To,

Date: 11.11.2026

BSE Limited, P.J. Towers, Dalal Street, Mumbai-400001 Scrip Code: 538920	National Stock Exchange of India Limited, Exchange Plaza, Bandra- Kurla Complex, Mumbai 400051 Symbol: VINCOFE

Sub: Transcript of the Earnings Conference Call on Un-audited Financial Results of the Company for the quarter and half year ended September 30, 2026

Unit: Vintage Coffee and Beverages Limited

Dear Sir/ Madam,

In continuation to our Letter dated 04.11.2026 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call on the un-audited financial results of the Company for the quarter and half year ended September 30, 2026. The transcript is also available on the website of the Company at https://vcbl.coffee/.

This is for the information and records of the Exchanges, please.

Thanking you.

Yours sincerely,
For Vintage Coffee and Beverages Limited

TATI BALAKRISHNA
Digitally signed by TATI BALAKRISHNA
Date: 2026.11.11 11:46:40 +05'30'

Balakrishna Tati
Chairman & Managing Director
DIN: 02181095

Encl: as above

"Vintage Coffee & Beverages Limited

Q2 FY27 Earnings Conference Call"

November 04, 2026

MANAGEMENT: **MR. BALAKRISHNA TATI – CHAIRMAN AND MANAGING DIRECTOR – VINTAGE COFFEE & BEVERAGES LIMITED**
MR. SAI TEJA TATI – EXECUTIVE DIRECTOR – VINTAGE COFFEE & BEVERAGES LIMITED
MR. KRANTHI KUMAR YARKALI – CHIEF FINANCIAL OFFICER – VINTAGE COFFEE & BEVERAGES LIMITED
MR. JAWAHAR CONJEEVARAM – HEAD, SALES & MARKETING – VINTAGE COFFEE & BEVERAGES LIMITED

MODERATOR: **MR. NANDU – NUVAMA WEALTH MANAGEMENT LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Vintage Coffee and Beverages Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Thank you. Over to you, Mr. Nandu.

Nandu: Thank you, and good evening, everyone. On behalf of Nuvama Wealth, I welcome you all to today's call. I thank the management of Vintage Coffee and Beverages Limited for the opportunity to host their Q2 FY27 Earnings Call.

From the management team, we have with us today, Mr. Balakrishna Tati, the Chairman and MD; Mr. Sai Teja Tati, Executive Director; Mr. Kranthi Kumar Yarkali, the CFO; and Mr. Jawahar Conjeevaram, the Head of Sales and Marketing.

I will now hand over the call to Mr. Balakrishna Tati to take us through the quarter. Thank you, and over to you, sir.

Balakrishna Tati: Thank you. Good evening, everyone. Welcome to Q2 FY27 Earnings Conference Call of Vintage Coffee and Beverages Limited. With me, Sai Teja, ED; Jawahar, Head of Sales and Marketing; Kranthi Kumar, CFO, is here. First of all, I would like to thank all our investors, analysts and stakeholders for joining us today for their continued trust and support.

It gives me a great pleasure to express that another strong quarter with the company continuing to deliver healthy revenue growth supported by increasing operating scale and sustained business momentum. Just to begin with a brief overview of our financial performance for the quarter 2 and the first half of FY27.

Financial performance-

Q2 FY27 was another very strong quarter for the company with revenue from operations increasing by 64.4% year-on-year and 38.5% sequentially to INR222.97 crores compared to INR135.61 crores in Q2 FY26. Our gross margin stood at 27.6%, reflecting an improvement of 293 basis points over the corresponding quarter last year, although it moderated by 133 basis points on a sequential basis.

EBITDA increased by 88.8% year-on-year and 33.5% quarter-on-quarter to INR42.16 crores compared to INR22.33 crores in Q2 FY26. EBITDA margin improved by 244 basis points year-on-year to 18.9%, demonstrating improving operating profitability.

Profit after tax grew by 57.3% year-on-year and 34.9% sequentially to INR28.06 crores compared to INR17.83 crores in the corresponding quarter last year. PAT margin stood at 12.6%. The effective tax rate for the quarter was 26.1%.

H1 FY27 performance:

Looking at the first half of FY27, the company has maintained its strong growth trajectory. Revenue from operations increased by 61.9% year-on-year to INR383.97 crores. Gross margin improved by 266 basis points to 28.1% and while EBITDA grew by 82.7% to INR73.74 crores. EBITDA margin expanded by 219 basis points to 19.2%.

Profit after tax increased by 52.3% to INR48.85 crores compared to INR32.07 crores in H1 FY26. PAT margin stood at 12.7%. The effective tax rate for the first half was 25.8% compared to 9.3% in the corresponding period last year. Overall, the first half performance shows good growth, which indicates the company's business moving with sustainability and improved gross profitability and strong EBITDA expansion.

Business and strategic developments:

On the operational front, we continue to focus on optimizing our expanded manufacturing facility as well as by improving operational efficiency. As communicated earlier, the company has enhanced its installed production capacity to 11,000 metric tons per annum, following the commissioning of an additional 4,500 metric tons of capacity during end of March 2026.

This expanded capacity provides us with a strong manufacturing base to cater to increasing customer requirements and support our future growth ambitions. With respect to our proposed freeze-dried coffee expansion, we are working hard to ensure the completion of the 5,500-metric-ton FDC project well within the next year, and all required payments are being made for the major and critical equipment coming from Europe and other countries.

Also, I would like to remind you all that once FDC production commences, the total production capacity of the plant will increase from 11,000 metric tons to 16,500 metric tons per annum, significantly strengthening our position in the instant coffee segment.

