



May 22, 2026

Listing Department

**BSE LIMITED**

P. J. Towers, Dalal Street,

**Mumbai-400 001**

**Code: 531 335**

Listing Department

**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

Exchange Plaza, C/1, Block G,

Bandra Kurla Complex,

Bandra (E),

**Mumbai-400 051**

**Code: ZYDUSWELL**

Sub: **Transcript of the Earnings Conference call held on May 18, 2026**

Dear Sir / Madam,

Pursuant to Regulations 30 and 46(2)(oa)(iii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Transcript of the Company's Q4 FY2026 Earnings Conference call held at 4:00 p.m. (IST) on Monday, May 18, 2026.

Please find the same in order.

Yours faithfully,

For, **ZYDUS WELLNESS LIMITED**

**NANDISH P. JOSHI**

**COMPANY SECRETARY & COMPLIANCE OFFICER**

**Encl. As above**

**Zydus Wellness Limited**

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“Zydus Wellness Limited  
Q4 FY '26 Results Conference Call”  
May 18, 2026



**MANAGEMENT:** **DR. SHARVIL PATEL – CHAIRMAN – ZYDUS WELLNESS LIMITED**  
**GANESH NAYAK – NON-EXECUTIVE DIRECTOR – ZYDUS WELLNESS LIMITED**  
**MR. TARUN ARORA – CHIEF EXECUTIVE OFFICER – ZYDUS WELLNESS LIMITED**  
**MR. UMESH PARIKH – CHIEF FINANCIAL OFFICER – ZYDUS WELLNESS LIMITED**

**MODERATOR:** **MR. AKSHAY KRISHNAN – ICICI SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Zydus Wellness Limited Q4 FY '26 Results Conference Call. 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 touch-tone phone.

I now hand the conference over to Akshay Krishnan. Thank you, and over to you.

**Akshay Krishnan:** Hi, It's an absolute pleasure from ICICI Securities to host the Q4 FY '26 Earnings Call for Zydus Wellness. From the management, we are being represented by Dr. Sharvil Patel, the Chairman; Mr. Ganesh Nayak, the Non-Executive Director; Mr. Tarun Arora, CEO; Mr. Umesh Parikh, the CFO.

I hand over the call to the management for the further remarks. Thank you, and over to you, sir.

**Tarun Arora:** Good evening, and welcome to the post results teleconference of Zydus Wellness Limited for quarter 4, financial year 2025-26. Like Akshay mentioned, I have with me Dr. Sharvil Patel, Chairman; Mr. Ganesh Nayak, Director; and Mr. Umesh Parikh, CFO, on the call from our side.

During the quarter, consumption trends remained steady, supported by a sustained recovery in rural demand, which continued to outpace the gradual improvement in urban markets. Commodity input costs showed divergent trends across categories, while structural growth drivers remained intact, with quick commerce and e-commerce sustaining strong momentum. The ongoing geopolitical disruptions has had a limited impact on the company with proactive mitigation measures in place.

Innovation always has remained one of the core drivers of portfolio growth, and we continue to leverage our R&D capabilities to enter new demand spaces, address evolving consumer needs, and deepen category relevance.

An exhaustive list of launches and extensions is available in the investor presentations. To name a few in the quarter gone by, under the RiteBite Max Protein franchise, we expanded its offering with the launch of Max Protein Ultimate Protein Boost Ready-to-Drink beverage, Max Protein Roots Ghee Jaggery Bar and Korean flavor chips with multiple flavors.

These launches expand the portfolio beyond the core bar format, widen consumption occasions, and position the brand to participate more meaningfully in the growing on-the-go protein and healthy snacking space across channels.

Sugar Free D'lite, we added a new variant, Sugar Free D'lite Choco Spread, to the domestic portfolio during the quarter, further strengthening the presence in organized channels. The Sugar Free D'lite range continues to see steady consumer traction, supported by increasing adoption in the better-for-you dessert segments.

In the Everyuth franchise, the tan removal segment continues to gain saliency within the portfolio, supported by quarter 4, financial year '26 launch of the Tan Removal Face Wash. This

strengthens the brand's play in functional skincare and builds a more comprehensive offering for its core consumer segment.

Under Glucon-D, we entered a performance hydration segment with the launch of Recharge across two formats, liquid in orange and green apple flavors, and sachets in orange and lime flavors, targeting active and health-conscious consumers. Initial response has been encouraging, providing a credible entry into fast-growing adjacency within the wellness space.

Under the Comfort Click portfolio, we expanded its portfolio with seven product launches across WeightWorld and Animigo, strengthening its presence in high-growth, digital-first health segments and improving portfolio depth across key markets. Across all new launches, we are leveraging AI-led consumer targeting and data-driven media allocation to improve precision, optimize spends, and enhance returns on brand investments.

Coming to the company's financial performance, net sales for quarter 4, financial year '26 registered growth of 62.1%. The international business, including Comfort Click business, delivered a like-to-like growth of 31.4%, while the domestic business grew by 1.7%. Within the domestic business, the seasonal brands declined by 9.8%, whereas the skin and hair care brands registered a growth of 39.7%, and food and nutrition brands grew by 9.4%.

