



PI Industries Limited Q4 FY26 Earnings Conference Call May 20, 2026

Moderator: Ladies and gentlemen, good day, and welcome to PI Industries Limited 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. Nishid Solanki from CDR India. Thank you, and over to you, sir.

Nishid Solanki: Thank you. Good afternoon, everyone, and thank you for joining us on PI Industries' Q4 FY26 earnings conference call. Today, we are joined by senior members of the management team, including:

- Mr. Mayank Singhal, Vice Chairperson and Managing Director
- Mr. Sanjay Agarwal: Group Chief Financial Officer
- Dr. Atul Gupta, CEO, CSM Agchem
- Mr. Jagresh Rana, Global CEO, PI AgSciences, and
- Dr. Ramesh Subramanian: Global CEO, PI Health Sciences

We shall begin the call with key perspectives from Mr. Singhal, following that Mr. Agarwal will share his views on the company's financial performance. Thereafter, the forum will be opened for a question-and-answer session.

Before we begin, I would like to underline that certain statements made on today's conference call could be forward-looking in nature. A disclaimer to this effect has been included in the investor presentation that is available on the stock exchange websites. I would now request Mr. Singhal to share his perspectives. Thank you, and over to you, sir.

Mayank Singhal: Thank you, and good afternoon to everyone joining us today. I will begin with a brief view on the global agrochemical landscape, follow that with the domestic agri environment, and then walk you through PI's operational and strategic progress.



The global crop protection market has continued the multi-year downcycle and recovery remains uneven further complicated by global events during the quarter which has led to clear shift towards just-in-time purchasing.

The conflict in the Middle East since late February have introduced a fresh layer of disruption that the industry was not anticipating. While these pressures are difficult, they also reinforce the strategic value of geographical diversification.

The domestic backdrop is genuinely encouraging on the fundamentals, even though near-term industry demand has been muted due to elevated channel inventory, lower crop prices and incessant rainfall. Rabi season was good with increase in acreages.

The structural drivers for our industry remain firmly in place. The world still needs to feed a growing population and farmers globally are demanding solutions that are safer, more selective and more sustainable. Innovators and integrated R&D-led manufacturers with proven trust, scale and execution will be the long-term winners.

Moving to our business performance for the quarter. PI continued to demonstrate resilience underpinned by the breadth of our portfolio and the depth of our customer relationships. More importantly, we believe the investments made over the last few years have meaningfully strengthened PI's long-term position to differentiate and move into the next orbit.

Our consolidated revenue for the full year FY26, we have delivered revenue of ₹ 67,137 million with healthy EBITDA margins of 25% and cash balance of INR 34,265 million enabling the company to pursue future strategic investments for long - term sustainable growth.

Our Pharma business delivered 40% growth for the full year. We continue to strengthen customer engagement across innovator, biotech companies, while investing in capabilities across process development, regulatory systems and commercial scale-up. We believe PIHS represents a strategically important long-term growth platform for PI, leveraging our deep chemistry capabilities, integrated India-Italy operating model and strong process innovation expertise.

Let me draw your attention now to Biologicals which has been a passion of ours for over two decades, during which we have built one of the most comprehensive biological portfolios in the Indian market. Over the past few years this business has emerged as one of the fastest-growing segments within our portfolio compounding at over 20%+. Our acquisition of a differentiated technology platforms has given us global market access and advanced R&D capabilities has significantly accelerated our growth ambitions. We believe our technology has the potential to address next-generation crop health and protection for sustainable agricultural solutions.

On sustainability we have maintained our position in the S&P Global Sustainability Yearbook, and our most recent S&P Global CSA percentile has improved to 98 percentile, placing us firmly in the top tier of global chemical companies.



I want to shift focus to a defining platform for PI over the coming decade, our in-house New Chemical Entity programme. Our first NCE, Pioxanilprole, discovered in India is now coming soon to the markets demonstrating our ability to invent at a global scale and take innovation from India to the world.

We believe this brings a major shift in the PI way from distributor to global scale manufacturer to reposition as a global innovator with the backbone strength of partnerships across the value chain.

We expect FY27 to deliver growth, with exports and global biologicals gaining traction backed by customer momentum as well as domestic business is expected to gain from new brand launches.

Today PI stands to move into the next orbit, into the innovator mindset, taking NCEs to the world in Ag, and in Lifesciences building the CRDMO platform and working in Electronic Chemicals, creating opportunities for growth across multiple lines.

Our growth will continue to be supported by strong balance sheet, technological capabilities powered by science driven global platforms with deep rooted relationships with customers and strong understanding of global work culture.

Before I conclude, I would like to acknowledge the decades-long contribution of Rajnish Sarna, our JMD, and thank him in shaping and supporting PI. He has stepped down from his executive responsibilities, including IR, to focus on his health, while continuing to be associated with PI as a Non-Executive Director on the Board.

Going forward, our Group CFO Sanjay Agarwal will continue to actively engage with the investor community and ensure continuity in communication and strategic engagement.

