Kamdhenu

Operator: Ladies and gentlemen, good day and welcome to the Q4 and FY26 earnings conference call of Kamdhenu Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Before we begin the conference, a brief disclaimer: This conference call may contain certain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on the date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. This call is restricted to Kamdhenu Limited's steel business. We would like to restrict the questions only to our steel business. I now hand the conference over to Mr. Satish Agarwal, MD from Kamdhenu Limited. Thank you and over to you, sir.

Management: Good morning and a very warm welcome to everyone present on the call. Along with me, I have Mr. Harish Agarwal, Group CFO, and SGA, our investor relations advisor. We have uploaded our results and investor presentation for the quarter and full year ended on the stock exchanges and company's website. Hope everyone had a chance to go through the same.

Dear all, I am pleased to report that FY26 has been a strong year of execution for our business. Our performance reflects the enduring strength of the Kamdhenu brand and the proven scalability of our franchise-based asset-light operating model. We continue to consistently maintain a strong presence in the organized retail branded TMT segment, a position we have deepened over the years. We have expanded not just the reach of our distribution network, but also the trust that the end consumers place in the Kamdhenu name. I am delighted to share that during the year, we were awarded the Extraordinaire Brand - Most Trusted Brand in infrastructure and building materials at the India 2030 Leadership Conclave 2026. This recognition is a proud testament to the credibility that we have built and reinforces our conviction that brand leadership is the most durable competitive advantage in our industry.

Coming to the industry trends now, on the raw material front, prices displayed a mixed but largely firm trend during FY26. Domestic iron ore prices have trended upwards, supported by an upcycle driven by strong domestic demand, while global iron ore prices have remained relatively stable. Geopolitical disruptions continued to create volatility in other key input costs, particularly crude oil and natural gas, which have a meaningful bearing on the overall cost structure across the steel industry. While these factors may exert near-term pressure on margins, both for us and for our franchise partners, the resilience of the underlying demand environment provides confidence in the ability to manage through this period. Our franchise model, by its very nature, distributes much of this input cost risk across our partner network, which is another structural advantage of our approach.

While the average selling prices for TMT bars were marginally softer on a year-on-year basis, largely a function of the broader pricing environment in the steel sector, we did not allow this to dilute our focus on volume growth and market penetration. We believe that pricing softness was temporary in nature, and our franchise model's resilience through the cycle further validates the structural soundness of our approach. We are pleased to announce that despite the challenging environment, our recorded profit before tax grew to 106 crores compared to 80 crores in FY25,

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representing a year-on-year increase of approximately 31%.

Now turning to volumes, this has been a standout year. During FY26, our total sales volume grew by 10% year-on-year to 39 lakh metric tons. We intend to scale the franchise model further year-on-year, given the capital efficiency enabled by its asset-light model. We are also investing in strengthening the quality of our dealer relationships through training, support, and technology-enabled tools that help dealers manage their business more effectively. We now have over 12,500 dealers spread across India. This network, one of the most extensive among branded steel players, provides us with both breadth and depth of market access. This is a significant milestone for us. As franchise volumes scale, royalty income scales with them, thereby supporting stronger return ratios for the company. This royalty-led revenue model is, in our view, the defining financial characteristic of Kamdhenu's business, and we expect it to contribute an increasingly larger proportion of our overall earnings over the coming years. We will continue to focus on expanding the royalty income stream by growing franchise volumes, deepening brand adoption, and supporting our franchise partners in improving their operational performance.

In terms of the growth outlook, the Indian steel industry remains one of the most attractive long-term growth opportunities in the country. India witnessed high single-digit growth in steel consumption during FY26, reflecting healthy underlying demand across key end-user segments, including real estate, infrastructure, and industrials. We expect this demand trajectory to sustain and potentially accelerate over the medium term, driven by a confluence of structural factors. Steel is a foundational input for nation-building, and with India's continued investment in roads, railways, housing, urban infrastructure, renewable energy, and industrial development, the sectoral demand outlook is highly encouraging. The government has signaled its commitment to capital formation through a capital investment outlay of 12.2 lakh crores announced in the Union Budget, which is expected to act as a strong multiplier for construction activity and allied industries. Policy initiatives such as the National Steel Policy, Make in India, and Atmanirbhar Bharat further underpin this structural growth thesis.

