



Jubilant Ingrevia



NSE Code	JUBLINGREA.NS
BSE Code	543271
Group	B
CMP	275.00
Max Buy Price	300.00
Capitalization	4000 CR
Company URL	https://www.jubilantingrevia.com/

INTRODUCTION

Jubilant Ingrevia is into the business of Specialty Chemicals, Nutrition & Health solutions and Life Science Chemicals. It is a demerger from the Parent Jubilant Life Sciences which was owning Dominos Pizza India brand.

The company is headed by brothers Shyam Bhartia & Hari Bhartia with the Jubilant Bhartia Group having core 30+ year experience in Pharmaceuticals, Contract Research and Development Services, Proprietary Novel Drugs, Life Science Ingredients, Agri Products, Performance Polymers, Food Service (QSR), Food, Auto, Consulting in Aerospace and Oilfield Services.

The company is having head office in Noida, Uttar Pradesh with Branch Offices in Chennai, Hyderabad, Kolkata and Manufacturing Facilities spread across Uttar Pradesh, Maharashtra & Gujarat. Company is expanding its manufacturing facilities through Capex.



GROWTH FACTORS

Reputation Advantage: Company has Multi-decade reputation & connections in the Life Science segment both local & globally. Jubilant is one of the world's largest producer of Acetic Anhydride for past 40 years. Company has strong integration & manufacturing efficiencies & rank among World Top 10 Acetyl product manufacturer.

Demerger Advantage: Company being demerged from parent Jubilant Life Sciences have better Opportunity to Optimize on core Life Science business coupled with Specialty Chemicals & Nutrition.

Capacity Expansion: Company is doing Capacity Expansion of 1000 Crores in next 3 Years which will bring Visibility to Revenue & Profit increase.

Market Expansion: The company is expanding into the Specially Chemicals Business which is now constituting only 18% of the total revenue. Company is entering the Diketene Derivatives Market in India would be a Key Revenue Generator as there is Only 2 Major Competitors while 40\$ are Imports.

Company has key product Vitamin B12 which is used in Animal Nutrition, Aqua Feeds is expanding through new contracts in South East Asia & Launching of product Phyto Shield.

Sector Expansion: There is growing demand visibility in Food Processing, Personal Care & Specialty Chemicals businesses. India is contributing 16% of the global chemicals supply & expected to grow 10% till 2025. So, our company is positioned well in a growth sector. The Indian Government restrictions on Importing Chemicals helped in Keeping the Margins up from Competitors.

Price Expansion: The core product Acetaldehyde is expected to gain Price Boost in upcoming Quarters and this will help increase the Profit side.

No Debt: Company is Not Debt oriented expansion. This will enable Smooth Riding during any Stressful Business environments in future.

Undervalued: The company have Intrinsic Value of Rs. 600 based on the projected Growth Factors. Thus, it is trading around 60% Intrinsic Value Discount at current prices.

Mutual Fund Investing: The company was listed on March 19, 2021 and the price is trading below the IPO price. Mutual Funds are aggressively entering the counter which will reflect in high price growth & demonstrate low fluctuations in future – few of the MFs include IDBI, Nippon India, Edelweiss.

