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To,
Corporate Relations Department
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block, Bandra Kurla Complex
Bandra (E), Mumbai – 400051

BSE Scrip Code: 500096

NSE Scrip Symbol: DABUR

**Sub: Transcript of Investors' Conference Call for Dabur India Limited –
Q4 FY 2025-26 Financial Results**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Investors' Conference Call organized on May 07, 2026, post declaration of Financial Results for the quarter and financial year ended on March 31, 2026. The aforementioned transcript is also available on the website of the Company at www.dabur.com.

This is for your information and records.

Thanking You,

Yours faithfully,
For **Dabur India Limited**


(Ashok Kumar Jain)
Group Company Secretary and Chief Compliance Officer

Encl: as above

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Dabur India Limited

Q4 FY'26 Results Investors Conference Call

May 07, 2026

MANAGEMENT:

MR. MOHIT MALHOTRA - GLOBAL CHIEF EXECUTIVE OFFICER
MR. HERJIT BHALLA - CHIEF EXECUTIVE OFFICER-INDIA BUSINESS
MR. ANKUSH JAIN - CHIEF FINANCIAL OFFICER
MS. GAGAN AHLUWALIA - VICE PRESIDENT-CORPORATE AFFAIRS
MR. RAHUL SARAWAGI - HEAD-INVESTOR RELATIONS AND M&A

Rahul Sarawagi:

Good evening, ladies and gentlemen. On behalf of the management of Dabur India Limited, I welcome you to the earnings conference call pertaining to the results for the quarter and year ended 31st March, 2026.

Present here with me are Mr. Mohit Malhotra-Global Chief Executive Officer, Mr. Ankush Jain-Chief Financial Officer, Ms. Gagan Ahluwalia-VP-Corporate Affairs and Mr. Herjit Bhalla-CEO-India Business, who has recently joined the Dabur family. We'll start with an overview of the company's performance by Mr. Mohit Malhotra, and this will be followed by a Q&A session.



I'll now hand over to Mr. Mohit Malhotra. Thank you.

Mohit Malhotra:

Thank you, Rahul. Good evening, ladies and gentlemen. We welcome you all to Dabur India Limited's conference call pertaining to the results for the quarter ended 31st March, 2026. Demand conditions in India remained steady, reflecting consumption resilience backed by fiscal measures of direct and indirect tax rationalization.

Rural markets continued to outperform urban markets, although gap between urban and rural has narrowed. Geopolitical headwinds in the Middle East are impacting input costs and supply chain across businesses, including India.

In quarter 4, our consolidated revenue grew by 7.3% year-on-year with domestic FMCG business growing at 9.5%, backed by volume growth of 6%. Within the India business, HPC portfolio maintained its strong momentum, recording a double-digit growth of 17% during the quarter.

Our Hair Care business including Hair Oils and Shampoos registered a strong double-digit growth. Hair Oil portfolio grew by 28% year-on-year with both perfumed and coconut oils growing in double digits. We outpaced the category growth and gained 154 bps in volume market shares. Shampoo portfolio posted a growth of 20% during the quarter. Our strategy continues to focus on premiumization, along with expanding our presence in new age offerings across both hair oils and shampoos.

The Home Care portfolio delivered a robust 24% growth, driven by strong double-digit growth across Odonil, Odomos and Sanifresh franchises. Odonil grew by 20% during the quarter, supported by sustained momentum in aerosols and gel pockets, resulting in a market share gain of 243 bps. The Odomos brand reported a growth of 48%, translating into a market share gain of 88 bps. Sanifresh continued its strong performance, registering a growth of over 20%.

Skin Care portfolio also registered a double-digit growth driven by Gulabari franchise and OxyLife.

The toothpaste portfolio delivered a 7.2% growth during the quarter, supported by Dabur Red, Meswak and Dabur Herbal. The Herbal toothpaste segment grew at nearly twice the rate of non-herbal segment, reflecting a continued and deepening consumer preference for natural and herbal oral care solutions. This enabled Dabur to outperform the category growth and expand market shares.

In the health care category, the digestive portfolio grew in mid-teens with a double-digit growth in both Hajmola and Isabgol. The Hajmola franchise posted a 12.7% growth driven by strong performance across tablets and candies, resulting in market share gains of 233 bps. Isabgol also recorded a growth of over 50%.

Within health supplements, the Honey portfolio recorded a strong growth of over 20%, driven by volume expansion across channels, leading to market share gains of 150 bps. Glucose portfolio was impacted by unseasonal rains during the month of March in core states.



