

November 6, 2025

Q2FY26 Result Update

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	22,482	25,283	28,795	32,019
EBITDA (Rs. m)	5,809	7,160	7,348	8,354
Margin (%)	25.8	28.3	25.5	26.1
PAT (Rs. m)	4,053	4,771	4,889	5,564
EPS (Rs.)	39.1	46.0	47.2	53.7
Gr. (%)	25.4	17.7	2.5	13.8
DPS (Rs.)	8.1	9.8	-	-
Yield (%)	0.5	0.6	-	-
RoE (%)	15.4	15.9	14.4	14.5
RoCE (%)	18.4	20.1	18.0	18.1
EV/Sales (x)	7.7	6.8	5.9	5.3
EV/EBITDA (x)	29.8	24.0	23.3	20.3
PE (x)	42.5	36.1	35.2	31.0
P/BV (x)	6.2	5.4	4.8	4.2

Key Data

VNTI.BO | VO IN

52-W High / Low	Rs.2,040 / Rs.1,413
Sensex / Nifty	83,311 / 25,510
Market Cap	Rs.172bn/ \$ 1,944m
Shares Outstanding	104m
3M Avg. Daily Value	Rs.89.97m

Shareholding Pattern (%)

Promoter's	74.28
Foreign	3.78
Domestic Institution	9.55
Public & Others	12.40
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(1.7)	2.6	(11.4)
Relative	(3.5)	(0.6)	(14.5)

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Lower Input Costs Fuel Margin Expansion

Quick Pointers:

- Phase 1 of ATBS capacity expansion commercialized this month, second phase to come online in April'26.
- Plants of products like 4MAP, TAA, PTAP are expected to be online in Q3FY26

The company reported revenue of Rs5.5bn in Q2FY26, reflecting a modest 1.5% sequential growth, while remaining flat YoY. As per our discussion with management ~15% revenue growth in FY26 is achievable, primarily driven by volume expansion, with EBITDA margins expected to sustain at ~27%. Benefiting from the decline in raw material prices during H1FY26, margins expanded sharply by 590 bps to 29.9%. ATBS, the company's flagship high-margin product, accounted for 35% of total revenue and remains oversold, supported by rising demand from the oil & gas sector where it is used as a tertiary oil recovery agent. Phase I of the ATBS capacity expansion has been commercialized this month and will support drive growth going ahead, while Phase II is expected to come online by April'26. The antioxidants segment contributed 12% to the overall revenue mix. New products such as MEHQ and Guaiacol, with a combined peak revenue potential of ~Rs4bn, did not contribute meaningfully in Q2 as samples are still being in approval phase. The ramp-up is expected to be gradual. Additionally, plants for upcoming products like 4MAP, TAA, and PTAP are expected to become operational in Q3FY26. The stock is currently trading at 40x FY27 EPS, we value the stock at 38x Sep'27 EPS and maintain BUY rating.

