

8th August, 2025

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 500575

National Stock Exchange of India Limited
Listing Department
Exchange Plaza
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
NSE Symbol: VOLTAS

Re: Q1FY26 Earnings Conference Call

Dear Sirs,

Further to our letter dated 5th August, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the document titled 'Analysis of Results Quarter Ended 30 June, 2025' to be used for the Q1 FY26 Earnings Conference Call scheduled today, i.e., 8th August, 2025 at 6:00 p.m.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **VOLTAS LIMITED**

Ratnesh Rukhariyar
Company Secretary & Compliance Officer

Encl.

VOLTAS LIMITED

Corporate Management Office

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A **TATA** Enterprise



ANALYSIS OF RESULTS

QUARTER ENDED 30 JUNE 2025

The IMF now expects global growth to reach 3.0% in 2025, driven by early spending ahead of expected tariff changes, lower overall tariff rates, and government spending in some regions. However, persistent trade policy uncertainty, escalating geopolitical tensions, and uneven inflation patterns (especially in the United States) continue to weigh on investor confidence. The consumer durables sector is experiencing headwinds. After peaking in late 2024, growth has turned negative in May 2025. Credit flow to the segment has tightened, and a decline in electricity consumption points to subdued demand for cooling products such as air conditioners. While the RBI's recent rate cut indicates a pro-growth policy stance, discretionary consumption remains fragile.

During the quarter, weather-related volatility had a significant bearing on temperature sensitive categories, most notably the air conditioning category. The summer of 2025 arrived late, stayed mild, and ended abruptly, curtailing peak demand for air conditioners. These factors, coupled with a record base in the prior year, explain the short-term pressure on Voltas' topline and margins. Despite these temporary challenges, Voltas demonstrated resilience by retaining its market leadership in Room Air Conditioners and maintaining stable performance across its core business segments. In addition, while Washing Machine and Refrigerator categories also faced headwinds, Voltas Beko continued its aggressive growth trajectory, achieving year-on-year growth of 33% alongwith market share gains.

For the quarter ended 30 June 2025, the Company reported a Consolidated Total Income of ₹ 4,020.65 crores, against ₹ 5,001.27 crores in the same period last year. Profit Before Tax stood at ₹ 202.72 crores compared to ₹ 451.52 crores previously. Net Profit (after tax) was ₹ 140.61 crores, compared to ₹ 335 crores in the corresponding period last year. Earnings Per Share (face value per share of ₹ 1) for the quarter ended 30 June 2025, was ₹ 4.25, compared to ₹ 10.10 in the same period the previous year.

A snapshot of our results for this quarter ended 30 June 2025 and for the financial year is presented herewith:

Segment reporting (Rs. Crores)	Q1 FY25	Q1 FY24	% of Total Revenue	
			Q1 FY25	Q1 FY24
1. Revenue				
Segment A : Unitary Cooling	2868	3802	73%	78%
Segment B : Eng. Projects	922	949	24%	19%
Segment C : Eng. Products	135	161	3%	3%
Less : Inter segment revenue	13	8		
Income from Operations	3912	4904	100%	100%

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2. Profit / (loss) before tax

Segment A : Unitary Cooling	104	327
Segment B : Eng. Projects	49	67
Segment C : Eng. Products	40	45
Unallocated	9	12
Profit before Tax	203	452

Results to Revenue	
4%	9%
5%	7%
30%	28%
5%	9%

Segment A – Unitary Cooling Products (UCP)

The Unitary Cooling Products segment experienced one of the most abrupt seasonal reversals in recent years. Q1 FY2025 had delivered an exceptional summer, with soaring temperatures and heatwaves driving air conditioner (AC) sales to record highs. Voltas had then registered 65% growth in AC volumes, gaining further market leadership. This strong base created a high reference point entering FY2026.

Unfortunately, Q1 FY2026 presented the opposite scenario. Summer arrived late, was markedly cooler across large parts of the country, and gave way early to monsoon conditions. As a result, the peak Air Conditioner, Commercial Refrigerator and Air Cooler selling season was shortened by several weeks, leading to a substantial drop in primary offtake.

Voltas had entered the season with robust channel stocking, anticipating a continuation of demand trends from the prior year. However, as temperatures remained subdued, consumer footfalls in stores declined noticeably. Retail sales in key metros and Tier 2/3 cities fell below expectations, and inventory across trade channels remained elevated. Voltas undertook tactical interventions to support secondary offtake. Consequently, factory operations had to be scaled back mid-season to avoid overproduction. This under-absorption of fixed costs, combined with higher warehousing and holding expenses, put short-term pressure on profitability.

