

20 MICRONS[®] L I M I T E D

CIN: L99999GJ1987PLC009768

Regd. Office: 9-10, GIDC Industrial Estate, Waghodia, Dist.: Vadodara, 391760
Ph.: 75 748 06350 | **E-Mail:** co_secretary@20microns.com | **Website:** www.20microns.com

November 12, 2025

To,
The Secretary,
BSE Ltd.
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
Scrip Code - 533022

To,
Asst. Vice President,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot C/1, G Block
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Symbol - 20MICRONS

Dear Sir/Madam,

Subject: Transcript of Earnings Call for the Quarter and Half Year Ended September 30, 2025

Dear Sir(s),

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and further to our earlier intimation dated November 6, 2025, regarding the Investors' Earnings Call, we wish to inform you that the **transcript of the earnings call** held on **Tuesday, November 11, 2025**, in connection with the unaudited financial results (Standalone and Consolidated) of the Company for the quarter and half year ended **September 30, 2025**, is enclosed herewith as **Annexure – A**.

The transcript can also be accessed [[Click here](#)] or through the *Investors Section* → *Investor Presentation/Earnings Update* under the tab **FY 2025-26** on the Company's website at www.20microns.com

This is for your information and further dissemination.

Thanking you,

Yours faithfully

For 20 Microns Limited

Komal Pandey

Company Secretary & Compliance Officer
ACS 37092

Encl.: as above

20 Microns Earnings Conference Call Q2 FY2026

Muthukumar: Good afternoon.

Muthukumar: Ladies and gentlemen, good afternoon and a warm welcome to the Q2 FY 26 Earnings Call of 20 Microns Limited hosted by Wisdomsmith Advisors. I am Muthukumar from Wisdomsmith Advisors and it's my pleasure to facilitate today's discussion. From the management team.

We are joined by Mr. Atil Parekh, Chief Executive Officer and Managing Director, Mr. Nihad Baluch, Group Chief Finance Officer, Mr. Pranit Shah, Finance Controller. As a reminder, today's call is being recorded. The audio video version of the call will be uploaded on the company's website soon after the session concludes and the call transcript will also be available shortly thereafter. All participants in this webinar will be in listen only mode during the management commentary. After the presentation, we will open the floor for a Q and A session.

Before we begin, let me briefly read the forward-looking statement Disclaimer. Certain statements may be forward-looking and subject to risk. Actual outcome may differ and the company is not required to update these statements. With that, may I now request Mr. Nihad Baluch to take over the proceedings of the call. Over to you, Mr. Nihad.

Nihad Baluch: For joining us today and for your continued interest in 20 Microns performance and strategic direction. I take this opportunity to walk you through the financials of quarter 2 for the financial year 26 briefing to the slides 4,5,6 and 7 of the presentation and sharing some contacts on the operating environment, margin trajectory and how we see the second-half shaping up.

Let me begin with the slide 5, our quarter 2 consolidated performance revenue from the operation stood at rupees 2307.8 million.

There was a drop by 3.9% Y on Y and 6.6% subsequently.

The softness in the top line is directly linked to the macro factors affecting the paint industry, extended monsoons, delayed festive impulses and pricing pressure among the paint manufacturers.

Despite this external challenges, our EV data grew to rupees 318 millions showing a four 3.4% improvement year on year.

More importantly, EBITDA margins expanded to 13.8% and strong hundred basis point improvement over the same quarter last year and nearly the same over quarter one.

The margin improvement is directed is direct outcome of continued cost initiatives, operating discipline and more efficient sourcing.

Our PAD grew to 173.5 million, up by 5.5% year on year and our PAT margins improved by 7.5%.

Our EPS increased from 4.65 last year to 4.92 this quarter, demonstrating A consistent value creation.

Now moving to the slide number six, our P&L summary which will showcase the cost discipline and marginal resilience.

Even in the revenue constructed environment, operating expenses were tightly controlled, declining 7.7% subsequently and 5% year on year.

This demonstrate how our efforts on cost efficiencies, alternative sourcing and manufacturing discipline are translating into measurable financial gains.

