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Date: 11th November 2026

To,

National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.
Scrip Symbol: CEWATER	Scrip Code: 544315

Dear Sir/Madam,

Sub: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Transcript of Conference Call held on November 04, 2026.

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of Conference Call of Concord Enviro Systems Limited ("Company") held on November 04, 2026.

The same is being uploaded on the Company's website and can be accessed at https://www.concordenviro.in/investors.php.

The above is for your information and record.

Thanking you,

For Concord Enviro Systems Limited

Prerak Goel

Digitally signed by Prerak Goel
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Prerak Goel
Director
DIN: 00348563

Place: Mumbai
Encl: As above

"Concord Enviro Systems Limited

Q2 FY27 Earnings Conference Call"

November 04, 2026

MANAGEMENT: **MR. PRAYAS GOEL – CHAIRMAN AND MANAGING DIRECTOR – CONCORD ENVIRO SYSTEMS LIMITED**
MR. PRERAK GOEL – EXECUTIVE DIRECTOR – CONCORD ENVIRO SYSTEMS LIMITED
MR. SHLESHANK LAHERI – GROUP CHIEF FINANCIAL OFFICER – CONCORD ENVIRO SYSTEMS LIMITED

MODERATOR: **MR. KANAV KHANNA – ERNST & YOUNG (EY LLP)**

Moderator: Ladies and gentlemen, good day and welcome to Concord Enviro Systems Limited Q2 FY27 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 this 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. Kanav Khanna from EY IR Team. Thank you, and over to you, sir.

Kanav Khanna: Thanks, Sonam, and good morning to all the participants, and thank you for joining us in the Q2 FY27 earnings call. Please note that we have mailed out the results to everyone, and you can see it on the exchanges and on our website. In case you haven't received it, we'll be happy to send it over.

Before we proceed to the call, let me remind that the discussions may contain some forward-looking statements and invoke some known and unknown risks, uncertainties, and factors. Must be viewed in conjunction with our business model and could also cause future results and performance to vary significantly from what has been implied.

To take the results of the quarter and half year and to answer to all your queries, we have the management of Concord Enviro Systems Limited with us. Mr. Prayas Goel, Chairman and Managing Director, Mr. Prerak Goel, Executive Director, and Mr. Shleshank Laheri, Group CFO. We'll start with the brief overview of the quarter gone past and we'll follow it up with some questions and answers.

With that being said I'll transfer the call to the management. Over to you, Prayas.

Prayas Goel: Thank you, Kanav. Good morning, ladies and gentlemen, and a warm welcome to the Concord Enviro Systems Q2 and H1 FY27 earnings call. Thank you for taking the time to join us today. Let me begin with an update on the key developments across our businesses before taking you through our performance during the quarter and the first half of the financial year.

The broader demand for environmental and industrial water and wastewater treatment solutions remains encouraging. Increasing concerns around industrial water availability, tighter environmental compliance requirements, and growing focus on water recycling continue to support demand for ZLD (zero liquid discharge), wastewater recycling, desalination, and membrane-based treatment solutions.

We are witnessing healthy opportunities across sectors such as steel, solar manufacturing, chemicals, pharmaceuticals, food and beverage, and industrial wastewater recycling as general. Our integrated business model positions us well to address these opportunities. Our offerings span across water and wastewater treatment systems, operation and maintenance services, aftermarket solutions such as spares and consumables.

Our business and revenue mix during the quarter remained predominantly India-focused. Domestic revenue represented approximately 68% of Q2 FY27 revenue, while international revenue accounted for approximately 32%. This domestic concentration supported the

improvement in quarterly revenue despite a relatively low contribution from export orders during the period. The first half performance should be viewed in the context of the temporary supply chain disruption experienced recently.

Geopolitical developments in the Middle East affected operations in the GCC region and created supply chain and logistics constraints, including delays in the movement of membranes and other critical components from the UAE. These factors delayed project execution and shipments in Q1 and consequently affected the H1 FY27 comparison. During Q2, execution improved and the business returned to year-on-year revenue growth.

We continue to maintain adequate inventory and critical stocks to support both domestic execution and future export requirements. This inventory discipline provides us with greater resilience against logistics volatility and positions us to respond quickly as international dispatches on projects schedules, which are now normalizing. Coming to our order book, it stood at INR7,164 million as of September 30th, 2026.

Representing a 34% growth on a year-on-year sequential basis. The momentum in order book inflows also remains strong, with domestic order inflows during the first half of FY27 increasing by 55% compared to H1 last year. During the quarter, we also secured a significant order from a leading global alco-bev player for its Mexico plant, further strengthening our order book.

Overall, our order book is healthy, reflecting the strength of the underlying demand environment and the increasing scale of opportunities available to the company. Our focus has now moved decisively from launching new initiatives to implementing and executing them. The platforms and products introduced over the past year are progressing into customer engagement, order conversion, project delivery, and commercial scale-up.

The H-Xtreme heat exchanger continues to gain traction, and we have received orders that validate customer interest in the product. Its corrosion-resistant design and application across demanding industrial environments expand our addressable market beyond conventional water treatment, wastewater treatment, and provide an additional technology-led growth avenue.

Our compressed biogas CBG is also progressing from development into execution, supported by orders received in the CBG segment. This leverages our capabilities in anaerobic digestion and enables customers to convert organic waste into renewable energy while lowering their environmental footprint. The industrial dehumidification opportunity through our partnership with WaHa is also now in motion.

