

Varroc Engineering Limited

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Maharashtra, India

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CIN: L28920MH1988PLC047335



VARROC/SE/INT/2025-26/25

May 29, 2025

To,

The Manager- Listing
The Listing Department,
**National Stock Exchange of India
Limited**
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.
NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation
Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.
BSE Security Code: 541578
[Debt: 975062]

Sub: Investor Presentation - Financial Results Q4 and FY 2024-25

Please find enclosed the Investor Presentation on the Audited Financial results (Consolidated & Standalone) for the quarter and Financial Year ended on March 31, 2025.

Kindly take the same on record and note the compliance.

For Varroc Engineering Limited

Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a

Presentation to Investors - Q4 FY25 & Full Year'25

29th May 2025



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About Us



Varroc is a leading global auto technology company with a product portfolio covering a wide range of electrical, electronics, lighting, polymer, metallic, after-market and advanced safety solutions

08
Countries

6100+
Employees

37
Operating Manufacturing Facilities

Varroc Engineering L
(VEL - III)

REVENUE USD 954 MILLION

BUSINESS CONTRIBUTION BY REGION

INDIA 88.2%

GLOBAL 11.8%

*Updated as per financial year 2025

120+
Patents

07
Technical Centres



Vision

Create safe, smart and sustainable future mobility solutions for everyone.



Mission

Be the trendsetter in providing mobility solutions that offer the highest value for money to customers

- Extend India Market leader position in 2W mobility, lighting, and driver assistance to the world
- Stay ahead of market in growth and profitability
- Be the Partner of Choice for our valued customers through superior customer experience
- Empower and enable all teams committed to speed, excellence, and our values to achieve exceptional success

Continue to be a trusted business partner for our customers focused on societal and environmental sustainability.

Values



Sincerity:
To speak & act from the heart



Humility:
To walk with everyone



Integrity:
To do what is right

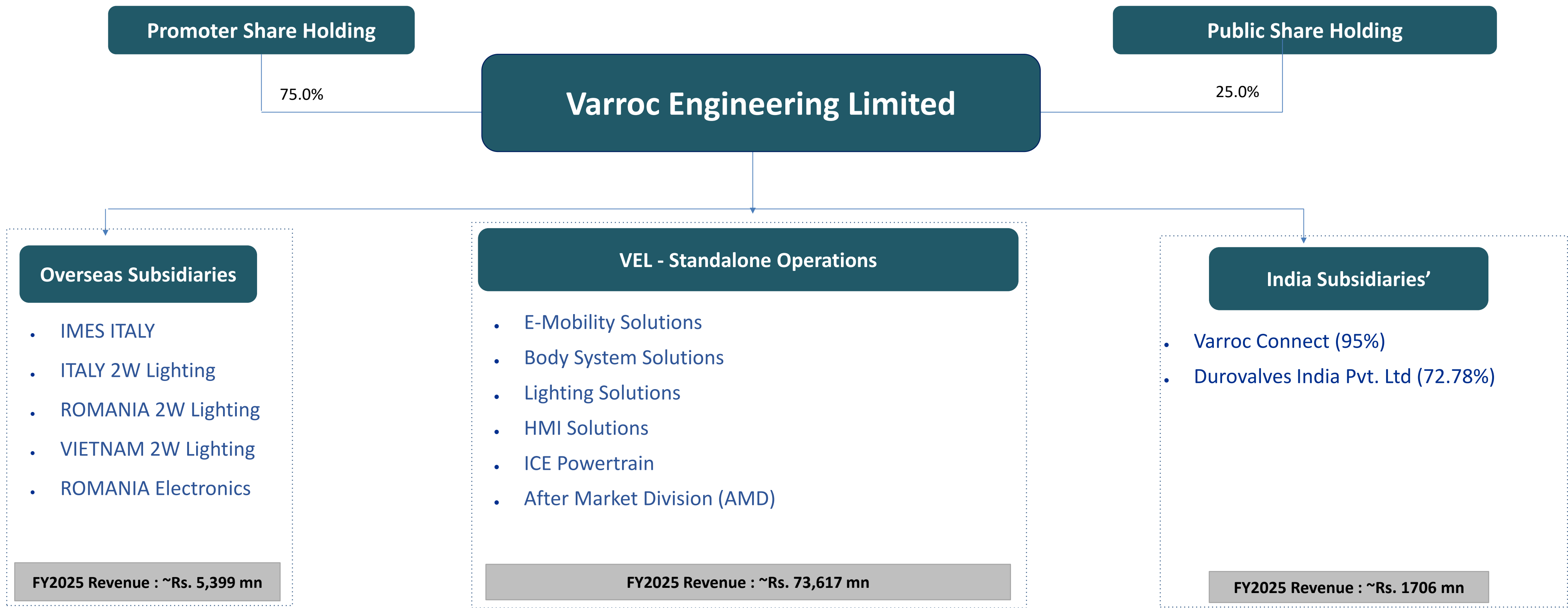


Passion:
To go against all odds



Self-discipline:
To make it all happen

Representation of Varroc



Completed merger of Varroc Polymer with Varroc Engineering effective 1st April 2024



Update on Q4 & Full Year 25 Performance

29th May 2025

Highlights for Q4 FY25



1. Q4 Revenue at Rs. 21.0 bn with a growth of 11% YoY, with India Operations registering a 13% growth
FY Revenue at Rs. 81.7 bn with a growth of 8.5% YoY, with India Operations registering a 11% growth.
Q4 of FY 24 had the benefit of additional Govt incentives of earlier periods, excluded for the above comparison.

2. Q4 PBT (before exceptional and JV profits) at 4.9% vs. 5.0% in FY24; EBITDA at 10.2% vs 11.1% in FY24
Net debt reduced by Rs.2.3 bn in FY25 and was at Rs.7.5 bn.

The Board of Directors have recommended 100% of Face Value i.e. Rs. 1 as dividend for FY25

3. Net New lifetime orders in FY25 of Rs.60.51 bn with annual peak revenue of Rs.11.73 bn
Revenue from supplying to EV customers in Q4 FY25 was around 10.3% of revenue and at 9.8% for FY25

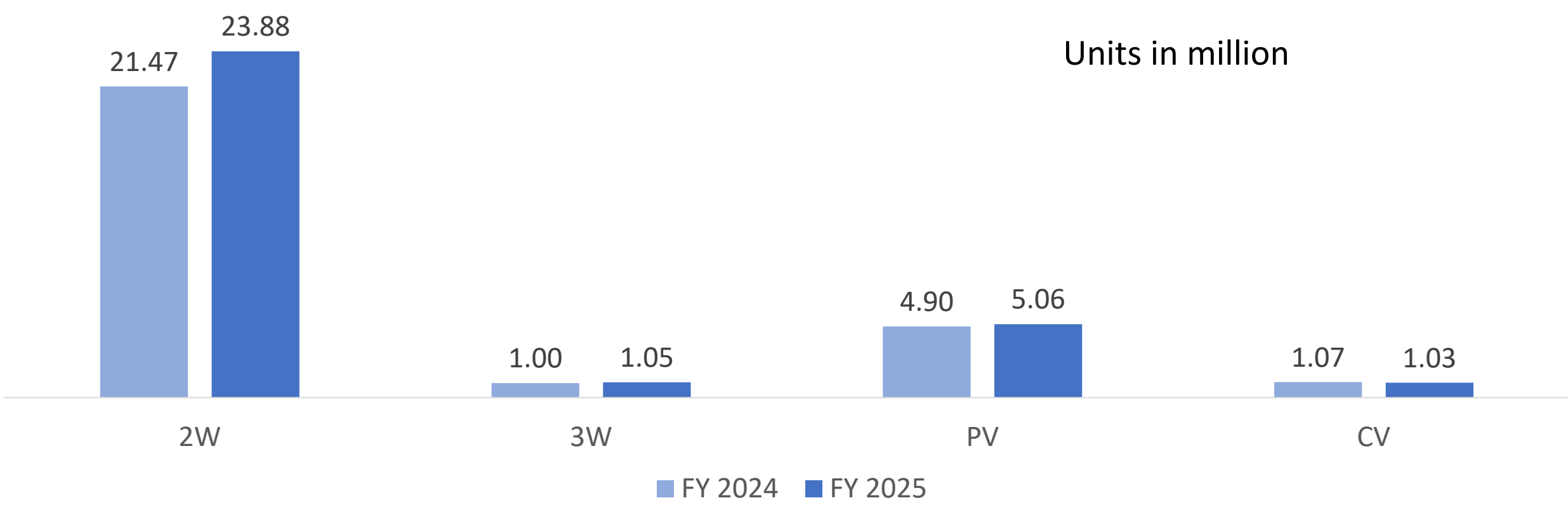
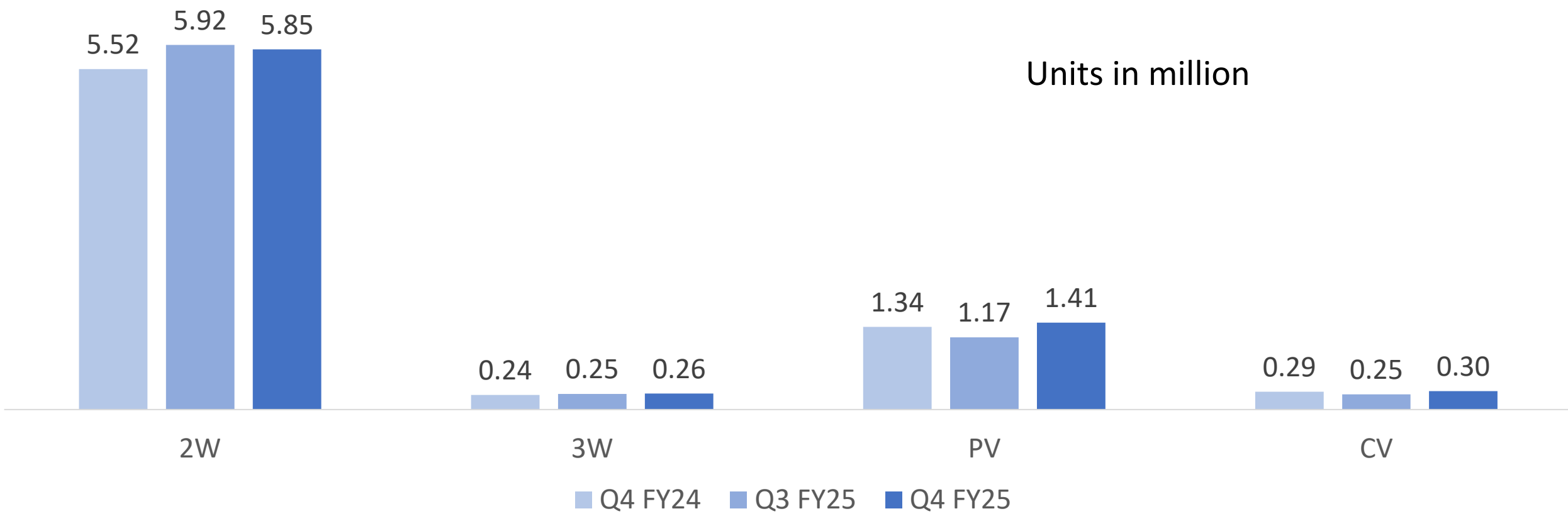
4. Pursuant to the arbitration verdict, the investment in China JV categorised as 'asset held for sale' and exceptional loss of Rs. 8.1 bn recognised for the year ended March 31, 2025.