With that, I will now hand over to our Group CFO, Sanjay, to take you through the financial performance in detail. Over to you, Sanjay.

Sanjay Agarwal:

Thank you Mayank, Good Afternoon everyone.

I will summarize the Company's financial performance for the quarter ended 31st March 2026 and for the full year FY26.

FY26, As Mayank mentioned, it has not been easy for AgChem sector, however, we have been backed by our strong business model and hence navigated this near-term industry downcycle. We have taken several initiatives proactively to work with our global AgChem customers, and we believe the sector is transitioning out of downcycle.

For Q4 FY26, we reported revenue of Rs. 15,652 million delivering sequential growth as per our guidance given last quarter. On a full year basis, revenue is Rs. 67,137 million delivering growth on a 3-year CAGR.

Decline in AgChem Exports is primarily driven by lower volumes reflecting the broader global industry contraction and customer delivery schedules. We have commercialised 5 new molecules in AgChem



Exports and launched 4 new products in Domestic Agri Brands. New products now contributing 18% of AgChem Exports highlights our focused derisking strategy and innovation led approach.

Domestic agrochemical demand remained impacted due to channel inventory, pricing pressure, delay in regulatory transitions of biological portfolio and lower crop acreages impacting key crops for PI. However, we expect growth momentum to pick up with stronger Kharif season.

Our domestic business is supported by our strong product portfolio, new product launches and focus on several on ground initiatives led by technology & enhance farmer engagement. We have launched 4 new products this year – 3 herbicides & 1 insecticide

Our pharma platform delivered 40% growth in revenue for the full year driven by onboarding strategic customers and our relentless effort to continue building capabilities to build differentiated CRDMO model.

Global Biologicals continue to progress with ongoing investments in market and product development, focus on innovation & strengthening R&D capabilities in the US & India.

Our gross margin expanded to 58% during the quarter & for the year, supported by a favourable product mix and strong operational efficiencies. Further, at EBITDA level, we delivered what we committed at the start of the year a resilient margin of 25% for full year.

While the ETR for the quarter has risen due to higher non-SEZ sales, on a full year basis, the ETR for FY26 remains at 22%. We expect FY27 and thereafter ETR to inch upto 24%.

We have sustained our Trade working capital in terms of days of sales at 139 days despite of volatile market scenario. Our strong Debt free balance sheet supported with net cash of Rs 34 Bn provides resilience and flexibility for strategic investments.

We have successfully implemented SAP S/4 Hana which marks a key milestone in our digital transformation journey, strengthening our operational backbone, enhancing data visibility, and enabling scalable growth with improved governance.

As we see the opportunities in FY27, we expect a positive growth in FY27 led by recovery in exports in the second half, supported by new product launches especially our first homegrown NCE in the domestic business and our pharma & biologicals continue to scale up.

With this, I will conclude my opening remarks. I will now request the moderator to open the forum for Q&A. Thank you.

Moderator:

Thank you very much. The first question is from the line of Saurabh Jain from HSBC Securities. Please go ahead.

Saurabh Jain:

Thank you so much for the opportunity. My question is on the capex that we have incurred over the last three years, which translates to almost like a INR 2,600 crore of capex, but we are not seeing a



conversion of this capex into the revenues for the last two years. And for that reason, the asset turns, which used to be almost like 2.5x, they have dropped down to almost like 1.5x now. So, wanted to understand where this capex is being directed to and, some sense in terms of how much of it is being focused towards the legacy projects and the new projects. And when do you expect this capex to be translating into the revenues?

Mayank Singhal: So, I think that is quite a valid question. The point is that if you look at it, these asset investments are done for a multi-year ramp-up both in capacities and scale of manufacturing. Some of these investments have been in the soft arenas of technology, NCEs and new business arenas which have a longer gestation. Some of them are coming off in the coming year and the next couple of years.

Saurabh Jain: But generally, I thought the gestation period used to be pretty short, right? We used to set up a plant in 8 to 9 months and then it used to start to flow into the revenues. Now this gestation period is seeming to be kind of widening. And INR 2,600 crore, how much of that would be spent into the R&D and technology developments and how much on, you know, actual steel on the ground?

Mayank Singhal: Yes, but the ramp-up does not happen over one year as you would appreciate. You know, if the eventual new molecule capacities are at X, which move to maturity over five years, you build the plant. The ramp-up typically takes four to five years to do that. plus the distribution in the newer arenas of innovation which have been done

The arena we have been doing, the regulatory investments to take the new molecules into the markets, that comes at a price tag and those are also investments. We are building the new pharma capabilities and assets to create offerings for tomorrow. So, that is really the split today. Fundamentally, the new products would scale up at some point with maybe a delayed gestation

Saurabh Jain: Okay, sure. Thank you so much.

Moderator: Thank you. Next question is from the line of Tejas Pradhan from Citi Group. Please go ahead.

