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11th May, 2026

To,
The Manager,
BSE Limited,
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Script Code: 514448

Dear Sir/Madam,

Subject – Transcript of Q4 & FY26 Post Earnings Conference Call.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Transcript of Q4 & FY26 Post Earnings Conference Call.

Kindly take the same on your records.

Thanking You,

Yours Faithfully

For, Jyoti Resins and Adhesives Limited

Utkarsh Patel
Managing Director
DIN: 02874427



Jyoti Resins & Adhesives Ltd

Q4 & FY26

POST EARNINGS CONFERENCE CALL

May 8, 2026 11:00 AM IST

Management Team

Mr. Utkarsh J. Patel - Managing Director

Mr. Samit Shah - Chief Operating Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q4 and FY26 Post Earnings Conference Call of Jyoti Resins and Adhesives Limited.

Today on the call from the management team we have with us Mr. Utkarsh Patel, Managing Director and Mr. Samit Shah, Chief Operating Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended March 2026, the growth perspective and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Utkarsh J Patel:

Good morning, everyone. And thank you for joining us today. On behalf of the management team of Jyoti Resins and Adhesives Limited, I welcome all our shareholders, investors, analysts and stakeholders to our Q4 and FY26 earnings conference call.

FY26 has been an important milestone here in our journey, not just from a financial standpoint but from the perspective of building the foundation for the next phase of scalable growth for the company. Beginning in the second half of FY26, we initiated a comprehensive transformation journey across the organization spanning HR, technology, sales, marketing, distribution and operational processes. While these initiatives are still in the early stages, we are encouraged to see the first sign of tangible outcomes emerging from Q4 onwards.

Despite a challenging operating environment during the quarter, we delivered a strong performance with revenues growing by 18% y-o-y, led by a nearly 16% volume growth during Q4. EBITDA margin stayed steady at nearly 27%, which was in our range guidance for FY26. This revenue performance for Q4 is our highest ever quarterly performance in our history. These numbers reinforce our belief that the strategic direction we have undertaken is beginning to translate into stronger executions and market tractions.

During the quarter, we also undertook one of the largest brand building initiatives in our company's history, leveraging our association with

Pankaj Tripathi and as part of our National Footprint Expansion Strategy, we partnered with JioHotstar during the ICC T20 World Cup to execute a high-impact ATL campaign. The objective was clear, to significantly enhance brand visibility, strengthen top-of-the-mind recall, and position our brand among the fastest-growing wood adhesives brand in India. We believe this investment in brand equity will create long-term benefits as we expand into our newer markets and customer segments.

What makes this performance even more encouraging is that it came despite multiple external headwinds, including an extended monsoon season in H1 and disruptions arising from the West Asia conflict in Q4, which was during one of the most critical business periods of the year. The resilience of our channel partners, employees and the combined execution capabilities helped us navigate these challenges effectively and maintain our growth momentum.

Looking ahead, we remain highly optimistic about the India growth story and the long-term opportunities within the wood adhesives industry. We are working aggressively to deepen our presence in existing markets while simultaneously expanding into new geographies. As part of this strategy, we are commencing operations and strengthening our footprint in new markets of Odisha and Chhattisgarh during May '26, itself

At the same time, we continue to consciously strengthen our presence in the OEM segment. Our initial efforts across West and Central India have delivered promising results, giving us confidence to further scale this business. Going forward, we plan to expand into additional major metro markets with a focused OEM distribution strategy aimed at gaining meaningful market share in the category.

Overall, we believe the company is entering a new phase of growth driven by stronger branding, wider distribution reach, improving organizational capabilities and deeper market penetration. While we remain mindful of macroeconomic uncertainties, we are confident that the momentum built in Q4 will continue as we progress on our journey towards becoming an INR500 crore plus revenue company over the next two, three years.

We are now open to taking the questions.

Moderator:

Thank you, sir. All those who wish to ask question may use the option of raise hand. We'll invite you to ask the question. We would request

participants to restrict the questions to 2 in the first round. So everybody can get a chance to ask questions. Sir, till the question queue assembles, we will take a question that has come in the chat from one of the participants, Mr. Arjun Shah. How do you define active carpenters on your platform firstly and where do you see this number going in the coming future with the new states that are entering? Is the number seeing any traction? Is it increasing or is there some level of churning where carpenters become inactive after a while? Do you see that happening a lot in new states?

Utkarsh J Patel: So, in this 19-20 years of journey, we have just almost 3,50,000 carpenters in this journey. And from that, when we started this digital platform in 2018 around, so till now we have registered almost 2,00,000 carpenters into our platform. So, from that, almost 60% are carpenters very much active, so, who are using regular our products and making these loyalty points. So, now into the future, near expansion for this loyalty program is that we are aiming for more, almost 25,000 to 50,000 carpenters to on-board and engage with our loyalty program. As we are now penetrating and going deeper more into the newer states, UP, Delhi, West Bengal like and also now we are adding the Odisha and Chhattisgarh. So, new registrations will come into the pipeline. So, we are expecting 2,50,000 carpenters end of the year, we can say.

Moderator: So, his second part of that question is, do you have a target number in mind for the next 2 to 3 years?

Utkarsh J Patel: So, we are aiming that at least 3,00,000 carpenters should be registered as we have gone in detail through the data and we have the assumptions about the per shop carpenters or that data we have. So, we are aiming 3,00,000 carpenters near future.

Moderator: His second question is the receivables this year have gone up in line with the revenue. Would that imply that days of sale outstanding in the new states is a lot higher, and would that also mean that receivables increasing in states where we already have an established business? Why is this happening and where do we see this number normalizing?

