STUDDS ACCESSORIES LIMITED

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Date: November 07, 2026

To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	To, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
NSE Scrip Symbol: STUDDS	**BSE Scrip Code: 544599**

Subject: Transcript of the Earnings Conference Call of Q2 & H1FY27 for Analysts/ Investors held on November 03, 2026, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Ma'am,

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the transcript of the Earnings Conference Call for Analysts/ Investors held on November 03, 2026, in connection with the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended on September 30, 2026.

The above details will also be available on the website of the Company at www.studds.com under Investor Relations' Section at https://www.studds.com/investor-relations/financials

This is submitted for your information & records.

Thanking You,

FOR STUDDS ACCESSORIES LIMITED

ASHA MITTAL Digitally signed by ASHA MITTAL
Date: 2026.11.07 11:37:41 +05'30'

ASHA MITTAL
Company Secretary and Compliance Officer

Encl: As above

"Studds Accessories Limited

Q2 and H1 FY27 Earnings Conference Call"

November 03, 2026

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges and the Company website on 3rd November, 2026 will prevail."

MANAGEMENT: MR. SIDHARTHA BHUSHAN KHURANA – MANAGING DIRECTOR
MR. BHARAT GOYAL – CHIEF FINANCIAL OFFICER
SGA- INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to Studds Accessories Limited Q2 and H1 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 touch-tone 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 the date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Sidhartha Bhushan Khurana. Thank you, and over to you, sir.

Sidhartha Khurana: Thank you. Good morning, everyone, and thank you for joining Studds Accessories Limited's Q2 and H1 FY27 Earnings Conference Call. I hope you have had an opportunity to go through our financial results and investor presentation which are available on the company's website and the stock exchanges. I'm joined today by Mr. Bharat Goyal Chief Financial Officer, SGA, our Investor Relations Advisors.

The first half of FY27 has been challenging from an input cost perspective with geopolitical and trade-related uncertainties contributing to volatility in global markets. Significant increases in styrene-based raw material prices have impacted our gross margins and EBITDA profitability.

We have implemented calibrated price increases across our sales channels to partly offset the impact. Although sustained recovery in margins will depend on raw material prices stabilizing. However, I would like to emphasize that this is a raw material-led cost challenge and does not change the underlying fundamentals of our business or our long-term growth strategy.

Premiumization, moving towards higher-value products. One of our key priorities is to gradually strengthen our presence in the premium segment. We are consciously working towards increasing the contribution of premium products to our overall business with SMK playing an important role in the journey. Our efforts are focused on expanding our premium product portfolio, introducing new designs and features and catering to the evolving preferences of consumers.

We are encouraged by the progress so far with SMK's contribution to overall sales increasing from approximately 13% in Q2 FY26 to 20% in Q2 FY27. This reflects the growing acceptance of our premium offerings and the progress we are making in improving our product mix.

Export growth. Alongside strengthening of our premium portfolio, expanding our international business remains an important growth priority for Studds. Today, we have presence across more than 70 countries with SMK playing a significant role in our international expansion. We have made steady progress in scaling our export business with export revenue increasing from INR53.2 crores in FY24 to INR127.6 crores in FY26.

In H1 FY27, we recorded export revenue of INR79.4 crores. That's growth of nearly 50% over H1 FY26, reflecting the growing scale of international operations. Hence, our focus will be on deepening our presence in existing markets while expanding into newer geographies.

We see meaningful opportunities across Europe, the U.S. and Latin America, supported by our established brands, wider product portfolio and a stronger distribution capability. An important step in this direction has been the incorporation of our wholly-owned subsidiary in Italy, which will function as a warehousing and distribution hub for Europe.

This will strengthen our international distribution infrastructure, improve supplier responsiveness and enable us to build closer relationships with customers and distributors across European markets. Through these initiatives, we aim to build a stronger and more scalable international distribution network, which will support the next phase of growth in our export business.

Expanding manufacturing capabilities. Alongside strengthening our market presence, we are also investing in manufacturing capacity to support our growth ambitions. We commenced commercial production at our new plant on 30th October 2026, adding 1.5 million units of annual helmet and boxes manufacturing capacity.

With this addition, our total installed capacity now stands at approximately 11.5 million units (Please note 11.5 million was mentioned erroneously, it should be read as 11 million) per annum. We are further planning an additional capacity of 1.5 million units over the next 18 to 24 months, taking our planned installed capacity to approximately 12.5 million units.

