August 21, 2026

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai 400001
Scrip Code – 543597

To
National Stock Exchange of India Limited
Exchange Plaza, Bandra (East),
Mumbai 400 051
Scrip Code - VOEPL

Subject- Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript for Q1 FY 27 Post Earnings Conference Call held on August 17, 2026.

Dear Sir/Madam,

With respect to above captioned subject, please find attached herewith transcript of the Conference Call for Analyst and Investors held for Q1 FY 2027 on August 17, 2026 at 12:00 P.M. IST (12:00 hours).

Request you to kindly take the same on records.

Thanking you,
Yours Faithfully,
For **Virtuoso Optoelectronics Limited**

PRASAD D ZINJURDE
Digitally signed by PRASAD D ZINJURDE
Date: 2026.08.21 10:26:18 +05'30'

Prasad Zinjurde
Company Secretary and Compliance Officer
M No A54800

Virtuoso Optoelectronics Limited

Q1 FY27

POST EARNINGS CONFERENCE CALL

August 17, 2026 12.00 PM IST

Management Team

Sukrit Bharati - Managing Director
Sajid Shaikh - Chief Financial Officer

Call Coordinator

Strategy & Investor Relations Consulting

Presentation

Moderator: Hello, ladies and gentlemen, on hello, ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations Team, I welcome you all to Q1 FY27 Post-Earnings Conference Call of Virtuoso Optoelectronics Limited.

Today on the call from the management we have with us Mr. Sukrit Bharati, Managing Director, Mr. Sajid Shaikh, Chief Financial Officer. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risks and uncertainties. Also, this is a reminder that this call is being recorded. I would now request the management to detail us about the business performance highlight for the period ended June 2026, the growth perspective and the vision for the upcoming years, post which we will open the floor for Q&A. Over to the management team.

Sajid Shaikh: Thank you, Rajiv. Can we start running through the presentation please? Rajiv, are you there?

Moderator: Hello, sir. Is this visible? Hello?

Sajid Shaikh: Yeah, it is visible, but I think you're on the wrong screen. Yeah, this is the screen.

Sajid Shaikh: All right. Yeah, we can stay here. We can stay here. So good morning, everyone, and welcome all to the post earnings call for Q1 FY27. This is a screen that highlights the performance of the company on a consolidated level for this quarter. So on a consolidated level, I think the company has been able to achieve INR 376.6 crores worth of revenue, which is when compared to last year that is Q1 FY26 is almost an 85% jump. And despite of the fact that Q4 of FY26 was also a very heavy and strong performance, I think over that number as well, it's a 19%, 18.7% to be precise kind of a jump on the revenue number. The EBITDA margins have stayed at very similar levels when you compare it with the Q4 of FY26, 9.3%-odd.

EBIT and EBITDA are similar in terms of the way they have behaved. What has happened down below is that at a PAT level, we have had a very significant jump when you compare with Q1 of FY26, it's almost 103% jump that is there. So from INR64-odd crores -- INR6.4 crores rather, Q1 FY26 number, we have moved to a INR9 crore number this year. And in comparison to the last year also was a significant jump.

Can you move forward please?

Moderator: Yes, sir. Just a minute. I'll just take it to a full screen. Yes, sir.

Sajid Shaikh: Still not visible at my end. Yeah. Okay. Can we move on to the next slide, please?

Moderator: Yeah.

Sajid Shaikh: So going forward the year '26-'27, we can stay here. So going forward the year '26-'27, we are trying to consolidate and make sure that the assets that we have deployed so far, and which are in the process of getting deployed, we start sweating them and the utilization levels that are intended to be achieved are in excess of 75% on an aggregate level. We are moving forward with our mantra of trying to deepen the backward integration that will happen in H1 of FY27, which is on EMSI, CFF plastics, in any case, we have already done, we want to move forward with that.

We are moving up the value chain because of the fact that we have become an ODM, the focus on R&D is there. And so the high potential categories like AC is something that we are looking to, because we have a very strong order book size for the forthcoming season. And we should be able to achieve our numbers primarily through on the backing of this strong and healthy order book.

Compressor production, I think we have already stated earlier, it has already begun. This has happened in December towards the end of December last year. And we are currently running at 50%, more than 50% utilization. Happy to say that we are almost three months ahead of whatever was the schedule for this. Commercial refrigeration, obviously, in addition to the hard top and glass top rail, we have also entered into the medicinal refrigerator. And hopefully very soon we are getting into the Vizi cooler side of it as well.

Can we move forward? Rajeev, one more slide up, please. Yeah. So these are the capacities that we have spoken about. EMS, the current capacity is 4 lakhs cph. We are moving to 12 lakhs cph in two phases. The first phase of 8 lakhs cph hopefully should be up and running by the mid or end of September. The commercial production for this phase also is expected to be live, I think, towards the end of Q3. ACs, we have stated earlier that we have a capacity of 1 million, moving to 1.8 million. This should happen over the next 12 to 15 months, again, in two phases, from 1 to 1.3 and then from 1.3 to 1.8. In deep freezers, the existing capacity is 1.5 lakh units. We are moving to 2.5 lakh units, which should be live hopefully by Q3, mid of Q3 or end of Q3 this year. And the second phase is more likely to happen in the next financial year, which is the movement from 2.5 lakh to 4 lakh units.

