

May 12, 2025

To: DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 023 Stock Code: 533229	To: Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot No. C/1, 'G' Block Bandra- Kurla Complex Bandra East, Mumbai 400 051 Stock Code: BAJAJCON
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Dear Sir/Madam,

Sub: Conference Call transcripts (Scrip Code: NSE: BAJAJCON BSE: 533229)

Please find attached a copy of the Conference Call transcripts in respect of Bajaj Consumer Care Limited dated May 5, 2025.

The same may please be taken on record and disseminated to all.

Thanking you,

Yours Sincerely,

For Bajaj Consumer Care Limited

Vivek Mishra
Head-Legal & Company Secretary
Membership No.: A21901

Encl: as above

Bajaj Consumer Care Limited

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“Bajaj Consumer Care Limited Q4 FY’25 Earnings Conference Call”

May 05, 2025



MANAGEMENT: **MR. JAIDEEP NANDI – MANAGING DIRECTOR, BAJAJ
CONSUMER CARE LIMITED**
**MR. DILIP KUMAR MALOO – CHIEF FINANCIAL
OFFICER, BAJAJ CONSUMER CARE LIMITED**
**MR. RICHARD D'SOUZA – ASSISTANT VICE PRESIDENT
(FINANCE), BAJAJ CONSUMER CARE LIMITED**

MODERATOR: **MR. DHIRAJ MISTRY – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Bajaj Consumer Care Q4 and FY'25 Earning 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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dhiraj Mistry. Thank you and over to you sir.

Dhiraj Mistry: Thank you and good evening, everyone. I would like to thank the management of Bajaj Consumer to give us an opportunity to host this call.

From the management we have with us, Mr. Jaideep Nandi – Managing Director, Mr. Dilip Maloo – CFO and Mr. Richard D'Souza – AVP (Finance). Over to you sir. Thank you.

Jaideep Nandi: Good evening, everyone and thank you for participating in this Q4 FY'25 Earnings Call.

So straight away let me take you through the Company's performance for the 4th Quarter and 12 months ended March 31st, 2025, before we open the floor for questions.

The consolidated sales for the Company stood at INR 247 crores for the 4th Quarter and INR 950 crores for the 12 months ended FY'25. The top line of the Company grew by 5.4% in Q4 on a year-on-year basis and 7.1% on a sequential basis while registering a low single digit decline for 12 months ended FY'25.

The gross margin for Q4 on a standalone basis stood at 54.2% higher by 290 basis points quarter-on-quarter. While for 12 months FY'25 the gross margin stood at 53.4% lower by 80 basis point against last year. Improved saliency of ADHO along with price increases helped improve GM percentage on a sequential basis while on a FY basis inflation in copra prices coupled with product mix had an adverse effect on the gross margin.

EBITDA on a standalone basis for the quarter stood at Rs. 33.8 crores while for the 12 months EBITDA stood at Rs. 136.3 crores with a margin of 14.1% and 14.7% respectively. Standalone profit after tax stood at INR 31.5 crores for Q4 FY'25 and INR 130.1 crores for 12 months FY'25. The Company registered PAT margins of 13.1% and 14.0% for Q4 and 12 months FY'25 respectively.

During the quarter general trade registered a growth of 7% on a sequential basis while on the year-on-year basis it still remained negative. The sequential growth was driven by both growth in the wholesale channel as well as rural.

The wholesale channel, which had been an area of concern in the past few quarters showed signs of recovery with 15% quarter-on-quarter growth in Q4. Sales in retail channel in States where

Project Aarohan was implemented has shown improvement supported by expansion of direct reach.

Our retail loyalty program registered a growth of 17% for Q4'25 and 31% for 12 months FY'25. The program outlet contributions stood at 12.5% for the quarter. This will continue to remain a key focus for the Company.

The RTM revamp Project Aarohan implemented across UP and MP in previous quarters has started showing results. In the States close to 24,000 new outlets were added and 1,300 new towns were brought under coverage. During the current quarter Phase-II of Project Aarohan has now been expanded in states of Rajasthan, Haryana, Delhi and Chhattisgarh where reach and representation improvement opportunities have been identified, and implementation is expected to be completed by May 2025.

The organized trade continued to do well, registering growth of 30% year-on-year in this quarter and 18% in the full year. Saliency of this channel stood at 30%. Modern trade grew by 22% year-on-year in Q4 driven by strong performances across chains supported by customer activations during the events in January. We recorded the highest ever quarter for Dmart registering a 30% growth year-on-year basis. Key packs in both ADHO and Coconut oil posted over a 50% growth in Quarter 4 compared to the previous year. A robust growth of 43% in Q4 year-on-year was registered in Vishal Mega Mart, More Retail which delivered 3x business growth. Reliance Retail saw a slowdown in Q4 on account of store consolidation and registered a decline in the full year.

