November 11, 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
Scrip Code: 500135

National Stock Exchange of India Limited
Exchange Plaza, C/1, Block G,
Bandra-Kurla Complex, Bandra (E), Mumbai - 400051
Trading Symbol: EPL

Sub. : Transcript of the Conference Call - EPL Limited ("Company")

Ref. : 1. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI LODR Regulations")
2. ISIN: INE255A01020

Sir/ Madam,

Please find enclosed herewith, the Transcript of the conference call for the Analysts/ Investors, which was held on Wednesday, November 4, 2026, to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended on September 30, 2026 ("said transcript").

The said transcript is also made available on the website of the Company i.e. at https://www.eplglobal.com/investors/shareholder-information/.

This is for your information and records.

Thanking you.

Yours faithfully,
For **EPL Limited**
ONKAR DEEPAK GHANGURDE
Digitally signed by ONKAR DEEPAK GHANGURDE
Date: 2026.11.11 15:13:28 +05'30'
Onkar Ghangurde
Head - Legal, Company Secretary & Compliance Officer
ICSI Membership No.: A30636

Encl.: As above

“EPL Limited

Q2 FY27 Conference Call”

November 4, 2026

MANAGEMENT: **MR. HEMANT BAKSHI – MANAGING DIRECTOR AND GLOBAL CHIEF EXECUTIVE OFFICER, EPL LIMITED**
MR. M. R. RAMASAMY – CHIEF OPERATING OFFICER, EPL LIMITED
MR. DEEPAK GOYAL – CHIEF FINANCIAL OFFICER, EPL LIMITED
MR. ONKAR GHANGURDE – HEAD LEGAL, COMPANY SECRETARY AND COMPLIANCE OFFICER, EPL LIMITED

MODERATOR: **MR. RAJ LAKHANI – SYSTEMATIX SHARES & STOCKS (INDIA) LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to EPL Limited Q2 FY27 Conference Call hosted by Systematix Shares & Stocks (India) Limited. 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.

I now hand the conference over to Mr. Raj Lakhani from Systematix. Thank you and over to you, sir. Please proceed.

Raj Lakhani: Thank you. Good evening, everyone. On behalf of Systematix Institutional Equities, I welcome you all to the Q2 and H1 FY27 Earnings Call of EPL Limited. The management team is represented by Mr. Hemant Bakshi, MD and Global CEO; Mr. M.R. Ramasamy, COO; Mr. Deepak Goyal, CFO; and Mr. Onkar Ghangurde, Head, Legal, Company Secretary and Compliance Officer. We would like to thank the management for giving us the opportunity to host this call.

I will now hand over the call to the management for their opening remarks, post which we will have the Q&A session. Thank you. And over to you, sir.

Hemant Bakshi: Good evening, everyone, and thank you for joining us for EPL Limited's Quarter 2 FY27 Earnings Call. I'm happy to report that EPL has delivered another standout quarter, achieving robust growth while maintaining margins, demonstrating the resilience of our business and our ability to navigate a volatile operating environment. Revenue for the quarter grew by 30%. This is the highest ever growth that EPL has ever declared. EBITDA increased by 17.6%, with reported EBITDA margins at 18.9%.

On an underlying basis, excluding the pass-through impact of higher raw material prices, revenue grew by 20.3%, with underlying EBITDA margins at 20.4%. Our growth was broad-based across categories and geographies. Beauty & Cosmetics delivered exceptional performance at 42.9% growth, while Oral Care continued its strong performance with a growth of 19.2%.

In the month of September, B&C revenues exceeded that of Oral Care, becoming our largest category. This is a significant milestone and clear demonstration that our strategy is delivering in full and investments being made in this segment are translating into growth and market share gains.

Regionally, we delivered strong performance across all markets. EAP led with revenue growth of 40%, followed by Europe at 30%, AMESA at 28% and Americas at 25%. India stand-alone also delivered robust growth of 30%. The breadth of this performance across regions reflects our ability to capture growth opportunities across diverse markets.

Our EBITDA continued its strong momentum, growing by 17.6% and marking our 16th consecutive quarter of double-digit EBITDA growth, demonstrating our ability to sustain growth while maintaining profitability.

Despite continued cost pressures, we have successfully recovered the full impact of cost increases through pricing actions. This has enabled us to maintain underlying EBITDA margins above 20%, while continuing to fund our growth priorities. We have invested ahead of the curve. Capex investments in H1 2027 was INR3,150 million, which is almost 90% increase over the same period of last year. This has translated into record revenue growth.

