November 03, 2026

To,
National Stock Exchange of India Limited
Symbol – Symphony

To,
BSE Limited
Security Code – 517385

Sub.: Transcript of the earnings conference call of Q2FY27

Dear Sir/ Madam,

We are submitting herewith the transcript of the earnings conference call for the second quarter and half year ended September 30, 2026, conducted on October 29, 2026.

The above information is also available on the website of company at www.symphonylimited.com/quarterly-results.

This is in due compliance of applicable regulations of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours Truly,
For, Symphony Limited
Mayur Chimanbhai Barvadiya
Digitally signed by Mayur Chimanbhai Barvadiya
Date: 2026.11.03 15:15:01 +05'30'

Mayur Barvadiya
Company Secretary and Head – Legal (VP)

Encl.: as above

"Symphony Limited
Q2 FY27 Earnings Conference Call"

October 29, 2027

MANAGEMENT: **MR. ACHAL BAKERI –CHAIRMAN AND MANAGING DIRECTOR – SYMPHONY LIMITED**
MR. NRUPESH SHAH – MANAGING DIRECTOR (CORPORATE AFFAIRS) – SYMPHONY LIMITED
MR. RAJESH MISHRA – CHIEF GROWTH OFFICER – SYMPHONY LIMITED

MODERATOR: **MR. RABINDRA NATH NAYAK – NIRMAL BANG INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Symphony Limited Q2 FY27 Earnings Conference Call hosted by Nirmal Bang Equities Pvt. Ltd.

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 and zero on your touch-tone phone. I now hand over the conference over to Mr. Rabindra Nath Nayak from Nirmal Bang Equities Pvt. Ltd.

Thank you and over to you, sir.

Rabindra Nath Nayak: Thank you, Ma'am. On behalf of Nirmal Bang Institutional Equities, I extend a warm welcome to everyone joining us for the Q2 Earnings Conference Call of Symphony Limited. I also thank the Management for giving us an opportunity to host this call.

We are pleased to have with us the Senior Management Team of Symphony, represented by Mr. Achal Bakeri, Founder, Chairman & Managing Director; Mr. Nrupesh Shah, Managing Director (Corporate Affairs); and Mr. Rajesh Mishra, Chief Growth Officer.

The Management will begin with an overview of the company's quarterly performance with a corporate presentation, following which we will open the floor for an interactive question-answer session.

Without taking much time, I would now like to hand over the call to Mr. Achal Bakeri for his opening remarks. Over to you, sir. Thank you.

Achal Bakeri: Thank you, Rabindra. And welcome to all the participants for this Q2 Symphony Earnings Call. This is Achal Bakeri.

Our standard safe harbor statement applies. Our Managing Director (Corporate Affairs), Mr. Nrupesh Shah will be making a presentation. And post that, we will all be here to take your questions.

Thank you very much. And over to Nrupesh Shah.

Nrupesh Shah: Hello, welcome to Q2 and H1 FY27 Earnings Conference Call.

So, there are three parts of the presentation. Performance Highlights, as announced earlier, Launch of New Products and details about that, and then Annexures.

So, about the performance highlights:

Overseas subsidiaries as a whole have registered robust consolidated performance. There has been a measured strategic India revenue growth. And despite cost pressure, there is EBITDA margin expansion on account of operating leverage and cost discipline.

So, as far as consol revenue is concerned for September quarter, it stands at ₹275 crores versus ₹210 crores registering top line growth of 31%. EBITDA up from ₹13 to ₹36 crores and PAT up from ₹17 to ₹24 crores. Because when there is a movement from EBITDA to PAT, at a PAT level, there are various other components also. So, if we look at the PAT bridge, it shows that at a consol level, the PAT is up from ₹5 crores to ₹17 crores and remaining difference is on account of FOREX fluctuation, treasury income and exceptional gain. So, that has been highlighted and shared in the presentation.

