Vinyas Innova Techno

Operator: Good day and welcome to the H2 and FY26 results conference call of Vinyas Innovative Technologies Ltd. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. If you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. I now hand the conference over to Ms. Janhvi from Orient Capital. Thank you and over to you, ma'am.

Janhvi Pathre – Orient Capital: Good afternoon everyone and a warm welcome to all of you. I am Janhvi Pathre from Orient Capital, representing the investor relations team of Vinyas Innovative Technologies Ltd. On behalf of the company, I would like to thank you all for joining us for the H2 and FY26 earnings conference call.

Before we begin, I would like to state a brief cautionary statement. Some of the statements made during today's call may be forward-looking in nature. These forward-looking statements are subject to certain risks and uncertainties that will cause actual results to differ materially from those expressed or implied. These statements are based on management's current expectations, assumptions, and information available as of now. Investors are therefore advised not to place undue reliance on these forward-looking statements when making any investment decision. The purpose of this call is to share insights into the company's business performance and financial results under review.

Now I am pleased to introduce the management members present with us today: Mr. Narendra Narayanan, Managing Director; Mr. Sumukh Narendra, Whole-time Director; Mr. Balaji Bhat, Executive Committee Member; Mr. Amitava Majumdar, CFO; and Mr. Sibot M.R., CS and COO. With that, I now hand over to Mr. Sumukh for his opening remarks. Thank you and over to you, sir.

Sumukh Narendra – Whole-time Director: Thank you, Janhvi. Good afternoon everyone and thank you for joining us today. I am Sumukh Narendra, Whole-time Director at Vinyas Innovative Technologies Ltd., and it is my pleasure to welcome you all to our H2 and FY26 earnings conference call.

Calendar year 2026 is a particularly meaningful one for us at Vinyas as we approach an important milestone in our journey. In October this year, Vinyas will complete 25 years as a company. Over the last two and a half decades, we have grown from a focused electronics manufacturing business into a trusted manufacturing partner serving some of the most demanding and highly regulated industries. Throughout this journey, our focus has remained unchanged: building long-term relationships, investing in capabilities, maintaining high quality standards, and creating sustainable value for all our stakeholders. Today, Vinyas serves customers across defense, aerospace, medical, industrial, and transportation sectors through a combination of PCB assembly, subsystem integration, system-level manufacturing, testing, and lifecycle support services.

As we reflect on FY26, what stands out is not just the growth we delivered but the progress we made in positioning the company for opportunities ahead. Before discussing the numbers, I would like to spend a few minutes talking about the broader environment in which we operate. The global geopolitical environment remains dynamic with ongoing conflicts, trade realignments, and

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increasing focus on national security continuing to influence supply chain and investment decisions across the industry. While these developments can create short-term disruptions and uncertainty, they are also accelerating long-term structural trends that are highly relevant to the sectors we serve. Across the world, governments and industries are increasingly focused on supply chain resilience, trusted manufacturing ecosystems, localization, and reducing dependencies on concentrated sourcing geographies.

India is emerging as an increasingly important manufacturing destination within this evolving landscape. Government initiatives focused on defense indigenization, domestic manufacturing, and technology development are creating significant opportunities for companies with proven execution capabilities, strong compliance frameworks, and the ability to support long-term strategic programs.

Turning now to our financial performance, FY26 was a strong year for Vinyas, reflecting healthy growth across the business and continued improvement in operational execution. For the full year, we reported a revenue of 518 crores. EBITDA for the year stood at 64.77 crores with an EBITDA margin improving to 12.5%. Profit after tax for the year stood at 30.87 crores. The second half of the year was particularly encouraging and demonstrates the momentum we have been building within the business. Revenue for H2 stood at approximately 302 crores. The margin expansion achieved during the year was supported by operating leverage, improved product mix, and continued focus on execution. As we continue to strengthen our capabilities and move further up the manufacturing value chain, we believe there remains an opportunity to continue improving the quality of our business while maintaining a disciplined approach to growth.

Moving to orders and business visibility, during FY26, we secured order inflows of approximately 960 crores. As of March 31, 2026, our order book stood at 1,309 crores. This order book provides us with healthy multi-year visibility and reflects the strength of our customer relationships across defense, aerospace, industrial, and transportation sectors.

FY26 was also an important year from a strategic perspective. One of the significant milestones for us was the successful achievement of NADCAP accreditation for electronics and PCB assemblies. NADCAP is recognized globally as one of the most demanding process-level accreditations. Another important milestone was the successful completion of our 150 crore preferential equity raise. We wanted to strengthen the company’s ability to further grow through investments in infrastructure, system integration capabilities, and working capital requirements associated with larger and more complex programs. We believe this positions us well for the next phase of growth.