We are very confident that our business has momentum, and these investments will continue to translate into growth and build a sustainable competitive advantage for our business. PAT during this quarter grew by 5.6% due to higher depreciation, higher effective tax rate as a result of country mix and adverse forex movements. While we will sustain investments for future growth, this will be alongside a strong focus on capital efficiency.

Geopolitical environment: We operate in a challenging global environment. The ongoing conflict in Middle East is keeping commodity prices elevated and disrupting supply chains. Our objectives during this crisis have been - one, ensure superior uninterrupted service to our customers globally; and two, full recovery of the cost through price.

We have fully met both these objectives. Going the extra mile to deliver superior service, including bearing higher cost of air freight, if necessary, we are being rewarded through gain in market share as a result of these bold actions. At the same time, we have fully recovered elevated costs through pricing.

Sustainability, innovation and people practices: Innovation continues to be a key differentiator for EPL. Through close collaboration and co-creation with our customers, we are developing tailored solutions across product categories that help brands stand out on the shelf, meet evolving consumer needs and deliver greater value.

We have also advanced our sustainable packaging portfolio, with sustainable tubes accounting for 41% of our product mix. Our achievements have been recognized through multiple awards at the IFCA Star Awards for Innovation and at the Print Week Awards across various categories.

Behind this progress are our people whose commitment and contribution are pivotal to the success of EPL. We are proud that our operations in seven countries are certified as Great Place to Work, reflecting our commitment to building a positive, engaging and thriving workplace.

Looking ahead, let me start with an update on our proposed merger with Indovida. We are encouraged by the progress so far, having received approvals from the Competition Commission of India, foreign antitrust authorities and the stock exchanges. We have now filed our application with the National Company Law Tribunal, bringing us a step closer to the important milestone for EPL, with the process advancing as planned.

We remain confident of completing the merger within the expected timeline and look forward to realizing the opportunities this combination presents. Our priorities for the future are clear and unchanged.

First, strengthen our leadership in Beauty & Cosmetics. The momentum over the last few quarters has been encouraging, but we believe the opportunity ahead remains significant. There is considerable scope to expand across additional categories, customers and markets, providing a strong runway for continued growth. Our proactive investments in capex, innovation, extrusion capabilities and front-end specialization position us well to capture this opportunity and sustain our growth momentum.

Second, accelerating growth in high-potential markets. Emerging markets continue to offer attractive opportunities, supported by evolving consumer preferences and increasing demand for differentiated packaging.

Thailand is progressing well, backed by a strong customer pipeline, while Brazil is a strong example of our ability to build momentum and translate market opportunities into sustained growth. At the same time, we are exploring other markets for entry in the near future.

Third, sustaining margins with improving capital efficiency. As we invest for growth, we remain focused on productivity, cost discipline and operational excellence across our global operations. Our priority is to sustain underlying EBITDA margins at 20% plus while ensuring disciplined capital allocation and attractive return on our investments.

Fourth, expanding beyond tubes into broader consumer packaging. Our long-term ambition is to build a leading consumer packaging business for the emerging markets, extending beyond our existing product formats. The proposed merger with Indovida is an important step, providing an opportunity to broaden our portfolio across new markets and customer segments and unlock synergies over time while building on our leadership in tubes.

Beyond this, we continue to evaluate opportunities to expand further into consumer packaging, with a focus on strategic fit and long-term value creation. We remain confident in our ability to navigate the evolving external environment while continuing to execute our strategic priorities.

Our performance this quarter reflects the strength of our business and the progress we continue to make. We are retaining our near-term guidance of revenue growth in high teens and underlying margins of 20%. As we look ahead, we remain focused on building on this momentum and creating sustainable long-term value for all our stakeholders.

Thank you for your continued support and trust. We will now open the floor for questions.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question is from Mr. Sanjesh Jain from ICICI Securities.

Sanjesh Jain: A couple of them. First on the capex, a sharp jump. I know we have been growing fast, so it needs the support from the capex. But apart from that, any other reason why we see this capex intensity has jumped so far?

Hemant Bakshi: You have a second question as well, Sanjesh? You can ask that also.

Sanjesh Jain: My second question is on the comment you made. You said that we are looking to enter more new geographies beyond Brazil and Thailand. Is that the same geographies, which Indovida is operating and hence, we are trying to move ahead with that synergy now that we have significant approval in place? Is that what we are thinking? Or we are thinking geographies beyond where Indovida is operational today? That's the second question.

