



June 04, 2024

To

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

Scrip Code - 543597

Subject – Investors Presentation for the March 2024.

Dear Sir/Madam,

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

With reference to the above captioned subject, we Virtuoso Optoelectronics Limited, hereby submits the Updated Investor Presentation for all our stakeholders of the company and public at large the Investor Presentation for the March 2024.

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

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

Thanking you,

Yours faithfully ,

For **Virtuoso Optoelectronics Limited**

**Vibhuti Kulkarni
Company Secretary & Compliance Officer
Mem. No. ACS 68263**



VIRTUOSOOptoelectronics Limited

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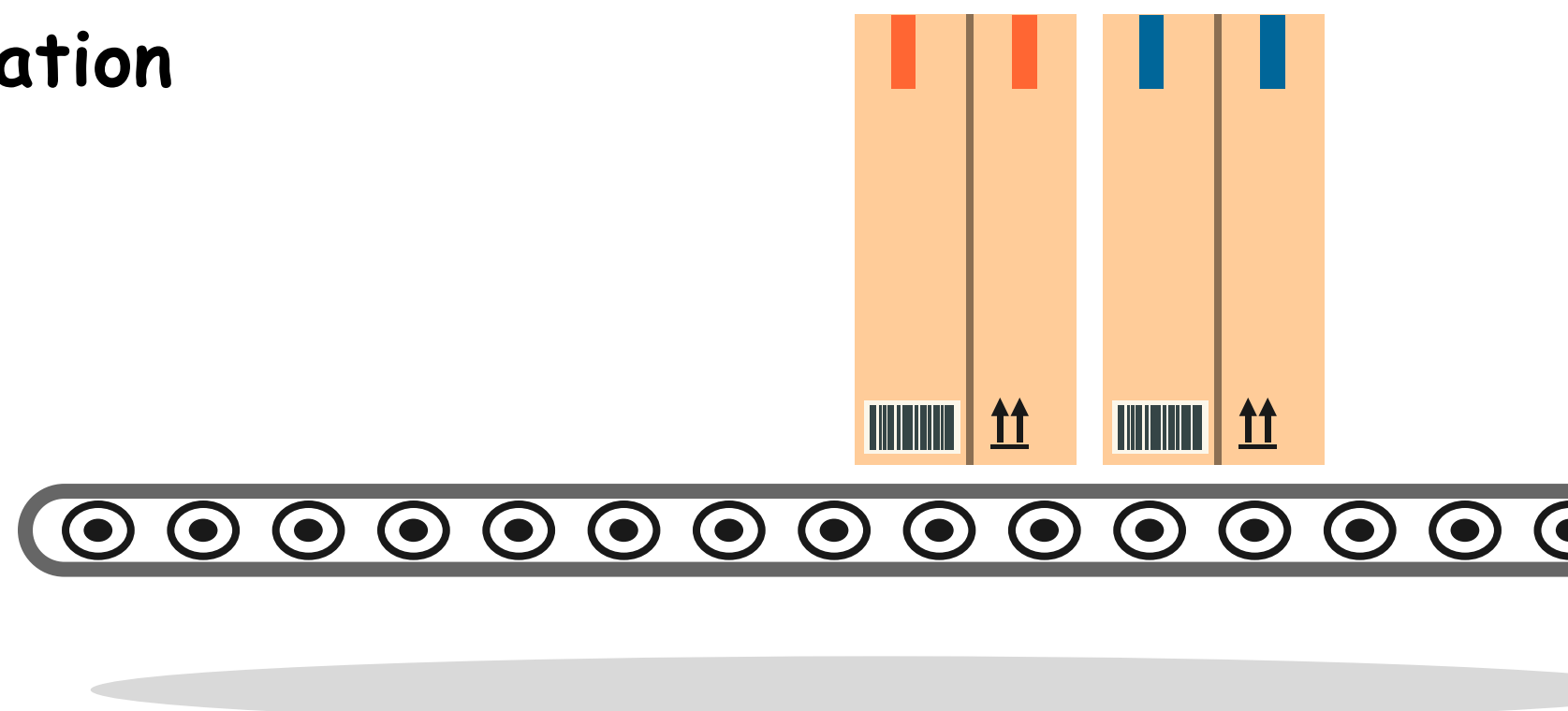
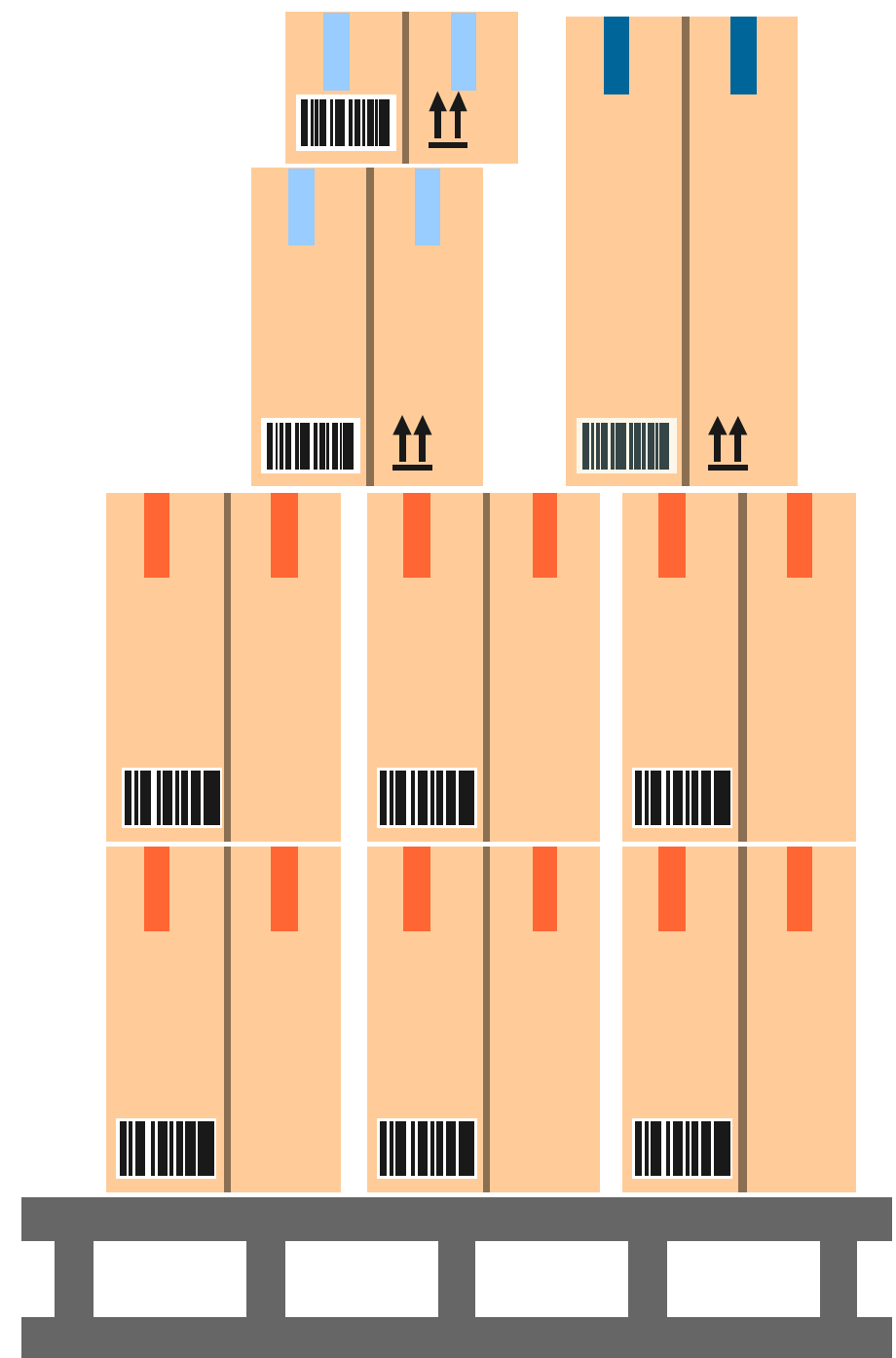
Company CIN No: L74999MH2015PLC268355



