



“Indo Count Industries Limited Q2 & H1 FY`26 Earnings Conference Call”

November 12, 2025

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Moderator: Ladies and gentlemen, good day and welcome to Indo Count Industries Limited Q2 and H1 FY26 Earnings Conference Call.

This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mohit Jain – Executive Vice-Chairman. Thank you and over to you, sir.

Mohit Jain: Thank you. Good afternoon and a very warm welcome to all of you joining us for the Indo Count Industries Limited Q2 and H1 FY26 Earnings Call.

I am also joined by our Group CFO – Mr. Muralidharan, Manish Bhatia – our CFO and Strategic Growth Advisors – our Investor Relations Advisor.

We hope all of you have had the chance to review the financial results and the investor presentation available on the Stock Exchange and on our company website.

Let me start by giving some broad highlights before we dive deeper in some of the business areas:

For our utility betting segment, we are very pleased to announce the signing of a licensing agreement with the Tommy Hilfiger brand. This marks our sixth licensed brand with four added in the last 2 years. This continued expansion underscores Indo Count's strong brand equity, manufacturing capabilities and trusted global partnerships. Tommy Hilfiger is a globally recognized brand with a legacy of over four decades across apparel, accessories, home textiles and lifestyle products.



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We are also happy to share that the recent relaunch of Wamsutta in the US has seen encouraging early traction. Within a short span, we have sold the products within all 50 states in the US market, reflecting strong brand recall and customer acceptance. This progress is in line with our strategic focus on premiumization and improving margin profile. This is an important step for us in strengthening our brand-led growth strategy and advancing our positioning in the value chain, particularly through our evolving direct-to-consumer model.

On our 2028 guidance; we reiterate our earlier guidance of achieving approximately USD 275 million in revenues from the utility bedding segment and the US brand business over the next 3 years. The momentum from both Wamsutta and the addition of Tommy Hilfiger reinforces our confidence in delivering on this guidance.

Let me now talk on the core business:

The tariff challenge persists in our core business. The 50% tariff imposed on India in late August 2025 has impacted India's export competitiveness in the US market. However, given India's long-established leadership in the US home textile, Indo Count has been able to maintain its market share. Despite the challenging environment, we delivered sequential volume growth, with volumes increasing by approximately 7% quarter-on-quarter to 25.2 million meters. Importantly, we have not witnessed any major order cancellations, which underscores the strength of our long-standing customer relationships. We have been observing product mix shifts and down-trading since Q4 2025, and we have proactively navigated these changes to support our partners and maintain business continuity.

With the additional Russian oil penalty of 25%, we made a strategic decision to temporarily partner with our customers on a case-to-case basis to protect long-term relationships and to maintain market share. This has temporarily affected margins and we anticipate the situation to prevail until the tariff structure stabilizes. We remain optimistic about the ongoing US-India trade discussions and expect tariff rates to eventually settle at levels below the



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current structures. During this period, our focus remains on balancing market share and profitability while reinforcing strategic customer partnerships and protecting our long-term market share and positioning.

Let me share updates on the new business:

Our utility bedding and USA branded segments continue to scale with their combined contribution increasing to 17% of revenues in Q2 FY26 compared to 13% in the previous quarter. This implies a quarter-on-quarter increase of approximately 40% and is now at a run rate of approximately USD 85 million per annum as we stand. The tariff impact on this portfolio is limited as the utility bedding is manufactured in the United States and the branded segment is relatively less price sensitive and the products, including all the raw materials, can be imported from various countries. Despite the challenging backdrop, we maintained approximately 60% capacity utilization across both the existing US manufacturing facilities. Regarding our third manufacturing facility in North Carolina in the United States, which was initially scheduled to commence operations in September 2025, there has been a minor delay. The facility is now expected to become operational during late Q3 FY26 or early Q4 FY26. This Greenfield project represents an investment of approximately USD 15 million and is being built with an annual production capacity of approximately 18 million pillows. Once fully ramped up, this facility is expected to generate USD 85 to 90 million in annual revenues at optimal capacity utilization. We remain confident in our previously stated guidance of achieving approximately USD 175 million in annual revenues from the utility bedding business by 2028.

