“Sathlokhar Synergys E&C Global Limited

Q2 & H1 FY2027 Earnings Conference Call”

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MANAGEMENT: **MR. G. THIYAGU – CHAIRMAN AND MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – SATHLOKHAR SYNERGYS E&C GLOBAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY2027 Earnings Conference Call of Sathlokhar Synergys E&C Global Limited. This conference call may contain forward looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements do not guarantee the future performance and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant 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 star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. G Thiyagu. Thank you and over to you, sir.

G Thiyagu: Happy Evening everyone. A warm welcome to Sathlokhar Synergys E&C Global Limited Q2 and H1 FY27 Earnings Conference Call. Thank you for joining us today and for your continued trust and confidence in the company. I would also like to welcome our Investor Relations team from Adfactors PR who are joining us on the call today.

I am pleased to share that Q2 FY27 has been a strong quarter for us, with revenue reaching an all-time high of INR297 crores, nearly doubling year-on-year. Our profitability has grown even faster registering a growth of around 111% over the same quarter last year. The first half of the year has also been encouraging and we believe the progress we are making today is laying a strong foundation for the next phase of our growth.

For those joining us for the first time, Sathlokhar was established in the year of 2013 and is headquartered in Chennai. We provide integrated turnkey EPC solutions across civil construction, pre-engineering building, mechanical, electrical, plumbing, firefighting systems, solar installation, interior fit-out and associated infrastructure services.

We cater a diverse range of industries, including manufacturing, warehousing, healthcare, pharmaceuticals, food processing, commercial infrastructure and renewable energy, among several others. Our strength lies in building multiple capabilities under one roof, giving customers a single point of accountability from project planning and engineering through execution and delivery.

Looking at the broader industry, we continue to see meaningful opportunities emerging from India's manufacturing expansion, industrial capacity additions, warehousing requirements and investment in sectors such as data centres, pharmaceuticals, food processing and renewable energy.

As companies expand their facilities and establish new manufacturing operations, the need for reliable EPC partners who can manage multiple aspects of their project efficiently is increasing. Of course, the EPC business is not without its challenges. Project execution involves close

coordination across procurement, manpower, subcontractors, customer support, and site readiness.

Managing costs, maintaining quality, meeting delivery requirements and controlling working capital are equally important. In our view, the companies that can combine engineering expertise with the execution discipline and integrated capabilities will be best positioned to benefit from the operational opportunities ahead.

This is where we believe Sathlokhar has as an important advantage. We are building our capabilities beyond conventional construction with an integrated execution model and a growing presence across multiple industrial and manufacturing segments. Our relationship with established customers reflects the confidence customers place in our ability to execute their projects.

The repeat business we receive and the range of projects we are bringing are encouraging indicators for the strength of our customer relationship. During Q2 FY27, we secured orders worth approximately INR352.68 crores, taking our order inflow for H1 FY27 to INR624.73 crores, including GST.

These orders span civil construction, PEB and MEQ work across several customer industries. We believe this diversified order intake combined with our existing order book provides a strong platform for growth. Given our integrated capabilities, established customer relationship, and expanding execution capacity, we are well-positioned to grow at a pace significantly faster than the broader industry.

Alongside growing our EPC business, we are also investing in capabilities that can strengthen our execution model over the long term. In this regard, we are pleased to announce the inauguration of our new pre-engineered metal building manufacturing facility, marking an important milestone in our journey towards backward integration.

Spread across 165,000 square feet for state-of-the-art facility is achieved with a specialized machinery and is designed to achieve a production capacity of approximately 1,200 metric tons per month at optimum utilization. The installation and commissioning of the required machinery were roughly completed on 30 August, 2026.

The facility was fully geared to commence commercial production, which is expected to begin in December 2026, subject to the receipt of the certain statutory approval. The facility has been funded largely through internal accruals along with preferential funds and limited bank borrowing for equipment and machinery.

This reflects our focus on prudent capital allocation while continuing to invest in capabilities that support our long-term growth. We believe this investment will give us greater control over a critical part of project execution, improve coordination and delivery timeliness and create opportunities for better efficiency and improve PAT margin, subject to operating conditions and market factors.

More importantly it strengthens our ability to cater to the growing demand for PEB and structural steel solutions in India and support the next phase of our growth and expansion. With a design production capacity of approximately 1,200 tons per month, the facility is expected to contribute to our revenue growth as the commercial production, commercial and capacity utilization progressively improves.