VIRTUOSO OPTOELECTRONICS LIMITED

VIRTUOSO OPTOELECTRONICS LIMITED (VOEPL)

Investor Presentation H2 & FY24



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01 Performance & Way Forward

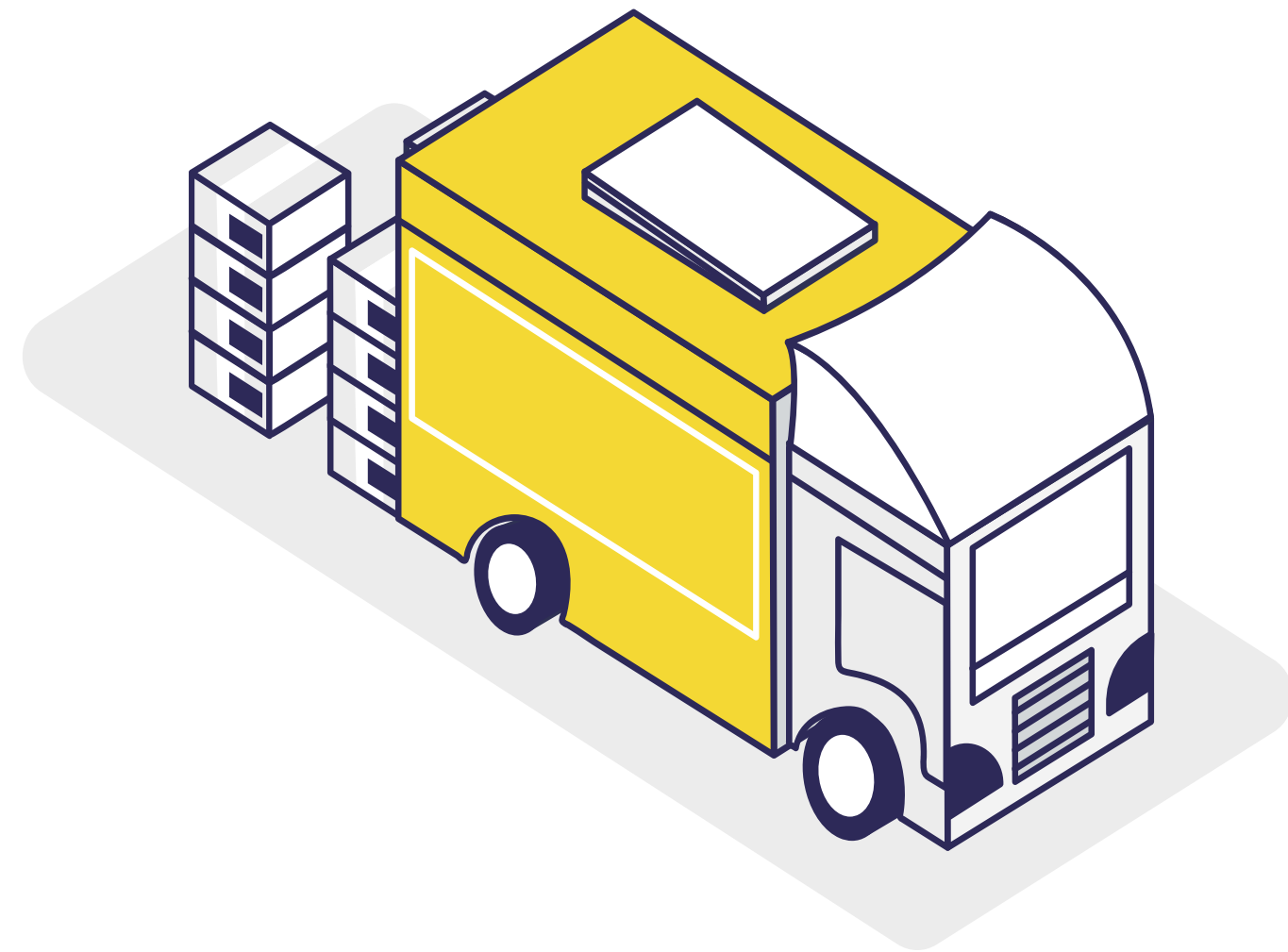
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01

Performance & Way Forward

Performance Highlights (H2FY24 vs H2FY23)

+30.2% YoY

Net Sales

+30.7% YoY

Income From Operations

9.8%

EBITDA Margin

Water Dispenser

New Category - Commenced Production.