Tejas Pradhan: So, for full year FY26, could you give a sense on what the growth would be, excluding your largest product in agro CSM business?

Sanjay Agarwal: So, as you know, with all the new molecules we have been launching, they contribute now around 18% of our total portfolio and they also have been growing at a faster pace in the overall portfolio. while the revenues have declined because of the overall challenges, but the new molecules have been shaping well and contributing incrementally to our margin profile.

Tejas Pradhan: Okay. So, just apart from the new molecules, even the existing molecules which you would have launched prior to that, right? So, if we just strip out the impact of the largest product, pyrozasulfone, excluding that, would there have been growth in FY26 in CSM exports or that would have been a YoY decline?

Mayank Singhal: Well, if you look at the other lines of biologicals, new molecules, yes, there is growth, but expected growth rates which were to be there, given the external environment situation and the agriculture



scenario, they have not kept pace. I mean, eventually they are to come up to shape. That is what we see from our global partners' communications and understanding.

Tejas Pradhan: Okay. Understood. And secondly, on the contract assets, now we have seen a reduction from INR 1,000 crore as of December '25 to INR 700 crore as of March '26. Now, while that has reduced, even on a YoY basis, it is still higher. I think in March '25, it was around INR 400 crore, right? So, would we expect further reduction over here to like FY25 year-ending levels and how should we look at this number on a steady-state basis? What sort of level you target over here?

Mayank Singhal: Well, I would say that there is a reduction of about 30%-35% in contract assets as you would have seen clearly from the last quarter. This is subject to asset utilization, value of products in the pipeline. So, I would say this will hover around the same level given where the business model and structures are today.

Tejas Pradhan: Okay. Thanks. And just one more if I could squeeze in. Would you be able to share what the capacity utilization would be at a company level for FY26?

Mayank Singhal: For FY26, it is around 80%.

Moderator: Thank you very much. Next question is from the line of Vivek Rajamani from Morgan Stanley. Please go ahead.

Vivek Rajamani: Thank you so much for the opportunity. Just one question on the margins. I think I can see over the last couple of quarters and for much of fiscal '26, you have been able to maintain your gross margins at a very healthy level of, you know, 58% to 59%, but for the last couple of quarters, at least on the EBITDA side, we have seen a bit of compression going back to the 22% mark, whereas we started the year with a 27%-28% margin profile. Just going into fiscal '27, if you could just give us some sense of, you know, how should we think about margin profiles both on the gross margin level and the EBITDA margin level?

Mayank Singhal: I said, the quarter-to-quarter volatility continues, but if you look at the average gross margins for last year, we continue to focus to maintain the gross margin at that level.

Vivek Rajamani: Understood. And the EBITDA margin would be a similar comment?

Mayank Singhal: You see, given the present environment, the volatility of the various factors, whether it is input costs or whether it is other cost structures and challenges, our target is always to say that we can continue to manage them. But it would be very difficult to give a specific answer today. But yes, the company continues to manage that while making sure that we do not compromise on our long-term trajectory and our continued focus to look at market share and growth.

Vivek Rajamani: Sure. That is clear. And if I could just squeeze in one more clarification. In the opening remarks, when you mentioned you are looking at positive growth in fiscal '27, would that be positive revenue growth or positive earnings growth?



Mayank Singhal: Well, clearly, we are looking at revenue growth as one of the key drivers going forward.

Vivek Rajamani: Sure. That is clear. I will rejoin the queue. Thank you so much.

Moderator: Thank you. Next question is from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

Rohit Nagraj: Yes, so we have received a regulatory approval for the launch of a nematode in US. That is what we have indicated in our PPT. Is it a biological and what is the kind of market size that we are tapping in terms of this particular product, what is the kind of potential revenues that we can generate over the next maybe three to five years?

Mayank Singhal: I will take this as first and maybe Jagresh can pitchtoo. Yes, it is a launch of a new biological nematode and it is the first-ever new biological nematode coming into the market at scale.

Jagresh Rana: Yes and thank you for asking this. So, this is, you know, based on the performance we have seen, this is a very unique biological nematode product. Most of the nematode products which are there in the world today, they are mainly applied in the soil. Today, there is hardly any nematode product which is foliar application.

So, first of all, this is the first time that we have introduced a product in the market which is a foliar application based. Second part, the nematode market overall globally, especially in Brazil, US, in these markets, has been growing very rapidly and more farmers are realizing the problems of nematode.

We are expecting a significant growth from this product. We have already launched it in Brazil and Mexico. US is the third market. Where we have launched in Brazil, we are basically seeing this year that we should be almost more than tripling our sales for this particular product. It is a product which competes very well with the synthetic chemistry products and we are seeing some very positive results and good performance from the farmer side.

Mayank Singhal: Only one caveat I will put, we are still in the early stage of developing a product, farmer acceptance to biologicals. I think what Jagresh is saying, we are very positive about what we see and I think it will take a couple of years to establish a product. But the results are very encouraging and gives us a huge capability to say, yes, we need to invest to build the markets and the investments would be an aggressive approach to build this product.

