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INITIATING COVERAGE  
July 2026

# Acutaas Chemicals (ACUTAAS IN)

Preparing for new frontiers

Rating: ACCUMULATE | CMP: INR 3,526 | TP: INR 3,773

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# Acutaas Chemicals (ACUTAAS IN)

Initiating  
Coverage

July 01, 2026

## Preparing for new frontiers

### Quick Pointers

- CDMO revenue guided to reach ~INR10bn by FY28E
- Battery chemicals to begin contributing to revenue from Q2FY27

We initiate coverage on ACUTAAS with 'Accumulate' rating and TP of INR3,773, based on 56x FY28E EPS. Over the last 5 years, the company has delivered a strong growth track record, with revenue/EBITDA/PAT CAGR of 32%/43%/46%. We expect the growth trajectory to sustain, with revenue/EBITDA/PAT projected to grow at 25%/24%/24% CAGR over FY26–28E, led by the ramp-up of the Fermion contract, commercialization of 4 additional CDMO molecules, and increasing contribution from battery and semiconductor chemicals. Supported by strong process chemistry capabilities, backward integration, and expanding presence in high-entry-barrier specialty chemicals, ACUTAAS is well placed to deliver sustained earnings growth. At CMP, the stock trades at 52x FY28E EPS and 38x FY28E EV/EBITDA; we are positive on its growth visibility and improving business mix. However, considering the recent sharp rally in the stock, further upside would be subject to timely execution of projects. Initiate with 'Accumulate'.

**Strong leadership in the pharma intermediates market:** Advanced Pharma Intermediates segment contributed to ~88% of revenue in FY26 and is expected to deliver 18% CAGR over FY26-28E, supported by rising CDMO exposure, increasing innovator partnerships, and upcoming patent expiries of blockbuster molecules such as apixaban and rivaroxaban (Expired).

**CDMO – The key growth catalyst:** The CDMO business is expected to be ACUTAAS' key long-term growth driver, supported by high regulatory entry barriers, long-term contracts, and superior margins. Its 10-year supply agreement with Fermion Oy is expected to drive the majority of CDMO revenue, with the management guiding ~INR10bn revenue by FY28E. The opportunity is backed by Nubeqa's strong commercial trajectory, with peak sales guidance raised to ~EUR3bn and patent protection extending to CY33-35. Additionally, 4 new CDMO molecules are expected to start contributing from H2FY27, with an INR500-1,000mn peak revenue potential for each.

**Battery chemicals – A new growth avenue:** ACUTAAS is leveraging its strong chemistry capabilities to establish its presence in the fast-growing global battery chemicals market. The company has developed 9 electrolyte additive molecules and is commissioning 2,000mtpa each of VC and FEC under its ~INR1.77bn Phase I capex. Phase II is expected to add 2 more products by H2FY27, further expanding the product portfolio. Phase I alone has a peak revenue potential of ~INR3.8bn, supported by customer approvals and contracted volumes, with EBITDA margin expected to be in the ~15% range.

**Foray into high-entry-barrier semiconductor chemicals market:** ACUTAAS entered the high-entry-barrier semiconductor chemicals market through the acquisition of 55% stake in Baba Fine Chemicals (BFC) in FY24 for INR682mn (4x FY23 adjusted EBITDA). Leveraging BFC's expertise in ultra-high-purity photoresist chemicals, the company is expanding beyond its historical single-customer model. Further, its ~INR2bn South Korea JV is expected to be commissioned by Dec'26, positioning ACUTAAS closer to key semiconductor customers and creating a scalable platform for long-term growth.

Key Data	ACUTAAS.BO   ACUTAAS IN
BSE Code	543349
NSE Code	ACUTAAS
52-W High / Low	INR 3,604 / INR 1,084
Face Value	5
Sensex / Nifty	76,479 / 23,866
Market Cap	INR 289 bn / \$ 3,050 mn
Shares Outstanding	81.87 mn
3M Avg. Daily Value	INR 1,567.88 mn

### Shareholding Pattern (%)

Promoters	32.66
FIs	19.48
Mutual Funds	13.86
Domestic Institutions	5.74
Public & Others	28.26
Promoter's Pledge (INR bn)	-

### Stock Performance (%)

	1M	3M	6M	12M
Absolute	12.6	37.8	106.8	208.1
Relative	10.1	29.7	130.5	236.8

### Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	10,069	13,394	16,994	21,001
EBITDA (INR mn)	2,321	4,804	5,969	7,355
Margin (%)	23.0	35.9	35.1	35.0
PAT (INR mn)	1,604	3,564	4,418	5,516
EV (INR mn)	286,431	287,366	283,186	278,989
Total Debt (INR mn)	129	356	280	170
C&C Eq. (INR mn)	1,852	2,156	6,259	10,346
EPS (INR)	19.6	43.5	54.0	67.4
Gr. (%)	229.3	122.2	24.0	24.8
DPS (INR)	1.5	1.5	1.6	2.0
Yield (%)	-	-	-	0.1
RoE (%)	16.2	24.1	23.7	23.5
RoCE (%)	18.6	29.5	28.8	28.7
EV/Sales (x)	28.4	21.5	16.7	13.3
EV/EBITDA (x)	123.4	59.8	47.4	37.9
PE (x)	180.0	81.0	65.3	52.3
P/BV (x)	22.0	17.5	13.9	11.0

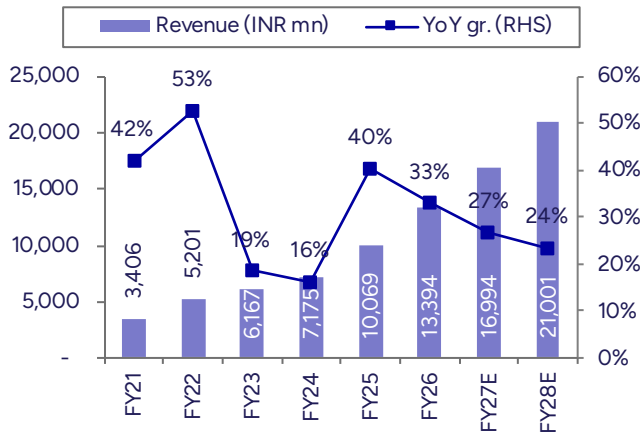
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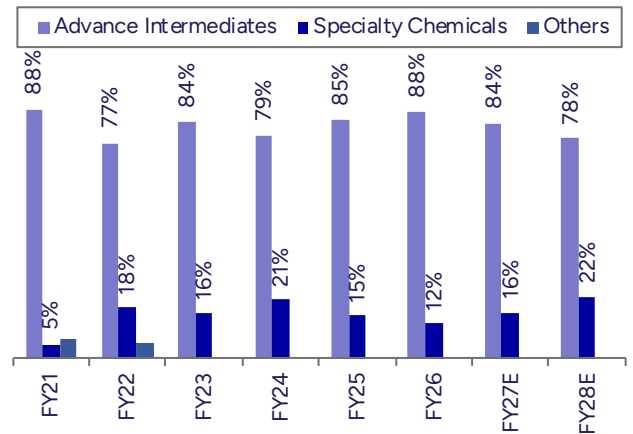
## Story in Charts

Exhibit 1: Revenue to grow at 25% CAGR over FY26-28E



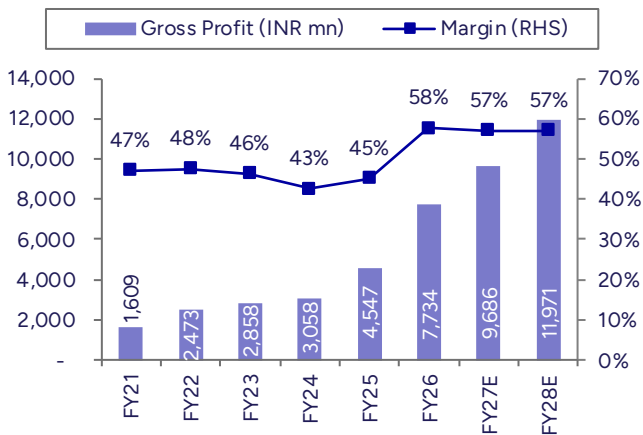
Source: Company, PL

Exhibit 2: Specialty revenue mix to increase going forward



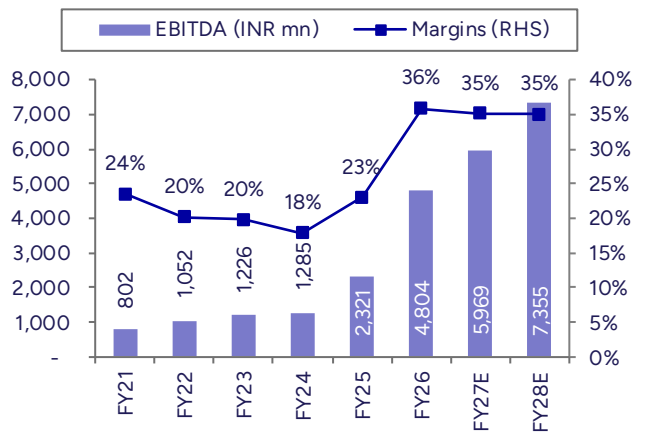
Source: Company, PL

Exhibit 3: Gross profit margin to reach 57% in FY28E



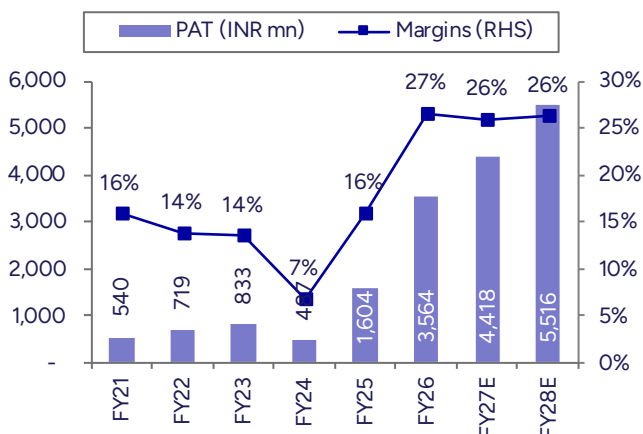
Source: Company, PL

Exhibit 4: EBITDA and EBITDAM to largely stable



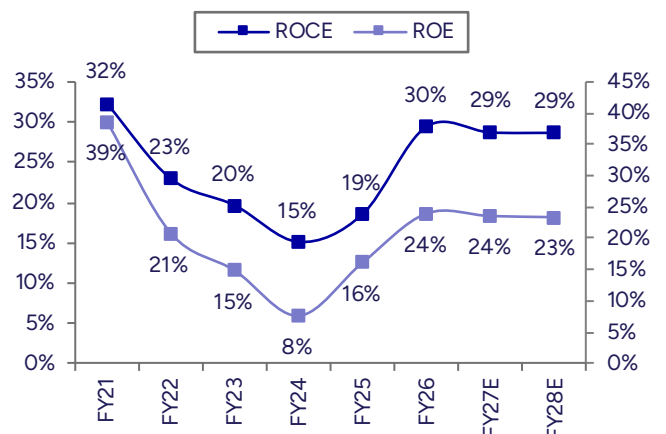
Source: Company, PL

Exhibit 5: PAT to grow at 24% CAGR over FY26-28E



Source: Company, PL

Exhibit 6: RoE/ RoCE to be at 23%/29% in FY28E



Source: Company, PL

## Company Overview

### ACUTAAS: A leader in domestic pharma intermediates

Acutaas Chemicals Ltd was founded in 2004 with focus on manufacturing advanced pharmaceutical intermediates for regulated and generic active pharmaceutical ingredients (APIs). Over the last 2 decades, the company has evolved from a niche pharma intermediate player into a diversified specialty chemical manufacturer with capabilities spanning pharmaceutical intermediates, semiconductor chemicals, battery chemicals, and commodity chemicals.

The company's transformation has been driven by investments in process chemistry, R&D capabilities and strategic acquisitions. It serves a diversified global customer base spanning ~55 countries across North America, Europe, Asia, and other international markets. It caters to more than 600 customers, including regulated pharmaceutical companies, specialty chemical manufacturers, and emerging technology players in semiconductors and battery materials.

#### Exhibit 7: Key milestones



Source: Company, PL

### Business segments

ACUTAAS operates across 2 major business verticals:

#### Advanced Pharmaceutical Intermediates:

This is the core business, supplying advanced intermediates for regulated and generic APIs across 17+ therapeutic areas such as anti-cancer, anti-retroviral, anti-depressant, anti-Parkinson's, and anti-inflammatory drugs.

