

June 19, 2025

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Sub: Submission of Transcript of investor meet- “Capital Market Day 2025”

Ref: Regulation 46 (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing transcript of investor meet viz. “Capital Market Day 2025” held on June 13, 2025.

Thank you,
Yours faithfully,
For **Galaxy Surfactants Limited**

Niranjan Ketkar
Company Secretary
Enc: as above

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“Galaxy Surfactants Limited Capital Market Day”

June 13, 2025



“E&OE - THIS TRANSCRIPT IS EDITED FOR FACTUAL ERRORS. IN CASE OF DISCREPANCY, THE AUDIO RECORDINGS UPLOADED ON THE STOCK EXCHANGE ON 14TH JUNE 2025 WILL PREVAIL.”

MANAGEMENT:

MR. K. NATARAJAN – MANAGING DIRECTOR
MR. VAIJANATH KULKARNI – EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER
MR. ABHIJIT DAMLE – VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
MR. PARITOSH SRIVASTAVA – DEPUTY GENERAL MANAGER
MR. RAJIB BHATTACHARJEE – VICE PRESIDENT, VALUE ACCELERATION PROCESS
MR. YOGESH KALRA – VICE PRESIDENT, GLOBAL BUSINESS CREATION

MODERATOR:

MR. MANDAR SATYAKANT CHAVAN – STRATEGIC GROWTH ADVISOR

Mandar Chavan:

Ladies and gentlemen, good evening. And a very warm welcome to the Capital Market Day of 2025 of Galaxy Surfactants Ltd. I am Mandar Satyakant Chavan from Strategic Growth Advisor.

Today, we are privileged to have with us on the dais the senior leadership team of Galaxy Surfactants Ltd. This evening the management will take you through a comprehensive view of the business including strategic insight, key growth drivers and the future roadmap of Galaxy Surfactants. We will begin with a corporate presentation after which the floor will be open an interactive Q&A session.

With that, I now invite Mr. Paritosh Srivastava, Deputy General Manager. He manages Strategy Office and IR at Galaxy Surfactants and is also an Executive Assistant to MD. He will be the host for you today.

Paritosh Srivastava:

Good afternoon, ladies and gentlemen. It gives me immense pleasure to welcome you all to Galaxy Surfactants Capital Market Day. As it is said, effective communication is the lifeblood of any relationship or organization.

At Galaxy, we have always believed communication with the relevant stakeholders transparently and clearly at the right time is the key to success, mutual understanding and effective collaboration. This, when combined with a clear and challenging vision, sets the organisation up for great heights. As Simon Sinek has said, vision is a destination, a fixed point where we focus all our efforts.

Strategy is a route, an adaptable path that gets you there and communication is the lever that connects and binds all together. As we transition from a promoter-driven organization to a professionally managed organization, communicating our vision, strategy and roadmap to the investor community at large is an extremely important prerogative. With the sole objective to ensure the investor community understands the finer nuances, the Capital Market Day is a step in that direction.

With this, we begin our event, that is, Forging Forward.

Forging Forward basically emphasizes on the act of continuing progress with an element of persistence in overcoming obstacles, a trait that Galaxy has exhibited over the last four and a half decades. So firstly, the safe harbor statement.

The presentation does contain forward-looking statements, but the objective is to provide you the required directional clarity in terms of what Galaxy plans to do, where it plans to get to and how it plans to get over there. Over the course of the next one and a half hours, we will be taking you through the finer aspects of the business, explaining each and every aspect in detail. So, sit back, relax and enjoy.

That will be followed by the question-and-answer session. To give you a broad idea of the flow, we will first start with the past, what Galaxy has done in the last one decade. This is something

which I am sure most of you would know by now.

Then we will move on to what Galaxy plans to do in the future. As it is said in cricket, to become an all-format player, one needs to excel in all three formats: T20, ODIs, and Test cricket. The next few slides which we have will explain to you how Galaxy plans to become an all-format player.

I can assure you, while the game remains the same, the boundaries have been expanded. Finally, we shall conclude with the most important section, that is creation of value for our shareholders. As Warren Buffett has said, over time, the skill with which a company's management allocates capital ultimately determines the enterprise value it generates for them.

The final section will give you a glimpse of that. But before we get into the details, it is extremely important to introduce to you the team that will be driving this. I hereby introduce the team.

Firstly, we start with the speakers. Mr. K. Natarajan, Managing Director, Galaxy Surfactants Ltd. Mr. Vaijanath Kulkarni, Executive Director and COO. Mr. Rajib Bhattacharjee, Vice President, Value Acceleration Process. Mr. Yogesh Kalra, Vice President, Global Business Creation. Mr. Abhijit Damle, Vice President and CFO.

Next, we move on to Galaxy's Operating Council. We firstly start with Mr. Sessa Samba Murty, who is the Vice President of New Projects and Technologies. Seshu is travelling for an official commitment and is out of India. Therefore, he is not attending the event. Next, we have Dr. Sagar Trailokya, Vice President, Quality. Followed by Mr. Tarun Bhargava, Head, Global Customer Delight. Mr. Anand Gurav, Head, Business Commercial, Business Operations and Information Technology. Mr. Avinash Nandanwar, Head, Sourcing and Sustainability. Mr. Sumeet Madwaikar, Head, Resource Mobilization and Utilization. Dr. Bharat Parab, Head, Innovation. Mr. Mahesh Malkar, Head, Conversion. Dr. Dhaneshwar Patil, Head, Galaxy Chemicals, Egypt. And last but not the least, Mr. Vinod Singh, Head, People Energy Process. To conclude, Galaxy has always believed in creating and having a robust talent pipeline.

Timely succession and the planning happen to three levels below the board with a healthy mix of laterals as well as in-house specialists. The next section that will be presented by Mr. K. Natarajan will precisely explain to you how investing ahead of the curve, be it in terms of business or people, may be painful in the short term but has ensured consistent and superlative results for Galaxy in the long term. I call upon Mr. K. Natarajan.

K. Natarajan:

Thank you, Paritosh. Thank you, Mandar as well. A very good afternoon to all of you. Ladies and gentlemen, it's a pleasure that I'm meeting many of you. I've seen many of you in the past two to three years that I've been engaging with the investors, and I see some new faces.

We'll be very happy to engage during the break and the dinner session to answer any additional questions you may have after we conclude the session today. A big thank you to all of you for

taking the time to attend this event. It surely means a lot to us.

At Galaxy, we have endured multiple cycles of journey. Given that I've been part of this growth journey for the past 32 years, I can share some of my wisdom as to how we understand these cycles and tackle them. While a robust business model, strong customer base, diverse portfolio, and an experienced group have ensured sustained growth over the past four and a half decades, the key driver of this has been our motto to invest ahead of the curve, sticking, however, to our core competencies.

Before we get to the present, a look back at the past is relevant to set the context for what we're going to talk about our future plans. While Abhijit will take you numerically through the cycles of investment, what I can state with extreme clarity is that every decade for Galaxy has been a story of two halves. The first half being the cycles in terms of people's products and infrastructure, and the second half, the cycle of delivering superior performance.

This is somewhat similar to the story of the Chinese bamboo, which doesn't grow for the first five years of its life, and post that in next five weeks. But the key here is to assess what drives this rapid growth in the ensuing five years for us.

The investments made in projects, people, and products combined with the attributes of persistence and perseverance form the bedrock of this growth journey. The last decade has been no different. Over the last decade, while Galaxy has grown 2x in volumes, 3x in terms of EBITDA, and 5x in profits, delivering an average ROCE of 22%.

As we delivered this, in a lighter vein, we also have some of us here who have also grown 2x in terms of weight and 0.5x in terms of our hairlines. You'd see most of us having very reduced. So, coming back to where I was, what is important to note here are the phases of growth.

Cycle one, which I will classify as a rapid growth phase between FY15 to FY20, saw Galaxy compound its earnings by 28%, delivering an average ROCE of 23%. This phase followed the investment phase from 2009 to 2012, during which we acquired TRI-K in the US, established a greenfield project in Egypt, and set up our plant in Jhagadia, marking the first plant outside Maharashtra that we established. Cycle two, which I will classify as investment phase from 2020 and is currently ongoing, saw your company compound its earnings at 6%, delivering an average ROCE of 20%.

What is important here is to understand the need to have a long-term view of the business, the resilience of our business model, and finally, which phase Galaxy is in currently. We are in the investment phase, which implies the need to invest ahead of the curve to capitalize on the emerging market growth in the second half of the decade. We are very clear that we are here to build a sustainable competitive advantage, and for us, a sustainable competitive advantage, as Mr. Warren Buffett says, is an enduring moat. We believe it's a castle built on these eight strategic pillars. While the inherent factor that determines whether a business has an enduring

moat is return on invested capital, what's more important to understand what's driving it? At Galaxy, as you have seen in the previous slide, over the last decade, despite sluggishness in the second half of the decade, our ROCE has been 20%, with the average being at 22%.

This has been only possible due to the robust pillars that we have built over the last four and a half decades, which includes our core focus on the home and personal care market. While there have been phases, including the current one, where growth has been sluggish, we believe the stability and the headroom for growth offered by this industry. The subsequent slides will explain strengthen the confidence

Global brand to Global Suppliers, as our tagline suggests, has ensured a strong customer connect. We have built a strong customer base and a hugely successful brand recall. Today, it gives me immense pride to state that Galaxy, in many Tier 1 accounts, has gone one notch higher becoming a valued partner of choice, a feat achieved only by a few global companies.

Leadership positions attained in India and AMET, along with the diverse product portfolio, has made us a one-stop shop for all Tiers of our customers, be it global multinationals, regional majors, or the new age D2C, you know, direct-to-consumer brands, giving us a clear edge globally. Execution excellence, though sounds like a cliché, planning and executing to perfection is the key to delivering superior performance, and this has been at the center of the way Galaxy has grown over the last four and a half decades. Execution excellence, for us, encompasses the following dimensions.

A robust risk management framework across diverse business functions, which protects us from external volatility and gives us a significant edge to sustain our competitive position.

Businesses thrive on innovation. This has been the cornerstone of our success, adapting to trends, scaling up in fields of surfactants, non-toxic preservation, milder cleansing, and moisturizing solutions, providing enormous formulary solutions as further ingrained our presence in the value chain of our customers.

ESG. Actions taken by Galaxy in the fields of sustainability, safety, and stakeholder engagement and governance are well regarded, but what is not known is the edge it gives us to sustain our competitive position. Organizations, be it global multinationals, regional majors, or direct-to-consumer brands, hugely favor engaging with responsible organizations. It gives me immense pride to share that Galaxy takes us all together.

Last but not the least, high-quality people. Any organization can deliver on its strategic imperatives only when it is led and supported by high-quality people. Timely succession building, creation of a pool of specialists, and nurturing multidimensional people, along with having a robust leadership team in place, have been the key factors that have given us a sustained edge over the last few decades.

Finally, the net result has been the 5X earnings growth that we have delivered over the last

decade. While it is a net result that is visible to many, the pillars depicted in this slide bring it to life. As we march towards 2030, the key will be to sustain and strengthen these pillars. Keep learning and relearning to stay relevant and have a laser-sharp focus on our Vision 2030. Where do we want Galaxy to reach by 2030.

Strategic levers. How do we plan to achieve Vision 2030? Solidification of growth. What will make the growth sustainable and rock-solid? Ladies and gentlemen, I now present to you the Vision 2030 of Galaxy. As is often said, small disciplines, repeated with consistency every day, lead to great achievements, gained slowly over time.

To ensure we stick to the core, while the mission remains the same and continues to emphasize the importance of being a brand of global eminence driven by high-quality people, the Vision has undergone a change in line with our desire to expand our boundaries within the core.

Vision 2030 expands the boundaries to include beauty and wellness. As stated in the opening remarks by Paritosh, adapting to the requirements of all formats of cricket is the key to being a champion. Similarly, adapting to the new age requirements of beauty and wellness and blending it with our core competency in home and personal care will ensure sustained edge and offer new vistas for growth as we march ahead in our exciting growth journey.

The objective of today's meet is to give you all a glimpse of the destination. Where does Galaxy want to reach in the next five years. The device, or the mode as we call it, how does Galaxy plan to achieve superior growth?

The GPS, the global positioning system, which will enable us to stay on course to get there. And finally, the time-bound results. How will we ensure we achieve the potent mixture of growth, prudent capital allocation, and timely succession building of our leadership?

Starting with the first, the destination. Over the course of the next five years, we aim to double our volumes, grow our EBITDA by two and a half times as we deliver an ROC of 22% plus. The second part, the devices that will enable the same.

Growth will be driven by defending and growing in India and AMET, where we have leadership position. Winning in Americas, a market that presents significant opportunities. And finally, winning in Europe with our specialty ingredients portfolio.

The recent measures that we took in opening our subsidiaries in Europe and the Americas are clear steps in this direction. While destination and mode remain the guiding factors, the GPS ensures time-bound arrival. To ensure we stay on course, our focus industry will remain home and personal care with the addition of beauty and wellness, thereby enhancing boundaries for growth, retaining the core focus on markets of India, Africa, Middle East, Turkey, the Americas and the Europe.

In terms of our business segments, we hold leadership position in India and AMET markets.

Therefore, the key for the performance surfactants segment will be to defend and drive growth via consolidation and strategic initiatives. For the developed markets, given the huge runway for growth, localization with strategic partnerships and infrastructural setups will ensure penetration-led growth.

