Whirlpool®

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August 12, 2026

The Manager **Listing Department** **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai, Maharashtra - 400001 **Scrip Code: 500238**	The Manager **Listing Department** **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051 **Symbol: WHIRLPOOL**

Dear Sir/Madam,

Subject: Transcript of the Conference Call for Investors/ Analysts for Q1 FY 2026-27

This is further to our intimation letter dated July 30, 2026 wherein we had informed the schedule of the Conference Call, please find enclosed herewith a copy of the transcript of the Conference Call of the Company held on August 06, 2026.

The same will also be uploaded on the Company's website at https://corporate.whirlpool.in/financial-information/

Yours faithfully,

For Whirlpool of India Limited

Sweta Srivastava

Digitally signed by Sweta Srivastava
Date: 2026.08.12 10:51:46 +05'30'

Sweta Srivastava
Company Secretary and Compliance Officer

Plot No. 40, Sector 44,
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Encl: as above

Whirlpool of India Limited

Analyst Call

August 06, 2026

MANAGEMENT: **MR. NARASIMHAN ESWAR – MANAGING DIRECTOR – WHIRLPOOL OF INDIA LIMITED**
MR. ADITYA JAIN – CHIEF FINANCIAL OFFICER – WHIRLPOOL OF INDIA LIMITED
MS. SWETA SRIVASTAVA – COMPANY SECRETARY – WHIRLPOOL OF INDIA LIMITED

MODERATOR: **MR. BHAVANI KUMAWAT – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Analyst Call of Whirlpool of India Limited. We wish to inform you that 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 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. Bhavani Kumawat from Axis Capital Limited. Thank you, and over to you, sir.

Bhavani Kumawat: Thank you so much, Rayo. Good evening, everyone. On behalf of Axis Capital Limited, we welcome you all to Whirlpool of India Analyst Call for the first quarter FY27.

From the management side, we have Mr. Narasimhan Eswar, Managing Director, Mr. Aditya Jain, Chief Financial Officer of the company, and Ms. Sweta Srivastava, Company Secretary joining the call. We thank Whirlpool of India to giving us the opportunity to host the call. And now, I would now like to hand over the floor to Ms. Sweta for his opening remarks, post which we'll open the floor for Q&A. Thank you, and over to you, ma'am.

Sweta Srivastava: Thank you, Bhawani. Good evening, everyone. I would like to welcome you to the Q1 analyst call of financial year 2026-27 of Whirlpool of India Limited. Please note that the call is being recorded, and the audio call and transcripts will be available on the website of the company. Also, the presentation to be made by the Managing Director and Chief Financial Officer is available on the website of the company as well as the Stock Exchanges.

Before we move forward, I would like to remind you of the cautionary statement that forms part of the presentation. During this call, certain forward-looking statements may be made. These forward-looking statements are based on certain expectations, assumptions, and other factors which may affect the business results. Please read the cautionary statement carefully, and the contents of this call should be interpreted accordingly.

With that, I would now like to hand it over to Mr. Eswar.

Narasimhan Eswar: Thank you, Sweta. Good afternoon, everyone. I'm Narasimhan Eswar, Managing Director of the company. I'd like to welcome you to this Analyst Call. Thanks very much to Axis Capital for making this happen. And thank you to all of you for taking out your time and joining us. Now, I'll start with the update. I will do the first two sections. If we go now to Slide 4 of the presentation deck, I will cover the business overview and the strategic imperatives, and Mr. Aditya Jain, Chief Financial Officer, will cover the financial performance. Could we go to the next Slide, please?

So, if we go to Slide Number 6, the business overview. Let me start with the highlight of the quarter. Apologies for my voice, bit of cold flu. The first point really is that we've delivered a record revenue growth in this quarter. We've never done the revenue numbers we've done before in our history.

We also delivered double-digit revenue growth. In terms of multi-brand outlet market share, which is where we compete with other people in offline, we continue to maintain our number two position in refrigerators and washers. So, we call it T2 in our internal language. Refrigerators and washers, we continue to maintain our number two position in volume market share in multi-brand outlets.

We also continue to hold our number one position in direct cool refrigerators in multi-brand outlets for volume market share, and that has been the case for the last seven months. We have been able to complete our entire sell-in, sell-out, the phase phasing or that we had to do of the old refrigerators and the new refrigerators, that was completed this quarter, and that has also helped us in getting back some market shares, as I said last time.

In front load washers, we had a triple-digit increase in market share, again, the same multi-brand outlet KPI, volume market share, and that business is doing very well for us. Same with air conditioners, where we delivered a 50-plus % revenue growth. Elica, we're very pleased to say, continues with a very strong performance. Revenue is up 26% and profits are up 22%.

One thing in the quarter that did happen, partly expected, partly unexpected, was our margins were significantly impacted due to both the impacts of the war, basically in two areas: one is in anything that was influenced by crude oil, which obviously pricing went extremely high and continues to be quite high, and the second part of it was all the energy changes. Regulatory changes, which included energy changes and e-waste.

Now, I'd already highlighted at the beginning of the year, calendar year, that energy changes would be a debilitating impact on this year's financials. Obviously, the war impact was on top of this, which we did not expect at the beginning of the financial year. And this, I presume, is true for the entire industry and probably the broader country as well.

One critical thing is that in this business, the companies have not been able to recover the impact of the combined war and regulatory impact through pricing because of industry competitive dynamics, and that obviously impacts the numbers of margins. We have navigated the challenges on supply chain, which were extremely high in April, May, June, whether it was availability of LPG, or whether it was availability of oil-based products, whether it was availability of components and parts.

There were a lot of challenges that happened because of this situation that we have in the Middle East. But we were able to, in fact, very proud to say, deliver record-breaking production numbers in our Faridabad plant, which makes all our, not all, most of our direct cool refrigerator business. And I just wanted to recognize the great work done by our team to do this in spite of some days not knowing whether you would have stocks for next day's production. So, we did not have any stoppage because of that, and we were able to deal with it.

Lastly, I would say on net working capital as well, we lived up to our promise that we made. We have a net negative net working capital this quarter, and all the investments we made in the last quarter in air conditioners have been fully recovered, as you'll see later. Go to the next slide, please.

Now, this is the standard slide that I always show you. On the top, basically, you have the quarters starting from October '24 now to April to June '26. The industry volume growth was again in single digits growth. But our actions this quarter, there were quite a few. One is we completed our entire refrigerator phase-in, phase-out. That was one significant thing we did. This was because of new regulations, so we had to change all the refrigerators in all the stores.

Second, we were able to take up in April and May pricing, which partly covered the war-led inflation and the regulatory inflation, but not fully, like I said, thereby impacting margins. We continue to scale up both our air conditioner business and our front load washer business, where we have low volume shares and where we have significant opportunity. We also launched a few NPI, new products, including top load 11 kg, getting into the top load large segment vacant space that we had.

I'm reasonably happy to see that our volume share was up basically by double-digit basis points, reasonably decent double-digit basis points versus a year ago as a result of all the actions and of the continuation of the phase-out. So, revenue up double digits, market share is up as well. Should we go to the next slide, please?

If you go to slide eight, we're giving you a further break-up of what is it by category, like we always do. So, in direct cool refrigerators, like I said, we completed the sell-in, sell-out, and we were able to actually grow our market share versus last year by double-digit basis points. In semi-automatic washers, we're happy to say we were able to, for the second quarter in a row, grow the market share by more than 100 basis points versus the previous year. And similarly, in front load, of course, we continue to drive market share as we've done for the last two years plus.

In no frost refrigerator, there were some supply-related issues that we had, which held us back. And also, there is a gap that we have in the market, where we were not present at all in refrigerators above 500 litres, 600 litres, etcetera. And I'm just going to cover that a bit later. But we are literally launching today our large-size refrigerators. As I had promised all our shareholders that we would do it, and we are actually doing it as of today.

We're launching our four-door refrigerators, which I'll cover now, and I hope that in the course of the next months, we will start seeing clearly, because we're filling up vacant spaces that we were not in, across the next 12 to 15 months, we will start to see our frost-free refrigerator shares go up as well.

Top load washers has been highly competitive, and versus the growth of last quarter, where we grew double-digit basis points versus a year ago, this quarter was a bit of a decline. But then we have our new products, etcetera., that we are bringing in, and we have other plans as well that we're investing in to take it back. So, all in all, reasonably okay with the revenue growth of double-digits as well as the market share performance, with some opportunities to improve, but we have clear line of sight as to how to do that. Next slide, please.

So, the other thing that is worth highlighting is after a couple of quarters in quarter one and quarter two of '25-'26, where we were declining revenue, quarter three of '25-'26 was up 4% on revenue on a standalone basis, quarter four '25-'26 was up 7%, and quarter one '26-'27 is up 11%. And this is based on not just the industry growth of single-digit mid single-digit kind of industry growth, but our market share grew as well, which adds a couple of points, and then, of course, the pricing across categories helps us. It also helps that we have aircon and front load basically driving this business, being high-value products. Next slide, please.

