



RUPA & COMPANY LIMITED

Date: August 21, 2025

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400 001

Ref: NSE Symbol- RUPA / BSE Scrip Code- 533552

Sub: Transcript of the Earnings Conference Call held on August 13, 2025

Dear Sir/ Madam,

In continuation to our letter dated August 09, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Conference Call held on August 13, 2025, to discuss the Unaudited (Standalone and Consolidated) Financial Results of Rupa & Company Limited ("the Company") for the quarter ended June 30, 2025.

The same will also be made available on the Company's website at <https://rupa.co.in/con-call-transcripts-audio>.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For Rupa & Company Limited

Sumit Jaiswal

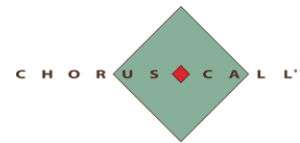
Company Secretary & Compliance Officer

Encl: As above



**“Rupa & Company Limited
Q1 FY '26 Earnings Conference Call”**

August 13, 2025



**MANAGEMENT: MR. VIKASH AGARWAL -- WHOLE-TIME DIRECTOR –
RUPA & COMPANY LIMITED
MR. SUMIT KHOWALA – CHIEF FINANCIAL OFFICER –
RUPA & COMPANY LIMITED**

MODERATOR: MR. OMKAR BAGWE – MUFG INTIME



Moderator: Ladies and gentlemen, good day, and welcome to Q1 FY '26 Earnings Conference Call of Rupa & Company Limited, hosted by MUFG Intime. 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 and then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Omkar Bagwe from MUFG Intime. Thank you, and over to you, sir.

Omkar Bagwe: Thank you. Good afternoon to everyone, and thanks for connecting with us on our first con call for this financial year. On behalf of Rupa & Company Limited, I'm delighted to welcome you all to this call. Thank you for taking the time out on this call to discuss our latest results and financial performance.

To discuss our results, we have from the management, Mr. Vikash Agarwal, Whole-Time Director; and Mr. Sumit Khowala, Chief Financial Officer. They will take you through our results, and then we will proceed to question-and-answer session.

Before we proceed, a small disclaimer. This conference call may contain some forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. The actual results may differ materially. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is also given on Page 2 of the company's investor presentation.

Now I would like to hand the call over to Mr. Vikash Agarwal. Thank you, and over to you, sir.

Vikash Agarwal: Thank you. Good afternoon, ladies and gentlemen. On behalf of Rupa & Company Limited, I extend a very warm welcome to all the participants joining us today for our Q1 financial year '26 results con call. We appreciate your continued interest in our company, and I trust we have gone through the financial results and investor presentation uploaded on the stock exchange.

The first quarter of financial year '26 was marked by a complex industry environment with intense competition intensity and significant pricing pressures. The ongoing price undercutting in the market has increased price sensitivity among trade partners and coupled with our strategic decision to maintain price discipline, influence our top line performance for the quarter.

Revenue for the quarter stood at INR184 crores compared to INR210 crores in quarter 1 financial year '25. While overall volumes were subdued for the quarter on account of pressures in the market that impacted primary offtake. Our Athleisure category continued to deliver strong momentum. This validates our strategy of investing in fast-growing consumer segments.

EBITDA for the quarter was INR12 crores with an EBITDA margin of 6.6%. The EBITDA for the quarter moderated primarily due to higher branding and advertising spend of INR21 crores, representing 11.5% of the revenues, along with under absorption of administrative and other expenses on a lower revenue base for the quarter. We remain focused on cost discipline and

driving operational efficiencies to offset these impacts. Our export business maintained positive traction, growing by 10% year-on-year. Modern Trade remained stable, contributing INR15 crores, accounting for 8% of revenues with the business continuing to remain an important channel for future growth.

Operational cash flow for the quarter was INR33 crores. As on 30th June 2025, we maintained a robust net cash and cash equivalent position, including investment of INR53 crores. These reflect our prudent working capital management and financial discipline even amid a challenging industry environment.

On guidance front, during Q2, we expect to regain the volume deficit of Q1. However, due to intense pricing competition in the industry, we expect margin to remain under pressure. The EBITDA margin is expected in the range of 8% to 9% for the coming quarter. While in short term, pricing pressures in the industry will continue to weigh on margins, our disciplined approach to pricing will remain integral part to sustain brand equity and profitability over the long term.