The E-commerce channel grew by 33% year-on-year in Q4 '25 and 29% for the full year. We saw the highest ever market share of 25% for coconut oil in Flipkart under the total hair oil category. City Mall, Swiggy, Zepto, Blinkit, Myntra platforms saw highest ever secondary sales in Quarter 4. Quick commerce grew by 60% over last year and 21% over Q3. Saliency of quick commerce was at 12% in Q4 as against 10% in the last quarter.

Canteens and institutions also delivered strong performances growing 42% year-on-year in Q4. CPC and CSD canteens, while they saw a decline primarily due to high inventory levels, institutional business grew by 5x in Quarter 4 supported by the addition of new customers and successful launch of cross-category promotions.

The international business recorded a robust growth of 30% year-on-year in Quarter 4 and 20% for FY'25. GCC and Africa grew by 25% year-on-year in Q4 and 7% in the full year. Markets like Qatar, Kuwait, Oman, Bahrain, Afghanistan and Mauritius have delivered a strong 43% growth in FY'25 while Saudi Arabia registered a decline. E-commerce sales commenced in Q4 FY'25 in UAE with major contributions from the hair oil portfolio. Nepal registered a growth of 20% year-on-year and 18% in FY'25 driven by strong performance in NPD. The salience of NPD portfolio stood at 25%, overall, revenue led by products like virgin coconut oil, coconut oil and AD Serum.

The marketing efforts included digital activations of ADHO and virgin coconut oil along with festive engagement posts on social media to build consumer connect. Bangladesh continues its growth momentum, growing by 32% year-on-year in Quarter 4 and 44% in the full year. Continuous focus on improving feet on street productivity, consumer promotions.

The rest of the world markets posted excellent performance with 107% growth year-on-year in Q4 and 49% growth in the full year. This strong trajectory was led by key markets Canada, Malaysia, USA, Tibet and New Zealand. The first shipment to Amazon USA is also currently in transit further strengthening the international footprint.

Coming to the brand performances:

ADHO delivered a growth of 3% in Quarter 4 year-on-year basis and 11% sequentially. The growth was seen across majority packs. The Rs. 10 SKU grew by 16% year-on-year supported by the improved size, perception and value proposition. Rs. 1 sachet, however, saw a decline by 10% in Quarter 4 on year-on-year basis on account of consumers upgrading to Rs.10 & 20 SKUs. In mid packs the 45 ml SKUs drove new trials and reversed previous declines with retail and wholesale both seeing good growth. 95 ml SKU grew by 8% year-on-year following the launch of a 20% extra free volume offer. In large packs the 190 ml SKU grew by 10.5% year-on-year driven by consumer upgrades to PET bottles and the rollout of flip top caps while the 700 ml SKU grew by 32% year-on-year on the back of kitted offers. Combined sales of 650 and 750 ml rose by +40% supported by exclusive kits and enhanced visibility in organized trades.

Exclusive TV campaigns on ADHO through thematic advertising and 95 ml promo campaign led to +2,800 GRPs with increased focus on prime time and top-rated shows. On-ground activations at one of the largest consumer engagement platforms, the Kumbh Mela lasted for 45 days improving visibility. The digital campaign targeting urban audiences was amplified across YouTube and top OTT platforms reaching 2.2 crores customers and generating 7.4 crores impressions. Under Influencer marketing, a strategic mix of macro and micro influencers successfully engaged younger audiences delivering 10 lakh views with a 3.7% engagement rate which is double that of the industry.

The Almond Drops Hair and Skin Care range continues to deliver strong performance registering at 73% year-on-year growth in Q4 and 46% growth in FY'25. Within this the AD Shampoo and the Conditioner segment delivered significant business from the E-commerce channel.

AD Lotion saw a significant uplift online supported by optimized display images, new pack launches and influencer campaigns. AD Soap grew by 114% in OT channel driven by the introduction of the new 125*2 pack and price revision.

In the AD Serum segment all channels performed well with the brand growing at 44% year to date aided by positive consumer ratings and reviews which helped drive continued traction.

Bajaj 100% Pure Coconut Oil registered significant growth in Q4 FY'25 and for the full year, maintaining consistent monthly revenues of INR ~10 crores throughout FY'25 with steady market share gains across quarters. In response to copra price inflation, two price increases were implemented in Q4 FY'25 though they remained at a lag and hence it was followed by a preteen price increase in April 2025 again. We will further take price increases based on the movement of copra prices.

In Maharashtra, the largest market for coconut oil, market share increased from 1.6% to 2.2% in Q4 '25 driven by targeted promotions on consumer-focused SKUs and enhanced distribution efforts. Market share gains were also seen in Bajaj stronghold markets, Punjab, Rajasthan nearly 10%, Madhya Pradesh, Uttar Pradesh nearly 7%.

