Q1 | IFB Industries Limited Financial Report

Quarter Ended
30 June, 2024

Performance Report: Growth in EBITDA level propelled by margin improvement

Performance Snapshot

(₹ in Crore)

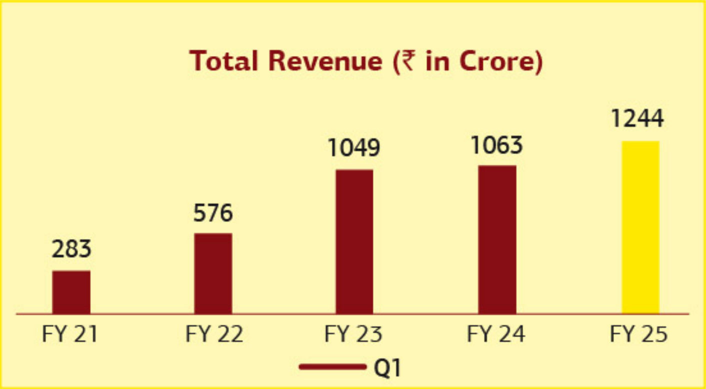
Particulars	Q1 FY 25	Q1 FY 25	Growth %
Revenue	1244.44	1062.85	↑ 17%
EBITDA	86.55	40.68	↑ 113%
EBITDA % on revenue	6.95	3.83	
EBT	52.40	3.55	↑ 1376%
EBT % on revenue	4.21	0.33	
PAT	38.84	2.63	↑ 1377%
ROCE %	23.34	4.62	

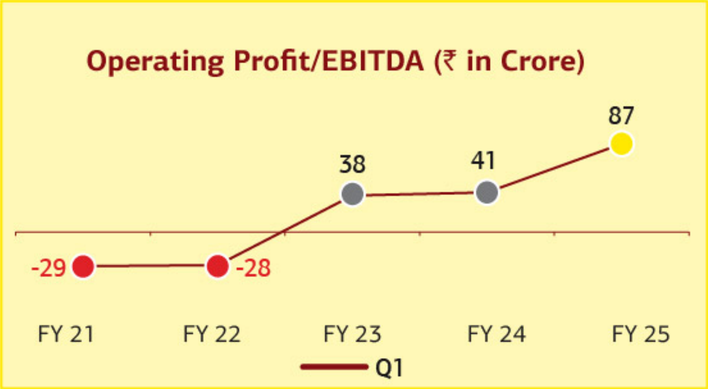
Performance Overview

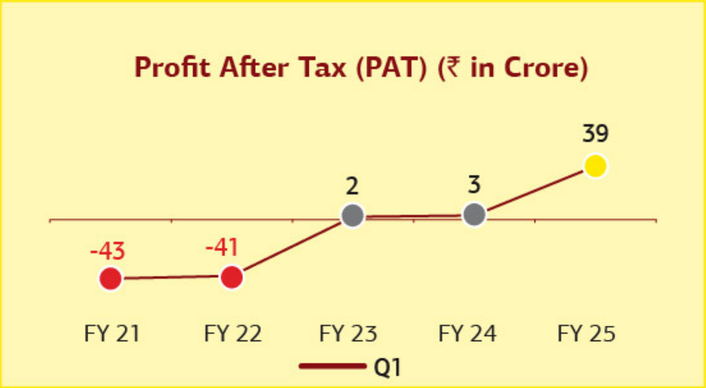
- Revenue growth for the Quarter has been 17%. We need to accelerate the revenue growth further.
- AC sales were impacted in the month of June '24 due to supply constraints otherwise revenue growth would have been higher.
- EBITDA growth was 113% for the period due to increase in the gross contribution amount and control over fixed expenditures.
- EBITDA % recorded 312 basis points increase as compared to last year.

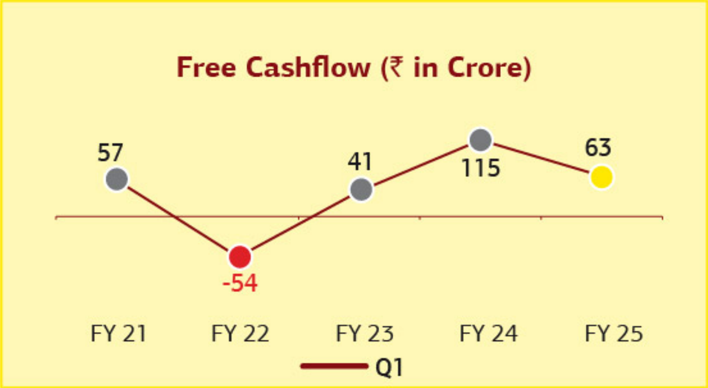
IFB

Financial Trend for the Q1









Note: All this data relates to Q1 for each financial year.

Parameters of Q1 FY 25

Total Revenue ₹1,244 Crore (+) 17%	**Revenue from Operations** ₹1,237 Crore (+) 17%	**EBITDA** ₹87 Crore (+) 113%
EBITDA Margin % 6.95% (+) 313 bps	**Net Profit Margin %** 3.12% (+) 287 bps	**EPS~** ₹9.59 (+) 1,375%
Receivables ₹407 Crore (+) 9%	**Inventories** ₹465 Crore (-) 7%	**Accounts Payable** ₹855 Crore (+) 6%
Free Cash Flow ₹63 Crore (-) 45%	**RONW %~** 23.75% (+) 2,193 bps	**Operating Cash Flow** ₹71 Crore (-) 43%

• *Growth/de-growth has been calculated in comparison with the corresponding Quarter/period of the last year.*
~Annualised and this data is based on YTD figures.

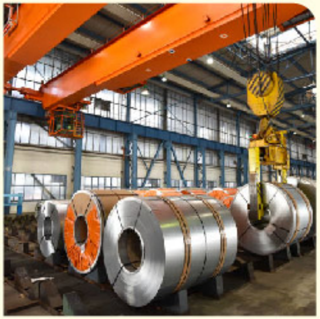
Key Divisional Highlights

HAD

- Revenue ₹1,008 Crore
  EBITDA ₹60 Crore
- To increase revenue, the Division continues to expand its presence in the channel networks across India through better extraction and by increasing dealer billing count.
- It is focusing on improving margins through cost reduction programs in areas such as supply chain/logistics/overheads/scheme etc.

Engineering

- Revenue ₹196 Crore
  EBITDA ₹30 Crore
- Marketing strategy has been revisited to achieve an organic growth of 15%.
- A separate team has been made for M&A in order to achieve further growth.
- The Division has undertaken cost reduction initiatives in material cost and fixed expenditures in order to drive up the margin further.



Steel

- Revenue ₹46 Crore
  EBITDA ₹1.07 Crore
- Revenue growth will be achieved by way of improved capacity utilisation, which will lead to better overhead absorption.
- Profitability will improve through material cost reduction, product mix etc.
- Improvement in quality will further improve the margin.

Motors

- Revenue (Automotive Motors) ₹17 Crore
  EBITDA (Automotive Motors) ₹0.00 Crore
- **Automotive Motors:** New project execution will help to boost revenue growth.
- **Appliances Motors:** Commercial production of BLDC appliances motors will be rolled out from FY 25.

Note: All financials are Q1 figures. Financials of Appliances Motors Division are clubbed with HAD.

Insignificant debt burden: Possibility of leveraging for future business expansion

Total borrowing was ₹47.67 Crore as on Quarter end date, which includes only Term Loan amount. Break-up of Term Loan borrowings, its position as on 31st March '24, 30th June '24 and projected value as on 31st March '25 are as follows.

(₹ in Crore)

Divisions	Lenders	Value as on 31 Mar '24	Value as on 30 June '24	Projected Value 31 Mar '25
Engineering Division	DBS Bank	3.10	1.55	-
	ICICI Bank	21.00	19.25	14.00
Home Appliances Division	Standard Chartered	26.14	17.43	–
Motors Division	ICICI Bank	1.00	–	–
Steel Division	Federal Bank	9.96	9.44	7.88
Total		**61.20**	**47.67**	**21.88**

The respective Divisions took the above Term Loans for their capital expenditures to maintain financial discipline. We are deliberately not making pre-payments because we want to conserve funds for future needs, particularly for M&A proposals on which we are working now.

Note: The debt position has further reduced and was at ₹38.43 Crore as on 31st July '24.

'Net Zero' Debt: Real focus on building up Positive Cash Balance

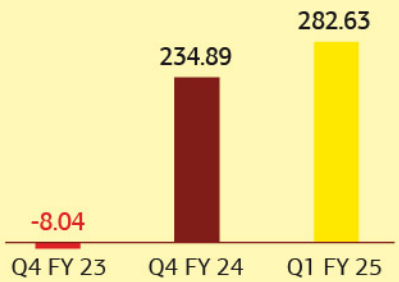
Against the aforesaid borrowing as on 30th June '24, our Cash and Bank Balances (including investments in Mutual Funds) were at ₹330.30 Crore. Hence the Company's Net Cash Balance was positive after considering its overall debt position. The break up of this is given below:

(₹ in Crore)

Break-up of cash and cash equivalents	Value
Cash and Bank Balance	113.24
Investments in Mutual Funds	217.06
Total	**330.30**

Available funds (Including MF investments) ₹330.30 Crore → **Total Debts** ₹47.67 Crore → **Net Cash* Position** ₹282.63 Crore

Continuous improvement in Net Cash Position



The Buyer's Credit, used for our HAD business has been completely paid off. Additionally, routine capital expenditures of ₹4.4 Crore were funded internally during the Q1 FY 25.

