

Date: 17/11/2025

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001,
Maharashtra, India

Scrip Code: 544568

Scrip ID: ZAPPFRESH

Sub: Transcript of Investor Conference Call held on November 14, 2025.

In continuation of our letter dated November 14, 2025, informing about the uploading of the audio recording of the Conference Call held on November 14, 2025, we enclose herewith transcript of the said Conference Call, in compliance of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above said transcript has been uploaded at the Company's website www.Zappfresh.com.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For DSM Fresh Foods Limited
(Formerly Known as DSM Fresh Foods Private Limited)

Deepanshu
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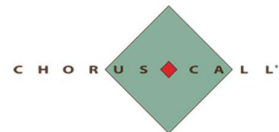
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DEEPANSHU MANCHANDA
(MANAGING DIRECTOR)
DIN: 07108044

DSM Fresh Foods Limited
(Formerly known as DSM Fresh Foods Private Limited)
115-116, 1st Floor, Vishal Tower, District Centre,
Janakpuri, New Delhi-110058 **E-mail:** info@zappfresh.com
Web: www.zappfresh.com **CIN:** L52203DL2015PLC280514
Phone No: 011-46015469



“DSM Fresh Foods Limited
H1 FY '26 Earnings Conference Call”
November 14, 2025



**MANAGEMENT: MR. DEEPANSHU MANCHANDA – MANAGING
DIRECTOR AND CHAIRMAN – DSM FRESH FOODS
LIMITED
MR. SAURABH GANDHI – CHIEF FINANCIAL OFFICER –
DSM FRESH FOODS LIMITED
MR. AKHIL GUPTA – CHIEF STRATEGY OFFICER –
DSM FRESH FOODS LIMITED
MR. HARSH AGARWAL – INVESTOR RELATIONS –
DSM FRESH FOODS LIMITED**

Moderator:

Ladies and gentlemen, good afternoon and welcome to the H1 FY '26 Earnings Conference Call of DSM Fresh Foods Limited, hosted by DSM Fresh Foods. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 Please note that this conference is being recorded.

I now hand the conference over to Mr. Harsh Agarwal, Handling Investor Relations at DSM Fresh Foods Limited. Thank you and over to you, Sir.

Harsh Agarwal:

Good afternoon, everyone. On behalf of DSM Fresh Foods Limited, I welcome you all to the half yearly earnings conference call for H1 FY '26. We have with us today Mr. Deepanshu Manchanda, our Managing Director and Chairman; Mr. Saurabh Gandhi, our Chief Financial Officer; and Mr. Akhil Gupta, our Chief Strategy Officer.

With that, I would now like to hand over the call to Mr. Deepanshu Manchanda for his remarks. Over to you, Deepanshu.

Deepanshu Manchanda:

Thank you, Harsh. Good afternoon, everyone and thank you for joining us today for DSM Fresh Foods Limited maiden earnings calls, our first very interaction with all of you as a listed company.

It is truly a proud and emotional moment for all of us at Zappfresh. Going public represents the culmination of years of hard work, belief, resilience and the beginning of a new phase of growth, discipline and accountability. And on behalf of our Board, leadership team and every single member of the Zappfresh family, I extend a heartfelt welcome to all our investors, analysts, partners and well-wishers who have joined us today.

I am going to give you a little more background on how my journey has been when I founded Zappfresh. The Indian meat and seafood market has been a paradox, one of the largest and fastest growing protein consumption markets globally, yet more than 90% of it remained unorganized and completely malnourished when it comes to the protein intake, almost 85% of the country today is protein deficient.

So, we feel that consumers have limited access to hygienic, traceable and trusted fresh meat and supply chain, which is riddled with inefficiencies, wastage and inconsistent quality. We see this not as a challenge, but also, we saw it as a once in a lifetime opportunity to build India's most trusted fresh meat and seafood brand, which is backed by an integrated cold chain and powered by technology at the core of it.

Our journey began with a simple mission to redefine how India consumes fresh meat with trust, transparency and technology at the core. What started as a direct-to-consumer experiment has today evolved into a PAN-India fresh protein platform, one that combines sourcing intelligence, in-house processing and multi-channel distribution across the format of retail, online and HoReCa as a business.

Building scale and presence, how we have been able to do it in the past few years is very deliberate and disciplined in expanding the footprint city by city. We've built a strong supply chain, spanning processing centers, cold storages, distribution hubs and fulfillment infrastructure that ensures true farm-to-folk freshness.

Our operations now span key consumption centers including NCR, Bangalore and Mumbai, which together represents over half of India's organized meat consumption. We have also made some acquisitions and also been able to do some turnarounds with those acquisitions. A key differentiator in our journey has been our ability to identify, acquire, consolidate and successfully integrate these local brands and operations, turning them around with our operational expertise.

In July 2023, we acquired Sukos Foods Private Limited, properly known as Dr. Meat. Within a year of integration, revenues grew almost four times as we brought in our technology, processes and brand strength, establishing a strong presence in South India.