The expansion is particularly important from a scale and headroom perspective. Our existing manufacturing capacity was operating at a relatively high utilization level of approximately 83% as of September 30, 2026. With increasing demand across our domestic and international markets, the additional capacity provides us with the necessary headroom to support future growth, cater to larger opportunities and respond more effectively to customer requirements.

Our capacity expansion is, therefore, not merely about increasing production. It is about preparing the organization for its next phase of growth and ensuring that manufacturing capacity does not become a constraint as demand scales up.

Product evolution. Another important area of focus is expanding our product portfolio beyond helmets and entering adjacent categories within the broader rider-safety ecosystem. One of the key initiatives in this direction is our entry into riding jackets under the SMK brand through in-house manufacturing. We commenced production in September 2026. We are progressively scaling up this capability with plan of producing 10,000 units by March '27 and 40,000 units by next fiscal year.

Riding jackets are an important part of the overall rider safety ecosystem. They are designed to provide riders with an additional protection while riding. We believe this category offers an opportunity to leverage our established brand and presence and customer relationships while participating in a larger share of the rider's safety and riding gear requirements.

In addition, we are preparing to launch our Bluetooth-based rider communication system in November 2026. This will allow riders to stay connected while riding and add another technology-led category to our product portfolio. These initiatives are strategically important as they create growth opportunities beyond our traditional helmet business. Our objective is to gradually develop a broader portfolio of products catering to the evolving needs of the rider community.

Brand building and engagement. We are also strengthening our brand visibility and engagement with the global riding community. As part of our marketing and international expansion initiatives, we are participating in EICMA in Milan, Italy. One of the world's leading international motorcycle exhibitions, which brings together global manufacturers, distributors, industry participants and motorcycle enthusiasts. This provides us with an important platform to showcase our Studds and SMK brands, demonstrate our expanding product portfolio and strengthen relationships with international distributors and potential business partners.

Similarly, our participation in India Bike Week at Panchgani will allow us to engage directly with India's growing motorcycle community, connect with riding enthusiasts and strengthen brand awareness and product visibility in the domestic market. We view these platforms not merely as exhibition opportunities, but as important investments in brand building, customer engagement and long-term market development.

Looking ahead, we remain focused on building the next phase growth for Studds. Our medium-term aspiration is to scale our overall revenue to INR1,000 crores with exports contributing approximately 25% to 30%. Thank you once again for your continued trust and support. I look forward to sharing more details on our performance and addressing your questions.

Consolidated financial performance. Quarter 2 financial year '27 performance. Our 2-wheeler helmet and boxes volumes stood at 2.04 million. Consolidated revenue stood at INR 183.1 crores, which grew by 18.6% year-on-year. EBITDA for the quarter stood at INR 22.8 crores, decreased by about 23.7% year-on-year.

EBITDA margin stood at 12.4% in Q2 FY27. PAT for the quarter stood at INR 14.7 crores, decreased by about 28% year-on-year. PAT margin stood at 8.1% in Q2 FY27. Capacity utilization for 2-wheeler helmet and boxes, EPS and water decals stood at about 85%, 88% and 64%, respectively, for Q2 FY27. H1 FY27 performance, our 2-wheeler helmet and boxes volumes stood at 3.99 million.

Consolidated revenue stood at INR 352.8 crores grew by 16.2% year-on-year. EBITDA stood at INR 42.3 crores, which decreased by 29.6% year-on-year. EBITDA margin stood at 12% in H1 FY27. PAT stood at INR 27 crores, decreased by 33.8% year-on-year. PAT margin stood at 7.7%. Capacity utilization for 2-wheeler helmets and boxes EPS and water decals stood at 83%, 87% and 65%, respectively, for H1 FY27.

With this, I open the floor for the questions and answer session.

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 their touchtone telephone. If you wish to remove yourself from question queue, you may press star and two.

Participants are requested to use handsets while asking questions. Ladies and Gentlemen we will wait for a moment while the question queue assembles.

The first question is from the line of Nishita from Sapphire Capital Limited. Please go ahead.

Nishita: I had a few questions. My first question is on our capex. So, since we are expanding our capacities also, what is our total capex spend going to be in FY27.

