



Date: 5th February, 2026

To
The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block,
Bandra- Kurla Complex,
Bandra(E),
Mumbai-400051
NSE Symbol - IRISDOREME

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call of the Company- Q3 FY 2026

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Group Earnings Conference Call held on 3rd February, 2026, at 10:00 a.m. for discussing operational and financial performance for the quarter and nine months ended 31st December, 2025.

The above information is also available on the website of Company at www.irisclothings.in.

We request you to kindly take this on record.

Thanking you,

Yours Faithfully,
For Iris Clothings Limited

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by Santosh Ladha
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“IRIS Clothings Limited Q3 FY 2026 Earnings Conference Call”

February 03, 2026



**MANAGEMENT: MR. NIRAJ AGARWAL – CHIEF FINANCIAL OFFICER,
IRIS CLOTHINGS LIMITED
MR. HARSHVARDHAN SARDA – BUSINESS HEAD, IRIS
CLOTHINGS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to IRIS Clothings Limited Q3 FY 2026 Earning Conference Call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harshvardhan Sarda. Thank you and over to you.

Harshvardhan Sarda: Thank you and good morning, everyone. I am Harshvardhan Sarda and I would like to welcome you all to our Q3 FY 2026 Earnings Call.

Quickly on financials. During the quarter, we reported a revenue growth of 46% year-on-year driven by product and distribution enhancements. We expect these two factors coupled with strong demand for Spring-Summer 2026 to drive our growth in Q4 and expect that to be the best quarter for our company in this financial year. Niraj Agarwal – our CFO will take you through the detailed numbers in the later part of the call.

Commenting on our operational business in the past quarter:

We have seen significant developments particularly in the B2B segment. We have expanded our distributor network by adding eight new distributors during the quarter, increasing our total to 208. This expansion is a clear indication of our growing market presence and the trust that our partners place in our brand. In the last quarter, we expanded our office space to allow ourselves to strengthen our team to drive growth going forward as well.

In our quest for product excellence and innovation, we set up a state-of-the-art embroidery unit which will help to enhance our product portfolio and drive additional value going forward. We also held our Annual Dealer Conference in the month of December for the upcoming Spring-Summer season, and have a very strong growth outlook for the next quarter.

Looking ahead to the forthcoming quarter, we plan to expand our production capacity to 40,000 pieces per day and are very excited to introduce a whole new product range in newborn gift sets along with woven nightwear and corsets, reinforcing our commitment to product innovation and quality. We anticipate strong growth driven by organic demand and new capacity additions, while also focusing on enhancing our retail D2C segment to accelerate our growth trajectory and create value for our stakeholders.

The new EU-FTA deal and the new India-US Trade Deal also allows us to explore long-term opportunities for our manufacturing capabilities. IRIS Clothings remains dedicated to elevating the DOREME brand and advancing the company to the next level of growth. We are grateful for your continued support and look forward to an exciting year ahead.

I will now hand over the call to Niraj Agarwal – our Chief Financial Officer, who will walk us through the Q3 FY 2026 financial numbers. Thank you and over to you, Niraj.

Niraj Agarwal:

Good morning, everyone, and thank you, Harsh. Let me briefly walk you through our financial performance for the Quarter Third of FY 2026 and for Nine Months Ended FY 2026.

During the quarter, our total income grew by 46% year-on-year, reaching Rs. 487 million compared to Rs. 334 million in the same quarter last year. For the nine month period, total income stood at Rs. 1,305 million compared to Rs. 1,063 million in the corresponding period last year. This reflects healthy demand and improved scale of operations.

Our EBITDA for Q3 FY 2026 stood at Rs. 60.5 million, while for the nine month ended FY 2026 EBITDA was Rs. 184 million. Profit after tax for Q3 FY 2026 increased to Rs. 30.1 million compared to Rs. 23.74 million in the same period last year. For the nine month period, PAT rose to Rs. 97.6 million, up from Rs. 86.4 million indicating sustained bottom-line growth. PAT margins stood at 6% for Q3 FY 2026 and 7% for the nine months ended FY 2026.

