

Hexagon Nutrition

14 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call of Hexagon Nutrition Ltd. 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 the operator by pressing * and 0 on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Dr. Nikhil Kelkar, Joint Managing Director. Thank you, and over to you, sir.

Dr. Nikhil Kelkar – Joint Managing Director: Good evening, everyone. Am I audible to all? I hope I am audible to all of you. A very, very warm welcome to all our shareholders, analysts, institutional investors, members of the investment community, and everyone joining us today for Hexagon Nutrition Ltd.'s Q1 FY27 earnings conference call. This quarter marks an important milestone for us, as it is our first quarterly results announcement following our successful listing on the BSE and the NSE in June 2026. On behalf of the entire management team, I would like to thank our shareholders, customers, employees, partners, and all our stakeholders for their continued confidence and support.

We are pleased to have started FY27 on a very strong note, with healthy year-on-year growth in both revenue and profitability. For Q1 FY27, our consolidated revenue from operations stood at 104.3 crores, registering growth of 43.2% compared with 72.9 crores in Q1 FY26. Our EBITDA stood at Rs 11.8 crores, representing year-on-year growth of 17.3%, while profit after tax stood at 8.1 crores, registering growth of 25.1% over the corresponding quarter of the previous year. We believe this performance reflects the continued demand for our nutrition solutions and the progress we are making across our domestic and international markets.

Let me briefly touch upon the broader opportunity that we see for the business. Nutrition is increasingly becoming an integral part of healthcare and wellness. Rising awareness around preventive healthcare, balanced nutrition, immunity, active lifestyles, and specialized nutrition requirements is creating a structural opportunity for this industry.

At Hexagon Nutrition, our diversified portfolio enables us to participate across multiple segments of this opportunity. Our business spans micronutrient premixes, clinical nutrition, therapeutic nutrition, food fortification, and consumer nutrition. This diversification gives us the ability to serve customers across different applications and markets.

Our focus continues to remain on building a diversified and scalable nutrition platform. Research and development remains at the core of our business. We continue to invest in developing innovative formulations and nutrition solutions that address evolving customer and healthcare requirements.

At the same time, our manufacturing facilities provide us with a strong foundation to serve both domestic and international customers while maintaining our focus on quality, consistency, and operational efficiency. Our international presence is another pillar of our growth strategy. We currently serve customers across more than 70 countries, giving us a diversified geographical footprint and opportunities to further expand our presence in international markets. We also continue to see significant potential in our clinical and functional nutrition businesses as consumer

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awareness around specialized nutrition continues to increase.

As we move through FY27, our priorities remain focused on sustainable revenue growth, strengthening our international presence, innovation-led product development, operational efficiencies, and disciplined capital allocation. We believe the structural drivers supporting the nutrition industry remain strong, and our diversified portfolio, R&D capabilities, manufacturing infrastructure, and customer relationships position us well to participate in these opportunities.

With that, I would now like to hand over the call to our Managing Director, Mr. Vikram Kelkar, who will take you through the operational performance and key business initiatives during the quarter. Thank you.

Mr. Vikram Kelkar – Managing Director: Thank you, Dr. Nikhil. Good evening, everyone. Let me take you through the operational performance and key developments across our businesses during the quarter.

As Dr. Nikhil mentioned, we have started FY27 with strong revenue momentum. Our diversified business model remains central to our strategy, with our operations spanning micronutrient premixes, clinical and wellness nutrition, therapeutic nutrition, and food fortification.

Let me begin with our micronutrient premix business. Premixes continue to be an important growth engine for Hexagon Nutrition. We work with customers across the food, pharmaceutical, and other industries, providing customized blends of vitamins, minerals, and other nutritional ingredients.

We continue to see structural opportunities in this business, driven by increasing awareness around nutrition and fortification, as well as the growing adoption of fortified food products. The increasing focus on nutritional security and fortification, both in India and globally, provides a favorable environment for organized players with strong formulation, manufacturing, and quality capabilities.

Coming to our clinical and wellness nutrition business, our PENTASURE franchise continues to be an important part of our branded nutrition portfolio. We see significant headroom for growth in the clinical nutrition and wellness market, and we are continuing to strengthen our presence through our sales and distribution network. We are also focusing on increasing the penetration of our other branded products, especially PEDIAGOLD and OBESIGO.

