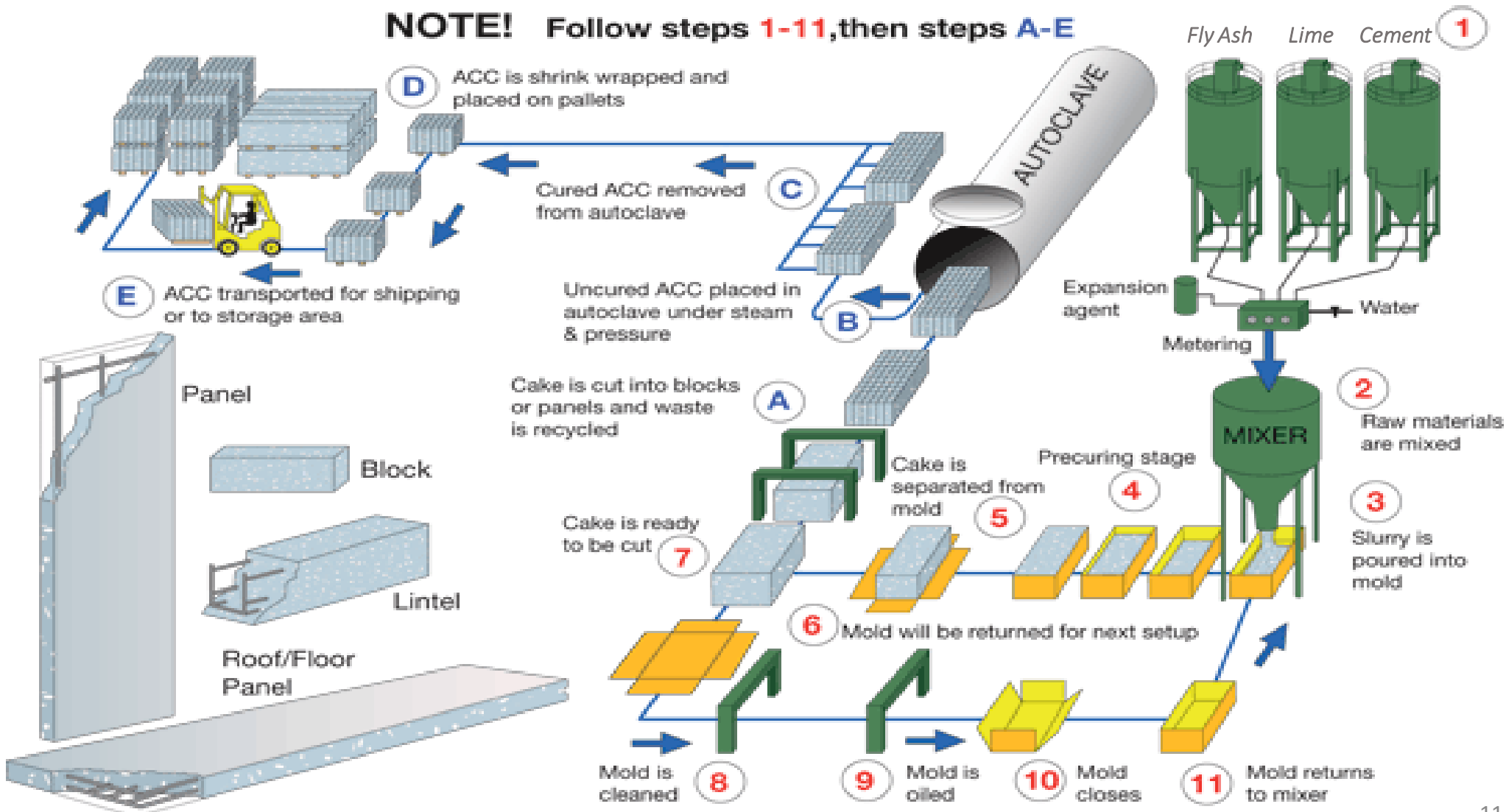


Energy Efficient

AAC uses least energy and material per m³ of product. AAC uses fly ash unlike bricks which use precious top layer agricultural soil. It also happens to be the walling material of choice in LEED certified buildings

