

**Ice Make Refrigeration Limited**  
**Q1 FY25 Conference Call**  
**August 14, 2024**

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**Moderator:** I am Del, the Moderator, for this Conference Call. Welcome to the Earnings Conference Call of Ice Make Refrigeration Limited arranged by Aaryana Matasco to discuss the financial results for Q1 FY25.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aryan Rana. Thank you and over to you, sir.

**Aryan Rana:** Thanks Del. Good evening to all of you. Thank you for joining us today for Ice Make Refrigeration Limited's Earnings Conference Call to discuss the Financial Performance for Q1 FY25 which ended on June 30th, 2024.

Established in 1993, Ice Make Refrigeration Limited is engaged in the business of providing customized cooling solutions including cold rooms, freezers, commercial and industrial refrigeration systems, filling plants and many more. Our diverse portfolio has over 50 refrigeration products manufactured right here in India. As we delve into the financial performance, it is crucial to acknowledge Ice Make's quarter-on-quarter steady growth in key metrics over the past few years that reflects our strong market position and effective business strategies.

The Financial Results are available on our website and stock exchange. However, I would like to caution you that during our discussion we may touch upon forward-looking statements that are subject to known or unknown risks, uncertainties and other factors. These statements should be viewed in conjunction with our business risks that could affect future results, performance or achievements.

To discuss the results and address analyst queries, we have our Management Team with us including Mr. Chandrakant P. Patel – Chairman and Managing Director, Mr. Nikhil A. Bhatt – Vice President Strategy, Mr. Ankit Patel – Chief Financial Officer and Mr. Mandar Desai – Company Secretary and Compliance Officer. We will discuss the financial performance for

the 1st Quarter of this fiscal, address your queries and provide insights into our strategic initiative market opportunities and future prospects.

With that, I will now pass the floor to Mr. Patel. Sir, over to you

**Chandrakant Patel:**

Good afternoon everyone. I appreciate the opportunity to discuss our Q1 FY 25 performance and the strategic direction of Ice Make Refrigeration Limited. This quarter presented some challenge, but I am pleased to report that we achieved steady revenue growth despite this headwind. During the quarter, we encountered increased salary expense due to strategic recruitment for new projects. This addition to our team is critical in driving our future growth initiative. Additionally, higher travel costs for project machinery for various visits in abroad and impact of election on commercial operation in April and May contributed to temporary dip in profitability. However, investment for our future and we are confident that it will create significant returns in the coming years. Our focus remains on innovation and efficiency which we believe will drive stronger financial performance in quarter ahead. We are committed to reaching the 500 crores revenue milestone this fiscal year with India's economic growth forecasted at over 7% by the IMF. The long-term prospect for our business are promising and we are well positioned to capitalize on this opportunity.

I want to thank you, our team, partner and shareholders for their contributed support together. We will navigate the challenge ahead and achieve the ambience goal we have set for this fiscal year. I look forward to reporting on our progress in the coming quarter. Thank you for your attention.

I will now invite our CFO – Mr. Ankit Patel to provide insight into the Company's Financial Performance followed by Mr. Nikhil Bhatt, who will share our Business Growth Strategy. Thank you.

**Ankit Patel:**

Thank you MD sir and good afternoon to all of you. I am pleased to report that our consistent quarter-on-quarter financial growth reflects our strategic focus on sustainable growth and operational efficiency.

Some key highlights: Our consolidated revenue for Q1 FY25 stood at 85.33 crore representing a 7.58% year-on-year increase from 79.31 crore in previous Q1 FY24. This growth was driven by strong demand in across our key products segment and market despite some challenges in the external environment. The EBITDA of Q1 FY25 was 6.13 crore compared to 8.34 crore in previous Q1 FY24 while the EBITDA margin for the quarter was 7.19%. It reflects that increasing cost strategically planned by companies for aggressive growth ahead. However, we remain focused on optimizing our cost structures to enhance margin in upcoming quarters. We feel that annual EBITDA margin around 10% is something what we can expect. Our profit after tax for Q1 FY25 was 3.64 crore compared to 5.36 crore in Q1 FY24. The PAT margin stood at 4.27%.

The decline in the profitability was mainly due to moderate increase in sales and increasing few plant strategic expenses. Despite this, our strategic investment and cost management initiatives position us well for stronger profitability in future. Earnings per share for Q1 FY25 was 2.35 compared to 3.40 in Q1 FY24. While this represents a decrease, it aligned with overall financial performance for the quarter.

