Eureka Forbes Limited
CIN: L27310MH2008PLC188478 I Website: www.eurekaforbes.com
Registered / Corporate Office: B1/B2, 701, 7th Floor, Marathon Innova, Off Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400 013, Maharashtra, India. Tel: +91 22 48821700 / 62601888.

EUREKA FORBES
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November 09, 2026

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 543482 Scrip ID: EUREKAFORB Ref.: EFL/BSE/2026-27/52	Exchange Plaza, C-1, Block - G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: EUREKAFORB Ref.: EFL/NSE/2026-27/52

Subject : Intimation of Transcript of Earnings Conference Call held on Tuesday, November 03, 2026

Dear Sir/Madam,

Pursuant to Regulation 30(6) read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Call held with Analysts/Investors on Tuesday, November 03, 2026. The transcript of the aforesaid Earnings Call is also available on the website of the Company at www.eurekaforbes.com.

Request you to kindly take the above information on record.

Thanking you,

For Eureka Forbes Limited

Shilpa Ketan Jain

Digitally signed by Shilpa Ketan Jain
Date: 2026.11.09 12:32:17 +05'30'

Shilpa Jain
Company Secretary & Compliance Officer

Encl: As above

"Eureka Forbes Limited

Q2 FY27 Earnings Conference Call"

November 03, 2026

MANAGEMENT: **MR. PRATIK POTA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – EUREKA FORBES LIMITED**
MR. GAURAV KHANDELWAL – CHIEF FINANCIAL OFFICER – EUREKA FORBES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Eureka Forbes Limited Q2 FY27 Earnings Conference Call. We have Mr. Pratik Pota, Managing Director and CEO and Mr. Gaurav Khandelwal, CFO, Eureka Forbes with us. 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, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Before I hand it over to Mr. Pratik Pota, please note the disclaimer. Certain statements made by the management in today's call may be forward-looking statements. These forward-looking statements reflect management's best judgment and analysis as of today. The actual results may differ materially from the current expectations based on a number of factors affecting the business. I now hand the conference over to Mr. Pratik Pota. Thank you, and over to you, sir.

Pratik Pota: Good afternoon, and welcome to the Q2 FY '27 earnings call of Eureka Forbes Limited. Let me begin with the performance for the quarter.

In line with our strategy to accelerate growth, I'm pleased to share that revenue grew 15% in Q2 FY '27. For the first half, revenue growth now stands at 15.1%, a clear step-up from 12.7% in H1 last year. What was particularly encouraging was the quality and breadth of the growth. Growth was broad-based across channels and categories, with the product business delivering high teens growth year-on-year. Within that, our Water Purifier business continued its strong momentum, delivering high teens growth and gaining market share.

Growth was driven by a healthy combination of volumes and higher ASPs, with particularly strong momentum in the economy segment, while our mid-tier and premium offerings also performed well. Water purifier penetration in India remains relatively low, and we see significant headroom for category expansion.

Our strategy is therefore clear: to make water purification accessible to many more households while continuing to premiumize and innovate at the top end of the market. Our innovation pipeline remains robust. And during the quarter, we accelerated the pace of new product introductions. In Water Purifiers, we launched the industry-first 4-year product range designed to reduce lifetime cost and to make purifier ownership convenient for consumers.

We are also encouraged by the sustained market share gains we have seen in Water Purifiers over the past few quarters. An important enabler has been the significant strengthening of our in-store presence. We are currently rolling out Eureka Forbes branded fixtures across large retail stores, improving the visibility of the point of sale, and strengthening customer engagement and conversion.

Beyond the core, our emerging categories, comprising robotic vacuum cleaners, water softeners and air purifiers, grew significantly faster than company average, reinforcing the conviction in these categories as future growth engines and in our ambition to build Eureka Forbes into a broader health and hygiene company.

Robotic vacuum cleaners continued to grow strongly, driven by premiumization and increasing adoption of fully automated cleaning solutions. We increasingly see robotic cleaners becoming a part of the daily use appliance ecosystem in Indian households. Our new campaign, *Ghar Ka Naya Favorite*, builds on this insight by positioning the robotic cleaners as a trusted new member of the family, delivering effortless cleaning and convenience.

Water softeners delivered healthy double-digit growth, led by strong volume momentum and increasing category adoption. Our priority here is to accelerate category adoption and category creation through consumer education. Our new campaign, *Life Hard Nahi, Aapka Pani Hard Hai*, connects hard water with everyday consumer concerns such as air fall, and is designed to build awareness of both the problem and the solution.

Our air purifier business also scaled up sharply ahead of the seasonal demand period, delivering strong growth during the quarter. We launched 6 new SKUs under the Aeroguard brand, materially strengthening our portfolio and positioning us well for the opportunity in the second half.

Turning to service. Our performance remained broadly in line with the trajectory of the previous quarter. The impact of the AMC price increases taken earlier in the year continued to be partly visible and has been compounded by the broader inflationary environment. That said, servicing remains fundamental to water purifier ownership, and we remain confident of demand revival.

