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Indian Green Building Council MEMBER

NXTBLOC®
Autoclaved Aerated Concrete Blocks

13th August, 2026

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,Fort
Mumbai - 400001
Script Code: 540061
ISIN: INE412U01025

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, BLOCK G,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400051
Symbol: BIGBLOC
ISIN: INE412U01025

Subject: Transcript of Earnings Conference Call for Q1 FY27 financial results held on 10th August, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we hereby enclose the transcript of the Earnings conference call held on Monday, 10th August, 2026 to discuss on Q1 FY27 financial results and business outlook of the Company.

The above information will also be made available on the website of the Company: www.bigbloc.in

You are requested to take the above information on record.

Thanking you.

Yours Faithfully,
For Bigbloc Construction Limited,

MOHIT NARAYAN SABOO
Digitally signed by MOHIT NARAYAN SABOO
Date: 2026.08.13 14:37:46 +05'30'

BIGBLOC CONSTRUCTION LIMITED SURAT

Mohit Narayan Saboo
Director & CFO
DIN: 02357431

Encl.: as above

Bigbloc Construction Limited
Q1 FY’27 Earnings Conference Call
August 10, 2026

Moderator: Good day and welcome to the Bigbloc Construction Limited Q1 FY’2027 Earnings Conference Call hosted by Valorem Advisors.

As a reminder, all participants’ lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

Purvangi Jain: Thank you. Good afternoon everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Bigbloc Construction Limited. On behalf of the company, I would like to thank you all for participating in the company's Earnings Call for the 1st Quarter of the Financial Year 2027.

Before I begin, a short cautionary statement:

Some of the statements made in today's earnings conference call may be forward looking in nature. Such forward looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on Management's belief as well as assumptions made by and information currently available to the Management. Audiences are cautioned not to place any undue reliance on these forward looking statements in making any investment decisions. The purpose of today's conference call is purely to educate and bring awareness about the company's fundamental business and financial performance for the period under review.

Now, I would like to introduce you to the Management participating with us in today's Earnings Call and hand it over to them for opening remarks.

We have with us Mr. Mohit Saboo – Director and Chief Financial Officer and Mr. Manish Saboo, Promoter. Without any delay, I request Mr. Mohit Saboo to give his opening remarks. Thank you and over to you sir.

Mohit Saboo: Thank you Purvangi. Good afternoon, everyone and thank you for joining us today for the Bigbloc Construction Limited's Earnings Conference Call for the 1st Quarter of Financial Year 2027.

We are pleased to begin FY'27 on a strong and encouraging note. The 1st Quarter marks an important inflection point for Bigbloc as the investment and capacity expansion undertaken over the past two years are now beginning to translate into higher utilization, stronger operating leverage and a meaningful improvement in operating performance. Over the last several years, we have transformed ourselves from a regional AAC block manufacturer into a diversified green building materials company.

During this period, we have significantly expanded our manufacturing footprint, diversified our product portfolio and built a stronger platform to serve the evolving needs of the construction industry. Our revenue has nearly tripled over the last seven years, reflecting both the scale we have created and the growing acceptance of our products across our key markets.

The last two years, in particular, were an important investment phase for the company. We undertook significant capital expenditure to expand our manufacturing capabilities, upgrade our manufacturing capabilities, strengthen our market presence and create the capacity required to support our next phase of growth. While this investment phase temporarily impacted, reported profitability through higher depreciation and finance costs, these investments have significantly strengthened our business platform and positioned us to participate in the next phase of industry growth. Importantly, a major capacity expansion cycle is now largely behind us and our focus has therefore shifted from capacity creation to capacity utilization, operational efficiency, cost optimization, cash flow generation and profitable growth. We are already beginning to see the results for the same.

During the quarter, we achieved sales volume of 2,21,545 cubic meters, representing a healthy 32% year-on-year growth. In spite of industry-wide labor availability challenges, our plants operated at an average capacity utilization of around 69%, reflecting resilient execution and healthy demand across our key markets. More importantly, we are now approaching operational break-even.

As utilization improves to 75% and beyond, we expect operating leverage to strengthen further, resulting in better absorption of fixed costs and a meaningful improvement in our profitability. We believe this marks the beginning of the return phase on the investments made over the past two years. Alongside improving utilization, we are also implementing several initiatives focused on energy efficiency, cost optimization and operational productivity, which we believe can support marginal improvements going forward.