OTC and Ethical portfolio delivered a high single-digit growth. Honitus recorded a strong growth of over 36%, led by key variants such as cough syrup and hot sips. Ayurvedic health juices continued their growth momentum, registering a growth of 30%. Lal Tail also delivered a double-digit growth of 10%.

Our beverage portfolio witnessed a sequential recovery during the quarter. Premium beverage portfolio continued to outperform the category, delivering a robust growth of 26% in Real Activ Juices and Coconut Water growing by 100% over last year. We gained 250 bps market share in Nectars and 280 bps in Activ portfolio.

The culinary business registered a growth of 30%, led by Fats and oils and Hommade portfolio.

The international business reported a muted growth of 2.5% in INR terms. While the war in West Asia impacted the MENA region, Sub-Saharan Africa grew by 20%, U.K. and EU grew by 10%, Hobi by 16.5%, Bangladesh business grew by 22% and Namaste U.S. grew by 6.2%.

In terms of consolidated profitability, the operating profit grew by 8.2%, while reported PAT grew by 15%.

While geopolitical developments in the Middle East remain fluid, we are confident of sequential acceleration of growth in India business, driven by stable consumption trends, GTM transformation exercise, focus on premiumization and investments in brand building.

With this, I conclude my address and now open the floor to Q&A. Thank you.

Abneesh Roy from Nuvama

Abneesh Roy:

Thanks, and congrats on strong recovery in many parts of the portfolio. My first question is that only that we are seeing around 20% to 36% growth in some parts of the portfolio, and you also mentioned that the sequential recovery will accelerate. So do you mean to say that in Q1, either you expect in similar growth in these portfolios or maybe even acceleration? Also is there any one-off in any of these strong growth numbers?

Mohit Malhotra:

Yes. So, we think that in quarter 1, the growth will sustain. In HPC at least, we are seeing good traction in the month of April also. In health care portfolio, barring glucose, which is impacted by unseasonal rains here, we see rest parts of the portfolio doing well for us.

Beverages, again, Activ and Coconut Water is doing exceedingly well. Nectar is impacted by rains. But because we are lapping over the low base of last year where we were impacted by rains again, we expect the growth to be much better. We've already gotten into the flat trajectory as far as beverage is concerned. So, we should be going into a mid to a high single digit kind of growth in beverages. And the culinary continues to fire at the pace it is.

And with the inflation picking up in India business, we expect a part value growth through price increases to come in along with the volume growth that we have pencilled. So, nutshell, I think the growth trajectory should continue and sequential recovery should continue that will be driven partly by volume and partly by price.



Abneesh Roy:

Understood. In terms of the El Nino impact, do you see glucose, juice, etc, giving super strong growth, given base is favourable and then the El Nino impact is also there. So if you could give us some sense of beverage and glucose or essentially the El Nino portfolio, how do you see the Q1 growth? You have already spoke on the juice business, but on the glucose and any other part of the portfolio, which caters to summer demand, do you see strong demand conditions. Also on the supply side, in terms of, say, aluminium cans, any market share gains that can happen because for some of the other competitors that could be a challenge. And in the PET bottle, how do you see the inflation on the supply side there?

Mohit Malhotra:

Right. So, I'll take the second part of the question first and then go to the first part of your question. The second part of the question was inflation. So, when we were doing the budgets, we had budgeted a flat inflation because we are lapping over a 6% inflation of last year and we thought that most of the RM/PM prices will remain benign in the marketplace, but that's not the case.

With the war happening in the Middle East, we see a cascading impact happening across all countries and geographies, and therefore, the inflation has really picked up. We now see an inflation of roughly around 10% hitting us in a lot of portfolios, barring the portfolio of beverages and healthcare. Within HPC, all the subparts of the portfolio are reeling under the pressure of inflation, and therefore we've already announced a 4% price increases across different parts of the business to mitigate the inflationary impact that we are seeing.

That's why I'm saying that part value growth will come in along with volume growth, plus there's some benefit of GST also that we will be seeing in the first quarter for the low unit price points etc. So, I think inflation will translate into price increases, and therefore, the growth will be there.

As far as the El Nino impact is concerned, we hear from MET, from you and from all the media people that the summer is going to be very severe, but we are not seeing that severity on ground as yet and when we go outside, we only see thunderstorms here. I don't know how Mumbai is, but at least Delhi and the North India where we are very salient in beverages, we are seeing thunderstorms. And if that is anything to go by, then I'm a worried man. But if El Nino is what is to go by, then I'll be a happy guy will see a double-digit growth in beverages and glucose. So, we all are praying to the rain gods to be kind to us and not to rain and praying to the Sun god to be nicer to us.

So that's all I can say and because the bases are low, we should have expected a double-digit growth in these 2 portfolios, which are summer-centric portfolio, big time for us. So, if the summer turns out to be acute, this will do very well and even if not, because of the low basis, we'll still be better off than last year in any case.

