Aakaar
enhancing life through technology
CIN No.: L74900MH2013PLC244717

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November 02, 2026

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1,
Block- G, Bandra – Kurla Complex,
Bandra (East), Mumbai – 400051
Symbol: AAKAAR

Dear Sir/ Madam,

Sub.: Transcript of the Earnings Call held on October 30, 2026, at 4.00 p.m.

Pursuant to Regulation 30 and 46(2)(oa) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the transcript of the audio recording of the Company's Earnings Call to discuss the unaudited Financial Results for the half year ended September 30, 2026.

The transcript is also available on the website of the Company: www.aakaarmedical.in

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours truly,
For **Aakaar Medical Technologies Ltd.**

VISHWANATHAN ANOOPKUMAR PILLAI
Digitally signed by VISHWANATHAN ANOOPKUMAR PILLAI
Date: 2026.11.02 13:13:24 +05'30'

Anoopkumar V. Pillai
Company Secretary & Compliance Officer

Encl.: As above

“Aakaar Medical Technologies Limited

H1 FY27 Earnings Conference Call”

October 30, 2026

MANAGEMENT: **MR. DILIP MESWANI – FOUNDER AND MANAGING DIRECTOR – AAKAAR MEDICAL TECHNOLOGIES LIMITED**
DR. RAHUL SAWAKHANDE – CHIEF EXECUTIVE OFFICER AND DIRECTOR – AAKAAR MEDICAL TECHNOLOGIES LIMITED
MS. RAKESH PAREKH – CHIEF FINANCIAL OFFICER – AAKAAR MEDICAL TECHNOLOGIES LIMITED

MODERATOR: **MS. SOUMYA CHHAJED – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day and welcome to Aakaar Medical Technologies H1 FY27 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star, and then zero on your touchtone phone.

I now hand the conference over to Ms. Soumya Chhajed from Go India Advisors. Thank you and over to you, ma'am.

Soumya Chhajed: Good evening, everyone and welcome to H1 FY27 earnings call of Aakaar Medical Technologies Limited. We have on call with us Mr. Dilip Meswani, Founder and Managing Director, Dr. Rahul Sawakhande, the Chief Executive Officer and Director, Mr. Rakesh Parekh, the Chief Financial Officer.

We must remind you that discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risk pertaining to the business. Thank you, and over to you, sir.

Dilip Meswani: Good evening, everyone. I'm Dilip Meswani, Founder and Managing Director of Aakaar Medical Technologies. Welcome to our H1 FY27 earnings call. On behalf of the Board and entire Aakaar team, thank you to our investors, partners, doctors, and customers for your continued trust and support. This year is a special one for us. In July, at our flagship FAHA conference, we celebrated 13 years of Aakaar journey and one year of our listing on NSE Emerge.

Looking back, what I am most proud of is not any single year, but our consistency of being profitable for 10 consecutive years. Over the last four years alone, revenue has grown 3.4 times from about INR19.5 crores in financial year '22 to INR16 crores in financial year '26, and PAT has grown from INR1.7 crores in FY17 to INR6.6 crores in FY26.

Coming to the first half of FY27, revenue stood at INR43.99 crores from INR25.3 crores in H1 FY26, and PAT is INR3.54 crores against the loss of INR0.8 crores in H1 FY26. In simple terms, the business has turned around decisively on year-on-year basis. What helped us move up? Three things. First, the momentum and execution and discipline. We rebuilt in the second half of FY26, carried into this half, with procurement now tied to confirm orders and demand visibility. Second, a wider and deeper doctor base which has grown to 6,300 doctors and practitioners.

And third, stronger portfolio with our brands and contributing almost INR14.9 crores, which is 34% of our revenue, already two-thirds of last year's full year own brand revenue. I will be candid that margins are lower than a very strong second half of FY26. This reflects two deliberate choices. Higher marketing spends to build customer awareness behind our B2B channel and the move to distributor billing from August.

Both are investments in the quality and scale of the business, and Dr. Rahul will explain them in detail. Over the last year, we have made changes on every front, which our CEO will discuss in detail. But on distribution, we are moving from direct billing to a stockist-led model.

On products, we have added five international launches and, on the ecosystem, we have launched a Xelix brand based on DODO model, which is doctor-owned and doctor-operated aesthetic platform. We have been very successful Xelix platform, and Dr. Rahul is going to explain in detail about it.

