

5th August, 2023

The Manager
Department of Corporate Services
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

The Manager
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No-C/1, G Block,
Bandra Kurla Complex
Mumbai -400051

The Secretary
The Calcutta Stock Exchange Association Ltd.
7 Lyons Range, Kolkata-700001

Dear Sir,

Sub: Revised Investors Presentation of IFB Industries Limited

In continuation of our earlier letter on captioned matter, please find revised Investors Presentation for the Quarter and three months ended 30th June, 2023.

We further inform that, a conference call with Investors/ Analysts will be held on 9th August, 2023 at 2.30 P.M (IST) to discuss 1st Quarter 2023-24 unaudited financial results of IFB Industries Ltd.

Please find the Conference call dial in Numbers:

Primary No : +91 22 6280 1304
Local No : +91 22 7115 8205

This is for your kind information and records.

Thanking you,

Yours Faithfully,

For IFB INDUSTRIES LIMITED

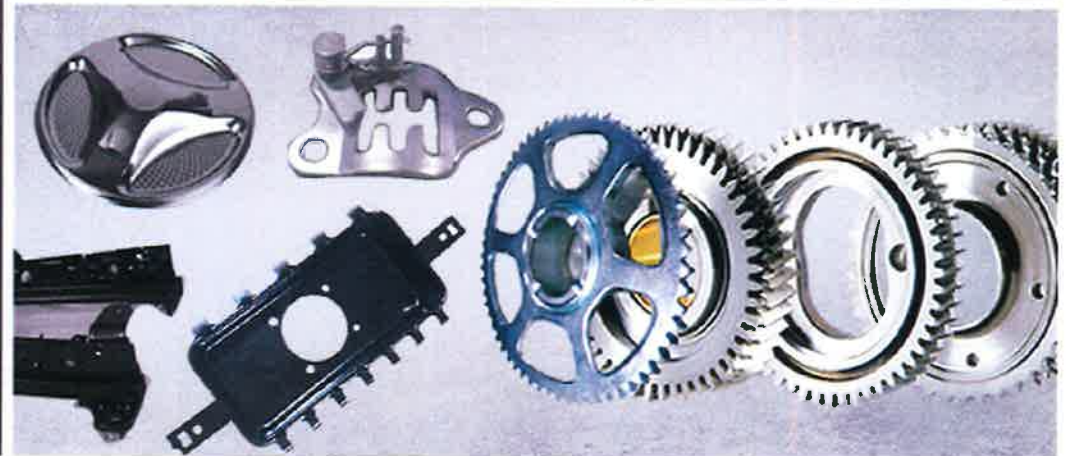
Ritesh Agarwal
(Company Secretary)

Encl: As above

Q1

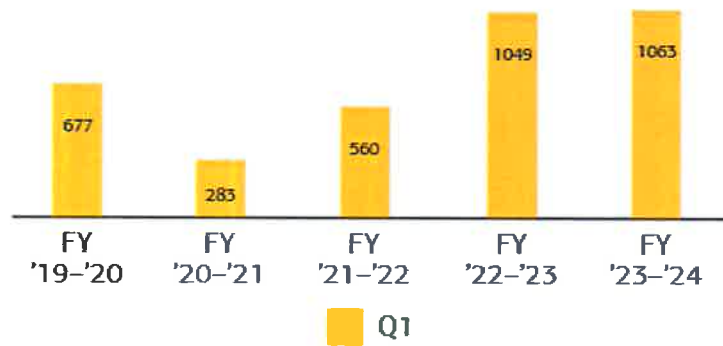
Financial Report

Quarter Ended 30th June, 2023

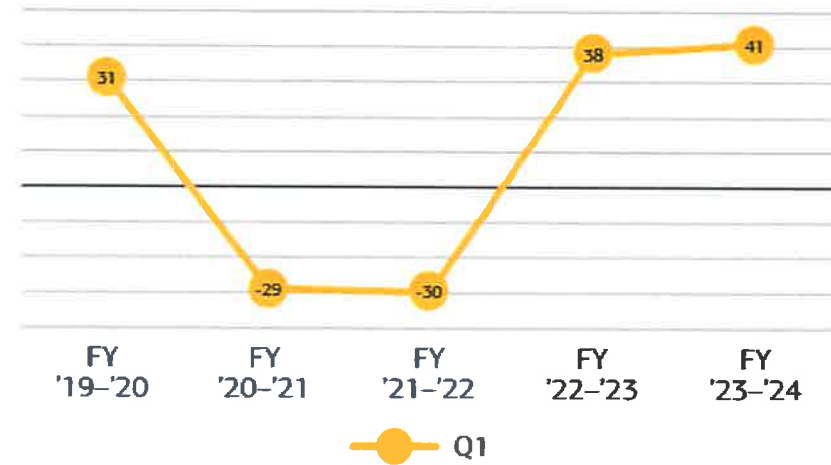


Trend for the Quarter

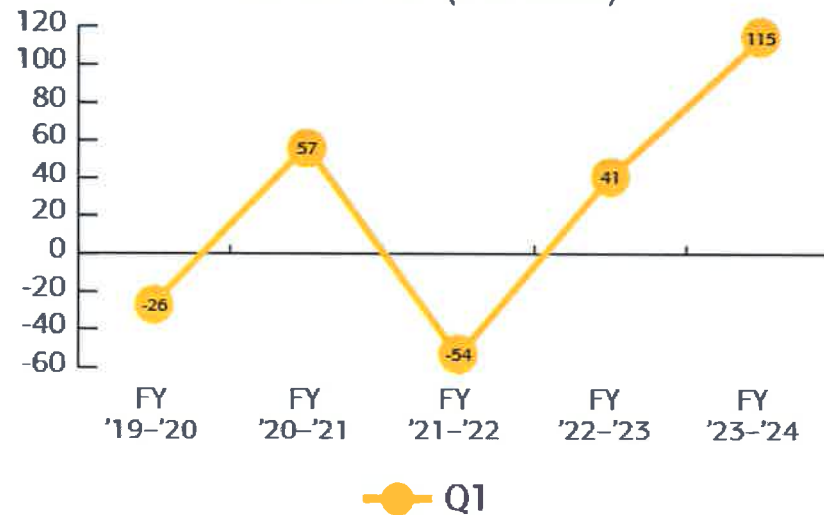
Revenue (₹ in Crore)



Operating Profit/EBDITA (₹ in Crore)



Free cash flow (₹ in Crore)



Parameters Q1

(₹ in Crore)

Total Revenue ₹1,063 +1.3%	Revenue from Operations ₹1,055 +1%	EBDITA ₹40.7 +5.8%
EBDITA Margin % 3.83 +17 bps	Net Profit Margin 0.25% +6 bps	EPS ₹0.65 +32.7%
Receivable ₹373 +17.1%	Inventories ₹497 -18.8%	Accounts Payable ₹806 -10.0%
Free Cash Flow ₹115.42 +178.3%	RONW 1.8% +28 bps	Operating Cash Flow ₹123.69 +15.9%

Note Growth/degrowth have been calculated in comparison with June '22.

Financial Review Q1

(₹ in Crore)

Particulars	Q1 (FY '23-'24)	Q1 (FY '22-'23)
Revenue	1,063.00	1,049.00
EBITDA	40.68	38.45
EBITDA % on Revenue	3.83	3.66
EBT	3.54	3.09
EBT % on Revenue	0.33	0.29
ROCE %	4.62	4.44

Growth in revenue in first Quarter is marginally higher than last year but below expectation.

Reduction in material cost and better model mix improved Gross Margin.

Higher operating expenses resulted from increased spend in promotion expenses, franchisee expenses, CSR expenses and travelling expenses.

Increase in Gross Margin is almost neutralised by higher staff cost and operating expenses leading to a negligible growth in PBDIT in Q1.

