

Ice Make Refrigeration Limited
Q4 FY'25 Earnings Conference Call
May 21, 2025

Moderator: Good afternoon ladies and gentlemen, I am Rico the moderator of this Conference Call. Welcome to the earnings conference call of Ice Make Refrigeration Limited arranged by Aaryana Matasco to discuss the Financial Results for Q4 and FY'25.

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 wish to ask question please press “*” and “1” on your touchtone keypad. Please note that this conference is recorded. I now hand the conference over to Mr. Aryan Rana. Thank you and over to you sir.

Aryan Rana: Thanks Rico. Good afternoon everyone and a very warm welcome to the Ice Make Refrigeration Limited Q4 and full year FY'25 Earnings Conference Call. We appreciate your time and participation today. Our financial results for the quarter and full year are available on the Company's website as well as on the stock exchange, we are listed.

Before we begin I would like to remind you that today's discussion may include forward looking statements. These statements are based on current situations 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 forward looking statements in conjunction with the risk. This closures outline in our investor presentation and regulatory filing.

Now, I would like to give you a brief background of the Company:

Ice Make Refrigeration Limited is one of India's leading manufacturer of innovative and energy exchange refrigeration solutions. In 1993, Company has centered and catered to the diverse pulling needs of the industry like dairy, food processing, hospitality, pharmaceuticals, logistics and more. With the product portfolio standing over 50 plus solutions across five core verticals like cold room, commercial refrigeration, industrial refrigeration, transport refrigeration and ammonia bases system the Company continues lead with a customer centric and technological approach that makes client across India and over 24 counties.

Please allow me now to introduce our management team. It is my privilege to introduce the Leadership Team joining us today to discuss the financial performance and strategy outlook. I welcome Mr. Chandrakant P Patel – Chairman and Managing Director, Mr. Nikhil Bhatt – Vice

President Strategy, Mr. Ankit Patel – Chief Financial Officer, Mr. Mandar Desai – Company Secretary and Compliance Officer.

During today's session the management will walk us through the financial and operational performance of Q4 and FY'25, strategic updates and business drivers and also key market capacities and the road for sustainable growth.

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

Chandrakant P Patel:

Namaskar, I Chandrakant Patel, welcome all the analysts, investors and our shareholders in the earnings conference call. Firstly, I would like to thank all of you for bestowing your trust upon us and also for being a part of this journey for the past eight years. It is my pleasure to share financial performance for the quarter 4 and the full pixel 2025. Year 2025 has been an important and strong year for us. We are happy to let you know that we have done the highest revenue ever of Rs. 480 crore till now. There is an increase of almost 27% as compared to the last year. In the fourth quarter there is revenue of more than Rs. 180 crore and a 64% quarter-on-quarter increase. This is the result of team's effort, strong order book and better performance. Although our goal was to cross Rs. 500 crore mark but due to the election in the beginning of the year there was a delay in some order we could cross Rs. 500 crore but still Q4's strong performance showed that we are moving in the right direction. Our core business has done a good performance. In coming years Company will get good growth with new plant and CAPEX investment. We have always given priority to quality customer satisfaction and innovation. Our goal is to make Ice Make a Rs. 1000 crore topline Company in the coming three-four years. Your trust is our biggest strength. We will move forward in the direction of quality customer satisfaction and innovation. Thank you.

Mr. Ankit Patel will give you financial update and Mr. Nikhil Bhatt will give you business update. Thank you.

Ankit Patel:

Very good afternoon everyone. I am Ankit Patel, CFO of your Company. I am pleased to be here again to present you financial performance of the Company for the fourth quarter and full financial year ended March'25. For Q4 of FY'25 consolidated performance, we delivered a strong revenue of Rs. 180.82 crore in Q4 FY'25 making 64% quarter-on-quarter growth and 27% year-on-year growth compared to Q4 24. EBITDA stood at Rs. 21.85 crore slightly up from Rs. 20.93 crore in Q4 FY'24. EBITDA margin was 12.08% which is lower than 14.9% in Q4 last year mainly due to incremental operational cost of our new CAPEX. Profit after tax, PAT came at Rs. 11.66 crore down from Rs. 14.27 crore in Q4 FY'24 but higher than Rs. 2.81 crore in Q3 FY'25. Earnings per share, EPS for the quarter stood at Rs. 7.42 compared to Rs. 9.06 in Q4 FY'24 and Rs. 1.82 in Q3 FY'25.

For full year financial performance out total revenue for FY'25 was Rs. 480.42 crore compared to Rs. 379 crore in FY24, a 26.8% year-on-year growth. EBITDA for FY'25 stood at Rs.43.44 crore slightly higher than Rs. 41.38 crore in previous year. EBITDA margin stood at 9.04% compared to 10.92% in FY'24 due to pre plan operational expense as a part of our capital expansion, the margin is compressed a bit. Net profit for full year stood at Rs. 22.9 crore as against Rs. 26.14 crore in FY'24. Due to the delay in the operation of our new CAPEX and full year incremental expense along with interest burden on term loan, depreciation of new plant and machinery net profit is a bit compressed. Our EPS for FY'25 was Rs. 14.65 compared to Rs. 16.64 in FY'24. Thank you. Now I invite Mr. Nikhil Bhatt for the update on our business.