The recent investments made for our specialties ingredients portfolio combined with the organizational changes in terms of getting talent on board are the steps in the right direction to ensure accelerated growth in the key focus markets of US, Europe, Brazil and India. The objective to win in Americas as well as Europe will primarily be led by our specialty ingredients portfolio. With this, ladies and gentlemen, I hand over to Vaijanath Kulkarni who will take you through the next part of the presentation. Thank you all once again.

Vaijanath Kulkarni:

Thank you so much, Natarajan, for setting the right context for this meet today. Once again, a very warm welcome and good evening all friends here. And taking forward the vision very well narrated by Natarajan, we will now navigate the journey in the presentation, the how part of it.

In my presentation, I would like to deliberate the two, three important aspects of the strategy and I would like to begin with the first five growth levers that we would like to focus on as we want to manifest the vision and the goal 2030 that we have set ourselves. We always believe that a structured and conceptualised strategy, followed by meticulous execution with clarity, is the key to success. And this is what we would like to explain as we unveil the strategic roadmap in the following part of the presentation.

As I mentioned, the five growth levers that we talk about, the first one which you can see here is the premiumization and the penetration. The volume growth in our industry is a derivative of organic growth, growth coming from penetration of existing products into newer geographies. In our case, it is developed markets.

Growth is driven by penetrating the new specialties, not only in the developed markets but also the markets where we have the leadership position. If you clearly analyse the emerging markets, the per capita consumption of masstige and prestige products is relatively at a very low base level and we have a huge headroom going forward for the growth.

As regards to the developed markets, mass and masstige markets and the products are already at a fantastic base level and in that sense, those markets also give us a fantastic opportunity to growth as we penetrate in those markets.

It is proven that as a penetration improves, the premiumization also follows and catches up the pace. It's very important phenomena that happens across the globe irrespective of the geography and we have seen this happening in home care, personal care, beauty care and also in wellness space. For these reasons, it is important that the first growth lever that we explained that we penetrate and we also go up the value and also premiumize the product.

The second important growth lever we talk about is entering into the new categories. As Natarajan mentioned, expanding our boundaries, expanding our zone of play. Galaxy has been a player in the bath, shower, hair care and oral care categories.

With a plethora of new products being launched in the skin care, sun care and the cosmetic segments, we have significant room by entering into those categories now via our range of leave-on products, speciality actives in the derma space and also in sun care actives. Wellness is another space where we envision to expand our boundaries where steadily we will be building our competencies either via acquisitions or with strategic partnerships. The health and well-being market globally is about \$5.6 trillion which is expected to grow at an average CAGR of 8%. While there are multiple subcategories into this very huge market, for example, health, fitness, nutrition, sleep care, mindfulness and appearance, Galaxy will focus on the appearance segment of this wellness. Within this, we will further focus on natural cosmetic ingredients, clean and clinical derma cosmetic ingredients as categories which approximately make up, up to \$20 billion of global market size.

Beauty and wellness as a category as defined by our customers captures this element of blending clean beauty and the wellness. The third important growth lever is the D2C brands and the private labels. As you all know, today D2C brands and private labels have a higher share in most of the personal care segment in the developed markets and they are very well catching up in emerging markets.

While e-commerce players today are launching, almost all of them are having their own private label brands. Many celebrities globally are coming up with their own niche beauty brands and this phenomenon is really catching up. Today while MNCs constitute about 50% plus of our revenues as we enter into the space of specialty actives, leave on products and we will start winning into the development, the composition mix should now gravitate towards these players and making the growth more robust and sustainable. And in that sense, this lever is very important for us.

The next lever, most of us have heard about this that is sustainability and clean beauty. Go Green and Go Clean has been the mantra for almost last 8 to 10 years with practically every launch focusing on the claims such as green, natural, bio-based, preservative free, toxic ingredients free and this phenomenon is really catching up. Our new age green chemistry driven products catering to mildness as a platform, non-toxic preservation solutions, the product offerings from bio-actives, vegan proteins and this will significantly benefit from this emerging trend of green beauty, clean beauty.

Recently, two of our solutions, Derma Green and Prebiotic, launched consecutively in the last two years, have been recognised as the best innovations in the ingredient category at a global level exhibition in Europe. We are the first Asian company to be honoured in this way. Another important area which comes under the sustainability and clean beauty is the very stricter and evolving regulatory framework.

Every day, the newer and newer regulations are coming in terms of environmental safety and the toxicity norms.. In fact, we are very proud to inform you a launch of Eco Safe sulphates, which are basically the main chassis. It's like a bread and butter of any hand wash, home care liquids, shampoo liquids. This is the most important ingredient which is covered, and we are one of the global leading players.

This particular ingredient was strictly challenged by the regulators in United States of America for an impurity called as 1, 4-Dioxane and the limits were straight away brought down from almost 10 ppm in the final products to less than 1 ppm. With this change, obviously the technologies to make this particular product had to evolve.

We are really very proud to share with you though we are leading player for this ingredient in AMET in India, we are the only player in our market to already have upgraded our technologies to meet our range of sulphates to meet those stricter norms of delivering 1 ppm limit which is announced in US.

What I want to share with you is that we constantly innovate and being ahead of the curve as mentioned by Natarajan in terms of our preparedness and this capability will give us a significant amount of opportunity in developed market because we do see that sustainability and green and environmentally safer products is going to be one of the important growth levers.

The last growth lever that we talked about is again related to the aspect of expanding boundaries that is partnerships, JVs and acquisitions. While broadly the contours of the business remain the same, working in isolation or only following the organic route, we may delay in getting to our goals.

As demonstrated via by the recent strategic EPC announcement, Galaxy is now willing to enter into strategic alliances, partnerships, and joint ventures, particularly in new-age molecules, actives, bio-based segments, and renewable technologies, to enhance our relevance and accelerate growth. We are open to acquiring entities depending on the market, technology and strategic objectives as defined in our strategy 2030.

So, as I have explained the growth levers, I would also like to quickly share with you the quality of the growth profile, as Natarajan stated the clear cut vision, it's important to understand what is the quality of growth that we are looking at and that's how it is also important part of our strategy. One feedback that we have been receiving that our growth is more so influenced by external events and that we have limited scope on challenging it.

Yes, while growth will continue to be influenced by external factors, significant amount of work done in terms of innovation and technology, upgrading our infrastructure, capability building and competency building will ensure the quality of growth improves year-on-year. So here you can see the operational growth will be a derivative of organic growth plus growth driven by our

new portfolios built over the last five years and the new avenues, the new vistas that we would like to unleash.

Galaxy, as stated in its 2030 goal, plans to grow its EBITDA by 2.5 times which implies a CAGR of 20% from year '25 to year '30 taking our EBITDA per metric ton to Rs 25,000 per metric ton. This 20% EBITDA CAGR will be driven by three buckets as explained. First, our existing business compounding at 8% to 10% which implies almost 50% of our incremental EBITDA is designed to grow and it will come from growing our existing businesses.

The second bucket is the new portfolio of products targeting on leave on segments combined with existing speciality ingredients made in the first half of this year in terms of capability and we will start bearing the fruits of this in the rest of the decade and we expect this portfolio to compound our EBITDA with almost 5% to 6% implying 30% of the incremental growth will be coming from this bucket.

And finally, regarding the new avenues we referred to, which include strategic alliances, partnerships, acquisitions, and venturing into the beauty and wellness segment, this should drive approximately 20% of the incremental growth, compounding to a CAGR of roughly 3% to 4%. And that's why it's essential that we understand the quality of growth that's designed as part of this strategy.

In this part, as we discuss execution and strategy, it is essential to identify our qualitative enablers as we unfold our strategy and manifest our vision. It is said that a vision without strategy remains an illusion and a strategy without execution is a hallucination. At Galaxy, we are working on five governing leadership pillars as the key enablers of the strategy execution going forward. In Galaxy world, we call it as Galaxy Way of Leading.

The first one is innovated to lead. At Galaxy, we are making special efforts on this leadership pillar. The leadership drives innovation with a clear motto of achieving leadership position in whichever segment we enter. We will be talking about in the presentation today coming how we are preparing with the new innovation, technologies and come up with a range of innovative products in home care, personal care and beauty care which are in line with the consumer trends globally and entering into newer segments and which are primarily innovation driven rather than price driven.

The second governing leadership pillar is Make Customers Win. Last four and a half decades, our customers and consumers are always at the heart of the business and that is why this is the second most important pillar in the governing leadership. We look forward leadership across the organization drives the new product initiatives, innovation initiatives as well as delighting customers initiatives very carefully crafted by single most important agenda of making customers win.

Customers and consumers have and will always occupy the centre stage, and our leadership

endeavour will always be to make our customers win and make them as our raving fans. The third pillar is talent to outlast. As you will all agree, no organisation can execute its strategy imperatives without its people. Talented, hungry, competitive individuals with a deep desire to excel and commitment will form a fundamental pillar of our strategy 2030.

This leadership pillar is extremely critical and Galaxy leadership team is seized off with the fact that we need to have a constant source of high-quality talent is maintained both home grown talent as well as the lateral talent. We strongly believe that talent to outlast will remain the key pillar of our strategy execution, and the mantra is simple; leaders to create more capable leaders to succeed.

The next pillar is envision to excel and risk to grow. This leadership pillar is crucial when we want to achieve the stated accelerated growth. This highlights the aspects of execution excellence, operational excellence, and calculated risk-taking. Galaxy has always grown by taking such risks in the past and a part of that is going to be deliberated by Abhijit when he is going to talk about it. Our TPM way of life, patience and in business processes keeps us our mindset of excellence oriented.

The fifth leadership pillar is ESG way. This is very crucial to mention. This has been the clear ethos laid down by our founders that we want to drive growth and achieve leadership, but the way will be anchored by ESG way. The ethics, safety, sustainability and governance, this is extremely important. This aspect will remain forever embedded in our leadership pillars. As you all will agree, we are in an age where sustainability, safety and governance have become even more important. So ESG way has been at our core and will remain at our core.

So, by explaining this enabling leadership pillars as a part of our preparation for execution of strategy, I will take a pause here and I would request Paritosh to take forward this session and we'll see you soon. Thank you.

Paritosh Srivastava:

Thank you, Vaiju. While a lot of us know Galaxy zone of play where Galaxy actually operates in which we all know the home and personal care, the beauty care space, the next few slides will explain to you the total opportunity size in terms of the ingredient space, where Galaxy is and where Galaxy can get into?

While the existing business, as highlighted, has focused more on the rinse-off segments, namely bath and shower, hair care, and oral care, entry into leave-on segments will unleash the next phase of growth as Galaxy gets into ingredients that cater to the skin care, sun care, and cosmetic segments. The next section, industry landscape, will give you a glimpse of the same.

I now invite Mr. Rajib Bhattacharjee, VP and Head Value Acceleration process to address this section. Rajib.

Rajib Bhattacharjee:

Thank you, Paritosh. Thank you, Vaiju. Good afternoon, ladies and gentlemen. It's a great privilege for me to deliver this session. What I'll talk about today is the industry landscape and the opportunity that it presents to Galaxy. So, the global home, personal and the beauty care market is valued at about \$650 billion. Approximately 6% of that is ingredient, which translates to a value of about \$42 billion.

The addressable market for Galaxy stands at about \$30 billion and this really comprises of surfactants, preservatives, emollients, emulsifiers, sun care products, actives and bio-based products as well. In terms of volumes, 60% of the addressable market is comprised of surfactants, which are made up of both Petro-based and oleo-based surfactants.

The important point to note here is also that this market, 50% of the market is in the developed economies in Europe. And thus, this is reflected in our strategy which emphasizes the importance of winning in Americas and in Europe.

As highlighted by Vaiju, apart from our existing businesses, Galaxy now plans to enhance its participation in the masstige and premium segment of this market in the form of emollients, modern sun care actives, mildness and conditioning agents, customized speciality blends and high actives focusing particularly on the leave on segment.

This slide will give you a glimpse of the home care market globally. The end market is valued at around \$191 billion. While the growth rate may seem to be very moderate, the growth drivers in the emerging markets in the form of transition are the opportunities for Galaxy. The transitions from powder to liquids, the upgradation from tubs to machine wash offer huge runway for growth.

The laundry market constitutes to roughly half of the home care market globally and it's made up of cakes and mass powders in the emerging markets and liquid detergents and pods in the matured markets. While Galaxy has been active in the liquid detergents market, it's just 5% of the market in a country like India and very negligible in AMET. Even when it comes to detergent powders, two-thirds detergent market is still mass, and the rest is premium powders. The story is even more skewed in AMET.

Coming to the ingredients market in home care, surfactants make up the bulk of the market, roughly about 72% of the market is surfactants. The clear trend of stricter regulations globally in terms of 1-4 Dioxin, the need for eco-friendly home care solutions will fasten the transition from Petro-based products to oleo-based solutions.

While the category and its ingredients remain price sensitive, innovative home care blends and solutions will drive value-based growth. To conclude, from a Galaxy's perspective, the transition from Petro to oleo-based, the transition from powder to liquids offer a huge runway for our Performance Surfactants. I would now delve a little bit deeper into the personal care

and the beauty market globally.

This is roughly \$475 billion growing at an attractive rate of 5.7% globally. Skin care is the largest segment within the beauty industry. The sun care is the fastest growing today, which is averaging more than 7% growth. And within the ingredient space, the emollient segment which is roughly a \$4 billion size along with surfactants make up about 50% of the market.