Subsequently, there was a decline in revenue and profitability compared to Q4 FY24 where revenue stood at 140.14 crore, EBITDA was 20.93 crores and PAT was 14.26 crore. This is in line with cyclical demand nature of our business while Q4 typically sees high sales.

Now, I invite Mr. Nikhil Bhatt-Vice President Strategy to share our business updates.

**Nikhil Bhatt:**

Thank you Ankit ji. Ladies and gentlemen, Ice Make with its fully integrated business model, innovative products and strategic sales and marketing initiatives is well positioned to capitalize on the significant market potential and opportunity in this rapidly evolving landscape. The rising demand for cutting-edge Cooling and cold chain storage solutions both domestically and internationally presents a tremendous growth opportunity. Ice Make is strategically poised to tap into these markets effectively. Our commitment remains firm in the leveraging our deep expertise and robust market presence to drive sustained value for our shareholders and customers alike.

I would like to highlight some key orders we received during these 2 months. We got very good orders from the dairy segment that is one is from the Assam government. It is for the 30 KI for their dairy projects amounting to Rs. 3.27 crores as well as from the NDDB, we have received our good orders of valued of 5.99 for the cold room. From the Haldiram's Groups, we have received a repeat order at the Nagpur for 1.17 crores. From the Renaissance Mills we got the 1.50 crores order as well as our past customers now who is building the business in the Hocco Ice Cream, we have got 2 orders valued at 5.8 crores as well as from the Amreli District of the Union we have received 1.9 crores of product as well as the repeat orders what we have delivered during past years from to Kiranakart under ZEPTO brand. We have got the planning as well as the orders for amounting to 3.8 crores of value about 25 products to be supplied within our quarter and going forward we have a good plan, and we are hopeful that we will get more order from that group.

Our **(Inaudible) 0:10:41.6** refrigeration is also doing well during the current years. We are hopeful that our main segment the Dairy Ice Cream as well as the Food Processing has been moving forward well and we will be getting good orders from that segment also.

While updating our current projects for the Continuous Puf Panel. At the project the machinery has been received and tied and the installation is under process and second project for the Chest Freezer plant, the machinery segment is likely to be dispatched during current month

and installation will be next month it will be started. At the new facilities, the seal construction work is underway.

Ice Make is having currently about 100 crores of orders on hand. We are planning to further expand our market presence in the North as well as the Eastern area. We have planned to expand our digital network PAN India network by specific strategical planning and going forward we are quite confident that we will achieve 500 crore revenue during current year. Thank you.

**Moderator:** Thank you. Sir, should we begin with the question-and-answer session?

**Chandrakant P Patel:** Yes.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question is from the line of Gurjit Singh Anand from SSC IPL. Please go ahead.

**Gurjit Singh Anand:** Sir, I have just 1 question. You have told the pipeline of lot of orders. We are getting a lot of orders and we expect to do turnover of around 500 crores this year. Will it be from all the small orders or we also have a big order in the pipeline going forward?

**Management:** No, small orders will remain. The big border orders which are worth more than 1 crores are also there what I just mentioned a short time ago. It is a mixture of small and big orders because there are many projects with big values and medium size orders are also there. It is a mix of both.

Actually, the ticket size of the product is not so big, then the product is in numbers. In the next 380 crores that we did last year's turnover, in that there were 2-3 big projects, which was more than 1 crores. But in numbers the spread of chain network like Dairy, ice cream, food processing and we get lot of orders day to day of cold chain of around 5 lakhs. Then there should be large orders for 500 crores above 20 crores that is not necessary. Our product nature is also like that. It has small products which are around 5 lakh.

**Gurjit Singh Anand:** Like sir, as your long term view is doing 1000 crore top line, then will the same set of work will be there or you are expecting some large orders you are hoping henceforth.

**Management:** When we actually have a 1000 crores, we will have Continuous Puf Panels and Commercial Freezers. High value orders can come in the products that are Continuous Puf Panel Infrastructure and large cold rooms which are used in commodity storage. There will be minimum orders of 2 crores plus but the commercial freezer is business from the distribution dealer network. There is no need for large orders. This product sells like a retail product. So, for 1000 crores our upcoming 2 products this is the first phase investment. After the second phase, from both these phases will now get support of 400-500 crores. So, there is enough

capacity for 1000 crores. We also see the market forecasting. Our peers and market research also favors it right now.

