

IKIO Technologies

11 August 2026

Operator: Ladies and gentlemen, good day and welcome to the IKIO Technologies Ltd. Q1 FY27 earnings conference call. As a reminder, all participant lines will be in 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 the operator by pressing star then zero on your touchtone phone. Please note that the call is being recorded. I now hand the conference over to Mr. Suresh Raman from Stellar Investor Relations Advisor. Thank you, and over to you, sir.

Suresh Raman – Stellar Investor Relations: Thank you. Good afternoon, everyone, and thank you for joining us today. We have with us the senior management team of IKIO Technologies Ltd., including Mr. Sandeep Singh, Whole-time Director, CEO and CFO, who will represent IKIO Technologies Ltd. on the call. The management will share the key operating and financial highlights for the quarter ended June 30, 2026, followed by a question-and-answer session.

Please note that this call may contain some forward-looking statements, which are completely based on the company's beliefs, opinions and expectations as of today. These statements are not a guarantee of the company's future performance and involve unknown risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statements are made. I now hand over the conference to Mr. Sandeep Singh. Thank you, and over to you, sir.

Sandeep Singh – Whole-time Director, CEO & CFO: Thank you all for joining the Q1 FY27 earnings call. Our presentation has been uploaded on the stock exchange, and I hope you have had a chance to look at it. I would like to briefly touch upon the strategic progress we are making at IKIO and our performance during the quarter.

Our focus continues to be on reducing our reliance on the traditional home lighting ODM business and building a more diversified portfolio across lighting, {? perishables and wearables ?}, energy solutions, electronic components, automotive lighting and other technology-led products. This strategy is steadily changing our revenue mix, with the other businesses becoming an increasingly important growth engine for the company. Global expansion remains another important pillar of our growth strategy. We now have a presence across 20-plus countries, while remaining focused on further diversifying and reducing our dependence on any single geography.

A key focus area has also been strengthening our manufacturing capabilities. Our new facilities are being developed to support new-age products, exports and greater backward integration. Block 1, comprising approximately 2 lakh square feet, is already operational, while Block 2 has been partially commercialized in Q2 FY27. Construction of Block 3 is progressing as planned. Together, these blocks will provide significant additional capacity to support our expanding product portfolio and future growth.

This capacity expansion is complemented by our strong in-house R&D and backward integration capabilities. With over 3,000 SKUs, an in-house R&D and product design team, and capabilities spanning design, tooling, component manufacturing, assembly and testing, we are increasingly positioned to participate in higher-value manufacturing opportunities.

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IKIO Technologies

11 August 2026

Coming to our financial performance, revenue from operations grew 41% year-on-year to Rs.169 crores in Q1 FY27, supported by continued momentum across our diversified business portfolio. The growth reflects strong traction in the other business, improving momentum in home lighting ODM and an expanding contribution from international markets.

The other business has delivered a strong growth trajectory, recording an approximately 54% CAGR over FY23 to FY26. This momentum continued in Q1 FY27, with revenue growing 53% year-on-year to Rs.124 crores, driven by continued traction from new customers and across our expanding product portfolio. Revenues were, however, marginally lower sequentially amid global trade tensions.

At the same time, our home lighting ODM business continued to improve, with revenue of Rs.45 crores in Q1 FY27, up 16% year-on-year and 18% Q-o-Q, reflecting improving business momentum and new customer additions.

Moving to profitability, EBITDA increased 94% year-on-year to Rs.22 crores, with EBITDA margin improving to 13% from 9.4% in Q1 of last year. PAT increased to Rs.11 crores from Rs.2 crores in the same quarter last year. The improvement in profitability was primarily driven by revenue growth and operating leverage.

Sequentially, however, profitability was impacted by higher raw material prices arising from war-led supply chain disruptions and higher employee expenses following the revision in minimum labor wages. We are engaging with our customers on pricing and expect these pressures to normalize in the coming quarters as revenue scales and operating leverage takes effect.

Overall, we believe the quarter demonstrates the progress we are making in diversifying our revenue base, expanding our global footprint and building capacity ahead of the next phase of growth. The continued scaling of the other business, recovery in home lighting ODM, new customer additions and the commissioning of additional manufacturing capacity provide a strong foundation for the company's growth going forward.

