LAXMI DENTAL LIMITED
Registered Office: 103, Akruti Arcade, Opposite A H Wadia High School, Near Azad Nagar Metro Station, Andheri (West), Mumbai –400058.
Tel: 022 61437991 | **Email:** info@laxmidentallimited.com; co.sec@laxmidentallimited.com | **Website:** www.laxmidentallimited.com
CIN No: L51507MH2004PLC147394 | **GST No:** 27AABCL0001A1ZL

Date: November 07, 2026

To,

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Scrip Code: 544339

Listing & Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, "G" Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051
Symbol: LAXMIDENTL

Re: LAXMI DENTAL LIMITED - ISIN: INE0WO601020

Dear Sir(s)/Madam(s),

Sub: - Transcript of the Q2FY27 and H1FY27 Earnings Conference Call of Laxmi Dental Limited ("Company").

Further to our intimations dated October 28, 2026 and November 04, 2026 and pursuant to the provisions of Regulation 30 read with Para A Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), we are enclosing the Transcript of the 'Q2FY27 and H1FY27 Earnings Conference Call' (i.e., Post Earnings/Quarterly Call), held on Wednesday, November 04, 2026 at 10:00 A.M. (IST), wherein, *inter-alia*, the unaudited financial results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2026, were discussed.

The aforementioned transcript of the 'Q2FY27 and H1FY27 Earnings Conference Call' (i.e., Post Earnings/Quarterly Call) is also uploaded on the Company's website at https://laxmidentallimited.com/for-investors.

Kindly take the above on record.

Thanking you,

For Laxmi Dental Limited

SUMAN SAHA
Digitally signed by SUMAN SAHA
Date: 2026.11.07 20:49:36 +05'30'

Suman Saha
Company Secretary and Compliance Officer
ICSI Membership Number: A33035

Encl.: As above.

“Laxmi Dental Limited

Q2 FY27 Earnings Conference Call”

November 04, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on November 04, 2026, will prevail.”

MANAGEMENT: MR. RAJESH KHAKHAR – CHAIRPERSON AND WHOLE-TIME DIRECTOR – LAXMI DENTAL LIMITED
MR. SAMEER MERCHANT – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – LAXMI DENTAL LIMITED
MR. DHARMESH DATTANI – CHIEF FINANCIAL OFFICER – LAXMI DENTAL LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Laxmi Dental Limited Q2 FY27 Earnings 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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Rajesh Khakhar, Chairperson and Whole-Time Director. Thank you, and over to you, sir.

Rajesh Khakhar: Thank you. Good morning, everybody. A warm welcome to all of you, and thanks for joining our earnings call. I would like to take this opportunity to wish everyone a very happy and a prosperous Diwali.

On this call, we are joined by our MD and CEO, Sameer Merchant, CFO Mr. Dharmesh Dattani and Strategic Growth Advisor, our Investor Relations Advisors. The results and the presentations are uploaded on the stock exchange and company website. I hope everybody has had a chance to look at them.

I am delighted to share that Q2 FY27 was another positive quarter for us. Building on the healthy start we made for FY27, we have delivered steady growth, healthy profitability, and continued progress on the strategic priorities we have laid out for the year.

Our revenue for Q2 FY27 stood at INR79.5 crores, recording a highest-ever quarterly revenue as well as EBITDA. Our EBITDA for the quarter grew by 38.5% and PAT grew by 17.6%. EBITDA and PAT margin for the quarter stood at 19.2% and 12.6% respectively. This improvement in profitability is a result of a better product mix and our continued focus on operational efficiency.

The growth was broad-based across our core dental segments: dental laboratory, aligner solutions, and pediatric dental products. This is exactly how we had envisaged our digital strategy to play out. The scanners deployed with our dental partners over the past few years were meant to deepen our connection with this clinic and create higher recurring opportunities across our laboratory and aligner business.

We are now seeing that ecosystem translate into consistent recurring business. I am also happy to say that both our dental lab and aligner business deliver solid performance during the quarter. Our domestic dental lab, international lab, as well as Bizdent, our clear aligner business, delivered its highest-ever quarterly revenue. Sameer will take you through the segment details shortly.

Moving on to an important update on our IPO proceeds, we successfully got shareholders' approval for updating the objects and extending the timeline for utilization. I would like to thank all our shareholders for the strong support and the confidence they have placed in us. The unutilized IPO fund of INR48.1 crores will now be deployed towards building our own manufacturing infrastructure, above INR27 crores towards acquisition of land and constructions of building and infrastructure for dental laboratory and aligner manufacturing facilities, and above INR21 crores towards machinery, computer equipment, and other movable assets for the existing and new facilities.

This deployment is planned across FY27 and FY28. Dentistry today is at a defining moment with digital technologies, artificial intelligence, and precision manufacturing transformation clinical practices. As India's only fully integrated dental product company, we remain focused on our growth strategies across geographies product innovations, market reach, quality standards, and achievement in our operations to create better efficiency and scalability.

Now I will request Sameer to give you some more color on our business performance during the quarter. Thank you.

Sameer Merchant: Thank you, Rajesh bhai. Happy Diwali to everyone. Speaking about our segmental performance for the quarter. Our dental lab business grew by 22.7% Y-o-Y, with a solid growth of 32% in the international lab and 15% in our domestic lab business.

In the domestic market, the growth is driven by increasing digital adoption and deeper engagement with our dental partners through our hub-and-spoke model. Our digital penetration in the domestic lab business has reached around 78%, and remains firmly on track towards our medium-term target of over 90%.