On education, our MICA workshops and FAHA conference makes Aakaar a partner in how doctors learn and practice aesthetic. And on discipline, we are tightening credit, procurement, and cost. Our vision is simple. To build India's leading integrated medical aesthetic platform, one that brings together the best global and own brand products, the widest doctor and clinic network, and a growing clinic ecosystem through Xelix.

About 92% of our revenue is recurring, and with a field force that remains at around 120 plus people, we believe this model can deliver strong growth with operating leverage over the coming years.

With that, I hand over to our CEO, Dr. Rahul Sawakhande, to take you through the business in detail. Thank you.

Rahul Sawakhande: Thank you, Dilip sir. Good evening to all our shareholders, investors, analysts for joining this call today. The first half of FY27 has been a very important landmark day for us, especially this has been one of the best first -half sales performance in last few years, and especially with a softer year last year, so it's great to come back to profitability in H1. Equally, the period reinforced an essential priority for our next phase of our journey, ensuring that the growth converts into sustainable margin.

We are focusing on strong cash generation and ensuring enduring shareholder value. Like Dilip sir said, our overall sales stood at INR43.99 crores and profit after tax at INR3.54 crores. In the first half, majorly we have invested to a tune of INR3.4 crores in marketing, vis-a-vis the last year full year spend of INR2.76 crores.

So we have invested slightly more money in marketing this year, and also we have tried to improve our direct-to-doctor business overall by increasing activities like FAHA, the flagship conference that we are organizing on our own self. It would be a yearly activity that would be conducted henceforth. We continue to do conferences like MICA, Masterclass in Contouring Aesthetic engaging doctors.

Aakaar overall, if you have gone through our RHP and other details, we have a very big doctor base that we cover through dedicated 100 plus executives in the market and 40 plus managers. Last year, we built around 6,300 plus customers. In this first half alone, we have built around 4,700 plus customers and we are looking to close the year at least to 8,000 customers to 9,000 customers we build or we will also try to increase per doctor productivity and per brand incremental sale.

For us, the area of focus of growth has been Aakaar brands, but in the first half typically we saw that there was slightly more pull towards the imported brands and our ratios are slightly lower for Aakaar brands at 34% vis-a-vis the last full financial year which stood at around 38% to 39%

that slightly impacted our overall gross margins, but we look forward to increasing revenues from Aakaar brands also.

The brands like DRS1512 as well as etreluxe nucleotide are getting well established in the mesotherapy category. Our brand Etrelume especially the IV Glutathione range and the skincare range, is doing well. The brand Swyada is picking up. Balback has started doing well. We, as a business, have been focusing on recurring revenue. If you see our last year closing financials, 93% of our revenue came from recurring business. The ratio remains more or less same.

However, with the addition of a brand like FotoFinder, which is a dermatoscopy and trichoscopy device. We are looking at slightly higher revenues from medical device business and this ratio could be slightly changed at the end of year depending on the sales that happen. However, FotoFinder skin, specifically device has a recurring revenue from the subscription model, but we are looking at a slightly higher sales of a DermLite brand, which currently doesn't have a subscription, but in future it will have.

Again, the ratios might change, but our overall impetus is on selling products and devices that has some sort of recurring revenue. Our priority towards increasing doctor base keeps growing. For this current financial year, we have not taken any headcount growth and any further expansion in territory. However, we have relocated and rearranged the team at certain headquarters to improve productivity.

We are also looking at rearranging the divisions and portfolio in the coming year to improve per-brand productivity and per-brand focus. We have migrated from the CSA agreement with PISPL to the CFA agreement with Novacare, and the migration has been completed in August 2016. Also, as a strategic move to improve our overall logistic and supply chain reach across India, we have decided to move from a CSA model to a distributor-led model.

And currently we have already appointed 40 plus distributors across India, and we are looking to keep expanding this distributor network at least to 100 in the coming two years so that our last mile delivery improves. Also, our major business is B2B, and the doctor stockkeeping increases our debtor days and that's one problem that we are seriously looking at, and we want to improve on that.

And we want the payment collection to be done within stipulated time. Internal intention is to reduce it to close to 130 days, but at doctor level we are pushing at 60 days so that the average comes down to 130 days to 150 days in the coming closure of financial year or H1 latest next year. So, the distributor would be held responsible for making payments to us in lieu of the sales that happen. So, that's the reason we are looking at smaller billings to doctor and better coverage of business and better collections in the future.

