

Research Report

Voltas Limited PDF Report



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About

Voltas is engaged in the business of air conditioning, refrigeration, electro - mechanical projects as an EPC contractor both in domestic and international geographies and engineering product services for mining, water management and treatment, construction equipments and textile industry. Voltas was created 6 decades ago when Tata Sons joined hands with a swiss company Volkart Brothers.

Products Offered

Universal MEP Projects & Engineering

Services Limited (UMPESL) Offerings - MEP, HVAC, Water Infrastructure, Electrical & Solar Projects, O & M.

Textile Machinery Division(TMD) Offerings - Capital Machinery, Accessories, Allied Machinery, After-sales Services.

Mining and Construction Equipment (M&CE) Offerings - O & M, Crushing & Screening Machinery. M&CE has grown its business across India.

Synopsis of Financials

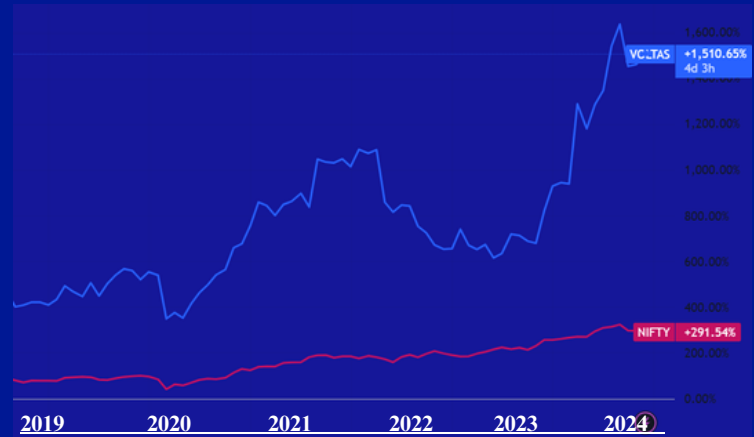
- Q2 FY25 results show consolidated total income of ₹2,725 crores, up 15% YoY.
- Profit before tax surged by 142% to ₹205 crores; net profit after tax rose to ₹133 crores from ₹36 crores YoY.
- For H1 FY25, total income increased by 33% to ₹7,726 crores; net profit reached ₹468 crores, marking the highest half-yearly profit in the company's history.
- Earnings per share for H1 FY25 was ₹14.15 compared to ₹5.02 in the same period last year.

Source: Company Annual Report

Stock data (as 26th December 2024)

Nifty Price	: 23,903.65
52 week High (in Rs.)	: 1,946
52 week Low (in Rs.)	: 968
Market Cap. (in Crore)	: 56,538
NSE Code	: <u>VOLTAS</u>

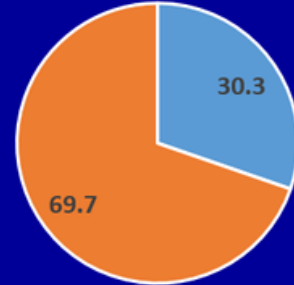
Stock data



-NIFTY50

-Sun Pharmaceutical Industries Limited

Shareholding Pattern (December 2024)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2022	March 2023	March 2024
Sales	7,934	9,499	12,481
Sales Growth %	5.01%	19.72%	31.40%
Expenses	7,362	9,045	12,145
Operating Profit	572	454	336
OPM %	7%	5%	3%
Net Profit	506	136	248
EPS in Rs	15.23	4.08	7.62

Quarterly Results

Particular	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Sales	2,957	3,360	2,293	2,626	4,203	4,921	2,619
Expenses	2,767	3,206	2,256	2,633	4,051	4,527	2,489
Operating Profit	190	154	37	-8	152	394	130
OPM %	6%	5%	2%	0%	4%	8%	5%
Other Income	47	70	71	58	54	80	105
Interest	12	10	11	14	21	10	14
Depreciation	10	11	12	13	12	13	16
Profit before tax	214	203	85	24	174	452	205
Tax %	33%	36%	58%	216%	36%	26%	35%
Net Profit	143	129	36	-28	111	335	133