As we move ahead, our focus will remain on expanding into new products and adjacencies, strengthening our international presence, improving operational efficiencies and leveraging our expanded manufacturing and backward integration capabilities. With that, we conclude the presentation and request the moderator to open the floor for Q&A.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may please press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mayank Agarwal from Scientific Investing. Please proceed with your question.

Mayank Agarwal – Scientific Investing: Thank you for the opportunity, and congratulations on the good set of numbers. I have a couple of questions. The first question is regarding the margin trajectory. Given the current-quarter headwinds due to the geopolitical scenario and manpower expansion, how do you see the margin trajectory going ahead once normalization has occurred and

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operating leverage takes effect?

Sandeep Singh – Whole-time Director, CEO & CFO: Hi, Mr. Mayank. Thank you for asking this question. On the margin trajectory, we are still in line with what we had guided for the year. Our margins would definitely have been slightly better compared to where we are today if the geopolitical scenario had been normal or close to normal.

The problem with gross margins today is that we are in times similar to what happened during COVID, because lead times have increased significantly. If you also follow the pricing of basic raw materials such as metals, plastics and copper, and even electronic semiconductors, the prices have shot up significantly. On top of that, the lead times of electronic components have increased from a generic 4–6 week lead time to, in certain cases, over a year.

The effect of that is that we are doing a lot of spot buying, as we used to do during COVID. Last year, you probably would have seen some normalization happening, and we were on that track. However, over the last few months, due to the war scenario, things have changed drastically again.

In order to make sure that we are in line with our deliveries and are able to service our customers well, we are again, as we did during COVID, making a lot of changes in terms of electronics due to the change in lead times and pricing. This is the major reason that has affected gross margins.

At the same time, I would also like to inform you that we are working really hard at the backend. We are talking to our customers, and on top of that, we are doing whatever is possible within our capabilities to maintain the gross margin level where we are today; otherwise, the impact would have been even higher. We are doing everything possible to maintain this steady momentum.

Mayank Agarwal – Scientific Investing: One more question. Across commercial and in-store refrigeration, automotive LED products and the broader non-lighting segment, what gives the company a sustainable right to win? Could you elaborate on the key customer relationships and capabilities, and how you see growth and contribution evolving from this segment over the years?

Sandeep Singh – Whole-time Director, CEO & CFO: Your voice is a little muffled, so it is a little hard to understand.

Mayank Agarwal – Scientific Investing: Is it better now? Am I audible? Is it better now?

Sandeep Singh – Whole-time Director, CEO & CFO: Slightly better.

Mayank Agarwal – Scientific Investing: I wanted to understand, across commercial and in-store refrigeration and the automotive segment, and even if you look at the non-lighting segment, what gives the company a sustainable right to win? If you can elaborate on the key customer relationships and how you see growth and contribution evolving from this segment over the years.

Sandeep Singh – Whole-time Director, CEO & CFO: That is a very interesting question. Basically, if you had a chance to go through the presentation, you would have seen that we specifically highlighted the diversified revenue mix and how it has been changing over the years.

IKIO Technologies

There is a very good slide in the presentation that shows this change from FY23 through FY26. It shows our shift from the conventional ODM home lighting business, where at one point in time our dependence was too high, and that was always a concern for all investors. Today, if you look at that mix, the other business has been growing steadily and our dependence has also come down drastically.

Just to give you an idea, at one point in time we were somewhat more than 50% dependent on the ODM home lighting business. If I talk about last year, that figure came down from around 60% to less than 20%. That is the kind of change that has happened, and it is due to our constant growth in the newer verticals.

Even the other segments, such as our refrigeration segment, the in-store segment and the wearables segment, are now doing fairly well. When I talk about the in-store segment, it has been around 2 years since we expanded geographically as well. Even during the war period, we are still maintaining decent numbers. The kind of decline that we were expecting did not happen because, even in that region, we have diversified geographically into many countries and are not restricted to just 1 or 2 countries. If that had been the case, the numbers would have been totally different.