AAC Production Process

NOTE! Follow steps 1-11, then steps A-E



Strong Client Base



Marquee Projects



ROSA Group
Royale



KANAKIA GROUP
Rainforest



RAHEJA
Solitaire



LODHA Group
World One



REGENCY Group
Regency Sarvam

....and many more

- The AAC block industry is only viable if the manufacturing facilities are located within ~250 kms from the client/place of construction
- Our Manufacturing Facilities are strategically located at Umargaon which caters to Mumbai, Pune & Surat which is where the major construction activities take place
- Our current capacity to produce AAC stands at **3,00,000 m³/annum**
- Our plant can produce **35 truck loads**/enough AAC blocks required for a **10 storey building** in a day

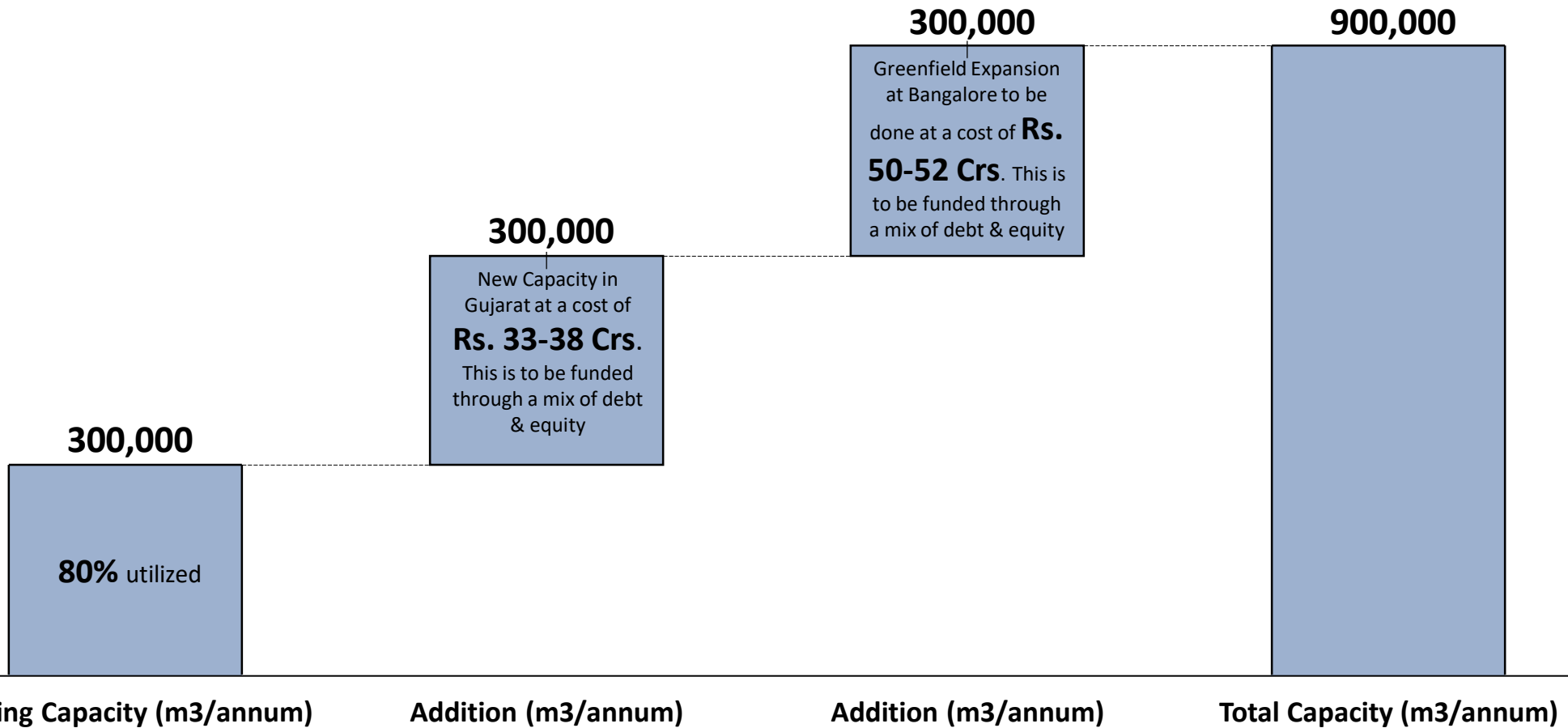
Looking at the market demand & the current utilization levels, the Company has announced expansion plans in Gujarat & Bangalore



