Huhtamaki

November 2, 2026

Department of Corporate Services
BSE Limited
Phiroze Jeejeeboy Towers
Mumbai – 400001
Scrip Code - 509820

The Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East),
Mumbai 400 051
Symbol – HUHTAMAKI

Sub: **Transcript of Earnings call for the 3rd quarter ended September 30, 2026**.

Dear Sir/Madam,

This is further to our letter dated October 30, 2026, whereby the Company had submitted the link to the audio/video recording of the Earnings Call held post announcement of the unaudited financial results for the 3rd quarter ended September 30, 2026.

Pursuant to the Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the transcript of the said Earnings Call, for your information and records.

The same is also available on Company's website at https://www.flexibles.huhtamaki.in/

Kindly take the same on your records.

Thanking you,

For Huhtamaki India Limited

AKANKSHA KANDOI
Digitally signed by AKANKSHA KANDOI
Date: 2026.11.02 17:08:18 +05'30'

Akanksha Kandoi
Company Secretary & Compliance Officer

Encl.: As above

Registered & Corporate Office:
Huhtamaki India Limited
7th Floor, Bellona,
The Walk, Hiranandani Estate,
Ghodbunder Road,
Thane West- 400 607
Maharashtra.

Tel: +91 (022) 6174 0100
CIN: L21011MH1950FLC145537
www.flexibles.huhtamaki.in

"Huhtamaki India Limited
Q3 CY26 Results Conference Call"
October 30, 2026

MANAGEMENT: **MR. KAMAL TANEJA – MANAGING DIRECTOR – HUHTAMAKI INDIA LIMITED**
MR. AMIT GUPTA – CHIEF FINANCIAL OFFICER – HUHTAMAKI INDIA LIMITED

MODERATOR: **MR. MOHIT MISHRA – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Huhtamaki India Limited Q3 CY26 Results Conference Call. As a reminder, all participant lines will be in the listen-only mode and there

will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Mishra from ICICI Securities. Thank you, and over to you, sir.

Mohit Mishra: Yes. Thanks, Tharun. Good afternoon, everyone. Thank you for joining Huhtamaki India Limited Q3 CY26 Results Conference Call. We have the Huhtamaki India management on call represented by Mr. Kamal Taneja, Managing Director; and Mr. Amit Gupta, CFO.

I would now like to invite Mr. Kamal Taneja to initiate with opening remarks, post which we will have a Q&A session. Thank you, and over to you, sir.

Kamal Taneja: Thank you, Mohit. I hope everybody can hear me. Welcome to the quarter 3 call. I think as you noticed here, we are doing a different format this time. So instead of conference call, we're doing a video call. My request to you would be that if you're asking questions after the call -- after the presentation, please put your video on if possible.

And so first of all, I'm going to start with the first slide, which is about the disclaimer. As you know, whenever we present something to the investor community, there might be some things that are kind of forward-looking. Again, this is our best estimate on what we are saying. They depend on a lot of external factors such as the markets, industries and of course, a lot of things that go within our company as well.

So you need to take that into consideration as a risk to what we are saying. The second one, which is very important here is that we are not seeking any investment advice or services, any investment from your side. We are just presenting the way it is and how we have seen the quarter go and partly how we see the market go in future as well. So with that, I'm going to start the presentation.

This will only take a few minutes. So me and Amit will share this. Before we share with you the financial numbers, we internally always start every presentation with a safety slide. This is our way of working. So I thought this time, I'm also going to share that with you because safety is our foremost priority and it is also our group's zero ambition -- zero-harm ambition.

So I'm pleased to tell you that in the third quarter, we actually had no incident. So no first aid, no medical incident or no lost time. We monitor this through the year. We also look at moving average -- moving month average over the last 12 months. And we are also making huge significant actually improvement there.

Now a lot of companies look at just the numbers specific KPIs. But in Huhtamaki, we actually focus on the leading indicators, which actually impact the safety of our coworkers. So we, for example, give a lot of emphasis to things like near-miss reporting. So we have thousands and thousands of near-miss reporting from very smallest to very high severity impact near-misses, which we record every year and take action on that.

And we mainly focused on preventative safety observations, yes. So this is how we work in Huhtamaki, when the safety is concerned. Now Amit will give you the numbers. I think you've seen our disclosure to the stock exchange as well. We had a pretty good month, pretty good -- sorry, quarter. As you have seen from the last few quarters, especially since beginning of this year, every quarter, we have shown volume growth.

So no difference again. We had a pretty successful run in third quarter as well despite what you are seeing geopolitically, all the disruptions, supply issues and sometimes also cost issues. I think we are pretty good in handling that already. In fact, some of our best practices are also shared within the group as well. So despite all that, we have made sure that our customers have uninterrupted supply of materials from our side and also products that we built for them are on time and with the right quality that they've demanded.

Because of that, our revenue has grown, as you would have seen almost 23%, 24%. And that revenue growth is a mixture of inflation or the material inflation pass-through that we do to our customers as per our contract with them, but also a very healthy mix with the volume growth as well. I think one thing that you would have noticed is that our EBIT -- reported EBIT was kind of flat compared to third quarter last year. But the third quarter last year, we also had some one-offs gains, which were not repeated.

So if you look at comparable basis, we were almost 18% up year-on-year for the third quarter. So if I can summarize that, net sales increased by 23.7% or 24%. EBITDA 1.2% and 0.1% with a caveat that like-to-like on a comparable basis, more like 18%. But nevertheless, we still kind of kept it flat or slightly up. You would have also noticed that we actually announced a closure of our factory in Baddi. So this is a labels plant during the quarter.

