November 06, 2026

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National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 **SYMBOL: ELLEN**	**BSE Limited** New Trading Ring, 2nd Floor, Rotunda Building, P.J. Towers, Dalal Street, Mumbai – 400 001 **SCRIP CODE: 544421**

Sub: Transcript of Earnings Conference Call with Analysts / Investors pertaining to the Unaudited Financial Results of the Company for the second quarter and half year ended September 30, 2026 - Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith is the transcript of the Earnings Conference call with Analysts / Investors held on Thursday, November 05, 2026, post declaration of the Unaudited Financial Results of the Company for the second quarter and half year ended September 30, 2026.

The same has also been disseminated on the website of the Company at https://ellenbarrie.com/investors/

We request you to kindly take the above on record.

Thanking You.
Yours faithfully,

For Ellenbarrie Industrial Gases Limited

ADITYA KESHRI
Digitally signed by ADITYA KESHRI
Date: 2026.11.06 13:51:39 +05'30'

Aditya Keshri
Company Secretary and Compliance Officer
Membership No.: A73390

Ellenbarrie Industrial Gases Limited

Q2 FY27 Earnings Conference Call

November 5, 2026

Speakers:

Mr. Padam Kumar Agarwala - Chairman and Managing Director

Mr. Varun Agarwal - Joint Managing Director

Mr. K Srinivas Prasad - Chief Financial Officer

Moderator:

Ms. Vinita Pandya (Raadhi Capital)

Moderator:

Good evening, ladies and gentlemen. Welcome to the Q2 and H1FY27 earnings conference call of Ellenbarrie Industrial Gases Limited, hosted by Raadhi Capital. As a reminder, all attendees will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. If you have any questions, please feel free to press the raise hand button. We'll call on you in turn and unmute your line so you can speak.

Important note, if you need to ask a question, please ensure Microsoft Teams has permission to access your microphone when you log in. Otherwise, you will not be able to unmute. Please note that this conference is being recorded. Kindly also note that the audio of the earnings call is corporate material of Ellenbarrie Industrial Gases Limited and cannot be copied, rebroadcasted, or attributed in the PR media without specific and written consent of the company.

Please note that anything said on this call that reflects the outlook towards the future, which can be construed as a forward-looking statement, must be reviewed in conjunction with the risks that the company faces. A copy of the disclosure is available on the investor relations section of the website, as well as on the stock exchanges. To give you an in-depth understanding of the company and answer all your queries, we have from the management side today, Mr. Padam Kumar Agarwala, Chairman and Managing Director, Mr. Varun Agarwal, Joint Managing Director, and Mr. K. Srinivas Prasad, Chief Financial Officer. I now hand over the conference to Mr. Padam sir, for his opening remarks. Thank you, and over to you, sir.

Mr. Padam Kumar Agarwala (Chairman and Managing Director):

Thank you. Good afternoon, and thank you for joining us today for Ellenbarrie Industrial Gases Limited's Q2 FY27 earnings call.

We are pleased to report an important quarter marked by the commissioning of our new on-site plant in Durgapur and the award of a major BHEL contract for a large air separation unit in Odisha. These milestones expand our operating capabilities and position Ellenbarrie to participate in larger industrial opportunities. As we complete the first half of FY27, Ellenbarrie is moving from capacity creation to capacity monetization. With recent investments becoming operational, our priorities are to improve utilization, generate sustainable revenues, and deliver stronger returns on invested capital. Against this backdrop, I would like to highlight three structural trends that reinforce our confidence in the opportunity ahead.

The first trend is the growth and gradual consolidation of the industrial gases industry. Demand is expanding across major end markets while customers increasingly value scale, reliability, technical expertise, and cost efficiency. These trends favor established

players with strong manufacturing and distribution capabilities, and Ellenbarrie is well positioned to strengthen its role in this evolving market.

The second trend is the shift towards outsourcing gas production. Large industrial customers increasingly recognize the benefits of partnering with specialized suppliers instead of operating captive facilities. This supports long-term on-site contracts with greater revenue visibility, an area where Ellenbarrie's operating experience positions us well.

