



November 20, 2023

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001.

Scrip Code – 543597

Subject – Investors Presentation for the September 2023.

Dear Sir/Madam,

Ref: Update under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the above captioned subject, we Virtuoso Optoelectronics Limited, hereby submits the Updated Investor Presentation for all our stakeholders of the company and public at large the Investor Presentation for the September 2023.

This aforesaid presentation will also be made available on the companies' Website.

We request you to kindly take the same on your records,

Thanking you,

Yours faithfully ,

For **Virtuoso Optoelectronics Limited**

Hariom Kushawaha
Company Secretary & Compliance Officer
Mem. No. ACS 68173



VIRTUOSO Optoelectronics Limited

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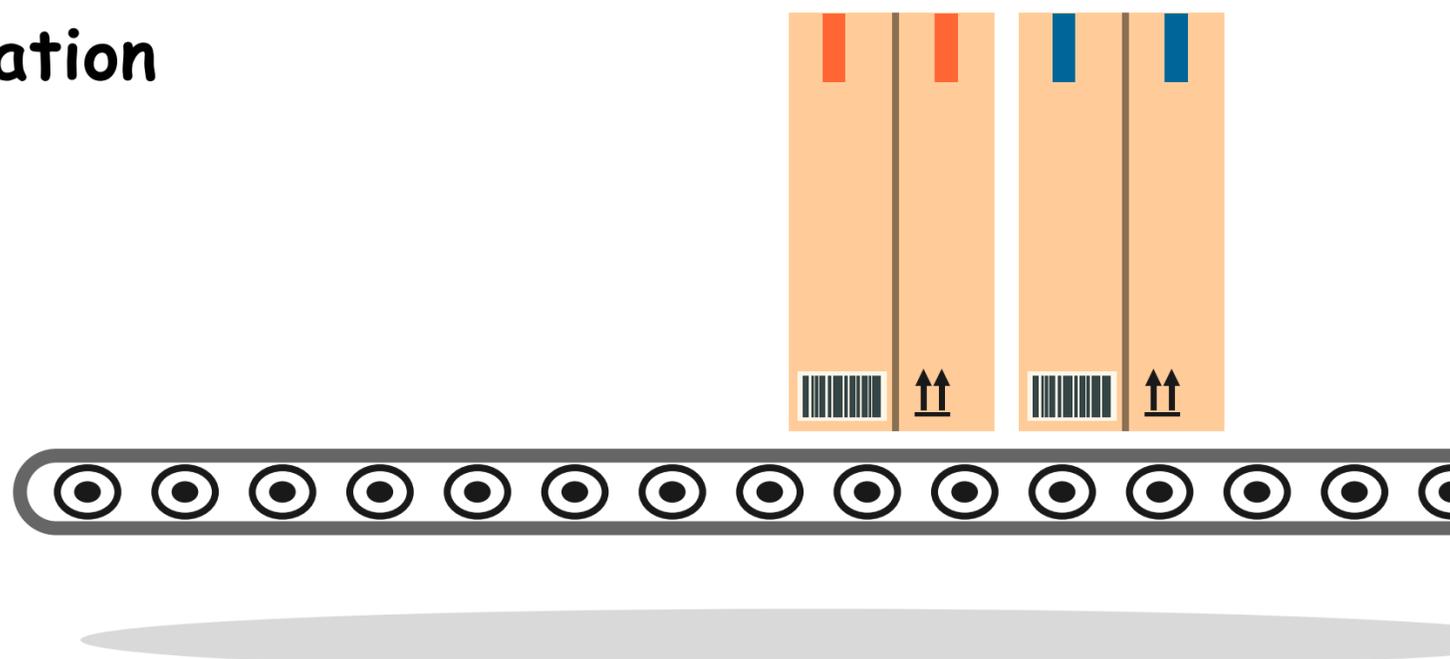
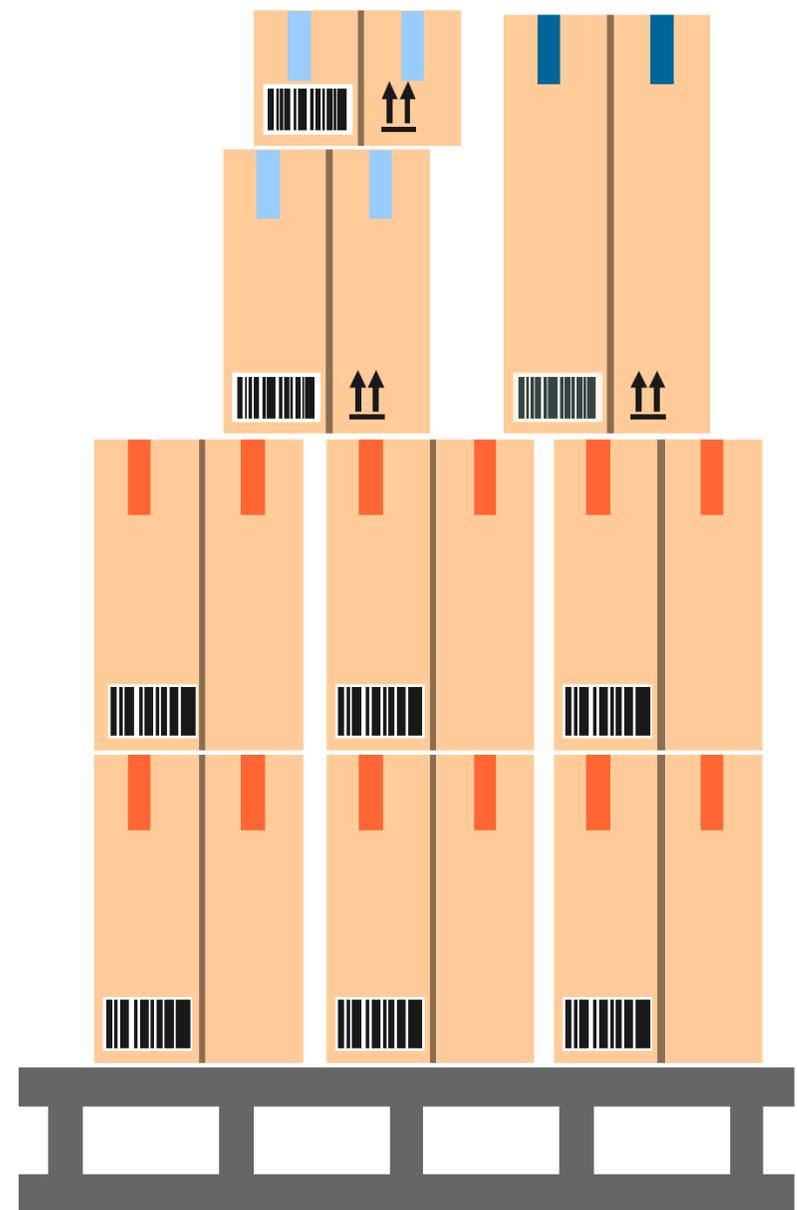
Company CIN No: U74999MH2015PLC268355



