November 8, 2026

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Kala Ghoda, Fort, Mumbai 400 001
Scrip Code No: 542665
Debt Segment Code: 977028

National Stock Exchange of India Limited
Listing Department, Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Company Symbol: NEOGEN

Sub.: Q2FY27 - 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 Q2FY27 Earnings Conference Call held on Monday, November 2, 2026, at 5.00 p.m. IST.

The transcript is also being uploaded on the company's website at https://neogenchem.com/wp-content/uploads/ect002-q2-26-27.pdf

Kindly take the same on your record.

Thanking you,
For Neogen Chemicals Limited

UNNATI RAJESH KANANI

Digitally signed by UNNATI RAJESH KANANI
Date: 2026.11.08 23:33:39 +05'30'

Unnati Kanani
Company Secretary and Compliance Officer
Mem. No. A35131

Encl: As above

Neogen Chemicals Limited

Q2 FY27 Earnings Conference Call

November 02, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the Neogen Chemicals' Q2 FY27 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 the 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 over the conference to Mr. Nishid Solanki from CDR India. Thank you, and over to you.

Nishid Solanki: Thank you. Good evening, everyone, and a warm welcome to Neogen Chemicals' Q2 FY27 Earnings Conference Call. Joining us today from the senior management team are:

- Mr. Anurag Surana, Non-Executive Chairman
- Dr. Harin Kanani, Managing Director and
- Mr. Gopikrishnan Sarathy, Chief Financial Officer

We will begin the call with opening remarks from the management team followed by an interactive question-and-answer session. Before we begin, a standard disclaimer. Certain statements made during today's call may be forward-looking in nature. Actual results may vary from these forward-looking statements. A detailed disclaimer is available in our Q2 FY27 earnings presentation, which has been uploaded on the stock exchange website.

With that, I would now like to invite Dr. Harin Kanani to share his opening remarks. Thank you, and over to you, sir.

Dr. Harin Kanani: Good evening, everyone, and thank you for joining us to discuss our Q2 & H1 FY27 financial performance and business outlook. I hope you have had an opportunity to review our investor presentation. I will begin with key

performance highlights and strategic developments during the quarter, along with progress on our growth initiatives. Following this, our CFO, Mr. Gopikrishnan Sarathy, will cover the financial highlights.

To commence, I am pleased to report that we delivered a robust all-round performance during the quarter, with consolidated revenue increasing by 42% year-on-year to INR 296 crore and EBITDA improving by 51% year-on-year to INR 45 crore. Our standalone profitability is even better as consolidated performance reflects initial fixed cost absorption at Neogen Ionic where the revenues scale up and capacity utilisation continue to ramp up.

Our overall performance highlights the operational agility, inherent strength and flexibility of business model, as we swiftly pivoted towards applications with better demand visibility and higher volumes. This momentum was further reinforced by an accelerated ramp-up in our battery chemicals business, with Q2 FY27 revenue reaching INR 37 crore compared to INR 5 crore in the same quarter in FY26. This was in line with our business plan, and we expect substantial scale up in Q3 & Q4 FY27 and beyond, supported by the upcoming ACC battery manufacturing ecosystem built in India, along with the rapid shift by U.S. electrolyte manufacturers towards sourcing from non-FEOC suppliers in India.

Importantly, this performance came on the back of a complex macro environment marked by Middle East geopolitical conflicts, supply chain friction, feedstock cost inflation and temporary overheads from our Dahej facility rebuild.

I will move to highlights and progress across our strategic growth initiatives.

1. Expansion of Organolithium Capacity at Patancheru

Anchored by sustained volume improvement and expanding footprint of Organolithium into high-growth emerging applications, our Board has approved the expansion of manufacturing facility at Patancheru, Telangana.

Under this, we will be doubling our Organolithium capacity from 300 metric tonnes per annum to 600 metric tonnes per annum with an estimated capital outlay of upto INR 45 crore. This strategic expansion is expected to unlock an additional revenue potential of INR 150 crore to INR 200 crore, depending on prevailing lithium prices, further strengthening our leadership position in specialised lithium chemistries.

2. Successful Fund Raise via Maiden QIP

A major strategic landmark during the quarter was the successful completion of our maiden Qualified Institutional Placement (QIP) raising INR 600 crore. Demonstrating strong institutional faith in our business, the QIP was oversubscribed 6.5x with broad-based participation from leading global and domestic investors. The resounding vote of confidence significantly strengthens our capital structure. We are deploying these proceeds strategically to deleverage our balance sheet as we prepare to fund our next phase of growth in the future.

3. Insurance Claims Status

Regarding the insurance claims, cumulative recoveries to date stands at INR 164 crore, comprising INR 155 crore on account payment (including a recent tranche of INR 15 crore received in July 2026) and INR 9 crore from salvage realisation. Further, on October 29, 2026, the company accepted an additional claim amount of INR 152 crore from the insurance, which will be released in due course. With this, our total on account claims received and receivable now stands at INR 316 crore inclusive of accepted claims and scrap sales to date.

Consequently, most of our recognised claim amount has now been secured and discussion with insurance for the remaining balance is progressing constructively and we expect further settlements as the final assessments conclude.

On the operational front, I am pleased to update that the trial runs of the rebuilt Dahej plant are currently underway, and we expect to commence commercial production shortly within this current financial year so that next quarter, we will be able to fully utilise these facilities.

4. Credit Rating Upgrade,

Our credit rating was upgraded reflecting our strengthening balance sheet and improved financial flexibility, CRISIL rating has revised the outlook of Neogen's long-term bank facility to CRISIL A- stable from negative while reaffirming the short-term rating at CRISIL A2+. This positive rating action underscores the enhanced capital structure resulting from our successful fundraise, ongoing operational ramp-up and strong balance sheet discipline.