The third trend is the emerging opportunity in coal gasification. Its development will require significant oxygen capacity and large air separation units. Our recently awarded BHEL contract is an important first step, demonstrating our ability to execute larger, more complex projects. Varun will discuss the contract and its operational implications in greater detail.

Together, these trends reinforce our confidence in the industry's long-term prospects and support our strategy of building a stronger, more diversified industrial gases business. Historically, we have built a strong presence in eastern and southern India. We are now expanding towards northern and central India to access new industrial clusters, diversify our customer base, and create a more balanced pan-India footprint.

Looking ahead, we see significant opportunities across both our core gases operations and project engineering capabilities. Their commercial models differ, but they are complementary through our technical expertise, customer relationships, and execution capabilities. Ellenbarrie's expanding footprint, customer relationships, and engineering capabilities provide a strong foundation for long-term value creation.

We remain focused on disciplined execution, operational efficiency, and sustainable growth. I would like to thank our employees, customers, business partners, and shareholders for their continued support and trust. With that, I will hand over to Varun for the financial and operational review. Thank you.

Mr. Varun Agarwal (Joint Managing Director):

Thank you, Chairman. Good afternoon, everyone. I'll take you through our financial and operational performance for Q2 FY27, the key developments during the quarter, and our priorities for the remainder of the financial year.

Coming to our quarterly financial performance, revenue from operations stood at 1,143 million compared to 892 million in Q2 of FY26 and 987 million in Q1 FY27. This represents a growth of 28% year-on-year and 16% sequentially. Our longer-term guidance, however, remains of 20% growth in the core gases business. EBITDA margin for the quarter was about 36% compared to 39% in Q1 FY27. There are nuances beyond the headline numbers, so I want to take time to explain this for clarity. Performance of

the core gases business was stronger than the consolidated margin may initially suggest. The consolidated EBITDA increased from 387 million in Q1 to 407 million in Q2. Segment margins for the gases business also increased from 38% in Q1 to 39% in Q2. However, for the company as a whole, the sequential decline in EBITDA margins from approximately 39% in Q1 to 36% in Q2 was driven by two main factors.

First, the other expenses increased as a percentage of revenue largely due to higher transportation costs arising from increased diesel prices and some longer distance deliveries. We expect this to normalize over the next couple of quarters.

Second, employee expenses were higher during the quarter due to the payment of annual increment arrears relating to previous quarters and further buildout of our project engineering team, which is like an investment into our future execution capabilities.

For the first half of FY27, revenue from operations stood at 2,130 million, representing a growth of 23% over H1 of FY26.

Coming to our core gases business, revenue from gases related products and services grew by approximately 27% year-on-year during the quarter, and as explained earlier, the segment margin remained approximately 39%. An important milestone during the quarter was the successful commissioning of our new 325 tons per day on-site plant in Durgapur, West Bengal in September 2026.

The facility operates under a 15-year on-site gas supply agreement, and the contract follows a take-or-pay structure and provides long-term revenue visibility. Commercial operations and revenue generation commenced in September 2026. As the plant became operational towards the end of the quarter, we expect to see the benefit of a full quarter of operations beginning in this quarter, that is Q3 of FY27. This is an important addition to our on-site portfolio and takes our total installed capacity for on-sites to more than 1,000 tons per day.

Another major development was the award of a 480 crore contract from BHEL towards the end of September. This contract involves the design, engineering, supply, erection, commissioning, and handover of a 1,200 tons per day cryogenic air separation unit in Odisha. This will be executed over eight quarters with commissioning expected in FY29. This is an EPC contract, which means we will construct and commission and then hand it over to the customer. It is therefore different from a conventional on-site gas supply business where we own and operate the plant under a long-term contract. However, at 1,200 TPD, this will be the largest air separation unit we have undertaken to date. It is an important endorsement of our engineering capabilities and positions us to pursue larger projects in the future. It also allows us to participate in India's emerging coal gasification

opportunity. Coal gasification requires large volumes of oxygen, creating significant demand for large scale air separation units as new projects are developed.

The BHEL order strengthens our credentials in this market. Our immediate focus will be on disciplined engineering and procurement, timely execution, and achieving contractual milestones. Revenue recognition will follow actual project progress and applicable accounting requirements.

