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February 20, 2026

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Dear Sir/Madam,

Sub.: Transcript of the Earnings Conference Call pertaining to the Unaudited Financial Results for the quarter and nine months ended December 31, 2025

Pursuant to the Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the transcript of Earnings Conference Call held on **Friday, February 13, 2026 at 09:30 A.M. (IST)**, to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2025.

Further, please note that the said transcript is also made available on the Company's website at <https://www.piindustries.com/investor/disclosure/stock-exchange-filings/earning-call-transcript-and-audio-recordings/>

This is for your information and record.

Thanking you,

Yours faithfully,

For **PI Industries Limited**

Shruti Joshi
Company Secretary and Compliance Officer

Encl.: As above

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PI Industries Limited
Q3 FY26 Earnings Conference Call
February 13, 2026 at 9.30am IST

Moderator: Ladies and gentlemen, good morning, and welcome to the PI Industries Limited Q3 FY26 Earnings Conference Call. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Siddharth Rangnekar from CDR India for opening remarks. Thank you, and over to you, Siddharth.

Siddharth Rangnekar: Good morning, everyone, and thank you for joining us on PI Industries Quarter 3 FY26 Earnings Conference Call. Today, we are joined by senior members of the management team, including:

- Mr. Mayank Singhal, Executive Vice Chairperson and Managing Director
- Mr. Rajnish Sarna, Joint Managing Director
- Mr. Sanjay Agarwal, Group Chief Financial Officer
- Dr. Atul Gupta, CEO, CSM AgChem
- Mr. Jagresh Rana, Global CEO of PI AgSciences, and
- Dr. Ramesh Subramanian, Global CEO of PI Health Sciences

We shall begin the call with key perspectives from Mr. Singhal, following that. Mr. Agarwal will share his views on the Company's financial performance. Thereafter, the forum will be open for question-and-answer session.

Before we begin, I would like to underline that statements made on today's conference call could be forward-looking in nature. A disclaimer to this effect has been included in the investor presentation that is available on the stock exchange website, and which has been shared with you earlier.

I would now like to request Mr. Singhal to share his perspectives with you. Thank you, and over to you.



Mayank Singhal:

Thank you, and good morning. And a little apology for this sore throat, but I shall try and make my best effort. So, I shall comment with brief perspectives on the global AgChem industry environment and touch upon PI's performance and the strategic progress.

The global crop protection market is approaching the latter phase of a prolonged down cycle, driven by the distributor destocking, adverse weather conditions in certain regions, soft commodity prices and elevated interest rates. Channel inventories are gradually normalizing and in-season buying has begun to improve, although product pricing continues to remain soft, particularly for the generic category.

Farmer buying behaviour is expected to remain cautious and sensitive to commodity realization and the liquidity conditions. At the same time, global Innovators continue to optimize supply chains and recalibrate inventory levels. We have seen early signs of stabilization with gradual improvement expected to come over the quarters.

In India, the Rabi sowing progressed well and is ahead of last year, supported by healthy soil moisture, high reservoir storage levels above the long-term average. However, the demand for key agrochemicals during the quarter remained muted due to elevated channel inventories, adverse weather conditions, lower crop prices. Prices have stayed under pressure and volumes have been primarily driven by revenue performance.

Looking ahead, structural drivers remain intact. Sustained innovation and advanced crop protection, crop enhancement solutions will be central to supporting global agriculture productivity. Structural agronomic challenges, environmental conditions and considerations and economic realities are reshaping the farmers' expectation.

Growers are increasingly seeking solutions that are safe for the ecosystem, effective against evolving pest and diseases and capable of delivering high productivity to meet rising demand for food, fibre and bioenergy.

Now moving to our business highlights. Q3 FY26. Agchem exports moderated in line with the overall demand softening, inventory levels of many key products and resulting customer supply schedules.

We are on track to commercialize 8 to 10 new molecules with 5 molecules already commercialized. The strategic initiatives towards technology advancement, portfolio diversification, strengthening the revenue pipeline and adding new clients are progressing well. Our domestic business was mainly impacted by lower farmer demand of high value products.

Now coming to Pharma, we have delivered a 50% year-on-year growth. During the period, we have added new clients to our portfolio to expand our opportunity funnel, supported by

dedicated business development, building capabilities, operations in the U.S. to Europe and expand into the East markets. Near term momentum, however, has been moderated due to global biotech funding and ongoing geopolitical uncertainties, which have lengthened decision cycles and slowed the conversion of select opportunities.

