November 06, 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001
Scrip Code: 532504

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051
Symbol: NAVINFLUOR

Dear Sir / Madam,

Sub.: Transcript of Earnings Call held for the quarter and half year ended September 30, 2026

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Company's Earnings Call held on October 30, 2026 regarding discussion on operational and financial performance for the quarter and half year ended September 30, 2026 (Q2 & H1 of FY 2026-27) is enclosed herewith.

This intimation is also being made available on the Company's website at www.nfil.in.

Request you to take this intimation on record.

Thanking You,

Yours faithfully,
For **NAVIN FLUORINE INTERNATIONAL LIMITED**

Niraj Mankad
Digitally signed by Niraj Mankad
Date: 2026.11.06 13:04:08 +05'30'

Niraj B. Mankad
President Legal and Company Secretary

Encl.: a/a

"Navin Fluorine International Limited
Q2 & H1 FY27 Earnings Conference Call"
October 30, 2026

MANAGEMENT: **MR. VISHAD MAFATLAL – CHAIRMAN – NAVIN FLUORINE INTERNATIONAL LIMITED**
MR. NITIN KULKARNI – MANAGING DIRECTOR – NAVIN FLUORINE INTERNATIONAL LIMITED
MR. ANISH GANATRA – CHIEF FINANCIAL OFFICER – NAVIN FLUORINE INTERNATIONAL LIMITED

MODERATOR: **MS. PAYAL DAVE – CYGNUS PARTNERS**
MS. POOJA SWAMI – CYGNUS PARTNERS

Moderator: Ladies and gentlemen, good day, and welcome to the Navin Fluorine International Limited Conference Call hosted by Cygnus Partners. 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.

Today on the call, we have with us Mr. Vishad Mafatlal, Chairman; Mr. Nitin Kulkarni, Managing Director; and Mr. Anish Ganatra, Chief Financial Officer.

This call will contain forward-looking statements about the company, which are completely based on the beliefs, opinion and expectation of today's call. Actual results may differ materially. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is given on the Page number 2 of the investor presentation of the company, which is uploaded on stock exchange and on the company's website.

With this, I now hand the conference over to Mr. Vishad Mafatlal for his opening remarks. Thank you, and over to you, sir.

Vishad Mafatlal: Navin Fluorine's Q2 and H1 FY27 Earnings Conference Call. Joining me today are our Managing Director, Mr. Nitin Kulkarni; our Chief Financial Officer, Mr. Anish Ganatra; and Ms. Payal Dave from Cygnus Partners, our Investor Relations Advisors.

Before we proceed, I would like to take this opportunity to thank MUFG Intime team for supporting us in managing our Investor Relations activities during the last 5 years. We appreciate their contribution and assistance extended to us during this period.

We have appointed Cygnus Partners as our Investor Relations consultant. We look forward to working with them as we continue to strengthen our engagement with the investor community. Coming to our performance in the first half of FY27, our PAT crossed INR500 crores with an EPS of INR100. This result reflects our continued focus on strengthening our business, building capabilities for the future and advancing our strategic priorities through disciplined execution.

As we navigate the evolving business environment, our priority remains to strengthen our business fundamentals and deliver sustainable growth across all verticals. At the same time, the safety, health and well-being of our employees remain paramount, and we continue to uphold high standards of safety and operational excellence across our facilities.

I am also pleased to share that the Board has declared an interim dividend of INR8 per equity share with a face value of INR2 per share.

In our HPP business, we continue to strengthen long-term customer relationships and commercial partnerships.

In this context, I would like to highlight an important development announced recently. The tenure of our existing HFO supply contract with Solstice Advanced Materials has been extended

by 4 years until December 2032 and will have an additional revenue potential of approximately USD180 million. I thank the management at Solstice for their continued trust in our capabilities and look forward to deepening our relationships with them.

We are also making steady progress in developing Advanced Materials as a potential growth platform over the longer term. We are focusing on specialized applications across areas such as data centers, electronics, semiconductors and defense, leveraging our expertise in fluorination chemistry and R&D capability. We are confident this business will create additional growth opportunities for us.

Let me now provide a brief update on our ongoing capex programs. During the quarter, we commissioned the debottlenecking of our MPP capacity at Dahej. Our HFC capacity expansion is progressing as planned and remains on track for commissioning shortly. The Chemours project, which will enable us to participate in the emerging advanced cooling market, is also progressing towards commissioning in Q3 FY27.