Every scanner deployed does far more than digitize impression. It strengthens our connection with the dentist, improves accuracy, and enhances workflow efficiency. In international markets, the momentum reflects the strong relationship and market presence we have built across USA, the UK, and Europe over the years.

Along with our growing partnership with dental service organizations, we are also preparing for our participation in the International Dental Show in Cologne, Germany towards the end of the fiscal year, which will provide an excellent platform to showcase our products and further expand our global network.

The cost of this event is already budgeted in our full-year marketing expense. Our aligner solution business recorded a healthy growth of 23.5% YOY during the quarter. Within this segment, Bizdent, our branded clear aligner business, delivered a strong growth of 27.7% Y-o-Y, while Vedia registered a 19.1% Y-o-Y increase in growth.

The performance in our clear aligner business reflects the growing acceptance of our Illusion aligners among dentists and patients. This showcases the impact of our branding and promotional activities as well as superior product quality. Our pediatric dental business, Kids-e-dental, continued its strong growth trajectory, delivering a 16.7% Y-o-Y growth during the quarter as the business continues to scale up steadily.

Scanner sales contribution for the quarter was INR3.5 crores, against INR8.9 crores in the same period last year. We continue to evaluate our scanner roadmap in line with overall market situation. Scanner remains one of our strategic importance for us to scale the business with existing and new dentists along with cross-selling opportunities.

Going forward, as part of our digitalization strategy, we plan to deploy scanners on a subscription model reducing upfront adoption cost, making the solution more affordable for dentists while increasing their stickiness and driving incremental business for the company.

Speaking about transition plan for domestic lab and aligner solutions, we currently operate our manufacturing from leased premises in Mira Road across multiple vertically structured units which have served us well so far but with the increasing scale and complexity of our operation, a self-owned, purpose-built, horizontal integrated facility is a strategic investment that will consolidate our operation, improve our workflow and efficiency, and provide the capacity and scalability required for the next phase of our growth.

The transition from old plant to the new plant will happen in a planned and a gradual manner in order to avoid any impact on the regular operations of our business. Expected timeline to complete this transition is by end of Financial Year 2028. We believe the potential for dentistry to grow both in India and globally is immense.

With a continued investment towards expanding our capabilities and infrastructure, coupled with multi-decade experience, strong dentist relationship, and superior product quality, Laxmi Dental is well positioned to scale and capitalize on the rising growth opportunities in the medium to long term.

I now hand it over to our CFO, Mr. Dharmesh Dattani, to take it forward. Thank you so much.

Dharmesh Dattani: Thank you and happy Diwali to everyone. Let me give a glance at our consolidated financial performance during Q2 FY27. Revenue from operations stood at INR79.5 crores, marking the highest-ever quarterly revenue as against INR72.3 crores in Q2 FY26. Gross profit increased by 23.5% Y-o-Y to INR61.2 crores. Gross margin expanded to 76.9% compared with 68.5% in the corresponding quarter last year, primarily driven by a favorable product mix.

We have witnessed some margin improvement in our core dental segments as well. Other expenses were lower sequentially and grew year-on-year due to higher business promotion, freight cost, and spend on AI-led automation. Other expenses stood at INR14.8 crores. EBITDA grew by 38.5% Y-o-Y to INR15.3 crores, marking the highest quarterly EBITDA reported by the company.

EBITDA margins expanded by approximately 390 basis points to 19.2% compared with 15.3% in Q2 FY26. Our adjusted EBITDA, which includes recorded EBITDA, 60% of Kids-e-Dental PAT, 49% of IDBG AI Dental PAT, and ESOP expenses, stood at INR16 crores for the quarter. Profit after tax grew by 17.6% Y-o-Y to INR10 crores.

PAT margin improved to 12.6% compared with 11.8% in Q2 FY26. Additionally, I would like to highlight that we have recently received a tariff refund of approximately INR5.5 crores

excluding interest, which will be reflected in our Q3 FY27 results. Moving on to our H1 FY27 performance. Revenue from operations for the half year stood at INR154.2 crores compared with INR137.9 crores in H1 FY26.

Gross margin improved to 77.7% compared with 70.8% in the corresponding period last year. EBITDA grew by 29.2% to INR29.6 crores, while EBITDA margin expanded to 19.2% from 16.6% in H1 FY26. PAT increased by 20.7% to INR20.4 crores, with PAT margin improving to 13.2% from 12.2% in the corresponding period last year.

The company continues to maintain a debt-free balance sheet. During H1 FY27, we incurred capital expenditure of approximately INR16.7 crores. As of September 30, 2026, our cash and bank balances including fixed deposit and other investment stood at INR97 crores.

With this, we conclude our opening remarks and open the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin with the question and answer session. Anyone who wishes to ask a question may press star and one on your touchtone telephone. If you wish to remove yourself from question queue you may star and two. Participants are requested to use handsets while asking a questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Lakshmi Narayan from Durga Investment. Please go ahead.

Lakshmi Narayan: Yes, thank you. The question is that in terms of your sales, what is the mix of the channel, hospitals or to pharmacists or whichever way you're classifying?

Sameer Merchant: Hi. So I think our mix has never been on the pharmacy side, so, to clarify, you know, we don't deal with pharmacies today. In terms of hospital versus the clinics, I would say majority is clinics because there are very less hospitals who are running a very efficient dental unit within the hospital. So even if it's there, it like will be less than 1%. So it's majority the clinics which are giving us business and we are working with them.

Lakshmi Narayan: Okay. And what is the margin structure in terms of what the customer pays and what you realize? What is the markup usually that clinics have?

