

November 16, 2022

To
The Secretary, Listing Department
BSE Limited (SME),
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

## Sub: Transcript of conference call with Investors & Analysts held on November 11, 2022

**Scrip Code: 543363** 

Dear Sir(s),

Pursuant to Regulation 30 and Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find attached the transcript of the aforesaid Conference Call held on November 11, 2022 at 3 PM.

Kindly take the above information on records.

Thanking You,

Yours faithfully,

For Prevest Denpro Limited

KRISHN Digitally signed by KRISHNA RATHI

A RATHI Date: 2022.11.16
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Krishna Rathi

(Company Secretary and Compliance Officer)



## "Prevest DenPro Limited

## Q2 FY '23 Earnings Conference Call"

November 11, 2022





MANAGEMENT: MR. ATUL MODI – CHAIRMAN AND MANAGING

**DIRECTOR – PREVEST DENPRO LIMITED** 

MRS. NAMRATA MODI – WHOLE-TIME DIRECTOR AND

CHIEF FINANCIAL OFFICER – PREVEST DENPRO

LIMITED

MR. VINAY JAMVAL - FINANCIAL ADVISOR - PREVEST

**DENPRO LIMITED** 

MODERATOR Ms. ASTHA JAIN – HEM SECURITIES



Moderator:

Ladies and gentlemen, good day and welcome to the Prevest DenPro Limited H1 FY '23 Earnings Conference Call hosted by HEM Securities. As a reminder all participant lines will be in the listen-only mode and anyone who wishes to ask a question may enter star then one on your touchtone phone. To remove yourself from the queue please enter star then 2. Should you need assistance during the conference call please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Astha Jain from HEM Securities. Thank you and over to you ma'am.

Astha Jain:

Thank you, Seema. Good afternoon, ladies and gentlemen. Thank you for joining the Prevest DenPro Limited H1 FY '23 Earnings Conference Call. Joining us on the call today are the senior members of the management team, Mr. Atul Modi, Chairman and Managing Director, Mrs. Namrata Modi, Whole time Director, and Mr. Vinay Jamval, Financial Advisor of the Company. We will commence the call with the opening thoughts from the management team post which we will open the forum for Q&A session where the management will be glad to respond to any queries that you may have.

At this point I would like to add that some of the statements made or discussed on the conference call may be forward looking in nature, the actual results may vary leave forward-looking statements. I would now like to hand over the call to Mr. Atul Modi to commence by sharing his thoughts on the performance and strategic progress made by the company. Thank you and over to you Sir.

Atul Modi:

Thank you, Astha Jain. A very good afternoon to all of you. I'm happy to welcome all of you for the investors conference for First Half Year of the Financial Year 23 Financial Results. The first half year of the financial year '23 marked the significant growth in our business in spite of the fact that there is inflationary pressure due to shortage of raw materials, increased shipping costs and supply chain disruptions.

Russia-Ukraine war has also caused economic instability and slowdown of the economy in many European and CIS countries despite all these challenges, our company has done exceptionally well and we have posted robust financial results for the first half financial year '23. In this financial year, we had a big challenge of compliance with the Indian medical device regulation. We call it Indian Medical Device Regulation, MDR.

Dental medical -- dental materials come under the category of medical device and all medical devices have come under the Medical Device Regulation that is MDR. All medical devices manufacturers have to obtain manufacturing licenses and standard Drug Control Organization of India, [inaudible 0:03:10] deadline of 30th September 2022 are obtaining manufacturing licenses.

I am pleased to inform you that we are the first Indian manufacturer of dental materials that received the manufacturing license well within this speculative deadline as by the CDFCO. And



now we can freely manufacture and export dental material. Export dispatches were held up after 20th September due to delay in issue of the manufacturing license and some of the orders due for disguised in September were rolled over to quarter 3 financial year 2022.

We have interacted year-on-year growth in terms of revenue and PAT. Our financials demonstrate that the durability and strength of our business. Our export business has grown by 32.53%, while domestic business registered a growth of 44.89%. I am pleased to inform you that our Research Development Testing Center is operational since 1st October 2022. To start with, we have employed 4 scientist and technologist and supporting staff to initiate the research activities will be field of biomaterials, including 3D printing basis.