During the quarter, approximately 52% of our power requirement was met through solar energy. This represents an important step in reducing our dependence on conventional power sources while improving our overall energy efficiency. As the contribution from renewable energy increases, we expect it to support our cost optimization and sustainability objectives over the coming periods. We are also progressively introducing electric forklifts across our operations. This initiative is aimed at improving material handling efficiency while reducing fuel maintenance and operating costs. Over time, the increased adoption of electric material handling equipment is expected to contribute positively to our operating efficiencies and margins. Our mortar plant is now operational, further expanding our product portfolio and enabling us to participate in the growing opportunity in the construction chemicals and allied building material solutions. As we scale up the business, we expect it to increasingly contribute to our product mix, revenues and profitability.

As a future-driven company, we are continuously adapting our processes and operations to align with the evolving needs of the industry and the environment. As part of this approach, we are implementing measures that will help reduce our overall carbon footprint and improve resource and energy efficiency. Importantly, these initiatives will also have the potential to enable the generation of carbon credits, creating an additional value opportunity for the company while supporting our long-term decarbonization goals and sustainability goals.

Moderator: Sorry to interrupt. The line for the Management has been disconnected. Please wait while we reconnect them. Ladies and gentlemen, the line for the Management has been reconnected. Yes sir, please proceed.

Mohit Saboo: Sorry for the disconnection. The growth trajectory of the industry remains highly strong and encouraging. The demand continues to be supported by healthy activity in the real estate and infrastructure sectors along with the increasing adoption of lighter, faster, more efficient and sustainable construction materials. AAC and other green building materials are well positioned to benefit from these structural trends. Increasing awareness around energy efficiency, faster construction timelines, reduced structural load, resource efficiency and sustainability is supporting the long-term adoption of these products. We believe these are not merely short-term trends but represent a structural shift in the way buildings are designed and constructed, creating a significant long-term opportunity for the green building materials industry.

Going forward, our focus remains on four key priorities:

1. Improving utilization and plant efficiencies across our manufacturing networks. We have already created significant capacity, and our priority now is to increase throughput and improve asset productivity.
2. Increasing the contribution from higher value products such as AAC wall panels. Wall panels provide an attractive opportunity to participate in the growing demand for faster, lighter and more efficient construction solutions while also supporting an improvement in our overall product portfolio mix.

3. Expanding into adjacent green building material categories. Our recent entry into construction chemicals, including the operationalization of our mortar plant represents an important step in this direction. We see this as an opportunity to broaden our addressable market and gradually build Bigbloc into a more comprehensive green building materials platform.
4. Strengthening cash flow generation and improving return on invested capital. With a major capacity expansion phase substantially completed, we are increasingly focused on ensuring that the capacity we have created translates into higher utilization, stronger profitability, healthier cash flows and better returns on capital employed.

Now let me take you through our financial performance for the quarter:

For the 1st Quarter of Financial Year 2027, the revenue from operations stood at approximately INR 79 crores registering a strong growth of approximately 40% year-on-year, primarily driven by higher sales volume. EBITDA improved significantly to approximately INR 6 crores compared with INR 1 crore in the corresponding quarter of the previous year. This represents a substantial improvement in operating performance with EBITDA margins expanding to 8% approximately. Our bottom line also improved materially. The net loss narrows to approximately INR 70 lakhs compared with the loss of INR 6 crores in the corresponding quarter last year. Therefore, within a year, we have moved significantly closer to profitability while simultaneously delivering strong volume and revenue growth. We see this as an encouraging indication of the operating leverage embedded in our business model.

Looking ahead, we believe we are entering a new phase of our growth journey. The company has invested in capacity, strengthened its manufacturing platform, expanded its product portfolio and built a broader market presence. Our focus now is on unlocking the value of these investments. With improving utilization levels, a supportive demand environment, strong volume, momentum and increasing operating leverage, we remain confident of delivering stronger profitability, healthier cash flows and improved returns on invested capital over the coming years.

Our objective is clear to grow volumes, improve utilization, expand margins, strengthen cash flows. We believe the foundations we have built over the past several years provide us with a strong platform for the next phase of growth. Q1 is an extremely encouraging start to FY'27 and we look forward to building on this momentum through the year.

With that, I conclude my opening remarks and would now like to open the floor for questions and answers.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question comes from the line of Manish Kela with Swastik Investments.

Manish Kela: Yes. Thanks for taking up my question. So, sir, your PPT says that your current capacity utilization is 69%. Is that correct?

Mohit Saboo: Yes, that is right. It is approximately 69% for Q1 of FY'27.

Manish Kela: Yes. Is this across all the three segments that you operate in?

Mohit Saboo: So, this is majorly for AAC blocks because that is the biggest segment that we have which contributes majority of the turnover right now.

Manish Kela: So, 69% is the capacity utilization across AAC blocks?

Mohit Saboo: That is right.

Manish Kela: Okay. And how about the other two segments? What is the current capacity utilization?

