



GMM/SEC/2025-26/75

February 13, 2026

To,
BSE Limited
Scrip Code: 505255

National Stock Exchange of India Limited
Symbol: GMMPFADLR

Sub.: Earnings Call Q3 FY26 – Transcript

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of earnings conference call for the quarter and nine months ended December 31, 2025, conducted on February 6, 2026, for your information and records.

The above information is also being made available on the website of the Company at www.gmmpfaudler.com.

Thanking you.

Yours faithfully,

For **GMM Pfaudler Limited**

Mittal Mehta
Company Secretary & Compliance Officer
FCS. No. 7848

Encl.: As above

GMM Pfaudler Ltd.

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PFAUDLER
Glass-Lined Technology

NORMAG
Lab & Process Glass

MAVAG
Filtration & Drying

MIXION
Mixing Technology

INTERSEAL
Sealing Technology

EQUILLOY
Alloy Process Equipment

EDLON
Fluoropolymers

HYDROAIR
Membrane Separation Systems



“GMM Pfaudler Limited Q3/9M FY26 Earnings Conference Call”

FEBRUARY 06, 2026

MANAGEMENT:

- **MR. TARAK PATEL – MANAGING DIRECTOR, GMM PFAUDLER LIMITED**
- **MR. ALEXANDER POEMPNER – GROUP CHIEF FINANCIAL OFFICER, GMM PFAUDLER LIMITED**
- **MR. RAVEEN KANABAR – MANAGER FINANCE & ACCOUNTS, GMM PFAUDLER LIMITED**

**GMM Pfaudler Limited
Q3 and 9M FY'26 Earnings Conference Call
February 06, 2026**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Q3 and Nine months FY26 Conference Call of GMM Pfaudler Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone.

I now hand the conference over to Mr. Raveen Kanabar. Thank you and over to you, sir.

Raveen Kanabar: Thank you. Good evening, ladies and gentlemen. A very warm welcome to all of you in the Q3 and Nine months FY26 Earnings Call of GMM Pfaudler Limited.

The Earnings Presentation was uploaded on the stock exchanges today and is also available on our website. Hope, all of you had a chance to go through it.

From the management, today we have with us our Managing Director, Mr. Tarak Patel and our Group CFO, Mr. Alexander Poempner.

We will give you a “Brief Overview of the Performance of the Company,” after which we will get into the “Q&A.”

Before we begin, with the overview, a brief disclaimer. The presentation was uploaded on the stock exchanges and also on our website, including our call discussions that will happen now, contain or may have certain forward-looking statements regarding our business prospects and profitability, which we are subject to several risks and uncertainties. The actual results could materially differ from those in such forward-looking statements.

I would now hand over the call to Mr. Tarak Patel to Provide You with an Overview of the Performance. Over to you, Tarak.

Tarak Patel:

Thank you, Raveen, and good evening, everybody.

As you can see, we are continuing with the momentum again. This quarter has been a stable quarter in terms of revenue and profitability. However, it has been a good quarter in terms of order intake.

If you look at our last three quarters of this financial year, Q1, Q2 and Q3, you will see that of course order intake has been significantly higher and that obviously puts us in a much stronger position for the next financial year.

In terms of revenue, our nine-months revenue is up 8% year-on-year and our EBITDA grew by 14% on nine-months basis. Our margins have also been stable or slightly improved over the previous same period.

Order intake, like I mentioned to you, INR 961 crores, which was 9% up this quarter, but 20% year-on-year and subsequently, our nine-months order period also saw a growth of about 16%.

What is also very comforting is that today, our backlog stands at INR 2,205 crores, the highest it has ever been, which is 27% higher than previous year. We expect Q4 to be a strong quarter in India in terms of revenue and shipment and we also expect Q4 momentum to continue with order intake, which then hopefully will put us in a very strong position for next year. With a 30% higher backlog for the next financial year, of course, there would be both improvement and growth in revenue and profitability as well.

Having said that, global environment continues to remain challenging. As many of you will know and would have investments in chemical companies, the chemical outlook still remains quite tough. And the worrying areas or the geographies for management today is Europe, which is, of course, slow.

India continues to improve, driven by investments in pharma, oil and gas, nuclear, so we have diversified there. Chemicals remain weak due to overcapacity and uncertainties in global trade.

Europe, like I said, remains slow and uncertain, especially in our traditional markets of chemicals and pharma. However, our systems business has seen significant order intake driven by increased defense spending in Europe.

American markets are recovering and seeing improvements. And also with South America, Brazil, SEMCO and MixPro in Brazil, we are seeing growth driven by metals and minerals and rare earths and oil and gas.

China continues to be challenging for us and we are now implementing cost-saving measures and strategic investments to make sure that China recovery is on track.

I would also like to mention here that you will see in one of the slides in our presentation that what is also very encouraging is that now 50% of our order intake over the last nine months and the corresponding backlog comes from non-traditional industries. So, when I say non-traditional industries, I mean these are orders not from chemical and pharma. So, as a company, you can see that our diversification strategy is now gaining momentum.

It is something that we have been speaking on for a long time, and today we are in a stronger position, we are able to show growth even in spite of the challenging conditions only because we have this diversification strategy.

