

Ice Make Refrigeration Limited
Q2 and H1 FY'26 Earnings Conference Call
November 18, 2025

Moderator: Good afternoon, ladies and gentlemen. I am Sagar, the moderator for this conference call. Welcome to the Earnings Conference Call of Ice Make Refrigeration Limited, arranged by Ariana Matasco, to discuss the financial results for Q2 and H1 FY'26.

At this moment, all participant lines are in the listen-only mode. Later, we will conduct a question-and-answer session. At that time, if you have a question, please press "*" and then "1" on your touchtone 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: Thank you, Sagar. Good afternoon, everyone, and a very warm welcome to the Ice Make Refrigeration Limited's Q2 H1 FY'26 Earnings Conference Call. Thank you for taking time to join us today.

The company's financial results for the quarter are available on our website, as well as on the stock exchanges where Ice Make is listed. Before we begin, I would like to remind you that today's discussion may include forward-looking statements. These statements are based on the company's current expectations, assumptions, and projections about future events and are subject to risks and uncertainties, both known and unknown, that may cause actual results to differ materially. We encourage participants to consider these statements in conjunction with the risk factors disclosed in our investor presentations and regulatory reporting. We have Risk and Risk Management to present here with us today.

It is my privilege to introduce the leadership team joining us on the call today. Mr. Chandrakant P. Patel, Chairman and Managing Director. Mr. Nikhil Bhatt, Vice President - Strategy. Mr. Ankit Patel, Chief Financial Officer and Mr. Mandar Desai, Company Secretary and Compliance Officer.

Today's agenda for the call is, during the session, the management will discuss the financial and operational performance of Q2 H1 FY'26 and half year ended 30th September 2025. Key strategic developments and business drivers, emerging market opportunities across our four sectors, the company's growth roadmap and priorities.

With that, I would like to hand over the call to our Managing Director and Chairman, Mr. Chandrakant P. Patel, Sir. Over to you, Sir. Thanks.

Chandrakant P. Patel:

Thank you to all the analysts, investors and participants. On behalf of Ice Make Refrigeration I would like to welcome you all to the Q2 H1 FY'26 Earnings Conference Call. First of all I would like to welcome our new CEO, Mr. Srinivas Reddy. Mr. Reddy has worked in a well-known company like Blue Star Limited as Executive Vice President, Corporate Strategy and Business Development Position. His experience is invaluable for our organization. I am confident that his experience will strengthen our self-service and cold-room business. He will lead our development speed in a new direction.

In this quarter, we have increased revenue and profitability in comparison to the first quarter. Despite seasonal ups and downs, our operational team has continuously improved its operating efficiency. Our vertical cold-room, industrial refrigeration, transport refrigeration, commercial freezer, continuous soft panels have all performed well.

Our current order book is close to Rs. 190 crore. We are increasing our focus on our service business revenue and growth. We will increase our product price step by step, which will give us a 1% margin benefit for the entire year. We are committed to our long-term target of top line Rs. 1000 crores by FY'27-28.

I would like to thank all of you. I would now like to invite our CFO, Mr. Ankit Patel, to share financial updates.

Ankit Patel:

Thank you MD sir. I will now present a brief financial overview of Q2 FY'26. For standalone performance of Q2 FY'26, revenue from operations stood at Rs. 148 crores, that is 47% year-on-year growth and 33% quarter-on-quarter. EBITDA in amount came at Rs. 8.78 crores, compared to Rs. 4.44 crores in Q1 FY'26. EBITDA margin improved to 5.90% in Q2 FY'26, mainly due to increasing scale of operations. Our profit after tax stood at Rs. 1.45 crores, improved from loss of Rs. 1.39 crores in previous Q1 FY'26.

For consolidated performance, revenue from operations stood at Rs. 147.49 crores, that is 43% year-on-year growth and 32% quarter-on-quarter. EBITDA in amount came at Rs. 9.70 crores, compared to Rs. 4.53 crores in Q1 FY'26. EBITDA margin improved to 6.59% in Q2 FY'26, again, the main reason is due to scale of operations improvement. Profit after tax stood at Rs. 2.02 crores, improved from loss of Rs. 1.47 crores in Q1 FY'26.

