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February 13, 2026

BSE Limited
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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 ended December 31, 2025

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 February 09, 2026 regarding discussion on operational and financial performance for the quarter ended December 31, 2025 (Q3 of FY 2025-26) 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 Bipin Mankad
Digitally signed by Niraj Bipin Mankad
Date: 2026.02.13 11:04:23 +05'30'

Niraj B. Mankad
President Legal and Company Secretary

Encl.: a/a

"Navin Fluorine International Limited Q3 & Nine Months FY26 Earnings Conference Call”

February 09, 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
	MS. PAYAL DAVE – MUFG INTIME, INVESTMENT RELATIONS ADVISOR.
MODERATOR:	**MS. POOJA SWAMI – MUFG INTIME INDIA PRIVATE LIMITED INVESTOR RELATIONS**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Navin Fluorine International Limited Q3 & Nine Months FY26 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 the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Ms. Pooja Swami from MUFG Intime IR. Thank you, and over to you ma'am.

Pooja Swami: Thank you, Shruti. Good evening, everyone and welcome to Q3 & Nine Month FY26 Earnings Conference Call of Navin Fluorine International Limited.

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 beliefs, opinions and expectations as of today. Actual results may differ materially. These statements are not the guarantee of our future performance and involve risks and uncertainties that are difficult to predict. A detailed Safe Harbor statement is given on Page #2 of the Investor Presentation of the company which is uploaded on the stock exchanges and on the company's website.

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

Vishad Mafatlal: Thank you. Good evening, ladies and gentlemen and welcome to Navin Fluorine's Q3 & Nine Month FY26 Earnings Call. I am joined today by our Managing Director – Mr. Nitin Kulkarni, our CFO – Mr. Anish Ganatra and Ms. Payal Dave from MUFG Intime, our Investment Relations Advisor.

The environment in which we operate continues to evolve, shaped by global developments and macroeconomic trends. While these dynamics bring their share of challenges, they also create new opportunities.

I am pleased to share that we have remained resilient and agile, consistently adapting our operations to sustain growth and deliver strong outcomes. Our growth has been made possible by the relentless dedication and tireless efforts of our teams. Through focused teamwork, strong R&D initiatives and the adoption of right technologies, we have been able to navigate diverse global scenarios. Equally important are the deep relationships we have built with our partners, which continue to strengthen our foundation. I want to express my heartfelt gratitude to every member of our team and all other stakeholders as their commitment has been driving force behind the performance we are witnessing today.

I am pleased to highlight that our cGMP-4 Phase-1 facility has been commissioned based on our timelines. Post successful validation of batches, we started commercial supplies during the quarter. Our AHF project was also successfully commissioned recently and commercial supplies have started. We are pleased to inform you that all our ongoing CAPEXes are progressing well.

With continued positive pricing trends and ongoing capacity expansions, we are confident that the HPP business will continue to deliver sustainable growth. Our Specialty Chemicals division has achieved its highest-ever quarterly revenue, underscoring both strong execution and deeper partnerships. Meanwhile, the CDMO business continues to build momentum with strong order visibility. Across all our verticals, momentum remains strong, supported by clear order visibility, reinforcing confidence in our growth trajectory. We are also progressing well on Advanced Materials space and with initial evaluations for projects in the electronic chemical value chain.

Before I hand it over to Nitin for a detailed update on the business, I would like to briefly talk about the current global developments and the impact of the Union Budget 2026.

Both the EU Free Trade Agreement and the US trade deals are good news for our industry. We expect these to support our bilateral trade. The government's focus on strengthening domestic manufacturing is also very encouraging for the chemical sector.

Further, we are encouraged by the launch of India's Semiconductor Mission 2.0, which focuses on Semiconductor Manufacturing in India, along with the Associated Ecosystem of Critical Supplies including Chemicals and Gases. This is a positive for our Advanced Material businesses. With these policy supports, we believe the Indian chemical industry is well-placed to grow globally, adopt advanced technologies and contribute to higher quality exports under the Make in India and Viksit Bharat 2047 Vision.

Thank you once again for joining us today, and now I would like to hand over to Nitin to Provide an Update of our Operating and Business Performance.

Nitin Kulkarni: Thanks, Vishal bhai. Good evening. Thank you for joining us on the call today. We are happy to report a strong performance across all our business verticals for the quarter as well as for the nine months of FY26. For nine months FY26, our revenue grew by 44% to INR2,376 crores, while quarterly revenue increased by 47% year-on-year to INR892 crores. Our margins for the nine months stand at 32% compared to 21.5% in the previous year, reflecting an expansion of 1,047 basis points.