As we investigate the level of utilization, we expect the facility to contribute a production capacity of 4,500 tons for the current financial year. In the initial phase, the facility is expected to support our captive project requirements, while we also evaluate opportunities to serve external customers.

The actual contribution we demand on the pace of production ramps up the capacity utilization and market demand. Over the next 5 years, we plan to establish new PEB manufacturing facilities across India. Our intention is to build these capabilities progressively closer to key industrial markets and support both our capital project requirements and potential external demand.

We see this as an important step in building a more scalable and integrated EPC organization rather than relying entirely on external manufacturing partners as a business demand. Execution discipline remains central to this growth strategy. Our typical steel construction PEB projects take approximately 5 to 6 months to complete, while projects involving MEP work may require 7 to 9 months, depending on their scope and complexity.

These timelines help us plan resources and project execution, although actual schedules vary with customer requirements and project-specific milestones. As our order book grows, our focus remains on matching new business with our execution capacity, maintaining quality standards, and managing working capital effectively.

On the business development front, our confirmed order book stood at approximately INR1,239 crores as communicated in our business update dated October 1, 2026 excluding GST in addition our Bid pipeline stood at approximately INR23,505 crores. Historically, we have maintained a bid-to-bid order conversion rate of around 10% to 12%, while the conversion of these pipelines with demand and customer decisions, project approvals and commercial viability gives us a substantial pool of opportunity to pursue.The current order book provides us with healthy revenue visibility for the coming quarters and a strong foundation for our growth trajectory. Given the typical execution cycle of our civil construction and PEB projects of approximately 5 to 6 months and the longer execution cycle for projects involving MEP work, we expect the existing order book to translate into revenue progressively over the coming quarters.

Our focus will remain on converting the feasibility into timely execution while maintaining project quality, cost discipline and improving working capital management. As our business continues to scale and our operations and financial performance strengthen, we are also evaluating the next phase of our capital market journey through a proposed migration from the economy platform to the main board.

We believe that such a transition, subject to applicable regulatory requirements and the necessary approvals, could enhance our visibility among a wider investor base, improve market participation and provide a broader platform to support our long-term growth ambitions. We will take the process forward after assessing the applicable eligibility criteria and completing the required preparatory steps.

Our order momentum has continued beyond the first half of H1, with the order intake of approximately INR117.61 crores, excluding GST, reported for the October 2026 period. We see this continued transaction as encouraging, particularly as we enter the second half of the financial year, when project execution and revenue contribution are typically stronger for our business.

The combination of fresh order wins and an established order book and a substantial pipeline reinforces our confidence in the company's growth prospects. Let me now turn into our financial performance for Q2 FY27. Revenue from operations stood at INR297 crores, compared with INR138 crores in the corresponding quarter last year, registering a year-on-year growth of 100%.

Operating EBITDA grew by 137% year-on-year to INR44 crores, with the EBITDA margin improving to 14.9% from 12.6% in Q2 FY26, an expansion of approximately 232 basis points. This improvement is particularly encouraging as it came despite the costs associated with the startup of our new PEB facility.

Profit after tax grew by 111% year-on-year to INR29 crores, while the PAT margin improved to 9.9% compared with the 9.3% in the corresponding quarter last year. Overall, we are pleased with the strong growth in both revenue and profitability, along with the improvement in our operating margins.

Moving towards our H1 FY27 performance. Revenue from operations stood at INR509 crores, compared with INR271 crores in H1 FY26, registering an year-on-year growth of 85%. With the commissioning and gradual ramp-up of our PEB manufacturing facility, we expect to realize additional operating efficiencies and incremental margin improvements of approximately 1%.

The expected benefits are likely to arise from backward integration, better control over material procurement, reduced dependence on external manufacturing vendors, improved production planning, and greater control over project execution. Operating EBITDA grew by 131% year-on-year to INR74 crores, with the EBITDA margin improving by 296 basis points to 14.8%.

This reflects the improvement of our operating performance and our ability to translate strong revenue growth into higher profitability. Taken together, our healthy order book and revenue visibility, the planned ramp-up of PEB manufacturing facility, the expected benefits of backward integration, and our proposed main board migration represent important milestones in the company's next phase of development.