In Q4 Bajaj 100% Pure Coconut Oil's marketing initiatives included display and banner ads for Amazon and Flipkart to grow visibility. The exclusive 525 ml pack launched in Apollo led to a 25% increase in offtake during Q3 and Q4. The introduction of the tin pack in Q3 for the eastern markets and its subsequent expansion in Q4 across Northeast contributed to 40% of Green CNO sales. In addition to this, the Rs. 20 CNO Blue pack was extended to Northeast and Assam.

On input cost LLP prices continue to decline in Q4 driven by weak demand and falling crude oil prices. Refined mustard oil, however, saw a slight decline due to a favorable mustard harvest in India. Although global edible oil prices continue to rise. On an overall basis, mustard has gone up over the year. Copra prices increased over the last two quarters primarily due to higher demand for downstream products and supply shortages in markets like Sri Lanka with prices expected to remain bullish in the short term.

Multiple initiatives have been implemented including optimization of specifications, development of alternate vendors, and sourcing alternate raw materials. These efforts have resulted in nearly 6 crores savings in FY'25. Additionally, productivity improvements have been driven through automation on select product lines, smart manufacturing initiatives to reduce non-value-added activities and enhance manpower productivity with improvement of 6% in Guwahati and 17% in Paonta Sahib.

Our CSR initiatives have positively impacted over 16,000 families across 650 villages focusing on rainwater harvesting and sustainable agriculture practices. As part of our ESG commitments, we are on track to meet the short to medium term targets in all the key resources both from the demand and supply side. The rainwater harvesting initiatives done over the past few quarters will result in replenishment of groundwater to the extent of 500% of our water consumption.

During the quarter, the Company completed the acquisition of 49% of equity share capital of Vishal Personal Care Private Limited, the Company holding the Banjaras brand, balance 51% is expected to be completed in Q1 FY26. With this Vishal Personal Care which will become a wholly owned subsidiary of BCCL. For post-merger integration, a leading consultant is already engaged to design and integrate the operations. This has already commenced in April 2025. The

acquisition aligns well with the overall vision of our Company, enhancing our portfolio and market presence.

So as the market scenario turns favorable with food inflation easing out and hair oil showing a good comeback in the previous quarter, we are confident that the progress in strengthening capabilities that we have done over the past few years will start yielding strong results for the Company in the coming quarters. The strategic initiatives of portfolio diversification resulting in the introduction of coconut oil and others, sustained aggression in Modern trade and E-commerce businesses, building a strong foundation in the international markets which have been the key focus areas of the Company have already started bearing fruit.

With the ongoing expansion and optimization of our distribution network in GT through Project Aarohan, we are all set to enhance both market reach and consumer engagement in key markets across the country. The strategic acquisition of Banjara's to our portfolio will also help us establish our foothold in the much-needed markets of South India. These initiatives coupled with stable commodity prices and a calibrated approach to pricing, rationalization of cost structures, places us well to deliver strong top line growth as well as improved EBITDA margin in FY26.

With that I close my opening remarks and open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abhijit Kundu from Antique Stock Broking. Please go ahead.

Abhijit Kundu: Thanks for the opportunity. Good evening. My first question was on ADHO. ADHO has now, I mean when I look at your revenues also, they have shown some amount of improvement during Q4 as well as ADHO has shown some amount of improvement on a sequential basis.

Jaideep Nandi: Yes, that's correct. Abhijit. I didn't get the question.

Moderator: The next question is from the line of Kaushik Poddar from KB Capital Markets. Please go ahead.

Kaushik Poddar: I think you have been guiding us for around 10% growth for the future years. So, which has not happened this year. Can we expect that kind of growth to come back because the market itself is looking up?

Jaideep Nandi: Now that the market is looking up, I think most of the drivers that you see have been put in place. All of them have been firing except the core issue of general trade and basically Almond Drops Hair Oil. And I think both of them have been function of both in terms of market aggression that you have seen in competitive this thing, both in terms of the traditional competitors as well as the digital competitors that have been there. So that has been a little bit of a pushback and overall performance in GT because we are heavily GT focused. In other businesses in modern trade, e-commerce, etc., I think we are pretty well placed. So, if you look at just the trends of the last quarter and I think going forward we are very clear that we will be having very strong growth in the coming quarters for sure, both in terms of our bottom line as well as in the top line. Main

correction that was required was basically in general trade, getting our structure right, improving our retail. We have been always a very wholesale dominated Company. We tried to correct the wholesale. I don't think it worked very well for us. In four quarters back most of those corrections have happened. As well as having this project Aarohan that we are doing with one of the leading consultants. I mean you just saw the kind of numbers we are looking at in terms of retail expansion. We are looking at more than 100,000 retailers to be added and quite a few towns that we talked about, a few thousand towns being added. So that itself we feel that in general trade that should be giving us good returns. We have also rationalized our advertising because of last year the year itself was not so strong. We have to rationalize a bit of our marketing spend. So, we are now clearly going back, increasing our marketing spend in ADHO itself. That itself should give further thrust and boost to Almond Drops. So, with general trade and ADHO corrected and with all the other businesses, modern trade, e-commerce, whether they use the coconut itself or the international business, all of them firing, I think we are looking at good numbers both for profitability as well as sales in the coming quarters.

