May 25, 2026

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Kala Ghoda, Fort, Mumbai 400 001
Scrip Code No: 542665
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National Stock Exchange of India Limited
Listing Department, Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Company Symbol: NEOGEN

Sub.: Q4FY26 - Earnings Conference Call Transcript.

Dear Sir/ Madam,

With reference to the captioned subject, please find enclosed herewith the Earnings Conference Call Transcript of the Company's Q4FY26 Earnings Conference Call held on May 18, 2026 at 4:30 p.m. IST.

The transcript is also being uploaded on the company's website at https://neogenchem.com/financial-performance/.

Kindly take the same on your record.

Thanking you,
Yours faithfully,
For Neogen Chemicals Limited

UNNATI RAJESH KANANI
Digitally signed by UNNATI RAJESH KANANI
Date: 2026.05.25 16:39:11 +05'30'

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Unnati Kanani
Company Secretary and Compliance Officer
Membership No. A35131

Encl: As above

Neogen Chemicals Limited

Q4 FY26 Earnings Conference Call

May 18, 2026

Moderator: Ladies and gentlemen, good day and welcome to Neogen Chemicals Limited's Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing 'star' then 'zero' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nishid Solanki from CDR India. Thank you, and over to you, sir.

Nishid Solanki: Thank you. Good afternoon everyone, and welcome to Neogen Chemicals' Q4 FY26 earnings conference call for analysts and investors. Today, we are joined by senior members of the management team, including Mr. Anurag Surana, Non-Executive Chairman, Dr. Harin Kanani, Managing Director and Mr. Gopikrishnan Sarathy, Chief Financial Officer. We will commence the call with opening thoughts from the management team, after which we will open the floor for your questions.

Before we begin, a standard disclaimer. Certain statements made or discussed today may be forward-looking. Actual results could vary. A detailed disclaimer is available in Q4 FY26 earnings presentation, which has been shared and uploaded on stock exchange websites. With that, I would now like to invite Dr. Harin Kanani to share his perspectives. Thank you, and over to you, sir.

Dr. Harin Kanani: Good afternoon everyone and thank you for joining us to discuss our fourth quarter and full year FY26 financial results. I trust you had an opportunity to review our investor presentation. I will begin with an overview of our operational performance and key strategic developments during the quarter, followed by an update on our long-term growth initiatives.

The global chemical industry continues to operate in a challenging environment marked by persistent overcapacity, pricing volatility, and subdued demand across several end-use sectors. In addition, the industry has witnessed elevated supply chain disruptions and input cost pressures arising from geopolitical developments in the Middle East. Despite these headwinds, differentiated specialty chemical players with strong customer relationships, technological capabilities, and niche product offerings continue to demonstrate resilience.

Against this backdrop, Neogen Chemicals delivered a strong financial performance during Q4 FY26, supported by sustained demand visibility across our core products and high plant utilization levels. Our growth momentum was steered by rising volumes across key end-use applications, including pharma, flavours and fragrance, and other specialty applications. While input costs, including packaging material and logistics-related expenses, remained elevated during the quarter, our strategic pass-through mechanism helped protect our core profitability.

Importantly, FY26 was also a defining year for Neogen as we continued our transition towards a future-ready portfolio led by battery materials. This strategic shift was further reinforced by the promoter group's capital infusion of INR 161 crore through preferential allotment at a premium to the SEBI floor price, reflecting strong confidence in Neogen's long-term growth trajectory and significant opportunities emerging within the lithium-ion battery materials ecosystem. The proceeds will support the expansion of Neogen Ionics, working capital requirement and other strategic initiatives.

As our CFO will shortly take you through the detailed financial performance, let me briefly highlight the quarterly performance. On a consolidated basis, revenue for Q4 FY26 stood at INR 247 crore, registering a strong growth of 22% year-on-year, while EBITDA increased by 21% year-on-year to INR 44 crore. EBITDA margin sustained at 17.8% despite expansion-related overheads, geopolitical-led supply chain disruptions, and temporary costs associated with the Dahej replacement facility and toll manufacturing arrangements. Profit after tax for the quarter stood at INR 11 crore.

On Dahej replacement facility, construction of the plant is progressing rapidly, and commissioning remains on track for June 2026. On the insurance front, we received a recent tranche of INR 60 crore in February 2026, which provides additional liquidity comfort during our ongoing transition. This brings our total cumulative on-account insurance claims received to INR 140 crore plus a salvage realization of INR 7 crore. Our net claim receivable stands at INR 203 crore, and we are working closely with insurers towards expediting the final settlement process.

Let me now turn to our battery chemicals business, which remains the most important strategic pillar for Neogen's future growth.

Our Pakhajan greenfield site continues to progress in line with planned activities. Commercial manufacturing for electrolyte remains targeted for H1 FY27, while electrolyte salts are expected in H2 FY27. During the quarter, the project achieved a significant operational milestone with completion of mechanical assembly and successful transition into the trial run phase for the specialized electrolyte plant. Our immediate priorities are process stabilization, phased capacity ramp-up, and customer qualification.

We continue to witness improving demand visibility for India's giga-scale ACC battery manufacturing ecosystem, alongside strong international interest for non-FEOC compliant supply chain. Encouragingly, we have received provisional approval from additional global customers for lithium electrolyte salts, while final site audits for multiple US-based electrolyte makers have also been completed and are currently awaiting final commercial clearances. These developments position us well to transition from pilot and qualification volumes towards regular commercial supplies over the coming quarters.

During the period under review, we calibrated our execution strategy, which led to a revision in the project timelines and capital outlays for our battery materials projects. Please note that the updated project timelines remain fully aligned with our earlier guidance. We are on track to commission both, the Dahej and Pakhajan plants, within the current financial year, FY27. Under this updated schedule, the Dahej Phase 1 project is budgeted at INR 428 crore and is firmly on track for completion by February 2027. Concurrently, the revised cost for Pakhajan Phase 2 stands at INR 1,367 crore and expected completion is by March 2027.

These revisions primarily reflect design-led optimization following the integration of advanced Japanese technologies, along with higher localization of critical subcomponents aimed at improving long-term operational reliability and reducing import dependence. Importantly, this investment significantly strengthens the competitiveness and technological robustness of our battery material platform over the long run.

