



Ref. No: HSCL / Stock-Ex/2025-26/103

Date: 29/10/2025

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Sub: Transcript of Earnings Conference Call for Financial Performance for the 2nd Quarter and Half Year ended 30 September 2025 held on Friday, 24 October 2025

Dear Sir/ Madam,

Further to our letters dated 17 October 2025 and 24 October 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Schedule III of the SEBI Listing Regulations and other applicable provisions of the SEBI Listing Regulations, we are enclosing herewith the transcript of earnings conference call for Financial Performance for the 2nd Quarter and half year ended 30 September 2025 held on Friday, 24 October 2025 at 04:30 p.m. (IST).

The above information will be made available on the Company's website at www.himadri.com

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Himadri Speciality Chemical Ltd

(Company Secretary &
Compliance Officer)
ACS: 29322

Himadri Speciality Chemical Ltd

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Himadri Speciality Chemical Ltd
Q2 & H1 FY-26 Earnings Conference Call
October 24, 2025



MANAGEMENT: **MR. ANURAG CHOUDHARY – CHAIRMAN AND
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**
**MR. SOMESH SATNALIKA – EXECUTIVE VICE
PRESIDENT, TYRE & STRATEGY**
**MR. KAMLESH AGARWAL – CHIEF FINANCIAL
OFFICER**
MODERATOR: **MS. POOJA SWAMI – MUFG INTIME**



Moderator: Ladies and gentlemen, good day and welcome to Himadri Speciality Chemical Ltd Q2 and H1 FY26 Conference Call hosted by MUFG Intime.

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 an assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Pooja Swami from MUFG Intime. Thank you and over to you ma'am.

Pooja Swami: Thank you, Shravani. Good evening, everyone and welcome to the Q2 and H1 FY26 Earnings Conference Call of Himadri Speciality Chemical Ltd.

Today on the call, we have with us Mr. Anurag Choudhary – CMD & CEO, Mr. Somesh Satnalika – EVP, Tyre and Strategy and Mr. Kamlesh Agarwal – CFO.

Before we proceed with the call, I would like to give a disclaimer that this conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations as of today. Actual results may differ materially. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is given on Page #2 of the investor presentation of the company which has been uploaded on the stock exchange and company website.

With this, I now hand over the call to Mr. Anurag Choudhary. Over to you, sir.

Anurag Choudhary: Thank you, Pooja. Good evening, everyone and thank you for joining us today on Q2 FY26 earnings call of Himadri Speciality Chemical Ltd. It is always a pleasure to connect with you all and share our progress.

This quarter has been another milestone for Himadri, a period where our strategy, execution and innovation have come together to deliver record results. I am pleased to say that in Q2 FY26, we have achieved our highest ever quarterly EBITDA and PAT. Reflecting the strength and resilience of our business model, our EBITDA stood at Rs. 243 crores, up 21% year-on-year, and PAT came at Rs. 187 crores, a 39% growth compared to last year. For the half year, we delivered Rs. 477 crores in EBITDA and Rs. 369 crores in PAT, both our highest ever levels.

Strategic emphasis on high-value speciality and advanced materials drove strong margin performance this quarter, delivering year-on-year improvement in both EBITDA and PAT. The impact of softer raw material prices was marginal and with a large export order scheduled to recognition in Q3, we are poised for continued growth.

Over the past few months, we have made steady progress across multiple initiatives, from advancing our pipeline of new product developments and pilot trials to executing capacity expansions, deepening global collaborations and strengthening sustainability frameworks. At the



heart of this progress lies our in-house R&D and technological capability, with continuous drive to innovation, integration and value creation across business.

We have continued to extend our international engagement, showcasing our capabilities at major global platforms. These events not only helped strengthen Himadri's brand visibility but also deepened partnership with global leaders in Speciality Chemicals and new energy materials.

We were proud to partner with Asia's premier cricket tournament as the official tyre partner of Asia Cup 2025. Just as the champions on the field pushed boundaries and overcame every challenge, Birla Tyre continues to stand for performance, reliability and an unwavering spirit on the road and in life. Through our campaign, 'Rolling with Champions,' we celebrated the passion of the game, the unity of billions of fans and our commitment to delivering strength and trust in every mile. This association marked a proud chapter in the brand's journey.

Before I move to other updates, I want to highlight an initiative that fully embodies our culture at Himadri. Vihaan. This platform brings Himadrians from across levels and functions together to engage, learn and exchange ideas in a collaborative environment. Vihaan fosters a culture of continuous learning by facilitating meaningful interaction between young talents, passionate professionals and senior leadership. Through this initiative, emerging talents gain exposure to real business challenges, receive valuable mentorship and benefit from the collective vision of our experienced leaders, helping save the future leaders of Himadri. Vihaan is a powerful catalyst for innovation, fresh thinking and leadership development that drives long-term value for our organization.