Lastly, I would also like to talk a little bit about two exceptional items in this quarter -- One, I think most of you will be very aware of. This is regarding the new labor code. There are some provisions to be made as the new labor code got implemented in Q3. The other one-time expenditure is for our facility in Germany. As you would have known over the last few quarters, we have been consolidating our cost structure across the globe in our glass-lined business, our manufacturing footprint. This started with our shutdown of our Hyderabad facility and the land, which was subsequently sold off, and we will receive the proceeds this month, INR 55 crores and then we also shut down our UK facility in Q4 of the last financial year. This continues and our glass-lined capacity today, as what we have across the world, needs to be consolidated and the next initiative in this front is to reduce about 30-people in Germany. We have signed an agreement with the works Council there that 14 of them have already left this quarter and the balance 16 will leave over year's time, and the provision for that has also been taken entirely in this quarter.

I would now like to hand over the call to Alex. Alex will give you a little bit of background about the Financial Numbers and maybe a little bit more details about these two one-time impacts. Over to you, Alex.

Alexander Poempner: Thanks a lot, Tarak. Hello, everyone. As already started by Tarak, I would like to say our focus especially on the two exceptional items -- the first one, as Tarak mentioned, due to the consolidation of our global footprint, of our global glass-line setup, we started a further cost-reduction improvement program at our site of Pfaudler GmbH in Germany and this resulted in an exceptional impact this quarter of INR 44 crores. This covers mainly severance payments for staff already left and staff which has agreed to leave now in the coming financial year. So, this is a full downsizing staff reduction program to really adjust our footprint to the future requirements.

The other one-time exceptional impact is coming from the new labor code in India. I assume everybody already is aware of this. Also, several other companies face this. It resulted in an impact of INR 13 crores this quarter and this was also fully provisioned for and you see it in our income statement that as said both together classified as exceptional and therefore have a one-time impact on our result.

I think these are the two key areas from my side. I now would like to hand over back, but yes, probably for the further questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sameer Thakur from Ambit Capital. Please go ahead.

Sameer Thakur: So, my first question is how should we think about the margins and return on capital employed for the non-traditional end markets - is it comparable to your traditional end markets or is it lower or higher, anything on that?

Tarak Patel: So when I say non-traditional markets, you must keep in mind that these are markets that we have been serving for quite some time. So, they are not new brand, new markets. Our heavy engineering business serves definitely non-traditional markets because their markets are oil and gas, petrochemicals, fertilizer, and now nuclear as well. Our systems businesses serve markets like defense, space, and other stuff are mixing business. So, generally, we feel that in terms of diversification, there are two or three things that we look at - One is, of course, our ability to engineer and manufacture these goods. So, that is something that we have as a USP, as a company. So, that continues. But these new verticals or these new businesses that are helping us diversify, are now entering or helping us grow from non-traditional industries, right? So, nearly 70% of our business, maybe 18-to-24 months ago, maybe even more, came from chemical and pharma. And while the chemical market kind of went down over the last couple of years, it was important for us as a company to diversify as a long-term strategy. If you want to see continuous and sustainable growth, the more you

diversify, the more at least the buffer that you have, right, because all the verticals and all the industries hopefully would not go up or go down at the same time. So, that is the thought process behind the diversification. And many of our products can also be used in non-traditional markets. So, we are trying to improve our penetration in new market areas. In terms of margin profile, they remain quite similar in anything. Once we move up the value chain and we give process technology like we do in our systems business, you will see margins improving there. Again in terms of Return of Capital, the other thing that I would like to just mention here is that these factories and these businesses are not heavy in terms of assets. They do not have large manufacturing sites and facilities and footprints. They are pretty much buying and assembling and putting it all together and selling it to the customer, right? So, it is a combination and I think, I hope that kind of answers your question. Alex, do you want to add something?

Alexander Poempner: I definitely have to echo. In fact, the new businesses, they should be at least as attractive as the current ones regarding the ROCE. We gave long-term ROCE guidance in our last Capital Markets Day. We are currently not there, but we are confident that we will bring up continuously.

Tarak Patel: Yes, and I think as a strategy, the way I would hope people think about this is that a company that was famous and only known for glass-lined, today has 50% of its business coming from non-glass-lined, non-pharma, non-chemical. So a lot of people talk about diversification, but you can see now with the size of the orders that we have, so a large order in defense close to \$30 million. A large order from nuclear close to about \$15 million. So these are large orders where we would not be getting these orders if we were not capable or we did not have the kind of capabilities to kind of support these large projects. So that shows that over time that we have diversified, and this strategic initiative is going to be very important for us over the next few years as well.

Sameer Thakur: Okay, thank you. My second is, what is the reason behind this lower EBITDA margin sequentially? I believe SEMCO is margin-accretive, if I am not wrong. So, if you can provide some details on that?

Tarak Patel: SEMCO is doing quite well. I was in Brazil actually last week. SEMCO has a very strong order book and the outlook looks very positive. There are large investments coming into metals and minerals, oil and gas, petrochemicals, even chemical and pharma in South America, which we should definitely try and get involved in. So, SEMCO is a company that today is strong in terms of both backlogs and opportunities and continues to remain that way.

Sameer Thakur: Okay, thank you. I was just thinking about the lower EBITDA margin sequentially. Is that driven by something else, I mean, what are the factors behind it? In general. I am just saying total EBITDA margins of the company.