Moving to battery chemicals, we are transitioning from capital investment to execution and scale up phase. Our project mechanical completion timelines remain on track for both, electrolyte and electrolyte salts. For electrolytes, mechanical assembly is complete and trial runs have begun alongside facility validation and active joint trials of recipes with multiple Giga factories.

Simultaneously, for lithium electrolytes salts, we have secured provisional approvals at our Dahej facility from five major international customers, completed final site audits for three US based manufacturers and already commenced commercial supply with two international customers.

Further, Neogen Ionics Limited has executed a business transfer agreement to consolidate the lithium-ion electrolyte salt (including LiPF6), undertaking under our step-down subsidiary Neogen Morita New Materials Limited (NML) for a cash consideration of INR 245 crore on a going concern basis, which also includes INR 77 crore already infused by Morita through preference allotment recently.

Going forward, both our standalone operations and the Battery Chemicals segment are well positioned for an exciting phase of growth that aligns with India's goal of self-reliance in advanced energy storage and materials. Backed by a strong balance sheet and a disciplined execution strategy, we remain fully on track to meet our consolidated annual guidance as we continue creating long-term value and sustainable growth for our stakeholders.

That concludes my initial remarks. I will now hand over the call to our CFO, Mr. Gopikrishnan Sarathy to take you through the key financial performance.

Gopikrishnan Sarathy: Thank you, Dr. Kanani. Good evening, everyone. I will now walk you through the consolidated financial performance for Q2 FY27. All comparisons are on a year-on-year basis unless specified otherwise. Revenue grew by 42% to INR 296 crore fuelled by consistent volume expansion across core segments. Strong growth in Organolithium and rapid scaling of Neogen Ionics also helped in. Revenues at Neogen Ionics was at INR 27 crore versus INR 5 crore last year. And this is equal to the full year sales, which we did last year.

Across our base vertical, organic chemicals generated revenue of INR 238 crore, reflecting 29% growth, while inorganic chemicals segment delivered

140% growth at INR 58 crore. Consolidated EBITDA grew by 51% to INR 45 crore, while standalone EBITDA delivered strong 54% growth to INR 54 crore with a margin of 18.6%. Consolidated EBITDA reflected the initial fixed cost absorption at Neogen Ionics, as the capacity is yet to ramp up alongside the temporary expenses related to the Dahej rebuild, interim tolling arrangement and elevated input costs. As the capacity utilisation scales up at NIL, the operating leverage will improve significantly.

Consolidated PAT grew 144% to INR 8 crore, while standalone PAT surged 127% to INR 21 crore. PAT performance reflects strong operational momentum, though temporarily impacted by higher interest and depreciation charge tied to ongoing capex initiatives. Interest costs are expected to trend downwards moving ahead, supported by term debt reduction using the QIP proceeds, lower borrowing costs following our credit rating upgrade and incoming insurance claim disbursement.

As on September 30, 2026, we maintained a strong liquidity profile of INR 465 crore in liquid investment in fixed deposits. It brings our consolidated net debt to INR 1,095 crore while standalone net debt stood at INR 378 crore. With an optimised capital structure, improved credit profile and revenue-generating assets scaling rapidly across both, core specialty chemicals and battery materials, Neogen is well positioned for a sustainable and profitable growth.

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

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

Nilesh Ghuge: My first question is on Organolithium expansion. As Dr. Harin mentioned, that this INR 45 crore of investment and expected INR 150 crore to INR 200 crore kind of revenue; So, can you give us the timelines in terms of completion of this project and then the revenue taking to INR 150 crore to INR 200 crore?

Dr. Harin Kanani: Thank you, Nilesh. We expect the Organolithium additional capacity to be targetted to be completed by next September by H1. Although we have said it will take a full year, but we expect to complete it by the end of next H1. So next year, it will contribute somewhere between INR 50 crore to INR 75 crore additional. And in the year after, we should be able to fully get INR 150 crore to INR 200 crore revenue from the increased capacity.

Nilesh Ghuge: Okay. And in your comment, you mentioned that you are getting different types of end-use for this Organolithium. Can you elaborate on that?

Dr. Harin Kanani: Yes, we have seen a very strong increase in approvals in the Pharma segment. But now we also have received international approvals both, in Pharma as well as we have some application in agro. So, we see a strong demand. And currently, the increased capacity is running at 300 tonnes kind of a run rate. So, we would be doing 300 tonnes and may be if we are able to do some incremental increase in capacity even higher by end of this year. In addition, internationally, we have also found applications which are in the area of semiconductor and some specialty polymers.

We have already got approvals in both, semiconductor materials as well as for the specialty polymers where also there is a strong volume demand. Considering the increasing Indian local pharma demand as well as international pharma demand, and the demand which is going to come from international market in semiconductor and specialty polymer application business, we are increasing the capacity.

Nilesh Ghuge: Okay. My second question is on the balance sheet side. You already have a liquid investment, as Gopi mentioned, around more than INR 465 crore and net debt is about INR 1,095 crore (on consolidated basis). And I hope that this insurance claim will be coming in Q3. This Morita investment will also come. So how do you see FY27 or more precisely, the FY28 net debt level?

Dr. Harin Kanani: Okay. I will refer to Gopi for the FY28 net debt level, but I would like to confirm that, yes, we are still awaiting the final disbursement of the insurance claim. We are expecting the insurance amount of INR 152 crore. We have completed all the procedures. We have given confirmation to the insurer. So, in the next few weeks, we are expecting *(the insurance claim)*. So that will come in Q3. And of course, you will also have Morita second instalment by the end of Q3 or early Q4. I think overall net debt, Gopi, for FY28, if you can come in?

