

June 02, 2025

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

Scrip Code: 543363

Sub: Transcript of Conference Call with Investors & Analysts held on May 30, 2025

Dear Sir(s),

Pursuant to Regulation 30 and Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the transcript of the Conference Call held on **May 30, 2025, at 4:00 PM IST**, in connection with the financial results of the Company for the **fourth quarter and financial year ended March 31, 2025**.

Kindly take the above information on record.

Thank you,

Yours faithfully

For Prevest Denpro Limited

Aman Sadhotra
(Company Secretary and Compliance Officer)



“Prevest Denpro Limited Q4 FY-25 Earnings Conference Call”

May 30, 2025



MANAGEMENT: **MR. ATUL MODI – CHAIRMAN AND MANAGING
DIRECTOR, PREVEST DENPRO LIMITED**
**MRS. NAMRATA MODI – WHOLE-TIME DIRECTOR
AND CHIEF FINANCIAL OFFICER, PREVEST DENPRO
LIMITED**
**DR. SAI KALYAN – DIRECTOR OF RESEARCH AND
ACADEMICS, PREVEST DENPRO LIMITED**
**MR. VAIBHAV MUNJAL – CHIEF MARKETING
OFFICER, PREVEST DENPRO LIMITED**
**MR. VINAY JAMWAL – FINANCIAL ADVISOR, PREVEST
DENPRO LIMITED**

MODERATOR: **MS. BHUMIKA MAHESHWARI – HEM SECURITIES,
PREVEST DENPRO LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Prevest Denpro Limited Q4 and H2 FY '25 Earnings Conference Call, hosted by Hem Securities.

As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Bhumika Maheshwari from HEM Securities. Thank you, and over to you, ma'am.

Bhumika Maheshwari: Thank you, Dorvin. A very good afternoon, ladies and gentlemen. Thank you for joining Prevest Denpro Limited Q4 and H2 2025 Earnings Call.

Joining us on the call today from the Management Team are Mr. Atul Modi – Chairman and Managing Director; Mrs. Namrata Modi – Whole-Time Director and CFO; Dr. Sai Kalyan – Director of Research and Academics; Mr. Vaibhav Munjal – Chief Marketing Officer; Mr. Vinay Jamwal – Financial Advisor, Prevest Denpro Limited.

We will commence the call with the opening thoughts from the Management, post which we will open the forum for Q&A, where the management will be glad to respond to any queries that you all may have. Before we go to the main call, I would like to read the standard disclaimer. There will be forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the Company's Management as on the date of this call.

The company does not assume any obligation to update their forward-looking statements if those beliefs, opinions, expectations or other circumstances should change. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Consequently, listeners should not place any undue reliance on such forward-looking statements.

With this, I will now hand over the call to Mr. Atul Modi, who's the Chairman and MD, to take it forward. Over to you, sir.

Atul Modi: Good afternoon, esteemed investors and the stakeholders. I am pleased to report that we have achieved impressive financial results for Financial Year '25. Our overall revenue has grown by 13% compared to the previous year, indicating steady progress in our business operations and market presence.

Our domestic sales have shown reasonable performance, contributing to this growth with a 13% increase year-on-year, reflecting consistent demand in our home market. Additionally, our export business has performed well with a 10% growth year-on-year, demonstrating our gradual expansion in the international market.

This year represents a step forward as we begin to see stabilization in the various markets where we previously faced challenges. Some of the main countries, which had been experiencing

difficulties due to the foreign exchange crisis and regional economic uncertainties are now showing signs of stability. This encouraging development gives us cautious optimism about our international expansion strategy. This year, we made a bold move into digital dentistry, building on the success of our 3D resin portfolio that we launched last year. The market response has been favorable.

The global dentistry market is experiencing robust growth, driven by technological advancements and evolving patient expectations. Based on market research by various independent agencies, the global digital dentistry market is valued at approximately \$6.8 billion in the year 2025. The market is projected to reach to \$17.9 billion by the year 2033. North America leads the market holding a 46% share in year 2023, attributed to its advanced health care infrastructure and high adoption of digital technology.

The Asia Pacific region is anticipated to witness the fastest growth, fueled by increasing dental awareness and investment in health care infrastructure. We felt the diversification in the digital dentistry field like the natural step for us. We are now developing advanced 3D printers and scanners, combining our own R&D strength with strategic partnerships with global suppliers to bring the best technology to our customers.

Speaking of strategic move incorporating accidents for the U.S.A. market has already started paying dividends. We have secured some substantial orders and established private labeling partnerships that are opening up entirely new revenue streams for us. With Oradox, our oral care range, we are taking a strategic approach to build a lasting market presence. The feedback we have received has been invaluable in refining our go-to-market strategy, and we are confident that our superior product quality will resonate strongly with consumers. We see tremendous potential in this segment and expect it to emerge as an important pillar of our business.

Looking ahead to Financial Year '25, '26, I am generally optimistic about the opportunities that lie before us. Our digital dentistry business is gaining momentum and with actuals and now operations in the U.S.A., we are well positioned to capitalize on the growing American market.

The stabilization we are seeing in the European market, combined with our expanding international footprint, gives us confidence that our global strategy is on the right track. We are currently engaged in promising discussions with distributors across several new markets, which could open up exciting avenues for growth.

Our digital dentistry portfolio, in particular, is showing exceptional promise and is set to play an increasingly important role in our overall business mix. As our manufacturing operations become more efficient and our premium product positioning takes hold, we expect to see our profitability enhance considerably.