So, as far as Item #3, Beyond India Summer Products (BISP) on a consolidated basis, it contributed ₹625 crores of top line. As conveyed earlier and on a consol basis, BISP constitutes of all products and geography sales, which is not dependent on India Summer. So, basically, this is the de-risking from India Summer and that now constitutes 51% of top line on a consol basis, which includes LSV, Geyser, Tabletop Fan, exports from India, as well as sales in foreign countries by our overseas subsidiaries. EBITDA across BISP in all is now in high-single digit percentage. So, even though many of these new product categories were launched in last three years, individually each of the product category EBITDA wise is positive and all in all put together on a consol basis, it is in high single digit percentage, which in a medium term has a potential to improve further. So, BISP is certainly EBITDA and PAT accretive, consuming minimum capital employed and obviously reducing Indian seasonality.

EBITDA margin expansion as conveyed earlier, despite on a consol basis due to input cost pressure gross margin is lower by about 4%, but EBITDA margin percentage stands at 13% vis-a-vis 6.4%, one on account of operating leverage and secondly, on account of cost discipline and product mix.

Today, Board of Directors have declared second interim dividend of ₹2 per share on a face value of ₹2. In all, the payout will be about ₹13 crores. This is in addition to interim dividend of ₹1 announced post-June quarter, in all ₹3 and close to ₹21 crores of payout so far.

On a standalone basis, the revenue stands at ₹170 crores vis-à-vis ₹155 crores, EBITDA at ₹ 30 crores versus ₹27 crores and PAT at ₹29 crores. So, as stated in the second table of PAT bridge, PAT is up from ₹18 crores to ₹20 crores representing a pure business PAT and remaining components last year and current year comprises of Forex, Treasury / other income and Exceptional Gain.

And on a standalone basis, BISP products have contributed in all ₹192 crores of top line in trailing 12 months, that is 24% and BISP as a whole, EBITDA is around 10% and each component of the BISP category even on a standalone basis is also EBITDA positive and accretive with minimum capital employment.

Also, would like to share that another channel of sales which is D2C which was nurtured over a period of last 4 to 5 years is not only generating decent contribution and gross margin but it is EBITDA positive in line with our traditional channel, in fact more than that and obviously also at a PAT level it is in line with that.

And later on, we will also cover our progression towards calibrated launch of new product categories, i.e. room air conditioners, BLDC ceiling fans and air purifiers in current quarter. And before we move forward, I would like to highlight that on a standalone basis, even though gross margin percentage is down by about 2.3%, the EBITDA margin has been almost maintained.

As far as first 6 months are concerned, on a consol basis, revenue stands at ₹653 crores up by 17%, EBITDA at ₹83 crores versus ₹51 crores and PAT at ₹64 crores versus ₹59 crores. So, on a consol basis, business PAT is up from ₹ 31 crores to ₹ 49 crores.

And on a standalone basis, revenue stands at ₹411 crores versus ₹384 crores, while PAT at ₹57 crores versus ₹65 crores, but here if you look at PAT bridge, business PAT during 6 months is higher than previous year. The differential is purely on account of other components.

And here we have taken trailing 12-month financials because if you remember in March'26, we took one-time impairment and hence capital employed and related aspects are more relevant on TTM basis which as on 30th September on a consol basis stands at ₹104 crores versus ₹322 crores translating into ROCE percentage i.e. PBIT by capital employed (core capital) 143% versus 57% and return on net worth at 20%. While on a standalone basis, it is a negative capital employed during first 6 months and hence in a way academically it is an infinite ROCE and return on net worth of 21%, while Treasury now stands at ₹468 crores after repaying most of the loans and borrowings availed in Australia.

So, about the new product category, we are very happy to share with you, we are entering into these three new product categories – room air conditioners, BLDC fans and air purifiers to strengthen the BISP.