The partnership broadens our portfolio into humidity control and industrial product drying while creating cross-selling opportunities across industries where we already have customer relationships, including pharmaceuticals, food and beverages, battery manufacturing, solar manufacturing, and semiconductors. Our momentum in the solar manufacturing sector has also strengthened.

On October 1st, 2027, subsequent to the close of Q2, our wholly owned subsidiary Rochem Separation Systems (India) Private Limited received orders aggregating to INR14.25 crores from a leading solar photovoltaic module manufacturer. These orders cover the supply, installation,

testing, and commissioning of advanced water and wastewater treatment systems at the customer's Hyderabad facility.

The scope includes pretreatment, reverse osmosis, and evaporation systems, along with the related installation and commissioning services. Equipment delivery is scheduled for end of November and early December, with overall completion targeted by mid-January 2027. This order reflects continued customer confidence in Rochem's engineering and execution capabilities, further strengthens our presence in the industrial water and wastewater treatment segment, and enhances revenue visibility over the execution period.

It also reinforces our position in the rapidly expanding solar photovoltaic manufacturing ecosystem, which we believe can emerge as an important growth vertical for the company. We are also making progress in our membrane technology portfolio. Our chlorine-resistant membrane technology is being commercialized for treated sewage applications, while new membrane products are being positioned for data centers, semiconductors, industrial water recycling, and treated sewage markets in the GCC region.

We are also evaluating partnerships and licensing agreements to scale these technologies across international markets. Roserve, our water-as-a-service platform, continues to be an important pillar of our growth strategy through its asset-light water management model, Roserve helps customers address their water treatment and sustainability requirements while enabling Concord Enviro to build recurring and annuity-style revenue streams.

Desalination also remains an important area of opportunity for us. With more than three decades of experience, we are well positioned to address demand from industrial desalination, coastal areas, offshore and marine applications, and the Indian Navy's modernization programs and growing investments. We believe our established capabilities in naval desalination provides a strong platform for participating in future opportunities in this segment.

Our strengthened order book, healthy demand across steel, solar manufacturing, chemicals, and pharmaceuticals, growing potential for H-Xtreme stream and dehumidification, continued scaling of Roserve, and our expanding membrane portfolio provide us with multiple avenues for sustainable growth that are led primarily by opportunities in India.

With that, I would now like to hand over to Mr. Prerak Goel, Executive Director, to take you through the financial performance for Q2 and the first half of FY27. Thank you. Over to you, Prerak.

Prerak Goel: Thank you, Prayas. Good morning, everyone. Just to recap on the financial performance, so the revenue from operations for Q2 FY27 stood at INR1,344.55 million compared with INR1,248.4 million in Q2 FY26, representing a growth of 7.7% year-on-year. The improvement was led by stronger domestic execution, with India contributing approximately 68% of quarterly revenue.

Gross profit for the quarter increased to INR772.67 million from INR629.93 million in Q2 FY26. Gross profit margins improved to 57.5% from 50.5% in the corresponding quarter last year, reflecting a more favourable revenue mix. EBITDA for Q2 FY27 stood at INR77.79 million compared with INR76.57 million in Q2 FY26, an increase of 1.6% year-on-year.

EBITDA margin stood at 5.8% from 6.1% in Q2 FY26. The marginal dip at EBITDA level was due to some forex losses the company suffered due to the peso Mexican peso versus dollar movement. While H1 FY27 reflects the impact of Q1 execution delays, including geopolitical and supply chain disruptions affecting GCC-linked operations and shipments, Q2 demonstrates an improvement in the underlying trajectory.

Our focus remains on accelerating execution of the India-led order book, converting the domestic opportunity pipeline, and normalizing international deliveries as logistical conditions improve. Our order visibility remains healthy, supported by demand across industrial water and wastewater, lifecycle services, emerging sustainability applications.

We continue to invest selectively in talent, technology, execution capability, and customer engagement while maintaining a disciplined approach to project selection and working capital management. Looking ahead, we remain confident about the company's growth prospects. A multi-year high order book, healthy demand across steel, solar manufacturing, chemicals, and pharmaceuticals, and increasing participation in large-scale projects provide strong revenue visibility.

At the same time, the growing contribution from recurring O&M revenues, along with our investments in membrane technologies, desalination, and industrial CBG solutions, will support margin improvement and greater business resilience. With deferred projects expected to materialize and supply chain conditions normalizing, we believe Concord Enviro is well positioned to deliver profitable growth and create sustainable long-term value for our stakeholders.

With that, we now open the floor for question-and-answers. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on the touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Shaishav Vora from Prudent Investments. Please go ahead.

Shaishav Vora: Good morning. So my first question is regarding, I was just going through the performance for the last 8 quarters and there's been a consistent volatility in the top line and the margins over the last 8 quarters. Sometimes it's been very, very good the growths have been amazing, sometimes been absolutely dismal. So I'm just trying to understand what is it that is causing this kind of inconsistencies on a Q-o-Q basis.

Prerak Goel: So our business is slightly H2 heavy, so generally H3 and Q4 are quarters where we see maximum revenue growth. Q1 and Q2 are generally suppressed quarters. It's an industry trend. It's been something that we as a company have seen over the years. There is definite pickup towards projects in Q3, Q4 as companies plan their budgets and execution strategies for the financial year. Orders start to pick up in, the later part of Q2.

Shaishav Vora: Okay. Right. So I mean, will it continue going forward also, or we can expect some kind of you know, regularization?