**Moderator:** Thank you. The next question is from the line of Tej Patel from Nivashay Investment Advisory. Please go ahead.

**Tej Patel:** Sir you told the reasons for falling the margin, but sir if I see sir at gross level also the margins fall down compared to the last order. So, sir, can you tell me what was the share of ammonia this time for the current quarter.

**Management:** Ammonia had a 7% concentration in the current quarter.

**Tej Patel:** So, sir, despite being 7%, we have almost done 19% at gross level, but when our normal level let us say is 12-13% of ammonia or if it also went up to 16% then also we were doing up to 19% at gross level. So, what is the reason for this sir. Is it due to the increase in commodity press, you could not pass on or that gross level 19% is showing because ammonia also does not have such a high contribution this time.

**Management:** Along with ammonia, we have our other projects like West Bengal Project, that also had around 9-10% of the contribution at this time. So, it is one of the projects. Ammonia contributes 7%. Cold room as usual is coming to 48%. Commercial is 21% and the van our vehicle is 9%. So, if we see net-net the Q1 mix is almost near about what we had the mix of our sales of last year and our gross margin is also if you see there is not much variation in it.

**Tej Patel:** Ok sir because Q1 I guess last year was 18% for ammonia and this time it is 7% still there is so much gross level reduction. This West Bengal plant is more of that Ice Cream plant, right, if I'm not wrong.

**Management:** Dairy plan. If greenfield is there then civil also comes.

**Tej Patel:** Sir as you said that for the full year, we will maintain 10% like margin, but sir our expenditure which has increased this time, for the employees hiring for the new CAPEX and the logistics cost of the equipment that we have done but sir all that is our new CAPEX right and our new CAPEX is going to be mostly live from Q3 to but fixed cost will also come in the 2nd Quarter, right and there will be no contribution to the top line that is from the new CAPEX, hence the next quarter's margin will also be like this because of the fixed cost of employee and it will appear to have increased since new CAPEX will come from the Q3. Then sir next order margins will also be subdued. What can we expect?

**Management:** If I talk about this quarter in absolutely form. If we have in this quarter if we add 10 crores more turnover then 10 crores we will add in the top line, then the last year's absolute figure is in terms of profit or EBITDA amount, so we match that. So, it is not that we are unable to pass

on the margin. As of now our raw material prices are also supporting us. There is not much major fluctuation in that. Just we have to expense a little bit for CAPEX and the major thing is sales. If sales increase, then the margin also increase.

We feel that due to the lack of some commercial activity because to the elections in April and May. Actually April and May, both the months were negative in our last year comparison, but in the month of June, we probably did more than 40-50% growth. So, overall, the 6% growth is from June's contribution alone and after June, July is also following the same trend. So, you rightly asked, for revenue contribution to come it will take Quarter 3. But in Quarter 2, our top line right now, approximately 50% of second quarter is gone, then the forecasting of 50% quarter is looking it seems that we will recover the sales-loss caused from Quarter 1 to Quarter 2. So, as it is we can give profit which was negative in the 1st quarter, nothing like that will happen.

**Tej Patel:** Ok sir like this time also the government had given a lot of pressure on the budget to that Shrimp item you know. The whole value change of shrimp is to make for exports, then even on the shrimp that cold storage is needed, if I am not wrong. So, sir from that side I mean from on ground on our side, do you see any order or any demand?

**Management:** Actually, the product that we have now, Continuous Puf Panel, then we could get a little opportunity from there. So, now we do not have more work in shrimp fish directly. If they take our product indirectly and project a product then that is something different. In fact, we do not have any opportunity due to the shrimp line.

**Tej Patel:** Because sir I am saying that insulation is not PUF yet. It is our other insulation, due to this reason that temperature is not being maintained, is that the reason.

**Management:** No we have PUF, but Continuous Puf Panel what it needs for large storage, which is our new product, which will start in the third party. So, we have less chance to get that opportunity in today's date. Insulation is there, insulation PUF panel we do it, the discontinuation of existing product is already on, but the big product that will come in the new project, the Continuous Puf Panel which are on large scale, it is used more there.