The global dental biomaterials market will witness a robust CAGR of 7.9% and reached to \$14.5 billion by 2030. As for the data published by independent market research according to WHO 2020 update, the estimated oral diseases affected nearly 3.5 billion people in the world, with untreated dental caries in the permanent teeth, as the most common health condition.

The factors possible for the global dental biomaterial market growth are an increase in the dental disorders, growth in dental caries, growth in dental implant market and increasing income of the people. Novel and advanced biometer are required by improving the quality of dental clinical applications.

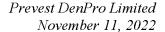
The global dental 3D printing market size is expected to grow at a compounded annual growth rate of 25% over a period of 10 years, as reported by independent research report, dental 3D printing has established a strong position in the dental field due to the widespread application of 3D printing in fabrication of dental products for aligners, surgical guides, temporary crowns and bridges and permanent crowns and bridges.

I'm also pleased to inform you that our company has been granted an Indian patent for one novel product developed by our R&D team. This product is [ATS 0:06:39] caries prevention. This product has wide application and has been successfully commercialized by us recently. This product is expected to add substantially to our revenue in the coming time.

Through strong R&D, our company will have edge over our competitors in terms of quality of our products and wide spectrum of products serving all segments of dentistry and also help us to establish ourselves as the market leader.

New facility for the manufacture of oral hygiene products, oral care products, disinfectant for medical devices and biomaterials is under advanced stage of implementation. Though there is a slight delay in the completion of this product due to delay in the receiving of some of the equipment, we hope to make the new facility fully operational in quarter 4 financial year 2023, subject to the regulatory clearances.

With the completion of this project, we will have a comprehensive product portfolio, comprising of dental material for treatment and prevention of the oral diseases. We see a very bright future





for our company and we are well on the way to deliver another year of strong double-digit growth.

I thank all the investors and all other stakeholders attending this conference and also for their unprecedented overwhelming support to us during our growth journey. Now I will ask Mrs. Namrata Modi, Whole-Time Director and CFO to present the financial results. Over to this is Mrs. Namrata Modi.

Namrata Modi:

Thank you, Mr. Modi. Good afternoon, ladies and gentlemen. I'm delighted to present the results of the first half year of financial year '23. The company has delivered total revenue of INR 2501.22 lakh and PAT of INR 701.40 lakh in the first half year of financial year '23, against revenue of INR 1,775.42 lakhs and PAT of INR 535.51 lakhs in first half year of financial year '22. Thus, reporting year-on-year growth of 40.88% in revenue and 31.03% impact.

Further, the company's EBITDA stood at INR 1022.77 lakhs in HY 1 versus INR 764.78 lakhs in H1 financial year 2022, which has grown by 33.73%. I am further pleased to inform you that the company has cleared all its long-term -- of INR 136.37 lakhs in H1 financial year '23 and now the company's debt free. The company has incurred a capital expenditure of INR 734 lakhs in the current half year. And the total capital expenditure incurred up to 30th September 2022 was INR 1,127.14 lakhs. The remaining portion of capex shall be incurred in the second half year of current financial year.

The management hope that the benefit of which shall be derived in the next financial year, the company has employed highly qualified and experienced person in marketing and research, resulting in 44% year-on-year increase in the employee benefit cost. At last, I must say that our numbers talk about our growth through with a strong business fundamentals. We have a positive outlook and a very optimistic view on this. Once again, I thank you, all of you. Over to you, Astha.

Astha Jain:

Thank you, Namrata madam for your input. Now I would like to hand over to Seema.

Moderator:

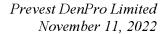
We'll take the first question from the line of Mr. Ganesh Radhakrishnan, Individual Investor.

Ganesh R:

Thank you, sir. Thank you very much for the opportunity and congratulations for the very good set of numbers. My first question is, during your comments, you said there's some specific reason that because of the last 10 days in September, there were no shipments and it got rolled over to Q3. I don't think I understood the reasons for it. Could you elaborate on that, please?