**Specialty Chemicals:**

Beyond pharmaceuticals, ACUTAAS has recently diversified into semiconductor chemicals (through BFC acquisition), wherein it manufactures semiconductor-grade photoresist chemicals that go into photoresist solutions meeting ultra-high purity requirements. The company has also entered battery chemicals through the development of electrolyte additives used in lithium-ion batteries. In addition, the company manufactures commodity chemicals such as different types of parabens, methyl salicylate, and niche key starting materials catering to personal care, agrochemical, coatings, and industrial applications.

Exhibit 8: Business segments

Segment	Sub-segment	Products	End markets
Advanced Pharma Intermediates	API intermediates, NCE intermediates and CDMO	Darolutamide, apixaban, multiple products across 17+ therapies	Pharma innovators and generic companies
Specialty Chemicals	Semiconductor Chemicals	Photoresist chemicals	Semiconductor fabs
Battery Chemicals	Electrolyte additives	EV batteries and BESS	
Commodity Chemicals	Parabens, methyl salicylate, KSMS	Cosmetics, agrochemicals, industrial	

Source: Company, PL

ACUTAAS has developed expertise in complex process chemistry and multi-step synthesis with capabilities to manufacture up to N-1 stages of pharmaceuticals advanced intermediates. The company possesses capabilities in flow chemistry, chiral chemistry, analytical development, and process optimization, enabling efficient scale-up from laboratory development to commercial manufacturing.

ACUTAAS operates 5 manufacturing facilities: located across Sachin, Ankleshwar and Jhagadia in Gujarat, and Greater Noida (BFC) in UP, and an upcoming facility in South Korea. The facilities are spread across total area of 76,891sqm with total installed capacity of 1,100kl, excluding the capacity of South Korean plant which is under construction.

Exhibit 9: Manufacturing facilities spread across 5 key locations

## State-of-the-Art Manufacturing Facilities

**92,835**  
Total Land Area (sq. mtrs.)

**~1,100**  
Total Installed Capacity (KL)



Pharmaceutical		Specialty Chemicals			
		Commodity Chemicals	Battery Chemicals	Semiconductor Chemicals	
					
<b>Sachin, Gujarat</b>	<b>Ankleshwar, Gujarat</b>	<b>Jhagadia, Gujarat</b>	<b>Jhagadia, Gujarat</b>	<b>Greater Noida, UP</b>	<b>Gong Ju, South Korea</b>
<ul style="list-style-type: none"> <li> Land Area (sq. mtrs.) <b>8,250</b></li> <li> Installed Capacity (KL) <b>144</b></li> <li>• Multipurpose facility equipped for production of advanced pharmaceutical intermediates</li> <li>• One block with 13 separate product lines, 40 reactors, 17 dryers, zero-liquid discharge based ETP and SBT system</li> </ul>	<ul style="list-style-type: none"> <li> Land Area (sq. mtrs.) <b>10,375</b></li> <li> Installed Capacity (KL) <b>442</b></li> <li>• Inaugurated in Dec 2023, for production of advanced pharmaceutical intermediates</li> <li>• Three blocks with 80+ reactors, ~35 dryers, ETP system</li> <li>• Automated plant with Fully operational DCS (Distributed Control System) and PTS (Powder Transfer System)</li> </ul>	<ul style="list-style-type: none"> <li> Land Area (sq. mtrs.) <b>56,698</b></li> <li> Installed Capacity (KL) <b>512</b></li> <li>• Multipurpose facility for production of parabens, methyl salicylate and other specialty chemicals</li> <li>• Consists of 31 stainless steel and 14 glass reactors</li> <li>• Equipped with state of art ETP treatment facility</li> </ul>	<ul style="list-style-type: none"> <li> Land Area (sq. mtrs.) <b>56,698</b></li> <li> Installed Capacity (KL) Phase 1 completed (VC and FEC 2000 MTPA each) Phase 2 under Construction</li> <li>• Phase 1 inaugurated on 19<sup>th</sup> January 2026</li> <li>• Automated plant with Fully operational DCS (Distributed Control System)</li> <li>• Indigenously developed flow technology for battery chemicals</li> </ul>	<ul style="list-style-type: none"> <li> Land Area (sq. mtrs.) <b>999</b></li> <li> Installed Capacity (KL) <b>1.8</b></li> <li>• Manufacturing of electronic grade photo resist chemicals</li> <li>• 7 lab room with glass line capacity of 500 litres and 14 glass assembly with capacity of 1,300 litres</li> </ul>	<ul style="list-style-type: none"> <li> Land Area (sq. mtrs.) <b>16,513</b></li> <li> Installed Capacity (KL) <b>Under Construction</b></li> <li>• upcoming South Korea Facility, set to be operated by Indichem Inc (a joint venture between Acutaas Advance Material Limited and J &amp; Materials Co. Ltd.), is being established as a specialized, state-of-the-art unit dedicated to the future production of ultra-high-purity chemicals essential for the semiconductor industry.</li> </ul>
					

Corporate Presentation | Data as of 31<sup>st</sup> March 2026  
Note: ETP - Effluent Treatment Plant; SBT - Soil Bio Technology

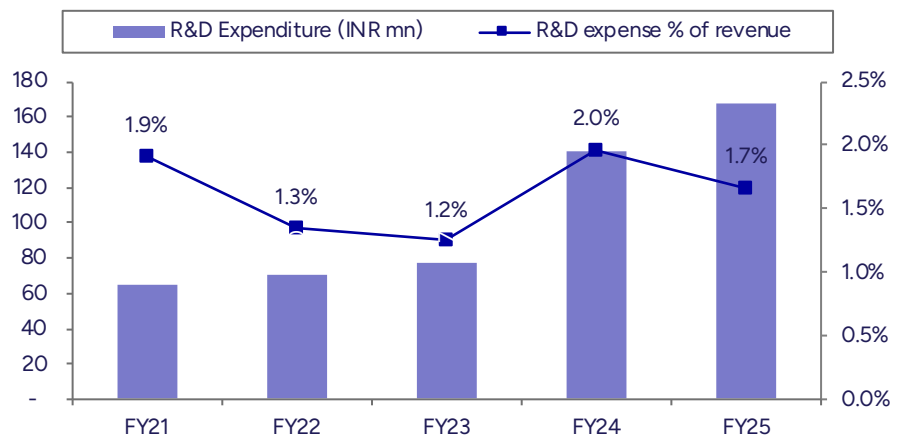
Source: Company, PL

### R&D capabilities

R&D remains central to ACUTAAS' business model. Its R&D center is supported by a team of over 130 scientists and researchers (including 30+ PhD holders) focused on process development, route optimization, analytical development, and commercialization of complex chemistries. About 1.7% of revenue was incurred on R&D in FY25.

The company has filed 26 process patents for advanced pharma intermediates, of which 8 have been published and 10 granted as of FY26. The company is also expanding its pilot plant capacity to support higher project churn-out from the R&D pipeline as well as to cater to niche High Potent chemical demand for high potent APIs.

**Exhibit 10: R&D expenditure at 1.7% of revenue in FY25**



Source: Company, PL

## Investment Arguments

### Strong leadership in the pharma intermediates market

ACUTAAS manufactures advanced pharmaceutical intermediates used in the production of APIs across multiple therapeutic categories. API is the core component of pharmaceutical drugs responsible for treating a disease.

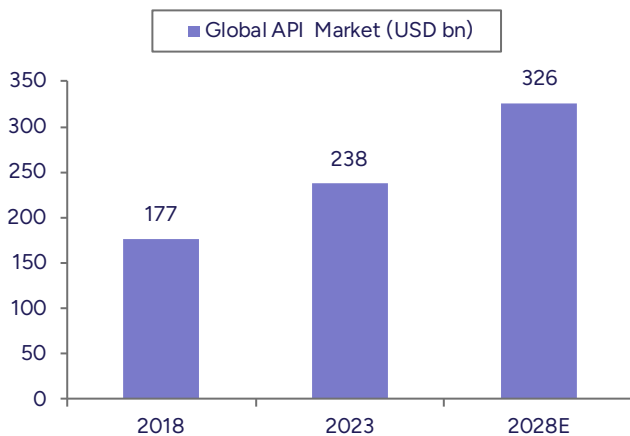
The company has built a strong position in this niche market through process chemistry expertise, complex synthesis capabilities, and long-standing customer relationships. Today, ACUTAAS manufactures over 600 pharmaceutical intermediates, serves customers across ~55 countries, and operates across 17+ therapeutic areas. Europe is one of the key export destinations for the company. 85-95% of the portfolio is focused on chronic therapies such as oncology, CNS disorders, cardiovascular diseases, anti-depressants, Parkinson's disease, and anti-coagulants.

85-95% of the portfolio is focused on chronic therapies

Global pharmaceutical intermediates industry is witnessing steady growth. It grew by 6% from CY18 to CY23 and is expected to clock 6.2% CAGR over CY23 to CY28E, driven by increasing prevalence of chronic diseases, rising pharmaceutical outsourcing, and higher complexity in drug manufacturing. Further, innovator pharma companies are increasingly outsourcing development and manufacturing activities to specialized partners with strong regulatory and chemistry capabilities.

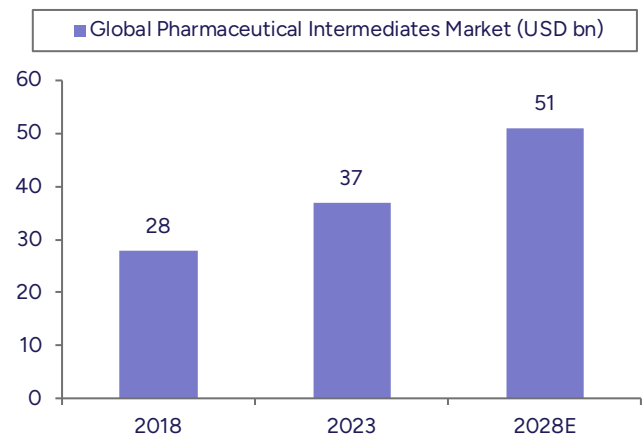
Global API market is expected to grow at 6.5% CAGR over CY23 to CY28E. Oncology remains one of the fastest-growing segments globally, which aligns well with ACUTAAS' therapeutic exposure.

Exhibit 11: Global API market to log 6.5% CAGR in CY23–28E



Source: Company, PL

Exhibit 12: Global pharma intermediates market to log 6.6% CAGR



Source: Company, PL

Exhibit 13: Oncology share to reach 25% in CY28E

Global API market split by therapy	CY18	CY23	CY28
Oncology	15%	19%	25%
Cardiovascular	11%	10%	9%
CNS	9%	9%	9%
Anti-infective	10%	9%	8%
Immunology	6%	7%	8%
Endocrinology	5%	6%	6%
Anti-coagulant	3%	3%	3%
Gastrointestinal	3%	3%	3%
Anti-depressant	2%	2%	1%
Parkinson's disease	1%	1%	1%
Others	35%	33%	27%

Source: Company, PL

Exhibit 14: Oncology to grow at 13% CAGR over CY23-28E

Global API market growth by therapy	CAGR (CY18-23)	CAGR (CY23-28E)
oncology	11%	13%
Cardiovascular	4%	5%
CNS	6%	5%
Anti-infective	4%	5%
Immunology	8%	9%
Endocrinology	8%	7%
Anti-coagulant	8%	8%
Gastrointestinal	4%	5%
Anti-depressant	4%	3%
Parkinson's disease	7%	8%

Source: Company, PL

The Advanced Pharma Intermediates segment has 3 sub-segments:

**Generic intermediates:** Involves supplying intermediates to generic API manufacturers such as Sun Pharma, Dr. Reddy's, Cipla, GSK, and several global pharmaceutical companies. This segment is relatively competitive and margin sensitive because customers are highly cost focused. ACUTAAS attempts to enter molecules early during the development cycle so that once the innovator drug reaches commercialization, the company becomes an approved supplier within the customer's regulatory filings. Additionally, ACUTAAS has managed to create leadership positions in select molecules through strong process development capabilities and cost-efficient manufacturing.

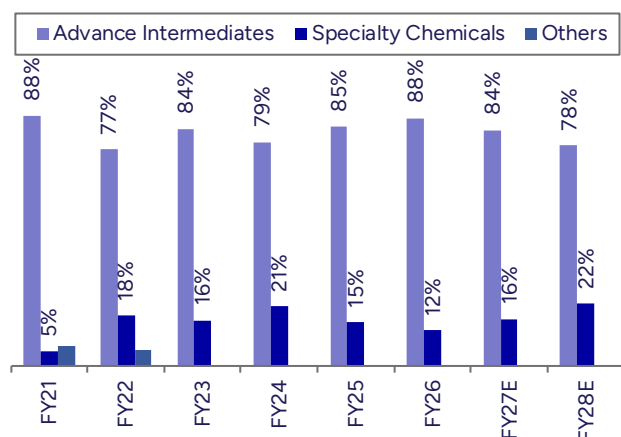
**Innovator business:** Strategically more valuable. Under this segment, the company supplies advanced intermediates and new chemical entity (NCE) molecules to innovator pharmaceutical companies for patented and off-patent products.