We also continue to focus operational synergies following amalgamation of our wholly owned subsidiaries, Vintage Coffee Private Limited and Delecto Foods Private Limited with the parent company. The consolidation is likely to support better resources utilization, streamlining operations and create better efficiencies across the business.

The company is currently generating positive operating cash flows in FY26 and has continued this positive momentum, generating INR 51.16 crores during H1 FY27, supported by enhanced capacity, sustained profit growth and improved working capital management.

I am also pleased to inform you that 1.3 crore promoter shares, which were pledged with Punjab National Bank as security against the long-term borrowings availed for setting up the factory, representing 50% of the total pledged shares, were successfully released during Q2. This is a significant positive development, reflecting the company's improved financial position and the promoter's commitment to strengthening shareholders' confidence.

I would also like to provide an outlook for the company and the coffee industry. Going forward, our focus remains on leveraging our expanded manufacturing capacity, strengthening customer

relationships, improving operational efficiencies and executing our planned capacity expansion initiatives. We remain committed to disciplined capital allocation, maintaining healthy profitability and creating sustainable long-term value for our shareholders.

Before concluding, I would like to highlight that the comparative financial figures for the corresponding previous-year period are not strictly like-for-like, as the amalgamation has been accounted for from the appointed date of October 1, 2025, whereas the corresponding prior-year figures have not been restated.

Thank you once again for joining us today and for your continued confidence in Vintage Coffee and Beverages Limited.

With that, I would like to open the floor for questions and answers. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Gaurav Shukla from Finvesters.

Gaurav Shukla: Am I audible, sir?

Balakrishna Tati: Yes, please.

Gaurav Shukla: Congratulations for very good numbers. Sir, my question -- first question is, during Q2 FY27 revenue increased significantly. How much of this growth came from volume growth versus higher realization per kilogram?

Balakrishna Tati: Okay. Mainly the growth is for the -- not higher growth realization, it is just from the volume growth.

Gaurav Shukla: Volume growth, sir?

Balakrishna Tati: Yes.

Gaurav Shukla: Okay. And sir, the second question is what is the actual utilization of 11,000 metric ton spray-dried and agglomerated coffee capacity? Are you maintaining the target of 95% utilization?

Balakrishna Tati: We are focused to utilize the 100% capacity of the 11,000 metric tons, which we commenced in March 2026 and that continues to producing for a full capacity utilization. With regards to spray and agglomeration, the percentage is almost, I can say, around 95% ratio.

Gaurav Shukla: 55% to 45%. Okay, sir. And this 5,500 metric ton freeze-dried plant progressing as per schedule, sir? How much capex has been incurred and how much remains to be spent?

Balakrishna Tati: Yes, I just asked my CFO to give -- Mr. Kranthi Kumar to give more detail about it.

Yarkali Kranthi Kumar: Yes, sir. capex till now we have incurred INR220 crores, rest in the pipeline.

Gaurav Shukla: In pipeline. Thank you, sir. One question more, sir. You previously indicated that letters of intent has been received for a substantial portion of freeze-dried capacity. How much of this capacity is now covered by firm purchase orders or long-term contracts?

Balakrishna Tati: We have received almost 100% of the capacity letter of intent from that customers.

Moderator: The next question comes from the line of Jatin Damania from SVAN Investments.

Jatin Damania: Sir, first of all, congrats on good set of numbers, with the new capacity coming in and operating at the rated capacity. So sir, if I want to look at probably FY28, '29 because we have already operated a rated capacity and benefit will flow in '27. But in terms when we go to '28, where FDC will come probably in mid-financial year or the end of the next financial year, how shall one look at the growth prospect for the Vintage Coffee for FY28?

Balakrishna Tati: Okay. Can I go ahead?

Jatin Damania: Yes, sir.

Balakrishna Tati: Yes, Jatinji. We are assuming that freeze-dried coffee production will commence during mid of FY28. Accordingly, in FY28–FY29, we expect to achieve full capacity utilisation of 5,500 metric tons of freeze-dried coffee, in addition to 11,000 metric tons of spray-dried and agglomerated coffee.

This means that the total production capacity of 16,500 metric tons will be fully utilised. As I mentioned, we expect to achieve a growth rate of approximately 80%–85% in FY28–FY29.

Jatin Damania: Okay, sir. I agree on that part because if you look, this 5,500 tons of freeze-dried coffee, is it expected to come in second half of FY28 or it will come in the last quarter of FY28?

Balakrishna Tati: Second half of FY28.

Jatin Damania: And we need to spend another INR250 crores, right? Because INR500 crores is the total estimated capex for this 5,500 tons?

Balakrishna Tati: Yes, INR 550 crores is the total capex, out of which we have already spent INR 220 crores. The remaining capex is currently under execution.

Jatin Damania: So what will be the total capex remaining that we'll be spending in second half, and how much we'll be spending in FY28?

Balakrishna Tati: During this year, we'll be spending may be another INR150 crores. Balance will be that FY28 first half.

Jatin Damania: INR200 crores. So that's what I want to say now since capacity is coming in second half, probably we'll get only benefit of the 1 quarter in FY28. So ideally, one should assume that

FY28 when you compare with FY27, more or less will be largely a flat year when compared to the profitability and the growth will come in FY29 with FDC coming in?

Balakrishna Tati: FY28, 50% capacity we'll be utilizing for the second half, especially, second half year. And FY29, full capacity we'll be utilizing.

Jatin Damania: And sir, on this only INR550 crores of the capex that we are spending in FDC, what sort of asset turnover one should assume and the targeted ROCE on this business only, on FDC?

Balakrishna Tati: Similar ROCE is there for whatever the existing plant is there. And the turnover would be in the region of INR670 crores to INR710 crores.

