

Varroc Engineering Limited

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CIN: L28920MH1988PLC047335



VARROC/SE/INT/2025-26/60

August 7, 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-400 051.
NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001.
BSE Security Code: 541578
[Debt: 975062]

Dear Sir/Madam,

Sub: Investor Presentation - Financial Results Q1/FY 2025-26

Please find enclosed the Investor Presentation on the Un-audited Financial Results (Consolidated & Standalone) for the quarter ended June 30, 2025.

Kindly take the same on record and note the compliance.

Thanking you,

Yours faithfully,

For Varroc Engineering Limited

Anil Ghatiya
Company Secretary
Membership No. A-16620
Encl: a/a

Presentation to Investors - Q1 FY26

07th August 2025



Disclaimer



This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events and involves known and unknown risks, uncertainties and other factors. The Company cannot guarantee that these assumptions and expectations are accurate or exhaustive or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. No obligation is assumed by the Company to update the forward-looking statements contained herein.

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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

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

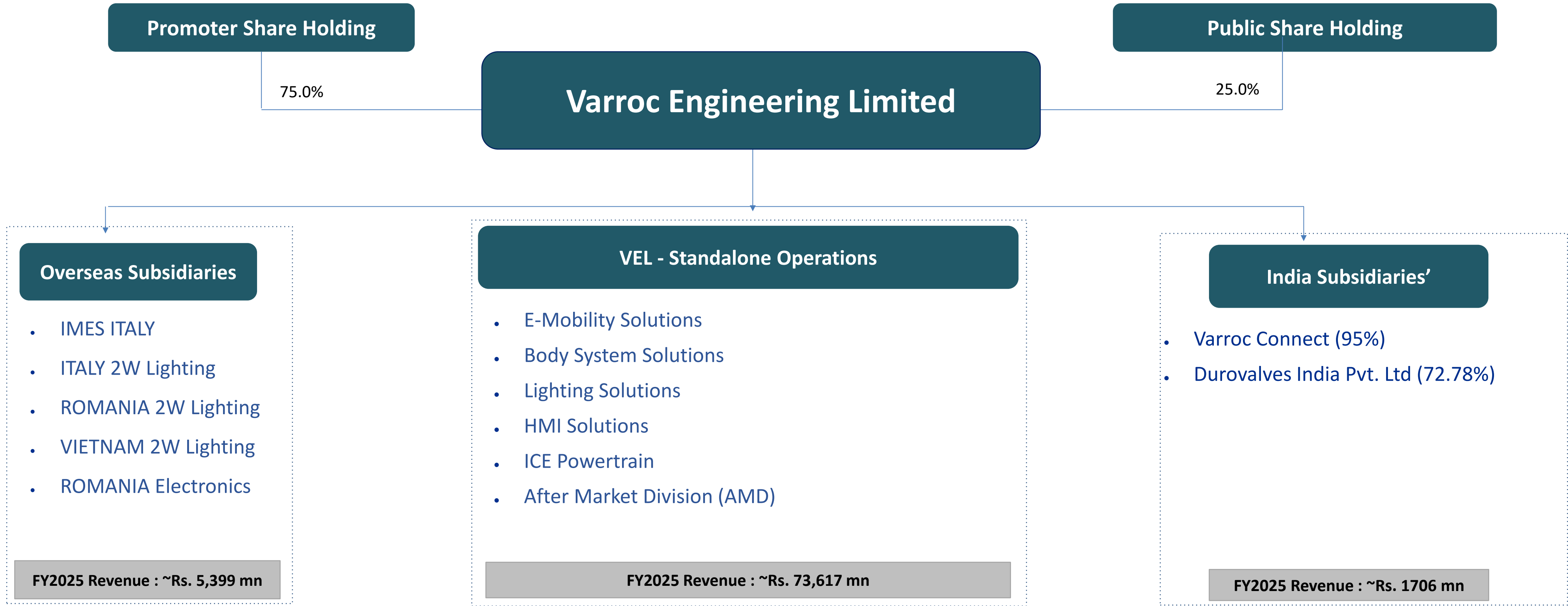


Passion:
To go against all odds



Self-discipline:
To make it all happen

Representation of Varroc



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



Update on Q1 FY26 Performance

07th August 2025

Highlights for Q1 FY26



1. Q1 FY26 Revenue at Rs. 20,276 million with a growth of 6.8% YoY, with India Operations registering a 7.2% growth

2. Q1 FY26 PBT (before exceptional and JV profits) at 4.1% vs. 2.8% in Q1 FY25; EBITDA at 9.5% vs 9.1% on YoY basis
Net debt reduced by Rs.3,002 mn in Q1 FY26 and was at Rs.4,478 mn.

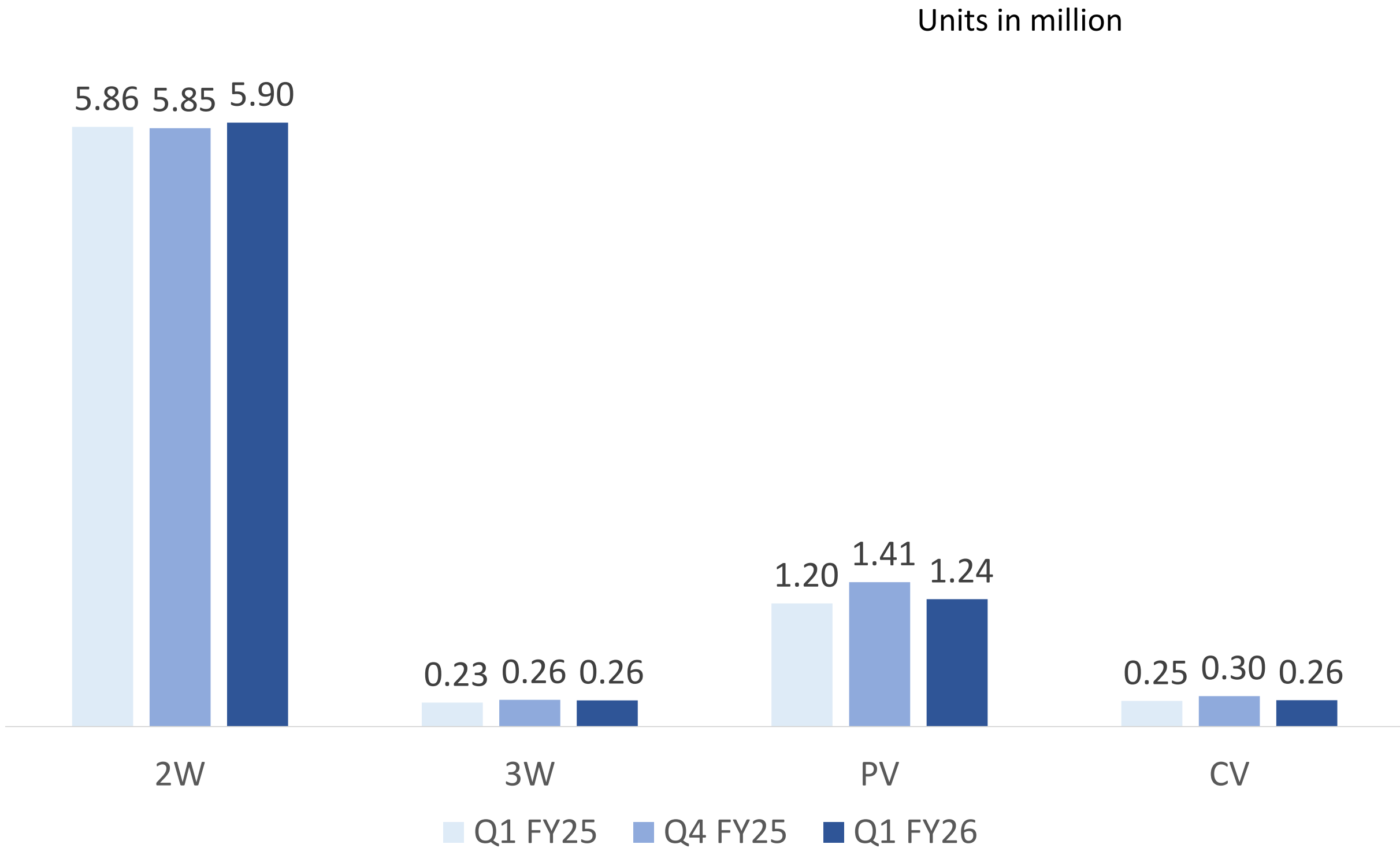
3. Net new annual peak revenue from order wins in Q1 FY26 of Rs.2,905 million
Revenue from supplying to EV customers in Q1 FY26 was around 11.0% of revenue

5. Received the consideration for the sale of China JV stake in the month of May'25 of around Rs. 3,400 million

5. Filed more than 10 patents in Q1 FY26, taking the total filing to more than 130+

6. Sourcing from Renewable energy (RE) for the second phase started in June'25. Sourcing from RE expected to reach 50% levels.

