Axis Annual Analysis 2026

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Jubilant Ingrevia Ltd

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A Structural Shift Towards Higher-Value Chemistry

Summary

Jubilant Ingrevia Limited completed a pivotal fiscal year, marked by the successful execution of its aggressive three-year, Rs 2,000+ Cr CapEx cycle and a structural transition from a product-led intermediates manufacturer into a customer-centric, service-driven Specialty Chemicals and CDMO solutions partner. Operating as a globally scaled enterprise serving 1,600+ customers across 63 countries, the company navigated severe global chemical price deflation and intense competitive pressures through resilient, volume-led operational growth. By consolidating its position as the world's only scaled, non-Chinese producer of Pyridine and its derivatives, Jubilant Ingrevia's FY26 performance demonstrates robust structural moats, significant de-leveraging, and a highly visible path to high-margin contract monetization.

Key Highlights

- **Financial Performance (FY26 Performance Roundup):** Despite a complex global operating landscape characterised by pricing pressures and feedstock volatility, Jubilant Ingrevia delivered a resilient financial performance, underpinned by strong operating leverage and a recovery in domestic demand. The company reported consolidated Revenue from Operations growth of 5% YoY, reaching Rs 4,388 Cr. Supported by Rs 120+ Cr in annual lean savings and digital supply chain optimisations, operating EBITDA expanded by 9% YoY to Rs 567 Cr, with consolidated EBITDA reaching Rs 607 Cr and margin improving to 13.9%. PAT surged 11% YoY to Rs 278 Cr, resulting in Basic EPS of Rs 17.59. The company maintained a strong balance sheet, with Net Debt compressing by 11.4% to Rs 591 Cr, driving the Net Debt-to-EBITDA leverage ratio down to 0.97x from 1.18x in FY25, while the overall cash conversion cycle was compressed by 20 days to 128 days.
- **Divisional Operating Performance:**
  Specialty Chemicals Segment: Serving as the company's high-margin engine, now contributing 75% of overall divisional EBITDA, this segment reported revenue of Rs 1,937 Cr, up 7% YoY. Segment EBITDA surged 21% YoY to Rs 510 Cr, maintaining a strong operating margin of 26%. The performance was driven by the rapid commercialisation of the newly commissioned Agro-CDMO facility in Bharuch, built in a record 14 months to service a multi-year USD 300 Mn global contract, and an accelerating contract pipeline comprising newly confirmed molecules and CDMO opportunities with Rs 3,400+ Cr peak potential.
  Nutrition & Health Solutions Segment: This segment recorded a steady 5.7% YoY revenue expansion to Rs 790 Cr, contributing 10% of overall segment EBITDA. Growth was propelled by the highest-in-eight-quarters volumes of Vitamin B3 and a strategic transition into high-margin formulations, accelerated by the 100% equity acquisition of Remidex Pharma Private Limited on March 30, 2026, to expand the company's footprint in Human Nutrition and premix solutions.
  Chemical Intermediates Segment: The division demonstrated volume-led growth, reporting a 3.0% revenue increase to Rs 1,662 Cr. However, margins bottomed out at 4% due to intense pricing deflation in core commodity acetyls. Crucially, the segment continues to serve its dual role as a resilient cash generator and a strategic, low-cost backward integration feed for the higher-value Specialty Chemicals portfolio.

Growth Drivers: (a) Accelerated CDMO Scale-Up, (b) Global Export Leadership and "China Plus One" Moat, (c) Inorganic Expansion & Human Nutrition Formulation Shift, (d) Precision Microelectronics and Semiconductor Opportunity, (e) Operational Cost Leadership and Utility Predictability

Outlook & Valuation

We remain positive on Jubilant Ingrevia Ltd., as it appears well-positioned to sustain above-industry growth, supported by its increasing exposure to structurally attractive Specialty Chemicals, CDMO, and Nutrition businesses. The company's diversified product portfolio, improving customer mix, robust innovation pipeline, and disciplined capital allocation continue to strengthen earnings quality while reducing dependence on cyclical commodity businesses. With multiple growth drivers, including the commercial ramp-up of innovator CDMO projects, expanding pharmaceutical pipeline, recovery in agrochemicals, improving nutrition demand, and new opportunities in semiconductor chemicals, the company is well placed to deliver healthy revenue growth and gradual margin expansion over the medium term. Continued execution of the Pinnacle strategy, combined with upcoming capacity additions, should further enhance profitability and return ratios. Accordingly, we **maintain BUY on Jubilant Ingrevia Ltd., valuing the stock on an SOTP basis, with an unchanged target price of Rs 835/share, implying an upside of 16% from current levels.**

Key Financials (Consolidated)

(Rs Bn)	FY25	FY26	FY27E	FY28E
Net Sales	4,178	4,388	5,441	6,307
EBITDA	519	567	772	921
EBITDA Margin	12.4%	12.9%	14.2%	14.6%
Net Profit	251	278	377	5469
EPS (Rs)	15.8	17.6	23.9	29.7

Source: Company, Axis Securities Research

(CMP as of 21st August, 2026)

CMP (Rs)	718
Upside /Downside (%)	16%
High/Low (Rs)	852/535
Market cap (Cr)	11,412
Avg. daily vol. (6m) Shrs.	3,26,866
No. of shares (Cr)	22.4

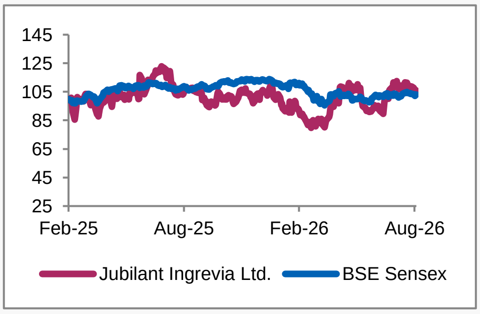
Shareholding (%)