In terms of portfolio expansion, this year we launched, LETYBO, the US FDA-approved botulinum toxin. It has started doing well, and we are looking forward to a great return on investment with LETYBO in times to come. We are targeting a market of botulinum toxin, that is Botox, and our local competition also comes from brand Gufic, where Gufic is slightly having

advantage in terms of pricing because of local manufacturing. But we are targeting the 75% of market and taking market share from Botox.

Then, we have launched FotoFinder, of which I have already discussed regarding the DermLite and dermoscopy device, skin and the trichoscopy. We are seeing great feedback and sales in this this portfolio, and we are looking forward for incremental sales in the FotoFinder range, the Fotofinder Medicam and FotoFinder ATBM, the higher value devices could add to our revenue, though there is less recurring revenue there, but it could add to our top line and there are few deals in pipeline which we can close and which will help us achieve our numbers for the year.

Forward-looking, Xelix, we started onboarding doctors this last financial year, and I am happy to tell you that as on date we have 70 plus onboarding already happened. And we have started, the Xelix Clinic webpage, Instagram handle, and the Facebook handle. And we have already started doing a softer launch of digital marketing and paid marketing. And we want to improve and increase the footprint by using doctors' educational videos to influence customers and improve direct-to-consumer brand image of Aakaar products and also of doctors.

And one of the biggest area of focus has been to increase the aesthetic market by increasing consumer awareness and Aakaar has taken forefront, like being the first medical aesthetic company, we thought why not we take a front-runner position in terms of doing direct-to-consumer marketing of aesthetic services and then onboard doctors who will fulfill the services. We look forward to having sizable revenue from these customers soon.

We are eyeing 100 customers onboarding, and once 100 customers are onboarded, we would go slightly aggressive on performance marketing spend and then generating leads. And recognizing revenue from the onboarded clinics. So that's the idea going forward. On terms of scientific education, we have already done 75 plus workshops and we have attended almost 20 plus conferences to increase doctor-centric approach, to improve our image and increase our customer base.

So, like I told you, our overall customer base stands at around 12,000 where we have already built the customer at least once. So it's a huge customer base. We just need to improve per-doctor productivity and per-brand productivity to improve our sales.

So, looking forward, I am very confident that we would again be on path of recognizing our CAGR of 30% plus rather. But as of now, the CAGR is around 36%, and we will remain to be profitable year -on -year, but we want to increase our profitability this year, and we are eyeing a sizable growth of profit from here for closing of the next financial year.

Thanks, and I hand over to Rakesh for his keynote.

Rakesh Parekh: Yes, hello everyone, this is Rakesh Parekh, CFO, Aakaar Medical Technologies Limited. I will go through the numbers and then we can start with the question-answer sessions. For H1 financial year '27, revenue from operations is INR43.72 crores, which is up by 72.64% on year-on-year basis, and that is from INR25.3 crores, that is for September '25, and it is 5% over that is H2 '26, that is March '26.

EBITDA presently is INR5.59 crores for September '26 and giving a margin of 12.71% compared to INR2 lakhs of September '25. PAT for September '26 is INR3.54 crores and giving the margin of 8.05%. And again, since there was a loss of INR80 lakhs in September '25. Compared with the H2 '26, that is March '26, margins are lower because the higher marketing spend and the distribution transition.

Gross margin stood at 51.39% in H1 '27, that is September '26, compared with 57.88% for March '26, supported by the rising share of own brands. Debtor days presently are 219 days for September '26 compared with 206 days for March, and we are concentrating on bringing down this, debtor number of days. We are working on this drastically, and that is our first priority.

Cash and cash equivalent stood at INR1.05 crores compared with INR16.2 crores of March '26. That is all from my side. We can start with the question-answer sessions. Thank you.

Moderator: Ladies and gentlemen, we will now begin with the question-and-answer session**.** The first question is from the line of Hitesh from Shri Hinglaj Enterprises. Please go ahead.

Hitesh: Thank you for opportunity, ma'am. Where do you see Aakaar in the next two to three years in terms of revenue scale? Are you planning to be a pan-India brand or also looking at exports and your own manufacturing?

Rahul Sawakhande: Hitesh, this is Dr. Rahul. Obviously, own manufacturing currently requires the capacity utilization, and currently third-party or loan license is more cost-effective for us. We have been a marketing company with skills in marketing and sales, so for now we are focused on sales and marketing, but obviously we are looking at if there is a unique proposition, especially of manufacturing something which is unique and which we don't want to part our ideas with the manufacturers, then surely, we will look at manufacturing.