Sameer Merchant: So again, it depends. See, we have spoken in the past, what we do is we provide our product and services based on the prescription which is custom by a dentist. Now when a dentist, this, you know, prescribes something to us which is custom as per the patient need, the cost varies from product to product, services to services, and also from teeth to teeth as well.

In that scenario, it is the dentist's discretion as to what they think they should charge because it's an all-in charge for you. Suppose you do a root canal, the doctor is grinding your teeth, the doctor is also cleaning your teeth, and there may be more things that he's performing in terms of procedure within your mouth or on the teeth. So the charges, it's very hard for us to tell you that what is the markup? It just depends on so many factors.

Lakshmi Narayan: And what kind of receivables you have from this one? Like, how, how long is your credit terms like?

Sameer Merchant: Usually we are within 30 to 45 days, you know. I would say maybe 60. 30 to 60 days is the usual terms once we do a monthly invoice. So it's a monthly invoice that we do to a dentist since we share relationship with them since many, many years, and then they will pay within 30, 45, or 60 days depending upon the term that we have and the size of the practice.

Lakshmi Narayan: Okay. And if you just look at it from the split of geographies or split of Tier 1 cities or metros, is there some kind of an indication as to what is your split and then which region or which particular demographic segment, it is actually growing faster?

Sameer Merchant: I think we have done well, in last few years regarding creating, I would say a scenario where the West, the North, and the South are doing well for us. East is still newer. We are still yet to do something bigger in the East. But in terms of growth, I would say all segments, whether it's South, West, or North, they are all doing fairly well.

Lakshmi Narayan: And is it the majority of your sales, maybe 80%-90% of your sales, is concentrated in Top 10 cities in India?

Sameer Merchant: I wouldn't say that to that extent, because we are currently present across close to 300 plus cities in India. So probably the Top 20 would have a fair share of it. But, there are a lot of other cities which are catching up as well. You know, Tier 2 cities are also growing, Tier 3 cities are also growing. And at the same time I think we should focus on the international aspect as well because we are doing well internationally in terms of countries as well. So we are now present, close to, you know, 90 to 100 countries depending upon the product lines that we have. And that also we are adding more and more as we speak.

Lakshmi Narayan: Okay. One last question on the international side. When you expand internationally, what is your way of expanding go-to-market? Is it you have some kind of a rep kind of a person who would -- or a rep office? How does it happen?

Sameer Merchant: Yes, nice question. I think on the international side, there are a few areas. So our business is divided basically into 2 categories. One is custom and one is standard. So the standard businesses that we have, which is the Vedia Solutions where the brand name is Taglus and Kids-e, over there we are doing -- we have people, so we have people who do the BD effort and we appoint distributors across the country.

Then distributor will sell in turn to the dentist or the aligner companies. So that's one model. Model 2 is custom where we are selling the aligners or zirconia crowns to different countries, and over there the main goal is to go to a chain of dental clinics within those countries. So that's how the strategy is split between 2 products. And also at the same time we are evaluating a lot of options to open a lab in countries as well.

Lakshmi Narayan: Okay. And your receivable cycle there, like an invoice from India how long it takes for you to get the money if you sell internationally?

Sameer Merchant: It's also very similar, between 30, 45, and 60 days.

Lakshmi Narayan: Okay. I mean, I hope you do air lifting of the products, right? I mean, that's the mode of sending products, correct?

Sameer Merchant: Sorry, what lifting?

Lakshmi Narayan: Air lifting, essentially. Yes,

Sameer Merchant: It's by air. A majority is by air, very little is by sea.

Lakshmi Narayan: Okay.

Sameer Merchant: Because these are very small in size, right? It's so tiny that it won't make sense. So it's majority by air. Sometimes if there are certain things, then it's by sea.

Lakshmi Narayan: And do you see any…

Moderator: Sorry to interrupt, Mr. Narayan. I'd request you to join back the queue for more follow-up questions. Thank you. Anyone who wish to ask a question may press star and one on their touchstone telephone. The next question is from the line of Akshay Thakur from Helios Capital Limited. Please go ahead.

Akshay Thakur: Hello sir, very good morning. congratulations on good results. Thanks for taking my question. Sir my first question is on Aligner business. So your presentation says that you have 43% from Tier 1 cities and Tier 2 as in Tier 3 cities as well. So what is the strategy differential between targeting different cities? And in this category, is there any strategic difference while targeting the audience different Tier 2 cities and Tier 3 cities?

Sameer Merchant: Yes. So hi, Akshay. Thank you so much for the compliment. I really appreciate it. So on the targeting part, I think one of the key factors is scanner, because Tier 2, Tier 3 has less access to digitization as compared to Tier 1 cities. So that's one. Number 2 is on the aligner category, there is pay as you go as well as compared to pay in full. So a lot of Tier 2, Tier 3 where affordability becomes a question, we can deliver aligner in phases since that customer is already a customer for our dental lab.

So it becomes easier for us to deliver aligner in phases. Like suppose if you need 40 aligners for 10 months, but you may use only 4 a month. So we are in a position, we have the software capability and the logistic capability to deliver you 4 by 4. So we also only manufacture 4 and we can deliver you 4. So that way the dentist can make the treatment more affordable. And also at the same time, we are doing a lot of public awareness initiatives as well with Kareena being our brand ambassador.

So we have seen that Tier 2, Tier 3, the response is, I would say, better than Tier 1 because, you know, Tier 1 everybody knows. But in Tier 2, Tier 3, when you get a brand at a good price, then I think the patient is willing to move forward. At the same time, the third strategy is the education part as well. So there are a lot of dentists in Tier 2, Tier 3 who are still new to aligners. So we are having great key opinion leaders who are conducting workshops, who are making sure that

they are driving this education for the dentist across Tier 2, Tier 3 so that they can learn about aligners and implement aligners in their practice.

