



***List of management attendees***

1. Mr. Shyam Bhartia, Chairman
2. Mr. Deepak Jain, CEO and Managing Director
3. Mr. Varun Gupta, CFO – Jubilant Ingrevia Limited
4. Mr. Pavleen Taneja, Head – Investor Relations

***External participants during Q&A session***

1. Siddharth Gadekar, Equirus
2. Abhijit Akella, Kotak
3. Harsh Shah, Rare Enterprises
4. Archit Joshi, Nuvama
5. Srishti Jain, Monarch
6. Nitesh Dhoot, Anand Rathi





**Jubilant Ingrevia Limited**  
**Q4 and FY '26 Earnings Conference Call**  
**May 26, 2026**

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**Moderator:** Ladies and gentlemen, good day, and welcome to Jubilant Ingrevia's Q4 and 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 touch-tone 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, sir.

**Pavleen Taneja:** Thank you, Neerav. Good evening, everyone. Thank you for joining the Fourth Quarter 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. 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 all of you.

We are pleased to report a healthy performance in Q4 and FY '26. We had the highest quarterly revenue and EBITDA in Q4 FY '26 when compared with last 14 quarters with healthy double-digit growth in both top line and bottom line, reflecting our strong execution. Specialty Chemicals had the best quarterly revenue at Rs. 516 crore. A key highlight for the quarter was our effective handling of the Middle East crisis with no force majeure and 0 production loss. The other highlights include successful dispatch of our newly constructed agro CDMO facility and the acquisition of Remidex to accelerate

the growth of our Human Nutrition business. The Board has recommended a final dividend of Rs. 2.5 per share, 250% and taking a total FY '26 dividend to Rs. 5 per share 500% with the total cash outflow of Rs. 79.8 crore.

Now let me take you through an update on the markets we operate in. Overall, chemical industries demand remains resilient despite Middle East disruptions. Volumes continue to grow, while the pricing has firmed up due to higher crude linked costs and effective pass-through to customers. Pharmaceuticals continue to anchor growth with strong volumes and consistent demand. Agrochemicals saw strong growth with robust export visibility and successful price increases, especially in second half of the quarter. Nutrition and Personal Care markets witnessed volume and price-led growth driven by niacinamide with strong demand in feed and cosmetics.

Now let me share a few details on our future outlook. Early outcomes of our Pinnacle Journey are clearly visible in our performance with strong EBITDA growth and improving portfolio mix, enhanced customer relationship and a robust opportunity pipeline, more efficient cost structure and balance sheet. With improving volume demand and escalated pricing, we are confident of sustained growth going forward across our segments.

For FY '27, we expect growth to be led by Specialty Chemicals and Nutrition along with recovery in acetyls. We are expecting a sequential growth in revenue and EBITDA in coming quarters, starting from Q1 FY '27 itself. We continue to invest further in our business. The construction of the Gajraula MPP plant is progressing well. This will further strengthen our CDMO growth road map.

With this, I hand over to Deepak. Thank you.

**Deepak Jain:**

Thank you, Chairman. Thank you, everyone, for joining. We appreciate your participation in the Q4 FY26 investor call.

Over the past year, we have made a strong progress across all strategic pillars, building long-term growth while managing global challenges effectively. Despite Middle East disruptions impacting supply and prices, our diversified sourcing and agility ensured minimal disruption with effective cost pass-through. Strong customer engagement and timely renegotiations have strengthened resilience, reflected in improved performance in Q4.

Let me first share the overall business update for Q4 and FY26. Q4 recorded highest revenue in 14 quarters at Rs. 1,179 crore, up 12% year-on-year, driven by 10% volume growth. EBITDA stood at Rs. 172 crore, up 11% year-on-year and 26% quarter-on-quarter. PAT was Rs. 86 crore, up 17% year-on-year and 84% quarter-on-quarter.

Net debt by EBITDA improved to 0.99x. Our net debt has reduced by 11% in 2026. In Specialty Chemicals, revenue stood at Rs. 516 crore, rose 6% year-on-year and 13% quarter-on-quarter. EBITDA stood at Rs. 139 crore with margins at 27%, which we have maintained for last 6 quarters.

