HEXAGON NUTRITION LIMITED

Nutritionally Yours...

Ref: HNL/SEC/2026-27/65 **Date: 21st November 2026**

To,

National Stock Exchange of India Limited
Listing & Compliance Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051, Maharashtra, India.
SYMBOL: HEXAGON

BSE Limited
Listing Department
Floor 25, P J Towers,
Dalal Street, Mumbai – 400001
Maharashtra, India.
Scrip Code: 544785

Dear Sir/Madam,

Ref: HEXAGON NUTRITION LIMITED - ISIN: INE0JUI01012

Subject: Disclosure Under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") – Q2 & H1(FY 2026-27) Earnings Call Transcript

Pursuant to the provisions of Regulation 30 of Listing Regulations, please find enclosed transcript of the Earnings Conference Call held on November 17, 2026, for Un-audited Standalone and Consolidated Financial Results for the quarter & half ended September 30, 2026.

The transcript shall also be available on the Company's website at www.hexagonnutrition.com

This is for your information and records.

Yours faithfully,
***For* Hexagon Nutrition Limited**

VIKRAM ARUN KELKAR
Digitally signed by VIKRAM ARUN KELKAR
Date: 2026.11.21 12:31:54 +05'30'

Vikram Kelkar
Managing Director
DIN: 02302364

“Hexagon Nutrition Limited
Q2 and H1 FY27 Earnings Conference Call”
November 17, 2026

MANAGEMENT: DR. NIKHIL KELKAR – JOINT MANAGING DIRECTOR
MR. VIKRAM KELKAR – MANAGING DIRECTOR
MR. SOMAN JANA – CHIEF FINANCIAL OFFICER
ADFACTORS PR – INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to Hexagon Nutrition Q2 and H1 FY27 Earnings Conference Call, hosted by Adfactors PR. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinion, and expectation of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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. Please note that this conference is being recorded.

I now hand the conference over to Dr. Nikhil Kelkar. Thank you, and over to you, sir.

Nikhil Kelkar: Thank you. Good evening, everyone, and thank you for joining Hexagon Nutrition's earning call for the second quarter and half year ended September 30th, 2026. I am Dr. Nikhil Kelkar, Joint Managing Director, and with me are here today Mr. Vikram Kelkar, our Managing Director; and Mr. Soman Jana, our Chief Financial Officer. We are also joined by our Investor Relations Advisors, Adfactors PR.

I am pleased to share that the first half has been a period of strong growth for Hexagon and one in which we have strengthened the foundation for the next phase of our journey. Revenue from operations grew 27% year-on-year to INR214 crores. In the second quarter, revenue was INR110 crores, up 15% over the same quarter last year and 5% over the first quarter. This growth came from rise in sales in volume and value from the branded and the premix businesses.

Our EBITDA for the half year ended was INR22.7 crores higher than the last year, and profit after tax was INR16.2 crores, broadly in line with the INR16.6 crores in the first half of the last year. We achieved this while absorbing higher raw material costs and investing in our people and capabilities, which give us confidence in the strength of the underlying business.

The biggest opportunity in front of us is the margin. The gross margin improved by about 310 basis points from the first quarter to 47% in the second quarter, and we see room to build on this momentum as our pricing, procurement, and product mix initiatives come through.

Three themes define this half. First, strong growth supported by healthy demand and deepening customer relationships. Second, improving margins with a clear set of actions in place to continue the recovery. And third, a strong foundation that we have secured our raw material supplies for the second half and the company remains net cash positive.

Our long-term strategy remains clear. We continue to focus on building scale in our core categories, deepening relationships with key customers, and expanding into new products and markets, and investing in quality and capability.

With that, let me hand over to Vikram, our Managing Director, to talk about our operations and the road ahead. Over to Vikram.

Vikram Kelkar: [Inaudible], Nikhil, and good evening, everyone. Let me start with operations. During the first half, capacity utilization was around 30%, and we collaborated with Particles for Humanity for our new product development of stable form of Vitamin A+. This will give momentum to our expansion plan in the new geographies with the new product line [Inaudible]. This momentum positions us well for the second half.

Let me now talk about margins, which are our biggest opportunity. [Inaudible 0:04:11] of the second quarter was 47%, up from 43.9% in the first quarter. In the same quarter last year, it was 53.1%. So we see a clear opportunity to rebuild margin from here. The movement [Inaudible] reflects the strategy to rebuild the product mix with good margins and also to chase volumes with low margins.

Further, our research and development will strengthen the formulation to develop the low-cost products and deliver the impact on the gross margin. We have a 3-part plan and it is already working. First, on pricing. We have taken price rise on the branded products and the benefit should come through over in the next 1 to 2 quarters.