Our strategic partnership with Japan's Morita continues to progress well, and their planned equity contribution of $20 million towards the joint venture is expected during the H1FY27. Through this partnership, Neogen is building India's first non-FEOC compliant electrolyte salt manufacturing platform backed by proven Japanese technology, creating a differentiated and globally relevant supply chain alternatives.

Neogen is at a pivotal inflection point as we enter FY27, a year that will fundamentally transform our business scale. The commissioning and ramp-up of one of India's largest dedicated battery materials' facility at Pakhajan, combined with normalization of our standalone operations following Dahej replacement plant commissioning, will significantly strengthen our growth trajectory. We believe Neogen Ionics is well-positioned to emerge as a globally competitive and reliable partner within the battery chemicals value chain, supported by improving customer visibility, technology partnership, and India's rapidly evolving energy transition ecosystem.

We remain confident of achieving revenues in the range of INR 875 to INR 950 crore in FY27 on a standalone basis, considering full production from MPP-5 from Q2 FY26 onwards.

With that, I would like to hand over the call to our CFO, Mr. Gopi Krishna Sarathy, who will take you through the financial performance for the quarter and the year in greater detail.

Gopi Krishna Sarathy: Thank you, Dr. Kanani.

Good afternoon everyone, and welcome to Neogen Chemicals' Q4 & FY26 earnings call. I will take you through the financial highlights for the qua rter and the year. Please note all the numbers are on consolidated basis.

Revenue for Q4 FY26 stood at INR 247 crore, registering a strong growth of 22% year-on-year. Performance was driven by improved volumes, sustained high plant utilization across our core businesses despite ongoing supply chain disruptions, elevated input costs arising from geopolitical developments in the Middle East. Neogen Ionics also maintained steady momentum during the quarter, contributing INR 13 crore to Q4 revenues and INR 36 crore for the full year.

Looking at our operational verticals, Organic Chemicals recorded a revenue of INR 194 crore, up 7% year-on-year, while Inorganic Chemicals segment delivered a standout performance with INR 53 crore in revenue, marking an impressive 145% expansion over the previous year base.

EBITDA for the quarter stood at INR 44 crore, up 21% year-on-year, with consolidated EBITDA margin maintained at 17.8%. As indicated by Dr. Kanani, the performance remained resilient despite expansion-related overheads at Neogen Ionics, temporary supply chain disruptions, and one-off costs associated with Dahej replacement facility and interim toll manufacturing arrangement. As the upcoming Pakhajan and Dahej facility progressively scale up, we expect stronger operating leverage and improved fixed cost absorption, further supported by insurance recoveries.

Profit after tax for Q4 FY26 stood at INR 11 crore, reflecting robust profitability. Finance costs remained elevated on account of ongoing capital deployment towards Neogen Ionics and the reconstruction of the Dahej facility.

For FY26, revenue stood at INR 862 crore, registering a growth of 11% year-on-year, while EBITDA increased to INR 137 crore and PAT stood at INR 29 crore.

H2 FY26 reflected a significantly stronger cash flow performance compared to H1 FY26, supported by improved operating efficiency and better working capital management. Net cash from operating activities turned positive at INR 14.6 crore in H2 FY26 versus an outflow of INR 246.1 crore in H1 FY26, driven by healthy cash generation from operations.

Turning to our balance sheet, consolidated total debt reached INR 1,330 crore in FY26, bringing the net debt to INR 1,295 crore. Increase in debt was driven by targeted funding for the Dahej facility rebuild and ongoing capital deployment at Neogen Ionics. We remain focused on optimizing our balance sheet, driving working capital efficiency, and maintaining a highly prudent capital allocation strategy to maximize sustainable returns on our investments.

Reflecting our strong performance and long-term growth confidence, the Board has recommended a final dividend of INR 1 per equity share for FY26. This underlines our commitment to delivering consistent value to our shareholders.

That concludes my remarks. I will now request the moderator to open the floor for Q&A.

Moderator: Thank you very much. The first question is from the line of Nilesh Ghuge from HDFC Securities. Please go ahead.

Nilesh Ghuge: Good afternoon, Harin. Good afternoon, Gopi sir. My first question is on this revision in your cost for the battery chemical projects. You mentioned that there will be import substitution and there will be a long-term operation reliability. But our cost as far as this project is concerned has gone up more than INR 250 crore.

Can you tell us how much saving we can do or the returns that you expect? Are you increasing your ROCE as you mentioned in earlier discussion that 18% kind of returns you expect from this project, but if you are investing this much more, more than Rs. 250 crore capex. Any improvement in that? That is the first question.

Dr. Harin Kanani: Sure. Thank you for your question. We are basically aligning our technology to Morita technology. That has been one reason. And the second reason if you would have seen that in the investor presentation, we have added additional 500 metric ton intermediate facility of a simple lithium compound for which we have an opportunity to sell to our international customers including our partners. This is the total of that.

And with the savings that we have in raw material and due to other operational efficiencies, even today when we look at our return on capital employed, ROCE numbers, they are at 20% - around 18% to 20%. So, when we put together the revised model also, the return remains at 18% to 20% - 20% being the base target on the salt side and with electrolyte, as I said, we are finalizing it, but effectively we should be targeting 18% to 20% ROCE, even after the revised capex.

Nilesh Ghuge: Okay. And secondly, how much was the revenue from electrolyte business in FY26?

Dr. Harin Kanani: In the total INR 36 crore of revenue numbers, it was below INR 10 crore, but I do not have the exact number for you right now. The majority of it is from the salt.

Nilesh Ghuge: Okay. But when you are guiding INR 875 crore to INR 950 crore of revenue in FY27 for our standalone business, how much revenue are you factoring in from salt plus electrolyte in this?

Dr. Harin Kanani: INR 875 crore to INR 950 crore is non-battery business. So, there is no salt or electrolyte sales in the INR 875 crore to INR 950 crore revenue.

Nilesh Ghuge: And this is after factoring in the Dahej replacement plant?

Dr. Harin Kanani: Yes.

Nilesh Ghuge: Okay.

