



October 20, 2025

Department of Corporate Services
BSE Limited
Phiroze Jeejeeboy Towers
Mumbai – 400001
Scrip Code - 509820

The Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra Kurla Complex
Bandra (East),
Mumbai 400 051
Symbol – HUHTAMAKI

Sub: **Transcript of Earnings call for the 3rd quarter ended September 30, 2025.**

Dear Sir/Madam,

This is further to our letter dated October 15, 2025, whereby the Company had submitted the link to the audio/video recording of the Earnings Call held post announcement of the unaudited financial results for the 3rd quarter ended September 30, 2025.

Pursuant to the Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed the transcript of the said Earnings Call, for your information and records.

The same is also available on Company's website at <https://www.flexibles.huhtamaki.in/>

Kindly take the same on your records.

Thanking you,

For **Huhtamaki India Limited**

Abhijaat Sinha
Company Secretary & Legal Counsel

Encl.: As above

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“Huhtamaki India Limited
Q3 CY '25 Earnings Conference Call”
October 15, 2025



MANAGEMENT: **MR. DHANANJAY SALUNKHE – MANAGING DIRECTOR
– HUHTAMAKI INDIA LIMITED**
**MR. JAGDISH AGARWAL – EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER – HUHTAMAKI INDIA
LIMITED**

MODERATOR: **MS. APARAJITA CHAKRABORTY – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Huhtamaki India Limited Q3 CY '25 Earnings Conference Call, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Ms. Aparajita Chakraborty from ICICI Securities. Thank you, and over to you.

Aparajita Chakraborty: Good evening, everyone. Thank you for joining on Huhtamaki India Limited Q3 CY '25 Results Conference Call. We have Huhtamaki India management on call represented by Mr. Dhananjay Salunkhe, Managing Director; Mr. Jagdish Agarwal, Executive Director and CFO.

I would like to invite Mr. Dhananjay to initiate with opening remarks, post which we will have the Q&A session. Thank you, and over to you, sir.

Dhananjay Salunkhe: Thank you. So greetings, everyone, and thank you for joining today's call. This is our continuous endeavour to engage with the investor community, and we continue to do that. And I could see the optimism today that we have a call this immediately after the announcement of the results, and I could see that many of you have joined. So let me start with, first of all, wishing everyone of you a very Happy Diwali, the festival, which is considered of lights and happiness, which is starting in next week. So Happy Diwali from our side to everyone in advance.

Coming to the business presentation, I also would like to start with our Safe Harbor statement that whatever we discuss today is not going to be impactful for any future performance of the company. So with this, let me give a quick brief about the performance of our company for the last quarter, that is quarter 3, 2025.

And you would have seen also from the announcement that we continue to have a volume which are on the lower side. However, there is a significant increase in the margins as compared to previous year as well as previous quarter, which is largely supported by the favorable sales mix and the excellent work being done in the operations side, on the productivity and efficiency improvements.

So all in all, while the net sales is slightly lower year-on-year, but we are seeing now momentum building up due to various factors quarter-on-quarter. But overall, EBITDA is having a very good strong momentum as compared to previous year as well as quarter-on-quarter. And my copilot, Jagdish, will definitely explain it in future slides how we are doing that in a sequential basis. And both EBITDA and a good margin improvement is already seen -- reflected into the PBT as well as the EPS.

So with this, I would like to hand over to Jagdish, our CFO and ED for a detailed discussions.

Jagdish Agarwal: Thank you, Dhananjay. Good evening, everyone. Let me begin by extending my warm wishes to everyone on this call for safe and joyful Diwali, which we celebrate next week. As a festival

of lights, Diwali symbolizes hope, prosperity and happiness. I hope it brings all of that and more to you and your loved ones.

As always, I'm pleased to walk you through the company's financial performance for the quarter and 9 months ended September 2025, along with some insights into how we have fared over the last 9 months. When I talk about volume, volume for the quarter remained broadly stable compared to the preceding quarter, though declined relative to the same quarter last year.

A similar downward trend is observed in the 9-month period ended September 2025 with volumes lower than the corresponding period in 2024. Revenue for Q3 2025 stood at INR6 billion, marking a 4.7% decline compared to INR6.3 billion in Q3 2024. However, it reflects a modest growth of 2.2% over INR5.9 billion reported in Q2 2025.

For the 9-month period ended September 2025, revenue totalled at INR17.9 billion, down by 3.2% from INR18.5 billion in the same period last year. Now talking about our profit before tax for the quarter and before exceptional items, surged to INR492 million, a 3.5x increase over INR143 million in Q3 2024. Compared to Q2 2025, in that we've reported PBT of INR331 million, it rose by approximately 50%. That's a very, I'd say, the strong performance what we have seen in the last many quarters.

