**Date: 30.07.2026**

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| To<br>The Listing Department,<br>**National Stock Exchange of India Limited**<br>Exchange Plaza, 5th Floor, Plot No. C/1,<br>G Block, Bandra – Kurla Complex,<br>Bandra East, Mumbai – 400051.<br><br>**Scrip Code: CCL** | To<br>The Corporate Relations Department,<br>**BSE Limited,**<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400001.<br><br>**Scrip Code: 519600** |

Dear Sir/Madam,

**Subject: Transcript of the Conference Call held to discuss the results of Q1 FY 2026-27 as required under Regulation 30 of SEBI (LODR) Regulations, 2015**

With reference to the above-mentioned subject, we wish to inform that,

i) The copy of the Transcript of the Conference call held on Tuesday, 28th July, 2026, to discuss the results of the first quarter of the financial year 2026-27 is enclosed herewith.

ii) The Transcript is also uploaded on the Company's Website and the web-link for the same is:

https://www.cclproducts.com/wp-content/uploads/2026/07/Q1-Earnings-Call-transcript-2026-27.pdf

iii) The List of Management attendees is stated in the transcript.

iv) No Unpublished Price Sensitive Information was discussed in the call.

This is for your information and necessary records.

**Yours sincerely,**
For CCL Products (India) Limited

SRIDEVI DASARI

Digitally signed by SRIDEVI DASARI
Date: 2026.07.30 13:47:04 +05'30'

Sridevi Dasari
Company Secretary & Compliance Officer

# “CCL Products (India) Limited
# Q1 FY27 Earnings Conference Call”
# July 28, 2026

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| **MANAGEMENT:** | **MR. CHALLA SRISHANT – MANAGING DIRECTOR – CCL PRODUCTS (INDIA) LIMITED**<br>**MR. B. MOHAN KRISHNA – EXECUTIVE DIRECTOR – CCL PRODUCTS (INDIA) LIMITED**<br>**MR. PRAVEEN JAIPURIAR – CHIEF EXECUTIVE OFFICER – CCL PRODUCTS (INDIA) LIMITED**<br>**MR. CHAITHANYA AGASTHYARAJU – CHIEF FINANCIAL OFFICER – CCL PRODUCTS (INDIA) LIMITED**<br>**MS. SRIDEVI DASARI – COMPANY SECRETARY AND COMPLIANCE OFFICER – CCL PRODUCTS (INDIA) LIMITED** |
| **MODERATOR:** | **MR. DIPAK SAHA – ASHIKA INSTITUTIONAL EQUITIES** |

**Moderator:** Ladies and gentlemen, good day, and welcome to CCL Products (India) Limited Q1 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dipak Saha from Ashika Institutional Equities. Thank you, and over to you, Mr. Saha.

**Dipak Saha:** Thank you. Good morning, everyone. On behalf of Ashika Institutional Equities, it's indeed a great pleasure to host the Q1 FY27 earnings call of CCL Products (India) Limited. Joining us today to discuss the earnings call for the quarter ended 30th June 2026, are Mr. Challa Srishant, Managing Director; Mr. Praveen Jaipuriar, Chief Executive Officer; Mr. B. Mohan Krishna, Executive Director; Mr. Chaithanya Agasthyaraju, Chief Financial Officer; Ms. Sridevi Dasari, Company Secretary and Compliance Officer. We thank our management for giving us the opportunity to host the call.

I would now like to hand over the call to Mr. Praveen sir for his opening remarks, post which we'll open the floor for Q&A. Thank you, and over to you, Praveen sir.

**Praveen Jaipuriar:** Thank you, Ashika Securities, for holding the call. Good morning, everyone. I welcome you all to the first conference call of FY26-'27. Let me begin by giving you a brief overview of company's performance in the first quarter.

The group has achieved a turnover of INR1,203.59 crores for the first quarter as compared to INR1,058 crores for the corresponding quarter of the previous year, achieving a growth of 13.76%. This was on the back of almost 20% volume growth. However, since our top line is a function of green coffee prices, the revenue growth stands at 13.76%.

Our business model is such that the EBITDA growth follows the volume growth, and this was reflected with a growth of 21.84% in EBITDA. In actual terms, the EBITDA stands at INR196.69 crores as against INR161.42 crores.

The profit before tax is INR129.02 crores, growing at 36.98%, and the net profit stands at INR116.87 crores, with a growth of 61.31%. As far as the green coffee prices are concerned, they are right now range about between INR3,300 to INR3,800, but there is a certain amount of volatility that still exists owing to simultaneously bearish and bullish factors claimed.

The bearish factors are the fact that the Brazil supplies were good, but there have been some bullish factors as well with the news of El Nino setting in. There are certain reports saying that this could hamper the Vietnam crop that is likely to come in -- that is going to come in November, December. So therefore, we still see certain volatility. But long-term, we believe that the prices will be at these levels, and we don't see much of an increase from these levels.

The domestic business continues to grow well and has achieved a gross turnover of INR180 crores, out of which approximately INR125 crores is the branded business. There is consistent market share gains across geographies and platforms, and we will continue to drive aggressive distribution in the South and increase our presence in the rest of the South markets.

I'll just now hand over the call to our CFO, who will give a bit of a color on the balance sheet situations, and then we'll open the floor for question-and-answers.

**Chaithanya Agasthyaraju:** Good morning, everyone. We are beginning the financial year on a very strong note. Sales at INR1,250 crores represents 14% year-on-year growth compared to INR1,058 crores a year ago. EBITDA at INR197 crores compared to INR161 crores, representing a growth of 22%. But before we get into the financial year FY 27, quarter 1 results, it is appropriate that we refresh or revisit what exactly transpired in FY26 because what transpired in FY26 is what gets translated into FY27.