At the same time, we continue to strengthen our core service proposition. Aquaguard Express Care with same-day service promise is one such example of how we are making our proposition much more differentiated and improving the customer experience. Encouragingly, growth in our Filter business accelerated during the quarter, supported by stronger customer engagement and awareness.

Given the size of our installed customer base, we see a significant long-term opportunity to increase filter penetration and build a larger recurring revenue stream from this franchise. Let me put the quarter's performance in perspective from a quality of growth point of view. Our 15% revenue growth this quarter comes on top of 14.9% growth in Q2 last year.

Against this demanding base, the performance gives us greater confidence that the growth acceleration that we've been working towards is taking hold. Importantly, this acceleration has not come at the expense of profitability. Adjusted EBITDA margin expanded by 43 basis points year-on-year to 13.6% in Q2, reflecting disciplined cost management and operating leverage.

At the same time, commodity inflation has intensified in recent months and is beginning to create pressure on gross margins. We deliberately refrained from taking pricing actions during the festive period, choosing instead to prioritize growth, customer acquisition and category expansion.

Going forward, we will remain agile. We are evaluating selective pricing interventions where appropriate while continuing to drive productivity and cost optimization across the organization. Our objective is to offset inflationary pressures without compromising the growth momentum we have worked hard to build.

We also stepped up our advertising and sales promotion investments during the quarter, particularly behind in-store visibility, new product launches and consumer campaigns. These are deliberate investments behind the growth opportunities we see across our categories. Turning now to our H1 performance.

Our objective entering FY '27 was to move the company on to a higher growth trajectory. And our performance in the first half gives us increasing conviction that we are doing just that. H1 FY '27 revenues grew 15.1% compared with 12.7% in H1 last year, while adjusted EBITDA margin remained flat versus last year at 12.2% despite commodity headwinds and higher upfront investments behind growth.

The fact that we have been able to accelerate growth, gain market share and maintain profitability simultaneously is particularly encouraging. As we enter the second half, our focus is straightforward: accelerate growth and drive profitability. On margins, we expect the commodity environment to remain challenging.

We will respond through a combination of productivity initiatives, cost optimization measures and selective pricing interventions. To summarize, I believe H1 FY '27 represents an important inflection point in our journey. We have changed gears. The acceleration in growth, sustained and significant market share gains, and expansion of our emerging categories are increasingly reflecting the strategic choices and investments we have made over the last few years.

There is significant headroom ahead of us. But we enter this next phase from a position of strength with a stronger portfolio, a faster innovation engine, deeper retail execution and sharper consumer engagement across our installed base. Together, these capabilities give us greater confidence in our ability to sustain higher growth and continue gaining market share. With that, let me hand over to Gaurav to take you through the financial performance in greater detail.

Gaurav Khandelwal: Thank you, Pratik, and good afternoon, everyone. I will begin by covering our financial performance for the quarter, followed by a summary of our H1 performance. Revenue for the quarter grew by 15% year-on-year to INR890 crores. This performance is particularly encouraging coming on the back of a strong Q2 last year with 14.9% growth and reflects healthy momentum across our categories and channels.

Our product business grew in high teens year-on-year, driven by innovations, and strong execution leading to sustained momentum and strong market share gains in the AWP category. During the quarter, we launched the industry-first 4-year product range. Emerging categories maintained a strong growth trajectory with robotics benefiting from premiumization and expanded portfolio.

While both water softeners and air purifiers witnessed robust volume-led growth. On the service business side, growth in filter sales accelerated and AMCs remained steady in line with Q1 trends. Our focus here will be on driving filter sales growth and launching newer propositions in AMCs.

While we typically look at the business on a year-on-year basis, it's important to call out that our product business has delivered a strong quarter-on-quarter growth, led by both water and

emerging categories. Within that, our Water Purifier business witnessed a sequential quarter-on-quarter growth of over 30%, reflecting strong consumer demand and continued market share gains.

Moving on to profitability. Adjusted EBITDA for the quarter grew by 18.8% year-on-year to INR120.7 crores with adjusted margins expanding 43 basis points year-on-year to reach 13.6%. This was driven entirely by operating leverage. Q2 margins were at lifetime high. Gross margins were impacted by commodity inflation and declined by 138 basis points year-on-year to 55.1%, and they remained broadly within our expectations.

The commodity environment continues to remain challenging with inflation persisting across several key input categories and in some cases, are, in fact, worsening. We continue to closely monitor commodity trends, which are showing no signs of waiting and are hence planning a calibrated price increase post the festive period. We have taken a conscious call not to increase prices during the festive season.

Moving on to operating expenses. As the business continues to scale, the benefits of operating leverage are becoming increasingly visible. Total opex grew by 10.2% year-on-year, resulting in a meaningful improvement in the opex ratio to 41.6% of revenue, down 181 basis points year-on-year.