+64.6% YoY

EBITDA

+37% YoY

IDU Volume Growth

2.9%

PBT Margin

Commercial Refrigeration

New Category - Under Development

Targeting to start commercial production in H1FY25

+99.3% YoY

Profit Before Tax

+100% YoY

ODU Volume Growth

Cross Flow Fans

Backward integration unit setup for cross flow fans

Toy components

Started manufacturing components for toy manufacturing companies

+142.2% YoY

Net Profit

Backward integration

Backward integration unit setup for other ancillaries.

EMS components

Components for appliances added in EMS Segment

Half-Yearly Financial Performance



Particulars (INR Mn)	H2FY24	H1FY24	H2FY23	YoY%	HoH%	FY24	FY23	YoY%
Net Sales	2,926.5	2,384.4	2,247.4	30.2%	22.7%	5,310.8	3,372.7	57.5%
Other Income	5.2	7.0	(3.6)	100.0%	-25.6%	12.2	8.1	51.2%
Income from Operations	2,931.7	2,391.3	2,243.9	30.7%	22.6%	5,323.0	3,380.7	57.5%
Total Expenditure	2,643.9	2,152.9	2,069.1	27.8%	22.8%	4,624.4	3,038.1	57.9%
EBITDA	287.8	238.4	174.8	64.6%	20.7%	526.2	342.6	53.6%
EBITDA Margin (%)	9.8%	10.0%	7.8%	203 bps	-16 bps	9.9%	10.1%	-25 bps
Depreciation	99.8	82.9	48.2	107.0%	20.4%	182.7	94.3	93.8%
EBIT	188.0	155.5	126.6	48.5%	20.9%	343.5	248.3	38.3%
Interest	102.0	98.5	83.4	22.2%	3.5%	200.5	135.4	48.1%
Profit Before Tax	86.0	57.0	43.2	99.3%	50.9%	143.0	112.9	26.7%
Tax	19.8	21.9	15.8	25.3%	-9.4%	41.7	35.2	18.5%
Profit After Tax	66.2	35.1	27.3	142.2%	88.5%	101.3	77.7	30.4%
PAT Margin (%)	2.3%	1.5%	1.2%	104 bps	79 bps	1.9%	2.3%	-39 bps
Earnings Per Share (Rs)	2.86	1.54	1.50	90.7%	85.7%	4.38	4.28	2.3%

Key pointers

EBITDA Margin

H2FY24 at 9.8% is our realistic blended EBITDA Margin with current product mix. H2FY24 was higher vs H2FY23 due to raw material benefits from lower cost inventory.

Impact on Net Profit

Depreciation

Increase in depreciation led by aggressive capex for new manufacturing units for the new product segments - water dispenser & commercial refrigeration. As well as for backward integration of the AC components infrastructure and for LED Lighting & other products.

Tax

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



+40% CAGR •
(on the base of FY24)

Expand Capacity & Improve Capacity Utilisation

- **Expand Capacity in FY2025:**
 - LED & EMS - From 40 Mn units to 60 Mn units p.a.
 - Water Dispensers - From 1.5 Lac units to 2.5 Lac units p.a.
 - CFF - From 6 Lac units to 8 Lac units p.a.
- Capacity expansion & improved capacity utilisation in IDUs, ODUs, LED and EMS to further augment growth in FY25.