Building on the robust performance and strategic executions we have demonstrated so far, Himadri is accelerating its journey towards a long-term financial milestone. Our focus on high-valued segments and operational excellence has positioned us well ahead of schedule to achieve our ambitious target. We have earlier guided that our ambition was to double our PAT from FY24, which was Rs. 411 crores by FY27. Today, with our progress in just 2 years, we are already nearing this milestone, well ahead of plan. This momentum not only strengthens our belief that FY27 will far exceed our original expectations but also sets the stage for Himadri to establish industry-defining benchmarks and shape the next era of growth.

On our strategic roadmap, we are moving steadily towards FY28, guided by a clear ambition to build a diversified and future-ready portfolio anchored in high-value growth. Over the next 3 years, we expect meaningful contributions from our speciality carbon black expansion, the ramp-up of Birla Tyres, the forward integration into Speciality Chemicals and the commercialization of our lithium-ion battery material business.

Having shared a snapshot of our strong quarterly performance, I would now like to walk you through the detailed progress and exciting developments across our core business segments and strategic initiatives.



Let me begin with our core speciality value chain, where we continue to see robust growth and on-track expansion. Our coal tar pitch business remains a trusted supplier to global aluminium and electrode consumers. While we are actively expanding our footprints in liquid-pitch exports with newly commissioned terminals at Mangalore port. In speciality carbon black, the brownfield expansion project is progressing well, set to more than double our capacity to 130,000 MT per annum by the end of Q3 FY26, Positioning Himadri as the world's largest single-site producer of speciality carbon black, this expansion will take our total carbon black capacity to 250,000 MT per annum. With over 60 new grades launched, we are strengthening our leadership and product diversity in this critical segment.

In parallel, our new speciality chemical segment is gaining momentum with the upcoming facility of anthraquinone and carbazole production that is expected to be commissioned by Q2 FY27. This forward integration from existing coal tar distillates will not only reduce import dependency but also enhance value addition across the dye, pigment, pharmaceutical and acro-chem industries. Moreover, the introduction of Durofresh naphthalene with its industry-leading purity of 99.5% represents a new chapter where Himadri's decades of technical expertise translate directly into a consumer-facing product. It's not just a diversification, but it's about capturing greater value within our existing value chain while enhancing our brand presence in a fast-growing retail market.

One of the most transformative areas for us is lithium-ion battery material, where we are making strides to establish India's first commercial manufacturing footprint. As India rapidly emerges as a key player in the global clean energy value chain, Himadri is proudly contributing to the Atmanirbhar Bharat vision by investing to become the world's first commercial-scale manufacturer of LFP cathode active material outside China. Targeting a phase capacity of 200,000 MT per annum, the initial 40,000 MT per annum plant is already under development and on track to commence operations by Q3 FY27. Concurrently, we are advancing research across anode technologies, including both natural and synthetic graphite, to build a comprehensive self-planned battery material portfolio that drives long-term growth, innovation and energy independence of India.

Our partnership with Sicona Battery Technologies in Australia gives us exclusive rights to commercialize this advanced silicon carbon anode technology in India, a technology that offers over 20% higher energy density and reduces charging time by nearly 40%. Alongside this, our strategic investment in Sicona 17.6%, International Battery Company 16.2% and Invati Creations 40% give us access to cutting-edge technologies, R&D capabilities and a presence across the entire LIB value chain for anode and cathode materials to cell manufacturing.

Another important development this quarter has been of Birla Tyres. The business is on course of revival, and we are building a comprehensive product portfolio catering to off-highway tyres, commercial vehicles, agri and industrial segments. For the passenger car radial unit designed for EVs and SUVs, the installation of plant and machinery is scheduled to commence within the next 12 months. Today, Birla Tyres operates through 29 distributors and over 350 dealers across



India and global markets, including Asia, Africa and the Middle East. The new brand identity and digital presence reflect a strong modern and consumer-driven direction for this iconic brand.

Sustainability remains deeply embedded in our strategy, with several important milestones, recognitions and forward-looking commitments reinforcing our responsible manufacturing philosophy. Sustainability is at the core of everything we do. This quarter, Himadri achieved the ISCC-Plus certification for our Mahistikry plant, reaffirming our dedication to responsible manufacturing and circular economy principles. We earned an 'A' rating in CDP's Suppliers Engagement Assessment, reflecting strong supplier collaboration on environmental performance. It's also worth highlighting that we have previously received the prestigious Platinum rating from EcoVadis, which placed us among the top 1% of companies globally for sustainability performance. Our net zero ambition for 2050 is backed by measurable science-based targets across Scope 1, 2 and 3 emissions. All our manufacturing sites operate as zero-liquid discharge facilities, and we utilize in-house clean power for 100% of our electrical energy needs. For Himadri, sustainability is not merely a compliance, it's in the core business philosophy that fuels innovation, drives efficiency and builds long-term trust with our stakeholders.