Our EBITDA improved despite revenue pressures, which is the key message in the today's environment.

Even in tough market condition, our structural margin focus is working. We also continue to maintain a healthy financial profile with a stable financial costs and discipline. Working capital depreciation increased due to the capacity enhancement and modernization initiatives investment that will support growth as demand revives in the second-half. Now moving to the slide #7. I'll just brief you on the the business outcomes and the performance. The paint industry had gone through a temporary slowdown driven by external rains, subdued customer movement and competitive pricing actions, but within the environment. But within this environment, 20 Micron strengthening its market share, especially as pain manufacturer increasingly prefer reliable suppliers and diversified offerings and consistent service level. We remain a strong alternative to the traditional suppliers and our diversified customer mix help cushion the downturn. Pain contributed 48% of our revenue followed by plastic at 25% and rubber by 9%. While paint remain the largest segment. Our strategic direction is clear growth through innovation, new product introduction and deeper penetration in the plastic and rubber segment where our margins are structurally higher. This shift will keep will help us further rebalance our portfolio in coming years. I'll just brief you a second-half outlook, how optimistic we are in terms of business strategy. Looking ahead, we expect a more constructive environment in the second-half of financial year 26 festive and wedding season. Typically Dr. consumption cycles and early indicators of October and early November suggest improving activity level. International enquiries have also picked up from the recent industry exhibition we entered. While we stay conscious on micro uncertainties, we do believe that the world worst of the demand softness is behind us. With stabilizing raw material prices, improved utilization level and continuous focus on operational efficiencies, we are confident of maintaining marginal margin improvements in our in the coming quarters.

To summarize the Q2 performance, we we though we faced A challenging demand environment, but protected and expanded our margins.

Cost discipline remain core and Q2 results validate the strength of this approach and our long term vision.

7:02

Our diversified portfolio and efficiency driven culture give us resilience in down cycles.

7:09

And finally, we see early signs of recovery in H2 supported by seasonal demand and ongoing initiatives.

7:16

As always, we remain committed to delivering long term values through discipline, execution, innovation and strengthening our market presence.

7:23

Thank you.

7:24

With that, I would like to now hand over the discussion to our CEO and MD Sri Atil Parish.

7:30

Sir.

7:34

Thank you, Nihal.

7:36

It's both a privilege and a responsibility to present the performance of 20 Microns Limited for the second quarter and the first half of fiscal 20/25/26 and to share our vision for the quarters ahead.

7:48

Despite being a challenging macro economic environment and a sector specific headwinds, 20 Microns continues to demonstrate resilience and operational discipline, but testament to the strength and agility of our business model.

8:01

The paint industry, as you all of you know remains the largest contributor in 20 Microns at approximately 48% of our revenue.

8:08

While Q2 faced headwinds due to extended monsoon, subdued customer demand and a delayed festive season, we expect the demand to recover in H2 with an onset of improved customer demand to upcoming festivals and weddings.

8:22

Our deep integration with leading paint manufacturers positions us to capitalise swiftly on a cyclical uptick.

8:29

The polymers and rubber division showed a significant growth in the industrial application, though at a measured pace due to the global raw material volatility.

8:39

Product innovation and value added formulations are helping us capture higher value market segments, which is evident in our Q2 performance.

8:47

The paper and ceramics continue to remain stable where we have certain high end offerings for these segments.

8:55

Strategic R&D and customer types are yielding positive results, particularly in the premium segments.

9:02

Based on our offerings, our B2C portfolio in the construction chemicals and mineral fertilizer space is also gaining traction, particularly in the underserved Tier 2 and Tier 3 markets.

9:13

The distribution network continues to expand, offering potential for incremental growth I'll get from a smaller base.

9:20

Our export footprints spans more than many countries and our recent expansions into Poland, Latin Middle East and South Africa are beginning to yield results offsetting some plateauing in saturated Western European markets.

9:34

Our deals strategy is helping us win new clients seeking alternatives to traditional supply chains and export revenue is expected to climb in the coming quarters.