Rohit Nagraj: Sure, that is helpful. Second question in terms of CSM business. So, last year we have indicated FY25, the contribution from new products was about 15% to 18% and this year we have said FY26 the contribution is about 18% to 20%. If I do the math, it seems that on a year-on-year basis, the new product absolute revenue seems to be flattish or slightly negative. So, how do we look at it from the FY27 perspective?

Mayank Singhal: You are right. You see, as you can very well understand, the global agriculture market scenario itself is challenging, and you can see that from the performance of the large companies trying to put new products, customer expectation, acceptance due to commodity prices. Clearly, as the situation is very



volatile, but we do see this becoming a bit better. And I think fundamentally the whole agriculture cycle has to pick up and innovation could get adopted at a much faster rate.

We see that to be looking a little bit more positive and as you would have seen our commentary over last year, there were challenges in the market and what was expected to turn around and outcomes we were looking at second quarter, second half, but still not come around. But hopefully things shape up in the right direction, we would see a better number coming from here.

Rohit Nagraj: Sure, the last one I am squeezing in. On our novel NCE molecule, Pioxaniliprole, we plan to launch in the Indian market. What about the global launch? Are we expecting any kind of out-licensing for the same and what could be the timelines for the same?

Mayank Singhal: Yes, so right now for the global markets, we are working in a couple of global geographies where we will be looking to file to meet local regulatory requirements. . .

So, we will be looking to put in application outside India for filing probably at the end of this year or next year. We will be looking at strategic partnerships and would announce them at the right level when we come to the right point of decisions with them, The first point today is to have the global level regulatory framework.

Rohit Nagraj: Perfect. Thank you so much and all the best.

Moderator: Thank you. Next question is from the line of Rahul Jain from Credence Wealth Management. Please go ahead.

Rahul Jain: Sure. Thanks for the opportunity. My questions are centered around the electronic chemicals market. So, typically we have mentioned in the previous call about, commercializing about four to five molecules. So, if you could share some details in terms of the molecules, what kind of revenue contribution, what kind of end application each of these molecules are supposed to serve, and what kind of customer sets we have been talking about both between Japanese and the non-Japanese? That is my first question.

Mayank Singhal: As you would have seen that in the past from the PI commentaries of handling innovation, we are working on some new innovative ideas with companies. They are right now at the ramp-up stage. The electronic chemicals, they are not a significant portion of the company's top line. But what is an indicator that we are very strongly working in that area and once we scale up, we will have the right answers. But to give into specifics, they are niche applications and they are unique in their offerings and that is the area which we always operate in.

Rahul Jain: Sure. And sir, if you could share some kind of, you know, typically what can be the size of this segment of our electronic chemicals, say in next 2-3 years? Can this be a INR 1,000 crore business in next 3 years?

Mayank Singhal: Well, I do not know about 3 years, but yes, certainly with time, we will definitely look at that, that is our target. As we have stated earlier last year, we are looking to target about \$100 million in the next 4 to 5 years in this segment.

Rahul Jain: Last bit. When do we expect the pharma segment to turn EBITDA positive?

Mayank Singhal: The pharma revenues as you have seen the global situation, the CRDMO play is what you call swing-in and swing-out play. We are right now very confident that we are looking at certain interesting opportunities in some parts of the value chain, which should fructify with time. Obviously, the investment mindsets are shifting.

As we have seen these things move and as we have stated earlier, achieving a INR 500 crore – INR 600 crore top line is when you would see these things move into a positive phase. This could be a couple of years, if not a bit more than that to get to that phase. But right now the company is more focused in building capabilities, offerings, and building customer confidence. So, look at our value-added play. That is really where we are.

Moderator: Thank you. Next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Thanks for the opportunity. First question on the overall pricing environment, given the volatility in raw material prices off late and the pressure from Chinese-led, you know, the global pressure there on the Agchem cycle as a whole.

Is there any significant pricing correction or pressure that we are seeing across our portfolio? And second bit, one clarification there, the 5%-odd realization decline in our exports that we are seeing, is it more a product mix issue or it is a R&D deflation or some pricing correction there?

Mayank Singhal: there are pricing corrections, currency deviations that you know, we have pass through models. Yes, we are seeing volatility in the raw material prices and they have had some impact, but there is a balancing act which the company is playing in this volatile market while supporting customers, looking at end customer challenges to ensure that we have a sustainable growth and continue to put high utilization of our delivery plants while focusing and managing our gross margins.

So, as you would very much understand, I cannot give you a straight answer because nobody seems to have a straight answer in this very volatile market. Oil is swinging, raw materials swinging. But the outcome today is yes, there is an impact. We are focusing on those impacts and looking how to create the value and the company has a very strong focus to say how we can optimize and maximize taking consideration from customer to supplier.

Ankur Periwal: Sure. So, okay, let me put it this way. Our focus here will remain on volume growth for our existing as well as newer products or we will prefer to have a balanced approach in terms of margin as well?