Mr. Vikram Kelkar – Managing Director: As discussed during our previous earnings interaction, we are expanding our reach beyond Tier 1 markets and increasing our presence in Tier 2 and Tier 3 cities. This expansion is being supported by strengthening our sales force and distribution network.

We are also working towards increasing our presence across e-commerce, e-pharmacy, and digital channels alongside our medical marketing initiatives. We believe these initiatives will help us improve our brand awareness, increase consumer reach, and build our branded nutrition portfolio over the medium to long term.

Our therapeutic nutrition and ESG business also remains strategically important. This includes ready-to-use therapeutic foods, ready-to-use supplementary foods, and micronutrient powders, which address important nutritional requirements across different geographies. The tender-based nature of a part of this business means that order flows can vary between quarters. However, we

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continue to see opportunities in this segment and remain focused on building a healthy order pipeline.

Coming to our international business, exports remain an important component of our overall business. Our geographical diversification provides resilience and allows us to participate in multiple markets. As we stated in our previous earnings call, the geopolitical situation in the West Asian region has not materially impacted our business. Our exports are diversified geographically, and West Asia contributes less than 20% of our total exports. We therefore continue to see opportunities to expand our international presence while maintaining a disciplined approach to market selection and customer relationships.

On the manufacturing side, we continue to focus on improving capacity utilization and operating efficiency. Our existing manufacturing infrastructure provides sufficient headroom to support future growth while allowing us to accommodate incremental orders and tender opportunities. We will continue to optimize our manufacturing operations, improve productivity, and maintain stringent quality standards as volume scales.

Another important area of focus remains R&D and new product development. Nutrition is a constantly evolving field, and we believe our ability to develop differentiated formulations and respond to changing customer requirements will remain an important competitive advantage. We continue to evaluate opportunities across our existing product categories as well as new areas that complement our capabilities.

Overall, we remain encouraged by the opportunities across our businesses. Our focus for FY27 will remain on strengthening our core businesses, expanding our branded portfolio, increasing our international footprint, improving capacity utilization, and continuing to invest in innovation. We believe these initiatives will help us build a stronger and more diversified nutrition platform over the coming years.

With that, I would like to hand over the call to our Chief Financial Officer, Mr. Soman Jana, who will take you through the financial performance for Q1 FY27 in greater detail. Thank you very much.

Soman Jana – CFO: Thank you, Mr. Vikram. Good evening, everyone. I will take you through the financial performance of Hexagon Nutrition for the first quarter of FY27.

We have started the financial year with strong year-on-year growth across our key financial parameters. For Q1 FY27, our consolidated revenue from operations stood at 104.3 crores compared with 72.9 crores in Q1 FY26, representing year-on-year growth of 43.2%. This growth reflects the continued demand across our diversified portfolio and our ability to serve customers across domestic and international markets. Our gross profit for the quarter stood at 45.8 crores compared with 34.1 crores in Q1 FY26, representing growth of 34.1%.

At the operating level, EBITDA stood at 11.8 crores compared with 10.1 crores in Q1 FY26, representing year-on-year growth of 17.3%. Our EBITDA margin stood at 11.3% during the quarter compared with 13.8% in Q1 FY26. The movement in EBITDA margin needs to be viewed in the context of the business and the product mix during the quarter, along with the investments being made to support our next phase of growth. We remain focused on improving operating leverage as

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the business scales and on maintaining an appropriate balance between growth and profitability.

Profit before tax stood at 10.6 crores during Q1 FY27, registering year-on-year growth of 25.1%. Profit after tax stood at 8.1 crores compared with 6.5 crores in Q1 FY26, representing growth of 25.1%. PAT margin stood at approximately 7.7% during the quarter. Overall, we are pleased that the strong revenue growth during the quarter has translated into healthy growth in absolute EBITDA and PAT.

From a cost perspective, we remain focused on improving operational efficiency, productivity, and resource utilization across our manufacturing and business operations. As the business scales, we expect better utilization of our existing infrastructure to support operating leverage.