Nikhil Bhatt:

Thank you Ankit Jee. Greetings Ladies and gentlemen. It's a pleasure to share some strategic insights and business highlights for FY'25. This year has been an important one for us in term of business diversification, regional penetration and channeling our verticals. I will take a moment to walk you through the segmental and regional performance that demonstrate how well Ice Make is positioned for scalable and sustainable growth. Talking of vertical wise sales performance FY'25 let me tell you all that our cold room vertical continues to be our largest revenue contributor accounting for 50.17% of total revenue. This remains a core growth engine for us supported by demand from industries such as dairy, pharma, food processing and e-commerce warehousing. Our commercial refrigeration segment contributed 15.17% driven by increase adoption in retail, restaurant chains and quick commerce clients. The momentum is in this space, especially for modern trade formats is expected to continue in FY'26. The ammonia and industrial refrigeration verticals together contributed for 12% fuelled by demand in food parts, food processing industries, ice plant and large scale agro infrastructure projects. We see long term opportunity here as India's cold chain ecosystem matures. Transport refrigeration added 7.42% to our topline and gaining attraction with QSR chains and large delivery players. Meanwhile, projects continues top panels and commercial freezers together contributed nearly 12.5% validating our expansion into near verticals. We expect this newer segment that is continuous PUF panel and chest freezers to become significant contributors in the next two-three years as scale and utilization improves. As of today, I am pleased to inform you that our pending order book stands strong at approximately at Rs. 171 crores this includes significant orders that grows our core and emerging verticals and gives us high revenue visibility going into FY'26. There are few lying orders that we have on hand from that is from the Jammu and Kashmir horticulture department. We are having a 28.5 crores order. From West Bengal government we have received about of two orders of Rs. 42 crores, and also some of the federations, dairy federation as well as NDTP and some of the reputed food processing industries from India and also we are getting new orders from big restaurants, orders from leading brands at the global level. We are focused on the three core areas that is expanding market share in cold chain and big commerce solutions, operationalizing our few new facilities to reduce turnaround time and logistics cost, strengthening export and product innovation for long term global relevance. We are confident that with our diversified portfolio of fifty plus

innovative products, strong pan India presence, global focus and deep customer relationship Ice Make is well positioned to achieve its long term goal of Rs. 1000 crore revenue by FY'28.

Thank you for your continuous support and now we look forward to your questions.

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: My question is how much revenue can we expect from our new segments which is the PUF panel and the commercial freezer in FY'26?

Management: If we talk about continuous panel we can expect a topline of Rs. 225 crore- Rs. 250 crore at a single shift full fledged working and for commercial freezer we can generate a topline of Rs. 130 crores.

Arnav: Okay. And we expect this entire revenue to come in FY'26?

Management: For FY'26 it will be around Rs. 175 crores.

Arnav: Okay, thank you. My next question is what will be the margin in the ammonia segment?

Management: In ammonia, we have a gross margin around 10% to 14%.

Arnav: And EBITDA margin?

Management: Specifically it would be a little easier to say gross margin. If we see in EBITDA margin there is no use of installed capacity, plant, machinery and infrastructure. This business is a bonus business for return on capital employed. I think gross margin is visible and providing EBITDA margin vertical wise is a bit difficult because there are a lot of other common operations. We can provide you the guidance on gross margin.

Arnav: Okay, gross margin is visible so in FY'26 will there be any improvement or will it be the same?

Management: No, until Rs. 100 crore topline, there are some cost of fabrication that unless we do it in-house till then the gross margin will not improve. After Rs. 100 crore we can plan a few operations, we can build a small shop for fabrication then only there are a few chances of margin improvement.

Moderator: Our next question comes from the line of Shashi, who is an investor. Please go ahead.

Shashi: Good afternoon. Sir, the PUF panel that we are building are we thinking to use this for building insulation apart from refrigeration in future because the insulation segment of PUF panel is going to grow around 6.3% CAGR for next eight to nine years. So, apart from refrigeration,

because our manufacturing capacity is really good for PUF panel so are we thinking to use this in building insulation in the future?

Management: We can use this in insulation, other than that PEB building, warehouse all the perishable products that does not require cold room, if products are kept in insulated building the shelf life or products increase and quality is also maintained and along with it all the commercial housing building, public gathering building if we see Bharat Mandapam building in Pragati Maidan, Delhi or else all the big conventional centers, by installing PUF panel air conditioning install capacity reduces. Initially, the cold room segment gives start up to continuous panel but going forward there is a big scope of it in PEB building material.

Shashi: So, have we taken any steps in this direction as far as revenue is concerned? Have we got this type of order, is our team marketing team working in this direction?

Management: Yes, we are working on it. We have team in India the second number in capacity manufacturing, we have senior people with us who understand the Indian market apart from cold room segment. Our focus is also that right now. We distribute it through all the building material traders, we tie up with all the PEB building manufacturers who provide PEB building solutions. We also know that this market is bigger than cold room market. We are trying in it because it has only been five months since we receive the product we can provide you a tie up of how many dealers are there with us. May be we could provide you a network in six months.