Utkarsh J Patel: Yeah. So, yes, you are right that the number has gone out last two, three quarters, but we are aiming for that nearly what was -- we were into the '24, '25 that was 120 around. So, we are aiming that within two quarters will come with that. And the reason is, yes, we can say that newer state when we are starting that we need to build the more relationship and more engagement with the new dealers.

So, it is taking time and maybe some few more days going with the debtor sites. So, in existing state also, we have been last two quarters aggressive into the sales front. But these all sales are very much secure as we are dealing with these dealers since so many years. So that will - that can be maintained within two quarters.

Moderator: Sure. We will go to the participants who raised their hands. Sir, we will take the first question from Saket Kapoor. Saket, you can go ahead please.

Saket Kapoor: Namaskar, sir. Hope I am audible.

Utkarsh J Patel: Yes, you are audible.

Saket Kapoor: Yeah. Thank you, firstly for the opportunity. Sir, firstly, for the current year, what volume guidance can we expect with the type of capacity addition that you have outlined in your presentation? If you could just give the ballpark number, what are we eyeing, sir, for the current year?

Utkarsh J Patel: Yeah. See, I suggest that we have internally as a board decided that we don't give the specific numbers as the geopolitical issues are running. Also, see, if we go about the last 8 quarters, so almost from 8 quarters, 5 quarters, we have delivered almost 2 figures of growth. And if we talk about the FY25, we grew by 11%; FY26, we grew by 8%. So, we have grown approximately 19% in two years. Yes, we are expecting that we should aim for the 15% - 20%. But I think it is better that this quarter is very much not the suitable time that we can disclose.

I think because of the situation getting the normal, Q2 is the things where we can go for the 9 months growth, for the exact figure. But we can expect about - obviously, we are aiming for the 15% - 20% of growth for that.

Saket Kapoor: Sir, actually, your slide number 15, 15 number page, therein you did give us some understanding of how the period between FY27 to '29 looks, whether in terms of the brownfield as well as the greenfield CapEx that we are contemplating going ahead. So, only factoring that into what will the numbers translate into or the growth number translate into, was my question. So, if you could, when you are giving us an understanding about the brownfield expansion, which will be live before quarter 2, and the greenfield CapEx also. So, articulating those two, what should be the trajectory match between 19% - 20% sir?

Utkarsh J Patel: Yes. See, I can explain you how this business model is. Right now, we are operating about 65% of our capacity. So, basically, it is a 2,000-ton capacity per month and we have done almost 80% of brownfield expansions. And now within one or two quarters, it will be finished. Then the capacity will go to the 3,500 tons per month. So, it is now the plant will be the capable to generate the almost INR 600 crores, INR 650 crores of revenue from that. So, we are aiming for that to reach within these 2 - 3 years of INR 500 crores of revenue.

So, we are targeting about that if we achieve 15% - 20% of growth from here. So, that is an achievable number. And the thing is, in this business model, the fourth quarter jump very high into the volume. So, we want to be advanced with the capacity building because few months are, as an example, if we talk about the March, we have crossed more than 2,100 tons per month. So, these are the months where the volumes go high. So, we want to be very much prepared in advance so we don't lose any market shares. So, this is how the guidance is that. Yes, please go ahead.

Saket Kapoor: Yes, sir. Sir, a small point in terms of the RM part, sir, if you could just explain to us how the RM have behaved in terms of the crude oil and the geopolitical issues and how are we trending for the month of April and May in terms of the business setup and the business environment? And one financial question was, sir, when we look at our current liability part, it is to the tune of INR 95 crores. So, that is the carpenter bonus account that we are maintaining. So, the net cash balance should be less of this number.

Utkarsh J Patel: So, in the RM part, vinyl acetate monomer, VAM is the key raw material of our product. And yes, of course, it is -

Saket Kapoor: Sir, not getting your voice. Hello.

Utkarsh J Patel: Yeah, I am audible now?

Saket Kapoor: No, sir. I couldn't understand what you said last.

Utkarsh J Patel: So, the RM part, the VAM is the key raw material of ours. So, it is crude derivatives. So yes, it is affected because of these situations. And I believe that if the situations get normal as a world level, then it can come within the line within three months around. But it is very much early to say that because the situation is not stable right now. But we have taken the price rise and almost 70% (of) price rise (of raw material)

given the effect from the first May. So, maybe it has to give the support to the company regarding this.

Saket Kapoor: 70% you mentioned, sir? I missed your number.

Utkarsh J Patel: Almost 60% - 70% (*of*) price rise (*of raw material*) we have taken. But from the 1st May, so not April month from the 1st May.

Moderator: We will go to the next participant. Videsh Ashar. You can go ahead, please.

Videsh Ashar: Sir, firstly, congratulations achieving great sales growth in this quarter. Really commendable and best wishes for continued growth. Sir, I have two questions. Firstly, in terms of sales growth, what percentage has come from price hikes and how much is the volume growth? And also, of the incremental sales versus last quarter, how much from existing stronghold states such as Gujarat and Maharashtra, and how much from developing states like you mentioned UP, etc.?

Utkarsh J Patel: So, we grew by 8% means the volume front. And there is not much difference versus that because the price rise has just got effected since last month. So last year was the same price what actually were at that time. So, 8% is the volume growth for the entire year.

Moderator: Thank you. We will move to the next participant, Pawan Kumar. Pawan, you can go ahead, please.