FY26 revenue stood at Rs. 1,937 crore, up 7%; EBITDA stood at Rs. 510 crore, up 21%. During the quarter, Specialty Chemicals showed strong momentum driven by volume recovery despite stable pricing with margins rising above 27%, reflecting robust fundamentals and resilience.

Our Pyridine and derivatives showed strong volume growth. Our Fine Chemicals and Diketene derivatives recorded steady quarter-on-quarter and strong year-on-year growth. Our CDMO business progressed well with higher realizations and commencement of a large agro contract, reflecting a shift towards value-added products.

In Nutrition business, segment revenue stood at Rs. 230 crore, up 21% year-on-year and 15% quarter-on-quarter. Segment EBITDA stood at Rs. 32 crore, up by 42% quarter-on-quarter and margin stood at 14%. FY26 revenue stood at Rs. 790 crore and EBITDA at Rs. 100 crore. In our Nutrition & Health Solutions business, we witnessed a strong recovery during the quarter with growth driven predominantly by volume across segments. Growth was led by niacinamide, supported by cosmetics demand. Choline has also improved with surge in exports in Europe. We completed acquisition of Remidex Pharma, expanding presence in Human Nutrition and Premix Solutions.

In Chemical Intermediates business, revenue stood at Rs. 433 crore, up 15% year-on-year and 10% quarter-on-quarter. Segment EBITDA improvement supported by cost pass-through.

In our Chemical Intermediates business, domestic volumes improved on the back of strong agrochemical and paracetamol demand. We remain optimistic about recovery supported by European force majeure events and plant closures. While Middle East disruptions firmed up input costs, rising acetic acid prices have set the stage for a favorable pricing outlook for the segment going forward.

Let me just give a quick update on Pinnacle Journey as well. We launched our Pinnacle Journey almost 2 years back. I am glad to share that we have made significant progress across all pillars of the journey, leading to the creation of a strong foundation for future growth. A few highlights: Number one, across businesses, we delivered strong volume growth. Nutrition saw highest B3 volumes in 8 quarters and steady choline growth. Acetyls improved volumes and pricing with market share gains in Europe. Specialty continued momentum in Pyridine, Fine Chemicals and CDMO shipments.



Number two, driven by our customer-centric approach, we now have 100-plus opportunities with almost Rs. 3,500 crore potential with 20-plus confirmed molecules and additional pipeline of 10-plus advanced stage molecules, which have peak potential of Rs. 1,100 crore.

From an operations and ESG perspective, we achieved Rs. 120 crore lean savings and glad to share that we achieved 97th percentile in S&P Global CSA ranking. We also successfully commissioned Bharuch CDMO plant in record 14 months, reflecting strong execution. WEF Lighthouse Award and successful USFDA audit of our Bharuch site are testament to the world-class infrastructure we are creating at our plants.

From a people and organization perspective, we strengthened leadership with key senior hires in almost every department of our organization, such as supply chain, manufacturing, HR, businesses, design and technology and so on, and we transitioned to a vertical structure to drive focused growth across nutrition, pharma, agro, cosmetics, industrial and semicon segments. We invested heavily in our R&D and technical teams in the last 2 years.

From an awards and recognition perspective, we were certified as a Great Place to Work and ranked among the top 50 companies in the country in manufacturing sector. We were also recognized with the Golden Peacock Award and a British Safety distinction.

On the M&A front, we completed the acquisition of Remidex Pharma to strengthen our Human Nutrition premixes portfolio.

The early results from these initiatives have already started to show in our financial results in the last 2 years. For instance, our EBITDA has grown by almost 33% in last 2 years despite tough market demand and declining prices. Our Q4 FY26 run rate EBITDA is 70% plus higher than Q4 FY24 EBITDA, signaling the pace of improvement we could showcase in last 2 years. Portfolio mix moving in favor of specialty and nutrition, contributing almost 85% plus of overall EBITDA. Specialty EBITDA almost doubling in last 2 years. improved net working capital at 59 days, leading to a more efficient balance sheet and a net debt-to-EBITDA ratio of 0.99.

This strong foundation and the early results give us the confidence that our Pinnacle strategy is working well. FY27 is a pivotal year in this journey, where we are hoping to accelerate our growth, starting with Q1 FY27 itself.

We will now be happy to address any questions that you may have.

**Moderator:**

Thank you very much. We will now begin with the question-and-answer session. First question is from the line of Siddharth Gadekar from Equirus Securities. Please go ahead.