Akshay Thakur: Okay, thank you for that elaborate answer. So one follow-up question. The previous participant, you said that, there you are planning to open labs in other countries. Is that -- was that the correct answer and was that the correct interpretation which I had?

Sameer Merchant: Yes, correct. So even last time, if you see, we had mentioned that we appointed a CEO in US and we are looking, to add a lab in US. Because since we have a CEO, we are building a good team over there and you are seeing that our international business, US business, is doing very well. So we now have the capability in terms of creating semi-automated lab out there. So that is one aspect of strategy which we will move forward, and as and when things happen, we will keep everyone posted.

Akshay Thakur: Okay. In terms of strategy, so lab business is a little labor-intensive. India acts like low employee cost front strategy and export gives extra margins. How will the international lab be in place if the lab is set up abroad?

Sameer Merchant: So that's a very good question, Akshay. You know, if you have seen our setup with the dental lab and the aligner, so there are some parts which can be really automated especially aligner automated. So when we say a lab, that lab will not just produce crowns. Lab, when we mean it will produce the crown as well as the aligner.

The good part is those all labs that we will plan in the future will be a hybrid module where a lot of digital part of the lab will be done in India, and only where required, a physical presence of a person along with some semi-automation and CNC machines or 3D printing machines will be done in that respective country.

So it's not going to be a 100% replica of what we have in Mumbai, it's going to be an in-person replica that we have in Mumbai but any and every digital aspects of doing a job entry, doing a design, maybe customer communication, lot of that will be done in India through hybrid. And I think important factor for all of us to understand is when we create a lab in a country like we have done in India as a spoke.

You know, forget about a country, even in India when we are in Mumbai, if we go to say Hyderabad and we open a smaller lab, it gives tremendous confidence to a dentist where if they have rush cases, you know, something that is urgent, if they have cases where they may need an urgent intervention, they may need something which has to be fixed very quickly and cannot even travel to Mumbai. So that sort of facility a dentist really appreciates, and it only enhances our wallet share with them once we do this.

So that's the same strategy in different parts of the world where if we are receiving business today of only outsourcing, and if we go to that country and establish a domestic center, they're very happy to engage with us and be our dentist or our customer for the domestic lab as well, or the domestic setup like I said. And when I mean lab, you know, I'm still clarifying that the lab will produce everything that we have, whether it's aligners, retainers, zirconia, anything and

everything that can -- that is the most automated piece of our manufacturing. Anything which is too labor-intensive will still be done in India.

Akshay Thakur: Thank you, thank you for the answer. I'll get back in queue.

Moderator: Thank you. The next question is from the line of Priyank Parekh from Singularity Asset Management Company. Please go ahead.

Priyank Parekh: Yes, thanks for the opportunity. Hello?

Sameer Merchant: Yes, you're audible.

Priyank Parekh: Yes, thanks. So I wanted to understand on the economics and the configuration of our new lab that we are planning. Will this lab produce everything starting from the sheets and input material to the finished aligners, or it would be more focused towards the finished products or finished products itself?

Sameer Merchant: Yes, I think it's a good question. So whatever we do in that country, it's going to be for finished products. See, anything which is standardized -- I'm not sure if you have visited our facility, but to manufacture sheet, we have 50,000 square feet facility and it's a standard product. So for anything which is standard, we at least at this point in time, we don't need multiple setups across the world to produce standard.

We are capable to producing enough here in India and supply across the world. What we are talking of the lab which will deal majority, I would say, in zirconia crowns and aligner retainers are finished products. And even in that, like we explained, it's going to be more hybrid process. Anything which can be done through digital will be done in India, and the thing that will need physical intervention will be done in that respective country.

Priyank Parekh: Okay, understood. And what sort of capacity we are planning here in terms of if we see today's sales of our aligners, would it be catering to all the sales and we would have some spare capacity, or how we should look at this?

Sameer Merchant: So I think the way to look at it, in India, we can build capacity very fast. We are constantly, if you see in terms of aligners, we have enough capacity to expand the place as well to expand. International, like I said, we are just updating people that this is part of our midterm to long-term strategy.

As and when we plan, we will come back to shareholders and give them the details about what's the capacity out there, what's the size over there, what's the intention to build, what could be the market size over there for the domestic business. So we will share those details, when the time is right. For now, I think the strategy for everyone to understand is that we will plan something like that in the future.

Priyank Parekh: No, so I am asking about the new plant that we are planning the capacity out there?

Sameer Merchant: Correct. So the new plant that we are planning, the capacity over there, I would say let's focus on the size first because we have still not acquired the land. It's still in process. Once we have it,

once we start constructing, that's when we'll start getting into more details because once we install semi-automation there, we will calculate a lot of things.

But in terms of just sheer size, we could build somewhere around 1.25 to 1.5 lakh square feet. Which as per the current that we have is between, say, 35,000 to 40,000 square feet. So we are almost 3x or 3.5x in terms of size for the new capacity lab that we are planning in India.

Priyank Parekh: Okay, so if we are expanding this big, are we planning to sell to other aligners as well, the product that we are going to make?

Sameer Merchant: Not in India. In India, we will sell it with our own brand. You know, we have Illusion Aligners, we have Kareena as a brand ambassador. In India, the focus is very clear that we will sell under our own brand only. We don't intend to do any white labeling for anyone.

Priyank Parekh: Yes, fine. Okay, I'll join back the queue. Thank you.

Sameer Merchant: Thank You so much.