Despite these challenges, Voltas maintained its No. 1 YTD June 2025 market position in room air conditioners at 17.80%, reflecting enduring brand trust and strong channel relationships. It is important to reiterate that the fundamentals of the Room AC business remain intact. From FY2022 to FY2026, the segment has maintained a robust volume CAGR of over 20% for Quarter 1.

The Company has initiated realignment of inventory and production to reflect actual demand conditions. The festive season and the possibility of a second summer in certain regions may further aid recovery. The Company has started preparations for upcoming revision to the energy star labeling regime later this fiscal. While recovery for the segment may take a few quarters, the company remains cautiously optimistic that its strategic investments and ongoing initiatives will support long-term growth and reinforce its leadership in the cooling products segment.

The CAC (Commercial Air Conditioning) segment also remained steady, with continued demand for VRF systems, Cassette ACs, and Ducted products. While Retrofit and Customer care margins were softer, they are expected to normalize as execution cycles stabilise.



To summarize, for the quarter ended June 2026, the UCP segment registered a revenue of ₹ 2,867.86 crores, as compared to a significantly higher performing previous quarter of ₹ 3,802.17 crores in Q1FY25. The Segment reported an EBIT of ₹ 104.37 crores in Q1FY26 as compared to ₹ 327.02 crores in Q1FY25.

Segment B – Electro-Mechanical Projects and Services (EMPS)

Project execution under the EMPS segment was largely stable during the quarter. Voltas continued to deliver steady performance across geographies, supported by strong internal controls, timely certifications, and prudent receivables management. International projects in the UAE and Saudi Arabia remained a key part of the portfolio and contributed to both revenue and margin.

For the quarter ended June 2025, segment revenue was ₹ 921.83 crores, compared to ₹ 949.13 crores in the same period last year. The segment result was ₹ 49.24 crores, as compared to ₹ 67.49 crores last year.

The total carried-forward order book as of 30 June 2025 stood at over ₹ 6,200 crores, ensuring visibility for future quarters. Cost discipline, project governance, and on-ground execution efficiency remain core to the Company's strategy in this segment.

Segment C – Engineering Products and Services

The segment faced some challenges during the quarter, influenced by broader macroeconomic trends and industry-wide pressures. For the quarter, segment revenue was ₹135.44 crores, compared to ₹160.78 crores in the same quarter last year. The Segment Result for the quarter was ₹40.11 crores, as against ₹44.84 crores in the corresponding quarter last year.

The Engineering Products and Services segment saw softer performance, driven primarily by external pressures. The Mining and Construction Equipment vertical was affected by lower sales of power screen machines, although this led to an improved margin profile due to favorable product mix. Operations and maintenance contracts remained stable and provided baseline support to revenues.

In the Textile Machinery division, capex sentiment remained subdued among customers, especially in international markets. Demand in the agency business remained limited, and spending caution impacted both revenue and margins. Voltas is focused on consolidating its presence in spinning and post-spinning segments while improving service capabilities to position for the next upcycle.

Voltbek

Voltbek continued its robust growth trajectory in Q1 FY2026, selling close to one million units and achieving 33% year-on-year volume growth. The washing machine category drove the expansion, supported by a refreshed product lineup and an enhanced retail presence. Market share gains were recorded in both semi-automatic and overall washing machine segments, while the refrigerator category also improved its standing—particularly in direct cool models.

Voltbek's growth was backed by agile manufacturing, timely availability of fast-moving products, and a steady pipeline of product innovations and new launches tailored to evolving consumer needs. Improved traction across general trade, modern retail, and e-commerce channels was complemented by enhanced retail visibility, focused marketing campaigns, and operational efficiency -- driving both volume expansion



and margin improvement. Voltbek's growing scale, expanding product portfolio, and increasing consumer acceptance continue to strengthen Voltas' overall appliance business while reducing its reliance on seasonal product categories.

Voltbek's trajectory strengthens Voltas' overall consumer appliance portfolio, while also diversifying seasonality risk inherent in the cooling products category.

Outlook

Voltas views the performance dip in Q1 FY2026 as temporary. Inventory normalization, tactical cost control, and a demand rebound during the upcoming festive period are expected to support sequential recovery. The Company retains its market leadership across key cooling categories and remains fundamentally strong. Further, Voltbek continues to grow and market share gains remain encouraging.

The project business continues to progress steadily.

Across all segments, Voltas is investing for the long term—with sharp focus on innovation, execution excellence, and customer-centricity.

Cautionary Statement:

Statements in this release describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

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