Coming to the domestic market:

In the Indian market we are witnessing an encouraging uptick. The uptick is increasing, led by value-added offerings, a segment where Indo Count holds inherent strength in design, product development and quality execution. Just to give you some flavor, during the Diwali festive period we executed a focused marketing campaign to strengthen brand visibility and drive consumer



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engagement. We amplified our digital presence through performance-led campaigns across social and digital channels, which supported higher traffic and conversions on our own e-commerce platforms, boutiquelivingindia.com and layersindia.com. Our influencer-led and festive storytelling campaigns helped deepen brand connect and reinforce our digital-first positioning.

On the offline front; we continue to enhance the retail visibility of our premium brand, Boutique Living, across leading retail destinations such as Shopper Stop and AtHome. We have also expanded our retail footprint for both Boutique Living and Layers, adding 700 new counters during Q2, which has enabled deeper penetration in key domestic markets. Additionally, we broadened our product portfolio with new introductions in the bath and top of bed segments. This has strengthened our presence in the bed and bath home fashion category and increased our overall retail wallet share in domestic market. We believe the domestic market remains promising and we anticipate strong growth opportunities ahead.

To sum up:

Near-term volatility has impacted our performance in the first half of FY26 and continues to present challenges for the quarters to come. Along with monitoring the current situation and in view of the challenging external environment, we will adopt a judicious mix of volume and price for sales in the United States. That's it from my side.

Now I request Mr. Manish Bhatia – our CFO, to share financial highlights of the company.

Manish Bhatia:

Good afternoon, everyone and thank you for joining the Q2 and H1 FY26 Earnings Calls. I will first provide a brief overview of our performance, following which we will open the floor for questions.

At the outset, I would like to highlight that Q2 FY26 and H1 FY26 are not directly comparable to the corresponding period last year. This is largely due to two key factors. First, there was no US tariff situation in the base period.



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Second, revenue contribution from the new business portfolio commenced only from Q3 FY25.

Coming to volume:

Sales volume for Q2 FY26 stood at 25.2 million meters versus 23.6 million meters in Q1 FY26, a growth of around 7% quarter-on-quarter, showcasing steady performance in this uncertain environment. Total income for Q2 FY26 stood at 1,082 crores compared to 967 crores in Q1 FY26, reflecting a growth of 12% on quarter-on-quarter basis. This is due to higher contribution from new businesses and volume growth in core business.

Coming to EBITDA:

EBITDA for Q2 FY26 stood at Rs. 123 crores compared to Rs. 119 crores in Q1 FY26, a growth of 3% quarter-on-quarter. EBITDA margin for the quarter was 11.4% versus 12.3% in the previous quarter. We expect margin pressure to continue until the end of this year. PAT for Q2 FY26 stood at Rs. 39 crores, almost similar to Rs. 38 crores in Q1 FY26. As volumes in the core business scale up and new business show more traction, we expect stronger EBITDA to PAT conversion over the next two years. EPS for Q2 FY26 is Rs. 1.97 per share.

On the balance sheet side:

We have also reinstated the balance sheet number for March 2025. This is due to finalization of the purchase price allocation of our two units which we acquired in US last year, which was earlier done on a provisional basis. Accordingly, the provisional values of assets and liabilities recognized at the time of acquisition have now been retrospectively adjusted to reflect the final allocation.

Coming to debt side:



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There has been around Rs. 175 crores of debt reduction in H1 FY26. Net debt to equity ratio stood at Rs. 0.34X in September 2025. With this, I open the floor for question and answer.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Saransh Gupta from SVAN Investments. Please proceed.

Saransh Gupta: Thank you for the opportunity and congratulations on a decent set of numbers in such uncertain times. I have a few questions. So, what is our current cotton mix like how much do we source locally and how much is imported?

Mohit Jain: Good afternoon. So, approximately our imported component at Indo Count varies but anywhere between around 30%-35%.