With our strong balances, robust cash generation and disciplined capital allocation, Himadri is well positioned to deliver sustainable value to all stakeholders.

Before I conclude, I want to thank our team members, partners and our investors for their continued trust and support. With that, I would like to hand over the proceedings to our CFO, Mr. Kamlesh Agarwal, to walk you through the financial performance in details.

Kamlesh Agarwal:

Thank you Anuragji and good evening, everyone. Now, let me take you through the key financial highlights for the quarter and half year ended 30th September 2025.

On a standalone basis, our revenue from operations for Q2 FY26 stood at Rs. 1,070 crores compared to Rs. 1,135 crores in Q2 FY25, primarily impacted by the correction in raw material prices, increased focus towards high value-added products and deferment of sales recognition for export shipment to Q3.

Driven by our strategic emphasis on value-added offerings and operational efficiency, profitability continued to strengthen even as top line remained soft. EBITDA for the quarter came in at Rs. 243 crores, a growth of 21% year-on-year, over Rs. 201 crores in Q2 FY25. PAT stood at Rs. 187 crores, reflecting a 39% increase year-on-year compared to Rs. 134 crores in the same quarter last year.

For the first half year of FY26, revenue stood at Rs. 2,171 crores, while EBITDA reached Rs. 477 crores, up 23% year-on-year from Rs. 389 crores in first half of FY25. Profit after tax for the half year stood at Rs. 369 crores, up 43% year-on-year, over Rs. 258 crores reported in H1 FY25.



On a consolidated basis, revenue for Q2 FY26 stood at Rs. 1,071 crores versus Rs. 1,137 crores of same period last year. EBITDA for Q2 FY26 stood at Rs. 238 crores, recording a growth of 17% year-on-year and PAT at Rs. 176 crores with a growth of 30% year-on-year. Our half-yearly revenue stood at Rs. 2,189 crores, EBITDA at Rs. 473 crores, PAT at Rs. 356 crores, reflecting strong performance across all the business segments.

We continue to maintain a healthy liquidity position with a comfortable leverage profile. Our debt-to-equity ratio remains low despite ongoing capital expenditure.

In summary, Q2 FY26 was another strong quarter with record profitability, robust margins and a healthy balance sheet laying the foundation for sustainable growth in the upcoming quarter. That is all from our side. We will now open the line for question and answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Thank you. Good evening, sir. A couple of questions from my side. First, on the volume growth, if I look at the volume growth for last, since Q4 FY24, we are stuck between 1,35,000 to 1,40,000 MT. It's because we do not have capacity or the demand remains soft? What is leading that the volume has been in that range of 1,35,000 to 1,40,000 MT for almost seven- eight quarters now?

Anurag Choudhary: The volumes are at the same level basically because we are more or less at peak capacity utilizations. With the new capacity being added in next quarter for speciality carbon black and de-bottling neck for the coal tar pitch also happening, then we can see volume growth from Q4 onwards.

Sanjesh Jain: Basically, we are capped by the capacity constraint. You do not see issue on the demand side of it?

Anurag Choudhary: No, not at all.

Sanjesh Jain: Got it. How much are we adding or de-bottling the coal tar pitch distillation capacity?

Anurag Choudhary: Our current capacity is 500,000 MT. We are going to become 600,000 MT.

Sanjesh Jain: How should we think this utilization?

Anurag Choudhary: This utilization from Q4, it will start. Q3 will have some impact and Q4 and then from Q1 next year. So, from Q3, you will start seeing the impact.

Sanjesh Jain: But from a demand perspective, aluminum capacity in India is not going up. So, 40% of this incremental 1 lakh need demand from the aluminum and the remaining will go as a raw material into carbon black manufacturing. How should we think the capacity which can come as the sales out of this addition we are doing?