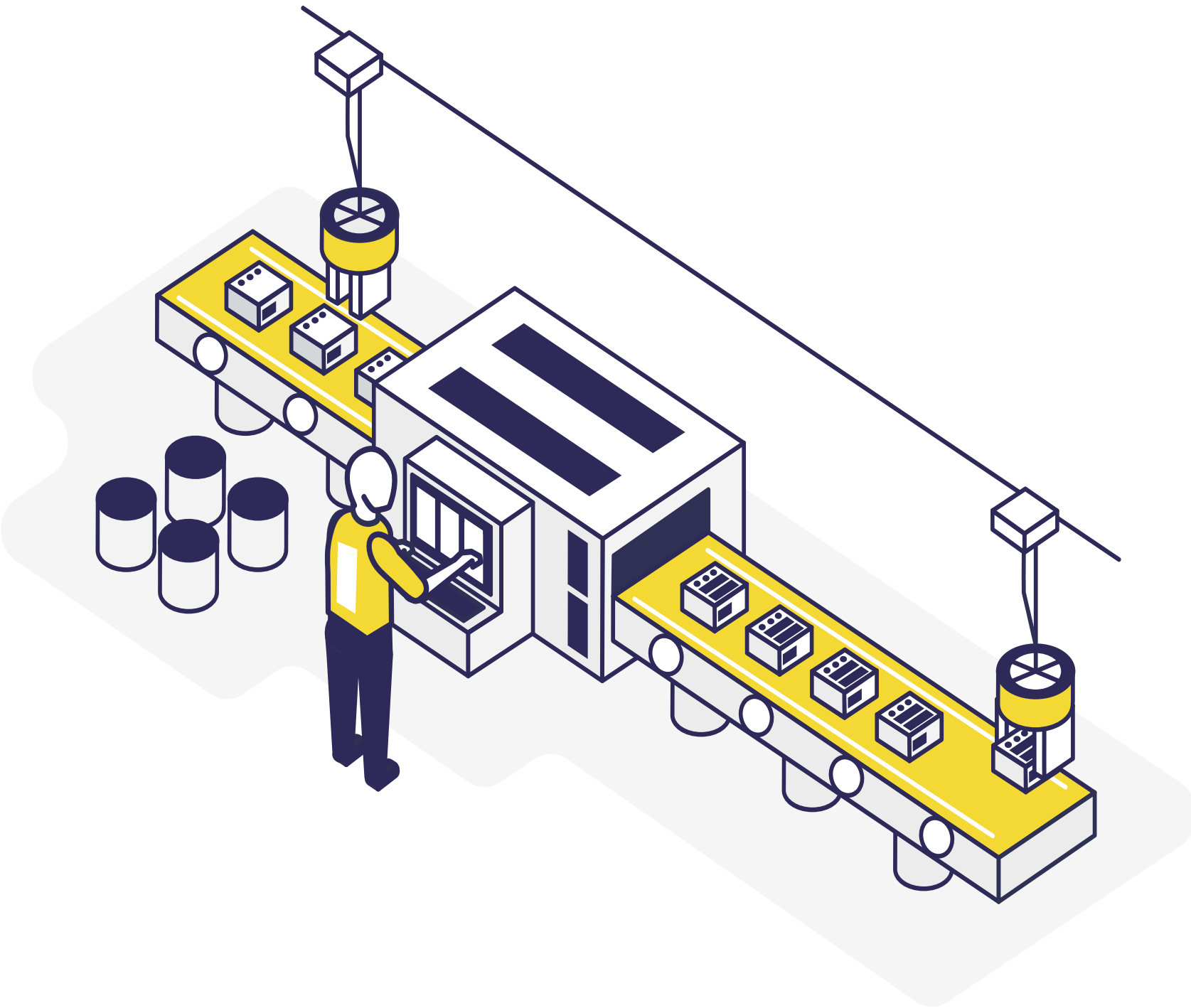
Backward Integration

Increase Value Addition

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

New Categories & Scaling R&D Capabilities

- Water Dispensers sales started - to scale up in FY25.
- Commercial Refrigeration facility to start commercial production in H2FY25 while prototype development & approval under process.
- The company is working towards scaling up its R&D capabilities for development of new products faster, to be able to meet the aggressive timeline requirements of its customers.



02

Company Profile



About Us

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

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



Sukrit Bharati

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

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

Core Team



Sajid Shaikh

Chief Financial Officer (CFO)

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



Nitin Shewale

Chief Operating Officer (COO)

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



K Ramesh

GM - Manufacturing

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



Kedar Aphale

GM - Operations

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



Vibhuti Joshi

Company Secretary

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

Our Milestones



2015

Incorporation

2018

Launched Emergency Lighting Range & ventures in appliances.

2020

Added EMS And LED Facility of 48,000 Sqft. & IDU Unit by 60,000 Sqft.

2023

Setup Unit 3 for manufacturing of ODU.
Expanded IDU capacity.

2024

Started new products

- Water Dispensers
- Commercial Refrigeration

2016

Commenced production of electronic products (Unit 1).

2019

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

2021

Added In-house Heat Exchange & Plastic Injection Molding Lines.

Setup Unit 4 for Cross Flow Fans and Plastic Components.

Company has started pilot production for electronics & Controllers required for EV charger.

2017

Started production for PANASONIC.

2020

UL Certification received for Export to USA.

Developed Remote & Electronic Parts For Acs.

Continuous expansion of inhouse AC components infrastructure.



