November 17, 2025

BSE Limited
Department of Corporate Services
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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.: Q2 & H1FY26 - 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 Q2 & H1FY26 Earnings Conference Call held on November 10, 2025, at 5:00 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: 2025.11.17 13:02:22 +05'30'

Unnati Kanani
Company Secretary and Compliance Officer
Membership No. A35131

Encl: As above

Neogen Chemicals Limited
Q2 FY26 Earnings Conference Call
November 10, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Neogen Chemicals 'Q2 FY26 Earnings Conference Call. As a reminder, all participant lines will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal to the operator by pressing '* 'then '0 'on your touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Nishid Solanki from CDR India. Thank you and over to you, sir.

Nishid Solanki: Thank you. Good evening, everyone, and welcome to Neogen Chemicals 'Q2 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 begin 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. The detailed disclaimer is available in Q2 FY26 Earnings presentation, which has been shared and uploaded on stock exchange websites.

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

Harin Kanani: Thank you. Good evening, everyone and thank you for joining us for our Q2 FY26 Earnings Call. We will walk you through the performance and provide updates on strategic growth and expansion initiatives.

Operational resilience defined our Q2 FY26 performance. The temporary impact of the Dahej plant outage was effectively neutralized through a rapid pivot: Production was swiftly relocated to our alternate plants and supplemented by capacity from key outsource partners. While this strategic maneuver ensured we maintained our volume trajectory, it did incur additional temporary costs related to contingency production arrangements and plant rebuild expenses until the insurance claim is fully recovered. Some of these costs associated with loss of profit will be claimed in FY27, aligning with the planned resumption of operations at Dahej SEZ organic plant. Having said that, our core business sustained its market position and achieved stability as it navigated persistent geopolitical uncertainty and volatile pricing.

Before the detailed financial overview by our CFO, here is a quick summary. We delivered 8% revenue growth in Q2 FY26. Gross profit improved by 16%, driven by 350 basis points margin expansion. However, EBITDA and PAT were affected due to elevated operating costs as indicated.

Let me now share a key update during the quarter under review.

We have taken significant steps to enhance our corporate governance network framework in line with best corporate governance practices. The board has approved the separation of the roles of Chairman and Managing Director, effective October 1, 2025. We are pleased to announce the designating Mr. Anurag Surana as Non-Executive Chairman of Neogen Chemicals Ltd. and Mr. Sanjay Mehta as a Non-Executive Chairman of our subsidiary Neogen Ionics Ltd. Furthermore, we welcome Mr. TCN Sai Krishnan as Executive Director of Neogen Chemicals Ltd. on the board. These appointments, including the designation of a non-promoter family member as chairperson, reinforce our commitment to robust independent oversight.

Moving to strategic expansion initiative in battery chemicals.

Greenfield facility for electrolyte using MUIS technology at our Pakhajan Dahej PCPIR plant: We are rapidly moving towards commercializing our greenfield plant. We anticipate mechanical completion before the end of this year and then commence trial production followed by commercial production in first half of FY27, which is April to September 2026 and electrolyte salt in H2 of FY27 aligning with the expected rollout of ACC battery capacities in India and growing non-FEOC global demand for the salt. Specifically, the additional time taken for the salt is to completely homologate the technology from our JV partner from Japan, which is what costs slightly more time.

This momentum is underpinned by recent critical approvals. A leading Indian gigascale customer has successfully completed the stringent Production Part Approval Process also called as PPAP and approved our Dahej plant for long-term commercial electrolyte supply. This is a significant milestone and we may be the only plant in India to have achieved it till now in the history. Furthermore, our quality systems have received provisional approval for lithium electrolyte salt from key international customer with final approval anticipated in Q4 FY26. We are also actively working with several other international clients who have already approved our electrolyte salt samples and final approvals are underway expected in Q4 FY26 or Q1 FY27.

These milestones validate our quality and position us as a reliable partner in the lithium ion supply chain. In a recently participated international event, we received a very positive response from international community for the joint venture because only we offer the combination of low cost from India with reliability from international technology for electrolyte salt, specifically LiPF6, which is seen very positively by the customers.

Execution of joint venture agreement by and between Neogen Ionics and Morita Investments: We are thrilled to announce this major strategic milestone - the formation of the first Indo-Japan joint venture in the crucial battery material space.

This JV, formed by Neogen Morita New Materials Limited, or NML as we will describe it in future communications - a wholly owned subsidiary of Neogen Ionics Limited till now - is designed to leverage synergies and capitalize on the rapidly expanding lithium-ion battery market. NML will be dedicated to producing, developing and selling solid LiPF6 salt, a key ingredient for lithium-ion battery electrolyte along with other related products. Typically, this facility will be the only non-FEOC compliant plant for electrolyte salt in India utilizing proven established Japanese technology offering a significant advantage in terms of cost, speed and reliability. Under this agreement, NIL will hold a minimum of 80% ownership in NML with our JV partner MIL holding a maximum of 20%.

As you know, US lithium-ion battery cell producers must comply with foreign entities of concern (FOEC) guidelines to secure the lucrative US Government tax credits also known as 45X credits. This requires a complete transition to non-FEOC suppliers by 2027 for electrolyte salt.

Consequently, most international customers are proactively accelerating their supplier transition to non-FEOC sources throughout 2026. This phased shift is essential for them to mitigate compliance risk and ensure uninterrupted eligibility for the tax credit. Its ability to offer a non-FEOC compliant established LiPF6 technology solution positions Neogen at the forefront of this mandated global supply chain period.

We are executing a long-term strategy to evolve into a stronger technology led and agile specialty chemical leader. This strategic alliance with MUIS and Morita are key to accelerating our entry and cementing our position in the high growth battery materials value chain. Despite global economic headwinds, our commitment to volume growth, enhancing operational efficiency and driving transformative projects reinforces our confidence in achieving a robust long-term trajectory and delivering sustainable value creation.