For financial year '26, net sales registered growth of 46.4%. The international business, including Comfort Click business, delivered a like-to-like growth of 29.5%, while the domestic business grew by 2.4%. Within the domestic business, the seasonal brands declined by 18.8%, whereas the skin and hair care brands registered a growth of 21.9%, and food and nutrition brands grew by 15.5%.

As per the internal data, the domestic business continued to witness a steady shift towards organized channel, with saliency improving to 30% in financial year '26 from 24% in financial year '25, driven by premiumization as well as strong growth in modern trade and e-commerce channels.

On the EBITDA front, the company reported a growth of 42.2% for the quarter, reaching INR 2,701 million, an increase of 34.2% for the full year, closing at INR 5,097 million. Net profit declined by 5.8% during the quarter and 43.2% for the year. However, net profit excluding exceptional items and amortization of acquired brands registered a growth of 17% and 2.3% for quarter and year, respectively.

Key drivers impacting the movement from EBITDA to PBT for quarter 4 and financial year '26 include the acquisition that was strategically funded through a low-cost bridge loan in GBP, subsequently refinanced into a further lower cost Euro facility, with the related interest expense reflected in finance costs.

Amortization of acquired brands led to higher depreciation and amortization expenses. Exceptional items that include one-time impacts from implementation of the new labor code, acquisition related costs and expenses related to liquidation of Naturell India Private Limited, a subsidiary of the company on a going concern basis.

Brand performance and market share developments are detailed in the investor presentation. Notably, Complian maintained its 4th ranked market share position. During the quarter, the company transitioned to direct supply of Complian NutriGro in the kid segment, while simultaneously driving user acquisition across toddler and adult nutrition portfolios through digital, clinical, and expert-led interventions.

Everyuth delivered strong double-digit growth in financial year '26, driven by innovation, distribution expansion, and enhanced consumer experience. With Tan Removal further strengthening its saliency, supported by quarter 4 launch of Tan Removal Face Wash.

Within the sweetener portfolio, market share expanded by 24 basis points as per MAT March 2026 report of Nielsen and IQVIA, while Sugar Free Green delivered 20th consecutive quarter of double-digit growth.

Sugar Free D'Lite range continued to deliver a strong quarter performance and recorded high double-digit growth compared to last year quarter. Nutralite brand delivered consistent double-digit growth despite gas supply headwinds, supported by a strong portfolio innovation and AI-led consumer insights.

The RiteBite Max Protein business continues to outperform expectations, reinforcing its leadership in protein snacking while driving category expansion through innovation, cultural relevance, and scale-led efficiencies, resulting in strong value, volume, and margin growth. Robust growth on quick commerce underpinned by a continued expansion and distribution footprint.

Successfully expanded the WeightWorld and MaxMedix brands through launches on Boots.com, a leading U.K. health and beauty retailer. In a fast-growing vitamins and supplements category, established a presence on Amazon in UAE.

We are entering financial year 2026-27, with a clear and execution-focused growth agenda anchored in innovation, portfolio scale-up, and margin expansion, and strengthened by data-driven and AI-led capabilities to deliver sustainable, profitable growth while continuing to accelerate the innovation momentum building on the strong foundation established in financial year 2025-26.

Thank you. We will now begin the Q&A session. Over to the coordinator.

**Moderator:** Thank you. We will now begin the question-and-answer session. We have the first question from the line of Tejash Shah from Avendus Spark. Please go ahead.

**Tejash Shah:** Hi. Thanks for the opportunity. Sir, first question pertains to what specifically weighed on growth on the seasonal portfolio this quarter, and how soon we are confident to go back to the stronger trajectory because the last year base is also a weak one for this part of the portfolio?

**Tarun Arora:** I think sweetener portfolio is.. Sorry, Seasonal brands. So Seasonal brands, I think we've had, especially in North and East is where our strong markets are. We've seen, especially in March,

there were rains and East was particularly impacted. So we are hopeful that as summers progress things could get better, but sadly it was less than expected and the temperatures were lower than normal. There was a pipeline with the retail which also played out against the normal situation.

**Dr. Sharvil Patel:** So we see recovery from May onwards.

**Tejash Shah:** Okay. Because summer actually picked up a bit late, but it became stronger. So are we seeing - already seeing benefits of the same or the season has gone. So again, for this year, we should not count that now?

**Tarun Arora:** So I'll not comment on the forward, but we've seen a late summer. The initial - because comparatively, last year, the summers came in early, February onwards and the rain started in April. This year, it's been quite the opposite of that.

It was raining in March and right up to mid of April and therefore there has been a delayed summer. Too early to start predicting how the overall season will go, but we are hopeful that some of the misses of the earlier part of the season can be recovered if season progresses right.

**Tejash Shah:** Second, Comfort Click seems to be doing reasonably well. Just wanted to know how should we think about the growth trajectory from here on? And what extent of current supply chain volatility which we are witnessing globally can impact the plans there on growth and execution?

**Tarun Arora:** So right now, it's been seven months since we acquired it. We believe, like we've said in the past, we believe in the growth trajectory of this, and it is a widespread growth across five countries in Europe, which are the bulk of the business. And there are - they've been expanding into other European countries, U.S., UAE are small early bets we have taken.

So we believe the growth trajectory right now looks on a good drum, and we'll take it as it comes. But the team is quite focused. The penetration levels in VMS on - online purchase is going up. So we remain committed at this stage.