Shashi: Thanks a lot sir. I want to ask the last question how are you looking at the competition especially the competition we are getting from Rockwell and western companies especially in visicooler segment and in other segment, how are we fighting that? This is my last question.

Management: Actually, competition is there but every manufacturers and brand has its own plus point. We are doing a good job in India in refrigeration segment from the last thirty to thirty five years. We have good relations with end user, good business transactions on a regular basis. It is not that in competition that people believe in our product after testing because there is a confidence buildup in Ice Make product, there is a good image of service and quality. Our visicooler installed capacity is not that much, we will increase the number in commercial facility by doing modification but in chest freezer we have done a good in core season that is February and March. The response that was given by the market we did not feel that we are a new brand or that we are facing problem in the competition. We also had the confidence when we will launch this product in the market, people will gives us the weightage of a level brand.

Moderator: The next questions from the line of Bhavya Shah from 3A Financial Services. Please go ahead.

Bhavya Shah: Good afternoon sir. Congratulations for the great set of numbers. Sir my question is our best performing segment is cold room so are we going to do any CAPEX in cold room segment?

Management: In this current year, there is a CAPEX for modernization and semi automation of adjusting facility. We do not have CAPEX for a separate land or building. We will use CAPEX for adjusting machinery to improve main power quality and to make workmanship better. Our current CAPEX is Rs. 20 crore. We also have more verticals like earlier the question asked relating to the chances of increasing margin in ammonia, we have been saying this from earlier can call that we will make ammonia reach Rs. 100 crore topline in that we have a lot of fabricated product that we will manufacture in-house. So, currently we have a CAPEX of Rs. 20 crore and we will invest it in the discontinuous panel that contributes to the 50% of the business revenue.

Bhavya Shah: And what is our maximum revenue capacity in one year?

Management: After all the CAPEX that we did, we will achieve topline of Rs. 800 crore – Rs. 850 crore.

Bhavya Shah: And your target to achieve topline of Rs. 2000 crore in next three to four years, so what will be our plan for that?

Management: Our target is not Rs. 2000 crore it is Rs. 1000 crore in FY'28. For that we will focus on the vertical that we have set last year. We will do maximum utilization and we have been doing marketing and branding for that. Along with that, our existing product related to food segment, product relating to dehydration vertical or segment in that food processing segment growth is good, so we are also looking after generating revenue from this vertical. And the ammonia which we from last six to seven years, we are getting good projects from it. We are also doing big projects in dairy. So we think that we will go forward toward Rs. 1000 crore and also e-commerce is also developing so from that vertical or area a lot of revenue is generated.

Bhavya Shah: Sir, is there any chance to increase our bottom-line PAT margin and how much it can increase?

Management: As we have done new CAPEX so if we will look in upcoming full year there will be a cost for interest and depreciation, using WDV depreciation method. So, in the initial year depreciation comes more but we are tapping EBITDA. It is like that once the depreciation has come and the payment for term loan has been done these costs would not be there forever. We tap EBITDA margin. I think our margin in the next financial year would be in the sustainable range of 9.5% to 10.5%.

Bhavya Shah: And our old five products cold room, commercial refrigeration, ammonia, transport, all of this have a capacity of Rs. 500 crore in one year? Is this my understanding right?

Management: In old vertical we can go till Rs. 550 crore.

Bhavya Shah: And our target of Rs. 1000 crore, in that old vertical can generate a revenue of Rs. 550 crore and old vertical can generate a revenue of Rs. 450 crore.

Management: In between there will be a little bit of internal reshuffling in our new CAPEX because it could happen that by adding up a little bit space, doing modification in existing structure we can increase the term capacity of this plant. It will be determined in the next phase of CAPEX. We are focusing on topline we can do in the existing financial year because all of these verticals are growing but going forward our focus on new CAPEX is on automation. There is good demand for this too so by doing a little bit of internal reshuffling, by changing set up, by increasing space we can increase the installed capacity.

Moderator: The next question comes from the line of Tej from Niveshaay. Please go ahead.

Tej: Congratulations to the team on a wonderful financial year. Sir, my question is regarding topline. Firstly, in Q3 you seemed very confident that we will cross Rs. 500 crore and we expected a good contribution from new business. So, my question is on that what was the reason that led to this delay? Was there any production head issue or logistic issue because I see our end of inventory is almost Rs. 100 crore which is generally about Rs. 60 crore, Rs. 70 crores. Was there any particular issue which led to the delay and let's say if there would have been not we could have achieved Rs. 500 crores. If you could just explain this.

Management: The first reason is our new vertical and both the plants operation got delayed due to the civil. Civil work got delayed. If this vertical got started when we planned it earlier then we could have done topline of Rs. 500 crore or higher. The second question that you asked that over inventory has become Rs. 100 crore plus, so naturally the two new plants that have been set up, we have to keep raw material procurement. Definitely, going forward in next financial year you will not see this much inventory hike. Further, there are some vertical like commerce in which they have given good healthy advances. If I talk about March balance sheet we have around Rs. 25 crore- Rs. 27 crore advance from customer. So, they have also said that whenever they make a demand, because of the material shortage do not do short supply and they have also paid us advance and because of this reason we increased our inventory a bit.

