“UPL Limited - Q3 & 9MFY26 Earnings Conference Call”

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Mr. Bikash Prasad	Group Chief Financial Officer	UPL Ltd
Mr. Mike Frank	Chief Executive Officer, Global Crop Protection	UPL Corp
Mr. Ravishankar Cherukuri	Chief Executive Officer, India Crop Protection	UPL SAS
Mr. Bhupen Dubey	Chief Executive Officer	Advanta
Mr. Raj Tiwari	Chief Executive Officer	SUPERFORM
Mr. Anurag Gupta	Head, Investor Relations	UPL Ltd

Moderator: Ladies and gentlemen, good day and welcome to UPL Limited Q3 and 9M FY2026 Earnings Conference Call. 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 star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anurag Gupta, Investor Relations. Thank you and over to you, Mr. Gupta.

Anurag Gupta: Thank you, Renju. Good afternoon, everyone. I am Anurag Gupta, Head of Investor Relations at UPL. On behalf of the UPL management team, I thank you for joining us today for discussing the financial performance for Q3 and 9 months FY '26. The investor presentation, press release and the financial statements have been made available on our website and we take it that you have read the safe harbor statement.

From the management team today, we have with us Group Chief Financial Officer, Bikash Prasad; CEO of Global Crop Protection business, Mike Frank; CEO of India Crop Protection Platform, Ravi Cherukuri; CEO of Seed business, Advanta, Bhupen Dubey; CEO of Specialty Chemistries Platform, SUPERFORM, Raj Tiwari and other members of the leadership team.

In this earnings call, Bikash will take us through the overall performance for UPL Limited for the third quarter and 9 months year-to-date FY '26. This will be followed by Mike, who will share his detailed remarks on UPL Corporation, followed again by Bikash. We will have the Q&A session post that. With that, I now hand it over to Bikash. Bikash, over to you.

Bikash Prasad: Thank you, Anurag. Good evening, everyone, and a very warm welcome to UPL's Third Quarter and 9 Months FY '26 Earnings Call. Thank you for taking the time to join us today. Before presenting the financial highlights for Q3, I would like to express my appreciation and gratitude for your continued interest and constructive feedback.

Your inputs have helped us in improving the quality, consistency and clarity of our reporting, helping us understand your expectations. As a team, we continue to execute with discipline, focus on maintaining robust governance and building momentum for sustainable value creation over the medium to long term.

I'm pleased to share that UPL delivered yet another record quarter, outperforming an exceptionally strong Q3 last year. We have sustained the momentum we built throughout the year, led by broad-based EBITDA growth across platforms, driving improved profit before tax and operating profit after tax and minority interest - PATMI through financial discipline as well as balance sheet strengthening and capital productivity.

This is testimony to our effective execution, prudent financial management and resilience of our business strategy. In today's call, we'll walk you through the key financial and strategic highlights of the quarter, provide some context on the drivers behind our performance and share our outlook for the full year FY '26.

Before we do that, I just wanted to give a quick update on the macroeconomic scenario. As we enter the fourth quarter, the crop protection value chain continues to remain under some pressure from geopolitical uncertainties, shifting trade dynamics, continued tariff-driven volatility, pricing pressure and softer commodity prices. However, the global crop protection and seeds demand remains stable, supported by robust grower consumption.

We continue to see a benign interest rate environment with a softened SOFR. Before delving deeper into financial performance, I would like to share some key corporate updates from the third quarter. The first one is related to recent filing of DRHP for our seeds business, Advanta. As we have communicated earlier, we remain focused in evaluating various corporate actions for all our platforms, including IPO and restructuring within a period of 1 to 3 years.

I'm happy to share that the aforementioned DRHP was filed on the 19th of January earlier this year and is the first such step in this direction. Given that the process is pending requisite regulatory approvals, we are constrained from sharing any further details at this stage. For information pertaining to the IPO, please refer to the Draft Red Herring Prospectus filed with SEBI and available on the website.

The second update is on our ESG ratings. We continue to be ranked number one among global agricultural solutions companies with a DJSI score of 77, an improvement from the previous year. Additionally, we achieved CDP A rating for climate and A- for water, underscoring our continued sustainability leadership.

I'm also elated to share that UPL has recently been awarded for excellence in governance as well as for financial performance at the National Finance Conclave hosted by Integrated Council of Professional Accountants, or ICPA at Vigyan Bhawan, New Delhi. This is a compelling testament to our focus on governance-led transformation underpinned by accountability and transparency, fuelling us for stronger outcomes, strengthening market confidence and accelerating sustainable growth.