Tarak Patel: Okay, so I think the EBITDA margin, if you see as a group consol numbers, it is flattish. It is about 12.7% versus 12%. But again, I would just recommend that when you look at GMM Pfaudler, we must look at it on at least a nine-month or a 12-month basis. Quarterly would not be a fair way to look at an engineering manufacturing company where most of our orders are long-term and over a period of time. So, I think as we have said that during this year, we will maintain 12.5% to 13% margin and look at upside if the market picks up. So I think it is a stable margin. It is better than where we were. There are tough places in the world right now where we do have problems. We do not have order intake as much as we would like and that is always going to be the case. Some geographies do well, some geographies will not do so well. But generally, we are definitely happier today and have more comfort because of the order intake and the backlog that we now have.

Alexander Poempner: Just to add, I think if you compare on a nine-months basis, the EBITDA margin is increasing from 12% to 12.7%. So, we see the upward trend. There are, of course, and especially the new investments, there we achieve already higher EBITDA margins. But, unfortunately, we have some units which are performing not good. Of course, you could imagine that Pfaudler GmbH, the unit in Germany where currently we initiated cost-saving measures, there EBITDA is definitely not where it should be. We also still have some challenges in Switzerland, and also China, especially with the outlook from the EBITDA margin perspective, it is not there where it should be. It is below average. However, and I think this is fair to say, especially the new businesses that we invested in, there we are already trading at higher EBITDA margins. So, what we have to do, we already started. We have to improve the underperforming units.

Tarak Patel: Just one more point here is that obviously there is a product mix that has a place. Sometimes you will see that there will be a large HE order that could get shipped out. So, it is really again, a quarterly would not be the right way to look at it. I think from a margin perspective, we believe that there is obviously room for improvement. We are working towards this, and as volumes pick up and as some of these cost initiatives take effect, we will definitely see margins hopefully move in an upward trend.

Sameer Thakur: Okay, that is helpful. If I can squeeze in one more, just a small one. That is the order inflow. Can you give the break-up of India and international markets? Is it driven by more from India market?

Tarak Patel: So, just at a broad level, India was about INR 290 crores, so INR 300-odd crores India, INR 600 crores something in international. So both of them have recorded quite strong order intake. And this quarter also looks good. And the nice part about it with India is that the glass-lined business is looking a little bit better. We have won some large glass-lined business as well. So that is also a positivity from an India perspective.

Sameer Thakur: Okay, that is helpful. Thank you. That was all from my side.

Moderator: Thank you. The next question is from the line of Sagar Shah from Spark PWM. Please go ahead.

Sagar Shah: Thanks for the opportunity and congratulations to the management for delivering such numbers in such uncertain times actually. Now, my first question, sir, was just a follow-up of the previous participant actually. I understand it is an engineering company, so there must be volatility in the margins. But what I wanted to understand is, there is some difference in the gross margins as well. So, the gross margin for this quarter is at around 60.1% as compared to the previous two quarters we were clocking about 63%. So, is this difference in gross margins is just because of product mix or is it something else or is it related to any kind of tariffs? I wanted to understand that point, sir.

Alexander Poempner: I think what is important to consider for us is probably if you look on a 12-month basis or nine-month basis. If you just do a quarter-to-quarter comparison, there could be a high impact just due to the business mix. So, we also intend to focus more in the future on a 12-months basis and not just on a quarter because exactly as you said, it could come just due to a really strong performance, high gross margin business in one quarter and then you have the resizing on the full move.

Sagar Shah: Okay, got your point, sir. So, what are the steady-state gross margins or EBITDA margins that we would like to target in the next two years, anything between FY27 and FY28 if this global situation actually remains stable and if it actually improves?

Alexander Poempner: I think what we gave and we definitely stick to this as a mid-term EBITDA margin to go back to the 16% to 18% range and we are getting there because especially the latest investments, we already achieved better EBITDA margins. We have to admit that currently we have the challenges in the global economy. We see the uncertainties. We have still some underperforming units due to this and therefore we are not there, but as said before, the EBITDA on a group level compared to last year, it increased from 12% to 12.7% and we are confident that we also bring it slowly up again in the next financial year already, but the full

achievement, the target by when we will reach it, it also depends on the global economic situation that we currently could not really foresee how it will develop.

Tarak Patel:

Even though that the global situation of course is something that none of us can predict in terms of what is going on, but at least from the perspective of the customers that we speak to, at least the chemical customers which is currently our biggest, I would say a pain point is that volumes have now come back. So at least that is a positive development. Maybe the margin will take a little bit longer but people are at least now running full factories which means that hopefully the next investment cycle is not so far away. So, at least from that perspective, we have had two years and many of you have been following chemical companies. I know that there is not too much positivity right now, but the cycle has to turn at some point. So we all I guess have our fingers crossed that at some point things will improve and I think now there is at least from a global trade perspective some amount of hopefully stability. Maybe I speak too early, but at least with India-Europe, India-US, maybe there is some potential improvement and development on that front.