Saransh Gupta: A follow-up on this, are we seeing any extension of the duty-free import of cotton that has been that is till 31st December 2025 till now? So, is there any news on that?

Mohit Jain: So, most of the cotton that we import at Indo Count is 32 mm in length and above, which was anyway duty-free from before. However, cotton below 32 mm in length is duty-free up to 31st December this year. We do expect it to continue but there is no news as of now. It should come out soon.

Saransh Gupta: So, as we see that we have done better from Q1 in terms of volume, so how much of this is being contributed to US and with the tariff impact? If the tariff, taking an assumption like the 50% tariff situation sustains, so are these numbers sustainable or we can see an impact on that?

Mohit Jain: So, at this point of time, the increase in volume from Q1 to Q2 is in all markets, including the United States. Of course, in Q2 and Q3, we also have shipments for the holiday season that start going out. So, there is an impact of that also in this, which is specific to the US market also. Only time will tell, once prices get recalibrated, retails get recalibrated, how markets behave in the United States for future demand.



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Saransh Gupta: So, taking the current situation into remark, we can say that the rest of H2 is not a margin impact. Though our top line is going to remain or maybe we can grow, but our bottom line will be seeing a margin impact.

Mohit Jain: Yes, because the full tariff impact is just setting in now because this happened end of August.

Saransh Gupta: I will join back the queue. Thank you.

Moderator: Thank you. The next question is from the line of Nishita from Sapphire Capital. Please proceed.

Nishita: I just wanted to know what is the total CAPEX that we are doing in FY26, and if we have any CAPEX plan for FY27?

Mohit Jain: If you go to our investor deck, we had a total CAPEX plan this year of approximately 200 odd crores, out of which 100 crores or 99 crores was our Greenfield project in North Carolina, where we have spent half of that money right now. So, basically, out of approximately 200 odd crores, we spent around 80-85 crores at this point of time. So, and for next year, other than maintenance CAPEX, there's really nothing else planned at this point of time. Some of the CAPEX from this year might flow into next year, especially our zero liquid discharge at Billard, because we are in the final stages of closing the technology that we want to use in the next couple of months. And so that execution will go between, some of that expense will go between this year and next year. But there's no other major CAPEX at this point of time.

Nishita: And if you could just, if you could just reiterate what is the total revenue that we can do from the North Carolina capacity at full, once it's fully ramped up? Actually, I couldn't hear you when you mentioned it in your starting comment.

Mohit Jain: No problem. It's \$85 to \$90 million.

Nishita: And when do we expect the full ramp up to happen by?



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Mohit Jain: The facility will be fully up and running by end of this year, either December or January, that's the expectation. So, basically, you have to look at the utility bedding with all three facilities put together and not individually going forward. Because as we acquired facilities and as we set up new ones, as and when that happened, we have given what is the potential of each facility. But finally, you have to look at it all put together. So, we have a capacity of 31 million pillows, and expect to do a revenue of \$175 million within a 3 year period, including this year.

Nishita: Thank you so much.

Moderator: Thank you. The next question is from the line of Prerna Jhunjunwala from Elara Securities. Please proceed.

Prerna Jhunjunwala: Just wanted to understand the impact of tariff in this quarter, like what would be the quantum of impact on EBITDA in coming in because of tariffs?

Mohit Jain: So, Prerna, I mean, we have taken a call on what discount to give to which customer on a case-to-case basis. And due to business sensitivity, we would really not like to get into further details. But of course, you can see between Q1 and Q2, there is an impact of almost 100 basis points or 84 basis points in the margin. And it's predominantly due to tariff reasons. But we don't want to get into any specifics. There is going to be an impact. I mean, as we are giving recalibrating specifically for the Russian oil tariff.

Prerna Jhunjunwala: And this impact will further increase only going forward because the Russian oil tariff was only for a month or 15 days' time period. Is it correct?

Mohit Jain: Yes, the understanding is correct. And we are trying all ways and means with operational excellence, supply chain to see whatever some cost savings can also be done to offset, whatever best can be done.