Our investment in advanced material adoption capacity is progressing as per schedule and is expected to commission by Q2 FY28. In our CDMO business, Phase 2 of the cGMP-4 facility involving a capex of approximately INR125 crores is progressing as planned and is expected to become operational by the end of Q4 FY27.

The TDF project to develop an indigenous specialty material with DRDO is progressing well as per schedule. While we deliver sustainable results and continue to invest in growth projects, the leadership and I are actively looking at meaningful investments in cutting-edge technologies that drive value for all our customers and ourselves.

This includes enhancing the integration of digital technologies across our businesses, leveraging AI to strengthen our research capabilities and optimize our processes. We are also investing in renewable energy across plants, which will meet more than 60% of our energy requirements through renewable resources.

As we progress to the next phase of growth, we recognize the importance of continuously strengthening our organizational capabilities and investing in our people. We remain committed to developing our existing talent, enhancing critical skill sets and building the capabilities required to support our evolving business needs and long-term growth ambitions.

I would like to also thank our customers, employees, partners and all stakeholders for their continued trust and support, and we look forward to building on this foundation in the years ahead. With that, I wish you and your families a very Happy Diwali and a prosperous New Year in advance.

I will now hand over to Nitin to take you through our business and operating performance.

Nitin Kulkarni: Thank you, Vishad bhai. And good evening, everyone, and thank you for attending the call today. We have delivered strong set of results in what is otherwise a very volatile geopolitical environment.

In this regard, I would like to recognize the efforts of our leadership and their teams for their commitment, agility and effectiveness in navigating these challenging times. All our business verticals witnessed a strong performance during the quarter, supported by healthy growth momentum.

In our HPP business, we continued to deliver healthy revenue growth during the quarter, supported by higher volumes and improved realization. The pricing environment for HFC remains firm, with realization improved on a sequential basis. We are also witnessing encouraging customer interest in our upcoming capacities, providing good visibility for the business going forward.

Our new AHF facility has witnessed an improvement in utilization, contributing to our growth momentum and R32 capex is progressing as planned and remains on track for commissioning shortly. An extension of contract from Solstice Advanced Materials provides potential visibility beyond FY28, and would like to extend my appreciation to the partners and teams involved.

With our established customer relationships, growing portfolio of products and expanding geographical footprint, we are well positioned to secure the opportunities in this business vertical. In the Specialty Chemical business, we continue to see healthy growth momentum supported by strong order visibility for the second half of FY27 and beyond Our product pipeline continues to expand across both existing and new molecules, strengthening our portfolio of differentiated chemistries and supporting our growth prospects. During the quarter, we commissioned the debottlenecking of our MPP capacity at Dahej in September 2026, further enhancing our production capabilities.

Moving on to CDMO business. We continue to see strong momentum with our FY27 target well within reach, supported by encouraging business developments and healthy product pipeline.

I'm pleased to mention few of our existing molecules have been -- have seen positive developments in their end use with favorable results of the trials. Our engagement with leading European CDMO major continues to deepen, driven by increasing demand for an existing molecule and expanding role in the customer supply chain.

From a strategic perspective in this vertical, we continue to focus on building a balanced portfolio of late-stage and commercial molecules complemented by early-stage programs. We are also expanding our presence across promising therapeutics areas, including oncology, cardiovascular, neurology and animal health through engagements with global innovators.

With this, I hand over the call to Anish for sharing the financial highlights.

Anish Ganatra: Thank you, Nitin. Good evening, everyone, and a warm welcome to the earnings conference call. Moving on to the financial performance for Q2 and first half FY27.

Let me begin with the key highlights for the quarter. On a consolidated basis, operating revenue for the quarter stood at INR1,191 crores, registering a year-on-year growth of 57%.

Operating EBITDA grew by 66% year-on-year to INR407 crores, with margins expanding to 34.2%. Operating PBT increased by 87% to INR336 crores, while profit after tax rose by 81% to INR269 crores, reflecting the strong growth in both revenue and profitability.

Turning to the half year performance. Operating revenue for first half FY27 increased by 51% to INR2,236 crores, supported by broad-based momentum across HPP, Specialty Chemicals and CDMO businesses. Operating EBITDA grew by 69% to INR765 crores, with margins expanding by 367 basis points to 34.2%.

