**Date: - 19th May 2025**

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| **BSE Limited**<br>Dalal Street,<br>Phiroze Jeejeebhoy Towers,<br>Mumbai 400 001<br>**Scrip Code:** 543923 | **The National Stock Exchange of India Limited**<br>Exchange Plaza, 5th Floor, Plot No. C/1,<br>G Block, Bandra-Kurla Complex,<br>Bandra (East), Mumbai 400 051.<br>**Symbol:** IKIO |

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Q4 FY25 Results Conference Call**

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Results Conference Call for Q4 FY25 held on Wednesday, 14th May 2025 is attached.

The same is also being hosted on the Company's website at www.ikio.in.

You are requested to take the same on record.

**Thanking You,**
**For IKIO Technologies Limited**

SANDEEP KUMAR AGARWAL
Digitally signed by SANDEEP KUMAR AGARWAL
Date: 2025.05.19 13:24:49 +05'30'

**Sandeep Kumar Agarwal**
**Company Secretary & Compliance Officer**

# "IKIO Technologies Ltd
# Q4 FY'25 Earnings Conference Call"
# May 14, 2025


**MANAGEMENT:** **MR. HARDEEP SINGH – CHAIRMAN AND MANAGING DIRECTOR – IKIO TECHNOLOGIES LIMITED**
**MR. SANJEET SINGH – WHOLE TIME DIRECTOR, GROUP CHIEF EXECUTIVE OFFICER – IKIO TECHNOLOGIES LIMITED**
**MR. ATUL KUMAR JAIN – CHIEF FINANCIAL OFFICER – IKIO TECHNOLOGIES LIMITED**

**MODERATOR:** **MR. SUYASH SAMANT – STELLAR IR ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the IKIO Technologies Limited Q4 and FY '25 Earnings Conference Call. 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. Suyash Samant from Stellar Investor Relations Advisors. Thank you, and over to you, sir.

**Suyash Samant:** Thank you. Good afternoon, everyone and thank you for joining us today. We have with us today the senior management team of IKIO Technologies Limited, Mr. Hardeep Singh, Chairman and Managing Director; Mr. Sanjeet Singh, Whole-Time Director, has also been appointed as the Group CEO in the recent Board meeting; and Mr. Atul Kumar Jain, Chief Financial Officer, who will represent IKIO Technologies Limited on the call.

The management will be sharing the key operating and financial highlights for the quarter and full year ended 31st March 2025, followed by a question-and-answer session. Please note, this call may contain some of the forward-looking statements which are completely based upon the company's beliefs, opinions and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made.

I now hand over the conference to Mr. Hardeep Singh. Thank you, and over to you, sir.

**Hardeep Singh:** Thank you very much. Thank you all of you for joining on the Q4 and FY '25 earnings call. Our presentation has been uploaded on the stock exchange, and I hope you have had a chance to look at it. We continue to diversify our business mix without impacting overall revenues, achieving healthy revenues growth in Q4 and FY '25, driven by strong performances in the Product Display and Energy Solutions and other segments. Despite a decline in the ODM business, we maintained a stable gross margin of 42% in FY '25.

Our EBITDA and PAT were impacted by lower revenues from the ODM segment, along with front-loaded expenses such as increased employee costs and depreciation related to the new facility and recently launched products. Additionally, in Q4 FY '25, profitability was further affected by a provision of INR6 crores for Inventory and Debtors, as well as ESOP-related expenses amounting to INR1 crore.

After adjusting the abovementioned impact, cash PAT stood at a healthy INR13 crores in Q4 FY '25 and INR64 crores for the full year FY '25. Now, I request Mr. Sanjeet Singh to provide his thoughts on the quarter. Over to you, Mr. Sanjeet Singh.

**Sanjeet Singh:** Thank you. Now, let me walk you through the key business initiatives we have undertaken throughout the quarter and the year to drive growth and share further insights on our progress.