Sagar Shah:

Okay. Got your point sir in that. Thanks for that answer. My second question was on the disclosures. This time is the first time that you have given disclosures that how much percentage of your orders were from non-traditional sectors actually. So, don't you think now it is the time to give disclosures even within technologies that which segment -- is it from the industrial mixing side or is it from the GLE or is it from the lab and the process glasses or which businesses are actually giving you higher order intake, what is the outlook regarding that so that investors can get further more confidence, sir, that how GMM can grow in the next two years?

Tarak Patel:

Okay. So one of the learnings over the last few years after speaking to people like you is that our business is confusing, right? And there is so much stuff going on with so many different entities and international versus India, I think it becomes difficult for investors and analysts to really put a finger. There is much easier companies to track than GMM was. So, we get that for sure. I think what we have to do, one is obviously to make it easier for you, but I think the more important part is to make it easier for management to think about businesses to strategize about businesses, right? So, we are now going through a transformation which I have spoken about quite a bit. You will see a different company in the next few years. We have already reorganized. We are in the process of reorganizing our business lines to meet specific needs. We also believe that every vertical or every business line has different strategies. For example, our glass-lined business, is a mature business. It is not growing at 20%. We are the market leader and it is a mature market. The play there is not growing market share. The play there is not growing. The play there is to really cut

cost and that's why you see we have already looked at three facilities in terms of reducing and kind of downsizing. These are tough decisions to take, but we are taking them because we believe it is the right thing to do. And we believe that we already have enough capacity for glass-lined. So over time, this should play out to our advantage. Our other verticals like heavy engineering, for example, are a high growth vertical. So our strategy for that is completely different. Our strategy there to add sales people, to add capabilities, to add different kind of geographies and PTR's so that we can cater to a much wider range of industries. So every vertical will have different strategies, every region within those verticals will have different strategies. So, that helps us as a company deliver and initiate strategies based on specific needs and not a one size that fits all. So hopefully, we are in the process. We obviously will go internally to the board with next year's budget shortly. And at some point, we will also start articulating our next long-term strategy. It has been quite some time and we have been talking about coming back to the capital markets with our strategy day, our analyst investor day. We were hoping that the market stabilizes. We did not want to come back too early and then still kind of struggle. So, we were waiting till the market stabilizes before we come to you. But the plan is ready, the ideas are ready, the numbers are ready, the strategies are ready. So, I think the thinking has already started because what this company was five years ago, it is not the same company today. So the strategies will need to evolve. The people, the organization will need to now evolve. And like I said, once business picks up, things should look good. But, I am excited. I think the people in the organization are excited. I think that at least from the last maybe two or three months of changes that we implemented, there is definitely more accountability, there is definitely more excitement. So, I think its definitely a positive.

Sagar Shah:

Sir, my last question was related to the non-glass-lining technologies and the trade deals behind that. Within the non-glass-lining technologies that you are getting from the non-traditional sectors, defense, nuclear, and even metals and minerals, you just highlighted about the North American market also in your opening comments. But, I wanted to understand that, which of these companies are getting tractions, is it Edlon or is it just heavy engineering in the India business or is it MAVAG for the filtration and drying systems or is it process and glass systems? Which are the actually segments or which are the companies internationally actually are giving you that kind of traction or will give you higher traction in the future?

Alexander Poempner: I think what definitely we already announced before, we have a strong focus on mixing. You saw it also from the latest acquisition to setting up this mixing platform with the entities MIXEL in France and China, MixPro in Canada, as well as SEMCO in South America combined with Mixion in India, we have the platform there. This is something where we expect further growth to come and especially also marginal improvement, because, as I said before, this is from our perspective an attractive margin business. It is a smaller unit, but the interseal business, it is an entity in Germany, which also belongs to the non-glass-lined business, which also achieves high margins. So, this is attractive from our perspective. And besides the non-glass-lined, we also have the system business. And the system is helping us currently with order intake. And there I think we announced in June last year the big order intake of INR 330 crores, so EUR 33 million. This is going more to, call it the defense industry. So also it is broadening our customer portfolio, and we are developing there in the right direction also with attractive margins. And in India, of course, we have our strong heavy engineering business, where we are also developing in other industries. Also, there is now something in the nuclear sector. So, this is also helping us in broadening our customer base, our customer industries. And this is also something where we expect further goals to come, especially also top-line goals.

Moderator: The next question is from the line of Salil Desai from Marcellus Investment Managers. Please go ahead.

Salil Desai: Hi, Tarak and Alex. My first question is on this Germany restructuring, right? So between what you have done at the U.K. facilities and what you are doing at Germany, how do you think differently, of what interventions are required at each unit? And related to that is what more can we expect? And does production suffer with the German initiatives that you have taken? So I am saying that what you have done in Germany versus what you did in the UK, right, so how are you thinking differently of different facilities of what intervention is required? And once the decision is made, in the future, can we expect something more in the pipeline? And how does production change from what you have done in Germany?

