

October 30, 2026

Ref. No.: **AIL/SE/41/2026-27 - Update**

To,

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001, MH.

Scrip Code: **543534**

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051, MH.

Symbol: **AETHER**

Dear Madam / Sir,

Subject: Frequently Asked Questions on the Presentation

In accordance with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and further to the intimation having Reference No.: AIL/SE/41/2026-27, Frequently Asked Questions (FAQs) on the investor presentation shared, is enclosed herewith.

We request you to kindly take the information on your records.

Thanking you.

For Aether Industries Limited

CHITRARTH
RAJAN PARGHI

Digitally signed by CHITRARTH
RAJAN PARGHI
Date: 2026.10.30 12:04:36 +05'30'

Chitrarth Rajan Parghi

Company Secretary & Compliance Officer

Mem. No.: F12563

Encl.: As attached

Q2/H1

FY27



Frequently Asked Questions

01 Quarterly performance

02 Capital expenditure

03 Margins, working capital and debt

04 Capacity Utilisation



Quarterly performance

Q. What has driven sales growth of 23.96% year on year and 6.33% quarter on quarter?

Sales for the quarter delivered an exceptionally strong performance, supported by healthy growth in Contract Exclusive Manufacturing (CEM) and Contract Research and Manufacturing Services (CRAMS), despite a challenging and volatile macroeconomic environment.

CEM grew approximately 50.03% year on year, while CRAMS expanded by approximately 23.91% year on year. Together, these two high-value business verticals now contribute 65.97% of total revenue, keeping the Company firmly on track to achieve the 70% revenue-mix target set out a few years ago.

Large Scale Manufacturing (LSM) contributed 33.35% to sales, with growth remaining modest as certain production lines were strategically re-purposed from the LSM vertical to the higher-growth CEM vertical, as communicated in the previous quarter. **This deliberate portfolio shift reinforces the Company's focus on higher-value, growth-oriented business streams and strengthens its long-term competitiveness.**

Q. How did each of the three business verticals perform during the quarter?

CRAMS

The CRAMS business vertical delivered solid growth, supported by the addition of new research and development projects across multiple industry sectors. Oil & Gas and Material Science continue to represent the largest share of the project portfolio, reflecting the strength and relevance of the Company's technical capabilities in these high-value areas.

During the quarter, the Company successfully transitioned its R&D operating framework from a 24x6 to a 24x7 model—a first-of-its-kind initiative that enhances responsiveness, accelerates project execution, and strengthens customer engagement. The Company also commenced work on the silicon project with Dow Chemicals, focused primarily on complex chemical engineering design requirements.

The project pipeline remains exceptionally robust. The new R&D facility is progressing on schedule and is expected to be commissioned by Q2 FY28, providing enhanced capacity to support the growing demand for innovation-led solutions. The CRAMS division is currently engaged on more than 65 projects, while NMR-based analytical capabilities have enabled the Company to broaden its scope of work with global majors and deepen participation across their product development pipelines.

These developments reinforce the Company's positioning as a trusted, innovation-driven partner for complex, long-cycle R&D and manufacturing programmes.



Quarterly performance

CEM

The CEM business vertical continues to demonstrate strong momentum, with several major contracts progressing through their ramp-up phase. **Revenue from the Baker Hughes contract at the Strata site stood at ₹720 million and an additional ₹150 million from the commercial sale of new products from the pilot plant.** During the quarter, the Strata site underwent certain piping modifications to enhance operational flexibility and support an expanded product portfolio. We expect to introduce additional products for Baker Hughes from Q3 FY27 onwards, further deepening our strategic partnership with the customer. The Strata site is currently operating at 61% capacity utilisation, with further improvement anticipated as the newly introduced products begin contributing to revenue.

At the Ascend site, the half dedicated to Milliken continues to ramp up in line with our expectations. In addition, as highlighted in Q1, our CEM contract with a leading European customer, housed in the other half of the Ascend site, is also witnessing a progressive ramp-up in production. The site's capacity utilization currently stands at 70%, compared with 69% in Q1 FY27, reflecting the steady build-out of both contracts.

The Magnum site is poised to become a key growth driver for the vertical, with the **next two production blocks expected to house semiconductor products and a new chemical entity for a leading global agrochemical major. Commercial production from these facilities is expected to commence in Q4 FY27.** In the interim, we have already commenced commercialisation of semiconductor products to our customers in Japan through the pilot plant from October 2026.

We remain confident that the CEM vertical will deliver accelerated growth over the next couple of years. Beyond the anticipated ramp-up in revenues from existing contracts, our engagements with global customers across multiple end-use sectors continue to reveal a robust pipeline of opportunities that we are well positioned to capitalize on.

LSM

Our LSM business vertical delivered year-on-year revenue growth of 1.23%, while declining 8.35% quarterly. This performance was driven by continued pricing strength, with LSM product prices increasing 27.45% year-on-year and 3.39% quarter-on-quarter. The sequential volume moderation was primarily a deliberate strategic outcome of reallocating select production lines to the higher-priority CEM vertical, enabling more optimal utilization of our manufacturing footprint.