VIRTUOSO OPTOELECTRONICS LIMITED

VIRTUOSO OPTOELECTRONICS LIMITED (VOEPL)

Investor Presentation H1 FY24



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01 Performance & Way Forward

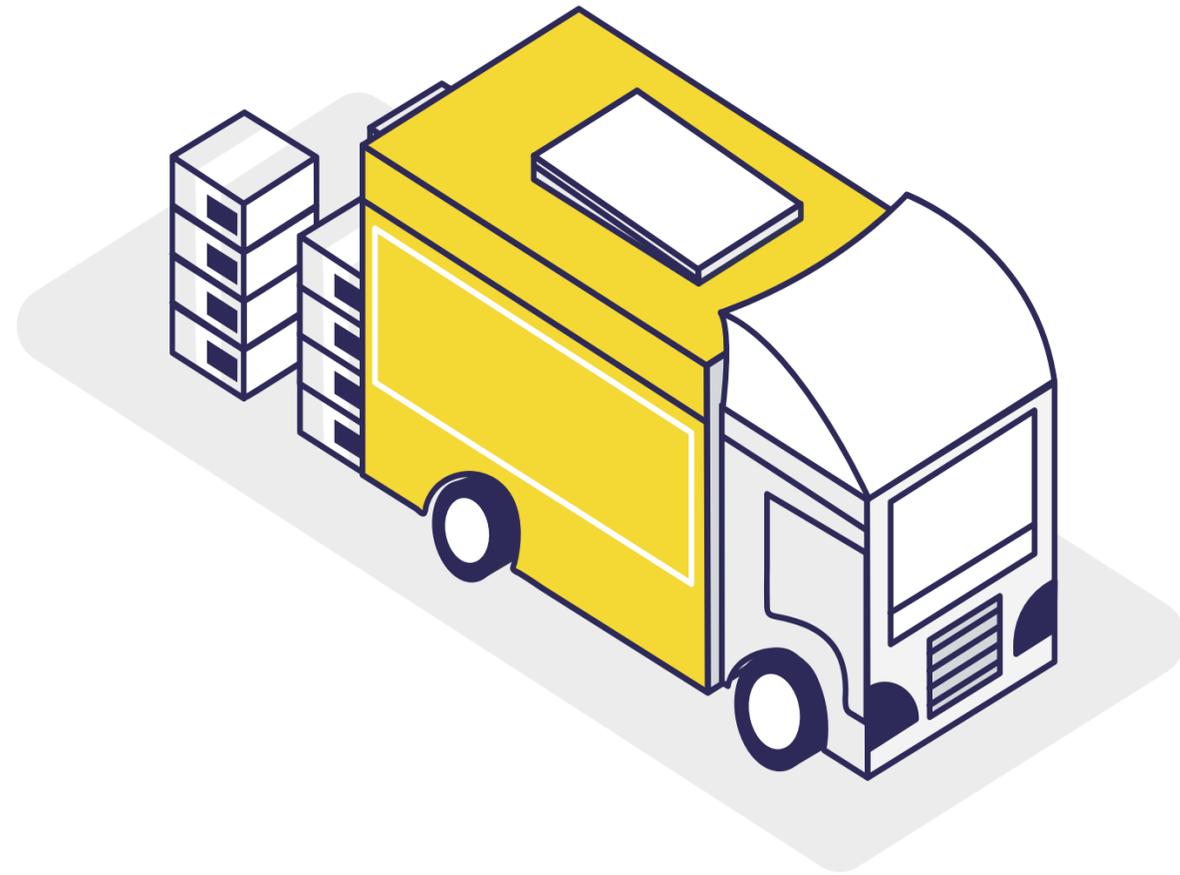
02 Company Profile

03 Business Overview

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01

Performance & Way Forward

Performance Highlights

+6.6% [HoH]

Income from Operations

+112% YoY

Net Sales



+36.4% [HoH]

EBITDA

+88% YoY

IDU Volume Growth



+32.1% [HoH]

Profit Before Tax

+ODU sales

New product sales
contribution in FY24

+28.5% [HoH]

Net Profit

9.9%

EBITDA Margin

2.4%

PBT Margin

Cross Flow Fans

Backward integration unit
setup for cross flow fans

Backward integration

Backward integration unit setup
for other inputs.

Plans to further add Brass
components and BLDC Motors

Water Dispenser

New Category - under trials
Expect commercial production
w.e.f. Dec'23

Commercial Refrigeration

New Category
Currently under development
Targeting to start commercial
production in H1FY25