The sale of stake in China JV has now been completed in May 25 and net proceeds of INR 3,400 millions realised.

5. Generated free cash flow (after interest and before growth capex in land) of Rs. 3,116 million or 3.8% of sales in FY 25 and ROCE (before tax) at 20.8%

6. Sourcing of electricity from renewable energy for FY25 was around 31% as against 13% in FY 24. Reached 45% by end of FY 25.
Filed more than 20+ Patent in FY25 and were granted more than 10+ patent in FY25.

Automotive Production in India



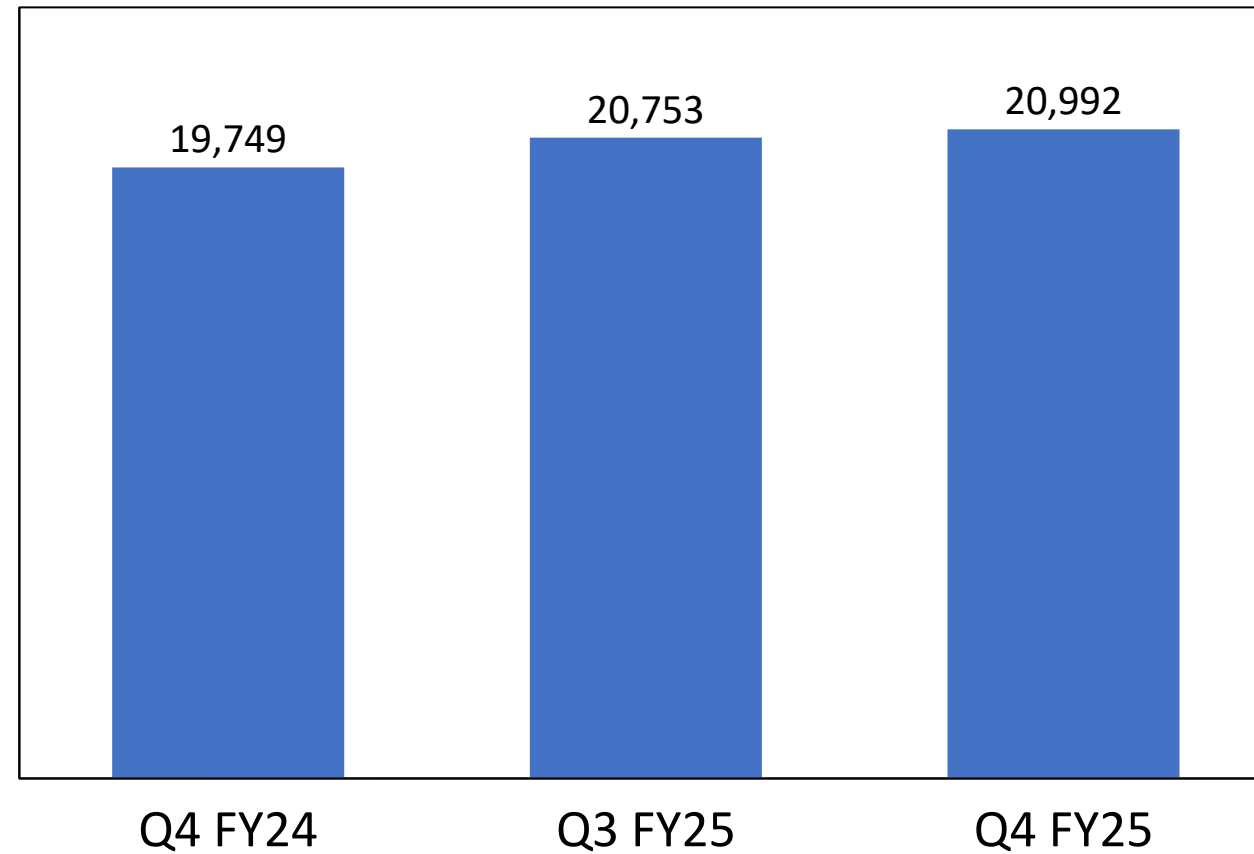
- Automotive Industry witnessed moderate growth across all segments during Q4 on YoY basis :
 - 2W grew by 5.8%
 - 3W grew by 9.5%
 - PV grew by 5.2%
 - CV grew by 3.1%
- On QoQ basis, almost all segments other than 2W registered growth. Generally, Q4 is the strongest quarter in any FY :
 - 2W de-grew by 1.2%
 - 3W grew by 3.0%
 - PV grew by 20.4%
 - CV grew by 20.9%
- EV 2W volume on QoQ basis grew by 5.5%
- In FY25 almost all the segments, except CVs, registered growth as economic activity remained buoyant.
 - 2W grew by 11.3%
 - 3W grew by 5.4%
 - PV grew by 3.3%
 - CV de-grew by -3.3%

Source: SIAM

Consolidated Financials of Q4 FY25

₹ in Million 

Revenue



Particulars	Q4 FY25	Q3 FY24	QoQ	Q4 FY24	YoY
Revenue from operations	20,992	20,753	1.2%	19,749	6.3%#
EBITDA	2,134	1,900		2,187	
EBITDA%	10.2%	9.2%	100 basis	11.1%	(90 basis)
PBT before JV and exceptional items	1,034	661		998	
PBT before JV and exceptional items %	4.9%	3.2%	170 basis	5.0%	(10 basis)
Exceptional Items *	564	909		-	
Share of profit of JV	3	-		51**	
PBT	473	-248		1050	
PBT%	2.2%	-1.2%	340 basis	5.3%	(310 basis)

* One-time exceptional items relating to merger of VEL & VPL, exit from China JV and the associate costs & provision for bad debt against KTM receivables (detailed explained in subsequent slides)

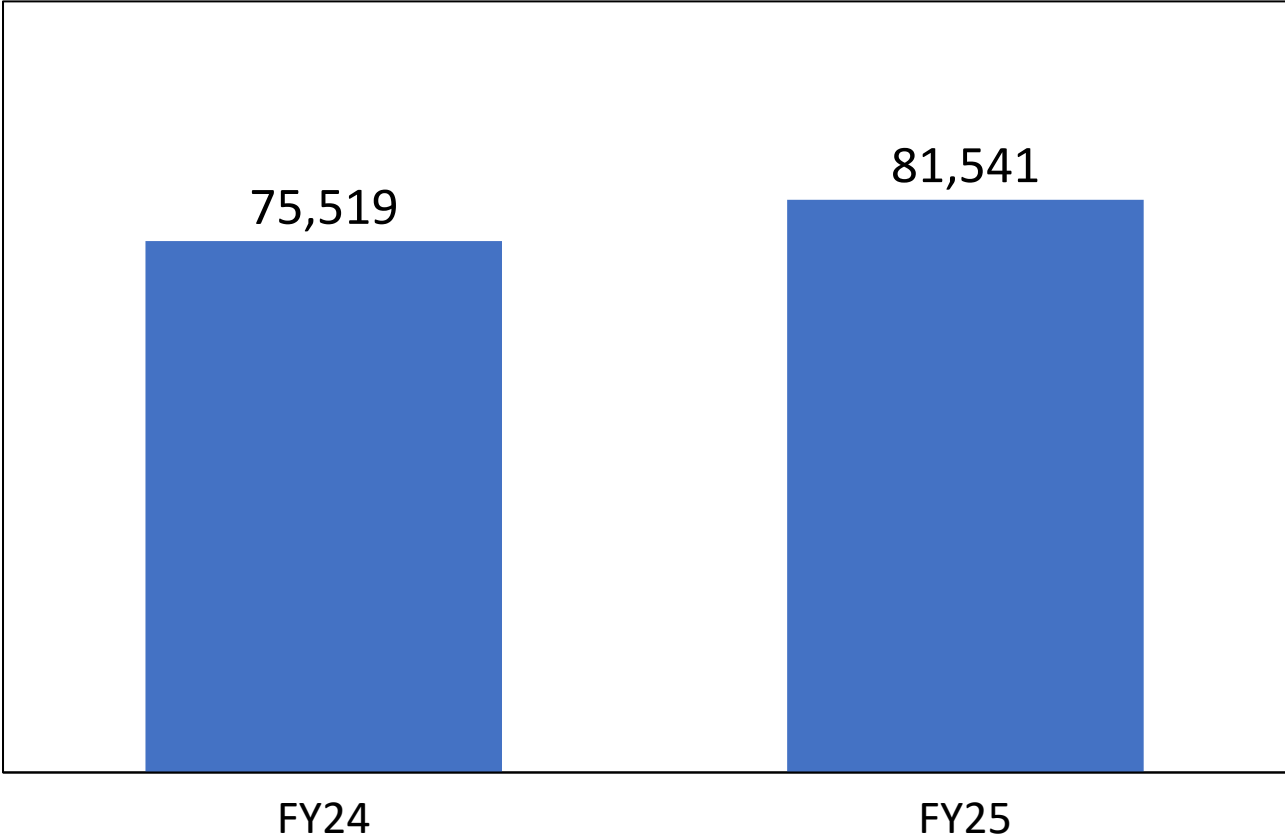
** Share of profit of JV in Q4 FY'24 included share of China JV profits

Q4 FY24 had additional government incentive benefit of Rs.866 Mn of earlier period. Excluding this in the base, growth was 11% YoY and India business grew by 13% despite muted market growth.