Automotive Production in India

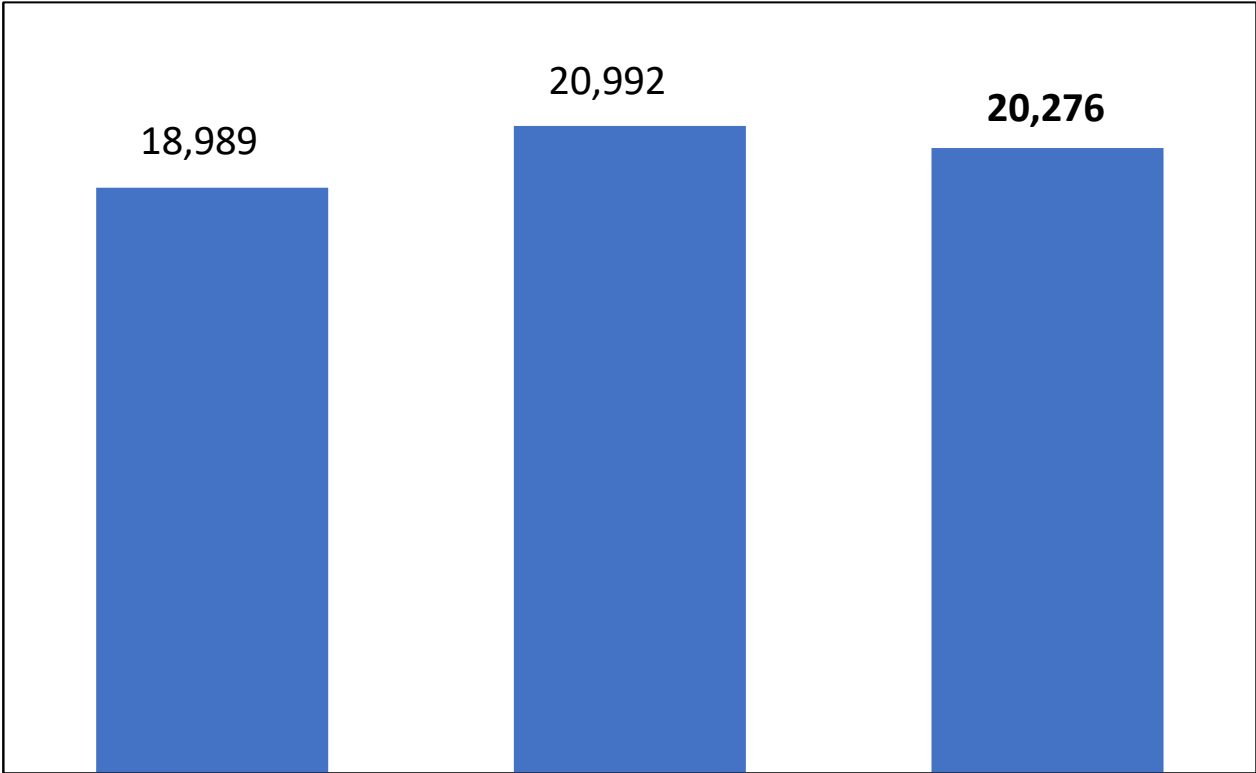


- Automotive Industry witnessed moderate growth across all segments during Q1 on YoY basis :
 - 2W grew by 0.7%
 - 3W grew by 9.8%
 - PV grew by 3.4%
 - CV grew by 2.6%
- On QoQ basis, due to seasonal impact we saw de-growth in almost all segments other than 2W :
 - 2W grew by 0.9%
 - 3W de-grew by 1.5%
 - PV de-grew by 11.9%
 - CV de-grew by 13.7%
- EV 2W volume on QoQ basis de-grew by 6.8% impacted by rear-earth magnet issue and seasonality impact. Y-o-Y it is up by 53.3%

Source: SIAM

Consolidated Financials of Q1 FY26

Revenue



Q1 FY25 Q4 FY25 Q1 FY26

	Q1 FY 25	Q4 FY 25	Q1 FY 25
PBT %	2.8%	4.9%	4.1%

Particulars	Q1 FY26	Q1 FY25	YoY	Q4 FY25	QoQ
Revenue from operations	20,276	18,989	6.8%	20,992	-3.4%
EBITDA	1,919	1,724		2,134	
EBITDA%	9.5%	9.1%	40 bps	10.2%	(70 bps)
PBT before JV and exceptional items	822	533		1,034	
PBT before JV and exceptional items %	4.1%	2.8%	130 bps	4.9%	(80 bps)
Exceptional Items *	(612)	-		564	
Share of profit of JV	5	27		3	
PBT	1,439	560		473	
PBT%	7.1%	2.9%	420 bps	2.2%	490 bps

* includes

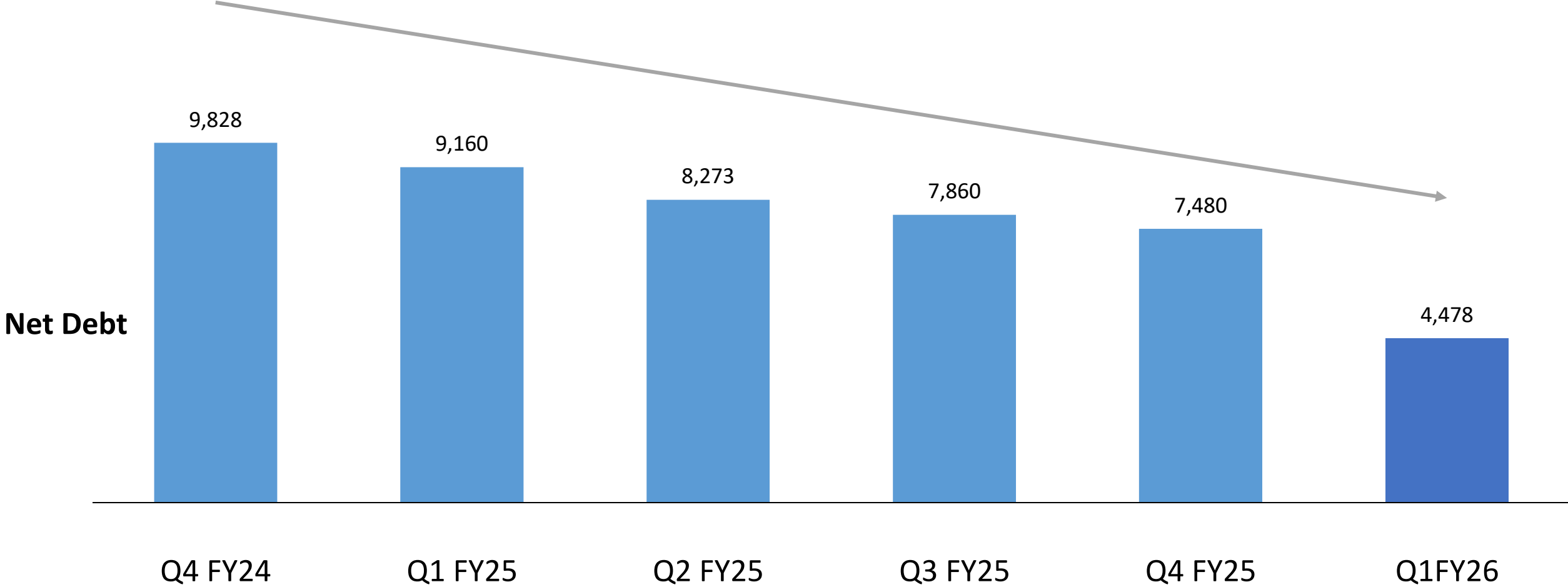
- Q1 FY26 – Exceptional items of FCTR released to P&L on disposal of JV~Rs. 612 million.
- Q4 FY25 - merger expenses of VEL & VPL, costs related to exit from China JV & provision for bad debt against KTM receivables adding up to Rs. 564 million in Q4 of FY 25.

- 1) YoY revenue growth better than industry
- 2) Higher employee cost due to dedicated R&D set up in overseas location to support 4W lighting and Electronics business

Consolidated Balance Sheet & Return Ratios



₹ in Millions



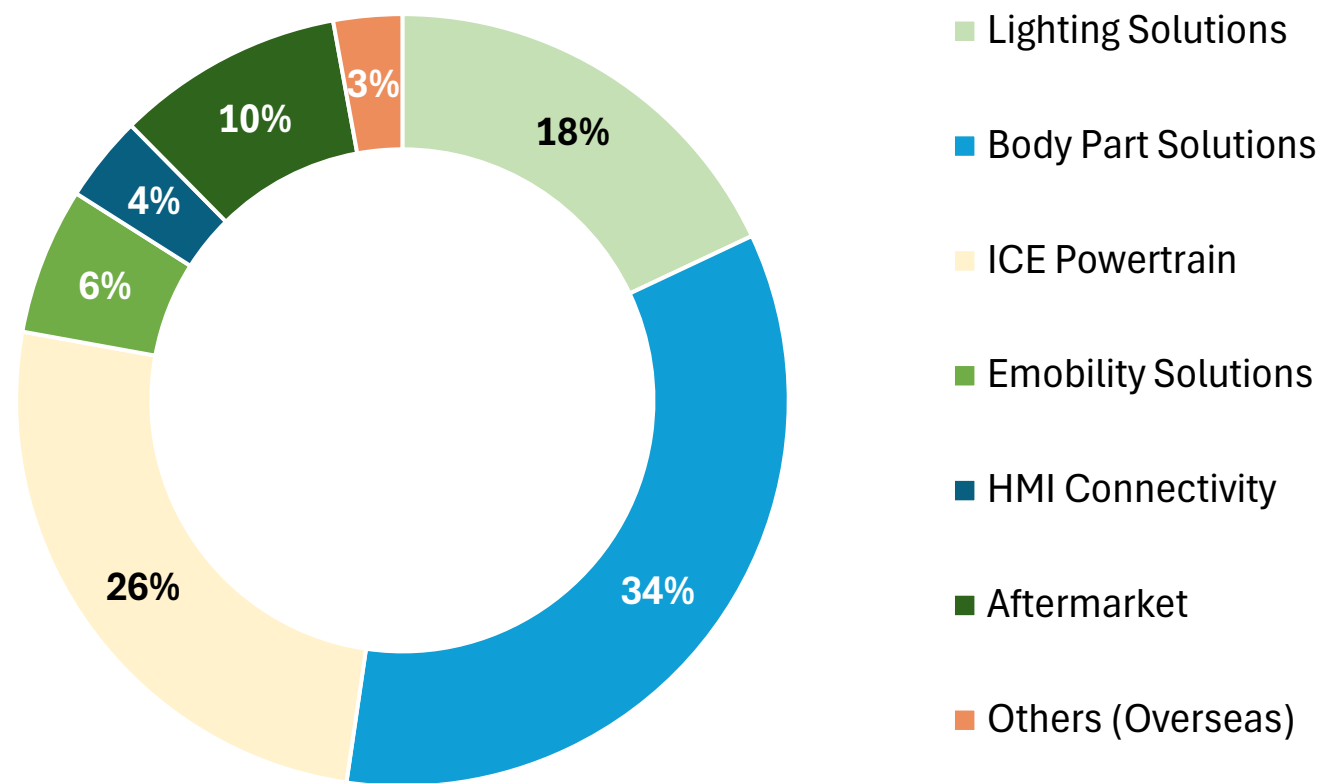
Rs. in Million	31 st Mar 2024	30 th Jun 2024	30 th Sep 2024	31 st Dec 2024	31 st Mar 2025	30 th Jun 2025
Net Debt	9,828	9,160	8,273	7,860	7,480	4,478
Equity	15,262	15,518	16,400	15,826	15,979	16,624
Annualised Adjusted EBITDA	7,590	6,896	7,467	7,493	7,767	7,675
Net Debt/Equity	0.64	0.59	0.5	0.5	0.5	0.3
Net Debt/EBITDA	1.29	1.33	1.11	1.05	0.96	0.58

