

## Jubilant Ingrevia

*Risks Receding, Earnings Inflecting; BUY*

Our plant visit to JUBLINGR's Bharuch site reinforces conviction. FY27 is shaping up as the earnings inflection year, with management guiding EBITDA at the upper end of Rs7.5-8.0bn (vs ~Rs6.0bn in FY26), implying ~Rs7.6bn operating EBITDA vs our ~Rs7.3bn estimate. The key overhang on the project also appears to ease, with the innovator executing US\$966m of cash actions (Fig 7) against its US\$1bn 2026 deleveraging target, alleviating bankruptcy concerns. The Agro CDMO plant is commissioned and producing; while near-term offtake visibility remains limited due to weak agri demand and input cost pressures, EBITDA is ring-fenced under a 5-year take-or-pay structure. Beyond the agro contract, Jubilant's CDMO pipeline comprises 100+ molecules including 20 confirmed opportunities with ~Rs15bn revenue potential, while Nutrition mix improvement and Acetic Acid price recovery (~\$300/ton to ~\$450/ton) provide incremental tailwinds. Underpinned by 32% earnings CAGR (FY26-28e) with Specialty Chemicals and NHS contributing >85% of incremental EBITDA (CDMO revenue scaling to ~Rs12bn by FY28), we maintain BUY with SOTP-based TP of Rs975.

**Manufacturing infrastructure:** JUBLINGR's 310-acre Bharuch site - covering Specialty Chemicals, CDMO, Agrochemicals, Nutrition and Acetic Anhydride is the fastest-growing in the group, with 129 acres utilized. It houses a USFDA-approved GMP facility, MPPs, specialty chemical units, and a 10 MW captive power plant. The main MPP operates at 65-70% utilization, supporting Specialty Chemicals and 6 commercial Pharma CDMO molecules. The newly commissioned Agro CDMO facility, built in 14 months, is operating at 60-65% utilization.

**Agro CDMO visibility remains intact:** The large Agro CDMO plant was commissioned in a record 14 months with first-time-right delivery. While current visibility is limited to 300 tons (under dispatch) against the 1,000-ton annual contract, management remains comfortable due to the 5-year 'take-or-pay' agreement. Meanwhile, the second Agro CDMO partnership continues to gain traction, with FY27 volume visibility and 3 additional molecules (including 2 novel products) under discussion.

**Nutrition mix upgrade underway:** Animal feed : human grade Niacinamide mix is expected to improve from 70:30 to 60:40 over the next 12 months, trending toward 30:70 longer-term, as human-grade utilization ramps from ~20% in FY26 to 65% in FY27.

**Outlook and Valuation:** FY27 is shaping up as an inflection year with CDMO ramp-up, improving nutrition mix and operating leverage across newly commissioned assets. At -1SD valuation (~13-14x EV/EBITDA vs implied 17.5x FY28e EV/EBITDA on our TP), the stock remains underpriced despite emerging CDMO visibility and specialty mix upgradation. We maintain BUY with unchanged SOTP-based TP of Rs975. **Key Risks:** (a) Execution risk in CDMO; and (b) Slower ramp-up of human-grade B3 capacity utilization.

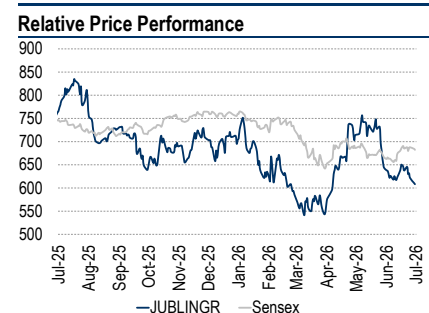
Rating: **BUY**

Target Price (12-mth): Rs.975

Share Price: Rs.640

Key Data	JUBLINGR IN / JUBN.BO
52-week high / low	Rs852 / 537
Sensex / Nifty	76923 / 24006
Market cap	Rs108bn
Shares outstanding	158m