Pawan Kumar: Sir, I wanted to understand what will be the advertising expenses that we are planning for FY27? I guess we have spent around INR 53 crores, INR 54 crores this year. Would it be as a portion of the revenues or would it be in -- I mean, are we assuming some growth or expecting this to be constant?

Utkarsh J Patel: Okay. So, for the advertising and trade marketing, actually, we have spent 4% of our revenue right now. So, it is now INR 50 crores, INR 54 crores because it is, I think maybe you are saying with all the sales promotions offers and what the loyalty programs are there. So, if we talk about the trade marketing and brand communications, we have invested 4%. And we are aiming to take this at least 6% to 7% for coming years.

Pawan Kumar: This 6% to 7% we will take it in how many years?

- Utkarsh J Patel:** This, from this year, 6% to 7% from this year. And I think we will continue this at least 3 years from now. After that, maybe more.
- Pawan Kumar:** And what will we spend this on exactly in the sense?
- Utkarsh J Patel:** Sorry?
- Pawan Kumar:** 6% to -- any incremental money.
- Utkarsh J Patel:** Can you repeat the question, please?
- Pawan Kumar:** Where will we spend this incremental money of the 3% incremental that we are planning to do?
- Utkarsh J Patel:** So, see, mainly we are into the trade business. So, will depends upon our influencers more and they are the very much important part of that this journey. So, we will invest almost 70% - 80% of total budget to the trade marketing and 20% - 25% for the brand communications. So, these all are the increased of this percentage will go to the more carpenters, to engage the more carpenters into the loyalty programs, to make the more awareness of the product, visibility of the products into the shops also in shop branding also. So, it will be the mix strategies to invest this fund into the promotion of the brand.
- Pawan Kumar:** Okay. And given we are talking about sustainable 65% gross margins, what is the kind of EBITDA margin band which would be sustainable given the current scenario?
- Utkarsh J Patel:** So, 23% - 25% EBITDA margin, we have always guided for the longer term. So, we are aiming to sustain that. And yes, of course, we are aiming for the gross margin 65% for that. But in this situation, this quarter may be affecting our gross margin because of the sudden price increase into the VAM. So, I think maybe these will impact all the industries who can -- concerned about this raw material prices.
- Pawan Kumar:** Okay. And one last question, have there been any price hikes taken by your bigger peers as of now for this?
- Utkarsh J Patel:** So, in April, they have started and 4% to 5% price rise started to taken and from the 1st May, it is almost 10% has taken. So, it will, I think it will affect from the 15th of May, we can say mid of the quarter, this the 70% effect will come into the price rise.

Moderator: Yeah, thank you. We will take a follow-up from Videsh; he had gone on mute by mistake. Videsh, you can go ahead.

Videsh Ashar: So, sir, thank you for answering that there was 8% volume growth in terms of sales growth, 8% of volume growth. Also, sir, I wanted to know in terms of the state-wise sales, our main stronghold states are Gujarat and Maharashtra. Just wanted to know how much percentage of our revenue this quarter came from new states, sir?

Utkarsh J Patel: I cannot disclose the detail of the state-wise volume growth because of some restrictions, but you can mail us and our IR team can help into that. I hope you understand for that.

Ritesh Ashar: Yes, yes, yes, sir. Sir, one more thing was, sir the receivables have gone up from INR 125 crores to INR 160 crores, which makes our receivable days four and a half to five months. Sir, what was the -- so, as you stated, the reason was because of the new states and you need to give some time. So, when do we -- what is our plan in the medium term to improve the working capital cycle with the new states?

Utkarsh J Patel: So, actually, it is a two to three years of cycle in newer states, as we are into B2C business model. So, it takes 2 to 3 years to at least get all the engagement to the carpenters, influencers, the very much visibility of the product, the confidence of the product to make the relationship with the dealers, carpenters. So, it is an entire process and there is -- it's a part of making them comfortable and doing the ease of business with us, the policies or that level.

So, we can get more market share. So, this is the always a strategy of Euro since last 18-19 years. And now we have very much experience that if you see about all the balance sheets, we are not above 1% of the bad debts. So, it is very much controlled and it is all about the relationship with the dealers and the carpenters. So, these are the strategies that we are moving into the newer states. But we should aim for at least after 2 years that state should be very much stable, and we can at least maintain 120 days of debtor cycle. So, we are aiming for that, that within these 2 quarters, we can control that.

Moderator: Thank you. Sir, we'll take the next question from Venkatesh. Venkatesh, you go ahead, please.

Venkatesh: Thank you. Thanks for giving me opportunity. My question is about our last participant asked me -- asked the same question. It is more about the receivables. So, if you can give me a little more clarity on

receivables, because from last four quarters, it kept on increasing. Of course, I know you answered that. A little more brief on the receivables, that's all.

Utkarsh J Patel:

Sure. So, see, we have differentiated ourselves since 2013. Earlier, Euro was with the typical distributor model that we make the channel partner distributor and the secondary payment is the responsibility of the distributor. After that, we have moved to the stockist level. So, we have created 54 branches across these 14 states. So, these are the inventory transfer to these 54 branches. And from that, we supply to the retailers. So, that sales come to the companies in revenue when the sales goes from the branches. So, it is directly to the retailers.

So, our debtors what INR 150 crores are there, debtors very much spreaded to the 12,000 across retailers. So, if we go about the overdue amounts, so it is not above the INR 1 lakhs or INR 2 lakhs per dealer. We have mentioned that in this investor presentations also that can give you the more clarity how this model works. So, it is very much spreaded. So, we cannot risk the fund. And that's why the reason that we are able to grow that much. So, this is our strength.

