



7th August, 2024



India's Best Performing and Most Customer Centric PMS

Voltamp Transformers Ltd.

Founded in 1967 and headquartered in Vadodara, Voltamp Transformers Ltd. stands as a premier manufacturer in India's electrical industry. Specializing in a diverse range of transformers, including oil-filled power and distribution transformers up to 160 MVA and 220 kV class, as well as dry type transformers up to 12.5 MVA and 33 kV class, Voltamp Transformers Ltd. operates state-of-the-art facilities in Makarpura and Savli, Gujarat. With a robust manufacturing capacity of 14,000 MVA, the company is committed to delivering high-quality products that power industries across the nation.

Product Portfolio and Manufacturing Capacity: Voltamp's product range includes oil-filled transformers up to 160 MVA and 220 kV class, and dry type transformers up to 12.5 MVA and 33 kV class. The company operates four distinct units specializing in different types of transformers. Their facilities are equipped to produce high-capacity transformers with technical collaborations with MORA and HTT, Germany.

Technical Collaborations: The company has a strong international technical network, having partnered with HTT, Germany for cast resin (dry type) transformers, and PROCOM, Germany for aluminum foil winding technology. These collaborations ensure that Voltamp's products align with the latest technological advancements in transformer manufacturing.

Revenue and Client Base: In FY23, Voltamp generated 98% of its revenue from product sales and 2% from services. The company serves over 1,000 customers across diverse sectors such as power, oil refineries, textile, and chemical industries. Despite a high client concentration with 95% of sales to private sector entities, Voltamp's broad customer base mitigates risks associated with state government power sector undertakings.

Geographical Presence and Market Challenges: Voltamp's transformers are exported to several countries including Nepal, Bhutan, Sri Lanka, and various regions in Africa and the Middle East. The company faces challenges such as underutilized capacities, competition from domestic and international players, and fluctuations in currency and raw material prices.

Recent Developments and Investments: Voltamp recently amalgamated with Kunjal Investments Private Limited, which has been reflected in its updated equity shareholding. The company is debt-free and strategically invests its surplus funds in diversified portfolios, totaling Rs. 650 crores as of March 2023. Despite facing operational disturbances in the Savli plant, the company remains focused on maintaining its growth trajectory and operational efficiency.

Stock Data	
CMP	13,204 /-
52 Week High/Low	14600 / 4208
Face Value	10
Market Cap (In Crs)	13,359
Enterprise Value (In Crs)	13,418
NSE	VOLTAMP
BSE	532757
Bloomberg	VAMP:IN
Sector	Capital Goods - Electrical Equipment

Shareholding Pattern (in %)		
	June 24	Mar 24
Promoter	38	38
FII	27.28	24.84
DII	24.30	26.88
Government	0.07	0.07
Public	10.35	10.19

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	-0.11	10.80	24.49
VAMP	0.98	66.71	188.56

Key Ratios	
P/E	39.8
P/S	7.81
P/B	9.89
Debt To Equity	0.00
ROE	24.3
ROCE	31.6
Dividend Yield	0.67

Q1 FY 2025 Result Update

Q1 FY25 Result Comparison (In Rs Cr)					
	Q1 FY25	Q4 FY24	Q1 FY24	QOQ	YOY
Revenue	428	504	322	-15.08%	32.92%
Expense	352	403	274	-12.66%	28.47%
Operating Income	76	101	48	-24.75%	58.33%
Other Income	29	23	23	26.09%	26.09%
Depreciation	3	3	2	0.00%	50.00%
PBT	101	119	68	-15.13%	48.53%
PAT	79	94	51	-15.96%	54.90%
EPS	78.52	92.45	50.19	-15.07%	56.45%

Result Highlights

The Q1 FY25 financial results of Voltamp Transformers Ltd. present a detailed comparison with the previous quarters, showcasing significant year-over-year (YOY) growth alongside a quarter-over-quarter (QOQ) decrease in performance metrics.

In Q1 FY25, Voltamp reported revenue of ₹428 crores, reflecting a decrease of 15.08% from Q4 FY24, where the revenue was ₹504 crores. However, when compared to Q1 FY24, which had a revenue of ₹322 crores, there's an impressive increase of 32.92%. This indicates a strong year-over-year growth, highlighting an upward trend in sales despite recent quarterly fluctuations.

The company's expenses stood at ₹352 crores in Q1 FY25, down by 12.66% from Q4 FY24's ₹403 crores but up by 28.47% from ₹274 crores in Q1 FY24. This pattern suggests that while the company managed to reduce costs from the previous quarter, overall expenses have risen considerably over the past year due to increased operational activities or other factors.

Operating income for Q1 FY25 was ₹76 crores, a decrease from ₹101 crores in Q4 FY24, showing a 24.75% drop. However, compared to the previous year's same quarter, which saw ₹48 crores, there's a notable increase of 58.33%, reflecting enhanced operational efficiency or market conditions favoring the company's business model.