This is how we are positioning our business, because 6 years ago, before COVID, the world was a completely different place compared to where we are today. Keeping all of that in mind, our main focus or key area has been to diversify our business, first into different product categories and verticals, and second into different geographies, so that we do not put too much of our business in a single basket.

Going forward, these will obviously be our growth engines. In automotive, we have recently started and are making very good inroads with some very good customers, who are industry leaders. This category also holds a lot of opportunities, not only in automotive lighting but also in other areas. That is something we will come to at a later stage.

A lot is happening in the background in commercial refrigeration, in-store lighting, automotive and even the non-lighting categories. These will definitely be our growth engines.

Mayank Agarwal – Scientific Investing: Thank you. If I can ask two more questions, earlier we had guided that at peak utilization, on a Rs.300-crore base, the company can generate 4.5-5x asset turns. Could you share the expected timeline to reach full utilization, and at peak utilization, what could the margins be? Earlier, you had said that EBITDA margin could increase from the current level to 17-18%.

Management: If you look at EBITDA margins over the last 15-18 months, there has been a steady trend of improvement because all the new verticals we started have begun to generate revenue, and we are leveraging economies of scale. All of that has now started happening.

Regarding the asset turns, I have always said that we will definitely reach the level at which we were before infusing capital into the business post-IPO. That should happen. This is something that we discuss as a team, and it is the way we are looking at the business, excluding whatever is happening globally because there are certain things that are outside our control and are not part of the plan, but something suddenly happens.

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If things stabilize and remain clear for the next 2–2.5 years, we expect this to happen within the next 3–3.5 years. That is what we are targeting.

Mayank Agarwal – Scientific Investing: At peak utilization, can we return to the earlier margins at which we used to operate, around 22–23%?

Management: I believe I have discussed margins in previous calls as well. That is why it is safe to say that, considering the way the business is progressing, 17–18% is what seems feasible and practically achievable.

Earlier, our business mix was restricted. Today, we are very much diversified, and there are certain categories where the margins are lower. There are also certain other categories. That is how we intend to keep our business growing, because there are certain categories where we see a lot of growth in the near future and where we do not have to invest a lot of capital, but which can bring in good revenue in the near future at lower margins.

There are other cases where the revenue, or the top line, is not going to be that large and the growth is not going to be that dramatic, but at the same time, the bottom line is going to be better. The business mix is going to continue in this manner.

That is why the feasible or practical number we can think of is around 17–18% once we achieve certain levels of economies of scale and the new plants are also up and running with at least 50–60% plant utilization.

Mayank Agarwal – Scientific Investing: One accounting question: if we look at the tax percentage, the tax rate has been very variable over the last few quarters, and this quarter it has been around 35%. What should be the sustainable tax rate going ahead?

Management: Please allow me a moment.

[Long silence]

Management: This has to do with the deferment and reversal of tax. Going forward, these things will also stabilize.

Mayank Agarwal – Scientific Investing: Thank you so much. This was from my side, and I wish you all the best.

Management: Thank you. Thank you, Mr. Mayank.

Operator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. The next question is from the line of Harsh Pingale from Dolat Capital. You may proceed with your question.

Harsh Pingale – Dolat Capital: Good afternoon, sir. Firstly, thank you for the opportunity. There was a slight drop in gross margin from 44–45% to 41%. Is there any particular reason for the dip?

Management: I have been discussing the gross margin impact from the geopolitical tensions. As I mentioned during the previous question, the lead times and the pricing of raw materials have been

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affected.

For all our products, the major 3-4 types of raw materials or components that we use include all types of metals. If you look at metal prices over the past 4-5 months, comparing where prices were during January and February with where they are today, there has been a lot of volatility. Prices have gone up, then there was some slight correction, and then they went up again. All of that is happening.

We use a lot of MS, aluminum and copper in all the products that we manufacture. Apart from that, there are electronic components. In those components, it is not only the pricing but also the lead time. Semiconductor prices have gone up; they have actually doubled in certain cases, or more than doubled, and that too with lead times that are 5-6 times higher than they were at one point in time.

I am still waiting for an order that I placed in January for a particular semiconductor part, which we still have not received. The lead time for that part generally used to be around 4 weeks.