Balance Sheet

Total borrowing was ₹150.60 crore as on Quarter end date including a term loan amount of ₹97.24 crore.

Break-up of this is as follows:

Borrowing

(₹ in Crore)

Loan Type	Value	Banker	Purpose	Tenure
ECB*	52.28	Standard Chartered	AC Project	Five Years
Rupee Term Loan	9.96	Federal Bank	Steel Division	Six Years
Rupee Term Loan	7.75	DBS Bank	Engineering Division	Five Years
Rupee Term Loan	26.25	ICICI Bank	Stamping Division	Seven Years
Rupee Term Loan	1.00	ICICI Bank	Motor Division	Seven Years
Working Capital Buyers Credit*	47.86	SCB	Home Appliances	
Working Capital Demand Loan	—	SCB	Washer Factory	
Working Capital Demand Loan	5.50	Federal Bank	Steel Division	
Total	150.60			

*The above figures do not take into account Exchange Fluctuation

The ECB Loan (₹141 crore) taken from SCB for our AC Plant came down to its current position as on 30th June 2023. This amount has further reduced to ₹43.57 crore as on current date after repayment of ₹8.71 crore in the first week of July 2023.

The Term Loan (₹70 crore) taken from DBS for our Engineering business is now ₹7.75 crore after making several pre-payments and normal repayments as per schedule.

Five instalments of the Stamping Division Loan (₹35 crore) taken from ICICI Bank were paid in May 2022, Aug 2022, Nov 2022, Feb 2023 and May 2023 to reach its current position of ₹26.25 crore.

The Steel Division borrowed ₹9.96 crore for their Capex project till June 2023.

Against the aforesaid borrowing, as on 30th June 2023, our Cash and Bank Balances (including investments in Mutual Funds) were at ₹249.77 crore. Hence the Company's net cash balance was positive after considering its overall debt position.

The break up of this is given:

Break-up of cash & bank balances (including investments in Mutual Funds)

Cash and Bank Balances	₹110.97 Crores
Investments in Mutual Funds	₹138.80 Crores
Total	₹249.77 Crores

In December, we invested ₹97 crore in IFB Refrigeration Limited and the Plant began commercial production in May 2023.

As of the end of June 2023, an opportunity to enhance the efficiency of working capital usage in the Home Appliances was estimated to be around ₹70 crore. Initially, we aimed to improve this by the end of June, but market slowdown hindered the liquidation process. However, we anticipate completing the improvement by September 2023. This initiative will enhance creditor positions and boost cash flow in our operations.

The Engineering Division has made progress in reducing Inventory and Debtors holding days. Efforts to further improve the situation will continue. As of June 2023, the inefficient Debtors and Inventory in the Engineering Division amounted to ₹24 crore.

Refrigerator Plant in Pune, Ranjangaon (Phase III)

IFB Industries invested ₹97 crore in IFB Refrigeration Limited, holding 44.44% of its total equity. The Plant successfully commenced commercial production in May 2023. In the first Quarter of FY '23-'24, the Plant produced 17,782 units and sold 9,209 units. In July, more than 17,000 units were sold and the plan for August is to sell over 30,000 units. Capacities are being scaled up accordingly.



**READY
2020**

State-of-the-art
Air Conditioner plant Inaugurated



**STEADY
2022**

Construction of
Refrigerator plant commenced



GROW...

March-April LAUNCHING SECOND

2023...

Refrigerator production
projected to begin...

Business Update

Home Appliances Division

During the Q1 period, the market faced stress due to unseasonal rains and stockpile build-ups in the channel. This led to low market movement in April and May, but the situation improved in June 2023. Across product categories, customer off-take was generally low. However, we remain optimistic about the medium-term demand scenario, expecting stability.

Our Company's focus remains on expanding our presence in channel networks through distribution across India and strengthening our position in chain counters nationwide.

Material costs, which started decreasing in Q4, have further reduced in Q1, leading to improved margins. We are actively working on right-sizing our cost areas, aiming to complete this by the end of Q3 in this financial year.

In the Washer category, we have a complete product pipeline featuring Front and Top Loader models with unique features. The Front Loader models with Steam features and the Top Loader models with built-in heaters and Steam function have been well-received in the market. Additionally, the introduction of models in the 9 Kg and 10 Kg segment during Q4 has been successful and will continue to contribute to increasing market shares.

In the industrial segment, our Washer Extractor and Dryer range, targeted at semi-commercial/commercial laundry segments, has a healthy order book. Key growth drivers for this segment include Launderettes, semi-commercial and commercial applications such as hotels, hospitals, restaurants, Government Institutions and high-net-worth installations.

The new IFB Point design has been expanded to approximately 125 stores. We are currently implementing this program to transition all existing stores to the new design and expect to complete this process by the end of the fiscal year. As of now, there are 517 IFB Points in operation. Additionally, we are running a program for selected IFB Points, using a digital + offline activations led model, to increase footfall from customers within a ~5–10 km

radius around each store. Currently, around 40% of footfalls at IFB Points are influenced by digital means. This model is expected to make the IFB Points more financially rewarding for franchisees.

As part of IFB Points, we also operate the modular kitchen business. Unfortunately, we have not been successful in scaling up this venture. Currently, we have three stores in Goa, three in Bangalore, one in Kolkata and a new store in Mumbai. To achieve growth in this business, we are taking the following steps:

- We have revamped the approach to the new store in Mumbai (located in Vashi) by targeting interior decorators, existing customers and allied networks to generate enquiries. This strategy has been successful, as the store has already built up a strong enquiry pipeline within its first two months of operation. Similarly, the enquiry pipelines in Bangalore and Goa are also promising, although conversions were lower in Q1.
- Our teams have outlined specific actions to achieve approximately ₹3 crore of business per month from Bangalore, ₹75 Lakh from Goa and ₹75 Lakh from Mumbai by the end of Q3. We are actively working towards realising these targets within the short term period.



Engineering Division

In the first Quarter of FY '23-'24, the overall business environment remained relatively stagnant.

- For 4W demand, all OEMs experienced higher numbers compared to Q1 of the previous year. This trend is expected to continue in the next Quarter due to a high waiting period and the upcoming festive season. However, the chip shortage issue continues to affect the industry. The 4W segment saw a 7.01% increase compared to the same Quarter last year and new launches are expected to boost sales further.
- On the other hand, 2W demand was lackluster after the implementation of OBD1 and OBD2 requirements. However, it is anticipated to pick up during the festive season in the upcoming Quarter. The 2W segment witnessed a 1.32% increase.
- CV demand is projected to improve in the future as infrastructure investments increase. A significant rise in demand is expected from September onwards. Q1 witnessed a 2.82% increase in this segment.
- However, the demand for EV vehicles experienced a decline in this Quarter. The quarterly sales figure was 2,17,993, with an average of 72,664 sales per month. This drop was due to penalties imposed on EV manufacturers for violating FAME 2 compliances.
- Looking ahead, both 4W and CV segments are expected to enter a growth phase in the coming Quarter, while 2W demand will also witness growth.
- Global signals are not favourable, as demands in the western part of the world are yet to show signs of recovery. Nevertheless, the market size of India is helping to shield it from the effects of recession.

In Q1, the automotive market sales showed a slight upward trend compared to Q1 of the previous year ('22-'23).

- However, the semiconductor shortage situation is still causing issues, affecting some models in both the 2W and 4W segments.
- On a positive note, commodity prices have decreased, resulting in a lessening in product prices.
- The 2W segment is gradually returning to normalcy after the implementation of OBD1 and OBD2. Demand is expected to increase during the festive months.
- The 4W and CV segments are also expected to perform well in the second Quarter.
- Overall, the economy is well poised for growth in the coming Quarter.