Dr. Harin Kanani: If you remember, our original guidance was around INR 950 crore to INR 1,000 crore on full utilization level. Dahej plant is starting a little bit later. We had targeted to start in Q1. Instead, there were some delays in completing the project because of labour shortages related to construction over last 2-3 months. So, it got slightly delayed. That is why we are saying INR 875 crore to INR 950 crore.

But we are seeing very positive signs for organolithium sales as well as lithium sales, which is not impacted by Dahej. If we are able to outperform in that, then we would be able to even achieve the original INR 950 crore to INR 1,000 crore. But because there was a slight delay in starting the Dahej plant, that is why we said INR 875 crore to INR 950 crore.

We are trying our best with organolithium and lithium compounds to achieve the original target of minimum INR 950 crore and then INR 950 crore plus kind of revenue from the standalone. And this does not include any electrolyte salt or electrolyte. The electrolyte salt and electrolyte, the Neogen

Ionics revenue potential we had mentioned last year to be INR 300 crore plus. The same remains the current guidance also. We expect to have a INR 300 crore plus kind of revenue from our NIL business.

However, this will mostly be in the second half. We will see some improvement from Q1, Q2, so we will see quarter-on-quarter improvement, but majority of the sales will be in the second half as more giga factories come online for electrolyte as well as our Pakhajan site is also expected to come online in the second half, and the final capacity in Dahej is also expected to come by Q3. So, I think all of this will give a boost in Q3 and Q4 and that is where you will see majority of the revenue coming.

Nilesh Ghuge: Okay. And lastly on the quarterly numbers. Our revenue grew by about 12% Q-o-Q and around 22% Y-o-Y. So, can you split that in volumes and value?

Dr. Harin Kanani: Most of this is basically by volume. There was hardly any impact of may be 2% or 3% which was because of value. Rest of it was completely through volumes.

Nilesh Ghuge: Okay. Thanks.

Moderator: Thank you. Next question is from the line of Arun P from Avendus Spark. Please go ahead.

Arun P: Yes. Good evening, Dr. Harin. My first question is how is the lithium price and bromine price currently as compared to the previous quarter? Have we seen these stabilizing and how will this reflect in our topline, in our legacy business in the quarter?

Dr. Harin Kanani: Bromine prices have stabilized a bit because after there was a pause in the war, there were shipments which Dead Sea Bromine was able to arrange to China market, which over a period of time started stabilizing the bromine prices and bromine prices have remained stable. We will see if there is no further disruption, they may reduce also because they remain at an elevated level.

When it comes to lithium prices, there was one large jump, but after that it is slowly increasing. We have not yet seen a stable lithium price. It is very difficult to predict how it works, but we feel this is driven by higher demand for ESS and even some areas we are seeing a little bit more push towards EV with the current gasoline prices and higher petrol and crude oil prices. If the trend continues, we may see lithium prices increase further beyond this level, but it is very difficult to predict at this point in time.

Arun P: And if these kind of prices sustain, our potential from the standalone business, how much it will increase because we are currently still sticking to our close to INR 900 crore topline. Any early indication how can we expect an increase in this potential revenue?

Dr. Harin Kanani: I normally do not factor in commodity price increase into how it will change our topline significantly because most of it is a pass-through and it is anyway something which is difficult to predict. So, for us more focus is on what we consider as a normal price revenue potential, what we have given you right now, which is basically INR 875 to 950 crore. This (is at) sustained lithium price. Even now lithium prices are around USD24/USD25 lithium carbonate prices, which as per me is the kind of a normal price because USD15 to USD20 is what I consider as a long-term stable lithium price. So, it is only slightly above. So, the abnormally low prices are gone. Now it is closer. I would say USD20 plus minus

USD5 as a long-term stable price. We are in that range. If it goes beyond that, then you may have some additional revenue, but you know, there is no point to factor in. It is basically a pass-through. My topline to that extent will be higher, but does not mean that it will have any impact on the EBITDA on that higher price. Therefore, I do not tend to consider.

Similarly, bromine price also ideally should be between INR300 plus minus INR50. Today they are a little bit higher. Although because of our contracts, we did not see a very significant impact in the last quarter. But yes, if they remain at this elevated level, there will be some increase in the bromine prices as well, which will impact the topline. But currently, we are not factoring that topline when we are doing our budgeting. If they remain at an elevated level, to that extent our revenues will be slightly higher.

Arun P: Understood. But what explains the inventory absolute increase in the inventory receivables?

Dr. Harin Kanani: The absolute increase in the inventory was mainly because we had taken some of the outside locations on rent basis to get capacities. These contracts were getting over by March 2026. And since Dahej was not fully online, we built up some inventories to take care of our sales in Q1 and Q2. We also decided to ultimately extend it slightly by another month, month and a half to take care of the sales, but we wanted to wind down those operations with Dahej plant coming online. It was mostly driven by that; and some product mix related requirements that we had where we had to create some inventory.

Moderator: 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 salt pricing. How is the price gap now with China versus our pricing?

Dr. Harin Kanani: When you compare with China, if we see most of the beginning of the last year, the prices were actually almost 40% – 30%, 40%, 50% lower or even sometimes higher - lower as compared to what our let us say long-term formula prices were. However, after December/January, we saw when the lithium prices increased, we saw increase in the salt prices as well. And then, it reduced a little bit. So, we still have a 20%/30% decrease. But it is lower as compared to earlier. It is still a bit lower as compared to our prices. In December/January, we saw an increase, but then it did not sustain for too long. So, there was a period when they were even more expensive than us. And then again, they cooled off a little bit. But still not to the same levels as earlier. So, this is more reasonable price as compared to what it was, but still a little bit lower as compared to what ideally it should be.

Ankur Periwal: So, what is the gap now? You said they went up, they came down, but what is the differential now?

Dr. Harin Kanani: Now the differential would be, if we look at our formula long-term price, so it would be around 20% to 25%.

Ankur Periwal: Okay. Fair enough. And just two clarifications. One, the interest subvention that we have…when does it start? From what date one should build that in? And it will be a cash flow relief. The P&L provision etc., will still continue? And the second question is on the standalone manpower cost. We saw a sharp jump there on a Y-o-Y basis full year. So, what is driving that?

Dr. Harin Kanani: I am not very clear on what do you mean by interest subvention?