And even if you look at the EBIT percentage, which is in Slide number 7, which we have uploaded on our website for investor presentation. If you look at the sequential EBIT for last 5 quarter, a 3% EBIT we have in Q3 2024 against 3% we have in Q4 2024, 6.3% we have in the first quarter of this year, which is the March quarter, 6.1% we have in June quarter.

And in September quarter, we have reported 8.6%. So it's a very good story if you look at from that. And probably this is the first quarter, September, in the last so many quarters where our EBITDA is more than 10%.

To sum up our financial performance so far this year, although our overall volumes are lower compared to last year, the impact on revenue has been minimal. And not directly proportional, our strategic decisions choosing where to play and optimizing our product and customer mix are showing strong results with a steady improvement in profitability quarter after quarter.

We are focused on a high-quality business and refining our product and customer portfolio to support profitable growth. On the manufacturing front, our long-term efforts to implement world-class operations are paying off. We have seen real improvements across our sites with better efficiency, reduced cost and tighter control on overheads.

We have also benefited from the global expertise of Huhtamaki's plants, helping us enhance our process further. The results will speak for themselves, and this progress is by dedication and hard work by the entire team. On regulatory side, our recent market report suggests that upcoming GST reforms could boost growth for FMCG companies. For Huhtamaki India, there are no changes in GST rates on the supply side, only a minor change on the procurement side.

Moving to other financial aspects. The finance costs remained stable throughout 2025, consistent with the underlying debt levels. Surplus cash was deployed into bank deposits and mutual funds,

generating an average yield exceeding 6%. Net profit for the quarter, after exceptional items and income tax, stood at INR368 million compared to INR117 million in Q3 2024, and INR249 million in Q2 of 2025.

Earnings per share for the quarter, post exceptional items, is INR4.87. For the 9-month period ended September 2025, net profit after exceptional items and income tax was INR879 million, up from INR763 million in the same period last year. It is important to note that in 2024 figure included INR27 million net of tax as an exceptional income from the sale of two land parcels in Thane. EPS for 9-month period stood at INR11.63.

Regarding the debt and liquidity position. Liquidity position, the debt-to-equity ratio remains stable with an ECB of INR1 billion being the only debt in the books. Liquidity continues to be strong, supported by substantial unutilized credit lines and minimal exposure. The working capital position also remains steady with negligible movement compared to prior periods.

Before I close, I want to take a moment to express my sincere appreciation to all our stakeholders for the trust and support you have extended to me over the past few years. I was entrusted with the responsibility of leading Huhtamaki India's financial performance during a challenging period in early 2022, and I'm proud of the progress we have made together.

As many of you may know, I'll be stepping down from my role towards the end of the next month. It has been an honor to serve as a CFO during the time of significant change in growth. I leave confident in the company's future -- I'm confident in the company's future. Huhtamaki India is well positioned to scale new heights, guided by a dynamic leadership team and supported by a strong talent pool across all levels.

I wish Huhtamaki India continued success and sustainable growth in the years ahead. Thank you.

Dhananjay Salunkhe:

Thank you. Thank you, Jagdish. I think we have been together last 12 quarters, and you have been, as I said, co-piloting the journey together, and you are going to be sorely missed in this journey. Let me also take quickly on the sustainability part and how we are going there.

So, I think apart from the financial performance, I think one of the also important milestone what we saw in quarter 3 of this year was that quarter 3 was incident-free quarter for us. I mean we call it a golden quarter where I'm really proud that we do not have any lost time incident in the last preceding 90 days in any of our sites.

And as you know, we have nine locations and 10 sites and then three offices. So we are really going in a right direction when it comes to safety in our premises, and we want to continue on the same.

We also continue to make a progress on renewable energy. We are continuously making progress on reduction of water consumption and then doing best possible actions to support the communities where we operate. So overall, there is a good progress in last quarter on these areas, which are also important from a Mother Earth's point of view.

So, thank you. And now I will hand it over back to the moderator to open it for questions.

Moderator: We'll take our first question from the line of Aditya Khetan from SMIFS Institutional Equities.

Aditya Khetan: Sir, when we look at the overall flexible packaging industry that is growing at around 11%, 12%, I believe out of this, somewhere 9%, 10% should be the volume growth also. So why is Huhtamaki not getting that volume growth? We are again, I think, compared to last year, we are flattish only in terms of volume.

Like for CY '25, we will be ending, I think, at the flattish volume level. What is that thing -- like why are we not getting volume growth, first? Second, sir, you had mentioned that this quarter, there was a sales improvement. So, this blueloop brand earlier, like what was the share in last quarter of that fiscal and what is the current share?