Sidhartha Khurana: Good morning, Nishita. So, our capex spend for FY27 is going to be INR 58.22 crores for the new plant and including the regular capex, the total capex is going to be INR 84.7 crores.

Nishita: Okay. Understood. And my next question is on new products. So like we are coming up with 2 new products. Jackets, we've already started and communication system. So are they both manufactured in-house only?

Sidhartha Khurana: Yes. So the jackets are manufactured in-house and the Bluetooth. We are launching 3 products. And out of the 3 products, 1 is completely built inside and 2 are assembled inside.

Nishita: Okay. So what's the total capacity for these products?

Sidhartha Khurana: For the jackets for next year, I said 40,000 is what we intend to sell and manufacture in the next financial year. And for the Bluetooth, the capacity is more than 2 lakhs a year, and we'll see how the market goes, but ramping up the capacity of Bluetooth is not a very big challenge.

Nishita: Okay. So, like what's the revenue potential, like what's the target in this market for these new products. What sort of revenue potential are you expecting from these?

Sidhartha Khurana: Starting off, I think the revenue potential from accessories because I said 40,000 jackets. So that's close to about anywhere between INR 15 crores to INR 20 crores. The potential globally is much larger. This is only what we're looking at is the first year after we start production. So, I think the potential is quite large because the accessories market, which includes apparels is quite large.

The addressable market is quite large in the world. This will be our first year. So I think first year target is anywhere between INR 15 crores to INR 20 crores. Bluetooth also the market penetration is quite strong right now. In certain markets, we see Bluetooth penetration to be as good as 60% in the developed markets. But in the rural markets, the penetration is slightly low. So I think there is an immense potential of ramping up scale on these products.

Nishita: Right. So initially, is it going to be that we're just going to sell these products domestically and then we'll scale to exports? Or are we going to do from the first year only going to do both domestic and export sales?

Sidhartha Khurana: So Bluetooth will be both domestic and exports, but I think for the apparels, we are more focused on India right now. For exports, we need to build products which we are building through this year now.

Nishita: Okay. Okay. Understood. And the margins in these new products, are they similar to the current margins for helmets or are they better?

Sidhartha Khurana: I think they'll be in line with the helmets.

Nishita: Okay. Okay. And I'm assuming, so I'm sorry I'm joining the call for the first time, but our margin for the Studds helmets and SMK helmets are also going to different, right? Like because SMK is a premium product will enjoy higher margins than that. Am I correct?

Sidhartha Khurana: That's true. SMK margins are higher.

Nishita: So these jackets and Bluetooth are going to be in line with the SMK margin or the Studds margin?

Sidhartha Khurana: So jackets are in line with SMK margin and in Bluetooth. I would say we have SMK product and Studds product, and they will be in line with their own brand margins.

Nishita: Okay. Okay. And the last question would be what's the margin difference between SMK and Studds products. And what sort of margin do we enjoy in SMK? And similar in Studds?

Sidhartha Khurana: So I would say SMK margins are about close to 70% higher than Studds margins, depending on what kind of times. But if I was to talk about percentage, that will be typically the ballpark we are anywhere between 70% to 80% depending on product to product. But as such, right now because the raw material pressures, margins for both the brands are slightly down. But when you compare both the brands, it's about 70% to 80% higher for SMK.

Nishita: Okay. So SMK gross margin are 70% higher.

Sidhartha Khurana: Than Studds. Yes.

Moderator: The next question is from the line of Rakesh from Nine Rivers Capital Limited.

Rakesh: Hi Sir, Thank you very much for the opportunity and Congratulations for a great set of numbers in this tough time, considering the raw material price increase as well as the capacity constraint. Sir, first question with respect to the volumes. You mentioned the volume was 20.4 million units in this quarter. Can you please give us some bifurcation of domestic as well as exports?

Sidhartha Khurana: Volume, yes. Yes. Can I ask Bharat to come in, CFO Bharat, do you have the numbers?

Bharat Goyal: Yes, sir. So Rakesh, can you please repeat your questions about numbers?

Rakesh: Bharat ji, with respect to the volume 20.4 million was the volume for the total volume plus -- volume for the boxes and helmets, can you please bifurcate the export as well as the domestic volume?

Bharat Goyal: Okay. So domestic volume is approx 35 lakh and export volume is about 4 lakh.