We are optimistic about our growth trajectory. The stabilization of international markets, our successful entry into digital dentistry, and the establishment of Axiodent Incorporation in U.S.A. positions us well for sustained growth in financial year '26 and beyond.

We will continue to focus on expanding our digital dentistry portfolio, strengthening our U.S.A. market presence through Axiodent Incorporation, enhancing the market penetration of our Oradox product line, investing in research and development for the next-generation dental solutions, and building strategic partnership for global expansion. We remain committed to delivering the highest quality dental solutions and services, and we look forward to building on this strong foundation for continued success.

Now I would invite Mrs. Namrata Modi – our Whole-Time Director and CFO, to present the detailed financial results. Over to Mrs. Namrata Modi.

Namrata Modi:

Thank you, Mr. Modi. Good afternoon, everyone, and thank you for joining our Financial Year 2024 Earnings Call. I am pleased to walk you through what has been quite an eventful year for Prevest Denpro.

Let me start with the numbers that matter:

We closed Financial Year 2024-'25 with consolidated revenue of INR 67.09 crores, which represents a 13.6% growth over last year's INR 59.29 crores.

Now I will be honest, this is not that **(Inaudible) 9:23** growth we had seen in some previous years, but it reflects the reality of operating in today's challenging market environment. What I am particularly proud of is how we have maintained our operational efficiency.

Our EBITDA margins held steady at 38.98%, practically unchanged from last year's 38.30%, despite significant inflationary pressures across raw materials and logistics. Our bottom-line performance shows INR 18.15 crores in PAT, with a 12.51% growth, maintaining a healthy PAT margin of 27.06%. These are not just numbers on a spreadsheet, they represent our team's ability to deliver consistent profitability, even when market conditions were not exactly favorable.

The real story emerges when you look at our quarterly progression. Quarter 4 was particularly encouraging. We hit INR 19.53 crores in revenue, jumping 21.79% from quarter 3. That is the momentum we have been building towards all years. Our EBITDA in quarter 4 reached INR 7.62 crores with margins at 39.03%, showing that our operational improvements are gaining traction.

Looking at our half year performance ending March 2025, we achieved INR 35.56 crores in revenue with 12.81% growth. What is that probably is EBITDA margin improvement to 39.15%, compared to 38.21% in the corresponding period last year. This testing our cost optimization initiatives and operational efficiencies are working.

Now let us talk about what's really happening behind these numbers:

The dental healthcare sector has been going through a transformation. Supply chain disruptions, changing customer purchasing patterns, and increased competition have all played their part.

But here is what I believe sets us apart. We have used this period to strengthen our fundamentals, rather than just chase short-term gains.

We have been investing heavily in our R&D capabilities, and I can tell you that our innovation pipeline is stronger than it has ever been. We are developing products that leverage digital technologies, and advanced manufacturing processes. These are not just incremental improvements, we are talking about game-changing position that will redefine how dental professionals work.

On the market expansion front, our international business has been gaining solid traction. We have established manufacturing capabilities that meet global quality standards, and our export revenues are contributing meaningfully to our overall growth.

Let me also touch on our operational excellence initiatives:

We have implemented lean manufacturing principles across our facilities, upgraded our enterprise resources planning systems, and optimized our supply chain network, the result of better asset utilization, reduced working capital requirements and improved production flexibility. These improvements might not be immediately visible in quarterly results, but they are building the foundation for sustainable long-term growth.

Our balance sheet remains robust with healthy cash flows and optimal debt ratio. This financial strength gives us flexibility to make counter investments and pursue strategic opportunities as they arise. We are not just maintaining liquidity, we are positioning ourselves to capitalize on market opportunities when they emerge.

I want to address something directly. Yes, our growth rates this year have not been spectacular, but I would rather deliver consistent profitable growth than chase unsustainable numbers that compromise our long-term position. We are in this business for the long haul and every decision we make is glued to that length.

Looking ahead, I am genuinely optimistic about our prospects. The investments we have made in technology, market expansion and operational capabilities are starting to bear fruit. Our quarter 4 performance gives me confidence that we are moving in the right direction. The dental healthcare market fundamentals remain strong, aging demographics, increasing healthcare awareness and rising disposable income all work in our favor.

In closing, Financial Year 2024-25 has been a year of building and strengthening rather than just growing. We have emerged with a more resilient business model, stronger operational capabilities, and clearer strategic direction. The foundation we have built this year will enable us to deliver the accelerated growth that our stakeholders expect and deserve. Thank you for your continued trust in our vision and execution.

I am now happy to take your questions. Over to Dr. Sai Kalyan. Dr. Sai Kalyan, over to you.

Sai Kalyan:

Good afternoon, everyone. It's an absolute pleasure to be with you today and share this exciting new things which are happening at Prevest Denpro in the field of research and development. Over the last year, the R&D team is focused on one core belief, innovation and translation.

With that vision, I am proud to tell you that we have successfully developed some several cutting-edge biomaterials, which are ready to hit the national and international markets. We have translated this 3 products this year:

- The first product is Crysta Axis, a new generation restorative material enriched with strontium, which provides strong restorations with high fluoride release.
- The second is an advanced silver diamine fluoride system, which we call it caries cure SDF, which is a broad spectrum antibacterial, which can control dental caries or dental decay.
- The third one, which we have developed is a resin-modified glass ionomer, which is called Crysta LC RMGI. It is used for filling as well as cementing crowns and bridges. These products are 100% indigenously developed by our in-house R&D team, showcasing India's capability to compete at a global scale, and in the Dental Materials Innovation division.

