

May 7, 2026

To,
The Listing Department
National Stock Exchange of India Limited
"Exchange Plaza" Bandra-Kurla Complex,
Bandra (E), Mumbai-400051

Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol : SGMART

Scrip Code: 512329

Dear Sir/Madam,

Sub: Transcript of the Conference Call held on May 4, 2026

With reference to our letter dated April 28, 2026, intimating to the stock exchange(s) about the conference call with Analyst(s)/ Institutional Investor(s) held on May 4, 2026. In terms of the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the aforesaid conference call.

Submitted for your kind information and necessary records.

Thanking you
Yours faithfully

For SG Mart Limited

Sachin Kumar
Company Secretary & Compliance Officer
M. No. F13972

Encl: a/a

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“SG Mart Limited
4QFY26 Earnings Conference Call”

May 04, 2026



MANAGEMENT: **MR. AMIT THAKUR – DIRECTOR B2B METAL TRADING – SG MART LIMITED**
MR. SURAJ KUMAR – CHIEF FINANCIAL OFFICER – SG MART LIMITED
MR. NAMAN RASTOGI – GENERAL MANAGER STRATEGY – SG MART LIMITED
MR. ARCHIT ARORA – VICE PRESIDENT SERVICE CENTER AND DISTRIBUTION BUSINESS – SG MART LIMITED
MRS. ANAMIKA GULATI – SENIOR GENERAL MANAGER RENEWABLE BUSINESS – SG MART LIMITED
MR. ANUBHAV GUPTA – GROUP CHIEF STRATEGY OFFICER – SG MART LIMITED

MODERATOR: **MR. KUMAR SAUMYA – AMBIT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to SG Mart Limited 4QFY26 Earnings Conference call hosted by Ambit Capital Private Limited. 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 this conference call, please signal an operator by pressing then on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kumar Saumya from Ambit Capital. Thank you and over to Mr. Saumya.

Kumar Saumya: Thank you, Nirav. Good evening everyone. Welcome to the 4Q and FY26 post-result conference call of SG Mart. From the management, we have with us Mr. Amit Thakur, Director B2B Metal Trading; Mr. Suraj Kumar, Chief Financial Officer; Mr. Naman Rastogi, General Manager Strategy; Mr. Archit Arora, Vice President Service Center and Distribution Business; Mrs. Anamika Gulati, Senior General Manager Renewable Business; and Mr. Anubhav Gupta, Group Chief Strategy Officer. I will now hand over the call to management for an opening remark, post which we will open the floor for a Q&A. Over to you, sir. Thank you.

Anubhav Gupta: Thanks, Kumar, and thanks, Ambit, for hosting SG Mart for its 4QFY26 Earnings call. Good evening, everyone. I welcome all of you to our earnings call. Despite a very challenging nine months for SG Mart, we closed the financial year with very solid performance, with Q4 being the best quarter in terms of revenue, upwards of INR1,800 crores, and EBITDA of INR56 crores.

This performance comes in the backdrop of a very challenging month of March because of the onset of the Middle East crisis. And despite that, we could pull off these numbers. So if you look at the full year performance, with EBITDA growth of 35% to INR137 crores for FY26 with 15% ROCE on reported numbers.

And if we annualize Q4 performance, then ROCE will be around 25%, which is the true reflection of our business model. We brought down the working capital days to 20 with inventory and debtor rationalization. This resulted in operating cash flow generation of INR300 crores for the full year, which funded the large capex of upward of INR250 crores, and there was small free cash flow generation as well on a full-year basis.

And we closed our balance sheet with net cash of INR750 crores. Now the reason for this performance was that SG Mart has now four running verticals, which have been completely streamlined, and we are ramping up these verticals pretty well. Obviously, there will be short-term challenges coming in because of the Middle East crisis, but the quarterly performance should be better than the previous quarters as new businesses, new verticals keep on ramping up.

Vertical number one is B2B sales, which saw like if you look at the Q4 results, the B2B volume is lower than quarter 3 because of shortage of steel supply, which got triggered in month of January and then by the time war started, it further aggravated. And the situation remains slow in terms of B2B business.

But because it doesn't contribute too much to our earnings, so it's not hurting overall performance too much. Service centers, if you see our volume was 190,000 tons for the Q4 versus 163,000

tons. So this 10% increase, more than 10% increase, is because of the addition of new service centers, and we continue to invest heavily in new service centers, which will keep on pushing the volumes upward and higher.