We have improved our Net Cash position by ₹48 Crore as against the previous Quarter of March '24. Efforts to reduce inefficient working capital is in progress.

**Net Cash Position is after eliminating all debts.*

State of the Art Refrigerator Plant in Pune

IFB Industries Limited invested ₹97 Crore in IFB Refrigeration Limited (IFBRL), holding 41.40% of the total equity. The organisation may decide to increase its stake in IFBRL in the future.

The Plant has come up in record time and went into commercial production from May '23.

We previously faced issues that have now stabilised. Due to losses in IFBRL, we experienced working capital constraints, but these have been resolved. The Sales Organisation has been strengthened and sales have improved in Q1 FY 25, with sales volumes reaching 90,000 units compared to 9,000 units in Q1 FY 24 and 40,000 units in Q4 FY 24.

Our initial target is to reach a monthly sales volume of 50,000 units by September–October 2024. We also aim to achieve significant numbers with OEMs. Model availability and plant capacity have been increased and the Company is expected to generate good revenue in FY 25. The complete range of models needed for Phase 1 of the market launch was available by December 2023 and we are now ramping up production of new models, including glass door configurations and five-star models.

In Q1 FY 25, total production was 87K units as compared to 18K units in Q1 FY 24 and 42K units in Q4 FY 24.

Production in Numbers (Units in '000)

Q1 FY 24	Q2 FY 24	Q3 FY 24	Q4 FY 24	Q1 FY 25
18	53	42	42	87

Home Appliances Division

Business Updates

Home Appliances Division

The consumer durable industry was either flat or in decline in Q1 FY 25, especially in the Washer category, although Air Conditioners and Refrigerators saw significant growth. We believe that overall demand remains stable in the medium term. The upcoming season should see good customer sales across all categories. Over the last two Quarters, we have significantly expanded our presence in the channel networks across India, particularly in distribution-led channels with placements of Refrigerators. As we have mentioned earlier, our main focus in the coming Quarters is on strengthening account extraction with our expanded portfolio. Changes have been made to our sales team to achieve our objectives and realise our potential. The new Washer range, launching in Q2 FY 25, is a key factor in increasing our market share.

Material costs, which decreased in the last fiscal year, are expected to drop further in the new fiscal year. This is due to ongoing work in design, re-sourcing and consolidation. Reducing material costs remains a top priority and we will continue to optimise expenses in the new fiscal year. Additionally, we are targeting reductions in indirect and fixed costs through a detailed review, including Supply Chain costs, logistics (warehousing and freight), warranty costs, scheme effectiveness, employee productivity and Fixed Overheads.

In the Washer category, the Company is introducing a new product line with Front and Top Loader models featuring unique features across the range. The 9 Kg and 10 Kg models performed well last fiscal year and we expect to increase market share as volumes from this segment rise. With higher volumes in the high-end segments and the introduction of the 'Deep Clean Range' from Q2 FY 25, we anticipate a significant boost in market share.

In the industrial segment, order bookings for Washer Extractors and Dryers aimed at commercial laundry have increased over the last two Quarters. The team is now securing more large, high-value tender deals. Key growth areas include launderettes, hotels, hospitals, restaurants and laundry installations in government institutions. We are also focusing on the export market, for this category.

Business Updates

The new design for IFB Points has been expanded to around 181 stores. We are updating all existing stores to this new design, which will be completed by the end of this fiscal year. Currently, there are about 462 IFB Points. We are also running a program for selected IFB Points with a digital and offline activation model to increase customer visits within a 5–10 km radius. Our main goal is to establish a profitable model for the IFB Point franchisees, which will be supported by higher sales of air conditioners and refrigerators.

As a part of the IFB Points, we also have the modular kitchen business. We need to put in place a proper team to do well in this business. The network as on date is three stores in Goa, four in Bangalore, one in Kolkata and one in Mumbai. We are taking the following steps to deliver scale on this business:

A. The lead pipeline for modular kitchens has grown over the last two Quarters, thanks to digital campaigns. We now have over 950 leads, as compared to 300–400 six months ago. However, conversion rates remain low, ranging from about 5% to 15% (in Goa). We need to focus on improving conversions and connecting better with customers.

B. We are looking at ways to improve conversion rates with the increased number of leads. This will involve enhancing customer engagement at IFB Points, improving design consultations and offering better value and commercial deals on both Modular Kitchens and Appliances.

C. We have to sell to keep commitments–need a rejig—we are reviewing the same in order for us to have a sustainable and large network of stores.

Range of Products: Home Appliances

The updates at the end of 1st Quarter for each of the product categories are given below:

Washer Dryer Refreshers (WDR)

Leading a Laundry Revolution—Wash, Dry and Refresh in One!
For those who are tired of juggling multiple appliances for their laundry, IFB's innovative Washer Dryer Refresher (WDR) is the first of its kind in India, offering a complete laundry solution in a single machine. This top-of-the-line WDR takes convenience to the next level, letting you wash, dry and even refresh your clothes with ease.

The Secret Sauce to washing: The built-in fabric refresh function, known as Sensora, allows you to add a fragrance to clothes. This popular feature delivers fresh, ready-to-wear clothes in just 30 minutes, ideal for busy schedules or last-minute outfit changes. IFB's WDR is a major milestone for the Company!

Exciting future developments: Based on customer feedback, IFB plans to launch new WDR models with even larger capacities, sleeker designs and superior drying efficiency. Additionally, faster wash cycles and improved energy efficiency will save you time and money on every laundry load. This will start from Q3 FY 25 onwards.

Note: All product figures are shown at net sales level after deducting the respective scheme costs.

Range of Products: Home Appliances

Front Load Washers

Consumers are demanding more capacities and they are looking for Washers with:

- **Larger capacities:** To handle the increasing wash loads/wash frequencies of families.
- **Advanced features:** Technologies that go beyond basic cleaning, like improved fabric care and innovative features.

Starting in Q2 FY 25, IFB will introduce its Deep Clean technology across the entire washer range. This new line of Washers is designed to meet the growing demand. Building on the success of last year's higher capacity Deep-clean models, we will be expanding the range to cater to a wider audience.

What makes the new Deep Clean washer range special?
Superior fabric care: Washing programs and features help clothes retain their 'new look' for 30% longer, living up to the promise of '**Washed Yet Wow!**'

Cutting-edge technology: Features like patented Oxyjet® technology, 100% Steam Refresh and Warm Soak deliver a deeper clean that's gentle on fabrics.

Front Load Washers

Quiet and efficient: The laundry washing experience is exceptional with the Eco Inverter Motor, which reduces noise and saves energy.

Deep Clean is all about keeping your clothes looking their best, longer! The focus will be on fabric care, marketed under the promise of '**Washed Yet Wow!**'–which we believe will be a key selling point for consumers who value the longevity of their wardrobe.

Our Key Task in hand: To maximise sales and market share potential, through implementation of competitive planograms (product placement strategy)–ensuring that the new Deep Clean reaches a wider audience and drives customer conversion to this range over competitors.

A rejig of the sales and marketing organization is in process to increase the revenue.

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
Value Sales in ₹ Crore	269.40	266.41	283.11

Note: All the product-wise figures at net sales level after eliminating respective scheme costs.

Range of Products: Home Appliances

Top Loading Washer

Consumers are showing a stronger preference for larger–capacity Washers. This is evident in both Top and Front Load models

- Demand for our 9–12 Kg models is increasing and we will continue to expand volumes in these segments

- Sales of 7 Kg and 8 Kg models also offer significant growth/ volume potential

Design Preferences:
- Consumers are looking for Washers with sleek designs and compact structures.
- From Q2 FY 25 our new range will offer features like Steam, Inverter technology, WiFi connectivity and a choice of rear or front user interface. Additionally, models will have 100% soft–close glass doors.

Q2 and Q3 FY 25 Focus:
- The key initiative will be the launch and ramp up of the new ‘Deep Clean Top Load Range’.

- The new range will enable expansion in the distribution network reach and will help increase market share to a great extent.

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
Value Sales in ₹ Crore	106.29	96.33	112.71

Range of Products: Home Appliances

Clothes Dryers

The Clothes Dryer range has five variants. We plan to upgrade this category with a new range of Vented and Condenser dryers by the end of FY 26, which is currently in the design and product evaluation stage. The Clothes Dryer continues to perform well as a complementary product to the Washers.

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
Value Sales in ₹ Crore	6.94	7.64	5.87

Note: All the product figures are at net sales level after eliminating respective scheme costs.

Industrial Segment: Laundry & Dishwashing Equipment

This business provides a wide range of laundry and dishwashing products supported by professional services. IFB's nationwide sales and service presence sets it apart in the market. We engage with a diverse range of sectors, including hospitality, healthcare, pharmaceuticals, defence, government, education, IT–ITES, manufacturing and railways. Our equipment is known for its high reliability and durability and includes products like washer extractors, tumble dryers, flat work ironers, folders, body presses, dry cleaning machines and various accessories.

The Industrial Business has embarked on a three year "Vision–26" Plan "3 X 3" with the objective of delivering a 3X Revenue Growth in three years. A detailed Product Road Map has been worked out considering both Industrial Laundry as well as Industrial Dishwashing equipment.

Today the Industrial Business has a list of marquee customers across different customer verticals.

To address the growth objectives, the Industrial Business has embarked on a strategy to introduce a new product range which includes...