We have successfully forayed into the Gulf market, with exports under our Product Display segment, which is showing promising progress. To strengthen our presence in the region, Ritech

Holdings Limited, UAE, a wholly-owned step-down subsidiary of IKIO Technologies Limited, has entered into a joint venture agreement with AG Investments. This strategic partnership leverages AG Investments' extensive network and industry expertise, providing access to a broader customer base across the Middle East.

Expansion in the U.S.A. is progressing well. In addition to our established RV business, we have commenced the supply of industrial and solar products to energy services companies. Our U.S. subsidiary has begun generating revenue, marking a significant milestone in our international growth strategy.

Furthermore, Royalux LLC, a step-down subsidiary of IKIO Technologies, has entered into an MOU with Metco Engineering, paving the way for future collaboration and business development. Also, RV business in the U.S.A. is gaining momentum as we now have direct access to the market instead of working through distributors. In fact, Royalux LLC, which is our 100% step-down subsidiary is directly now registered with our RV customers.

Revenue from international markets contributed 22% in FY '25, reflecting steady progress in our global expansion efforts. In summary, our expansion into new markets is key to diversifying our revenue across products and geographies. We are optimistic about the long-term impact of strategic initiatives.

With that, I now invite Mr. Atul to present the key financials.

**Atul Jain:** Thank you. Let me now take you through our financial performance and the utilization of our IPO proceeds. As mentioned earlier by Sanjeet sir, our growth trajectory continued in the financial year '25. We witnessed a revenue growth of 11% year-on-year to INR486 crores, and the gross margin remained largely stable at 42%.

The EBITDA stood at INR60 crores in financial year '25 versus INR93 crores in financial year '24, and PAT stood at INR32 crores in financial year '25 versus INR61 crores in financial year '24.

In Q4 of financial year '25, our consolidated revenue up by 18% year-on-year to INR112 crores. The EBITDA margin was at 5.5% and the PAT stood at negative INR1 crores. As explained earlier, profitability was impacted on account of lower revenue in ODM segment, front-loading of expenses like employee cost for new facility.

On the IPO proceeds, the repayment of debt was completed immediately after the IPO. Block I is now operational and Block II civil construction is nearly completion. We have now deployed around 72% of IPO fund, and we are on the course to completely deploying the rest within the time line we set for ourselves.

That's all we have from the company side. I request the moderator to please open the forum for questions.

**Moderator:** Thank you very much. The first question is from the line of Mahesh Atal from Atal Investment Advisors. Please go ahead.

**Mahesh Atal:** Sir, my question would be more on the macro side of it. I would like to know what has happened in the last financial year that our margins dipped, like almost half from the levels that we have traditionally seen. That is my first question. Is this more relating to dumping that is happening from various other countries? Is that what you see? And is that the reason that it will be continuing in the coming financial year also? Can you please elaborate on the macro thing that is happening in LED?

**Sanjeet Singh:** Yes. Mr. Mahesh, thank you for your question. So actually, the answer is going to be quite elaborate because relating to -- you're comparing last year to this year or maybe last couple of years to this year, but I'll try to keep it as concise as possible.

So if you look at where we were a year or so back and what has changed in the market, first and foremost is the market demand, which has sort of come down. And that is happening across the market. It's not just 1 or 2 areas in the lighting industry.

So dumping from other countries, the material coming from other companies, which you referred to, that is not the case as of now. It's based on the weak demand in the market. And on top of that -- but still, if you look at where we are standing today in terms of revenue, if you look at our ODM business, which has dropped by almost, I think, around 14% to 15%, but on top of that, our overall consolidated numbers have still seen a growth of around 11%.

So our revenue -- so I just wanted to highlight, let's say, if the ODM business would not even have seen a growth, let's say, it would have stayed where it was, then our growth would have been much higher than even 11%. So dipping of margins is only due to certain factors.

First and foremost, the onboarding of expenses that we have done for the new verticals, a lot of new verticals, or product categories or initiatives that we have taken, so it takes some time for them to mature or stabilize and to start generating the kind of margins that we expect them to generate. So any new business venture or vertical, as you must be aware of, would take about some time for it to mature and generate substantial revenues.

