

May 20, 2026

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001  
**Scrip Code:** 500135

**National Stock Exchange of India Limited**

Exchange Plaza, C/1, Block G,  
Bandra-Kurla Complex, Bandra (E), Mumbai - 400051  
**Trading Symbol:** EPL

**Sub. : Transcript of the Conference Call - EPL Limited (“Company”)**

**Ref. : 1. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (“SEBI LODR Regulations”)**  
**2. ISIN: INE255A01020**

Sir/ Madam,

In furtherance of our intimation(s) dated May 7, 2026 and May 8, 2026, we are enclosing herewith, the Transcript of the conference call for the Analysts/ Investors, which was held on Thursday, May 14, 2026, to discuss the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended on March 31, 2026 (“said transcript”).

The said transcript is also made available on the website of the Company i.e. at <https://www.eplglobal.com/investors/shareholder-information/>

This is for your information and records.

Thanking you.

Yours faithfully,  
For **EPL Limited**

**Onkar Ghangurde**  
**Head - Legal, Company Secretary & Compliance Officer**  
**ICSI Membership No.: A30636**

Encl.: As above



“EPL Limited  
Q4 FY26 Earnings Conference Call”  
May 14, 2026



**MANAGEMENT:** **MR. HEMANT BAKSHI – MANAGING DIRECTOR AND GLOBAL CHIEF EXECUTIVE OFFICER – EPL LIMITED**  
**MR. M. R. RAMASAMY – CHIEF OPERATING OFFICER – EPL LIMITED**  
**MR. DEEPAK GOYAL – CHIEF FINANCIAL OFFICER – EPL LIMITED**  
**MR. ONKAR GHANGURDE – HEAD LEGAL, COMPANY SECRETARY AND COMPLIANCE OFFICER – EPL LIMITED**

**MODERATOR:** **MR. PRATIK OZA – SYSTEMATIX INSTITUTIONAL EQUITIES**

**Moderator:** Ladies and gentlemen, good day and welcome to EPL Limited Q4 FY26 Earnings Conference Call hosted by Systematix Institutional Equities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pratik Oza from Systematix Institutional Equities. Thank you, and over to you, sir.

**Pratik Oza:** Thank you, Nitesh. Good evening, everyone. On behalf of Systematix Institutional Equities, I welcome you all to the Q4 and Full Year FY26 Earnings Conference Call of EPL Limited. Representing the management today, we have Mr. Hemant Bakshi, MD and Global CEO; Mr. M.R. Ramasamy, COO; Mr. Deepak Goyal, CFO; and Mr. Onkar Ghangurde, Head, Legal, Company Secretary and Compliance Officer. We thank the EPL management team for giving us the opportunity to host this call.

Without further ado, I will hand the floor to Mr. Hemant Bakshi to commence the proceedings. Over to you, sir.

**Hemant Bakshi:** Thank you. Good evening, everyone and thank you for joining us for EPL Limited's Quarter 4 FY26 Earnings Call. This has been a landmark quarter for EPL. We announced our proposed merger with Indovida, a transformational move that will significantly enhance our scale and strengthen our position as a leading player in emerging markets.

Together, the combined entity will create a nearly \$1 billion consumer packaging platform with a broader product portfolio, stronger manufacturing and innovation capabilities and an expanded presence across high-growth markets, while also being margin and value accretive. We, as a management team, are very excited about this combination. I am pleased to share, at the same time we have delivered exceptional operating performance in a dynamic and challenging macro-economic environment, reflecting the resilience of our business model and the strength of our execution.

Revenue for the quarter grew by 17.6%, with EBITDA growing by 17.2% and margins sustained above 20%. This is the highest ever revenue growth in the last 5 years. This is also the fourth consecutive quarter of double-digit revenue growth, reflecting the consistency and strength of our performance.

The momentum was led by Beauty & Cosmetics, which delivered a record 30% year-on-year growth, aligned with our strategic focus on this segment. Oral Care also showed a healthy recovery, growing 10% year-on-year. Growth during the quarter was broad-based with all 4 regions delivering double-digit performance.

EAP and the Americas led the way, growing 25% and 24.1%, respectively, driven by a focused push in Beauty & Cosmetics, new customer additions and strong pipeline conversions. Europe also delivered a robust performance, growing 15.5%. AMESA grew by 10.4%, while India stand-alone recorded a healthy 11.5% growth.

EBITDA margin stood at 20.2% with all regions within our guided operating range, marking the seventh consecutive quarter of 20% plus margins. PAT for the quarter, excluding exceptional items, marginally increased by 1%. However, on a full year basis, PAT grew by 15%. For the full year, we delivered a solid performance.

Revenue grew by 13%, in line with our commitment to deliver consistent double-digit growth. EBITDA increased by 15.8% with margins at 20.4%. Our strategic shift towards Beauty & Cosmetics is now translating into results, with the segment delivering fourth consecutive quarter of over 20% growth in this segment and an exceptional 30% growth during the year.