Tej: Got it. And sir what will be the contribution of from new business that is continuous PUF panel and freezers?

Management: Sorry, means the contribution in upcoming financial year?

Tej: No, in Q4 what was the contribution?

Management: In Q4 the contribution of both was around Rs. 23 crore. In financial year it was Rs. 23 crore and in the specific quarter it was Rs. 20 crore.

Tej: Got it. What is EBITDA made on this? Or else, EBITDA level is almost negligible or what is the percentage on EBITDA level?

Management: Their breakeven will come. This was not their breakeven point. So, when their vertical will start full-fledged at that time they will match this EBITDA level but in initial year, hardly two to three months of operation there is not much EBITDA contribution.

Tej: Got it. So, in the next year in this business we can reach the EBITDA of 7% to 8%, we are expecting Rs. 130 crores.

Management: In the next financial year we have target of around Rs. 150 crore contribution from both the verticals.

Tej: Sir, my next question is on the overall demand. The summer what we expected was not there and monsoon came in early. This question is from the perspective of both the new business because of monsoon being early and summer is not happening as much we were expecting, because of that the demand outlook from retailer has become slow. Deep freezer, visicooler could be low so according to that your pipeline, can you explain with the dealer perspective what the demand is? Because the phenomena that happened now, monsoon came in early and summer did not happened the way it was expected. On our new business and on a broader level also if you could help us understand, according to end user also for our cold room or according to refrigeration what is the demand that we are expecting and although you said that you are expecting Rs. 1000 crore by FY'28, what rate of growth are we expecting for this financial year and if you could just tell in detail about demand outlook.

Management: As you saying that summer is not there and there was a monsoon in the middle, the products that we have with us impact air condition more. Refrigeration is mostly planned in the fourth quarter in advance, cold room. This is our first year in visicooler and chest freezer, we are facing the first quarter. But we think that according to our yearly target in visicooler and chest freezer our response is good because we do not have that much manufacturing capacity like big player, those who have installed such a large capacity they are having this problem. There is no demand as compared to last year. Last year there was a shortage in air conditioning and in freezer, everyone had a good opportunity in business but now. If we look at other segment, we are doing good work in quick commerce, the boom is still good. There is no impact of season and off-season. We also have a lot of tenders and projects from another business so for us fourth quarter is good as compared to the last year.

Tej: Understood. Got it. Sir, what will be contribution from quick commerce in this year, percentage of revenue.

Management: Roughly around 7% to 10%.

Management: No, not 7% to 10%. We also have products which we give after customization. Sometimes we receive special orders. Ten months are still remaining. If we talk about the whole year, the

speed at which we going with right now we can easily do 7% to 10%. It can be more that that if we have aggressive plan in the coming months.

Tej: Got it. Sir, this question is more sort on export. We have already applied for LN certificate and we were expecting that we will receive it and our business was also going to start in the USA. So can you tell us what is progress on that and second thing is I am seeing that we are also doing a lot of activity in Nepal. We are attending a lot of workshops in Nepal so what are our thoughts on Nepal business and how aggressively we are watching the market?

Management: As you asked about the certification it was under the process last time. Recently the certification process has been completed and in selective models which we had applied our approval has been done. So, we will work aggressively on the export in US. So, two, three that identified us or the local dealers that we identified so it will definitely help us. US certification will increase our business. So, you are talking about Nepal. You are seeing a lot of activity in Nepal because we have hired local employees of Nepal so that the products of Ice Make so that can present the product effectively. Our export to Nepal has been increasing for many years. So, this year by a different mode through Nepal's employee we can see an opportunity to increase our business and it will grow also.

Tej: Got it. Sir, in number terms how big can be the export for next year and in margin side let us say that numbers are good, margin perspective and what numbers are we expecting because we have receive US certification and as you said talks with dealers have been done. If you can tell anything from number side?

Management: Actually our export did not happen aggressively last time, this year also we are considering a target of Rs. 25 crore business from export and the margin that you are talking about, margin is service based considering a product. So margin difference is not that much that we leave it domestically and do export promotion because the nature of the product is like that, margin difference is not that much. There is a pending order book of Rs. 6 crore of export. And some dialogue of Rs. 7 core to Rs. 8 crore is going on. We cannot confirm on that but it is in process and could be materialized.

Tej: Got it. Sir, this question is on supply side. Like compressor, or let's say moderate cost, this year middle of the year government has put the BIS and has extended it. I want to know what is our arrangement, or let us say that the government has extended it for more year, the regulation has come once again so what is the relationship of getting supply and from where are we domestically sourcing it and if government put any regulation on import duty, will it impact us? I want to know it from that side a little.