The Company plans to become the largest manufacturer of AAC blocks in India



Capacity Expansion ... Tripling of Capacity

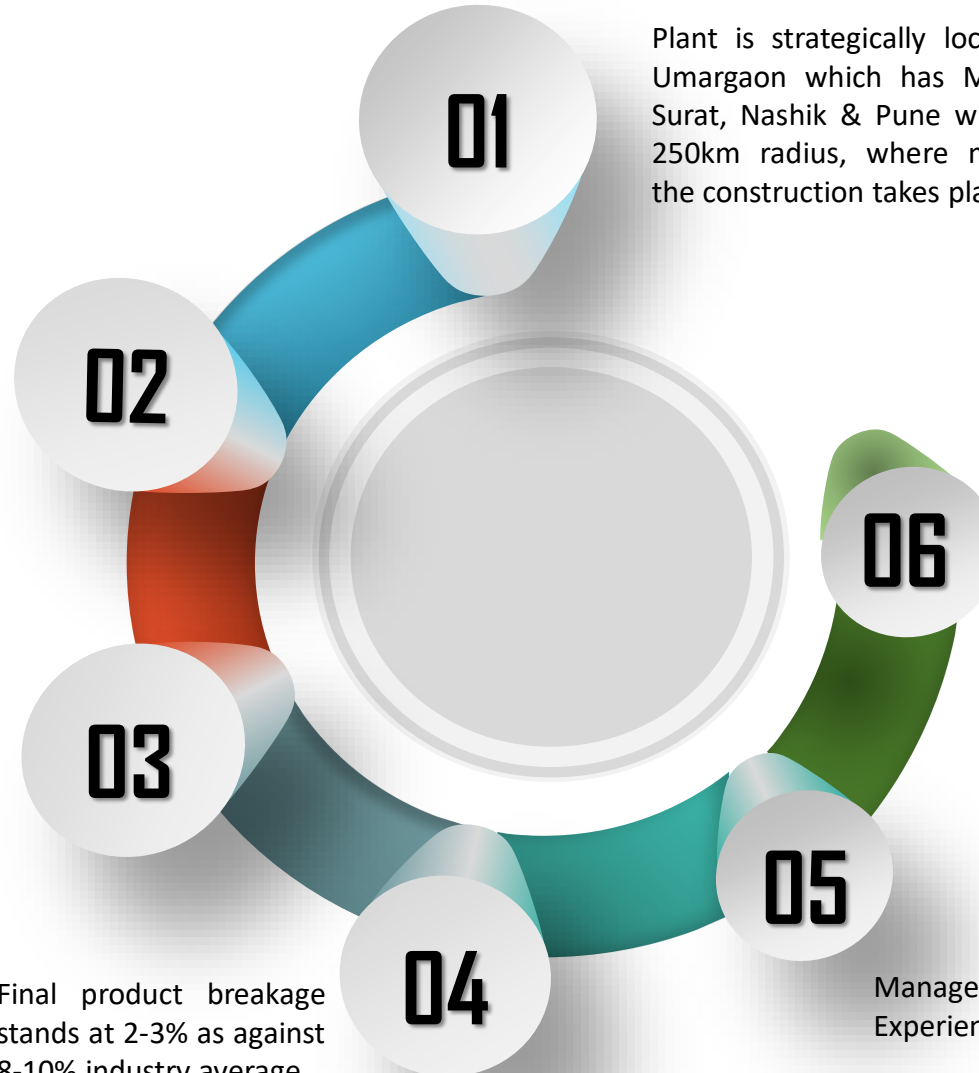


Key Strengths

New Nargol port which is just 6 kms from our plant is to be commissioned soon leading to savings in transportation costs. Additionally it will lead to increase in demand due to new industrial and commercial set ups, construction of ports will also require AAC blocks in huge quantities

