Company Name: Praj Industries Ltd

Quarter under review: Q1-FY27

Praj Industries Ltd – Q1-FY27 Concall Highlights:

Praj Industries Ltd (Consolidated)					
INR In Mn	Q1-FY27	Q1-FY26	Y-o-Y	Q4-FY26	Q-o-Q
Operational Income	7,158	6,402	11.8%	8,446	-15.2%
EBITDA	300	313	-4.1%	233	29.1%
EBITDA M (%)	4.20%	4.89%	-69 bps	2.76%	144 bps
PAT	116	53	NA	116	0.0%
PAT M (%)	1.62%	0.83%	79 bps	1.37%	25 bps
Diluted EPS	0.63	0.29	NA	0.63	0.0%

Operational Highlights:

- Order intake stood at INR 1,000 crore, taking the order backlog to INR 4,589 crore; 57% of Q1 order intake and 63% of the backlog were domestic.
- Received an order for India’s first commercial-scale demo Bio-IBA plant and a large ~800 KLPD corn-to-ethanol plant in Brazil.
- Domestic 1G ethanol remained subdued, particularly greenfield projects, although demand is improving for brownfield efficiency solutions, DCO and greenfield ENA plants. Customer funding issues continue to delay backlog execution.
- CBG opportunity strengthened following the INR 23,731 crore GOBARdhan scheme; Praj has successfully implemented solutions across press mud, rice straw and Napier grass feedstocks.
- Progressed from basic to detailed engineering for an international ethanol-to-SAF project, strengthening Praj's positioning in the alcohol-to-jet pathway.
- GenX secured a ~INR 500 crore framework agreement for engineering and manufacturing of critical modular infrastructure for hyperscale data centres over 2.5 years.
- GenX is targeting EBITDA breakeven during FY27, supported by the improving order build-up and shorter-cycle data-centre orders.
- Secured its first combined order for ultra-pure water and ZLD solutions from an Indian semiconductor player.
- Life Cycle Services continued to grow QoQ, with performance-enhancer trials undertaken in Latin America to expand the international services offering.

Key Questions & Answers discussed during the Concall:

- **What is causing the slowdown in Bioenergy execution, and how are collections and raw-material costs being affected?** Domestic 1G ethanol projects continue to face customer funding constraints and an ethanol supply-demand imbalance, which are extending execution cycles and also delaying collections. Raw-material costs, particularly steel, are seeing some pressure due to the geopolitical environment, but we are mitigating this through contractual mechanisms and advance procurement.

- **What does the INR 500 crores data-centre framework mean for GenX, and when can the business break even?** Data centres are becoming an important new vertical for GenX, complementing our existing energy-transition and conventional process-industry opportunities. We will begin executing data-centre orders during FY27, and only firm project phases are being added to the order book rather than the full ~INR 500 crore framework upfront. With the improving order pipeline and shorter execution cycles, we are working towards EBITDA breakeven for GenX during FY27.

- **How large can the non-Bioenergy businesses—GenX, HiPurity and ZLD—become over the medium term?** We are focused on achieving more balanced growth across the portfolio. Data centres should support GenX, while stricter environmental norms support ZLD and investments in semiconductors, batteries and solar manufacturing are creating new opportunities for ultra-pure water and other HiPurity solutions. It is still early to provide specific medium-term targets.

- **What is the opportunity in CBG, what feedstocks has Praj demonstrated successfully, and how should margins evolve?** We offer end-to-end CBG capabilities covering technology, engineering, construction, gas purification, O&M and performance enhancement. We have successfully implemented projects using press mud, rice straw and Napier grass. Current margins are broadly in line with industry levels, but the GOBARdhan scheme and state incentives should improve both the opportunity size and margin potential as the market develops.

- **What is Praj's stance on Municipal Solid Waste (MSW) based CBG and the proposed CBG JVs?** MSW remains challenging because of feedstock segregation and consistency, so we are not pursuing it aggressively at present, although we continue to work on solutions. CBG JVs, including with OMCs, remain under discussion and could benefit from the new policy framework, but JVs are only one route to market.

- **What is the progress on Bio-IBA, and what is the potential opportunity if diesel blending is introduced?** Our commercial-scale Bio-IBA demo plant is under construction and is expected to be completed by December 2026, while government agencies are testing Bio-IBA blending in diesel. We cannot comment on the timing of a blending mandate, but technologically we are ready. We indicated that even a 2% Bio-IBA blending mandate could create a INR 3,000+ crore project opportunity.

- **What is the progress on SAF and other Bio-Prism opportunities such as PLA?** We have progressed an international ethanol-to-SAF engagement from basic engineering to detailed engineering, strengthening our positioning in alcohol-to-jet SAF. On PLA, we currently have technology for lactic acid and are engaged with prospective customers, with further commercial progress expected over FY27.

- **Why were margins subdued in Q1, and can Praj structurally improve margins from historical levels?** Q1 margins were affected mainly by volume and business mix. Material cost and site expenses also move depending on the stage of project execution and tend to offset each other. Over time, a higher contribution from international business, services, GenX and newer biofuels should support better margins than historical levels, although we are not providing specific guidance.
- **Why did export revenue decline in Q1 despite stronger international order intake?** This is largely an execution-timing issue. A sizeable portion of international orders was booked during Q1, but revenue recognition will follow after engineering and subsequent execution. International orders represented around 40–43% of Q1 order intake, so the export revenue share should improve over the coming quarters, potentially from Q3 onwards.
- **What are the economics of the Brazil ethanol project and Praj's typical scope in such projects?** The Brazil project is a large ~800 KLPD corn-to-ethanol plant being executed end-to-end. As a broad industry benchmark, a 100 KLPD ethanol plant may require INR 100–120 crore of capex depending on feedstock and configuration, with Praj's overall scope typically around 50–60% of project value, or around 30% for process/technology-only scope.
- **What is the outlook for Life Cycle Services, and when can it become a meaningful contributor?** Life Cycle Services is growing steadily quarter-on-quarter, supported by our large installed base. We are expanding beyond traditional services into performance enhancers, digital solutions and biogenic CO_2 capture, and have conducted trials for performance enhancers in Latin America during the quarter to expand the offering internationally.

Key Participants:

Aditya Mongia – Kotak Institutional Equities
Shailesh Kanani – AMSEC
Amit Anwani – PL Capital
Sajal Kapoor – Antifragile Thinking
Manish Goyal – ThinqWise