Hemant Bakshi: Yes. Thank you very much, Sanjesh, for both the questions. I think on capex, firstly, as you rightly pointed out, and I also mentioned earlier, we've had a significant increase in our capex. And that is because we feel very strongly about our business model and the fact that our business now has momentum, especially in B&C. And to just reflect on the momentum, firstly, as I mentioned, B&C has now become our largest category overtaking oral in the month of September. We've grown 43%. But also, as per our estimates globally, we are gaining market share. And in the last 1 year, we've gained 130 basis points of market share, which at a global level is a very significant achievement. So, we feel very good about our business. And while in the past, we would very often invest in capex and then...

Moderator: Yes, you are reconnected, sir. Over to you.

Hemant Bakshi: Yes. Should I continue?

Moderator: Please continue.

Hemant Bakshi: Yes. So as I was saying, we feel very confident about our B&C business, and we've therefore decided that we will build capabilities and capacity ahead of the curve. And therefore, our focus has been this year. We've invested in extruded tube capabilities in China. We've also made those investments in India and Europe.

We've invested in U.S., which is a very significant B&C market where our business in B&C was relatively small. In addition to just capacity to produce more tubes, we are focused on building high-end advanced printing and decoration capabilities, which we are also in the process of executing as we speak.

So, I think the answer to your question is our capex is all behind growth and a lot of it is behind B&C. I think on your second question on geographies, we keep evaluating geographies where we feel we have an opportunity. We clearly see an opportunity in Southeast Asia and in other markets, especially in Africa where we don't have presence.

You are absolutely right that Indovida is present in some of these markets, not all of them. But at this point in time, till the merger gets approval, we are focused on evaluating these opportunities on an individual basis and possible synergies we will be able to gain after the merger gets completed.

Sanjesh Jain: Got it. Hemant, do you want to touch upon the capex for this year and next year? We are looking at without merger, considering the merger is not yet because I think that will be premature. What is the capex number for the EPL we are looking at? That's number one.

Number two, Europe, though revenue appears to be very strong, for some reason, EBITDA has declined. Can you throw some light what's actually happening in Europe? That has been a little zigzag. We do well for a couple of quarters, then we slip away. Are we taking measures to see that our performance remain more consistent there in Europe?

Hemant Bakshi: Yes. So as I mentioned that our capex in the first half of the year has been INR315 crores. We will remain at this level in the second half as well. So, our capex for the full year will be in the range of about INR625 crores to INR700 crores. And this is at elevated levels compared to what we've done in the past.

And I mentioned that we are building capabilities. We are investing ahead of the curve in capacity. But all of this is growth oriented. And as I've mentioned, it is translating into growth. As we go forward, we will see how much investment is still required and whether some of this will get moderated over a period of time.

So, that's really as far as capex is concerned. I think firstly, I want to start by saying that we are very pleased by our performance in Europe on growth. As we mentioned, our growth in Europe has been 30.4%. In a mature market, which doesn't show much growth as a market overall to grow 30% in the midst of a crisis, we think is a very good performance. So, we are very happy with growth.

Having said that, there have been operational challenges over a period of time in Europe. These have been deeper and more stubborn to resolve than what we had originally anticipated. I want to take you through a bit of detail on what has happened in Europe and what we are doing.

About a year back, we decided to centralize our operations into Poland to take full advantage of the fact that our cost centers in Eastern Europe are at a lower level compared to Western Europe. So, we had decided to centralize some of our operations in Poland, one of which was printing.

And in our printing site, which we had found in Poland, it took us much longer to get regulatory approvals than what we had anticipated. It took us at least 6 to 9 months longer. And while we've continued to have higher demand, as this stabilization has taken some time, it has led to higher outsourcing costs.

Having said that, we have now fully got all approvals and we are in the process of managing the transition from one plant to the other. Overall, we feel that it will take us another 2 to 3 quarters to fully stabilize operations and get margins back to the levels at which we want them to be. While there have been challenges in the recent past, we remain very confident and very positive about our business in Europe.

Moderator: The next question is from the line of Mr. Raman KV from Sequent Investments.

Raman KV: Yes. Sir, my first question is on the margins front. What percentage of margins during the quarter was impacted due to the elevated raw material cost? And just a follow-up on this, what will be the synergy benefit on the margins or from the growth perspective once the merger with Indovida is completely done, like the margin benefit arising from cross-selling the products or cross-selling the similar products in the geography where EPL is not operating, but Indovida is operating? So will there be any margin benefit from the synergy? And what was the impact of the margins during the quarter due to elevated raw material cost?

