May 28, 2025

Listing compliance
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400051.

Symbol: PROV

Sub: Transcript of Conference Call - Earnings Call to discuss Audited Financial Results for the half year ended and Financial Year ended March 31, 2025

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of Conference Call – Earnings call held on Monday, May 26, 2025, at 2:00 P.M. (IST) to discuss the Audited Financial Results for the half year ended and Financial Year ended March 31, 2025 of the Company is enclosed herewith.

The same is available on the website of the Company and can be accessed through the following link:

Link: https://www.proventusagro.com/investors-1

Under Investors> Intimation to Stock exchange> Intimation under Reg 30 LODR> Transcript for investors meet dated May 26, 2025.

Kindly take the same on record.

Thanking You,

Yours Faithfully,

For Proventus Agrocom Limited

DURGA PRASAD JHAWAR

Digitally signed by DURGA PRASAD JHAWAR
Date: 2025.05.28 15:38:21 +05'30'

Durga Prasad Jhawar
Managing Director and CEO
DIN: 02005091

Encl: As above

“Proventus Agrocom Limited H2 & FY’25 Earnings Conference Call”

May 26, 2025

MANAGEMENT: **MR. DP JHAWAR– FOUNDER AND MANGING DIRECTOR– PROVENTUS AGROCOM LIMITED**

MODERATOR: **MS. PRACHI – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the H2 and FY '25 Earnings Conference Call of Proventus Agrocom Limited, hosted by PhillipCapital PCG desk.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded

I now hand the conference over to Ms. Prachi from PhillipCapital (India) Private Limited. Thank you and over to you, ma'am.

Prachi: Good afternoon, everyone. On behalf of the PhillipCapital Private Client Group, I welcome all of you to the H2 and FY '25 Earnings Conference Call of Proventus Agrocom Limited. Today from management, we have Mr. DP Jhawar – Founder and MD.

I now hand over the conference to sir for his opening remarks and then we will open the floor for the question-and-answer session. Over to you, sir.

DP Jhawar: Thank you. Good afternoon everyone. Thank you for joining us today. The Financial Year 2025 was a year of steady progress. We stayed focused on what matters most, building a strong foundation, learning from the ground up and serving our customers better each day. We are proud to share that we have grossed 400 crore in brand revenue this year. It is a moment of celebration, but more importantly, a reminder of the responsibility we carry as we scale further. Thank you for your continued belief in what we are building.

Let me take you through the key financials for Financial Year '25:

Our revenue for ProV brand grew 37% year on year. that is from 303 crore to 417 crore. While our consolidated revenue stood at 584 crore. Our corresponding EBITDA stood at 12.9 crore which is at 8% growth year on year. This year also saw a healthy improvement in our gross margin to 19.8% versus 17.6% last year. This year our profit after tax stood at 7.4 crore marginally up from 7.2 crore last year. This is notable as we maintained profitability even though we doubled our investment in brand building this year. This is a conscious call to drive long term trust and recall and in alignment with market competition as well. At 7.4 crore of PAT, the return of equity is at 8.1%.

Moving on from the financials:

Let me share with you that this revenue of 417 crore translates to roughly over 202 crore plus pouches which shows the market presence and scale of operations built over the years. With a PAN India distribution network, we have emerged as one of the top 2 branded dry fruits players in the country and this is just the beginning. There is tremendous headroom for growth in the market expanding at 25% year-on-year fueled by a decisive consumer shift towards branded offering. More importantly, we are witnessing a powerful trend. Health-conscious consumers

are not only seeking better-for-you products but are increasingly willing to pay a premium for quality and trust. Our growth also proves that our omni-channel strategy is working well wherein each channel has contributed towards our revenue.