- Cost reductions and forex gains enabled improvement in profitability vs Q3 of FY 25.

Consolidated Financials of FY25

Revenue



	FY 24	FY 25
PBT %	3.6%	3.8%

Particulars	FY25	FY24	YoY
Revenue from operations	81,541	75,519	8.0%
EBITDA	7,767	7,590	
EBITDA%	9.5%	10.1%	(60 basis)
PBT before JV and exceptional items	3,129	2,705	
PBT before JV and exceptional items %	3.8%	3.6%	20 basis
Exceptional Items *	1,473	-	
Share of profit of JV**	37	444	
PBT	1,693	3,149	
PBT%	2.1%	4.2%	(210 basis)

One-time exceptional items relating to merger of VEL & VPL, exit from China JV and the associate costs & provision for bad debt against KTM receivables (detailed explained in subsequent slides)

** Share of profit of JV in FY’25 included share of China JV profits only for H1FY25 whereas FY’24 includes for the entire year

- # FY24 had additional government incentive benefit of Rs.495 Mn. YoY Revenue growth excluding government incentive in FY24 was 8.5%. India business grew by 11.2% better than market growth.
- Cost reductions, depreciation & interest burden enabled growth in YoY profitability.

Exceptional Items

Considered the following one-time exceptional cash and non-cash adjustments in the consolidated financials :

1) Sale of investment in China JV operations

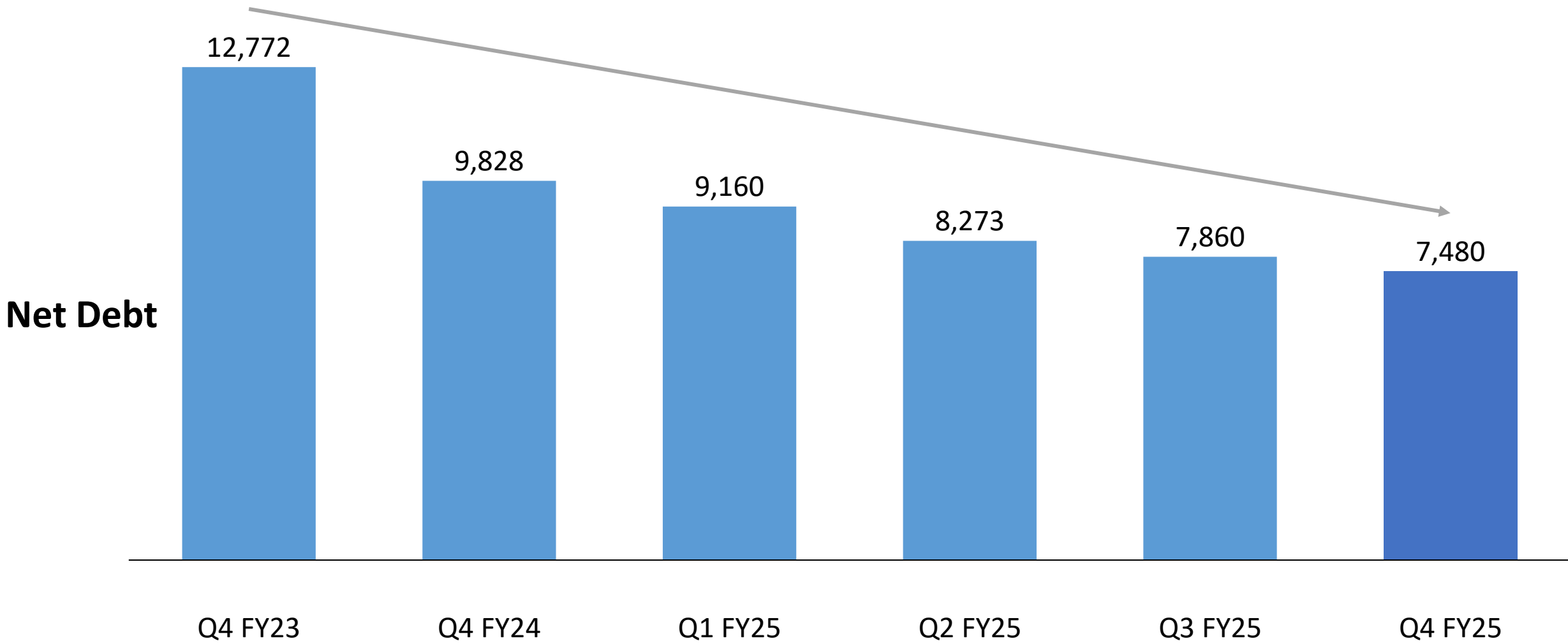
- Varroc enforced the arbitration verdict in BVI courts due to non-cooperation from JV partner and transferred ownership of China JV operations
- Varroc realised Rs. 3,400 million as net inflow on 6th May 2025
- Borrowings of Rs. 1,810 million have been repaid in May '25 using the sale proceeds and the balance parked in foreign currency
- In relation to the **Arbitration cost** , Tribunal directed Varroc to pay 3/4ths of 75% of the cost incurred by TYC, amounting to Rs. 440 million. Company is studying the claims and evaluating legal options to contest the costs.

2) Merger expenses of VEL and VPL – Rs. 196 million including stamp duty and other costs

3) Provision for bad debts against receivables from KTM pursuant to court-admitted insolvency proceedings – Rs. 31 million

Impact on Financials in FY25	Rs. million	Remarks
Impairment of investment in China JV	747	book adjustment without cash outflow , already considered in Q3 financials
Provision for arbitration costs	440	Under evaluation by Legal teams
Legal costs of Varroc for China arbitration	60	Already paid
Provision against receivables from KTM	31	Pursuant to insolvency proceedings
Costs of VEL & VPL merger	196	Stamp duty and provision for other costs
TOTAL One-time Exceptional Items	1,474	

Consolidated Balance Sheet & Return Ratios



Rs. in Million	31 st Mar 2023	31 st Mar 2024	30 th Jun 2024	30 th Sep 2024	31 st Dec 2024	31 st Mar 2025
Net Debt	12,772	9,828	9,160	8,273	7,860	7,480
Equity	10,042	15,262	15,518	16,400	15,826	15,940
Annualised Adjusted EBITDA	5,986	7,590	6,896	7,467	7,493	7,767
Net Debt/Equity	1.27	0.64	0.59	0.5	0.5	0.5
Net Debt/EBITDA	2.13	1.29	1.33	1.11	1.05	0.96

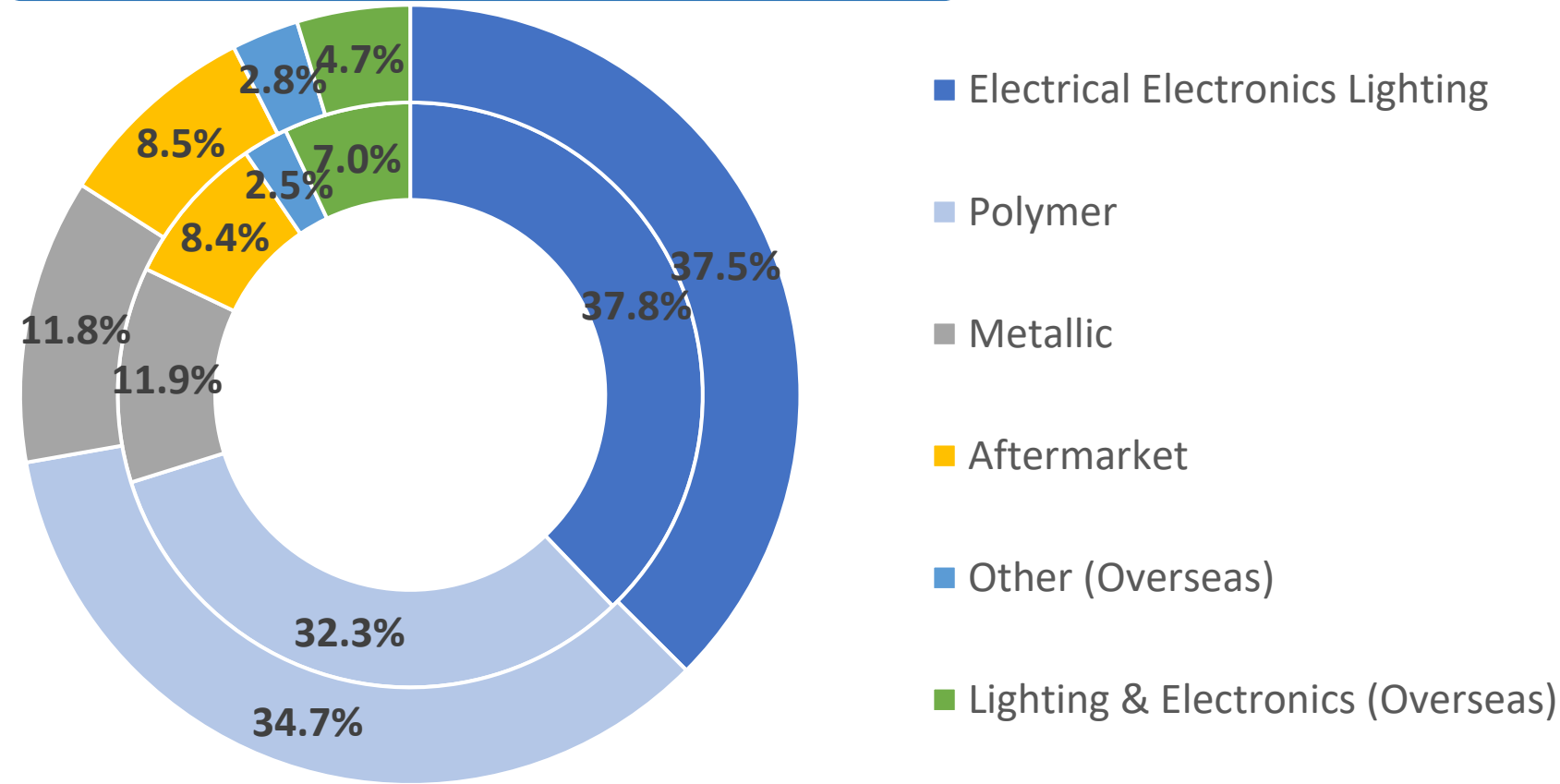
Note : Rs. 3400 million realized in May from sale of stake in China JV. A major Part of this used / to be used to repay debt.