Compressors, we have a capacity, current capacity of 2.8 million, moving to 6 million. This probably should be happening by December or January, forthcoming December or January. I think commercial production on that also should start towards Q4 of this year.

We can move forward. I think most of it is already dealt with. We can skip this. Yeah. So we can stay here for some time. So this is how it appears. I think the revenue share that is expected in this FY27. AC will remain at around 60%, 55% to 60% of the overall revenue. EMS will stay at about 10% in terms of the overall contribution. Commercial refrigeration will be at par, at about 10%. The component washing machine and other businesses should contribute about 5% of the overall revenue. And compressor will move up to about 15% of the overall revenue.

Can we move forward, please? We can skip this slide. We can move forward. Common slides mostly. Yeah. Next slide, please. Yeah. We can stay here. So this slide captures the performance of the company over the last six years. As we can see that this is up to FY26, of course. There has been a 49% growth over the last six years as far as top line is concerned, about 47% CAGR on the absolute EBITDA. PBT, the growth has been 56% and PAT growth has been 52%. So there has been a consistent year-on-year growth over the last six years. And we hope and continue to take this into the next three to five years as well. Yeah.

Sukritji, would you like to speak a little on the industry over here?

Sukrit Bharati: Right. Thank you so much. And a very good morning or afternoon to everybody. And once again, thank you for taking your time. So overall, we had a good quarter. There was, of course, pressure on margins. And because of raw material issues, which has persisted, we hope that now the pricing is a little more stable. And over the next couple of quarters, I mean, we hope that the price increase that we are requesting our customers and also the market will effectively even out or average out. So that is as far as the industry is concerned.

This has happened across the refrigeration industry and the air conditioning industry. Also in compressors, because compressor supply chain has right now heavy dependence on imports, and which is indirectly dependent on the dollar. However, the number and growth in Q1 has been as per our plan. And with that, we continue to maintain the guidance for this year. We hope that we can do that or better for the coming year.

Again, to quickly summarize segment wise, the current situation, so EMS, we are increasing capacity, we may not see top line numbers this year, but we will see increase in backward integration coming from that increase in EMS business for the current financial year. We hope to add more EMS business, but that that will hopefully start showing numbers in the next FY. AC business, like mentioned earlier, we have good visibility of an order book. The idea is to increase capacity to meet customer requirements and to make sure that we satisfy the customers that we work with is the plan for this year.

Third is, of course, the compressor vertical. Compressor vertical, we are increasing capacity. And we've also acquired a 22-acre parcel of land for further consolidation of compressor business in the future at one location. So, we will continue to expand capacity and then effectively move it to the new location over the next one to three years as things allow so that that operation can be up and running. Component business is also doing well. Both Chennai and Sanand are picking up numbers. We hope to keep building on that as a segment.

So, commercial refrigeration also, as briefed earlier, we are happy to share that we've onboarded another marquee customer. And even though Q1 was slightly slower for commercial refrigeration due to increase in pricing, I think the market did not absorb the prices immediately and a lot of buying decisions were deferred. But volumes continue and we hope that across the year, we'll be able to maintain or achieve the numbers that we had planned for commercial refrigeration. So, overall good year and I think now we can open the floor for questions.

Question-and-Answer

Moderator: Thank you, sir. All those who wish to ask the question may use the option of raise hand. In case you are unable to raise hand, just drop your question in Q&A box and we'll ask you on your behalf. We'll take the first question from Ranodeep. Ranodeep, you can go ahead.

Ranodeep S: Thanks, Sukrit, for the opportunity and congratulations on wonderful set of numbers. Sukrit, this question is on the compressor business and I understand you spoke about we are doing a 22-acre parcel of land where we'll be setting up and consolidating our compressor business. Just inquisitive, are we still looking at the reciprocatory compressors or are we also thinking about the AC compressors, given we just saw a notification from one of our startups bagging a project for AC compressors from Voltas. And given Voltas has been such a big client for us. So, just wanted to understand your school of thought there.

Sukrit Bharati: So far, what we have confirmed is only refrigeration compressor. AC compressor, we have currently not finalized any plan. In case we do, we will definitely reach out, but so far we are restricting ourselves to or we have only started activity on the commercial, on the refrigeration compressor side.

Ranodeep S: Sure. The second question is more of macro question in terms of you highlighted a potential 35% to 40% CAGR for the revenue and we understand '21 to '25, we have seen a 43% CAGR. So, what are the key underlying assumptions for this 35% to 40% growth and the guidance is for the next three to five years, right? So, if you can just highlight some of the underlying assumptions for this aggressive growth for the next three years.

Sukrit Bharati: So, I think if you see the business, there are some verticals that we are in are -- I mean, especially if you see AC vertical and now the compressor vertical are effectively high growth verticals, whereas the other verticals, components, EMS and refrigeration, they are slightly better EBITDA verticals as compared to AC or commercial refrigeration. So our idea is that we need to have a good diversification in terms of bottom line as well as top line and we need to have a diverse spread of product category. So, that is the basic construct.

Now, coming to the high growth segments of AC and compressor, compressor as you know that we are one of the first movers in this segment as an unrelated brand. I mean, companies which don't have a capital requirement. So, that first mover advantage we want to use and we see good traction. We are at a phase where we have already started ramping up with most customers, where we are at the production phase and we have already started supplying production lot to these customers. So, there also we see good order book visibility that is point number one.