Tarak Patel: Yes. So I think let us start off with the global glass-lining business. There is obviously an addressable market, there is a market size. And obviously, as many of you would know, we have glass-lined facilities in US, Brazil, UK, Italy, Germany, China, and in India we had Karamsad and in Hyderabad. So on a global basis, obviously, considering the growth and the market, we felt that we had too much capacity. So, we had to look at reducing capacity, especially in Europe. Started with UK, because UK was our oldest facility, it was about 100-plus years old, so, definitely the first one that we went after in terms of downsizing, that is completely done now. So, there is no glass-lined production now in the UK. We then,

obviously, in India, we had our Karamsad facility and we had a Hyderabad facility. Again, too much capacity for the Indian market. We decided to move everything into one rather than have two factories running at 50%. We would have one factory running at 80 percent or higher, and that is what is happening now. Hyderabad facility was sold off. The people were let go, and the land is now sold, and we should now receive the proceeds this month. The German facility, again, considering the current order trends in Europe, that is a proactive step where we have taken because we know that our cost structure is high in Germany. And we had an agreement. Over the last couple of months, we negotiated and we signed an agreement with the Metal Union workers to reduce 30-plus another five over time, so 35-people, which accounts for nearly 30% of the total wage bill of Germany. So, it is a significant restructuring. I know it is not fun to restructure. We would love to have business that was growing and orders coming in, and we could have these factories completely full, but unfortunately, that is not the case. But I think it kind of gives us a better standing for the future. We already have a facility in Italy that does quite well, which is a very different model because they outsource a lot of their production. So, that continues. The German facility will also continue, however, with a different cost structure where a lot of their metal fabrication will now not be done in Germany and could be done in the lower cost countries. So, that is part of the strategy. And in terms of further downsizing, I do not think there is anything significant right now that we are looking at. China is a small facility. China's strategy is something that we are working on. China is slow for sure. What we do in China is something that we will need to kind of figure out over the next few months. But it is not something that is a big problem for us. So, I think where we need to work is Europe. In Europe, we have already done a lot of hard work. And this is just one more step to make sure that we are from a cost perspective just much more comfortable.

Salil Desai:

Understood. Thanks. And second question is, can you just remind me on nuclear, what applications are you getting orders for? And has anything moved on the semiconductor side?

Tarak Patel:

Yes. So on nuclear, we have received a couple of large orders from the Nuclear Power Corporation of India. So, these are for ancillary equipment going into the nuclear power plant. So, these are not nuclear stamped vessels. However, they are large pressure vessels, heat exchangers, and column. So they go into the same plants that generate nuclear power. So, that is where our play is. There are not many people who are qualified. And because of the acquisition of Hindustan Dorr-Oliver or HDO, we were able to kind of break into this market. So, that was in nuclear. Going forward, India nuclear, there has been investment already approved. So, we believe that over the next few years, the nuclear power sector here in India will continue to grow. And again, we will be well-positioned to capture some of that growth. So your second question on this was?

Salil Desai: On semiconductors. I thought we had some opportunities there, so possibly - ?

Tarak Patel: So, semiconductors is basically our unit in the US. Edlon is doing quite well. Has a good strong order book driven by semiconductors. And also quite profitable. And how big would Edlon be at it now?

Alexander Poempner: It is USD 25 million. Please consider for Edlon. We also announced an investment and set up of a new site, because we expect a significant growth over the coming years based on the semiconductor business Inflation Reduction Act, which was signed in the US, I would say, 12 or 18 months ago. So, a lot of investments are coming there. And therefore, we invested early in the new site and will expect a significant increase on this high profitable business.

Tarak Patel: Yes and Edlon also does work with the nuclear industry. They make some PTFE line glove boxes also that goes into nuclear. But I think you would remember, Salil, a few quarters ago when Edlon was not performing that well, we had actually put it as an asset for sale. We were running a process. This was before the selling, the boom had kind of happened. And that was about \$8 to \$9 million business, which has now grown about 3x and is quite profitable. But we need to push that business and maybe see if there are more opportunities to grow faster and quicker on that front.

Salil Desai: Thank you so much and all the best.

Moderator: The next question is from the line of Kunal Mehta from Sunidhi Securities. Please go ahead.

Kunal Mehta: Hi, Tarak and Alex. Very good evening. And my first question is I think a while back you all had mentioned that the heavy engineering and the mixing business can be a \$100 million business each in the next three, four years. So, now that we have four brands under mixing and, we have the Hindustan-Dorr Oliver facility for the heavy engineering. How do we see this growing? Are we going to see any more acquisitions for your capacity expansion in the heavy engineering, so we can have a facility overseas so we can cater to orders overseas as well? And how is the mixing segment also looking in terms of order intake?

Tarak Patel: Yes. So, on the heavy engineering front, we have enough of capacity to hit maybe about INR 600 crores to INR 700 crores mark from this very site. So, no further real investment needed. But, if you want to go up to a INR 1,000 crores of revenue, then, of course, we would need to add capacity. We have space available to expand even within the current site. So, for the next two to three years, we do not see any significant investment in our HE business and engineering business. Of course, so mixing again, like you said, four different

facilities around the world. Our SEMCO, Brazil and MixPro, Canada are doing quite well, driven by oil and gas, metal, rare earths, etc., Very strong backlog and very strong opportunity pipeline, doing a lot of work with some of the newer and non-traditional industries. India and Europe, India is okay in terms of mixing some large orders to be finalized. Europe, because of the general weakness in chemical and pharma, continues to remain weak. And we are looking at obviously manufacturing some of these equipment outside of the high cost western countries to make our product more kind of attractive for the European market. So, that is the general feel in mixing.