Prerak Goel: So we do expect quarterly volatilities to continue. What happens in our businesses, we have a mix of what we call normal orders, which are in the range of INR5 to INR15 crores, and we have orders which are large, which we generally categorize as orders above INR50 crores. Generally, basis of the execution plan of these large orders, there would be some variations in quarter-to-quarter depending on how they are positioned.

Now what happens is typically in our export orders we do have a little bit of lumpiness and in quarters where we execute these large orders you would see a higher growth. And if there is some of the large orders that we're executing this year for the steel sector, for example, it's a Q4 delivery. So you would see lumpiness again depending on what that order is scheduled to deliver by.

So yes, we think that there will be some quarter-to-quarter variation in our business. If you look at the underlying revenues from our O&M and from our sale of spares and consumables, you will see that is pretty steady. But Yes, the, S&P sales, as we categorize it, which are projects, that will see volatility.

Shaishav Vora: Right. So thanks. And so if you would like to comment on the next 6 months to 18 months, strategy for going to business and the margins.

Prerak Goel: So we have a healthy order book at the current moment. Our order book is sitting at about INR714 crores. A bulk of this is executable in this financial year. So yes, we do expect to, grow in the range of about 15% to 20% in this financial year.

Shaishav Vora: And any margin improvements, or it's going to be the same range?

Prerak Goel: So we had a poor Q1, which was, obviously due to some constraints and the whole GCC conflict.

Shaishav Vora: Yes.

Prerak Goel: So we're definitely recovering from that. So Yes, I think margins will be stable because I think given the revenue mix and everything we're looking at, we expect margins to be stable. I think improvement will come from FY28 onwards.

Shaishav Vora: Okay, sir. Thank you very much.

Prerak Goel: Thank you, sir.

Moderator: Thank you. A reminder to all the participants, you may press star and one to ask questions. The next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita: Yes. Hello. Good morning. Am I audible?

Dheeraj Ram: Yes, ma'am. Good morning.

Nishita: Yes. So you just mentioned that we are expecting 15% to 20% growth in our top line and like, honestly, in H1 we've degrown Y-o-Y. So to achieve a 15% revenue growth, also you need to do INR422 crores of top line for H2 FY27. Are we confident that we can achieve that?

Prerak Goel: Yes, ma'am. Actually, we are. As I was mentioning, we have some large orders, especially for the steel sector, which we'll be delivering in Q4. So we do expect revenue growth to come in from those projects. And while the delivery is in, Q4 there is already work happening on these orders. So from an execution standpoint, we're quite confident that, Q3 and Q4 will meet up that growth expectation and meet the revenue target that we have.

Nishita: Right. So I just wanted to understand, like, generally, like, our competitors in wastewater treatment, they are having a margin of around 12%-16%, and our margin has been quite volatile and still in a single-digit range. So why is that?

Prerak Goel: Generally, I think, I mean, if you look at our EBITDA margins, we generally have been close to the 14-odd percent mark. And obviously, there have been some investments that we have made to scale up the operations of the company and to target larger project cycles that earlier we were not doing. So given that, the investment that has been made has increased fixed costs for the company.

And as the revenue scales up, the absorption of these fixed costs will be higher and therefore the operating leverage will kick in. So we expect that to happen over the next couple of years and we think we should be back to revenue. I think from a gross profit level, if you look at our business, you will see that we generally outshine competition.

But yes, I mean, at the current moment the company is going through a phase where we are expanding, diversifying our portfolio of products, getting into new business lines. So the investment that the company has made towards that growth is resulting in a slight reduction of margins in these years where the investment is being done. We are overall confident that the sector as such is seeing a rapid growth.

There are a lot of initiatives coming both from the government and industry to recycle water and reuse all the resources that they have. And the more we cater to the upcoming sectors such as the solar and the semiconductor, where we are all looking at how we can break into, we believe that these projects will definitely give the company the margin to, keep get back to higher EBITDA levels as well.

Nishita: Right. So like, can we assume at least for FY28, we'll have the EBITDA margins in a single-digit range only?

Prerak Goel: Ma'am, we think we should just reaching the double digits. So that's what our expectation as of this year is. So hopefully we can put Q1 behind us and Q3, Q4 are stable without much, geopolitical conflicts, even though we've done our best now to overcome any impact from the conflict, because this is something which is an ongoing situation and our business continuity policies have kicked in to kind of avoid these.

But, we think we should be in the double-digit sector with respect to EBITDA margins. Yes, the overall profitability will remain in single digit for another year?

Nishita: Right. sorry, just to clarify, even in FY27 we can get to the double digit, like 10%, 11%?

Prerak Goel: Are you talking about PAT?,

Nishita: No, I am talking about EBITDA.

Prerak Goel: Yes, EBITDA should come into the double digits.

Nishita: Okay. And like, is this our EBITDA margins in Q1 were negative 18%, so reaching double-digit is quite difficult. So is it because of the large orders? they have better margins?

Prerak Goel: I think overall growth as well, because I think the operational leverage will get kicked in even at a 20% kind of a growth rate. We expect the operating levels to kind of kick into at least get us into double digits. Yes. And yes, of course, just to kind of quantum of orders, the revenue mix for the year, all of these are giving us the indication that we should be in a low double-digit number.

Nishita: Okay. Understood. And my next question is, so on our extreme heat exchangers, the orders, like we've started getting orders for that. So do we experience better margins in that product compared to our water and wastewater?

Prerak Goel: Ma'am, it's an introductory product in the market right now, so we are pegging that product to what the market is at the current moment. So I think yes, long-term we do anticipate we'll make better margins from that product, but I think currently at the scale and size which we're working at, we should be in our standard EBITDA range for this technology. But Yes, as we grow and as industry adoption for this product increases, we'll definitely see better margins coming from the product business.

