

19<sup>th</sup> August, 2024

The Manager,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

The Manager,  
National Stock Exchange of India Ltd.,  
Exchange Plaza,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400051

BSE Code: 540153

NSE Code: ENDURANCE

**Sub.: Transcript of Conference Call held in respect of the Company's Q1 FY25 financial results.**

**Ref.: 1. Regulation 30 and Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").**

**2. Intimation of telephonic / virtual meeting with Analysts / Institutional Investors dated 2<sup>nd</sup> August, 2024.**

Dear Sir / Madam,

In continuation to the above referred intimation and Listing Regulations, please find enclosed the transcript of the conference call held on 14<sup>th</sup> August, 2024 in respect of the Company's Q1 FY25 financial results.

The transcript has been hosted on the Company's website at:

<https://www.endurancegroup.com/wp-content/uploads/2024/08/Transcript-Conference-Call-14-08-2024.pdf>

We request you to take the above information on record.

Thanking you,

Yours faithfully,

For **Endurance Technologies Limited**

*Sunil Lalai*

*Company Secretary and Executive Vice President – Legal*  
*Membership No.: A8078*



Endurance Technologies Limited  
Q1 FY25 Earnings Conference Call  
**August 14, 2024**



**Management:**    **Mr. Anurang Jain – Managing Director, Endurance Technologies Limited**  
                          **Mr. Rajendra Abhange – Director & Chief Operating Officer, Endurance Technologies Limited**  
                          **Mr. Massimo Venuti – Director & Chief Executive Officer, Endurance Overseas, Endurance Technologies Limited**  
                          **Mr. R. S. Raja Gopal Sastry – Group Chief Financial Officer, Endurance Technologies Limited**  
                          **Mr. Raj Mundra – Treasurer & Head Investor Relations, Endurance Technologies Limited**

**Moderator:**     **Mr. Nishit Jalan – Axis Capital Limited**

**Moderator:** Ladies and Gentlemen, good day and welcome to the Endurance Technologies Q1 FY25 Results Conference Call hosted by Axis Capital Limited.

As a reminder, all participant 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nishit Jalan from Axis Capital. Thank you and over to you, Sir.

**Nishit Jalan:** Thank you, Lizan. Good afternoon, everyone. Welcome to Q1 FY25 Post Results Conference Call of Endurance Technologies.

We are pleased to host the Management Team. We have with us today, Mr. Anurang Jain – Managing Director, Mr. Rajendra Abhange – Director & COO, Mr. Massimo Venuti – Director & CEO, Endurance Overseas, Mr. Raja Gopal Sastry – Group CFO and Mr. Raj Mundra – Treasurer and Head - Investor Relations.

I will hand over the call to Mr. Anurang Jain for his Opening Comments, post which we can start with the Q&A. Over to you Mr. Jain.

**Anurang Jain:** Thank you very much and good morning to everybody.

I would like to share certain details of how we have done in the Q1 of this financial year:

- a. In India in Q1 FY25, as per the SIAM data, the 2W industry sales grew by 19.8% compared to Q1 of the previous financial year. Scooters grew by 27.9% and Motorcycles grew by 16.5%. The automotive industry in India had a growth of 16.3%.
- b. In our overseas operations in Q1 FY25, EU and UK markets saw an increase of 4.1% in the volume of passenger cars sold, while our European sales including tooling income grew by 16.8% in euro terms.

I will now brief you on the Q1 FY25 financial performance.

1. During Q1 FY25 as compared to the previous year same quarter, our consolidated Total Income grew by 15.9% from Rs. 24,666 million to Rs. 28,593 million. Consolidated EBITDA grew by 20.8% from Rs. 3,378 million to Rs. 4,080 million. Consolidated EBITDA margin was at 14.3%. The Profit After Tax grew by 24.7% from Rs. 1,635 million to Rs. 2,039 million and the PAT margin was at 7.1%. This includes the income from Maharashtra state mega project incentive of Rs. 228 million. There was no consolidated net debt and the company had a net cash available of Rs. 6,128 million.