Jatin Damania: INR700-odd crores, 1.4x. And ROCE will be similar to what our current business is, right?

Balakrishna Tati: Yes.

Jatin Damania: And sir, if we want to look from some longer perspective, probably 3 to 5 years down the line, probably beyond FY30 or FY30 onwards, how shall one look Vintage as it is? And probably will our focus more will be on B2B, or once our FDC comes in, we'll be moving to Vincofe, which is a retail chain, which -- how shall one look at the entire business dynamics?

Balakrishna Tati: Yes, this is a good question. Going forward, over the next three years, our focus will not be limited to B2B but will also extend to B2C. Currently, we have only two products: spray-dried coffee and agglomerated coffee. Once freeze-dried coffee is added to our product portfolio, we will definitely explore B2C opportunities. This is also one of the key strategic areas on which the company is focusing.

Moderator: The next question comes from the line of Omkar Ghugardare from Shree Investments.

Omkar Ghugardare: Congrats, sir, on a good set of numbers. My question was regarding the land capacity after 16,500 metric ton, how far we are from that front? And how much capex would be needed for that? And when can we commence that facility?

Balakrishna Tati: Omkarji, you are talking about the land, is it?

Omkar Ghugardare: Correct. From 16,500, you will be adding going up to 21,000, right? Last time you mentioned?

Balakrishna Tati: Yes. Yes, additional line of 5,500 metric ton, yes.

Omkar Ghugardare: Correct, correct. So I'm talking about that. Like when can we expect like commercialization of that? That could it be in FY30?

Balakrishna Tati: Yes. It will be FY30. Yes, you're right.

Omkar Ghugardare: It will be commenced in FY30, right?

Balakrishna Tati: Yes, you're right. FY30.

Omkar Ghugardare: Correct. And like from -- how much capex is needed for that? And how much time it would require like from right now to commencement to like take the land and do the construction and get the facility ready for production?

Balakrishna Tati: Yes. What we have done is that we have acquired 22 acres of land from the Government of Telangana at the TGIIC Food Processing Park. This land will cater to the entire requirements of our 11,000-metric-ton freeze-dried coffee plant. Most of the equipment we are currently sourcing is also intended to support the additional 5,500-metric-ton capacity. This means that the next phase of 5,500 metric tons will be undertaken as a brownfield project.

We will only need to bring in and install the freeze-dried coffee plant. I do not think it will take more than a year, or 12 months, to complete the project, provided everything goes as planned, as the building and other infrastructure will already be in place.

Omkar Ghugardare: Okay. So it will commence in FY29, '30, right? Next to next year.

Balakrishna Tati: That's right. You're right.

Omkar Ghugardare: Okay. So the construction would like start from now or like in FY28, it would start?

Balakrishna Tati: Most of the construction, we are doing it now itself.

Omkar Ghugardare: Okay. So in FY28, '29, it can be ready, right? That's what you mean. And it can start production from FY29, '30, right?

Balakrishna Tati: No. I'm saying that the building, civil work and all -- most of the civil works will complete by FY29. And by FY30, then we'll have the line in place -- second line in place.

Omkar Ghugardare: Okay. So for that, how much capex is needed? You have spent -- you will be spending around INR500 crores, INR550 crores for the first half -- first 5,500. I'm asking how much would be needed for the next 5,500?

Balakrishna Tati: It should be in the region of around INR350 crores.

Omkar Ghugardare: Okay. INR350 crores. It is a brownfield project, the cost will be lesser, right, for production?

Balakrishna Tati: Yes, you're right. You're right.

Omkar Ghugardare: Okay. And like do you have any kind of visibility for that -- obviously, you will have the visibility, that's why you are targeting to add additional capacity. But like I mean, how confident are you like utilizing it in like full speed or 100% capacity? That's what I'm asking.

Balakrishna Tati: Yes, Omkarji. We have clarity on the 5,500-metric-ton capacity, and we already have certain commitments from customers, particularly in markets such as Europe, the U.S., parts of Russia

and Southeast Asia. However, there are still some markets that we have not yet tapped, such as South Korea and Japan etc, from where we have been receiving a lot of inquiries. So, we clearly have a certain level of visibility for the additional 5,500 metric tons.

Omkar Ghugardare: So this you are talking about for the...

Balakrishna Tati: Second line.

Omkar Ghugardare: 16,500 to 22000 -- correct, second line of the capacity, right?

Balakrishna Tati: Yes, you're right.

Omkar Ghugardare: And the first capacity, first half of the capacity, you have like orders ready for this or you have the commitment from the buyer?

Balakrishna Tati: Yes, we have a commitment from the buyers. Yes, you are right. 5,500 capacity, we already have a commitment from the customers.

Omkar Ghugardare: So this is like 100% you have received or like some part you have received. That's what I'm asking.

Balakrishna Tati: No, we have received commitments for 100% of the planned capacity. However, it is up to us to determine whether we can supply the entire quantity or not. We have already received letters of intent from customers covering 100% of the planned capacity.

Omkar Ghugardare: Okay. The second question is on the margin front. Right now, I guess you are operating at around 19%. So with additional capacities of from 5,500 to 11,000 and from 11,000 to 16,000 and 16,000 to 21,000, like how big can margins go up?

Because once the fixed cost will remain stable and then as your revenue increase, there should be good amount of growth in margins. So that's why I'm asking how much it can go up eventually in the next 2, 3 years, maybe till FY30?

Yarkali Kranthi Kumar: Yes. FY27 is expected to remain more or less in the same range, with some marginal improvement. As for FY29, once freeze-dried coffee production commences, the margins are expected to be comparatively higher, with an improvement of around 2% to 3% over the existing levels.