65% of the AAC Block by weight is fly ash. It is a by-product of coal combustion. Therefore AAC makes productive use of recycled industrial waste. It is also a raw material that is obtained at almost no cost

Final product breakage stands at 2-3% as against 8-10% industry average



Plant is strategically located in Umargaon which has Mumbai, Surat, Nashik & Pune within its 250km radius, where most of the construction takes place

Our Capacity is 3 lac m3/annum as against majority of plants that are of size 1.5 lacs m3/annum which will not be viable in the long run

Managed by Qualified and Experienced professionals

Growth Drivers

Huge scope for growth since in India AAC's market share is only 3%

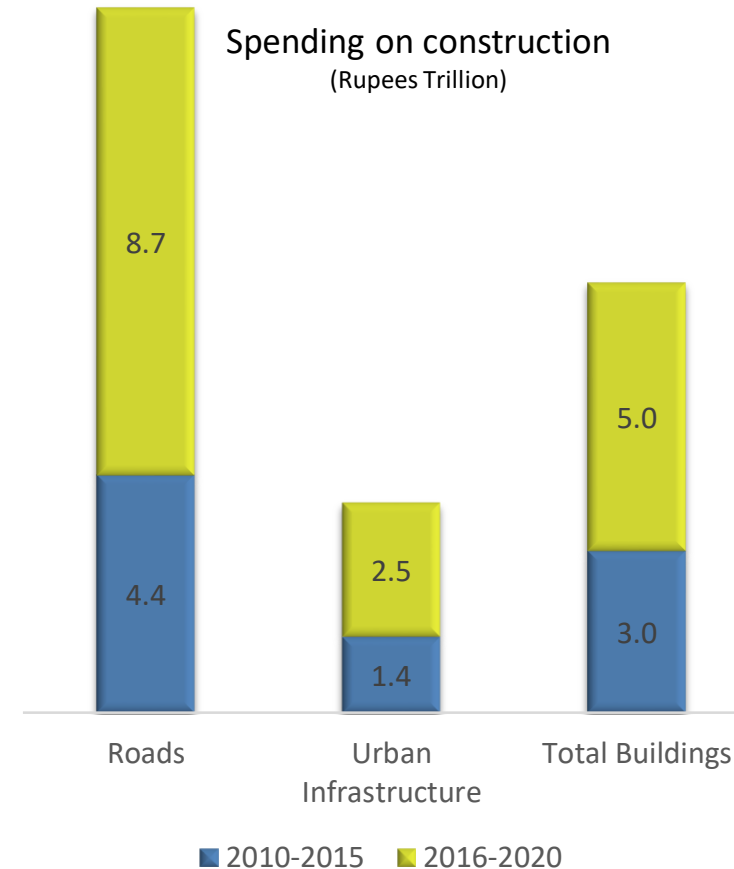
India's construction market is expected to reach USD 1 trillion by 2025, the third largest globally

Investment required by housing for all by 2022 is Rs USD 2 trillion

Restriction on clay based Bricks in major cities due to its environmental impact

Mandated govt. depts. and CPWD to use 100% Fly Ash based Bricks in their all constructions directly or through contractors

Falling interest rates & incremental economic growth



Source : Industry Report

Affordable Housing... A Huge Opportunity

05

The demand for affordable housing to remain healthy, supported by a growing population, young demographic profile, shift towards nuclear families and rapid urbanization

01

The market potential of affordable housing projects in the country is expected to touch **Rs 6.25 trillion by 2022**

Cost Effective

AAC



Bricks



02

The housing shortage is expected to increase from the current level of 19 million units to **25 million by 2021**, based on a stable decadal growth rate

04

Pradhan Mantri Awas Yojana, aims to construct **two crore houses** in India, in three phases, till **2022**