Nishita: Okay. Understood. Yes, that is it from me. Thank you so much.

Prerak Goel: Thank you so much.

Moderator: Thank you. A reminder to all the participants, you may press star and one to ask questions. The next question is from the line of Henil Bagadia from Equicorp. Please go ahead.

Henil Bagadia: Sure. So thanks a lot for the opportunity. I hope I'm audible.

Prerak Goel: Yes. Good morning, sir. You're audible.

Henil Bagadia: Good morning. So, with respect to the capacity, if you could give some understanding what's the utilization on the Sharjah side? And with respect to the current Gulf prices which is, I mean, going on and off, what kind of utilization levels have you actually seen there over, I mean, past 3 quarters, 4 quarters?

Prerak Goel: Yes. So what we had to do is we kind of recalibrated our activities in Sharjah, obviously moved out a lot of the activities which were non-core to Sharjah, we moved them back to India. So the Indian facility is kind of picking up the heavy weight right now for things that are proving to be too expensive to kind of execute in Sharjah.

However, Sharjah remains our main production center for the membrane product. So all membrane products are currently being manufactured in Sharjah and being exported. A lot of the export projects which were earlier assembled in Sharjah are now being assembled in India and shipped directly to clients.

So therefore, obviously, from that perspective, the capacity utilization at Sharjah has dropped. But from a membrane manufacturing and membrane product manufacturing, both the businesses that run out of Sharjah facility, that has been untouched because the volume growth in India and whatever projects we're doing overseas, we're definitely seeing strong demand for that.

So I would say Sharjah is operating between 50% and 60% currently. And Yes, we'll scale up that operation because we have an investment going into Sharjah to build a new facility. We've currently just scaled back on that, waiting to see how the crisis moves, and then accordingly take an informed decision once things stabilize.

So we expect probably in Q4 to review our investments in Sharjah and take decisions on the scale-up of operations there. Till that time, we think Sharjah will operate between 50 to 60% capacity.

Henil Bagadia: So with the membranes that we actually manufacture at Sharjah, sir, how much of these other capacities is actually diverted to projects in Middle East? Because from what I understand with other players, anything that comes out of the Middle East that is manufactured in the Middle East, and it goes for the Middle East projects, I think.

So they get the first preference for across a lot of projects. So I mean, for, a few players, I think the projects have actually come on the force majeure side, especially in Saudi Arabia. So far once the Middle East dispute settles down I mean, where, do we actually stand? And do we actually have a preferential status for a lot of Middle East-based projects?

Prayas Goel: Yes, definitely we do. Yes, certainly we do. In fact, that's a large part of our pitch, that this is locally manufactured product. And with regard to tertiary sewage recycling, we see a big demand in that region. It's already a significant sector and we are having our first kind of demonstration cycle starting there and expecting orders to coming in Q3.

Henil Bagadia: Okay. So with respect to the membranes that we actually manufacture out there, what is the kind of competition that we actually face from the Chinese across, I mean, the different kind of membranes that you actually manufacture?

Prayas Goel: The Chinese products are wide-ranging across a lot of applications. However, the membranes that we manufacture are kind of more specific to industrial waste. What do we use? So we are kind of able to command a significant premium as compared to what the Chinese product is in terms of the longevity and the value-add that we provide for our industrial clients.

Henil Bagadia: Okay. So with respect to the manufacturing, are we just doing the rolling of the membranes? Are we actually manufacturing it from the start?

Prayas Goel: Yes. We do everything from casting or casting coating of membrane starting from raw fabric, and of course, we do rolling and welding of membranes as well.

Henil Bagadia: Okay. So with respect to, if I actually see the L1 order that we actually got with respect to the steel project, what actually got us to be in the L1 status till now? I mean, till now we are actually not in the L1, we're actually supplying components. And going forward what kind of further qualification do you actually see that we need?

Because this is for the steel sector, I think. So if you actually go on the more complex project side, that's actually in the chemical and the pharma space. What kind of timelines do you actually see for us to get into the L1 status out there?

Prayas Goel: On the pharma and chemical, in fact, we we're already quite well entrenched in the pharma chemical sector. We're now going into the common effluent treatment plant projects for the pharma chemical sector, whereas these, more centralized treatment facilities are now coming up between the, let's say, the 2 million to 20 million liters per day capacity, centralized facilities.

So we are scaling up into those. I would answer your question by saying the complexities are every industry has its own nuances and own sets of complexities. So there are complexities across the board. But our kind of , the key factor which differentiates us is the lowest operating cost for zero liquid discharge. And on a lifecycle cost analysis, that's what brings us to L1 status.

Henil Bagadia: So for going forward, what kind of margins do we actually see? For EPC, do we see double-digit kind of margins? And for O&M, do we see a higher double-digit kind of margin, more inching more towards the 20% mark or upwards of 20% mark across all these projects?

Prayas Goel: Yes. So I think it depends a little bit where there is civil. I mean, if there is civil component in the project, then that could impact margin a little bit. But other than that, for the current mix of orders that we have, we see that the gross margin is again where they are. And as Prerak mentioned, with the growth coming in and the operating leverage kicking in, you'll see the margins improving there.

Henil Bagadia: And with the better, I mean, investments that we've actually done on the technology side and also the product side, how do you actually see the active order bidding pipeline, which is about INR3,000-odd crores actually increasing out there? I mean, what new part that the company can actually bid for? And second is on the bid-to-order win ratio, I think. So how do you actually see the ratio actually getting better from the current levels?