Government focus on affordable housing, smart cities, and the expansion of urban and rural infrastructure provides us with broad-based end-market exposure. Unlike cyclical commodity businesses, our franchise and royalty model means we can participate in this structural growth without taking direct commodity price risk on a large balance sheet. As we look ahead to FY27 and beyond, our strategic priorities are clear and focused. First and foremost, we will continue to strengthen the Kamdhenu brand through sustained marketing investments, quality reinforcement, and consumer engagement initiatives. Brand equity is our most valuable asset, and we will invest to protect and extend it, particularly as more consumers shift towards organized and branded steel, a trend we expect to accelerate in line with India's urbanization. With this, I would hand over the call to our Group CFO, Mr. Harish Agarwal, for the financials. Thank you all.

Management: Thank you, sir. First, I would like to share the financial highlights for Q4 FY26. Our steel volume from the franchise route stood at 10.2 lakh metric tons in Q4 FY26 compared to 9.4 lakh metric tons in Q4 FY25, a year-on-year growth of 8%. Our steel volume from own manufacturing stood at 21,624 metric tons compared to 21,950 metric tons, which was flat on a year-on-year basis. Royalty income through franchises stood at 46 crores in Q4 FY26 as compared to 38 crores in Q4 FY25, a growth of 19% year-on-year. Total revenue stood at 208 crores in Q4

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FY26 as compared to 198 crores in Q4 FY25, a growth of 5% year-on-year. Our profit before tax stood at 24 crores in Q4 FY26, which increased with a growth of 8% on a year-on-year basis. Profit before tax margin stood at 11.7% for Q4 FY26. Profit after tax stood at 17 crores for Q4 FY26, a growth of 2% year-on-year.

Now I would like to share the highlights for the financial year 2026. Our steel volume from the franchise route stood at 37.9 lakh metric tons in FY26 as compared to 34.4 lakh metric tons in FY25, a year-on-year growth of 10%. Our steel volume from own manufacturing stood at 1,21,092 metric tons as compared to 1,19,841 metric tons, which was flat on a year-on-year basis. Royalty income through franchises stood at 175 crores in FY26 as compared to 139 crores in FY25, a growth of 25% year-on-year. Total revenue stood at 763 crores in FY26 as compared to 747 crores in FY25, a growth of 2% year-on-year. Our profit before tax stood at 106 crores in FY26 as compared to 80 crores in FY25, a growth of 31% year-on-year. Profit before tax margin stood at 13.8% for FY26. Profit after tax stood at 78 crores for FY26 as compared to 61 crores in FY25, a growth of 29% year-on-year. We continue to remain debt-free as on March 31, 2026. ROCE and ROE stood at 26.8% and 19.8% respectively. The board has decided to announce a dividend of 40 paisa per share, i.e., 40% of the face value of rupee 1 each. This is from our side and we can open the floor for questions and answers.

Operator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Dhaniasri from Choice Institutional Equities. Please go ahead.

Dhaniasri – Choice Institutional Equities: Hi. Hi sir, thanks for taking my question. I have a few questions. The first being, in FY26 our royalty income grew by 25% whereas our volume growth was only 10%. So what has led to the superior growth in the royalty income? Could you throw some light on that?

Management: Yes, we have also increased the rate per ton of the royalty. That is why growth in revenue is 25%, but the volume growth is 10%. We have increased the rate of royalty.

Dhaniasri – Choice Institutional Equities: Okay, got it. And sir, can you please provide the royalty realization per ton trend over the last 3-5 years and its outlook going forward?

Management: Yes. This year the average rate is 435 rupees per metric ton, which was 398 rupees last year. Earlier to that, it was also around 380 rupees. Right now, I do not have the figures for the last 4-5 years. I have only two figures, for 2025 and 2026. So, it again increased by 10%.

Dhaniasri – Choice Institutional Equities: And going forward?

Management: Going forward, we are also planning to increase this by 10-15% every year along with a volume growth of around 10%, which we have been achieving for the last 2-3 years.

Dhaniasri – Choice Institutional Equities: Okay, got it sir. And sir, I had one more question regarding—we have around 300 odd crores with us and we are actually an asset-light business. So, what are the plans for those 300 odd crores?

Management: We are working on that. We are framing a policy for the treasury and we are planning how we can reward our shareholders. We are working on that and will come back to you.

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Dhaniasri – Choice Institutional Equities: Okay, sure sir. And sir, I had one last question. We had invested around 20 odd crores in March 2026 in the paint business. Why was that investment and can we expect more in the future?