Source: Screener

Key Ratios

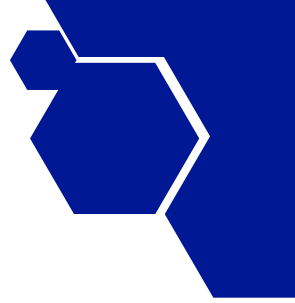
₹ in crores							
Sr. No	Ratio	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	% change	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	1.34	1.40	(3.84%)	-
2	Debt- Equity Ratio	Borrowings	Total equity	0.12	0.11	8.67%	-
3	Debt Service Coverage Ratio	Earnings for debt service = Net Profit before tax+ Non-cash operating expenses- (depreciation and amortisation)+ Finance Cost+ other adjustments like Loss on sale of property, plant and equipment and Bad and Doubtful Debts / Advances	Debt service = Interest payable & Lease Payments + Principal Repayments of long term borrowings	5.83	7.72	(24.49%)	-
4	Return on Equity Ratio	Net Profit after taxes	Average total equity	0.04	0.02	77.06%	Increase is on account of higher net profit earned during the year
5	Inventory Turnover Ratio	Cost of goods sold excluding cost of jobs and services of Segment - B (Electro - Mechanical Projects and Services)	Average Inventory	3.69	3.38	9.16%	-

Source: Annual Report

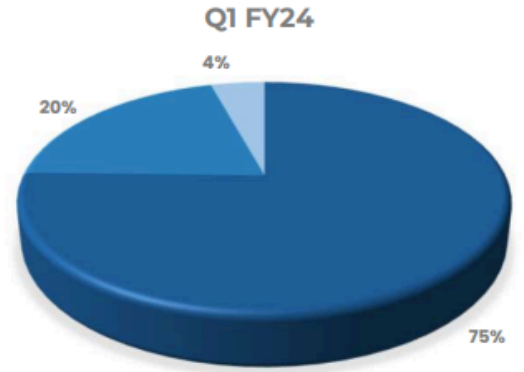
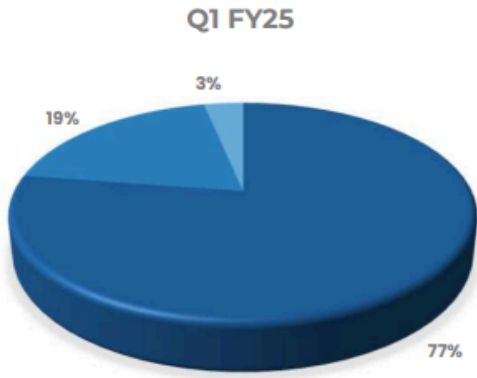
Yearly Results

Particulars	March 2022	March 2023	March2024
Equity Capital	33	33	33
Reserves	5,466	5,419	5,787
Borrowings	361	651	744
Other Liabilities	3,874	4,171	5,430
Total Liabilities	9,734	10,274	11,994
Fixed Assets	384	525	548
CWIP	59	98	368
Investments	3,615	3,109	3,508
Other Assets	5,676	6,542	7,571
Total Assets	9,734	10,274	11,994

Highlights



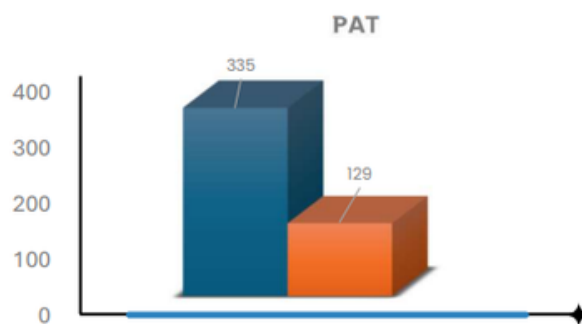
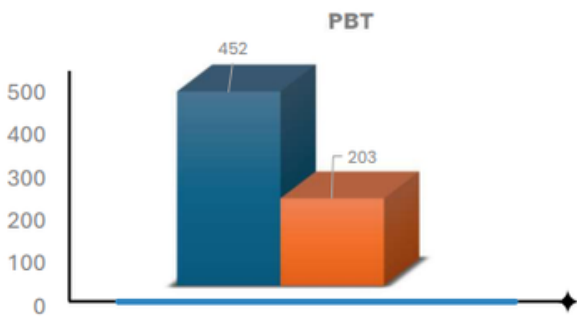
Revenue