You can see the trends here which are mentioned, like multi-functionality, greener and more sustainable products and also the sensory experience are trends that we see in this industry. And these trends are forming insights for us as we develop more products for the market and for our customers.

For any successful organization, widening the zone of play not only presence it with growth opportunities but also adds robustness to the underlying growth, thus ensuring sustainable growth over long period of time. First, let's look at our current zone of play.

Ladies and gentlemen, if you can focus yourself on the left of the screen with the dotted box here, that's where Galaxy's core has been. That's the rinse off segment. It's a \$200 billion segment, and this is where we have played, constituting the bath and shower, hair care, and oral care segments. The entire segment is valued at about \$200 billion. The major ingredients at play here are surfactants. Not surprising that Galaxy has been strong in this area.

The Tier 1 accounts in Galaxy's definition hold a dominant position in this market, anywhere between 40% to 50% market share. This mirrors Galaxy's sales to these Tier 1 accounts which stands at roughly around 50%, as Galaxy has been participating as I mentioned in rinse off traditionally and builds its strength all around the globe.

Moving on to the box on your right, that's our newer zone of play. That's the leave on segment. Not surprising that actually in terms of market size, it's a bigger size than rinse off. It's about \$256 billion. The leave on market comprises of skin care, sun care, color cosmetics and the major ingredients at play here are emollients and sunscreens.

In terms of customer profile, it's very different from the rinse off segment. Well, as the rinse off segment has been dominated by multi-nationals, the market here is much more fragmented with regional players, local players, D2C and private labels.

The Tier 1 customers roughly account for 25% to 30% of market share in this category. Thus, to conclude, the entry into the leave on segment not only enhances our zone of play but provides Galaxy with a huge opportunity of growth. While industry size is a good indicator of the opportunity size, a detailed understanding of the changing trends is critical to ensure we invest in the right areas, develop the right products and remain relevant to our customers.

The next few slides will give you a glimpse of the evolving market and the consumer trends. As Jeff Bezos had said, what's dangerous is not to evolve. Evolution has been the cornerstone of

this industry in terms of bringing innovation at the forefront.

With different economies, companies and customers at different stages of evolution, the graduation from sub-optimal to superior products is here to stay. Be it the bar cakes in the 70s and 80s for washing clothes, to mass powders in the 80s and 90s and then the premium powder to Liquid detergents which we see. The evolution within the laundry care segment has played out over decades steadily.

The beauty lies in the fact that every country progresses at its own pace and evolves. Similarly, the transition from petrol-based products to oil-based products in the surfactants range or the change in the market structure, customer profile from MNC domination to emergence of D2C and private label all bear the stamp of evolution. Yet again, different economies might be at different stages of evolution.

The word premiumization is very frequently used. It's almost similar to what we call as evolution in layman's terms. But what does it hold for Galaxy in terms of this evolution? Product evolution and upward migration is extremely beneficial for Galaxy. Our range of products have been designed to capitalize on evolving consumer needs. Right from performance surfactants which serve the masstige and emerging categories to speciality products that have been designed to serve the masstige, the premium and the super-premium segment of the market.

We have a plethora of products which can go into each market type. To conclude, evolutions do not happen overnight. They take time and we have to be patient and over a long run only a product portfolio which has been designed to capitalize on these trends will thrive.

Product evolution in many ways is a derivative of consumer trends unless your product is an iPhone. It is important to understand that consumers have transitioned from basic needs in the 70s to what has happened in the 90s in terms of nuclear families and spending big on luxury from the 2000 onwards. Today, social media and digitalization is driving the trend from premiumization to concept-based products in the beauty and personal care space.

But again, what does this mean for us? The possible opportunities that exist for Galaxy is across categories. As consumers evolve from basic to categorizing multiple categories and to luxury and concept-based buying, it not only throws up growth avenues via product extensions or brand extensions but also accelerates scale-up of niche speciality products.

With different economies exhibiting different consumer behaviour's, the overall trend remains upward. As more and more consumers climb up the ladder, it presents a greater pie for participation for Galaxy. Here are some interesting facts just in case you didn't know this.

I'm sure many of you would be very clue to the market but here are some interesting statistics which will further enhance your understanding with respect to Galaxy's strategy 2030. Did you really know that 568 products in the Suncare category was launched on e-commerce in 32 geographies just in the first half of last year. Now the Suncare category mentioned earlier is the

most attractive area for growth in terms of across the world, roughly growing at higher than 7%.

Another interesting statistic, this is 55% of Gen X, roughly globally, use an anti-aging product and that is getting increasingly popular in our home country as well. Finally, the voice of the customers, our customers and their growth strategies play a very important role for us in determining our actions and tactics.

Deeper penetration in India and premiumization-led growth in developed markets has been stated very explicitly by some of our multinational customers. So, I'll come now to a very, very pertinent and important topic which even Vaiju covered in his slides, which is about innovating to lead. Now over the last and a half decade of our existence, innovation is what has given us the edge with markets and customers.

The next decade, ladies and gentlemen, will be no different. If you look at the graph on the left, it gives you an indication of the past and the future. We launched 25 products in the last decade. In the next five years, we'll launch 20 plus. It is ambitious, but we'll make it happen. It also means that we will also be very focused on our participation on innovation, particularly tailored towards certain areas of growth like mildness, non-toxic, modern sun care, hair growth actives, emollients and bio-based products.

Annually, including the pilot plan setup like the one we did in 2022, some of you may recall that, we shall be incurring about Rs 200 cr plus of expenditure, which should be approximately 2% of our revenues by 2030. Our focused areas of innovation will still be governed by the 3C principle, chemistries, which are green, customisation, your stickiness to our business and our customers, and category expansions, which expand our growth profile, thus ensuring competitive edge, which we have garnered over the last four and a half decades and ensuring that.

Finally, bringing it all together, Galaxy will become a one-stop solution for all categories across the home, personal and beauty care industry, by sustaining our existing strong presence in rinse-off and by tapping on to the leave-on and niche high margin segments, thus ensuring diverse growth, retaining our core.

With this, I will turn this over to my colleague Yogesh Kalra. Thank you for your attention.

Paritosh Srivastava:

So, I won't take much time. STP in marketing parlance refers to segmentation, targeting and positioning. While the previous section, as you saw, addressed the segments that we are going to look at, the next section will explain to you the regional dynamics. How do we plan to position ourselves, the geographic drivers and what is going to drive growth in these geographies?

I now call upon my Global Business Creation Head, Mr. Yogesh Kalra to take the next section.

Yogesh Kalra:

Hi, good evening. What a lovely crowd and for this lovely crowd, we are a wonderful industry of home and personal care, beauty and wellness. So, you heard an hour back from our CEO, evolution of the organization, the way the organization evolved.

You heard from Vaiju, the evolution of growth, vision 2030. What are the business leavers? My colleague, Rajib, you talked about wonderful evolution of range of category, leave-on categories, the Indian market space. What I have for you? I am sure you, you, we are with you on everyday basis.

From morning to evening, the products which you use, you manufacture the surfactants. Having said that, of course, nothing big thing about it. You start the morning with Colgate toothpaste, you arrive at an organization called Colgate, you have a shower with your Hindustan Lever products.

Companies like Colgate, Hindustan Lever, Reckitt Benckiser, Dabur, Himalaya, each one of you have heard this brand. Brands are well-known for all of you. But what is happening in the last five to seven years, more so in the post-COVID, wonderful brands have emerged.

Sure, you heard about it, McAfee, recently a month back, minimalist. In the West, you hear the band called Pilgrim. South is fantastically growing with brands like Juicy Chemistry, company called Team Thai.

In East, it's not left behind, you have brands like Wishcare, you have brands like Dot & Key, invested by Nykaa. Significant brands across the country, not only from the top level of multinationals, but lot of Tier 2, Tier 3 cities, brands are emerging. Today, as we talk, I can tell you a brand is emerging in Meghalaya also.

To that level, we have gone from North to South, West to East. What I want to convey is the surfactant ingredients which we offer, cater not only to the top brands, but also the upcoming brands. Every brand, which you have seen in the video, 9 out of 10 brands have Galaxy's ingredients.

That's what we talk about it, and we're very happy to share that with each and every growing brand, not only in our country, from the multinational to the D2C brand we talked about, we are very well present in international brands too. Company like Honest Company, led by a famous Hollywood star.

A lot of Hollywood stars started their own organizations similar to Bollywood stars also. KDC, a known CDMO in North America, has made a tie-up in India. So not only India, but we have also gone far ahead outside India when Rajib talked about winnings in America, winnings in Europe. We'll see unfold how the regional dynamics will evolve in terms of these opportunities.

We are today, in a nutshell, one-stop-shop solutions to home personal beauty care and wellness. That's what we talk about it. That's the space which we operate, and let me tell you,

it's a wonderful space, it's a wonderful industry, be it whether there is recession, whether there is any sort of challenge in the world, you'll always require basics from toothpaste to shampoos to detergents, and of course, now to new age ingredients, which you talk about specialties, anti-aging, anti-wrinkle, you talk about all those things. We are there with you and this industry is bound to go beautifully. So that's the opening thing.

Let's take over, a take on India business first. What's happening in the regional dynamics? Our home country, where we have a very good presence, India market, of course, we started the discussion with premiumization, the buzzword everywhere.

What is the buzzword of premiumization? Remember, I started my first car with Maruti 800. Today none of you will start with a Maruti 800. You like to have an SUV. That's premiumization. That's a wonderful way of premiumization. What is happening? From there on, we penetrate. The second level, which you're talking of penetration.

Today, SUVs have gone far ahead in terms of deep penetration, tire-2-tire 3 cities, and so we talk about positioning also. So, three Ps in India, extremely important, that's where we are growing, tailwinds of why India? Having said that, how we are going to achieve in terms of growth, and what it stores for us in the near future.

It's a wonderful concept when we talk about winning in India. Of course, we talked about six key factors in terms of A, all of us know the way the Indian economy is growing, and definitely in the next seven years, India is going to add by \$500 billion in GDP. Today, a couple of years back, less than 5 lakh salary, the percentage is 44% of the Indian population. As of 2020 to 23, the ratio has gone up to 62%. So of course, it talks about significant disposable income in your hand. It is moving from mass to masstige, masstige to prestige.

Are these premiumization really things going to happen, or is it going to be a bubble that's going to burst? Our team did very good research of talking to customers, going to multiple research reports, and of course, speaking to a lot of customers, and they found out definitely premiumization is here to stay with a very structured approach. Six important levers of premiumization, what are those?

The first we talk about rising household income, which I just talked about it, the way it has been increasing fantastically well. There were a day people used to have a dink, double income, no kids, etcetera, etcetera. Today, every household, we have minimum two cars. Once upon a time, one car was a luxury. Today, it's a matter of two cars. So definitely, you see the household spending increasing significantly.

I'm very pleased to see the female investors are being here. The female workforce today in India contribute 40%, fantastically well, and they are the one who spend not on the personal care, but also on the home care. So, the second important factor where the female workforce in our lovely country has gone up to 40%, which was not there two decades ago or three

decades ago.

I don't think my mother ever worked. She was a housewife. Today, me and my wife are a working couple. Children, they want to work. The first thing they say, we'll work. The third thing, India's fantastic demography, no more it is the Tier 1 cities.

We started the discussion on cricket. Today, the cricketers are coming from Tier 2, Tier 3 cities. Wonderfully, take example of Dhoni, take example of Sehwag. Similarly, these products have fantastically penetrated across cities. When I talked about the North and West has been always the benchmark in terms of growth. Today, you see South India coming out with wonderful brands, Team Thai, GG Organics, Juicy Chemistry.

You see East coming out with products like Will Walk, Pilgrim, Wishcare. Never heard of those brands. You talk Bangalore, Baby Forest. Have you heard of those names? No. But silently, very well, they are growing. The demographic of India offers a fantastic opportunity. In fact, I've been very fortunate traveling across India. I went right deep into Kanpur. They have lovely brands in Kanpur, and they put all their local brand names. You go to Jaipur, you go to Ludhiana, you go to Calicut. Calicut has been growing.

Go to Solapur, go to Kolhapur, Pune, a lovely company called Ghar Soaks. Have you heard of this? But these guys are doing a wonderful job in the country in terms of penetrating and growing very, very well. Local brands, regional brands are wonderfully emerging in this country, and especially in a segment of home and personal care, which you cannot do without washing and cleaning. That's what we are into. So, having said the third point in terms of demographics, what is the next point?

Everyone knows about it. It is all about your digitalization. Absolutely, the technology has changed the entire face of it. Today, I'm sure any brand which you want at home, which you order through Amazon, comes from Sultanpur, comes from Muzaffarpur, comes from UP, comes from Bihar. The technology, e-commerce has changed the entire name of the game. So whatever brand you want, you want some brand from Calicut, you go online, you order, you get a home and personal care brand.

That's a fantastic way these things have developed extremely well in our line of business. What is the fifth lever? Of course, we talk about digital connectivity. One important thing is that not only is it an era of high tech, but high touch also. In India, whatever technology happens, you will always require that personal relationship quotient to be extremely high. So, these are the way markets have been growing in terms of the opportunities.

We also have a lot of under-penetrated categories, which we will see as we unfold. So, not only toothpaste, not only bar soaps or powder detergents, but there are many, many more under-penetrated categories that will emerge in the following slides. And last but not the least, the era of QCs.