9:44

Looking ahead, we anticipate a recovery in the demand, though slowly, particularly in the paint and construction segments fuelled by festive and wedding season consumption and the infrastructure upgradation activities.

9:59

Our focus in the next half would be on accelerating growth in value added segments and speciality chemicals to enhance our margins and reduce the cyclicalities.

10:09

Deepening of the customer engagement to foster stronger partnerships, especially in core B2B sectors.

10:15

Expanding our product portfolio, our R&D pipeline and visages.

10:19

Further innovation anticipated to underpin long term competitiveness, driving market penetration for emerging B to C businesses, leveraging both new and existing distribution networks, enhancing our export presence with target markets responding to evolving global supply chain landscapes.

10:38

And our planned CapEx fuelling growth in capacities has been slightly deferred but will smoothly be executed from Q4 onwards.

10:46

Despite geopolitical tensions, uncertainties and inflationary headwinds, we have maintained stable margins underscoring operational rigour.

10:55

We remain committed to our ESG practices, responsible mining practices and innovation LED growth, an approach that will secure our long term relevance and value creation for the stakeholders.

11:08

While near term revenue headwinds pose challenges, our unwavering focus on margin improvement, product diversification and market expansion gives us the confidence in delivering sustained value.

11:20

Our vision to create differentiation remains undeterred, anchored by disciplined execution and a forward-looking strategy.

11:27

Thank you all for your continued trust in 20 Microns Limited.

11:37

You can now start taking questions.

11:40

Yes, yeah, sure.

11:42

Thank you, Sir.

11:44

We will now begin with our question and answer session.

11:47

Now for those participants who wish to ask a question directly, please use the raise hand functionality.

11:54

Once you are unmuted, introduce yourself and directly ask the question to the management.

12:00

Our request is to restrict it to two questions, after which you could also join the queue and give opportunity for others to ask.

12:08

Additionally, you can also post your questions directly on the chat box.

12:13

We now open the floor for AQ and a session.

12:30

I repeat, if you want to ask a question, please use the raise hand functionality.

12:36

Once you're unmuted, introduce yourself and directly ask the question to the management.

12:42

Alternatively, you can also post your questions directly on the chat box.

13:07

Yes.

13:07

So we have a question just one second.

13:16

So there is one question that is we'll take some of the questions that has come through e-mail for us.

13:22

The first question, Mr.

13:23

Atil, if you could answer is, is regarding the revenues, the queries that the second-half revenues typically tend to be slightly lower than the first half for 20 microns.

13:38

Do we expect a difference this year?

13:45

Well, usually the second quarter is is sometimes at its peak, but this time due to the lower demand which has been there, we are expecting that the the third quarter and the fourth quarter should be decent compared to the last half of the OK.

14:12

So the second question is on is a question about the particularly the revenue growth guidance.

14:20

So are we on track to achieve the 13 percent revenue growth for the full year given that what we have seen in Q2 sales, you know a dip in the Q2 sales this this time?

14:32

Well, yes, the target would continue to remain the same that we had anticipated at the beginning of the year.

14:38

There's always a shuffle in terms of the quarters looking at the demands which shifts based upon the customer sentiments.

14:45

But we are hopeful that with the encouraging demand coming up in the next few months, we should hopefully achieve the targeted growth rate of 13% and about OK.

15:03

So what any in the in the same context there is a question that is put up on regard to the EBITDA margin.

15:08

So what is the outlook for the EBITDA margin?

15:11

How sustainable is the level seen in Q2?

15:16

Well, we have seen a good growth in terms of our EBITDA margins in the first half if you see and we have reached our anticipated targets in between 13 and 15%, which was we were quite hopeful about.

15:30

And even in the second-half, we are expecting that this should continue to sustained if, if that go back to the levels where we were at 12 1/2% and we will hopefully be in the 13 to 14% range at the end of the year.

15:49

OK.

15:50

So there is a question that has been put up on the chat box from Adarsh Jain.