- Anurag Choudhary:** For coal tar pitch, as we highlighted previously also, we have started export of liquid pitch. And we have recently started Mangalore terminal also. And this November, we are expecting our first shipment from Mangalore terminal. So, with this, now we will be supplying to the global market. The new capacity will basically cater to the global market.
- Sanjesh Jain:** Why can't we export it from our Kolkata port and why we need to come to Mangalore port?
- Anurag Choudhary:** We have one unit in Visakhapatnam also. For that, we are using Mangalore port, from Kolkata, we are using Haldia port.
- Sanjesh Jain:** Do we have the visibility for this incremental 40,000 MT of coal tar pitch demand from the export market?
- Anurag Choudhary:** Yes, we have very clear visibility.
- Sanjesh Jain:** Got it. Second from the carbon black and sorry, just to complete that, which geography are we seeing this incremental demand coming in for the coal tar pitch?
- Anurag Choudhary:** Middle East.
- Sanjesh Jain:** Largely Middle East?
- Anurag Choudhary:** Largely Middle East. Because lot of smelters are there in Middle East, significant capacities and all of them are importing coal tar pitch.
- Sanjesh Jain:** And we are approved there?
- Anurag Choudhary:** Yes, we are approved.
- Sanjesh Jain:** So just we need to manufacture and supply, that's it.
- Anurag Choudhary:** Right, right.
- Sanjesh Jain:** Got it. Second on the carbon black side, if I look at carbon black, we got two pieces, one is rubber grade, the other one is the speciality grade. Now, if I look at your peers' number globally and India, they are seeing a significant stress in the overall spread, both speciality and the tyre grade. While if I look at our number, it shows a very different trajectory here. Though we do not get product-wise, but we have increased in last one year, the EBITDA per kg from Rs. 15 rupees to Rs. 17. Now, how are we able to buck this trend, how are we able to improve the spread while globally and the peers are showing a decline?
- Anurag Choudhary:** So, to answer your question, the biggest difference between any other carbon black player and Himadri is that we have always focused on our speciality portfolio. And in commodity also, we focus on very niche applications, where quality marks a very significant requirement. So, in difficult times, you know what happens when during testing times, actually the business model



of Himadri is put to test. And there is where we prove that the strategy we implemented over the years is yielding results. Like market demand and prices are in constraint globally for carbon black, but Himadri has very limited volume of carbon black to sell compared to any of its peers who have significant volume. So, they have to compromise on different aspects. But we select our customers on the long-term basis, reliable customers who support us in difficult times, given our loyalty in terms of delivery schedule, clarity in terms of pricing formulas, in terms of quality, consistency and that is how Himadri differentiates itself from its peers.

Sanjesh Jain: That I appreciate. We do not have such a low capacity. We are sitting at about 1,50,000 MT of capacity.

Anurag Choudhary: We are at 1,80,000.

Sanjesh Jain: Sellable capacity of 1,50,000 MT assuming 80% utilization. So, it is not small. We are fairly decent sized. And why would in a commodity anybody pay premium, anybody and everybody is selling the carbon black. We got players like Cabot or Orion; everybody is reporting stress. Now, I can understand we are smaller than them, but we still have very decent capacity. Is it sustainable? We had some contract which has flowed through, or you see this as a sustainable number?

Anurag Choudhary: We definitely see this as a sustainable number. And if you look at any of the players, their volume of tyre is significant compared to Himadri. So, in Himadri, the volume of tyre is significantly less compared to our peers. That makes the difference.

Sanjesh Jain: That mix has always been there, I am saying. If I look at Orion who reports both speciality and rubber separately in terms of gross profit per kg, we can see clearly stress in both the segments.

Anurag Choudhary: When you compare us with companies in the western world, they have different cost economics. Their costs, their raw material costs, their overheads are totally different from ours. And Himadri, over the years, through its operational efficiency, improvement in yield, better waste heat recovery systems have made so much progress that that has always helped us to improve on the margin.

Sanjesh Jain: Fair enough. Does this backward integration helping us having our own carbon black oil, is that a difference?

Anurag Choudhary: Definitely, that is our USP. So, when we make product from our own carbon black oil, the quality consistency is very much there. Because like we also use petroleum-based oil, but in petroleum-based oil, what happens, consignment to consignment, there is a variation in the quality of the raw material. In our case, since it is our by-product, there is absolute consistency in the raw material, which gives a big advantage. And our raw material is a very clean material that adds to the other advantage for speciality carbon black.

Sanjesh Jain: Got it.



Anurag Choudhary: And this also, our raw material gives better yield also. So, all these factors taken together takes us in a different league altogether.

Sanjesh Jain: But that difference was there a year back also, when we were reporting a Rs. 15 a kg, or there is a change in the yield over last 1 year for us?

Anurag Choudhary: Yes, consistently there is change, in terms of improvement. If you see our quarter-on-quarter commentary also, we have been saying that the yield improvement is there, operational efficiency is there, waste heat recovery systems are improving. So, we work on a consistent improvement program on operational efficiencies, which also yield results on quarter-on-quarter basis.

Sanjesh Jain: Got it. Very clear. Now, next on the tyre side, if I look at consol minus standalone, which I believe largely will be tyre, there the number appears to be sharply declined. Last quarter, we reported a revenue of Rs. 18 crores. This quarter, it is just 60 lakh. What am I missing here or if you can just give us, what was the tyre sales this quarter and last quarter?

Anurag Choudhary: So, tyre sales this quarter was Rs. 26 crores and last quarter, it was Rs. 5 crores.

Sanjesh Jain: So, then what explains this consol?

Anurag Choudhary: So, revenue if you look at it, the revenue has come down in Q2 compared to corresponding quarter last year because of the fall in raw material prices. The average raw material prices at that point of time was around 45,000. Now, it is at around 39,500. So, because of this...