We believe these initiatives can strengthen our business fundamentals, improve operational scalability, support margin expansion, and enhance our ability to deliver sustainable growth in earnings over the coming years. Our focus will remain on disciplined execution, prudent capital

allocation, and transparent engagement with our shareholders and investors with the objective of creating long-term shareholder value.

Profit after tax grew by 120% year-on-year to INR51 crores, with the PAT margin standing at 10.1%. Overall, our H1 performance reflects the strong business momentum, healthy margin expansion, and continued improvement in profitability. The year-on-year comparisons reflect the progress we have made in scaling our business and executing our growth project portfolio.

We will continue to focus not just on the pace of growth, but also on the quality of earnings, operating efficiency, and prudent working capital management. As communicated earlier, our revenue guidance for FY27 is approximately 70% growth over FY26 revenues. We remain confident in our growth outlook, supported by our order book.Continued inflow of new business, repeat orders from established customers, and our expanding execution capabilities. The continued order wins to October further strengthen our confidence in the opportunities ahead. As we move into the second half of FY27, our priorities are clear: execute our existing projects on schedule.

Convert suitable opportunities from our bid pipeline, ramp up our PEB manufacturing operations, and ensure that the growth is supported by the right operational capabilities and financial discipline. We recognize that winning orders is only one part of the journey. Delivering them efficiently and building lasting customer relationships is what will ultimately determine the quality and sustainability of our business growth.

Lastly, I would like to thank our customers for their continued confidence in Sathlokhar, our employees, and vendor partners for their commitment, and our shareholders and investors for their continued support. We remain focused on building a stronger, more integrated, and scalable organization and we look forward sharing further progress with you in the upcoming quarter.

With that I would like to open the floor for question and answer.

Moderator: Thank you very much, sir. The first question is from the line of Suyash Jaywant Mantri from Mangaldas Venichand Trades. Please go ahead.

Suyash Jaywant Mantri: Hello, sir. My question is, will the current borrowing limit suffice your FY27 capacity demand? And for FY28, will you need any additional borrowing limits? What is your borrowing limit that will suffice your FY27, and in FY28 how much additional borrowing you will need?

G Thiyagu: As such, we are working with our bankers for the – in first place, we are working with our internal accruals and also we are trying to know based on the order book, especially contract performance bank guarantee and bank guarantee limit, we may look for additional funds. In the first place, we are trying with our bankers for the debt.

Suyash Jaywant Mantri: Okay. So, what is that bank guarantee? What is the limit for that bank guarantee compared to the working capital that you are required? So, for the additional INR100 crores revenue that you raise , how much working capital will be needing?

G Thiyagu: To achieve every INR100 crores, we would like to have INR25 crores to INR30 crores in our business model.

Suyash Jaywant Mantri: For every INR100 crores, INR25 crores to INR30 crores.

G Thiyagu: Yes.

Suyash Jaywant Mantri: Okay.

G Thiyagu: Which includes, okay, includes performance bank guarantee and advance bank guarantee, including working capital.

Suyash Jaywant Mantri: Okay. So, the current INR200 crores that you have as a short-term borrowing, that will suffice for FY27?

G Thiyagu: As of now, the ongoing projects, we have working capital to cater to fulfill our guidance for FY27. When it comes to FY28, as we already intimated, almost INR23,505 crores we have bid that, even with success rate of 10%, it is INR2,300 crores. To back that INR2,300 crores, we have to cater the performance bank guarantee for that I mean, security cost performance bank guarantee as well as to serve the advance bank guarantee.

And once the order is booked, we need to have working capital. So, that's the reason we mentioned, we are predominantly trying to work with our bankers to get the debt or else we will go for other alternative source of funds like NCD or we have to think and we are working with the bankers based on the order booking.

Suyash Jaywant Mantri: Okay. So, this will be only from debt. No, will there be any equity raising?

G Thiyagu: At this juncture, we do not have such plans, but the plan is predominantly we are trying to know get from the bank debt, or else we may plan for NCD, we are trying.

Suyash Jaywant Mantri: Okay. So, my another question was, the guidance you have given is around 70% from FY26. So, that comes around INR1,400 crores. So, another INR900 crores is required for H2 to deliver that kind of guidance. So, will that be possible or are you positive on that?