Our approach towards capital allocation also remains disciplined. We will continue to prioritize investments that support long-term growth, including R&D, product development, manufacturing capabilities, market expansion, and strengthening our distribution network.

As we enter a new phase as a listed company, maintaining financial discipline and creating sustainable value for our shareholders will remain key priorities for us. Looking ahead, our focus will be on sustaining the growth momentum, improving operational efficiencies, strengthening our product mix, and continuing to build a diversified and scalable nutritional platform.

With a strong portfolio across micronutrient premix, clinical nutrition, therapeutic nutrition, and consumer nutrition, we believe we are well positioned to participate in the long-term growth opportunity in the nutrition sector.

With that, I would like to hand the call back to the moderator for the question-and-answer session. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

I repeat, anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We take the first question from the line of Sparsh Vajpayee from Perpetual Capital Advisors. Please proceed.

Sparsh Vajpayee – Perpetual Capital Advisors: Hi, am I audible?

Mr. Vikram Kelkar – Managing Director: Yes.

Sparsh Vajpayee – Perpetual Capital Advisors: Thank you for the opportunity, and congratulations on the good numbers. Sir, I wanted to know how concentrated our export revenue is among your

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top 3 markets. If the top 3 underperform, what sensitivity are we looking at?

Mr. Vikram Kelkar – Managing Director: So, regarding the overall export market concentration, you are asking about the top 3 countries, right?

Sparsh Vajpayee – Perpetual Capital Advisors: Yes.

Mr. Vikram Kelkar – Managing Director: It will be in the range of 25–40% for the initial top 5 countries we can mention.

Sparsh Vajpayee – Perpetual Capital Advisors: Okay. Thank you. My next question is regarding our capacity utilization, which is 30% overall. Is that across segments, or is clinical nutrition already operating at a higher level than premix and RUTF? Where is the next bottleneck if that segment continues to grow?

Mr. Vikram Kelkar – Managing Director: Sorry, you said that last time our capacity utilization was 30%. Is your question regarding that? There was a bit of lag in the question.

Sparsh Vajpayee – Perpetual Capital Advisors: Yes.

Mr. Vikram Kelkar – Managing Director: And you want to understand the capacity utilization as of now? Am I correct?

Sparsh Vajpayee – Perpetual Capital Advisors: Yes.

Mr. Vikram Kelkar – Managing Director: Am I audible now?

Mr. Vikram Kelkar – Managing Director: Yes, you are audible, but your voice is cracking a bit. Please go on. Please go on.

Sparsh Vajpayee – Perpetual Capital Advisors: I also wanted to ask whether capacity utilization is coming mainly from clinical nutrition, or whether our other products are also contributing to it.

Mr. Vikram Kelkar – Managing Director: Okay. First, I would like to answer this. The majority of our capacity utilization comes from the premix business, which contributes more than 50% of our revenue in the total segment. Then it comes from the branded segment. Overall, in terms of capacity, we have seen volume growth this quarter, representing around 47% of our total capacity utilization at this stage.

Sparsh Vajpayee – Perpetual Capital Advisors: Okay. So our current capacity utilization is 47%?

Mr. Vikram Kelkar – Managing Director: 47%, yes.

Sparsh Vajpayee – Perpetual Capital Advisors: Okay. My last question is, what kind of revenue growth are you guiding for this year, FY27?

Mr. Vikram Kelkar – Managing Director: This year, we will maintain the same growth trajectory that we posted last year. We will try to maintain a growth range of around 20–25%.

Sparsh Vajpayee – Perpetual Capital Advisors: Okay, understood. Thank you.

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Mr. Vikram Kelkar – Managing Director: Thank you.

Operator: Thank you. We take the next question from the line of Mayuresh Raut, an individual investor. Please proceed.

Mayuresh Raut: Thank you for the opportunity, sir. I have a few questions. Sir, which business segment offers the largest opportunity for you over the next 3–5 years?

Mr. Vikram Kelkar – Managing Director: The branded segment is the one that we believe is the fastest-growing segment. Even in this quarter, we have grown by about 28% compared with the same quarter last year.

If you see the trajectory of the previous years, our branded share of total revenue has increased from 18% to 20%, 25%, and almost 30% now. This is the segment that I would like to focus on, as far as your question is concerned. Thank you.

