

May 19, 2026

To
BSE Limited
P.J. Towers, Dalal Street
Mumbai – 400 001
Scrip Code: 509675
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra (E),
Mumbai – 400 051
Scrip Symbol: BIRLANU
Through: NEAPS

Sub: Transcript of Investors' Conference Call on Q4 & FY26 Financial Results
Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
("SEBI Listing Regulations")

In continuation to our letters dated May 7, 2026 and May 13, 2026, please find enclosed herewith transcript of the Analysts/Investors' Conference Call held on May 13, 2026 on the audited standalone and consolidated financial results for the quarter and financial year ended March 31, 2026. The copy of said transcript has also been uploaded on the website of the Company at www.birlanu.com.

Yours faithfully,
For **BirlaNu Limited**
(formerly HIL Limited)

Nidhi Bisaria
Company Secretary & Compliance Officer
Membership No. F5634

Encl. as stated



BirlaNu Limited
Q4 & FY26 Earnings Conference Call Transcript
May 13, 2026

Moderator: Ladies and gentlemen, good day, and welcome to BirlaNu Limited's 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 and then zero on your touchtone phone.

I now hand the conference over to Mr. Mit Shah from CDR India. Thank you, and over to you, Mr. Shah.

Mit Shah: Thank you, Sagar. Good afternoon, ladies and gentlemen, and welcome to BirlaNu Limited's Q4 and FY26 earnings conference call for investors and analysts.

Today, we have with us Mr. Akshat Seth, Managing Director and CEO of the company; and Mr. Ajay Kapadia, Chief Financial Officer. We will first have Mr. Akshat Seth make his opening remarks, and he will be followed by Mr. Ajay Kapadia, who will take you through the financial perspectives.

Before we begin, I would like to point out that certain statements made in today's call could be forward-looking in nature, and details in this regard are available in the earnings presentation, which has been shared with you earlier.

I would like to invite Mr. Seth to present his views on the performance and strategic imperatives that lie ahead. Thank you, and over to you, sir.

Akshat Seth: Thank you, and good afternoon, everyone. It's my pleasure to welcome you all on BirlaNu's Quarter 4 and FY26 Earnings Call.

Just before we get into numbers, it is also important that we reflect back on the year gone by, which in many ways was a landmark year for us. It offered a significant inflection point in our strategic journey.

This was the year we completed our transition from what was known as HIL to BirlaNu, and that brought together a full breadth of our offering across Pipes, Construction Chemicals, Putty, Roofs, Walls and Floors under one identity. This transformation reflects our collective ambition to be a leading global provider of innovative and sustainable home and building solutions.

Another significant highlight for the year was the acquisition of Clean Coats. This was a strategic step defined to strengthen our portfolio in Specialty Construction Chemicals and high-performance Coatings, and it brought together Clean Coats technical expertise, proven formulation and export capability with our strong brand presence, market reach and institutional relationships. The acquisition is a step forward in our commitment to double our portfolio over the next few years and also marked continued progress in reshaping our portfolio towards more value-added and differentiated offerings. For our shareholders, this transaction offers significant long-term value creation through deeper participation in a fast-growing high-value segment of specialized Construction Chemicals.

Let me now move towards the performance for Q4, and I will talk about the larger picture and then get into the individual segments. FY26 financially reflected both resilience and agility of BirlaNu. The business operated in a challenging environment marked by subdued demand conditions, pricing pressures, heightened competitive intensity and uncertain geopolitical situation. You would recall, we started the year, and quarter 1 was a difficult one, there were demand-related challenges and pricing-related challenges in the market and we ended the year when the impact of the Middle East war and crisis was looming large and that, in many ways, sums up the external environment for the year. Despite these headwinds, we strengthened our market position through deeper market penetration, focused efforts on improving operational efficiency and disciplined cost management.

I am happy to say we enter FY27 with a strong momentum on both growth and profitability and the evidence of that comes from our performance in Q4 for the India business. So, for the full year, our consolidated revenue was Rs. 3,730 crores with volume growth across most segments. If we zoom in to quarter 4, the revenue was Rs. 1,010 crores, which represents a growth of 9% over last year and an 18% growth quarter-on-quarter, so compared to quarter 3.

On standalone basis, which is much of the India business now, we clocked revenue of Rs. 2,427 crores during the year. The significant

milestone or achievement was on EBITDA front, where we have grown by 39% to reach an EBITDA of Rs. 146 crores. Much of this was driven by Q4 performance, where the standalone revenue was Rs. 625 crores, growing at about 8% and a margin expansion of nearly 400 basis points, 380 basis points to be precise. This performance was despite the ongoing Middle East conflict that created a challenging operating environment across our businesses and segments, with volatility in energy and logistics costs impacting both input prices and overall market sentiment.

Let me now briefly touch upon the segmental performance.

One standout segment for us in India this year was the Walls segment, which delivered solid performance consistently through the year. During Q4, the segment recorded a revenue growth of over 13% and for the full year, a 14% growth. This was led by robust volume expansion, especially in the Boards and Panels segment. Despite continued pressure on realization, the business was able to mitigate impact on margins through disciplined cost management and operational efficiencies.