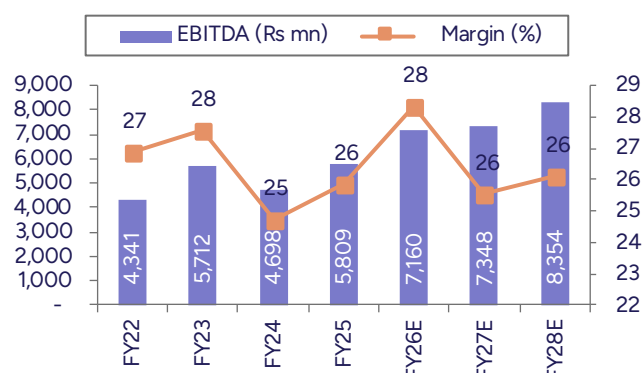
- Flat YoY revenue growth:** Consolidated revenue stood at Rs5.5bn (0.6% YoY/ 1.5% QoQ) (PLe: Rs6.09bn), actual topline was higher than our estimates. H1FY26 revenue was 1.3% higher than H1FY25. Gross profit margin stood at 55.8% (vs 45.4% in Q2FY25 and 52.3% in Q1FY26), improving 350bps QoQ due to lower raw material costs. H1FY26 gross margin stood at 29.9% an increase of 590bps vs H1FY25.
- EBITDAM expanded to 30.4% in Q2FY26:** EBITDA increased 25.1% YoY and 4.8% QoQ to Rs1,673mn (PLe: Rs1,862mn). EBITDAM stood at 30.4% (PLe: 30.5%) as against a margin of 24.2% in Q2FY25 and of 29.5% in Q1FY26, 90bps sequential increase. Reported consolidated PAT was at Rs1,149mn (10.1% YoY/ 10.3% QoQ), while margins were at 21% vs 19% in Q2FY25, respectively.
- Additional insights: (1)** Declining raw material prices have supported margin expansion during the period. **(3)** Samples for the Veeral Organics portfolio are being sent to customers; however, ramp-up remains slow. **(3)** Capex for FY26 should be around ~3.5bn. **(4)** Revenue Mix: ATBS: 35%, IBB:10%, Butyl Phenols and IB derivatives: 17%, Antioxidants: 12%, Others: 26%. **(5)** Phase I of the ATBS capacity expansion (10,000mpa) has been commercialized this month, while Phase II is expected to come online by April'26.

Exhibit 1: Q2FY26 Result Overview - Consolidated (Rs mn)

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var.	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Net Sales	5,502	5,533	(0.6)	6,098	(9.8)	5,420	1.5	10,922	10,780	1.3
Gross Profit	3,068	2,512	22.1	3,177	(3.4)	2,837	8.1	5,905	4,868	21.3
Margin (%)	55.8	45.4		52.1		52.3		54.1	45.2	
EBITDA	1,673	1,337	25.1	1,862	(10.1)	1,597	4.8	3,270	2,584	26.6
Margin (%)	30.4	24.2		30.5		29.5		29.9	24.0	
Other Income	160	222	(27.9)	77	107.8	74	116.6	234	315	(25.7)
Depreciation	261	223	16.8	231	12.7	256	2.1	516	437	18.2
EBIT	1,573	1,336	17.7	1,708	(7.9)	1,415	11.1	2,988	2,462	21.4
Interest	0	1	(85.7)	3	(96.0)	4	(97.3)	4	5	(26.2)
PBT before exceptional items	1,573	1,335	17.8	1,705	(7.8)	1,412	11.4	2,984	2,457	21.5
Total Tax	424	292	45.2	429	(1.2)	370	14.6	793	571	38.8
ETR (%)	26.9	21.9		25.2		26.2		26.6	23.3	
Adj. PAT	1,149	1,044	10.1	1,276	(10.0)	1,042	10.3	2,191	1,885	16.2
Exceptional Items	0	0		0		0		0	0	
PAT	1,149	1,044	10.1	1,276	(10.0)	1,042	10.3	2,191	1,885	16.2

