



EVEREST KANTO CYLINDER LIMITED
Clean Energy Solution Company

Everest Kanto Cylinder Limited Transcript

Q4 & FY26 Earnings Conference Call

June 03, 2026

Moderator: Ladies and gentlemen, good day, and welcome to the Earnings Conference Call of Everest Kanto Cylinder Limited.

I now hand the conference over to Mr. Mitesh Jain from CDR India. Thank you, and over to you, sir.

Mitesh Jain: Thank you, Dorwin. Good evening, everyone, and thank you for joining us on Everest Kanto Cylinders Q4 and FY26 Earnings Conference Call. We have with us Mr. Puneet Khurana, Managing Director; and Mr. Sanjiv Kapur, Whole-Time Director and Chief Financial Officer of the company.

We will initiate the call with opening remarks from the management, following which we will have the forum open for a question-and-answer session. Before we begin, I would like to state that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the results presentation shared with you all earlier.

I would now request Mr. Puneet Khurana to make his opening remarks. Over to you, sir.

Puneet Khurana: Thanks, Mitesh. Good evening, everyone, and thank you for joining our earnings conference call. I will begin by sharing an overview of our performance for the quarter and the year, following which we will open the floor for questions.

We are pleased to report a healthy performance for FY2026, marked by improved profitability, margin expansion, and continued progress on our strategic initiatives.

For the full year, consolidated revenues stood at Rs. 1,470.6 crore. EBITDA increased by 15.7% YoY to Rs. 203 crore, with margins improving by 210 basis

points to 13.8%. Profit before tax stood at Rs. 159.9 crore, up 22.6% YoY, while profit after tax came in at Rs. 146.7 crore, reflecting a growth of 50.1%. This performance was supported by a favourable product mix, improved realisations, and our continued focus on operational efficiencies across businesses.

For the quarter, consolidated revenues stood at Rs. 358.2 crore. EBITDA was Rs. 39.6 crore, with margins improving to 11.1%, compared with 9.0% in Q4 FY25. PAT for the quarter stood at Rs. 45.7 crore.

On a standalone basis, revenues for FY2026 stood at Rs. 966.7 crore, with EBITDA growing 53.4% to Rs. 154.4 crore. EBITDA margins expanded to 16.0% from 10.6% last year, while standalone PAT came in at Rs. 81.2 crore, up 52.3% YoY.

From a balance sheet perspective, the Company remains comfortably positioned. During the year, we continued to invest in strategic capacity expansion while maintaining financial discipline, giving us the flexibility to pursue growth opportunities in a calibrated manner. The Board has also recommended a dividend of Re. 0.70 per share for FY2026.

Our India business continued to witness strong demand across both CNG and industrial gas applications, with industrial applications seeing a healthy increase during the year. We also saw encouraging traction in higher value-added segments such as semiconductors and defence, which contributed positively to our product mix and supported overall margin expansion.

The US business maintained steady momentum during the year, supported by a healthy order pipeline and growing opportunities in clean energy and specialised industrial applications. We remain focused on strengthening our position in these markets and addressing emerging opportunities across geographies.

During the year, we made meaningful progress on our expansion initiatives. We successfully commenced operations at our greenfield Mundra facility, which strengthens our ability to cater to growing domestic demand. In addition, our Egypt facility is progressing steadily and is expected to commence operations shortly. This will further enhance our global manufacturing footprint and improve our ability to serve regional markets more efficiently.

From an industry perspective, the broader demand environment remains encouraging for EKC, although near-term fuel price volatility remains a factor to monitor. CNG continues to witness strong adoption in India's mobility segment, supported by cost-conscious consumer preference, wider availability of factory-fitted

CNG models, and the steady expansion of city gas distribution infrastructure. As per industry reports, CNG accounted for nearly 22% of passenger vehicle sales in FY2026, emerging as the second-largest fuel type in the segment for the second consecutive year and staying ahead of diesel.

Over the medium to long term, India is expected to remain a multi-fuel economy, with gas playing an important role in mobility and the broader energy transition. Beyond CNG-led mobility, opportunities across industrial gases, compressed biogas, hydrogen, semiconductors and defence are expanding the addressable market for high-pressure gas storage and transportation solutions. With our diversified product portfolio, strong technical capabilities and expanding manufacturing footprint, we believe the Company is well placed to participate in these long-term opportunities.

With this, I conclude my opening remarks and request the moderator to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Amit Kumar with Determined Investments. Please go ahead.