Kaushik Poddar:

On the ADHO it's a value-added hair oil. So, are we growing at the rate the whole market is growing? I mean how is it compared to the market growth of value-added hair oil?

Jaideep Nandi:

If you look at the value-added hair oils, the market is pretty mixed. The growths that have happened if you look at in the last few quarters, leave this quarter alone because this quarter has been very skewed because of the copra sharp price increases that happened in copra. And you have seen the results of one of the largest competitors where there is this large differential between the value and the volume growths that are there that is basically driven by a very skewed copra price increase. Other than that, if you have to look back and look at the last 8 to 12 quarters, yes, Almond Drops has lagged behind overall hair oils. But if you look at within the value-added hair oils itself, you look at the top three players, most of them have not done very well. So, whether be the low end sarso that has gone up very highly but not the main brand or whether be it some of the value-added hair oils of the largest competitor. So, these brands have not done very well in the last 7-8 quarters. But now that the market is looking up, now the market is showing signs of recovery, we feel these will come back very strongly.

Kaushik Poddar:

Is it a problem the growth in the value-added hair oil market people are shifting to something else or something or why this anemic growth for this?

Jaideep Nandi:

It's a mix of everything. I think the hair oil market itself has remained muted in the last 3-4 years as you would have seen. And given the last 2 years where food inflation has been so bad and I think you have seen that commentary from all companies coming up, all the consumer companies coming up. There has been issue of demand itself now that the food inflation is slowly becoming better while we don't have absolute visibility that it will be extremely robust or something. But definitely the market looks to have come out of the woods and moment that happens, the core products will anyway remain strong like let's say the coconuts and all of the world which are the core products. But the value added are the ones which suffer the maximum when this kind of a downturn happens. And on the reverse side when the upturn starts happening, the value added should show a very strong return. We are seeing signs of recovery as far as

Almond Drops is concerned. But I think that commentary should be there across other companies as well. And if that happens, we would be one of the major beneficiaries. Yes.

Kaushik Poddar: And my last question, how has the month of April been?

Jaideep Nandi: So month of April has been good. It is going on a similar direction as that. I would obviously not be able to give you complete guidance on the month itself. But I would say that it has been more or less similar to what is happening in the quarter in discussion that we are seeing. So it's been good, and I think we are pretty quiet optimistic that we'll have a good quarter as well as the full year.

Kaushik Poddar: Okay, thank for answering the queries.

Moderator: Thank you. The next question is from the line of Ajay Thakur from Anand Rathi. Please go ahead.

Ajay Thakur: Hello sir. Thanks for taking my question. I want to understand bit on the coconut oils market, how is it growing? For 25 we have indicated around 19% growth, what would have been the growth rate for the market in blended oil space and how has the market share trend been on an all-India basis?

Jaideep Nandi: So, if you look at the coconut oil market, the market grew by a little more than double digits in the quarter and just close to double digit in the full year. But if you look at the volume growth, and this is obviously in value terms, but if you look at in volume terms, the growth was in low single digit. And this is mainly because of the kind of copra price increases that we are seeing. If you look at year to year, the copra price increase has been about 70%. So, one of the things that I think we did a little late, if I can admit is that we increased our prices a little later which now we have corrected in April itself and we have gone for a mid-teen price increase. So that was a little late in terms of reacting to the price increases because the way the sharp price increases that were happening, I think we missed a little bit of a boat. But I think we have now corrected that and gone along with that. So, this is what is happening as far as the coconut market is concerned. Clearly now we have emerged as a very strong player across all markets. I mean clearly now that our product has been seeing an average of about a 10 Cr kind of a number coming up regularly month after month without much of an effort much of this thing I think is a strong testimony of what the product has been able to establish. Not only in the Hindi speaking belts where we are traditionally strong, but also markets of Maharashtra, West Bengal and even pockets of South. Obviously South we do not have distribution today, tomorrow with Vishal Personal Care, the Banjara's brand coming in where our distribution is expected to go up by 3X. I personally think coconut has a large potential to be able to get into that. It might take a little bit of a time, we need to get our act together, get our consolidated approach to the market a little stronger. But I think that opens up a large possibility for coconut to do well. So, coconut at this stage, the market shares obviously are nothing a huge number to talk about. But we are now looking at a single digit, no longer fractions but into single digit, good single digit, low single digit market shares already coming in. Going forward, I think there is good story to be coming

in and now that we are also bridging the price gap between the competitor, the largest competitor and us, that is where I have already mentioned that as far as our sourcing capability, I don't think we are very well off. Yes, obviously we don't have the kind of scale of sourcing but fortunately for copra, scale itself doesn't make too much of a difference because it's domestically procured. It's the timing of sourcing rather than the scale of sourcing that makes up a difference like let's say a product like LLP or so. So, we clearly have cracked that code quite a bit. Obviously, we don't have the kind of expertise or 40-year expertise in coconut but I think we have acquired quite a bit of it and we would really be somewhere able to challenge the top competitor. So, I think we are in a good position and this is a product which will be a significant contributor for both our top line and also a bottom line going forward.

