

Ice Make Refrigeration Limited
Q1 FY'26 Earnings Conference Call
August 13, 2025

Moderator: Good afternoon ladies and gentlemen. I am Arshi, the moderator for this conference call. Welcome to the Earnings Conference Call of Ice Make Refrigeration Limited arranged by Aryana Matasco to discuss the Financial Results for Q1 FY'26.

At this moment, all participant lines are in the listen-only mode. Later we will conduct a question-answer session. At that time, if you have a question, please press "*" and "1" on your touch-tone keypad. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aryan Rana. Thank you and over to you, sir.

Aryan Rana: Thanks, Arshi. Good afternoon, everyone and a very warm welcome to the Ice Make Refrigeration Limited's Q1 FY'26 Earnings Conference Call. We appreciate your time and participation today.

Our financial results for the quarter are available on the Company's website as well as on the Stock Exchanges where we are listed on NSE.

Before we begin, I would like to remind you that today's discussion may include forward-looking statements. These are based on current expectations and assumptions and are subject to certain risks and uncertainties, both known and unknown. That may cause actual results to differ materially. We encourage participants to review these statements in conjunction with the risk disclosures outlined in our investor presentations and regulatory filings.

A little overview of the company, Ice Make Refrigeration Limited is one of India's leading manufacturers of innovative and energy-efficient refrigeration solutions. Since 1993, the company has catered to the diverse cooling needs of industries like dairy, food processing, hospitality, pharmaceuticals, logistics, and more. With a product portfolio spanning over fifty solutions across four verticals, cold rooms, commercial refrigeration, industrial refrigeration, transport refrigeration, and ammonia-based systems, the company continues to lead with a customer-centric and technology-driven approach, serving clients across India and exporting to over 24 countries.

A little bit overview of the track record over the last five years, Ice Make Refrigeration has built a consistent and credible performance record, making marked by strong top-line and bottom-line growth, steady margin improvement, and operational efficiency, creating a solid

foundation for sustained value creation. Over the past five years, the company's revenue has grown at an impressive CAGR of 30%, increasing from about Rs. 138 crore in FY'20 to Rs. 480 crore in FY'25.

While net profit has surged at a robust CAGR of 43.5% during the same period, rising from Rs. 3.614 crore to Rs. 22.90 crore. Operating profit has also shown a consistent upward trajectory from Rs. 4 crore to Rs. 43 crore, maintaining healthy margins in the 8% to 11% range. The company has significantly optimized its working capital cycle, reducing it from 37 days to now almost 19 days, underscoring improved operational execution and a stronger cash flow discipline. Over the same period of five years, the company's market capitalization has surged nearly 1,000%, reflecting growing investor confidence and sustained value creation.

Now I would like to introduce our management team. Let me welcome Mr. Chandrakant P Patel – Chairman and Managing Director, Mr. Nikhil Bhatt – Vice President (Strategy), Mr. Ankit Patel – Chief Operating Officer, and Mr. Mandar Desai – Company Secretary and Compliance Officer.

During today's session, the Management will talk about the 'Financial' and 'Operational Performance' of Q1 FY'26, 'Strategic Updates in Business Drivers', key market opportunities, the road for sustainable growth. Following that, we will be happy to take your questions.

With that, I would now like to hand over the floor to our Chairman and Managing Director, Mr. Chandrakant P Patel. Sir, the floor is yours, sir. Thank you so much.

Chandrakant P Patel:

Good afternoon, everyone. I hope you are all doing well. It gives me great pleasure to welcome you to the Q1 FY'26 earning call of Ice Make Refrigeration Limited, and I thank you for joining us today.

While our quarterly numbers show strong revenue growth of over 30% year-on-year, this performance must be seen in context, large story, the opportunity and challenge shaping our industry and our country. India is one of the largest producers of agricultural goods, dairy, and perishables involved. Yet, every year, we lose a significant portion of this produce, estimated range from 20% to 40% due to gaps in cold chain infrastructure, inefficient logistics, and limited access to temperature-controlled storage in rural and semi-urban areas. Farmers often face distress because they cannot store their produce to the right market timing. Similarly, food processing companies, pharmaceuticals, quick service restaurants, and exporters face hurdles in maintaining quarterly quality standards due to fragmented supply chain and outdated infrastructure. Organizationizing income and export growth are driving demand for fresh and processed products, but meeting this demand requires reliable, energy-efficient, and scalable refrigeration solutions. That is where Ice Make plays a transformative role. Our cold room, health farmer and agri-producer stores produce longer and sell at a better price.