Hemant Bakshi: Yes. I think firstly, Raman, on margins, when we went into this crisis and we've spoken about it in the previous couple of earnings calls as well, our focus has been that the entire cost which we incur, the entire inflation on raw material, the costs, we will recover through pricing.

And I'm quite happy to report that we've recovered it entirely during this quarter as indeed we had done in the previous quarter as well. And therefore, our underlying EBITDA margin is 20.4%. We've guided the market that we will be at 20% plus, and that's the level at which we've come out in this quarter.

The reported margins are a little lower, shade lower largely because of the mathematics of the higher cost and higher price. But we are on track as far as EBITDA margins are concerned. On your second question on synergies, when we did the merger announcement, we had indicated that the synergies will be in the range of US$35 million to US$50 million. As we do more work in the post-merger integration, we will put together a more robust plan on how these synergies will be realized. Most of these synergies are growth-related synergies.

And within that geographical expansion, as indeed earlier question pointed out, is an area in which we feel the synergies will be significant. As we've mentioned in the past, Indovida business is very strong in Southeast Asia and Africa. Those are markets where we are keen to enter.

And if and once the merger is completed, that entry may be accelerated. So, we believe there will be $35 million to $50 million of syngergy benefits. There would also be some savings on costs. But I think the larger proportion of the synergy benefit will be on the top line.

Raman KV: So, $35 million to $50 million of savings is expected? And on top of that, you are expecting further more savings, right, if I'm correct, sir?

Hemant Bakshi: Total synergy benefit on account of the merger will be US$35 million to US$50 million.

Raman KV: Okay. And on top of that, because of operational efficiency, it can result in further savings?

Hemant Bakshi: So exact number, I won't be able to give you, Raman, but the range which we have identified is in the range of US$35 million to US$50 million.

Raman KV: Understood. And sir, with respect to Indovida, how was the growth and in terms of margin for Indovida, was there an impact of margin in Indovida also? And was there any growth for the H1 for Indovida?

Hemant Bakshi: Yes. So, Indovida and our merger has not been completed as yet. And therefore, Indovida and EPL continue to operate as completely independent businesses. So, we are not in a position, we are not privy to or in a position to share any data, which is not published. Indovida's results will be declared on the 9th of November, after which it would be available for everyone else.

But for the most recent quarter, which is available publicly, the results of Indovida have been absolutely fantastic. Their revenue grew 25%, EBITDA grew 62%, and there was a 614 basis points improvement in the EBITDA margin. EBITDA is equivalent to INR383 crores and EBITDA margin stands at 27%.

So, this is the previous quarter for which published results are available and the results are, as you can make out, outstanding, and we are waiting to see how the results for the next quarter come out on the 9th of November.

Moderator: The next question is from Mr. Sameer Gupta from India Infoline.

Sameer Gupta: Congrats on a very good set of numbers. First question is basically, you've reiterated the near-term revenue guidance of around high teens. Now, first half overall revenue growth is 28%. And I am not seeing any signs of the underlying commodity inflation abating. So logically, pricing can go up further, if not stable at this level. So, why is the guidance high-teens only? Is it just conservative or I'm missing something here?

Hemant Bakshi: Yes. Thanks a lot, Sameer, for the question. You are right. We believe we'll come on the high end of the guidance, so high-teens closer to 20%. Yes, you might say that we've retained the guidance. We feel very, very optimistic about it. Having said that, prices will remain elevated at this point in time. They've moderated a bit, but there is no real change. So yes, we should see a good top line in the second half of the year as well.

Sameer Gupta: Got it. And second question is on the underlying revenue growth. 20% is still very, very healthy. And just wondering what is driving this kind of wallet share gain, which you mentioned? Have your competitors in some countries gone out of business?

Or are they finding it very difficult to service in this environment? And a corollary to that, basically, the inference is coming out here that inflation is actually a good outcome for the business versus, let's say, 3 years back where it was a very bad outcome.

Hemant Bakshi: Yes. So Sameer, multiple questions within that larger question of yours. So the first thing I would say is our business is much more resilient in this crisis than what it was in the previous crisis, as you've rightly mentioned. And there are 2 things happening. One, on a margin front, we are recovering the entire cost through pricing, which we were slow to do last time around. We've learned our lessons, built a pricing muscle. Our sales teams are being very active in the market, and we are proactively leading the price discussion with our customers. So therefore, our margins have remained stable during this difficult period. But we also took a call that we will continue to deliver superior service to everyone in the market.