Ajay Thakur:

Understood. Secondly, sir, on the non ADHO share of the revenue, can you share insights into that? What is the current share of non ADHO mix in the revenue and how and what are targets for the same going forward?

Jaideep Nandi:

Almond Drops is at 80% or so. That is where the saliency is. And now the saliency of the products beyond Almond Drops, all the new products as well as a bit of traditional products that we had is around close to 20%. More than what our target for that, our long-term target as I had mentioned earlier is getting closer to 40%, our objective now would be to ensure that Almond Drops grows strongly. Now that the market is coming back, our objective focus will be to make sure Almond Drops grows strongly and make sure that the products beyond Almond Drops grow faster than Almond Drops. So that is one of the key focus areas. Now coconut clearly is a good product that we have. It will continue to grow. I think there is enough headroom for that product to grow. The Almond Drops Skin and Hair Care range, that has already shown lots of promise. It requires more investment. But I think they have slowly started garnering continuously on a regular basis, they have been also gaining. So, the pure coconut, the hair and skin range of Almond Drops within Almond Drops, these two are clearly two main drivers of the portfolio beyond Almond Drops. And now we also have this Banjara's range which we are now exploring as to what can be further scaled up from the Banjara's range. Because there are some very interesting products and very interestingly some of the products that Banjara's have established in the South are actually North based product whether its Multani Mitti and many other Gulab Jal or Aloe Vera, etc., So, a lot of them we are seeing how we can tactically or even strategically place. This is not going to happen tomorrow, but this is something that we will also explore and see what we can. So clearly focus will remain on Almond Drops, grow Almond Drops, make it a strong brand back to its past glory now that the market is coming back and also ensure that NPDs grow strongly.

Ajay Thakur:

Quite helpful. Thank you, sir.

Moderator:

Thank you. The next question is from the line of Abhijit Kundu from Antique Stockbroking. Please go ahead.

Abhijit Kundu:

Thanks for the opportunity. So, my first question was on ADHO, the core brand, you are quite confident that their recovery has just started. When I look at your slide, though it has grown in

low single digit in this quarter, there is a sequential improvement. Also, your overall turnover also has seen a sequential improvement, which is good. But what has to work for Almond Drops now to really see a better rate because the large packs are doing well, e-commerce is doing well. So, what are the opportunities that you are seeing and what would really give you the confidence that Almond Drops as a portfolio as a whole have started recovering meaningfully and essentially in your core markets, your core markets have to grow at a better rate?

Jaideep Nandi:

Absolutely correctly pointed out. So, as you rightly said, the large packs have been doing well, modern trade, e-commerce have been doing well, and general trade is where basically the lag has been and that's where Almond Drops has actually lagged. Now one of the two things that are getting, I think one is you need to look at the way the market also has panned out. Other than the fact that the market itself has been sluggish. You have also seen very heightened activity, competitive intensity in the mid packs, etc., Not through direct competition, but also through other low-end products, etc., which we have seen in the marketplace and which has slowly eaten into these markets quite a bit to an extent. Now with the market easing out and our focus into ensuring that our direct reach improves as we have been talking about. We already have done an increase in retail reach of about 24,000 in two states and we are looking at a number of close to about 1.4 lakh total, when we do the entire India setup, already four more states are already in place. So, moment you look at this retail reach so that itself and better execution as general trade is concerned. That is the core focus of the Project Aarohan which we have been doing for the last one year. So, one of the key things is to ensure that we are able to distribute ADHO much better and execute ADHO much better across the general trade. So that has been one of the key focus. As far as the product is concerned, I think in terms of the SKUs which have been under pressure, which is typically 45 ml, 95 ml as well as the Rs. 10 pack, all of them we have taken corrective action. Rs. 10 we told you last time that we have been working on it for a very long time to ensure that the margins don't suffer and yet we are able to get a better price perception. So, the 19 ml small pack was converted into the long sleek 24 ml giving a improved size perception and value proposition. So, we did a lot of reengineering of our packaging design, flip tops, etc., to ensure that we are able to cut down on packaging cost to ensure that the 5 ml that you are putting in extra in that and the Rs. 10 does not erode our margins. So that has now got rolled out. So, you saw good results coming out of that. We feel that Rs. 10 being a very important SKU because our Rs. 20 is small, our Rs. 10 is a very large pack in the small pack category. So that we see good progress happening. Both the 45 ml and 95 ml have been addressed through consumer offers because we are also looking at price indexes of the product compared to the other two value added oils and our price indexation had sharply shot up in the last 3-4 years so that we had to ensure that we cut down again. We did a lot of value engineering as well as the packaging material is concerned without touching the RM at all obviously to ensure that we are able to sponsor the corrections that we wanted to do in the 45 ml and the 95 ml. Those have also started showing results. So, this is as far as the packs are concerned. So, you see distribution, you see pack. The third thing is obviously we are now taking Almond Drops again back on a strong footing as well as ensuring that we have better GRPs put in as far as advertising is concerned. Now that the market slowly looking back, you will see further enhanced advertising as far as the brand is concerned and we are also taking price increases to ensure that

