CARRARO India

06th February, 2025

The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: 544320

The Manager,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

NSE Symbol: CARRARO

Sub.: Press Release.

Ref.: 1. Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"); and

2. Outcome of the Board Meeting dated 06th February, 2025 ("Outcome").

Dear Sir/Madam,

Further to the above-referred Listing Regulations and Outcome, we are enclosing a press release giving highlights of the financial results, both standalone and consolidated, for the quarter and nine months ended 31st December, 2024.

You are requested to take this intimation on record.

Thanking you,

Yours faithfully,
For Carraro India Limited

Nakul Shivajirao Patil

Digitally signed by Nakul Shivajirao Patil
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Nakul Shivaji Patil
Company Secretary and Compliance Officer
Membership No.: A39990

Encl.: As above.

Carraro India Limited

9M FY25 Consolidated Results – Press Release

- ✓ Total Income stood at INR 13,755 Mn**; marginal drop of 3% on Y-o-Y basis**
- ✓ EBITDA (incl. other income) stood at INR 1,375 Mn; **growth of 26% Y-o-Y basis with EBITDA margin at 10%**
- ✓ PAT stood at INR 645 Mn; **growth of 45% Y-o-Y basis with PAT margin at 4.7%**

Pune – 06th February 2025: Carraro India Limited, an independent Tier-I solution provider for axles, transmission systems, gears and other related components, has reported its unaudited financial results for the quarter & nine months ended 31st December 2024.

Financial Highlights:

Particulars (INR Mn)	Q3 FY25	Q3 FY24	Y-o-Y	9MFY25	9MFY24	Y-o-Y
Total Income	4,528	4,397	3%	13,755	14,109	-3%
EBITDA (incl. Other Income)	365	429	-15%	1,375	1,091	26%
EBITDA Margin (%)	***8.1%***	***9.8%***		***10.0%***	***7.7%***	
PAT	148	194	-24%	645	444	45%
PAT Margin (%)	***3.3%***	***4.4%***		***4.7%***	***3.1%***	

Operational Highlights:

Particulars (INR Mn)	Q3 FY25	Q3 FY24	Y-o-Y	9MFY25	9MFY24	Y-o-Y
Agricultural Equipment	2,048	1,993	3%	6,529	6,500	0%
Construction Equipment	1,987	1,800	10%	5,561	5,760	-3%
Others	452	554	-18%	1,543	1,698	-9%
Total	**4,487**	**4,347**	**3%**	**13,633**	**13,958**	**-2%**
Particulars (INR Mn)	**Q3 FY25**	**Q3 FY24**	**Y-o-Y**	**9MFY25**	**9MFY24**	**Y-o-Y**
Domestic	2,963	2,695	10%	8,958	8,854	1%
Export	1,523	1,653	-8%	4,674	5,104	-8%
Total	**4,487**	**4,347**	**3%**	**13,633**	**13,958**	**-2%**

Other Key Business Highlights:

- Strong Domestic revenue (excl. indirect exports) growth.
- Export business (both direct & indirect) continues to show weak demand, especially in the agriculture segment.
- Sales of 4WD axles for tractors below 50 HP have nearly doubled in Q3 FY25 compared to the same period last year.
- In Q3 FY25, Gears business has reported slightly declining sales compared to the same period last year.
- 2 new customers added soil compactor and backhoe loaders, expanding the client base in these segments.
- Started work with 2 electric tractor OEMs for drivelines.
- Started pilot batch supply of drivelines for teleboom handlers to OEMs.
- Total capex for 9M FY25 stood at INR 419 million of which INR 286 million was incurred in Q3FY25, with a significant portion towards maintenance capex.
- Launched engineering services business in Q2 FY25 with first revenue contract - a feasibility study for an electric tractor transmission design.
- Two more engineering service contracts are currently in the pipeline/under negotiation.

Commenting on the results Mr. Balaji Gopalan, Managing Director, Carraro India Limited said,

"In the first nine months of FY25, total income declined by ~3% year-over-year, mainly due to lower export offtake. While our domestic business remains strong, driven by robust demand for locally sold products, overall performance has been affected by weak exports (incl. indirect exports) through Indian OEMs. Domestic revenues (excl. indirect exports) grew strongly, while total domestic revenue saw a marginal increase of 1%. We anticipate sustained growth in the domestic market with an exception of the indirect exports business. The recovery in overall export business is expected to take a little longer.

On the profitability front, EBITDA for 9M FY25 stood at Rs. 1,375 million, compared to Rs. 1,091 million, a growth of 26% y-o-y basis, with margins expanding by 227 bps to 10.0%. This improvement was driven by operational efficiencies, strong emphasis on technology-led products and significantly lower royalties paid to the parent company. PAT for the period stood at Rs. 645 million compared to Rs. 444 million, a growth of 45% y-o-y basis, with margins expanding by 155 bps to 4.7%. We remain committed to long-term profitability, supported by continued investments in innovation and technology.

Turning to Q3 FY25, total income for the quarter stood at Rs. 4,528 million compared to Rs. 4,397 million in the same period last year. EBITDA for the quarter stood at Rs. 365 million, compared to Rs. 429 million in the same period last year. EBITDA margin was lower for this quarter, mainly due to reduced turnover discounts from suppliers, and the evolving nature of our technologies. PAT for the quarter stood at Rs. 148 million, compared to Rs. 194 million in the same period last year.

FY25 & Beyond….

Despite ongoing challenges, we remain confident in achieving strong domestic business growth in the current and upcoming financial years. We have initiated a supply of pilot batch of axles for teleboom handlers, expanding our product portfolio, and have added two new customers, further strengthening our clientele. Additionally, we are collaborating with two electric tractor OEMs on drivelines to stay future-ready while actively monitoring emerging technologies.

Our deep expertise in driveline requirements allows us to swiftly meet industry demands. By diversifying and localizing our supplier base, we aim to enhance our cost structure and margin profile. With strong R&D and manufacturing capabilities, we are focused on achieving our medium-term target of mid-teen EBITDA margin."

About Carraro India Limited:

Carraro India Limited established in 1997, is technology driven integrated supplier that develops complex engineering products and solutions for original equipment manufacturer ("OEM") customers. The Company is an independent Tier-I solution provider for axles, transmission systems, gears and other related components with in-house product design manufacturing capabilities which support the full value chain of services.

Part of the Carraro Group which designs, manufactures, and sells transmission systems (axles, transmissions, and drives) mainly for agricultural and construction equipment and off-highway vehicles. The Company's product is mission critical for their customers, as these products constitute important components of their customers final products.

Key Products & Applications are equipment like axles and transmission systems for agricultural tractors which include special requirements on technical specifications, use cases, and mechanical and structural design. It also manufactures construction equipment like gears and transmission systems for backhoe loaders, compact wheel loaders, telehandlers, cranes, forklifts, aerial working platforms, etc. The company also manufactures a diverse range of products beyond their core offerings of axles and transmissions for agricultural and construction equipment, which include additional products such as gears, shafts, and ring gears for industrial and automotive vehicles.

The company owns and operates two manufacturing plants in Pune with strong in-house R&D capabilities with proprietary IP rights to facilitate innovation of future-ready products. The driveline plant has technologies including casting, machining, assembly, prototyping, testing, and painting. The gears plant features machining and heat treatment technologies such as carburizing, induction, hardening, and nitriding. The company has well established network of +180 suppliers across 8 states in India, along with +55 suppliers internationally. It also enjoys longstanding relationships with marquee local and international supplier base.

Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For any further information please contact:

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