**Siddharth Gadekar:** Hi, first question is on the Chemical Intermediates business. So how should one think about the spreads in 1Q given that we have seen a very sharp improvement in both ethyl acetate and acetic anhydride spreads globally? And beyond 1Q also, how should we think given we have now entered into a falling environment. Should we expect any inventory losses beyond 1Q?

**Deepak Jain:** Yes, that is a good question, Siddharth. And as I think most of us have seen different cycles in the acetyls business, particularly in acetic anhydride. So, you are absolutely right. When the war began in late February, we saw a sudden escalation in the raw material prices. But given our typical approach of having raw material inventory and locking in the raw material at the right price at the right time in an agile way, we started to see some benefits of that coming in last quarter itself as reflected in the acetyls business results for Q4 FY26. And we are hopeful that those benefits will continue in Q1 as well in a strong way.

Besides that, a lot depends on what happens to pricing in coming months. As you rightly said, we are already seeing acetic acid prices coming down. We have been very thoughtful in the way we have purchased inventory and the kind of stocks we maintained when the prices were at their peak. So we are hopeful that whatever inventory impact has to come, we will be able to nullify within this quarter or at best in the early part of next quarter and hence, minimize any negative impact coming from that in Q2.

**Siddharth Gadekar:** Okay. That is very helpful. Secondly, on the CDMO business, so what was our revenue growth in CDMO for FY26? And the entire was classified into specialty chemicals or there was some part of it in the Nutrition business also?

**Deepak Jain:** No. So, our CDMO business, currently, all the revenues are recognized within the specialty business itself. And as I have mentioned in the past also. We never disclosed the exact number or exact size of the CDMO business, but it has been growing at a very healthy rate, almost 30% to 40% every year. Even last year, we have seen that kind of growth. With the advent of some of the big contracts and other opportunities that we have won, we are hoping it will start to accelerate its growth in FY27 further.

**Siddharth Gadekar:** And given that we have highlighted the number of projects that we are in discussion with, are any projects in the early stage or late stages? And can we expect any closures in FY27?

**Deepak Jain:** Yes, I think if you saw our announcement in the investor presentation also, even in the last quarter, we added 8 new molecules to the 15-odd molecules that I had announced in the last quarter. So every quarter, we are securing new molecules. Of course, not every molecule is a scaled molecule or

commercialized molecules to start with, and there is a ramp-up period to the scale up.

And the true impact of these opportunities will start to reflect in the P&L in coming quarters. But to your precise question, yes, we do have a couple of late-stage opportunities in the hopper, which we are hoping to convert. And particularly one of them is reasonably sized. As and when that gets secured, we will, of course, come back and announce to the market.

**Siddharth Gadekar:** Just last question on the Nutrition acquisition. Can you just speak about what benefits could we have from that? And what is our strategy going ahead with that acquisition?

**Deepak Jain:** Yes. I think as we announced even in our presentation last year in Investor Day, Human Nutrition is a vertical which we are trying to create within our broader Nutrition vertical. We already have a couple of products in our portfolio, which go into Human Nutrition segment, such as Vitamin B3 and Vitamin B4, which is choline salts. So we already have access to all the customers. Our customers have been asking us if we can also start to do premixes and specialty products for them.

So the idea of acquiring this business is to forward integrate into that segment and leverage both our strength in discrete molecules and the customer relationships that we already have and provide them an integrated solution. And the traction that we are getting with the customers is actually quite strong. Of course, we did not have the capacity, and with this acquisition, we have the capacity as well as some existing customer relationships.

But that, topped up with the strengths we already have in our Nutrition business with all those customer relationships and the molecules, we are hoping we will be able to scale up that business pretty rapidly.

**Moderator:** Thank you. Next question is from the line of Abhijit Akella from Kotak. Please go ahead.

**Abhijit Akella:** Good evening. Thank you so much for taking my questions. First, with regard to the outlook for the sequential growth in EBITDA every quarter going forward coming year, would it be possible to offer any form of quantification regarding what sort of growth we should expect for the quarter ahead and for the full year ahead?

**Deepak Jain:** Yes, Abhijit. I think we have been pretty consistent in saying that if we take our EBITDA, we aspire to get at least 20% year-on-year growth in EBITDA on the full year basis. I think the challenge in giving quarterly growth rates is because one contract moving up and down by a few weeks can make things look very staggered. So that is why we do not give that guidance.