Our vision doesn't stop here. As our MD has already told you, we are actively building the future of digital dentistry at Prevest Denpro. This is because by 2030, we believe that digital workflows will no longer be optional for dentists, and they will be an active part of each and everyone's life. So from chairside diagnosis to lab precision, digital dentistry is poised to redefine patient care, and we are committed to be at the forefront of this transformation.

We have already made solid progress in developing our own LCD-based 3D printers using in-house design and component sourcing. Our aim is to deliver accessible, reliable, high-performance 3D printing systems, made in India and made for India.

Alongside hardware, our materials teams are developing sustainable bio-based 3D resins for dental applications. These eco-conscious materials will not only meet performance standards, but also address rising needs for environmentally responsible solutions.

This is just the beginning. And in the near future, we will be entering into the intraoral scanning technology, rounding off a full digital portfolio from diagnosis to design, fabrication and finishing.

Additionally, to ensure the highest quality and self-reliance, we have scaled up the production of our core biomaterials, especially the raw materials such as hydroxyapatite, tricalcium phosphate, bioglass and mineral trioxide aggregate. These materials are already being used internally, and we are now preparing to commercialize these raw materials globally, offering raw materials to other manufacturers, and medical device suppliers.

Looking ahead, we are expecting to launch at least 4 to 5 new products in the 2025-2026 fiscal year with a focus on performance, safety and clinical excellence. At Prevest Denpro, innovation never stops. We are deeply committed to translating scientific research into meaningful real-world dental solutions.

Thank you for your continued trust and support. Stay tuned. The best is yet to come. Thank you so much.

Over to Mr. Vaibhav Munjal for an update.

Vaibhav Munjal:

Hi. Good afternoon, everyone, and thank you for joining us today for our year-end investor call as we close the Financial Year 2025. I am pleased to share with you the significant progress we have made across our strategic initiatives. This year, we posted 13% sales growth over last year, which reflects how our market strategy is paying off. We have stayed committed to the domestic market, and it's working. We know our customers. We understand what we want, and we have built solid relationships over the years.

The domestic market is where we have put our energies and for good reason. We have spent years learning what works here, figuring out different consumer needs across region and building the kind of trust that takes time to develop. There's still plenty of room to grow domestically, especially as more people become aware of oral care, and then oral care options and their dental needs.

Our export side, keep doing well too, adding to the overall numbers. The decision to intensify the focus on the domestic market has proven a beneficial future for our operations. By concentrating on the Indian market while maintaining our international presence, we have been able to build a stronger understanding of the consumer needs and preferences, and manufacturing capabilities and market knowledge provide us with certain advantages in serving our customers.

We continue to explore our opportunities in the rural markets where the awareness is developing, and we adopt our products and approaches to meet the diverse regional requirements. Simultaneously, our export business continues to generate revenue and contribute to our overall growth strategy.

We are also expanding our product portfolio to better service the evolving needs of our dental partners. Our new product lines are developed, based on direct market feedback from our customers, ensuring we deliver exactly what the market demands.

We are committed to innovate that it makes a real difference in dental practices across India. By broadening our product range, we are strengthening our position as a reliable partner for dental professionals. These additions complement our existing offerings and create more value for our customers. As outlined by our Managing Director, we are now entering the digital dentistry space through our expansion into 3D printers. This strategic move aligns well with our existing

3D basing products, allowing us to develop comprehensive one-stop solution for dental professionals.

By integrating these technologies with our current product portfolio, we aim to provide dentists and dental labs with complete digital workforce solutions. This expansion represents our commitment to staying current with technological advances in dentistry while building our established expertise in dental materials.

I would like to provide you with an update on Oradox which we view as a strategic long-term investment, while the brand is still in its early stages and hasn't yet made a significant contribution to the top line, we are treating this as a measured investment in building market presence and brand recognition. The initial response has been encouraging in terms of customer feedback and product acceptance, though we recognize that converting this interest into substantial revenue will take time and sustained effort.

The vision we are working towards is becoming a one-stop solution for all dental and oral care needs. We are integrating product sales with educational content, professional training and customer support services creating value that goes beyond just selling products.

Looking at the broader market context, we are operating an environment that's highly favorable for our growth strategy. The oral care and dental market is expanding at a healthy pace. Digital adoption is accelerating across all consumer segments. And there is a clear trend towards premium products, driven by rising disposable incomes and increased health consciousness. These macro trends align perfectly with our strategic positioning.

I would want to conclude by expressing my sincere gratitude to all our stakeholders. Thank you for your continued confidence and support. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. (Operator Instructions) The first question comes from the line of Gaurav, an individual investor. Please go ahead.

Gaurav your line has been unmuted, you may proceed with your question.

Gaurav: Hello. So thank you, Mr. Modi. And thank you for your comments on the market and the overall industry picture. I was going through a few of the past calls that we have done. We have promised of INR 150 crores revenue in a couple of years, post listing. If you could throw some light on like where we are in terms of our plan to hit that? And what would be the margin structure for that as we had previously spoken about maintaining the 40% margin mark? So by how soon can we reach the INR 150 crores revenue mark? And how soon we can reach the 40%-plus margin mark again?

Atul Modi: Thank you very much, Mr. Gaurav. See post-IPO, our growth rate was around 30%. Based on the growth rate, we estimated a revenue for the next 4 to 5 years in the range of INR 100-plus crores, around INR 120 crores and INR 125 crores. But in the last couple of years because of the

market deflation, we have a very slow growth, it's around 10%. This year, we have seen a growth of 13% and moreover, the store projected was based on the new product line, which was introduced 2 years back, Oradox.