The Net Debt of the Company in FY26 have reduced by ₹ 3,002 Million and now is ₹ 4,478 Million

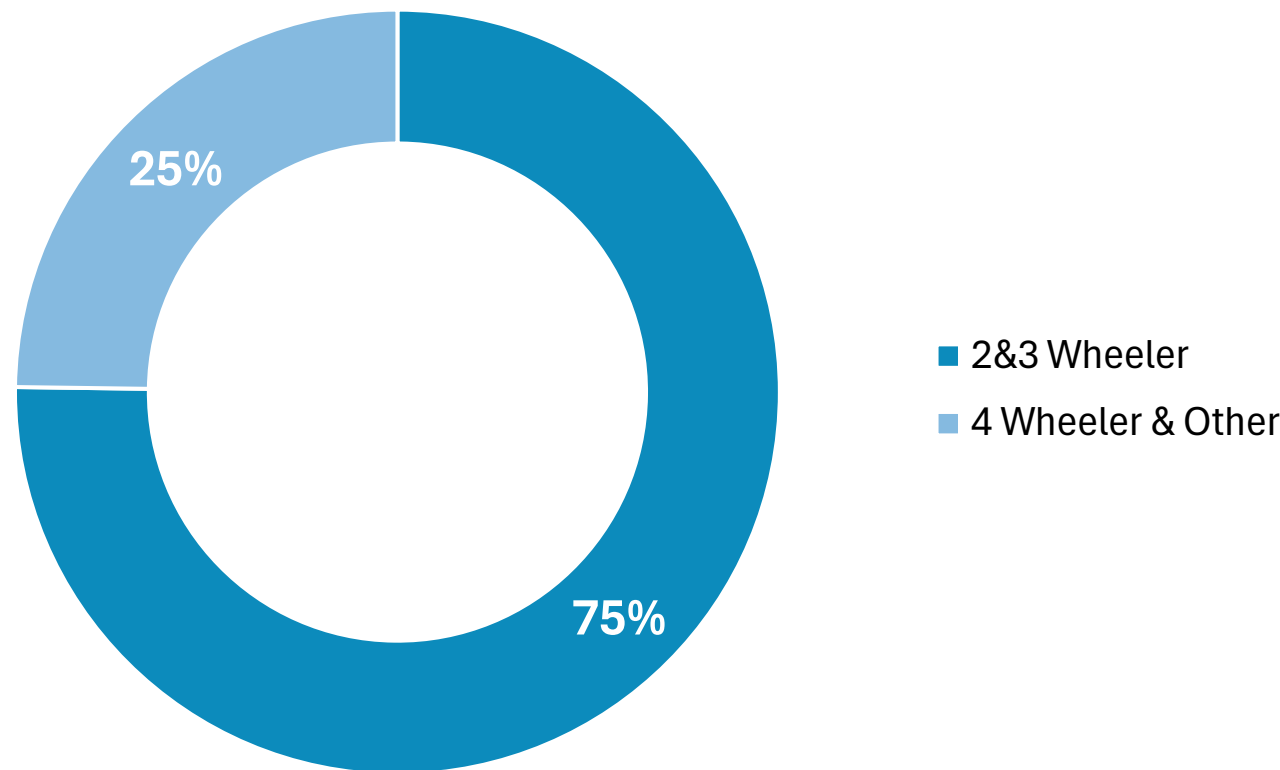
Revenue Breakdown for Q1 FY26



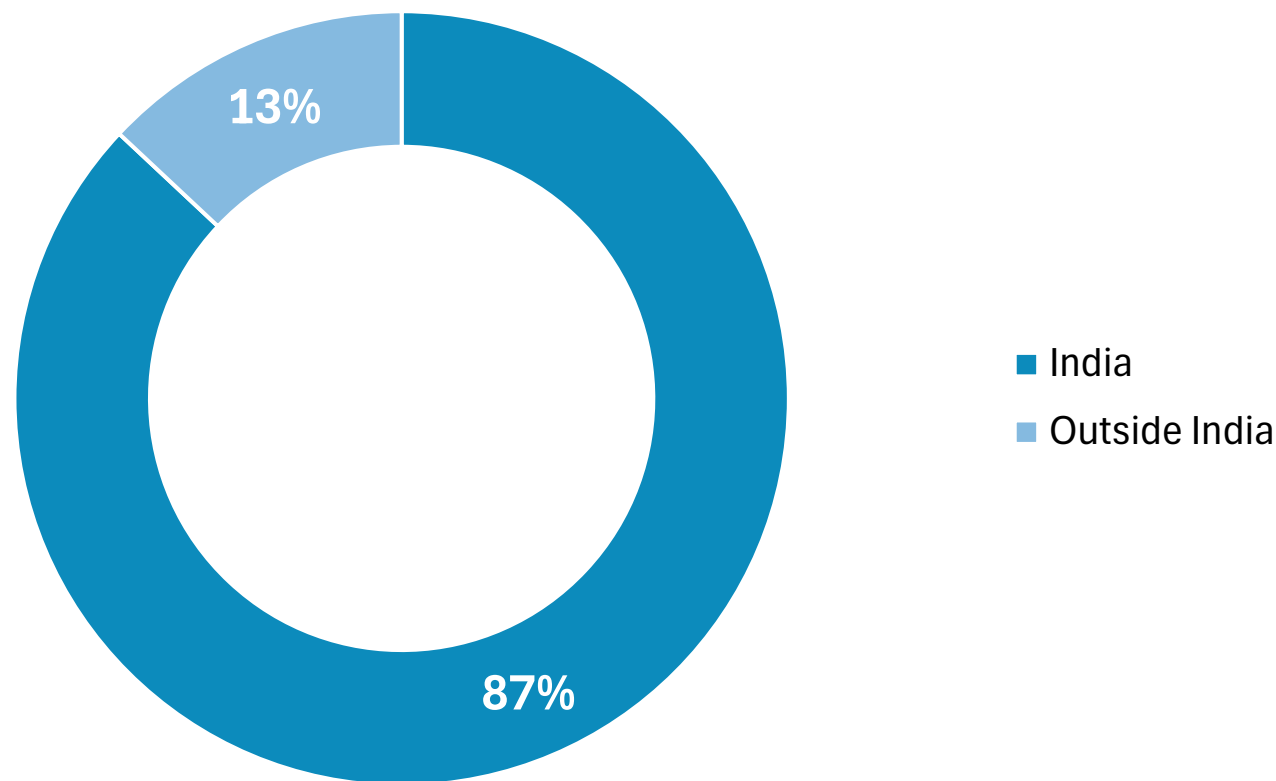
Business Unit



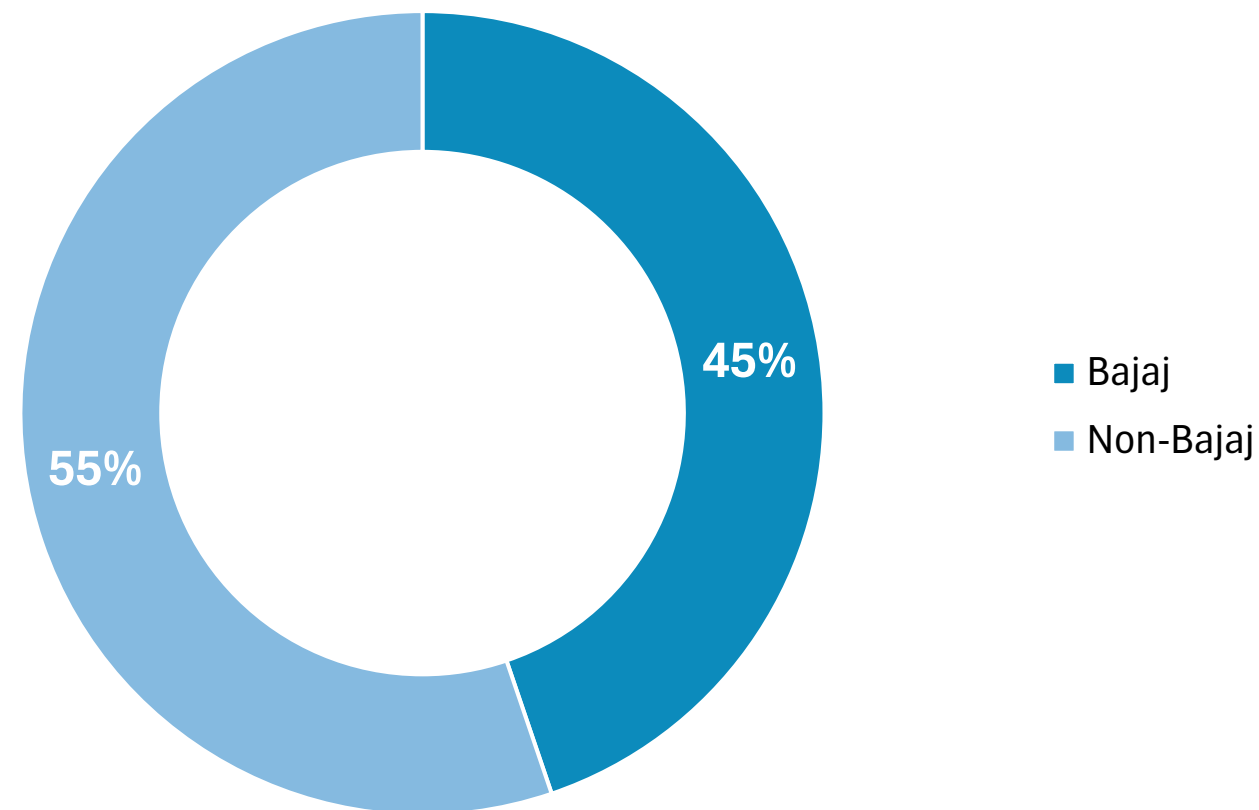
Segment