So it's undergoing that period, 2 months' notice period at the moment. So we are closing in fact by tomorrow. It's gone very smoothly and our customers are okay with that, and we've made sure that there's no, let's say, disruption to the supply to them. So we've essentially moved those volumes to the other two label plants we have in India. So because of that, there's a charge of INR96 million, which actually impacts the 19.1% decline that you see on PAT.

Again, it's a onetime item. And actually, it is going to improve our efficiency and optimize cost in near future as well. So with that, I'm going to ask -- one more thing, yes. So we -- in the calls, we always get a lot of questions on blueloop, how we're doing, etcetera. Now what you see here is that we just recently actually just last month, we won these three awards from IFCA. So IFCA is the Indian Folding Carton and Flexible Packaging award community.

And it's kind of neutral with whatever product that we do. So they've actually awarded with this very prestigious 3 product groups. And you see OmniLock, this is actually a stand-up pouch for the cocoa powder, blueLite, which is actually where -- it's actually for an export customer where the tomato ketchup sachet you see in the market. So it has a very high complex barrier aluminum foil and multiple layers of plastic material. So we managed to actually produce a product which is reducing the use of plastic.

So instead of three or four barriers -- three or four layers of plastic, we went to duplex structure, and we totally eliminated the aluminum foil. So very good product sustainability wise, but also cost wise, significant saving for the customer. We also did a very unique label for one of our customers in UK. Again, this is done on a very metallic film, very unique. And the reason we are not showing the products here is because we didn't have time to actually get the approvals from the customers.

So hopefully, I'll show you that in our next presentation. But very excited, very proud of showcasing this with you guys. Yes, Amit, do you want to take us through the financials then?

Amit Gupta: So, all the investors on the call, a very good afternoon to all of you. I would now maybe run through the financials and give you some perspective behind the numbers. As Kamal talked about, we had a great quarter. In fact, we actually recorded a sale of about INR748 crores in the quarter, which is almost 24% up versus last year. And this is also the highest sales that we have amongst the different quarters over the period of last couple of years.

The good thing about the growth that we're demonstrating in this quarter and also YTD, is the fact that we have a very healthy composition of the volume as well as mix and pricing in this growth. On a quarterly basis, our volumes actually were up by about 7 percentage points. And if you have to look on a YTD basis, we have actually delivered a 4% volume growth coming over from a couple of years where the volume has been stagnant. This particular year, we have been able to drive a top line with a healthy mix of volume as well as pricing and mix, all 3, coming into play.

Consequently, the EBITDA margins, which, again, as Kamal reflected upon for the quarter have a bit of a one-offs with respect to the baseline. But if you look at the 9 months period, we actually closed 9 months at about total EBITDA of about INR204 crores, which is almost 10 percentage points of sales growing by about 25 percentage points. So against the top line growth for a 9 month period of 16%, we are actually growing the bottom line by 25%.

Again, a good reflection of the various productivity initiatives as well as steering our customers and the pricing in a very volatile scenario where the RM prices have been fluctuating on almost like weekly, if not daily basis. Our EBIT margins, if I have to talk specific about the quarter, there are one-offs in the last year and those one-offs are primarily related to some employee retirements related reversals or corrections, which happened, which were helped in the last year P&L and are not there in the current year. And that's why the 2 period EBITDA margins are not directly comparable.

So -- but if I have to, let's say, exclude those and do a comparison on a like-for-like basis, the EBITDA margins actually improved by 18% versus the 1.2%, which is reflected here. EBIT margins, again, from a year-to-date perspective, we were at about INR153 crores, up by about 22 percentage points from last year. The INR153 crores number that we are reporting here is actually after offsetting close to about INR8.8 crores of depreciation, the prior period depreciation correction that we passed in quarter 1.

Excluding that onetime implication of the depreciation and the one-offs on the retiral fronts, our comparable EBITDA margin growths are much higher as compared to what is reported here. On a quarterly basis, when we are looking at our EBIT margins, again, this has a reflection of the one-timers. Excluding the one-timers, our EBIT margins have actually improved by 18% during the same period.

When we look at the overall PAT, while our PAT profit and loss for the period looks 19% lower as compared to last year at about INR30 crores versus INR37 crores last year. However, this primarily is on account of the Baddi restructuring charge that we have posted in this particular quarter. And as Kamal alluded, this particular decision that has been taken is in the interest of the company and the shareholders because we had a bit of a challenge, operational as well as financial challenge with respect to the Baddi side.

And with this particular action, we are looking at improving the things further. But that particular charge is actually hitting our P&L in this particular quarter. And hence, the profit after tax is looking lower by about 20 percentage points. In spite of this charge, if you have to look at a 9-month profit, we are still growing at about 13 percentage points in our profit after tax, which is a reflection of a healthy margins that we are delivering for the business in a very volatile scenario.

Our earnings per share have improved by about 13 percentage points for the 9 months ended September '26. And again, this is a reflection of the profits that we have been able to generate along with a healthy top line being here. So I'll stop here, but I look forward to answering any of the questions which are there going forward.

Kamal Taneja: Thank you, Amit. Like Amit said, you see on the left-hand side, this is actually one of the highest quarter we had in terms of sales. I think one thing I also want to qualify there, if you look at -- this is a period when you see a lot of results from some of our customers also in the market. And as you see, they are all reporting higher, let's say, sales number, but they're also saying that they are seeing a volume decline. But in our case, we actually also have a volume increase, not decline.