G Thiyagu: Yeah, we are very positive because as you are aware of that in our business model, most of the clients are giving us almost, even the current year, last year also, 30% to 40% of orders from the existing clients. So, as you are aware of that, last two years, we have been successfully executing Reliance Group of projects. Hopefully, we will be getting the further orders from Reliance as this year there is a due for receipt of orders. We are waiting to get the good amount of orders from Reliance Group.

Suyash Jaywant Mantri: Okay. So, sir, last in last quarter, it was said that the orders which will come till October, those will be only delivered till March 27th, right? So, by that calculation, around INR600 crores of orders were remaining. And that's why I was asking, it comes down to around INR1,100 crores. So, around INR200 crores, INR300 crores additional will be required. So, we'll be taking any short orders which can be fulfilled in 3, 4 months or will be that? How will you fulfill that gap?

G Thiyagu: That's a great question, right I would like to thank you. Overall, FY26, '27, the book order assigned is INR1,239 crores, as already intimated INR501 crores until the H1. The balance yet to be executed is INR738 crores. Over and above, another INR150 crores worth of orders are expected well within the ongoing projects.

Meaning, wherever we execute projects like civil, PEB, there are other packages, mainly electrical, mechanical, plumbing, firefighting, data, YCTP, interior works, those packages are also expected to be awarded, which are expected maybe before December. Once we receive that, we'll be executing in January, February, March, because all the projects are expected to be completed first quarter and second quarter of next year.

So, in all respects, we'll be bagging the additional orders as per the gauge in INR1,400 crores. Additional INR150 crores are expected well within the ongoing projects itself, number one. Number two, whatever the order are expected from this November, December, those projects also would be executed January, February, March. Even whatever the orders which are expected to book from November, December, even those orders, 30% billing will happen in the first quarter of next year, that is January, February, March. That itself will cater the purpose of meeting out our guidance commitment.

Suyash Jaywant Mantri: Okay, sir. Thank you for the opportunity.

Moderator: Thank you. Next question is from the line of Mahesh Kumar from MU Investments. Please go ahead.

Mahesh Kumar: Hi, sir. Thanks for the opportunity. Congratulations on the good set of numbers. And I just have a couple of questions to ask. So, company's borrowing has increased approximately INR90 crores as of March 2026 to now at INR235 crores as of September, and while cash and cash equivalents stood at INR46 crores on the balance sheet. Could you provide a detailed explanation of increase in borrowing, utilization of these funds and the expected trajectory of that over the next few quarters? And should investors accept further borrowing requirement as the business scales?

G Thiyagu: Just to give you a brief, like as I mentioned in our business model, to achieve every INR100 crores, we need to have INR25 crores to INR30 crores. To answer your question, out of order books of INR1,239 crores, the straight 25% to 30%, it says that there's a requirement of INR450 crores to cater this financial guidance. So, in order to fulfill our commitment and guidance to our investors, we have to have a bank base to cater and ensure the numbers which are promised.

Mahesh Kumar: Okay. So, that makes sense. Another question from my side is, so we have secured several significant order during this quarter, including the air conditioning, then Grand Atlantia, Godrej Consumer Products, and High Glory Footwear. So, could you elaborate on each of these projects like execution timeline, expected contribution to revenue over the coming quarters? And are these predominantly new customer relationships or expansion in the existing engagements?

G Thiyagu: Sir, frankly speaking, Carrier is not our repeat order. Carrier is our new company. To answer your question, it's a new company. So, every year, we are trying get a new connect, new business, and also getting the repeat order from the existing lines. So, as I mentioned, 30% to 40% of

orders are ensured from well within our client list. The rest of the 60% only we are trying to get the new clients.

So, in order to fulfill our guidance, we are working hard to bring more orders. And from November, December, there are good amount of volumes are expected to book from the Sathlokhar to cater this financial year and also to carry forward to next financial year. Those numbers are, at the juncture, we are in touch with our clients.

And I'm sure not only restricted to Tamil Nadu, we are working across India, almost seven states, we are now meeting clients and taking steps to pitch in and then strengthening our business connect. So, as of now, for sure, as we have mentioned INR23,505 crores, max-max. Before end of March, we'll be beginning from INR1,000 plus crores when we start from April 1, 2027.

Mahesh Kumar: Okay. And sir, we have inflows of around INR624 crores for the first half of FY27. So, can you give me some composition of the current order book across civil, PEB, MEP? And additionally, what execution timelines are there for the existing order book?