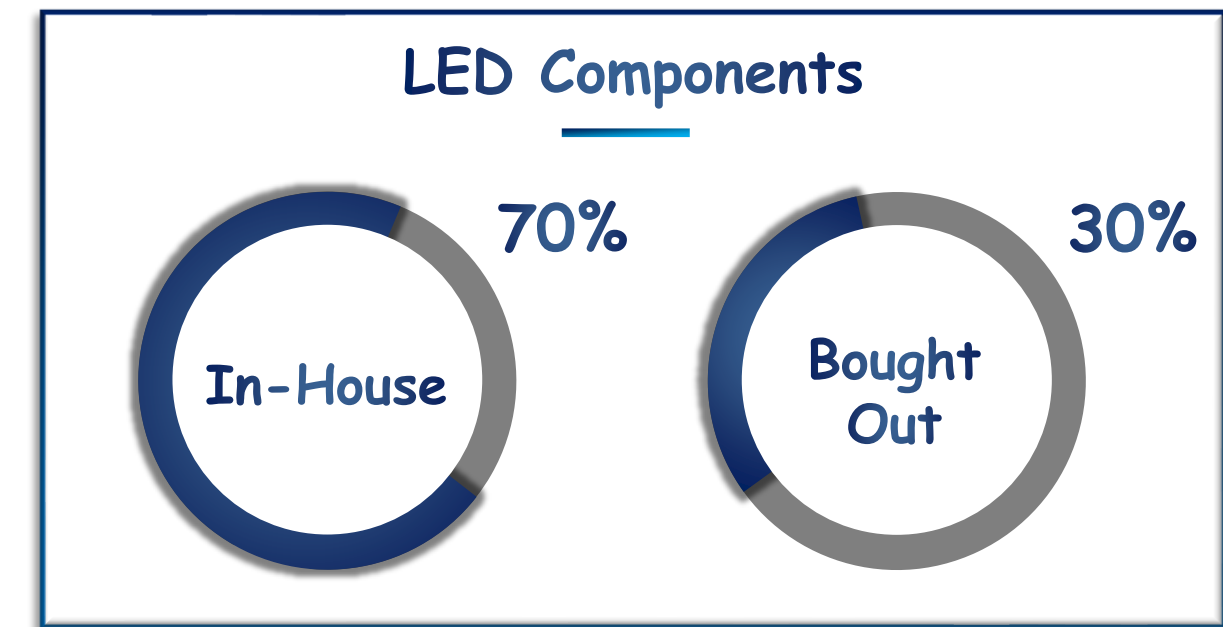
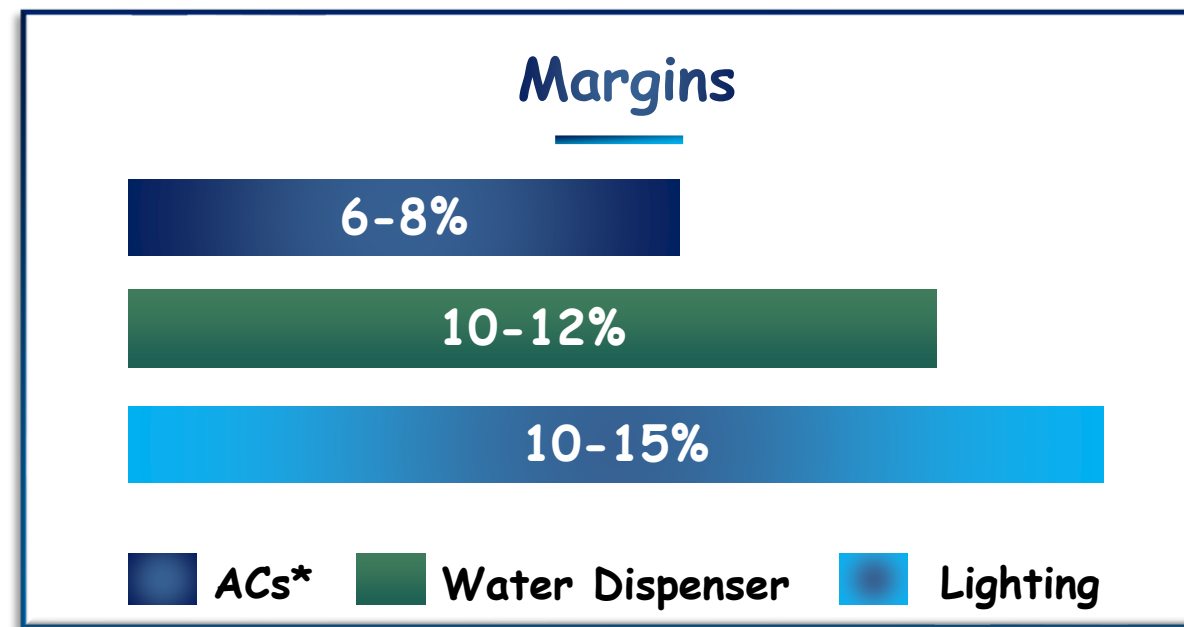
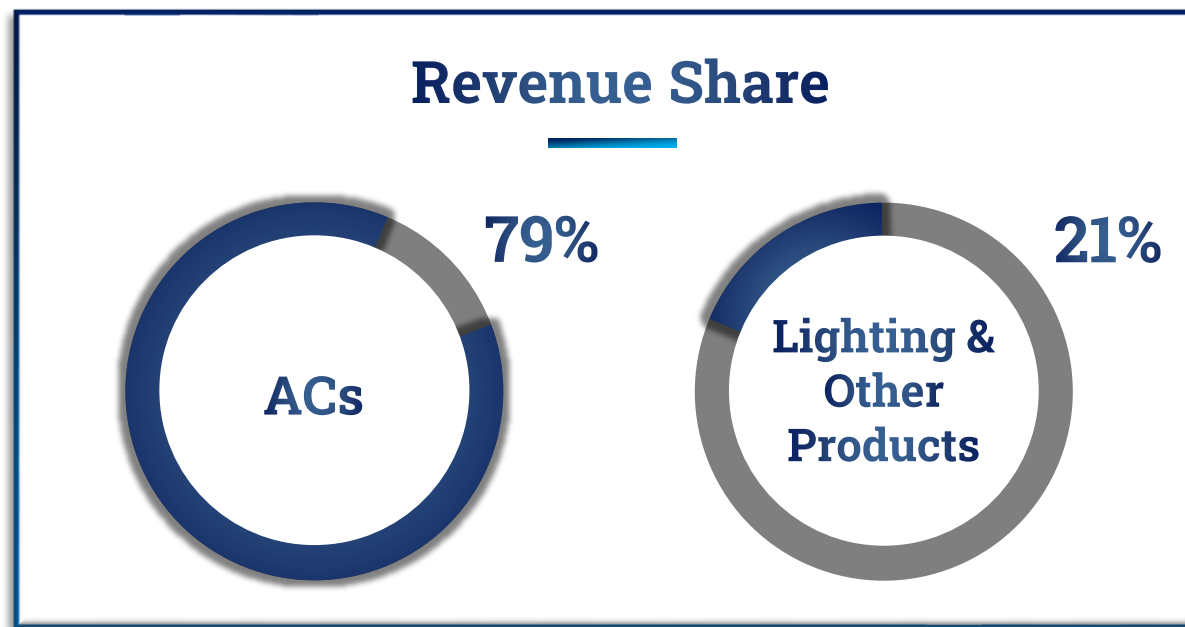
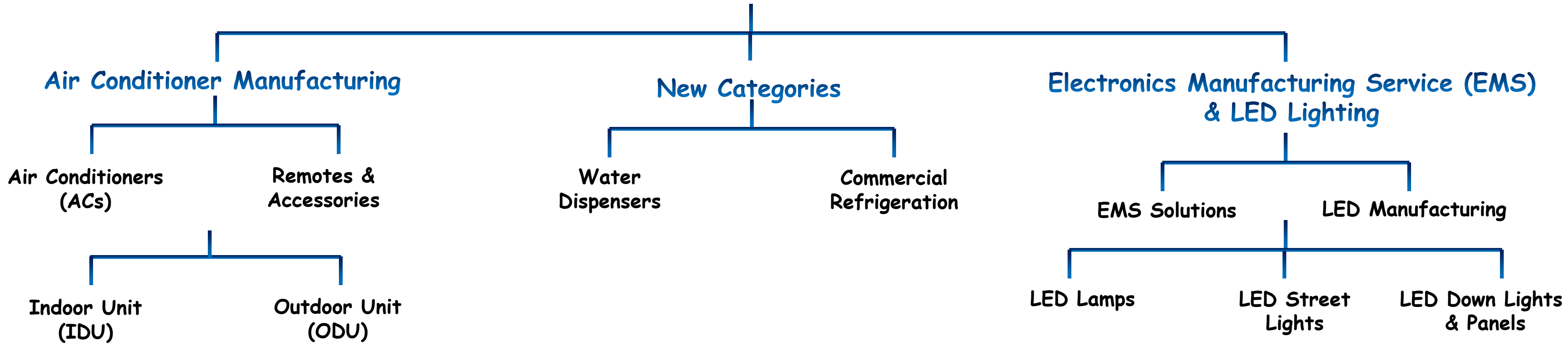
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Business Overview