So I'm very encouraged by that. On the right-hand side, you will see EBIT and EBIT margin. Again, like we said, this is after taking into account all the costs as reported. However, if we did not have those onetime costs, we would be looking at upwards of 8% again, which again, in our industry is quite a good number. Next one.

I think I have to spend a little bit time like I always do on not just financials. But for me, it's important to share with you what we are doing in terms of safety and sustainability. So we have four pillars like we always talk about. A people pillar, this is about safety, like I said. I think the important thing here is, like I mentioned before, we look at a leading indicator, which also means that we look at things like behavior safety, not because I think it's easy for us to form policies, etcetera, but we want to kind of change our behavior towards safety from the core. So we have a lot of programs that are designed to address that.

On climate pillar side, we've been sharing this with you earlier, but we actually started getting a gain from this solar captive generation plan that we did for Khopoli. With that -- it actually started in August, so actually in third quarter. But with that, we are increasing our renewable energy electricity share to 23%. Decarbonization and energy efficiency, all those actions like we spoke about always in the past, they are ongoing, and we are committed to supporting our delivery of 2030 Scope 1 and Scope 2 commitments.

On the nature pillar, no change from last time. We keep on doing good things on water treatment and reuse. I also shared with you last time in Taloja, we have a very unique plan for the water recovery and we're doing rain water harvesting and wherever groundwater discharge we have, we are trying to kind of recycle that wherever possible.

On the product pillar, we've done a lot of actually work on that. The IFCA award, for example, you saw that this is all being fed from our innovation team, where they're looking at not only using more recyclable material, more mono-material, but also reducing the use of materials as well at the same time. And we are doing a lot of work on the source of our material purchase as well. So for example, here, one example we do is our three plants, label plants, they are all FSC certified.

So I think this is what we wanted to share with you. And if you have any further information that you need, please feel free to contact us on the e-mail address on the screen and also through our website. And with that, I thank you, Amit, on behalf of Amit and myself and also wish you Happy Diwali in advance. Happy to take question now. Yes.

Moderator: Thank you very much. We will now begin the question and answer session. To ask a question, please click on the raise hand icon your screen. The operator will announce your name when it's your turn. You may unmute your microphone and would prefer if you would start up your camera as well and proceed with your question, after introducing yourself and stating your company's name.

We request that you please restrict yourself to maximum of two questions only. You may rejoin if you have further questions. Ladies and gentlemen, we will now wait for a moment while the question queue assembles.

Our first question comes from the line of Aditya Khetan. We request you to please accept the prompt on your screen, unmute your audio and video and proceed with your question.

Kamal Taneja: Yes, Aditya. You has been muted.

Moderator: The current participant seems to have dropped from the queue. We will proceed to the next participant in the queue.

Kamal Taneja: Yes.

Moderator: Apologies, we have Aditya Khetan with us. Aditya, are we audible to you? You may proceed with your question.

Aditya Khetan: Yes. Thank you, sir. Yes. Thank you, sir, for the opportunity. Sir, my first question is in this quarter, sir, we have witnessed moderation of margins. How much of this is attributable to higher inventory costs like we had built up in last quarter? And subsequently, are these current margins sustainable going ahead? First question is this, sir.

Second question is, sir, when we look your overall top line over the last 3 quarters to 4 quarters, when we look -- so 3 quarters back, like we were hovering at around INR600 crores to INR620 crores top line. Now we are at INR750 crores, INR770 crores top line. How much of this jump, this -- so INR150 crores to INR170 crores jump in top line is attributable to volumes and pricing. If that breakup, if you can give, that would also help.

And sir, third question is like at what utilization level, sir, we are operating the plant today? And how much of incremental revenue jump we can see if we utilize the plant at full utilization levels, how much incremental top line we can generate? Thank you, sir.

Kamal Taneja: Thank you, Aditya. Three questions, so not two, but I'll answer all three of them. So let me start with the top line first, right? So a very good question. So our top line has increased, like we mentioned a few times because of three factors. So there's pricing, obviously, because we -- in our contracts, we normally have pass-through of any inflation for the raw materials. The second driver for the top line growth is actually mix.

So I think Aditya, if you joined our calls before, you would have noticed that we always talk about the quality of products, yes. So we kind of look at places where we are making less margin or the complexity is low or commoditized, etcetera. So we focus on products which are, let's say, more aligned to our value proposition. So the more products we do like that, obviously, they will carry more value, let's say, volume of the product.

So that's the second one. Third one is actually volume increase. So physically, we are doing, like Amit mentioned, about 7%, let's say, in quarter 3 that we did not do for a while, so which I think -- so those three are contributing to that. Now how much of that is -- I mean, we can't tell you exactly because of many reasons. But I think you would say almost like 1/3 or something like that. They're close to equal to each other, but not exactly.

But I think we are pretty happy, frankly, firstly, with the volume increase because we haven't done that for a while, as you know, which also brings me to the third question that you had in terms of utilization, yes. So we always say that we have enough capacity available. We are actually making a lot of effort in becoming more efficient. So productivity, efficiency improvement is also top of our operations agenda. What that helps us in doing is to make sure that we have more and more capacity available for future growth.

So at the moment, we see that we do not have any issue at least for next 2 year to 3 year cycle where we wouldn't need to do any huge investment to meet the market demand or increase in our volumes. Now your first question was on the margins, whether it's sustainable or not. Now what happens is that -- so there are two factors here. So firstly, like I said, like-to-like, the margin is more like 8%, yes, for EBIT margin because we had one-offs, which are not repeating. But I think there's also sometimes a delay.

