

Company Name: Global Surfaces Ltd.

Key Management Participants :

Mr. Mayank Shah: Chairman & MD

Mr. Dharam Singh Rathore: CS and Compliance Officer

11th Annual Valorem Conference Highlights :

- Strategic transition towards premium engineered surfaces, driving improved product mix and higher realizations.
- UAE facility emerging as the primary growth engine, with expected contribution of ~65% to overall revenues.
- Strong pricing momentum anticipated, supported by 25–30% growth in realizations and volumes in the next financial year.
- Enhanced margin profile driven by higher UAE realizations, led by direct sales and increasing share of premium grades (5–6), while maintaining base volumes from grades 1–4.
- Expanding footprint in the US and Middle East, with deeper access to large clients and project-based demand.
- Established client base of 25–30 distributors, with a strategic shift towards direct sales in key markets.
- Capacity utilization at ~50% (UAE) and ~30% (India) as of 9M FY26; targeted improvement to 60–75% by FY27, subject to macro normalization.
- Strong ESG focus with ~90% water recycling; solar-powered Indian facilities deliver ~35% annual energy cost savings, with cumulative generation of ~4 GW to date.
- Focus on balance sheet strengthening with no major capex or fund-raise plans; ongoing inventory rationalization through SKU optimization.
- Marquartz product line, supported by patented technology, enables premium positioning with realizations of ~USD 9–10/sqft in the high-end US market.

Key Questions & Answers discussed during the Conference:

- **What is current capacity utilization levels across UAE and Indian facilities, and expected trajectory over the medium term?** Utilization at the Dubai facility stands at around 50% and the Indian facilities stands at 30%. We are expecting a gradual improvement to 60-75% utilization by FY27, driven by demand recovery and operational normalization
- **What was the capex done for the UAE entity?** We did capex of 115 million AED for the UAE entity where the we produce premium grade engineered slabs
- **How does the company compare with competitors like Vietnam and China?** We don't consider China as a competitor due to the tariff factors. Vietnam competes in similar segments, pricing is largely comparable, the differentiation is driven by design, product quality, and demand trends rather than cost.

- **Where does the company source its raw material for the UAE facility?** The company procures its primary raw materials, including cristobalite, grit, mirror, resin, and other inputs, from both domestic and international suppliers across countries such as Saudi Arabia, Portugal, Belgium, Spain, and India.
- **Is the company scaling its presence and distribution in Europe?** The European market has a very highly fragmented demand structure and there is a strong presence of local manufacturers which limits competitiveness.
- **Will the company increase its strategic focus on the Indian market going forward?** We see the Indian market as a large opportunity but it requires extensive dealer network, dedicated salesforce of 25-30 people. The product requirements for the Indian markets also differs from the normal production which leads to production of customized slab sizes. The company has already initiated its entry strategy, with a limited team currently for the domestic market. Over the next couple of quarters, this strategy is expected to be implemented more effectively as structure are further strengthened in backend teams.
- **What is the key focus markets going forward?** North America will remain the primary focus, while the Middle East is expected to be a key growth region driven by direct sales, higher realizations, and superior margin and scaling opportunities relative to other markets.
- **What are the key growth levers in the US market?** Growth will be driven by design innovation and new colour additions. Also, having strong distributor relationships and product placements along with technology upgrades and premium product positioning will be the key growth levers driving the demand in the US region.
- **What are the key headwinds impacting the business?** We faced short term headwinds due to ADCVD case- related tariff issues, middle east geopolitical disruptions resulting to port shutdowns.
- **What is the targeted working capital?** Working capital cycle has increased from ~120 days to ~180 days, with receivables days currently at ~180 days (down from 208). We are targeting 140—150 days in the coming quarters through improved collections and operational efficiency
- **Is there any tax advantage in having an UAE entity as a subsidiary?** The UAE entity does not face any taxes and all its income is consolidated in the book of the parent company.
- **How concentrated is the client base, and what is the revenue contribution from the top customers?** The business is largely repeat driven and the top 5 clients contribute to around 50% of the revenues.

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