Other income remained relatively stable at ₹29 crores in Q1 FY25, compared to ₹23 crores in both Q4 FY24 and Q1 FY24, marking a consistent additional income stream for the company.

Profit Before Tax (PBT) and Profit After Tax (PAT) showed similar trends, with Q1 FY25 recording ₹101 crores and ₹79 crores, respectively, indicating significant year-over-year improvements but declines from the previous quarter.

Earnings Per Share (EPS) for Q1 FY25 was ₹78.52, down from ₹92.45 in Q4 FY24, but up significantly from ₹50.19 in Q1 FY24, demonstrating strong shareholder returns over the past year despite recent decreases.

Overall, Voltamp Transformers Ltd.'s latest financial results illustrate robust year-over-year growth in key financial metrics, though they have experienced some quarter-over-quarter declines. This suggests that while the company may be facing some short-term challenges, its long-term trajectory remains positive, buoyed by substantial increases in revenue, operating income, and profitability compared to the previous year.

Concall Highlights

Robust Financial Performance and Industry Demand: Voltamp Transformers has exhibited a robust financial performance, marked by a significant 32.9% year-over-year increase in revenue, coupled with an EBITDA margin expansion of 281 basis points to 17.7%. This growth is underpinned by ongoing investments in infrastructure, with a focus on sectors critical for energy security and the transition towards renewable energy. The company's performance is further buoyed by robust sales in oil & gas and commercial real estate sectors, indicating a broad-based demand across various segments. The healthy enquiry pipeline across various industries such as Data Centers, Metals & Steel, and Green Energy further supports sustained demand.

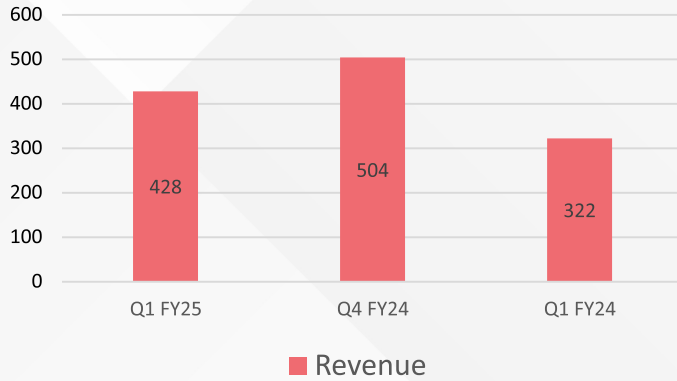
Strategic Capacity Expansion: To address the increasing demand for transformers, Voltamp has strategically planned to augment its capacity by 6,000 MVA in power transformers over the next 5-6 years. This expansion is intended to enhance the company's production capabilities and maintain its leadership in the transformer manufacturing sector. This initiative reflects Voltamp's commitment to scaling operations in line with market needs and future growth projections. By bolstering its manufacturing capabilities, Voltamp aims to meet the expected surge in demand efficiently, ensuring timely delivery and maintaining quality standards.

Challenges Amidst Growth: While Voltamp continues to thrive, it faces challenges that could impact its cost structure and profit margins. The rising costs of industrial metals and supply chain issues, particularly with CRGO materials, pose potential risks. Moreover, the transformer market is becoming increasingly competitive, both from regional players and revived companies, which could pressure pricing and margins in the coming years. Additionally, the global economic fluctuations and potential tariffs could further complicate the market dynamics, requiring Voltamp to adapt its strategies accordingly.

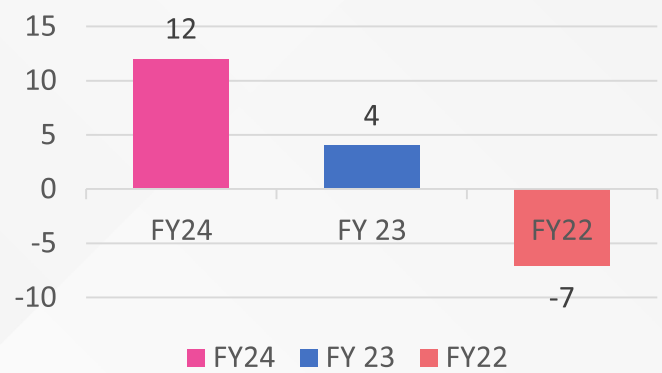
Operational Efficiency and Competitive Edge: Voltamp has successfully maintained a low-cost operational structure, reducing other expenses to about 6% of sales in FY23, significantly lower than previous years. This cost efficiency has not only improved its EBITDA margin but also positioned Voltamp favorably against competitors. The company's status as a preferred supplier to industrial heavyweights like Siemens, L&T, and Reliance further strengthens its competitive edge in the market. This preferred status stems from Voltamp's consistent quality and reliability, which are critical factors in securing and maintaining large contracts in highly competitive industries.