	Dec-25	Mar-26	Jun-26
Promoter	45.2	45.2	45.2
FIIs	6.2	6.5	6.5
DIIs	24.0	24.8	25
Government	0.0	0.0	0.0
Public	23.8	22.5	22.3
Other	0.8	1.0	1.0

Financial & Valuations

Y/E Mar (Rs Cr)	FY26	FY27E	FY28E
Net Sales	4,388	5,441	6,307
EBITDA	567	772	921
Net Profit	278	377	469
EPS (Rs)	17.6	23.9	29.7
P/E (x)	40.7	30.0	24.2
EV/EBITDA (x)	21	16	13
ROE (%)	9%	11%	13%
ROCE (%)	11%	14%	16%

Relative Performance



Source: AceEquity, Axis Securities Research

Results Gallery

Q1FY27

Q4FY26

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Company Overview

Jubilant Ingrevia is a global leader in Specialty Chemicals and life sciences, having been demerged from Jubilant Life Sciences to sharpen its focus on innovation-led manufacturing. Operating through a high-scale, integrated model, the company has established strong market moats, particularly in Pyridine derivatives and Vitamin B3. Its broad portfolio of products and services addresses essential requirements across multiple international value chains.

Born from the demerger of Jubilant Life Sciences in 2021, Jubilant Ingrevia Ltd carries a rich legacy of over 45 years in the chemical industry.

Core Business Segments: The company operates across three strategic pillars, heavily supported by backward integration, where raw materials from one segment feed into the next:

- **Specialty Chemicals:** The company's highest-margin engine, focused on Pyridine and Picolines. It is the global low-cost leader in this space, serving the majority of top pharmaceutical and agrochemical innovators worldwide.
- **Nutrition & Health Solutions:** A segment where Jubilant is a dominant global player, specifically as the world's second-largest producer of Vitamin B3 (Niacinamide).
- **Chemical Intermediates:** Focused on high-volume Acetyls like Acetic Anhydride and Ethyl Acetate. While more cyclical than specialty products, this segment provides a stable revenue base and essential feedstock for the higher-value divisions.

FY26: Financial & Operating Performance Round-up

Consolidated Financial Highlights

- **Revenue from Operations:** Despite a complex global chemical pricing environment, Jubilant Ingrevia delivered a resilient volume-led performance, with consolidated revenue growing by 5% YoY to Rs 4,388 Cr compared to Rs 4,178 Cr in FY25.
- **EBITDA:** Consolidated EBITDA (Including Other Income) stood at Rs 607 Cr, translating to a healthy consolidated EBITDA margin of 14% (specifically expanding by 51 bps YoY). This profitability growth was driven by enhanced product mix and lean operating cost savings of Rs 120+ Cr.
- **Profit After Tax (PAT):** The company reported a consolidated PAT of Rs 278 Cr, marking a robust 11% YoY growth (PAT margin of 6.32% or rounded to 6%) with Basic EPS rising to Rs 17.6. This reported profitability was achieved despite booking consolidated exceptional charges of Rs 13 Cr during the fiscal year.
- **Balance Sheet Strength:** Jubilant Ingrevia's balance sheet has been significantly deleveraged, with Net Debt compressing 11.4% to Rs 591 Cr (down from Rs 658 Cr in FY25). Prudent working capital cycles and inventory optimizations reduced working capital days to 62 days (down from 66 days). Consequently, Net Debt to EBITDA dropped below the safety threshold to a highly conservative 0.97x (down from 1.18x).

Jubilant Ingrevia delivered a resilient FY26 performance, with 5% revenue growth, 11% PAT growth, improved margins and deleveraging, driven by strong Specialty Chemicals and CDMO momentum, while a robust pipeline and global export presence enhance its long-term growth visibility.

CDMO Funnel and Pipeline Visibility

- **Confirmed Molecules:** Demand momentum was exceptional, with 20 molecules confirmed in FY26 across agricultural, pharmaceutical, and electronic application verticals, representing an estimated peak revenue potential of Rs 1,500+ Cr.
- **Funnel Visibility:** The company enters FY27 with a strong, accelerating contract pipeline. Discussions are in advanced stages for 10+ molecules (Rs 1,100+ Cr peak potential). Furthermore, the active CDMO funnel features a record 100+ opportunities representing a cumulative peak revenue potential of Rs 3,400+ Cr, providing excellent forward revenue visibility.

Divisional Operating Performance

- **Specialty Chemicals Segment:** Jubilant Ingrevia’s high-margin powerhouse reported revenue of Rs 1,937 Cr, a 7.00% YoY expansion. Segment EBITDA surged 21% YoY to Rs 510 Cr, maintaining a stellar margin of 26%—sustained above the 25% threshold for six consecutive quarters. Growth was driven by scale-up of fine chemicals, rising CDMO revenue, and the commissioning of a new Agro-CDMO facility within 14 months. The division now contributes a massive 75% of overall segment EBITDA.
- **Nutrition & Health Solutions Segment:** This segment recorded revenue of Rs 790 Cr, a solid 5.70% YoY increase compared to Rs 747 Cr in FY25. Contributing 10% of overall segment EBITDA, performance was supported by cosmetic and food-grade premium Vitamin B3 sales and the strategic acquisition of Remidex Pharma to expand premix formulations.
- **Chemical Intermediates Segment:** The division reported stable volume growth, with revenue growing 3% to Rs 1,662 Cr. However, EBITDA stood at Rs 73 Cr with margins compressing to 4% (down from 7% in FY25) due to a soft pricing environment for commodity intermediates. Serving a critical dual role, the segment backward integrates the specialty chemicals business, while acting as a reliable cash generator.

International Business & Global Strategy

Overseas operations demonstrated strong resilience, with exports contributing 44.3% of total turnover. Jubilant Ingrevia served 1,600+ customers across 63 countries, expanding export gains under China+1 strategies as the world's only scaled non-Chinese manufacturer of Pyridine and its derivatives. Decisive corporate realignment was completed for global step-down subsidiaries JI-USA and JIIL (Singapore) through formal name changes to align with the core brand.