In Biologicals, we are very excited as we progress and scale towards building a scalable global franchise. Our peptide-based technology platforms and differentiated solutions across the corps and geographies. Regulatory milestones, including the approval of Harpin $\alpha\beta$ in India and ongoing filings in the U.S. and Latin America support our long-term ambition.

We continue to allocate capital towards product innovation, market development and strategic partnerships in the region, including the U.S., Brazil and Europe, Mexico and India to support the long-term scalable growth.

PI has improved its S&P Global Corporate Sustainability ranking at 98% percentile and we are pleased to inform that PI has featured in the S&P Global Sustainability yearbook. This is a ranking among the top ESG rating companies globally.

So, despite the near shortness, the underlying fundamentals remain strong. Development scale up of our strategic growth platforms are progressing as per plan. A robust balance sheet and innovator pipeline remains healthy. The Company is driving a fully integrated research set up, and our one of its kind single site centre at Udaipur is critical to our growth aspirations. The teams are developing technology platforms that are giving opportunities across new vertical such as, biologicals, specialty chemicals and electronic chemicals.

Now the first NCE from India, PIOXANILIPROLE is under registration in India, extensive on-field demonstration have been launched. We are very excited about the performance of the product.

On the peptide technology platform for biologicals, and we are excited by the response of this from the market while expanding our reach with development efforts. We see this as creating a new play in the industry.

The pace of commercialization of advanced molecules has increased in line with our investments in research and differentiated technologies from flow to biotechnology. Our long-term growth outlook remains intact with a focus on margin discipline, high-quality growth and platforms.

With this, now I would like to hand the discussion over to our Group CFO, Sanjay, and thank you, everyone, and over to you, Sanjay. Go ahead, please.

Sanjay Agarwal:

Thank you, Mr. Singhal. Good morning, everyone. So, I will summarize the Company's financial highlights for the quarter ended December 31, 2025. Our Q3 FY26 performance reflects the continued impact of global industry headwinds that we have been discussing with you in our previous calls.

However, we believe the sector is nearing stabilization now and expect sequential improvement beginning quarter 4. For quarter 3 FY26, we reported revenue of INR 13,757 million, which comes on the back of a high base of the previous years.

Despite global challenges, we have still delivered a growth over a 3-year CAGR for the 9-month period. The moderation in AgChem export is primarily volume-led, driven by slow demand and customer delivery schedules. Also to note that the 9-month period FY24 for the AgChem export business, we grew by 22%. Similarly, we grew in 9M FY25, by 9%.

So going forward, we remain fully confident of the future of our AgChem export business. We have commercialized 5 new molecules in AgChem exports and 4 in domestic agri branch. The 10% growth in new products in AgChem export demonstrates our derisking strategy and focused approach to gaining new business in this tough environment.

Domestic agrochemical demand remains subdued due to high channel inventory, low commodity prices, delay in normalization of biological portfolio post regulatory headwind and specific impact from lower demand in a few target crops for PI.

Our domestic business is supported by strong product portfolio and new product launches, which have offset the challenges faced on the ground. We have launched 3 new herbicides, Alcor, Comet, Fixit and 1 insecticide Uranus this year with 2 more expected to be launched by the close of FY26.

We expect the domestic growth to be back on track from FY27 onwards. We have also launched our direct to farmer mobile app, 'PI Mitra Kisan', a one-stop farmer engagement solution offering crop advisory, product guidance and loyalty benefits. This digital platform strengthens our connection with growers and drives scalable tech-enabled growth.

Moving on to our pharma platform. It has been on a very strong foundation, increased revenue by 50% over 9 months of the previous year. Driven by deepening relationship with the biotech and the big pharma innovators.

We have onboarded several new customers over the last 12 months, including several strategic accounts and big pharma customers. Global biologicals continue to progress in line with the long-term road map with ongoing investments in registrations, product development and global market expansion.

On other financial metrics, our gross margin expanded to 59% during the quarter, supported by a favorable product mix and cost discipline. Further, at EBITDA level, we have delivered a margin of 27% for a 9-month period, which remains resilient despite industry headwinds.