This helped us effectively manage temporary headwinds in Oral Care. Our Personal Care and Beyond mix now stands at 53% and Beauty & Cosmetics is now larger than Oral Care in most key markets, marking a clear shift towards a more balanced and diversified portfolio. Strong EBITDA and PAT performance, combined with healthy cash flow generation have enabled a further deleveraging of our balance sheet with net debt to EBITDA improving to 0.52x.

Return on capital employed also improved to 19%, expanding by 96 basis points.

Sustainability and innovation: Sustainability and innovation continue to be integral to our growth agenda. During the quarter, sustainable tube formats contributed 38% of total sales, reflecting steady progress in customer adoption.

We are also proud to have achieved the EcoVadis Platinum rating this year, placing us among the top 1% of companies globally on ESG performance. We are the only packaging company from India to be globally certified. Innovation remains a key focus area with continuous progress across advanced tube formats and differentiated solutions aligned to evolving consumer needs.

EPL was certified as a Great Place to Work across seven countries this year, a reflection of our consistent efforts to build an inclusive, engaging and high-performance workplace. Looking ahead, let me first address the impact of current Middle East crisis on our business. The crisis has affected both the availability and cost of our key raw materials.

We are proactively navigating the situation with a clear and structured approach. We are prioritizing supply security for our customers while ensuring that cost impact gets fully passed on. In these dynamic times, we realize that strength of our decades-long supplier partnerships and meaningful scale allow us to be a reliable partner for our customers.

With nearly 50% of our business covered under contractual pass-through arrangements and capabilities built post-COVID to effectively implement pass-throughs across the balanced business. We remain confident of delivering robust absolute EBITDA growth. Our approach during this period is anchored in a few clear principles, executing with agility, maintaining financial discipline, safeguarding customer relationships and continuing to drive long-term value creation. As we navigate this environment, our priorities for the future remain clear. First, to sustain the growth momentum in Beauty & Cosmetics. We have now delivered consistent performance and with ahead of the curve investments in capacity, innovations, extruded solutions, front-end specialization and new technologies, we see strong headroom to maintain this robust growth trajectory. Second, we remain committed to scaling in high-growth emerging markets. Brazil continues to outperform and deliver strong growth. Our plant in Thailand is gaining traction, supported by a strong pipeline and new customer acquisitions.

Thailand represents a large and attractive beauty & cosmetics market with significant long-term potential for us. We are strengthening our presence and capabilities to capture this opportunity while also exploring new markets that represent white spaces. Third, we remain focused on margin discipline and capital efficiency.

We continue to focus on delivering profitable growth and improved margins through scale benefits and efficiency projects. In closing, FY26 has been a defining year for EPL, marked by consistent double-digit growth, resilient margins and a transformative strategic milestone with the announcement of our proposed merger.

As we move into the next year, we remain focused on sustaining this growth momentum, executing our strategy with discipline, scaling our presence in high-growth markets and navigating near-term challenges with agility and a continued hunger for more. Thank you for your continued support and we will now open the floor for questions.

**Moderator:** Thank you very much. We will now begin the question and answer session. We have first question from the line of Sanjesh Jain from ICICI Securities.

**Sanjesh Jain:** Yes. Good evening sir. Thanks for taking my questions and for this opportunity. First, on the point you did touch upon your initial remark, post-COVID in an inflationary environment, we have seen a 2 year of struggle to reach back to the margin of 20%, you did make a point that you have taken a corrective measure in terms of contracts, pass-through and all. How much are we prepared in this scenario? Because this appears to be very similar, higher logistic costs, higher raw material costs, higher power cost in Europe. It appears to be a very close scenario what happened for us between '23 and '24. How should we see FY '27 playing out for us?

**Hemant Bakshi:** Yes. Okay. Thank you very much, Sanjesh, for that question. Obviously, very, very topical and something which is top of mind for everyone. So firstly, I think this is a significant event. There's no question about it. And there are two important things that we are dealing with at this point in time.

The first is to secure supply availability, which is something which is extremely important for our customers. And second is then to manage cost. As far as the first is concerned, as I mentioned, we have long-standing relationships with our supply partners as well as the fact that we are a scale player, which gives us an advantage.

And we've made sure that availability is adequately covered till at least at this point in time till middle of July, and we continue to increase that on a weekly basis. So therefore, on availability, we are in a strong position. I think on pass-through of our costs, our model is much more advanced and sophisticated compared to where it was at the time of COVID.

We've learned a lot from that period as well. More than 50% of our business comes from contractual customers, where there is a clear agreement on pass-through. On the other customers, we've been very proactive by being in the market and making sure we are able to get price increases. So at this point in time, we are very confident that we will be able to manage the cost impact that we will feel through this crisis.

