



“IKIO Technologies Limited
Q3 & 9 Months FY26 Earnings Conference Call”
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MR. SANJEET SINGH – WHOLE TIME DIRECTOR – CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER – IKIO TECHNOLOGIES LIMITED

MODERATOR: **MR. SUYASH SAMANT – STELLAR INVESTOR RELATIONS ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to IKIO Technologies Limited Q3 and 9 Months FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suyash Samant from Stellar Investor Relations Advisors Private Limited. Thank you, and over to you, sir.

Suyash Samant: Thank you and good afternoon, everyone and thank you for joining us today. We have with us today the senior management team of IKIO Technologies Limited. Mr. Hardeep Singh, Chairman and Managing Director; Mr. Sanjeet Singh, Whole-Time Director, CEO and CFO, who will represent IKIO Technologies Limited on the call.

The management will be sharing the key operating and financial highlights for the quarter and 9 months ended 31st December 2025, followed by a question-and-answer session. Please note this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today.

These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statement to reflect developments that occur after a statement is made. I now hand over the conference to Hardeep Singh. Thank you, and over to you, sir.

Hardeep Singh: Thank you all for joining the Q3 and 9-month FY '26 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 highlight a few key developments before handing over the call to Mr. Sanjeet Singh for further details.

First of all, to begin with business performances in Q3 FY '26, the company continues to diversify its business mix while sustaining strong revenue momentum, delivering 20% year-on-year growth to INR146 crores. For 9-month FY '26, the revenue increased 15% year-on-year to INR430 crores, driven by a broader customer base and expand product portfolio and enhanced geographical presence.

Building on this momentum, the other businesses segment maintained a robust growth trajectory, increasing 33% year-on-year to INR101 crores in Q3 FY '26 and 46% year-on-year to INR298 crores in 9 months FY '26. In line with our diversification strategy, new products categories including hearable, wearable are gaining steady traction, supported by new clients wins with sustained demand momentum.

From geographical perspective, performance were led by strong demand in Middle East, particularly Dubai. Consequently, the revenue from outside India rose 57% year-on-year to INR90 crores in 9 months of FY '26 despite macro headwinds in the U.S.A. amid of tariff uncertainty.

To further strengthen our market presence, the acquisition of a stake at 88% stake in Gravus Tech has enhanced company's marketing and distribution capabilities on high lighting products, enabling us to leverage experience leadership to expand market reach with minimal capital outlay.

As a result of these initiatives, revenue contribution from the other businesses segment increased from 70% in Q3 FY '26 from 63% in Q3 FY '25 and to 69% in 9-month FY '26 from 55% in 9-month FY '25, reflecting successful diversification beyond home lighting ODM, the position of the company for sustainable growth.

Now I will request Mr. Sanjeet Singh to provide his thoughts on the quarter and discuss the financials. Thank you.

Sanjeet Singh:

Thank you, Hardeep ji. Allow me to highlight the key strategic initiatives undertaken during the quarter and the 9 months ended, aimed at accelerating growth along with updates on the strong progress achieved.

Starting with our global footprint, revenue from outside India increased to INR90 crores in 9 months FY '26, up 57% year-on-year and now accounts for roughly 21% of the total revenue achieved despite a slowdown in the U.S. amid tariff uncertainty. Building on this, the Gulf market continues to deliver strong momentum, led by new client additions, while the Dubai market continues to scale up and gain traction.

Alongside geography, we are also strengthening our product diversification, our entry into hearables and wearables, including products like earphones, smart watches, speakers, has been well received with growing demand supported by new client orders. Moving to our greenfield manufacturing project.

Our 5 lakh square feet facility is progressing well. Block I, which is 2-lakh square feet was commercialized in May 2024 and civil construction for Block II, roughly 2 lakh square feet is complete and is ready to start operational activities. Finally, we continue to deepen our focus on backward integration and operational excellence aimed at improving margins, maintaining quality and driving cost efficiencies across the organization.

Now coming to our financial performance and the utilization of our IPO proceeds. The company sustained strong growth momentum in quarter 3 FY '26 and 9 months FY '26 with revenue increasing 20% year-on-year to INR146 crores. For 9 months FY '26, revenue stood at INR430 crores, reflecting a 15% year-on-year growth.

In quarter 3 FY '26, EBITDA increased by 47% year-on-year and 19% quarter-on-quarter to INR22 crores with EBITDA margin expanding to 15%, an improvement of 280 basis points year-on-year and 383 basis points quarter-on-quarter. In quarter 3 FY '26, Profit after tax grew 38% year-on-year to INR11 crores with PAT margin expanding to 7.4%, up 98 basis points year-on-year and 76 basis points Q-on-Q.