This concludes my opening remarks. I now request our CFO, Mr. Gopikrishnan Sarathy to share financial highlights for the period under review.

Gopikrishnan Sarathy: Thank you, Dr. Harin Kanani. Good evening, everyone. Welcome to Neogen Chemicals Q2 FY26 earnings call. I will share the financial highlights. Kindly note, the numbers are on consolidated basis.

Q2 FY26 revenue reached INR 209 crore, up 8% year-on-year. This growth was achieved through sustained demand and increased volume across base and also organolithium business. This mitigated the effect of the Dahej plant unavailability. Neogen Ionics contributed INR 5.42 crore to the quarter's revenue.

Organic revenue for the period stood at INR 184 crore, reflecting 12% increase, while inorganic revenue stood at INR 24 crore.

EBITDA for the quarter was at INR 30 crore. Although the gross profit held steady, EBITDA margin percentage was constrained by various factors. Some of them were: One, higher employee costs stemming from performance-linked incentives, long-term benefits and strategic new hires. Two, sharp rise in the insurance premium following the recent fire incident and increased job work and conversion costs.

As indicated by Dr. Kanani, we expect to recover some of these expenses under the business interruption loss of profit insurance plan in FY27, once operations are resumed at Dahej SEZ's organic plant.

Neogen reported a PAT of INR 3 crore for Q2 FY26. This reflects the cumulative impact of several factors that constrained profitability, namely, higher operational costs as shared earlier, increased finance costs related to the capital deployed for inventory and plant rebuild following the Dahej fire incident, continued investment in the organic Dahej SEZ while we await the final insurance payout for the fire loss, and the initial cost of Neogen Ionics, as also, lower utilisation at Dahej plant, pending both, final approval for electrolyte salts and delayed market demand for electrolytes.

Moving to the key developments during the quarter under review:

To ensure that we maintain our growth trajectory and operational stability, we have successfully executed a private placement of INR 200 crore NCDs. The immediate availability of these funds provide us with the crucial financial flexibility to execute our ongoing growth projects. Crucially, these funds will also provide the necessary liquidity to expedite the rebuilding of Dahej organic plant. And ensuring its timely progress.

Finally, just a snapshot of our balance sheet highlights. Despite operational challenges, Neogen's financial foundation remains solid. Balance sheet is strong, ensuring uninterrupted business continuity and providing financial flexibility to pursue strategic growth initiatives.

Standalone debt in this quarter stood at INR 722 crore and net debt was INR 595 crore. This increase of around INR 200 crore is due to the NCD issuance, which was basically raised for rebuilding the Dahej plant till the time the final insurance claim is received. Debt coverage remains healthy and demonstrated by the trailing 12-month DSCR of 2.1 times.

On a consolidated basis, total debt was INR 1,078 crore and net debt was INR 900 crore. The company maintains strong liquidity with a liquid investment of around INR 167 crore as on the quarter end.

This concludes my remarks. I will now request the moderator to open the forum for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Arun Prasath from Avendus Park. Please go ahead.

Arun Prasath: Dr. Harin, the first question is about the guidance on battery chemicals, especially the salt. Earlier also we indicated that we will, from 2025-26 onwards, see a lot of, maybe some of the US customers who will be starting the battery plant, will start giving orders. Now we have seen a bit of delay on that. What is driving the delay in the orders from them, at least the overseas customers, for salt? And how confident are we this time that the current guidance will stand true and we will start the plant, bigger facility also in time? That is my first question.

Harin Kanani: In our current year's guidance, there were two major assumptions. One was the electrolyte requirement for India. And, you know, when basically our Indian Giga factories such as Ola and Exide start their production and ramp up. As you have seen, Ola just recently got their ARCI approval. So, we expect

that, their ramp up should happen in the second half and especially in the next calendar year, 2026. So, we feel from Q4 onwards, we should see stronger demand for the electrolyte. And similarly, what we understand, for Exide also, that end of this year or early next year, they will start.

So, as compared to our earlier estimation on when these were going to start, the electrolyte in India was a bit delayed and that caused lower volumes. Although, we are still watching how the Q4 will come. And Q4 performance of Exide and Ola demand is what we are currently looking at. And that will also determine what the final numbers look like. But as compared to what we had earlier estimated, demand to start from almost Q2, Q3 itself, electrolyte demand in India has been delayed.

In reference to the salt question, as we had discussed earlier and as I mentioned in my opening remarks, you first have a quality validation, quality confirmation and then you have a very detailed, what is called as a PPAP procedure in the auto world where they would finally give you the approval.

We are very pleased to inform that, for electrolyte, we have already successfully cleared our PPAP. And for electrolyte salt, before PPAP, when we had our final audit, mostly we have received a provisional approval and some further suggestions or improvement in our facility were asked by the customer. Some are just software and some additional instrumentation which they want us to update and some facilities also which they want us to improve.

We expect most of this to be completed by January or February 2026 because these were some additional asks during the final audit. They have already given a provisional approval to Neogen and then based on our compliance and completion of this, either they will have just an online procedure to approve us or maybe one more visit in January, February 2026. Once that happens, then our commercial production of the salt can be sold on a regular basis.

So, today it is just trial or something like that. I think this was something which we had hoped that we would reach by September 2025. So, basically in the first half and based on that in the second half, we would have fully available for sale.

However, based on current developments and the additional ask given by the customer, we expect that sometime in calendar year 2026, Q1 or Q2 - so basically either in Q4, FY26 or Q1, FY27 is when we feel majority of the salt demand will increase. Further, like you know, the requirement by the US Government is that in 2027 to comply for 45x credits, they need to switch to being non-FEOC compliant. So, non-foreign entities of concern supply chain and for that, most of the customers depending on their stringencies have indicated that some of them who are more cautious, they will start switching from Q1, Q2 calendar year 2026 and some who are little bit more price conscious, they would like to switch from Q3, Q4 of calendar year 2026. So, basically 2027, everybody has to switch. Before that, one quarter or three, four quarters before, that depends on, the nature of the company and how much risk averse versus cost conscious they are.