But we will stick to our overall guidance of achieving at least 20% growth in EBITDA through the year. And if you just take a linear trajectory to that, hopefully, we will be able to get that on a quarterly basis as well.

**Abhijit Akella:** Got it. Thank you. And of the CDMO order book we have assembled now, how much of a contribution should we expect from the \$300 million contract in the upcoming year? And then also the remaining part of the Rs. 1,500 crore order book, how should we expect these to contribute during the upcoming year?

**Deepak Jain:** The big contract and a quick update on that. I think I have been giving it on every investor call. The project actually started in March, as we had promised to all of you. And we started shipping the material also in March.

And then currently, we are shipping the material to the customer. We are discussing with them about various volume scenarios for rest of the year. And once we have that firm plan with them, we will be able to give any guidance on that.

But that does form a main pillar of the overall growth projections for this year, as we have communicated in the past. On your broader question on the pipeline of opportunities, these are opportunities which are in different stages. Some of them are, let us say, if I take some of the pharma sector opportunities, these are Phase II, Phase III opportunities.

And hence, in the beginning, they will be relatively small. But as they scale up, as the customers move forward in their overall development journey, we should be able to scale up those products, while some others to start with will be, let us say Rs. 10 crore, Rs. 20 crore, Rs. 30 crore kind of opportunities.

There is a mixed bag there. But as I mentioned, I think in the last investor call also, generally, the trend at the overall portfolio level for these new opportunities, what we expect is in the first year, they give at least 20%, 25% of their peak revenue.

By second year, they give 50% to 60%. And by third year, they give 80% plus revenue. While each opportunity will have its own life cycle, but at a portfolio level also, I think we should be able to mirror that trend to gain incremental growth in our portfolio.

**Abhijit Akella:** Thank you. That is helpful. And just one last one from my side. The capital work-in-progress on the balance sheet seems to have come down to about Rs. 150 crore. In light of that, what is the capex number we should work with for fiscal '27?

**Varun Gupta:** Hi, Abhijit, Varun here. See, capital work in progress has come down a bit because we have capitalized our CDMO plant in March. To your question, in 2027, as we have indicated earlier, we will continue with the range of Rs. 400 crore to Rs. 500 crore of yearly capex to continue to invest behind our growth. The big capex is coming into Gajraula MPP, which we have announced earlier, which will be finished this year and will go in to commence production in quarter 4.

**Moderator:** Thank you. Next question is from the line of Harsh Shah from Rare Enterprises. Please go ahead.

**Harsh Shah:** Yes, thank you for the opportunity. So, my question is on the pinnacle growth journey, from here on, we have to achieve the same objectives of that is 3x revenue and 4x EBITDA, but now in the next 4 years. So, what specific growth levers, business drivers or strategic initiatives gives the management confidence that such aggressive targets are still achievable?

**Deepak Jain:** That is a good question. Like I said, if I just talk in terms of EBITDA, if we are able to achieve our, let us say, between 20% to 25% growth every year, we will be largely on track. There was some growth we had assumed coming inorganically in that growth journey, pinnacle growth journey as we announced even in our Investor Day.

We still feel confident that by FY30, we should be able to take our EBITDA organically to the ranges that we announced in the Investor Day. And obviously, one big assumption which I keep calling out is the pricing, which has surprised all of us.

Now with the recent disruptions, we have seen pricing coming back in some segments. We are hopeful that at least part of that will stay. If that happens, then we feel confident that we should be able to track back on the journey that we have found and the vision that we have defined, as well.

**Harsh Shah:** My next question is, the company had signed the \$300 million contract during October 2024, while the commercial deliveries have begun just now from March onwards. At the time of signing, the U.S. dollar to INR exchange was at around \$84 per, whereas the rupee has now depreciated significantly, and it is around \$96 per. Could the management elaborate on whether the company stands to benefit through higher rupee revenues?

**Deepak Jain:** See, that if you see on a standalone basis, that I do not think is the right way of looking at it. First of all, you have to appreciate that at an overall company level, we have a huge amount of imports which come in. In fact, our dollar-based import bill is as big as our exports in the last fiscal year. So we are naturally hedged at a company level.