Moderator: Thank you. The next question is from the line of Bhavya Shah from Wallfort Funds. Please go ahead.

Bhavya Shah: So good morning, Sameer ji. Thank you for this opportunity to ask the question. I would like to see some data on, sir, how many touch points we have increased in terms of dental clinics that we are catering to over the last 1 or 2 years, and what kind of revenue share increase we have seen per clinic?

Sameer Merchant: Morning, Bhavya.

Bhavya Shah: Good morning.

Sameer Merchant: I think on that, whenever we are communicating, we are trying to explain people there are 2 aspects for everyone to understand for India. Aspect one is for us to take our network as digital as possible. That's our priority currently, where we have reached 78%, and we have been candid saying that we want to be at 90%-95% so that in a Layman's language, which I have explained in the past, is we are running an ATM and a cashier in our manufacturing facility. So our goal is to eliminate the cashier and go towards an ATM. So that's our current priority.

Now in terms of reaching out to the number of clinics, Yes, so we have added a certain, but like I said, our majority focus is digitizing them and not towards increasing. So the current KPI or the KRA for salesperson is to make sure that they're digital. And one of the aspects that we are doing is by increasing the wallet share per dentist is our hub-and-spoke model.

So where as a hub, you know, sitting in Mumbai, say a dentist from Delhi is giving us X amount of business, but if we are giving him the opportunity to have a lab in Delhi as well, which is us, then the wallet share increases because he feels the comfort of working with 2 labs.

Already majority of the dentists, they work with 2 labs. So if we are the 2 labs, then it gives more comfort to them because the billing is single. There's, you know, their key opinion or the

point of contact that they have, the key account manager, is one. So it's much more simpler. So that's the current strategy right now.

I think expanding the footprint, adding more dentists, probably will come in next financial year once we reach our target of digitizing majority of our network then I think that foundation will be built where we will start adding more and more dentists. But even if we keep adding more and more dentists, it's important that we will only focus on the digital dentists or people who are adopting our scanner deployment with the campaigns that we are running right now.

Bhavya Shah: Yes. So, thank you for that answer. So would it be possible for you to throw a light and how our wallet share has grown vis-à-vis per clinic that we are catering to. Would that be possible for you to explain?

Sameer Merchant: So right now, as I said, I can't give you granular details, but we have internal our dashboards and stuff for us to see how we are increasing the dentist since once we have the hub and spoke model. So if you open a spoke in a certain city, we are clearly seeing a trend where the same dentist, the same store, like you say, in-store growth. We are seeing the same dentist increasing his or her wallet share.

Bhavya Shah: Okay, fair enough. I'll get back to the queue.

Sameer Merchant: Thank you so much.

Bhavya Shah: Thank you. Thank you.

Moderator: Thank you. Just a reminder to all the participants to press star and one on their touchstone telephone for more questions. The next question is from the line of Varth Sanghavi from DYDX Advisors. Please go ahead.

Varth Sanghavi: Hello, am I audible?

Moderator: Yes, sir, you're audible.

Sameer Merchant: Yes, you are Varth.

Varth Sanghavi: Congratulations on the good set of number sir. I have a couple of questions.

Moderator: Sorry to interrupt, Mr. Sanghavi. you're sounding very distant from the microphone.

Varth Sanghavi: Hello. Am I audible now?

Moderator: Yes sir please, proceed now

Varth Sanghavi: So I have a couple of questions. First is, if we see H1 FY27 Kids-e-Dental revenue grow approximately 33% while a share of profits from JV decline by 35%. So are there any one-off in this and margins have been contracted in Kids-e-Dental?

Sameer Merchant: So neither there is a one-off, neither there is a margin contraction. We were having a startup for last 3 years, which is now -- startup benefit can be available for 3 years only, which is now not there. So we are paying regular tax on it. So that's why you are seeing a drop in terms of shares. There is nothing else which has changed.

Varth Sanghavi: This is a taxation impact, right?

Sameer Merchant: Correct, Right yes.

Varth Sanghavi: Second thing is, now as a company, management plans to deploy scanners under a subscription model instead of a sale to the dentist. So how will this subscription will be structured? Will the pricing will be structured? And what payback period is expected on the investment?

Sameer Merchant: So currently what we have launched is something called as Pink Revolution, you know, if you follow our social media, we have launched for women in dentistry to start with, and soon we should have a Blue Revolution, hopefully on the men's day. So that's the plan right now.

In terms of the current subscription model, it's INR50,000 in terms of deposit, and it's INR3,000 plus GST in terms of subscription per month till the time the customer wishes to use the scanner. And we are only giving the scanner, the laptop is purchased and owned by the dentist themselves. And then there is a commitment of 25,000 business per month by them. So that way, you know, we're increasing the stickiness so that they give us the business because now we are the owner of the scanner, they are still not the owners.

And at the same time, this makes the product more affordable in terms of for them to invest, because right now, just apart from the scanners, I think which we mentioned, the laptop pricings are going over the roof, which we all know. It's not like hidden parts. You know me know, everybody knows that the cost of laptop is going very high. And for a scanner to operate, you need a very high-end laptop, which previously used to be in the range of like 1 lakh, and now it's almost close to 2 lakhs. So the laptop pricing has gone up a lot.

So that is why we came up with the thought of creating a subscription model, which is also in the midterm to long-term interest of the company, that if we are able to deploy X number of scanners which will give us 3 lakh business a year, then that's like an additional revenue which we are generating, which is assured. And at the same time, we have clearly seen that when we do something like this, the dentist doesn't stop at 25,000. 25,000 is just a base threshold. We have dentists who are also giving us maybe 1 lakh, 1.5, or 2 lakh of business per month by having the scanner.