Operating PBT grew by 93% year-on-year to INR619 crores compared with INR320 crores in first half FY26. Profit after tax also increased to INR513 crores, a growth of 93% year-over-year. Our EPS stood at INR100 and our net operating working capital days stood at 72 days, which is within our financial framework.

With that, we can now open the floor for questions-and-answers.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Sanjesh Jain with ICICI Securities.

Sanjesh Jain: My first question is on the revenue bridge. All the 3 segments sequentially has grown impressively. Can you help us understand what has led to this sequential growth? Because prices in ref gases has largely been stable in the HPP and specialty, I thought we were -- except Corteva, most of the plants were running full.

And in CDMO, I think there is more offtake in the European Union. How much more can we do there? Can you help us understand all the 3 segments, what is driving the growth? And from here on, what growth driver from the Q2 base?

Anish Ganatra: All right. Thanks, Sanjesh. If you look at Q1 to Q2, right, that's what you're referring to. I mean if you look at it, the HPP business has largely grown both from a benefit of pricing advantage in the ref gas business. There has been movement on prices.

I mean this is the danger of relying on averages, right? I mean averages don't tell you what we kind of -- our teams managed to place the product at better pricing. We've also had good volumes because like we've said before, our AHF plant has come into play. So volumes on AHF are pretty good. That is helping.

Also Q-on-Q, we've had growth in the Orchid business too, the HFO business of Solstice. So that has also helped. Specialty, I mean, again, I refer back to my commentary, I think, probably in the last 2, 3 quarters, where we've consistently said that this business will become more like a INR350 crores business.

Now again, our philosophy in this business, given the global dynamics is to extract more and more juice from the current assets. Our MPP plants, and the operational efficiency that we are doing allows us to do more campaigns in the same plants because of the way we are mapping

the products and minimizing the steps. Also, our teams in R&D and innovation are helping us do that.

So that's helping. I mean, in fact, if you see specialty MPP-1, MPP-2, we will have far exceeded the PAR by the end of this year. So in this environment, our teams are able to deliver that. CDMO, there is growth both from the base business from Fermion as well as some encouraging new qualification campaigns that we've run too. So that's helping the CDMO business.

But essentially, this is kind of the growth explaining from the sequential from quarter-to-quarter. Here on, if you look going forward, right? The growth will come. We recently commissioned the debottlenecking at the end of September. So you should start to see growth coming in from that in the specialty even beyond where we are today because that hasn't been factored in the numbers.

You will also see growth coming in HPP from the new R32 commission plant that is being commissioned shortly. Of course, it will ramp up towards the end of this quarter, and we'll start to see some incremental sort of growth coming in this quarter, but then full ramp-up possibly in the next quarter, yes.

Sanjesh Jain: Correct, correct.

Anish Ganatra: CDMO, of course, like we said, and I think Vishad and Nitin mentioned, we are at the striking distance of our USD100 million target in terms of order book visibility. And so there will be growth for that business too by the end of this year. And beyond that, again, we've already announced the Phase 2 capex that will start delivering growth also in that vertical.

Sanjesh Jain: That's great. Super explanation. I think what has impressed more in this quarter is that we were able to maintain the gross profit despite a very inflationary environment. What is helping us to hold on to gross profit all our peers have struggled there?

Anish Ganatra: So again, if you look at our EBITDA bridges, I mean, in terms of the percentage bridges, which is -- and I am telling you both from a year-on-year and a quarter-on-quarter perspective. I mean, okay, you know, we are able to, between the forex tailwind and the price actions -- pricing actions we are taking, largely we are able to offset the sourcing impacts.

Also, what is happening for us is operating leverage is playing in. Plus, there is a lot of effort being done on operating efficiency, which is also helping capture and protect the EBITDA. As we go forward, this is something and that is exactly the reason why Nitin brought out in his speech, the fact that even in this environment, the commitment of the teams, the agility of the teams is helping us navigate. And that is -- sorry, there's some disturbance.

Sanjesh Jain: There. No, no, sir, I'm there, I'm there.

Anish Ganatra: Sorry. Okay. No. So exactly, I mean, so we'll all have to remain committed and agile to respond to the geopolitical challenges because I don't think we are out of the winds yet in terms of the geopolitics.