FY26 Charts

Exhibit 1: Share in Revenue Mix

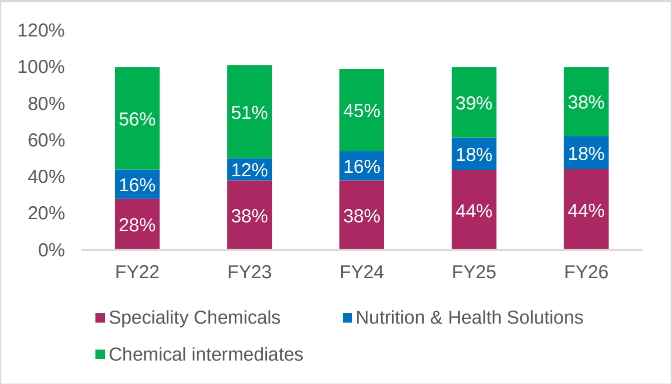
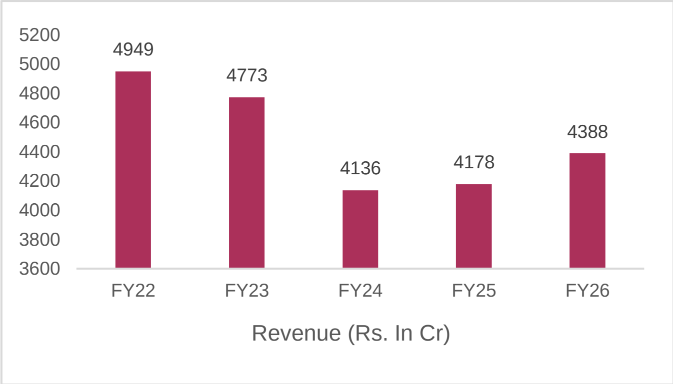


Exhibit 2: Revenue



Source: Company, Axis Securities Research

Exhibit 3: EBITDA Mix

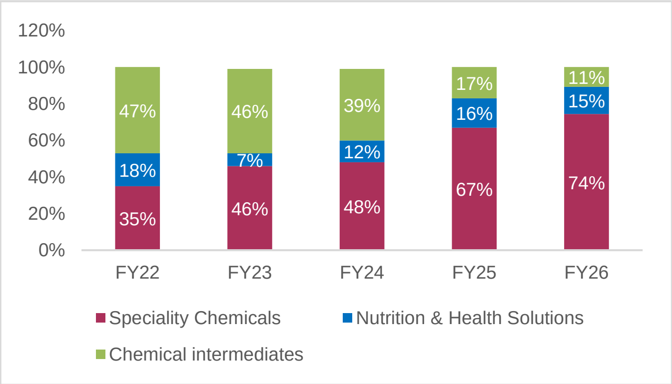
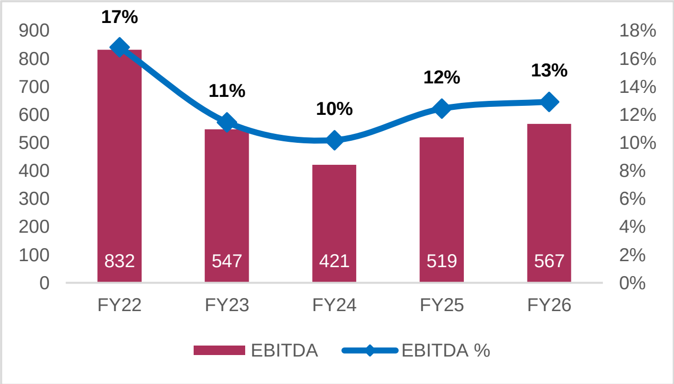


Exhibit 4: EBITDA & EBITDA %



Source: Company, Axis Securities Research

Exhibit 5: PAT & PAT %

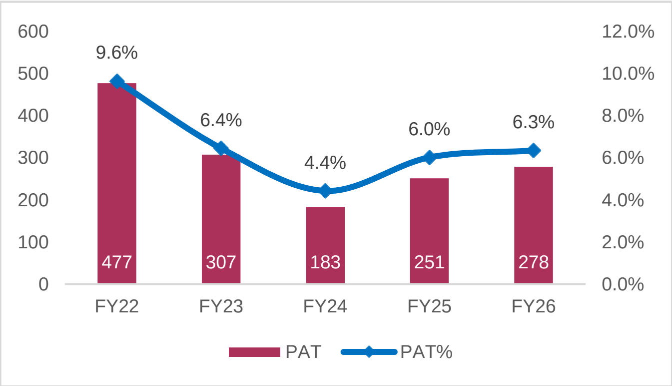
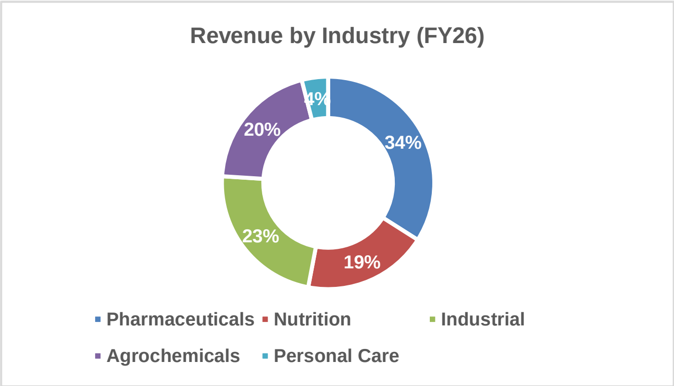


Exhibit 6: Revenue by Industry (FY26)



Source: Company, Axis Securities Research

Key Developments During FY26

FY26 was marked by strategic acquisitions, commercial CDMO milestones, and advanced technological upgrades designed to future-proof the business:

- **Strategic Acquisition & Integration (Nutrition & Pharma):** In a decisive step to move forward in the value chain towards premixes in human nutrition and pharmaceutical manufacturing, Jubilant Ingrevia acquired a 100% equity stake in Remidex Pharma Private Limited on March 30, 2026, for a total purchase consideration of Rs 162.79 Mn. This acquisition accelerates the company's value-addition capabilities in specialised formulations.
- **Commercial CDMO Milestone (Agrochemicals):** The company achieved a pivotal growth milestone with the construction and commissioning of its multipurpose Agro CDMO facility at Bharuch within an aggressive 14-month timeline. Commercial dispatches commenced in March 2026 to a leading global agrochemical innovator, executing a contract with an estimated value of USD 300 Mn.
- **Pipeline & Precision Lab Approvals (Semiconductors):** To accelerate contract manufacturing penetration in high-growth technology sectors, the company approved a dedicated Semiconductor R&D Lab at Greater Noida. This specialised clean-room facility will house precision testing equipment and technical talent capable of achieving product purity levels measured in parts per billion (ppb).
- **Technological, Digital & AI Upgrades (SuperNOVA):** Building on its core digital capabilities, Jubilant Ingrevia launched 'SuperNOVA' in January 2026 as its flagship enterprise-wide Digital and AI Transformation Programme. The roadmap spans nine business functions to deploy 50+ digital and AI initiatives. Interventions include GenAI-enabled R&D process acceleration, predictive procurement analytics, digital twins, and over 20 high-impact manufacturing digital interventions across 13 key molecules at the Gajraula, Bharuch, and Nira sites.
- **Green Utility Partnerships & Decarbonization:** To secure utility cost predictability and advance its decarbonization targets under Project JIVAN, the company partnered with O2 Renewable Energy XVIII Private Limited, acquiring a 26.43% equity stake, with a target of up to 28%, for Rs 97.38 Mn. This project facilitates hybrid solar and wind power procurement under a captive open-access model for Savli and Gajraula, complemented by another strategic partnership with O2 Renewable Energy III Private Limited for the Bharuch SEZ site.
- **Corporate Realignment & Name Transformations:** To build global brand consistency and align its international entities with the core identity, the company successfully completed formal name transformations for its major international step-down subsidiaries: changing the name of its Delaware subsidiary from Jubilant Life Sciences (USA) Inc. to Jubilant Ingrevia (USA) Inc. (effective April 17, 2025) and its Singapore subsidiary from Jubilant Life Science International Pte. Ltd. to Jubilant Ingrevia International Pte. Limited (effective November 10, 2025).

Key Growth Drivers

Jubilant Ingrevia's structural transformation and calibrated investments are driving a multi-year growth phase as the company pivots to a service-led Specialty Chemicals and CDMO solutions partner. Over the last three years, the company has deployed more than Rs 2,000 Cr in CapEx ahead of demand, building world-class manufacturing, R&D, and technology platforms. This significant capability push is acting as a catalyst across high-potential growth verticals:

Jubilant Ingrevia is entering a multi-year growth phase driven by ₹2,000+ crore of strategic investments, rapid CDMO scale-up, global "China Plus One" opportunities, downstream nutrition and semiconductor expansion, and structural cost and renewable-energy efficiencies.

Accelerated Custom Development & Manufacturing (CDMO) Scale-Up

The CDMO business serves as a highly scalable growth engine, positioned to capitalize on global outsourcing trends and the strategic "China Plus One" sourcing pivot. This vertical achieved major commercial validation and pipeline expansion during the year:

- **Agro-CDMO Monetization:** The multipurpose Agro-CDMO facility in Bharuch was constructed and commissioned within an aggressive 14-month timeline. Commercial dispatches commenced in March 2026 to a leading global agrochemical innovator under a long-term contract with an estimated value of USD 300 million.
- **Pipeline Visibility:** The company's contract manufacturing funnel is expanding rapidly. In FY26, 20 molecules were confirmed, representing an estimated peak revenue potential of Rs 1,500+ Cr. Advanced-stage discussions are underway for 10+ molecules, representing Rs 1,100+ Cr peak potential, backed by an active funnel of 100+ opportunities representing a cumulative peak revenue potential of Rs 3,400+ Cr.

Global Export Leadership and "China Plus One" Moat

While India remains a resilient domestic foundation contributing 56% of geographic revenues, Jubilant Ingrevia is actively consolidating its global leadership footprint. exports contributed 44.32% of total turnover in FY26, serving 1,600+ customers across 63 countries.

- **Pyridine & Picolines Moat:** As the world's only scaled, non-Chinese manufacturer of Pyridine and its derivatives, the company is uniquely positioned to benefit from supply chain diversification.
- **Regulatory & Trade Tailwinds:** The nutrition and specialty chemical portfolios are gaining market share in Europe and the US, supported by favorable demand dynamics and the imposition of anti-dumping duties on Chinese imports (e.g., Choline).

Inorganic Expansion & Human Nutrition Formulation Shift

In line with its strategy to move downstream into high-margin, specialized solutions, Jubilant Ingrevia is value-shifting its Nutrition and Health segment:

- **Remidex Pharma Acquisition:** On March 30, 2026, the company completed the 100% acquisition of Remidex Pharma Private Limited for a purchase consideration of Rs 162.79 million. This WHO-GMP certified facility accelerates the company's entry into the fast-growing Human Nutrition and premium Vitamin & Mineral Premix segment.
- **Premium Grade Shift:** Healthy volume gains continue for Vitamin B3 (highest quarterly volumes in eight quarters in Q4FY26), alongside expanding customer qualification of cosmetic- and food-grade premium Niacinamide in the US and Europe.