**Tej Patel:** Okay, and sir, the Continuous Puf Panel, then the larger project and as you said that Continuous PUF is also used in ammonia. So, sir, how much of that will be captive and how much will be able to outside that CAPEX of the continuous PUF?

**Management:** We think we will use around 40 crores of captive consumption in your own project, the rest of the sale will be another sale.

**Tej Patel:** Ok sir sorry sir that sir I missed the status of Bharat Refrigeration CAPEX. I had heard properly the rest of the above, can you repeat on which stage is it?.

**Management:** No the Bharat project is currently under civil construction.

**Moderator:** Thank you. The next question is from the line of Vikram Sharma from Nivesh India, please go ahead.

**Vikram Sharma:** So, sir the first question was that the revenue that we are targeting is 500 crores this year. What will the breakup of that? How much will it come from the existing product? What are we expecting from the continuous panel and the commercial refrigeration?

**Management:** We are still planning like this we feel that out of the existing products and the existing setup now, work can go up to 450 crores. The remaining 2 new products that will come which will get benefits in the 4th quarter, can be about 50 crores revenue this year.

**Vikram Sharma:** Okay and that 50 crores will equally will be divided into commercial refrigeration and Continuous Puf Panel?

**Management:** Yes.

**Vikram Sharma:** Next year, what should we accept these two products, with commercial refrigerators and Continuous Puf Panel.

**Management:** Next year it could be 80-100 crores, next year the full year from both products. It can be Continuous Panel may also be we will do. But conservatively we feel that this much should be achieved.

**Vikram Sharma:** Sir as you told orders in starting, lots of orders are placed. What is the total order book now and what is the executive timeline?

**Management:** In today's date, we have an order on hand of 100 crores around and if we count the turnaround or its completion period, then the average is our from 3 weeks to 6 weeks or two months if talk about the average standard product. If there is a large project, then it ranges from 3 months to 6 months, 8 months and even 10 months. But if we talk about big projects, then we have our last order in today's date, one of the orders that was received from partly execution has happened and it will generate revenue of 24 to 25 crores this year.

**Vikram Sharma:** And last question sir, is there any delay in some orders due to election and all in this quarter?

**Management:** Delay is not from our side, our work works well. What happens in general is that when there is an election atmosphere here, its effect in a little commercial activity is that people wait and watch or many people if they are involved in the environment, then a little business seems to be slowing down. This year, we felt more that this first of April and May we are seeing its effect in our business. Because as the election ended June and July our monthly business is good.

**Vikram Sharma:** Sir, after the end of this election as the dairy companies are now getting very good numbers, then after the elections you are getting some good attraction from these dairy companies?

**Management:** Like it was told that we have got an order of Rs. 3.2 crores from the Assam Government and we have also got an order of Rs. 6 crores from the NDDB, Dairy Development Board. There is still a lot of development in dairy and there is a lot going forward in which orders are being received. After this election, the flow of orders and the field of execution is very big. I mean, our listing and dispatch was quite good in the last 2 months.

**Moderator:** Thank you the next question is from the line of Zaki Naseer, an individual investor. Please go ahead.

**Zaki Nasir:** As given in your presentation that you are confident of doing 500 crores for the year. That blended margin will remain like last year Chandrakant Bhai that is my First question in this. My second question is sir once in 3rd quarter our Continuous Panel Plant starts, from next year these quarter-on-quarter variances will they be a little less, sir? Thank you sir.

**Management:** By the way, in the first we think that 10% and around that EBITDA we will maintain it annually and the second, quarter-on-quarter which our margin fluctuates. In this quarter, we have seen that most of the reasons are that according to which we had expected the growth of the top line, may be due to election, it was a little bit weak in dispatch. Further, we have done some new strategic recruitment, which our new plant is functioning. So, whatever employee or recruitment we have to do, they have to be given a little training. The environment of the company should be understood, a little marketing or market research so a little study has to be done, and then all these things expense has been increase. We have done this by planning, so this effect will not come quarter by quarter. Secondly, if we have to equal the quarterly margin, then our sales mix should be intact, which we say earlier also that 75% of our business is our key verticals, cold room industrial or commercial. If this one is maintained, then quarter-on-quarter our profit will be the same. sometimes, there is an issue in finance, or the site is not ready. So, in projects and dispatch, we cannot confirm that this quarter will have this much margin. We don't dispatch until we get some liquidity or finance point of view. So, we will try to check the margin table for the quarter-on-quarter. But, it will be similar in every quarter in this industry. Accordingly, to our business nature, it is a little difficult to commit. But annually we can assure you that our margin will be in this range because it is our annual target that we have to contribute or do this much business for this vertical. In every quarter, our share dispatch may not be equal, but it can be annually.

