



List of management attendees

1. Mr. Shyam Bhartia, Chairman
2. Mr. Hari Bhartia, Co-Chairman
3. Mr. Deepak Jain, CEO and Managing Director
4. Mr. Varun Gupta, Chief Financial Officer
5. Mr. Pavleen Taneja, Head – Investor Relations

External participants during Q&A session

1. Rohn Mehta, Ficom
2. Gaurav Gupta, Invesco
3. Archit Joshi, Nuvama
4. Darshita Shah, DSP Asset Managers
5. Siddharth Gadekar, Equirus
6. Nitesh Dhoot, Anand Rathi
7. Prateek Poddar, Bandhan AMC
8. Rohit Nagraj, B&K Securities





Jubilant Ingrevia Limited
Q2 & H1 FY '26 Earnings Conference Call
October 27, 2025

Moderator: Ladies and gentlemen, good day, and welcome to Jubilant Ingrevia's Q2 and H1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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. Pavleen Taneja, Head of Investor Relations at Jubilant Ingrevia Limited. Thank you, and over to you.

Pavleen Taneja: Good evening everyone. Thank you for joining the Quarter Two of Financial Year 2026 earnings conference call of Jubilant Ingrevia Limited.

I would like to remind you that some of the statements made on the call today could be forward-looking in nature and a detailed disclaimer in this regard has been included in the press release and Results Presentation that has been shared on our website.

On the call today, we have Mr. Shyam Bhartia – Chairman; Mr Hari Bhartia Co-Chairman; Mr. Deepak Jain – CEO and Managing Director and Mr. Varun Gupta, CFO Jubilant Ingrevia limited.

I now invite Mr. Shyam Bhartia to share his comments.

Shyam Bhartia: Thank you, Pavleen. A very good evening to everyone. Thank you for joining us on the quarter 2 of the financial year 2026 Earnings Conference Call of Jubilant Ingrevia Limited. We are pleased to share the financial results for the second quarter of this fiscal year. The company grew 7% year-on-year basis with high double-digit volume growth. Our Specialty Chemicals segment continues to drive the growth



momentum with double-digit year-on-year revenue growth and positive growth over last quarter.

Our Nutrition business maintained a steady volume growth trajectory across the core products. Meanwhile, our Chemical Intermediates business clocked highest quarterly sales across value and volume in last six quarters. Despite the challenging market conditions, we have grown revenue on the back of growth in volume, market share and maintained profitability. This quarter, our EBITDA grew 8% year-on-year and our profit after tax saw an impressive 18% increase. On a yearly basis - on a half yearly basis, EBITDA grew 18% and profit after tax surged by 34%.

Let me share the overall market update with you all. Across the broader chemical industry, we are witnessing a steady recovery in volumes even as pricing remains under pressure across all segments. At the same time, many global players, especially players in Europe, are reporting deteriorating financials due to weaker demand, continued pricing pressure and elevated energy costs. The pharmaceutical end-use market continues to show steady volume growth, supported by stable pricing. We saw consistent volume expansion across CDMO and Fine Chemicals products.

Additionally, we saw a margin recovery in volumes last quarter within the paracetamol segment. The global Agrochemical sector has successfully moved beyond the inventory destocking phase with volumes now stabilizing and showing clear signs of growth. This upward momentum is supported by strong volume expansion on both year-on-year and quarter-on-quarter basis. Pricing in this segment has remained stable over the last few quarters, reinforcing the recovery trend.

The Nutrition market recorded steady volume growth during the quarter through feed-grade vitamin pricing and showed short-term volatility globally and in India. Niacinamide demand showed a modest uptick as customer purchasing activity resumed following subdued volumes at the start of financial year. Choline volumes traditionally dip in quarter 2 versus quarter 1 due to festivals.

However, we have seen a notable increase year-on-year volume increase. Let me share a few details on our future outlook. Looking ahead to H2 FY '26. We expect

continued growth momentum, fueled by progress in our Specialty Chemicals and Nutrition businesses, along with the expected part recovery in Acetyl portfolio.

We are also on the track to start serving our major CDMO order in early 2026. A milestone that is expected to significantly accelerate our growth trajectory in CDMO segment. To meet the increased demand in CDMO, within groundbreaking of our new MPP in Gajraula. We hope to complete it by late 2026.

With this, I hand it to Deepak to discuss the business in detail. Thank you.

Deepak Jain:

Thank you, Mr. Bhartia. A very good evening to all of you. I would like to thank you all for joining us today for the Q2 FY '26 Investor Call of Jubilant Ingrevia Limited. Over the past year, we have made substantial strides across all pillars to set business up for long-term while also stabilize the short-term performance amid challenging global market conditions.

These efforts are already bearing fruit as reflected in our recent quarterly results, highlighted by robust growth in our Specialty and Nutrition portfolio, stable EBITDA and significantly expanded funnel of 100-plus new opportunities. In Q2 FY '26, we continued to build momentum in our Pinnacle journey, achieving several new milestones that further reinforce our trajectory towards long-term value creation.

Let me share the overall business update with you all. From an overall business perspective, we are pleased to report our highest quarterly revenue and sales volume in the last 10 quarters. This milestone reflects the strength of our diversified portfolio, consistent execution across segments and our ability to capture market opportunities despite a dynamic and tough operating environment.

The Specialty Chemicals segment continued on its revenue trajectory and reported 25%-plus margins during the quarter, driven primarily by strong performance in Fine Chemicals and CDMO sales. Pyridine derivatives have delivered high double-digit growth on both quarter-on-quarter and year-on-year basis, underscoring robust demand over competitive positioning. Diketene derivatives also maintained its growth momentum across both quarter-on-quarter and year-on-year basis, reflecting consistent performance and market traction.