Cash PAT increased 27% year-on-year and 3% quarter-on-quarter to INR19 crores. As we scale up for the next phase of growth, we have front-loaded certain strategic expenses, which are

currently elevated. We expect these costs to normalize as we achieve greater scale and realize economies of scale. The IPO proceeds were utilized in line with our stated objectives. Debt repayment was completed immediately post IPO.

Block I is now operational and civil construction for Block II is ready to start operational activities. We have deployed approximately 83% of the IPO funds and remain on track to fully utilize the balance within the committed timeline. In conclusion, our focus on diversification, global expansion and strategic investments strengthens our foundation for sustained growth.

With that, we conclude the presentation and request the moderator to open the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Nilesh Sharma from Anantnath Skycon Private Limited. It seems that the participant has left the queue. Please wait. Our first question comes from the line of Deepak Karwa, an Individual Investor. Please go ahead.

Deepak Karwa: My question is regarding EBITDA and margin have shown a steady meaningful improvement over recent quarters. What have been the key contributor to expansion? And what would you consider a sustainable EBITDA margin over the medium term?

Sanjeet Singh: Mr. Deepak. Thank you for asking this question. Yes, as you can see, the gross margins have improved. And if you look at the EBITDA margins also, they are now seeing an upward trend. So this is in line with our expectation. So the drop in the EBITDA margins earlier were due to the onboarding of expenses, which we've been highlighting in the previous earning calls as well.

And that was expected because onboarding of expenses for a lot of new product categories, new factory that we have set up were happening. And these were the reasons why the margins were sort of shrinking. So now that upward trend is basically happening due to the efficiencies that we are achieving and also the revenue that we see is increasing.

So the new verticals have started giving in the revenue, although they are still new, I wouldn't call them these numbers as the trend going forward, we still hope to see some more improvement to happen in the coming quarters as we gain more and more traction in the new verticals.

Deepak Karwa: Okay. Got it, sir. And sir, my like the Gulf region, the presentation indicates a healthy performance in the Gulf region. Could you quantify this performance include a breakup between U.S. and Middle East markets?

Sanjeet Singh: So as you know, currently, the tariff situation in the U.S., so our exports from India are very, very minimal as of now to the U.S. market. So whatever contribution has happened to -- from the export unit in India is mainly to the Gulf market. And if I talk of the U.S. market, we still had stocks.

We still have stocks there in the U.S. market, which we continue to liquidate. That is because when this situation regarding tariff came up, so that is when we planned some material, and that

is something which is ongoing as of now. But going forward, we definitely hope to see some improvement in the tariff situation.

But fortunately, our timing with the Middle East subsidiary was in our favor, and that is how we are still able to maintain that growth, which we highlighted during the presentation, which is outside of India. So all thanks to our Middle East operations, that has continued the momentum going forward.

And yes, so this FTA that India has signed with Europe, we believe that this is going to positively affect the relation with U.S. also. And hopefully, in the coming near future, we'll see some reductions in tariffs and likewise, the material again from India will continue to flow to the U.S. market.

Deepak Karwa: Okay. So like we are actively pursuing diversification into markets such as U.K. and EU?

Sanjeet Singh: Actually, honestly speaking, not because of the FTA, but we were also planning to enter in the European markets. We are taking some baby steps as of now, I would like to say that we are taking some baby steps. So maybe in a couple of quarters, you will hear something from us. But as of now, I don't want to talk about something where we are just planning to do something.

But then again, this was again planned before the announcement of this FTA. So we plan to take our -- the business that we are doing in the Middle East, now we plan to take it to other parts of the world and Europe being one market where we had initially thought. So this is something that we are thinking of right now.

Moderator: Our next question comes from the line of Nilesh Sharma from Anantnath Skycon Private Limited.

Nilesh Sharma: Congratulations on improvement of margin. Sir, my question is when we can expect the next 2 lakh square feet facility will be started?

Hardeep Singh: It is already -- the construction is finished and the assembly lines are coming in, and we are waiting for some government approvals. I think by end of this coming quarter, it will be finished from Q1 '27, it will be done.

Nilesh Sharma: But sir, same status was in last con call that construction and assembly line...

Hardeep Singh: What happened because of this...

Sanjeet Singh: NGT, the...