FY26 is actually a year of inflection point for us, the year in which we have grown and we have grown profitably. Top line has grown to INR4,457 crores in FY26, representing a 43.5% year-on-year growth. PAT at INR388 crores represents 25% year-on-year growth. EBITDA was at INR741 crores. While these are the numbers that attract the attention, the most or the major improvement actually happened in the balance sheet.

We have significantly derisked the balance sheet in FY26 by deleveraging. From the peak debt of close to INR1,950 crores in December '24, debt has come down to INR1,268 crores by March '26. Net debt was even lower at INR1,073 crores.

We have identified that there was an overhang of debt in our financials. We devised a strategy. We communicated with you. We talked about the debt reduction plan that we had and the sudden shift in our finance strategy towards a more working capital and cash flow-centric approach. We executed this strategy religiously and delivered the results which are measurable and which have significantly derisked our balance sheet.

All this happened without dilution of equity, without sale of any non-core assets or without pausing the growth. In fact, in the last financial year, we have grown significantly. At the same time, we deleveraged the balance sheet. The deleveraging happened by focusing exclusively on operational efficiencies. The cash flows have actually surged in the last financial year to INR858 crores from INR290 crores a year ago and INR55 crores a year before that.

Working capital days have actually come down by 80 days to 166 days. Now all these improvements give us a strength to support the growth and the ability to withstand the green coffee fluctuations. These measures, the working capital efficiencies, the cash flow-centric approach and the focus on deleveraging that helped us transform the balance sheet and financials in FY26.

We continue to focus on that and channelize our efforts to further improve that in FY27. So the net debt as at 30th June has further come down to INR963 crores. This is sub-1,000 levels. So a reduction of close to INR100 crores from the last quarter.

With that, I hand over to the Ashika team for question-and-answer session.

**Dipak Saha:** We are open for questions-and-answers.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Avnish Roy from Nuvama.

**Avnish Roy:** I have 2 questions. First is, I wanted to understand, given very high volatility in coffee prices and currently, in fact, it is down only last few months. I wanted to understand if you can continue to have a 15% kind of volume growth. How do you see EBITDA growth going ahead because clearly, rupee has depreciated?

So in your contracts, you get benefit of rupee depreciation or generally on a fairly live basis, it gets factored in. So if rupee gets depreciated, your margins don't increase. Could you clarify on that?

**Praveen Jaipuriar:** So Avnish, 2 things. The first is the growth aspect that you said. We work on a cost-plus model, and our focus always is on the volume growth. And volume growth, we factor in any green coffee fluctuations when we give guidance. We stand by the guidance of 15% volume growth. In the first quarter, we have achieved 20%. We're very confident that we'll be able to stick to this guidance of 15% volume growth.

As far as rupee depreciation or appreciation is concerned, see, fundamentally, we are a naturally hedged company because we import a large amount of our requirements of coffee and then export. There isn't much of a -- yes, there will be an impact owing to the dip in the import and the export prices, which is the margin that you earn upon. So on that, we do get impacted.

But we have our forex policies in place so that if at all there is any appreciation also, we are covered for that, and we don't lose on account of that. Therefore, what we maintain is that we keep driving the volume growth and our EBITDA growth will be in line with our volume growth.

**Avnish Roy:** Sure. So you're not upgrading your volume guidance, right? Because you got growth higher than the guidance in terms of volumes. You are not upgrading that, right?

**Praveen Jaipuriar:** No, we're not upgrading, again, considering that as we just spoke, the -- while the coffee price is at lower levels, but still remains to be volatile. Therefore, when it is volatile, there is a sense of wait and watch kind of a situation in the market as well from the client side. So we just want to keep the guidance intact of 15%. We are not upgrading that right now.

**Avnish Roy:** Sir, last question on the specific comment you made on the El Nino impact on Vietnam also. So I wanted to understand from sourcing, if the crop is actually quite bad, can there be some sourcing kind of a challenge also you don't get the enough raw material. Is that something you have faced in any of the years when El Nino impact has been there?

**Praveen Jaipuriar:** Yes. You know what -- generally, even if the El Nino impact is there, what happens in the coffee market, and Vietnam is largely a Robusta market, which is a far sturdier coffee type. Yes, there will be some impact. It is not so much that it will impact the flow of coffee. That we haven't seen even in very bad years, even in years when there was a lot of frost and this thing at Brazil also, we didn't see that kind of a drop.

But what happens is that considering that it's a very largely traded commodity second only to oil, there is a lot of speculative interest that goes into the market and that makes the price very volatile. So while the prices become volatile, we generally haven't seen any issue on the supply side.

**Moderator:** Next question comes from the line of Shirish Pardeshi with Motilal Oswal Financial Services Limited.

**Shirish Pardeshi:** Praveen, starting with, can you give me the total volume we have sold in India this quarter? And maybe if you can give me some split between spray-dried and freeze-dried?

**Praveen Jaipuriar:** So Shirish, you know that we have interacted so many times. We will not detail out the volume numbers…

**Shirish Pardeshi:** Okay. Give me capacity utilization?

**Praveen Jaipuriar:** Capacity utilization stands at around between 65% to 70%. That is at an aggregate level, yes. There is a higher utilization for the freeze-dried because we are seeing a higher demand for freeze-dried. So there is a higher demand -- higher utilization of freeze-dried within this 65%, 70%.

**Shirish Pardeshi:** Okay. And Vietnam, we are at 36,000?

**Praveen Jaipuriar:** As far as the rated capacity is concerned, right?

**Shirish Pardeshi:** Yes. And Vietnam utilization?

**Praveen Jaipuriar:** Similar levels, similar levels. We haven't seen much of a difference in the utilization at both levels. So both India and Vietnam almost operate at similar utilization levels.