Amit Kumar: Thank you so much. I just wanted to check again the Dubai business sort of continued to be under pressure in the fourth quarter as well. In fact, the whole of last year has been a little bit of a difficult year for that business. Now should we sort of assume that even the coming years, given the geopolitical situation in the Middle East, should we expect any sort of improvement here or things will sort of continue to remain difficult?

Puneet Khurana: Definitely there will be improvement. Even in this difficult situation, we are working at around 50% and the order book is improving. The order book is there. Only thing is that the Middle East situation on shipment and other things are difficult. Hopefully, this year should be a better year.

Amit Kumar: And in terms of the India business the significantly higher cost of LNG we have sort of heard Petronet they are still, I think, April, May, they were still operating at barely a 60% utilization rate. Supply is constrained, pricing higher and now we have started to see CNG prices at the pump also sort of go up. In terms of the India demand scenario, would you have any thoughts going forward?

Puneet Khurana: I think the CNG prices have increased, but they are not increased so much. The PV market mainly will depend on how the petrol prices move. So, if the petrol prices are

moving in line with the CNG prices, then if the petrol is going upward and CNG is going slightly upward, definitely, the trend will continue because most of the customers that are using CNG vehicles are basically people who are moving away from petrol because now diesel vehicles really nobody in passenger sector, not many people are even opting for diesel vehicles. They are more opting for a CNG or a petrol vehicle. Customer I do not think will leave CNG if the prices are still is not moved up so much. You know, the increase is not so substantial. The things should I think continue at least there should not be much impact on the PV sales.

Amit Kumar: Actually, just to sort of clarify, if I recall correctly, your commercial vehicle business is bigger than Passenger vehicle business. On the commercial vehicle side, I mean, obviously, last year has been good.

Puneet Khurana: Yes, even on the commercial segment, commercial segment is also continuing good.

Amit Kumar: So, from a logistics industry perspective also, whether the CV demand itself can grow at 7% to 8%?

Sanjiv Kapur: Maybe it is got disconnected a little. Okay, I will answer the question. Yes. So, continuing on the point of the CV sales, yes, we do not perceive that the demand may drop. But yes, we are hopeful on that.

Moderator: Thank you. Our next question comes from the line of Reet Jain from First Water Global. Please go ahead.

Reet Jain: Hi, sir. Thank you for the opportunity. I want to know the order book for the U.S.A. subsidiary under executable time period?

Sanjiv Kapur: The order book in U.S.A. is around US\$75 million and it is for the period between 18 months to 24 months to be executed.

Reet Jain: Okay. Got it. And sir, I heard on your results that a new CEO has been proposed. So, can you give us the background of the CEO, Mr. Gupta?

Sanjiv Kapur: Yes. So right now, we are awaiting his joining. Once he joins in, we will be sharing all the details. So, you may wait a little more.

Reet Jain: Okay. Got it. And regarding Mundra and Egypt, what is your guidance regarding the ramp-up of the capacity? How soon we will utilize?

Sanjiv Kapur: On Mundra, we have already started production. The ramp-up will happen maybe 6 months down the line because everything needs to stabilize and move ahead. On Egypt, we may be operational by the end of this month and the ramp-up will start happening again after 6 months.

Reet Jain: Okay. Sir, when you say ramp-up, what utilization levels we are targeting?

Sanjiv Kapur: In India, we may achieve the targets pretty soon. Egypt, immediate targets would be around 40% of our targets. And maybe as we go ahead, we may achieve around 80% of the targets.

Reet Jain: Okay. And I can see Rs. 162 crores CWIP in your balance sheet. So, what is this regarding?

Sanjiv Kapur: This is the project, which is not capitalized, that is Egypt, U.S.A. and India all those together.

Reet Jain: Got it. And sir, any update on the GST case?

Sanjiv Kapur: Yes. So, GST case, last time also, in fact, I had indicated that our cases, we (industry) have also made a representation to the government in this regard, seeking a clarification on the HSN of the product manufactured. So, we are very positive on the same.

Reet Jain: So is it possible to share any timeline.

Sanjiv Kapur: Timeline can be between 6 months to a year.

Moderator: Thank you. We have no further questions at this time, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Sanjiv Kapur: Yes. Thank you once again for your interest and support. Should you need any further clarifications or would you like to know more about the company, please feel free to contact our Investor Relations team or CDR India. Thank you.

Disclaimer: The transcript has been edited for clarity and accuracy. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.