

STUDDS ACCESSORIES LIMITED

REGD. OFF.: PLOT NO. 918, SECTOR-68 IMT
FARIDABAD-121004, HARYANA (INDIA)

PHONES : 91-129-4296500

E mail : sales@studds.com, info@studds.com, secretarial@studds.com

CIN No.: L25208HR1983PLC015135

Date: May 29, 2026

To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 NSE Scrip Symbol: STUDDS	To, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 BSE Scrip Code: 544599
--	--

Subject: Transcript of the Earnings Conference Call for Analysts/ Investors held on May 25, 2026, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Ma'am,

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the transcript of the Earnings Conference Call for Analysts/ Investors held on May 25, 2026, in connection with the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended on March 31, 2026.

The above details will also be available on the website of the Company at www.studds.com under Investor Relations' Section at <https://www.studds.com/investor-relations/financials>

This is submitted for your information & records.

Thanking You,

FOR STUDDS ACCESSORIES LIMITED

ASHA MITTAL
Company Secretary and Compliance Officer

®

STUDDS

www.studds.com





“Studds Accessories Limited
Q4 & FY26 Earnings Conference Call”

May 25, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges and the Company website on 25th May, 2026 will prevail.”



**MANAGEMENT: MR. SIDHARTHA BHUSHAN KHURANA – MANAGING
DIRECTOR
MR. BHARAT GOYAL – VICE PRESIDENT, FINANCE AND
INVESTOR RELATIONS
SGA, INVESTOR RELATIONS ADVISORS**

Moderator:

Ladies and gentlemen, good day and welcome to Studds Accessories Limited Q4 and FY26 Earnings Conference call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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. Sidhartha Bhushan Khurana, Managing Director, Studds Accessories Limited. Thank you and over to you, sir.

Sidhartha Khurana:

Thank you. Good afternoon, everyone and thank you for joining Studds Accessories Limited's Quarter 4 Financial Year '26 Earnings Conference Call. I hope you had a chance to go through our financial results and investor presentation which are available on the company's website and on the stock exchanges.

I am joined today by Mr. Bharat Goyal, VP Finance and Investor Relations; and SGA, our Investor Relations Advisors. Before we move to our performance, we are also delighted to announce that Mr. Bharat Goyal, currently serving as Vice President Finance and Investor Relations, has been appointed as the Chief Financial Officer of the company with effect from 1st July 2026.

Over the years, Bharat has played an important role in strengthening the company's financial processes and strategic planning initiatives. We are confident that his leadership will further support the company's next phase of growth and transformation.

Over the last few years, the global two-wheeler industry has continued to evolve rapidly, driven by rising urbanization, increasing mobility needs, growing awareness around rider safety and the premiumization trend across riding gear and accessories. Across international markets, consumers are increasingly moving towards technologically advanced, aesthetically superior and safety certified products.

The premium motorcycle ecosystem, motorsports culture and the adventure touring segments are also expanding steadily, creating long-term opportunities for branded helmet and riding accessory companies. India meanwhile continues to remain one of the largest and fastest growing two-wheeler markets globally.

Rising disposable income, increasing penetration of premium motorcycles, stricter safety regulations and greater consumer awareness towards quality and branded products are supporting structural growth for the organized helmet industry.

We believe the industry is gradually shifting from an unorganized, price-driven market to a more branded, premium and safety-focused ecosystem, which positions companies like ours very well for the future. Since our inception, we have consistently focused on delivering high-quality, innovative and safety-driven products to consumers.

Over the years, we have built one of the strongest helmet brands in India, with a wide distribution reach, strong manufacturing capabilities and growing international recognition through a premium brand, SMK. Today our products are present across multiple geographies and our focus remains on strengthening our leadership position through innovation, premiumization and global expansion.

We have built STUDDS on a very strong foundation of scale, trust, affordability and deep market penetration. Even today, our core STUDDS brand continues to operate at extremely large volumes and that scale itself remains one of our biggest competitive strengths.

In financial year '24, STUDDS' volumes stood at nearly 68.7 lakh units and despite operating on such a high base, the brand has continued to grow steadily at around 3% CAGR to 72.6 lakh units in financial year '26. This demonstrates the brand's resilience, the strength of its distribution network and the brand's continued relevance across the mass and computer segments.

However, what is even more exciting is the transformation happening within our portfolio mix. While the base business continues to provide stability and scale, the premium and export-focused businesses are now becoming the key drivers of future value creation. SMK is a clear reflection of this shift. SMK volumes have grown at an exceptional CAGR of around 52%.

This kind of growth is not just about numbers, it reflects the growing acceptance of our premium products across global markets, the strengthening of our international brand positioning and our ability to compete in technologically advanced design-led categories. SMK today is evolving into a powerful premium global brand and is steadily becoming the company's growth engine.

Similarly, our private label business has also scaled strongly, with a CAGR of around 22%. This business is opening entirely new opportunities for partnerships with internationally recognized brands, helping us deepen our presence across export markets while also strengthening our manufacturing capabilities and product quality standards.