Geography



Customer

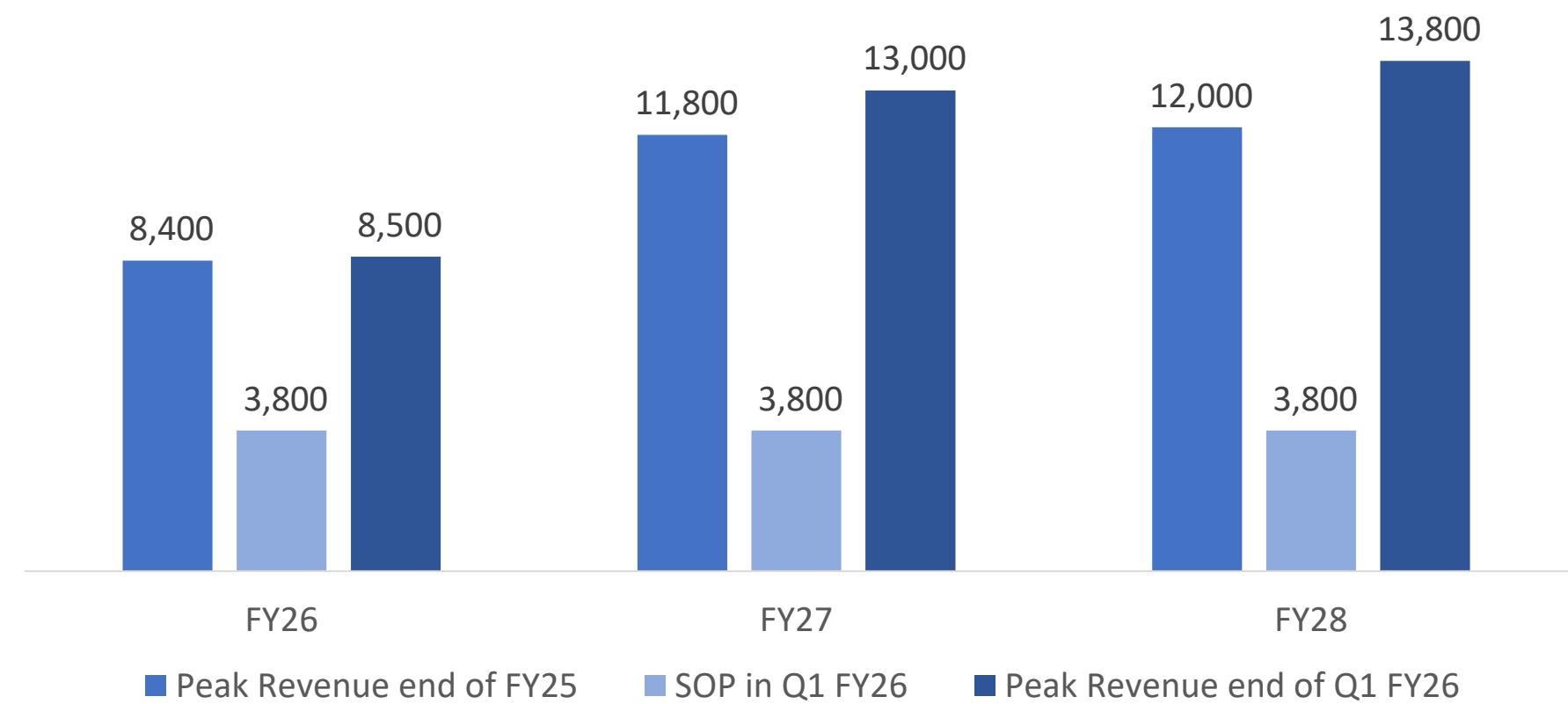


Net New Annual Peak Revenue Win in Q1 FY26

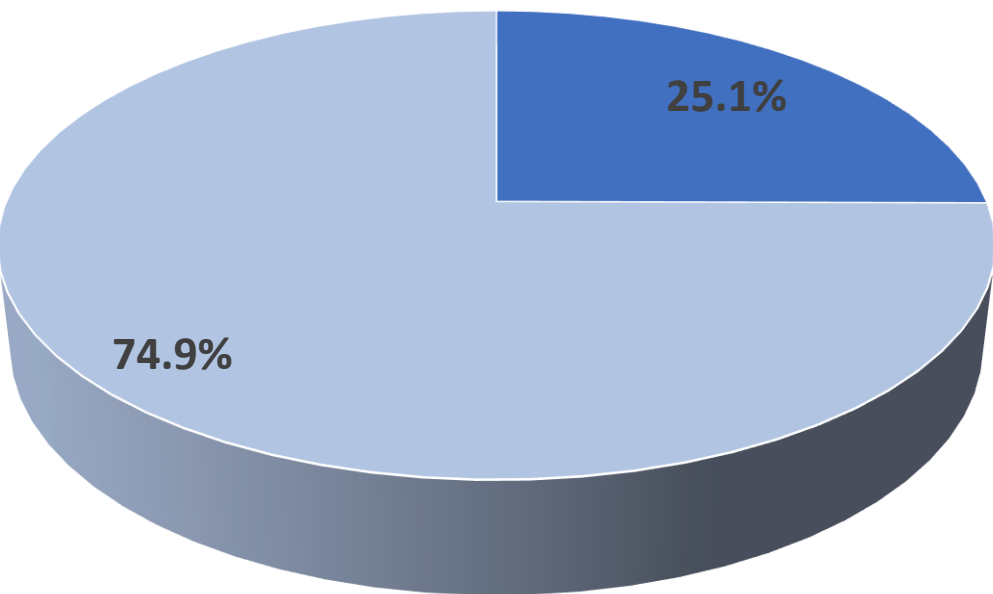
(Annual Peak Revenue is Rs.2,905 million)



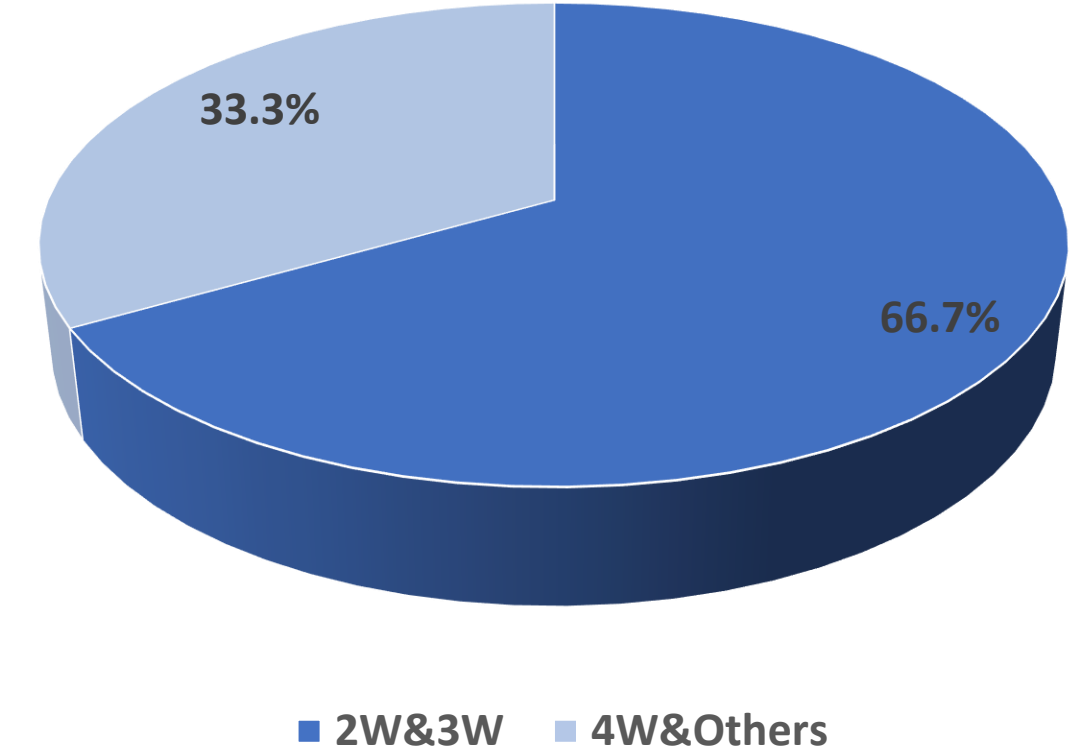
Peak Annual revenue* in next 3 years from new SOP