You know what are QCs? Quick Commerce. The other day, we were supposed to travel in the morning. I spoke to my wife; she said her toothpaste ran out. In the evening, we were packing. Immediately, quick commerce, in less than an hour, it came.

Of course, Indian consumers are ready to pay that extra price. And it's not a small extra price; it's a big extra price. So, QCs, the quick commerce, the Zeptos, the Swiggy, the Instamart, the Kraft, the Ola Eats, the Uber Eats are all catering not only but also to home and personal care.

So, these are the way you see the six factors which will definitely take premiumization to next level. What has happened? Penetration of washing machines never heard a decade back. Significantly growing to 25 percentage. What happened to detergent liquids? There was hardly anything, single digit. They've gone to 20% to 35%. The toilets in India, five years back, courtesy of Akshay Kumar, Toilet ek Prem Katha, it has increased to 80%. Can you beat it?

These are the data available from the Indian government. Dishwash liquid, all have gone up. In the last 10 years, you see penetration and courtesy to our Prime Minister, Swachh Bharat Abhiyan. What he talks about? Cleaning and all this cleaning. And what are cleaning?

Surfactants. So, this is the way the industry has been evolving and that's why we are very confident in this country where we are, how we'll grow future also. So, these are the quick important data. We also did a wonderful study to understand, and this was done wonderfully by my colleague Paritosh in terms of comparative study. Where was North America, USA in 1960? Where was China in 2006?

How have they grown? The numbers speak for themselves and no short of trajectory, India is on the same growth path in the year 2020-'24 onwards. Similarly, in terms of average age, essential per capita income, what happened exactly in USA in 60, happened in China.

Today, we are facing it in all across categories and definitely in home and personal care too, where all of us are invested into it. So of course, conclusions, India. Today we talk about India as the fourth largest economy in the world. Where were we just back? It is a matter of time by 2030 when we enrol our strategy, India will be a third GDP developed country. So that's what is happening.

Wonderful data done by Paritosh, picked up various data, analysed it and definitely all these steps are towards those line where we'll definitely grow. We are very confident. This is where we're going to see our growth. The penetration level, the spendings were hardly anything. Today on home and beauty care, you don't spend more than 2%. So significant growth you have in terms of opportunities.

So, these are the very strong macros which are enabling us the history in terms of our growth opportunities. It speaks very well. Today, US is 6.5x of more than India. China is 4.5x. So definitely by 2030, I'm sure year when we have these sessions on Capital Day Market, India will grow. So would Galaxy definitely grow.

Now, answering the after why, how part of it? One of the important aspects of the how part of it is we talked about penetration. Extremely important in terms of simple thing. We started discussion of premiumization. We are talking about premiumization what? If you have a premium product, what do you do?

You need to penetrate. You need to move into the market. And that's what we talked about from tier one customers like global accounts, global MNCs. From Tier 1 cities, you're going to deep inside into penetrating those products. This is a per capita consumption. Spending is \$46. And where are the other Southeast Asian countries? So definitely this is significantly going to increase in our country. You have a lot of under penetrated category of face wash, body wash.

Do you know what is the consumption, the growth rate of body wash? Less than 2%. Face wash, dishwash, all of you have been using with your families. It's been for a decade. Penetrations are what for rates of category? Just 25%. I'm sure all your next generation, they're going to use all those stuffs. I never heard my mother using face wash. She didn't know what a face wash was also. They had only one soap used for face, hair, body.

Now you not only have face wash, but you're also face cleansing. In leave-on, when Rajib talked about leave-on category, anti-acne, anti-pimple. My God, these categories have grown 2.6 times. What penetration in the last 10 years? Just 22%. We are definitely going to enjoy the journey of home and beauty care for years to come. And this is going to be a fantastic industry.

So what is the Galaxy's company in which, we have been present not only across all tiers of customers, but we are well entrenched in our home country. We walk the market from Jammu, we have customers in Jammu. We go down to Kanyakumari. We start from West, from Gujarat. We go as deep in the East to Meghalaya.

So everywhere in the market, we are very well entrenched through our team members as well as to our channel partners. So definitely when you talk about premiumization, penetrations, this is the way how we are going to grow. Why will we grow? Simple, very clear. It's going to increase. India economy is going to boom for sure. Home and personal care, we are not left behind. We talked about how also.

Now of course, we talked about how we are going to translate this into. Shampoo has been going for more than a couple of decades. It has penetrated at 90%. But that doesn't mean the new brands will not come. The new variants will not come. It will further increase our penetration. Laundry care is just 20%.

Huge opportunity in terms of the washing machine, laundry care and so with dishwashers. The dishwashers, the laundry care, significantly on the path of growth. And India's growth story is here to stay. And what will drive Galaxy? Galaxy will be driven by volumes in terms of its products, in terms of its customers, in terms of the market. It will be presented across the demographics in India.

So, what does the future hold for us? Absolutely bright, shining, going ahead. We start in terms of the organic growth. These have been the products that have been present in terms of shampoos, toothpaste, mass shampoos. Imagine the category which are less than 25% growth. I can tell you when you go back home, whether it be your wife or whether it be your children, they all would be looking to those categories.

Lip care, lip creams, cosmetics, lotions, moisturizer, baby care. Baby care has been growing significantly very well in terms of the penetration, but hardly anything. And then of course, you have fast growing spaces of D2C brands. Minimalistic, WOW, Plum goodness, Lotus Herbals. You talk about them, and they keep growing.

Premiumization is the name of the game. People are ready to pay to take care of their skin. They're very sensitive today. They're very well educated today. They read the, -- in fact, what is there in terms of the ingredients. And the most important thing when you talked about is, when Vaijanath talked about, Go green and go clean.

Galaxy has created that wonderful ecosystem which ensures, first we talk about safety, sustainability, governance, quality, productivity, and then we talk about business. So, that's extremely important in the category we're going to grow, fast growing spaces. And we are very much there.

What are complementary agencies? Institution cleaning, railways cleaning, hospital cleaning. Across complementary agencies, these categories are very well growing. And then of course, we are poised in this country, in our own country, to look at a growth of 8% to 10%, adding through private labels of D2C. Despite that, we see competitive intensity growing.

We are there not only with ingredients. I just mentioned, we have created our ecosystem not to sell just ingredients, but we sell solutions. We sell services. Today, we are a one-stop-shop solution in this country who will give you the entire basket of ingredients that is required from home and personal care. And we don't only thrive on ingredients, but also on service and solutions.

Extremely important for us in terms of India market. And we do see going forward some consolidation happening in surfactant space also, because competition is going to definitely dig a space in these markets. And as I say, for the India business, we are in the right space, we are the right team, the right attitude, right market, and products to grow this market. So, these are some of the terms of the India business, what the future holds for us.

Having said that, we talked about defend and grow in India. We talked also about the Africa-Middle East-Turkey market. Let me take you to the Africa-Turkey market. Of course, this market has been talked about for quite some time in the discussions, but we have very well grown in this market from 2013 to 2017, offering a growth rate of 12.8%.

There were certain headwinds from 17% to 21%. Still that, we grew by 6%. Africa-Middle East market has exciting challenges but for exciting challenges, we have created a lot of opportunities also. We have penetrated very well in North Africa market. We have gained share in Africa market. We have foothold our strong position in Egypt and Turkey market.

Despite 2021 having challenges in terms of growth, we fairly grew very well by 12.8% in our profitability. When the challenging time was there in terms of volumes, we ensured we took the right steps and grew in terms of value into our profitability. Having said that, the last two years, 2024 and 2025 financial years, we have stabilized our volumes in AMET

We are definitely poised to grow for the future because we have taken a lot of steps in terms of gaining market share. We are coming out with new business models which will shift the orbit of growth in the Africa-Middle East market and so for a company called Galaxy Chemicals, Egypt also. Of course, Egypt and India hold a significant market share. It is an important element in the entire business, and we are definitely going to grow in these two markets by ensuring we protect our share.

Covering that, we talk about the rest of the world. Of course, Rajib did cover beautifully 50% of the ingredient market when he covered in the last few slides, 90% of the beauty and personal care, 90% is covered in the market of America and Europe. What we did in India, we are going to leverage in Americas and Europe.

With our existing portfolio, with our new products, with our new services, we are going to go to the markets of Americas and Europe very well. That is why we created a subsidiary in Europe and so what have we done? In the last couple of years, four to five years, we have invested in preparing ourselves in terms of people, in terms of infrastructure, in terms of connects, in terms of walk in the market.

In the next few years, we will see the results emerging in America's market. One of the important elements where we talk about America is our high-end specialty ingredients through 100% subsidiary of us, Tri-K. They will ensure that they take care of the skin care space, the leave-on space where we see a wonderful growth happening going forward.

So definitely, the rest of the world, Americas and Europe is a very important pie for us for future to grow. As Natarajan started, in Indias AMET, what we need to do? Defend and grow. In Americas, in Europe, where we are present, but where we need to challenge and penetrate and that is what we are going to do. That is what we have built the entire ecosystem for us to grow in these markets. So, this we talk about the rest of the world in terms of the opportunities.

Having said that, of course, all interesting talks, nice talks, there are always risks and challenges also. What does Galaxy do when there are risks and challenges? We try to address the controllables and prepare ourselves for surprises. Always, the first fundamental thing we all know, risks and challenges are there, we first accept it, we ensure we are aware of it, we do

not ignore on that part of it.

And what is happening today in India, one of the important parameters which are challenging is this double-digit inflation, which is extremely very, very, very important element. And what does this double-digit inflation, if it sustains, if it continues, what are the repercussions? It comes through rising input cost, supply chain cost going up, these are the double-edged swords of the rising inflation.

Having said that, what do our customers do? They may change their formulation, downgrading it. Grammage gets reduced. That is another challenge you face when you continue with the sustained inflation. What next happens with the things? The D2C brand we talked about, in case of the inflation continues, they will delay their launches. They will look at new solutions.

But what does Galaxy do in these situations and circumstances? We are well prepared ourselves in terms of offering innovative solutions, cost-effective products to counter these challenges going forward. And I can tell you, ladies and gentlemen, we are very well placed in terms of these opportunities.

The other important aspect we talked about D2C, D2C risks are funding. If this funding slows down, it becomes a challenge. This could be another challenge because of the inflationary pressures, D2C funding slows. And D2C are the brands which come out with the fastest new product innovations. They launch very quick innovations. So having said that, we are covered in various ways how do we protect ourselves in these challenges and prepare ourselves for the surprises.

I sum it up by saying it, definitely we have created a very robust business framework to address these challenges. And as I hand over my mic to Paritosh when he takes over Abhijit, he will talk about the robust risk management which we have to counter these surprises and challenges which we see in the business.

Thank you very much for your patient listening. Thanks a lot.

Paritosh Srivastava:

Thank you, Yogesh. So before we move on to the final two sections, just to summarize what Yogesh said for the group. In India, we are expected to grow at 8% to 10%, primarily driven by penetration of the under-penetrated categories.

In AMET, it will be about business model extension and evolution cycle playing out. And in rest of the world, AMET and rest of the world, we are expected, or we have projected to grow at 10% to 12% in terms of volumes. Rest of the world will be primarily on account of premiumization. And the leave-on segment will add value across all three geographies.

So now moving on to the final sections, creating value for shareholders is a derivative for strong and consistent earnings growth. What we have shown you in the previous four sections actually talks about what is going to generate consistent earnings growth, where we plan to go, how

we plan to go, and what we plan to do.

So now before we move on to the final section, earnings growth which is consistent, backed by prudent capital allocation actually creates value for all shareholders. I now invite Mr. Abhijit Damle, our CFO, who will focus on the fuel that actually will ensure consistent earnings growth, which is prudent capital allocation.

He will also take you through and explain in detail the glimpse of which Mr. Natarajan had given on the business cycles and how Galaxy plans to allocate capital going ahead.

Abhijit Damle:

Thank you, Paritosh. Good evening, ladies and gentlemen. It's a privilege to present before you Galaxy's strategic direction, financial philosophy, and the commitment to delivering above-average returns to our shareholders. A core tenant of our vision, as has been scripted by our founding promoters, has always been a steadfast focus on delivering above-average returns to our shareholders.

This was clearly demonstrated in the offer for sale that we did in 2018, in which Galaxy had provided a market-driven exit opportunity to the investors who had placed their faith in the vision of our promoters and the strength of our business model. With this strong foundation in place, I would now like to turn our attention to the future, specifically the key levers of value creation that will drive sustainable growth and continue shareholder returns in the years ahead.

In our strategy roadmap, we remain committed to reinforcing the leadership position in core markets while actively challenging the status quo in the new ones, driven by differentiated solutions, innovative product offerings, and the strength of our long-term relationship with our customers.

We also at the same time recognize that innovation is essential to stay ahead in a competitive landscape. Our pipeline of new products will continue to expand our portfolio, and when combined with our focus on high-value speciality ingredients, it will play a pivotal role in driving our goal for achieving higher EBITDA per ton.

To complement our internal capabilities, we also look outward for strategic growth opportunities. Today, TRI-K, which was acquired by us in 2009, contributes over 20% to our earnings. With significant headroom still available, we continue to explore value-accretive inorganic opportunities, strategic alliances, and partnerships to further strengthen our portfolio and market presence.