Then after a year, exact after a year in July 2024, we acquired Bonsaro, gaining a foothold in Mumbai. This business too was loss-making at the time of acquisition, and we turned it around in its first year achieving INR10 crores in revenue and positive contribution margin under the Zappfresh brand.

Both these acquisitions are living proof of our ability, capability to create value through integration discipline and data-driven operations, a playbook which we intend to replicate at a larger scale as well as we expand into newer markets and go in depth in these existing markets also.

What makes us unique is the way we straddle multiple high-growth segments. We serve retail consumers, HoReCa customers, modern trade, giving us a very diversified omnichannel approach throughout different geographies. The retail business continues to grow strongly, supported by repeat purchase rates and deep customer loyalty.

At the same time, our HoReCa partnerships are scaling up rapidly, providing a steady, predictable revenue stream. This balanced portfolio, combined with backward integration and technology-led efficiency is driving stronger unit economics and improving returns on capital employed.

Let's take a moment to also put this in context that the Indian meat market is projected to grow at a CAGR of 8.5% from USD 55 billion in '24 to USD 114 billion by 2033. And packaged and branded meat demand is growing at over 25% year-on-year with Tier 2 cities now accounting

for almost 40% of all online orders. India's per capita meat consumption has also grown rapidly from 3.2 kg in 2012 to 5.5 kg in 2023.

And protein demand continues to compound at 8% to 10% annually. So we are looking at a growth even in the per capita consumption as we move forward. This structural shift from unorganized to organized from wet markets to branded traceable meat is the tailwind behind Zappfresh growth story. We're not just participating in this transformation. We are helping it, shape it, collaborate it with the stakeholders involved in the ecosystem. and coming as enablers to bring that additional growth spot and improvement.

We're proud to have the support of some of the most respected names in the ecosystem, including the Burman Family Office, HT Media Ventures, Shared Wealth Ventures, Rajasthan Global Securities, Unity Small Finance Bank. Their early belief in our vision and their continued support through our IPO reinforce our commitment to build Zappfresh into a market leader that delivers both growth and governance.

Now H1 FY '26 performance, we are pleased to share that performance for the H1 FY '26 reflects our continued focus on strengthening our position as a trusted brand in the fresh chicken, mutton and seafood space. During the first half of the year, we have continued to build on our operational capabilities, expanded our sourcing network and enhanced our presence across B2C and B2B channels. Our focus on product quality, hygiene and customer trust remains central to the strategy.

Revenue for H1 FY '26 stood at about INR95.85 crores, representing a growth of 43% year-on-year as compared to last year. Gross margin has improved to 34% in H1 compared to 29% in H1 FY '25, supported by a better product mix and optimization in procurement and logistics. EBITDA for the period was INR14.92 crores with a margin of 16% compared to 8% in the same period last year.

And PAT stood at INR7.03 crores with a margin of 7% in H1 FY '26 compared to 4% in the last -- the same period last year. Our cash position remains strong with total cash and equivalents of INR2.4 crores as of September 30, 2025. Working capital cycle stood at 69 days, driven by extended credit to some of the B2B clients aimed at supporting sales momentum and service reliability.

On the balance sheet side, we continue to maintain a conservative leverage position, ensuring sufficient liquidity to support future growth. Operationally, we have strengthened our supply chain and deepened our partnerships with HoReCa clients. We continue to focus on unit economics and sustainable growth, balancing expansion with profitability.

To summarize, H1 FY '26 has been a period of steady progress for DSM Fresh Foods. We continue to focus on building a sustainable and scalable business that combines growth, quality and profitability. Our commitment to delivering fresh, hygienic and responsibly sourced chicken, meat and seafood remains at the heart of everything we do. We are confident that the

strategic initiatives we have undertaken will help us strengthen our leadership position and deliver long-term value to our shareholders.

I would also like to introduce you to Mr. Akhil Gupta, who has joined us as Chief Strategy Officer and will be looking after the growth initiatives of the company. He is a seasoned professional with 22 years-plus of experience in financial-services industry.

Our successful IPO was an important milestone, not just as a capital event, but as a validation of our business model, execution capability and the long-term opportunity ahead of us. We raised INR54 crores, which we are strategically deploying towards capacity expansion, working capital optimization and technology enhancement.

As we look ahead, our priorities are clear. We want to build and deepen our leadership in the fresh-and-packaged-meat across existing and new markets, enhance profitability through automation, process integration and higher in-house processing, expand our omnichannel presence, combining online convenience with offline reach; maintain governance excellence and transparent communication with our shareholders.

We believe Zappfresh is at an inflection point, positioned to capture the enormous growth potential of India's protein economy, while building a brand that consumers love and investors trust.

Before I close, I want to take a moment to thank everybody in my team, including Suyender Gond, who is our COO at a strategic leadership team. We have Priya and all of their operational excellence, every member of the Zappfresh team, who live our purpose every day.

This journey has been built on belief that India deserves a better, cleaner and more reliable source of fresh protein. And that belief continues to power us as we enter this next chapter as a public company. To all our investors and stakeholders, thank you for your trust and partnership.

The best of Zappfresh is yet to come. We are looking at really beefing up a lot of momentum, considering the H2 is always a good part of the year for us. And historically, we have seen because of winters and some seasonalities, this is where we take a leap, larger leap.