Second, on the procurement, we have [inaudible 0:05:13] negotiated longer contracts and secured supply of key raw materials. Third, on the mix, we are focusing on higher margin products and customers. The sequential improvement of about 310 basis points in the second quarter is an early sign of progress.

We also took a strategic decision to strengthen our inventory position. Inventory rose from INR84 crores in March to INR136 crores in September, driven by securing supply of key raw materials ahead of the expected [inaudible 0:05:54] preparing for the confirmed H2 orders. This secures supply and delivery commitments to customers in the second half, and we expect inventory to return to normal levels by March 2027, as it converts into sales and cash.

[Inaudible 0:06:14] we want to update that our Nashik facility reconstruction work has been initiated and we are tracking those progresses on a timely and regular basis. Looking ahead, we are optimistic about the second half. We expect revenue momentum to continue, driven by our strong field force on the ground for our branded business and strong order book for the premix and ESG business, and we expect margins to improve progressively as pricing and procurement actions take effect. We will update you on the progress every quarter.

Let me now hand over to Soman, who will take you through the financials. Thank you.

Soman Jana: Thank you, Vikram. Good evening everyone. Let me start with the second quarter. Revenue from operations was INR109.7 crores, up 15.2% over the same quarter last year and 5.1% over the first quarter. Gross profit was INR51.6 crores, a margin of 47%, which is an improvement of about 310 basis points over 43.9% in the first quarter, against 53.1% in the second quarter last year.

EBITDA was INR10.9 crores, including an exceptional loss of INR1.1 crores on the disposal of older plant and equipment. Before the exceptional item, EBITDA was INR12 crores, a margin of 10.9%.

Profit before tax was INR10.1 crores and profit after tax was INR8.2 crores. Up 1% from the first quarter. For the half year, revenue was INR214 crores, up 27.3% from INR168 crores last year. EBITDA was INR22.7 crores or INR23.7 crores before the exceptional item, a margin of 10.6% and 11.1% respectively.

Profit before tax was INR20.8 crores and profit after tax was INR16.2 crores compared with INR15.6 crores last year. Basic earning per share was INR1.41. Our cost discipline is visible below the gross margin line. Employee cost was 14.7% of revenue, up from 13.3%, as we invested in the field force for the branded nutrition and in other segments.

Capability in R&D, quality, sales, and compliance to support our growth plans. Turning to the balance sheet, which remains strong. Total equity at September 30th was INR245 crores. Equity instruments of about INR12 crores were converted into equity shares during the half, which increased the share capital to INR12.3 crores.

Receivables improved to INR77 crores from INR82 crores, and we continue to hold INR46.5 crores in cash, bank deposits, and liquid funds. Against the total borrowings of INR37.4 crores, we are net cash positive by around INR9 crores, and with a debt-to-equity ratio of about 0.15.

We invested in inventory during the half, with the balance rising to INR136 crores from INR84 crores and this is the main reason operating cash flow was negative INR8.6 crores for the half year. After paying INR8.4 crore of tax, operating profit before working capital changes was healthy at INR26.4 crores, and trade payables rose to about INR47 crores, which funded part of the inventory.

Capital expenditure in the half was INR4 crores. And we paid dividend of INR3.7 crores. The company will continue with the capex plan of modification of Nashik Premix Facility with major funding from the bank loan through the tune of INR 20 Crore.

To conclude, we have a strong balance sheet, healthy liquidity, improving margins, and a clear plan for the growth. Thank you. I now hand over to the moderator to open the floor for questions.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Divya Reddy with Sunshine Capital. Please go ahead. Divya Reddy, you may please proceed ahead with the question. Divya, can you hear us?

Divya Reddy: Yes.

Moderator: Hi Divya, can you hear us?

Divya Reddy: Hello?

Moderator: Yes, can you hear us?

Divya Reddy: Yes. Am I audible now?

Moderator: Yes, you are.

Divya Reddy: Okay, so, I wanted to know that despite the revenue grew 27%, we have a decline in PAT of 2%. So what are the major factors that contributed to this difference?

Soman Jana : So if you see, three major factors which have contributed here is the gross margin impact, which is because of rise in the raw material prices. Though if you see from Q1 till Q2, We have seen an improvement in the pricing strategy, and also second factor is our investment that we have done in the people, and because of that, the cost of salary as well as admin expenditure has built up and it has impacted my bottom line. Further, we have one-time exceptional impact of plant modification which is shown in the exceptional item.

Divya Reddy: Okay, so, Yes, you're saying something?

Soman Jana : Yes, I said, these are three factors which will be impacting my bottom line.

Divya Reddy: Okay, so, how should we look at the second half of FY27? Like in terms of Seasonality, demand visibility, and the order pipeline?