And as I mentioned in the passing in the note, we have actually done incredible things like taking tubes by air to make sure we deliver it to our customers on time. We've incurred air freight costs because we believe at this point in time, we have to deliver superior service to our customers. We have been recognized by this by our customers, and we are seeing share gains almost across all markets we operate in.

So therefore, our superior service is helping us grow our business right now. I can't say much about our competitors, whether they are going out of business or not, but we are clearly seeing benefits of being able to deliver superior service while also recovering our costs through pricing.

So, I think that's one reason why we seem to be in a strong position right now. Sameer, the second thing is that today, our portfolio has become very, very balanced. B&C has become bigger than oral in the last month, but overall, they are almost equal size. So, both our B&C and oral business are about 44% each. And in B&C, we are gaining share quite actively.

I mentioned to you, we've gained 130 basis points as per our estimate, globally, in some markets, it's even higher than that. So the market share gain in B&C, which is a much larger market than Oral Care, which is also sizable today. When we grow 43% in B&C, it has a really positive impact on our business and 20% underlying is also very strong, as you mentioned.

Moderator: The next question is from Aashish Upganlawar from InvesQ PMS.

Aashish Upganlawar: Yes. Sir, just wanted to check since the merger is almost kind of getting formalized entirely. So when can we expect the first combined results to come out? I mean, do you see Q1 to be the combined results or Q4 we probably have...

Deepak Goyal: We are expecting merger to get completed by Q4 of this year. And if everything goes well, then hopefully, our Q4 results will be the consolidated results. But this is obviously dependent on the NCLT approvals, which are still pending and hence, no one can be certain, but we are hoping that we can still present Q4 results at consolidated levels.

Aashish Upganlawar: Sir, just to get it clear, so basically, EPL as it is today is around INR400 crores of PAT. Indovida is again similar kind of a profit around INR400 crores. So, we're talking about INR800 crores plus of PAT. And then, I think post the shares that have been issued in the swap, it would be around 50 crores shares, right? That's where we would be, right?

Deepak Goyal: 51 crores, yes.

Aashish Upganlawar: Okay. Right. And as a consolidated entity, you said that we are looking at, say, maybe around 15% plus kind of an organic growth, plus then you have $35 million to $50 million of savings on the merger, and that would fructify maybe in a couple of years. Is that the target that the team has set overall?

Hemant Bakshi: We've not provided any guidance for the merged company as yet, Aashish, that we will be able to do only it once the merger is completed and all our post-merger integration work has been done. Having said that, what we have said is that both our businesses have grown well in the past. We can talk a lot more about EPL right now than Indovida. And going forward, we definitely synergy benefits of USD 35 million to USD 50 million coming through in the business in the 3 years post merger. That's been our guidance when we announced the merger. And at this point in time, that's what we are retaining.

Aashish Upganlawar: So is it possible to share some sales synergies or maybe the top line synergies that would come in? Is it a fair assumption to expect some expediting of the sales for us because of the cross-synergies that the 2 companies have? Anything to share on that?

Hemant Bakshi: Yes. So, we've spoken about it at length in the past. We feel that the big opportunity is in geographical synergies. To give you an example, Indovida business is very strong in Vietnam. We are not present in Vietnam.

They are present in countries like Nigeria, Ghana, Tanzania, Morocco, in Africa where we are not present. In the past, you would have seen that after the Indorama relationship was built through their investment in our business, we were able to enter Thailand in 9 months after we took a decision. So therefore, it allows us a very accelerated entry because of this partnership. And we feel that will be possible as the merger gets completed. So, we definitely see an opportunity of being able to go to new markets quickly and therefore, gaining growth through that.

So, that's a clear synergy benefit which we have. The other thing which we have spoken about in the past is that Indovida has no debt on its balance sheet. It's a completely cash-rich company. Our debt levels are also very, very low. Post the merger, our debt-to-EBITDA ratio will be about 0.2, 0.25, and that will enable with a very strong balance sheet for us to look at inorganic opportunities, whether it is in geographical expansion or being able to acquire businesses which have differentiated capabilities. So, that's another area, which we will focus on once the merger has been completed. So yes, it's a very promising combination of 2 equal sized companies, and we are really looking forward to what the opportunities will be once the merger is completed.

Moderator: We have the next question from the line of Mr. Mihir Shah from Nomura.

Mihir Shah: Congrats on a great set of numbers. Apologies, I joined a bit late because of the overlap with another call and if next questions are already answered. But wanted to hear your thoughts on two things. One is the revenue growth momentum of 25%, 30% that we have seen seems to be on the back of price increases. So, fair to assume this will sustain for another 2 to 3 quarters.