Our renewable structures saw slight dip in the volume. The reason is that we have to buy specialized coated steel, which was in short supply due to gas issues from the steel mills. So that's why the volume was a bit lower. At the same time, in quarter 4, we started selling new profiles, which we have talked about, multiple products being used for construction, warehousing, and multiple applications.

So we started that business and did a volume of around 7,000 tons with good margins, as it is being sold in the APL Apollo brand and in the group distribution network. So all put together, these four verticals produced around INR50 crores of business EBITDA, and INR6 crores was inventory gain for the quarter because there was a steel price upward movement throughout the quarter.

So the total reported EBITDA was INR56 crores, out of which business EBITDA was INR50 crores and INR6 crores is the inventory gain. Now why this INR50 crores business EBITDA is important? Because I mean, throughout the FY26 financial year, we were hoping that we would touch this INR50 crores business EBITDA, maybe in the second or third quarter, but obviously, because of multiple reasons, we couldn't achieve that.

So finally, we did that in quarter 4. And whatever business ramp-up is taking place, we are confident that INR50 crores quarter 4 EBITDA, I mean, it will keep on rising throughout FY27, despite the challenges which we are facing in our B2B business due to the short supply of steel. And obviously, service centers in India are running pretty well, except that in Dubai, which contributes around 10% of the volume, operations are a bit disrupted.

But whenever the war stops, the Dubai service center will also start contributing significantly. I mean, as of now, it becomes very difficult to give any guidance on a monthly or quarterly basis. But in our last earnings call, we did guide for INR300 crores to INR350 crores of annualized EBITDA for FY27.

We are confident that we should be near that number unless there is more loss of business due to war in our B2B business or in our Middle East operations. But the India business, the renewable structures, and the steel profile business, these three verticals are operationalized and throwing good profitability, volume ramp-up, and a good return profile as well. So with this, I'll be happy to take questions. Thanks so much.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Rahul Kumar from Vaikarya. Please go ahead.

Rahul Kumar: Yes, hi. Just two line items. Can you explain your interest cost and other income? Both have sort of declined in this quarter versus Q3. Can you explain that?

Anubhav Gupta: So see, I mean, the interest cost is declining because of the working capital rationalization. We closed the year with 20 days of working capital cycle. So our overall capital employed in the

business reduced significantly for the -- like towards the end of the year. And this resulted in surplus cash being on the books and lower interest cost.

Rahul Kumar: Okay. How much of these trade payables are the acceptances?

Anubhav Gupta: Zero. They're all non-acceptance payables.

Rahul Kumar: Okay. But in case we are generating more cash, then why has our, you know, other income also declined?

Anubhav Gupta: Because, like, the operating cash flow generation was around INR300 crores. At the same time, we did capex of INR250 crores. So net cash generation was very minimal.

Rahul Kumar: Okay. No, because our cash balance has actually also increased, I think, versus quarter three. It's increased, I think, almost INR100 crores. So I was just wondering, I mean, what led to the decline in the income?

Anubhav Gupta: Quarter three net cash was around INR740 crores, and quarter four is INR750 crores. So only INR10 crores increase.

Rahul Kumar: Okay. And this capex which you have done, which particular area which we have done the capex? And for FY27, what are the capex plans, and which area are we planning to do the capex in?

Anubhav Gupta: So if you look at like in FY26 full year, we did around INR525 crores of capex. Okay. This includes capital work in progress and advances to suppliers and contractors. Right? In nine months, this figure was INR400 crores. So in Q4, we did around INR125 crores additional. Now, capex, multiple capex, I mean, most of the capex went towards service centers.

And acquisition of new land parcels because now that this business has like, you know, is running very smooth, so we have become aggressive like we were before to acquire new land parcels and set up new service centres. Going forward, I think we already have taken approval of around INR600 crores of capex for two years. So this is what we will be incurring capex over the next 2 years.

Rahul Kumar: Okay. So for FY27 and FY28, you're planning to do INR600 crores?

Anubhav Gupta: That's minimum. If we need to add more lines for renewable structures and profile structures, then it could increase.

Rahul Kumar: Okay. And this INR600 crores is distributed in service centre and can you just break up?

Anubhav Gupta: The breakup, I mean, we must acquire at least four or five new land parcels. Okay. Incrementally, we must do capex to set up new service centres of three to four numbers. Okay. Then setting up profile machines, right? So you can assume like one-third will go for building of service centres, half could be for acquisition of new land parcels and balance 15%, 20% would be for profile machines.