And we are also looking at building a different asset profile, where we would look at expanding into new categories, creating depth in different categories like seafood and even some of the non-meat categories which we are exploring currently. So there will be a lot of new initiatives which will be fueled in the next few months to come.

I am happy to answer any question, if anybody has on this.

Moderator:

Thank you very much. The first question is from the line of Bharath Reddy, an Individual Investor. Please go ahead.

Bharath Reddy:

Hello, sir. So my first question is, can you talk about growth in operational PIN codes and average monthly orders and then HoReCa Partners list?

Deepanshu Manchanda: So we have grown in the new market in Mumbai. So it used to be about 5%-6%, because it was a new market which we kick-started last year. So majority of the growth in terms of geography has come from Mumbai. It is now currently sitting at almost 20-21% in the Bombay region. So west is improving. And also your question is on the, what was the next question, please?

Bharath Reddy: Average order value, sir.

Deepanshu Manchanda: Average order value is approximately INR540, which is what we are looking at from an online point of view.

Bharath Reddy: What was the number last quarter or maybe if you compare year on year?

Deepanshu Manchanda: It has been around INR500-INR600, hovering around this number. Last H1, this number was about I think INR600, INR600 to INR640. Whenever we enter a new market, we do, the new customers when we acquire, they come with the experimentative and trial approach. So gradually the momentum builds up in each market and the average order value improves.

And also considering H1, there is seasonality. As I said, the H2, we see a more robust demand in terms of per capita consumption and purchase which goes higher in the winter season. So we will see improvement on this as we move forward.

Bharath Reddy: Okay, next one is monthly orders, sir.

Deepanshu Manchanda: Yes, monthly online orders, we are doing about INR1.5 lakhs, INR1.4 lakhs approximately.

Bharath Reddy: What was the number last year?

Deepanshu Manchanda: Last year, actually the total split of online-offline orders was about 70-30. 70% of our total revenue was coming from online and 30% was coming from offline. In the H1, the B2B has improved where it has become 50-50. So we see growth in the B2B segment as we move and Mumbai being the new market which is growing.

Bharath Reddy: Okay, so my next question is, are we serving all the metro PIN codes of the cities or states that we are already operational in?

Deepanshu Manchanda: No, we are not completely taking every PIN code coverage right now. Because as I said that we are focusing on offline as well. So we have to operate at profitable metrics. So we only cater to PIN codes which we are able to service considering the high growth areas. And then gradually we increase these PIN codes as we expand. But the idea here is to build on the offline and the HoReCa channel as we build forward.

We are working towards – also working with some governments to cater to some institutional, large institutional orders. So overall, the exposure will be always more mixed as we move forward.

Bharath Reddy: Can you talk more about the institutional orders?

Deepanshu Manchanda: So we are in discussions with some government bodies, which will create state-level penetrations. We are talking to one of the states where there could be a public-private partnership. We are in the proposal stage.

If that comes through then it will be in-depth penetration which we will be able to build upon in that particular state. So these government interventions are not only just as a sale to them but also as a more integrated approach where they will become stakeholders and partners with us to fuel this local meet ecosystem and improve the quality and the standardization in this space.

Bharath Reddy: Okay. And one last question, sir. You mentioned about some inorganic growth plans during the IPO road show. So have you finalized anything? If yes, can you throw some light like what is the cost and how can the equation be from?

Deepanshu Manchanda: Yes, so we are very much on track to close these transactions. There are two transactions, which we are working upon and as soon as the definitive agreements are in place we are going to announce it. These are mostly in the north region and will be catering to export market and also some domestic market mix of both.

So I'll be able to concretely comment on it once we have definitive agreements because currently there is audit and all of that is going on. So it will be I think wise to comment on that once it is completely fructified.

Bharath Reddy: Okay, sure. Thank you, sir. I'll join back in the queue.

Moderator: Thank you. Before we take the next participant, a reminder to all, you may press star and one to ask a question. The next question is from the line of Rajesh Joseph, an Investor. Please go ahead.

Rajesh Joseph: Am I audible?

Deepanshu Manchanda: Yes, sir. Please go ahead.

Rajesh Joseph: Congratulations for the good set of numbers. I have a few questions to ask. Sir, out of the INR20 crores account trade receivables, how much is older than six months?

Deepanshu Manchanda: Sorry?

Rajesh Joseph: Out of the INR20 crores trade receivables, how much is more than six months old?

Deepanshu Manchanda: Harsh, can you take that? I'll just follow-up and you can take that.

Harsh Agarwal: Yes, understood. So sorry, I didn't catch the name of the person asking the question. But we'll get back on this once we have the exact numbers handy. So as of now, yes, we'll check and we'll let you know offline.

Rajesh Joseph: Okay. So, my next question is, can you share some more idea about the nature of pending tax demand?