■ Segment A: Unitary Cooling

■ Segment B: Eng. Projects

■ Segment C: Eng. Products



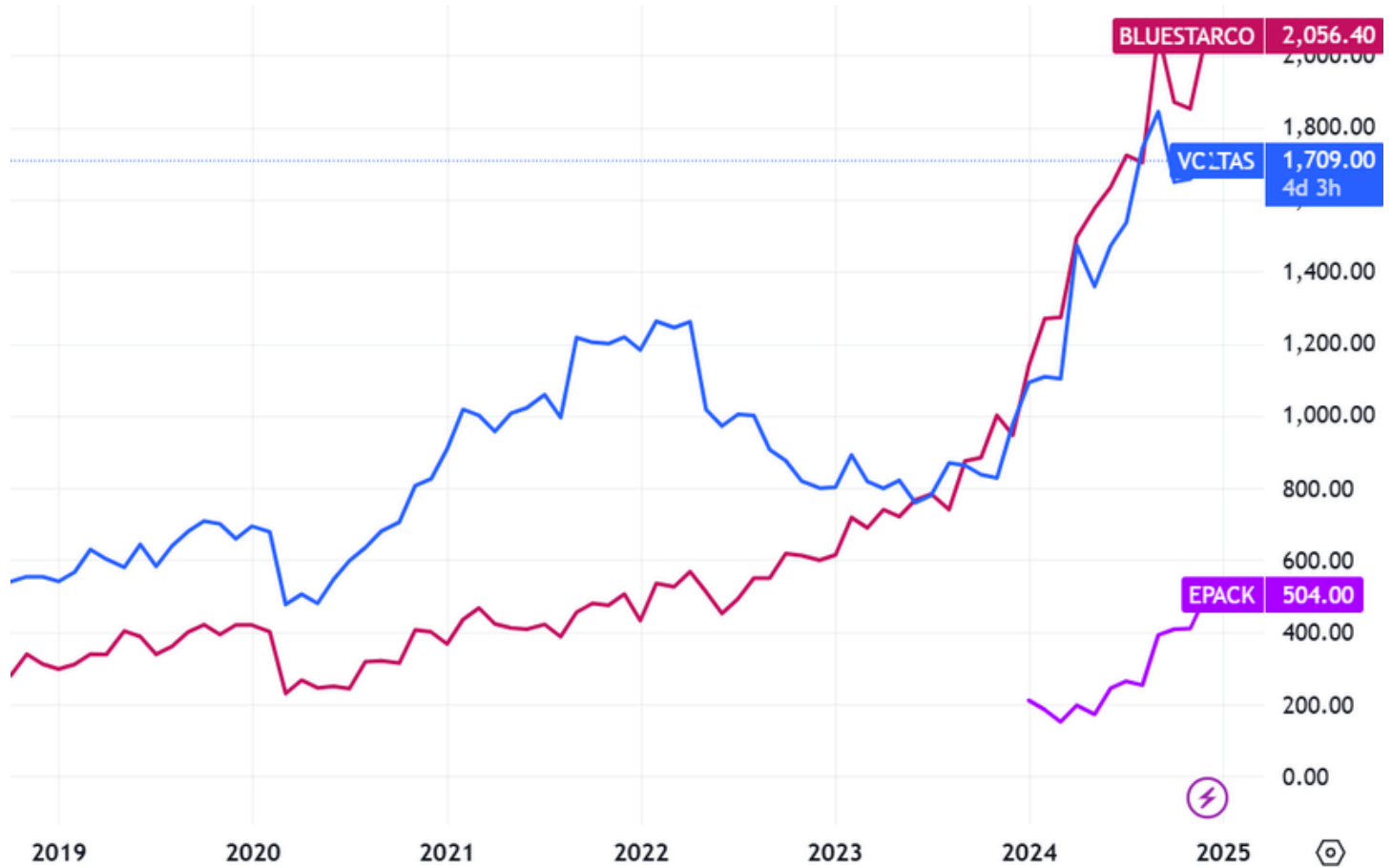
Rs. In Crs

■ Q1 FY 25

■ Q1 FY 24

Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Voltas	1708.70	102.74	56538.24	0.32	132.83	272.59	2619.11	14.23	8.51
2.	Blue Star	2025.70	79.33	41651.40	0.35	96.06	35.93	2275.96	20.40	25.51
3.	Epack Durable	501.00	100.90	4807.97	0.00	-8.49	-39.64	377.10	111.73	8.32
4.	Johnson Con. Hit	1767.00	114.72	4804.47	0.00	-30.05	32.27	396.28	41.45	-7.35

Source: Screener

Final Outlook

VOLTAS: BUY | LTP: 1,709

Voltas strategically aligns with government initiatives like 'Make in India' (for Room Air Conditioners), to seize growth opportunities. Recent investments in expanding greenfield and brownfield capacities for key product categories like air conditioners and commercial refrigerators, underscore the Company's proactive stance. Notably, capacity augmentation by 1 million units in Tamil Nadu and 2,50,000 Commercial Refrigeration units in Gujarat represents a significant capital expenditure ranging between ₹ 550-650 crores. In the journey towards self-sufficiency, Voltas aims to 100% backward integration of its selected RAC components. Further, Voltas continued to explore opportunities to manufacture most of the RAC components in-house.

Voltas is focused on expanding its product portfolio, particularly in commercial refrigeration, through collaborations like the technical license agreement with Vestfrost Solutions, Denmark. The stock's recent surge of over 120% in the past year reflects investor confidence, though it's worth noting that Voltas is trading at a relatively high price-to-earnings (P/E) ratio, which some may consider expensive.

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