Sanjesh Jain: Got it. One last question before I join back in the queue. The contract extension, I thought we had a higher headroom for the volume, but the implied contract for next 4 years implies a USD45 million run rate annually versus a USD58 million run rate we had. What could be missing in this?

Anish Ganatra: No. So the way you should look at these -- so there are 2 things happening here, right? One is the fact that the extension gives us a longer visibility and adds in about close to USD180 million potential for revenue over the next 4 years of the same assets is definitely going to add in leverage in terms of where we are.

Second, the pricing mechanism is always a pass-through mechanism in these contracts, right? So that's something to bear in mind that as we go from now here on, how the pricing mechanism works, if you recovered your capex, there will be a different answer to it.

So there's a lot to the commercial contracts in the way they get structured that you can't make a simplistic notion on the average rate. In fact, if anything, this contract is going to guarantee us larger volumes than what we had before.

Sanjesh Jain: Got it, Anish. I think these are my questions. Thanks for answering all the questions, and best of luck for the coming quarter, and happy Diwali in advance to the entire Navin team.

Moderator: Our next question comes from the line of Rohit Nagraj with 360 ONE Capital.

Rohit Nagraj: Congrats on, again, a good set of numbers. First one on the clarification on the HFO contract. So if we look at for the last 7 years, the average run rate has been about USD60-odd million. But for next 4 years, it indicates USD45 million. So I just want a clarification in terms of whether the revenue run rate will moderate going beyond FY29?

And second question, allied to that, our HFO -- own HFO commercialization, will that get delayed because now we will be supplying to Honeywell beyond 2030?

Anish Ganatra: No. So I'll take the second one first. But if you think of this, Rohit, at the end of the day, we will not get into the same application. But you and I both know there are 40 different varieties of HFOs, yes. And so as long as we are sort of not within conflicting of the contract, there is nothing to stop us to do that, yes.

And so therefore, I don't think that means anything on whatever else we are doing on the other HFOs, yes. We've also said before that as we do the other HFOs, we will be looking both at partnership models as well as product models, yes, depending on whatever suits best for us.

In terms of your question on the contract and the average rate, like I was just telling Sanjesh, you can't look at this in a very simplistic way dividing by the number of years. because, frankly, if you had a certain pricing in mind, which you set in '22 for the current contract or 2020 actually for the current contract, that pricing environment is different to what we are today, what will be in '28. The way to look at this is that on a same asset base, you're going to extend both the volumes, the revenues and also the period.

This was a 7-year contract. This now becomes an 11-year contract. So in other words, whenever we talk of our growth between now to FY30, and there was this question, what happens to the Honeywell contract after '28, this particular thing actually addresses that, the base is protected.

Rohit Nagraj: Right. Perfect. Second question on Chemours. We've seen some delay and obviously, there have been challenges in terms of geopolitical and other things. Just one clarification here that whether because of the delay in commissioning of the project, the qualification cycle also will get delayed or since we've been supplying the material in the interim, that qualification cycle will not have material impact because of the commissioning of this project?

Anish Ganatra: No. So again, we've said this before, Rohit. When you look at this project, we've been working with Chemours to co-develop this -- so the project itself, which started from a tech pack and developing in the lab to the pilot scale and to supplying them currently to the initial capacity, the process routes are different.

So one, we are actually -- the delay is more attributable to looking at the right process to go into the initial capacity, which then allows us to accelerate the larger capacity should there be demand. So in fact, the delay is a conscious choice rather than anything else between the partners. And this is evidenced by the fact that as we are coming to commission that asset, we already have orders in place coming in for the future quarters.

Rohit Nagraj: Okay. Thanks a lot, and all the best, and Diwali wishes to the entire team.

Moderator: Our next question comes from the line of Ankur Periwal with Axis Capital.

Ankur Periwal: Congratulations on a strong set of numbers. First question on the CDMO side. With Phase 2 of the cGMP 4 coming in, will it be largely used or consumed for Fermion contract itself? Or there could be newer molecules also which will be driving growth here?

Anish Ganatra: cGMP 4 Phase 1 and Phase 2, Ankur are both dedicated plants to Fermion. So this is going to be completely dedicated plants.

Ankur Periwal: Sure. And the follow-up question to that will be that since you mentioned there are 3 molecules that we are working on and we are at advanced stage of -- for one of them, if I got that right. What are the time lines one should look at for the next phase of expansion here for the newer molecules?

