

Date: 30th October, 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- Q2 & H1FY27
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 28th October, 2026 at 11:00 a.m. for discussing operational and financial performance for the quarter and half year ended 30th September, 2026.

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
Date: 2026.10.30
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Santosh Ladha
Managing Director
(DIN: 03585561)

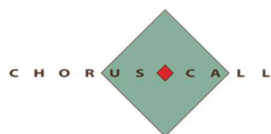
Iris Clothings Limited

103/24/1, Foreshore Road, Howrah 711 102, India
+91 33 2637 3856 / 2640 4674 | info@irisclothings.in
CIN: L18109WB2011PLC166895

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“Iris Clothings Limited
Q2 & H1 FY '27 Earnings Conference Call”
October 28, 2026



MANAGEMENT: MR. HARSH VARDHAN SARDA – BUSINESS HEAD – IRIS CLOTHINGS LIMITED
MR. NIRAJ AGARWAL – CHIEF FINANCIAL OFFICER – IRIS CLOTHINGS LIMITED

Moderator:

Ladies and gentlemen, good day, and welcome to Iris Clothings Limited Q2 and H1 FY '27 Earnings Conference Call. Please note that some of the statements made in today's discussion may be forward-looking in nature and may involve risks and uncertainties. Documents relating to company's financial performance is available to the stock exchange, trust you have been able to go through them.

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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand over the conference over to Mr. Harsh Vardhan Sarda. Thank you, and over to you, sir.

Harsh Vardhan Sarda:

Good morning, everyone. Thank you for joining us today for our Q2 and H1 FY '27 earnings call. Over the past year, we have continued to build on our business fundamentals while focusing on expanding our market presence and strengthening our capabilities. Our aim has been to create a stronger foundation for sustainable growth by investing in our brand, distribution network and operational infrastructure.

We have seen encouraging business momentum during the quarter with total income growing 40.3% year-on-year and net profit increasing 23.3% in Q2 FY '27. Alongside this performance, we have continued to make progress on several initiatives that we believe will support the next phase of growth for Iris Clothings and the DOREME brand.

Our key priorities are to expand our distribution reach, strengthen our manufacturing capabilities and explore new growth opportunities across domestic and international markets. On the digital front, we see e-commerce as an important channel for reaching a wider consumer base and enhancing DOREME's visibility in the children's apparel segment. In line with this, we have entered into an agreement to sell DOREME products on Amazon and have also partnered with Myntra.

These partnerships will strengthen our presence across leading online marketplaces and complement our existing distribution network. We have also entered the quick commerce segment, initially offering our products in Bengaluru and Hyderabad. In addition, we have launched newborn gift sets in 4-piece, 6-piece formats across multiple sales channels, expanding our offerings in the newborn category. Together, these initiatives will help us broaden our product reach, diversify our sales channels and make DOREME products more accessible to our customers.

Alongside expanding our distribution, we are also investing in manufacturing capabilities to support our growing product portfolio, particularly for the infant wear segment. We are setting up a dedicated manufacturing facility for infant wear, which is expected to enhance production capacity and provide greater operational flexibility.

This will help us cater more effectively to our evolving demand and support future product expansion. We have also commenced operations at a new in-house embroidery unit equipped

with machines imported from Japan. This capability will enable us to develop premium embroider collections, adding further depth to our product offerings and strengthening our manufacturing capabilities.

Beyond the domestic market, we are also exploring opportunities to expand DOREME's presence internationally. Our participation in the Saudi Fashion and Tex Expo provided a platform to showcase our products and engage with potential large-format retailers, wholesalers and distribution partners. These interactions have helped us explore market requirements and assess opportunities across the Middle East and Africa. Our approach will remain measured with a focus on identifying suitable partners and establishing sustainable distribution channels.

Taken together, these initiatives reflect our focus on building a stronger brand, expanding our product offerings and creating multiple avenues for growth. As we move ahead, our priority will be to execute these plans effectively while maintaining operational efficiency and a strong emphasis on profitable growth. We believe these efforts will strengthen Iris Clothings' position in the children's apparel segment and provide a solid foundation for its next phase of growth. Thank you.