- Rahul Kumar:** Okay. This last question is on the ESOP plan, which you know you've sort of announced. So what is the price at which the ESOP will be granted? I mean it's not very clear from the announcement which we have. It just says at the discount?
- Anubhav Gupta:** So this ESOP price was locked one and a half years ago. Okay. And at that point in time, the current price, which was around INR367, will be the exercise price.
- Rahul Kumar:** Okay. This is for the ESOP approval, which you are sort of planning to take at the AGM? This is for the future ESOP plans, right?
- Anubhav Gupta:** So this approval is for the balance ESOPs, okay, which were not utilized. And if we have to give those ESOPs to new employees, then we can use from the previous pool. It's not to issue any new ESOPs.
- Rahul Kumar:** Okay. And on this, also, the strike price or exercise price is the INR367?
- Anubhav Gupta:** That will remain the same, no, because the pool is like the previous one only.
- Rahul Kumar:** Okay. Because in the announcement, it has been mentioned that it will be at a discount to market price. But it was not clearly specified at what price, actually?
- Anubhav Gupta:** Yes, so it is INR367, which we had taken approval for the last ESOP plan.
- Rahul Kumar:** Thank you.
- Moderator:** Thank you. Next question is from the line of Vishal Mehta from Oaklane Capital Management. Please go ahead.
- Vishal Mehta:** Yes, just wanted to check that in your opening remarks you mentioned that the 15%-odd quarter-on-quarter volume growth in the service centre business has come from incremental service centres. The presentation shows that we still have seven service centres. So is there something we're missing?
- Anubhav Gupta:** No, so Vishal, I meant that volume from new service centres came up basically.
- Vishal Mehta:** Got it. And for, so basically what you're saying is that the new service centres which we've opened, all of them have given better volumes.
- Anubhav Gupta:** That's right.
- Vishal Mehta:** Okay. And also if you could just give some clarity on what is your expectation for the profile business and the renewable business for FY27 and FY28? I mean in terms of volume, how do you see that panning out?
- Anubhav Gupta:** Sure. So Vishal, see, I mean if you look at our Q4, we did around 5,000 ton monthly average in renewable structures, okay. Full year, it gives around 60,000 tons the run rate. As of now, there is shortage of coated steel in the industry because of gas issues, okay, which we believe will improve in next one to two months.

So we will come to 8,000 to 9,000 tons of monthly volume. Okay. So from, so we may remain at 5,000 to 6,000 tons for two months and then it will ramp up to 8,000 to 9,000, say for seven, eight months. So put together, we should be around 130,000 to 150,000 tons for the full year, okay, in terms of renewable structures.

As far as the other profile structures, that business is ramping up pretty well. In Q4, the number looks very small, which is like 7,000 tons. But April month has gone pretty good, which is like 5,000 to 6,000 tons run rate we have already achieved. And more and more products and machines are getting started in next one to two months. So this also, with 5,000 to 6,000 tons of monthly volume for next two, three months, this will ramp up to 8,000 to 10,000 tons for say eight to nine months for the full year. So here also we can expect like 100,000 tons plus annual volume.

Vishal Mehta: Got it. And that 15% capex which you mentioned about profiles, that includes RE business or it's just for profiles?

Anubhav Gupta: Yes, joint. For RE business, we have sufficient capacity as of now, okay. We can do volume of 150,000 tons for the full year. So it will be mainly for profile, additional profiles.

Vishal Mehta: Great, sir. Thank you so much. I'll get back in the queue and all the best for the future.

Anubhav Gupta: Thanks.

Moderator: Thank you. Next question is from the line of Nikhil Porwal from Perpetual Capital. Please go ahead.

Nikhil Porwal: Yes, good evening Anubhav. My first question is on, so the subsidiary revenue more or less sequentially is flat at around INR230 crores, INR240-odd crores. But the profitability has taken a big hit despite, you know, prices moving up for steel. So any colour on this?

Anubhav Gupta: For which business?

Nikhil Porwal: For the Dubai operation. Profitability has, yes go ahead?

Anubhav Gupta: So Dubai has, so see, I mean Dubai, the, I mean in month of March, there was hardly any business, okay, because of like what happened there. So that fixed cost etcetera, led to like, you know, profitability hit. But things are becoming better, okay. Teams have started traveling there. Okay. So you will see this getting recovered in a month or so.

Nikhil Porwal: I meant about the gross margin. If I just look at the consolidated minus standalone, the gross margin has come down significantly. That I understand the volume drop because of the conflict in Middle East?