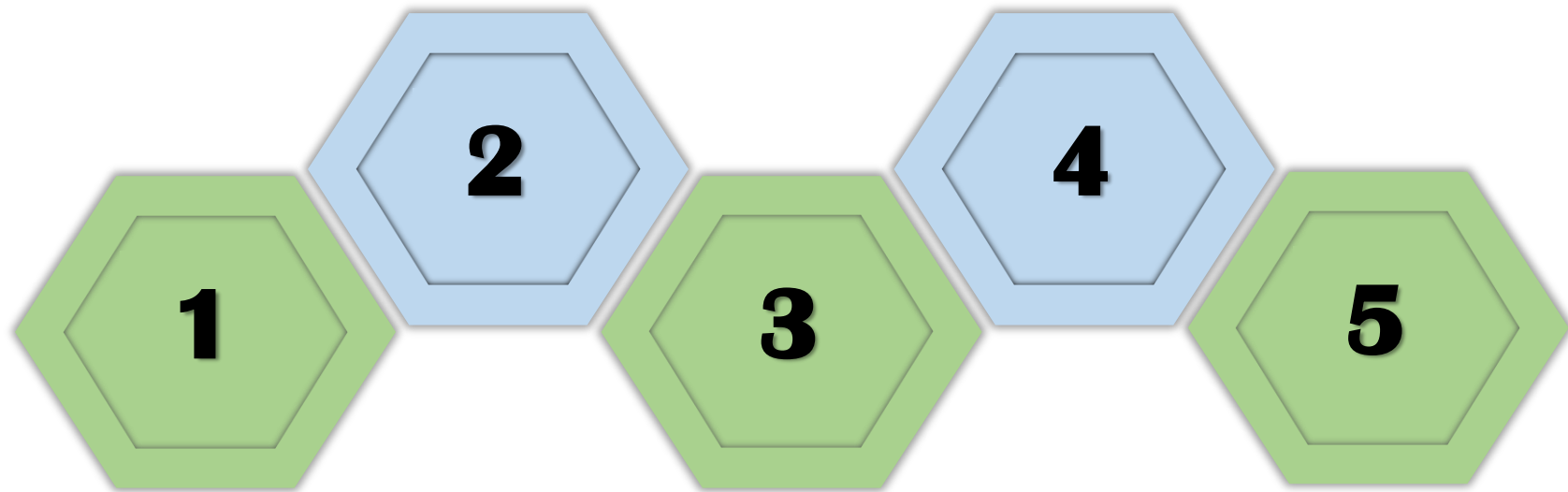
03

Assuming an average ticket size of **Rs 25 lakh per unit**, this translates into a market potential of **Rs 6.25 trillion** for affordable housing projects

Other Opportunities....

Our plant will be in a position to cater to the huge demand created by the construction of the Navi Mumbai Airport

GST will prove beneficial as the taxes would be implemented on Red Bricks which is a direct substitute and is currently a non-taxable item