RANGE OF PRODUCTS (Home Appliances Division)

The Division's range of products covers both domestic and industrial application categories. The updates at the end of first Quarter for each of the product categories are given below:

• Front Load Washers

Our product range offers multiple options that cater to various customer needs, setting it apart in the market with its unique features, aesthetics and performance. Sales of higher capacity products continue to rise, driven by increased awareness of features like Steam in Washers and the introduction of Washer Dryer Refreshers, boosting demand. In the first Quarter of FY '23-'24, we successfully introduced high-end models (8 Kg, 9 Kg and 10 Kg) with Inverter technology, Wi-Fi and AI, which received a positive response from the market.

Our focus for the second Quarter is to expand the placement of these models across all channels. To increase our market share, we are pursuing two key initiatives. Firstly, on the product front, we are developing a new range of washers with Inverter motor technology and Wi-Fi, planned for phased rollout in Q4 of FY '23-'24. We are also working on introducing IoT and AI features from Q2 of FY '23-'24.

Secondly, on the sales process front, we are improving product availability and placements through channel expansion, adequate staffing and enhancing revenue shares from large key accounts. The new 9 Kg/10 Kg machines in the Front Load segment have been well-received. The segment range is at 120K per annum across India in volume terms at present. We aim to achieve high market shares in this segment, focusing on extracting more from existing counters in this category.

Overall, these initiatives will contribute to our goal of increasing market share and strengthening our presence in the industry.

• Washer Dryer Refreshers

This product is one-of-a-kind on the global platform and India's first 3-in-1 offering, providing washing, drying and refreshing facilities all in a single device. Currently, it is available in approximately 2,000 counters and selling at an average rate of around 1,300 units per month. Our goal is to increase these sales to around 3,000 units per month.

- **Top Load Washers**

Our models with in-built heaters and Steam-enabled washing programs are performing well in the market. There is a growing demand for higher capacity models, which has been consistent over the past two years. Our main focus is to expand placements and increase availability of these models for customers.

To cater to this demand, we recently introduced 12 Kg washers in this category during Q4 of FY '23-'24 and the high-end models are gaining momentum. We are also developing IoT features for this category, with plans to roll them out in a phased manner by Q2 of FY '23-'24. Additionally, Inverter technology will be introduced in high-end models by Q4 of FY '23-'24.

- **Clothes Dryers**

Clothes Dryer sales have been steady in the current Quarter. To enhance this category, we are introducing colour themes in Red, Yellow and Mocha, which will be available in Q2 of FY '23-'24. Furthermore, we have planned to upgrade this category with Heat Pump technology by the end of FY '23-'24 and this will be ready for market introduction in the early part of the next fiscal year.

- **Industrial Segments—Laundry & Dishwashing Equipment**

IFB offers a comprehensive solution for commercial laundry setups, including layout preparations, installations and post-warranty AMC support. Our customers come from various sectors like hotels, educational institutions, medical institutions, Defence, Pharmaceuticals and Railways. We provide reliable and durable equipment, such as Washer Extractors, Tumble Driers, Flat Work Ironers, Folders, Body Presses, Dry Cleaning Machines and other accessories, to meet all their laundry needs from washing to finishing.

We have developed a three-year 'Vision-26' plan entitled '3 X 3,' aiming for a three-fold revenue growth within three years. A detailed Product Road Map has been created for both Industrial Laundry and Industrial Dishwashing equipment.

To expand our export footprint, we have targeted new markets such as UAE and Africa and we have already secured regular orders from the UAE. Additionally, we are actively pursuing business partners in Russia and plan to participate in an expo in Moscow in Oct 2023. We are also exploring partnerships in Myanmar, Jordan, Muscat and Saudi Arabia to boost our exports business.

In the domestic market, we have planned major exhibitions, with Pharmalytica already held in June 2023 in Hyderabad. Two more significant exhibitions are scheduled, including IHE Expo in Greater Noida in Aug 1st week and Laundrex Event in Mumbai in Sept 2023.

Regarding our Product Road Map, we are working on a project to introduce a new platform of Washer Extractors in a 30 Kg variant, expected to be available in the market by Dec 2023. This platform will later be expanded to other variants and also to Tumble Dryers and Flat Work Ironers as part of a horizontal deployment strategy.

• **Microwave Ovens**

IFB remains one of the top three dominant players in this category in the first Quarter of FY '23-'24. In the upcoming fiscal year, our main objectives are to introduce new models, including ones with advanced technology, to enhance the cooking process.

The new 28-litre Convection model with advanced air frying features, catering to the much-needed capacity in this segment, is expected to increase our market share for the fiscal year '23-'24. Additionally, we plan to launch a series of higher capacity models, starting from 34 litres and above, equipped with advanced motorised rotisserie functions.

Furthermore, we have bridged the Solo capacity gaps with the introduction of a new 24-litre Solo model in the first Quarter of FY '23-'24. This model comes packed with healthy and innovative recipes, providing more options for our customers.

- Built In Ovens, Built In Dishwasher, Built In MW, Chimneys and Hobs

In the first Quarter of FY '23-'24, the kitchen appliances built-in segment achieved approximately ₹7 crore in business. To achieve the desired monthly growth of ₹5 crore, our focus remains on strategically placing these products with proper display units in key counters.

We are also in the process of assembling a dedicated sales team for this segment. As half of the business is in the Builder segment and the Modular Kitchen segment, we aim to complete this team setup by the end of September 2023.

In the second Quarter, we have planned to launch new models in the Cooker Hood category. This category is experiencing rapid growth and the new models will incorporate BLDC technology, filter-less design, gesture sensor motion controls, heat auto clean functions and more.



- Dishwashers

The domestic dishwasher segment has experienced a decline in demand compared to previous Quarters. In the last Quarter, the market saw a reduction of approximately 6,000 units per month across all brands.

Currently, we are placed in around 3,000 plus counters and, despite the decreased market demand, we are actively working to increase our presence in the distribution network to around 4,000 plus counters.

On a positive note, the demand for our new 16 place setting capacity models has increased significantly, with our Neptune VX2 Plus model becoming one of the top-selling SKUs in the market.

To boost conversions in this product category, we have launched a targeted, digitally-led campaign offering attractive EMI offers to potential customers interested in purchasing a dishwasher. Additionally, we are providing attractive exchange offers for customers with machines older than 8 years.

Recognising the shift in market trends towards higher capacities and advanced technology features, we are developing premium-end models equipped with BLDC technology, triple wash mechanisms, direct wash technology and more.



- **Air Conditioners**

Effective from 1st July 2022, the new energy regulations have led to changes in our product line. Our new range includes products at new capacity points like 1.5 T 4 star, 1.6 T 3 star and more, all of which are Wi-Fi enabled. These products have been well-received in the market and are differentiated and benchmarked as among the best in the industry, with top-notch quality and performance levels.

To address profitability concerns, we have implemented a material cost reduction program which will be completed within Q3 of FY '23-'24. We had invested ₹182 crore in the AC plant and the loss at the PBT level until June 2023 is ₹254 crore.

We have devised a specific, geography-by-geography plan for marketing and selling ACs. Brand building efforts in Q1 aim to grow our brand sales to around 300 K per annum by the end of the next fiscal year, in addition to OEM sales. To focus on the AC segment, we are striving to grow sales in institutional and SSD verticals. A dedicated team has been assembled for this purpose, with plans to increase the team size to around 25 people by the end of Q3.

The feedback on sales in Q1 has been positive, despite lower volumes compared to the target. Customers are satisfied with the product quality and channel hygiene elements. AC placements have commenced in large chain counters and this is expected to boost volumes in Q3/Q4 of this year.



Financial Summary of the Home Appliances Division

(₹ in Crore)

Particulars	Q1 (FY '23-'24)	Q1 (FY '22-'23)
Revenue	850.20	851.90
EBITDA	26.40	28.70
EBITDA % on Revenue	3.11	3.37
EBT	-2.30	2.20
EBT % on Revenue	-0.27	0.26
ROCE %	3.78	6.56

- Revenue during the Quarter was marginally lower than the same Quarter last year.