Precision Microelectronics and Semiconductor Opportunity

Leveraging advanced chemistries and full backward integration, Jubilant Ingrevia is commercializing a dedicated platform for high-precision electronic-grade chemicals:

- **Infrastructure Moat:** The company approved a dedicated Semiconductor R&D Lab in Greater Noida. This specialized, clean-room facility houses precision testing and analytical equipment to achieve extremely high chemical purities measured in parts per billion (ppb), meeting the stringent, high-entry-barrier standards of global semiconductor fabricators.
- **Advanced CDMO Intermediates:** Pilot-scale commercialization is underway for specialized semiconductor intermediates, including electronic-grade Pyridines (E-Pyridines) and electronic Choline Hydroxide (E-Choline Hydroxide).

Operational Cost Leadership and Utility Predictability

Through disciplined execution under its Pinnacle Strategy, the company is protecting its margins via structural cost optimizations:

- **Lean Operating Efficiencies:** Operational excellence and business integration initiatives delivered Rs 120+ Cr in annual lean savings. Predictive procurement algorithms, digital twins under the SuperNOVA program, and manufacturing improvements compressed power and fuel expenses by 10%.
- **Green Utility Integration:** Under Project JIVAN, the company formed partnerships with O2 Renewable Energy, acquiring a 26.43% equity stake in O2 Renewable Energy XVIII for Rs 97.38 Mn to secure utility cost predictability via long-term, hybrid wind-and-solar captive open-access power. Renewable energy already contributes 25% of total power consumption, targeting over 35% overall power sourcing by FY29 to insulate margins from conventional fuel volatility.

Key Competitive Strengths

Jubilant Ingrevia's business model is anchored in advanced chemistry expertise, robust manufacturing scale, and deep customer integrations that collectively establish high barriers to entry. Following the completion of an aggressive three-year, Rs 2,000+ Cr capital investment cycle, the company has solidified several key structural moats:

- **Integrated Value Chain & Operational Depth:** Jubilant Ingrevia possesses a highly integrated, "feedstock-to-specialty" business model. Backward integration into base acetyls and bio-based platforms (such as Bio-Acetaldehyde and Bio-Acetic Acid) feeds directly into high-value specialty intermediates, fine chemicals, and nutrition active ingredients. This vertical integration guarantees complete supply chain security, shields the company from raw material price volatility, and provides cost leadership that is exceptionally difficult for competitors to replicate.
- **Global Leadership Positions with a "China+1" Moat:** The company is a global powerhouse across several core chemical platforms, ranking as a global top player in Pyridine & Picolines, Pyridine derivatives, Acetic Anhydride, and Vitamin B3. Crucially, it stands as the world's only scaled, non-Chinese manufacturer of Pyridine and its derivatives, positioning it as a highly trusted, strategic alternative for global innovators seeking to diversify their supply chains. It is also the #2 global producer of Vitamin B3 and the #2 player in the Acetic Anhydride merchant market.
- **Highly Diversified Sectoral & Geographic Revenue Mix:** Revenue is strategically diversified across multiple high-potential application industries, insulating the company from single-sector down-cycles. The business derives 34% of its revenue from Pharmaceuticals, 23% from Agrochemicals, 20% from Nutrition, 19% from Industrial applications, and 4% from Personal Care. Geographically, domestic sales represent 56% of revenue, while global exports contribute a highly resilient 44.3%, spanning 1,600+ customers across 63 countries.
- **Pioneering R&D Engine with 150+ Chemists:** Innovation-led growth is backed by three state-of-the-art R&D centres (Greater Noida, Gajraula, and Bharuch) employing a highly skilled talent pool of 150+ scientists, including 30 PhDs. Managing 35+ complex chemistry platforms (such as continuous flow chemistry, halogenation, and vapor-phase catalytic reactions), the R&D division maintains a robust pipeline of 50+ products and holds a substantial portfolio of granted patents to safeguard its intellectual property.
- **De-leveraged Balance Sheet with Fortress Gearing (0.97x Net Debt/EBITDA):** Prudent capital allocation and disciplined cash-flow management have dramatically strengthened the company's financial position. Consolidated Net Debt compressed by 11.4% to Rs 591 Cr, reducing the Net Debt-to-EBITDA leverage to an exceptionally safe 0.97x. With a consolidated gearing ratio (Net Debt / Total Equity) of just 0.19x and compressed working capital of 62 days, the company possesses the financial firepower and headroom to fund future expansions organically.
- **Sticky Customer Franchises & Key Account Moats:** Supported by over 45 years of chemical industry legacy, Jubilant Ingrevia has fostered deeply sticky, long-term relationships with a global customer base of 1,600+ clients. Through its structured Key Account Management (KAM) program, the company has established direct leadership-level proximity with the world's most demanding chemical consumers, partnering with the top 6 global agrochemical innovators and 12 of the top 20 global pharmaceutical innovators.

Risks & Mitigation Framework

Following its strategic transition towards a high-margin, customer-centric Specialty Chemicals and CDMO solutions provider, Jubilant Ingrevia Limited operates under a structured Enterprise Risk Management (ERM) framework overseen by the Risk Management Committee (RMC). The company proactively monitors established and emerging risks, deploying multi-layered mitigation strategies to protect stakeholder value and ensure business continuity.

Geo-Economic, Geo-Political & Macroeconomic Instability Risk (Emerging Risk)

- **Potential Impact:** Ongoing global conflicts (such as Middle East and Russia-Ukraine tensions), supply chain regionalisation, and changing trade policies can lead to sharp raw material price volatility, sudden utility cost inflation (particularly coal index inflation), shipping shortages, and war-risk freight surcharges (ranging from 7% to 8%). These factors directly expose the company to margin compression and raw material procurement bottlenecks.
- **Mitigation Strategy:** The company implements a supplier diversification and localisation strategy, developing alternative domestic vendors within India to reduce dependencies on single-source, risk-prone countries. Sourcing teams utilise an integrated digital supply chain and AI-based predictive analytics to track key commodity trends, maintaining a disciplined mix of contractual and spot purchasing models to balance volume security and pricing advantages.