During the quarter, net profit includes an exceptional income in our pharma business on account for a write-back of contingent consideration of INR 1,260 million which has been partly offset by additional provisioning of retirement benefits as per New Labour Code to the tune of INR 209 million.

Our trade working capital in terms of days of sales has increased to 139 days and reflects current market conditions, we expect to improve this as market scenario normalizes in the coming quarters. Our debt-free balance sheet position supported with net cash of INR 35 billion provides strong resilience and flexibility for strategic investments.

While the operating environment remains cautious, we expect gradual recovery beginning quarter 4 FY26, with growth momentum building to FY27 as industry conditions stabilize and our new product stamp up.

With this, I conclude my opening remarks. I will now revert to the moderator to open the forum for Q&A. Thank you.

Moderator: Thank you. We take the first question from the line of Saurabh Jain from HSBC Securities. Please go ahead.

Saurabh Jain: So, first question is on the guidance. When you say growth resuming in fourth quarter, is it only a sequential growth that you are talking about or you even expect a Y-o-Y growth and what this growth is really? Is it like a volume growth that you are alluding to? Or do you even expect a revenue growth or a value growth in the fourth quarter?

Sanjay Agarwal: Yes, there will be a volume growth from beginning quarter 4 FY26. And yes, there will be a sequential growth in quarter 4 over what we have seen in quarter 3. And as we build in into FY27, we believe with all the efforts we have been putting in, we should be on a growth momentum.

Saurabh Jain: So, volume growth in Q4, is it also a Y-o-Y volume growth?

Sanjay Agarwal: Well, we would target to have volume growth. But as I said, the momentum will start picking up from FY27 onwards.

Mayank Singhal: Yes. But just to clarify, we see good momentum of uptick started in the quarter 4. I think we should be in a good shape in the quarter.

Saurabh Jain: Understood. And then when you say FY27, you are expecting the revenue growth returning to the Company in that year? And if possible, can you also give more contours to it, whether you expect a gradual recovery in growth? Or do you expect to get the growth in a big way?

Mayank Singhal: Yes. So, I think we see the positivity of growth. And as I mentioned in my talk earlier that the industry is still having an extended cycle of value correction. But given the scenarios and as you must have seen in this year, there have been many headwinds, the geopolitical uncertainties, softer commodity prices, India's regulatory framework in biologicals, unfavourable weather conditions, etc and some of these areas have created certain challenges. But given positive shoots are already there, we are positive to say that we will start seeing growth in FY27.

Saurabh Jain: Okay. So just to kind of continue on that point because the kind of robust business that we have, we have visibility, a lot more visibility compared to the other kinds of businesses in the sector. So, are you noticing already a great enough visibility from your customer side that you are getting optimistic in terms of a recovery in FY27? Or is it mainly coming from some optimism that you have in mind?

Mayank Singhal: I think, as you know, for some part of the business, we get this visibility from our global customers. But at the same time, if there are adverse headwinds, our philosophy of partnership goes strong. And even while we have what we have committed to with them but we still have to optimize the market situation because you have to partner-up to create value.

For the other part of the business, we get this visibility from our own read of the market conditions and various lead indicators. So, we see the uptick in demand. But clearly, as I said, there has been a reset in the way the customers are thinking, the way they look at supply chains, given the prolonged challenges that they have been seeing.

But clearly, given where we are, what they feel, the operational aspect of the issues in the industry are getting cleaned up, but the external factors still will have a role to play. Further, we will know how geopolitical scenarios evolve. But clearly, there is a positivity from all quarters in terms of how we see going forward.

Saurabh Jain: Understood. That is helpful. The second question is, we noticed that the gross margins continue to improve every quarter for you. And I think we delivered a 59% kind of gross margins. Would you also give out a guidance on what kind of gross margin do you expect on a sustainable basis?

Mayank Singhal: As always we guide, we continue to manage the gross margin on a quarter-to-quarter basis. It will be difficult to put that out, as you clearly would understand that there are product and business mixes, which come together. But as we guided in the past, we continue to

maintain our long-term GP margin guidance between 50% to 52%, and we continue to move with that.

Saurabh Jain: So, we have been delivering quite good kind of gross margins for last few quarters. What is the gap between what is your expectations on a sustainable basis? And what we are delivering? What is this gap attributed to?