Ankur Periwal: Sorry, it is not subvention, but moratorium that we got from bank side…from that.

Dr. Harin Kanani: Yes. The moratorium is for the period of one year from the revised start of commercial operations. So, whenever we have the first start of stable commercial operations, there will be one year moratorium from that date. As we have announced, I think in the last call itself, that for Pakhajan there was an extension of one year for the electrolyte as well as the salt.

Assuming from our side, most of the work on the electrolyte should be ready by H1. If we start commercial production and all the qualifications are completed in H1, then one year from that. And in case of the salt in H2, from the time we have the commercial production, one year from that. And in case of our Dahej site, we will be again on an extension for one sub-section of 1,000 tons capacity, which got delayed and instead of Q1, we are expecting it to start in early Q3. So, I think wherever that SCOD happens, from that, there will be a one year moratorium.

Ankur Periwal: Sure. And this is a cash flow relief. The P&L provisioning will still continue?

Dr. Harin Kanani: Yes. I will just ask Gopi to answer that.

Gopi Krishna Sarathy: Yes, it is cash flow relief only for the principal repayment. Interest will start immediately after the COD is achieved.

Dr. Harin Kanani: And just for clarification, whatever interest during the project is already considered in the revised cost of the project. So, till the time it is capitalized, the interest is already included in the revised cost.

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

Rohit Nagraj: Thanks for the opportunity and congrats on one good Q4. The first question is in terms of the battery manufacturers' plant in domestic market. Individually what is the status? And just allied question to that - on Slide number 12, we have given current project updates where we have mentioned that the first approval material is shipped to the customers and for remaining 1,300 MTPA, the trial production is ongoing. So, will we have to validate the entire 1,500 metric ton capacity as and when it gets commissioned from a trial production perspective and what could be the timelines for the same?

Dr. Harin Kanani: Sure. Let me answer the second question first. It was about the samples that we have given, are representative for the entire 1,500 metric ton. And even the 1,000 metric ton which is remaining, is going to come from the same site. So, basically now, with whatever samples we have submitted and we also intimated that three customers, three electrolyte makers in the US have now just completed the audit trial.

With those for the three customers who have already audited and for the others we have submitted samples, for Dahej, we do not need to submit any fresh samples unless there is a customer request because sometimes a customer for each electrolyte maker for each battery maker, they may request separate samples. But for the majority of our customer requirements, most of the sampling work is done. The audits are also completed. Post audit, they have given us some corrections which we expect to complete within one or two months. And then once we demonstrate that, gradually the commercial supplies can start. So, we expect by July or August 2026, we will have commercial supply start, and we do not have to wait for additional approvals for Dahej site.

Also, all the customers who visited, they also visited Pakhajan site, which is under commissioning and they were all very appreciative of the way the site is shaping up and the systems which we have put in the site, especially because it is designed from scratch with the Japanese technology. And most of them were of the opinion that the approval cycle in Pakhajan will be shorter because our testing method, raw material supply, manufacturing, all of this is already aligned. Only just the site is changing. So, Pakhajan will have a relatively shorter approval cycle. This was the feedback from the customers who audited and approved us during the last quarter.

Rohit Nagraj: Right. And just one clarification on the question in terms of the domestic battery manufacturers. Where are they in terms of putting their plants and probably providing us the commercial orders?

Dr. Harin Kanani: Sure. One of the customers has already been buying from us small volumes for last one year. And they have now also increased their capacity which is coming online. Within the first half, their capacity is increasing from 1 giga to 5 giga. The estimation that we have received from them will increase for the current year. We expect a significantly higher volume as compared to the last year. All the approvals are in place and we are on track. It is just a question of their actual consumption and Neogen right now is the only source for them and we have excellent relationship with them. So, that business is certain. The volume depends on their actual production and actual consumption.

When it comes to the second customer, the second customer has also visited and done an audit and in principle approved Neogen as a site. There will be still more detailed qualification. This customer is also a giga customer who is starting a pilot line sometime in the second quarter and they will start commercial production in 2027. So, right now the way it stands, we are still discussing some commercials, but technically they have qualified the site to use the material in their trial production line, the pilot line, which the volume will be much smaller. It will not be at giga scale. It will be mega scale. But the important thing is that since they will use it in the pilot line, they will have the customer approval, so the shift to the giga factory will be smoother.

On top of that, two of the giga customers who have started production or are expected to start later on in calendar year 2026, both of them have given us their recipes and we have already submitted our samples and right now they are testing our versus China performance of the cells using Neogen electrolyte versus China electrolyte. So, once they do the performance trial and they have sufficient data, then they will start the process of moving Neogen as a qualified supplier for them.

So, we already have two customers, one giga scale, one megawatt hour scale, who have qualified Neogen. Two more are in the pipeline who are starting in 2026. They are in the process of validating Neogen's electrolyte versus Chinese electrolyte. And two other customers who are likely to start in 2027. We have had a good commercial and technical discussion and site visits and we remain engaged with them for the final approval and qualification. Again, the question is they both had an original intention to switch from China, but how to switch from China to Neogen is what is currently being worked out.

Rohit Nagraj: Sure. The second question in terms of the funds for our expansion. Given that we will be receiving INR 200 crore from the insurance claim and $20 million from Morita JV, do we need any additional funding during FY27 and after the current projects commissioning, what is the gross block at the end of FY27? Thank you.

Dr. Harin Kanani: Both the Morita money coming in and insurance, is expected and as INR 160 crore equity has gone has been taken care of. So, this money is sufficient to take care of completion of the project and to take care of the initial requirement. So, we are on track for that. And I think the total gross block of Neogen Ionics would be around INR 1,700 crore to INR 1,800 crore at the end of FY27 as most of the CAPEX will be completed.

Rohit Nagraj: And for standalone, and on a consolidated basis?

Dr. Harin Kanani: Gopi, standalone would be like somewhere around INR 450 crore to 550 crore?

Gopi Krishna Sarathy: That is right. Yes.

Dr. Harin Kanani: Once MPP3, MPP5, our Dahej site expansion is completed, we expect to be in the range of INR 450 to INR 550. You can say basically whatever was the standalone gross block before fire plus maybe INR 40 crore or INR 50 crore more which would have gone towards higher cost of the rebuilding. Again, hopefully that will also be majorly covered by the insurance proceeds.