**Zaki Nasir:** And sir, the project of our continuous panel, which is a little delayed, one quarter, won't you get cost pressure or margin pressure on the whole for the year. Are you confident that you will make up this?

**Management:** Yes, very much. One quarter got wasted because of election.



**Moderator:** Thank you. The next question is from the line of Ankur Kumar from Alpha Capital. Please go ahead.

**Ankur Kumar:** Sir, my first question was on the order book. Our order book is now Rs. 98 crores, which was Rs. 120 crores last year at the same time. And after Q4, it was around 125 type. So, the order book has decreased a little. Sir, we still have confidence that we will increase it by 30%-35%.

**Management:** Last year, we did see more value due to the big project. But if we look at the ongoing, the order book is good. It has execution and pipeline. So, the order book is maintained according to the average of 100. And let me update you, the dispatch we have made in the last two months is much more than the previous two months, so this is our running order book. If you see after four days, it may increase 10-15 crores sometimes it is 5-6 crores minus, sometimes it is even less so as per day, our running order is not there so the fluctuation of 10-15 crores will be normal if there is a big project or something like that. If we get an order of 4-5 crores, it will spike. If we have dispatched 4-5 crores in one day, it will also become minus. So, the way we get leads or the way our dialogues work, we are confident that we can achieve Rs. 500 crores in this pace.

**Ankur Kumar:** And sir, this Rs. 500 crore means 20% growth for this year. Q1 was soft. From Q2, we are feeling that we will grow 30% yearly or will we get a pickup in the second half when the new capacity comes?

**Management:** Actually, the two new products will contribute Rs. 50 crores. So, in the existing business, we consider 20% growth only. So, we will do Rs. 500 crores because of the new product, which will contribute in Quarter 4.

**Ankur Kumar:** Will it be in Quarter 4 that 50 crores will happen?

**Management:** Yes. It will be in Quarter 4. We will estimate it safely in Quarter 4. I think between 15th of October and 1st of November manufacturing will be done. Because both products have a season start when there is a high demand at that time, we will try to start it a little early. There is machinery commissioning. The government has also changed the policy for Chinese technicians. So, that will also get some support. So, Quarter 4 and we can say that we have four months. But both the times are season time, from January to March. We can do 50 crores in this time.

**Ankur Kumar:** Sir, you said that this quarter is half done, and we are seeing 20% growth in this quarter.

**Management:** No, it is like this in quarter-to-quarter growth. You have seen earlier also that our Quarter 4 growth is the highest. Total revenue is 30%-40% contribution comes from Quarter 4. You will see it if you study the last 2-3 years. It is possible that if we do not do 20% but Quarter 4 is our market and segment nature is such that it is more opportunistic in Quarter 4

**Ankur Kumar:** Sir, actually, in the last 2-3 years, we have been studying why quarter 1, quarter 2, and quarter 3 are the same and jump in Quarter 4. So, this year, will it remain the same as quarter 1 and quarter 2 or will it show improvement in quarter 2?

**Management:** I think our 1st Quarter was a bit weak. The 2<sup>nd</sup> and 3rd Quarters will improve. That's what I feel.

**Moderator:** Thank you. The next question is from the line of Sashi, an individual investor. Please go ahead.

**Sashi:** Sir, we talked about data center last time. Did we get any breakthrough in that? In the data center side?

**Management:** No, actually, we didn't get any breakthrough because we had told you before that technology is a bit specific, it is a requirement. It has a cooling solution, but its design is also very important. So, we haven't got any breakthrough in that. We are studying it now, how to give a solution. It will take some time, we think. And hopefully, we will get a breakthrough in that. And we are having a discussion with some technical persons, but this is a very free stage. So, we will update more in that. But for that our fieldwork and study is ongoing.

**Moderator:** Thank you. The next question is from the line of Rohit from Ofin. Please go ahead.

**Rohit:** Sir, so this year the target of Rs. 500 crore that we are keeping, how much percent will be in government orders? And the follow up question is, because I am assuming government orders will be in the bidding process, right? So, how competitive is the bidding process?

