

# **VASCON ENGINEERS**

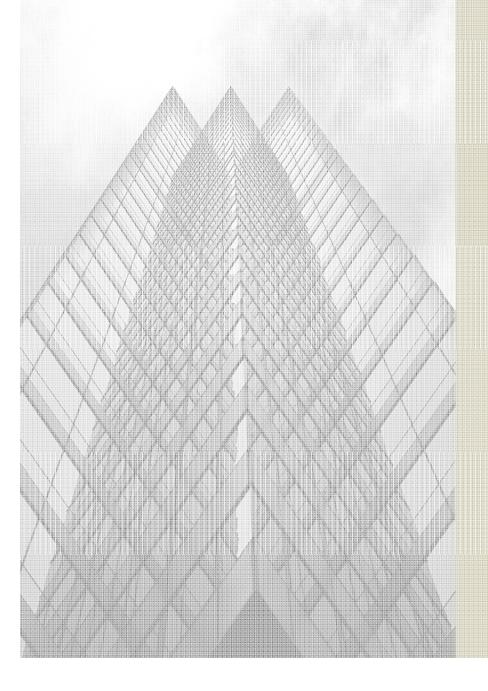
**INVESTOR PRESENTATION | FEBRUARY 2019** 



#### **DISCLAIMER**

- This presentation and the accompanying slides (the "Presentation"), which have been prepared by Vascon Engineers Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.
- This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.
- Ecrtain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the real estate & infrastructure industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.





# Key Development & Financial Highlights



## **KEY HIGHLIGHTS – 9MFY19**



Rs **877** Cr

Total Order Book

Rs **719** Cr

**External Orders** 

Rs **158** Cr

**Internal Orders** 

Rs **226** Cr Order Intake in **9MFY19** 



**Real Estate Business** 

New Sale booking of **3,28,667** *sqft* for a total sales value of *Rs* **194** *Cr* in 9MFY19



**Non Core Assets** 

- Sale of Amenity plot along with school building for total consideration of Rs 36.50 cr
- ➤ Sale of land parcel at Balewadi, Baner for total consideration of Rs 100 Cr (Vascon share Rs 13.10 Cr)



## **P&L HIGHLIGHTS- STANDALONE**

Particulars (Rs. Cr)	Q3 FY19 (with out Ind AS 115)	Q3 FY19	Q3 FY18	9M FY19 (with out Ind AS 115)	9M FY19	9M FY18 229.49	FY18 335.35
Revenue	85.83	82.13	93.51	258.32	245.66		
Other Income	7.74	7.74	1.74	23.84	23.84	8.98	24.06
Total Income	93.57	89.87	95.25	282.16	269.50	238.47	359.41
Construction Expenses / Material Consumed	58.44	54.46	67.17	189.79	179.51	162.67	249.45
Employee Cost	10.28	10.28	13.00	35.16	35.16 24.58	32.63	46.45
Other Expenses	8.42	8.42	6.89	24.58		17.22	25.22
EBITDA	16.43	16.71	8.19	32.63	30.25	25.95	38.29
EBIDTA Margin (%)	18%	19%	9%	12%	11%	11%	11%
Depreciation	2.13	2.13	1.95	6.01	6.01	5.45	7.52
Finance Costs	6.62	6.62	3.78	16.92	16.91	15.05	19.36
Profit Before Tax	7.68	7.96	2.46	9.70	7.323	5.45	11.41
Тах	-0.03	-0.03	- -	-1.02	-1.02 -	-	0.02
Profit After Tax	7.71	7.99	2.46	10.72	8.35	5.45	11.39
Other Comprehensive Income	-0.15	-0.15	0.11	-0.36	-0.36	0.08	0.24
Total Comprehensive Income	7.56	7.84	2.57	10.36	7.99	5.53	11.63