Anubhav Gupta: Okay, we'll revert to this later. My team is working on it. Maybe in 10, 15 minutes, we'll answer this question.

Nikhil Porwal: Okay, okay. And next is on, are you investing further for capacity at the Dubai center as well? Because the net block again, the difference between consol and standalone has moved up?

- Anubhav Gupta:** No, there is no -- I mean, there would be some new machinery which would have come like cut-to-length machinery in Dubai service center. Suraj, how much increase is there in net block from December to March in Dubai?
- Suraj Kumar:** In Dubai?
- Anubhav Gupta:** So I think it's how much increase you are looking? INR5 crores, INR10 crores, right?
- Nikhil Porwal:** No, it's a bigger number. If I take a look at the year-end standalone and console net block, the difference is INR108 crores?
- Anubhav Gupta:** No, I think there could be -- we are checking on this. We'll revert during this call only.
- Nikhil Porwal:** Okay. And so next is on the capacity for the current service centers, the seven that you have operational. The annualized utilization is already above 90%. So will you need more capacity at the existing centers going forward?
- Anubhav Gupta:** We're going to add three more during this year, okay. I mean the exit service center, number of service centers should be around 11 to 12 for FY'27.
- Nikhil Porwal:** Okay. And within the existing seven centers, would there be further capacity addition?
- Anubhav Gupta:** We are going to add new products here, okay. Right now, we are selling HR related products. We will also start selling coated products through these service centers, which are more value-added products and carry a better margin.
- Nikhil Porwal:** Okay. So this would be in the profiling business?
- Anubhav Gupta:** No, in service center business.
- Nikhil Porwal:** Okay. And is it possible to provide a split of volumes between India and Dubai?
- Anubhav Gupta:** Yes, for Q4, right?
- Nikhil Porwal:** Yes.
- Anubhav Gupta:** So in the service center, we did around 191,000 tons, right, for the full quarter from the service centers. Dubai was 37,000 tons.
- Nikhil Porwal:** Okay. And one last question from me is, so you're also setting up capacity for puff panels. And in the presentation, you've mentioned the market to be at around 150,000 tons, and you're all setting up capacity for 80,000 tons. So that's literally almost more than half of the market. So what gives you the confidence for this?
- Anubhav Gupta:** For renewable, right?
- Nikhil Porwal:** For puff panel?

- Anubhav Gupta:** Puff panels, see, I mean, it's a highly fragmented industry as of now. And as more and more, what we are seeing is that there is a very strong demand which is going to come up over the next five years. All the new factories and warehouses that are getting built up, okay, they are all moving from standard sheets to puff panels.
- Okay, because it provides a better insulation application. So it is not very expensive compared to standard sheets. All the developers who are building factories or who are building warehouses prefer puff panels now. So the size may look smaller today for the industry, but in the next three to four years, it can actually double or triple from here.
- Nikhil Porwal:** So basically, you're expecting a shift in the market from steel roofing sheets to probably puff panel?
- Anubhav Gupta:** Yes.
- Nikhil Porwal:** And the margins, would it be similar or would it be slightly higher in puff panel?
- Anubhav Gupta:** As of now, we do expect like 5% to 8% margins.
- Nikhil Porwal:** Okay. That's it from me. Thank you.
- Moderator:** Next question is from the line of Vikas Mistry from Moonshot Ventures. Please go ahead.
- Vikas Mistry:** Hi Anubhav. Couple of questions here. So in solar structures, we have roughly 50 to 60 GW of solar installations that are happening. And from that perspective, our market TAM should be pretty high on our capacity 150,000. So, are we ready for further expansion as these supply-side scenarios normalize, and how much are we targeting for the next couple of years?
- Anubhav Gupta:** Definitely Vikas, see, I mean this 150,000 ton capacity which we built, it took us what, six to eight months, to build this capacity and operationalize it. So once we hit like 10,000 ton per month for four, five months, then we will order more capacity. And since we already have space at our service centers, the only lead time is the plant and machinery, which is a three to four-month procedure.
- Vikas Mistry:** But in the service center business, we see that land acquisition is delaying some of the service centers. So, can't we be preparing slightly ahead of the schedule for the lead time?
- Anubhav Gupta:** Now, now we are -- no, in terms of renewable capacity? Like I said, we already have land. Infrastructure is already there. So ordering machines and installing machines is only a three to four-month procedure.
- Vikas Mistry:** Okay, fine. Got it. So my last question is on tech side. So we have a good relationship with B2B customers, but what is the progress on that where we can tackle smaller MSMEs and such that we can also take that part of the pie that other platforms are enjoying, like Infra Market and of business?
- Anubhav Gupta:** For which business, B2B?