So, these are images of room air conditioner, and similarly BLDC ceiling fan in all about 7 models, and air purifier to start with 2 models. So, the basic rationale of launching new categories is brand and portfolio adjacency because it is a natural extension of Symphony's cooling and comfort franchise. So, with this, we will complete our presence in all the components of cooling pyramid starting from fan to air cooler to air conditioner that is number 1.

Point no 2, until now as far as our trade channel was concerned, they had an opportunity to interact and sell to the consumers only during season that is about 2 months of summer. With this, trade channel interaction, sale to the consumer, and hence Symphony's interaction as well as engagement with the trade channel will be round the year.

As far as our current trade channel network is concerned, it is absolutely befitting and complimentary to this and hence this will supplement to it and we expect that because of this, it will have a spillover beneficial effect on our evaporative air coolers also, and these products have been launched more because trade channel was since long looking forward and expecting from Symphony the products which they can sell around the year and obviously we will leverage on our brand as well as consumer pool.

Just like our existing business, here also, we will continue following absolutely asset-light operating models. There will be outsourced business model, and as far as air conditioners and BLDC ceiling fans are concerned, there will be zero CAPEX. In air purifier, down the line, there may be a small amount of CAPEX.

Our existing cost base and manpower will remain as it is. We will leverage our existing sales and marketing team as well as service franchise. Even otherwise also, service franchise works absolutely on variable cost model and we will maintain our working capital discipline as we have done so far and we do not target to be in top three players, we are targeting adding to the kitty of top line and EBIDTA and hence we will have measured brand investment more to have really a spillover effect, and we will also be in a position to explore our D2C channel which is generating decent traffic. So, ultimately these two will be EBITDA accretive, profitability-led scaling model and will add to BISP category substantially.

Achal Bakeri: All right we are here to take questions if you wish.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. First question is from the line of Bhavya Gandhi from Bajaj Alternate Investment Management. Please go ahead.

Bhavya Gandhi: Yes. Hi, sir. Thanks for the opportunity. We just wanted to understand for the new product launches that is there in December quarter, will there be some sort of upfront OPEX or marketing spends or distribution spends, at least if you can highlight on that front?

Achal Bakeri: As mentioned earlier in the presentation by Nrupesh Shah, there will be no CAPEX in the new products. At this time, there will also be no OPEX incurred specifically for the new products. The existing team will be the same that will sell these products. We also don't expect to sort of invest in advertising at this time in this quarter. So, we really don't envisage any sort of OPEX or CAPEX going forward.

Bhavya Gandhi: Sir, any broad estimate how big this can be over the next few years, at least some initial targets that you would have set internally?

Achal Bakeri: We are taking baby steps in these segments. As explained, we really have no delusions of grandeur. We do not think that we will really be amongst the top players in the country. We are

going to grow these categories cautiously so that they remain EBITDA accretive. At this moment, we really do not have a specific number that we can share.

Bhavya Gandhi: Sure. Thank you so much. That is it from my end.

Moderator: Thank you. Next question is from the line of Haider Kachwalla from YES Securities. Please go ahead.

Haider Kachwalla: Hello, sir. This is Haider from YES Securities. As the previous participant asked, you are not suggesting that there will be no increase in ad spends for the new three product lines. There must be something, right? How will you show that you have launched three products? Can you just guide on what would the ad spends be going ahead as the product launches?

Achal Bakeri: The question was for the quarter. We do not envisage any ad spend or launch expenses in the current quarter. Maybe come summer, we may spend something on these products. Like I said, it will be a very measured investment in brand building, not so much that it does not remain EBITDA accretive.

Haider Kachwalla: Okay. Understood. Sir, and also if you could just provide a broad strategy on where would you like to see yourself with these three products? I understand that you are not targeting to be number one, number two, or number three player. Even a broader strategy on how you would be able to scale these brands so that they can show in the top line and be margin accretive at the same time.

