Jubilant Ingrevia Ltd.

Specialty Chemicals

BUY

Target Price
705

About the Company

Jubilant Ingrevia Ltd is a global integrated Life Science products and Innovative Solutions provider serving Pharmaceutical, Nutrition, Agrochemical, Consumer, and Industrial customers with our customised products and solutions that are innovative, cost-effective, and conform to excellent quality standards. The company's portfolio also extends to custom research and manufacturing for pharmaceutical and agrochemical customers on an exclusive basis.

Investment Rationale

- **Broad-Based Recovery Supports Earnings Trajectory:** Jubilant Ingrevia Ltd. delivered a healthy start to FY27, with all three business segments recording growth during Q1. The recovery in Chemical Intermediates provided near-term earnings support, driven by improving demand, better realisations and effective cost pass-through. Meanwhile, Specialty Chemicals and Nutrition continued to underpin the company's structural growth outlook. An improved product mix, focused execution and resilient margins reflect the company's efforts to enhance earnings quality amid a challenging operating environment.
- **Specialty Chemicals and CDMO Strengthen Long-Term Growth Prospects:** The Specialty Chemicals segment remains a key driver of Jubilant Ingrevia's medium- to long-term growth, supported by the steady expansion of Fine Chemicals and the scaling up of its CDMO operations. The company's development pipeline comprises over 100 molecules, including 25 confirmed molecules with meaningful commercialisation potential, providing visibility for future growth. Rising opportunities across pharmaceutical, agrochemical, personal care and semiconductor chemical applications, coupled with the planned commissioning of the Multi-Purpose Plant (MPP), are expected to support capacity expansion and improve the contribution of higher-margin, innovation-driven businesses.
- **Nutrition Momentum Enhances Business Mix:** The Nutrition & Health Solutions segment continues to gain traction, aided by improved pricing in Niacinamide and Choline, healthy demand across domestic and export markets, and the successful integration of Remidex Pharma. At the same time, increasing captive consumption of Pyridine derivatives and the continued shift towards downstream value-added products are enhancing integration benefits, reducing exposure to commodity price volatility, and supporting sustainable margin expansion.
- **Company Outlook & Guidance:** Management remains confident about FY27, viewing the year as an important phase in the company's Pinnacle transformation programme and a potential inflection point for long-term value creation. The company has maintained its FY27 EBITDA guidance of Rs. 750–800 Cr, with growth expected to be driven by Specialty Chemicals and Nutrition, supported by a gradual recovery in Acetyls. Management expects sequential improvement in revenue and EBITDA over the coming quarters, aided by volume growth, pricing improvement, and a growing project pipeline. Furthermore, the company remains on track to deliver its targeted ₹100 Cr of lean savings during FY27, which could provide additional support to operating profitability.

Valuation & Recommendation

We maintain a positive view on Jubilant Ingrevia Ltd., supported by its increasing exposure to Specialty Chemicals, CDMO and Nutrition businesses, which offer attractive structural growth opportunities. Key growth catalysts include the commercial ramp-up of innovator CDMO projects, expansion of the pharmaceutical molecule pipeline, recovery in agrochemical demand, improving Nutrition performance, and emerging opportunities in semiconductor chemicals. These factors are expected to support revenue growth and a gradual improvement in profitability over the medium term. **We value the stock on an SOTP basis and recommend a BUY on the stock with a target price of Rs 705/share, implying an upside of 10% from the CMP.**

Financial Summary (Consolidated)

Y/E March	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	ROE (%)	ROCE (%)	EV/EBITDA (x)
FY25	4,178	519	251	15.8	41	9	11	20.7
FY26	4,388	567	278	17.6	36	9	11	18.9
FY27E	5,441	772	377	23.9	27	11	14	14.0
FY28E	6,307	921	469	29.7	22	13	16	11.7

Source: Axis Securities Research; CMP as on 24th September, 2026

Duration: 3-6 Months

CMP (Rs)	640
Target Price (Rs)	705
Upside (%)	10%

| Why Jubilant Ingrevia Ltd.?

- ✓ **Accelerated CDMO Scale-Up**
- ✓ **Capacity Expansion**
- ✓ **Inorganic Expansion & Human Nutrition Formulation Shift**
- ✓ **Precision Microelectronics and Semiconductor Opportunity**

| Key Risks

- ✓ **Delays in Capacity Expansion**
- ✓ **Raw Material and Energy Price Volatility.**

MARKET DATA

No. of Shares	15.9 Cr
Market Cap	10,182 Cr
52-week High / Low	795/535
BSE Code	543271
NSE Code	JUBLINGREA

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About Axis PUNCH

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Axis Punch is designed to generate solid returns in the short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets a return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

| Axis PUNCH is a strong, research-based idea based on

Events-Based: Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyse changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

Strategic Insights: Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

Informed Decisions: Make well-informed investment decisions backed by the expertise of our dedicated research team.

Medium-term Horizon: Enjoy the medium-term investment strategy, perfectly suited for those looking to optimise returns over 3 to 6 months.

| Why to choose Axis PUNCH

These medium-term recommendations are crafted by the fundamental research team of Axis Securities, ensuring a rigorous analysis of developments around the company. Please note that Axis Punch recommendations may differ from our long-term company recommendations. Key investment rationale and risks are clearly highlighted in stock ideas.

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HOLD	Between 10% and -10%
SELL	Less than -10%
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