In terms of numbers, the modern trades now drive 46% and on the other hand, e-commerce grew 32% led by sharp performance marketing and peg-sized customization. This year we launched our quick commerce on Zepto and Flipkart minutes. Having said that, we believe general trade to be our backbone especially in Tier-2 and Tier-3 towns, and we would continue to invest in building it. This diversified presence gives us reach, risk diversification and also adaptability to evolving customer shopping habits. Our strength lies not just in sales but also in procurement with a diversified global network of nearly 100 plus trusted suppliers. This wide base enables us to source high quality products at the most competitive prices. Thanks to our direct relationship that cut out intermediaries and drive efficiency.

On the product side, new launches as I said were driven by market feedback from our channel partners. Thus, we customized new packaging of super premium, festive boxes, jumbo packs and value packs. Thus, ProV now spans 7 verticals from every day to luxury.

The premium addition not only lifts margins, it elevates aspiration and stickiness. Just to give you context of how it helped us, we sold our 1.25 lakh gift boxes on Diwali. This is our biggest festive performance yet. This has also helped expand our footprint to across 15,000 plus retail outlets. On the operations front, our OTIF, On Time in Full score touched 97% showcasing mature supply chain execution even at scale. However, we are now preparing and investing for our next orbit of growth for which we need a bigger facility, expanding our team and operation capability.

Our Surat facility, which should be up and running by the end of Financial Year ‘26 will help scale our packaging capacity from 1.5 lakh to 4 lakh pouches per day. This facility will be fully integrated, certified and automated in alignment with our growth aspiration especially in the space of value-added product and product development and production. I must say that this isn't just the infrastructure for Financial Year ’26. It is our runway to 1000 crore brand by Financial Year ‘28 and beyond.

As I said, we are scaling up keeping future growth in mind and creating leadership bandwidth is one of such focus area. This year, we added expertise across sales, marketing, research and development and finance with over 25 new additions, mostly on the marketing side. We believe this expansion of experience in the team makes us ready to embark next phase of growth.

I also wish to update you all that Shalin Khanna, whole time director of the company has resigned for personal reasons. I take this opportunity to thank Shalin for his contribution in building ProV. Shalin continues to be a significant shareholder and is available to us for any guidance in future.

Finally, as I mentioned Financial Year ’26 is all about scaling the right levers with clarity and purpose. Let me summarize our key focus area for Financial Year 2026:

Firstly, continue to expand research, reach and penetration. Deepening GT presence to Tier-2 – Tier-3 towns, targeting a 30-40% outlet expansion. Launch MT exclusive packs for more products and sampling across top chains. Continue to scale up presence across quick commerce, deeper in Zepto and Blinkit and wider by the addition of new platforms.

Our second key focus area is product innovation, a vital lever for both growth and differentiation. We are gearing up to launch health-forward SKUs including protein-rich tail mixes, functional bars, seasonal gifting packs tailored for weddings and festivals and youth-centric formats like ProV minis. This innovation pipeline is designed to deepen consumer relevance across occasions and demographics.

At a strategic level, we aim to steadily expand our portfolio with premium value-added products that not only elevate margins but also strengthen our brand aspiration and customer loyalty. Our third focus area is operational excellence, beginning with getting our Surat facility fully live and functional this year. This will significantly boost our production capacity and reduce lead times. In parallel, we are strengthening our cold storage infrastructure, expanding zonal warehouses and building a more agile and robust last-mile logistic network. All aimed at ensuring freshness, efficiency and faster delivery across markets.

Our fourth focus area is expanding our leadership bandwidth and bringing in role-specific expertise. As we scale, we recognize the importance of having experienced professionals in key roles who can bring fresh perspective, drive functional excellence and accelerate our journey towards becoming a future-ready organization and most importantly, our focus on marketing and sales will be sharply attuned to evolving consumer trends and market dynamics while maintaining a laser-sharp discipline on driving high-impact outcome and maximizing marketing ROI.