Industrial Segment: Laundry & Dishwashing Equipment

A. Laundry: The 15 Kg Washer/15 Kg Dryer/30 Kg Dryer in Q2 FY 25 will be under a new platform configuration. New designs of 30 Kg Washer and Calendar machines will be introduced in Q4 FY 25. We have also started design work on Stack configuration machines which would address the requirement of laundromats and this product is expected to be released in Q1 FY 26.

B. Dishwashing: Bottle Washers, Thermo–label Rack Conveyor Machines and Hybrid Hood Type Dishwashers are some of the products which are in the pipeline.

Export Market:

A. IFB's commercial business has begun operations in the UAE, Africa and Russia and is working on establishing local partners to expand its reach.

B. We are also exploring for dealers, distributors and agents in Sri Lanka, the Maldives and CIS countries to boost our export business.

After its acquisition in FY 20, revenue now has stabilised at ₹100 Crore/ year with improved EBITDA margin and the purpose of acquiring this business has been achieved.

(₹ in Crore)

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
Value Sales in ₹ Crore	34.17	36.95	27.74

Note: All the product figures are at net sales level after eliminating respective scheme costs.

Range of Products: Home Appliances

Microwave Ovens (MWOs)

The Microwave Oven category did not grow in the first Quarter of FY 25. However, IFB continues to be amongst the dominant players in this category, achieving the number 2 position in India during Q1 FY 25.

We have addressed the model capacity gaps in the Convection and Solo categories and plan to launch premium 34-litre and larger convection models in Q2 FY 25. This will help us increase our market share and position IFB at the high end.

We are also working on upgrading the design, user interface and capacity of our microwaves to align with global trends and local market needs.

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
Value Sales in ₹ Crore	48.12	52.50	46.58

Note: All the product figures are at net sales level after eliminating respective scheme costs.

Range of Products: Home Appliances

Built in Ovens, Built in Dishwashers, Built in MWO, Chimneys and Hobs

We are now focusing on areas such as exclusive staffing, proper model placements and displays, trained Customer Service Representatives at all IFB Points and identifying key kitchen appliance sales counters. Our goal is to achieve ₹5 Crore in revenue per month starting from Q3 of FY 25.

We have completed product benchmarking for both the Cooker Hood and Built-in Hob segments, covering specifications, pricing and technology. The new models in the Cooker Hood category feature BLDC technology, hand sensor controls, heat auto-clean functions and filterless options, making them top-quality products in the Indian market.

(₹ in Crore)

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
Kitchen Appliances	5.14	4.73	5.18
Modular Kitchens	1.21	1.43	1.65

Note: All the product figures are at net sales level after eliminating respective scheme costs.

Range of Products: Home Appliances

Dishwashers (DWs)

The domestic Dishwasher segment has experienced a decline in demand compared to previous Quarters. The market has stabilised at around 8K units per month across all brands. Three brands, including IFB, dominate 80% of the market.

In terms of placement, we are now placed in ~2,000 plus counters and our target is to reach ~3,500 plus counters by the end of Q2 in FY 25.

The demand for the new 16-place setting capacity models has gone up and our Neptune VX2 Plus model is the highest selling SKU in the market.

As market trends shift towards higher capacities and advanced technology, we are developing premium models with features like BLDC technology, AI capabilities, triple wash mechanisms and exclusive ionisers to remove bad odours.

Our target is to reach a level of sales of ~5K per month in Phase 1 (H2 of the FY 25).

Rejig of sales and marketing organisation is in process to increase revenue.

(₹ in Crore)

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
Value Sales in ₹ Crore	16.22	7.90	11.42

Note: All the product figures are at net sales level after eliminating respective scheme costs

Range of Products: Home Appliances

Air Conditioners (ACs)

Our range of Heavy Duty FastCool ACs performed well in Q1 FY 25. We offer both Cold and Hot & Cold models. Current energy norms are in place until 31 December 2025, after which energy levels will increase by 13%, which will make ACs more efficient for consumers.

Our range includes all relevant 3 and 5-star models and we are developing a new 2-tonne 5-star model, set to launch by November/December ’24. Our ACs have proven to operate effectively even in high temperatures of up to 58°C and use eco-friendly refrigerants. All models are smart-ready and can be controlled remotely using Geo-sensing technology, a leading feature in the industry.

The quality and performance of our products are recognised as among the best. In line with the ‘Make in India’ initiative, we have localised critical components like electronics. Our new lineup offers various placement options across distribution, key accounts and smaller multi-brand channels.

Range of Products: Home Appliances

Air Conditioners (ACs)

We aim to improve margins in the new fiscal year through a material cost reduction program, targeting a double-digit EBITDA margin. Profitability will be addressed once the new range and cost reduction plans are completed, which are expected before the next season.

In Q1 FY 25, we sold approximately 137K units with a positive EBITDA. We initially aimed for 400K unit sales in FY 25 but have revised the target to 500K units for better margins. Sales in Q1 were impacted by Supply Chain issues and unexpected demand. We will improve inventory planning for the next season to address this.

The feedback on the product continues to be highly positive and we are optimistic about the volume growth for the IFB Brand sales in the quarters ahead.

(₹ in Crore)

Particulars	Q1 FY 25	Q4 FY 24	Q1 FY 24
AC Brand Sales	307.49	193.26	166.17
AC OEM Sales	13.47	8.52	45.43
Value Sales in ₹ Crore	320.95	201.78	211.60

IFB

Performance Report: Growth in EBITDA level propelled by margin improvement

Performance Overview

- EBITDA has grown by 129% in Q1 FY 25 as against Q1 FY 24. We need to drive sale of FL & TL to drive margins.
- EBT has increased as compared with the corresponding Quarter of last year.
- The Division needs to fix sales and also reduce its fixed expenses to ensure higher margins.

With the addition of Refrigerators, we now offer a complete product range. There is no reason why we cannot achieve over 20% revenue growth. We need to drive the sales team to expand channels and improve performance to meet our financial targets.

We must deliver double digit margins, which we are failing to achieve. This is the Management's goal and was the wish of our Founder Chairman. We have to achieve this.

Performance Snapshot

(₹ in Crore)

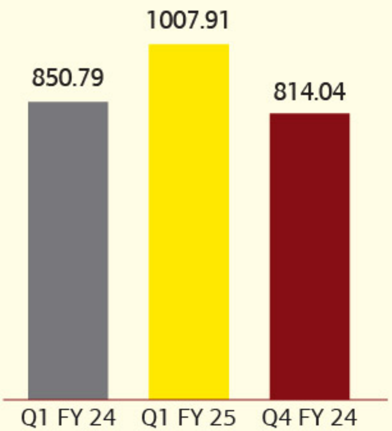
Particulars	Q1 FY 25 HAD	Growth % HAD
Revenue	1007.91	↑ 18.47%
EBITDA	60.23	↑ 129.14%
EBT	31.47	↑ 1221.31%

Focus on improvement in EBITDA level: Quarterly Performance Analysis

HAD Financial Performance: Q1 FY 25 (₹ in Crore)

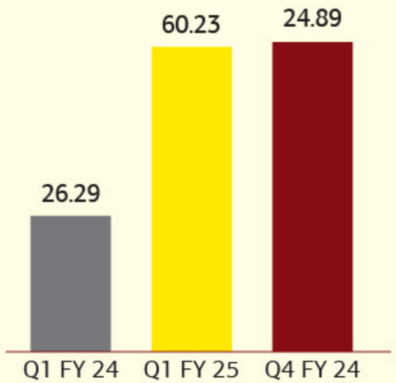
Revenue

YOY +18% | QOQ +24%



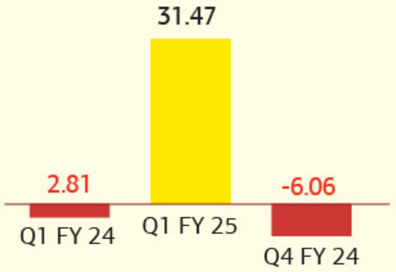
EBITDA

YOY +129% | QOQ +142%



EBT

YOY +1221% | QOQ +619%



Notes:
1. YOY means Year on Year–comparison between current year and last year.
2. QOQ means Quarter on Quarter–comparison between last two Quarters.

Financial Summary of Home Appliances Division

(₹ in Crore)

Particulars	Q1 FY 25	Q1 FY 24
Revenue	1,007.91	850.79
EBITDA	60.23	26.29
EBITDA % on Revenue	5.98	3.09
EBT	31.47	-2.81
EBT % on Revenue	3.12	-0.33
ROCE %	44.73	4.55

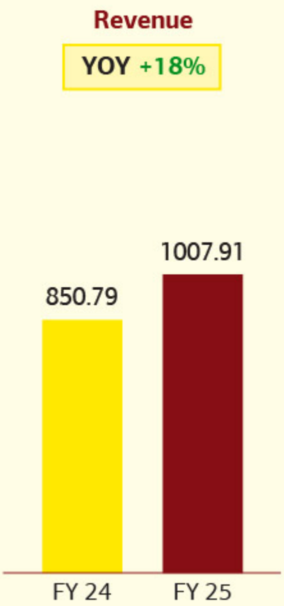
- Revenue has grown by 18% in Q1 FY 25 as against the same period last year.
- EBITDA has improved for the Quarter by 129%.
- Washer sales was below expectations otherwise both top line and bottom line would have been better.
- The key actionable areas to improve performances are summarised below:
  - Get manning right in the sales areas.
  - Get the numeric reach (distribution channel reach) right
  - Drive the cost reduction programs to ensure margin improvement.
- ROCE has improved substantially as compared to last year on account of improvement in profitability.

