VOLTAS

8th May, 2025

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 500575

National Stock Exchange of India Limited
Listing Department
Exchange Plaza
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
NSE Symbol: VOLTAS

Re: Q4 FY25 Earnings Conference call

Dear Sirs,

Further to our letter dated 5th May, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the document titled 'Analysis of Results – Quarter and Year Ended 31 March 2025' to be used for the Q4 FY25 Earnings Conference call scheduled today, i.e., 8th May, 2025 at 4:00 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **VOLTAS LIMITED**

RATNESH PRASAD RUKHARIYAR

Digitally signed by RATNESH PRASAD RUKHARIYAR
Date: 2025.05.08 15:35:33 +05'30'

Ratnesh Rukhariyar
Company Secretary & Compliance Officer

Encl.

VOLTAS

ANALYSIS OF RESULTS

QUARTER AND YEAR ENDED 31 MARCH 2025

The global economic outlook has worsened due to new US tariffs and countermeasures by trading partners, leading to high levels of policy uncertainty. In addition to the risk of increased inflation, investment and consumer confidence are anticipated to decline due to prevailing uncertainties. While the direct impact on India is expected to be limited, the spillovers of global slowdown of especially the two key economies (US and China) may exacerbate the scale of impact. Further, the Indo-Pak border tensions further adds to the uncertainty. This will negatively impact economic activity, with global growth now projected to drop to 2.8% in 2025 and 3% in 2026, down from earlier forecasts of 3.3% for both years. This is significantly below the historical average of 3.7%.

In contrast to global fragility, India remains relatively well-insulated, supported by its strong economic fundamentals, declining crude prices, and a proactive monetary policy stance. India's strategic positioning has the potential to provide additional benefits. It is reportedly close to becoming one of the first country's to finalise a trade deal with the US. IMF in its latest release, expected that India is set to overtake Japan and become the fourth-largest economy in the world in 2025. This growth is likely to be fuelled by the nation's private consumption growth.

Linked to the above, the Company maintained its growth trajectory and increased its annual revenue, driven by a strong summer season for the AC industry after 2-3 years and a growth in the projects business. Voltas achieved several key milestones during the year, becoming the first brand to surpass 2.5 million AC units in 2024-25, the highest ever Air-Cooler sales in excess of 0.5 million and Commercial Air Conditioner business also delivered steady growth. During the year, Voltas Beko also recorded sales of over 1 million Refrigerators and Washing Machines and established itself as the fastest growing home appliances brand in the country. The Company continued profitable growth in the domestic projects business, and a stable international projects business. These accomplishments were made possible through strategic planning, extensive market reach, a capable sales force, an expanded product range with enhanced attributes, and increased participation across multiple channels.

For the year ended 31 March 2025, the Company reported a 24% increase in Consolidated Total Income, reaching ₹ 15,737 crores, up from ₹ 12,734 crores in the same period last year. Profit Before Tax surged by 145%, amounting to ₹ 1,191 crores compared to ₹ 486 crores previously. Net Profit (after tax) also experienced a significant rise, standing at ₹ 834 crores, up from ₹ 248 crores in the corresponding period last year. This marks the highest ever profit in the company's history. Earnings Per Share (face value per share of Re. 1) for the year ended 31 March 2025, was ₹25.43, compared to ₹7.62 in the same period the previous year.

For the quarter ended 31 March 2025, the Consolidated Total Income grew by 14%, reaching ₹ 4,847 crores, compared to ₹ 4,257 crores in the same quarter last year. Profit Before Tax soared by 97%, amounting to ₹ 343 crores from ₹ 174 crores. Net Profit (after tax) also saw a substantial increase, climbing to ₹ 236 crores from ₹ 111 crores in the corresponding quarter last year. Earnings Per Share (face value per share of Re. 1) (not annualized) for the quarter ended 31 March 2025, was ₹7.28, compared to ₹3.52 in the same period the previous year.

For the year ended 31 March 2025, Balance sheet continues to remain strong.