15:54

His query is that since Malaysian mine is operational now, how much margins we could improve from that?

16:03

Yes, the Malaysian mines have recently been operational and to go full-fledged it will take another few more months till we reach the optimal level where we will then be able to get a proper guidance about how much savings that we can do in terms of the margins.

16:22

Because currently we are working on all different grades that is coming out of the mines from you know, the various different grades that we work with.

16:33

And once we segregate those grades in the near term for our own production based on that, we will be able to have a fair picture about the cost inclinations and the the improvement in the margins that we can see in the forthcoming, you know, quarters.

16:51

But we will be able to get a better idea about it only at the beginning of the next financial year.

17:00

OK.

17:01

Now for those participants who wish to ask a question directly, please use the raise and functionality.

17:07

Once you're unmuted, introduce yourself and directly ask the questions to the management.

17:12

Additionally, you can also post your questions directly on the chat box.

17:27

So there's one question that has come up, which can you share updates on new product introductions in H1 or those that are planned for in the second-half of the year, financial year?

17:41

And which of the products are actually performing well in the last 12 months?

17:47

Well, we have a whole range of different products that we have, you know, introduced in the last quarters of the last financial year.

17:55

And in this first half we have been trying to promote those products being from organic thickeners to pacifiers to flame retardants and activators to partial replacement of zinc oxide.

18:12

So these products have been, you know, slowly being accepted by the markets in the domestic front as well as in the international markets.

18:21

And we are very hopeful that in the upcoming quarters also we will see a significant growth in these products.

18:28

And we are seeing quite encouraging results currently.

18:32

And hopefully there are a few more products also in the pipeline, which is too early to comment on right now, but they will be introduced in the fourth quarter when we will be showcasing those products in our upcoming exhibitions for plastics, rubber and paints in February, March and April of 2026.

18:52

So that is the time when we will be launching those products as well.

18:58

OK, thanks.

18:59

So there's a follow up question from Mr.

19:01

Adarsh Jain on the chat box.

19:03

He's asking, are we exploring anything on rare earth minerals?

19:08

Rare earth is something very, I think quite in trending right now in, in the Indian markets because of the China dominance.

19:17

And the media has been quite showing a lot of spotlight on this particular area.

19:23

But there's not much clarity from the government about the rare earth minerals that are available in India and the, the, you know, the processes and the availability of these rare earth minerals in different parts of the country.

19:40

So we are working closely and trying to explore to see if there is any potential that we can, you know, establish in terms of rare earth minerals in the future.

19:49

But it's too early to comment right now because it's just a very new area to be looking into.

19:55

And there's a lot of different processing techniques and it's its trace elements that are available in the mines.

20:03
In India.

20:04
So it's, it's a complex processes that need to be worked upon in, in this particular area.

20:10
So it's, it's very different from what many microns currently does.

20:14
But yes, if the opportunity arises and if we have good initiatives and information available from the government, then definitely we would be looking more into it in the future.

20:32
OK.

20:32
So there is one question that has come up it's how did the Nano business perform during the first half of the financial year?

Are we on track to to scale up the Nano division to 2:50 to 300 crore business?

What hurdles are you facing?

The Nano has been in in the H1.

If we consider of this year versus last year, we have not seen a significant growth.

We are you know, at the same levels that we were in the H1 of last year.

But yes, we have significantly decreased our raw material cost in Nano in in this financial year and also that has led to increased PAT margins and PAT of 20 microns nano.

So that has been a good sign which we were anticipating for quite a long time.

In terms of the overall revenue growth, as the demand is currently sluggish, we are hopeful that the demand will improve in both the exports and the paint segments in the upcoming quarters.

But in polymers and in rubber segments, we are on track and we have seen a good growth in these two areas in in the first half of this financial year.

OK.

So, so there is one question regarding the mines and the capacities.

I think it has come up together.

1, is that how many mines are operational currently and what progress has been made on restarting mines?

And of course, related question is yeah, sorry.

Yeah, you can this question.

So currently our Malaysian mines has recently started as I mentioned in my comments.