Gopikrishnan Sarathy: Nilesh, the overall FY28 net debt we are expecting somewhere in the range of INR 1,300 to 1,500 crore, depending upon the lithium prices, the other prices during that time.

Nilesh Ghuge: Thanks a lot for answering my questions and wish you a Happy Diwali. Thank you.

Gopikrishnan Sarathy: Thank you.

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

Jason Soans: Yes sir. Thank you for taking my question. Just wanted to touch upon the battery chemicals guidance, which you have given in the previous call, FY27 and FY28. Any update on that? I mean you had said INR 300 crore for this year and FY28, around INR 1,000 crore/INR 1,100 crore. Any update on that? And related to that, some commentary on how the EV cell plants are coming on ground and international demand for lithium salts as well?

Dr. Harin Kanani: Sure. Thank you, Jason. In terms of the international salt demand, I think we are seeing very strong interest there. Like our Dahej facility, as we mentioned, is already approved by three out of five. The fourth one also we are expecting quite soon. And the fifth customer already told us, he will directly approve the Pakhajan site.

Already, we have received good POs in hand where we can see that our Q3 should be even better than Q2. So, as you might recall, our Q1 was around INR 17 crore, in Q2 we were already at INR 37 crore and we can see that Q3 will be significantly better. And Q4 is a quarter where we will have the non-China requirement start. So, we are expecting even a stronger Q4. So, you can keep seeing significant increases as we go from Q1 to Q2, Q3 to Q4.

If you remember in the last call, we had given a breakdown that INR 200 crore, we are expecting from the salt business and INR 100 crore from electrolyte. And in case, if we are short on that, as electrolyte depends on Indian customers, we will try to make that up with the Pakhajan capacity coming online. Even our Pakhajan capacity for the salt also, we expect to get into trial production by December 2026 and start producing significant quantities by February/March 2027. We though do not have a number there.

So, depending on how much contribution comes from Pakhajan and the two of our Indian electrolyte customers, both Ola as well as Exide - with Ola, we already have all the approvals; and with Exide, right now we are undergoing some trials. They have already seen some initial data, and they see the benefits of using Indian electrolyte and so they are doing further investigation.

If that is successful and they also have announced Q4 commercialisation. So, depending on how their volumes back up, and even if they are short, we

expect to be still in the range of INR 250 crore to INR 300 crore for the current year. I mean we are still trying for INR 300 crore but it just depends on the electrolyte volume and how much we are able to make up from Pakhajan plant based on the approval time it takes. So, this is for the current financial year. Next financial year, I think we will have enough. There is a very strong salt demand and also for salt additives as well as solvent that we are producing.

So together, we do not see a challenge in crossing INR 1,000 crore plus revenue. As we have said, how much plus - whether it is INR 1,200 crore or INR 1,500 crore - that we will be able to say depending on how the electrolyte business is developing. I think it is a little bit too early for us, but the INR 1,000 crore+ remains.

And even for this year, we should be INR 250/300 crore. Fortunately, the base business is doing significantly well. So, at a consolidated level, you know, we should be maintaining close to around INR 1,350 crore/1,400 crore kind of revenue, more or less in line with our previous guidance or may be slightly better. I hope this answers your query.

Jason Soans: Sure. Thank you so much, sir. And sir, I just had a query on the 5,500 metric tonnes of lithium salts. I just wanted to know from that quantity, how much are we expected to use captively and how much is for external sales?

Dr. Harin Kanani: The way we are looking at today, there is very strong external sales. And like I said, technically, let us say, we can take 80%/90% utilisation in the next year or let us say around 80% at least utilisation, and that can mostly be sold externally. Now depending on local sales - see in local sales, we have two options, and that will depend on the customer choice as many of the customers are now requesting us that, we would like to make sure that even for electrolyte, please use locally made salt. One year ago, they were saying you can import from Morita or somebody in China and this formula here because the prices were lower. But with the gap reducing between China and India, uncertainty of shipments from China, they are telling us to allocate it for electrolyte. So, we will see.

So, whatever our customer requests very strongly that please consume internally, that portion will be allocated locally. My guess is that total gigawatt hour capacity - which is coming online by the end of this financial year/early next financial year - is 60 giga. That is around 60,000 tonnes of electrolyte demand. So, I am estimating next year somewhere between 10%

to 20%, that is, around 6,000 to 10,000 tonnes of electrolyte. And in that, like you know, with around 12% odd, so somewhere between 500 to 1,000 tonnes, is what can get consumed locally. Of course, this depends on the customer choice. And of course, when we consume locally there will be electrolyte production, which will be further value-add. Because if we consume x dollars of salt, the electrolyte will be almost 2x - Salt contributes around 50%. So overall, that is the comp which we today do not know whether 500 or 750 or 1,000 tonnes or the customer asks me to import from China or asks me to consume my own.

But if we were to just say, almost 80% of 5,500 tonne is consumed and sold internationally, then with today's prices, we should be somewhere around INR 800 crore to INR 1,000 crore of revenue already. And then whatever we sell in the form of electrolyte will be further value-add.

So whether that value add takes us to INR 1,200 crore or INR 1,500 crore, we will be able to inform you as we get more clarity from our customers, may be by Q4 FY27 or Q1 FY28. But on the salt side, close to around INR 1,000 crore revenue for next year seems very strong.