Number two, in the context of the specific contract you talked about, we have a bunch of raw materials we will be sourcing from different geographies, which will also come on dollar. And obviously, as we were constructing the plant, some equipment were also imported. If you take all of those into account, we still feel there will be some positive impact, but it will not be just as linear, as you said that Rs. 84 becoming Rs. 95 and what is the benefit coming into the P&L.

**Harsh Shah:** All right. So on the semiconductor side, when can we expect the revenues coming to us?

**Deepak Jain:** We already have some revenues coming in, but very small. And as I have been very explicit about it, semiconductor chemicals we are focusing from a long-term growth journey perspective. We do have almost a dozen different projects, which we are working on, and we have also supplied commercial volumes in small quantities to the customers.

We are getting good traction from the customer. But at the same time, customers in this segment as you will appreciate, like to move slowly and they want to get absolute level of comfort that they can start using materials supplied by any supplier, including ourselves to their customer and without creating any disruption because even an iota of deviation can have huge implications.

So we expect a slow ramp-up in that segment, but our number of opportunities are definitely increasing. The traction, I just came back about 2 weeks back from Japan, the number of new opportunities we could add has only increased. And there are more number of international semiconductor chemical companies, which are looking for partners in India, and we are in touch with a couple of them and having some healthy discussions. Of course, these things are taking longer than what normally any other sector in chemicals world will take because it is a very sensitive segment, which moves slowly and in a calibrated manner.

**Harsh Shah:** All right. One final question from my side. The company has been highlighting CDMO as a key long-term growth driver, particularly in the agrochemicals segment. Could the management provide an update on where the company currently stands in terms of securing CDMO contracts from global agrochemical majors apart from the two that we have already secured?

**Deepak Jain:** Yes. We have given the update on that in every investor call. Agro is a key segment for us. Almost 20% of our business comes from agro segment at an overall company level also. The two molecules we won and we have executed both of them successfully, first time right and in record time, that has been hugely acknowledged and appreciated not just by those two customers, but also by the broader agrochemical industry, including some of

our peers. And on the back of that, the traction we are getting with all 5 or 6 top innovators is actually at the highest level that we ever had.

And as we speak, there are at least more than half a dozen molecules that we are in various stages of discussions with the customers. The challenge in agrochemical industry, as I think most of you already know has been that it has been moving very slowly and there are massive cost pressures coming from China as well.

So as a result, while things are moving in the right direction, they have been slower than what, let us say, in normal times, they would have been. But having said that, we are getting traction with the customer. Even now, like I said, there are at least actually more than 6 to 8 different opportunities that are in various stages of discussions with the agro customers.

But I think just stepping back, our CDMO opportunity is broader than that as our pipeline also shows. While agro is one part of it. The pharma side we have made a meaningful progress with our pipeline becoming almost 3x of what it was 1.5 years, 2 years back. On the Personal Care side, also, we are getting some exciting opportunities and we are working on them. We have won a couple of them, and we are in the process of advanced stage of discussions with a few of them. So that CDMO story is broader than just agro, but we do have a good number of opportunities in agro as well that we are discussing with the customers.

**Moderator:** Thank you very much. Participants you may press star and one to ask a question. Next question is from the line of Archit Joshi from Nuvama. Please go ahead.

**Archit Joshi:** Hi. Good evening. Thanks a lot for taking my question and congrats on a good set of numbers. First one, trying a bit on the previous issue discussed by an earlier participant. What would be the building blocks for growth, not looking at it from a quarterly perspective, but on a yearly basis since there have been deliberations regarding the innovator contract with regards to their position in the global market.

What is it that we fetch from them? Do we really have a clear path of recouping volumes if there has been a loss or a delay that we have seen in the beginning of the quarter, maybe because it started towards the end of March. Do we see that we might be able to execute the 60 million yearly trade with them in terms of revenues? That would be the first one.

Second one, I will just club it up. So we have written that our pipeline in the pharma piece within the CDMO segment has gone up by 3x in 2 years and this is with innovators and Tier 1 CDMOs. So is there a scope of entrenching



into some pharma majors also? And if there are any opportunities or rather tangible opportunities that you might want to highlight to us so that we can pencil in that kind of growth for FY'27 within CDMO. That would be it, sir?