**Shirish Pardeshi:** Okay. And one follow-up on the 20% volume growth, which is outstanding. But is it -- this mix is tilted towards freeze or spray?

**Praveen Jaipuriar:** Yes, yes. It is -- so I -- spray still is the larger volumes. I can't say the mix is at an absolute level tilted towards freeze. But in terms of the proportions, these, as I told you that the freeze-dried utilization is better. The proportions of freeze-dried have been better than the previous quarter last year, yes.

But if you see the utilization of between freeze-dried and spray-dried, when you compare it to the last quarter, you'll see a huge amount of similarity. In fact, and that's the reason if you see almost item by item, the results are very similar to the last quarter. We are carrying forward the momentum of the last quarter into this year as well.

**Shirish Pardeshi:** Okay. On the demand side, we have seen a significant drop in the coffee prices. But you already said that Brazil is up and Vietnam there is some volatility. But what kind of discussion you are having with the customers? Because I see if I'm tying up our inventory levels has come down significantly. So does that mean that if inflation subsides, we will be at benefit in terms of margin story?

**Praveen Jaipuriar:** No. Margin story doesn't change, Shirish, because it is a cost-plus model. Margin story doesn't change. What changes is that at lower levels of prices, there is a sense of calm amongst the buyer. I can see -- I can hear a lot of voices. I don't know where this is coming from. But anyways, just to continue on this, our margin profile doesn't change. But what changes is that, yes, your cost of holding inventory will change.

There is a calm amongst the buyer in terms of giving longer contracts because now they feel that prices are settled. These benefits do come in, which also helps us in our supply chain management. So all of these ancillary benefits come in, but our margin profile of coffee doesn't change.

As far as consumption is concerned, Shirish, we have seen very high coffee prices also. But even in those times, we did not see any drop in consumption. We always have seen that the coffee consumption has been pretty inelastic to the price changes. But yes, there could be internal movements, maybe there will be shifts from freeze-dried to spray-dried coffee. But otherwise, haven't seen much of a change in consumption. So consumption remains intact and our margin profile fundamentally doesn't change.

**Shirish Pardeshi:** Yes, I got that. That's helpful. What I was trying to derive the quarter 1 trend, if we build the EBITDA per kg for full year, is this trend is sacrosanct or we will have some volatility in the second half?

**Praveen Jaipuriar:** No, no. I think this will be sacrosanct throughout the year. The EBITDA per kilo will remain same throughout the year.

**Shirish Pardeshi:** And last question on the branded business, though we are -- our run rate is very significantly higher. But in terms of whatever learnings last 2, 3 years, what are the -- your experience in the newer markets where we have entered? I mean, is the product is really getting shelf life or is it that consumers are doing -- I mean, I'm saying broadly what number we should be building in FY27?

**Praveen Jaipuriar:** We did INR125 crores, INR130 crores. I multiply it by 4, it is INR500 crores. In India, a season does play an impact. We are looking at anything between INR550 crores, INR600 crores of only branded play. As I was mentioning, I think we have had very good learnings. The good thing is that we have been entering markets one by one. Each of the markets have responded very well, both in terms of our product response.

As far as the product response has been concerned, it's been pretty good. Our large pack sales are quite good, which implies that there is a lot of stickiness and loyalty to the brand. So all the metrics have been pretty good. We have been doing well on MT and e-com platforms as well. Overall, a good response from all the markets. Now we are concentrating a lot on the North and West markets. Hopefully, that will also yield results this year going forward.

**Moderator:** Next question comes from the line of Abhishek Mathur with Systematix.

**Abhishek Mathur:** I just wanted to check, firstly, on capacity expansion, are we starting to have any initial thoughts on this maybe in the second half of FY27 or in FY28? Have we started to think about expansion, especially on the freeze-dried side, if not the spray-dried? What is our capex plan for this year and the next year? And are we starting to build any capex numbers around this expansion? Just wanted to hear your thoughts on these.

**Praveen Jaipuriar:** Abhishek, a couple of years, we are not building any capex expansion. I think we are good for next 2, 3 years. Yes, on the freeze-dried side, there could be certain demand for this thing. But freeze-dried is also a thing where one has to be very careful unless until we are very, very confident of the demand persisting because it's a high capex and the plant needs to run for 24/7, so has to be very, very sure before we do it.

Yes, discussions are there amongst us. We are keeping a tab how the demand is panning out. But I don't think so in the books, we are building any capex money on -- in the next 2 years or so.

**Abhishek Mathur:** Right, sir. So in the light of that, sir, what is our current capex spend plan for this year, FY27?

**Praveen Jaipuriar:** It will be anything between INR25 crores to INR50 crores. These are generally a little bit of an upgradation, some additions in the current listing only. So these are very small numbers.

**Abhishek Mathur:** Right. And sir, secondly, just wanted to understand, typically, what is the inventory that we keep with us in terms of days or in terms of amount in typical times, if you can specify? And also, you indicated the net debt at the end of June, but what was the working capital number also, if you can help with that? That's it from me.

**Praveen Jaipuriar:** Inventory, we generally will keep around 3 months of inventory between 2.5 to 3 months of green coffee inventory. I'll just hand over to CFO to let you know about the working capital cycles and things like that.

**Chaithanya Agasthyaraju:** The net debt has come down to INR963 crores from INR1,073 crores in March '26. If you want a breakup of the debt, the gross debt is at INR1,268 crores. So the classification would be -- term loan would be INR517 crores and working capital would be INR751 crores.