In our CDMO business, we successfully delivered volumes against one of our new Agro CDMO innovator contract in Q2. In last 3 quarters, we have added 10-plus new

molecules in our CDMO and Fine Chemical portfolio, which have already started to show in our FY '26 revenues and are expected to contribute almost INR1,200 crore of peak annual revenues in coming years.

We have another 10-plus opportunities in advanced stages of discussions, which we hope to convert in coming quarters. We continue to make rapid progress in our new growth segments, such as Cosmetics and Semi-conductor Chemicals.

In Cosmetics, our team has already developed multiple products, and we are getting good traction with several customers. Similarly, in Semi-conductor Chemicals, too, the number of opportunities has increased in last quarter, and we are making significant investments in equipment and teams to accelerate our journey.

The Nutrition & Health Solutions business segment grew volumes on a year-on-year basis, with volume growth seen across most segments. We achieved record high volumes in both vitamin B3 and B4 during the quarter.

While pricing softness partially offset revenue growth, the underlying volume performance remains robust. Our new cGMP facility is ramping up and continues to drive growth in cosmetic grade sales. The EU's anti-dumping duty on Chinese origin Choline product is creating a good pipeline, which would get realized in coming quarters with early orders already booked in Q2.

In the Chemical Intermediates segment, our strategic initiatives on Ethyl Acetate and Acetic Anhydride sales drove a notable quarter- on-quarter and year-on-year growth in volumes and revenue, clocking the highest quarterly revenue and volumes in last 6 quarters. We have continued to secure and grow our domestic and global market share despite market pricing pressures. With our sustained focus on cost efficiency, we successfully maintained margins in line with the previous quarter.

Let me give a quick update on the progress we have made across the 5 core pillars of our strategy. From a customer-centricity perspective, our key account management approach continues to deliver strong results. In Q2, we expanded our opportunity funnel to over 100-plus active opportunities, up from 70 in Q1, reflecting deeper engagement and growing interest across strategic accounts.

These opportunities collectively have peak annual revenue potential of INR3,500 crore. Over the past year, we have secured confirmation for more than 10 molecules with an estimated peak revenue potential of INR1,200 crore and we are in advanced stages of discussions for another 10-plus opportunities, which we hope to close in coming months.

From an operations and ESG standpoint, we are seeing tangible results from our sustainability initiatives. The impact of our green power is clearly visible. Our power and fuel expenses dropped by 16% year-on-year despite an increase in production volumes. We have successfully commissioned renewables O2 Power at our Bharuch site, taking Ingrevia's Renewable power share to 28%, a significant step toward our clean energy goals.

On the operational front, our INR100 crore plus per annum lean savings program remains firmly on track driving efficiency across the value chain. We are also proud to share that our ESG efforts were recognized with the ICC Sustainability Award in the Water Stewardship category, reinforcing our commitment to responsible group.

From a people and organization building perspective, we continue to strengthen our leadership bench with strategic senior talent additions. For instance, this quarter, we welcomed a new Head of Nutrition and Health Ingredients to drive innovation and growth in a key segment. We also onboarded a Business Development Head for the US market to accelerate our global outreach.

We also expanded our R&D and technology team significantly in the last few months, specifically to support the new CDMO Fine Chemicals opportunities. These appointments reflect our commitment to building a high-performance future-ready organization aligned with our long-term growth ambitions.

On the innovation and R&D front, we continue to build a strong pipeline that supports our long-term growth strategy. We now have approximately 50-plus products under development across our business segments, reflecting our commitment to differentiated and value-added solutions.

Looking ahead, we expect to launch 18 new products in FY '26, each aligned with emerging market needs and customer priorities. These innovations will further

strengthen our portfolio and reinforce our position as a science-led customer-centric organization.

On the capex front, we firmly remain on track with the Q4 commissioning of our \$300 million Agro-Innovator project, a key milestone in our CDMO growth strategy. In Bharuch, a new boiler is scheduled for commissioning in Q3 FY '26, further enhancing operational efficiency.

We are also debottlenecking capacity in our existing plants by 15% to 20% to serve incremental volumes from new CDMO and Fine Chemical opportunities. Additionally, during the quarter, we have also done groundbreaking for a new multipurpose plant at Gajraula, which will add significant flexibility and capacity across our CDMO portfolio.

Looking ahead, we are excited to announce plans for the state-of-the-art Semiconductor R&D facility in Greater Noida, making our entry into a high-tech innovation space with long-term strategic relevance. Given the progress across our strategic initiatives, we remain confident in sustaining the expected growth trajectory in both top line and margins over the coming quarters.

With that, I would now like to invite Varun to walk you through the financial performance of each of our three business segments, followed by consolidated financial overview.

Varun Gupta:

Thanks, Deepak. A very good evening to all of you. Starting with overall financial update, we achieved our highest quarterly turnover in the last 10 quarters with overall revenue reaching INR1,121 crore compared to INR1,045 crore in quarter 2 financial year '25.

Importantly, volume grew by approximately 18% during the quarter despite macroeconomic headwinds and the typically muted price momentum seen across most segments in quarter 2. EBITDA for the quarter stood at INR146 crore, marking an 8% year-on-year increase. This growth was largely driven by margin expansion in our Specialty Chemicals segment on a year-on-year basis, supported by ongoing cost optimization initiatives across the business.