So, I have never guided that about this can be the cycle below 120 days. But if we are aiming that if it is maintained 110 days - 120 days, then company has enough strength of the cash flow also. And whatever the fund we needed for the Greenfield or any expansions that can easily achievable by the internal accruals. So, this is how this model is. So, yes, of course, it is 150 days - 160 days is a little bit higher. But we can control. And if you go about the past, if you see about the FY '21, '22, '23, we have controlled that within 118 days around. So, within this next two, three quarters, we'll control this.

Venkatesh:

Can we take it in this way in the sense going forward, you will be able to maintain between INR 1 lakhs and INR 2 lakhs for each dealer and you will bring down the inventory or -- cash flow level to 120 days? That's what you mean to say?

Utkarsh J Patel:

No, no, no. See, overdue payments, so, if we talk about the 150 days, 140 days about that are the very much overdue payments. So, if we go into the detail of the dealer, so it is not much than 1 or 2 lakhs per dealer. So, it is not that much risk about the company. And we can maintain that with making the good follow-up, good relationship with the dealers with the understanding of the markets also. So, it is controllable. And in past, if we see about that company has controlled that debtors within 115 or 120 days. So, it is doable.

But we were into the growth journey last 8 quarters. So, because of the expansions of the market, this much has gone high, but it can be controllable within two or three quarters from here.

Venkatesh: Thank you. All the best.

Moderator: Thank you. We'll take the next question from Mahak Singhvi. You can go ahead, please, Mahak.

Mahak Singhvi: Yeah, can you hear me? Hello?

Utkarsh J Patel: Yes, you are audible.

Moksh Sanghvi: Yeah, I wanted to ask about how much inventory of VAM do you have right now, for how many months?

Utkarsh J Patel: So, we are running with the inventory of 25 to 30 days.

Mahak Singhvi: Okay. But do you expect the price to rise further, right?

Utkarsh J Patel: It is already risen, not more price from here because it is almost 100% price rise. If we talk about the VAM, it was earlier INR 80, INR 75 around right now it is running INR 160 – INR 180 around.

Mahak Singhvi: Okay. And second thing is we are going to target OEM distribution. So, we were not doing this earlier?

Utkarsh J Patel: No, it is not that. So, we have started this OEM business since 2020 around. So right now, of our revenue 6% revenue is coming from the OEMs. But as OEMs for the metro megacities now OEMs are doing very good into the growing phase. So, we also take the leverage of that and the same white glue are using, we have the four product categories into that. And we are targeting also and now onboarding more talent to grow this segment.

So, we are assuming that after two, three years our revenue will be 85% into the retail and 15% around into the OEMs.

Mahak Singhvi: Okay. Okay. Thank you.

Moderator: Thank you. Sir, we will take the next question from Vatsal Shah. Vatsal, you can go ahead please.

Vatsal Shah: Hi, good morning, sir. Thank you for giving this opportunity. Sir, as we have seen that you have a FD of INR 140 crores. Since it's a long time that you are sustaining with this FD, why don't you invest your money in good mutual funds or stocks or why don't you buy back your stocks even? And other part, why don't you give a dividend pay-out ratio, giving more dividend to your investors, if you have such a huge amount of money in your FDs, that is giving you a very low margins, very low interest rates. Thank you.

Utkarsh J Patel: It's a very good question. Yeah. So, if you see last 6 years, we have given 15% of our PAT to the stakeholders as per the dividend, and that is very much maintained. One thing is that this FD is about the -- also the liability, INR 90 crores, INR 95 crores liability is there. So, it is there, but so the internal accruals, this fund, we will need it from the growth. So, as we are now moving to that journey that as a Euro now, we are almost reaching the second largest player, and there is a huge gap between the industry's dominant player and Euro. So, now we are moving towards that.

So, we need this fund to utilize into the market expansions, in greenfield expansions also. So, see, we have started about that. If you see about the investment into the advertising branding and trade marketing, what we have done. So, last year, that was 1.5 around this year, this is 4% around and now we are moving into the 6% to 7% around. And we will continue this 6% to 7% or maybe 8% around next three, four years to grow and capture the more market share. So, right now, the companies needed this fund and the competitions will be very much tougher in coming years as we will cross about INR 500 crore of top line. So, this is not the time to diversify this fund. And but we can have the regular meetings with the Board also and we are also working jointly closely for these strategies. But right now, it is not into the plan.

Vinay Pandit: Further to add to this, if you see the latest balance sheet, we have deployed money into liquid funds to the tune of INR 46.8 crores.

Moderator: Sir, we will take the next question from Dixit Doshi. Dixit, you can go ahead, please.

Dixit Doshi: Yeah, thanks for the opportunity. Can you hear me?

Moderator: Yes, we can hear you.