As a result of this evolving mix, our overall volumes have grown from 71 lakh units to 77.4 lakh units in financial year '26, with a CAGR of around 4.4%, despite the industry operating in a relatively mature environment. More importantly, this growth has come alongside improvements in the product mix and premiumization, which have supported ASP growth and stronger profitability.

Coming to our performance, the year was marked by healthy growth across both domestic and export markets, supported by an improved product mix, premiumization initiatives, operational efficiencies and strong brand acceptance across segments.

We continued to witness strong traction in premium categories, particularly with the SMK portfolio, which has been gaining increasing acceptance across global markets. While raw material prices have been witnessing an upward trend since March, we currently do not see any challenges in sourcing or availability of any of the key raw materials.

To safeguard margins against rising input costs, we have implemented calibrated price increases across our portfolio and distribution channels, averaging around 8%-9% from 1st April 2026. On the non-motorized helmet front, we continue to strengthen our brand-building initiatives. We are progressing well with our Decathlon engagement, with initial supplies expected to commence in July 2026.

In addition, we have recently hired a dedicated racing manager who will focus on strengthening our international racing ecosystem presence and enhancing SMK's global brand visibility. As part of this strategy, we recently participated in the Moto4 Latin America Cup through our premium brand SMK helmets.

The championship, hosted alongside the prestigious MotoGP World Championship in Goiânia, Brazil, serves as an important platform for emerging racing talent through the FIM Latin America Road to MotoGP development program. This participation marks a significant step in positioning SMK with the global -- within the global racing ecosystem and enhancing brand visibility among premium motorcycling communities worldwide.

Innovation continues to remain at the core of our strategy. During the year, we launched 5 new products across our helmet segment. We also designed more than 50 new graphics. And we are planning to launch another 6 products in upcoming financial year. Our focus remains on continuously refreshing the portfolio with modern designs, enhanced safety features and premium styling aligned with evolving consumer preferences.

Beyond helmets, we are also expanding our presence in the riding accessories ecosystem. We are currently in the advanced stages of prototype development for riding jackets and external Bluetooth communication system for helmets. We anticipate commercial sales of these products to begin from H2 financial year '27, further strengthening our premium product portfolio and increasing consumer engagement across categories.

Coming to capacity expansion, we remain on track to increase our manufacturing capacity by 1.5 million units by Q2 financial year '27. Following this expansion, the second phase comprises of an additional 1.5 million units is expected over the subsequent 15-18 months. With both phases completed, our total installed capacity increases from approximately 9.25 million units to over 12 million units, representing nearly 33% increase compared to FY26 levels.

Since the new capacities will become operational only during the second half of the year, we expect the full benefits to accrue gradually over time. One of the key strengths of our business model is the high fungibility and flexibility of our manufacturing operations. Depending on the product mix and manufacturing complexity, we can dynamically optimize throughput.

For example, certain variants such as solid color helmets require less processing time than more complex graphic variants, allowing us to enhance production efficiency. Additionally, our flexible manufacturing setup enables us to shift production between STUDDS and SMK products in response to real-time market demand trends. Further, we are in the process of setting up a subsidiary in Europe, in Italy.

This facility will primarily function as a warehousing and distribution hub, enabling us to reduce transit times, improve supply responsiveness, and serve customers more efficiently across European markets.

While we already operate through established distributors in several regions, this setup will also help directly address markets where our presence is currently limited, thereby strengthening our reach and customer relationships internationally. During the year, we incurred approximately INR 23 crores towards advertising and marketing initiatives as we continue to strengthen brand visibility and consumer engagement across markets.

For the next financial year, we plan to further enhance our brand building efforts with an advertising and marketing spend of INR 30 crores, reflecting our continued commitment towards premiumization

and global brand development. What gives us confidence that this is not growth driven by a single product or a temporary cycle. This is a structural transformation of the business.

Consumers globally are increasingly shifting towards premium feature-rich, aesthetically superior and safety certified products. We recognize this shift early and have consistently invested in it through product innovation, brand building, export expansion, distribution strengthening and capacity creation. Going forward, we see tremendous opportunities ahead.

STUDDS will continue to provide strong scale stability and market leadership in the domestic segment while SMK and private labels will increasingly guide premiumization, exports, ASP expansion and overall value creation. We are building a much more diversified and globally relevant business than ever before. We are no longer thinking only about incremental growth.

We are preparing the company for its next phase of transformation with enhanced capacity, stronger international relationships, expanding premium portfolio and growing global brand recognition. We believe we are entering one of the most exciting periods in the company's journey. The ambition is clear to build STUDDS into a globally respected rider safety company with leadership across both scale and premium categories.

Overall, we remain confident about the long term growth opportunities ahead of us. We believe the company is well positioned to continue its growth momentum in the next financial year with an expected revenue growth of around 17%-18% while maintaining EBITDA margins at broadly similar levels.