Mayank Singhal: Well, our focus today would be to continue to hold the market share and volume because the margins could always return back when the market swings.

Ankur Periwal: Sure, that is helpful. Thank you. And just one clarification if I may ask. The electronic chemicals or the newer areas where we are expanding into, the capex for these will be largely MPP-based or there will be some dedicated capacity coming in or which is already there in our books?

Mayank Singhal: So again, these are niche chemicals, they will be multi-purpose assets and some may be specialized assets. Because we are not in the commodity end of the electronic chemicals, we are more focused on niche and complex areas of operation globally.

Ankur: Sure, Mayank. That is helpful. Thank you and all the best.

Moderator: Thank you. Next question is from the line of Siddharth Gadekar from Equirus Securities. Please go ahead.

Siddharth Gadekar: So, on the pharma business, could you just re-share your thoughts in terms of growth and profitability over the next two-three years? How should we see this business scaling up?

Mayank Singhal: I mentioned to the earlier question was exactly that we are trying to build those capabilities in the next two-three years, the positive EBITDA where we would be able to look at INR 500 to INR 600 crore top line, we should be able to move into that phase. And as you would very well understand, being in the CDMO play, it takes a long time to build the foundation, but then you start seeing an accelerated curve which moves fast because the entry barriers and the regulatory frameworks followed with early-stage products you start targeting and when the cycle picks up, it takes a J-curve. That is really the approach that we are seeing. So, I see that in the next two-three years to start showing some early shapes,

Siddharth Gadekar: Secondly, on the global biologicals business, given that now we have started getting product registrations and also building our distribution model across geographies, how should one think about the opex in this business and when do we achieve a scale where we break even on this business?

Mayank Singhal: Again, I would say the way to answer this, what we are seeing as I think Jagresh mentioned earlier, we are seeing the positive trajectory. As you would see the markets themselves are depressed today in the agri sector. We are clearly seeing a great acceptance of our technology and product performance. And I would say we are very much positive to see that in the next couple of years, we should be in the position that you are looking to achieve for ourselves, as you rightly questioned to get into a break-even position. Again, if we see more opportunities of more innovations, we will be investing and we would not do that without a value add. So, we are definitely very excited to what we see, but a couple of years from now, does not look too far from us to be playing that game.

Siddharth Gadekar: And lastly for FY25, would we have any higher opex in terms of any large registrations or any other one-time cost that would be coming in our P&L given that we are looking at commercializing a few products?

Sanjay Agarwal: Yes, so this is an ongoing thing since we have been investing into R&D and we are looking at these new NCEs. So, this has been continued for the last few years and the same trend will continue of INR 50 to INR 100 crore of additional spends.



Mayank Singhal: I think the question was next year.

Sanjay Agarwal: Yes, next year FY27 as well, we will have similar expenses for the R&D and also for the launch since we are looking at the Pioxanilprole launch this year, we will have some additional cost in the next few quarters on that.

Siddharth Gadekar: And for the global products also we would have a additional cost coming in?

Mayank Singhal: Yes, clearly, I think the answer to be very precise to your question, next year is going to be heavy investments in building out markets. So, those costs will be there.

Moderator: Thank you. Next question is from the line of Surya Patra from Phillip Capital. Please go ahead.

Surya Patra: Yes, thanks for the opportunity. Sir, my first question is on the investment priorities going ahead and what is the kind of a capex? In terms of the investment priorities, I was just wanted to understand the any specific investment that we are talking about the new business opportunities?

Sanjay Agarwal: So, the capex would be as we have guided in the past also, we should have INR 700 to INR 800 crore of capex both at the manufacturing level, some of the new launches which we are going to be having, R&D spends across both pharma and our agrochemical business.

Surya Patra: Okay. And also to have a better understanding about the kind of incremental contribution that we should be seeing from the newer business area, is it possible to discuss what is the kind of a construct of order book position currently in terms of the areas whether it is the agro-chem, pharma, and whichever newer area that we are talking about?

Mayank Singhal: Well, we do not have a specific for new areas, but I think somewhere around \$ 1-1.2 billion which is already the order book position which continues to hold on. But we would not have a specific break-up of those right now because typically the other big businesses are more B2C like the biologicals and there's no order book situation there. And pharma is too insignificant in terms of the topline of PI in terms of numbers for order book.

Surya Patra: Sure, sir. Then next question would be on the supply chain constraint. Let's say you have mentioned about maintaining the gross margins situation for the full year FY27, but if you can say something what is the kind of availability situation and what is the kind of impact that possibly in the near term that we can see on the availability of raw materials? Whether that is a big challenge at this juncture?

Mayank Singhal: You have got it exactly. So, I think it is one of the most simple question with the most difficult answer. ., we are all challenged with that availability and that is not something in our hand, but so far we have been able to manage and will continue to manage, but we never know when the situation changes, the way the world is in today. And I am sure that is applicable to most of us in the sector and the industry.