Construction Chemical, probably the youngest part of our portfolio, is on a strong growth momentum. This segment, including Clean Coats, delivered growth of about 58% year-on-year in quarter 4 and 45% for the full year. With the addition of Clean Coats, we have further strengthened our product portfolio and enhanced our ability to offer a more comprehensive and value-added range of solutions such as high-performance corrosion coatings, epoxy and PU flooring, waterproofing and products for repair and rehabilitation. This positions us and our business for scalable and profitable growth in the years ahead.

In Roofs segment, where we are established market leaders, we have reinforced our leadership position while maintaining a premium on pricing and profitability relative to the market and competition. During Q4, we delivered revenue growth of 8% year-on-year and 18% relative to quarter 3. This performance represents a strong bounce back from H1 where both demand and pricing conditions were weak.

The Pipes segment witnessed a challenging operating environment throughout the year, with demand conditions impacted by lower government spending and liquidity challenges. The sharp decline in resin prices, which reached multiyear lows, led to significant pricing pressures. This was followed by the month of March, where we witnessed a sharp increase, nearly 60% in a short span of 3 to 4 weeks. In this challenging and volatile environment,

the performance during Q4 stood out as revenues increased significantly. We grew nearly 30% over quarter 3. More importantly, the EBITDA margins expanded sharply by about 1,300 basis points year-on-year due to sustained cost actions, higher realization and some positive impact of inventory revaluation. We are confident that in this segment, there is now a strong momentum with us and going forward, we will continue to drive on both growth and profitability.

Parador navigated a tough year marked by weak demand in key European markets, softer pricing and input cost inflation. Full year revenues while being steady to a marginal decline in Euro terms, overall profitability suffered because of an unfavourable product mix, higher material cost and certain one-off expenses. Looking forward to FY27, we see clear momentum in growth and margins driven by deeper European retail penetration, rising contributions from new markets like the U.S. and targeted pricing moves and the full benefits of the cost optimization that was done in FY26.

Beyond numbers, there are a few things to look forward to, which will fundamentally improve both the growth trajectory and the profitability of the portfolio we carry.

The first one is a program that we ran with BCG, focused on some of our key product segments, which was a comprehensive value enhancement exercise. The idea was to identify and implement larger pools of P&L impact opportunities. We are already seeing and some of it is visible in quarter 4 results, incremental benefits flowing through with the full savings set to materialize from FY27 onwards. In addition, we have undertaken several internal initiatives across our business to tightly control cost and streamline processes, bolstering competitive margins and resilience against external uncertainties.

On the investment front, execution remains on track across our key strategic projects. The new boards plant we are setting up in Nellore, Andhra Pradesh is advancing well and is on track as far as defined execution milestones are concerned. Similarly, the OPVC facility in Patna is now fully commissioned. Our innovation engine continues to remain a key differentiator for us, enabling us to consistently introduce value-added and differentiated solutions across businesses.

During FY26, we launched several new products across categories such as designer boards, premium blocks, to name a few. These received encouraging market response and further strengthened our premium portfolio. Building on this momentum, we have an

exciting pipeline of innovative and differentiated offerings planned for FY27, which we believe will further strengthen our market positioning and support long-term profitable growth.

As we move into the new financial year, our focus remains firmly on strengthening market leadership, driving operational excellence and delivering sustainable profitability. While we remain mindful of the evolving macroeconomic and geopolitical environment, we believe the organization today is more resilient, more agile and future-ready and it is well positioned to create long-term sustainable value for all stakeholders.

With that, I conclude my opening remarks, and I invite Ajay to take you through the financial and operational details. Ajay, over to you.

Ajay Kapadia:

Thank you, Akshat, and good afternoon to everyone. I am happy to take you through the key financial and operational highlights for quarter 4 and for the full year FY26.

FY26 was the year of transition and strategic progress for BirlaNu. The operating environment remained challenging throughout the year, with continued volatility across key markets, soft pricing in most categories and demand conditions that stayed uneven for a large part of the year. Despite these headwinds, we delivered steady operational improvement across most of our businesses, supported by disciplined execution, cost optimization initiatives and improving operating leverage. I believe our performance needs to be viewed in that broader context.

Before I begin the segment-wise discussion, I would like to highlight that during the quarter, we have received merger order for Crestia with BirlaNu and accordingly, our standalone financials are reported on merged financials numbers.

Let me begin with the headline numbers.

On a standalone basis, revenue for quarter 4 grew by 8% year-on-year to Rs. 625 crores, supported by healthy volume growth across most of the segments. EBITDA margins improved by nearly 380 basis points during the quarter, aided by stronger operating leverage, the early benefits of our cost optimization initiatives and dividend received from Clean Coats of Rs. 5 crores.

For the full year '26, standalone financial revenue grew by 2% to Rs. 2,427 crores, while EBITDA increased by 39% to Rs. 146 crores, supported by improved operational efficiencies, dividend received

from Clean Coats Rs. 22 crores and profit on sale of assets, Rs. 7 crores.