Sanjay Agarwal: First of all, while we will aim to deliver more, there will be a product mix gap between quarter-on-quarter. So, on a yearly basis is when we can talk with more clarity and whatever gross margin benefits we get, it helps us in planned investment in our new businesses. And therefore, it is better to track the EBITDA margin.

Again, for the 9 months, we are at a healthy 27% and we would still hold ourselves for the year what we have started the year with 25% to 26. Once we have our budgeting exercise completed for FY27, we can give you more guidance for the next year thereafter.

Saurabh Jain: Sure, thank you so much and all the best. I will get back in the queue.

Moderator: Thank you. We take the next question from the line of Vivek Rajamani from Morgan Stanley. Please go ahead.

Vivek Rajamani: Thank you for the opportunity. The first question I had was an extension to the earlier guidance question. That is going to fiscal 2027, I know it is a bit early, but would it be possible to give some sense if you are expecting more like mid-single digit or high single digit? Any range, if that is possible? And also, whether it will be broad-based across the portfolio? Or you expect certain parts of the portfolio contributing more towards the fiscal 2027 recovery?

Mayank Singhal: So let me put it, as we said, there is still the demand softness, but we are definitely seeing recovery. Now different buckets, different plays. Clearly, it would be too early to give guidance, as we see. But I think coming in the next quarter, as we always do, over the decades, is where we give a guidance for the next financial year, post the end of the year.

Vivek Rajamani: Sure. Understood. The second question with respect to the new products that you have been disclosing. I think for the 9 months, you have mentioned that the new products have grown at about 10% which given the first 2 quarters of the year, which saw a very, very strong growth, it seems to suggest that Q3 the growth of the new portfolio seems to have slowed down.

I just wanted to get some color with respect to were there any specific reasons around that? And if there was some impact of the U.S. tariffs, and how should we think about that going forward into fiscal 2027? Thank you.

Mayank Singhal: So, at a fundamental level, as I highlighted in my speech, that the key challenge is the commodity prices and the demand cycle, which is creating challenges and the headwinds of weather. Obviously, the U.S. policies have impacted the growers, which in turn has a consumption differentiation. It is not the trade policy per se. So, I think that is clearly one of the key challenges. But going forward, I definitely see that could move into the positive direction.

The second important issue as we see for the new products it takes a little time for development, as you can understand from the Ag business. It takes literally a decade-plus to keep products and the beauty about Ag products is that they continue to grow for life.

And that is what the time cycle is. But the positivity is the mix of the new product portfolio, the percentage growth coming from that. With time, if the industry switches to normalisation, this could accelerate the growth rates of these new products.

Moderator: We take the next question from the line of Abhijit Akella from Kotak Institutional Equities. Please go ahead.

Abhijit Akella: Good morning. Thank you so much. Could you please just update us on the contract assets number on the balance sheet at the end of December 2025, please?

Sanjay Agarwal: Yes, Abhijit. So, this particular quarter, the contract assets are in the range of around INR 1,065 crore.

Abhijit Akella: Okay. Got it. So, compared to basically about a little under INR 900 crore last quarter?

Sanjay Agarwal: Correct.

Abhijit Akella: And in terms of the liquidation timeline for this line, I think we have said in the past that we expect it to come down towards the end of this financial year. So, any sense you could give regarding how we should expect the trajectory to shape up over here?

Mayank Singhal: Yes. So, as we look at the past history, this is a typical cyclical approach and no inventory is kept beyond 3 to 6 months. So clearly, yes, at the end of the year, this will be coming down. And I think over the next couple of quarters we may further go lower. This is a mix of how asset utilization, capacity utilization, customer contract mechanisms work.

Abhijit Akella: So, by year-end, where should we expect this number to be?

Mayank Singhal: Well, I can only give you guidance to say it will be reduced, but to give a specific number will depend on how we shape these up in terms of customer shipments, timelines, and asset mixes. So, I don't have a specific number I can come up with today.

Abhijit Akella: Alright. And then just on the gross margin guidance. Just trying to understand, I mean, in terms of this 50% to 52% trajectory that we expect, is that something we should expect in the relatively near future itself, say, in fiscal 2027? Or for fiscal 2027, what is the line of sight we have. Can we maintain the gross margins around these levels of 58%, 59%?

Mayank Singhal: So, as we mentioned, we have given that guidance and intention is to continue to obviously manage and maintain the gross margin. And clearly, we will give FY27 guidance at the year-end.