And our push mine is completely operational.

But apart from that, all the other mines that we have, we have already started to do core drilling to establish the quality of the materials which is available in the mines at a certain depth.

So once we get more data on on the gold drilling operations, we will be able to establish a

plan about the mining in the coming quarters.

And we will be doing it 1 by 1, opening the mines one after the other and not all at once because we will have to look at the cost structure also, which is a significant part of the mining.

And so we will have, you know a better idea once we get more data on the drilling operations which are under process right now.

OK.

There's one question on the collaborations and where the question is how are the collaborations with Doffner and Seaward progressing?

23:19

Yeah, we have seen a very good increase in the revenues compared to last financial year in Silcol, which is our Doffner joint venture for coloured quartz, where we have almost doubled our turnover in the first half when we compare it to last year.

23:38

And we have recently started operate the production of our Thai adhesives with SIBO 20 microns Private Limited.

23:49

And there we have just introduced the product into the markets.

23:53

Recently we participated in one of our recent exhibitions which was quite successful in Mumbai for construction chemicals where there was a lot of traction for the the new brand and the new products that we're launching in the market.

24:09

So slowly and steadily we see a lot of growth that we are expecting in in this particular company as well.

24:17

But it's too early right now since we have just started production.

24:20

So maybe in the next quarter we might have some, you know, figures to share.

24:26

OK, that's good.

24:30

OK.

24:31

So some, I think there's some questions on the CapEx, CapEx and the strategic initiatives.

24:36

What is the, what is the status of the 100 crore CapEx plan and how much remains to be executed over the next two to three years And the rated is, could you provide an update on the renewal and the sustainability investment initiatives?

24:52

Yeah.

24:52

The CapEx currently as I mentioned in my opening remarks is that it has been slightly default because of the current lowering of the demand and our Malaysian CapEx plan is on track.

25:06

So we have already finalized plans of infusing funds into our Malaysian subsidiary for the expansion of our calcium carbonate operations thereafter the acquisition.

25:19

So that is already on track.

25:22

And for the rest of the CapEx, we, it is, as I mentioned, it's slightly deferred in terms of the outflows, but we are revising our CapEx plans in, in that aspect.

25:35

And our CFO, Mr.

25:37

Nihad will in the in the coming months come out with hopefully a press release with the the new CapEx plan that we will be having based upon the 100 crore plan that we have announced.

25:53

And when it comes to sustainability initiatives, yes, we are on track for that.

25:58

We are taking sustainability very seriously.

26:01

We have an in house department.

26:02

We have regular audits in our all operations.

26:06

We are Eco Wadis Gold certified company now, which is a proud certification that has been given to us.

26:17

We also regularly conduct TFs audits that are all operations and we have regular customer audits also in for sustainability in, in 20 microns and in 20 microns nano for any new products or the existing products that we produce.

26:33

So yes, it's it's a very important initiative that we we take internally and it's it's an ongoing process which is taken very seriously in the organization.

26:43

OK, well said.

26:45

Yeah, yeah, there's there is one question from Adarsh Jain.

26:49

What is the impact of US Tari from US?

26:53

Well, there is no direct impact on the US tariffs because our exposure to the US markets is very limited.

26:59

It is not significant at all.

27:00

So we don't export much there.

27:04

But there's an indirect effect in terms of whenever there is like changes in tariff situations, there is the supply chain which kind of gets disturbed globally and that kind of impacts in indirectly to the operations, but not in a very significant way.

27:21

So I think we are kind of aloof from that whole mess which is there right now until one call.

27:31

I think you addressed it partially when when he spoke about margins.

27:34

But on the chat box, there is a query from Disha Chordia.

27:39

She has mentioned that what sort of margins do we see for FY20 6 on a consolidated basis and going ahead, what are the steady state EBITDA margins?

27:50

So I think currently we are at 13.7 where we moved ahead from 12.7.

27:56

So it's been like almost 100 basis points up if you look at it currently.

28:01

But when the demand goes up, the margins might get compromised a little bit.