The reason we are still able to maintain production growth is that we are an ODM manufacturer. If that part is unavailable, I cannot wait for 6 months and tell my customers that I am not getting the part in stock. What we do is keep changing the design. We keep all the parameters the same, but we keep changing the design.

This is the same strategy that we applied during COVID, which actually helped us gain a lot of market share when some of our peers were struggling. A similar thing is happening right now.

That is the only reason the gross margin has been affected. In fact, because of our strategy, we are still able to make sure that the impact is not as high as the gap in pricing. This is due to our R&D team and purchasing team working together and making sure that, first, we are able to provide the goods on time, and second, we are able to manufacture the product at a price that is still reasonable for us.

Harsh Pingale – Dolat Capital: Is this 41%, or 40-41%, gross margin what you would say is sustainable for the year?

Management: Coming back to the gross margin, pricing has been very erratic over the last 4 months. Even at the current level of raw material pricing, we should still be able to maintain this gross margin going forward, unless something happens such as the war escalating or more countries becoming involved.

If something like that happens, it would be a completely different story. However, looking at the scenario today and current prices, although they are not in the normal range, we should be able to maintain these gross margins.

Harsh Pingale – Dolat Capital: My other question was regarding the other businesses. Revenue has taken a dip again here. Is this a seasonality factor or some other factor affecting the quarter?

Management: The dip you are referring to is on a Q-o-Q basis. However, if you look at the numbers year-on-year, I think we did approximately Rs.120 crores in Q1 last year. I am giving you an

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IKIO Technologies

approximate number. If you look at the business this quarter, we did approximately the same value in the other business segment. In this quarter, we did close to Rs.124 crores, which was the entire business from Q1 last year.

Q1 is generally one of the leanest quarters in our case, and we generally do not compare it with Q4. However, if you do a Q-o-Q and year-on-year comparison, that is where the real picture lies, because Q1 of last year is comparable to this quarter, and likewise for Q2 and Q3. Q1 is generally the leanest quarter.

Harsh Pingale – Dolat Capital: Understood, sir. Just one last question. Could you help me understand how you look at the other businesses, across home, auto and wearables? Could you paint a picture of how you see this year in particular?

Management: If I talk about the other business, the growth we have seen from a year-on-year perspective has been steady and at a good pace. In fact, all the verticals are doing really well in the other business segment.

If the war situation had not existed this quarter, our numbers would definitely have been even better. We missed an opportunity of at least Rs.10-15 crores of business that could have been achieved if the situation had been normal.

The trend is going to be similar. We are also focusing on the ODM home lighting business and adding new customers. Earlier, more than 95% of the ODM lighting business came from a single customer. Today, that business is also becoming diversified. Within that portfolio, we now have around 3-4 customers and are adding more. That trend will also continue in the home lighting business, which is why you are seeing some growth in that segment as well.

That will continue to happen. The other business segments will definitely continue to grow because a lot is happening and we are continuously diversifying. The categories we talk about today are not the only 2 categories on which we are working. There are other areas on which we are also working, and they will eventually keep coming in the coming quarters.

Harsh Pingale – Dolat Capital: After considering all the verticals, which vertical are you most optimistic about for this year?

Management: I cannot point out a single vertical, to be honest. What we are doing in the Middle East is also showing a lot of promise. Although there is a war situation right now, once things normalize, there is a lot happening there. We are making some really good connections, adding more people to the team and diversifying there as well.

There is a lot of traction in the developer segment there, apart from the in-store segment, where we are already quite successful. That is something that will continue to happen. The domestic in-store business and the rest of the business will also continue to grow.

Automotive lighting, which we have started very recently, also holds good promise. However, it is new, so the numbers are not going to be large, but it definitely holds a lot of potential.

IKIO Technologies

The hearable and wearable segment is also doing consistently well now. Margins in that vertical have also become somewhat reasonable, whereas we were struggling during the first 6–9 months. That segment is now more or less on track and where we wanted it to be.

These are the categories where I cannot really point out one single category, but all of them put together will definitely be our growth drivers. There are also certain other products in the non-lighting segment, such as the product we developed for Honeywell. That association is also progressing strongly, and we are thinking with them about some other regions apart from India as well.