The margin improvement was given by better capacity utilization. We are showing improvement in margin quarter-on-quarter. According to our past trends, our first half business contributes around 40% of our annual business and rest 60% in second half of the full financial year. We remain committed to strengthening our balance sheet and supporting future growth through prudent financial management.

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

Nikhil Bhatt: Thank you Ankit bhai. I would like to share some business updates and our growth strategy. In Q2 FY'26 we have observed a strong traction in cold rooms, refrigeration systems and industrial cooling unit. Increase in demand from food processing, dairies, pharma and health care industries driven by sectorial growth. Positive momentum in 20 projects across India expanding enquiries for energy efficient eco-friendly refrigeration technologies strengthening presence in Eastern, Central and Southern regions also. Designing strategic priority and growth road map there are multi-problems approach expansion strategy like capacity expansion and utilization of full capacity, automation, technology upgradation, deeper penetration into high-potential regions by strengthening channel partners' ecosystems.

Regarding product innovation and portfolio enhancements, we have energy-efficient, low-maintenance and sustainable solutions, new ways of refrigeration and cooling systems for evolving industrial needs.

So, for sectorial expansion, we are observing expansion in agriculture and food supply chains, pharmaceuticals and healthcare policy sectors. Big commerce is also increasing in a fast growth. We have a contribution of around 21% in H1 of FY'26.

Digital and operational excellence, their improvement in project management, digital monitoring systems, as well as reducing delivery times. We are confident that this initiative and looking to the order on hand of about Rs. 190 crores will definitely achieve our goals in the current financial year. Thank you.

Moderator: Sir, should we open the floor for questions?

Management: Yes.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Arnav from Ambit Capital. Please go ahead.

Arnav: Hi, thank you for taking my question. So, my first question is with regards to the guidance. So, in the last call, we had spoken about achieving Rs. 650 crores of revenue with around 8% to 9% of EBITDA margin. So, are we sticking with this guidance? Is there any revision to this guidance?

Chandrakant P. Patel: Yes, we are confident that we will achieve Rs. 650 crores. Because generally, our first half, second half ratio is 40:60. Accordingly, we will Rs. 650 crores. And EBITDA, we will improve it to 8% because if the base of our second half is big, then the operation cost will get a scale benefit. So, we will do 8% minimum.

Arnav: And in your opening statement, you were mentioning a margin improvement of around 1% which can come through price increases. So, just wanted to ask about this. So, I mean, how

long will it take for this 1% increase to be realized? And which are the key segments in which these prices can be increased?

Chandrakant P. Patel: No, we will be at 8% with that 1%. You also saw that in the first and second quarters, our EBITDA was less. And in the last two, three years, we did not revise the price of many products due to our aggressive top-line growth. So, after increasing that 1%, we will reach to 8%.

Arnav: Right. And my last question. Is there any update on our next phase of CAPEX that we have been discussing, the Rs. 150 crore CAPEX that we have mentioned in some of our previous calls?

Management: That is in dialogue phase. Discussion is going on that. One it gets finalized then only we will be able to give a concrete answer. For now it is positive and in progressive stage and it is improving in a positive way and as it comes to a finalization base we will announce and share the data with you all.

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

Moderator: Thank you. Our next question comes from the line of Resham Mehta from Green Edge Wealth. Please go ahead.

Resham Mehta: Thank you, sir. Sir, so basically, a question again, on guidance, that the 8% margins that you are talking about, will that be Q4 exit margins or will we do 8% EBITDA margins for the full financial year? Because if we look at the margins of H1 FY'26, that is on an average around 5%.

Management: No, we are projecting 8% margins for the entire year. There is also a change in the business mix of the first half and the second half. As you can see, we have a 40% business in the first half and around 60% in the second half. So, if we do a tally according to the current financials, then the ratio will tally. And if you look at the margin improvement in the past, then in Q4, where there is a major business, last year we did a top line of around Rs. 180 crores, there was also a high margin there. So, for the entire year, we will have around 8% EBITDA margin for the overall financial year.

Resham Mehta: Understood. And secondly, our CAPEX guidance, so for this financial year, for FY'26, we were basically only going to do maintenance CAPEX. But if I see, we have already done a CAPEX of Rs. 22 crores in H1. So, what will be the CAPEX guidance for the current financial year?

Management: Madam, the CAPEX that you are seeing right now, the CAPEX of Bharat that did not come in the last full financial year, there is a part of in it. And secondly, there is also an inclusion of the second phase of CAPEX. In this, we have purchased adjoining land.