Mohit Saboo: So, AAC panels and AAC blocks is a fungible capacity. And this 69% is across the AAC blocks installed capacity that we have. The construction chemicals plant recently began in May. And for that, for this quarter, the capacity utilization is in the range of almost 20%, 25%. It will be gradually scaled up over the next couple of quarters.

Manish Kela: Okay. And when you say that the capacity is fungible, right, is it across all your plants or is it a particular plant?

Mohit Saboo: So, there are four plants that we have currently installed. Three are exclusively for AAC blocks. And one plant has a fungible capacity for AAC blocks and panels. For that plant, the capacity utilization is approximately at around 40%. Since AAC panels is a new product and we are doing a category creation for the same in the market, it is not a product that was available in our country earlier. But it is a product that we have recently introduced. And we are the only company in the country currently who is providing a single panel which is a height of up to 6 meters. And it is steel reinforced and it is being used in lots of industries, data centers. So, we are also executing the upcoming bullet train stations on the Mumbai-Ahmedabad route. And are in the process of executing work orders for two bullet train stations and are in talks for a few more with the AAC wall panels.

Manish Kela: So, sir, across the other plants wherein your capacity is not fungible, is there something that can be done to make it fungible? Because, I mean, if you would have noticed, there is obviously that increase in finance cost and depreciation which is eating into profits. And although your sales are growing well, but the profitability is definitely missing, right? At least the last seven or eight quarters. And that is also reflecting in the depressed stock price performance. So, your thoughts on that.

Mohit Saboo: So, as I mentioned in my opening speech that over the last two years, we have done a lot of capacity build-up. We have increased our capacity from around 550,000 cubic meters to around 1.3 million cubic meters. And now that we are improving our capacity utilization, over the last one year in our investor calls, we have been continuously telling that we will be first focusing on improving our capacity utilization to reach 70% plus utilization levels. Once we reach that, we will begin the monetization phase to further improve our margins.

Manish Kela: So, what is the target in terms of improving your margins? So, what are the steps that you are going to take with respect to margin improvement?

Mohit Saboo: So, if you would have seen our results over the last six to eight quarters, I think when we did the capacity build-up, the capacity utilizations were quite on the lower side from around 40% to 45%, reaching up to 70% now. And now that we have reached 70% capacity utilization and built up the necessary market or the target profile customers for the same, we will be looking at improving our margins. And on a quarter-on-quarter basis, we will further see margin improvement as well as capacity utilization going ahead.

Manish Kela: So, the margin improvement I understand is going to come from benefits of operating leverage, is that correct?

Mohit Saboo: So, from a combination of both, from operating leverage as well as improvement in realizations.

Manish Kela: Okay. And will that be in the form of price hikes?

Mohit Saboo: Yes, that is what we are targeting going ahead.

Manish Kela: And when are we targeting, what do you say, the go-live of the new capacity, the new facility in Central India?

Mohit Saboo: So, we have acquired a land in MP about 15 months back. And since the industry was going through a little slow phase and we also were not at peak capacity utilization, we thought of just delaying the installation for the MP plant. Now that we are on the verge of reaching 70%, 75% plus capacity utilization, we will be looking at setting up the capacity for MP and expanding to that region.

Manish Kela: So, I guess the construction would have not started as yet, right? It is only the land which has been acquired.

Mohit Saboo: So, the land is acquired and we have taken all the necessary government approvals like construction permission, plant pass, pollution control board permissions, etc. And hopefully post-monsoon we will be looking at beginning construction at this site.

Manish Kela: Understood. And sir, again coming back to my previous question, can't we do anything to make the capacity fungible across the other two or three plants wherein you currently do not have that option? And what is it which can be done to kind of do something on that front? Is it doable? So, that is the basic question.

Mohit Saboo: So, currently we do not have the option to modify our existing facilities to make them fungible for AAC panels because it would involve a shutdown period of almost two to three months, maybe up to four, five months to make it operational for AAC blocks as well as panels. And in today's demand scenario where we have already reached 70% plus utilization, we feel that is not the right step. And if we see a further improvement in volume from the AAC wall panel segment, we have the option of expanding that capacity from the current 250,000 cubic meters per annum to 500,000 cubic meters per annum by putting up some necessary autoclaves and additional machineries.

Manish Kela: Got it. So, final question around the central India plant. So, the construction will start now, right? Given that you are already at 69% capacity utilization, so you expect this construction to complete within the next 1.5, two years? So, how much time would that take?

Mohit Saboo: So, over the next couple of quarters, we will be deciding to begin construction at that MP plant. And we begin to, we target to start commercial production at that plant in FY'28.

Manish Kela: Okay. Thanks for your response. I will join back the queue.

Mohit Saboo: Thank you.

Moderator: Thank you. The next question comes from the line of Hassan Muchale, an individual investor. Please go ahead.