So, that's one. Second thing is on the gross margin front. This quarter, it seems to be the full burden of the West Asia crisis is sitting on the margins. So, gradual recovery to normalization. How much time do you think that it will take us back to those 60% levels or 59%, 60% levels? Can one expect that in 3Q or beyond that? So, that's my second question.

Hemant Bakshi: Yes. Okay. So, I think, firstly, our growth, 30% growth, as we've stated, 20% underlying growth once we correct for the cost inflation. That's the numbers you have mentioned. That's what we have, which clearly shows that our business even at an underlying level is doing exceedingly well.

And both our categories, oral and B&C are performing well. So, we feel very strong about our revenue projections going forward, and that's why we've retained our guidance of high teens, and we feel we'll come out on the higher end of that guidance at this point in time as when Sameer was asking the question, we responded and said the same thing.

I think on gross margin, I just want to correct the perception which might be there. Actually, our gross margin is very strong right now. If you look at our gross margin, the gross contribution in this quarter as reported is 56.7, but that looks depressed purely from optical reasons, because mathematically, as the cost goes up and we recover that through price in the math of it, both the numerator, denominator go up and the percentage looks depressed. But if you look at it underlying, our gross margin or gross contribution after excluding the inflationary cost is 60.5%. So therefore, our margins are very strong even now. And therefore, the question of recovery and so on is a separate matter. We are looking at higher than what we had earlier. So, margins look good.

Moderator: The next question is from Mr. Bharat Sheth from Quest Investment Managers.

Bharat Sheth: Excellent results in challenging environment. Sir, my question is pertaining to EBITDA margin. When we are seeing, say, 3% dip in the almost a little more than 3% dip in gross margin because of optically. But the high number on the top line has not, I mean, some of the fixed cost, I mean, which has directly flowed through. So, can you give some color why it has not fully been flowed through?

Deepak Goyal: Bharat, I'm assuming you're mentioning, saying that why is EBITDA margin is still only at 20%? Is that your question? EBITDA margin?

Bharat Sheth: Yes. Reported number you say or whatever you say, sir. Operating leverage, I'm just trying to understand why it has not really reflected.

Deepak Goyal: Yes. Understood. So first of all, let me talk about the EBITDA margin itself. While the reported EBITDA margin is at 18.9%, denominator of the sales revenue also includes the inflation-led pricing. If we exclude that, then our margin is 20.4%, which is in the target range of 20% plus, which I mentioned.

However, your question is saying why is not -- why is there -- we don't see even more leverage given the strong growth. There are 2, 3 reasons for this. So first of all, we see very exciting growth opportunities across geographies. And we have decided to invest both in opex and capex to drive this growth. Now, capex, Hemant has already spoken about, but we have also invested in opex to deliver to this growth.

So for example, we have invested in Beauty & Cosmetics' capabilities. We have set up an innovation center. We have also, we are seeing as we are getting into new categories in Beauty & Cosmetics, lot of value-added products we are starting to manufacture. And many of those capabilities like metallization, etcetera, are not available in-house, and also we may not be able to get it in near future. And hence, we have gone for outsourced solutions for those capabilities.

At the same time, we have also invested in superior customer service. We have incurred additional freight costs. We have increased our inventory levels just to make sure that our OTIFs and customer service remains at a superior level, and we are seeing the wallet share gains across for that. So some of these costs, including the value-added costs and capability building, etcetera, are leading to higher opex growth, which you can see in our results. But all of these are leading to direct growth acceleration as well.

Bharat Sheth: Fair. And coming to my second question is, say, when we have invested INR600 crores in this, and large part is for the B&C. So whether it's a large part is greenfield or brownfield and I mean, how do we see the ramp-up of those plants? And what kind of, again, if greenfield and any approval from the customer time lag, so how do we think about that?

Deepak Goyal: So, large part of these investments are in growth capexes and as Hemant mentioned earlier, on the Beauty & Cosmetics side. However, most of these investments are in brownfield. The last greenfield that we did was in Thailand, where we entered the new country. Otherwise, whenever we go into any country, etcetera, we do the civil for the larger capacity expansion, and that's what is happening. So, we are expanding our current plant and adding new capacities there.

Bharat Sheth: So it's fair understanding that we don't require any new approval from the existing customer or new customer for those plants and hence, ramp-up will be faster?

Deepak Goyal: The ramp-up is already visible in the results, and I hope you see that. Within the 30% growth that we have declared, the Beauty & Cosmetics has grown at 40%. And that kind of growth is delivered because a lot of our customers are giving us new projects. We are also acquiring new customers, etcetera, and that is happening because we have been able to invest both in the tube capacity, but also new capabilities for Beauty & Cosmetics. So it's already happening.