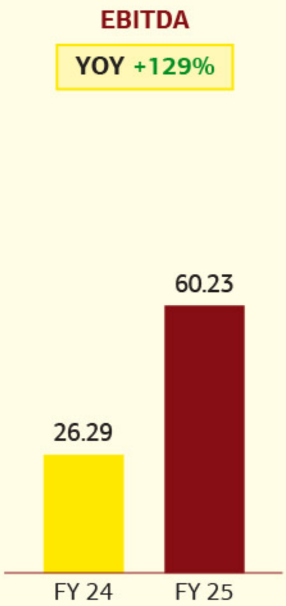
Note: HAD financials include Industrial Bommasandra and Appliances Motors Division.

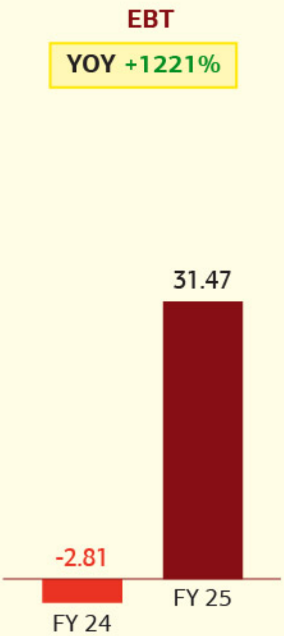
HAD Quarterly Results: Q1 FY 25 vs Q1 FY 24

(₹ in Crore)

GROWTH YOY



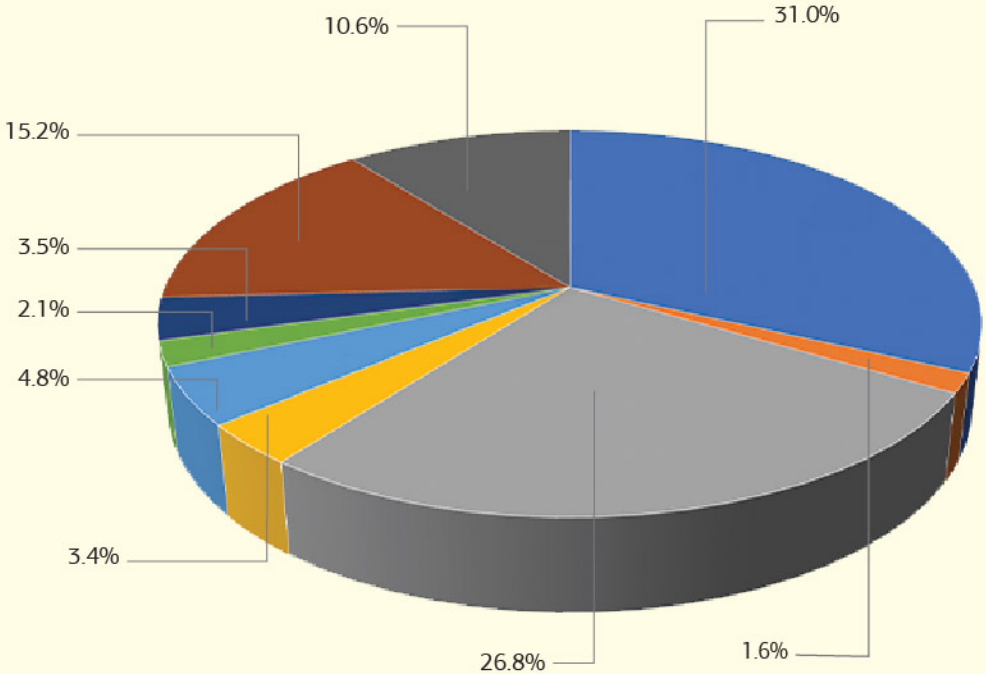




Notes: YOY means Year on Year–comparison between current year and last year

Segmental Sales: Home Appliances Division

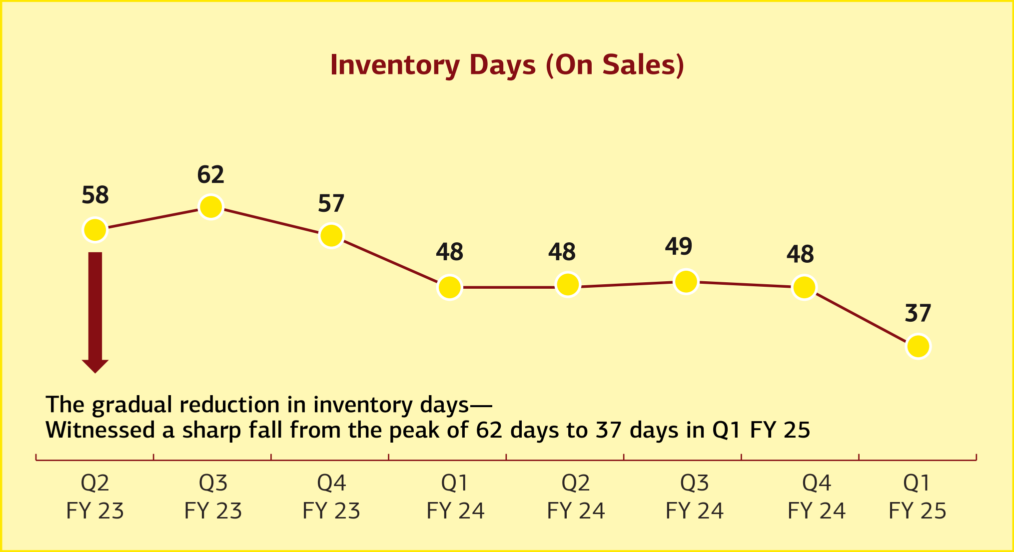
Q1 FY 25 Product-wise Spread in Home Appliances Division



Products	Revenue ₹in Crore	Percentage of Total Sales
AC	320.95	31.9%
Front Loader	269.40	26.8%
Service	153.09	15.2%
Top Loader	106.29	10.6%
Microwave	48.12	4.8%
Refrigerator	35.53	3.5%
Indl Product	34.17	3.4%
Others	21.03	2.1%
Dishwasher	16.22	1.6%
Grand Total	**1,004.80**	

Notes:
1. This representation is based on Quarterly net sales data after adjusting all scheme costs.
2. Service revenue includes product sales and AMC/EW etc.
3. This does not include other income of ₹2.38 Crore for the Quarter.

Focussed approach resulting in consistent improvement in inventory days
Steady improvements in inventory holding days over last 8 Quarters: HAD



Notes:
1. Calculated based on average of closing and opening inventory for the reported period and annualised sales for the reported period.
2. The Inventory Holding in this Q1 has come down significantly from the previous Quarter.

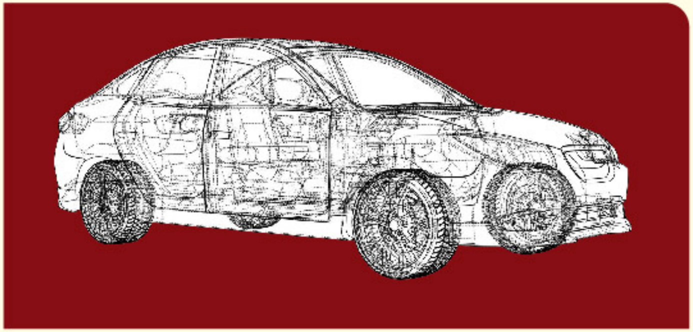
Engineering Division

Moderate performance by all business verticals: Needs further improvement– Marketing to be pushed for the same.

Performance Snapshot

(₹ in Crore)

Particulars	Q1 FY 25 Engineering	Growth % Engineering
Revenue	196.30	↑ 10%
EBITDA	30.27	↑ 35%
EBT	22.85	↑ 84%



Performance Overview

- Witnessed a revenue growth of 10% this fiscal year with EBITDA growth of 35%; this has been mainly achieved through margin improvement.

Engineering **booked new business** of **₹22 Crore for the Q1 of FY 25.**

Share of EVs **~42%** of booked business.

Company also **increased its focus on EV neutral segment** and booked business worth **₹9 Crore.**

Long-term Growth Strategy

- The Division has set a target for itself for adding new orders to the tune of ₹500 Crore in the next two years. In Year 1 (FY 25), the Division's order obtainment target will be ₹200 Crore and in Year 2 (FY 26), it will be ₹300 Crore.
- The Division has set an acquisition target for itself that will add ₹700 Crore to ₹800 Crore per annum to the Division's current revenues.

Industry outlook on the business perspectives of automobile business

INDUSTRY OVERVIEW: Q1 FY 25

Four Wheeler

- Passenger Vehicles: Moderate growth observed YOY with 3%.
- Utility Vehicles drove growth by 18%.
- Passenger vehicle segment crossed for 1 million units in a Quarter for the first time.

Two Wheeler

- Healthy double digit growth across motorcycles, scooters and mopeds segments, premium sub-segments being key growth drivers.
- Two wheeler sales surged to 4.9 million units, marking an 20% increase YOY.

INDUSTRY OVERVIEW: FY 25 GROWTH OUTLOOK

Four Wheeler

- Utility Vehicle segment growth driven by launches and consumer preference.
- Premium hatchbacks to cushion car segment decline.