The Net Debt of the Company in FY25 have reduced by ₹ 2,348 Million and now is ₹ 7,480 Million

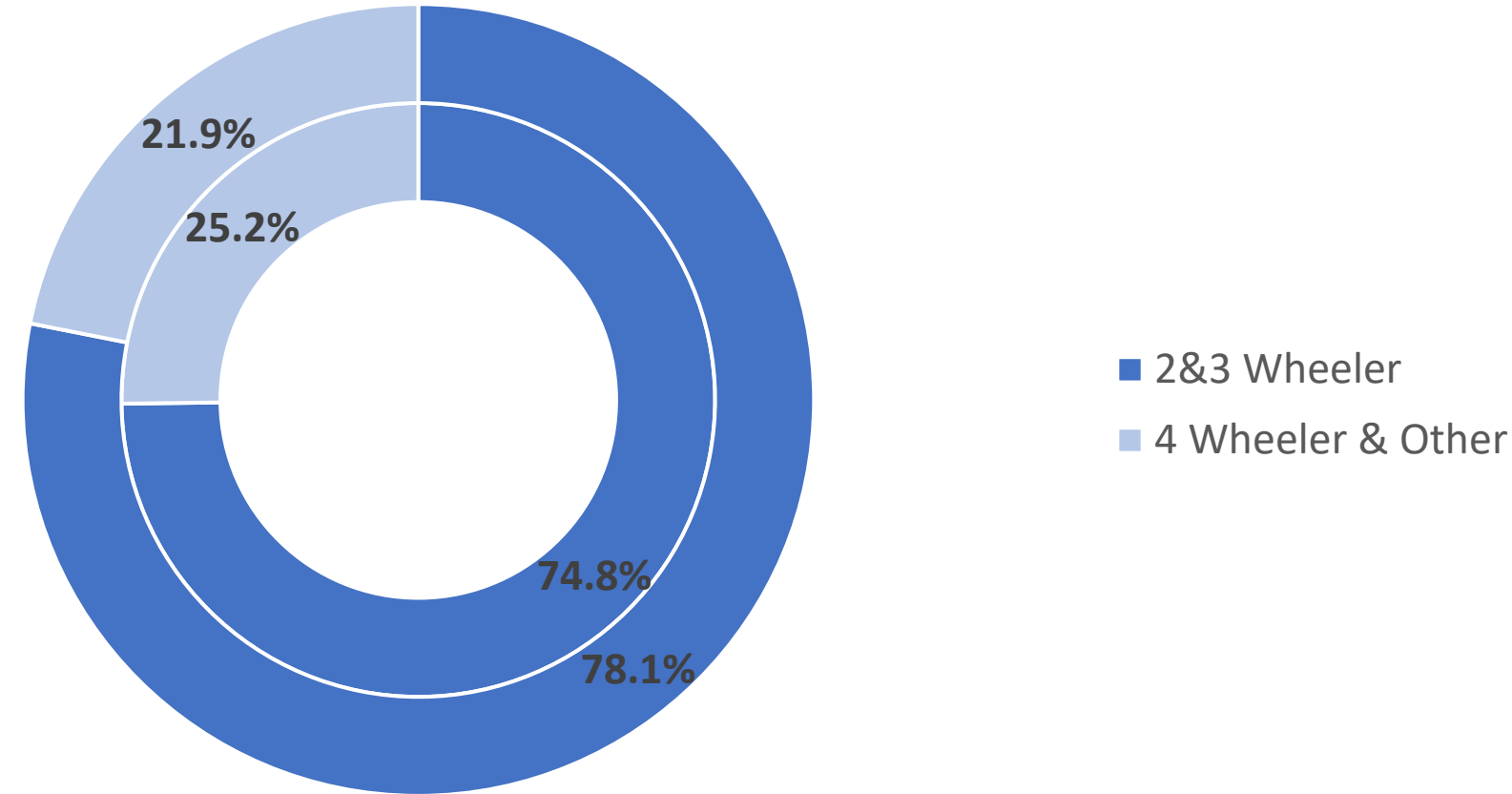
Revenue Breakdown for FY25



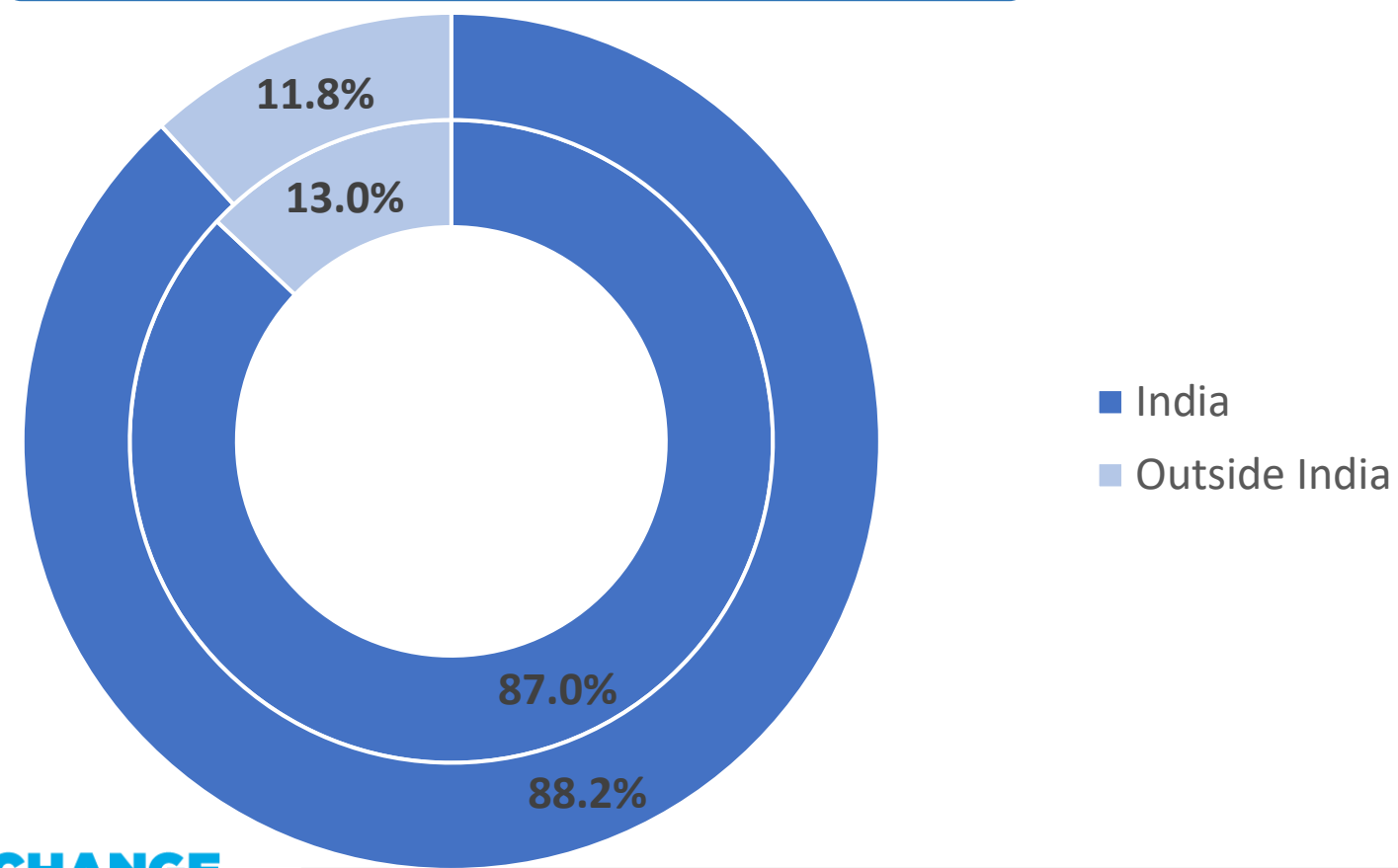
Business Unit



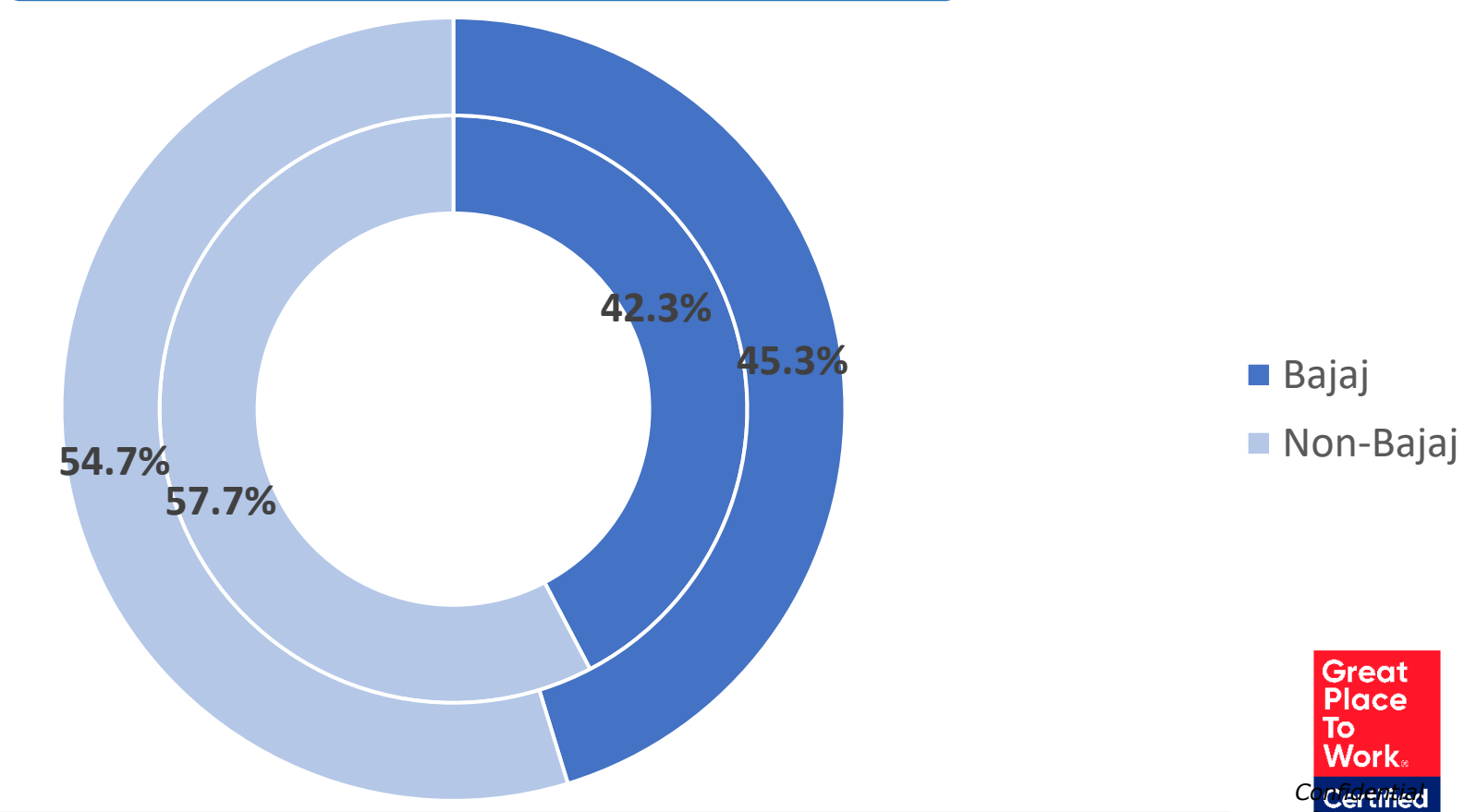
Segment



Geography



Customer