Hassan Muchale: Hello, sir. I am participating for the first time in this conference call. Can you please help me with the total market size for AAC block and AAC panel separately?

Mohit Saboo: So, to answer your question, for AAC panels, there is no particular market size that we have right now. Since this is a category creation that we have started doing and it is a new product that we have introduced in the country.

Hassan Muchale: Okay. And, sir, for AAC block?

Mohit Saboo: Regarding the market size for AAC blocks, the total installed capacity in India would be about Rs. 2 crores cubic meters per annum to Rs. 2.5 crores cubic meters per annum. Out of that, we have an installed capacity of about 1.3 million cubic meters per annum. But since AAC blocks is a bulky material with a transportation radius of almost 300 kilometers to 350 kilometers, we are currently concentrated on the western India space and in western India, the total installed capacity would be at around 9 million cubic meters to 10 million cubic meters per annum. So, we consider about 8% to 10% of the total market size for the western India AAC block space.

Hassan Muchale: Okay. So, out of this 90%, you said that we have 10%. Remaining 90%, who must be the major competitors?

Mohit Saboo: So, in terms of the other competitors, one of them is Magicrete and another would be Hyderabad Industries Limited, which is BirlaNu Now. And apart from that, lots of small regional players which are multiple partners or small players.

Hassan Muchale: Okay. Understood, sir. So, that is what I am coming from. If you look at the material expenses with respect to our sales, which has been increasing year-on-year. So, for FY'24, our material expenses in relation to sales was around 35%. In FY'25, it becomes 40%. In FY'26, it becomes 45% to 46%. So, our margin on material is compressing year-on-year. What is the challenge? I mean, we are not able to dictate the price or we are not able to pass on the input cost escalation.

Mohit Saboo: So, over the last couple of years, as you said, we have done a lot of capacity expansion. We have increased our capacity by almost 2.5x. And in order to increase the capacity utilization, there was a pricing pressure in the market and because of which the margins were contracted. As a result, the raw material cost as a percentage of sales is showing on the higher side. Now that we have reached almost (+70%) capacity utilization, we are now targeting price increases in the market.

Hassan Muchale: So, will we get acceptance in the market or still we will have some challenges in increasing the price hike?

Mohit Saboo: So, I think over the last four quarters, continuously we have improved our capacity utilization by maintaining almost the same pricing. Now that we have reached the volume growth that we are targeting to reach, we will be now able to pass the price increase to the market. And across some markets and some segments, over the last one or two quarters, we have already done some price hikes and passed on to the customers. And across other markets, we will be now looking at continuously increasing the prices. And in some markets, we have already gotten the necessary conversions. Also, to come down to your point, as of today, AAC blocks has a share of just around 9% to 10% in their walling material segment, whereas red bricks still has almost 80% to 85%. So, the conversion from red bricks to AAC blocks will keep on happening. And eventually, over the next few years, it should reach almost 40% to 50% of the walling material market share, which is there in the developed economies, the likes of Turkey, China, etc.

Hassan Muchale: Okay sir. So, once we increase the price hike, I am not talking about the next quarter or next two to three quarters, but eventually when we are through with the capacity utilization, we reach our ideal capacity utilization, this material expenses in relation to sales will back to the two years back, I mean 30% to 35% or so.

Mohit Saboo: So, we just do not see the material expenses as percentage of sales. Generally, what we do is we target on the EBITDA margin, because there are lots of times when we are able to save on the transportation cost or on some other overheads, etc. And on the lower side, the EBITDA margin has gone quite low, but over the last couple of quarters, we have been able to improve the EBITDA margin. With Q1 FY'27 at around 8%, we are further targeting to improve EBITDA over the next two to three quarters.

Hassan Muchale: Okay. Thank you, sir. And second, coming on to this AAC panel, how much sales volume we achieved in this quarter?

Mohit Saboo: So, AAC panel had a sales contribution of approximately 5% in the total revenues of the company for Q1 FY'27.

Hassan Muchale: Okay. So, it is still at very initial stage of product life cycle.

Mohit Saboo: Yes. So, as of today, the total capacity that we have is about 1.3 million cubic meters. Out of that, around 1.05 million cubic meters is just for AAC blocks. And 250,000 cubic meters is the fungible capacity between AAC blocks and panels. But in spite of that, this is a category creation that we are doing. And it is a great product which is being accepted by a lot of large corporates. So, we have done a project for ITC. We are executing the bullet train station for L&T. And we are in talks with few other large corporates for data centrals like STT. And also, we are in talks for metro stations.

Hassan Muchale: Okay. And, sir, in terms of margin, how much incremental margin we get in AAC panel compared to AAC blocks?