2. During Q1 FY25, our standalone Total Income grew by 16.3% from Rs. 18,361 million in Q1 FY24 to Rs. 21,346 million in Q1 FY25. Standalone EBITDA grew by 19.7% from Rs. 2,409 million in Q1 FY24 to Rs. 2,884 million in Q1 FY25, with EBITDA margin of 13.5%. Standalone Profit After Tax grew by 24.8% and was Rs. 1,628 million and the PAT margin was at 7.6%. This includes the Maharashtra state megaproject incentive of Rs. 228 million. There was no net debt and there was a standalone net cash available of Rs. 5,818 million.

We would like to mention that Endurance is focused in both its Indian and European operations for a profitable growth. The detailed financials are available with the stock exchanges and on the Endurance website.

I would now like to share certain key points of the Q1 FY25.

1. In Q1 FY25, 74.8% of our consolidated Total Income including Other Income came from Indian operations and the balance 25.2% came from our European operations.
2. In India till date in FY25, Rs. 1,843 million of new business was won from OEMs other than Bajaj Auto, which included TVS, Hero MotoCorp, Mahindra, Kawasaki, Piaggio and Tata Motors. This includes:
  - a. Rs. 1,061 million of electric vehicle business won which includes Rs.795 million business from Mahindra & Mahindra for their EV 3W.
  - b. Rs. 300 million of suspension business won from HMSI, which is a new business for 160cc motorcycle.
  - c. Rs. 257 million worth of brakes assembly business won from HMSI and Hero MotoCorp.
  - d. Rs.87 million aluminum casting orders from a Japanese multinational for Mahindra 4W application.
  - e. Rs.68 million business won for TVS EV 3W for suspension, brakes and drive shafts. Despite low volumes for TVS vehicle, this is very significant from the future perspective.
3. I would like to mention that we have Rs. 17,705 million worth of requests for quotes from OEMs. Since FY21 in India, Rs. 36,774 million of business has been won, out of which Rs. 28,364 million is new business and replacement business is Rs. 8,410 million. Out of this Rs. 28,364 million new business, Rs. 24,425 million will reach peak sales by FY27 and it will be mainly for our product areas such as suspension, castings and brakes.
4. Our TVS business has reached a cumulative of Rs. 5,389 million and this business is growing. The business won has been for brakes, aluminum alloy wheels and suspension. Rs. 5,389 million sales would reach peak sales in FY26.

5. The total business win for electric vehicles till date is Rs. 8,421 million. These orders are mainly from HMSI, Ather Energy, Bajaj Auto, Hero MotoCorp, Mahindra, Tata Motors, TVS and Aptiv. This is apart from the Rs. 4,242 million business won by a subsidiary Company Maxwell.
6. The significant new business wins which will start in this financial year are as follows:
  - Rs. 719 million of new business from TVS in FY24. Out of this, Rs. 309 million was for inverted front forks and rear mono shocks and Rs. 404 million was for the TVS Rider and the HLX Bikes and this was the front fork and shock absorber business - which SOPs are planned for this year in October 2024 onwards.
  - In FY24, we had also won the Hero MotoCorp business, where the inverted front fork business win of Rs. 240 million SOP is planned in September 2024. The disc brake assembly new business of Rs. 263 million has already started from April 2024, and also the front fork and rear shock absorber business win at Halol plant of Rs. 900 million has also started from April 2024 and this will reach peak by Q4 FY25.
  - We won the Suzuki new scooter front fork business in FY24 of Rs. 253 million is in addition to the Rs. 1,400 million front fork business won earlier and both these combined SOP business value of Rs. 1,653 million will start in Q3 FY25.
  - We also won the HMSI disc brake assembly new business for Rs. 294 million in FY24 and the SOP is planned in Q3 FY25.
  - We also won the Royal Enfield alloy wheel business of Rs. 960 million in FY24, SOP has started in April of this year.
  - The 35 dia air suspension inverted front forks for supply to KTM, Austria, will also start by Q3 FY25 and the value of the business is Rs. 400 million per annum and it will be directly exported to KTM Austria.
  - We also won Rs. 876 million per annum business from Hyundai in FY24 for aluminium castings which SOP is in Q3 FY27.
  - HMSI had also awarded us two new businesses in Q4 FY24, which are the 100cc Shine motorcycle front fork and rear shock absorber business for Rs. 343 million per annum which SOP is in February 2025. Second is the first electric vehicle scooter of HMSI for the front fork rear shock absorber business which SOP is also in Q4 FY25.
7. As far as the electronic vehicles market is concerned, it offers a very significant opportunity for the future and the growth in the auto component sector. And as you are aware, Endurance has executed a Share Subscription and Purchase Agreement for acquiring 100% of equity share capital of Maxwell Energy in a phased manner by FY27. We own 61.5% stake in Maxwell, which we have increased in July 2024 from 56% and which is as per the agreement. And as you know Maxwell is in the business of advanced electronics particularly in the Battery Management System for 2W EVs and battery packs.
8. At Maxwell, we have won the Battery Management System business for Rs. 457 million till date in this Financial Year and we have a pipeline of RFQs of Rs. 1 billion. Till date