As I said, margins were significantly impacted. We already knew that regulatory would impact the margins because we have the impact of the refrigerator and AC, which is nearly two-thirds of our business, being impacted by significant regulatory changes. But on top of that, you had the war impact. Obviously, there are two big impacts that happened from the war point of view. One is the impact on crude and crude-related things.

And of which there are quite a few in our industry, whether it's washing machines or refrigerators, whether it's MDI, polyol, EPS that we do for packaging, etcetera. So, there's quite a bit of it, and those costs have gone up significantly due to the war, because many of them are single-sourced for the industry and for India from certain places in the Middle East. The second part of it is the regulatory part, where there are two components to it. One is the big refrigerator -- sorry, I just skipped one point.

So, the war impact has got two parts to it. One was the crude oil and the second is the forex. So, obviously, with a certain amount of components that we need to import, as does the rest of the industry, there's a certain amount, you know, less than 30% that we import, and that is obviously impacted by the dollar rate going up.

The dollar used to be 88 last year, now is sitting at about 95, 96, and obviously, that's quite an extraordinary increase. So, these two things basically have impacted significantly on top of the regulatory costs that I spoke of. And of course, we continue accounting for e-waste at the higher level. And if you see the gross margin and the PBT margin are pretty much the same, which means the rest of the lines of the P&L, we haven't actually increased anywhere. It's like a straight flow-through.

As we go forward, I'm sure there's a very big question on everybody's mind, what do we see going forward? I think the war-related impacts, frankly, depends on when this whole thing gets over, and I think that hopefully, you know, is something that we're all looking forward to. What happens to the crude price, and what happens to the forex? That will directly impact the P&L if there is a saving there. I think on the regulatory part, regulatory part for this fiscal is here to stay. Next fiscal, obviously, we'll annualize this fiscal.

And on e-waste, really, really look forward to and hope that we will come up with a solution that actually works for the entire industry, because it's an industry-wide issue on e-waste, where we're accounting at a much higher rate than what can be commercially procured. So, that is something that we look forward to. So, potentially, the war ending is going to be a help to the entire industry and certainly to us. Similarly, e-waste resolution, let's say an equitable resolution at some point in time, would be very helpful. Next slide, please.

The other thing that I want to highlight is that working capital continues to be a strong performance. As you can see, in the last eight quarters, we've basically had five quarters with negative net working capital. The reason why September '25 had gone up significantly on working capital was because of the GST change impact that happened. March went up because of air conditioner sales. But if you see in June, we've recovered all of the air con working capital, collected receivables, and therefore, we go back into negative net working capital, and we are reasonably happy with the efficiency of the operation itself. Next slide, please.

So, I'll move on to the strategic imperatives, apologies for the voice. As we said, the imperatives are basically four in number: inspire generations through our brands, win with product leadership, building a competitive and resilient supply chain, and excellence in execution. We go to Slide 14. This is just a reminder of what we've done in the past in terms of inspiring with our brands.

As I've said before, we were the early pioneers in colors and finishes, we introduced pedestals, we introduced auto defrost in direct cool, we still have the first three-door refrigerator frost-free in the country, we introduced the platinum range, and we introduced the first heater in top load washing machines. So, a pioneer in the Indian durables industry, let's take a look at what we're doing now.

Slide number -- I can't see the number here, I'm sorry.

Aditya Jain: 15.

Narasimhan Eswar: 15, thank you. Slide number 15. We are very, very happy to introduce to you Whirlpool Luxuriem, which are the four-door premium refrigerators. We're introducing the 654-liter four-door premium refrigerator. These have several, several firsts, fantastic products. This is India's fastest convertible in its class. It converts in less than 30 minutes from a freezer to a fridge, which is unmatched in India. This is the first time that we have something that we pioneered called the freshness detection technology.

This has been developed by our engineers in India with the help of global technology, but really pioneered in India. And the greatness of this, I'll talk to you about a little later. This literally will tell you whether your fruits and vegetables are fresh or not, and if it's time for you to start consuming them so you eat healthy. And this, I think, is quite a cool, revolutionary kind of development that we've introduced to India. We are also, in this range, introducing the first-ever glass and steel front face. So, half the refrigerator is glass, the other half is steel, and it looks absolutely fantastic.

And lastly, we also in this range have something called Obsidian interiors, very dark interiors with beautiful lighting. So, your refrigerator literally feels like a theater. So, I'll talk more about this later. We are extremely proud that this entire thing is made in India, thought through by India, executed by India, and it's rolling off our Pune lines where we've invested INR 245 crores on this technology. Next slide, please.

On the next slide, just show you some examples of the premium range. Like, starting from the left, to your left of the screen, is the mirror finish, next to that is a premium green finish called

Cristal Verde, then there is the one with the water dispenser, steel finish, the one after that is something called Bianco Nero, which is white and black, and the last one is the Duo, the metallic and glass duo refrigerator. And there are more as well in this range, but these are just an example, just to give you an idea of the kind of premiumness that we are introducing into this market, the kind of features that we're bringing in. Next slide, please.

Let me go through some of the really exciting things that we're doing in this. These refrigerators, the 654-liter Luxuriem refrigerators are the gold standard of refrigeration. Normally, a side-by-side kind of refrigerator, which you get for INR 70,000, INR 75,000, INR 80,000, would have one evaporator which cools the entire fridge and freezer. And because one machine is cooling the entire fridge and freezer, there is a challenge on evenness, and there is a challenge on how well the cooling is done.

Now, the beauty of our system is that this is a triple evaporator. So, you can see there are three circles there, three blue kind of graphics. So, the top of the refrigerator is basically your fridge, and that's got one evaporator. At the bottom, you have two freezer zones. Now, one of the freezer zones, the freezer to your left is a full freezer, okay? So, it's always a freezer. So, whether you want ice or you want your ice cream, or you want to keep your meat or fish, you can keep that in that part, right?

And on the right-hand side is the convertible part. So, this part, the right-hand side bottom is basically a freezer that can become a fridge within 30 minutes. And so, this was based on 1,000 plus hours of research we did with consumers to understand what is the ideal product, and it was very clear from our research that consumers really believe that the four-door is far more preferable than the side-by-side format. And the features that we're talking about here, and what I'll talk about a bit more, were all added based on consumer research.

So, the beauty of this is the fastest convertible, the flexibility to store large vessels, which would be difficult in a side-by-side because the fridge zone is quite small, whereas here, as you can see, the fridge zone is quite large. So, you can put a patila or a big vessel where you've cooked dal or sabzi or whatever it is, you can put it right in the refrigerator without having to worry about the size in the fridge part. And the other beauty of this is because they are independent airflows, the smell from the fridge, the freezer will not go into the fridge.

As you can imagine, the airflow is within the evaporator section on that side, and therefore, whatever smell is in the freezer will stay in the freezer, whatever smell is there in the freezer and convertible, which is the right, will stay there, and whatever smell is in the refrigerator will stay there. So, there is no transfer of smells between, say, your meat, which is in the freezer, and your vegetables, which may be in your fridge.

Several more benefits of the triple cooling system, the three evaporators, but it's quite a cutting-edge technology. Usually compared to the -- this would be tremendous value for Indian consumers. And I do believe that we will start the shift to four-door refrigerators with this, because the pricing is very attractive for all of this. Next slide, please.

So, I'm going to talk to you about four things in this Luxuriem which make it simply peerless. The first is a technology I have not spoken about. This is something called 6th Sense AI. So, it truly is an amazing technology. It has never been seen before in India, and I dare say probably never in the world. So, this is something we've developed here. And what is it? It's basically there are sensors that are calibrated to read the ethylene gas emission levels from fruits and vegetables.

Fruits and vegetables, once they are plucked from a tree, automatically start emitting ethylene gas, and as they get riper and riper, tending towards spoiling, they emit more and more ethylene gas. What this does is this particular chamber of the refrigerator, which is just below -- between the refrigerator and the freezer, this is called the Intelli Crisper. And this is going to have a sensor-based AI system which will measure the ethylene gas that's being released by the fruits and vegetables.

And based on database, which continuously refreshes itself, just for perspective, every 10 seconds, the level of ethylene is checked. So, there are 8,000 readings a day to calibrate the system. And the whole intent is that even before a vegetable starts spoiling, it will start emitting more ethylene gas. So, the system reads that, and before your vegetable starts spoiling, it gives a flashing light to show you that something could start spoiling pretty soon in your refrigerator and you must ideally use it so that you can eat healthy.

So, this is something that we're doing which is based on consumer feedback. People wanted to basically get fresh fruits and vegetables, and we couldn't think of a better way to do this. And like I said, I don't believe that anybody else has this kind of technology, certainly not in India, and I doubt if anybody else has it in the world. So, we're extremely proud of this technology. If you go to the right-hand side, I've already spoken to you about the superior format of the four-door versus the side-by-side, whether it's the storage of large vessels, whether you can see everything at one time.