Our previously announced capex plans of approximately 4,500 million or 450 crores for FY27 and FY28 remain on course. For the remainder of FY27, our focus will remain on increasing utilization at Uluberia 2, stabilizing operations at our newly commissioned on-site facility in West Bengal, and progressing our planned merchant capacity additions in north and central India. We will also advance the initial engineering of the BHEL project while maintaining close control over project execution, working capital, and cash flows.

Overall, we enter the second half of FY27 with assets that are progressively moving towards higher utilization. Another on-site facility has begun generating revenue and our engineering team has secured a major new project. We believe the combination of higher utilization, recurring revenue from on-site operations, and execution of our engineering order book positions Ellenbarrie well for the next phase of growth. Our focus will remain on translating these developments into sustained revenue growth, healthy profitability, and stronger returns on our investments. Thank you for joining us, and we can now open the floor for questions.

Moderator:

Thank you. We will now open the call for questions. Kindly raise your hand to ask a question. We will unmute your line. Please announce your name and organization name before you ask a question. As a reminder, we request all participants to restrict themselves to two questions and come back in the queue. We'll wait for a minute for the question queue to assemble.

The first question is from Mohammad Uzair. Mohammad, please go ahead, unmute your line and go ahead.

Mohammad Uzair (Aveksat Financial Advisory):

Good evening. My name is Uzair Lari, I'm from Aveksat Financial Advisory. Congratulations on a good set of numbers. My first question is, sir, in the investor presentation you mentioned the dip in margin was mainly due to the increase in freight cost, and you also mentioned in the presentation itself that to mitigate it we are planning to pass on the freight cost to the clients as well as increase the price. So are we going to do both or either one of them, just to confirm?

Mr. Varun Agarwal:

Yes, I think a part of the margin hit was due to the transportation cost, and we have long-term contracts with most of our customers where we are able to pass on the increase in our cost to the customers. So as we mentioned, we expect this to normalize over the coming quarters.

Mohammad Uzair (Aveksat Financial Advisory):

Okay. And if you could quantify the percent of total cost out of which power contributes—like for us mainly raw material cost is power consumption. So what is the percent of total cost which power consumption contributes to, if you could quantify it, just to get an idea?

Mr. Varun Agarwal:

If you look at financials, in both Q1 and Q2, power was about 22-odd percent of revenue from sale of gases.

Mohammad Uzair (Aveksat Financial Advisory):

Okay, understood. And we also produce ultra high purity gases, right sir?

Mr. Varun Agarwal:

That's right.

Mohammad Uzair (Aveksat Financial Advisory):

So it is mainly produced through hydrogen electrolyzer if I am correct. Do we have this hydrogen electrolyzer on all of our plants or any specific plant only, the older one or the new one?

K. Srinivas Prasad (Chief Financial Officer):

Yeah, let me answer that. Electrolyzer is for a very small turnover of our total business; it is used for generating hydrogen. So as a percentage, I'm unable to comment on this, but it's very minuscule of our total cost as well as total revenue.

Mr. Padam Kumar Agarwala:

To answer your question, we have the hydrogen electrolyzer at our Uluberia plant close to Kolkata from where we are making ultra high purity oxygen. We also make ultra high purity argon for spectrometry, etc. So that is being made in most of our plants.

Mohammad Uzair (Aveksat Financial Advisory):

So the price realization in this is comparatively much higher?

Mr. Padam Kumar Agarwala:

Yes, correct. It's a different product altogether. It's a different product from commercial oxygen or commercial argon. These are different products, and there is extra effort for quality analysis certification and things like that. So naturally, those extra efforts have to be covered by much higher prices.

Mohammad Uzair (Aveksat Financial Advisory):

Understood. So we have this electrolyzer on both of the Uluberia plants, like we have two plants correct, the old one and the new one?

Mr. Padam Kumar Agarwala:

We have only on the one plant. The first one, this unit is in our earlier plant.

Mohammad Uzair (Aveksat Financial Advisory):

Okay. And sir, what is the trend of argon prices?

Moderator:

Please, this should be the last question. Maybe you can come back in the queue. There are many other participants waiting in the queue.

Mohammad Uzair (Aveksat Financial Advisory):

Sure. So if you could share the argon price trend, like what has been the price of argon for the past quarter. That's all from my side. Thank you.