Our industrial and commercial refrigeration system enables food processor, hospitality chain, and QSR grant to maintain consistent quality. Our transport refrigeration ensures that perishable goods travel from farm to plate in optimal condition. We are also innovating an ammonia-based and eco-friendly solution to help our clients meet their ECG goals while reducing operational costs. The demand for this solution is not a passing trend. It is a structural, long-term opportunity. India's cold chain market is projected to grow at double-digit rates over the next decade, driven by rising consumption, growing export, and government initiatives for food security and value addition.

In Q1 FY'26, YIB reported a temporary net loss of Rs. 1.47 crore due to seasonal input costs fluctuation, higher finance costs, depreciation, and inventory adjustment. Our order book remains strong. Our customer base is expanding, and these headwinds are short-term, but the opportunity ahead for us is long-term and substantial. Our strategy is clear, to deepen our presence in demand-led sectors such as agriculture, food processing, pharmaceutical, dairy, and institutional clients, to keep innovating with technology-driven, energy efficient solutions, and to execute with operational discipline. We see ourselves not just as a refrigeration manufacturer, but as an enabler of India's food security, export competitiveness, and sustainable growth.

This is the vision driving our work and shaping our roadmap for the years ahead. With that, I will now hand over to our CFO, Mr. Ankit Patel, to take you through the financial performance overview, and Mr. Nikhil Bhatt for business update. Thank you.

Ankit Patel:

Thank you, sir. Good afternoon, everyone. I will now walk you through the Ice Make Refrigeration financial performance for the quarter ended June'25, both standalone and consolidated.

During the quarter, we saw strong traction across all of our key segments, particularly in cold room and commercial vertical. Our continued focus on demand-driven sectors such as dairy, ice cream, agriculture, food processing, pharmaceutical, and specifically, quick commerce. For consolidated financial performance of Q1 FY'26, revenue from operations stood at Rs. 111.50 crores. It is up by 30.90% year-on-year compared to Rs. 85.23 crores in Q1 FY'25. This growth was given by a strong traction in many segments. EBITDA came at Rs. 4.53 crores compared to Rs. 6.13 crores in Q1 FY'25. The EBITDA margin declined to 4.06%, mainly due to moderate scale of operation of new added verticals and its related expenses. But profit after tax was a bit negative, Rs. 1.47 crores, as against a profit of Rs. 3.64 crores in the same quarter last year

For standalone financial performance of Q1 FY26, the standalone revenue was Rs. 111.85 crores, growing from Rs. 83.70 crores in Q1 FY'25. EBITDA on a standalone basis stood at Rs. 4.44 crores compared to Rs. 6.30 crores year-on-year. Standalone PAT was negative Rs. 1.38 crores compared to Rs. 3.85 crores in the same quarter last year. The decline in the margin is a short-term impact caused by recent CAPEX and new vertical-related operational expenses.

Scale-up of our new vertical will be visible in full year FY'26. Despite pressure on profitability, our revenue growth remains strong and well diversified across verticals and geographies. We are confident that the challenges pertaining to business scale-up will be addressed in upcoming quarters and our strategic investment and other plans for business growth will support our margin expansion in long-term growth. We are very confident about business feasibility and our plans. We are committed to improve our financial performance in the upcoming quarter.

Thank you. With that I request our Strategic Head Mr. Nikhil Bhatt to give you business updates. Thank you.

Nikhil Bhatt:

Thank you Ankit ji and good afternoon everyone. I am pleased to present the strategic business highlights and updates on our regional and vertical performance project executions, order book and future roadmap.

During Q1 FY'26, we witnessed encouraging growth permitted across multiple geographies. Key highlights include West's maintained leadership position in cold room and dairy segment of about 53% of the total revenue. We have significantly achieved in the north region also which grew by 15% year-to-year, led by demand from the QSR and e-commerce business. Southern region also maintained 15% growth and eastern region followed by 12% with growing traction in agro-processing and institutional acquisitions. Exports market also maintained Rs. 4.51 crores in Q1, which is 30% of the revenue sharing and having a pending order of Rs. 9.65 lakh in the export market. We are seeing steady diversification across business verticals. The cold room would be the largest contributor with revenue of Rs. 57.43 crores and approximately 51% of the projects included in food processing. Industry and relocation is also maintaining the 3% of revenue sharing amounting to Rs. 3.4 crores given by the large orders of Dairy and Food Park. Transport acquisition witnessed year-to-year growth of Rs. 6.74 crores, scanning well and refurbished vehicles through pharma and perishables. Commerce, refrigeration and others has accounted for 17% of sharing that is Rs. 19.38 crores with moderate growth with focus on institutional plants and small retail. Ammonia verticals include projects of 6% amounting to 6.66%. Apart from that, our new vertical of chest freezers, commercial freezers as well as the continuous panel business is doing well. We are getting good reference orders as well as good numbers in the value also. For these two projects, we are optimistic that these two products will be very much helpful in our growth.