Importantly, most business delivered healthy volume growth despite pricing headwinds during the year. The only exception was pipes where volatility in PVC resin pipes and muted government spending created a relatively difficult operating environment.

At the consolidated level, revenue for quarter 4 grew by 9% year-on-year to Rs. 1,010 crores for the full year. Consolidated revenue stood at Rs. 3,730 crores, reflecting a growth of 3% over last year.

Let me now take you through the segment-wise performance.

Starting with Roofs, the business reported revenue growth of 8% during quarter 4 with revenue standing at Rs. 275 crores. For the full year, revenue remained broadly stable at Rs. 1,139 crores, despite a relatively weaker first half. The business continued to maintain its market leadership position and pricing premium throughout the year. Despite sustained pricing pressure, margins remained largely stable, reflecting the continued benefits of our cost optimization initiatives and operational discipline.

In Walls, both the quarter and the full year performance were particularly encouraging. Revenue grew by 14% during the quarter to Rs. 161 crores, whereas full year revenue stood at Rs. 610 crores, reflecting a strong growth of 13%. This performance was primarily driven by Panels and Boards segment which delivered growth in the range of 20% to 25% during the year. The growth reflects stronger execution, healthy order pipeline and improved utilization levels at Chennai new line. Overall, the segment continues to demonstrate a strong and consistent growth trajectory, which gives us confidence in its long-term potential.

Construction Chemicals was one of the fastest-growing business in our portfolio during the year. Revenue grew by 58% during quarter 4 to Rs. 37 crores, while full year revenue increased by 45% to Rs. 117 crores. I am pleased to highlight that we crossed our first milestone of Rs. 100 crores revenue in this segment during the year. The acquisition of Clean Coats marks our entry into the Coating segment, further strengthening our product portfolio, while also enabling premiumization opportunities and healthier margins. The integration process is progressing well, and the segment enters FY27 from a significantly stronger position than where it started the year.

In Pipes, revenue for quarter 4 grew by 4% to Rs. 147 crores. However, at the full year level, revenue stood at Rs. 495 crores, reflecting a decline of 8%, while volumes remained broadly flat. This decline was primarily due to multiyear low PVC resin prices during the year. Importantly, margins improved sharply during quarter 4 by nearly 1,300 basis points mainly due to steep price increase in the resin prices in the month of March due to Middle East tensions, while full year margins improved by 280 basis points. We expect prices to stabilize over the coming months and anticipate a stronger recovery in FY27, supported by increased government spending and infrastructure-led demand.

In Parador, revenue declined by 9% year-on-year in euro terms during the quarter and 7% for the full year, with the slowdown primarily concentrated in the second half amid intensified competition and geopolitical uncertainties across European markets. During the quarter, the business reported an operating loss of Rs. 35 crores, which includes a onetime severance provision of Rs. 19 crores. That said, several corrective initiatives have already been implemented to improve operational performance, and we expect a gradual recovery through FY27.

I would also like to draw your attention on provision created for diminution in the equity investment in BirlaNu International GmbH amounting to Rs. 74 crores, which has been reported under exceptional items in the standalone financial statements for the quarter. This is purely reflecting our investment value in line with current performance of Parador.

Additionally, during the year, we monetized certain non-core assets, resulting in a gain of Rs. 47 crores. Excluding these accounting adjustments, the underlying operational performance reflects improving profitability trends and stronger cost discipline across the portfolio.

Turning to the balance sheet, maintaining financial discipline remained a key focus area throughout the year, even as we continue to invest for growth during the year. Our debt stood at Rs. 709 crores at the beginning of the year, increased to Rs. 929 crores as on December, primarily on account of investment in Clean Coats acquisition as well as ongoing expansions in OPVC and new Boards plant in Andhra Pradesh. I am pleased to note that through focused working capital management and tighter operational controls during the second half, we were able to reduce borrowings, and it stands at Rs. 851 crores at the end of the financial year. The direction of travel on debt reduction is encouraging, and we remain

committed to maintaining a prudent and disciplined capital structure in line with our internal plans.

The foundation we built through FY26 is significantly stronger than where we started the year. We enter FY27 with improved operational momentum, a more integrated business structure and greater confidence in our strategic direction. We remain fully committed to translating this progress into stronger financial performance and long-term value creation for all our stakeholders.

With that, I conclude my remarks and hand the call back to moderator to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Your first question comes from the line of Niteen S. Dharmawat from Aurum Capital. Please go ahead.

Niteen D: Thank you for the opportunity. So, my only question and a few observations is we have now taken an impairment in the European subsidiary. So, in a way, it is good that this is the first recognition of the problem in the subsidiary. We have already given long enough rope of almost 8 years to this subsidiary. Has the time not come to take a call on this subsidiary? Last year, we mentioned that this year we will turn it around and make it profitable. Now some other issues have come up, which affected the subsidiary materially, but not our Indian operations, which did really well. So, would it not be prudent to recognize the problem and take a final corrective measure in this part of the business? Our management team has extensive experience in business and consultancy and well qualified. So, without being biased, what would you have suggested to someone else going through the same situation?