Management: No, we do not have any such plan to invest more money in the paint business. In fact, this was only the investment we planned because the share price was low, and with the investment of 20 crores, we increased our equity by 4% in this business. The business valuation is much higher than the share price at which we have invested. So, we have invested 20 crores, but in the future, we do not have any plan to further make any infusion in the paint business. The treasury will be utilized only for the steel business and rewarding shareholders.

Dhaniasri – Choice Institutional Equities: Okay, got it sir. Thank you, that is all from my side.

Operator: Thank you. Next question is from the line of Rohit Kumar from ADM Advisors. Please go ahead.

Rohit Kumar – ADM Advisors: Thank you for the opportunity, sir. My first question was, could you please give us some guidance on the revenue growth from your own manufacturing facility versus growth from royalty income for FY27? And any margin guidance that you can give?

Management: We have only one plant from where we are catering to the Delhi NCR market. The capacity of our plant is around 1.25 lakh metric tons, which we are utilizing 100%. Last year we utilized 100%, this year we utilized 100%, and it will continue to have 100% utilization in the near future as well. But the top line is impacted by price fluctuations. If the price is 50,000, then the top line would be different, and if it is 55,000, then the top line would be different. Correspondingly, the raw material prices also increase. So, the top line will increase only with the price difference or the increase in royalty income revenue. The bottom line will be affected by price fluctuations in manufacturing, but mainly it is driven by the royalty income.

Rohit Kumar – ADM Advisors: Okay, got it. And my second question was that we have seen such a great brand presence sustained over the years. But are we seeing any competition in the TMT bar segment?

Management: Yes, there is competition in the market. There is no such business in India which has no competition. We have competition, but at the national level, we are competing with the big brands like Tata Steel and Jindal, and at the regional level, we are competing with strong regional brands. But at the national level, we have a presence and we have a dedicated network of 12,500 dealers across India. We can supply any quantity within 24 hours anywhere in India. No one else can supply at such short notice.

Rohit Kumar – ADM Advisors: Got it. Thanks, that was helpful.

Operator: Thank you. Next question is from the line of Trisha Rakhi from Elevate Research. Please go ahead.

Trisha Rakhi – Elevate Research: Hello sir, thank you for the opportunity. I have a couple of questions. We saw some price uptick in steel prices in Q4 due to West Asia. Can you help us understand the trend compared to last year and how we see the price movement of raw material as

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well as steel products? How has it impacted our performance for the quarter? Following up on this, can you elaborate on how realizations are expected to move going forward for H1 as well as the full year for FY27?

Management: Ma'am, first you must understand the business model of the company. We are involved in the re-rolling manufacturing business as well as in the branding business. In the re-rolling business, the price movement does not affect the bottom line significantly because the price of the finished product moves in the same direction as the raw material prices, which are ingots and billets. If ingot and billet prices increase, then the corresponding finished product TMT bar prices increase, and vice versa. In the branding model, we are only charging royalty. We are not impacted by the price. We are charging royalty on a per ton basis, not on a percentage basis. So, the price fluctuation is not impacting our business at all, either in our own manufacturing or in the branding business.

Trisha Rakhi – Elevate Research: Okay sir. Got it. And my second question is, can you throw some light on what our market share would be in TMT bars in FY26 versus FY25?

Management: Ma'am, exact data is not available for the TMT product, but on an estimated basis, we calculate that our share of the retail branded market is 20% for Kamdhenu brand products. That is for the retail branded segment.

Trisha Rakhi – Elevate Research: Okay. Okay sir, understood. Thank you and all the best.

Operator: Thank you. Next question is from the line of Prashant Singh from MB Securities. Please go ahead.

Prashant Singh – MB Securities: Yeah, good afternoon sir. Congratulations on a good set of numbers. I would like to ask two questions. First, how many franchises were added in FY26? What proportion of volume growth came from existing franchises versus the new franchise additions? And what is the pipeline for franchises for FY27?

Management: Prashant, we are focusing on the volume growth of existing units. We are not inclined to add many more new units, but rather to increase the capacity of existing units. Right now, we have around 100 units across all products, out of which 50 units are for TMT bars and 50 units are for structural steel, pipes, color-coated sheets, and other products. So, the number was around 100 units last year and it remains 100 now. During the year, four or five units left and four or five new units came in, but we are increasing the volume day by day. We are giving opportunities to existing units to expand their production facilities and increase their production capacity. So, we are focusing only on the existing units.