Now coming to Q3 FY '26 performance overview. Despite continued operational headwinds over the year, this was yet another record quarter for us with a strong performance delivered over a strong third quarter last year and have continued to build on the robust last two quarters. For the quarter, we reported revenue of INR12,269 crores, a strong 12% growth versus last year on a high base of Q3 FY '25.

This was driven by a strong 8% increase in volumes, favorably supported by exchange impact and partially offset by pricing pressure. At a regional level, growth was broad-based with all regions growing versus last year. Impressively, this momentum has continued for Q3 as well as year-to-date, 9 months. Among major regions, growth in Latin America was led by herbicides and corn in Argentina with some pressure in Brazil insecticides.

On a 9-month basis, we continue to maintain this momentum in LATAM and are up by 6% versus the last year. In North America, our revenue is up by 3% despite continued tariff-related uncertainties. On a 9-month basis, the region continues to outperform with a 15% growth on the base of a strong H1. Europe grew strongly by robust 21% year-on-year for the quarter, driven largely by herbicide volumes as well as NPP BioSolutions portfolio.

This has further helped consolidate the region's strong performance on a 9-month basis. India revenue was up by 4% in the quarter on the back of a strong performance in seeds, mainly field corn and supported by the Crop Protection segment. On a year-to-date basis, the region continues to perform strongly, driven by a strong first half.

In Rest of World, we reported a very strong growth of 32% versus last year, driven by a robust performance in Crop Protection segment, mainly in Africa and China. Additionally, this was supported by seeds and other businesses.

Let me now also provide a quick update on our platforms, which are our global Crop Protection business, UPL Corp; second, our India Crop Protection business or UPL SAS; third is Advanta, our seeds and post-harvest platform; and fourth, our specialty chemicals focused platform, SUPERFORM.

UPL Corp, our global crop protection business, grew by 8% in the third quarter versus last year. The contribution margin expanded by almost 200 basis points, leading to a robust 14% growth in contribution. The platform EBITDA grew by 6% over the last year, while maintaining the margin strongly at around 19%. My colleague, Mike will cover this in more details in his remarks.

Our India Crop Protection business, or UPL SAS grew 4% in revenue. This was driven mainly by improved product mix, including new launches and lower sales return versus last year. Our efforts in improving business quality drove up the contribution margin significantly by over 800 basis points.

As a result, our EBITDA for the quarter also improved by nearly 750 basis points. This is a clear reflection of our sharper business hygiene and focus, leading to a significant turnaround. We are confident that this will be sustainably maintained going forward.

On a year-to-date basis, we continue to remain positive in our revenue growth despite a challenging second quarter. Further, our contribution and EBITDA margins have also improved significantly on a year-to-date basis.

Advanta, our seeds and post-harvest platform delivered a strong 22% growth versus last year, fuelled by a robust volume expansion of 14% in the seeds segment. Key contributors to this growth included field corn in India, Latin America and South East Asian countries, grain sorghum in Brazil and canola in Australia.

The platform's contribution continued to remain strong at a healthy 55%. Our volume-led growth resulted in a robust EBITDA increase of 22% for the quarter versus last year. On a 9-

month basis, we remain at a healthy 23% growth in revenue and a solid 28% increase in EBITDA, driven by a strong performance across quarters.

Our manufacturing and super specialty arm that is SUPERFORM also saw a decline of 11% year-on-year, mainly due to phasing-related shifts and impact of lower input costs. However, I'm happy to share that our emerging super specialty business was up by 42%, driven by contract manufacturing and cyanide derivatives.

Overall, the platform recorded a strong 470 basis point improvement in contribution margin, driven by an improved share of specialty chemical business to 27%, up from 18% last year. This also translated to an improved EBITDA with approximately 120 basis point margin improvement and flat in absolute value despite revenue decline.

Now moving on to the group's contribution performance. In line with our very strong H1, the contribution margin in the third quarter expanded to around 43% on the back of improved product mix, higher capacity utilization and lower input cost, a key indicator of our strategic shift in quality of business.

This has translated to 17% increase in contribution for the quarter to INR5,227 crores. The SG&A expenses amounted to INR2,792 crores, a 21% increase year-on-year, but in line with management expectations and plans. Our EBITDA growth has been a strong 13%, reaching to INR2,434 crores, while maintaining impressive margins that we achieved last year.