Omkar Ghugardare: So this is extra 2% to 3% will be there once the first half of the capacity is commenced, right?

Yarkali Kranthi Kumar : Correct.

Omkar Ghugardare: Correct. And what about the second part of the capacity? Like will there be any more scope for margins to go up?

Yarkali Kranthi Kumar : Another 1%, 1.5% will additionally will increase it.

Omkar Ghugardare: Okay. So collectively, you are talking about with the 21,000 metric ton capacity around at least 4% margin improvement, right? At 100% capacity utilization of 21,000.

Yarkali Kranthi Kumar : Yes, 3% to 4% comfortably we will get an additional incremental percentage on this thing, on existing one.

Omkar Ghugardare: Correct. It will add around 3% to 4% at 21,000 at 100% capacity. That's correct?

Yarkali Kranthi Kumar : That's right. It's 22,000 actually, not 21,000.

Omkar Ghugardare: No, no. I'm asking about the additional capacity, right?

Yarkali Kranthi Kumar : Yes, 11,000 tons of freeze-dried coffee and 11,000 tons of spray and agglo coffee, total 22,000 metric tons.

Moderator: The next question comes from the line of Ishan Modi, who is an Individual Investor.

Ishan Modi: Yes, am I audible?

Balakrishna Tati: Yes, Ishanji.

Ishan Modi: Yes. So my question is around the fundraising that we have declared. So as far as I know that multiple times, we had told that our expansion would be from the debt and internal accruals only. So is there any change in the plan? That's why we are doing fundraising now?

Balakrishna Tati: Can you repeat your question?

Ishan Modi: Yes. So as far as I know that we have declared the equity dilution plan, right, fundraising. Yes. So my question is that I think in the past, the management has told that all the expansion will come from the internal accruals only and debt only. So why we have changed our plans to do fundraising now?

Balakrishna Tati: Okay, let me explain. We are considering a slight dilution of equity, but this will be subject to whether we are able to arrange the required funding through other sources.

For the upcoming 5,500-metric-ton freeze-dried coffee project, we have already received sanctions for almost all the foreign currency loans from European banks. However, these loan agreements contain a negative pledge clause, which is making it somewhat difficult for us to avail loan facilities from Indian banks.

Therefore, we are exploring the possibility of a small equity dilution, as we do not want the project to face any funding constraints or delays. At the same time, we are also exploring other funding options, including approaching other financial institutions. If these alternative funding options materialise, we may not need to go for the equity dilution.

Ishan Modi: Okay. And this current revenue, what was the mix between the large paying and the small pack?

Balakrishna Tati: Now it is going around 55%-45% ratio. 55% is small, 45% is bulk.

Ishan Modi: Okay. Got it. And one more question that recently from another company, we came to notice because of the green coffee price has been corrected, there is a more demand of freeze-dried coffee compared to agglomerated and the spray dried. So are we seeing any moderation in demand in the Q3 and Q4? Because I don't think we have freeze-dried capacity, right? So can we see any moderation in the Q3 and Q4? Or are we good?

Balakrishna Tati: Yes, coffee prices have declined slightly, but they are now moving upward again. However, based on our current forecasts and projections, we expect prices to remain more or less stable overall. Since we do not have a freeze-dried coffee facility at present, we do not anticipate any significant increase or decrease in coffee prices at this point in time.

Ishan Modi: So for our current portfolio, we are good and we will own 100% capacity utilization in Q3 and Q4 as well, right?

Balakrishna Tati: Yes. You're right.

Ishan Modi: All right. And any formal guidance for the top line or EBITDA per ton you will like to give for FY27?

Balakrishna Tati: It is actually absolute terms only we are doing it, but will remain same. I think you can see it from the past few quarters, then you will get that.

Moderator: The next question comes from the line of Deepali Bansal from Ventura Enterprises.

Deepali Bansal: My first question is regarding what was the production and sales number during the quarter? And how is the revenue distributed among domestic and export sales, please?

Balakrishna Tati: Yes. The production is for this quarter 2 is 2,737 metric tons and sales is 2,581 metric tons coffee.

Deepali Bansal: And how is the revenue divided among domestic and export sales?

Balakrishna Tati: Almost 85%, 15%. 15% is the domestic and 85% is the exports.

Deepali Bansal: All right. My next question is regarding chicory, sir. You said there's a crop shortage and we would be getting incremental revenue in chicory this year. How much incremental revenue did we do in chicory due to the crop shortage? And what was the percentage of EBITDA that we generated in this?

Balakrishna Tati: Since our chicory production capacity is already being fully utilized, the increase in sales volume is limited to around 5%, primarily due to the acute shortage of the chicory crop.

Additionally, chicory prices have moved upward, resulting in an incremental increase of around 4% to 5% in the sales price.

Moderator: The next question comes from the line of Umesh Gupta from AlphaOptimus PMS.

Umesh Gupta: Many congratulations for a fantastic set of results. You have been doing flawless execution for the last so many years. Many congratulations to the team. Sir, my question was on some clarification because you mentioned that strategy going forward is to get into B2C.

So I just wanted to understand more on that, from which year you are thinking and from -- or which capacity because the current capacity up to 22,000, which includes 11,000 of freeze-dried, I think the objective was to remain B2B, or has it changed? Or from what year or from what capacity you are thinking of moving to B2C?

Balakrishna Tati: I can explain this. Currently, we have a spray-dried coffee capacity of 11,000 metric tons, with an additional 5,500 metric tons of freeze-dried coffee capacity expected to come on stream by FY28–FY29. We plan to maintain our B2C presence through e-platforms in the meantime, but our strategy is to expand into the B2C segment on a much larger scale from FY30 onwards.