since FY22, Rs. 4,242 million business has been won by Maxwell. Despite the latest trends in the EV market, we believe that these orders will help us achieve a sale in excess of Rs. 2,500 million in FY27.

I am happy to inform you that in Maxwell we have recently won an order of Rs. 344 million for Motor Control Units and the SOP of this will be in March 2025. We are in touch with a lot of customers to secure business for various electronic products.

With the current order book, the order pipeline and our technical strengths between Endurance and Maxwell, we are confident of achieving our goals in this electronic space.

9. As disc brake assembly business is growing with addition of Bajaj Auto, TVS, Royal Enfield, Yamaha, Hero MotoCorp, Ather and HMSI new business, our second plant at Waluj , Aurangabad has been already set up for increase in volumes and has already started production since last year.
10. We already started disc brake assembly supplies to Hero MotoCorp from April in this year, and supplies will also start to HMSI from Q3 of this Financial Year.  
With this new plant, our 2W disc brake assembly volumes have increased to 6.2 million numbers per annum and brake discs to 8.1 million numbers per annum. Also, for three wheeler brake assemblies, we have increased to 1 million numbers per annum. We hope to reach these volumes in this financial year from these two plants.  
We are also working on the product and process technologies to manufacture high performance braking systems for catering to more than 350cc motorcycle market. We are planning to start this business by March 2026.
11. As you are aware, the supply of 2W ABS assemblies to Bajaj Auto and Royal Enfield have started. We have reached a run rate of 400,000 ABS assemblies per annum. As you know, the competition is mainly from Bosch and Continental, which control the major market share in the Indian ABS 2W market. We are now in the process of supplying dual channel ABS from next month onwards and we have scaled up additional assembly lines by 240,000 ABS assemblies per annum which has taken the total capacity to 640,000 ABS assemblies per annum, which run rate will be reached in Q4 of this Financial Year. We are further planning to increase these volumes to 1.2 million single and dual channel ABS assemblies by 2026.
12. We have already started manufacturing both the stainless-steel braided hoses and the ABS valves in-house, which has helped us in lowering our cost and stopped the dependence on imports.
13. Due to increased orders in aluminum alloy wheels from Bajaj Auto, Yamaha India, TVS and Royal Enfield, we are now at our plants at Chakan expanding to supply at a run rate of 5.5 million wheels per annum from this quarter onwards.

14. In FY25 till date, our Europe business has won orders of €3.1 million, including the first Volkswagen business win for a specialty plastic component for a hybrid vehicle. In the last nine quarters, out of €118 million orders won, €61 million orders are for the battery EV business and €37 million is for the hybrid business.
15. In the calendar year 2024, the battery EV penetration in Europe has been at 13% and hybrids at 36%. We are therefore well placed in terms of securing orders for this growing segment. Also, the growth in EV segment is slow. We have existing ICE segment orders, which will continue. So, there will be no loss of business for our overseas operations.
16. Earlier this year, our Italian subsidiary acquired 100% stake in Ingenia Automation Srl. This is a very strategic acquisition as it bolsters our strength in the industrial automation space, which will help us in our existing ongoing business as well as in our future expansion, which will happen at the plant.