Anish Ganatra: So again, you have to look at this that when we started to do the Phase 2 cGMP 4 plant, we were already doing the warehouse all the way up to Phase 6, and we are doing ETP all the way up to Phase 5, right? So we can actually go to cGMP 5 pretty quickly with the infra there in terms of the utility, etcetera.

I mean the developments that you're referring to are actually positive on 2 molecules. If you picked it up, one of the molecules has already received approval in China, and that's on fast track on FDA approval. in the U.S. market. So that will sort of probably come in. Again, the other molecule is more about the potential expansion, label expansion of darolutamide itself.

And that again has promising concepts on value. I mean we are very quick -- so the moment we see and sense the utilization of our GMP plants coming to 70%, 80%, we will be triggering off Phase 5. There is absolutely no doubt in our mind on that. And I've said this before as well, come to USD100 million number, we'll sort of be starting to knocking that door very soon, frankly.

Ankur Periwal: Sure, Anish. That's very helpful. Just second bit on the specialty chemicals side. with Nectar looking to be ramped up probably, let's say, within this financial year, fully utilization in terms of the peak revenue. How do you see that revenue piece picking up? Well, Chemours is one to ramp that up. But apart from Chemours and MPP debottlenecking, any other projects that we are working on, which will require separate dedicated capex?

Anish Ganatra: So we've got -- like I said in my last commentary, Ankur, we've got 5 molecules, new molecules that we were working on. Some of the numbers that you see, the growth that you see, which Sanjesh was asking is actually out of those molecules as well.

There are campaign orders for those molecules going all the way until the end of this year and beyond as well. So there will be growth coming from there. For Nectar, we had always clarified that FY27, we would be somewhere around 60%, 65% of the PAR and the balance PAR will come into FY28.

So that's the ramp-up sort of around the specialty business. And INR350 crores as a run rate, we have said about last 3 quarters. So that's what you're seeing play out as well. And it will go up because of the reasons we talked before as well.

Moderator: Our next question comes from the line of Archit Joshi with Nuvama Wealth Management.

Archit Joshi: Just 1 question. Any development on the DRDO contract, any ramp or economics that we've been coming across and you can share anything on that account?

Anish Ganatra: So Archit, so the DRDO, again, we are working to the schedule as prescribed with the defense. So that's going on track with that. Again, like we shared, this molecule has dual use, yes. So as and when the product is developed, we will be accelerating the application in the pharma phase sooner than what time the defense takes because that will take time from the defense side in terms of when they get comfortable, right, in terms of the qualification, etcetera.

Again, you know the potential market over there, even at 50%, just the Indian market is roughly about INR400 crores in the pharma side, yes.

Archit Joshi: Sure, sir. Just one small bit again on the HF prices also have firmed up quite a lot in the entire onslaught within the world. Have you been able to benefit since we have also commissioned the capacity?

Anish Ganatra: I think, again, yes. Pricing, as we know, is an equation of cost, right? I mean when you look at how HF prices have gone up, you should also look at how prices for sulfur, gas, right? A lot of raw materials has gone up, right? Fluorspar is also going up.

So I mean, frankly, I think in this sort of an environment, a 34% EBITDA is really a solid EBITDA that cannot come only from pricing. That has to continuously come from the efficiencies and the improvements we drive within the organization. And that's going to be our mantra.

Moderator: Our next question comes from the line of Arun Prasath with Avendus Spark.

Arun Prasath: Anish bhai, my first question is that I think, first of all, it's impressive that we have reached the CDMO targets of USD100 million on a run rate basis much earlier than we initially said. But following up that, and am I right if I assume that for including the Phase 2, the new target will be somewhere close to INR1,200 crores to INR1,300 crores?

Anish Ganatra: So Arun, again, we have always been saying that we will do USD100 million by FY27. So it's not early. It's actually on time. and we've been saying this for some time now. We've also said that cGMP-4 Phase 2, when Phase 1 and Phase 2 put together, the peak annual revenue potential is close to 3x of the capital or about INR900 crores to INR1,000 crores by FY28, FY29, if I'm not mistaken.

So that's also on track. The molecules that we talked about, the label expansion for darolutamide, the approval for the other molecule in the China jurisdiction, which then gives a greater confidence of approval in the other jurisdictions is all positive development. So envisaging a growth beyond FY27 in the numbers that you talked about is not sort of unimaginable.