**Moderator:** Next question comes from the line of Akhil Parekh with 360 ONE Capital.

**Akhil Parekh:** Many congratulations for consistent execution. Praveen sir, my first question is on the domestic business. You already guided that we should be doing around INR550 crores to INR600 crores of sales. Would you be able to throw more light in terms of what has been our market share gains, because in opening remarks, you did highlight that? So probably what kind of market share we have in South India and probably across some of the channels, including modern trade and quick commerce?

**Praveen Jaipuriar:** Okay. Akhil, I think there is a lot of disturbance. But what I understood is you are probably wanting some color on the market share claims in the different geographies and platforms.

Basically, now if I were to take urban market share because largely our distribution is concentrated in the urban areas, we have crossed 6% market share in South of India.

As far as platforms are concerned, both the large 2 chains, which is Reliance and DMart, which are like the 2 most prominent modern retail chains in India, we are into now double-digit market shares in both of these chains. These are the numbers.

As far as quick commerce platform without going into each platform detail, but if I were to aggregate, we are in very high single digits and inching very closer to the double-digit market share. All around, there has been a very good increase. These used to be, let's say, quarter-on-quarter, one may see marginal increases but let's say, just 1.5, 2 years ago, these used to be low single digits. Now we are pretty much strong on all of these platforms.

**Akhil Parekh:** That's great to hear. And second, in the past, you have maintained that we'll reach a certain scale and then we'll kind of -- the business will become PAT positive. If you can throw some color on what is the scale of the domestic or branded business we are looking at after which the business will start contributing at PAT level to the consolidated business.

**Praveen Jaipuriar:** Because it's not a separate entity, we're not coming down to the PAT level. But if you look at EBITDA levels, it's already positive. The only thing we maintained is that we will not kind of start milking it as of now because we are looking at aggressive growth. See, the category is probably not growing as much as much as we are growing. We are driving a lot of aggressive growth. We are taking market share.

What we said is that the 5%, 6% EBITDA margins that we are running on this business, we will keep it at those levels instead of focusing on milking it right now because we foresee that there is still a lot of growth that can be achieved. This year also, even volume-wise, we are looking at 20% to 25% aggressive growth. These will only come back -- come at the back of investments. Therefore, all the monies that are getting generated out of the growth, we are ploughing back to the business.

**Akhil Parekh:** Sure, sure. And lastly, on the EBITDA per kg front, right, you mentioned that the EBITDA levels will be kind of maintained in subsequent quarters. Last year, we had already seen that EBITDA per kg had shot up to probably at around INR140-odd. So is it fair to assume that at least this year will be on par and maybe even do better as compared to FY26 at EBITDA per kg level given that FDC contribution is expected to go up given that the demand is strong for FDC?

**Praveen Jaipuriar:** No. FDC already -- last year, if you see the last 3 quarters, the FDC demand or the FDC sales had increased proportionately higher. So what happened is that it's already building the base. Therefore, we don't see any further improvement in EBITDA because of any proportion change towards FDC. In fact, my belief is that we'll add more of FDC going forward in terms of proportion when I say so. Therefore, it may have a tendency to even come down.

But as I have been telling that there are certain other measures that we keep taking, we have been talking more to trying to reach direct clients, trying to improve the mix between small and big. All that will also kind of help us do better. All of these will kind of balance it out. Therefore, we are guiding that the EBITDA per kilo will sustain at these levels only for this year.

**Moderator:** Next question comes from the line of Navin with ithoughtPMS. Since there is no reply from the line of Mr. Navin, we'll move to the next participant. That is Gnanasundaram Saminathan with Avendus Spark.

**Gnanasundaram S.:** Congrats on a good set of numbers, sir. I have a couple of questions. The first one is on volumes. Sir, if we were to assume that we sustain to 15% volume growth over the next 2 years, we would end up with 95% plus in terms of utilization. Now where would this leave us beyond FY28 is question number one. Because if you haven't had any plan in terms of addition of capacity, will our growth be handicapped in '29 because of capacity not being available? This is question number one, sir.

**Praveen Jaipuriar:** Okay. You have seen our history of the company. We will never let capacity hinder our growth. That's the reason we have always made sure that as and when the time comes, we will be able to add capacity. In fact, we also -- you had seen that in the year 2021, because of COVID when we were not able to add capacity or, let's say, construct our new capacity, we also went ahead and bought capacity from outside, yes. Capacity will never be or never be a hindrance to our growth plans.

I have told this before also, we keep a tab of this. We have been discussing internally. We believe that, yes, next 2 years, it may not be required. But if at all, we feel that the growths are going ahead or things like that, we will definitely make sure that we end up either putting the capacity ourselves or doing some strategic tie-ups, which helps us to augment our capacity.

**Gnanasundaram S.:** Typically, at what percentage of utilization do we really look at new additions, sir?

**Praveen Jaipuriar:** When we cross 75%, you probably will start kind of working it out. And mostly 85% to 90% is the time when you probably will need new capacities.

**Gnanasundaram S.:** And gestation period would be approximately a year?

**Praveen Jaipuriar:** Around, yes, 9 months to a year. But the good thing is that for both -- at both our places in India and Vietnam, we have the ability to add because both will be brownfield. We have the ability to add the capacity faster owing to the fact that a lot of the land is there, a lot of other civil works and all that are in place. That also is not a big hindrance in terms of -- it's not like a greenfield that one has to do. The brownfield, our ability to do it quickly is also there.

**Gnanasundaram S.:** Perfect. Adds to comfort. Just one additional point with regards to this is that at 77,000 tons capacity, I know we have discussed earlier that you would be closer to about 10% of the contract market as far as coffee is concerned. So what do you think is the potential that we can get to 1 lakh or 1 lakh 20 thousand tons? Is there any change in thought process to that?