Most of the customers also are intending to switch during calendar year 2026 - some starting from Q1, some starting from Q3, Q4 depending on the internal policies of those companies. So, that is why, calendar year Q4 which becomes H2 of FY27.

We are very confident that H2 of FY27, there will be a very, very strong demand and we should see a demand improvement in H1 FY27. But FY26 did not pan out the way we had envisioned earlier. Both, delay in electrolytes and delay in the final approval by the customers are the main causes and maybe a little bit customer desire to make the final switch in 2026 where the second half of 2025 is the contributing factor.

Arun Prasath: Understood. One follow-up on this. We spoke about the various steps in getting the approvals. Finally, we hope to get it by, say, probably January 2026. So, this, the same set of approvals, again the procedures will be followed for the Greenfield facility as well or that will be on a fast-track mode? How should we look at it?

Harin Kanani: It will be on a fast track mode because one, you know, what we feel is that this will be a facility where we are transferring technology because it will be, like the main equipment, the raw materials, the specification, all of those remain the same. So, lot of work will get reduced. Also, some of the customer suggestions will also be incorporated in the Greenfield facility. The third point is, customer also will be running on a tighter timeline because most of them want to switch in 2027. So, they would have only one or two quarters to complete the procedure. But procedure-wise, we feel it will be much faster.

And while you said, that the whole facility would be ready at full capacity in H2 of FY27, some trial production will start even earlier. For example, even electrolyte, we are saying our first target was to complete everything by Q4 FY26. But mostly electrolyte, we should be even ready for trial productions and stabilization by Q1 FY27. And the salt, we are targeting to be ready by Q2 FY27. There will be some trial productions which will start. And we will try to do some of the validations also inline, at least customer visits and things like that.

Arun Prasath: So, we are talking about the non-FEOC electrolyte salt demand, which is our target market. What is the kind of volume in terms of tonnage that we are talking about - at least which is already started and which is not bound by the long-term contracts with the current suppliers?

Harin Kanani: Most of the current supply today is actually from China, except for one Japanese and one Korean supplier. So, most of the switch would happen and we would be the number three company, which they would be approving.

There is still no supply available in Europe. There is still no supply available in the US. There is one Korean company which is talking about starting, but again, we do not know exactly how, but we are way ahead in terms of contracted volume, interest and approval processes. We should be mostly number three or number four company. And if we think in terms of capacity, our understanding is that Japan has a capacity between 3 to 5 KTA. The Korean supplier has a capacity around 2 KTA and Neogen would be adding around, both the salts together on the LiPF6, we are adding around 3 KTA at the green field and our Dahej would have around 4 KTA.

So, I think we have orders of similar magnitude or slightly better as compared to the existing players. And we believe as compared to Japan and Korea, the customers also have cost advantage. And most of, at least with some of these customers, we already have a long-term agreement where, the pricing has already been agreed upon. With few, we are discussing pricing, but with the major customer, we

already have pricing, which has been agreed upon. And that pricing will already take care, which basically shows that there is acceptance to the cost structure of Neogen Chemicals.

Arun Prasath: Can you just mention what is the US demand for salt in terms of kT? You mentioned supply, non-Chinese capacity. What is the demand for the US?

Harin Kanani: If we take 300 to 500 kind of gigawatt hour, there should be a total demand of around 40 KTA to 60 KTA, if everything has to switch for a 300 gigawatt production.

Arun Prasath: This will be by which year?

Harin Kanani: By 2027.

Arun Prasath: Okay. And of this 300 gigawatt, how much is currently live and how much is under construction?

Harin Kanani: Currently we are already at 140 or 150 gigawatt hour, which is online. And more are also coming online, but the actual consumption of the cells or actual cell production is to the extent of around 140 gigawatt hour to150 gigawatt hour. This is just my estimate. There is no official number which says how much it is. But this is just a summary of the major producers, if you think of major producers like Panasonic, Tesla, LG, Samsung and SKON. If you take their capacities, what they are today producing, our estimate is somewhere in this region.

Moderator: The next question is from the line of Archit Joshi from Nuvama Institutional Equities. Please go ahead.

Archit Joshi: Hi. Good evening, Dr. Harin and team. My first question: if you could help us understand the PPAP or rather the agreement that we have signed. If you could throw some more light on how do we understand this phenomena? Is it like a contractual obligation that the customer has gotten us into? Does that give us visibility of, let us say, X amount of volumes? Would we be facilitating some level of gigawatt capacity? Anything around those lines, if you could help us understand, we can maybe, substantiate it a bit better.

Harin Kanani: PPAP is basically your quality system approval. It also measures the productivity and the capacity and the quality of the product being suitable. It is also the sign of systems. So, it is equivalent to a US FDA. A pharma customer coming and giving you the final approval or US FDA coming and giving you the final approval, post which your product can be put into commercial usage. So, it is equivalent of that. And what PPAP basically means is let us say if we are thinking of an API world like US FDA has come and given you approval. So now your product can be sold in the US market at a commercial level and can be consumed. So you might do some trial production, etc. But mostly before you start commercial supply, you need to complete the PPAP. This is usually done by individual customer. One of the gigafactories in India have already completed the PPAP with Neogen. So now, they can continue to buy electrolyte and put it in commercial products which can go in auto or other kind of applications. This is what PPAP means.

Separately, in terms of volume commitments, what we have mentioned earlier, that electrolyte salt, we already have volume commitment agreements, which are separate agreements about pricing, payment terms, etc. For the salt, we already have agreements in place, which will completely take care of the

5,500 metric tonne or 5.5 KTA capacity, which we are putting up. So we have full agreements for the salt already.

For the electrolyte, in parallel to PPAP, we are also discussing with the customers long-term supply volume. Similarly, for electrolyte also we are planning to conclude long-term supply agreements. However, mostly as you can see, Indian gigafactories are just starting one by one. Some of them, most of them will start, in the second half of 2026.