Abhijit Akella: Thank you so much. All the best.

Moderator: Thank you. We take the next question from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

Rohit Nagraj: Thanks for the opportunity. Any update on the Plant Healthcare when we had acquired this almost 1.5 years back, we were expecting some cross-selling of products from India, our own products to the other geographies where PHC has its presence in U.S., Brazil and Mexico so where are we in that process? And where can we see some tangible benefits from the same? Thank you.

Jagresh Rana: Thank you for asking. So, on plant healthcare part of the business, we have made tremendous progress this year. We are expanding our business in Brazil, U.S., Mexico and European countries. In Brazil this year, we have gone from last year, 2 distributors to 33 distributors. We have more than 400 farmers who are right now using our products in their own field, testing the product. Similarly in Mexico, we have more than 28 distributors right now who are working with us.

In U.S., we are setting up a distribution network for the entire Midwest and some of the world's largest farmers from Brazil and Mexico, they are basically right now testing our products. They have been working with us. We have also got some new products under registration. We launched 2 new products in Brazil, 2 in Mexico. We have just got our disease control product approval in California that makes the entire U.S and California is the largest market for this product. We are awaiting approval for one of our nematode management products in U.S., which is expected sometime this month. And all the trials which we are doing in the farmers field in Brazil, the harvesting is just getting started and what we are seeing is almost more than 80% win rate. So, we are basically making good progress. In India, we have got Harpin $\alpha\beta$ approved and we are looking at launching this product in the next quarter.

Rohit Nagraj: That is helpful. Second question on Pioxaniliprole. Now that we have filed for the registration in the Indian market, what are the timelines that we are looking at from

commercialization in Indian market? And any progress on probably having registrations in the global market?

Mayank Singhal: The progress is that, within the next financial year, we should be achieving the registration. So that means a landmark in Indian history and the first Indian innovation in Ag-chem, Pioxaniliprole, will be commercialised in the coming financial year. On the other hand, yes, there are regulatory work underway in a couple of other geographies. We will be filing for registrations in the coming years and hoping as soon as we get the regulatory approval, we launch the product at the global level.

Rohit Nagraj: Sure. Thanks a lot for answering all the questions. And all the best.

Moderator: Thank you. We take the next question from the line of Siddharth Gadekar from Equirius Securities. Please go ahead.

Siddharth Gadekar: Just on the pharma and the biologics business. Now if you look at the numbers, we are heavily investing in these businesses, and we are roughly at a INR 75 crore, INR 80 crore quarterly EBITDA loss in these segments

So, how should we think about the investments from our medium to longer term? And are we at the peak of the investment in these businesses? And going ahead, the investment should move in line with our overall OPEX?

Sanjay Agarwal: That is a very good question. See, look first, we need to understand why we are investing in these businesses. If we understand that these are good costs/ investments that we are doing is going to be a long-term value creation for the organization. That is where we are at. We have got the businesses, we have incubated them, we have got the people now.

And now we have to make the right investments. Unfortunately, all of it gets charged off to the P&L. So yes, it will take some time. Pharma is now getting on to a strong foundation, biologics Jagresh just spoke. Currently, we are having a P&L charge, and we will have to bear it for few more quarters. But thereafter, we think as an organization, these will be future growth engines for us.

Mayank Singhal: So, to put in 1 line, look at these as investments for the future and not as losses of present.

Siddharth Gadekar: Secondly, just on the CAPEX side, we were working on 2 multipurpose plants, and now we have expanded that to 3 multipurpose plants, and we have also spoken about a non-GMP plant in India in the pharma side. So, the third plant is largely for the pharma business. Is that a fair understanding?

Mayank Singhal: No. As you know, we look at certain other verticals, as we mentioned earlier. So, the third plant will be servicing those verticals, which are in the specialty and electronic chemicals. So that is really where we are putting our footprint.

Siddharth Gadekar: So, any CAPEX on the pharma intermediate plant that we are setting up in India?

Mayank Singhal: Yes, we will be coming up with the plans and announcing that in the next quarter.

Siddharth Gadekar: Okay. Got it. Thank you so much.

Moderator: Thank you. We take the next question from the line of Tejas Pradhan from Citigroup. Please go ahead.

Tejas Pradhan: I know it is early, but could you provide any guidance on the CAPEX plan for FY27?