To give you one example, and one very positive example, in fact, the business that we started in the Middle East -- and now we are also expanding to South Africa for that matter -- but the business that we started in the Middle East last year, so it's not even been a complete year or maybe just 1 year.

So first 3 quarters from that business, whatever losses we made because being a new business, the expenses are obviously there from day 1, and then gradually the revenue starts to kick in. So the first 3 quarters, whatever profit we made in the fourth quarter, more or less, they were all nullified because of the profit that we made in the fourth quarter.

So now it is coming to a state where it's now self-reliant and it's going to, in fact, add on to the margins to the business. So these are some of -- and this is just one example. So as you know, we've taken a lot of initiatives as of now. So all these factors contribute to dipping of the margins.

And if you look at -- if you're talking of PAT margins, then obviously, depreciation is one, another major factor which is contributing to the margins getting dip. So there are a lot of factors, which we have presented in the presentation, if you have had the chance to go through the presentation, which we have uploaded. So there also, we've clearly shown where we are in terms of the cash PAT or where we are in terms of the adjusted EBITDA margins.

So in fact, in quarter 4, the provisions that we have taken related to the ECL, or the inventory or the ESOP, so all these provisions also contributed. So there is a mix of a lot of things. But at the same time, if you look at the -- I would say the silver lining would be that our gross margins have been stable. And whatever reasons are there, these are temporary reasons, which are related to a new business or new verticals where we have a lot of onboarding of expenses.

But gross margin side and if you look at the net cash flow side, then the company is doing fairly well, and we are very confident of what we'll be doing in the near future.

**Hardeep Singh:** Also for the like we were -- as everybody knows that we were working with Signify. But now we are -- we have opened our doors for all the major customers. So everybody is approaching us and down the line, you will see the results.

**Mahesh Atal:** Great. Sir, any guidance that you would like to give for the next financial year?

**Sanjeet Singh:** So we are preparing that. And I think we'll be able to provide a detailed or better guidance by the next quarter.

**Mahesh Atal:** Yes. But looking at the industry, macro industry, you must be having some idea on what this industry could grow into coming into next financial year, right?

**Sanjeet Singh:** We are not just dependent on what we are doing as of now. We are -- in terms of geography, like you've seen every year, our business which is outside of India is constantly growing. Just a couple of years back, we were at 10% of the overall revenue. Today, we are at 22%. And that too is with the revenue constantly growing every year.

So we are not just dependent on what we are doing as of now. There are a lot of new key initiatives that we have taken. It is just that the kind of business that we are into, it takes time to get the products approved and all of the things to get on track.

But we are in a lot of advanced, I would say, discussions with the other lighting companies, and also non-lighting business also. So we are diversifying not just in terms of product category, but in terms of geography.

So going forward, we are definitely looking at -- so this year, the growth was around 11%, which was subdued due to a lot of reasons that I just spoke of. But next year, we are targeting much better growth than this, but we will definitely get back to you in this by the second quarter in terms of the guidance.

**Moderator:** The next question is from the line of Sanjay Sood an individual investor.

**Sanjay Sood:** I would like to ask...

**Sanjeet Singh:** Sir, you're not audible. If you could be a little louder.

**Sanjay Sood:** Okay. Now in the last con call, you had mentioned that there was some progress with Honeywell, if I remember correctly?

**Sanjeet Singh:** Correct. Correct.

**Sanjay Sood:** So is there any progress on that?

**Sanjeet Singh:** So, yes, last quarter, we did speak about Honeywell, I'm glad you asked this question. So we got a chance to give you an update on the same. So till last quarter, we were developing products. So we are not just one, but we are developing products for them. And in fact, a couple of products have already now gone into production. So we supplied the first trial lots of a couple of products and the production has -- commercial production has now started. So it is materializing.

And in fact, like I said, it's not just 1 or 2 products or 1 or 2 categories. We are working on multiple categories with them. So you know Honeywell being a multinational company, it takes time to get the product approvals. But I'm glad to announce that we are on the right track. And within, I would say, the first or the second samples are getting approved. So we are on a fast track and pretty soon, we'll make it into a big success for us.