So we are very positive that once the scanner is deployed with any dentist -- and you know, if you ask any dentist that once you have the scanner, will your practice grow? And I would say unanimous, 100% of them will say yes, this is a very good growth builder for the practice. So we are very positive about our initiative, and we'll keep everyone posted as and when things pan out.

Varth Sanghavi: Okay. And the last question is, how sales have grown, basically in cities after introducing hub and spoke model compared to the pre-implementation period? Like last time we met, then introduced a spoke in Surat, right, you said.

Sameer Merchant: Yes.

Varth Sanghavi: So how basically sales have grown in the cities where we added a spoke?

Sameer Merchant: So it has grown well, if I understood the question. So city by city, as we are adding spoke, you know, as the spoke will mature, it will have a bamboo tree kind of an effect where if this --what we have clearly seen, if the spoke is 3 months old, there is X amount of growth. Once it from 6 months, there's X amount of growth, and majority of us spoke are within that 1 to 3 months. I think only 1 or 2 are beyond 3 months.

So we are seeing a very, very positive trend. So if you see, last quarter we grew, say, domestic by single digit, and this quarter is 15%, and we are hoping and we are very confident that we will see more and more over the next quarters.

Varth Sanghavi: Okay, thank you. I'll get back in the queue.

Sameer Merchant Thank you so much.

Moderator: Thank you. Anyone who wishes to ask a questions may press star and one on their touchstone telephone. The next question is from the line of Vinay from Pareto Capital Limited. Please go ahead.

Vinay: Yes, hi, good morning everyone. So my question is largely around the aligner business. Can we understand more on the aligners that how much sale is coming from direct, maybe the finished product versus the certain SKUs which we are selling to B2B or maybe to the lab?

Sameer Merchant: We had given a split. So if you see on Slide Number 8, there is a split where the aligner solutions, where it's almost like a 50-50 or 55-45 kind of split that we have. So in the aligner, we have done 13.2 crores. And in the B2B business, which we sell the raw material to India and international, majority is international, it's about 11.5 crores.

Vinay: Got it. And on the finished side, which is B2C, how is average realization over there?

Sameer Merchant: So, I think we have about good, good realization. Probably in terms of number, I can tell you slightly later because that's still an internal information. But its pretty good. So we are seeing a good.

Vinay: Okay. And as a strategy, the focus is more reaching out direct to the consumer, or we want to be focused more through labs or maybe the clinic?

Sameer Merchant: So we are very, very clear in our strategy that we are a B2B2C company where we educate the patient, but our last message in every communication is ask your dentist, because we truly believe that if it is controlled by a dentist, then the efficacy of the treatment is much, much, much higher than if it's done direct.

Vinay: Got it. And any insight on the margin drivers? I think it moves from a pretty decent move from last year versus this year. What is the major contributor to that?

Sameer Merchant: I think we, we have done well on a lot of aspects. It's not just one aspect, and we are very confident that we will keep working on multiple aspects, whether it's product mix whether it's the digitization effort, whether it's operational efficiency that we are building, and whether it's AI-led initiatives that we are adding. All of this is contributing to this, and as and when we move forward with more and more initiatives, we are very confident that things will only do better.

Vinay: And current Aligner is 100% in-house, right, in terms of manufacturing?

Sameer Merchant: Yes, everything we manufacture. We are not, third-party thing. So whether it's the sheets, you know, and we encourage anyone and everyone who would like to visit our facility, those who have, they can clearly see that everything that we do is we manufacture it ourselves.

Vinay: Got it. And more on the landscape currently, I think aligners, there are handful of brands who are trying to capture the market, right? There are some international, there are Indian brand as well. So in terms of landscape, where we see ourselves and what is your anticipation in terms of getting more business on the aligner or of the overall TAM, if I can understand more on the possibility, how it can be, how big it can become in next 3 to 5 years?

Sameer Merchant: So I think in terms of, see the landscape has always been there, like, you know, we have seen the landscape in dental labs since last probably 36 years of our existence. So even in aligner, it's not unexpected that the landscape will be there. It probably some years it may be more aggressive based on certain, you know, people getting funded, and but it will all rationalize pretty soon. So we feel in the next 2, 3, 4, 5 years it is going to rationalize.

There are going to be top 1, 2, 3, 4 players and we are definitely going to be among them. What number it will be, time will tell. Our aspiration is always to be the number one, but we feel that the trust factor on an aligner case for a dentist is very, very important. While some small things may happen here and there, eventually any dental treatment or any dental product, it's a matter of trust. And that's what we have been able to build so far for last 36 years.

So we don't see that as a challenge on a mid to long term. Yes, maybe 1 or 2 quarters, sometimes there could be certain situations, but we are experienced enough to manage and navigate and keep working towards our midterm to long-term goals. And also, just on, on one side note, you know, they are here in India, we are selling aligners in multiple countries across the world. So when we create those labs in different parts of the world, whether it's US, UK, Europe, We are going to sell aligners in those territories as well.

Vinay: Got it. Understood. Thank you. I will join back the queue.

Moderator: Thank you. The next question is from the line of Sanjay Chawla, an Individual Investor. Please go ahead.

Sanjay Chawla: Hi, good morning. Thank you for the opportunity. Congratulations on a good set of results. I'll start with a couple of housekeeping questions. You know, your international growth has been

quite strong in rupee terms of course. Can you give a sense of what has been the trend in the constant currency growth, Y-o-Y, basically this quarter and last couple of quarters as well?