Toy components

Started manufacturing
components for toy manufacturing
companies

EMS components

Components for appliances
added in EMS Segment

*HoH = H1FY24 vs H2FY23

Half-Yearly Financial Performance



Particulars (INR Mn)	H1FY24	H2FY23	H1FY23	YoY%	HoH%	FY23	FY22	YoY%
Net Sales	2,384.4	2,247.4	1,125.2	111.9%	6.1%	3,372.7	2,001.7	68.5%
Other Income	7.0	(3.6)	11.7	-40.0%	100.0%	8.1	1.1	636.3%
Income from Operations	2,391.3	2,243.9	1,136.9	110.3%	6.6%	3,380.7	2,002.8	68.8%
Total Expenditure	2,152.9	2,069.1	969.1	122.2%	4.1%	3,038.1	1,803.6	68.4%
EBITDA	238.4	174.8	167.8	42.1	36.4	342.6	199.2	72.0%
EBITDA Margin (%)	10.0%	7.8%	14.8%	-479 bps	+218 bps	10.1%	10.0%	+19 bps
Depreciation	82.9	48.2	46.1	79.9%	72.0%	94.3	51.4	83.5%
EBIT	155.5	126.6	121.7	27.8%	22.9%	248.3	147.9	67.9%
Interest	98.5	83.4	52.0	89.6%	18.1%	135.4	90.6	49.5%
Profit Before Tax	57.0	43.2	69.8	-18.3%	32.1%	112.9	57.3	97.0%
Tax	21.9	15.8	19.4	12.9%	38.3%	35.2	17.9	96.8%
Profit After Tax	35.1	27.3	50.4	-30.3%	28.5%	77.7	39.4	97.1%
PAT Margin (%)	1.5%	1.2%	4.4%	-296 bps	+25 bps	2.3%	2.0%	+33 bps
Earnings Per Share (Rs)	1.54	1.50	3.31	-53.5%	2.7%	4.28	3.11	37.6%

Key pointers

EBITDA Margin

H1FY24 at 10% is our realistic blended EBITDA Margin with current product mix.

H1FY23 was higher due to raw material benefits from lower cost inventory.

Impact on Net Profit

Depreciation

Increase in depreciation led by aggressive capex for new ODU plant, expansion in IDU plant, setup of new Cross Flow Fans unit and new units being setup for backward integration as well as for new products (water dispenser & commercial refrigeration).

Tax

Higher tax outgo led by early right to use asset claim and related higher income tax based on calculations.



+40% CAGR •
(on the base of FY23)



Expand Capacity

Improve Capacity Utilisation

- **Expand Capacity in FY2024:**
 - ODU - From 2.5 Lac units to 4 Lac units p.a.
 - IDU - From 6 Lac units to 8 Lac units p.a.
 - CFF - From 40,000 units to 80,000 units p.m.
 - Increase Capacity Utilisation by FY25 to 100% on the expanded capacity
- **Bring online capacity for Water Dispenser**
- **Setup new facility for Commercial Refrigeration**

Backward Integration

Increase Value Addition

- More investments in Machinery to increase share of backward integration.
 - Backward integrated into cross flow fan.
 - Aiming to add Brass Components and BLDC Motors
- Adoption of newer technology to reduce costs.
- Developing an in-house tool room to support customer needs more effectively.

New Categories

New Customers & Geographies

- New Product under trials: Water Dispenser
- New Product envisaged: Commercial Refrigeration
- Exploring manufacturing of other white goods & components thereof.
- Partner for exports with customers.
- Enter international markets in SE Asia & Africa.



02

Company Profile



About Us

Virtuoso Optoelectronics Limited (VOEPL) was incorporated in 2015 at Nashik, India. The company started its operation with Electronic Manufacturing and then grew from strength to strength with the help and support of its customers, team and partners. Over the last few years VOEPL has established itself as a strong OEM/ODM in the manufacturing industry for white goods & electronic items especially air conditioners.

- ✔ **Key Manufacturer of Air Conditioners in India**
- ✔ **Based in Nashik, Maharashtra, India**
- ✔ **6 manufacturing facilities around Nashik**
- ✔ **Backward Integrated**
- ✔ **Blue-Chip Customer Base**



Sukrit Bharati

- 13+ years of experience.
- A qualified technocrat with education background of Masters in Science - Engineering Technology from BITS Pilani; Diploma courses in Management subjects from Harvard Business School and NMIMS, Mumbai.
- Further, he has completed a certification course from the Seed Transformation Program, from Stanford University which is a year long, on-the-ground leadership program for established founders and CEOs in emerging economies focused on growing their businesses and increasing the positive impact they have in their communities.
- He looks after the management and operations of the company and is focused on new client acquisition, new product manufacturing technologies and setting the growth vision of the company

"We are a growing vibrant community that aims to delight consumers and clients by innovating and manufacturing amazing consumer products."

Core Team



Sajid Shaikh

Chief Financial Officer (CFO)

MBA with over 25 years of experience across banking & finance sector. Strong experience in financial modelling, debt financing, networking and fund raising.



Nitin Shewale

Chief Operating Officer (COO)

A veteran of the consumer durables industry with more than 33 years of experience, has worked with Videocon as AVP and COO for Liebherr India.



K Ramesh

GM - Manufacturing

Mechanical Engineer with over 30 years of experience in AC Industry. Worked nationally and internationally with industry leaders like - Amber , Videocon, Allwyn Refrigerators.



Kedar Aphale

GM - Operations

Mechanical Engineer with over 24 years of experience. Worked with LG Electronics, Franke Faber India, KLT Automobile across departments & areas.



Hariom Kushwaha

Company Secretary

Qualified Company Secretary. Commerce and Law graduate. Diverse experience across multiple areas in corporate law & secretarial compliance.

Our Milestones



2015

Incorporation

2016

Commenced production of electronic products (Unit 1)

2017

ISO 9001 Quality Certification

2018

Started production for PANASONIC

Launched Emergency Lighting Range & ventures in appliances

2019

Estab. 40,000 SqFt. (Unit 2) facility for IDU (AC); started manf for Voltas

2020

UL Certification received for Export to USA

Added EMS And LED Facility Of 48,000 Sqft.

Expansion Of IDU Unit By 60,000 Sqft.

2021

Added In-house Heat Exchange & Plastic Injection Molding Lines

Developed Remote & Electronic Parts For ACs

Achieved Top Line Of INR 200 Cr.