Soman Jana : So if you see, we have posted 27% Y-o-Y growth in the H1, and we have a strong order book position for our segment for the next half year. That will definitely continue the momentum of growth. Second, we have the investment that we have done in the people.

For our branded business, that will definitely come in the revenue growth as well as improvement in my bottom line. And our gross margin, which was impacted in Q1 and which has improve in Q2, will continue to do that in Q3 and Q4 also. The strategies are already in place and we have taken all actions on that.

Divya Reddy: Okay. That answers my question. Thank you, sir, and all the best.

Soman Jana : Thank you very much.

Moderator: Thank you. Our next question comes from the line of Abhishek Maheshwari with Skyridge Fund Managers LLP. Please go ahead.

Abhishek Maheshwari: Hi, thank you for taking my question. Sir just, my question is just a follow-up on previous participant's question. Regarding gross margin, what is the primary contributor of fall in gross profit margin? Is it the whey or are there some other input costs also which saw an increase?

Soman Jana : Okay. Thanks, Abhishek. Just to give an input, we have 3 segments and there is a primary product which are lined up in branded as well as premix. So there are certain raw materials, critical raw materials, definitely whey is one of them. And that has taken a major rise in the price. Whereas, as an organization, we have taken a proactive step in the Q1 also to increase the prices and have some control the impact in our bottom line.

So, if you see the other raw materials, primary, in the premix segment also, those prices also increased compared to the Q1 of this year as well as from the Q4 of last year. So those prices also somewhere it has -- now we have taken certain stand where the prices or the cost we are able to transfer to the customers, and that would be taken care in the Q3 level also. So you will see definitely improvement in gross margin level.

Abhishek Maheshwari: Sure, sir. And are the costs, whey and other supplements, are they showing any signs of stabilization or decrease, or are they still increasing only?

Dr. Nikhil Kelkar : So right now the prices are fairly stable, and only when time passes more we will come to know. But yes, the last quarter, Q2, they were fairly stable for now.

Abhishek Maheshwari: Okay. And last question, the employee cost increase, I'm assuming it's due to increase in your sales force as you mentioned. But is the entirety of it included in employee benefit expense, or do we outsource some of our marketing and advertising also, that some of it goes to other expenses also?

Soman Jana : No, we normally don't do any outsourcing like this. So major impact, as you rightly mentioned, major impact is because of rise of field force, and those expenditures have taken a toll in the book. But yes, that is the investment that we always look around and benefit to us.

Abhishek Maheshwari: Fair. But can we expect it to stabilize at around this level, Q2 levels, or we may see a little bit more increase?

Soman Jana : It should be stable at this Q2 level, definitely.

Abhishek Maheshwari: Perfect, thank you so much.

Soman Jana : Thank you.

Moderator: Thank you. Next question comes from the line of Shravan Modi with Syndicate Family Office. Please go ahead.

Shravan Modi: Good evening, sir. Am I audible?

Dr. Nikhil Kelkar : Yes.

Shravan Modi: Yes. Thank you so much, sir, for the opportunity. Sir my first question is regarding -- so could you please provide some perspective on customer concentration and the geographical composition of your revenue? And how the company is planning to diversify this further?

Soman Jana : Can you repeat the question?

Shravan Modi: Hello?

Soman Jana : Mr. Shravan, can you repeat the last line of your question.

Shravan Modi: Yes. So I'll repeat my question again. Sir could you please provide some perspective on customer concentration and the geographical composition of your revenue? And how is the company planning to diversify this further?

Soman Jana : Okay. So if I just give you the flavor of the total concentration, major of my sales in the Q2, it is around 50% or 55% plus is coming from domestic, and the remaining is coming from the export. So this has been a stand in the Q1 also and the Q2 also.

So if you see our geography-wise, majorly as I mentioned, we have exports to our Asian countries and our African countries continents. So from major business are coming from there. And what's your next question?

Shravan Modi: How is the company planning to diversify these further?

Soman Jana : So, company wants to diversify through the increasing our revenue in the branded share over the period, so this way, and the customer concentration, example, is around 30 to 40% is a few customer in the premix business which want to cater to diversifying to the other customers.

Vikram Kelkar : Yes, I would just like to come in here that, going forward our future focus is on newer markets like Europe and North America where we are planning to enter aggressively and increase our customer footprint for the premix business. Thank you.

Soman Jana : Thank you, Vikram.

Shravan Modi: Got sir. Second question is, so how is the management assessing its competitive position in the industry, particularly with respect to market share, customer retention and pricing competitiveness?

Dr. Nikhil Kelkar : Can you repeat your question again? Your voice was breaking a bit.

Shravan Modi: Yes. Am I audible now, sir?

Dr. Nikhil Kelkar : Yes.