Mayank Singhal: So broadly, it will be about INR 500 crore to INR 600 crore. And obviously, once we get through the whole process after Board approval, we will give you proper guidance next quarter.

Tejas Pradhan: Okay. Understood. And on the domestic biologicals' registration process, any update where we are, what percentage of portfolio would be already registered?

Mayank Singhal: So, if you look at the domestic biological portfolio, as you know, at the beginning of the year, we have had certain turmoil in the industry. So those are getting sorted. I believe, in this quarter, those should be in the past. Clearly, certain other new products, as we already mentioned, that products like a new peptide of ours, Harpina $\alpha\beta$ is registered. And we are looking and evaluating about 2 to 3 new products in this segment. And I think today, we have a very robust, large portfolio in biologicals. We are making those investments to scale them up.

Tejas Pradhan: And just lastly, any sort of thought process on the use of cash on balance sheet, if there are any opportunities, domestically or elsewhere? How are you thinking about it?

Mayank Singhal: Yes, the Company has resources and the team, which are already evaluating various options and also on the lookout for opportunities that could be synergistic and aligned to our strategies, which are knowledge-led capabilities for building a differentiated play. So that is really where we are focusing, and we will continue to do so.

Tejas Pradhan: Okay. And just to add. I mean would this largely be in AgChem or largely looking at outside of AgChem?

Mayank Singhal: In a lighter way, let me put it, if you have 3 children, we have to decide which fits the best opportunity, which school fits what scale, right? So, when you look at the opportunity, we

are looking to grow in every sector that we are playing in. So whichever opportunity comes and fits in well, we are going to put it there.

Tejas Pradhan: Understood. Thanks a lot.

Moderator: Thank you. We take the next question from the line of Vivek Rajamani from Morgan Stanley. Please go ahead.

Vivek Rajamani: Thank you so much for the follow-up. This is an extension of the previous participant's question. On the biological, you mentioned that the regulatory issues are now behind, in Q4 will potentially be a normal quarter?

Mayank Singhal: Now yes, in the Indian market, if you remember, they are now expeditiously approving products. So that is why I am saying behind.

Vivek Rajamani: Sure. Understood. And would it just be possible to share what is the Biologicals' contribution in fiscal 2026 so far?

Mayank Singhal: It is around 20 odd percent.

Vivek Rajamani: Okay. Thank you very much.

Moderator: Thank you. We take the next question from the line of Ranjit Cirumalla IIFL Capital. Please go ahead.

Ranjit Cirumalla: Thank you for taking the question. My question is on the write-back of the contingent consideration that we have taken off the PI Health Science. How should one view this? Does the original performance thesis of this particular equation remain intact? Or there is going to be any change in the expectations?

Sanjay Agarwal: There is no change in the strategy. There is no impact of it and that is why we renegotiated contingent consideration, which was lying in our books. So, the business is on a strong footing. We have now our experienced global business development team. So, we are looking forward for our Pharma business to scale up and build one of the best global CRDMO platforms.

Ranjit Cirumalla: Sure. Thank you.

Moderator: Thank you. We take the next question from the line of Siddharth Gadekar from Equirus Securities. Please go ahead.

Siddharth Gadekar: My question is on the Plant Healthcare business. Can you just share some broader thoughts on how should one think about the overall opportunity and the trajectory of the segment,

specifically on Saori, Teikko given that we have been looking to ramp up these products, any indicative timelines and peak sales number that we could look at from these products?

Jagresh Rana:

Overall, in the industry, biological business globally has been growing in double-digits. So globally, the biological business is in the range of around \$10 billion today. This has been continuously growing over 10%. And that is the segment, we are participating. We are bringing in some of our key products. The difference what we see is overall biological business globally is a fairly crowded space.

But we have some unique products and these technologies no one has. We are the first Company in the world who has commercialized peptide in agriculture, peptides have been used in pharma, etc., in the past. But we are the first Company who has commercialized in agriculture, and we see this differentiation driving significant growth.

Products like Saori, Teikko, these are the plant protection products. Within biologicals, the fastest-growing segment today is the biocontrol segment because of the challenges which are coming in like society is looking at how can they basically bring in the products which have a lesser impact overall. And that is what is driving the growth. Also, farmers are looking at those kinds of options which can help their crop to grow better. So, we actually see significant growth opportunities as we expand this portfolio.