On a 9-month basis, we remain strongly poised for 22% year-on-year growth in EBITDA to INR5,941 crores with an impressive 200 basis point margin improvement. Profit before tax or PBT stood at INR671 crores, a solid 90% jump versus last year. And this was driven by:

- One, EBITDA at INR2,434 crores, up from INR2,163 crores last year.
- Second, significant reduction in net finance costs, down from INR704 crores to INR639 crores this year through debt prepayment of around $250 million in March 2025, favorable SOFR-linked interest rate, which have declined by 70 basis points since the beginning of this year and ratings outlook upgrade related interest rate reduction by the banks.
- Third reason for the improvement in PBT is also the lower losses from associates and joint ventures from INR278 crores to INR81 crores in this period. I'm pleased to share that most of our JVs and associates have significantly improved their performance during the current year.
- Finally, the exceptional items related impact lowered from INR76 crores to INR56 crores. This year, the exceptional item pertains to the impact of India's new Labour code notified on 21st November 2025 and have recorded the corresponding provision in this third quarter in line with the regulatory and the ICAI guidance currently available.

We have also provided a detailed management P&L to better explain the numbers, including the net debt and total FX cost at the Slide number 10.

Our operating PATMI, profit after tax and minority interest at INR452 crores grew by a very solid 45% year-on-year in the third quarter, adjusted for one-off non-operational tax provision reversal done in Q3 of last year on account of a favorable order from appellate authority. On a 9-month basis, the improvement was impressive at over INR1,200 crores in continuation with the momentum of the first half of the year.

Now moving on to the key balance sheet items, starting with the net working capital. Our net working capital as at December 31, 2025, stood at INR15,625 crores or around 116 days, higher by about 9 days versus a very tightened last year. Elevated working capital versus previous year is a function of increase in sales on a year-to-date basis and in anticipation for the upcoming Q4 sales, which seasonally is the largest quarter for us.

This preparation is factored in our inventory days as well, which has increased by 18 days.

We have also seen some crop shifting in our seeds business, change in regional mix, along with credit terms pressure in LATAM that has impacted the overall receivables, translating to 15 days increase year-on-year.

Our payable days have grown by 24 days, broadly in line with higher inventory and better credit terms versus last year. We expect our March 2026 working capital days to be in line with the guidance given during the Capital Market Day of around 70 days. On net debt, as at December 31, 2025, net debt stood at INR23,317 crores or $2.594 billion, reflecting a reduction of INR2,553 crores or $427 million.

However, net debt increased versus March 2025, largely due to the impact of perpetual bond redemption of about $400 million in Q1 and higher working capital requirements in line with historical seasonality.

I'm also pleased to share that in line with our long-term strategy and guidance, our key gearing ratios that is net debt to EBITDA and net debt to equity continue to demonstrate improvement compared to December 31 last year. The net debt-to-EBITDA and net debt-to-equity ratio improved from 3.8x last year to 2.5x and 0.8x last year to 0.6x, respectively. This has been driven by our strong operational performance and continued capital prudence.

I now hand over to Mike, who will take you through the details of UPL Corp. Mike, over to you.

Mike Frank: Thank you, Bikash. Hello, everyone, and welcome to our third quarter FY '26 earnings call. Before we review the quarter, I'd like to start by providing my thoughts on the global crop protection market. The global crop protection market, as Bikash mentioned, continues to experience a slow recovery with volumes showing modest growth, but persistent pricing pressure in most molecules, limiting value recovery and holding back a stronger rebound.

This market reality is anchored by continued overcapacity in China and low commodity prices for growers pressuring their margins. However, against this backdrop, in a market that remains challenging, our Q3 and year-to-date results highlight the resilience of our portfolio, the advantages of our diversified regional footprint and benefits gained from our continued focus on operational excellence. This strategy has enabled us to effectively offset headwinds such as pricing pressure in Brazil and U.S. tariff impacts while sustaining momentum across our business.

Turning to our Q3 performance. In Q3, our revenues grew by 8% year-on-year, supported by strong volumes in Latin America, Europe, Africa and the Asia Pacific geographies.

Looking at the performance of our portfolio, herbicides delivered strong and resilient results across Latin America, North America and Europe, driven by clethodim, flufenacet and glufosinate. Fungicides continued on a strong global growth trajectory, led by outstanding performance of Mancozeb and our Mancozeb mixtures across every region.

Our insecticides portfolio, particularly in the sucking pest segment in Brazil, where UPL holds a leading position has continued to face intense competition pressure, resulting in price erosion of our premium brand, Sperto®. However, the good news is that we're seeing excellent traction with Feroce®, whose agronomic performance is strengthening brand recognition and resonating strongly with growers across Brazil.

Additionally, we're preparing a major new product launch for next year, a new insecticide successor. Our field trial results and the feedback from growers that have visited our trials give us confidence that this product will be a high-impact addition to our leading sucking pest portfolio.