I would also like to point out that Endurance both in India and Europe is actively pursuing its focus on gaining access to new technology and focusing on new product organic and inorganic growth.

Our future focus will be on the following projects for a better product mix and better profit margins:

- To increase our 4W share of consolidated business from 25% to 45% by FY30. This increase will come from aluminum die castings, aluminum forgings, as they will be increasingly used for lightweighting and also from proprietary products through acquisitions, joint ventures and technology agreements.
- To focus on increasing the share of business for premium bikes greater than 250cc for brake assemblies and ABS, suspension & clutch assemblies as well as alloy wheels for upgraded product technologies and process.
- To focus on increasing business for electric vehicle existing and new products. We will increase our embedded electronics business by becoming a significant player in the Battery Management System and electronic products required for electric vehicles, as well as other applications.
- To grow our aluminum alloy wheel business in future.
- To focus on non-automotive business which has large opportunities especially in aluminum castings. We are in the process of setting up a new plant at AURIC industrial area in Aurangabad. The SOP will start in FY26, and this will focus on 4W as well as non-automotive aluminum casting business.
- As far as our aftermarket is concerned, our focus is to reach 10% of India sales by FY28. In Q1 FY25, aftermarket sales grew by 14.94% from Rs.922 million in the previous year to Rs.1,060 million in Q1 FY25. We are now exporting aftermarket parts to 37 countries with addition of Costa Rica in June of this year.

So, after-market sales growth will always be a large focus area for us, and we are targeting good growth in this financial year.

On the environment front, I would especially like to mention that Endurance is striving to be being carbon-neutral in its plants by effective use of solar power and wind power, creating carbon sinks by driving tree plantations and thereby creating dense forests and driving use of natural gas and LPG in place of electric power and furnace oil. We have reached carbon-neutral percentage of 35% till date in FY25, and our aspiration is to reach a carbon-neutral percentage of more than 50% by FY30. We're also focusing in lowering hazardous waste generation and to achieve zero waste to landfill.

At Endurance, it will be a continuous endeavor to grow through organic and inorganic growth with a focus on technology upgradations in product and process, quality improvements, costs as well as focus on our environment, health and safety.

We will do our best to fulfill our stakeholder expectations by following our five values of Customer Centricity, Integrity, Transparency, Teamwork and Innovation.

We are very positive about the future outlook both in India as well as in Europe and we are really excited about the future.

With these opening remarks, I would like to invite questions from all of you. Thank you.

**Aditya Jhawar:**

For India business for four-wheelers, we are seeing some decline. So, if you look at last one year, FY24, it's reported a decline of about 13%-odd, even in this quarter there is a decline of 3%. So, if you can help us understand is there any customer-specific issue? And also, in your cumulative order book about 37 billion, what could be the proportion of four-wheelers in that?

**Anurang Jain:**

In our new order wins, the four-wheeler business which has been acquired is mainly from Hyundai, Kia, Tata Motors and Mahindra & Mahindra. There's also the order from Punch Powertrain which is for a tie up with TACO. The four-wheeler business on the whole has been increasing, but you see a decline in 4W percentage of total business, because the other businesses are growing very much faster. In absolute Rupees, I don't think we would have degrown from FY23 to FY24. Our presence in Indian OEMs is growing. There has been some decline in export sales to Ford Getrag. That is perhaps because of the slowdown in Europe, and the drag in this order is expected to continue. In the India business, we have not lost any share in the four-wheeler market.

**Aditya Jhawar:**

In Freedom 125, what could be Endurance's content per vehicle?

**Anurang Jain:**

I can only tell you it's large everywhere. I can't give you these figures. But, we're normally the first choice for all our products. So, it's sizable. For this model, we are there for all product areas.



**Aditya Jhavar:** Out of the total capacity that we have set up for forging, what would be roughly for internal consumption for a backward integration and what would be for external sales? And since the 4th press has come on stream, what could be the peak revenue potential from this capacity?

**Anurang Jain:** The aluminum forging business has been set up as a backward integration for our inverted front forks, not only to be cost competitive to get new business, but to de-risk imports.