Harsh Pingale – Dolat Capital: Understood, sir. All the best, sir.

Management: Thank you. Thank you, Mr. Harsh.

Operator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. To ask a question, please press star and one now. The next question is from the line of Ankur Gulati from NGD Capital. Please go ahead.

Ankur Gulati – NGD Capital: Good morning. Can you give us some reason why the ODM growth is higher?

Management: I am sorry, Mr. Ankur, I am unable to hear you.

Ankur Gulati – NGD Capital: The ODM business growth seems to be higher, which is a bit of a positive surprise. Was there anything specific that led to this growth?

Sanjeev: You are talking about the ODM home lighting business, right?

Ankur Gulati – NGD Capital: That is right.

Sanjeev: In the ODM home lighting business, as I mentioned earlier, we have added some new customers. The new business coming from those customers has added additional revenue to that vertical. As I said, this will continue to happen. This momentum should continue in the coming quarters as well.

Our strategy is to continuously focus on adding more customers to this vertical and making sure that additional revenue comes from this category. It is one of the oldest categories we have in lighting, and we would definitely want to carry forward the legacy of this business.

Ankur Gulati – NGD Capital: Two follow-up questions. In earlier calls, the guidance was that this business would remain flat, especially because of the Signify impact. Should we pencil in at least 20% growth from the FY26 base of approximately Rs.170 crores?

Sanjeev: You are talking about the full-year number, right?

Ankur Gulati – NGD Capital: That is right.

Sanjeev: The full-year number we achieved during the previous year was somewhere close to Rs.170 crores.

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Ankur Gulati – NGD Capital: That is right.

Sanjeev: The average comes to around Rs.42 crores. The average of Rs.42 crores was because, as far as I remember, the first few quarters were relatively better, and then there was some dip.

What we are doing right now is adding more customers and making sure that the dip is corrected. If I talk about this year, we are close to that average of Rs.42 crores in Q1. The figure is somewhere close to Rs.45 crores, which is very close to the average of last year.

You can say that this is a correction in the dip through the addition of certain new customers. Going forward, we could see some further slight correction. However, the final number for the entire year should not be drastically different from what we achieved in the previous year.

Ankur Gulati – NGD Capital: So broadly the same as Rs.170 crores, which means the division is—

Sanjeev: {? Broadly 170 ?}, give or take. An uptick of Rs.10–15 crores is probably on the cards, but we will see how it goes.

Ankur Gulati – NGD Capital: Fair enough. The other business grew by 53%. Is it possible to provide more details on which subsegment drove that growth?

Sanjeev: Honestly speaking, it is a combination of all the segments. I cannot pinpoint a single segment that led to the growth because all the segments contributed.

If I look at all the different segments and compare them year-on-year, there is growth in every segment. The only area where we clearly could not see year-on-year growth, or where there was some decline in revenue, was the UAE business.

The Middle East or Gulf business has its own logic behind the decline because of the war situation. At the same time, we are very well placed in that market, and the numbers are still very reasonable considering the scenario. We are also doing much better than our peers in the Middle East.

Apart from that, all the other verticals have seen very good growth. We want to continue with this momentum, and we hope that the war situation settles down so that we can do well in the Middle East as well.

A lot of hard work has taken place over the last few months. As I mentioned earlier, we are now also entering the developer segment market, which again holds a lot of potential.

Ankur Gulati – NGD Capital: Can you give us broad EBITDA margin guidance for these 2 segments, the ODM and the other business?

Sanjeev: The EBITDA margin in ODM in Q1 has improved and is somewhere close to 8.4%. For the entire year, there is a lot of volatility because of raw material prices and other factors. However, give or take 0.5% here or there, we should end up close to this figure for the year if raw material pricing remains stable or starts coming down.

At the group level as well, during the last quarter, when someone asked me about EBITDA for the next year, I said it would be around 13–14%. We are in line with what we had anticipated. It definitely

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IKIO Technologies

11 August 2026

would have been around 14% or perhaps slightly better if the situation had been different. However, this is what we are looking at for the year.