**Praveen Jaipuriar:** Basically, at 77,000 tons, we probably are at 10% to 11%. Probably there's another 3% to 4% that one could add, which means that around a lakh is pretty much 1 lakh, 1 lakh 20 thousand tons is pretty much possible. We'll keep seeing how the competitive environments also evolve, and that will help us guide our growth momentum. But fundamentally, as we have been discussing that the next 3, 4 years, we look at this kind of a 15% growth.

Also what is happening, and that is exactly how we had planned that even our B2C foray and now, they are now significantly started to contribute to this growth momentum. Our whole thought process of shifting to a B2C, which also helps us drive the momentum, getting into newer categories. So as a company, we are kind of taking it into phases. But the long-term goal is intact that how do we keep driving the growth over a long period of time.

**Gnanasundaram S.:** Very clear, sir. And the next one here is that if I were to go by the numbers that you had given earlier in terms of volume growth, over the last 5 years, when I look at the numbers, I see that 1Q EBITDA per kg has always been a tad lower than what we do in the second quarter or the third quarter.

This has been a historical trend that we see. Is that a seasonality that we're missing out? What exactly leads to 1Q EBITDA per kg being weaker than the rest of the quarters? And is that a trend that is expected to play out going into this year also?

**Praveen Jaipuriar:** No, I don't think so. That's a design trend or is it fair. There is any forces that are leading to it. Seasonality, we don't see much of a seasonality now. We used to -- a few years ago, we used to see a higher demand. But these days, even the guys across the globe, they are also doing the supply chain management, which means that they are making sure that the goods are at their place at the right time.

Overall, we haven't seen much of a -- yes, in India, there is a seasonality. But having -- but we haven't seen seasonality in the rest of the globe, largely in U.S. and in Europe, where coffee consumption is pretty much -- it's not driven by season. I haven't seen seasonality there.

I don't think so there is this pattern maybe, there is a pattern that has emerged, but it is not due to any forces or something. Probably it's a coincidence that Q1 is a little lower. Maybe the mix and all we'll have to check, is there any pattern that has emerged. But I -- last year, quarter 1, I think it was pretty high. I don't see that it is always there that the quarter 1 is lower than the rest of the quarter.

**Gnanasundaram S.:** Right, sir. And my last question here is that, is there any impact of higher coffee prices having a saving in terms of operational cost that is leading to better EBITDA per kg. So I'm just trying to correlate is that does our EBITDA per kg tend to perform better when coffee prices are higher?

**Praveen Jaipuriar:** Not really, not really. It doesn't really make an impact when the coffee prices are higher.

**Moderator:** Next question comes from the line of Navin with ithoughtPMS.

**Navin:** Am I audible?

**Praveen Jaipuriar:** Yes, you are audible.

**Navin:** Congratulations on a good set of numbers. So just a couple of things that I want to understand…

**Moderator:** Mr. Naveen, sorry if I interrupt. Can you speak a little louder? We cannot hear you.

**Navin:** Is it better now?

**Moderator:** Yes, please go ahead.

**Navin:** Yes. Sorry. I think I just missed the EBITDA per kg number. Would it be like INR140 this quarter or...

**Praveen Jaipuriar:** Yes, yes, around about that, yes.

**Navin:** Around INR140. Got it. And just like as an extension to this question, right? So do we look at EBITDA per kg as like an output even now, so where we maybe seek business that is accretive to this number or is it more of like we service the demand that we get and then this is like an output metric...

**Praveen Jaipuriar:** No, we constantly look at this number because we work on a cost-plus model, we always build the costs on top of the green coffee and build our margins also. We have a close eye. Yes, it goes without saying that it's not that every customer you get the same or every product you get the same EBITDA per kilo. It's a blended EBITDA per kilo.

But with the kind of proportions that we have, the kind of customers we have, the kind of prices and all, this is the blended EBITDA that is there. It is just not an outcome. It's also a deliberate attempt to make sure that you earn these kind of margins because you are doing a cost-plus pricing.

**Navin:** A quick follow-up to that would be, so do we have targets internally set? Would you be able to share any target that you have?

**Praveen Jaipuriar:** Our internal target and what we guide you are pretty much on the same lines. We have guided that this year, on a full year basis, we will grow the volumes by 15%, which means that the EBITDA is also likely to follow the same growth trajectory.

**Navin:** So I was wondering maybe much longer term, maybe 5-year kind of outlook, 3-year, 5-year outlook?

**Praveen Jaipuriar:** Yes, basically, in the last question to the answer -- when I was answering the last question as well, we are saying that next 3, 4 years, we are guiding -- as of now, as we stand today, we are driving towards this kind of a growth, 15% or so volume growth. In the long-term, yes, we would like to maintain the momentum, and that's the reason we have been adding newer dimensions to our business. The first and foremost thing was to add the B2C vertical, which has done reasonably well till now.

We are now looking to expand into a few other categories that should help us keep the growth momentum up for the next 5, 10 years. So that's been the long-term plan, and we'll keep updating you how things are shaping up. But as of now, we are good to go with this kind of growth momentum plus at least next 3 to 5 years.

**Navin:** Got it. Got it. One small thing on the India FMC -- sorry, the B2C FMCG business on the whole, right? So how is the international part of that doing? We have like Percol in U.K. and all. So just wondering that...

**Praveen Jaipuriar:** The international fund thing is coming up very well. Percol U.K. has turned around. We -- last year, we closed at around INR26 crores, INR27 crores of top line. We are likely to kind of keep growing on that front. Also that brings us good news because once the brand gets established in one market, it gives a lot of strength to the brand to travel to other markets.

With Percol, we are talking to quite a few bit of chains who are now kind of have showed interest in kind of listing Percol. We are talking to a lot of people and a lot of distributors in U.S. to not only launch Percol, but also launch the Indian brand for the Indian diaspora.

