

VASCON ENGINEERS

INVESTOR PRESENTATION | NOVEMBER 2018



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Key Development & Financial Highlights



KEY HIGHLIGHTS – H1FY19



EPC Business

Rs **930** Cr

Total Order Book

Rs **763** Cr

External Orders

Rs **167** Cr

Internal Orders

Rs **226** Cr Order Intake in **H1FY19**



Real Estate Business

New Sale booking of **2,48,674** *sqft* for a total sales value of *Rs* **136** *cr* (including Vascon GoodLife) **in H1FY19**

New Launch in current quarter: Forest County, Kharadi sold *53,346 sqft* for total value of Rs *58 cr*



P&L HIGHLIGHTS- STANDALONE

Particulars (Rs. Cr)	Q2 FY19 (with out Ind AS 115)	Q2 FY19	Q2 FY18	H1 FY19 (with out Ind AS 115)	H1 FY19	H1 FY18	FY18
Revenue	73.66	69.65	54.60	172.48	163.53	135.98	335.35
Other Income	11.98	11.98	3.04	16.10	16.10	7.24	24.06
Total Income	85.64	81.63	57.64	188.58	179.63	143.22	359.41
Construction Expenses / Material Consumed	59.07	55.38	32.69	131.35	125.05	95.50	249.45
Employee Cost	13.02	13.02	11.12	24.88	24.88	19.63	46.45
Other Expenses	8.19	8.19	4.97	16.16	16.16	10.33	25.22
EBITDA	A 5.36 5.04		5.04 8.86		13.54	17.76	38.29
EBIDTA Margin (%)	6%	6%	15%	9%	8%	12%	11%
Depreciation	2.04	2.04	1.83	3.88	3.88	3.50	7.52
Finance Costs	5.12	5.12	5.52	10.29	10.29 10.29	11.27	19.36
Profit Before Tax	-1.80	-2.12	1.51	2.02	-0.63	2.99	11.41
Tax	-0.99	-0.99	-	-0.99	-0.99	-	0.02
Profit After Tax	-0.81	-1.13	1.51	3.01	0.36	2.99	11.39
Other Comprehensive Income	-0.21	-0.55	0.11	-0.21	-0.21	-0.03	0.24
Total Comprehensive Income	-1.02	-1.68	1.62	2.80	0.15	2.96	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	34.73	20.03	175.33		195.36	210.01
Other Income	8.38	8.38	8.12		16.50	16.50
Total Income	43.11	28.41	183.45	-	211.86	226.51
Cost of Sales	29.51	18.94	132.06	4.35	155.35	165.92
Gross Profit	5.22	1.09	43.27		40.01	44.09
Gross Profit Margin %	15%	5%	25%		20%	21%
Employee Cost	12.94	12.96	11.94		24.90	24.88
Other Expenses	10.78	10.51	7.00		17.74	17.78
EBITDA	-10.12	-14.00	32.40		13.87	17.93
EBIDTA Margin (%)			18%		7%	9%
Depreciation	0.60	0.60	3.34		3.93	3.94
EBIT	-10.72	-14.60	29.06		9.93	13.99
EBIT Margin (%)			17%		5%	7%
Finance Costs					10.33	10.33
Profit Before Tax					-0.40	3.66
Tax					-0.76	0.65
Profit After Tax					0.36	3.01

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



BALANCE SHEET- STANDALONE

Rs. Cr	Sep -18	Mar-18		
Non-current assets	367.65	374.40		
Fixed assets	56.39	56.44		
Financial Assets	270.38	268.35		
Other Non Current assets, Income Tax & Deferred Tax	40.88	49.61		
Current assets	836.25	819.53		
Inventories	475.74	455.33		
Investments	6.34	7.79		
Trade receivables	119.32	130.89		
Cash and bank balances	37.35	38.82		
Loans & Other Financial assets	174.42	165.01		
Other current assets	23.08	21.69		
Total Assets	1,203.90	1,193.93		

Rs. Cr	Sep -18	Mar-18
Shareholder's Fund	664.89	651.83
Share capital	178.14	174.14
Reserves & Surplus	486.75	477.69
Non-current liabilities	90.40	113.15
Long term borrowings	61.04	89.13
Other Financial liabilities	29.36	24.02
Current liabilities	448.61	428.95
Short term borrowings	86.82	80.70
Trade Payables	171.95	154.30
Other Financial liabilities	97.94	86.81
Other current liabilities & Provisions	91.90	107.14
Total Liabilities	1,203.90	1,193.93



