



“Wonder Electricals Limited  
Q2 and H1 FY25 Conference Call”  
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**MODERATOR:** **MR. BHAVYA AGARWAL -ADFACTORS PR**

**Moderator:** Ladies and gentlemen, good day and welcome to Q2 and H1 FY25 Conference Call of Wonder Electricals Limited. 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 the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Bhavya Agarwal from AdFactors PR. Thank you, and over to you, Mr. Bhavya.

**Bhavya Agarwal:** Good afternoon to all participants joined on this call. A very warm welcome to our Q2 and H1 FY25 earnings conference call. To guide us through the results today, we have the senior management team of Wonder Electricals Limited, headed by Mr. Yogesh Sahni, Promoter and Managing Director, and Mr. Harsh Kumar Anand, Promoter, Director, and Chairman.

Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. The actual results may vary as they are dependent on several external factors. With that said, I would now hand over to Mr. Yogesh to share his comments. Over to you, sir.

**Yogesh Sahni:** Yes. Good afternoon, everyone, and thank you for joining Wonder Electricals Limited's maiden earnings conference call. Since this is our first earnings call, I would like to take you through our Company's journey, after which we shall discuss our quarterly and half-yearly performance. Wonder Electricals Limited was established in 2003 as Wonder Fibromats as a mattress manufacturer, and in 2009, it was incorporated as Wonder Fibromats Private Limited with a focus on manufacturing high-quality fans of different kinds.

We, however, started manufacturing our fans in 2014. It was in 2018 that we became a public-limited company, and in 2019, we came out with our IPO. Over the years, we have emerged as one of India's leading OEM and ODM fan manufacturer with a diverse product portfolio, which includes TPW fans, ventilating fans, heaters, and kettles. We supply to a number of India's top brands and operate from three strategically located manufacturing facilities in Roorkee, Haridwar, and Hyderabad, spanning over 3 lakh square feet.

These plants have a combined production capacity of over 12 million units per year, making us one of the most capable fan producers in the country. We have demonstrated consistent growth driven by our commitment to quality, innovation, and customer satisfaction. Our in-house manufacturing capabilities and dedicated R&D team have created efficiencies that set us apart, allowing us to maintain low turnaround time, and this has been one of our core strengths. This has enabled us to expand our customer base.

We hope to increase volumes with our present buyers, as well as add new buyers as we go forward. Coming to the industry, the Indian fan market is experiencing strong growth, fuelled by rapid urbanization and increased residential construction. Initiatives like PM Awas Yojana, which aims to expand affordable housing, provide us with a direct opportunity to meet the rising

demand for the same, particularly energy efficient options like our BLDC fans, which align with the evolving preference of modern consumers.

Furthermore, demand for fans of all kinds is increasing, driven by multi-fold growth in construction, both residential and industrial. Besides, with rising disposable income, young demographics, and increasing awareness for quality products, we are confident that we will grow as reflected this year. I'm happy to share that Wonder Electrical is well positioned to address these needs with our broad product offerings.

To make the most of these market opportunities, we are dedicated to lead the industry with our range of energy efficient BLDC fans, and are capable of offering products across all star ratings, that is one to five. Additionally, we aim to expand our TPW and ventilating segments to meet the diverse requirements of our growing customer base. Our robust vendor network strengthens our supply capabilities, and as demand continues to grow, we plan to strategically expand our production capacity over time to stay ahead of the evolving market trends.

Now coming to our financials, In the first half of financial year 2025, our revenue reached INR361 crores, reflecting a 101% increase year-over-year. Additionally, our EBITDA margins improved to 2.68%, underscoring our focus on operational efficiency and cost management. We sold 32.95 lakh units in H1 financial year 2025, compared to 15.98 lakh units in H1 financial year 2024, highlighting our robust demand and market presence.

Products such as electric heaters and kettles have been added with a view to diversify our portfolio, as well as to cushion the off-season in fans. The product mix will position us to capture the emerging market opportunities and cater to evolving consumer needs. Mr. Bhavya, you can take it on.

**Bhavya Agarwal:**

We can open the floor for Q&A.

**Moderator:**

Thank you very much. We will now begin the question and answer session. We have our first question from the line of Neha Jain, an Individual Investor.

**Neha Jain:**

I just wanted to understand, who are our top five customers and how much do they contribute to the revenue?

**Yogesh Sahni:**

We will not be able to list our top five customers. We will not be able to list out the customer's name due to signing of confidentiality agreements.