So, compressor as the government has currently restricted imports to 40% and hopefully this will reduce in the next year or two. We hope that that increase in market availability, we will be able to address that available market. So, that is point number one for compressor. AC as you know that industry of course is growing, which is one large driver, but even if the industry grows at 10%, 12%, 15%, whatever the number is, but we also believe that if we are able to make a good product and if we are able to add value to our customers in terms of price, in terms of features, in terms of service, I think there is sufficient demand in the market for us to give us -- for us to get growth of 35%, 40% for the next three years. So, we are -- in AC also, we are building our product offering, we are trying to see how we can optimize our designs and give a good solution, which is both economically viable and also robust in quality to our customers. So, that is the basic construct of the entire growth strategy.

Ranodeep S: And one last question. I have been tracking your company for the last couple of years now, but any -- I mean, if there is a company that you would like to benchmark, Virtuoso, I mean, as the business model is evolving, any company that you would like to replicate or is inspired by any thoughts around that?

Sukrit Bharati: I mean, I think we learn from a lot of companies in the market, but I think every company has its own journey probably. So, let us see, we keep learning from multiple companies, but no specific one company.

Ranodeep S: Sure, sure. Thanks, Sukrit. I just wanted to appreciate the growth trajectory that you all have shown in the couple of years. I think the management is walking the talk and appreciate the execution and the pace at which it has happened. So, really appreciate that. Thank you once again.

Sukrit Bharati: Thank you so much.

Moderator: Thank you. I request all the participants to restrict their questions to two. We will take the next question from Shreyans Jain. Shreyans, you can go ahead.

Shreyans Jain: Hello, am I audible? So, congratulations for a good set of numbers. So, a couple of questions. First, in previous concall, you mentioned that since we have recently launched ODM model of AC, so we were not able to get benefits in terms of margins. So, my question is, where do we see AC margins going forward with increasing mix of ODM?

Sukrit Bharati: Right now, because of the raw material pressure, I think the entire supply chain, including our customers and the distribution channel is slightly stretched for margins. I think this pressure will continue for maybe 6 months or 12 months till the global situation sort of stabilizes, post which we believe margin should increase. So, this year, of course, we are still committed and we believe that we will achieve the EBITDA that we had hoped for. But the improvement in margin probably will come from next year and maybe not this year. Looking at the overall aw material situation and still the uncertainty in terms of dollar fluctuation or RM fluctuation because of the fluid war situation or the shipment situations. But I still think that most of it is past. So, now the variation should be less, but margin improvement probably would happen from the next year.

Shreyans Jain: Okay. So, what would be the difference between an OEM and ODM model margins?

Sukrit Bharati: I mean, not significant, but maybe a percent, a percent and a half.

Shreyans Jain: Okay. And in our PPT, we have mentioned that we expect 15% contribution from compressor from 8% in previous year. Since compressor being a low margin product currently, are we confident to meet our guidance of 9% to 10% margins for full year?

Sukrit Bharati: Yes, we are.

Shreyans Jain: Okay. Okay. Thank you so much sir.

Moderator: Thank you. We'll take the next question from Hemant Sood. Hemant, you can go ahead.

Hemant Sood: I'm not in a position to raise the hands.

Moderator: Hemant, we'll move on to the next participants. We'll take the next question from Kunal Tokas. Kunal, you can go ahead.

Hemant Sood: Hello. Hello. This is Hemant. Can I ask a question now?

Moderator: Yeah, you can go ahead.

Hemant Sood: Yeah. Sir, congratulations on a very good set of numbers and thank you for providing me the opportunity. The growth in Q1 has been tremendous. So, are we some sort of revising the guidance for the entire year? I think the guidance was 35%, 40%, but we have grown much better than that. So, are we some sort of revising the guidance or do you think that the numbers in the next three quarters will be not that much like in Q1?

Sukrit Bharati: We believe -- see, Q1 and Q4 are the biggest quarters for us. And so, Q1 has done well. So, we have a slight head start. Depending on how Q3 effectively goes, we'll be able to see if we can upward revise the guidance. So, we will be in a better position to update you about that at the end of Q3.

Hemant Sood: So, as of now, sir, we are sticking to our guidance of 35% to 40% in FY20, right? With 9% to 10% of margin.

Moderator: Correct.

Hemant Sood: Okay. Thanks.

Moderator: Thank you. We'll take the next question from Kunal Tokas. Kunal, you can go ahead.

Kunal Tokas: Hello, am I audible?

Sukrit Bharati: Yes, you are audible.

Kunal Tokas: Okay. Thank you. The first question is about AC. So, we are scaling up to 1.8 million AC sets this year. And my question was, for the next season that will happen in FY28, what kind of utilization range do we expect? And this expectation, is it based on order commitment from existing customers? Or do you expect to onboard new customers to fill in the expanded capacity?

Sukrit Bharati: It's a combination of both. But in FY28, or FY28 season, or let's say, '27-'28 season, we expect to utilize between 50% and 60%, 50%-odd capacity of the increased capacity. This capacity will also be completely live before the next season. This season, we will be somewhere in between. But before the next season, the entire capacity is what we plan to make live. And we hope that 50% odd will be able to utilize. This, as you asked, is a combination of both existing customer projections and also additional onboarding of new customers.