Umesh Gupta: Okay. So but that would mainly come in once you have done this expansion up to 22,000 and this 22,000 will mainly be for B2B, right? And incrementally from FY30 onwards, you might think of putting additional capacities by keeping B2C in mind. Is that correct?

Balakrishna Tati: No, the total capacity of 16,500 metric tons is expected to come on stream in FY27–FY28. At this stage, we are not planning to enter the B2C segment. Instead, we are planning a second phase of 5,500 metric tons of freeze-dried coffee capacity, which will take our total freeze-dried coffee capacity to 11,000 metric tons, in addition to 11,000 metric tons of spray-dried and agglomerated coffee. Once this expansion is completed, we will start exploring opportunities to enter the B2C segment.

Umesh Gupta: And this B2C -- yes, B2C is going to be domestic or international?

Balakrishna Tati: We will explore both options.

Umesh Gupta: Okay. Because I mean, I thought the DNA of the organization is more B2B because growing B2C is like a different ball game in terms of distribution, marketing, so if you could elaborate more that was it always the plan? Or is it something which you are thinking now that since the capacity is going up and you need to get into B2C.

Balakrishna Tati: No, this is already part of our business plan. Once our cash flows improve and we stabilise the operations of both plants, namely the freeze-dried coffee and agglomerated coffee plants, we will look at this opportunity. Currently, the 5,500-metric-ton freeze-dried coffee capacity that we are planning to set up next year is already fully tied up with customer commitments.

Therefore, there is no immediate need to explore B2C opportunities. However, once we establish the second freeze-dried coffee plant with an additional capacity of 5,500 metric tons, we will definitely start exploring the possibility of building our own brand, particularly in the Indian market, which is growing very rapidly. As you are aware, the Indian instant soluble coffee market is growing at around 12% to 14% annually.

This will be an important part of our business strategy. We may either enter the market directly through the B2C route or adopt a franchisee model by partnering with established distributors who can market and sell our products. We will evaluate these options at the appropriate time, but not immediately. As mentioned earlier, we will start exploring these opportunities once the second production line is established.

Currently, our products are already available in the Indian market through e-commerce platforms such as Amazon and Blinkit. However, we will encourage our distributors to strengthen their presence and focus more on this segment. At present, many domestic brand owners are purchasing our products in bulk and selling them under their own brands, and the sales are encouraging.

Therefore, it is important for us to establish our own presence in the Indian market as a manufacturer. We do not want to simply follow market demand and lag behind the competition; rather, we want to stay ahead of the competition.

Umesh Gupta: Okay. The other question was on realization. So could you tell us how was the realization in Q2 versus Q1? Was it higher in Q2? And what is the trend which we are seeing from a Q3 perspective?

Balakrishna Tati: There has been a marginal improvement in Q2.

Umesh Gupta: And Q3, what is your expectation? Is it stable, higher or lower?

Balakrishna Tati: Stable only. A little improvement is there because pack mix also little changes will happen.

Umesh Gupta: Okay. Okay. And incrementally, now that you are operating at 100% capacity, so incremental any growth in volume once this freeze dried come up, then only, which is something from a Q3 of next year onwards, we should expect volume growth, right? Because right now at around 2,500, 2,700, that would be your maximum production quarterly.

Balakrishna Tati: You're right. You're right. Q3 onwards, we will expect more sales. Yes, you're right.

Umesh Gupta: Sorry, sir, when?

Balakrishna Tati: From Q3 onwards, we expect higher sales, as Q3 and Q4 constitute the second half of the year and are the peak seasons for soluble coffee sales. So, obviously, we expect higher sales in Q3 and Q4.

Moderator: The next question comes from the line of Paras Chheda from Purpleone Vertex Ventures LLP.

Paras Chheda: Congratulations on a strong set of results. Sir, just one thing, your H1 operating cash flow has been positive INR51 crores. Now do you expect this cash flow from operations to stay positive for the full year?

Balakrishna Tati: Yes. Now positive cash flow same trend will continue.

Paras Chheda: Okay. So the cash flow from operations will stay positive for a full year basis also?

Balakrishna Tati: Yes, yes, yes. Correct.

Paras Chheda: Okay. And sir, on this freeze-dried coffee project, initially, I guess it was projected to be commencing production around July '27 or so. Has that pushed forward a little bit?

Balakrishna Tati: Yes, we are more or less planning to start trial production in August. If everything goes well, we expect to commence commercial production from September onwards.

Paras Chheda: Okay. September onwards for the full-fledged commercial production. So basically, second half of next year, we will have, at least -- I mean, full capacity available and whatever utilization we do on that?

Balakrishna Tati: You're right.

Paras Chheda: And sir, what kind of utilization do you expect then in the second half of this new capacity?

Balakrishna Tati: Maybe we have planned around 70% of the installed capacity.

Paras Chheda: Okay. Will be, of course, the EBITDA margins on this FDC project versus our current spray dried, I mean, versus our agglo margin?

Balakrishna Tati: Yes. Since we will have around 6 to 7 months of freeze-dried coffee production during FY28, there will be an improvement in EBITDA margins, as the EBITDA margin for freeze-dried coffee is slightly higher than that of spray-dried and agglomerated coffee. Accordingly, we expect an improvement in the overall EBITDA margin percentage in FY28.

Paras Chheda: Understood, sir. And just on the fundraising sir, just for the sake of clarity, this INR325 crores has been approved by the Board. But from what I understood is that this is -- the company has yet to decide whether to go forward with this kind of funding and therefore, you are exploring various other options as well?

Balakrishna Tati: That's right. We are exploring multiple other options. If any of these options materialise, we may not need to go for equity dilution at this stage.