Resham Mehta: Okay. So, what will be the split in this? Rs. 22 crores CAPEX has already been done in H1. In that, how much is the land?

Management: Around Rs. 10.5 crores is the land.

Resham Mehta: Okay. Which is for the phase II Rs.150 crore CAPEX, right?

Management: Yes. Okay.

Resham Mehta: And how much CAPEX is expected in H2?

Management: In H2, it will not be much. There will be a little bit of Bharat Refrigeration. Now, there is development in the second phase of CAPEX. It may come around Rs. 3 crore, Rs. 4 crore, Rs. 5 crores. But there will not be much improvement in this financial year. If there is any development in this financial year, then it may go up to Rs. 15 crores. If there is any development.

Resham Mehta: And, you know, this phase II, which is Rs. 150 crore CAPEX, So, I understand this is in the dialogue phase. But how will we fund this? Because already our debt-to-equity ratio is above 1. So, how do we plan to fund this? Can you just tell us a little bit about this?

Management: There is still a little space in debt. And the rest can be done through equity mode. We are open for equity mode. We have not crystallized it yet. That also depends on how our progress is going on. Once this is final, then equity mode will also be there.

Resham Mehta: And last one, the working capital, right? So, inventory and debtor days will remain elevated. Because we have entered new segments in the last few months. Or this will come down to what we used to have at a normalized level.

Management: Madam, as of now, there has been a slight stretch in working capital. We used to use compressors in import, raw materials, there were BIS issues in that. So, in advance we imported compressors and raw materials in specific chest freezer. And we have also increased the inventory level a little bit, strategically. And the business of the PUF vertical will also be through the regular distributor model. So, compared to last year, there will be a slight stretch in working capital. But in the current working capital, there will be a drastic improvement. Because the major business is in our second half. In this half, and a little bit in the business mix as well. Because this time, in retail and corporate, our corporate customer business has increased a little. So, in the full financial year, our overall working capital cycle will see a drastic improvement.

Resham Mehta: And lastly if I may, if our return on capital is employed, so, you know, what is our target or our vision, to keep it at what level? Because, see, what is happening is that debt levels are increasing. You know, we may raise more equity as well. Working capital is stretching, right? Margins are under pressure. So, effectively, our return on capital employed is coming under

pressure. So, what is the pathway in the next two years, you know, let us say once all of this is behind. So, how far do we have to take the return on capital employed?

Management: So, our benchmark, which we internally discuss in the projection, so, around 25% ROCE we should maintain over a period of time. We have internally discussed that. But when we come to the growth or CAPEX phase, so, the immediate, the new plant, its contribution to revenue and profit does not start. And in a phase-wise manner, you will see that the current full financial year will be a little under pressure. But as and when we achieve the top line of Rs. 1000 crores plus our guidance EBITDA margin, so, our ROCE will come back to the favorable condition of 20% to 25%. So, it will come in that range. Because we have to do expansion, we have to grow, so, in the CAPEX phase, there will always be pressure on ROCE. And the new plant, until we take it to the optimum level or its output does not start coming into the business, till then, there is a little pressure. Now, only three quarters of the performance has come in the business. So, that too now, this financial year will be their very first year of the season. So, as the year passes, and this business also starts giving a good margin, so, the pressure on ROCE will gradually be reduced.

Resham Mehta: All right. Thank you.

Management: Thank you.

Moderator: Thank you. Our next question comes from the line of Arjun Mali from Niveshaay. Please go ahead.

Arjun Mali: Hello, sir. Congratulations for the good sets of number sir. Sir, I wanted to know what was the loss margin and decline in the current 2% rate. So, based on the higher contribution from the

Moderator: Sorry to interrupt. Arjun sir, your voice is sounding slightly muffled. May I request you to use the handset in case if you are using the speaker mode, please?

Arjun Mali: Sure. So, my first question is, like, our gross margin has declined around 2%. So, is this due to the higher contribution from the continuous panel?

Management: Our quick commerce business and overall corporate customers business, that percentage has increased. So, it is stable. Our margin profile is slightly up and down based on the overall sales mix. But there will not be any major change or deviation in that. It will be back to normal based on the sales mix and the corporate and retail mix will change. So, based on the full year, it will come back to that position.