Dhananjay Salunkhe: So good question. I think we have two questions in one. So first of all, you would have read the commentary about the flexible's volume growth, which is like higher single-digit elsewhere. But if you also go to the next level of data, what you will observe, that growth is coming in from, I would say, duality. So duality is basically there is a small regional players are growing faster than the large either multinational or Indian players.

So volume growth is at, I would say, very low-priced products, and that is where the lot of commoditization is there. So when it comes to what we offer and what is our focus area is basically where we want to play, and that is where we are focusing on. So yes, there is a short-term challenge in terms of apple-to-apple volume growth. But at the same time, if you look at our overall product mix and the overall margin management, I think that is something which we are currently focusing on. But of course, there is a room there.

The other side, you also asked about the blueloop contributions. So I think as we continue to make a good progress on that. At the same time, the percentage-wise, we would say that it's somewhere still hovering about 27% to 30% range. And here, then I would want to also like to inform you that when we make change towards the blueloop brand, many a times, it's going to be a replacement volume of some existing recyclable product or new.

So we do not see immediate uptick in terms of the volumes coming in from a blueloop surpassing the 30% mark immediately. But I think that's what we are striving together with our customers.

Aditya Khetan: Got it. Sir, the sequential dip in your employee and other expenses, that there's a sharp dip of 15% in employee cost. I think the gross margins are largely flat only, when we look on a sequential basis. So what has led to this dip in your other cost?

Dhananjay Salunkhe: So I think during the presentation, as Jagdish mentioned, we have been really focusing on productivity improvements and the operational efficiencies in our plants, and also not only in our plants, but across the company. And those improvements are clearly now giving the results to us. So on a, I would say, flattish volumes, we are able to actually generate better productivity.

Aditya Khetan: So this is a structural change? Like deep in your cost is a structural change and not a temporary phenomenon that you've highlighted?

- Dhananjay Salunkhe:** I would tend to -- yes, I would tend to agree with that. The structural changes are definitely there, which are basically here to stay.
- Aditya Khetan:** Got it. And sir, just one last question. This quarter numbers, how sustainable you feel this will be in a span of for the next two years, how sustainable these numbers are?
- Dhananjay Salunkhe:** Look, I mean, you are into the so market and look, two years is a long period. I'm not sure how can we predict two years future because things are changing every, I would say, month. So what I would say that if you look at our past performance of last 2 quarters to 3 quarters, I think there is a good sequential improvement.
- And if you see last quarter and this quarter, I think you can make your own judgment about the sustainability of this performance. And I would tend to say that this is really a good thoughtful process where we know now where we want to play, how do we want to play, and we are really confident on that. And Jagdish also have some additional comment on that.
- Jagdish Agarwal:** Yes. So when we talk about like are these structural changes or temporary? So definitely, what is the project which we are driving from the last one, one and a half years, those are coming into a line right now. So we believe that most of the programs on the cost reductions, optimizations and all are going to remain.
- The question is that how we are going to focus on improving our growth on the top line as well. So all these things can then improve even further. So our endeavour is that how we are going to sustain and improve further. That would be our endeavour on these numbers.
- Specifically, when you spoke about employee cost, employee cost in this quarter, we do have one-off item that because of that, there is certain reductions, but that's not a big number. So more or less, we are going to have an improved cost structure.
- Aditya Khetan:** But how much of that cost would be one-off cost?
- Jagdish Agarwal:** It's around -- if I have to put a number in the range of around INR4 crores to INR5 crores.
- Aditya Khetan:** INR4 crores to INR5 crores? Got it. Thank you, sir.
- Moderator:** Thank you. We'll take our next question from the line of Raman KV from Sequent Investments. Please go ahead.
- Raman KV:** Can you hear me, sir?
- Moderator:** Yes, please go ahead.
- Raman KV:** Sir, my first question is with respect to the finance cost. You mentioned that when we look at your balance sheet for the quarter, profit and loss basically, the finance cost has reduced. I just want to understand, is this because of reduction in the interest rate? Or is this because of reduction in debt? And what's our current debt and at what interest do we have?