2023

Setup Unit 3 for manufacturing of ODU
Expanded IDU capacity

Setup Unit 4 for Cross Flow Fans and Plastic Components

Setting up new products
- Water Dispensers
- Commercial Refrigeration



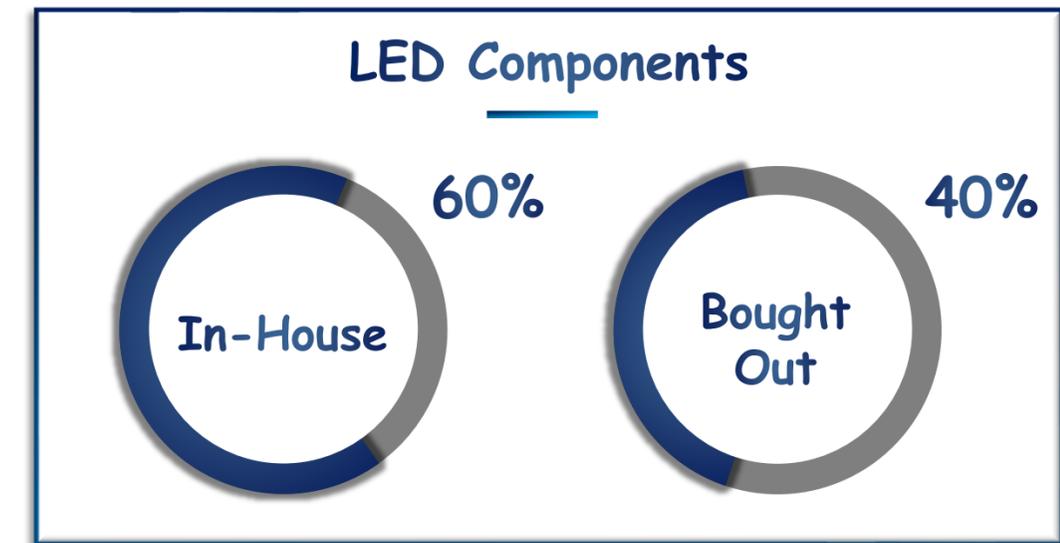
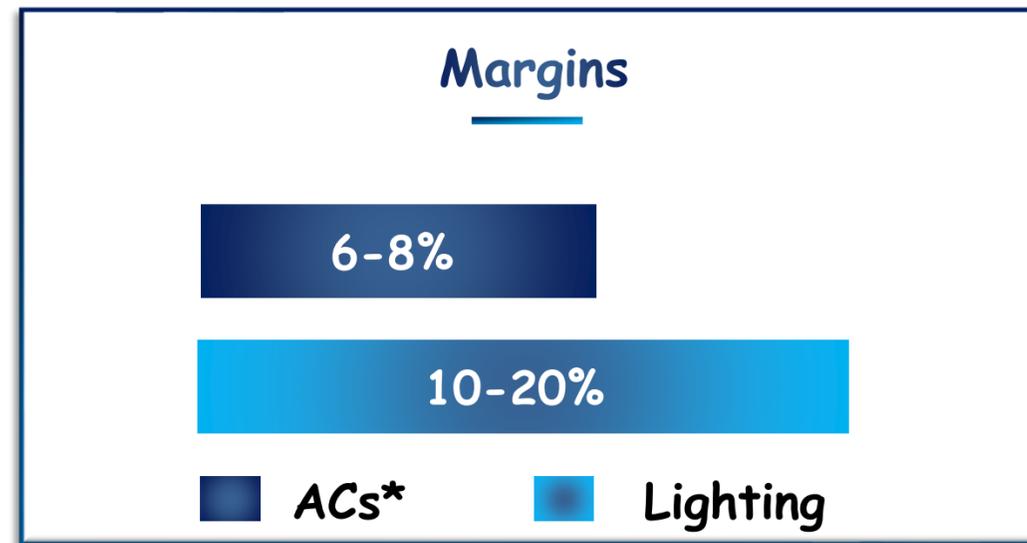
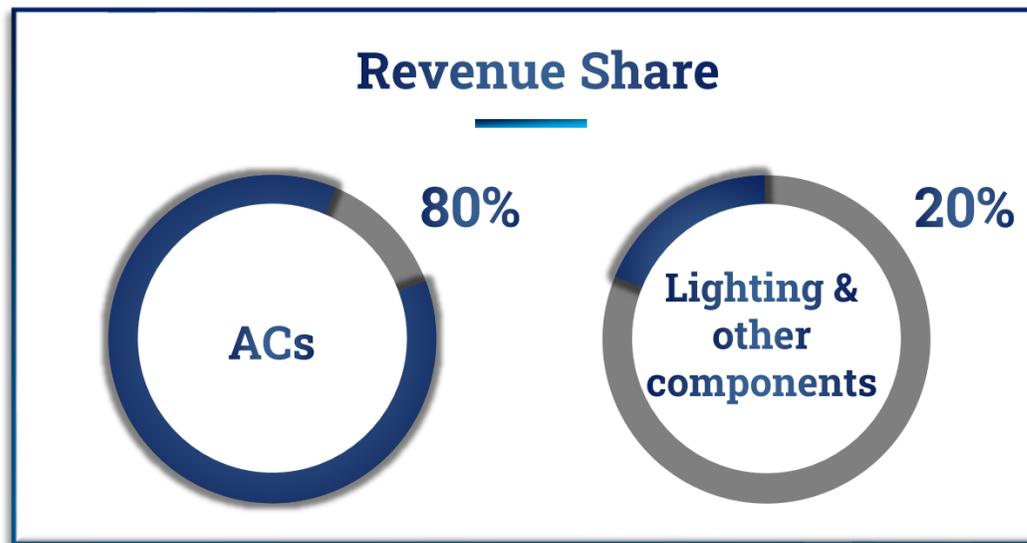
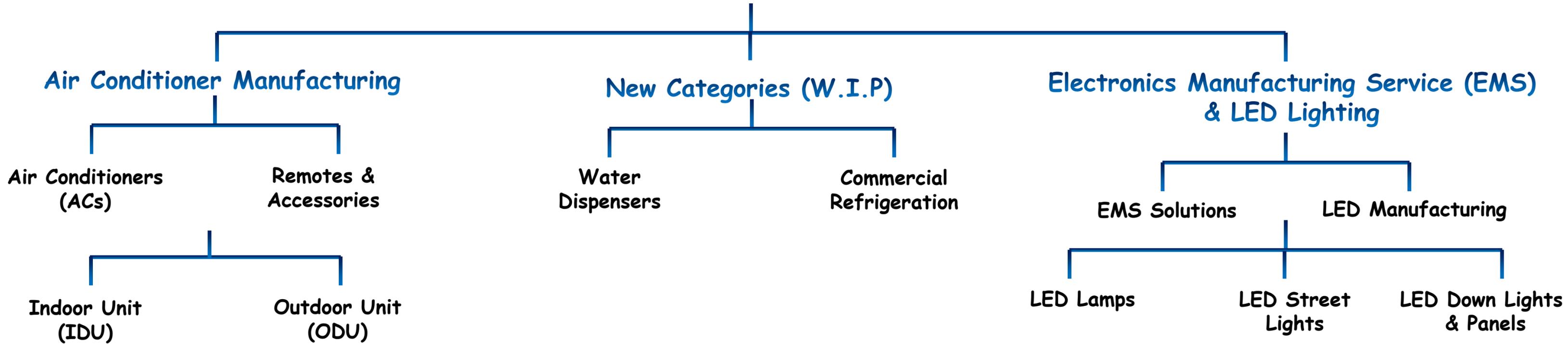
03