So for example, depending on the contracts we have with customers, any raw price pass-through or cost pass-through does not happen in the same month, right? So there might be a lag. So sometimes it goes to next month, sometimes it's immediate, sometimes it takes a couple of weeks, yes. So we experienced some of that in September because the raw material cost actually went up significantly and more aggressively in September and more sudden, which we were unable to pass-through in the same month.

So we would see the impact of that over the next quarter. But at the same time, so there's a delay, but we also benefit from that sometimes because when the costs go down, we are also late in implementing that. So it's give and take, but it just happened, the timing is such that we had that issue in third quarter. So I hope I answered your questions, Aditya.

Aditya Khetan: Yes, sir.

Kamal Taneja: Thank you.

Moderator: Thank you. Aditya, may we request you to please announce your company name as well?

Aditya Khetan: SMIFS Institutional Equities.

Moderator: Thank you. We will now proceed with the next question. Our next question comes from the line of Ajit Darda. Please accept the prompt on your screen. Unmute your audio and video and proceed with your question.

Ajit Darda: Hello. Am I audible, sir?

Kamal Taneja: Yes.

Moderator: Yes. You're audible.

Ajit Darda: Yes. So good evening, all, and thanks for the opportunity. Sir, my first question is related to the previous participant only. Sir, as you said, there was a strong volume growth in the previous quarter. So how much of the volume growth was contributed by high value-added products?

Kamal Taneja: I would say majority of that because I think that's what we are focusing on. I mean, I can't tell you exactly the split. But usually, we are focusing on higher value products, yes.

Ajit Darda: Okay. So sir, my next question is, are you seeing any regulatory changes, particularly around stricter food packaging requirements, front of pack nutritional labeling? And I mean, do you see any growth for our business going forward due to that?

Kamal Taneja: Yes. So I think you are referring more to the artwork, is that right, or more on material?

Ajit Darda: Yes.

Kamal Taneja: Okay. So on...

Ajit Darda: Any mandatory recycled plastic content or stricter packaging requirements, any sort of that thing, I mean, labeling things and all.

Kamal Taneja: Right. So I think -- so our value add comes from a couple of things. So obviously, like you mentioned, artwork, yes. So for example, when you have festive seasons, right, you have different artwork because there are festive packs, etcetera. So we work with our customers. That, in our case, would have happened in the second quarter, not so much in the third quarter because we produce the product, we supply to our customers who put on their products, etcetera.

So that would have gone already unless there's more Christmas coming, but I think Diwali, Dussehra is now, we are stable. Now I think what you also want to know in terms of materials, what the regulations are coming. So actually, there are -- there is an existing regulation in the industry for use of recycled plastics, so PCR. So there is a plastic content regulation.

So the government actually specifies how much of recycled plastic should be used in our laminate. Now it depends on different types of laminates, so let's say, A, B, C or 1, 2, 3. So for example, if it's a simple mono-material, there's a larger requirement of recycled plastic, let's say, 40% or 30%. And it actually progressively goes up every year.

The more complex laminate we have, for example, which requires multiple materials, aluminum foil, for example, there the regulation right now is about 10% of using recycled plastic. Now that obviously gives us opportunity, firstly, in terms of changing the spec on the job. And also sometimes the complexity or the technology of doing that may be different from, let's say, the laminate, which is made from the virgin plastic. So we do benefit from that. I think what we do benefit even more is through innovation.

So like I mentioned before, is where we will try and convince customers to use our blueloop product, mono-material or go from multilayer to, let's say, single-layer or double-layer. I think that's more encouraging for us to see. And yes, so I think overall, it benefits us. I just hope that the regulations were also imposed so we get more benefit, but I'm pretty sure the government knows that and make sure that they are used more and more in future. And by the way, this recycled content will also increase in future with the regulation.

Ajit Darda: So if regulations get implemented since we have already capacity...

Kamal Taneja: Yes.

Ajit Darda: Yes. So unlike our smaller players, we will be at a stage that we can start the production as soon as possible probably. Right, sir?

Kamal Taneja: Yes. So I think all I can say, we are well prepared for that.

Ajit Darda: Okay. Sir, I just have last question. Sir, how much time -- I mean, it's a broader question. How much time does typically takes to convert a new customer into a commercial client and probably existing customers, new orders or expanding existing business? I mean if you could answer this in a broader way, yes.

Kamal Taneja: Well, so again, new customers, they always say, right, getting more business from existing customers is always easier and faster new customers, because they have to kind of -- so the process goes like this, right? So they have a requirement, they develop an artwork then they work with that, they will go through pre-press, we go to and for to make sure the design is good, then we propose to them a technology or product or laminate that will suit them. And then there are a lot of trials. And by the time it comes to market, sometimes it can be anything from 3 months to a couple of years, right, depending on the complexity.

The good news is that we have a very set team which does that day in, day out. Yes. Again, it depends. Larger customers are -- take longer because they also have a lot of verification and control and approval process within their system as well. So usually working with the smaller customer, regional customers is faster.

Ajit Darda: Yes. Thank you, sir. I am Equity Research Analyst at Nirzar Enterprises. Thank you so much.

Kamal Taneja: Yes. Thanks, Ajit.

Moderator: Thank you. Our next question comes from N Modi. I request you to please accept the prompt on your screen, unmute your audio and video and proceed with your question after announcing your company name as well.

N Modi: Yes, sir. Good evening. My question is regarding, sir, this land held for disposal. So what could be the approximately market price for this land, sir? Approximately?