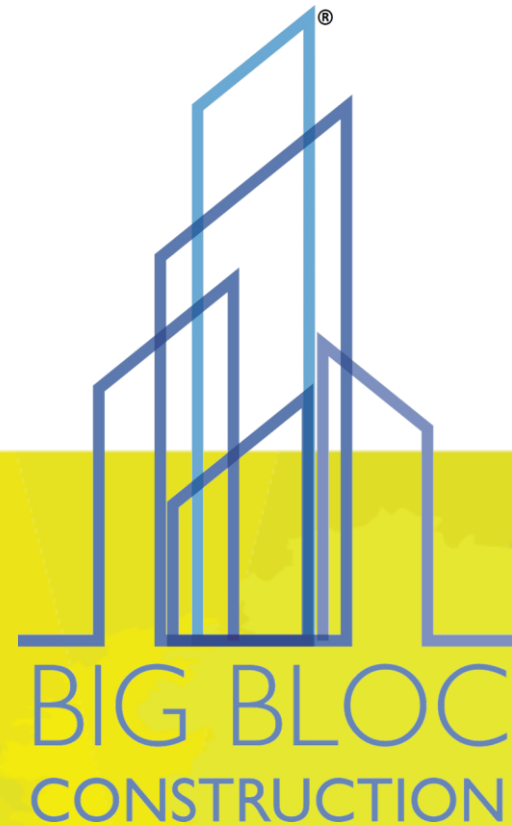


The Mumbai Airport at Navi Mumbai will require huge quantities of AAC Block

Our major sales is inter-state. Implementation of GST shall greatly benefit us

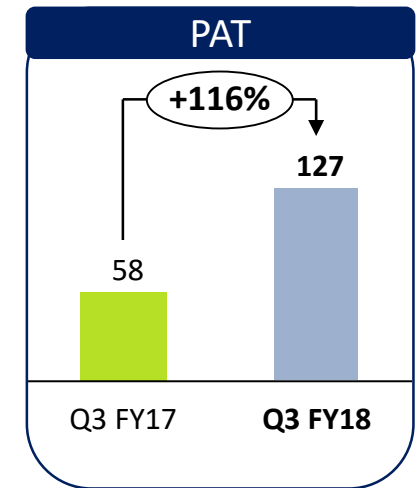
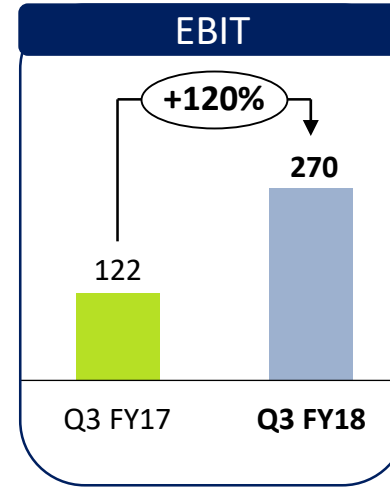
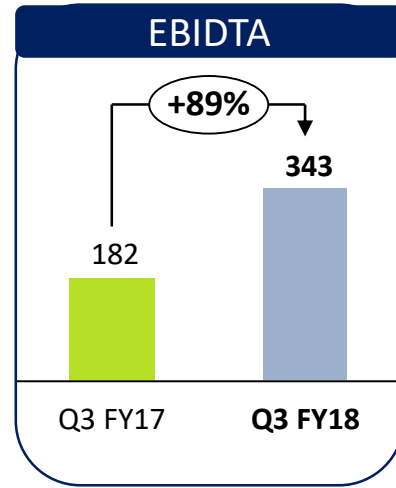
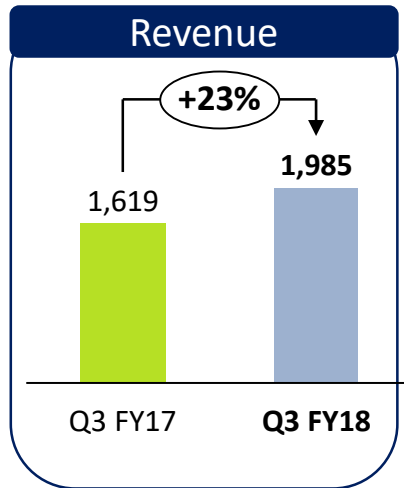
Majority of AAC blocks to Mumbai are supplied from Surat, but transport cost from Umargaon to Mumbai is cheaper, therefore there is visibility for our expanded capacity as demand from Mumbai is 1.5 – 2 lac cubic metres per month

