February 04, 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 quarter ended December 31, 2025- 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith is the transcript of the Earnings Conference call with Analysts / Investors held on Tuesday, February 03, 2026, post declaration of the Unaudited Financial Results of the Company for the quarter ended December 31, 2025.

We request you to kindly take the above on record.

The same has also been disseminated on the website of the Company.

Thanking You.
Yours faithfully,

For Ellenbarrie Industrial Gases Limited

ADITYA KESHRI Digitally signed by ADITYA KESHRI Date: 2026.02.04 16:35:23 +05'30'

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

Ellenbarrie Industrial Gases Ltd

Q3FY26 Earnings Conference Call

February 03, 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 afternoon, everyone. We will just start the meeting in a minute or so. Ladies and gentlemen, welcome to the Q3 FY26 earnings conference call of Ellenbarrie Industrial Gases Limited hosted by Radhi 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. You can also post your questions in the chat window, and we'll try to answer either during the call or get back to you on email. Please note that this conference is being recorded. Kindly also note that the audio of the earnings call is a corporate material of Ellenbarrie Industrial Gases Limited and cannot be copied or 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 risk 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. Agarwala for his opening remarks. Thank you and over to you sir.

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

Good afternoon, everyone and thank you for joining us. This is the first call of the calendar year, and I wish you all a happy, healthy and safe 2026. We have seen a lot of events on the national and global scene which could not be imagined 5 years back. For the first time, our honourable Finance Minister has presented a budget on a Sunday. Yesterday, we also saw a roll back of the US tariffs which changes the general mood of business and government. The gases industry is also evolving, and we now see a slow shift in focus from metals to renewables, recycling and green energy. Although metals still have a maximum bearing on our business.

Let me start with a quick snapshot of our Q3 performance. For the quarter, Revenue from Operations stood at Rupees 813 million and Total Income was Rupees 974 million. EBITDA at Rupees 253 million translating to an EBITDA margin of 31%. PAT came in at Rupees 261 million. Now while the year-on-year numbers show healthy growth, it is fair to acknowledge that this was a tougher quarter sequentially. Revenue from operations declined 9% quarter on quarter. EBITDA declined 25% and margins moved from 38% in Q2 to 31% in Q3. There were two main drivers. First, we saw low Argon realizations during the quarter. This was largely a function of a softer environment in steel and an oversupply of argon into the market from captive gas plants operated by steel manufacturers. Second, other expenses were elevated compared to Q3 of last year driven by certain one-off costs. Together along with slightly lower sequential volumes due to softness of the steel sector impacted profitability for the quarter.

Looking ahead we remain constructive. First on execution we have commissioned the Uluberia 2 merchant plant in West Bengal, capacity 220 tons per day of liquid products and we are now focused on ramp up and commercial optimization. We are also progressing on the next leg of additions including the East India on-site plant 320 tons per day expected in Q1 FY27 and the North India bulk plant 220 targeted H2 FY27. Second, on capital allocation and resilience, we continue to operate with a strong balance sheet. As per our stated position, net cash is at 3,550 million and we remain disciplined on Capex with guidance of rupees 2,500 million in FY26 and rupees 2,000 million in FY27. We are working on multiple expansion projects which will continue to drive the long-term growth of the company. Thirdly, on cost, we are working towards power cost optimization and sustainability by signing up for a renewable energy contract. Since power costs are the single largest item for us, this becomes extremely crucial.

In summary, while the macro environment presented hurdles this quarter, we expect this to now improve with the recent trade deals. Our fundamental business remains resilient. We are committed to our long-term growth trajectory and are confident that our upcoming capacities will drive significant value for our stakeholders. With that, we will now open up for question and answers. Thank you.

Moderator:

Thank you. That's all. We will now open the call for questions. Kindly raise your hand to ask a question. We will unmute your line. And as a reminder, we request all participants to restrict themselves to two questions and come back in the queue.

Our first question is from the line of Devika. Devika, please go ahead and ask your question. Devika unmute yourself and please go ahead.

Devika:

I apologize for the technical glitch. First of all, thank you so much for the opportunity. I just wanted to understand like you mentioned about the EBITDA margins, how it declined due to the one-off cost and lower Argon realization in this quarter. I wanted to understand what would be the sustainable EBITDA margin that we see for the business over the medium term. Do we still hold on to the 40% margin aspiration once the argon pricing perhaps normalizes?