So, apart from the Jaguar and Range Rover order of Rs. 250 million which will be starting in this financial year itself, everything as of now, including products from the 4th press, will be backward integration for our inverted front forks, for producing axle clamps required for inverted front forks. And now we are getting into hydraulic pre-load adjusters, which also require aluminum forging.

But like we got orders for the Jaguar, Range Rover business, now we are getting RFQs and opportunities from others, especially in the four-wheeler field, we also got RFQs in the two-wheeler field to grow this business. But to answer your question, our current production is largely as a backward integration with very less third party aluminum forging sales.

**Jinesh Gandhi:** Throw some light on the passenger vehicles and the non-auto business on the aluminum die casting, given that has been the focus growth area -how has been the order wins?

**Anurang Jain:** We are in the process of acquiring orders, both for the non-automotive and four-wheeler for AURIC. As far as this new project is concerned, we have a separate team to focus on the needs of these customers.

I think I should be in a better position to share the kind of order wins, which we are getting for both non-automotive as well as the four-wheeler in the next call. But we are highly focused and there are many projects. Some are resourcing. One is new business. There are quite a few things happening on that front.

**Jinesh Gandhi:** But clearly, there we are on track for increasing share of business for next three to five years. Obviously, quarterly basis, things may be different.

**Anurang Jain:** We are very committed. This will be a part of our foray into 4W. It will be a step-by-step journey, but there is a focus to reach 45% consolidated share of business for 4W by FY30. And of course, there should be some inorganic growth because our target growth cannot just happen by greenfield.

**Jinesh Gandhi:** Congrats on first LOI for MCU in Maxwell. So, can you talk about the content difference between a BMS versus a Motor Control Unit. What is per unit sale ASP of MCU vs BMS?

**Anurang Jain:** MCU will be a good profitable product for us.

- Rajendra Abhange:** MCU value is less compared to the total sale of Maxwell. The main business for Maxwell is going to be BMS.
- Anurang Jain:** We cannot give you the per unit value or what is the percentage of this value in total vehicle cost. Total order value for our MCU order is Rs. 340 million per annum, and SOP is starting in February 2025.
- At Maxwell, we are looking at order growth from Rs. 1 billion of RFQs and we are also looking at other products from Maxwell. Motor Control Unit is a product we have been working upon, but we announced it to you after the order win. Like this, there are other products and we are really engaged with different customers.
- Our target is to have a profitable growth. Maxwell was a strategic acquisition in July 2022 because we wanted to be a part of the EV journey. And I am sure the EV journey will continue, and this business will increase. There are not many players in what we are doing. Our advantage is that the whole technology – both process and product resides in-house. It is not a collaboration. That is a plus point. We are showing these strengths to our customers and slowly getting the businesses. So, it has been a bit of a slow start, but you will see a lot more of this going forward.
- Jinesh Gandhi:** Can you talk about the client concentration in that order book of Maxwell? How much would be coming from the new players or the players who have been lower market share today versus incumbent?
- Anurang Jain:** Today our biggest customer is Hero MotoCorp for their Vida model. They are a large customer. We have a lot of things in the pipeline going on. Basically, this company started with them and certain battery pack makers as well as to two-wheeler companies in export markets as well as in India. Since last month, there has been a very good improvement and really the volumes are now really going up from this month onwards.
- Jinesh Gandhi:** In European business, we have seen a very good growth in the revenues. But is that partly because of aluminum cost inflation or it is because of strong growth in the business?
- Massimo Venuti:** The aluminum cost is same as the previous quarter, thus no aluminium cost difference impacting the sales growth. There is 16.8% increase of turnover compared to the previous year – 50% of that is due to the business growth and the other 50% which is more or less 8% change over last year is due to tooling sales relating to the substantial investments we have done for our customers. In Europe, new car registrations grew YOY 4.1% in Q1 FY24. Endurance grew double than market growth from product sales, and 4 times or 16.8% considering higher product sales and sale of tooling.
- Jinesh Gandhi:** In that context, our margin performance has been, relatively weak considering the strong revenue growth. There has been a huge decline in margins despite having a strong revenue outcome.