Also, in terms of global expansion, we are already working on that, and I think we will keep you posted on that. In terms of forward-going revenue, internally our first aim is to be on mainboard in next 3 years. And the other part is we are looking at keeping the CAGR at 36% maybe, and maybe growing at 50% CAGR in the coming years. Also, in terms of manufacturing of devices, I hope you have read one of our keynotes submitted to the stock exchange on Xelix hair transplant device.

We have purchased rights of development from Dr. Kuldeep, who developed the first prototype, and we are onwards to the first stage of filing test license for the hair transplant automated device with CDSCO. So, on that front, our model is more or less ready to be launched, but we need to follow the regulatory approval process. So on that front, manufacturing in terms of hair transplant device, I think we are quite positive, and it also could open a bigger market in export for us for future.

Hitesh: Thank you.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, if you can help me understand what kind of working capital terms can we expect in this business on products that we are trading for imported brands versus the products that we -- the in-house products under Aakaar, various brands under Aakaar?

Rahul Sawakhande: Can you just repeat the first part? Working…

Madhur Rathi: Working capital returns. So, sir, last year I see that we had close to almost close to INR50-odd crores, -- INR55 crores, INR56 crores of working capital, and we did close to INR66 crores of revenue on that, so that's 1.2 times. So, is this a standard in this business, or how should we look at it, if you can help me understand?

Rahul Sawakhande: There are two, three factors that you need to consider when you're considering working capital, especially for the imported brands. Imported brands in medical aesthetics are very important because India still have not got the technology to manufacture most of the aesthetic products. While we are already working on doing local manufacturing through loan license, but then the imported devices have minimum order quantity. Then we have the forex exchange, and then we need to take care of the freight.

And also, with the geopolitical scenario, we need to make sure that the products that are doing well, we need to maintain sufficient inventory. So, all these factors affect the working capital requirement. Currently also, if you see, ever since we got listed last year, even while we filed our RHP, the India-Pakistan war and then the Russian war and now the oil crisis that is happening has impacted the manufacturing costs in Europe, and that is impacting the cost of goods to us.

And also, we need to be very well planned in terms of keeping sufficient inventory to make sure that the business runs as usual in India without shortages. So yes, there would be slightly stressed working capital in the near future, but I think as our policies in terms of distribution network and collection from doctors and payment through distributor changes, our working capital would be much better and much optimized.

Madhur Rathi: Sir, we did closer to 1.5 times of working capital terms during FY23 and FY24, so sir would that be an ideal range and number that we would like to operate at? And sir with share of our in-house brands increasing, how should this number we expected?

Rahul Sawakhande: So obviously, we would always want the internal brands to become slightly bigger because the global brands devices which are approx gross margins at 20% to 30%, and international brands at 50% -- 40% to 50%, and local brands, the gross margins are slightly higher, around 70%. So, we would obviously want the ratio to change, but also it is important that what is the market demand in terms of aesthetic?

Also, this ratio should improve in times to come. But for now, the industry more or less, has similar kind of working capital requirements because one, the India in terms of population versus the market size of aesthetics, it's started growing, but to size the requirement of order in the market, our business majorly has to be at doctor level.

So, the demand is slightly uncertain, but that's why we as a company have made sure that we have a bigger doctor base to be catered to hence a wider distribution network. So, in times to come, it has to improve. We want to improve the working capital ratios, but for now, more or less, it's slightly same as the industry.

Madhur Rathi: Sir, is Amwill Healthcare our competitor?

Rahul Sawakhande: Amwill operates mostly at cosmetic products made locally, and their area of focus has been majorly cosmetic products for doctors, and they are mostly, I think south. Our products are mostly slightly higher-end products, pricing can range from INR500 to a device, which we are currently selling at around INR80 lakhs. So, there is a wide variety of products and portfolio, and I think their major portfolio is locally manufactured. Ours, still 64%, 65% is international brands.

Madhur Rathi: Got it. And sir you mentioned that there should be some margin improvement this year. If you can quantify how much on a conservative basis we can expect an improvement sir?

Rahul Sawakhande: I mentioned that our first half margins have been slightly tighter due to increased cost of goods and the increased forex, and there is a bit of softening that has happened in last month. So, if that happens, our margins might slightly be better in the second half. And also, if Aakaar brands, the way we are focusing in our sales planning, if the brand sales pick up, then the margins would be much better.