So far as the largest project is concerned, the dairy project which we were running on the Haringhata in the West Bengal, it is about to finish and it is handover processing on the way. We are having a very strong current order book amounting to Rs. 173.12 crores. Unsolicited order book strength includes strong revenue visibility for the coming quarters. Cold room is about 26.63, industrial refrigeration is about 3.27, transport refrigeration is about 2.21 crores, commercial refrigeration is 17.38, ammonia vertical is about Rs. 52 crores and the new product verticals, the chest freezers is having a Rs. 1 crore order on books and the remarkable achievement is the continuous panel is about Rs. 33.66 crores of order on hand. In the

commercial freezers verticals, we are just planning for the new product development as well as the introduction of new products related to the HORECA segment and also for the water cooler. We have started the brand are all India based and we have our dealer distributed network of about 60 on India-based. So we are also hopeful that the chest freezer business and the commercial refrigeration new segment will be also improving our growth.

Looking at our strategy, we remain focused on expanding into tier two and three cities with ready to install cold rooms and other --Doubling our QSR and cloud kitchen segment especially with high growth institutional plans.

Entering a new export market in MENA and Africa with compact refrigeration units. We have done our product innovations for the IOT, enabled temperature control system for cold room which will help to remote monitoring of the systems. We are strengthening our after-sales service and EMC portfolio to enhance our recovery revenue. We are confident that with our strong execution innovation pipeline, Ice Make is well positioned to scale new heights and deliver value to all stakeholders.

Thank you. Now let us open the floor for questions and answers.

Moderator: Thank you, sir. We will now begin the question and answer session. The first question is from the line of Mr. Arnav Sakhuja from Ambit Capital. Please go ahead.

Arnav Sakhuja: Thank you for taking my question. Could you please repeat what is the revenue contribution from each of our product segments?

Management: For each vertical you are asking, right?

Arnav Sakhuja: Yes, each vertical.

Management: Cold room segment contributed around 51%, Industrial is around 3%, Commercial segment at 17%, Transport refrigeration at 6%, Ammonia is also combined at 6%, Continuous panel at 9% and commercial freezer 8%.

Arnav Sakhuja: Okay, thank you. My next question is, could you please give us a bit of an update on what is the status of the next phase of CAPEX that we have been planning, the Rs. 150 crore CAPEX?

Management: There are some dialogues currently going on. There are some acquisition related, technology types, JV related discussion is also going on. They all are very positive discussions. Maybe in a short while, at an appropriate time, you may get an update. But currently, we have been focusing on stabilizing our research and new CAPEX plan related updates will be communicated in due course, once there is any update in that.

Arnav Sakhuja: Right. And in our last call, we had guided for a revenue of Rs. 650 crores for FY'26. With 9.5% to 10.5% gin. So, are we sticking to that guidance? Or is there any update on this?

Management: I think that Rs. 650 crore top line is fine, we should be able to achieve. And EBITDA margin, we feel that somewhere around previous EBITDA margin, we may close in current financial year. Maybe around 8%, 9% full financial year.

Arnav Sakhuja: Okay. Thank you for answering my questions and best of luck.

Management: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Mr. Ajay Surya from Niveshaay Investment Advisory. Please go ahead, sir.

Ajay Surya: Sir, can you hear me?

Management: Yes, we can hear you.

Ajay Surya: Sir, my question was regarding new business. So, can I get a contribution or a split in panel and commercial refrigeration? And if you can tell me their gross margin individually or on a blended basis? And as far as I can understand, in this division, we are currently doing EBITDA loss. This is my assumption. So, will we do a break-even at the sales level?

Management: Sorry, can you repeat the first question? What was that? EBITDA margin, I got it. The first one. Sorry.

Ajay Surya: Sir, I wanted to know the split in new business, top panel and commercial refrigeration.

Management: The new business of Q1 has a contribution of Rs. 9.61 crore for the continuous panel and Rs. 8.61 crore for commercial freezer. And if we talk about the break-even of the whole year, then in the continuous top panel, at Rs. 80-82 crore, after recovering the cost of depreciation and interest, there will be a break-even. At EBITDA level, it will complement the break-even. And in commercial freezer, there will be a break-even between Rs. 55 crore and Rs. 55 crore.

Ajay Surya: And sir, in our new business, if we can tell a little more about it, that which geography we have sold our products in or how many dealers we have on-boarded on this particular side and if you can tell us the geography of the split.