Abneesh Roy:

One last question. So, toothpaste, are you happy with the performance? I do understand 7% to 8% growth is not a bad number. And category growth etc, yes, they can always give a picture, but ultimately, your historical performance in toothpaste has been on the higher side versus this 7% to 8% growth -- in Q4, we saw Unilever also saw muted growth. So, you have done definitely better.



So, my question here is, are you happy with this performance? And are you seeing the number 1 player come back because what we are picking up is that they are now coming back to a very respectable growth, already in Q4 and maybe further acceleration obviously in Q1, Q2. So, if you could talk about your satisfaction and are you seeing the market leader, come back?

Mohit Malhotra:

So not at all. I think we're not even at a threshold of satisfaction in terms of happiness index. We are quite unhappy with this performance because entire HPC portfolio has grown by 17% with oral care being an outlier where we've seen a muted performance of around 6%, 7% growth in Oral Care. So, while we are respectable, if I talk to the category heads, they are very happy because the category is growing at 2.5%, and we are growing by 7% and hence gaining market share. So, they are very happy with this argument. But I think we've been growing at double-digit here, and this is the most profitable growth. If you look at the full year number, our Oral Care growth is around 9%-10%, so double-digit growth. So the least expected is a double-digit growth and I think we should come back in quarter 1 with very strong double-digit growth here led by Dabur Red, Meswak, Dabur Herbal.

If I have to just tell you the numbers, -- our Meswak is continuing a trajectory of a double-digit growth of around 11%. Our herbal toothpaste is growing by 30%, 40%. Our Dabur Red is growing at around 6%, 7%. Our Babool hasn't performed much. Babool growth is in the range of around 1%, 2%. So, we've got a lot of work to be done on Babool and Lal Dant Manjan and I think we are ready with the arsenal.

So ready to now go to the front line with LDM and LDM should fire. If you look at the category construct, category is growing at 2.5% and we've grown by 7% which is leading to market share increases. All the basics of market share, penetration numbers etc., are by our side. Also, the whole tailwind of the herbal category is also with us as we speak. While the market leader may come back because of the low bases of last year and expected growth will come back.

But I think the tailwinds are favouring us, because if you look at the category growth numbers, which I had talked about in my speech also, the non-herbal is growing at 2.8% and the herbal is growing at 2x at around 6% growth rate. And since we are the market leaders in the herbal category, these tailwinds will only support our growth aspirations. So, I think next quarter will definitely be better than the quarter 4.

Abneesh Roy:

Mohit, one last follow-up on your comments. So do you see a disconnect between the, say, 2.5% oral category growth and your own 10% to 30% growth in many parts of the HPC portfolio. Other FMCG companies are also seeing very strong numbers. It is not that only you are doing well; you are doing well. But the category growth of 2.5%, that looks very low for the toothpaste business?

Mohit Malhotra:

Yes. I think it's just not toothpaste, Abneesh, I think it's across the categories. What Nielsen data is showing, they are showing muted growth across FMCG. And when we see and analyse our results and the competitor results, we see everybody showing spectacular results this time. And we are not seeing any sort of granular signs of suppression in the marketplace. We are only seeing robust signs of growth recovering and that's why I'm talking about sequential recovery.



But Nielsen data is the only dampener that I see, and they are showing that FMCG growth has got muted from 11% to 9%. That said, 9% is also very respectable growth out of which partial is volume and partially is pricing, but there's been a sequential decrease. I don't know if Nielsen is a lead indicator of things to come because inflation is picking up and because of inflation, volumes will get suppressed and price hikes will come in. So that's something which is a dichotomy, which I am not able to unfold.

Mihir Shah from Nomur/a

Mihir Shah: So just wanted to understand your comment on rural-urban gap narrowing a bit better. Would it be fair to assume that urban growth is improving and rural growth is moderating down? And if so, if you could highlight the key factors in your view that is driving both these changes? So that's question number one.

Mohit Malhotra: Yes. So I was just talking to Abneesh only that we see overall FMCG growth at around 9.2% out of which rural happens to be 11.4% and urban happens to be 8%. So, there is 340 basis points of difference between urban and rural, where rural is outpacing urban. And we see the same reflection of Nielsen gap in our business also.

Our GT business has also grown by around 5%, in which we see a 300-basis points difference – with rural outsmarting urban. So still rural tends to be doing well. But if I look at sequential numbers, the gap of 340 bps between urban and rural, which is there now, this gap used to be 500 basis points. So, 500 bps has got narrowed down to around 340 bps. That's why I'm saying -- and urban is sustaining, rural is coming down. Maybe it could be an impact of inflation a little bit, but this is not what we see in the market right now. This is all Nielsen data. From our standpoint, both urban and rural are growing.