**CDMO:** CDMO is the most important segment from a long-term perspective. CDMO business model is highly attractive because pharmaceutical manufacturing processes are deeply integrated with regulatory approvals. Once a supplier is selected and approved for a molecule, switching to another supplier becomes extremely difficult and time-consuming. This leads to long-duration contracts, stronger revenue visibility, higher margins, and lower competitive intensity.

The Advanced Pharma Intermediates segment contributed ~88% of total topline in FY26 and is expected to grow at 18% CAGR over FY26-28E. Growth is likely to be driven by expanding CDMO exposure across NCE molecules, innovator partnerships, and lifecycle management opportunities. Over time, rising CDMO contribution can materially improve the overall business quality and margin profile of the company. (We have covered the company's CDMO opportunities in detail in the next section of the report.)

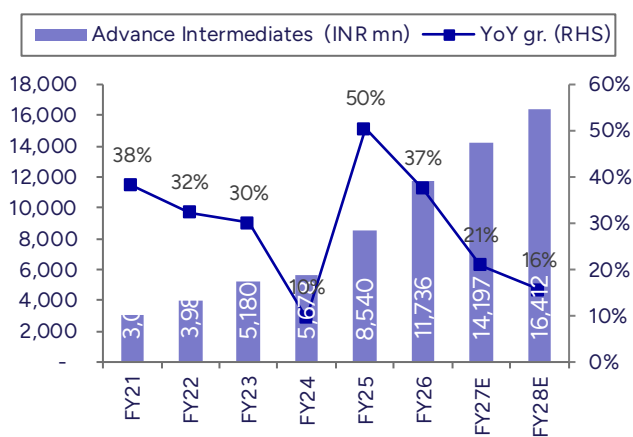
The company has recently concluded the strategic reshuffling of its core Advanced Pharmaceutical Intermediates portfolio.

Exhibit 15: Advanced Pharma Intermediates' share at 88% in FY26



Source: Company, PL

Exhibit 16: Advanced Intermediates to log 18% CAGR in FY26-28E



Source: Company, PL

### Expertise in N-1 to N-12 stages of synthesis

ACUTAAS has built strong chemistry capabilities over the years, especially in complex multi-step synthesis and difficult reaction handling. The company has expertise in chlorination chemistry, impurity control, flow chemistry, and process optimization. It also possesses the capability to supply intermediates across multiple stages of synthesis ranging from N-1 to N-12.

Acutaas has capability to supply intermediates across multiple stages of synthesis ranging from N-1 to N-12

A key differentiator for the company has been its 'first-to-market' approach. The development process usually involves reverse engineering synthesis routes, identifying bottlenecks in existing processes, improving yields, reducing impurity formation, and developing alternate routes of synthesis. The company then files process patents around these improvements and scale up gradually from lab to commercial manufacturing. The company has filed 26 process patents for advanced pharma intermediates, of which 8 have been published and 10 granted as of FY26.

This strategy has helped ACUTAAS establish dominant market positions in select molecules. One of the best examples is trazodone, an antidepressant API, where the company reportedly achieved 70-90% market share in critical intermediates. Chemistry involved in the molecule requires precise chlorination reactions and impurity control, which many competitors struggle to execute consistently at scale.

Similarly, the company has built strong positions in intermediates used for dolutegravir, entacapone, nintedanib, and rivaroxaban APIs.

### Achieves backward integration in 90%+ products

More than 90% of pharmaceutical intermediates are backward integrated with basic chemicals

ACUTAAS sources raw materials from a diversified global supplier base spread across India, China, Europe, Israel and Japan. Pricing and procurement are typically negotiated order by order, rather than through long-term fixed contracts, allowing the company to benefit from market-linked raw material prices.

At the same time, ACUTAAS has gradually developed backward integration capabilities for key raw materials. More than 90% of pharmaceutical intermediates are integrated with basic chemicals, which provides greater control over supply, quality, and cost structure.

### Key growth drivers

One of the biggest growth opportunities for ACUTAAS over the next few years is apixaban. Apixaban, marketed globally as Eliquis, is among the top anti-coagulant drugs in the world with annual sales of ~US\$20bn. The molecule is expected to lose patent protection around CY26, creating a massive generic opportunity globally.

ACUTAAS already supplies key intermediates used in manufacturing APIs and has reportedly built a customer pipeline of 25-30 generic manufacturers for the post-patent opportunity. Another major opportunity is rivaroxaban (Xarelto), a blockbuster anti-coagulant molecule, whose patent has already expired. ACUTAAS plans to supply multiple intermediates for generic manufacturers participating in this opportunity.

Overall, ACUTAAS appears well positioned to evolve into a specialized high-value pharmaceutical manufacturing platform with improving profitability, increasing CDMO contribution, and stronger competitive positioning over the long term.

Exhibit 17: Product Classification

Product (API)	Application	Market share
Trazodone	Key API used in antidepressant drugs	80-90% in FY21. Major manufacturer of atypical antidepressants drug class
Dolutegravir	Antiretroviral drug used with other therapies to treat HIV/AIDS and help prevent HIV infection after potential exposure	Global market share of 70-75% in FY21
Entacapone	Commonly used to treat Parkinson's disease	Key supplier with ~80% share in FY21
Apixaban	Anti-coagulant medication used to treat blood clots and stroke	~50% of total market in FY21
Rivaroxaban	Treatment of deep vein thrombosis and pulmonary embolism	One of India's largest producers
Nintedanib	Treatment of idiopathic pulmonary fibrosis and Covid-19	Originator for key intermediates
Pazopanib	Tyrosine kinase inhibitor, used to treat kidney cancer	86-88% in global market
Quetiapine	Atypical antipsychotic used to treat schizophrenia	Major manufacturer of key intermediates
Aripiprazole	Used in treatment and maintenance therapy of schizophrenia	Major manufacturer of key intermediates
Darolutamide	Anti-androgen medication used in treatment of non-metastatic castration-resistant prostate cancer in men	Major manufacturer of key intermediates
Ziprasidone/ Lurasidone	Antipsychotic, primarily used in schizophrenia treatment	Major manufacturer of key intermediates
Mirtazapine/ Vortioxetine/ Vilozodone	Atypical antidepressant	Major manufacturer of key intermediates

Source: Company, PL

## CDMO – The key growth catalyst

The CDMO business represents ACUTAAS's most important long-term growth driver and operates very differently from the lower margin generics business. Unlike generic pharmaceutical companies, which wait for drugs to lose patent protection before entering the market, CDMO players partner with innovator pharmaceutical companies at an early stage of drug development and support them throughout the product lifecycle from clinical trials to commercial launch.

Under this model, ACUTAAS manufactures complex patented intermediates for global innovator pharmaceutical companies under long-term supply contracts. A major advantage of the CDMO business lies in the regulatory process lock-in. Once a manufacturing process is incorporated into a customer's drug master file and approved by regulators such as the US FDA or the European Medicines Agency, switching suppliers becomes operationally difficult, costly, and risky for the innovator company. This creates sticky client relationships, long-term revenue visibility, and high entry barriers for competitors.

The CDMO business is initially investment intensive, as companies must build chemistry capabilities, regulatory infrastructure, and manufacturing processes well before commercial revenue begins. Early stage projects may not contribute meaningfully to profitability. However, once a drug achieves commercial success, the business benefits from long-term contracts, high margins, stable demand, and limited competition owing to significant technological, regulatory, and execution related barriers.

### Contract with Fermion Oy a major contributor to CDMO revenue

*ACUTAAS signed a 10-year supply agreement with Fermion Oy for 5 key intermediates*

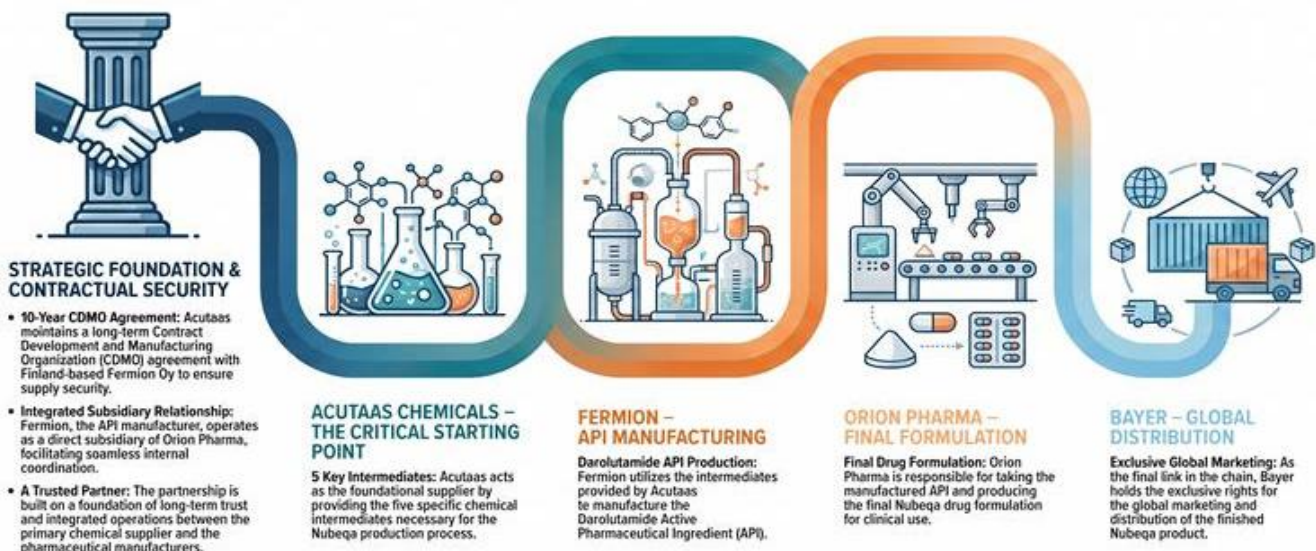
In CY22, ACUTAAS signed a 10-year supply agreement with Fermion Oy for key intermediates used in the manufacturing of darolutamide (brand name Nubeqa). Darolutamide is an innovative androgen receptor inhibitor used in the treatment of prostate cancer. Fermion Oy, a subsidiary of Orion Corporation, manufactures the API for darolutamide, while Orion produces the final formulation and Bayer manages global marketing and distribution.

*Management has guided CDMO revenue target of ~INR10bn by FY28E*

This contract contributes to majority of ACUTAAS' CDMO revenue and is expected to remain the company's key growth driver through FY28E and beyond. The management expects CDMO revenue to reach ~INR10bn by FY28E vs Rs568mn in FY24, driven by the rising demand for darolutamide intermediates.

### Exhibit 18: Nubeqa to drive CDMO growth

## Acutaas: The Foundation of the Nubeqa Global Supply Chain



The opportunity is strategically important for ACUTAAS because:

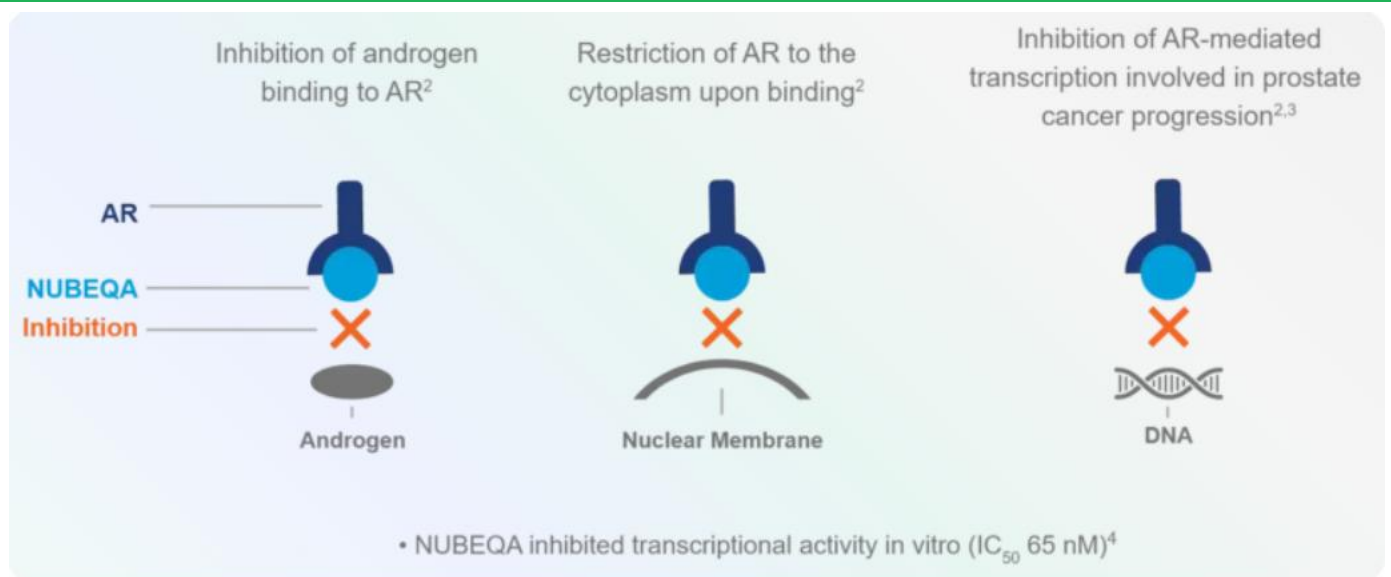
- Darolutamide is a structurally complex oncology molecule with high chemistry barriers
- The product is still in its high-growth commercialization phase
- Patent protection provides multi-year visibility
- Expanding indications continue to enlarge the addressable market

### What is darolutamide?

Darolutamide, sold under the brand name Nubeqa, is an androgen receptor inhibitor. Darolutamide works by blocking androgen receptors on cancer cells, thereby preventing these hormones from activating cancer growth pathways.