Kunal Tokas: Second question is about compressors. I believe in one of the past calls, you have mentioned that the entire compressor project, including both the scaling up as well as the backward integration will be of a value of around INR500 crore in total. So while we have tied up INR150 crore in that, what are your plans for funding the remaining project?

Sukrit Bharati: So right now, the first phase we are covering with the investment that we have already done as part of equity raise or the ongoing equity issue.

But the second part has been done by the debt of INR150 crore that we have raised as OCD. So this will cover us for the first phase, which is up to mid of next year. Once all the phases, the increase in capacity, the backward integration of shell manufacturing and also the motor assembly, once that is localized, then we will look at the next phase that we are yet to decide if we do it by debt or equity. We will take that decision over the next 12 months.

Kunal Tokas: All right. Thank you very much.

Sukrit Bharati: Thank you so much.

Sajid Shaikh: We'll take the next question from Jai Chauhan. Please go ahead.

Jai Chauhan: Hello, am I audible?

Sukrit Bharati: Yes, please.

Jai Chauhan: Thank you for the opportunity. I have a few questions. I just wanted to understand what is the rationale behind having VCPL and not run the same business under the listed company only?

Sukrit Bharati: So the idea is that we should be able to focus each business separately. And in some places, let's say, VCPL is also a vendor to VOEPL and also vendor to other companies making the same product. So it needs to have a separate team over a long period of time, which can make sure that customers get their due. And we have transparency as far as the overall business is concerned. We have transparency as far as dealing with customers is concerned. We cannot give partial treatment even to our own effectively manufacturing requirements, because that is a product, it is a critical product, which we need to make sure that we service our customers properly.

Jai Chauhan: Got it, sir. So in components or total or the total production, how much is internally consumed? And how much is sold externally? And is it the right assumption that the Sanand plant is completely for external sales and not for backward integration?

Sukrit Bharati: So some part of Sanand, maybe 5%, 7% of Sanand comes to Nasik, meaning that some plastic extrusion sheets we require for refrigeration business, which VOEPL is buying from VPPL Sanand. But apart so and also some small backward integration in Nasik also is coming from VOEPL. So if you see maybe currently, maybe about 15% of VPPL business comes from VOEPL, remaining 85% goes to outside customers. And similar is the case in compressor. So compressor captive requirement will be about 2%, 3% of the overall sales, and the remaining will be for other customers.

Jai Chauhan: Got it. And so what is the margin profile of compressor and trajectory going forward?

Sukrit Bharati: So right now, we are looking at about 6%, 5%, 6% EBITDA, maybe 6% 7% EBITDA or 6 plus minus 1% EBITDA in compressors. But once you backward integrate and once the inventory, which the other manufacturers are keeping, gets consumed, maybe we will be able to improve the EBITDA slightly by a percent or two. But I think that we should expect primarily in the next financial year.

Moderator: Thank you. We take the next question from Siddharth Jain. Siddharth, you can go ahead. We will move to the next participant. Akshay Darji, you can go ahead.

Akshay Darji: Hello, am I audible?

Sukrit Bharati: Yes, please.

Akshay Darji: My question is on CapEx, ongoing capacity expansion in compressor refrigeration. Could you share the total planned CapEx for the next two years? And how much of this has already been incurred in quarter 1?

Sukrit Bharati: You are referring to commercial refrigeration, is it? So, commercial refrigeration, Q1, we have not done any significant CapEx. This financial year, we are looking to do about INR20 crore, INR25 crore CapEx in commercial refrigeration. And next year, we look at a similar number to achieve the 400,000 capacity that we have planned.

Akshay Darji: Okay. And what are the planned CapEx for the next two years?

Sukrit Bharati: Next year, like I mentioned, is about 2025 again. Post which, we will see how the utilization is and then we will take a call because the current manufacturing unit that we have created will sort of max out at a number of 400,000. Post which, we will require a larger CapEx to create a separate facility if we want to increase numbers. But so far, we have not planned for it. Once we sweat this asset well, then we will look at another expansion.

Akshay Darji: Okay. And one more question, like once the plant reach the minimum utilization, how much additional revenue and ROCE do you expect?

Sukrit Bharati: So, it runs at full utilization, of course, at a 400,000 capacity, we can look at a number of INR600 cr. coming from commercial refrigeration. But being a seasonal product, I think, maybe a 60% to 70% capacity utilization is a more realistic number. So, even if you consider 60% is 240. So, you are looking at an average INR15,000 cost, you are looking at INR360 crore revenue coming from that vertical at a good optimized utilization level.

Akshay Darji: And one more last question. Sir, one more last question.

Sukrit Bharati: Yes, please.

Akshay Darji: Sir, as you mentioned, like refrigeration CapEx will be INR20 crore to INR25 crores. I want the total CapEx.

Sukrit Bharati: So, total CapEx, this year we are looking at about between INR80 crores and INR100 crores in VOEPL.

Akshay Darji: Okay. Thank you.

Moderator: Thank you. We will take the next question from Divyansh. Divyansh, you can go ahead.

Divyansh Jaju: Yes, sir. Just want to confirm regarding the EBITDA margin, like after completion of our more manufacturing and like expecting that the moderation in the raw material prices, how we are thinking about the EBITDA margin for the FY27? Will it be like same before as FY26?

Sukrit Bharati: So like we mentioned earlier in the call, 9% to 10% is the guidance that we gave, and we continue to be on that guidance.