Management: The demand for compressor is not that much in numbers for us against our competitors but manufacturing has also started in India and, work is done in good price. It is not like that there is no manufacturing in India. There are few countries except China, Chinese companies has also

changed its capacities in factories in other countries for India's supply. I do not think that anyone would miss Indian market of commercial freezer's compressor market of 20 lakh, and will not do substitute set up in a different country. In India a Company has already started it and there are other people who are aggressive for it and may be they will do it before the year ends.

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

Mosam Shah: Congratulations sir on a good set of numbers. Sir, I wanted to ask that how is our geography mix? From which area our revenue generation is more and how it is?

Management: Geographically, if we talk about national level. Ours is western-dominating and the revenue from West is always more. 51% is our revenue sharing and growth in the eastern side has been more as compared to last year. Revenue sharing is around 18%. In the North it is 11% and in the South it has increased to 14%. The contribution of all India dealers associates and export the is 3% respectively. If we generalize we are growing in the East, growing in the South and we have maintained in the North. In the East we have more contributors, we have more orders because the big projects are from the East side.

Mosam Shah: Okay. If we talk about working capital our creditors are more this time. So, is there any specific reason? Has our credit terms extended?

Management: Whatever is our business cycle and this time we have received a little bit orders from quick commerce for compressors so we have procured some compressors in advance although our quantity is not that much as our competitors so this was also an issue because of which we have hold the inventory. Further, the two new verticals, the two new plants that is being started, in that also we have done the procurement of inventory. Quick commerce gave us good orders and they also gave us good advance and we have also stored the material. So, going forward in two three, months there will be stock liquidation and credit period has also extended a bit because our business run regularly plus in repeat orders we give them orders with growth so we also get few favorable days of credit.

Mosam Shah: So, going forward our working capital days will be in what range?

Management: The new CF business is going to be through single-route distribution network but the new business in continuous panel we get 100% payment before dispatch apart from project only that will not be there in majority business. We can expect working capital around 6x if we go aggressively then we can go slightly here and there but it would not make much difference.

Moderator: Our next question comes from the line of Resha Mehta from Green Edge Wealth Services. Please go ahead.

Resha Mehta: So, the first question is that the phase 1 of CAPEX has been done right but the phase 2 of CAPEX, will it start in FY'26 or it could go in FY'27 also? What will be outlay, and for which product categories and how about funding?

Management: Actually the plan for phase two of CAPEX will be approximately Rs. 150 crore plus. And as we told earlier that after the establishment of two facility that means after the completion of phase one we will review it in April'25. As of now the review that we done we will not plan the CAPEX in continuous PUF panel in that area. Rest, we are eyeing two, three opportunity in front of us in the current financial year. We can close one opportunity from that in the current financial year like any acquisition or collaboration can happen. These type of dialogue are going on and we are hopeful that CAPEX in this year would be for that. Other than that the geographical that we are doing will also require some funding. And the rest fund requirement, 100% of Rs. 150 crore will not be in 2026 but it can go till 2027. Our projection was for three years, more than Rs. 200 crores CAPEX which we told you all one year back. And for funding as we have told earlier also we are open for all the opportunities. Bank loan is also available and we can plan it through equity also. It depends on the opportunity and time. According to both we are open for it.

Mosam Shah: Whatever the CAPEX will be, it would not be for land acquisition or for plant installation right? I can understand that much the way you are telling it. It will be for acquisition or collaboration as you are saying but there would not be any specific CAPEX for setting up a plant after buying land right, in this year.

Management: if we talk independently we have not planned for any project or product but going forward it is not like that we will not do it. I do not think that we will do it in priority. Some dialogues and opportunities are going like we are going to materialize that project but the financial planning and timing for it would not be right so after some time we will think about that. Some of them we have kept in the plan but after reviewing them somewhere in September or October we can take a call on that. After seeing how the progress in other opportunities is we will take a second call.

Mosam Shah: Understood. And our depreciation and interest cost, basically the quarterly run rate that is going on, basically the depreciation in Q4 was around Rs. 4 crore and interest cost was around Rs. 1.6 crore, so should we consider this run rate considering new capacities for two categories?

Management: Yes, this will be the run rate in next financial year. It is going a bit aggressive. You can consider the interest cost and depreciation of last Q4.

Mosam Shah: Okay. And if we talk about this year FY'26, so is the Rs. 650 crore revenue doable? What will be the guidance basically for revenue and even for EBITDA margin?

Management: We told this earlier and we also believe that with the full-fledged operation of two new plants we will achieve Rs. 650 crores. Rs. 150 crore plus contribution will be of our new plants. We have keep this in target and for the adjusting vertical if we plan the normal growth percentage Rs. 650 crores in not a difficult task. We have kept Rs. 650 crores considerably.

Mosam Shah: And EBITDA margin? What will the CAPEX, CAPEX I am assuming will be maintenance CAPEX?

Management: If we talk about CAPEX, exactly at this point of time we have not planned exactly that what will be materialized. We would not be able to give concrete input right now. Some routine CAPEX can come.

Mosam Shah: And EBITDA margin will be in the range of 9.5% and 10.5%?