In conclusion, FY 2026 has been marked by strong revenue growth. We remain focused on operational efficiency while balancing growth as we move into the final quarters of the financial year.

With this, we now open the floor for questions. Thank you.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question is from the line of Nish Shah from Stellar AMC. Please go ahead.

Nish Shah:

Hi, sir. Good morning. Thanks for the opportunity and congratulations on a good set of numbers. My first question is, if we see a past trend, our Q3 numbers, revenue numbers have always been on the lower side. So, what has worked differently for us this time?

Harshvardhan Sarda:

This time, so winter was much stronger than what it was in the last couple years, primarily because the weather played good in our favor. And along with that, we had a very interesting product range for winter. So, that was one of the biggest drivers for growth in this quarter.

Nish Shah:

Sure. So, going forward for Q4, can we expect much better numbers since Q4 is our best quarter?

Harshvardhan Sarda:

Our strongest quarter going forward, Q4 usually, historically is also very strong for us because it is summer season. And from the dealer conferences and the kind of bookings we are doing, we expect it to be a very strong quarter going forward.

Nish Shah:

And sir, secondly, on the margins front, margins have dropped so much from about 6%-odd. So, why is it so?

- Harshvardhan Sarda:** So, margins are primarily because of a couple of things. One, we introduced a lot of new winter wear products this year, which drove a lot of revenue for us and along with that, we have introduced a few new product lines, like woven corsets and woven night suits, which we are outsourcing from outside and not manufacturing directly. So, that is where a decent hit on margins is coming from. Apart from that, we also did like a very big conference for our sales team, for our distributors, for our retailers as well, to educate the customers about the new product range that we are doing. So, that overall has been the hit on the EBITDA margins.
- Nish Shah:** So, that would be a one-time impact?
- Harshvardhan Sarda:** Yes, this quarter, we expect it to bounce back quite well.
- Nish Shah:** Okay. So, that is the reason why other expenses have also gone up.
- Harshvardhan Sarda:** Exactly, exactly. That is the reason.
- Nish Shah:** Okay. So, going forward, Q4 onwards, can we expect margins to stabilize around 18% - 19%, which we have been guiding over the last few quarters?
- Harshvardhan Sarda:** Yes, we are on track to achieve that.
- Nish Shah:** Okay. So, also on the EBOs side, how have been our EBOs performing?
- Harshvardhan Sarda:** So, the seven EBOs that we have opened in the last year, all seven are decently stable now. And I think, all seven are growing going forward. We expect to add a few new stores in the upcoming quarters and explore another area of the country rather than just focusing on the East.
- Nish Shah:** Okay. And all the EBOs have turned profitable or are still breakeven?
- Harshvardhan Sarda:** Yes, all our EBOs have turned profitable and broken even.
- Nish Shah:** Okay. So, generally, what is the timeline with target we have set for EBO to, what is the period we can...
- Harshvardhan Sarda:** So, I think for an EBO to like eventually turn breakeven would be around, we are targeting 15 months to 16 months for an EBO to turn breakeven for us.
- Nish Shah:** Okay. And you have been guiding to add five to six EBOs by March 2026. So, we are still on with that number or?
- Harshvardhan Sarda:** I think, there will be a few changes in that number. It might be delayed by a quarter. But so we want to set strong foothold in newer regions and hence, accumulating the team for that.
- Nish Shah:** Okay. So, which newer regions are you targeting currently?