There is enough time before that. And the ones who have started, we are in active discussion with them for concluding contracts, for long-term supply. So this is ongoing. But we are the only facility in India with a PPAP approval for electrolyte salts today. And based on that, if anybody wants to buy locally, right now, they have to buy only from Neogen. So we are in a very strong position. And it also gives confidence about the quality systems and supply which Neogen can do.

Archit Joshi: So in the PPAP, you have mentioned that this is for electrolyte demand. And I think I heard you say that it is for the 5,500 tonnes salt commitment. So just a little confused whether this is for salt, electrolyte or both?

Harin Kanani: PPAP is for electrolyte approval. And separately I mentioned that for the salt, we already have the pricing commitment. So in electrolyte, we have completed PPAP, but the pricing agreement is under progress. For the salt, the pricing agreement has been done. We have gotten like provisional approval, but the final PPAP approval is subject to us implementing some of the suggestions which I mentioned earlier, we expect by January, February 2026.

Archit Joshi: Got it. Got it. So second one. I heard on one of the battery manufacturers' call that they are starting with NMC battery production in the beginning before starting LFP. Does that have any repercussion on our visibility of demand, whether it is restrictive, whether it is NMC or LFP?

Harin Kanani: The only difference between NMC and LFP from an electrolyte from a business point of view is that one gigawatt hour of NMC requires around 400 to 500 metric tonnes of electrolytes. In case of LFP, it requires around 1,200 metric tonnes of electrolytes. So let us say if there is a 10 gigawatt hour of NMC facility, the demand would be 5 KTA. And if there is a 10 gigawatt hour of LFP capacity, then the demand would be around 12 KTA. So, it is the demand.

But broadly, when we look at the overall demand and the production which is coming. So, what we expect, that when India reaches, maybe 50 giga or 100 giga, it would be 70%-80% LFP, around 10%-20% will be NMC and 10% would be others, based on which we have come at an average number of 950 to 1,000 metric tonnes per gigawatt hour kind of consumption. And with whatever feedback we have from our customers, we are still confident that NMC, LFP mix can change a bit - 10%-20%. Even if it becomes 30% NMC, 70% LFP. Although more and more, when we think of a 30, 50, 100 giga level, more is going to be LFP driven. So the demand is going to be more than what we had originally expected. But our full utilization target by FY29 does not change. We would still be able to easily achieve full utilization of our electrolyte facility, and of course, salt even earlier - by FY29.

Archit Joshi: Understood. One bookkeeping question. What would be our peak gross debt? At what scale would we reach our peak gross debt, the timelines of that? Also, the inventory in the current balance sheet seems to be quite high. So if you can just explain as to why. There is almost a INR. 130-odd crore inventory jump that we saw.

Harin Kanani: Our peak debt is expected to be INR 1,800 crore. And we would basically reach this one year closer to our full utilization level. So around FY28 or so, we would reach, whenever peak demand would be there for the peak debt.

In reference to your second question. Also, in line with our revised commissioning dates, our bankers have also extended, for our greenfield site, the start date by around one year. So that also will push our repayment schedule by one year. So that gives us further additional comfort in maneuvering the cash flows and therefore, the delay will not have significant impact on the cash flow requirements. And we would remain comfortable because of the approval given to us by the bank.

Finally, about your question on inventory. As you are aware, we had indicated we lost around INR 180 crore of inventory in Dahej during fire, INR 170 crore to INR 180 crore of inventory during fire. The increase that you are seeing in last six months is basically making up for the inventory which we have lost. Because you can see we have regained our revenue performance. In fact, it is slightly higher as compared to what we had around that time. To be able to maintain that, the inventory that we lost is being made up now.

Archit Joshi: Understood. Thanks and all the best.

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

Abhijit Akella: Yes. Good evening and thank you so much for taking my questions. So just on the battery chemicals business, we were guiding to about INR 300 crore of revenue previously. Obviously, things seem to be moving a little bit slower. Just wondering if you would like to maybe update your guidance for this year and maybe next year in terms of that business.

Harin Kanani: Based on today's situation, as I explained earlier, since our electrolyte demand has been lower, although we are ready and we took longer time for getting approval, we are expecting it longer. So this year, we would not be able to achieve INR 300 crore.

As we had indicated earlier also, it was going to be difficult, but the number we were trying to get more clarity. So depending on how electrolyte demand comes up in the Q4, we expect it to be in the range of around INR 30 crore to INR 40 crore for the current year.

For the next year, we expect that many facilities are going to come online, especially in H2. And again, it depends a little bit on how that happens. And salt also most of the customers would be transitioning in 2026. So in FY27, they are doing the transition. FY28, we have much stronger clarity both on electrolyte or salt. But we feel at the least we should be able to do around INR 400 crore to INR 500 crore of revenue in the next financial year, which is FY27. And we remain on track to achieve full utilization level by FY29. That is the guidance we have given of INR 2,400 crore to INR 2,900 crore

on the full utilization of the facility. FY28 will be somewhere in between. We expect salt demand to be very strong. And electrolyte, depending on how ramp up in India happens and share between India ramp up and some customers in the beginning for a short while, because of contractual limitations, we will have to import electrolytes from China. But how soon they decide to switch to us. So that will determine the FY28 revenue, about which we will guide you as we get more clarity. But we expect it to be more than INR 1,000 crore. So at least significantly more than INR 1,000 crore, but between the INR 500 crore and let us say INR 2,900 crore number.

Abhijit Akella: Thank you. That is very helpful. And on the base business itself, you know, we had this INR 850 crore plan for this year. That seems on track, right? And then how do you see it shaping up next year?

Harin Kanani: Yes, that remains on track. And for the next year also, we will target a full utilization level, which is somewhere between INR 950 crore to INR 1,000 crore. And then as we had shared earlier, we expect in the year beyond without any capex, just optimizing the plant fully, we would like to target at least a double digit growth over that at least from what we can see today.