**Neha Jain:**

Your voice is cracking. It's not audible.

**Yogesh Sahni:**

I said, we will not be able to list out customer names as we have confidentiality agreements but can state that the numbers are well spread over all our customers.

**Neha Jain:**

Basically, there is no concentration on any top customers that we have? No.

**Yogesh Sahni:**

The idea is to spread our customer base and not be dependent on any single customer.

**Neha Jain:**

Also, for these customers, what kind of contract do we have?

- Yogesh Sahni:** We have a year-on-year contract going. The long-term understandings are such that once we start with a company, we are usually confident that they will continue with us over the years.
- Neha Jain:** Do we have any niche or anything which makes them stay with us for a longer period of time? How do we convince them to renew their contract on a yearly basis?
- Yogesh Sahni:** Pardon? I missed out the last portion.
- Neha Jain:** How do we convince them to renew their contracts on a yearly basis? What is our niche?
- Yogesh Sahni:** We have been in this industry for the last few decades. Parties who deal with us know that they can depend on supplies as and when they need them. Dependence upon us and our commitment towards both quality, quantity and timely delivery builds a relationship which has, in most cases, not only grown but has lasted well over the years.
- Neha Jain:** What would be the stickiness of our customers? What would be the highest speed of time that they have been our customers for?
- Yogesh Sahni:** I'm sorry, your voice is breaking a little.
- Neha Jain:** Sir, I'm checking that what is the stickiness of our customers? How long typically our customers stick along?
- Yogesh Sahni:** Most of the customers who have started with us are with us even till date. I'm proud to say that you can say except for one customer who gave up in between, all of them have continued with us and the one who gave up was more because they started their own unit.
- Neha Jain:** Got it. So that would be like say 20-25 years if I'm not wrong?
- Yogesh Sahni:** It's an ongoing arrangement, I cannot give you a timeline as to how long they will continue but most of the buyers have continued with us so far and I'm sure that they will over the years. It's basically a delivery arrangement where we keep them satisfied.
- Neha Jain:** Got it. And lastly about the BLDC fans, what is the current contribution in our portfolio and how do we see it panning out going further?
- Yogesh Sahni:** One, the BLDC quantities are only growing and over the years, with the coming times I'm sure it will increase. In the first half of financial year 2024, we had done only 60,000 fans and this year we have done 235. So the growth is about 291.6%. I'm sure that this percentage will not be maintained but the numbers will surely grow.
- Neha Jain:** So what is that in terms of contribution to our revenue?
- Yogesh Sahni:** What is it in terms of contribution to the revenue? I don't have the exact figure but if required we can share with you over a period of time.
- Neha Jain:** Sure, sir. And just wanting to understand what kind of margins do these fans generate? It's a higher margin business, if I'm not wrong.

- Yogesh Sahni:** BLDC generally gives you a slightly better margin and as the numbers keep increasing I'm sure the margins in this particular product will also increase.
- Moderator:** Thank you. The next question is from the line of Sopan Parikh, an Individual Investor. Please go ahead.
- Sopan Parikh:** I have a few questions. The first question is, what differentiates Wonder from their competitors?
- Yogesh Sahni:** We are an ODM manufacturer and do not really chase the competition. We stay ahead with our R&D which is always delivering new models as per changing times. Besides, we produce quality products and our growing numbers does reflect the confidence of our buyers. Not out of place to report that we are perhaps one of the only listed companies in this space and that differentiates us from the competition.
- Sopan Parikh:** Okay, sir. Next question I would like to ask is, what is our idle capacity?
- Yogesh Sahni:** Idle capacity in what sense?
- Sopan Parikh:** How well do we optimize our capacity?
- Yogesh Sahni:** You know, this is quite a seasonal product and from time-to-time, there are these dips and peaks which we have to work around. But most of the year during the season, we are kind of fully booked. And it's in the off-season that we have added these products in between the heaters and the kettles.
- Sopan Parikh:** Okay, sir. Are we trying to add new clients?
- Yogesh Sahni:** Adding new clients is an ongoing process that never stops. We are always looking for new customers and also looking at building capacities from time-to-time.
- Sopan Parikh:** Any other new geographies that are we planning to put a mark in?
- Yogesh Sahni:** No, not really at the moment. But in the north only, we have just made a disclosure to the exchange that we are looking at setting up a manufacturing facility for TPW. That's the plastic range of table, pedestal, and wall. The orders for the plant have been placed and we are hoping to start this sometime early next year. Okay, sir. So for this category like heaters and kettles, what is the growth potential can we see for the future?
- It's only a start in this category. And though we see potential, we will work on the numbers and the percentages gradually. This being the first year, truly speaking, we will not be able to give you much insight into it except for the fact that we do see potential and that is why these items are being added.
- Moderator:** Thank you. We have our next question from the line of Sonali Mehta, a Shareholder. Please go ahead.

