

## **ANALYSIS OF RESULTS**

### **QUARTER ENDED 30 JUNE 2024**

Global economic activities and trade around the world were improving during the first quarter, with growth on the upside in many countries. Upside risks to inflation stemming from various issues such as price pressures on account of renewed trade or geopolitical tensions in Middle East continued. Weak global sentiments continued amid rising U.S. recession, concerns leading to lower than anticipated macroeconomic data in the U.S., and fears of a reverse carry trade in Yen after rate hike by the Bank of Japan, potential changes in Govt. in US – its trade policies/tariff hikes, slowing China economy, may impact global growth.

India's GDP growth continues to surpass expectations. Certain macro-economic indicators have contributed to the momentum in the economy including growth in Agri business, service sector, rise in manufacturing activity and moderate inflation may be a positive sign for easing monetary policies by RBI. In the recent budget, fiscal consolidation remained a big positive for the country, with the Government focusing on the reduction of India's debt, driven by lower revenue deficit. Capex budget also remained healthy in the interim budget of the Government. All these factors paint a positive picture for the growth story of the country leading to a positive momentum for the growth of industry and people.

The year 2024 continues to be a milestone year for the company. In the results for the year ended March 2024 we had announced a record-breaking top-line with the sale of over 2 million Air Conditioners in FY 24, indicating a strong market demand for the company's products, registering a quarterly growth of 72% and an annual growth of 35% in volumes at that time. As we entered FY 25, the rising demand and intense summers helped clock a stronger growth in revenue and bottom line in this strong quarter for the Company. We are happy to report strong growth in all the 3 segments i.e. UCP, projects and engineering products & services. The Unitary Cooling Products business continued to outperform the market and maintained its growth momentum with an overall volume growth of 67% over the corresponding previous quarter. Also, in case of bottom line as well, UCP replicated the growth in topline indicating a steady margin.

With this incredible growth, the company reported Consolidated Total Income for the quarter ended 30 June 2024 higher by 46% at Rs. 5,001 crores as compared to Rs. 3,430 crores in the corresponding quarter last year. We are excited and thrilled to inform you that we have recorded a lifetime high in Profit before tax (PBT) in any quarter earned by the Company at Rs. 452 crores, a growth of 123% as compared to Rs. 203 crores in the corresponding quarter last year. This quarter's profit is almost close to the PBT earned by Voltas in full year of FY2024. Net Profit (after tax) was at Rs. 335 crores as compared to Rs. 129 crores last year. Earnings per Share (Face Value per share of Re. 1) for the quarter ended 30 June 2024 was at Rs. 10.10 as compared to Rs. 3.91 in the same period previous year. The Corporate Balance Sheet continues to remain healthy.

### **VOLTAS LIMITED**

Finance and MIS Department

Registered Office Voltas House 'A' Dr Babasaheb Ambedkar Road Chinchpokli Mumbai 400 033 India

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Corporate Identity Number L29308MH1954PLC009371

A **TATA** Enterprise

A snapshot of our results for this quarter and for the financial year is presented herewith: -

Segment reporting (Rs. Crores)	Q1 FY25	Q1 FY24	% to Total Revenue	
			Q1 FY25	Q1 FY24
<b>1. Revenue</b>				
Segment A : Unitary Cooling	3802	2514	78%	75%
Segment B : Eng. Projects	949	679	19%	20%
Segment C : Eng. Products	161	142	3%	4%
Less : Inter segment revenue	8			
<b>Income from Operations</b>	<b>4904</b>	<b>3335</b>	<b>100%</b>	<b>100%</b>
<b>2. Profit / (loss) before tax</b>				
Segment A : Unitary Cooling	327	207	9%	8%
Segment B : Eng. Projects	67	(52)	7%	-8%
Segment C : Eng. Products	45	54	28%	38%
Unallocated	13	(7)		
<b>Profit before Tax</b>	<b>452</b>	<b>203</b>	<b>9%</b>	<b>6%</b>

## Segment A – Unitary Cooling Products (UCP)

Scorching heat, rising temperatures and a need for cooling and comfort helped scale the UCP vertical to a newer height. With joint efforts of our sales, planning, marketing and manufacturing teams we recorded another milestone of selling the fastest 1 million ACs within 88 days of a quarter given the unprecedented demand for cooling products. The extraordinary demand due to extreme weather conditions in most parts of the country has pressurized and disrupted supply chains across the industry. However, a mix of round-the-clock operation at factories and strong support from our OEMs have largely helped in meeting the market demand. Our Q4 FY24 growth story continued in Q1 FY25 with a whopping 67% volume growth in Unitary Cooling Products as compared to the corresponding previous quarter.