During this year, we also continued to expand our customer base and added several new customer relationships across aerospace, industrial, and medical sectors. At the same time, we have been actively strengthening our engagement with our customers and strategic partners as we continue to expand Vinyas' presence within international markets and the defense ecosystem. In line with this approach, we recently joined a joint venture agreement with a leading Israeli defense company. We believe this partnership represents an important milestone in our evolution and reflects the confidence that global defense companies place in India’s manufacturing ecosystem and in Vinyas' capabilities.

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Another area where we have made steady progress is system integration. Historically, the business has been centered around electronics manufacturing and PCB assembly. Over time, we have steadily expanded our capabilities to include cable harness, electromechanical assemblies, testing, subsystem integration, and system-level manufacturing. To support further growth and increasing integration requirements, we have also initiated the expansion of our manufacturing infrastructure through an additional 25,000 square feet of capacity focused on supporting Class 3 integration and system integration intensive programs.

Looking ahead, our focus remains on building a stronger and more resilient business. We will continue investing in capabilities, expanding our participation in higher value opportunities, and strengthening the relationships we have built with our customers over the years. While we remain mindful of the evolving macroeconomic and geopolitical developments, we continue to view the long-term outlook very positively. With a strong order book, expanding capabilities, improving scale, and a solid foundation built over nearly 25 years, we remain confident in our long-term direction and our ability to create value for our stakeholders.

Before I conclude, I would like to sincerely thank our employees, customers, suppliers, partners, and shareholders for their continued trust and support. Everything we have achieved is the result of a collective effort and we remain committed to building Vinyas into a stronger, more capable, and more globally relevant organization in the years ahead. Thank you once again for joining us today. We will be happy to take your questions now.

Operator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Disha from Sapphire Capital. Please go ahead.

Disha – Sapphire Capital: Hello. Am I audible, sir?

Sumukh Narendra – Whole-time Director: Yes, Disha, you are audible.

Disha – Sapphire Capital: Thank you so much, sir, for this opportunity. A couple of questions from my side. Firstly, on this order book that we have, can you give me the split between how much is from the defense sector and how much is from the rest of the other sectors?

Sumukh Narendra – Whole-time Director: Primarily, the defense sector would contribute almost 85-90% of the order book, Disha. The other segments primarily run on a rolling forecast. So, the long-term purchase orders and long-term execution for us primarily come from defense and aerospace requirements.

Disha – Sapphire Capital: Okay, fair. And sir, what is the current capacity utilization that we are running at?

Sumukh Narendra – Whole-time Director: We are in the process of conducting a capacity enhancement. Currently, after the capacity enhancement, we should be at 35-40% utilization.

Disha – Sapphire Capital: How much, sorry? 35-40%?

Sumukh Narendra – Whole-time Director: 35-40%, yes.

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Disha – Sapphire Capital: Okay. And this capacity that you have put in, how much capex are we planning to put and when will this be commencing?

Sumukh Narendra – Whole-time Director: We are in the process of completing the capex. We are expecting the capacity to be available in about 2-3 months from now.

Disha – Sapphire Capital: And what was the capex that you are putting, sir?

Sumukh Narendra – Whole-time Director: We have put in about 30 crores in capex.

Disha – Sapphire Capital: Okay. And sir, in this second half, we have seen a sharp increase in our margins, as we registered around 13% EBITDA. How sustainable is this number and how should we look at the overall margins for FY27?

Sumukh Narendra – Whole-time Director: Primarily, H2 has been driven by the product mix and the operating leverage that has come from the increase in revenue. We expect FY27 to be between 11-12% overall in terms of EBITDA margins.

Disha – Sapphire Capital: Okay. And just the last final question from my side on the order pipeline, sir. What sort of order inflow are we expecting for this year?

Sumukh Narendra – Whole-time Director: We are expecting order inflows to be about 25-30% more than what we saw last financial year. We are looking at some large purchase orders which we expect towards the second half of this year.

Disha – Sapphire Capital: And sir, this 30-35% growth that you have guided, can we sustain this sort of momentum beyond FY27? Is that a fair understanding?

Sumukh Narendra – Whole-time Director: Yes.

Disha – Sapphire Capital: Okay. That is it from my side. I will join the queue. Thank you and all the best.

Operator: Thank you. Next question is from the line of Achyut, an individual investor. Please go ahead.