Divyansh Jaju: Okay sir.

Moderator: Thank you. We will take the next question from Vignesh Iyer. Vignesh, you can go ahead.

Vignesh Iyer: Hello. Am I audible? Hi. So, my question is on the working capital days. Can you send the net working capital days for the end of quarter one?

Sukrit Bharati: I don't have that figure off hand. Sajid, if you have that figure, maybe you can share.

Sajid Shaikh: It is around 85 days.

Vignesh Iyer: Okay. And so, this means the marginal increase that we see around INR1.5 crores in interest is primarily due to working capital increase in this quarter or is it because of that? I wanted to just understand how much has come from the working capital for the higher interest cost in this quarter?

Sukrit Bharati: I think primarily, sorry, please continue.

Sajid Shaikh: The higher interest cost primarily is because of the, at the consol level, it is primarily because of the OCDs that we have taken.

Vignesh Iyer: Okay. And what is the cost of borrowing for those?

Sajid Shaikh: It is in the mid-teens.

Vignesh Iyer: Okay. Got it. That is all from us. Thank you.

Moderator: Thank you. We will take the next question from Parikshit. Parikshit, you can go ahead.

Parikshit Gupta: I hope I am audible.

Sajid Shaikh: Yes, please.

Parikshit Gupta: All right. So, the first question is on the PLI benefits. While we got the PLI benefits, they are going away in 2027. Have we worked out internally how are we going to pass it to the end consumer? And also, I mean, in general, earlier PLI incentives helped the contract manufacturers to grow the business fast. But now with the incentives going away, how do you think contract manufacturers will work with the market share from other brands and manufacturing?

Sukrit Bharati: Right. So, two parts of the question. PLI, this year we are covered under PLI. So, I think we have 12 months, we have started discussion, but I think we will conclude it over the next 12 months with our customers. The effective impact of PLI is about a percent on the overall EBITDA of the company. So, I mean, in the AC business specifically. But anyhow, so we are in discussion with our customers and over the next 12 months, we will find a win-win solution with them. Point number 1.

Point number two, as far as expansion is concerned, I believe PLI was an incentive for both brands to have their own capacity and for OEM, ODMs to increase capacity. So, overall capacity increase has happened.

If it is a deterrent to increase capacity, a lack of PLI, if it is a deterrent, then it is a deterrent for both. So, I don't believe it is going to sway the relationship or the equation in a specific direction. I think both, on the contrary, I believe there can be slightly more inclination towards outsource because there is no direct benefit to brands, or at least I am wishful that there might be slightly more inclination. But I think actually what happens time will, we will see in time.

Parikshit Gupta: Understood. This is helpful. My next question, in terms of new products, have we considered any new products over the near to the medium term? Also, ex of one anchor customer in the washing machine space, have we added any new customers in this bracket?

Sukrit Bharati: So, we are, of course, we are not adding a new category as of now in this financial year, but within the categories, we are definitely adding products or in AC we are adding different sizes. In commercial refrigeration, we are adding more models. And like mentioned earlier, we are also looking at adding Vizi Cooler as a segment. So, we are adding more categories or segments within the same category or product segments in the same category, but we are not adding any new category for this current financial year. That is point number one.

As far as washing machine, this year we are looking at working majorly with our anchor customer. Once we scale up the product and once we have more variety and larger capacity, we will look at additional customers.

Parikshit Gupta: Perfect. Thank you very much. Those were all my questions.

Sajid Shaikh: Thank you.

Moderator: Thank you. We'll take the next question from Aman Soni. Aman, you can go ahead.

Aman Soni: Hi, thanks for the opportunity. I have three questions. One is, what can be the peak revenue with the existing infrastructure that we can touch and how fast this ramp-up can happen?

Sukrit Bharati: Sorry, I did not catch your question. Can you repeat?

Aman Soni: With the existing infrastructure, what can be the peak revenue that we can touch?

Sukrit Bharati: See, we are currently increasing capacity, but if you, so slightly difficult, but with an increased capacity, let us say for AC at a 60% utilization, we are looking at a peak revenue of close to INR2,000 crores. For compressor, we are looking at a 80% utilization. We are looking at a peak revenue of INR750-odd crores. For the other products, including commercial refrigeration and EMS, we are looking at a peak revenue of INR400 crores to INR500 crores. So, with the ongoing expansion that we are doing, which we conclude till in the next 12 months, we are looking at a peak revenue of about INR3,500 crores to INR4,000 crores.

Aman Soni: Got it. And how do you see, like last one year and the ongoing year also, there were some headwinds, right, in the AC demand, but from the long-term perspective, what we see is obviously the penetration is still low, right? So how fast do you believe you will be able to ramp up these capacities over the years?

Sukrit Bharati: See, I think it is a -- I mean, it is more a matter of once we utilize about 50%, 60% or 70% of any capacity for a seasonal product, we look at increasing capacity. For a non-seasonal product, if you are hitting 70%, 80% utilization, then we look at increasing capacity of that further. So, maybe you have one bad year or half a bad year in between, but overall, as our capacities get more and more utilized, we will look at increasing capacities further. So, that is going to be the normal thought process, unless there is another dynamic that we don't know as of today.

Aman Soni: And secondly, this PLI 2.0, it is more focused towards the component ecosystem. So do you have any plan in mind to take advantage of this?