Madhur Rathi: Got it. So just one final question. Sir, if you can help me understand this Xelix model that we are operating, that is doctor-owned, doctor-operated. So, if you can help me understand what are we trying to do exactly with this? And sir, the second question would be, sir, we are -- you mentioned that we are trying to scale up our hair transplant machine. So, sir, what will be the losses or what will be the investment that we would like to put behind that and how should that scale up?

Rahul Sawakhande: So I'll answer your first question. So Xelix, if you are aware, in aesthetic business, chain clinics like Kaya or Batra's or VLCC, so in all these clinics doctors are hired who are either dermatologists or plastic surgeons or mostly non-dermats or other doctors. So, what we are doing is, typically in this business model, when you do or work about chain building, the doctor comes and the doctor leaves.

And if you see, one of the major reasons that Kaya business has not scaled drastically, even though they were one of the first few companies to come to India, is that the doctor face is important in aesthetic clinic. So same way, when we thought of launching a franchise in terms of Xelix Clinics, we made doctor the center, that it's the doctor's own clinic. So, we are onboarding them.

So, are you aware of Pristyn as a business model and Zomato as a business model? So if you are aware, then we are a mix of Pristyn and Zomato. So, we are giving platform for doctors to be listed on our platform where the consumers can identify area-specific doctors who are doing aesthetic services.

What is the benefit that the consumer gets is when we onboard anybody, we know that the doctor is a qualified expert, a dermatologist or a plastic surgeon for now, maybe maxillofacial surgeons in future. So the qualification of doctor is more or less certain, and they know which kind of procedures and services the doctors can do.

We have a backend call center where the person who wants to get a service done, gets a call and then his services are directed to specific doctor. Now what's in it for us? One, we sell our products to these doctors. So, when the doctor is onboarded onto our platform and once we start large-scale marketing, we expect minimum revenues from doctor between INR2 lakhs to INR3 lakhs in terms of our product purchase.

Nothing linked to which brand, there is no force, no coercion what brand to purchase. It is based on their clinical practice. And we would continue to help the consumers find these doctors who are doing different aesthetic procedures. And in this way, we are doing two things. One, we are doing direct-to-consumer marketing of aesthetic services, which overall increases the aesthetic market business.

And second, we are also utilizing the same platform where doctors are talking about various aesthetic services on our platform, and our platform starts getting more mileage and more leverage and our brands get more showcase. So overall, Aakaar brand value and Aakaar brand presence in consumer mind also increases. So, it's a win-win model. And we are also wanting to look at In future franchise fees and software costs and other allied costs of operating the marketing platform.

Madhur Rathi: Got it. Sir, on the…

Rahul Sawakhande: Second part of your question. You want to ask some question regarding the first part?

Madhur Rathi: No, sir, the second part only I was referring to.

Rahul Sawakhande: Yes, with regards to the hair transplant market. In India, hair transplants are happening right, left, and center. It's an unorganized market. So, first part of the answer was the Xelix Clinic. Obviously, these clinics also will be the future hair transplant clinics for us where we are marketing our own device and our own -- so hair transplant, we are going to launch our own technique called IFUE, which will be dedicated to our device, which will have state-of-the-art protocols and procedural benefits of using our device.

The learning curve of the hair transplant surgeon is minimized. The graft rejection is reduced. So quality of hair transplant will improve with our device. And we are looking forward that -- in terms of market for hair transplant, we have 20,000 maxillofacial surgeons, 20,000 plus dermatologists, and 6,000 plastic surgeons. So, still that's a huge market which we want to eye and purely from a business point of view, we are looking at placing the device.

But in long-term and recurring revenue point of view, we might use Internet of Things and have subscription models with the device that could help us in recurring revenue after the device is placed. So, there are multiple things in pipeline, but first thing first, we are waiting for the license from the CDSCO and then we start scaling it up.

Madhur Rathi: Right. So, sir I understand the product monetization pipeline that we have for this. Sir, will there be any investments from our end towards either product -- developing this product or any further requirement to scaling this product? Sir, what kind of budget do we have or capex spend do we have on this initiative?

Rahul Sawakhande: We have already allocated funds on the R&D over period, so it has started happening over 2, 3 periods, then the device has started getting final shape in last quarter, and we are close to test license, but the budgeting has already happened over last few years.

Madhur Rathi: Got it, sir. That was from my end. Thank you so much and all the best.

Rahul Sawakhande: Welcome.

Moderator: Thank you. The next question is from the line of Aditya Gupta from AG Capital. Please go ahead.