Management: Until we get topline of Rs. 1000 crore we are tapping margin of 9.5% and 10.5%. It could happen that some margin may come down or go up but there would not be much fluctuation or variation.

Mosam Shah: Right and has BIS entered our segment or not or is it going to come and if it comes then what will be the benefit from it for us because anyway our top competition is established brands right? If you could tell something about this.

Management: You are talking about BIS?

Mosam Shah: Right.

Management: BIS is applicable on only one or two products from our product portfolio. BIS is applicable on chest freezer and we have that BIS approval and accordingly we do not have any problem from that product.

Mosam Shah: There would not be any competitive advantage from BIS, what I mean to say is because anyway our competition is established brands so BIS certification will be with them also. So if BIS comes, our product will be certified but we would not get any competitive advantage from this.

Management: Actually our upcoming product water cooler has a bit more of unorganized segment. So there it could be some special benefit. There is one product, that is chest freezer in that also BIS and rating is compulsory. All are organized players there so it is compulsory for everyone, it is common.

Moderator: Our next question comes from the line of Bhargav from Ambit. Please go ahead.

Bhargav: Good afternoon sir and congrats on the good revenue execution. Sir my first question is, if we look into our business then in fourth quarter then we generate revenue of almost 40%. Our

new business that is PUF panel and visicooler, will it impact the seasonality of the business. Will the fourth quarter be heavy or will it be spread out across the whole quarters?

Management: Actually chest freezer and visicooler will contribute 9% to 10% of the total topline revenue. Season for chest freezer and visicooler can also be first quarter because summer goes on till 15th of May and May end. So, before our last year's new products come into the picture there will be a little bit of support but overall the vertical that contributes 10% would not make much difference. Continuous panel, when the PEB segment will open, at the time of onset of monsoon civil projects get stuck then also there is no special benefit. There would not be much difference.

Bhargav: Okay. Secondly sir, according to productivity your new plant will be very much automated compared to our old plant. So your yield in terms of ROCE and productivity it can improve a lot because of the automated plant, old one was labor intensive, in that direction.

Management: Well right now its optimum performance has not come yet. If we look into ROCE We have invested in plant and machinery and a little surplus land then going forward when they will be in full-fledged operation then ROCE of them in that time would be better.

Bhargav: Should it come near to existing plant in one or two year or not?

Management: Yes, it will come near to existing plant.

Bhargav: Okay. And lastly sir, we used to miss on few big tenders earlier because we did not have PUF panels. So now can we say that after we have PUF panel our adjustable marketable opportunity must have also increased.

Management: Yes, that is correct that earlier we had few limitations but still we have done big projects by outsourcing. Now our advantage is in-house manufacturing. We will get the advantage timely and from quality point of view. Apart from that mobility federation and dairy segment, NDTP- the leading institute, that leads this project and also guides, we have got the certification approval from that level. It could be possible that once we would get that there will be an advantage.

Bhargav: Okay. Suppose we get an opportunistic order can we get near Rs. 650 crore? Do we have the potential to draw revenue by working in double shifts in the existing facility?

Management: It is always possible. As of now we have planned by holding on to what seems realistic but it depends on the market ultimately we have to do business and If we find opportunity then we will find our resources and utilization of our resources also.

Moderator: The next question comes from the line of Amit from HG Hawa. Please go ahead.

Amit: Good afternoon everyone. Sir, congratulations for good set of numbers. Sir my question is a bit different. Can you tell a key insight that you have discovered in the last three to five years which gives us a unique point in understanding our business?

Management: If we look at all the products are related to refrigeration. We have done development of our product in refrigeration. If we talk about unique, five to six years ago the products that we started for food processing heat pump dehydration and freeze dryer, we can call them unique products because it's manufacturing in India is very limited and it is import substitute, and it was available either from China or from European Union. And the work that we have done on freeze dryer in the past five years, it is an established product for us. And its future, we see that it will get good opportunity in food processing industry according to the lifestyle. So, we can call it unique. Along with that the limitations on ammonia verticals six, seven years ago. We could do not do big projects we also overcame that. We had good references and we have completed products with leading brands and we got good orders from dairy federation side and we have completed that. So this is an opportunity for us and we have overcome the limitations for business growth.

Management: There are a lot of dairies like Amul, plus there are a lot of private players who have big name in the industry like Haldiram, there are a lot of quick commerce customers who are connected with us, we are receiving repeat orders from them. So the trust of the market on our product and Company is really good plus whatever new products we are bringing in or whatever we are doing, their adjustable market is similar. We do not need to search another market to sell this product. We have to sell the products in this market in between our customers, so it is a bit easy for us. We have experience of many years and we also have gained the trust of people. So, for growth when new things comes in this industry and in this segment our bottleneck goes away and our topline growth gets a lot of support.

Amit: Thank you sir. Another question was related to order backlog. Has the last year order backlog spilled over this year? What was the order for last year and what is the order for this year?

Management: Quarter-on-quarter our order keeps on increasing. Running order book is there that is why we do not tap order quarter wise. But definitely there is a big order book as compared to the last quarter. A lot of time it is up and down because of the delivery period but most of the time there is an increase in our order book. Our current pending order book is of Rs. 171 crore and plus, on hand orders.