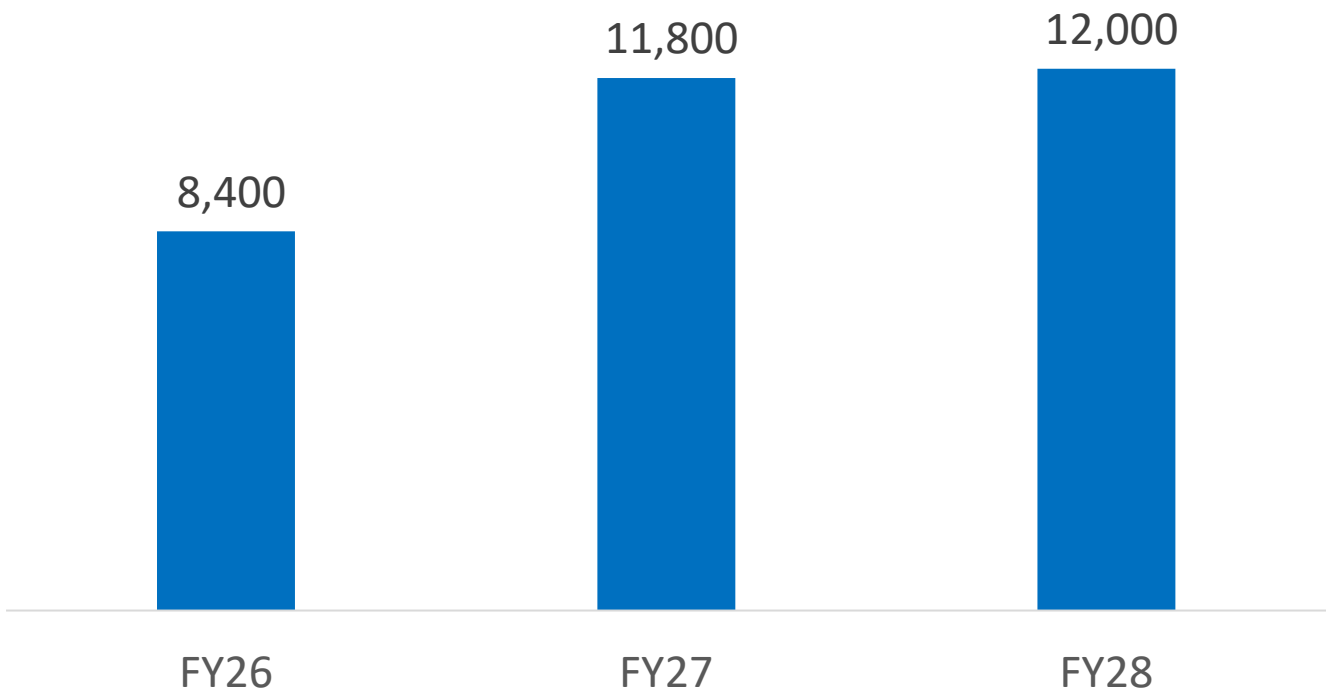


New Lifetime Order Win in FY25

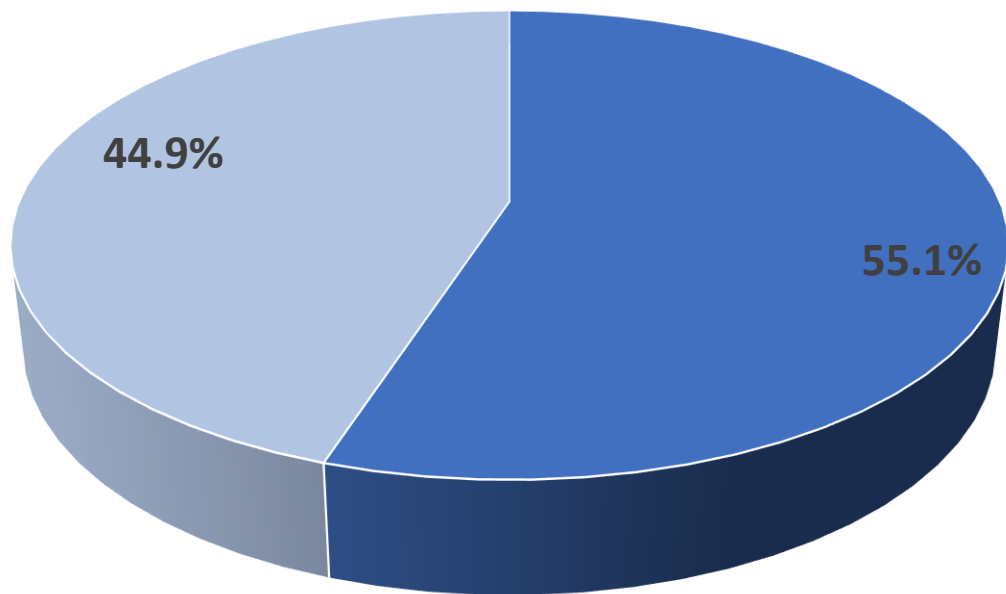
(Lifetime Value is 60,508 million and Annual Peak Revenue is Rs.11,734 million)



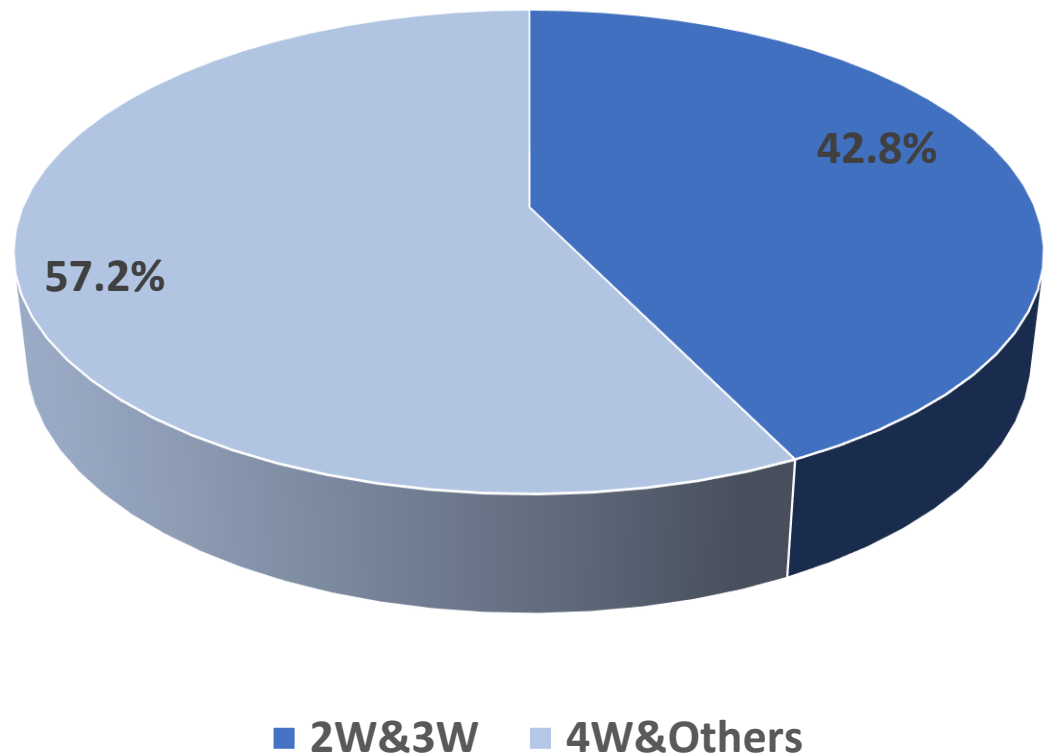
Peak Annual revenue* in next 3 years from new SOP