Hardeep Singh: And from Diwali onwards, there is a NGT going on in this part of India. Construction time. So we cannot do anything. So that is the only problem.

Sanjeet Singh: But our interior works were still going on and that -- the progress is still in line with what we were expecting. So by quarter 1, the commercialization should start. I mean the commerce production should start in the Block II.

- Hardeep Singh:** Because all the assembly lines and everything already done.
- Nilesh Sharma:** Okay. And sir, which kind of product we are going to produce at that -- these assembly line? And for which vendor?
- Hardeep Singh:** So here, we are entering with the -- like coming up with the expansion of our wearable, hearable as well as automobile lighting.
- Nilesh Sharma:** Okay. So do we have any order in hand regarding automobile lighting?
- Hardeep Singh:** Yes. Yes. We already started -- this month, we have already started delivering the products to all the four, five big customers. So it is taking a very big momentum.
- Sanjeet Singh:** So this month actually is going to be our first month for actual sales. Up until now, we were doing prototyping and all these things for all four, five customers, who are majority stakeholders when it comes to the products, which -- in which we are -- we'll be supplying to them. So that was already underway since the past two, three quarters.
- And this month is going to be our first month. Again, volumes are going to be relatively small because we are just starting, but we have a very good pipeline going forward, the discussions that we are having with these brands. So Block II, we'll be utilizing for the hearable, wearable expansion and also the automotive.
- Nilesh Sharma:** Okay. Sir, any number that you can -- definitely, it is at a very initial stage, still any number we are expecting for this first quarter of automobile component?
- Hardeep Singh:** Quarter-on-quarter, you will be knowing the numbers, the incremental numbers because we cannot say anything here. So once you -- either you can visit us or you can see that the development, what kind of development, so you can see the infrastructure, what kind of infrastructure, and we are...
- Nilesh Sharma:** Sir, definitely I've visited your factory, that's why -- I've visited the factory, and it is definitely a fabulous infrastructure...
- Hardeep Singh:** No, no, it already started. So the numbers will be good. We cannot give you any forward numbers. So numbers will be good.
- Nilesh Sharma:** Okay. And sir...
- Sanjeet Singh:** So maybe the budget that we provide in the next year, we'll try and give some idea regarding what is the expectation out of this vertical.
- Nilesh Sharma:** Okay. And sir, what will be the percentage of export in coming years?
- Hardeep Singh:** It is increasing like Mr. Sanjeet told you that the Middle East, we are doing very good, and that branch is expanding their arms in Europe as well because of this FTA signed by the government. So we are very positive about the growth in exports as well.

- Nilesh Sharma:** Okay. Sir, any major capex that we required?
- Hardeep Singh:** Right now, we have already done a lot of -- we have to see the fruit what we have invested first.
- Sanjeet Singh:** So now it is time to reap our benefits of what we've been investing. So like automotive, again, billing will start. So that is going to add to the revenue going forward. So all these new categories, we've been spending a lot of money in the back end. But now I think it's time to -- these will -- and the numbers will definitely -- you will get to have an idea. So the growth that we are seeing right now, 20% and 15%, which is quarter-on-quarter and year-on-year. So that sort of reflects that the initiatives that we have taken are -- have somewhat now started to give the results.
- Nilesh Sharma:** Okay. And similar EBITDA margin we can expect in automotive as well?
- Sanjeet Singh:** So all different verticals. So what you see right now is the consolidated number. So each vertical, we have different EBITDA margins, some are lower than the average, what you see right now, some are higher. But automotive, what I can say is that it's definitely going to be similar to what we are achieving right now on the consolidated level. So it's only going to add up to the EBITDA.
- Nilesh Sharma:** Okay, sir. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Sanjay Sood, an Individual Investor. Please go ahead.
- Sanjay Sood:** Kindly let me know which all customers you have added in last quarter?
- Hardeep Singh:** Say again?
- Sanjay Sood:** New customers you have added in last quarter?
- Hardeep Singh:** So new -- as we told you that like in automobile, all the four, five big customers, we are the Rock, we are Matherson and so on, we cannot -- like some we have signed some NDAs with them as well. So we cannot disclose all the names here, but all major -- and we are the first company in India to make those products in India.
- So that is how all these multinational and the Indian companies are approaching us. And we are also participating in a big way in this month only in Automechanika which is coming in Delhi NCR. So we are participating in a big way in that exhibition as well. So there, we are working on all the electronics of automobiles and lamps and so on and lighting. So we are working multiple, even we have developed all our EV chargers as well. So the things are there for that market we have.
- Sanjeet Singh:** And in fact, for the in-store lighting division, we -- it's a constant effort that we keep on adding brands that we work for. So in India, we are working for, I believe, more than 150-odd brands. And in the Middle East, it's again, a steady progress. We are adding new customers, I would say, each month. So today, we are -- if I'm not wrong, we are supplying to more than 50 to 70-odd brands in the Middle East.