All the products in the room air-conditioners category witnessed high demand driven by consumers' desire to have products with advanced features and its long-term advantages of savings in energy costs. We recorded around 65% growth in Split Air Conditioner categories with demand coming from across the country. Strong demand for premium category of products i.e. 5 star rated products continued and the overall sales mix for these products has also improved for Voltas. The zest of meeting the market demand and meeting customer expectations by giving them comfort and convenience and making our products accessible through our widespread distribution reach, leveraging on the supply-chain helped us retain our leadership position for the year with an exit market share of 21.2% in June 2024. Since the past few quarters, we have continued to strengthen our brand proposition and product placements across all channel formats.

During the season, for RAC the performance and leadership position continues to remain strong. The company also registered a significant growth in volume for other cooling products including air coolers and commercial refrigeration products.

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Commercial Refrigeration industry garnered traction leading to a high demand for cold beverages, and ice-creams thus helping us clock positive results for the business. Within the commercial refrigeration category, demand was buoyant for water coolers and water dispensers. The Business recorded all time high sales in the quarter driven by sales across all Commercial Refrigeration products and led to a growth higher than the industry helping us retain our market leadership position in Freezers, Water Coolers and Water dispenser categories. Our new products in Cold Room and Medical Refrigeration have also registered good business growth and healthy order booking ensuring good volumes in the category. However, stock liquidation of non-QCO inventory has led to a drop in margin during the quarter.

Like RAC and CR, the performance of the Air Cooler vertical added extra flavour to the milestones of the Company in the current quarter with a staggering 170% volume growth over corresponding previous quarter. High Sales in the 1st quarter have set the path for an exciting year ahead with advance booking of Coolers for the next season. Aggressive schemes supported to expand distribution network, at the same time quality products and support from the climatic conditions helped to establish a strong foothold this season. Sellout remained strong across all channels.. Our new Cooler models were well accepted and further fueled the growth story for the category. As per the latest report, market share has also grown to 10.50% helping us become the No.2 brand in the month of June 2024, widening the gap with brands at 3<sup>rd</sup>, 4<sup>th</sup> position. Water Heater sales had a good start for the vertical and are expected to grow bigger in the coming months despite this being a lean period for the product.

The Commercial Air Conditioning (CAC) vertical performance also remained steady during the quarter. Sales of VRF, Cassette ACs, Ducted ACs drove the top line and bottom line for the quarter. Unlike product sales, in the current quarter, margins from retrofit jobs were lower, which moderated the overall EBIT performance for the vertical for the quarter. This, however, will improve over the next few months.

Consumer centric finance schemes contributed significantly to the increase in sales this season. Additionally, on the cost front, commodity prices have started to accelerate upwards with USD-INR depreciating over the quarter and both have been detrimental to the profitability of the business. Considering the seasonality of business, IPL, and a move towards TV advertisements and higher sales & promotion expenses kept our margins in line with the previous year. On the other hand, various value engineering initiatives and cost austerity drives have kept the margins stable.

To summarize, for the quarter ended June 2024, the UCP segment registered a revenue of Rs. 3,802 crores, a 51% growth in turnover from Rs. 2,514 crores in Q1FY24. The Segment reported an EBIT of Rs. 327 crores in Q1FY25 as compared to Rs. 207 crores in Q1FY24 (a growth of 58%).