Alexander Poempner: And China is still a small unit, but nevertheless, it is also a mixing unit. And there we are in line with the Chinese economy our order intake also behind our expectations. So, this is also not doing good.

Kunal Mehta: Okay. So, my next question is, India just signed a trade deal with EU. And do we see any indirect benefits from this, because there might be some expansion of orders from defense or nuclear or maybe the export scenario becomes better like from India, you can leverage the facilities, the low cost base of India to supply to Europe as well, so, can you share a possibility?

Tarak Patel: Yes, I think that one of the things that I was reading was that chemicals can now be imported into Europe from India. So, that could obviously drive investment in chemical manufacturing in India, which obviously means that would result in more business for us. Pharma collaboration, again, I think it is too early to comment. It is definitely a positive. But if you were to ask me specifically which and where it is going to impact us, I cannot say right now. But I do think that it will definitely add some benefit in terms of even trading between the two countries, export licenses in certain cases, there could be some benefits as well, right? So, I see that. And then, of course, now with the U.S. coming back in again, we had USD 5 or USD 6 million worth of orders from the U.S. last year that obviously we can then now process and kind of again start looking at the U.S. market from India.

Kunal Mehta: I think when last time I spoke with Alex, sir, he mentioned about a little drag in the filtration and drying segment. So, are there any issues that we are facing in the Europe market?

Tarak Patel: So, Europe, again, generally it is low. But again, there are very large projects in the pipeline. So, for example, there is a once-in-a generation investment of Roche that is going on in Switzerland that obviously could mean more business for the group. So, there are some projects coming in pharma. Chemical is something that remain slow and we do not see too much excitement on that. And at least in India and maybe also in Europe now, peptides is

becoming another area where more and more people are looking at adding investment. So, in the US, Eli Lilly, in Europe, Nova, and then of course in India, quite a few pharma players are now getting into peptides. So, that could be a nice area for us to get into as well.

Moderator: The next question is from the line of Praveen Kumar from Acuitas Capital. Please go ahead.

Praveen Kumar: Yes. Hi. Thanks for the opportunity. I had a couple of questions. The first one was on the international business. Again, if I look at it on a nine-months basis and split it into services versus technology based on your disclosure. So, on a nine-month basis, it still looks like that on a YoY basis, the growth rate on the services part is where it is highest, followed by technology, right? So, I just wanted to understand non-traditional businesses you are talking about, mixing, heavy engineering, etc., Largely, those revenues will be classified under the technology segment, whereas services probably would be an old GLE kind of business, right? So, I just wanted to understand, despite the slowdown in GLE and despite all these other segments doing well for you, on a nine-month basis, why do we still see services being the highest growth segment versus some related technology? That is my first question.

Tarak Patel: I am not sure if I understood correctly. You are saying the international business, nine-month comparable period, you are saying services is growing the fastest?

Alexander Poempner: No, services is more or less, it is one of the growth areas that we expect on a global level. We also expect that something to come, as we always said, from India and China, because their services is underrepresented. We have not achieved it so far, so we do not see it.

Tarak Patel: My general view on services is that services was slow, but last quarter and now as well, services have seen some improvement, especially in the US. So, I think services will come back to the normal level, especially in the Western, US and European markets.

Praveen Kumar: Because if I look at your nine-month numbers on services, it adds up to around INR 699 crores for nine-month FY26. The comparable number for nine-month FY25 seems to be INR 647 crores. That is like an 8% growth rate versus on technologies, INR 884 crores last year has grown to INR 950 crores. That is like a 7%-odd kind of growth rate. Unless my numbers are wrong, that was the question.

Tarak Patel: No, your numbers seem okay. Both growth rates are around 8%-10%, right? That is what you are saying.

Praveen Kumar: Services is 8.1%, the other is 7.4%. That was the question.

Alexander Poempner: Services consolidated to INR 800 crores for the nine-months versus Rs.699 crores, correct, for consolidation.

Tarak Patel: That is a 14% growth.

Praveen Kumar: I think we can take it offline.

Tarak Patel: Yes, just take it offline. We will be happy to kind of give you the break-up so that you can clarify.

Praveen Kumar: Sure, sure.

Alexander Poempner: We do not see the growth in services so far in India, neither in China. This we say. Otherwise, services, I think it is a good performance.

Praveen Kumar: Understood. And my second question was on the margins. I think earlier you were saying that you aspire to get to the 16% to 18% kind of an EBITDA margin trajectory. So, just wanted to understand from your current levels to get to that level, how much of that would be in terms of getting more operational efficiencies versus how much would be driven by growth rates? And what kind of growth rates would you need to get to that level?

Alexander Poempner: First, let us start with this non-glass-lined business. So, this is a sealing, this is a mixing. It is already trading at significantly above average margin that we have. These businesses we also expect to grow faster. Therefore, just due to a higher share of this business, we expect a margin improvement. On the other side, we have especially the glass-lined business where currently we are not doing as good as we want to. And we are also not achieving the margin that we want to. This is due to several effects. First, we have some significantly underperforming units, partly loss-making units. We already explained about Germany. We also said about China and we have to turn these around. Therefore, we already started with the restructuring measures. We have this cost-saving program in Germany we talked about. We also have to and when we could do in China. And by turning this around, we will also bring the currently low EBITDA margins of our glass-lined business up again. And in combination, this will result in this mentioned 16%-18% target EBITDA range.