This improvement has been driven by our focus to diversify our portfolio, expand our market presence, deepen strategic partnerships and enhance customer relationships. This approach has solidified our presence as a globally trusted provider of diverse fluorochemical solutions while fueling growth in competitive landscape.

While focusing on this growth journey, we also kept ourselves nimble and disciplined by relentlessly focusing on maximizing operational efficiencies, strengthening R&D, enhancing technology platforms and optimizing supply chain.

Talking about our Business Verticals, our HPP business delivered a strong and consistent performance during the quarter. Revenue for Q3 FY26 stood at INR412 crores, registering a 35% year-on-year growth, compared to INR306 crores in Q3 FY25. The growth was driven by combination of higher realizations and improved volumes supported by constructive price environment. We are pleased to inform you that AHF project has been successfully commissioned during Q4 FY26. Additionally, the CAPEX for incremental HFC capacity equivalent up to 15,000 MTPA of R32 is progressing as planned and is expected to be commissioned in Q3 FY27.

Coming to our Specialty Chemical Business, Q3 FY26 reflects a strong quarter for this segment. Revenues increased to INR354 crores, reflecting a 60% year-on-year growth over INR221 crores in Q3 FY25, making this the highest-ever quarterly revenue for the specialty chemical vertical. The outlook remains strong and encouraging, supported by strong order visibility for Q4 and beyond. Our product pipeline continues to gain strength with scale-up in existing molecules and several new molecule launches are lined up.

On the Project front, the Chemours Project is progressing well and is on track for completion in Q1 FY27. Further, the de-bottlenecking of MPP capacity at our Dahej facility is expected to be commissioned in Q3 FY27, which will further enhance our capabilities.

Moving to our CDMO Business, the segment continues to demonstrate strong momentum with improved visibility.

Revenue for Q3 FY26 stood at INR127 crores, growing 61% year-on-year from INR79 crores in Q3 FY25, driven by strong execution and customer traction. During the quarter, we achieved a significant milestone with our European CDMO partner as we have successfully completed validation and commercial supplies as commenced from our cGMP-4 facility. This engagement provides strong revenue visibility over the next three years.

We have also concluded supplies for material order from a major EU customer, with discussions also underway for future supplies. Additionally, another scale-up order from a large European customer, is scheduled for Q4 FY26 deliveries.

On the Advanced Materials space, we continue to progress on multiple projects to become part of the overall semiconductor and electronic value chain. We are evaluating all these opportunities and will update you in the near-future.

With that, I will hand it over to Anish for Financial Update.

Anish Ganatra: Thank you, Nitin, and good evening, everyone, and welcome once again to our earnings call.

I will now walk you through the Company's Financial Performance for Q3 & Nine Months of FY26. Looking at our quarterly performance, on a consolidated basis, our revenue for Q3 FY26 came in at Rs.892 crores, reflecting a growth of 47% year-on-year and 18% sequentially driven by strong contribution by all verticals.

Operating EBITDA stood at Rs.308 crores, up 109% year-on-year and 25% quarter-on-quarter. EBITDA margins improved to 34.5% compared to 24.3% in Q3 FY25 and 32.5% in Q2 FY26, driven by improved realization and operating efficiencies.

Operating PBT increased to INR243 crores versus INR98 crores in Q3 FY25 and INR179 crores in Q2 FY26, marking a growth of 149% year-on-year and 36% sequential growth.

Profit after tax for the quarter stood at INR185 crores, recording a growth of 122% year-on-year and 25% quarter-on-quarter.

On a nine-month basis, our revenue was INR2,376 crores compared to INR1,648 crores in the same period last year, a growth of 44%. Notably, I would like to highlight that we have surpassed our full-year revenue number of FY25 within the first nine months of FY26.

Operating EBITDA reached INR761 crores, up 114% from INR355 crores in the nine-month period ending for FY25.

EBITDA margins improved to 32% versus 21.5% in the prior year same period.

Profit after tax for nine months stood at INR451 crores, 56% higher to full-year FY25 PAT of INR289 crores.

As of December 31, FY25, our net debt-to-equity ratio stood at 0.03x and net working capital was below 80 days of sales. This reflects a disciplined approach to access growth.

Before I conclude my remarks, I would like to summarize with the Key Takeaways. One, our earning growth rate surpasses the growth rate in revenue, resulting in operating leverage coming to play. Growth reflects the performance across all verticals. Execution of Wave-1 projects AHF, cGMP4 concluded and commissioned during the quarter with this Wave-1 of CAPEX projects concludes and Wave-2 projects, namely the MPP debottlenecking, the R32 expansion, HFC expansion and the Chemours project are on track for completion as indicated. Strong project pipeline across the verticals again continues to fuel opportunities for future growth. Financial framework remains conducive to growth.