Moreover, we've been particularly impressed with the performance of recently launched brands, Propose® and Constel® in the chewing pest segment this year in Brazil. These brands have already made notable market impact and are on track to nearly double from our original forecasted revenue. Their rapid acceptance and proven field performance signal highly compelling growth prospects heading into next year.

Our sustainable solutions category continues to scale, delivering strong performance, particularly in Europe, and the Asia Pacific geographies. With 11% overall revenue growth in Q3 and maintaining high product margins, this segment is at the core of our growth strategy.

Overall, our contribution margins expanded to 37.7%, growing by 200 basis points year-over-year. This was mainly driven by improved mix, lower input cost and higher capacity utilization.

Turning to SG&A. We continue to demonstrate a disciplined SG&A approach while also investing strategically in growth and transformation initiatives. Nevertheless, and as alluded to earlier, liquidity stress on retailers and distributors, especially in Latin America, remain challenging, resulting in higher expected credit loss provisioning this quarter. ECLs totalled approximately $ 5 million this quarter, which impacted our results.

Finally, our EBITDA for the quarter increased by 6% year-on-year, demonstrating strong resilience despite challenging market conditions. We also sustained our EBITDA margins at above 19%.

Let us now review the Q3 performance. Our regional performance this quarter showcases the clear advantage of our diversified geographic footprint.

Latin America posted 6% higher revenues year-on-year. This growth is attributed mainly to Brazil's robust performance in herbicides and continued recovery of our business in Argentina. As we highlighted during our last investor call, our disciplined execution, a resilient business model, stronger customer engagement supported by a diversified product portfolio have all resulted in solid revenue recovery across this region.

We remain confident that this momentum will continue through the fourth quarter and deliver strong growth results for us. Our business in North America demonstrated resilience, delivering 3% revenue growth despite deliberately postponing sales due to tariff-related uncertainties.

This growth was driven by a strong herbicide portfolio with notable upsides coming from the demand for key molecules in our post-patent segment, such as clethodim and glufosinate. Europe delivered a standout performance this quarter, recording an impressive 17% growth in revenues compared to the same quarter last year.

This growth was primarily driven by strong performance in key molecules such as flufenacet, clethodim and cypermethrin. This was supported by our NPP portfolio, which continues to show strong and sustainable growth in this geography. Africa and Asia Pacific geographies continue to deliver good growth across key markets such as South Africa, the Philippines and in Indonesia, posting overall 13% revenue growth compared to the same quarter last year.

The strong performance in these geographies was primarily driven by Mancozeb. Lastly, on our Q3 results, we remain firmly committed to disciplined cash management and operational efficiency. We continue to actively optimize inventories, receivables and payables to maintain industry-leading working capital efficiency.

Turning to our outlook for the fourth quarter and the full year. Building on the momentum of the first three quarters of this financial year, we remain fully confident in delivering on our FY '26 commitments. We expect a strong volume-led quarter, supported by in-season demand of our products in key markets and higher revenues from our new product launches.

From an SG&A standpoint, we continue to adopt advanced tools and technologies to streamline operations across the organization, strengthening our operating model and driving enterprise-wide transformation. At the same time, we are directing SG&A investments toward key areas that will drive our next phase of growth.

On the marketing excellence front, we continue to strengthen our new product pipeline and are on track to exceed our $130 million revenue target for new product launches this year. Products launched in the last 9 months are already delivering exceptional results, led by strong traction in Brazil and across LATAM. This encouraging performance highlights growing customer preference for our unique offerings. We expect this momentum to accelerate further in the fourth quarter, reinforcing our competitive position and supporting sustained growth.

In closing, I'd like to thank our team for their outstanding dedication and our channel customers for their continued partnership. With this solid momentum, I am confident we will deliver strong full year FY '26 results and create long-term value for all our stakeholders. Thank you.

With that, I'll turn it back over to Bikash for his comments before the Q&A.

Bikash Prasad: Thank you, Mike. So just to summarize, the third quarter was yet another record quarter for us with a strong performance over a strong last year.

On the P&L for the quarter,

- robust growth in revenue by 12%
- strong contribution margin improvement of 160 basis points at around 43%
- EBITDA margins at healthy 20%, leading to a growth of 13% and stood at over INR2,400 crores
- PBT improvement by a solid 90% versus last year, all leading to improved operational PATMI by a solid 45%

On a 9-month basis,

- revenue grew by 8%
- 17% growth in contribution with 320 basis point margin expansion
- EBITDA margin at a healthy 18% with absolute EBITDA growth of 22%

On balance sheet, the net working capital at 116 days are in line with our plans and at par with Q4 outlook expectations.