On a half yearly basis, EBITDA stood at INR300 crore, representing an 18% increase compared to the first half of last year. The net debt of the company as on 30th

September '25 was INR748 crore, and net debt-to-EBITDA ratio remained at 1.24x calculated on the basis of trailing 12 months EBITDA.

During the quarter, we incurred a capital expenditure of INR59 crore, taking the year-to-date capex spend to INR109 crore. This was primarily directed towards the upcoming CDMO Agro plant at Bharuch and the groundbreaking of our new multipurpose facility in Gajraula, which Deepak just mentioned. The investments were largely funded through internal accruals.

Looking ahead, we plan to invest approximately INR600 crore in '26, which will also be supported by internal accruals. The PAT for the quarter was INR70 crore as against INR59 crore in -- quarter 2 '25, witnessing an increase of 18% on a year-on-year basis. For the first half 2026, we have delivered a 34% increase in the PAT as compared to the first half of 2025.

Specialty Chemicals. In quarter 2, our Specialty Chemicals segment delivered 12% year-on-year revenue growth, led by a strong performance in CDMO, pyridine and diketene derivatives portfolio. Also, EBITDA grew 50% year-on-year to INR125 crore with margins holding steady at 26%, which was supported by higher offtake of Fine Chemicals and CDMO offerings, along with the cost optimization initiatives. Sequentially, EBITDA declined marginally due to the short-term price volatility in pyridine and picoline and a temporary pyridine plant shutdown for maintenance.

Nutrition & Health Solutions business segment. While we saw strong volume growth in both vitamin B3 and choline during the quarter, overall revenue growth was tempered by short-term pricing pressure across the broader nutrition portfolio, whereas the revenue declined marginally by 1% on a year-on-year basis.

EBITDA for the segment declined 13% year-on-year with margins trending lower and settling in 12% to 14% range, primarily due to pricing pressures. However, we expect margin improvement in the coming quarters as price stabilize and the share of cosmetic and food-grade products increase in the overall portfolio.

Chemical Intermediates business segment. The segment delivered 20% sequential revenue growth and 6% year-on-year, fueled by strong volume expansion in Acetic Anhydride and Ethyl Acetate reaching the highest level seen in the last 6 quarters. On a quarter- on-quarter basis, the segment EBITDA marginally remained stable,

while the year-on-year decline in absolute EBITDA was primarily due to the market-driven contribution erosion.

Subdued pricing resulting from the pass-through of lower cost of input raw material and an oversupplied market also impacted the EBITDA performance. Overall, business is showing steady growth across segments and delivered yet another solid quarter. We will now be happy to address any questions that you may have.

Moderator: We'll take our first question from the line of Rohan Mehta from Ficom Family Office.

Rohan Mehta: Okay. Sir on the Nutrition segment, firstly, on the choline chloride, I'm trying to understand that after EU's anti-dumping duty, what sort of shipments are you currently exporting to Europe versus Q1? And what has so far been the market feedback on this? And also when it comes to the realization, what sort of premium currently are you seeing versus the domestic market?

And within the Nutrition segment, coming to niacinamide, so currently, what is the capacity utilization? And given that the quarter 1 period was a lean period when it came to inventory from the customers end, what sort of customer offtake have you seen since then? And in the month of October, any improvements have you seen on the realization front?

Deepak Jain: Yes. Thank you, Rohan, for those questions. Let me just take each one of them one-by-one. On the choline chloride side, as I mentioned in my opening remarks also, we are seeing strong traction with European customers after the anti-dumping duties got imposed on Chinese players. We have already sent a few shipments to Europe in the last quarter as well, and the pipeline is looking very healthy.

The overall market, as per our estimates is running into at least 30,000 tons to 40,000 tons. And we are hopeful that as our product gets qualified in coming months and quarters, we will be able to capture a meaningful portion of that.

We have already started to work with customers very closely in qualifying our product and ensuring that if they have any requirements for specific grades, we work on them. So all of that work is ongoing, and you will start to see the impact of that in our Nutrition business portfolio in coming quarters.

The realization part of it, obviously, the realizations are better than Indian market. We are still testing waters and the market dynamic is also changing very quickly with, of course, Chinese player not able to supply the material at such lower prices as they were doing earlier. And obviously, there is some competition coming from other markets as well or other manufacturing markets as well.

But we are going through all that process. But definitely, we are expecting to get price premium vis-a-vis domestic market in choline. So that's on the first part. On the niacinamide part also, as we explained in the opening remarks and also in our investor presentation as well, we have seen a very strong increase in volumes vis-a-vis last quarter.

And we are hoping -- and by the way, a significant portion of that has come on the back of volumes increasing in the high-value categories like cosmetic grade and food grade. We are hoping to maintain that momentum into this quarter and the next 2 quarters. And we are in advanced stages of discussions with some of our biggest customers to start supplying them high-value grades in coming months.

The utilization of the plant, of course, will accordingly increase. We are hoping that within the first few months of commissioning of the plant, we should be able to take our volumes up at least by 25%, 30% vis-a-vis what we had earlier. The pricing -- the last part of your question was on the pricing of niacinamide.

As I think it's already well known in the market, the pricing went through a trough in the last quarter, which is also reflected in our margins for the last quarter. But we have seen a slight uptick in recent months, and we are hoping that will sustain and we can also see some uptick in coming months. That's the hope we have.

Rohan Mehta: Right. And for the realizations, the same thing goes for choline chloride, right, when it comes to the improvement that you are expecting for the next quarter?

