Equity Research Report

Jubilant Ingrevia Ltd

FINKHOZ ROBOADVISORY PVT LTD

JUBILANT INGREVIA

Date – 26 June 2025

Rec Price: 767 | **Finkhoz Rating: 7.5/10** | **Guidance : Accumulate**

About the company:

Jubilant Ingrevia is a global integrated life sciences company that provides innovative and cost-effective chemical solutions to the pharmaceutical, nutrition, agrochemical, consumer, and industrial sectors. With over 40 years of experience since its inception in 1978, the company is recognized as a global leader in products such as Pyridine & Beta, Vitamin B3, and Acetic Anhydride. It serves 15 of the top 20 global pharmaceutical companies and 7 of the top 10 global agrochemical companies, positioning itself as a trusted low-cost provider.

Company Guidance:

Nutrition and Health Solutions:

Targeting 15–20% YoY growth. New Niacinamide plant to reach 70–80% utilization in 18 months, aiding profitability. Business to scale 2–2.5x in 5 years. EBITDA margin target: 16–18%.

Specialty Chemicals:

Targeting 15–20% YoY growth. Strong momentum in CDMO, pyridine, and fine chemicals. CDMO pipeline expanded with 25+ molecules. Two agro CDMO orders to boost revenue from Jan 2026. EBITDA margin aim: 22%+, potentially ~25%

Chemical Intermediates:

Acetyls business nearing cycle bottom; recovery expected soon. Focus on ethyl acetate and acetaldehyde to offset weak acetic anhydride. Long-term EBITDA margin expected at 10–12%..

Expansion Plan:

CAPEX & Investments:

Plans to invest Rs.600 crore in FY26. Future focus on high-growth areas like Fine Chemicals, Diketene Derivatives, CDMO, and Nutrition. Over the next 3–4 years, expects Rs.600–800 crore/year, totaling Rs.2,000–2,500 crore for organic growth.

Cost Optimization:

FY25 initiatives yielded Rs.120 crore+ annual savings, lifting EBITDA margin to 14.7%. Phase-II (Lean 2.0) aims for Rs.100–150 crore more savings in FY26. 35% energy from renewables to cut costs and emissions.

International Expansion:

Business development teams growing in the US, Europe, and Japan. US tariffs on China seen as a growth opportunity for exports to the US.

Expert View:

Jubilant Ingrevia is currently facing moderate growth and margin pressure, with flat revenues and lower returns than its peers. However, it has a solid presence in specialty chemicals and a strong product pipeline, which could support long-term growth. Valuations look slightly attractive, and higher EPS suggests investor optimism; the stock may be suited for hold or long-term investing., but the company needs to show better performance in the future to see strong returns.

Company Data

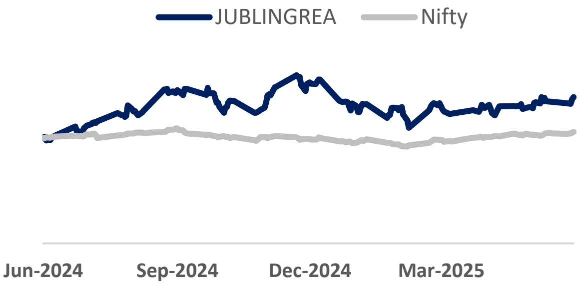
Market cap (INR Crore)	:	11,710 (₹)
Segment	:	Specialty Chemicals
52 Weeks H/L	:	885 / 515 (₹)
Institutional Change(%)	:	0.15
Inst. Holding (till Mar-25)	:	23.14
Annual Upside	:	20.80

Debt Metrics

Debt to Equity	:	0.26x
Interest Coverage	:	7.18x

Absolute Returns

	JUBLINGREA	NIFTY
1 Year	38.3%	7.5%
3 Years	48.7%	62.4%
5 Years	175.4%	151.6%



Financial Performance

Sales 3 Yr CAGR (%)	:	-5.50%
PAT 3 Yr CAGR (%)	:	-9.62%
Latest Qtr. Sales Growth YoY	:	-2.16
Net Profit Margin	:	6.01%
Operating Margin	:	12.42%