**Tejash Shah:** And sir, last one on margins. So we are now on a larger scale of revenue base, almost INR4,000 crores and we were hoping that our operating leverage will come through. But for whatever reason, the macro and micro both, that is not playing out. So from here on, what trajectory are we kind of channelizing our plans to? And how soon should we kind of reach that aspirational goal of 17% to 18% margin that you spoke about one or two years back also?

**Tarun Arora:** Yes. The line got disconnected. So we are still very positive about the current direction of growth, given our width of portfolio and the trajectory. And we have good bets, which should help us build in the right direction.

**Tejash Shah:** Sir, my last question was on margins. So despite a very high-margin portfolio getting added in the revenue, we are tracking lower than our near-term aspiration and even long-term aspiration, which is 17%-18%. So just wanted to know how soon can we kind of go back to those near-term aspiration and then the long-term aspirations as well?

- Tarun Arora:** So our margins at a gross margin level has actually in line with what we have planned. I think the only thing that last quarter has seen is the mix where the seasonal brands have not fired to our expectations. So those are, I mean, external things which go beyond us. But all our actions are in place, and therefore, we believe that in a normal situation...
- Umesh Parikh:** Largely due to headwinds on this seasonal portfolio, which has more than average gross margin for the company and which also has more than average EBITDA for the company has impacted the overall PBT and PAT.
- Tejash Shah:** Got it. Thanks and all the best. Thank you.
- Moderator:** Thank you. We have our next question from the line of Ronak Shah from Equirus Securities. Please go ahead.
- Ronak Shah:** Yes. Hi, team. So thanks for the opportunity. Sir, my first question is regarding the Comfort Click. So sir within the Comfort Click, what is driving this sharp growth? So in the PPT, you have highlighted a newer geography addition, on top of that a new platform addition.
- However, from the strategic perspective from near to midterm, how we are seeing the newer geography addition, platform addition, how the higher customer acquisition or the other strategic part is shaping up? And secondly, on the U.S.A part, so could you share an update on how the scaling strategy for the U.S.A is working?
- Tarun Arora:** So on Comfort Click, I think it's been a high-growth business as we acquired, and we've talked about it, 57% CAGR five years before acquisition. We talked about the same growth may not happen, but we are quite positive about the growth - so it's a large 11 - more than €11 billion market in Europe for VMS.
- Market is shifting towards online space, and we have been amongst the leading brands in driving that agenda. And top five markets continue to be a bulk of our business, and that's like Germany, Italy, Spain, France and U.K. We have also expanded to other European markets where we had limited presence like Portugal, Finland, etc.
- So we are expanding our Europe presence, which is continuing to help us grow on the like-for-like growth within the core markets and new markets. We've taken a medium to long-term bets on some of the markets which we did not have presence, for example, on U.S., UAE and some other markets which we'll decide. But they are more medium-term, long-term bets where we'll have to build over a period of time.
- We continue to expand. Right now, the business is largely led by Marketplace Amazon and D2C. We are looking at other marketplaces like we have put it, like Boots.com or etc., where we are wanting to expand. So some of these actions are in place, and we are also - I think strength of this business is knowing the trends and being able to respond pretty fast. So we are launching new products which are relevant to consumers that as the trends shape up in the VMS space.

So that's the strength we are playing on, and that's really what is working and giving us growth. It's still seven months only since we acquired it. We are looking to continue to build in the current momentum that you've seen last quarter.

**Ronak Shah:** Understood. Understood. Just a small follow-up from the bookkeeping perspective. So now the annual numbers are in, how the INR terms consideration and amortization amount will look like?

**Umesh Parikh:** Amortization, you know, what you see the number in this quarter, the quarter 4, will almost be on the similar line because that captures the full quarter's amortization.

**Ronak Shah:** Okay. And from the INR term overall consideration perspective, what can be the amount?

**Umesh Parikh:** Amount, in terms of what?

**Ronak Shah:** INR term consolidated amount from the Comfort Click acquisition and the goodwill part...

**Umesh Parikh:** That is what I'm saying. The Q4 financials also financial capture the number and number is going to pan out for the whole year.

**Ronak Shah:** Okay. Sir, last question is from the RiteBite perspective. So just want to understand from the strategy perspective, though you have highlighted few newer launches and all. However, if we compare three years back story to now, how the distribution mix has shape up, how the subcategory or the newer category expansion will look like, and on the newer product aggression front, how the things are shaping up?

**Tarun Arora:** Before the acquisition, the business was growing at 25% CAGR for five years. Like we mentioned in the last call, we've seen more than double of that momentum on the business. We continue to focus on driving growth through category expansion and within the I mean, on the base products, which is our bars, protein bars.

We're also looking at expanding into newer categories through new launches, which we mentioned, RTD beverage, chips, etc., this snacking, healthy snacking approach. Our distribution is being built up, and we've seen online traction also going up through quick commerce.

**Ronak Shah:** Understood. Understood. That's it from side. Thank you.

**Moderator:** Thank you. We have the next question from the line of Akshay. Please go ahead.

**Akshay:** Hi, sir. Thanks for the opportunity. My question is on the quick commerce. So it appears to be scaling strongly across your multiple portfolios. Now, is this changing the company's approach towards innovation and the product launches and the channel investment versus the traditional FMCG distribution - process?