I will now hand over the call to Niraj Agarwal, our Chief Financial Officer, who will take you through the financial performance for Q2 and H1 FY '27.

Niraj Agarwal:

Thank you, Harsh. Good morning, everyone, and thank you for joining us today. I will take you through our financial performance for Q2 and H1 FY '27. We delivered strong revenue growth during the quarter, with total income increasing 40.3% year-on-year to INR62.22 crores compared with INR44.35 crores in Q2 FY '26. For H1 FY '27, total income grew 33.9% year-on-year to INR1,095.51 crores, reflecting continued business momentum.

Our EBITDA stood at INR9.47 crores for Q2 FY '27 with an EBITDA margin of 15.2%. For H1 FY '27, EBITDA reached INR17.57 crores with margin improving to 16% compared with 15.1% in the corresponding period last year. This reflects an improvement in our operating profitability over the first half.

Moving to the bottom line. Profit after tax grew 23.3% year-on-year to INR5.08 crores in Q2 FY '27. For H1 FY '27, PAT increased 34.7% to INR9.09 crores. PAT margins stood at 8.2% for the quarter and 8.3% for the first half. Overall, our financial performance reflects healthy revenue growth alongside improved first half profitability. Going forward, we will continue to focus on strengthening our operating efficiency, expanding our market presence and pursuing sustainable profitable growth. With this, we can now open the floor for questions. Thank you.

Moderator:

Thank you very much. The first question comes from the line of Vidhi Shah, an individual investor. Please go ahead.

Vidhi Shah:

Congratulations on the good quarter. So, I had a question. With the company expanding its presence across the e-commerce platforms such as Amazon and it recently entered into quick commerce in Bengaluru and Hyderabad. Could you elaborate on the overall strategy for growing the DOREME brand online?

- Harsh Vardhan Sarda:** Thank you so much for your question. So, see, the idea is to build the brand. So, we have been in the e-commerce segment for the last 3, 4 years in partnership with FirstCry. There we have established a decent presence on online. Now we are expanding that presence across categories. So, we are growing our own website, doreme.in. Along with that, we are partnering -- we have just partnered with Amazon.
- We are closing a deal with Myntra. And along with that, we have quick commerce presence as well. So, we have started our partnership with Big Basket, and we are looking to expand our product categories into multiple quick commerce platforms as well. So that is the overall strategy of how we want to create the brand DOREME online and take it across multiple marketplaces and channels.
- Vidhi Shah:** Okay. So how has been the response across these channels so far?
- Harsh Vardhan Sarda:** The response has been incredible, and we see some very encouraging numbers, which we think will grow over the next 1- 1.5 years.
- Vidhi Shah:** Okay. And do we have any plans to expand into additional cities and platforms?
- Harsh Vardhan Sarda:** We are looking at expanding into cities using our own doreme.in platform, where we are planning to expand marketing to multiple cities, but that is the overall idea to grow right now.
- Vidhi Shah:** Will we see the margin improvement?
- Harsh Vardhan Sarda:** We'll see. See, currently, because of the raw material prices being on the higher side, we are seeing some challenges in growing margin. But definitely, we see a basis point improvement from here for the full year for sure.
- Moderator:** The next question comes from the line of Deepali Kumari from Arihant Capital Markets Limited.
- Deepali Kumari:** I just have a few questions. Like how much Q2 growth came from volume and how much from realization per piece?
- Harsh Vardhan Sarda:** Q2 growth was primarily from volume because of expansion in product categories and our production capacities as well in existing product categories. Yes.
- Deepali Kumari:** Okay. And if you can give the split of Q2 on the distributor or retail business and quick commerce and export and EBO?
- Harsh Vardhan Sarda:** I'm sorry, Deepali, can you come again? I think I lost the question.
- Deepali Kumari:** Okay. I'm asking, can you please split Q2 revenue across the distributor or retail and quick commerce, EBO and export?
- Harsh Vardhan Sarda:** Deepali, currently, we do not have the split revenue numbers readily available. We can share that across later.