Prerna Jhunjunwala: And how is the demand in the US now? Because what we understand is there could be a risk of demand slowdown given the inflationary environment that could kick in when full tariff products are full tariff is being passed on to



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consumers. So, how are the retailers behaving on order books and how is the utilization levels likely to be seen in the next half, especially second half?

Mohit Jain:

As we see it right now, we are seeing the retailers being very nimble-footed and trying to find what is the new normal. This is new for everybody for whatever product portfolios they are selling. And they are continuously evaluating their product mix and inventory levels. So, it's a very fluid situation, I would say. When the first 10% tariff came in all over the world, there was not that much of a drop in demand. But these are new tariff levels as the holiday seasons, we are just getting into November-December, extremely important months. So, how these play out, how new retailers come in, what impact that has on overall retail demand. This has nothing to do from an India perspective. This has to do with global supply chain and a global perspective. So, only time will tell.

Prerna Jhunjunwala: But we would have some clarity about a quarter or two because that's how your factories will be functioning. So, it will be great. I mean, some sense, I don't know the number, but whether it will be a decline, can we expect a decline in volumes going forward? Some qualitative color would really help us to understand how should we assume.

Mohit Jain:

So, at this point of time, our 3rd Quarter looks very similar to our 2nd Quarter in terms of volume. So, there are similar numbers. As we get into Q4 and forward, as I said, once the holiday season pans out only time will tell. Once, the full impact of retail price increases are not there in the market at this point of time. So, once that kicks in, how do the retailers react, how do they level set their inventories are to be seen, this is very fluid at this point of time.

Prerna Jhunjunwala: Understood, sir. So, this is really helpful. At least some color is available to us now. Last question is, how do we see the brand business moving in future now that we have acquired utility product franchisee for Tommy Hilfiger also. So, the brand portfolio is continuously seeing expansion and the revenue share will keep increasing. So, can you help us understand how the brand business in US,



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brand business in India, where do you see, what kind of numbers are there in both the geographies and how do you see them growing in the next 3 to 5 years?

Mohit Jain:

Right now, we have been very consistent, Prerna, that from a 3 years perspective, which includes '25-26, and of course, all these brands are coming on stream as we speak. I think these are all marquee names that we expect to do a revenue of 275 million. And you will appreciate that we are at a run rate of 85 now with Q2 out of 275. So, you are almost 30% there. So, hopefully, this keeps growing, it's not like every quarter might grow 40%. No business can do that. But I think we are on the right trajectory. And this helps us also deleverage our business out of India to a great extent and spread the risk across. So, we are very positive. I think also, addition of Tommy Hilfiger will help us utilize our utility bedding facility of pillows at a faster pace, hopefully.

Prerna Jhunjunwala: Understood, sir. Thank you and I will come back to question queue again.

Moderator:

Thank you. The next question is from the line of Shradha Agrawal from AM Securities. Please proceed.

Shradha Agrawal:

Sir congrats on a good quarter despite challenges that we are seeing at the macro level. Two questions. We have been stating that adverse product mix has been one of the reasons for margin impact and this has been around for three-four quarters. So, by when do you think it would be in the base and we would not see further impact on margins because of this reason?

Mohit Jain:

This reason is, I mean, for whatever changes that we started seeing in Quarter 4 of FY25, Feb and March specifically, that product mix, which also translates into our average selling price has continued in the last 6 months too. We don't see that going down any further. We see that pretty constant. But what happens is today we are used to making a certain margin on a specific product mix and your costs and expenses are all on the basis of that. So, that's how we have seen also a little bit of a margin decline in percentage terms. As markets stabilize, hopefully in the next, I would say, 6 to 9 months, then margins will go back to 15% to 16% levels on our core business. That's our expectation.



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Shradha Agrawal: And what are the expenses we are currently incurring on ramping up our branded business. So, any quantification as to what is the kind of sales and promotional activity expenses that we have incurred on Wamsutta and other brands?