- Harshvardhan Sarda:** We are targeting cities like Hyderabad, Bangalore, Chennai. These are three cities which we are primarily targeting to open stores. Okay.
- Nish Shah:** Okay. And one more thing, as you have mentioned in the press release, that you have been entered in a set of a manufacturing facility for embroidery. So, given our core, the strength lies in manufacturing of apparels and everything. So, where does embroidery come from in the entire value chain?
- Harshvardhan Sarda:** So, embroidery comes in the value chain of the apparel. Since, we are launching infant wear products and expanding that category, embroidery is a very interesting value add to the kind of products that we do. So, that was one piece which was missing from our entire puzzle. And now that that has been completed, we are a fully integrated garment manufacturing unit with all capabilities possible.
- Nish Shah:** Okay. Thank you, sir. I will join back in the queue.
- Harshvardhan Sarda:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Kunjal Agarwal from Arihant Capital. Please go ahead.
- Kunjal Agarwal:** Thank you so much for the opportunity.
- Moderator:** You can join back the queue if you want. The next question comes from the line of Disha from Sapphire Capital. Please go ahead.
- Disha:** So, sir, you guided that we are planning to open five stores - six stores, but that will be delayed by, I think, one quarter, right?
- Harshvardhan Sarda:** Yes. Yes, absolutely.
- Disha:** Yes. So, what is the CAPEX per store on average?
- Harshvardhan Sarda:** So, on average, our CAPEX per store is around Rs. 2,500 per square feet. And since you are targeting around Rs. 1,000 square feet stores, it will be around Rs. 25 lakhs just for the CAPEX.
- Disha:** Okay, that is the average that we take. Okay. And how long does it take for a store to mature?
- Harshvardhan Sarda:** So, we expect a period of 12 months to 15 months for the store to mature. And usually, the store breaks even at the 15 month to 16 month period.
- Disha:** Okay. All right. And how many EBOs are we planning for FY 2027?
- Harshvardhan Sarda:** FY 2027, we are planning around about 15 to 20 EBO.

- Disha:** If you could just give up the geographical split, that will be really helpful.
- Harshvardhan Sarda:** So, we are primarily targeting these three cities, as we mentioned, Hyderabad, Bangalore and Chennai. And Bombay is something that we are also exploring along with that. So, these are the four cities that we are primarily targeting. Whatever we want to open, we want to open in a very cluster-based approach and not have a very scattered approach to EBO openings.
- Disha:** And all these geographies also, we target the similar timeline for break even and for maturing?
- Harshvardhan Sarda:** Yes.
- Disha:** Okay. I think our margins were around 12%-odd so this quarter. You mentioned that they will return to 18% to 19%. So, although there was one one-off because of the conference that we held, but other than that, what are some of the margin drivers that will help us get back to the 18-19% level?
- Harshvardhan Sarda:** Margin driver will primarily be our production, our manufacturing and the kind of raw materials that we purchase. So, eventually, that is where the profit margins needs to remain. So, we expect it to bounce back to around 18% in this quarter.
- Disha:** Okay. And for the retail D2C segment, how are we planning to scale that up? And what is the margin differential, if that you could share?
- Harshvardhan Sarda:** So, for retail, we are also planning to enhance our D2C own website as well this quarter onwards. And we expect a lot of, we will spend decently on ads and get the brand built online as well. So, we expect to spend some time on the D2C own website segment, along with the EBO retail segment.
- Disha:** And how do the margins differ?
- Harshvardhan Sarda:** So, margins, of course, we expect margins to take a hit. But we would want to see how it progresses over the next couple quarters. And then, we will be able to comment more on the margin front on that.
- Disha:** And any sort of orders per day we are targeting from the retail segment?
- Harshvardhan Sarda:** So, from the retail segment, we are targeting around 1,000 orders per day by the end of the year.
- Disha:** By the end of FY 2027?
- Harshvardhan Sarda:** Yes.
- Disha:** Okay. All right. That is it from my side. I will join back the queue. Thank you.