Nrupesh Shah: Okay. What we can guide you, say in last three years, we came out with three new products. One is a tabletop fan, second is geyser, and before that, LSV. In these categories, as we saw on a standalone basis, of course, including exports, top line is about ₹192 crores, but EBITDA is 10%. It means each of the categories does not contribute significantly or substantially in top line, but EBITDA was still accretive and still we successfully diversified the dealer distribution network, which in this case may not require much. Still, we had a decent advertisement and sales promotion expenses. In fact, for LSV, we have a separate team altogether. In all that respect, in this category, it will be even more cost optimization by using the same team, almost same cost structure. It may not be like in foreseeable future, this category may contribute top line-wise, something like what air coolers or rest of the categories currently contribute. It may be in the long term.

Haider Kachwalla: Okay. Understood. Sir, the reason I asked this question is because you are not targeting to be the top player. You are targeting something that is more accretive to your income statement. But as you are seeing in current times, even the top players are struggling to maintain their margins in the RAC segment. I was just wondering that how would a new entrant, especially in such a competitive environment, look to scale their income statement with these categories. That is just the thinking behind my question.

Achal Bakeri: Understood. But the major players also have their captive manufacturing, which is probably why, again, I cannot say for sure, but that is probably why they may not be EBITDA positive, some of them. In our case, this is going to be purely a variable cost business model. We will just spend enough to sort of grow the business and see where it goes.

Nrupesh Shah: As articulated earlier, the main objective is what is happening currently, our trade partners sell to the consumers only during 2-3 months during the year, even though we as a company sell to them around the year. This will give us an opportunity and also to the trade partners to engage with Symphony brand, Symphony products around the year, which will have certainly a spillover effect on the main business i.e. the air cooler. Secondly, on our website and D2C, which is in public domain, we generate huge traffic and conversion ratio is good. That will also enable us to sell these products through them. Essentially that is the purpose. And number 2, so far in cooling pyramid, we were only in the middle component. With this, our presence will be across the pyramid. Bottom is fan, then air cooler, and then air conditioner.

Achal Bakeri: Every home requires all three products. Our customers, those who buy coolers from us, also are customers for the other two categories. There would be a significant amount of brand spillover onto the other categories. We believe that with our approach, we should be able to grow the top line and the bottom line and the EBITDA over time.

Haider Kachwalla: Okay, understood. Thank you, sir. That is it from my side.

Moderator: Thank you. Next question is from the line of Shraddha Kapadia from SMIFS. Please go ahead.

Shraddha Kapadia: So, congratulations on good set of numbers. If we take a look, the management has highlighted calibrated channel inventory buildup amidst the elevated cost input and focus on the inventory economics. If you could just help us understand the current company and the channel level inventory.

Achal Bakeri: In the previous quarter, which is in the June quarter, where there was significant demand, we deliberately made sure that our company's inventory was consumed as well as channel inventory was consumed. We also did some sort of transfer of inventory amongst channel partners. The objective was that even if the company sales is forsaken in the short term, but the channel inventory is normalized. That has, to a great degree, been achieved. There would always be in a large country like India, there would always be pockets with some sort of inventory more than desired. But to a great degree, our channel normalization endeavor has been successful. So, at the end of the previous quarter, the company inventory was also minimal, and the channel inventory was also minimal. As we speak, the company has been producing in the last quarter, and in the current quarter so far, and has been producing what is needed to prime the channel. The company's inventory hasn't built up, but the channel inventory, to some extent, has been built up, which is part of the way we do business. It is fresh inventory that has been built up for the summer of 2027. It is not residual inventory from 2025 or 2024 as we had in 2026.

Shraddha Kapadia: Sure. That was helpful. Also, sir, if you could help us understand the potential impact of the El Niño, if you have any comments on the same.

Achal Bakeri: El Niño is a very unpredictable animal. It distorts climate patterns globally. It could be phenomenal. El Niño usually is great. It brings very high temperatures everywhere. But I wouldn't really bank on El Niño lifting all boats.