This has been the key driver of EBITDA margin expansion and is despite step-up in advertisement and sales promotion spends. These investments were focused on in-store presence and strengthening market execution, and support growth acceleration during the peak demand period. Adjusted PBT for Q2 grew by 17.8% year-on-year to INR105 crores. Reported PAT grew by 19.1% year-on-year to achieve highest ever quarterly PAT of INR73 crores.

Moving on to H1 FY '27 performance now.

At the beginning of the year, we had stated that FY '27 would be a year where growth accelerates, and we have backed that ambition with meaningful investments across the business. Alongside this, we stepped up and front-loaded our growth investments with enhanced in-store presence and high-impact consumer campaigns across categories. These initiatives have played out as planned and H1 revenue grew by 15.1% year-on-year to INR1,590 crores, which is a significant step up from the 12.7% growth in H1 FY '26.

Adjusted EBITDA for H1 grew by 15.5% year-on-year to INR195 crores with adjusted margins being flat on a year-on-year basis at 12.2%. What is particularly encouraging is that this margin stability was achieved despite an extremely challenging cost environment and significant front-loading of growth investments during H1.

Reported PAT for H1 grew by 28.6% year-on-year to INR129 crores. Pre-exceptional items PAT grew by 14.1% year-on-year to INR114 crores.

Turning now to the balance sheet. We ended the quarter with a net cash surplus of INR304 crores. Cash balance in H1 was impacted due to working capital deployment.

The first half typically involves higher working capital deployment due to 2 reasons. There is an inventory build-up ahead of the festive season and there is a higher share of modern trade and e-commerce sales, which are on standard credit terms. In addition, during quarter 2, we proactively increased inventory levels ahead of the implementation of BIS norms to ensure supply continuity and uninterrupted product availability during the transition period, which also coincides with the peak festive demand. Historically, a significant proportion of annual operating cash flow has been generated during the second half of the year as inventory levels normalize and receivables are collected. To illustrate, in FY '26, the entire operating cash flow for the year was generated in H2 alone. H1 cash from operations was negative. A similar trend will be visible in FY '27 as well.

Looking ahead, our priorities remain clear.

First, we intend to build and accelerate on the growth momentum from the first half of FY '27.

Second, on profitability, given the challenging cost environment, calibrated pricing actions would be undertaken effective mid-November. However, given the lag between cost increases already being seen and the price increase, the full impact of price increases will be visible only in Q4. Hence, Q3 will witness a transitionary impact on margins. That said, we expect margins to recover in Q4, and we continue to aim for flat margins on a full year basis.

With that, I will hand it back to the moderator and open the floor for questions. Before we begin our Q&A, I would like to wish all of you and your families a very Happy Diwali. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Siddhartha Bera with Nomura. Please go ahead.

Siddhartha Bera: Congrats on a great set of numbers as well. Sir, first question is on the Water Purifier side. I mean, would it be possible to share the volume or value breakup in the quarter on a Y-o-Y basis, just to understand the amount of price increases we have taken till now? And if you can quantify how much we would need more to sort of get back to our earlier gross margin levels, that will be the one?

And second, sir, some granular data point now like this 2-year product has been in the market for at least a year. So if you can share some trends about what is the contribution from that in our portfolio, so just to understand the type of acceleration it is seeing. And thirdly, on the 4-year life as well, if you can share some more insights on how is the initial traction building up?

Pratik Pota: Thank you for the wishes, and I wish you and family the same. Let me respond to your questions about water first and the Water Purifier performance and the profile of growth. As you saw in the results and in my opening remarks, we've had a very strong performance in Water Purifiers in quarter 2. We delivered growth in high teens.

And for us, what was very encouraging was that the growth was on the back of very healthy volume growth and price increase. This pattern we had seen in quarter 1 as well. So, while not getting into specific numbers, I would like to reiterate that the growth was a healthy combination and the volume contribution to the growth was higher than pricing, significantly higher.

And so that was the first question. On your question about 2-year product, you're right. We had launched a range of products with 2-year filter life through the last 15 months. We were very encouraged with the response that we saw on these products. What the products do essentially to that is that they increase the customer convenience, reduce the lifetime cost of ownership, and reduce also the need for service interventions.

And therefore, they address a very fundamental customer need. These products have done very well for us. And then now they contribute to a large share of our overall revenues and overall mix and growing healthily as well. On the 4-year products, Siddharth, you're absolutely right. We launched it in quarter 2.

And as you can imagine, the 4-year product addresses a very, very fundamental category barrier. In all the consumer work, we kept hearing from non-users that the uncertainty and the lack of control over recurring cost was one barrier, which kept potential customers away. So, what a 4-year product does is that comes along with unconditional warranty on both parts and filters.