Unfortunately, Oradox has not taken out so well as anticipated. And all these factors have contributed in the slowdown of growth, and we are trying our best to cope-up with the growth rate as the market situations are also improving. A couple of years, we had a lot of international countries had problems with foreign exchange. So in last year, our export was flat.

There was absolutely no growth in the export market. So there were many factors which slowed down the growth. But this year, again, we have done good, and we have reached a growth of 13%. The projection was based on the growth rate of 30%, which we were getting before the IPO, and 1 year after the IPO and after that we had a slowdown. So that's the reason for not able to reach the projected growth.

Gaurav: Okay, sir. And sir, 1 more suggestion. Like we are in an interesting space where there are very limited players, and we have a value product against our European competition. So all the years of work that has been done to build our product portfolio, I think it's a good time to capitalize on that. Just a suggestion on that, we see that on a top line of INR 50 crores to INR 60 crores, the salaries from the management is in the region of INR 1.2 crores each. If we can optimize on that, I think our margins will also improve and it will give a positive sign to the market. Thank you.

Atul Modi: See there is no increase in the salary of the directors in the last 5 years. So there is no reason for any change in the salary structure at this stage. Because the promoters have put in 25 years in building this company. And today, they are getting salary around INR 1 crore, which is commensurate with the market salary structure. So we do not see that there is any reason for changing the salary structure at this stage.

Gaurav: Okay. Thank you.

Atul Modi: It is better that we focus on the product development, we focus on the business, and improve our profitability by increasing our business. So, I don't think by reducing their salary that is going to impact the profitability significantly.

Gaurav: Okay. Thank you.

Moderator: Thank you. Our next question comes from the line of Reena Gattani from Paul Asset Consultant Private Limited. Please go ahead.

Reena Gattani: Thank you for the opportunity. So the first thing that I would like to ask is right now, exports have an increased percentage in our overall revenue. So as I can understand from all of you that your more focus is on the Indian market now, and on the ongoing year in the revenue will be more from the Indian market or the export market, sir?

Atul Modi: See, right from the beginning in the last 25 years, we have seen that the exports revenue has been more than the domestic revenue. So that trend is still continuing. 60% of the revenues comes from the exports, and 40% revenue comes from the domestic market. So this trend is still continuing, and we are focusing on both the segments. We are focusing on the domestic markets, and as well as the export market so that we have an overall business growth in the domestic as well as in the export market.

Reena Gattani: Okay. Sir, actually, I was asking this because you had earlier said that, because of the foreign currency and all these things, all these factors had impacted your revenue. So you might be looking more at the domestic market, because here also the market is huge in the domestic?

Atul Modi: Definitely, we are making more efforts to grow the domestic business. We are focusing on the Indian market. It's a big market. So we cannot ignore. We have to work hard in the Indian market. And at the same time, we are finding new countries, new distributors internationally. So that we can compensate for the loss which we made in both countries, where there is this foreign exchange problems.

So overall, we have seen that there is a 10% growth in this financial year from the exports while the growth in the last financial year was absolutely flat. The same time there is growth in the domestic market, up 13%. So we see that there's balanced growth, growth is better in the domestic market. But overall, if you see it's balanced growth, and this growth trend will continue. We will try to focus on the international market as well as the domestic market. We cannot ignore any market, because there is potential for growth in all the markets.

Reena Gattani: Okay. And sir, your additional focus on the U.S. market, in the export segment.

Atul Modi: U.S. is an interesting market and high-priced market, and it's a big market, and we have got many of our products approved by the U.S. FDA. So we are focusing on the U.S. market, because about 40% of the world's market is from in the U.S. So we have set up a subsidiary company in U.S.A. We have new brands for the U.S. market.

We are tying up with different companies in the U.S. for doing the contract manufacturing for them, private labeling. So there are many opportunities in the U.S. for the business growth. So we are focusing on the U.S. market. And our revenue in the U.S. has grown to around 14% in this year, compared to the last year. So we find that it's high potential market and will definitely put more efforts to have better business opportunities in the U.S.

Reena Gattani: Okay, sir. And sir, my last question would be like you have said you have added new in the last year also, any financial year '26 also you will be adding, so how is the acceptance in the market?

Atul Modi: All the products are very well accepted in the market. The product which we manufacture they comply with all international regulations, international standards. They are very well accepted in the market, and that's why the business is growing year-on-year.

So whatever new products we develop through a proper R&D. We have a very strong R&D center, state-of-the-art R&D center, which has been recognized by Ministry of Science and Technology, which is 1 of the best and 1 of the only central research center in India. So whatever products we develop, they will comply with the international quality, and they will definitely have an acceptability in the market.