Shravan Modi: Yes. So sir, my second question is, how is the management assessing its competitive position in the industry, particularly with respect to our market share, customer retention, and pricing competitiveness?

Dr. Nikhil Kelkar : Okay. So, first of all, from a market share perspective, see, in the branded business, in the clinical nutrition segment, especially if you see the market is about INR6,300 crores in the Indian market. And we are quite well positioned for growth in that currently. There are 4 major competitors in this industry, which is Abbott, Nestlé, and Fresenius Kabi, and us. So we are somewhere in the 3rd position there in that particular market.

And as far as the premix market goes, the market size is about INR8,500 crores for vitamin premixes and INR11,500 crores for the mineral premixes. So there also we are one of the largest premix suppliers in the country. However, the direct comparison you cannot make in the premix because the other -- the data for the premixes also takes into consideration the individual vitamins of manufacturers as well.

Now, as far as the pricing is concerned, we are quite competitively priced from the premix point of view. In the branded segments, we are at par with the multinational companies which I have mentioned. In few of the formulations In the branded segment, we are slightly higher also where we have much more, much better product differentiation in the market. So overall, our competitiveness is dependent on product differentiation quite a lot in this segment. I hope that answers your question.

Shravan Modi: Got it, sir. Thanks so much, sir. That answers my questions. And I wish you all the very best.

Dr. Nikhil Kelkar : Thank you.

Moderator: Thank you. Next question comes from the line of Mrunal Shah, an Individual Investor. Please go ahead.

Mrunal Shah: Hello. Good afternoon.

Dr. Nikhil Kelkar : Good afternoon.

Mrunal Shah: Yes. So, I just have one question regarding the inventory levels. Actually, they have increased significantly during H1. So, are there any key reasons for this buildup and an expected impact on margins and profitability going ahead in H2?

Soman Jana : Hi, Soman here, CFO. So, if you see, we have few orders in hand and for that we have built up the inventory in the Q1 and the Q2. Since we are waiting for a few of our LCs to come from the customers, so those inventories will be dispatched in the Q3. So, you might -- you will see in the Q3 the normalized level of the inventory level what we -- the sudden spike is because of some strategic inventory we have built up, expecting some prices to go up of some few raw materials. But overall, if you see they are -- this is for the reason it will be dispatched in Q3.

Mrunal Shah: Okay, understood. Thank you. That's all from my side.

Soman Jana : Thank you very much.

Moderator: Our next question comes from the line of Bhavya Chheda with Seven Islands PMS. Please go ahead.

Bhavya Chheda: Yes, so my question is, you had talked about increased freight costs in the last quarter. So is it still increasing in this quarter as well, and what is the trend for that for the coming rest of the year?

Soman Jana : So if you see the overall freight cost level has been same in Q1, little bit for Q2. We are not finding much of the impact as of now. But yes, the prices, whatever has gone up, the pricing has remained same. The market. So we are not having that much impact due to the freight increase as of now.

Bhavya Chheda: Okay. So, my next question is, you talked about this field force employees. So in the last quarter, you talked about increasing the sales force in the Tier 2 and Tier 3 cities. So how many medical representatives are there right now?

Dr. Nikhil Kelkar : We have about 270 people on ground.

Bhavya Chheda: Okay, 270. So, in your DRHP it says 228 and you talked about increasing by over 50%.

Dr. Nikhil Kelkar : Yes.

Bhavya Chheda: So current is 270?

Dr. Nikhil Kelkar : Yes, current is 270.

Bhavya Chheda: Okay.

Soman Jana : So, in the DRHP, it's a completely branded business which covers our support team also. The field force is different. Field force in the DRHP might be roughly around 167. If you will see in the RHP .

Dr. Nikhil Kelkar : Absolutely.

Bhavya Chheda: Okay. And my third question is, could you quantify the outstanding order for the RUF segment and how much can you be -- can be executed in the rest of the year, H2?

Vikram Kelkar : Yes, I will take care of this question. Total order book what we have is close to INR100 crores and it is likely, close to about INR75 crores will be shipped in the H2.

Bhavya Chheda: Okay. Yes, thank you. That's it. Thank you.

Moderator: Thank you. The next question comes from the line of Saket Saurav with Sagari Capital. Please go ahead.

Saket Saurav: Hi, am I audible?

Dr. Nikhil Kelkar : Yes,

Moderator: Yes, you are.

Saket Saurav: Yes, thanks for the opportunity. So, sir, if I look at the deck that you have shared, so you have talked about segment-wise value growth. So, on Y-o-Y basis, it seems brand for just quarter -- for Q2, I think brand grew by 25%, premix grew by 51%, whereas the blended number was -- sorry, brand grew by around 20-odd percent and then 40-odd percent was the premix growth. So, but that cumulative was 15%. So, was it because of the ESG or the tender business which witnessed some bit of slowdown for this quarter? Is it safe to assume?