Prayas Goel: Yes. So in the first part on the on the bid pipeline, if you look at stuff like dehumidification and CBG we're just looking at where the bids are expected to go in the next 2 months to 3 months into stuff like battery manufacturing and things. We expect that itself we will be putting in bids of about INR500 crores to INR700 crores in the next quarter itself.

So that along with CBG could be a good boost to that pipeline. And in terms of volume ratios, I think they've been stable. What we always talk about is, I mean, it's not really a loss, but the time to convert , we're seeing a slight improvement in the time of conversion. And given where we have the water scenario, and I expect that water will be a bit faster.

Henil Bagadia: So with respect to, as you said, the respect to the new segments that you're actually targeting - solar, semiconductor, data centers, etcetera. We've actually got a first order win in the ultra-high purity water space also. So compared to the other peers, are we the most competitive and the most economical with one of the best technology out there also?

Prayas Goel: We are one of the best technology out there in terms of the solution that we provide, the value that our solution brings in terms of, A, as I said, operating cost, and B, in terms of waste disposal and byproduct recovery, etc. So it's a combined package value that we offer to our clients. And we see that market has matured.

There was a lot of phase one investments, a lot of learning which kind of came in. And now with the maturity in the market, people having been there, done that, seen what the pitfalls are, they are now a bit more aware of what they want to invest in.

Henil Bagadia: Okay. So with respect to solar, I think so we have the technology on the UPW side. With respect to semiconductor, I think so the UPW technology that's involved out there is actually sub-nanoscale. So do we have the POCs out there? And also on the ZLD side, because a lot of semiconductor projects actually coming in India are actually tied up with some foreign companies, and actually their vendors are being selected as L1 out here, and a lot of Indian companies who actually planning to get our either L2 or they are probably as a helping hand in the execution out there.

So if you could give some more understanding on our product POCs where our technology actually stands and how do you actually see the space going forward in terms of orders?

Prayas Goel: So it's quite similar, sir, at least let's say, what I call the Phase 1 of projects is going to be similar. We are in active talks with a couple of multinational parties to be able to be part of that L1 and not just come into the L2 on the input water side. On the zero liquid discharge side, it's a little bit less onerous in terms of POCs, and we have a wide kind of base of installations.

So we see in that, it will be easier. But like I said there again we expect kind of little bit of a learning phase as the first installations come in and then the market really matures and understands what they need.

Henil Bagadia: So with respect to ZLD, what is the market share across different industries? if we see heavy metal.

Moderator: I'm sorry to interrupt you, sir. If you have follow-up questions, please rejoin the queue.

Henil Bagadia: Yes. Thank you.

Moderator: Thank you.

Prayas Goel: We can get back to you and maybe contact you separately to answer your queries as well.

Moderator: The next question is from the line of Giriraj Daga from Visaria Family Trust. Please go ahead.

Giriraj Daga: Yes. This is Giriraj Daga from Visaria Family Office. So my first question is like, let's say, in the next 5 months, what kind of order flow you expect given the amount of bidding activity you have done so far? And probably some of the bids may be coming out in the next few months.

Prerak Goel: We have an active pipeline of about INR3,000 crores. Generally the conversions are in the range of 15% to 20%. So Yes, we would expect in the range of INR500 crores to INR600 crores of order intake over the next 6 months.

Giriraj Daga: Okay. But that will still be like only our order book will go by INR100 crores, like because we will be executing somewhere about INR400 crores to INR420 crores in this year itself.

Prerak Goel: So what happens basically in our case, the order execution cycles are very short. So even if you see the order we talked about for the solar photovoltaic sector, it's a INR14.25 crores order received in the first week of October. And our deliveries are in December. So generally you would see very short execution cycles with us because mainly our system supply includes supply of equipment, election, and commissioning.

So these aren't really longer-term projects as such. A lot of the larger projects like the one that we're doing for the steel sector, it's a INR126 crores order, that has a 14 month to 18 month kind of an execution cycle. So our order book will always be a mix of short delivery orders as well as some which are longer lead orders.

But Yes, that mix is there. So generally our S&P business order book is generally 1 year forward at best and this comprises mainly of the longer term or the longer execution orders. The shorter ones are generally received in the quarter and executed and closed out pretty quickly.

Consistently, the O&M and the supply of spares and consumables, that is pretty consistent, you could say, and that would be the stable one. And O&M, what we report is only a 12-month forward number, so we don't report the entire order book of the O&M as such.

Giriraj Daga: Okay. So if I do guide about FY28 revenue number in terms of growth or absolute number Where do you feel confident to achieve FY28?

Prerak Goel: So obviously, I mean, these are given the market conditions today, given the water scenario in the country. We know that there's a deficit and the industrial sector is obviously being asked to do more for water. There are also large projects which the government is putting out for CETPs being converted to ZLD, etcetera, which are opportunities that we are looking towards.

So I would say the company does believe that we can grow in the range of 20%-25% per annum, and that's what we are targeting. I think given the traction that we have in the market, we, do believe that that's a number we can get to. Having said that, yes, we do appreciate there are going to be challenges, execution as well as the entire economic scenario in the world.

So we, do give these numbers out cautiously. But Yes, I mean, if you ask us what is the growth rate that the company should see, we definitely say that 20%-25% is something we should see as an annual growth rate.

Giriraj Daga: And this 20%-25% for the next few years or for FY28 specifically?