Management: If we talk about the new business, then in the case of chest freezer and commercial refrigeration, initially it is dominated in the west, so our contribution is more in the west. And we have a contribution in the south as well. And if we talk about the dealer network, then we have appointed around sixty dealers for that particular product. And out of that, in the west, forty dealers have been associated with us, including Maharashtra and Mumbai also. In the

north, there are two, three and in the south, there are five. In total, we have been associated with sixty dealers so far. And for the new product, we have started seven brands of it. And going forward, we are having good numbers in the pipeline for the brands of it also.

Ajay Surya: Got it, sir. And as far as I can understand, sir, on the new business side, in the short to medium term, due to the price being a little competitive, we are making less margin here. But when we achieve a little scale in the longer term, then we are expecting our EBITDA margin to be better here as well. So I just wanted to know whether we are targeting EBITDA margin in the new business, not in the short term or medium term, I am asking you this question for the longer term.

Management: By the way, we can expect EBITDA of 10% or more from both the verticals. It is possible that one vertical will also cross the break-even this year. Both will be at break-even. Specifically, we have set a target of Rs. 150 crores for the top line. In this quarter, the contribution of both was Rs. 18 crores. But this is an automated product. So there is a little seasonal impact in it. Now in the commercial freezer, our stocking is also going on. We are storing it in our warehouse. When their demand comes, it is not evenly distributed vertically. So at the same time, our sales are also in quite a chunk. Due to the automation of production, there are not so many challenges that we could not increase production in our traditional vertical. So we think that this vertical will contribute target of Rs. 150 crore in this full year, it will reach the expected EBITDA margin level. Yes, we have had a little impact on the PAT this year because of CAPEX, interest and depreciation. The burden will be there. But I think we will achieve EBITDA level of around 9% this year.

Ajay Surya: Got it sir. And sir

Moderator: Sorry sir. If you could please rejoin the queue.

Ajay Surya: Sure.

Moderator: Thank you. Participants it is a request please restrict your questions to two per participant, if you have any follow-up questions, please rejoin the queue. The next question is from the line of Ms. Maitri Shah from Sapphire Capital Partners, LLP. Please go ahead, ma'am.

Maitri Shah: Yes, hello. Am I audible?

Moderator: Yes.

Maitri Shah: One request. Could you please repeat the bifurcation of the order book again?

Management: Okay. As of now, our order book is of Rs. 173 crores. Out of which Rs. 26.6 crores is of cold-room. Rs. 3.27 crore is for industrial refrigeration. Rs. 2.21 crore is for transport refrigeration. Rs. 9.65 crores is for export. The export is for all our products. It is just to have a special idea

for the export orders. But it is included in the total current order book. Commercial refrigeration is 17.38. Ammonia refrigeration is having Rs. 52 crores of order and continuous panel is around Rs. 33.66 crores and the commercial business is Rs. 1 crore plus.

Maitri Shah: You had told the previous participant that this year we will have a target of Rs. 150 crores from the new business from PUC and the freezer business and we will achieve 9% EBITDA margin. Is that correct?

Management: Yes, EBITDA margin will be around 9% this year. And according to the new vertical and the price competitiveness, our strategy is a little different. So, going forward, in the upcoming year, we will come to our standard margin. 1%-1.5% EBITDA margin will be here and there in this year for the time being.

Maitri Shah: And our target of Rs. 1,000 crores, do you think we can achieve it one year prior? Like can we achieve it in FY'27 rather than FY'28?

Management: I think we will stick to the plan of Rs. 1,000 crores in FY'27-28. It is challenging but relatively the way we have planned CAPEX we will achieve it in the year we have planned. It will be a little difficult to do it before that. We cannot say that it cannot be achieved. But we think that achieving the top line of Rs. 1,000 crores for FY27-28 will be justified and right for us.

Management: By FY'27-28, our two new CAPEX will also be established. So, already in our Rs. 1,000 crores, Rs. 360 crore from that will come through new business, new CAPEX. And after the product is established, it is easy for you to scale. Your distribution chain is formed. The customer's trust is built up from the product. The brand is known. So, we are completely confident about Rs. 1,000 crores. When we will do Rs. 1,000 crores, then our installed capacity will be more than Rs. 1,200 crores, Rs. 1,300 crores. So, we are confident that we will do Rs. 1,000 crores. Our small business, dehydration vertical, our project ammonia, that business will also complete ten years by FY27-28. There is an initial establishment phase of six, seven years. After doing that, it will be easy to scale it. So, you can be sure. We have faith in ourselves. The whole team is confident of doing Rs. 1,000 crores, and there is potential for Indian industries. Government supports import versus domestic manufacturing. Domestically, our components are available. I can say that In FY27-28, we will be able to compete with China for global export because our component and commodity sourcing will be from India. So, we will be able to compete well. In short, we will do Rs. 1,000 crores.