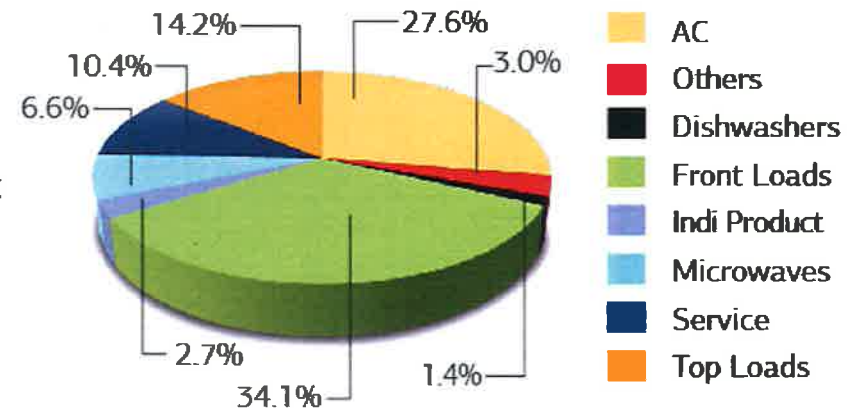
- Despite higher gross margin during the year EBITDA was lower due to following reasons:

1. Lower than expected revenue during the Quarter.
2. Higher operating expenses on account of sales promotion and franchisees

We are aware that revenue and margin are under pressure. To fix this, the three key areas of action being taken are given below:

1. Get manning right in the sales areas.
2. Getting the numeric reach (distribution channel reach) right-especially for FLs, TLs and ACs.
3. Getting the cost reduction program completed which has been identified within the Company.

QTR Product-wise spread in the Home Appliances Division

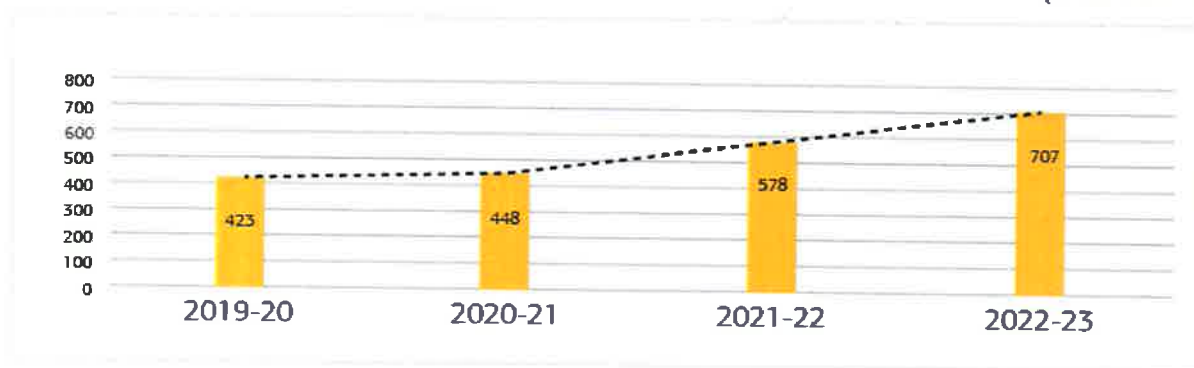


**Engineering Division
Business Updates**

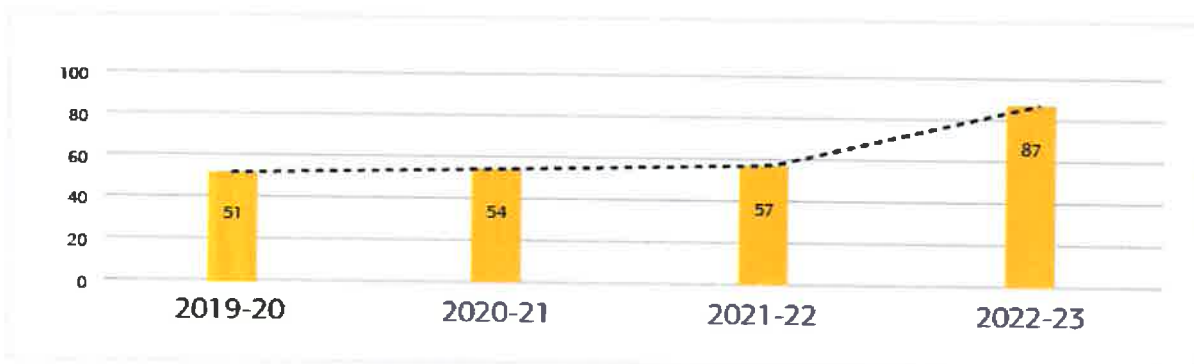
- The Division, primarily dependent on the domestic auto sector, witnessed an 8.06% growth in Q1 FY '24 compared to Q1 FY '23. During the same period, the domestic auto sector production increased by 2.8%. The major sub-segment of 2 wheelers saw a growth of 1.30%.
- We intensified our efforts to increase plant capacity utilisation and, as a result, all engineering plants witnessed an increase in utilisation.
- The Business achieved a 37% EBITA growth in Q1 FY '24 through cost reduction and efficiency improvement measures.
- To diversify the customer segment, the business focused on non-auto sectors and secured ₹20 crore of new business on an annual basis.
- The strategy to pursue business from the EV sector continued and despite the EV sector not meeting expectations in the Quarter ₹44 crore was booked on an annual basis from this segment.
- The ongoing initiative to increase the efficiency of capital employed in the Engineering business has shown positive results, with the ROCE consistently increasing for the fourth consecutive Quarter.

Trend of Revenue and Profit: Last 4 Year

(₹ in Crore)



Revenue Growth
CAGR: 19%



PBDIT Growth
CAGR: 20%

Revenue Streams for Growth-Near Term

<p>Existing Business</p>	<p>The Division aims to increase asset utilisation to cater to its new order book and capitalise on the promising future prospects of the automotive business in India. Our well-diversified customer base further strengthens our position.</p>
<p>EV Business</p>	<p>To mitigate the impact of EVs on the business, the Company is implementing these strategic measures:</p> <ol style="list-style-type: none"> 1. To interact with the existing players in the domestic EV market. 2. Early engagement with players entering the EV market. 3. EV neutral automotive business
<p>Non-Automotive</p>	<p>The Company is actively diversifying into non-automobile sectors, including appliances, electronics and industrial applications.</p>