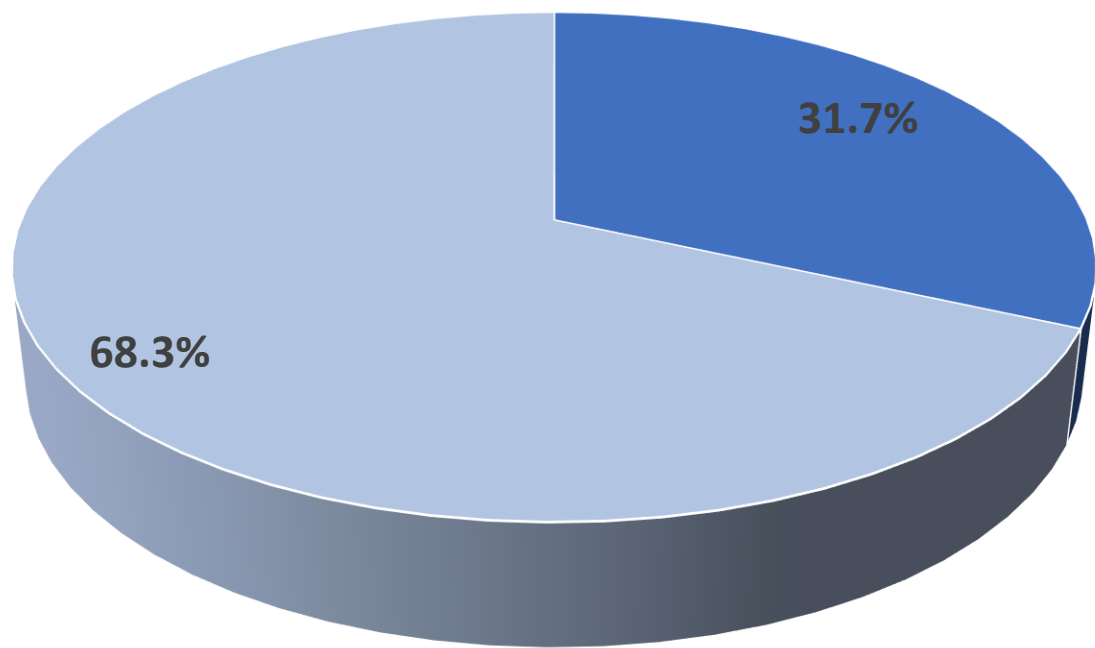
Revenue % win from ICE & EV Players



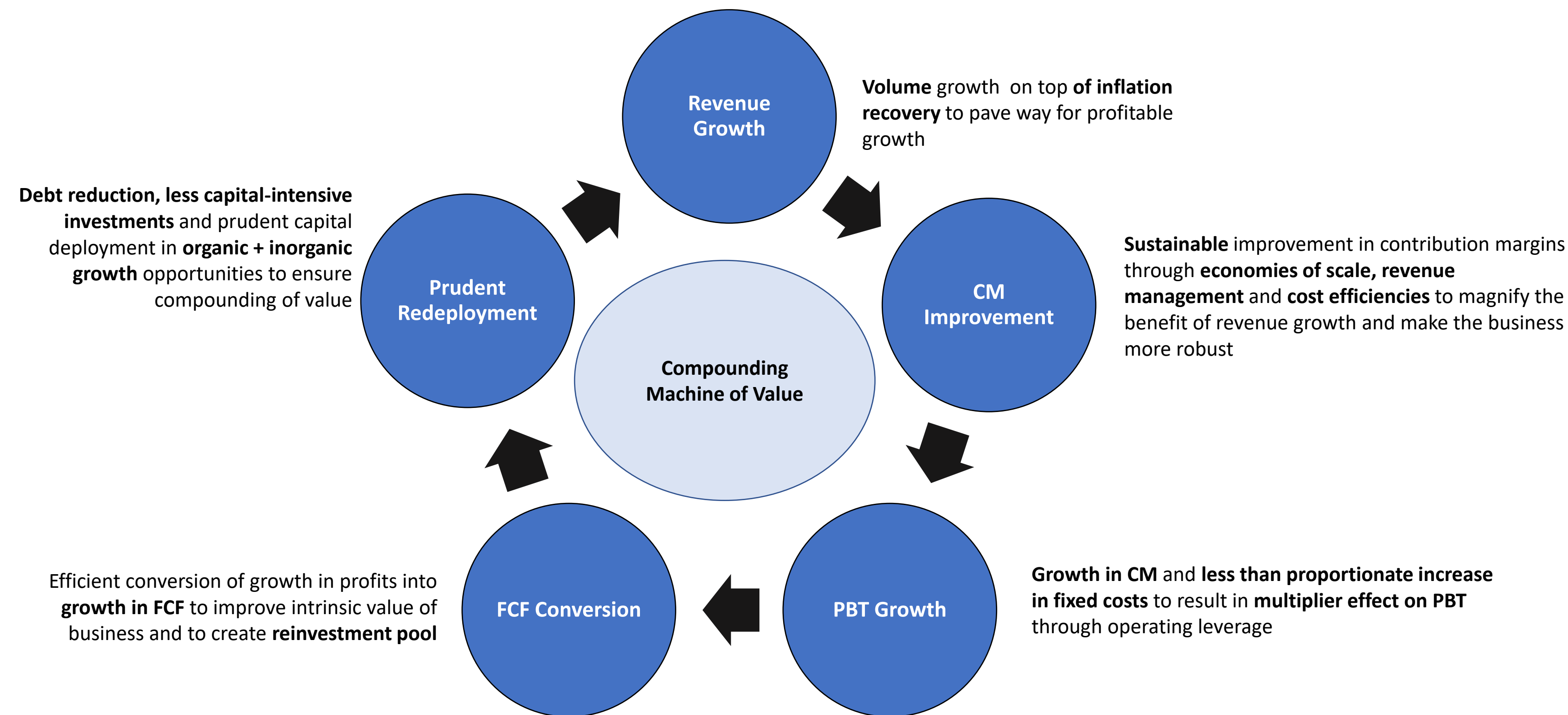
Revenue % win from 2&3W and 4W Players



Revenue % win from Customers



Focus areas for Varroc





Our Businesses

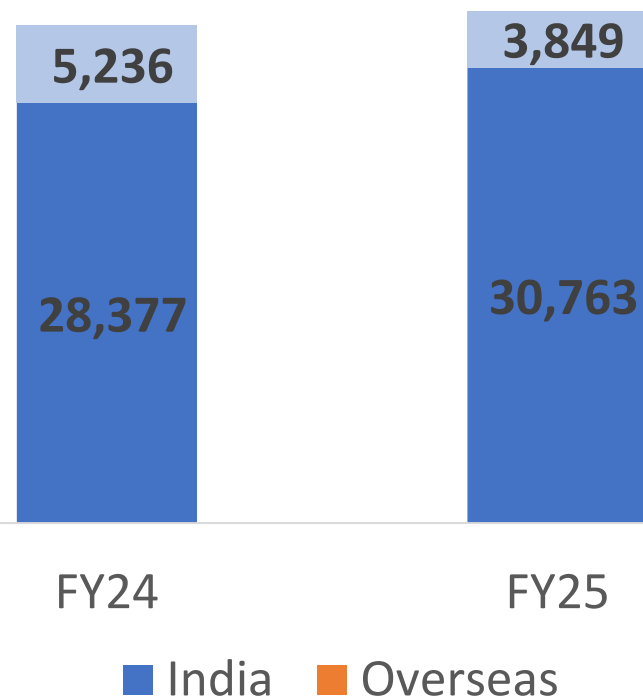
29th May 2025

Meet The Future Of Mobility: Electrical Electronics & Lighting

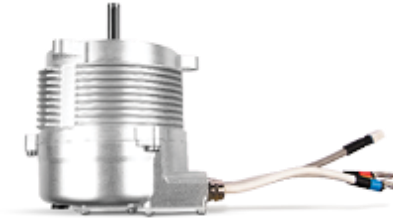


10 facilities - India
05 facilities - Overseas

Electrical Electronics & Lighting

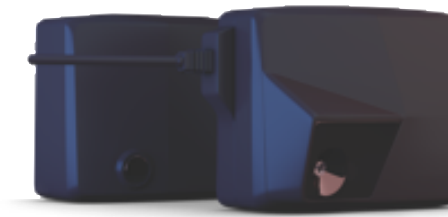


Amping Up The Future With Electrical Technology



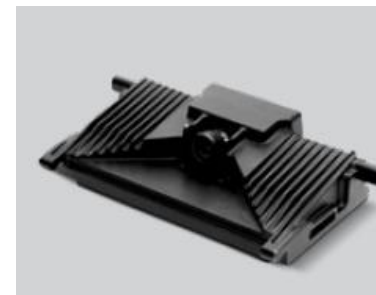
EV Products

Our customizable traction motor, traction motor controller, DC-DC converter, BMS and charger for EV form a crucial part of sustainable product portfolio.



Varroc Connect & Smart mobility solution

We offer hassle-free, over-the-air updates of FOTA and COTA. Telematics solutions that delivers unrestricted access to real-time status updates, vehicle data, location, and advanced analytics whenever you need them.



Advance Driver Assistance System (ADAS)

Automatic braking, adaptive cruise control, enabling L0 up to L2 vehicle autonomy. Alert drivers about potential dangers, including Forward Collision Warnings and Lane Departure Warnings.



Lighting Solution

Our Headlamp, tail lamps and signal lamps for 2w, 3w and PV offer stunning aesthetics, enhanced safety, compact design.



Smarter Electronics

Our smart electronics range comprises of reliable, customizable and compact products like EFI-ECU, switches, sensors, clusters, motors and regulator rectifiers.



Intelligent Cockpit

A high-resolution, vibrant touchscreen. With built-in support for Android Auto and Apple CarPlay, navigation with google map and driving monitoring system for optimal safety

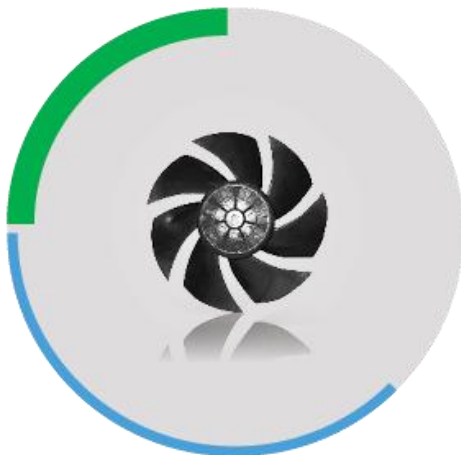
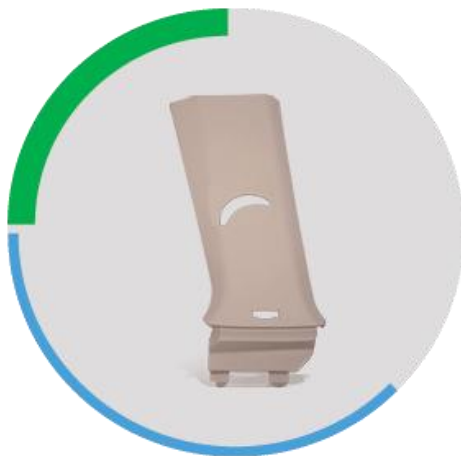
Meet The Future Of Mobility: Polymer



13 FACILITIES - INDIA



Polymer



FY24



FY25

Elevating Your Ride. Reducing Your Load.



