

**Ice Make Refrigeration Limited**  
**Earnings Conference Call**  
**February 19, 2022**

---

**Moderator:** Good day ladies and gentlemen, I am Rutuja the moderator for this conference call. Welcome to the 12<sup>th</sup> Investor and Analyst Conference Call of Ice Make Refrigeration Limited arranged by Aaryana Matasco Emerging Company reputation management solutions. To discuss the financial results for Q3 FY22. Ice Make Refrigeration Limited is a leading supplier of innovative cooling solutions and manufacturer of 50 plus refrigeration equipment. The company has been successfully satisfying the needs of his customers from production to after sale service for the last 30 years. The company is engaged in the business of providing customised cooling solutions to diverse set of clients across wide range of industries by manufacturing and supply of high quality refrigeration products and equipment's. We have with us today Mr. Chandrakant P Patel – Chairman and Managing Director, Mr. Nikhil A. Bhatt – Vice President Strategy, Mr. Ankit Patel – CFO and the key management of Ice Make Refrigeration Limited. At this moment, all participant lines are in the listen-only mode, later we will conduct the question and answer session. At that time if you have the question please press “\*” and “1” on your touchtone keypad. Please note that this conference is being recorded. I would now like to hand the floor over to Mr. Patel. Thank you and over to you, Sir.

**Chandrakant Patel:** I warmly welcome you all to the investor conference of Ice Make Refrigeration Limited and thank you all for taking time out from busy schedule to attend this analyst investor conference. The Indian cold chain market of which we are an important stakeholders, we are also aiming to contribute significantly as the segment being driven by growing demand. The government spending on infrastructure, logistic, housing, defense and agriculture are expected to have a multiplier effect on the economy. The government's focus on PM Gati Shakti plan to build world class infrastructure with about 100 cargo terminals and four new national logistics park that will likely to give boost to the consumer sector supply chain over a longer term. Keeping this opportunity in mind Ice Make is also formally marching forward. We are witnessing increase in our business, our pending order book is about Rs. 53 Crore. In addition to our traditional vertical business, we have received good number of orders this year from reputed brands of e-commerce worth of Rs. 34 Crore approx. and it will continue in next year also. In solar cold room, we got orders of total 28 solar cold rooms in just last two to three months from various parties' worth of about Rs. 3.5 Crore. Our ammonia project of Panchamrut Dairy which is our largest in this business vertical is going to complete by next month. In export we made dispatch of Rs. 12.5 Crore till today and some orders are in pipeline. Now our Vice President Strategy Mr. Nikhil A. Bhatt will brief you about business update and then we will start question and answer.

**Nikhil Bhatt:**

Good afternoon. While our CMD has given his valuable insights on new trends and opportunities in Indian market. I would like to throw your attention to the global market opportunities that we have planning to take various countries and considering the present export growth in your company because almost we have done more than double the business of export from the last financial year. So, we are looking for a better prospects and we have some plan also to get from our export. So far as E-commerce is concerned we have a good response and we are also getting some orders as our CMD said rightly. There are numbers of orders we have, so it boost up our overall business and particularly to our commercial vertical division. So far as growth is concerned, cold chain sector is booming in all where, government is also focusing on more on the cold chain infrastructure development. We have just recently expanded our manufacturing facility of refrigeration van and we have shifted to the new location just last month and accordingly that we have also planned for the geographical development because the Reefer van division is required more space and is considering transportation cost also. So, we have just made some tie-ups with the regional wise in the Eastern part as earlier we have done in the North also and now in the South zone we have also planned somewhere in Bangalore as well as in Vishakhapatnam. So, all these things are goes positive and we are also doing dialogues with these leading vehicle manufacturers for the vehicle chassis. So, recently we have also received one good order from the government, one of the dairy organization of 8 vehicles costing Rs. 2.3 Crore gross. So, it also highlights the better future for the Reefer van in coming years. Export market which we have done earlier as well as looking to the current position it will also boost up our growth for the next year. So far as the leading reports from the regarding global cold chain industry as per their reported CAGR it is going at the CAGR of 17.9% from 19 % to 26% and it will be valued of about \$160 billion to \$585. In overall global market is also booming and our major product is cold room and so cold room vertical as per our record and as per one of the research report, the cold room in the modular cold room division the growth rate is there, they are focusing on projecting of 15.3% for next five-year CAGR and that will be as per the report. Right now it is Rs. 540 Crore of business FY21 and it will goes to the 1,100 Crore. So, future is bright considering our product portfolio and at present as to the report we have got the modular cold room share of about 13%. So, in the national level it will be nearly number two, there are one and two and we are just far behind from the number two in modular cold room business. So earlier we have also mentioned many times that we have developed many products particularly in the food processing industries and whatever the product we have developed, we are getting very much good result as well as good response to the market and business is also getting particular for that product exponentially. We are targeted Rs. 5 Crore for this year and we have almost done in the last month. So, we are hopeful that in the near future that product will also boost up the company's growth. There are opportunities and we have been evaluating them from some times and now identifying our area of niche or micro niche that can address the growth in the market for our business.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jitendra Gupta from Money Control. Please go ahead.

**Jitendra Gupta:** So what I want to understand that what your order book is right now, how much is it right now and what are the growth prospect going forward?

**Nikhil Bhatt:** As of right now as our CMD says which is almost nearly Rs. 53 Crore order on hand and we are expecting growth as we have already planned up to roughly 25% to 30% and that we are likely to achieve. We have enclosed nearby that for the current year and it is likely that it may exceed for the current year.