Mihir Shah: Understood. But post the GST changes one was expecting urban to do better and rural also could have done better post the GST changes. So, it is a bit surprising for us to understand why rural growth is moderating, especially if you think about the context of El Nino in FY27, which could further pressure rural growth.

So secondly, sir, if I could get your views on how should one think about FY27 from here on? You had indicated earlier that you expect high single-digit revenue growth and EBITDA growth to be a little bit better. But with the return of pricing growth and El Nino, which could pressure rural growth, how do you think that the entire math will work out both on revenue front and on margin front?

Mohit Malhotra: Yes. So, I'm not saying that we are seeing the depression in rural. I'm talking about Nielsen data. So, for us, 9.2% growth is very healthy growth, and that's the syndicated data growth that we're talking about. Our business in India has also grown by 9.5%, and as far as we are concerned, we will see sequential improvement both in urban and rural.

So earlier, we had given a guidance of a high single and now we want to revise it. We are seeing high single to a low double-digit growth because you've got some pricing coming in because of inflation. So, it will be a combination of pricing and volume. So, we'll see 50% growth may be coming from volume and balance coming from pricing.



And over a period, volume could become lower and pricing will become higher depending upon how the war situation and availability of raw material and packaging material etc. is. So that we'll have to see. But I think the sequential recovery is only accelerating from here because of the value piece coming in.

Mihir Shah: Yes. That is clear on the revenue front. On the margin front, would you expect a certain pressure on margins, at least in the near-term because –it will take some time for new price increases to land the market?

Mohit Malhotra: Yes. So, there is an inflation pressure. As I was saying, we are seeing a 10% inflation, and we have already mitigated the inflation for Q1 by way of price increases. There will be a second round of price increase also which we'll take after considering the war situation. The information trail on the war situation is changing every day. Today Brent has become softer, yesterday it was more expensive. So, one really doesn't know where the thing will go.

But as far as we are concerned, we want to increase the margins from last year to current year. So –we would want to mitigate all the inflation through price increases and improve the margins going forward from here, either by way of product mix or pricing or cost saving initiatives that we are planning or premiumization initiatives, which are already planned as per our vision strategy.

Mihir Shah: Got it. Thank you very much. That is very clear. Wishing you all the very best.

Mohit Malhotra: Thank you very much, Mihir.

Aditya Soman from CLSA

Aditya Soman: Yes, hi. Thanks for the opportunity and good evening. So, two questions. Firstly, in the health care business, I'm assuming that Chyawanprash business also declined just given the overall decline in the health care business. So, could you just throw some light on what happened? And how do we sort of turn this business around, which has been relatively weak for a few quarters? That's one.

And then the second question on -- I heard you say that I think the price increases should mitigate margin impact. Does that mean that top line growth and margin growth should be similar for 1Q?

Mohit Malhotra: Sorry, could you repeat the second part of the question, please.

Aditya Soman: Yes. So, you indicated that the margin impact in 1Q should be mitigated by the price increases that we've taken. So effectively, we are saying that top line growth should remain similar with more pricing. But would profit growth also be similar to what we saw in 4Q and 1Q?

Mohit Malhotra: Right. So, Aditya, second part of the question first. I think the margins will sequentially improve. If you look at our operating margins also, our operating margins are the lowest in the fourth quarter, which happens to be a beverage quarter and a summer-centric quarter. So, the margins are lower. If you enter the first quarter, in any case, sequentially, the margins will improve.



But not just sequentially, we want to improve the margins year-on-year on the back of premiumization and on back of pricing and other initiatives that we people are taking. That's on the margins. On the health care portfolio, our health care portfolio is not doing bad. Optically, it seems that it's not really firing as compared to HPC portfolio, which is obviously a big glimmer of strength for us. But the health care portfolio, if you just look at glucose, which declined by around 24%, 25% for us in the last quarter, rest of the entire portfolio ex glucose has grown by around plus 12.5% for us. So that's a very healthy growth in health care and which is also margin accretive to the overall business. So, I think in Chyawanprash, it happens to be a low season for Chyawanprash. It's completely inconsequential.

Our Honey business, which is a part of health supplement has grown by 25%. Our Hajmola has grown by 12.7%. Candies have grown by 9%, and we've gained market share of 233 basis points. Our Pudín Hara is high-single-digit growth. Our Isabgol has grown by 53%. I told you about Honey, which has actually grown for us. Our Honitus has grown by 36%. Our health juices have grown by 29%, Lal Tail 10%. Shilajit again declined in the business.