Looking ahead, we expect the LSM to remain a key contributor to revenue, supported by the launch of our pharmaceutical product at the Magnum site. The product has received a highly encouraging response from customers, and we anticipate a progressive ramp-up in production during Q3 and Q4 of the current financial year as the facility stabilizes and operating efficiencies improve.



Quarterly performance

Q. What was the sectoral distribution of sales for the quarter?

The Oil and Gas sector is the largest contributor to sales during the quarter, accounting for 33.42% of revenue. This performance was primarily driven by strong demand from Baker Hughes and other oil and gas customers. We remain highly encouraged by the sector's outlook, supported by a healthy order book for the next six months, ongoing customer discussions on new product opportunities, and a promising CRAMS pipeline expected to progress into commercial production.

The Pharmaceutical and Agrochemical sectors contributed 26.58% and 7.86% of sales, respectively. The moderation in these verticals was primarily attributable to the strategic re-purposing of certain production lines from Large Scale Manufacturing to CEM. We remain confident of a meaningful recovery in both sectors over the coming quarters, supported by the **launch of the pharmaceutical product at the Magnum site and the commercialisation of a new product for a leading global agrochemical major in Q4 FY27.**

The Material Science sector contributed approximately 17.93% of sales and delivered robust growth of 16.05% year on year. We expect this vertical to emerge as the second-largest contributor to the Company's top line, driven by the ramp-up of the Ascend site dedicated to Milliken Chemical and Textile (India) Company, increasing sales of Converge polyols, expanding revenue from a major European customer, and the commercialisation of semiconductor materials.

We are pleased to share that commercial sales of semiconductor materials commenced in October 2026 from the pilot plant, with commercial-scale supplies from the Magnum site expected to begin at the start of Q4 FY27. These developments mark an important milestone in strengthening the Company's presence in high-value, technology-driven growth verticals.

Q1



Capital expenditure

Q. Can you provide an update on capital expenditure for the quarter?

Site 1+ — New R&D centre

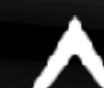
Construction of the new R&D centre, adjacent to the existing site, continues to make steady progress and is expected to be ready by Q2 FY2028. Total capital expenditure for the centre is approximately ₹1,000 million, and it will house 120 fume hoods and 8 technical labs.

Magnum (Site 5)

Total capital expenditure for this site is approximately ₹833 million in Q1 FY2027. We are working to commercialise two further production blocks — one for the semiconductor segment and one for a CEM contract with a leading global agrochemical major — by Q3 FY2027.

Total capital expenditure for the current financial year is expected to be ₹3,000 million ~ ₹3,500 million. The Capex shall be ~₹600 million at Site Catalyst and remaining at Site Magnum.

Q2



Margins, working capital and debt

Q. Can you comment on EBITDA margins?

EBITDA margin for 1H FY27 expanded to 31.64%, compared with 30.76% in 1H FY26, reflecting a 88 basis point year-on-year improvement. This margin expansion was achieved despite a challenging macroeconomic environment and a nearly threefold increase in logistics costs, underscoring the resilience of our business model and the strength of our operational execution.

The improvement was driven by a favorable shift in our revenue mix towards the higher-value CRAMS and CEM business verticals, complemented by continued pricing strength in our LSM portfolio. While raw material prices remained elevated, our ability to sustain and expand margins demonstrates the increasing quality of our earnings, improved customer mix, and effective commercial and cost-management initiatives.

We believe this trend reinforces the structural improvement in our profitability profile and positions us well to deliver further operating leverage as contract ramp-ups, capacity utilization, and new product introductions progress.

Q. How did the working capital cycle move during the quarter?

With CEM and CRAMS contributing over 60% of revenues debtor days have declined to 107 days as on September 30th, 2026 as compared to 109 days of March 2026.

Inventory days have increased to 172 days as of September 30, 2026 as compared to 151 days as of March 31, 2026. The increase in inventory days was a strategic decision taken by the management on the backdrop of volatile geopolitical environment and increase in shipping costs as we decided to stock up on certain raw material which are key for our ongoing CEM contracts and those contracts are running ahead of their production schedules. Also raw materials have been purchased for the two production blocks in Magnum site. The inventory ratio is expected to decrease in the next six months as the production blocks in Magnum Site and Strata Site are expected to ramp up.

Creditor days continued to remain at 114 days. Overall the net working capital has increased to 165 days as compared to 162 days in March 31st, 2026 and is expected to decline over the next 6 months as production and sales ramp up across all the production sites.

Q. What are the Company's current debt levels?

As at 30 September 2026, outstanding borrowings comprised of ₹4,152 million of working capital loans and ₹2,085 million of term loans.



Capacity Utilisation

Q. What are the capacity utilisation levels at the various sites?

As the CEM contracts continue to get ramped up we have seen an increase capacity utilisation across our plants which is as follows:

Plant	Q1 FY27	Q2 FY27
Genesis	75%	77%
Ascend	69%	70%
Strata	59%	61%



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