Mayuresh Raut: Sir, I have another question. How is the revenue mix expected to develop going forward? What does that imply for the margin profile? How do you see the margins evolving as well?

Mr. Vikram Kelkar – Managing Director: Mayuresh, to answer your first query, regarding the revenue mix for the segments, I can mention that the branded business contributed around 28% of my total revenue for this quarter. The premix business contributed around 62% of the revenue, and the remaining therapeutic segment, which is ESG, contributed around 10%. That is the revenue mix.

Your next query was about the gross margin, right?

Mayuresh Raut: Yes. I actually wanted to know how we expect the revenue mix to evolve across the segments as well.

Mr. Vikram Kelkar – Managing Director: Given that, all our 3 segments will continue to grow in the coming quarters, since there is a strong order book and a business pipeline. From the management side, we are definitely looking at the branded business showing growth of around the same level as the growth in turnover that we achieved last year, or possibly better from that perspective.

Mayuresh Raut: Okay. How is the traction developing in newer therapy areas such as fertility, healthy aging, and the women's health category?

Management: We have started focusing on those segments. Our fertility nutrition business is primarily an area where we have developed [inaudible].

Management: We are introducing those products in newer export markets as we enter them. As far as our focus on women's nutrition is concerned, last year we launched a product called Nutron Women, which is primarily available online. It is still at the infancy stage, so we will continue nurturing it as we move forward.

Management: We did not understand the question. Could you repeat it?

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{? [unclear] ?} – **Kotak Securities:** Do we see our B2C scale reaching 35% or more of revenue growth?

Management: When will we reach 35%—is your question whether the branded business will reach 35% of total revenue?

{? [unclear] ?} – **Kotak Securities:** Yes, how quickly?

Management: How quickly? That is a very good question. In the next couple of years, we expect it to reach the 35% mark.

{? [unclear] ?} – **Kotak Securities:** Okay, sir. That is all from my end. Thank you.

Management: Thank you.

Operator: Thank you. Before we proceed with the next question, participants who wish to ask a question may press star and one on their touch-tone telephone. We take the next question from the line of Akhilesh from Ampersand Capital. Please proceed.

Akhilesh – Ampersand Capital: Hello. Hi, sir. Thank you for the opportunity. I wanted to understand this: Q1 revenue grew by 43%, against guidance of 20–25% growth. Do we expect any slowdown in the upcoming quarters?

Management: You are asking whether there is going to be a slowdown in the upcoming quarters?

Akhilesh – Ampersand Capital: Yes, because you are guiding for 10–25% growth, right, whereas Q1 was at 43%.

Management: No. In fact, our Q2 is very strongly supported by a strong order book of around 100 crores. There is definitely no sign of a slowdown in Q2.

As far as your question on the quarters is concerned, if you look at our historical quarters over the last 4–5 years, the first 2 quarters are generally used to gather momentum. However, the main growth comes in the third and fourth quarters.

You will see this seasonality across our business. You will have to consider this seasonal aspect in our business, which is—

Akhilesh – Ampersand Capital: It is more seasonal?

Management: Yes, that is what I am saying. Q1 and Q2, as I said, are generally used to gather momentum. When the momentum picks up, in Q3 and Q4 you start seeing a higher increase in revenues. This has been proven historically. You can go back and look at the previous years as well.

Akhilesh – Ampersand Capital: I do not have the previous-year quarterly numbers, but based on my understanding, the 20–25% growth that you are guiding for right now might be somewhat conservative, if I am not mistaken.

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Management: Yes, basically, you can say that the 20–25% growth guidance is on the conservative side.

Akhilesh – Ampersand Capital: Okay. This quarter, we saw some gross margin contraction. What was the reason for that?

Management: The gross margin has contracted by more than 3% compared with the same quarter last year. The major reason is the West Asia crisis, due to which we have seen a rise in the cost of some of our critical raw materials in both the premix and branded segments.

This has materially impacted us. However, from the management side, we have taken a decision to pass on the impact to customers in an appropriate manner in the coming quarters. This is a global impact, so we can expect it to continue, but all the necessary steps are being put in place to protect the margins.

Akhilesh – Ampersand Capital: Okay. So from Q2 onwards, we should be back to normal in terms of gross margin, if I am not mistaken?