Mohit Jain: It's the regular, like today we have a showroom, we have doubled the showroom size in our New York office. So, we now have a 20,000 square foot showroom. Earlier, it was 10,000 square feet. Then we have got a lot of human talent, like I mentioned, even on the last couple of calls. So, it's like you have got to put the infrastructure in place first, as well as now, as we have Wamsutta, there's a fair amount of money being spent on performance marketing which is as a direct-to-consumer brand. So, all of that is being done, as well as for other brands to get the visibility out there. We will not be able to give you an exact number, but this is part and parcel. And none of these businesses are a burn rate model, including our direct-to-consumer business. So, we are acquiring customers by spending money doing performance marketing, but we are not burning money doing that.

Shradha Agrawal: And total utility and US brand business, which is at a run rate of \$85 million now. So, would it be possible for you to give the split of utility and US brand in this?

Mohit Jain: Just from a thumb rule perspective, at this point of time, approximately it's two-third, one-third. That means utility is two-third of that number and one-third is brands, roughly.

Shradha Agrawal: And brand would be predominantly Wamsutta or Waverly?

Mohit Jain: So, the way we have classified, and if you go back to our Q1 deck and it's also in our current investor deck, and I would highly recommend everybody on this call to go through it because it's very important to understand the classification. So, what we have done is we have divided the business into three parts, the core business, the utility bedding business, and the brand business. So, under brand business, only four brands fall under that business, which is Fieldcrest,



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Waverly, Gaiam, and Wamsutta. So, any business done, whether it's selling towels, bed linen, pillows, anything that we are selling to a customer, under these four brands will fall under the branded business. For example, we have brands such as Beautyrest and Tommy Hilfiger now for utility bedding. That will fall under the utility bedding segment.

Shradha Agrawal: Just one suggestion. We are, we have been acquiring brands and then there's a split of total branded business and US branded business. So, rather than doing this split up, would it be possible to just give the branded business because from our perspective, it gets difficult to make a recall on what is US branded business and what is utility branded business, what is B2B, the bed linen branded business. So, it will make things simpler from our perspective.

Mohit Jain: Sure. So, we will evaluate that. We went through a lot of thought process and did it this way, but maybe end of the year, at March, we can relook at it. Also, what we are giving a figure is our overall branded business as a company as a whole across all categories is 20%. So, that is also something that we have stated on slide #5 of the deck.

Shradha Agrawal: And so, just last question, the Tommy Hilfiger brand that we acquired, that's only for the utility segment, right? It's not for bed linen.

Mohit Jain: Correct. So, it's only for white goods, which we call pillows, mattress pads, down all comforters, mattress protectors, pillow protectors, and toppers.

Shradha Agrawal: Got it. And I know it's early in the day, but any indication on what, what is the number that we did in Wamsutta this quarter?

Mohit Jain: No, it's we just started off, so it will all fall under the brand segment, but we have a great traction, in the first 45 days, we sold in every state, which is 50 states of the US. And again, if the website is called www.wamsutta.com, please go and see the customer reviews. You have access, it's public information, you can go and see what kind of what a customer is saying, who used to buy bed bath and beyond. And in the past, so there's a lot of great reviews that I would encourage you to go and read. So, that shows how well loved the brand is.



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- Shradha Agrawal:** Great. Thank you so much and wish you all the best.
- Moderator:** Thank you. The next question is from the line of Pratiti from Param Capital. Please proceed.
- Pratiti:** I just wanted to understand that, generally we would have the order book ready for the next quarter in one quarter prior or two quarters prior. And if we could have some numbers on how the order book looks for the next two to three quarters?
- Mohit Jain:** So, normally, Pratiti, our customers place orders approximately 50 days before shipment, we get like, we all we have a rolling forecast. And then we get purchase orders roughly around 50 days before shipment. So, we have visibility for this quarter. And to that, that's what I said that our third quarter looks similar in terms of volume as to our second quarter.
- Pratiti:** Understood. All right. Thank you.
- Moderator:** Thank you. The next question is from the line of Bhavin Chheda from Enam Holdings. Please proceed
- Bhavin Chheda:** Great set of numbers in challenging environment. So, just to get a number breakup, because I think last two-three quarters, this new segment has come in. So, as I understand, as you have given in the presentation, this utility bedding a new brand is 181 crores, which was 130 crores in Q1, right?
- Mohit Jain:** Yes, Bhavin.
- Bhavin Chheda:** And as I heard, you said now two third in this is utility bedding and one third is the four brands, including Wamsutta.
- Mohit Jain:** Correct. Approximately.
- Bhavin Chheda:** So, that's roughly 120 and 60. Now, you also have this pillow capacity in US, this Fluvitex and Arizona capacity, plus you have quilts capacity in also separate. So, where does the turnover of that is classified?