Further, in line with our long-term vision of building a high performance and globally aligned organization, the Board has also approved the formulation and implementation of an Employee Stock Option Plan, ESOP, for eligible employees of Studds Accessories Limited and its subsidiary companies both in India and overseas, subject to shareholder approval at the ensuing Annual General Meeting. The Board of Directors has recommended a dividend of INR 3 per equity share of base value INR 5 each for financial year '26. That translates into a payout of 60%.

Now moving to our consolidated financial performance. Q4 FY26 performance. Our two-wheeler helmet and boxes volume stood at 2.08 million. Consolidated revenue at INR 167.5 crores which grew by 11.9% year-on-year. EBITDA for the current quarter stood at INR 31.3 crores increased by 11% year-over-year.

EBITDA margin stood at 18.7% in Q4 FY26. PAT for Q4 FY26 stood at INR 21.1 crores as compared to INR 19.9 crores in Q4 FY25, which grew by 6.1% year-on-year. PAT margin stood at 12.6% in Q4 FY26. The capacity utilization for two-wheeler helmets and boxes were at 89%. For EPS was 91% and for water decals was at 57% for quarter 4 financial year '26.

I will now move on to the financial, full financial year '26 performance. Our two-wheeler helmet and boxes volume stood at 8.12 million. Consolidated revenue stood at INR 634.2 crores which grew by 8.6% year-on-year. EBITDA stood at INR 122.2 crores increased by 16.4% year-on-year.

EBITDA margin stood at 19.3% in FY26. PAT for FY26 stood at INR 82.7 crores as compared to INR 69.6 crores in FY25, which is a growth of 18.7% year-on-year. PAT margin stood at 13% in FY26.

Capacity utilization on a full year basis was 89% for two-wheeler helmets and boxes, 88% for EPS and 57% on water decals for financial year '26. The total capex incurred in FY26 is INR 48 crores.

With this, I open the floor for questions and answers. Operator, over to you. Thank you.

Moderator: Thank you very much. We will now begin the Question and Answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from question queue, you may press star and two.

Participants are requested to use handsets while asking questions, Ladies and Gentlemen we will wait for a moment while the question queue assembles.

The first question is from the line of Sridhar Kalyani from Antique Stock Broking Limited. Please go ahead.

Sridhar Kalyani: Just a few queries. One on the capacity side, you did mention that we are expecting to reach 12 million units over the next 18-24 months. I just wanted to understand if solid helmets are only manufactured in place of graphic-oriented helmets, is it fair to assume that our capacity would be significantly higher than the targeted 12 million?

Sidhartha Khurana: Yeah. Hi, Sridhar. So, I think the capacity what we have mentioned is split between unpainted and painted and also graphics. So as it is fungible, right, so the capacity does vary. If we produce more helmets without graphics, the capacity goes slightly higher.

And if it is unpainted, the capacity goes further higher. So the consideration of 12 million capacity is with 50% painted, 50% unpainted product mix. But depending on if the unpainted is more, we expect this to be more.

Sridhar Kalyani: Got it. And in terms of your facility that you mentioned in Spain, Europe, the warehousing facility, what would be the kind of inventory that we would like to maintain over there? I just want to understand the idle inventory level over there?

Sidhartha Khurana: Sure. So, we have actually opened a subsidiary in Italy, not in Spain. The earlier plan was in Spain, but then it was moved to Italy. And the inventory plan there is that we will be stocking between 10,000 to 15,000 units to start with. And then depending on how the volume grows from there, we will plan. But I would assume in terms of number of months coverage, we will on average be about three months inventory there.

Sridhar Kalyani: Okay. And the expected timeline is the same as like earlier mentioned by quarter 2 end is expected to start our warehousing facility over there?

Sidhartha Khurana: Yes. So mid of quarter 2, the operations will start. So we have already signed the documents for incorporation of the company in Italy. We are expecting the incorporation documents to arrive in the next two to three days. And the warehousing arrangements are being set up right now with a third-party 3PL. So we expect mid of Q2, the sales will start to happen from that sector.