Mohit Saboo: So, AAC panels will have almost 30%, 35% EBITDA margin possibility as the utilization levels keep on improving.

Hassan Muchale: Okay, sir. Thank you so much. Sir, one last question. Sir, as we speak earlier, that current capacity utilization is around 69% for the quarter. And we will be starting with the MP facility creation post-monsoon. But, sir, my small request is that we should first monetize on what capacity already has been built on rather than expanding further capacity. So, if this capacity utilization for coming next two quarters keep on the same, maybe 70%, 75%, then we should go ahead with the capacity expansion at MP. Rather than looking at the quarter 1 number only, we should look at some further improvement in the utilization.

Mohit Saboo: So, honestly, I think we bought the MP land about 15, 16 months back to put up a new plant there. And the reason we put on hold the capacity expansion was the capacity utilization was on lower level. Secondly, now that we have reached almost 69%, 70%, I said we will be taking up that expansion over the next couple of quarters. And hopefully by then we will reach 75% plus utilization levels. Thirdly, coming down to the point, in this industry the maximum utilization levels possible are almost 80% to 85%. Since our raw materials are fly ash, which is a waste from the thermal power plants, there are some other issues or challenges while operating a plant. So, the optimum capacity which we have achieved in any particular quarter is around 80% to 83%. And fourthly, MP is a separate market altogether, which we are looking to target. We already have a little bit of presence there and we have tested the markets by selling materials in that market from our existing unit near Ahmedabad.

Hassan Muchale: Okay. That is great, sir. Because what is happening now, currently it looks like we are funding the losses from bank borrowings because our bank borrowing is continuously increasing. No doubt, losses are getting narrowed quarter-on-quarter. But some of the other way it looks like we are funding losses through bank borrowing. Nevertheless, thank you so much, sir. I appreciate your responses. Thank you so much.

Mohit Saboo: Thank you.

Moderator: Thank you. The next question comes from the line of Tushar Tikande an individual investor. Please go ahead.

Tushar Tikande: Thanks for the opportunity, sir. So, my first question is on the revenue bifurcation side. I want to understand, sir, which customer segments amongst residential, commercial and infra have contributed most to our volume growth and what is your future expectation on this front?

Mohit Saboo: So, we have a mix of various customers in our customer profile. We are selling almost 50% to 60% of our materials through a dealer network. Almost 20%, 25% material is being sold to a builder. And 15%, 20% is sold to large corporates, the likes of, Adani, L&T, Runwal, Suntech, PSP Projects, etc. So, this is how the customer profile looks like in terms of sales volume. In terms of contribution, so the industrial segments for the infrastructure segments are something which we do not easily bifurcate because when we are bidding to L&T, we are not very sure whether it is for the L&T infrastructure segment or the industrial segment. So, to the infrastructure and the industrial segment, the sales are almost 20% to 30%, whereas to a residential or a commercial segment, the sales are almost 70%, 75%.

Tushar Tikande: Okay, sir. And the bifurcation you had provided through the sales channel, is it going to remain the same or is there some change do we expect in near term?

Mohit Saboo: So, I think we will continue the same bifurcation of sales channels over the coming quarter because we have built up over the last two, three years and we have been able to scale up our volume with this profile and channel. But we are keeping on exploring to add more and more corporates to our corporate profile, customer profile, and that might have a little increase going ahead.

Tushar Tikande: Okay, understood, sir. And my last question is on the finance cost side, sir. The finance cost increased sequentially during the quarter. So, since we have completed a major portion of our CAPEX, so is this likely to remain at current levels or do you expect debt reduction and better cash generation going forward, sir?

Mohit Saboo: So, sequentially the finance cost has not increased, it has gone down, I think. So, maybe there is some error. And as I mentioned, we have done a lot of CAPEX and are in the process of continuously reducing our bad debts as well. So, I think the finance cost should keep on going down over the next few quarters.

Tushar Tikande: Okay. So, I mean, from the entire debt that we have currently, so by the end of this financial year, what is the amount of debt are we expecting to be reduced?

Mohit Saboo: So, we are in the process of debt repayment on a regular basis, like interest installment that are due from the banks. And I think by the end of this financial year, our debt should reduce by almost Rs. 25 crores to Rs. 30 crores.

Tushar Tikande: Okay, sir. Okay. Thank you. That is it from my side. Thanks.

Moderator: Thank you. The next question comes from the line of Pranav, an individual investor. Please go ahead.

Pranav: Hello.

Moderator: Yes, sir. Please go ahead. Yes, Mr. Pranav, your line has been unmuted. Please go ahead with your question.

Pranav: Hello.

Mohit Saboo: Yes please.

Pranav: Yes. Good day to you, sir. So, I have a question regarding the material cost. So, how much fly-ash prices and availability has evolved over the past few months, you know, like six to 12 months?