Akshat Seth: Since we are talking in indirect terms, what we would have recommended to any party as consultants or external advisers, we are following all of those in the case of Parador and many of them are at play, some are visible, some are not visible for you. But I think the only element I will say is it is going through a difficult business cycle. We all recognize that there is no lack of acknowledgment on that. In a business cycle like this, whatever actions have to be taken are also at play. So, I want to assure you that there is no loss of objectivity in that regard.

Niteen D: Yes. I understand that, and I appreciate the fact that we are on top of the things. But if the things are not working like 8 years is not a small period. We have given long enough time for this. So may be some time we will have to take a final call to stop loss. We are continuously making losses. I am sure that we are in hope wherein

we will turn it around. I am sure that some day will come. But it should not be too late for us, my only comment on this.

Akshat Seth: Understand, and I appreciate the counsel there. The only addition I will make is in the seat that I sit, we act and react more than just on hope. We react on data and lead indicators and what the order books and pipelines are. So, rest assured that every part of this is being looked at objectively and all the advice that we could give as an external advisor in this situation is at play here.

Moderator: Thank you. Your next question comes from the line of Vaibhav Badjatya from Honesty and Integrity Investment. Please go ahead.

Vaibhav B: Thanks a lot for providing the opportunity. So, I just wanted to understand the prospects on the Roofing part of the business both on the demand side and the cost side. So, on the demand side, if you can help us understand where our product stand vis-a-vis steel roofing because in galvanized process, there is a usage of LPG, and we hear the reports of some disturbance of steel roofing availability in the market. So great, if you can help us understand the impact of this phenomenon on demand and connected to this is the outlook on demand?

And secondly, on the cost side of the Roofing business, how rupee depreciation is impacting the cost? and how do you see the margins going forward in the Roofing business? If you can help us understand these phenomena, that would be helpful.

Akshat Seth: Yes. So, from a demand perspective, what we are witnessing, and I can say that on the evidence of the last 2 to 3 months is there is good momentum on the demand front, certainly better than what it was last year and last couple of years, honestly. What are the factors driving it. We believe there is some underlying resilience in the rural economy which is helping. So, the demand there seems to be helping at a macro level.

You are right that at this moment, the price differential between our Roofing products and the substitute, which is steel roofing products, is on the higher side given the rally that has happened in steel prices and metal prices in general, and that gives us some pricing headroom and also some substitution opportunity. So that is also playing out. So, I think those 2 factors are helping what looks like a promising demand scenario.

On the input cost, and rupee depreciation is a factor there. Yes, it is playing out. It is impacting us because a big part of our raw material cost base is imported and to that extent, there is exposure. There is

not just on rupee depreciation, but also the impact of freight increases that will play out and given it is a mined product, increase in cost of petroleum products and energy prices also have a bearing on the principal price of the raw material that we get in. So, there is pressure on the input side from fibre perspective and from cement, which is a big raw material for us. So, there is some inflationary pressure on the input cost as well.

We are confident that at least some part of this will be offset from price corrections in the market, hopefully, and it is too early in the season to make a commitment around it. But hopefully, it should mean some better times as far as margins are concerned.

Vaibhav B: Right. I understand, I mean, you have given a good brief. But are you hearing from the market that is there any shortage of steel roofing, or the steel industry is somehow managing as of now and availability is not an issue on the steel roofing alternative products that competes with our products?

Akshat Seth: I would not be able to comment on the availability part of that, but I certainly hear, and there is enough evidence that on the pricing part, there is certainly a lot of concerns.

Moderator: Thank you. Your next question comes from the line of Parikshit Gupta from Fair Value Capital. Please go ahead.

Parikshit Gupta: Thank you very much for the opportunity. I hope I am audible.

Akshat Seth: Yes, Parikshit. Please go ahead.

Parikshit Gupta: All right. So, my first few questions on the Pipes and Construction Chemicals segment. Can you please help me with the breakup of the Construction Chemicals segment? You mentioned that there is a 58% growth year-on-year in Q4. Can you tell me how much contribution is there from Clean Coats? and what is the growth number ex of Clean Coats, please?

Ajay Kapadia: Yes. So, without Clean Coats, the growth is 25% for full year. With Clean Coats, it is 58%. Clean Coats number for the 4.5 months is Rs. 20 crores.

Akshat Seth: For quarter 4 its 58% and 45% is for full year. Correct?

Parikshit Gupta: No, please sir, you continue with the numbers. Let me ask my follow-up questions after that.

Akshat Seth: Yes, go ahead.