Net debt reduced by over $400 million and adjusting for perpetual bonds, resulting in reduction by over $800 million.

Improved gearing ratios from 3.8x to 2.5x for net debt to EBITDA and from 0.8x to 0.6x for net debt to equity. Adjusting for perpetual bonds as debt, our net debt-to-EBITDA has improved from 4.2x to 2.5x.

Our free cash flow to equity adjusted for change in working capital was approximately INR2,400 crores.

As you can see, our 9-month performance has been healthy, all around and reassuring on most indicators. I would again like to emphasize on the management's comfort and confidence in achieving our full year guidance of 4% to 8% growth in revenue and 12% to 16% EBITDA growth, given our resilient performance till date in FY '26.

Finally, I would like to thank our team for their efforts and our valuable stakeholders for their continued trust and support. I'm confident of delivering our financial commitments in FY '26. Thank you, and I look forward to your questions. With this, we are now open for the questions and answers.

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Saurabh Jain with HSBC. Please go ahead.

Saurabh Jain: Thank you for the opportunity and congratulations on a very good set of performance. My first question is relating to your top line growth expectations for this year. So when I do my numbers, it implies that on the midpoint of your full year guidance, that would imply a 4Q revenue and EBITDA growth of a small 2%.

And even if I take the high end of your guidance, that would imply a 7% to 8% kind of growth on the revenue and EBITDA, which is a lower kind of a run rate compared to your performance in the 9 months. So how should we look at it? Do you think there is going to be some slowdown in your momentum in the fourth quarter or we should look at the other way that you might be in a better position to achieve or even more?

And a related question to that would be that Europe and rest of the world, you grew very strongly in 3Q. So how should we look at the 4Q for these two geographies? And will it be compensated by growth opening up in U.S. in the fourth quarter?

Anurag Gupta: Mike, may I request you to answer that question?

Mike Frank: Sure. So happy to. So maybe let me start with the second question first. I think as we think about Q4, we would anticipate that we'll see growth in every one of our regions for different reasons, but we have strong momentum. We've geared our supply chain to be ready for a strong Q4 and we're actively engaging with our customers. January, that just went past reinforced our confidence in our performance here in Q4.

And so, we will expect to see growth across every one of our regions as we land the year and through Q4. Now coming to your first question, just in terms of guidance, as we said, we're maintaining our guidance. Obviously, you can compute the numbers based on our results year-to-date.

Again, the top line is just one component where obviously, we're focused on the bottom line. We're focused on cash generation. And so on every one of those metrics, including PBT, we're committed to driving very strong fourth quarter results. And so that's how we look at the business and in particular, the global crop protection market.

Saurabh Jain: That is useful. But U.S. growth, do you think because of all of this confusion around the tariffs, do you think 3Q would have been a bit subdued and there could be a much better growth in U.S. in the fourth quarter? How would you read that?

Mike Frank: Yes, Saurabh, so as I mentioned in my remarks, we did purposely postpone some sales in Q3 in December, in particular. We were, I would say, hopeful that we would see a lower tariff rate, which, of course, hasn't happened as of yet. And so some of the inventory that we were storing in bonded warehouses, we have now released and we're in the process of delivering to customers.

I would say the quantum of that business that we postponed would be in the range of $30 million. And so I would say on top of what we would have expected to be a growth quarter in North America in Q4 regardless, there is a little bit more that we pushed from Q3 into Q4 that will also benefit the fourth quarter results.

Now that being said, as of now, we continue to pay 50% tariffs on products that are not exempt that we're importing into the U.S. and clearing customs. And so obviously, that cost is being worked on; wherever we can, we're passing along higher prices. We're also looking at other supply chain strategies where there are some active ingredients that if they're imported as formulated product, you pay the 50% tariff but if you import them as technical grade, you can get an exemption. So we are moving some formulation capability into the U.S. We won't be able to convert all of that business this year, so some of that will have a tail that will benefit us more next year than this year. But of course, that tariff cost is also a piece that we're going to be absorbing some of that into our results as we think about Q4.

Saurabh Jain: That is helpful. And a related question is, what is the kind of behaviour of the dealer network or the distributors in U.S.? Are they doing the trade very, very cautiously? Or is it like already there is a lot of products that remain in the trade channels? How would you read that situation?

Mike Frank: Yes. So let me speak on our position. I would say we have really strong momentum taking place right now across North America from Canada down to the U.S. And it's based on our portfolio. It's based on some new products that we're launching, and I think it's also based on the channel relationships and partnerships that we've built over the last 24 months.