Vikas Mistry: Yes, so let me rephrase the question. So we have a good market share at least on the B2B side because we are tackling large customers. But at least on the smaller SME side, where other platforms like JSW Neo of business and Infra Market have slightly better market share. So what is our strategy in order to tackle that? And what is the technological progress in terms of application building in terms of retention of newer, smaller SME clients?

Anubhav Gupta: So see, right now, B2B business is a bit soft because of the shortage of steel. Okay. I mean once the steel supply streamlines, once the steel supply streamlines, then we will become more aggressive in terms of reaching out to small MSME customers. Right now, whatever supply we get, it gets absorbed by our larger customers.

Vikas Mistry: Totally buying your point, but for that, whatever tech intervention we need to push in, so that has to be done today itself?

Anubhav Gupta: Yes, so we do have everything on our SAP systems. We do have visibility of what our customers buy from us, what SKUs they buy. So we try to rationalize all the inventory back-end. But honestly, I mean since till the time we have confidence on the steel supply and availability, we don't want to invest too much into tech stack because again that's a like three to four months process whenever we want to push for it, we can do it.

Vikas Mistry: Okay, okay. So I was coming from the fact that we are building SAP, which is from the perspective of our side. Are we solving smaller SME customers' problem from their perspective and from their vantage point to give them better services like other platforms are doing?

Anubhav Gupta: No, currently, like I said, because of the shortage of steel, I mean, you can't -- there is no material, how can you service. Tech requires material to move from my godown to my customer's godown. If I don't have steel, right, what will tech do?

Vikas Mistry: No, that's totally understood, but I think relationship building with smaller clients takes its own time. And if some X client is already doing business with another platform, why would they switch to you in just a short span of two or three months? So that is the point what I'm trying to make?

Anubhav Gupta: Also, because now our focus is on more value-added business verticals, okay, which are service centers and renewable structures, and this new set of profiles that we have launched.

So, since B2B business is more like higher revenue generation and low profit margin, as a company, the strategy is to focus more on value-added products.

Vikas Mistry: Okay, okay, Anubhav. That's all from my side.

Moderator Thank you. Next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Yes, hi. Good evening. Thank you so much for taking my question. Firstly, congratulations on a great set of results, sir. Sir, just wanted to harp a bit about margins. So we've delivered quite good margins in Q4, but due to the war, do we see like a temporary dip in Q1? How do we see

the margin profile right now because, some of our segments will get impacted because of the war? So how do we see that, sir?

Anubhav Gupta: So see, margins, margins, if you look at the EBITDA per ton for all the verticals, it will mirror what we did in Q4. We don't see any deterioration in EBITDA spread in Q1.

Darshil Jhaveri: Okay, so we don't see any kind of deterioration. Yes. And sir, just wanted to know, like we've given a clear in the PPT mentioned, business growth visibility of like 50% CAGR over the next three years. So that's going to be linear, right? Like every year, we could expect this level of growth, or how do you see that, sir? Like, will it be back-ended, or how would the growth be, sir?

Anubhav Gupta: I think, it wouldn't be back-ended. You will see performance getting better and better every quarter, okay, from here on.

Darshil Jhaveri: Okay, so basically every quarter-on-quarter we'll have some level of growth. Because why I was asking that in terms of revenue, FY26 has been kind of flattish to FY25, right? So just wanted to ask with regards to that, right? So, FY27, we can see a much higher level of growth?

Anubhav Gupta: So revenue was flat, but EBITDA grew by 30% plus. Because in FY'25, more volume came from B2B business. In FY'26, we scaled down the B2B business and focused more on value-added verticals. Again, I am naming those three verticals: service centers, renewable structures and steel profile business. So even if there is no -- 50% growth in revenue, my EBITDA can still grow more than 50% because whatever new business vertical I'm adding, it is more profitable.

Darshil Jhaveri: Oh, fair enough. So overall we should see 50% growth in terms of the bottom line rather than the top line, right? Because that would be the main focus?

Anubhav Gupta: I mean, this is what we have learned in three years of our existence that we need to focus heavily on the bottom line. We just don't want to do business for revenue generation.

Darshil Jhaveri: Sure, fair enough. Okay. That's it from my side. Thank you so much.

Moderator Thank you. Next question is from the line of Aejas Lakhani from Unifi Asset Management. Please go ahead.