- Sridhar Kalyani:** Got it. And the brand building, export, I think you did mention around INR 20 crores to INR 30 crores which will be spent. I just wanted to understand how much will be spent in the domestic market, how much in the international market and the time period within which this will be spent?
- Sidhartha Khurana:** So I don't have it off hand. The total spend next year is INR 30 crores. I will send to SGA and they can send it to you. But INR 30 crores is across domestic and exports.
- Sridhar Kalyani:** Right. So, INR 30 crores will be spent in FY27 itself or is it paid for the next two years? Just wanted to understand that.
- Sidhartha Khurana:** This is the budget for FY '26-'27.
- Sridhar Kalyani:** Got it. And what would be the current ASP for the quarter sir?
- Sidhartha Khurana:** So the ASP for Q4 across domestic and exports was INR 815, which in Q3 was INR 752. So there is a jump there.
- Sridhar Kalyani:** Thank you. Got it. Thank you, sir. I'll fall back in the queue.
- Sidhartha Khurana:** Sure, thanks.
- Moderator:** Thank you. The next question is from the line of Aditya from Securities Investment Management. Please go ahead.
- Aditya:** Yeah. Hi. Thanks for the opportunity. I had two questions. So, firstly on the gross margins, this quarter our gross margins have been relatively stable in spite of raw material prices increasing. You mentioned that you have taken price hikes of 8%-9%. But just wanted to understand what kind of raw material inflation have we witnessed for us? And are these price hikes of 8%-9% enough to compensate for these increased costs?
- Sidhartha Khurana:** Yeah, hi Aditya. So yes, you are right that our gross margins were pretty stable last quarter. And this quarter we are seeing especially for the raw material as well. I think the 8%-9% would almost offset the material price. The material price is very volatile right now. And if I was to assume that this material price would remain the same for the full year, then the 8%-9% is not enough.
- But I don't assume that material price is going to remain the same for the full year. And we have already started seeing major drops in material in last two weeks. And I expect going forward we will see more drops. I would say on a full year basis this 8%-9% would cover most of the material increases. Because once the material falls, next few quarters we will see increase in gross margins even from the previous levels. But this quarter we will see a pressure on the gross margins.
- Aditya:** Understood, understood. And lastly sir, on the distribution expansion which we are doing in Europe, I just wanted to understand, so there might be some initial setup costs which we might be incurring. So would that impact margins going forward or you think these are not bad materials?
- Sidhartha Khurana:** Obviously when you start up something, there is a cost to it. And we had bought this US subsidiary also a couple of years ago, right? And this year is the first year that it has made profits as well. So first

one or two years there are pressures. But obviously you go into the subsidiaries with not heavy investments.

Like for example, we are not doing our own warehousing right now. We are hiring a 3PL. And we would like to start with lower inventory levels there. So as the market grows, you ramp it up. So there will be some margin pressures there. But the scale will be so low that you will not see it on the consolidated balance sheet.

Aditya: Understood. Sure sir. Thanks for answering my questions.

Moderator: Thank you. The next question is from the line of Jay Jain from JJ Capital Please go ahead.

Jay Jain: Hi sir. Sir, congratulations on the strong set of numbers. So my first question is about gross margins. Sir, we have seen meaningful expansion from 48% in FY23 to 60% approximately in FY26. So how did we manage to improve so drastically? And the reasons we have taken for this margin expansion?

Sidhartha Khurana: So the margin expansion has happened because of multiple reasons. But the two primary reasons I would say is product mix and the material decrease. That in financial year '23, there was a shipping crisis and also the material price was higher. And from there on, the material had gone lower.

But over the last two years, there has not been significant change in material prices, I would say. But you still see gross margin improvements over the last two years as well. Just to give you an example, our exports have gone up in the last quarter.

So for example, Q3, our exports was 17% of our revenues. In Q4, exports is 22.79%. So there is a jump in exports. And obviously, within the domestic market also, SMK, which is our premium brand, the numbers have grown.

On SMK, I think we have grown close to 30% year-on-year, the numbers. So product mix change has improved the gross margin. That's the focus of the company as well. But going forward, we will focus more on premiumization. And that's what is going to further expand the margins long-term.

Jay Jain: Okay. And sir, my second question would be on the volume front. So SMK and private-label have grown tremendously. How should we look at it from an ASP perspective over the last three years for both?

Sidhartha Khurana: So I have the two-year data. I will give you '24-'25, and '25-'26. So SMK ASP in '24-'25 was INR 2,359 full-year basis, which in '25-'26 grew to INR 2,552, which is almost like a close to 10% increase, maybe 8%. And then on the private label, the ASP has grown across various white labels.

I have individual white labels. I will give you the biggest one, which is O'Neal. 2024-25, the ASP was INR 1,831, which has grown to INR 1,918. So the ASP has grown across SMK and also the white labeling as well. And going forward, I expect the ASPs will further grow because we're also taking in a price increase on export markets as well from 1st of April, which is to the tune of almost 9% to 10% as well. So we expect the ASPs to grow further from here.

Jay Jain: Thank you, sir. That's helpful. All the best, sir.