Rohit Nagraj: Sure. Thanks and all the best.

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

Abhijit Akella: Yes. Good evening. Thank you so much. First one, would it be possible to just share a breakdown of the Organic Chemicals business line between the three lines that we mention, bromine derivatives and the other two?

Dr. Harin Kanani: I think bromine derivatives was about 40-45% of the revenue. The advanced intermediates was about 30% of the revenue. The organolithium and lithium together were the balance.

Abhijit Akella: Okay. And when you mentioned that most of the revenue growth was volume-driven, does that apply even to the inorganic business? Because inorganic we have seen 140% growth. So, is that largely volumes then?

Dr. Harin Kanani: Yes, it is mostly volume because I think people knew that the lithium prices were going up and we still had some inventory. So, there was a good demand, and we were able to capture that. We have seen that, when the lithium prices are on upward trend, volumes increase first. We will have to see whether that will be sustained because sometimes people are expecting higher lithium prices coming down the line, so they are covering up. Anyway, Q4 is usually our strongest quarter for lithium most of the years.

We will have to see how the next year goes, but we have also added few new customers and we are now able to recycle the lithium which is coming out of the organolithium plant. So, all these also have made our lithium business a little bit stronger. So, we will see, if that will allow us to still continue the growth as well as whatever is the growth because of the higher price of lithium in terms of the overall topline we expect in the coming year.

Abhijit Akella: Okay. Thank you. And just the other last second one I had, just two, three small parts within this, some accounting clarifications. One is in the standalone cash flow statement. There is, under investing we see an INR 86 crore proceeds from sale of assets. So, is this by the parent to Neogen Ionics? Just wanted to clarify that because it does not show up in the consolidated books.

Second thing is, the capital work in progress. If I look at consolidated minus standalone, the difference is about INR 700 odd crore, which implies that maybe we still have another INR 1,000 crore to go, you know, given that the total project cost is now INR 1,795 crore or so. So, this entire INR 1,000 crore we expect to complete by Q3, or could there be, I mean, it really sounds a little bit unrealistic there. The last one was just the employee costs. Sequentially it seems to be down about 22%. So, just wanted to get your perspective on that. Thank you.

Dr. Harin Kanani: I will answer on the calculation that you did for CWIP of INR 700 crore plus. I wanted you to just keep in mind that some of the CAPEX for our inorganic, battery business has already taken place. So, it is not INR 700 crore plus what is capitalized is what we have spent. That will be roughly at around INR 950 crore to INR 1,050 crore is what we have spent and the remaining INR 600 crore, INR 700 crore will be spent in the current year.

Gopi Krishna Sarathy: And also some part lies in the capital advance.

Dr. Harin Kanani: Okay. And some of it is also part of the capital advances which has been there. For the specific query about your INR 86 crore, I will ask Gopi to reply.

Gopi Krishna Sarathy: You are right. The sale process relates to the sale transfer of asset from NCL to NIL, which was done two years back. The money was not received while the transfer had happened earlier. Now that the CCD is in place, NIL has paid off that money. So, that is why it is been recorded in the cash flow as our sale of property, plant and equipment.

And the other question on the employee cost. Sequentially it has come down mainly because of the actuarial. There was some change in the actuarial assumption that has resulted in some credit. That is the reason on a sequential basis the employee cost is showing a reduction.

Abhijit Akella: Great. Thank you so much for the clarification. All the best.

Moderator: Thank you. Next question is from the line of Jason Soans from IDBI Capital. Please go ahead.

Jason Soans: Yes. Thank you for taking my questions. Just wanted to understand. You did speak about lithium pricing being on a normalized level right now. So, just with regards to that, wanted to know what could steady state realizations be in dollar terms for salts and electrolytes both?

Dr. Harin Kanani: For me the more stable lithium price would be $15 to $20 being like a base price. I feel ideally speaking on a long-term basis when supply and demand are balanced, $20 of lithium carbonate is a reasonable price considering the cost of the lithium, the spodumene like mining cost and some royalties which are paid to the Governments on that. Plus minus $5 would be the fluctuation. $15 to $25 would be like an ideal range of lithium which should be. So, right now they are a little bit on the higher side. They are around $24/$25, higher end of it. And at $20, we have given salt around $20-odd and $20/$21 and our additive around $25 to $30 in that range. So, right now it would be a little bit higher as compared to that.

Electrolyte also depending on the volume and the scale, we had, as you remember in the beginning, said around $8 to $10 and later on we had said around $6 to $8 per kg. So, we expect, currently it should be with the current lithium price somewhere around $7 to $9 per kg, otherwise $6 to $8.

This also depends on other raw material inputs. So, the lithium prices have corrected, but some of the other inputs like solvents, etc., have not yet fully corrected. In this, I am not taking the war-related because if I consider today's prices with impact of war, then it can be even above $8, closer to $10 plus kind of a price. This is at 5,000, 10,000 ton level. And in the beginning, customer demand would be 1,000 ton, 2,000 ton at which it should be a little bit higher because the raw material cost and conversion cost is higher at that point in time.

Jason Soans: Sure. So, $6 to $7, $7 to $8 would be a decent range for electrolytes.

Dr. Harin Kanani: If you are thinking of $20 with the other raw materials, I would say $6 to $8 would be the range. So, $7, $7.5 as a average price.

Jason Soans: Yes. Sure. And just wanted to know, when you look at the consolidated cash flow, CAPEX has basically amounted to INR 555 crore it is been FY26. Now our CAPEX also has been revised upwards which was around INR 15 billion, now it is basically gone to around INR 18 billion. So, it is an extra INR 300 crore which is being the revised CAPEX. Now just aligning all these things, just wanted to know what could be the CAPEX outflow over a like-to-like basis in FY27 and FY28 going ahead?

Dr. Harin Kanani: Okay. FY27 and FY28 you mean calendar year 2027, 2028, right?

Jason Soans: No, no. When I look at FY26, I mean when you look at the cash flow statement. FY26 is INR 556 crore. So, FY27, FY28 just wanted to know how that would look like?