Mr. Varun Agarwal:

Look, while we don't want to comment on quarterly realized prices, what we have reiterated is that the long-term trend of argon demand remains intact and is obviously a high-margin product for us. We see the long-term trend because demand is increasing at a faster pace than supply. The long-term price trend remains positive. Having said that, argon prices have remained healthy, I would say around the average realizations in the recent past. So we are very constructive on this going forward as well.

Mohammad Uzair (Aveksat Financial Advisory):

Thank you so much for your answers, sir. Appreciate it.

Moderator:

Thank you. The next question is from Nilang Jain. Nilang, please unmute your line, go ahead and announce your organization name.

Nilang Jain (Green Gen Family Office):

Yeah, hi. Thanks for the opportunity. Nilang here from Green Gen Family Office. Just wanting to understand, one is on the new EPC contract of the BHEL business. So what kind of margins can we realize over how long, and what would be the working capital requirement for such a contract? And would we continue to see such kind of contracts in the future as well as a strategy for the company, because I'm assuming that the margin profile can change for the overall consolidated basis?

Mr. Varun Agarwal:

Yeah, thanks for your question, Nilang. Absolutely right that I think overall margin profile will change because these EPC contracts will carry a lower margin than our core gases business, and that's obviously on account of the fact that we are not really employing any long-term capital here. It's only working capital that is required. That's why I think it's important to look at our segment margin for gases rather than the margin for the company as a whole.

Nilang Jain (Green Gen Family Office):

So you will in the future give segment disclosures?

Mr. Varun Agarwal:

Yes. Even now we have segmental reporting for the gases business and what we call project engineering. This kind of project will come in the project engineering revenue. So it's important that you highlighted this. Want to also reiterate that in Q2, even though the margins of the company as a whole appear softer, margin of our core gases business actually increased compared to Q1. And yes, this kind of contract typically has a significantly lower margin, probably high single digits to low double digits kind of a margin profile. Having said that, obviously it generates a strong absolute cash flow return and a high ROCE because there is zero long-term balance sheet risk. So in that sense, it's quite complementary to our core gases business.

Our focus will continue to remain on our core gases business though, because ultimately that is what drives the long-term recurring revenue. We saw certain opportunities on this front which matched our execution capabilities—one of those projects because it was in a very strategic sector which has a very long-term and significant addressable market. Even though this is an EPC contract, it kind of opens up the room for us to gain long-term contracts where actually we own and operate the asset for other coal gasification projects. So it's very important to put us into the league of companies which are able to execute and which have orders to execute plants with over 1,000 tons per day capacity.

Nilang Jain (Green Gen Family Office):

Okay. So our larger aspiration long-term will be to have a 1,000 TPD plus kind of an on-site project eventually in a similar space?

Mr. Varun Agarwal:

Absolutely, yes. Once we have demonstrated the capabilities. Because a lot of customers want that credential that these guys have a plant which is of this size, because 1,000 tons per day size is typically only industry leaders have been able to execute.

Nilang Jain (Green Gen Family Office):

Right. And secondly, just about the current capex of the two bulk plants like north and central India. So what time of the next year do we see either of them going live, and how much time to ramp up?

Mr. Varun Agarwal:

We typically assume about 6 to 8 quarters for the ramp up of a merchant plant, and these plants we expect to start contributing in the second half of the next financial year.

Nilang Jain (Green Gen Family Office):

Okay, both should come around the similar time?

Mr. Varun Agarwal:

Yes, I think both plants we expect to come online in the second half of the next financial year.

Nilang Jain (Green Gen Family Office):

Okay, I'll join back in the queue.

Moderator:

Thank you. The next question is from Dikshi Jain. Dishi, please unmute your line and go ahead.

Dikshi Jain (Incred Research):

Sorry, can you repeat what time are we expecting the north India and central India plants to go live? I believe it was mentioned earlier in the first half of FY28?

Mr. Varun Agarwal:

We expect revenue contribution from H2, and we expect these plants to sort of come live around the middle of the year.

Dikshi Jain (Incred Research):

Okay. And also can you quantify in value how much was the total effect for employee expense for the project engineering division that we've had in this particular quarter?