**Jitendra Gupta:** And can you throw some light on your export market that you have been exploring?

**Nikhil Bhatt:** See export market, we have one tie up with one of the OEM of US based OEM and we are getting continuous order from there. Second thing we have also tie up with Middle East countries and one or two countries we have also under positive progress and it is likely to be closed. Apart from that African countries have good market and we are trying to tie up with some OEM for the business.

**Jitendra Gupta:** And which are the products in overseas markets that you are planning to cater to I mean can you tell me which are the products like whether there are cold rooms you are trying to explore or whether there are any market for solar cold room in overseas market?

**Nikhil Bhatt:** Definitely there are large scope for the solar cold room particular in the African countries. We have also received one order in the solar cold room from the African country and there are dialogue going on with the two or three parties for the solar cold room. Apart from that we are focusing our main product cold room which has demand overall globally as well as we are focusing on that part as we are providing daily solution which is also in demand. So our focus is cold room including solar cold room as well as the dairy solutions. Apart from that the process chiller is also there in the market. So, it has wider scope for such type of products in the African country.

**Moderator:** Thank you. The next question is from the line of Manish Agarwal an Individual Investor. Please go ahead.

**Manish Agarwal:** My question is related to solar cold room, you have mentioned in your speech that you have got order of 28 units of solar cold room in just last two to three months, so what is the difference before and this two to three months, what is your strategy difference from last one or two year because solar cold room was launched before one and half year or somewhat two years before, so in last two to three months what is the different point that you got this big number of orders?

**Nikhil Bhatt:** See we are manufacturing solar cold room earlier, but which was not focus area considering the present network or the present system of our farmers and all these things, but since last year we have focused on that and we have appointed dedicated one person to develop the product as well as to market of the product. So, accordingly what we have done aggressively which is last six to seven months the result shows that we have received these such numbers.

**Manish Agarwal:** And second is to that last two quarters you have done a good business so what is the plan for the next year and about turnover & margin point of view and other things as your CAPEX, you are going to increase your CAPEX next year or what is the plan of CAPEX, revenue and margin point of view?

**Ankit Patel:** Currently, we are having very well in flow of very good orders. E-commerce is one of the new segment that we are getting very handy orders. We feel that in current year we may clock our top line around 190 Crore, 190 plus in this current financial year, earlier we expected about 170 Crore, but we believe that we will cross that very easily. As far as the margin is concerned raw material prices are still very high, we have also increased our goods price, but still the raw material are not in that good range. So we are having two choices either to go aggressively for top line or just to control our top line and increase our bottom line, but right now we are aggressively focused on increasing our top line, we are also focusing on exports also so, it means that our margins for the next quarter will remain same and maybe we can if the same order flow continues, we may grow around 20% to 30% in next year also with the similar continuation of order flow and regarding our CAPEX plan, we are not looking to do any CAPEX in next calendar year, next financial year, but maybe in the end of next financial year considering what are the numbers we are having our plan to expand in East and in the Eastern market, we are having very good business. So we may start our manufacturing facilities in the East zone and there are also some other planning of continuous panel, repeated decision considering the numbers of next financial year and till that we are not planning to do any CAPEX next year.

**Manish Agarwal:** Can you elaborate on this continuous panel is it a different business or got something new?

**Chandrakant Patel:** Continuous panel is use in higher scale or big projects which are like infrastructure or cold warehouse or any mall or multiplex in that this panel is used. So, with refrigeration it is used in building also so that market is big and this is a technology product, there is a capital investment but with limited manpower we have to do the turnover in volume. In India there is a limited manufacturers are there so in one year 4 Crore to 5 Crore we only do outsource and invest in our product. So we are planning to focus on business of continuous panel. We feel that in the next year the decision will be made where we have to do, how we have to do and what should be the scale.

**Manish Agarwal:** The price increase what you have said that raw material prices is getting increased and the competitors who are along with you or who are in alternate business that will also affect the same or they have pass on the prices?

**Ankit Patel:** It is possible that the prices they might have pass on, but right now the difficulty we are seeing is that the prices of metal the same prices the competitor should also feel, but we are aggressively focusing on top line right now. There are many new customers who have joined with us recently who are our leading customer. So once we build a strong relationship with them then in future they will be associated with us and with that we will reach to a comfort zone, so then we can do a business with good margin with them plus we are also targeting some other geographical area.

**Manish Agarwal:** So now you are looking for improving your top line with constant margin?

**Ankit Patel:** Our EBITDA maybe in the next year we can expect with the same type of raw material prices continues and if it does not get decreased so around 6% to 7% stable EBITDA we can expect.

**Manish Agarwal:** Last question is your product of R&D like heat pump dryer, freeze dryer and all in last concall. I have heard that you have done a good business, so what is the future regarding this product, is it marginable or is it in good sense?

**Nikhil Bhatt:** If we see the future is very good for particular this food process industries and margin of one or two products are high value products and the competition so far as in India it is very less. So we think that it is highly growth with the value. In this year we have a target of Rs. 5 Crore & in December we have achieved around Rs.5 crores as against the business of previous year around of Rs. 2.7 Crore. So we are very hopeful.

**Moderator:** Thank you. As there are no further questions from the participants I now hand the conference over to the management for closing comments.

**Nikhil Bhatt:** Before we close the session on behalf of the Ice Make board of directors and the management we would like to thank you all of you for your participation in this investor analyst conference call. Thank you and have a wonderful time ahead.

**Moderator:** Thank you. On behalf of Ice Make Refrigeration Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.