**Deepak Jain:**

Yes. Thank you, Archit. All good questions. Let me just take them one by one. I think your first question was what are the multiyear growth drivers, I think they remain same as what we announced in the Investor Day. There is no change in our strategy. So bulk of the incremental growth in our business is supposed to come, number one from our fine chemicals business, where we have Pyridine derivatives, diketene derivatives and we are launching several other new molecules, including some of the cosmetic grade molecules.

Number two, the CDMO opportunities, which as I was just explaining as a response to the previous question, across agro, pharma, semiconductor and increasingly now in personal care space as well. Number three, our nutrition portfolio, where both on animal nutrition and human nutrition, we are taking both organic and inorganic moves.

These three will be the fundamental drivers of both growth and profitability going forward. And on top of that, as we saw recently and I explained as a response to one of the questions, if acetyls come back and stay where it is right now, that will also give us some fillip. These four building blocks essentially should help us accelerate our growth journey and FY27 being the middle year or let us say, the third year of our Pinnacle Journey.

We see this as a pivotal year in which if these four things come together, we should be able to show the acceleration that you are talking about. So that is part one. The part two of your question was about the big agro contract. Of course, the customer is going through some tough times and we are in constant touch with them. We have an excellent relationship with them. They have been very supportive of us and so are we very supportive of whatever is happening there.

So far, they gave us the visibility for first quarter of volumes, which is what we are serving in this quarter as per the plan and agreement with them. For future volume visibility, they are building their scenarios and the market has been very dynamic as well. So it is taking a little bit of time.

But we do have an understanding as well as commitment from them that just in case there is any shortfall in volumes, they will make us whole as per the contractual agreement. We are fully covered and we will go as per the projections that we have committed to the markets in terms of bottom line. The part three of your question was about pharma. Sorry, just repeat the question. What was the third question, on pharma?

**Archit Joshi:** Yes. I was just wanting to know the pipeline that we have built over the last 2 years, you have mentioned in the PPT that it is gone up by 3x, 3x rather. And with innovators and Tier 1 CDMOs, just wanted a better elaboration of that, whether this is something that is newly blowing up as a growth opportunity for us, pharma CDMO particularly because we have seen a few peers who are doing extremely well in the pharma intermediate side, making disproportionate margin.

So, are we taking up that track over there? Or is it the same piece of Pyridine business that you used to cater to some of the large pharma guys? So how do we think about this, if you can help us understand?

**Deepak Jain:** No, that is again, a good question. On the pharma; one, obviously, if you track pharma CDMO, particularly on the intermediate side, you would appreciate that if we are focusing on Phase II, Phase III opportunities, it takes at least four, five, six years before the opportunity gets to a commercial scale. So, point number one, most of the intermediate opportunities we are focusing on currently are in Phase II, Phase III. The scale-up will happen gradually with time as the customer also scale up those molecules.

Number two, to your question on whether these are just Pyridine-based or more broad-based, these are broad-based opportunities, are more linked to the kind of chemistries we have strength in. So only 25% to 30% of this pipeline we have created in pharma is Pyridine-based, 70% is non-Pyridine.

So, customers are recognizing our broad-based capabilities beyond just Pyridine as a molecule in the broader chemistries. And we have 30-plus chemistries where we operate. And in our discussions, we have educated the customers, and we are still doing it every time we go and meet them. And on the back of it, we are getting good traction with them.

Thirdly, obviously, given that we were not promoting our pharma CDMO as actively until a few years back, and we have started this journey only a couple of years back. So, customers are internalizing that and hence, even the quality of the portfolio and the leads is also improving. And that is why we have mentioned explicitly now we have opportunities coming from innovators as well, which is a good point for us because of the pipeline we have.

I think almost one-third or close to 40% will be coming from innovators now, which augurs well for future years because on the back of it, we will not only start working with them on these Phase II, Phase III opportunities, but as we gain their credibility, we are hopeful we will be able to get into some already commercialized opportunities, which can give us step change kind of scale and growth in coming years.

By and large, if I just look at even...you mentioned some of the players in the industry are doing well, but you need to track the history and see that they

took a few years before they establish themselves as a credible CDMO player and then only they started to scale up. So, we are in the second or third year of that journey, but we are getting good traction and we will start scaling up hopefully starting this year itself. And then some of the opportunities that we are currently tracking can give us nonlinear growth in the outer years of this Pinnacle Journey.