Dr. Nikhil Kelkar : No, I'll just throw some light on that a bit more. So branded segment growth was 29% -- 25%. Premixed segment growth total was 51%, and total revenue growth was about 27% Y-o-Y.

Saket Saurav: So that was for H-o-H, I think, and you're talking about H-o-H. I'm saying, say, Q2, FY27, I think the numbers that I have is 29% for brand 47.7% for premix, and then total is 15.2%, right? So then is that like -- Yes, Yes, sorry.

Soman Jana : Yes, Soman here. Yes, so the impact was because of ESG business. We could not -- since I mentioned, we are waiting the LC from the customers. Otherwise, my dispatch would have been possible in the Q2 level itself, and this rise in spike of inventories because of that. So the negative, the downfall in the overall total level is because of the ESG business we could not do.

Saket Saurav: Fair enough. No, and you had also guided that this is a lumpy business, so we completely understand that. Just wanted to clarify. Yes. And so, coming to the premix side, so, as sir mentioned that we are into both vitamin as well as mineral-based premixes. So what would be, say, a broad breakup of percentage in terms of what, what percentage is vitamin and what percentage is a mineral-based premix?

Vikram Kelkar : Yes, so here there is no, I mean, direct, I mean, bifurcation in [Inaudible 0:28:35] but most of our premixes are also a blend of vitamin and mineral premixes. So, while some of them are standalone vitamin premixes, rest are vitamin and mineral blends together. Thank you. Got

Saket Saurav: It. So, I just wanted to understand, do we -- is, say, Sudeep Pharma also one of our competitors? Because they are also into, if I'm not mistaken, mineral-based premixes. Is it a fair comparison or they are completely different?

Vikram Kelkar : Yes, I mean, there is competition from them in certain areas, but I believe their focus is more on the pharma.

Saket Saurav: Okay. So does that explain, say, their margins being, say, on almost -- EBITDA is almost 37%, which is almost unheard of or very high for most of such segments. So, is it like they're -- so what -- so is it like they are more positioned towards pharma that leads to the higher business, or is it also sometimes, they play more in regulated market?

Because if I look at some of the countries that we have shared, they are more into Middle East or the rest of the world. So, what I'm trying to understand is if we say tap into pharma as well as, say, look at regulated markets like US, Europe, is there an ability for us to also ramp up our EBITDA to higher levels? Or is it -- maybe I'm thinking on incorrect lines. If you can help me with this.

Vikram Kelkar : Yes I believe your assumptions may be correct to some extent. Thank you.

Saket Saurav: And sir, if I look at say.

Moderator: Thank you. Sorry to interrupt you, but you may please rejoin the queue for more questions.

Saket Saurav: Sure sir.

Moderator: Thank you. Our next question comes from the line of Mahima Rathod with Tiger Assets. Please go ahead.

Mahima Rathod: Hello, am I audible, sir?

Moderator: Yes, you are.

Mahima Rathod: Okay, thank you. Thank you for the opportunity. So, sir, a few of my questions have been answered, but I'll ask a few others. So, sir, what is the current capacity utilization at all our four plants individually, if you can give? And how much additional revenue can the company generate from these existing 4 facilities before requiring any kind of fresh capex?

Soman Jana : Yes, so I will answer Soman here. So if you see our total blended capacity utilization is around 30% in H1. And if you see the plant-wise capacity, we have crossed around 55% capacity at Nashik . Chennai to the tune of 25% and our Tuticorin facility around 26%. So we have ample space available with us at all the facilities. And as you want to have a revenue guidance, till next INR200 crores to INR300 crores, we definitely we don't need additional capacity requirement at this stage.

Mahima Rathod: Okay, that's helpful, sir. So, sir, after the reconstruction of this Nashik premix facility, any of the -- has any of the production been shifted to other plants or has the overall capacity reduced due to that?

Soman Jana : No. So what we have, we have taken a proactive call. We have a few of the capacities, blenders or would required for the premix we have shifted inside our branded segment area where we can use it and then we have certain outsources, a few of our product manufacturing requirements, just to have without affecting our capacity or our order book in hand. So we have used optimized, this type of processes.

Mahima Rathod: Okay, sir. Sir do we have any kind of capex plan for H2 FY27 and FY28?.

Soman Jana : Yes except for this capex of around INR25 crores which we mentioned for this reconstruction of our facility, we might have small portion to the tune of INR2 crores to INR3 crores for routine repairs cost, repairs capex, you can say. Otherwise, we don't have any major capex lined up except for this one.

Mahima Rathod: Okay, sir.

Moderator: Thank you Mahima. I am sorry to interrupt you, but you may please rejoin the queue.