- Deepanshu Manchanda:** So basically, this is Angel Tax where we were -- we got this basis our investment, which we received in the company as equity investment, which was treated as an income and then it was taxed. So, it is the wrong categorization according to us, which is in evaluation and assessment at the income tax department.
- Rajesh Joseph:** Okay. So my last question is, the turnover increased from about INR64 crores to INR96 crores compared with the previous half. But the employee benefit expense came down from INR6 crores to INR4.5 crores during this same period. What is the reason for this?
- Deepanshu Manchanda:** So basically, there is a new team, which by the virtue of acquisition, which we were able to get on board, like the Mumbai acquisition specifically. So, we were able to build that target milestone-based benefits. So, everybody performs at a certain target and then at that achievement, they get paid.
- So, this generally will have a year-end reflection more, because once the year ends, then their incentives and benefits and everything gets realized. But during the year, they are accumulating and completing their numbers. And that's why there is always more stretch, which happens.
- Rajesh Joseph:** Okay. That's all.
- Moderator:** Thank you. The next question is from the line of Subhanu Bangal from 3 Head Capital. Please go ahead.
- Subhanu Bangal:** Hello. Hope, I am audible.
- Moderator:** Hi, please go ahead. Yes, yes, I can hear you.
- Deepanshu Manchanda:** Yes, yes, I can.
- Subhanu Bangal:** Hello, sir. Sir, can you tell me segment wise margin, how much margin we can make in meat, how much we can generate in seafood?
- Deepanshu Manchanda:** Okay. You're asking about margin for...
- Subhanu Bangal:** Product segment wise.
- Deepanshu Manchanda:** Okay, okay. So, fish margin has actually improved. It used to be about 16% to 17% in the last H1, which has improved to 23%. And mutton has improved from 10% to 14% to 15%. Chicken, Harsh, do you have that number with chicken margins with you handy?
- Harsh Agarwal:** The numbers are not handy, but those have remained stable.
- Deepanshu Manchanda:** Yes, those are stable as what it as of last day.
- Subhanu Bangal:** Quantify, stable means?

- Harsh Agarwal:** We'll have to check the exact margins on the chicken and we'll get back to you.
- Subhanu Bangal:** Okay, okay, I understood. You mean margin is stable.
- Deepanshu Manchanda:** Yes, yes, yes. The growth of margins has happened in fish and mutton, mainly that is the takeaway.
- Subhanu Bangal:** Okay, okay. My second question is, is this my assumption is correct? B2B margin is higher than B2C?
- Deepanshu Manchanda:** Gross margin wise, B2C is better. But net margin wise, B2B is -- actually both are slightly at par. It would be unwise to say that B2B margins are better or B2C. We look at mostly at the net realization. And net realization is what matters to us. So there, we feel that both are at just a marginal difference here and there. It's not much of a difference.
- Subhanu Bangal:** Because this quarter, B2B segment was growth.
- Deepanshu Manchanda:** Yes, definitely. Because of our category contribution, the margin improved on the category bit. Because we were able to create depth in fish and mutton. So that gave an impact on the margin improvement rather than, it has little to do with B2B and B2C, but it has more to do with the category.
- Subhanu Bangal:** Okay. My third question is, can you tell me a bit about this business? Can you tell me seasonalities about this business?
- Deepanshu Manchanda:** Seasonalities? See, seasonalities are based on different festivals in the country. So sometimes you have -- in South, you have Pongal. So they have a different behavior. In North, you have Navratras, which happens. And there is Shravan month, which is there for a period of 20-25 days. Then there is Shraddh.
- So, a lot of these festivals are mostly part of the first half of the year. So we've -- the good part is that even with those seasonalities, we were able to show a robust growth. And as I stated that the H2 for us will be more stronger as we move forward, considering the seasonalities are close to nil, other than just the New Year bit where people travel. So that's about it.
- Subhanu Bangal:** That means we can expect 40%50% growth in H2?
- Deepanshu Manchanda:** I would not like to comment on any number. But as I said, the seasonalities are most in H1, and H2 is more progressive and more robust. So we continue to grow at a very steady pace. And in the coming few years, to see for us, we are looking at a long-term vision, frankly. The idea has been that, as a younger company, we have gotten our initial success and product market fit everything right with the efficiencies in control, which is a big plus.
- Now for us, scale and a rapid scale is what we are anticipating. And we're looking to be a proficorn where you see in the private sector, there are unicorns. We feel that you can be profitable and still be a large business. So over the years, I think you are going to see more rapid

scale ups, as you have seen already a 40%-45% uptick in the growth. Growth is going to be the core focus. And fundamental-wise, we have been very, very, in check anyways, in the historical and the way we are operating.

So, I would say that, the coming few years are going to rewrite the history in terms of how consumer brands and specifically meat, scales up in this -- the way in the strategy, which we are adopting, which is absolutely omnichannel. And with a lot of partnerships and collaborations, we plan to completely quadruple the entire momentum.

Subhanu Bangal: Okay, sir. Okay, sir. My last question is, any further inorganic acquisition, are you seeing?

Deepanshu Manchanda: Yes, yes. So as I said that we are already in process of two such acquisitions, which are currently in the audit space. So once it is concluded, then we will be announcing it. There are definitive agreements, which takes time but we have in principle approvals on both the transactions as of now. I will be able to share more details once that gets completely concluded.