Business Overview

BUSINESS MIX



VIRTUOSO OPTOELECTRONICS LIMITED



* AC manufacturing has PLI benefits

Manufacturing Units



Unit 1
EMS and LED Lighting
48,000 sqft.
Satpur, Nashik



Unit 2
IDU - AC Manufacturing
100,000 sqft.
Janori, Nashik



Unit 3
ODU - AC Manufacturing
48,000 sqft.
Wadiware, Nashik

Component Plants



Unit 4
Moulding & CFF



Unit 5
Copper Tubing
Section



Unit 6
Aluminium Pressure
Die Casting & Brass
Components
(Under commissioning)

Component Product Verticals



Controller Boards



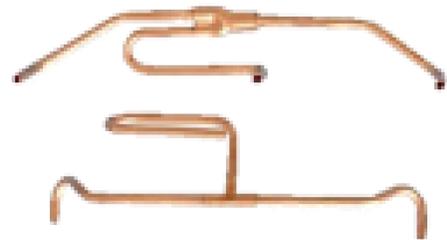
Sheet Metal Parts



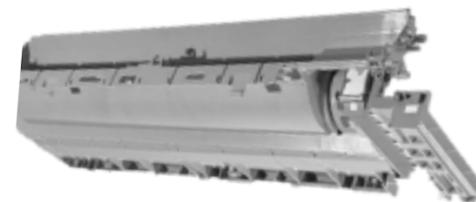
Heat Exchangers



Wire Harnesses



Copper Tubing



Plastic Injection
Molding



Cross Flow Fan

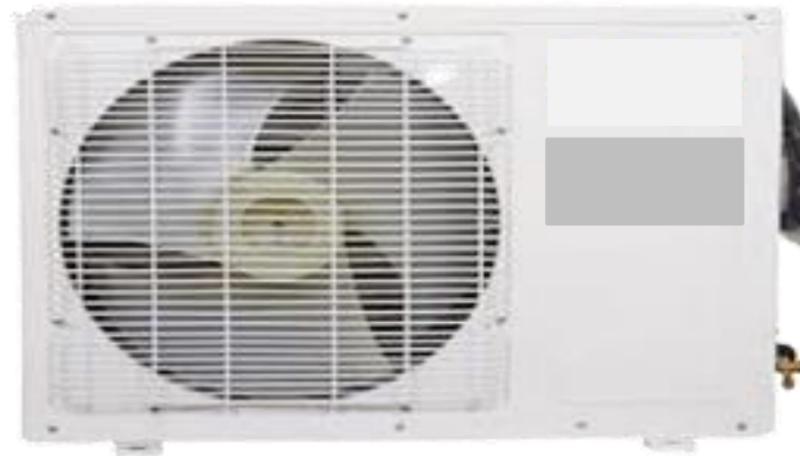


Remotes

Finished Product Verticals



Indoor AC Units (IDU)



Outdoor AC Units (ODU)



LED Lighting Products



Deep Freezer



Water Dispenser

Why VOEPL?



PLI Sanction -Govt. of India

VOEPL received Rs. 50.50 Cr. sanction towards backward integration of White Goods (ACs) under PLI scheme out of a total of 26 companies.



Strong Backward Manufacturing Integration

VOEPL is maximizing its backward integration to provide maximum value addition to its customers.



Strong, Ambitious and Focused Team

The team of VOEPL is dedicated towards the companies' vision of building a strong manufacturing company.



Support of Current Market Leading Brands

The major customers of VOEPL are market leaders. These customers work on long term planning and vision which VOEPL is privileged to be a part of.



Location Advantage

VOEPL is a vendor of choice in the western region for OEMs as there are limited manufacturers in the West. Also it is in close proximity to the Port which reduces its logistics costs for exports.

Capacity Expansion (Existing Products)



Current Capacity FY23

(Per Annum)

Lighting

34,000,000 lamp equivalent units

Air Conditioners

Indoor Unit (IDU)	600,000 Units
Outdoor Unit (ODU)	250,000 Units
Cross Flow Fans	40,000 Units p.m.

Targeted Capacity- FY24

(Per Annum)

Lighting

34,000,000 lamp equivalent units

Air Conditioners

Indoor Unit (IDU)	800,000 Units
Outdoor Unit (ODU)	400,000 Units
Cross Flow Fans	80,000 Units p.m.