BUSINESS MIX



VIRTUOSO OPTOELECTRONICS LIMITED



* AC manufacturing has PLI benefits

Manufacturing Units



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



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



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

Component Plants



Unit 4
Moulding & CFF

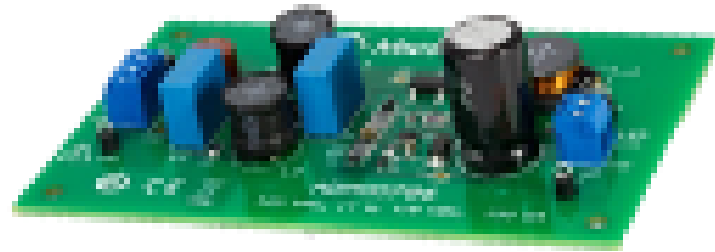


Unit 5
Copper Tubing
Section



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

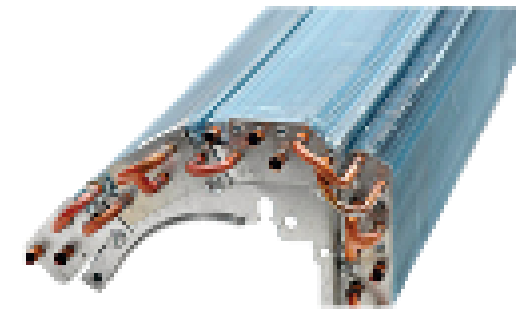
Component Product Verticals



Controller Boards



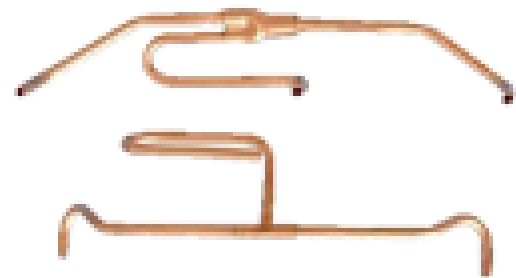
Sheet Metal Parts



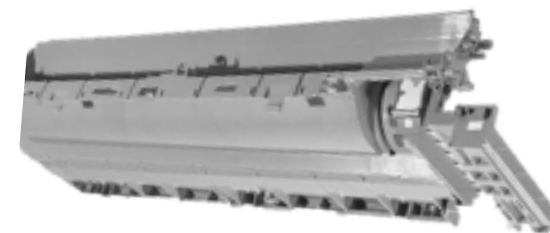
Heat Exchangers



Wire Harnesses



Copper Tubing



Plastic Injection
Molding



Cross Flow Fan



Remotes

Finished Product Verticals



Indoor AC Units (IDU)



Outdoor AC Units (ODU)



LED Lighting Products



Deep Freezer



Water Dispenser

Why VOEPL?



PLI Sanction -Govt. of India

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



Strong Backward Manufacturing Integration

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



Strong, Ambitious and Focused Team

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



Support of Current Market Leading Brands

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



Location Advantage

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

Capacity Expansion



Current Capacity FY24

(Per Annum)

Lighting

40,000,000 lamp equivalent units

Air Conditioners

Indoor Unit (IDU) 800,000 Units

Outdoor Unit (ODU) 400,000 Units

Cross Flow Fans 600,000 Units

New Category

Water Dispenser 150,000 Units

Targeted Capacity- FY25

(Per Annum)