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- Mohit Jain:** Utility bedding. That's the utility bedding business.
- Bhavin Chheda:** So, this utility bedding includes all pillow turnover and quilts turnover?
- Mohit Jain:** That's the manufacturing in the US.
- Bhavin Chheda:** So, this US part of the business is right now 180 crores, which includes all. What would be the rough EBITDA margins on this? If you can give any breakeven point, how this will scale up and how the margins look at, how should we look at the margins on this part of the business? Since this doesn't attract tariffs and obviously must be having some kind of a buoyancy. So, how should we look at this business on the margin front?
- Mohit Jain:** So, as I have said before, we have invested a fair amount and you can see that even if you compare our employee cost of previous 6 months, first half to this 6 months, the numbers are there. So, we have invested as Indo Count Global, our US subsidiary, a lot on the human talent side and on the infrastructure side. And because of that, we have 150 to 200 basis point hit on our EBITDA margin as we speak. We expect even as of today that by the fourth quarter of this year, FY25-26, this margin hit will go away. So, the business will achieve breakeven and have a better utilization level. As you can see from two facilities already, we had 60%, but there's a lot more investment that has gone in to take this business to a 275 million level. On the pillow business, we expect an EBITDA margin of 15% to 16%. And on the brand side, 17% to 18% is our internal target.
- Bhavin Chheda:** So, utility bedding 15% and brands 16%, 17% you are saying?
- Mohit Jain:** 17% to 18% is our target on brands and 15% to 16% is our target on utility bedding. So, we have been consistent with this. Even today, the business is EBITDA positive, it's just that we have more, our expenses are keeping in line a larger revenue figure.
- Bhavin Chheda:** And this year's CAPEX, I think your slide mentioned 250 odd crores, right?



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- Mohit Jain:** 215 or something.
- Bhavin Chheda:** This includes spent on US facilities and everything or that comes via investments?
- Mohit Jain:** No, this is all included. So, if you see slide 12, you will have a Greenfield project in North Carolina, which is totally an investment of 130 crores. Out of 130, 31 crores was spent last year. So, we minus that and show 99 remaining. Out of 99 remaining, half of that is done as of now. Already done, 49 crores to be precise.
- Bhavin Chheda:** And so my last question on the, now, I think the overall revenues, summarizing slide #5, you have said is now non-US revenues is almost now like 30% of the turnover, right?
- Mohit Jain:** We look at this more on an annualized basis. So, we are at a run rate on the core business of 30% on our non-US business.
- Bhavin Chheda:** And on this business, there is no tariff impact. So, what is the normalized margin trending in this business? Should be 12%-13%?
- Mohit Jain:** No, I mean, we would not get into specifics. We can take it up offline if needed.
- Bhavin Chheda:** No problem. Thank you.
- Moderator:** Thank you. The next question is from the line of Naveen Baid, from the Nuvama Asset Management. Please proceed. Thank you.
- Naveen Baid:** Thank you for the opportunity and congratulations on a great set of numbers. Just clarification and just continuing from the previous participant's question. So, Beautyrest and your Jasper Conran brand, while that is a licensed brand, but do you classify it under utility bedding currently?
- Mohit Jain:** Beautyrest and Tommy is under utility. Jasper comes under core business. The reason, the four new brands, we put it all under new business. And Jasper Conran is in the UK; it's not in the US.



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Naveen Baid: Thank you. That's it from my side.