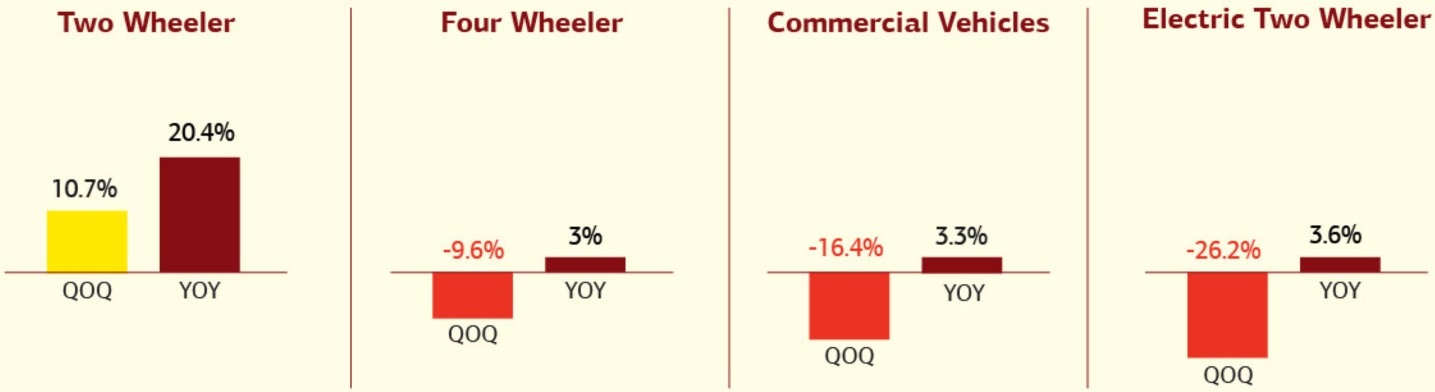
Two Wheeler

- Anticipated moderation in growth due to high base from previous year.
- Premium motorcycle segment to drive growth, commuter segment to expand slowly.
- 125cc scooter sub segment is expected to see improved growth with OEM focus.

- **Overall automobile sales increased by 16% in Q1 as compared to last year.**
- **The industry anticipates boost from a positive monsoon.**
- **Upcoming festive season is expected to enhance performance for the remainder of the year.**
- **Auto industry Revenue Growth—Healthy growth driven by increased volumes and favourable product mix.**
- **Auto industry PAT Growth—Benefiting from operating leverage and higher sales volumes.**

Source: SIAM

Vehicle Sales Volume Growth in India



(Units in Lakhs)

Classification	Q1 FY 25	Q4 FY 24	QOQ	Q1 FY 24	YOY
Two Wheeler	49.86	45.04	10.7%	41.41	20.4%
Four Wheeler	10.26	11.36	-9.6%	9.96	3.0%
Commerical Vehicles	2.24	2.68	-16.4%	2.17	3.3%
Electric two wheeler	2.22	3.01	-26.2%	2.14	3.6%

Our Business Concentration:

Two Wheeler 48%

Four Wheeler 42%

Note: YOY represents comparison between Q1 FY 25 vs Q1 FY 24 and QOQ represents comparison of Q1 FY 25 vs Q4 FY 24.
Source: Siam and smev.in

IFB

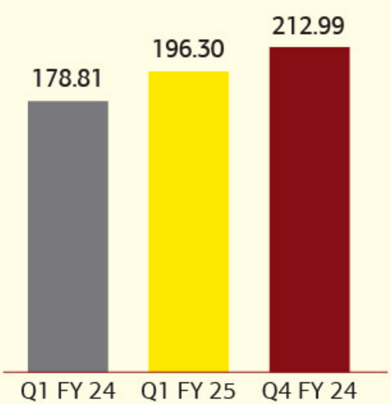
Moderate growth in Revenues, with continuous improvement in EBITDA level through margin improvements: Quarterly Performance Analysis

Financial Performance: Q1 FY 25

(₹ in Crore)

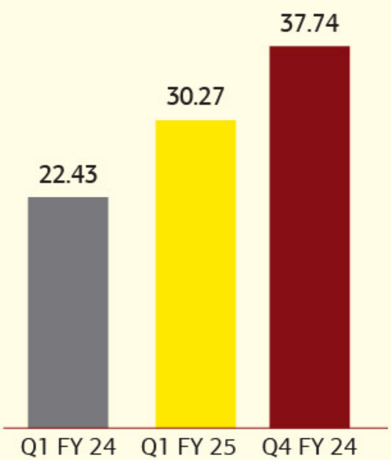
Revenue

YOY +10% | QOQ -8%



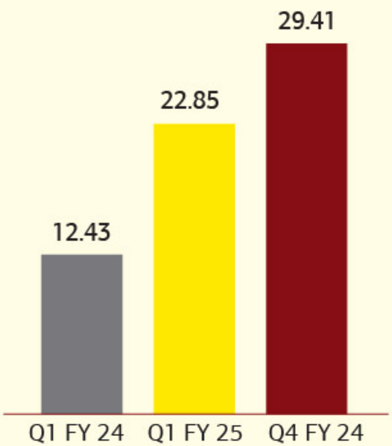
EBITDA

YOY +35% | QOQ -20%



EBT

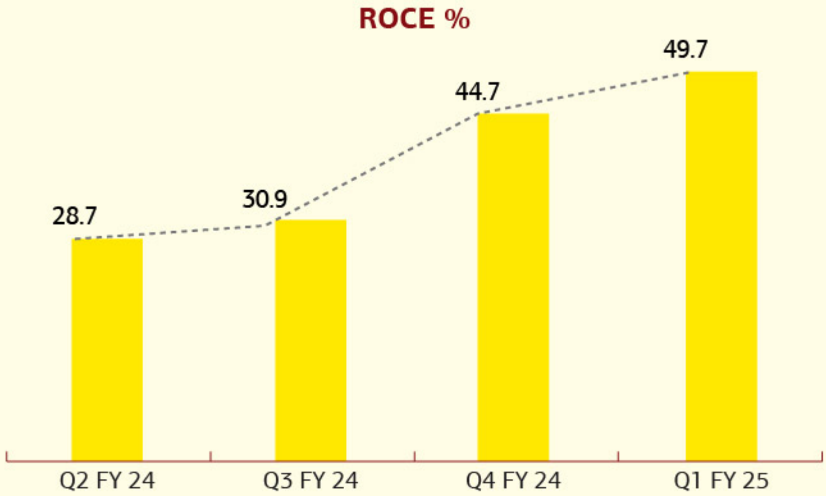
YOY +84% | QOQ -22%



Notes:
1. YOY means Year on Year–comparison between the current year and last year.
2. QOQ means Quarter on Quarter–comparison between the last two Quarters.

IFB

Steady Improvement in ROCE

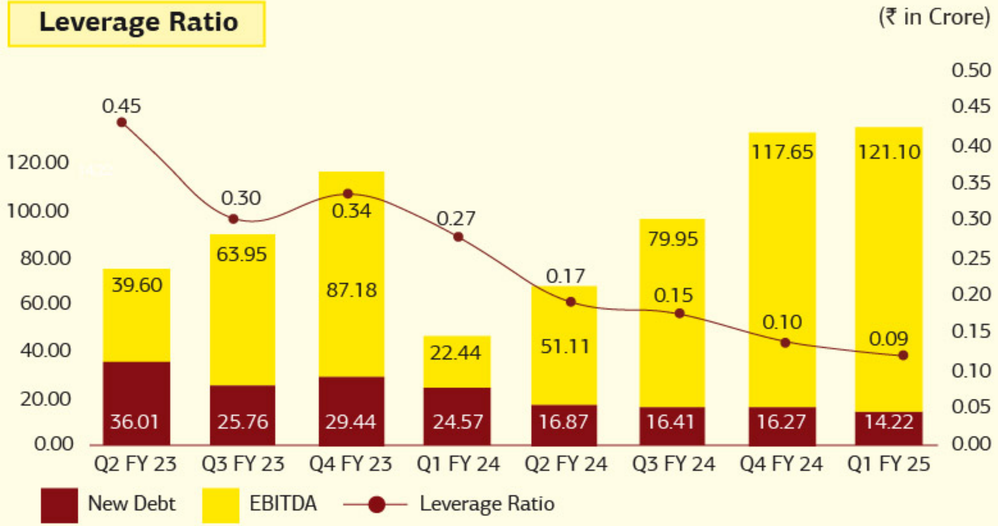


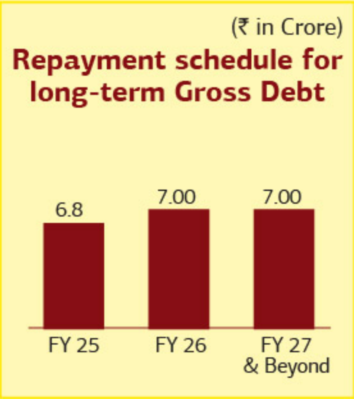
Improvement in ROCE is mainly due to the following reasons:

- Optimisation of working capital deployed leading to lowering of capital employed base
- Improvement in profitability
- Reason for spurt in ROCE in current Quarter is also because the Management had revised its estimate of the lease term of one of its lease arrangements in Q4 FY 24 (March 24). Due to these changes, the lease liability has been remeasured and an amount of ₹51.33 Crore recorded as an adjustment to the right-of-use-asset. The Division's ROCE would have been 39.5% without this adjustment.