Margin Pressure Due to Increased Competition Risk

- **Potential Impact:** Active export participation exposes the company to aggressive competition, price wars, and potential market share erosion from low-cost Chinese manufacturers who benefit from massive economies of scale and favourable local subsidies.
- **Mitigation Strategy:** Jubilant Ingrevia is strategically shifting its portfolio towards high-value specialty intermediates, cosmetic-grade Niacinamide, Diketene derivatives, and forward-integrated Pyridine platforms. Manufacturing agility is maintained through multi-purpose plant configurations, alongside targeted cost optimisation and productivity improvement projects executed under the Business Excellence program (SURGE, Six Sigma, 5S, and SuperNOVA digital transformation).

Delay in Growth Projects / Capex Risk

- **Potential Impact:** Capital-intensive expansion programs and the stabilization of complex chemical platforms inherently carry execution, commissioning, and engineering troubleshooting delays. These delays can lead to inflated project costs, deferred launch timelines, and missed revenue opportunities during demand upcycles.
- **Mitigation Strategy:** The company has established a dedicated Technology Cell led by domain experts to oversee product transition from concept to commissioning. Standardized plant designs are developed in collaboration with top-tier consultants, while a Project Management Office (PMO) coordinates weekly execution reviews using advanced tools, including 3D plant modeling and the *Wrench* project execution software.

Environment, Health, and Safety (EHS) Risk

- **Potential Impact:** The handling of hazardous, toxic chemicals (like ammonia and chlorine) and the operation of high-pressure, high-temperature manufacturing processes expose the company to occupational hazards, industrial accidents, and potential effluent discharge violations that could result in substantial regulatory penalties, plant shutdowns, and severe reputational damage.
- **Mitigation Strategy:** EHS excellence is institutionalized under *Project JIVAN* and the *Project Apollo* zero-harm safety culture, supported by 12 strict Life-Saving Rules. Operations utilize a Cross-Functional Team (CFT) audit mechanism, real-time digital compliance tracking via a conformity tool, and robust root-cause analysis (like *5WHY* and *Fishbone* techniques) for all reported near-misses, maintaining a stellar Zero Lost Time Injury Frequency Rate (LTIFR).

Inadequate Research & Development (R&D) Risk

- **Potential Impact:** Failing to innovate cost-effective, sustainable, and scalable product pathways can slow product launches, reduce the competitiveness of the CDMO contract pipeline, and result in an inability to meet the stringent impurity-profile and quality specifications of global pharma and agro innovators.
- **Mitigation Strategy:** Innovation is driven by three state-of-the-art R&D centers employing over 150 chemists (including 30 PhDs) managing 35+ complex chemistry platforms. The R&D function integrates stage-gate tools, Quality by Design (QbD) methodologies, and continuous catalytic process intensification. Additionally, Generative AI modeling is being deployed to accelerate process development cycles and optimize atom economy.

Cyber Threats and Data Security Risk

- **Potential Impact:** An accelerating reliance on digital architectures for operational technology (OT), R&D formulations, and supply-chain visibility (such as *SuperNOVA* and B2B digital sourcing platforms) elevates the risk of cyberattacks, ransomware, or critical data breaches, threatening intellectual property theft and business downtime.
- **Mitigation Strategy:** The company maintains robust Information Security Management Systems (ISMS) certified under ISO 27001 and aligned to the NIST CSF 2.0 framework. Controls include a 24/7 Cyber Defence Centre, automated playbooks, regular red-teaming/penetration testing, Multi-Factor Authentication (MFA), Endpoint Detection & Response (EDR), and Cloud Security Posture Management (CSPM).

Regulatory and Compliance Risk

- **Potential Impact:** Operating in highly regulated global domains (complying with USFDA, REACH, and local laws) means any compliance lapse, quality deviation, or delay in regulatory clearances can trigger financial penalties, product recalls, or loss of critical export market licenses.
- **Mitigation Strategy:** A structured three-lines-of-defense strategy is implemented, governed by the Board-level Audit and Compliance Committees. Real-time regulatory alerts are monitored via the online *Conformity* tracking software. A Big Four firm is appointed as the independent internal auditor to systematically review control matrices across all operating sites.

Profitability Analysis (Rs Cr)

Particulars	FY25	FY26	Change	Comments/Analysis
Net Sales	4178	4388	5%	• Revenue growth was driven by robust volume-led expansion across the Specialty Chemicals and Nutrition portfolios, successfully offsetting a soft global pricing environment.
COGS	2107	2295	9%	• COGS were higher, reflecting rising feedstock input costs and inventory adjustments, growing faster than sales due to downward pressure on end-product realizations
Gross Profits	2070	2093	1%	• Maintained stable absolute gross profit levels, although margins compressed slightly as raw material cost increases outpaced top-line pricing growth.
Operating Expenses	3659	3821	4%	• Growth was contained well below COGS expansion due to delivering Rs 120+ Cr in annual lean savings and a 10% reduction in power and fuel utilities.
EBITDA	519	567	9%	• Driven by high-margin Specialty Chemicals scaling to 75% of the overall segment EBITDA mix, alongside strong operational and cost discipline.
Interest	56	49	-12%	• Finance costs reduced by Rs7 Cr (-12%) as a direct result of aggressive debt de-leveraging, compressing Net Debt by 11.4% to Rs591 Cr. .
PAT	251	278	11%	• Surged by 11% YoY, propelled by lower interest expenses, operational efficiencies, and a higher-value product mix.

Source: Company; Axis Securities Research

Growth/Profitability Indicators (Rs Cr)

Particulars	FY25	FY26	Change	Comments/Analysis
Specialty Chemicals	1818	1937	7%	• Primary growth engine driven by strong CDMO volume scale-ups, fine chemicals traction, and rapid commercialization of the new Agro-CDMO facility.
Nutrition & Health Solutions	747	790	6%	• Value-chain progression supported by volume expansion in premium cosmetic/food-grade Vitamin B3 and strategic entry into premix formulations.
Chemical intermediates	1612	1662	3%	• Volume-led resilience offset by pricing deflation in core acetyl commodities, while sustaining its dual role as a low-cost backward integration feed.
Revenue	4178	4388	5%	• Consistent volume-driven expansion across all business segments, successfully mitigating severe global price deflation.
EBITDA Margin	12.43%	12.92%	49bps	• Margin expansion of 49 bps was propelled by favorable mix shifts to higher-value Specialty segments and Rs 120+ Cr in lean cost savings.
PAT	251	278	11%	• Double-digit net profit growth driven by strong operating leverage and a 12% decline in finance costs due to aggressive debt de-leveraging.