we are able to support this brand. So, this is what the overall strategy as far as Almond Drops is concerned and I think we are pretty confident that it should yield results going forward.

Abhijit Kundu: Okay. And on Almond Drops hair and skin care range, you have seen about good amount of growth in serum. So, shampoo and conditioner look to be a bit on the lower side. So essentially of this whole portfolio, how big can this portfolio become? What are the short-term targets or expectations so to say in the next 2 years? The way you said that in case of coconut oil now it is like 10 crores a month, so 120 crores run rate can be achieved during FY26. Similarly, what kind of....

Jaideep Nandi: FY'25 is that number or close to that. FY26 will be much higher.

Abhijit Kundu: Much higher. Great.

Jaideep Nandi: As far as coconut is concerned.

Abhijit Kundu: Okay, understood.

Jaideep Nandi: So as far as the Almond Drops hair and care range is concerned, we are looking at the overall portfolio because this is still a very e-commerce dominant portfolio. We tried this thing maybe a little prematurely with the moisturizing soap in the general trade channel, which did not work very well for us. So, we are basically focusing more on e-commerce and a few on modern trade like lotions, etc., going into modern trade. We are looking at the latest about Rs. 4 to 5 Cr kind of a turnover coming out of this on a monthly basis in the next 2 years or so. And based on how it performs and going forward we will see how further we can scale up but this is also a function of how much investments we do. See while I quote these numbers, you have to understand that the situation will also remain dynamic based on what kind of traction we get and the Banjara's products that we see, what kind of results we see out of the coconut that we have done, what kind of Almond Drops resilience we see in terms of both the work that we are doing in general trade as well as the product is concerned and hence the marketing moneys that we will have to keep balancing. So, while this is the aspiration number, we will keep either increasing it or decreasing it and playing it in some other portfolio based on how long it will take. So, it will remain dynamic. But yes, this will be a range which is the second range after the coconut oil as we speak today.

Abhijit Kundu: Understood. And in coconut oil, post the price action you have taken, are you now in a position that you are profitable? We are reasonably profitable and can scale up reasonably in a profitable manner.

Jaideep Nandi: Yes, absolutely. Coconut was always profitable. It is just that in the mid cycle where we lagged a little behind because the price increases were happening fast and furious, every single consignment it was going up and I think we were not able to keep up pace because of some of the contracts that we had. Because as you can understand our ability to change prices were not always obviously at the best or even our market intelligence. That I think we have now come

over this thing. April, as I said, we took a mid-teens price increase and this is something now we have also told our teams to be very careful of and be reacting much quicker than what we have in the past. So, this is something that we will keep up. And coconut was profitable, obviously not in the range of Almond Drops and it will remain profitable going forward. So that's not an issue, obviously not in the kind of money that Almond Drops make.

Abhijit Kundu: Okay. And in terms of profitability, two things. One is that your gross margin going ahead should see an improvement over FY'25 and overall profitability, can it go back to that 16% odd EBITDA margin? What are the expectations there?

Jaideep Nandi: I think that EBITDA margin of 16% was a very bare basic minimum range. I think we are looking anywhere at a much higher EBITDA margin than that. This year was aberration in many fronts. The correction that we took in the wholesale channel itself did not work very well for us and it took us about three quarters to get a sense back into that. So certain things that we had taken too aggressively hit us quite a bit. But structurally, if you look at the 16% to 18% EBITDA margin was a given. It still remains a given. So, 16% to 18% I would think would still remain a basic bare minimum. And now with the kind of improvements that we are looking at price increases, looking at some of the restructuring of costs, etc., I think we should be looking at a little higher than that going forward. But I would not like to give any future guidance. But that is directionally we would like to take on it.

Abhijit Kundu: So, with Almond Hair Oil doing well, a high single digit top line growth could be expected. I'm not saying that we give guidance.

Jaideep Nandi: No guidance as such. But I think from the commentary you should be able to evaluate. Yes, we are pretty bullish as to with the market showing signs of improvement and the kind of activities that we have done over the years that we have built in all the capabilities that we have built in; I think we should be able to look at some of these. Now is the time that it will start fructifying.