28:05

But I think to be fair, I think 13 to 13 1/2 percent is something that we expect to close at the end of this financial year.

28:13

And as I have always mentioned in my earlier discussions also on the public forums, is that the steady state EBITDA margins will always remain in the 13 to 15% range depending on how the progress is, because it all depends on the product mix and the demand.

28:30

So as the product mix changes, the margins change and we are hopeful that we continue to remain in that bracket of margin space in the coming years as well.

28:43

There is One Financial question related to the expenses, like the material and other expenses were lower.

28:51

What factors drove this reduction?

28:53

What is the current freight cost scenario?

28:56

I'll just repeat, material and other expenses were lower.

28:59

What factors drove this reduction?

29:02

What is the current freight cost scenario?

29:07

Mr.

29:07

Nihad can probably answer that question.

29:17

Yes.

29:18

So coming to the point on the drivers that have helped us in terms of product mix to maintain our raw material cost and sourcing points that help us you know to marginalise our operational cost in terms of sourcing well in terms of there are stability that we have drawn in terms of freight pressures also that keeps us moderate in terms of maintaining the operational margins.

29:50

OK.

29:52

Yeah, there is one follow up I think related question.

29:54

I think which partially you addressed while you know during the presentation is relating to despite price pressure from paint manufacturers margins improved.

30:04

What explains this resilience?

30:09

See, we have already started working Q1 about the cost effectiveness in our operation.

30:17

However, you know if you see that our raw material cost and our distribution cost have been decreased.

30:24

So there is the advantage that we had in terms of despite the lower sales from the paid customer apart, there was again you know export sales that has been a slight added advantage in terms of getting that distribution cost in level, OK.

30:47

SO11 besides the paint industry, there is one question that is talks about how are the other key sectors, construction, chemicals, ceramics, plastics, paper performing and what is the demand outlook.

31:01

I think I already mentioned that in my opening comments, if you recall.

31:05

So I had spoken much about the polymers and the plastics and the rubber division and how they are expected to be stable in the, you know, they're quite stable right now and they're expected to grow in the coming quarters also.

31:18

And we have some good products which are lined up for these segments also.

31:23

And they are doing very well currently and we hope that they will continue to grow also in the coming quarters.

31:31

OK, so we are we are close to, you know, the end of the session.

31:37

So just I'm just repeating again.

31:39

So now for those participants who wish to ask a question directly, please use the raise and functionality.

31:46

Or if you want to ask a question, you can also put it on the chat box.

32:14

So since there are no questions, Mr.

32:17

Athil, would you like to address the give the end the talk by giving a speech on that?

32:28

Yes.

32:28

So thank you everyone.

32:31

Thank you everyone for joining in and I hope you continue to build upon the trust in 20 Microns Limited and we hope to improve our operations margins and our revenues in the upcoming quarters and offer you good results at the end of this financial year.

32:49

Thank you very much for joining in.

32:51

Sorry, just one question.

32:53

I think it was put up in the chat box after we spoke from Adarsh again.

32:57

So since competition is increasing in paint industry, doesn't it allow us to improve our margins having greater market share?

33:06

I'm just repeating what was mentioned.

33:09

Since competition is increasing in paint industry, doesn't it allow us to improve our margin having greater market share?

33:17

Well, the competition is increasing in the paint industry and they are working on reduction of the raw material cost due to that stiff competition between the paint manufacturers.

33:26

And due to that they are trying to, you know, squeeze our margins for the raw materials.

33:35

And so we work on a very selective approach when it comes to paint industries in terms of our product offerings to sustain our EBITDA margins currently.

33:46

But in the future, if the the competition gets these out a little bit and there's room for growth in terms of the product portfolios, then definitely that will allow us to improve our margins.

34:01

Thank you so much, Mr.

34:03

Atil.

34:03

With this, we conclude, we come to the end of the session for the Q2 FY20 6 earnings call of 20 microns.

34:10

If you have any queries, please write to us.

34:13

And I have a very good evening.

34:15

Thank you.

34:16

Thank you.

34:16

Thank you everyone.