Mohit Saboo: So, over the past six to 12 months, I think there has been a normal increase, maybe between 5% to 10% in the fly-ash prices. But apart from that is majorly because of transportation cost and not because of the material cost. Since we have seen a hike in diesel prices to the tune of almost 8% to 10% over the last one quarter, that is the reason we have seen this price hike. Apart from that, the fly-ash prices and availability is not so much of a challenge for our region right now.

Pranav: Okay. Thank you, sir. That was the only question I had. Thank you.

Mohit Saboo: Thank you.

Moderator: Thank you. The next question comes from the line of Manish Kela with Swastik Investments. Please go ahead.

Manish Kela: Sir thank you for the opportunity once again. Sir, is the labor shortage issue behind us now? Is it resolved?

Mohit Saboo: Yes, sir. That is totally behind us. Generally, in every year post Holi, from mid-March up to mid-June or first, second week of July, there are labor shortages because of, you know, the harvesting season as well as the marriage season, in the small towns, rural villages, etc. But yes, today we are totally sorted with labors at plants as well as in the market side.

Manish Kela: So, because you talked about this challenge occurring every year, like the impact is more in terms of production or is it in terms of increase in labor costs because maybe you are forced to arrange for temporary workers and so on?

Mohit Saboo: So, at the plant level, we do not have so many issues. The more of the issues are on the market side or the customer side. In our plant levels over the last couple of years, we have done a lot of automation, thereby reducing the overall requirement of labor. Additionally, you know, as and when the labor shortages keep on increasing, the conversion from red bricks to AAC blocks and from other materials to AAC panels will keep on increasing because these are materials which help construction to be done in a much faster, with a lower level of labor requirement.

Manish Kela: Got it, sir. And sir, are the AAC wall panels profitable for us or is it still breakeven? And also, what are the industry's driving demand for AAC wall panels?

Mohit Saboo: So, AAC wall panels, currently the utilization levels, as I mentioned, the turnovers are just around 5%, but it is a fungible capacity that we are making blocks as well as panels. But we have not been able to, it is not a loss-making business, but it is a future growth prospect business. So, that is what we are targeting on. Secondly, coming down to what we are targeting on for the AAC wall panels, since this is the only product available in the market and it is a steel-reinforced product being used for customers, the likes of ITC and L&T, who understand what is the need or requirement of the future. So, the category creation is happening at the right place and the awareness is growing continuously. So, that is what we are targeting on. Going forward, we can see continuous improvement in the volume contribution as well as the revenue contribution from the AAC panel segment.

Manish Kela: Got it. So, you talked about a couple of competitors to one of the questions earlier. So, that was on the AAC blocks, right, those competitors and not on AAC wall panels?

Mohit Saboo: Yes, that was for AAC blocks, not for AAC wall panels.

Manish Kela: Okay. And sir, what would be the cost benefits that we would have derived from renewable energy last year and what is the expectation this year?

Mohit Saboo: So, I do not have the exact details of the cost benefits that we would have derived, but over the last couple of years, we have increased our rooftop solar capacity to almost 3.3 megawatts across the four plants combined together, thereby saving on the direct electricity bills that we are having. Secondly, over the next one or two quarters, we are looking at introducing electric forklifts at our plant level, thereby saving on the diesel as well as the maintenance costs or the rental costs of the forklifts that we are running. These are the two changes that we are looking to do going ahead, which will further help in improving the operational efficiencies as well as the margin profile.

Manish Kela: Got it. And, sir, how about the next three quarters? How do you see those panning out? Are your volumes again going to be strong like Q1?

Mohit Saboo: Yes, so, generally, if you would have seen our results, every year Q1 is generally the slowest quarter and Q3 and Q4 being the strongest quarters. So, we are continuously looking at improving volumes going ahead.

Manish Kela: And we do not see any kind of a price increase, right? Because you said you will be able to pass costs and that is one other way by which we hope to be profitable.

Mohit Saboo: So, yes, as I mentioned that we have already been able to pass on the price increase in some of the markets and over the other markets also, we will be able to pass on the price increase in the upcoming quarters.

Manish Kela: And, sir, one final question. How do the logistics costs work as far as this industry is concerned? Because you talked about the new plant, right, in MP. So, how feasible is it to move, what do you say, the end product from one state to the other state? Or do you think setting up a plant is only the viable solution because the logistics costs would meet the margins? So, your thoughts on that.