- Ajay Kapadia:** Yes. Your other question is what is the Clean Coats number? It is Rs. 20 crores for 4.5 months from the date it was acquired.
- Parikshit Gupta:** And ex of this, you are saying the growth for quarter 4 is 25%, just for Construction Chemicals, right?
- Akshat Seth:** No, we are saying overall, including Clean Coats for the full year, the growth is about 45% and for quarter 4, the growth is 58%, okay. This is including Clean Coats. If you knock off Clean Coats, then at a full year basis, that number is 25%.
- Parikshit Gupta:** Understood. My second question on the Pipes segment. Can you also help me understand the breakup of the revenue of the Pipes segment? How much was it from the CPVC? I mean, the high-margin segment? and how much of it was with the OPVC and relatively mass segment, please?
- Akshat Seth:** So OPVC is not a mass segment. OPVC is more preimmunized. Yes. uPVC, so roughly the split for us in our product portfolio, we run at about 39% to 40% at CPVC levels and the rest is uPVC, SWR, pressure pipes and so on and so forth. So, you can think of a 40-60 split.
- Parikshit Gupta:** Understood. Now in terms of the DGTR removing the antidumping duty until the end of June, I am sure that the industry lobby is routing for not extending this removal of antidumping duty. But can you tell me some more detail of how the discussions are happening so far?
- Akshat Seth:** I would not be in a position to comment on that. I am not aware of any industry lobby talking about this. So, this to our best of our knowledge was government's proactive action given the volatility that was experienced in the market and the impact it was creating in the consuming pocket.
- As I made a remark in my opening comments, we witnessed a month of March where in 3 weeks the prices went up by about 60% and then in the month of April, they again climbed back by about 25% to 30%. That kind of volatility is not good news for the industry overall. There might be short-term profits, but it creates a slightly longer-term uncertainty, which is where this step is welcome and that is as far as I can comment on it.
- Parikshit Gupta:** Okay. But the removal was before this entire situation in the Middle East. That was in early March.
- Akshat Seth:** No, sorry, you are talking about the import duty, right?

Parikshit Gupta: Correct. Yes.

Akshat Seth: If I remember correctly, that came in, in April, not in March. That was almost 3, 4 weeks after all of this had happened is when it came. So sometime in April, first 10 days of April, if I remember correctly.

Parikshit Gupta: Okay. I will recheck my data here then and can you please also help me understand the current demand environment? You mentioned in your opening remarks that it has been weak through FY26. We have observed that. But how does it look now, if you can shed some light on that, please?

Akshat Seth: See, you would have seen, across most companies, Q4 was better. It is how we experienced it. It was better both on volume and revenue and also on profitability, in fact, more so on profitability. We believe we have done better than most of our peers on the improvement side as far as profitability is concerned.

As we enter the new financial year, given this whole volatile resin price environment, it is a hard one to predict. The fundamentals still remain intact, but sharp increases in prices or sharp decrease in prices drives abnormal behaviour by channel and stocking happens and so on or destocking happens in an adverse situation. But the fundamental macro demand scenario still remains intact. The amount of construction and hence, the consequence of that on the demand for pipes still remains where it was.

What we also see as a positive, if I may add, the last 2 years were extremely soft as far as government spending in infrastructure, on water and pipeline and JJM. From Q4, we are witnessing some green shoots of recovery on that front. It is also accompanied by a fresh commitment by the government in the recent budget of the allocation for JJM and so on. Having said that, those allocations were made in the last year and the year before that as well, but only a small amount of that was actually realized. But the fact that the program has been rebooted and we witnessed some positive movement on ground is again a positive tailwind that we will take for the industry.

Parikshit Gupta: Okay. This is very helpful. If I may, a couple of questions on Parador, please. I do understand the severance package impacting the operating income. What were the other challenges in Q4? You mentioned the high input prices and a softer demand environment. I do get it. But from an operational perspective, were there other also challenges which resulted to such a lower negative margin?

Akshat Seth: No. So, I think operationally, there were no other challenges. Given this whole war situation hit in early part of March, and if you see traditionally March and quarter 4 is almost a high season for us. There were a lot of orders which have been deferred. While those orders still remain in our order book, they have been deferred and hence, there was a negative impact on revenue. So, a large part, apart from those one-off items, the reason for profitability being low is essentially the drop in revenue and volumes. So, no other factor or any major factor to report here.

Parikshit Gupta: Understood and in terms of the India expansion of Parador, from basic research, I could find out certain links which talk about the pricing and the offerings online. But can you also help about how you are positioning this product in terms of both commercial as well as B2C offering of the product?

Akshat Seth: Yes. So, it is still positioned at the premium end of the segment. It is a Made in Germany product and that is the proposition that we are building. The brand is centred around quality, aesthetics and that is the same promise that we are making to consumers here in India. Over the last 12 months, there is now a sales team which is dedicated for this, and a lot of groundwork has happened in that. So, we are now building a pipeline of orders, both on the commercial side and also equally building a retail footprint.

Having said that, we recognize that much of the demand will be anchored around the larger cities and metros and that is where the market focus is. So, we are not trying to be everywhere. The one challenge that we face, which also is, in some sense, the landed cost of those products in India, is something that remains a concern. So, pricing will be a critical factor and India, you are aware, is a very price-sensitive market. So that is one challenge that we manage on a day-to-day level, but the rest of the fundamentals and positioning is as I described.