We are talking to distributors in Middle East. Some of these deals are likely to just kind of culminate in a couple of months. A lot of actions you will see going forward in terms of launching our B2C in markets beyond India as well.

**Navin:** Got it. Got it. And just one small thing on the India branded business. So I think previously, a couple of quarters back, we had detailed that we try to maintain mid-single-digit margins or like maybe 4% to 5% EBITDA margin until we reach a certain scale. Is there any change in that number?

**Praveen Jaipuriar:** Yes, we are maintaining the growth levels. We are aggressively growing the volume and expanding the brand as much as we can. We believe that there is a lot of headroom still to grow, and we will keep driving with the same aggression going forward.

**Moderator:** Next question comes from the line of Shubhi Gupta with Trinetra Asset Managers.

**Shubhi Gupta:** So sir, I wanted to understand that we got quite a good feedback for our Malgudi snacks. So I wanted to understand, you wanted to launch this, sort of, in a broader rollout. I want to understand how much of this will contribute to our revenues and how do we see that progressing for us?

**Praveen Jaipuriar:** We haven't built a lot of revenues for this. Like last time, we discussed that we were evaluating feedback and kind of readjusting our strategy in terms of product and price and all that. Now we have just -- as we speak, it's been 5, 6 days when we have started broadening our base of launch for the snacks.

We have now got -- and we have added some of the -- a couple of new products as well. We added banana chips and all to the already existing portfolio of South Indian snacks like chegodi and murukkus.

That has just been rolled out. We ourselves are eagerly waiting to see how the feedback is from the broader market, and we'll keep you updated as things go along. Maybe a couple of crores is what we are looking to right now build this year, considering we are still keeping it focused into some areas.

Let's see if we believe that the next phase also is giving us very good results, then probably next year onwards, we'll start pressing the pedal for much, much higher volumes. But we'll keep you updated. Probably next quarter, we will have some more insights into how the brand has done with the expanded portfolio and the expanded geographies as well.

**Moderator:** Next question comes from the line of Richa Agrawal with Equitymaster. There's a disturbance from the line of Ms. Agarwal. Can you please make sure that there is no disturbance? Please go ahead. There's still disturbance from the line of Ms. Agarwal. We'll move to the next participant.

That is Bhavya Sonawala with Samaasa Capital.

**Bhavya Sonawala** Just one question, sir. I think, I just wanted to understand, are we seeing any opportunities like how we acquired Percol and you spoke about entering the U.S. market with Percol, but are we looking at some opportunities and willing to look at some acquisitions in terms of brand B2C players in different countries?

**Praveen Jaipuriar:** Bhavya, not very actively because we believe that we have Percol to build upon. We are not actively looking at any acquisitions across the border. We want to build both our Indian portfolio for the Indian diaspora and Percol. We also have a couple of other brands that we had acquired when we had acquired Percol. We'll look to build upon those brands rather than at this stage, go for an acquisition.

**Moderator:** Next question comes from the line of Vibhanshi Jain with Veer Growth Fund.

**Vibhanshi Jain:** You have previously guided that EBITDA per kg should remain broadly stable like around INR135 to INR140 per kg. But however, one of your listed peers continues to report EBITDA of around INR160 to INR170 per kg despite low volumes and less share of freeze-dried coffee, while CCL is closer to INR137 per kg. So despite operating in the same industry. Could you help us understand the key factors behind this gap?

**Praveen Jaipuriar:** You will have to ask that company about their EBITDA profile. You have been tracking our company for last so many years and you have seen that how we have performed and what is our margin profile, what is our customer profile, how broad-based we are and what is the kind of quality we give. There are a lot of things. It is unfair for me to comment on somebody else's EBITDA per kilo. I can explain you my EBITDA per kilo. That research you'll have to do with that company.

**Vibhanshi Jain:** So like can you give about that structural factor behind this gap? Like what can...

**Praveen Jaipuriar:** I just told you, you'll have to ask that company about the structural factor. How could I kind of comment on somebody else's EBITDA per kilo. You have seen our EBITDA per kilo. You know, both in terms of growth of top line, both in terms of our margin profile, growth of margin, CCL has always worked on a very sustainable growth, long-term growth.

We have made sure that we are compliant when we grow. All these factors that are there, which guides our top line as well as bottom line. You have seen our results over a period of so many years and decades. That's how our philosophies are. Probably I won't have any insight on somebody else earning more EBITDA per kilo.

**Vibhanshi Jain:** Okay, sir. Also, like broadly, our EBITDA per kg will hover around INR135 to INR140 even after we increase the share of freeze-dried? So is it like that or...

**Praveen Jaipuriar:** Yes. In fact, if you were to see last maybe 1.5 years ago, our EBITDA per kilo used to hover around INR125, INR130 kind of a thing. There is an increase. This increase actually has come because there has been a higher proportion of freeze-dried. There is a bit of higher proportion of small packs that we are doing. All of these are contributing to the better margin profile.

We had indicated that time also that we are constantly making efforts to improve our margin profile. Some of it got realized a little earlier than what we had envisaged. Even last year, we got, and that's the reason you saw a very good growth of EBITDA last year. This year, therefore, we are saying that we will continue to maintain that kind of a margin profile or, let's say, EBITDA per kilo as far as this year margins are concerned.

**Moderator:** We'll move to the next participant. That is Deepak Ajmera with IGE India.

**Deepak Ajmera:** Just one question from my side. Can we provide separate EBITDA per kilo for freeze-dried and spray-dried?

**Praveen Jaipuriar:** We don't kind of get into very detailed numbers. But what we can tell you is that generally, a freeze-dried would earn you anywhere between 30% to 40% more EBITDA than spray-dried as a thumb rule.