Sameer Merchant: Sure, I would say, Sanjay-ji, it's in the range of maybe say 8% to 10%, depends on which month or the realization comes in. Like dollar is fluctuating a lot, But I would say that could be the range.

Sanjay Chawla: And that has been sort of range-bound, 8% to 10% Y-o-Y growth, constant currency?

Sameer Merchant: I'm not -- it may not be constant. Like I said, it just depends on a few aspects.

Sanjay Chawla: So I mean, I would actually request you to sort of -- if you can provide this on a consistent basis, because the rupee is high and fluctuates a lot. So strip out your currency impact and give a sense of your underlying business. It would really help?

Sameer Merchant: Sure, definitely.

Sanjay Chawla: Yes. And your gross margin sort of fluctuate a lot because of the scanner mix. What has been on an excluding scanner basis, what has been the gross margin this quarter and how has it moved on a Q-on-Q, Y-o-Y basis?

Sameer Merchant: So excluding the scanner, we are in the range of say 77% -- 76.9% to be precise, but 77%, and that has been historically, it's been in that range, 75% to 77% is, is the range depending upon the product mix that we have.

Sanjay Chawla: Okay. And just the last bit on that. What sort of explains this quarter-on-quarter gross margin decline?

Sameer Merchant: Decline?

Sanjay Chawla: In the gross margin.

Sameer Merchant: No, gross margin, there is no decline. In fact, there is an increase in gross margin this quarter as compared to last quarter and also Y-o-Y as well.

Sanjay Chawla: Okay. Maybe I'll just redo the numbers. I thought the gross margin are down. Okay. And you know now, just following up on margin-related questions. What are sort of margin headwinds and tailwinds that you see over the medium term, let's say, in terms of big picture?

Sameer Merchant: So I think the big picture is, if you see our P&L, people is one of the area where there is cost. But like I said, they have been important in terms of scaling the operations right now and also in the future as we adopt a lot of AI automation. These are the people who will be really impactful in terms of driving growth as well.

So I think the future formula is very simple. We drive sales. We control the cost of people. Because apart from that, more or less everything is under control. It's like a tap, you know. So if you have to do more marketing, we can always control the marketing spend. In terms of gross margins, it's pretty stable right now, so we don't expect that to change much. And the only area

that we can constantly improve is the processes and the people efficiency through semi-automation, AI, and a lot of product mix as well. So that's the medium to long-term strategy.

Sanjay Chawla: Okay. So you're indicating gross margins are sort of at a near optimal level already?

Sameer Merchant: I would say there is a chance to improve, but like, 77 may not become 85 or 90. You know, it's not going to happen in that range. 77 could become 78, 79, maybe borderline 80. So there could be some improvement there, but majority will come from people and process. Like you see, you know, our scanners went down, we started doing business, we are at like 19% in terms of margins.

So as soon as this scales up even more, our people cost remain similar. And once we have, say, the newer setup, we adopt newer automation, AI, that cost will be not proportionate. So our people cost will not grow in the same percentage of our growth, but it will always grow slower, and that is where the margin contribution will start happening even further.

Sanjay Chawla: Understood. You talked about the subscription model. I'm wondering if you've done any sort of pilots of this model and what might have -- what has been your experience?

Sameer Merchant: It's good. In fact, we did a pilot and then we went live with that, I would say about just 3 weeks back, and it has given tremendous response. We have seen wonderful response to this initiative where, see, people want to go digital, correct? If you ask any dentist, do they wish to go digital, their answer is always yes. It's not that they don't want digital dentistry. Everybody wants digital.

It's convenient for a patient. It's so convenient for a dentist. But cost was one of the hindrance for all of them. And in fact, last year when we did very well by about 1,000 scanners, this year one of the hurdles came in laptop where the laptop price just doubled. So dentist starts thinking that there is no rush for a dentist to go digital. They want to do it, but they are not going to do it if the cost is high.

So we kind of came up with a model where even if the cost of the laptop is slightly higher if the scanner can be under subscription, then it becomes still a smaller adoption. So instead of, say, before the dentist had to spend 4.2 lakhs or 4.4 lakhs last year, then it became 5.2 lakhs or 5.4 lakhs, this year with our subscription, it's like 2.5 lakhs. So they can spend 1.6 to 1.2 lakhs for a laptop, 50,000 deposit, and they can go digital. They can start the digital initiative. And there's a lot of good payback for them.

You know, the opex cost reduces, the cost of impression that they're taking physically goes down, the growth part becomes better because if you come in as a patient, they are giving you a 3D consultation versus a standard consultation. Then in terms of speed, it's faster. Suppose you want to just scan and send it to your dental lab, it just takes 5 minutes for them to send. So there are so many benefits of going digital, which we are sure, you know, in the next 2 to 3 years, this will do very well.

Sanjay Chawla: In terms of -- specifically in terms of scalability of this, you have a certain volume of scanner sales, but compared to that volume, what could be the volume of the scanners seeded through the subscription model if you on a going forward basis relative scale?

Sameer Merchant: Yes, right now the trends are early, but we believe that we could deploy much more than what we have sold in the past.

Sanjay Chawla: No, I'm saying on a flow basis, like a quarter or annual basis, you've been selling a certain number of scanners, ideally less than 1,000?

Sameer Merchant: I know, last year we were at about 250 per quarter in terms of run rate. This year we have hardly sold 215 in probably 6 months' time or even lesser. But like I said, it's only been 2 weeks that we have launched the subscription campaign. We have, without giving you a specific number, we have few thousand leads which we have received.