Management: We cannot say that it has decreased because of the panel and commercial fridges. It has 15% to 18% contribution in the total top line in the first half. So, there has been a slight difference in the gross margin.

Arjun Mali: Okay sir. And sir, can you tell us about the vertical wise business? What kind of revenue has come in that?

Management: There is cold room, which has a contribution of around 49%. Industrial refrigeration has 3%. Old commercial vertical has around 15%, 16%. Transport refrigeration has 5%. Ammonia has around 7%. Project business has around 4%. Continuous panel has 10%. And commercial freezer around 6%, 7%.

Arjun Mali: Okay. And lastly, sir, in the new verticals or new business, what is the return or EBITDA loss?

Management: What, sorry?

Arjun Mali: What would have been the operating losses?

Management: Sorry, I cannot hear you properly.

Moderator: Sir, you are sounding muffled again.

Arjun Mali: Okay, I am asking, what will be the EBITDA loss in the new business?

Management: We have just started in the new business. It is difficult to calculate EBITDA vertical wise as of now. But in this financial year, it will be in the break-even position and EBITDA margin will also be in the positive improvement stage.

Arjun Mali: Okay, got it sir.

Management: In the next year, the EBITDA margin trajectory that we have given, it will contribute in that margin. In this financial year, the margin will be reduced a little because of the new vertical. Because this is their first year in full-fledged. So, as it will improve year-wise, it will have a positive impact on the margins.

Arjun Mali: Okay. Sir, you have said that the reason for increased working capital is because of increased inventory of compressors so our legacy and new division, will there be the same difference in the working capital or any other reason?

Management: Actually, these two new products, according to their installed capacity, accordingly business is not there. But we have to carry the inventory. Because this product is old in Ice Make Refrigeration industry. But the nature of these two products, mass production, it is our new experience. So, we carry the inventory for safety. Secondly, our old business also has a manufacturing capacity of Rs. 550 crore. And from our old vertical, we have targeted that we will do a business of Rs. 500 crores. So, we have maintained the production capacity in season and off-season earlier we used to do more or less. We will also carry inventory in off-season in WIP or FG. So, because of this, the inventory has increased a little.

Arjun Mali: And going forward this working capital will be there?

Management: Yes.

Arjun Mali: Okay. Thank you, sir.

Moderator: Thank you. Our next question comes from the line of Ruchika Modi from 360 One Wealth. Please go ahead.

Ruchika Modi: Thank you. Sir, I have two questions. First, I need your view on the competitive landscape in the industry. Because we read the news that foreign beverages are also getting into refrigeration equipment segment. So, I need your view on the competitive landscape in the industry. And secondly, you said that our revenue target is Rs. 1000 crores till FY'28. And EBITDA margin to get to the normalized range of 10% to 11%. Assuming that the Rs. 150 crore CAPEX that is under discussion, if that goes through. So, even if we achieve the Rs. 1000 crore turnover, are we seeing a delay in EBITDA margin of 10%, 11% and ROCE of 25% that you target internally?

Management: Madam, if we do CAPEX in ROCE, till the time we do not use it optimally, ROCE will not improve. So, if the optimum performance of the first phase of CAPEX comes, ROCE will improve. Again, if we do a new CAPEX, we will have to give it a breathing period so that it comes to the optimum level. But when the full-fledged or 100% utilization of CAPEX will start, then we will be able to generate ROCE of 25% from every CAPEX.

Ruchika Modi: So, for now, we should assume that FY'28 is a revenue target of Rs. 1000 crores. ROCE and EBITDA margin might get a little delayed also, right?

Management: EBITDA margin should be mapped. In ROCE, we feel that it should be a little higher or lower. We have not done the exact working. Because our model is based on CAPEX. So, to get a little output and to reach the maximum level, we need a little breathing space to reach the capacity of the plant. So, we cannot achieve ROCE, we are not committing to that. But if there is a year of CAPEX and there is no full-fledged utilization, then there can be one, two years more or less from the margin point of view in ROCE.

Ruchika Modi: Got it. And on the competitive landscape, sir?