- Sonali Mehta:** Hello. Hi, sir. Congratulations on your good set of numbers. My question was regarding gross profit margins of your business. Can you tell me segment-wise? For induction fans, what are the margin differences in these?
- Yogesh Sahni:** The margins cannot be defined in the way of induction fans and BLDC fans separately. BLDC fans, so far, 26 lakh fans have been the induction fans and 2 lakh fans have been the BLDC fans. So to really give a break up on this individually may not be possible. You have, I'm sure, gone through the figures of EBITDA and FATS, which are there, but giving a break up may be difficult.
- Sonali Mehta:** Okay, so actually I wanted to understand this Q2. We have seen improved EBITDA margins and the contribution from BLDC fans has also improved. So is that the reason for the improvement in EBITDA margins, that BLDC fans have a better margin?
- Yogesh Sahni:** No, no. Partly so, but, you know, that BLDC fans may have added to it, but the general overall numbers increasing and also the fact that, you know, we have tried to optimize our costs everywhere and made it as operationally beneficial to get the numbers and margins better has led to this better result.
- Sonali Mehta:** Okay, understood. And just one more question about capex. So what are your plans with that? Where are you going to invest this amount?
- Yogesh Sahni:** This investment that we are looking at at the moment, going into this, you know, investment also, capex is also ongoing. We keep improving on our machinery. We keep ordering new machinery. We are also adding place orders for this entire set of TPW. They are all being done mostly by internal accruals and a little bit from the bank.
- Sonali Mehta:** Okay, and what will be the quantum of that?
- Yogesh Sahni:** This particular TPW line that we are looking at, the value of this investment is likely to be in the range of about INR3 crores.
- Moderator:** We have our next question from the line of Manoj Rajani from Rajani Family Office. Please go ahead.
- Manoj Rajani:** Hi, sir. So just wanted to ask one thing. What is the utilization at the current moment?
- Yogesh Sahni:** Utilization of capacity?
- Manoj Rajani:** Yes, sir.
- Yogesh Sahni:** Utilization, you know, as I just mentioned a while ago, this being a very seasonal product, in the season we are kind of booked. But during the off-season, we have some idle capacity. So because the season is also, during the season we are tight for capacity, we are adding some machinery at different places to enhance capacity. And also the off-season is being looked at by way of adding new products like heaters and kettles.

- Manoj Rajani:** Certainly understood, sir. And lastly, like, I don't think so we might be having competitors in the listed space. What would be a reason that, you know, those competitors are not backward integrating?
- Yogesh Sahni:** The competitors are not backward integrating, I cannot say. But to be honest, there is competition, but there is no other competitor in the listed space. To say that we don't have competition would be incorrect.
- Manoj Rajani:** So basically any obstacle that you would like to highlight for the sector and yourself as well?
- Yogesh Sahni:** Obstacles are only that, you know, this being a seasonal product, that's the main obstacle. Otherwise, we are basically growing multifold and these adding of our new products, new models will give us better margins in coming times.
- Manoj Rajani:** All right, sir. That's it from my side as of now. Thank you.
- Moderator:** Thank you. We have our next question from the line of Diksha Jain, an Individual Investor. Please go ahead.
- Diksha Jain:** Yes. I just wanted to ask that how does a company intend to finance its plans for expanding sales volumes and diversifying into new products?
- Yogesh Sahni:** Madam, I just mentioned that we are looking at expansion on an ongoing basis. Most of the expansion is being done with internal accruals and bank funding.
- Diksha Jain:** And one question, like the company's short term loans and advances have increased by INR2 crores. So could you just clarify where this cash has been deployed?
- Yogesh Sahni:** Yes, this is actually a requirement that came to us because, you know, of the new legislation that MSME vendors have to be made payment in a certain number of days to meet that commitment of, you know, reduced credit terms to our vendors, we had to increase limits, which are being used for bill discounting of our vendors. MSME vendors.
- Moderator:** Thank you. We have our next question from the line of Sana Mehta, an Individual Investor. Please go ahead.
- Sana Mehta:** Thank you for the opportunity. So I have two questions. The first one is there has been a total increase in our short term loans and advances, which is wanted to know, like, where has the business spend this money?
- Yogesh Sahni:** I just answered one minute ago for the same thing that this money was spent on, you know, prepayment to our MSME vendors since the new law has come that there is the credit limit for our MSME vendors has been reduced the number of days. So to meet that commitment of payment, this money has been utilized, the kind of bill discounting for our suppliers.
- Sana Mehta:** Okay. So how does the company intend to finance its growth in terms of sales and volume, like for product diversification?