Mr. K. Srinivas Prasad:

Yeah, let me take this one. This was about 11 million for the quarter.

Dikshi Jain (Incred Research):

11 million, okay. And how do we see the rest of the year panning out? Do you think that going back to normal from these power and freight costs will take another two quarters, and we'll continue on the same margin lines for the rest of the year as well?

Mr. K. Srinivas Prasad:

Talking about freight cost, it is linked to diesel, so that part will be a pass-through to the customers.

Dikshi Jain (Incred Research):

Yes, so that's what I'm asking. My question was how much delay is there in the pass-through? Usually if the freight costs have been up for say 3 months, does it take another quarter for the pass-through to happen and you see a margin dip for more or less two quarters?

Mr. K. Srinivas Prasad:

Practically what happens, there's a 2 to 3 months time lag between the cost increase and the pass-through.

Dikshi Jain (Incred Research):

Okay. Thank you for taking these questions.

Moderator:

Thank you, Dikshi. The next question is from Pritesh Chheda. Pritesh, please go ahead and unmute your line.

Pritesh Chheda (Lucky Investment Managers):

Yeah, hi. Sir, just first clarifying on the capacity bridge and the utilization of the assets. What I happen to understand is that last year you guys started a 220-ton merchant plant, and now this year in H2 of FY27, there is this 320-ton on-site plant which is getting operational. So first, until the capacity that you had until Quarter 2 and whatever revenues we see, what kind of utilization are those capacities on? And once you operationalize the on-site plant which has come in Quarter 3 of FY27, what will be the

revenue potential on the assets which have come until Quarter 3 FY27, if you could tell us that part?

Mr. Varun Agarwal:

So what we were saying was that there'll be incremental revenue in H2 from the new on-site plant, and there is also some spare capacity available in the recently commissioned merchant plant Uluberia 2. So we expect revenue growth to come in from these two units. However, we don't provide a plant-wise breakup. We expect 20% revenue growth on an annualized basis. The growth from these two units—meaning the spare capacity in recently commissioned merchant plant Uluberia 2 as well as the new on-site—will drive revenue growth until the new merchant plants come online. On a longer-term basis, we expect 20% growth on revenue.

Pritesh Chheda (Lucky Investment Managers):

Okay, Uluberia 2 which you're referring to came last year, right?

Mr. Varun Agarwal:

Yeah, that came on in Q4 of last year.

Pritesh Chheda (Lucky Investment Managers):

Okay, and the next two and the 450 crore capex that you have mentioned, that is for the next two merchant plants for west and north, correct? Or central and north, whichever you mentioned.

Mr. K. Srinivas Prasad:

Yes.

Pritesh Chheda (Lucky Investment Managers):

Okay. On all these plants put together, if you had to put a peak revenue without asking when that peak revenue is coming, what should be the peak revenue on full utilization or optimum utilization?

Mr. Padam Kumar Agarwala:

Currently at current run rate it's about 400 crores, so you can add the incremental revenue to this plus full year utilization effect for the new plants would be about 300 crores. So you can go around 450-500 crores to 800 crores.

Pritesh Chheda (Lucky Investment Managers):

Okay. And the BHEL contract which you have got for EPC, what should be the net margin or operating margin for this contract, and this 500 crore contract should be executed in how many months and beginning which quarter we'll start seeing the execution?

Mr. Padam Kumar Agarwala:

You must have referred to the press release we released on this subject. Subject to that, I think it's about 24 months, and we received this award in September.

Pritesh Chheda (Lucky Investment Managers):

What should be the net margins of this?

Mr. Padam Kumar Agarwala:

Of course, margins and all we cannot comment.

Pritesh Chheda (Lucky Investment Managers):

Okay. And sir, one more thing, any reason why the merchant plants which were supposed to come this year in H2 FY27 have been postponed by one year and have moved to H2 FY28? At the time of IPO they were slated to come in FY27 end, now they're coming in FY28 end.

Mr. Padam Kumar Agarwala:

These have been delayed mainly due to the land allotment by the respective state governments and statutory approvals. I think one or two quarters is normal for this size of project, and governments do not work at the speed of industry and business, so whatever we factor in sometimes goes out of hand.