**Dr. Sharvil Patel:** I think, what you said is true. I think our products are more suited towards the new trends and the new consumers who are choosing to buy through quick commerce. And I think our

assortment as well as our new introductions are well-designed both to make sure that the we - on this channel, we are relevant and we continue to gain share.

But also on the traditional channels also, we have the right SKUs and portfolio, which helps us also continue to grow in the rural and urban market. So I think we have a fit-for-purpose kind of portfolio now with the new acquisitions as well as well as the new SKUs that we have launched, and we would continue to see better traction on this channel.

- Akshay:** What would be the salience of the QC as in pointer on a Y-o-Y and a sequential basis?
- Dr. Sharvil Patel:** Can you repeat the first part?
- Akshay:** What will be the saliency of QC, the contribution of QC to our overall?
- Tarun Arora:** So overall, online - sorry modern trade plus e-commerce, organized trade is about 30% of our domestic business. Quick commerce will be 7%-8%.
- Umesh Parikh:** Yes, but out of e-commerce, quick commerce is about 44%, 45%, which is 7% to 8%.
- Tarun Arora:** 7% to 8% of total business.
- Akshay:** Okay. My second is on the Comfort Click. Now this gives Zydus the access to the global D2C and online-led wellness category. Now beyond the revenue growth, what are the key capabilities or the learnings that can be leveraged in the Indian side of the business, sir?
- Tarun Arora:** I think, the business is very strong in terms of their because they're online first business, so they have done rather well in terms of how they reach out to the online consumers and how they build the franchise without worrying about the offline world. And there are various parts of doing so, both in terms of building - looking at the trends, launching new products at a fast pace, and marketing to this online first consumers.
- And I think this is the, largely the model that we are working together to sharpen as a company, because this really makes us almost one-third of our business being the online at a total level. So we believe that it'll give us a good edge in preparing for the future in a more digital world.
- Akshay:** Got it. Got it. My third is a follow-up question on the gross margin from the previous participant. So we've been, like, our gross margins are in the guided range. Now, are we seeing the scope for the operating leverage to improve further, or are you going to reinvest behind your categories? Is the brand investment going to scale up now?
- Umesh Parikh:** Certainly, as we have been telling in various conferences, our operating leverage will definitely play out. Also we said that Comfort Click business is largely the variable spend, but on overall business, definitely operating leverage will play out and which will add to our EBITDA as a percentage to sales.
- Akshay:** Okay. The last question, on a medium-term basis, how should we think about the company's, dependence on the seasonal categories, because now you have the stress on the seasonal aspect?

And especially on Nycil and glucose versus the newer wellness category, so how are you looking at the company's overall dependence over here, especially in protein supplements and hydrations?

**Tarun Arora:**

So I think seasonal will continue because it's a valuable part of our business. It gives us a good operating leverage. We've had four quarters of challenge, but that doesn't mean that it'll remain. So we are quite hopeful that it should come back on track and over a three to four-year period should deliver a consistent double-digit growth.

And if we look at outside of seasonal portfolio, we continue, even last financial year, we delivered a fairly good double-digit growth, and we continue to believe, whether it's a RiteBite portfolio, Nutralite, Everyuth, each of these brands, even a Complan last quarter, Sugar Free, each of them have are showing a good momentum. So we believe a double-digit portfolio is the right way to continue to build us and we keep looking at expanding the categories for this through innovation and expansion to new consumers.

**Akshay:**

Okay. One final question, if may I, now we've been seeing that many wellness categories, they initially scale up faster and they become heavily promotional and this is generally it's like more of a startup led size. Now how do you plan to protect the profitability while continue to drive the category expansion into this?

**Tarun Arora:**

So let's take the case of RiteBite. When we acquired the brand, it was very small scale, and we've scaled up at a fairly fast pace. And what we understand, in the protein snacking in a comparative space, it is the only profitable or most profitable brand that exists. So as a company, we are quite focused on category development. We're doing it profitably.

So each of our offerings that we work, we have a clear objective from a consumer side in terms of acquiring more consumers, volume-led growth through the right process, more contemporary touchpoints, whether digital or offline, whatever as well as on the profitability side, constantly have built profitability so that we have enough fuel to support the brand.

So that's a business model that we have been able to replicate. Some brands respond better, some takes longer time, but that's really a response that we have built. That is something you will see across our portfolio.

**Akshay:**

So when you acquire a brand, so you also onboard the existing promoters and the brand guys who's been running the business or is it like completely taken over by you and then you run your own perspective of it?

**Tarun Arora:**

So when we take - even if we take 100%, we look at what are the fundamental drivers of the business and the value creation. Whether it's the management or the promoters, we are ready to take on those and work with the right teams that will help us build and transition into Zydus Wellness we are working. There is no one-size-fits-all for all acquisition, but that's - those are fundamentals that we will look at.

**Akshay:**

Okay. Thank you and good luck in all the best, sir.