Our Esteemed Customers



Major Customers



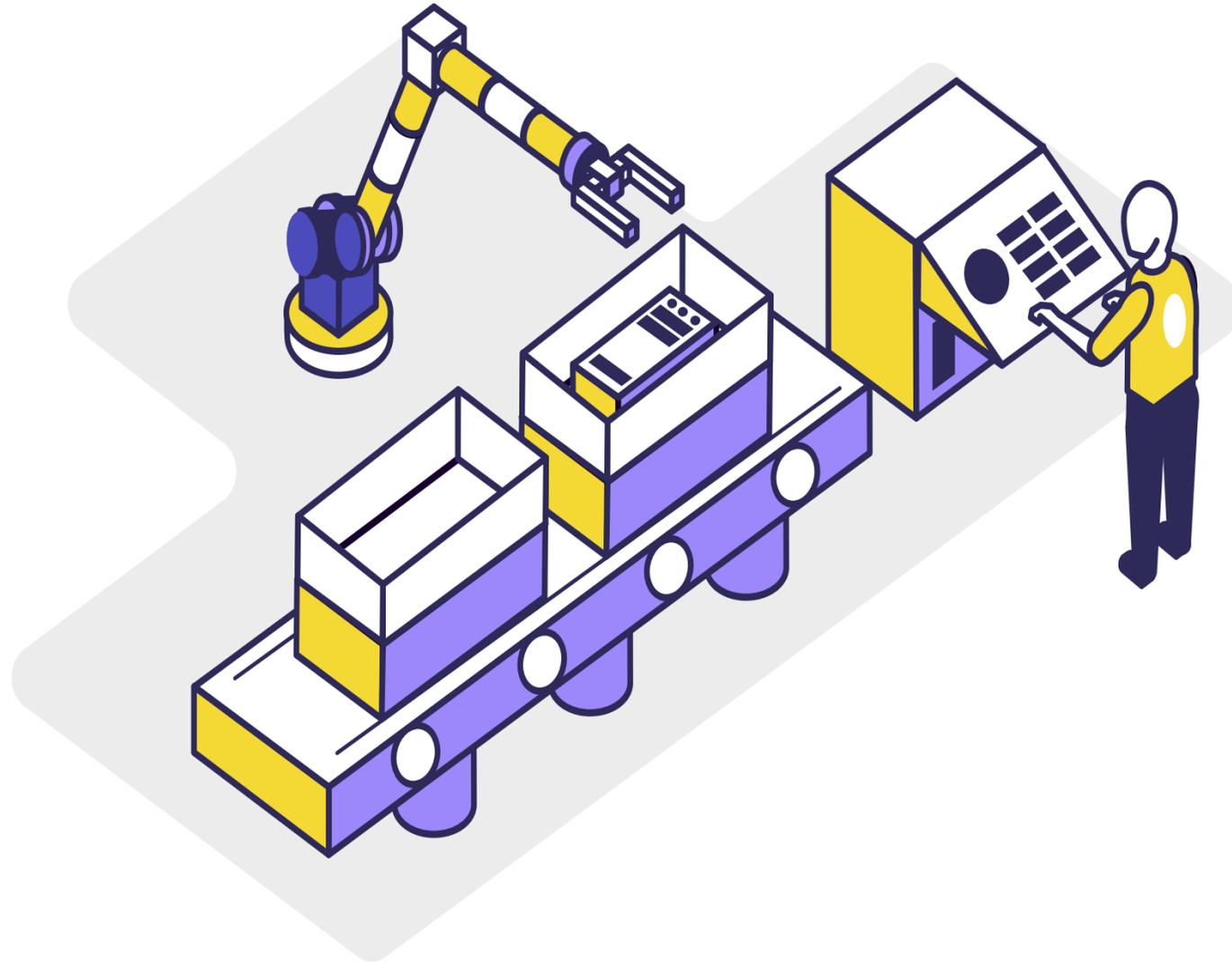
— 80%

Other Customers



— 20%

(Disclaimer: The logos belong to their respective companies and VOEPL has no right or ownership of these logos.)



04

Industry Overview

Growth Drivers



Aggressive Market Demand

- The growing economy is boosting local demand, which is expected to continue to be strong for the coming 5-7 years.
- This demand will potentially double the local market size in the coming years.
- Further export opportunities are also opening up and India is reaching a point where it can compete with China.



Thrust for Localization by the Government

- The policies by the govt. are favoring localization.
- The incentive policies like PLI, State Incentives, Export Incentives & FDI policies are helping local companies avail funding and also have access to international markets, which is creating a wealth of opportunities for all industries.



Blue Chip Customer base

- The growth of VOEPL in the past few years is primarily due to its unique customer base.
- Most of these customers command a leading position in the market, which gives them the foresight about the market and strong YoY growth numbers, the benefits of which get filtered down to VOEPL.



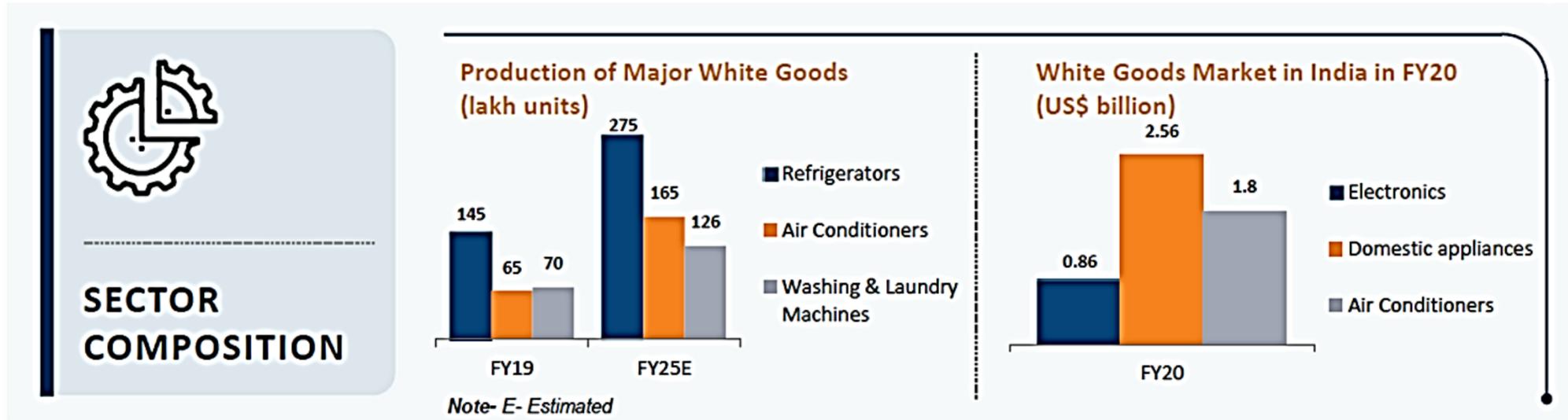
Incentives by Central & State Government

- VOEPL has been approved for the PLI scheme for White Goods for an investment amount of Rs. 50.50 Cr. which will go towards backward integration of AC Components.
- Further VOEPL is eligible for incentives under Electronics Policy of Maharashtra which it has applied for.