Subhanu Bangal: Okay. Sorry sir. My one more question is, any – FY 2026 any revenue guidance, are you want to give?

Deepanshu Manchanda: I would refrain from giving any numbers. But as I said that you are in for a long ride. I'm looking to create a very large business. You would see many different initiatives. We are going to roll out and foray into different categories, create more depth. I'm committed on this to create a multi-million-dollar business as we build.

Subhanu Bangal: I understood. I understood. I understood. Okay, thank you. Thank you and best wishes for your future.

Deepanshu Manchanda: Thank you so much.

Moderator: Thank you. The next question is from the line of Rishikesh Dhoot from DIFL. Please go ahead.

Rishikesh Dhoot: Yes. Hi. Congratulations firstly on your results. I had a couple of questions. So, I just wanted to understand a little bit more on the margin improvement. You mentioned that this is because of category improvement. So can you expand a little bit more on that?

Deepanshu Manchanda: Yes. So we always wanted to improve depth in the fish and mutton side of it. Our margins on that category, was less. So, we were able to go deeper and go buy at a more volume and scale has driven this margin improvement, which used to be about 16% and fish has jumped to 23%.

And mutton from 10% has jumped to almost 15%. So, and together, both fish and mutton combined, we have a revenue contribution of approximately 46%-47%, so almost 50% of the business has seen a margin improvement. So that is specifically, Rishikesh for you.

Rishikesh Doodh: Okay, thank you. And do you expect this to kind of remain the same now moving ahead or?

- Deepanshu Manchanda:** No, there could be more improvements, because it's a step-by-step approach. We keep innovating, creating depth in the category. So I think there is more scope here.
- Rishikesh Doodh:** Okay, thank you. And I have one more question regarding the revenue. You mentioned you don't want to give a guidance, which I understand. But I was just seeing your last year's numbers. I think your, H1 and H2 kind of had similar top line. But this year, are you expecting the H2 to outperform H1? Or should we expect it to be on similar lines?
- Deepanshu Manchanda:** So we have given investor guidance at the time of the IPO. We are very much on track to achieve those numbers. I think that information may be publicly published. I don't know. I'll have to check. But we are on a certain projection trajectory, which is completely on track.
- So there are no surprises, which we are expecting as per our projections are concerned. In fact, there would be inorganic growth spurts, as we are talking about these new assets, which may come in our kitty.
- They may not, of course, reflect immediately, because we will be left with only a few months once conclusion happens. But the real inorganic growth spurt will be seen in the next financial year. This financial year, we are very comfortably achieving our projections and numbers, which were submitted earlier.
- Rishikesh Doodh:** Okay. Thank you. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Rohan, an Investor. Please go ahead.
- Rohan:** Hello?
- Deepanshu Manchanda:** Hi, Rohan.
- Rohan:** Hi, Dipanshuji. Congratulations on a super set of numbers. So a few questions, firstly, just wanted to know what was the B2B-B2C split in H1?
- Deepanshu Manchanda:** 50-50.
- Rohan:** Okay, it's 50-50. So our B2B has increased, like we can say B2B has witnessed more growth, because I think at the time of IPO, it was said that, our B2B-B2C split for FY '25 was more around 70-30, I think.
- Deepanshu Manchanda:** That's correct.
- Rohan:** Okay. So, sir, what is the general seasonality? I know you don't want to give any numbers, but like, generally, how do you see the business? Is it more like 35 H1, 65 H2? How is the seasonality work?

Deepanshu Manchanda: So as I said that H1 is always -- see, we've had experienced H1 with limited markets previously. So, they said for example, Bombay for us started in September, almost August-September. That was almost the start of the H2. So, we've seen that H1 growth in Mumbai has been pretty decent.

So, otherwise, H1 is, you know, slightly, you know, lesser than the H2, is how we see in the previous years. So, I think going by that understanding we would, as I said, we'll be comfortably exceeding our projections and meeting our targets.

Rohan: Okay. Sir, okay, that was one. So, then coming to this local meat shop, slide from your presentation, right? I mean, local meat shops, you have a working site along them, you know, alongside them to rebrand it as Zappfresh. Can you give some details around that? Like what exactly this model is? And what is the potential of that area?

Deepanshu Manchanda: Yes. So, this is a new format, which we have curated, which really means that we go to a local meat shop and propose him a partnership in which we will become his supplier, provide him with technology.

We've launched a B2B technology app also, by the way, which is a seamless way to order now for even all our, you know, offline customers, which are hotels, restaurants, and even these small retailers.

So, that I think the pain point, which we are solving for the local meat shop is, you know, improving, upgrading, modernizing, and simplifying the way they purchase their, you know, supplies.

And in -- and doing that through technology will also mean that they are able to, you know, get more organized in their way of business conduct, which is very, very loose and very, very, you know, scattered. So, building that, you know, experience with the retail store operation is something which we have done at a pilot stage, which has done very well. So, now moving forward, we are gradually scaling that up. And it will really, you know, create a, you know, very, very deeper impact in the SME meat ecosystem space, which we haven't seen ever, you know, I think.