Deepak Jain: Yes. And the other thing to note is the mix of cosmetic, food and pharma grade niacinamide in our portfolio is continuously increasing every passing month. And the pricing there is far more stable and of course, has a premium in-built. As the relative proportion of those grades in the overall portfolio increases, which is part of our strategy, and that's why we have commissioned this new plant, we are hoping the volatility coming from the feed grade will gradually get subdued.

Rohan Mehta: Okay. And my final question is on the CDMO segment. So, you spoke about the Gajraula plant that we plan to break by the next year, late 2026. So, I'm trying to understand what sort of pipeline -- is this part of the peak revenue that you see from the 10 molecules worth INR1,200 crore? Or which part of the molecule does this address?

Deepak Jain: Yes, that's right. Of course, in the business case that we have built for that new multi-purpose plant, which will have multiple streams, we have taken certain assumptions on which products out of the pipeline that I announced will come up first. So, we are planning for them, and we are hoping to ramp up the volumes of those products starting 2027 calendar year. In the interim, for 2026, when we need relatively smaller volumes on those products, we would be able to serve them through our existing multi-purpose plants that we have almost 7 of them in Gajraula and 3 of them in Bharuch.

Rohan Mehta: Got it. So that means you're still on track for INR2,000 crore EBITDA by FY '30?

Deepak Jain: Yes, we hope to get there. Of course, we are working on multiple fronts to achieve that milestone. And if you remember, there were some in-built element of inorganic and partnership-driven opportunities as well into that. So, as of now, we are hopeful that we'll be able to achieve in the time frame we announced in the Investor Day in the early part of this year.

Rohan Mehta: Got it. So, no update to your guidance, right?

Deepak Jain: No.

Moderator: We'll take our next question from the line of Gaurav Gupta from Invesco.

Gaurav Gupta: So first one is just a clarification. Like you mentioned that I think because of anti-dumping duty, on China and in European Union region, we have already booked certain orders in Q2 itself. So just wondering if the reported number of Q2 is including the revenue from these pre-booked orders or how it is?

Deepak Jain: Yes. We have booked orders and we have made deliveries as well for some volumes. So of course, in the overall scheme of things, that number is not as big, given the size of our Nutrition business, but that number is included right now. And as we move into Q3 and Q4, we are hoping to scale it up significantly.

But you need to understand that the product approval process takes a few weeks, if not months. So right now, we are going through that process with at least a dozen different customers. So as and when that process gets completed and as we start booking higher volume orders with them, you will see a meaningful uptick in the revenue trajectory going forward.

Varun Gupta: Gaurav, Varun here. Just to add on to what Deepak just mentioned, the revenue includes only the deliveries made. The order book, we have anything in quarter 3 delivery will be recorded in quarter 3 delivery.

Gaurav Gupta: That's great. So, in the first question, which would be like -- we have again mentioned that in the last couple of quarters, we have added almost 10-plus new molecules, right, including our CDMO and Fine Chemical chemistry, right?

So, would you be able to help us as an investor, as an analyst, that what percentage of our revenue in Q2 or H1 of FY '26, right, is having contribution of these 10 molecules, right, or either in percentage terms or maybe some ballpark number, approximate number, if you can share?

Deepak Jain: Gaurav, that's a good question. Of course, I can't give you the breakup on a quarterly basis because as you can imagine, the CDMO business by nature is slightly lumpy. Having said that, the typical ramp-up of a new CDMO contract, especially when it is focused on innovative molecules is not more than 15% to 20% in the first year going to close to, let's say, 40% to 60% in second year and hopefully reaching the peak revenue by third year of 80% to 100%.

In most cases, right? These are general guidance I'm giving, not talking about any specific molecule here. We hope to see a similar kind of trajectory for most of these 10 molecules that we have announced, which essentially means we are expecting some revenue from these molecules even FY '26 also. In fact, as we have announced in the previous call, one of the molecules that we announced last year with the agro-innovator, the volumes corresponding to that, we already supplied in the last quarter.

Gaurav Gupta: That's great. My last question is considering the tariff announced by United States and the tussle between India and United States over a couple of issues, right? Is there any impact of these announced US tariffs on our business or on our margin

profile or our overall competitiveness in the world markets when we supply our products? Yes, that's all from me.

Deepak Jain:

Yes. Again, excellent question, Gaurav. Let me just answer that in 2 parts. One is our existing business and second is the prospective business, which we are building in CDMO and Fine Chemicals and Nutrition, particularly on the back of those 100-plus opportunities I announced. On the existing business, and I think we have clarified that earlier also, only 2% of our business falls in areas where duties have been imposed.

And there also, we are far more competitive than Chinese if you take into account all the duties which have been put on the Chinese suppliers. So, in short, on that business, we have seen zero impact so far, and we hope that will continue. In fact, that will only get better as the dust related to all these tariffs settles down.

On the new business also, most of these discussions that we are doing, especially with the US customers are very strategic molecules for which customers are looking for genuine alternate suppliers from India, mostly outside of China. And hence, they have an imperative to create a long-term strategic partner for these molecules in India. And they are, in many cases, handholding us. And of course, we are using our technological strength to serve them.

As of now, we don't see any big impact of tariffs coming into that, except for the fact that tariffs have created some short-term uncertainty. And hence, some of the discussions, which should have completed in 3 months might be taking 6 months or 8 months. That's the only impact we see as of now.

But from a mid- to long-term trajectory perspective, given the fact that by design customers want to develop a strategic partner in India, and they are continuing to engage with us and even confirming these molecules as you can see we have 10 confirmations. We will continue on that journey.