Sukrit Bharati: We do, but once the scheme guidelines are out and once our plans are more consolidated, we will come back to you.

Aman Soni: Okay. And just last thing, what will be the net margins target for this particular year?

Sukrit Bharati: Net margin is a function of multiple things, but we are looking at 2% to 3% net margins.

Aman Soni: Earlier you guide for 2.5% to 3%.

Sukrit Bharati: So, I mean, yeah, that segment continues, but the only problem is tax and other calculations we realize only a little later, but 2.5% to 3% is still okay, no problem.

Aman Soni: Okay. Thank you, sir.

Moderator: Thank you. We will take the next question from Nikhat Koor. Nikhat, you can go ahead.

Nikhat Koor: Thank you and congratulations on a strong revenue performance. Sir, can you highlight the segment wise revenue contribution for quarter one FY27? And second question is how are the inventory levels in room air conditioner versus last year levels?

Sukrit Bharati: So, market situation, I think our customers will know better because they are more in touch, but whatever feedback that we have, we believe that inventory levels are at a normal level. There is no stress of inventory overall. There is slightly, of course, increased inventory of raw materials where we believe that government restrictions will come in like copper or compressors, but there is not any significant increase in inventory at our end or in the market.

Nikhat Koor: Okay. And specifically, how is the revenue growth for room air conditioners in quarter one?

Sukrit Bharati: Sajid, do you have the number at hand?

Sajid Shaikh: Yeah, I think AC, we did about 70% contribution AC and yeah, 7%, 8% was for compressor, 7%, 8% roughly for EMS and a very similar number for the deep freezers as well. The balance was from components.

Nikhat Koor: Okay. And my next question is on the commercial refrigeration industry. It seems to have declined in quarter one. So, how do you see the demand pickup from this category going ahead?

Sukrit Bharati: I think Q1 was a little subdued for this segment because of the increase in price and this is a B2B segment. So, maybe the shopkeepers and maybe the end consumer have slightly deferred the decision, but we believe over the year it should average out and I think we should see growth by the end of the year because our projections for Q1 have deferred to Q2, Q3, but overall projections have not changed. We are getting good projections or indications for the overall year.

Nikhat Koor: Okay. And in terms of the RAC industry, how do you see the value and volume growth for FY27?

Sukrit Bharati: I mean, I believe this year, I mean, last year on a bad year, we saw growth, but I think on a good year this year, we will still see, I believe, 8% to 10% growth in the next season.

Nikhat Koor: Okay. Thank you.

Moderator: Thank you. We'll take the next question from Shrey Gandhi. Shrey, you can go ahead. Hello, Shrey, you're not audible. We'll move on to the next participant. Kush Tandon, you can go ahead.

Push Tandon: Yeah. Can you hear me, sir? Hi, Sukrit. First of all, congratulations. And I would just say that very few companies can give the guidance like you are giving for the next three, five years. So great going. I had a couple of questions. I think non-AC revenue is around 40% now.

Sukrit Bharati: Correct.

Push Tandon: So we are diversifying well. Within AC, just wanted to understand, there was a lot of disruption last year with Voltas and still we could do very well in terms of growth. How are the order books shaping up with your core customer Voltas? And also, can you just highlight how are you diversifying within the AC component beyond Voltas also?

Sukrit Bharati: So within AC also now the revenue is coming from, I mean, four or five different customers. So on an average, I think our biggest customer now is about 40%, 45% in the AC vertical. And I think this will continue maybe 30% to 40%, one or two customers at 30% to 40% and maybe one or two customers at 10%, 20% is what we see for this coming season.

Push Tandon: So you are saying that 60%, 25%, sorry 40% is approximately 25% of the revenue will be top customer?

Sukrit Bharati: Correct. Yes. 25% to 30%.

Push Tandon: Okay. And would you be able to tell me what was this number last year? FY26?

Sukrit Bharati: FY26, I think this number was between 50% and 55%.

Push Tandon: So the top customer's concentration is coming down from 50% to 55% to 25% this year.

Sukrit Bharati: Let's say 35%, 25% to 35%, we will know as the season goes forward, but 25% to 35%.

Sajid Shaikh: Last year it was in excess of 60% actually, I'm sorry.

Push Tandon: Directionally it is going well. Also, if you want, you've given the guidance on the revenue, but the disruption which was there last year in this customer, has it going ahead going, you're giving guidance. So I'm assuming that the disruption is quite over as of now.

Sukrit Bharati: I mean, disruption in terms of supply chain is now more stable. I mean, we don't -- I mean, I think it's become part of the norm. The prices have also stabilized. Market disruption, I think people have sort of learned from the mistake. But historically, I think every three, four years, we see a bad cycle. So hopefully that cycle is past last year. And with that, we hope that the next three, four years we look at a more steady cycle is the hope. I mean, of course, nobody can predict this, but that is the general sense, I believe.

Push Tandon: I was also asking you from the management changes perspective in the client.

Sukrit Bharati: Yes. Yes. Now I think customer things are more stabilized. We have better projections and we already have plans for the next year or so.

Push Tandon: Okay. I think that was my core question. Congratulations and all the best.

Sukrit Bharati: Thank you so much. Thank you.

Moderator: Thank you. We'll take the next question from Akash. Akash, you can go ahead.