Atul Modi:

Yes, please. I will reply to this query. The Indian medical device regulations asked for the medical device license. So the license was to be given to us before 31st 30th September 2022. But because this was a new regulation, so there were so many issues involved from the CDSCO side and state medical device authorities. So in spite of the fact that we have completed all the formalities, there was a delay in the issue of the license. We don't be licensed, we cannot export the material because the license number has to be printed on all the packages.





We received the license and we had to suspend able dispatches. We had the orders. We could not dispatch because the license was not granted to us. The license was granted to us on 27th of September 22, and there was no time to print the manufacturing license number on the packages. So there for all the pending orders were rolled over to the next month. So the figure for this quarter are a bit low because the dispatches were held up, and dispatches orders were there, but could not be dispatched. Now those dispatches will be reflected in the third quarter.

Ganesh R:

Sir. I think it is clear now. So approximately what will be the value of those spending dispatches. I mean you say collateral...

Atul Modi:

So we have, at the moment, quite a good number of export orders in hand. So I do not have the exact value with me right now. But I can only say that we will overcome the shortfall of the second quarter numbers in the third quarter. Our order book is very good at the moment, and we are very confident that we'll be able to overcome the shortfall of September in October and onwards two months.

Ganesh R:

On the balance sheet, I mean the receivables have gone up substantially. And the earlier calls used to say that all your shipments used to happen on advanced payment basis on full payment. So any reasons why kind of a buildup in trade receivables?

Atul Modi:

Our, Mr. Vinay Jamval give this slide to this query.

Vinay Jamval:

Good evening, everybody. As per the debtor bill receivables are concerned you will see our debtor period has increased from 52 days from 24 days to 32 days, holding because of the reason in some of the European countries. Roughly for, what we are saying in issue, we have a data advance rate. Now with probably Ukraine Russian trade war, we are a little delayed, but the market is very optimistic and inject contact with all the buyers that the payment will be still very soon and most probably in the current quarter, the payment will be received by the company.

Otherwise, all other debtors all that is including foreign distributions and domestic are less than 90 days and very much in a receivable mode with very good even say we have a very good expertise. There's 100% receivables will be material, there is no chance of any better. Otherwise, also, if you compare our table period with the rest of the industry, we have a very good recovery period. So you can say that we have a debtor receivables period debtor payer, you can say, it's a 32 days maximum.

Ganesh R:

What will be our exposure to Europe in terms of let us say in sales will be what, 20%, 25% of all be the percent of our sales in Europe?

Atul Modi:

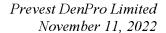
In Europe, our sales is to [inaudible 0:17:40].

Ganesh R:

And my last question is regarding your expansion. There is one expansion for putting the R&D unit and another investment for putting up this plant for producing those new sanitations, all those stuff. So what kind of a payback period is management is surging for this?

Namrata Modi:

See 2 tier investment. One, the investment is on the R&D target...





Moderator: Sorry to enter up, sir. Sorry to interrupt also. Sir, your voice is breaking up, sir, when you're

talking.

Atul Modi: We have to clone R&D and the new facility are manufacturing the products need as a rig rate

> product. So R&D is operational, and the new facility is still under inception. And we are expecting R&D is related with the product development. It is not directly -- it will pay back to us in the form of new product development that will add to the company's revenue growth. So

this is an ongoing process.

Product development is a continuous process that new product development, optimization of the quality of the existing products that will indirectly contribute to the growth of the business. But the new facility will be operational from next financial year. So we expect that revenue generation there will be increase of about INR 25 crores from that new facility. So that will also add to the total revenue, and we are expecting that the payback period will be around four to five

years.

**Moderator:** We take the next question from the line of Mr. Prashant Individual Investor.

Prashant: Thank you for the opportunity and the congratulations for a good set of numbers. My first

> question is the management is. Can you please tell us about expansion and FDA approval for US and Canada. So how much sales we are expecting for current and next year from those new

markets?