With that, I conclude my remarks and open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanjesh Jain from ICICI Securities. Please proceed.

Sanjesh Jain: Yes, thanks. Good evening and thanks for taking my question and congratulations for a very good set of number. I got a few questions here. First one, the Navin Flourine Advanced Sciences appears to be doing significantly better sequentially the revenue; consol minus standalone stands at Rs.322 crores versus Rs.196 crores, so, there is a growth of Rs.126 crores sequentially. Can you help us understand what segment is driving such a sharp improvement? And we had three large projects within it, HFO, dedicated plant and MPP3. Where are we in the utilization cycle for all these projects? Thank you.

Anish Ganatra: So, Navin Fluorine Advanced Sciences is again, you are absolutely right, sequentially, the growth is solid, but it is also something that one would expect to see because as we have indicated in the past, there has been a pipeline of projects in the specialty vertical and including the Nectar ramp up. So, those two are playing out very well in Navin Fluorine Advanced Sciences, which is what you see in the numbers. I would like to also put this thing in, which is a specialty vertical for this quarter, has reported a number of Rs.350 crores, which in some sense sets up a solid run rate of what we should expect the specialty business to deliver going forward. And, of course, there will be further drivers of growth with the Wave-2 CAPEXs that we have announced.

Sanjesh Jain: Got it. And utilization for all the three projects?

Anish Ganatra: Utilization for the MPP-1 is solid. For the full year, we expect to almost hit the par. Utilization for MPP-2 is about 80%, 70% around in that range, but we expect that to pick up in the coming year. And utilization for Nectar is again, as we had always said, this year, we would hit roughly 50% of the par. So, we are on track for that.

Sanjesh Jain: And dedicated plant?

Anish Ganatra: Our dedicated plant, I told you, about 70%.

Sanjesh Jain: Okay, 70%. So, there is still headroom to grow from here for Navin Advanced Sciences, that implies.?

Anish Ganatra: Indeed. I mean, for Navin Advanced Sciences with the AHF commissioning, you will further see growth coming in from there in the vertical as well. And also what we have announced on MPP de-bottlenecking, that will also give further growth coming into the future. So, in a sense, last quarter, when we announced the de-bottlenecking project, we very clearly said that, we are coming to a point in the specialty business where our strategy of working closely with the global innovators, is paying off, and which is why we announced the de-bottlenecking project, because we were seeing that the capacity addition would be value-accretive.

Sanjesh Jain: Got it, got it. But, if I look at the commentary from the other chemical companies, everybody is struggling from agchem cycle not picking up probably as everybody thought, that is not really hurting us. Are we doing anything different in agchem chemical or it is just a base effect or there is a mix between agchemical and non-agchemical within the MPP?

Anish Ganatra: Sanjesh, you got to go back to a commentary a couple of quarters ago where we said that, we had started working proactively with the global majors to be their technology partners in their supply chain and not just a pure relationship which is transactional, right? And I think that along with the combined effort of our R&D, manufacturing teams and the business teams is actually playing out in what you see in the numbers, yes.

Sanjesh Jain: Got it. But it is largely agchem-driven, right, as of now, within the specialty?

Anish Ganatra: Yes, indeed.

Sanjesh Jain: Got it. The second question is on the margin and AHF both put together. Now that AHF plant has commissioned, we will sell more, we will buy less, which should be margin-accretive and we are already at 34.5%, how should we think about this?

Anish Ganatra: So, I think you are right on the first part of the statement, sell more and buy less. There is absolutely no doubt. And as you know, we always see AHF as a mother plant, right? So, the HFC capacity that we have announced obviously will sort of come into play in utilizing some of that added capacity. And we will be out also in the trade market. There is no doubt about that. But, I think the bigger game here is how do we use the new AHF capacity to advance the advanced materials vertical that we are incubating. And there, as Nitin mentioned, there are several projects that we are working actively on and hopefully some of them should kind of move into traction in the near future, yes. We will keep you guys updated.

Sanjesh Jain: And on the margin, Anish?

Anish Ganatra: On the margin, I think, we have always said 25%. I think it is now safe to think of Navin as a 30% annual number. But let us not kind of hold that on a quarterly sort of treadmill run rate, yes? So it will be an annualized number that we are looking at 30% give or take plus/minus 200 basis points.

But that is where we would be. This year, clearly, as you will see the numbers and the math will be in front of you, that we would be hitting or crossing the 30% number, yes.