Growth Strategy Long-Term: M&A

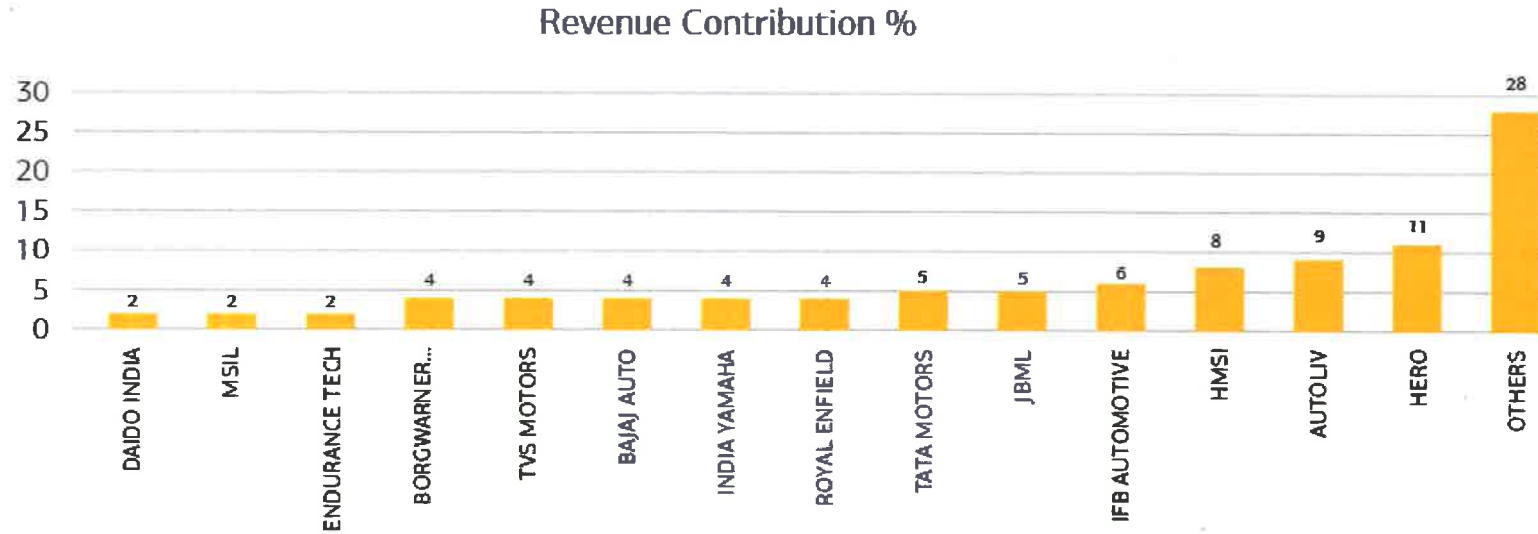
The Engineering Division's growth strategy solely focuses on M&A opportunities and the Company is actively searching for a suitable target for acquisition. There are no plans to undertake large greenfield projects in this Division.

The Division made bids for acquisitions in Indonesia and Delhi, targeting stamping companies producing automotive components. Unfortunately, these bids were not successful, but the Division remains open to exploring more such opportunities in the future.

The stamping Division's takeover was successful despite challenges from COVID-19 and other exigencies. It is expected to reach full capacity in this financial year.

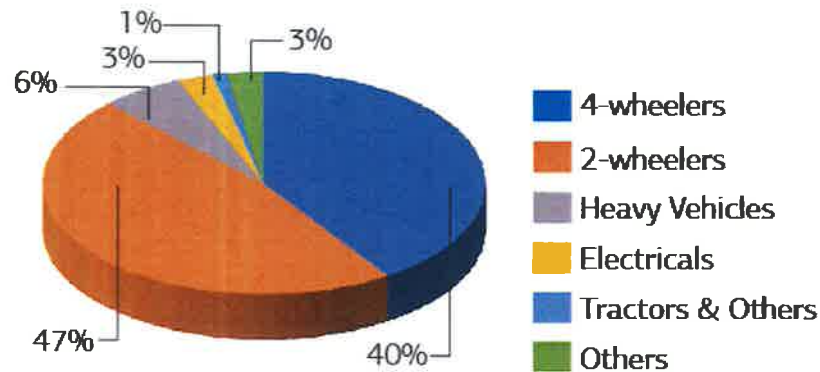


Premium Customer Base

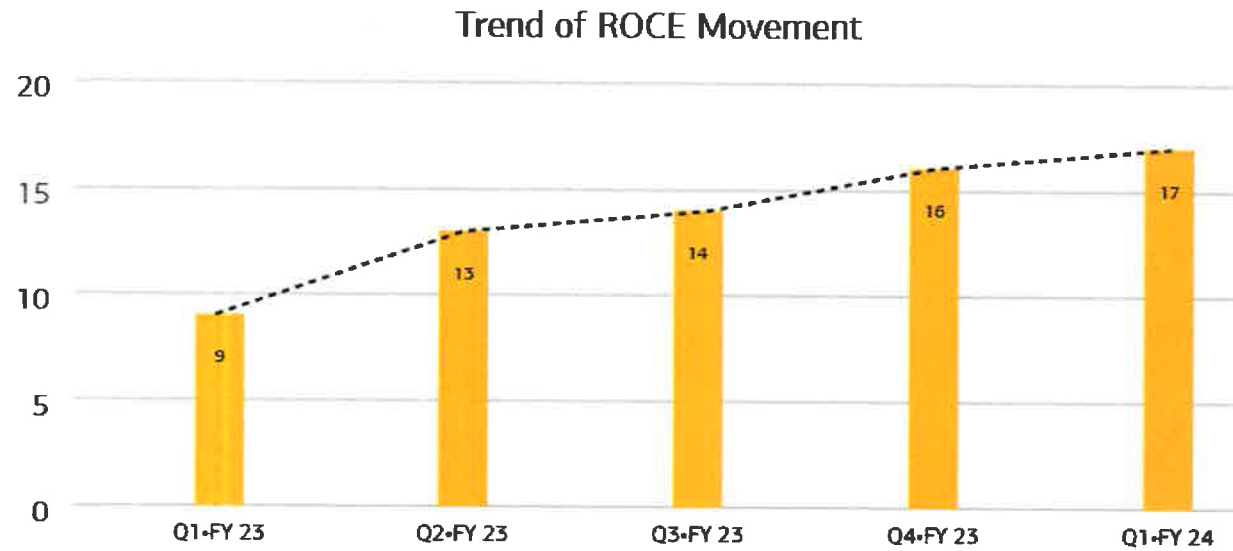


The Engineering Division supplies to all major OEMs and Tier-1 companies in India, resulting in a highly diversified customer base.

Segment wise sales (Q1 2023-24)