- Reena Gattani:** Okay sir. Thank you for answering my questions, sir. And all the best. Thank you.
- Atul Modi:** Thank you.
- Moderator:** The next question is from the line of Rahul Dhruv from Pegasus Growth. Please go ahead.
- Rahul Dhruv:** Hi, thank you very much for taking my call. I just wanted to understand the strategy, the product, the pricing of the product, the cost structure, et cetera, of the 3D printer. When is it going to be launched? What is the price...
- Atul Modi:** See the price of our printers will be very competitive in the Indian market. And we have done lot of research on the pricing, and we are very conscious that we have to be very competitive in the market. So the product will be competitive in the Indian market, and comparable with the prices of the printers which was already available in the market. We have done some test marketing, and the response is very favorable, and prices are acceptable to the Indian customers.
- Rahul Dhruv:** Right. So what is the average price? What numbers are you looking at over here? Is the margin on the products, similar to what we are doing more or lesser. Can you throw some color on all of that?
- Atul Modi:** I will request Mr. Vaibhav Munjal, who is our Director, Sales and Marketing to answer your query. Mr. Vaibhav please.
- Vaibhav Munjal:** Hi. Good afternoon. See, our margin structure is decently good on printers. And as we said, it is an in-house printer, so we are offering the current pricing structure, which we have tested with our MD was just telling you is a combination of our printers, curing unit and resins along with it. So we are offering it in a combo package. And while we sell the printer, our resins are used as our consumables. And that adds to our overall revenue, continuous revenue in the printer space, in the digital space, and adding to our margins overall. So that is how it works.
- Rahul Dhruv:** Right. Okay. Just one other question I had for Mrs. Modi that is on the marketing and promotion costs, and selling and distribution expenses that we have had this year. I have previous years numbers, which are around INR 2.55 crores for marketing and promotion, and around INR 3.4 crores for selling and distribution. What would be those numbers for this year?
- Atul Modi:** You are asking the sales and marketing and promotional expenses?
- Rahul Dhruv:** Yes, I am asking about marketing and promotional expenses. How much would they have gone up this year?

- Atul Modi:** Yes, yes. Mrs. Modi will answer this. Yes, yes, I am passing this query to Mrs. Modi.
- Namrata Modi:** Regarding the marketing expenses, normally, our expenses are related with the exhibitions and related with marketing person. These expenses are mostly related with the marketing employees as well as the expenses which we do for arranging the exhibition all over India as well as all over the world. You want to know the percentage of the cost?
- Rahul Dhruv:** Yes. You can give me a percentage; I know the percentage last year marketing promotion was 4.5% and selling and distribution at 6%. I just want to know the similar percentage for this year, what would it be? Or if you have the absolute number also that should be fine.
- Namrata Modi:** One cost is for exhibitions and marketing expenses, and the other cost is tour and traveling costs, which is related with our marketing person, that is 2.64%, and traveling cost is 1.23%. Total cost is INR 2.64 crores for exhibition and marketing, tour and traveling INR 1.23 crores. This is the total cost.
- Rahul Dhruv:** Right. And what about selling and distribution expenses, last year, which was around INR 3.4 crores.
- Namrata Modi:** Just can you repeat the question what you are asking, distribution?
- Rahul Dhruv:** Selling and distribution expenses, last year they were around INR 3.4 crores. I just wanted to know how much would have been spent this year?
- Namrata Modi:** Okay. Exact number right now is not in front of me. I can later on give it to you, but this is not exactly in front of me. I can give you later on.
- Rahul Dhruv:** No problem.
- Namrata Modi:** I noted down the question, but I will give you the reply later on, right now the exact figure is not in front of me.
- Rahul Dhruv:** Sure, sure, sure. I am just trying to say, will this expenditure as a percentage of sales going forward go up or go down is what I am trying to understand?
- Namrata Modi:** I don't think it will go up much because already we have covering almost all the exhibitions in India as well as every important exhibition in the world. So already, we are doing maximum expenses, and the marketing person also almost and our team is ready now. Now is the execution time, you see we are planning for execution. So not much change will come in exhibitions and tour and traveling, not much difference will come next year.
- Rahul Dhruv:** Okay. That's great. Just one last question I had, ma'am, so you mentioned about the fact that the existing quarter, which is the 4th quarter was very, very good. You had around INR 18.5 crores of sales. Now I just wanted to know, do you think you can maintain this INR 18.5 crores run rate through the 4th quarter of next year at least?

Namrata Modi: See, every year, this is our experience. From the last so many years, experience is that always the last quarter is better, but this quarter was extremely good. So as well as the export and domestic. But every year, last quarter will be better than the previous year. This is my experience, my 25 years of experience. Because always there is pressure to do more efficiently and completing the targets. So we always prefer that the financials we can cover up maximum sale in the last quarter. So, I think always last quarter is better. But this quarter was extremely better. So we will try to make this change this year also.

Rahul Dhruv: So ma'am, can we expect us to go back to the 25% revenue growth that we had for this year?

Namrata Modi: We cannot actually commit. You never know what is happening. Actually, you can't assume the sales, external circumstances also affect the sale. See what happened last month, Indian-Pakistan war. What happened? So this war was affecting the whole Indian economy. So you can't predict anything. Anything can happen, and that will affect the business. And it won't affect only dental business, it will affect everybody's system. So, prediction is very difficult. But definitely, we are doing very hard to complete our target. So definitely, our efforts will be the same, but results we can't confirm depend upon the circumstances.

Rahul Dhruv: Sure. Thank you so much. Just one last thing on the 3D printers. When will be the launch?

Namrata Modi: Pardon, I could not understand.

Rahul Dhruv: When do you expect to launch 3D printers?

Namrata Modi: Very soon, we are launching it. Very soon. Already market testing is done, already sample pieces we have given in the market. And we are getting very good response from that. And this year, aggressively, we will sell this in the market.

Rahul Dhruv: Okay. Thank you very much, ma'am.

Namrata Modi: Welcome.

Moderator: Thank you. Our next question is from the line of Pankit Asitbhai Shah, an individual investor. Please go ahead.