Shraddha Kapadia: Okay, sir. Sure. Thank you for answering my questions, and all the best for future.

Achal Bakeri: Thank you.

Moderator: Thank you. Next question is from the line of Vinay Nadkarni from Hathway Investments Private Limited. Please go ahead.

Vinay Nadkarni: Yes. Thanks for the opportunity. Just wanted to know your new product range, that is residential ACs, BLDC fans, and air purifiers. What is the kind of working capital investment you are expecting to be done?

Achal Bakeri: Again, good question. It was covered in the presentation earlier. This would be also a fairly low working capital model, the way we are going to approach it. So, just like in coolers where our capital employed is fairly low, these products will also fall within that same sort of philosophy. So, these should have a good return on capital employed.

Vinay Nadkarni: Any number of days inventory that you are looking at, even if you do not want to share the rupee value?

Achal Bakeri: No, not really. We are not really looking at building up a lot of inventory because we will sort of buy and sell. Depending on what is moving where, we will procure. That has been our thought so far.

Vinay Nadkarni: Okay. What is the pricing that you are looking at for your residential Acs?

Achal Bakeri: Pricing for residential ACs will be in the mid-premium sort of segment. Obviously, we will not compete with the likes of Daikin or Mitsubishi or Hitachi or one of those.

Rajesh Mishra: Yes, it will be as per the specs that we are offering. The market is fairly mature, they understand, and they pay as per the specification. So, we are going for fairly good specs. We do not want to enter into the entry-level segment. So, the product is, in terms of specs, slightly on the higher side, and it will be priced accordingly. I think the market should be willing to pay as per the specifications.

Vinay Nadkarni: Okay. Would it be in the range of, say, Voltas or Samsung?

Rajesh Mishra: It all depends on what is the cooling capacity you are offering, what kind of features you are giving. For like-to-like features, yes, we will be more or less similar.

Vinay Nadkarni: Okay. Do you envisage some cannibalization of your air cooler business because of this or no because your margin in air cooler is much better than what you are looking at in Residential AC.

Rajesh Mishra: No, not really. Because on the contrary, we believe that with all these product categories, we will also have channel expansion. We should be becoming more stronger in some of the outlets. Currently, I think, at the consumer level, there is a very clear-cut edge that we have. It is at the trade level where some of these new entrants in air coolers are able to force their entry because of their muscle of different products that they are in. With these products that we have got into, I think it should help air coolers, at least at the channel front. We don't see any such cannibalization. We don't foresee that happening.

Vinay Nadkarni: Okay. Last question is on, you said your D2C sales have turned EBITDA positive and even PAT positive, if I heard you right. What is the D2C sale contribution in Q2 and in H1?

Achal Bakeri: Again, we don't really give the sort of channel-wise breakup. But it is a good contribution. In fact, it has been PAT positive from the second year onwards. It is not a current year phenomenon. It has been PAT positive from the second year onwards. We are growing that business because the margins, there are higher than in the other segments because there is no leakage of margins to the various channels.

Nrupesh Shah: In D2C, as unit economics improve, as top line improves, obviously EBITDA and PAT margin improves disproportionately, and that's what is happening.

Vinay Nadkarni: Yes. Okay. That's all from me. Thank you very much.

Moderator: Thank you. Next question is from the line of Rabindra Nath Nayak from Nirmal Bang Equities. Please go ahead.

Rabindra Nath Nayak: Thank you for the opportunity. Sir, you are entering this market after a long time. The air conditioner market you were present earlier also, discontinued and entering this market again. Now your geographical diversification has also improved substantially. So, how can we see the opportunity going ahead for Symphony? Because now aspiration of the consumers has improved, so that's why everybody will be going for the air conditioners. Also, the competition is huge. So, what is your experience? Because you are expanding your TAM significantly by around 40,000 to 50,000 crore currently, from 5,000 crores TAM. So where can we expect Symphony to be in 2-3 years time? You can give a 5-year period time, where we will present in 5 years' time going forward.