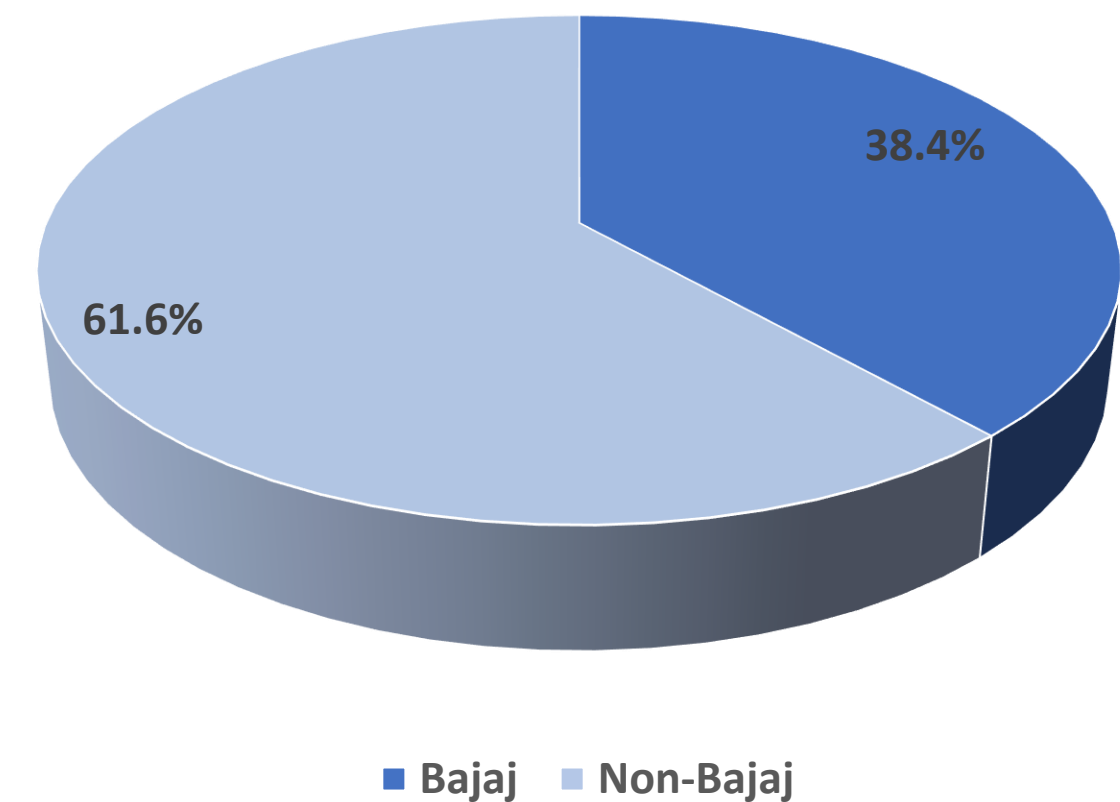
Revenue % win from ICE & EV Players



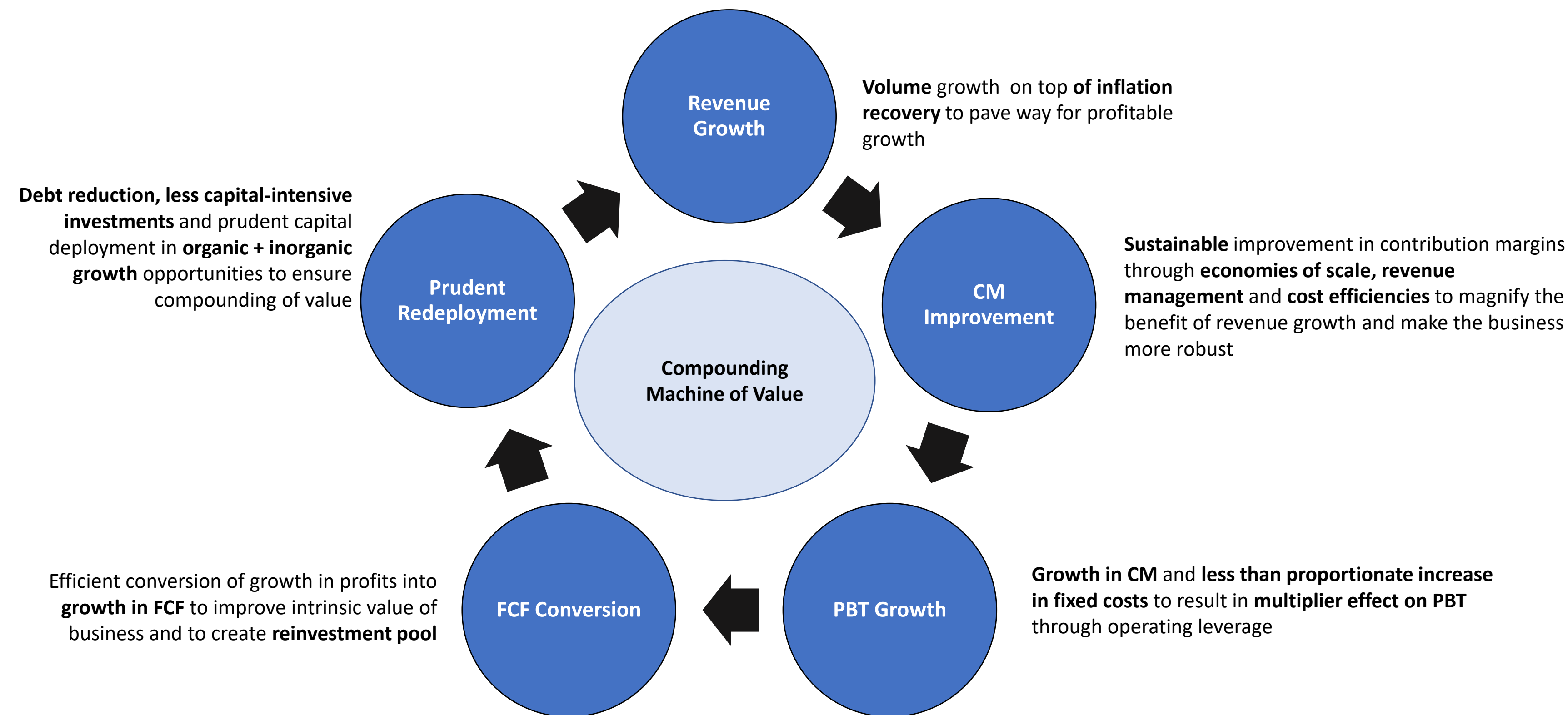
Revenue % win from 2&3W and 4W Players



Revenue % win from Customers



Focus areas for Varroc





Our Businesses

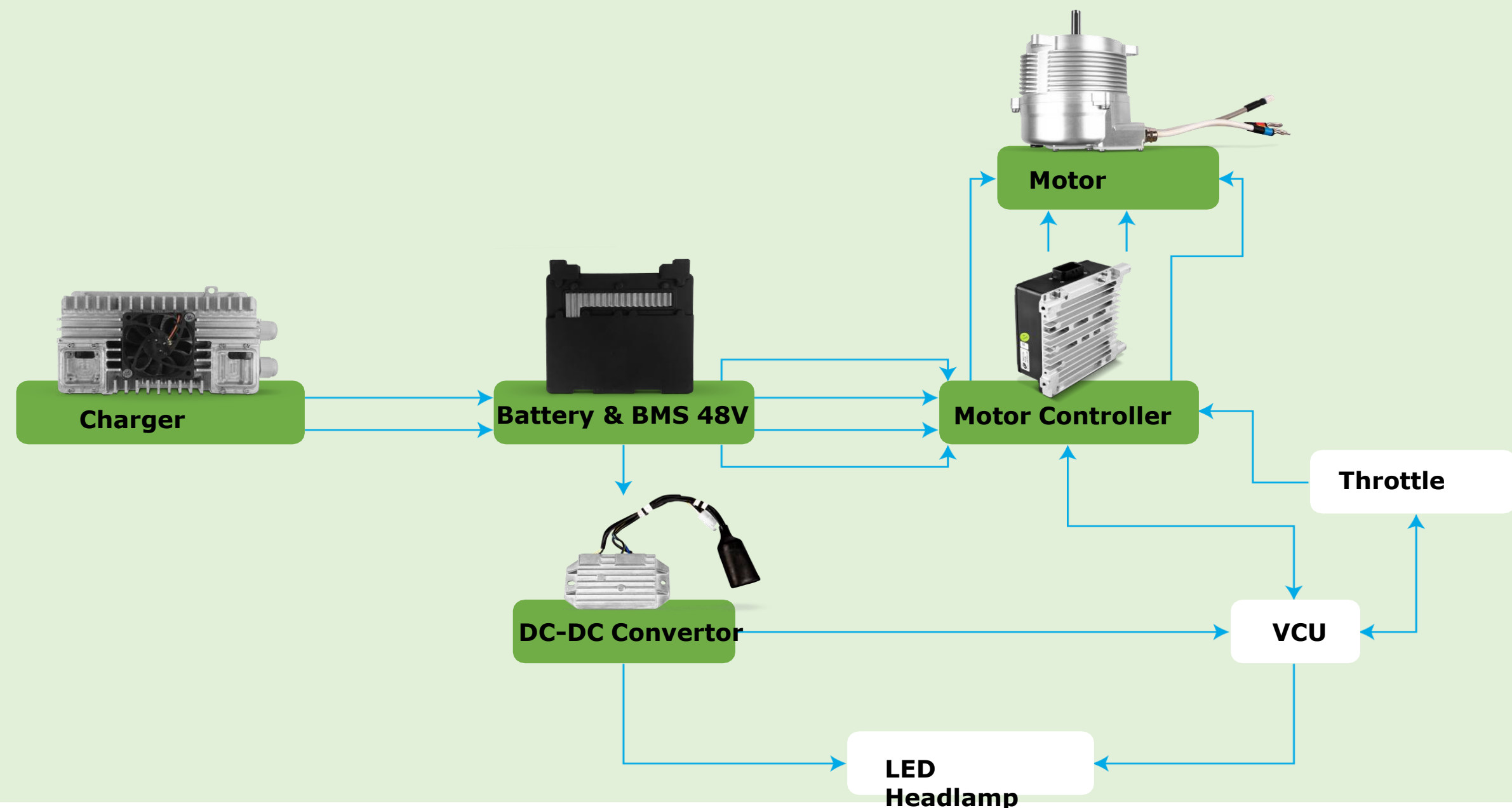
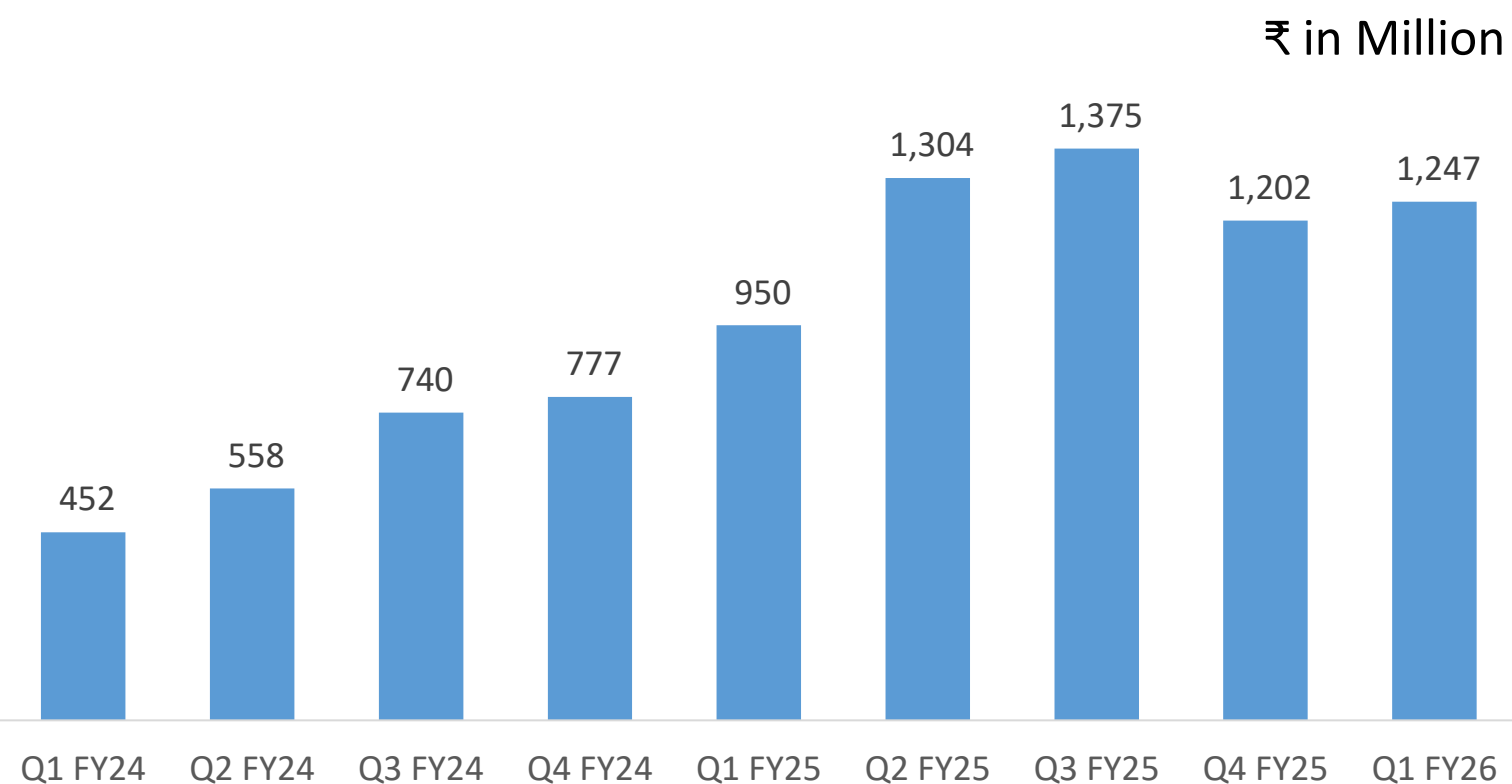
07th Aug 2025