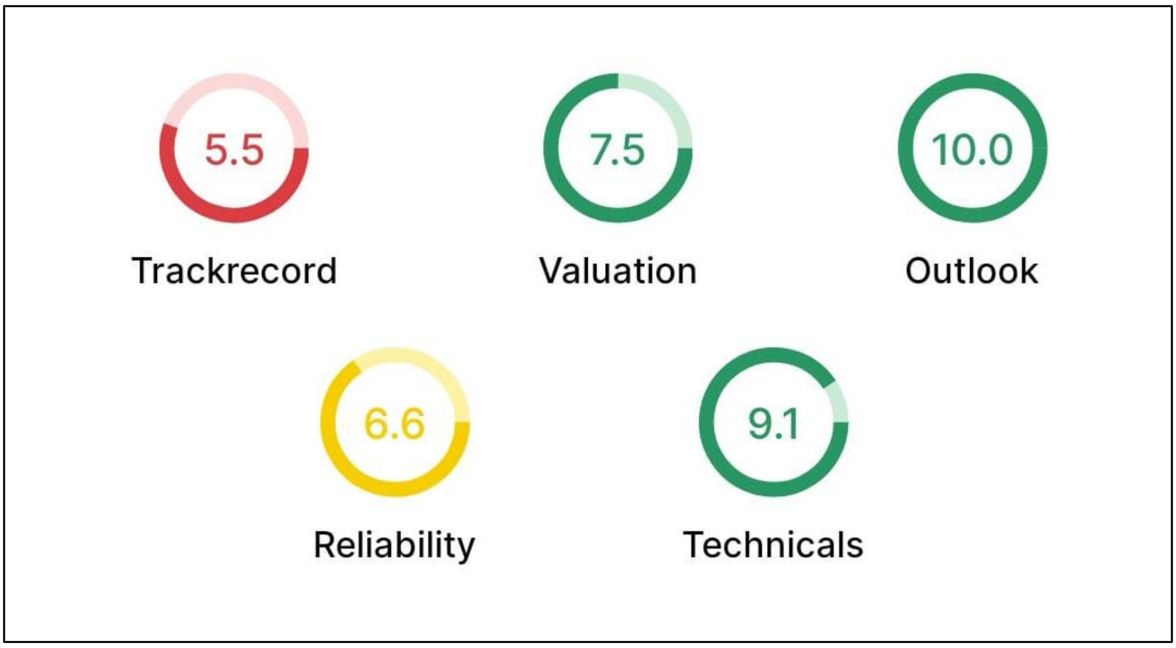
Valuation Metrics

Stock PE	:	48.70x
Historic PE	:	37.30x
Segment PE	:	45.28x
TTM EPS (INR)	:	15.74 (₹)

Consensus Estimates

IN INR Cr	FY25	FY26E	FY27E
Revenue	4,177.6	4,707.6	5,492.8
YOY Growth %	*1.01%*	*12.69%*	*16.68%*
PAT	251.0	325.4	421.7
YOY Growth %	*37%*	*30%*	*30%*
EPS (IN INR)	16.4	21.3	27.6

Exhibit 1: Finkhoz's Evaluation out of 10



Analysis

Track record	Moderate
Valuation	Attractive
Outlook	Healthy
Reliability	Moderate
Technical	Strong

As per Finkhoz ratings, Jubiliant demonstrates inconsistent fundamentals with inconsistent flat sales and moderate profit growth, reflected in its Track Record Score of 5.5. The stock is attractively valued with a Valuation Score of 7.5. It offers solid future growth potential, earning an Outlook Score of 10.0, and maintains a stable ownership structure and steady returns, resulting in a Reliability Score of 6.6. However, the recent stock performance robust, with a Technical Score of 9.1.

Exhibit 2: Product-wise Revenue Breakup FY25

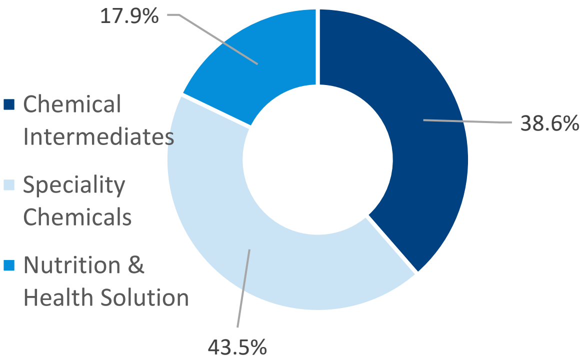
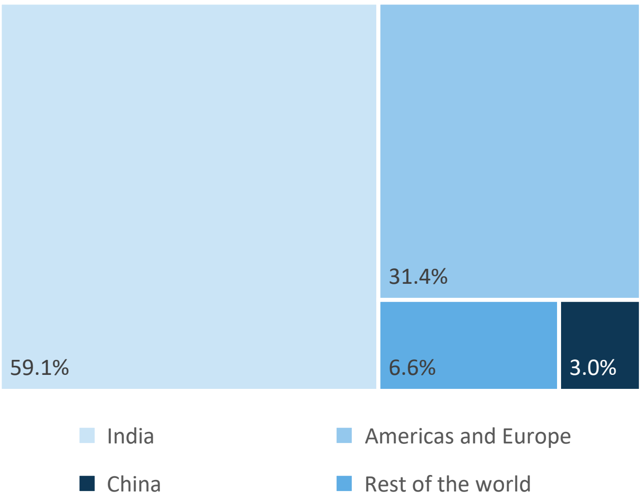