Lighting

60,000,000 lamp equivalent units

Air Conditioners

Indoor Unit (IDU) 800,000 Units

Outdoor Unit (ODU) 600,000 Units

Cross Flow Fans 800,000 Units

New Category

Water Dispenser 250,000 Units

Commercial Ref 150,000 Units

Our Esteemed Customers



Major Customers



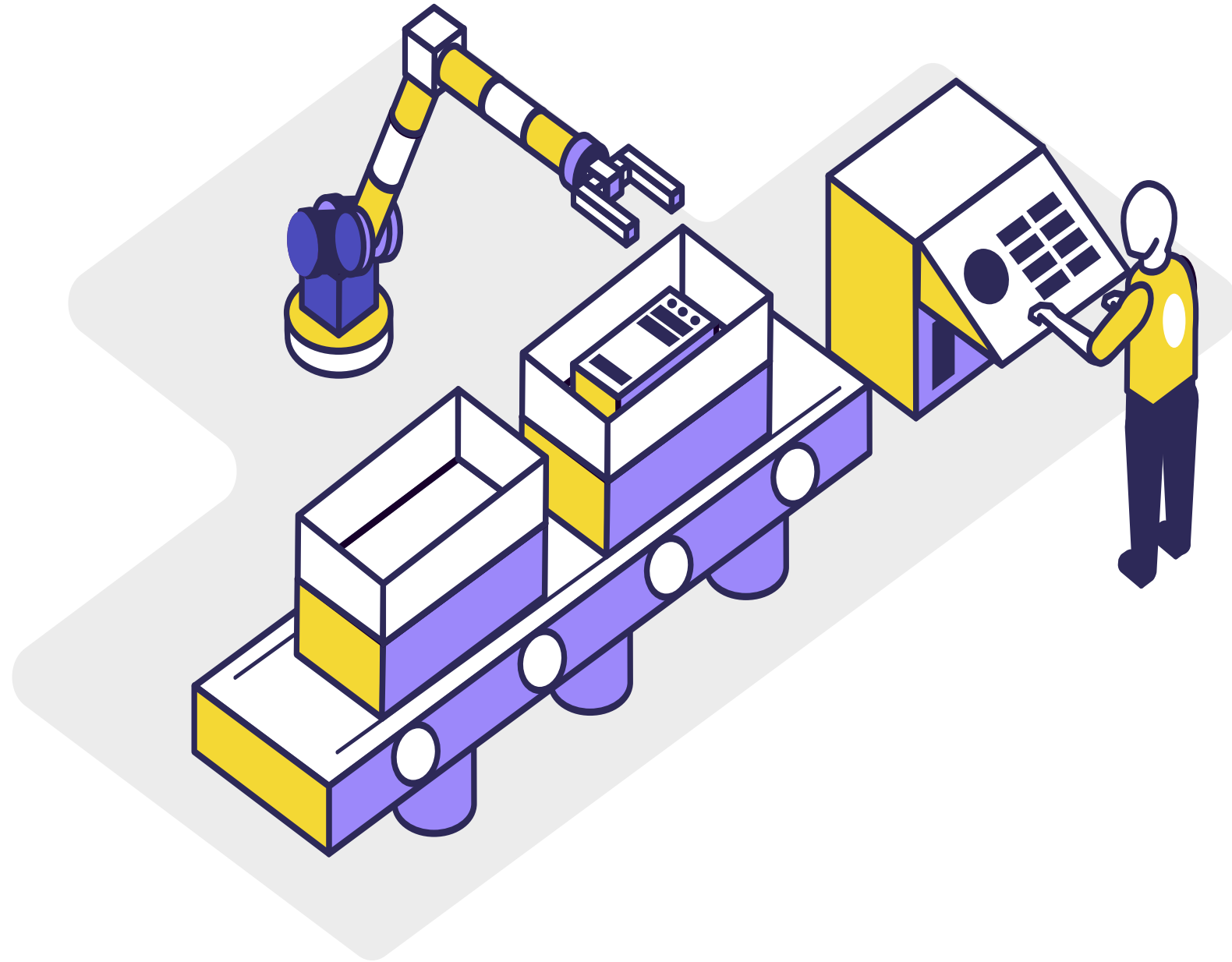
80%

Other Customers



20%

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



04

Industry Overview

Growth Drivers



Aggressive Market Demand

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



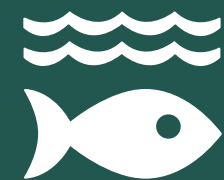
Thrust for Localization by the Government

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



Blue Chip Customer base

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



Incentives by Central & State Government

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

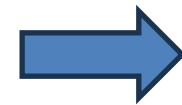


Industry Dynamics (1/2)

Indian Air Conditioner Market

USD 3.8 Bn

FY 2021



USD 9.8 Bn

Forecast by FY26

20.8%

CAGR (2021-2026)

- Indian residential AC market is estimated to be around 7 to 7.5 Mn units per annum by volume. The organized sector dominates the industry in terms of sales value and volume, employment generation and investments.
- In 2020, urban households constituted 70% share of the demand for ACs from the residential sector.
- Adoption of latest technologies has led to the introduction of new innovative models in the market such as ACs fitted with copper condenser and blue fin, ubiquitous sensor and Wi-Fi enabled smart features.
- Constantly rising temperatures in northern regions of India has made Air Conditioners an increasingly important fixture in homes boosting their sales.

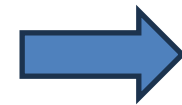


Industry Dynamics (2/2)



Indian Deep Freezer Market

USD 474.82 Mn
2022



USD 3,234.23 Mn
Forecast by 2031

25.2%
CAGR (2023-2031)

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

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

Water Dispenser Market

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

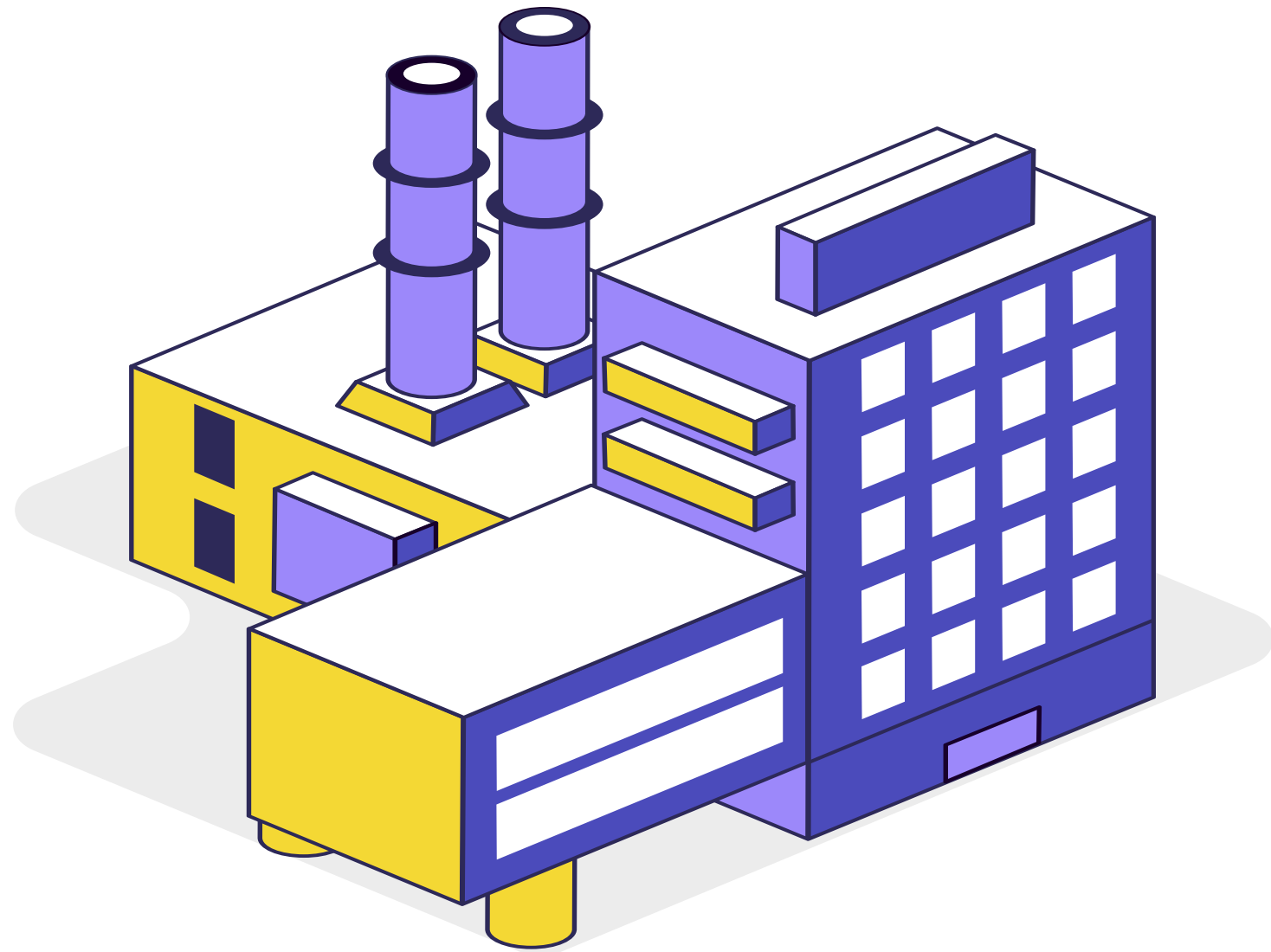
Source: <https://www.futuremarketinsights.com/reports/water-dispenser-market>