Powering India's Mobility: E-Mobility



2 FACILITIES - INDIA

- Locally designed, developed and manufactured
- Fully IoT enabled machines
- Complete vertical integration for Electronic Manufacturing
- Motor Dyno Testing System for testing 2W and 3W EV



Components

- Customer CTQ's
- Component Design
- Robust analysis to predict the design meets all CTQs
- Tolerance analysis to ensure DFM
- Material and component data base to speed up the design

Sub Systems

- Customer requirements and CTQs
- Sub-system level CTQs
- Design of Electronic Hardware, Software & Mechanical
- Sub system level simulation and analysis to ensure robustness
- Model Based design and system validation (HILS)

Systems

- System level requirements and CTQs
- Architecture design
- Electronics, Control System and Software architecture design & development
- System integration and testing (HILS)
- Vehicle level testing

Powering India's Mobility: ICE Powertrain Solutions

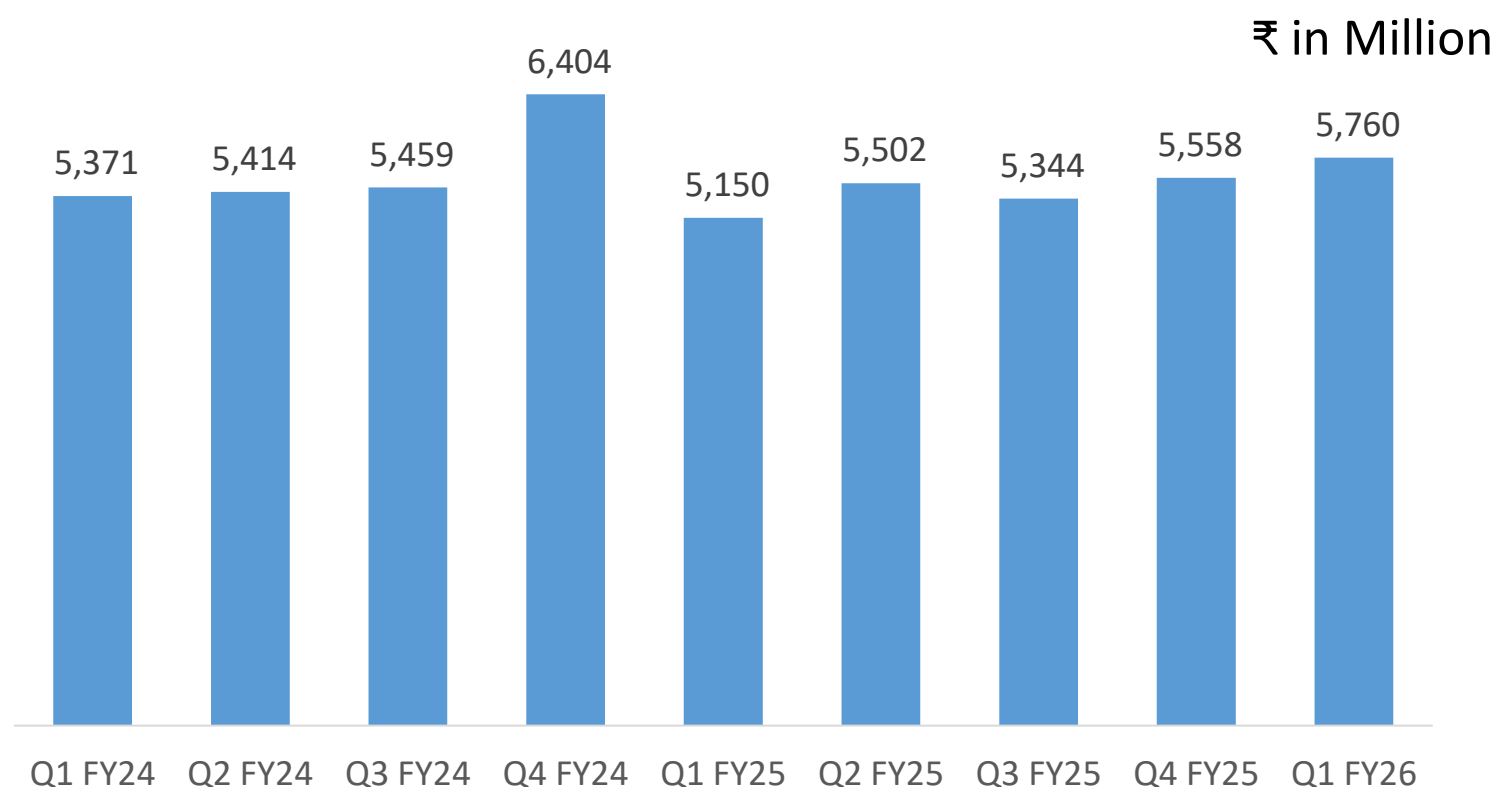


5 FACILITIES - INDIA



2 FACILITIES - ITALY

- Products developed to meet stricter emission norms under BS VI
- Delivers high performance, cost-effective components
- Drive innovation have built products like Integrated Starter Generator, Electronic Fuel Injection, Sodium filled valves.



Engine Components



Valves

Designed for 30% longer lifespan with optimized heat resistance & reduced friction



Transmission Component

Deliver 15% higher efficiency with precision-forged gears



Crankpins & Balancer

Reduce vibration by 25%, improving ride quality & engine longevity

Generator Solutions



Magneto & Regulator Rectifier

Provide 20% better power stability, enhancing battery life



Integrated Starter Generator (ISG)