Pankit Shah: Yes. Sir, I wanted to know regarding our new subsidiary in U.S. market. So what is the rationale for creating new subsidiary for U.S. As well as I also wanted to know, how is our market approach in U.S. progressing? I believe we were earlier talking with few clients for more than \$1 million annual business. So where are we into that?

Atul Modi: Actually, we started with the marketing of previous products in the U.S., which are made in India label, but we found that the dentists are not happy with the made in India label. So we decided to incorporate a company in the U.S. So the labels, now the products are made in India for the Axiodent Inc. company.

So on the label our Indian name does not appear, so only the Axiodent Incorporation address is there, and we have logistic arrangements, and it's absolutely new and fresh brand. So, that enhances the brand recognition, because it's a U.S. label. So, that's the reason that acceptability of the products is better, and that is the reason we decided that we should have a new company incorporated in U.S., and we do the product manufacturing, but we sell the products through the U.S. company.

So that was the basic reason, and that has worked better than what we were doing earlier. But since we are doing the private labeling and the contract manufacturing through the Indian company, because that's a different market. It's direct B2B. And this B2C and the product, Axiodent is a brand for the end-users. So we are making the products for the U.S., and we are making the products for our own company in the U.S., like we are making products for other companies, we are making for Axiodent also. So that's why we have a new company in the U.S.

Pankit Shah:

Great. Great, sir. Also, sir, we have been participating in many exhibitions as well as we are putting lots of efforts for marketing. So sir, just wanted to know what is the internal target for the coming year for the revenue growth. I believe we have done somewhere around INR 60 crores to INR 63 crores this year. So can we grow by at least 20%, 25% in the coming financial year?

Atul Modi:

Who would not like to grow 25%, 30%. Everybody wants higher growth. Even we aspire for 30% growth, but certain things are not in our hand. Situations are not in our hand, many issues come up during the year. In some countries there is a war, some countries there is fire, we have competition growing in India. So we have faced so many challenges. And when we look at the global dental market, there are many research reports published in the international if you see.

They forecast a growth of 6% to 8% per annum for the dental industry worldwide, while we have a growth of 13%. So if you look at the market research reports, it indicates a growth of 6% to 8% global CAGR.

Compared to that, we have a growth of 13%. So it's very encouraging for us that we are surpassing the forecast by the market researchers, but we still aim at very high growth, because we have a diversified product range. The maximum revenue is today coming from our core product, but the revenue from our diversified products is not very significant.

So we are expecting that whenever diversified products like oral care products, like our 3D printers, 3D resins, all these products start contributing to the revenue. So the growth will be much higher than this 13% growth which we received this year is primarily from the core products, our existing products. So we expect that when our other product lines get going, and they will contribute. And definitely, we should be able to surpass this year's revenue growth. So our aim at very high growth, but let's see how much we can achieve this year.

Pankit Shah:

Okay. But sir, despite we have all the production capacity available as well as we have marketing people, we are participating in many exhibitions, and our comparative size compared to foreign

players are also very small. So what is lacking? What is missing? We are just trying to understand what change we are doing in our marketing strategy to achieve the target growth of 13%, what you are mentioning?

Atul Modi: See, the brand is a new brand. Our company is not old. It's 25 years old, while we are competing with multinational companies which are 100 years old. So they have better brand value, compared to that we are a smaller company.

Our resources are very limited. So we cannot compete with those multinational companies. Because the dental market is dominated by multinational companies worldwide. So, we are competing with those companies. So that's the only reason that our growth, we got everything, all the high international infrastructure, we got the best of the research center, we got all the quality management system in place, everything we have. We have a very good product line. But again, we are competing with the multinational company. So that's the biggest challenge for us, even today.

So we are trying to overcome as much as possible, so that we grow at a faster pace. These companies may not be growing at this rate what we are growing. It is only because we are giving them a good competition. So we are looking for better growth in this year, when our other products, diversified products also start contributing to our revenue.

Pankit Shah: Okay. Okay. And sir, what is the total sales of Oradox range for the full year as well as the total sales through previous direct for the full year?

Atul Modi: So Oradox has contributed, the exact figure is not there. It's around INR 50 lakhs in this business generated from the Oradox product line.

Pankit Shah: For the full year?

Atul Modi: No for this year, for this financial year. Not for full year.

Pankit Shah: Okay for this financial year.

Atul Modi: Yes, this year. But it's a new brand. And this brand, we are trying to build this brand, and we are getting good response. We have a marketing strategy, marketing plan, which is in place, and gradually it's growing. And we hope that once now the next year should be a better year for us. We have reached to this level in 1 year, so we should reach to a better level in 2026. So other products are also contributing. The 3D resins have also contributed about INR 45 to INR 50 lakhs.

So our e-commerce business is also contributing, but e-commerce business is not actually our main business. That e-commerce business has been just to support the dentists who don't have the access to our products, who are in the remote places where our products are not reachable, and the dealers and distribution system is not working there. So just to support them, they can

buy our products online. So that business is also contributing, but we are working to improve and to grow the online business also.

Pankit Shah: Okay. Okay, sir. And sir, one last question. We have 1 domestic subsidiary as well, I believe Denvio. So what is the rationale for having that subsidiary? What exactly we are doing in there?

Atul Modi: Actually, we have a very diversified product line now, and it very important for us to have a dedicated sales and marketing team to handle the diversified product portfolio. So we decided to set up an independent company to focus only on the sales and marketing activities.