Paras Chheda: Understood, sir. And overall demand environment remains positive?

Balakrishna Tati: Sorry, I didn't get you. Yes, demand for freeze-dried coffee is good. Certainly, that is why we are planning to proceed with the second line without any further delays.

As I mentioned during the earlier call, we are also constructing the building structure and carrying out the civil works. Some of the equipment we are procuring will cater to the entire 11,000-metric-ton freeze-dried coffee capacity.

Paras Chheda: Since you mentioned the second phase of 5,500, when do you officially sort of take a final call on moving ahead with this because, of course, this will be capex and machinery need to be ordered, etc. So when is that final decision to be expected?

Balakrishna Tati: During the first quarter of FY28.

Paras Chheda: Okay. So the moment broadly this one comes online, the first phase, you will more or less take a call on the second phase?

Balakrishna Tati: Yes.

Paras Chheda: Will you take about 12 months odd being a brownfield project to get it on stream?

Balakrishna Tati: Yes.

Paras Chheda: And there like September of 2029, potentially one could -- sorry, September 2028 could assume this second phase could become operational on that?

Yarkali Kranthi Kumar: Commercial operations for Phase 2 will definitely commence in April 2029. The full capacity is expected to come on stream in FY30.

Moderator: The next question comes from the line of Tanmay, who is an Individual Investor.

Tanmay: I just -- by the way, congrats on a good set of results. Sir, I just wanted to confirm or understand on your other expenses part. So your other expenses have increased from INR14 crores -- from INR7 crores to INR14 crores in this quarter. So just wanted to understand, like, what is driving those expenses?

Yarkali Kranthi Kumar: Our expenses are normally in line with expectations. There has been a slight increase in selling expenses due to higher ocean freight costs. The same is being passed on to the customers.

Tanmay: Okay. Okay. So are we expecting these expenses to sustain? Or are we expecting the expenses to go down going forward?

Yarkali Kranthi Kumar: We believe this increase in expenses is a temporary phenomenon due to geopolitical situations. Otherwise, we do not expect expenses to increase.

Tanmay: Okay. Also, I have second question. I wanted to understand where your coffee inputs come from. So where are you basically sourcing your beans from? And are you expecting any increase in input costs on that front?

Balakrishna Tati: Yes. We are mainly sourcing from India, around -- I can say around 65% to 70% from India and just around 30% to 35% from Uganda and Indonesia.

Tanmay: Okay. Okay. And are we expecting any increase in the input costs because of the weather conditions or the current supply -- the current water shortage situation? Like are we expecting any kind of increase in the cost?

Balakrishna Tati: not audible

Tanmay: Really sorry. Just one more question following up with that. If are we expecting to, like, pass these costs forward to the customers?

Balakrishna Tati: Okay. As per our forecasts, Indian coffee bean prices are expected to remain more or less flat compared to the previous year. With regard to Vietnam, there appears to be a slight improvement in crop production. Other countries, such as Uganda, are expected to witness growth of around 5% to 6%, while Brazil is expected to remain more or less at the same level as the previous year.

However, if we take all these markets into consideration, the overall average is expected to remain more or less at the current level. If this trend continues, I do not expect any significant increase in coffee bean prices. Prices may remain stable or decline slightly.

Moderator: The next question comes from the line of Janav Shah, who is an Individual Investor.

Janav Shah: Can you hear me?

Balakrishna Tati: Yes, please. Go ahead, Mr. Shah.

Janav Shah: In the last AGM, you said the fundraising was done for the 3,500 metric ton per annum for the agglomerated coffee. So is it still -- is it still on track and one more packaging line that you are going to add? So any update regarding that?

Yarkali Kranthi Kumar : Yes. The promoter is contributing towards the warrants for the agglomeration unit and the packing line. The process is underway, and the 25% contribution is also expected to come in over the next 10 to 15 days. With that, we will be starting these activities.

Janav Shah: Okay. Okay. And how has been the growth in the roasted and ground coffee? And how much volume have been -- we have been done in this quarter?

Balakrishna Tati: We have received an orders for a couple of containers and have already started exporting the products. However, we will have a clearer picture of the overall volumes and other details in the next couple of months. Subject to the successful execution of the initial orders, we expect this to develop into a sizable order.

Janav Shah: Okay. And regarding the 3,500 metric tons, which will the confirmation would come till how much -- like, how much time it would take them to like commercialize because it would be 22,000 plus 3,500 metric ton, the total capacity of the firm, right?

Balakrishna Tati: No, the 4,500 metric tons is not an additional capacity being added. I think there is some misunderstanding here. The 4,500 metric tons is part of our existing capacity of 11,000 metric tons of spray-dried and agglomerated coffee.

Currently, we have a limitation in our agglomeration plant. Therefore, we are setting up one more agglomeration line, which will enable us to increase agglomerated coffee production within the existing 11,000-metric-ton capacity, while slightly reducing spray-dried coffee production. Since agglomerated coffee offers higher margins, we want to focus more on this product, particularly because it is better suited for consumer packs. That is the reason we are adding another agglomeration line.

However, the overall capacity of spray-dried and agglomerated coffee will remain at 11,000 metric tons.

With regard to freeze-dried coffee, as I mentioned, the first phase of 5,500 metric tons is currently coming up and is expected to commence production next year. Subsequently, another 5,500 metric tons will follow. I expect to be in a position to place the order for the next line by the middle of next year, as it will be a brownfield project.

Janav Shah: Okay. But is there any plan to increase the capacity in the spray and agglomerated because since we are working on, like, say, 95% capacity utilization?