G Thiyagu: As I mentioned, most of the projects, any client when it comes to overall turnkey, some of the clients are awarding overall full package, because the moment they award, there is a lot of challenges when it comes to advance because they don't want to pay when something is going to happen on seventh month, eighth month, why should we pay unnecessarily advance.

Even for us also, there is a greater comfort in case there are price fluctuations, which is better to get once completion of civil and bidding to get the next package like MEP, because those time-to-time, whatever the price variation, market challenges we have, we can come across, even see, same thing happened from March, April, May, Asia war challenges was there.

So, the point here is that wherever we execute project, some of the packages are left out and those packages are bound to be awarded to Sathlokhar because we are now fulfilling our commitment to our customers. And it is easy for the clients also to support and award the contract to Sathlokhar, wherein their inauguration date can be ensured like a marriage day commitment. That's the kind of commitment Sathlokhar is working with our clients.

Mahesh Kumar: Okay. That's all from my side, sir. Thank you so much for answering my questions. And best of luck for the remaining second half. Thank you.

G Thiyagu: Thank you, sir.

Moderator: Thank you. Next question is from the line of Vini Jain from Jain Investments. Please go ahead.

Vini Jain: Hi, sir. Congratulations for the set of numbers. My question to you is, which sectors and business verticals are expected to contribute the most in the future order inflows now?

G Thiyagu: Happy evening. Thank you for raising this question. Predominantly, we are working with manufacturing sectors, as I mentioned repeatedly to all our investors. For us, length of the building, width of the building, floor loading and wind speed based on the geographical location.

End of the day, as a company, EPC, engineering, procurement, construction. turnkey construction company. For us, it is a factory building.

When it comes to customers, it may be auto components or garments or food or semiconductor or anything and everything. Based on the application of the business, we have to do internal work like cold storage means we have to provide the puff panel and some of the activities required for a epoxy flooring, some of them. Because end of the day, predominantly, 70% of works are length, width of the building. Rest all based on application matters.

As I mentioned, in our business model, we have got a strong prequalification sector race, specifically manufacturing of garments. We have done repeated factory projects, chemical industries, food industries, beverage, car manufacturing company, semiconductor manufacturing company, can manufacturing company and the other sectors like even industrial, institutional, commercial buildings, aero hub, data center and plug and play manufacturing, chemical, steel manufacturing company.

So, when it comes to prequalification, Sathlokhar got complete, strong capability in terms of design solution, lighting solution and execution of civil, PEB, MEP, utilities, interior works and entire fit-outs, including inauguration is our responsibility and commitment to all our clients.

Vini Jain: Got it. So, I have one additional question. So, then next, what steps are the management taking to improve the cash conversion and then managing the receivable days?

G Thiyagu: Ma'am, as I mentioned, like the moment we raised the bill, from the date of submission of our bill to our client, the project management company or client management person, professional is taking time for 3 to 4 weeks certification of the entire bill. From there onwards, the management is taking another four weeks. So, predominantly, we will be getting the payment from the date of submission of bill to realization is taking 45 to 60 days time maximum, madam.

Vini Jain: Got it. Thank you, sir. That answers my question.

G Thiyagu: Thank you.

Moderator: Thank you. Next question is from the line of Chaitrika from RM Advisors. Please go ahead.

Chaitrika: Hi, sir. Good evening. Thank you for the opportunity. Sir, my first question is, what is the current operational status of our new PEB manufacturing facility?

G Thiyagu: The factory is ready for commencement of production, just waiting for the certain approvals from the government, which we are working with the government. Hopefully, we'll be getting it in November. We'll be commencing our production from December onwards.

Chaitrika: Okay, sir. And what is the revenue mix expected to evolve across our civil and infrastructure like PEB , MEP, etc?

G Thiyagu: You see that specifically, the PEB manufacturing facility itself will cater almost INR140 crores to INR150 crores turnover per annum, ma'am.

Chaitrika: Okay. All right. Got it, sir. Thank you

Moderator: Thank you. Next question is from the line of Tejpal Singh, an Individual Investor. Please go ahead.

Tejpal Singh: Hi, sir. Congratulations on a good set of numbers. I hope I am audible.

G Thiyagu: Yeah, happy Evening, go ahead, sir.