Mohit Saboo: So, honestly, for this product in AAC blocks, we can sell this product up to a distance of almost 250 kilometers to 300 kilometers from the manufacturing plant location. Beyond that, it would turn out to be unviable because it would make it less attractive as compared to red bricks and also to the local players who are present in that particular market. So, in order to increase our penetration in the MP market, we will have to eventually put up a plant there. And that was the purpose or idea behind buying a land in that region. Secondly, we have already done some sales in MP regions which are on the border of Gujarat and MP, which are coming in the radius that we are providing blocks. And we have done some market testing by selling material at some other locations as well. And MP has a very good acceptability of AAC blocks as many of the government tenders and documents already mandate use of AAC blocks in the government projects and contracts. And a lot of government tenders or government projects contracts are being taken up in MP.

Manish Kela: Got it. So, the distance challenge that you highlighted is that for both AAC blocks and wall panels or is it just for AAC blocks?

Mohit Saboo: So, the channel of sales that you mean to ask?

Manish Kela: No, no. The challenge that you highlighted in terms of not being able to transport beyond the distance of say 250 kilometers.

Mohit Saboo: This is only for AAC blocks, not for AAC panels because AAC blocks all over India, there could be about 150, 275 AAC block plants. Whereas AAC panels, there are just one or two players manufacturing AAC panels right now. And AAC panels from our manufacturing facility near Ahmedabad, we have been providing them or doing sites across India. We have done a few sites in Raipur, in Delhi, in Bangalore, in Chennai, etc.

Manish Kela: That answers my question. Thank you once again.

Mohit Saboo: Thank you.

Moderator: Thank you. The next question comes from the line of Deepak Pruthy with Wealth with Wisdom. Please go ahead.

Deepak Pruthy: Hi. Congratulations on a great set of numbers. I can see continuous improvement quarter-on-quarter. Just wanted to understand, I was looking at your numbers for the last three, four years. So, there was EBITDA margin improvement, significant improvement in 2023, I think 2024 or 2025 financial year. And then from there on, there has been a pain, which you obviously are trying to improve in the last few quarters. What was the reason of such high EBITDA margin in those years? Was it because the cost of raw material went down or was it because of lower competition intensity or higher demand that you were able to charge higher prices?

Mohit Saboo: So, more or less, for FY'24 and FY'23, the real estate was all through a boom period. Secondly, our installed capacities were being utilized continuously to the tune of almost 80%, 85% approximately. And looking at those utilizations and the boom in real estate, we decided to end up installing a couple of more plants and we did a lot of CAPEX, increasing capacities by almost 2.5x. Now, whenever we do any CAPEX, it takes a period of almost 12 to 18 months to bring up, ramp up the capacity utilization. So, we have already done all the work regarding the same and reached almost 70% plus capacity utilization in this quarter. And going forward, we will further look at improving the capacity utilization as well as hopefully the margins.

Deepak Pruthy: Okay. So, what I get from your answer is that as your capacity utilization increases, your fixed cost spreads over higher volume and your whatever per AAC cost comes down and therefore your margin increases. So, it is a game of economies of scale.

Mohit Saboo: Yes, economies of scale and plus the segmental contribution as well. Real estate segment went through a slower phase during FY'25 and beginning of FY'26.

Deepak Pruthy: And how is the competitive intensity now and how do you see it going forward? Let us say in next six to 12 months, two to four quarters.

Mohit Saboo: So, the competition had increased over the last two years but with the increase in those competitions as well, as of today, that competition level has matured and going forward, we do not see much of an increase in competition. And since we are an old player, we will be able to make the best out of the current market scenario and improve our volumes and margins.

Deepak Pruthy: Okay. And just one last question before I join back in the queue. So, what does your other income include?

Mohit Saboo: Sorry?

Deepak Pruthy: Other income in your financial statement, what does it include?

Mohit Saboo: So, other income, I will have to check in detail to be very honest.

Deepak Pruthy: No worries. And you said seasonality of the business is basically lean in Q1 and the peak season is in Q3 and Q4.

Mohit Saboo: That is right. That is because in Q1, there are some labor shortages and Q2 is generally a monsoon period and we observe heavy rains for a few days where a lot of disturbances happen at the site as well to effectively continue operations on a full-fledged basis.

Deepak Pruthy: Okay, and how is the flood scenario in the areas where you operate? Because you operate mainly, I think, in Gujarat.

Mohit Saboo: So, there were an issue for about two, three days twice in the month of July but there are no such major issues for the flood scenario.

Deepak Pruthy: Okay. Okay, thanks. I will join back in the queue if I have more.

Mohit Saboo: Thank you.

Moderator: Thank you. The next question comes from the line of Hassan Muchale, an individual investor. Please go ahead.

Hassan Muchale: Thank you. So, sir, my question is what company's efforts on the branding side? Are you taking any campaign on improving the brand of the product?