**Deepak Ajmera:** Got it. Okay.

**Praveen Jaipuriar:** But there are a lot of factors. There is a small pack, which also -- because any value addition you do, that tends to earn you more margins, right? What kind of product you are doing, what kind of packing you are doing, what kind of customer you are serving.

There are a lot of things that go into play when we are talking of, as I told you before also, it's not a mathematical rule that you earn EBITDA per kilo, exactly same for all customers, all products, all type of packing. All of these tend to play. But yes, as a thumb rule, if I were to see on a broader level, freeze-dried would earn 30% to 40% higher margin than spray-dried.

**Deepak Ajmera:** Okay. Got it. Secondly, I listen to your guidance of 15% volume growth, what could be the guidance towards B2C consumer business?

**Praveen Jaipuriar:** B2C will be around 25% growth that we are looking at 25% to 30%.

**Moderator:** Next question comes from the line of Dipak Saha with Ashika Institutional Equities.

**Dipak Saha:** Congratulations, Praveen sir and the entire team for this wonderful show. Just a couple of questions on the logistics side, sir. So last few quarters since the beginning of the war, we have seen logistic pressures, logistic costs have been kind of going up. What is the situation right now? Are we seeing costs getting softer or any moderation? Just a few thoughts on that.

**Praveen Jaipuriar:** So there -- again, just like coffee prices, even the logistics has been a little wibbly-wobbly. There has been phases of a week where things started to settle down. For example, when the ceasefire got announced, then we saw some stability coming. Again, in the last week, 10 days, there has been again certain instabilities. That position continues, Dipak, right now. There isn't any clear picture emerging. But the good thing is that our exposure to Middle East at least is not much.

Even with these fluctuations, we are able to manage it. So yes, there are certain cost impacts that are there. This quarter, we did face certain cost impacts, not only with the logistics, but also because of the packing prices and all that, they have been kind of going up and down. That pressure is also there. But yes, we have been able to tide with most of these challenges that have come our way.

**Dipak Saha:** Got it. That's helpful. Sir, secondly, on the -- given the cash that we have built, it's a very significant level of cash that we would have, at the end of the year and cumulatively FY26, FY27. Now in terms of deployment or -- capital deployment of that cash, are we looking into any kind of potential acquisitions, not only on the B2B side, the plant capacity and all, but anything on the B2C or what's our thought process in terms of deployment of that cash as far as acquisitions are concerned, are we looking at anything at this point of time?

**Praveen Jaipuriar:** Yes, we are -- we have started to kind of open our eyes towards any good acquisition opportunities. But as we have discussed in the past also, we will probably not look at a very expansive acquisitions. Probably we look -- if at all, we would go for an acquisition, it will be a company wherein we are very confident that we'll be able to leverage our strength either marketing or distribution.

So -- and we -- because I have omnichannel distribution, we would love to kind of look at companies that -- which probably where we can leverage some of our omnichannel distribution network that we have set. We are looking at this. Now as far as the balance cash, I'll just ask CFO to give you a color in terms of some -- what are his plans in terms of free cash flow deployment.

**Chaithanya Agasthyaraju:** Dipak, we need to look at that INR858 crores of operational cash flows that we generated last year. The INR858 crores of operational cash flows that we had last year is on account of multi-year correction in the sense that there were a lot of working capital in-efficiencies that have got inbuilt into the balance sheet, which have been corrected. There disproportionate increase in your operational cash flows.

Going forward, will I be able to deliver INR858 crores of cash flows every year? It looks highly unlikely because at the end of the day, we don't have negative working capital cycle. We have to procure the inventory, convert it into coffee and then we have to sell it, right? We are not into a negative working capital cycle.

Therefore, we cannot have a cash flow, which is more than my profit, right? So if we can convert a portion of my profit or the PAT into cash flow, that itself will be a significant achievement given the line of business, given the working capital cycle we have.

At the current levels, we are not yet come deleveraged. We still have around INR1,200 crores of debt. We will continue to focus on deleveraging and probably reduce our gross debt by additional INR100 crores to bring it down to INR1,000 crores of gross debt and net debt probably around INR800 crores.

Since we have surplus treasury, we are still not yet into a surplus treasury. But if there are any opportunities, the balance sheet will give us that flexibility to evaluate that opportunity and take it forward.

**Dipak Saha:** Got it. That's really helpful. So basically, the way to look at is our first priority would be, say, debt reduction, then probably the remaining amount is left, we would look for suitable acquisitions. Is that the right interpretation, sir?

**Praveen Jaipuriar:** Yes, you can take it that way. We are not averse to having debt in the balance sheet, but it should be at optimal levels.

**Dipak Saha:** That's fair enough. Yes, that's fair enough. That's clear. Praveen sir, one last question on the B2C side. We discussed last time also, but just checking an update, we saw in some of the mature markets where we are gaining market share, the potential for upgrading our take rate also improves, right?

How is that particular part panning out for markets like Hyderabad, Telangana and even Andhra, right, where we have been kind of gaining market share and we have been a mature player. Are we negotiating on the take rate side that currently we had -- earlier we had versus currently or in the near-term that we are looking for?

**Praveen Jaipuriar:** Take rate as in Dipak, what you...

**Dipak Saha:** After discount, after the kind of discount and commissions we used to provide after that -- at MRP level, after factoring in discounts and commissions, the end money that we used to do in terms of revenues to keep. So are we negotiating in terms of lower discounts or better terms for ourselves to make the take rate relatively better for us?

**Praveen Jaipuriar:** In fact, on the supply chain margin front, we are almost now at par with the large companies, large FMCG companies. Even most of them have a 10% retailer margin, 8% to 10%, we are also at 10%. Even at the distributor margin, we are at now 5% to 6% and even the large companies, the Unilevers of the world are at 4% to 5%.