- Tarun Arora:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Umang Shah from Banyan Tree Advisors. Please go ahead.
- Umang Shah:** Hi, Sir. Am I audible?
- Tarun Arora:** Yes.
- Umang Shah:** Hello. Yes. Hi. Thank you for taking my question. Sir, first question was within Food & Nutrition, if you could break out the full year growth between RiteBite and other products, that would be great.
- Tarun Arora:** I think you will appreciate that we've already given this time much higher level of detailing than we've ever given in the past. It will not be possible for us. We've already given a directional indication of what is the growth of RiteBite.
- Beyond this may not be possible. I can tell you that actual branded level growth is much higher than what we reported because we've optimized some of the contract manufacturing portfolio like we used to do ketchup, so actual growth is higher. But beyond that, it'll not be possible for us to give us a specific brand by brand growth.
- Umang Shah:** No, got it, sir. Got it. Sir, the second clarity that I'm looking at is, can you comment on the tax rates for FY 27 and '28 at a consol level?
- Umesh Parikh:** Yes. So FY 27- 28 will be in the 25% bracket. But 26-27, it will be kind of cash plus deferred tax asset used. So the mix of two.
- Umang Shah:** Okay. And the mix of two will also be 25% and FY 28, I'm assuming everything will be cash tax, full tax rate?
- Umesh Parikh:** Yes. Yes. That's right.
- Umang Shah:** Okay. Got it. Got it. And sir, you've also called out Cuticolor as a part of skin and hair care. I'm assuming that Cuticolor started operations for last quarter only or was it a full year number?
- Tarun Arora:** Cuticolor has been there in our portfolio about six months. It's only being played in the organized trade, modern trade and e-commerce.
- Umang Shah:** Got it. Got it. Thank you so much, I'll get back in the queue.
- Moderator:** Thank you. We have the next question from the line of Mayur Parkeria from Wealth Managers. Please go ahead.
- Mayur Parkeria:** Good evening, sir. And thank you for taking my questions. Sir, just wanted to understand that when we acquired Comfort Click, we were of the view that we can clock around 14% EBITDA

margin, and it had clocked before our acquisition around 15-odd, if I remember well. Where are we on that trajectory? Just will FY '27 come back to those numbers or - and with that in light, if you can just also add that at a PBT level, can we see - is it possible to see a breakeven in FY '27 or have we already seen that?

**Umesh Parikh:** So for Comfort Click, I think we are holding on to what we said earlier, and we are in line with our expectation or slightly exceeded. As far as Q4 is concerned, on Comfort Click business itself, we have become EPS accretive.

**Mayur Parkeria:** Okay. Would it be possible to quantify that slight - is there a benefit of pound in terms of pound INR, because when we acquired it was 116 around now 128 or average or so. So is there some element of that benefit flowing into the numbers?

**Umesh Parikh:** Yes. So we also mentioned in our investor presentation and between the total growth of Comfort Click and Constant Currency growth, there is a gap of about 3%.

**Dr. Sharvil Patel:** There is a more international business always and knowing how the rupee over a long term will always depreciate, we'll always see that benefit of international business.

**Mayur Parkeria:** Right. So in short, we are on track for that margin, which we had seen and that possibly EBITDA. That's great to hear, sir. That's great to hear. I somehow feel that last quarter also, we had mentioned that we had taken aggressive steps to clear out the inventory issues on our seasonal portfolio with respect to Glucon-D and Nycil. But this quarter, it seems, again, we have got a little impacted by higher inventory.

That is what your initial comments, if I understood correctly. So I was just trying to reconcile where again we got - where was the, lower-than-expected situation again, what came in this quarter as a negative surprise. But even with that, I somehow feel that whatever external issues are playing out, I think in the next quarter can be a - are we positioned in the next year actually?

Are we positioning for a very strong comeback in terms of both the domestic portfolio, which is there and clicking the right metrics in the growth as well as the seasonal portfolio and the Comfort Click. As a broad directional, do you think are we on right track to understand that?

**Tarun Arora:** So I think as far as the seasonal portfolio is concerned, there is a pipeline which exists at different levels. Internal level, which is us, our distributors, the wholesalers and retailers. While we have over last few quarters after the season didn't play out last summers, we have managed our inventories well.

But retail and wholesalers also sitting on inventory and sometimes we help them, but we can't clean up the whole market inventory. Some of those - when the season is delayed, like this year it was. The typically wholesale and pipeline buildup happens. This time, it has not happened. And that's really what it is. It's not about that we have to clean up every time.

It is just that the pipeline buildup, which is in anticipation of summers, as the summer kick in, they start buying in advance. That has not really happened, and that's why that has really played

out from the market is concerned. So it's not that something has gone wrong from that point of view.

So our actions are in place. We will respond to as the temperatures move up or down and as the optics happen. And therefore, since it's played opposite of last year where there was early summer and early rains, this time it seems to be playing opposite. We'll have to see how it plays out, but we are hopeful that with the late advent of summer, we should be able to recover some of the misses that we had in the early summers. But we'll have to see how this plays out.

**Mayur Parkeria:**

Sir, I had one question and observation on the Sugar Free portfolio. And I noticed a very interesting trend and it - in the B2B segment, some of the local players, and this is observation in our market close to it was as by chance. They using -- till now, we are using the Green portfolio as well as the light. That is more as a B2C directly in terms of what consumers are consuming.

Is there an element of B2B or I don't know if HoReCa is the right word for that, but B2B part, many players, local players and they using substitutes and promoting a better product in terms of sugar content. Is there an element of market expansion possible there? How are we playing that in terms of that?