Ankur Gulati – NGD Capital: Sorry, Sanjeev, you said 8.5% for ODM, right? For last year?

Sanjeev: No, not for last year. That 8.5% is for this quarter. To be precise, 8.4% is for this quarter.

Ankur Gulati – NGD Capital: Just one second. Out of Rs.22 crores, only Rs.4 crores came from ODM, is that right?

Sanjeev: What value are you referring to?

Ankur Gulati – NGD Capital: Your EBITDA is Rs.22 crores for the quarter, right?

Sanjeev: Yes, Rs.22 crores for the quarter.

Ankur Gulati – NGD Capital: Rs.3.8 crores out of that is ODM, which gives you approximately Rs.18.2 crores for the other businesses. So your other business has a 15% EBITDA margin?

Sanjeev: Yes.

Ankur Gulati – NGD Capital: Fair enough. Can you give us more color on hearables and wearables and any other new clients being signed, including Honeywell? Also, there were more client signings happening in automotive lighting. Could you walk us through all 3 as a follow-up from my side?

Sanjeev: I will take those one by one. In the hearable and wearable segment, if I talk about client additions over the last 3–5 months, we have probably added 2–3 more customers to our portfolio. At the same time, what we are doing—

Ankur Gulati – NGD Capital: Sanjeev, apologies. When you discuss these, could you also tell us whether proper production schedules have started coming from these clients, which can then give you 12 months, 18 months or 2 years of visibility?

Sanjeev: Yes, definitely. That is what I was about to discuss. When we started this vertical, we were primarily doing job work. In certain cases where we were not doing job work, we were making the complete product, but the product was again determined by the customer. The customer would tell us that they wanted the product from a particular source. All of that was happening, and we were more focused on job work.

We started with job work to enter the system of these players. We knew that by leveraging our strengths, we would then be able to bring them into the ODM category. That transition has been happening over the past few months.

Today, approximately 50% of the products we are making in this category are ODM products, or products brought to the table by our team, after which the customer selects those products. That is how this journey has started.

The customers are now placing a lot of trust and faith in us, which is a significant positive. That is also why we have improved our margins, because we are bringing in the type of products that we

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wanted to make from the very first day.

These include certain products with special features or products in categories that the customer was not previously making in their portfolio. That transition is happening, and there is still a long way to go.

This is something that we would want to replicate based on our understanding of the lighting business. We would want to do the same thing that we did with lighting. In lighting, we were bringing in kits from China as far back as 2012. The journey progressed from bringing finished products or kits from China to doing whatever is possible in India today.

We would like to continue on that path and get there. There are certain products that we have now developed and are manufacturing that are completely designed by our team and manufactured in-house. This represents a small portion of total revenue in the hearable and wearable business as of now, but going forward, this is how we intend to develop the vertical.

This is about hearables and wearables, and that is why we are now investing in new designs and new tools. All of that is happening. Before making an investment or developing a design, we make sure that we are aligned with the customer.

That is how we develop certain ranges of products for which, as I mentioned, the tooling is also done in-house, followed by in-house manufacturing and all the other processes.

Ankur Gulati – NGD Capital: Regarding Honeywell, have you finally received a production schedule?

Sanjeev: With Honeywell, the number is now significant enough to contribute to the overall top line. If I talk about the overall top line, around 15–18%, or approximately 15–16%, is coming from the hearable and wearable segment.

We have definitely scheduled production because we are managing lead times and other factors. To manage lead times of anywhere between 2–3 months, we need to have a plan covering at least 3–6 months, and that is what is happening with our customers.

We do have proper projections and plans going forward. In fact, with the larger customers, we discuss what we intend to do over the next 10–12 months and the types of products they want, so that those products are in the pipeline. We then develop and present those products to them, and all of that is happening now.

Ankur Gulati – NGD Capital: Are you in a position to share the production schedule in hand for the next 12 months? I am trying to determine what kind of revenue visibility you currently have on {? HW ?}.

Sanjeev: As I said, it is currently contributing close to 15–17% of the top line. Going forward, for this year, it will probably end up close to this figure, at 16–18% of the top line for the entire year. I think that answers your question.