- Dixit Doshi:** Yeah, thank you for the opportunity. Firstly, just a clarification, you mentioned 15% to 20% growth. So, this kind of growth we are targeting a volume growth or the overall company level growth?
- Utkarsh J Patel:** See, volume growth, the growth should be always by the volume. And if we talk about the last year, it is not much difference. 8% was the volume growth and 11% was the revenue growth. So, we are targeting that at least 15% - 20% of volume growth we can achieve to achieve our INR 500 crore of benchmark.
- Dixit Doshi:** Okay. And when we assume or target say 15% - 20% volume growth, our established states, let us say Gujarat, Maharashtra, those states will grow at what high single digit and the additional growth will be from new state. Is this the fair assumption?
- Utkarsh J Patel:** It is a fair assumption. But still, if we talk about our five mature states, still there is a very much opportunity line if we talk about the Karnataka, if we talk about the Maharashtra. So yes, we can say that that growth can also contribute, but it will be parallel in newer states also. So, all put together efforts will be done as going more deeper into the states and also wider to the states.
- Dixit Doshi:** Okay. And lastly, you mentioned a 60% to 70% price rise we are taking from 15th May.
- Utkarsh J Patel:** Right. *(The management intends to state that 60-70% of the increase in raw material prices have been passed on in the selling price increases taken in early April and May)*
- Dixit Doshi:** Okay. Okay. That's it from my side. Thank you.
- Moderator:** Thank you. Sir, we will take the follow-up question from Saket Kapoor. Saket, you can go ahead, please.
- Saket Kapoor:** Sir, as a percentage of the revenue which you booked, what is our RM contribution and what is the contribution from VAM?
- Utkarsh J Patel:** It is almost 90% of VAM.
- Saket Kapoor:** Okay. So, sir, if we extrapolate that, then the revenue for the current year would be rising in terms of the price hike that we have taken? Meaning, how should we factor in the revenue number for the current year if we are increasing the prices by 60% - 70%, that will translate into 60% - 70% growth in the revenue or I am missing something, sir?

Utkarsh J Patel: No. So, it is too early to say because just from the 1st April, the price rise has started and now after 15th May, it will be again the second price rise and the situation is not now stable. So, we have not correct assumption about that the VAM prices will be stable for the next 12 months or 3 months or 5 months or we do not know about that.

So, it is too early to say that what will be the revenue impact into the growth percentage. But right now, I think we should focus on the volume growth as the situation is not normal right now. So, it is too early to say with this quarter. I think in a Q2, we will get more clarity about the consistency of the RM prices.

Saket Kapoor: And sir, will this lead to demand destruction also or what is the filler we are getting from the demand side of the story when we look our product as which goes into the furniture segment, how much percent of total cost is our product? If somebody undertakes an activity. So, can you just give us some colour on the same because these are phenomenal rise and need to be absorbed otherwise that could lead to demand destruction or what is your take on this?

Utkarsh J Patel: Sure. So, it is almost 5% to 10%. So, if we talk about if the furniture cost is total INR 10 lakh, then INR 50,000 to INR 1 lakh adhesives are used into that. So, it is 5% to 10%. And see, it is impacted as the gas cylinder situation was not normalized last two months. So always the labour think, about the migrate to the natives.

So, mostly the carpenters are from the Rajasthan and UP. So, we are seeing that that they are migrating into the particular states because of the LPG issues and everything. But it has not much impacted as the Q4, the volume was good. So, I hope that within this two - three months, the situation will get normalized.

Saket Kapoor: Okay, sir only to conclude. So, as of now, our uptake is normal. The projects that we are doing, there is no change in uptake.

Utkarsh J Patel: Not much. See, I believe that there is a huge expansion into the current cities, metro, megacities the governments are now moving towards the India growth story. So, in a longer term, it is not much. It should be affected. So, it will maybe affect one or two months, not more than that, I think.

Moderator: Thank you. Sir, we will take the next question from Bhavani Mishra. You can go ahead, please. Sir, we will move on to Harsh Chaurasia. Harsh, you can go ahead, please.

Harsh Chaurasia: Hello. Am I audible? Hello?

Moderator: Yes, you are audible.

Harsh Chaurasia: Yeah, yeah. Hi, Utkarshji, good morning. So, sir, I have a question. You mentioned that in the matured markets, we are growing around in a high single digit. But recently, I did a channel check visit to almost the cluster of carpenters, like wood market in Mumbai. But where I observed, we still have outlets out of three, out of one store we have.

So like, despite being a matured market, why there is such a low penetration in the store? And I'm not talking about small stores; I'm talking about big stores. And being a matured market, our product has not gone to almost all the stores. And so, I'm not understanding why are we moving to new states? Because we are still, I believe we are still underpenetrated.

Utkarsh J Patel: Yeah, you are very right that because it's an ocean of that. So, that's why we have that opportunity. And that's why we are aiming for that. It's more than INR 7,500 crores of market. And we have reached almost INR 300 crores.

Moderator: Harsh, there is a background voice coming from your mic.

Harsh Chaurasia: Is it correct now?

Utkarsh J Patel: Yes.

Moderator: Yeah.

Utkarsh J Patel: So, these are the opportunities lies into the market. And you are very right that it is -- we can say that out of 3 or 4 counters, we have presence into 1 counter. That's why we are into the 20% of market share into the Maharashtra. So, it is long miles to go from here. And that's why the growth will become from the existing states also and the newer states also. So that's why we have decided that we'll state these 14 states plus two states we are adding. And we are going much more deeper.

So, we have not started Chennai yet, we have not started Kerala yet, and not Jammu Kashmir yet. So, these are the reasons that now we want to

go more deeper into that. And this is the opportunity actually into the market. So, we -- it is the doable growth that if we aiming for the INR 1,000 – INR 1,200 crores of revenue, it is doable.

Harsh Chaurasia:

So, my reason to ask this question was because why to go -- like, obviously, it is very good to go new states, but where we have already built a relationship with the dealers, the carpenters, knows our brand, which I came to know, at least from Mumbai market, it is much easier to penetrate in multiple stores, like first. And we can be more aggressive by while -- like, currently, we are going in high single digit; by doing more aggressive in matured markets, we can grow double digit. That was my question.