Source: Company; Axis Securities Research

Financial Ratios

Particulars	FY25	FY26	Change	Comments/Analysis
ROE	8.87%	9.18%	31bps	• Reflects improved shareholder returns driven by the 11% growth in net profit (PAT), despite an expanding equity base from recent capital investments.
ROCE	11.28%	11.49%	21bps	• Demonstrates disciplined capital deployment as robust operational earnings expansion offset the larger capital-employed base from the Rs2,000+ Cr capex cycle.
Asset Turn	0.86	0.83	-0.03	• Slight drop represents a temporary lag as massive newly commissioned capacities undergo initial optimization before reaching peak asset utilization.
EV/EBITDA	22.76	20.75	-2.01	• EV/EBITDA was lower (improved) owing to superior operating performance.

Source: Company; Axis Securities Research

Key Balance Sheet Takeaways

Cash Conversion Cycle

Particulars	FY25	FY26	Change	Comments/Analysis
Inventory Days	163	145	-18	• Reflects significant inventory optimization and raw material streamlining across key sites, accelerating stock turn and releasing trapped liquidity.
Trade Receivable Days (current)	52	58	6	• Indicates a minor credit expansion or marginal collection lag in competitive export markets, which was actively managed to prevent bad debt exposure.
Trade Payable Days	67	75	8	• Demonstrates stronger supplier credit leverage, allowing the company to extend payment terms strategically and conserve cash.
Cash Conversion Cycle	148	128	-20	• Highlights substantial operational efficiency, compressing the net cash-to-cash cycle by 20 days to significantly boost overall liquidity.

Source: Company; Axis Securities Research

Key Cash Flow Takeaways

Particulars (Rs Cr)	FY25	FY26	Change	Comments/Analysis
PBT	344	370	8%	• PBT growth driven by robust volume-led expansion and lower interest expenses, which successfully offset soft global price realizations.
Depreciation	158	175	11%	• Depreciation increased as the company capitalized newly commissioned assets following the execution of its intensive three-year capital expenditure cycle.
Finance Cost	56	49	-12%	• Finance costs compressed as a direct result of disciplined deleveraging, which successfully reduced consolidated Net Debt to Rs 591 Cr.
CFO	508	524	3%	• CFO expanded, driven by stable cash earnings and aggressive inventory streamlining that shortened working capital to 62 days.
CFI	-393	-276	-30%	• CFI outflows compressed by 30%, signaling that the company has passed its peak investment cycle and is shifting focus toward asset sweat and return optimization.
CFF	-129	-155	21%	• CFF increased due to higher debt repayments and dividend payouts, reflecting the company's aggressive de-leveraging strategy.
Free Cash Flow Generation	142	225	58%	• Surged, as the company moved past its peak capital expenditure cycle, combined with robust cash generation from operations.

Source: Company; Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
Net Sales	**4,136**	**4,178**	**4,388**	**5,441**	**6,307**
COGS	2,143	2,107	2,295	2,678	3,043
Employee Cost	384	418	426	512	583
Other Expenses	1,188	1,133	1,101	1,479	1,760
Total Expenditure	3,715	3,659	3,821	4,670	5,387
EBITDA	**421**	**519**	**567**	**772**	**921**
EBITDA Margin %	10.2%	12.4%	12.9%	14.2%	14.6%
Other Income	35	38	41	37	36
Depreciation	136	158	175	233	249
EBIT	320	399	432	576	707
Finance Cost	53	56	49	63	76
Share of profit/(or loss) of an associate	0.0	(0.0)	(0.2)	(0.0)	-
PBT	**268**	**344**	**370**	**513**	**631**
Tax	85	92	92	135	163
Tax Rate %	31.7%	26.9%	24.8%	26.4%	25.8%
PAT	**183**	**251**	**278**	**377**	**469**
EPS	11.5	15.8	17.6	23.9	29.7

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
Share Capital	16	16	16	16	16
Reserves & Surplus	2,722	2,911	3,110	3,488	3,956
Total Equity Capital	**2,737**	**2,927**	**3,126**	**3,504**	**3,972**
Long-term Borrowings	426	363	322	317	226
Other Financial Liabilities	-	44	121	121	121
Long-term Provisions	65	67	73	73	73
Deferred Tax Liabilities (Net)	214	225	242	242	242
Total Non-Current Liabilities	**708**	**704**	**766**	**760**	**669**
Borrowings	307	393	459	564	655
Trade Payables	767	815	941	1,020	1,167
Other Financial Liabilities	145	125	130	130	130
Other Current Liabilities	23	16	24	24	24
Short Term Provisions	18	21	23	23	23
Current Tax Liabilities	23	29	13	13	13
Total Current Liability	**1,286**	**1,401**	**1,592**	**1,776**	**2,015**
Total Liabilities	**1,994**	**2,105**	**2,358**	**2,537**	**2,684**
Total Equity + Liabilities	**4,732**	**5,032**	**5,484**	**6,040**	**6,656**
Assets					
Inventories	941	943	880	1,225	1,409
Trade Receivable	572	607	783	716	812
Cash and Equivalents	79	69	188	199	184
Bank Balance	1	29	1	1	1
Income Tax Assets	41	41	45	45	45
Other Current Assets	146	147	148	148	148
Total Current Assets	**1,780**	**1,853**	**2,046**	**2,336**	**2,601**
Property, plant and equipment	2,478	2,516	3,104	3,325	3,775
Capital Work in Progress	331	525	154	200	100
Right-of-Use Assets	41	42	45	45	45
Intangible assets	20	23	35	35	35
Financial Assets: Investments	10	14	26	26	26
Deferred tax assets (net)	13	17	14	14	14
Other Non-Current Assets	32	23	26	26	26
Total Non-Current Assets	**2,952**	**3,179**	**3,437**	**3,705**	**4,055**
Total Assets	**4,732**	**5,032**	**5,484**	**6,040**	**6,656**