Moderator: The next question is from the line of Pragyam Laddha from Omni Management.

Pragyam Laddha: So on the merger, when we say we are looking to expand geographically, do you feel that there is infrastructure available in the countries we are trying to expand like Africa or Vietnam? Like does the infrastructure support even our flexible packaging facility?

Hemant Bakshi: Yes, Pragyam, definitely because in all of these countries, some of our customers are already present. So take the example of Nigeria, both Unilever and Colgate are present there and have been present for many, many years. So, they manufacture in those countries and therefore, as global partner suppliers to them, we would also be able to set up the infrastructure.

Yes. So therefore, those countries are, to that extent, active and mature. If your question is more specific about, does Indovida have space there? Do they have the infrastructure? I think once the merger is completed, we'll have to go country by country and evaluate where they have additional, where they have excess capacity, where we can go in or where we will together have to build additional capacity. So, that level of detail we'll have to work. We'll have to still do.

Deepak Goyal: But I'll just add, Hemant, on this one that Indovida business is also very much like ours, when they build a plant, they do larger civil and then they keep building capacity on a modular basis. And hence, many of their geographies or the plant locations still have space left. The capacity or the technology is very different. So, we will have to bring in new lines. However, if the civil is available, the licenses are available, etcetera, it becomes much faster.

That's what we are hoping to capitalize on.

Pragyam Laddha: Okay, sir. Secondly, sir, on your revenue, when you say high-teens revenue and given that commodity prices are like varying quarter-to-quarter, so do you think that when we say high teens, it is our volume growth and not our revenue growth? Is it fair to assume?

Hemant Bakshi: No, no, it's revenue growth. It's not volume growth. But I think as I've been saying earlier also, we will be on the higher end of our guidance. So it will be closer to 20%. And we'll see how the elevated prices continue through till end of the year. So, this guidance is on revenue growth.

Deepak Goyal: And I would also probably just add because this question has come now a few times that this guidance is now for the next few quarters and not only for H2 specifically, right? So because we don't give immediate quarter guidance, we are still guiding for next few quarters. And as many of you said or Hemant also mentioned that we remain optimistic about our growth in the near future.

Moderator: The next question is from Shivakshi Bhardwaj, Retail Investor.

Shivakshi Bhardwaj: Congratulations on good set of numbers. Lot of my questions have been answered, but I would like to understand your perspective on how we are looking at the expansion of B&C. Is it going to be driven mostly by acquiring new customers or entering new geographies? And if you can also get some color on what is the current revenue mix split between existing accounts and new customers, that would be really helpful?

Hemant Bakshi: Yes. I think, firstly, Shivakshi, that's a really good question because it's also important for us to understand what are the underlying drivers, which is driving this growth for B&C. So, I think there are 2 different kinds of markets. One is markets where we have in B&C high shares. And the best example of that is India.

And we are very positive and optimistic about the performance in India. As you can see in the numbers, the growth in India has been good. We feel very strong about the consumption, which is happening in the market, especially premiumization, which is driving the market. So, I think for us, a mature B&C market where we have high shares like India, we are growing because the market is growing. And in this growing market, we are gaining share.

Bulk of our growth is being driven by our existing customers. While we continue to acquire new customers, a large proportion of our growth is coming from existing customers. And that's really positive because it also shows that the underlying economic trends in the country are looking good. Then there are other countries where we have relatively lower shares, where we are entering new spaces. To give you an example, in B&C, extruded contributes to almost 80% of the market.

In the past, we were very limited in our presence in extruded. And as we've entered the extruded segment especially in countries like China, we are gaining share because we are operating almost in a white space. Also in these markets, bulk of our growth is coming through customer acquisition.

So therefore, it's different in different markets. In our strong share markets like India, growth is happening because the market is growing and we are gaining share, especially with existing customers. And in markets where our shares were lower in the past, it's happening through new customers and white space entry.

Shivakshi Bhardwaj: That's helpful. I have a second question, particularly on capex and again, in line with B&C expansion itself. So, what are we expecting the utilization to be, provided we are doing a lot of capex? And is the capex that we are doing, is it rerouting the resources in some way towards the B&C? And will that have an impact on our existing and other segments?