Arun Prasath: Understood, sir. Second, Anish, I think given the growth that we are seeing in all the 3 segments, inevitably, we are going to have a post-tax OCF of more than INR1,200 crores, INR1,300 crores in a steady state. But so far, we haven't announced -- obviously, something will be in the plans, but how should we see your capex?

Will the capex will continue at the current rate or we will have a lot of surplus free cash flow, which we will be distributing to the shareholders? How should we think in this capital allocation perspective?

Anish Ganatra: Yes. So like I've said before, our capex frame will be in the INR700 crores to INR1,000 crores every year. INR700 crores this year is what we are looking at given where we are. I think the first half captures something in the range of INR300 crores, INR310 crores. So we are on track for what we are saying we would do this year on the lower end of that range.

We are working on several projects. And as these projects' kind of mature to our stage gates, you will see capex being announced. We're very conscious of the fact that with the capexes we have in place, our growth to FY28 is pretty much baked in. Some part, of course, goes to '29 like the cGMP-4 that I was talking about. There will be others that will come in to capture the growth before. And our portfolio is looking quite healthy and rich on the pipeline, yes.

Arun Prasath: Understood, sir. Sir, one more clarification on the HFO contract extension. It's very clear that from what you said is that we will have some reduction in the gross margin at the portfolio level.

But should we also extend -- I mean, incremental volume should result in a margin accretive at EBITDA level, sir?

Anish Ganatra: So incremental, I mean when we are growing at the rate of 20%, 25% annually, our costs are not going to grow at that rate. The question is what will be the EBITDA in the future. We are not going to change the guidance from 30% because frankly, the first future we're not going to change the guidance from 30%.

I'm not talking of the year, I'm talking long term, right? The reason for that is that I will not sit here and let you believe that I have full knowledge of the future. In fact, if at all, our cognitive ability does not allow us to predict the numbers for 5 years and 6 years on EBITDA margins.

The geopolitics are massively volatile, as you all know. So we'll figure that out. For this year itself, for FY27, just to be clear, we are going to be working on the margins that you see for the first half in the same sort of range for the year. That's what we'll be working towards.

Arun Prasath: Understood, sir. But I also heard that you spoke about HF placement, if I heard it rightly. So that means are we selling it in the domestic market also, the HF from the HF plant?

Anish Ganatra: Sorry, I missed that. What did you say?

Arun Prasath: Sir, I heard that something like you talked about HF placement in the market. So can you clarify that a bit, please?

Anish Ganatra: No, I was saying that from a ref gas point of view, everybody talks of averages, and you know the danger of averages does not recognize the superlative ability of teams to place the product in the right prices in the market. So we are doing better than the average. So therefore, to look at the average and say that you've not had any upside from the ref gas environment would not be a fair statement. That's what I was trying to say.

And of course, on the HF side, we've always said that our merchant sales would be an X number. Today, we are seeing that it's actually far larger than that, that we're able to place. And some of the material that we are placing is also going in the international markets and also serving high pure HF as well.

Arun Prasath: Okay. So if you can clarify what is our AHF utilization rate, sir, at this point of time?

Anish Ganatra: So we wouldn't want to talk of utilization rates. I mean, rest assured that we said it's being ramped up. So it's not hit the full capacity, yes. So it is being ramped up, and it's a large plant. So there is going to be more time to kind of hit the full capacity.

Moderator: Our next question comes from the line of Aditya Iyer with HDFC Securities.

Aditya Iyer: Hi, am I audible?

Anish Ganatra: Yes, you are.

Aditya Iyer: Congratulations on a great set of numbers. I have a few questions. On the Chemours project, what early indicators are we observing on OEM engagement? And under what conditions could the proposed 10x scale up be triggered?

Anish Ganatra: So again, we've talked about this, Aditya. So one, this is more a Chemours conversation than a Navin conversation. But I'll help you in as much as I can. I can't talk about specific numbers, etcetera, on the project. We are under an NDA.

But if you look at what's available in the public domain, you will see that Chemours earlier in this year qualified its product with a French company called 2CRSi, and they are one of the OEM manufacturers of high compute kits. So they do one new architecture. There's actually -- that's been a joint development agreement with them.