Leverage at a comfortable level of 0.10X—Net Debt/EBITDA (Std 3x)

Leverage Ratio





Notes:
1. Net Debt = Gross Debt—Cash and Cash Equivalents.
2. Leverage ratio = Net Debt/Annualized EBITDA.

The Division is well placed for significant investments in M&A and is working towards this.

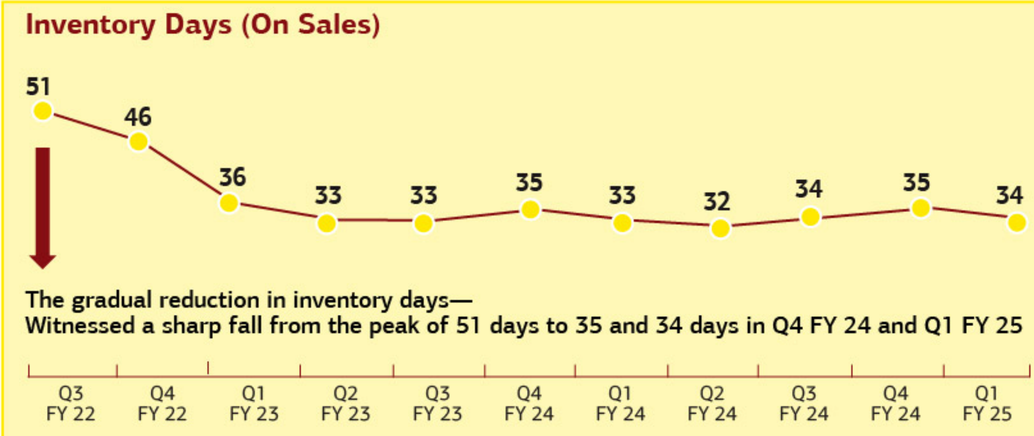
The Division's balance sheet is strong and is set to move forward in its acquisition endeavour. This will be helped by overall improvement in IFBIL margins and cash position. No acquisition will take place till the Company's cash position is close to ₹500 Crore and the Company reaches double digit margin.

Loan in the Fine Blanking Division is ₹1.55 Crore which will be zero by September 2024. The Division is deliberately not prepaying this.

The Stamping Division loan outstanding is ₹19.25 Crore as on 30th June 2024. Quarterly instalment is ₹1.75 Crore and the last instalment is scheduled to be paid in February 2027.

Focussed approach resulting in consistent improvement in inventory days

Steady improvements in inventory holding days over last 11 Quarters



Inventory >60 days ₹19 Crore*

Focussed approach on planned liquidation of the inefficient inventory

Inventory Holding Targets Q2 FY 25: 30 days

Notes: Calculated based on average of closing and opening inventory for the reported period and annualised sales for the reported period.

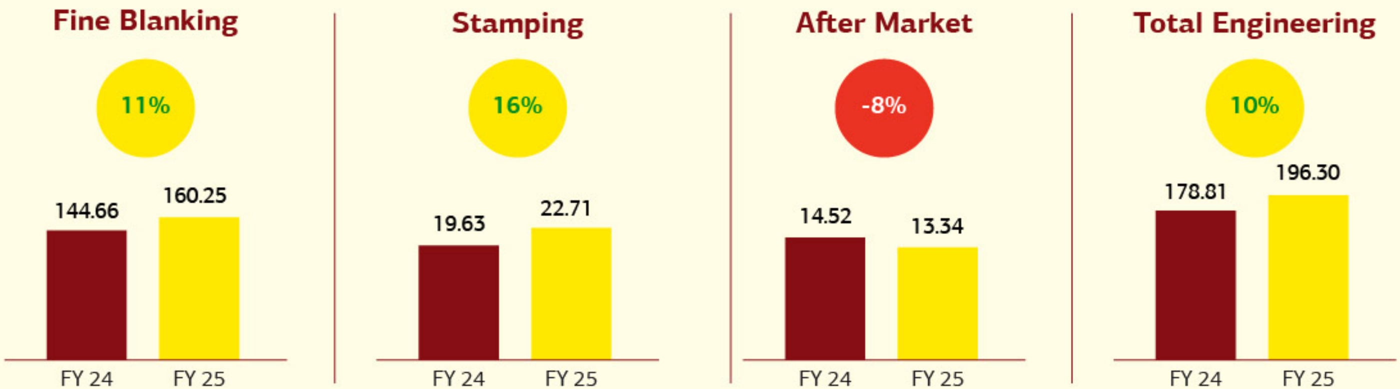
** ₹19 Crore is including tool inventory of ₹6 Crore.*

IFB

Engineering Quarterly Performance (Business Vertical Wise):
Q1 FY 25 vs Q1 FY 24

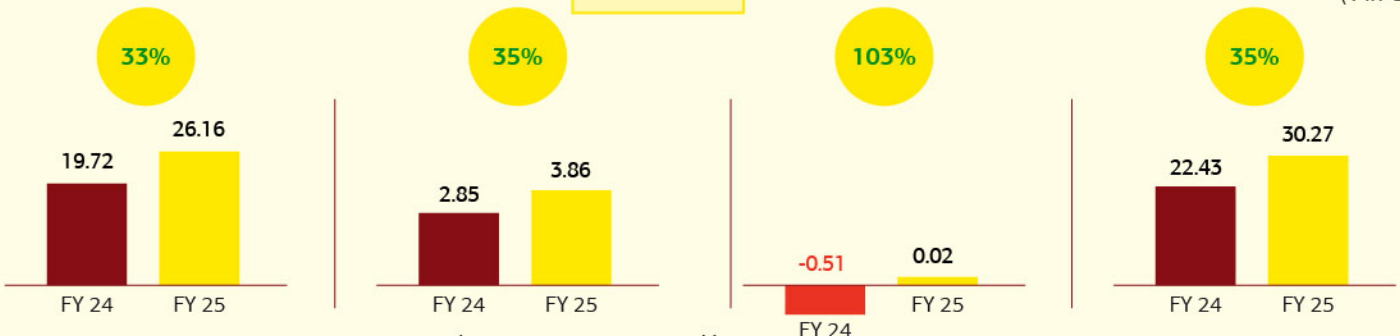
(₹ in Crore)

Revenue Growth YOY



EBITDA Growth YOY

(₹ in Crore)



Note: YOY means Year on Year–comparison between current year and last year.

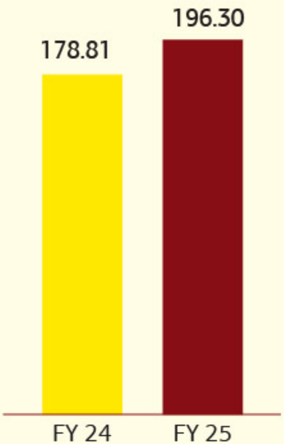
Engineering Division Quarterly Results: Q1 FY 25 vs Q1 FY 24

(₹ in Crore)

GROWTH YOY

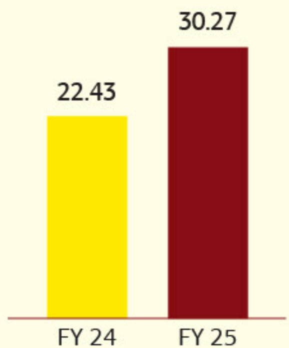
Revenue

YOY +10%



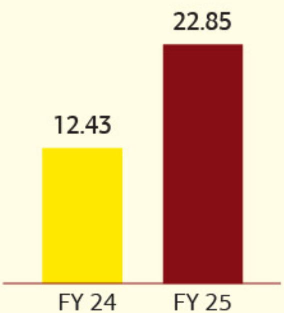
EBITDA

YOY +35%



EBT

YOY +84%



Notes: YOY means Year on Year—comparison between current year and last year.

Financial Summary of Engineering Division

(₹ in Crore)

Particulars	Q1 FY 25	Q1 FY 24
Revenue	196.30	178.81
EBITDA	30.27	22.43
EBITDA % on revenue	15.42	12.55
EBT	22.85	12.43
EBT % on revenue	11.64	6.95
ROCE %	49.74	22.79

- Revenue growth in Q1 FY 25 is at 10% but however profitability has improved on account of reduction in material costs and better control over fixed expenditures.
- EBITDA has grown by 35% in Q1 FY 25 due to margin improvements.
- EBT has grown by 84% in Q1 FY 25 on account of the reduction in both depreciation and interest cost.
- Steady improvement in ROCE continues.

- In the Stamping business, which was acquired in FY 20, revenue of ₹7 Crore per month has been reached and the targeted EBITDA level, by and large achieved. Now we have capacity constraints–Capex is being evaluated–as the business will grow further, a decision will be taken.

MOTORS DIVISION: BLDC Project

- The Division has strategically committed to energy conservation by transitioning all appliance motors to energy-efficient BLDC (Brushless DC) Motors. These BLDC Motors are designed to save energy, reduce noise levels and enhance reliability, positioning us at the forefront of sustainable technology.
- Investments in Motors Division have not yielded desired results as yet but focused attention on improving customer connect, right product introduction at the right time and introduction of new age energy-efficient motors will lead to a well-positioned business. Lines bought for production of both Washing Machine BLDC Motors and AC BLDC Motors remained unutilised due to delayed product development. Now, we believe, both will initiate by December ’24.
- Financially, we anticipate significant improvements in both revenue and profitability from FY 26 onwards. This positive outlook is driven by strategic material cost reductions and new business opportunities from external customers.
- In summary, our transition to BLDC motors marks a pivotal step towards energy conservation, market expansion and financial improvement, setting the stage for a prosperous and sustainable future.