Prerak Goel: So I think compounded, if you look at it, will be better because, I mean, there are going to be years which is I mean, our business is going to be a little bit lumpy basis of the larger orders that we get. So, there would be years where there would be a larger order, but I think if you look at the average growth rate over years, you would see that the company would do 20%-25%.

Giriraj Daga: Okay. On the margin, one clarification. You mentioned FY27 will be similar to FY26, right? EBITDA margin?

Prerak Goel: No, sir. I'm not saying it will be similar because FY26 we were impacted a little bit more you know drastically because of what happened in March with the breakout of the war in the Gulf. So I think what we're saying is that we should return somewhere closer to our FY25 levels. That's what our anticipation is, that we'll be relatively stable from there.

Obviously, from FY25 to today, we've seen an increase in fixed costs, and the operating leverage is unlocking some of that value, but that entire value to be unlocked and absorption of the increased overhead that the company has taken on will probably take effect till FY28. So we think that even though EBITDA margins will be in the low double digits this year, FY28 we should kind of see the actual numbers turning out to be better and going back to the normal rates where we target of about 14% to 16% EBITDA margins.

Giriraj Daga: Okay. What is the capex guidance for this year and next year?

Prerak Goel: So we're building our facility in Vasai. I mean, we're doing some improvements then and rebuilding it. So we definitely see an investment of about INR15-odd crores in our Vasai facility. That's being funded majorly from the IPO proceeds that the company had picked up. Barring that, there is maintenance capex which takes place, which is roughly about another INR15 crores to INR20 crores. So I think overall capex during the financial year should be in the range of INR30 crores-INR35 crores.

Giriraj Daga: And similar for next year also, or next year will be more or less maintenance?

Prerak Goel: Next year will be slightly higher because we're looking at both starting up the Sharjah facility capex as well, and also there would be an expansion plan for probably a unit 2, or we, want to plan about 4 years to 5 years ahead from now as well. So Yes, we'd be probably looking at investing in another alternative manufacturing unit next year as well. So probably looking at in the INR50 crores to INR60 crores range in the next financial year.

Giriraj Daga: Okay. Lastly, on working capital. So let's say if we're targeting 20% to 25% growth, are we building up the working capital facilities, or where we are utilizing right now working capital side?

Prerak Goel: Yes. So I think if you look at our working capital cycles, we typically have a lot of investment in inventory and our debtor days are in the range of 110 days to 120 days. We've been actively supported by our suppliers, so we think we can maintain an average working capital cycle of about 140 days-150 days. We definitely are trying to bring that down because that unlocks a lot of value for the company.

But I think from a growth trajectory that we're talking about in the sectors and the different businesses that we're pursuing right now, we think at least for the short term it will remain there. So the company is talking to its bankers, we have good support from our working capital bankers and we did an increase right now as well, because obviously the larger order book does require more bank guarantee limits, etc.

So we've been constantly in touch with our bankers to help us increase working capital facilities towards that. In the short term, we see the requirement of non-fund-based limits to be higher for bank guarantees and letters of credit. I think our cash credit facility is pretty stable and we think we will be able to manage FY27 with the current working capital facilities that we have.

FY28, we'll obviously reach again and request bankers' support. But we've seen good support there, so I don't see any problem. The debt-equity ratios are healthy, so we have enough appetite for debt at the current moment.

Giriraj Daga: Current utilization are low, or we are like 70%, 80% 90%?

Prerak Goel: I mean, because of Q1, we had obviously, there were delays, the projects were low. So it generally is a cycle where Q3 working capital cycles ease up as we go through 2 good quarters. So by Q4 we are absolutely back to normal. So we are slightly on the higher side at the current moment, which we think will stabilize by the end of Q3.

Giriraj Daga: Okay. All the best, and thank you.

Prerak Goel: Thank you so much.

Moderator: Thank you. The next question is from the line of Dheeraj Ram from 360 ONE Capital. Please go ahead.

Dheeraj Ram: Hi, sir. Thank you for taking up the question. Sir, could you please elaborate on when you say you're going to improve your margins for next 3Q or 4Q? What do we exactly plan? And how do we exactly say with this confidence?

Prerak Goel: Hi, there. So I mean, if you look at our gross margins, you will see that we've been improving on those consistently, right? And I think even with whatever has happened in the world in the last 6 months, we've been kind of able to shore up our costs pretty well. The pressure on margins is really coming in from fixed cost.

And as I've explained a lot of times, this is really done for the company to build capacity to deliver larger projects. As we move towards one larger project sizes, more complex zero liquid discharge solutions, our design teams, our project execution teams need to be strengthened.

That's the investment that we did in in FY25 and FY26, which has obviously resulted in higher costs for us.

But the projects that we are bagging, both the larger projects as well as the type of projects. But we're bagging basis of this capacity building that we've done is obviously rewarding the company in getting better margins, at least at the gross level for now. And as the business scales up, we get to get back to growth, you will see this margin translating into a better EBITDA and PAT margin as well.

So that's the confidence that we have. We've looked at our numbers for this year, we look at the projects that we have. Most of the projects that we are executing in Q3 and Q4 are post the design phase, they're actually in the execution phase. So we have relative visibility on those. Yes, I do appreciate that the world is volatile right now and there are a lot of things that could happen.

But I think we've been quite confident and we saw the way that Q3 has turned out. And if you look at standalone Q2, you will see that there's a lot of focus in improving margins and ensuring that the company can deliver growth for the entire year.

Dheeraj Ram: Okay. Is there any way, sir, that we are bidding for any data center projects? There is a lot of commentary from your peers, two or three of your peers, for data center projects in India and outside India.