Mirror Assemblies

Through our portfolio of 30+ mirror assembly variants we offer premium aesthetics, lightweighting, optimum field of vision.



2K Technology-Based Products

Our products boast the latest 2K technology, providing high-gloss and visually appealing aesthetics while maintaining superior functionality.



Consoles And Instrument Panels

With a focus on superior aesthetics and enhanced driver experience our construction ensures that our products can withstand the rigors of daily use.



Seat

Our 60+ range of seats offer durability, superior styling and rider comfort.

Meet The Future Of Mobility: **Metallic**



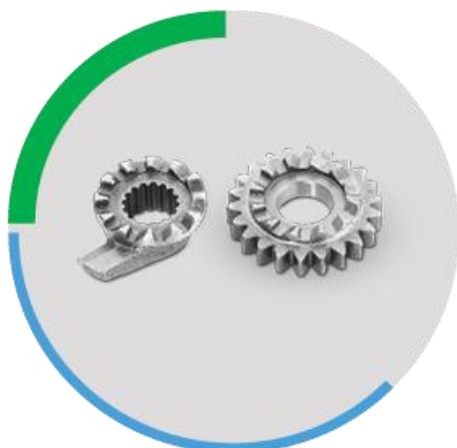
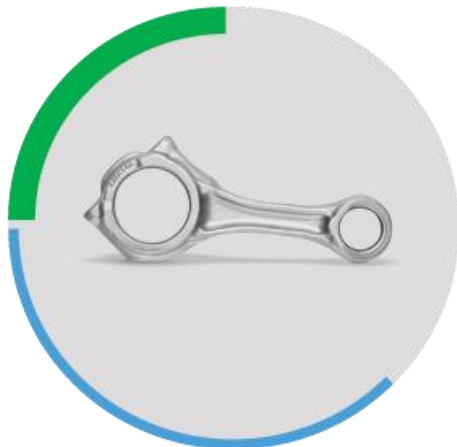
2 FACILITIES - ITALY



5 FACILITIES - INDIA



Metallic



From iron to icon. Our **Journey in Metallics.**



Valves

Our category of valves (sodium, titanium, intake, and exhaust valves) are made to deliver superior engine performance even in high temperatures.



Metallic solutions for EVs

Our EV portfolio designed to focus on compact design and light weighting of precision products such as single and double speed gearbox, differential assembly with crown gear, planetary carrier and traction motor shafts for 2W/3W.



Gears

Our category of gears comprising of park lock gear, sun and planetary gear, pump gear are tough, durable, and precise which helps increasing the lifespan of engine.



Forged components

Our forging division operating in Europe and India, with forging capabilities ranging from 300T to 8000T presses for a category of crankshafts, knuckles, connecting rods and ring gears weighing up to 250 kg.



FY24



FY25

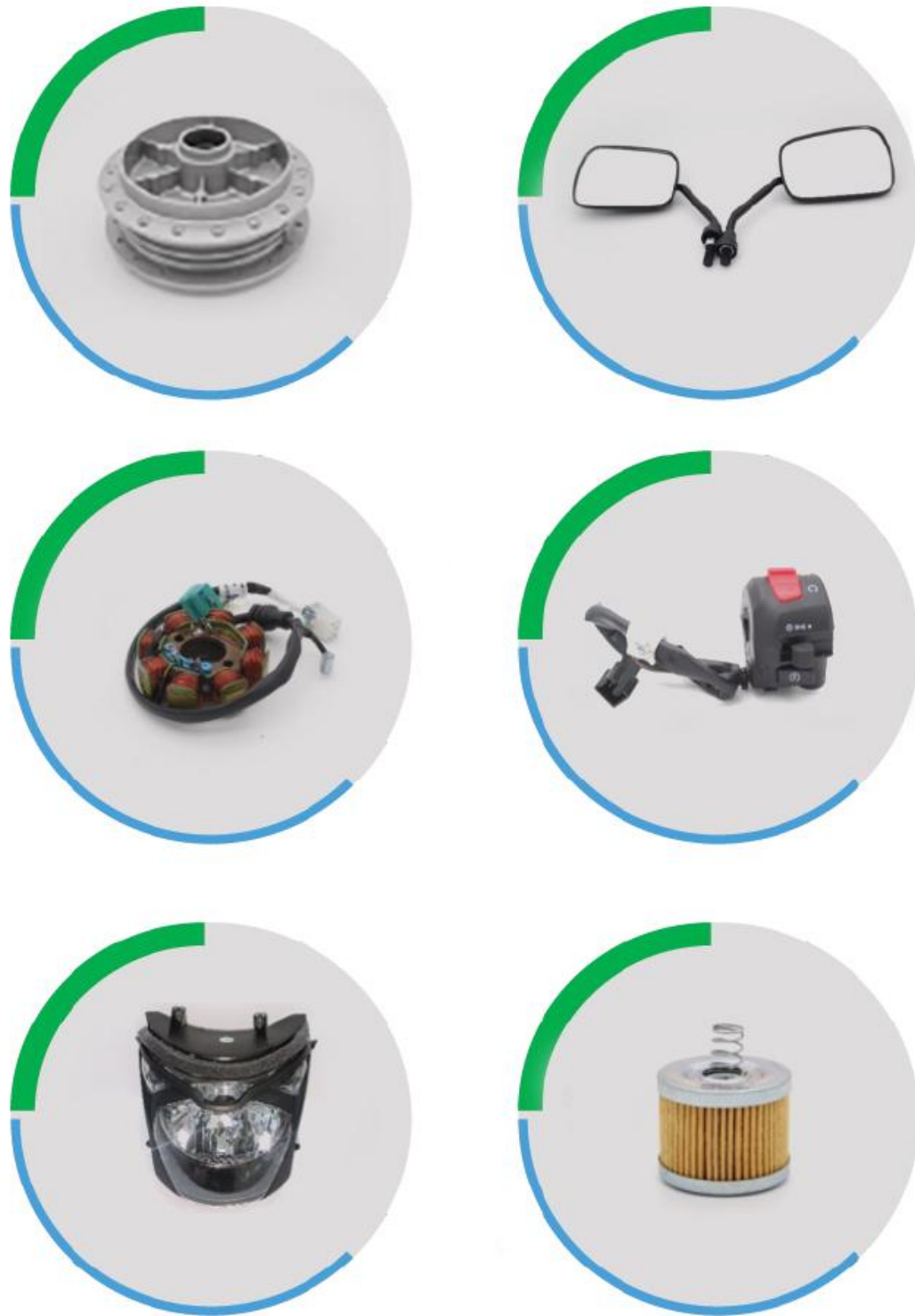
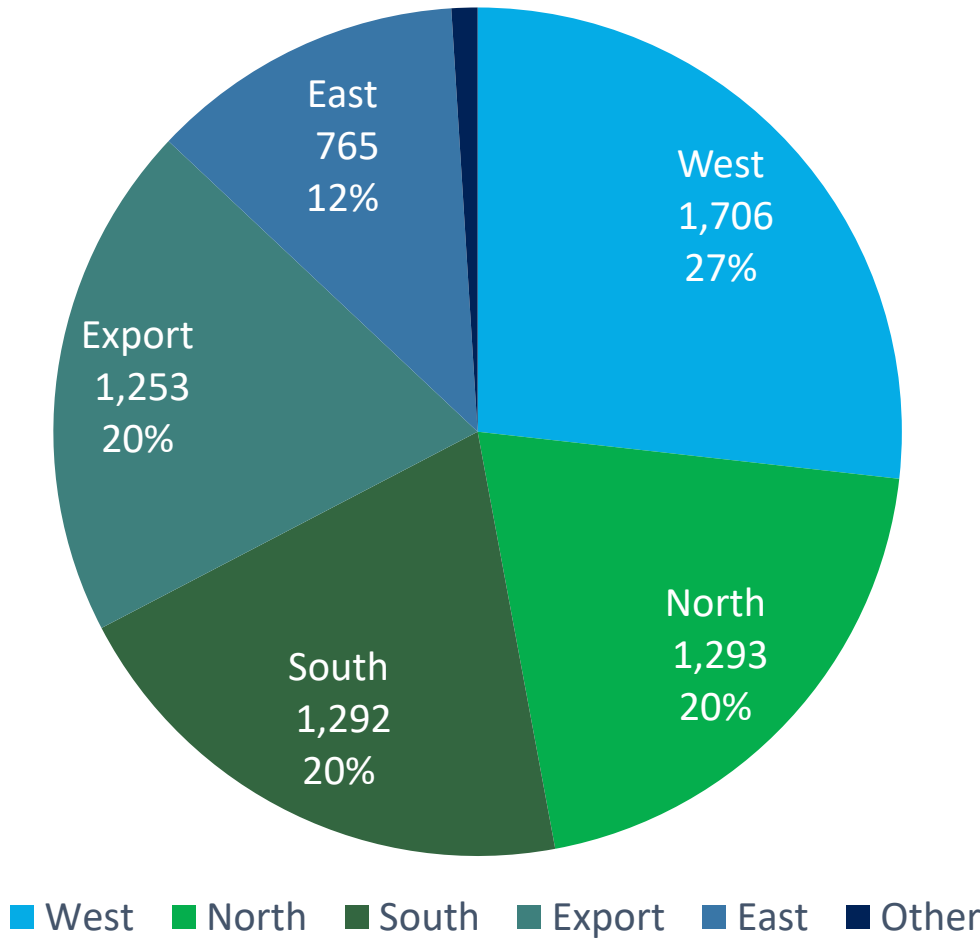
Meet The Future Of Mobility: Aftermarket