Ankur Gulati – NGD Capital: 16–18% of revenue, approximately Rs.100 crores. Perfect. Could you give us more color on Honeywell and then on the automotive lighting business?

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Sanjeev: Automotive lighting is fairly new. We started actual production from around May or June. Up until then, we were doing prototyping, sampling, approvals and all of those activities.

Even after receiving approvals, there are certain trials that these companies conduct. They take a lot of lots, conduct the trials and then start placing orders. That phase is now over, and we are at the stage of moving into proper manufacturing.

For this year, the number is not going to be very large, as I mentioned earlier. At the same time, it is a very promising segment, and there is also an expectation that it might lead to some other businesses.

Sandeep Singh: We would probably not want to talk about that right now. At the same time, we are already aligned with 5 industry leaders when it comes to LED lights in the aftermarket category. We have already received approval from and started manufacturing for 5 of the biggest names in the industry.

Going forward, our next phase will be working with the OEMs. That will happen after we strengthen our position in this category. A lot is happening in the background for this category as well. I would request you to keep following what we are doing, and I will provide updates every quarter so that you have a better understanding of where we are headed.

Ankur Gulati – NGD Capital: Understood. On the strategy side, you are onboarding OEMs, whether two-wheeler, four-wheeler or another segment. Can you give us the number of OEMs with which you have been onboarded? I am assuming that once you are onboarded with an OEM, the Tier 1 vendor has to source from you.

Sandeep Singh: What we are doing right now is manufacturing for some of the biggest brands in India. They have a vertical that supplies to OEMs as well, but what they are currently buying from us are products that will go into the aftermarket, not directly into OEM vehicles.

There has recently been a transition in the aftermarket segment, with people moving from conventional sources to LED lights. Anyone who wants to change their headlight source in the market today is increasingly moving towards LED lights. This is where we are operating.

The objective is to gain a proper understanding and experience of the market. The logical next step would definitely be to work with OEMs. That will happen in Phase 2.

Today, we are working for brands that sell these automotive LED lamps under their own brands. These are all Tier 1 brands. They are leading companies, not local companies operating only at a regional level. They have a very good market share and all-India distribution, and we are working with these brands.

Ankur Gulati – NGD Capital: By FY28, the OEM approvals should be in place. Is that a fair assessment?

Sandeep Singh: Sorry?

IKIO Technologies

11 August 2026

Ankur Gulati – NGD Capital: By FY28, OEM onboarding should be completed. Is that a fair assessment?

Sandeep Singh: That is the plan. That is what we intend to do.

Ankur Gulati – NGD Capital: Could you give us more color on Honeywell?

Sandeep Singh: Honeywell has been progressing well. We started with 1 or 2 products where they had concerns with their current suppliers or with the way those products were being made or assembled.

We started making products such as amplifiers, public address systems and fire alarm panels. There are also a lot of products in the pipeline. Now that we have demonstrated our capability to design, develop and provide them with a complete solution, their level of trust has increased, and we are working very closely with them.

There are a lot of products in the pipeline. Since it is a large company, it takes time for products to be approved, and it is a long process. However, it is definitely worth the wait.

We have already started producing certain SKUs for them, and that is part of the increase in revenue. We expect that, by the end of the year, the number of SKUs we are producing for them will probably increase by 3–4 times from the current level.

Ankur Gulati – NGD Capital: Based on this year's guidance, the other business should be close to Rs.550 crores, with Rs.100 crores coming from wearables. Which is the other major segment that you can quantify?

Sandeep Singh: The other major segments would definitely be in-store lighting and commercial refrigeration lighting. These are also among our conventional businesses.

We have been operating in in-store lighting in India, commercial refrigeration lighting and other electronics for more than 10 years, or 10–12 years, in India. We definitely have a very good market share in these areas. Now, with our diversification into other geographies, this is another significant source of revenue.

Ankur Gulati – NGD Capital: This business was approximately Rs.210 crores last year, right, which is ILC? Were Groversen and Lanathi under the same business?

Sandeep Singh: Groversen and Lanathi are very new initiatives. They do not contribute to revenue to an extent that requires us to specifically mention these brands or names.