Balakrishna Tati: At this point, yes, Mr. Shah, you are absolutely right. If our existing customers increase their sales, we will obviously need to consider a slight increase in our capacity. This is definitely on the cards, and we will certainly look into it. However, these are internal matters that we can manage on our own.

Janav Shah: Okay. And in this quarter, like in the first half, how many new customers have been added in the spray and agglomerated?

Balakrishna Tati: Mr. Jawahar will give an answer for this.

Jawahar Conjeevaram: Good evening, everybody. We have added 4 to 5 customers -- new customers for spray and agglo.

Janav Shah: And how many are in the pipeline, like, we are still currently talking with them, and we hope we'll be converting them till the end of the year?

Jawahar Conjeevaram: Yes. This is a continuous process. We follow the funnel system. So we expect as they move ahead, we'll be adding new customers.

Janav Shah: Okay. Great. And has there any delay in the FDC project? Because I thought this would come live from March '27. Now you are seeing from the second half of the FY28.

So, like, 6 months delay. So is there any problem going on? Is there, like, something got stuck in between?

Balakrishna Tati: There is no significant delay as such. We had initially indicated that the project would commence in June–July FY28, which has now been shifted to August–September. The reason for this slight delay is that we are availing the loan from a European bank, and our plant is fully compliant with ESG norms. Accordingly, it is taking a little more time to complete the necessary ESG formalities and related procedures. That is the only reason for the delay of one to two months. Otherwise, as we had indicated from the beginning, the project was scheduled to commence in June–July, and this has now shifted to August–September.

Moderator: The next question comes from the line of Prabhat Agarwal from Finvesters.

Prabhat Agarwal: Congratulations for very good set of numbers. Sir, my question is, can you please throw some light on revenue from online platform, as you have mentioned in the PPT and expected growth rate from that?

Balakrishna Tati: Sorry, I didn't get your question. If you don't mind, can you repeat?

Prabhat Agarwal: Yes. Sir, I want to know the revenue from online platform as you have shown in your PPT and the expected growth we can assume in coming quarters?

Balakrishna Tati: To be frank, since this is operating under a franchisee model, we have not been focusing much on this segment. However, we are now appointing a distributor who will not only focus on online sales but also utilise other sales channels and platforms. I am confident that this will result in a much better growth rate. Currently, this segment contributes a negligible portion of our overall business.

Moderator: The next question comes from the line of Omkar Ghugardare from Shree Investments.

Omkar Ghugardare: My question was regarding how much margin difference is there in the agglomerated and the freeze-dried coffee?

Balakrishna Tati: You're talking about the price level or margins?

Omkar Ghugardare: Margins, margins.

Balakrishna Tati: Yes, around 2%,

Omkar Ghugardare: 2%, you said, right?

Balakrishna Tati: Yes, yes.

Omkar Ghugardare: Okay. And for the price?

Balakrishna Tati: Spray to agglomeration, right?

Omkar Ghugardare: No, no. I'm asking about agglomerate. Currently, you are setting up additional plant, right, for 5,500 for freeze-dried, right?

Balakrishna Tati: Okay. There will not be any significant difference in the margins. However, the point is that our current product mix is approximately 55% agglomerated coffee and 45% spray-dried coffee. We want to further reduce the share of spray-dried coffee and focus more on agglomerated coffee so that we can sell it in consumer packs. When we sell in consumer packs, the realisation will be around 1% to 2% higher than the bulk realisation.

Omkar Ghugardare: Okay. And currently, when you ship the full capacity for freeze dried, around 11,000 metric tons, only freeze-dried I'm asking, how much additional margin that would give?

Balakrishna Tati: This will easily give around 3% to 4% over the agglomeration price.

Omkar Ghugardare: Okay. Okay. At 100% capacity utilization you are saying, right?

Balakrishna Tati: Yes, you're right.

Omkar Ghugardare: Okay. And the store which you had at Navi Mumbai, I guess, I mean, do you have any plans to expand more stores? We haven't heard anything from that on that front?

Balakrishna Tati: No. As I mentioned, we are now focusing more on the B2C segment, including setting up cafés and similar outlets. However, our current plan is to start with just one outlet. If the franchisee has more opportunities to open additional outlets, we do not mind exploring them. At present, the company does not have any specific plans in this regard.

Omkar Ghugardare: Okay. So the new 5,500 capacity which just came up in March. So the full impact started from Q1 and more in Q2, right? So in that way, Q3 and Q4, we'll be also seeing 100% capacity utilization. But, like, after Q4, like in Q1 or Q2 of next year, will there be a growth slowdown because of the -- like, you won't be having additional capacity for the additional growth because you already would be utilizing 100%. So incremental growth would come from that. That's what I'm asking.

Balakrishna Tati: No. In FY28, we plan to continue operating at the full capacity utilisation of 11,000 metric tons, and this is expected to continue growing. Additionally, in FY28, we expect around 30% to 40% of the planned freeze-dried coffee capacity to come on stream. Accordingly, along with the existing 11,000 metric tons, we expect to add approximately another 2,000 metric tons of freeze-dried coffee capacity. This will obviously result in growth in terms of value.

Yarkali Kranthi Kumar: Even in Q1 and Q2 of FY28, we expect to achieve year-on-year growth of around 5% to 10%.

Omkar Ghugardare: Okay. But the recent capacity, which you commenced in March, the impact started from Q1, Q2, Q3 and Q4, right?

Balakrishna Tati: Correct.

Omkar Ghugardare: Continuing from Q1 to Q4, right? So, like, the net capacity of 5,500 metric tons will be commenced from which quarter?

Yarkali Kranthi Kumar: The 5,500-metric-ton freeze-dried coffee capacity is expected to come on stream by September 2027. Additionally, the increased focus on agglomerated coffee will result in a 20% to 25% higher realisation. This benefit is expected to be reflected in Q1 and Q2 of FY28.