**Sanjay Sood:** And I have another question. You have started this wearable and hearable business. Now in terms of percentage or in terms of number, what actually -- if you have some numbers available, how much business you did in the last quarter for that?

**Sanjeet Singh:** So last quarter, in terms of absolute value, it should be close to around -- maybe around -- somewhere around 10-ish in terms of absolute value, around INR10 crores. But the way we look at this vertical is quite different. We are being steady, because we don't want to follow what the market is doing as of now. So we've already started the local development of certain category of products where we see volumes and demand in India.

And in fact, we -- I'm unable to name the companies because of the NDAs that we have signed, but the top leading brands in India supplying into this category, we are already associated with them. And in fact, we are developing some homegrown in-house Made in India products for them.

**Hardeep Singh:** So that is our main strength. That is how we enter into with them. And after seeing our facilities and all, so things are moving ahead. First thing was to get those customers that we already achieved. The second one is to get those products, high-volume products to Made in India that all the tourings and everything has been already on the finishing stage. So maybe a month or so, we will launch the Made -- we will be the first one to launch Made in India products in this category.

**Sanjay Sood:** Okay. And my last question is what products you will be making in the new plant which is expected to give commercial production from this quarter?

**Sanjeet Singh:** So the new plant, like Honeywell is one classic example. So it is going to be a mix of lighting and non-lighting. So going forward, we are diversifying like we keep saying from the last, I would say, a couple of quarters, that has been our strategy going forward. So lighting is...

**Hardeep Singh:** That will be from lighting to technology.

**Sanjeet Singh:** So that was to avoid any confusion in the market because we were being conceived as a lighting company, whereas our strengths are much, I would say, broader when it comes to the development and the capability that we carry.

So it's going to be a mix of a lot of different categories. And along with the passage of time, we'll keep updating you. Like, for example, we started -- right now, we started developing and in fact, manufacturing sensors, fire panels and all these products for Honeywell. And there are then a host of other brands with -- or companies with whom we are working very closely. Like I said, we are in the advanced stages of discussions, sample submissions, approvals.

So today, I can talk of Honeywell. Maybe next quarter, there are going to be a couple of more companies, which I'll be able to speak of. So a lot is happening in the background, and we'll keep you posted on all of the new developments.

**Hardeep Singh:** That is why our expenses on development and R&D side and those are increased and it is affecting our PAT in these quarters. So, once the revenue from the other segment starts, it will definitely nullify those and give you the same feeling what you have, investors had, and our company has, owners invested on us.

**Sanjay Sood:** Right. And that will be an excellent news once you get the approvals from Honeywell. And I expect that you will be...

**Hardeep Singh:** We already got -- and we already passed their all tests and everything and all the commercial. Means, we have already started the commercial production for that.

**Sanjay Sood:** So actually, maybe I missed out because there were no communication from our side.

**Hardeep Singh:** And this is 100% import substitutes what we are making.

**Sanjay Sood:** Okay.

**Hardeep Singh:** And again, this is ODM -- this is complete ODM product.

**Moderator:** The next question is a follow-up question from the line of Mahesh Atal from Atal Investment Advisors.

**Mahesh Atal:** My question would be more on the new facility. Any new products, because you have given that you have changed your objects clause recently. So any new product line that we'll be looking at, are we looking at the same margins with every -- are we working on like base margins or this could be more of doing job work for this company, because how do we take it like this? Because you are an ODM company, so our margins would stay in the same range that we have or with any new product line that we'll be getting into? Can you throw some light on the future ahead?

**Hardeep Singh:** Thank you, Mr. Mahesh. Very correct question. Like I'll explained to you before, we are not the assemblers. So we have 2 or 3 different verticals and 3 different companies with whom we have a consolidated profit comes in the balance sheet. So, all the group companies are in the one group.

So once we do the backward integration, everything is in-house, like the plastic to metal to electronics and the assembly and the finished product. So if you combine all the company's profit, it will remain the same. Once you see the consolidated, you will see the complete profit like we were doing before.