Amit Gupta: I wish I'm audible.

N Modi: Yes, sir. Am I audible?

Moderator: Mr. Amit Gupta, I'm sorry, we are not getting your audio coming through.

N Modi: Pardon?

Moderator: One moment, sir. We're just checking on the audio for the management.

Kamal Taneja: Can you hear me?

Moderator: Yes. Sir, you are audible now. We request you to please start from the beginning because we missed the entire.

N Modi: Yes. My question is regarding this property held for sale, what could be the market price for this property?

Amit Gupta: Yes. So thanks for the question, Mr. Modi. This is Amit here. The pricing for the land is -- it would be consistent with the prevailing market rate. We don't have kind of a fixed quotation right now because we are still evaluating different bidders. So I would not be able to give you an exact pricing for that.

N Modi: Sir, please suggest very roughly.

Amit Gupta: Yes. Actually...

Kamal Taneja: Do you want to buy Mr. Modi.

N Modi: Maybe. I can get you the customer.

Amit Gupta: Okay. Yes. I'll probably recommend that if you have -- if you would like to connect with us with respect to certain offer, you can drop us a mail, and we will connect you with the right team.

Kamal Taneja: I think it will be speculative, if we say something like that, yes.

N Modi: Okay, sir. I understood. Okay, sir.

Kamal Taneja: Yes.

N Modi: Sir, other thing sir, this depreciation sir, which was not charged in earlier year, so has it been taken care in income tax assessment, sir, there also we might have claimed less depreciation. So how we are going to account for that, sir, in income tax assessment?

Amit Gupta: Yes. Actually, Mr. Modi, there was no challenge with respect to depreciation charge from a tax perspective. As you know, the depreciation calculation for tax purposes and as per Indian -- as per the IGAAP for the -- as per the Indian companies and IGAAP is different. Hence, the adjustment that we have passed is only with respect to the IGAAP. Under the taxation depreciation, there's no kind of correction that we have done in the current year. So there's no challenge in that.

N Modi: Okay, sir. I understand. Back to queue.

Amit Gupta: Yes. Thank you.

Moderator: Thank you. Our next question comes from Vipul Shah, request you to please unmute your audio and video and proceed with your question. Vipul Shah, we request you to please unmute your audio and video and please proceed. We do not seem to be having a response or getting a response from Vipul Shah.

We will proceed to the next participant in the queue. Our next question comes from Dinesh Parekh. Please unmute your audio and video by accepting the prompt on your screen and proceed with your question.

Dinesh Parekh: Hi. Can you hear me? Congratulations to you Mr. Taneja and Mr. Gupta. Very good number. Can you listen me?

Moderator: You are audible, sir.

Kamal Taneja: Yes.

Dinesh Parekh: Not audible? It's audible?

Moderator: You are audible.

Dinesh Parekh: Audible. Yes, my question is that our PBT margin is 7%. And I think it should be more than 10% because of our Huhtamaki's latest technology innovation to get it more than 10%, 12% to 13% PBT, it is very easy for the company. You can increase price by 2%, 3% or reduce your expenses. Major expenses are salary and wages around INR250 crores per year and other expenses are around INR600 crores per year.

So if you can reduce your expenditure by 2% to 5% and increase the price to 2% to 3%, we can go -- we can take our PBT more than 10%, 12% to 13%, is it possible or not? And second thing, can we use more AI because the packaging and flexible packaging and printing industry, AI may be very much useful to us to reduce the cost as well as to increase the productivity. Can you just elaborate in this? Hello?

Moderator: Mr. Amit Gupta, we request you to please unmute your mic and proceed. We are not getting your audio coming through.

Amit Gupta: Yes. Thanks for the question, Mr. Parekh.

Dinesh Parekh: Yes.

Amit Gupta: I'll probably take the first one, which is related to PAT and PBT. So fundamentally, if you look at the progression of our PAT and PBT margins, we have actually grown our PBT from last year to the current year from INR117 crores to almost INR133 crores for the 9 months period ended. And our constant endeavor has been to improve our profitability and which is why if you look at the choices that we are making from a portfolio selection standpoint as to what we need to cater and whatnot, we are very mindful and choiceful of that.

However, increase in prices is not something that we can do at a drop of a hat. Our prices are kind of linked to an underlying commodity situation, and there are specified frameworks within which we operate to pass on the price increases. And we have been quite successful in passing on the price increases, which are consistent with the cost increase that we have. But beyond that, I think it's not a free flow that we can increase the prices by 2 to 3 percentage points. However, we can improve our mix by selling high-margin products, which we consistently do and which is what is helping us.

Beyond that, even from a standpoint of our overall operating cost base, we have a productivity plan in place, which actually drives productivity year-on-year, and we are on track with respect to delivering on the targets that we had for the year and reducing -- optimizing our cost structure. So I think on both accounts, if you look at the progression that we have on the PBT and PAT, it reflects the growth, which is in line with our commitment to grow profitably. And with respect to the operational interventions with respect to driving productivity, we have a plan in place, which is adding to that.

Dinesh Parekh: And regarding AI implementation, sir?

Kamal Taneja: Yes. So I'll answer that. So just on the margin, right, 10%, 9%. Mr. Parekh, sometimes that's also a market competitiveness, right? So we need to make sure that our customers value us in what we deliver to them. And our endeavor is always to improve that like we demonstrated in

the last few quarters. So every quarter, we are improving, yes. Whether it's 10%, 15%, I think it depends on the market as well. But if you -- I feel if you compare us with some of the published data you see from some of our competitors, we are around there, yes.