Achyut – Individual Investor: Hello, sir. After the capacity expansion that you are doing in the next three months, what will be our peak revenue that we can see?

Sumukh Narendra – Whole-time Director: For us, each SMT line caters to between 500-600 crores in terms of revenue. When we reach the new capacity expansion that we are doing, we are looking at between 2,000-2,100 crores in terms of capacity and peak revenue that we will be able to achieve.

Achyut – Individual Investor: Okay. But current revenue is only 500 crores. The peak revenue is almost four times the current revenue. So, are we expecting a higher growth rate in the coming years or do you want to do expansion before the demand comes?

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Sumukh Narendra – Whole-time Director: On the aerospace and defense side, we have a long gestation period for qualification of the lines. Post the installation of the infrastructure, we need to qualify the infrastructure with our customers as well. Keeping that in mind, we have started the process and we feel that by the time the qualification is completed, the capex will be in place to ensure that we are able to have smooth execution of the orders.

Achyut – Individual Investor: Okay. And as per the internal targets, do we have any timeline, sir, when you can reach the peak utilization?

Sumukh Narendra – Whole-time Director: We are looking at 25-30% growth year-on-year. Peak utilization is something that we would not intend to reach on the aerospace and defense side, primarily because of the high-mix, low-volume work that we do. So, as of now, we are looking at about 30% growth year-on-year.

Achyut – Individual Investor: Okay. And sir, one more thing. The promoter holds only around 30% in the company. Do you have any plans to increase your shareholding, as it is currently very low?

Sumukh Narendra – Whole-time Director: Currently, the promoter is holding 30%. We do not have any plans to work towards an increase in the promoter holding, but we have other investors who have been a part of Vinyas for a long term. We are confident that they would continue to back us in the whole process.

Achyut – Individual Investor: Okay. And sir, the last question is, what is the timeline to execute the current order book?

Sumukh Narendra – Whole-time Director: It is between 18-24 months.

Achyut – Individual Investor: Okay, sir. Thank you.

Operator: Thank you. Next question is from the line of Anil Raika from Raika Investments. Please go ahead.

Anil Raika – Raika Investments: Good afternoon, sir. Thanks for giving the opportunity to ask the question and congratulations on a good set of numbers. We have announced a few updates, like a subsidiary in the US and a JV with an Israeli defense tech firm. Can we know exactly what these are and how the company will benefit?

Sumukh Narendra – Whole-time Director: There are two announcements that we have made. One is a joint venture agreement that we have signed with an Israeli defense prime. This is primarily for the manufacturing of defense systems in India. It is currently a little early, and once we have more, we will be able to share more information on the JV. We have incorporated a wholly-owned subsidiary in the US because we have been shortlisted for two programs for manufacturing in the US, and we are trying to look at US opportunities as well. With that in mind, we have started the initial process of setting up a subsidiary and looking at actively pursuing the two opportunities on hand.

Anil Raika – Raika Investments: And our order book is near about 1,200 crores?

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Sumukh Narendra – Whole-time Director: Yes.

Anil Raika – Raika Investments: So, is it to be completed over a period of 2 or 3 years, or can we complete it in 1 year? We have the capacity to do much more turnover than our current level.

Sumukh Narendra – Whole-time Director: All of this is primarily on the defense and aerospace side. There are lead times for components and lead times on the manufacturing side as well. Keeping those in mind, as well as the larger lead time for the manufacturing of the final product at our customer's end, we see that the execution period is going to be between 18 and 24 months.

Anil Raika – Raika Investments: So, will any further new orders you get be added to the turnover, or will they only extend the timeline?

Sumukh Narendra – Whole-time Director: For newer orders, in general, we have at least 8 months in terms of initial execution for new programs that we are starting. If it is an existing program, it would add to the turnover. But if it is a new program, we see quite a significant amount of time before we start recognizing revenue.

Anil Raika – Raika Investments: Okay, thanks. I will get back in the queue, sir.

Operator: Thank you. Next question is from the line of Shubham Goyal, an individual investor. Please go ahead.

Shubham Goyal – Individual Investor: Hi, sir. Congratulations on the great set of numbers. I wanted to ask, is there any potential for disruption in availability or pricing of raw materials due to the ongoing macro environments?

Sumukh Narendra – Whole-time Director: Yes, in the short term, we do see availability challenges as well as impact on input raw material pricing. On the defense side, we are protected in terms of the pricing of the input raw material. Availability is going to be a short-term effect, but we see that the semiconductor supply chain is going to improve. Since we are heavily dependent on the semiconductor supply chain, we see that over the next 3-4 months, we should see some improvements on that side.