Sanjesh Jain: Correct. On the AHF, we rightly said there is an electronic and semiconductor opportunity there. But, why not solar? I think we have been downplaying solar while solar production in India is picking up so strongly. And there are larger players who are entering and that requires a good amount of AHF. I know not at the purity of semiconductor, but not even the normal AHF works there. Somewhere in between. But why are we not playing that?

Anish Ganatra: So Sanjesh, we never said we are not playing into it. I think what we are saying, and this is really important to understand, that solar is a part of journey to get to electronics grade. And that is what we will do. We will get to electronic grade, but it does not exclude solar. There will be solar and there will be electronic grade. But we want to bake this CAPEX in a manner that we are able to access electronic grade. So, that is why it is taking some time, but hopefully not too long.

Sanjesh Jain: Got it. And this bush technology-related plant is supposed to come in when?

Anish Ganatra: So like I said before, bush or no bush, we will move and that is what we are doing. We are actively working on this and you should see something hopefully in the coming quarters.

Sanjesh Jain: And anything on the BF-3 for a semiconductor application?

Anish Ganatra: It is part of the equation. So, as we get into electronic grade, you have high purity of all the chemical gases. We are going to play on our strengths of fluorination and get into downstream higher purity gases of which, of course, BF-3 is one of them as well.

Sanjesh Jain: Very clear, Anish. Thanks for taking all those questions so patiently and best of luck for the coming quarters.

Anish Ganatra: Cheers, Anish.

Moderator: The next question is from the line of Nitesh from Anand Rathi. Please proceed.

Nitesh: Yes. Hi, team. Thank you. Congratulations on a good set of numbers. Again, on the consol minus standalone, that is a subsidiary, EBITDA margin in the last couple of quarters ever since the specialty molecules started ramping up. That has surged to 45% from around 28% there. Gross margin in this period has increased by about 400 bps only. Seems there is hardly any OPEX increase in the last couple of quarters. I mean, the EBITDA on the incremental revenue seems to be north of 65% there. So, could you kindly give us some color here, I mean, is this is a sustainable margin profile of the specialty molecules here, or there is something more to this surge in the margin?

Anish Ganatra: So, Nitesh, thanks, but I do not think the EBITDA is 65% north. I think you are looking at some numbers. But in principle, directionally, your comment is correct that, the margins in the subsidiary are looking better and so is NFIL also. What one has to remember, see, we have always communicated this very strongly in the investor community and to you guys, is that, our priority has always remained on manufacturing excellence as #1 priority. We are consistently driving economies and removing inefficiencies in the system. And that is why you see a solid control on cost. That is why you see a solid control on innovation in terms of trying to bring in better processes, improved processes, higher yields and lower losses. So, some of this you will naturally see. One has to remember also that NFASL is not a listed entity. So, it does not have the same overhead structure as NFIL, which is a listed entity. But, there is a proper transfer pricing arms-length association between these two companies to transfer the costs between the two sort of entities. So, there is not anything that you are seeing unusual there. Perhaps it was something that one would expect. And, in a scenario where we are, and like we said, even last quarter, you will see operating leverage play out very nicely in a way.

Nitesh: Sure, sir. Okay. So the second one is on the refrigerants bit. So has there been a change in the exports to domestic mix on the R-32 side, and the reasons maybe that you can attribute there? How much has been R-32 utilization in Q3? And any significant increase sequentially that you might be seeing?

Anish Ganatra: So, R-32 utilization has been 100%. Of course, in this quarter, we have taken a shutdown for Agro 1, which is the usual planned shutdown for catalyst changeover. But, the mix between export-domestic is actually not materially different from what it used to be. Of course, as we are preparing for the new capacity to come on stream, we are also looking at expanding our market reach, which also is happening simultaneously. So a lot of this you will see moving path, because we have got to make sure that we are able to place the new upcoming portfolio as well, and there are certain sort of accesses that we are looking to get globally on R-32 as well.

Nitesh: Sure. So, you know, with the Chemours project on track for completion in Q1, could you give us a sense of the revenue ramp up over FY27 to '29? So FY27 is a partial year. I mean, how the margins should be thought about relative to the overall business, like, without getting into specific numbers there?