Moderator: The next question is from the line of Bharat Gupta from Fair Value Capital. Please go ahead.

Bharat Gupta: Sir my question is related to commercial refrigerators and visicoolers. If we look at the demand of this segment according to the organized players, how much will it be? I think Veeline was the one of major competitors in this segment. After its plant shut down how is the demand

in gap being addressed? Is it happening through imports or domestically the gap is being fulfilled by us and other players.

Management: Look import is not viable now so it happening domestically. It is on Veeline and us. Veeline use to work white labeling for orient. Our 70% volume is from our own brand and 30% is from when we work for other brand. Although, our production started in the season time so we could not tie up for white labeling. But from the last three, four months we have started tie-up, approaching people, sampling, waiting, working on the portal of BIS compliance. It seems like in the next two months our tie-up will be done. We did not have much advantage from Veeline. We have done business in our own brand. Apart from Veeline there is a Company that also came, they got business because there are Company for white labeling in India, their resource is outsourcing and they do not have option for import because the setting cost of anti-dumping and taxation structure will not be survivable.

Bharat Gupta: If I include refrigerators and visicoolers what will be the market size of the whole segment?

Management: If we look into commercial refrigerator the market size is around Rs. 3,000 crore to Rs. 4000 crore pacific. And the market for overall industry is around Rs. 15,000 crore.

Bharat Gupta: Overall industry you mean if we combine the entire refrigeration?

Management: After combining all the commercial freezer solution like cold room, continuous panel, and other dairy equipment's.

Bharat Gupta: If we look at the industry level it is one of the favorites this time because there is a lot of requirement coming in from you dairy segment. Industry wise I think I have also studies that there is an estimated growth of 20% to 25% from this segment. As we have set up the new plant in this so according to you what are the chances of growth in the next three years?

Management: Dairying and icing will always be on top. According to the demand of the Indian population it will always be on top. Next is food processing industry, our lifestyle is changing , technological development in food processing industry and the awareness that is coming in. these two industries will always be there. After that it is pharmaceuticals and we consider quick commerce on fourth. These industries will be on top.

Bharat Gupta: And sir the estimated that you have given of Rs. 15,000 crore, this includes visicooler as well, the overall size was after combining visicooler.

Management: These numbers were an estimated value of the products we work in that Rs. 15,000 could be its market size. Authentic reports are not available anywhere but as per our assumptions and observations we think that the product we are working on is around Rs. 15,000 crore.

Bharat Gupta: And sir, if we look at the EBITDA level in our new segments because now the impact of depreciation is coming but if we look at the margin on stable basis will it be in range of 12% to 13% or it will be in the traditional range of 9% to 10% for us?

Management: We are not focusing on EBITDA margin for now our focus is on topline and to increase it. Until we reach Rs. 1,000 crore topline we will not focus on EBITDA margin improvement. During the course it could happen that we do not to new CAPEX and OPEX, this margin could increase by 1% or 2%. We are not tapping that so we are not committing. We are trying to maintain our desired range which is in between 9.5% to 10.5%.

Bharat Gupta: Sir, what will be our installed capacity with respect to refrigerator for now?

Management: Specifically if we talk about commercial freezer and commercial refrigeration, per day we can manufacture 200 machines and from that total topline if we talk in amount we can produce and generate revenue of Rs. 130 crore in a single shift for whole year.

Moderator: Our next question comes from the line of Suraj Jain who is an investor. Please go ahead.

Suraj Jain: My question was that in how many years maximum utilization for our new capacity will be done? How will be the utilization?

Management: It could take around three, four years to take in on optimum level.

Suraj Jain: Okay. Can you tell the breakup in year one and year two?

Management: In new current financial year we have kept the target of Rs. 150 crore internally for new plant.

Suraj Jain: Okay. As we are also in cold storage manufacturing so can we say that our business could be cyclical because of some products, is my understanding right?

Management: Cold room is not having that much seasonal effect because it is an ongoing requirement project. It is required in production and also in storage. It is required in the production area of perishable products and frozen products so it does not have that much seasonal effect. When hot summer season comes, if we specifically talk about dairy ice-cream, it booms because of big CAPEX. We are getting running orders from pharmaceutical, chemical and e-commerce, even in hospitality and we work in other industries also. We cannot say there is seasonal impact, if we look at Q1, Q2, and Q3 from the last two years it is distributed equally but in Q4 because it is summer season people try to take benefit from investing in CAPEX. So our Q4 outperforms.

Suraj Jain: Okay. I want to know that why our margin is getting reduced. One of the reasons you told that it is because of the CAPEX is there any other reason other than that?

Management: We have done operational expense and recruitment of CAPEX throughout the year. We thought that the revenue contribution of new CAPEX will start from second half but we got delayed in that also so revenue contribution came in for only one quarter and the align expenses have been done for the full year throughout. That is the reason, we will bring it to a sizeable topline then our margins will be stable once again.

Moderator: Our next question comes from the line of Tej from Niveshaay. Please go ahead.