Is there - because it's still a sub- INR400 crores market in terms of that, while we are - our product is seeing double-digits, the green portfolio. But what I was looking at is, is there a double - is there a B2B play in this product also? And are we looking at that in composition right now?

**Tarun Arora:**

So to answer you, the HoReCa or B2B, as you're saying, a lot of that is sold as sachets, which are given free. So they only look at cost. Sometimes the brand and quality is not their priority in certain customers. And there are some local considerations or relationship considerations which also play. So - and it's a very small market. So it's not something that I will lose my sleep over. We work very hard to build this, but sometimes we do lose on some these grounds.

For Sugar Free to expand, I think the focus is on two-fold. One is to get new consumers, because there has been negativity around after WHO, which we've been able to overcome significantly using, one is Sugar Free Green, the stevia-based, plus also our communication on sucralose-based Sugar Free Gold Plus, etc. So we are building on that.

The other is around Sugar Free D'lite, which is our extension into food, which is the sugar-free foods, which is chocolates mainly on online and cookies, which is both online and offline. And we're looking at the overall franchise, therefore, getting into a larger space.

And I think we are moving - we're seeing good movement across both stevia-based product as well as the Sugar Free D'lite. We hope that we continue, it'll give us expansion of the brand and the category. Right now may not be the subscription.

**Mayur Parkeria:**

Okay. Sir, from a reported segment - from a reported financials perspective, I just thought that if possible, you can consider, given the geographical spread, I think shouldn't geographical segmentation now form part of our reported numbers? And if you can consider that as we go

ahead. With that, great disclosure this time around, from what we have seen in the past, and hope we continue to maintain that. Thank you so much.

**Umesh Parikh:**

Ok. Thank you.

**Tarun Arora:**

We've given international and domestic. Beyond that, further geographical will be hard for us.

**Mayur Parkeria:**

Sir, as a part of segmental - not as a presentation, I meant, as a segment information in the published financials.

**Tarun Arora:**

Right. We'll consider it. Thank you.

**Moderator:**

Thank you. We have the next question from the line of Harsh Dubey from LFC Securities. Please go ahead.

**Harsh Dubey:**

Yes. So my question is related to the RiteBite segment. As we were saying, in the previous quarter also and, from the last three quarters that we are seeing approximately double of what growth rate before acquisition RiteBite was seeing. So for the whole year, we have seen that kind of growth of 50%, so INR244 crores or something.

But what is an expectation going forward as we are doing innovation in this segment? Do we feel that we are going to get into major adjacencies in this RiteBite segment? Or are we going to continue on the protein bar and the Ready-to-Drink segment only?

**Tarun Arora:**

So we are evaluating more segments like we launched, RTD beverage. We're expanding within our portfolio. We've launched within bar. So I think there is enough room for growth within the portfolio and limited adjacencies we already explored as we talk. That's really what our focus is right now.

**Harsh Dubey:**

Perfect. On the seasonal portfolio, as you rightly mentioned that since this last year wasn't great for the seasonal portfolio. And since the summer is harsh this time, it has started, might be little late, but is harsh. So what I just wanted to understand when we say the category. So when we see the numbers, the category is degrowing, but we say that we are going to have a double-digit growth. So most probably we are going to take market share.

In Glucon-D or Complan, Complan is a degrowing segment. So where are you going to get growth from, in the sense that the category is degrowing, but you're saying that you're going to grow in double digit on a longer-term basis? So just wanted to know the thesis behind that.

**Tarun Arora:**

So you are saying two things. One is seasonal and then you've got into Complan. So as far as seasonal is concerned, I think we are focused as the season improves, our numbers will go up. Our market shares are well, they're in place, and we continue to get new consumers because we are market leaders in these spaces, and it's our job to grow the category. And we are also doing extensions like RTD, etc., we have done, Glucon-D that we've talked about.

As far as Complan is concerned, I think our focus is reframing Complan, we have talked about. We have already started launches on adult nutrition, which we did not have a presence in through

VieMax by Complan. We have also relaunched Complan NutriGo with - in about a quarter back. We are seeing good traction on that, and we have a couple of more launches in place.

So put together, we believe there is a way to exploit Complan's very, very strong equity and be more relevant to consumers of today rather than just live in the past of traditional HFD in the kids space. So there are consumers seeking more, so we believe there is a path to getting growth.

Plus, we've also seen pour - we have reached our - we have a brand ambassador Vaibhav Sooryavanshi, which we've signed up last year, and we had the commercial rolled out this February as he started picking up. I think therefore, relevant to today's generation, buy our products by new communication, by better positioning will help us continue our growth momentum despite the category challenge - our core category.

**Harsh Dubey:** So it's going to be the adjacencies as well as the growth into the newer segment is what you're saying, right?

**Tarun Arora:** You could say that.

**Harsh Dubey:** Yes. Okay. On the Everyuth and the Nutralite segment, I just wanted understand. So we are seeing good growth in Everyuth and just wanted to understand, so is it going to be sure, so the market share that we are having right now, are we expecting it to grow going forward or there's going to be new innovations in this segment?

How do you see about this segment as well as the Nutralite, since in the Nutralite, we don't give the category size. I know that it's not possible because it's related to milk stuff and other things. But how are you seeing both of these segments as well?