On the capacity expansion front, we are happy to announce that we have started commercial operations in RAC factory in Chennai (capacity of 1 mn) and Water Dispenser line (capacity of around 3.5 lacs) in Waghodia . Both these plants provide us with strategic advantage of location and help us cater to the markets in South and West India. This will enable us to meet growing demand for the under penetrated air conditioning and commercial refrigeration products market. This would in-turn help us deliver a powerful performance to give our consumers comfort and convenience. With our story of volume growth across channels and

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products, we are optimistic on utilisation of our factories to the optimum scale and achieve cost efficiencies for the business going forward.

### **Segment B – Electro-Mechanical Projects and Services**

The Segment Revenue for the quarter was Rs. 949 crores as compared to the previous corresponding quarter revenue of Rs. 679 crores (a growth of 40%). In the past while we faced multiple headwinds in the international projects business, in the current quarter we reported a positive EBIT of Rs 67 crores for this Segment.

Healthy opening order book, quality Professional Qualification (PQE), focussed project review and governance structure and a better working capital management has translated into healthy business performance of the Domestic Projects Business. The Domestic Projects Business recorded a growth of 50% for the quarter ended June 2024. Elections in the country subdued the order booking for the domestic project business and the order pad stands at Rs. 4,769 crores currently. We are anticipating order booking to pick up during the second half of this financial year.

For International Projects Business, projects in UAE and Saudi continued to deliver good performance and drive the revenue growth for the business. Strong project execution, timely assessment of cost and profitability has ensured a strong bottom-line performance for our business after facing challenges for a few quarters. We are further elated to inform that in both the matters of our BG encashment (pertaining to FY 2022-23) we have received arbitration awards in our favour and whilst collection of the proceeds may take some time, our efforts of demonstrating fulfilment of our part of the job and defying an unwarranted encashment have worked positively.

We remained cautious in order booking during the quarter. The carry forward order book for international business as of 30 June 2024 stood at Rs. 2,734 crores largely in UAE and Saudi Arabia region. The total carried forward order book of the Segment stood at Rs. 7,503 crores as of 30 June 2024. Segment profitability was higher considering the project achieving threshold milestones resulting in accrual of profitability for the jobs.

### **Segment C – Engineering Products and Services**

Segment Revenue and Results for Segment C continued to report better performance for the quarter over previous year. Segment revenue for the quarter was Rs. 161 crores and EBIT for the quarter was Rs. 45 crores, respectively.

Mining & Construction vertical achieved a positive momentum on top line ensuring continuation of business activities in terms of O&M jobs and sale of powerscreen machines. However, margin reductions and ancillary overhead costs relating to the business did not help us to replicate the top line growth to EBIT. Going forward, robust growth abilities in both Mozambique and India will help us maintain the business momentum for the year.

The textile industry experienced headwinds owing to fluctuations in cotton and yarn exports. As a result, Capex within the industry decreased across the sector which led to reduced utilisation levels of spinners and thereby a corresponding reduction in demand and margins for our agency business. Despite these headwinds, the business performance of our after-sales and post-spinning business has been positive.

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## **Voltas Beko**

Voltbek, our home appliances brand, continues to grow with the support of Voltas' strong brand presence and distribution and Arçelik's technical expertise with a formidable team leading Voltbek. The Home Appliances industry in India witnessed a healthy growth, fuelled by a surge in demand for both large and small appliances and Voltas Beko offered an impressive array of products to meet the demands of the consumers. Voltbek has delivered a volume growth of over 50% compared to corresponding period in the previous year. With regards to the bottom line, with increased volume and gradual reduction in losses. Voltbek continues to reduce loss per unit and move towards our goal of achieving EBITDA break-even in near future.

Voltas Beko has solidified its position among the top three brands in Semi-Automatic Washing Machines category for YTD June 2024 at 14% market share and overall YTD June 2024 share in Washing Machine category to 7.8%. The Refrigerator segment also achieved over 50% growth in business, reporting a YTD June 2024 market share of 5.2%. Other segments such as Dishwashers and Microwaves also achieved better business performance.

Voltbek is committed to meet its two objectives of enhancing its market presence across various product categories by deploying customized approaches for market penetration and growth and to attain profitability. These initiatives will involve expanding distribution reach, adopting channel-specific tactics to enhance market reach in key regions through retail and distribution channels, and maintaining a strong focus on boosting e-commerce and omni-channel development. And on the cost front, localisation of production of a larger portion of its product portfolio, product efficiencies, value engineering efforts and improving product mix have resulted in a positive outlook for the Company.