Shubham Goyal – Individual Investor: Thank you.

Operator: Thank you. Next question is from the line of Pranay, an individual investor. Please go ahead.

Pranay – Individual Investor: Hello. Am I audible?

Sumukh Narendra – Whole-time Director: Yes, sir. You are audible.

Pranay – Individual Investor: I have a few questions. Firstly, how is the supply chain management progressing, and second, how is the development with the Israel deals going?

Sumukh Narendra – Whole-time Director: With supply chain management, yes, there have been short-term challenges, primarily in logistics and semiconductor availability given the current global situation. We have seen things ease out over the last 3-4 weeks and we expect things to continue

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to ease out over time. With respect to the current situation in Israel, we have a good working relationship with our Israeli customers and we see a very positive outlook from there.

Pranay – Individual Investor: Okay. Thank you. Sir, as we announced our new expansion in the USA, are there any new products being developed, or are we moving with the same products?

Sumukh Narendra – Whole-time Director: It is the same service that we are providing in the US. We are looking to cater to defense requirements and certain other segments out of our US expansion.

Pranay – Individual Investor: All right. Thank you, sir, for taking my question.

Operator: Thank you. Next question is from the line of Karan from Niveshay. Please go ahead.

Karan – Niveshay: Thank you for the opportunity. Sir, congratulations on a good set of numbers. I had a few questions on the supply chain aspect. We import a large portion of our raw material from Israel. Could you quantify the current proportion of imports from Israel? Also, regarding the supply chain, is your commentary for the Israeli portion similar to the rest of the imported materials?

Sumukh Narendra – Whole-time Director: Yes, Karan. We have a dependency on Israel; about 10-15% of our supplies come from there. We have some critical components coming in for critical programs out of Israel. Supply chains were disrupted briefly during the geopolitical situation, but things have smoothed out and we now have better logistics channels to India. We expect things to be fairly stable. While global semiconductor industry challenges will remain, we see them more as short-term rather than long-term effects.

Karan – Niveshay: Understood, sir. We were very bullish on the export side of the market. Could you help us understand the contribution of exports this year and how you expect this proportion to increase over the next 2-3 years?

Sumukh Narendra – Whole-time Director: This was one of the good years where we saw a significant portion of our revenue, almost 50%, coming from exports. We expect exports to remain at around 50% of our revenue. There is significant business coming from both domestic and export markets, so we expect to maintain a 50-50 range going forward.

Karan – Niveshay: So, just to confirm, you said exports were 50% in FY26?

Sumukh Narendra – Whole-time Director: Yes.

Karan – Niveshay: Understood. And which geographies are driving this market? Is it primarily the US and Europe?

Sumukh Narendra – Whole-time Director: Yes, it is Europe and the US combined.

Karan – Niveshay: Is it an equal split between the two geographies?

Sumukh Narendra – Whole-time Director: I would say Europe is a little larger compared to the US.

Karan – Niveshay: Understood. Also, regarding the EBITDA margins we achieved in this half of the year, they are very good compared to previous years. Was this primarily because of the exports

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done in this half, and how do you expect those margins to stay on a yearly level?

Sumukh Narendra – Whole-time Director: Primarily, it was driven by the product mix executed in the second half of the year and the operating leverage we achieved. We expect EBITDA margins to be between 11-12% on a full-year basis. Since the product mix is improving with more system integration coming in, we see the EBITDA margins going up slightly.

Karan – Niveshay: Understood. One last question. Could you highlight how the healthcare segment is shaping up? You also mentioned onboarding a few other customers for that segment; could you shed some light on those points?

Sumukh Narendra – Whole-time Director: The production has been going well. We have started production and expect it to ramp up. We have onboarded another customer and expects to see manufacturing ramp up by the end of this calendar year.

Karan – Niveshay: Understood. And what would be the size of this business yearly?

Sumukh Narendra – Whole-time Director: For FY27, we are targeting about 5% of our revenue to come from the medical side.

Karan – Niveshay: Understood. Great. Thank you so much, sir. All the very best.

Operator: Thank you. As there are no further questions, I now hand the conference over to Ms. Janhvi from Orient Capital. Over to you, ma'am.

Janhvi Pathre – Orient Capital: Thank you. Thank you everyone for joining the call today. On behalf of Vinyas Innovative Technologies Ltd., we appreciate your time and participation. For any further queries, please reach out to us at let'sconnect@orientcap.com. Thank you.

Management: Thank you everyone.

Management: Thank you.

Operator: Thank you. On behalf of Orient Capital, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Management: Thank you.

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