And so we don't want to get the manufacturing and the marketing at 1 place. So we decided to make it an independent company, which will focus only on the sales and marketing activities, because it is a huge product portfolio. So we need a lot of specialized sales and marketing people, a lot of promotional activities. So all these activities are being done by the subsidiary company that has been incorporated by Prevest.

Pankit Shah: Okay. Okay. Okay. Great sir. Thanks for your answers, and wish you all the best for the coming year.

Atul Modi: Thank you very much.

Moderator: Thank you. Our next question is from the line of Santhosh from Viansh Ventures Private Limited. Please go ahead.

Santhosh: Sir, my first question is regarding the revenue contribution of our top 10 products. What is the revenue contribution, and what growth we are seeing in that top 10 products?

Atul Modi: I have the figures on top 20 products, because usually we consider 20 products as the top revenue generating products, they contribute around 55% of the revenue.

Santhosh: Okay. What growth we saw from the previous year in this segment, the top 20 products this year to previous year?

Atul Modi: This exactly, I do not have that figure with me, but I have the figure that these 20 products have contributed 60% of our total revenue. Last year's figure I don't have at this time.

Santhosh: Okay. Okay, sir. So my second question is regarding what is the demographic of dental clinics or dentists you are targeting from Tier-1, Tier-2? Or do you have a certain demographic where we have a core concentration on?

And on the second part of the question, do we or we already have any arrangements with dental chains. For example, we have dental chains Clove and toothsi where they have a lot of chains across the country? Are we planning or do you have any arrangements? Or are we trying to do any arrangement with these clinics? And the first question is about the demographics.

Atul Modi: I will request our Sales and Marketing Director, Mr. Vaibhav to answer to this query.

Vaibhav Munjal: Yes, hi. So in terms of the demographics, the first question that you asked, in terms of dental geo presence. See, like any other industry, the rural markets or the Tier 2, Tier 3 and Tier 4 cities contribute to majorly in terms of the number of dentists being present, and the number of population, and hence the dental treatments, and hence the volume share of the products, right? That is one.

In terms of second, having said that, like every other market, metro markets present a big opportunity, and we keep growing both in metro and rural areas currently. Our focus in terms of the presence is in terms of, while strengthening our presence in the metro markets, in the last 2 years, we have substantial improvements appointing new dealers and distributors in the rural market. And the Prevest Direct also was an approach towards to reach the rural market. And that is where we have seen significant improvements in that.

Coming to the second part of your question, in terms of our tie-ups with the top leading chains. Yes, we do have our tie-ups with some of these, not all, but we keep on working with these clinics, where we keep on supplying our products to these chain clinics, yes from time to time.

So, the tie-up is in terms of supplying our products in terms for their requirements. Yes.

Santhosh: Okay. So do we have any definite agreements, or it's based on the demand basis?

Vaibhav Munjal: Sorry? No, there are a few chain clinics where we have a definite arrangement in terms of going few products, where the products have been, let's say, in some chains, some 10 products have been selected. In some chains, there are some few other products which have been selected, which is a continuous demand and supply, which we keep on supplying.

Santhosh: Okay. So other question is regarding the repeat order rate once we empanel a dentist or a clinic, what is the repeat rate from our past customers? Like what is the stickiness of our product for the overall customers, in case you have any data?

Vaibhav Munjal: See, repeat customer rate is pretty high for us. As we said, we are in this market for now 25 years, and the repeat rate is what we have built the market on. But the only thing to give you the repeat customer at a dentist level is that we do not supply our products directly to the dentist. We supply it through our dealers, right? So the repeat rate of the dealers is very high.

Obviously, we have close to 100-plus partners in India and approximately 80, 90 partners across the country, who keep on regularly buying from us. But since we do not supply directly to the dentist, the repeat rate from a dentist level would not be readily available.

Santhosh: Got it. My last question is regarding the digital dentistry and all the products which you are trying to launch. We have 3D printers and other products, which the management talked about in the beginning of the call.

So we have mainly for the hardware solutions, which we are targeting or trying to launch and all. So we have a lot of competition from other major multinational companies and other players. So how are you trying to play this segment as a company? Because Mr. Modi also has been highlighting to you, we have yet to create a brand similar to the multinational companies and all. So what is the idea here to come into the segment, where we already have a major presence of multinational companies and other companies. So what is the idea here? Just wanted to...

Vaibhav Munjal:

See, in this segment of 3D printers and other hardware and equipment segment that is there, the competition is, you are right, there is a huge competition from multinationals, but there's also a huge competition from the Chinese companies, if you look at Indian dental industry, the Chinese companies or the companies in India doing a private labeling from this thing is the major business that is there. What we are trying to do is, one, break that myth of having these products from an Indian company coming through in that.

Second is our approach and to build this business, what we are looking at is offering a complete end-to-end solution to the dental clinics and to the dental labs. Currently, every company will be offering 1 product, 2 products. So what we are doing is if we have our printer, we have our resins also. Tomorrow, we are looking at a scanner also. Tomorrow, we can look at other products also. So we are looking at a complete end-to-end digital workflow, which tomorrow can be a one-stop solution if a doctor or a dentist tomorrow wants to set up a place, and we offer one brand and one company who offers him the entire set-up to service kind of a thing, for his complete digital set-up. So that's the broad vision for moving into the dental digital space going forward.

Santhosh:

Sure. Understood. Thank you so much for your answers.

Moderator:

Our next question is from the line of Sampath Nayak from Mavira Asset Management Company. Please go ahead.

Sampath Nayak, your line has been unmuted, you may proceed with your question.