Steady Improvement in ROCE



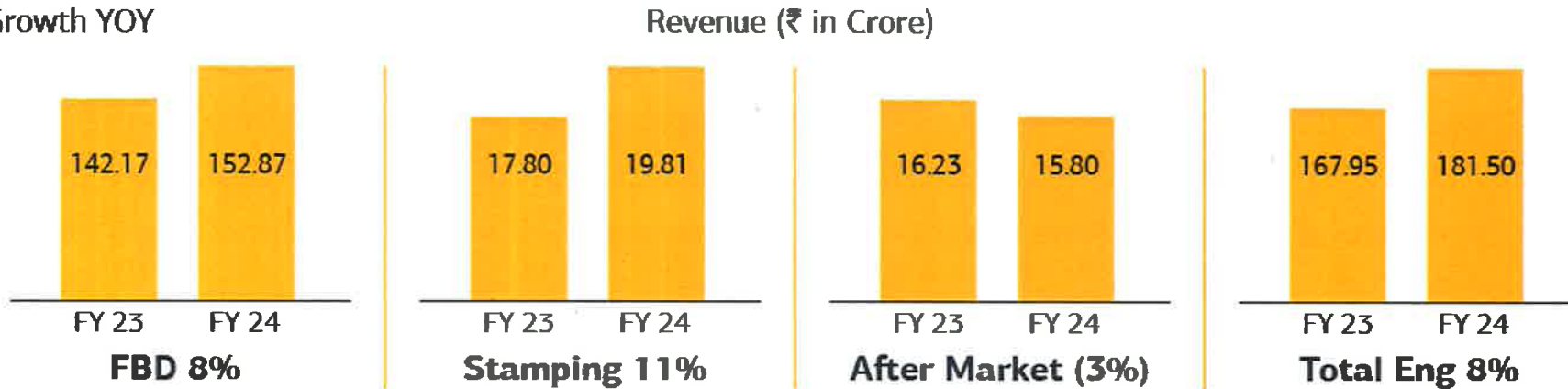
Targeted
ROCE
30%

Improvement in ROCE is mainly due to the following reasons

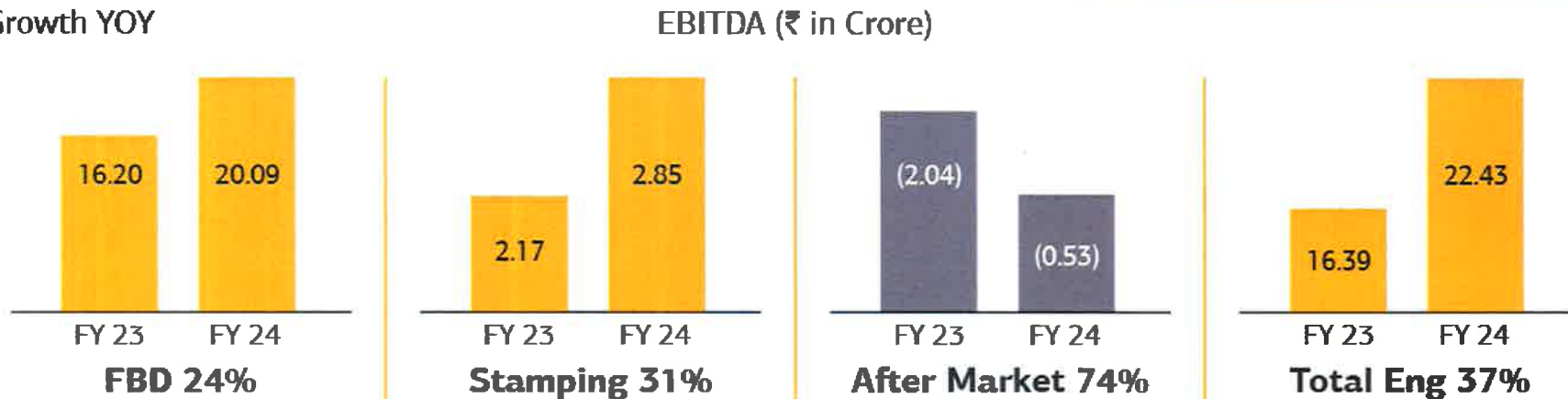
- Normalisation of capital employed
- Improvement in profitability

Q1 Vertical-wise Growth

Growth YOY



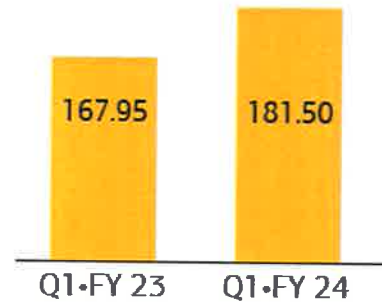
Growth YOY



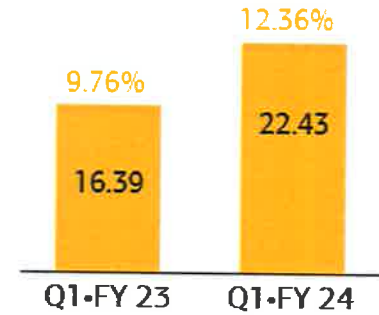
In the month of July 2023, the Stamping Division’s revenue is expected to be close to plant capacity. AFM continues to be negative at EBITDA level (although at reduced proportions) due to high material costs primarily arising from imported chains. Division is working on import substitution by developing local suppliers.

Quarterly Results—Q1 (FY 2023-24)

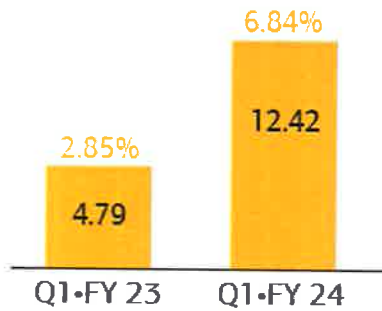
Revenue (₹ in Crore)
YOY 8%



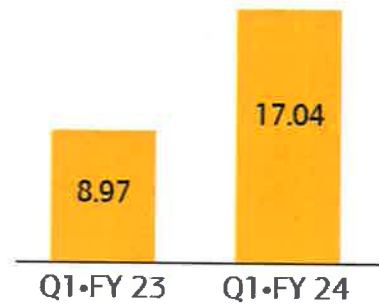
EBITDA (₹ in Crore)
YOY 37%



EBT (₹ in Crore)
YOY 159%



ROCE (₹ in Crore)



Motor Division

Appliance Motor Sales are not separately reported as they are internal sales to the Home Appliances Division. However, once the new BLDC motor line is operational, we plan to sell to others, including competitors. During the Quarter, the Division's revenue did not grow as expected due to a depressed market condition. Profitability was also impacted by price reductions given to customers and not achieving the budgeted revenue targets. The Appliance Motor Division could partially recover costs from the Home Appliances Division, but it was not enough to offset the increase in commodity prices, affecting the Division since the last financial year.

We anticipate a flat market condition in Q2. Several new projects in the Automotive Motor Division, which were supposed to be launched in Q4 by our customers, have been postponed and we hope they will be executed in Q2 of FY '24. Additionally, we have started supplying HVAC blower assemblies for a major OEM for use in commercial trucks. These new orders should improve our revenues from Q2 of FY '23-'24. Furthermore, we have begun exporting starter motors, HVAC blower motors and Engine Cooling Fan motors for sales in the after-market.

To work towards energy conservation, the Division has developed a strategy to replace all appliance motors with energy-efficient BLDC motors. These motors will save energy and offer benefits such as lower noise and higher reliability.

The Appliances Motor Division is investing in new production lines to manufacture next-generation BLDC motors for washing machines and air conditioners. The lines will have the capacity to produce one million motors each for washing machines and air conditioners.

The washer motor manufacturing line, initially planned for August 2022, faced delays due to semiconductor shortages and COVID-19 induced lockdowns at suppliers' end. However, the lines have been installed and samples have been submitted for testing. Commercial production will begin after completion of field trials by 15th Oct 2023. On the other hand, the air conditioner motor manufacturing lines are currently under production and expected to be received by August 2023, with commercial production set to start from Dec 2023 onwards.

The range of BLDC motors for washing machines can accommodate a wide range of capacities, from 5 Kg to 10 Kg machines, for both Front Load and Top Load applications. The targeted customers for washing machine BLDC motors include Samsung, Whirlpool, Electrolux, Vestal, among others.

For air conditioners, the BLDC motors will cater to a wide range of capacities, from 0.8 tons to 2.0 tons, for both indoor and outdoor applications. The Division is in discussion with various OEMs like Godrej, Voltas, Blue Star, Panasonic, Hitachi, Carrier Midea, Daikin, etc., to fulfill their BLDC motor requirements.

Financial Summary of Automotive Motor Division

(₹ in Crore)

Particulars	Q1 (FY '23-'24)	Q1 (FY '22-'23)
Revenue	16.52	18.83
EBITDA	0.33	1.32
EBITDA % on Revenue	2.02	7.01
EBT	-0.03	0.96
EBT % on Revenue	-0.18	5.10

- During Q1 of FY '24, Automotive Motor Division's revenue showed a de-growth of 12%.
- Lower revenue and higher consumption reduced margin at EBITDA level for the Division.
- In this Division as well, we need to reach a monthly turnover of ₹8 crore to ensure a respectable margin.
- We are working on various cost reduction initiatives to improve margins.
- Efforts are on to reduce input cost by way of means like alternate sourcing, use of alternate grade materials (wherever possible), vendor consolidation and reducing process rejection, which is very high today.
- We have planned to reduce other fixed overheads by 10%.

Financial Summary of Steel Division

(₹ in Crore)

Particulars	Q1 (FY '23-'24)	Q1 (FY '22-'23)
Revenue	35.46	35.41
EBITDA	-0.32	0.50
EBITDA % on Revenue	-0.90	1.41
EBT	-1.25	0.06
EBT % on Revenue	-3.51	0.17

In the first Quarter of FY '23-'24, Total Sales was 4440 MT, lower than the Budgeted 6350 MT due to a production loss of about 15 days for upgrading electrical drives and mechanical items. This shortfall in sales quantity has resulted in lower revenues than expected.