And I think proof of that is in what we typically collect and the industry collects in December, which is something called prepay, where distributors often will give advances on orders that are going to take place in the next 3 to 4 months in the year as the market plays out. And this year, our prepay dollars in the U.S. was at a record high and increased by about 25% over the prepay level of last year. And so, I think that's a solid indication that at least in our business, we've got strong momentum and retailers and distributors are indicating they're going to do more business with us heading into the 2026 calendar year.

Saurabh Jain: This is helpful. I have more questions, but I prefer to join back queue in the interest of time.

Anurag Gupta: Bikash, would you want to add something to that?

Bikash Prasad: So, if you look at on a YTD performance basis on a 9-month basis, our revenue is up by 8%. And if you recall, Q4 of last year was extremely strong for us, where our turnover was in excess of $1.8 billion. So, we have been just cautious, we still have U.S. and LATAM-related uncertainties to handle. So we are just being cautious. And then hence, we are retaining the outlook that we have shared earlier.

Saurabh Jain: Sure, Thank you so much.

Moderator: Thank you. Next question comes from the line of Tarang from Old Bridge. Please go ahead.

Tarang: Congrats on a very strong set of numbers, a couple of questions. One, if I look at the volume growth for 9 months FY '26 for UPL Corp, and I sort of cross-reference it with the volume growth that has been seen in the SUPERFORM business for the 9 months, there seems to be some element of dichotomy suggesting that maybe external procurement has increased for UPL Corp for this 9-month period. Is that a fair assertion?

And continuing on that, how is the pricing atmosphere currently, but it does seem that the pricing continues to be fairly benign, maybe a notch lower than the same period last year. So your comments on that would help. And then I have a second question.

Anurag Gupta: Tarang, I'll request Raj to maybe answer and share his perspective on this.

Raj Tiwari: So to answer your first question, I think you pointed out rightly that there is a volume growth in corp. So why there's a revenue degrowth as far as AI is concerned.

So it is very simple. One is that there has been -- for us, it's cost plus *[implying revenue is cost plus margins]*. So if cost comes down, then our revenue goes down. And in the first 9 months, there has been a very sharp cost correction because of raw material input. But also, because of manufacturing excellence has also taken away a few million dollars away from the cost, and that has brought the revenue down. That's one.

Number two is there are certain products. One of the biggest products was Monocrotophos, which got discontinued. Last year, it was there. And this year, it is not there. So that impact is one of the larger impact as far as SUPERFORM revenue is concerned. But from quarter 4, that gets absolutely normalized, and we'll see that volume growth in Corp will also see a revenue growth here in SUPERFORM as far as Active is concerned. So, I hope that answered the question.

Tarang: Okay. And just a follow-up. How are you looking at the pricing environment? I mean, you did call out on the raw mat, but on the finished goods for the technicals, we were hoping for it to stabilize. Is it stable? Or is it a notch lower than the same period last year?

Anurag Gupta: Mike, may I request you to answer that question?

Mike Frank: Sure. Yes. So the pricing on our post-patent segment is largely stable. In fact, it's been stable for the last probably 6 to 9 months. And so we're not expecting much change in pricing in that segment. We are seeing some pricing headwinds on particular products that are in our differentiated portfolio.

And the one that I mentioned in particular is one of our large products in Brazil called Sperto®, which is one of our insecticides. And so we are seeing some disproportional impacts on some of those products. Again, overall, if you look at our results year-to-date and in Q3, there was pricing headwinds.

When we look forward to Q4, based on mix and geography, again, Q4 is going to be largely a volume-driven growth. But prices, we would expect to continue to see some level of price headwinds kind of in the same vicinity as we've seen on a year-to-date basis.

Tarang: Okay. Second question, while not getting into specifics on the Advanta IPO, just wanted to get a sense what's the thought process here? How are you looking at value creation for shareholders here? And what's really driving this decision to list the entity? Because as things stand today, it's a business which is cash surplus. It's doing exceedingly well. So if at all, there's value unlocking, how is value getting unlocked and for who is the value getting unlocked?

Bikash Prasad: So I think as a first the valuation of Advanta is expected to be finalized based on a clearly defined price discovery or book building process as per the applicable law. The final...

Tarang: I'm not looking at the pricing. I'm just trying to understand that it's a business which is cash surplus. It's a business that has been doing exceedingly well. The entity doesn't need cash. So what's the thought process behind listing the entity given the structure of the entity, given the structure of the holding, so to say?

Bikash Prasad: So this transaction is offer for sale. It's not a primary transaction. So the cash is not going to Advanta. It is coming to the selling shareholders, which are KKR and UPL Limited in this case. As included in the DRHP, KKR has indicated 2.2% and UPL Limited has indicated 7.8%. And there are certain rules and laws around that. So the cash is not coming to Advanta, if that was your question. But it will come to the group largely for deleveraging of the group balance sheet.