Rohan: So, basically we have a fixed volume of take with them or how does it work? Like we have fixed volume of take arrangement?

Deepanshu Manchanda: No, no, no. So, there is a semi-fixed arrangement. It is never a hard-coded arrangement. We go with a certain ballpark understanding that this kind of volume will be anticipated and supplied and then on that understanding, we, you know, do our relationship forming with them.

Rohan: Okay, understood. But it gives us a lot more visibility, right? I mean, from a volume perspective.

Deepanshu Manchanda: Yes, there is a lot of brand equity. Yes, there is a lot of brand equity, which gets built. There is a lot of recall value, which also gets at a local level where, you know, the resonance of Zappfresh as a brand gets.

Rohan: Yes, I mean, it's like indirect marketing also for you.

Deepanshu Manchanda: Big time, big time. Yes.

Rohan: And like how many stores you are at? Because this seems like a very high potential area. So, currently at how many stores and where do you see this number, say, one year down the line or two years down the line?

Deepanshu Manchanda: So, see, we have -- as I said, that this has been a successful pilot of about 15 to 20 stores in Bangalore. And moving forward, we are looking at scaling this up in the south region. Bangalore is currently the focus. But as we move forward, we'll introduce new geographies.

In the projections also, we haven't really taken this initiative as a major contributor. So, if your question is that, is it part of this financial year projections? The answer is no. There are a lot of these new initiatives, which we will keep pulling out, which will add to the thrust on the growth front is how we are looking at it. Because possibilities and the potential, the demand is not really a challenge here at all.

What we are really working hard upon is cracking the code of each and every segment, category, and geography correctly. Because if you do that, then you are on a stable ground. Otherwise, you know, what happens is you just burn a hole and then ends up, you know, not building an efficient operation. So, we go very cautious, very gradual. Demand is not an issue ever in this business. So, we are only--

Rohan: But sir, do we see this number, say, go from 15 currently, say, to 50 stores in, say, 18 months? There must be some number in your mind.

Deepanshu Manchanda: This was not part of our original projection submitted. And today also, I would refrain to give any specific, you know, target on this. But we are on it. What I can tell you is that we are very, very interested on this segment. And we are working, you know, around the clock to improve it.

The technology introduction was one of the first steps because what happens if you are looking at, you know, let's say, 500 stores, for example, and you don't have a technology to take care of that. Okay, so your basics, you know, needed to be first sorted, which we have done with technology. So, one-by-one, this piece is going to get evolved. And in terms of numbers, I think, next financial year, we would see a good massive jump on this category

Rohan: Okay, understood. Okay that was one. Next coming on the HoReCa piece, right? So, I mean, if we look at the food service industry in India, it's almost a \$70 billion market, right? Out of that, the supplies would be, say, \$20 billion. And out of that meat, I don't know will be how much, maybe 10%, 15%. So it's such a huge market. What is your exact strategy on capturing this?

Because Licious and these other players are more B2C focused. So can you just detail out some sort of strategy as to how you'll capture this market? And who is your competition? Like I don't see any clear player out there.

Deepanshu Manchanda: Yes. So absolutely correct. The meat contribution in overall HoReCa food side of it, let's say, if you look at Domino's, for example, okay? So Domino's today has a food cost of approximately, let's say, 27%, 28% or maybe 30%, around that ballpark. In that, meat itself will be approximately close to 12% to 15%, okay?

Now this is a general phenomenon, and I'm just giving a very broad understanding to you basis Domino's. There are chains which are like gravy chains or barbecue chains. So everybody will have a different contribution when it comes to protein.

So, I would say that in terms of the total food cost, 40% is an easier number to take as a guidance. That is the number where meat gets bought, which is a very, very large number, okay? And that is large because the amount of the meat is higher, like you get a chicken at, let's say, INR200 a kg or INR250 a kg. So that makes the number bigger. There are no direct competition is there in this.

We do compete with Hyperpure on this. But because Hyperpure has thousands of SKUs for hotels and restaurants, so their contribution on this side is still very, very low. But because we are a focused player, so we believe that the depth which we are able to create will be more saner and more cleaner. And we are, in fact, working with Hyperpure as well.

So, see, it's a very -- it's not a competing market per se the way we look at it from an organized point of view. When you compare us with unorganized players, there is no comparison because they're not -- so in organized, there are very few. Some of the large processors are there. But still from the quantum of the market point of view, it's humongous, humongous. The value addition which you can do either in retail or HoReCa, anything you pick up, there is a lot of issues and problems in that and opportunities there to tap upon. So that's my take on it.

Rohan: Okay. Sir, now coming to the acquisitions you mentioned, right? Can you give some broad understanding on the acquisition size? And like we can see in your presentation, right, you have done some past acquisitions. Those were very distressed sort of. So can we expect a similar value in the new acquisitions you're planning and similar sort of turnaround? How do you look at this?

Deepanshu Manchanda: So the new set of acquisitions are basically into non-meat category and because we see ourselves as a conglomerate, which is catering into food and food services as a business. And for us, food is beyond meat. We started with meat, of course, and we do stay committed to it. But these are going to be subsidiary companies and how we are looking at it for the time being and the way it structures is moving. And they are going to be export oriented, which will be in snacking is how we are snacking and some dry ready-to-cook categories is how we are looking at it, yes.