Tej: Sir, you talked about that we are looking for acquisition and collaboration. If you could tell us what type of acquisition or collaboration is it? Is it a different product category or are we targeting a geography? Something like that.

Management: Actually, see after we got listed, by using valuation we should work in takeover opportunity. A lot of time because of valuation we cannot conclude. Right now he have opportunity and we feel that we can bring some result in it but it is like that it is big for both the organizations so we cannot say much but we are aggressive and interested. As it is grown, we are also growing with time.

Tej: Sir, can you give update on Chennai plant? When is it expected that the plant will start? In Rs. 20,000 crore CAPEX it is included right?

Management: If we talk about Chennai plant civil construction work is going on and it will be finished by July or by end of the quarter and by next quarter we will shift there. It will be operative in the next quarter end. And the CAPEX of Rs. 20,000 crore which we talked about earlier, Bharat or Chennai does not have investment ratio in that. It will be additional, if we have to do anything in the existing facility or we have to increase small equipments.

Tej: Got it. Sir, how much it will be for Chennai if it is not included in Rs. 20,000 CAPEX?

Management: We had already kept Chennai in the first phase. We have to do CAPEX around Rs. 10,000 crore and it is happening according to that schedule. And as sir told we are planning to shift there in the next quarter.

Tej: How much revenue we will generate from Chennai plant?

Management: Approximately Rs. 60 crore of revenue can be generated.

Tej; Got it. Sir, for our new CAPEX for visicoolers and chest freezer do we come under Extended Provision Responsibility (EPR) where the idea of recycling is that whatever we have manufactured we recycle it after taking it from the market, do we come under that category and if we come do we have any obligation, do we have to do any expenditure separately?

Management: No, as of now, as per our knowledge we are not in that category.

Moderator: Our next question comes from the line of Saakhi who is an individual investor. Please go ahead.

Zaki: Namaskar and congratulations on the good last quarter. Sir, your new facility for PUF panel's heating panel relating to initial production.

Management: Heating problem was solved long ago. Now we have started the regular production also. We generated a revenue of Rs. 13 crore in the first quarter of last year. Currently I guess we generated a revenue of Rs. 6 crore two months back. Technically there is no issue. There are few problems related to machine and sometimes it is related to small utility but there is no major issue. Our internal in-house teams manages it. We make good product and if we want to do continuous production we do it.

Zaki: Our debt level will close at which level this year?

Management: I think debt level can go aggressive, we may require more funds because we are receiving good orders from quick commerce. Our funds are also blocked in non-fund based projects. We get less facility in utilizing working capital limit. So, overall according to approval limit we will work by keeping buffer margin. Not substantially but little bit debt will be required in working capital business or to release non-fund based limit, so we will work on that. We will increase the fund limit.

Zaki: In terms of numbers can we expect the finance cost remain around Rs. 8 crore Rs. 10 crores for the year?

Management: We can say that, we can increase the limit of fund around Rs. 20 crore to Rs. 25 crore because when we go for aggressive business then only it happen that we do not plan to utilize 100% but if bottleneck appears because of that to procure advance, or to provide service to customers or if we do not provide quick solution to convert into topline, we should not use these opportunity in aggressive business and we will work by keeping additional margin and buffer.

Zaki : Sir, can we expect a slightly higher interest component this year than last year?

Management: If we look according to last year our repayment has started. Run rate of interest will be high. But if we look into working capital the cost for interest of working capital will not increase that much going forward because in the two new plants we have kept the inventory storage. Going forward more inventory add up will not be required because to operate plant and to execute orders faster the materials have been procured in this financial year. Going forward there will no need to increase the inventory and our topline will increase and working capital will be more efficient.

Zaki: Sir, broadly if you could just explain the geography of topline?

Management: In West our contribution is 51%. If we look back in three years we are in absolute form in West. From last year we have grown 20%. But it is reducing in percentage terms because we are growing strong in other geographical regions. So, in West it is 51%, in East we have 18% share, in South it is 14% and in North it is 11% and national dealers whose products go all over in India it is 3% and around 3% export.

Moderator: Our next questions comes from the line of Tej from Niveshaay. Please go ahead.

Tej: Sorry, I missed it. Sir, can you tell the government versus private split of this time.

Management: Government versus private split revenue percentage?

Tej: Yes

Management: Actually we do not have pure state government or central government, cooperating federation is also involved. So, we had 15% to 20% revenue sharing in the project. On an overage our business would not be there for more than 10% to 15%.

Tej: Okay, tender based business is generally around 10% to 15%.

Management: Sometimes because of the big projects ratio gets changed otherwise we are not focusing on that only.

Moderator: Ladies and gentlemen 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 on Q4 FY'25 earnings conference call. We appreciate your time, your questions and your continued interest in Ice Make Refrigeration. We hope that the discussion today has given you a clear view of our business performance, strategic direction and growth outlook. If you have any further queries or require additional information please feel free to reach out to us or our investor's relation advisor. Aaryana Matasco will look forward to staying connected and updating you on our progress in the coming quarter. Thank you once again.

Moderator: 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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