So it's a constant effort. And each month we are adding new and new customers in the retail store lighting division as well. And like Hardeep sir mentioned in the automotive. So automotive, it's a long cycle when you approach a brand approvals and everything. So we have done all the hard work, and that is how the production will start from this month.

Sanjay Sood: Okay. And present order book from Honeywell, if you can...

Hardeep Singh: Yes. We -- they already approved all the products and because there are a lot of certifications and approvals were there. So we got already, and we have started getting the orders also. Orders, order booking, everything is started now.

Sanjeet Singh: So all these brands generally work on planning rather than an order book. So whenever we start a new product category or a new product for any brand, so we always have an idea what are the volumes the brand is looking at for the entire year. And once the product is ready, they start then placing orders and start giving us the planning for, let's say, next 6 months or 3 months. So that is how these brands generally work.

Sanjay Sood: Okay. And where can I find your product in the market, say, for hearables or wearables because brands, we don't know, which brands you are making these items...

Hardeep Singh: We are working with all. Again, we have signed up NDAs. So we are working -- there are 4 or five major brands in India. We are working all of them -- for all of them.

Sanjay Sood: Okay. Thank you. That's all.

Moderator: Thank you. Our next question comes from the line of Charchit Malu, an Individual Investor. Please go ahead.

Charchit Malu: I'm with the company. So I just wanted to understand regarding the new capex that we are doing. So like out of this 2 -- out of like from Block II, what is the percentage we are using for auto?

Sanjeet Singh: So out of the Block II, nearly around 60% of the space, we are allocating to the hearable, wearable segment because the current space was way too small for -- for the kind of demand that we are seeing now. So we didn't anticipate this kind of growth, to be honest. So 60% of the space is going for the hearable, wearable and remaining 40% right now will be for the automotive. And in automotive, it includes your electronics as well and also the automotive lighting that we have.

Charchit Malu: Okay. And like what kind of optimal utilization we can achieve? And like what's the duration of that?

Sanjeet Singh: So if I talk of optimum utilization for hearable, wearable, it's going to be, let's say, to begin with because we'll be shipping the entire operations here. So from day 1, they should be anywhere close to around 60% of their optimal utilization around 60% from what I understand. And if I talk of the automotive, that is going to slowly scale up because that is a completely new vertical. So the 40% space that the automotive will take up. I think within the next 6 months, they should be somewhere close to around 40% to 50% efficiency of utilization in the next...

- Charchit Malu:** So like so we are saying like from Q1 F '27, we will be using 60% of the hearable, wearable. And like after that and post that 6 months down the line, 40% will be electronics? Are we seeing that?
- Sanjeet Singh:** Yes. So 60% is going to off the space. 60% of the space is being allocated to hearable, wearable, and they will be somewhere close to around 55% to 60% of the optimal utilization in the first quarter next year. And then 40% of space that we are -- will be utilizing for the other 2 segments that I mentioned. And because that's a completely new segment, so optimal utilization will happen in the -- maybe two to three quarters. So to begin with, it's going to be relatively -- the utilization is going to be lower. But by two to three quarters, it should touch somewhere close to around 40% to 45% or 40% to 50% of utilization.
- Charchit Malu:** At max, where we can reach?
- Sanjeet Singh:** In terms of utilization you're saying?
- Charchit Malu:** Utilization, yes?
- Sanjeet Singh:** So hearable, wearable should that somewhere around 80% because it's a volume-driven business, 80% to 85%. And again, likewise, for the automotive, it's again volume driven, it's going to be volume driven. And that also, I think it should touch somewhere close to around 80%, 85%.
- Moderator:** Our next question comes from the line of Ravi Singh, an Individual Investor.
- Ravi Singh:** So first of all, congratulations on a good set of numbers, sir.
- Sanjeet Singh:** Thank you, Mr. Ravi.
- Ravi Singh:** Yes. So my questions were on the line of gross margins. So they have particularly recovered to around 44% after being in the mid-30s overall, the last 2 quarters. So how sustainable is this level going forward for us?
- Sanjeet Singh:** So looking at our current business mix and the plan that we have in the coming quarters, what we believe that our sustainable gross margin should anywhere be between 40% to 45%. So that is what we expect from the business. And going forward, we have certain plans. And once we achieve operational efficiencies in the newer verticals, so that is where the EBITDA and PBT margins are going to expand going forward.
- Ravi Singh:** Right. Okay. So on the similar lines as means our consolidated performance also remains strong, while the stand-alone numbers appeared a bit weaker. So some light on that. So what factors could be impacting our stand-alone performance and how is it expected to evolve?
- Sanjeet Singh:** So basically, if you look at the stand-alone numbers, that pertains to the ODM lighting business, which we have discussed in length in the previous earnings call. So basically, in a nutshell, as you know that our business in the ODM segment was -- we were only manufacturing for a single customer.