**Sanjesh Jain:**

So when we say pass-through contractual term, is this pass-through for the raw material or this also includes the logistics plus currency plus freight? How is this pass-through working as of now? I think in the past, the problem was that we were able to pass on the raw material cost inflation, but other operational cost inflation is what took a lot of time for us to recoup, those costs and renegotiate the contract?

**Hemant Bakshi:**

Yes. Our model right now is a landed cost plus power pass-through model. And therefore, it covers a lot of things which you've spoken about. So that is something which we have covered for, and this has been something which we've also learned through and evolved over a period of time.

**Sanjesh Jain:**

Got it. My second question is on the availability, which you touched upon. Have you seen any - or have we been in a position where we were not able to meet the requirement? And is the shortage a reality? And hence, if we are able to procure the raw material, we have an opportunity to grab some market share?

**Hemant Bakshi:**

So availability overall is a challenge. But in our case, we've been able to secure supplies of all our raw materials, as I've already mentioned. And we are being very agile at this point in time where we are being able to expand our inventories and extend this on a weekly basis. So at this point in time, across all our raw materials, we are secure. Having said that, this is a difficult time, challenging time. And we do feel that we have some competitive advantage in a situation like this. And therefore, there would be some opportunity for market share gains as well.

**Sanjesh Jain:**

Got it. One follow-up question on AMESA. The revenue appears to have grown 10%. I think a lot of pricing pass-through would have happened, but EBITDA is still at just 1% growth, right? And EBIT growth negative 11%. And we have seen volume recovery for some of the FMCG players as they have reported the results. How should we see AMESA? Are we expecting a recovery in the EBITDA and EBIT for AMESA in FY27?

**Hemant Bakshi:**

Yes. So I will cover one part of your question and then pass on to Deepak, our CFO, who can respond to the second half. I think you implied that in this volume growth, there might be some effect of the Middle East crisis. I just want to clarify that's not the case. This quarter has not really been to that extent, affected by the Middle East crisis.

So this is really underlying growth which we are seeing. And I think it's made up of two very important factors. I think one is that beauty & cosmetics, which is something which we've spoken about in the past, which is a strategic priority for us, is gaining momentum in AMESA, especially in our large market of India, and we are seeing really good response there.

And that continues to grow quarter-on-quarter. I think in addition to that, we've clearly seen recovery in the Oral Care category as well. And when the two of them come together, we get good results on the top line, as indeed you are seeing for India stand-alone as well as AMESA. I think on bottom line, I'll ask Deepak to cover that part.

**Deepak Goyal:** Sanjesh. So AMESA margins remain structurally very strong. If you look at full year, our margins have improved from 18.5% last year to 18.7%. This quarter is particularly impacted because of two one-offs. One, we had CEO transition-related costs. We had two CEO costs in this quarter, which impacted. And second is last year, margin included a phasing one-off reversal, because of which the base is high. If we equalize for both, then our margins are in the target range, and that's reflected in the full year numbers.

**Sanjesh Jain:** Got it. One question on Beauty & Cosmetics. Earlier, we used to tell that then as the Beauty & Cosmetic contribution increases, we will see a kicker in the margin. This year has been an exceptionally strong year for Beauty & cosmetics, but that really didn't translate into the better margin, though we are able to hold on to 20%. I thought there was a scope to increase further considering that there was a product mix tailwind with us?

**Deepak Goyal:** So if you look at our margin, Sanjesh and we should look at.

**Moderator:** Participant please be on hold. Management line has been disconnected. I'm reconnecting. Please wait. Participant management line has been reconnected.

**Deepak Goyal:** Hello?

**Sanjesh Jain:** Yes. Deepak, we can hear you.

**Deepak Goyal:** Yes. Sanjesh, margin, let's look at full year to full year because that's the right benchmark. We have improved from 19.9% to 20.4%, right, which is a 50 basis point expansion in a year on an already high base. Another thing is that we have got this margin improvement when we continue to invest in the Beauty & Cosmetics category.

We are investing in the front line. We are investing in innovation. We are also investing in the capabilities across both back end and front end, right? And those investments, if you see some of our cost lines, et cetera, have grown. And I have mentioned it in the past as well that our priority is to drive growth, and we will resource the growth fully because we believe that these are the good costs. And hence, the expansion is gradual, and that's how we expect it to continue.

**Sanjesh Jain:** Deepak, I was just looking at EBIT because some of the currency-led benefit would have come in EBITDA, while that get negative at the level of depreciation, right? You will have higher EBITDA, you will have higher depreciation, that's purely a translation effect. EBIT margin has not really grown. So my fear is that the growth what we are putting, I completely appreciate that we are focusing on growth. No doubt, that's the priority for us. But if I look at EBIT level, the growth really doesn't look like as strong as it appears at the level of EBITDA?