Also, we genuinely believe the Indian consumer does not need half of the refrigerator more or less being a freezer. And then, you know, so, therefore, we are giving more options to the consumer to have freezer space. If they want it, a significant amount at the bottom, but if they don't want it and want to make it a refrigerator, then it becomes one within 30 minutes, and then they can, of course, turn it back into freezer again. If you then look at the bottom left quadrant, we are very proud of the aesthetics that we're bringing into the market.

I talked to you about the glass door, I talked to you about the differentiated CFMs on the first page that I showed you. You can see here the Obsidian interiors. You can see that the interiors are dark gray, a very, very premium dark gray with fantastic theater lighting inside the refrigerator. So, you're going to have lighting inside the refrigerator, so you can easily see what product you have in your refrigerator, right? And it looks, it looks absolutely fantastic.

So, this Obsidian interiors, there is multiple finishes, there is the first glass-metal, and lastly, if I look to the bottom right quadrant, this, like I said before, is the fastest convertible in the market. In our entry-level between 255 liters and 360 liters, we have the fastest convertible in the market, and so, this is something that we're bringing to the large refrigerators as well. This was a must-do for us, and I'm so glad that we've been able to achieve that with the fastest convertible in the market in the large refrigerators. Next slide, please.

We not only launched Luxuriem, which obviously we're very proud of, but we also launched large size in top load Bloomwash, which is our hero, we launched the 11 kg in a completely new color, which is being quite well-received in the market, it's called Juniper Green. And what is really cool about this is that typically, if there's a quick wash cycle that other machines have, whether you put in a small load or a medium load or a large load, typically other machines wash it for a certain amount of time, for example, 35 minutes. But this, we've done it in such a way, because we wanted to add value to the consumer, the consumer sometimes uses small loads, sometimes medium loads, and sometimes large loads.

So, based on that, we have customized the amount of time that the washing machine will work for. So, small loads are 30 minutes, medium loads are 35 minutes, and large loads will be 40 minutes. It also has what we call Soft Sense, which is a system by which we, through the dispenser, automatically release the right amount of softener at the right time, without you having to worry about how much softener to put in. So, it's automatic, and obviously, the CFM. So, very, very proud of this SKU and look forward to its success in the market. Next slide, please.

Slide number 20, as I said before, in semi-automatic washing machines, our Dynamix dispenser technology, which I've explained in previous times, which is basically that we are able to guarantee zero detergent patches on semi-automatic washing machines using this technology. And the reason we're able to do that is because it premixes to a very efficient, scientific system water and detergent completely before it goes inside the tub, inside the washing area.

And we have now launched even 8 kg capacity in the Dynamix dispenser, and now 50% of our semi-automatic washing machine has this Dynamix dispenser, which is re-commoditizing semi-automatic washing machines. So, semi-automatic washing machines for us is not just about price and capacity, which is what the entire category has been playing on, bring in larger sizes and cut the price, we are actually adding value to this category by bringing in something like Dynamix detergent dispenser, which will help you have zero detergent patches on your clothes, which is what consumers really want, those who are using powder in semi-automatic dispenser. Next slide, please.

Slide number 21. As I said before, our front load washer business continues to accelerate. We grew about 80% volumes versus last year, with a triple-digit basis points in market share versus last year. And this is a business that we'll keep driving as we go ahead. Slide, please. And similarly on air conditioners, our growth this quarter was 50% more than last year.

In both these categories, our market shares are in the single digits, and obviously, our intention is to try and get into double digits as soon as we can, and get into mid double digits, which would be a which would be a good achievement. And the beauty is that these are high-value categories that premiumize our total business. Next slide, please. Excuse me.

Slide number 23. We are bringing in new products in Elica as well, and you can see that in the results, whether it is the slim BLDC filterless oil collector product with slim design kitchen hood, or the plug-and-play kitchen hood, which is the Kitty plug-and-play, as we call it, it doesn't need an exhaust, or the flexi hobtop that we have with a full brass direct multi-flame burners and cast iron pan support, as well as black toughened glass and auto ignition, we continue to innovate on the premium end, while driving the popular end as well. Slide, please.

Also delighted to let you know that we've been able to get international accolades on innovation and design. The A' Design Awards are given by an Italian-based organization, and they are very prestigious awards globally. And we're very proud to say that our products in frost-free, whether it is Jade Marble, these are the glass doors in frost-free that we introduced last year, or the 3D Protton NXT, where we have upgraded significantly our three-door Protton range.

Both of these got Silver Awards on design, and the comments that you see there are the words of the award committee from Italy, which basically talk about the sleek facade featuring marble patterns and gold accents, transforming appliances into an architectural centerpiece, or in the case of Protton, saying it distinguishes itself in a crowded refrigerator market by utilizing a three-door format that prioritizes better organization, because of the fruits and vegetables having a separate drawer. So, very happy with that. Next slide, please.

Slide number 25, we continue to really focus on excellence in execution. This has been at the centerpiece of what we do, whether it's with our customers, especially this quarter with our supply chain, or with our service, which continues to operate at a very high level in terms of numbers. Next slide, please.

As I then move on to what is at the core of our supply chain, we've got a robust P4G program. Firstly, talk about manufacturing. As I said, we're very proud that we started our new four-door premium refrigerators in Pune plant in July. It started shipping out as we speak today to customers, the new four-door premium refrigerators, which we call Luxuriem.

But we're also very proud that despite a lot of war-led supply constraints, as well as heat wave-led constraints that happened in Noida, that affected a lot of our component suppliers in April, May, June, we were able to come up with record manufacturing numbers in our Faridabad plant in Q1.

So, very proud of our team for that. P4G, we continue to drive our robust P4G program to drive cost efficiency that covers all lines of the P&L. I will be honest, it's obviously in this environment, where all the costs are escalating quite significantly, especially with respect to oil prices as well as forex, it's obviously much more difficult to control compared to what we've been able to do in the past because of the war efforts, the war impacts, I should say. Thank you. Next slide, please.

So, I'm just going to hand over now to Mr. Aditya Jain, our CFO, to talk to you through the financial performance. Thank you.

Aditya Jain: Thank you, Mr. Eswar. Good afternoon, everyone. I am Aditya Jain, Executive Director and CFO of the company, and I'll take you through the financial performance of Whirlpool of India Limited. I'm on slide 28, and on this slide, this slide talks about the financial performance of Whirlpool of India on a standalone basis.

Now, as you can see from the slide, we delivered a top-line revenue of INR 2,582 crores. This is the highest ever revenue for the quarter in the history of Whirlpool, which we've delivered. So, very pleased to announce that. And this is a double-digit growth of 11.4%. This revenue growth was driven by multiplicity of the factors:

A, our industry, which is the refrigerators and washers, multi-brand outlets volume grew in mid-single digits, which also helped us. But that was not the only factor which drove our top-line. On top of the industry growth, our market share also grew, and we grew market share in double basis points across both the categories of refrigerators and washers, which helped our top-line growth.

Third, in line with our strategy of premiumization, our premium portfolio, which is the front load washing machine and the air con business, has done pretty well, and which also aids, given that these are high-value products and higher ASP products, aids in the top-line growth.

And last, but not the least, in this quarter, we took multiple price increases to combat or mitigate the impact of the war-led commodity inflation, and as a result, in a combination of all these four factors, we delivered a revenue growth of a record revenue and a double-digit growth of 11.4%. So, quite happy to see the momentum on the top-line and the market shares.

But when it comes to profitability, it's been a challenging quarter for us. The EBITDA came in at INR 120 crores at 4.6%, and we saw squeeze of margins, wherein EBITDA margin squeezed by 377 basis points, and we delivered profit before tax of INR 120 crores at 4.6%. And again, the profit margin squeezed by about 320 basis points versus a year ago. Why was there a squeeze on the profit margins? So, this -- specifically this quarter has seen an unprecedented cost increases on account of the geopolitical instability and the Middle East war.

As you would have seen, the crude oil prices, which similar time last year were operating at USD 67, are now operating at USD 97, at least in this quarter. And hence, there's a material impact of that on various raw materials and the components which use which are driven from oil, and that has impacted our costs.

Second big impact came from the currency. Same time last year, we've seen over one year the currency has depreciated by more than 10%, which in a usual year would be around 4% or 5%, and that has also led to a material impact on all the commodities because, A, we buy less than 30% of our products or the raw materials which are imported, but then there are a lot of components which are indexed to U.S. dollar as well.

Apart from these two things, there were other cost headwinds coming from, you know, the minimum wages revisions in Haryana, the costs, the labor cost inflation which happened in Noida, the diesel rate increase, and the war-led premiums which we had to pay in this quarter to arrange for to ensure that the supplies are uninterrupted, and then the LPG, etcetera, going up and all that kind of things. And so, these were all unanticipated or not projected kind of increase, and then there was an anticipated cost upcharges on account of the new energy regulations which came at the beginning of the calendar year, which impacted our ref and air con portfolio.