**Archit Joshi:**

Right, sir, of course. As you rightly mentioned, it takes some bit of time to develop that pipeline. The only understanding that I wanted was since you mentioned Phase II, Phase III, and we have seen a lot of lumpiness in those kind of revenues with other companies because sometimes you kind of hit the wall when it comes to synthesizing a particular molecule and then you have to go back to pavilion to rework things and try to find newer opportunities.

Are we also you know I just wanted to know or rather understand if we are embarking upon that journey wherein, we are pegged to certain innovator APIs, which are in the development phase. And in the light of the day, we hopefully get in their supply chain. So would that be a correct understanding.

**Deepak Jain:**

That seems the correct understanding, that is the correct understanding. All the molecules which we have currently or recently received from the innovators, they feed into some APIs, which the innovators are developing. Now to your point, it can play either ways, right? If the molecule is successful, goes through the whole journey, it can scale up in a big way. And because we will be one of the early ones to enter that value chain, hopefully, we will scale up with them.

But at the same time, there will be some natural mortality rate to these molecules. At this stage, it is difficult to predict. The only thing we can do from our side is just keep the funnel wide enough so that even if you adjust it for the probability of any kind of mortality, the rest of the portfolio still has a good number of opportunities for us to scale up the pharma CDMO, which I think we have announced and we presented even in our Investor Day presentation that the pharma CDMO business we want to take it to at least 3x to 4x of its current size.

So, the pipeline that we are working on and the pace at which we are adding new molecules, which now we have started to announce in the last 2 quarters, gives you a sense at which we want to scale up so that the funnel is wide enough to take care of any kind of mortality, which anyway happens in this business in a natural way.

**Archit Joshi:**

Sure. That is great. Thanks for the answer. Just one last, the capex that we should build in for FY27, if you could help us with that? And thanks, and all the best.

**Varun Gupta:** Archit, Varun here, on the capex, I mean, I mentioned to Abhijit also just on the call, we are looking into a range of INR500 crore of the capex next year, and it is in line with what we have given the indication to the market during our Investor Day that we will continue to invest behind our growth.

**Moderator:** Thank you. Next question is from the line of Srishti Jain from Monarch. Please, go ahead.

**Srishti Jain:** Thank you for the opportunity. Can you just share your thoughts on the demand-supply scenario in the Pyridine side and the possible reasons for muted pricing there?

**Deepak Jain:** Yes. First of all, I am happy that the question on Pyridine is coming 45 minutes into the call, given the change in focus of our portfolio. So, thank you for asking that question. But Pyridine is an old molecule, and we are global leaders in that. We are world is biggest in terms of sales.

We have capacity of about 50,000 tons for Pyridine and Picoline and we run our plants at 90% plus utilization levels.

The rest of the capacity in Pyridine is in China, which is to the best of our understanding, about 2.5 lakhs to 3 lakhs tons. The plants in China typically run at 30%, 40% utilization levels, while obviously, our plant, as I just mentioned, is running at 90% plus utilization. There are 2 factors which help us in Pyridine business. One is, given our long history and extreme focus on that business, we have been able to optimize our cost structure to have a level of competitiveness, which is better than even the Chinese.

Number two is, obviously, the world is seeing China Plus One trend very strongly. And hence, anybody who wants to buy Pyridine, Picoline or any of their derivatives, they do want to have at least one more partner or supplier outside of China. And since we are the only ones, they partner with us for their requirements. I hope I answered your question.

**Srishti Jain:** Yes. So, this 30% to 40% utilization of the Chinese facilities, right, is there any change in that? Or the price - like the question was that is there a reason for the muted pricing? Or you expect any changes in the pricing scenario?

**Deepak Jain:** See, the Pyridine and Picoline pricing, if you track back last 10, 15, 20 years, you will always see some volatility in that, and particularly the 2 main products, the Pyridine and Beta Picoline they go hand-in-glove together. If one goes up, second comes down, if second goes up, first comes down.

But if you look at the average pricing, it hovers between \$2.5 to \$3.5, \$4 if you just take a multi-month average and then plot it on the curve. Right now, as we speak, for Pyridine prices, they are very low, in fact, at the rock bottom

right now. And while the beta-picoline prices are at the highest level, higher than what at least I have seen even in the last years.