Mr. Varun Agarwal (Joint Managing Director):

Sure. This is Varun Agarwal. Yes, we do hold on to EBITDA margins of around 40%. This was a weak quarter that we just finished. If you broadly look at the 9-month EBITDA margins on a financial year-to-date basis we are still at about 36%. Why we are guiding towards a 40% EBITDA margin is because the new capacities that come in would be more efficient in terms of the power usage which is the single largest cost for us. I think we are also building up more on-site capacity which will come in which has a higher EBITDA margin profile just in terms of EBITDA as a percentage of revenue. And of course, we do expect Argon prices to normalize which were last quarter significantly hit due to the weakness in the steel sector which led to a supply demand imbalance over the last quarter. So yes, we do hold on to that 40% long-term EBITDA margin profile.

Devika:

Okay sir. And also, sir, if possible, could you just share some colour on the gas volumes across the key gases like oxygen, nitrogen and argon.

Mr. Varun Agarwal:

So, we are not reporting volumes on a gas-wise basis. But it's safe to say that compared to on a year-on-year basis of course there's been an improvement in the volumes however on a sequential basis there has been a very minor decline in the volumes and that's largely again on account of the softness in the steel sector.

Devika:

Okay thank you so much so if I have any questions I'll join back. Thank you.

Moderator:

Thank you. The next question is from the chat. Core gas's growth is around 10% for 9 months versus your 20 to 25% CAGR target. What exit revenue run rate is needed to stay on track?

Mr. Varun Agarwal:

I'll just take this one first. So again our 20-25% CAGR is of course a long-term CAGR and this typically the growth will tend to be a little bit lumpy in the sense that whenever we bring in new capacity that's where you'll see the growth being pushed forward. Currently we are at a high degree of capacity utilization and of course the fact that we've got a new capacity that's come online. We'll see hopefully some impact on that this quarter which would actually drive the revenue growth faster than what you've seen so far on a YTD basis.

Moderator:

Thank you. What is the current Argon revenue mix percentage and Argon EBITDA margin in this quarter?

Mr. Varun Agarwal:

So, Argon this quarter is close to about 10% in terms of the revenue. The margins have again we don't report margins on a per gas basis largely because the costs are kind of difficult to break up between each gas because it's the same plant that produces oxygen, nitrogen and argon. But safe to say that with the argon prices declining in the last quarter the margin there has taken a hit. The Argon prices have declined in the last quarter by more than 25%. Again, we don't think this is sustainable. We expect this to improve, and our realizations of course are always higher than the average market price because of the contracts that we have because of the fact that we also do a lot of value addition. We do lot of distribution to the end use customers etc. So, we do expect these prices and margins to improve especially now given that the macro environment is improving the scenario for the steel industry is also improving.

Moderator:

Thank you for that. For the 220 TPD merchant plant 160 crore capex say around 100 to 110 crore revenue potential how much revenue has started and what is the ramp up timeline?

Mr. Varun Agarwal:

So, the plant has been commissioned recently so I think it's very early to comment on how much revenue has started. But typically, we look at an 85% capacity utilization over a period of 18 months from the date of startup. But as I said it's very early to kind of give a revenue impact. But what I can say is that yes, the ramp up is proceeding well. Can't put a number on it though.

Moderator:

Thank you. As a reminder we request all participant to kindly raise your hand to ask a question. Please raise your hand to ask a question. The next question is for solar and speciality gases and western expansion. Can you share signed contracts or committed volumes and expected revenue contribution timeline?

Mr. Varun Agarwal:

So, in terms of our expansion into west in FY28 is what we are expecting our plant along with some high purity and speciality gases facility to come up that's targeted for FY28. Of course, at this stage we can't really share any signed contracts etc. However, we are in discussions with a lot of companies especially in the solar cell manufacturing space and we are seeing good traction a lot of positive interest towards our capacity that's coming up.

Moderator:

Thank you. Is the EBITDA margins squeeze condition same for all peers Linde, Inox others in the industry?

Mr. Varun Agarwal:

So, look we can't obviously comment on their margins, but the pricing is a reality. The fact that the Argon prices were down in Q3. Assuming that they will also be subject to that pricing it would be logical to expect that their margins would also correct but of course we don't want to comment on their numbers specifically and what percentage revenue and margin profile they have with Argon.