The drug also forms an active metabolite, keto-darolutamide, which further contributes to its anti-cancer activity. Importantly, darolutamide has relatively low penetration into the blood-brain barrier compared with certain competing therapies, resulting in fewer side effects such as fatigue, dizziness, and cognitive impairment.

### Exhibit 19: Nubeqa treatment procedure



Source: Industry, PL

### Which types of prostate cancer can be treated using darolutamide?

Darolutamide has been approved by the US FDA to treat several prostate cancer types, including:

- Non-metastatic castration-resistant prostate cancer (nmCRPC): Cancer that has not yet spread to other parts of the body, but continues to grow despite low testosterone levels
- Metastatic hormone-sensitive prostate cancer (mHSPC): two applications- one with docetaxel & ADT while other with ADT but without docetaxel

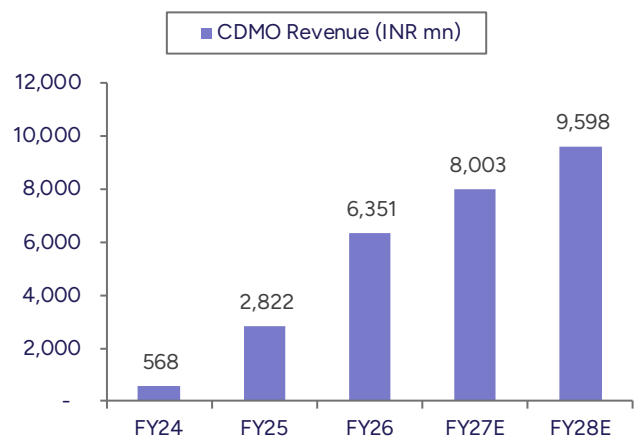
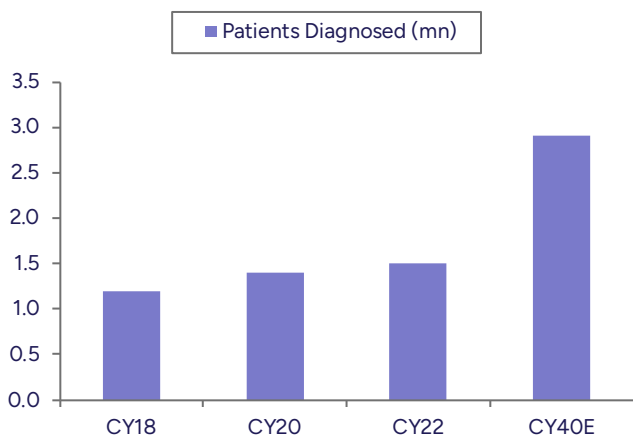
**Darolutamide label expansion driving volume for ACUTAAS**

The drug’s expanding label has significantly increased its commercial opportunity over the last few years. Darolutamide is among the fastest growing prostate cancer therapies globally, and its commercial story is still unfolding. The initial approval in CY19 was limited to the relatively niche nmCRPC setting. Since then, the drug has expanded into much larger metastatic prostate cancer population, materially increasing its addressable market. Darolutamide is approved in ~90 countries globally.

Each new indication directly increases the patient pool eligible for treatment, which in turn drives higher API and intermediate demand across the supply chain, benefiting ACUTAAS through rising volume under its Fermion contract. Total global incidence rate for prostate cancer stood at 1.5mn in CY22 and is expected to reach 2.9mn by CY40E, increasing at 4% CAGR. The growth trajectory is already visible in the sharp increase in both Nubeqa sales and ACUTAAS’ Advanced Pharma Intermediates segment revenue.

**Exhibit 20: Prostate cancer patient nos. to rise 4% CAGR until CY40E**

**Exhibit 21: CDMO revenue on an uptrend**



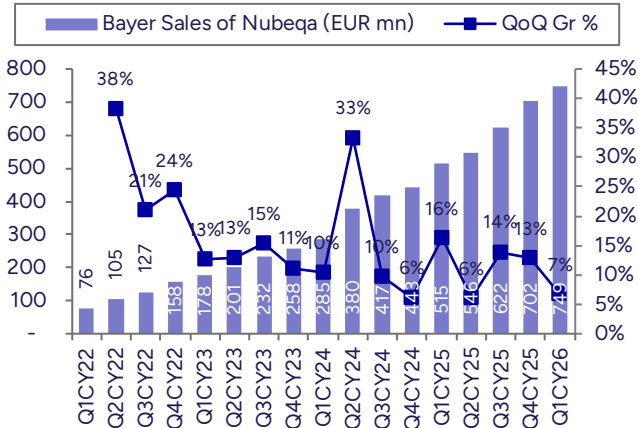
Source: Company, PL

Source: Company, PL

Bayer initially guided for peak annual global sales potential of more than EUR1bn for Nubeqa. However, following strong clinical data and broader commercial opportunities, the company upgraded the guidance to above EUR3bn annually. Moving into 2026, Bayer expects Nubeqa to deliver approximately 50% sales growth.

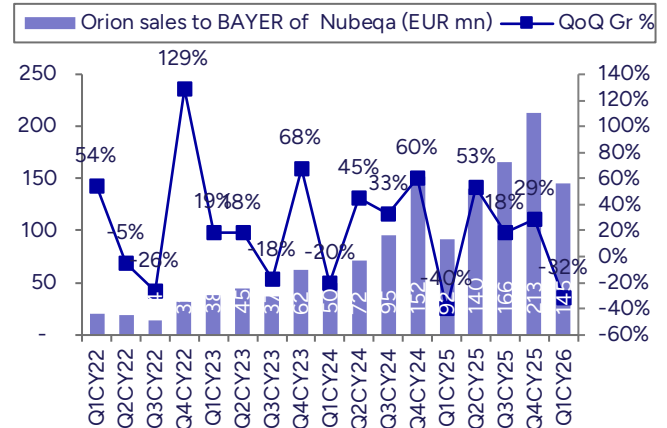
In Jan’26, Orion stated that Nubeqa had become its largest product by far and indicated that annual Nubeqa-related revenue, including tablet sales to Bayer and royalty income, has the potential to exceed EUR1bn over time. Orion also highlighted that Nubeqa sales are expected to continue growing strongly through CY26 and beyond. Several external analysts’ estimates suggest peak annual sales potential of up to ~US\$5.5bn, supported by continued penetration in metastatic disease settings and longer treatment durations.

Exhibit 22: Nubeqa sales by Bayer rising



Source: Industry, PL

Exhibit 23: Nubeqa becomes largest product for Orion



Source: Industry, PL

**Expanding clinical footprint across prostate cancer stages**

The strong long-term growth outlook for Nubeqa can be attributed to its rapidly expanding clinical footprint across nearly all stages of prostate cancer.

Following the success of ARAMIS and ARASENS clinical trials, Orion and Bayer are actively pursuing additional label expansions through multiple ongoing Phase III trials:

- ARASTEP: Evaluating the efficacy of darolutamide in biochemical recurrence settings
- DASL-HiCaP: Evaluating the effectiveness of darolutamide in earlier-stage/adjuvant prostate cancer

This strategy aims to move darolutamide beyond advanced metastatic disease into early stages of treatment where patient volume is significantly larger, and treatment duration longer. As prostate cancer treatment increasingly shifts toward earlier intervention and combination therapy approaches, Nubeqa is well positioned to become a standard of care therapy across multiple stages of disease progression. This is expected to drive sustained long-term sales growth for Orion and Bayer while increasing intermediate demand for suppliers such as ACUTAAS.

*Nubeqa is well positioned to become a standard of care therapy across multiple stages of disease progression*

Given the long patent runway, high chemistry complexity, regulatory stickiness, and expanding addressable market, the Fermion contract has the potential to remain a major earnings driver for ACUTAAS over the medium to long term.

Exhibit 24: Nubeqa patent valid in most countries until CY35

Country	Patient Expiry
Germany	2035
France	2035
Italy	2035
Spain	2035
Switzerland	2035
UK	2029
Japan	2033
Brazil	2033
USA	2033

Source: Industry, PL

Exhibit 25: Darolutamide Phase III trials cover almost all prostate cancer stages

## Darolutamide phase 3 trials covering almost all prostate cancer stages



Patient progression in prostate cancer				
(Neo-)Adjuvant early-stage	Non-metastatic mid-stage		Metastatic late-stage	
	BCR	nmCRPC	mHSPC	mCRPC
<b>DASL-HiCaP</b> darolutamide + LHRHA + external beam radiation	<b>ARASTEP</b> darolutamide + ADT	<b>ARAMIS</b> darolutamide + ADT	<b>ARASENS</b> darolutamide + ADT + docetaxel	
PHASE III (2028e <sup>1</sup> )	PHASE III (2027e <sup>1</sup> )	APPROVED	APPROVED	
			<b>ARANOTE</b> darolutamide + ADT	
			REGISTRATION	

<sup>1</sup> Estimated primary completion  
 BCR=biochemical recurrence after curative radiotherapy, nmCRPC=non-metastatic, castration-resistant prostate cancer, mHSPC=metastatic hormone sensitive prostate cancer, mCRPC=metastatic castration-resistant prostate cancer, ADT=androgen deprivation therapy, LHRHA=luteinising hormone releasing hormone analogue

Source: Industry, PL

Four new CDMO molecules are expected to started contributing from H2FY27

Apart from darolutamide, ACUTAAS has highlighted a growing pipeline of CDMO opportunities, with multiple customer programs progressing through development, validation and qualification stages. Several projects have already advanced to validation-scale supplies. For the non-darolutamide CDMO portfolio, the management has guided for 4 key projects that are expected to start contributing from H2FY27; revenue potential from each of these products is expected at INR500-1,000mn at peak. These projects are expected to provide meaningful incremental revenue streams and diversify the CDMO business beyond its anchor contract.

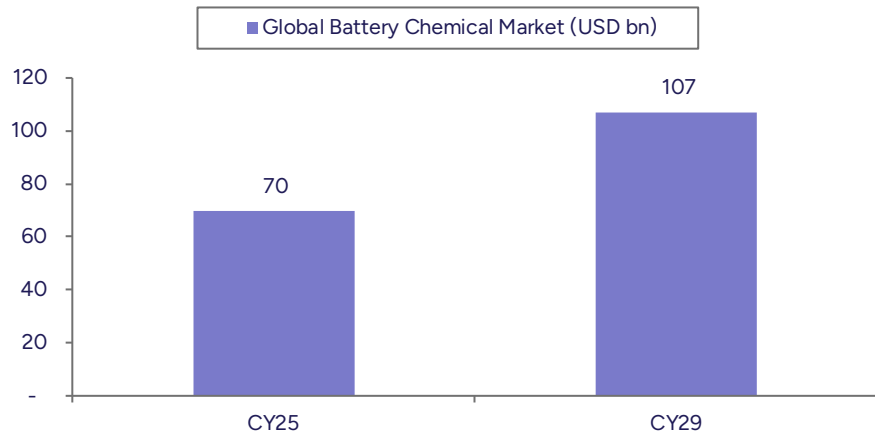
### Battery chemicals – A new growth avenue

The company's journey in battery chemicals began in CY22 with laboratory-scale R&D, reflecting its strategy of leveraging its expertise in complex chemistry to participate in emerging high-growth sectors.