Sanjesh Jain: I am looking at consolidated revenue minus standalone revenue. I am not looking at cost. I am just looking at the revenue line. So, our tyre is on the subsidiary company, right?

Anurag Choudhary: Right.

Sanjesh Jain: So, if I subtract the consol minus standalone, that sales largely should reflect the tyre company sales?

Anurag Choudhary: Tyres and one small company Invati also. That is a small number.

Sanjesh Jain: But if I look at consol minus standalone, that number appears to have sharply declined. Last quarter, consolidated revenue minus standalone revenue was Rs. 18 crores. This quarter, it is only showing Rs. 60 Lacs/6 million.

Anurag Choudhary: So, what happened during this quarter, we have opened a subsidiary overseas and the sales to that has been knocked off since the sales has not affected from the subsidiary. In the standalone, that has been considered as the sales. But on a consolidated basis, that has been knocked off. Because of tax during the last cut-off, it has been knocked off.



Sanjesh Jain: I understood what happened. Thanks for that clarification. So, this quarter, we have sold Rs. 26 crores worth of material in the tyre business.

Anurag Choudhary: Right.

Sanjesh Jain: Got it. And when we say 29 distributors, if I just want to benchmark the supply chain of the competition, where are we in our region, as in the eastern region, which we started initially under central India? What is the penetration right now for us?

Anurag Choudhary: So, penetration other than south India and parts of west India, we are present now in pan-India basis. And these numbers are going to substantially increase quarter-on-quarter.

Sanjesh Jain: When you say this number, you are talking of revenues, right?

Anurag Choudhary: No, I am talking about distributors and dealers. Particularly dealers because our model is to have distributors and below distributors have dealers. So, suppose one dealer is having say 10 to 12 dealers now, it will go up to 30 to 40 dealers per distributor. So, that will also increase significantly.

Sanjesh Jain: So, we are saying right now we have 29 dealers.

Anurag Choudhary: Distributors.

Sanjesh Jain: Distributors, then we can easily go up to 900 retailers or the dealers. yes.

Anurag Choudhary: Yes, plus we will have more distributors also.

Sanjesh Jain: So, next year assuming when we will have a full year number in the tyre, what is the revenue number we are expecting there?

Anurag Choudhary: So, this year is like a start-up. To be very frank, we are not considering this as any revenue. But next year, we will be ramping up the capacities. So, currently suppose we are running at 10% capacity utilization, next year we expect at least 30% to 40% capacity utilization.

Sanjesh Jain: And when should we commission the PCR plant?

Anurag Choudhary: So, we will start the installation of the machineries. We have the machineries in place. We are getting the machinery tested and checked. After that, we will start the installation in next 12 months' time and after that, I can give you commissioning date.

Sanjesh Jain: So, next year it will all be the BIAS side only.

Anurag Choudhary: BIAS and OTR/OHT both.



- Sanjesh Jain:** Last question on the battery side of it, sir. Where are we in the LFP supply chain? Have we started the pilot plant or it is still under the construction phase?
- Anurag Choudhary:** The pilot plant is still in the construction phase. It will start in next quarter.
- Sanjesh Jain:** And 40,000 MT we said will start in Q3 FY27.
- Anurag Choudhary:** Right
- Sanjesh Jain:** Any initial samples which we have sent and any reviews you can share from the customer side?
- Anurag Choudhary:** Definitely, the reviews have been very good from our demo scale plant. So, we have got very encouraging results. And IBC is a clear example. So, IBC is coming out with a cell Prabal 2000 with LFP cathode material. For which we sent them the sample, and they tested the material. And they were so pleased to see the quality of the material that we had detailed discussion, and interactions. And then we collaborated also. So, IBC has already launched Prabal 1000 which is a NMC based cathode material cell. Now they will be launching Prabal 2000 which will be LFP based. In which Himadri's LFP will be used.
- Sanjesh Jain:** One more question on the anode side. We first time spoke about anode natural and synthetic. And also, silicon that we want to integrate there. We have not announced any CAPEX. So, where are we in that anode development and when can we expect any CAPEX announcement on anode side?
- Anurag Choudhary:** So, we have done lot of investment in terms of research and development in technology for all the three types of anodes. We have made significant investment in this. And we are very happy to say that the results have been very encouraging. So, once we are in a position to commercialize the technology which will take another few quarters. Then we will announce the CAPEX program.
- Sanjesh Jain:** That is very clear. Thanks, Anuragji for patiently answering all those questions and best of luck for the coming quarters.
- Anurag Choudhary:** Thank you.
- Moderator:** The next question is from the line of Yash Gupta from Harshit Kotecha Family Office.
- Yash Gupta:** Sir, can you throw some light on the earlier participant question on the tyre business. Which segment we are focusing on in the tyre particularly once you say the South India and the Central India. And how big is the opportunity in next 2-3 years in terms of EBITDA? It could be like Rs. 10-20 crores of quarterly EBITDA or like Rs. 50 crores of quarterly EBITDA.
- Anurag Choudhary:** Our focus on tyre will be on OHT and OTR segment. Along with that EV segment and passenger car radial segment. So, this will be the focus area. We are starting with BIAS and will continue with some capacity of BIAS in our portfolio. So, there is a huge potential in this tyre market.