Shareholding Pattern (%)	Mar'26	Dec'25	Sep'25
Promoters	45.2	45.2	45.2
-of which, Pledged	8.0	7.1	7.1
Free Float	54.8	54.8	54.8
-Foreign institutions	6.5	6.2	6.0
-Domestic institutions	24.8	24.0	23.0
-Public	23.5	24.6	25.8



Source: Bloomberg

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## Quick Glance – Financials and Valuations

**Fig 1 – Income Statement (Rs m)**

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Revenue	41,358	41,776	43,881	54,857	63,167
Growth (%)	-13.3	1.0	5.0	25.0	15.1
Raw material	21,426	21,073	22,948	29,157	33,183
Employee & other expenses.	15,721	15,513	15,263	18,353	20,722
<b>EBITDA</b>	<b>4,211</b>	<b>5,191</b>	<b>5,670</b>	<b>7,346</b>	<b>9,262</b>
EBITDA margin (%)	10.2	12.4	12.9	13.4	14.7
- Depreciation	1,362	1,576	1,755	2,080	2,317
Other income	353	378	405	426	468
Interest expense	527	556	491	540	578
PBT	2,676	3,436	3,830	5,152	6,834
Effective tax rate (%)	32	27	25	26	26
+ Associates/(Minorities)	0	0	-2	-2	-2
Adjusted income	1,829	2,512	2,877	3,811	5,056
Extraord. item (Loss)/Profit	-	-	-98	-	-
Reported PAT	1,829	2,512	2,779	3,811	5,056
WANS	159	158	158	158	158
FDEPS (Rs/share)	11.5	15.9	18.2	24.2	32.1

**Fig 2 – Balance Sheet (Rs m)**

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Share capital	158	158	157	158	158
Net worth	27,375	29,271	31,262	34,120	38,165
Debt	7,330	7,565	7,810	9,082	9,019
Minority interest	-	-	-	-	-
DTL / (Assets)	2,136	2,251	2,420	2,420	2,420
<b>Capital employed</b>	<b>36,841</b>	<b>39,087</b>	<b>41,491</b>	<b>45,623</b>	<b>49,603</b>
Net tangible assets	25,387	25,810	31,773	34,232	37,915
Goodwill	-	-	61	61	61
CWIP (tang. & intang.)	3,314	5,252	1,539	2,000	1,000
Investments (strategic)	155	205	332	332	332
Investments (financial)	-	162	-	-	-
Current assets (excl. cash)	17,667	17,902	19,232	24,132	27,687
Cash	796	987	1,899	622	162
Current liabilities	10,478	11,231	13,345	15,757	17,554
Working capital	7,189	6,671	5,886	8,376	10,133
<b>Capital deployed</b>	<b>36,841</b>	<b>39,087</b>	<b>41,491</b>	<b>45,623</b>	<b>49,603</b>
Contingent liabilities					

**Fig 3 – Cash-flow Statement (Rs m)**

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
PBT	2,676	3,437	3,697	5,150	6,833
+ Non-cash items	2,025	2,213	2,438	2,194	2,427
Oper. prof. before WC	4,701	5,649	6,135	7,344	9,260
- Incr. / (decr.) in WC	59	228	141	-2,644	-1,897
Others incl. taxes	-460	-796	-1,033	-1,250	-1,709
Operating cash-flow	4,300	5,081	5,243	3,450	5,654
- Capex (tang. + intang.)	5,662	3,522	2,895	5,000	5,000
Free cash-flow	-1,362	1,560	2,348	-1,550	654
Acquisitions	-	-	-	-	-
- Div. (incl. buyback & taxes)	786	798	793	953	1,011
+ Equity raised	-	44	-301	1	-
+ Debt raised	3,363	235	170	1,273	-64
- Fin investments	-7	207	-248	-426	-468
- Misc. (CFI + CFF)	1,162	928	482	474	507
Net cash-flow	-50	192	911	-1,278	-460