To drive this initiative, the company established Ami Organics Electrolytes. The wholly owned subsidiary is engaged in the development of critical electrolyte additives and allied chemicals used in lithium-ion batteries, which are key components of EVs, energy storage systems, and consumer electronics. ACUTAAS is the first global manufacturer outside China to develop certain electrolyte additives for lithium-ion batteries.

The opportunity size remains significant. Global battery chemicals market stood at an estimated ~US\$70bn in CY25 and is expected to grow to ~US\$107bn by CY29, supported by rising EV penetration and rapidly expanding energy storage deployments globally.

**Exhibit 26: Global battery chemicals market to grow at 11% CAGR until CY29E**



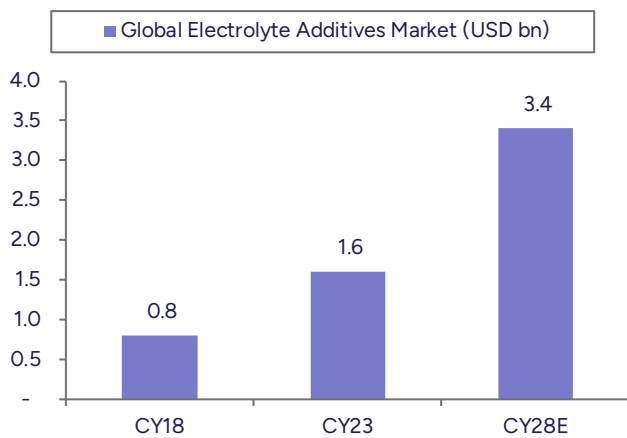
Source: Company, PL

Global electrolyte additives and electrolyte solutions markets are expected to grow at ~16% and 13% CAGR, respectively, between CY23 and CY28, providing a favorable demand backdrop for the company's expansion plans.

Since entering the battery chemicals segment, the company has made notable progress:

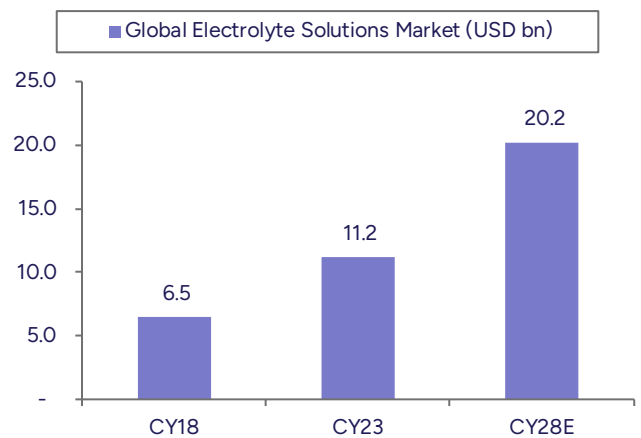
- Successfully developed 9 complex electrolyte additive molecules
- Received customer approvals for multiple additives
- Signed a strategic CDMO MoU with a global manufacturer for battery cell electrolytes and allied materials
- Established commercial scale manufacturing infrastructure for electrolyte additives

**Exhibit 27: Global electrolyte additives to log 16% CAGR in CY23-28E**



Source: Company, PL

**Exhibit 28: Global electrolyte solutions market to log 13% CAGR**



Source: Company, PL

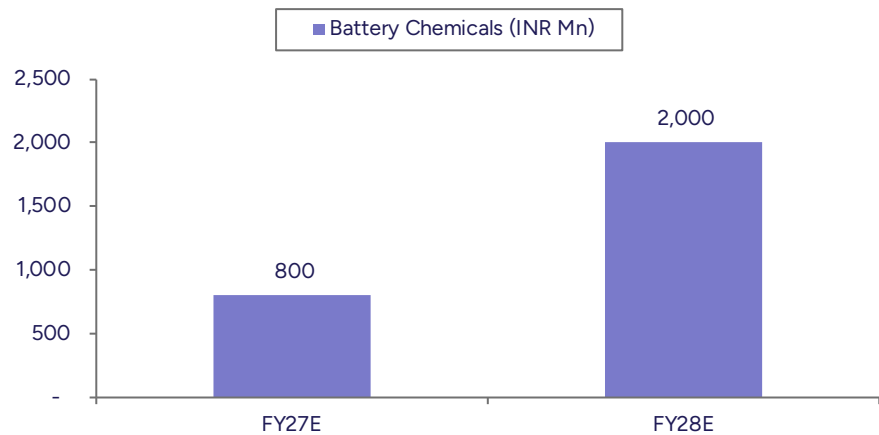
**Strong product pipeline and expanding manufacturing capabilities**

In Jan’ 26, ACUTAAS inaugurated Phase I of a dedicated battery chemicals manufacturing block at its existing Unit III facility in Jhagadia. Phase II of the project involves a capex of ~INR1.77bn and includes installed capacities of 2,000mtpa each for vinylene carbonate (VC) and fluoroethylene carbonate (FEC), 2 widely used electrolyte additives in lithium-ion batteries. The management has indicated that the initial capacities are fully supported by customer orders.

Phase II of the project is currently under implementation and is expected to be completed by the end of Q1FY27. This phase includes capacity addition for a third electrolyte additive, while a fourth product remains under business development. The company expects 4 products within the battery chemicals portfolio to be commercialized by FY27.

The management has guided for a peak revenue potential of ~INR3.8bn from Phase I. We estimate segment revenue of ~INR800mn in FY27, with gradual utilization ramp-up and full-scale commercialization by H2FY28. Margins are expected to be in the range of 15%, below the company’s overall margins. Realization from these products is expected to be in the range of US\$8-9/kg.

**Exhibit 29: Battery chemicals to generate revenue of ~INR2bn in FY28E**


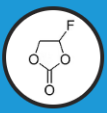




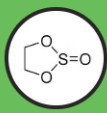
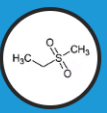
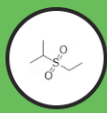


Source: Company, PL

*ACUTAAS has developed a portfolio of 9 electrolyte additive molecules*

Including VC and FEC, ACUTAAS has developed a portfolio of 9 electrolyte additive molecules. In addition, 3 molecules are currently under development and are progressing through pilot-scale and R&D stages.

Exhibit 30: 9 molecules commercialized in battery chemicals segment

 <p><b>Vinylene Carbonate</b>            CAS NO.: 872-36-6            *Commercially Available</p>	 <p><b>Fluoroethylene Carbonate</b>            CAS NO.: 114435-02-8            *Commercially Available</p>	 <p><b>Succinonitrile</b>            CAS NO.: 110-61-2            *Commercially Available</p>
 <p><b>1,3-Propane-Sultone</b>            CAS NO.: 1120-71-4            *Commercially Available</p>	 <p><b>1-Propene 1,3-Sultone</b>            CAS NO.: 21806-61-1            *Commercially Available</p>	 <p><b>Ethylene Sulfate</b>            CAS NO.: 1072-53-3            *Commercially Available</p>
 <p><b>Ethylene Sulfite</b>            CAS NO.: 3741-38-6            *Commercially Available</p>	 <p><b>Ethyl Methyl Sulfone</b>            CAS NO.: 594-43-4            *Commercially Available</p>	 <p><b>2-(ethylsulfonyl)propane</b>            CAS NO.: 4853-75-2            *Commercially Available</p>

Source: Company, PL

Exhibit 31: 3 products in pipeline in battery chemicals segment

<p><b>Dimethyl Carbonate</b> – Currently in Pilot stage            CAS No.: 210-478-4</p>	<p><b>Ethylene Carbonate</b> – Currently in Pilot stage            CAS No.: 96-49-1</p>	<p><b>Propylene Carbonate</b> – Currently in R&amp;D stage            CAS No.: 108-32-7</p>
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Source: Company, PL

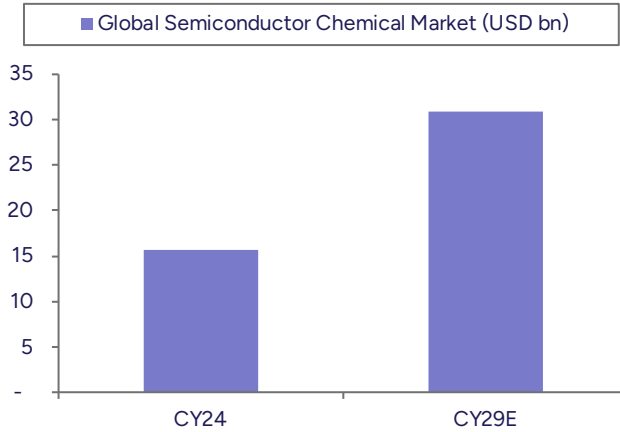
### Foray into high-entry-barrier semiconductor chemicals market

Acquisition of 55% stake in BFC in FY24 marked ACUTAAS' entry into semiconductor chemicals, a highly specialized, high-entry-barrier industry characterized by stringent qualification requirements, long customer approval cycles, and limited competition. This also aligns with its broader strategy of expanding beyond pharmaceutical intermediates into advanced specialty chemicals. Further, BFC's expertise in ultra-high-purity chemical synthesis, provides ACUTAAS with an established technology platform. The acquisition was completed for consideration of INR682mn, based on a valuation of 4x FY23 adjusted EBITDA.

Global semiconductor industry was valued at US\$628bn in CY24. Within this ecosystem, global semiconductor chemicals market stood at US\$16bn and is expected to reach US\$31bn by CY29, implying CAGR of ~15%.

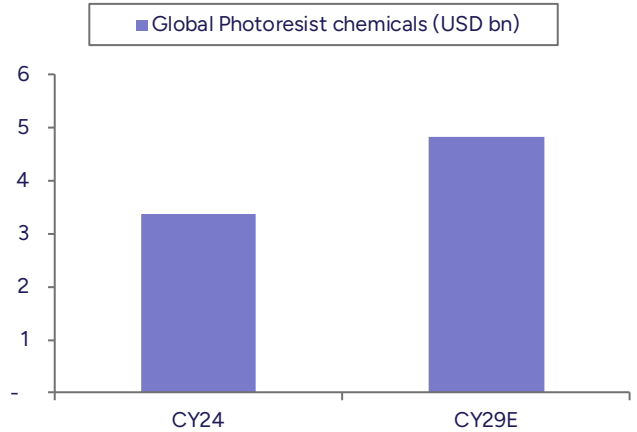
BFC primarily operates in the photoresist chemicals segment, critical for the photolithography process in chip fabrication. Global photoresist chemicals market was valued at US\$3bn in CY24 and is projected to grow to US\$5bn by CY29, representing CAGR of ~7%. As semiconductor manufacturing capacities expand globally and demand for advanced fabrication materials increases, the photoresist chemicals segment presents a sizable growth opportunity for BFC.

Exhibit 32: Global semiconductor chemicals market to log 15% CAGR



Source: Company, PL

Exhibit 33: Global photoresist chemicals market to log 7% CAGR



Source: Company, PL

*BFC is the only manufacturer in India that produces certain photoresist-related semiconductor chemicals*

### BFC: A specialized technology platform

BFC is a small-scale partnership firm engaged in the manufacturing of custom specialty chemicals for the semiconductor industry. The company specializes in ultra-high-purity chemicals, with purity levels reaching parts-per-billion (ppb) standards, a critical requirement for semiconductor fabrication processes where even trace impurities can impact chip performance and yields.

BFC was originally established as a backward integration supplier for Daychem Laboratories, a US-based specialty chemicals company. The business was co-founded by Rakesh Gupta, who was also a co-founder of Daychem. Following more than 20 years of successful operations, Daychem was subsequently divested to Heraeus, a leading global specialty materials company.

Prior to its acquisition by ACUTAAS, BFC largely operated as a single-customer supplier, with Heraeus Epurio serving as its primary customer.

BFC's capabilities are built around:

- Photoresist chemicals used in semiconductor fabrication
- Specialty materials for photolithography applications
- Ultra-high-purity semiconductor intermediates

BFC is the only manufacturer in India that produces certain photoresist-related semiconductor chemicals.

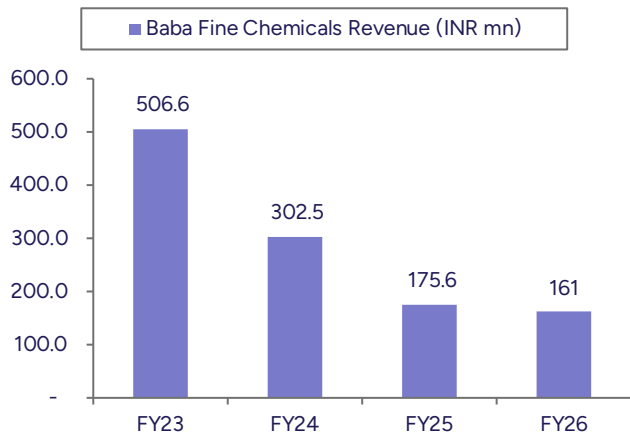
### Manufacturing infrastructure

BFC operates a specialty chemical manufacturing facility in Greater Noida on ~999sqm site.