Achal Bakeri: Rabindra, even if you get a small sliver of this market, of this market, which is currently ₹ 50,000 crores and expect it to be like 100,000, 120,000, whatever. Even if we get a small sliver of that

in the next couple of years, that itself should be fairly good. Again, I will hesitate to specify a number because as of this point, nobody knows. We don't know where this is going to go. Of course, we have aspirations, but what the future has in store for us is something which we don't have a clue.

Rabindra Nath Nayak: Okay. And sir, as you have mentioned that we will not put any money as of now. So, after 3-4 years' time, can we expect that the model will be something different like manufacturing or it will remain asset-light all through for next 2-3 years' time, there will be no investment in capital expenditure?

Achal Bakeri: Again, it all depends. If we are able to scale up significantly and it makes more sense for us to have captive manufacturing, then we are not averse to it because we have manufactured in the past and if that is what sort of business dictates, then we are open to that. But as of this point, we don't know where this is going to go. We have our business plans, we have our internal projections, those are different, but we don't know what the future is going to be. Really difficult to answer your question, Rabindra.

Rabindra Nath Nayak: Okay, sir. Sir, regarding the working capital, you mentioned that the working capital will be controlled, up to some extent. I know you are having a presence, air conditioning presence in Mexico also.

Achal Bakeri: Australia also. Even Australia and Brazil.

Rabindra Nath Nayak: So, there, how the growth is. Europe is also one of the opportunities that is opening up. Can we aspire to go to that level and also perhaps you would be maybe comfortable with the Chinese products to market the product there. Is my understanding correct? If we were going to Europe, then definitely we'll not go for outsourcing from India rather than going from China. Is my understanding correct?

Achal Bakeri: That's right. Even today, what we are selling in Australia or in Brazil or in Mexico, even parts of the Middle East, we are basically sourcing from China. Exporting from India will probably, in the foreseeable future, doesn't appear to be for air conditioners. For air coolers, of course we are selling and we are very competitive. But for air conditioners, may not be, because there are still a lot of components which are coming in from China. For example, compressor. The heart of the AC, for every company, is still being imported.

Rabindra Nath Nayak: Okay. So, right, the BLDC fan again, it is an outsourcing model. So, have we already finalized our outsourcing partner so far?

Achal Bakeri: Yes. We will be rolling out our products fairly soon.

Rabindra Nath Nayak: Okay. So, in terms of region-wise, if we can say which region we are very comfortable apart from the Western region, the other three to four regions where we can have a significant say or opportunity in the near future.

Achal Bakeri: Rabindra, the opportunity exists across the country. Every nook and cranny of the country has sales, every category of products. And we also have our distribution everywhere. So, in a year's time or so, I guess we will be everywhere, we will be pan-India. So, it is just that we will first launch in maybe one market just to sort of dip our toes and see, and then one by one we will expand across the country. So, that is going to be how we are going to sell the product.

Rabindra Nath Nayak: Okay. And sir, in terms of sales incentive, we might have already finalized our sales team for this. So, how the incentive structure going ahead for sales, and also for the persons we are hiring for the sales incentive initiative?

Achal Bakeri: We already have people with the company on the manufacturing side, on the operations side, on the sales side, who have prior experience with air conditioners, rich experience with air conditioners. We did not recruit them for air conditioners, but they were already on board for air coolers for the last few years. We already have institutional capability and knowledge of the category. Our incentive structure will be sort of part of what is generally accepted, what is generally seen in the market.

Rabindra Nath Nayak: Okay. Regarding, the growth aspect, particularly from the air cooler side, we are facing some difficulty in terms of the raw material prices. Also, if you see the cooler performance of all the majority of the players is actually very subdued as of now. How do you see the demand in the channel currently, and how things are improving for the H2 of this year?