Aejas Lakhani: Yes, hi. Anubhav, I wanted to understand if there is any inventory loss or gain in the EBITDA number that you've reported for the quarter?

Anubhav Gupta: I did mention that there was inventory gain of INR6 crores in 4QFY26.

Aejas Lakhani: Understood. And for full year '26, the margins that we had because steel prices have gone through a challenging years, how much has been, in the total EBITDA that you've reported of about INR137 crores, how much has been the variation due to inventory? Could you just give us that number for '26?

Anubhav Gupta: So in the first half, there were not many swings in steel prices. In quarter three, there was inventory loss of around INR15 crores, INR20 crores, if I remember correctly. And in and in

quarter four, there is a gain of INR6 crores. So I guess the full-year EBITDA could have been more than INR150 crores if we adjust the steel price swings.

Aejas Lakhani: Understood. And just so that I understand your business model, in the upswings or downswings in steel prices that may happen, could happen because of the lead and lag that is there, as products come in and go out. And barring that, y'all are not intending to take any inventory risk on books. Is that broadly correct?

Anubhav Gupta: That is right. Just to add to it, as our EBITDA spreads will improve because of more value-added products, that impact will also keep on reducing, Aegis. Okay. Now when I'm doing INR60, INR70, INR80, INR90 crores of quarterly EBITDA, which is coming from more value-added products, so then that hit will also the impact will also keep on diminishing.

Aejas Lakhani: Understood. And broadly, Anubhav, I recall many calls back you had broadly given a broad range of EBITDA margins across each of these. So just could you give again a broad understanding? So service centers earn between 3% to 5% EBITDA, I think the trading business was 1% to 2%. Is that understanding correct? And can you call that out for renewable and profiling?

Anubhav Gupta: Sure. So see, I mean, let us decode them into EBITDA per ton basis rather than percentage margin basis. So B2B business is between INR700 to INR1,000 per ton, depending on the steel environment, the steel price environment in the country at that point in time. B2B business is pretty stable from INR1,800 to INR2,100 per ton. The renewable structure business is around INR3,000 to INR5,000 per ton, and the steel profile is INR5,000 to INR8,000 per ton.

Aejas Lakhani: Understood. Okay. And is it fair to assume that the volume that you have done of broadly 400k tons in metal trading was also because you had the offtake agreements with your suppliers, and the entire intent even next year would be to maybe keep this volume or probably reduce it? I don't know how you determine that.

But the entire thing is to build the profiling products business, the renewable structures business more and more, right? So, effectively, trading is just done with a very opportunistic sort of lens, or is it just that because you need to pick up a certain raw material that you have committed to your supplier, that is how you construct the business heuristic?

Anubhav Gupta: So see, trading for SG Mart can be infinite. Okay. So, the more steel we get, the more steel we can sell, earning INR700 to INR1,000 per ton. We did get 410,000 tons of steel in FY'26. If we get more steel in FY'27, the trading and the B2B sales will be higher accordingly. But as of now, it is difficult to say because April and the commitments for May so far are slow. And it is also because even the steel mills, the volumes, the production levels are low because of the overall crisis for energy, gas, etc.

Aejas Lakhani: Understood. And finally, just my last question is, Anubhav, even JSW, for example, is creating a platform. Of course, the broad contours of where they may concentrate would be different to yours. So how do you comment about this because you're buying from JSW and then creating this entire value-added piece? Now JSW itself is doing something akin. So how would you comment on this?

Anubhav Gupta: No, the products are very different, Aegis. Okay. What we are doing in SG Mart and what other platforms are doing, the businesses are very, very separate, different now.

Aejas Lakhani: Okay, fine. Thanks and all the best.

Moderator Thank you. Next question is from the line of Garvit Goyal from Serene Alpha. Please go ahead.

Garvit Goyal: Good evening, sir. My question is on our bottom line. For the last many quarters, we have been speaking about EBITDA, and PAT will go hand in hand. But I'm not seeing that in numbers, like we did around INR137 crores EBITDA this year, which is more than 30% growth. But if you look at the bottom line, it is hardly 10%, 11%, kind of growth we are delivering. So why is this not happening, sir?

Anubhav Gupta: So, see, I mean, if you look at the conversion of net profit from EBITDA, there are two factors, okay, which are impacting the PAT growth. One is depreciation, and the other is interest cost. So, over the last year, what we have done is that we have started investing heavily into the creation of a network of new service centers, plus we are also going heavily into building capacities for renewable structures and other steel profiles, right.