Anish Ganatra: So, like I said, the Chemours project has an initial capacity to drive an accelerated adoption of the product in the market. As we have said previously, we are under a confidential agreement to not talk about the quantities or the revenue associated with that. But the size of the CAPEX should give you a decent feel. This CAPEX as it sort of progresses to access the overall market of liquid cooling, will sort of come into fruition two years once it starts off. That is when we will start to talk of how and what sort of a bigger CAPEX looks like. And at that stage, we can possibly talk a little bit more on the future outlook of the revenues, etc., But just to give you a sense, the liquid cooling market, I believe, is close to about $3 billion potential. And, two-phase cooling is one part of the critical and necessary part of the solution to support the data center growth in the world driven by AI.

Nitesh: Sure, sir. Thanks a lot for answering my questions. Wish you all the best for the future.

Moderator: The next question is from the line of Jason from IDBI Capital. Please proceed.

Jason: Yes, thanks for taking my questions. First question just pertains to, you have been saying that for the AHF plant, we will basically look at increasing or basically keeping our realization highest, increasing our realization per Kg. Now, I just wanted to confirm how much of the 40,000 will be used captively and how much will be sold externally?

Anish Ganatra: So, I think the answer there is sort of implicit in your question in a sense. If I have to get more realization, I have to keep consuming captively more and more. The trick and the business strategy is to consume it into more and more niche chemistries and advanced plays.

Jason: Okay, but do we have any ballpark target in mind for a proportion?

Anish Ganatra: So, like I have said before, this is a license to grow capacity or license to dream capacity. And in a sense, by putting this capacity, we are signaling that we will continue to develop chemistry and capability in downstream applications to grow this. Now, how and what? Frankly, we have talked about in all the verticals, including the play that I have talked about in advanced materials, where we said we will go on the back of fluorinated chemistries. So, it is very easy for you guys to figure out what that market size is and what the potential is, particularly given the thrust that the Indian government has now put in on semiconductor manufacturing and data centers in India, along with the right sort of incentive structures. So, I think over there, again, at this stage, all I would say license to operate… I mean, think of it this way, Jason, we would not have been able to do or access R-32 opportunity if we did not have the AHF.

Jason: Right, sir. Sure. And so just about this cooling liquid market, you said that it is a total market of $3 billion, is that right?

Anish Ganatra: Yes, I think the $3 billion is the potential market size of total liquid. Talking from memory, but that is what it is.

Jason: Yes, but it is on a global scale, that is what you are saying, right?

Anish Ganatra: Yes, global scale.

Moderator: The next question is from the line of Rohit from 360 ONE Capital. Please proceed.

Rohit: Thanks for the opportunity and congrats on a very strong set of numbers. First question is on the Nectar project. So you alluded that for this year, we are on track of utilizing half of the capacity. Are we also on track to utilize the other half in FY27 or just your broader perspective on this? Thank you.

Anish Ganatra: So, we are working to secure the other half. If not other half, we should be pretty close. That is what our aim is.

Rohit: That is helpful. And second question is in terms of the nine-month staff cost has been largely flattish. I understand that we have been optimizing across the board. What is the sense in terms of from here on, will there be a natural inflation-adjusted growth in the staff cost?

Anish Ganatra: So I think there will be two things playing out. As you look into the forward, you will see that the bar numbers we have indicated for various projects will give you a certain growth rate that is implicit in Navin's performance as we reported today. And you will see that will also entail that we will be taking certain calls on capability enhancement across the organization. So, you will see a combination. But, I think a safe bet is to look at what we are saying, 7%, 8% percent of revenue as our employee costs. See, we were historically at a two-digit number. But I think we have now contained it to where we should be in terms of comparison to peers or where we think it is appropriate. And that is what I would do if I was to model in your place.

Rohit: Sure. Just one last clarification. On a sequential basis where we stand today in this quarter, are we also expecting on all the three segments we are fairly confident of growth?

Anish Ganatra: So, absolutely. I mean, like we have said before, all three verticals have performed and all three verticals continue to demonstrate the capability to access the opportunity. Some of that is clearly visible in the CAPEXs we have already announced and which we will continue to do as we progress our projects in a disciplined manner. And with CDMO, obviously, with every month going by, we are getting closer and we are inching closer to our aspirational number of 100 million.

Rohit: Perfect. That is helpful and all the best, sir.

Moderator: The next question is from the line of Surya from PhillipCapital. Please proceed.

Surya: Yes, thanks for the opportunity and congrats on the great set of numbers. Sir, my first question is on the cGMP-4 plant, phase-I work that we have commercialized. So, since that is a dedicated unit for the known partner, when do you expect the optimal utilization of the plant, sir?

Anish Ganatra: Within the year…in FY27, you will see full optimum utilization. That is one.

Surya: Okay. Second was that the kind of a positive surprise, obviously, because of the kind of the subsidiaries contributing incrementally, as well as the agchem contributing, the specialty contributing, all that. But any element of a quarter-specific contribution that whether we are seeing either in terms of revenue or in terms of margin?