Atul Modi: The projected sale further from these new markets for the next financial is around INR 10 crores

> because this is a long process, it's a new market for us, and the Indian products are not at all known in these countries will be the first company from India who is going to introduce products made in India. So this process, we have already initiated. And for this purpose, our sales and marketing team will be visiting US very recently, very soon to showcase the product in the

forthcoming US biggest dental acquisition.

So we are expecting a lot of new contract development in the US and all we are a couple of companies have started this process of buying products from us. So we are working closely with them in the development of because those are privately linked projects. So we are developing the packaging for them. So we have already started this process, and we are expecting that our

business from these new countries will definitely be a good number. And we expect -- the projection is that we should have a business growth of more than 10 crores from these countries.

Prashant: So my second question is, is our paid margin is growing over 20% every year. So is that

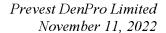
sustainable?

It is sustainable because we have been continuously for the three last years that our - the package

consistently we are maintaining, and we can continue, and I will request for Jamval to elaborate

on this question

Atul Modi:





Vinay Jamval:

Glad to meet once again. Yes. And so the that is concerned, if you go to the financials for the last day two to three years, are PAT increasing every quarter, every half year, every year, except this quarter due to certain results have already been explained by Mr. Modi. If you can go through our budgeted figures, our estimate that we have declared in the IPO document, you will see with the this expansion, diversification and the installation of R&D department in our company itself is going to augment our sales in every phase, irrespective whether it's a domestic feeds, domestic market or the inflation market. And we are very hopeful that the synergy that is increasing will further improve. start with the commencement of our additional [inaudible 0:24:09]

Prashant:

Okay. So what's our strategy to penetrate more into global markets?

Atul Modi:

The global market already, we are exporting to more than 85 countries, and the major markets we are going to start our business in Russia, US, Brazil. These are the three biggest markets where we are going to start our business operations very soon. So these three countries will definitely increase our revenue from export. -- as our export to 80 countries because of our presence in these countries for a long time. We are expecting a regular growth from these countries. As we have seen in the last so many years that our export business is growing around 35%, 40% annually. So that trend will continue. So, we will definitely continue our efforts for increasing the export also for increasing the domestic, so that we have all around growth in domestic as well as in the export market.

Moderator:

We take the next question from the line of Aarushi Lunia.

Aarushi Lunia:

My first question is, what is the revenue contribution of APS gel to our existing revenue and due to the passing certification, do you see a manipulation revenue?

Atul Modi:

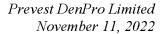
APF Gel is recently introduced in the market and it is already generated INR 5 lakh revenue for our company. This is just an introductory, we just introduce this product and we are expecting once we have been granted the patent, we can start our marketing campaign. It's a huge market worldwide and we are very confident it will be one of high revenue generating product for the company. This is a new novel revolutionary product, which our company has developed inhouse with our research team and we are very confident it will give a good business to our company.

Aarushi Lunia:

My second question is, your product needs to be added to our portfolio to the new facility?

Atul Modi:

We are continuously developing new products. As already discussed, we have made our R&D center operational. We have now started developing the products on bioceramic and biomaterials and 3D resin facility printing. So all these products will be rolled out one by one in the coming times. So those will increase our product portfolio and we'll have more products. So, we can definitely with bigger project range, more comprehensive product range, we can get more market share and entering new countries with more products will definitely generate more business for the company?





Aarushi Lunia: My other question is, I just wanted to understand your intonation about your competitors on

what is your market share approximately?

Atul Modi: See our market share at present is around 1.5%, 2% is not compared with -- in the Indian market

because the maximum market share is held by the multinational companies, not by the Indian manufacturers, but by the trading companies who have their trading offices in India. So they are all multinational companies, they are holding the majority of the business in India. So we are

competing with them. We have very low market share compared to them.

But our market is growing in India at 30%, 40% a year. That's an ample proof that our business is growing and popularity of our products is increasing day by day in India. So other companies, they are not growing at this pace. They are not having any growth. They are just sustaining their business in India, but we are growing at a very high pace. So that is ample proof that our

acceptability of product is increasing in India day by day.

Aarushi Lunia: My last question is, how are the difference on MNCs cost of production part?