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

Segment reporting (Rs. Crores)	Q4 FY25	Q4 FY24	% of Total Revenue Q4 FY25	% of Total Revenue Q4 FY24
1. Revenue				
Segment A : Unitary Cooling	3458	2955	73%	70%
Segment B : Eng. Projects	1138	1098	24%	26%
Segment C : Eng. Products	132	156	3%	4%
Less : Inter segment revenue		17		
Income from Operations	**4728**	**4192**	**100%**	**100%**
2. Profit / (loss) before tax			**Results to Revenue**	
Segment A : Unitary Cooling	345	270	10%	9%
Segment B : Eng. Projects	(2)	(108)	0%	-10%
Segment C : Eng. Products	34	48	26%	31%
Unallocated	(34)	(36)		
Profit before Tax	**343**	**174**	**7%**	**4%**

Segment reporting (Rs. Crores)	FY25	FY24	% of Total Revenue FY25	% of Total Revenue FY24
1. Revenue				
Segment A : Unitary Cooling	10614	8160	69%	66%
Segment B : Eng. Projects	4157	3683	27%	30%
Segment C : Eng. Products	569	588	4%	5%
Less : Inter segment revenue	20	24		
Income from Operations	**15320**	**12407**	**100%**	**100%**
2. Profit / (loss) before tax			**Results to Revenue**	
Segment A : Unitary Cooling	892	693	8%	8%
Segment B : Eng. Projects	169	(328)	4%	-9%
Segment C : Eng. Products	155	206	27%	35%
Unallocated	(25)	(85)		
Profit before Tax	**1191**	**486**	**8%**	**4%**

Segment A – Unitary Cooling Products (UCP)

For the year ended March 2025, demand for cooling products has remained strong, elevating the growth of the UCP vertical overall. For the year, all products in the Air-Conditioner category experienced good demand, driven by consumers' preference for advanced features and energy efficient products. The strong demand for premium products, particularly 5-star rated units continued, enhancing the overall sales mix for Voltas. Voltas maintains its leadership position with a year-to-date market share of ~19% as of March 2025. Overall primary volume growth for UCP category for the year ended was recorded at 36%. Market reports indicate that Voltas achieved a growth in line with the industry growth.

An anticipated strong summer demand and support from our In-shop demonstrators (ISD) helped us achieve better performance for all products with the Room Air-Conditioner category experiencing good demand. Both Window and Split Air Conditioners saw reasonable growth during the quarter.

The Company's ramp-up of its manufacturing capacity is on track, with commercial production from the Room Air Conditioner facility in Chennai, Tamil Nadu is progressing as planned. This factory has helped cater to increased demand and balance the supply chain, particularly in the Southern and Western markets of India. Our overall growth was owing to a combination of 24/7 operations at our factory in Pantnagar and a steady, planned ramp-up of our newly established Chennai factory.

With our proposed growth plans and vision of leading industry growth in the Air Conditioner market, we are planning to further scale-up our capacity, especially at our fully backward-integrated Room Air Conditioner factory in Chennai.

The Commercial Refrigeration (CR) segment encountered challenges due to inventory liquidation and lower customer capital expenditures, affecting margins during the fiscal year. With a slowdown during the year, production ramp up in our new factory was not as planned, this further added to our costs. Despite this, growth was seen across all product categories. However, with orders in pipeline for our CR products, and our commitment to provide our consumers with enhanced product experience from our new factory, we envisage favorable outcome of our factory ramp up and overall growth from this category in next few months.

The Air Cooler segment experienced significant growth of over 70% this year. Certain strategic initiatives taken during the year facilitated the successful distribution of both air coolers and water heaters. For YTD March 2025, Voltas has achieved an 8.5% market share in the Air Cooler category, establishing itself as one of the top three brands. Additionally, in the water heater segment, collaborations with distributors and sub-dealers have contributed to robust performance, which has been positively received.

The Commercial Air Conditioning (CAC) vertical recorded steady performance during the year, driven by higher sales of Chillers, VRF, Light Commercial ACs, Ducted, and Packaged ACs. The higher volume of margin-accretive product sales, value engineering initiatives, improved labour productivity, and the current mix of AMC jobs positively affected our bottom line. With a positive conversion of product sales to AMC jobs and a high order pipeline of retrofit jobs, the vertical is expected to achieve consistent growth.

Overall, for UCP, increase in commodity prices and a volatility of forex exchange rate continued to remain a challenge. Our planned consistent investments in advertising continue to deliver anticipated results. Consumer-centric financing schemes significantly contributed to sales growth this season. Simultaneously, various value engineering initiatives and cost control measures have contributed to stable margins.

In conclusion, UCP Segment Revenue grew by 30%, reaching ₹ 10,614 crores, up from ₹ 8,160 crores in the same period last year. Segment also reported an increase of 29% in results in line with revenue growth, amounting to ₹ 892 crores compared to ₹ 693 crores in the corresponding previous year. For the quarter ending March 2025, Segment Revenue grew by 17%, totaling ₹ 3,458 crores, compared to ₹ 2,955 crores in the same quarter last year. Segment Result for the quarter was ₹ 345 crores against ₹ 270 crores in the corresponding quarter last year.