Abhijit Kundu: Okay. And in our international business, it has grown very strongly during Q4 though the overall annual growth has been high 7%. So, with the traction that you achieved in Q4, what are your expectations there also you could see sort of....?

Jaideep Nandi: I think you have got that number not right. The annual growth of international business is about 26% and the quarter growth is 43%, the quarter is higher than the annual growth. International business has been continuously growing and, on a quarter on quarter basis, i.e. on a sequential basis. Just like the way you have seen modern trade and e-commerce for us grow continuously, sequentially, international business has grown, and my satisfaction comes from the fact that it is not only from one part of the world that this international business, it's consistent across all regions which is what I was telling in my commentary. Whether you look at GCC Africa, whether you look at Bangladesh, whether you look at the rest of the world, which has been one of our focus because export we have been always not that strong. Now the number of countries increased, the margins obviously are phenomenal. They are better than domestic market. And obviously Nepal as well, there is a smaller part, but also doing well. So, all of them have been

doing well and consistently doing well. There are no sporadic inconsistency of growth, its continuous.

Abhijit Kundu: Understood sir. Thanks for the opportunity.

Jaideep Nandi: Welcome. Thank you.

Moderator: Thank you. The next question is from the line of Dhruv from Fort Capital. Please go ahead.

Dhruv: Hi sir. I was listening to the call and most of my questions regarding the core business have been cleared and since you're not giving guidance as such, it is difficult to measure it anyway. But my questions were regarding the acquisition that you've done. I'm not asking for a number guidance but like a quarterly picture that when we'll be able to see the result of the distribution increasing for our own portfolio and for Banjara's through our North Indian roots.

Jaideep Nandi: So, Banjara's the Company is very South India rooted products, the Company with some of the products which have North Indian roots. That's what I meant. Anyway, coming back to Banjara's, the way. The way it is panning out is we should be completing our 100% acquisition with the tranche to buy. My statement was this quarter but ideally, we are looking at this month itself. We should have 100% control and make it a 100% subsidiary of the Company of BCCL by this quarter itself. Parallely from April 2025, we have engaged with a leading consultant and there are multiple meetings have happened and we are looking about a 3 month kind of or 8 to 12 weeks of project that we have embarked with them. We are looking at every single thing. How do we consolidate the business, how do we look at distributors, how do we look at structuring of both the teams, etc., And I think within the next 3 months or so you should see this up and running. We have very strong ambition as far as Banjara's numbers are concerned. For this year obviously again I will not be able to give you any future guidance, but we have very strong aspirations of both in terms of both top line as well as bottom line of the Banjara's numbers themselves as well as with some value adds of ours. I think we are pretty buoyant and very confident of what Banjara's should give us over the time. So maybe in the next 3 to 4 months you should see numbers in terms of real sense.

Dhruv: Like how do I measure when the fruits will bear from the distribution efforts? Since can we assume like a 50% benefit from Q1 onwards and then the rest of it in Q2 and Q3 onwards?

Jaideep Nandi: I would rather look at the kind of numbers that Banjara's has delivered last year. It's about Rs. 53 crores and we are looking at a number which is quite significantly higher than that in the current full year. So, whether it will happen in Q1 end itself, how much will Q2 rather than that I will look at it that it will be more skewed towards Q2, Q3 and Q4. But I think overall if you look at that will be a very strong number. We are looking at both in terms of top line as well as bottom line. These are Banjara's standalone their own numbers. I mean what we will do to Banjara's....

Dhruv: Yes, Rs. 53 crores.