While strategic alliances and partnerships can provide newer revenues for growth, operational excellence ensures that we deliver consistently and efficiently. At Galaxy, operational excellence is a way of life. It is embedded in how we run our manufacturing operations, how we optimize energy use, how we ensure infrastructure availability, and how we manage our supply chain and at the heart of it all is our belief in the mantra, delivering more from less.

In today's digital and AI-driven era, the importance of leveraging advanced technologies cannot be overstated. We will continue to invest in these new technologies for transforming our operations in various areas from smart manufacturing to demand forecasting, quality control, predictive maintenance, etc. And finally, none of this would have been possible without our people.

They continue to be the cornerstone of our success, and we are committed to providing a culture that enables them to grow and excel. As technology rapidly evolves, we are prioritizing and upskilling our workforce and equipping them with digital capabilities with an aim to drive deeper engagement and build a more resilient and future-ready organization.

With this, I would now like to take this opportunity to walk you through some of the most defining phases in Galaxy's journey. The two phases that you see here were the years wherein we made bold investments, stayed resilient through challenges, and ultimately delivered strong, sustainable results.

As Natarajan has previously highlighted about the Chinese bamboo which does not grow for the first five years but then rapidly scales up within the next five weeks, you will notice a striking similarity in the growth story. Let's begin by rewinding to the late 1990s. During the period 1996 to 1998, we took a pivotal step by investing in our first continuous process plant in India. It was at Taloja.

This gave us capability to compete with the products of global quality standards. The investment of INR48 crores was significant for a company of our size then. It was about eight times of average EBITDA during that period. These investments, however, laid the foundation of the international business of Galaxy as you see today. Naturally, such a capital-intensive phase resulted in tempering our return wherein our ROCE dropped from 24% to 16% during this period.

This reduction was anticipated as it reflects the natural gestation of the new assets and the time required to scale up operations. But what is important, what came next? As the utilization improved, our ROCE began to recover, steadily climbing back above 24% once again. This rebound was a clear validation of our strategy that well-timed, well-executed investments, even their temporarily suppress returns, they ultimately create a long-term value.

The second phase you see spanning 2009 to 2013 marked a bold new chapter for Galaxy. One that extended our footprint beyond our existing boundaries. This included strategic acquisition of Tri-K in the United States and Greenfield investments in Egypt and Gujarat totalling to over INR500 crores, nearly five times of our EBITDA at that time.

These projects were not just about capacity, they were about strategic reach, geographic diversification and future readiness. Today, our subsidiaries Tri-K and Galaxy Egypt contribute over 40% of our annual earnings. This phase also impacted our ROCE which dropped to 15%,

but once again within the next five years ROCE bounced back to 22% as these assets began contributing meaningfully to our operations.

The Egypt story in particular is one of resilience. After our entry in Egypt, the Arab revolution unfolded, the environment was volatile, the risks were real, and the challenges were many. But with great commitment and an unwavering belief in our long-term vision, we established a strong and sustainable business.

Today, our Egypt operations are a key pillar of our presence in the AMET region and also catering to the rest of the world. With an annual export to over 80 countries, it's a sheer testament to our ability to navigate uncertainty and emerge stronger.

Our capital allocation strategy is rooted in discipline and a balanced approach with a clear objective of maximizing long-term shareholder value. We have consistently applied a rigorous framework of evaluating investments that meet our internal benchmark of delivering an average return on capital employed about 22%, a standard that we remain committed to.

Every project we undertake must align with our long-term vision, leverage our core competency and tap into meaningful market opportunities. Our capital deployment is thoughtfully balanced across four key areas. Returning value to the shareholders through consistent dividends, maintaining and upgrading infrastructure to ensure operational reliability, investing in growth both organically and inorganically and supporting working capital needs to manage market price fluctuations effectively.

Today, we are in the midst of our third major phase of growth that will serve as the springboard for achieving our vision 2030 and beyond. The following principles will define our capital allocation as a percentage of operating cash flows. About 15% towards the return to shareholders as dividend, about 50% to 60% towards organic opportunities to achieve our vision 2030 and beyond. Remaining headroom would be for any inorganic opportunities, strategic alliances, and partnerships.

This approach will ensure prudent balance between growth and financial resilience, maintain a strong balance sheet and credit profile, and ensure adequate headroom to navigate business volatility with confidence. To conclude, Galaxy is strategically positioned for a sustained growth and enhanced profitability.

With a clear strategy, disciplined capital allocation, and relentless focus on operational excellence, we are confident in our ability to deliver superior long-term value to our shareholders. Thank you.

Paritosh Srivastava:

So as we get ready for the final section, as Galaxy also gets ready for executing its strategy 2030, there are two big things which we would classify as the new normal. The two big levers that shall enable and accelerate this growth, which are digitization and inorganic growth. I now invite Mr. Vaijanath Kulkarni to explain the two big levers and conclude the presentation for

today.

Vaijanath Kulkarni:

Good evening, friends. Once again, by now, you would have got the feel that at Galaxy, we are embracing the journey to achieve stellar and aspiring growth outpacing our industry growth. For such an orbit shift scale, we are fully aware that we will also have an orbit shift in complexity and the scope of work to be executed. That means it's the new normal, and we have to be ready. And hence, I will spend some time on this new normal.

In today's landscape, no investment strategy is complete without a strong digital foundation. We are executing comprehensive digital agenda that enhances our agility, sharpens our decision making and strengthens our competitive edge. We are digitizing our processes end to end, enhancing our data analytics capabilities and integrating artificial intelligence technologies into our operations.

These initiatives are helping us gain deeper insights, optimize our cost and deliver better service to our customers. So, when we talk about digital transformation, we have a clear roadmap. The first one talks about strengthening the data driven decision making throughout the processes by using analytics and business intelligence tools.

The second initiative will be all about automating complex and repetitive tasks across the production line to drive operational excellence. The third one will be about creating an integrated, but interdependent digital ecosystem across the processes, functions and platforms in the organization.

The fourth important enhancing the customer experience through seamless digital engagement platforms. The laying the foundation for our futuristic vision and having a digital factories. also will be an important part of this digital transformation. And most importantly, building a digital ready workforce, upscaling our boardroom to shop floor, through targeted training and capability development. All these encompasses our digital transformation.

With clear timelines in place, the digital transformation will play a very crucial role in executing our strategy 2030. So, this is the first new normal for which we are equipping. The second new normal as Paritosh said and you would have by now discovered in our strategy is the inorganic growth.

And that's why this is a new normal for us. Strategy 2030 lays the foundation for a superlative growth. While the last five years were all about building ourselves, building various capabilities, the next five years will be all about leveraging, acquiring and accelerating when it comes to inorganic growth. Galaxy did acquire TRI-K USA in 2009. And as an organization, we have been actively evaluating the various opportunities in past.

However, as we have narrated this strategy to you, which defines the contours of inorganic growth and it's a new normal. A structured approach now will ensure a time bound identification of targets and a faster scale up. As an organization, we plan to take the inorganic

route by four ways as depicted. Target the unique offerings and solutions in the beauty and wellness value chain.

The second one is to access the new geographies which we talked about in the previous presentations and also consolidate our position in the existing markets where we are leading. That's the second important dimension of the inorganic growth. The third dimension is acquiring proprietary technologies which are based on sustainable and bio-based technologies.

And the fourth dimension of this inorganic growth will be on new contemporary products to our portfolio, add them serving and addressing the sustainability, bio and natural preferences, which are the dominant trends that we see in the coming decade. While we will strictly adhere to our mantra of prudent capital allocation, the objective will be always to add segments and generate a significant value and give Galaxy a sustainable competitive edge.

With these two new normal, now I would like to come to the summary part of our presentation. Having explained the new normal, now it's time to conclude. Natarajan opened up the session by unveiling our vision and expressing and elaborating the goal for 2030, which in summary is nothing, but forging forward for an accelerated growth.

The last four and a half decades, we have seen Galaxy transforming from an Indian company now to a global multinational company. From a story of one product, one customer, today we are 215 plus products, 1,400 plus customers globally and we are exporting our products to more than 80 countries from our operations in India, Egypt and USA. This evolution has been a clear testimony of becoming from an Indian supplier to now a globally valued partner.

We have slowly but steadily built this image, the brand and the presence across the home and personal care value chain. The recent awards by two of our major tier one customers to us is a clear testimony of a globally high-quality organization, which we have built over the last four and a half decades.

The fact that we were the only Asian company to receive such special recognition, we also become the only Asian company to bag those two global innovation awards for our speciality ingredients, mainly in beauty care space. This exemplifies that with last five years preparations, we are all set for creating a similar brand and presence in beauty care.

We believe that rejuvenation is the key to ensuring the vibrant core. As we want to forge ahead, it is critical we add new layers and dimensions for growth as presented over and above. Defending and growing the Indian AMET, we are going to focus on four strategic imperatives to summarize.

First one, winning in Americas. Second, winning via specialties in Europe. Third, diversifying via beauty and wellness. And the fourth one is driving our strategic alliances and partnerships globally. Orbital shift requires a bold vision, a clear strategy and a structured execution. It requires organizations to invest in its products, people and infrastructure ahead of the curve.

With our leadership pillars and execution excellence, we will accelerate our journey towards becoming a valued global partner and achieve our goal set for Vision 2030. And this is precisely what we have done as a preparation in the last five years and what we plan to do in the next five years.

And in the last one and a half hours, we believe we have narrated this story to you, and we hope you have found the session useful. We thank you so much for your patient hearing. And now, I request we can move on to a question answer session. Thank you, ladies and gentlemen, once again for your patient hearing. Thank you so much.

Paritosh Srivastava:

Okay, so now we will be having the Q&A session. My only request to all of you will be before asking the question, please tell your name and the company or institution you belong to. Secondly, one important thing, if you would like to check out the solutions that we provide our customers and what goes into hair care, oral care, skin care, you can just visit the counter over there.

We have displayed some of our products. We also have Jayshree who can take you through. These are the products that are displayed during the exhibitions, and it will give you a good idea about how we partner with our customers to enable them to win. And last announcement for today is that food will be available. Dinner will be served from 7.15 pm. You can have dinner after 7.15 pm, but now we will be having the Q&A session. So once the management comes on board, the floor will be open to you to ask questions. Yes, we can start.

Deep:

Hi, good evening everyone. It's Deep from 9 Rays Equi Research. Sir, I just wanted to know that what could be the mix of performance chemicals and specialty chemicals? What could be the mix in next two years? And my second question is if you can help out with the margins of individually of performance chemicals and specialty chemicals and exports versus Indian domestic market? Thank you.

K. Natarajan:

Yes, thank you. So before I answer this question, I think I should also thank all of you for the contributions you have been making in our growth because we do that every year on our Foundation Day which is June 22nd. So, it is June 13th today. I think all of you will receive a thank you card from us. We do that every year on the Foundation Day. So we complete 45 years this June 22nd, 2025. So, thank you all for that.

Yes, to answer your question, see if you look at the way the strategy has been crafted. Obviously, the good part of the growth is going to come from specialty ingredients. But as we are going to be using that to drive our margins up, you also need to be growing in the Indian market in line with the market growth, which is expected to be pretty significant. So I do not see any great movement between this sort of split we have between.

So today we are at 65%-35%. I think it can probably be always said that it cannot get skewed the other way. So it will probably be 60%-40%, 55%-45%. It will go in that. But the fact remains

that we need to be ensuring that we continue to be maintaining a leadership position in the market's environment in India. We need to do what it requires for us to maintain the leadership position as we penetrate and win in America and Europe.

Next question in terms of the individual margins, we do not disclose that. So we do not do that. As regards third as to what will be the composition between domestic business that is India and exports, we are today at about 40%-60%. So I would see that this would start getting more tilted towards exports, because winning in America and winning in Europe is going to be part of the strategy. How exactly it will pan out depends on how the progress happens. Probably I do not want to hazard any guess in terms of what that ratio would be. We will probably be able to make some clearer statement two years into the strategic execution.

Saumil Mehta:

Hi, this is Saumil Mehta from Kotak Mutual Fund. Two questions from my side. The 20-odd products what we plan to launch in the next five years, what could be the approval cycle, how early or difficult is it going to get to those approval cycle given we will be also working with newer segments, newer companies? That is my first question.

And second, in terms of the EBITDA CAGR of 20% which we plan to achieve in the next five years, obviously this will have some inorganic, but even if I exclude that, will the growth be more linear or we are looking at a more stronger back-ended growth towards maybe 29 or 30? Thank you. Those are my two questions?

K. Natarajan:

Thank you. I will answer the second question first and then I will hand over the first question to Rajib to take. So, yes, you are right. It is not going to be linear. You will see that it probably resembles closer to an orchestra as we start progressing. So that is important that how do we start because the initial phase would be as to how the EBITDA will start getting impacted positively by leveraging on the investments that we have already done.

And then as we keep investing on the newer categories that we are going to foray into, it will start paying up dividends in the subsequent years. So, it is not going to be linear for sure. So, we would certainly see that it will start ramping up probably post midway after into the next five-year journey. Yes, Rajib, I think you can.

Rajib Bhattacharjee:

Yes. So, thank you for the question. Regarding the new products 20 plus, all of these products obviously would not come out at the same time as you can imagine. There is a staged launch which has been planned. However, I would like to reiterate which I covered in the presentation. We will be on our focused areas on leave-on mostly, mildness and also on certain benefits that our customers want.