Tejpal Singh: So, sir, my question is more on the long-term side. So actually, once we cross the INR2000 crores top line, then what are our plans? Because to grow from INR2000 to INR3000 crores, we need to grow our bid line exponentially. Even when we are at the INR1000 crores top line, we are not growing our bid pipeline or we are not converting at the rate where our revenue is growing. So, where will our next leg of growth come from?

G Thiyagu: Sir, we have been demonstrating, as I mentioned repeatedly, in the year of 2022, our turnover was INR87 crores. From there we have jumped into INR247 crores, from INR247 crores to INR367 crores, from INR367 crores to INR827 crores. From INR827 crores to - now the guidance is INR1,400 crores, The point here is that the growth is not being determined by Sathlokhar. It is predominantly fixed by our clients.

End of the day clients are asking us to execute more projects. They are giving volumes. They are giving opportunity to participate. And we are making all the best efforts to convert the order. So hopefully, our growth rate, definitely, at least year-on-year, about 50% is expected, even from next financial year. That's what we are all planning and aiming.

Tejpal Singh: Sir, I think I'm not clear about my question. So, if we consider our revenues of INR2000 crores and we have to grow to INR3000 crores, so the next INR1000 crores will come from the additional bidding pipeline. So, we have to add additional INR10,000 crores if we consider 10% win rate. So, we have to consider INR10000 crores of additional bidding. So, do you see that kind of demand is there in the market or the quantum of -- size of the order will decrease? What kind of that? I want to know the plan, the specific.

G Thiyagu: Yeah, again, I think I answered in a different way. Probably again, I will put forth. In the year of 2022, the entire turnover of our company was INR87 crores. And today, each and every order is minimum of INR50 crores, INR60 crores, INR80 crores, INR100 crores. That's the reason I have mentioned that to four years before the entire turnover of the company became one single order of today's Sathlokhar booked sites.

Tejpal Singh: Sir, I appreciate your journey. I appreciate I am a shareholder of the company, but to grow INR80 crores to INR1000 crores, we have to grow approximately INR8,000 crores of bid pipeline. But we have to -- when we grow INR2,000 crores to INR3,000 crores, our bid pipeline should grow from at least INR30,000 crores we should bid for the one year. Then we will get the order for at least INR2,000 crores, INR3,000 crores and then we will convert into the revenue. So, my question is that we are seeing that demand that we can bid for INR30,000 crores for the year and

then we can win the order of INR2,000 crores, INR3,000 crores and then we can convert it. That's my question, sir.

G Thiyagu: Sir, that's what I answered yes, it is possible. That's the reason I mentioned earlier, overall turnover of company becomes one single order of today's business. It's all up to where we are now and how to capture the market and based on the volumes and the size of the projects, we have to choose and we have to meet the clients and we have to know back the orders.

Tejpal Singh: Okay, okay, sir. Thank you.

G Thiyagu: My last turn over INR400 crores last to last year of INR 400 crores plus and now that order become one single order of today's Sathlokhar. Opportunities are plenty, so it is up to us to take a call.

Moderator: Thank you. Next question is from the line of Manaswini from Oracle Investments. Please go ahead.

Manaswini: Hello, sir. My first question to you is, how much of the existing order book is expected to be executed during the remainder of FY27?

G Thiyagu: As on date, the order book is 1,239 and already build INR 520 in -H1. Balance is yet to be executed 718 . Overall FY27 our guidance is INR1400 crores.

Manaswini: Okay, thank you. That makes sense. Another question that I had was that, how does the management view the conversion potential of the INR22,654 crores bid pipeline into say executable orders?

G Thiyagu: Yes, and as such, our conversion minimum conservative number is 10%. If you apply it itself, it is INR2300 crores expected to be booked.

Manaswini: Okay, that answers my question. Thank you.

Moderator: Thank you. Next question is from the line of Ritika Shah from Patel Investments. Please go ahead.

Ritika Shah: Hello. Good evening. Firstly, congratulations on a good set of numbers. I have two questions. One is, what is the expected contribution from the company's first international project? And which geographies are being considered for further expansion?

G Thiyagu: As such, yes, of course, thank you very much. We are now currently executing project at Sri Lanka. And at Sri Lanka itself, we are now submitting two offers. So hopefully, we'll come back to you on a line of projects which has been already bidded. But apart from Sri Lanka, at this juncture, we are not working with any other country, but we are only strengthening in India.