- Moderator:** Thank you. The next question is from the line of Preet Pitani from InCred Asset Management. Please go ahead.
- Preet Pitani:** Thank you for the opportunity, sir. I would just like to follow-up on previous participant's question. If you could just let us know what would be the margin differential between export and domestic, and your normal STUDDS helmet and SMK helmet? In ballpark number also works?
- Sidhartha Khurana:** Okay. So ballpark, I'm telling you the difference between margins for between STUDDS and SMK would be slightly upwards of 10%. And the second question was between export and domestic, right?
- Preet Pitani:** Yeah.
- Sidhartha Khurana:** Yeah. So export and domestic would be quite similar because most of the exports is with SMK. So I would say ballpark 10% between export and domestic as well.
- Preet Pitani:** So by 10%, you mean that if the gross profit for export is 50, for domestic it will be 45? Am I correct?
- Sidhartha Khurana:** I'm talking about EBITDA.
- Preet Pitani:** So if EBITDA margin, if you are making like 20% at export level, you would be making 22%, something like that, right?
- Sidhartha Khurana:** No, no. I mean, if I'm making 17% on STUDDS EBITDA, I'll be making 27% on SMK.
- Preet Pitani:** Okay, okay. That was helpful. And another question on raw material cost. You mentioned that it is falling. If current price hike of raw material cost remains the same, what kind of price hike does it need to take to offset entire raw material cost?
- Sidhartha Khurana:** So another about 2% to 2.5%. If we take another price increase and this current price hike sustains for the full year, we should be good. But I don't see that scenario happening. I'll be honest.
- Preet Pitani:** Yeah Thank you so much. I'll join back in the queue. That was helpful.
- Moderator:** Thank you. The next question is from the line of Saurabh Daga, an Individual Investor. Please go ahead.
- Saurabh Daga:** Sir, previously when there was a credit rating report before two years, in that it was mentioned that once the company crosses INR 750 crores of turnover, a big operating leverage will kick in. Like the EBITDA margin should go about 22%. So at the start of the call, when you mentioned that next year you are seeing 17% to 18% revenue growth. So can we expect EBITDA margin to move to 22%?
- Sidhartha Khurana:** Sir, I don't think so. It will move because of the first quarter price pressure. Originally it was planned that the moment you touch those turnovers, INR 750 crores, you will see the EBITDA margins going to 22%-23%, which was there in case of 19-20 as well.
- But because of the current impact of raw material prices, I think there will be some pressure in this quarter. We will be able to recover a lot of the pressure in the future quarters. But I don't think 22%-23% is what I think will happen this year.

Saurabh Daga: But like once the turnover crosses, maybe after 12 months also, once the turnover crosses INR 750 crores, will operating leverage kick in?

Sidhartha Khurana: Yes, it will. And if you look at our export numbers, right, basically exports and SMKs are the higher margin business. They have grown significantly. SMK has grown by about 30%. And exports are also growing. Exports now form, I will tell you exactly how much.

So, on a full year basis, exports was 20% in '25-'26, which in '24-'25 was 16.75%. It was almost like a 3.25% growth on exports in terms of total revenue. And we see these numbers getting stronger going forward as well. And as these numbers grow, the margins will grow. So I think 12 months down the line, to answer your question, are we looking at better margins than last year? Yes, I would say we are looking at better margins.

Saurabh Daga: And sir, last question. Like in the third quarter, you had done marketing expenses for the global event. So after that, in the fourth quarter, in the other expenses also, like it was nearly INR 49 crores. So, did you spend in the fourth quarter also something like that? Because in general, like from quarter 2 to quarter 4, your other expenses are somewhat higher, comparable to quarter 3. So in quarter 4 also, did you make some marketing expense?

Sidhartha Khurana: Quarter 4, we did make some marketing expense, but it was not for events. And I'll just give you a brief, one second. So for example, in Haryana, there was a wage change recently from 1st of April. So the gratuity calculation for that wage change was also incorporated.

Under various heads, so you see changes in miscellaneous expenses, interest on taxes as well a little bit, but it's not substantial. I can send you the split later. I don't have it right now head wise in the other expenses.

Saurabh Daga: Okay, sir. Thank you for answering. Best of luck for your endeavor.

Moderator: Thank you. The next question is from the line of Simran Singh from PL Securities Please go ahead.

Simran Singh: Hi, sir. Could you help us understand how seasonality typically plays out across quarters and how it affects volume visibility during the year?

Sidhartha Khurana: Hi. So, I would say that seasonality is 45% first half year, 55% second half year. So typically that has been the range for last two to three years, anywhere between 45% to 47% in the first half year. And the main reason is that in winters, people typically prefer to wear helmets more than summers because it's very hot. But it's not very significant, I would say. That's the number, 45% versus 55% for both the half years.

Simran Singh: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Yatharth Saluja from Corliss investments Please go ahead.

Yatharth Saluja: Hello, sir. Could you elaborate on the strategic significance of the Moto Latin Cup for participation, and how it is helping strengthen the company's brand visibility and market presence? Additionally, you had earlier indicated plans to participate in MotoGP. Could you share the expected timeline for this initiative? And are there any plans to participate in other global racing or motorsports events?

Sidhartha Khurana: Yeah. Hi, Yatharth. So, Moto4 participation is actually the start to a process of getting into MotoGP. So MotoGP, below MotoGP you have Moto2, Moto3 and then you have the Moto4. So Moto4 is what we have started with. And the plan to go to MotoGP is after two years, so 2027-'28.