So which then accelerates the adoption in the hypercomputing because, as you know, anybody that establishes hypercomputing environments is likely to use OEMs to qualify their materials, etcetera. So it's very encouraging. think the fact that as we commission the project and we have line of sight and purchase orders in hand from Chemours, again signals that there is demand for the adoption that's coming through.

We've always said it would take about 15 months once the project is commissioned to know what the adoption rate is in the market, what the size of that market is and hence, what the capex will be. So a bit premature to talk about the final eventual capex that will result at the end of all of this.

Aditya Iyer: Okay, that's it from my end. All the best to the team and wishing you a happy Diwali.

Moderator: Our next question comes from the line of Sanjaya Satapathy with Ampersand Capital Investment Advisors.

Sanjaya Satapathy: Sir, just wanted to confirm that your annual capex, you said that will stay at around INR700 crores, INR750 crores this year as well as next. Is that correct?

Anish Ganatra: I said our capex frame. So what I mean by that is we've built a very strong balance sheet and a very strong capital frame, which allows us to hold our working capital to 70 to 75 days. And all of that means that we are able to generate an EBITDA conversion of 60% which 60%, 65% on a more sustainable basis.

And that then translates the ability to spend. So we've got the ability to spend INR700 crores to INR1,000 crores every year within our capex frame, which is good enough, both from a point of view of the project hopper that we have in our line of sight as well as the growth that we are targeting over the next 5 years, right?

So in some years, you will find the capex on the lower range, some year on the higher range, it will end somewhere in the middle every year, right? So this year, I've said that we are looking at INR700 crores.

Next year, as we come towards the end of this year, there are several projects in the hopper depending on what comes in and gets approved through our stage gate processes. We'll be announcing those capexes and they will certainly then be more clear in terms of what we will spend. Does that help?

Sanjaya Satapathy: Yes. This is very helpful. And last question, sir, can you just articulate that among the 3 segments that you have over the next 3-odd year, will there be a significant shift away from HFC business in your overall revenue mix or investment mix?

Anish Ganatra: No, I think we are going to build on the businesses we have. And we -- as we've also said that we are incubating a new business vertical called Advanced Materials, which is -- again, we've given out when we spoke in the last call that if you think of Navin from now to 2030 and look at 20% to 25% growth, Advanced Materials will be roughly about 10% to 15% of the expanded pie by 2030. But that's a milestone. That's not the end of the journey. This is a growth business we are looking for the next decade.

Sanjaya Satapathy: Understood. Thanks a lot, sir, and wonderful to see your success story panning out the way it is.

Moderator: Our next question comes from the line of Jason Soans with IDBI Capital.

Jason Soans: Congrats on a very strong set of numbers. Sir, I just wanted to know, I mean, if I remember correctly, the utilization for the HFO plant end of FY26 was around 80%. So sir, just wanted to know, I mean, of course, you have an extension now. And so when you look at your average kind of utilization over the years, are you expecting it to be around 80%, 90% only going ahead, even going beyond '29?

Anish Ganatra: So we want, you know, the utilization will improve. I mean, as you know, this product goes into 2 sort of end applications, right? And as the global market scenario improves over time, you will see the demand going up in the construction sector.

And of course, this also gets used in chillers for high cooling, etcetera. So demand is expected to go in that side, too. So we will see the volumes go up. What we've indicated there is the numbers that we see as potential based on the minimum quantities or minimum expected quantities from the customer, yes.

Jason Soans: Sure, sure, sir. And sir, earlier, you did speak about working on the 5 molecules in the second phase. And you said there are good orders, campaign orders for these molecules. So do we see any visibility for any dedicated plants or going ahead for any of the molecules?

Anish Ganatra: See, we've always said that in the Agri market, we remain constructive of the long-term fundamentals of the demand for agri products, right? Our approach to navigating and accessing that growth is going to be to utilize the current assets and juice them up more and more.

And which is why we confidently said that when you look at FY27 at the end, you will see that our PAR of MPP-1 and MPP-2 will have been far exceeded because we've done a lot of work in

terms of making sure that more products can be mapped into those plants and these molecules will get not only mapped into those plants, but also in the debottlenecking space.

So all in all, will we see a new kind of MPP? I think it's a hypothetical question at this stage. Our approach is going to remain to extract more and more from the current assets. If there was something that would come up there from a business that would demand a dedicated capacity, of course, we'll openly look at the commercials, etcetera. It passes through our stage gates, we'll go through the approval and announce it in the market.