Jason Soans: Sure. Sure, sir. Thank you so much. And the base business, sir, as you already mentioned, probably we stick to our original guidance that we gave last time, which was I think around INR 1,000 crore/1,050 crore for this year and around INR 1,150 crore odd for next year?

Dr. Harin Kanani: Our base business last quarter guidance, we had given INR 950 crore to INR 1,050 crore. With the way the second quarter has gone, in Q3/Q4, we feel we would be INR 50 crore to INR 100 crore more as compared to what we guided earlier. Any shortfall, which will happen from the battery business, we will either cover that or even more than that will be made up by the base business. So overall, we should be in a stronger position.

And for the next year also, we can enhance our guidance because we would also have the Organolithium capacity, which we just announced, which was not taken into consideration. So next year, we would look somewhere closer to around INR 1,200 crore. And this year, we are already at INR 550 crore plus in the first six months; and usually, the second six months are stronger.

Our Dahej plant coming online during this quarter and then will be available for next quarter. Many of my new CSM projects which were on hold will also start contributing once Dahej comes online. So together, we feel next year also should be stronger than our original idea. So we would be somewhere

between, INR 1,200 crore to INR 1,300 crore for next year. And this year should be INR 1,100 crore plus kind of revenue, is what I am expecting.

Jason Soans: Sure. Thank you so much.

Dr. Harin Kanani: Thank you.

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

Abhijit Akella: Yes, hi. Good evening. Thank you so much for taking my questions. First on the battery revenues that you have booked in Q2 and H1 FY27 may be. Would it be possible to just split it out between salts and electrolyte?

Dr. Harin Kanani: Most of it is salt. I mean, electrolyte is less than 5%/10% of that.

Abhijit Akella: Okay. And Harin bhai, if I heard you correctly, a few moments ago, you mentioned something like 60 gigawatt hours of capacity coming in, in India, on the battery side by early next financial year. How much line of sight do we have at this point? I mean is this all confirmed that this capacity is on the verge of getting completed? Or could there be some slippages to this timeline?

Dr. Harin Kanani: I think honestly speaking, we have feedback from our customers, but some of these is confidential in nature. What I can share with you is mostly the public information. And what we have seen is, Ola is on track to increase capacity, Exide has an installed capacity of 6 giga. Tata and Reliance, both have targetted I think by Q4 FY27/Q1 FY28, their capacity should come online and Amara Raja has also guided to starting in Q1/Q2 FY28. Waaree capacity also is coming online by Q4 FY27. So I do not think there is a challenge in the capacities coming online. I think the capacities will come online by Q4 FY27 or Q1 FY28. This ramp-up and trial production, whether it takes one year. So as we said, historically also that we feel normally by two years, a battery plant should be fully stabilised.

Our expectation is that by FY29 even if this is at a 50% utilisation level overall. And let us say, in the third year, the 60 giga at 80%/90% utilisation. So therefore, by FY29, we feel there is a very strong possibility that our 30,000 metric tonne gets fully utilised. And hopefully, by FY30, we should be falling short of capacity, for which we have to plan some more capex in FY29.

So I think majority of these customers are on track. And as we have explained, almost five of the customers, we already have the recipe, we are

at different stages where a customer is already convinced, two of the customers have already used our electrolyte in their pilot line or commercial lines, three of them are already testing our electrolytes either in their R&D or external lab comparing against the Chinese electrolyte. So those things are also in progress.

And we also made good progress with the fixed customers wherein their international team came, and they were very happy to see our Pakhajan site. This is on international scale. They gave very positive remarks. Only for their immediate requirement, we need to work on how the recipe can be shared with us. But otherwise, all six of them are very keen to work with Neogen.

So we have a very good line of sight, I think. The only question is in the next two financial years, how fast stabilisation happens. Do they take six months, do they take one year, do they take two years to stabilise and achieve 50%/80%. That is the only question which is difficult to answer.

Abhijit Akella: Got it. Thank you. Just one clarification on the numbers. Difference between standalone and consolidated revenues this quarter is only about INR 7 crore or so, INR 296 crore versus INR 288 crore. Yes, we have mentioned that the subsidiary did about INR 37 crore of revenues. So exactly how is it being accounted for? Why does it not show up in full, consolidated numbers?

Dr. Harin Kanani: I think the main reason is that some of the raw materials, which is required for the subsidiary, actually come into Neogen Chemicals because that is where we are buying lithium and we have all the permissions. So as we ramp up Neogen Ionics, slowly, some of the raw materials can come directly in Neogen Ionics. Therefore, there are some inter-unit transfers between Neogen Chemicals and Neogen Ionics, which is why this number difference comes. And, in fact, if you basically account for that, then actually Neogen Chemicals' gross margins should also be significantly better because about INR 18/20 crore worth of material is basically bought by Neogen Chemicals and transferred to Neogen Ionics.

Abhijit Akella: Okay. Got it. And the last one I had was on the inventory situation. It does seem to have increased quite a bit in the first half. What exactly is this, in Q2 and where do you see this heading over the rest of the year?

Dr. Harin Kanani: This is a situation where our Dahej plant is coming online. At the same time, it is not fully come online. So we still have to continue with our outsourcing or toll manufacturing arrangement. And the customer demand is also increasing significantly.

We expect that by the end of the current financial year, like Q4, once Dahej starts, we will have improved. So we would be somewhere, around 180 days, is what we are targetting by the end of the current financial year. And by the next financial year, where we will have full utilisation at all the sites, we are targetting to go back to historical best, which was around 140 to 160 days in the next financial year, which is FY28 and beyond. And this is just for the standalone. Beyond that, some of the CSM business, which is coming in and some large molecules which are coming in, we are able to execute those strategies. Also, Organolithium as it contributes more there, the working capital cycle requirement is also less.