And in next 3-4 years, I see huge opportunity for Himadri in terms of top line and bottom line both and the numbers will be significantly higher than what you told.

Yash Gupta: Sir, have we done any tie-up with any EV company? I think EV we have not launched as of now.

Anurag Choudhary: No. So, what happened. So, we are in the process like I told. In next 12 months, we will start the installation of our PCR plant. And after that we will do commissioning. Post that we will have the tie-up. Now it is in development stage.

Yash Gupta: And we will look for OEMs not for the retail.

Anurag Choudhary: Definitely, we will look for retail and OEMs both. In retail, margins are much better than OEMs.

Yash Gupta: Second question is on EBITDA margin. In the last six-seven quarters, EBITDA margin is going up despite the volume almost at the same level. So, which raw material prices have gone down in last four-five quarters and what is the reason for the decline and whether we expect this decline to be sustainable?

Anurag Choudhary: See, the margins have not improved because of decline in the price of raw material. So, in our case, any increase or decrease in the price of raw material is passed on to the customers. So, no improvement has taken place because of any movement of fluctuation in the price of raw material. The margins what we have achieved are clearly sustainable margins which the company has been able to achieve through lot of operational efficiency project we are driving in our company, starting from yield improvement, energy saving, waste heat recovery system and host of other initiatives. We have different initiatives which we take and basis that we have been able to improve on our margins. Plus, in addition to that, the company is moving towards high value-added products. So, this transformation from normal products to high value-added products is giving higher margins with the same volumes.

Yash Gupta: So, we are expecting this margin to be sustainable?

Anurag Choudhary: Definitely. These are sustainable margins.

Yash Gupta: Last question on this speciality carbon black forward integration part. Q3 FY26 is intact, we are on timeline?

Anurag Choudhary: Yes, I have already announced in my commentary that end of Q3 FY26 we will see the commencement of our new speciality facility.

Yash Gupta: So, maybe for Q4 there will be some impact but moreover the full impact will come in the next year only?

Anurag Choudhary: Yes, Q4 you will see some impact and Q1 you will see the full impact.

Yash Gupta: Okay, sure. Thank you, sir.



Anurag Choudhary: Thank you.

Moderator: Thank you. The next question comes from the line of Rhea Jain from SDA Finance. Please go ahead.

Rhea Jain: Thank you for the opportunity. So, my first question is given the revenue decline and the inventory receivables movement, what is the current working capital cycle and how do you see it evolving in the next two-three quarters?

Anurag Choudhary: See, current working capital is 31% of the top line and we expect this to remain in the same levels.

Rhea Jain: For the next three quarters, right?

Anurag Choudhary: Yes.

Rhea Jain: Got it. Also, looking at the short-term borrowings, we observe an increase of Rs. 300 crores to Rs. 800 crores on a consolidated basis. So, could you please help us understand the rationale behind this rise and what is the target debt-to-equity ratio or leverage level the company is comfortable maintaining?

Anurag Choudhary: So, actually these are commercial papers we have issued against which we have done deposits with banks. So, there is no leveraging we are doing. All the future expansion of the company will be funded through internal accruals only. So, currently if you look at net debt, it is only Rs. 113 crores. And we expect to be cash positive in March in terms of our debt.

Rhea Jain: So, you will be net debt positive in March?

Anurag Choudhary: Yes, definitely.

Rhea Jain: Also, the company achieved ISCC-Plus certification and emphasized sustainability credentials. So, congratulations for that firstly. And could you elaborate on how sustainability initiatives are translating into business advantage like pricing, premium, market access, cost savings and so on?

Anurag Choudhary: Definitely. See, sustainability has been our motto since last more than 15 years when people were not that much focusing on ESG practices. So, IFC Washington, World Bank invested in Himadri in 2009 and after a detailed due-diligence of 14 months, they invested in terms of environmental practices. And we have private equities in our company for last 15 years. So, who are no longer there. But those corporate governance best practices, sustainability practices are embedded in the core of the company now. We have been following these practices over last 14 to 15 years. And the result of this is what you see like over this platinum rating. It is a very prestigious ranking which only 1% of the manufacturing companies globally have. So, Himadri has a unique positioning among those 1%. Now, regarding when we work so much on sustainability in terms of best environmental practices, in terms of governance practices, in terms



of social goals. So, when we interact with our customers, these customers also want these practices to be very strong in their suppliers. Because on their scope to reduction, they have also highlighted about these things. So, that they get an advantage dealing with Himadri. So, following these practices, we get a pricing premium from compared to our peers. That is also one advantage Himadri is having.