- Jaideep Nandi:** Over and of that using BCCL's own products as well that will be something that will get added onto it. And overall, we are looking at a good number. I mean we have created an annual operating plan as far as the combined structure is concerned. But as you can understand because we are going through this. I mean the design Phase-I on in terms of designing what we will do in terms of the combined GTM strategy, the operating matter, the sell in, sell out. I mean how the sales harmonization will happen and all that is going on now and when we start implementing over the next another 3-4 months and execute, I think then you will see the results coming out. And maybe at that point of time AOP will also get revised plus minus based on what we see coming out on the ground.
- Dhruv:** Right. Okay, sir, you sound pretty confident, and I am going to read it as that. I am excited about the acquisition because of the distribution rise that you're going to see. Just excited to see the numbers. Thank you for answering the question.
- Jaideep Nandi:** Thank you.
- Moderator:** Thank you. The next question is from the line of Dhiraj from ICICI Securities. Please go ahead.
- Dhiraj Mistry:** I have two questions. One is when I look at the saliency of modern trade and e-commerce which has been growing very strongly, what would be the saliency of modern trade for the overall Company? Now if I double click on that, what would be the saliency for ADHO from modern trade and e-commerce and for Bajaj Coconut Oil?
- Jaideep Nandi:** See, I mean if you look at with a 30% saliency that you are getting now this is divided in modern trade both B2B as well as B2C, both put together it's a little more than double digit. E-commerce is just a little less than double digit and the balance comes from the CSD-CPC channels. So that is how the overall this thing is concerned. In fact, if you look at this particular quarter, modern trade was actually in high-teens. And e-commerce was also very strong. Sorry, not high teens, low teens, pardon me for that. And e-commerce was also in double digit. So, between modern trade and e-commerce if you look at the 30% breakup about roughly split equally between modern trade of e-commerce it is about 25% and the balance 5% comes from your CSD-CPC institution. That is the rough construction of that. In terms of Almond Drops, modern trade obviously has a large contribution of Almond Drops as well as a decent contribution of coconut. While if you look at e-commerce, e-commerce has a nearly about a 40% contribution coming from products beyond Almond Drops, well, 60% comes from Almond Drops. So that is how it is split. So, Almond Drops remains so still a very strong as far as modern trade is concerned. While e-commerce obviously because of the nature of the customer, it's more varied and all the extensions, etc., you see they are more focused on e-commerce.
- Dhiraj Mistry:** And how that would be for coconut oil?
- Jaideep Nandi:** As you can see, if you look at our beyond Almond Drops, most of our sales come from coconut. Almond Drops, that hair and skincare range is still smaller than how coconut has grown. So a

large part of it comes from coconut. So whatever numbers I am talking about beyond Almond Drops, you can assume that 70% would be coming out of coconut about 30% from the rest.

Dhiraj Mistry: And related to that only whether there would be like margin differential between general trade and e-commerce and modern trade would be materially different than what Company averages then?

Jaideep Nandi: So not between general trade and modern trade. Obviously modern trade is a little lower but still equal pegging with general trade. Little bit depends upon the times of the year and the aggression in the marketplace that we want, etc., Modern trade does take a bit of a dip, but not real. It doesn't take a huge departure from general trade. e-commerce on the other hand, there is departures mainly because not so much because of Almond Drops, but because of all the other ranges that we need to support. Because a lot of investments happen as far as this product on platform investments also happen. There are requirements in some of the larger players. So, e-commerce has a little lesser, it's a little dilutive. While in terms of general trade and modern trade they come close to each other.

Dhiraj Mistry: Got it. And sir, the second question is related to the EBITDA margin. Like we have seen continuous drop and partly it is because of mix as well as raw material price headwind. Assuming that if the raw material price stagnates at current level, when can we see that the margin trajectory improving from here on or whether we can see the amount of price hike which we had to take with the current inflation, whether we have taken completely of that or there will be some impact going forward as well because of the inflation?

Jaideep Nandi: If you look at the trend in the last few years, at points of time we have had to lag behind the price increases raw material. In terms of taking price increases with the consumer, we had to lag behind because of the demand situation. Now the situation is reversing where the demand situation is becoming favorable, we will do exactly the reverse, and we will take price increases in spite of may not be that much of increases. As far as the RM price is concerned, just to get back the gross margins, which also you might want to plough back into our marketing efforts, etc., So, EBITDA margins have already started improving. They will continue to improve. The aberration that you saw, I mean do not go by the aberration that you saw in the last two-three quarters. They were aberrations, they happened for a cause and some of it were maybe self-inflicted to an extent. All that has now been past us. As I said, the wholesale channel, etc., correction have happened. I think going forward you can only see improvement happening both in gross margin profile as well as EBITDA profile.

Dhiraj Mistry: Okay, I think that's it from my side.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Dhiraj Mistry for closing comments.

Dhiraj Mistry: Thank you everyone for participating and thank you management from Bajaj Consumer. Over to you sir for closing remark.

Jaideep Nandi:

Thank you Dhiraj. And I think as I said, over so many years that we have been trying to change the profile of the Company, having investment in so much of capability building exercises, etc., I think unfortunately the headwinds that we saw in the marketplace in terms of just consumer demand and in terms of competitive activity, we could not get the kind of results that we anticipated we would get. So yes, I mean a lot of areas we got excellent results. But general trade Almond Drops, which was our core business profile itself, we did not. Now that the headwinds are gone and we are seeing signs of tailwinds coming in and now that we have started investing in some of these areas where investments were also required, I think we are in a phase where we can see some good progress that happens because of the building of capability. Now we are a multifaceted organization with multiple products, multiple channels, multiple geographies. And I think that is something that now we are in a good position to exploit and make this a strong Company. May not be still rubbing shoulders with the best but clearly going one notch higher or even two notches higher. So, we are very buoyant that as a Company, we will be very successful going forward. So, with that I thank you all for joining this call and I wish you the very best. Thank you.

Moderator:

Thank you. On behalf of Bajaj Consumers and ICICI Securities, that conclude this conference. Thank you for joining us and you may now disconnect your lines.

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