Operator: Good afternoon, ladies and gentlemen. Welcome to AGI Limited's Q3 FY26 earnings conference call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the management's opening remarks. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Naveen Agarwal, Head of Institutional Equities at SKP Securities Limited. Thank you and over to you, sir.

Naveen Agarwal – SKP Securities Limited: Good afternoon, ladies and gentlemen. It's a pleasure to welcome you on behalf of AGI Greenpack Limited and SKP Securities to this financial results conference call.

We have with us Mr. Rajesh Khosla, President and CEO; Mr. Sandeep Sikka, Group CFO; and Mr. Om Prakash Pandey, CFO. We will have the opening remarks from Mr. Om Prakash Pandey followed by the Q&A; session.

Thank you and over to you, Mr. Pandey.

Management: Good evening everyone and thank you for joining the AGI Greenpack Q3 FY26 earnings call.

For those following along, our detailed earnings presentation is already available on our website and on the stock exchange portals. Before we begin, please note the standard disclaimer regarding forward-looking statements on slide number 2 of the presentation.

I would like to begin with a quick overview of our performance for the nine months ended December 31, 2025. During the period, the company reported revenue of 1,923 crores, up from 1,824 crores last year. This growth reflects strong performance in select segments and our continued focus on premium products. EBITDA stood at 484 crores, slightly lower than 497 crores in the nine months ended FY25. Profit after tax supported by disciplined cost and expense management remained stable at 236 crores.

Looking at the quarterly performance in Q3 FY26, AGI Greenpack recorded revenue from operations of 634 crores, EBITDA of 154 crores, and profit after tax of 71 crores, which includes an exceptional item of 5.09 crores related to the estimated impact of the labor code implementation. Revenue improved sequentially while EBITDA saw a slight decline, reflecting market dynamics and pricing adjustments across the segments.

Looking at profitability, EBITDA margins were lower compared to the same period last year, mainly due to the combined effect of muted volumes in certain product categories and adjustments in average sales realization. That said, we continue to maintain our 12 to 18-month margin guidance, excluding non-operating income, in the range of 24-25%, assessed on an annualized basis rather than a quarter-to-quarter basis.

On the balance sheet front, we remain financially strong. During Q3, the company completed the prepayment of remaining ECB loans in December 2025, resulting in nil ECB borrowing as of

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December 31, 2025. Net book debt stood at approximately 389 crores, providing us with the flexibility to support future growth initiatives. This slight increase was partly due to delays in order deliveries in certain product categories.

Now, I will hand over the call to Mr. Rajesh Khosla to walk you through the key strategic and business highlights that underpin our continued growth trajectory.

Management: Good evening and thank you, Mr. Pandey. Mr. Pandey has walked you through the financial performance for the nine months ended December 31, 2025. Building on that overview, I will focus on the business, our execution priorities, and the growth roadmap ahead.

Regarding container glass, our sales volumes increased around 10% over Q2 FY26, though they were slightly lower by 2% compared to Q3 FY25. Capacity utilization remained strong at around 95%. On the pricing front, sales realization decreased by approximately 450 per ton versus Q2 FY26 and 1,200 per ton versus Q3 FY25. These variations are primarily due to the regular adjustments built into our contracts with liquor and other customers, where pricing is reviewed in line with key raw material cost movements, typically flowing through with a one-quarter lag.

Turning to the specialty glass business, sales volumes were largely flat compared to Q2 FY26 but up more than 13% over Q3 FY25, with capacity utilization at around 85%. Realization improved significantly, increasing by around 900 per ton versus Q2 FY26 and 6,800 per ton compared to Q3 FY25.

Overall volumes in the commercial glass business were subdued this quarter, particularly in the beer segment, due to seasonal factors and temporary deferment of deliveries by customers on account of weather-related considerations. We expect volumes to recover and normalize in the coming quarter. Over the past nine months, we have continued to strengthen the company through disciplined execution and a clear focus on the premium and specialty segments.