Global Market

USD 2.72 Bn
2023

USD 6.38 Bn
2033

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



05

Financial Highlights

Annual Performance Highlights



(Rs.)

5,310.8 Mn
Net Revenue from Operations



57.5%
YoY

526.2 Mn
EBITDA



53.6%
YoY

10 %
EBITDA Margin (%)

101.3 Mn
Profit After Tax (PAT)



30.4%
YoY

4.38
EPS



2.3%
YoY

Key highlights for full year end March 2024:

- Developed & started commercial production of Water Dispensers. Dispatches against the export orders have begun.
- Started a New Product - **Commercial Refrigeration**
 - Prototypes for the first set of models are ready.
 - New Manufacturing Unit to be ready in H2FY25.
- The company has also commenced pilot production for electronics & controllers required for EV chargers.
- Continuous Backward Integration:
 - New Aluminium Die Casting unit to improve backward integration for LED Lighting & other products.
 - Commenced work on adding inhouse brass components manufacturing by H1FY25 - expanding the inhouse AC components infrastructure.
 - Development work for BLDC motor components underway.

Annual Income Statement



Particulars (INR Mn)	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	549.5	682.0	1,152.6	2,001.7	3,372.7	5,310.8
Other Income	3.1	1.9	2.6	1.1	8.1	12.2
Total Revenue from Operations	552.6	683.9	1,155.2	2,002.8	3,380.8	5,323.0
Total Expenditure	524.0	602.5	1,030.0	1,803.6	3,038.1	4,796.8
EBITDA	28.6	81.4	125.2	199.2	342.6	526.2
EBITDA Margin (%)	5.2%	11.9%	10.8%	9.9%	10.1%	9.9%
Depreciation	3.2	14.5	23.5	51.4	94.3	182.7
Profit Before Interest & Tax	25.4	66.9	101.6	147.9	248.3	343.5
Interest	16.4	47.9	74.1	90.6	135.4	200.5
Profit Before Tax	9.0	19.0	27.5	57.3	112.9	143.0
Tax	3.6	5.0	7.9	17.9	35.2	41.7
Profit After Tax	5.4	14.0	19.6	39.4	77.7	101.3
Profit After Tax Margin (%)	1.0%	2.0%	1.7%	2.0%	2.3%	1.9%
EPS (Rs)	3.62	9.25	11.8	3.11	4.28	4.38

Annual Balance Sheet



Particulars (INR Mn)	FY24	FY23
Equity and Liabilities		
Shareholder's Fund		
Share Capital	263.4	228.4
Reserves & Surplus	1,631.2	708.1
Money Received against Share Warrant	200.9	
Total Equity	2,095.5	936.5
Share Application Pending Allotment		
Liabilities		
Non-current Liabilities		
Long-Term Borrowings	604.1	409.4
Deferred Tax Liabilities (Net)	48.1	31.3
Other Long Term Liabilities	-	-
Long-Term Provisions	5.0	1.0
Total Non-Current Liabilities	657.1	441.7
Current Liabilities		
Short-Term Borrowings	745.6	472.1
Trade Payables	982.5	869.1
Other Current Liabilities	-	-
Short-Term Provisions	71.5	45.6
Total Current Liabilities	1,799.5	1,386.8
Total Equity and Liabilities	4,552.2	2,765.0

Particulars (INR Mn)	FY24	FY23
Assets		
Non-Current Assets		
Property, Plant, Equipment & Intangible Assets		
- Property, Plant & Equipments	1,301.5	884.7
- Capital Work-in-Progress	68.9	60.0
Non-Current Investments	99.1	102.3
Deferred Tax Assets (Net)		-
Long-Term Loans & Advances		-
Other Non-Current Assets	27.6	7.4
Total Non-Current Assets	1,497.2	1,054.4
Current Assets		
Current Investments	903.3	-
Inventories	1,647.5	1,384.2
Trade Receivables	212.2	262.4
Cash & Cash Equivalents	0.7	3.3
Short-Term Loans & Advances	1.6	1.0
Other Current Assets	289.7	59.7
Total Current Assets	3,055.0	1,710.6
Total Assets	4,552.2	2,765.0

Thank You



Contact

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