So, to mitigate this impact, we took a couple of price increases in the quarter, but then the price increases were not sufficient enough to mitigate the 100% of all the cost increase, which was like of a very different magnitude which we saw in the quarter, and as a result of this, there was a net under-recovery, and hence, the squeeze on margins. Our P4G program continues to do well.

That's our program wherein we look at cost productivity across all lines of the P&L, the design productivity, the negotiation productivity, or the indirect procurement productivity. So, that efforts are on track, but that the impact of war and other items are significantly ahead to be mitigated because of either the cost productivity or the pricing action.

Slide 29. On slide 29, this talks about our consolidated performance. On a consolidated basis, we delivered a top-line growth of INR 2,727 crores in this quarter, again a double-digit growth of 12.1%. We delivered an EBITDA of INR 139 crores at 5.1%, and delivered a PBT of INR 139 crores at 5.1%. Again, on a consolidated basis, we saw a similar margin squeeze of about 300 plus basis points. The highlight on a consolidated basis is the our Elica business. That continues its robust performance and delivered a double-digit 26% revenue growth and a PBT growth of 22%.

Thank you. With this, I will hand it over to Ms. Sweta for the Q&A section.

Sweta Srivastava: Thank you, Mr. Eswar and Mr. Jain. I would now request the moderator to open the Q&A session.

Moderator: Thank you, Sweta. We will now start with the question-and-answer session. The first question is from Atul Mehra from Motilal Oswal Asset Management. Please go ahead.

Atul Mehra: Yes. Hi. Good evening, and thanks for the opportunity. So, just to begin with, just wanted to understand with the recent refinancing that the parent has done kind of taking care of their near-term 2028 liquidity requirements. So, what is the likely impact that can have on us, if any? And any particular thought process on the remaining stake that they want to sell? Anything on these two counts that you can help us with from the perspective of parent balance sheet improving, and consequently, their thoughts around India?

Narasimhan Eswar: Thank you, Mr. Mehra. I'll give you a very straightforward and honest answer to that question. I know as much as you do on this topic. Ever since the stake of Whirlpool Corporation went down to below 50%, they're at 39.75% now. The way we're working is that, and this is for all our shareholders and investors to know, the way we're working is completely at arm's length.

We do not report or discuss any business matters with them at all. The only forums that we have to have the discussion, the technical team does that, is there is a technology licensing forum, where we look at new products that could be in the pipeline, and then we take a look at, you know, which of those new products could be interesting for us to take in the pipeline, which is part of the agreements that we have.

And the second is, we have a brand and quality forum, where we give them an update on what's happened in the past in the brand, nothing to do with the future, what's happened in the past with the brand in terms of following all of the technical guidance and the legal requirements and all of that stuff. Similarly on quality, we just give them an update on if there's any major or significant issue that they need to know, because these are the only things that actually at this point in time matter to them as somebody who has given us their license.

So, I honestly have zero understanding of the refinancing implications, neither have I reached out, nor has anybody in my company reached out to understand that, nor do I have any idea of what they're going to do, are they going to sell, not sell, etcetera. I depend on the same information that you depend on, which is whatever is released in their quarterly -- excuse me, quarterly reports by the global CEO of Whirlpool.

Atul Mehra: Got it. That is clear. So, secondly, on one of the questions we have discussed in the past as well, on the capital allocation from the perspective that the cash that we have on the books is highly profitable. So, if you can update us on any further developments, deliberations that the board has had on this particular aspect, given the quantum of money that we are sitting on the balance sheet is quite large. Any progress or any conversations that you can enlighten us with on this particular aspect, since it's an important aspect for most shareholders?

Narasimhan Eswar: Yes, sir. Certainly. It's a great question, and one that's been asked of me a few times. So, the board also is very, very cognizant of that. So, I can tell you that within the next 12 months, we need to have a complete blueprint of, and that is what we need to do, of what we need for manufacturing capacity increases, what we need for manufacturing new products, which we are accelerating.

Since all resources is basically local, and whatever else is contractually agreed with the corporation in terms of their support. So, we're increasing the speed of our pipeline. So, there'll be capital required for that as well. Then on top, you know, automation in our plants, which is an area that we really want to invest in.

That's on the existing business. So, new products, capacity increase, automation. And then, on top of that, we are also looking at inorganic opportunities. I will not be able to say anything more about it at this point in time, but this is an area certainly of interest to us, because we do believe that we now have a very good pipe in terms of execution.

Our businesses, while highly, highly competitive and we're not complacent at all about our position, we are getting relatively stronger in terms of how we execute, whether it's in sales or in service or in production or engineering. And therefore, inorganic opportunities, the next 12 to 15 months would be absolutely the right time.

So, I can openly tell you that within the next 12 months, I need to have a very clear plan on how to utilize the cash, including any other options which, you know, I don't want to get into the detail, but whatever I'm not able to use, then there could be other options for that as well. I hope I answered your question.

Atul Mehra: That makes sense, sir. And finally, sir, we have done a commendable job on market share gains across categories. Having said that, like you mentioned, along the quarter, you've taken some price increases. So, can you give us a little bit more in terms of thoughts on when do we kind of fully be able to pass on these price increases so that the margin outlook improves from here on?

So, anything and the path towards that in terms of the management, how do you guys think about it and what are the further actions we're taking to improve the margins in conjunction with like market share gains that we've already had?

Narasimhan Eswar: Yes, again, very good question and obviously one that plagues us all the time. The price in this industry, I think, has been a bit different from many other industries in India, where they have priced, the other industries individually, obviously companies by themselves, have priced to account for the inflation of commodity pricing. That has not been the case, as far as I can see, in this industry based on market pricing that we observe.

Now, there is always, as you know, a big tension between raising the prices and whether you are still price-competitive or not. If you recall in 2022, you know very well, I've explained to you before, that we took up the prices unilaterally, whether or not others would follow, because we thought it was the right thing to do, and that resulted in a crashing of market shares, that resulted in a lot of loss of customer confidence, consumer confidence, etcetera.

So, the answer to your question is, the price increase that we can take is going to also at some point in time be not only based on what we want to take, but also what we are able to take. And if our key competition does not take the price increase, then it would be a bit foolhardy for us to just do that to recover margins, because in this business, having volumes does not guarantee you profits, but not having volumes almost certainly guarantees failure.

So, so this is a very delicate balance. I am fairly, we, we keep, you know, as you know, prices change every month in this industry compared to other industries like FMCG, where I've worked in, which used to change once or twice a year. This literally changes every month. You could have different pricing for DC, we could have different pricing for FF, you could have different pricing for semi-automatic, every month.

So, we are completely on top of that detail, and we will do the right thing for our business basically, always balancing between volume, market share, profitability. All of these have to be managed a little carefully. And at this point in time, our priority is to make sure we don't lose on all fronts.

I think going forward, July, August, September, to answer your question, will continue to be very challenging, because very simply, we are a refrigerator, air conditioner company is more than two-thirds of our revenue. And this is the weakest quarter for refrigerators and air conditioners. But the commodity costs are very high. The forex is very high.

So, all the negatives will still stay, but the volumes in JAS will not be, you know, as strong as, nowhere as strong as the volumes we had in AMJ. It'll grow versus a year ago, for sure, but absolutes will be lower, right? So, I think it is going to be a tough quarter financially in JAS. My suspicion is it'll be tough for the entire industry, because everybody is more or less in the same boat, unless they're selling very different products.

So, JAS is the weakest quarter typically for this industry. And then hopefully after that, I am genuinely hoping that there is some end to this, like all of us are, for humanitarian reasons more than financial reasons, there's an end to all of this and we can get back to our normal lives and hopefully normal costs pretty soon, which will help a lot. I hope I answered that question.

Atul Mehra: Thank you.

Moderator: Before we take the next question, a request to participants to please limit your questions to two per participant. Should you have a follow-up question, we request you to rejoin the queue. We take the next question from Rahul Agarwal from Ikigai Asset Management. Please go ahead.

Rahul Agarwal: Yes, hi. Very good evening to everyone on the call. Sir, pardon me, but, you know, I had three questions, but very quickly. On revenue growth, you know, double digit, good achievement, lot of factors have, you know, driven that, as Aditya explained. But, you know, for the full year, if I look at the full year, right, there are certain partial price hikes still to be taken.

Is the full-year revenue growth we're looking at, you know, a current 11%, 12% range, or or is it going to be like, you know, some 15%, 20%, purely because AC, Elica are growing upwards of 20, and then you'll also have to take some partial price hikes if possible? That's question number one.

Question two, you know, related to the earlier question on margins. The way I'm looking at it is, of course gross margin levels, we'll be down on a y-o-y basis for the full year, but can we do some cost engineering and, you know, can we have OPM, you know, the operating margin flat on a y-o-y basis, you know, 6%, 6.5%, something like what we did last year, is that a possibility?