**Yogesh Sahni:** Most of it is being done at the moment through internal accrual and a little bit through bank, adding a bank funding.

**Sana Mehta:** Okay. So is it like loans from the bank?

**Yogesh Sahni:** Yes. Yes. Bank loans. Yes. Term loans and things.

**Moderator:** We have our next question from the line of Rohan Mehta, an Individual Investor. Please go ahead.

**Rohan Mehta:** Good afternoon, sir. If you could just touch upon the appliances segment of our business and the heaters and kettles part, what kind of revenue share can we expect from here, maybe by the end of this year? And if you have any plans or strategy in mind in terms of Wonder as a player in terms of appliances, heaters and kettles?

**Yogesh Sahni:** Our strength is fans and we hope to increase numbers and volumes in this category. Appliances for now, that is heaters and kettles, is only a filling -- fill up to the off season of the fans. And since it is our first year in this category, though we see potential, we cannot commit any numbers on this.

And also because it's a new line, you will appreciate that when you start something new, it's first very important to make a base and only then consider working on margins. We have so far just started it as a new product line.

**Rohan Mehta:** Got it. In fact, I think it's a good thing because it helps us diversify our products and reduce our dependence and also offset the impact of the seasonality that is there in our fans.

**Yogesh Sahni:** That is the idea.

**Rohan Mehta:** So in terms of overall sales volumes, if some amount of guidance or view can be given for the year?

**Yogesh Sahni:** We have grown by almost 100% in the first half and we are hoping to maintain this kind of growth for this year. And once we add the new range that we are looking at beginning next year, we are hopeful that that will add numbers as well as revenue. But making any sort of commitment at the moment or giving some short term thing may be difficult.

**Rohan Mehta:** If you could touch upon our competitive landscape, how do you see that? Who might our top competitors be? And if there is anything in terms of differentiating factors for us against them?

**Yogesh Sahni:** At Wonder, we have a very seasoned management team and our next generation is also equally enthusiastic or perhaps more about taking the company to greater heights. And this gives us the confidence to commit that we will increase sales, revenue and numbers. We are different as I mentioned from the others.

We have a track record of commitment to quality, quantity and timely delivery. That is the most important thing that our buyers want and I think we meet their expectations on all these three grounds.



- Rohan Mehta:** Do we look at market share in terms of our fans business?
- Yogesh Sahni:** Market share, as we have often said, we may be the only listed player, highest numbers in the listed space, but otherwise we could be among the first one or two. The OEMs and the ODMs category.
- Rohan Mehta:** Do we have any fixed marketing budget as a percent of sales or anything like that?
- Yogesh Sahni:** We don't need a marketing budget because this is a B2B where most of our buyers either approach us directly or we are in regular contact with them. It's only at the time of building new relationships that one has to stretch out. But that too with our past performance and experience in the industry, either people come to us or when we go to them, they see the confidence of the other buyers and usually we don't have a separate budget for it. We don't need a marketing budget.
- Moderator:** As there are no further questions from participants. I now hand the conference over to Mr. Yogesh Sahni for closing comments. Over to you sir.
- Yogesh Sahni:** I hope I've been able to satisfy everyone with their answers for the closing statement. With a seasoned management team bringing over five decades of industry experience and a robust vendor network, we are well-posed for sustained growth and value creation for all stakeholders. The company is constantly developing new models and working on a product mix where we can derive better margins.
- We are also emphasizing on cost optimization and looking at ways to further improve operational efficiency where possible to achieve some percentage improvement in margins. Our ambition is to become a leader in the complete range of fans and gradually add some home appliances which will drive our growth in the coming years. Thank you.
- Moderator:** Thank you very much. On behalf of Wonder Electricals Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.