So then we can improve and get to a region between 110 to 140 days as we go forward in FY29-FY30. So this is our target. And, of course, the battery business we are targetting close to around 90 days of working capital cycle, which we should be able to achieve. So it is a kind of combination of all of that. But we are confident that by the end of the current financial year, at least there is 180 days inventory and in the future, 140/160 days for next year and then 110 to 140 days in FY29-30.

Abhijit Akella: Right. Just one last final thing, if I may squeeze in. On the use of the QIP proceeds. Will those be used to deleverage for the time being or could we consider some expansion as well in the battery scheme of things?

Dr. Harin Kanani: As per the end use, we are committed that the main purpose will be to deleverage the balance sheet. So unfortunately, we had to give certain notices to our term loan lenders as well as for bonds. And as you can see, we have completed the task. So we have already faster resolution to repay INR 200 crore of bond. Some of these will be repaid and we will be deleveraging the balance sheet. For future investment, as we said, if there is no special requirement by Indian customers for us to contribute salt. So for our FY28, salt and electrolytes we have enough capacity. What we are watching is FY29.

So I think by Q4 of the current year, as we will see the base business and the electrolyte salt business will start stabilising by, let us say, Q4 FY27 or Q1 FY28. We are also expecting some Government policy clarity and even Indian electrolyte customer clarity about use of local salt or imported salt by Q4 FY27 & Q1 FY28. So that is a time where, if at all, we have to take care of both, India and the U.S., and if the demand of both is strong, then FY29, we will be short. So sometime in FY28, we need to add to our salt capacity. So that decision will be taken may be towards the end of Q4 FY27 or Q1 FY28.

After taking care of what is happening in the U.S., how the business in the U.S. is developing, how India electrolyte is developing and policy. So the combination of all that.

Abhijit Akella: Understood. Thank you so much and wish you all the best.

Dr. Harin Kanani: Thank you.

Moderator: Thank you. We will take our next question from the line of Archit Joshi from Nuvama. Please go ahead.

Archit Joshi: Hi, good evening everyone. Thanks a lot for the opportunity. So first question - rather a clarification - something that was called out in the last concall. On the non-Chinese demand getting created for salts, that was something that I could not clearly understand as we had said that in 2027 calendar year, the salt usage, which was already a part of electrolyte formulations, which was coming in from China will now get displaced by non-Chinese salts. I could not really figure out how would that equation work? And who are these players at this point in time for exporting electrolytes or salts in both separate ways. So if you can just clarify how that mechanism can help us in the next calendar year?

Dr. Harin Kanani: Sure. As part of one big beautiful bill which was passed, there is the tax credit, which is receivable by companies which are producing advanced chemistry cells in lithium-ion battery cells in U.S.A. So this is called a 45x tax credit, which is as high as I think some USD 35 per kilowatt hour. But to be eligible for this, you have to reduce your dependency on foreign entities of concern, FEOC and they call it non-FEOC supply. Based on that requirement, 2027, the customers have to shift from FEOC to non-FEOC supplies, which basically includes Neogen and a few four or five other salt manufacturers internationally. So this is the clarification on your first question and this is the reason why we have said that our salt demand is increasing quarter-on-quarter. And we are confident that our next year full capacity should get fully utilised for the U.S. market because one, we have a non-FEOC or basically 45x compliant supply as well as we have Morita's stable technology. So that combination makes us very strong. At present, the majority of this is currently going from China, so electrolyte is already being made in the U.S.

It is only the electrolyte salt and additives, which are currently mostly being supplied from China and there is one Japanese and one Korean and now Neogen and one more Indian company, two more are getting qualified. So these four will be the major suppliers and there is one more Korean company

which is trying to come online maybe sometime next year. So these will be the major suppliers for the FEOC compliance.

Archit Joshi: Now, there might be Chinese companies which are also exporting the entire formulation and because they are already backward integrated, the salt usage is captive for them. And that salt usage, which is a part of the electrolyte. Is it being traced by the U.S. authorities which also can create an opportunity that the salt part of what is captively consumed in China also comes to Neogen? Is that a possibility or the whole American ecosystem creates electrolyte formulation by themselves and they do not import any electrolyte formulation? I wanted to understand that aspect as well.

Dr. Harin Kanani: As we stand today, historically, there was a little bit of electrolyte getting imported, but those volumes have gone down significantly already. And majority of the electrolytes produced by five electrolyte producers in the U.S. Earlier in my call, I said, there are five entities which are making electrolytes in the U.S. and out of that, three have already completed audits at Dahej and two, we have started commercial supply. So we are in touch with all five of them. And the fifth one also, once Pakhajan happens, will come online. So basically, by June next year, we would have access to the entire ecosystem of the U.S.

Archit Joshi: Noted, sir. Got it. Sir, any update on any relationships that you are developing on the energy storage side in the domestic arena?

Dr. Harin Kanani: I think in the earlier reference, I talked of all cell manufacturers, like Waaree Energy and Reliance. They both are mostly targetting energy storage. And even Exide and Ola, which have come, are basically for energy storage. So all the 60 gigawatt of capacity is coming, has both, EV as well as energy storage. In fact, the capacity for energy storage the way it stands at present, is higher than even required for the EV application.

Archit Joshi: Got it. Sir, just one last bit, circling back to the whole China - U.S. story. Just wanted to understand there a couple of Chinese companies which are also planning to set up their own manufacturing plants in U.S., specifically for salt. Don't really understand how that would work out for them as they will continue to be Chinese companies incorporation-wise. What is your take on that, sir?