And thirdly, on the capex side, as you said, you, you know, you're planning to do your blueprint, but just in terms of capacity for ref and washers, what would be that at end of June? If you could just clarify that, what is the capex budget for '27, and in case if there is more capacity which is coming in for these products, how will Whirlpool India look like at end of March '27 for ref and washers on capacity? These were the three questions. Thank you so much.

Narasimhan Eswar: Thank you. Thank you, Mr. Agarwal. I'll try to answer these, and I'll defer to Aditya for the capacity for the capex budget question. Full-year revenue, sir, I at this point in time, it's so difficult. You ask anybody in the industry, so difficult to predict what the numbers are.

Now, what I am really hoping is that we will be able to get good revenue growths, and hopefully market share gains across the year. That's what we are driving towards. But what the market will grow at is very difficult to predict. Because of a lot of impacts, the impacts of all the cost increases is also on the common man.

We cannot forget that that common man is paying more for many things right now. The government had done a fantastic job of reducing GST rates on consumer goods and televisions above 32 inches and air conditioners, and so on and so forth, quite a few. But then this stuff has come on top, which is obviously, you know, there was a help from one side and then a hurt from this ongoing stuff.

So, I would say without exaggeration that even now, we are literally figuring out how to manage on a month-on-month basis in terms of production, in terms of availability, etc. We are not out of the woods as an industry on all of these things. Any mishap anywhere can actually make a huge difference.

So, the let's say the accuracy of anything that I say would be close to zero. So, all I can tell you is to all our shareholders, we are focusing really hard on making sure the hard-fought gains we have on market shares don't go away. We're trying to do it in a way that's financially responsible, but it is not a great year for margins for the reasons that I mentioned.

You hardly ever have the perfect storm of significant e-waste increase, massive refrigerator and air conditioner regulatory change, which costs crores and crores and crores of rupees, and at the same time, you know, these kind of impact on commodity prices and forex. This is like a black swan event in my view.

And so, we'll have to just somehow tide through this black swan. But we need to keep our operating parameters, and that's what I would like to reassure you, Mr. Agarwal. We will keep our operating parameters, whether it's net working capital, whether it's our execution focus, whether it's our ability to take new products into the market strongly.

We are going to keep extremely tight on that, so that when the bad times are over or the tough times are over, whoever has been very kind of disciplined, my experience across the world is that, you know, they benefit when those tough times are over.

On your second point on GM, can we keep the op margin flat? I absolutely will not be able to comment on it for the same reason. If, you know, it all depends on when and how fast these issues that I spoke of, which are extraneous, solve themselves. Like I said, it will be a challenging year for all of us basically in the industry. And I don't see any immediate solutions because predicting this is completely impossible for anybody to do. On the capex budget, happy to, you know, Yes.

Aditya Jain: And Mr. Agarwal, thank you for your question on capex. And as we've indicated in the past, given that the given the amount of cash we have, we have on the balance sheet, you know, so budget is not a constraint for us when we're taking capital decisions, honestly. What we're looking at is the right project having the right ROI and the right financials.

So, if there are projects which make the right financial sense, we're very pleased to go ahead with those kind of capex projects. So, hence, probably it's not the budget, budgetary constraint or a budget which drives us while taking capital decisions, but it's all about the right projects.

Also, secondly, to your point on capacities, for example, as we've indicated in the past as well, our capacity on an annual basis across all products is about 70%, 75% utilization. So, there is no immediate requirement to put a large capex, immediate, I mean, the short-term, let's say, next 6 months, 12 months, to a large capacity capex, but we have a very stringent, very strong ongoing process wherein we keep evaluating our capacity requirements based on our estimates for the next couple of years, and that is a part of our normal planning and capital budgeting process, and that is a part of our run-rate capex, etcetera.

So, our intent statement is, you know, as Mr. Eswar also explained, that we're looking at the full blueprint, we're trying to accelerate the new products or the innovations. For example, we've invested in four-door refrigerator, there are more models which are expected to come in the balance of the year, etcetera, etcetera. So, we are making sure that we are investing cash in capex in the right projects, without looking at any budget as a constraint. Hope that clarifies.

Rahul Agarwal: No, that clarifies. So, actually, what I was asking was, obviously, it's not a constraint, we know that, you know, balance sheet is supportive enough to incur the capex. What I meant was, what is the cash outflow for capex budgeted for fiscal '27? That's the number I was looking for. And second was just to quantify the ref number of units and washer number of units, which the company currently has across three factories. That's what I was looking for.

Aditya Jain: So, Mr. Agarwal, as you will appreciate that, we're constrained to give the exact numbers, you know, calling out the exact numbers. So, we're really constrained in sharing that piece, but just to give you comfort that, we'll be in line with the run rate is where it is, subject to the new products, etcetera. because that we are evaluating on a constant basis.

If a new idea which comes right now to say that there's something which could be turned around in 6 months and it's a very valid, which is a very good idea from a marketing standpoint and makes a good financial sense, we're happy to take those kinds of calls as well.

So, it's very difficult to pinpoint a number to say that this is what we're looking at from an exact number perspective. But yes, the base ongoing capex is about 100 plus, we keep investing based on specific initiatives, innovations, automations, etc.

Rahul Agarwal: All right, got that. Thank you so much, and all the best for the rest of the year.

Narasimhan Eswar: Thank you, sir.

Moderator: Thank you. The next question is from Rahul Jha from Bowhead. Please go ahead.

Rahul Jha: Yes, hi. Thank you for allowing me the question. So, my question is that we have done really good on the front load washers, and this is despite us being not present in Croma, Vijay Sales, and Reliance Digital with this project product, at least from what I have seen. And despite that, we have gained a significant market share.

So, my question is that how soon do you think we can enter with this project product in the larger chains, and what sort of timelines do you expect us to hit the 10% kind of market share for front load washers?

Narasimhan Eswar: Okay. Thank you for that question, sir. Well, without getting into specifics, we are in some of these large chains. As you know, the whole process of listing and delisting keeps going on. That's something that chains also do as part of their work. And obviously, our intent is to try and be in all these, so long as it makes financial sense for us to do.

So, one thing that we try to do is we don't try to just do pay whatever is required to go and get it listed. I don't think that's a very good way of working. So, where it makes commercial sense, then we will do it. And where it doesn't, we will keep discussing until it makes commercial sense to both parties, right?

So, what we're looking for is a win-win, and not get in at any cost, because then there is a financial also to worry about. So, that process is ongoing, and we'll continue to do that. Like you rightly said, we are able to really get significant throughput increases on our front load, which is what makes us happy.

Distribution increase is something that you can always get, you know, but in the places where you are, your throughput, that is, how much sells per display unit, that needs to increase. That's what gives confidence to our customer partners. There are actually parts of the country, and I don't want to go into the detail, where we are already at close to a 10% volume share. As you can imagine, we've got about a 5-odd volume share right now, but it's made up of some places where it's smaller, 3%, etcetera, and some places where it's close to 10%.

So, we have the template, the KPIs, we understand what we need to do to make it happen, and like I said, it's always a question of doing the right thing commercially. Sometimes, the commercials do not work, and that is something that we don't like to compromise on. So, if we wanted to get 10% share at any cost, honestly, we could do that within a year's time.

But I think the cost would not be a good cost to pay for the long term. So, we are pacing ourselves. Obviously, still with an aggressive bent of mind. It would be lovely to get to double-digit volume share in the next two to three years. That would be great. But let's see. Let's see. It's not an easy market. It's a tough market. Those who have the shares, obviously, hold on to it for dear life. So, it's very competitive and very exciting.

Rahul Jha: Second is, sir, on competition in the top load washer category, we have seen some of the erstwhile players who did not have that category with them, they have also entered. And is that the reason that we have lost some market share in the top load, and despite losing some in the base quarter as well? So, because top load used to be a very strong product from Whirlpool, at least that what the feedback is.

Narasimhan Eswar: Sir, fantastic question, actually. And it shows great knowledge of the market. So, thank you for that. Yes, to some extent, the competition in top load, as you rightly pointed out, more players have come in, and very aggressively, to try and get some share, especially at the lower ends.

We are sticking to our strategy, and very simply, it is to make sure that we grow responsibly financially, right?

So, the growth is not coming at the expense of financials. At the same time, we premiumized so that it's better value per unit for us and for our customers, and it's also a better margin per unit. So, we are definitely driving the premiumization through our High DC strategy.

And lastly, I think what I'm most excited about is, as I have said before, the specialty, I think, of Whirlpool, which we are literally, let's say, rediscovering our mojo, is we don't just rely on great global innovation. Like I just said, we have obviously access to all the global innovation we need, but classic example, Dynamics detergent dispenser, is not available anywhere else in the world except India, right?

And tomorrow, it could go to other parts of the world, but it was made in India. Auto defrost, made in India, made for India. The IntelliFresh Crisper that we've just built in on the four-door Luxuriem, made in India. And I think what I would love to say is that in the next 12 to 15 months, I am looking forward to some very exciting innovations that we're bringing in, excuse me, on top load, which will So, our answer is not to undercut on price and try to win, because that's a that's a mug's game. That is not, you know, good for the industry. Just like in semi-automatic, we de-commoditizing the business.