Moderator: Thank you. Next question is from the line of Sumant Kumar from Motilal Oswal. Please go ahead.



Sumant Kumar: My question regarding pharma segment and you have mentioned in the PPT a significant increase in CDMO inquiries. So, how is the conversion going to happen considering all the inquiries you have, Number one. Number two, we have seen in the PPT your services business has increased significantly. So what is leading this business and also you are adding new customers in the last 12 months. So considering all these factors, next two to three years how much growth you are expecting in this segment?

Mayank Singhal: As we mentioned earlier, right, in that there is all these initiatives which have been taken, we are looking to target to get this to the next two to three years, a INR 500-INR 600 crore business which could then become the J-curve approach to look at how we can look at more accelerated growth going forward.

Sumant Kumar: Okay. And for the outlook, you have written we remain positive for the growth in FY27. So, any number can we talk on double-digit, lower double-digit, mid-teens kind of growth we are expecting in FY27?

Mayank Singhal: I would say growth for sure. Double or late single will all be subject to how the world reacts. And that is the reality.

Sumant Kumar: In normal case scenario?

Mayank Singhal: I cannot look at the normal case scenario right now because the quarter is gone, it is too close to the quarter to answer that. But yes, I can tell you we can definitely look at growth, at nearly late-stage single digit or early-stage double digit at the worst-case scenario.

Sumant Kumar: Worst-case scenario.

Mayank Singhal: Yes, at the worst case we will definitely have some growth I hope, because if the world really goes that, there is no oil and there is no fuel and there is no food, then we cannot do much. So, today's world to answer that is challenging, but we have plans for growth at an aggressive pace compared to the competition.

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

Abhijit Akella: Good afternoon. Yes, thank you so much, sir, for taking my questions. The INR 1,100 crore capex that we incurred for FY26, sir, would it be possible to just break down of specific key projects in which this investment has gone?

Sanjay Agarwal: Yes, so it is across both the agrochemicals, pharma and the R&D spends which we have done. we are about to commercialize our Kilo facility in Lodi plant, so that has taken substantial sum plus the Flow MPP we have commercialized during this year. So the spends have been there on the agrochemical side and on the R&D investments. .

Abhijit Akella: Okay, but just to clarify, the presentation says pharma capex was about INR 91 crore for the year?

Sanjay Agarwal: Correct, INR 100 odd crore.



Abhijit Akella: Yes, so then should we understand that the remaining say INR 1,000 crore or so is all agrochemicals or how is it?

Sanjay Agarwal: Agrochemical and in the R&D.

Mayank Singhal: And the fine chemical area where we are talking about.

Sanjay Agarwal: That will include all the electronic chemicals, agrochemicals, the R&D, fine chemicals, etc.

Abhijit Akella: Okay, all right. Thank you. Second one, for Plant Healthcare, would it be possible to just quantify the revenues for FY26?

Sanjay Agarwal: They have been in the range around USD 12 to 13 million.

Abhijit Akella: Understood. And yes, I might have missed this earlier, so please excuse me if I did. But on contract assets of INR 700 crore, what is the kind of trajectory we are expecting in the year ahead? I mean, will it decrease further or by how much?

Mayank Singhal: Well, I think that is the range we have always been in in the last few quarters given the business model and scenario, balance sheet capacity, inventory and customer needs and also look in the volatility of supply chains, we would look to keeping it at that level.

Abhijit Akella: Okay, all right. Thank you so much, sir. All the best.

Moderator: Thank you. Next question is from the line of Rupesh from Long Equity Partners. Please go ahead.

Rupesh: Thank you for the opportunity. First I have one request. One of your largest product in the CSM segment, there are patent risks, it is nothing new, most of the CDMOs or CSM companies have to deal with it. Would be really nice if you can address that question in your press release in some way.

That I think would be really appreciated because there are so many layers to that molecule. So, that is my request. The first question, is on that molecule. Do you see a gradual decline over next 2 years, 3 years and then bottoming out or do you expect like a cliff that we will see, only on that molecule, I am not asking about rest of the business.

Mayank Singhal: Well, I do not know how to answer that. Number one, you need to appreciate that this is not our molecule, it is a partnership. Revealing strategies would be challenging in the today's context. We are in a highly competitive world and I would like to look at this model through the approaches that you have seen for any other product that goes into genericization in the sector.

Rupesh: Okay. The second question is for electronic chemicals business. What is our current gross block and what kind of gross block do you expect in in next 2 years, 3 years?



Mayank Singhal: We will be making another few hundred crore investments in that area and it is a new avenue of growth. So, new assets and plants will be built up as we continue to see that we want to scale this business. We have got four to five products in the pipeline which are working well. We are looking to develop more strategic areas into this. So, investments of the gross block would be going up in this area and then over the next 5 years, we start seeing volumes and revenues that we plan to achieve.

Rupesh: But is that number like INR 200 crore, INR 500 crore, INR 1,000 crore, what kind of asset, asset turn any range would be helpful.