Exhibit 3: Geography Revenue Breakup FY25



Q4 FY25 Result Update:

In Q4 FY25, Jubilant Ingrevia reported strong margin-led growth, with Specialty Chemicals EBITDA rising 93% YoY and margins reaching 27%. Nutrition & Health Solutions also saw a 237% YoY jump in EBITDA, driven by Choline volumes and ramp-up of the cGMP Niacinamide plant. While Chemical Intermediates remained weak due to soft demand for acetic anhydride, management expects a recovery in FY26.

The CDMO business gained traction with 25+ new molecules added, and early-stage progress in semiconductor chemicals. The company invested ₹365 Cr in FY25 and plans ₹600 Cr in FY26, supported by strong internal accruals. Cost-saving initiatives delivered ₹120 Cr, with more expected in FY26. Management remains confident of achieving 15–20% growth in Specialty and Nutrition to meet its long-term Pinnacle 345 goals.

Exhibit 4: YoY Revenue trend (In ₹ Cr.)

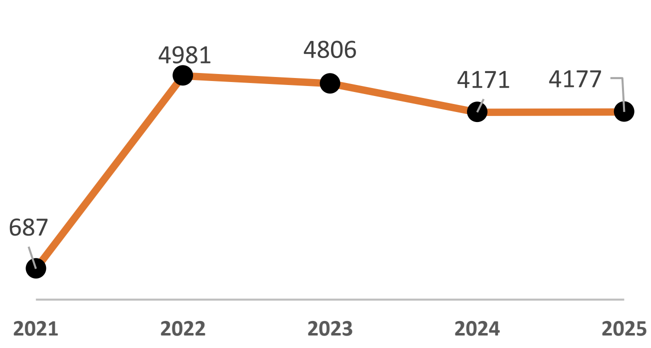


Exhibit 5: QoQ Revenue trend (In ₹ Cr.)

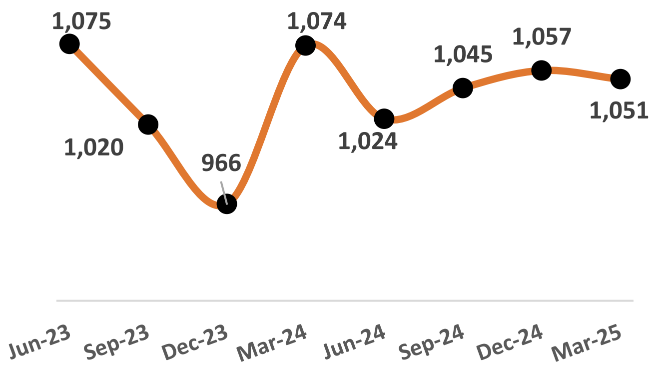


Exhibit 6: YoY Net profit trend (In ₹ Cr.)

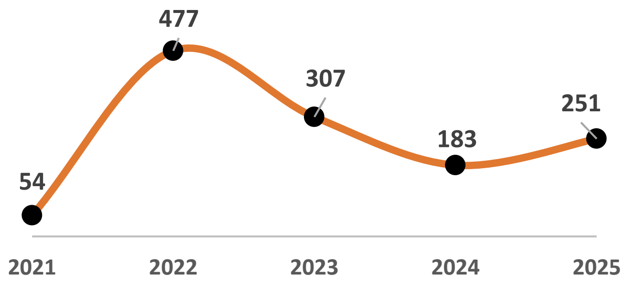


Exhibit 7: QoQ Net profit trend (In ₹ Cr.)

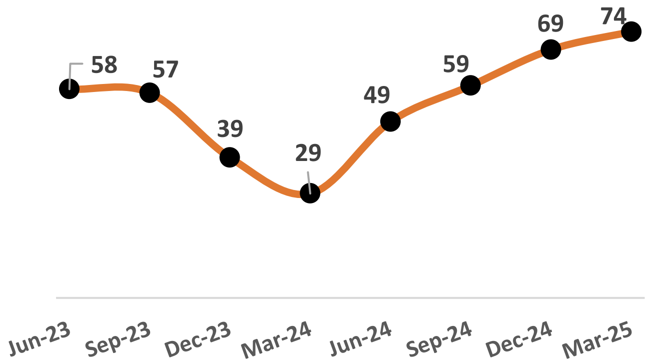


Exhibit 8: YoY Net Profit Margin Trend (%)

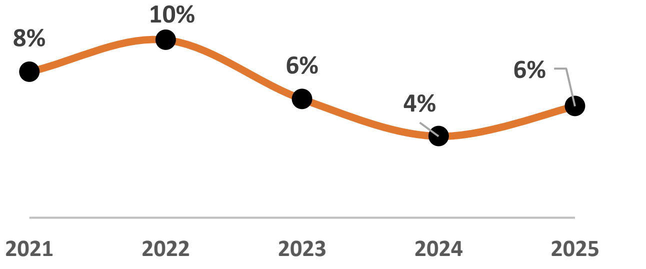


Exhibit 9: QoQ EBITDA Trend (In ₹ Cr.)