Now, if new players are coming in at lower cost and selling at entry level, etcetera, we have to find a way to de-commoditize categories. That's what adds value to consumer, it adds value to our customers, and it adds value to our industry and to ourselves, obviously. So, we will absolutely do that in top load washing machines as well. So, there'll be some very cool stuff that will come out before, let's say, too long.

Rahul Jha: One more question, if I can ask. So, when do you plan to increase capacity on the front load washer, because with the scale that we are, the growth trajectory that we have, we would be hitting, I think, capacity limits maybe next year in that?

Narasimhan Eswar: No. So, that's not a problem, and we do something called long-term capacity planning, which is a very structured program that we do, and we do that every year, and update it every six months if we need to. We are completely on top of what we need to invest in from a capacity point of view in all our three plants. We always look at, can we do it internally, can we do it externally, etcetera. As far as front load is concerned, we are quite cool.

We are growing really fast, but there's still significant capacity that we have to utilize, and we don't even operate on three shifts. So, there's a lot of, let's say, space that's available to basically make it, you know, much bigger volumes. So, there's no immediate need for any capacity investment in front load. But we're always on top of that, sir, as you can imagine.

Moderator: Thank you. The next question is from Ankit Merchant from Kotak Securities. Please go ahead.

Ankit Merchant: Hello?

Moderator: Yes, we can hear you now. Please go ahead.

Ankit Merchant: Yes. So, my question was on the margin front, right? So, there's been a lot of volatility in the margins in the last four, five quarters that we see with various issues. On a slightly medium term, like what is the kind of, you know, margin trend that we can see in the business, and when can we see some of these factors, especially relating to, you know, the energy efficiency norms, some e-waste provisions, kind of form a base and then the margins can improve from thereon?

Narasimhan Eswar: Yes. So, I'll give some perspective and then maybe Aditya can add on his perspective if there's something missing. So, on margin, if you see in the last three years, from '23 onwards at least, '23-'24, '24-'25, '25-'26, we have more or less been increasing margin all the time. The real margin impact, which has been quite challenging, has come in the last six months.

And two major factors, like I said, fundamentally, one is significant regulatory impact, which was basically because of two reasons within that itself: one is the energy change on ref and ACs, which typically happens once in three years, right? So, this is the year in which it happened.

And the second one is obviously e-waste. Now, very simply on e-waste, it's a question of when and how it's going to get resolved, which is not only up to us, it's the entire industry, it's actually more than one industry, that we need a solution to. And I don't want to go too much into the detail of that, but this is something that we need to and hope for an equitable solution, which is sensible for everybody, right?

So, e-waste, I'm hoping, is a matter of time before we come up with something which actually works for others for us and others in the industry, and doesn't is not one-sided. As far as regulatory challenges are concerned, this will typically happen once in three years. So, technically speaking, if '26 January is the refrigerator one now, as per the calendar, the next one should be '29 January. So, other than that, we know we don't have, we don't expect anything else.

But even that, I would submit, is quite a lot of change. Every three years to change energy, especially on refrigerators, where, by the way, I'm not sure if you're aware, but India is just behind Europe on energy in the world. So, our energy standards on refrigerators, especially in this category, are better than America, are better than South America, are better than Japan, better than Korea, better than China, better than Malaysia, Singapore, better than Australia. So, we're already at fantastic energy levels.

So, this is part of the discussions we've been historically having with the Ministry as well, to say that we are already at a very high level. So, this is more of an industry-related issue that we need to deal with. So, two things are already dealt with. E-waste is something that needs to be sorted out between the government and the industry and the recyclers, and I hope we have some kind of solution soon.

It's been a very long time. It's been like what, 18 months since we've been accruing the higher amount. And obviously, releasing that up would be a big benefit for people like us who are accruing at the highest value, right? And whenever that happens, you know, that will be a big help for us. The as far as the regulatory is concerned, like I said, it's once in three years on refrigerators and air conditioners.

But that's something that we need to continue to chat with the government and trying to come up with something which is more reasonable, keeping in mind that in refrigerators, for example, we are already at a very, very high level of energy efficiency.

Lastly, the impact of commodity pricing, excuse me, commodity and forex, this is anybody's guess, you know, your guess is as good as mine. We all pray and hope that this gets resolved soon for the good of the world, and frankly, also for the good of industry. And that is something that we are absolutely unable to make a comment on. But hopefully it's not too far away, and it happens within this fiscal itself.

Aditya Jain: Thanks, Eswar. The only other point I would add is, for example, the fixed costs, and that is what we monitor and control very efficiently in our business, while we've also spoken about a P4G program, but outside of this black swan kind of events, which materially impacts the costs, but we have a very tight governance in monitoring and managing the operating fixed costs of the business, whether it be people costs, whether it be the operating expenses of the company.

So, at least we make sure that while other things are happening and seeing a material cost headwind, but these costs are kept under control and under check to ensure that there are no other inefficiencies in the business while managing the whole lot of external environments. And our P4G program helps us do that, and we will continue to do that going forward as well, and ensure that our fixed costs and operating costs are under control, while we manage all the external environment-related headwinds as well.

Ankit Merchant: Yes. My second question is, I just wanted your thoughts on this, that the entire industry is currently growing on single digits, and, you know, we are making thin margins right now. Is there a situation where in the next 12 to 18 months, you know, all the players kind of come together and decide that we need to grow profitably and pass on some of these, you know, additional costs on to the consumer?

Can this happen in the next 12 to 18 months? And is there a scope as well to, let's say, pass on a 10% price hike to the consumer? You know, what will be the elasticity of demand if we do that?

Narasimhan Eswar: Sir, so, firstly, on the first question, as you know very well, it is absolutely against the law for anybody to come together on pricing, which is why we decide what to do on pricing independently. Obviously, we check what's happening in the market, which is just basic market intelligence when consumers are being offered prices, obviously, you know what the pricing is.

So, there is no, absolutely no chance of any industry-wide agreement on pricing, because that would be illegal, and as not just the head of Whirlpool, but as the President of CEAMA, I would absolutely discourage any such activity by anybody, because it's an offense, a criminal offense. So, the answer is no. Is it possible that different players at different points in time decide to incorporate more pricing into their business?

It would seem to me a logical thing to do. But then again, everything doesn't operate on logic. Some people might want to use the opportunity to get more market share, and therefore not take up pricing. These are things that happen every day, right? It's happening as we speak. So, somebody may take up the price, somebody may not take up the price. Then if you take up the price and others have not taken up the price, then there is a price that you pay for that, right?

And the price that you pay will be volume loss. And is the volume loss worth it or not? So, we have a lot of sensitivity analysis that we do. Obviously, I'm not able to go into the detail of that, but we do a lot of work on this area, because it's quite crucial in this industry. You know, a 5% price difference could be a INR 1,000. And INR 1,000 is not a small amount of money for anybody. In more expensive products, 5% could be INR 3,000, INR 4,000, INR 5,000, or even more.

So, my answer to your question is, every company will take its individual decision. I'm sure they will do what they need to do. Is the cost at this point in time very significant? Yes, absolutely, it is. That there is no doubt of. Have we been able to recover all the costs through pricing?

No. That's a very straightforward answer. Everything that we do going forward will also depend on what happens in the market. If we see a competitive situation going in a certain way, we'll act in a certain way. If the competitive situation goes in a different way, then we'll act accordingly, always keeping in mind the balance between revenue growth, market share, and profitability.

Moderator: Thank you. Mr. Merchant, we request you to rejoin the queue. Before we take the next question, a reminder to participants to please limit your questions to two per participant. The next question is from Naushad Chaudhary from Aditya Birla Sun Life Asset Management. Please go ahead.

Naushad Chaudhary: Hi. Thanks for the opportunity. Sir, firstly on Elica business, wanted to understand if you can give us some specific, what exactly is helping this growth, and what should be the expectation for the full year and in coming years? And on the remaining stake, is there any plan to, you know, take it fully?

Narasimhan Eswar: Great. Thank you so much, Mr. Naushad. Much appreciate your question. So, firstly, I want to clarify that we have 100% ownership of Elica. 100% ownership of Elica, so there's no remaining stake.

All of it is Whirlpool of India. Mr. Pralhad Bhutada, who is, I would say, the father of the cooking industry in India, for me, a phenomenal man, who built up multiple brands including Elica in India, he continues to run the business for us. But it's 100% subsidiary of Whirlpool of India. So, that's the first point. So, there's nothing left for us to buy.

Second, I think Elica, there are three things that have been working very well for us on Elica this year. First is the market has been more responsive. There has been a good growth in the kitchen appliances market, unlike the refrigerator market, for example.

The second thing that's really worked is we've been able to focus on both ends. We've been able to focus on the lower end and introduce some very good products there to get more of the mass. But at the same time, we've been able to put in some very good, like I showed you, high-value products with great margins that have been able to counter-balance that from a volume and margin point of view.