And there's no restriction for Sathlokhar only in Tamil Nadu. We have been already established with other states, neighbouring states, including Pune, Varanasi, now even Haryana, everywhere

we are now trying to back the orders. At this juncture, the company is now considering, in India itself, we have a lot of potential and has already bidded. We have to concentrate more on booking a good amount of orders in India.

Ritika Shah: Okay. And secondly, what is the expected trajectory of debt levels, like finance costs and working capital requirements as the order book expands?

G Thiyagu: As I mentioned, to achieve every INR100 crores, we need to have INR25 crores to INR30 crores, including paid bank guarantee, advance bank guarantee and working capital requirements. Definitely, when it comes to next year FY28 guidance, we have to have additional funds, either in bank debts or we have to work with kind of NCD proceedings or depends on the situation. Based on the client's demands and order books and order demands, we have to plan for the new fund requirements.

Ritika Shah: Okay. That answers my question. Thank you.

Moderator: Thank you. Next question is from the line of Manav Das from Mehta Investments. Please go ahead.

Manav Das: Hi. Congratulations on the good numbers.

G Thiyagu: Thank you very much. Happy.

Manav Das: There are two primary questions that I have. So, one being that, what are the key factors that have driven our strong revenue for this quarter? And as compared to our last quarter, we have done exceptionally well. So what are the key factors for that? And second, how sustainable are our current EBITDA margins as we are scaling up our operations?

G Thiyagu: Key factors, I would like to say that the customers are chasing us for us to fast track completion. So that's a primary reason for us to concentrate more on execution of fast-track projects having books and executed. And second question, sorry.

Manav Das: Second question, sir, being that how sustainable are our EBITDA margins, the current EBITDA margins that we have achieved? So, as the company is moving ahead, how sustainable are those EBITDA margins going forward?

G Thiyagu: That's a primary reason to gain confidence from the clients and also sustain the integrated PEB metal building will definitely give support to improve our bottom line further. As we have mentioned, 0.75% to 1.5%, which we are expected to scale up or sustain the whatever we have been ensuring in the past. So, we are on the job.

Manav Das: Okay, sure. Thank you so much. And that answers my question.

Moderator: Thank you. Next question is from the line of Priya Shah from Shah Capital. Please go ahead.

Priya Shah: Hi, good evening, sir. Am I audible?

G Thiyagu: Good evening. Go ahead, madam.

Priya Shah: Yeah. Congratulations, sir, for great numbers. I have two questions for you. First, I would like to know that what contribution does the management expect from the PEB business to overall revenue and profitability over the next few years? And my second question is, what is the expected contribution from the company's first international project? And also, which geographies are being considered for further expansion?

G Thiyagu: Yeah. Contribution from the PEB company would be, as I mentioned, yearly, this factory can cater INR140 crores to INR150 crores turnover from the manufacturing facility as booked under Sathlokhar orders. When it comes to contribution by India, we are not limited to only Tamil Nadu.

We are already executing projects pan India, as we are already, our presence are in seven states, and we are strengthening further more with other locations, including Kolkata and Delhi, Haryana, Assam, everywhere, including Odisha, everywhere, we are now strengthening, participating. Hopefully, we'll get the orders.

Priya Shah: Okay, sir. That answers my question. Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Narendra S. Patel, an Individual Investor. Please go ahead.

Narendra S. Patel: Hello, sir. Am I audible?

G Thiyagu: You can go ahead, sir.

Narendra S. Patel: Yeah. So, sir, the company has reported a strong profit growth. So, congratulations for that. But we can see that the operating cash flow further remains negative while borrowing has increased, and the cash flow is still very low. So, could you please explain the key reason for this cash flow gap and provide a clear timeline for when the operating cash flow is expected to turn positive? Because we have been seeing this negative since so many quarters?

Management: As I mentioned in the past, in our business model, every quarter, work done and the raising will be collected on the next quarter. So, if you have been proved and demonstrated, established, and briefed to all the investors meeting, even every year, financial year also, every quarter, end of the result, when it comes to next quarter, by that time, you would have received the entire money from the clients. This is what we have been proving.

And in the same investors meeting, everywhere, we have been highlighting that every quarter, whatever the work done will be raised, those amounts will be billed and received from the next quarter. This is what we are trying to communicate. According to our business model, EPC construction business model, this is not a negative factor.