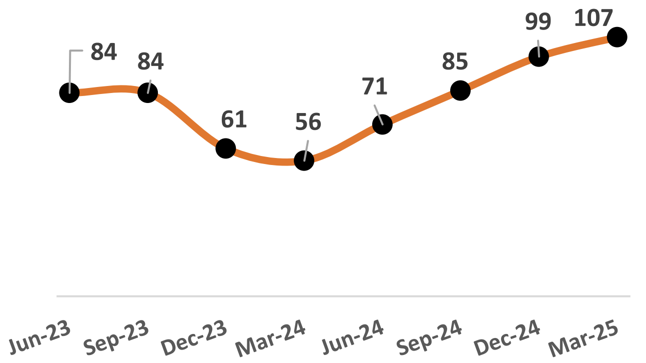


Exhibit 10: Shareholding Pattern

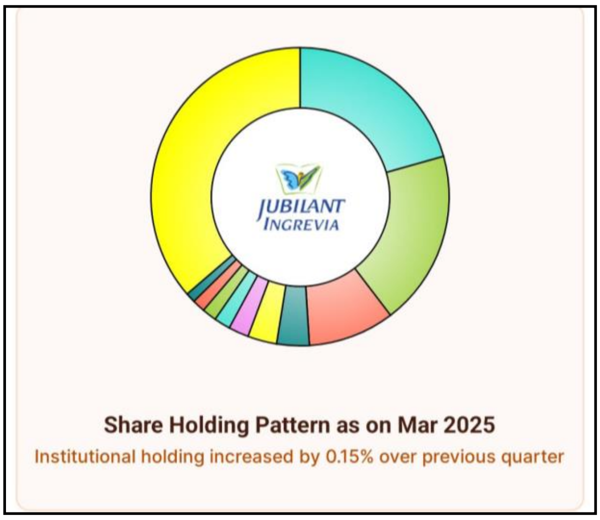


Exhibit 11: Share-holders with > 1%

Spb Trustee Company Pl & Ss Trustee Company Pl	20.63%
Hsb Trustee Company Pl & Hs Trustee Company Pl	19.00%
Dsp Small Cap Fund	9.37%
Miller Holdings Pte Ltd	3.53%
Mav Management Advisors Llp	3.15%

Exhibit 12: Performance compared to peers in the segment

Top Peer Comparison: Performance & Valuation

Name	Market Cap (Rs. Cr.)	P/E (TTM)	EV/EBITDA	ROCE (%)	ROE (%)	Sales 3Yr CAGR (%)	OP Growth TTM (%)	EPS Growth 5 Year (%)
Jubilant Ingrev.	12,220	48.7	23.1	11.1	8.9	-5.5	12.4	46.02
Gujarat Fluoroch	38,529	70.6	33.2	9.9	8.3	6.2	24.4	21.85
Deepak Nitrite	26,645	38.2	23.4	16.6	13.7	6.8	13.2	2.52
Navin Fluo.Intl.	23,236	80.5	42.7	11.7	11.5	17.4	22.7	-6.63
BASF India	21,751	47.5	26.0	17.6	13.4		4.8	52.62
Atul	21,537	44.5	21.0	12.7	9.0	3.2	16.4	-5.81
Vinati Organics	20,287	48.9	32.3	20.6	15.8	11.6	26.0	4.28
Median		***48.2***	***29.2***	***14.7***	***12.4***	***6.8***	***19.5***	***3.4***

Jubilant Ingrevia has delivered modest financial performance in recent years. Its operating margin of 12.4% is below industry peers, and revenue growth has remained flat from FY22 to FY25, with noticeable declines over the last two years—highlighting weak growth momentum.

Although the company's 3-year EPS CAGR is relatively strong compared to peers, other key indicators such as Return on Equity (RoE) and Return on Capital Employed (RoCE) are below the industry average. Net profit margins also remain subdued, and the company has reported a negative revenue CAGR over the same period.

Despite these challenges, the stock appears slightly undervalued based on FY25 valuations, indicating potential upside for long-term investors if financial fundamentals improve.

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