Moderator:

Thank you. The next question is from the line of Prashant, please unmute yourself and go ahead.

Prashant:

Yeah. So my question is given that in the presentation you have mentioned that the gas I mean the total market size is around 1.2 million tons of gases and if we work on the basis of the capacity and the 86-87% utilization our production is somewhere around 1,05,000 to 1,10,000 tons which annualized gives around 400,000 tons and a 33% market share is that correct?

Mr. Varun Agarwal:

No, I think there is some gap in the understanding. Prashant, I think our market share is in the sort of mid-single digits.

Prashant:

Okay. So, then what is the total addressable market in terms of tonnage?

Mr. Varun Agarwal:

So, if we look at it from a market size point of view which is probably the better way to look at it in terms of the revenue potential. I think the market available to kind of the gas industry is when we had last done the industry report was somewhere in the region of about 15,000 crores and it was growing at about 10 odd percent on an annualized basis. This is as per the industry report which was prepared, and which is a part of our IPO documents.

Prashant:

Fair enough. So out of this 15,000 crores how much of the market are we addressing or competing in? Because we might not have product for the all the segments of the market. So, what is market available for us to play with?

Mr. Varun Agarwal:

So, look we have historically only been in the eastern and southern regions of the country. So that itself kind of puts us out of a large segment of the market. This is broadly the products to cater to this entire segment because this is basically comprising of the basic industrial gases and not any of the sort of hydro-carbon gases etc. So, this is our you can say the core market for our industry. So, product wise that is the market but we obviously in terms of geographic revenue split etc we are not covering a large part of the country.

Prashant:

Okay, understood. And since the current capacity you maxed out is there any way we can increase the capacity or put up additional units at the existing locations, or do we have to go for green field units only?

Mr. Varun Agarwal:

So basically, for our industry it's very difficult to increase the capacity of an existing plant. So typically, all the expansions are either green field expansions at a new site or potentially you could do a green field expansion at an existing site. In our case for example the recent plant which was commissioned is a green field plant and it's at a site which is adjacent to one of our existing plants. So typically, the way to grow is to add new capacity and that involves doing a project from scratch.

Prashant:

And, wherever we are having captive plants is possible to increase capacity there and use it for a commercial or merchant purposes.

Mr. Varun Agarwal:

It's possible at the time of building the plant. Once the plant is built and has started commenced operations, then it's not really possible. So, we do that typically and in couple of our on-site plants we have set up a plant of a capacity which is higher than what the pipeline customer requires. And the excess product then becomes available for us to sell externally.

Prashant:

Okay. Just to last one in the presentation, you have mentioned that the foreign players are some of our biggest competitors. What would be their market share be like?

Mr. Varun Agarwal:

I mean these I would say Linde, Inox and Air Products are all larger than us. And of course, significantly larger with a size of maybe at least some of them are five times our size.

Prashant:

So, if we were to grow, I mean we would have to take the market from unorganized sector?

Mr. Varun Agarwal:

Growth will be driven by of course unorganized sector where we can take market from and also the fact that the industry size itself is growing. So that's itself is the key driver for growth.

Prashant:

Okay. That's all from my side. I wish you all the best.

Moderator:

Thank you. The next question is from the line of Vatsal Bhandari. Vatsal, please unmute yourself and go ahead.

Vatsal Bhandari:

Good evening, sir. Two questions from my end sir. So, regarding the solar gases we understand that Linde and Inox have been supplying to most of the solar players today and most of these gases are either traded from China or and few are made in India. What is our play over here and how do we plan to compete against the Linde and Inox in this space where they've already won most of the contracts.

Mr. Varun Agarwal:

So, I think they have won a number of the legacy contracts which were on the block. We have also won some contracts. I think going forward given that there is a huge potential in terms of the capacity coming up in solar cell, I think it's fair to say that all of us would get a piece of the pie. It's also fair to say that they will probably get a larger piece of the pie. But given that there is a significant size differential between us and them I think for us even if we get a smaller piece of the pie it still bodes well for our future growth. And you know importing these gases, you're right, most of them are imported from China. The difficult part is not importing the gases but handling them once you bring them to your facility. Because these typically need to be transferred into smaller containers etc. before supplying to the customer and that's going to be a part of our western region facility and that's going to be integrated with a plant that produces high purity oxygen and nitrogen along with a kind of a warehouse and bottling station for these speciality gases as well.