Source: Company, Anand Rathi Research

**Fig 4 – Ratio Analysis**

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
P/E (x)	55.1	40.2	34.8	26.4	19.9
EV / EBITDA (x)	25.5	20.7	18.7	14.8	11.8
EV / Sales (x)	2.6	2.6	2.4	2.0	1.7
P/B (x)	3.7	3.4	3.2	2.9	2.6
RoE (%)	6.8	8.9	9.5	11.7	14.0
RoCE (%)	8.7	10.1	10.3	12.8	15.4
Gross margins	6.1	7.6	8.1	9.8	11.5
DPS (Rs)	5.0	5.0	5.3	6.0	6.4
Dividend yield (%)	0.8	0.8	0.8	1.0	1.0
Dividend payout (%) - incl. DDT	43.2	31.4	29.0	25.0	20.0
Net debt / equity (x)	0.2	0.2	0.2	0.2	0.2
Receivables (days)	50	53	65	65	65
Inventory (days)	83	82	73	75	75
Payables (days)	68	71	78	75	73
CFO : PAT %	235	202	182	91	112

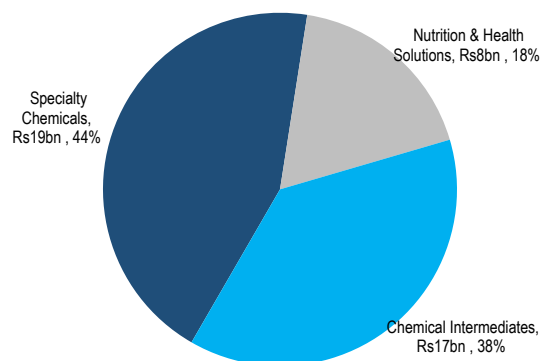
Source: Company, Anand Rathi Research

**Fig 5 – Price Movement**



Source: Bloomberg

**Fig 6 – Revenue by Segments (FY26)**



Source: Company

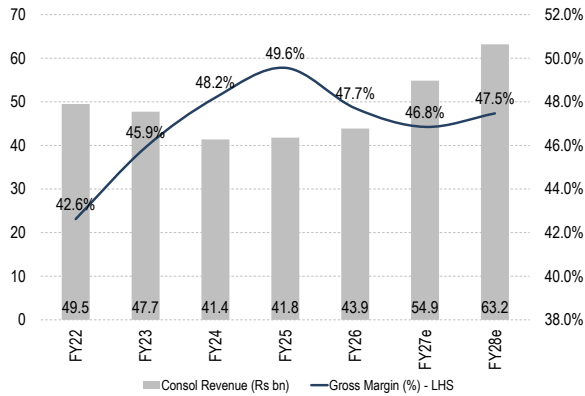
**Fig 7 – Large Agro Innovator’s targeted cash release actions**

Date	Targeted Action	Cash Release (\$m)
07-May-26	Definitive agreement to sell India business to Crystal Crop Protection signed	252
21-May-26	Commenced a private offering of \$1.2bn in senior secured notes priced at 8% and due 2031. This is aimed to refinance the 3.2% note due Oct 2026	NA
16-Jun-26	Co-exclusive supply and Licensing agreement with Corteva for Rimisoxafen - Initial pre-purchase payment	200
23-Jun-26	Agreement to sell its Newark, Delaware property, while lease back active facilities	114
01-Jul-26	Tessengerlo Group to invest 20% minority stake in the company	400
	<b>Total Cash Generation</b>	<b>966</b>
	<b>2026 Debt Reduction Target</b>	<b>1,000</b>
	<b>Total Debt as on March 2026</b>	<b>4,534</b>
	<b>2026 Adj. EBITDA Guidance range</b>	<b>670-730</b>