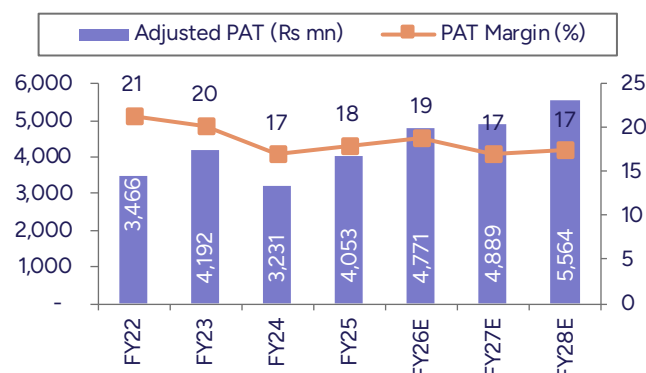
Source: Company, PL

Exhibit 2: EBITDA margins to be at 26% in FY26



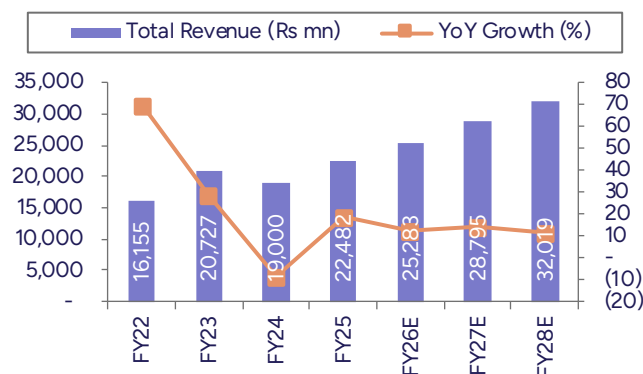
Source: Company, PL

Exhibit 3: PAT to grow at 11% CAGR over FY25-28E



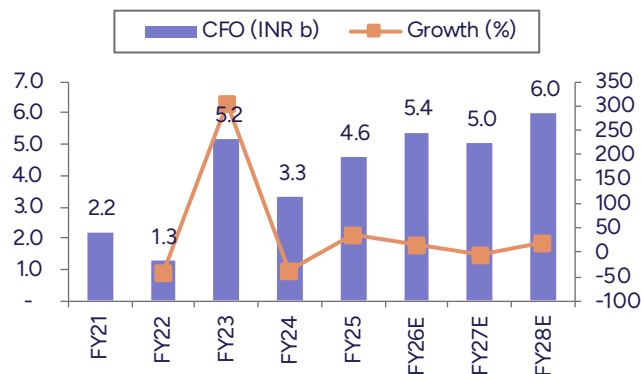
Source: Company, PL

Exhibit 4: Revenue to grow 13% CAGR over FY25-28E



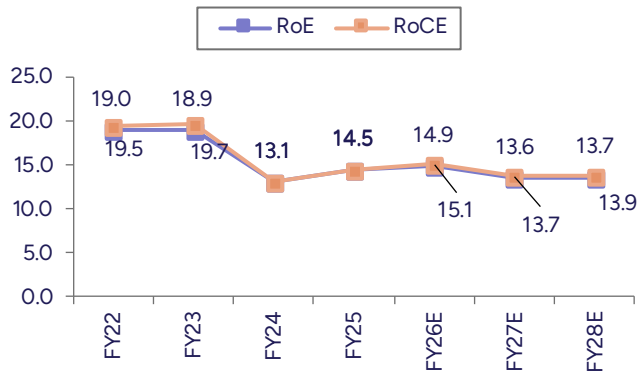
Source: Company, PL

Exhibit 5: Strong growth in CFO



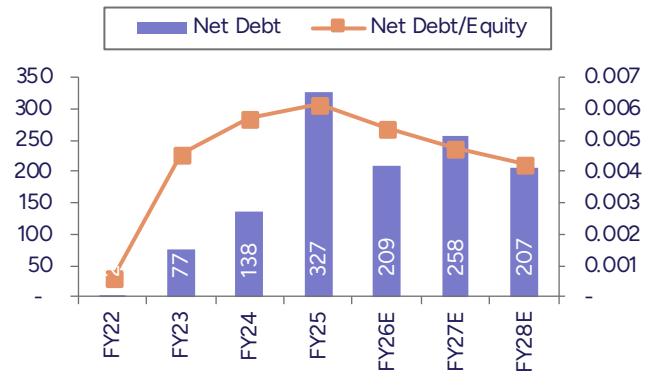
Source: Company, PL

Exhibit 6: Return ratios to hover at 13-14%



Source: Company, PL

Exhibit 7: Net debt/equity estimated at 0-0.004 in FY28E



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	22,482	25,283	28,795	32,019
YoY gr. (%)	18.3	-	-	-
Cost of Goods Sold	11,960	12,642	15,117	16,810
Gross Profit	10,522	12,642	13,678	15,209
Margin (%)	46.8	50.0	47.5	47.5
Employee Cost	1,396	1,689	2,010	2,372
Other Expenses	1,804	2,023	2,304	2,562
EBITDA	5,809	7,160	7,348	8,354
YoY gr. (%)	23.7	23.2	2.6	13.7
Margin (%)	25.8	28.3	25.5	26.1
Depreciation and Amortization	885	1,082	1,251	1,406
EBIT	4,924	6,078	6,097	6,948
Margin (%)	21.9	24.0	21.2	21.7
Net Interest	5	10	10	10
Other Income	443	379	432	480
Profit Before Tax	5,362	6,447	6,519	7,418
Margin (%)	23.9	25.5	22.6	23.2
Total Tax	1,309	1,676	1,630	1,855
Effective tax rate (%)	24.4	26.0	25.0	25.0
Profit after tax	4,053	4,771	4,889	5,564
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	4,053	4,771	4,889	5,564
YoY gr. (%)	25.4	17.7	2.5	13.8
Margin (%)	18.0	18.9	17.0	17.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,053	4,771	4,889	5,564
YoY gr. (%)	25.4	17.7	2.5	13.8
Margin (%)	18.0	18.9	17.0	17.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,053	4,771	4,889	5,564
Equity Shares O/s (m)	104	104	104	104
EPS (Rs)	39.1	46.0	47.2	53.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	21,226	24,826	28,426	31,426