Vatsal Bhandari:

So then last question, how does the capex and margins look for the solar gases versus something like for the merchant plants or the onsites? What kind of capex and margins EBITDA margins are there for this business or this segment?

Mr. Varun Agarwal:

See the capex is not very heavy here in terms of solar gases because we are not really going to be manufacturing a lot of them right so it's mostly going to be traded and we need like a effectively just a debulking facility. And again, even in terms of margin profiles for a traded product typically as the size of this solar industry keeps growing which it is at a very rapid pace the margins would become like your typical trading and service in terms of last mile delivery that sort of margin which would be in the teens. It's not going to be at par with the ASU gases because here we are doing the entire manufacturing process whereas there it's only a traded product.

Vatsal Bhandari:

Okay sir. Thank you.

Moderator:

Thank you. The next question is from the line of Ashish Parikh. Ashish, I have unmuted. Please unmute yourself and go ahead. We'll take the question from chat box. Given the steel sector softness, how did your take or pay contracts perform relative to your merchant sales? Did any on-site customers fail to lift their minimum committed volumes this quarter?

Mr. Varun Agarwal:

So, that's a good question. I think there has been a softness in the volumes that they've lifted. Again, it's important to note that when we talk of our volumes, we don't include the on-site volumes here because these contracts are of a take or pay nature where we only recognize the fixed monthly amount that the customer has to pay to us. However, the reduction in their offtake volume although it didn't translate into lower revenues it did give us a kind of firsthand view in terms of the softness of that sector. But as I said it doesn't impact our revenue. That's the nature of the contract the way they are structured.

Moderator:

Thank you. The next question is in the last call you mentioned significant inquiries from the solar cell and semiconductor sectors. Have you converted any of those inquiries into firm contracts during Q3? And what is the status of your supply chain setup for high purity gases?

Mr. Varun Agarwal:

So, I think some of this we've covered in terms of the supply chain setup for the high purity gases we have the capability to manufacture the high purity air gases within locally within our facilities. And some of the other gases which go into the solar space would be imported. And we are talking to a number of the solar guys we have signed up with a couple of them. On the semiconductor side of course, we have not yet signed up with anyone but that's still in a more nascent stage compared to the solar space and there we are as I said we've already signed up with a couple of companies and we are actively working with several more and hope to conclude a few more contracts in the coming quarters.

Moderator:

Thank you. The next question is from the line of Ashish.

Mr. Varun Agarwal:

I think the question (from the chat box) is more in terms of the Revenue and EBITDA margins for Q4 and then for FY27.

So, look I think it's important to understand that this business is pretty long-term in nature and lot of growth happens in not on a sort of consistent Q on Q basis but rather it happens in sort of step changes as and when new capacities are operationalized. So, I think while of course we do understand that Q3 was disappointing, but it doesn't really change the long-term trajectory. We are still working on a lot of projects. We've commissioned a project of late. So directionally speaking we are going in the right direction. In terms of a number, I think the only thing which we can guide on is a long-term CAGR rather than a short-term number. But having said that of course in terms of Q4, we do expect some impact to come from the new capacity that we've commissioned. So, we do hope that Q4 would be much better than Q3.

Moderator:

Thank you. The next question is on the East India on-site plant, we noticed that the commissioning timeline had moved to Q1 FY27 versus Q4 FY26 indication shared earlier. Could you help us understand if there were any operational or external factors that led to this shift?

Mr. Varun Agarwal:

So I think this is basically delay of let's say about a couple of months and one of the things that I've mentioned in my previous investor calls as well is that I think the key kind of risk is in terms of executing the projects in a timely manner because largely because all of these typically tend to be green field projects and each one comes with its own set of challenges. So I would say that a couple of months movement in the commissioning of a plant is I won't call that abnormal. Here too I think we are on track for Q1 of FY27 which would mean a couple of months really and for typically for a project which takes let's say about 15 odd months to commission a month or two delay can happen over the course of the construction of the project.

Moderator:

Thank you. The next question is, Is the worst over? Why are margins down? Any recovery expected in margins?

Mr. Varun Agarwal:

So, we do feel that the worst is over. I think that was kind of captured in the opening comments made by Chairman and I think also why the margins were down etc all of that was covered we don't expect this to sustain. I think our longer-term EBITDA margin targets are closer to 40% and while the previous quarter was in the low 30s, for the year-to-date numbers we are at about 36%. As more capacity comes in which is of better, I mean the newer plants have better economics in terms of their power efficiency etc. We do expect margins to tick up.