- Jagdish Agarwal:** So it is a reduction into debt. If you look at the last year -- start of the last year, we had INR2 billion ECB. And out of that, one instalment of INR1 billion we have repaid into September '24. And in this year -- started off this year with a INR1 billion ECB only. So it is a reduction into the debt only.
- Raman KV:** So this INR1 billion, is this in rupees or?
- Jagdish Agarwal:** INR1 billion repaid. Total INR2 billion was there last year, INR1 billion was repaid into September '24. Now we have outstanding of INR1 billion, INR100 crores. INR100 crores is outstanding as of date.
- Raman KV:** Okay. And sir, my second question is with respect to the volumes. Can you give us any volume figure?
- Jagdish Agarwal:** Generally, we don't discuss very specific and all, volume and all, but definitely, we had some reductions or drop into the volume. And again, sometimes we are just choosing a right mix and right business also to ensure that we don't compromise on the bottom line. So sometimes it's a conscious call.
- And sometimes like Dhananjay explained, that if you look at even competitions, what kind of players, especially regional players and the small players are -- even in FMCG space, if you look at the small players are having higher growth compared to the big, biggies and all. So that reflects into flexible companies as well, but I think we are going very cautiously and very conscious calls which we are choosing to have a right mix.
- Raman KV:** And sir, my third question is with respect to the product mix, which you mentioned that the margin improvement was partly because of change in product mix. Sir, can you just explain me with respect to that, how are the margins for the sustainable packaging blueloop brand versus tube laminates? And during the quarter, how much share or how much percent of the revenue was from exports? And are the exports margin better and by how much, if you can?
- Jagdish Agarwal:** So I will not talk specifically margins on domestic and export, but definitely, export proportion is higher in September or even in the first 9 months compared to what we have in the last year. So that's a healthy sign for sure. When you talk about blueloop, blueloop remain range bound within 27% to 30% kind of a range we have. So I've not seen a much change into that what it was last year, what it is in this year.
- Raman KV:** Blueloop is 12% to 13% margin?
- Jagdish Agarwal:** No, no. I'm not talking about margins, I'm talking about the total blueloop sales is between 27% to 30%, and it has not changed. It is more or less similar we have in the last year as well.
- Moderator:** We'll take our next question from the line of Lakshminarayanan KG from Tunga Investments.
- Lakshminarayanan KG:** Sir, just want to understand what is your client mix in terms of national firms like Unilever and then second, the local firms and third is the B2C firms. And the reason I'm asking is that have

you taken a call to actually exit certain categories so that you can actually have -- you talked about better mix.

So I think it's in the context of what is your mix of revenue from the different set of people? And second is I want to understand your exports, how the exports is growing for this year with respect to last year? And the third, I want to understand what is the mix of value-added products for the last 9 months?

Dhananjay Salunkhe: Okay. I think you were too fast. So last two questions, I could catch. What was the first one?

Lakshminarayanan KG: Sir, first question, see, you always mentioned that there is a mix of national firms like let's say Unilever, etcetera. And then there are -- where things happen by reverse auction, where the cost is actually highly controlled and our margin is little. Second category is the local firms or maybe regional firms.

The third category is all the B2C firms like Britannia or Paper Boat, right? So if you look at the pyramid, there are these three categories of firms. Now have you changed your revenue mix to these kind of categories? And what has been your revenue mix? And is that leading to a better margin is my question.

Dhananjay Salunkhe: Yes. So clearly, the revenue mix has been changed, clearly. That's -- you are right. When you talk about the customers, typically, we don't talk about the individual customers, but the stratification what you shared is actually a right stratification. But at the same time, it's not about -- not everyone is exactly the same philosophy, right?

So what we do is basically we identified what are our strengths as a company and what are the solutions we have available and how we are solving those pain points of our customers with a service mentality and highest quality. And that is where we call it as a sweet spot.

So we do not really look at, oh, we want to only talk about the only MNCs or large players, no. It's like, in all the pyramids, we look forward for the opportunities and match our strengths with those opportunities. And that's why the revenue mix has been improving better, okay?

What happens also is that once you identify that, then we are looking at this allocation of our resources and focused efforts on that. And that is why we are able to -- you are able to see that there is an overall cost reduction in terms of employee cost and all others and productivity.

So all across it benefits because you are focused, you allocate your resources on the right opportunities, and that is what customers are able to resonate and reliable -- see that we are the long-term partner for them. So that's the overall on a revenue mix.

On value-added, so that's what value-added versus or non-value-added, of course, whatever business we do, it adds value to us. So typically, that's what we will continue to do. And the mid question was on the?

Lakshminarayanan KG: Exports.

Dhananjay Salunkhe: Yes. Exports, yes. So I think exports from a product mix -- sorry, business mix point of view, I think it's steady or slightly improving because of various reasons. And I think that is the focus area for us also going forward, because there are certain pockets of opportunity keeps on emanating because of what's happening around the world. So in last at least quarter and previous to that, I think we are seeing that there is a good traction on the exports sales development.

Moderator: Next question is from the line of Rohan from Golden Money Investments.

Rohan: Yes. Sir, I want to know about in 2025, any new products added in the blueloop section of the main product portfolio?

Dhananjay Salunkhe: Well, new product development is one of our key focus areas always. So if I have to remember, I mean, there are so many, but I think there are good development happening on blueloop area and they are on a high barrier structures. So we have introduced very high barrier structures, which are getting resonated in -- particularly in personal care sector. That is one.