Sampath Nayak:

My question was on 3D printers. So I think it has been answered.

Moderator:

Thank you. We will take the last question from the line of Rahul Dhruv from Pegasus Growth. Please go ahead.

Rahul Dhruv:

Hi. Thank you. Sir, I visited your facility last year, and I was really, really impressed with your R&D centers, and the lineup of products that you manufacture over there. It is, I think, fabulous. What I really want to understand, sir, is are you a research R&D-based company? Are you a low-cost producer? Are you a white label manufacturer or you are a branded dental products company. Now you are looking to supply raw materials as well. You are also looking to supply hardware.

I want to see what is the positioning of the company. Ultimately, I feel that you are trying to be everything for everybody and ultimately not getting the value that we should be getting in terms

of revenue as well as in terms of market cap. So it is just my suggestion to you is that maybe we are, as a company, going in too many directions.

And ultimately, that's probably the reason why we are actually not growing as much as we should. And it's just a suggestion that if we have a proper strategy towards focusing only on 1 or 2 or 3 things rather than be all over the place. I would love to share from you on that one.

Atul Modi:

Thank you for your question. See, our company is not the only company who is so much diversified. There are many companies worldwide who have such a wide and wide portfolio. They cover digital dentistry, they cover materials, they cover equipment, they cover instruments, everything. It's not that we are the first company who are doing such a type of diversified business portfolio. R&D is very important part of any business who has to sustain for a long time.

Without R&D, we cannot develop new products. And because new product development, the company cannot sustain very long, because the products get obsolete very fast. And the products get competitors very fast. So we have to keep innovating. We have to keep moving forward, and we have to keep doing improvements in our product quality. So R&D is very, very important for us. So we are very fortunate, and we have taken a very good decision to set up an R&D center.

Second thing is that now we talk about the diversified that we have materials, we have equipments, we have CD resins. So it's not the first company who is doing that. If you look at all companies, multinational companies, bigger companies, smaller companies in the dental, they all have very diversified business portfolio. So we have to provide a one solution.

Rahul Dhruv:

Sir, I understand that. I understand that large companies globally have all of these things. But the thing that they have actually not started off as an INR 50 crore company. They were not there when they were a INR 50 crore or INR 60 crore company. The idea is to build scale.

Atul Modi:

If we start developing today, we have to make a start someday. We cannot wait, if we start today, maybe it takes 4 years to consolidate our position in the market. But if we start after 5 years, so we will be nowhere. If we are starting digital dentistry, which is going to be a very big business in the next 10 years. We cannot wait for 10 years that we will start digital dentistry business after 10 years.

We have to make a beginning now even if we don't sell big quantity, but we will take time to establish and develop the products. It may take a couple of years. So we have to start doing something new, and we cannot miss any opportunity for growth.

It will take time to consolidate. It will take time to mature, but we have the capabilities to develop. We have the resources, we have the funds, so we want to deploy the funds for the diversification, in-house diversification, and now once we diversify, we can cater to our

customers in a better way, we can provide them one-stop solution to their requirements. We are making 3D resin.

Now the dentists when we go to sell 3D resins, the dentist wants a printer. We cannot tell in that you buy another printer. It's better that we provide him our own printer. When we talk about printer, the dentist wants the scanner also that he wants everything from one company. So that's why we are diversifying.

At the same time, we are consolidating. We are focusing on our core business, which is contributing revenue generation, maximum revenues coming from our core business. But diversification is a future for us. If we diversify now, so after 10 years or 5 years, we will be in a better position to face the competition in the market.

Rahul Dhruv:

Sure. Sure, I agree with you and I actually agree that we have to be ahead of the market, and that's the reason why you I am very, very impressed as I said, with R&D team that you have, the low-cost production base that you have. The fact that you are getting into white label is something which I really appreciate, because typically, a company at this stage, what it does is build scale. But going into branded dental products with a huge distribution when your scale is just INR 55 crores, INR 60 crores, it's probably too early in the game, and that's my feeling.

And I could be totally wrong, because you know the business better. But that was what I was trying to tell you is that maybe as a company, we are spreading and we are investors. So I don't want to be sounding this thing. But we look like we are getting in too many directions. Branding, for example, is a game which is a long-standing game, which requires a lot of investment, a lot of time. And maybe it's not the money, it's the resources or the energy that is going into that, which is probably holding back the growth in the other side of the business.

Atul Modi:

Actually, we are trying to raise the future of this company, because the digital dentistry is the future. So we are trying to build the future. We cannot remain stagnant, we cannot just keep products, and we will be out very soon if we don't diversify, we will be out. So we have to go with the market trends. We have to go with the market requirements for dentist, what will be the requirements after a couple of years in the market. So this is why we have taken up the diversification plan. We have diversified into too many, because private labeling at present, we require business.

So if anybody wants to get its products made by us, so we are ready to do that, because that will add to our revenue. So we don't want to miss any opportunities for growth. Yes, at the same time, we are taking precautions that we focus on the core business, so that we don't lose our existing product line. And so what I can say that it's an overall attempt to build the company ready for the future.

Moderator:

Thank you. I would now like to hand the conference over to Ms. Bhumika Maheshwari for closing comments.

Bhumika Maheshwari: Thank you, Dorvin. I thank the management team for giving me their time and answering to all the questions in a detailed manner, and to all the participants for taking out the time to join this call. Thank you so much. Over to you, Dorvin.

Moderator: Thank you. On behalf of HEM Securities, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.