- Harshvardhan Sarda:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Deepak Karwa, an individual investor. Please go ahead.
- Deepak Karwa:** Hello.
- Harshvardhan Sarda:** Hi, Deepak.
- Deepak Karwa:** Hi, good morning, sir. Congratulations for a good set of numbers. I want to know, can you provide some light on how do we see infant wear, swimwear and innerwear adding to overall revenue mix going forward?
- Harshvardhan Sarda:** So, Deepak, we expect infant wear to be a big contributor. Currently, it is around 12% of our overall revenue. We expect it over the next couple years to become almost 20% of the total revenue for us. And as for swimwear and innerwear, since it is a niche product, it will be a high margin product. But the overall mix would be around about 5%.
- Deepak Karwa:** Okay. And given the current market situation, what revenue growth can we expect for FY 2027 - FY 2028? And also, if you can give some color on the margins of FY 2027 - FY 2028.
- Harshvardhan Sarda:** So, margins, we would expect it to remain somewhere around the 18% - 19% EBITDA numbers. And in terms of revenue growth, we expect high growth, around about 40% is something that we are targeting for the next year.
- Deepak Karwa:** Okay, sir. And like some more detail on your digital platform, how will that initiate drive overall growth?
- Harshvardhan Sarda:** So, digital platform is something that we are re-exploring and re-enhancing our entire website experience, our social media experience. The idea is to build the brand very, very strongly online, because that is one of the strongest assets in this world that we live in, to build the brand. And which will eventually impact the overall business as well because that basically gives customers visibility of the brand across platforms. So, that is the idea in building the digital presence initially.
- Deepak Karwa:** Okay. I got my answer. Thank you so much and all the best for your future.
- Harshvardhan Sarda:** Thank you. Thank you, Deepak.
- Moderator:** Thank you. The next question comes from the line of Kunjal Agarwal from Arihant Capital. Please go ahead.

- Kunjal Agarwal:** Thank you so much, sir. So, can we discuss about what is like your guidance towards FY 2027 and the coming FY 2026, like the fourth quarter?
- Harshvardhan Sarda:** So, we expect, as I already said, we expect quarter four to be our strongest quarter for this year. And going forward over the next year, we are expecting very good growth. A robust growth of around about 40% to 45% is something that we are expecting over the next year. That is the overall guidance.
- Kunjal Agarwal:** Okay. And do we expect to reach like EBITDA margin to return to the historical level of 16% to 18% anytime soon?
- Harshvardhan Sarda:** Yes, absolutely. We expect that to reach in this quarter itself.
- Kunjal Agarwal:** Okay. And so, kid wear is a very highly competitive segment. So, how is IRIS differentiating its products, like branding, pricing, and product innovation to maintain the market share?
- Harshvardhan Sarda:** So, it has always been very, very competitive. And that is where our product quality has always been the biggest driver for us to differentiate ourselves. Because of our in-house manufacturing capabilities, it enhances the product quality overall. And helps us to give value to the customer at a very good price. So, that overall is our biggest mode to win in a very, very competitive market that we are operating.
- Kunjal Agarwal:** Okay. And so, this Rs. 10 crore CAPEX, the daily capacity has increased from 34,000 to 40,000 pieces. So, what is the current utilization level in this operating? And how quickly can this new capacity be absorbed?
- Harshvardhan Sarda:** So, current utilization last quarter, we did around 28,000 pieces per day. But we expect in this quarter to achieve somewhere in the 32,000 to 34,000 pieces per day.
- Kunjal Agarwal:** Okay. And so, from this digital platform, what kind of revenue contribution we are targeting?
- Harshvardhan Sarda:** Kunjal, I am sorry, I missed your question.
- Kunjal Agarwal:** With the digital platform that we have launched, so, what is the revenue contribution that we are targeting from the online channels?
- Harshvardhan Sarda:** So, from the overall online channel, including marketplace and our website, we expect around 10% contribution in the next month.
- Kunjal Agarwal:** In the next month. And so, for the FY26?
- Harshvardhan Sarda:** In the next FY.

- Kunjil Agarwal:** Financial year. Okay. That would be my question. So, thank you so much.
- Harshvardhan Sarda:** Thank you. Thank you, Kunjal.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Harshvardhan Sarda for closing remarks.
- Harshvardhan Sarda:** Thank you once again for your trust in us and for being a part of our journey. We look forward to sharing our successes with you in the next earnings call. In case, you have any other queries post this call or anything remains unanswered, you may please connect to our IR team. Thank you so much.
- Moderator:** Thank you. On behalf of IRIS Clothings Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.