Prerak Goel: Yes, we're looking at both. In fact as Prayas also talked about it, we're looking at both the dehumidification and the water requirements for data centers, and we believe that we can club these. So definitely having conversations across the board, trying to understand better, come up with a better value product as well for them.

Currently, a lot of these projects are looking at either desalinated water or treated sewage as the source of water for them. So that's an area where we are targeting. So definitely working towards it. Yes, we don't have an order yet, but it's something that we are working towards to see how we can bring value to that sector.

And as you know we are a company which doesn't like to jump into something immediately. We like to do our background homework. We like to do our studies in terms of understanding how we can bring value to the solution. So that's something that we're doing, and we really believe that the combination of our dehumidification and water products will bring a large value to the data centers as well. So, we're working towards offering them a combined solution for both.

Dheeraj Ram: Okay. So in terms of this background work, could you let me know what is the water consumption or high-purity water consumption per megawatt of data center and what could be the capex or your order size per megawatt?

Prayas Goel: So maybe we can come back to you separately on this because as you are well aware, there's been a sea change in from Gen 1 to what the next generation data centers are coming up with, higher temperature abilities as well. So we're looking to really pivot to more heat recovery type

using that heat for desalination, etcetera. So allow us some time and we'll come back to you with some specifics.

Dheeraj Ram: Understood. And if I can squeeze in last question, this capex at Vasai facility, are we shifting our manufacturing base to Vasai partly, or is it just expanding the assembly base?

Prayas Goel: It's an expansion, sir, more catering for. This year is a little bit of debottlenecking, which was kind of planned earlier. And what Prerak mentioned coming up in the next year or 2 is more for capacity enhancement.

Dheeraj Ram: Okay. Understood. Okay. Thank you.

Prayas Goel: Welcome.

Moderator: Thank you. The next question is from the line of Harshh Saraswat from Srujan Alpha Capital. Please go ahead.

Harshh Saraswat: So you mentioned that by end of Q4, we will likely, to be back at the EBITDA margins of FY25. Does that mean that the whole year EBITDA margins can reach up to 15%-16% range with a 20% growth?

Prerak Goel: So as I said, I mean, I think EBITDA, we are looking at a low double-digit number at the current moment. I think we've said this before, I think given the Q1 impact, I think 10%-12% is what we're looking at. We believe by FY28 we'll be back to that 14%-15% that we were regularly achieving.

Harshh Saraswat: So should we take a steady-state EBITDA margin for future years at around 15%-16%? Or it can be better than that also?

Prerak Goel: So I think 14%-15% is a good number to take. I think that is something that we know that we can achieve. We definitely do strive for higher numbers, but yes, I think given the way the sector is moving today, the competition and taking into fact everything, we think 14%-15% is a number that will be achieved in the next 3 years to 5 years. That's what we're looking at the current moment.

Harshh Saraswat: Right. And how are the situations in the Middle East currently? Like, from the time when the war broke out and today, have the operations, how better they have become?

Prerak Goel: So actually, it was funny because if you look at our facility never shut down for a single day. We operated right through the period. The bottleneck that was is materials coming into UAE and getting out of UAE. So that is where the bottleneck really is. Today if you want to ship cargo from UAE outside, you hand it over to your shipping line and you really don't get a clear idea as to when that ship will reach its destination or when that item will be put on a ship.

Obviously at a much higher cost than what we were paying earlier. So it's more about the uncertainty on the items coming in and out. Everything that is moving by air is moving freely. There's no disruption at all. The freight rates, everything have stabilized. But it's everything by sea.

So whatever bulk manufacturing requirements are there in UAE, that is where we continue to face some logistical issues and we need to plan around it. Everything that moves by air, which is our membranes we are back to almost you could say prehistoric, pre-war levels completely in terms of dispatch and everything.

Harshh Saraswat: Got it. So also wanted to ask on your one investor, AF Holdings, who was I think your PE backing. Are they exiting the stock or what? Because lot of stake came down in this quarter.

Prerak Goel: So Yes, we do believe. Because they had to exit as their fund had a limited life. But Yes, I mean, I think it would be best for you to reach out to them and have a chat in terms of what their strategy is.

Harshh Saraswat: So is it possible for you to connect us with them?

Prerak Goel: Yes. I mean, you can reach out to our team. We'll get someone from their office.

Harshh Saraswat: Great. Thank you so much.

Prerak Goel: Yes.

Harshh Saraswat: All the best.

Moderator: Thank you. The next question is from the line of Dilip Sahu, an Individual Investor. Please go ahead.

Dilip Sahu: Yes. I want to touch upon 2 slides in your presentation. One is regarding the Navy opportunity, and the other one is CBG. Coming first to CBG, how do you see the opportunity evolving in the ground looking at the current policy changes by the government? Are you seeing any renewed energy there in that sector?

Prayas Goel: Yes, we are. So there's a lot of buzz, sir. How that's translating to action, I would say, is still a little slow because in, let's say, the biomass to CBG or organic waste to CBG, we still have those same challenges and limitations of feedstock availability, especially around the feedstock availability. With regard to municipal solid waste, there have been some policy changes that have impacted it.

So there's a slight recalibration, but we think projects will still remain on track there. So that's, something which you know we're working on in parallel as well. And on the industrial waste to industrial organic waste to CBG, I think the policy changes are more positively impacting customer interest. So on that piece, we are seeing an improvement.

Dilip Sahu: Sure. And can you elaborate on this Navy, naval opportunity that you were reading with the presentation?