Parikshit Gupta: I understand. In terms of comparison, may be with existing players, for example, Welspun Living, I looked at their catalogue, their offerings are of the similar specifications. I cannot comment on the relative quality of the 2 products, but the pricing is at somewhat discount to Parador. In such an environment when you have to gain market share for existing players, while I understand the aspect of the freight cost also being inbuilt in your product, how do you think you will be able to gain growth or sustain market share when the product is already priced at a premium? Can you tell me a little bit about that, please?

Akshat Seth: See, I would not comment on a specific competitor or market player, not right on my part to do that, but I will just take an analogy. In the automotive world, you will have a Maruti and also a Mercedes playing in the market. They will have different positioning. They will have different price points and different offerings in the market and the market, thankfully is large enough to absorb different types of propositions and for each of these companies to make a successful venture out of it.

Moderator: Thank you. The next question comes from the line of Anubhav Goel from Cosma Ventures. Please go ahead.

Anubhav Goel: Hi, sir. Thank you for this opportunity. Sir, I have a bunch of questions. Sir, for Parador, from what I understand is, in India, the engagement with architects and contractors is a very long-dated, tough process and then we have imports coming from China and Vietnam. So, the turnaround for the next 2 years would largely come from a turnaround from our European sales, correct?

Akshat Seth: That is correct. See, compared to the scale of our European business and the international business, India is just about starting up. So, the fortunes of Parador is not anchored only on the India business.

Anubhav Goel: So, sir, the European outlook, you would say is continuing to stay where it was or we can see any signs of improvement there?

Akshat Seth: You should look at some improvement and judge us on that and not because the market is bouncing back, but there are certain moves that we are making. One of them is to reboot our whole retail presence. So, you are aware that we are very strong on the DIY side. We have some retail presence and commercial is something that we were starting up. Now especially in our core Central European market, in the last 6 to 12 months, there has been a reboot of both the teams and also differentiated product offerings through these channels, which give us confidence that this year, there will be an uptick in these markets coming in from there. I am talking on basis of what the needs look like, what the initial traction has been and so on. So that is one significant area where you should see uptick.

Second, on the Engineered Wood side in Europe, we are going further on the premium end of the segment. What has happened in that market is that the mid-end of the market has been affected by cheaper imports from places like China and so on and hence, it was important for us to expand our range on the premium end. That work has happened, we launched that whole collection back in February, and we are now rolling with that. So that is the second area which is expected to give us an uptick in the core Central

European theatre, independent of any market bounce back. So, all of this is assuming that the external environment remains where it is.

Anubhav Goel: Helpful, Sir. Got it. Can I get a breakup for the Walls sales, this Rs. 610 crores split into AAC Blocks, Panels and Boards for this year and last year?

Akshat Seth: So roughly, it will be 60%, 25% and 15%.

Anubhav Goel: 60% would be Blocks and 25% would be Panels?

Akshat Seth: Yes.

Anubhav Goel: Okay, and Sir, for Boards and Panels, what is our current capacity utilization and where can sales go towards in the next 2, 3 years?

Akshat Seth: Actually, in both those segments, in fact, even in Blocks, we are chock-a-block as far as capacity utilization is concerned and hence, the increase in sales for production will come from 2 things. There are some brownfield expansions we are doing, which will come on-stream within this financial year, hopefully by the start or sometime in Q3. So that will give us an immediate fillip on what we are able to sell.

The second thing is the greenfield project on Boards that we are putting up in Nellore will give us additional capacity and that is also designed to make products which are value-added. So, we are looking at HD boards, designer boards and so on. So, in this financial year, those are 2 big areas, which will add capacity for both production and sales.

Anubhav Goel: Sir, between the 3, Panels and Boards would be much more profitable than AAC Blocks, right?

Akshat Seth: See, there are a lot of synergies across 3. So, we look at it as a combined unit, because a lot of Boards, for instance, are fed into the Panel side and so on. So, it is hard to sort of split it across the 3.

Anubhav Goel: Sir, now just coming to Polymer, if you can just elaborate on your strategy for pipes and fittings? Like you mentioned the Jal Jeevan allocations and the distribution is different from our core Asbestos and Boards business. So, I am guessing we are doing this via distributors and unlike roofing, we do not have leading industry capacities, and our range probably is lower than the leaderboard. So, can this turn around and scale up over the next few years?

Akshat Seth: Yes. So, a few clarifications first. When it comes to range, we are comparable to anyone in the industry, including the largest player in the country, and that is not something that was there over, say, 3 years ago. But in the last 3, 4 years, there has been concerted effort to ensure that we are complete on our range. We carry over 3,000 SKUs and from CPVC, uPVC, OPVC to HDPE, the entire range is available with us, point number one.

Point number two, we have a manufacturing footprint across all the 4 regions of the country, so North, South, East, West.

Third, we have significant capacity in our production plant. So, for us to scale up from where we are to, let's say, another 30%, 40% more than this, we have that kind of capacity already in. So, it does not require fresh investments. So those are 3 sort of baseline items.