Financial Health and Strategic Management: Voltamp's solid financial standing is evidenced by its debt-free balance sheet and consistent free cash flow generation, which are indicative of prudent financial management and operational efficiency. The company's strategic decisions, including capacity expansion and cost management, have positioned it well to capitalize on future market opportunities while maintaining financial stability and operational excellence. Voltamp's forward-looking approach, focusing on innovation and market adaptation, ensures it remains a key player in the transformer industry, ready to meet the evolving needs of its diverse clientele.

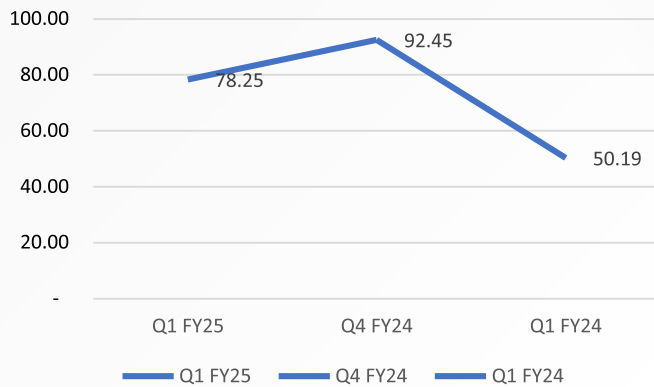
Revenue (In Cr)



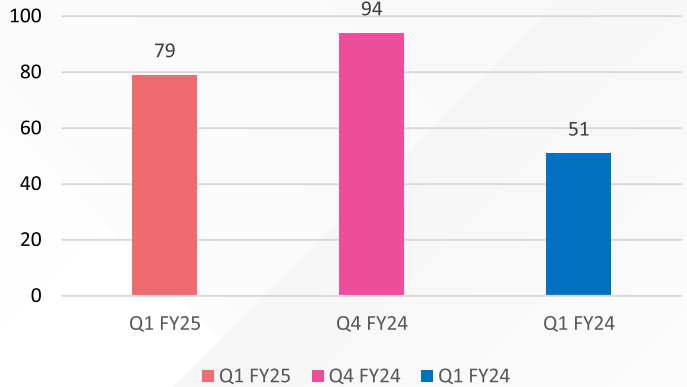
Cashflow(In Cr)



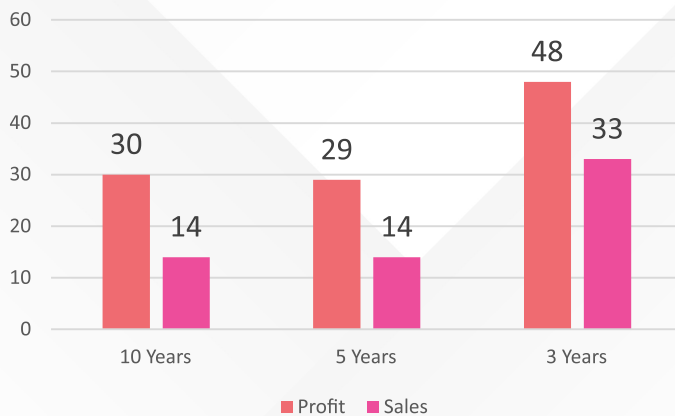
EPS



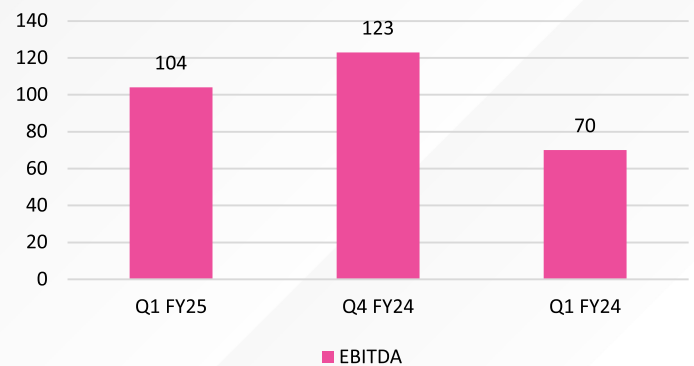
PAT (In Cr)



Compounded Growth (In %)



EBITDA (In Cr)



Technical Outlook



Voltamp Transformers Ltd.'s stock performance, showcasing an upward trend within a price channel. The stock displays notable price fluctuations marked by daily trading candlesticks.

Moving Averages (SMA and EMA) across various timeframes (5 to 200 days) indicate a stable trend, with closely aligned values suggesting consistent pricing.

The Relative Strength Index (RSI) readings—daily at 59.04, weekly at 66.93, and monthly at 86.79—highlight varying degrees of momentum, with stronger values in longer intervals, reflecting the stock's robustness without suggesting specific future movements.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	13366.7	13207.5
10	13080.0	13047.7
20	12560.2	12689.9
50	11802.9	11936.5
100	10855.4	10883.6
200	8664.7	9207.0

Pivot Levels : FIBONACCI			Daily	Weekly	Monthly
R1 13344.4	Pivot 13124.75	S1 12905.1	Relative Strength Index (RSI) 59.04	66.93	86.79
R2 13480.1		S2 12769.4			
R3 13699.75		S3 12549.75			

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