Achal Bakeri: Demand to a great degree at the consumer level will depend on temperature. If the temperatures are high enough, then product will sell even if it is more expensive. If the temperature is not high enough, products will not sell even if you discount them. That is the nature of seasonal categories. As we sit today, because the channel is completely clean from the previous year, even modest demand should see substantial sales, is what we all believe. Because there is no sort of hangover of inventory with the channel. Even a normal summer, not exceptionally high temperatures, but just a normal summer, should still result in good sales for all cooling categories.

Rabindra Nath Nayak: Okay. In terms of dividend payouts, sir, will we maintain our historical payout structure or there will be some moderation?

Achal Bakeri: It's a policy which has been adopted by the Board, informed to the shareholders. So, it's a policy. It's sort of etched in stone, unless we revise the policy, which we don't need to.

Rabindra Nath Nayak: Okay, sir. Okay. Thank you, sir. Thank you very much.

Achal Bakeri: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question, which is from the line of Adwait Javkar from EquiPoise Capital Management. Please go ahead.

Adwait Javkar: Thank you for the opportunity. With margins right now improving from the recent price hike, how should we expect margins to trend in the next quarter as you launch new product categories? Will this margin sustain or will face some pressure?

Achal Bakeri: If you break down the margin by category, as far as air coolers are concerned, the margins would be more or less what you saw so far, which are, at the moment, on a standalone basis, we ended the quarter at 45.9%, which was 2.3% less than at the same time in the previous year. Going forward, we do not see much of a difference in the outcome as far as air coolers are concerned. In the air conditioner category and fans, the margins would be lower because the industry margins are lower. As far as the purifiers are concerned, they should be somewhat in between air coolers and air conditioners.

Adwait Javkar: Going forward, the EBITDA margin range will be around 13%-15%, if I am not wrong.

Achal Bakeri: Blended basis for all products put together, is that what you are saying?

Adwait Javkar: Yes.

Achal Bakeri: No, I think it will be higher because the bulk of the sales will still come from air coolers. Air conditioners and the other products will still not have contributed. We are talking about in the current financial year. Am I right?

Adwait Javkar: Yes. For FY27.

Achal Bakeri: As far as the current financial year is concerned, the bulk of the sales will still come from coolers. There, in fact, if you see on the screen, as you can see, in the first half, on a standalone basis, our EBITDA level has actually improved by 18% and EBITDA margin is at 14.4%. In the next two quarters, in fact, it should be somewhat better than this. Yes, again, primarily because bulk of it will come from coolers.

Nrupesh Shah: I think it will be more appropriate to see it like whatever new products have been launched, including what we keep on talking about, the BISP category, it doesn't employ much of the capital, neither in fixed assets nor in working capital. So, in a way, they are accretive to profitability. Obviously, each of the product segments has own market force. So, ultimately, even this new product category will add to the kitty, and we need to see product category-wise profitability and EBITDA margin percentage.

Adwait Javkar: Okay. Thank you for the guidance. The next question is on the international side. So, how much did, basically, this USA expansion drive the international turnaround and the profitability? Will the profitability sustain in the H2 of FY27?

Achal Bakeri: Which expansion?

Rajesh Mishra: Bonaire, USA

Adwait Javkar: USA. If you are able to basically allocate how much the current revenue from the international market, I just wanted a break-up from that. How much is coming from the USA, Mexico, and Australia, if it is possible for you.

Nrupesh Shah: You mean to say in September quarter, company-wide the top line, profitability, and how year-over-year it has performed, that is what you are asking?

Adwait Javkar: Yes.

Nrupesh Shah: Okay. As far as IMPCO Mexico is concerned, the top line is ₹ 40 crores versus ₹ 17 crores. However, the summer was delayed, so in June quarter, there was a decline in sales, but in this quarter, there has been a decent increase and part of the loss of sales has been made up in the current quarter. As far as GSK China is concerned, it is ₹ 23 crores of sales. As far as Brazil and USA are concerned, of course, there is y-o-y increase, but these are actually non-seasonal quarter. As far as Australia business is concerned, so Australia and USA put together is about ₹46 crores versus about ₹ 35 crore previous year top line-wise.