Improves fuel efficiency by 8%, ensuring seamless restarts



Crankpins & Balancer

Reduce vibration by 25%, improving ride quality & engine longevity

Motor Solutions



Starter Motor

Offers 15% faster engine starts, with improved torque output



Actuator Motor

Increases precision by 12%, ensuring smoother vehicle operations



Wiper Motor

Delivers 20% longer life with optimized speed control

Powering India's Mobility: Lighting Solutions

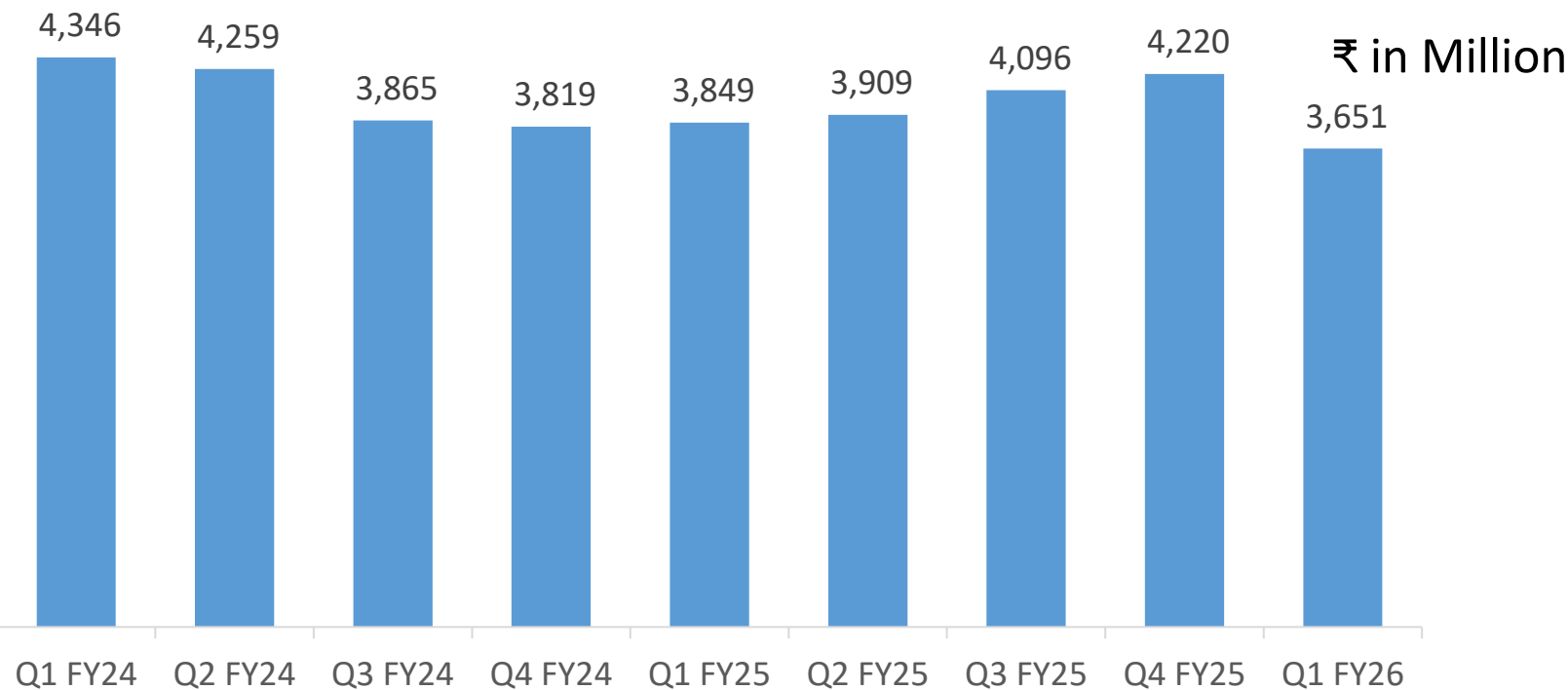


5 FACILITIES - INDIA



5 FACILITIES - GLOBALLY

- Varroc is delivering cutting-edge Visibility and Indication Systems for 2W, 3W, and 4W vehicles
- Our expertise spans LED, Matrix and Xenon technologies, focusing on lightweight, energy-efficient designs that enhance safety and aesthetics
- We integrate advanced innovations like Adaptive Driving Beam (ADB) Systems for glare-free night driving and LiDAR-enabled headlamps for ADAS compatibility.

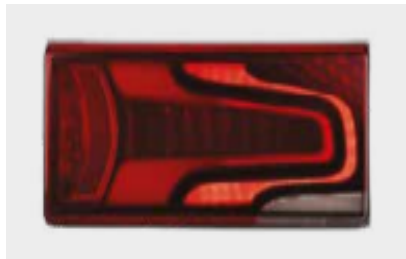


Visibility System



Headlamps

Deliver 50% better illumination, 40% longer life, and enhanced safety with AFS (+20% visibility) and DRLs (+30% daytime visibility)



Signaling Lamps

3D tail lamps with patented lenses offer a signature glow and integrated stop/tail functions. Virtual image tech delivers wide-angle illumination

Indication System



Winker

LED winkers offer 25% better visibility and 50% longer life, while dynamic turn indicators enhance signaling with progressive illumination.



Projector Modules

Compact LED projectors combine beams & ALU functions for optimal lighting, with precision systems for logo projection & customizable module



Specialty Lighting

Sleek lamps with animated displays, adaptive lighting (DRL, ADB, AFS), and 3D-effect tail lamps with LED welcome features enhance style, safety.



Blinker

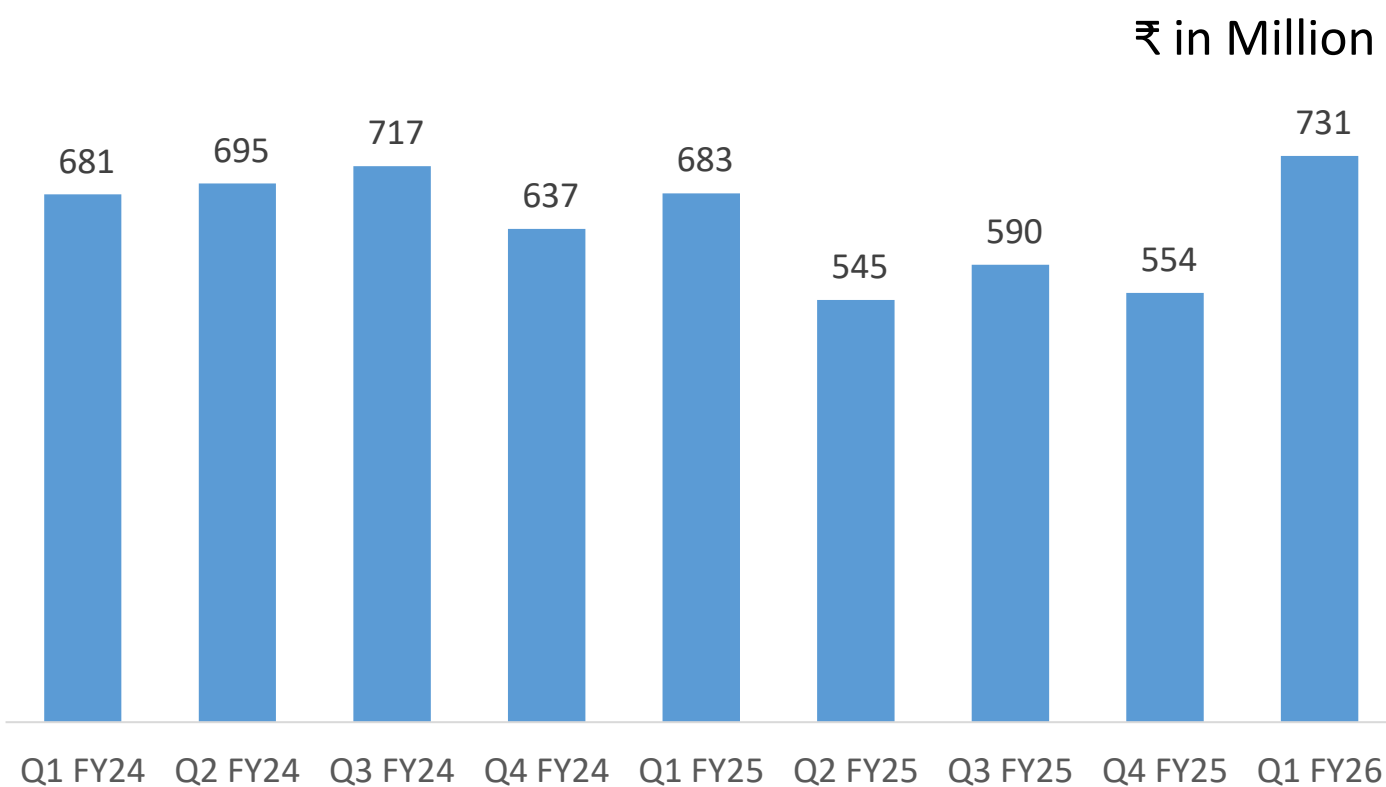
Reduce power use by 20% and respond faster. Smart modules adapt brightness to conditions, while sequential indicators enable safer, quicker lane changes.

Powering India's Mobility: HMI Solutions



3 FACILITIES - INDIA

- Varroc HMI solutions enhance rider control, connectivity, and safety with advanced instrument clusters, telematics, sensors, and switches.
- Our products are backed by state-of-the-art manufacturing facilities, including high-precision molding, SMT lines for electronic assembly, and in-house testing labs, we ensure best-in-class quality, durability and performance.

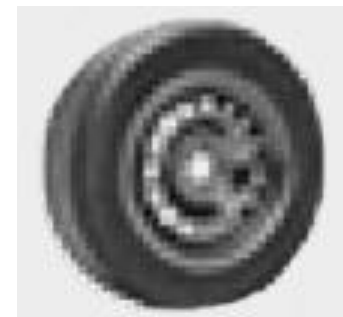


Hardware Solutions



Digital Instrument Cluster

Offer 40% brighter displays, hybrid designs blend analog and digital, and cloud dashboards enable real-time monitoring and diagnostics



Indirect Tyre Pressure Monitoring System

Prevents 80% of tire-related accidents and boosts fuel efficiency by 10% through optimal pressure alerts.



Ergonomic Handlebar Switches

Backlit, sealed design enhances visibility and water resistance, with 20% better accessibility to reduce rider fatigue.



Smart Telematics & Monitoring System

GPS diagnostics with 4G LTE enable real-time tracking, 5% faster data, and remote OTA software updates.



Smart Sensors

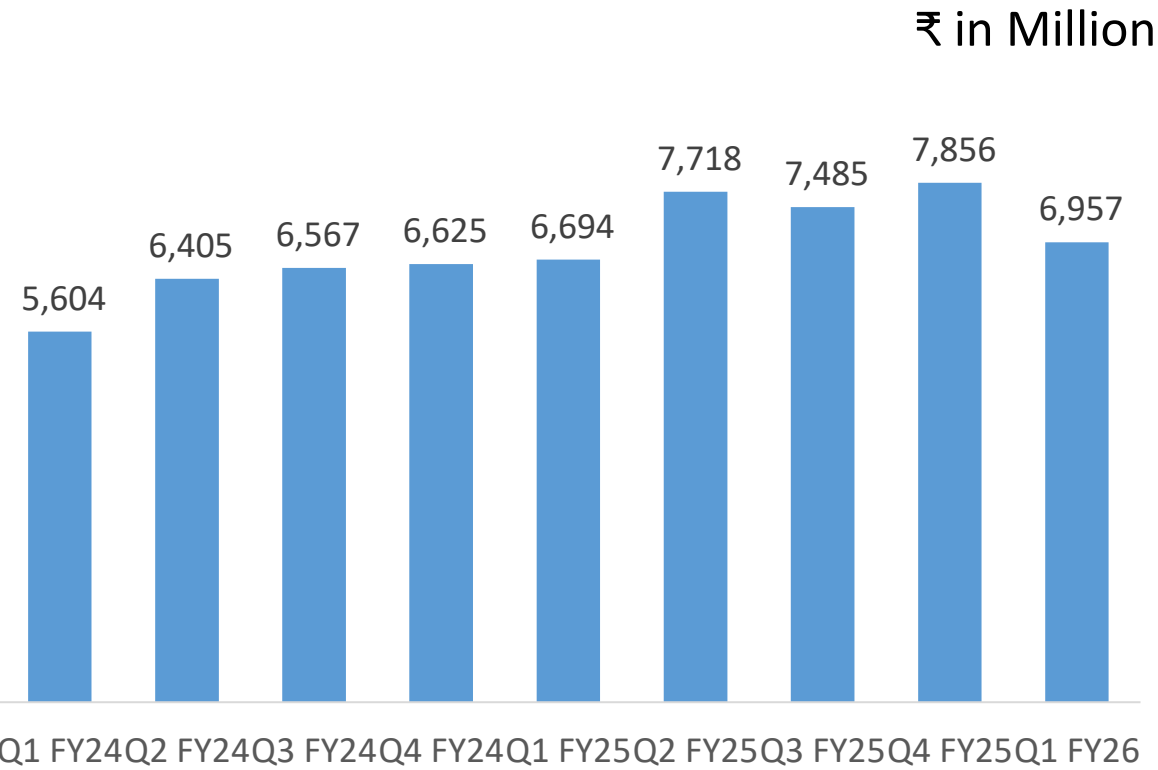
Rain & light sensors auto-activate headlamps; speed & position sensors boost performance monitoring accuracy by 30%.