Financial Summary of the Automotive Motors Division

(₹ in Crore)

Particulars	Q1 FY 25	Q1 FY 24
Revenue	16.55	16.34
EBITDA	0.00	0.33
EBITDA % on revenue	0.00	2.02
EBT	-0.26	-0.03
EBT % on revenue	-1.59	-0.19

- During Q1 of FY 25, the Automotive Motors Division's revenue has been flat, at last years level.
- We are working on adding new customers and new products to ensure minimum monthly turnover of ₹.8 Crore & EBIDTA margin of 10%.
- Efforts have been initiated with a target of 5% reduction in input cost which includes VA/VE, alternate sourcing, reduction of process rejection etc..
- We will start production of Engine Cooling Fan Motors for Nexon applications and Blower Controller for fully automated temperature control (FATC) which will be implemented for multiple customers (Renault, Mahindra, Tata) by Q4 of FY 25.
- We are in the advanced stages of developing BLDC motors for various automotive applications like Engine cooling, Battery cooling, Seat ventilation etc. The implementation of advanced BLDC motors is expected by Q2 FY 26 which will significantly contribute to our annual revenue, reflecting our commitment to innovation and excellence in the automotive sector.

Financial Summary of Steel Division

(₹ in Crore)

Particulars	Q1 FY 25	Q1 FY 24
Revenue	45.58	37.68
EBITDA	1.07	-0.28
EBITDA % on revenue	2.35	-0.74
EBT	-0.28	-1.25
EBT % on revenue	-0.61	-3.31

- During 1st Quarter of FY 25, sales were 6,034 Mt as compared to the budgeted sale volume of 7,050 Mt. We have ramped up production to reach 2,250 Mt in June '24 against a target of 2,350 Mt.
- Top line did not meet the budget due to reasons like stoppage due to power outages and delays in receiving raw materials.
- Focused marketing approach helped in acquiring new customers with higher realisation and enhanced share of business in Fine Blanking Kolkata and Bangalore, which also ensured that the Plant sufficient orders.
- We started a continous improvement plan to resolve bottlenecks in critical production areas like CRM, Annealing and SPM. This will help us meet production targets and achieve budgeted profitability from Q2 FY 25 onwards.
- Overall yield has improved from 88.44% of FY 24 to 90.45% in Q1 FY 25. Our endeavour is to achieve 91% yield by this FY 25 in line with budgeted target.

GAAL

Global Automotive & Appliances Pte Ltd

(₹ in Crore)

Particulars	Q1 FY 25	Q1 FY 24
Revenue	18.24	17.52
EBITDA	1.64	1.52
EBITDA % on revenue	8.99	8.68
EBT	1.64	1.52
EBT % on revenue	8.99	8.68

IFB Industries Limited, the Holding Company, has one wholly owned subsidiary-Global Automotive & Appliances Pte Ltd (GAAL) and one step-down subsidiary, Thai Automotive and Appliances Limited (TAAL).

Q1 revenue has been marginal as compared to last year and EBITDA is at 9%.

Why it is strategic to have an establishment in Singapore?

- GAAL continues to provide inputs on M&A opportunities to IFB for acquisition targets in the ASEAN region.
- GAAL has also helped to source numerous components and parts for IFB from Korea, China, Thailand and others.
- Having an office there gives us credibility in dealing with global companies that have their regional headquarters in Singapore and this gives us access to all other ASEAN and global companies who have their regional headquarters/offices in Singapore.
- GAAL was invited by Taiwan External Trade Development Council (TAITRA) which is a part of Taipei representative office for a business event in Taipei for supplier match making event—also we have been introduced to potential suppliers, the ones that manufacture machines to produce components for mobile phones/electronic components etc—GAAL will be helping IFB to source machineries and IFB can manufacture & supply Electronic component parts etc. The project is under evaluation now.

TAAL

Thai Automotive & Appliances Limited

(₹ in Crore)

Particulars	Q1 FY 25	Q1 FY 24
Revenue	13.71	13.83
EBITDA	0.62	0.37
EBITDA % on revenue	4.52	2.68
EBT	0.09	-0.21
EBT % on revenue	0.66	-1.52

TAAL is engaged in the manufacturing of auto components through the Fine Blanking process.

- **The Management was restructured at TAAL. A new CEO has been appointed who has taken charge and improvements are visible.**
- **Revenue de-growth during the Quarter is 1% as compared to the same period last year.**
- **EBITDA margin has improved and is at 4.52% in this Quarter. However, this is insufficient and has to increase along with growth in revenue.**
- **The Company is focused on the growth trajectory of this subsidiary business and has made the right manning changes for a few strategic positions.**

IFB

Note on current status after takeover

Note on Acquisition of Steel Division

The Division was amalgamated with IFBIL from 1st April '22 as per NCLT orders.

The Key Challenges of this Business were

- The unit was running at poor capacity utilisation and low order booking.
- Plant equipment and electricals were not only outdated but also obsolete.
- Non prime generation was very high.

Turnaround Strategy Implemented in Following Areas

- Improvement in value addition, through better product mix and aggressive Marketing strategy to acquire new customers.
- Close monitoring of costs and reducing non prime generation in the mill .
- Capex undertaken to increase capacity and improve quality.

- Improved capacity utilisation and a better product mix have enhanced the unit's performance Our priority now is to achieve the budgeted revenue to ensure higher margins.

- Efforts needed to meet budget and we require more focus on capacity utilisation, sales and margins etc.

Financial highlights are summarised below

(₹ in Crore)

Particulars	UOM	FY 20	FY 21	FY 22	FY 23	FY 24	FY Q1 25
		Financial Years					Quarterly Results
Revenue	₹/Crore	72.11	71.26	116.72	142.63	157.61	45.58
EBITDA	₹/Crore	-1.19	-0.19	0.93	2.97	1.41	1.07
EBITDA %	Percentage	-1.65	-0.27	0.80	2.08	0.89	2.35
EBT	₹/Crore	-4.14	-2.65	-0.64	0.74	-3.12	-0.28
EBT %	Percentage	-5.74	-3.72	-0.55	0.52	-1.98	-0.61

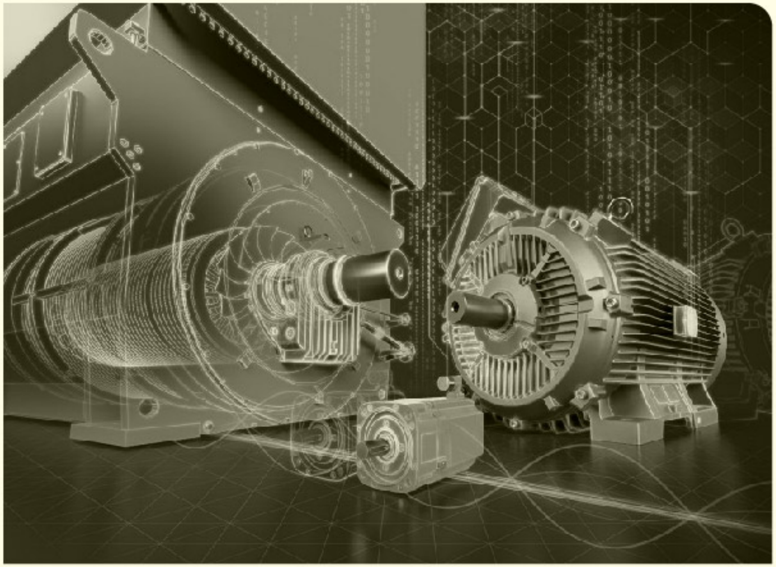
Note on Automotive Motors Division Takeover

The Motors Division acquired the **Automotive Motors Division** from IFB Automotive Pvt Ltd in October '19. The objective was to bring in synergy between the two Divisions which could result in substantial cost savings.

New project executions are in progress and we expect to achieve good business growth in this fiscal year.

IFB already had a **Washer motor** business in place. This acquisition helped to reduce the fixed costs as well as variable costs in terms of optimisation of sales returns, freight charges, commodity price negotiations and more.

Though there has been business de-growth this year, we plan to improve the situation by adding new products to our range, such as developing BLDC motors for automotive applications like engine cooling and seat ventilation.