Given what the market conditions, and I am now commenting on the strategy, what the market conditions were in the year that has finished, FY26, we were, as a team, sharply focused on making sure that all the operational efficiencies are maxed out and a lot of work was done on that, which is now visible in our quarter 4 numbers. Even if I discount some of these material and material cost-related items which were one-off because of the price spike that happened, there is still a lot of gain to be shown on the profitability side.

We feel that is now in a stable area and as the markets are sort of looking positive, demand scenario is looking slightly better, we are focused on accelerating sales. A lot of effort and initiatives have gone in defining which markets we want to win. A proper sales acceleration program has been underway for the last 6 months and really now the focus is just to make sure that we are winning in the markets that we have identified as our priority ones. You asked me the strategy, strategy is essentially around sales acceleration.

Anubhav Goel: Right. Got it, Sir. My last question for AAC Blocks, could you mention which are the largest 2, 3 capacities in the industry?

Akshat Seth: Please don't make me do the market research. I mean, again, I can talk about my capacity, right. Not right for me to talk about others.

Moderator: Thank you. Your next question comes from the line of Moksh Ranka from Aurum Capital. Please go ahead.

Moksh Ranka: Hello. There has been a structural increase in our employee cost percentage post our acquisition of Parador. So as part of our BCG cost-cutting program, do we like intend to do more rationalization

of our employee strength and like bring it back around 10% of revenues, like it was earlier?

Ajay Kapadia: Moksh, the manpower cost has not increased substantially in Parador. It is, as you mentioned, EUR 1.8 million provisions created for severance. At the same time, last year, forex was 90-91, whereas this year, the conversion rate is 106-107. So, there is the impact on account of forex conversion rate. It is largely more or less same as last year in Parador.

Moksh Ranka: No, I am talking about like before that acquisition of Parador, like as a percentage of sales, it used to be around 10% and now I think it is more than 15%?

Akshat Seth: See, it is a function of also the denominator you were applying between, say, 8 years ago and now. So that is also at play. Having said that, in terms of both headcount and the cost of headcount, it is something that we look at constantly and wherever there is streamlining that needs to be done, we are always on the job.

Moksh Ranka: Okay. And are we trying to restrict it to some percentage of it, like in terms of that? And, like one more question would be how much is like the maximum debt we are comfortable because leverage has increased a lot in the last few years?

Ajay Kapadia: See, if you see our equity is close to Rs. 1,100 crores at consol level, whereas debt structure is Rs. 850 crores. So, we are comfortable to another Rs. 200 crores, Rs. 250 crores at this point of time.

Moderator: Thank you. The next question comes from the line of Sanjay Kumar from iThought PMS. Please go ahead.

Sanjay Kumar: Hi. First question on margins. In Q2 call, I think you had committed about 150 to 200 basis points EBITDA improvement from the BCG project. In Q4, on a standalone basis, we did about 4% EBITDA margins. This is excluding other incomes, so roughly Rs. 27 crores EBITDA. So, I guess the BCG-driven savings has already played out, as you had guided for in Q2. So how do we get to a 10%, 12% EBITDA range, which segments and what levers will take us there now that BCG has played out? Can you give us segment-wise EBITDA margin profile where we are in Q4? and where do we get to in, say, 2-, 3-year period?

Akshat Seth: On a lighter note, we can keep doing BCG type projects and keep adding that. But it is a joke. See, the trick for us to get to double-digits, which is where our first aspiration is to get the portfolio right in terms of the mix. Without me mentioning it, you have a sense

basis our numbers and declarations that there are certain segments which are nearer that double-digit mark and certain segments which are not. So one, the indexation on that and so, for instance, our focus on Construction Chemicals coming from that whole belief that, that is a segment that can be in double-digits EBITDA. So, it should have a reasonable share in the overall portfolio.

Second, our investments that are happening on the Walls side is also coming from there because that is a segment even today in our portfolio, probably among the higher profitable one.

So, getting that mix right is important and over-indexing on elements which are better profitability is a key one.

Sanjay Kumar: Okay. And Parador, I think in FY25 also, we had done a severance package or a onetime package. Now you have provided another EUR 1.8 million in Q4. So, is this the end of restructuring there? Should we expect more severance in FY27? This is one and the impairment at the Parador level itself, does it mean there are going concerns for Parador, what led you to the impairment?

Ajay Kapadia: If you see there is losses in Parador in last couple of years. The value at consol level is adjusted on account of Parador losses in last few years to the extent of around EUR 20 million, whereas in India, the investment was at the same level, at original cost level. So based on the current valuation, based on DCF model and the CCA model, we have arrived the valuation and then we have worked out the equity value and then adjusted the equity value investment to the current equity value as per the valuation model. So that is one of the reasons the impact has come only in standalone books, not in the consol books.

Sanjay Kumar: Okay. What is the residual equity value today?

Ajay Kapadia: So, it is around Rs. 200 crores as on 31st March, our original investment was Rs. 273.5 crores.