## **Outlook:**

The period of July-September (i.e. Q2 FY25) is usually a lean period for Cooling products; however, the start of festival period may lead to an early spurt in demand. It will be interesting to see the impact of the interplay of multiple factors such as inflation, movement in crude oil prices, rupee behaviour and geo-political challenges.

Company has, on 20 June, 2024, as part of internal restructuring earlier announced, executed the Share Purchase Agreement/s with Universal MEP Projects Pte Limited (UMPPL), a step down wholly owned subsidiary of the Company incorporated in the Republic of Singapore for transfer of the Company's direct investments in overseas subsidiary companies, namely – Weathermaker FZE in UAE (100%); Saudi Ensas Company for Engineering Services WLL in Kingdom of Saudi Arabia (92%) and Lalbuksh Voltas Engineering Services and Trading LLC in Sultanate of Oman (20%) to UMPPL. The transactions are targeted to be completed on or before 30th September, 2024, subject to satisfactory completion of the Conditions Precedent (including necessary approvals and procedures as may be required in the respective local jurisdictions) and in accordance with the provisions of the Share Purchase Agreement/s. Post transfer of these investments, the economic interest of the Company in the aforesaid overseas subsidiary companies shall continue to remain intact.

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The Government has remained optimistic in meeting its capex commitment for FY24 in its budget and while the order pickup was low in Q1, with a stable Government now, we anticipate order pickup for our project business. However, we will continue to follow a cautious risk mitigated approach while selecting new orders. For us, currently the execution of the orders in hand is paramount to ensure timely completion of the projects with tendered margins.

In general, we will remain cautiously optimistic on pickup in the pace of overall economic activity and Voltas will seize the opportunity to continue with growth momentum.

*Cautionary Statement:*

*Statements in this release describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.*

16 August 2024

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## Segment A – Unitary Cooling Products (UCP)

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### **Segment C – Engineering Products and Services**

Segment Revenue and Results for Segment C continued to report better performance for the quarter over previous year. Segment revenue for the quarter was Rs. 161 crores and EBIT for the quarter was Rs. 45 crores, respectively.

Mining & Construction vertical achieved a positive momentum on top line ensuring continuation of business activities in terms of O&M jobs and sale of powerscreen machines. However, margin reductions and ancillary overhead costs relating to the business did not help us to replicate the top line growth to EBIT. Going forward, robust growth abilities in both Mozambique and India will help us maintain the business momentum for the year.

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## **Outlook:**

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Company has, on 20 June, 2024, as part of internal restructuring earlier announced, executed the Share Purchase Agreement/s with Universal MEP Projects Pte Limited (UMPPL), a step down wholly owned subsidiary of the Company incorporated in the Republic of Singapore for transfer of the Company's direct investments in overseas subsidiary companies, namely – Weathermaker FZE in UAE (100%); Saudi Ensas Company for Engineering Services WLL in Kingdom of Saudi Arabia (92%) and Lalbuksh Voltas Engineering Services and Trading LLC in Sultanate of Oman (20%) to UMPPL. The transactions are targeted to be completed on or before 30th September, 2024, subject to satisfactory completion of the Conditions Precedent (including necessary approvals and procedures as may be required in the respective local jurisdictions) and in accordance with the provisions of the Share Purchase Agreement/s. Post transfer of these investments, the economic interest of the Company in the aforesaid overseas subsidiary companies shall continue to remain intact.

## **VOLTAS LIMITED**

Finance and MIS Department

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A **TATA** Enterprise

# VOLTAS

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In general, we will remain cautiously optimistic on pickup in the pace of overall economic activity and Voltas will seize the opportunity to continue with growth momentum.