Mohit Saboo: So, for the customer segment, we are already a well-established brand and we have been working with all the large corporates, the likes of L&T, Runwal, Adani, PSP, since many years. So, that has been doing well. And now that we are improving our margins, we are looking at getting construction chemicals as well as a normal B2B or a B2C brand as well. We are more of a B2B product but we are now looking at creating a B2C brand as well.

Hassan Muchale: Okay. So, sir, you look at this business as more of a specialty or a commodity industry?

Mohit Saboo: So, AAC Blocks is more of a commodity industry whereas AAC Panels is more of a specialty product.

Hassan Muchale: Okay. And this chemical capacity we are coming with, it is going to be substantial in relation to AAC blocks and panels?

Mohit Saboo: So, we have been selling construction chemicals over the last five, seven years. Earlier, we were doing trading of the same. We were getting them manufactured in our brand name from some manufacturing partners. But now we have decided to set up the brand of our own. And at the same point of time, in the same infrastructure setup, using the same raw materials, we will be able to manufacture few other construction chemicals as well.

Hassan Muchale: Okay. That is great. Sir, my next question is that on the dealer distribution model, are we looking to leverage this model or the industry works on this model?

Mohit Saboo: Sir, it is not like the industry works on this model. Everyone has a different model. There are some manufacturers who work exclusively only with dealers and there are some who work exclusively only with builders. We have a mix of both and thereby able to penetrate necessary customers in the necessary way. So, we are exploring all possible platforms in order to improve our volumes.

Hassan Muchale: So, sir, in our strategy, any consideration of expanding the distribution model?

Mohit Saboo: As of today, the AAC Blocks that we are selling, we have an outward truck movement of almost 75 to 80 trucks from the factory. With a similar inward movement of almost 60, 70 trucks every day. So, almost a truck movement of 150, 160 trucks. So, it is not that distribution that we are looking to claim. We are looking to target the large corporates or the large customers only, who have a truckload requirement.

Hassan Muchale: Understood. Yes. Okay. That is great. Sir, on the problem you restated earlier, that due to this logistic movement, we are restricted to supply up to 250 kilometers or 300 kilometers. Sir, warehousing will not solve this problem. I mean, if we do the bulk transfer to a particular location, let us say, Madhya Pradesh, from our Wada facility, and from Madhya Pradesh, we supply to the customer.

Mohit Saboo: So, for AAC blocks, the more you handle the blocks, the more the blocks get rejected, firstly. That is the reason warehousing is one way not possible. Secondly, the transportation cost will increase drastically, and thereby make it unviable against the red bricks or other AAC block manufacturers.

Hassan Muchale: Okay, sir. That is great. I appreciate, sir.

Mohit Saboo: Thank you.

Moderator: Thank you. We have a follow-up question from the line of Deepak Pruthi with Wealth with Wisdom. Please go ahead.

Deepak Pruthy: Sorry, I joined a little late. I do not know whether you answered this, but how has been the raw material or, let us say, fuel cost over the last quarter Q1? You know, because there was a war, and there was quite a volatility in a lot of raw material prices, commodity prices. So, what has been the impact, and how do you see it going forward?

Mohit Saboo: So, in terms of the raw material cost in Q1, the pricing for diesel increased by almost 7% to 8%, thereby increasing the transportation cost across the segment almost 2% to 3%. That was a little bit of an impact, but I think all that is already factored in. Apart from that, our other raw materials include lime, which has not seen any major impact, cement, which is similar to what it was in Q4 FY'27 maybe a normal change of almost 2% to 3%. And finally, one of the energy costs, which is coal, which we use for running the boilers at our factory. The cost for coal has grown up drastically by almost 50% to 60%. But since we had booked the coal in advance for the monsoon period for a period of almost three, three and a half months, we are quite, I mean, settled over there. We do not have any challenges or issues. And post-monsoon, we again see the coal cost going down. And practically, I think the crude has also, from levels of 100, it has come down to levels of almost 80, 85. So, going forward in the long run, even the coal cost should come down.

Deepak Pruthy: I understand. And generally, just a question on customer pricing. So, does your price include the logistic cost or it is like a two-pay basis? So, this is my X factory price and the logistic cost is added on the top of that.

Mohit Saboo: So, this product is like cement and it is being sold at the landed site to the customer. That is how the industry runs.

Deepak Pruthy: Okay. Got it. Thanks.

Mohit Saboo: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the Management for closing comments.

Mohit Saboo: Thank you, everyone, for participating in this earnings conference call. I hope we were able to answer your questions satisfactorily and at the same time offer insights into our business and future. If you have any further questions or would like to know more about the company, please reach out to our investor relations managers at Valorem Advisors. Have a good day.

Moderator: Thank you. On behalf of Bigbloc Construction Limited, that conclude this conference. Thank you for joining us and you may now disconnect your lines. Thank you.