So, this double strategy is working really well for us in terms of the new products that we brought to market, obviously with a very efficient system. The third thing that has been very helpful, in Elica's case, unlike the refrigerator washing machine business, is that the pricing has more or less been able to cover the cost increases. Not 100%, but very, very close. So, very different kind of industry definitions there. So, these are the three reasons.

What do I see going forward? We see Elica as a lovely jewel in our portfolio. We expect to see strong growth coming out of Elica, obviously always strong double-digit growth. We do expect that we will have to invest some of the margins into that.

But even if we were to invest some of the margins, like say a couple of hundred basis points, we still think that it will be a significantly higher margin than the rest of the Whirlpool range, and therefore, will always be accretive, both from a top-line and from a bottom-line perspective.

So, Elica is certainly a business that we are very proud of, we're proud of our team in Elica that's driving this business, and we will continue driving this business really hard.

Naushad Chaudhary: Could we expect 20% plus kind of number from Elica for the full year and in 2028?

Narasimhan Eswar: Difficult to say, sir, again. As you know, it's very difficult to make such predictions. I don't like to make big statements like that. So, we hope to continue to drive the business strongly. Nothing will be spared to make it drive strongly. But also a lot depends on -- because it's not like we have a low single-digit market share, a lot depends on how the market grows.

So, if the market growth continues to be strong, then we can expect some good growth. But if the market growth weakens, which is quite possible, given everything else that's happening around us, then maybe not. So, don't have an exact answer for you, but obviously, we'll try our level best to make sure our growth on Elica is strong.

Naushad Chaudhary: On the AC business, wanted to understand your strategy, your focus market, and in absolute terms, how big can it be for you in next two, three years, how are we going about it if you can explain on that?

Narasimhan Eswar: Sure. I think on AC, I would like to say again that what we want to do is responsible growth. So, I just want to be clear again, at least the current strategy that we have, that obviously can always change, depending on our discussions with the board, etc., is responsible growth, which means we'll not want to grow at any cost.

So, in the last two years, we've been able to grow our business quite significantly, not 10% or 20%, but much, much higher than that, because we were coming off a relatively lower base.

We hope to continue growing at a very strong pace, well above 10% or 20%. And I think the reason why we'll be able to do that is because we have a very solid assortment, which is not over-proliferated, and therefore, we have efficiencies in our business.

We're able to manage our inventories quite well. We are obviously sourcing from outside right now. We don't manufacture our air conditioners, but the design is basically ours. So, they're manufacturing to our specifications. We have a very strong plan for execution. Results have been very good. I think we're the fastest growing, if I'm not wrong, we're the fastest-growing in terms of off-take AC, of course, our base is small, but still, you can be small and not grow the fastest, but we were the fastest-growing in off-take this year as well as last year.

So, we hope to continue that growth, but we hope to continue that growth responsibly. So, the strategy really will not be to pump a huge amount of volume into the market and then hope for a good day. We try to basically, as far as possible, more than probably what the market does, stay closer to consumption in terms of how we ship, and that's the strategy that we'll continue to do, because we are very aware of the fact that if you over-ship and then the off-take doesn't happen, then you'll have a double whammy, which is you'll have to get rid of all the stocks that you have by discounting, etc., which reduces the margin, which is what I would call not that responsible, plus whatever stocks you have left, you'll have to do something about the disposal of those products as well.

So, responsible growth is what we'll be looking at, and we've got a proper portfolio, whether it's 1-ton, 1.5-ton, 2-ton. We've got a proper portfolio, 3-star, 5-star, etcetera and we're going to go about it in a fairly structured and scientific way, where it makes financial sense to us.

Naushad Chaudhary: Thank you.

Moderator: The next question is from Priyank Chadha from Vallum Capital. Please go ahead.

Priyank Chadha: Yes. Hi, sir. Heartening to see ESOP plans getting converted till -2 and -3. Congratulations for that. Just trying to reconcile the revenue growth numbers, right? If ACs, say, contribute 10% of the sales, grow at 50%, say, that contributes 5 percentage points to the overall growth, which means the balance 6% is from washing machine, refrigerators, which, again, if I have to link it with the GFK, looks like it's a pure volume growth.

So, is there no element of pricing contribution coming up for this quarter, and whatever price hikes you mentioned, should be coming up for the coming quarter? That's my question number one.

Narasimhan Eswar: Okay. So, thank you for that question. You're right about the AC, I wouldn't say exactly on the 10%, but you're right about the AC in principle, that growth is significant and that's driving certain amount of volume for us.

Like I said, so is front load. If you see, the market itself hardly grew, so the mathematics, as you rightly pointed out, the market grew about 4%-5% across refrigerators and washers. And our market share, as I told you, grew about 30-35 basis points.

So, if you take it on a base of market share, this will basically come to about a six, six and a half kind of number. So, some amount of the pricing has come in, because as you can imagine, the pricing starts increasing, but in GFK, the price that you see is the price that is off-take out of the store, right?

If I've shipped in, it does not necessarily come into the GFK. So, yes, we have taken up prices in April and May, as I said before. I'm not going to say exactly what the numbers are, but we have taken up prices two consecutive months because we had to. And it was not fully reflected in April, May, June, but it will be fully reflected in July, August, September and beyond. And thank you for the comment about the ESOP. Much appreciated.

Priyank Chadha: Yes to whatever you have been able to yes thank you for that. The second question again on sorry -- hopping on one of the only weakest link, which is the margins for our industry, right? I mean, if Aditya can say, split out, say, 400 bps of gross margin compression being contributed by various reasons, there are five reasons which you've mentioned in your press release, maybe a few large ones contributing to it, so that we can understand exactly where is the pain arising out for.

And maybe other part, Mr. Eswar, in your assessment, the industry competitive dynamics are very high, maybe the other players keep selling at a lower prices to whatever categories they would want to, but we've been industry leaders, number one in few, number two in others. If we don't take the price hikes or maybe we don't lead the price hikes, I would say, we expect a competition also to do the same. I'm just taking a reference with the mobile phones with no volume growth, still passes on the full price hikes, AC being one of the highest competitive category, hardly, barely we've seen any margin pressures coming up over there season to season.

So, just your thoughts on who would lead that price hikes and lead the within the competitive intensity, and Aditya if you can just help us on the gross margin break downs so that we get to know the source of pain.

Aditya Jain: Thank you for question. Getting an to an exact numbers probably were constrained to share the exact numbers of the split of the factors impacting the gross margin but I would just give you a little bit of indication at a very high level let's say there are two big things which impacted us a, war-related stuff which is a combination of all the things between the oil prices, the effects and a lot of other things and then the second big element especially on materials or gross margins was on the energy regulation of charges impact on refinery or con business.

If I just split broadly to say that in the order of magnitude, the war impact was much higher. So, and then half of it, if the war impact was x, probably half of it or a little less than that was the energy regulations impact, which impacted the overall gross margins, probably that's the best I'll be able to share at this point of time. Yes.

Narasimhan Eswar: On your second question, on the price hikes, well, this as I said before, it depends on the industry. So, have we led the price hikes? Yes, we've taken two price hikes in April and May.

But we also need to watch what's happening in the market. That's what I was saying before. And if the market responds in a different way, then I cannot blindly do stuff.

So, I have to protect balance between volume growth, market share growth, and profit protection. And so, we have to do the right thing. Like I said, if your volumes crash, if your volumes go down, the numbers become far, far worse, trust me. So, this is not a business in which you want to drop volumes significantly versus before, because then nothing can protect your P&L, because it's not a very low involvement business.

There's a lot of investment in feet on street, there's a lot of investment in stores, etcetera, right? Therefore, I would say, we will calibrate what we do on pricing. We will do the right thing for our brand, but always keeping in mind that the right thing is not just to price up all the time, irrespective of what the rest of the market does.

We know what happens when that when we do that, and we learned that in 2022. And we know exactly what will happen. And we've done a lot of analysis on that. So, this is something that we will continue to observe as we go along. And Yes, and who leads the pricing, etcetera, etcetera. This is a good question. Sometimes we'll do it, sometimes some other big brand will do it.

But typically, big brands are the ones that basically lead this. If the seventh player or the ninth player takes a pricing, nobody really is going to respond. So, it's always the top two or three. So, we've done what we need to do, and we keep monitoring it very, very carefully, and we'll continue to act based on what we see in the market, but always to be competitive and not be off our strategy.

Priyank Chheda: So keeping in full space just last thing if gross margin is mirroring all the impact of war and regulations why so that P4G actions are not being witnessed in the delta change of gross margin fall which is exactly the same delta change in the EBIT margin so maybe we would have expected say gross margin fall or maybe the average margin fall to be lower than the gross margin fall because of the P4G action. Just from that, thank you.

Narasimhan Eswar: Sure, I think let me answer this because P4G as a program is basically most of the P4G numbers that come are basically on all the engineering work, design work, all of the BOM, the Bill Of Materials cost, which is part of gross margin, supply chain costs, and so on and so forth. So our fixed cost has not actually increased as the percentage was last year, right?