FINANCIALS

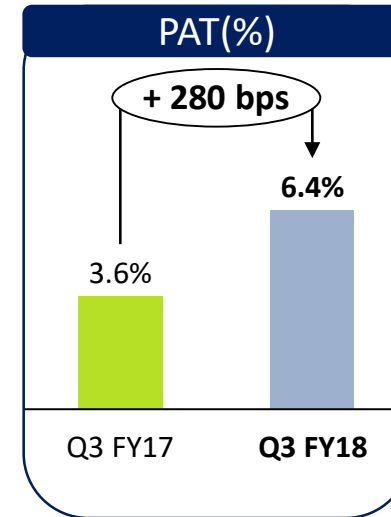
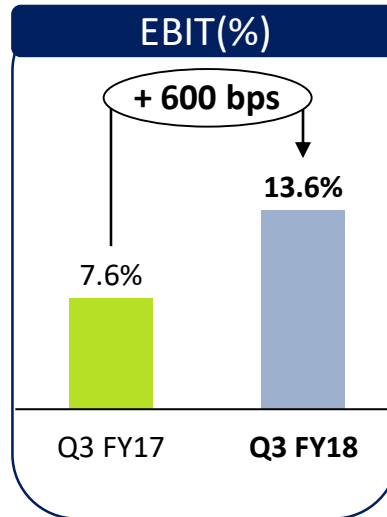
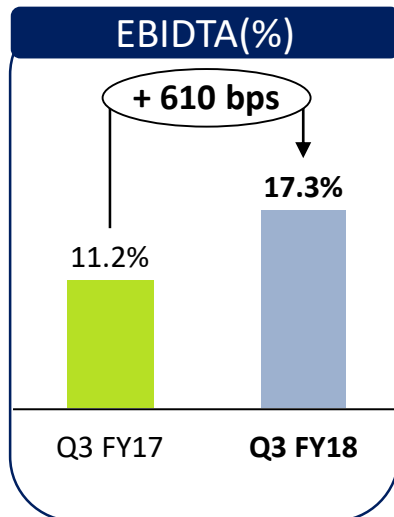


Let's make a better world...

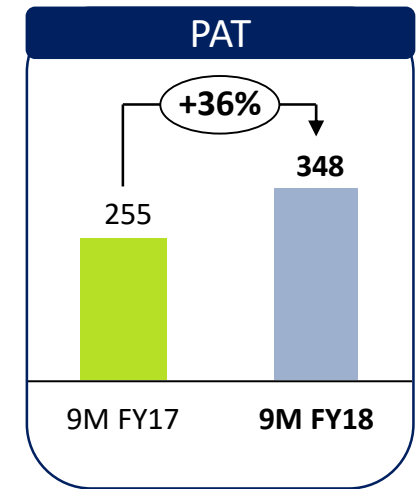
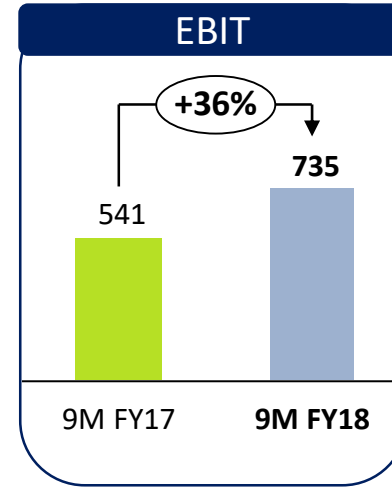
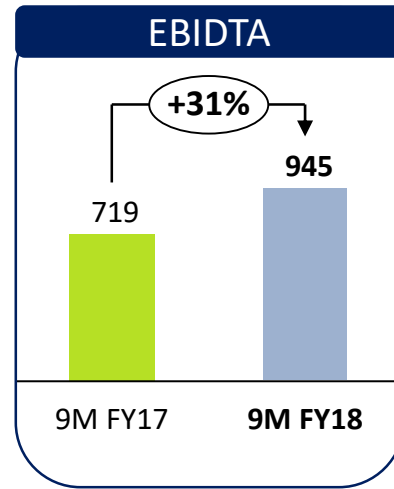
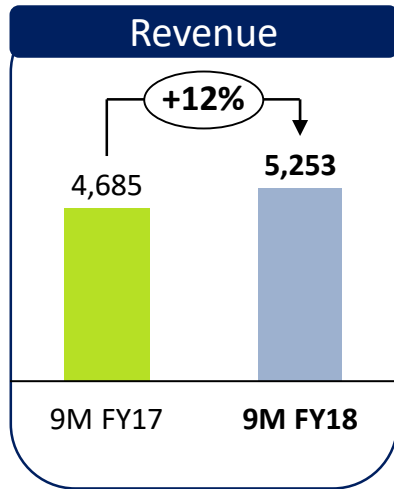
Result Highlights – Q3 FY18