Second, I think there is also a very good strong introduction of products in paper base. While we do not have a facility to do paper coating, etcetera, but we have in Huhtamaki other locations who have expertise in that. So we coordinate with them and then have introduced certain paper-based products this quarter, and these also are getting really a good response from the customers who are conscious of this recyclability and sustainability.

Moderator: Next question is from the line of Vipulkumar Shah from Sumangal Investments.

Vipulkumar Shah: Congratulations for very good set of numbers. So my question is with this GST reduction, volume of FMCG companies are likely to increase. So are you seeing any early signs of that in your discussions with the clients? So some color on that will be really very helpful, sir.

Dhananjay Salunkhe: Yes. So I think as you are observing the trends, we are also closely working with our customers. And what we saw and let's say, GST announcement in the first week of September and then some clarifications in the mid and then actual implementation in the last week of September.

So September was kind of a bit of uncertain month because they know many of the customers had to put hold on to the printing, etcetera. But I think after that bit of early uncertainty, we could see that there is a good traction. And whatever our customers are informing us, we can inform you that they see a positivity on the consumption side.

Second positivity also is -- which is a good news, is that even after this reduction -- price reduction on account of GST, the end consumer is not still dropping their ticket size. So what they are doing silently, basically, they are going for a premium product.

So I would say now there is an upgradation of products by consumers, which was actually a trend of a down trading in last couple of years. I think we could see that now there is a trend possibly might reverse to the upgrading. And which both these two, consumptions as well as premiumization, shall help the FMCG companies to really go into a growth mode, which ultimately will be helpful for the packaging companies.

- Vipulkumar Shah:** So from what you are seeing today, volume growth should be better in this quarter as compared to last quarter or corresponding quarter of the previous year, sir?
- Dhananjay Salunkhe:** I would say, yes.
- Vipulkumar Shah:** And lastly, sir, can you comment on the margins for blueloop portfolio vis-a-vis rest of the conventional portfolio, how they -- I mean, what is the difference between the margin for the two?
- Dhananjay Salunkhe:** So first of all, I mean, we do not really discuss the margin profiles at a, I would say, product mix level. And that is one. Second, if you see a huge investment has been made by Huhtamaki globally as well as in India for this recyclable products. And right now, if you see, we are working with all our customers to kind of introduce these products.
- So at this moment, the start-up costs, the start-up wastages and all other costs are at least on a very high side. And that's why -- and that's been absorbed by us to really make sure that we really participate in the larger cost, which is introducing the recyclable laminates in the ecosystem. So at this moment, I would say, in fact, it's more challenging for us than actually making better money because we are into a transition stage.
- Vipulkumar Shah:** So what will be the length of this transition phase, sir?
- Dhananjay Salunkhe:** Well, it depends upon various factors. And one of the important and key factor is basically the regulatory landscape, right? And then if you see with respect to Indian regulatory landscape, I think still a lot of clarity need to evolve as against or as compared to the developing market or developed markets elsewhere, I think there are crystal clear clarity about how they are going to approach the recyclability or sustainability. So that will be one of the important aspect like what regulations are going to come in. And that will clearly decide the speed of the change.
- Vipulkumar Shah:** So till now, what would be our capex to introduce this recyclable blueloop range?
- Dhananjay Salunkhe:** So I think you have to probably do this yourself by examining our previous announced results. And I think you can clearly make out how much money we have invested there.
- Moderator:** Next question is from the line of Harsh Shah from Merisis Advisors.
- Harsh Shah:** Yes. So when can we expect any volume growth, say, maybe 2, 3, 4 quarters going ahead? Can we expect volume growth going ahead from the company?
- Dhananjay Salunkhe:** Yes. I would say so.
- Harsh Shah:** Okay. And in what range? Can you give a broad range?
- Dhananjay Salunkhe:** Really, it's not -- it's difficult to give, but I think the idea is to at least grow with the industry or the market.
- Moderator:** Next question is from the line of Raman KV from Sequent Investments.

Raman KV: Yes. My question is, I just want to understand the total addressable market with respect to the two products which we cater. One is the blueloop, another one is the tube packaging. And again, on the margin front, our -- on a ballpark number, what will be the margin difference? Like I just want to understand which is the better margin business? Is the tube lamination a better margin business or the currently blueloop a better margin business?

Dhananjay Salunkhe: Well, it's very difficult to put a number because what happens the blueloop products are complexity, difference -- different complexity versus tube laminate, different complexities and they consume different set of raw materials and all. So I think it's very difficult to put number on it.