**Anurang Jain:** In a market like this, we have 16.5% of EBITDA margin from our European business – which is a reflection of our strong performance.

**Jinesh Gandhi:** We have seen a sequentially strong volume growth, and considering that the business has a reasonably good operating leverage, would there not be benefit of that?

**Massimo Venuti:** EBITDA in Q1 FY25 is €13.3 million compared to €11.1 million in Q1 FY24. So, we grew 20.2% in terms of EBITDA, with an increase of turnover of 16.8%. That reflects the operating leverage benefit. In terms of net profit, we have €4.9 million in Q1 FY25 compared to €4.2 million Q1 FY24, we grew 15.7% in terms of net profit with 6.1% margin.

We are changing completely our organization in Europe. We started in January of this financial year with a new plan for Stellantis, where we will begin from zero and produce 850,000 clutch housings per year. And it means that the fixed cost is not at the same level of the previous quarter. The benefit in Endurance Overseas from such orders will be clear in the next two years, when we will reach the maximum production capacity. We are doing €50 million investments per year. So, the structure of our profit and loss is changing compared to the past.

**Anurang Jain:** We are quite satisfied with our performance in this challenging environment which is there in Europe. But of course, our goal is to keep improving.

**Jinesh Gandhi:** We have talked about this specialty plastic component order from Volkswagen. Can you talk about the kind of investment we will need to make on the capabilities and capacities for the business? Can this be material, new technology for European business? How do you think about this as an opportunity?

**Massimo Venuti:** No, so the technology is the same that we use to serve other customers – with Stellantis and Mercedes as final customers. The important news is that this is the first order as a tier1 supplier for Volkswagen Group in plastic injection moulding.

At present, there are lot of problems in the plastic market due to the increase of raw material and a lot of companies are in financial trouble. And this was an important order acquisition for us because this is the first acquisition but we are targeting future growth and we can use the existing production capacity for this business.

This order is for only 2 million of euro, but this is 20% of the total turnover of our plastics company. So, you can imagine the potential for the future. At present, the total turnover of the Endurance Engineering is approximately €10-12 million euro. I want to remind you that we had bought Endurance Engineering when our key customer initiated a technical conversion from aluminum to plastic of the specific product for the upper part of the engine. And we are moving now in component for the hybrid and electric vehicles, also in our plastic component space.

- Anurang Jain:** This plastics business is a small value business, today. This business is about €12 million annually. So, it's a small value in overall Endurance Overseas scheme of things. It's about 5%. But when you win a €2 million order from a customer like Volkswagen, it opens up many new opportunities for growth.
- Pramod Amthe:** Continuing on this European business, some of the manufacturers, especially Porsche, have guided for a very soft next quarter. What type of repercussions on your Europe business?
- Massimo Venuti:** In this moment, even if we have seen a reduction of volume in the electric component, Taycan to be specific with Porsche, we are compensating this reduction with an increase of volume in internal combustion engine technology parts.
- Volkswagen and Porsche are confirming the same volume of the previous quarter, also for the next 2-3 months. And so, we don't see a particular problem. Probably, the major problem is in the assembly of the car and not in the powertrain and transmission division.
- Pramod Amthe:** In India, when you look at these alternative powertrains, especially like CNG bikes, does your content per vehicle drastically increase or is the same as any other ICE vehicle?
- Anurang Jain:** It is the same.
- Pramod Amthe:** Considering that there is a GM plant being now acquired by Hyundai and Hyundai is anyway your existing client, do you see more scope for you to add more components because you already have a ready capacity available? How do you look at this opportunity?
- Anurang Jain:** It's a very good opportunity. It's next to our plant at Chakan. We are just doing four-wheeler parts, including for exports. These are very similar parts.
- Pramod Amthe:** And would you be able to indicate which line you are looking at? Is it still be in the metal forming, or?
- Anurang Jain:** This is in aluminum die casting, similar to what we do for them in Chennai and Vallam.
- Pramod Amthe:** But do you have the headroom capacity, or you have to add capacity in the existing plants?
- Anurang Jain:** We also have capacity. We will look at the business quantum which we will get. Based on that, we will take a call whether the existing capacity is enough, or we need to add new die casting machines.
- Divay Agarwal:** What proportion of the total order book would be in the aluminum die casting?
- Raj Mundra:** We have the data year by year. So, it will take a while for me to give you a cumulative number for aluminium die casting orders in our total orders from FY21.