Jason Soans: Sure. And sir, on the last call, you had said that in CDMO space, you're working on 10 molecules, 3 molecules expected to have a readout in the next 8 to 12 months. So there is a healthy pipeline clearly. So I just wanted any update or any new things you want to share on that front? How is that pipeline looking ahead?

Anish Ganatra: Yes. In fact, I just said earlier in the call that you have got 2 of those molecules where the progress is very encouraging. So in the near term, that's the update that I can share actually. And I'm happy to repeat it unless you missed the earlier comment, you know.

Jason Soans: No, sir, that's fine. And sir, just 1 clarification. I missed out. You did mention that certain plants for the CDMO are basically dedicated to the Darolutamide or the Fermion contract. So could you just repeat what exactly is dedicated for the Darolutamide or the Fermion

Anish Ganatra: Dedicated means that we will run the -- it's been customized to run and optimize for the molecule that we require for that particular product. So dedicated means we will not do product changes, campaign changes, would run that product daily. I mean I don't know another word for dedicated, but that's possible the best I can explain, sir.

Jason Soans: Yes, yes. That was a bit. Okay, okay. Sure, sir.

Moderator: Our next question comes from the line of Ranjit with IIFL Capital Services Limited.

Ranjit: Congratulations on a very strong set of numbers. My question is on the HFO pricing environment. So how do you see...

Moderator: Ranjit, I'm really sorry, but can you just be a little loud?

Ranjit: Yes. Is this better?

Anish Ganatra: Yes. As loud as you can. We can hear it.

Ranjit: Let me use the handset just a second. Yes, sir. This is good?

Anish Ganatra: Let's try. Go on.

Ranjit: So, I was saying thank you for the opportunity and congratulations on a great set of numbers. My question is on the HFO pricing environment. How do you see the global HFO pricing

environment evolving over the next few years, particularly as the patent expires and the competition increases? Specifically, if you look at...

Anish Ganatra: No. So if you are referring to -- sorry, I didn't mean to cut your question, but you had to be a little bit louder. So your last part was very faint.

Ranjit: Yes. So my question was largely on the global HFO pricing environment. How do you see it evolving post the patent expiry? And in relation to that, the extension that we have seen does offer some bit of a comfort on the realizations?

Anish Ganatra: No, I think the way you have to understand these markets, one, there is -- each HFO has a different application. And largely, the patent owner will also cover a qualification route for the use of the product. So we've always said that in our discussions with Solstice, they've always indicated that this product is an evergreen product in terms of the end-use application that they're looking for. So we -- in fact, like I've said before as well, the extension is not just a time extension, but there is expectation that the volumes will be larger, too, yes.

Ranjit: Yes. So any comfort on the realization that you have got from them?

Anish Ganatra: Comfort on the realization, yes, of course, I mean, in what way do you mean? Sorry. I mean we've already given the numbers out as potential revenue numbers. And that's all -- I think that should be good enough, no? Ranjit?

Ranjit: Yes. Right, sir. So my question was largely if you see there is a large difference between the HFO and the other refrigerants. And eventually, when these will have a patent expiry, the expectation is that there will be competition and the price erosion will happen.

Anish Ganatra: No. So I think you're looking at the ref gas market and HFO in the ref gas market. This product is slightly different even if it's an HFO. Similarly, the Chemours product is again a different HFO. So Chemours product is a different application. Solstice is a different application. You have to look at it from the end applications.

If you're looking at the ref gas market, I mean, the global HFO capacity is 10% of the global ref gas demand in tonnage terms. I mean there's not enough volume there to kind of play in the market on the pricing. So whichever way you look at HFO is a product that is on the higher pricing side in the end market for the end application it serves because it is a more greener product, more cleaner product. So it's going to come at some sort of premium, right?

Moderator: Thank you so much. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Anish Ganatra: All right. Thank you all for taking the time today and be with us on behalf of the Navin team and Cygnus, we wish you all a very Happy Diwali and a Happy New Year in advance. Thanks again.

Moderator: Thank you so much. Ladies and gentlemen, on behalf of Navin Fluorine International Limited, that concludes today's call. Thank you for joining us, and you may now disconnect your lines.