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16 August 2024

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## **ANALYSIS OF RESULTS**

### **QUARTER ENDED 30 JUNE 2024**

Global economic activities and trade around the world were improving during the first quarter, with growth on the upside in many countries. Upside risks to inflation stemming from various issues such as price pressures on account of renewed trade or geopolitical tensions in Middle East continued. Weak global sentiments continued amid rising U.S. recession, concerns leading to lower than anticipated macroeconomic data in the U.S., and fears of a reverse carry trade in Yen after rate hike by the Bank of Japan, potential changes in Govt. in US – its trade policies/tariff hikes, slowing China economy, may impact global growth.

India's GDP growth continues to surpass expectations. Certain macro-economic indicators have contributed to the momentum in the economy including growth in Agri business, service sector, rise in manufacturing activity and moderate inflation may be a positive sign for easing monetary policies by RBI. In the recent budget, fiscal consolidation remained a big positive for the country, with the Government focusing on the reduction of India's debt, driven by lower revenue deficit. Capex budget also remained healthy in the interim budget of the Government. All these factors paint a positive picture for the growth story of the country leading to a positive momentum for the growth of industry and people.

The year 2024 continues to be a milestone year for the company. In the results for the year ended March 2024 we had announced a record-breaking top-line with the sale of over 2 million Air Conditioners in FY 24, indicating a strong market demand for the company's products, registering a quarterly growth of 72% and an annual growth of 35% in volumes at that time. As we entered FY 25, the rising demand and intense summers helped clock a stronger growth in revenue and bottom line in this strong quarter for the Company. We are happy to report strong growth in all the 3 segments i.e. UCP, projects and engineering products & services. The Unitary Cooling Products business continued to outperform the market and maintained its growth momentum with an overall volume growth of 67% over the corresponding previous quarter. Also, in case of bottom line as well, UCP replicated the growth in topline indicating a steady margin.

With this incredible growth, the company reported Consolidated Total Income for the quarter ended 30 June 2024 higher by 46% at Rs. 5,001 crores as compared to Rs. 3,430 crores in the corresponding quarter last year. We are excited and thrilled to inform you that we have recorded a lifetime high in Profit before tax (PBT) in any quarter earned by the Company at Rs. 452 crores, a growth of 123% as compared to Rs. 203 crores in the corresponding quarter last year. This quarter's profit is almost close to the PBT earned by Voltas in full year of FY2024. Net Profit (after tax) was at Rs. 335 crores as compared to Rs. 129 crores last year. Earnings per Share (Face Value per share of Re. 1) for the quarter ended 30 June 2024 was at Rs. 10.10 as compared to Rs. 3.91 in the same period previous year. The Corporate Balance Sheet continues to remain healthy.

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A snapshot of our results for this quarter and for the financial year is presented herewith: -

Segment reporting (Rs. Crores)	Q1 FY25	Q1 FY24	% to Total Revenue	
			Q1 FY25	Q1 FY24
<b>1. Revenue</b>				
Segment A : Unitary Cooling	3802	2514	78%	75%
Segment B : Eng. Projects	949	679	19%	20%
Segment C : Eng. Products	161	142	3%	4%
Less : Inter segment revenue	8			
<b>Income from Operations</b>	<b>4904</b>	<b>3335</b>	<b>100%</b>	<b>100%</b>
<b>2. Profit / (loss) before tax</b>				
Segment A : Unitary Cooling	327	207	9%	8%
Segment B : Eng. Projects	67	(52)	7%	-8%
Segment C : Eng. Products	45	54	28%	38%
Unallocated	13	(7)		
<b>Profit before Tax</b>	<b>452</b>	<b>203</b>	<b>9%</b>	<b>6%</b>

## Segment A – Unitary Cooling Products (UCP)

Scorching heat, rising temperatures and a need for cooling and comfort helped scale the UCP vertical to a newer height. With joint efforts of our sales, planning, marketing and manufacturing teams we recorded another milestone of selling the fastest 1 million ACs within 88 days of a quarter given the unprecedented demand for cooling products. The extraordinary demand due to extreme weather conditions in most parts of the country has pressurized and disrupted supply chains across the industry. However, a mix of round-the-clock operation at factories and strong support from our OEMs have largely helped in meeting the market demand. Our Q4 FY24 growth story continued in Q1 FY25 with a whopping 67% volume growth in Unitary Cooling Products as compared to the corresponding previous quarter.