Abhijit Akella: Thank you so much. Just last couple of questions from me before I get back in the queue. One is, what is the amount of debt servicing that we have lined up over the next 12 months? You know, so just maybe the principal plus the interest obligation lined up for the next 12 months, if you could help us with that number?

And the other thing was on the battery chemical side it seems like in recent weeks and months, prices have started to move up in China quite significantly across all manner of battery chemicals. So what exactly might be happening there? And what is your expectation for how that market might evolve?

Harin Kanani: The total repayment that we have to do over the next one year, is hardly around INR 40 crore-INR 50 crore on the term loans. In terms of interest, whatever is, is our working capital interest, because most of the project finance-related interest will be part of the project cost. So that will not hit, except maybe, the Dahej-related capex in NIL. But most of the Pakhajan Greenfield site is part of the project cost. That is already accounted for in the project investment.

In terms of regular interest, which we are paying on working capital, we are yet to receive majority portion. So we received INR 80 crore, but we are yet to receive the remaining around INR 250 crore, plus the loss on profit, plus additional cost on rebuilding from the insurance. So around INR 300 crore is what we will be receiving in next one year. As we keep receiving that, our interest cost - working capital interest that is currently higher - will taper down and will improve. That is the estimate on the repayments which we need to make.

On your second point about the pricing in China. We have also heard that there was a very strong move in the electrolyte salt, as well as, to some extent, electrolyte cost also in China. And most of the Chinese were selling only at raw material costs and what I call manpower. Some of them are not even accounting for power and fuel costs. Some of these companies were not able to sustain and started closing down. Also, the demand situation is looking better. The overcapacity in China, which was at least for the good cell producers, is now no longer there. With the strong, best energy storage demand across the world, including in India, the good quality cell producers, their capacities are now almost getting full. So that

reduces their pressure to sell at a lower cost. And therefore, we have seen, firming up of battery material prices, as well as electrolyte, electrolyte salt and to some extent, even cell costs are also likely to go up over the coming year.

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

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

Jason Soans: Yes. Thank you so much for taking my question. What I had was relating to the insurance payout. Just wanted to know, those things are going on fine. But probably there is some delay in getting the insurance payout for what we had to, raise some funds as well. If you could give us some color on why is the delay in this insurance payout?

Harin Kanani: Till June, the insurance company was just wanting to confirm, through several vigorous testing, the cause of the fire and that all the permissions were in place. Once that process was completed, they released the first interim payment, which was a sign of acceptance of the claim.

Now, as you know, there are two stock claim as well as the rebuilding of the capacity - the capex-related claim. The capex related claim, against that they have already given us INR 80 crore. And as we complete this INR 80 crore, which we expect in current quarter, we would fully end up utilizing that because we are also on track to complete this by Q4. So that the plant becomes available for the next financial year. As we complete that INR 80 crore, they will give us the next interim payment against that.

On the stock side, post fire and post taking care of the capex related claims, they started processing just because the claim amount is large, sometimes there are one or two rounds of reviews from their side, back and forth, additional queries, which we are answering. And sometimes they also arrange for external experts. So we are again pushing insurance and we hope that in current quarter - in Q3 - we should complete receiving the stock related claim, at least majority portion of that. And the final payment against the capex rebuilding, because we have replacement basis insurance, that is, not the cost of the loss, but the replacement of that. That will be finally determined only once the plant is ready. Some amount we will get by Q1 of next year. And as you know, we have seen that some of the costs have increased because of doing some outsourcing, some employees and some standard costs at Dahej continuing. All these will become part of loss on profit claim. So that is normally expected some time in Q2 or Q3 of FY27, because the calculation and the working on that starts only once the plant is rebuilt. So that exercise itself is that. It is for us also the first time. But when you have a large claim, it just takes a little bit longer for them to do each and every stage.

Jason Soans: Sure. But more or less, notwithstanding some delays, it is on track. I mean, it is as per estimation, right?

Harin Kanani: We are fully as per estimation and that is the reason, we are paying a little bit over cost, but, we are able to maintain our operations at full stage. We are continuing our growth. We are doing what is needed to, whatever we had planned for employee retention, for employee motivation. Those programs also have been continued. The capex has continued at the same pace, because of want of funds it is not

delayed, or something like that. I think those are the positives (that have happened) because of the INR 200 crore NCDs that we issued.

Jason Soans: Sure. And just to get this right, I mean, in terms of the battery cell commissioning in India, which has been delayed, as you mentioned, it would be fair to probably estimate that it is a one year delay, right? With the likes of Ola, the Exides, the Amara Raja, probably it is a one-year delay with all the EV domestic chain supply chain being set up in India. Would that be a fair take?

Harin Kanani: Yes, I would agree. And in the sense that we expected Ola to start in the first half, but, the time it took for them to get their cell approvals and go full commercial scale. So it took a little bit longer. In some sense, I would say 6 months to a year kind of a delay. And yes, mostly what we are seeing by 2027, majority of the players who had planned would start manufacturing.

So 2026 is a bit of a challenge, but in calendar year 2027, which is FY28, we see very strong demand. And the other thing which has happened and while the delay has happened is that the consumption of the cells is only increasing. I think EVs, there is a good positive response. More and more people are coming.

And also we see a very strong demand for energy storage, BESD - what is called battery energy storage demand. That demand has become stronger. Everybody is trying to work very hard to get cell capacity as fast as possible.

Jason Soans: Sure. And so just one final question. For FY26, you had revised the standalone guidance. I understand the battery chemical gets downward revised, in terms of whatever has happened in terms of delays. You spoke about INR 30 crore to INR 40 crore in FY26 and INR 400 crore to INR 500 crore in FY27. Now, in terms of standalone, you are maintaining that guidance and probably you said FY27 probably will be, just in terms of base business, I am saying you said double digit at best. Probably you will strive for double digit going in FY27?