So, it does require investment into a fixed block, a fixed gross block. That's why the depreciation levels are high. And all the cash flow that we are generating internally, that is also being used for these capex commitments. So that's why EBITDA growth doesn't match PAT growth. When we had mentioned this, that time the business was more asset light, okay, it was dependent more on trading. Okay.

But as I said, in the trading business, we realized that it does not add much value, the dependency on steel availability is pretty high, okay, then the steel price fluctuation also hurts the earnings. So, I mean, over the last year, the whole business model has moved towards more value addition.

And as we are investing in building that value-added business, there will be higher depreciation cost upfront, and all the internal cash flow generation will be used to meet the capex commitments. -- But what I can tell you, but what I can also tell you is that the benefits from this, okay, are going to be significant.

As you have already seen, service centers are operating beautifully, and the stability these service centers have brought to SG Mart. Plus, the renewable structure business, again the massive pie, right, not too much of competitive space. And this unique vertical which we are building up other steel profiles.

Getting into highly fragmented market and leveraging on our brand and distribution network, it's going to give massive fruits, okay, to the company. So, we are not too much worried about that my PAT growth is not matching my EBITDA growth. It will start happening in a month in a year or so. We are not bothered too much.

Garvit Goyal: That means you are still like for the next two years, also we are doing the capex. So, is it correct to understand that the EBITDA growth will still be higher than the PAT growth, right? Because of the elevated depreciation, it will keep coming in the P&L statement, right?

- Anubhav Gupta:** Yes, so I think the better way to look is the cash profit, right, because depreciation will remain high. So, if you look at the cash profit growth and EBITDA growth, there should not be too much difference.
- Garvit Goyal:** Okay. And this INR50 crores EBITDA profit, like quarterly EBITDA profit, that we are comfortably expecting, despite all these headwinds we are speaking about?
- Anubhav Gupta:** That's right.
- Garvit Goyal:** Got it. Thank you, sir, and all the best for the future.
- Moderator:** Thank you. Next question is from the line of Amit, a Retail Investor. Please go ahead.
- Amit:** Sir, my question is on Q4 performance, which is basically EBITDA per ton for different businesses. So, would you be able to share what the per-ton EBITDA was that you made in the solar business, profile business, and service center business?
- Anubhav Gupta:** We will give you the broad range, right? The B2B business is INR700 to INR1,000 per ton. The service center business is INR1,700 to INR2,000 per ton. The solar business is INR3,000 to INR5,000 per ton, and the profile business is INR5,000 to INR8,000 per ton.
- Amit:** And is this expected to remain in this range even in the current year, which is FY27?
- Anubhav Gupta:** That is right.
- Amit:** This is it. Thank you.
- Moderator:** Thank you. Next question is from the line of Krunal Shah from Enam Asset Management. Please go ahead.
- Krunal Shah:** Hello. Hi Anubhav. My question was regarding the service center business. So, you said we have already procured land for certain service centers. So, can you elaborate on which, apart from the seven that we have, where else have you procured land?
- Anubhav Gupta:** Yes, so Ahmedabad, Indore, Kolkata. These are the three cities where we have acquired land.
- Krunal Shah:** Okay. But so, Ahmedabad and Indore will be just shifting from the rented premises to new premises, and Kolkata is the one which we are adding this year, in that case?
- Anubhav Gupta:** Yes. And then we are actively scouting in Hyderabad, Chennai, and in Punjab. So yes, maybe in the next two to three months, you will see more land acquisition coming in our books by then.
- Krunal Shah:** Okay, and regarding the profiles business, so what's the current capacity that we have, because you've given the number combined right now with renewable? So, individually, if you could share the profiles' business capacity?
- Anubhav Gupta:** Around 120,000 ton per annum.