**Tarun Arora:** So first on Everyuth, I think we are market leaders if I look at sub-segments of scrubs and peel-off, and we've been - our focus has been growth, and we've been able to drive the growth and increase our shares as well. Therefore, we've started looking at overall facial cleansing, which includes face wash, masks, scrubs, everything, where we've been gaining share over the last few years, and we continue to hope to move in that momentum.

So our focus remains category development and market share growth, both. And we've seen good success in the last four to five - five to seven years on that. And we continue to build around innovation and brand building around that.

Coming on to Nutralite, that data is not available. No syndicated data is available, and that's why we do not publish. We've been again here focused on category development and expansion into adjacent spaces.

Our strength, our core remains our fat spreads, both in - sorry, both in professional as well as retail space. We have expanded on butter, ghee and professional cheese and as well as mayonnaise, which is helping us expand the brand and leverage our brand's strength, which is giving us the growth momentum.

So put together, both these portfolios, we have brand building, leveraging our brand strength, innovations and distribution expansion driving our growth, and we see the momentum going forward as well.

**Harsh Dubey:** Perfect. Sir just want to...

**Moderator:** Sorry to interrupt, Mr. Harsh. Request you to kindly come back in queue for follow-up questions.

**Harsh Dubey:** Yes sure. Thank you.

**Moderator:** Thank you. We have the next question in line of Tejash Shah from Avendus. Please go ahead. Tejash, can you hear us?

**Tejash Shah:** Yes. Am I audible? Hello.

**Moderator:** Yes, you're audible now. Please go ahead.

**Tejash Shah:** Thank you. Thanks for the opportunity for follow-up. Sir, because how the portfolio has shaped up over the years now, a lot of our annual fortunes now get gravitated towards 4Q and 1Q and summer season. And then within that, also, we are over-indexed to North and East region.

So from a very strategic perspective, are you comfortable with this external driver to decide our annual fate in every year because no matter how much we put an effort for three quarters, one bad quarter and then we actually go back to square one because of the volatility of weather and external exigencies?

**Tarun Arora:** So I think if we segment the portfolio, this concern remains. But now if you look at the new portfolio and as the expanded portfolio, the saliency of this business has reduced. And therefore, with the expanded acquisitions of RiteBite, Comfort Click, the overall business, the dependency has obviously reduced.

But this is a very important and valuable portion of the portfolio. It's become a part of the base. So I think we are okay with that. And we are extending ourselves into newer spaces like Glucon-D Activon, Glucon-D Recharge, which will help us grow beyond the traditional space.

So we are doing whatever we can, but I don't want to let go of what we already have. Some of those things will hamper a year or two, but over three to four years, I think should be able to give us a good double-digit growth as we've seen in the past.

**Tejash Shah:** Perfect. Second, despite the seasonal portfolio remaining under indexed in the quarter, our gross margin remained very healthy. So is it that versus the new portfolio or the evolved portfolio that we have with RiteBite and Comfort Click, seasonal portfolio is gross margin dilutive, and it is a EBITDA when the operating leverage comes on the MP spend, it becomes accretive at EBITDA level?

- Umesh Parikh:** So on the gross margin front, I think even on the portfolio at Comfort Click, we have improved our gross margin. And the Comfort Click gross margin is over indexed to the company's gross margin. So therefore, you see the higher gross margin there.
- Tarun Arora:** So there are multiple actions we have taken. Each of the brands within our domestic range has increased our margins, and we have taken calls on some of the portfolio - some of the products which are low margin. So therefore, we are seeing right movement there.
- Tejash Shah:** Okay. And sir, last one on Cuticolor. It seems like a very clean slate organic attempt in a very competitive category. We haven't leveraged Everyuth also as a brand, perhaps because it's much more connotation with skin care. Just wanted to know what is the value proposition that we are banking on because it's very crowded space. And what has been initial response from the trade so far?
- Tarun Arora:** So Cuticolor as a brand is strongly derma supported as a safe hair color. It's Korean origins and very effective. It is a high-priced product because it is backed by strong influencers and derma - dermatologists. Therefore, it is getting good traction. And we believe we'll continue to build around that.
- Dr. Sharvil Patel:** I think it's one of a kind product, with the key ingredients being exceptionally high quality and free of many of the challenges that you face with traditional hair color. We are seeing very significant traction, with the consumers and repeat buying as well as new consumers. So we are seeing - I mean, we're seeing extremely good support to the brand now.
- Tejash Shah:** Okay. Have you activated our derma...
- Moderator:** Sorry to interrupt. We'll have to go to the next question, sir...
- Tejash Shah:** Sure.
- Moderator:** As the other members are also online. Thank you. We have the next question on the line of Yashowardhan Agarwal from IIFL Capital. Please go ahead.
- Yashowardhan Agarwal:** Yes. Hi, team. Good evening. Am I audible?
- Tarun Arora:** Yes.
- Yashowardhan Agarwal:** Hello. Yes. Hi, sir. Thanks for this opportunity. Sir, in the initial remarks, you mentioned that the impact of war is limited. Just wanted to double-click on it. Are we seeing any supply side challenges or...
- Tarun Arora:** Your voice is not clear...
- Yashowardhan Agarwal:** Hello?
- Tarun Arora:** Voice is not....
- Yashowardhan Agarwal:** Is it better now?