Mahima Rathod: Okay. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Hemant Shah with Seven Island PMS. Please go ahead.

Hemant Shah: Hi, thank you for the opportunity. I just have one question with respect to vitamin A, which we have introduced and launched and I think congratulations for that. We seem to be the first in the world to have this kind of quality product. If you can just throw some light on the potential and is this the product will be used for the ESG part of our business or overall B2C as well?

Vikram Kelkar : Thanks for asking this question. So as you have rightly said, this is one of the major breakthroughs globally to have the one of the most stable forms of vitamin A In a powder form for fortification of various food vehicles like bouillon, sugar, wheat flour and many other food items. And this will form up our [Inaudible Premix] business because it is directly linked to the fortification. And as far as the future potential is concerned, the commercialization plan is being worked out and we are quite hopeful -- traction for this product. Thank you very much.

Hemant Shah: What can be the opportunity size? I mean, if you can just quantify a bit?

Vikram Kelkar : Yes probably during the next quarter we will be able to give you some insight on this.

Hemant Shah: Sure. Thank you.

Moderator: Thank you. Next question comes from the line of Shubham Thorat with Perpetual Capital Advisors. Please go ahead.

Shubham Thorat: My question have been answered. Thank you.

Moderator: Thank you. Our next question comes from the line of Murali, an Individual Investor. Please go ahead.

Murali: Am I audible?

Moderator: Yes, you are.

Murali: Sir, I had a product mix question. I think in the last quarter you had mentioned that you're trying to increase your B2C sales, right? But if I see your growth this time also and in the last quarter, the higher growth comes from the premixes than B2C. So is the margin mix due to higher growth on the premix side than the B2C? Is that how we should read it?

Dr. Nikhil Kelkar : Yes, that's a very interesting question. Actually, it's a mix of both. Both businesses are growing simultaneously and as you are aware that the branded business has got higher margins than the premix business. Okay, but when the premix business scale increases, the more operating leverage obviously sets in that. So this is the reason for the overall margin.

Murali: Okay. Thank you. In last quarter, you were kind of guiding 20% to 25% growth and more towards higher than 25%. Is there some revised guidance now, now that we have visibility on what it could be?

Dr. Nikhil Kelkar : We will maintain the same guidance of 20% to 25% growth year-on-year.

Murali: Okay and this is something that you can continue for next couple, couple of years in the same kind of horizon?

Dr. Nikhil Kelkar : Yes, we believe so.

Murali: Okay, one last question if I could ask.

Dr. Nikhil Kelkar : Yes.

Murali: Have you also tried to push your product through some of the schools or through some government schemes to put some of your nutrition products into for the meal program. Is that also happening?

Dr. Nikhil Kelkar : You are asking about midday meal program?

Murali: Either midday or some of the large private schools who also give food to their children, right? So is -- are you also trying some of those sales channels?

Vikram Kelkar : Yes, I will take that question.

Dr. Nikhil Kelkar : Sure.

Vikram Kelkar : So we do have presence in some of the government schemes, but the percentage of that vis-à-vis our total sales is quite limited. But we do have a good presence in the government programs overseas for certain nutrition-related activities.

Murali: Okay, thank you. Thanks a lot.

Moderator: Thank you. Our next question comes from the line of Soham Vaibhav Singh, an Individual Investor. Please go ahead.

Soham Vaibhav Singh: Hello. Am I audible?

Dr. Nikhil Kelkar : Yes.

Soham Vaibhav Singh: Yes. So, sir, like, I have a few questions starting with the Uzbekistan facility that we have. We -- how -- I said, how are we planning to utilize that? We were thinking of having it as a base in Asia too for better export opportunities. So are we seeing any opportunities there?

Vikram Kelkar : Yes. I would like to take that question. Thank you very much. So the -- our facility in Uzbekistan is very strategically placed to cater to the Central Asian region. So apart from supplies within Uzbekistan, we are also exporting our products to the neighboring countries. And we have been undergoing several customer audits for new product approvals, and we believe that we will be able to start getting more orders by Q4. Thank you.

Soham Vaibhav Singh: Sir, my next question is on the line of ESG. Like, it is a lumpy business and like, I wanted to know upon the -- our process of -- how we are applying for tenders in this particular area, like from UN and other organizations?

Vikram Kelkar : Yes. So we are already empaneled as a supplier with the UN organizations, and apart from the UN organizations which have a cycle of their long-term agreements, of which we are a part of, we are also dependent on the purchase orders that have to be placed by them, which is dependent on the funding that state markets that we can cater to.

But apart from that, we are also directly involved with the national governments of various countries and the ministries of health who are also doing -- what is important for us to note here is that Hexagon Nutrition is a company which is having a complete basket of products in the ESG segment.