Harin Kanani: No. We said FY27 was INR 950 crore to INR 1000 crore and FY28, full utilization of the existing capacity. And FY28, what we said, because we do not want to do significant capex, without the capex, we are confident to give a double digit. For example, we see very good demand in organolithium because we have seen organolithium as well as CSM business. Actually, in spite of the fire, our CSM business contribution reached almost 16% and we are seeing very strong demand. So if we see a very strong demand, we do some additional capex for FY28. But currently, our aim is, to with the same, we can deliver at least a double digit growth.

Somewhere around Rs. 1,150 crore or so kind of a revenue is what we are targeting without capex. If we see very good demand and if we see good reason to do it, we will take a call in FY27 on that. But FY28 is what I was referring to for the double digit. And INR 950 to INR1000 crore.

Jason Soans: Yes. Okay. Sure.

Harin Kanani: There is no change.

Jason Soans: Sure. Thank you so much for answering my questions. Thank you.

Moderator: Thank you. The next question is from the line of Nikhil Agarwal from Money Stories Asset Management. Please go ahead.

Nikhil Agarwal: Yes. Good evening, sir. Thank you for the opportunity. I just had a question regarding your debt and cash flow management. I wanted to know what is the current CAPEX and IRR which we have already done? And what is the amount which is remaining? Also, what will be the debt and interest level after the CAPEX cycle which we have and how will we be able to manage the interest cost?

Harin Kanani: We have so far completed capex of around INR 620 crore. And by end of this year, we expect another INR 500 crore. And as we complete next year, our existing capacity will increase, we will complete the INR 1,500 crore capex across our Dahej and Pakhajan sites.

In terms of Neogen Chemicals site, we are rebuilding the plant. And maybe when we rebuild, if there is some additional capacity or some improvement which is not covered by the insurance, we will have to pay. That is something which you would know only after the final insurance evaluation. Maybe some incremental capex for our R&D and pilot facility and maintenance capex at our other sites. So, we are not considering any large capex on Neogen Chemicals in this and the next financial year. It should all be double digit, no triple digit of capex in Neogen Chemicals.

In terms of funding, we already have 70% being debt funded, which is already secured for Neogen Ionics. Further, as part of the JV, we had also received some additional funds which will be coming in as equity contribution from our JV partner that will fund Neogen Ionics.

And our contribution has already significantly funded completely actually for Dahej and significant portion of the greenfield has already been funded by us. So, we do not expect to invest too much into Neogen Ionics from Neogen on a standalone basis because majority of the funding has been received and partly some of the funding will be received from our joint venture partners. In case of Neogen Chemicals, most of the insurance proceeds would come and most of that would be funding.

In fact, we have already funded inventory related expenses. So when that funding comes that will help us reduce debt or maintain some liquidity to plan for any unexpected requirements. This is basically the idea. Also further as I explained that once Dahej facility comes online in Q1 of next financial year, we will have a one year moratorium. And as our Pakhajan facility comes online in FY27, we would have further one more moratorium from the start date. So the repayment too at a ballooning level. The majority repayment burden would be in FY28-FY29 in Neogen Ionics by which time we would already be hitting full utilization level. So, the cash flow from the company itself would be sufficient to repay the debt there.

Nikhil Agarwal: Okay. Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Reena Shah from Subhkam Ventures. Please go ahead.

Reena Shah: Thank you for the opportunity. I just wanted to understand the cost that you have incurred because of the fire incident. Are these one-time or recurring costs?

Harin Kanani: Normally as you know, insurance, especially after a large insurance claim, couple of years after that, the insurance company tends to increase the premium. We had our insurance renewal in the month of July-August 2025. Post that, our insurance premium has increased significantly. Some contribution is coming from there and it will stay for a year or two, and then afterwards, it comes back to normal insurance level.

Similarly, some of the costs which we are incurring, where some of the activities when we do not have capacity, we have to, like stages of manufacturing we have to outsource. And also some of our capacity or expenses, fixed expenses at the Dahej site are remaining. Some of these expenses are claimable under our loss on profit. But, it is very difficult to do a provision of that. So, currently, in this year, you will see them as a higher expenditure in Other Expenses. But we feel majority of those would be recovered from the insurance in the next financial year. And once the Dahej plant starts, this additional expenditure would not be there and you go back to our normal EBITDA levels related to that.

Reena Shah: Okay, any change in your margin guidance?

Harin Kanani: It is very difficult to predict this. This year it is difficult to predict. But next year, when we hit full utilization, INR 950 crore to INR 1,000 crore on standalone basis, we expect the same (margin) - 18% plus or minus one, 1%, 1.5% margin. And then as we get further utilization, as we go into FY28, maybe improvement over that. As our CSM, our organolithium business starts contributing more.

And in terms of Neogen Ionics, we continue to target 20% ROCE as our margin. EBITDA margin, it is very difficult to predict because of lithium price volatility. It can be in the range of 16% to 20%, depending on the price of lithium and other raw materials, but for Neogen Ionics, we target a 20% ROCE.

Reena Shah: Next year, you have given Rs. 400 to 500 crore guidance for Neogen Ionics. How much of that will be salts and how much electrolyte, according to your assumption?

Harin Kanani: We feel it will be roughly half-and-half. Almost 50% coming from electrolyte and 50% coming from salt. But anyways, if demand comes a bit higher, we will be ready for more, for both electrolyte as well as salt.

Reena Shah: Okay. I think that is it from my side. Thank you.

Harin Kanani: Thank you.

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

Ankur Periwal: Yes. Hi, Dr. Harin. Thanks for the opportunity. Sorry if my question is a repetition. Joined the call a bit late. First, just a clarification on the one-year extension in moratorium for debt repayment. This will be only for the principal paying dues or even the interest outgo will get extended?