Source: Individual Company Filings

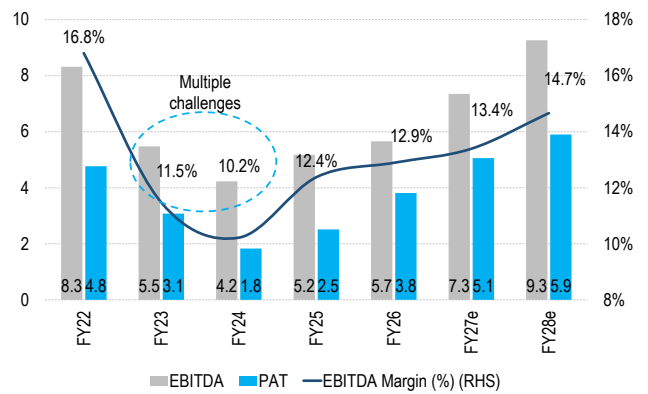
# Story in Charts

**Fig 8 – FY26-28e revenue upswing on capex cycle monetisation**



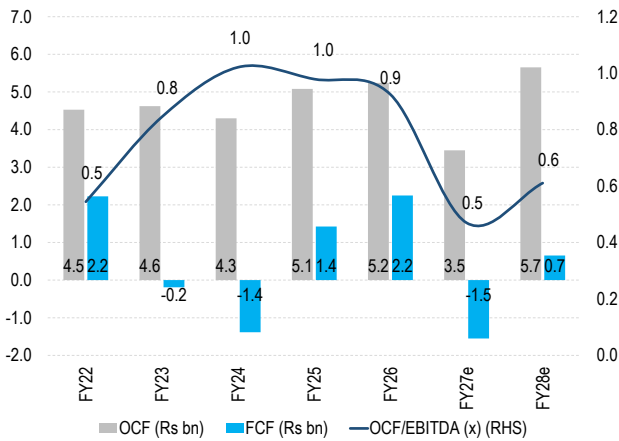
Source: Company, Anand Rathi Research

**Fig 9 – EBITDA recovery and margin rebuild through FY28**  
(Rs bn)



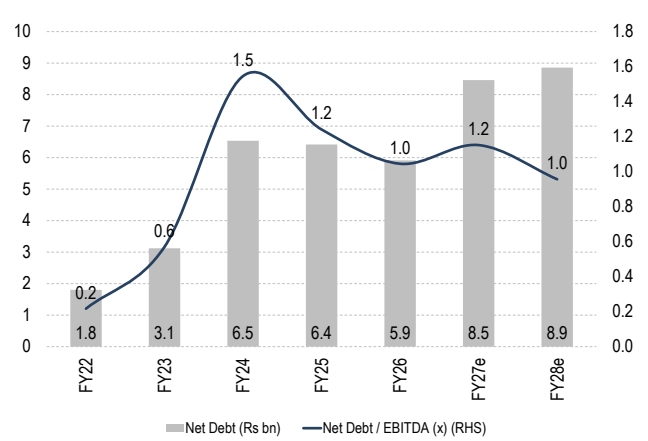
Source: Company, Anand Rathi Research

**Fig 10 – Healthy OCF generation to self-sustain capex**



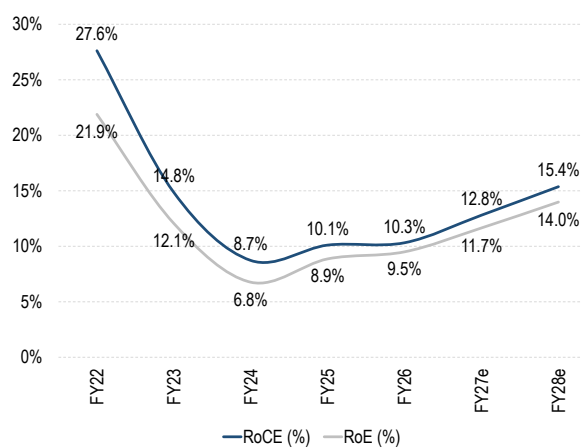
Source: Company, Anand Rathi Research

**Fig 11 – Debt metrics to improve despite capex momentum**



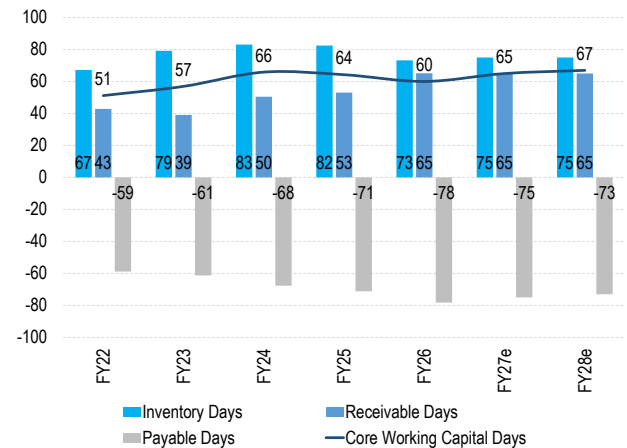
Source: Company, Anand Rathi Research

**Fig 12 – RoCE and RoE to expand with operating leverage**



Source: Company, Anand Rathi Research

**Fig 13 – Steady WC days**



Source: Company, Anand Rathi Research

## Outlook and Valuation

We value Jubilant Ingrevia on SOTP basis, reflecting divergent growth and margin profiles across its businesses. Our FY28e SOTP equity value of Rs153bn implies a fair value of Rs975 (17.5x EV/EBITDA; 30x P/E on FY28e).

