Varroc Engineering Limited

Corp Office:
3rd & 7th Floor, B- 3010 & 7010, Solitaire Business Hub (Marvel Edge) Datta Mandir Chowk, Viman Nagar, Pune - 411014, Maharashtra, India
Tel: + 91 20 67445001

Regd. Office:
L-4, MIDC Industrial Area, Waluj, Chhatrapati Sambhaji Nagar (formerly Aurangabad)-431 136 Maharashtra, India
Tel:+91 - 240-6653700
Fax +91 240 2564540

www.varroc.com
CIN: L28920MH1988PLC047335
Email: Varroc.info@varroc.com

VARROC/SE/INT/2026-27/90 November 4, 2026

To,

The Manager- Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.
NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.
BSE Security Code: 541578

Dear Sir/Madam,

Sub: Press Release - Financial Results Q2/FY 2026-27

Please find enclosed a copy of Press Release on the Un-audited Financial Results (Consolidated & Standalone) for the quarter and half year ended on September 30, 2026.

Kindly take the same on record and note the compliance.

For Varroc Engineering Limited

ANIL GHATIYA Digitally signed by ANIL GHATIYA
Date: 2026.11.04 15:05:04 +05'30'

Anil Ghatiya
Company Secretary & Compliance Officer

Encl: A/a

Press Release

Varroc Engineering Revenue shows strong growth of ~ 34% YoY and Revenue from by supplying to EV models in Q2 FY27 is ~ 19%

- **Consolidated revenue from operations was ₹29,479 million in Q2 FY27 a growth of 33.6% YoY. This is highest ever quarterly Revenue post divestment**
- **PBT before Exceptional and JV profit for Q2 FY27 came at ₹1,401 million as compared to ₹912 million reported in Q2 FY26. This is growth of 54%**

Pune, Nov 4, 2026: Varroc Engineering Ltd. (Varroc), a global tier-I auto components group, reported strong performance for Q2 FY27, supported by robust automotive demand, ramp-up of new programmes and continued growth across its India, overseas and electric mobility businesses.

For **Q2 FY27, consolidated revenue increased 33.6% year on year and 11.9% sequentially to ₹29,479 million**. India operations grew **29.5% year on year**, while overseas operations also delivered strong growth.

For **H1 FY27, consolidated revenue increased 31.8% year on year to ₹55,822 million**, supported by **29.1% growth in India and 70.7% growth in the overseas business**.

Profitability improves sequentially

Q2 FY27 EBITDA stood at **₹2,611 million**, with an **EBITDA margin of 8.9%**, improving from 8.5% in Q1 FY27. **PBT before JV profits and exceptional items increased to ₹1,401 million, or 4.7% of revenue**, compared with 4.3% in Q1 FY27 and 4.1% in Q2 FY26.

Profitability remained resilient despite renewed commodity inflation arising from geopolitical developments. The timing gap between input-cost increases and customer non-recoveries impacted Q2 FY27 EBITDA margin by approximately **80 basis points**. In addition, **more than ₹1,140 million of agreed customer recoveries remained unrealised in cash at the end of H1 FY27**, temporarily impacting cash-flow generation.

The Company continues to focus on accelerating customer recoveries, value engineering, localisation, productivity improvements and disciplined fixed-cost management.

EV business continues to gain scale

Varroc's participation in electric mobility continued to strengthen, with revenue from products supplied to EV models reaching approximately **19% of consolidated revenue in Q2 FY27**, compared with approximately 16% in Q1 FY27.

EV-related revenue grew approximately 130% year on year, while the E-Mobility Solutions business recorded revenue of approximately **₹2,773 million** during the quarter.

During H1 FY27, Varroc secured **net new business wins with annualised peak revenue of ₹10,127 million**, with **more than 48% linked to EV programmes**, providing further visibility for future growth.

Press Release

Strategic actions to strengthen long-term value creation

Varroc has initiated two strategic actions aimed at improving profitability and strengthening its capabilities in future mobility.