- Krunal Shah:** Okay. 10,000 tons a month. Perfect. Okay. And in the service center volume for FY26 of 600,000 tons, what's the stock-and-sell volume approximately?
- Anubhav Gupta:** It's around 20%, 25%. 75% is cut-to-length.
- Krunal Shah:** Okay. Got it. And in terms of this coated steel availability for renewables, how do you see the situation evolving? When do we see things normalizing?
- Anubhav Gupta:** I think in the month of May it should be better. Then, in June, it will further improve. So April was better than March, okay, and we have entered the month of May, things look better compared to April.
- Krunal Shah:** Okay, so this run rate of 5,000 tons, 6,000 tons per month, that can be maintained with whatever commitments we are getting?
- Anubhav Gupta:** That is right, Krunal.
- Krunal Shah:** Okay, Great. Thank you so much. I'll get back in the queue.
- Moderator:** Thank you. Next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.
- Rahul Kumar:** Yes, hi. In this strategic plan, you know, 50% growth over the next three years, can you help us understand the split of the businesses, you know, of this among the various segments? Let's say at the end of three years?
- Anubhav Gupta:** Can you please repeat?
- Rahul Kumar:** I was saying, you've given this target of 50% business growth over next three years, right? So, if we have to think of the various segments at the end of three years, can you help us understand the split between the various segment, how much would be the service center, how much would be renewables?
- Anubhav Gupta:** Sure. So, in three years, I mean, we may have around 20 service centers, okay, and each service center doing an 8,000 to 10,000 ton monthly volume. So around 2 million ton of volume is coming from service centers, okay, on annualized basis. Then for solar business, renewable structure business in three years, we should be doing around 250,000 ton, okay, 15, 20.
- So around 300,000 ton of annual volume from renewables structures. And similarly, 300,000 ton of volume from the other steel profile structures. B2B is difficult to predict, okay. I mean it can be like a million ton, 2 million ton, 3 million ton, tough to give guidance on B2B business.
- Rahul Kumar:** Okay. Fair enough. And in terms of the shortage of steel, also, I think you mentioned earlier. So, what is the current status in terms of supply? Is it still constrained, or I mean, what is the discussion happening with the suppliers now?
- Anubhav Gupta:** So yes, see, I mean there is overall shortage of steel as a commodity in the in the country. And things will improve as the gas supply to steel mills improves. I mean, everyone says that in a month or so, things will get better. So, we also hope that things will get better in a month or so.

See, I mean, it's so unpredictable. I mean war goes on for 30 days, 60 days, 90 days. I mean unless until the fuel supply becomes streamline, it will remain a challenge.

Rahul Kumar: Okay. And just to just to clarify, service center business which was I think 600 odd thousand tons odd, you're saying that in next three years it will go 3x to 2,000 or 2 million tons. Am I correct in estimating that?

Anubhav Gupta: What I'm saying is the exit run rate will be that after three years if we go for the full year.

Rahul Kumar: Okay. Understood. Yes, that's all. Thank you.

Moderator: Thank you. Next question is from the line of Krunal Shah from Enam Asset Management. Please go ahead.

Krunal Shah: Yes, hi. Thanks for the opportunity again. So, Anubhav, one just broad-level question on capital allocation. So, we are doing around INR200 crores - INR250 crores kind of cash flow from operation, and which seems to be sufficient enough to, you know, fund the capex that we have planned of around INR300 crores for the next two years. So, we have around INR1,000 crores cash on books. So broadly, what is the plan for this cash that we have?

Anubhav Gupta: Krunal, right now, the cash on books is INR750 crores, not INR1,000 crores. That is point number one. Now, like whatever cash flow generation will be there, okay, for the next two to three years, we're going to deploy in capacity building. Plus, the existing cash on books might get utilized for incremental working capital requirements as the business scales up pretty quickly. So, I guess, maybe after two years, when the majority of the capex is completed, right, then we will have a strong pile-up of cash on the books, okay. And then we can think of dividend, etcetera. But for next two years, we want to focus on growth and focus on capacity building.

Krunal Shah: Got it. And also, one thought which we had was that, you know, in terms of inorganic. Are service centers or a kind of profiling and renewable business available in an inorganic manner, which could help us grow faster?

Anubhav Gupta: I mean, we keep on evaluating such assets, okay. But then the quality of such assets also should match the SG Mart profile. Okay. So, we haven't come across any such asset where we can go and actually finish the transaction. We are evaluating the day in and day out, but nothing where we could have said, okay, yes, I want to acquire this asset.

Krunal Shah: Got it. So, I mean it by the quality you would mean the kind of equipment they deployed or the kind of business they are doing in that sense?

Anubhav Gupta: That's right.

Krunal Shah: Okay. Great. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that will be the last question. I'll now hand the conference over to the management for closing comments.

Anubhav Gupta:

I guess I mean just to reply to that earlier question regarding Dubai operations from the gentleman. I think there is some calculation error in what he's doing. I mean, as per our calculation, there is no increase in net block at the Dubai level, and similarly, there is no deterioration in the gross margin.

But still, if that gentleman has any further questions, he can reach out to our team. We have given contact details of our CFO and General Manager, Strategy in the presentation. He can reach out to them. Thanks so much everyone. Look forward to see you again in our 1QFY27 earnings call. Thank you.

Moderator:

Thank you very much. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.