Tarang: So it's essentially a deleveraging exercise. Would that be a fair way and giving some element of exit to external shareholders? Would that be the right way to look at it?

Bikash Prasad: Obviously, it is also one of the considerations, but we'll look at the market conditions at that point in time. And the Board will take a final assessment on that. But yes, largely, we can say as we think now, it looks like more for deleveraging.

Toshan Tamhane: Yes. This is Toshan. I think the Advanta IPO has, as Bikash said, three objectives.

There is, a) deleveraging for UPL.

There is b) value unlock for KKR. If you recollect KKR partnered with Advanta more than 3 years back when they put in a check of $300-plus million into Advanta. By the way, the cash that Advanta generates cash, I think there is also an elaborate strategy of Advanta, both for organic and inorganic value creation, which we have embarked already and we'll continue to do that.

And lastly, third, we believe that the needs of crop protection in terms of the cash flows, capital allocation are very different from that of the seeds business.

As you would have seen globally, Corteva has also announced a split between crop protection and seeds because just those two businesses are fundamentally different, and we believe Advanta as the eighth largest seeds player globally has a journey and destiny of its own. Obviously, a lot of that value unlock finding the right price will happen through the IPO process. And that value does flow through to UPL, both as a shareholder and from a restructuring deleveraging standpoint.

Tarang: So Toshan, just to counter, I take your point and not arguing on it. The only point is from a deleveraging perspective, it makes sense. From the point of view of giving an exit to an external shareholder, it makes sense. But from being a shareholder at UPL, given the structure of how these entities are placed, I'm not too sure how much of value creation will it help for a shareholder of UPL. And that's the limited point that I'm trying to make?

Toshan Tamhane: Yes. I mean we can't comment on how much of that will be because that will also depend on what the underlying pricing will be, what does it mean for UPL limited pricing and so on. Because, if you look at the valuation that KKR and subsequently Alpha Wave came in at, at least we feel that the full value of that is not flowing through to UPL Limited. And through the private markets, we have unlocked some of that value. We believe through the public markets, we will continue to unlock that value for UPL shareholders.

Moderator: Thank you. Next question comes from the line of Imtiaz from Barclays Bank.

Imtiaz: Congrats on your excellent set of numbers for Q3. I just have one question, could you provide an update on your major debt maturities for the current calendar year 2026 and how you plan to fund these maturities?

Anurag Gupta: Yes, I'll just request Bikash to answer that question.

Bikash Prasad: Yes. So thanks for the question. The first maturity is in March. On 29th of March, we have about $500 million. And if you look at our balance sheet for this quarter, we have an opening cash balance of about $570 million. As you also know that we have unutilized working capital lines of about $1.7 billion plus and Q4 being the strong quarter for us where a lot of cash release happens in Q4.

So we are quite comfortable with the opening cash plus the unutilized lines that we have and the cash release that will happen during Q4. So we expect around $700 million to $800 million of cash release that will happen during Q4, and that will be enough to meet the March obligation. After that, the next obligation is in September of around $400 million.

Imtiaz: And how do you -- do you have any color in terms of how you would likely fund that $400 million in September?

Bikash Prasad: So, first is our operational cash because we are generating good operational cash. If you adjust our cash flow for the change in the working capital, which is seasonal in the nature, we are generating each quarter on a cumulative basis also, we have included that cash flow statement in the Investor Deck, we have generated about $270 million of cash flow and Q4 will be a strong quarter for us. So comfortably, we'll be generating $400 million of operational cash.

So, with the operational cash, the lines that we have and still, September is, 9 months away, we'll look at what are the best way to handle our capital structure. But we are quite comfortable in terms of our cash position and the cash flow that we are generating from our businesses.

Moderator: Next question comes from the line of Siddharth Gadekar with Equirus.

Siddharth Gadekar: Sir, the first question is again on Advanta. So given that now we have filed the DRHP and we would likely be going ahead IPO, could you just comment on the cash fungibility given that once Advanta is listed separately, will there be any cash fungibility between UPL and Advanta post that?

Bikash Prasad: So, we have a dividend policy today at the group level and also at the platform level and each of the platform have their independent Board. So, the Board at that point in time will decide in the interest of the platform, what is the quantum and the size if any dividend upstreaming has to be done. But it will be purely the prerogative of the Board.

Siddharth Gadekar: Okay. Sir, second question is on the...

Bikash Prasad: Just to add on that, that there are Board members who are common between UPL Limited Board and Advanta Board. So, some of the interest will be quite aligned.