Historically, the facility operated at a capacity of ~50kg per day. Capacity was subsequently expanded to ~500kg per day in FY23, providing a significantly larger platform for future growth.

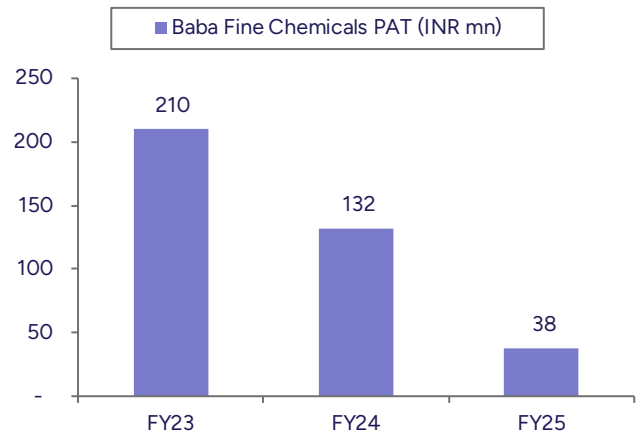
At the time of acquisition, BFC generated ~INR506mn of revenue in FY23; however, the segment operated at exceptionally high EBITDA margin of 65–70%, reflecting the niche nature of its product portfolio and limited competitive intensity.

Exhibit 34: BFC revenue expected to increase going forward



Source: Company, PL

Exhibit 35: BFC operates at healthy margins



Source: Company, PL

However, revenue declined during FY24, FY25 and FY26 due to:

- Supply disruptions
- Weaknesses in the global semiconductor cycle
- Reduced demand from its sole customer and post-acquisition integration

Despite the projected near-term slowdown, the management continues to view the business as fundamentally attractive given its differentiated technology capabilities and exposure to long-term semiconductor industry growth. Also, the business saw some improvement in demand during Q4FY26, indicating early signs of recovery.

### Expanding beyond the single customer model

One of ACUTAAS' primary objectives following the acquisition has been diversification of the customer base.

Historically, BFC's dependence on a single customer constrained growth, despite its technological strengths. Since the acquisition, the company has actively pursued opportunities with leading semiconductor materials buyers across Asia.

The management has highlighted ongoing engagement with prospective customers in Japan, South Korea and Taiwan. These markets represent some of the world's largest semiconductor manufacturing ecosystems and are key targets for customer acquisition and qualification. The strategy is to leverage BFC's technical expertise while utilizing ACUTAAS' broader commercial and operational capabilities to expand market reach globally.

### Indichem JV: Seizing the semiconductor opportunity

In line with its strategy of expanding beyond niche custom manufacturing, ACUTAAS has established a JV with South Korea-based J& Materials- Indichem Inc through its wholly owned subsidiary, Acutaas Advance Materials Ltd.

Under the arrangement, ACUTAAS has 75% controlling stake in Indichem, making it a step-down subsidiary of the company, while the Korean partner gets the remaining 25% stake. The partner brings over 3 decades of experience in semiconductor industry and contributes both market access and technical expertise. The JV will focus on manufacturing high purity chemicals that go into photoresist chemicals in South Korea, a critical semiconductor manufacturing hub and home to several global semiconductor leaders.

Project capex is expected at ~INR2bn. The plant is likely to be commissioned by Dec'26, with the management indicating strong visibility on prospective customers. R&D samples are being sent to potential customers through R&D lab.

The project is expected to operate at 1x asset turnover and is likely to begin generating revenue following commissioning. Initial customer discussions are already underway across South Korea, Japan and Taiwan. The facility is expected to ramp up over next 2.5-3 years.

The strategic rationale behind the JV is to establish a manufacturing base closer to key semiconductor customers while participating in the rapidly growing semiconductor chemicals market. The Indichem platform complements BFC's technology capabilities by adding manufacturing scale and direct access to major semiconductor ecosystems.

### **A strategic pivot into specialty chemicals**

ACUTAAS' entry into specialty chemicals was a strategic extension of its core chemistry capabilities. In Mar'21, just ahead of its IPO, the company acquired the Ankleshwar and Jhagadia specialty chemical units of Gujarat Organics Ltd, for a combined consideration of ~INR930mn. The acquisition added ~3,360mtpa of installed capacity, increasing ACUTAAS' total capacity to ~6,060mtpa from FY22.

This acquisition enabled the company to diversify beyond advanced pharmaceutical intermediates into chemical applications across cosmetics, fine chemicals and agrochemicals.

The acquisition also brought unexpected benefits. Gujarat Organics was a distressed seller, struggling with working capital issues and unable to invest in compliance upgrades. For it, the facilities were liabilities. While for ACUTAAS, with its strong balance sheet and operational expertise, they were opportunities.

### **Why the acquisition is strategic**

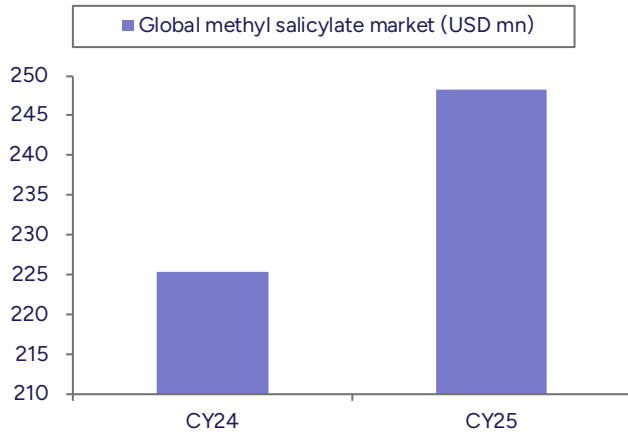
The acquisition gave ACUTAAS immediate access to commercialized specialty chemical products, established customer relationships, and existing manufacturing infrastructure at a fraction of replacement cost. Instead of building greenfield facilities, the company acquired operational assets with expansion potential and backward integration opportunities.

The acquired business expanded the company's Specialty Chemicals portfolio, including:

- Parabens and preservative formulations used in cosmetics and pharmaceuticals
- Methyl salicylate used in topical analgesics, flavors and fragrances
- Niche key starting materials (KSMs) for cosmetics, agrochemicals and fine chemicals

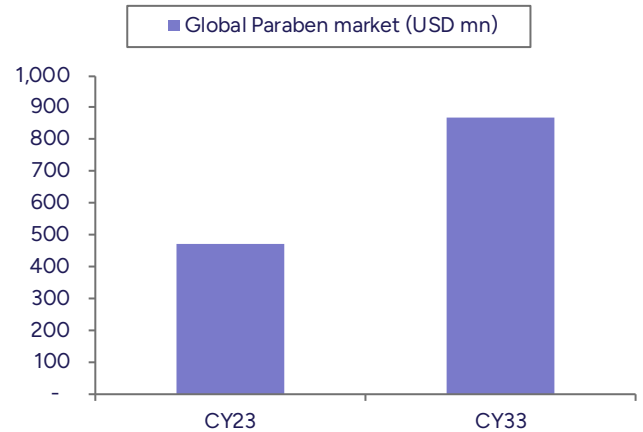
Global methyl salicylate market grew from US\$225mn in CY24 to US\$248mn in CY25, at 10.2%. Growth was driven by rising demand from the pharmaceuticals industry, where methyl salicylate is a key ingredient in topical pain-relief formulations used to treat arthritis, joint pain, and muscle aches. Local analgesic products for both human and veterinary applications typically contain 12–20% methyl salicylate, highlighting its role in pain management therapies. In addition, demand is being supported by its expanding use in the food and beverage industry as a flavoring and fragrance agent, particularly in products such as chewing gum, candies and mints.

Exhibit 36: Global methyl salicylate market grows ~10% in CY24-25



Source: Company, PLs

Exhibit 37: Global paraben market logs 6.7% CAGR from CY23-33



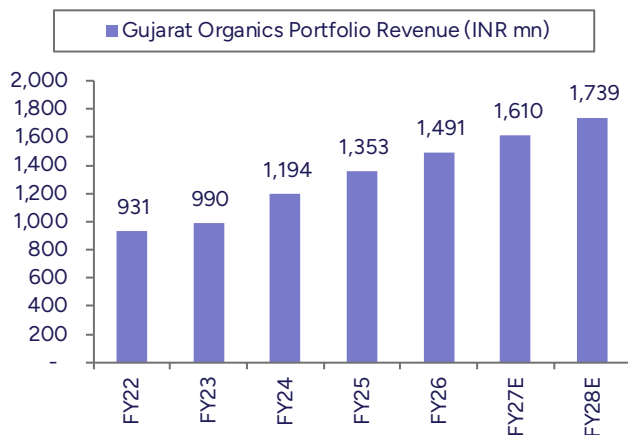
Source: Company, PL

Global paraben market expanded from US\$469mn in CY23 to US\$870mn in CY33, driven by the increasing demand for effective and cost-efficient preservation solutions across multiple industries. Parabens are widely used in cosmetics and personal care products due to their ability to inhibit microbial growth and enhance product shelf life, making this segment a key demand driver.

Their application is also gaining traction in the food and beverage industry, particularly in processed foods such as sauces, dressings, and other convenience products, where preservation and food safety are critical. The food and beverage segment accounts for the largest share of the market at 48.2%, highlighting the growing importance of shelf-life extension in packaged foods.

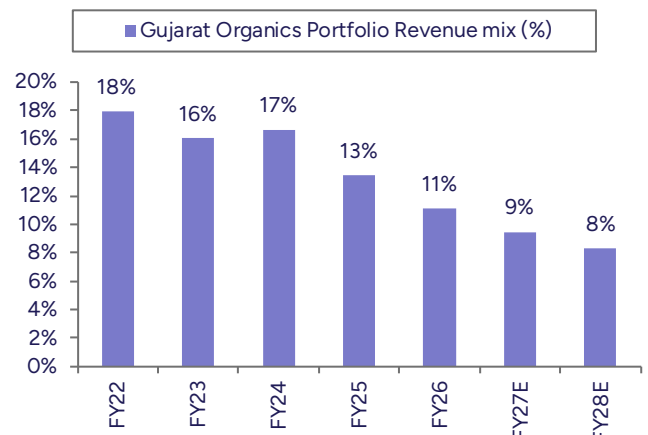
However, the company's focus remains largely on semiconductors and battery chemicals, as these are high-value products. The portfolio acquired through Gujarat Organics largely consists of commodity products with lower margins. The share of this segment is expected to decline to 8% in FY28E from 18% in FY22, as contribution from battery chemicals and semiconductor segment is expected to increase.

Exhibit 38: Gujarat Organics portfolio revenue to be INR1.7bn in FY28E



Source: Company, PL

Exhibit 39: Revenue share of Gujarat Organics to decline going forward



Source: Company, PL

### Operational rationalization and future expansion

Following Gujarat Organics acquisition, the management undertook a production rationalization exercise to improve operational efficiency. Specialty chemicals manufacturing at the Ankleshwar facility was consolidated into the Jhagadia site to create a single integrated specialty chemicals hub. This helped improve plant utilization, reduce operational complexity, and enhance economies of scale.

At the same time, the Ankleshwar facility has been redeveloped for expansion of the higher margin pharma intermediates business.

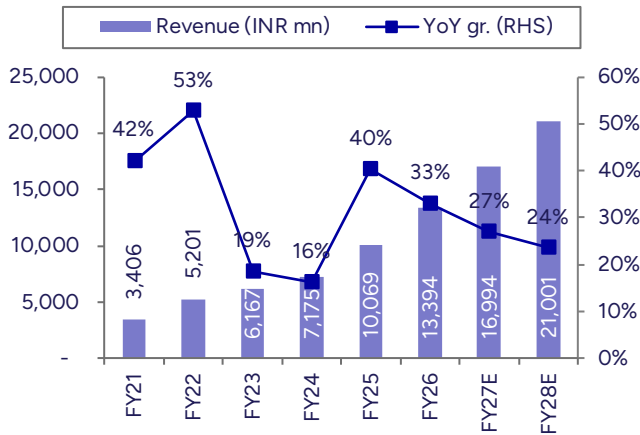
## Financials and Valuation

### Revenue to clock 25% CAGR FY26-28E

We expect ACUTAAS to deliver revenue CAGR of ~25% over FY26–28E, driven by growth across both its Advanced Pharma Intermediates and Specialty Chemicals segments. Within Advanced Pharma Intermediates, the CDMO business is expected to remain the primary growth engine, registering ~23% CAGR even at a higher base, supported by the scale-up of the existing Fermion contract and addition of new customer projects. The non-CDMO Advanced Pharma Intermediates portfolio is expected to grow at ~12% CAGR, aided by increasing demand following the patent expiry of key pharmaceutical molecules.