We are actively enhancing channel efficiency, defining our product mix and accelerating innovation to meet evolving consumer preferences. With focused investments in high potential categories, we are confident in our ability to navigate the current environment and deliver sustainable growth over the medium to long term.

With this, I would like to hand over to our CFO, Mr. Khowala, for the financial highlights. Over to you.

Sumit Khowala:

Thank you, sir, and good afternoon to everyone. Thank you for joining us on quarter 1 FY '26 earnings call. I will take you through the financial performance of quarter 1 FY '26. Revenue from operations stood at INR184 crores compared to INR210 crores in quarter 1 FY '25, registering a decline of 12.6% year-on-year. Gross margin for the quarter stood at 37.7%, which increased by 140 basis points as compared to corresponding quarter last year.

EBITDA for the quarter stood at INR12 crores versus INR18 crores in the corresponding period last year. The EBITDA margin stood at 6.6% for the quarter. Net profit for the quarter is INR6 crores as against INR10 crores in quarter 1 FY '25, translating to a PAT margin of 3%. Our working capital as on quarter 1 FY '26 stands at INR763 crores as compared to INR811 crores in March 2025. We are a cash positive company with a robust cash surplus of INR53 crores as compared to INR24 crores in March 2025.

With this, I open the floor for question-and-answer session. Thank you. Thank you, everyone.

Moderator:

Thank you very much. The first question is from the line of Vrudhi Vora from SAS Capital. Please go ahead.

Vrudhi Vora:

So I have a question that since you have heavily invested in the marketing expenses in Q1 FY '26, so what is your yearly guidance on marketing expenses?

Vikash Agarwal:

6% to 7%, ma'am, on the top line.

- Moderator:** The next question is from the line of Darshan Jain from RJ Investments.
- Darshan Jain:** I just have one question. Would you take any price hike this year?
- Vikash Agarwal:** For the time being, like raw materials are also under pressure and the market scenario is quite competitive. So at least for 2 quarters, we don't see that. And we don't know if there's a certain hike in raw materials, we might. But at the moment, it doesn't and it looks unlikely.
- Moderator:** The next question is from the line of Esha Murthy from M&A Ventures.
- Esha Murthy:** So my question is like what is your capex plan for the coming year, the current year financial year '26?
- Sumit Khowala:** There is no major assets. There will be INR15 crores to INR20 crores.
- Esha Murthy:** Okay. And also, I saw your P&L and the subcontracting expenses in the Q1 FY '26 is on the higher side. So can you provide the reason for the same?
- Sumit Khowala:** Ma'am if you see the absolute number of quarter 1 FY '25 and quarter 1 FY '26, the absolute numbers are more or less and just due to the decline in revenue, the percentage is showing on a higher side. But nevertheless, the subcontracting expenses is related to inventory, whatever subcontracting expenses incurred become the part of inventory.
- Moderator:** The next question is from the line of Raj Patel from RK Securities.
- Raj Patel:** Just 2 quick questions from my side. So I wanted to know what will be the thermal order book size for this year?
- Sumit Khowala:** Yes, we are receiving a good order for thermal as of now, and we expect that we should grow by 5% to 10% in quarter 2 against the last year quarter 2.
- Raj Patel:** Okay. And what would be our current working capital days?
- Sumit Khowala:** The current working capital days is 223 days.
- Moderator:** The next question is from the line of Shubhankar Gupta from Equitree Capital.
- Shubhankar Gupta:** I just want to ask 2 questions. First is Modern Trade is not picking up. And we also saw that there was a huge expense in the brand development cost, which was around INR21 crores, right? So despite getting such expenses, why has Modern Trade not picked up in the whole year?
- Sumit Khowala:** Modern Trade, this quarter shows a stable performance, but we are quite hopeful that we'll achieve a turnover of INR 80-90 crores from this channel. And the demand is -- we are seeing that the demand in this quarter is picking up.
- Shubhankar Gupta:** Okay. But sir, still like INR21 crores being spent in 1 quarter. And despite that, let's say, like channels are not picking up. So that's, I think, one concern from my end. Like where is we exactly deployed INR20 crores something which I was looking to ask.