So, I think 90% of the portfolio, barring glucose has all grown in terms of market shares and in terms of revenue as well. So, I don't think there's any problem. Chyawanprash becomes salient in the winter timing only, and that's when it's consequential.

Aditya Soman: I understand very clear. So, it is just glucose that has led to this mid-single digit decline in the overall business?

Mohit Malhotra: Correct, correct. That's right.

Aditya Soman: And so, what would the salience of glucose be in a normal quarter in 4Q?

Mohit Malhotra: In 4Q, it's around 20%, 25% of the business is glucose. So, look at now a 25% business declining by 20% and balanced portfolio with a 12% growth, you can look at the kind of growth, which is 20% plus growth on balance of the portfolio, which is a trajectory that we are having as we speak.

And another tailwind for us in health care is now the branded business and the classical business has all become 5% GST. So that's a tailwind that we people are facing. Earlier, it used to be 12% which has been reduced to around 5% now. So that's a tailwind on the entire Ayurveda and health care for us. That is also going to help us take health care to the new levels.

Aditya Soman: That's very good. Thank you.

Mohit Malhotra: Thank you.

Percy Panthaki from IIFL Capital

Percy Panthaki: Hi, sir. This is Percy Panthaki here. Just wanted to understand the growth, I mean, very good growth in HPC at mid to high teens kind of numbers. What is really driving this? I understand there is a low base effect to some extent. And therefore, on a 2-year CAGR, the numbers are a little more sort of reasonable. But how do we look at this going forward? Do we look at this mid-



teens, high teens kind of growth in that part of the business to be able to continue on a Y-o-Y basis even in the current quarters due to some initiatives?

And if so, can you enumerate what those initiatives are? Because we were struggling to give a high-single-digit growth also in some parts of our portfolio, which are now growing at sort of close to 20% and some of the other parts which are growing at sort of mid- to high single digits were probably declining also.

So, what really has happened apart from the base effect becoming normal because the initiatives even every quarter on the call, we have several sort of initiatives to boost the business. But it seems suddenly only this quarter, they have worked very well.

Mohit Malhotra:

I get you. So now on the hair oils, what has driven this growth in HPC, I'll come to that. Hair oil business has actually grown by 28% and it is just not value or the pricing growth due to inflation of coconut oil that you've seen with the competitor. But for us, it is a growth which is driven by more value-added oils of what we call perfumed oils.

So there's only a price increase of 9%, rest is around 14% volume growth. Coconut portfolio has grown by 48% with Dabur Amla growing by 26%, Almond grown at 57% and now 1 in every 2 households in Hindi-speaking belt uses Dabur hair oils. Our penetrations have moved up. Our market shares have moved up by 154 basis points. So, it is not just a base effect, it is actually penetration and market shares which are actually moving up

And what's happening on ground is that coconut prices went up and due to the coconut oil prices going up, the index between perfumed oil and coconut oil actually narrowed because of which there was a consumer shift from coconut to perfumed. And that has, to a certain extent, helped us bolster the growth of the value-added hair oils. Since our majority of the portfolio is value-added hair oils and that is the reason of organic growth.

Now what we are doing initiatives we are taking in hair oils is, we are proposing new launches to fill up our aspiration of premiumization. So therefore, you will see premium offerings come in, in quarter 1 and quarter 2 in the hair oils portfolio and which are post bath application products for hair oils and hair nourishment. Our shampoo business has grown by 20%. And in this, there has been a conscious attempt to shift the sachet saliency towards the bottle saliency.

The bottle is more value accretive to the overall portfolio and also profit accretive. So therefore, our profits have improved in shampoos and so is our value going up in shampoo. There's been a conscious attempt. On the emerging channels like e-comm, we are introducing premium offerings of shampoos.

And our bottle saliency as we speak in the quarter is up to around 22%, and we expect the saliency to even move up further. As far as Oral Care is concerned, the third bucket of the HPC, that has grown by around 6%, 7%. And as I was saying, we are not very happy with that kind of a growth.

I think because post GST, there was a little higher stocking up, which happened in the trade. And this time, it's got evened out. But I think coming quarter, Oral Care will see a real bump up



in the business. So, I expect Oral Care to continue its trajectory of double digits, which is what we registered in the full year.

Home Care portfolio, Home Care has grown by 24% and we expect it to sustain that growth with Odonil growth at 20% and gel pockets is a tailwind on the whole category. Category itself is growing at high single digits, and we are gaining market shares. We've gained around 243 bps in market shares and we'll gain. We have got a lot of new initiatives also planned in Odonil brand, including car fresheners, etc.