**Deepak Goyal:**

So if I look at EBIT, and again, I prefer to look at full year numbers versus the quarter when we are comparing as a structural business performance. Our revenue has grown at 13%. Our EBITDA has grown at 15.8%. EBIT has grown at 18% and EBIT has moved from 11.8% to 12.3%. So even in EBIT, we see 50 basis point expansion.

And you're right. So if you look at our capex for this year, we have spent INR480 crores-plus, which reflects the investments that we are making in B&C. So there are investments in all the lines, but all the investments are in the areas where we want to grow and the results are also reflecting. But at the same time, we are very, very conscious of our margin profile and how we are spending costs. And I believe both EBITDA and EBIT are moving in the right direction.

**Sanjesh Jain:**

No, I was referring to more Q4, Deepak.

**Deepak Goyal:**

Yes. But Q4, my request is, Sanjesh, that for the structural question, saying, are we really improving our EBITDA margin or not, a slightly longer term allows us to see how we're performing on a yearly basis.

**Sanjesh Jain:**

No, that's fair enough. That's fair enough. Just one last question. With the improving volumes in India, are we hopeful of a better AMESA performance in FY27?

**Hemant Bakshi:**

I think as we mentioned in the past, we are clearly seeing improvement on Oral Care, which had headwinds which we had faced last year. We feel confident that this year will be a much better year in oral, and we are sustaining our B&C momentum. So we remain very, very optimistic about the AMESA region and more specifically India.

**Moderator:**

We have next question from the line of Sameer Gupta from IIFL Capital.

**Sameer Gupta:**

Congrats on a good set of numbers. Firstly, sir, can you just quantify the amount of inflation that we are facing in our cost basket? And I know Sanjesh asked this question, but last time around, we saw EBITDA margin bottoming at around 16% with the current capabilities and sophistications around the pass-through, where do you expect the margin to bottom out at this time? And your absolute growth, absolute EBITDA might not see a contraction, but margin optically will still because the pass-through will just cover the absolute increase in prices. So this is the first question, sir?

**Hemant Bakshi:**

Yes. So thank you very much for the question, Sameer. Obviously, as we said, this is a very uncertain and volatile time. We are managing it on an agile basis at this point in time. I think what we can say very confidently is that we will recover all the additional costs, which comes on account of this crisis. And that itself is a monumental task, but we've built the muscle to be able to do it, and we will do it both with our contractual customers as well as other customers. There might be some optical changes as a result of it, which we will see as we go along.

**Sameer Gupta:**

And do you still expect the non-contractual to come with a significant lag or any kind of guidance on this will be helpful?

**Hemant Bakshi:**

Yes. So we don't see, even with non-contractual, we don't see any lag, any likely lag. But over a period of time, we are absolutely confident that we will recover all the additional costs.

**Sameer Gupta:**

Great, sir. Second question, and I think Deepak mentioned this to Sanjesh, but capex of INR480 crores this year versus depreciation of INR385 crores, slightly on the higher side, I understand there was a greenfield in Thailand, but is there any other or maybe you can just give a breakup of the broad capex this year? And a related question to that is, I noticed no dividend this time. So any particular reason for that? Are we planning on a big capex or is this like an indication of any further inorganic activity that is in the plans?

**Deepak Goyal:**

Yes. Let me take that. First of all, capex is largely driven by the beauty & cosmetics investments. If we see that the beauty & cosmetic category has grown by 30% on an already higher base. And that requires certain investments. And as we had said earlier, while over a period of time, our capex will be closer to our depreciation, we will pull back, we will do the phasing of the capex investments to make sure that the growth is not constrained. And for this kind of growth, then we have invested ahead of the curve. And we will continue doing that if we see that there are growth opportunities that we can capture. On the dividend, the dividend is actually because of the merger.

We are doing a share swap as per the proposed merger announcement. And both the companies cannot declare dividend till the merger is completed, which is common in these kind of mergers to ensure that the valuation construct remains. But at the same time, let me also talk about the inorganic.

We continue to remain hungry for the inorganic because we believe that as a combined organization or as we are kind of going along, we have significant balance sheet muscle and also customer relationships that we can capitalize on. So we continue to be on a lookout for an inorganic opportunity.

**Sameer Gupta:**

Just a follow-up here. Can you quantify the Greenfield investment in Thailand that has gone?

**Deepak Goyal:**

\$ 5 million.

**Sameer Gupta:**

Great, sir. And last question, if I may squeeze in, more of a bookkeeping one. Tax rate continues to be up and down. So I understand there are nitty-gritties, but any kind of guidance here would be helpful?

**Deepak Goyal:**

I think our tax rate is a combination of country mix where the tax rates continue to be very, very different. We have tax rates right from 0% because of certain exemptions going up to 34%, 35% in some countries. And hence, the country mix plays a big role on the tax rate. Steady state, I expect our tax rates to be in the range of 18% to 22%. I know it's a large wide range, but that's how differential or the variation in the tax rate exists in various countries. If you see this year, our tax rate is about 18%, which is at the lower end of the range.