Rohan: Okay. And these -- any idea on the size like broad.

Deepanshu Manchanda: Size will be big. These will be bigger sizes as compared to our last acquisitions. They were small because they were mostly a strategy for us to enter new markets. These ones are largely to basically get an inorganic push in a new area of food product portfolio. So I would say in terms of size, it will be almost 10x of what we were doing earlier. So the scale, the intensity -- the scale

and intensity, how we are looking at it is far, far bigger because the smaller acquisitions, we have already proven it to ourselves also that we are able to turn around and build it.

Now the ones which are coming are going to be 4x, 5x, 6x kind of more as we move forward. So I think the first milestone Rohan for us is to be a INR1,000 crores company. And in order to achieve that fast, these inorganic acquisitions are going to play a very critical role.

Rohan: Okay, understood. So, sir, last question is on the states or city, right? What is your expansion plan there? Are you planning to enter new states with, say, only a B2B model, like, or even the local meat shop thing? Like, I think capex is minimal on that part. What is your plan on that?

Deepanshu Manchanda: We may, we may not. I don't want to comment on geography right now, because the Bombay market is fairly new for us. So we are focusing on the existing markets. And it's just been a month. As you know, we've just -- the IPO was just a month back. So there isn't much of directional change of any kind from an overall strategy point of view.

It remains the same with more confidence and with the vote of thanks to all our shareholders and investors like you. I think that's the biggest change today. Otherwise, on the business front everything looks pretty, pretty intact for us.

Rohan: So, sir, just last question on this geography only, right? So since you mentioned, you don't want to comment on that. So within the existing cities, right, say Delhi, Bangalore, Bombay, right? These three major cities without a very big sort of marketing push. Can we reach a INR150 crores scale organically? Like within each city, INR150 crores sort of concerning B2B plus B2C plus your meat shop?

Deepanshu Manchanda: Yes.

Rohan: Okay. You think that's achievable, right? Each city like INR150 crores, I think it seems quite reasonable.

Deepanshu Manchanda: Yes, yes, yes.

Rohan: Okay. Take care, Deepanshuji. Thank you so much and all the best for the future.

Deepanshu Manchanda: Thank you. Thank you so much.

Moderator: Thank you. We will take the next question from the line of Gaurav, an Investor. Please go ahead. Mr. Gaurav, please proceed with the question. Mr. Gaurav? Due to no response, we will take the next participant. The next question is from the line of Abhishek Bansal, a Retail Investor. Please go ahead.

Abhishek Bansal: Hi, Deepanshu.

Deepanshu Manchanda: Hi, Abhishek.

- Abhishek Bansal:** First of all, congratulations on the listing and the great set of numbers.
- Deepanshu Manchanda:** Thank you.
- Abhishek Bansal:** I wanted to understand B2B KPIs, like in terms of the last three half-yearly time period. How our B2B accounts are growing? And what has been the average uptake for B2B accounts. And let's say, we are working with the likes of a Hyperpure Zepto. Are we currently targeting or supplying to them in the Delhi geography only? And now that we have expanded to Bangalore and Mumbai, are we planning to go and service their demand for these specific geographies as well? So, that will be my question on that front.
- Deepanshu Manchanda:** So, Abhishek, the KPIs are very -- like the ones where we follow is that we should be part of the majority of the basket from our per customer point of view should come from us. So, we do have some internal KPIs where we see that how much are we a primary supplier to that partner? Or are we a secondary supplier? Or are we -- even a fallback kind of a supplier? So I think this is one set of parameters for us.
- And the second is what kind of product categories which we are penetrating. So, if we are selling, let's say, chicken, then how can we introduce fish to them? Then can we introduce mutton to them? Based on their consumption patterns, we are able to focus on separate new categories and geographies.
- A lot of these restaurants and hotels also grow out of different geographies. So, somebody, let's say, is in Bangalore and considering now we are in Bombay. So, those create, you know, very low hanging opportunities for us because we're already, you know, working with them closely in Bangalore. So any new option coming up in new market like Bombay will be considering we are there, we are able to take it up easily.
- From a Hyperpure point of view, we are working with them in the Bombay region and we are looking to start new markets with them. So our endeavor always is that we sell the most to them and then we sell to the maximum geographies. And the larger the buyer, the better it is. But we also simultaneously maintain a very healthy mix of, you know, where we don't depend, you know, beyond a certain percentage of our contribution coming from one or few customers. So keeping that balance is also equally critical for us.
- Abhishek Bansal:** Understood. And so, like in terms of unique accounts that we are servicing, can you share some light on how the historical growth rate has been? Like, okay, we are serving 20 customers last quarter, now we scaled it up to 40. Do we have such kind of metrics with us?
- Deepanshu Manchanda:** We are serving around 300 plus restaurants and customers. For specific, these comparisons on how many we have upgraded and all of that is not handy with me right now. So, we probably will be able to take it up offline somewhere if it is possible. I don't know. But currently, I don't have it, you know, with me.
- Abhishek Bansal:** No worries, sir. Thank you so much for taking up my questions and all of that.