- Moderator:** Yashowardhan if you could go off the speaker phone once.
- Yashowardhan Agarwal:** Hello?
- Moderator:** If you could go off the speaker phone Mr. Yashowardhan.
- Yashowardhan Agarwal:** Yes, sure. Hello?
- Moderator:** Yes, go ahead.
- Yashowardhan Agarwal:** Yes is it better now. Hello.
- Moderator:** Yes, it is slightly better now.
- Yashowardhan Agarwal:** Sir, in the initial remarks, you mentioned that the impact of war is limited. Just wanted to double-click on it. Are we seeing any supply side challenges or inflationary pressures? Any early signs of it that you may want to call out?
- Tarun Arora:** So we've not had supply side challenges beyond certain businesses in Middle East, which is still a very small portion of our business. Rest of the things are largely so far have been in control.
- Yashowardhan Agarwal:** Okay, sir. Perfect. Sir, my second question is on the seasonality. You mentioned earlier that the seasonality versus last year has changed in the sense that summers were followed by rain in Q4 last year, whereas in this year, the situation is totally opposite. So is it fair to assume that we were sitting on a higher base in the Q4? And even if we witness a normal summers in the current quarter, seasonal brand portfolio could achieve good growth in Q1 FY '27?
- Dr. Sharvil Patel:** Yes. Yes.
- Yashowardhan Agarwal:** Thank you, sir. And sir, my last question is on the possibility of divesting any of the slow growing product category and investing that part of capital either to retire the debt or find newer high-growth categories such as RiteBite and Comfort Click. Any thoughts on that?
- Dr. Sharvil Patel:** I think our allocation of funds are appropriate to the brand. So I don't see any major changes. I think all brands have appropriate funding required. So there's no other plans or any other changes to the business.
- Yashowardhan Agarwal:** Okay. No plans of divesting any of the product categories as well?
- Dr. Sharvil Patel:** No
- Yashowardhan Agarwal:** Okay sir. That's it from my side, sir. Thank you and best wishes.
- Moderator:** Thank you. We have the next question from the line of from Jaymin from ARDEKO Asset Management. Please go ahead.
- Jaymin:** Yes. Thanks for taking my questions. Firstly, on the Comfort Click, part, would it be possible to share your quarter-on-quarter growth rate for Comfort Click?

- Dr. Sharvil Patel:** Sorry.
- Jaymin:** Your quarter- on-quarter growth rate for a Comfort Click portfolio?
- Dr. Sharvil Patel:** We give year-on-year. We don't do quarter-on-quarter.
- Jaymin:** Okay. And for the Comfort Click, I mean, in core market that is U.K. and Europe, how are you looking at the offline channel from a two-year, I mean, two to three-year perspective?
- Tarun Arora:** We largely online play. Offline will be any opportunistic, it comes. But we are not building on it.
- Jaymin:** Okay. And I mean we are entering FY 27 with margin expansion as a stated priority in your initial remarks. So would it be possible to share any key levers that will protect or actively improve margin if the commodity or the supply chain headwinds continue from here on?
- Dr. Sharvil Patel:** I think the brand is - has good margins. The business is running on good margins, and we hope to maintain those margins.
- Jaymin:** Okay. And the last is on the Glucon-D Recharge. I mean now we have entering into powdered electrolytes in the hydration segment. Any early consumer or the channel signals that it gives you confidence that Recharge can sail into a material growth driver within the broader Glucon-D portfolio?
- Tarun Arora:** Too early to discuss about it. We've just rolled it out. Once we have some input, we'll be happy to share.
- Jaymin:** Okay. That's it from my side.
- Tarun Arora:** Thank you.
- Dr. Sharvil Patel:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Harsh Dubey from LFC Securities. Please go ahead.
- Harsh Dubey:** Yes. Thank you so much. I just wanted to understand, when we say about the operating leverage playing out on the seasonal portfolio is, suppose, is what I think you mean. So what are the parts that like - what are the segments in which you feel that there is a huge potential of the operating leverage to play out? And the second thing is, going forward in the medium term as well as long term, what is our aspiration on the EBITDA margin front?
- Umesh Parikh:** As far as operating leverage is concerned, it is likely to play out on the entire business ex-Comfort Click, because as we told earlier also that Comfort Click is largely variable spend business. Apart from that, operating leverage will play out as we grow our revenue.
- Harsh Dubey:** Perfect. On the EBITDA margin, what is our aspiration?

- Tarun Arora:** I think there are no new numbers. We've talked about in the next couple of years, we hope to get to our 17-18. Now we have without Comfort Click. So those numbers stay and we focused on getting there.
- Harsh Dubey:** Okay. Perfect. And on the - just to understand, so when we said that Comfort Click is going to be EPS accretive, so we meant it by the end of FY 27. Is that correct?
- Umesh Parikh:** Yes. I mean, we have become EPS accretive last quarter, but for the next two years. We, as we said, we maintain our guidance.
- Harsh Dubey:** Perfect. Thank you so much and all the best.
- Dr. Sharvil Patel:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.
- Tarun Arora:** Thank you, and we'll see you next quarter.
- Moderator:** Thank you. On behalf of Zydus Wellness Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.