Moderator: Thank you. The next question is from the line of Tanmoy Roy, from LinkedIn. Please proceed.

Tanmoy Roy: Thank you for the opportunity. So, most of the questions have been answered for me, just for two few questions. So, if considering that US tariff of 50% continues for maybe for 6 months or 8 months or 1 year. So, can other businesses in UK utilize that kind of impact in terms of revenue as a margin?

Mohit Jain: We have an Indo Count presence in over 50 countries and it's been expanding our footprint through focused efforts in the recent years in these countries. And our core non- US business now contributes to 30% of our overall revenue mix for the core business. In our view with our government signing new FTA free trade agreements, we expect a market share and contribution from these ROW markets to grow in the near future. We have already been putting a lot of effort and seeding demand for some time in these new geographies and in specifically certain countries like Australia, Japan, Middle East, Europe, UK. We have well established customers, which will, we will see that growth happening at a faster pace because we have already sown the seeds and we are well prepared as a company to capitalize on these emerging opportunities and diversify our geographic presence. Having said that, the US is a large consumption driven economy, so we cannot discount that. So, we have to make sure that all boats rise and it's not being, putting all focus on one market or another, but just across the board. But India has never been in a better position than before with having a free trade agreement done with Japan in the recent past, Australia, Middle East and now two more. UK is done but has to get ratified by the UK Parliament and then EU hopefully will be done by the end of this year, early next year. So, manufacturers in India are very well positioned to capitalize and capture more markets share in these markets having a level playing field.

Tanmoy Roy: So, does all the other countries provide same kind of ASP as US or it's like little lower or higher?



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Mohit Jain: Every market is different because you have consumers, at the end of the day, we are selling a product that is a consumer driven product that people buy. So, every market is different. Certain markets that I mentioned are very similar to the US and some are different. So, it's a different product profile and then the raw material pricing also changes accordingly. But we have our capabilities to produce for these markets and the infrastructure and the capacity.

Tanmoy Roy: The second one is like you said, some of the customers to retain the market share, you are sharing some load on the tariff side. So, imagine that it's 50% additional tariff due to Russian oil, they put in 25% if that goes off. So, the sharing of that part, how it works, like your existing contract, which is already you are delivering. And so, from the next contract onward, that tariff will not be there, but how it will work with the customers.

Mohit Jain: It's a very transparent conversation, it's support. So, that support automatically goes away, right?

Tanmoy Roy: But the existing contract, which are already in between, those will not go off from those, the tariff will not matter, right?

Mohit Jain: There could be a lag of a week, two weeks, three weeks. I mean, we are here to do business in the long haul. So, whatever the next, in certain cases, purchase orders get revised, I would say in most cases and something is already shipped on the vessel or at the port, nothing's going to happen to that. But there are purchase orders and the customers are very supportive. And it's both sides, it's a two-way conversation. And my objective is not to hurt either party.

Tanmoy Roy: Thank you so much. That is from my side.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please proceed.

Ankit Gupta: Thanks for the opportunity. So, if the trade deal goes through with the US and the tariffs normalize around 15% to 20% of the consumer range. So, in FY27, how do you see the impact of that on our margins given, how will this tariff



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sharing be done with the customers? So, if you can share your thoughts on the same.

Mohit Jain:

See, it's very early to comment on any of this, as I said earlier, we expect our core business to run at 15% to 16% margin. Taking a step back, keeping margin aside, I think we all have to understand that if you live in the United States, your wife goes and consumes something or you go and buy something at the market, in the store, these are all new times in the sense that suddenly your prices are going to go up for all products across all retailers between 10% and 20%. So, how does the consumer react to it? So, there could be some short-term reaction where customers buy less, and then they understand that this is the reality of life. And this is what we need to buy and spend money on to buy that shirt or any other product. And then consumption comes back because it's a highly consumption driven economy. So, I think only time is going to tell. So, it will be almost impossible for me to tell you how volumes will behave in FY26- 27 or how margins will behave.