- Deepali Kumari:** Okay. And on the outsourcing side, like currently, you outsource some products such as jeans to OEMs. So, what share of revenue is outsourced today? If you can give me some idea? And how much lower is the gross margin on that product?
- Harsh Vardhan Sarda:** Currently, we are outsourcing around 15% of our overall revenue. And these are for products which we are not manufacturing in-house. So of course, the gross margins are slightly lower on those products. But having said that, that is what is helping us expand our product portfolio across.
- Deepali Kumari:** Okay. And on the vision of 2030 of 300 distributors and 20,000 retail touch points, what revenue and EBITDA do you expect in some years, 2 to 5 years to achieve? And how much capex and working capital will be planned?
- Harsh Vardhan Sarda:** In the next 2 years, we are targeting to reach a revenue of around INR500 crores. And in terms of capex, we are looking at expanding our manufacturing facility. We are still looking on expanding into a new greenfield project, but that is still in the works, and we will be able to give more details when we have more concrete proposals.
- Deepali Kumari:** Okay. And on the EBO side, like you will open 80 stores a year from FY '27. So, like how many you will open in FY '27 and in FY '28?
- Harsh Vardhan Sarda:** So, Deepali, EBO is something that we are still figuring on what is the right approach in terms of growing. We have a lot of interest from our franchisee partners to help open stores as well. But we are perfecting the model and figuring out what will be the right strategy to grow. And then we'll take the call and how aggressively we want to expand the EBO.
- Deepali Kumari:** Okay. So EBO is not currently the main focus?
- Harsh Vardhan Sarda:** It is definitely a part of the focus. We are figuring out the right strategy for it. Along with that, digital is a big part of our current focus, and we want to grow that because we see some very encouraging response on our digital platforms, and we want to build the brand DOREME through digital access currently.
- Deepali Kumari:** Okay. And if you can share me like for a mature EBO, can you please share sales per square feet store level EBITDA margin and capex per store? And also on the distributor side, like per distributor, what can be the average revenue?
- Harsh Vardhan Sarda:** So, for stores, I will tell you, good revenue is INR1,000 per square feet per month. EBITDA margin stays somewhere around 20%, 15% to 20% for our store level. And capex is around INR2,500 to INR3,000 per square feet. That is for the stores. And in terms of our distributor count, average distributor revenue comes to somewhere around INR80 lakhs for us per distributor.
- Deepali Kumari:** Okay. And on the pricing -- selling price, like Zudio, Max, Trends and similar channels in same tiers, if it were at a very low price. So how is it affecting your distributor retail customer? And what is your current ASP?

- Harsh Vardhan Sarda:** So, since our -- we are in the slightly sub-premium segment, so not exactly directly competing with the value retail format. Since we are a brand which is slightly higher priced than the value retail brand, it is not directly affecting our distributors because we have our edge in giving quality products with better designs and a much better resilience of the product, which helps us create that differentiation in the market. And hence, we are not directly competing with the value retailers.
- Deepali Kumari:** Okay. And you have told you are setting up a manufacturing plant for the infants. So, what can be the capacity of that? And what can we expect the revenue from that?
- Harsh Vardhan Sarda:** So, the infant plant that we have set up will currently do around 2,500 pieces per day in terms of our overall capacity. And revenue, we expect to be around INR3 crores to INR4 crores annually additional revenue.
- Deepali Kumari:** Okay. Can you tell me what is the capex plan for the upcoming 4 to 5 years?
- Harsh Vardhan Sarda:** As I said, we are planning a greenfield capacity, but we'll have more details on the breakdown of the exact numbers in the -- maybe the next quarter, in the second half of the year actually.
- Deepali Kumari:** So that will be a debt or internal accruals?
- Harsh Vardhan Sarda:** We are still figuring what will be the right way, but mostly it will be through internal accruals. And since we do not have any long-term debt on our books currently, we might just fund it through debt as well.
- Moderator:** The next question comes from the line of Nish Shah from Stellar AMC.
- Nish Shah:** So, my first question is with respect to one of the earlier participants. You mentioned that the traction from the Myntra and Amazon is good so far. So -- but specifically, how is the traction from our own website and how the customer acquisition cost and the contribution margin differ between the sales through our own website and the other digital platforms because there will be some platform commission, which we will be paying to the partners?
- Harsh Vardhan Sarda:** So, I think there was some confusion in understanding. We are saying overall digital has grown -- has shown some very encouraging response. So, Amazon and Myntra is something that we are just starting. We have not -- Amazon is something that we have just started in the last 3 weeks and Myntra is something that we'll start -- we just signed the agreement, and we'll start by the end of next week mostly. Most of our response we have currently received is from our own platform, which has received really encouraging responses. And along with that, we have our expanding presence on FirstCry, which is helping the overall brand visibility on digital for us.
- Nish Shah:** Okay, sir. And anything on the margins between sales from our own website and other platforms?