Management: If I tell you the details of peer competitors, like Blue Star, Voltas, Carrier, they are our closest competitors and big competitors. They compete with us in commercial, industrial, and free home vertical of cold storage, the cold room one. If we talk about transport refrigeration, then there is Suraksha, Sub-Zero, Rinac, they compete with us. In ammonia vertical, there is Rinac, Freak, Arctic refrigeration also competes with us. In continuous panel, if we talk about the big competitors, there is Kingspan Jindal, Rinac, then there is Metecno, Alpha PEB Limited, there

is Lloyd, Bnal Prefeb, there is Suchi form, which is local here, there is Korea Puff, EPEC. If we talk about commercial refrigeration, then Blue Star, Voltas, Carrier again competes with us. Then there is Rockwell, Haier.

Management: Actually, your point was that you took the example of Varun Beverages, that they are increasing their capacity in refrigeration. You need a reply to that. But in the case of the Indian market, which is growing now, and the cold chain industries, and particularly, if we talk about freezers and vici coolers, the growth in front of demand is appropriate, and according to the conditions in the market, if a new player comes, then we will not have much effect in the market. Because the demand is also growing, and the supply is also increasing. So our business can be sustainable, there may not be any problem.

Ruchika Modi: Got it. Thank you.

Moderator: Thank you. Our next question comes from the line of Mausam Shah from Wealth Guardian. Please go ahead.

Mausam Shah: Hello. Congratulations on a good set of numbers. I just wanted to know, that our order book is Rs. 190 crores.

Moderator: Hello. Mausam Shah, we have lost you. Please go ahead.

Mausam Shah: So our order book is 190 crores.

Moderator: I am sorry to interrupt, ma'am, again. Your audio is coming through very low.

Mausam Shah: Hello. Can you hear me now?

Moderator: This is much better. Yes, ma'am.

Mausam Shah: So our order book, from which revenue will it generate? Can you tell us about the order book?

Management: So our order book is Rs. 190 crores. Vertically speaking, the cold room is around Rs. 33 crores. Next is our commercial and dairy vertical, where the order booking is Rs. 15 crores. Industrial refrigeration is Rs. 3 crores. The refurbished transport refrigeration is Rs. 5 crores. Ammonia vertical is around Rs. 52 crores. And the new line of the continuous panel is Rs. 35 crores. The chest freezer division has an order run of Rs. 1 crore. Because it has just started. So going forward, after November, more orders will be planned. And the project orders are around Rs. 45 crores. So this is our product mix so far of the order in our hands.

Mausam Shah: How long will it take to deliver?

Management: On average, it takes around 45 days. It depends on product to product. The bigger the project, it can take more time. It can take three months or six months. It depends on the size of the product. But for smaller products, we can deliver in a week. And on average, in three months, one order can be completed. If we talk about the cold room, it can take up from 45 days to six months.

Mausam Shah: Okay.

Management: And this is an ongoing order book. The new ones keep coming, and the old ones get closed.

Mausam Shah: Okay. And if we talk about North, South, East, West, then our contribution is more than the West.

Management: Yes.

Mausam Shah: Can you tell us about that? How much is coming from the West and North?

Management: Our revenue is around 50% from the West. And North and South, if we talk about H1, it is around 16%. And 12% in the East. The last H1, it was more in the East, because at that time, there was a big project. Because of the project, it was more in the East in the last year. So, overall, it is 50%, 16%, 16%, and 12% in export it is 3% and our national dealer, our OEM, is around 2%.

Mausam Shah: Okay. Fine. Thank you and all the best.

Management: Thank you.

Moderator: Thank you. Our next question comes from the line of Shubhanu from Three Heads Capital. Please go ahead.

Shubhanu: Okay. Sir, can you tell me our revenue mix one more time? I missed that.

Management: Okay. Revenue mix, you are asking.

Shubhanu: Yes.

Management: Cold room is Rs. 33 crores. Commercial

Shubhanu: In terms of percentage.

Management: Sales percentage. Cold room contributes around 49%. Industrial refrigeration, 3%. Commercial refrigeration around 15%. Transport refrigeration 5%. Ammonia 7%. Project business around 3% to 4%. Continuous panel 10%. And new commercial freezer vertical around 6% to 7%.

Shubhanu: Okay. Thank you, sir. Best of luck.

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

Management: Thank you, everyone, for joining us today and for your valuable time, questions, and continued engagement. We appreciate the trust and support of our investors, analysts, and stakeholders. We look forward to connecting with you again in the next quarter. Have a great day. Thank you.

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.

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