**Moderator:**

Next question from the line of Mihir Shah from Nomura.

**Mihir Shah:**

This is Mihir Shah from Nomura. First question on the revenue growth of 17.5% and across the geographies, except for AMESA, the growth has been relatively super strong. Can you explain what is really driving the 17.5% revenue growth? Is there any pricing growth element in this, point one? Or is there any because of the Trump tariff, any inventory push of sorts or any one-off that was there sitting in this quarter?

**Hemant Bakshi:**

Yes. So Mihir Shah, thank you for your question. The first thing I want to clarify is that there is no one-off in this growth. All the things you mentioned, whether it's the Middle East crisis of the tariffs, etcetera, this growth is not because of that. I feel that our strategy, which we've articulated many times, you are seeing the manifestation of that.

We've said that we will get steady growth in Oral Care, and we will get significantly higher growth in B&C. And in this quarter, both of those categories have done well and have been on strategy. So let me first talk about B&C, which has grown 30%. We've made some very conscious strategic choices this year. We've invested ahead of the curve on capex.

We have focused a lot in building our innovation capabilities. We've then started participating in the extrusion segment, which we hadn't done as actively in the past. And in addition to that, we are bringing in a lot of premiumization and new technologies in the B&C market. It's a faster-growing market. We start with lower market shares and we are gaining market share across all markets. And some of our big markets are really getting to scale and they are driving growth. So B&C, our strategy is clearly work, and you've seen the results this quarter, but I think it's also important to look at oral. Oral Care did have some headwinds last year, which we've spoken about. But in this quarter, we've seen a very healthy return to growth in oral. Oral has grown by 10%. So therefore, both our categories have done well. But in addition to that, B&C now has scale. So 40% of our business comes from B&C, 47% of our business comes from oral. And when a large category, which has scale starts growing at this rate, you get the growth, which we've delivered this quarter. So I feel very confident that our strategy, which we've articulated where we've invested behind and really gotten behind it is now delivering, and you can see the results in this quarter.

**Mihir Shah:**

Understood. So the 25% growth in EAP is largely Thailand led and the 24% in Americas and 15% in Europe is broadly category-led or any specifics you can share out there?

**Hemant Bakshi:**

Yes. No, very happy to share that. So firstly, I must start by saying that Thailand is a very attractive market. It's a large B&C market. We feel very excited about what we can do in Thailand. We have a strong pipeline. But to also be fair, our plant was set up only in November. We've since then been working on validation with our customers, there's a lot of certification, which has to be done, and you will see significant growth coming out of Thailand in the future. However, in this quarter, I must say that bulk of the growth, if not the entire growth, is because of a very strong performance, which we've got in China. So therefore, Thailand, we are very excited about, very optimistic, but that has not contributed to growth in this quarter. This is coming from our core market of China. As far as Americas is concerned, again, Brazil has been a standout performance – it's a blockbuster for us. In the last, since the 3 years we've gone there, we've made a significant impact in Brazil. We started with a single customer, but we've got multiple customers there. So Brazil, again, a standout performance.

But what I'm even happier about is that every country in Americas has grown double digit. So therefore, a great performance in Americas, but it is because of U.S., Mexico, Colombia and Brazil, all 4 growing double digits. So really good performance there. And again, in Europe, it's a growth which we are getting as a result of a strong category performance across different markets. So there is no one-off in this growth.

**Mihir Shah:** Understood. Sounds like all-round performance. So how should one think about the sustainability of this growth, sir? I mean, should one expect this kind of elevated growth to continue given that the structural changes have happened? Any light you can share on that one?

**Hemant Bakshi:** So if you look at our full year growth, Mihir, it is 13%. And we've so far guided to a low double-digit growth in the range of 11% to 13%. And for a longish period of time, we will hold on to the same guidance. So therefore, you can expect a low double-digit growth from us. Our range remains between 11% to 13%.

**Mihir Shah:** Understood. Sorry, I am asking a few more questions, pardon me for that. Just on the West Asia crisis, if you can share what is the element of price increases that you will have to take and that will be sitting in the growth in the coming quarters? And the impact on margins, if at all, how should we think about that in the near term? And I'm sure 50% is covered, 50%, you will have to take a hit initially and then it will be recovered later on. So just how the walk-through of the West Asia crisis pricing growth and the margins? And I'll stop here for my questions.

**Hemant Bakshi:** Yes, Mihir, on West Asia crisis, we've spoken earlier as well. So the first thing is that we are confident that we will recover the full cost impact. And we do not think that there will be a lag in recovery of the cost. Your question implies that with 50% of our customers, there will be a lag. We are making sure that our price increase is proactive, and we do not have a lag. So we remain confident that the full cost will be recovered.