And for our existing molecules, to the best of our knowledge, even the existing molecules -- or sorry, new molecules that we have signed, which some of them are expected to go into the US market, we don't see them in the list of tariffed chemicals. And hence, we are hopeful that these will not impact us in future also.

Moderator:

We'll take our next question from the line of Archit Joshi from Nuvama.



Archit Joshi: Sir, first question, I guess in the opening remarks, I heard you saying something about a new plant in Noida within Semi-conductor chemicals. And I think we've kind of stopped at that. Would it be possible to have a slightly more better understanding of what we're trying to do here? Any capex or any product-wise details that you might want to share?

Deepak Jain: Archit, Happy Diwali to you as well, and thanks for the wishes. In the opening remarks, we talked about semi-conductor R&D lab, not a plant in our Greater Noida facility. This is a facility we are creating to accelerate the pace of R&D and innovation that we are doing in our semi-conductor vertical, which as we have been announcing in the last 4 or 5 quarters.

There is a meaningful progress we have made there with almost a dozen plus different molecules that we are working with different customers in Europe, US and Japan. So, the idea is to create a dedicated facility, which is, of course, world-class in nature, but also takes into account the extreme level of cleanliness and glass housing kind of setup, which is required to serve these molecules.

We have already started to build an R&D team also, dedicated R&D team. And we have also started to invest in equipment including buying some very expensive equipment, which are required to serve this segment.

So that's the idea. Of course, in our pipeline capex plans, we also plan to set up a new plant, most likely a pilot plant in near future. So as and when the plans for that plant are finalized, we will announce it to our investors and analysts.

Archit Joshi: Sir, my second one CDMO bit, I'm slightly perplexed with regards to how we classify this entire segment. I think I believe that right now, whatever CDMO revenues we are doing is largely from pharma. And in the Analyst Day, we were speaking of some six to eight opportunities, which are in the advanced stage of discussion, which we are hoping to convert soon.

And then we are talking about these 10 products that we commissioned recently, which could have a INR1,200 crore plus potential. Now -- and plus we have these two contracts, I think one of which is already contributing to our 2Q revenues and one we are expecting in the early part of the next calendar year.

So, these 10 products would -- that also has some shape and form with regards to, let's say, a 5-year project or a 10-year project or a contract, any particular industry that might mimic anything that you might want to help us with? How do we categorize all this in better understanding of the business?

Deepak Jain:

So Archit, that's again a good question. So it's pretty consistent with what we said in the Investor Day. You're right at that time, if I remember correctly, we had said about six to eight molecules in advanced stages of discussion for Pharma and I think three to four in Agro. So Pharma and Agro still remain the dominant segments, but of late, we have started to get good traction in Nutrition and Cosmetic segments as well.

So the 10 molecules that -- we have not commissioned by the way, you used the word commissioned. We have not commissioned the 10 products. We have won the 10 products, of which two are -- one is already supplied and a couple of them are being supplied in recent -- or in near months. And one big one will start the supplies in next quarter, Jan to March quarter.

But to your question, it's a combination of Pharma, Agro and a couple of opportunities coming from Cosmetics and Nutrition. So it's a well-diversified portfolio. And even in the new opportunities that I mentioned in my opening remarks, of 10-plus molecules, which we are hoping to close in coming months, you will see a similar kind of distribution across Agro, Pharma and other segments.

Archit Joshi:

Sure. Sir, just one addendum to the same question. When we speak of CDMO, because we have 2 contracts per se, which essentially should be coming under the broader terminology of contract development. These seem to be products that we are doing on a campaign basis, these new 10 ones that we have won, not commissioned, sorry, pardon me.

And the 10 more that we are working on. I'm just trying to understand the nature of this business in terms of classifying them. Should this be consistently seen as revenue growing businesses with some longevity expected from our side?

Deepak Jain:

Yes. So I think you're right, Archit. So I think your overall question is whether we see these products to be giving us volumes consistently year-on-year, right, and with a certain level of threshold margin level, which is what the nature of the CDMO

business is. And the answer is yes. Most of these products -- in fact, all of these products are long-term products as per the understanding with the customer.

All these products, we are hopeful will give us at least 20% to 25% EBITDA margin and healthy ROCE as we have announced in our past calls also, the threshold for us at the ROCE level is 20% minimum. All these products, we will -- in most of them, I would say, will be working exclusively with the customers. Maybe 1 or 2 products will be serving a couple of customers, but not too many.

So these are exclusive or semi-exclusive arrangements with the customers. From a contractual obligation perspective, every customer has a different way of working. And hence, not all of them will be like a multi-year contract to start with. But the understanding is that we will be working with them for multiple years with certain level of volume commitments, which will come every year.

Archit Joshi: Sure, sir. And last one, if I may squeeze in. FY '25 R&D expenses, I think, were a tad lower than 1% of the total top line. Do we have a ballpark, let's say, guesstimate, how do we look at spending R&D over the, let's say, next 1, 2, 3 years, maybe? That would be your last one.

Deepak Jain: Our R&D should be seen separately for Acetyl business and rest of it, right? So when you just calculate it on the overall company, that gives a wrong picture in my view because Acetyl business is a stable, mature business and which does not require too much R&D. So we always look at our R&D spend more with the denominator being the -- some of the new areas, particularly coming from Specialty and Nutrition business.

If you look at it from that perspective, our R&D spend will be at least 2x, 2.5x of what you just described. Number two, we are investing heavily in our R&D in a few areas. We have strengthened our R&D team with a new R&D Head of Specialty Chemical, who joined us early part of this year or about a year back. We have expanded the number of people in our R&D team by almost 20%.