The opportunity ahead is nothing short of transformative. With per capita dry fruit consumption in India still at 150 g per person compared to 500 g in China and over 1 kg in Western markets, the runway for growth is massive. The market tailwinds are in our favor, and we are perfectly positioned to capitalize on them. Our ambition is clear and unwavering to cross 1000 crore revenue by Financial Year 2028 and we are building not just for size but for resilience, trust and relevance. With the right tailwind, a focused strategy and a committed team, we are confident in the road ahead.

As we wrap up, I want to extend my heartfelt thanks to all of you, our investors, customers, employees and partners for your support and belief in our journey. Financial Year 2026 for us is not just the next chapter, it's the launchpad for everything we have been preparing for which is to build long-term value. Thank you once again for working with us. Together, we are not just building a brand, we are building a legacy, one that we can be proud of.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Aadesh Shah from Renaissance. Please go ahead.

Aadesh Shah: What makes you confident about hitting the 1000 crore brand revenue target by FY '28?

DP Jhawar: So, we are confident to reach a 1000 crore. We keep on adding new markets. So, last 3 years, we have grown 6x and now our reach is across India, and we have a robust channel mix and omni-channel presence. we have MT,GT, E-com, and now Q-commerce. So, we are fully confident to achieve this 1000 crore. This will require 35-36% CAGR and last 3 years, we are achieving the same.

Aadesh Shah: Farmley recently raised capital at a 1000 crore valuation. Why is ProV trading so much cheaper despite higher brand sales and shareholders have not seen wealth creation. When will returns reflect performance? Is there a timeline or trigger where you expect the stock to re-rate and your stock is at 52-week low despite the strong top-line growth. What's wrong?

DP Jhawar: So, this is a fair question, and we are confident this will resolve with time. So, we are confident on that and this is the market. And many times, the market works on the micro. But we are here for the long term, and we are quite confident to achieve that. So, there may be a disconnect with the market.

Aadesh Shah: Okay and last question. Are you open to raising capital or onboarding a strategic partner to unlock the value?

DP Jhawar: So, we have enough capital for both purpose today. So, we are not in need of capital. If we will raise the capital, that will be for any strategic purpose. Otherwise, we have enough capital for expansion.

Moderator: Thank you. The next question is from the line of Hitendra Agarwal from AlphaResearch. Please go ahead.

Hitendra Agarwal: Congratulations on the results. I have a set of questions. So, why did the whole-time director resign? Is there a conflict or a concern? Who is succeeding the outgoing director? Is there any leadership vacuum risk?

DP Jhawar: This is about the whole-time director resignation, correct?

Hitendra Agarwal: Yes. So, are we expecting any leadership vacuum risk here or is there a conflict or a concern?

DP Jhawar: So, the resignation was for his personal reason and made with a good transparency and goodwill. We are grateful for his contribution made during his tenure and confidence to strengthen and continue our leadership and last one year, we have hired many people at the senior level, and we

are continuing to do so. So, we don't see any vacuum at the leadership level and we are continuing to hiring at the senior level.

Hitendra Agarwal: All right. Thank you and what are your top three risks for FY'26 that you see?

DP Jhawar: Okay. So, one risk which we saw in the last 4-5 months was that raw material prices have gone up. So, in dry fruits market, prices have gone up. Across the item was around 25% And that may slow down the demand and also, sometimes you have to take little hit on your profitability. And which we saw in our result also, that little profitability hit we have taken in the last 2-3 months. So, this is one of the risks we are running. Though the prices are almost like the last 3 years on a high level. So, this is one part. And this may soften the demand, a little bit softness on the demand side. So, that may be another one, and the third one is maybe the delay in the execution of our additional capacity which we are building in the Surat. So, that may be another risk, and we can foresee that.

Hitendra Agarwal: Got it. Thank you and my last question is, you have guided for a 22 crore of EBITDA in the previous call. So, is there any particular reason that we have missed it by such a big margin?