Deepanshu Manchanda: Thank you. Thank you, Abhishek.

Moderator: Thank you. The next follow-up question is from the line of Subhanu Bangal from 3 Head Capital. Please go ahead.

Subhanu Bangal: Hello. Thank you for the follow-up. Sir, can you tell me how much revenue come from HoReCa segment?

Deepanshu Manchanda: 50%.

Subhanu Bangal: 50%. And rest 50% comes from retail and wholesale?

Deepanshu Manchanda: Online.

Subhanu Bangal: Retail and online?

Deepanshu Manchanda: Yes.

Subhanu Bangal: Thank you.

Moderator: Thank you. The next follow-up question is from the line of Rishikesh Dhoot from DIFL. Please go ahead.

Rishikesh Dhoot: Hi. I had one more question regarding the acquisitions. So, will that be financed through debt or will that be financed through the IPO related funds that came in?

Deepanshu Manchanda: We will be looking at internal acquisitions and, you know, some possible private placements are also in talks with. So those will be the two options.

Rishikesh Dhoot: Okay. Okay. Thank you.

Moderator: Thank you. The next follow-up question is from the line of Rohan, an Investor. Please go ahead.

Rohan: Yes. So just to my last question, right, like we discussed about the three cities. So considering cities where, say, high meat consumption, like, you know, say, even if states, if you look at, say, Kerala side or, you know, West Bengal side.

So, how many cities do you think you can, like, where is the time? Like, do you think you can reach, say, 8 to 10 cities which have a 150 crores potential sort of a number?

Deepanshu Manchanda: See actually, good, great question, Rohan. Potential on each city is, I think, if you want to build an omnichannel business, you know, it is even bigger than 150 you can build. The important question here is that, you know, which cities strategically are poised for a more profitable scale up. Okay?

Rohan: Right.

Deepanshu Manchanda: That is -- the fundamental of that will be coming from two, three ways. One is the depth on supply chain. Okay. When I say depth on supply chain, meaning that if, let's say, we talk about, you know, you know, a place like, you know, which is, which is not a completely closed land bank, which has an ocean and a seaside, everything. There you would see fish and seafood contribution to be higher.

If you look at a market like, you know, Jaipur and, you know, the Rajasthan belt, there you will see, you know, goat meat contribution to be higher. So the way we look at it is that, you know, which is the geography where profitability and scale both will go hand in hand. Otherwise, creating, you know, and launching new markets, you know, is not really, you know, that difficult.

You know, we can easily start Kerala, Goa, all of those markets. But our KPI to launch a new market is only and only the fundamental customer behavior and the supply chain ecosystem available to cater to that consumer behavior for a business efficiency and a profitability level. These are the four, five ways we look at when it comes to new markets. Otherwise, you can create as much penetration as you want in each market. You can create -- in one market, you can create, look at, there's a company called Sneha Farms in Hyderabad.

They are doing about 5000 crores, 6000 crores only in Hyderabad, and they only do chicken. So demand is not a problem at all. Scale is not a challenge. Growth is not an issue. We've already, you know, growing is not a problem. We don't find growth being a challenge here. We are just looking at a more robust performance, how we are able to perform well and stable when it comes to growth. That's about it.

Rohan: Okay. Okay. And so finally, on the repeat ratio, right? So I don't see that metric in your documents. So, what would be a repeat ratio or a customer repeat rate or retention ratio, you know, however you track it?

Deepanshu Manchanda: That's about 90%, 88% to 90% on a month-on-month basis when it comes to our online business. From an online point of view, that metrics, I don't think it is captured in the document also. So we'll get back to you on that separately, but it will be similar. It'll be, yes, it'll be on the similar lines.

Rohan: Okay. Okay. That's a very strong thing, I think. Okay. And sir considering fish also, you said is a focus fish, mutton. So can we expect margins to go up high, like to, you know, increase slightly further? I mean, I'm assuming margins on those categories will be much better.

Deepanshu Manchanda: Yes, we have already improved on it. So there is already a 6-7% improvement, which we have done in fish. So I think this will hold for a while till we achieve certain volume, and then there will be more momentum here.

Rohan: Okay. Okay, sir. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, in the interest of time, that was the last question for today. I now hand the conference over to Mr. Deepanshu Manchanda: for closing comments. Thank you and over to you, sir.

Deepanshu Manchanda: So I think it was a great interaction from everybody. I really appreciate everybody taking time out and showing interest in Zappfresh as a project. And we stay fully committed to achieving our larger goals, which is to be a proficon and growing at a very stable and sustainable way without jumping the gun and just becoming extra growth orientation.

But we would continue growing at a fundamental pace. Keep watching, I think, for the inorganic growth spurt that I think we are very, very excited about. The new projects and the way we are creating a portfolio of new products will also be a very interesting phase in the coming few months. Thank you so much.

Moderator: Thank you very much, sir. On behalf of DSM Fresh Foods Limited, that concludes this conference. Thank you for joining us today. And you may now disconnect your line.