Utkarsh J Patel:

So, but see, in the channel check, it is a very, very deep, deep subject is there. And if we talk about the Mumbai, then we are the first company within these 17 years of journey who has achieved this number. I cannot disclose the exact number of the volume into the Maharashtra. But these are the things that's why that revenue we are generated of INR 100 crores of revenue into the Q4.

So, we are going much deeper. And this quarter four is a reason that it is doable. And if we see about the Q4 number, it is exponentially as compared to Q3, right? More than 30% growth is that. So, these are the reasons. So, yes, of course, we are going much deeper. And you are very right that should be the strategy. But our strategy is into that. And that is the reason that we are able to maintain it is a debt free, with this maintain this 27% of EBITDA. Because if there is a no repeat customer, there is no any business can make the profit. So, we always believe into the repeat business and deeper more volume. So, we are into that.

And yes, of course, we'll not go about that only focusing on the wider the stand but we are on to the going deeper more.

Moderator:

Thank you, sir. We'll take the next question from Bhavani Mishra. Bhavani, you can go please. Bhavani, you there? Sir, we'll move on to Jay Trivedi. Jay, you can go please.

Jay Trivedi:

Hello, am I audible?

Moderator:

Yes.

Jay Trivedi:

Yeah. Thanks for the opportunity. My question is, while it is good that we are getting into new states and we are expanding, my question comes very much inbound where there are players like Jivanjor, who are

setting up capacities in Gujarat. Do we see it as a competitive threat or how are we assessing it? What is your take on that? That is my first question.

Utkarsh J Patel:

Jay, I suggest you to be focused of our questions only. Cannot talk about the competitions. If you have any, you can please mail us we can definitely answer for that. But in general, yes, we can say that we are very much aware about this. And as we are into 30% - 35% presence and though we are very much old brand since 20 years, Gujarat is very much strong base of ours.

So, we have the very good relationship with the dealers, with the carpenters, very good strong network and competition was earlier. It is not that today now there is a competition. That was from the first day, but though we have understood the market and we have created our niche, so we are very much confident that we will figure out the way and grow from here.

Jay Trivedi:

Definitely, definitely, sir. I totally get your point. Also wanted to understand while we are very much strong in the wood adhesives, the white glue adhesives space, are there any adjacencies when we have multiple product offerings, the mobilization of product is faster if the dealers or a Euro standalone wood adhesives is enough for a dealer to give away other products? Like do these products sell in a basket or it is a one-on-one conversation? Just wanted to understand that.

Utkarsh J Patel:

Yeah. So, the answer of this question is if there was a problem for that, then it was not possible that we are getting this 35% of market share in Gujarat. So, it means that it is not required and we have focused and that is our strength. And this is a market of INR 8,000 crores of market PAN-India.

So, it is a long journey to go and we want to be focused, we want to stay with the single product, at least INR 1,000 crores of journey. And after that, maybe we can think about adding the new products for that.

Jay Trivedi:

Definitely, definitely. Those are my questions, sir. Thank you so much. All the best.

Utkarsh J Patel:

Thank you.

Moderator:

Thank you. Sir, we'll take the next question from Amish Kanani. Amish, you can go ahead please.

Amish Kanani:

Hi, sir. Sir, congrats on a good number in Q4. Sir, one quick question was, I was wondering if the offtake of Q4 was seasonally higher as you dealer would know that our raw material VAM is crude-linked. Maybe they were anticipating the price and hence they are probably taken more than required. So, if you can give us some sense of comfort, whether the retail demand also was as strong as a 15% plus, if you can give us some flavour there? Or is there an inventory at dealer level, which if carpenters are not on the ground in Q1, my fear is maybe our number may not be -- I'm not worried about quarterly, sir, I understand. And I'm more interested in the annual trend, but just if you can give us some flavour of how these things are on the ground. And that is one.

And sir, second in that, extending the same question, sir this year, if you are aiming for 15%, and you've also partly explained that overall price rise itself is 15%. Maybe we are not looking at a very high growth on a volume terms. I understand you're saying you have an aspiration to at least grow 10% plus on volume term also. But I understand you're saying as of now, we are not clear, maybe by second quarter, the situation will be clear. And you may be able to answer us say in the second quarter call, what is the situation. So that is I understand.

The question is, sir, this year, we are assuming say ballpark 15% growth. To reach a INR 500 crore turnover, sir, for the next two years, at least we should be able to grow at 20%, sir, roughly, 18% to 20%. So, sir, are we -- how confident are we that, we should be more in a band of say, 15% to 20%, then say a band of 10% to 15%? Thanks.

Utkarsh J Patel:

Yeah, so thank you, Amish. And very much understanding of industry you have. And very good question you asked about that. What about the tertiary because as we have now pushed the material to the markets Q4, and now we should focus more into the carpenter segments to offtake the material.

So, I think Samit sir is the person who can give you the very good answer of that. Samit bhai, can you add this?

Samit Shah:

Yes. So Amish, great, good question, first of all. So, see, I'll tell you about the Q4. Basically, if you see the business dynamics, so Q4 is always been a heavy quarter in the business overall, right. So that is where -- so it is not because of the fear of price rise and all they have stocked the material and all. So that's what the first answer.

And just to add in what Utkarsh sir said, that yes, we are focused going forward is more on a tertiary. So, we are completely moving our entire

focus towards demand generation and entire transformation journey is slated towards in this direction only. So, we are very much confident that this is what we can continue going forward.

Utkarsh J Patel: So that's why we are investing more into the carpenter's trade marketing.