Sanjay Kumar: Okay. And this severance, will it continue? We have been doing restructuring every year. What to expect in FY27 in Parador profitability?

Akshat Seth: I think what we should expect is a bounce back on sales, which then has a positive flow-through on profitability. That is the expectation to carry for this year.

Sanjay Kumar: Okay. Final question. What was the volume growth in Pipes and Walls segment in Q4?

Akshat Seth: Pipes volume growth is in the zone of about 2% to 3%. And the second one was?

Sanjay Kumar: Walls?

Akshat Seth: Walls overall volume growth in Q4 will be a blended of about 20% plus.

Moderator: Thank you. The next question comes from the line of Anoop Nambiath with Equity Intelligence India Private Limited. Please go ahead.

Anoop Nambiath: Hi, thanks for giving me the opportunity. So, my question is for Akshat, sir. Akshat for you, this is in line with the 2 comments that you alluded to previous participants asking question. Sir, you joined the CEO probably in 2023 and at that time the employee cost was around, I think around Rs. 400 crores, Rs. 411 crores. I do not remember the exact number, but somewhere around that range. And for the current financial year, I think we are closing at around nearly Rs. 600 crores. So, over the last 3 years or 4 years, we have seen a Rs. 200 crores increase in the employee cost. But despite that, we have not been able to drive sales. So, I would like to know your thoughts into this because despite paying top salaries and having top talent, what is that is not letting us drive the sales?

Akshat Seth: See, first, I think the numbers you are quoting, and in general, directionally, I can understand where you are coming from. So, the specifics of the number I would urge you to check because they do not seem to tally with what our numbers are. There is a India part manpower cost and then there is a Parador part. There is also currency factor that comes in and so on and so forth. So, we can speak separately, but there is some bit of parsing that is required there.

That said, the revenue growth trajectory has not been where it should be. In the last at least couple of years, the focus has been to put new growth engines which can drive revenue in a more meaningful fashion, which is where the inorganic activities have happened, which is where a lot of organic push on building new markets, new product segments has been there.

Some of these things have a little bit of a timing angle to it in terms of from germination or sowing the seeds to when the harvest can be done. So maybe we are slightly earlier in this cycle. I think what has happened over the last couple of quarters gives us confidence that finally the growth cycle is moving, and you will see numbers

which are more to your liking than what it has been in the past. That is number one.

Number two, it has also been an environment where for our industry, both in India and outside India, the conditions have been less than benign. So, there have been a fair amount of headwinds that have also been at play.

And the third factor I will play is if you scratch below the surface, in every product segment, there has been volume growth over the last couple of years. But given the competitive situation and the pricing environment, it has not translated fully on the revenue side, which again is a correction that has to be done and so on. So, there are some positives, but the big picture, I am not disagreeing with what you are saying.

Anoop Nambiath: Sir, from an optimistic point of view, if I say that we have a capable team to drive the sales further higher in the coming years, would you agree to that? Or would that be a right statement to make? Do you have the confidence?

Akshat Seth: Absolutely, unequivocally, that is what is keeping us going. The teams have been both restructured, new talent has been brought in and in many cases, new teams have been brought in. In many cases, there is the old set of people who are still leading from the front. So, there is a huge amount of confidence on the team.

I will again give examples. I think we can keep talking about what the numbers are and somewhere, let's say, Pipe segment where we have been our own critics in the past, this is also the team which has delivered stellar numbers in Q4. So, with some amount of market tailwind, this team has also shown evidence that it can hit the ball out of the park. So, we have the right ingredients, and these things also have a little bit of timing factor that comes into play. So, we cannot also get ahead of the curve on that.

Anoop Nambiath: Sir, one final question, if I may add. Can I?

Akshat Seth: Yes.

Anoop Nambiath: This is on the capital allocation, Sir, we have stated our intent to grow inorganically in our previous calls and I think even through the AGMs. And we have a stated objective of \$1 billion revenue target as well. So, with the current capital structure, that would point to some sort of a fund raise or an equity fund infusion rate. And do you see the promoters willing to put in extra money and especially at the current depressed valuations, does it make sense for them to

consider that? I know you are from the management side, that is a Board decision, but then what are the feelings that you are getting?

Akshat Seth: So, you have already answered the question for me. I cannot answer on behalf of the promoters or the Board. I think from a professional management perspective, we are on the right way. There is a lot of momentum, and these are topics which also get solved as we go along.

It is not that the switch from where we are to \$1 billion will happen overnight. If we are on that trajectory, there will also be a much better increase of cash accruals from the operations as well and so on. So let that play out. On that front, at least in my position, I carry no concerns and worry.

Moderator: Ladies and gentlemen, we will take that as our last question for today. I now hand the conference over to the management for closing comments.

Akshat Seth: Thank you. It has been a pleasure interacting with all of you over this call. We thank you for taking the time out and engaging with us today. We value your continued interest and support. And if you have any further questions or would like to know anything more about your company, kindly reach out to our Investor Relations desk. I recognize there might be some questions that we have not been able to take. So please reach out to us. We will be happy to engage after the call. Thank you very much.

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