All the products in the room air-conditioners category witnessed high demand driven by consumers' desire to have products with advanced features and its long-term advantages of savings in energy costs. We recorded around 65% growth in Split Air Conditioner categories with demand coming from across the country. Strong demand for premium category of products i.e. 5 star rated products continued and the overall sales mix for these products has also improved for Voltas. The zest of meeting the market demand and meeting customer expectations by giving them comfort and convenience and making our products accessible through our widespread distribution reach, leveraging on the supply-chain helped us retain our leadership position for the year with an exit market share of 21.2% in June 2024. Since the past few quarters, we have continued to strengthen our brand proposition and product placements across all channel formats.

During the season, for RAC the performance and leadership position continues to remain strong. The company also registered a significant growth in volume for other cooling products including air coolers and commercial refrigeration products.

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Commercial Refrigeration industry garnered traction leading to a high demand for cold beverages, and ice-creams thus helping us clock positive results for the business. Within the commercial refrigeration category, demand was buoyant for water coolers and water dispensers. The Business recorded all time high sales in the quarter driven by sales across all Commercial Refrigeration products and led to a growth higher than the industry helping us retain our market leadership position in Freezers, Water Coolers and Water dispenser categories. Our new products in Cold Room and Medical Refrigeration have also registered good business growth and healthy order booking ensuring good volumes in the category. However, stock liquidation of non-QCO inventory has led to a drop in margin during the quarter.

Like RAC and CR, the performance of the Air Cooler vertical added extra flavour to the milestones of the Company in the current quarter with a staggering 170% volume growth over corresponding previous quarter. High Sales in the 1st quarter have set the path for an exciting year ahead with advance booking of Coolers for the next season. Aggressive schemes supported to expand distribution network, at the same time quality products and support from the climatic conditions helped to establish a strong foothold this season. Sellout remained strong across all channels.. Our new Cooler models were well accepted and further fueled the growth story for the category. As per the latest report, market share has also grown to 10.50% helping us become the No.2 brand in the month of June 2024, widening the gap with brands at 3<sup>rd</sup>, 4<sup>th</sup> position. Water Heater sales had a good start for the vertical and are expected to grow bigger in the coming months despite this being a lean period for the product.

The Commercial Air Conditioning (CAC) vertical performance also remained steady during the quarter. Sales of VRF, Cassette ACs, Ducted ACs drove the top line and bottom line for the quarter. Unlike product sales, in the current quarter, margins from retrofit jobs were lower, which moderated the overall EBIT performance for the vertical for the quarter. This, however, will improve over the next few months.

Consumer centric finance schemes contributed significantly to the increase in sales this season. Additionally, on the cost front, commodity prices have started to accelerate upwards with USD-INR depreciating over the quarter and both have been detrimental to the profitability of the business. Considering the seasonality of business, IPL, and a move towards TV advertisements and higher sales & promotion expenses kept our margins in line with the previous year. On the other hand, various value engineering initiatives and cost austerity drives have kept the margins stable.

To summarize, for the quarter ended June 2024, the UCP segment registered a revenue of Rs. 3,802 crores, a 51% growth in turnover from Rs. 2,514 crores in Q1FY24. The Segment reported an EBIT of Rs. 327 crores in Q1FY25 as compared to Rs. 207 crores in Q1FY24 (a growth of 58%).

On the capacity expansion front, we are happy to announce that we have started commercial operations in RAC factory in Chennai (capacity of 1 mn) and Water Dispenser line (capacity of around 3.5 lacs) in Waghodia . Both these plants provide us with strategic advantage of location and help us cater to the markets in South and West India. This will enable us to meet growing demand for the under penetrated air conditioning and commercial refrigeration products market. This would in-turn help us deliver a powerful performance to give our consumers comfort and convenience. With our story of volume growth across channels and

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products, we are optimistic on utilisation of our factories to the optimum scale and achieve cost efficiencies for the business going forward.