But at the same time, look, whatever -- as you asked about the addressable market and this -- so whatever business today, we are trying to continue or focus on, we have a strong hope and anticipation that those are the areas where it will grow. And I think we can see that tube laminate is definitely one of the area where it will be having a growth because that the underlying trend is essentially moving from rigid to flexibles and plastics, I would -- flexibles plastics.

So tubes provides a very good alternative to move from rigid to that one. That's one. Second, I think when the small FMCG players, it's very -- they want to keep their product portfolios and offerings in the marketplace very nimble and I would say, fast changing. And I think tube again give that option to them. So I think that product portfolio is definitely attractive one.

And blueloop is, I would say, the investment for the future. Like when you hear our purpose and Strategy 2030, we want to really convert all the product portfolio 100% to the recyclable and blueloop is the vehicle to go there. And right now we invested in last 2 years. We are into a transition phase and that also shall offer us. And we consider that as an attractive industry -- sorry, attractive product portfolio. So that's something which we want to continue to focus. So rest assured that both are attractive as well as futuristic.

Raman K V: Thank you, sir.

Moderator: Thank you. We'll take our next question from the line of Lakshminarayanan KG from Tunga Investments. Please go ahead.

Lakshminarayanan KG: Yes, few question. If you look at last year or the previous year, there has been a bad summer because of which we had challenges in our margins and our sales, but this year, despite summer not being pretty good, we managed to have sustained good margins. Can you just help me understand what percentage of our portfolio is exposed to summer and how we actually withstood this challenge?

Dhananjay Salunkhe: Yes. I think, look summer or no summer. So let's say this way, we have a wide range of portfolio. So what happens? If there is -- and that's, I think, I would say, a resilience of our company is that we operate into a vast range of the industry and it helps us to actually mitigate the challenges which are from a weather related. So let's say, if we have extended summers, there are products which are going into a beverage industry, which are basically sell more.

Now if we -- summers got -- and then ice cream related stuff really get kind of into the market. Whereas if that doesn't happen, something else comes in, which is basically again in a ready-to-serve or ready-to-eat kind of a category. So I would say we have a really good, resilient product portfolio.

At the same time, the summer-related portfolio definitely are more demanding in terms of their requirements, the changes. So that is something which we have kind of over a period of time, kind of have understood well. And I think that's how you can see that there is a bit of a better performance there.

Lakshminarayanan KG: Got it. And what is the mix of liquid versus non-liquid and has it changed and that is also leading to a better range in margins?

Dhananjay Salunkhe: We don't really monitor liquid and non-liquid per se. I'm not -- I'm afraid I'm not understood if I have misunderstood it.

Lakshminarayanan KG: No. For example, if you have paper boat, which is your packaging, which is liquid and then versus you have a cornflake, which is solid, I mean, dry items inside. And I understand that the barriers are important for the liquid versus the solid. In that case, whether we will be supplying -- I presume that we'll be supplying higher-value products for liquid. And if so, has that actually changed for us and that is also leading for a better margin?

Dhananjay Salunkhe: I don't see much change. Only thing what we could see that pouching, I think there is a good, I would say, traction happening. Because, as I said, customers and -- our customers and end consumers are going for a premium product and which are basically on a liquid. Like, let's say, in laundry or home care, I think we are clearly seeing that there is a subtle change happening in terms of consumption pattern.

And those products are, I would say, high value addition because it adds a couple of more operations or a couple of more value-added steps. So that clearly is seen that there is uptick there. Other beverage, I may not be able to -- because that's not we differentiate. But look, we definitely focus on food and beverage. So food is most likely we say -- as you said, it's a solid. Beverage, mostly liquid.

And I think both of our -- are attractive market segment. Within food, then we have at least another three subcategories, which is culinary and then dry and then wet, then ready-to-drink or ready-to-eat or ready-to-cook. So I think these are the four, five areas.

In beverages, again, you can imagine cold and hot and coffees and so on. But coffee typically would be, again, powder. So, that's where there is a bit of overlap. But I would say both are having their own, I would say, structures. And from a structure point of view, I would not say because end of the day, they are both considered as a food. So we have to follow all the, I would say, these BSR and FSSR regulations. So from there, I don't see much differentiation.

Lakshminarayanan KG: And if I look at -- sir, if I look at your last 20, 24 quarters, right, and I think we have been showing very, very consistent margin for the last 3 quarters, right? Now can you be specific as

to what actually led to this? Did you vacate certain spaces? Or I mean, of course, there will be a combination of various value engineering things you would have done.

But this has been a stupendous thing over the last 20, 24 quarters I've been tracking. So, what is that specific thing? Can you just elaborate on two or three key things which you did, which was not done earlier, this has actually helped you to be so resilient?