So, to give you an idea, I think we cannot divide it by three or five because each of these products have their own gestation time. But what you would see is that most of the products will be aligned to our strategy that we have unveiled today. These products as would be developed on the governing principles that I have covered with you, green chemistry, some of

it would be very customized to markets and some of it would be based on category expansions.

Yes, the typical time for any such product to be rolled out is anywhere between 6 months to 18 months, depending upon the regulatory and the complexity of the product itself. I hope that gives you some idea of what we are aiming for. Thank you.

Hussain:

So, this is Hussain from Carnelian. So, just wanted to understand what a right will be to win to enter into new markets and also into new categories. So, I think that was the missing part in the presentation. We wanted to understand because you intend to go into export markets looking at Americas and Europe and also you want to get into new categories like beauty and wellness and what will be our right to win in that.

So, since it's a new category and whom are we displacing? If you can highlight on those fronts, that will give us a better understanding as to what is the plan for the company going forward? Yes that was my question?

K. Natarajan:

The first thing is if you have a right to win, are you doing the right things? Do you have the right people on board? And how have you built your brand over the last 45 years? So, first thing is for us to be getting into the US market, it's not that we have been not in the US market. Since 2009 when we acquired TRI-K, we have a significant presence there. We are well known there.

The strategic and innovative business model that we have done in terms of collaborating with the customer there is essentially to serve as a springboard for us to be accessing the market with a wider range of products. Within Europe, I think the whole thing, we have been very well known in Europe, but the issue has been that you don't have a real local. We need to be a local supplier there.

There's only so much you can do through distributors. Not that they do a good job, but then there's not. If you want to access the market in a very significantly superior way, you need to have more feet on the ground. They need to see that you have skin in the game and that's how we have established our subsidiary there. It will give us better access to them. We do see Europe giving us significant opportunities in terms of the way that it's going to evolve in terms of using certain premium products.

And we also see that there is a good amount of racing for really dependable and capable suppliers. The other right to win is our innovation capabilities that enable us to come up with products which are in line with the consumer trends and our formulary development ability which ensures that we are able to go with the solution to the customer. Our regulatory capability, because if you have to be winning in the developed markets, you need to be very facile with knowing the regulations and being on the forefront of it.

We are pretty good at that. We have set ourselves well in terms of garnering all these competencies and we believe that we are well set to be able to work on this. I think only time will tell. I think it's something that we are very clear that we will on course to be achieving. I

think we will see proof of that in the coming years for sure.

Archit Joshi:

Hi, good evening gentlemen. This is Archit Joshi from Nuvama Institutional Equities. Sir delving a bit into the numbers or the targets that we have given, two and a half times EBITDA roughly translates into 20% odd EBITDA CAGR over the five years. Also looking at the EBITDA per ton number that we are looking to achieve in a blended basis of roughly INR25,000 a ton is a step jump in terms of what we have been doing till now.

I am sure this will be a contribution of our new entry into beauty and wellness, but I was just doing some calculations, and I could fathom that the new products that we will be launching will have a significantly higher per ton contribution. I just wanted to understand how these products would be different from our existing portfolio and what would be the rather scale of ambition over here to take it to a level of volumes.

For example, we are doing 2.5 lakh tons of volumes. Over the next five years what could be the volume number that we would be looking to track here and how would be the scalability of this. This is the first question. Second would be over these five years would we require any significant capex to build on these numbers for beauty and wellness? Thank you.

K. Natarajan:

So we would require capital I think that is what Abhijit presented. You are talking about 50% to 60% of our incremental operating cash flows will be invested into the organic growth that we are going to be having. As regards to your first question in terms of the high margin products, one is we are getting into the developed markets, second is we are getting in with new products which obviously are going to be more on the Leave-on.

You are talking about modern sun care actives, you are talking about derma ingredients which are more into skin care, you are talking about high-end personal care actives that we are looking at, you are looking at hair growth actives, you are looking at anti-aging activities what we are doing in our subsidiary TRI-K.

So we have a list of products that we are going to be working on and we do see that the pretty good scope available in the way that the market is going to be presenting opportunities and that essentially is what we are built in. And we know that it is aggressive, but we are very clear that if you really do not leverage on this sort of opportunities the market is providing and the way that we have built our presence in these markets.

I think we would not be doing justice to the sort of capabilities that we have. So, yes, we were very clear that it is going to be a combination of the new geographies we are accessing in terms of growth that is Americas and Europe and then the sort of price, a combination of both of that.

Umang:

Hi sir, thank you. I am Umang, I am from Banyan Tree Advisors. Two questions are already answered. One question was, what we understand from Galaxy is that it has a lot of focus on quality. So if you could just have Mr. Sagar Trailokya also, Dr. Trailokya also speak about how important has quality been over last 10 years to actually work with innovators and especially

when we are winning in Americas and Europe, right? That would be useful.

It was very helpful for us to hear the entire top management speak. It was very valuable to hear their thought process. Second question was that in these geographies, would we be expanding our sales and marketing team to reach out to new customers? That is because what we understand is that the innovation cycle with the customer is quite long. You have to handhold them to a lot of extent to bring their product to market.

And this would be true, especially when you are working with smaller brands. So in India, it is easy because you guys are based here. But when you go to Americas and Europe, how would that change? That would be the second question. And third would be a bookkeeping question. Specialty segments, current basket of 125 products, how much would be the top five product contribution? That would be all, if you have the, if you can answer that? Thank you so much.

K. Natarajan:

Yes. So, the first one is, you sprang a surprise on us. We never knew that you want anyone other than the presenter to be talking. So I don't know whether Sagar is really prepared, not that he doesn't have a response to this. So Sagar, do you want to take this question? Yes, please. You come on the stage because others can look at you. So you can repeat the question in case and then I'll take on the balance two questions.

Sagar Trailokya:

Yes. As far as quality is concerned, we look at impurities. Okay. And our focus is always on how we can reduce the impurities so that the product which we'll produce meets all the requirements of quality. So I hope I have answered your question.

Vaijanath Kulkarni:

A little bit that maybe we can add is that over four and a half decades when we had to serve from India to some of the best of the global brands, I think quality and quality systems is absolutely a key success factor. So it talks about building our capabilities in quality and quality systems, the skills of the people, the technologies by which we run our plants, and also the innovation and quality here works hand in hand. As Sagar said that we have to be always ahead of the curve.

I'll give you an example of the Eco Safe range, right. There is no restriction for 1,4-Dioxane for that mother product except America, where we are actually not exporting from here. But our technology and quality team came up for our Indian and Egypt plant already. Now we can service even if that regulation comes, we are the first one ready to serve that. So driving technology as a leader in our industry and taking impurities to the benchmark is one of the critical points when it comes to delighting the customers.

Second aspect of quality is giving the formulation support. This also is part of the service that Yogesh also talked about. So, our quality team and our innovation team work very closely to the -- with the innovation of the customer's organization, where the quality of formulations, the quality of ingredients in the formulations is worked out together.

So it has been a very consistent journey of partnering together to improve quality. And that's

why we have a very unique edge with all of them. And we leverage it with the D2C brands, because they want very quick to market. So with this experience we can repeat it with them very fast. So that's its very important that question about quality, okay.

K. Natarajan:

Yes, so I think it's all about what we call as the quality management system. So just to give you an idea, if it is the existing products, okay, we have mastered in terms of the product, the manufacturing and the quality control. And how do you assure that whatever comes out meets those specifications.

But to do that, to have a good assurance system, you go back to your vendors and see as to how you are able to ensure that they have a quality management system that is going to deliver quality to us of the feedstock, meeting the specifications on a consistent basis. Now there are some vendors who are pretty evolved, some of them whom we have to support and train them. That's part of the way that we build our quality assurance system.

Now if you look at the specialty ingredients, the new products that we are going to be doing, there it's more about understanding as to what the new feedstocks are, what are the key determinants in terms of their interplay into delivering the impurity profile and the purity into the end product. How do we define that? How do we enrol new vendors for those new products? That will be a very different ball game.

The good news here is that we are very clearly having all the capabilities, both in terms of people and instruments and equipment. And a good brand with the global multinational in terms of our quality management system. We get audited every year. I am very proud to say that somehow, we are taken as an example by our major customers to say that this is what Galaxy does. Why don't you go and learn from them? And we are pretty happy in terms of the extent that we don't compromise on confidentiality. How do we support that?

As regards what are the top 5, we don't have the numbers ready with us. I think this is something that we can answer in the quarterly analyst call.

Nilesh Saha:

Hi, this is Nilesh Saha from Julius Baer. So I had just two things to ask. I see that this is the first time that I am seeing a lot of emphasis on the Leave-on Segment from your BPC space. I do know that this whole sunscreen, we do have some products from the sunscreen pack. But could you talk about, say, in your deck, you spoke of several other areas on the Leave-on side where you plan to enter.

So of the capex that we have done in the last few years, do you have any of them from there where we have the process know-how which are probably approved and will go live? Or is this an area that we will now sort of do all that work and enter?

K. Natarajan:

So it's a mix of both. It's not that we have not been in Leave-on. We have been in Leave-on products. We supply products that goes into some regular moisturizers. Our Tri-K business is all, is majorly into Leave-on.

Nilesh Saha: You're talking about hair care, right? It's more hair oriented.

K. Natarajan: No, If you look at Tri-K, Tri-K looks at Leave-on solutions for damaged hair. You're looking solutions for your anti-wrinkle. You're looking at solutions for what you do under eye treatments, okay. Looking at solutions for what you can do to get your eyebrows much thicker. So we have many solutions. So Tri-K is typically at the forefront of that.

If you look at it, one of the legs of this is how Tri-K is going to expand its portfolio. We already have a lot of work that is done. We have identified partners through whom we can work with. If you look at what we're going to be doing in India and Egypt, it's all about how we enhance the basket of products in line with the consumer trends. Because people are looking at more natural, more greener solutions in terms of emollients and moist and say esters, which goes into almost all skincare formulations, Leave-on, especially moisturizers or if you look something. If you look today, you have a lot of moisturizing solutions for feminine hygiene.

Now we have products that are ready for that, okay. Now that's emerging as feminine intimate hygiene. It's emerging as a very, very high growth segment, even in India. So you have such niches available. So we have products already in the pipeline for some of the products. We're already working with customers. There are some of it that we are now in the process of. It's come out of our innovation funnel and we're in the process of launching them.

Like if you saw this product called Derma Green, it is actually going to be in a Leave-on product. It can also be into cleansing solutions, like a shower gel, but it's also has a huge application in Leave-on products. If you look at Gal guard Prebiotic, it's again going to be in Leave-on solutions. So we have. So it's a mix of both. So, we have something already there, a good amount of it. A good amount of it we need to be launching as we move forward.

Nilesh Saha: Got it. The second thing which I wanted to ask you is that again inorganic as a strategy of growth, it has been mentioned several times, right. This in the past has not been something that we have done except sort of Tri-K being only one, right. So could you talk about the kind of deals that you are looking to do? What are the attributes of such companies? I mean, what kind of sizes are they? What kind of valuations do they trade?

I'm just asking that from the sense I got is that it's a systematic strategy for you. It's not that you are waiting for a one-off deal to happen. But from our point of view, the valuation you pay becomes an important sort of consideration. So can you talk about the kind of companies you are looking for?

K. Natarajan: See we talked about capital allocations. So I don't want to be specifically saying what is the sort of value of the deals that we want to do. That will be something that will be getting into too much detail. We obviously are defining those targets and what is the sort of size of the deal that we'll be comfortable with.

If you ask me the size of the deal doesn't represent what we have in the kitty to spend. What

Abhijit spoke about was in terms of what we have, we have almost 40% of our next 5 years incremental cash flows going to be available for inorganic. We also have a gearing that is just about 0.2. So we have that as well.

So we don't want to be -- so when I'm defining deals, I look at defining the brief trade to the investment bankers. We're not looking at the size of the deal because that is like putting the cart before the horse. We look at what are the segments that make sense to us, like we just enumerated that, whatever is going to enable us to get into geographies where we don't have a presence.

Like what we have done in terms of a strategic alliance with our customers, say to cater to our US markets is one. We'll obviously look at more such happening. We also will be looking at can we have certain strategic alliances or acquisitions that can give us access to new technologies because we're going to be looking at how do we enhance our presence into the new age molecules that are going to be coming up.

Can we look at alliances or acquisitions say in certain bio-based actives and bio-based products available? Do I have access to a commercial scale process available or a facility available? Do I have the ability to where I need to be consolidating my position in the markets that we already market leaders? Are there any opportunities available for that?

But finally it will be driven by how you want to be growing. We would not be certainly doing any acquisition or any deals just because we want to sound very bold and want to be seen as someone who is taking all the risks. That's why we want to be very prudent. We are risk aware and we want to ensure that we are very focused on the legs of growth that we identified in our strategy, and we'll continue to put our money behind that but in a very, very structured way.

Some of it would start getting apparent as we move forward. One of it we did announce 3 months back in terms of the strategic collaboration between our customers. We'll have something more coming in.

Nilesh Saha:

Just one small third thing. So this comment around organic capex, let's say 50% to 60% of OCF. Now just the thought process that we had is that we have gone through a capex phase and then it takes some time for that to show up and that has led to our asset turn to come down and ROCE to come down, right. I mean, are you saying that we are still in this capex phase? We will be in this capex phase sort of for the next year, year and a half according to this plan?