Rhea Jain: Right, sir. Thank you so much for taking my questions.

Anurag Choudhary: Thank you.

Moderator: Thank you. The next question is from the line of Raj from Asit Kotecha Family Office. Please go ahead, sir.

Raj: My first question was on the Durofresh brand that we have launched. So, how are we navigating the naphthalene ball B2C market with our brand Durofresh? What is our strategy there to grow and gain market share from the existing players? And how big is the market and how much revenue do we expect to make from this market from this business segment in FY27?

Anurag Choudhary: See, we have been selling to this market, not directly, but to others. Like we have been suppliers to Willert, which is the largest mothball player in US for years. 80% of their requirement was met by Himadri. Like that with other players. So, now we did a forward integration by introducing our own mothball. So, the quality of the product has been very well appreciated by the market. We started with a very small capacity to test the market and the results have been very encouraging. So, now we are setting up a larger capacity for which in next 3 to 4 months, equipment will be installed. And then we will see the ramping up in production and sales of Durofresh mothballs. So, next year we expect, in terms of revenue, we will not find significant change, but in terms of profitability because whatever addition will be there, that will directly go to the bottom line.

Raj: And my second question was, we still expect the battery chemical business to contribute Rs. 2,500 crores to Rs. 2,700 crores in revenues in FY28. And have you signed any contract with OEM or a bigger player which would help us to achieve this revenue?

Anurag Choudhary: So, what happened, we have at 100% capacity utilization, we will achieve Rs. 2,500 to Rs. 2,700 crores top line. But whether it will be 28 or 29, we have not made any announcements or commitment on that.

Raj: So just wanted to understand, is the product being accepted or how is the quality of product or some feedback?

Anurag Choudhary: The feedback has been very encouraging and that is the reason we are going ahead with the CAPEX program.

Raj: Okay, got it. Those were my questions. Thank you.



- Anurag Choudhary:** Thank you.
- Moderator:** The next question is from the line of Darshan Shah from M&S Associates. Please go ahead, sir.
- Darshan Shah:** I have a couple of questions more on the macro front specific to the industry and demand. First was, are you witnessing any demand recovery in Europe and East Asia after there has been recent history of slowdown in demand. So, how is now the demand shaping up there?
- Anurag Choudhary:** See, for us, demand has been strong only. Reason being that our volumes of carbon black are fully sold. So, we do not see any significant positivity or negativity in the demand side earlier also and even today. For us, the demand remains strong only as before.
- Darshan Shah:** The natural extension to the question is that the demand remains strong. How do you see the competitive intensity in coal tar pitch and carbon black with new entrants coming in, possibility of new supply and pricing pressures?
- Anurag Choudhary:** Coal tar pitch, there is no new entrants who are coming in. Because coal tar pitch, for to establish a product also it takes 2 years' time. So, coal tar pitch, I do not see any new players coming in. And if someone comes also, then it will take 2 years first to establish their quality. For carbon black, the existing players are only expanding their capacity. I do not see any new player coming in.
- Darshan Shah:** So, you see that there is still enough comfortable demand, no problems of larger supply, pricing pressures that you will have to deal with in the market in terms of your clients and customers.
- Anurag Choudhary:** No, nothing like that.
- Darshan Shah:** The competitiveness of Indian carbon speciality versus Chinese and Korean producers in the export market. So, any thoughts on our competitiveness versus the other peers, Chinese and Korean peers?
- Anurag Choudhary:** China basically produces carbon black using coal tar oil. And the cost of coal tar oil is higher in China because the cost of coal tar is higher in China compared to India. So, we do not see any competition from China as such in the international market.
- Darshan Shah:** And Korea?
- Anurag Choudhary:** Koreans are not that focused on speciality. They are more on the commodity side.
- Darshan Shah:** Finally, do you expect double-digit growth resumption in FY27 once capacity addition starts contributing?
- Anurag Choudhary:** Yes. Definitely, we see double-digit growth.
- Darshan Shah:** Great. That was very helpful, sir. Thank you.