Maitri Shah: Okay. We will do 360 in our new business and we will do balance in our other businesses. What will be our margins for Rs. 1,000 crores?

Management: We have kept a 10%-10.5% EBITDA benchmark. Till the time new products are established, we have some entry-level tactics. But on Rs. 1,000 crores, 10%-10.5% EBITDA is achievable.

Maitri Shah: Are there any other new products that you are going to add? Apart from panels and freezers.

Management: Sorry?

Maitri Shah: Apart from panels and freezers.

Management: I didn't understand. Say it again. Are you talking about margins of the new products?

Maitri Shah: No. Are we are going to add new products apart from panels and freezers?

Management: We have enough products to add new products. If we look vertically, we have seven verticals. Without deviating from refrigeration, we will move ahead with this market. Maybe going forward, after scaling up we might think about household products. But for now, we will keep this product.

Maitri Shah: That is it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Mr. Bhargav Buddhadev from Ambit Asset Management. Please go ahead.

Bhargav Buddhadev: Good afternoon, sir and thank you for the opportunity. Sir, can we say that our employee cost, interest cost and depreciation cost, which has come in this quarter, will remain the same quarterly run rate throughout the year? Can you say that it can increase even more from here?

Management: By the way, there will not be much variation in depreciation and employee cost. The finance cost will also be almost similar. Our working capital limit, we have deployed profit in our CAPEX plan. So, we have a limit of Rs. 80 crores in our working capital. So, we will enhance it a little regarding the need of the future and the current scale. Because there can be possibilities for other CAPEX as well. But more or less, the finance cost will also not deviate much from this. So, the run rate of all three will remain the same going forward.

Management: The employee cost can be reduced because the scale is big. Like in the third quarter, we always have a two-time sale from the first quarter. But the employee cost is not doubled. So, output is good at the time of efficient overload. So, the run rate of the employee cost will be an average or positive improvement. The other two costs are fixed. Depreciation and finance will remain on a percentage.

Management: It is because of WDV. Our maximum depreciation cost is hitting the books in this year. Meaning, depreciation cost will be reduced going forward.

Bhargav Buddhadev: Okay. Sir, if we look at the run rate of our other expenses, then it is generally around 16% - 17% of revenue in the whole year. But in this quarter, it was around 19%. So, how much can we

expect in the whole year? I mean, what should be the run rate of other expenses as a percentage of revenue?

Management: Specifically, if we look at the run rate point of view of the expenses, then our sales mix also comes on top of it. If we have done a lot of project business in a quarter, then the cost of installation will hit. But in the whole year, I feel that the major expenses, specifically the cost of freight can be added a little. Because in the new vertical, the cost of freight is substantial. Otherwise, the run rate of these three expenses will be similar. In other expenses, there will not be more than 1%, 2% variation.

Bhargav Buddhadev: Sir, we did not talk much about Visi cooler. How is the revenue run rate on visi cooler for now and how much are we thinking for the whole year?

Management: We have not calculated the revenue of the visi cooler. But now our install capacity is 700 machines per month. Meaning, there are 7500-8000 machines. Now, by modifying the line of our new CAPEX, we will also increase the capacity of 1000 machines per month. Meaning, combining together it will become 18000-19000 machines per year. So, in the visi cooler, we still sell 100% of our installed capacity. We cannot say short supply, but there is no stocking either. So, by looking at the demand, we have modified our new CAPEX, which is purely for chest freezer. By looking at the demand, we have partially converted our visi cooler. And the visi cooler business is good. After doing this for one year, we will do it on a good scale for the next year. Because there is a good opportunity in export as well. Many beverages companies can also so bulk deal with us. So, that opportunity is good. Our manufacturing capacity is not that big in the visi cooler. So, in total commercial, 15% contribution comes from the visi cooler.

Bhargav Buddhadev: And lastly, sir, for the chest freezer, we will have to increase our after-sales support a lot. Because without it, it may not be visible. So, how is the progress on that?

Management: Actually, chest freezer products, like in the household, we have air conditioners, washing machines. In that, there is no need for much scale manpower. So, there is no challenge in developing the scale quickly. And in India, 20 lakh units of this category are sold in a year. So, outsource services are available everywhere. If you have numbers, then you can tie up with people exclusively. Otherwise, a vendor works for everyone. So, the challenge depends on their coordination, management and our follow-up. There is no need to team up on your own role. This is everyone's business model in service.