Prayas Goel: Generally, Yes. Just generally shipbuilding and shipbuilding, as you've probably seen defence spending is up and defence shipbuilding is going up. India is building and talking about building a larger number of ships and submarines. So we see that represents a good opportunity for growth for us.

Dilip Sahu: Sure. Thanks. In terms of the two pointers that you have made, one is 20% to 25% long-term growth over 3 years to 5 years, and the second was 14% to 16% kind of operating margin. What are the assumptions on which this is predicated?

And are you in terms of product mix and geography mix? Is there some levers that you have which is still not used, like new products or new services and that, will come into effect? Or it will be purely volume growth and operating leverage and geography mix?

Prayas Goel: So I think there are two or three levers maybe this is probably a longer conversation, but I can just in summary tell you the two or three key levers. One is common effluent treatment plants. So as we go into zero liquid discharge for common effluent treatment plant facilities, that's one major lever.

That humidification piece kicking in is another major lever. And in certain export markets, I think we mentioned that we've started making inroads into Europe and of course, North America as well. So those are other areas which will open up and be important levers for the future.

Dilip Sahu: Sure. So going forward, we can say that the international market opportunity, how you are able to execute in that will be the key parameter to decide on the margin.

Prayas Goel: I would say the international opportunity is important, but as you've seen this year, it's been a lot of domestic led growth.

Dilip Sahu: Correct. And even your pipeline looks dominated by domestic. So by just 20% growth, you are going to reach that 14% to 16% because your numbers are very volatile, and that's the reason I'm asking that question, both in terms of quarterly numbers.

Dilip Sahu: Yes. So I just want to know. You see, there is a lot of variation, not only the top line, there is a variation, there is a variation in profitability, and growth is, as you rightly said quarter dependent. So there are multiple changes. So can you just give, a particular level of revenue, will you become stable?

Prerak Goel: So actually, if you see, 40% of the revenues come from our steady-state business, which is O&M and spares and consumables sales. So that's obviously as we're doing larger projects, as the installed base increases, that revenue growth for us comes in, right? So that is one segment that is growing.

Then we have our S&P business which is a mix and that's where the lumpiness really comes into the business. And that's the reason why I always guide that, yes, there will be lumpy years that we'll have, right? We did a INR300 crores project in Mexico a couple of years ago, so that obviously brought in a lumpiness.

And we had large projects but not at that scale again. So there would be years where you would see larger projects coming off and then things stabilizing. So I think in a project business like the way where predominantly 60% plus revenues do come in from projects, there would be some volatility quarter-to-quarter as well as annually. But I think we believe in the water sector and given the situation we're seeing the kind of growth.

Now beyond the curve, as you said when the after-sales business does kind of stabilize and add to a significant number in terms of revenue, you would see greater stability, no doubt. But I think, Yes, we're about 2 years-3 years from hitting that level where the base or the steady-state business will be enough to kind of absorb the volatility that comes from the projects business.

Dilip Sahu: Yes. Thank you. And happy Diwali to you and your team.

Prerak Goel: Thank you, sir. Thank you so much. Same to you, sir.

Moderator: Thank you. The next question is from the line of Raj Shah, an individual investor. Please go ahead.

Raj Shah: Hi. Thank you. Thank you so much for your time, sir. I just wanted to ask on the O&M piece of the business as at the end of this year, actually for FY26, we had an order book of roughly around INR160 crores, and that order book is for roughly 12 months, right?

And we've only executed roughly INR57 crores of O&M business. So my first question is, do we still believe that we can achieve INR110 crores run rate for the H2 for the O&M business? That's my first question. And the second question is, what is the kind of margin profile that we guys on this O&M piece of the business?

Prerak Goel: Okay. So just to answer your first part of the question, yes, I think we have a few contracts which have kicked in the second half of the year. So that's where we see the O&M growth kind of continuing to be there. Some projects, they have billing milestones, so obviously the bills are raised as per those milestones as well.

So that's a combination of why you would see some lumpiness in the O&M to some extent. It's not a big number, but there would be a few projects which are done. Also, the other part is we do some large infra O&Ms, and these are mainly for, you could say the infra water treatment plants or STPs, etc. So there again, milestone billings do happen and revenue accretion does kind of get tagged accordingly.

But that would again kind of bring in revenue where we would achieve our targets by the end of the year. Coming to margins, I think if you look at the blended margins, EBITDA, we are in the O&Ms, we are in the low 20's at the current moment. It's been obviously a more profitable business as compared to S&P, and we expect to be able to strengthen margins in the O&M as we grow our O&M portfolio.

Raj Shah: So is it fair to understand that, by the end of this year, based on your estimates and your guidance, we grow roughly around 15%. That leaves us with a revenue, let's say INR560 x 1.15, let's say INR650 crores of roughly revenue. And let's assume a 10% EBITDA margin, not even like 15%, 10% EBITDA margin. That's roughly around INR65 crores of EBITDA that we could do this year.

Prerak Goel: So Yes, I mean, Yes, the projections would support those numbers. That's all I can say at the current moment. I know we always kind of careful when we give out forward-looking

statements. But Yes, I mean, I think if you look at the numbers playing out, that should be achievable.

Dheeraj Ram: Okay. So thank you so much.

Prerak Goel: All right. Thank you, sir.

Moderator: Thank you. That was the last question for today. I now hand the conference over to Mr. Prayas Goel for closing remarks.

Prayas Goel: I'd like to thank everyone for joining today's conference and to the investor community for their support, and wish you all a very happy Diwali and season's greetings. Thank you.

Moderator: Thank you. On behalf of Concord Enviro Systems Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.