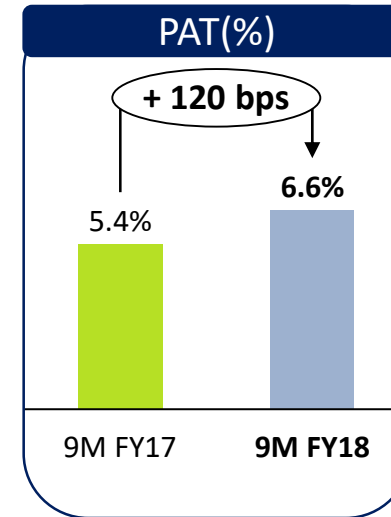
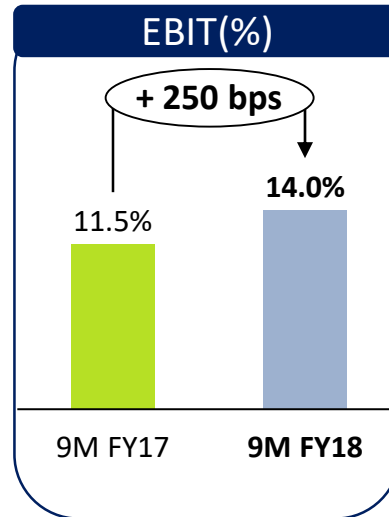
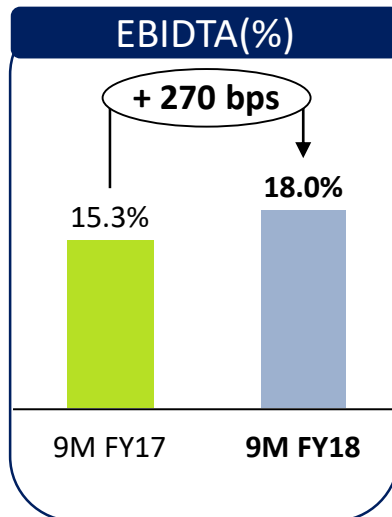
In Rs. lakhs



Result Highlights – 9M FY18



In Rs. lakhs



Statement of Profit & Loss

Particulars (Rs. lakhs)	Q3 FY18	Q3 FY17	Y-o-Y	9M FY18	9M FY17	Y-o-Y
Revenue from Operations	1,985	1,619	23%	5,253	4,685	12%
Total Raw Material	631	491		1,424	1,215	
Employee Expenses	204	140		596	483	
Other Expenses	807	806		2,289	2,268	
EBITDA	343	182	89%	945	719	31%
EBITDA Margin (%)	17.3%	11.2%		18.0%	15.3%	
Other Income	0	2		5	3	
Depreciation	74	61		216	181	
EBIT	270	122	120%	735	541	36%
EBIT Margin (%)	13.6%	7.6%		14.0%	11.5%	
Finance Cost	81	49		216	220	
Profit before Tax	189	73	157%	519	321	62%
Tax	62	15		172	65	
Profit After Tax	127	58	116%	348	255	36%
PAT Margin (%)	6.4%	3.6%		6.6%	5.4%	
EPS	0.89	0.41		2.46	1.80	

Balance Sheet

Equity & Liabilities (Rs. Lakhs)	Sep-17	Mar-17
Share Capital	1,416	1,416
Other Equity	1,103	882
Total Equity	2,519	2,298
Financial Liabilities		
Borrowings	1,671	1,358
Deferred Tax Liabilities (Net)	375	369
Other Non-Current Liabilities	4	5
Total Non-Current Liabilities	2,050	1,732
Financial Liabilities		
Borrowings	841	1,085
Trade Payables	766	806
Other Financial Liabilities	507	445
Other Current liabilities	211	129
Current Tax Liabilities	239	171
Total Current Liabilities	2,564	2,636
Total Equity & Liabilities	7,133	6,666

Assets (Rs. Lakhs)	Sep-17	Mar-17
Property, Plant & Equipment	3,775	3,807
Capital Work-in-Progress	61	43
Intangible Assets	4	4
Financial Assets		
Loans	121	99
Total Non-Current Assets	3,960	3,953
Inventories	702	471
Financial Assets		
Trade Receivables	2,084	1,999
Cash and Cash Equivalents	111	93
Loans	275	150
Total Current Assets	3,173	2,713
Total Assets	7,133	6,666

For further information, please contact:

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