But obviously, we can improve. So that's something we need to look at. On the AI front, so as you know, AI is like a buzzword nowadays, right? Everybody is doing that. So we also in our organization have a lot of initiatives on the use of AI. We have a few projects that we are working on, not just in terms of improving productivity, but also improving quality, for example, on improving the product that we pass on to our customers or even our service.

So I think they are beginning to have impact. We've just initiated some of these. We're also doing some AI projects, for example, for operations where we look at productivity improvement or even safety, yes. So those kind of things are ongoing. Hopefully, once we see some output from them, we will share that with you in one of these calls, yes.

Dinesh Parekh: Thank you. Thank you so much. Thank you so much for illustrating everything. Thank you very much.

Kamal Taneja: Thank you.

Moderator: Thank you. Our next question comes from Dhruv T. Please accept the prompt on your screen, unmute your audio and video and proceed with your question.

Dhruv T.: Yes. Hello. Am I audible?

Moderator: You are audible.

Kamal Taneja: Yes.

Dhruv T.: Okay. Thank you for the opportunity, sir. I just have a couple of questions. How much acres of land do we hold in the company? And any specific areas where we hold those lands?

Kamal Taneja: Do you want to answer?

Amit Gupta: Yes.

Kamal Taneja: Go ahead.

Amit Gupta: I think from a standpoint of the financial and the balance sheet standpoint, our asset valuations are reflected correctly there. From a standpoint of the measurement of the lands, I'm not sure how relevant it would be with respect to determining our performance or asset valuation. And honestly speaking, that information may also be a bit speculative. So we won't be able to share those measurements here, but we have adequate assets to take into consideration our growth aspirations and they are well utilized. So I can maybe stop at that, if that helps.

Dhruv T.: So actually, the specific direction was towards held for sale.

Kamal Taneja: Yes. We don't have anything held for sale as such.

Dhruv T.: Okay.

Kamal Taneja: Actually, there is one is Daman, I don't know what's the price for that. But look, like our job is to make packaging product. We are not looking at -- how do you say that, not a real estate kind of company, right? So I think we do that more. So sometimes it makes sense for you to have your own land. Sometimes it makes sense for you to lease land. I think we have a pretty good mixture of both at the moment.

For example, Daman land is used to be our plant in the past, which is up for sale now, but we are in the process at the moment. So I think for us to tell you how much square foot and how much price, etcetera, would be noncompetitive. We want the bids to come in, etcetera. But obviously, when we do a sale like that, we will disclose that to the market and you will come to know.

Dhruv T.: Got it. Sir, another question is other expenses in this quarter increased to INR112 crores compared to INR96 crores in the corresponding quarter last year. So what were the key reasons for this increase? And should we expect these expenses to remain elevated in the future?

Amit Gupta: Yes. So Dhruv, actually, if you recall, you were actually referring to onetime helps that we have in the last quarter, which were primarily on account of retirals valuations and some of the reversals thereabout. And hence, when you're talking about the expenses, they are not like completely comparable between the 2 periods. So I think that is one adjustment that we have. Plus we have -- if you look at the -- if you exclude that from a standpoint of our operating cost purposes, some of the items which are leading to the inflation, they are primarily power and fuel, our CSR expenses as well as some of the provisions that we have made basically for the CSR purposes.

But all of these are taken into consideration when we determine our pricing to the customer. So any inflationary hurds which are actually coming in is something that we factor in from a standpoint of a margin management standpoint. So two things. One is there is a baseline, which has one-timers, which are not going to get repeated. Second, there are inflationary hurts which are linked to Middle East prices, especially power and fuel, which is leading to this particular increase.

Dhruv T.: Okay, sir. Just one last question. Sir, what is your outlook on the gross margins and EBITDA margins over the next, say, 2 quarters to 3 quarters?

Kamal Taneja: We don't actually disclose that yet. So we're not going to -- again, it can be anti-competitive, etcetera. Yes, I think our aspiration is to maintain growth every quarter, every year, and that's what we are working on. We don't disclose our forecast for the year.

Dhruv T.: Okay, sir.

Kamal Taneja: Yes.

Dhruv T.: Thank you.

Kamal Taneja: Thank you.

Moderator: Thank you. Our next question is from Shivakshi Bhardwaj. Please accept the prompt on your screen, unmute your audio and video and proceed with your question. Once again, a reminder, we request participants to announce their company names as well.

Shivakshi Bhardwaj: Hi. Am I audible?

Moderator: You are audible, ma'am.

Shivakshi Bhardwaj: Thank you so much. Good evening, everyone. I have a question related to Baddi plant. So I wanted to know, should we be expecting some similar kind of restructuring in other plants as well? Are you like looking at other plants with the same lens? So should we be expecting something similar in other plants?

There's a second part of this question. The Baddi plant, of course, is serving some customers. So I would like to understand how those customers will be served now? And should we be expecting again some additional cost associated to this restructuring, especially within the context of Baddi plant.

Kamal Taneja: Okay. Maybe I can answer the second question first and then we come back to the first one. So we have -- so Baddi is our labels plant. So we make pressure-sensitive labels. We actually have 3 plants in our country. So there's one in Ambernath and the other one in Bangalore apart from Baddi. Baddi is our smallest plant in terms of output and also a number of people working there. And it was not profitable.

And we had enough capacity in the other two plants. So from an efficiency point of view, we decided to move those volumes that Baddi was producing to the other two plants. So that process has already been done. We are already in touch with our customers and that supply chain is going smoothly.