So it is very hard to predict when one goes up, other comes down, but they kind of balance things out and that is how at least we have been able to manage the volatility in that business and still take margins on that product because it is very core for us. And it impacts not just the building block, but also all the downstream products, which we do in our Fine Chemicals.

**Srishti Jain:** So that is perfect. And sir, one on our revenues in the rest of the world has seen strong growth. Are there any new geographies that we are focusing on? And do you want to probably throw some light there?

**Deepak Jain:** Yes, because we have Japan, we have Southeast Asia and particularly in our Nutrition and Personal Care businesses, we are getting good traction from Japan, Korea and Southeast Asian markets. That is one factor which is showing the sudden rise of rest of the world.

**Srishti Jain:** In this inflationary environment, our Specialty Chem EBITDA margins are at about 26%, 26.5%. What do you think is the sustainable margin here?

**Deepak Jain:** So we have been pretty consistent in saying for the last 6 quarters now that the sustainable margin for our Specialty Chemical portfolio as a whole should be between 23% to 25% post adjustment of the corporate overheads. This 27% when you adjust for that, lands at around 25%, which is what we have been maintaining for last, I think, 5 or 6 quarters now.

We are confident of maintaining the EBITDA margin in Specialty Chemicals at that level going forward as well. And obviously, there will be some positive forces, some negative forces. Positive is the fast growth of CDMO business within that.

While on the negative side, of course, there could be some pressure on trading costs and some other derivatives that we do. These forces kind of balance out each other. We keep focusing on the cost optimization as well to ensure that, that business remains 25% plus EBITDA margin.

**Moderator:** Thank you very much. Ladies and gentlemen, we will take the last question from the line of Nitesh Dhoot from Anand Rathi. Please go ahead.

**Nitesh Dhoot:** Hi, team. Good evening. Congratulations on a decent set of numbers. So a few clarifications. First, on the smaller agri contract that we executed last year, do we have any sense on the scale-up opportunity there? I mean how much can the execution be in FY27 from that molecule? You had earlier indicated on a larger order versus last year that is coming up in H2 FY27.

**Deepak Jain:** Yes. Of course, are having those conversations with the customer. The 3- to 4-year outlook they had given us was showing us a path to take it to 4x to 5x for what we did last year. For this year, we are still discussing with them various scenarios. And given the volatility in the agro world, all this disruption, they have not confirmed the final volumes yet. But we do hope that we will get at least as much as we got last year, but hopefully, we should be able to top it up with something more.

**Nitesh Dhoot:** All right. Second on the human-grade B3 plant. If you could just, I mean, give out the utilization numbers currently and the customer qualification status for the expanded portfolio there? And what would be the time to full utilization there?

**Deepak Jain:** We had planned to use that plant for 2 different products. One was Personal Care grade or PC-grade niacinamide and second was Niacin, which goes into food and feed, both applications, roughly 50-50 each.

On the PC-grade niacinamide, which we launched first last year, the scale up was very, very fast. And I think we are already doing almost 50% of what we had estimated in terms of volumes. On the Niacin side, because we started it late, the ramp-up is gradual.

At this stage, I would say we are probably projecting for this year getting to at least 30%, 40% of - in fact, more probably 40%, 50% of the volumes that we have assumed to come from that plant at the peak level.

**Nitesh Dhoot:** Right. And just one last. Your presentation mentions some European force majeure events and plant closures. So which competitors or what capacity has come out of the market? And is it like permanent or temporary? If you could just help us with some color there?

**Deepak Jain:** Yes. In the acetyls business, there were some announcements from European competitors for force majeure for a few weeks because of at least the official reason quoted was mechanical failures. I think that is still going on. So we will know how long it would be in coming days or weeks. But if you do a quick search, you will find which competitor has announced force majeure.

**Nitesh Dhoot:** Sure. Thank you so much for answering.

**Deepak Jain:** But I think what is more important just on the last point is that on the back of that, we are able to - and especially with all the hard work our acetyls team has done to get our product qualified with almost every customer in Europe, we are hopeful that in this year, we will gain volumes in Europe, showing a very healthy growth, and we will gain market share as well in the European market.

**Moderator:** Thank you very much. With this, I now hand the conference over to the management for closing comments.

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

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

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