Powering India's Mobility: Body System Solutions



14 FACILITIES - INDIA

- Varroc offer end-to-end design, development, and manufacturing
- Our expertise spans in lightweighting, 2K molding, and 3i technology enables durable, efficient, and sustainable solutions.



Exterior & Interior Molded Parts



Exterior Molded Components
Molded-in-color design offers a sleek finish, while advanced molding cuts weight and cost.



Tail Lamp Assembly
Integrated tailgate with lighting and camera boosts utility; 2K Dolphin Spin tech adds premium finish and IP55 durability.



Soft Door Trim
Enhance cabin feel along dual-tone armrest and metallic speaker grilles, adding a stylish, premium finish.



Cockpit/ Dashboard
fits all platforms, with smart storage, ambient lighting, and sustainable materials for enhanced utility & appeal

Painted Parts



Painted Body Panels & Covers
Piano black finish offers seamless gloss and durability, enhancing vehicle appeal with a high-end, sophisticated look.

Functional Polymer Components



Lightweight Structural Component
End-to-end in-house production with durable, premium finishes for parts like oil pans, visors, engine protectors



Air Filter Assembly
In-house development with submicron filtration, sound-reducing resonators, & dust/oil separation for longer engine life



Seat Assembly
In-house 2W/3W seats offer durable, lightweight comfort with premium finishes like PU skin and multi-layer foam.



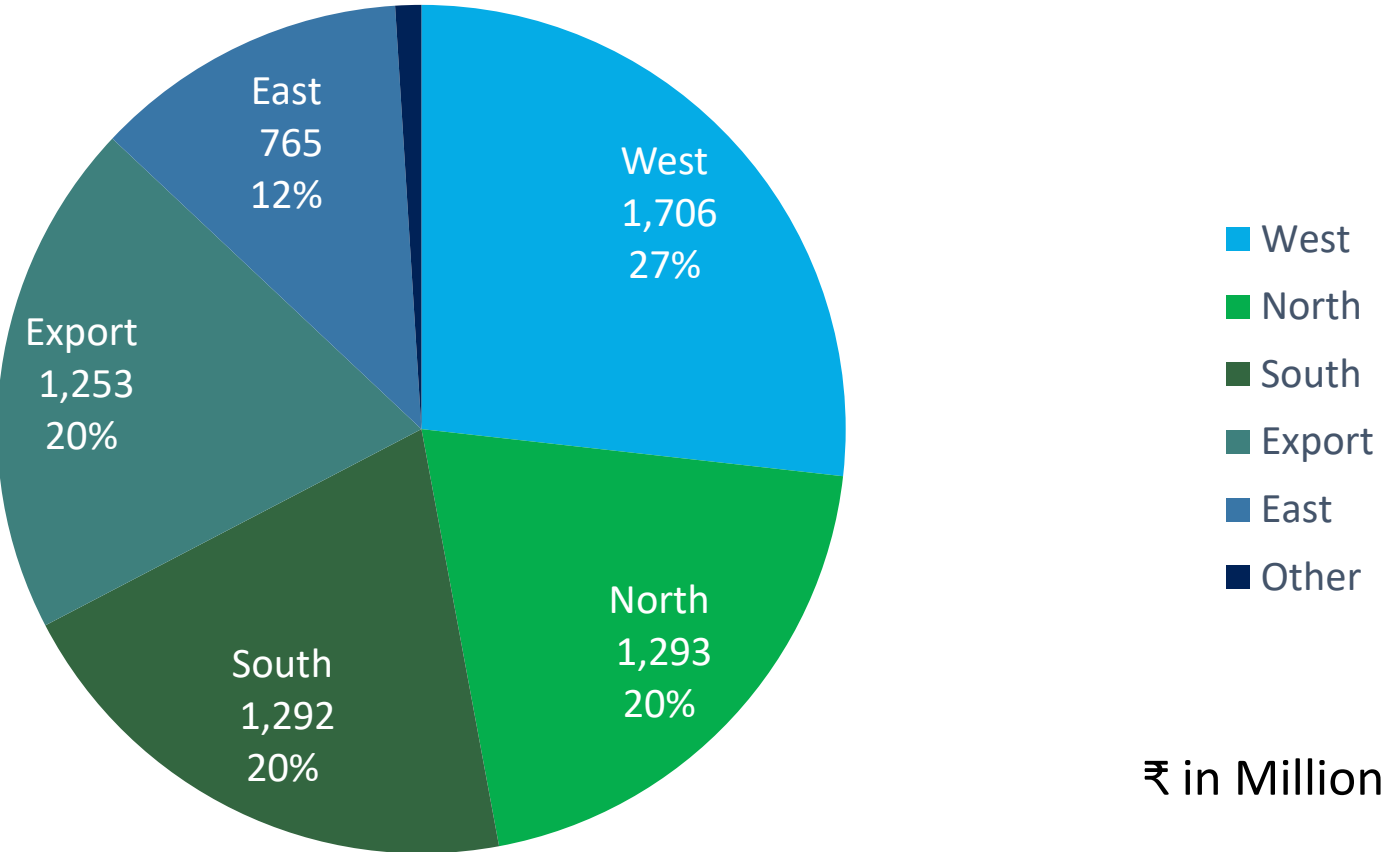
Mirror Assembly
Premium 2W/3W/4W mirrors with anti-dazzle glass, global compliance, and stylish manual/electric options.

Powering India's Mobility: Aftermarket

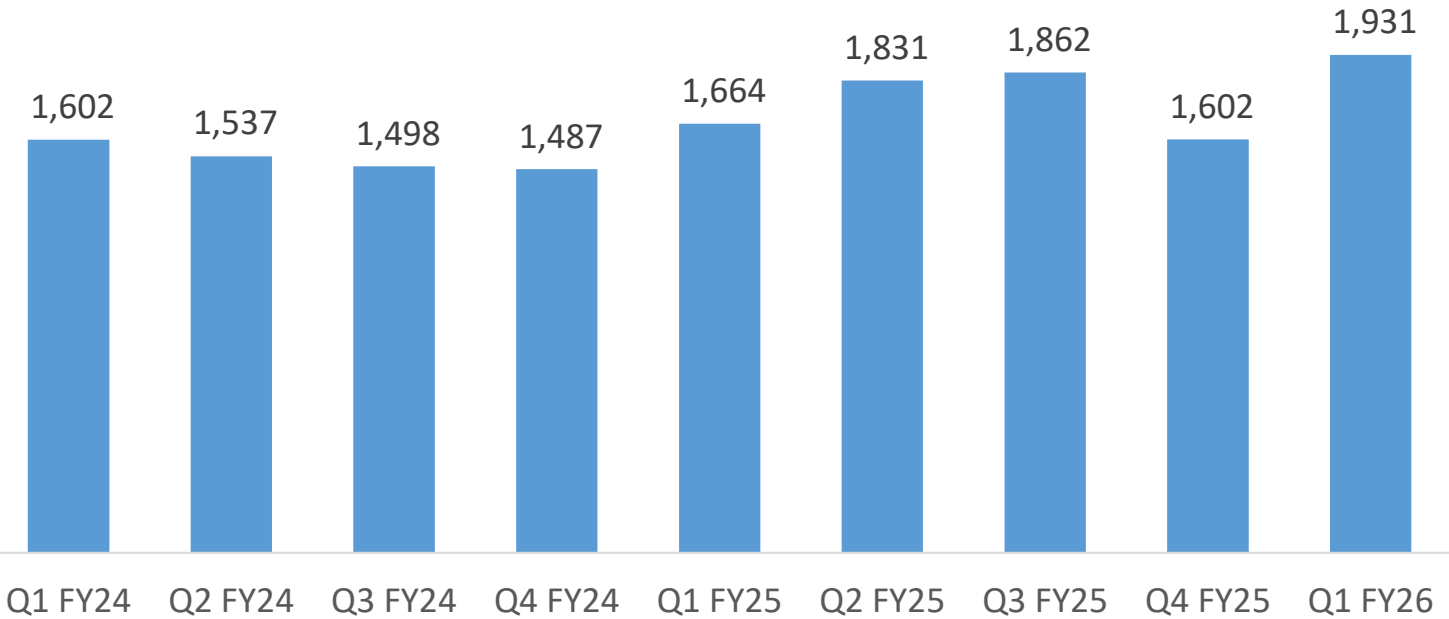


EXPORTS TO
30+ COUNTRIES

PAN INDIA DISTRIBUTOR
+310 Cities
+720 Distributors



₹ in Million



Our Product Portfolio



Lighting
Electrical, Electronics, and Lighting products meticulously crafted to optimize vehicle performance.



Lubricants
Specialized engine oils tailored for 2W/3W/4W. Offers optimal protection and contribute to overall efficiency of your vehicle.



Spare Parts
Includes forged components, filters, and rubber parts, built for exceptional reliability and longevity, ensuring unwavering support for your vehicle



Automotive Accessories
Diverse range from Helmets to Roof Rails, meticulously crafted to enhance, personalize and optimize vehicle functionality & safety.

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.

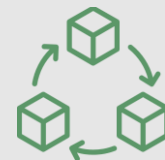
1. SUSTAINABLE PRODUCTS

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.



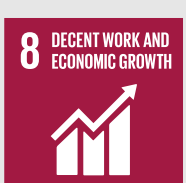
5. COMMUNITY DEVELOPMENT

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