Harsh Vardhan Sarda: See, of course, margins on our own website is definitely better, but we are spending on ads currently on our own website to build that traffic directly coming to our website. So, margins is something that we will talk once we have bigger volumes at the -- our own website level.

Nish Shah: Okay, sir. So, what is the current contribution from digital revenue mentioned?

Harsh Vardhan Sarda: So digital overall, including marketplaces would be around INR10 crores -- 10% of our overall revenue.

Nish Shah: Yes, sir. Sir, and next question is, sir, infant is would be roughly around 12% to 13%, correct?

Harsh Vardhan Sarda: Yes. Infant is 12% to 13%, but we are expanding it to around 20% maybe in the next couple of quarters.

Nish Shah: Okay, sir. And sir, other categories, woven apparel, are doing well, which are showing good traction currently?

Harsh Vardhan Sarda: So, infant is one segment which is showing a very, very promising responses. Along with that, woven is something that we are adding new categories in that. So along with woven night suits, we are adding woven pants, which we expect this summer to be one of our highlight categories to include. So, we think woven will become a decent part of our segment by the end of next year.

Nish Shah: Okay. And will it be a significant part of revenue or just a small?

Harsh Vardhan Sarda: So, I think woven will become around 10% by the end of next year for us. which should be significant.

Nish Shah: And sir, on the margin side, one thing. So, the employee expenses and other operating expenses have increased. So, do we consider this as a base going forward? Or there was some one-off here?

Harsh Vardhan Sarda: No, I think this will be the base. But since our revenue will grow over the next few quarters, so in percentage terms, these expenses will come back to the original.

Nish Shah: Okay. Because the gross margins have increased and -- but the EBITDA margins have declined to an extent.

Harsh Vardhan Sarda: Right. So, because we set up 2 new units in the last couple of quarters, so that has added on the employee benefit expenses. In the next 2 quarters, we will get the productivity out from those units and will help us bring the overall percentage number down in terms of employee benefit.

Nish Shah: Understood, sir. Sir, one thing on the balance sheet side. Sir, operating cash flow was negative in H1 and our inventory has also increased and short-term borrowings also increased. So how much of this outflow is in inventory was because of some seasonal inventory buildup? Or was this related to some Infinia transaction and...

- Harsh Vardhan Sarda:** So, the operating cash flow has been positive. It was because of the Infinia transaction, which is not complete yet. Hence, it is showing in the operating cash flow. It will eventually move down to the investing cash flow number.
- Nish Shah:** Understood. So, when do we expect the operating cash flow to turn positive and the borrowing...
- Harsh Vardhan Sarda:** It's already positive. We expect it to turn positive in this quarter itself.
- Moderator:** The next question comes from the line of Ishani Kacholia from NV Alpha.
- Ishani Kacholia:** Can I ask what is your current conversion rate and how much your ad spending is as well as any further plans to increase your marketing budget?
- Harsh Vardhan Sarda:** So currently, if I look at it in terms of the overall revenue percentage, we are spending around 2% in the overall advertising. We intend to increase that to around 3.5% by the end of the year. That is the conversion that we are looking at in terms of the ad spend for the overall business.
- Ishani Kacholia:** And that's by the end of this year?
- Harsh Vardhan Sarda:** Yes.
- Moderator:** Ladies and gentlemen, we will take this as the last question for today. I now hand over to the management for closing comments. Over to you, sir.
- Harsh Vardhan Sarda:** Thank you once again for your interest in our company 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 queries post this call or anything remains unanswered, you may please connect to our IR team. Thank you so much, everyone. Have a great day.
- 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.