Our strategy remains centered on operational excellence, timely capacity additions, and portfolio diversification to build a resilient and scalable business. On the operations front, we have delivered strong progress. The container glass debottlenecking project has been fully completed and commissioned, increasing capacity to 1,900 tons per day, well ahead of the earlier March 2026 timelines. This completion reflects our execution capabilities and enhances our ability to serve customers reliably and efficiently. With the commercial container glass plant operating at approximately 95% utilization, we continue to see strong demand and high levels of operational efficiency across our plants.

In specialty glass, the capacity expansion to 200 tons per day is progressing as planned and remains on track for completion by March 2026. Demand continues to be steady from high-margin segments such as pharmaceuticals, cosmetics, and premium beverages, with existing capacities operating at around 85% utilization.

Our Greenfield container glass facility in Madhya Pradesh is also advancing steadily. Land acquisition has been completed, civil construction is underway, and procurement of key machinery is in progress, with major equipment contracts being finalized alongside statutory and regulatory approvals. Scheduled for commissioning in March 2027, the 500 tons per day facility is expected to

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increase our glass container capacity by approximately 25% and significantly strengthen our footprint across key consumption markets, particularly in North India.

In parallel, our strategic entry into the aluminum beverage can segment remains on schedule. Equipment procurement is in the final stages for the annual capacity of 1.6 billion cans. This expansion complements our glass business, strengthens key customer relationships, and enhances our ability to offer a broader range of high-demand sustainable liquid packaging solutions.

Looking ahead, the long-term fundamentals of glass and sustainable packaging remain strong. With completed capacity additions, a growing premium product portfolio, and continued operational discipline, we are well-poised to capture future growth. We remain focused on building a diversified, future-ready business and creating sustainable long-term value for our shareholders. Thank you very much.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Each participant is requested to limit to a maximum of two questions. Time permitting, we shall revert for any further questions that remain unanswered. Anyone who wishes to ask questions may please press star and one on the touchtone phone.

The first question is from the line of Anil Shah from Insightful Investments. Please go ahead.

Anil Shah – Insightful Investments: Good evening. Am I audible?

Management: Yes, please.

Anil Shah – Insightful Investments: I wanted to check; we have consistently spoken about 8-10% revenue growth, but looking at the first nine months cumulatively, we are up about 5.4% and we have just one quarter to go. What really transpired in the third quarter? Revenue was clearly below our expectations.

Secondly, could you explain our entry into retail? What exactly are we looking to do? Are we looking to build brands? What is the expected spend? While everything will be outsourced, in terms of building brands, do we have limits on what we are looking to spend? With two Greenfield projects underway, do we really need to pivot to something different?

Management: Let me reply. Regarding Q3, you might have read reports from top beverage manufacturers in India and globally. Because of extended rains and extreme winters across India, there was subdued demand in various beverage segments, particularly beer. This demand has not picked up and was lower than the normal demand for this period. This was the reason for the small correction below our expectation.

Regarding retail, we are already in the retail business. We sell our products online, offline, through Horeca, and in various departmental stores. With new FTA agreements between India and the EU, UK, and Australia, many customers are asking for end-to-end service for filled products like diffusers or perfumes. India is shaping up as a manufacturing hub, so we decided to provide this end-to-end facility. We are not building a brand ourselves; we will serve as an OEM to brand owners. At a single shop, we will provide them with products primarily packed in our bottles.

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Anil Shah – Insightful Investments: Would that entail setting up manufacturing? If you aren't doing brand building, are you doing the manufacturing?

Management: No, our core business is selling glass containers. We have many manufacturers on our panel and will outsource the filling activity to them. If the business grows, we may eventually consider our own manufacturing facility. But for now, it is an outsourced activity.

Anil Shah – Insightful Investments: As we begin Q4, is the subdued demand easing as weather conditions normalize?

Management: It looks like things are returning to normal and will pick up. There is nothing lost; it is just a postponement. We will be restricted by our capacity, and we are on target to achieve our capacity goals. We are quite hopeful that Q4 will take care of the shortfall in Q3.

Anil Shah – Insightful Investments: Can we still expect 8-10% value growth for the full year?

Management: When dealing with commoditized products like glass, the price depends on raw material costs. When raw material prices are low, the selling price adjusts accordingly. On the volume side, we expect to end up close to 7-9%. On the value side, there may be a slight correction due to raw material price adjustments directly reflected in selling prices.