Samit Shah: Yeah. So, we have increased the budget. Also, if you see, our marketing budget is majorly skewed towards trade marketing, which is trade is our basically carpenters and dealers community, basically. So that is where we are going very stronger and deeper to penetrate and gain more market share by these actions, basically.

Utkarsh J Patel: And about your second question here, you are very right that if we want to achieve this INR 500 crore, then definitely we need to focus for the 18% - 20% of growth. And you are concerned about what the situation is going on and the demand will be same or not. But as I explained that there is not much difference into the down level, all the constructions are into the pipeline, all the real sectors are now into the streamline.

So, it is there. The carpenters are available into the market. And that's why the reason that our redemptions are very high. We are getting the good response into our loyalty programs. So, there is no worry about our brand is because of that we are now, right now, we are a smaller part of the total industry. So, it is a huge gap, and huge opportunity lying about that. So, it will not impact because we need to take the market share from the existing market. So that's why this is a doable number. And that's why, if we talk about, I explained that in the last eight quarters, the five quarters, we can able to achieve this growth. If we see about the last two quarters, if we talk about the Q2, it is a 20% of growth. If we talk about the Q4, it is a 16% growth.

So, it means that it is doable. Just we need to maintain that every quarter. And that deep focus and hard work we need to do about that. And we all are the team as we are very much sincere and very much going deeper to achieve this number.

Samit Shah: Yes. And just to add in what sir said that, because of this only, like we are confident that we can drive this number. There is a huge scope. And as a part of our transformation journey, we have been -- we are very conscious about what you are saying, basically. So that is why our work right now, transformation journey is going on towards both deeper and wider reach for the Euro as a brand and all products also. So that is where we want to have multi-fold drive in existing markets as well as

going for a few select -- a few new markets also to start our presence basically in those markets basically.

So that's where combined efforts will put together will lead us to the required growth numbers we are driving.

Moderator: Sir, we'll take the next follow-up question from Mahak Singhvi. Mahak, you can go ahead please.

Mahak Singhvi: Yeah, I wanted to ask, how was April? Because you are hiking prices from May. So, dealers must have bought in quantities, right?

Utkarsh J Patel: Yes. So yeah, but April was good. And April, we can say about that because of the price rises going to in the May. So, dealers have that -- trying to get that benefits and that opportunity. So, April was good volume wise.

Mahak Singhvi: Like, are you not going to give me a number?

Utkarsh J Patel: It is not possible.

Samit Shah: Of course not.

Utkarsh J Patel: But we can, you can contact our IR for anything else.

Mahak Singhvi: Okay. And have you thought about backward integration in raw material production?

Utkarsh J Patel: So, see, I explained about that VAM is the key raw material and it is not manufactured in India. The material is totally imported and very huge giant companies are into that. And so, that's why it is not workable for the backward integrations.

Mahak Singhvi: Not workable at all?

Utkarsh J Patel: Right now, this volume is not suitable for that.

Mahak Singhvi: Okay. And any R&D spend on new products in white glue right now? Are we doing anything new?

Utkarsh J Patel: So, if we see, if we saw about the history of the Euro last 15 years, so every two years, we have added new products. So right now, what products we have into our basket, so that is the complete, the applications wise, all the needs by the furniture gluing industry. So, if

we talk about, we have the different elements of the waterproof, we have the fast drying, we have the high coverage, high grab adhesives, we have the OEMs, four product range into the OEMs also. We have the cheaper glue also. So, everything is covered. We have the PVC glue, which are covered the acrylic and PVC sheets to the MDF and plywood. So entire range are covered right now.

So, there is no any spend into the R&D, but we hire the technologies when it is needed. So right now, we are at least at that level that we have covered all the products to gluing industries for the furniture.

Moderator: We will take the next question from Vatsal Shah. Vatsal Shah, you can go ahead please.

Vatsal Shah: Hello, am I audible?

Moderator: Yes.

Samit Shah: Yes, yes.

Vatsal Shah: Just a follow-up question. So, you talked about the current liabilities coming from the reward program. So, when these numbers, when the carpenters start redeeming their amounts, so our EBITDA margins would go down. So, can you tell me when will this EBITDA margins be normalized to 20% to 25%?

Utkarsh J Patel: So, see, it is not much impacted. If we see about the last year, so it is only INR 4 crore of difference between the provisions and the redemptions. So, it is hardly 1.25% only. So, it will not impact and it is running in a smooth way. So, we are expecting the same for the next coming quarters.

Moderator: We'll take the next question from Videsh Ashar. Videsh, you can go ahead please.

Videsh Ashar: So, till our past few years, we've been in the INR 250 crore to INR 300 crore revenue range and even our profit after tax has been in a similar range. So, do you think sir, the next 1 - 2 years we could see a solid growth coming and also will we be able to maintain our capital allocation strategies? What I mean to say is will we be able to sustain ROE and ROCE in the next 2 to 3 years?

Utkarsh J Patel: So yes, we are into that, and as I explained that 20% to 25% is a long-term EBITDA margins, what we want to sustain. And if we see about

the last 3 years, it is very much into the line. And if we grow by the 15% - 20% volume growth, then the margin will be stable and it will be the overall also will be the control. So, it is not about that within this 2 - 3 years, what you are saying that the exact number we can disclose about that.

Moderator: Sir, we'll take the next question from Harsh Chaurasia. Harsh, you can go ahead please.

Harsh Chaurasia: Yeah, hello. Yeah, so on the price hike sir, like before this 60% to 70% price hike, how much, like on an average, how much our product portfolio would be compared to the market leader basically in terms of pricing? And post this price hike, how much premium would be charging versus the market leader?