**Sanjeet Singh:** So on the margin side, like you said, because we are into the ODM segment, so in ODM, we look at margins differently because when you're developing a product in the ODM segment, then a lot of tooling, a lot of time is devoted. It takes about 3 months to 6 months to develop a product and to test, validate everything. So it takes about that much time.

So if you ask about the margins, then the margins are going to be similar in terms of where we are with our rest of the business. And that is because like what Mr. Hardeep said, because of a mix of all the activities that we do in-house, as we are not dependent on third-party suppliers.

**Mahesh Atal:** And have you got any approval for 2024, '25 under PLI?

**Hardeep Singh:** Yes, we already got the approval.

**Sanjeet Singh:** Yes.

**Mahesh Atal:** Are we going to achieve the targets that they have set?

**Hardeep Singh:** Definitely. We are working on that.

**Mahesh Atal:** What would be the amount that would be receiving from them? Can you quantify the absolute numbers?

**Sanjeet Singh:** So, in the first year, it's going to be somewhere around INR4 crores.

**Mahesh Atal:** It is 4% of INR90 crores, almost -- because then we have achieved so over and above 90%, incremental sale is INR90 crores.

**Sanjeet Singh:** Yes, yes. The threshold is INR90 crores and 4% of INR90 crores.

**Mahesh Atal:** What was the baseline is?

**Sanjeet Singh:** Baseline is 0.

**Mahesh Atal:** Okay. So what sale do they constitute, take into consideration? How do we arrive at 90...

**Sanjeet Singh:** Basically -- so there are about 8 categories that we have selected out of what was available in the PLI scheme. So those 8 categories are all, I would say, not the finished products, but what we actually do, like whether it is housing, whether it is electronics or -- so it's a mix of all the things, whether it is plastic housing, electronics....

**Hardeep Singh:** The lighting and other formats.

**Sanjeet Singh:** basically, the SFGs that we make for the final product.

**Mahesh Atal:** Okay. This was our first year or this was our second year?

**Sanjeet Singh:** This is our first year. Just started, yes.

**Mahesh Atal:** So you have 3 years left?

**Sanjeet Singh:** Correct. It's a total of 3 years.

**Mahesh Atal:** No, it would be a block of 4 years, right?

**Sanjeet Singh:** Sorry?

**Mahesh Atal:** It would be a block of 4 years, right? I mean it will be available for 4 years.

**Hardeep Singh:** Actually 2 years already passed. So we entered into the third year.

**Sanjeet Singh:** For us, this is the first year.

**Hardeep Singh:** First year, but we have to -- after this year, we have 4 years.

**Sanjeet Singh:** Three-year benefit.

**Hardeep Singh:** Total 3 years, correct.

**Moderator:** As there are no further questions from the participants, I would now like to hand the conference over to Mr. Hardeep Singh for closing comments.

**Sanjeet Singh:** So before the closing comments, I think I missed one part whether -- I'm forgetting whether it was Mr. Mahesh or Mr. Sanjay. So I think he asked about why there was no update on Honeywell. So we've been talking about Honeywell in the previous quarters when we started the development. The reason why there was no update is because we want to deliver first and then let the investors know that we have done this.

But we always keep you posted on what is happening and whatever development we are doing in terms of the broader categories, verticals or markets or geographies. So we keep updating everyone basis on all these categories.

But once any new thing is substantiated, or we start generating revenue, that is where we feel, it's right time to let the investors know that we've succeeded in whatever endeavor we started. So I think I'll now hand it over to Mr. Hardeep Singh to give the final comments.

**Hardeep Singh:** Yes. Thank you very much, everyone, and thank you for the trust and the information needed by you. I think hope we have give you all the replies. If any other question is there, you can come to us and communicate with us. We are really open to give all the replies. And again, I'm saying that everything is going very, very positive, and we hope that in coming quarters, you will see the company growth. Thank you very much.

**Sanjeet Singh:** Thank you.

**Moderator:** Thank you. On behalf of IKIO Technologies Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.