Industry Dynamics (1/3)



Projected Sector Growth

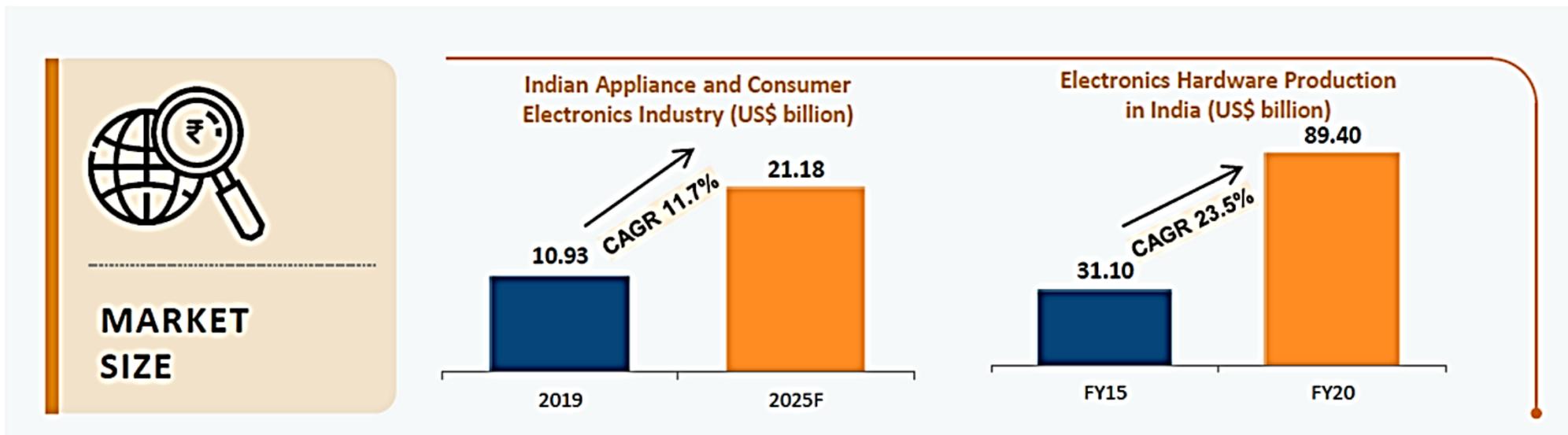


USD 13.66 Billion

Industry Size.

100%

FDI Permitted.



USD 21.18 Billion

Indian Appliance And Consumer Electronics Industry In Fy25.

Industry Dynamics (2/3)



Indian Air Conditioner Market

7-7.5 Million units

Per annum by volume.

70% Share of demand

From the residential sector

- Organized sector dominates the industry.
- Adoption of latest technologies has led to the introduction of new innovative models in the market.
- Northern regions of India have the highest market share for Acs.

Source: [Invest India](#)

AC Penetration

4%

India

30%

Globally

Signifying the huge potential
for growth.

Indian LED Market

- India is the 2nd largest LED market globally and fastest growing market in Asia-PAC region.
- The reduction in excise duty from 12% to 6% on LED components has boosted domestic manufacturing.
- The market share for LEDs has already increased from 0.3% to 46%.
- The GoI continues to focus on the Smart City development model which is expected to accelerate the demand for energy-efficient technologies, products, and services including LED lights.

Source: [Invest India](#)

LED Light Market

USD 2.8 Bn
2021

USD 9.8 Bn
2027

Exhibiting a **CAGR of 23.31%** during
2022-2027

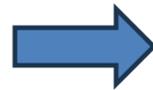
Industry Dynamics (3/3)



Indian Deep Freezer Market

USD 474.82 Mn

2022



USD 3,234.23 Mn

Forecast by 2031

25.2%

CAGR (2023-2031)

- When compared globally - China generates the highest revenue in the Freezers market, reaching USD 5,385 Mn in 2023.
- India's freezer market is booming due to the increasing demand for frozen food, dairy and the growth of organized retail.
- The Indian Deep Freezer market in 2022, reached the landmark of sales of approximately 1.3 Million Units.

Source: <https://www.astuteanalytica.com/industry-report/india-deep-freezer-market>

Water Dispenser Market

- The water dispenser market is poised for growth due to growing recognition of the significance of having access to clean, safe drinking water.
- The global water dispenser industry is witnessing growth owing to various factors, such as rising levels of groundwater contamination, increasing demand for clean drinking water, growing industrialization, and urbanization, and exhausting natural water resources among others.
- In addition, advent of water purification technologies and cost-effective and energy-efficient water cleaning products will support market growth.

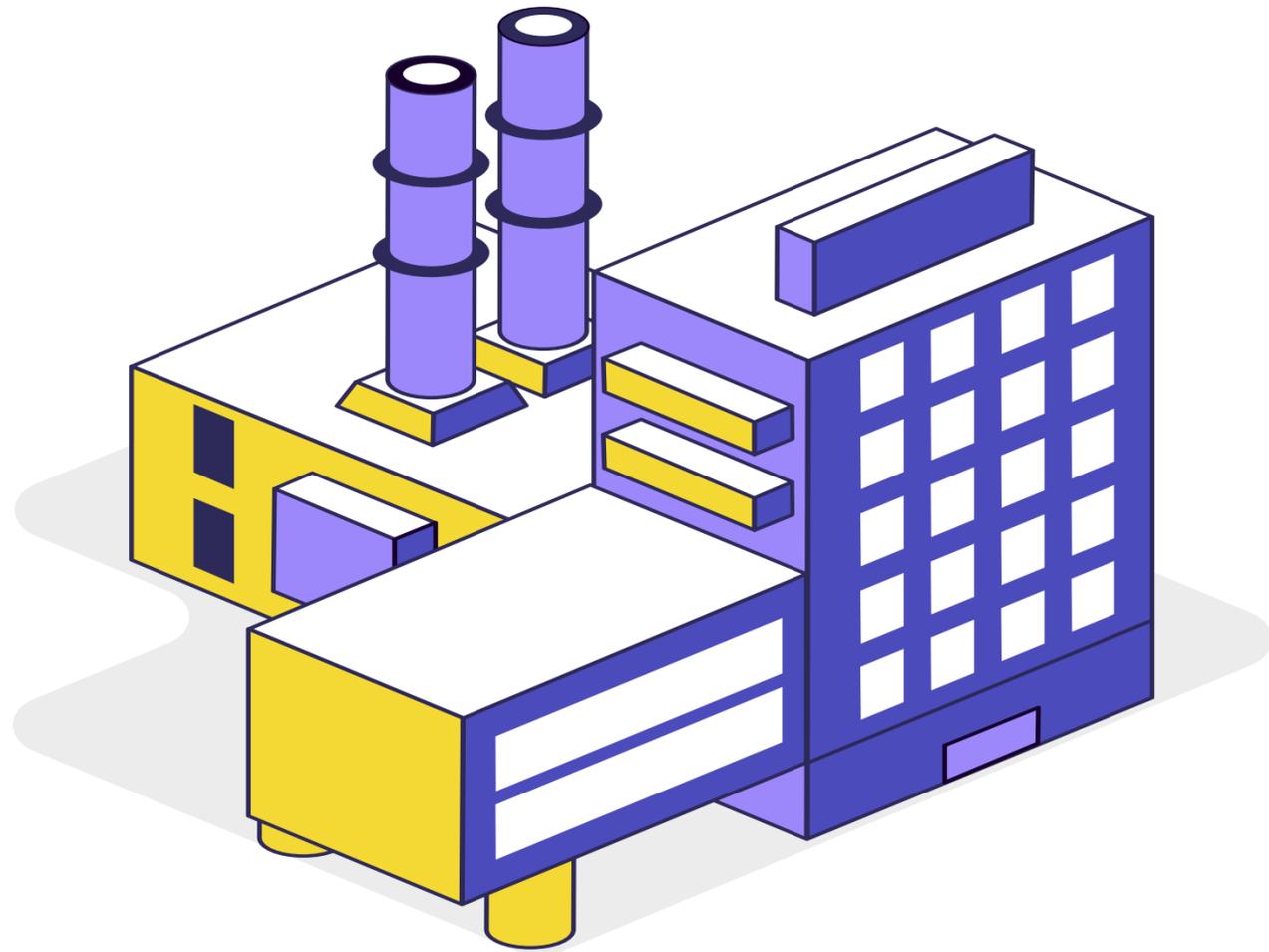
Source: <https://www.futuremarketinsights.com/reports/water-dispenser-market>