And even now, we are hiring almost on a daily basis to expand the team because to serve all these 100-plus opportunities that we are talking about, 50-plus products in R&D, we need more manpower. So, we are expanding that. Number three, we are also investing in new equipment and new infrastructure. Our Greater Noida

R&D, which came up about 2 years back, we are expanding the number of stations, we are investing in new equipment like I talked about for semi-conductor.

In fact, we are expanding it into another floor to create a dedicated lab for semi-conductor. So all of that put together will obviously increase our R&D spend as a percentage of Specialty and Nutrition revenue in coming years. So, the right way to look at it is to look at how much we're spending as a percentage of Specialty and Nutrition because most of our R&D spend goes into those segments, not in Acetyls.

Moderator: Next question is from the line of Darshita Shah from DSP Asset Managers.

Darshita Shah: My first question was actually more of a clarification. Deepak Ji, you mentioned briefly that one of the products of the 10-plus new molecules with a revenue potential of INR1,200-odd crore, the supplies for which will start in the early next year. And this is expected to be a bigger product. Is it -- I mean, my clarification is, is it the same as the CDMO, the one large \$500 million CDMO contract that we've spoken about in the past?

Deepak Jain: Yes, that's \$300 million, 5-year contract, that's the big one, which will start in next quarter. That's right, Darshita.

Darshita Shah: Right. So the \$300 million is included in the INR1,200 crore plus number. I'm sorry...

Deepak Jain: \$300 million is a 5-year number. So the annual number is \$60 million, which is close to INR500 crore.

Darshita Shah: Okay. So -- sorry, I actually ended up joining a little late. So the INR1,200 crore number that you're mentioning is per annum kind of a revenue increase that you could see...

Deepak Jain: That's right. Yes, that's the peak annualized revenue number, which we -- as I was explaining, we hope to get to in the next couple of years. And a significant proportion of that, including the big contract will start to come into our P&L next year itself.

Darshita Shah: Got it. Okay. And just on the big contract, I was just -- so we have a threshold of ROCE -- 20% ROCE and a 20% EBITDA is something you've mentioned in the previous calls. So that kind of translates to about INR100 -- INR120-odd crore of EBITDA every

year. Would the pricing of the product have any impact on that additional INR100 crore EBITDA that we could get from this large contract?

Deepak Jain: Of course, if the price changes, it will. But I don't know what is triggering that question because it's a signed contract with a pre-agreed pricing, and we don't see any change in that price happening. In short, we maintain to start serving this big contract starting next quarter, and we will -- we hope to get the kind of EBITDA margins that we built into the original business case.

Darshita Shah: Got it. Great. And we have mentioned in our PPT a few times that we've been seeing a temporary pricing softening -- temporary softening in the prices for pyridine, picoline and a few of our other products. So why do we say this is temporary in nature?

Deepak Jain: Because see, if you see, we have mentioned it on a couple of occasions, primarily for Vitamin B3 segment and for Pyridine and Beta segment for some derivatives. For B3, if you track the feed prices over the last few years, you will see there will always be a few quarters or a couple of quarters, every 4 to 6 quarters where the price dips and then it recovers.

And in fact, as somebody asked early on, on this call, we already saw some uptick in B3 prices towards the end of last quarter and early part of this currently running quarter. So, we are hoping that, that should come back.

Secondly, on Pyridine and Beta also, our experience is that the price, while it wobbles sometimes on a quarterly basis, it recovers if it stays too low for a couple of quarters. And because the Pyridine and Beta prices have been low for now last quarter and let's say, early part of this quarter, we are hopeful it will come back like it has done in the past.

Moderator: We'll take our next question from the line of Siddharth Gadekar from Equirus.

Siddharth Gadekar: Happy Diwali and congrats on a good set of numbers. So, the first question is on the human grade vitamin plant. Can you just highlight that where are we in the cycle in terms of commissioning the plant and ramping up the supplies to the customers? Like are all customer approvals in place? And when do we get to peak volumes in that capacity?

Deepak Jain: Yes. So that plant we already commissioned in March. You're talking about vitamin B3, right? Siddharth.

Siddharth Gadekar: Yes, sir.

Deepak Jain: Yes. So, that plant is supposed to make both cosmetic and human-grade product. We have the flexibility in that. The cosmetic grade product already started to be shipped to the customers about 2 quarters back, I think in March or April is when we started the shipments, and that volume is ramping up well.

We have started to produce the human-grade product also from that plant now, and we shipped starting volumes in the last quarter. And then we are hoping that this will continue to ramp up in coming two quarters. To your overall question on the utilization, we are hoping that -- we expected by the way, that plant has been designed to serve 4,000 to 4,500 tons of cosmetic and food grade products in the steady state.

We are hoping that in 18 to 24 months, we'll get to those numbers. And the initial ramp-up that we have seen between cosmetic and food grade, we are hoping that sometime by next year, we will hit 60%, 70% utilization levels. And one part of your question was the approval process. So I'm happy to share that we will be starting supplies to one of the big -- world's biggest cosmetic players starting January, where the approval process has already happened.

With another big consumer player globally, we are running through the approval process, and we hope to get the green flag from them by November, December and start the supply from early next year. So, like that, there are several other conversations going on with big as well as smaller customers to get the approval. So as soon as that happens, then volumes will start to ramp up quickly, which is why I said that we hope to get to 60%, 70% utilization by sometime next year.

Siddharth Gadekar: So just a follow-up on this. What would be the realization difference or the margin difference between the animal grade and the cosmetic grade products?