Ankit Gupta:

Currently, for some of the countries, some of the Asian countries, the trade deals have been finalized and the tariffs are anywhere between 18% to 20%. So, how the customers are, how the retail teams are passing on burden of this, tariff with their customers or with our competitors?

Mohit Jain:

So, you are talking from how is a retailer passing on to their customer, correct?

Ankit Gupta:

No, how our competitors are sharing the tariff burden with the retailers.

Mohit Jain:

We will not have exact information. I think at the end of the day, everybody has to understand that, let's say 20% is the new norm for a US customer to buy product from Asia. So, a manufacturer anywhere in the world beyond a point, at some point, can share tariff on a temporary basis, but not on a permanent basis. Otherwise, then product reengineering will have to happen. New product assortment will have to come into the marketplace because that has to reach some equilibrium. From a consumer perspective, when retailers increased the first when the first 10% tariff came in, as I mentioned earlier, we did not see a



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dip in business on retail sales business, the consumer accepted that retail and retail sales were as they were similar to last year levels, let's put it this way. Now, when these new tariffs, keeping India aside come in, and all of that starts hitting the US market, especially after holiday season, we have to all wait and watch as to how consumers behave with that. And no retailers pricing their retail product keeping India tariff. They are using the India tariff and then they divide that across product categories or within for that category of product.

- Ankit Gupta:** Thank you and wish you all the best
- Moderator:** Thank you. The next question is a follow up question from the line of Nishita from Sapphire Capital. Please proceed.
- Nishita:** So, I just wanted two clarifications. So, you mentioned that we expected to do a revenue of \$275 million by FY28. Is that just from the branded business or is it from the overall business?
- Mohit Jain:** It's from our utility bedding business and our brand business. 175 million from utility bedding and 100 million from brands.
- Nishita:** And I am looking at this company for the first time. I just wanted a clarification. Can you say what's the difference between the utility business and the brand business?
- Mohit Jain:** We will take it up offline with our team I would highly recommend you to read our investor deck. It's very clearly defined in that.
- Nitisha:** Sure. Thank you so much.
- Moderator:** The next question is from the line of Shradha Agrawal from AM Securities. Please proceed.
- Shradha Agrawal:** Thanks for the follow-up and just one clarification. This Tommy Hilfiger and Beautyrest brands in utility bedding, would that be counted as US brand or the utility bedding business sub-segment of this portfolio?



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- Mohit Jain:** Utility bedding.
- Shradha Agrawal:** Meaning to say that the sourcing for these brands, Tommy Hilfiger and Beautyrest, the manufacturing is done from a US facility and the sourcing is not done from anywhere else for these 2-3 brands?
- Mohit Jain:** Correct. These are all manufactured in the US.
- Shradha Agrawal:** From our locations, from our facilities?
- Mohit Jain:** Yes. From our three facilities. I mean, two now and then the third one will come up.
- Shradha Agrawal:** And for the other US brand business, which includes Wamsutta and Fieldcrest, the sourcing could be anywhere, including our manufacturing as well as from suppliers outside.
- Mohit Jain:** Correct. Because in those brands, we are selling multiple product categories. We are selling bed linen. We are selling quilts, comforters. We are selling bath, which is towels, bathmats, bath rugs. We are selling window, which is curtains. So, all soft home products we are selling in those brands.
- Shradha Agrawal:** Got it. This is helpful. Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Mohit Jain; Executive Vice-Chairman. Thank you and over to you, sir.
- Mohit Jain:** Thank you once again for joining the call. Indo Count has entered its next phase of growth, which we refer to as Indo Count 2.0. Our investments in utility bedding and premium brands are strengthening our portfolio and expanding our market presence. While these investments are impacting margins in the short term, we are building a more diversified and resilient business for the future. Tariff-related challenges may continue for the next one or two quarters. Until the environment stabilizes, we continue to focus on operational efficiency, sustainability, and maintaining our market share. These initiatives



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reflect our commitment to delivering consistent and long-term value for our shareholders. Thank you.

Moderator:

Thank you. On behalf of Indo Count Industries, that concludes this conference. Thank you for joining us and you may now disconnect your line.