

GEM Aromatics announces Q2 & H1FY26 results

Mumbai, 13th November 2025: Gem Aromatics Ltd (BSE: 544491 | NSE: GEMAROMA | ISIN: INE06XZ01023) a well-established manufacturer of specialty ingredients, essential oils, aroma chemicals, and value-added derivatives, has announced its un-audited financial results for the quarter and half year ended 30th September 2025.

Consolidated Financial Highlights:

Particulars (Rs Cr)	Q2FY26	Q2FY25	Q1FY26	H1FY26	H1FY25
Revenue from Operations	89.5	112.2	87.6	177.2	204.9
Gross Profit	12.6	24.8	25.9	38.5	47.4
<i>Gross Margin (%)</i>	<i>14.0%</i>	<i>22.1%</i>	<i>29.5%</i>	<i>21.7%</i>	<i>23.1%</i>
EBITDA	3.0	15.3	14.9	17.9	29.6
<i>EBITDA Margin (%)</i>	<i>3.4%</i>	<i>13.7%</i>	<i>17.0%</i>	<i>10.1%</i>	<i>14.4%</i>
PAT	-2.6	9.7	8.0	5.4	18.3
<i>PAT Margin (%)</i>	<i>-2.9%</i>	<i>8.7%</i>	<i>9.1%</i>	<i>3.1%</i>	<i>8.9%</i>
<i>EPS (Rs)</i>	<i>-0.04</i>	<i>2.1</i>	<i>1.7</i>	<i>1.7</i>	<i>3.9</i>
Cash PAT (Depreciation + PAT)	0.5	11.6	9.8	10.3	21.9

Key Business Highlights:

- Revenue:**

Revenue declined as the business faced multiple external headwinds; 50% tariff imposed by the US prompting customers to defer orders and consume existing inventories, and the change in GST rates (Natural at 5% and Synthetic at 18% versus a uniform 12% earlier) leading domestic buyers to reassess their blend requirements and temporarily hold demand. This resulted in softer demand for Mint and Mint Derivatives as well as Clove and Clove Derivatives, while other natural and synthetic ingredients continued to witness healthy traction along with strong demand in Phenol derivatives.

- **Gross Margin & EBITDA Margin:**

Gross margin and EBITDA declined during the quarter primarily due to higher raw material consumption and lower realisations in Mint & Mint Derivatives following price correction and other external factors mentioned above. Softer demand in Mint & Mint Derivatives, Clove & Clove Derivatives, which together constitute the Company's largest segments, resulted in an unfavorable product mix, while Phenol Derivatives and other natural & synthetic ingredients, though performing well, did not materially offset the overall impact given they are still smaller divisions and are scaling up. Higher other expenses and inventory adjustments during the quarter further weighed on profitability.

- **Gross Block and Depreciation:**

Capitalisation of the assets at Krystal Ingredients Ltd (Wholly Owned Subsidiary) was carried out and now revised Net Block as of 30th September is ~Rs 206 Cr and ~ Rs 25 Cr is Capital work-in-progress. As a function of this the depreciation increased to ~Rs 4.8 Cr in H1FY26 which was previously around ~ Rs 3.5 Cr in H1FY25, impacting overall profitability.

- **Update on Debt Repayment:**

The company has repaid Rs 97.4 Cr of Long-term debt pertaining to Krystal Ingredients Pvt. Ltd. (WOS) and has additionally repaid Rs 42.6 Cr of working capital borrowings in Gem Aromatics as planned under the utilisation of IPO proceeds, resulting in a significant improvement in the Net Debt to Equity ratio to 0.3x from 0.8x.

- **Update on Krystal Ingredients Pvt. Ltd (Wholly Owned Subsidiary):**

All approvals from the relevant authorities to commence the plant are in place, and after completing trial runs for all products, the plant is expected to be commissioned in November 2025.

The Company has already invested ~Rs 250 Cr in the facility through internal accruals and debt.

The plant will add additional capacity of 10,829 MTPA across four segments, including a 500 MTPA cooling agents' unit which is the largest in India and for Phenol derivative which is built on next-generation vapor phase technology

The facility will manufacture high value specialty molecules such as Cooling Agents, MEHQ, BHA, Safranal, Damascone, Eugenol Derivatives, and Guaiacol.

Krystal Ingredients is qualified for a 15% Corporate Tax Rate under Government Incentives till perpetuity.

Backward and forward integration will enhance process control, product quality, and customisation capabilities.

Commenting on the results, Mr. Yash Vipul Parekh, MD & CEO, said:

We got listed on NSE & BSE on 26th August 2025 and this marks a key milestone in our 27- year journey. The IPO was undertaken to strengthen our balance sheet through partial repayment of borrowings, to support our long-term growth plans.

However, the first half of the year was impacted by multiple external headwinds. The US tariff uncertainty led customers to reduce their orders and limit purchases, as they are consuming existing inventories, affecting export volumes. Another factor is lower realisations in menthol, which put pressure on margins, as Mint is large a part of the existing business. Another notable change with respect to GST Rates was that now menthol is split into Natural – 5% GST & Synthetic – 18% GST, unlike earlier, there was a standard rate of 12%, this has led to domestic customers figuring out their blend requirements and hence holding demand.

Looking ahead, we are optimistic about the second half of FY26 as we prepare to commission our new greenfield facility at Dahej. The introduction of high-value products such as Citral, Phenol derivatives, and Cooling Agents is expected to drive growth, strengthen profitability, and reduce seasonality in our operations. With our continued focus on innovation, sustainability, and next-generation aroma molecules, GEM Aromatics is well positioned to deliver its next phase of value creation and build a stronger, scalable, and sustainable business for the future.

About Gem:

Established in 1997, GEM Aromatics Ltd is one of the leading manufacturers of specialty ingredients, essential oils, aroma chemicals, and value-added derivatives. Led by a management team with nearly three decades of industry experience, the Company has built a strong foundation rooted in innovation, quality, and customer trust.

With a diverse portfolio of over 70 products spanning Mint & Mint Derivatives, Clove & Clove Derivatives, and other Synthetic and Natural ingredients, GEM Aromatics continues to expand into new categories such as Citral Derivatives, Phenol Derivatives, Cooling Agents, Safranal, and Damascones. Its products cater to industries including oral care, cosmetics, pharmaceuticals, nutraceuticals, wellness, and personal care, serving over 225 domestic and 44 global customers across 18 countries. The Company partners with several leading brands, including Colgate-Palmolive, Dabur, Patanjali, SH Kelkar, Symrise, and others.

GEM Aromatics operates three manufacturing facilities located in Uttar Pradesh, Gujarat, and Daman & Diu, with a total installed capacity of 5,346 MTPA. A major expansion at its Dahej plant is currently underway. The Company holds multiple international certifications, including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, FSSC 22000, ISO 22000:2018, and ISO TS 22002-1:2009.

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