Anish Ganatra: I know, I hear you say surprise, but frankly, all of this is in line with the CAPEXs and the pars we have announced. Always said, in fact, last year, I remember Nitin and I explicitly mentioned that as we got into FY26, the first half of this year was going to look at like the last half of last year, right? And so, this is in line with what we have always been working towards and so, therefore, not something that has happened by accident, something that we have driven to. And one thing also, that you talked about is the exceptional item we reported in the numbers, which is as a result of the new labor code.

Surya: Yes. Just one more point on the AHF thing. See, that is obviously we are targeting for the new age industries application. So, if you can give some more sense about like, whether the product with how many customers that we have validated, whether the customers are the local Indian ones, or it is even external market that we have validated our product for the new age industry application, so, if you give some sense on that, it would be really helpful?

Anish Ganatra: There are several projects we are working on. And these are with a wide range of customers, largely global spread across different geographies. And they are in different stages. But I am sure, Surya, you will understand there is a lot of commercial sensitivity to these conversations. But I think I have indicated sufficient in terms of saying that this will be from downstream fluorinated chemistries. And they will be niche players. We do not want to get into kind of products.

Surya: Okay. I just might just point that whether we are targeting the evolving semiconductor industry in India, or something like that, that is a kind of opportunity for the new age industry, or it is even the global market that we are trying to tap?

Anish Ganatra: It will be new age across the world, including India.

Surya: Yes, great, sir. Congratulations. Thank you.

Moderator: The next question is from the line of Abhijit from Kotak Securities. Please proceed.

Abhijit: Yes, thank you so much. Despite a sharply higher salience of specialty chemicals this quarter, the gross margins still remain stable or moved up a little bit sequentially. So, is this coming primarily because of maybe higher realizations in HPP or a better regional mix in HPP, what might the reason be there?

Anish Ganatra: Yes, Abhijit. So you are looking at your consol minus standalone, and you are talking of NFSL, you are talking NFR, when you make that comment.

Abhijit: No, I was looking at the consol gross margins.

Anish Ganatra: Yes, so consol gross margin captures both, it captures the pricing and the realizations that we have had on the HFC and HPP front. It captures also the optimization and manufacturing excellence piece I spoke shortly ago about into the specialty, into HPP as well, frankly. And also it captures the increased mix coming fromCDMO. So, it is all three verticals actually contributing well. Even in the specialty vertical, the agrochem players are projecting a good outlook for volume growth in the coming years. Pricing pressure, we have always said, will remain part of this business. If you remember my early commentary, I told you how this shifts from being a lift, shift, adopt model to a lift, shift, adapt, embed model. And that is what the power of the integrated teams comes into play there, where you can bring R&D, manufacturing, business teams into defining how you can add value as a solution provider to your customers.

Abhijit: Thank you. Now just to clarify my question, maybe a little more detail. So, on a sequential basis, when I look at it, 2Q versus 3Q, HPP revenues and CDMO revenues are almost stable sequentially. Specialty chemicals is the one that has driven pretty much all the growth. And one would have expected that the gross margins on specialty chemicals might have been lower compared to the rest of the portfolio. Yet we see the gross margins are pretty much stable at the consol level. 58.8% versus 58.7%. So, I was just trying to understand whether there has been a margin improvement in any of the three verticals?. And if so, what might be driving that?

Anish Ganatra: Margin improvement has been, and CDMO has been in HPP, specialty has remained largely flat. But obviously, what you are seeing is, the operating leverage is also playing a big role in the earnings growth. And that one has to remember.

Abhijit: Yes, I was just referring to gross margins. So, I guess that would not count up?

Anish Ganatra: Yes.

Abhijit: Okay. So margins have improved in both CDMO as well as HPP?

Anish Ganatra: Yes.

Abhijit: Got it. And just on the domestic sales of R-32, are the margins superior to the international sales?

Anish Ganatra: No, not necessarily. I mean, we are having a good average realization across both markets. But I believe exports tends to be better than domestic.

Abhijit: Okay, got it. Thank you so much. All the best.

Moderator: The next question is from the line of Vivek from Morgan Stanley. Please proceed.

Vivek: Hi, sir. Congratulations on fantastic set of numbers. Just on the margin front, given that all your manufacturing initiatives and the excellence that you have done are sustainable, are there any factors that you are monitoring that could pose some sort of a risk to these margins beyond the price and volatility that you previously flagged?