Mayank Singhal: Anything substantial of that area, INR 500 crore is a number which PI would really look at. INR 100, INR 200 is not a significant investment as you would appreciate in the plant today.

Rupesh: And asset turn would be high or low, some idea around that?

Mayank Singhal: That would be difficult to answer today because you are right now investing to build the business. The asset turns as you would see in the CSM business, the early stages have lower asset turns, but when business touches maturity, reaches a scale, you would start seeing those colours.

Rupesh: Okay. And the final question, sir, is on the NCE molecule. In the NCE molecule, life of a patent, let us say 15 years sort of. I mean, what kind of potential. I know it is a very dynamic world, there is so much hard work we have to do, find partners and all that, but what kind of potential can it be for the company of our size? Today we are at let us say INR 8,000 crore revenue scale. Would it be significant for our scale or it would be 10% kind of scale? I mean, some range there would be very helpful in terms of potential over the life of the patent?

Mayank Singhal: We are positive to bring an innovation out. I think the year of launch and the first season of launch will give us the impact at the larger scale to look at the significance. I think the most important significance that needs to be noted is taking an innovation commercializing. I do not think a single company from India has done that and it is probably the first company in any chemical sector to do that. So, that is the benchmark of putting our capability to take from discovery to markets. And rest assured, it has to be of a significant number for us to invest and build, followed with that learnings, we will have an understanding from the seasons that we go and we will be in a better position to answer.

And we are also looking at this as a capability build out for more new things from the pipeline to come. So, that is the way I would look at that the shift in the PI capability mindset from a distribution company to a manufacturer for innovation, now taking innovation to the markets.

Once this is demonstrated well with this product, it gives us hope to build a lot more for the next multi-decades, multi-years if I was to say to bring innovation to the market. This is the significance of this product. The numbers significance for the revenue, it should be a good contribution to the top line for the domestic business to start with. Based on some of our learnings for a season or two, we will be in a better estimate to look at the potential sizing of the product.

Rupesh: Yes, okay. I hope at some point of time you give some preview into the upcoming NCE molecule, sir. I do hope that and all the best.



Moderator: Thank you. Next question from the line of Ram Arvind from iThought PMS. Please go ahead.

Ram Arvind: Thank you for the opportunity. So, my question has to do a bit with the client that we are serving for our biggest molecule. So, since they have come up with a guidance of their formulation in which they use our molecule, they have come up with a guidance of beating their conservative guidance of full year of last year.

And so I am just trying to understand if our shipments to this client of ours is going to get better in the upcoming quarters. So, what I am trying to understand is if we will have growth on our Agchem export side which is dominated by one single molecule. Do we see traction in that molecule going forward? Will we see volumes picking up in that molecule specifically for the next couple of quarters?

Mayank Singhal: I would look at the way you have looked at that customer and follow that guidance. From our perspective, we are in contract manufacturing so what we are building in is already what we have contracted. As you would appreciate the supply chains are long. Clearly, it would be too early for us to answer and to guide how we see that, but yes, if they do benefit, it is a good to see the reciprocating benefit over time.

Ram Arvind: Right. Just to follow up on that since I know we have addressed about the contract assets already on the call, but we have seen a reduction of contract assets going from Q3 FY26 to Q4 FY26. So, does this mean that we are basically billing our clients and they are actually drawing up on the reserves of our contract assets? So, would we see this trend moving forward let us say by Q1 '27, Q2 and Q3 '27?

Mayank Singhal: I would say this is the business, where there is a bare level of inventory which is also kept. There would be a higher level kept given the volatility as you could appreciate in the world. We are looking to keep and build and optimize capacities so that at no point we run out. And I think given the scale and the complexity of the value chain of production, contract assets below INR 500 crore-700 crore would be a challenging number to manage that risk.

Ram Arvind: So, any number that we can probably close on the contract assets for '27?

Mayank Singhal: As I mentioned, we will be remaining within this range from what we have estimated for today. It could shift on a quarter-to-quarter basis.

Ram Arvind: Right. And another question just on the electronic chemicals side. So, what is the approximate revenue figure that you can give us for the electronic chemicals for FY26 and any guidance for '27 and '28 as well? Because some of your clients have been talking about the end market doubling by FY30. So, I think there is a lot of traction in these molecules that PI is entering into and I am just trying to understand the whole market for these electronic chemicals and the numbers from your side for guidance for '27 and '28.

Mayank Singhal: So, to be honest to tell you, we are right now in the early stage, the numbers are not significant for the PI topline with the development stage of some of these products. We are building capacities and understanding capabilities for the customer. In two to three years, we would be in a better position to



understand the scale and size. As you would understand, these are very serious level of confidentialities with our customers and confidentiality contracts given highly competitive environment in this space.

But we are excited about it given the fact the areas that we are operating are in the niche space. And as these are like life science, as we have mentioned four to five products which we are evaluating, developing, they have gone into the various phases which we will be looking at a manufacturing scale at a later date.