As far as how much will be the pricing, it's very difficult to give one number because it's different by market, every geography is behaving differently. And the situation changes on an ongoing basis. As I've said earlier, we'll remain agile, we will act quickly, and we'll make sure that our model is resilient to this crisis which we face. But I again want to reiterate that we will recover the entire cost increase which we see.

**Moderator:** Your next question from the line of Shubham Sehgal from SIMPL.

**Shubham Sehgal:** My first question is previously we had mentioned that to focus on increasing our gross margins and our operating margins, the management has monthly meetings where I think the discussion is mainly about where we can take the price hikes and the price decreases. So, first part is that are we still doing the proactively monthly meetings and what kind of price increases to the customers have been requested.

**Deepak Goyal:** Yes. Shubham, your voice is volatile going up and down. So we couldn't hear you fully. But what I understand, I think you are referring.

**Shubham Sehgal:** Should I repeat the question?

- Deepak Goyal:** Are you referring to our customer GC review that we had spoken about?
- Shubham Sehgal:** Are you able to hear me properly?
- Deepak Goyal:** Yes, we can hear you now.
- Shubham Sehgal:** Yes. I'm just asking, I'm just asking about the monthly meetings that we had mentioned about taking price hikes throughout our customers wherever we can to support our margins and increase our margins. So my question was, are we still conducting these monthly meetings with the management and where we are taking proactive decisions to increase prices across the customers? And like if we are doing it, what have we achieved through it? That's my first question?
- Deepak Goyal:** So let me clarify. What we had mentioned was that we have post-corona, we have developed the muscle on pricing. We now review our customer-wise GC on a monthly basis to make sure that if there are any deviations, any abnormal margins, etcetera, we go and initiate conversations at an early stage. In times like this, that muscle becomes very, very important.
- So today, we are even more focused on customer-wise margins and what is the price increase that we have to take to absorb all the costs that we are getting and that we are doing very, very regularly. And that is why Hemant has mentioned that we remain confident that we'll be able to recover all the cost increase that will come through.
- Hemant Bakshi:** Yes. I just want to say that we are not doing monthly meetings. We are doing more likely weekly or even more frequent meetings. This is a time where we have to be significantly agile. We can't wait for a month. So within our business, in this crisis, it's all hands on the deck, and we are being significantly more agile than what you would have expected in the past.
- Shubham Sehgal:** Got it. My second question was, could you provide any colour on Indovida's operating margin? Like are we able to maintain the operating margins there for?
- Hemant Bakshi:** Yes. So I think the first thing I want to say is that we are very excited about the opportunity we have of this merger. It's in line with our strategy. It takes us into more emerging markets. It helps us expand our portfolio. And in addition to that, it's margin accretive. It will lead to faster growth for us. So it has lots of positives.
- It's also one thing which I think we did mention in the past is that we are completely debt-free. And therefore, with our ratio of debt also being very low, we now have a very healthy balance sheet, which will allow us to invest both for growth as well as acquisitions. So we are very excited about this opportunity, the merger, which we have spoken about.
- At this point in time, we are seeking a regulatory approval for it. And the work which needs to be done for that is also on track. We are hopeful that we will have the approval within a year of us filing for it. But till such time, as per the regulation, we have to remain extremely careful that there is no sharing of information of any kind between the two companies because we remain independent companies till such time as we get approval. So we neither have any knowledge of nor can we share, obviously, any information about Indovida now.

**Shubham Sehgal:**

Okay. Got it. Just lastly, two short questions. So the oral growth, we have finally seen recovery, good growth we saw this quarter. So firstly, how are we seeing the oral segment going forward? Like what do you believe will we still continue this kind of growth or what exactly is going on, if you could provide some colour? And the second question being, as you mentioned that we already have gotten good growth through our Thailand plant, and we are still in order to get good growth from there. So what could be the -- roughly the capacity utilization at our Thailand plant? Just last two questions?

**Hemant Bakshi:**

Yes. Shubham, I just want to clarify the Thailand question first. What I had said earlier as well that we are very optimistic of what Thailand will deliver in the future. At this point in time, the plant was set up in November. Since then, we've been doing certification in the plant, validation with customers and building a pipeline.

All of that is going very well and on track. But at this point in time, in these numbers, there's not much volume from Thailand because it's still at a stage where it's being set up and will be ready. So therefore, we are very optimistic about it, but I think it will be wrong to assume that there is a significant volume of Thailand in our numbers, which we've declared so far.

As far as Oral Care is concerned, our core is in Oral Care. 47% of our business comes from Oral Care. It's a very steady category. And globally, we have very strong relationships with leading customers. And therefore, we feel that this will be a category which will deliver as expected results in this year. So we are optimistic about Oral Care as well.