Dr. Harin Kanani: FY27 we would complete with the balance CAPEX which could be around INR 600 crore/INR 700 crore. Plus maybe about INR 100-odd crore in Neogen. So, total together at around INR 800 crore. That is for FY27 and FY28, unless something changes dramatically, we do not have at present any fixed plans for increase in CAPEX for Neogen because we want to fully stabilize the plant, achieve full utilization. Similarly, we have not yet planned any major capex for FY28 at present. Although as we have said in the past that if both international demand and India demand comes up, we will have to increase our salt and additive capacity. But to what extent we have not yet decided, so I am not able to give a number at present.

Jason Soans: Sure. And just one final clarification. I believe you said FY27, INR 36 crore was battery chemicals revenue in FY26 and FY27 you expect INR 300 crore, but it will be more towards the H2 FY27. That is the second half. Am I correct?

Dr. Harin Kanani: Yes. Revenue…revenue for the battery chemicals.

Yes, for the non-battery it is INR 875 to 950 crore in FY27.

Jason Soans: Yes, correct. And for the battery chemicals, you said INR 300 crore entire battery chemicals, but mostly towards H2 FY27.

Dr. Harin Kanani: Yes, more than INR 300 crore for FY27, larger portion in the second half, every quarter sequentially you should see an increase.

Jason Soans: Yes. And FY28 with everything going on stream finally, the entire CAPEX any ballpark numbers for FY28?

Dr. Harin Kanani: Yes, we had in the past calculated that, just the salt capacity at 80% utilization and we expect a very healthy salt demand, like electrolyte salt and additive demand. So, that itself is like you know, revenue of INR 1,000 crore plus. Depending on how the electrolyte demand shapes up, it will be something more than INR 1,000 crore.

As we said, on FY29, it is like INR 2,400 crore to INR 2,900 crore. So, we feel in FY28, it will be something more than INR 1,000 crore, let us say INR 1,200 crore, INR 1,400 crore that kind of a number. But we will be able to give you more clarity, in the second half of the current year.

Jason Soans: Sure. Thank you so much for answering this.

Moderator: Thank you. Next question is from the line of Meet from Niveshaay. Please go ahead.

Meet: Our first domestic electrolyte customer is highly satisfied with Neogen compared to our competitors. Mainly because of our quick response time and our ability to modify the electrolyte solution as per their requirement, right? So, this helped us to secure the order. Just want to check how the negotiations are progressing with other cell manufacturers who are not using the standard, who are not using the wet dry coating? Are we also achieving a dominant position there?

Dr. Harin Kanani: As I explained earlier in the call, second customer also visited our facility, had a pre-round and has qualified *(Neogen)* to use our electrolyte for their second line. And then there are two more who are now evaluating our electrolyte performance versus China electrolyte performance and two more are discussing with us.

I think the factors are Neogen's existing experience, the bigger plant capacity which is available because you need a higher capacity to take care of all the customers. We have a 30,000 ton plant which is under trial production and that too is built with Mitsubishi technology. I think all of this is a positive for the customer. And now the customers with their experience in China last one year are also looking at localization.

The fact that Neogen has electrolyte salt and additive backward integrated, even electrolyte solvent purification is backward integrated. So, some of these features are very attractive for the customer and as with all the 6 giga factories under construction, we are having very positive discussions ongoing currently.

Meet: Got it. Second one. Several South Korean electrolyte players already have their plants in US, right? For electrolyte? Now they have also announced a CAPEX in Korea itself for salt manufacturing, right? Either JV or MOU. So, in that context, are your US salt customers looking at Neogen mainly as a second source or as a maybe backup supplier or do you see clear visibility for Neogen to become a meaningful supplier for the US?

Dr. Harin Kanani: At present, if you look, there are already existing, established, we have discussed in the past calls that there is one Japanese company and there is a Korean company with limited experience and there are two manufacturing plants which are coming up in India. And in Korea, while there were many announcements. But of these announcements, today actively being pursued is only one company which is still working on and they are working with a technology.

So, you have two existing, one Japanese and one Korean and three new, two Indians and one more Korean which is trying to start up. So, in this, Neogen is the only one which has a technology partnership with Morita, which is seen as an established technology because it has been in use. So, between the three new, we see some advantage of customers looking at us as a stabilized or more reliable supplier and hence they look at Neogen a bit more preferentially as compared to the others. This is our view for LiPF6 electrolyte salt.

Meet: Got it, sir. Thank you so much.

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

Archit Joshi: Hi. Good evening. Thanks for the opportunity. Two short questions, squeezing them into one. What would be the contribution of BuLi Chem in Q4 and FY26? And number two, what explains the sharp increase in trade payables, almost as good as the COGS for the whole year? If you can explain these two things. Thank you.

Dr. Harin Kanani: We are not giving our sale of organolithium plant individually because it is a single molecule. But as compared to last year, we have seen an increase in our revenue and we have seen approvals in the international market in the semiconductor applications and we are expecting few more approvals in the international market.

So, for us, current year in organolithium business has been good, we are looking really forward to this year where we expect a sharp increase in the business contribution from the organolithium side. We achieved one of our highest productions as some of you may know in the past we had announced. We had increased capacity 2.5x. So, we reached the full monthly volume, the highest peak volume ever in the month of March and we continue to see that in the current quarter as well.

As compared to the installed capacity which was around 120 metric tons, we had increased 2.5x to 300 metric tons per year. So, this year and last year was somewhere in between. So, this year we are very strongly looking at a potential to achieve almost 80%, 90% of our increased capacity. And then if everything goes well, we may do a small CAPEX to further increase this capacity in the coming year, but we are seeing a very strong response to our organolithium business.

Archit Joshi: Second bit was on the trade payables, the very sharp spike that we have seen. Like I said, almost like 365 days outstanding of trade payables. What would explain that?

Dr. Harin Kanani: As you know, last year we had already a lot of financing to do. There were lot of funds which were required. We were awaiting some insurance payment. We discussed this with our suppliers and we were able to negotiate longer credit terms with them and some of them were also able to get factoring against Neogen's payment lines. So, we were able to get longer credit terms. So, we have basically used longer credit terms with them.