K. Natarajan:

My capex phase, when I say that we need to be growing significantly in line with our leadership position in India and the American market, you really need to be adding capacities. It's not that you don't because that is also part of the strategy because you need to retain leadership position and you need to be able to serve the market, okay. You also need to be investing in products where if you're looking at going into Europe and US, it's not that everything is new product. When you're looking at even specialties, you need to be having sufficient capacities

available to be able to serve that.

Similarly, when you're launching new products like I talked about Derma Green, Galguard Prebiotic and all that, you need to set up capacities, correct? So that obviously will be the organic growth. Even for new products, you need to be putting your money into that particular strategy. Similarly, every capex takes about 2 years for it to be established.

So when I'm going to be investing something, when I talk about incremental cash flows by 40%-50%, somehow it will get invested in '29-'30 and then you'll start paying results subsequently. So it's a continuous cycle. We only wanted to give you an idea in terms of what it's going to be. But it's a continuous process in terms of investing.

Manoj: Hello, sir. I'm Manoj from Carnelian. A couple of questions from my side. As the company adds on the stay-on category to the rinse category, how important will be the inorganic part? Can the company add that category organically or you must have to do inorganic to have a meaningful presence in that category? So that is my first question.

Second is in your slide, you also mentioned in beauty and wellness, it is too fragmented where like Tier 1 players are around 20%-25% or 30% of the market. The suppliers to those players, is it equally fragmented? And also if I look at beauty and wellness vis-a-vis your existing business, is it a low volume, high value, low volume, high margins? How do we see that? So these are like few of my questions. Thank you.

K. Natarajan: What was your first question? I missed.

Manoj: So my first question is that as the company moves to beauty and wellness, which is like your whether inorganic is must to have meaningful presence there?

K. Natarajan: I'll answer it a little bit differently because I may not be able to because it's just that if I have to be looking at, if I need to be -- the probability of I having to go for inorganic route for growth will be more when I need to be in the Leave-on segment. Whereas rinse of, you know, it will be more. Not that we may not have an inorganic growth happening there, but it essentially can be done through the organic route, okay, very clearly.

Now with regard to the wellness segment, you said it's very fragmented. That's what I understood from you. Or you talked on the Leave-on segment because we are presented on the Leave-on segment.

Manoj: No, wellness side, I think in one of the slides you mentioned that it is very fragmented where I think Tier 1 players have around 20%-25% of the market. I think in one of the slides it was mentioned.

K. Natarajan: So it's not fragmented. If you see, this could not have been the case probably 10 years back. If you see many of the new products that are getting launched by the direct-to-consumer brands

and private labels, more so direct-to-consumer brands are all in the derma space and Leave-on space. You do see some launches in the rinse-off space as well. But moreover, that is what is leading to.

So if you see, when you see all the global multinationals acquiring, all these companies like Minimalist or you look at what has just happened in UK when Unilever bought one other company there which is into certain very specific product categories, it tells you that consolidation will keep happening there. So this can take the 25% up.

But it will continue to remain this way because more and more such launches will keep happening in this space because what is the time it is required to launch a product today has shrunk very significantly. If someone has a good product idea and a product, you are able to launch it.

The second one is in terms of their ability to influence and access customers is very hugely enabled by social media. So that is what is going to be continuously having this. Like Yogesh said in India, we are saying that almost, I may be exaggerating, but there can be a new player coming in every week all over India. Earlier we used to say it will happen only in Bombay, Gujarat. Today it is happening across.

They are all small. Some of them we have seen are there. They are not able to scale up. Some of them just wither away. Some of them get acquired. But this will continue to happen. It will continue to remain in the way it is today. So, the challenge or the opportunity there for us is the way that we have our formulation expertise and the way that we have built our access to customers by being close to them is going to give us a right to win there.

Because any new customer today, I can very proudly say in India, if there is any direct-to-consumer brand that wants to get launched, we will be the first port of call, okay, where they will come and say this is the idea that we have. This is the sort of end attribute for the product that we want to be launching it on. We need to have a product solution. And they will also say you give me a product solution.

We do all the, what do you say, testing for them and tell them this meets all your criteria. And then they will say we also need to have someone who can make it for us. So we also introduce them to people who can really do contract manufacturing for them. So that is how we are able to provide an end-to-end solution to the direct-to-consumer brands.

And what we are now wanting to do is that how do we now start playing this out in the developed markets as well because there are enough and more direct-to-consumer brands there. Like if you go to California and US, probably I think every actress probably will have one brand. And they are doing it on the base of their own influencing capability.

So we need to see as to how we are able to use this. So how do we access to formulation capabilities there? What do we do? How do we build? Or do we have access to that through

any of our partners? All these will be part of the way that we will roll out. But it is very clear that that's the path that we need to take.

Manoj: My question was whether the suppliers to those brands are also equally fragmented?

K. Natarajan: If you ask me, they are not. Because once you start getting into the formulation through direct-to-consumer brands, obviously they want to stay on course. It's not that they are going to keep moving here and there because they need to have a basket of ingredients given to them. So it's not that it's fragmented, but yes, once they reach a particular scale, then they will start to see as to can I have access to more customers.

The initial they will start saying that I need to be staying, okay, with a supplier who is going to give me that steady and stable. But yes, subsequently once they start picking up the scale, they may start diversifying. But initially it will not be.

Manoj: Okay. And my third question which was on the volume versus margin and value thing. So this new category will be low on value and high in value and high in margins. Is my understanding correct or?

K. Natarajan: It will be. So when you are looking at Leave-on solutions, there will be a degree of this, margins being better. But yes, that's what the strategy is about. How are we able to partake in this sort of opportunity that's getting present in the developed markets?

Manoj: So your Rs 21,000 to Rs 25,000 is mainly dependent on this category to succeed, right, then only this journey will happen, right?

K. Natarajan: That also has to happen and we also have to do well in terms of the existing product categories or the existing investments we have done. So how do you ensure that you are able to deliver value through what you have already invested? How do you get your operating leverage is also going to be one part of that. It's a combination of both, okay.

And it is also in terms of how you are going to derive operational efficiencies. When you talked about digitalization, how are you going to have that contributing to getting your, aiding your operational excellence, because digitalization is going to be significantly aiding your operational excellence. So that's also going to be one.

The other thing also would be how are you able to get your route to market optimized. It will all be part of this. It will be a combination. But yes, if you are not going to be able to come up, really make our strategy of winning in America and winning in Europe happen, okay. If we make that happen, I am sure this is going to be a consequential stuff.

Keyur: I am Keyur from ICICI Prudential Life Insurance. Two questions. First, on our core or existing categories, probably this first half of next 5 years, the growth would be more driven by existing categories. So just your thought on how the demand or volume growth would be for these

existing categories and at the company level, how the trend would be for say EBITDA per ton as a measure, since we would be investing in existing as well as new categories. That is first point.

Second, do you think the organization is ready or will require a lot of changes, say in terms of mindset, culture? I mean, since we are doing many new things and new categories, inorganic opportunities, growth targets are much higher. I mean, in past, investor community used to ask you why not 10% growth and you used to tone us down to say 6% to 8% kind of growth. And when we accelerate our targets, there are chances of financial accidents. So just second question is on how organizations prepared or will need any changes on that side. So these two questions. Thank you.

K. Natarajan:

The first question, I think it's that I think in the last analyst call, I did say that I do not want to be making, giving any guidance for the new term. We need to wait for the first half to, because we are talking about, we had given a guidance of 6% to 8% in terms of volume growth. And I had said very clearly that we ended last year at 4%. We can be at the lower end of the range of 6% to 8%.

But India really makes a proper comeback in terms of demand. And we said we want to keep our guidance for EBITDA per metric ton at Rs 20,500, Rs 21,500. So I'd stick to that. I don't want to be saying anything right now, because what we presented is in terms of what plans we have the next 5 years. I do not want to be giving any guidance as what I had said earlier. We'll probably have to wait for the first half to get over.

As regards second, you're very right. Mindsets have to change. It's not that all of us here are very clear. And I think when we embarked on this journey in terms of the new strategy, I think that's the reason why the entire group here, you have 5 presenters, but then the entire team here was here because there's a very clear buy-in.

The other thing also is in terms of we are inducting new talent, like we had Rajib coming in. So we'll have more new talent at senior level coming in to ensure that we are able to have a good osmosis of the wisdom of the people who have been with us for 20, 30 years and the wisdom of people who have been outside in other organizations and can bring in some freshness into the way that we look at growing our business.

With regard to your question saying that earlier, if you ask me, this is a question that we were also saying as to, like Rajib asked this question as to are we looking at doing something, such aggressive stuff right now? I said we have done this earlier. It's only that we are talking to this market. Say in 2019 when we did our first analyst call, we were essentially talking about and giving an idea to our investors about what we are, how we have done, looking more at the past. We are doing this and then we are talking more about the future.

But if you ask me, I've been in this company for 32 years. I think we are pretty aggressive in

terms of growth in the way we, I think we are now articulating it to all of you. But this has been the way that we have otherwise we would not be where we are today.

The only difference now and then is that you have a team that is now led by professional management. Earlier obviously it was the founders who had the very different entrepreneurial zeal. So the challenge now is that how do you ensure that the professional management continues to have the same entrepreneurial zeal. Obviously being very aware of the risks as we progress on this journey to deliver superlative growth. That's what I would like to put it as. Thank you.

Arun:

Good evening, Natarajan ji and others. Thanks for the presentation. This is Arun from Avendus Spark Institutional Equities. So first question is on these 20 plus new products that we are talking about. I'm assuming most of these new products or molecules are already commercialized and used by our clients in one of the other products.

If that is so, have we already gone through the, if any of these molecules have already gone through the approval process or it is going to start from probably at some point in time in future. And that means that if we get the product approvals, we will be gaining market share from which peers, is it like a globally how well you are placed in taking care of this competition. So that is on this new products part.

K. Natarajan:

Yes. So if you see out of this 20, it's not that we have launched everything. Some of it we launched. Like we talked about Derma Green, we talked about Galguard Prebiotic, which is yet to be launched. So we have that and in all this, some of the products are extremely new because we have something that is unique in terms of the way that we are coming up with the product.

Because if something is not unique, then obviously if someone asks, what is the right to win? You know, if it's a me-too product, it's not going to make any sense. Why will a customer spend time on evaluating that product when it's going to be something they already have in the kitting?

So it's all about how are you able to make the product more green, more natural? How are you able to give a better performance in the end formulation? How are you able to have multifunctional benefits delivered to a single molecule? These are the ways that you're going to position a new product.

So, but we don't, we are also very clear that if we come up with something that is absolutely new and out of the sink, then the approval can significantly time, because it goes through a very, because everything is new. If anything is something where you're able to convince the customer that yes, it is new, gives you all these benefits, but it is not something that you are, it doesn't -- it is not something that is totally out of sink.

So that's also we take care because you can't be making something which is very exotic, which

is very good, but the customer says, that it's something that, I need to spend a lot of time and whether they really want to spend that sort of effort. I only hope that I'm able to, we are in this journey.

If I'm able to come up with a product, that really can give you that sort of a, this thing, that'd be very great. It can happen, but that is not something that what we are looking at. Some of these innovations that we are looking at is also in terms of what some of the customers are communicating to us, what they're looking at, that their customers were looking at in terms of their strategy, whether they want to be looking at diversifying their supplier portfolio, then it becomes much easier.

So it's a combination of all that is something that we push to the customers in terms of our innovation pipeline products coming out of it. And there's somewhere I have a pull from the customer. So it's a combination of both that we will be running. But yes, okay. We need to ensure that these products really will have to go across and in Europe and Americas are going to be a critical stop for us.

Arun:

That these molecules will be manufactured in India, not in our AMET or UK, US...

K. Natarajan:

It can be in India. We can also do it in AMET, because one of the things that we always have from customers is that if you're going to be single source, because these products, they're not going to be going to have three, four sources when they incorporate that formulation. So they'd always say, if you only make it in India, then there is a, what is your business continuity plan?

So many times, we look at whether Egypt also can have a capability to do that. If yes, fine. But if it's going to be something that's going to cost you quite significantly to be able to replicate the facility, we would then say that probably India will be the best. But wherever possible, we try to give the business continuity plan through having a similar setup in Egypt as well.

Arun:

All right. Second question is on our 2x volume growth. Let's say currently we are going from 100 to 200. That's what we are talking about. How, what percentage of this incremental 100 is, say, coming from the capex that we have already done? I mean, hypothetically, if you are not going to do any capex from here onwards, where this 100 will settle in, say, in the next couple of years?

K. Natarajan:

So, which we said, I think I can probably, I haven't, but the way that why you gave you the quality of growth, we talk about 50% incremental EBITDA coming from organic that what is existing. Okay. Now, it will, some of, most of it we already invested. But some of it, we may have to do, it may not be greenfield. It can be de-bottlenecking, or it can be some brownfield, but we let it do that.

Because it will be product specific. Like some products, we may be not having to set up any new capex, some products, we may have to. But more, what I look at is that you may not have to do anything that is greenfield. It will be more in terms of a brownfield or a de-bottlenecking.

That's where.

Arun: Finally, my question is on, of all the top management which is present in this room, how well they are aligned with the shareholder interest, in terms of ESOPs and all?

K. Natarajan: Yes. So, they are very well aligned. So, I can, see this question I constantly get. But I can tell you, we, our guys are very different. We are not here to, deliver value to shareholders only when we see that we also have something that can come in return. It comes in as a clear commitment that we need to, because earlier we had shareholders who were promoters, today we have shareholders who are promoters plus minority shareholders.