- We offered higher price reductions to our key customers, than that offered by Tata, as the market experienced a sharp fall in Q1 FY '23-'24. This, along with increased maintenance and other factory/administrative expenses, adversely affected our margins.
- To recover from the loss, our focus in Q2 FY '23-'24 will be on increasing production volume as per target and enhancing value addition. We aim to achieve this by maximising equipment capacity utilisation and increasing sales to automotive customers.
- Through better process monitoring, scrap generation in Q1 ('23-'24) reduced to ~10% compared to ~11% in the previous year, we anticipate further reduction to 9% after installing the CRS.
- The modernisation project, initially scheduled for completion by March '23, faced delays due to non-availability of critical components and required machinery modifications. It is now expected to be completed by October 2023, without any anticipated cost overruns.

Subsidiaries

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

Global Automotive & Appliances Pte Ltd (GAAL)

(₹ in Crore)

Particulars	Q1 (FY '23-'24)	Q1 (FY '22-'23)
Revenue from Operations	17.53	13.09
EBITDA	1.52	0.13
EBITDA % on Revenue	8.67	0.99
EBT	1.52	0.13
EBT % on Revenue	8.67	0.99

- Q1 revenue recorded 34% growth over last year aided by higher movement in AC and WM related parts.
- Material cost showed some reduction during the Quarter due to normalisation of freight.

Why do we need an office in Singapore?

Having an establishment in Singapore is strategic because it provides us with credibility when dealing with global companies with regional headquarters in Singapore.

This also grants us access to other ASEAN companies with offices in Singapore. Face-to-face communication is crucial in a fast-changing environment. Additionally, Singapore's status as a hub for shipping and banking will benefit us in the long-term.

Thai Automotive & Appliances Limited (TAAL)

(₹ in Crore)

Particulars	Q1 (FY '23-'24)	Q1 (FY '22-'23)
Revenue	13.99	9.44
EBITDA	0.39	0.23
EBITDA % on Revenue	2.79	2.44
EBT	-0.21	-0.34
EBT % on Revenue	-1.50	-3.60

TAAL is engaged in manufacturing Auto Components through Fine Blanking process.

- Revenue Growth during the Quarter is 48% as compared to same period last year.
- EBIDTA margin continues to be low due to high fixed costs and increase in material consumption and outsource process cost.
- The Company is seeking price increases from customers for several parts where the RM cost has increased.
- The Company initiated the cost reduction measures to reduce the fixed cost and other operating costs to improve the margins.

Note on current status after take over Note on Ramsons takeover

- Industrial Laundry Manufacturing Business was acquired from Ramsons on 18th Oct 2018.
- Due to the pandemic our business was severely impacted as hotels, railways and other institutions were all closed in FY '20-'21 and also FY '21-'22.
- After the pandemic, we participated in exhibitions like Aahar and Pharmalytica, which improved our market penetration and awareness. We have also planned two more major events in August and September: the International Hospitality Expo (IHE) in Greater Noida and Clean-India Expo in Mumbai.
- We received high-value orders from the Pharma market, including Lyfius Pharma and Aurobindo Pharma. However, there is currently a slowdown in the Hospitality segment compared to Q3 and Q4 of the previous year.
- We are confident of achieving the annual budget of ₹110 crore, with Q3 and Q4 expected to perform better. We anticipate receiving important Government Project orders from AIIMS, BHU, Railway laundry and PCMC tenders, which are expected to close positively.
- New platform products in the 30 Kg washer extractor have begun and will be available in the market by the end of Q3. Subsequently, they will be scaled up to all existing Washer Extractor ranges.
- With the average turnover of ₹6.92 crore per month, the Division achieved PBDIT percentage of 8.22%.
- Financial highlights are summarised below:

Particulars	UOM	2019-20	2020-21	2021-22	2022-23	2023-24 Q1
Revenue	₹/Crores	41.36	30.76	45.86	76.83	20.77
PBDIT	₹/Crores	-4.2	-4.02	-1.03	7.27	1.73
PBDIT%	Percentage	-10.14	-13.07	-2.23	9.34	8.22
PBT	₹/Crores	-7.71	-7.65	-5.00	3.44	0.87
PBT%	Percentage	-18.64	-24.87	-10.84	4.42	4.16

Note on the Stamping Division takeover

- IFB Industries Ltd acquired the Stamping Division from IFB Automotive Pvt. Ltd in October 2019 to position its Engineering Division as a One-stop-shop for the Automobile Components Business.
- Performance Progress
 1. The revenue of the Stamping Division has risen since its acquisition.
 2. During the Q1 for FY '23-'24 Stamping Division has made highest ever sales in a Quarter for ₹18.27 crore against the budget of ₹21.12 crore. PBDIT recorded was 14.40% against a budgeted PBDIT of 15.80%.
 3. Budgeted Revenue for the FY '23-'24 is ₹92.68 crore with Budgeted PBDIT of 17.07%. The Budgeted Revenue is approximately equivalent to the current capacity of the Stamping Division.
- In FY '23-'24, based on enhanced marketing efforts, new orders from Royal Enfield and Forvia have been awarded through which the Division will improve its revenue and margin. The financial trend since FY '19-'20 till Q1 '23-'24 is given below:

Particulars	UOM	Six Month 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Q1 FY 2023-24
Revenue	₹/Crores	17.24	36.26	49.4	70.14	18.27
PBDIT	₹/Crores	2.25	3.63	5.62	10.2	2.85
PBDIT%	Percentage	13.05	10.01	11.38	14.50	14.40
PBT	₹/Crores	-1.42	-3.76	-1.72	0.86	0.49
PBT%	Percentage	-8.24	-10.37	-3.48	1.20	2.50

Note on Acquisition of Trishan Metals takeover

51% of equity of erstwhile Trishan Metals Pvt Ltd [Manufacturer of Cold Rolled Strips] was acquired by IFBIL in July, 2016. Remaining 49% was acquired on 31st Oct, 2020. Finally it was amalgamated with IFBIL with effect from 1st April '21 as per the order of NCLT.

•The key challenges of the business were:

1. The unit was running at poor capacity utilisation and low order booking.
2. Plant, mill equipment and electricals were not only outdated but obsolete at the same time.
3. Non prime generation was very high.

• Turnaround Strategy implemented

1. Improvement in value addition through better product mix.
2. Aggressive Marketing strategy to acquire new customers and provided order for >90% mill capacity utilisation.
3. Close monitoring of cost and reducing non prime generation in the mill.
4. Capex undertaken to increase volume and upgradation planned to enhance mill capacity and improve quality.

The unit showed a turnaround in FY '21-'22, with a PBIDT of ₹0.93 crore and a cash profit of ₹0.62 crore. In FY '22-'23, PBIDT increased to ₹2.97 crore, with a cash profit of ₹2.16 crore. However, in Q1 FY '23-'24, the plant experienced a negative PBIDT of ₹29 lakhs due to lost production volumes from mill upgradation and poor price realization.

Figures in the below given financials are not comparable as Trishan earlier was a subsidiary but now it is merged with IFBIL. After merger out of total revenue of ₹135.27 crore in FY '22-'23 internal sale to FB Division is ₹76.23 crore. Financials are summarised below:

Particulars	UOM	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Q1 2023-24
Revenue	₹/Crores	74.38	119.64	72.11	71.26	116.72	135.67	35.46
PBDIT	₹/Crores	-1.12	-0.11	-1.19	-0.19	0.93	2.97	-0.29
PBDIT%	Percentage	-1.51	-0.09	-1.65	-0.27	0.80	2.19	-0.81
PBT	₹/Crores	-3.96	-3.18	-4.14	-2.65	-0.64	0.74	-1.25
PBT%	Percentage	-4.96	-2.66	-5.74	-3.72	-0.55	0.55	-3.53

Note on Automotive Motor Division takeover

The Motor Division of IFB Industries acquired the Automotive Motor Division of IFB Automotive Pvt Ltd in October 2019. The acquisition aimed to create synergy between the Divisions, resulting in substantial savings and increased scale.