Atul Modi: I couldn't get your question, there is...

Aarushi Lunia: How are the difference from MNCs and cost of reduction part?

Atul Modi: So I'm not able to understand just...

Moderator: Ms. Arushi, are you on speaker phone, I would request in a switch to your handset.

Aarushi Lunia: Sir my question is, how are we different from MNCs from cost of production part?

Atul Modi: We are very, very competitive because of our cost of production is almost half of their cost

because we have the advantage of low implied cost and government subsidies and key power. So, there are many reasons due to which our product cost is very low compared to the multinationals. And our selling price is also comparatively low compared to the multinational.

So we have that cost advantage over the multinational.

Moderator: We take the next question from the line of Mr. Pankith from Ascent Advisors.

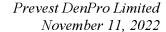
Pankith: My question is related to the cash on the book, sir do we have any plan to give dividend this

year?

Atul Modi: The management will take a positive decision. But at the moment, we cannot commit anything

on this matter. But definitely, we are very positive, and we are really conscious of this issue and the management will definitely take a positive view and decide soon about this. This is very, very important for us and also for all the investors. So we are very conscious and we'll definitely

take a positive view on it.





Pankith:

And I have one more question related to Saudi market. I think in last call, you mentioned that we are getting good orders from that market from Gulf countries. So can you just, I mean, give a little bit on it. I mean, how we are progressing on that front?

Atul Modi:

We are having regular business from Saudi Arabia. We have annual agreement contracts with them, so they are fulfilling their commitment. We are getting regular business from the Saudi distributor. And the consumers are very happy with the product. We are getting repeat orders. We are very confident that our business in Saudi will increase and a year-on-year basis, and we have very good, high hopes from this Saudi market.

Pankith:

And I have one last question related to the Indian market. I mean you mentioned in the opening comments that in India, we are growing at a very good rate. But just wanted to understand, I mean, what is the step we are doing for brand building and for our marketing initiatives apart from the expos that our teams are visiting?

Atul Modi:

I will pass on this question to Mrs. Namrata Modi. She has got good -- as has got more information on the domestic market. I would like to have to share with you more information in this question.

Namrata Modi:

As for the domestic market, we are increasing very fast, as you have seen in our results also. Because we are doing lots of work on improving our market in all over the India. As you have seen in our results also in a balance sheet also, which is showing clearly the increase in employee benefit costs. We have appointed new employees, new senior marketing person all over the India. And so we are getting the good orders from there.

And we are taking part now more and more in exhibitions than we are organizing more and more lectures regularly taking part -- our doctors, we have appointed 15 key opinion leaders for all of our India marketing purpose. So, they are doing work hard in the process of popularizing our product in all the institutions and then to clinic. So I am very hopeful that whatever we are investing right now in marketing, in future we will get the benefit of debt, and 40% growth as you have seen in these six months, the result is already showing that we are getting success in domestic market.

Yogansh Jeswani:

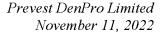
Sir, could you please give guidance for the revenue for the next half of year?

Atul Modi::

We are expecting good revenue. About 40% of growth we like -- will be -- we're hoping to maintain. So this is our projection for the next six months that we should be able to clock, or touch INR 50 crores. or more than INR 50 crores. So this is our projection and we are very confident that we can achieve this kind of growth in the next six months also.

Moderator:

Thank you sir. We take the next question from the line of Akash Khitan from Stock Edge. Please go ahead sir.





Akash Khitan:

Yes, I wanted to understand, how much time generally a customer takes to evaluate your products in the western side of the world, supposing Canada or US markets. And what is the evaluation process, if you could throw some light on it?

Atul Modi:

Yes. I reply to this question. See, as I have already said that this process is a long process, because it is not only -- just in the product, it's a long-term usage of the product and the patient. So when we provide samples to our distributors who want to buy the products or who want to be our distributor. So what they will do, first of all, they will pass on the samples to their panel of the dentists. And the dentists will start using those products on the patients, and then they will watch the performance of the product on the patients under treatment, how the product behaves, because it is not is that the results will come in one day or two days. It takes time. Maybe sometime for one product, they take two months time or even five to six months time to finally evaluate the product.