Adwait Javkar: Okay. Thank you. That is it from my side.

Moderator: Thank you. Participants, we take that as a last question for today, which is from the line of Bhavya Gandhi from Bajaj Alternate Investment Management. Please go ahead.

Bhavya Gandhi: Yes, hi. Thanks for the follow-up. Just wanted to understand what is it for the manufacturer, because you said you will not be investing more on the working capital side also, you will be investing more on the brand side. So, for the manufacturer who is manufacturing the AC on your behalf, what is it in for him? I just wanted to check whether there will be a sales return policy if you are unable to sell certain products.

Rajesh Mishra: I think that is how the industry largely is working. Most of the brands are getting their stuff manufactured from outside. Some are getting complete units; some are getting their outdoor units. That is how industry has evolved. There is nothing new in that. As far as the manufacturer is concerned, I think they basically work on a certain margin. But overall product design and everything, a lot of things are controlled by us. Your second question was about sales returns. No, I think, once we have the product, we take it to sell it. There is no such arrangement that if

we do not sell, we give it back to them. Because whatever we are selling is a product which comes in our brand, and it is our responsibility to sell that product.

Bhavya Gandhi: But sir, you said you will not be investing in working capital also to a greater extent. If you can elaborate on that front because you will have to build up inventory, right, to sell those products. If you can elaborate on that front as well.

Rajesh Mishra: Initially, we are going with GT channel. We won't be starting with organized retail. We will slowly expand there. But as we have mentioned in our presentation, we would also be effectively using channel finance wherein we kind of get our money upfront, and we are able to pass on some credit to the organized retail partners, thereby minimizing the working capital requirement.

Bhavya Gandhi: Okay. Just to sum it up, sir, not as a guidance but as a realistic, can we grow international business like 30%-40% CAGR for next three to five years? Is that the right understanding? Because the base is relatively small and the India cooler business at 10%-12%. Is that the right understanding?

Rajesh Mishra: International business will grow, but there are uncertainties. For example, current Middle East situation was a big deterrent in growth this year, wherein we had customers who wanted to buy coolers and there are cases where we have got the money in advance, but we are unable to ship. The freight costs have shot up. On the other end, these are these tariff related things. Because of all the uncertainties, it is difficult to give a figure. But yes, we have aspirations to grow at a healthy CAGR for the international business.

Bhavya Gandhi: Right. Sir, in the international business, we manufacture everything through China. Just reconfirming on that front.

Rajesh Mishra: No. Bulk of it is manufactured in India. All the evaporative air coolers that we are selling internationally, bulk of it is going from India. But then there are large-size coolers, commercial coolers, industrial coolers that are also going from China. It is a mix.

Nrupesh Shah: Rest of other products are going from China.

Rajesh Mishra: Yes. Other than air coolers are going from China. Yes.

Bhavya Gandhi: Got it. Fair enough, sir. Yes.

Rajesh Mishra: As you would know, we are selling air conditioners in Australia, we are selling heaters and fans in Mexico. So, all those products are going from China.

Bhavya Gandhi: Got it, sir. Fair enough, sir. Thank you so much, and wishing you all the best for your future. Yes, thank you.

Rajesh Mishra: Thank you.

Moderator: Thank you. Ladies and gentlemen, as that was the last question for today, with that, I now hand the conference over to Management for closing comments.

Achal Bakeri: Thank you very much, Nirmal Bang Equities for arranging the call and to all the participants for their interest. I look forward to interacting with you a quarter from now. Thank you and have a good day. Bye-bye.

Moderator: Thank you. Ladies and gentlemen, on behalf of Nirmal Bang Equities Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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