Specialty Chemicals

Pyridine ▼

Picolines ▼

Cyanopyridines ▼

Piperidine ▼

Aldehyde ▼

Oil Field Chemicals ▼

Nutrition

Products

Vitamin B3 ▼

Life Science

Life Science Chemicals Products ▼

SWOT Analysis

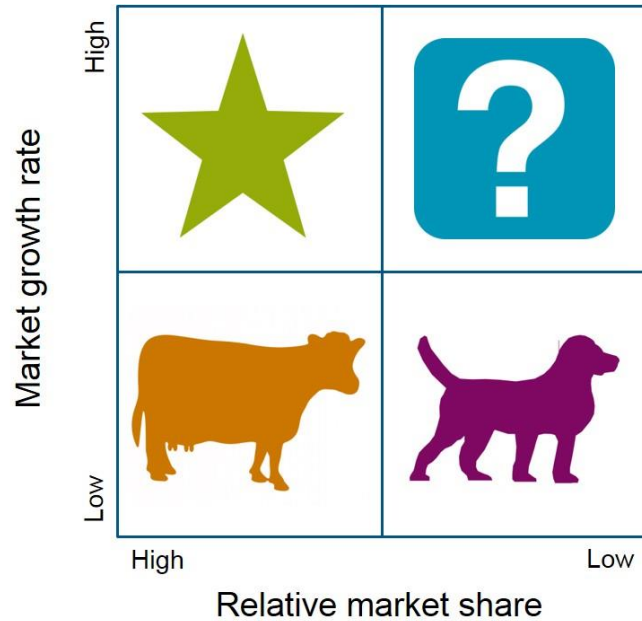
SWOT (Strength-Weakness-Opportunity-Threat) Analysis:



<p>STRENGTH</p> <ul style="list-style-type: none"> Established Player Expansion Plans No Debt 	<p>WEAKNESS</p> <ul style="list-style-type: none"> Crude Oil Price Dependent Import Law Restrictions
<p>OPPPORTUNITY</p> <ul style="list-style-type: none"> India Expansion Global Expansion 	<p>THREAT</p> <ul style="list-style-type: none"> Chinese Manufacturing Restoration Covid Issues Persisting

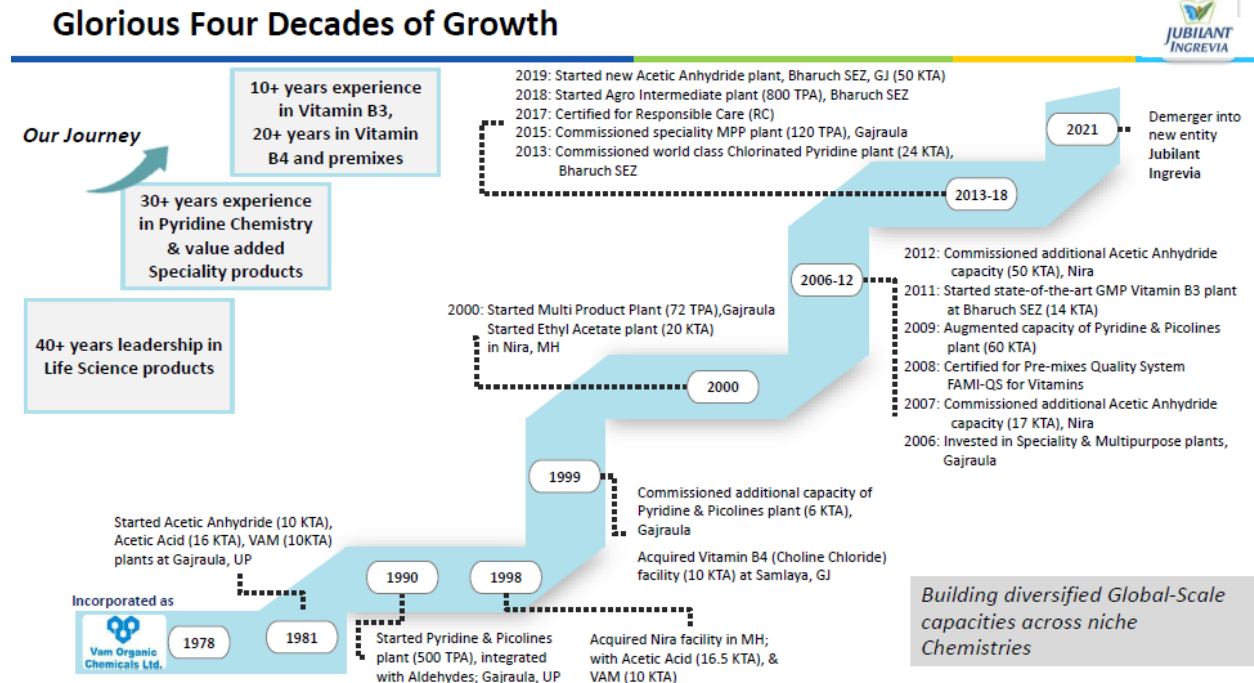
BCG Matrix

BCG (Boston Consulting Group) Matrix is **Cow** since the Sector has high growth potential & the company is having a low share currently.