Management: Hopefully, yes.

Akhilesh – Ampersand Capital: Can you also split your sales into price and volume? What was the price growth this quarter, and what was the volume growth?

Management: Overall, in terms of volume, volume grew by roughly 25–40% this quarter. Compared with Q1 last year, we saw volume growth of 25–40% this quarter. We saw volume growth in both our premix and branded segments compared with last year.

Akhilesh – Ampersand Capital: Understood. The rest would be price, then. So there was not much of a price increase?

Management: No, a price increase was not the main factor behind the growth. However, we have taken a decision to increase the prices of some of our branded products because raw material prices have risen. We have increased the MRP of some of the products. We will definitely see the impact in Q2 on the margins. We have increased our MRP by {? 10–15% ?}. This will have an impact from Q2 onwards.

Akhilesh – Ampersand Capital: Okay. Thank you, sir. That is all from my side.

Management: Thank you.

Operator: Thank you. We take the next question from the line of Abhishek Maheshwari from SkyRidge Fund Managers LLP. Please proceed.

Abhishek Maheshwari – SkyRidge Fund Managers LLP: Hi, thank you for taking my question. I wanted to ask about other expenses and the sharp increase in them. Was it primarily due to ocean freight and power and fuel, or were there other increases as well?

Operator: I would request Mr. Abhishek to please speak a little louder, as your voice is coming through quite softly.

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Abhishek Maheshwari – SkyRidge Fund Managers LLP: I wanted to understand the sharp increase in other expenses. Was it primarily due to ocean freight and power and fuel, or were there other increases as well?

Management: You are absolutely right, Mr. Abhishek. The increase is on account of selling and distribution expenses, predominantly freight. Our freight cost has increased due to the geopolitical impact.

Overall, we have also made a strategic investment in selling and distribution, sales promotion, and marketing. Therefore, our expenditure in those areas has increased somewhat. We consider it an investment at this moment.

To add to what our Vikram has mentioned, we are increasing our footprint from Tier 1 cities to Tier 2 and Tier 3 cities. We have invested more than 50% in our sales force capabilities on the ground, and that has also impacted our employee expenses.

However, this investment will definitely have a positive impact in the coming quarters as we increase our reach.

Abhishek Maheshwari – SkyRidge Fund Managers LLP: All right. That is fine from my side. Thank you.

Management: Thank you.

Operator: Thank you. We take the next question from the line of Varun, an individual investor. Please proceed.

Varun – Individual Investor: Hello?

Management: Yes, hello. Good afternoon.

Varun – Individual Investor: My first question is on cash flow. How did operating cash flow and free cash flow perform in the first quarter?

Management: Our operating cash flow has performed better compared with last year. Yes.

Varun – Individual Investor: Hello? Am I audible?

Management: Yes, you are audible. Our operating cash flow has improved compared with Q1 last year.

Varun – Individual Investor: Yes. Has the cash conversion ratio seen in FY26 also improved?

Management: Yes, it has improved. There was a large volume of shipments in the ESG and premix segments, which has improved this quarter. The majority of our outstanding receivables have been recovered.

Varun – Individual Investor: Okay. What happened to inventory days and receivable days? When do you expect working capital to normalize?

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Management: Overall, our inventory days have remained more or less the same because we have a good order book position for the remaining upcoming quarters. Inventory days still stand at around 142 days as of Q1. Compared with last year, they were around 135-plus days.

Because we have an order book in our ESG and premix segments, we are required to stock critical inventories. Considering the rise in product prices, we are also taking some strategic decisions to maintain strategic inventory on our books.

Varun – Individual Investor: Okay, perfect, sir. Were there any changes in customer credit terms, inventory stocking, or procurement strategy during the quarter?

Management: No, there has been no major change in our credit terms with customers or vendors.

Varun – Individual Investor: Perfect, sir. Just one last question from my side. What is the expected FY27 capex? What returns and utilization threshold have been used to approve new investments?

Management: Overall, as you are aware, demolition is taking place at our Nashik factory for our premix facility, which is being redeveloped with new infrastructure. For this, we will incur capex of roughly 25–30 crores over the coming 1 year, or possibly 1.5 years.