Anil Shah – Insightful Investments: What was the volume growth for the first nine months?

Management: In container glass, we saw around 8% volume growth. In specialty glass, volume growth was more than 22%.

Anil Shah – Insightful Investments: Thank you. I will be in the queue for further questions.

Operator: The next question is from the line of Shreya Chatterjee from Ageless Capital. Please go ahead.

Shreya Chatterjee – Ageless Capital: Thank you for taking my question. My first question is on the volatility of contracts in terms of volume. What fluctuations can we expect for specialty and container glass given the seasonality in demand seen in Q3? Also, what is the impact on EBITDA given we commissioned the facility earlier than the March 2026 deadline and the next facility is coming in March 2027?

Management: Regarding factors impacting growth, we plan with the assumption that factors will remain within a reasonable level. However, extreme events like heavy rains and flooding this year caused subdued demand in the beer segment.

Secondly, while we have grown significantly in specialty glass, tariffs imposed in the USA have had a rippling effect on the industry. Factors like rupee depreciation also play a role. Despite these, we have maintained our growth trajectory and delivered reasonable results. Temporary factors like the weather in Q3 are not a permanent concern; we simply have to manage the impact. We were only slightly below our targets, so Q4 should compensate.

Shreya Chatterjee – Ageless Capital: What is the trend for EBITDA per ton, especially with new facilities coming in March 2027?

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Management: We have given guidance for EBITDA per ton in the range of 9,500 to 10,500, excluding non-operating income. We are currently in this range. Specialty glass has performed very well in the last two quarters. For commercial glass, we maintain a consistent approach of 9,500 to 10,000. EBITDA numbers are impacted by commodities like oil, natural gas, and soda ash. Temporary spikes can affect quarterly numbers, but long-term, things are well-balanced and we hope to continue meeting our committed numbers.

Shreya Chatterjee - Ageless Capital: What would be the steady-state EBITDA margin for specialty glass?

Management: We do not disclose EBITDA per ton specifically, but the EBITDA margin in specialty glass is close to 25-26%.

Shreya Chatterjee - Ageless Capital: What range do you see for the EBITDA margin after the March 2027 commissioning?

Management: We hope to maintain the same band. Next year growth will be healthy, but the larger growth will come once the new 25% capacity is added. We expect to maintain our EBITDA percentages in the same band, with a bigger growth expected once the new facilities are on target.

Operator: The next question is from the line of Pershal Zaveri from Crown Capital. Please go ahead.

Pershal Zaveri - Crown Capital: Good evening team. I wanted to get color on FY27. Since major capex ends towards the end of FY27, how would you quantify revenue growth for that year?

Management: We have given guidance for FY25 and FY26 at around 8-10% growth. Next year, we feel we should further grow on the volume side by around 3-4% on container glass and 7-10% on specialty glass. For FY27, we target a growth chart of around 8-9% based purely on volume.

The major growth will come from our Greenfield project in Madhya Pradesh. We are hopeful that for FY28, we will be able to load those furnaces quickly. We will be adding around 25% capacity, which should lead to 15-17% growth in FY28.

Pershal Zaveri - Crown Capital: When glass prices decline but EBITDA per ton remains fixed, should margins optically look better?

Management: We maintain our margin guidance of 24-25% for the next 12-18 months on an overall mix basis. While it may look difficult mathematically, our portfolio includes container glass, specialty glass, and other businesses like caps and closures, which allows us to maintain the 24-25% range.

Pershal Zaveri - Crown Capital: There are reports that Gen Z and millennials are drinking less. Do you see a long-term softness in alcohol demand?

Management: Global demand contraction for alcohol has been around 1%. However, while less alcohol is consumed, non-alcoholic beer and beverage consumption is growing. This impact is seen more in Europe and the USA which have reached saturation. In India, beer consumption is only 2 liters per capita per year, compared to 75-100 liters in other countries or 200 liters in parts of Europe. We don't see this impact for the next 20-25 years. GDP growth and rising disposable

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income still drive positive demand here.