And our long-term target as we said is to balance our debtors with our creditors. This time the creditors were still little bit on the higher side than that, which was some kind of a special support from our suppliers because of fire-related situation.

Archit Joshi: Got it. So, going into FY27, we should start seeing the payables to come down as we get the insurance part of the money?

Dr. Harin Kanani: Yes. Yes. And hopefully, like I said, our debtors and creditors will stabilize each other and our stock will keep improving as we use full utilization levels. So, we will achieve the long-term working capital cycles gradually over next 2 to 3 years as we had informed earlier.

Archit Joshi: Right. Sure. Thank you.

Moderator: Next question is from the line of Tejas Sonawane from Asian Market Securities. Please go ahead.

Tejas Sonawane: Yes. Thank you for the opportunity. I just have one question. In the result document, you have mentioned the revised project timeline for Pakhajan Phase 2 as March 2027. I just wanted to understand if this is the timeline which has been provided is more for the electrolyte formulation part and also Dahej Phase 1? As you had earlier highlighted, the capacity which we are setting up at Dahej would be largely based on our own technology, while in the remarks you have also said that we are transitioning from in-house to Morita technology. That will be more towards the Pakhajan part or are we also shifting our 2,100 incremental salt capacity to the Morita technology? That is it from my side.

Dr. Harin Kanani: I think most of the Dahej capacity remain our capacity. We have done some adjustments to the technology, but majority remains and the salt capacity in Dahej also includes additives where we do not have collaboration with Morita. That remains completely Neogen's own technology. So, a large part of that 2,500 metric tons is related to our own and majority of the Morita-related technology adjustments were in our Pakhajan facility, but one change if you look at our investor presentation. And that is, we have added 500 metric tons of additional intermediate salt capacity, which is required or which is the starting material for our raw material for electrolyte salt, which we are in discussion where this is consumed by our partner, Morita in China as well as few other customers who are making LiPF6. And Morita being our partner, they are positively considering to purchase this from us and other established LiPF6 producers are also considering to buy this intermediate from us to achieve the China-free requirement. So, that is the additional CAPEX required for our Dahej site, which has been updated in our presentation.

Tejas Sonawane: Okay. Got it. And on the revised project timeline which was given in the result document as March 2027, that is for our electrolyte 30,000 ton capacity which is coming up?

Dr. Harin Kanani: No. That is for the entire project because till now, the bank is in the process of dividing it. So, this is the SCOD which we have taken approval from lenders. In terms of our timelines, H1 we should have completed majority of the electrolyte work and H2 for the salt. That remains unchanged.

And similarly, in case of Dahej Phase 1 also, by Q3, already 1,500 tons are completed and only the last bit of 1,000 tons and the 500 tons addition that we have planned should be completed by Q3 and maybe a little bit capacity by Q4. Again, this is the approval which we have taken from the bank.

We remain committed to completing majority of the Dahej site, the balance 1,000 tons plus the new 500 tons intermediate, by Q3; and as we explained, for the Pakhajan facility, H1 for electrolyte and H2 for the salt. And in H2 also, mostly by the end of Q3 it should be ready. Q4 we should be able to do additional revenue. Revenue can start getting generated. But since sometimes approvals take longer, we have not factored in any revenue from this. We have kept it as a backup in case if electrolyte revenue is reduced because of lower demand in India. Then whatever revenue we get from Pakhajan in Q4 will be used as backup or otherwise it will be additional revenue, which is the INR 300 crore plus part depends on Q4 from Pakhajan minus any reduction in electrolyte. So, that would be the balancing figure.

Tejas Sonawane: Okay. Just a small follow-up. So, 5,500 tons would be our total salts plus additives capacity and this 500 tons intermediate which we are setting up would be over and above that 5,500 tons?

Dr. Harin Kanani: That is right. Yes.

Tejas Sonawane: And out of that 5,500 tons, what would be the split between salts and additives?

Dr. Harin Kanani: Salts would be approximately 4,000 tons and 1,500 to 750 tons would be the additive.

Tejas Sonawane: Yes. Okay. Got it. Thank you so much. That is all from my side.

Moderator: Thank you. Next question is from the line of Pratham from Quantum Asset Management. Please go ahead.

Pratham: Hi. Just one thing. Since we have increased the CAPEX, what would be the peak debt that we would be seeing? Previously, we have alluded to INR 1,700 crore, I guess, as the peak debt. And what would it be now?

Dr. Harin Kanani: As we explained in our presentation, since we have already raised INR 160 crore equity which has come in from the promoter as well as $20 million from our JV partner which was not factored in during the initial discussion, the peak debt will not change. Will remain the same as earlier.

Pratham: In Inorganic Chemicals, if I just deduct the INR 36 crore revenue which we received from Neogen Ionics, then there is just a 10% drag in the Inorganic Chemicals. And it has been dragging us continuously. So, what is the reason that we can attribute it to?

Dr. Harin Kanani: During most of the year, the lithium prices on an average were lower. I can see one that as one of the reasons, but I would need to take a little bit closer look before I can answer it.

Pratham: And in volume terms, have we been growing on that front?

Dr. Harin Kanani: I have seen no significant increase or decrease. Has been more or less, overall stable.

Pratham: Sure.

Dr. Harin Kanani: Or slight increase also, but yes.

Pratham: Just one more thing. If suppose, there is a delay in ramp-up in capacity, given what I am trying to factor in, I foresee a liquidity issue in the company. So, if you can just help me, if you can just clarify on this part, how is the ramp-up happening?

Dr. Harin Kanani: As you see whatever has been the delay in our project startup, the repayment schedule has already been delayed to the same extent. So, broadly speaking, whatever was supposed to get completed in March 2026 is getting completed by March 2027. But now that we have got the extra time, most of the approvals, everything will be in place. So, the revenues also will ramp up. And overall, I do not see a big change as compared to that.

And the additional CAPEX which was required was already funded through additional equity both from promoter side as well as the JV partner. So, for us, there is not too much of a difference. Whatever insurance proceeds we are receiving on a regular basis and whatever balance also we expect to receive in a relatively shorter period of time. So, we are not concerned. But if there is any need, we will always keep a watch. And if required, we would raise money if needed.

Pratham: Sure. No concerns. Thanks.