Post-acquisition, significant reduction in fixed costs and re-negotiation of commodity prices led to cost savings. The business has since recovered, closing FY '23 with revenue of ₹70.77 crore and EBIDTA of 4.39%. The order book for the current FY looks healthy, with the aim to achieve sales of ₹100 crore or more.

The manufacturing of BLDC Motors is expected to increase sales and ensure higher margins in this vertical. The financial trend of the Automotive Motor Division is as follows:

Particulars	UOM	2020-21	2021-22	2022-23	2023-24 Q1
Revenue	₹/Crores	32.95	49.26	70.77	16.24
PBDIT	₹/Crores	-3.40	-1.30	3.11	0.33
PBDIT%	Percentage	-10.32	-2.64	4.39	2.03
PBT	₹/Crores	-5.43	-2.91	1.50	-0.03
PBT%	Percentage	-16.48	-5.91	2.12	-0.2

STANDALONE INCOME STATEMENT

	QTR (₹ in Crore)	
	30 Jun, '23	30 Jun, '22
Total Sale of Products	1,279.85	1,267.85
Less: Trade Scheme and Discounts	280.83	271.38
Net Sales	999.02	996.47
Sale of Services	30.81	24.28
Other Operating Revenues	25.24	24.02
Revenue from Operations	1,055.07	1,044.77
Other Income	7.78	4.50
Total Income	1,062.85	1,049.27
EBDITA	40.68	38.44
EBDITA Margin (%)	3.8	3.7
Depreciation and Amortisation Expense	29.72	28.12
EBIT	10.96	10.32
EBIT Margin (%)	1.0	1.0
Finance Costs	7.41	7.22
Profit Before Tax	3.55	3.10
Profit After Tax	2.63	1.99
PAT Margin (%)	0.2	0.2
Total Comprehensive Income (TCI)	2.43	1.54
Total TCI Margin (%)	0.2	0.1
No of Shares (in crore)	4.05	4.05
Earnings Per Share (₹) (Not Annualised)	0.65	0.49

STANDALONE BALANCE SHEET

(₹ in Crore)

	30 Jun '23	31 Mar, '23
ASSETS		
Property, Plant and Equipment*	668.86	689.63
Investment in Subsidiaries	118.60	118.60
Investment in Equity Shares	2.25	2.25
Inventories	497.40	566.82
Investment in Mutual Funds	138.80	89.15
Trade Receivables	372.79	392.04
Cash and Bank Balances	110.49	92.71
Other Assets	131.40	120.50
TOTAL	2,040.59	2,071.70
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	617.71	615.28
Borrowings (Including Current Maturities of Long Term Debts)	158.23	199.15
Trade Payables	806.45	811.63
Other Provisions and Liabilities	416.92	404.36
TOTAL	2,040.59	2,071.70

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

STANDALONE KEY RATIOS

	QTR	
	30 Jun, '23	30 Jun, '22
Earnings Per Share (in ₹) (Not Annualised)	0.65	0.49
Book Value Per Share (in ₹)	162.64	157.64
Current Ratio (#)	1.09	1.16
Quick Ratio (#)	0.64	0.58
EBDITA/Total Income (%)	3.8	3.7
Net Profit Margin (%)	0.2	0.2
Net Worth (in ₹ crore)	547.91	527.65
RONW (%) (on PAT) (Not Annualised)	0.5	0.4
Return on Capital Employed (%) (on EBIT)	1.2	1.1
No of Equity Shares (in crore)	4.05	4.05
Closing Market Price on Period End (in ₹)	812.70	899.60
Market Capitalisation (in ₹ crore)	3,292.96	3,645.07
Head Counts (Numbers)	2,607.00	2,640.00
Total Income Per Employee (₹ in lakh)	40.77	39.75
PBT Per Employee (₹ in lakh)	0.1	0.1
Fixed Asset Turnover Ratio	8.2	7.7
Sundry Debtors Outstanding (in Days)	26	22
Inventory Holding (in Days)	35	44

(#) include current Investments and short term working capital loans and current maturities of long term loans

STANDALONE CASH FLOW STATEMENT

YTD (₹ in Crore)

	30 Jun, '23	31 Mar, '23
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	3.55	34.40
Non-Cash and Other Adjustments	35.82	133.75
Operating Profit Before Working Capital Changes	39.37	168.15
Movement in Working Capital	86.74	(58.40)
Cash Generated from Operations	126.11	109.75
Income Taxes Paid	(2.42)	(3.00)
Net Cash Generated from Operating Activities	123.69	106.75
Net Cash Used in Investing Activities	(61.06)	(6.69)
Net Cash Used in Financing Activities	(47.01)	(93.17)
NET CHANGE IN CASH AND CASH EQUIVALENT	15.62	6.89
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	71.68	64.79
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	87.30	71.68

CONSOLIDATED HIGHLIGHTS

(₹ in Crore)

	Q1 ('23-'24)	Q1 ('22-'23)
Total Income	1093.69	1,071.73
Earning Before Depreciation, Interest and Tax	38.27	39.06
Earning Before Interest and Tax	8.03	10.44
Profit Before Tax	0.56	3.13
Profit After Tax	(0.62)	1.90
Earnings Per Share (₹) (Not Annualised)	(0.15)	0.47
Cash and Liquid Investments	253.81	186.20

CONSOLIDATED INCOME STATEMENT

	QTR (₹ in Crore)	
	30 Jun, '23	30 Jun, '22
Total Sale of Products	1,310.09	1,289.92
Less: Trade Scheme and Discounts	280.83	271.38
Net Sales	1,029.26	1,018.54
Sale of Services	30.81	24.28
Other Operating Revenues	25.84	24.58
Revenue From Operations	1085.91	1067.40
Other Income	7.78	4.33
Total Income	1093.69	1071.73
EBDITA	38.27	39.06
EBDITA Margin (%)	3.50	3.64
Depreciation and Amortisation Expense	30.24	28.62
EBIT	8.03	10.44
EBIT Margin (%)	0.7	1.0
Profit Before Tax	0.56	3.13
Profit After Tax	(0.62)	1.90
Attributable to Owners of The Parent	(0.62)	1.90
Attributable to Non-controlling Interest	0.00	0.00
Total Comprehensive Income (TCI)	(1.62)	1.66
Attributable to Owners of The Parent	(1.62)	1.66
Attributable to Non-controlling Interest	0.00	0.00
No of Shares (In Crores)	4.05	4.05
Earnings Per Share (₹) (Not Annualised)	(0.15)	0.47

CONSOLIDATED BALANCE SHEET

(₹ in Crore)

	30 Jun, '23	31 Mar, '23
ASSETS		
Property, Plant and Equipment*	694.27	715.69
Investment in Equity Shares	92.54	96.84
Inventories	502.72	573.09
Investment in Mutual Funds	138.80	89.15
Trade Receivables	399.05	413.37
Cash and Bank Balances	115.01	97.05
Other Non-current Assets	132.42	121.60
TOTAL	2,074.81	2,106.79
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	624.57	626.19
Borrowings (Including Current Maturities of Long Term Debts)	162.30	204.09
Trade Payables	829.17	830.33
Other Provisions and Liabilities	417.49	404.90
TOTAL	2,074.81	2,106.79

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

Thank You



Disclaimer

This presentation contains statements which reflect the Management’s current views and estimates and may be construed as forward-looking in nature. The future involves certain risks and uncertainties that may cause actual results to differ materially from the current views being expressed. Partial risks and uncertainties include such factors as general economic conditions, commodity prices and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.



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