So we have the ready-to-use therapeutic foods, supplementary foods, F75, F100 therapeutic milk formula, micronutrient powders, and also the MMS tablets for the pregnant and lactating women. So that gives us a much more better positioning in the market. Thank you.

Soham Vaibhav Singh: Just wanted to know more information in this, like the current order book that we have of around INR100 crores. Like what share is from the ESG segment? And like, are we targeting Gulf countries like Iran and other countries which are currently going through this war situation? So are we targeting that area also?

Vikram Kelkar : Yes. Majorly the exports are happening in the African region for us. Thank you.

Soham Vaibhav Singh: And my last question, if that's okay with you.

Moderator: Soham, have you done with your question?

Soham Vaibhav Singh: Just have one more question.

Moderator: Okay. Proceed.

Soham Vaibhav Singh: Like, wanted to know on our strategy for brand segment, because like what I have seen is like people that buy branded products like CorVive and other stuff which have better reviews on their site or on their products. But when I have been, going through our products and on our website, there is no review system for those products. So are we working on that or we are working on some different strategies other than increasing our sales force to increase brand sales?

Dr. Nikhil Kelkar : Okay. So your first question, you are talking about the e-commerce segment and you are talking about the reviews. So you are comparing with the whey protein. So I want to clarify first that we are not in the competition of the whey protein, the market which is -- which caters to especially bodybuilding products and those kind of products. So we are into clinical nutrition and wellness nutrition segment, which are completely different from the whey protein for the bodybuilding and sports applications.

Now coming to the second part, the reviews, what you have said, if you see on major e-commerce platforms, on Amazon, Flipkart, and everything, you -- the reviews are very much there. You can have a look at that. And as far as our own website, what you mentioned is, what you mentioned was pentasurenutrition.com. That also, the reviews are there. You can go and have a look there.

We have a review system mechanism and there are quite a few reviews on that as well. So that is definitely one part which we are taking care of because reviews are extremely important to help the future customers to make their decisions as well in in this. So, we -- the strategy to grow this business is multi-pronged. One, as you mentioned, it is from the field force, which gives us greater geographical reach and direct reach to the doctors in the market, in the different regions, in the Tier 2 and Tier 3 cities, as I mentioned before as well.

And the second part is, through the e-commerce segments where we have not just our own website but all the major portals, major e-commerce portals where we also participate in the festivals. Like, just we ended with the Great Indian Festival on Amazon, Big Billion Days on Flipkart, so on and so forth. There are health and wellness days. So -- and we also support that with social media marketing. You can visit our PentaSure Nutrition page on Instagram, which has more than 25,000 followers now.

Moderator: Thank you. Our next question comes from the line of Saket Saurav with Sagari Capital. Please go ahead.

Saket Saurav: Yes. Thanks for the opportunity again. Am I audible?

Dr. Nikhil Kelkar : Yes.

Moderator: Yes.

Saket Saurav: So sir, if I look at our brand families, then I think this PentaSure and this PediaGold and Obesigo. So which would be the Top 3 brand families within the branded play?

Dr. Nikhil Kelkar : The PentaSure group of brands is the major segment there, and the PediaGold and Obesigo are growing.

Saket Saurav: So what would we say, what percentage of the total branded sales would be coming from the PediaGold, the PentaSure?

Dr. Nikhil Kelkar : PentaSure is more than 95%. That is a major brand, and these two are just growing in the meantime.

Saket Saurav: Okay. And sir, if I look at, say, there's a -- you have talked about the employee expenses, but what would be, say, the advertising percentage of revenue, say, spent on advertising and promotion, for our segment, sir?

Dr. Nikhil Kelkar : Advertising and promotion expenses.

Soman Jana : So roughly around, we spend around 5% to 6% on our advertising on total revenue.

Saket Saurav: And bulk of them would be going towards branded segment, or some also goes on exhibitions for premises and also? Is it like 5 to 6 is completely -- Yes.

Soman Jana : Yes. Sorry. So major, if you see, the, you can say total expenditure, 70% will be for the brand and 30% will be for the premix side.

Saket Saurav: Okay. And sir, is this a stable state now because…

Moderator: Sorry to interrupt, but you may please rejoin the queue for more questions.

Saket Saurav: Sorry. Okay. Sure.

Soman Jana : Thank you.

Moderator: Next question comes from the line of Saket Kapoor with an Individual Investor. Please go ahead.

Saket Kapoor: Yes, namaste. I hope I'm audible.

Moderator: Yes, you are.

Saket Kapoor: Yes, Thank you, sir, for the opportunity. Sir, first coming to the point of I was late to join the call, so maybe repetitive. Pardon me there, sir. We have mentioned that generally in the nature

of our business, quarter 3 and quarter 4 exhibit stronger momentum both in terms of revenue and hence the profitability profile also.