What that does is, it gives complete visibility and complete control and certainty to a potential buyer on lifetime cost of ownership. We've launched this in quarter 2 across modern trade and e-commerce. And we have seen a very, very encouraging response to the product launch.

We've also rolled out both point-of-sale visibility interventions as well as some influencer digital marketing campaigns, which you might have got, which again are helping create the buzz and driving customer interest.

On your earlier question of how much pricing will be required to be taken. I think it's important to remember that in any pricing action that we evaluate and take, we have to balance the need for margins and the need to maintain our growth trajectory, which as we discussed, has actually moved up in the first half of the year. As we look at the pricing in November, we are looking at a price increase range of between 3% to 4% to be rolled out post Diwali.

Moderator: Our next question comes from the line of Keshav Lahoti with HDFC Securities.

Keshav Lahoti: Congratulations on strong set of numbers. Firstly, what sort of price hike you have taken so far in each of the product categories?

Gaurav Khandelwal: The price hikes that we have taken was in April. After that, we've not taken any price hikes since then. I think just to give you a broad sense, water was in the range of around 5% to 6%. That was the range in which price increase was taken. And outside of that, then there are other commodities that was more SKU specific, but water was the main one where price increase was taken.

The other important callout is the price increase that was done on the AMC side. So, AMC witnessed a price increase as well, which was roughly anywhere from 3% to roughly 10%. So that was the broad band in which price increase have happened.

Keshav Lahoti: Understood. The company have taken multiple initiatives to revise the service growth, which we have seen picking up till last year, but somewhere now it has been stable. What are the thoughts on seeing what is working and what is possibly not picking for the company?

Pratik Pota: Keshav, let me respond to that question. And as we said in our opening remarks, that our service performance in this quarter has been broadly in line with the earlier quarter. And one reason for that is that the impact of the price increase that Gaurav spoke about just now remains visible even as customers are dealing with other inflationary pressures.

We have taken many initiatives in this year and more recently in quarter 2 to drive both service revenues and improve customer engagement. I think one big intervention that we've done is to allow us greater access to customers for servicing them their devices and for trying to convert them into an AMC opportunity.

Towards that, we've launched 2 initiatives. One is that we have launched a nationwide pre-filter check campaign, which allowed our customers to reach out to us and for our technicians to go and ensure that the customers' filters are genuine and if they need to be replaced, offer them that replacement opportunity.

The other one that we have launched is we introduced a new customer connect point. Typically, 6 months after the AMC, we have now introduced another additional calling opportunity where we call the customers, go to their homes, service the devices free of cost, and attempt to convert them into an AMC or a filter opportunity.

Now these programs are beginning to work for us. Also, very interestingly, we've launched, as you may have seen in investor deck also, the Aquaguard Express Care campaign and Express Care proposition, where we give customers who are out of our AMCs or out of our warranty same day, in fact, 4-hour service. And we are seeing that generate a lot of interest and attention.

Even we are doing that, we've kept investing and stay invested in increasing customer awareness and driving awareness about filters. Now to respond to your specific question, what is working for us certainly is that our investment that we made in driving filter awareness is beginning to work for us.

We are seeing, as we talked about earlier, an acceleration in filter growth in quarter 2. And given the potential opportunity, we remain confident that this will continue to grow in the times to come. We also have rolled out a slew of innovations on filters. For example, we rolled out a heavy metal removal (HMR) filter, which keeps UV devices free from heavy metals, which otherwise only a RO would be able to remove.

So those are examples of the steps we've taken, which are helping us drive customer engagement and potentially larger revenues. We also have, Keshav, a few projects which are at the pilot stage right now, which we won't talk about right now because it's a little premature. But these pilots are showing interesting promise.

And we intend to scale them up over the next 3 to 6 months. All said, I think I want to reiterate that given just the very nature of the category and given all the interventions we've taken, we remain confident about the service revenues coming back and going back to being the growth engine that they were earlier.

Keshav Lahoti: One last bookkeeping question from my side. What is the increase in ASP spend in this quarter and for H1?

Pratik Pota: So Keshav, I think as Gaurav mentioned in his opening remarks as well, I think this is one investment we've deliberately chosen to make both in quarter 1 and in quarter 2 ahead of the curve. Our A&SP spends have grown healthily in quarter 2. And between A&SP, we have seen a higher proportion of spends being deployed in sales promotions.

Overall, between A&SP in the first half of the year, our spends have grown ahead of our revenue. And like I said, the bias has been more towards SP expenses because we've chosen to increase our deployment of in-store promoters and our point-of-sale visibility. Increasingly, we are deploying point-of-sale fixtures as well, which you might see if you happen to go to one of the modern trade stores in the next few weeks.

And if I have to further give you a breakdown of our A&SP spends and where they have gone behind, I think from a campaign point of view, we have invested in building filter awareness, and that's been one area of spend and investment.

