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CIN: L28920MH1988PLC047335

VARROC/SE/INT/2026-27/53 August 6, 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-400 051.
NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001.
BSE Security Code: 541578

Dear Sir/Madam,

Sub: Press Release - Financial Results Q1/FY 2026-27

Please find enclosed the Press Release on the Un-audited Financial Results (Consolidated & Standalone) for the quarter ended June 30, 2026.

Kindly take the same on record and note the compliance.

Thanking you,

Yours faithfully,
For Varroc Engineering Limited

ANIL GHATIYA Digitally signed by ANIL GHATIYA
Date: 2026.08.06 16:48:23 +05'30'

Anil Ghatiya
Company Secretary
Membership No. A-16620
Encl: a/a

Press Release

varroc

Varroc Engineering Revenue shows strong growth of ~ 30% YoY and Highest ever PBT before exceptional items and JV post divestment

- **Consolidated revenue from operations was ₹26,342 million in Q1 FY27 a growth of 29.9% YoY. This is highest ever quarterly Revenue post divestment**
- **PBT before Exceptional and JV profit for Q1 FY27 came at ₹1,132 million as compared to ₹822 million reported in Q1 FY26. This is growth of 38%**

Pune, Aug 6, 2026: Varroc Engineering Ltd. (Varroc), a global tier-I auto components group, today announced its results for the first quarter ended June 30, 2026. Mr. Tarang Jain, CMD commented,

"India's economy remained resilient in Q1 FY27 (April–June 2026), supported by strong domestic consumption, improving rural demand, healthy infrastructure spending, and accommodative financing conditions. These macroeconomic tailwinds translated into one of the strongest quarters for the Indian automotive sector, with passenger vehicle sales reaching record levels and broad-based growth across two-wheelers, commercial vehicles, tractors, and exports. Improved affordability, rising consumer confidence, robust freight activity, and accelerating EV adoption supported demand, while rural recovery particularly benefited two-wheelers and farm equipment. For the auto component industry, the positive environment led to higher production schedules, improved capacity utilization, and stronger opportunities in electronics, EV systems, lighting, and advanced vehicle technologies. Despite ongoing risks from commodity price volatility and global geopolitical uncertainties, the overall outlook for FY27 remains positive, with India continuing to be one of the fastest-growing automotive markets globally.

In Q1 FY27, we saw strong growth across all the automotive segments on YoY basis

On YoY basis, 2W grew by 22.8%, 3W grew by 39.1%, PV grew by 16.8% & CV grew by 15.2%.

EV 2W volume on YoY grew by 91%

Despite seasonality effect On QoQ basis we still saw growth on 2&3W, 2W grew by 2.7%, 3W grew by 3.4%, PV de-grew by -7.5%, and CV de-grew by 16.9%

In Q1 FY27, the Company registered very strong growth of 29.9% and the consolidated revenue reported is Rs.26.3 bn. The growth was supported by both India operations which saw a growth of 28.6% and also overseas revenue growth. The momentum of growth in the overseas business which started in Q4 FY26 and gathered further pace in Q1 FY27 registering 45.6% growth on YoY basis. As emphasized in our last earnings call, our foremost priority remains accelerating revenue growth across both India and international markets.

Our EBITDA for the quarter was around 8.5% as compared to 9.5% during similar period last year. Our PBT before JV and exceptional item for Q1 FY27 came at 4.3% of revenue an improvement of 20 bps on YoY basis. The profitability in this quarter was adversely impacted by higher commodity price due to war related costs, higher tooling sales and business mix. Despite that the Indian operations reported 10.6% EBITDA margin and around 7% PBT margin. The Revenue from supplying to EV vehicles in this quarter was around 15.8% of the Revenue and grew by 87% YoY.

In the overseas electronics and lighting business, we have further won some business, notably for our lighting operations in Thailand. Sequentially the losses from overseas operations as well as from overseas R&D are reducing. We hope to maintain this momentum of increasing revenue and hence profitability here.

We continue to invest not only in technology but also in people and strengthening capability. Recently, we have appointed Mr. Eric Hamon as our Chief Technology Officer for Business 1. He has 25 years of global automotive technology and engineering leadership experience, with deep expertise in electrification, software-defined vehicles (SDVs), connected systems, embedded software, functional safety and cybersecurity. He has successfully led largescale global R&D organizations, developed next-generation mobility technologies and partnered with leading automotive OEMs to deliver innovative, safety-critical solutions.

As emphasized earlier

- In India, we continue to leverage our strong customer relationships, technology capabilities, and expanding product portfolio to capitalize on opportunities emerging from electrification and premiumization trends.
- In our overseas markets, we are strengthening our presence through deep customer engagement, enhanced engineering capabilities, and focused business wins, positioning ourselves as a reliable global partner.

In Q1 FY27, our net new business wins with annualized peak revenues of Rs. 5,991 million.

The net debt of the company in Q1 FY27 is 5,268 million which is increase of Rs. 316 million from last quarter mainly due to increase in NWC of Rs.441 million due to higher Revenue. The net debt to equity is very comfortable at 0.28. The avg. ROCE of the Company is around 24% in Q1 FY27

In this volatile new-normal environment, we continue to strengthen our Company for long-term growth and performance by taking appropriate decisions and meticulously executing them. Our endeavor remains to improve the contribution margin, control the fixed cost, generate free cash flow and improve return on capital from all the business segments in which we operate."

Financial numbers **₹ In million**

Particulars	Q1 FY27	Q1 FY26	YoY	Q4 FY26	QoQ
Revenue from operations	26,342	20,276	29.9%	23,681	11.2%
EBITDA	2,228	1,919		2,305	
EBITDA %	8.5%	9.5%	(100 bps)	9.7%	(120 bps)
PBT before JV and exceptional items	1,132	822		1,074	
PBT before JV and exceptional items %	4.3%	4.1%	20 bps	4.5%	(20 bps)
Exceptional Items*	-	612		-	
PBT (incl. JV profits) after exceptional items	1,144	1,439		1,088	
PBT %	4.3%	7.1%		4.6%	
PAT	777	1,074		705	

*FCTR release of China JV in Q1 FY26

Press Release

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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

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