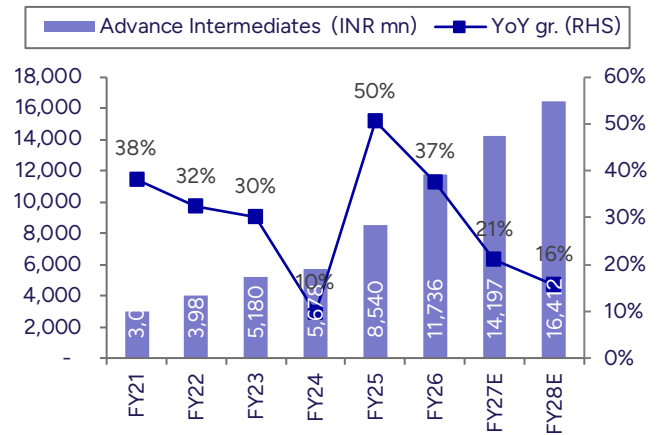
The Specialty Chemicals segment is also expected to witness strong growth, led by the ramp-up of the semiconductor chemicals business, which is projected to grow at ~130% CAGR from a low base, along with the commencement of contributions from the electrolyte additives business. As the share of these emerging businesses in the overall revenue mix increases, ACUTAAS is expected to benefit from enhanced revenue visibility, greater diversification, and sustained topline growth.

Exhibit 40: Revenue to grow at 25% CAGR over FY26-28E



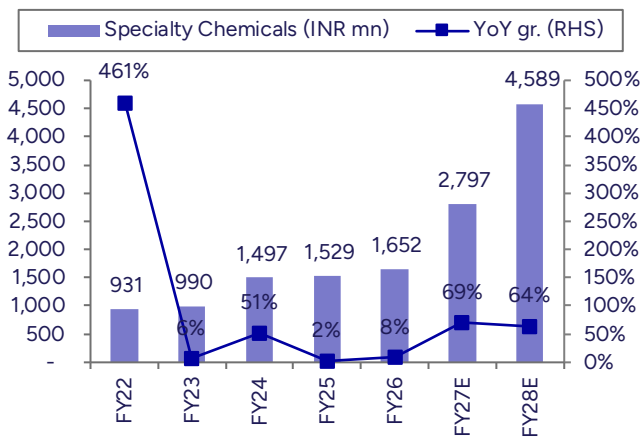
Source: Company, PL

Exhibit 41: Advanced Intermediates to grow at 18% CAGR in FY26-28E



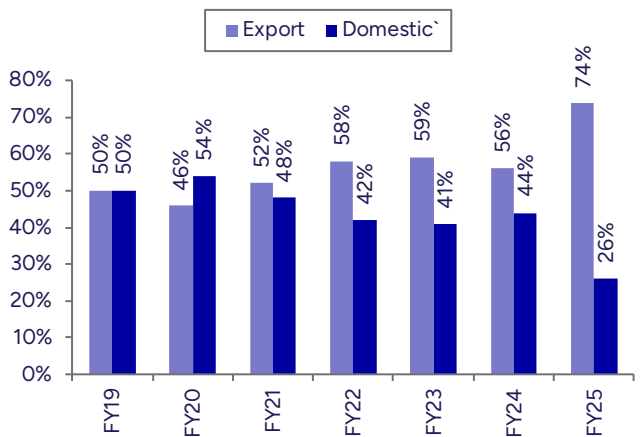
Source: Company, PL

Exhibit 42: Specialty Chemicals to grow at 67% CAGR over FY26-28E



Source: Company, PL

Exhibit 43: Export revenue mix increases to 74% in FY25



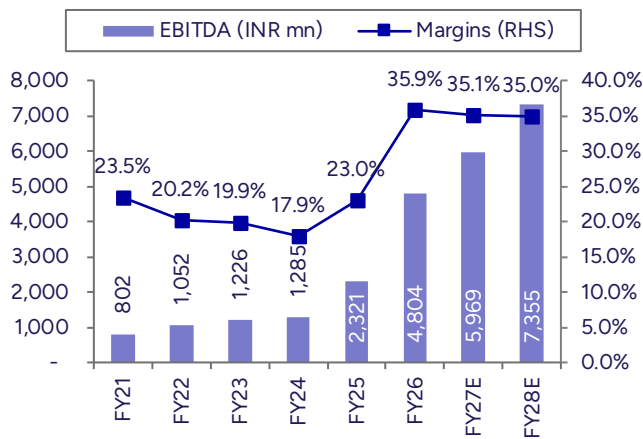
Source: Company, PL

**EBITDAM to remain at 35% in FY28E**

EBITDA margin expanded significantly from 17.9% in FY24 to 35.9% in FY26, driven by a favorable product mix, operating leverage, decline in power cost and increasing contribution from higher margin businesses. EBITDA margin of the Advanced Pharma Intermediates segment expanded from 22% in FY23 to 38% in FY26, supported by CDMO revenue.

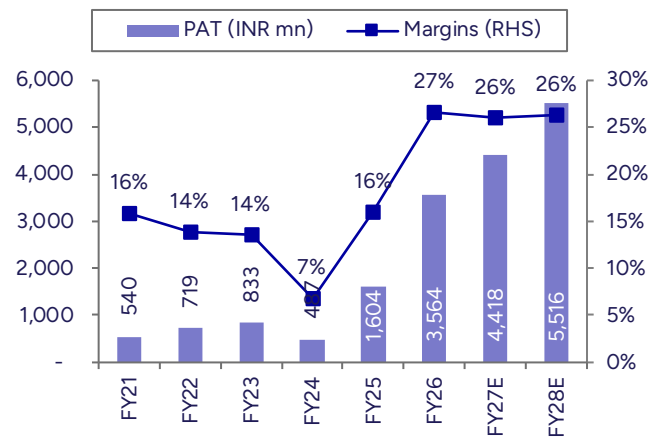
The Specialty Chemicals segment also reported strong improvement in profitability, with margins increasing from 10% in FY23 to 21% in FY26, aided by a richer product mix and operational efficiencies. Going forward, we expect EBITDA margin to remain broadly stable at ~35% in FY28E, as benefits from the company's product portfolio upgradation and improving business mix are likely to be offset by near-term cost pressures associated with scaling new businesses. Overall, we expect EBITDA to grow at ~24% CAGR over FY26–28E, to reach ~INR 7.4bn.

**Exhibit 44: EBITDAM to remain at 35% in FY28E**



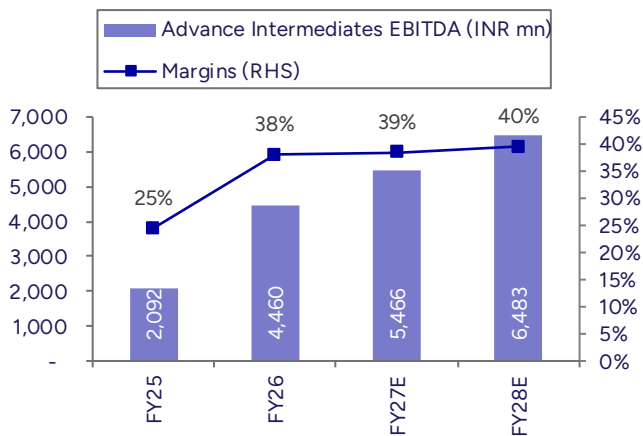
Source: Company, PL

**Exhibit 45: PAT to grow at 24% CAGR over FY26-28E**



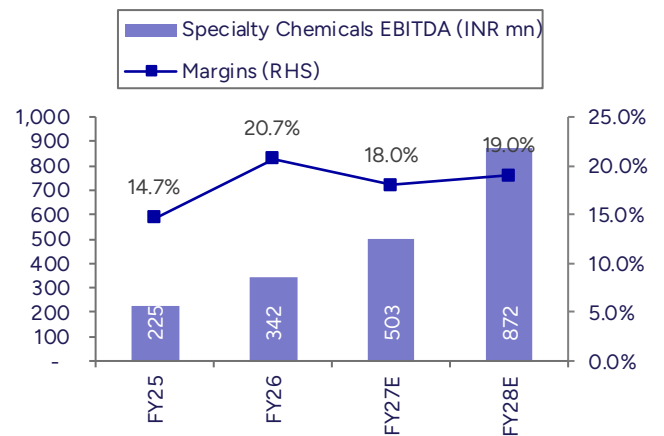
Source: Company, PL

**Exhibit 46: Advanced Intermediates EBITDAM to reach 40% in FY28E**



Source: Company, PL

**Exhibit 47: Specialty Chemicals EBITDAM to be at 19% in FY28E**



Source: Company, PL

## Valuation

At the CMP, ACUTAAS is trading at 52x FY28E EPS and 38x FY28E EV/EBITDA. While the stock trades at a premium to peers, we believe the valuation is justified by its strong earnings growth outlook and improving business mix.

Growth is expected to be driven by the ramp-up of the Fermion contract, commercialization of newly validated CDMO molecules in H2FY27, and a healthy pipeline of niche opportunities, providing strong revenue visibility. Additionally, increasing contribution from the semiconductor segment and the commencement of battery chemicals revenue are expected to diversify and strengthen the company's growth profile.

We expect ACUTAAS to deliver revenue/EBITDA/PAT CAGR of ~25%/~24%/~24% over FY26–28E, driven by robust CDMO growth, expansion in advanced intermediates, and improving profitability. Supported by a strong balance sheet and healthy cash generation, we initiate coverage on ACUTAAS with 'Accumulate' rating and TP of INR3,773, based on 56x FY28E EPS.

### Exhibit 48: Peer Analysis

Company	Revenue (INR Mn)				EBITDA (INR Mn)				PAT (INR Mn)				CAGR 2026-28E (%)		
	2025	2026	2027E	2028E	2025	2026	2027E	2028E	2025	2026	2027E	2028E	Revenue	EBITDA	PAT
Acutaas Chemicals	10,069	13,394	16,994	21,001	2,321	4,804	5,969	7,355	1,604	3,564	4,418	5,516	25%	24%	24%
Aarti Industries	72,713	83,689	95,593	1,08,255	10,005	11,584	14,387	17,267	3,309	3,988	5,296	7,351	14%	22%	36%
Hikal	18,435	17,437	19,066	21,706	3,284	2,391	3,208	3,779	908	203	731	1,113	12%	26%	134%
Vinati Organics	22,359	22,064	26,146	30,296	5,809	6,457	7,160	8,327	4,053	4,517	4,830	5,691	17%	14%	12%
Neuland Laboratories	14,344	17,619	22,917	27,311	3,233	4,224	6,453	8,660	2,601	2,573	4,209	5,806	25%	43%	50%
Atul	55,834	62,637	70,605	77,301	9,130	11,022	12,642	13,758	4,839	6,558	7,544	8,898	11%	12%	16%
Navin Fluorine International	23,494	32,468	40,469	48,783	5,337	10,195	12,713	15,059	2,886	6,173	8,003	9,627	23%	22%	25%

Company	CMP (Rs)	Mcap (INR bn)	P/E			5-Year Average P/E	EV/EBITDA			5-Year Average EV/EBITDA	ROE			
			2026	2027E	2028E		2026	2027E	2028E		2025	2026	2027E	2028E
Acutaas Chemicals	3,541	290	81	65	52	60	47	38	36	16	24	24	23	
Aarti Industries	457	166	41	32	23	18	15	12	21	6	7	8	11	
Hikal	215	27	134	36	24	14	10	9	15	7	2	6	8	
Vinati Organics	1,327	138	30	28	24	21	19	16	32	15	15	14	15	
Neuland Laboratories	18,088	232	91	55	40	55	36	27	22	19	16	20	23	
Atul	6,609	195	29	26	22	16	14	13	24	9	11	12	12	
Navin Fluorine International	7487	384	62	48	40	38	30	25	42	12	19	19	19	

Source: Company, PL

## Key risks

- **Geopolitical risk:** Geopolitical tensions, including disruptions in global supply chains, may adversely affect ACUTAAS' operations.
- **Customer concentration & CDMO risk:** Dependence on a few customers and patented molecules exposes the company to risks from delayed scale-ups, weaker product demand, or contract losses, which can potentially impact revenue growth.
- **Global chemical pricing & competition risk:** Volatility in raw material prices and aggressive pricing by global competitors, particularly China, could pressure margins and profitability in certain product segments.
- **Demand risk:** Fluctuations in market demand for the company's products can affect growth strategies, inventory management, sales performance, and overall profitability.
- **Nubeqa demand risk:** Revenue from the long-term Fermion supply contract is linked to downstream Nubeqa sales. Lower-than-expected Nubeqa demand could reduce intermediate volume and impact pharma segment growth.
- **Forex risk:** The company is exposed to foreign exchange fluctuations since a significant portion of its sales and purchases is conducted in international currencies.