Omkar Ghugardare: Okay. So the additional benefit of incremental capacity will only come from Q2 of next year, right?

Yarkali Kranthi Kumar: Yes, from the September onwards, the additional FDC start giving that realization.

Omkar Ghugardare: Sorry, I missed your comment. What did you say?

Yarkali Kranthi Kumar: Freeze-dried coffee also will start operations from the September '27.

Omkar Ghugardare: Okay. So for Q1, you will be -- the impact will be coming from the shift from, like, agglomerated coffee and most -- the second quarter will have the impact of the additional capacity of the freeze-dried coffee, right?

Yarkali Kranthi Kumar: Yes, yes. Yes. You're right.

Moderator: The next question comes from the line of Vinay Kumar Dhagudu, who is an Individual Investor.

Vinay Dhagudu: My questions have been answered. Thank you.

Moderator: The next question comes from the line of Abhishek Mathur from Systematix.

Abhishek Mathur: Sorry, I joined the call a bit late. On the Phase 2 of the FDC expansion of 5,500 tons Phase 2, have you indicated earlier on the call that the production will commence in FY30 and not in FY29?

Yarkali Kranthi Kumar: Yes, FY30 will be commercial operations will be started...

Abhishek Mathur: Got it, sir. And on the Phase 1 of 5,500 tons of FDC, should -- have you indicated that the utilization for FY28 will be about 70%, and it will be utilized for about 6 to 7 months for the financial year?

Balakrishna Tati: Correct. You're right.

Abhishek Mathur: Got it. Last clarification, sir. On the spray dried plus agglomerated SDC side with the 11,000 capacity that we have, on the earlier call, you had indicated that we could look at a volume of about 10,500 tons for FY27. Is that guidance still intact?

Balakrishna Tati: Yes, that is intact. You are right. Right now, we have a visibility for 10,500. We have a commitment from the customers that is intact.

Moderator: The next question comes from the line of Meet Mehta from Entigrity Ventures.

Meet Mehta: Team, congratulations on a great set of results. So sir, just wanted to understand how does the value and volume works for our company. We have done a volume of around 43% -- growth of 43% in terms of volume and our revenue has grown by around 64%. So what does this value growth indicate here?

Because I was just comparing the coffee bean prices for this particular quarter and last quarter. So there has not been a huge jump that we have seen in our realization. So any color on this value terms?

Yarkali Kranthi Kumar: Yes, let me explain that. The volume figures include a combination of both chicory and coffee. However, the major volume growth is coming from coffee, which has a higher value realisation. Because of this, even though the overall volume growth is around 40%, the value growth is significantly higher, at approximately 60% to 65%.

Meet Mehta: Okay. And higher realization coffees are agglomerated coffee?

Yarkali Kranthi Kumar: Yes, yes, correct. Correct.

Meet Mehta: Got it. And also on the EBITDA terms, so our EBITDA should be growing with our volume growth, right? Because we would be having a fixed percentage kind of arrangement. So our EBITDA should be growing with the volumes?

Yarkali Kranthi Kumar: Correct, correct. Absolutely. You're right.

Moderator: The next question comes from the line of Deepali Bansal from Ventura Enterprises.

Deepali Bansal: Sir, I would like to ask one thing. I'm an Individual Investor. I have been a part of -- I've been a shareholder for maybe 2 years. What can go wrong? I mean, what should I be cautious about? Like, the whole scenario is really beautiful. We have a good vision for the next 5 years. But what should we be cautious about?

Balakrishna Tati: The main concern is the geopolitical situation, as we are primarily an export-oriented unit and our operations are largely dependent on international logistics. If container availability becomes a challenge, it could result in slight delays in shipments. Recently, the Government of India has also given clearance for setting up a container manufacturing unit in India. However, there could

still be some challenges if there is an acute shortage of containers. This is one of the risks we are anticipating.

Otherwise, I do not foresee any major concerns, as coffee is readily available. Fortunately, we are expecting a good crop across all major coffee-producing regions, particularly Africa, Vietnam, Indonesia, Brazil and India. Therefore, coffee availability is not a concern.

We also expect coffee prices to remain more or less stable, while global coffee consumption continues to grow year after year. Apart from the geopolitical situation and its potential impact on international logistics, I do not foresee any other major challenges.

Deepali Bansal: So do you think in that kind of scenario, we would be able to sell our goods domestically rather than in the export market if something of that sort happens around the world?

Balakrishna Tati: That is the reason we have already established a small presence in the Indian market. Of course, we are also selling our products in India to certain brand owners who are building their own brands using our products.

Going forward, as I mentioned in response to an earlier question, we have plans to enter the Indian market through the B2C segment in FY30, although that is still some time away.

The reason is that we do not currently have all the products in our portfolio. Freeze-dried coffee is also an important product that we need to add, and this is expected to come on stream next year. Once that happens, we may take a call on our B2C plans.

But yes, you are absolutely right. The Indian market is growing, and there is significant potential for soluble coffee in India.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I would like to hand over the call to management for closing comments.

Balakrishna Tati: Yes. Thank you very much for all the participants. And I'm very glad that you asked a very nice questions and good questions, which I could be able to give an answer. In case if we are not able to, you have more questions or more these things, you may please write to us either to me or to the CFO or to our Sales Director, our ED. They will reply back to you immediately any clarification, any time 24/7. And also, I wish you all a happy Diwali in advance. Thank you very much.

Moderator: Thank you. On behalf of Vintage Coffee & Beverages, I conclude this conference. Thank you for joining us, and you may now disconnect your lines.