So we are very happy to kind of absorb that in our existing setup and save some money and be more productive in Baddi -- in pressure-sensitive labels. I think your first question was kind of is that something more we are going to do like that. So not at the moment. I think again, if we had to do something like that, we would have done together with Baddi. I think we feel quite set with this.

Again, how markets develop in the future, how the demand develops in the future, no -- I think we will take action as and when required either to expand or to contract. So again, what our deliverable is to -- for our stakeholders that they get, let's say, growth from us and better value of their stake in our company, and we are always working towards that. So whatever makes sense, we do that. But at the moment, we are not looking at anything else.

Shivakshi Bhardwaj: Yes. That's really helpful. Thank you so much. I have one more question. Again, it's very broader in a way. Do you also like track some kind of metric to decide what should be the product mix or whatever product mix is going to be that's going to impact the margins and will help the

company grow? Is there some kind of metric that you kind of track? Are there some indicators that you can shed some light on?

Kamal Taneja: Yes. So I think Amit mentioned a few times, product mix is something we track because, again, our focus has always been on a higher value product because that's what our value proposition is to our customer. And our customers appreciate all the innovation, sustainable products, etcetera. So we always track that. Now in terms of how much that mix would be or should be, I think it's an evolution, right?

So it depends from season-to-season, it depends on customer-to-customer. There are certain kind of products that we are very good at. So we always try to sell that more compared to, let's say, more commoditized products in the industry. Again, we do our best to work with our customer and make sure that we offer them the best value for what they buy from us.

Shivakshi Bhardwaj: Thank you so much. I have no more questions. Have a great evening. Thank you.

Kamal Taneja: Thank you.

Moderator: Thank you. Our next question comes from Sheetal Shah. Please accept the prompt on your screen, unmute your audio and video and proceed with your question. Sheetal Shah, may we request you to please unmute your audio and video and proceed?

Sheetal Shah: Hello. Am I audible, sir?

Kamal Taneja: You are audible.

Sheetal Shah: Very good evening, sir. Heartiest congratulations on delivering excellent revenue and volume growth, sir. Sir, my only question is, sir, what are the tailwinds you aspire for the revenue to sustain this momentum and the margin to increase? And the things what you aspire, are they visible as of now? Yes, sir, you can continue.

Kamal Taneja: Let me understand your question. So what you're saying is what would help us in future in the market that would deliver more value.

Sheetal Shah: Yes. What I'm telling you, sir, the tailwind you aspire for the volume to sustain this type of momentum.

Kamal Taneja: Okay.

Sheetal Shah: And volume and revenue and the margin to increase. And whatever you are aspiring, are the green shoots visible as of now?

Kamal Taneja: Yes. I think I will take a shot at this, Amit, if you want to chip in. So I think the biggest tailwind I would expect aspire is the sustainability side, right? So -- and it's not just for margin, but also from the environment point of view, from what we need to do in terms of sustainability in general. I just hope that we have more and more adoption of that. We actually made some strides this year. So far, we are seeing growth there.

However, I think I just wish there was more regulatory enforcement on those kind of things and also willingness from our customers to adapt more sustainable even when the products are, let's say, more expensive than what they normally buy, which are more commoditized. So I think that would be one I would call out. The other one is also the innovation.

Sustainability is not just from a material point of view, but also using less plastic or less material doesn't matter plastic or compostable or paper because we do all of them, right? However, the less material we use responsibly, I think that's something that we always try and innovate. I just hope our customers appreciate that as well. And the governments actually kind of help us to regulate those kind of things. Amit, do you want to add anything on that?

Amit Gupta: No.

Kamal Taneja: But in terms of tailwinds, I don't see many tailwinds. I think we're working very hard to kind of earn that increase in volumes and also price from our customers. It's not easy, yes.

Sheetal Shah: Okay, sir. Because after a long time, sir, we have crossed 10% margin last quarter after so many years. And we, as an investor, hope that this to continue. And this type of volume that we are seeing since last 2 quarters, 3 quarters, actually in the history, 4, 5 years, I had never seen such type of volumes. That's what I was asking.

So is it sustainable volume? My earlier participant also questioned this. What we are worried with -- will it continue or not? And whatever tailwind you are aspiring, are they visible as of now in this quarter or next quarter, do you think it will be materialise?

Kamal Taneja: Okay. So Sheetal, first of all, I think there's no tailwind. There's actually a lot of geopolitical crisis going on, as you know. So it's not easy with the inflation, etcetera, for us to pass on those costs to our customers, which is understandably because ultimately, it impacts the consumer, right? So you would see maybe reduction in volume or whatever.

That's what our customers are saying. I think there are two things, if you say, I don't know it's tailwind or whatever. I think we are much more focused on our business and me and Amit are hired for the growth. So I think if we don't deliver that we won't be addressing these calls, I guess, yes. I think the second thing, which I think we are doing well is earning our volume increase.

Although our customers are reporting, like I said, flat let's say, volumes or not so growing volume, but we are growing, which actually shows that we are perhaps gaining market share. And the good thing is that market is still very fragmented. Despite we being one of the largest flexible manufacturers, packaging manufacturers in India, we are still less than double-digit market share, right? So there's still a lot of scope for us to improve and grow, and that's what we are aspiring to.

Sheetal Shah: Okay, sir. Thank you so much and all the best for the future, sir.

Kamal Taneja: And thank you for your support. Thank you.

Moderator: Thank you. Our next question comes from Magesh P. Please accept the prompt on your screen, unmute your audio and video and proceed with your question.