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Segment B – Electro-Mechanical Projects and Services

For the year ended March 2025, segment revenue increased by 13%, reaching ₹ 4,157 crores, compared to ₹ 3,683 crores in the same period last year. The segment result was a positive ₹ 169 crores, a significant turnaround from a loss of ₹ 328 crores last year. For the quarter, segment revenue was ₹ 1,138 crores, compared to ₹ 1,098 crores in the same quarter last year. Losses have reduced from Rs 108 crores to ₹ 2 crores mainly due to improved order booking, better project execution and working capital management.

During the current quarter and the year, project execution across verticals and geographies was sturdy. Focus on completion certification and various project management initiatives continues to boost bottom-line growth. However, in domestic business, we faced certain challenges in collections in certain projects, we are relatively optimistic of recovery in subsequent quarters.

In the International Projects business, performance is driven by projects in UAE and Saudi Arabia.

For the project business, we continue to focus on the efficient execution of existing ongoing projects, including the collection of due receivables within the contractual timelines, to minimize the Company's exposure. As of 31 March 2025, the total carried forward order book for the segment was in excess of ₹6,500 crores.

Segment C – Engineering Products and Services

The segment faced certain headwinds in its performance, owing to macro-economic factors and likewise the challenges faced by the industry. Revenue reported for current year was ₹ 569 crores as against ₹ 588 crores in the previous year, the segment results were ₹ 155 crores, compared to ₹ 206 crores in the corresponding period last year. For the quarter, segment revenue was ₹ 132 crores, compared to ₹ 156 crores in the same quarter last year. Segment Result for the quarter was ₹ 34 crores, as against ₹ 48 crores in the corresponding quarter last year.

The Mining and Construction Equipment vertical showed positive momentum on the top line, ensuring continuity in operations and maintenance jobs, as well as sales of power screen machines. However, the revenue mix and challenges in job renewals at sustained margins limited the ability to translate top-line growth into bottom-line growth. Going forward, the expected increase in coal production in both Mozambique and India is expected to enhance business opportunities with existing contracts.

In the Textile Machinery Division, geo-politics in Europe and China, political unrest in Bangladesh, and supply chain disruptions in textiles caused major challenges globally for the industry. Stagnant yarn prices also impacted the business. These dynamics led to low capital expenditure across the sector during the year, resulting in underperformance and a revenue decline for the vertical. Demand and margins for our agency business remained under pressure throughout the year. However, our after-sales and post-spinning business showed positive performance. With a focus on growing our presence and reach in the Spinning Machinery, post-spinning, and after-sales divisions, and enhancing our service delivery, we are putting efforts into navigating the headwinds in the business.

Voltas Beko

Voltbek Home Appliances Private Limited (Voltas Beko) – our home appliances brand, continued to excel with consistent month-over-month growth. During the financial year ended March 2025, the industry reported only single-digit growth in washing machines and negligible growth in refrigerators.

However, Voltas Beko' s performance remained remarkable, with a volume growth of 57%. This growth was further complemented by a significant increase in market share during the quarter. As of YTD February 2025, our market share improved to 8.7% for Washing Machines and 5.3% for Refrigerators. We are delighted to share that our performance in Semi-Automatic Washing Machines exceeded expectations, making us the second-largest player in the product category with a YTD market share of 15.3%.

Leveraging our manufacturing prowess, we aim to localise all refrigerator manufacturing in India and become a fully Made-in-India brand. By elevating technology across all product categories, we plan to drive future growth. Our extensive and attractive range of appliances, will help us increase our market share further.

In terms of profitability, increased volume and various value engineering measures helped us improve our margins and minimize losses. While our business continued to grow across categories, category growth limited the overall profitability of the business. Voltbek continues to work on bringing in efficiencies for a leveraged profitability.

Outlook

With the ongoing season, we remain optimistic for all our product categories, and we hope that the demand will remain strong and positive consumer sentiments will support volume, despite strong comparable quarter. The various strategic initiatives and new product launches planned for the season across categories, our distribution reach will help us further improve our performance in the market and shall support us in strengthening market share in a more sustainable and profitable manner. Optimisation of our manufacturing facilities and cost efficiencies will remain key driver of profitability during the ensuing period.

For project business, we will continue to remain diligent and cautious for tendering the jobs.

Overall, we will continue to monitor the market cautiously and are optimistic in our performance across all businesses we operate in.

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.

8 May 2025