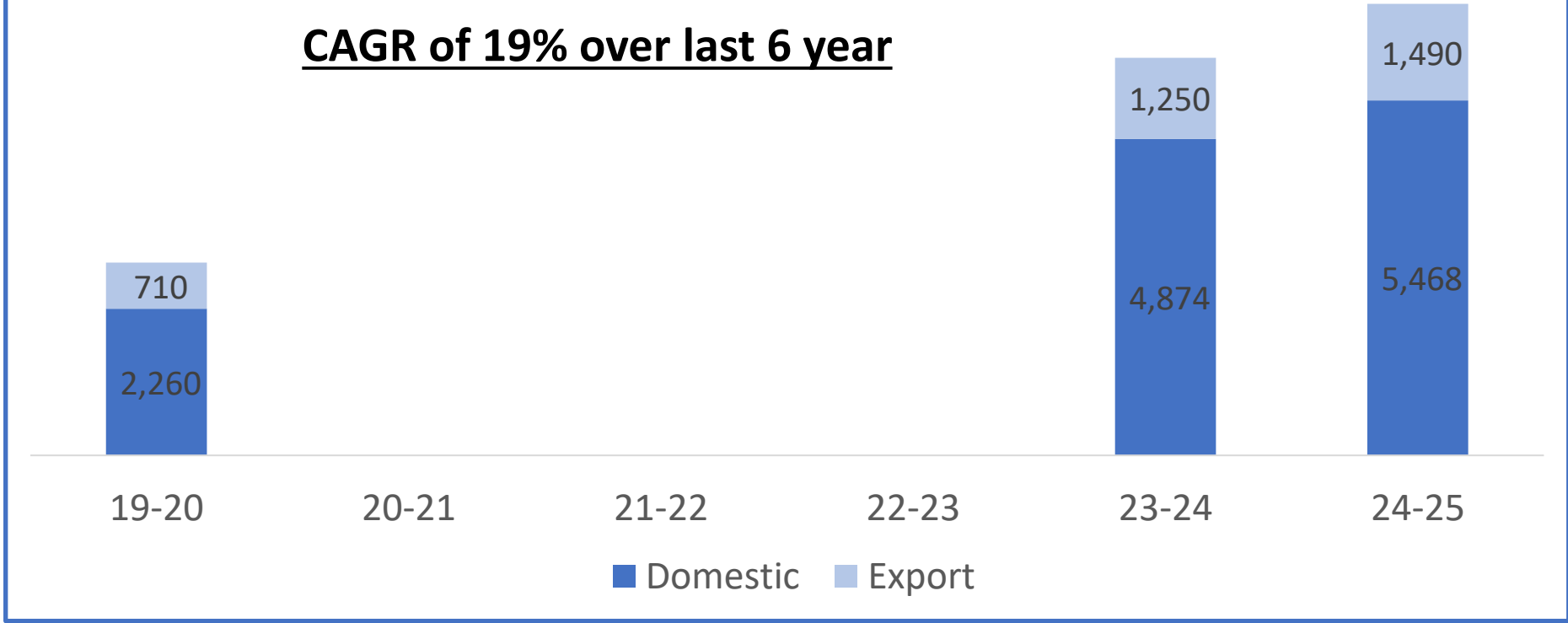
EXPORTS TO
30+ COUNTRIES



PAN INDIA DISTRIBUTOR
+310 Cities
+720 Distributors



CAGR of 19% over last 6 year



- 6 Year CAGR growth of over 15.2% in Revenue
- EBITDA CAGR growth is higher than revenue CAGR
- 40 Product Categories across 2W, 3W, 4W segment with over 9000 SKUs
- Product Categories include
 - Electrical & Lighting products
 - Electronic products
 - Metallic products
 - Polymer & Rubber products
 - Lubricants & accessories

Our Key Strengths



Strong Competitive Position in a Growing Market Segment

- Leading technology supplier to 2W market
- Leading supplier of exterior lighting to passenger cars
- Emerging system supplier in ADAS, telematics and cockpit electronics



Long Standing, Growing Customer Relationships

- Strong long-standing relationships with marquee OEMs across high-end and mass market segments
- Ability to invest to meet growing customer needs
- Advanced test lab helps in speeding up the process of design, development to commercialization of technologically advanced products for our customers.



Comprehensive Solution Provider

- End-to-end services across design, development and delivery
- Wide range of products across E-mobility, Ice powertrain, lighting solutions, HMI solutions, Body system solutions and Electrical.
- Ability to cross-sell to meet customer requirements



Low-Cost Manufacturing Footprint

- Pan-India presence enabling proximity to customers
- Strategically located with global footprint (Manufacturing plants in India, China, Vietnam, Romania, & Italy)



Continuous Focus on R&D Capabilities Enhancing Portfolio

- Developing innovative, cost-competitive proprietary products continuously.
- Well-positioned to benefit from key trends like safety digitalization, electrification, and increased electronics use.
- With our experts in automotive technology and the latest global advancements, we develop world class solutions with highest-standards



Sustainability



At Varroc, our ESG & Sustainability vision is to co-create a sustainable value for our stakeholders through **innovative research**, engineering, & manufacturing of environmentally **sustainable products** for mobility sector through **environment friendly operations** aligning with our corporate vision to 'Create safe, smart, and sustainable future mobility solutions for everyone.'

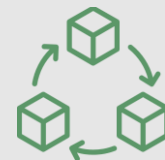
1. SUSTAINABLE PRODUCTS

Enabling positive impact on environment via eco-friendly designs and manufacturing materials, following the design for environment approach.



2. SUSTAINABLE OPERATIONS

Eco-friendly manufacturing, adhering to environmental norms, increasing renewable energy use, and enhancing waste recycling.



3. EMPLOYEE GROWTH & DIVERSITY

Nurturing employee skills, diversity, inclusion and human rights adherence.



4. SUSTAINABLE SUPPLY CHAIN

Building a sustainable network of suppliers meeting environmental and social standards.



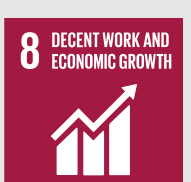
5. COMMUNITY DEVELOPMENT

Harnessing our expertise and employee efforts for community betterment.



6. ETHICAL GOVERNANCE

Implementing ethical practices for sustained company growth.



Commitment to Environment



RENEWABLE ENERGY

- **30%** Renewable energy contributions. Commitment to increase to **50%** in coming years.
- We generated **52.7 Million units** of renewable energy in FY25 which is equivalent to avoiding **38,315 tonnes of CO2e emissions** in the atmosphere.



GHG EMISSIONS

- **110** Energy efficiency and Energy conservation projects/Kaizens implemented in FY23.
- Approx. 5 Lakhs Electricity units savings achieved in FY23 which is equivalent to approx. **400 tCO2e**.



WASTE MANAGEMENT

- **>90% Waste** generated across our plants is **Recycled**.
- **Zero Liquid Discharge** with Water Evaporation Technology.
- **>90% Wastewater is recycled & reused** in process or utilized for non-potable purpose such as tree plantation, landscape etc.



EHS

- Implementation of Occupational Health & Safety Management System across all the manufacturing Plants **ISO 14001 & ISO 45001**.



Varroc's Kham River Restoration Mission



Our commitment to the Kham River Restoration Project reflects our ethos of blending sustainability, innovation, and community engagement to restore one of Chhatrapati Sambhajinagar's most crucial water bodies and giving back to the city where we started.



**1,24,261
sq. meters**

Area cleaned

**50,776
sq. meters**

Area greened

**1,03,851
Saplings**

planted

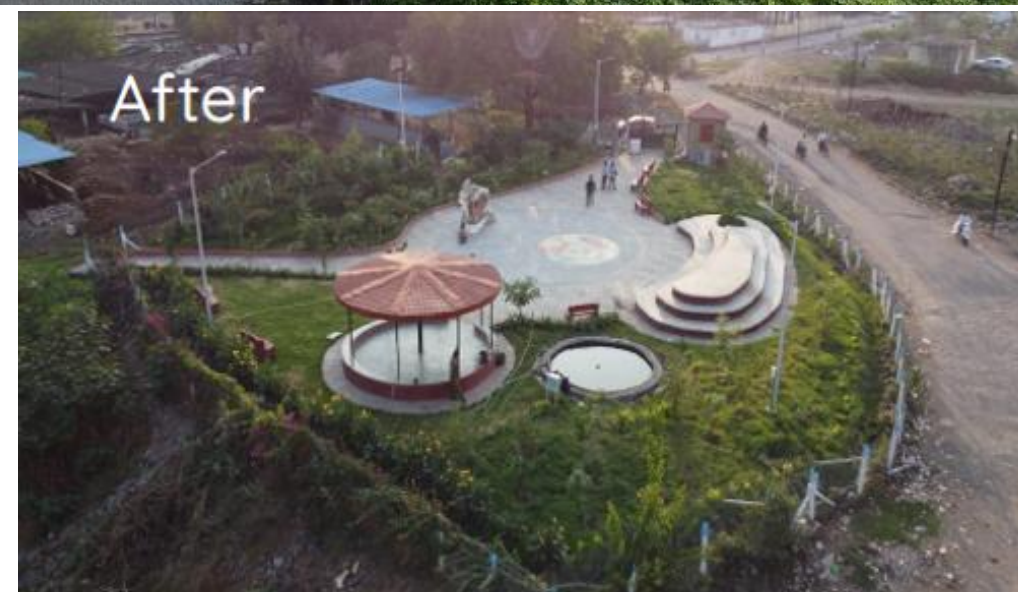
**5,380
meters**

Banks pitched

**182 Events held and
22000+ citizens engaged**

As a part of citizen engagement programmes

**Accelerated waste
collection efforts in
the city**



Awards and Recognitions

- WRI Ross Center Prize for Cities
- St. Andrew's Price for Environment
- Special Jury's award in FICCI Water Awards under Urban Water and Wastewater Management
- Inclusion in River City Alliance and appreciation by National Institute of Urban Affairs
- Recognition received at the DHARA summit organized by National Institute of Urban Affairs



Creating meaningful differences to the society through environmental and social welfare projects



Kham River Restoration

- Kham River Eco Restoration Project was introduced with the objective of giving back to the city in which we started our operations
- Under this project, we focused on cleaning the Kham river, pitching riverbanks, greening areas around Kham river, effectively managing solid waste in the city, creating bio-diversity parks and engaging citizens about the benefits of clean river



Nurturing Future Sports Talent

- Varroc Vengsarkar Cricket Academy (VVCA)
- Partnered with Abhinav Bindra Foundation for competing Olympic games athlete program
- Supporting Varroc Inter school and industrial cricket tournaments
- Young Talent sponsorship program



Social Impact Programs

- Learn and Earn Program at Varroc Academy
- Women's Empowerment through association with MKSS Cummins college and Engineering For Women Creating meaningful differences to the society and environment



THANK YOU