We have rolled out a new campaign on robotics on the fully automatic product with Shradha Kapoor, the *Ghar Ka Naya Favourite* campaign. We also have rolled out a category creation campaign on water softeners, which is *Life Hard Nahi, Aapka Pani Hard Hai*. We have really stepped up our influencer marketing work across the board, across all our categories. And we are beginning to see a lot of traction on that. So, these are in the broad areas of A&SP spends in the last 2 quarters and especially in quarter 2.

Keshav Lahoti: Possible to quantify the growth what earlier we used to do?

Gaurav Khandelwal: No, we give the numbers at the end of the year. But as Pratik mentioned, you can imagine that if H1 growth is 15.1% and A&SP growth is higher than that, so we are making meaningful investments.

Moderator: Our next question comes from the line of Umang Mehta with Kotak Securities.

Umang Mehta: My first question was on growth. Last year, we had a situation where we had a very robust growth in e-commerce and then 3Q had certain impact on the actual performance in not coming in line with joint business plans. Just wanted to check, given that the festive sales are done, how do we see this pan out this year? How are channel inventories as of quarter end? And any commentary would be very helpful to understand.

Pratik Pota: Thank you, Umang. Thank you for the question. Let me begin by talking about our first half growth and what that growth came on the back of. As we spoke about earlier, growth has been fairly broad-based across all our categories. Water Purifiers grew high teens. Our emerging categories grew even faster. The growth was broad-based across channels as well.

But the most important element of our growth that I want to underline, and that is relevant for the question that you asked, is that the growth was based on strong sell-out, strong tertiary sales and strong secondary sales. And we have seen that continue in the festive period until now.

Therefore, whatever inventory we built up ahead of Q3 for festive was normal and our tertiary and our sell-outs have been in line with that. So, we do not expect a recurrence remotely of the issue that we faced last year. As we mentioned that last year issue was a one-off, it was confined

and limited to e-commerce and within that one specific partner. We do not expect a recurrence of that like not even remotely this quarter and the balance of the year.

Umang Mehta: Understood. That's very happening to hear. And the second question was on service. So, you mentioned that this 2-year filter life and multi-year filter life were a large part of sales. I think we launched these in June last year, right, so already anniversarized. Do you think this could be a headwind from AMC growth perspective incrementally from this year, given that if you would have sold a 1-year device, then those would have come in the funnel somewhere right now?

Pratik Pota: I think that's a fair question. But if I could take a step back and look at what this does, both the 2-year product and the 4-year product, what it does, I think we want to first look at that. I think both 2-year and even more so 4-year products will fundamentally address a very important consumer barrier to category entry.

And with the broad expansion of the 2-year range and now the more recent introduction of the 4-year product, that barrier gets fundamentally broken. And one reason why we are seeing the category grow and come back to momentum and double-digit growth and us growing ahead of that is because we have chosen to make those investments in innovation and product development ahead and to address that very barrier.

So that's number one. The other point to keep in mind is that as the 2-year products come into anniversary, unlike the 1-year filters and the 1-year products, there is no parallel market, there is no open market that's available for these filters. So, the chance to convert this customer, the 2-year customer, onto our network, either through an AMC or through a filter.

That probability becomes significantly higher because there is absolutely no possibility of the local filter coming and trying to cannibalize our opportunity, number two. Number three, our AMC revenues come from a combination of the re-warranty customers coming into contract, but also contract renewals and out of contract customers who opt in for the contracts.

And the latter 2, which is the contract renewals and the out-of-warranty contract customers who opt for an AMC, that contribution is significantly higher than that of the warranty to contract customer. So, all put together, we expect that the service business as we roll out the new initiatives that I spoke about, will start coming back and see strong growth.

I also want to sort of reiterate the point about filers, Umang, that I mentioned to Keshav earlier that our filter investments in terms of both rolling out the new portfolio, rolling out the new go-to-market, having a dedicated team, creating consumer awareness, that work stream remains completely insulated from the impact of 2 years and 4 years because it services the legacy installed base of devices. And that is seeing very encouraging growth. And that growth, if anything picked up in quarter 2 over quarter 1.

Moderator: Our next question comes from the line of Sameer Gupta with IIFL Capital.

Sameer Gupta: It's partly a follow-up to what Umang was asking, but slightly in a different way. So let's just say this that 2-year and 4-year life products, you would assume that these are superior products and any customer today who is using an existing 1-year life product and he chooses to replace it because it's at the end of his life or anything -- this is the product life, I mean -- he would basically

upgrade to a 2-year or a 4-year life, there's a high chance to that possibility. Am I getting this right?

Pratik Pota: Sameer, it's a bit of both. Fundamentally, what the 2-year and the 4-year products do is that they give customers a certainty and greater control and visibility over the lifetime ownership cost. We also reduce the interventions required from a servicing point of view and a filter-change point of view.

Therefore, they address 2 fundamental opportunities or they provide and offer 2 fundamental opportunities. The first one is to address the category entry barrier of nonusers who find the cost of ownership either high or ambiguous and uncertain and beyond their control. It addresses that barrier, number one.