The Company has decided to **restructure its two-wheeler lighting manufacturing operations in Italy**, while preserving customer programmes and technology capabilities. Manufacturing is proposed to be relocated to **Romania and Vietnam**, which is expected to improve capacity utilisation, fixed-cost absorption and cash generation. The restructuring will involve a one-time restructuring cost with an **expected payback period of approximately three years**.

Varroc is also proceeding with the **acquisition of a stake in Forsee Power India**, providing access to an operating battery-pack platform and know-how. The transaction will complement Varroc's existing lighting, electronics and electrical portfolio by adding **battery packs** and further strengthening its position in electric mobility.

Balance sheet remains comfortable

Consolidated net debt stood at **₹5,547 million as of September 30, 2026**, with a **net debt-to-equity ratio of 0.29** and **net debt to annualised adjusted EBITDA of 0.57x**.

Varroc remains committed to maintaining balance-sheet discipline while supporting organic growth and selective strategic investments.

Management Commentary

Commenting on the performance, CMD Mr. Tarang Jain said:

“We delivered another quarter of strong growth, with sequential improvement in profitability despite commodity inflation and the timing gap in customer recoveries. Our EV business continues to gain scale, with EV-related revenue growing approximately 130% year on year and accounting for around 19% of consolidated revenue during the quarter. Our overseas business continue to commercialise new business win and grow its Revenue exponentially and reduce the losses.

We are also taking decisive strategic actions to strengthen Varroc's long-term competitiveness. The restructuring of our Italy operations is aimed at creating a more efficient manufacturing footprint, while our proposed investment in Forsee Power India will expand our capabilities in battery packs and BMS.

Our priorities remain clear: **grow profitably, improve margins, generate free cash flow, maintain capital discipline and enhance return on capital employed**. We believe consistent execution against these priorities will enable us to create sustainable long-term value for all stakeholders.”

Press Release

Financial numbers **₹ In million**

Particulars	Q2 FY27	Q1 FY27	QoQ	Q2 FY26	YoY
Revenue from operations	29,479	26,342	11.9%	22,073	33.6%
EBITDA	2,611	2,228		2,018	
EBITDA %	8.9%	8.5%	40 bps	9.1%	(20 bps)
PBT before JV and exceptional items	1,401	1,132		912	
PBT before JV and exceptional items %	4.7%	4.3%	40 bps	4.1%	60 bps
Exceptional Items*	-631	-		-	
PBT (incl. JV profits) after exceptional items	776	1,144		920	
PBT %	2.6%	4.3%		4.2%	
PAT	335	777		633	

* Restructuring cost of 2W Lighting Italy manufacturing plus past tax related issues for Italy 2W lighting entity only

***

About Varroc Engineering Ltd.

Varroc Engineering Ltd is a global tier-1 automotive component group. It was incorporated in 1988. The group manufactures and supplies E-mobility solutions, Body systems solutions, Lighting solutions, HMI solutions, ICE powertrain and Advanced electronics to leading OEMs with end-to-end capabilities across design, development and manufacturing for two-wheeler, three-wheeler, passenger vehicles, commercial vehicle, and off-highway vehicle worldwide. The group income was ₹ 89,080 million from continued operations in FY26. The group employs more than 6,100 employees (750 + R&D Engineers), has 37 global operating manufacturing facilities supported by 7 R&D Centres, and has filed more than 130 patents.

Varroc Engineering Limited's shares are listed on the National Stock Exchange (VARROC) and the Bombay Stock Exchange (541578) in India.

For further information on Varroc Engineering Limited please visit www.varroc.com

Contact Details

Namrata Parashar, Head of Marketing and Communications
namrata.parashar@varroc.com | +91-9773190279

Anuja Raorane, Lead Public Relation - Corporate
anuja.raorane1@varroc.com | +91-7715812369

For further information, follow us on our social media channels.