Tangibles	21,221	24,821	28,421	31,421
Intangibles	4	4	4	4
Acc: Dep / Amortization	3,985	5,067	6,318	7,724
Tangibles	3,985	5,067	6,318	7,724
Intangibles	-	-	-	-
Net fixed assets	17,241	19,759	22,108	23,701
Tangibles	17,237	19,755	22,103	23,697
Intangibles	4	4	4	4
Capital Work In Progress	4,382	4,382	4,382	4,382
Goodwill	-	-	-	-
Non-Current Investments	791	791	791	791
Net Deferred tax assets	(1,519)	(1,519)	(1,519)	(1,519)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	2,212	1,974	2,361	2,625
Trade receivables	5,923	6,661	7,586	8,435
Cash & Bank Balance	39	384	980	3,116
Other Current Assets	1,531	1,721	1,960	2,180
Total Assets	32,791	36,345	40,840	45,903
Equity				
Equity Share Capital	104	104	104	104
Other Equity	27,829	31,822	35,882	40,616
Total Networth	27,933	31,926	35,985	40,720
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	626	-	-	-
Trade payables	1,485	1,569	1,876	2,087
Other current liabilities	1,022	1,125	1,254	1,372
Total Equity & Liabilities	32,791	36,345	40,841	45,904

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	5,362	6,447	6,519	7,418
Add. Depreciation	885	1,082	1,251	1,406
Add. Interest	5	10	10	10
Less Financial Other Income	443	379	432	480
Add. Other	(146)	-	-	-
Op. profit before WC changes	6,107	7,539	7,780	8,835
Net Changes-WC	(579)	(503)	(1,115)	(1,005)
Direct tax	(944)	(1,676)	(1,630)	(1,855)
Net cash from Op. activities	4,583	5,359	5,036	5,975
Capital expenditures	(4,971)	(3,600)	(3,600)	(3,000)
Interest / Dividend Income	149	-	-	-
Others	396	-	-	-
Net Cash from Invst. activities	(4,425)	(3,600)	(3,600)	(3,000)
Issue of share cap. / premium	(7)	-	-	-
Debt changes	580	(626)	-	-
Dividend paid	(724)	(778)	(830)	(830)
Interest paid	(5)	(10)	(10)	(10)
Others	0	-	-	-
Net cash from Fin. activities	(156)	(1,414)	(840)	(840)
Net change in cash	2	345	596	2,136
Free Cash Flow	(419)	1,759	1,436	2,975