Harin Kanani: Ankur, the interest, till the time the project is not completed is already considered as part of the project costs. It is only after we have the start of production, then the interest on that portion will start becoming payable for one year. And then the repayment will start the year after. In the second year, we would

start the repayment. That was earlier also. That was the same thing earlier, but now we have one-year extension that we can start paying interest after one year and the repayment the year after, depending on when we actually start.

Ankur Periwal: Correct. So, interest capitalization is well understood. The interest payment will be after a lag of one year and the repayment is further one year out?

Harin Kanani: That is right, yes from the start of production.

Ankur Periwal: From the start of commercialization.

Harin Kanani: From the day you make it commercial production.

Ankur Periwal: Yes, fair enough. Second question on the salt bit. I appreciate the delays in the plants coming in India, but globally how has been the demand scenario on the salt side? And secondly, any plan to expand our capacity further over there?

Harin Kanani: The customers have welcomed our joint venture with Morita very strongly. Most of the customers really appreciated that because it gives them a lot of peace of mind. And while we were actively discussing with only one or two major customers in the beginning, now there are three to four large consumers who are actively discussing with us. As we mentioned in our call, some of them even fast-tracked our sample approvals. And now they have completed sample approval. And on top of three, four major ones, we also had two, three smaller ones who also started working with us. So, we are now able to access more number of customers. The customers are more confident in terms of the new capacity, which is going to come online. I think all these have been very positive.

Most of the customers on their side also with more clarity around 45x related credits are very keen to have a non-FEOC supplier in 2026. As I said, someone wants to start by Q1, Q2, the homologation. Someone would like to wait till Q4 and enjoy lower China price as much as possible and only in Q4 shipments. For their consumption in 2027 is when they will make the shift. But everybody is very clear that in 2027, they want a non-FEOC supplier. And Neogen is now considered a very strong contender, especially after the JV, because it just increases the reliability in the minds of the customer.

Ankur Periwal: Sure. And the product pricing here. Will Chinese salt be a benchmark on which the product will be priced or…How are we working or negotiating on that side?

Harin Kanani: Before that, you also asked me about salt capacity. As I have said earlier, that with our existing customers itself, our salt capacity would run out by FY28, FY29. And it depends also on whether we will use the salt internally for electrolytes. We are also giving options to our customers to choose that because as you also mentioned, it also depends on the pricing with China.

When China was very, very low price throughout last year, the customer still wanted this because of FEOC and because of the constraints. One of the biggest help China did to market our product is the restrictions they announced from 8th November. Because that really shook up the customers because at any point of time, if China comes and says, hey, I will not supply this and I will not supply that. If tomorrow they add electrolyte salt in that list, they will be very badly impacted for something which

costs very less. Because of that, all the customers are very keen to buy…they become even more keen to buy from Neogen. And yes, I think mostly the benchmark is, outside China are you the cheapest? That is the question everybody keeps asking in the international markets and Neogen, at least the contracts which we have signed, in there, the answer is yes. That is the reason why they continue to discuss and more customers are discussing with us for their demand. So we will keep watching. But yes, we see a strong need that by FY28 or FY29, we may need extra salt capacity. And we feel 2 KTA we can add relatively easily because it will not cost so much. But we will not do that till the Greenfield site starts fully and we get a clarity on approvals and supplies will start. After that, we will take may be 9 months or 12 months and add two KTA if the demand remains strong and if the customers are contracting us with a more committed volumes for FY28 and FY29.

Ankur Periwal: Sure, that is helpful. Just one follow up here. 2,000 odd tons can be added, let us say, within a year. This is largely de-bottlenecking. If you want to add Greenfield expansion, how much can we do and what is the typical time required to do that?

Harin Kanani: 2 KTA is just expansion of my existing manufacturing block. And then I can add one more 5 KTA also for which we have done some of the infrastructure work. So 2 KTA between 9 to 12 months, another 5 KTA, I would say maybe 15 to 18 months. And if we have to go beyond, again, we still have space in Pakhajan. But yes, we can another, let us say, 18 months or so, if we have to go beyond 10 KTA.

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

Rohit Nagraj: Thanks for the opportunity. So first question is, once all the projects are done, by FY27 end what is the gross block likely to look like? And on the INR 1,500 crore of debt at peak levels, what is the average cost of debt that we are looking at?

Harin Kanani: Gopi, would you like to answer that?

Gopi Sarathy: Average cost of debt will depend because all our interest rates are variable. Some of them are linked to repo rate, while some are linked to the MCLR rate. So as the interest rate moves, the things would also be moving. And as far as the gross block is concerned, we should be having a gross block of close to INR 2,000 crore on a consolidated basis.

Rohit Nagraj: Okay. Just a clarification. Based on current interest rate, the cost of debt will be somewhere closer to 7%-8%?

Gopi Sarathy: Slightly higher, because it is a project loan. Generally, project loans are placed slightly higher than the normal term loan. But generally, post-COD, the interest rates actually get reduced.

Rohit Nagraj: Sure. That is helpful. Second question. In terms of battery chemical scale-up, INR 500 crore to, say, INR 2,500 crore. Dr. Harin, you told that the ROCE that we are looking at is 20%. Given that the scale-up will happen between INR 500 crore to INR 2,500 crore, initially, will the ROCE be lower? And because of that, the margins that we are looking at from a constant lithium prices perspective of 20% could be lower at Rs. 500 crore. And as we hit the peak, the margins at, say, the current lithium prices would be about 20%. So is that assumption right?

Harin Kanani: Yes. Just one correction. You said INR 2,500 crore, I heard, but it is INR 1,500 crore for the battery business. For the salt and the electrolytes, together, everything is together. So just one clarification on that. And yes, you are correct that the 20% ROCE is on a stable basis when we have full utilization level. You know, when we are in an intermediate phase, like FY27 or FY28, maybe it can be a bit lower.

Rohit Nagraj: And just one last clarification in terms of electrolyte and electrolyte salt. You mentioned that we currently have 5,000 tonnes of salt capacity, and there is additional electrolyte capacity. How much of this 5,000 tonnes would be consumed internally, based on our current contracts with the customers? You also clarified that we have the option of either selling electrolyte salt or the electrolyte solution. Based on current understanding, how much would be actively consumed?