Dr. Harin Kanani: I think, as you very correctly said, they will not be like this PAP or non-FEOC compliance. Therefore, they are, may be, hoping that they will capture some customers for whatever reason which are not able to meet the

requirements. But if anybody wants a 45x credit, the way things stand today, they cannot buy. So I think some of these are announcements, but actually very limited things are getting done on the ground in the hope to just tell U.S. policymakers that this is also an option available that we are willing to invest in the U.S. So I think it is more posturing and more hope of a policy change, but the way things stand today, very few customers would be interested in a facility which is owned by Chinese or controlled by Chinese in the U.S.

Archit Joshi: Got it, sir very clear. Thank you and wishing a very Happy Diwali. Thanks.

Dr. Harin Kanani: Same to you. Happy Diwali.

Moderator Thank you. Next question is from the line of Viraj Vajratkar from Kotak AMC. Please go ahead.

Viraj Vajratkar: Yes. Hi. So, just two small questions. One is basically the proceeds of the QIP that went for the working capital increase, but that is mainly for the U.S. salt shipments - Correct? - which was supposed to have started November/December this year. Is the interpretation fair?

Dr. Harin Kanani: By the time we received QIP proceeds, we were not able to get fully as most of them were sitting on cash as on September 30, 2026. And QIP proceeds would be used the way we have originally said - for repayment of long-term loan, for some working capital dependency reduction, and the third would be for general corporate purposes.

Viraj Vajratkar: And just one last. Basically, the net debt guidance of INR 1,300 crore to INR 1,500 crore for FY28 versus the current INR 1,095 crore, what I was just trying to see, INR 45 crore is coming from Organolithium capex fresh. And there is around INR 263 crore more coming from the battery capex, INR 1,800 crore minus the INR 1,537 crore, that is, INR 263 crore. INR 263 crore and INR 45 crore, total INR 308 crore of requirement. Any other investments till FY28 do you see?

Dr. Harin Kanani: We still have some balance investment left to complete. The project in our Pakhajan and Dahej, because few capacities are still remaining. And also, we will require the working capital as FY28 it will target of INR 1,000 crore plus revenue for the battery business.

Viraj Vajratkar: Okay. And if you could help with the cash movement also? Net debt is fine, but the cash movement also from this INR 1,095 crore, how much is the current cash and in FY28, how would you, roughly?

Dr. Harin Kanani: It will be very difficult to describe all this over a call right now. May be if you can just use our existing projections? And after that, if you have some questions, it will be better if you send an email to our team, and we will try to answer based on whatever guidance we have.

Viraj Vajratkar: Sure sir. Thank you.

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

Tejas Arun Sonawane: Good evening. Thank you for the opportunity. My first question was on the qualification timelines for the electrolytes formulation plant. You indicated earlier that we are already supplying recipes to multiple domestic manufacturers from our Dahej plant. So once our Pakhajan unit with a newer technology comes online, how do we see the qualification timeline for electrolyte formulations which are produced from the new plant?

Dr. Harin Kanani: As we said, during trial production for out of the six giga factories, five giga factories we already have received the recipe. So we will jointly produce these materials with our customers. And using this material, they can do the qualification. For some of them, it will be a shift of site. So whoever we have given samples from Dahej. Two of them who have already approved and have received but it will be kind of a transfer from Dahej to Pakhajan and that will be relatively shorter - 2 to 3 months. For the rest, it will be, again, either we have given them samples, as I explained, they are already testing samples from the Chinese electrolyte. So they will also just test this *(to ensure)* it gives the same performance as our previous samples from R&D. But overall, what we feel that most of these customers are coming by Q4 FY27/Q1 FY28. So we feel we have enough time to make sure that by the time they start, they can complete all the approvals and instead of first importing from China, then changing over, they should be ready to start buying from us from day one, once they have generated sufficient data.

Hopefully, for the electrolyte, we should not have approvals as a constraint because it is coming online and then it takes between two months to maximum six months. So by March 2027, it is fully approved. Then it just depends on how the demand turns up, depending on their cell production ramp-up.

Tejas Arun Sonawane: Okay. Understood. One more-small question. I kind of joined late on the call. Would it be possible to disclose how much of the revenues from the Organolithium business in Q2 and H1 FY27?

Dr. Harin Kanani: Organolithium is a single molecule. As we said earlier, one molecule is a major portion of that. So for competitive reasons, we do not want to break it down on how much revenue came from this. But I can tell you that our active capacity of 300 tonnes, which was earlier expanded, which is monthly capacity of almost 25 tonnes per month. So we are on track and very close to the 25 tonnes per month kind of utilisation or above. So we are fully utilising the facility. And, the demand is very strong.

Tejas ArunSonawane: Okay, got it. That is all from my side and Happy Diwali to your entire team. Thank you.

Dr. Harin Kanani: Happy Diwali to you also.

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

Rohit Nagraj: Good evening and thanks for the opportunity. First question is, beyond FY29. You alluded that if our plans go through as per our expectations, we will have to plan for the next leg of capex sometime towards the end of FY28/early FY29. In terms of optimal size of plant for electrolyte salt, what are we looking at? And in terms of the timelines or lead times, what would be the lead time to put up additional facility given that most of the infrastructure is ready, that we will have to put up more reactors to it. Thank you.