Utkarsh J Patel: Can you repeat the question, the first question?

Harsh Chaurasia: So basically, my question is, before the price hikes of 60% to 70%, how much our portfolio pricing was like cheaper than the market leader? And now after the price hike, how much premium would be charging versus the market leader?

Utkarsh J Patel: See, it is almost we are at par with the industry and the market leader. But if we see about the lending cost, then Euro is always a good attractive as compared to that industry. So, we are more into the doing the sales promotion discount to the dealers and the retailers. So it is that. So, if we talk about the market price that is almost similar to that, at par for that.

Harsh Chaurasia: So, this is the post price hike, like the pricing would be almost par to the market leader?

Utkarsh J Patel: Both. So, if we talk about the earlier also, and it is for the post also, for that, because same we have same they have taken the price rise also, yes.

Harsh Chaurasia: Got it. Got it. And just one more thing on the branding communication, which you mentioned, like now we started going in South as well, like you mentioned in future, we are looking to go in Chennai, Kerala market. So do you think the current brand ambassador we have, he is very famous in the -- like nowadays, people prefer the regional face than a national face, especially in South. So, do you think like we would need -- like our branding would need north a different brand ambassador and

in South we will be adding one more brand ambassador or this is a wrong thing, which I'm in the way I'm thinking?

Utkarsh J Patel:

No, no, it is not a wrong thing. And Harsh, it is a very good questions and suggestions you have had. So yes, of course, this is in our mind. But right now, as we are more into the Central and Western part, so it's a Bollywood community and Pankaj Tripathi is very much famous into that. Also, the one main thing is what our influencers are belong to the carpenters are from the 90% are from the Rajasthan and UP. So, they are very much with this existing brand ambassador. So that's why we have chosen them. But definitely, South is a different part of that. And if we talk about the Tamil Nadu, if we talk about the Andhra, it is a different part.

So, when we'll go more penetrated and to go the more generate the volumes, we need to think about that also. So, we are very much aware about that. And it's a very good suggestion of you also.

Samit Shah:

Yeah. And Harsh, right now, we are basically into -- there is a huge way to cover in HSMs, basically Hindi speaking belt, Hindi speaking markets, basically. So, we are very conscious about as MD sir said that about the language markets. And so accordingly, right now, as he rightly mentioned that most of our community, basically carpenters and all they belong to Rajasthan and UP. And if you go to even down South, also, you'll find that, you know, most of the carpenter's community are coming from these states. So, they are very well aware about the Hindi and all. And that is where we chose as a unanimous choice as Pankaj Tripathi, at this moment.

We may look at local face. Maybe it's a long shot, basically. As of now, I think this is what we will -- we're going to continue.

Moderator:

Thank you, sir. We'll take the next question from Varun Tanna. Varun, you can go ahead, please.

Varun Tanna:

Hi, I just want to understand, are we thinking about going into general purpose adhesives at any point in the 8 grams to 200 grams packaging space? Because do we have to tweak the formula too much to get into this space. Or it's something we're not considering at all.

Utkarsh J Patel:

No, we are not considering at all, because it's a different segment. And it's a totally different distributions and network. It is more into the stationeries and pan shops and everything. So, it's a different distribution. Our expertise is more into the furnitures, to the carpenters

work as a gluing solution for furniture. So, this is a market what is INR 8,000 crores above. So, we will need to stick about that.

Moderator: And we'll take the next question from Mahak Singhvi. Mahak, you can go ahead, please.

Mahak Singhvi: Yeah, I wanted to ask that we have done only 60% to 70% hike in product, 100% is the rise in raw material. And 6% to 7% we are going to spend on advertising and only 15% to 20% volume growth. So, are we expecting any, what we call operating margin reduction this year?

Utkarsh J Patel: It is too early to say for the entire year. But yes, of course, it will effect on the Q1. And I believe that all the chemical industries, pharma industries will get this effect into the Q1 regarding the EBITDA, because as only I think B2C industry, of course, the price rise not pass from the second day, but B2B industry maybe will less bleed but B2C model will bleed. But we cannot predict about the next three quarters because it is about the geopolitical situations, but I think it will be controlled within two months. Then maybe from the next three quarters, we are not much affected as we have taken the price rise. But I think we are expecting that maybe very near soon, there will be again price rise, we need to take to cover the difference.

Mahak Singhvi: And what else can we do to protect the margins? Anything else?

Utkarsh J Patel: Unfortunately, it is uncontrollable for each and every one. So right now, it is facing the situation. So, I think Q1 will be the same situation for all the industries right now.

Mahak Singhvi: Okay. Okay. Thank you so much.

Moderator: Sir, we'll take the last follow up question from Varun Tanna. Varun, you can go ahead please. Varun, are you there?

Moderator: I think he's finished his question. We'll take one last question from the chat from one of the participants. What are our plans to list on the NSE?

Utkarsh J Patel: It is in process. We are into the process and very near, maybe it will be listed on the NSE. So, we are into that process.

Moderator: Sure, sir. And that was the last question for the day. Would you like to make any closing comment before we end the call?

Utkarsh J Patel:

So, thank you very much for trusting our brand, trusting our management. So yes, we are on it and we are working hard to achieve more and grabbing more market shares. So, I hope that you all understand the current situations about quarter one. So maybe very soon we all come out from the situations and we can contribute the good growth into the industries. So, thank you very much for trusting us.

Moderator:

Thank you to the management team for your valuable time and thank you all the participants for joining on the call. This brings us to the end of today's conference call. You all may disconnect now. Thank you.