### **Segment B – Electro-Mechanical Projects and Services**

The Segment Revenue for the quarter was Rs. 949 crores as compared to the previous corresponding quarter revenue of Rs. 679 crores (a growth of 40%). In the past while we faced multiple headwinds in the international projects business, in the current quarter we reported a positive EBIT of Rs 67 crores for this Segment.

Healthy opening order book, quality Professional Qualification (PQE), focussed project review and governance structure and a better working capital management has translated into healthy business performance of the Domestic Projects Business. The Domestic Projects Business recorded a growth of 50% for the quarter ended June 2024. Elections in the country subdued the order booking for the domestic project business and the order pad stands at Rs. 4,769 crores currently. We are anticipating order booking to pick up during the second half of this financial year.

For International Projects Business, projects in UAE and Saudi continued to deliver good performance and drive the revenue growth for the business. Strong project execution, timely assessment of cost and profitability has ensured a strong bottom-line performance for our business after facing challenges for a few quarters. We are further elated to inform that in both the matters of our BG encashment (pertaining to FY 2022-23) we have received arbitration awards in our favour and whilst collection of the proceeds may take some time, our efforts of demonstrating fulfilment of our part of the job and defying an unwarranted encashment have worked positively.

We remained cautious in order booking during the quarter. The carry forward order book for international business as of 30 June 2024 stood at Rs. 2,734 crores largely in UAE and Saudi Arabia region. The total carried forward order book of the Segment stood at Rs. 7,503 crores as of 30 June 2024. Segment profitability was higher considering the project achieving threshold milestones resulting in accrual of profitability for the jobs.

### **Segment C – Engineering Products and Services**

Segment Revenue and Results for Segment C continued to report better performance for the quarter over previous year. Segment revenue for the quarter was Rs. 161 crores and EBIT for the quarter was Rs. 45 crores, respectively.

Mining & Construction vertical achieved a positive momentum on top line ensuring continuation of business activities in terms of O&M jobs and sale of powerscreen machines. However, margin reductions and ancillary overhead costs relating to the business did not help us to replicate the top line growth to EBIT. Going forward, robust growth abilities in both Mozambique and India will help us maintain the business momentum for the year.

The textile industry experienced headwinds owing to fluctuations in cotton and yarn exports. As a result, Capex within the industry decreased across the sector which led to reduced utilisation levels of spinners and thereby a corresponding reduction in demand and margins for our agency business. Despite these headwinds, the business performance of our after-sales and post-spinning business has been positive.

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## **Voltas Beko**

Voltbek, our home appliances brand, continues to grow with the support of Voltas' strong brand presence and distribution and Arçelik's technical expertise with a formidable team leading Voltbek. The Home Appliances industry in India witnessed a healthy growth, fuelled by a surge in demand for both large and small appliances and Voltas Beko offered an impressive array of products to meet the demands of the consumers. Voltbek has delivered a volume growth of over 50% compared to corresponding period in the previous year. With regards to the bottom line, with increased volume and gradual reduction in losses. Voltbek continues to reduce loss per unit and move towards our goal of achieving EBITDA break-even in near future.

Voltas Beko has solidified its position among the top three brands in Semi-Automatic Washing Machines category for YTD June 2024 at 14% market share and overall YTD June 2024 share in Washing Machine category to 7.8%. The Refrigerator segment also achieved over 50% growth in business, reporting a YTD June 2024 market share of 5.2%. Other segments such as Dishwashers and Microwaves also achieved better business performance.

Voltbek is committed to meet its two objectives of enhancing its market presence across various product categories by deploying customized approaches for market penetration and growth and to attain profitability. These initiatives will involve expanding distribution reach, adopting channel-specific tactics to enhance market reach in key regions through retail and distribution channels, and maintaining a strong focus on boosting e-commerce and omni-channel development. And on the cost front, localisation of production of a larger portion of its product portfolio, product efficiencies, value engineering efforts and improving product mix have resulted in a positive outlook for the Company.

## **Outlook:**

The period of July-September (i.e. Q2 FY25) is usually a lean period for Cooling products; however, the start of festival period may lead to an early spurt in demand. It will be interesting to see the impact of the interplay of multiple factors such as inflation, movement in crude oil prices, rupee behaviour and geo-political challenges.

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