## **SEGMENTAL PROFIT & LOSS - AFTER ALLOCATION**

Particulars (Rs. Cr)	RE (without effect for Ind AS 115)	RE#	EPC ##	Inventorised	Total	Total (without effect for Ind AS 115)
Revenue	51.37	38.71	250.88		289.59	302.25
Other Income	5.02	5.02	19.28		24.30	24.30
Total Income	56.39	43.73	270.16	-	313.89	326.55
Cost of Sales	36.82	26.54	188.25	5.61	220.40	230.68
Gross Profit	14.55	12.17	62.63		69.19	71.57
Gross Profit Margin %	28%	31%	25%		24%	24%
Employee Cost	16.79	16.79	18.37		35.16	35.16
Other Expenses	14.59	14.59	13.26		27.85	27.85
EBITDA	-11.81	-14.19	50.27		30.48	32.85
EBIDTA Margin (%)			20%		11%	11%
Depreciation	0.90	0.90	5.20		6.10	6.10
EBIT	-12.71	-15.09	45.07		24.38	26.76
EBIT Margin (%)			18%		8%	9%
Finance Costs					16.98	16.98
Profit Before Tax					7.41	9.79
Tax					-0.94	-0.94
Profit After Tax					8.35	10.73

<sup>#</sup> IT INCLUDES REVENUE & EXPENSES RELATED TO AJANTA ENTERPRISE & PHOENIX VENTURES, IN FINANCIALS SHARE OF PROFIT IS TAKEN (AS PER IND AS )
## IT INCLUDES INTERNAL EPC ORDER REVENUE AND CONSTRUCTION EXPENSES



## **VASCON – AT PRESENT**



# ENGINEERING PROCUREMENT & CONSTRUCTION

One of the leading EPC Company in India

## **REAL ESTATE DEVELOPMENT**

**Focus on Affordable Housing** 







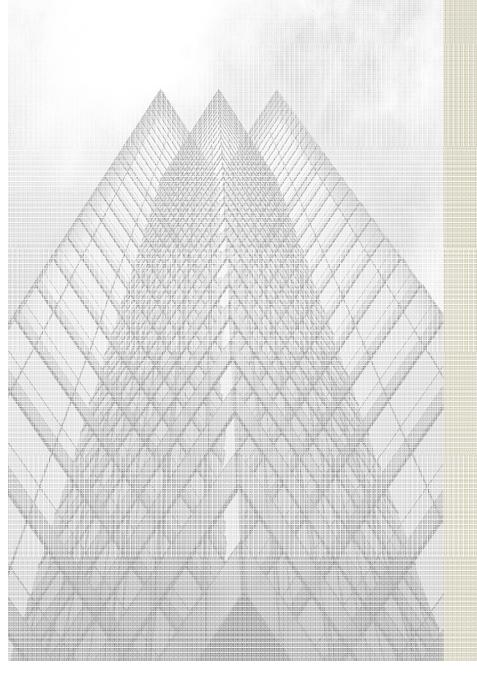


AN ISO 9001:2000 & ISO 14001:2004 COMPANY



50+ MILLION SQUARE FEET DELIVERED





Engineering
Procurement &
Construction



## **EPC BUSINESS**



#### Construction Experience across various verticals

 Executed over 200 projects with construction area of over 50 msft

#### Ability to execute around 8 msft per annum

- Currently executing around 3 msft p.a. operating at 40% utilization
- Number of Personnel in Project / Engineering team 489

#### **→** Higher margins Because of Turnkey Capabilities

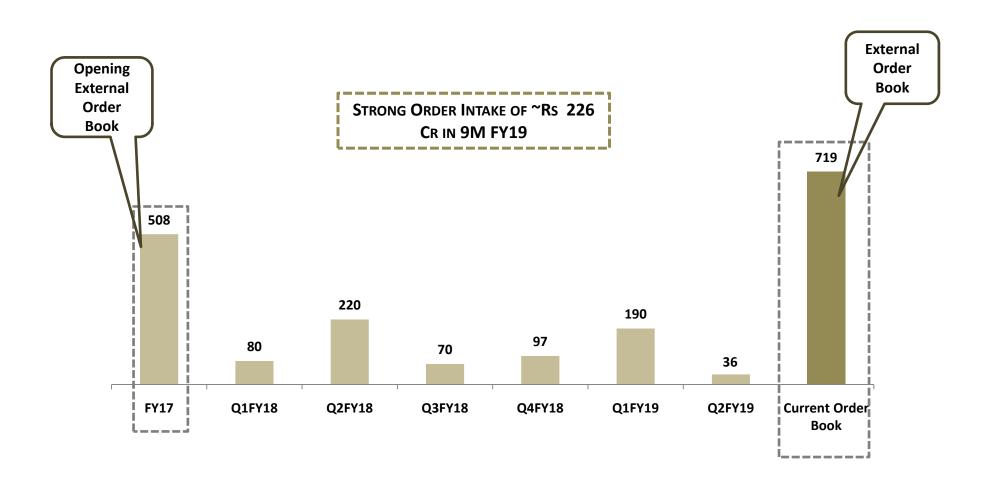
- In-house Design and Engineering team
- Ability to demand premium over other construction companies