**Shubham Sehgal:**

Okay. Got it. So Thailand plant, so you mean to say that we can expect the growth coming in, in FY '27? Or will it take much more longer for all the validation to clear? Or all of that has happened and now we are ready for it?

**Hemant Bakshi:**

FY27, we will start seeing volumes from Thailand in the next couple of quarters. And it will scale gradually. And as you've seen Brazil after 3 years is giving us fantastic growth, which you are all aware of. And we see no reason why Thailand will not repeat the same example. We will see growth over an extended period of time. But I just want to also say that the expectation that in the quarter which has just gone by, we would have got significant high volume is unrealistic.

**Moderator:**

Next question from the line of Akshay Chheda from Canara Robeco MF.

**Akshay Chheda:**

Just on your guidance, the question is related to the guidance that you have given about 11% to 13%. So sir, if I just see the RM inflation that I'm referring to the Slide 27, even if I assume the 40% that is our COGS, that has gone up by around 20%. You can correct me here what is the blended inflation that we are seeing at the company level I assume 20% inflation, then 40% goes up by 8% would come from the cost inflation itself?

So still why we are guiding for 11% to 13%, shouldn't it be a mid-teens kind of a number because even your Thailand plant has to start kicking in. And if we are anticipating a strong growth in B&C, which I assume is a better ASP product, so still why 11% to 13%, sir? Yes, that is the only question that I have?

**Hemant Bakshi:** Yes. I think our guidance is a long-term guidance. And therefore, for us to look at it every quarter and all will be challenging. If you look at our full year delivery this year, it's 13%. And we are guiding in the long run that we will continue to deliver low double-digit growth. Having said that, there will be quarters where if the pricing -- I mean, costs go up, pricing is much higher.

There could be some change from -- there could be a variation from that. But I think we just want to make sure that we are guiding for the long run. And in the long run, we are guiding that we will grow in the range of 11% to 13% consistently, and our EBITDA growth will be slightly ahead of our revenue growth. Deepak, do you want to add anything on specific inflation?

**Deepak Goyal:** I would just say that the situation in Middle East is very, very volatile. And hence, we don't know for how long would it continue. And right now, what we can guide, which is a steady-state guidance, etcetera, cannot include the inflation, right? So that will come probably on a temporary basis in a quarter or two.

**Akshay Chheda:** And any blended inflation that we are seeing on the raw material at the company level, if you could quantify? I know it would be difficult, but still any blended number?

**Deepak Goyal:** I would say it is actually different by region, right? So I can tell you that India impact is different from China. In fact, while both are in Southeast Asia and Europe and U.S. are exiting differently. And hence, this impact is actually changing almost by week. The pricing is changing by the week. The availability challenges are there. And hence, it's very difficult to quantify to a common global number.

**Moderator:** We have the next question from the line of Smith Gala from RSPN Ventures.

**Smith Gala:** Congratulations on a good set of numbers. My first question is on a bookkeeping question. Like our depreciation has grown by INR7 crores to INR8 crores on a sequential basis and INR385 crores for the full year. So what has gone along this quarter? And what is the steady state capex -- what is the capex will we be looking at for FY27? And will the depreciation be in line with the capex? And secondly, have we booked all of our merger expenses in this quarter?

**Deepak Goyal:** Yes. So first on the depreciation, there were some large equipment's, which we got in Q4 and capitalized and hence the depreciation in the quarter has grown sequentially. As I said, when the B&C is growing at 30%, we had to make investments in capacity, innovation and flexibility at the back end, and that is reflected in our capex as well as depreciation. For FY '27, I think we will continue at a slightly elevated level of capex because we are seeing the opportunity in the marketplace gain market share, and we will continue capturing that. Your second question was on?