Moderator:

Thank you. The next question is from the line of Shubam Todi. Shubam please go ahead.

Shubam Todi:

Yeah, thank you for the opportunity. Sir, I'm a little new to the company. And I missed your remarks on the capex plans of the company. So, could you please briefly explain what are capex plans? What gases are we trying to enter and what kind of potential do we see there?

Mr. Varun Agarwal:

So currently we are talking of three projects which we are undertaking. One is an on-site plant in eastern India. The second one is a merchant plant in Northern India and the third one is a merchant plant along with a sort of a special gases unit is what we call it in Western India. All of these put together would entail capex over the next couple of years to the tune of about 450 crores and in terms of gases again our core focus would continue to be on the basic air gases which are oxygen, nitrogen, argon and of course we would like to increase our portfolio to some of these speciality gases which are used especially in the solar industry.

Shubam Todi:

Okay and just to follow up on that so when do we expect this plants to be commissioned and what kind of revenue potential is there?

Mr. Varun Agarwal:

So, the first plant which is an on-site plant in eastern India we expect this to be online in Q1 of the next financial year. The merchant plant in North India we expect in the second half of next financial year and the plant in the west along with the speciality gases we are targeting FY28. Given that these three plants would sort of come in a staggered manner while we don't want to comment on revenue from at an individual plant level because that's not something that we report but on a longer term basis we have about a 20 to 25% kind of a growth rate that we expect which of course will be lumpy but given the type of capex and the growth plans that we have that's what we are guiding.

Shubam Todi:

Okay that's it from my side thank you.

Moderator:

Thank you. The next question is you recently commissioned the Uluberia 2 merchant plant. Given the current soft demand environment in East India, how is the capacity utilization ramp up progressing in this new unit?

Mr. Varun Agarwal:

So, look, we it's still very early days but I can tell you that things are moving well. We would expect to while we are talking of an 18 month ramp up for to get to an 85% capacity utilization. Here we've done because this is a market that we are already present in and we have very strong relations with a lot of the large buyers. We would expect to ramp up this production little bit faster than that.

Moderator:

Thank you. The next question is if we intend to commission north India capacity by H2 FY27 and it takes 18 months to commission each of such plants has the construction already begun?

Mr. Varun Agarwal:

So yes and no in the sense that we've ordered the plant. So typically for our industry the longest lead time for or the sort of the real challenge is not in terms of the construction but it's more in terms of the delivery of the equipment and that takes quite a while. So, I think the important thing is that we have ordered the plants and as and when the equipment is ready for shipment the construction the civil work etc. would be done in order to receive it.

Moderator:

Thank you. Can you please provide yearly guidance for FY27 revenue and EBITDA margins?

Mr. Varun Agarwal:

So, you know again we are not giving annual guidance but rather a longer-term guidance. In our industry as I said it's a very much of a long-term kind of a play. All our contracts are also long-term and the way to look at it is on a sort of a longer-term growth trajectory than a quarter-on-quarter kind of a basis. Having said that, of course, because we've got new capacity coming in, I think it's very safe to say that there will be an improvement in terms of the revenue right because we've got one plant which has started now which is going to be giving the entire next FY will have some impact from that and the other plant which is starting at the beginning of the next financial year where also majority of the financial year would get a positive impact from that so I think it's only logical to say that there will be a growth. As I said we are not guiding on a quarterly or an annual growth but rather on a long-term growth.

Moderator:

Thank you. Just to confirm the commission timeline for North India is H2 FY27 or H2 CY27 also who do we procure cryogenic equipment from? Do we source it from China or indigenous players like Inox CVA?

Mr. Varun Agarwal:

So, the commissioning timeline is H2 FY27. And in terms of the cryogenic equipment, we so it depends on the equipment. There are certain equipment that we buy domestically including storage tanks and certain equipment that we source internationally. But yes, we do source from indigenous players without specifying a particular name. We do source from indigenous players as well.

Moderator:

Thank you. Please raise your hand or put your question in chat. Since there are no further questions, I would like to thank you once again for your time and participation. On behalf of Ellenbarrie Industrial Gases, this concludes today's conference. For any questions, please feel free to write us on the email ids mentioned on the invite. We appreciate your engagement. You may now disconnect your lines.

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