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



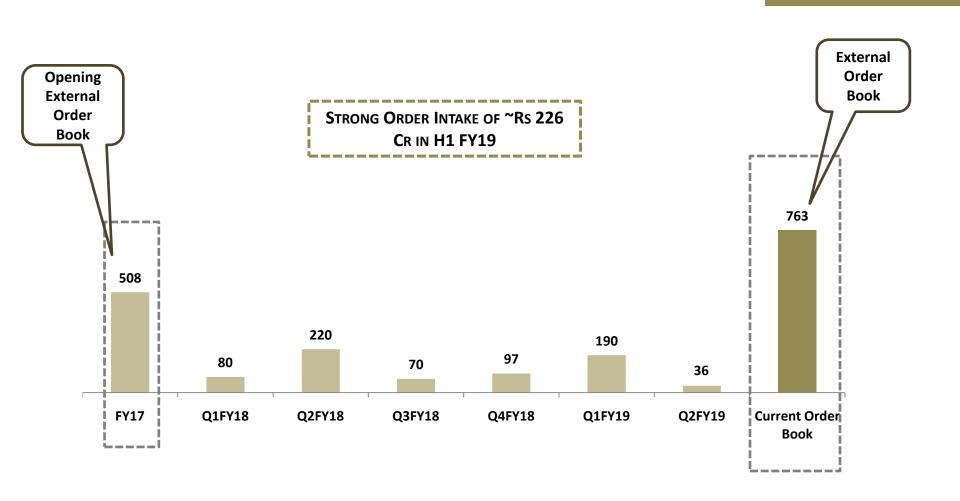
EPC BUSINESS



- 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
 - Rs 500 Cr in current FY 2019
 - · 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 reinvest to drive growth



CONSISTENT ORDER INTAKE



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

LEADING TO BETTER OPERATING MARGINS IN FY19



EXISTING ORDER BOOK

Project	Location	Amt (Rs. Cr)
External Order book		
Adhiraj	Mumbai	148
Kailash Enclave	Lucknow	110
Godrej Greens	Pune	83
Ayyalur	Ayyalur, Andhra Pradesh	79
Sheth Creators – Malad (I&II)	Mumbai	60
Adoni	Adoni, Andhra Pradesh	57
Sriram Educational Turst	Chennai	54
TNMC	Chennai	42
Everest Enclave	Lucknow	35
Godrej Laguna	Chennai	34
Other Projects		61
	Total	763
Internal Order book		
Platinum Square	Pune	2
Windermere-Tower I & II	Pune	11
Windermere-Bunglows	Pune	34
Hadapsar School	Pune	19
Forest Edge	Pune	19
Katvi-Affordable Housing	Talegaon, Pune	82
	Total	167
Total EPC Business Order book		930





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



JV and JDA with land owners with low upfront deposit



REAL ESTATE - KEY BUSINESS DRIVERS

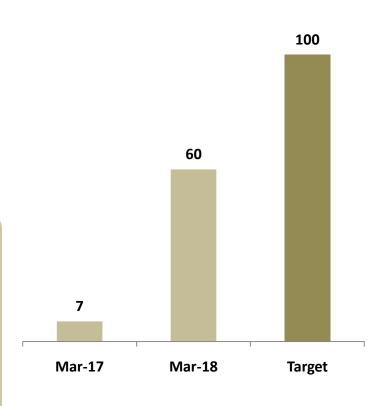
Affordable Housing - the Focus Area

- 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

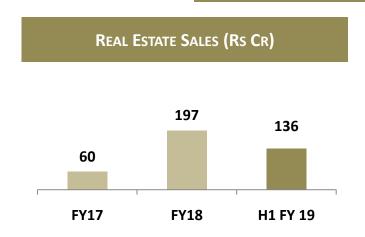


Number of employees



SUCCESSFULLY LAUNCHED REAL ESTATE PROJECTS

Projects	Dev. Area (msft)	Launch	Status
Platinum Square (JV)	0.05	Sep 2017	Fully Sold
Forest Edge (JV)	0.08	Jan 2018	Fully sold
Windermere (JV)#	0.38	Mar 2018	
Vascon Goodlife – Value Home (Own)	0.46	May 2018	Fully Sold



PLATINUM SQUARE,
PHASE II



"FOREST EDGE" – KHARADI, PUNE



Vascon Goodlife -Katvi, Talegaon



RE-LAUNCH OF WINDERMERE#



New Sale booking of ~2,48,674 sqft for a total sales value of ~Rs. 136 Cr in H1 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				Total				Vascon Share		
	Location	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	0.07	51	19	26	10	-
Windmere Residential	Pune	JDA	45%	0.38	0.18	189	127	85	57	78
Platinum Square	Pune	JV	70%	0.13	0.13	132	98	92	69	75
Vascon GoodLife	Talegaon	Own	100%	0.46	0.18	64	2	64	2	-
Total				1.05	0.56	436	246	267	128	147



THANK YOU!



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