**Smith Gala:** On the merger expenses, have all the expenses been booked already?

**Deepak Goyal:** Yes. On the merger, we have taken almost all cost in this quarter.

**Moderator:** We have next question from the line of Tushaar Talwar, Individual Investor.

- Tushaar Talwar:** I have a limited question on the dividend point, which was raised earlier. So I just wanted to understand that when are we expecting the merger to be complete because I assume that for that period, we will not be able to issue any dividends?
- Deepak Goyal:** Yes. We had said, Tushaar, that merger would take about 12 months from the date of announcement, which was end of March. So it could get completed, let's say, in Q4 of this financial year.
- Tushaar Talwar:** Right, sir. So the typical timeline generally tends to extend to at least 18 months practically. So should we be looking at no dividend for roughly the next 2 financial years, this one and the next one?
- Deepak Goyal:** Right now, as we understand, we expect the merger to get completed by Q4 of next financial year. However, obviously, it is dependent on multiple approvals happening at multiple levels. We are working rapidly on all the processes. We have already filed for SEBI approval. We have already filed for CCI approval. We are antitrust approvals, etcetera, in multiple countries. So we have done all that. We are moving at a fast pace. However, the timeline is not in our hand.
- Moderator:** Participant please hold the management line has disconnected. Please be on. I am reconnecting.
- Management:** No problem.
- Deepak Goyal:** Hello?
- Tushaar Talwar:** Yes, sir, you are audible?
- Deepak Goyal:** Yes. Tushaar, so basis what lawyers are guiding us, we believe that Q4 FY '27 is a fair timeline post which we will operate as a merged entity and then dividend payout will happen as per the Board guidance and approval.
- Tushaar Talwar:** Understood, sir. And sir, we have mentioned a few times, and we have actually mentioned it over the years also that we are always open to the right acquisition. And given -- we could have up to 1, 1.5 years where we're going to be accumulating a substantial amount of cash. Are we seriously looking at any opportunities or should we simply -- I mean, just from a conservative perspective, just consider that there's going to be a new dividend policy after the merger, and we should just look at this cash being used at that point in time?
- Hemant Bakshi:** No, we are very actively looking for acquisitions. We've said this in the past that inorganic growth is a clear part of our strategy. Having said that, we always say that when we are looking for a new acquisition, it should get us either into a new geography or get us a new capability. So those are the two key criteria we use.
- As we've said very often in the past and many times today, B&C is a priority for us. That's a strategic choice we've made. So we will look for acquisitions, which will strengthen our position in B&C. And if they get us into new geographies and help us get new capabilities, that would be ideal.

We also always maintain internal guideline that any acquisition we do should be growth and margin accretive. So those are the conditions and criteria we have, but we are very actively looking for acquisitions. And as soon as we have something which is in place, we will come back to you and inform you about it.

**Tushaar Talwar:** Just one last follow-up question. Are we looking especially hard now that we don't have any dividend payout obligations for the next year or so?

**Hemant Bakshi:** No, I don't think that's influencing our decision. As we said and you said this even before the merger announcement that we are actively seeking acquisitions. After the merger, actually, our desire as well as our ability goes up because as I have mentioned, Indovida is debt-free. Our debt-to-EBITDA ratios are very low.

We have a very strong balance sheet. So we have the capability to do acquisition. In addition to that, the IVL Group has strong capabilities in this space, which should again help us. And it's a clear part of our strategy. So we've sought acquisitions in the past. We continue to seek acquisitions now very, very actively. And the dividend policy has no material impact on that.

**Tushaar Talwar:** And would we be maybe looking to pay down our debt further? Is that on the cards? Or are we comfortable with what we have?

**Deepak Goyal:** That is the ongoing cash management. So far, we keep seeing growth opportunities. All our capex are organically funded. B&C is kind of doing well. If we need to invest in capex, we will not make it -- we will not -- our growth will not be resource constrained. And if we have excess cash, then we'll pay off.

**Moderator:** We have next question from the line of Nishant Sharma from Nuvama Wealth PCG Research.

**Nishant Sharma:** Congratulations for great top line growth that we achieved. Sir, while I understand that we can't share any details related to Indovida, but it would be great help if you can share some sense on how the beverages category where they are strong, that has done well because going forward, that would also be an important factor to look at it. So just wanted to have some comfort on that front that how is the performance -- how is the industry growth over there?

**Hemant Bakshi:** We don't have any customers in the beverages industry. It's not a category we track. So we are not in a position to be able to give you any information or insights about the beverages category.

**Nishant Sharma:** Sure. Because just wanted to sense going forward, we would also be closely tracking how is the performance because that is going to get merged with us. And broadly, what we are targeting 11% to 13% kind of a growth that is precisely for EPL. But as a console entity, just wanted to have some sense on that front. That's why I was just looking at that number?

**Hemant Bakshi:** Post merger, once the merger is completed, we'll give you as much information as possible on the beverages category. At this point in time, we have no knowledge or information on what's happening on the Indovida business, their market, their market shares, etcetera. And I think it will be -- we are not in a position to be commenting on the beverages category at this point in time.



**Deepak Goyal:**

I could add that at the time of acquisition basis, the information that we've shared with the investors, Indovida will grow in high single digits on a steady-state basis because it's a very strong business with number1 or number2 position in all the markets that it plays in. They have a very strong new geography expansion strategy and hence, have very solid growth plans in place. So it's a business which we -- at least from a historical performance basis, we looked at very, very closely, and we realize that it's accretive to our growth strategy. It's accretive to our margins, it's accretive to our balance sheet, and that's how we decided on the merger.

**Moderator:**

Ladies and gentlemen, that was the last question. I now hand conference over to management for closing comments.

**Hemant Bakshi:**

No, I think -- thank you for a very engaging conversation. As we said earlier, we are very excited about what lies ahead for this business, and we look forward to your continued support. So, thank you very much.

**Moderator:**

Ladies and gentlemen, on behalf of Systematix Institutional Equities, that concludes this conference. Thank you for joining us. You may disconnect lines. Thank you.