Praveen Kumar: Understood. Thanks for the response.

Moderator: The next question is from the line of Bhavik Shah from Invexa Capital. Please go ahead.

Bhavik Shah: Hello, sir. My first question is, can you help me with the split of the order backlog and order inflow in terms of India and international?

Tarak Patel: For this quarter, about INR 290 crores was from India and the balance was from international approximately.

Bhavik Shah: This is for inflow, right?

Tarak Patel: Yes, this is the order intake.

Alexander Poempner: And the backlog is INR 550 crores for India and the balance INR 1,600 crores for the international.

Bhavik Shah: My second question is regarding the German unit and employee hit which we have taken. So, does that mean our structurally employee cost comes down from next quarter onwards? If yes, how much is that reduction which we are seeing? And in the last three quarters back or something, we took a similar hit in the UK business and then we took an impairment. So, are we expecting some impairment also coming in the Germany unit?

Alexander Poempner: No. In fact, the key difference between the restructuring program in the UK and Germany was that in the UK, we really stopped the OE glass-lined manufacturing. So, we also had to write off the inventory, some assets which were related to this without any cash impact. I think this is also what we said a year ago, and this resulted in some cash outflow only. In Germany, we still have the operations. We just size these down, and therefore, we also took out and we will still take out some people, therefore, we do not have the write-off of inventories or impairment of assets. So, it is slightly different. And the cost improvement in Germany, it will phase in over two years, because we said we just started with Phase-I, which is 14 people in FTEs and we expect there already an improvement in the result of roughly INR 15 crores to INR 17 crores.

Bhavik Shah: Okay. So, quarterly INR 15 crores to INR 17 crores?

Alexander Poempner: For the financial year starting next year?

Bhavik Shah: Okay. So, INR 15 crores to INR 17 crores is the entire year savings in FY27, right?

Alexander Poempner: This is a full year saving. And then we will still have some further FTEs will phase out in the next financial year. And the full year impact that we expect due to them leaving will be in the area of INR 25 crores. So, in total, we have above INR 40 crores savings impact.

- Tarak Patel:** Yes. So, this is a big downsizing for us. Nearly 25%-30% of the cost is being kind of taken off over a two-year period. So, it is a restructuring of a large size and it definitely will impact us positively going forward.
- Bhavik Shah:** Understood. Can you just help me with the guidance for FY27 in terms of growth rates in India and international business?
- Tarak Patel:** So, I think just wait a little bit, Bhavik. We will let us get into this quarter a little bit in detail. So, we know what our starting backlog is. Let the order intake continue. And we would be happy to kind of give some broad level guidance maybe in the next quarter.
- Moderator:** The next question is from the line of Rohit Ohri from Progressive Shares. Please go ahead.
- Rohit Ohri:** Hi, Tarak. Hi, Alex. Two questions, probably two parts to that. First one, we see that you are building the order book for HE with all these opportunities coming from oil and gas, nuclear or maybe green hydrogen. My question is that are we already insulated contractually for these projects or do we see volume margin fluctuation or risk associated to that?
- Tarak Patel:** So, I think we are pretty well insulated. So, these are fixed price contracts with some amount of escalation clauses if material prices were to change. There also payments are milestone-based. So, we do not see any significant kind of risk. But, of course, the sizes of these projects are larger. So, we need to be efficient in terms of ordering, procuring material, manufacturing, execution, quality. So, it is like any other business. Just the size and the scale of these orders are bigger. So, of course, from our project management perspective, we have to be completely on our toes to make sure that we execute these projects very well.
- Rohit Ohri:** Do you think that you will be going aggressively after the market share in HE division?
- Tarak Patel:** So, HE is a business that is a really large business. And I think there is enough of space for at least quite a few large companies. In our niche space, we have a group of companies that we normally compete with. And there are companies above us and also kind of below us. So, the idea is to move up again in terms of value chain to make sure that over time, in terms of material, in terms of thickness, in terms of weight, in terms of complexity, we can take better stuff and higher stuff as well. So, that is the push. And over time, as you would have seen, maybe when we started this HE business three years ago, we got 90% of the material handled would have been carbon steel. Today, that carbon steel has come down to 40%. But we have stainless steel, we have the Hastelloy, we have Titanium. We have encoders. So, all these materials coming in. So, from the same capacity, you can get much more revenue if you can increase or change the material. So, that is something that we are working

on. And again, here, the export market is very lucrative as well. So, the Middle East, Southeast Asia, Saudi Arabia, all markets that we can get into. And one of the strategies is to really build our presence and penetrate those markets quite well.

Rohit Ohri: Tarak, congrats on this big order that was shipped out for some oil refinery via EQUILLOY, which was, I think, 48-meters or so. But the thing is that going forward, do you think that in the next two and a half, three years, HE alone can be somewhere like INR 1,300 crores or INR 1,500 crores kind of order book for you?