Magesh P.: Sorry, am I audible now?

Moderator: You are audible. Sir, you may proceed.

Magesh P.: Yes. Good evening, sir. Yes. Just a couple of questions from my end. And then we are in the FMCG, pharma and other sectors, right? And then where do you see we are doing good in the sectors and then where you feel that we have a good bargain power in these sectors for Huhtamaki?

Kamal Taneja: So the question is which segments we are doing well with?

Magesh P.: Yes.

Kamal Taneja: Yes. I think we are doing well in most of the segments. I think we -- so Magesh, for us, like I said many times, so we focus on the products that we have better value proposition. So Huhtamaki is very well known in the industry in terms of the quality and the innovation we bring, right? So we work with customers who are demanding those kind of volumes and who are working with us to kind of either upscale or upgrade their packaging, for example, or sometimes where they want more reliable suppliers, etcetera, yes.

So I would say we do not have any -- we are like segment agnostic in a sense. Now we can do better, obviously, in some segments, for example, pharma, still a lot of opportunity for us to grow. And there are more commoditized segments, for example, I don't know, single layer, low complexity, what you are seeing, for example, biscuits, etcetera, where we are not so competitive because they are less complex, where we are not focusing. However, we are still a pretty decent supplier to that segment as well, yes.

Magesh P.: Yes. And then, if you see compared to your peers, right, I'm not directly comparing it, but still they are able to do 17% -- 15% to 20% margin in their financials. And if I could match them with the Huhtamaki, we are doing around now 6% to 10%. Now for last few quarters, we are from 8% to 10%, right?

And then if you compare to your peers and then where you see we are -- as a company, we are lagging and then where you see they are higher edged compared to the Huhtamaki or where you see that you want to improve to -- I'm not expecting to reach 20% to their level, but either 10% to 12% will be a good margin moving forward. We are not expecting in the next quarter, but there should be some kind of working towards that, right? So just want to understand your management perspective on it.

Kamal Taneja: Yes. I think, again, I think what you're comparing us against some of these competitors may have a different product mix, not just what we are operating. However, having said that, like the previous call, our aspiration is always to improve from what we are doing now.

Magesh P.: Okay. And the last question, compared to the previous quarter, right? And then last quarter, we have around 10% margin. And then this quarter, we had around 8% margin. And then is this mostly due to the cost inflation or we are unable to do a bargain compared to the previous quarter or any inventory-related issues? Just want to understand that scale of that margin difference.

Amit Gupta: Sorry, I believe that when you're talking about margin, are you talking about EBITDA or...

Magesh P.: Yes. EBITDA, yes, 8% for this quarter. And then last quarter, we had around 10%, right? So just I want to understand in the sense of whether it's on cost inflation or we have a less margin power in our sales or it's due to the inventory or any other criteria. Just I want to understand the factor in it.

Amit Gupta: Sure. The variation between the EBITDA margins between the quarters is primarily a reflection of the timing differences that we have with respect to the cost inflation and the pricing pass-through. So generally, we have a cycle wherein we establish a particular cost and then we have the price reductions coming in. So there are some timing gaps which Kamal actually explained initially that sometimes we are slightly behind, sometimes slightly ahead. So while we are actually growing our profit margins in absolute terms versus the last year, between the quarters, you will see a bit of a fluctuation, which is consistent with the way the business cycles operate.

So there's no major concern here. But from a standpoint, it is basically a reflection of some of the costs which have come in, let's say, late September which are going to be recovered into the subsequent months. And hence, there would be -- between the quarters, there would be some play every quarter. But on a YTD basis, if you look at our EBITDA margins have gone to 10% from a 9.2%. So almost 80 basis point improvement on a 9-month basis with respect to our EBITDA margins.

Magesh P.: Okay. And that's it from my end. And then just wishing you the team and then I could see a lot of improvement in the last few quarters. Just please carry forward to the coming quarters and then we would like to see more wrappers while we are having food at Huhtamaki packages. Thank you.

Amit Gupta: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to Mr. Kamal Taneja, Managing Director, for closing comments.

Kamal Taneja: Thank you. I see there were some questions on the chat box also. Again, we didn't have time to answer them. But please if you have specific questions, feel free to contact us, like the contacts we flashed earlier. I think if I can summarize how we did in the quarter, as you know, we did well on the growth side. So the growth is coming not just from the pricing but also from a better, healthier product mix as well as the volume increase, which is very encouraging for us to see because we have kind of maintained that for the last few quarters now.

On the margin side, I think the margin is still healthy. It depends on how you compare that. I do not see any structural change into what we are doing at the moment compared to last quarter or

even future quarter. So our aspiration is to make sure that we return more value to our shareholders and frankly, also to our customers moving forward. So we'll always be focused on growth, focused on margin improvement. And if the market holds up, etcetera, we see that we'll do our best to improve that.

Before I go, Amit, any last comments from your side?

Amit Gupta: No, Kamal, you summarized it well. And I believe that more than words, the numbers speak for themselves. The quarter-on-quarter growth that we are delivering with a healthy top line with a mix of volume, pricing and mix and the margin improvements is a reflection of the performance. So nothing more to build on that. Thank you, everyone, for joining the call.

Kamal Taneja: And lastly, like I said earlier, so Happy Diwali to everyone who's celebrating to you, your families and your friends. We look forward to talking to you again next quarter. Thank you.

Amit Gupta: Thank you.

Moderator: Thank you. On behalf of Huhtamaki India Limited, that concludes this conference. Thank you all for joining us. You may now disconnect.