So end of '28, I mean I would say around, because they have their years, they work on calendar years. So I would rather say, if I was to say, calendar year '28 is when we plan to go to MotoGP. For calendar year '27, our plan is to go to other motorcycle events like SBK, which already has four races under it.

And then the Moto2 and the Moto3. Beyond those, it's not only the Moto4 Latin Cup, we also have certain other riders right now in the Italian Championship, in the kids' circuit as well. So we would currently have anywhere between 10 to 15 riders.

And this helps because you have to catch these guys very young. If you have to grow the brand long-term, one strategy is directly go into MotoGP, spend a lot of money and that's it. But the other thought is that you catch these riders very young and you work with them as they go into MotoGP.

Although we will be going to MotoGP in 2028 calendar year, but our long-term plan is to work with these guys and their families from now when they are like 10 years old or 12 years old and work with them for next 10 years so that by the time they are 20 years and they go into MotoGP, they have always used your helmets and that's how the brand will grow among this community as well.

Yatharth Saluja: Okay, okay. That was very enlightening, sir. Thank you.

Moderator: Thank you. The next question is from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Hi. I see that exports have actually gone up really fast this year. Can you just explain to me what are the key initiatives you are taking to expand exports? Which countries and what kind of channels you are strengthening in the next year or maybe in the next one to three years? And what kind of new markets you intend to enter in FY2027? Thanks.

Sidhartha Khurana: Sure. So, I think we are taking a lot of new initiatives in countries like Colombia, Mexico, in Europe we are doing Turkey, Italy currently. So, within the next financial year, I would say the big focus for us would be Colombia where we are already very strong and it's going quite well for us. Mexico, USA for sure.

Italy, because Italy we have our own warehouse now for next quarter and we will be going dealer direct. Till now, we were going through the distributor. So, the moment you go dealer direct, your reach or the penetration in the market really increases. So, Italy will be an area of focus for us.

Then Turkey as I said, we just recently I think about a couple of quarters back also entered into England where we are very strong distributor as well. Then Indonesia, we are also entering Sri Lanka now and Indonesia is growing. Philippines, so I would say these are the countries where the strategy around exports growth will be built going forward.

Lakshminarayanan: All right. So, the key countries are Italy, Sri Lanka and Colombia, right?

Sidhartha Khurana: Colombia, Mexico, Italy, Turkey, Sri Lanka, Indonesia, Philippines and USA.

Lakshminarayanan: Have you appointed any new distributors there? I mean you talked about one in Sri Lanka and also you said in Italy you are going. Any other markets you think there is a large potential and you are appointing dealers?

Sidhartha Khurana: Yes. In Mexico, we have just signed up with a chain that has 1,200 retail stores across the country with the largest. In Turkey, we have appointed a new distributor this month and as I said a couple of quarters ago, we found somebody in England as well. So, these are the new distributors that we have found in the last six months.

Lakshminarayanan: Got it. And in these markets, whether every market has a different regulation or you have a global kind of a standard for helmets and all your helmets actually meet that standard or it is you need to go through different standardization procedure or certifications from different markets?

Sidhartha Khurana: So, for example, Latin America, Brazil has its own certification. It is mandatory to have their certification as well. But in all the other countries of Latin America, either it is European or American homologation.

If I talk about the bigger markets, Indonesia has its own certification. Philippines accepts the European homologation and the American homologation. So, it is very country specific, but I would say if you have the European and the American regulation, you would cover maybe 70% to 80% of the world.

But some of the bigger markets like Indonesia and Brazil have their own certifications as well. So, we have the Brazilian certification and we have also the Indonesian certification. We have recently applied for the Sri Lankan certification although it is not a very big market.

Lakshminarayanan: Okay. And what kind of growth you can actually expect in the exports? If you look at your base is 100 now, what would be the growth and how much would be contributed by these new markets and how much would be the existing? Because I think you have done extremely well in the exports. So, I am just trying to understand how you are planning for the year?

Sidhartha Khurana: So, I think exports currently forms 20% of our total revenues. We expect this to grow close to about 23% to 24% in the current year. And eventually this will go to close to 30% in 2 to 3 years of our total revenues. And I think we are present in most of the countries right now.

I don't think we will go into a lot of new countries. Maybe here and there you will find us entering into a new country. But those will not be very large markets because we are already present in most of the large markets. It is about penetrating these markets because these markets are very large. And we have just taken some market share.

So, I think the potential is immense there. For example, I am talking about this Mexico customer. They have 1,200 retail chains and Mexico is more than I think about 2.5 million helmet unit market. Whereas for us, we are not even 1% of the market right now. So, we are penetrating into these markets and the acceptance is phenomenal. That's why you see these numbers going up. And I am very confident in 2 years, close to 30% will be the revenue share of exports in our profit and loss.

Lakshminarayanan: Got it. And in Mexico, from the other participants, which countries actually into Mexico and whether Mexico itself has a large helmet manufacturer that you are cost competitive as well as your products are superior?