We are pretty much now in line, which is a very, very strong sign of a brand which has gained equity. The next biggest sign of any brand that has power in the market apart from price is the ability to do cash and carry business. Today, in the brand side, 70% of our business is cash and carry.

This also speaks -- and we are maintaining this high kind of a growth momentum. This is quite a heartening sign for a brand which has gained equity because cash and carry business in FMCG is done only by brands which have the full power in the market, right?

Third thing in the pricing, we have now got huge -- in fact, yesterday, my team had come with this thing that their pricing is higher than now than the leaders in the market in a few of the platforms and a few of the retail counters. We have started gaining a lot of power in terms of this thing, which has been there.

**Dipak Saha:** That's really heartening to know and more power to Continental brand, really heartening to know. Sir, one last housekeeping question. If you can just tell the growth rate for B2C business, the domestic branded business Y-o-Y?

**Praveen Jaipuriar:** Quarter 1 was around 26% to be precise.

**Moderator:** Next question comes from the line of Palak Jain with Bastion Research.

**Palak Jain:** Congratulations for a great set of numbers. Sir, my question was if you can guide us for our debt repayment for the financial year '27.

**Chaithanya Agasthyaraju:** We have around INR517 crores of term loan outstanding as of now. Out of that, INR140 crores will get paid in the next 3 quarters, which means we are left with close to INR360 crores of debt, which will be -- out of INR360 crores, INR200 crores will be paid in FY28. And after that, INR160 crores, whatever is left will be paid in '28. So we are talking about INR200 crores this year, INR200 crores next year and the balance in the 2028.

**Palak Jain:** That helps. Hoping for such good numbers for coming quarter.

**Moderator:** Next question comes from the line of Hiren Desai, an Individual Investor.

**Hiren Desai:** Yes, I have 2 questions. One is that you talk about maintaining EBITDA per kg at some level. Do you take into account that because of inflation and rupee depreciation, etc., you need to keep improving that to generate the same kind of value?

**Praveen Jaipuriar:** All the costs, be it inflationary cost or be it other cost, because we do build up into our cost-plus model, it is naturally taken care going forward. We make sure that all of these are in some way or the other taken care so that this EBITDA per kilo remains intact, at least in our constant value terms going forward as well.

**Hiren Desai:** Yes. So I have been with the company for 3, 4 years. Earlier days, it used to be like you used to, say, INR110, INR115. Now we are around INR135, INR140. So part of it may be because of product mix also and other optimizations like packaging, etc.

I mean the value of INR100 cannot be as good 5 years down the line. So the EBITDA per kg that you work on shouldn't it like grow at 3%, 4%? I'm not saying every year consistently, but over a period of time. Shouldn't you be thinking in that terms?

**Praveen Jaipuriar:** Absolutely. That's the thought process, which probably when you probably -- you said you are there for 3, 4 years. That's the thought process which has led to these kind of improvements in the last 3, 4 years. We definitely are aware of that.

That's the reason I think in some of our previous calls, we mentioned that we are doing 3, 4 things which will help us kind of keep improving upon that, the fact that we are trying to engage more and more with end customer, the fact that we are engaging with a lot of small pack customers because that helps us earn better EBITDA per kilo, selling more premium coffees in the market.

We constantly do a lot of product innovations with this thing in mind, not only to capture the evolving market trends, but any premiumization also helps you to earn better margins as well. So a lot of work we do kind of keep doing on a constant -- continuous basis to make sure that we keep on improving upon this.

**Hiren Desai:** Okay. And my second question is, I noticed a significant difference in standalone and consolidated. I don't know. I probably missed the first few minutes. So consolidated looks very good, but stand-alone growth as well as margins look muted. Am I correct in my observation?

**Praveen Jaipuriar:** Yes. When you see the numbers...

**Hiren Desai:** Yes. Can you throw some light on what happened?

**Praveen Jaipuriar:** Correct. There are 2, 3 things. One is that when we are doing quarter-to-quarter, and that's the reason we always say that probably see it in a -- look at the numbers with a larger horizon perspective because there are quarter-to-quarter differences that do creep in, in terms of when you look at the business at smaller business units, right?

For example, when you're seeing stand-alone, this year and just before your question, I was answering Dipak's question wherein we saw a lot of impact of logistics, small packs, which is only done from India had the biggest impact in terms of packaging price increase and things like that.

So that made the India business to bear the brunt of these price fluctuations. When you compare it with the last quarter, the same -- last year, the same quarter, you will see a reduction. But that reduction is only because the last year basis were also high for the stand-alone business.

If you compare the performance with the last quarter, which is the quarter 4 of last year, you will see that the performance is completely or exactly in line with that performance. There is no cause of any worry. It is more of a baseline effect, more of a short-term effect of logistics and small packaging price fluctuations that we saw this year owing to the Middle East crisis. But otherwise, the business fundamental remains very, very strong.

**Hiren Desai:** Okay. If there is structurally no issue, yes, I'm happy. Congrats.

**Management:** I want to add one more point to this. In addition to what Praveen just mentioned, whatever expansions we have done till now, we've always done it in subsidiary entities for multiple reasons. Our capacity in the parent company has been constant for the last more than 10 years now. That's why there won't be any volume growth that comes in from the parent company. Going forward also, majority of the growth will start coming in from the subsidiary companies only.

**Moderator:** Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

**Praveen Jaipuriar:** Yes. Thank you, Dipak. Thank you, Ashika Securities, for holding the call. It was a pleasure interacting with all of you. We look forward to meet once again in the next quarter. Thank you so much.

**Moderator:** Thank you. On behalf of CCL Products (India) Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.