Bhargav Buddhadev: Okay, sir. Thank you very much and all the best.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Ms. Resha Mehta from Green Edge Wealth Services, LLP. Please go ahead, ma'am.

Resha Mehta: Thank you. Good afternoon, sir. Sir, if we exclude the CAPEX of phase 2, then what CAPEX are we planning for this year?

Management: Which one? Can you repeat it?

Resha Mehta: Yes, in phase two, our plan is of Rs. 150 crore CAPEX. Because there is no clarity on when it will happen. So, how much CAPEX are we planning by excluding it this year?

Management: To exclude that CAPEX, it is our day-to-day up gradation and such things. We do around Rs. 7 crore to Rs. 8 crore in a routine. Some are old, some are new technology, some are upgraded or semi-automation type. So, it is not more than Rs. 7 crore to Rs. 8 crore.

Resha Mehta: Right. So, basically, we will have a maintenance CAPEX keeping that aside.

Management: Yes, maintenance CAPEX.

Resha Mehta: Right. And the numbers that you told us, the new products like commercial freezers and continuous panels, they will have a break-even at a revenue level. Are we expecting to hit that revenue level by the end of this year and achieve a break-even by the end of this year on these products?

Management: Yes, we will do it. Our target is more than the break-even point. These two products have the most business in the third and fourth quarters because commercial freezers, the season of beverages and ice-cream in the third and fourth quarters. And the continuous panels like warehouse and cold storage, in the first and second quarters, due to the rainy season, the big projects like civil related, these products are industrial, but the civil projects are used in the green projects. So, in both the projects, there is a good revenue contribution in the third and fourth quarters. So, we will do it more than the break-even point. And the EBITDA of both will complement our old business.

Resha Mehta: And lastly, our working capital, if we talk about the March end quarter, then our inventory of debtor days was at a high level than normal. So, our inventory date normally used to be around sixty days and in March end it was eighty two days. And it was increased by 10 days. So, as on June quarter, is there any improvement?

Management: If we look at the inventory level, going forward, we will do aggressive business. And we will do so many CAPEX also. If you look at the balance sheet and the previous balance sheet in the past, then working capital utilization was next to nil in March. But with CAPEX, we have taken out our profit. We have put the CAPEX in the project. And the working capital needs, because in this business, in these two new verticals, if we talk about the commercial filter, then there will be a little seasonality impact also. If we do stocking now, then for a specific period, our working capital will be temporarily blocked. So, keeping that in mind, we have a plan to

increase the existing working capital. Although it will not be utilized at the peak level every year, but at a specific point of time, the utilization of working capital will be there. And we are also deploying our profit in CAPEX. So, the utilization of working capital in this year, and maybe it will be there for the next year also. So, improvement, Working capital will not be stretched much, but if we look at the working capital utilization point of view, then the utilization will be there in two years.

Resha Mehta: But if we look at the number of days, then it will mean that the inventory days, which used to be around sixty days that will now be ten more towards, it will be around eighty days. It will not be sixty days, it will be a little more, because we have entered in new products.

Management: These two product of ours, we will have to carry some inventory also. So, we can expect a working capital cycle of ten to twenty days that is from seventy days to eighty days.

Resha Mehta: Right. And we will also see an increase in debtor days, because we have launched a new product, so we also have to penetrate a little in the market. So, will this be the right assumption that the debtor days, which used to be around sixty to sixty five days, will now be more towards seventy plus days.

Management: We are tapping the operating cash flow. And our two new vertical, if the business of the continuous panel project is there, then there will be a little conversion in the debtor, because it is a big project, it is a tender-based project. But if it is a direct project or other than tender, then we will have to take 100% money and our sales will be LC-backed. So, the chances of increasing debtor days are very low. But the vertical of the commercial freezer is on the dealer and distributor model. In that, the general credit terms remains thirty, forty to forty five days in the industry. So, in that specific vertical, a little credit of ours will go.

Resha Mehta: Understood. Alright. Thank you.

Management: Thank you.

Moderator: Thank you ma'am. The next question is from the line of Manish, an individual investor. Please go ahead.

Manish: Hello, sir. Thanks for taking up my question. I have two questions, essentially. First, do we do white labeling for any company? And if yes, which are those companies? And for which products do we do white labeling? That is one. Secondly, if we look at this year's revenue guidance, you said Rs. 650 crores by including the news segment. So, if we remove the news segment, then we have a guidance of Rs. 500 crores. Whereas last year, we had a business of Rs. 480 crores from the existing segment. So, if we look at the existing segment, then your guidance is almost flat. Is that understanding correct? And if yes, what is the reason? So, these are my two questions.