- Sumit Khowala:** INR21 crores constitutes the celebrity payment also, and this will be rationalized in quarters to come. So our yearly target remains from 6% to 7% of revenue. So it will be rationalized.
- Moderator:** Sir, the line for the current participant has been disconnected. We'll move on to the next participant. The next question is from the line of Shubham from Equitree.
- Shubham:** So I just have 2 questions. The first one being, how are you looking to increase the market share of the women category, which seems to be a more sticky category?
- Vikash Agarwal:** We are working on the same, and we are introducing a lot of new products also. So it's probably taking up some time, but we are working on the -- to put up the strong foundation for the category to pick up.
- Shubham:** Okay. And the second question being, how much does the Athleisure contribute -- sector contribute and how are the margins there?
- Sumit Khowala:** Athleisure contributes almost 15% of the total revenue this quarter and the margins are higher than innerwear, quite higher than innerwear.
- Shubham:** Okay. Could you quantify if possible?
- Sumit Khowala:** I can -- gross margins for this Athleisure wear comes around 35% to 40%.
- Moderator:** The next question is from the line of Shubhankar Gupta from Equitree Capital.
- Shubhankar Gupta:** Actually, sorry, I was disconnected. So I had one question on the competition bit. So the other has seen a growth of around 40% versus we having a de-growth of around 40%. So I just want to understand what are we doing to uplift catch up on that growth?
- Vikash Agarwal:** We didn't get you.
- Shubhankar Gupta:** So what I'm saying is the competition has done well vis-a-vis in this quarter. So what are we doing strategically to uplift/catch up on the growth bit?
- Vikash Agarwal:** So in quarter 1, our thing was to maintain the price in all to -- for the long-term profitability of the company. But since the competition, they have all gone through the price war. So the strategy is very simple, like the competition is doing price war, which is like 4%, 5% and more schemes and price cut in the market, which we need to compromise on our long-term policy for a short term where we need to, of course, maintain our top line. So this quarter, probably, as I mentioned in my opening thing also, in quarter 2, we'll be able to cover up the deficiency and probably close on a growth number.
- Shubhankar Gupta:** No fair, sir. Is it possible to share the ASPs for, let's say, economy or mid-premium segments, and at least we know by how much dollar is undercutting?
- Sumit Khowala:** Dollar, we cannot comment on dollar numbers, but our...
- Shubhankar Gupta:** Dollar numbers are there?

- Sumit Khowala:** Our economic segment ranges from INR45 to INR50, mid-premium segment ranges from INR85 to INR90 and premium segment ranges from INR110 to INR115.
- Moderator:** The next question is from the line of Anik Mitra from Finnomics Solutions Private Limited.
- Anik Mitra:** I have 2, 3 questions. Sir, regarding your raw material procurement strategy, I have seen like there is a cyclical approach in the June quarter, like the raw material procurement cost is the highest. It's around 60%, 70%. So can you clarify like how does it -- like do you consume more in June quarter? And whether do you consume more in the June quarter? Or how does it go actually for you?
- Sumit Khowala:** Raw material consumption means for quarter 2 and quarter 3, we have to keep stock for thermal preparations for winter wear has been started. So that's why raw material -- high-cost raw materials are there in quarter 1. But further gross margins in quarter 1 are low compared to other 3 quarters.
- Anik Mitra:** Okay. Okay. Got it. Sir, you have one exceptional item. Can you please clarify what this licensing surrender of the license you have mentioned in your note?
- Sumit Khowala:** Previously, we have 2 license brands, FCUK and FOTL brand. We have surrendered that license. This exceptional item related to the settlement of creditor of erstwhile license brand business undertaking, which license has since been surrendered now.
- Anik Mitra:** Got it, sir. Sir, and what is the ratio of your premium, semi-premium and mass product in value terms?
- Sumit Khowala:** Means the economy segment contributes approximately 30% to 32%. Semi-Premium segment contributes around 55% to 60% and the rest is premium segment.
- Anik Mitra:** Sir, semi premium, how much did you say?
- Sumit Khowala:** 55% to 60%.
- Moderator:** Thank you. In the interest of time, this would be the last question. I now hand the conference over to Mr. Omkar Bagwe from MUFG Intime for closing comments.
- Omkar Bagwe:** Thank you for joining us on the call today. I would like to thank the management for sparing the time and answering all the queries today. We are from MUFG Intime, Investor Relations Advisors for Rupa & Company Limited. For any queries, please feel free to contact us. Thank you, everyone, and have a great day.
- Moderator:** Thank you. On behalf of Rupa & Company Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.