**Divay Agarwal:** Regarding the new order wins in the aluminum casting, I missed the part of your remarks about new order wins that you got in aluminum casting. So, can you repeat that?

**Anurang Jain:** In the aluminum castings, one order is for the aluminum alloy wheels and we have castings orders from various customers right from HMSI to Hero MotoCorp to Royal Enfield and except for Royal Enfield, all the other customers it is with machining because we are only encouraging orders for machined casting.

We also have the Punch Powertrain business which is an order of Rs. 1,000 million. We started in a small way, but it will pick up in future. And there are other opportunities coming also with Punch Powertrain as we go along. And big Hyundai business of Rs. 876 million, for which SOP is expected in FY27

The business which I spoke above is non-Bajaj. In Bajaj, any new business comes for new products, new growth, there are also structural casting items like sub-frames, structural fairings, swing arms. Alloy wheels, crank cases, covers, machines. Then we have parts for EVs with the Chetak model. There are a lot of parts for EVs which we are doing for them.

So, it is a combination of alloy wheels, and castings, largely with machining for 2-wheelers, 3-wheelers and four-wheelers for different customers.

**Divay Agarwal:** In the aluminum casting space, there are listed players who are the sole providers in the cylinder heads to Toyota, Maruti, and many other OEMs. Are we solely supplying any product to any OEMs?

**Anurang Jain:** Yes, we are sole-suppliers for many parts mainly for 2W. In 4W also, there are a few segments for Hyundai, Kia and Mahindra. 100% SOB depends basically on the volume of business per year. If volumes per month are low at say 10,000, then there would be a single source. Then beyond a certain volume they will have two sources in general, so, we have a combination of both.

We have been in the aluminum die casting business for the last 39 years. We have got a very strong operation in die casting in terms of a good engineering center, and a lot of value engineering development is happening. Also, our tool room, and of course a very strong business technology in product and process.

We are in a good space and don't see so much of competition for us in India as of now. There has been a consolidation over the years, but there is a lot of business. Die casting is a CAPEX intensive business, and we are choosy while picking orders.

**Akshay Karwa:** You expect the 4W segment to reach 45% by FY30. What type of margins would this generate?

**Anurang Jain:** We can only say the margins will be higher. I can't put a figure to that, but the margins will be high on that. So, we are getting to four-wheeler for two reasons. One is to de-risk from the two-

wheeler industry in India, as well as to improve the profit margins, And this growth cannot happen only from organic growth. Our new AURIC Shendra plant is a first step, apart from growing our existing 4W businesses, which is mainly in aluminum die-casting in our Chakan plant and the two plants in Tamil Nadu. But growth will also happen also from inorganic growth opportunities. We are looking very actively in Europe as well as in India. But we have to choose the right product where we can really grow. It has to be a technology product with few players and is EV agnostic. I know it is taking time, and I have been talking about this for some time now. But it will happen.

**Akshay Karwa:** This business growth with Jaguar, Hyundai and others - By which year will we see an impact?

**Anurang Jain:** See, the percentage will definitely increase. Our focus is on that 45% consolidated target, which today is at 25%. So, 4W share will definitely increase both India as well as Europe. But of course, it will happen for inorganic also in a large way. It cannot just happen from organic.

**Akshay Karwa:** What is the top line number in Euro terms?

**Massimo Venuti:** Yes, we closed the Q1 FY25 with €80.3 million of turnover compared to €68.8 of the previous Q1 FY24 financial year, an increase of 16.8%. In terms of EBITDA, we closed with €13.3 million compared to €11.1 million of the previous year, an increase of 20.2% with EBITDA margin 16.6%. In terms of net profit result, we closed with €4.9 million compared to €4.2 million of the previous financial year, with an increase of 15.7%. The net profit margin was at 6.1%.

**Moderator:** Thank you. With that, we end this call.