**Management:** Actually, there can be no prediction in the government bidding process. But the average business that we have is between 10%-15% and we cannot take that much in the planning. But the old record is that business opportunities are found between 10%-15%.

**Rohit:** And sir, one follow up question is that, the new products that we are talking about, how much competition do we have there? What is the competitive intensity? Who are the major players? Generally, who are we getting more competition from?

**Management:** If we talk about commercial freezers, then the existing players are Bluestar, Voltas and Carrier and Western. They are small in size in regional level, but they can come into big competitions. And they are in the current business. And the second product is a Continuous Puf Panel. There are many competitors in the competition. Like Metecno, RINAC, Jindal, Suchi, Alpha, Lloyd. But the nature of the product and the market forecast are also expanding their capacity or planning to install a new plant. So, we don't think there will be so much competition in that.

**Rohit:** Your guidance is very helpful. Just one last question. What is our key selling proposition to clients? Big competitors I am assuming they won't be able to customize must, but beyond pricing, is there any specific technical? Generally, what is our key win?

**Management:** Actually, we have a wide product basket. If you look at dairy, ice cream, food processing, logistics, and need for refrigeration, we deliver 80% of the products. Minor customization. We have been in this industry for the last 30 years. All over India, we have a service network service team. We have a 30 year company, so we have the skill and the manpower. They can be called USP, which will support us in making 500 crores or 1000 crores.

**Moderator:** Thank you. The next question is from the line of Aayush Rathi from Aditya Birla Money. Please go ahead.

**Aayush Rathi:** So, a lot of questions have been asked on the top line guidance of Rs. 500 crores. My question remains on that as well. That 500 crores itself going to, which we are guiding, so in the second half, are we assuming that 250 to 300 crores will be our top line, Is my assumption correct?

**Management:** Q4 has the highest. First 3 quarters we will get average business. This year's 1st Quarter is little specific that it has come down otherwise it is maintained.

**Aayush Rathi:** So, you are saying Q4 has potential to get around 150 crores plus, 200 crores in Q4 because of our 40 crores, 50 crores continuous panels, right?

**Management:** By the way, Q4 will also contribute to our new CAPEX. The existing business and its growth will remain. Plus additionally, our new vertical will also contribute. So, in Q3, we need to give a little time or a little, I mean, a month or so. Otherwise, there will be full contribution in Q4. Plus, we feel that in Q2 and Q3, as per the dispatch and order flow, Q2 and Q3 will also be good in the 1st Quarter. Normally, in Q4, as per the financial year ending, there is a growth in capital investment. And our cooling product also people take in advance in summer season. So, Q4 is higher usually.

**Aayush Rathi:** Second on this only. The 500 crores which we are expecting, is it market growing or we are getting some share of some other competitor. If you can share some light?

**Management:** You can say both, share will also increase. Apart from this, our product, the basket, in the last 5-6 years, we have a new solution for dehydration. We give full solution of dairy processing. Last 6-7 years we have grown these 3 verticals. Now we have enough reference for now. In that segment, we are increasing our market share, that is, we are increasing the share of competitors. And at some places, we have also spread geographically. Like in North East, in Kolkata, we started a manufacturing facility and we will have a geographical spread. And the next two upcoming products are 100%. Both are new products. You can say that if you increase the range of products, you will get a market share because of the new product. And because of the new product, new agro-property, that growth also comes.

**Aayush Rathi:** We are quite an aspirational company to cross Rs. 1000 crores offline which is commendable. But I wanted to ask you, are we going to add some new products or for that Rs. 1000 crore,

what is our strategy down the line? In two years, are we going to increase our products or are we going to significantly expand on the geography side or are we going to do some different strategies? If you can guide on that, what are our plans to get to that Rs. 1000 crore aspirational target?

**Management:** Actually, the products we have now are in the near future. For the next 2-3 years, we will not increase the number of products. The new products that we are getting are products made from automated manufacturing machinery. This has a big market. The overall market size of the products we have is very small. It is difficult to increase the market share with competition. The new two products are the same. The market size is bigger. We think that we will easily make Rs. 1,000 crores because of the new product. And the first phase of investment is CAPEX. The second phase will be in another region in India, in the south, north or east. So, we don't need to increase the product now. All the products have matured, the ones that started 6 years ago. So, we will continue with the same products. We also know that by increasing the product, the focus is lost. Now what is there is enough.