Number two, it also addresses the opportunity, like I said, and the question that you asked of devices coming up for replacement. They offer customers looking for an upgrade, an additional reason to upgrade because it will reduce the service intervention and the ownership cost. What also 2-year products and the 2-year filters do is that they essentially push out the parallel market and create a much more organized play for us as a brand.

Sameer Gupta: Got it. And would you say that the cost of ownership across the life cycle of a 2-year filter life product is still equal to a 1-year life, but it still offers the better benefits of lesser uncertainty and lesser service interventions? Or would you say the cost of ownership itself would be lower?

Pratik Pota: The cost of ownership would be lower. Different customer segments have different needs depending on the usage and the family size and the water quality. Different products would work for different customers. But fundamentally, what our products do is they give control and they give a lower cost of ownership.

Sameer Gupta: Got it. So basically, then the product is aimed to get more customers, which will probably offset its cannibalizing impact. I mean that's how we benefit from this. And the other added benefit that you said that filter going to a third party, that all problems will get sorted here unless, of course, people find ways to devise 2-year filter life product as well?

Pratik Pota: No. So, Sameer, let me talk about my first point that it appeals to the non-user. And therefore, it breaks down the fundamental category entry barrier and therefore, helps grow penetration and get more customers in. Let me talk about one specific experience that we've had.

As we looked at a larger swathe of 2-year products that we've sold and the profile of customers who have bought these products, we have seen that a dominant share of these customers actually are first-time category entrants. And that tells us that we are fundamentally addressing the task that those 2 products are out to do.

It was to grow the category, grow the market, number one. Number two, as the 2-year anniversary plays out at the end of 2 years when the filters need to be replaced, as I mentioned to Umang, there is no parallel market. There is no grey market of 2-year filters. And therefore, the opportunity that we have of converting this customer into either an AMC or into a filter replacement, that opportunity is meaningfully higher.

And therefore, over the lifetime of the device ownership, the value that we realize from this transaction is significantly higher than what we would do otherwise from normal 1-year product. So it is a win-win for both customers and for Eureka Forbes. Customers see a lower cost of ownership. But because we are able to generate more on-network revenue and more on-network life, we are able to also extract meaningfully higher lifetime value.

Moderator: Our next question comes from the line of Mr. Achal Lohade with Nuvama Institutional Equities.

Achal Lohade: Congratulations for excellent show, especially given the higher base of 2Q. Sir, 2 questions. First, sorry, I joined the call a little late. With respect to the guidance, I just wanted to check, is there any change upward or downward to that guidance on revenue as well as the profit growth?

Pratik Pota: Achal, let me respond to the question on the growth and the growth outlook, and I request Gaurav to talk about the margins. On growth, in my opening remarks, I underlined the fact that in H1 and in quarter 2, especially like you said, we have lapped a strong base and delivered a 15% growth. In H1, therefore, in its entirety, our growth of 15.1% is meaningfully higher than the H1 growth last year of 12.7%.

Pratik Pota: So, we saw a meaningful step-up in growth. And what was encouraging was and what gave us a lot of energy was that this growth was extremely broad-based. We saw very strong growth in water purifiers, a high teens growth, which also led to significant market share gains. We saw growth in emerging categories across the board. And in all of these water and emerging categories, the growth was volume-led and mix and pricing contributing as well.

As we look at to H2, Q3 and Q4, our conviction is that given what we see as tailwinds in our categories, given that we have seen strong sell-out momentum both in Q2 and more recently early in the festive period, we believe that we will see and we will deliver a step-up in growth and an acceleration in growth over H1 in H2. On margins, as you're aware, we've delivered a flat margin in H1 year-on-year. And on the nuance in H2, I request Gaurav to pitch in.

Gaurav Khandelwal: Sure. Achal, I think if I were to just step back, our ambition at the start of the year was to have a step-up in growth and have at least margins to be flat on a year-on-year basis. On an H1 basis, if you look at it, there has been a very clear growth step-up that Pratik spoke about and margins have been flat. And hence, we are very much in line with our ambition. I think H2 is a story of two parts.

I'll just repeat since you joined in a bit later. We had consciously not taken a price increase in view of the festive season, although the commodity environment has been fairly volatile and hence, deferred taken a price increase. We will be taking a price increase effective mid-November.

What this would mean is that the full impact of the price increase would not be visible in quarter 3, but would come only in quarter 4. Hence, there will be a transitionary impact on margins as far as quarter 3 is concerned, but we expect our margins to come back in quarter 4. On a full year basis, we continue to aim for holding on to margins on a full year basis as flat.

Achal Lohade: Excellent. In terms of, see, the working capital, if you could give us some sense as to how it is progressing, particularly on the receivable days, et cetera, that would be helpful?