Aditya Gupta: Yes, hi, good evening. Am I audible?

Rahul Sawakhande: Yes.

Moderator: Yes, sir.

Aditya Gupta: Yes, hi. So, sir my first question was regarding the receivable days. So, one of the slides in our presentation says that we are targeting to get it under 130 days. Currently it has shot up to around 220 days compared -- and like last year it was 160 days. So, can you like shed some light on this what drove the receivables and how are we planning to get it back under 130 days?

Rahul Sawakhande: So, like I told you, our migration is just completed with Novacare and our distributor model is just started with 40 distributors. We have certain initial agreements with the distributor that they would pay us irrespective of collection that happens. But it's very early days. So, I think within next 6 to 12 months, we would start realizing this.

And I think by, by end of H2, we would want to bring it down to 180 days to 160 days. And going forward, I think by H1 next year, it should go down further. Internally, if you ask me, I am already targeting that by end of H2 it goes below 130 days. But, that's a very aggressive target that we are taking because at the end of the day, my end consumer is doctor.

Aditya Gupta: Right.

Rahul Sawakhande: So, but even if it comes down to 180 days, we will be much better off. And, on front of distributor level, I think we are aligned and I think it should happen. It's already started happening. It will happen.

Aditya Gupta: Okay, understood, sir. And my second question was regarding the gross margin. It has contracted to about 51% compared to 61% last half. So, just wanted to know is it due to some product mix or rupee weakness? Yes, can you throw some light on this?

Rahul Sawakhande: The biggest hit has been the forex change. The cost of goods from the company side also has increased due to the supplies in Europe, because most of our brands that come from Europe, there is slightly increased cost of goods. On top of that, there is a change in forex and also the dollar rate -- so euro and dollar, so all three have impacted.

Also, our cost of goods has an impact of sampling that we do to doctors to increase our market. So, we have done a lot of workshops and conferences in first half, which also has impact on the cost of goods. In the second half, it is slightly low, so our gross margins would slightly improve. So, cost of goods does have impact of the marketing spend that we do through cost of the sampling, which is also featured in the cost of goods above.

So, that has contacted the margin to an extent. Also, the product mix -- our first half saw a greater uptake from doctors of the imported brands, so, the product mix also changes. So, our product mix has changed from 39% to 34% of Aakaar brands. So, that has also slightly impacted the gross margin.

Aditya Gupta: Right, sir. So is this also affecting the profit because it is almost half compared to previous H2 FY26 while revenue…

Rahul Sawakhande: If you see, last year full -year marketing expense was around 2.78% which has shot up in this year already at three point something. So our marketing expenses have also gone up. We have purposely increased marketing, especially the digital marketing front for all our brands to improve.

So that has seen a growth in the doctor front sales also. So, I think we are spending slightly more on marketing and I think we are now more focused on delivering better volumes, Aakaar brand sales, and the margins should, I think, come back to what it was in times.

Aditya Gupta: Right, sir, understood. So that's it from my side, sir. All the best for future. Thanks.

Moderator: Thank you. The next question is from the line of Dhruv Dubey an Individual Investor. Please go ahead.

Dhruv Dubey: Yes, good evening, sir. Am I audible?

Rahul Sawakhande: Yes.

Moderator: Yes, sir.

Dhruv Dubey: Yes, sir. My question is regarding what will be the revenue mix going forward. How much of it will be imported versus own brands?

Rahul Sawakhande: Mr. Dubey, we intend to make Aakaar brand bigger. But what happens is at the end of the day, we are not promoting Aakaar brands only. So, we focus on both the portfolios, and it depends on the consumer psyche and the consumer utilization. So, the current trend is slightly tilted this year towards the international brands, and we intend to keep this ratio at around 60-40.

So, hopefully in second half you might see slightly different product mix. But we are happy that our imported brands are doing well and that improves our top line because the price of imported brands are slightly higher. So, we need to sell less number of SKUs to achieve the top line. So…

Dhruv Dubey: Okay. Understood.

Rahul Sawakhande: It is more -- it is fairly balanced, but we are not complaining on that because we saw one of the highest revenues of H1.

Dhruv Dubey: So, can you guide a particular number or it won't be possible as of now?

Rahul Sawakhande: We would want our Aakaar brands to be around 36%, 37% in the end of year.

Dhruv Dubey: By end of this year?

Rahul Sawakhande: Yes.

Dhruv Dubey: Okay. And any guidance for FY27 -- sorry, '28?