M. R. Ramasamy: Normal utilization will be around 60%, 65% on the rated capacity because what happens in the market is capacity comes in bulk, but the growth happens linearly, right? So, you have to operate, you have to have certain head space to operate because market also fluctuates 1 month more demand, 1 month less demand. So, we normally operate in the range of 60% to 65% utilization basis.

Shivakshi Bhardwaj: And are we rerouting some kind of, will impact our other segments, if you can clarify this as well?

Hemant Bakshi: We don't see that as a concern, Shiva. We are more and more segmenting our resources so that we are focused behind all our categories. One significant decision we took recently was to completely divisionalize our front end. So, our sales people now for oral and B&C are distinct. Earlier in the past, the same person would sell oral and B&C.

That's been separated in most markets. We are also seeing how we can segment resources at the back end so that we don't cannibalize one category for the other. In the past, the question used to be asked the other way around, which is that oral is so big, does it cannibalize B&C?

Now as B&C becomes big, we'll be asked the question, does it cannibalize oral? The answer to both those questions is that we have to do what's right for oral and what's right for B&C because now these are both equally big categories in our business.

Moderator: The next question is from Mr. Harsh as a Retail Investor.

Harsh: Yes. So, just a follow-up to a previous participant's question, he mentioned that our customers already have production capacities in African and South Asian countries. So, I just wanted to understand, sir, what will be our growth strategy there given that if they're producing there, then their capacities are already getting satisfied, right? So are we betting on growth of those markets? Or are we planning some market share gains there?

Hemant Bakshi: Yes. So, I think that's a good question, Harsh. When we look at the markets, we really do a full understanding of the market, a survey of the market. And we very often find, as you are seeing in Brazil because our results in Brazil in the last few years have been really good, is that we are able to bring into the market a quality, which that market may not have had in the past.

In many of these markets, the servicing is done by local suppliers who may or may not have all the capabilities we have, especially our capabilities on innovation, on printing and printing, decorations, caps, applicators.

So, we tend to go into markets where we are then able to bring a new level of quality in those markets, and we are able to gain share from the existing competitors who might be there. But as we go forward, we also realize that a significant part of our growth happens because markets are growing.

The B&C market globally, we believe, is growing in high single digits. So therefore, new projects, new variants, new innovation keep coming into the market and we are able to win those contracts as well. So, we gained share because we bring better quality and capabilities into the market, and then we are able to grow in line with the market as well.

Harsh: Okay. Makes sense. And my second question was, I wanted to understand what sort of margin and return on capital differences are there among our various products and geographies? So the sustainable tube packaging, does it offer a higher margin versus the other non-sustainable ones? And similarly, on a geographic basis, is there any geography that allows us to accrue higher margins?

Deepak Goyal: Okay. So first, let me go by sustainable and non-sustainable. Our strategy has been to drive the adoption of sustainable tubes. And hence, we do not make higher margin of this. Instead, we try and provide it as close to the cost of non-sustainable tubes as possible because that will drive higher adoption. There is a slightly higher cost of making the sustainable tubes, which we fully recover. However, we don't make additional margin on it. Percentage-wise, both are similar.

Similarly, on the categories between Oral and Beauty & Cosmetics, while the ASP or the selling price of Beauty & Cosmetics is much higher, the margin profile on the gross margin level is similar and EBITDA is slightly higher in Beauty & Cosmetics. On the geography, we actually published the geographical results.

And hence, the geographical margin profile is different in different countries, which is dependent on lamination manufacturing, the customer profile, etcetera, etcetera. I can go geography by geography. But if you look at our investor presentation, you will find a lot of details there.

Moderator: We have the last question from Mr. Arman from Blue Sky Fintech.

Arman Nahar: Sorry, sir, to harp on the same revenue guidance thing. So when we say high-teens growth for the coming 2 quarters and when we see 2H of FY26 and when we do that high-teens or around 20%, so are we somewhere seeing revenue of around INR5,900 crores around, plus or minus some 1% or 2% around for the FY27?

Hemant Bakshi: Yes. So, our last quarter growth was 25%. This quarter, our growth is 30%. As you go forward in the next 2 quarters, we believe our growth will be in the range of - would be at about 20%. That's our estimate. But as I mentioned to someone earlier, you could say we are being prudent in suggesting these growth numbers.

Moderator: Thank you. Ladies and gentlemen, I now hand the conference over to management for closing comments.

Hemant Bakshi: No, I think, thank you very much for your engagement. It's really good to have our investors engaged in the business, and we are very keen to continue to be able to fully guide you and explain how our business is going. I just want to take this opportunity to wish everyone, all of you and your families a very, very Happy Diwali and a prosperous new year. Thank you very much.

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