Anish Ganatra: So you are right. So the only issue, and I am sure you guys know it, the price of sulfur keeps increasing, the price of fluorspar is increasing. So, there are input costs that are going higher. And therefore, obviously, that is something that we monitor very closely. And we work in to make sure that our pricing decisions reflect this accurately well.

Vivek: Sure. I will join back in the queue. Thank you.

Moderator: The next question is from the line of Arun from Avendus Spark. Please proceed.

Arun: Good evening. Thanks for the opportunity. Anish bhai, my first question is once again on this specialty chemicals. Sequentially, we have delivered roughly Rs.120-130 crores growth. Is it safe to assume that mostly this is coming from the Nectar?

Anish Ganatra: This is coming from a combination of Nectar and other products in the pipeline where we have scale-up orders. So, it is a combination of the two. A good proportion, of course, is the Nectar project where we concluded a campaign.

Arun: And the ex-Nectar growth is from a catalogue same or from rather legacy assets?

Anish Ganatra: So I do not do anything that catalogue here. I am basically doing it as a service provider for the large majors anyway.

Arun: Okay. So this is largely from the large molecules that we are doing also?

Anish Ganatra: Yes. Because you remember, we had always talked about the fact that every quarter our intent is to do one or two new molecules in agchem. So that pipeline, which was anyway strong and being built up, is starting to sort of yield results.

Arun: Right. And when you said that agrochemicals, the volume outlook looks very good, and given that we have good capacity left, would we be seeking more volumes at the expense of margins because we are anyway good in margins at the consol level, should we expect that we be picking large market share to gain volume market share?

Anish Ganatra: So Arun, first, if I said it, I will stand corrected. I said, the outlook looks better, because if you look at it, the agchem sector has gone through some rough weather over the last two years, right? So the next year seems to be an outlook where people are saying, there will be a volume uptick. Now, how much that is? Frankly, I do not know at this stage. Is the pricing pressure always going to be in the agchem business? It is always going to be there. I do not think that that shift we have to all make in our minds. And like I said, that as Navin, we were possibly an early recognizers to that trend where we started to change the way we looked at our customers driving a portfolio-based conversation, focusing more on driving process improvements, etc., and therefore, becoming a long-term solution provider to our customers rather than just a mere supply chain contractor. So, I think that is intact. And I do not think that that strategy will change frankly.

Arun: Understood. And then when you earlier said that we should look at the margins at 30% plus or minus 200 bps. From current levels, at a downside risk, we are looking at a 400 bps reduction in the margins. And if at all that scenario were to play out, which products or segment would drive this down according to you?

Anish Ganatra: So, Arun, I am afraid it is not as linear as what you say. See, the current margins are a reflection of the product mix in the current quarter. Now, yes, if I had my wishful thinking that the product mix would be the same, the campaigns would be the same, the cost structures would be the same, I would be exactly where you are. But that is not how life is, no? So, we have a campaign-driven mechanism where some products yield better margins, some product yields slightly lesser margins. So, what I am saying here is that on an annualized basis, we should look at Navin to hit roughly 30% EBITDA margins, plus/minus give or take whatever percentage points. But we should be nearer that number on an annualized basis and in the longer term. But not sort of quarterly run rates, etc., So that is all I am saying.

Arun: I understood, Anish bhai. Perhaps I will put it differently. Which segment do you think is at the risk of seeing margin reduction or which products, I mean, where you see, probably we are seeing the best of the pricing and probably we should be watching out for, that is where I am coming from?

Anish Ganatra: I do not think that is the right way to look at it. Because see, we have got three diversified businesses, three businesses with different market dynamics playing into it, and within those businesses, different campaigns yield different margins. So, are we kind of going to say that one margin goes up or down? It is a product mix play, man. So that will continue to be unfortunately the reality. That is all I can frankly say, Arun.

Arun: Okay. Understood.

Anish Ganatra: Sorry, while we are doing, I think Abhijit who had asked the question on R-32 realizations. I just stand corrected, our export realizations are better than the domestic ones. But I will just put that on the table.

Moderator: The next question is on the line of Sajan Kapoor from Antifragile Thinking. Please proceed.

Sajan Kapoor: Yes, hi, thanks for the opportunity. I have only got one question. Sir, Navin has built a solid track record in high-value fluorochemicals over the decade and then also in CRAMS or CDMO. In your view, what separates the specialty chemical companies that kind of consistently grow and maintain leadership from those that remain subscale or lose relevance? In other words, you know, if a well-capitalized, competent new entrant attempts to build a Rs.1,000 crores specialty/CDMO business over time, where might they struggle the most and why? Thank you.