Management: Your question about white labeling, we still do white labeling for our discontinuous top panels. We do 15% of the install capacity for some other brand. In the continuous top panel, there are some big customers who can be our competitors. So, we work for them in the project. Especially, CF, commercial freezer, the new capacity, there is installed capacity of 1.2 lakh machines per year. For new brands or for new products, initially it is difficult to do it from own brand. That is why we do white labeling. Our assumption and our effort is that we will sell 20,000 machines in white labeling and we will sell 40,000 machines in our brand. Your second question was?

Manish: The last year you have told that we had a turnover of Rs. 480 crores. In that too, these two new verticals had a top line contribution of around Rs. 23 crores. So, if we look at it effectively, in the old verticals, we have expected a margin of around 11% and for the new automation products we have kept a target of Rs. 150 crores this time.

Management: In the old verticals, there is a 10% to 12% growth. We have not taken a flat because there is a limitation on installed capacity. We have a manufacturing capacity of Rs. 550 crores, Rs. 600 crores. So, we will be able to do Rs. 500 crores.

Management: If we have set a target, then we will be able to achieve it. It can be done on the plus side too. We do not think that it will be that challenging to achieve it.

Manish: Sir, in the old segments, if we have constraints in terms of capacity, are we thinking of increasing the capacity there in the existing products?

Management: The maintenance CAPEX is not 100% but we increase the capacity by doing small up gradations. There is a value-added product. By adding some value to the product, your sale value increases. The bottleneck of the product, the ones you make of 100 litres and if you increase the range of 200 liters, for that there is a little bit of small CAPEX, then there is a change in the construction of basic facility, by doing this we will increase the capacity till Rs. 650 crore. Secondly, there is a reason to not increase it more because it is a labor-oriented product. The laborers for hard work are not easily available. Especially, in the third and fourth quarters. Looking at the limitations, in the old vertical, we have dehydration vertical, ammonia business, the project which we work in. Last year there was a good sale. We have hope in that business and we want to focus on that business where the manufacturing capacity does not require much infrastructure. For doing the capacity of Rs. 650 crores – Rs. 700 crores, there is no need for large CAPEX. After establishing these two phases, we will work on it.

Manish: Okay sir, there was a request. We have not released any PPT investor presentation in the last quarter end and this quarter. If you can release it with the basic details, then some of the queries that we are asking as participants in the call can be reduced. That will be helpful.

Management: Normally, we do it on an annual basis after publishing the balance sheet. But based on the annual report, we will publish it within a month.

Manish: Yes. Sir, I had one more question related to white labelling. If we calculate the revenue of Rs. 480 crores in the last year, what will be the percentage of white labelling?

Management: It will be around 5%, 6%.

Manish: 5%, 6%. Is the expectation the same this year?

Management: It can increase a little. If we look at the percentage, it will not be more than 8%.

Manish: Okay. Alright, thank you sir.

Moderator: Thank you. The next question is from the line of Mosam Shah from Wealth Guardian Services LLP. Please go ahead.

Mosam Shah: Hello. Thank you for the opportunity. Sir, I wanted to ask about the inventory adjustment that you mentioned in the beginning. What was it? Has our revenue differed from quarter 1 to quarter 2?

Management: Sir's inventory adjustment meaning was inventory pile up, to stock it up. If there is a seasonal impact in PF vertical, then we have to do inventory stocking. He mentioned it in the inventory adjustment, but his intention was to pile up the inventory.

Mosam Shah: Okay, fine. The second question was regarding quick commerce. Can you tell us about it? How is it going? Are there any new orders?

Management: In the first quarter, we have a 20% contribution from quick commerce in the top line. In the future, I think our old vertical will have 18% - 20% support in sales. It is good. We are closely connected with India's big account of quick commerce. Since it has started we are having old accounts for three, four years. We also deliver their requirement quite well. We have done a good job.

Mosam Shah: Hello.

Management: Hello, yes. You got the answer or do you want to know something more?

Mosam Shah: Yes. And my second question was you mentioned in the last call regarding exports we will do in the USA. So, now after tariff, you said that our pricing and all competent from China.

Management: There is not much clarity on the tariff. The export ratio is very low. It may not have much effect on us. There is our development in many other countries apart from USA. We are growing gradually. There should not be much difficulty. That is the point of view.

Mosam Shah: Okay. How much maximum revenue can we generate after the phase 1 expansion for the new products?

Management: If we add both the verticals, we can generate a top line of Rs. 400 crores.

Mosam Shah: Okay, fine. What is the expectation, till when it will be done?

Management: We may reach the peak level capacity in two, three years.

Mosam Shah: Okay, fine. Thank you very much.