Moderator: Thank you. Next question is from the line of Akshay from Alpha Invesco. Please go ahead.

Akshay: Thank you for the opportunity. My question was regarding our domestic giga factory customer who is utilizing dry battery electrode. How does the architectural shift impact the technical specifications of the electrolyte considering it is a dry battery electrode? It will be a little more sensitive to moisture and all. So, I wanted to understand that.

Dr. Harin Kanani: When it comes to electrolyte, any component you change in your manufacturing changes the electrolyte composition. So, when you go from LFP to NMC or within LFP for the application, different kind of cylindrical versus prismatic type or even depending on the application, whether it is for energy storage or whether it is for EV applications. Each one has a unique electrolyte design depending on the size, shape, and the type of technology used in the battery. On the anode also you have carbon only or carbon silicon.

All these permutations-combinations require a separate individual electrolyte design and optimization. Yes, dry cathode is a relatively challenging technology, so it requires more trials to begin with. But in my view, it is one of the stringent requirements, when you go for NMC dry cathode, that too with no secondary cooling. We already have achieved electrolyte which is performing really well in this condition. So, yes, each electrolyte, each cell design we have to optimize the electrolyte.

Akshay: Okay. Got it. And the same customer has been scaling up their capacity to 2.5 gigawatts. So that would create a demand for 250 to 400 tons of $LiPF_6$? I wanted to understand what portion can we cater to from this demand?

Dr. Harin Kanani: The normal rule is, 1 gigawatt hour requires 1,200 to 1,400 ton for LFP and in case of NMP, between 400 to 600 metric ton per gigawatt hour. I will not be able to comment specifically, but as I explained to an earlier participant, the scale-up which has been done by the customer, we expect a higher electrolyte demand from them as compared to last year - significantly higher. However, the actual consumption, one is the capacity, but you run the plant at what capacity depends on the customer, production and sales plan. So, depending on that, we will see how much actual electrolyte gets bought. But yes, the demand should be significantly higher as compared to last year.

Akshay: Okay. So, based on what is going on, the current demand that is going to the customer, can we say we could do 50%/60% of their requirement?

Dr. Harin Kanani: From our side, we can meet 100% of the customer requirement and more, because we have a capacity of 2,000 metric ton which is already in place and another 30,000 metric ton will be ready by H1. So, we can take care of the entire customer requirement.

Akshay: We can take care of the customer, but is it a requirement, is it feasible or even wise enough? I am just trying to understand what is the probable scenario here?

Dr. Harin Kanani: There is a very high probability that last year also 100% was met by us. And unless there are commercial differences, next year also 100% can be met by us. It is very common for a battery company to work with only one electrolyte company. Historically for decades, companies have worked in this way or at the most when they go to 500 giga kind of a volume or very large volume, they may have two suppliers. But there are very many examples where for decades, one entire battery company consumed electrolyte from only one company.

Akshay: Yes. Thank you.

Moderator: Thank you. We will take the last question from the line of Vedant from Nirmal Bang. Please go ahead.

Vedant: Thank you for the opportunity. I want to understand, we wrote in our press release that we are confident of achieving a revenue in the range of INR 875 crore to INR 950 crore in FY27. So, if we consider INR 875 crore, it is kind of 2.33% growth for a full year basis. Can I get some understanding, in three to five years of the timeline, if we get all the approvals, our all CAPEX and capacities come into picture, what kind of revenue we can make at Neogen on a consolidated basis?

Dr. Harin Kanani: Next three to five years? Okay. So, our FY29 at full utilization level. We have already stated that this year was INR 950 to INR 1,000. We have been a little conservative saying INR 875 to INR 950. As I explained earlier, we will try our best to achieve the higher end of the spectrum, which was the lower end earlier. So, this is on the Neogen level. And our guidance was that for FY28, we would like to have a full utilization with optimization, which can produce INR 1,100 crore plus kind of revenue.

So, our FY28 tentative target is around INR 1,100 odd crore. And if we maintain the same growth rate, by FY29, we should be INR 1,200 crore plus, between INR 1,200 to INR 1,400 crore plus revenue just based on the regular demand in the existing business. If we make a significant further investment in organolithium or some semiconductor related or flavour fragrance or to take care of higher CSM needs, that would be additional.

But with investments which we have done today, we would expect somewhere around INR 1,200 to INR 1,250 crore by FY29. And on the battery side, we have already guided to INR 2,500 to INR 2,900 crore. So, somewhere around INR 3,700 to INR 4,200 crore is the expected revenue by FY29 on a consolidated basis.

Again, like I told you, I see a need that we would have to add some additional salt capacity because in FY28 we are seeing increase in both, local demand of electrolyte as well as international demand for LiPF6 salt. As well as we would also expect the CSM demand to start coming in from FY29 onwards.

So, there will be some additional investment which we may have to make in FY28, which will give a higher revenue in FY29. But this is something we do not know yet. With the existing capacity, we can have revenue of around INR 3,700 to INR 4,200 crore plus based on the projections which we have made till now.

In terms of capacity, currently our Pakhajan site can take care of around 30 gigawatt hour of electrolyte and electrolyte salt. There is space to go three times higher in Pakhajan facility. So, if you are talking of five years, depending on how the demand in India shapes up and in the international market, we can basically increase capacities for that.

Similarly, across our organolithium site and our Dahej site as well as our Baroda site, we have the ability to go up to INR 4,000/INR 5,000 crore of revenue through brownfield expansions. So, we will see. Depending on how the demand shapes up on a three-year FY29 with whatever guidelines we have given, our projections, we project somewhere between INR 3,700 to INR 4,200 crore kind of revenue by FY29.

And then let us say if we are thinking of FY31, whatever we decide in the future CAPEX to increase on electrolyte salt as well as in the base business for more CSM, more semiconductor, more organo-lithium as well as the inorganic lithium demand to go further.

Vedant: That was very helpful. Thank you so much.

Moderator: Thank you very much. And now I hand the conference over to the management for closing comments.

Dr. Harin Kanani: Thank you for your time and engaging discussions. For any remaining questions, our Investor Relation team is available to assist you. We value your continued partnership and look forward to sharing our next quarterly update with you. Thank you again.

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

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