Dr. Harin Kanani: The minimum size for the salt capacity is between 3,000 tonnes to 5,000 tonnes for liquid salt. For any additive, it is about 1,000 tonnes. And lead time in an existing set up, I would have to push myself for 12 months. But ideally, if you want to give a safe time, 18 months is a good time for incremental capex. It is not just putting reactors. Like we have a situation that for the additive where for another 500,000 tonnes, we just have to put reactors. We will have to construct a building and then put the reactors. But yes, the common infra like utilities and everything would already be there. So ideally, I would say, 15 months to 18 months is a good time for salt or electrolyte plant.

Rohit Nagraj: And just one small clarification here. In terms of cash flow availability, do we have different amount of cash flows to fund the capex through a mix of debt and equity?

Dr. Harin Kanani: Yes. We believe that by FY29, if we are already generating INR 500 crore to INR 3,000 crore of revenue, at a 20% ROCE that we have said earlier, we should be getting somewhere around INR 500 crore to INR 600 crore of EBITDA. With those kind of numbers, you know, we should be able to fund it internally.

Rohit Nagraj: Perfect.

Dr. Harin Kanani: We always want to, one thing, you know, which we have to also think that if I look at a 10-year kind of a picture, if within 10 years India reaches where China is today. So today, China is at somewhere around 1,000/1,200 kind of gigawatt hour. And today, if you look at China's top 1 or 2 electrolyte makers, they are still able to command around 25%/30% kind of market share. So if we think, India's own demand also, as per Ministry of Heavy Industry (MHI) report, is expected to be somewhere around 600-700 giga internally. With some exports, we can imagine India can be 900-1,000 giga. Let us say, Neogen also has a 30% kind of market share - based on just looking at the China model, no other logic. That also requires a 300 KT kind of electrolyte capacity and 380 KT salt capacity - approximately 10 times of what we have today. So I think, once India cell production is proven, once India has the ability and in the global supply chain, we have been accepted, in the next 7 or 8 years, we have to increase capacity 8 to 9 times of what we have today.

The Board will have to look at the situation and plan. But yes, the earlier that we see the next capacity increase to happen would be somewhere around FY29, unless like I said, salt capacity, we may have to take a decision in FY28, we need for India as well as the US market; and that both, US market shift from China to non-China is going smoothly and India electrolyte is also ramping up. Subject to that.

Rohit Nagraj: Perfect. This is very helpful. Second question. In terms of salt, the three molecules that we require, you have import dependencies. So how are the general contracts structured in terms of pricing in case there is volatility? Is it quarterly reset or a half yearly reset or anything on that line? Thank you.

Dr. Harin Kanani: Lithium is completely pass-through. And currently, what we have is a quarterly reset with our long-term customers, with whom we have a long-term supply agreement. Other than that, we are also nowadays supplying it to people with whom we do not have long-term contracts. And with these customers, either we are going on a monthly reset model or a fixed 6-month period or something but with advances or something which assures the

price. So a back-to-back lithium coverage and a fixed price for 3 months, 6 months, 9 months period with advances kind of a situation or a monthly reset is what we are talking to new customers. With the old customers, what we have, the existing long-term contracts, supply contract, that is a quarterly reset.

Rohit Nagraj: Perfect. Thanks a lot. All the best and Diwali wishes to the entire team.

Dr. Harin Kanani: Thank you.

Moderator: Thank you. Next question is from the line of Anukool Arora from Sagun Capital. Please go ahead.

Anukool Arora: Sir, thanks for the opportunity. Most of my questions have been answered. Just wanted to understand, we are seeing good demand from US for LiPF6. So are there any plans to expand our capacities further, going forward?

Dr. Harin Kanani: So, Anukool, yes, as we said, we are just waiting for how it develops in Q4 FY27 and Q1 FY28. And we are also hoping that by Q1 FY28, we would have almost all the US customers who would have already approved. And then we are also looking at India Government policy, how they are supporting localisation and customer approach both from a Government policy as well as from security of supply.

So based on that, by Q4 FY27/Q1 FY28, we would take a call on additional capacity of the salts, where we will have more clarity both, from U.S. and India point of view. And as we discussed that sometime in FY29 we would have to again take a call for increasing capacity both, for electrolyte and electrolyte salt.

So, if everything goes well over next 7 to 8 years, we would have to increase capacity 7 times/8 times. So next 8/9 years, we will have some breaks in between, but then we would always be constantly undergoing capex.

Anukool Arora: Okay, okay. Got it. Sir, my other question is in terms of offtake for battery cells in India. Are we still seeing that the ramp-up is lower or how is it?

Dr. Harin Kanani: No. I think the battery requirement this year will even exceed. And I think if you look at the MHI report that had come out wherein they said next year, the demand for the batteries will be almost close to 95 to 100 giga. So the demand is very strong. It is just the production and the first initial

production, which is a struggle, wherein as on today, for example, 60 gigawatt hour capacity is coming online.

And as we said, it may take one or two years for them to fully get utilised. So they will be fully available, let say, by FY29 or FY30. But the demand for the ones produced in FY29/FY30 is already there in FY28. In fact, by FY30, the expected India demand is going to be 160 giga against 60 giga, which will fully be able to use. So I think that demand is very strong. We do not have to worry about the demand in India. Only the ramp-up of cell production is what we need to watch carefully.

Anukool Arora: Okay. Got it sir. Thank you so much. That is it from my side.

Moderator: Thank you. Next question is from the line of Raghav Angra from Money Stories Asset Management. Please go ahead.

Raghav Angra: Thank you for the opportunity. Could you please clarify how much of the planned electrolyte and lithium salt capacity is backed by confirmed customer demand versus customers still undergoing trials and approvals? Also, what is the expected commercial ramp-up schedule for each product, particularly the time required to move from approval to regular commercial supply and ultimately, the full utilisation?