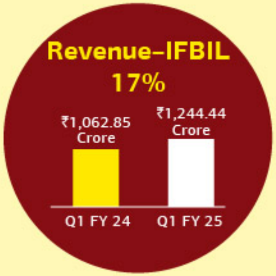


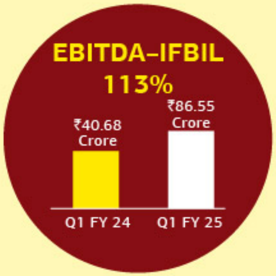
Particulars		Financial Years				Quarterly Results
	UOM	FY 21	FY 22	FY 23	FY 24	FY Q1 25
Revenue	₹/Crore	32.95	49.26	70.97	66.95	16.55
EBITDA	₹/Crore	-3.40	-1.30	3.10	1.17	0.00
EBITDA %	Percentage	-10.32	-2.64	4.37	1.75	0.00
EBT	₹/Crore	-5.43	-2.91	1.49	-0.32	-0.26
EBT %	Percentage	-16.48	-5.91	2.09	-0.47	-1.59

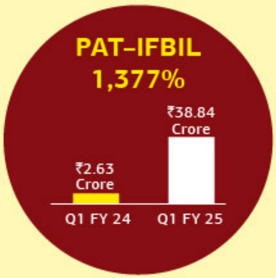
FINANCIAL STATEMENTS
STANDALONE INCOME STATEMENT For Quarter Ended June

(₹ in Crore)

Standalone Income Statement	YTD 30 June '24	YTD 30 June '23
Total Sale of Products	1,562.20	1,279.85
Less: Trade Scheme and Discounts	387.43	280.83
Net Sales	**1,174.77**	**999.02**
Sale of Services	35.31	30.81
Other Operating Revenues	27.20	25.24
Revenue from Operations	**1,237.28**	**1,055.07**
Other Income	7.16	7.78
Total Income	**1,244.44**	**1,062.85**
EBITDA	**86.55**	**40.68**
EBITDA Margin (%)	6.95	3.83
Depreciation and Amortisation Expense	29.37	29.72
EBIT	**57.18**	**10.96**
EBIT Margin (%)	4.6	1.0
Finance Costs	4.78	7.41
Profit Before Tax	**52.40**	**3.55**
Profit After Tax	**38.84**	**2.63**
PAT Margin (%)	3.1	0.2
Total Comprehensive Income (TCI)	**39.08**	**2.43**
Total TCI Margin (%)	3.14	0.23
No of Shares (in Crore)	4.05	4.05
Earnings per share (₹) (Not Annualised)	9.59	0.65







FINANCIAL STATEMENTS Standalone Balance Sheet

(₹ in Crore)

Standalone Balance Sheet as at	30 Jun, 24	31 Mar, 24
ASSETS		
Property, Plant and Equipment*	606.13	621.01
Investment in Subsidiaries	118.60	118.60
Investment in Equity Shares	0.66	0.66
Inventories	465.16	535.98
Investment in Mutual Funds	217.06	192.11
Trade Receivables	407.19	431.43
Cash and Bank Balances	113.24	105.48
Other Assets	174.98	157.58
TOTAL	**2,103.02**	**2,162.85**
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	723.91	684.83
Borrowings (Including Current Maturities of Long Term Debts)	50.76	67.36
Trade Payables	854.77	961.62
Other Provisions and Liabilities	432.30	407.76
TOTAL	**2,103.02**	**2,162.85**

**Including CWIP, Right of Use Assets, Investment Property, Goodwill, Other Intangible Assets and Intangible Assets Under Development*

Key Indices as on 30 June, 2024

Fixed Assets
₹606.13 Crore
(-)₹14.88 Crore

Inventories
₹465.16 Crore
(-)₹70.82 Crore

Cash and Cash Equivalents (includes short-term investments)
₹330.30 Crore
(+)₹32.71 Crore

Trade Payables
₹854.77 Crore
(-)₹106.85 Crore

FINANCIAL STATEMENTS Standalone Key Ratios

(₹ in Crore)

Standalone Key Ratios	QTR 30 June, 24	QTR 30 June, 23
Earnings Per Share (in ₹) (Not Annualised)	9.59	0.65
Book Value Per Share (in ₹)	188.85	162.64
Current Ratio (#)	1.18	1.09
Quick Ratio (#)	0.77	0.64
EBITDA/Total Income (%) (Annualised)	7.0	3.8
Net Profit Margin (%)	3.1	0.2
Net Worth (in ₹ Crore)	654	548
RONW (%) (on PAT) (Annualised)	23.8	1.9
Return on Capital Employed (%) (on EBIT) (Annualised)	23.3	4.6
No of Equity Shares (in Crore)	4.05	4.05
Closing Market Price on Period End (in ₹)	1638	813
Market Capitalisation (in ₹ Crore)	6635	3293
Head Counts (Numbers)	2439	2607
Total Income Per Employee (₹ in Lakh)	51.02	40.77
PBT Per Employee (₹ in lakh)	2.2	0.1
Fixed Asset Turnover Ratio	9.5	7.8
Days Sundry Debtors Outstanding	32	39
Inventory Holding (in days)	27	35

(#) Including current investments and short term working capital loans and current maturities of long term loans

Key Indices as on 30 June, 2024

Current Ratio
1.18
+0.09

Market Capitalisation
₹6,635 Crore
(+)₹3,342 Crore

Debtors Holding
32 days
(-)7 day

Inventory Holding
27 days
(-)8 days

IFB

FINANCIAL STATEMENTS Standalone Cashflow Statement

(₹ in Crore)

Standalone Cashflow Statements	At YTD level 30 Jun, 24	31 Mar, 24
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	**52.39**	**90.38**
Non Cash and Other Adjustments	31.38	136.15
Operating Profit Before Working Capital Changes	**83.77**	**226.53**
Movement in Working Capital	(8.72)	90.75
Cash Generated from Operations	**75.05**	**317.28**
Income Taxes Paid	(3.89)	(9.79)
Net Cash Generated from Operating Activities	**71.16**	**307.49**
Net Cash Used in Investing Activities	**(42.37)**	**(136.36)**
Net Cash Used in Financing Activities	**(21.01)**	**(159.09)**
NET CHANGE IN CASH AND CASH EQUIVALENT	**7.78**	**12.04**
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	**105.48**	**93.44**
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**113.26**	**105.48**

Note: After considering investment in Mutual Funds total Cash and Cash equivalent as on 30th June '24 was ₹330 Crore against last year's balance of ₹244 Crore.

Key Indices as on 30 June, 2024

Cash flow from operating
₹71.16 Crore
(+)₹236.33 Crore

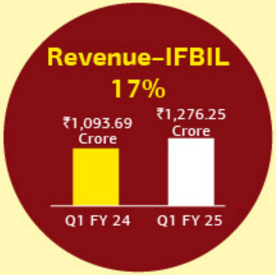
Cash flow used in investing
(-)₹42.37 Crore
(-)₹93.99 Crore

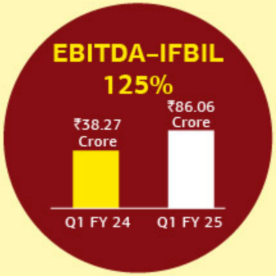
Cash flow used in financing
(-)₹21.01 Crore
(-)₹138.08 Crore

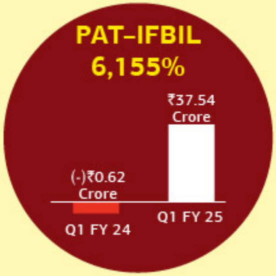
FINANCIAL STATEMENTS
Consolidated Income Statement Quarterly Results

(₹ in Crore)

Consolidated Income Statement	Quarter	
	30 Jun, 24	30 Jun, 23
Total Sale of Products	1,593.47	1,310.09
Less: Trade Scheme and Discounts	387.43	280.83
Net Sales	**1,206.04**	**1,029.26**
Sale of Services	35.31	30.81
Other Operating Revenues	27.81	25.84
Revenue from Operations	**1269.16**	**1085.91**
Total Income	**1276.25**	**1093.69**
EBITDA	**86.06**	**38.27**
EBITDA Margin (%)	6.74	3.50
EBIT	**56.19**	**8.03**
EBIT Margin (%)	4.4	0.7
Profit Before Tax	**51.38**	**0.56**
Profit After Tax	**37.54**	**(0.62)**
Attributable To Owners Of The Parent	37.54	(0.62)
Total Comprehensive Income (TCI)	**37.61**	**(1.62)**
Attributable To Owners Of The Parent	37.61	(1.62)
Earnings Per Share (₹) (Not Annualised)	9.26	(0.15)







CONSOLIDATED HIGHLIGHTS

(₹ in Crore)

	Q1 FY 25	Q1 FY 24
Total Income	1276.25	1093.69
Earning Before Depreciation, Interest and Tax	86.06	38.27
Earning Before Interest and Tax	56.19	8.03
Profit Before Tax	51.38	0.56
Profit After Tax	37.54	(0.62)
Earnings Per Share (₹) (Not Annualised)	9.26	(0.15)
Cash and Liquid Investments	343.82	253.61

CONSOLIDATED BALANCE SHEET

(₹ in Crore)

	30 Jun, 24	31 Mar, 24
ASSETS		
Property, Plant and Equipment*	629.63	645.45
Investment in Equity Shares	68.13	70.86
Inventories	468.24	539.19
Investment in Mutual Funds	217.06	192.11
Trade Receivables	432.84	463.05
Cash and Bank Balances	126.76	110.58
Other non-current assets	175.92	158.55
TOTAL	**2,118.58**	**2,179.79**
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	713.94	676.33
Borrowings (including current maturities of long term debts)	51.67	69.42
Trade Payable	878.09	983.24
Other Provisions and liabilities	433.60	409.52
TOTAL	**2,118.58**	**2,179.79**

**Including CWIP, Right of Use Assets, Investment Property, Goodwill, Other Intangible Assets and Intangible Assets Under Development.*

Key Indices as on 30 June, 2024

Fixed Assets
₹629.63 Crore
(-)₹15.82 Crore

Inventories
₹468.24 Crore
(-)₹70.95 Crore

Cash and Cash Equivalents (includes short-term investments)
₹343.82 Crore
(+)₹41.13 Crore

Trade Payables
₹878.09 Crore
(-)₹105.15 Crore

OVER

7 MILLION

SATISFIED CUSTOMERS

Microwave Oven | Built-in-Oven | Dishwasher | DC & FF Refrigerators | Chimney I Built-in-Hob | Top Load | Front Load | 100% Clothes Dryer | Air Conditioner

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