So we are just evaluating how it moves forward. Maybe next quarter when we do a call, we should be able to give you some good number in terms of how much we were able to deploy in a quarter. Because this is still started like end of October and still Diwali coming up for the next 4 days. So we are seeing that people are preferring to take the deployment post-Diwali.

Sanjay Chawla: Right. And just last question.

Moderator: Sorry to interrupt, Mr. Chawla. I'd request you to join back the queue for more follow-up questions.

Sanjay Chawla: Happy to go back. Thank you.

Moderator: The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services Limited. Please go ahead.

Tushar Manudhane: Thanks for the opportunity, sir. Just on this scanner, just to conclude one aspect here. Is there a flexibility for us to move the scanner from one dentist to another considering or studying their pattern in terms of the patient flow?

Sameer Merchant: Hi, Tushar.

Tushar Manudhane: Or the scanner will be stationed completely at a particular dentist place?

Sameer Merchant: So there will be 2 models, Tushar. Model 1 is where we are -- if the dentist gives you a deposit, if the dentist is paying the subscription, and if the dentist is committing to the volume that they have committed, the scanner remains with the dentist. If the dentist is not able to give us the appropriate business, say, in a month, then sales team will go and meet. Hey, hi doc, you know, you were not able to do enough.

He may say, I was not well, I was out on holiday, don't worry, this month it should be fine. If the number is fine, everyone's happy. Suppose this happens for 2 months, then since we are still the owners of the scanner, we will take, back the scanner and we will deploy at some other dentist.

Tushar Manudhane: Got it, sir. And lastly, like, I presume there would be certain limitation because now that investment is going to sit on the balance sheet of Laxmi Dental. So while, from a doctor's point of view, it would be beneficial as the capital moves from his pocket to now LaxmiDental's

pocket. So which is where there would be certain limitation in terms of number of scanners that could be deployed.

So from that perspective, if you could show in terms of like how many scanners you intend to put up on the subscription basis, and what happens to someone who have recently bought, is there a flexibility for him to get into subscription? Because the word will spread, and so the other dentist would also demand a similar model from you. Then how, how are you going to look for that factor?

Sameer Merchant: So I think even it's been out since last 2.5 weeks, we have not received any response from anyone who says, I own the scanner now, I want to move to subscription. Because anyone who wants to own, even during this campaign of subscription, Tushar, for last 2.5 weeks, we have still sold almost 14 scanners. So there are still dentists who may say, no, no, I don't want this restriction of giving you business, because these are lock scanners that we are giving. These are not open scanners.

So they may feel that, no, no, I'll give deposit, give rent, give subscription, get lock scanner, then I'll rather buy. So we are still selling. So in fact this has also increased both scenarios where the adoption is increasing through deployment and also it's creating some sales funnel for us for people who want to buy the scanners as well. So we don't see that as a challenge at all.

And now your question to how many number. You know, more the merrier. If we can deploy more, because their subscription is taking care of the depreciation that we have, and the ROI period of deploying the scanner is very, very quick. So we can really, really improve a lot of parameters if we are able to deploy a lot. If we deploy 1,000, that's like almost, if you see, per month 25,000 into 1,000, that's the amount of 2.5 crores of the business that is coming to us.

Tushar Manudhane: Got it. And is there any competitor who would be doing such kind of subscription-based scanner setup for dentists?

Sameer Merchant: Right now we don't know. We haven't seen because we just started 2 weeks back. If people will come and copy, don't know right now. But even if they do, I don't think it's going to be a lot of players because it's not easy. You have to build a lot of tech around it. You have to have a lot of skill set in terms of how you deploy this, how you manage the subscription, how you manage the log scanner updates.

So it's not easy. So there could be -- and I'm saying it'll still be good. If this happens like you and me have discussed in the past and I've explained to many of them that this will only take business away from the unorganized player because they may not be able to offer it.

Tushar Manudhane: Got it. Thanks a lot. That's it.

Sameer Merchant: Thank you, Tushar.

Moderator: Thank you. Thank you. The next question is from the line of Priyank Parekh from Singularity Asset Management Company. Please go ahead.

Priyank Parekh: Yes, thanks for the opportunity again. First, I want to understand on our margin moment. The margin improvement that we have seen over the time, especially in the aligner segment. How would we attribute this to the better realization versus the better efficiency? Directionally, if you can give a sense on the realization.

Sameer Merchant: Sure. So I think it's a mix of both. I would not put it on one. So it is realization as well as efficiency as well. And in the future, like I said, majority will come from efficiency. Only I would say a minor portion will come from either realization or the COGS. Majority aspect of a business will rely on how much efficiency we can build in terms of people and processes.

Priyank Parekh: Okay. And what sort of quarterly run rate of new cases we are seeing? So I know the annual number, but what sort of quarterly run rate we can assume?

Sameer Merchant: So whatever you have seen this quarter, I would say majority of the increase is happening through volume. So if next quarter, say, we are X percentage in terms of growth, that 90% of that is driven through volume.

Priyank Parekh: In terms of number of cases, I am asking?

Sameer Merchant: So number of cases, just so I think we have internally, but that's not something that we usually share out because those are internal numbers.

Priyank Parekh: Understood.

Sameer Merchant: But again, if there is something that you would like, you can definitely get in touch with SGA. We are happy to do a call and give you some aspect of it.

Priyank Parekh: Yes, sure. Thank you.

Sameer Merchant: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Rajesh Khakhar: Thank you. With this, I conclude the call. If you have any further queries, please contact SGA, our Investor Relations Advisor. Thank you everyone for joining us today on this earnings call. Thank you.

Dharmesh Dattani:. Thank you.

Moderator: Thank you. On behalf of Laxmi Dental Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.