Sidhartha Khurana: Bharat, this is H1, I think Rakesh is talking about quarter.

Bharat Goyal: Yes, just a minute, I'll give you the quarter number. Rakesh, so quarter number I'll come back to you and share with our IR team.

Rakesh: Sure, Bharat ji. I'll take it offline. Second question with respect to the EBITDA margin. Generally, it has been highlighted in the past call also. SMK has a higher margin than the Studds and in the previous question also you highlighted. But sir, this first financial year and the second quarter also, we have witnessed a strong improvement in export sales, but the margins has not witnessed a sharp improvement. Any reason for that?

Sidhartha Khurana: Improvement mainly because of raw material prices the margins for both the brands have gone down, so Studds and SMK because we feel it's more of a temporary thing. It's like a cyclical thing. The moment the raw material prices come down, we will see margin improvement. And second impact was because of the wage, it comes to about 30%, 35% in April.

That also impacted the margin. With that, I think we recovered with the price increase of the product, but the raw material prices have gone so high that the price increase yet is not able to compensate the complete raw material price increase. And we're just waiting and watching right now to see if the raw material price comes down because we think it's more cyclical than a fundamental problem in the business.

Rakesh: Sidhartha ji, just going to the point of the last concall, you highlighted the polymer, styrene prices have gone from INR 120, INR 130 to INR 200, then it came back to INR 180. And in order to compensate that price increase you had highlighted that we are aspiring to take 9% price hike that will suffice the gross margin, that will suffice the price increase. So, what is the price hike that we have taken in the Q1 and Q2? And is there any further price hike that we need to take in order to come back to the normal gross margin?

Sidhartha Khurana: So, the price increase that we've taken is 9%, which was slightly calibrated because about 7% -- 6.5% to 7% price increase we got during the Q1 and the balance we got in the Q2 because there were some older orders, which were committed at the older prices, export especially. So now after Q2 that all the price increase is now into the system and the price increase net is about 9%.

About future price increases, as I said this quarter, how the raw material prices are up. And then we will decide in Q4 if another price increase is required. As I said, I firmly believe that this is cyclical. So, we still want to wait a little bit before we take another price increase. But for sure, if the prices don't soften, we will take another pricehike.

Rakesh: Just a follow-up question on that. So last quarter, you highlighted how the styrenics prices are moving on. Can you highlight also in this quarter like Q2 and Q3, how the styrenics prices currently moving on.

Sidhartha Khurana: So Q2 was slightly better than Q1. In Q3, we were expecting styrenics to soften, but they haven't softened yet. They're still elevated. So as I said, we will wait for this quarter before we take a call for price increase.

Moderator: The next question is from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D. Patil: Good Morning Team, I have 2 questions. First question to Mr. Khurana, while we have maintained strong leadership in our core mass market helmet space, and we are now pushing heavily into the premium category and international markets with our Italian subsidiary.

I just want to understand the forward-looking guidance on what is the biggest execution risk of scaling up in these highly competitive premium and global markets? And how do you plan to protect our core domestic market share if aggressive local players try to capture our volume? That's the first question. I'll ask my second question after this.

Sidhartha Khurana: I think the biggest risk on execution on the foreign markets is the speed at which we actually ramp up operations, and we're able to scale up sales because in these foreign markets, the fixed costs are very high. So if you don't scale up quickly, so you will see for a certain period of time that the subsidiaries might make a slight loss. So I think the biggest execution risk is the ramp-up speed. I don't see any other execution risk as such from the subsidiary point of view. And I think to answer your second question on the domestic, how do you try to protect.

I think our strategy is more around the product and creating an experience for the consumer because the experience part is very important, and that's where the discretionary power of the consumer comes in. If you're able to have a good product and experience, right, price is not the only factor. Now if it was something that is driven only by price, then it's more difficult that you discount, you scheme, but I think that it's more around the product and experience that we wish to expand our business domestically as well.

Sucrit D. Patil: My second question to Mr. Goyal is as we currently are deploying a major capital expansion plan across our facilities, what is the main risk in our near-term profitability if these new production line faces any delays? Or if consumer demand for 2-wheeler slows down in the coming days, especially over the winter? And what major external cost pressures are you most focused right now?