Sidhartha Khurana: So, the main countries supplying to Mexico right now are Indonesia, India, China, and Vietnam. Actually, these are the 4 countries supplying to all parts of the world. So, these are the 4 big manufacturing hubs. Any country you talk about, these are the 4 countries which will be supplying. Mexico at the moment doesn't have internal manufacturing. Even if they have, that's like minimal.

So, even in complete Latin America except Brazil and one company in Colombia, there is not a lot of manufacturing of helmets happening and these 4 countries are supplying. And I don't think that's going to change anytime soon.

Lakshminarayanan: Got it. I'll come back in queue.

Moderator: Thank you. The next question is from the line of Anuj Sehgal from Manas Asian Equities Value Fund. Please go ahead.

Anuj Sehgal: Yeah. So, I have 2 questions. First of all, can you explain the reason for changing the warehouse that you were and the subsidiary that you were looking to set up in Spain earlier? You have changed that to Italy. What was the reason for changing the location of the warehouse and the subsidiary?

And then secondly, on the price increases, you mentioned that you've taken 8% to 9% price increases from 1st April. But then you also mentioned that right now raw material prices have actually come down from the April level. So, is that to say that, and then you also mentioned that first quarter could see some margin pressure, but subsequently you can actually see margin expansion.

So, are we saying that the 8% to 9% price increases were as per raw material prices prevailing in April, but you have taken higher price increases, now raw material prices have come up, and therefore you could actually see margin expansion in the second, third, fourth quarter?

Sidhartha Khurana: Sure. So, I think to answer your first question about the reason of changing the subsidiary location from Spain to Italy, so it was a strategic discussion with our team as well and the distributor in Spain, because we have a very strong distributor in Spain. Now, if we have a warehouse and the company in Spain, that means we will be exporting everything out of Spain, and Spain will be fed through a distributor.

So, we had an alignment with the distributor that he is going to keep the inventories for us, and in that case if we have warehouse, we are also stocking in Spain, he is also stocking in Spain, we are stocking for the export market, which doesn't make sense.

So, Italy was a market where we didn't have a direct importer, and it was being fed through a Dutch distributor, and the volumes were very small, whereas Italy is the largest market in Europe, one of the top 2 markets in Europe. So, that's the reason that we decided to move from Spain to Italy, because you open a warehouse, and Italy is the place that you have to go dealer direct.

Spain, we didn't want to go dealer direct, and Spain we decided just to move with the distributor for the moment. So, that was the reason of moving the subsidiary from Italy to Spain. Now, if we were to have a subsidiary in Spain, the transportation cost to Italy, which is a significantly big market, and you will be selling the goods to dealers, that means a lot of small shipments will be going out, so the transportation cost would have been substantial.

Now, moving into Italy, and we are actually, our warehouse will be in a place called Reggio Emilia, which is near Parma. So, you are right in the center of the country, and the transportation cost will not be substantial for the dealer model.

Now, when it's distributor, we expect a lot of distributors to keep buying from India, because they will be avoiding the warehousing cost there. But some of the distributors will buy some products also from Italy. So, I think Italy made a lot of sense because of the strong dealer market there. That is the reason we decided to move from Spain to Italy.

To answer the second question about the material cost, so when we had increased the material price of 8% to 9%, we already knew that it will not completely offset the material price when we increased the prices of the products. Because we were of the opinion that this price increase is not going to sustain for long, and over the year, you don't want to outprice yourself in the market.

So, for example, if you increase the price by 20%, and the raw material comes down significantly, so you will get into a cash 22 position because you don't want to ever reduce your prices. We have never reduced our prices. So, it was more of a staged kind of a thing that we want to do in a staged manner, that first you do 8%-9%. If the material cost doesn't come down, then you do another 3%-4% increase henceforth, looking at the market conditions.

So, at the moment, also you had a question that the prices are currently down from the April level, which is correct, but the prices have shot up. For example, if a price of a certain raw material was 100, it went to maybe 150 at one point in time, and now it's back to say 120, 125. So, it's not really come back to the original prices, and we expect it will take another 2-3 months for it to come back to November-December pricing again.

Anuj Sehgal:

Okay. So, just two follow-ups. So, on the Spain and Italy discussion, I mean, correct me if I'm wrong, but is this largely because of, I mean, the facts that you explained to us were probably something that you already knew, right? So, is this some pressure from your distributor in Spain who did not want to be sort of cannibalized? And of course, as you said, Italy is a larger market. Is that why you had to change that decision?

Sidhartha Khurana:

Yeah, I would say realignment with the distributor, that the distributor said that if you're coming to Spain, because he was kind of feeling cannibalized that if the company comes to Spain, maybe I'm not required then, which is not what the thought was for us. And he committed to keep more inventory and

serve the market better. So, we moved from Spain to Italy where we have no distributor, and there's no conflict with anybody.

Anuj Sehgal: And he's your largest distributor in Europe, right?