Akash Jajoo: Yeah. Hi, good afternoon, Sajid ji. So just one question from my side, most of the questions are answered. When we mentioned raw material fluctuations, so just wanted to understand what exact components were we facing a shortage of or supply restrictions on?

Sukrit Bharati: So there were multiple issues. One, of course, logistics had become more tedious and more expensive in between because shipments were getting delayed. That is point number one we had. So aluminium, copper, which is still predominantly imported, there were challenges. Also the government is introducing, has introduced QCO guidelines for this. Indian captive capacities are coming online. We have started buying, some samplings are ongoing. So it'll take a few months to smoothen out. So that is where we -- so primarily the imported components, which is copper, aluminium and compressor is where the challenges were majorly focused.

Akash Jajoo: All right. Understood. And on terms of PCB and chips, was it also impacted or that was completely fine?

Sukrit Bharati: So there is some cost impact on the electronic side, but so far there has been no significant impact directly for us from the chip segment.

Akash Jajoo: Hello, Sukrit ji. I just wanted to understand one thing. So previous quarter we had an impact of raw material pricing on our EBITDA levels. And as like you guys mentioned, we pass on with a lag of a quarter maybe. So currently the EBITDA levels have remained same. So were we able to pass on or how does this work that we'll be able to pass on further in coming quarters?

Sukrit Bharati: So, I mean, most we are able to pass on, but like I mentioned earlier, there has been overall pressure in the entire supply chain. So somewhere, wherever we can support our customers, we have also supported our customers. Once the pricing stabilizes and we know what is going to be the bandwidth or the buying range, I think these EBITDA margins should go up slightly, but should be more closer towards 10% against the current 9.3%. But so far, I think 9.3% also we believe is a healthy number.

Akash Jajoo: And current trend about commodity prices, they again look towards the upward trend. So are we stocking up inventories or we'll go as the demand comes?

Sukrit Bharati: We go based on projections. So once we have projections from our customers, we start blocking inventory. So, I mean, we cannot randomly block inventory because we need to know the model mix. We need to know what is the expected offtake. And based on that, we start blocking inventory then.

Akash Jajoo: Understood. Understood. That's a great help. Yeah. Thank you.

Sukrit Bharati: Thank you.

Moderator: Thank you. I request all the participants to restrict their questions to do. We'll take the next question from Pavan. Pavan, you can go ahead.

Pavan R: Hello, sir. Am I audible? Sir, now you said like with the ongoing expansion, we can see a INR3,500 core peak revenue at peak utilization. So in FY28, can we touch INR2,000 cores revenue?

Sukrit Bharati: We've already guided 35%, 40%. I think we will stick to that guidance, please.

Pavan R: Okay, sir. Thank you.

Moderator: Thank you. We'll take the next question from Sameer Chheda. Sameer, you can go ahead.

Sameer Chheda: Yeah, thank you. I just want to understand the customer profile for the ACs. So one is Voltas, who are the other three?

Sukrit Bharati: We will refrain from naming customers, but we are working with some good customers in the segment.

Sameer Chheda: And what about compressor segment?

Sukrit Bharati: Compressor, we are working with almost eight, nine customers across the industry. So we are working with majority of the manufacturers that are there. We are at different phases with different customers, but we believe we will at least be able to supply some quantity to almost everybody in the industry who's manufacturing refrigeration products.

Sameer Chheda: So unlike where in AC, our topmost customer would be 35% to 40%, is it the same scenario in compressors?

Sukrit Bharati: So compressor, the customers we started with earlier are taking a larger share, but this will even out over by the end of this year. So we don't believe any single customer would be more than 20% or maybe 22%, 23%.

Sameer Chheda: And what about deep freezers?

Sukrit Bharati: Deep freezer, we have three primary customers and then two, three smaller customers. So there also we are looking at maybe 25% to 35% coming from the larger customers.

Sameer Chheda: Okay. And are we working to add any new clients? Like we have four customers in AC. So are we looking to add anything, are the talks on for--?

Sukrit Bharati: We are, we are, yes. Small and large both, yes.

Sameer Chheda: Both. So currently four are there since last quarter we had four, this quarter also four are there.

Moderator: Correct, yes.

Sameer Chheda: Thank you so much.

Moderator: Thank you. We'll take the next question from Bhavika. Bhavika, you can move ahead. We'll move on to next participant. Shrey Gandhi, you can go ahead.

Shrey Gandhi: Hello, am I audible now? So I just have a small question. Like as we are expanding our capacity across EMS and deep freezers and compressor in coming quarters, and which is expected to go live. And so after expecting a meaningful ramp up in FY28, can we expect our revenue share from AC to go down from current 60% and experience higher share from the EMS and compressor segment and therefore realize higher EBITDA margins in coming years?

Sukrit Bharati: Too early to comment, but I believe AC is also one of the faster growing segments. So I don't believe it'll change too much from 60% in the next financial year. Over time we have to see, but next financial year I think we will aim to maintain, I mean a 60% I think is a good is a good share to maintain because AC is one of the faster growing segments of the four or five segments that we are part of.

Shrey Gandhi: Okay, that was my only question. Congratulations and all the best for the future.

Sukrit Bharati: Thank you so much.

Moderator: Thank you. We'll take the next question from Chetan. Chetan, you can go ahead.

Chetan Cholera: Yeah, I already sent on a Q&A. So do you want me to read out?