Deepak Jain: So, this, I think, Siddharth, I have explained in previous calls also, generally, there is at least \$2 to \$3 delta in pricing between feed grade and the high-value grade, what we call the high-value grade, which is cosmetics and even food and sometimes even pharma grade. Of course, the margin profile also changes accordingly.

And that's where in the early part of the call, I said as the share of Food, Cosmetics and Pharma grade niacinamide increases in our overall mix of niacinamide, that will bring a lot more stability as well as high margins to the business. And as we have said in the past, that business in steady state, we hope to get to 16% to 18% EBITDA margins, which I think we should be able to get as soon as the volume share of high grades increases to 60%, 70% next year.

Siddharth Gadekar: Sir, now coming to the CDMO part. So, the contract that we have already started supplying volumes for in the first 2 quarters, how should we think about that opportunity given that the end product is relatively almost \$800 million to \$1 billion opportunity over the next 5, 7 years? What could be the peak revenues for us from that molecule? And how should we think about the scale-up of that product?

Deepak Jain: I think I have said in the past that is an intermediate which goes into an expected blockbuster AI of one of the global innovators. And what we supplied in Q2 primarily is just the starting point.

As per at least the direction given to us or visibility given to us by the innovator, the peak revenue could be at least 4 to 5x of what we have supplied. So, we are hopeful and even next year the volume visibility we are getting is at least 50% more than what we got this year. So, I'm hopeful that it will get to that 4 to 5x mark in next 3 years.

Siddharth Gadekar: Okay. And lastly, on the \$300 million contract, so is it fair to assume that the intermediates that we would be supplying would not be restricted to a single product, but it will be going to multiple products?

Deepak Jain: Siddharth, we have a very exclusive arrangement with the innovator there. Our agreement with them is to supply the intermediate in a certain quantity every year. Now where they want to use it, it's entirely their prerogative. We neither have a say nor the visibility into that process. But having said that, yes, this is an intermediate which can serve multiple products, and hence, it brings some flexibility at the innovator end. But we don't have visibility into what they want to use it for.

Siddharth Gadekar: And incrementally, if any other product would require the same intermediate, are there any restrictions for us to supply to any other innovator?

Deepak Jain: No, this is an exclusive arrangement. So, we cannot supply to any other innovator.

Moderator: Next question is from the line of Nitesh Dhoot from Anand Rathi.

Nitesh Dhoot: So, my first question is on the renewable power contribution. So how much would be the contribution right now in our quarterly requirement? And what is the differential in terms of per unit cost for us?

Deepak Jain: So, as I mentioned in my opening remarks, this quarter with Bharuch starting, we have almost touched 28% of our overall power requirement to be served through renewables. And even Gajraula has started, but it's ramping up. So, total in steady state, maybe in a few weeks from now, renewable will be contributing almost 35% of our overall power requirement.

In terms of the rate differential, I think those numbers are well known for every sector in India. While the grid power costs anywhere between INR7 to INR9, depending on which state you're talking about, the landed cost for renewable is much lower. It's in the range of INR5 plus/minus, depending on what billing charges you are paying. So there is definitely an impact we are expecting in our overall power cost.

If you see our energy cost has already come down by almost 16% versus last year at around 9.5%, we are now versus 11.5%, 12% that we were last year. So, with all the initiatives we are taking in our energy mix, including the introduction of renewable power, we are hoping that our energy cost will come down further. It is captive power.

And by the way, our new boiler is also coming up in Bharuch, which we are hoping to start this quarter itself. So, that will also give us benefits as -- boiler and turbine, which will give us benefits starting next quarter. So, all those initiatives put together should continue to reduce our overall energy cost and thus add to our P&L bottom line.

Nitesh Dhoot: Right. Sure. Sir, second one is on the CDMO business. Can you just give the number of what is the total completed capex so far and the laid-out numbers? And in terms of capex, what is the total amount that we are investing in the CDMO business?

Deepak Jain: See, we treat capex together for our CDMO and FC businesses because both use multi-purpose plants. And in a fungible manner, we optimize which products to be manufactured where. As we have said in the past, of the INR2,000 crore odd investment that we have made in the last few years, almost 70% has been targeted towards our Specialty and Nutrition portfolio. So, Specialty will be almost 50%, 60%, let's say, around INR1,000 crore to INR1,200 crore.

Most of it is targeted towards the multi-purpose plants we have created in Gajraula in Bharuch and the more we are creating, which serve both our CDMO and Fine Chemical businesses. And the new plant that we announced, right, with the plant that is expected to serve the big contract that will be ready hopefully by December or January itself, that has a huge investment we have made. And now we are starting the work on another multi-purpose plant in Gajraula, which will serve our CDMO business primarily.

Nitesh Dhoot: Sure. Okay. So just one last thing. Maybe on the Acetyls business, you've indicated signs of improvement there. So, could you just elaborate a bit on that? And if at all, there's something structural that is happening, if you can give some color.

Deepak Jain: So Acetyl business has been volatile, and we look at it one quarter at a time. Obviously, last quarter from volume perspective was good, which is reflected in our numbers as well. And the drivers for Acetyls business are, number one, how the paracetamol market is doing in India; number two, how the agrochemical market is doing in India; and number three, how Europe, which is a significant market for us for Acetic Anhydride particularly, is doing.

A combination of these three things essentially drive what is happening in Acetyls. At least based on the early signs for this quarter, we feel this quarter will be more or less similar to the last quarter. But of course, we're still getting more visibility from our customers on what their volume requirements are.