The valuation captures the ongoing shift toward higher-value Specialty and CDMO-led earnings, with re-rating potential as execution visibility improves. We value Specialty Chemicals at 18x 1-yr forward EV/EBITDA, in line with domestic specialty averages but at a discount to CDMO-heavy peers, as CDMO scale-up remains in execution through FY27-28. With Fine Chemicals + CDMO rising to ~68% of revenues by FY28, margins sustaining >24%, and >Rs12bn CDMO revenue visibility, the segment is positioned for re-rating on delivery. Nutrition & Health Solutions is valued at 12x EV/EBITDA, supported by human-grade B3 ramp-up, improving mix and EU-led B4 opportunities. Chemical Intermediates is valued at 8x EV/EBITDA, reflecting structurally capped margins in an oversupplied acetyl chain.

**Fig 14 – Valuation– SOTP**

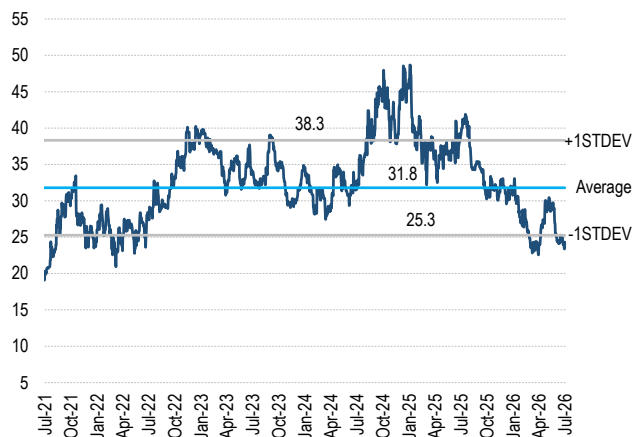
SOTP Valuation	FY24	FY25	FY26	FY27e	FY28e	2yr CAGR
<b>EBITDA (Rsm)</b>						
Specialty Chemicals	2,480	4,220	5,100	6,509	7,871	24%
Nutrition & Health Solutions	620	1,020	1,000	1,235	1,548	24%
Chemical Intermediates	2,020	1,080	730	905	1,259	31%
<b>Segment EBITDA - Total</b>	<b>5,120</b>	<b>6,320</b>	<b>6,830</b>	<b>8,649</b>	<b>10,677</b>	<b>25%</b>
Less: Unallocable items	(893)	(1,149)	(1,173)	(1,303)	(1,416)	
<b>Consolidated EBITDA (Rs m)</b>	<b>4,227</b>	<b>5,171</b>	<b>5,657</b>	<b>7,346</b>	<b>9,262</b>	<b>28%</b>