## Appendix

### Management Details

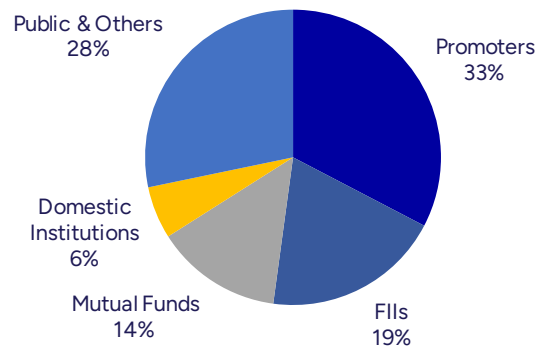
Exhibit 49: Key Managerial Personnel

Management	Designation	Brief Profile
Mr. Naresh Patel	Executive Chairman & Managing Director	Co-founder with 20+ years in chemical engineering & product implementation. Holds B.E. (Chem). Key architect behind pharma intermediates business, global expansion & strategic partnership
Mr. Virendra Mishra	Whole-Time Director	B.Sc., M.Sc. (Chem). Nearly 30 years of experience in specialty chemicals operations, commissioning, and production. Previously with Malladi, Surya Organics, and G.K. Malle.
Mr. Chetan Vaghasia	Whole-Time Director	Co-founder with diploma in man-made textile processing. Handles procurement & administration. Earlier partnered in CNR Intermediates before forming Ami Organics.
Mr. Ram Mohan Lokhande	Whole-Time Director	B.Tech (Chem. Engg., NIT Warangal) with 20+ years in API manufacturing, tech transfer, scale-up & commissioning. Previously with ZCL, Glenmark, Piramal, Reddy's & Macleods.
Mr. Bhavin Shah	Chief Financial Officer	Chartered Accountant with experience in fundraising, taxation, M&A. Previously with Sun Pharma & Deloitte. Joined Acutaas in 2022; leads Finance & Strategy.
MINR. Richa Goyal	Non-Executive Independent Director	Company Secretary and LLB with over 20 years of experience in corporate law, intellectual property rights, GST, trademarks, copyrights, patents, and design laws. Founder of RM Legal and member of INTA and CII, with expertise in legal advisory, compliance, and corporate governance.

Source: Company, PL

Exhibit 50: Shareholding Pattern

#### Shareholding Pattern (%)



Source: Company, PL

## Financials

### Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Net Revenues</b>	10,069	13,394	16,994	21,001
YoY gr. (%)	40.3	33.0	26.9	23.6
Cost of Goods Sold	5,522	5,660	7,307	9,030
Gross Profit	4,547	7,734	9,686	11,971
Margin (%)	45.2	57.7	57.0	57.0
Employee Cost	837	1,176	1,493	1,866
Other Expenses	1,390	1,754	2,224	2,750
<b>EBITDA</b>	<b>2,321</b>	<b>4,804</b>	<b>5,969</b>	<b>7,355</b>
YoY gr. (%)	80.6	107.0	24.3	23.2
Margin (%)	23.0	35.9	35.1	35.0
Depreciation and Amortization	266	360	498	535
<b>EBIT</b>	<b>2,055</b>	<b>4,444</b>	<b>5,472</b>	<b>6,820</b>
Margin (%)	20.4	33.2	32.2	32.5
Net Interest	62	33	28	17
Other Income	169	416	527	651
<b>Profit Before Tax</b>	<b>2,162</b>	<b>4,827</b>	<b>5,970</b>	<b>7,454</b>
Margin (%)	21.5	36.0	35.1	35.5
Total Tax	557	1,264	1,552	1,938
Effective Tax Rate (%)	25.8	26.2	26.0	26.0
<b>Profit After Tax</b>	<b>1,604</b>	<b>3,564</b>	<b>4,418</b>	<b>5,516</b>
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,604</b>	<b>3,564</b>	<b>4,418</b>	<b>5,516</b>
YoY gr. (%)	229.3	122.2	24.0	24.8
Margin (%)	15.9	26.6	26.0	26.3
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,604</b>	<b>3,564</b>	<b>4,418</b>	<b>5,516</b>
YoY gr. (%)	229.3	122.2	24.0	24.8
Margin (%)	15.9	26.6	26.0	26.3
Other Comprehensive Income	(1)	(32)	-	-
Total Comprehensive Income	1,603	3,531	4,418	5,516
<b>Equity Shares O/s (mn)</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>
<b>EPS (INR)</b>	<b>19.6</b>	<b>43.5</b>	<b>54.0</b>	<b>67.4</b>

Source: Company, PL

### Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>5,397</b>	<b>6,956</b>	<b>7,956</b>	<b>8,556</b>
Tangibles	5,397	6,956	7,956	8,556
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>768</b>	<b>1,128</b>	<b>1,625</b>	<b>2,160</b>
Tangibles	768	1,128	1,625	2,160
Intangibles	-	-	-	-
<b>Net Fixed Assets</b>	<b>4,629</b>	<b>5,828</b>	<b>6,330</b>	<b>6,395</b>
Tangibles	4,629	5,828	6,330	6,395
Intangibles	-	-	-	-
Capital Work In Progress	1,386	3,395	1,734	1,401
Goodwill	568	1,043	1,043	1,043
Non-Current Investments	51	84	102	126
Net Deferred Tax Assets	(196)	(287)	(287)	(287)
Other Non-Current Assets	942	676	726	778
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	1,799	2,313	2,933	3,625
Trade Receivables	2,905	3,626	4,376	5,408
Cash & Bank Balance	2,489	2,248	6,352	10,439
Other Current Assets	701	599	680	840
<b>Total Assets</b>	<b>15,493</b>	<b>19,840</b>	<b>24,303</b>	<b>30,083</b>
<b>Equity</b>				
Equity Share Capital	409	409	409	409
Other Equity	12,687	16,126	20,412	25,762
<b>Total Network</b>	<b>13,096</b>	<b>16,536</b>	<b>20,821</b>	<b>26,171</b>
<b>Non-Current Liabilities</b>				
Long Term Borrowings	48	91	80	70
Provisions	25	46	51	63
Other Non Current Liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	82	265	200	100
Trade Payables	1,560	1,539	1,676	2,071
Other Current Liabilities	380	504	616	748
<b>Total Equity &amp; Liabilities</b>	<b>15,493</b>	<b>19,840</b>	<b>24,303</b>	<b>30,083</b>

Source: Company, PL

**Cash Flow (INR mn)**

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	2,162	4,827	5,970	7,454
Add. Depreciation	266	360	498	535
Add. Interest	62	31	28	17
Less Financial Other Income	169	416	527	651
Add. Other	(139)	(249)	-	-
Op. Profit before WC Changes	2,351	4,969	6,496	8,006
Net Changes-WC	(700)	(931)	(1,265)	(1,421)
Direct Tax	(467)	(1,116)	(1,552)	(1,938)
<b>Net Cash from Op. Activities</b>	<b>1,183</b>	<b>2,922</b>	<b>3,679</b>	<b>4,647</b>
Capital Expenditures	(1,946)	(3,280)	(1,000)	(600)
Interest / Dividend Income	108	85	-	-
Others	(401)	535	1,662	332
<b>Net Cash from Inv. Activities</b>	<b>(2,239)</b>	<b>(2,659)</b>	<b>662</b>	<b>(268)</b>
Issue of Share Cap. / Premium	4,994	-	-	-
Debt Changes	(2,085)	183	(76)	(110)
Dividend Paid	(123)	(123)	(133)	(165)
Interest Paid	(62)	(13)	(28)	(17)
Others	(113)	(7)	-	-
<b>Net Cash from Fin. Activities</b>	<b>2,611</b>	<b>41</b>	<b>(237)</b>	<b>(292)</b>
<b>Net Change in Cash</b>	<b>1,555</b>	<b>303</b>	<b>4,104</b>	<b>4,087</b>
Free Cash Flow	(763)	(358)	2,679	4,047

Source: Company, PL

**Quarterly Financials (INR mn)**

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Net Revenues</b>	<b>2,072</b>	<b>3,062</b>	<b>3,932</b>	<b>4,328</b>
YoY gr. (%)	17.3	24.1	43.0	40.3
Raw Material Expenses	969	1,355	1,692	1,644
Gross Profit	1,103	1,707	2,240	2,683
Margin (%)	53.2	55.8	57.0	62.0
<b>EBITDA</b>	<b>509</b>	<b>953</b>	<b>1,507</b>	<b>1,835</b>
YoY gr. (%)	72.5	94.8	119.4	116.0
Margin (%)	24.6	31.1	38.3	42.4
Depreciation / Depletion	81	84	98	96
<b>EBIT</b>	<b>428</b>	<b>869</b>	<b>1,408</b>	<b>1,739</b>
Margin (%)	20.6	28.4	35.8	40.2
Net Interest	6	6	9	12
Other Income	159	98	47	111
<b>Profit before Tax</b>	<b>581</b>	<b>962</b>	<b>1,447</b>	<b>1,838</b>
Margin (%)	28.0	31.4	36.8	42.5
Total Tax	141	243	384	495
Effective Tax Rate (%)	24.2	25.3	26.6	26.9
<b>Profit After Tax</b>	<b>440</b>	<b>719</b>	<b>1,062</b>	<b>1,343</b>
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>440</b>	<b>719</b>	<b>1,062</b>	<b>1,343</b>
YoY gr. (%)	199.6	91.3	131.2	114.1
Margin (%)	21.2	23.5	27.0	31.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>440</b>	<b>719</b>	<b>1,062</b>	<b>1,343</b>
YoY gr. (%)	199.6	91.3	131.2	114.1
Margin (%)	21.2	23.5	27.0	31.0
Other Comprehensive Income	-	(3)	2	(32)
<b>Total Comprehensive Income</b>	<b>440</b>	<b>716</b>	<b>1,065</b>	<b>1,311</b>
Avg. Shares O/s (mn)	82	82	82	82
<b>EPS (INR)</b>	<b>5.4</b>	<b>8.8</b>	<b>13.0</b>	<b>16.4</b>

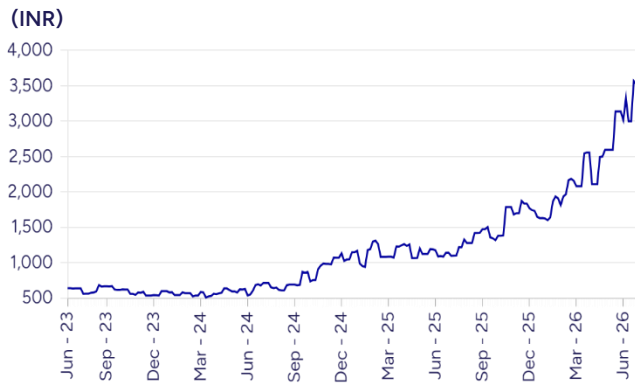
Source: Company, PL

**Key Financial Metrics**

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Per Share (INR)</b>				
EPS	19.6	43.5	54.0	67.4
CEPS	22.8	47.9	60.0	73.9
BVPS	160.0	202.0	254.3	319.7
FCF	(9.3)	(4.4)	32.7	49.4
DPS	1.5	1.5	1.6	2.0
<b>Return Ratio (%)</b>				
RoCE	18.6	29.5	28.8	28.7
ROIC	16.0	25.9	27.6	32.9
RoE	16.2	24.1	23.7	23.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	168	206	205	205
<b>Valuation (x)</b>				
PER	179.9	81.0	65.3	52.3
P/B	22.0	17.4	13.8	11.0
P/CEPS	154.3	73.5	58.7	47.7
EV/EBITDA	123.4	59.8	47.4	37.9
EV/Sales	28.4	21.4	16.6	13.2
Dividend Yield (%)	4.3	4.3	4.6	5.7
FCFE Yield (%)	(0.3)	0.6	2.3	2.4
PEG Ratio	0.7	0.6	2.7	2.1

Source: Company, PL

Price Chart



Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	P.I. Industries	Hold	2944	2901
2	Paradeep Phosphates	Accumulate	133	124
3	PCBL Chemical	HOLD	296	291

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<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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