So at least in terms of volume, we hope that we will replicate what was done in the last quarter. Pricing is very volatile, and it's very hard to make any estimates or projections on pricing. So that will have to play on a day-to-day basis depending on the direction of the market.

Moderator: Next question is from the line of Prateek Poddar from Bandhan AMC.

Prateek Poddar: Sir, just two clarifications. Sorry. You talked about 16% to 18% margins for the Nutrition part. Was it for the new plant or you were saying for the segment overall?

Deepak Jain: For the segment overall, Prateek, because if you see last few quarters, we were keeping that business at around 15%, even without having a big share of cosmetic and food grade. Only this quarter, it has dropped by 1 or 2 percentage points because of the price dip that we believe is temporary. So, it should come back to 14%, 15% anyway. And with the mix change we are doing, we are hoping to take it to 16% to 18%.

Prateek Poddar: Fantastic. And lastly, sir, you talked about out of the 10 molecules signed, 1 has already been shipped or supplied and the others are in the process. And you said - - and I just wanted a clarification here. You said INR1,200 crore of annualized revenue, the peak revenue, and you said a couple of years.

So is it like 2 years from today or 2, 2.5 years from today on an exit basis we kind of get to that full ramp-up mode because you just explained, right, it's 20%, 60% and 100% depending on the molecules and their life cycle, etcetera. So from a 2-year...

Deepak Jain: So that is what the hope is for majority of them, as I said earlier, Prateek. Of course, some part of it also depends on customers own projections. And if their plans happen faster or later, then accordingly that trajectory changes.

But as I said, you picked it up right, 20%, 60%, 100% is the typical trajectory, which means in 3 years, you get to the peak revenue, which is what we are hoping to get for most of those molecules. By the way, there's one exception here, which I think we have been talking about. The big molecule that we are starting in January, February will start from 100% potential from day 1 itself, which is the agreement with the customer.

Prateek Poddar: No, that's clear. And lastly, sir, fantastic cost controls. How much of more juice is left for you? I think this is something of an ongoing exercise. Just wanted to check because it keeps on building operational efficiency. Are there still material levers for you to lower your entire fixed cost for the company as a whole?

Varun Gupta: Prateek, Varun here. So yes, there's still a juice. We will continue to endeavor to find the ways and means to cut the cost; either to better norms or more efficiency

or taking a hard call on the cost that can be weeded out. So, there is a proper process where we keep on finding it and then putting it in place.

So, answer to your question, we have given an indication of INR100 crore per year as part of Lean 2.0. We are firmly on track. Whether we will find more cost saving opportunities in years to follow, answer to yes -- to that question is also yes. We have that process, robust process of how we can be more efficient in terms of our manufacturing or in terms of sourcing for how we work.

Deepak Jain: Prateek, just to add, and for everyone's benefit as well, I think we'll keep digging is the short answer because the markets are very dynamic and what kind of pressure we have seen in some of the segments on pricing, it will be premature for us to just be complacent and say whatever cost we could have taken out, we have done that.

So, I think it's the need of the hour. All our peers are also doing it and will not stop. And this year, we are pretty much on track. In fact, we are ahead of what we had defined as targets internally, and we are hoping that we will be able to create similar programs in coming years as well.

Moderator: Next question is from the line of Rohit Nagraj from B&K Securities.

Rohit Nagraj: And again, delving on to the CDMO part. So just a question about this 2000 -- INR1,200 crore revenue potential. Just a clarification, does this include the molecule starting from January because that itself will have close to about, say, \$60-odd million of yearly revenue potential?

Deepak Jain: Yes, it does.

Rohit Nagraj: Sorry.

Deepak Jain: It does. It includes it.

Rohit Nagraj: Okay. Fair enough. That clarifies. Second, on the semi-con Chemicals. So we are starting with the R&D process. So, what is the journey that we are looking at in terms of commercialization investment?

Because if we are starting indigenously, probably it will be slightly longer in terms of the game. And any more clarifications in terms of markets that we are looking

at, domestic, external, any technology tie-ups that we are looking at? And will it also form a part of some revenues by 2030 in terms of our targeted goal?

Deepak Jain:

Yes. So, I think we have been very explicit about it in the past calls as well. Semi-conductor is more of a 5- to 10-year journey rather than just, let's say, next couple of years, given the nature of that segment, the fact that it is new to India, not just us and the qualification process itself is quite long. We are starting, but not necessarily or not organically entirely.

We are collaborating with a few of our customers and are in advanced stages of discussions with some of them to take this collaboration to the next level. And at the right time, we will, of course, announce that, and that will hopefully accelerate the journey. Right now, we are focusing on two things.

One is keep building the capabilities because we need at least some starting ground to be able to even work collaboratively with some of the partners we are speaking to. And second, just focus on the synthesis of some of the CDMO molecules we are getting in semi-conductor space so that we start getting traction with the customers in that field and build relationships with them.

Rohit Nagraj:

Sure. That's helpful. And just one last clarification on the CDMO front. This will be completely for the exports market? And any particular geographies that we are targeting or it is across geographies?

Deepak Jain:

See, our international markets are largely focused on Europe, US and Japan now increasingly. Those are the three geographies where we are focusing primarily. And we have hired people on the ground in all three geographies now.

Moderator:

Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference back to management for closing comments. Over to you, sir.

Pavleen Taneja:

We thank you all for joining this call today. We hope we have been able to answer your queries. For further clarification, I would request you to please get in touch with me. Thank you once again for your interest in Jubilant Ingrevia Limited.

Moderator:

Thank you. On behalf of Jubilant Ingrevia Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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