Gaurav Khandelwal: Yes, Achal. I think if you look at our business model, typically for us, quarter 2 is the main season because of monsoon and it's also just the start of the festive season. Hence, you will always find that quarter 2 receivables and working capital deployment to be on the higher side. The pattern is very much consistent this year as well.

If I were to look at, for example, FY '26, our entire full year's cash flow was delivered in H2 because what happens is that inventory starts unwinding in the second half of the year. The same thing plays out on receivables as well. Typically, the pre-festive billing happens by September.

And within that, modern trade and e-com are the larger share and they have standard terms of credit. And that again, post the festive season, the unwinding happens. So, the working capital deployment that you've seen in H1 is very much consistent with what the business model is and what has been the trend past year, and you will see this unwinding to start happening in H2.

Achal Lohade: Got it. Just a small clarification, if I may ask. When I listen to your comments with respect to the 2-year filter products and 4-year filter life for the purifiers, you mentioned very clearly that basically there is no grey market filter for these filters. Have I understood right? So is that because this is relatively new and it is not developed or you think structurally these grey market segment will not be able to offer that kind of a filter? Just a clarification on that would be of great help?

Pratik Pota: No, actually it's a very fair question. I think let me break it into 2 parts. I think the reason why there is no parallel market as of now for 2 years and 2 years filter is because this category is still relatively new and it's only now acquiring momentum and scale. For a parallel market to develop a proposition, it requires a very large installed base to cater to, which this proposition doesn't have right now given the recency of it.

So that's one reason why the 2-year filter life doesn't exist in the grey market. That's first point. Second point, Achal, a far more fundamental point, the parallel market depends on frequency of renewal and frequency of sale and frequency of engagement with the customers to keep their model going.

The unit price that they sell at is low, but the frequency of contact is high and the frequency of change is high. This 2-year filter life, given the longer life, breaks that relationship and breaks the equation fundamentally. Therefore, the parallel market's interest, even if they were to develop the solution eventually, in selling this will be much, much lower than selling a 1-year proposition, which they can replace and renew more frequently. That said, do we think it's impossible for this to be developed? No, it would be developed. But fundamentally, it militates and it violates and goes against the business model of the parallel market.

Moderator: Our next question comes from the line of Pritesh Chheda with Lucky. Pritesh, the line has been unmuted, you may proceed with your question. As we're not receiving a response from the current participant, we may proceed to the next question. The next question comes from the line of Aashish Upganlawar with InvesQ Investment Managers LLP.

Aashish Upganlawar: A couple of questions from my side. So, one is, I don't know how much you can contribute on this, but there has been a promoter pledge activity and which has been quite big on the pledges.

So, anything to share on that because that has an impact on the sentiment towards the stock seems to be falling. So, anything to share on that, please help us with that. Some clarification would help?

Gaurav Khandelwal: Yes. I think just a couple of points of clarification. See, as far as Eureka Forbes is concerned, this has no bearing on any of our operations. That is something which is between the promoter and whatever funding arrangement that they would have had with the financial institution for the acquisition.

So, from our perspective, there is absolutely no impact on company's operations, impact, governance, et cetera, et cetera. We are a professionally run company with a strong independent Board. And from our perspective, it does not create any obligation on us, financial or otherwise. So, from our perspective, there is absolutely no impact.

Aashish Upganlawar: No. But sir, the point is from a minority stakeholder point of view, it's a problem actually. It doesn't impact the company's business, that we absolutely understand. We have been investing in so many companies for a couple of decades. But all this affects the stock price, which you already have seen apart from the business has seen?

I think any clarification from the promoter side would be helpful on this because if this continues, then I mean why should minority holders be there in the stock actually. So that is the point. Second is on the business. I just wanted to check on robotic cleaners that you've introduced. How are they picking up?

And is all this likely to be reasonable contributor given the traction that you have seen in the home cleaning side of the business overall because it leads to premiumization possibly. And secondly, it leads to better sales from the same units, I mean same number of units. So, if you could share your thoughts on that, that's another thing that I wanted to ask. Is it reasonable for us?

Pratik Pota: No, Aashish. Thank you for that question. It's a subject very close to my heart. And I must state that we were very quick and very early to spot the opportunity in robotic vacuum cleaners more than 3 years back. And we've built very systematically a strong portfolio of products at different price points.

And we've rolled that out in the last 2 or 3 years. We are extremely excited about the growth potential of robotics. And indeed, our performance in the last 2 or 3 years and including in the last quarter, underlying that potential and points to that strong potential. Fundamentally, in increasingly urban India with more working women.

Time scarce consumers, increasing dust pollution, the consumers and the customers need for convenience, robotic vacuum cleaners play a very, very important role and plug a very important gap in the market. We are seeing, therefore, the adoption of robotic vacuum cleaners increasing significantly.

In this fast-growing market, which is now meaningful, it is no longer a niche market, it is becoming more and more meaningful, both at the category level and for us as a company, we are market leaders in this growing market. And our right to win comes from having a very

competitive and a strong product portfolio across different price points and one that is refreshed regularly.