DP Jhawar: Yes. So, as I said in the last 3-4 months post Diwali, we saw the prices have gone up 25%. So, little hit has come from that side and also, we have changed our little strategy based on the market also. So, we have expanded our marketing spend and almost from last year to this year, the marketing spend was double and these two factors have reduced EBITDA. And our focus is more and more to achieve the across country more distribution channel. So, we are more focusing on that. Though, our gross margin has expanded from 17.6% to 19.8% in this year. So, we are on that. Our expectation was 20.5% the gross margin, though we ended up at the 19.8% gross margin. But we are continuously focusing on this one and we are confident to reach at 23% in this year.

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

Darshil Jhaveri: So, sir, just wanted to ask a bit more about margins right now. So, for FY'26, what do we expect? Like, how will the margins behave? Because we are hoping for good revenue growth, right, in FY'26. So, how would the revenue growth be in FY'26 and what the margins would look like, sir?

DP Jhawar: So, we are projecting 35% to 40% growth in revenue again in the FY'26 and this year we ended at 19.8% gross margin and another 3% expansion we are looking for FY'26. So, these are the 2 main drivers for us and we will continue to spend on the marketing side to penetrate more and more market and the distribution network.

Darshil Jhaveri: Okay. So, we will continue our marketing spend. So, even though there might be an increase in gross margin, that similar level EBITDA margin increase might not happen. Is that correct to assume, sir?

DP Jhawar: No. This year we are seeing EBITDA margin will improve and that the 2 factors are there. One is the gross margin definitely will increase. And another one, post leveraging Surat facility, the operating margin will scale up and this year we are adding a lot more new product like gifting side, like value-added product side. All these are anyway there is a part of 3% expansion which we are talking about. So, that will help us too. So, the EBITDA margin will definitely grow this year

Darshil Jhaveri: Okay. Fair enough, sir and I just wanted to ask with the Surat facility coming in. So, how will the capacity expand in terms of percentage utilization? How will that expand for us? Like currently we are running at what capacity and how do we see the scaling up of Surat facility? Like in the first year itself, how much utilization can it reach, sir?

DP Jhawar: So, just to give you perspective, today we are at 1.5 lakh pouch per day capacity as of now and this new facility will have 4 lakh pouch per day capacity and so, in FY'26, we will complete this commissioning of Surat. But that will mean in phases, another 6 months, 6 months phases will be there. So, it will not be underutilization, but continues to improve. So, you will have more infrastructure, but additional new machines keep on coming and will add the capacity. But overall, this capacity will be 4 lakh pouches, which is today 1.5 lakh per day pouch capacity.

Darshil Jhaveri: Okay. That's great to hear, sir and sir, just wanted to know, like when you say, when our RM cost increase so much, so how much can we pass on because we have brand recognition? So, just wanted to know what are the market dynamics? Like everyone will suffer a bit or the branded player can, get another extra premium of passing on. So, how will that work like in terms of RM?

DP Jhawar: So, in FMCG, generally, there will be lag of passing the raw material cost and generally, we see it takes one month to pass on. So, maybe because 1 month and if the trend of rising prices is continued, then you may take a little bit hit on your P&L. But generally, it takes one month to pass on to the consumer.

Darshil Jhaveri: Okay. So, currently, like our prices, like are the prices stable and we have taken the price increase or what is the current status for us, sir?

DP Jhawar: So, whatever has increased on the raw material side, we have passed on. So, now it is completely passed on. There may be a risk of further increasing the prices. But anyway, all prices are almost 3 years high on the higher side.

Moderator: Thank you. The next question is from the line of Hitendra Agarwal from AlphaResearch. Please go ahead.

Hitendra Agarwal: Sir, I have another question to ask. What is the EBITDA that we are expecting in FY'26?

DP Jhawar: So, this 2026, we are expecting more than 20 crore EBITDA in FY'26.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

DP Jhawar: So, thank you once again for working with us. Together, we are not just building a brand, we are building a legacy, one that we can be proud of. Thank you so much.

Moderator: Thank you. On behalf of PhillipCapital Private Client Group, that concludes this conference. Thank you for joining us and you may now disconnect your lines.