**Aayush Rathi:** And one last question on the competition aspect. Sir, someone participated earlier. Participant has already asked this question. How are we competing against the competition? Like what gives us the edge to cut our competition since we are running in the business? So, apart from our existence, which is like a very old company, there is something else in this product or in our service time or something that helps us to get orders, like credibility, which we call. If you can give some highlight on that?

**Management:** They have been working for 30 years, 30 years. There is a track, good product, committed and service on time. So, when we launch new products, they support us there too. We also do minor customization. We don't give products; we give solutions to customers. And all over India, we are spread. Quality products, we work in multiple baskets. These are all the reasons why we don't think we will have any problem in increasing our business.

**Moderator:** Thank you. Harsh Shah from Sumaria Family. Please go ahead.

**Harsh Shah:** I have a follow up question. You said that our two new products will get Rs. 50 crores contribution in Q4. So, how much contribution can we expect from these two products for next year?

**Management:** Rs. 80 to Rs. 100 crores.

**Harsh Shah:** The Continuous Puf Panel that we are expanding, its capacity size is Rs. 200 crores for one-time shift, right?

**Management:** Yes.

**Harsh Shah:** Sir, I have a small question. You just said that your opportunity size was not so big in your current products that you were not able to increase your market share. And the opportunity size of your two new products increases a lot. So, can you tell us a little bit about your opportunity size now and how much will the opportunity increase after these new products are released?

**Management:** We are talking about opportunities. Because the commercial figures, the new product range, there will be many relevant products which we will manufacture and with the support of the market, we will give the entire solution to the customers who make the range. So, we have the opportunity that this new product will help in business growth. Now existing products are established and there are many references. And according to the market product range, interrelated products are available in some industries. So, we get the opportunity to see such a big product range. We need more. The new CAPEX and our future vision is to focus on automation and mass production. So, the next product we manufacture, we can do mass production in it. And the employee's requirements are also less. So, it supports more to increase the topline.

**Moderator:** Thank you. The next question is from the line of Tej Patel from Nivashay Investment Advisory. Please go ahead.

**Tej Patel:** The CAPEX which we are doing for our new commercial refrigeration, chest freezers and Continuous Puf Panels, how much margins will we be able to achieve?

**Management:** The EBITDA margin will complement us and support us. We can expect similar margins. By increasing the margin, our margins will increase more, we don't think so and we are also not concentrating on that. But for both the top line, contribution and EBITDA margin it will support it.

**Tej Patel:** And Sir, as you said about the peak potential of Continuous Puf Panel, but how much can be the peak potential of the commercial line at full utilization?

**Management:** Rs. 120 crores topline from those products. But the impact is that we can't run it at 100% speed every season. Sometimes it happens that it will run at 100% capacity for 3-4 months. And there are some months that can run at 50-60% capacity.

**Tej Patel:** And sir, how much will be our CAPEX for these 3 facilities this year?

**Management:** Rs. 100 crore CAPEX you can count it.

**Tej Patel:** This financial?

**Management:** Yes, this will be on the books, this March.

**Tej Patel:** How much will be the peak debt?

**Management:** Rs. 58 crore, Rs. 57 crore is our long-term debt. We have started repayment of that. Some projects have not started yet. So, we can count the peak debt of Rs. 58 and Rs. 57 crore.

**Tej Patel:** So, almost this year Rs. 20-25 crores will be the borrowing?

**Management:** Yes, I mean additional.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of our question-and-answer session. I would now like to hand the conference over to Mr. Mandar Desai for closing comments.

**Management:** Ladies and gentlemen, in summary, while Q1 FY25 presented some challenges, we remain confident in our long-term growth strategy. Our focus continues to be on expanding our product portfolio, entering new markets and improving operational efficiencies to drive sustained growth. On behalf of Ice Maker Board of Directors and Management team, I would like to thank our shareholders, employees, and partners for their continued support, and we look forward to delivering value in the coming quarters. If you have any further questions or need additional information, please do not hesitate to contact us or our IR advisor. We are here to assist with any inquiries you may have. Thank you.

**Moderator:** Thank you. On behalf of Ice Make Refrigeration and Aaryana Matasco that concludes this conference. Thanks for joining us. You may now disconnect your lines.