So, taking into account we have exited Q2 also on a higher revenue base and also on profitability, what should then H2 likely be going to exhibit? And what is the closing order book position as on date and its executable timeline?

Dr. Nikhil Kelkar : So, I said before, that we maintain our guidance of 20% to 25% growth year-on-year. And from the order book position, as Vikram has already mentioned, from the ESG point of view, we have about INR100 crores total order book covered, and INR75 crores of which we are expecting to ship in the H2.

Saket Kapoor: So, you mentioned INR100 crores order book and INR75 crores is what we are trying to execute over H2?

Dr. Nikhil Kelkar : Yes. Over H2, yes. And that is for the ESG, and premix orders are ongoing.

Saket Kapoor: Okay, so I think so, sir. If we compare H1 versus previous year H1, the growth numbers are higher than what you have guided over the year as a whole. So, you are conservative, or -- I only wanted to understand the pace for H2, which you mentioned in your previous call that H2 is generally much higher than what H1 is. So, over what we have executed at a top line of, say, INR214 crores on a consol level, what kind of growth can we exhibit for H2, sir, and also on the margin profile?

Dr. Nikhil Kelkar : The margin profile, I guess we have already answered that question because we are already trying to reduce our procurement cost. We are trying to expand the margins in that as well. And as our operating leverage kicks in more slightly a bit of margin expansion will come from there as well.

And as far as your question that we are conservative, no, I don't agree. We are not conservative in giving you the guidance. We are just – we are optimistic about what we want to do and we have our plans for that. So, as I said before also, we will maintain our guidance for the same of 20% to 25% growth.

Saket Kapoor: Okay, okay, sir. And secondly, when we look at our Advance tax payment, or rather the tax payment which we have given in the cash flow, I think it is mentioned there including of TDS and refund, it is to the tune of INR8 crores, INR40 lakh. So, can you quantify how much of advance tax payment, how much is to be attributed to advance tax for the first half?

Soman Jana : . During the six months ended September 30, we paid advance tax of ₹5.5 crore **[Inadvertently stated as ₹8 crore during the call; the actual advance tax paid during the period is ₹5.5 crore and balance amount reflects SA Tax Paid for earlier assessment including TDS, as reflected in the cash flow statement]**. The balance was the asset tax for the last year assessment dues we have paid for the ITR filing and whatever the assessment we have done for the last year financially.

Saket Kapoor: Okay, sir. And note number 7, if you could explain, what should investors read into this, as you have mentioned about both the South African as well as the Uzbekistan having a net liability of INR12.5 crores with historical accumulated loss. So, what's the strategy going ahead and how strategically important are. I think so for South Africa, we do not have any manufacturing unit there. So, if you could just explain us the significance and going ahead, how are these centers going to perform?

Soman Jana : Okay, so coming back on the first point number 7, which is mentioned in the notes, was Hexagon Nutrition Proprietary (HNPTY) South Africa. We have a trading office there, so it's not a manufacturing one. As of now, this year, we haven't done any business South Africa. So, we are taking a call on this entity, how to continue or whether to wind up. Those points are still there into business, in the thoughts.

And because as there is no business in HNPTY we don't foresee any point there. And coming to the Uzbekistan part, as Vikram mentioned, we are in this -- you can see this Central Asian strategic location in Central Asia.

We have a huge opportunity built up there, we have done the positive profitability last year, and this year also we are expecting this unit will generate a positive cash flow as well as the bottom line. So, this will -- since it is a manufacturing entity, we will continue to grow this, you can say, subsidiary company and ensure that it delivers a positive, you can say, net worth in future.

Moderator: Thank you so much, sir. Ladies and gentlemen, due to the time constraint, that was the last question for today. I now hand the conference over to the management for closing remarks. Thank you, and over to you.

Dr. Nikhil Kelkar : Thank you very much. Thank you, moderator, and thank you for all your questions and for the time you have given us today. We appreciate the interest you have shown in our margin journey and in our working capital. These are areas of high focus for us, and we see them as real opportunities. We will update you on our progress on gross margin and inventory conversion in our next quarterly call.

To summarize where we stand, we delivered 27% revenue growth in the first half. Margins improved sequentially in the second quarter, and we have a clear plan to continue building on this through pricing, procurement, and product mix. The inventory we have built secures our supply for the second half and will convert to cash.

Our balance sheet is strong with the company net cash positive. We are confident about the road ahead. If you have any follow-up questions, please reach out to our Investor Relations Advisors at Adfactors PR. Thank you once again for your trust and your time. Good evening.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Hexagon Nutrition, that concludes today's call. Thank you for joining us. And you may now disconnect your lines.