Tarak Patel: So, see, it is a growth vertical for us. But again, like I said, we do not want to grow and go into markets where the margins are tough and the competition is strong. Let us find a nice niche for us. There are quite a few different industries that we can cater to in this market. So, between this, we find some place to play. Of course, growth is a challenge in our traditional market. So, we have to find growth from new markets such as nuclear, oil and gas, different metals, minerals and stuff like that. So, we are trying. Some of them, we will succeed, some of them would not grow as fast as we would like. But, I think that we have created a strong brand. We are a well-known player now in heavy engineering. So, we are considered as one of the premium players here. We are no longer somebody who is trying to get in. We are already in. We have got our foot in the door. We are approved by most of these government companies, EIL and also big, big, big multinationals as well. So, the idea is to grow the business but grow it profitably.

Rohit Ohri: One last question is related to Poland property and the recent developments. If you can take us through what is the size of this plant? Or maybe there is free land available? And what could be the estimated peak revenue that you get?

Tarak Patel: Yes. So, the Poland facility has just started about three to four months ago. So, we are already producing at this site which is helping our Swiss and French subsidiaries. So, about 80% of the business that Poland does today is for these two sites. They are booked out. So, all the new orders that have come in, have been now outsourced to Poland. So, that is something that is ongoing. We do plan to invest in Poland for another facility to increase our manufacturing footprint there because then we can really use Poland to even start making maybe stainless-steel vessels or Hastelloy vessels for agitator businesses and things like that. So, Poland has turned out to be a good option for us and we need to kind of build that and reduce costs in high-cost countries like Switzerland, Germany and France.

Moderator: Thank you. Ladies and gentlemen, this will be the last question for today which is from the line of Mukul Deshpande from Insightful Investment Managers. Please go ahead.

Mukul Deshpande: Yes, hi, thank you for the opportunity. So, I have two questions. First one is, given the substantial increase in the order backlog as well as we are seeing health continuing order inflows, should we now expect a higher revenue growth of let us say 15%-20% for the next two, three years?

Tarak Patel: I think it is simple. A company like ours, if you had to judge or you had to base your views and your future projections on a company like ours, a backlog is a very strong metrics of that performance. We are one of the only companies in India that puts out backlog data and we have been putting it out for the last maybe, I do not know, 12-15 quarters. Most of our peers do not share this data. They talk about this data in terms of months, in terms of, I don't know. So, we are upfront and honest because this is something that you cannot fool. I mean, this is clear numbers. So, having a strong backlog is definitely a sign of future revenue and future growth if that backlog is big enough. In our case, the backlog is 27% - 30% higher, which is good. But, it still means that we have to book orders for Q4, we need to ship out in Q4. Q4 should be a good month in terms of revenue and shipment. That means the backlog will get depleted, but we are quite confident that we have and we have already enough of opportunities, some of them have already been booked in this Q4 to help us have a stronger backlog for next year. But it is clear across the organization, everybody knows that order intake is critical, order intake for Q4 becomes even more critical, because that means you start the year off with a much stronger backlog, right? And for a manufacturing company like us, that is really the name of the game. That is the most important part of our business.

Mukul Deshpande: Yes, right, sir. So, with so much being done on the cost-saving initiatives, like we closed two plants, we are moving a facility from Switzerland to Poland, and we also have let off some people in Germany, and the other initiatives that you mentioned in your opening remarks. All these initiatives should lead to a much better margin for the coming quarters. Is that a fair assumption? And also, could you share the quantum of the same?

Tarak Patel: So, again, I would just say, if you believe in the story, I would say trust the process. We are still going through a very tough economic situation. It does not look as bad because we have done so much stuff, and some of these benefits have really helped us. Like these large orders from non-traditional industries, if they had not come in, we would have been 30% lower in terms of revenue for this year. So, we have done well. I do not want to speak too much about this, but it is a clear strategy. It is something that we will continue to do. So, cost is something we control. So, cost is something that as a company, yes, you know, obviously

in the past things have been different. After COVID, everybody was booming, order intake was great, all the factories were fulfilled to capacity. But today, it is a different situation. And that actually forces us to take some tough decisions, which is good, because it makes us stronger for the future. And I think that is the most important thing, that we will be a stronger company coming out of these last two years. It is a tough situation. It is not the greatest time to, I mean, obviously, the last maybe 24-months, the numbers have not been great. It has been up and down. But, yes, a lot of work is going in, and hopefully some of these things will kind of turn out to be the right things, and hopefully the numbers will reflect those improvements.

Alexander Poempner: I think maybe also a little bit from my finance perspective. We have a really solid, good backlog to start the next financial year. It is 27% up versus last year. However, please do not expect that the next quarter we grow by 27%. The 27% increase is also coming from other businesses, partly the systems business. It will not directly convert in revenue. On the other side, what you mentioned regarding the cost improvements, I think we have done our homework. We have considered the current situation. We reduced our cost significantly. We still see an improvement. Nevertheless, there are still some areas where we are not doing great, and where there is still uncertainty, and where we still have also not the EBITDA margins that we want to have in the next quarters. Of course, maybe I am a finance guy, a little bit more prudent and not overcome with let me say, expectation due to the strong increase in order intake and backlog. We will improve, but constantly.

Tarak Patel: So, I think with that, I will hand over the call back to the moderator.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments.

Raveen Kanabar: Thank you, everyone, for joining us today. It was a pleasure interacting with all of you, and we look forward to many such interactions during the course of the year. Take care and see you soon.

Moderator: Thank you. Ladies and gentlemen, on behalf of GMM Pfaudler Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.