- Moderator:** Thank you. The next question is from the line of Preeti from SK Associate. Please go ahead, ma'am.
- Preeti:** Thank you so much for the opportunity. I would like to know that the revenue for Q2 declined to Rs. 1,071 crores despite strong margins and profit growth. So, among your major product segments like coal tar pitch, carbon black, advanced materials, which saw the largest pressure and is this temporary or structural?
- Anurag Choudhary:** No, there was no pressure. In fact, if you see the decline, as we clearly mentioned, it was basically because of two factors. Number one, corresponding quarter last year, the average raw material price was 13% higher than current prices, 13% to 15%. So, when the prices came down, the realization also came down. That resulted in lower turnover. In addition to that, there was a significant export volume, which was not considered in this quarter because of cut-off date. It went to the next quarter. So, the volume and the turnover went to next quarter. That was the result. It is nothing to do with any pressure or anything.
- Preeti:** Understood. And a portion of the revenue was also impacted due to the export orders that were executed during the quarter but will be recognized in Q3.
- Anurag Choudhary:** —Yes, will be recognized in Q3.
- Preeti:** So, given your presence in the +50 countries, could you share insight on the overseas demand trends observed in Q2 and highlight the key geographies you expect to drive growth in the second half of the year?
- Anurag Choudhary:** See, the momentum has been strong and looking forward also, we feel that the demand is going to remain strong only. We are supplying to various geographies like 54 countries globally, we are supplying our materials.
- Preeti:** Understood. And the crude oil and coal tar derivatives remaining volatile, how effective is your pricing pass-through mechanism in both domestic and export markets?
- Anurag Choudhary:** 100%. Whether price goes up or down, what difference it will make is only in terms of percentage of margin and in terms of top line. Not in terms of absolute margin.
- Preeti:** Understood. Alright. Thank you so much, sir.
- Moderator:** Thank you. The next question is from the line of Santosh Kesari from SK HUF. Please go ahead, sir.
- Santosh Kesari:** I have just one query and that is about the impact of US tariffs on our exports. So, is that impacting us too much? Who is bearing the duties? Is it the buyer or we are bearing the duties? How is it happening? If you can also give a detail of demand scenario there.
- Anurag Choudhary:** See, this is already reflected in our Q2 Results. You can see there is no impact.



- Santosh Kesari:** Yes, that is what I am surprised that other players have really, their exports of plateaued and their profits are not as much. But in our case, it is not happening. So, is it the buyers, are the buyers bearing the duties? How is it happening?
- Anurag Choudhary:** It is because of our non-dependence on a single geography. So, if there is a challenge, we move our product to some other geography. And the material we supply to said challenged geography also, that is also of very high quality where the impact is not that much, since the customers want the material. So, that is why we are not getting impacted.
- Santosh Kesari:** So we are saying that our demand is so huge and we have so much diversity in supplies that we can supply to any geography we can choose.
- Anurag Choudhary:** Yes, and the volumes are low.
- Santosh Kesari:** Just needed your confirmation, sir.
- Anurag Choudhary:** Thank you.
- Moderator:** Thank you. The next question is from the line of Dheeraj Shah from RK Investments. Please go ahead, sir.
- Dheeraj Shah:** Thank you for the opportunity. I have a couple of questions. So, while the revenue has fallen, margins have improved significantly and PAT margins are also up strongly. Could you break down how much of the margin improvement is due to the product mixture versus the cost control or raw material deal?
- Anurag Choudhary:** See, because of the raw material prices, there is no impact because that is passed on to the customers, any increase or decrease. But yes, there has been significant improvement in terms of operational efficiency, yield improvement and energy efficiency, waste heat gas treatment and recoveries, which has led to improvement. And in addition to that, what you call high value-added products. So, high value-added products contributed around 65%-70% and 30% was in account of operational efficiency.
- Dheeraj Shah:** Understood. Also, secondly, given the stagnation in revenue but improvement in margin, what is your guidance for FY26 growth, perhaps volume or revenue and any margin targets that maybe we could look up to?
- Anurag Choudhary:** Two quarters is already there. So, you can see, we are already at a PAT of Rs. 369 crores. A year back, we projected to double our profitability from FY24 to FY27 from Rs. 411 crores to Rs. +800 crores in next 3 years. But if you look at the actual performance, we are already on that track in 2 years. So, we are going to deliver what we promised in 3 years and around that in 2 years and third year will be even better.
- Dheeraj Shah:** And lastly, given the emerging EV ecosystem in India, where do you see Himadri's strategic fit? Would it be as a raw material supplier or as an integrated advanced material player?



Anurag Choudhary: Definitely, Himadri is going to play a key role in the EV and ESS storage entire technology ecosystem which is going to play out in India. Because Himadri is going to be the key supplier for raw material components for making lithium-ion batteries. And it is going to play a predominant role in this field in the years to come. We have been investing in this for last over 12-13 years. And it is not that today everyone is talking about lithium-ion that Himadri has started discussing and talking about lithium-ion batteries. You go back to our 10-12 years back report also, that time also we have been talking and now the fruits of all those investments will results.

Dheeraj Shah: Thank you very much for the opportunity and all the best for the quarters ahead. Thank you.

Moderator: Thank you. As there are no further questions from the participants, this concludes this conference. On behalf of Himadri Speciality Chemical Ltd, that concludes this conference. Thank you for joining us and you may now disconnect your lines.