We are taking a strategic decision to have long-term borrowing from banks to the extent of 70% of the total capex. Therefore, this will not have much impact on our operating cash flow or ongoing cash flow.

Varun – Individual Investor: Okay. Thank you so much, sir. All the very best.

Management: Thank you.

Operator: Thank you. We take the next question from the line of Urvi Shah from Isha Securities. Please proceed.

Urvi Shah – Isha Securities: Hello?

Management: Yes, hello, Urvi.

Urvi Shah – Isha Securities: Congratulations, sir, on a good quarterly result, especially the first one. You mentioned the order book a couple of times. Can you tell me the current order book?

Management: As I said, the current order book stands at 100 crores.

Urvi Shah – Isha Securities: Over what period is it executable?

Management: It will be executed in Q2 and partly in Q3.

Urvi Shah – Isha Securities: Okay. This order book predominantly relates to which area? Can you explain further, because we have a couple of categories?

Management: Around {? 70–75% ?} is across premix and ESG, and the rest is with the branded segment.

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Urvi Shah – Isha Securities: Premix and ESG, okay. My second question is, what is our current capacity utilization across the dry powder and premix categories?

Management: Urvi, I can give you a blended figure for your better understanding at this stage. Overall capacity utilization is around 40–47% at this moment.

Regarding premix, we have 3 facilities in India, as you are aware. Every facility is showing growth in capacity utilization. Overall, the branded business has also shown volume growth, and capacity utilization is also rising at the Q1 level. The same applies to premix and the other ESG business.

It is also important to note that when we talk about capacity utilization, it is across 3 segments, where the packaging differs from segment to segment. For example, in the premix segment, packaging is done in 25 kg bags, whereas in the branded segment, it ranges from 1 g sachets to 20 g sachets, 400 g tins, and 1 kg tins.

Premix capacity utilization is therefore slightly different, while packaging in the branded segment takes more time. We have to consider all these factors when we look at the blended segment as well.

What I mean is that some segments might be more utilized than the actual blended capacity. If the blended capacity is currently 47%, some segments might be operating at 65%, some might be operating at 35–40%, and some might be operating at around 55%.

This is what I want all our investor and analyst friends to consider whenever they assess our company's capacity utilization. Thank you.

Urvi Shah – Isha Securities: Right, right. Sure. Thank you. That is all from my side for now.

Management: Thank you.

Operator: Thank you. Participants who wish to ask a question may press star and one on their touch-tone telephone. We take the next question from the line of Meera Mittal, an individual investor. Please proceed.

Operator: We take the next question from the line of {?} [unclear] ?} from Kotak Securities. Please proceed.

Management: Yes, please. Yes, you are.

Operator: We are not able to hear you. I request you to unmute and then speak.

{? [unclear] ?} – Kotak Securities: Hello, good evening, sir. Am I audible?

Management: Yes, please. Yes, you are.

{? [unclear] ?} – Kotak Securities: I have just 2 questions. What was your order inflow from UNICEF and other UN agencies, NGOs, and government nutrition programs during Q1?

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Management: We have received a good order book from the national governments of certain countries. We are continuing production for those orders.

{? [unclear] ?} – Kotak Securities: What is the current ESG order pipeline, and how much revenue visibility does it provide for the balance of this financial year?

Management: We are looking at around 75–100 crores.

{? [unclear] ?} – Kotak Securities: For the remaining part of this financial year?

Management: For the year, yes.

{? [unclear] ?} – Kotak Securities: Okay, sir. Thank you. That is all from my side.

Management: Thank you.

Operator: Thank you. We will take the next question from the line of Kamal Geshwani from U-First Capital. Please proceed.

Kamal Geshwani – U-First Capital: Thank you for taking my question. Congratulations on a good set of numbers. I wanted to know whether all the raw materials that you purchase are procured domestically, or whether some imports are also involved.

Management: Around 25–30% of our raw materials are procured internationally, while the majority of our raw materials are procured domestically.

Kamal Geshwani – U-First Capital: How has pricing been over the last quarter for international procurement? You had mentioned earlier that freight was also impacting prices. I assume the cost of raw materials and imports would have gone up.