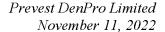
So that process, we started the moment we got US FDA approval. And this process is except -similar process is followed in every country, in every advanced and developed country, they
have a process of evaluating the product and approving the project. Once they are satisfied with
the performance of the product on the patient, then the process of order placement and price
negotiations start.

So already, we have completed this with a couple of companies. They have already evaluated the samples, but they want the products in their brand name. So we are developing the packaging for them. We have -- we have received the orders from them. We are developing the packaging from them, and we will soon be starting the supplies to them.

So this process will start, but it is only one customer, but we are looking for a very big market in US and Canada and Brazil. So they are taking time. Some -- in some countries, there are regulations, they have to get the product registered in their country's health department. So there are also a lot of documentation that are required from our side. We are providing them all the documents. So this process will take four to six month's time. So that is going on, and it will be completed by the next financial year, we should have a regular business from some of these countries that will add further growth.

So existing business in 80 countries will also generate more business for us. And the new countries where we have started this process of product evaluation will be completed and the orders will start coming from these countries in the next financial year. So our growth will continue like this that we are projecting an annual growth of 30%, 40% plus every year. So that will continue.

We are making efforts in the domestic market how to increase our business in the western market, social media to -- which is Modi just elaborated in our business approach in the domestic market. So we are entering into new countries like Saudi Arabia, USA, Brazil, Russia is a very big market.





So that process is going out, and that will bring results in the next financial year. So our growth will be definitely very good, and we see a very bright future for our company. This is -- we are very confident that our company will continue to grow like this. And it will be -- growth will be much faster in the coming years than our second facility is also operational.

Moderator:

Thank you sir. We'll take the next question from the line of Mr. Abhishek Agarwal, Gems Quest. Please go ahead sir.

Abhishek Agarwal:

Yes sir. So just my question was related to earlier participants, for which you've already partly replied. But I just -- I was just trying to understand since we've got one order as far as contract manufacturing is concerned, and we're already promoting our own label and entering this new market. So would it not be -- I mean, is it on your path that you've been conservative when you say 30%, 40% growth rates in coming years, because we've just dropped 40% to 50% annual rate of revenues as of now for our company, and since we are so competitive in terms of cost and quality of product. So would it not be -- I mean, more than 30%, 40% when all of these things start contributing?

Atul Modi:

Definitely, we are very confident that we'll be plus 40% in the coming years, because it is --today, we are getting our project -- our growth on the existing product line, but our new product line will also contribute to the business growth. And definitely, our growth will be much faster in the coming years. And we are going to attend USA's biggest dental exhibition in the end of this month.

And already, we have lined up meetings with six best companies of USA there. We have got scheduled meetings with them. They'll be visiting our growth. We'll be showing our products to them. And our product specialist is also traveling with us from India to demonstrate the products and do the hands-on demonstration of the product in the exhibition. So we are expecting a very good response from the US market once we showcase our products in the US's biggest exhibition.

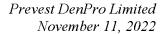
So definitely, we are very confident that once the USA -- we start getting business from USA and Brazil and Canada, and even we have submitted samples to Japan also. They are also going to start this process of product registration in their country, because these are medical devices, there are country-specific regulations also, lot of documentations are required. We have been doing a documentation work for the last four, five months. And we will be completing in another three to four month's time. So we are very confident that next financial year will be very, very good part of our company. We are doing well now also, but the next financials will be -- our growth will be much faster and much higher growth we are expecting.

Abhishek Agarwal:

That's great to hear, sir. And just one more question. Sir, are we seeing any signs of slowdown in Europe and US and all of these markets? What are your thoughts on our products in these markets?

Atul Modi:

See fortunately, our business has grown in Europe, although there is recession in some factors of industry, but in the healthcare sectors there is a growth. So we have the biggest -- the business





is growing in the Europe, and because the products are becoming more popular in Europe. So there -- we don't see any reason for -- the war is there for the last seven eight months, but we don't have any impact of the -- direct impact of the war on our business in Europe and US countries. We have seen that in the last seven, eight months there is no impact on our business. Rather, we have seen the growth.