So, that doesn't change. We are coming up with a performance stock option plan, which we have already, it's probably getting voted for in the next 10 days by the shareholders. That if you see, it's more in terms of not to say that I give you this, you deliver this for me.

It's all about saying, you deliver growth, and you partake through PSOP in terms of what you deliver, you get a portion of that. That is the optic. And we take tremendous amount of care to ensure that we communicate well.

Because I never want a situation where someone says, if I don't have anything, there's no quid pro quo. It may look good when I had to say that there's skin in the game, but then that skin in the game can be, it can probably create blisters for both of us, if you have skin in the game. So, that's not something we do.

But I can assure you that we have significant skin in the game in terms of, even without the PSOPs. This PSOP is something we have done because not in terms of wanting to have skin in the game, more in terms of saying, you deliver and then you get to partake in what value that you deliver. That's the way it is.

Arun: Finally, are we looking at any opportunity coming from the consolidation within India? I mean, how fragmented the competition is in India? Is there any scope for consolidation here or anything?

K. Natarajan: So, there is a scope for consolidation in India for sure. But then yes, it also, it always boils down to saying as to whether you get the right value, the right quality. Because one of the things that we know is that any opportunity that I have to access here in India, it has to meet our standards of safety, quality management system and people.

If it ticks all the boxes and we are able to have a valuation that's not going to be something out of whack, it approach. So, we constantly keep looking for it. And we have been doing it earlier also, but we always find that things really don't fall in place. But we have enough and more opportunities that we are evaluating.

Arun: Thanks all the best, sir.

Jignesh:

Hi, Jignesh from Nippon Mutual Fund. A couple of questions. If you look at capex in the last 4 years, from 2021 to 2025 right now, if you include the CWIP of INR220 crores, we roughly spend around INR750 crores kind of capex.

And over a period of just last 4 years, so if you take absolute volume, grew by just 10%, EBITDA grew by just 10%. So, safe to assume that we have enough capacity available. So, in that context, why want to go very aggressive on the new investment?

Because if you take our next 5 years, if you do the maths, whatever you, EBITDA or the doubling and everything, probably we should generate around INR2.000 crores kind of operating cash flow and you want to invest 50% to 60% on the new, you can say, organic capex, which is roughly around INR1000-odd crores, you can say.

So, why to be so aggressive on the new capex when we have enough ideal capacity available, number one. And if you do that, then still you are hopeful of 22% kind of ROC, you can say you want to achieve on that part?

K. Natarajan:

No, you are right. I want to be only looking at next 5 years and just leveraging on whatever we have created, I think you are right. We do not have to invest anything. I just return whatever I earn back to the shareholders. But our job also is to ensure that how do you prepare organization for on a continuous growth. That is why we are going to invest.

It is not that we will invest in something that we already have capacity. That is because we are only going to ensure that we are going to derive value out of whatever you already said. But as we do that, it is important that we keep our eye on what the consumer trends are, what the customers are asking and preparation is future because the moment you start becoming irrelevant for the customer, because then you would say the new stuff, you are not even capable of meeting my requirement, then we will start sliding down.

So, the challenge is as we are going to be delivering value out of investments that we have already done, which is obviously a top priority, and we have done that earlier. Galaxy has never been probably not delivered in terms of getting returns from what investments it has made. Egypt in one case is very clear. 5 years we struggled, but we came around and it is significantly superior in terms of what it delivers.

But we also need to be investing for the future. That is what we are talking here. But if you do not do that, then if you are not relevant, the whole company is going to go into a downward spiral.

Jignesh:

Second thing, if you take the rest of the world, it is always a high margin, low volume game historically. Almost 5% kind of CAGR for the last 5 years. What gives you confidence of around 10% to 12% kind of volume growth and which are the areas you were saying that incremental growth will come from?

K. Natarajan:

The confidence, if you ask me in Europe, when we have set up our own subsidiary there and we have people who are operating out of Europe, it was born out of the thing that we have enough and more customers whom we can access, but then we need to be present locally and be able to serve them from our local stocking.

We were doing that through distributors, but distributors were only so much, and Europe is also pretty vast. It is not that what works in Italy does not work in Germany, what works in France does not work in Spain. That is very important in terms of how you build the team. We are very well known there in Europe. We have a lot of products today with us.

How do we ensure that you are able to access those customers, be with them, get your products okay into their pipeline in terms of evaluation and then able to reap benefits. So that is very clear. That is how we are going to win in the market.

In America, as I said, we already are present through TRI-K plus this strategic initiative that we have taken with one of our key customers is also going to set us on course to be able to access the biggest market in home personal care and beauty care.

We now have a capability to access that market because in US, you cannot access everything either from India, Egypt is much closer, but even known in the US is going to be looking at a 30-day supply chain to be able to get their material. Everyone wants it locally. So that is what is going to ensure that we are able to win in America, we are able to win in Europe.

Jignesh:

Last one on the 20 new products which you have planned to develop and launch in next 5 years. Any rough idea about how large a term is in \$1 million term or the volume term and what kind of market share you can grab in the next 5 years?

K. Natarajan:

No, I don't have readily that information. Even if I have it, obviously I don't want to be sharing that. But yes, I don't have it in this granular way.

Jayesh Shah:

Hi, this is Jayesh Shah from OHM Portfolio. Thanks for your presentation. I have a few questions. Maybe there are more clarifications than questions. Coming to your beauty and wellness and new product launches business. Is my understanding correct that you may need to approach fresh set of customers or would these segments and product launches would be with your existing set of customers where perhaps your market shares are low and you think you can ramp up?

This question is important because you talked about the addressable size and the opportunity. Now, does this mean that you need to have a different set of customers that you have never really engaged where the discussion starts at zero level or these are continuing dialogues where you get feedback where it's very easy for you to plan these launches and that gives you the confidence for launches in these areas?

K. Natarajan:

Yes, that's a good question. So I think there's something that we ask also internally in terms of

whether in any of the geography is hunting going to be a major portion of our approach or farming. So if you ask me both these geographies, I think we have enough and more customers where we can farm and then there where we are able to get more projects in pipeline moving. But as we're doing it, I should be very transparent that it's not that in Europe and Americas like in India and Africa, Middle East, we have accessed most of the customers.

So we still have to access but what happens is that once this sort of team we have and the way that we walk the market it's going to give you as I start hunting, we will also have a situation where you will have more and more customers onto the bandwagon because if you're into one brand, two brands, three brands, it then gives you a way that you're able to hunt for customers more easily. It's not going to be very difficult.

But yes, hunting for customers is going to be in Europe and Americas but it's not that the entire thing is going to be only because you'd approach anyone immediately. We have enough and more customers with whom we already have projects in pipeline, they know us, we're already serving them with some products, they've visited us, they know our quality management system, they're aware.

Now in Europe, if you ask me, my farming is going to get enabled very beautifully because they already know that I'm going to be serving them locally, billing them locally. I'm going to have my people there. Hunting also gets enabled because when you go and tell people that I'm already here, I'm going to be inverting it from here, I'm going to be stocking here, then they start developing because none of them today, the way things are, in the last 3 years, the way supply chain has got totally messed up.

No one wants to be subject to the vagaries of something going wrong. So it's very important that they perceive us as someone who is local and they also say that I'm not willing to bet on you because you have skin in the game, because you have put money behind what you want to be doing. It's not that you've only been talking.

Jayesh Shah: So you would have some set of anchor customers and then you would have to run.

K. Natarajan: Yes.

Jayesh Shah: Thanks. My second question again is a little bit more on the short term that you see local demand weakness, even on the exports, the scenario is quite uncertain. And I don't know to what extent the customer dialogues you're having, given the tariff uncertainties and how that impacts you?

And this related to the question is that suppose you have 2 years of kind of 6% to 7%, 8% volume growth, then the next 3 years ask rate is very high. So you still have the confidence to come out in public and talk about 14% volume growth over 5 years?

K. Natarajan: Yes. So if you ask me, if we need to be influenced by the present, then I think you'd never be

able to think big. And it has happened before because we have Galaxy has always looked at investing with future when we know that things don't look very big because you need to continue in that process.

Second is with regard to what is happening in India. We know that India is going to have a huge runway for growth based on what Yogesh explained. Right now, it's a question of urban inflation being extremely high. Things are getting cool now, like government reducing the import duty on edible oils from 20% to 10%.

The government is very seized of what RBI did in terms of repo rate getting reduced by 0.5%. They're seeing that inflation is getting contained. So I see that as positive. But as most of the customers say, second of the financial is when they will start seeing the results coming in. Yes. So there can be a situation this year we may not grow that well in India because the market is not growing.

We need to make up because India also typically makes up for these sorts of dips and we obviously have to ride the wave. With regard to the other aspect in India market also is that in India is a market where you have a lot of trends that are positive for us. Like you have people as there is inflation pressure, you also have people who are looking at premium products. A lot of B2C brands whom we are working with, there are new launches that are happening.

So that's also going to give because you need to be looking at both these legs. The other thing also is in terms of the way that probably the complexion of this might be you have people looking more for say like Yogesh talked about face cleansing. People are looking at liquid fabric wash.

You're looking at people looking at fabric conditioners, which obviously was never a category earlier. So these all for an opportunity because we were never present in those segments because in powder detergent we typically have nothing much to contribute in India. But the moment you have the shift happening towards liquid, every shift, so it doesn't matter because the powder today will be growing liquid.

So your fabric wash is growing today at say 4% or 5% in volume. But a 5% shift into liquid gives you a huge runway for growth because you're not present at all there. So that's the way it will pan out and we are very confident that in India this is going to happen is only a blip.

Jayesh Shah:

On the export front, how are the customer dialogues happening right now given all the tariff uncertainty?

K. Natarajan:

Yes, if you ask me, I was in a customer meet, senior level customer meet in London in the month of April. That was the time this tariff came up. So everyone in the meet were all only wanting to because it was 8 in the, 9 in the night there and then this got announced. Okay, all those charts that was presented. So they were all saying what to do because there was uncertainty.

Today if I ask customers, they say we don't want uncertainty on tariff, we want certainty. Whatever it is, let it come, we'll plan. Because this particular uncertainty of what is going to come, when is going to come is actually creating a lot of issues because customer will decide. Like I read an article which said yesterday that in US, in Europe people have stopped, they have suspended their or held back their investment decisions.

So they say once clarity comes, we want to invest but we will see as to how do we rejig it. But that is a problem. So customers are wanting to have clarity on that front. So that's something that is an issue today. Okay, I only hope that this gets taken care but and you have a clarity swiftly.

But one big issue that none of us can have any answers to is the way the geopolitical situation is panning out. Okay, so we have some serious issues on that front. What has happened since yesterday, these are not good signals. These are not good signals and those are uncontrollable for us.

We only have, we are the receiving end. Once it happens, we then say whether you know, whether I have a problem on hand or I have some opportunity. So you get into that mode. So that's an issue. So probably the next 3 months are critical. That's why I always, I said even in my last analyst call, I don't want to be, as we stay positive as a team to deliver, I don't want to be coming up with any guidance because we have no situation to give guidance.

Jayesh Shah:

And lastly on competition, to what extent China is really present in your category and can really disrupt in terms of pricing given that they may also be facing the export restrictions. I mean, our worry comes from the fact that China may have no choice but to dump in all the other countries if it's not able to sell in the US. Now, does that impact your business in any way? And related question is, who are the competitors that you look forward to and you consider them as a role model?

K. Natarajan:

Yes. See China, see if this tariff war really plays out and China is cornered, China has enough and more capacity in every product, not only in everything. I think they can get into a situation where they can, they can wipe out capacities in almost every country. So they have so much. In fact, in some products they have capacities that are enough to serve the entire world for the next 15 years.

So that is an issue, but that also tells us that if you see all this clamour in terms of looking at how do we contain China, the same thing is being discussed in every country at the government level saying that how do we now take care of this. So there has to be ways that it's already happening. Okay, on iron and steel, you're looking at what happened in solar cells.

So that is something. So you'll have each country now looking to protect itself. So that will happen. And I see no reason why India wouldn't do that. Because then in that case, if you have to compete with China, with the way that they price, it doesn't make any sense.

So we're not even getting there. If it comes to that, we know as to how to take care of that, the government is going to be seized because it's not only going to be our products. Before us, there are so many other products that they will start dumping. So that's one. Second is with regard to the other question that you had was...

Jayesh:

Who are the role models?

K. Natarajan:

Yes, role models for me, if you ask me, our biggest role model is BASF. We hold them in very high esteem. They are present in almost every area. But only thing they are not, only one of the divisions competes with us. But I know their ability to, the sort of capabilities they have on innovation, the sort of market access they have, the way that the brand image that they enjoy.

I think they are the benchmark for us. And I tell that to even many of my customers, I tell that to many of my competitors as well. So internally, we say, how do we benchmark against them on innovation, on the way that they have a geographical footprint, the way that they invest out of the curve. They are going through some challenges, but I think they're supremely capable of weathering any challenge.

Paritosh Srivastava:

So in the interest of time, this was the final question. We will be dispersing for dinner now. And you can continue with your questions over dinner and we can discuss if you have any further questions, you can write back to us.

And my request is to all the members, thank you for joining us, ladies and gentlemen. It's a pleasure for having you over here. Please enjoy the delicacies that are present outside. Thank you.