Siddharth Gadekar:

Okay. Secondly, we have made a comment in the presentation that our aim is becoming among the top 5 CRDMOs on the pharma side. So, any timelines or how should one think about the investment in this segment going ahead?

Mayank Singhal:

As you know, this is a long gestation business, capable of building and I can just give you an example, it took about a decade to build PI in contract manufacturing, and then you have what the hockey stick effect. So, I think we are right now in the same phase, and we expect, yes, the scale will take time if you want to differentiate and have sustainability. So, I think we should expect numbers picking up going forward.

Moderator:

Thank you. We take the next question from the line of Krishan Parwani from JM Financial. Please go ahead.

Krishan Parwani:

Thank you for taking my question. Just firstly, I wanted to understand the CSM business that has struggled this quarter. So, when do you expect the CSM business line to show a Y-o-Y growth, maybe 6 months down the line or 9 months down the line, when do you expect?

Mayank Singhal:

So let me first clarify we are not struggling, number one. It was in line with expectation what we see. But clearly, it is what we have indicated that in the coming quarter, we are already seeing a positive traction and have started showing certain green shoots. We are pretty confident it will turn positive in FY27.

Krishan Parwani: Sir, did you mention that the fourth quarter onwards you will have a CSM growth again? Is that what you said?

Mayank Singhal: Yes.

Krishan Parwani: Okay. And with when do we expect this pharma contributions to be fairly positive for the Company? Because I think our targets to go EBITDA positive have been pushed out? I know you have been trying a lot, but what is the sense there?

Mayank Singhal: So let me put it, definitely we are putting in all the efforts. The idea of EBITDA positivity is something dependent on the market and the opportunity. And clearly, we do not want to lose the focus on what the strategic differentiator will be just because the markets are dwindling, but I think we are holding in building capability.

So, we are taking more aggressive calls on investing hence you may see EBITDA challenges. But I do believe that now the foundations are set and it should start moving positive once we hit INR 400-500 crore of topline.

Krishan Parwani: Understood. And lastly, if I may, it has been some quarters since we have stopped giving out our order book number. So, has the order book declined or what is its status of it? Can you just help us with that?

Sanjay Agarwal: We have been regularly sharing order book. I think last time, we also mentioned that on call. And as of this quarter, we are in the range of \$1.2 billion of order book.

Krishan Parwani: Understood. Thank you for patiently answering my questions. Wish you all the best. Thank you so much.

Moderator: Thank you. We take the next question from the line of Naushad Chaudhary from Aditya Birla Mutual Fund. Please go ahead.

Naushad Chaudhary: Just one question. If you can touch upon the electronic chemicals, what exactly are we doing here from an end user point of view, and how big this platform can be for you in the next 5 years and beyond?

Atul Gupta: Yes. So, in terms of Electronic Chemicals, I think there is a good traction. New customers have been added and the couple of products have gone into the commercialization and we expect that 4 to 5 molecules should be going for commercialization this year. So, there is a good amount of the projects with the new customers getting added and I see a good amount of traction going forward in the coming years in the electronic chemicals space.

Naushad Chaudhary: Can you touch upon the end user, which specific area space of these molecules are you targeting?

Mayank Singhal: They are more on the semiconductor and the high-end application of electronics.

Naushad Chaudhary: Okay. Are these only for domestic market or for export as well?

Mayank Singhal: We only work at global innovator market.

Naushad Chaudhary: Thank you so much. All the best.

Moderator: Thank you. We take the next question from the line of Amit Kadam from Canara Robeco MF. Please go ahead.

Amit Kadam: Good morning. Thanks for giving me this opportunity. My first question is, have you seen some kind of a price realization impacting some of our key products, I just wanted to understand how the pricing or the realization is also behaving when you are anticipating revival in the growth.

Mayank Singhal: Let me put it this way, price realization in overall industry has softened as you can see clearly, and also the costs of raw materials come down. The Company's strategic focus is to continue to manage its gross margins. And while we continue to look at optimizing to be competitive on the price front to capture value and volume both. So that is the approach. And that is always the case in a cyclical industry like Ag.

Amit Kadam: So, is it fair to assume that some kind of impact is also seen in our portfolio in terms of compression in the price realization?