However, there is a specific reason why we brought these into the market. We saw a very significant opportunity in India in the category in which we have positioned the products under these 2 brands.

Although they are B2B, they are not B2C products. Everything we do is B2B. Going forward, this is more of an aspiration that I would point out.

We have been in lighting for many years, and we have always seen a gap in the market where customers want something in a category with very limited options. That was the intention behind

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these products, so it is going to be a gradual journey.

As I said, there are certain businesses or verticals where revenue is not very high, but the bottom line is good and the brand enjoys a certain reputation. This is that category of business, I would say.

Ankur Gulati – NGD Capital: How is the solar inverter business ramping up?

Sandeep Singh: That is also very new. We recently completed a solar order with good volume and good value.

Going forward, now that we have the product, we are continuously working on it, and a lot of new development is also taking place in that category. This is an exciting area because India is now transitioning to newer technologies.

Simply installing a solar rooftop is not what people are focusing on now. For good projects, customers want proper systems, including battery energy storage systems along with BMS and EMS. We are working in that direction and developing new products.

This is also happening alongside our other activities. This is the non-lighting business that we are involved in.

Ankur Gulati – NGD Capital: Have any major clients been onboarded, or how are you marketing this product?

Sandeep Singh: We were initially considering onboarding certain OEM customers for this business, but then we realized that there was a lot of opportunity in some other key areas as well. We are currently developing our capabilities in those areas.

We have already gained experience in this category, and going forward, the team is working on certain key areas. There was actually an opportunity in the pipeline, but it was for another country and not for India. That opportunity was delayed because of the war.

We are therefore shifting our strategy in this particular vertical and working on some other new key areas. Hopefully, we will have something to discuss with you very soon.

Ankur Gulati – NGD Capital: If I look at the guidance today, assuming 10% growth in home lighting and more than 40% growth in the other business, that leads to consolidated revenue growth of roughly 30% for this year. Would you like to officially update your guidance for this year, or do you still want to maintain the 18–20% guidance given last quarter?

Sandeep Singh: I would maintain the guidance we gave during Q4, which was close to 18–20% revenue growth. This is because of the volatility in the market and the geopolitical issues. Every day, there is a new surprise or something new happening.

That is why I would maintain the existing guidance. Perhaps by the end of Q2 or around Q3, if required, we will definitely update it if there is a need to do so.

Ankur Gulati – NGD Capital: Lastly, what is the capex spending for this year, and what depreciation should we assume for the full year?

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Sandeep Singh: The remaining capex is somewhere around Rs.20–25 crores. Not much capex is left.

Regarding depreciation, Tower 2 has now been partially commercialized in Q2. There are multiple floors in Tower 2, and we have currently started utilizing 2 of the floors for the wearable segment. Depreciation for those floors will probably start from Q2 itself.

That is why we have always shown the cash PAT figures, so that everyone remains aligned with what the company is doing. Once revenue starts to multiply, the depreciation burden will definitely have a lower impact on the overall figures.

Ankur Gulati – NGD Capital: After Tower 2, is there more capex lined up?

Sandeep Singh: Sorry?

Ankur Gulati – NGD Capital: After Tower 2, is there more capex lined up?

Sandeep Singh: The only pending capex is around Rs.20 crores, which will go into Tower 3. The capex for Tower 2 has more or less been completed. It is now in the utilization phase.

As and when we start utilizing the floors, depreciation will begin to appear in the balance sheet and the financial figures. In Tower 2, some slight capex may also be incurred in the very near future when we set up the remaining lines or other facilities. However, that will not be of significant value.

Ankur Gulati – NGD Capital: That is all from my side. All the best. Thank you.

Sandeep Singh: Thank you so much. Thank you.

Operator: Thank you. That was the last question for today. I now hand the conference over to Mr. Sandeep Singh for closing comments. Over to you, sir.

Sandeep Singh: Thank you all for joining our quarterly earnings call for Q1 FY27. If there are any further queries, please feel free to reach out to Stellar IR Advisory. Thank you, everyone. Have a nice day. Thank you so much.

Operator: Thank you. On behalf of IKIO Technologies Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.