Moderator: Thank you. The next question is from Mr. Ajay Surya from Niveshaay Investment Advisory. Please go ahead.

Ajay Surya: Thank you for giving the opportunity again. As per the press release, we have written that our margins have decreased due to higher input costs. If I look at the gross margins, they are similar according to the historical numbers. Can you give some clarity on this? Are we seeing higher input costs in June-July? I am not able to understand.

Management: There are no constraints in the prices as of now. There are few material price which are competitive. It complements the margin. There is no adverse impact of the input due to which our margins are compressed. In fact, our operating margin is good in this quarter because our vertical composition complements our old verticals. The result of quarter-on-quarter also depends on the composition of the sales. There are no as such constraints of inputs which will compress our margins in coming future. We have taken strategic calls in new vertical at the initial level. It is for the time being for some period. Its impact will be nullified gradually and it will complement the 10, 10.5 margin.

Ajay Surya: If I remove the fixed expense of the new CAPEX in this quarter, the EBITDA margins remain historically around 8%? If you can tell me.

Management: Our old verticals EBITDA margins will come around 10%.

Ajay Surya: Okay sir. Sir, one last question. If you can compare the past two, three years and tell me the overall demand scenario in this business. Are there any improvements or difficulties due to monsoon or any other reason? If you can tell me about the competitive intensity, what is changing in the industry in the last two, three years by which we are able to see good growth in the past two, three years? Is the industry moving towards consolidation? Or the pricing pressure that we are seeing is due to increased competition? If you can answer this on a

broader level what is happening in the industry and how it is going to be in the future. It will be very helpful.

Management:

As you are saying, there is a pressure on the price because of the competition. Because of the import opportunity of domestic industry, everyone has increased their installed capacity. Actually in front of Indian there is 30% excess capacity for manufacturing. But we have to keep margin in front of demand in manufacturing capacity.

Capacity is there, so everyone competes to increase the number. The demand is also good. Ice cream consumption per head is better than before. In India electricity availability is also good at the village level so, Ice cream outlet numbers are increasing. There is a good demand in the freezer and ice cream cold chain. Currently, we worked for 20% in e-commerce, we have a business of Rs. 22 crore, Rs. 23 crore from E-commerce. If we look at the whole year it is Rs. 100 crore, Rs. 120 crore. This is completely a new source of revenue for us. Along with e-commerce there is food processing industries. People have become a working family. There is a good scope of food processing industries in QSR. There is also compliance and guidance from the government. They convert a lot of products one by one in to BIS, rating is there. That is why there is a good opportunity for organized industries. Unorganized industries are converting to organized industries. In agriculture, there is a cold chain. There is a research figure that 30-35% of agro products that are perishable are wasted. There is a good opportunity for cold chain development and it has already started. It is a big opportunity and long with that we work in multiple segments like, processing, logistics, dehydration, ammonia, dairy and quick solutions. So, some businesses are there where after six, seven years of establishment, your brand and reputation is established. There comes a lot of big projects with good margins. I am particularly talking about Ice Make that for Ice Make there will be opportunity from two, three businesses. If I talk from Ice Make's angle, our installed capacity or our business plan I feel that if our installed capacity could have been a little big then we could have used it. If we talk about first quarter, it is the first quarter in the history that we have incurred loss. In the first quarter you can see all our listed players, everyone's balance sheet has been depressed. Someone's top line numbers have reduced a lot, bottom line has also reduced for everyone. So, the early monsoon started in full-fledged from 10th to 12th June. In May, it rained for four, five days. Because of this, the consistency of the first quarter's season demand, the fourth quarter and the first quarter, it broke for the first quarter. So, our target was also to do Rs. 130 crores in the first quarter. But because of the early rain, it did not happen. Overall, if I talk about the Indian market, it is good. There is no need to worry. Our average income is also increasing. The income spending, the product that we are working on, is the basic demand of the customer, like hospitality, food processing, the fruit and vegetable cold chain, e-commerce, new generation which most people use through social media. So, overall, the business is good. It is looking good for the next ten years.

Ajay Surya:

Got it, sir. Got it.

Moderator: Thank you. Thank you sir. Ladies and gentlemen, that was the last question for this session. I would now like to hand the conference over to the management for closing comments.

Management: Thank you, everyone, for joining the Ice Make Refrigeration Limited Q1 FY'26 earnings conference call. We appreciate your valuable time, insights, and continued support. If you have any further questions or require additional information, please feel free to reach out to us, or Aaryana Matasco, our investor relations team. We look forward to interacting with you again during our next quarterly update. Until then, thank you and have a great day ahead. Thank you.

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

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