Moderator: Yes, you can go ahead.

Chetan Cholera: Yeah, my question is, given the government push for localization and QCO link compressor imports exemptions extended till March 27, how is VOEPL planning to scale this beyond 50% utilization to beat this target of 50% revenue share and what are the margin profile expected once full work order integration is achieved?

Sukrit Bharati: Sorry, if I understand correctly, you are saying that localization push for compressor. So we are right now, like I mentioned, we are working on refrigeration compressor, AC compressor we have not started working on. But if there is a good opportunity and if the situation aligns, then we will definitely look at that.

So that is point number one. So we are working on multiple areas, including other components that we integrate. So for PCB, we are buying partial quantities from outside, we are looking to take that in-house as well. So we are serious about localizing, we are serious about aligning with the government objective. And we are working on multiple areas to do that. That was the first question.

The second question was capacity utilization. So being a seasonal product, immediate capacity utilization of more than 60%, 65% in the AC and refrigeration segment is difficult, it will happen over time. That is point number one. Point number two, compressor, we can look at a capacity utilization of more than 75% by next year for the capacity that we have added. But you have to keep in mind any capacity that we add, we need between 12 months and 24 months to be able to reach the desired level of utilization, because there is customer validation cycle and there is multiple approvals that we have to go through. And I think the revenue share question we've already discussed and we've already answered.

So I think I'll skip that. And working capital, I mean, we are planning, we are trying to manage between debt and equity so that we have a healthy balance of debt and equity across the company. And we have to, we have to be as lean as possible, I believe, in our inventory levels and our operations to be relevant and to be able to meet industry targets. I think I've answered all questions if I'm correct.

Chetan Cholera: Yeah, thank you.

Sukrit Bharati: Right, thank you.

Moderator: Thank you. We'll take the next question from Rajat Tibrewal. Rajat, you can go ahead.

Rajat Tibrewal: Yeah, thank you for the opportunity. Just one question. I just wanted to understand if you could give some colour on the equity dilution plan that we may have and also the debt plan given the CapEx plans that we have.

Sukrit Bharati: So like I mentioned a few minutes ago, I think we plan to have a balance of debt and equity, because it is important that we don't stretch too much. So dilution will depend on how much fund is required. Our primary source of funding continues to be debt with a healthy balance of equity. Exact numbers, I think we will know with time. This year's fundraise, the ongoing round is there, post which we will look at raising maybe funds next year or next to next year as the requirement may come up. But the expansion that we are planning so far is now more or less tied up.

Rajat Tibrewal: So can we assume that the current debt equity ratio is something that will remain constant or we see it going down or going up?

Sukrit Bharati: I think for the next 12 months, it will remain in the same region.

Rajat Tibrewal: Okay, thank you.

Moderator: Thank you. We'll take the last question from Hemant Soni. Hemant, you can go ahead. We'll take the last question from Shreyans. Shreyans, you can go ahead.

Shreyans Jain: Hello, my question is to Sajid sir. Hello.

Moderator: Hello.

Hemant Soni: This is me. Am I audible?

Moderator: Yeah, you are audible.

Hemant Soni: Yeah. Sir thank you for providing me the opportunity again. So if I heard it correctly, Voltas is our biggest customer from the AC vertical and the contribution right now is 40% to 45%. What is the contribution of our second largest customer within the AC segment? And if you can maybe mention the name, it will be great.

Sukrit Bharati: We don't have, I mean, I don't have the exact numbers in hand, but and also, I would want to refrain from sharing the exact breakups. I believe it doesn't reflect well on our relationships, but we are actively working on making sure that we have a healthy customer base. But just diversification is not the strategy. We have to make sure that we service and satisfy customer requirements. That is something that we are more focused on.

Sajid Shaikh: And just to clarify, Voltas is 40% of the AC segment. We are saying 40%, 45% of the AC segment, not of the entire top line.

Hemant Soni: Okay. Okay. Thanks a lot, sir.

Moderator: Thank you. Shreyansh, you can go ahead.

Shreyans Jain: Yeah. So my question was to Sajid sir. So you do third-party sales in compressor as well as in component side, but if we see the top line for standalone and consolidated, there is hardly any difference. So could you please help me understand?

Sajid Shaikh: Currently Voltas, sorry, Virtuoso Optoelectronics is buying for Virtuoso Compressors and hence that anomaly that you are able to see. Going forward, it will not go that way.

Shreyans Jain: I just want to confirm. One last question. Why has there been fall in depreciation sequentially from Q4 '26 to Q1 '27?

Sajid Shaikh: ROU component was something that we had accounted for the first time in Q4. Hence, there is a huge load up over there if you see. That has gone down substantially and now it is normalizing. So the numbers that you see now are going to be the steady state number more or less unless and until we keep adding on either the ROU assets or the fixed assets. I think this is a steady state number that you see now, Q1.

Shreyans Jain: Understood. Thank you so much and all the best for the future.

Sajid Shaikh: You are most welcome. Thank you.

Moderator: Thank you. Due to time constraint, this was the last question. Sir, would you like to give any closing comments?

Sukrit Bharati: Right. Thank you once again for all of you to take your time and we hope to see you next time. Thank you so much.

Moderator: Thank you. Thank you to the management team for your valuable time and thank you to all the participants for joining the call. This brings us to the end of today's conference call. You may all disconnect now. Thank you.