Dr. Harin Kanani: **F**or the electrolyte salts, as we said earlier, by next year itself, we expect full utilisation, because *(we are)* having close to 70%/80% kind of utilisation. And for the electrolyte salt, our estimate is that by FY29, we achieve full utilisation. For the electrolyte salt, we have some long-term contracts, and we also have some discussions with non-contracted customers based on which we are confident that next year, we can achieve full utilisation.

Of course, the long-term contract does not have a 'take or pay'. So that is why we are also discussing with others and ensure that the demand is quite strong, so that in the salt we can achieve 70%/80% utilisation levels by next year. And in terms of electrolyte, we do not have long-term contracts, because as we discussed earlier, the cell production is coming online. They need to get stabilised. So, they need to be clear on the volumes only post stabilisation.

So, we do not have…but we have had commercial discussions. We have had pricing models, which have been agreed upon that this is how we would do the pricing and that is accepted by the customer. Only thing which sometimes changes that use locally produced LiPF6, LiFSI, our additives or

import them depending on the price differential. That is something that the customers will still finalise as the volumes ramp up.

But the utilisation by FY29 is guided by the fact that the total fixed plans which come online, they are at 60 giga, require 3,000 tonnes. And today, 30,000 tonnes is what we have installed capacity. There is very limited capability available other than Neogen. So majority of the demand should come to Neogen and that will ensure full utilisation, especially because electrolyte is very difficult to import. So therefore, majority of the customers are likely to purchase this locally.

Raghav Angra: Got it. Thank you for that.

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

Akshay Satija: Hi, thank you so much for the opportunity and congratulations on great set of numbers. Sir I wanted to understand on Exide has not been approved yet. How complicated is it for someone like Balaji Amines who manufacturers DMC to import LiPF6from China, blend it with DMC and supply to players?

Dr. Harin Kanani: I think for somebody, it is a journey. You have to first make it in your R&D, then you have to set up at scale kind of a plant. So we feel right now, there are very few people who have the ability even to make electrolyte in lab in India. And the fact is that you would have to first learn that ability, make that. If you set up a plant also, it is minimum two years' time then, you know, solvents by value contribute only 15%/20%. So you also have to secure efficient LiPF6. So I am not saying you cannot do it, but I feel very difficult for somebody to come up with a new facility within the next two years, get all the approvals and get the confidence from the customer and give a more competitive price as compared to a proven technology, which Neogen already has and is already an established player.

Of course, may be something that can happen over a 10-year period. And depending on how much of that happens, we discussed earlier the number that has 30% market share also, Neogen has to grow 10x. So depending on how successfully the remaining 70% comes, the question is Neogen has to grow 10x or more. You know that depends and that is something that we have to do.

Also, the advantage which you have as a first mover, one is the approvals that you have. Then once it is approved, very rare for customers to change

and the second advantage that you have is that when we do the next round of 30,000-tonne capex, we would be basically doing incremental capex, which is 60% - 70% as compared to somebody setting up a first 30,000 tonne plant. So I think these are the advantages we have, which we have to use over the next 7/8 years as we go beyond our existing capacity.

Moderator: Thank you.

Akshay Satija: Okay.

Moderator: Next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hi, thank you so much for taking my question sir. Sir, I just wanted to know in terms of margin for this year. What would be the outlook for consolidated margins because in Q2 we had a dip and you also had a higher interest cost, right? So could you just help us guide for that sir?

Dr. Harin Kanani: On the base Neogen Chemicals business, we are at 18%+ kind of EBITDA level. We hope that as Dahej plant comes online and some of the additional cost of working outside improves, then the margin gets better. Beyond Q4 and definitely next year, we purposefully want to tailor our product to work with a better product mix to improve our margins.

I would continue to guide Neogen Chemicals margins at 18% to 20%. In case of Neogen Ionics, on a quarter-on-quarter…sometimes what happens, capacity comes online, expenses happen, but the utilisation happens in the next quarter. So a little bit difficult to predict exact margins, although we expect that once we have significant volumes coming from Q4 FY27 & Q1 FY28.

At least, hopefully we are EBITDA positive and depending on how the expense come, PBT positive also very soon - sometime in the next financial year. But overall, once we have full utilisation of all currently, the contracts are in place so that we can have 20%+ kind of a return on capital in terms of the investment of around INR 1,800 crore to INR 2,000 crore investment plus 90 days working capital cycle.

So roughly around INR 2,500 crore to INR 3,000 crore will be the total revenue which should generate close to around INR 500 crore plus EBITDA on full utilisation by FY29. So this is what we are currently focussing and

targetting and the basis of the guidance that have given. I know in the beginning this year and next year, the margins, there will be some volatility.

But again you can focus on that or you can focus on the opportunity that we have for the next 10 years. As the entire ecosystem and business stabilises we request our investors to be a little bit more patient. And then once we achieve full utilisation we'll have more clarity, more predictable margins that we can plan.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand over the call to the management for closing comments. Over to you, sir.

Dr. Harin Kanani Thank you all for your time, engaging questions and ongoing support. For any additional queries, please reach out to our Investor Relations team – CDR India. We look forward to speaking with all of you next quarter. I wish everybody a Happy Diwali, festival greetings to each one of you. Have a wonderful day ahead. Thank you.

Moderator: Thank you, members of the management team. On behalf of Neogen Chemicals, that concludes this conference. Thank you all for joining us today. You may now disconnect your lines.

This is an edited transcript. The transcription may contain transcription errors. Although an effort has been made to ensure a high level of accuracy, the Company or sender takes no responsibility for such errors.