#### New Orders Target

- Focus on Affordable Housing
- Focus on large and high value civil contracts by Government Agencies and reputed Private Companies
- Generate positive cash flows from all the projects and re-invest to drive growth



## **CONSISTENT ORDER INTAKE**



EXECUTION OF NEW ORDERS TO IMPROVE REVENUE & CAPACITY UTILISATION...

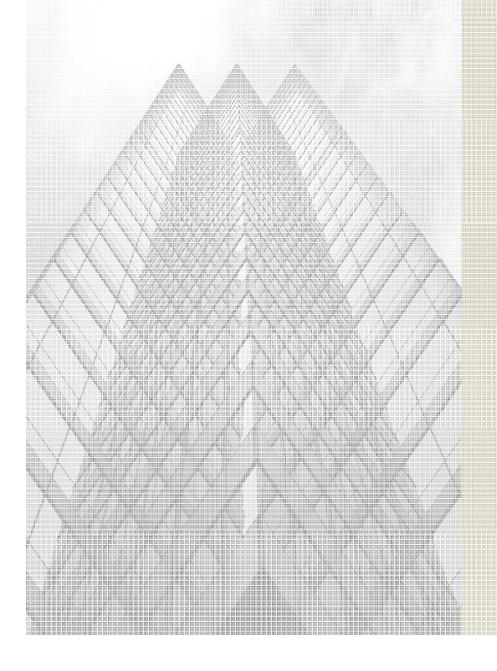
LEADING TO BETTER OPERATING MARGINS



## **EXISTING ORDER BOOK**

Project	Location	Amt (Rs. Cr)
External Order book	Editation	Ant (RS. CI)
Adhiraj	Mumbai	145
Kailash Enclave	Lucknow	100
Ayyalur	Ayyalur,Andhra Pradesh	78
Godrej Greens	Pune	75
Sheth Creators – Malad (I&II)	Mumbai	72
Adoni	Adoni, Andhra Pradesh	55
Sriram Educational Turst	Chennai	43
Godrej Laguna	Chennai	34
Everest Enclave	Lucknow	32
TNMC	Chennai	31
Other Projects		54
Total		719
	Internal Order book	
Platinum Square	Pune	1
Windermere-Tower I & II	Pune	10
Windermere-Bunglows	Pune	33
Hadapsar School	Pune	18
Forest Edge	Pune	16
Katvi-Affordable Housing	Talegaon, Pune	80
	Total	158
Total EPC Business Order book		877

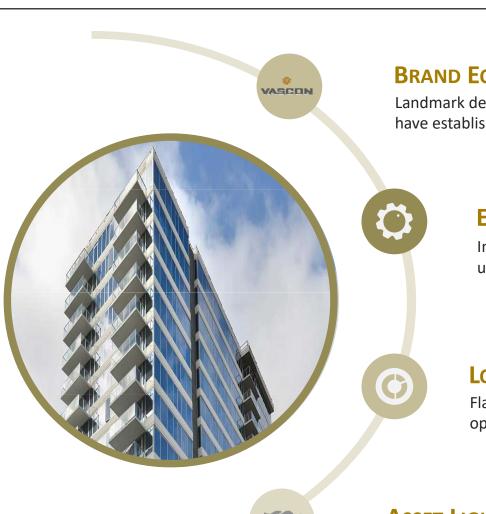




## REAL-ESTATE DEVELOPMENT



## **REAL ESTATE BUSINESS**



#### **BRAND EQUITY**

Landmark developments (Windermere, Forest County and Willows) have established the Brand Vascon in Pune Market