Prashant Singh – MB Securities: Understood sir. And another thing I would like to know is which geographies have we identified as under-penetrated regions that offer large growth opportunities for Kamdhenu? Where do you intend to deepen market penetration going forward in FY27 and ahead?

Management: In fact, our presence is across India, but if I were to sequence it from top to bottom, it is North, East, West, and South. These are the regional percentages. In the North, we have 31%; East,

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we have 35%; West, we have 19%; and South, we have 15% of the overall volume. So, obviously, we are planning to increase our market share in the South.

Prashant Singh – MB Securities: Understood sir. That was helpful. That is all from my side. Best of luck.

Operator: Thank you. Next question is from the line of Yatharth Saluja from Kholi's Induspant. Please go ahead.

Yatharth Saluja – Kholi's Induspant: Am I audible?

Management: Yes.

Yatharth Saluja – Kholi's Induspant: Thank you so much for the opportunity. I have a couple of questions. The first one is that Kamdhenu has over 4 million metric tons of franchise capacity against 3.9 million metric tons of volume sold. What is the current utilization level across the network and how much headroom exists before additional capacity is required?

Management: In fact, the data we have given in the presentation is older compiled data. We are in the process of compiling the new data and hopefully, in Q1, we will release this data. The existing capacity is around 5 million. We will declare that data after compiling the documents. Against that, we have achieved 39 lakh metric tons.

Yatharth Saluja – Kholi's Induspant: Okay, got it sir. And the second question is that the company has crossed 100 franchises. What is the optimal franchise count and does management see further expansion opportunities in under-penetrated areas or regions?

Management: Yes, in the South, we are planning to add more franchises. In the rest of India, we are planning to increase the capacity of existing units.

Yatharth Saluja – Kholi's Induspant: Okay. Thank you sir.

Operator: Thank you. Next question is from the line of Ayushi from Sai Advisors. Please go ahead.

Ayushi – Sai Advisors: Hello? Thank you for giving me this opportunity. I have a couple of questions. My first question is—can you be a little louder? Yes, sure. Sorry. So, my first question is that, given the increasing shift from unorganized to organized steel consumption, how is consumer preference evolving towards branded products? What advantages does the Kamdhenu brand enjoy in this transition?

Management: Ayushi, in today's time, any product that sells does so because of the brand. Unbranded products are being eliminated from the market and only branded products are establishing their position in the market. As far as Kamdhenu is concerned, there are many other brands in the market as you might have seen on TV, which many celebrities are endorsing, but Kamdhenu is such a name that it sells at a premium all over India. Today, our premium all over India is approximately 2,600 rupees per ton. In some states, our material sells for 6,000 rupees more per ton than the best local brand there, and in some places it is 2,000 rupees. It sells for 1,500 rupees per ton in some places, which is the additional premium for Kamdhenu; it is basically a brand

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premium. We provide quality and we provide a brand. So, the material being sold in retail today is sold by brand alone. That is the strength of the brand.

Ayushi – Sai Advisors: Okay. Okay, got it. And I have a follow-up question on that. Management highlighted the strong opportunities from infrastructure, housing, and industrial segments. Which end-user segments are currently witnessing the strongest demand and where do you see the highest growth potential going forward?

Management: Look, when we talk about infrastructure, our main product TMT is used in every infrastructure project. Wherever there is infrastructure, there will definitely be residential development as well. So the product is used in infrastructure and also in residential projects. Our main focus is the retail segment within Tier 2 and Tier 3 cities; the product sold in retail is sold through our dealer network in these Tier 2 and Tier 3 cities. Infrastructure growth is moving along on one side where our material is also sold at project sites. You can take any project, whether it is railways or airports. You might ask where the steel bars would be used at an airport? Well, look at the development that will happen in its surrounding areas; development will also take place around the airport and you will have to use steel bars and TMT bars there too. So, along with infrastructure, TMT is such a product that it will necessarily be used in any infrastructure or project; no construction or infrastructure can be completed without it. That is why the government's focus on infrastructure will ultimately and definitely result in impact and growth for the TMT business.

Operator: Thank you. That was the last question of the day. I now hand the conference over to management for closing comments.

Management: I would like to thank everyone for being part of this call. We hope we have answered your questions. If you need more information, please feel free to contact us or SGA, our investor relations advisor. Thank you.

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

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