So that was happening since the past 13, 14 years, I think a little longer than that. But now we are focusing on other customers also. In fact, we have onboarded 4 to 5 new brands. Again, it's a tedious process, but a lot of hard work has already been done and we have started manufacturing for two or three of them already.

But again, to bring in the volumes, the numbers it will take some time. And most of that right now -- most of that right now is happening in our subsidiary company. So going forward, for the stand-alone, we have certain plans, which we will share by the end of the financial year. We have certain plans of how we intend to do what verticals in the stand-alone company.

And so we are just sort of rejigging that internally. And by the end of this year, we'll give you more clarity in the fourth quarter. We'll give you more clarity on how this is going to proceed. But that will not affect the consolidated numbers. So as a company, what we are doing, the gross -- where we are currently in terms of gross and EBITDA margins and like on your question, what I mentioned regarding our sustainable gross margins and how EBITDA and PBT are going to slowly expand once we achieve efficiencies.

So that is not going to affect the overall performance of the company. But yes, definitely, we are just discussing internally how to rejig and what we are doing, the verticals that we are currently handling. So we'll sort of bring in some new verticals in the standalone companies. And you'll get to know that in -- by the end of the year.

Ravi Singh: Right. Okay. So 1 more question, which I had regarding was the acquisition which we did, the Gravus Tech. So the group had acquired to strengthen the marketing and distribution of our products. So basically, it means, could you share some details on the rationale behind this and whether this acquisition implies higher marketing investments going forward or something?

Hardeep Singh: No, it is not that because this is actually a new company with the experienced team. So they are into high-end lighting, indoor and outdoor. So that is how we acquired that company.

Sanjeet Singh: So that is just to leverage the experience and the expertise that they already have in the distribution of high-end lighting products. So very premium lighting products. And this is in line with what we were planning and what we are already doing with some of our new product categories where we are -- again, in the B2B segment, we are working with consultants, architects and that particular segment.

So this is going to give a boost because of the experience and the expertise that the new team, where we have acquired 88% stake. So that new team is definitely going to help us in capturing more of this part of the market, which is the premium end of lighting, which is primarily handled by your consultants, lighting designers, architects. So that was the whole rationale behind that.

Ravi Singh: Okay. One last question, which I would like to ask is the Dubai market basically currently seems to be progressing well. So can we, going forward, win more clients, particularly in the Middle East?

- Hardeep Singh:** Yes. We are working very strong on that. We are expanding there with the teams and we started with the home lighting in the retail in-store lighting, but now we are expanding to the home lighting it as well there.
- Moderator:** Next, we have a follow-up question from Sanjay Sood an Individual Investor.
- Sanjay Sood:** Yes. What is our current standing regarding this PLI scheme, if you can share something?
- Hardeep Singh:** Actually, we have applied for that. But this year, we are -- from next financial year, we are going to take the advantage of that.
- Sanjay Sood:** And what is that advantage in terms of numbers?
- Hardeep Singh:** It will be almost 5% of that, Sanjeet?
- Sanjeet Singh:** So around 4%, 4.5% amounting to a value of somewhere around INR5 crores to INR6 crores. So that is going to be for the next year. So for next year, we are in line with what is expected out of -- the revenue, which is expected out of the PLI scheme in order to -- I mean, earn that advantage.
- Sanjay Sood:** Okay. Thank you so much.
- Sanjeet Singh:** Thank you, Mr. Sanjay.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Hardeep Singh for closing comments.
- Hardeep Singh:** Thank you all for making it our quarterly earnings call for quarter 3 FY '26. If there are any further queries, please feel free to reach out to Stellar IR Advisors. Thank you again to everyone and have a nice day. Thank you very much.
- Moderator:** Thank you. On behalf of IKIO Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.