EV/EBITDA Target Multiple (x)	FY28e
Specialty Chemicals	18
Nutrition & Health Solutions	12
Chemical Intermediates	8
Unallocable items	6

Enterprise Value (Rsm)	FY28e
Specialty Chemicals	1,41,675
Nutrition & Health Solutions	18,574
Chemical Intermediates	10,069
Less: Unallocable items	(8,494)
<b>Enterprise Value</b>	<b>1,61,824</b>
Less: Net Debt	(8,461)
<b>Equity Value / MCap</b>	<b>1,53,363</b>
<b>Fair Value (Rs/ sh)</b>	<b>975</b>

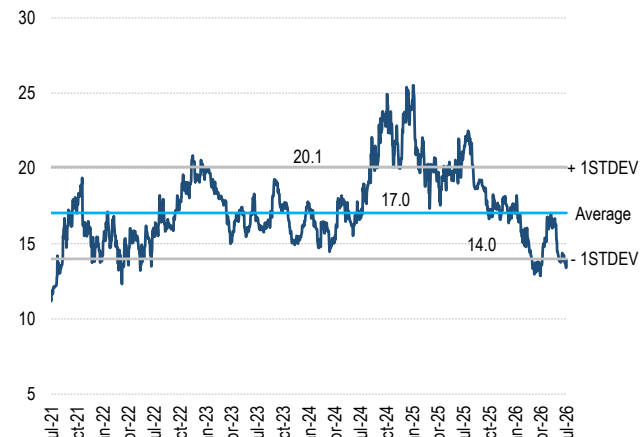
Source: Anand Rathi Research

**Fig 15 – One year forward P/E band**



Source: Company, Anand Rathi Research

**Fig 16 – One year forward EV/EBITDA band**



Source: Company, Anand Rathi Research

**Key Risks**

- Execution risk in Specialty & CDMO scale-up
- Slower ramp-up of human-grade B3 capacity utilization.

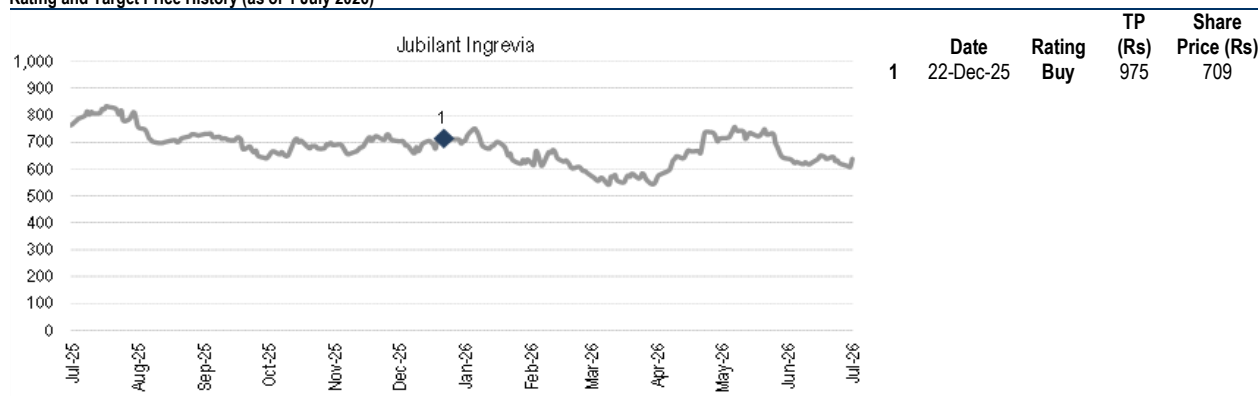
## Appendix

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