Dhananjay Salunkhe:

Yes. I think as you rightly said that we took a position like where to play in last few quarters ago and how to play. So where to play is where is the Attractive segments and how to play is basically how do we allocate our resources and focus, account management, etcetera, etcetera. And that is clearly now consistent, which is helping us to have a better favorable sales and customer mix.

The second better one is basically the -- now if you see last two -- three quarters, I think overall, you know, the indices are stand with stability on a raw material side. While we pass on all the benefits which we get on the raw material side to our customers, because we have a very transparent agreements with our customers. But at least what happens because of that stability is that there is a focus is basically on efficiency improvements.

So, the stability in the raw material helps to give some more visibility to our end customers. And then we focus on improving our operational efficiencies. And then as the structural changes what we have done on overheads, that is helping us in last three quarters.

And I think whole credit goes to our world-class operations team who relentlessly works across our plants with the help of global teams. I think they have really some good stupendous ideas to take cost out, which we actually have to do investments and we invest in that. And I think those are -- the investments are actually paying off in a big way.

Lakshminarayanan KG:

And do you think this is something which is sustainable? This kind of is something which has been quite internalized and all your KRAs is all linked to this now?

Dhananjay Salunkhe:

I think so. Yes, yes. I think so. So as I said, we invest into operational improvements. So now once you invest into something, that remain for the future here, right? So now, next year, possibly, there may not be an incremental benefit, but that today, whatever benefit we are getting now will continue to be in the P&L.

Lakshminarayanan KG:

Got it. Got it. Thank you, sir.

Moderator:

Thank you. Next question is from the line of Aditya Khetan from Smifs Institutional Equities. Please go ahead.

Aditya Khetan:

Thank you, sir, for the follow-up. Sir, you mentioned regarding the GST rate cuts could -- if the consumer do not down trade, so that could benefit FMCG players. Sir, any sense if you can give for flexible packaging, how this relates to a positive side? Like any improvement in volumes can you attribute this to? And how this -- and how the consumer behaviour will change? Secondly, compared to this quarter, how you see the next quarter results backed by this announcement?

Dhananjay Salunkhe: Yes. So as I said, I think consumers upgrading is basically was in the last months or maybe first week's newspapers. I think we kind of resonate that well. What happens once consumers upgrade, then the FMCG customers also kind of put their efforts to improve the brand propositions. They start spending on A&P. And so they focus on more, I would say, the activations, right? And that helps to, I would say, volume generation.

Now what happens when consumer upgrade to the higher ASP products, as this average selling price, then we also end up benefiting because those premium products need premium packaging, right? And then premium packaging typically will have more colors, more value-added features, which typically otherwise commodity product would not have. So that is how, I would say, ripple effect or ripple benefit we will get -- we get. So that's the way.

Coming to what happens next quarter or next quarter, I think that is a bit speculative. But I think, as I said during last 1 hour that what we are doing is creating a more sustainable business model and which we have done for the last 12 quarters or so. And I think we want to continue that trend.

Aditya Khetan: Okay. Okay. And sir, like, for CY '26, any anticipated number for volume growth?

Dhananjay Salunkhe: I think your questions are really too speculative. And as I said at the start that we do not do this. And even if by chance, we are giving all of you some hints of performance of future, possibly, I would resort to my safe harbor statement that please do not use this for a future indication of a performance.

Aditya Khetan: Got it, sir. Got it. Thank you, sir.

Moderator: Thank you. Next question is from the line of Rohan Panday from Golden Money Investments. Please go ahead.

Rohan Panday: Sir, as you told that around 27 to 30....

Moderator: I'm sorry. Can you use your handset mode, please? Your audio is not very clear.

Rohan Panday: Hello?

Moderator: Yes, please go ahead.

Rohan Panday: Sir, as you told that in whole of our revenue, around 27% to 30% of our revenue comes from blueloop, right? So, sir, I think what I see right now that in blueloop...

Moderator: I'm sorry. Rohan, your audio is not very clear.

Dhananjay Salunkhe: Yes, we can't hear you properly.

Rohan Panday: Sir, am I audible?

Moderator: Are you using your handset mode? Please proceed with your handset mode.

Dhananjay Salunkhe: Mr. Rohan, you can be slower. Let us again try.

Rohan Panday: Okay, sir. Sir, my question was related to the blueloop 27% to 30% of sales, right? So, sir, I think right now, what the company and what the management is saying -- what I think is you guys are more focused on premium products in the blueloop section right now. Not on the main simple products which have lower margins.

Is it like that or you guys are basically working in both sections, premium also and the normal one also? Because as you know, in today's time, the recycled category, when we talk about something like blueloop has compared to very much less margin as the one in the standard products have like BOP or BP -- BOPP, right? So sir, the question is that, you guys have -- does you guys have more of percentage of premium products in the blueloop or the mixture is basically comparable of normally?