Bharat Goyal: See, whereas production capacity is concerned, we already have started our new plant Phase 1. And currently, we are seeing good demand as such. There is no any demand issue. And as of now, main cost pressure is related to raw material prices only, which we see that will soften. But as of now, we are in wait and watch situation.

Moderator: The next question is from the line of Rohit Kumar from ADM Advisors. Please go ahead.

Rohit Kumar: Thank you for the opportunity. So, we have expanded our capacity by 1.5 million and 1.5 million is under planning. So how are you looking at from next 5-year perspective, does the ambition remain to strengthen its leadership in helmet? Or is it the large objective to build a comprehensive global rider safety and accessory platform.

Sidhartha Khurana: Yes. Rohitji, I think the main idea is that going forward, accessories will form a slightly larger part of the business, but helmets will still be a major part of the business. And this global expansion is built around, I would say, helmets and rider accessories and that's how we see the brand going. But yes, it will be related to motorcycle riding experiences and we want to become the global leader in this space.

Rohit Kumar: Okay, sir. And sir, my second question was which geographies for the larger strategic opportunity for Studds over the next 3, 5 years? Any guidance on this? And also what differentiates this market in terms of consumer preference, regulations and competitive intensity?

Sidhartha Khurana: I would place the opportunity in 2 baskets. One is the Latin American market, where it's more of a quantity-driven, it's not as price-sensitive as India, and it's a quantitative driven market because it's a larger motorcycle market. Second, I would see Europe and U.S. as a more of a premium market where you have good margins and higher revenues and they are not so small markets. They're also largest market, geographies where I think it will be important for us to grow in the next 3 to 5 years.

Moderator: The next question is from the line of Mihir from MB Capital Limited.

Mihir: Good morning, So I had a question regarding our international presence. So does you see any opportunity to accelerate our growth through some inorganic initiatives such as acquiring some established brands, manufacturing asset or some like distribution business? And if like you are so which geographies would you currently have a strategic interest in?

Sidhartha Khurana: Yes, Good morning. I don't think so we're looking at an inorganic opportunity in the same space as helmets because we feel all the manufacturing of helmets is happening mainly in Indonesia, India and China and Vietnam, I would say. Yes, if there is a historic legendary brand, which is up for sale, we can do it. But as of now, we have no plans for an inorganic opportunity within the helmet space. And as we go forward, we'll have a look at I would say, associated spaces, but no plans as of now.

Moderator: The next question is from the line of Sourav Dutta from Minerva Asset Advisors.

Sourav Dutta: Hi, Thank you for the opportunity. Just one question. The overall guidance for FY27 was around 8% to 10% volume growth. In Q2, however, volumes have stayed flat. So just wanted to understand any specific indicators on this?

Sidhartha Khurana: Yes, I think my guidance would be we still remain in line with the volume growth that we had given the guidance on earlier, which is about 8% to 10% and I think you will see that pick up in H2 this year because of the capacity increase. H2, I would say Q4 will have a bigger jump because we just started on 30th October, the other plants. So November, December will not be as high because we're ramping up, but you will see Q4 to be better volumes. And as we had given a guidance earlier, we stick to the same guidance.

Moderator: The next question is from the line of Nikhil Upadhyay from SiMPL Innovative Brands Private Limited.

Nikhil Upadhyay: So first question is on the accessories part around the helmet, which you talked about earlier. If I have to understand, how do you develop the brand position in the accessories? Would it follow a developed brand once we've develop our brand in the helmet, which then makes the people move towards the accessories? Or can you develop accessories as a separate brand and with no influence from the helmet side?

Sidhartha Khurana: I think because the point of sale is similar. So where you have helmets you'll get accessories from the same platforms or shops, so the consumer is aware of the brand, it's always easier to develop the accessories within the same brand. So product and brand combination. I will look at it more from a separate product category kind of a thing and not so brand helps the separate product category growth.

Nikhil Upadhyay: Okay. in the initial year, would it or like currently, is it purely outsourced model for accessories? Or are we putting capacity for manufacturing? And how large is the capacity?

Sidhartha Khurana: Most of them are manufactured by us, barring a very few which are outsourced. And I think capacities accessories come into various kind of categories. For example, your luggage business, which is a hard accessory business, your apparel business, which is a soft accessory business. You have Bluetooth, which is an electronic accessory business. So I cannot give you a club number on the accessory capacity. But yes, individually, these capacities are different, and we are ramping up these capacities in-house as well.