#### **END-TO-END CAPABILITIES**

In-house Design and Construction team gives us a unique advantage over other Real Estate Developers

#### **LOW OPERATING COST**

Flat organization structure with agile decision reduces operating cost

#### **ASSET LIGHT MODEL**

JV and JDA with land owners with low upfront deposit



### **REAL ESTATE - KEY BUSINESS DRIVERS**

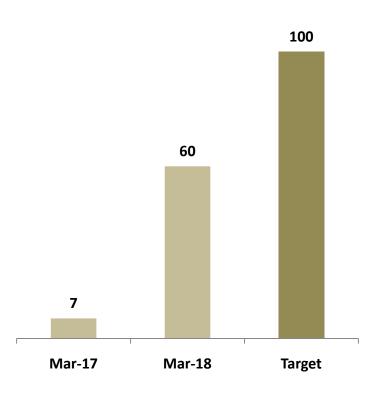
#### Affordable Housing - the Focus Area

- Focus on developing Affordable Housing projects
- Perfect the Affordable Housing model in Pune and replicate in other cities
- Launch of new phases in existing projects with clear sales visibility
- Liquidate significant inventory at launch (Positive cashflows from the beginning of the Project)

#### **Key Steps taken in last Financial Year**

- CEO (Real Estate) appointed with clear focus on Real Estate business
- Appointed separate heads for Sales, Marketing and CRM Function
- Real Estate team size grew from 7 people in March 2017 to 60 professionals at present; target to increase it to 100 people dynamic team

#### **INVESTED IN STRENGTHENING REAL ESTATE TEAM**

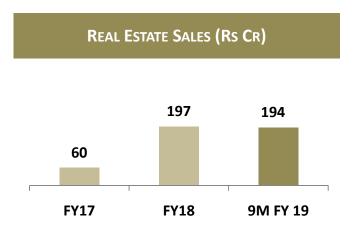


Number of employees



## SUCCESSFULLY LAUNCHED REAL ESTATE PROJECTS

PROJECTS	Dev. Area (MSFT)	Launch	Status
Forest Edge (JV)	0.08	Jan 2018	Fully sold
Windermere (JV)#	0.38	Mar 2018	
Vascon Goodlife – Value Home (Own)	0.46	May 2018	
Xotech	0.04	Oct 2018	Fully Sold



"FOREST EDGE" - KHARADI, PUNE

VASCON GOODLIFE - KATVI, TALEGAON

RE-LAUNCH OF WINDERMERE#







New Sale booking of ~3,28,677 sqft for a total sales value of ~Rs. 194 Cr in 9M FY19 against Sale booking of ~2,46,867 sqft for a total sales value of ~Rs. 197 Cr in FY18



## CURRENT REAL ESTATE PROJECTS UNDER DEVELOPMENT

Project Name	Location	Vascon Share		Total				Vascon Share		
				Project Area	Area Sold	Sale Value	Collection	Sale Value	Collection	Rev. Recognized
		Туре	Share	msft	msft	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
Forest Edge	Pune	JV	50%	0.08	0.08	54	23	27	12	-
Windmere Residential	Pune	JDA	45%	0.38	0.18	199	134	90	60	80
Platinum Square	Pune	JV	70%	0.13	0.13	132	105	92	74	75
Vascon GoodLife	Talegaon	Own	100%	0.46	0.18	64	3	64	3	-
Xotech	Hinjewadi	JV	50%	0.04	0.04	18	2	9	1	-
Total				1.09	0.60	467	266	282	150	155



# THANK YOU!



Mr. M. Krishnamurthi / Mr. Punit Bhayani mk murthi@vascon.com punit@vascon.com

Vascon Weikfield Chambers, Pune - 411014



Mr. Vikash Verma / Ms. Hina Agarwal vikash.verma@stellar-ir.com hina@stellar-ir.com

Kanakia Wall Street, Andheri (East), Mumbai 400 093