Sidhartha Khurana: Second largest.

Anuj Sehgal: Okay. And then secondly, on the price increases, can you give us a sense as to have people or smaller players in the unorganized market, have they also increased prices or are you seeing that some of these guys are not able to source raw material or have, I don't know, shut shop? What is the feedback you have from the unorganized market for helmets in India?

Sidhartha Khurana: So, I think what we think is going to happen is that this price pressure, the unorganized market might not be able to actually tolerate as well. And some of the smaller people might shut shops because the larger -- I mean, when we are having margin pressures, all the brands, right, they're also having a lot of pressures, cost pressures as well.

So, some might be able to sustain, some might not be able to sustain, but I have a feeling that some will shut shop, as you say. And in terms of price increase, everybody has done a price increase. All the brands have done a price increase, and some of the brands have done a price increase which is even higher than us.

China has done a price increase for all the OEM customers, so we are seeing it all across depending on what kind of inventory levels you are carrying. The times are varying, but everybody is doing a price increase.

Anuj Sehgal: Okay, understood. And then just last question, ever since you increased the prices in April, we are now already towards the end of May. Have you seen any impact on volume and demand?

Sidhartha Khurana: No, the demand still remains very, very strong internationally and in India as well, because I think the dealers and the customers were expecting a bigger price increase because everybody knew the price change which was happening, the cost change which was happening for us.

So, it was very well taken, and I think we even heard from people that we have not done a significant price increase, and we told them the reason that we don't want to reduce the prices once the cost pressures are off. So, I don't see any demand pressures as of now.

Anuj Sehgal: Okay, thank you very much.

Moderator: Thank you. The next question is from the line of Lakshminarayanan from Tunga Investment. Please go ahead.

Lakshminarayanan: Yeah, my question. From a distribution point, what kind of distribution footprint we have expanded in FY26, and what is the plan to expand into as you look at FY27?

Sidhartha Khurana: are you talking about domestic or international?

Lakshminarayanan: I am talking about domestic.

Sidhartha Khurana: So, domestically, we would have added maybe a couple of distributors, but the plan is not to add a lot of distributors, but rather to penetrate the market with the current distributors, because if you add a lot of distributors in the market, there is a price war, and for us, our partner's profitability is of prime importance.

So, we kind of try to work with the current distributors more, but if we feel that the market is underpenetrated somewhere, then we would appoint a distributor, but I would not think that we would go and hire 10 distributors in a financial year, maybe one or two, and this will keep continuing like this only.

Lakshminarayanan: Got it, got it. And in terms of, you know, to the earlier question, you actually talked about price increase, that is, you talked about domestic price increase, or you talked about international price increase?

Sidhartha Khurana: So, we have increased our prices all across, domestically and internationally. But Europe, I mean, there could be a difference, somewhere it is 9%, somewhere it is 8%, somewhere it is 10%, but overall, I would assume it will be anywhere close to 9%, but nowhere it is 15% or 5% as well.

Lakshminarayanan: Got it, got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Gyanesh Munoth from Motilal Oswal. Please go ahead.

Gyanesh Munoth: Yes, basically, my question is whether the inventory days have increased materially from 80 days to 107 days in FY26? So, could the management explain whether this is driven by export ramp-up or new product launches, or whether there is any channel stocking or slow domestic demand? Also, what is the sustainable inventory level going at?

Sidhartha Khurana: So, the inventory days have gone up and the current inventory days are 91 days, which used to be 68 days in the previous year. Now, we have a warehouse this year in India, an additional warehouse in Faridabad as well, so that is attributed to this.

There is also more, as the sales in US is going higher, the inventory there is also slightly higher. But I would say that anywhere between 85 to 90 days of inventory is where a comfortable position is and that's what you will see going forward as well.

Gyanesh Munoth: All right, logical. So, given another question, so given increasing, you know, the enforcement of helmet regulations in India, so are you seeing any structural shift from unorganized to organized pairs and how much market share gain opportunity still remains?

Sidhartha Khurana: So, there is a massive shift happening from unorganized to organized and we feel that this period, right, will kind of exaggerate the whole process because, as I said earlier, the smaller players, some of them might not be able to take this hit and they might actually shut shop.

So, I think this is happening and over the last 5 years and I think at the moment, ballpark figure, my idea is unorganized is about 25% to 30%, not more than 30% for sure, but not less than 20% as well and this, my idea is the next maybe 3 years might trim down to about 10% to 15%.

- Gyanesh Munoth:** For the next, next how many years, sir?
- Sidhartha Khurana:** 2 to 3 years.
- Gyanesh Munoth:** Grateful, grateful for the insight, sir. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. With that, I now hand the conference over to management for closing comments.
- Sidhartha Khurana:** Thank you all for joining us today. We hope we have addressed your questions and provided valuable insights into our performance and strategy. If you have any further queries or need additional information, please feel free to reach out to our team or our investor relations advisors at SGA. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Studds Accessories Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.