Ram Arvind: Right. So, for it to have let us say a significant contribution like say how pharma is having in our business, right? So, for those kind of numbers.

Mayank Singhal: Five-six years is the estimate about somewhere about \$ 80 million to \$ 100 million of revenue in this space.

Ram Arvind: Right. Yes, thank you for that. And any commentary on gross margin guidance for '27?

Mayank Singhal: So, I think as earlier questioned by a couple of others, we said we would continue to manage and maintain the average gross margin of last year.

Ram Arvind: All right. Yes, that will be all. Thank you so much.

Moderator: Thank you. Next question is from the line of Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor: Thank you for the opportunity. Two questions. PI has spent more than a decade discussing adjacencies like pharma, electronic chemicals, life sciences, yet agrochemicals still remain the dominant economic engine of the company and we have been discussing. So, as on today, from management's perspective, was the original assumption that PI's process chemistry and customer trust advantages would automatically transfer more easily across domains than they actually did? And what has been the biggest, unexpected challenge in building meaningful non-agro scale? That is my first question. Thank you.

Mayank Singhal: So, I am not very sure about whether you are talking about a decade, but we made these investments over the last two-three years. Clearly, agrochemicals is our bread and butter, so as an adjacency we have got into discovery and just not manufacturing. Adjacencies have been only evaluated in the manufacturing space. And if you look at the history of PI, even in the manufacturing and contract manufacturing, it took about 10 to 12 years before significant impact on numbers could be seen in the early 2000s.

So, that is when you are getting in the innovator phase. If you completely understand CRDMO, a product does not get into a manufacturing play in pharma at least for five to six years for impactful numbers. Same in the electronics, we have invested in them over the last three to four years, we are seeing products, there are scaling-up, we are seeing investments that we are making, so they will be time.



So, I do not know whether I would say that this is a concern for us, but this is something which we see working well, but in the strategies of the chosen play where we go for a differentiated play, not just a large-scale commodity play in the other adjacencies. Yes, there are challenges, especially in the pharma sector there has been challenges in the external environment investment, biotech startups-reduction in that space. So, the aggressiveness at which it was supposed to be approached has become one challenge, but now I see that sector picking back up, so we could see those scales come up.

Sajal Kapoor: Sure. That is helpful. I was actually alluding to the 2012 annual report, but anyway. I mean, what has PI learned so far about the difference between scaling Agchem CDMO versus scaling pharma CDMO and what capabilities still need to be built before PI can genuinely compete with established pharma synthesis leaders on innovation depth, not just chemistry execution. Thank you.

Mayank Singhal: Yes, so if you see the investments there, we have looked at the biological offering capabilities we started working in that. We are looking to further invest building KSM-material in batch. We have a GMP facility, need to be further upgraded for CDMO.

Our kilo facilities are going to be fired up this year, which is going to create pipeline for the future number one, you cannot build all the capabilities and all the offerings. So, we are looking at capabilities which we need to add which we can differentiate.

Two, areas where we want to partner so we can become a fully integrated partner for a pharma biotech startup, to a company with strong manufacturing in a regulated and in an unregulated environment. So, I believe in the next couple of years, we will be in a pretty good, unique competitive position with best-of-class assets to play this game well.

Sajal Kapoor: Wonderful. Wish you all the very best, Mayank and team. Thank you.

Moderator: Thank you. Next question is from the line of Archit Joshi from Nuvama. Please go ahead.

Archit Joshi: I just had one question. Would it be fair to assume that the current AgChem market is tilting more towards generics than that of patented products? And if you could also allude us to why would this be happening? Would there be some stress on the farm economics level or is it the farm demand that is going through a rough patch? So, any thoughts on that would be quite helpful.

Mayank Singhal: Yes, I think that is a good analogy if you were to pick it up. If you look to be very honest, the commodity prices are not moving, fertilizer prices on the other side are high, the input costs to the farmer is growing. Agrochemicals are becoming a necessity, so he is looking at cheap solutions right now.

But there are positions and openings for the opportunities in certain sectors where it does not have any value-contributing solutions where innovation is coming. While the rate of adoption may have slowed down, it does not mean new molecules and new innovation are not being adopted. It is just the cyclical nature.

And as the aggression would come up in the commodity cycle and the agriculture sector, this would accelerate. That is our view. Innovation will still continue at a steady pace.



So, on an average CAGR, you would appreciate that innovation is still continuing to do better and on short-term or windows of cycles, if you cut and paste, yes, you could see the cycles and trends that you are talking about, which is what you call external dynamics which play the game.

Arjun Joshi: Right, sir. Thanks. That helps and all the best.

Moderator: Thank you very much. With this, we conclude today's conference call. I now hand the conference over to the management for closing comments.

Mayank Singhal: Thank you everybody for joining the call and thank you as always for your support and look forward to catching up with you over the next quarter. Thanks once again. Warm regards.

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

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