Pershal Zaveri – Crown Capital: Regarding retail diversification, will we fill our own goods? How would logistics look for something like perfume?

Management: Our main business is glass, but we are providing end-to-end service to brand owners so they don't have to manage multiple vendors for bottles, liquid, and caps. We have tie-ups with service providers and outsource the filling activity. We deliver the final product to the brand owner, reducing our dependency on contract manufacturers and giving us more command over our products.

Pershal Zaveri – Crown Capital: Will this require marketing spend or new hiring?

Management: We are not hiring significantly or building our own brands, so there is no marketing expense. Our focus is supporting our glass sales. By going directly to the OEM, we gain bargaining power and stability over using contract manufacturers.

Operator: The next question is from the line of Anil Shah from Insightful Investments. Please go ahead.

Anil Shah – Insightful Investments: For both Greenfield projects, how much have we disbursed so far for land and machinery?

Management: For the Gwalior side, land acquisition is done and equipment supply contracts are established. Equipment should arrive in Q2 and Q3, and production should be running by March 31, 2027. For the can project, the government is in the process of releasing the identified land. Negotiation with equipment suppliers is complete. The major chunk of spend, around 1,100-1,200 crores, will happen next year.

Anil Shah – Insightful Investments: How much has been spent so far?

Management: We have spent approximately 60-70 crores on land acquisition and ground studies.

Anil Shah – Insightful Investments: Net debt at 389 crores is after these outflows?

Management: Yes. Because revenue was not optimal in Q3, we built up some inventories, so working capital slightly bloated. Once those inventories are sold, working capital will come down. Total long-term debt is around 220 crores.

Anil Shah – Insightful Investments: What is the status of the appeal with the Delhi High Court regarding the acquisition?

Management: It is currently at the hearing stage. It is difficult to comment on the timeline for a decision.

Anil Shah – Insightful Investments: You have approval for a QIP. Are you happy to fund the projects with debt if you aren't happy with the market price for equity?

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Management: The QIP resolution is an enabling one. Currently, we are tying up the debt required for these projects. Our EBITDA run rate is stable and existing debt will be mostly paid off by the time new debt is commissioned. We feel that even without a QIP, the leverage would be around 2x EBITDA, which is not bad when creating capacity. We pay off debt through internal accruals and are also open to raising equity if it accelerates growth.

Operator: The next question is from the line of Sandeep Mukherjee from SKP Securities Limited. Please go ahead.

Sandeep Mukherjee – SKP Securities Limited: What was the capex spent for the nine-month period?

Management: We spent around 150 crores, primarily on expanding glass lines and optimizing operational costs. For the full year, we expect to spend around 175-180 crores.

Sandeep Mukherjee – SKP Securities Limited: What is your assessment of raw material input costs like soda ash and fuel oil?

Management: For soda ash, the government investigation into anti-dumping duties was dropped, so prices have stabilized. Global supply and demand are balanced. For oil, prices are proportional to crude. US drilling tends to stabilize prices, though global political instability can cause spikes. We expect prices to remain within a manageable band unless a major conflict occurs.

Sandeep Mukherjee – SKP Securities Limited: Did the short spike in soda ash impact EBITDA margins?

Management: Since we have formula-based pricing for a large portion of our sales, permanent changes are reflected later. Temporary spikes or "headwinds" can subdue margins for a quarter, as they aren't immediately adjusted in our pricing system.

Operator: We will take the last question for today from Praveen Sharma, an individual investor. Please go ahead.

Praveen Sharma – Individual Investor: There was news regarding a 500-800 crore QIP. Since then, the share price has fallen 25-30%. Will you still go ahead with a QIP and dilute equity by 20% of the market cap at these levels?

Management: We never officially announced that we were about to close such a transaction; we only have the enabling resolution. We may raise equity depending on project maturity, cash flow, and market price. Dilution is a concern for the promoter as well, who is the largest shareholder. We are here to create long-term value. Equity may be required, but we will assess the timing and pricing.

Praveen Sharma – Individual Investor: Would you look at a rights issue?

Management: We will take feedback from shareholders and take appropriate actions at the right time.

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Operator: Thank you, members of the management. On behalf of SKP Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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