Source: Company, Axis Securities Research

Cash Flow (Rs Cr)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
PBT	268	344	370	513	631
Depreciation & Amortization	136	158	175	233	249
Chg in Working cap	6	23	14	(199)	(133)
Direct tax paid	(46)	(80)	(103)	(135)	(163)
Others	66	64	68	63	76
Cash From Operating Activities	**430**	**508**	**524**	**474**	**661**
Chg in Gross Block	(566)	(352)	(290)	(500)	(600)
Chg in Investments	(3)	(44)	24	-	-
Interest Received	1	3	1	-	-
Cash Flow from Investing Activities	**(569)**	**(393)**	**(276)**	**(500)**	**(600)**
Proceeds / (Repayment) of Borrowings (Net)	300	7	(43)	(5)	(91)
Finance Cost paid	(68)	(74)	(63)	(63)	(76)
Dividends paid	(79)	(80)	(79)	-	-
Others	(9)	18	30	105	91
Cash from Financing Activities	**144**	**(129)**	**(155)**	**37**	**(76)**
Opening Cash & Cash Equivalents	73	79	69	188	199
Chg in cash	1	4	26	-	-
Closing Cash & Cash Equivalents	**79**	**69**	**188**	**199**	**184**

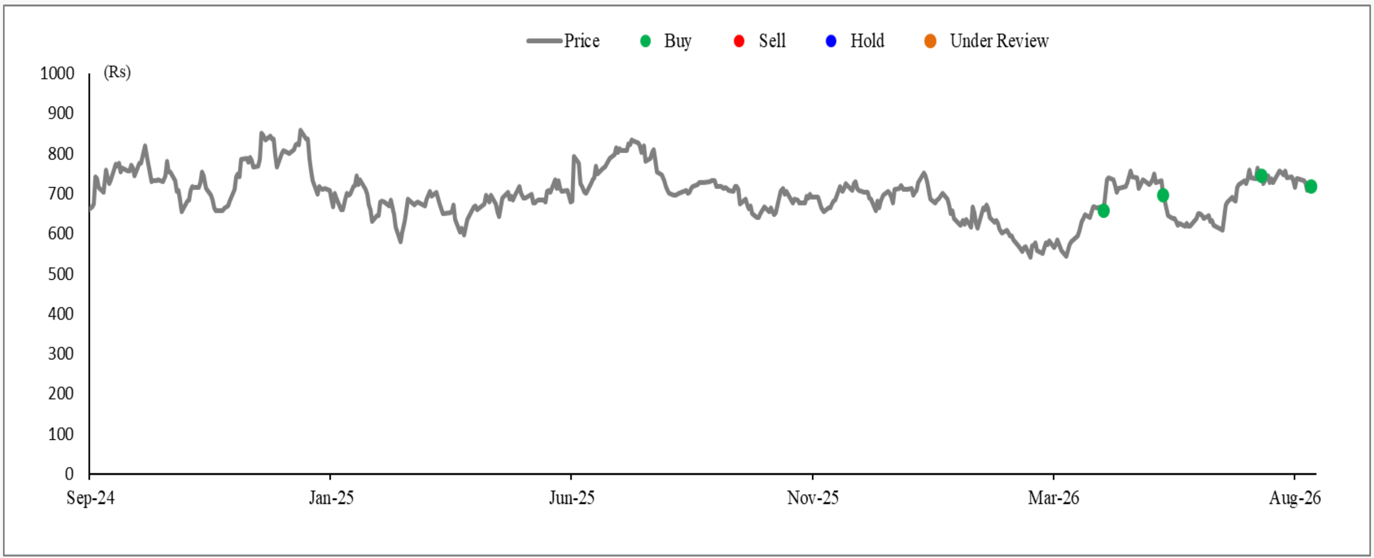
Source: Company, Axis Securities Research

Ratio Analysis (%)

Y/E March	FY24	FY25	FY26	FY27E	FY28E
Growth (%)					
Net Sales	-13%	1%	5%	24%	16%
EBITDA	-23%	23%	9%	36%	19%
APAT	-41%	37%	11%	36%	24%
Profitability (%)					
EBITDA Margin	10%	12%	13%	14%	15%
Adj. PAT Margin	4%	6%	6%	7%	7%
ROCE	10%	11%	11%	14%	16%
ROE	7%	9%	9%	11%	13%
Per Share Data (Rs)					
Adj. EPS	11.5	15.8	17.6	23.9	29.7
BVPS	172	184	198	222	252
Valuations (X)					
PER	62.4	45.4	40.7	30.0	24.2
P/BV	4.2	3.9	3.6	3.2	2.9
EV / EBITDA	28.5	23.1	21.0	15.6	13.1
EV / Net Sales	2.9	2.9	2.7	2.2	1.9
Turnover Days					
Asset Turnover	1	1	1	1	1
Inventory days	168	163	145	143	158
Debtors' days	48	52	58	50	44
Creditors' days	70	67	75	134	131
Working Capital Days	146	148	128	60	71
Gearing Ratio					
Debt to Equity (x)	0.16	0.12	0.10	0.09	0.06

Source: Company, Axis Securities Research

Jubilant Ingrevia Price Chart and Recommendation History



Date	Reco	TP	Research
22-Apr-26	BUY	800	Initiating Coverage
27-May-26	BUY	800	Result Update
24-Jul-26	BUY	835	Result Update
24-Aug-26	BUY	835	AAA

Source: Axis Securities Research

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