Rahul Sawakhande: I think we are growing fairly well. I was just doing calculation that moving annual total or TTM basis, we have already done 85.36%. So, I think if we keep the momentum -- I think we should be able to catch back the lost momentum of last year and grow at on higher side of 30s% in terms of CAGR, and profitability maybe around CAGR of 40%.

Dhruv Dubey: Okay. Also, sir, one question is regarding employee and other costs rose by 22% against H2 FY26. So, is the marketing step-up one-off, or it is a permanent expense or a regular expense we…

Rahul Sawakhande: Which one? The employee and…

Dhruv Dubey: The employees and other costs. Yes.

Rahul Sawakhande: Employees cost, there are two factors, one is the overall increment and the daily allowance and the selling cost. So, there is slight increase there because of the traveling that has happened.

Dhruv Dubey: Okay.

Rahul Sawakhande: So, but the ratios would be much better than last year.

Dhruv Dubey: Okay. So, it would be persistent going forward also, right?

Rahul Sawakhande: So, going forward, we see operating leverage kicking in, so I think the employee cost ratios would slightly be lower only.

Dhruv Dubey: Okay. Understood.

Rahul Sawakhande: It depends on if we take expansion in one year or two years depending on the portfolio expansion.

Dhruv Dubey: Okay. And just a sec, sir. Hello?

Rahul Sawakhande: Yes?

Dhruv Dubey: Yes, sorry, sorry for the interruption, sir. Can you explain the unit economics of Xelix and how to see its scaling? How to see its scaling?

Rahul Sawakhande: If you want to understand unit economics of Xelix, Xelix could be another franchise business model where there are patrons of Aakaar using Aakaar brands. So, even before understanding unit economics, what you need to understand is today consumer of India doesn't go and ask for an aesthetic treatment. So, it starts from there.

So, whenever we meet doctors and we ask for incremental business, their most common question is consumers should come and ask for therapy. Because there's also most time goes in conversion of customer in clinic, cross-selling in clinic. So, we decided to work on that need gap. So, that is where it started. So, when this is done, I think the demand for our brands automatically increases in doctor and that increases Aakaar revenue overall.

Also, there is certain amount of loyalty is attached to the doctors also to keep using our brand. So Xelix gives us that loyalty and incremental revenue per doctor in those clinics. Because in lieu of their patronage, we are going to help them get marketed. Also, we are not going to onboard all doctors, so we are going to onboard maybe in the next 2 years to 3 years 500, and in coming times 1,000 doctors, and 3-kilometer exclusivity.

So obviously it will be first come, first serve, and more preference to doctors who are supporting Aakaar. So overall, it would automatically improve Aakaar revenues in time to come and the per-doctor productivity. Now, when you think about revenue per service, we were looking at a certain amount of revenue per service based on the business model that we were planning to do.

But then there are certain regulatory constraints about lead generation and all that. But for now, what we are looking at is in future, once the 100 clinics are onboarded and we do aggressive marketing and what kind of brand value we have and what kind of lead generation happens, that in future we demand slightly incremental revenue from doctors in terms of their per-month business. And also, there would be certain amount of franchise fee or franchise loyalty fee going forward, which would also add to our revenue.

Currently, we are not putting any number to this because we want, once the 100 clinics are over, to do the first proper performance marketing pilot, see what kind of leads are generated, and then we will take it from there. But, overall, it has improved Aakaar's brand image in the market, so that is helping us.

Dhruv Dubey: In how much time we expect this scaling up -- number of years, maybe 2 years, 3 years

Rahul Sawakhande: We are already 70; we should be close to 100. My personal ambition is to close 100 before end of December and then we start scaling up in last quarter so that we have sufficient bandwidth and planning space so that we will come up with a concrete plan for next financial year.

Dhruv Dubey: Okay, understood. Fair, sir. So that's from my side, sir. Thank you so much for your time and kind answers.

Moderator: Thank you. We'll take the last question from the line of Hitesh from Sri Hinglaj Enterprises. Please go ahead.

Hitesh: Thank you for again opportunity. Sir, inventory guidance 150 days and 36% CAGR. How will you fund this working capital and when will operation cash flow be positive?

Rahul Sawakhande: Can you repeat? Your voice was not clear.

Hitesh: Sir, inventory guidance is 150 days and 36% and CAGR, how will be you fund this working capital and when will operating cash flow be positive?