Siddharth Gadekar: Okay. Got it. Sir, second question is on the India EU trade deal. Do we see any benefit from our European operations due to that or any material changes that happens post 2026?

Anurag Gupta: Yes. Mike I request you to answer that question.

Mike Frank: Yes, Siddharth, thanks for the question. Look, we're still analyzing the trade deal. But I would say it's not going to have a material impact. There should be a little bit of benefit that comes to us. We do have quite an extensive manufacturing footprint in Europe right now, but we do import, obviously, some of our active ingredient from our India factories. And so there should be a little bit of benefit, but I would say it's going to be non-material in terms of its nature.

Siddharth Gadekar: Mike, and just one more question on the U.S. operations. Can you quantify any impact of the tariffs and specifically, which products are we seeing the impact on? And what could be that impact and fall-through in terms of numbers?

Mike Frank: Yes. So on a year-to-date basis, we would estimate the impact that would accrue all the way to the EBITDA line would be approximately $8 million. Now the total tariffs we've paid is more than that, of course, but we've been able to offset some of the tariffs based on price increases that we've implemented, as well as, as I mentioned in my remarks, transitioning from importing formulated products to transitioning into tech products that we're now formulating in North America.

The impact in Q4, obviously depends on what happens with tariffs. But if tariffs continue to be at the rate that they're currently at, the impact will be the greatest in Q4. Again, we're constantly looking for ways to offset that, whether it be through pricing or through other supply chain strategies.

One of the changes that we've implemented is we're using bonded warehouses. At this point, they've been third-party bonded warehouses, and so we don't have to release product until we really need it. Our largest warehouse in North America, we're in the process of registering it as a bonded warehouse. And so that will give us more optionality and will also help us manage cash even into the future.

And so I would say there's a number of things that we're working on actively to try and minimize the impact. So, it would be hard to quantify the exact outcome. When we get through to our Q4 results, just like I've talked about kind of on a year-to-date basis, we'll be able to quantify it for you. But in Q4 alone, if tariffs stay at 50%, it will likely be in the $30 plus million range of net tariffs that we may not be able to offset with some of these strategies that I mentioned.

Siddharth Gadekar: Mike, any specific actives that we are seeing tariffs or it is across the board? Any specific products you want to highlight on this?

Mike Frank: Yes. It's really on a product-by-product basis. So again, some of our active ingredients are exempt if we import them as tech. That would be just over half of the business that we do in the U.S. And then in the other business, again, it all depends on where the competition is coming from.

So if the competition is coming from only China, then we've been able to implement higher price increases in the marketplace. Again, even pricing has been a bit slow. I think obviously, there's some companies that are sitting on old inventory. And so pricing has been, I'd say, uneven.

But once all of the importers start refreshing with higher tariff products, we would anticipate further price increases in the marketplace. And so again, it's a very dynamic situation. And yes, there's probably too many active ingredients to go through it one by one, but that's how we're managing at this point in time.

Siddharth Gadekar: Okay. And just lastly, that $30 million impact you said is for the full year or only for the fourth quarter?

Mike Frank: That would be for the fourth quarter.

Moderator: Next question comes from the line of Dhaval Shah with Girik Capital.

Dhaval Shah: So, my question is with respect to the debt on the balance sheet and the way deleveraging, which we discussed in the earlier part of the call. So I just want to recheck on the numbers. So FY '25, we ended with around INR23,600 crores of gross debt. And in March, as you mentioned, you have a repayment. So should we be assuming the March '26 exit debt on the balance sheet should be around INR19,500 crores plus/minus a few hundred crores. Is that the right way to understand?

Bikash Prasad: Well, I will not be able to guide you exactly on the number, closing debt number. But, as we had given or guided the market earlier, we expect our net debt-to-EBITDA to be between 1.6 to 1.8x, down from 2.1x at the beginning of the year.

Dhaval Shah: Okay, fine. But am I thinking in the right direction because the debt should not increase. I mean the amount of deleveraging, the amount of repayment of debt what we have, we should be doing that, and we should not be requiring the new debt because...

Bikash Prasad: Yes. So last year, our opening position was $2 billion, including perpetual bonds. So, from that perspective, you should compare and the reduction in the leverage ratio as per the guidance that we have given of 1.6 to 1.8x, it will mean that the debt is going to be lower. Yes, you're right.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Anurag Gupta: Thank you all. On behalf of UPL Limited, that concludes this conference. Thank you for joining us. For further queries and clarifications, please feel free to contact me, Anurag Gupta. You may now please disconnect your lines. Thank you.

Moderator: Thank you. On behalf of UPL Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.