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	39.1	46.0	47.2	53.7
CEPS	47.6	56.5	59.2	67.2
BVPS	269.4	308.0	347.1	392.8
FCF	(4.0)	17.0	13.9	28.7
DPS	8.1	9.8	-	-
Return Ratio(%)				
RoCE	18.4	20.1	18.0	18.1
ROIC	14.0	15.0	13.7	14.4
RoE	15.4	15.9	14.4	14.5
Balance Sheet				
Net Debt : Equity (x)	0.0	0.0	0.0	(0.1)
Net Working Capital (Days)	108	102	102	102
Valuation(x)				
PER	42.5	36.1	35.2	31.0
P/B	6.2	5.4	4.8	4.2
P/CEPS	34.9	29.4	28.1	24.7
EV/EBITDA	29.8	24.0	23.3	20.3
EV/Sales	7.7	6.8	5.9	5.3
Dividend Yield (%)	0.5	0.6	-	-

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	5,217	6,485	5,420	5,502
YoY gr. (%)	16.4	17.8	3.3	-
Raw Material Expenses	2,659	3,412	2,583	2,434
Gross Profit	2,558	3,073	2,837	3,068
Margin (%)	49.0	47.4	52.3	55.8
EBITDA	1,424	1,804	1,597	1,673
YoY gr. (%)	-	-	-	-
Margin (%)	27.3	27.8	29.5	30.4
Depreciation / Depletion	223	225	256	261
EBIT	1,200	1,579	1,341	1,413
Margin (%)	23.0	24.3	24.8	25.7
Net Interest	1	2	4	-
Other Income	67	62	74	160
Profit before Tax	1,266	1,639	1,412	1,573
Margin (%)	24.3	25.3	26.0	28.6
Total Tax	329	409	370	424
Effective tax rate (%)	26.0	24.9	26.2	26.9
Profit after Tax	937	1,230	1,042	1,149
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	937	1,230	1,042	1,149
YoY gr. (%)	21.8	18.1	23.8	10.1
Margin (%)	18.0	19.0	19.2	20.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	937	1,230	1,042	1,149
YoY gr. (%)	21.8	18.1	23.8	10.1
Margin (%)	18.0	19.0	19.2	20.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	937	1,230	1,042	1,149
Avg. Shares O/s (m)	104	104	104	104
EPS (Rs)	9.0	11.9	10.0	11.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	BUY	1,946	1,690
2	18-Aug-25	BUY	2,091	1,720
3	07-Jul-25	Accumulate	1,882	1,944
4	19-May-25	Accumulate	1,882	1,765
5	08-Apr-25	Accumulate	1,620	1,459
6	03-Feb-25	Accumulate	1,934	1,749
7	08-Jan-25	Accumulate	1,925	1,707
8	12-Nov-24	Accumulate	2,055	1,835

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	395	377
2	Bharat Petroleum Corporation	Hold	361	357
3	Bharti Airtel	Accumulate	2,259	2,113
4	Clean Science and Technology	Hold	1,111	1,068
5	Deepak Nitrite	Hold	1,924	1,844
6	Fine Organic Industries	BUY	5,571	4,651
7	GAIL (India)	BUY	218	183
8	Gujarat Fluorochemicals	Hold	3,742	3,643
9	Gujarat Gas	Hold	442	436
10	Gujarat State Petronet	Accumulate	339	325
11	Hindustan Petroleum Corporation	Hold	476	476
12	Indian Oil Corporation	Accumulate	166	155
13	Indraprastha Gas	Reduce	192	209
14	Jubilant Ingrevia	Hold	695	677
15	Laxmi Organic Industries	Reduce	192	198
16	Mahanagar Gas	BUY	1,531	1,271
17	Mangalore Refinery & Petrochemicals	Accumulate	159	142
18	Navin Fluorine International	Accumulate	5,601	5,009
19	NOCIL	Hold	185	181
20	Oil & Natural Gas Corporation	BUY	278	244
21	Oil India	BUY	525	415
22	Petronet LNG	Hold	290	279
23	Reliance Industries	BUY	1,668	1,417
24	SRF	Hold	3,123	3,028
25	Vinati Organics	BUY	1,946	1,690

PL's Recommendation Nomenclature (Absolute Performance)

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

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