Management: Certain raw materials, such as whey proteins, have seen an increase in cost, whereas certain other vitamins have remained stable.

Kamal Geshwani – U-First Capital: I also saw that you have plans to launch plant-based nutrition alternatives. When are you planning to launch them? I assume the raw materials for those products will also have to be imported because they are not available in India.

Management: As of now, we do not have any immediate plans to enter the plant nutrition segment, but we are trying to develop a few products in the pipeline.

Kamal Geshwani – U-First Capital: Among the 5–6 categories that you mentioned?

Management: Sorry?

Kamal Geshwani – U-First Capital: Among the 5–6 categories you mentioned in the presentation, correct?

Management: Yes, but as I said, we do not have any plans to enter the plant nutrition segment in the immediate future.

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Kamal Geshwani – U-First Capital: Okay, understood.

Management: Thank you.

Operator: Thank you. We will take the next question from the line of Poshita Shetty, an individual investor. Please proceed.

Poshita Shetty: My question is regarding exports. Is your international growth primarily coming from deeper penetration in existing markets, or are you also entering new markets?

Management: We are seeing good growth in areas such as Central Asia and Africa. Going forward, we are also looking at newer geographies, including Europe and North America.

Poshita Shetty: Understood. Thank you, that answers my question.

Management: Thank you.

Operator: Thank you. We take the next question from the line of Manaswini Mukerjee from Oracle Investments. Please proceed.

Manaswini Mukerjee – Oracle Investments: Hello, sir. I hope I am audible. I wanted to know the capacity utilization across the Nashik, Chennai, and Uzbekistan facilities, especially in this quarter, and how you would compare it with FY26.

Management: That is a good question, Manaswini. Nashik's capacity utilization would be in the range of {? 45– 55–60% ?}. Chennai would be in the range of 25–30%, and Tuticorin would be around 35–40%.

Manaswini Mukerjee – Oracle Investments: What about Uzbekistan?

Management: In Uzbekistan, we have an order book that is to be delivered in Q2 and Q3. Therefore, it is not yet significant enough to mention.

Manaswini Mukerjee – Oracle Investments: Okay, that makes sense. So we can say that Nashik has the highest available capacity utilization?

Management: That is completely correct, ma'am.

Manaswini Mukerjee – Oracle Investments: Perfect. Thank you so much.

Management: Thank you.

Operator: Thank you. We take the next question from the line of Yash Parker from Patel Investments. Please proceed.

Yash Parker – Patel Investments: Hi, sir. Am I audible?

Management: Yes, you are. Thank you.

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Yash Parker – Patel Investments: Thank you so much for the opportunity, and congratulations on a great set of numbers, sir. Our company is simultaneously investing in B2C brands, expanding exports, ramping up underutilized manufacturing capacity, and creating new categories. According to you, what are the biggest constraints to growth over the next 2–3 years? Would it be demand generation, manufacturing capacity, working capital, or something related to distribution?

Management: That is a good question. As far as manufacturing capacity is concerned, I believe we have enough capacity for the next 2–3 years to scale up significantly. Therefore, that is not a problem.

Working capital is also very well managed, with control over our debtors and inventory. Therefore, I do not see a problem there either.

As you said, distribution is an area where we are planning to expand our network. As we mentioned earlier, we are entering Tier 2 and Tier 3 cities, and we have appointed a specialized field force to cover these territories. Along with that, our distribution network is also increasing.

We started this in the first quarter, and the people came on board in May or June. We might see in the next couple of quarters that they start becoming productive, and operating leverage will also begin to take effect at that stage.

You also touched upon capacity utilization, which has grown from 30% last year to 47% now. Operating leverage will also begin to take effect from that in the next couple of quarters. You will see more and more of that. Therefore, we do not see any challenges in our businesses from that point of view.

Yash Parker – Patel Investments: Right, sir. I had one more question. We have already crossed 100 crores in revenue, congratulations on that, and you are targeting more than 35% of the overall mix. What is the right way to think about the B2C growth trajectory from here, and how much of this growth will come from existing brands such as Pentasure versus newer brands such as Nutrune and Optengo?

Management: Regarding B2C growth, Pentasure still remains the biggest brand category because we have 12 different brand extensions in it. Along with that, we are focusing on growing {? Pediasure Gold ?} and other products.