But all of the others, basically, we have done the P4G. The impact of the crisis that we've had, the Black Swan event, is actually very big in this industry. And like I said, if you're not able to cover that fully through pricing, then it's a very big number. So we've been able to do our P4G like we normally do. But also please keep in mind that P4G is very much, let's say something that we need to do in times where it can easily be done.

But if you come to a place where you're literally not able to get materials to manufacture, negotiation would become a very difficult thing to do. You see what I'm saying? So if you say you want polypropylene, 100 kilos are available, who wants it? And if you at that time you want to make, I'm just making it up, a 10 % discount, you're likely not to get even one kilo.

So it's a very, like I said, it's a very unusual time, I would say, for our industry because there is a lot of pressure on materials at the same time as supply and at the same time there's a lot of pressure on cost. And we are doing our P4G like we normally do with the same diligence, with the same, in fact, even more, would say, focus. But there's only so much you can do in times like this because availability is also important.

And if you're not able to manufacture plants, then it doesn't matter what your gross margin declared is, you cannot sell anything. So it's a very complex time for the industry with respect to this. Because our industry depends a lot on crude related, oil related products. Like I said, there are many, many things that in our industry we require, whether it's plastics for washing machines or refrigerators or whether it's EPS for packaging, which is quite substantial.

There's tons of it, whether it's products required for foaming. So all of this is related to crude. So we are absolutely doing that, but we are not able to get substantial savings to offset all the impact of this Black Swan event.

Moderator: Thank you. As we are nearing the end of allocated time, we will now take the last question from Manjeet Buaria, from Saamya Advisors. Please go ahead.

Manjeet Buaria: Sir, thank you for taking my questions. The first one was in FY '25 we had sale of services to Whirlpool Corporation and I think entities controlled by it to the tune of about INR 250 crores. If you could share some details on whether this will continue going ahead now that they are not our parent, let's say beyond FY '28, and what was the sort of margin we made on that business, because it was a services business, so I just wanted to understand whether this was a very high margin business for us. That's question one.

Question two was on AC again, it's a very crowded segment, and many well-run incumbents have also struggled to make a healthy ROI on a sustainable basis. They've good years, they've bad years, but not very sustainable. So, what gives us confidence that we'll be able to make a healthy ROI over here more consistently? That's question two.

And third was just a suggestion, sir. We are completely aligned with the management team getting ESOPs in the India business, because that's what they are driving. But I think these ESOPs vest at face value. From a minority perspective, we would have thought if the ESOPs vested at close to current market prices when the scheme came in, it would have been more fair. So if you guys agree with it, it's something that could be reconsidered by the team and the board? Thank you so much.

Aditya Jain: Yes, so, thank you, Mr. Manjeet. So, let me take up the first question regarding the sale of services. So, this is the sale of services to Whirlpool Corporation, which used to happen in the past. There's an agreement as a part of the transaction, we've agreed with the Whirlpool Corporation that these services will continue until March '29.

So, that's what is the agreement, which is also in the public domain. We've made disclosures because it is a related party transaction, and the margins are on arm's length basis, which is a cost-plus kind of a business. Now, what happens beyond March '29 is purely on the discretion of Whirlpool Corporation if they want to retain these services in India or with us, or how would they want to do it. But right now, our agreement for those services is till March '29 and at arm's length on a cost-plus basis.

Narasimhan Eswar: Thanks, Aditya. On the AC point, you asked the question on healthy ROI. So, I think I kind of partially covered it previously. The way, see, the AC business as we see it is a very, very interesting business, but in a way, it's a risky business. And what is the risk in it, is that if the summer season is fantastic, then your products sell like hotcakes and you're short of supply.

But if the summer season is not very good, like last year 2025, then you end up in a situation where you're sitting on tons of stock if you've pre-produced. The way we try to keep a healthy ROI is very simple, like I said, responsible growth. We are not putting massive targets, for example, let us triple our business from this year to next because our base is small, and produce a huge amount of product and then sit on it and don't know what to do.

So, we're calibrating our growth so that we grow responsibly. The AC business, de facto, is a lower margin business than refrigerators or washers, because of the kind of competitive pressures that are there. But if we can manage it in such a way that we don't have a lot of obsolescence, and we don't have a lot of inventory sitting, which becomes an inventory carrying cost, or it'll have to be discounted and sold, then it is quite a reasonable business.

So, our interest would be in AC is to keep increasing the absolute, excuse me, absolute margin per unit year on year, right, as we drive this business, and at the same time, make so that make show that your profit year-on-year is getting better on the AC business, and at the same time, make sure that you have much better than a 10% or a 20% growth in the AC.

We could go for another strategy that says, let's go for a 100% growth or a 200% growth, but that will have its own risks. So, the way we make sure that it's a healthy ROI is what I call the responsible growth strategy. So, we don't just go and list at any cost. We don't do that. So, if somebody says, "Yes, list, but give me this much percentage more," then we don't do it, because it doesn't make financial sense for us long-term.

Once you agree a trade deal, then you're stuck with it for years. So, that's my answer to you. We try to do it in such a way that we're increasing the margin in AC year after year. So, if this year the margin is x, next year it should be 1.1x, the year after that 1.2x, after that 1.3x, etcetera, and make sure you're growing profitability, and we make sure that we try to grow the business in a healthy way, utilizing our tremendous strength in both traditional trade and in organized trade, and not depending only on one channel.

So, that is the answer to the question on the healthy ROI. Your suggestion, thank you so much for the ESOPs point that you made. So, I just want to highlight to everybody that you talked about vesting at face value or vesting on -- vesting at market rates. See, we need to just step back for a second. We had done an extensive exercise benchmarking a lot of recent ESOP plans that were floated and approved in the market, and without mentioning names, a lot of strong companies have actually issued shares at face value, and that's been fine.

And we also checked with all the governance rules that are typically given by advisors on this, and their advice was, if you do it at face value, make sure it's very strongly linked to performance. And I'll just explain, I'll take a few minutes to explain this, I'm sorry, I will exceed time by about 3 minutes, but it's really worth it.

So, we are linking it extremely strongly to performance. 100% of our vesting is based on performance, okay? And just for you to know, previously the same leadership team was actually getting shares from the Whirlpool Corporation, as I'm sure many of you are aware. And in that case, half of the shares were based on time vesting, which basically meant, if you had a 100 shares, 33 would vest this year, 33 next year, 33 the year after that.

This was half of the shares. And the other half of the shares was cliff vesting based on performance. What we've done now is made a 100% of the shares for senior management vest only after 3 years, which is cliff vesting. And completely based only on performance. So, this is a very big change already for the senior management, and by the way, it was also being given at face value.

So, from a senior management point of view, as you know, in terms of pay, we look at base pay, bonus, and long-term incentives for the senior management. Our base pay typically is not cutting-edge even with respect to the industry. It is just the bonus and the variable pay or the LTI where we try to incentivize management to give a stronger performance.

That has been the philosophy historically. We're following through on that philosophy, but making the conditions even more stringent in agreement with the board before we present it to you. So, like I said, versus time vesting for 50%, we are now only doing performance vesting, which is already a big change for the senior management.

Second, where it was vesting 1/3, 1/3, 1/3 on time vesting, now it'll all vest only after year 3. That's another big change. And lastly, individual performance, there was no penalty on the long-term incentives. So, just to explain, if the company did its numbers globally, then you would basically get your long-term vesting.

But what we've now done, excuse me, is to say, if two of the three ratings are inconsistent or, let's say, not good enough, as determined by the board or by the leadership team, then the management even has the chance to get zero LTI. So, if you get two out of your last three years you've not got good ratings, ratings are below average, you'll get zero.

So, that is a new condition. So, we've already made it much more stringent than what our current management team was actually getting to protect and safeguard our future. Lastly, if I may add, sir, and I wish to place it on record, that we are not only the leadership team, there are literally six people on my leadership team, including myself and Mr. Aditya Jain, who are also individual shareholders of Whirlpool of India.

So, with our own money, not ESOPs, with our own money, we've bought shares. So, we are as much shareholders as anybody else in the company. So, our, let me say, personal stake is very much there. And these are pretty big amounts for us. So, I hope that's a very straightforward and fact-based answer for you.

Manjeet Buaria: No, no. That was very helpful. Really appreciate the detailed explanation and also appreciate the hard work which has gone in over the last three years since this team really started the turnaround. Thank you so much.

Narasimhan Eswar: Thank you, sir. Thank you so much.

Moderator: Thank you very much. As we are nearing the end of allocated time, I would now like to hand the conference over to Ms. Sweta Srivastava.

Sweta Srivastava: Thank you, everyone, for joining the call. With that, I would like with that, we would draw this call to a close. Thank you.

Narasimhan Eswar: Thank you very much. Thank you, Bhawani.

Moderator: Thank you very much. On behalf of the Whirlpool of India Limited, that concludes this conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.