Mayank Singhal: Portfolio mixes always have a challenge, very clearly. And that is due to the lifecycle of different products or phases, but the company's focus is on how we manage gross margins. So, portfolio management is one strategy. Technology is the other part of strategy. The third is the market to create value, and that is what creates gross margins.

Amit Kadam: My extension to the question was, what is the recourse in this particular thing? Is that only recourse is that we try to do some backward integration. And that is how I try to be better in that particular product when there is a price compression happening for that particular portion or is there any of finding?

Mayank Singhal: Your background noise is too much. Secondly, I did not get your question. So, I do not know how we get with that?

Amit Kadam: Maybe I will just come back. I will just fix something, and I will come back with my second question.

Moderator: Thank you. We take the next question from the line of Aditya Jhavar from Investec. Please go ahead.

Aditya Jhavar: If you can give me some sense that how has been our penetration in some of the new clients. So clearly, over the last 4, 5 years, we would have added multiple clients in different geographies. So, is there a line of sight where we can see that in the next couple of years, we should see a meaningful ramp up in some of the new relationships we have started?

Mayank Singhal: So which business area are we talking this about?

Aditya Jhavar: CSM. This is I think the elephant in the room?

Mayank Singhal: So, in the CSM, we cover all the large global players already and they are expanding new businesses. But if you are talking about the electronic and the new verticals, that is where we are basically focusing on adding new customers. We have got 5 new customers in the areas of electronic chemicals from Japan, and Europe for high-end specialty technology development products.

Aditya Jhavar: So continuing with this, Mayank, in the Ag chem business, as we had a strong relationship with Japanese innovators, is there a line of sight where we can say that we are having meaningful contribution coming from say European, American innovators in the next couple of years based on our existing business discussions with them?

Mayank Singhal: So, I am not sure because we are working with the 3 large European customers for at least the last 20 years. And we were also the pioneering CSM partners with them. So those relationships have continued to add their new products, new evaluations happen, and we are developing with them and same way with the large American companies, which you would know of.

Aditya Jhavar: Sure, fair enough. So, my second question, Sanjay, if you can throw some light, there has been an increase in the working capital quite sharply, almost from 68 days to 139 days Y-o-Y. So, could you please explain and how we should expect the intensity of working capital coming down?

Sanjay Agarwal: So, Aditya, this is a reflection of the global scenario. We had one of the lowest working capital days across the industry. Now we have to accommodate the needs of our partners. And in those lines is where our net working capital days have gone up, still much better than the industry benchmark norms. But having said that, I will not be able to give you an exact number right now, but we expect to improve this as the market scenarios normalize in the coming quarters.

Aditya Jhavar: That is it from my side. I will fall back in queue. Thank you.

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

Archit Joshi: Thank you, good morning. And thanks for the opportunity. I have only one question. I would like to understand your thoughts on the evolving landscape amongst global agri majors, we have seen some a bit of corporate actions happening in some of the large MNC agro innovators. Given this scenario, how do you see the development on new technologies and patented products coming up, especially in regards to their R&D spends.

And what would be our stance and capability to have a person or advantage within these patented technologies going ahead? So that we can garner a good amount of product portfolio and scalability going ahead. So, if you would have a 3 to 5-year view on this developing and evolving scenario I would like to hear it more from you. Thank you.

Mayank Singhal: I think that is a very good question and let me put this this way. Every challenge brings an opportunity. And I think PI is the only Company which is geared with this philosophy of partnership and technology. As an innovator, which creates an opportunity just not in manufacturing, but also in building new entities together. That is the PI value proposition. If you look at the history of PI, we started as partners with in -licensing, domestic business and scaling that up, as partnership for innovation, the PI way.

The next was partnership into process development/innovation and manufacturing. Now we will lead the path in AgChem sector for partnering for innovation for new product development, not only for a developer but we opened a few more engines. We have taken the engines of biologicals, where we are creating innovative platform in partnerships. So, the partnership platform and PI innovation are the drivers, of which the opportunity in the challenging environments makes us a differentiator to partner even deeper in the relationship from markets to research.

Archit Joshi: Thank you. And all the best.

Moderator: Thank you. Ladies and gentlemen, that was the last question, and we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Mayank Singhal: Thank you, everybody, for joining us on this call. And also, I would like to highlight that today we celebrate our Founder's day. It is an exciting time indeed for all of us. So, thank you for being here.

Moderator: Thank you. On behalf of PI Industries Limited, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines.

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