Dhananjay Salunkhe: Yes. Okay. So look, I think, let me again restart with that. When we talk about our sales composition, when we say 27% to 30% comes in from blueloop, actually, it's exactly not a blueloop, it's a blueloop, which is recyclable products, which are basically produced on the specific assets and all the recyclable products which we sell. So 27% to 30% is all products which are recyclable, whether they are produced through blueloop assets or not. So that's the first one.

Second one, of course, when blueloop is getting introduced, idea was to definitely target the specific products which needs high barriers and they can -- they have a large opportunity to kind of get into a recyclable chain. Now when we see this now in India regulations, all the other challenges around, so we have not stopped only at what we were supposed to offer at the start of our project, but we are also having certain intermediate products, and we call it like a blueLite and all, so, which we are trying to offer to our customers the solutions which are also intermediate.

So without -- because many times what happens when you change to the large scale, it also needs investment at the customer end because of the packaging line changes, some things need to change and so on. So some customers show inability to change certain things and we offer them the interim solutions or intermediate solutions that keeping the sealant layer same, but only changing the barrier layers and so on and so forth.

So we are not only fixated on focusing on the top of the pyramid, we are offering the custom-based solutions to the customers so that we make a progress together towards the sustainability, towards the recyclability. So that's the approach.

Rohan Panday: So, sir, it means that 27% to 30% not only contains blueloop products, it's a mix of products, right?

Dhananjay Salunkhe: Absolutely, mix of the other recyclable products.

Moderator: Next question is from the line of Rajakumar Vaidyanathan from RK Invest. I'm sorry, we've lost his connection. We'll move to the next question from the line of Vipulkumar Shah from Sumangal Investments.

Vipulkumar Shah: Hi, sir. So do we have any low margin portfolio, which we would like to deliberately phase out from our offerings? And if it is so, it constitutes what percentage of our volume?

Dhananjay Salunkhe: Look, I think, we still continue to look at an overall basket. And if I say low margin, then I wouldn't say there will be a challenge in our customers' purchasing departments, like. So I would say there is lot of areas which are available to fulfil the overall footprints which we have, assets we have, capabilities we have.

So at this moment, I would say, look, we have to see as a -- this as a whole and not at an individual product or portfolio level, because there will be always a portfolio, right? We will be doing certain things at a low margin, certain things at a high. And then every product will also go through their product life cycle, innovations, intellectual properties, maybe commoditization and then renovations.

So all these aspects, keep in mind. I think we have a reasonably balanced portfolio. And that if we are able to manage this way, I think we shall be able to continue the momentum. That's point number one.

Point number two, definitely, there are pockets of opportunities and that those are the opportunities we are examining and investing our time into that how do we really go along with the market, because what we did last few quarters is basically, yes, we want to play here and in spite of flat growth or so. But now essentially, the idea is to capture the India growth story. And while we continue, we will see that how do we pan out.

Vipulkumar Shah: What should be our overall capacity utilization, sir?

Dhananjay Salunkhe: Yes. So, again, as we keep on saying that we normally do not discuss the capacity utilizations because we are a complex multi-locational company. So we don't really drill into that much.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to Mr. Dhananjay Salunkhe for closing comments. Over to you, sir.

Dhananjay Salunkhe: Yes. Thank you. Thank you for moderating this so well. And I appreciate all the questions and I hope we were able to answer your queries. First of all, again, thank you team for organizing this. I would say this is one of the strong quarter we had in, I would say, in last 12 quarters or so, 12 quarters, 13 quarters, we have started our investor calls. And I'm really feeling, I would say, proud in terms of the numbers what we are able to deliver in the last quarter.

Double-digit EBITDA, as Jagdish mentioned, had happened almost after four years to five years, I think, and we want to really continue that. And this wouldn't have been possible without this unrelenting support and the patronage what we get from our customers, from our supplier partners, and the -- mostly the state government and Government of India, where we get a lot of support in terms of how -- wherever we operate in terms of the licenses and the approvals and No Objection Certificate. So I would really want to place this on record that without these three large stakeholders, we couldn't really survive and exist.

And then lastly, our fabulous team, Huhtamaki India team, the plant teams, the sales teams and the finance -- and everyone. I think this is a fabulous quarter behind us. And what a good start for the upcoming Diwali week.

At the same time, my mind is also a little wary that Jagdish is leaving Huhtamaki India. I think from 1st December, he won't be -- Jagdish, we will be missing your services to this organization, and I would want to place it on record great contributions you had over the last three-plus years with Huhtamaki. I appreciate and we'll wish you all the luck for your future endeavours. So with these comments, I would again thank everyone for your patronage, support and good wishes. Thank you.

Moderator:

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