In skin care, we've got a growth of around 12.5%. Gulabari continues to do well, and we are planning to extend Gulabari into larger categories of body baths etc., and wanting to democratize them across channels, which is not the case as of now. So that's big picture of HPC. The whole year HPC has seen a double-digit growth and for next year also, we expect HPC to grow at double digit, if not high teens. At least a double digit is a bare minimum that we expect HPC to grow.

Percy Panthaki:

Got it. And what is your expectation for food and beverages for the full year?

Mohit Malhotra:

I told you food and beverages, we pencilled a target for us for a double-digit growth because of the low base and on an assumption that season will play out in our favour. But if season does not play out and if monsoons are disrupting the business, then the whole category will get impacted and not just us.

That said, we are gaining market shares in our respective category, whether it's coconut water or it's 100% juices or it's nectars or drinks, we are gaining market shares across. So, we pencilled the double-digit growth. The food part of the F&B with the Culinary is growing at 30% for us and we are not even scratching the market surface with fats and oils, which is very small for us. So we are wanting to grow food and beverage. Our Badshah business, which is also a part of our food portfolio is growing at 12% and we want to continue that trajectory.

Percy Panthaki:

And last question, if I might quickly squeeze in. On margins, if I see your history over the long term, in any year where there is a sharp crude inflation, the EBITDA margin always drops. I don't think -- and correct me if I'm wrong, I'll also probably relook at my data. I don't think there is a single year in which there has been a sharp spike in crude and the margins have even stayed flat. So how is it that you are targeting a margin expansion this year on a full year basis over FY26? What specific levers do we have apart from pricing, which you think can drive this?

Ankush Jain:

Let me take this. So at least whatever clear visibility we have for Q1, our attempt is that we would be able to maintain our margins at least in our India business for sure. And then we are taking adequate price increases or reducing grammage or millage, stepping up our saving initiatives etcetera, plus also optimizing some of the trade and CP spend.

So quarter 1, we have a clear bit of visibility in this. We are also preparing as the things are very volatile, we are also preparing for Q2. We are watchful about the international business, and we'll have greater visibility maybe towards next few weeks about international business as well. But yes, we are working towards that.



Mohit Malhotra:

Percy, to Ankush's point, I think domestic business we are very clear that most of the inflationary pressure of whether LLP or crude etc., we'll pass on to the consumer. That's what we'll do. Even if we have to take a little bit cut in terms of shares, we are okay with it. And if a competitor doesn't take it, we have to take it.

We will bite that bullet, but we'll protect our margins. So that is one. International business, we are not too sure of because if the war continues unabated, then there could be a pressure in terms of margins from international. But as of now, we are wanting to mitigate that. So, India business, I don't think there should be so much of pressure.

Percy Panthaki:

Okay. Thank you very much.

Prakash Kapadia from Kapadia Financial Services

Prakash Kapadia:

Yes. Thanks for the opportunity. Mohit Activ was a smaller part of the juices portfolio. Is the low base helping us? Is it new variants, newer channels and what is happening on the larger part, real juice and in coconut water what is working well for us because it's a pretty competitive category, a lot of players there right from Paper Boat to Storia to Freshio to Presso to Tata's Coco Mama. Is that a segment tailwind or consumer preferences are changing? So that insight would help. And lastly raw material cost, I think packaging was always one-third of our RM basket. So, given the inflationary pressure and the input cost we are seeing, is the focus now on bridge packs, larger packs, what is LUP contribution currently? And what are we planning in terms of growth to offset some of these costs? Those are my three questions?

Mohit Malhotra:

Right. I got two parts of your question. I think third part, I'll come back to you. So first of all, on the juices portfolio, our Activ portfolio you're absolutely right. Activ portfolio is a small part of our business. The larger part of the business is nectar. Activ is growing at around 26%, and we are wanting to scale it up.

All the advertising and above-the-line communication, we are wanting to pivot towards Activ, because Activ is the one that drives the consumer franchise towards the real. And there is also a consumer preference very clearly, which is going from drinks and nectars to juices. So it's also a beneficiary of the tailwind which is there in the category.

So that's what -- where there is no artificial sugar added and it's only natural fruit sugar. So that is what is driving the whole category. As far as coconut water is also concerned, it is supposed to be a non-sin drink sort of and it's taking business from carbonated beverages. So, the whole market is growing. As far as competitive intensity is concerned, it's not very, very active.

The basic two players in the category are Storia, who was the number one who created the category and is number two with us. We delayed our entry into this whole market of coconut water because we didn't have infrastructure to produce it. We've already put an AFET line now, and we've got surplus capacity.