Growth Perspective

Following is the Growth Perspective from the Past Jubilant Life Sciences group as per the Investor presentation. [LINK](#)



CHECKLIST

Following are the Core Checklist to ensure Value & Growth Parameters.

Parameter	Description	Legend
Revenue Growth	Moderate in past 3 years due to Consolidation of Market & COVID Impacts.	Okay
Profit Growth	Moderate in past 3 years.	Okay
Profit Margin	Good	Good
EPS Growth	Moderate	Okay
Trailing Growth	Moderate	Good
PE Ratio	20	Good
PB Ratio	1.5	Good
PEG Ratio	1.5	Okay
DE Ratio	0.07	Good
Current Ratio	2	Good
Quick Ratio	1.3	Good
ROE	12%	Good
ROCE	18%	Good
Reserves	Increasing	Good
Cash Flow	Okay	Okay
Paying Tax	Yes	Good

Paying Dividends	Yes	
Power of Brand	Excellent	
Future Sector Growth	Yes	
Expected Company Growth Rate	100% in 5 Years	
Expansion Plans	Yes, through all aspects of Product, Market expansions	
Corporate Governance	Yes	
Fraud Reported	No	
Celebrity Investors	Mutual Funds	
Trading at Discount	Yes	
N-Point Checklist	25 point	
Risk Category	Moderate-Risk	
Returns Category	Moderate>Returns	
Advisor Invested	Planning to Invest	

RISKS

Following are the Risks associated with the investment:

- Price Fluctuations in Acetic Anhydride & Vitamin D3 in International Market would impact the Revenue & Profitability of the company there by Introducing Debt to the Expansion Plans.
- COVID Lock-down Extension would affect the Capex Plans, Consumer base in Nutrition & Specialty Chemicals business.
- Government Lifting Import Duties on Chemicals would give Aggressive Competition to the company from International Players.

SUMMARY

Given the Facts & Analysis we recommend this company as a **Multibagger** in the order of 300-500% 5-bagger plus returns for a 5-year holding period.

BUYING STRATEGY

Buying Strategy is 70-30 & 50-50!

70-30 means you can Invest 70% in current price & accumulate remaining 30% as monthly installments in next 3-6 months.

50-50 means any crash in price up to 50% levels is an Opportunity to Increase the Allocation up to another 50%.

The strong theme of the company is Low Debt, Coupled with Expansion plans. Corrections are Opportunities.

PRICE VELOCITY

This would be a matured slow paced growing scrip. No aggressive price growths expected in next 1 year. Long-Term Investing of 5+ year with matured holding is required.

PORTFOLIO ALLOCATION

The Investor is required to undergo efficient portfolio management. Here is the [link](#) on same.

NSE & BSE

This company is available in both NSE & BSE

INVESTOR VALIDATION

Yes, Recommended.

LONG TERM INVESTING

As you are aware, we are into Long-Term Value Investing. We don't expect quick returns on stocks as that is not the purpose of stock market.

Real Stock Market Investing is about Wealth Creation using 500% 1000% 10000% kind of returns. For this we need to hold good stocks for long term as well as buy more of them during down times. This is how the Top Celebrity Investors like Warren Buffet become wealthy.

Largecap & Midcap-Smallcap have different Rallies – Once the Largecap rally is over the money will reach Midcap-Smallcap pushing it higher. So do not expect any quick move from here. Our commitment is 5 year 300-500%

You can read more at [Gold Rules of Investing](#) or join the [master mind](#) course at 50% discount to be a Pro Investor. Better than MBA!

If you don't feel
comfortable
owning something
for 10 years, then
don't own it for 10
minutes

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