Nikhil Upadhyay: Okay. And over the last few years, what is the CAGR growth for the accessories for us?

Sidhartha Khurana: I don't have that number now. But what I can tell you is accessories now form a higher percentage than as compared to last year's. So it's growing at a faster pace in volumes and revenue as a percentage. But the absolute number will still be small because it's a small part of the business. But percentage-wise, that will be a larger growth for us even in this year, I'll say that will be a larger growth.

Nikhil Upadhyay: Okay. And last question on accessories. So if you look at the margin profile, as you always say, SMK brand has a better margin than Studds, would accessories fall in between the two? Or would it be much better than the premium brand? Where do accessories margin fall?

Sidhartha Khurana: So accessories margins are largely in line with the brand margins on helmets. I would say a few exceptions sometimes, but largely, we are in line with the brand margins across helmets as well.

Nikhil Upadhyay: Okay. Second was on the exports in Europe, I think last 6, 9 months, they've launched the distributor, they've added distributors in multiple countries, warehouses. Based on your last 6, 9 months of investments in those markets and product launches where do you think we need to work more on? And what are the things which have been your learning and you are trying to improve upon. Like what's the feel you are getting in terms of our ability to crack the market.

Sidhartha Khurana: I think I have a very strong feeling we are going in the right direction because if you look at our growth, H1 last year versus H1 this year in exports, it's almost we're going in the wrong direction, going in the right direction, but I see this more of as an investment here because the Italian subsidiary coming up, the fixed cost to start up.

These costs will be spent mainly in Q2 and Q3. So Q2 is gone, Q3 is on. So from next year, I will see profitability or I would say, the fixed costs will go away from the subsidiary establishment. And we will see better margins coming on the consolidated basis.

But I think the 50% growth that we have done is already a sign of how the growth is happening and that's what we were planning 25% this year. But in the first half year, it's much better. So I would not say that I'm too worried on the export front.

Nikhil Upadhyay: So the brand acceptance has been better with the distributor, would you say like based on the growth which we are looking at, at the distributor level and at the retail level, both the acceptance and the growth is similar?

Sidhartha Khurana: Yes, the acceptance we are growing at 50%, and we haven't added a lot of markets in H1 this year. So, it's the existing markets, which are growing at that pace. But I always believe that when you have a smaller share of the market, it's very easy to take market space.

But when you have a bigger market share, it's more difficult to protect that market space. So at the moment, I think in the next 3 to 5 years, we're in a good space where we're taking market share. Once you become a global, a significant force globally, then you have to start protecting your market share, which will happen about 3 to 5 years.

Nikhil Upadhyay: Okay. And last question, and I'll come back in the queue. See, because you've been listed recently and we've not seen the RM cycles for you. We don't have a listed history how the RM cycles and the price volatility work. But based on your experience of last 15, 20 years, how has the RM inflation and deflation played out for you in terms of the end pricing?

Like how much of it gets retained? How much needs to be passed on? And generally, how is the competitive behavior? Like do they follow a similar pattern of retaining some amount of price increases? Or it's like when the RM deflation hit, everything needs to be passed on?

Sidhartha Khurana: So I think this is the second extraordinary cycle we are seeing. The first extraordinary cycle we've seen was in COVID when the prices really shot up. In the last 10 years, if you have a look at our balance sheet, that was, I think, a couple of years in between, which I think in '22 and '23, you'll see a dip similar to this dip. And so, I would say this is a second cycle. Last time the cycle continued for 2 years. This time, we expect it to be slightly smaller. That is our expectation. I don't know how the geopolitical situation works out to be.

But I think in terms of how much is to be passed on, so it's always better to calibrate your pass on price increase to the market because suddenly, if you increase the price by 20% and the raw material starts falling then you have to discount, which is never good for a brand. So we have not reduced our price ever. So that's why it's the same philosophy again this time around. And I think there are cycles in the business, but these 2 have been extraordinary cycles.

Nikhil Upadhyay: And in this deflation period, how does the competition behave? Like do they have a rationality on the pricing or in order to get volumes, they do a larger discounting? What's your experience?

Sidhartha Khurana: On the mass market, which is the entry level, we see deep discounting happening when the prices soften a little bit. But on the premium segment, and I would say in the mid segment, no change happens because from a consumer perspective, the person who's buying a bike, a INR 200 increase doesn't even matter. I mean he's not looking for INR 200 discount when he is buying a bike or he's buying a helmet.