So, we are bursting from scenes in terms of capacity, and we are augmenting capacity as we go on. And we'll be producing this. And whatever we are producing is what we are selling. So,



there's 100% growth happening in our coconut water portfolio. So, although it is also small insignificant as compared to overall, but this is what we are trying to build.

And because it's growing by 100%, so it will become huge in scale. The Nectar part of the portfolio, which is a larger piece there we are introducing newer variants. We've introduced PET bottles there. We're introducing new price points on INR50, INR100 also to bolster that. And that is where the shoe is pinching.

And that's what we are trying to -- so new variants will come in. We are wanting to reduce the sugar over there also. And that's how we add new price points to plug the gaps in the marketplace on the Nectar. So that's the part on beverages. And on back of all this, we expected a double-digit growth if the weather supports us.

Now the second part of your question is packaging. Packaging one third of the RM basket, yes because the crude prices have gone up, packaging costs have moved up and to mitigate those inflationary pressures, we are doing price increases as I've been telling you multiple times. Other initiatives that we are taking is shrink inflation. So, all the INR10, INR20 pack, we are reducing grammage. So, because we can't breach those price points and we want to maintain those price points for that, we are reducing grammage, which we had increased during GST.

So, we are revising all that. So, there's a headroom available there from a pre-GST time to the post-GST time. So that comes in handy. It's easier call for us to take. We already have the mold; the gestation period is low. So, we'll be able to pass on the price increase. LUPs almost contribute around 30% of our overall business, and that will grow as we increase our rural business because that is more LUP business for us. I didn't understand the third part of your question.

Prakash Kapadia: I think that was it. And on coconut water, we should look at INR100 crores ARR currently. Are we there?

Mohit Malhotra: No, no, we are already INR100 crores. We are looking at INR150 crores, INR200 crores ARR.

Prakash Kapadia: INR100 crores ARR...

Mohit Malhotra: We are looking at around INR150 crores ARR.

Prakash Kapadia: INR150 crores Yes.

Mohit Malhotra: Exit rate.

Prakash Kapadia: Yes, exit rate. That's true. And on Honey, what has been the growth for the whole year if you have that handy in value terms?

Mohit Malhotra: Honey, the quarter growth is a 24% growth, whole year growth, I will tell you. Honey grows around 18% for us. Honey is growing because honey as a category is growing, and we are growing ahead of the category and therefore, gaining share in modern trade.

So there, we've gained 150 bps. There's a little bit of pressure that we are facing from unorganized players in the rural market, which we are planning to correct through the right price



points in honey. Plus, our new variants on honey like Sundarbans Honey and Organic Honey are doing well, and they are value accretive and profit accretive to the base brand, although it's only 2%, 3% of the rural brand. But I think that's what we want to scale going forward, value-added honey.

Prakash Kapadia: Understood. That's helpful. Thank you. All the best

Mohit Malhotra: Thank you.

Kshitij Jadhav with WealthCulture

Kshitij Jadhav: Yes, hello. So, my question was that we have delivered margin expansion despite having higher advertising spend in this quarter. So now with the inflationary pressure now if it sustains at the current level, so do you believe there will be further margin expansion in FY '27? Or will it be some challenges? And will it be more advertising spends or it will be limited to advertising spends?

Mohit Malhotra: Right. So, we are committed to increasing our margins going forward, as I mentioned earlier also. So, advertising will depend upon how much money we have available because in a situation where the inflation is very high, there's invariably consolidation which happens in the market.

Smaller players get marginalized and larger players become bigger. And when the market construct is shrinking, it's not very prudent to advertise and splurge with the advertising so much, better to retain your consumers by giving better value to them. So, we will prioritize our margin over our media spend going forward. While we are committed doing more media and doing demand, but when the inflation is very high, it's better to protect the base business.

So, I think margins will not be compromised. And we have an endeavour of doing more advertising. But if the saving initiatives kind of give us more cost savings, then that will be deployed into advertising, but margins will definitely be given a priority.

Kshitij Jadhav: And my second question was I wanted a detail on I mean, after increasing your input costs? And how are you balancing your pricing versus protecting our market share and consumption growth?

Mohit Malhotra: Sorry, I didn't quite get your question.

Kshitij Jadhav: I was talking about that now we are going to be increasing our input cost. So, input costs are going to be increasing. So how are we balancing pricing actions and then consumption growth?

Mohit Malhotra: Yes. So, input costs are increasing to offset that input cost increase, we will be doing price increases, like I mentioned to you, on the larger packs. In the smaller packs where we can't do price increases at INR10, INR20, we'll be doing shrinkflation. We'll be shrinking our packs. So that's a surrogate sort of price increases, and that's how we'll be protecting our margins.