This category is very quick on innovations, and that's the way it's been growing in the last 2 or 3 years. And we have to ensure that we have to have the right portfolio and one that is innovated on regularly and kept current. And we have very strong ODM partnerships towards this.

The second right to win for us in this category comes from a strong omnichannel S&B network. Direct sales, as you can imagine, would play a very important role in driving consultative selling, in-home demonstrations and that's been the battling ram, if you will, to try to open the category, the opportunity in the early years.

Modern trade and traditional trade, both especially the former, especially modern trade, play a very important role in, again, doing in-store demonstrations, having the promoters talk to customers. That again has been a big engine of growth for us. Apart from, of course, e-commerce.

And lastly, D2C. The fact that we have a large number of customers and we have a strong D2C engine in more than 3 million monthly active users, again, becomes a very fertile real estate for us to actually drive robotic sales. Lastly, but most importantly, and this is different from the category elsewhere globally, a very strong nationwide service network.

Across the world, consumers are not as service or don't expect as much of service. There are a lot more DIY than in India. And therefore, having a reliable nationwide service network becomes a very important enabler towards driving category growth. And we, of course, we have that as you're aware.

And lastly, a reliable brand in Eureka Forbes and the brand that we created of Smart Clean. Again, these are important enablers and important building blocks of the category. Longer term, Aashish, we expect this category to follow the same trajectory as washing machines followed two decades back in this country. It will become, as we see, a mainstream device with widespread adoption across most consumer homes and it will go down the pop strata It won't be, as we're seeing already, not only a metro-centric category, but it will go across town classes and across consumer homes.

Aashish Upganlawar: Right, right. If I can ask one more question. The competitive intensity in the water purifiers, if you could explain us by categorizing it into the segments of premium and mass and sub mass. Basically, how are you looking at it? Because there are launches coming. There is -- probably the intensity in the market is reasonably high over there. So if you could explain us, is it only in the premium segment? Or is it in all segments? Because I just wanted -- because it's the biggest category for us, so that would help us. Is there any stress there as far as maintaining the sales momentum is concerned?

Pratik Pota: No, Aashish, thank you for that question again. I think it's a very good question. I think let me start by saying, first of all, it's great that there are more players looking at this category and entering this category and that there is more competition. More competition always leads to

more innovation, leads to more consumer interest, leads to more sort of adoption of the category and more category growth.

And it's also a clear signal and a clear marker that people are seeing the growth potential and promise in this category. In this growing market with more competition as India's largest and strongest consumer brand, we have a right to win and to gain disproportionately in this growing market as the last quarter's performance demonstrates.

We have put together a very clear and a very sort of comprehensive playbook to win and to grow share in the face of increasing competition, be the new-age competitors, more start-up digital competitors or the old legacy competitors that we were dealing with earlier. We have the strongest and the most comprehensive product portfolio.

You asked about price segments. We're the only brand in this category, which has presence across all price points: economy, mid-price, premium. And we have a very strong innovation engine, which keeps refreshing these products regularly. As an example, in a case in point, I talked about 4-year product earlier in the call, but we also have launched the widest range of product purifiers with IoT capabilities.

We also have the widest range of purifiers with stainless steel tanks. So, some of these innovations that we've rolled out have helped us drive growth and gain market share. We also have a very strong retail execution engine. And more recently in the last 2 quarters, we've begun investing and we've increased our point of sales drivers both through promotions and through visibility and fixtures.

And of course, as you're aware, we continue to invest in driving consumer awareness and category creation. Again, more recently in the last 3, 4 months, we've dialled up our influencer marketing work. And you might have seen some of our campaigns, which some of them have gone viral as well. So, all of these, of course, enabled and sort of supported by our omnichannel distribution network and our service network, give us a compelling right to win.

And you'll be happy to note that in the first half of this year, we have delivered a significant market share gain even as competitive intensity has increased across different segments. And we believe -- to conclude the answer, we believe that we have the right playbook to keep driving growth in this category and to gain share as we go forward.

Moderator: Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. Pratik Pota for closing comments.

Pratik Pota: Thank you, everyone, for attending the call and for your questions. I hope you were able to answer them to your satisfaction. Of course, if you have any follow-up questions, please feel free to reach out to Investor Relations. Before I end the call and before we sign off, I would like to extend my warm Diwali greetings to everyone on the call. On behalf of all of us at Eureka Forbes, I wish you and your families a joyful, prosperous and safe festive season. Thank you.

Moderator: Thank you. On behalf of Eureka Forbes Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

Note: This document has been edited to improve readability.

Contact Information:
Ms. Nupur Agarwal | Head – Investor Relations
Email ID: investor.relations@eurekaforbes.com

Regd. & Corporate Office:
B1/B2, 7th Floor, 701, Marathon Innova,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013

Corporate Identification No: L27310MH2008PLC188478