Nutrune is a brand on which we are mainly focusing online. Regarding the revenue mix reaching 35%, I think we will be able to achieve this within a couple of years. We will be able to reach a B2C or branded segment revenue mix of 35%.

Yash Parker – Patel Investments: Right, sir. Regarding the Uzbekistan facility, it appears to have significant headroom, particularly in dry premix. What is the strategy to ramp up this facility? Will it cater to local Central Asian demand, or will it be developed into an export hub?

Management: The strategy behind our Uzbekistan facility is to cater to the domestic requirements of the country as well as export to all the neighboring countries, including all the Central Asian countries and Russia. I hope that answers the question.

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Yash Parker – Patel Investments: Yes, sir. Your B2C contribution is currently around 6.5%. As you scale up e-commerce and increase HCP engagement, how do you see the channel mix evolving? Also, should we expect any near-term pressure on margins because of higher brand-building and customer-acquisition costs?

Management: We are strengthening our e-commerce and digital businesses through social media initiatives. We have a social media handle called Pentasure Nutrition. You can follow it, and you will receive all the updates regarding our social media activities.

We engage with many different influencers, including fitness influencers and parent influencers, to create more visibility for our digital channels. If you look at the current situation, the Freedom Sale is taking place on Amazon. We engage extensively on Amazon and Flipkart, as well as on e-pharmacies such as Tata 1mg, Netmeds, and others.

We advertise on these channels, create visibility during festivals, and try to benefit from the momentum generated by these festivals. The next festivals to look forward to are the Great Indian Festival on Amazon and the Big Billion Days on Flipkart, among others.

This business is bound to grow significantly. We continue to increase our distribution centers. Currently, 85% of our orders are delivered within 24 hours. Therefore, we have a very strong fulfillment rate across all the portals.

Yash Parker – Patel Investments: Right, sir. One last question from my side. I joined the call late, but I would still appreciate your response. Revenue growth was quite good in Q1, but EBITDA margins declined meaningfully year-on-year. Could you help us understand the key drivers behind the margin compression? Was it largely product mix, raw material costs, or higher investments in the B2C business? How should we think about the margin trajectory from here?

Management: Before answering this, I would like to take you through one particular point. There has been growth across the overall segments. If you look at the total, there has been 40% growth compared with Q1 last year.

If I break it down by segment, I can see that the branded business has grown by 22%, premix has grown by 55%, and ESG has also grown by 42% year-on-year. Growth and volume are increasing across all 3 of our segments.

However, despite this growth, the pressure is predominantly due to the gross margin issue that we already discussed in one of the earlier questions. The prices of critical raw materials have increased due to geopolitical factors, and that has created pressure.

From the management side, we have taken action to mitigate the pressure on gross margins, and we have increased our MRP by 10–15%. This will ease the pressure on gross margins over the next 2 quarters.

Coming to the other reason our expenses have increased, freight costs have risen due to the West Asia crisis. This increase in freight costs has added pressure to PAT. We have also invested in our field force. Our field force has increased by more than 50% compared with Q1 last year.

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We view this as an investment that has impacted the bottom line at this moment, but it will definitely add value in the coming quarters and will also result in positive revenue growth. These new employees came on board in May and June, so it will take at least a couple of quarters for them to demonstrate productivity.

By the end of Q3 or thereabouts, you should see operating leverage from them beginning to take effect. As we improve the utilization of our capacities and grow our business, you will also see operating leverage in the coming quarters. Therefore, we do not expect any problem on that front.

Yash Parker – Patel Investments: Thank you so much for patiently answering my questions, and all the best for your future endeavors, sir.

Management: Thank you, thank you.

Operator: Thank you. Ladies and gentlemen, we will take that as the last question for the day and would now like to hand the conference over to Dr. Nitin Kirkikar, Joint Managing Director, for his closing comments. Over to you, sir.

Nitin Kirkikar – Joint MD: Thank you very much. Thank you, everyone, for your valuable time and for participating in the conference call. If you have any further questions, please write to us at cs@hexagonnutrition.com or contact our Investor Relations advisors at EY. We would be happy to have another round of interaction with you. Thank you, and good day.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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