This is a regular and natural process, where even if I construct your own building, you will also take your own time to certify and settle the payment on the next stage only. You will not be

settling on the same day. We are in the EPC construction model, where we deliver from the barren land to inaugurate the entire facility, which includes entire design solution, including EPC construction, which involves civil, PEB, electrical, mechanical, plumbing, firefighting, data, ETP, WTP, everything. Definitely, clients are taking time to certify and process and settle on them. This is a quite natural in the business model, madam.

Narendra S. Patel: Okay. Thank you for answering the question.

Moderator: Thank you. Next question is from the line of Juzer from Aavya Advisors. Please go ahead.

Juzer: Yeah. Hi. Am I audible to you, sir?

G Thiyagu: Go ahead, sir.

Juzer: Yeah. First of all, congratulations on a good set of numbers, sir. So, my first question is, what is the expected trajectory of debt level, sir, finance cost and working capital requirement as the order book of our order book is expanding, sir?

G Thiyagu: As of now, you are talking about bank loans, right?

Juzer: Yeah, yeah. Debt levels and working capital, which is required for our, you know, new order books and all.

Management: Sir, am I audible?

Juzer: Yeah. Hi, sir.

Management: So, the overall limit, the current limit with our bankers happens to be around INR300 crores.

Juzer: INR300 crores?

Management: Yeah.

Management: The overall limit.

Management: We have got a sanction, yeah.

Juzer: Debt limit, right?

G Thiyagu: Out of 300, 100 we have given as a bank guarantee. And unused, it is almost INR50 crores to INR60 crores.

Juzer: Okay, okay. And how much is working capital required for our basic projects, sir?

G Thiyagu: In our business model, to achieve every 100 crores , we need to have a INR25 crores to INR30 crores. So, overall, including working capital, which includes ABG, BPG, everything put together, we need to have INR25 crores to INR30 crores to honor our 100 crores turnover .

Juzer: Okay. And my next question is, what are the companies' planned capital expenditure, like capex, for the remainder of the FY27 or for the next two, three years?

G Thiyagu: Sorry, sorry.

Juzer: Hello.

G Thiyagu: Yeah, sir, at this juncture, the plan is, as we have already planned, we'd like to have one, every year we are planning to have one PEB factory, that's the plan. We are aiming to achieve that. At this juncture, we have just completed one factory at Chennai, Kanchipuram. Hopefully, we'll be commencing another PEB project next year, hopefully.

Juzer: Okay. And so, I just saw your presentation as well, like, it is a very good presentation, sir, showing all the details of our project, capacities, manufacturing infrastructures, and clients as well. So, yeah, it's a very good, informative presentation. And I just have one last question. What were the primary drivers behind our growth in EBITDA and PAT during this quarter, sir?

G Thiyagu: Sorry, I am unable to understand.

Juzer: So, I just asked, like, what are the primary drivers for our growth in EBITDA and PAT during this quarter, sir?

G Thiyagu: It's a fast-track execution because of the client's demand. Clients are the driving factors, and we just follow them. When clients are asking us to execute fast-track projects, we have to work day and night and complete the projects. At this juncture, some of the clients, they wanted to up and run the factories that are under fast-track. So, we have just accelerated our speed and executed on it.

Juzer: Great, great, sir. And by any chance, do you provide any future guidance number, like, for FY27 or, like, next two, three years?

G Thiyagu: Yes, sir. As of now, since the last four years, such as TRAC and VEA, we are literally aiming to achieve 50% above every year in the last year performance. That's what our dream and our aim.

Juzer : Okay, okay, great, sir. Great. Best of luck for the future. That's all from my side.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference back to management for closing comments.

G Thiyagu: Thank you all. On behalf of Sathlokhar Synergys E&C Global Limited, thank you for joining us for our H1 FY27 Annual Conference Call and for taking the time to understand our business and our vision for the future. We look forward to engaging with you as we move ahead on this journey.

With that, I would like to thank our clients, shareholders, investors, financial institutions, vendor partners, and employees for their continued trust and support. We remain committed to strengthening our capabilities and leading a scalable organization for the years ahead. For further queries or clarification, please reach out to our investors relations team at Adfactors PR. We will be happy to assist you. Thank you all.

Moderator: Thank you very much, sir. On behalf of Sathlokhar Synergys E&C Global Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.