Pritesh Chheda (Lucky Investment Managers):

So the peak utilization that we're referring to at about 800 crores based on all these assets, once the plants come next year—so FY29 will be year one of operations, FY30 will be year two of operations—if one has to assume peak, will it be FY30 or can it go beyond that?

Mr. Padam Kumar Agarwala:

It's very difficult to comment right now. It all depends on market situations at that point in time. There are a lot of new industries coming up in that area, based on which we have taken an investment decision. So we do not really know how much time it will take to load up front. Upcoming industries have announced their plans; they may be in time or delayed, so it is very difficult to project in advance.

Pritesh Chheda (Lucky Investment Managers):

Okay sir, this was helpful. Thank you very much.

Moderator:

Thank you. Next question is from Noel. Noel, please unmute your line and go ahead.

Noel Vaz (Nexedge Capital):

So I'm sorry, but the audio kind of cut off at one point. What exactly is the quantum of the higher power costs and transportation costs? Do we at least have some kind of a figure on that?

Mr. K. Srinivas Prasad:

Noel, let me clarify. Gas margins have gone up, and what has happened is we have protected our margins as such. But in the line, costs have gone up to some extent like diesel price, which is transportation costs, and some cost associated with delivering liquid to longer distances. So having said that, while our absolute margins have gone up, if you look at cost and revenue both simultaneously going up, it has an impact on the EBITDA margin compared to revenue. So that needs to be appreciated. Otherwise, power costs are going up because of increase in volumes also.

Noel Vaz (Nexedge Capital):

Yes, but the pass-through that we're looking for, what is the rough percentage or some kind of a guide you can give on that?

Mr. Padam Kumar Agarwala:

You can say more or less we will remain same as year-to-date percentage if you look at Q1 and Q2 average.

Noel Vaz (Nexedge Capital):

Okay, fine. Second question I had is, argon contribution in your gas mix is about 16% for this quarter; previous quarter it was about 10-odd percent. In terms of this overall increase of about 600 basis points, what exactly is the volumetric contribution and what is the pricing contribution roughly?

Mr. Varun Agarwal:

I would say it's a combination of volume and price, about half and half broadly speaking. Volumes have also gone up as our capacities—the new Uluberia capacity ramp-up—has happened, which is also producing additional incremental argon. As we ramp up capacity, more argon is available for us to sell.

Noel Vaz (Nexedge Capital):

Okay, thank you.

Moderator:

Thank you. Next follow-up is from Nilang. Nilang, please go ahead and unmute yourself.

Nilang Jain (Green Gen Family Office):

Yeah, thank you. Just wanting to understand on the East India on-site which just got commissioned in the last quarter. For that, do we need to ramp up anything, or is it a fixed inflow every month from here onwards?

Mr. Varun Agarwal:

That's a fixed amount that we'll make every month, and there's no ramp-up required there.

Nilang Jain (Green Gen Family Office):

Fine. And are we able to get any mix of these gases and sell it outside?

Mr. Varun Agarwal:

There will be some small quantity available for external sale, but that will be available as we ramp up production. So that again depends on how customer ramp-up happens, but the bulk of revenue will be from the long-term contract which is of a take-or-pay nature.

Nilang Jain (Green Gen Family Office):

Okay. And anything on the storage business like electronic gases, helium for semiconductors? The competition was talking about this opportunity, so are we looking at or pursuing anything on that front?

Mr. Varun Agarwal:

Nothing significant there on the helium side. Helium is primarily a traded gas, so we can't manufacture it in India; it's bought and sold. On solar gases, we do have a plan in a central India location to have solar gases available, not quite electronic gases but solar gases which is an addition to our portfolio. That adds capability to cater to solar customers across a portfolio of four to five gases.

Nilang Jain (Green Gen Family Office):

Okay. And lastly, this quarter we saw argon and others at about 16%. Argon is a larger margin driver for overall consolidated EBITDA. Do we see these levels continuing, and at this level of argon and other gases, do we land up hitting 40-42% EBITDA in the future?