Rahul Sawakhande: See we are intending to make it positive every month but what happens is I'll tell you currently ever since we got listed also, we have been marred with the war-like situation and especially on the heavy dependency on imported brands, we need to maintain inventory. Currently also, if you seek our current inventory mix, majority of it is blocked in the imported brands only because we need to make sure that 60% to 65% of sales, there is no shortage of products.

And all these products are long expiry, 3 years, some are 4 years also. So, we will make sure that the inventory is sufficient. And second is also when we try to take the stocks in slightly bulk, we get slight better leverage in terms of forex and the cost of goods -- not forex, sorry, the cost of goods.

So, we are trying to leverage that and the most important answer to your question is, if our distributor model expansion falls in place and our recognition of collection from distributors fall in place, which we expect to happen in H2 and H1 of next year, our overall working capital and cash flow would be much better and positive.

Hitesh: Sir. one more question. You mentioned H1 PAT at INR3.54 crores versus a loss last year. Is this margin sustainable? And what is your realistic guidance for H2 '27?

Rahul Sawakhande: If I just make maths, and this is not a guidance, so I have a market advertising spend of around INR3.34 crores versus INR2.78 crores last year whole. There is certain INR1 crores to INR1.2 crores of non-recurring expense there, like the FAHA activity, and there are one or two activities which doesn't recur.

That's classic of our H1, H2 expense ratios. And if I repeat the same profit, I think, I would be around INR8.5 crores. I need another INR1 crores to INR2 crores additional, which I think can get leveraged from the cost of goods correction. So, I think we are more or less assured at giving you decent profitability versus last year's.

Hitesh: Okay, thank you so much and all the best, sir.

Rahul Sawakhande: Thank you.

Moderator: Thank you, ladies and gentlemen. That was the last question. I now hand the conference over to the management for closing comments.

Rahul Sawakhande: Thanks all of you for your valuable time. I would like to end the call by saying that we are one of the first companies to be listed on medical aesthetics market, and it's not an easy market to operate. I understand that debtor days is a problem, but we deal with direct doctors and we are not dealing with consumers.

Going forward, our projections would be much better and much improved based on our distribution network and also the kind of portfolio that has been optimized. We had a setback during COVID and then we have corrected from there in a hockey stick pattern. Last year was slightly difficult for us, especially the H1, because it was not business as usual, business as normal that we used to do.

And because we got listed and we got feedback on debtors, we tightened -- we had better collections, but then the sales started dropping. Then we course corrected, we started working at different models, different options, and then H2 became better. We controlled expenses, so H2 profit is slightly higher. But I think, what has happened in H1 this year is more realistic and more going forward.

Our H1, typically the profitability always would be slightly milder because a lot of expense goes in conferences, activities, Aakaar workshops, which happens in the first half of the year because of seasonality. Also, doctors are free, not many patients. Typically, seasonality starts now after Ganpati, Navratri, so people start getting aesthetic procedures, so our H2 is slightly better historically. This is the first time we have done decent sales in a long time.

So, we want to keep this momentum going forward. FotoFinder should be adding decent value. Maybe, we can give you some surprise hopefully end of the year if everything falls in place with FotoFinder sales, we are seeing great growth there. And, we are also working on our direct-to-consumer website, so that our consumers that are getting the products purchased from doctors can directly come and purchase the brands from our own website.

Currently, we don't operate any direct-to-consumer or retail sales directly. It's mostly pharmacies of doctors or doctor direct dispensing. But we are also seeing that a lot of leakage happens at the consumer level where since they don't want to go to doctors, they shift the brand. So, we want them to come to our website and buy the product.

So, I think going forward, we would add that to our kitty in terms of revenue recognition, and that would help us improve our Aakaar brand revenue and gross margins where consumer directly buys product from our website once prescribed by doctors. And we also have started soft listing of our brands on e-commerce portals, which will --- I think be completed full-fledged by end of next year -- this year.

And we are not intending to burn money like e-commerce brand at this point in time unless we see visible greater sales, but we intend that whatever consumers are lost from doctor prescription, we want to get them back. And, second up, we will again try to see if we can do better marketing and improve the Xelix coverage and our brand sales.

So, thanks once again, and we are in this business for 25 plus years, and we have a strong base of doctors. So, our business is not fly-by-night operation. So, I would want everybody of you to please stick around and trust us. Thank you.

Moderator: Thank you very much, sir. On behalf of Go India Advisors, that concludes this conference call. Thank you all for joining us. And you may now disconnect your lines. Thank you.