Global Market

USD 2.72 Bn
2023

USD 6.38 Bn
2033

Exhibiting a **CAGR of 8.9%** during
2023-2033



05

Financial Highlights

Annual Highlights



(Rs. Million)

3,380.7 Mn
Net Revenue from Operations



68.5%
YoY

342.6 Mn
EBITDA



72.0%
YoY

10.1%
EBITDA Margin (%)



+19
bps

77.7 Mn
Profit After Tax (PAT)



97.1%
YoY

2.3%
PAT Margin (%)



+33
bps

Performance highlights for half year full year end March 2023:

- The company has added 2 new manufacturing units in Nashik in FY 22-23 for
 - Manufacturing of **Outdoor Units (ODU)** for Air Conditioners for capacity of **250,000 units p.a.**
 - Manufacturing of **Cross Flow Fans (CFFs)** which are used in Indoor Unit (IDU) of Split Air Conditioners for a capacity of up to **400,000 units p.a.**
- On 3rd March 2023, the company raised Rs 35 crores from marquee investor Mr Ashish Kacholia and others, for growth capital.
- **Acquired 51% in YLP Solutions** for a sum of Rs 3.10 lacs. Group company acquired in line with our commitment for transparency and streamlining our business.

Annual Income Statement



Particulars (INR Mn)	FY18	FY19	FY20	FY21	FY22	FY23
Net Sales	497.0	549.5	682.0	1,152.6	2,001.7	3,372.7
Other Income	0.2	3.1	1.9	2.6	1.1	8.1
Total Revenue from Operations	497.2	552.6	683.9	1,155.2	2,002.8	3,380.8
Total Expenditure	475.7	524.0	602.5	1,030.0	1,803.6	3,038.1
EBITDA	21.6	28.6	81.4	125.2	199.2	342.6
EBITDA Margin (%)	4.3%	5.2%	11.9%	10.8%	9.9%	10.1%
Depreciation	1.9	3.2	14.5	23.5	51.4	94.3
Profit Before Interest & Tax	19.7	25.4	66.9	101.6	147.9	248.3
Interest	11.4	16.4	47.9	74.1	90.6	135.4
Profit Before Tax	8.3	9.0	19.0	27.5	57.3	112.9
Tax	2.2	3.6	5.0	7.9	17.9	35.2
Profit After Tax	6.1	5.4	14.0	19.6	39.4	77.7
Profit After Tax Margin (%)	1.2%	1.0%	2.0%	1.7%	2.0%	2.3%
EPS (Rs)	4.09	3.62	9.25	11.8	3.11	4.28

Annual Balance Sheet



Particulars (INR Mn)	FY23	FY22
Equity and Liabilities		
Shareholder's Fund		
Share Capital	228.381	149.825
Reserves & Surplus	708.116	62.808
Total Equity	936.50	212.63
Share Application Pending Allotment		
Liabilities		
Non-current Liabilities		
Long-Term Borrowings	409.388	288.156
Deferred Tax Liabilities (Net)	31.309	15.871
Other Long Term Liabilities	-	-
Long-Term Provisions	0.988	1.015
Total Non-Current Liabilities	441.69	305.04
Current Liabilities		
Short-Term Borrowings	472.117	391.87
Trade Payables	869.096	302.607
Other Current Liabilities	-	-
Short-Term Provisions	45.577	43.399
Total Current Liabilities	1386.79	737.88
Total Equity and Liabilities	2765.0	1255.6

Particulars (INR Mn)	FY23	FY22
Assets		
Non-Current Assets		
Property, Plant, Equipment & Intangible Assets		
- Property, Plant & Equipments	884.726	503.787
- Capital Work-in-Progress	60.042	
Non-Current Investments	102.292	7.838
Deferred Tax Assets (Net)	-	-
Long-Term Loans & Advances	-	-
Other Non-Current Assets	7.352	7.332
Total Non-Current Assets	1054.41	518.96
Current Assets		
Current Investments	-	-
Inventories	1384.217	633.092
Trade Receivables	262.409	88.791
Cash & Cash Equivalents	3.296	8.122
Short-Term Loans & Advances	0.969	0.513
Other Current Assets	59.674	6.075
Total Current Assets	1710.57	736.59
Total Assets	2765.0	1255.6

Thank You



Contact

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