So on the mid and the premium segment, we don't see any kind of pressure on entry level the pressure is there, but then the market kind of adjust to it over a year's period. That's how normally the markets behave.

Moderator: We have the next follow-up question from the line of Nishita from Sapphire Capital Limited.

Nishita: So I just wanted to understand. So currently, what accessories are we already like manufacturing?

Sidhartha Khurana: So we are doing motorcycle hard luggage. We are doing helmet locks, cable locks. We're doing, as we said, Bluetooth accessories. Bluetooth is what we're launching. We're doing jackets, we're doing gloves, we're doing motorcycle goggles, we're doing some rainwear. So everything related to motorcycle accessories. We're doing balaclavas, we're doing sleeves I would say about 70% to 75%, we are manufacturing in-house of these items.

Nishita: Right. So, like helmet, so the 11.5 million units of capacity that we have. That is just for helmets, right?

Sidhartha Khurana: Yes, and motorcycle luggage which is a part of the accessory business.

Nishita: Okay. So what is the capacity for other accessories?

Sidhartha Khurana: So other accessories, I'll have to define category by category because as I said, there are many categories and the capacity for a particular garment, right? A jacket will have a different capacity versus, for example, a balaclava. But similar lines will stretch in the same stuff. But I can get back to you category by category offline. I think we can connect through SGA.

Nishita: Sure, sure, we can do that. And my next question is, so like in H1 FY 2027 you had revenue growth of around 16%. If you can give us some sort of guidance full year FY27, what sort of growth can we expect?

Sidhartha Khurana: I think on the growth side, I had earlier given my guidance on high teens, so anywhere between 15% to 19%. So we are in line. Q2 growth was close to about 19%, 18-point-some percent and the half year is 16%. So we've...

Nishita: I'm sorry, your voice is cracking.

Sidhartha Khurana: I said we are high teens, which is between 15% to 19%. And I think we are in line with earlier guidance. Nothing has changed there.

Moderator: The next question is from the line of Kunal Sabnis from Nine Rivers Capital Limited.

Kunal Sabnis: I have a couple of questions on exports. First is that your overall growth has been phenomenal, much higher than what you have been guiding. What has taken you by sort of surprise with this? I mean based on your experience?

And all 3 geographies, U.S., Europe and rest of the world have been growing much ahead of what your expectation was. So just your thoughts on this and if you could sort of granularize it by saying what is happening in each geography? And what could be the sustainable rate from here on?

Sidhartha Khurana: So I would say that we're not surprised because we have a strong product portfolio, but these are all estimates, right? When you think that, okay, you see a space for yourself in the market. You think that you can grow at that number, but sometimes the market responds better than that. And I think, as you said, the encouraging part is we are growing in all the 3 geographies. It's not 1 geography. So which means that the product is well accepted everywhere.

In terms of further growth, I think 50% is not sustainable over a long-term period. My guidance has always been sustainable over the long-term period is more on exports more like 20%, 25%. When I say long term is more like 5 years. But I think short-term growth, we had given a guidance of about 30% to 35%. We're doing slightly better there.

But I would still like to say, okay, there will be years of 50% as well, but short-term, medium-term guidance would be 30% long term could be about 25% on exports. Because when your base is larger, it is difficult to grow at 50% year-over-year.

Kunal Sabnis: Got it. Any specific thing you want to highlight, especially in U.S., which is now about 10% of your business?

Sidhartha Khurana: No, I think we are growing pretty strong right now in the U.S. and also in other markets as well. So the markets are behaving quite similar, in a similar fashion, all across. Even Latin America is growing at a very fast pace. So I don't see any difference in patterns across geography. It is just a good growth all across, I would say. And we expect this to go on for some time right now. As I said earlier, maybe not 50% less, but good growth numbers will come in.

Moderator: Thank you. We take that as the last question for today. I now hand the conference over to the management for closing comments.

Sidhartha Khurana: Thank you all for joining us today. We hope we have addressed your questions and provided valuable insights into our performance and strategy. Happy Diwali to you all. If you have any further questions or need additional information, please feel free to reach out to our team or our Investor Relations Advisors with SGA. Thank you.

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