Abhishek Agarwal:

That's great. Sir, just one last if I can squeeze in. Sir, you said 7.2% is the CAGR that will witness in global dental markets by the year 2030? And what kind of market growth rate, I mean, in terms of CAGR do we expect for Indian market?

Atul Modi:

Actually, the CAGR, which I told you, 7.29% is not for the dental industry. It is for the biomaterials market. So the global dental -- biomaterials are -- will witness the CAGR of 7.29%, which is around US\$14.5 billion by 2030. So this is a data published by independent market research. So on the basis of this data, we are very confident that our biomaterials facility will also get a good business once we are operational.

Moderator:

We'll take the next question from the line of Yogansh Jeswani, Mittal Analytics.

Yogansh Jeswani:

Sir, most of the questions have been answered. Just one question, can you highlight what are our top selling products or segments? If you could just break up your revenue in terms of your product or segment? That would really helpful.

Atul Modi:

Our top revenue comes from our restorative materials, which are composites. And then the next product range is dental cements. So these are the two top categories from where the maximum revenue is coming. The third category is cavity liners. Fourth category is the root canal sealer. So these are the four categories from where our maximum revenue is generated.

Yogansh Jeswani:

And if you could just put out numbers again, you say, for example, will composites be 50% of our top line or 40%?

Atul Modi:

No, it's not 40%, 20%. This is only, maybe -- I don't have the exact numbers with me. I will not be able to give you accurate figures separately, but both categories of materials are our major contributors to the revenue.

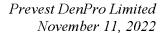
Yogansh Jeswani:

It's okay sir if you are not able to share with me exactly, but ballpark range would be helpful. I just want to get a sense of, say, for example, composites are driving 30%?

Atul Modi:

Yes. This I can tell you that roughly 60% of the business revenue comes from the four categories of the product, the four categories of restorative materials composite, cements, cavity liners, and root canal sealers. These four category of the projects are contributing to 60% of our total revenue, and 40% of the revenue comes from the rest of the materials, which are -- we call them as auxiliary material, and that includes the impression material.

So these four segments of the product lines are the maximum revenue generation for -generating products for our company. 60% of the revenue comes from these four types of the
products, which we manufacture.





Yogansh Jeswani: Understood. So sir, the capacity expansion that we are doing that was towards mouthwash and

[inaudible 0:50:03]. So that will be classified under auxiliaries, right?

Atul Modi: No, no, no. That we are not considering at present. So those will be classified as oral hygiene

product. So oral hygiene products have a different segment. So we are not considering at present, because we are not manufacturing those products right now, we are setting up the facility for

manufacturing those product.

Our present revenue is -- 60% of our present revenue is coming from these four segments of projects, which I just inform you, rest of the 40% is coming from impression materials and there are some endodontic materials, some lab products, which we manufacture. So those products contribute to around 40%. But the major revenue comes from the four categories of the materials,

which we are producing. These are the products, which every dentist require every day.

Yogansh Jeswani: Understood. So sir, if we have to understand about your growth going forward, so these

composites, dental cements, cavity liners and root canal sealing that you mentioned. So these will be the major growth drivers for coming years as well, right? So in terms of capacity, how

are we placed for these products? And is the entire production in-house? Or we also do some

trading in these four product categories?

Atul Modi: See we are manufacturing 100% inside our factory, in-house manufacturing. And recently, with

the IPO money, we have gone for modernization and expansion of our existing facility. We are operating at present on a single shift basis, and we have sufficient capacity for the next five years to operate from the existing factory. And there is nothing, which we buy from outside, we buy

only the raw materials, and we process everything in our factory. And we produce and develop,

formulations, everything we do in our factory, we do in-house technical know-how.

Yogansh Jeswani: Understood. So you're saying in one chip, you're utilizing 100%. But given the, kind of, scope

that you have, for the next five years, you are set in terms of capacity?