Mr. Varun Agarwal:

Long term we had indicated that we'll have about 40% margin for the gases segment, which we are very close to at 39%. We had also indicated the contribution of argon will go up, which it has, into the mid-teens region around 14-16%. We expect this trend to continue. In H2, we will see revenue contribution from the on-site, which will also

meaningfully improve the margin profile because on-site revenue typically has a higher margin profile than bulk revenue.

Nilang Jain (Green Gen Family Office):

And last question from my side, how are conversations with industry folks because we have a diversified spread of industries. So just to capture the overall sentiment, so a large part of our business is onsite, where I feel we are fairly covered. But on the bulk side, how is the industry sentiment like across, you know, those three, four key industries that we deal with?

Mr. Varun Agarwal:

On-site is primarily steel, where we are covered. So, you know, we don't really have any on-site plant for any industry other than steel. But then when you talk of the bulk and the merchant customers, then, you know, it's across a wide variety of industries. Obviously after steel, the most important industry for us is pharma, where, you know, the conversations have been very encouraging with our customers. We see you know, a lot of them enhancing their capacities which will hopefully lead to higher volumes for us in the future. On healthcare, meaning supply to hospitals, it's pretty stable with consistent growth. All in all, conversations are encouraging, though in certain cases implementation of new capex by our customers is taking longer than originally envisaged, but things are moving in a positive direction.

Nilang Jain (Green Gen Family Office):

Thank you. Good luck.

Moderator:

Thank you. The next question is from Darshil Jhaveri. Darshil, unmute your line and go ahead.

Darshil Jhaveri (Crown Capital):

Hi, thank you so much for taking my question. Firstly, congratulations on a good set of numbers, sir. I wanted to know with regards to our EPC project, as execution in EPC is more towards H2, could we see a meaningful chunk of revenue coming in H2 for us for this project?

Mr. Varun Agarwal:

To answer your question, this is an 8-quarter execution cycle, so more of the revenue will obviously be booked in the second half of this project compared to the first half. Quarters 5 to 8 of this project is where you would see larger revenue than Quarters 1 to 4, with Quarter 1 being Q3 FY27 for reference purpose.

Darshil Jhaveri (Crown Capital):

Okay. Because of this, optically our consolidated margins might look a bit damp because we would be investing in our costs, right? Like, that's a fair way to look at it, sir?

Mr. Varun Agarwal:

Yes, so the key number to look at on a long-term recurring basis is the segment margin for gases, because this revenue will come in a separate segment which is project engineering. So, segment margin for the project engineering segment will be significantly lower than the segment margin for gases. So, you know the revenue will be clearly bifurcated, so there I don't think there'll be any confusion there even going forward.

Darshil Jhaveri (Crown Capital):

Just also wanted to know, like in H1 we spoke about the 20% thing, right? I think somewhere we are getting help from our value also, so the value growth in our products, right? So, the 20% growth that we are seeing is mostly volume, right? So, the value can be add on and we can over perform our 20% growth guidance. Is that a fair way to look at it?

Mr. Varun Agarwal:

Yes, I think most of the growth will come from volume. There will be value growth in the sense that, you know, from greater contribution of Argon, which has already sort of gone up from, you know, closer to 10 percent to mid teens.

Darshil Jhaveri (Crown Capital):

Okay. And for capex, will it be mostly funded via debt or are we planning to raise capital?

Mr. Varun Agarwal:

Currently we have cash on the books and we will take on some debt as required at the project level. At the moment, there is nothing imminent in terms of a capital raise.

Darshil Jhaveri (Crown Capital):

Ohh, I just found one last question, sir. So, the project execution, we've got a very prestigious one right now. Are we looking to do it in, you know, somewhere outside India also, or something like that, or some talks going on for that?

Mr. Varun Agarwal:

I think at the moment our focus is on India. I think there's significant opportunities here. We are obviously still at a, you know, single digit market share here. And so, a lot of room for growth here itself, but nothing imminent internationally at the moment.

Darshil Jhaveri (Crown Capital):

Okay fair. Thank you so much.

Moderator:

That was the last question for the day. Thank you once again for your time and participation. On behalf of Ellenbarrie Industrial Gases Limited, this concludes today's conference. For any questions, please feel free to write to us on the email IDs mentioned on the invite. We appreciate your engagement. You may now disconnect your lines.

Disclaimer:

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