Anish Ganatra: We are focused on ourselves, to be honest, and we are focused on growing in a disciplined manner, and frankly, we have put in a lot of effort over the last year and a half, two years to get this model right, and get it to a level where we can plug-and-play it so that eventually the growth opportunities can be secured, yes. But, maybe we can, Sajan, leave that for a separate conversation in a separate forum.

Sajan Kapoor: Sure. I will request one then. Thank you so much.

Moderator: The next question is from the line of Nirav from Anvil Wealth. Please proceed.

Nirav: Yes, sir. Thanks for the opportunity. Just one quick question. Sir, with respect to this EU deal where India and EU has entered into an FTA, is there any raw material which we are currently importing from EU where the duties are probably higher and which eventually could help us in bringing down our raw material cost? Because when I see our annual report, I think last year we imported close to around Rs.350 crores of imports. So that is a). And b), with this deal, have we become more opportunity in terms of getting more business from those geographies where the recent appreciation of Chinese currency and this removal of trade tariffs can enable us to better strengthen our position into those markets? Your views here, sir.

Anish Ganatra: So, I mean, in terms of RM imports from US or EU, very limited, if at all. I mean, in EU, we possibly do something from Turkey, but nothing beyond that, right? So, it is not that. In regard to your second question on whether these trade deals are positive and offer an opportunity, I think they definitely do. There is an absolute leverage that it provides us in terms of making us relatively competitive versus our peers in the region. So, there is no doubt about that. And I think beyond just the pricing side, one should look at these trade deals to effectively ease between geographies. And I think that is the bigger value in the long-term.

Nirav: Correct. And one more thing is, is it possible to share like last year we did something around Rs.2,380 crores of sale and in nine months also the amount was equivalent to that. So, have our exports to the EU gone up in between these years like FY25 and nine months of FY26, can you share your views here?

Anish Ganatra: I think you will definitely find exports going up because, if you are growing at the rate that we are, every geography will supply more and also we will expand into newer geographies. But, our growth engine and as you know in this industry, it is an infrastructure-led growth. So, every time we announce a CAPEX, we indicate the path, you guys know the customer. So, it is pretty easy to figure out where the material is going and how it is going. But definitely there would be increase because we have added the Nectar plant as we were talking earlier on the call and a lot of those supplies get into EU. So, you will definitely find those scenarios changing.

Nirav: Got it, sir. Thank you so much.

Moderator: The next question is from the line of Archit Joshi from Nuvama. Please proceed.

Archit Joshi: Hi, good evening, sir. And thanks a lot for the opportunity and congrats on a great set of numbers. So just one question on CDMO. I think the MSA that you have signed with the first EU major, the final product of which continues to access newer geographies with the approvals and countries like China and is as recent as a week ago. Now, should that warrant for a market share to increase over a mid-term time frame, or the projections made for the final product are something that already are baked into what we expect as cGMP4 ramps up? One smaller, a different question to that. We have also spoken of another EU major where possibly future shipments can also ramp up and help us get closer to the $100 million mark in CDMO. Any developments that you would like to give us qualitatively to understand this better, the path of CDMO growth in the future. Thank you.

Anish Ganatra: Sure, Archit. I think CDMO is seeing some significant and good deal wins. I mean, as you talked about the MSA with the European major, where the molecule is continuously seeing product extensions and expansions, you will see that we will be in a position to fully utilize our capacity in the coming year itself, which is a dedicated plant for that. And also, as we have mentioned in our commentary and the slides, with CDMO, I think now we have a solid balance of early and late-stage to commercial molecules. If I remember correctly, it is largely a 50-50 split, which is a great place to be in because every late and commercial stage molecule that we are working on, has the potential to quickly convert into revenues, depending on readouts, etc., But I think with the balanced portfolio that we have and the growth in the underlying European MSA, we are inching closer and closer to that aspirational number.

Archit Joshi: Sure, sir, got it. Sir, just the second part of my question is about the readout. I think you briefly touched upon that. Would there be anything more that we would like to know about it, or given where are we headed to, is there a solid expectation coming on that account as well, which will probably be another feather in our cap, second CDMO contract? So all ears on that, sir.

Anish Ganatra: Yes, so again, like I said, the balanced molecules that we are talking about late and commercial, including the EU major you are talking about, there is more than one molecule that we are expecting a readout coming in the year. And therefore, is a good, good potential to access that growth opportunity. There is no doubt about that.

Archit Joshi: Got it, sir. All the best for that and the rest of the coming quarters. Thank you.

Moderator: Due to time constraint, that was the last question. On behalf of Navin Fluorine International Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Anish Ganatra: Thank you.