Kshitij Jadhav: Okay, that's all. Thank you.

Mohit Malhotra: Thank you.



Manoj Menon with ICICI Securities

Manoj Menon: Hi, Mohit and team. Only one question on the quick commerce channel. What's the salient currently? Point number two, how the, let's say, the growth rate would have been over the last 1 year? And point number three, if I have to pick the top three categories for you specifically, it should have tailwinds from the quick commerce as a channel? Thank you.

Mohit Malhotra: Right. So, the salience of quick commerce in e-commerce is almost like 70%, 75% Manoj for us. So that's drastically gone up. It used to be 50%, but 50% from quarter 3 to 75% in quarter 4. So, I think it's really growing. And salience is 75%, growth rate is 50%. And most salient categories here are beverages, then food and then there is also personal care. Home care is pretty big for us there. And other HPC categories like shampoos and hair oils will trend, but healthcare will be the last to fall.

Manoj Menon: Thank you.

Mohit Malhotra: Thank you.

Kunal Vora from BNP Paribas

Kunal Vora: Yes. Thanks. I wanted to understand to what extent has GST rate cut helped in driving the growth revival. So, if you try to split your portfolio into categories in which you've seen GST rate cut and those which are not, has the growth rate in categories in which you've seen GST rate cut significantly higher compared to categories in which there was not rate cut?

Mohit Malhotra: Yes. So, GST has really helped us, Kunal. So, 70% of our portfolio was on a higher tax rate where the GST rates have got moderated and there, the growth rates are stupendous. All the growth that you're seeing in hair oils for us, in the shampoos for us, in oral care for us, barring home and skin care, where the GST did not impact, all these 3 categories are the ones which have driven the growth. So, GST has kind of really helped us, helped us in the terms of prices, which is optical in immediate term and also long term in terms of demand building. So, I think both ways.

Ankush Jain: Even in health care portfolio, OTC, digestives and other portfolio where GST has come down; it is helping drive consumption there, because the MRPs have come down and also the gap between unorganized players and branded players has actually narrowed down.

Kunal Vora: Understood. Some of these benefits are more structural that you become more competitive and that benefit continues.

Ankush Jain: Yes, yes.

Kunal Vora: Okay. Second is on international business, especially in the Middle East, what's happening now? I mean how do you see that playing out? Are you able to export now? What kind of impact you could see in the impacted markets in the coming quarters?

Mohit Malhotra: Yes. So, our Middle East business is a good substantial 30%, 35% of our overall international business. So that is impacted substantially. And supply chain disruptions are the ones which are



really creating havoc for us besides inflation, which is there. And number three is demand, which is going down because expats leaving the Middle Eastern where there are huge Indian expats and Asian expats were there. So threefold impact. So, first impact is supply, chain. Second impact is the inflation. The third impact is demand.

So, first impact on supply chain disruptions, we're opening up newer routes from India and from Egypt or from Turkey, etcetera, and getting into the other markets. So, we were unduly impacted because our supply chains were geared from Ras Al Khaimah, which is Middle East. And that's what we are doing, alternative supply locations, albeit coming at a higher cost and therefore, margin erosion. But therefore, price increases will come and help us there. The second bigger is inflation. So, we are already announcing price increases there to offset to whatever extent we can mitigate that inflation through price increases.

And third, demand. So, because we hope the situation should normalize and expats should come back to the market. And the way the war has kind of ebbed for the time being, we think the situation is only short-lived and we will expect a correction there, yes.

Kunal Vora: What's the initial assessment for the international business? Where do you see the growth rates as well as what kind of margin hit you might be taking there?

Mohit Malhotra: See, our international business growth rate traditionally has been double-digit business. We expect international business to grow in double digits, although volume will go down, pricing increase will go down, but the dollar has appreciated as compared to rupee. So, I think that the upside Indian rupee depreciating by 6% is a delta on translation gain that we will get as far as top line is concerned and cost savings, et cetera, that we will do for the bottom line.

Kunal Vora: Understood. And lastly, what would be the rough raw material cost split? I mean what kind of linkage with crude like besides packing material?

Mohit Malhotra: Sorry, I didn't get your question.

Kunal Vora: Yes. I mean, like say, the key raw materials which you use, and raw material split for you, packing material and raw material, like especially the ones which have crude linkage -- how much do they contribute?

Mohit Malhotra: So crude linkage in overall global business. -- crude link business will be 25% from a raw material perspective. If you look packaging material, it could be a little higher.

Kunal Vora: Okay. That's it for me. Thank you, sir.

Rahul Sarawagi: Thank you all for joining us today on our earnings call. The webcast recording and transcript will be available on our website. Thank you and have a great evening ahead.