Harin Kanani: That is a choice which each customer is making right now. And the Indian electrolyte customers, they also are competing against China. So while electrolyte has to be made locally, some of them are considering that, if the Chinese electrolyte salt is lower, why not directly get from China? Some of them have restrictions, because of their PLI, where they want a local production. And there are some who want from a business stability point of view. So, it is a little bit difficult question for me to answer, because the customers will make this choice over next 12 months to 15 months. And that is what one of the clarities which we are seeking from the customer. One good thing that we have that in case the customer says, get from China, we also have our JV partner who already has a plant in China. So even from China, we can get them a stable, relatively good quality, reliable, electrolyte salt.

So we will work with our customer, our partner to optimize. And for us, if we are selling both electrolyte and salt, we are not consuming internally, then the revenue potential can be even higher with the same investment. Of course, in that case, the overall margin, the ROCE on the electrolyte side can be a little bit different. But overall, I think we should…still it is a positive. But that is something which the customer will choose. So it is difficult to answer. And when we answer that question, we will also answer our next capacity increase, because if that happens, we definitely need capacity by FY28, FY29, when we hit full utilization on the electrolyte side.

Rohit Nagraj: Perfect, sir. Thanks for all the clarifications and all the best.

Harin Kanani: Thank you.

Moderator: Thank you. The next question is from the line of Tej from Niveshaay. Please go ahead.

Tej: Yes, thank you so much for the opportunity. I only have one question. You said that from the next year, there will be incremental demand coming on from suppliers looking at the non-FEOC supply chain. My question is, let us say even if a supplier is buying electrolyte from a non-Chinese supplier, and then, let us say, he has to be reliant on a Chinese line or a Chinese lithium carbonate, would it be considered an FEOC? I mean, non-compliant? I just wanted to understand that.

Harin Kanani: For you to be fully compliant, you need to have the entire critical mineral supply chain to be non-foreign entities of concern.

Tej: Then in that case, how would the OEMs/the manufacturers in India would be able to comply? As far as we know, the guys putting up plant, all of them have Chinese line, right? And sourcing comes from China. In that case, how would the FEOC compliant would be beneficial to us?

Harin Kanani: This is a requirement in the US. Companies which are making cells in the US to get the benefit, they need to comply to the non-FEOC requirement. This is more relevant for our electrolyte salt business. For our electrolyte salt business, this is a relevant policy where we are trying to sell it to the supply chain in the US. And for our Indian customers, some of them who have ACC, PLI localization targets, for them electrolyte and how much salt where we are making becomes again relevant. Because, if I am making it from scratch, then the localization percentage is much higher. If I am getting lesser salt from outside and mixing in India, then I am making the electrolyte here, then the localization percentage is lesser. So it will depend on the customer's localization. But this is true only for localized customers who are looking for localization, who have ACC, PLI benefits.

For the non-ACC, PLI, at present, there is no deterrence. But the Government has promised that, the import duties on cell and cell components, they would be reviewing in 2026. So, we feel now the supply chain and production coming in, there will be some kind of a protection or support for the Indian cell manufacturing and cell supply.

So again, we are actively answering customers, the Government policy makers' replies and through our association making presentation. And we hope some kind of additional support will also be received by us and cell producers for ensuring India can have a completely, backward integrated supply chain for the cell production.

Tej: Okay. Got it. Got it. Great. And the last question is, correct me if I am wrong, I read somewhere, the players would select a local supply because for electrolyte to come from China, it would take about 1 – 1.5 months. But then the properties of electrolyte change, right? So that is why the local suppliers would prefer local supply. Is the understanding correct?

Harin Kanani: Yes. Normally, electrolytes have a shelf life of around 3 months. And even during these 3 months, there is some degradation. Technically, if you look at majority of the big cell producers, they consume electrolyte within 15 days. Ideally, Indian companies also would like to do that.

Tej: Okay. Perfect. Thank you so much. And all the best.

Harin Kanani: Thank you.

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

Jason Soans: Yes. Thanks for taking my question again. Just wanted to understand one thing from a fundamental perspective. Now, you did speak about lithium salts being imported at a cheap, I mean, at a very low rate from China. So want to understand, if you are importing lithium salt from China, and if you add the other ingredients, is electrolyte, you know, you make this electrolyte solution. Can that be made in a cost effective, simpler manner for, let us say, a player with a large pocket?

And if it is relatively simpler, then, what benefit do we have from the MUIS technological tie-up? Because what I understood is, if we have the MUIS tie-up, it could, it should have posed a strong entry barrier for us for making the electrolytes. So just wanted to, weigh both these things. If you import the salt from China, is it very cost effective for a player with a large pockets to make electrolytes?

Harin Kanani: Making electrolyte is where we have Mitsubishi technology. And you know, the quality of the electrolyte depends on the quality of raw material and the quality of how the electrolyte is made. So the manufacturing process is what gives us an edge. And if anybody else also makes, there would be errors or sometimes the process would not be efficient. So again, the cost of manufacturing also can go high. This is where Mitsubishi kind of technology comes in. And those two are independent questions.

Jason Soans: Okay. Sure. So you are saying the quality, the MUIS technology will offer you a better quality and a better chance for an approval. That is what you are saying. Right? And that is the edge. Basically, that is where the edge comes from. Okay. Sure. Thanks.

Harin Kanani: Yes. And also, it will give us more productivity. So their process is very efficient with 30 years. So, actually the operating costs also can be lower as compared to somebody else.

Jason Soans: Sure, sir. Thanks.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments.

Harin Kanani: Thank you for joining us today. We trust your queries have been addressed. For any additional questions, our Investor Relation team is available. We appreciate your time and look forward to connecting again next quarter. Thank you. Good evening and have a great day.

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