Atul Modi: Yes. We are not operating. You see every machine is not working on 100% capacity utilization

at present, because we have recently purchased new equipment, which are high capacity, high volume production equipment. So we are not operating at full capacity at present. But we -- even with one single shift, we can still continue with -- for the next four, five years. And if we have more business, we can operate the second shift or we can extend shift by another couple of hours,

or maybe we can extend to 12 hours. So we are quite confident that our existing capacity will --

is sufficient for the next four to five years of business growth.

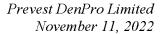
Yogansh Jeswani: Okay. So If you have two...

Moderator: Sorry to interrupt Mr. Yogansh.

Yogansh Jeswani: This is just a follow-up and then I'll join back the queue. So sir, if you have to just put out this

capacity in terms of a turnover. So is it safe to say that you can do something like INR150 crores

or INR200 crores from this capacity, or will there be a big number?





Atul Modi: We can reach to this level over INR100 crores, we can definitely reach to this level to that --

with this present capacity. And we can always add-on more machine to increase our capacity. We have a lot of results. We can buy equipment at any time to increase our capacity. We have a lot of space available. So that's not a problem. Increasing capacity of one or two -- by adding

one or two machines will always be there. So that is not the problem for us at present.

Moderator: Thank you, Mr. Yogansh. We take the next question from the line of Mr. Pratik Poddar,

Individual Investor. Please go ahead sir.

Pratik Poddar: Sir, just one question. Can you split your revenue growth between domestic and exports?

Absolute, how much was domestic this quarter and how much was revenue?

Atul Modi: Revenue growth, one second...

Pratik Poddar: Sir not growth, but absolute amount. Just split your revenue between domestic and export?

**Atul Modi:** I will request Mr. Vinay Jamval to give you reply to this query.

Vinay Jamval: Thank you, Mr. Modi. For this half year, we have increased our export turnover by 32.5%. And

as domestic is concerned, we have increased by 44.89% on half year-to-half year basis, which is equivalent to 36.90% if you compare with the corresponding period of the last preceding year.

So there is an increase of 36.9% from half year-to-half year basis.

**Pratik Poddar:** Sir export revenue this quarter, sir?

Vinay Jamval: I was just sharing on the half yearly basis, if you were to, again, for the quarter-to-quarter basis,

if you share this -- the first quarter and the second quarter, there is an increase of -- from the quarter ending June, and if you compare it with quarter ending September '22, there is an increase of 6.93% as the domestic market is concerned. And it has already been elaborated by Mr. Modi

and...

**Pratik Poddar:** This is not audible to me. I can't hear you sir. Sorry, hello?

Vinay Jamval: Am I not audible?

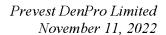
Moderator: You're audible sir. Please go ahead.

Vinay Jamval: Now, I have just shared the comparability and percentage increase on a half-yearly basis. If you

wish to know about the quarterly basis, and if you compare the just concluding quarter, that is September '22, with the possible previous – immediate previous quarter that is ending at 30, June

'22, we have increased the -- there is an increase of 6.93% as for the domestic sale is concerned.

And as for the export sale is concerned, we have already elaborated due to certain constraints that we have some licenses, they fine in the form of MDR, for which we could not boast the invoices. Now we have got the licenses and we can match -- we can take care of the shortfall in the month of September in the coming quarter itself, and the growth that the company has already





proposed will be met out in the -- by the conclusion of this financial year, and this is where the management is very optimistic about the growth, percentage growth as well as the export sale is concerned and the domestic sale is concerned.

Moderator: Sir, I think we lost the connection for Mr. Pratik. Ladies and gentlemen, that was the last question

for the day. I would now like to hand the conference over to Ms. Astha Jain for closing

comments. Over to you, ma'am.

Astha Jain: Thank you. On behalf of HEM Securities Limited, I thank Prevest DenPro Limited team for

giving the time we spend on this call and responding all the queries in the detailed way. I would also like to thank all the participants for joining this call. Now, I would like to hand over the call

to the moderator.

Moderator: Thank you, ma'am. On behalf of Hem Security that concludes this conference call. Thank you

for joining us, and you may now disconnect your lines.