

November 04, 2025

**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, 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 October 30, 2025 regarding discussion on operational and financial performance for the quarter and half year ended September 30, 2025 (Q2 & H1 of FY 2025-26) is enclosed herewith.

This intimation is also being made available on the Company's website at [www.nfil.in](http://www.nfil.in).

Request you to take this intimation on record.

Thanking You,

Yours faithfully,

For **NAVIN FLUORINE INTERNATIONAL LIMITED**

**Niraj B. Mankad**

**President Legal and Company Secretary**

*Encl.: a/a*



“Navin Fluorine International Limited  
Q2 FY '26 Earnings Conference Call”

October 30, 2025



**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 – INVESTOR RELATIONS ADVISOR – MUFG INTIME**

**MODERATOR:** **MS. POOJA SWAMI – MUFG INTIME IR**

**Moderator:** Ladies and gentlemen, good day, and welcome to Navin Fluorine International Limited Q2 FY '26 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 the star, then zero on your touchtone phone.

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 Q2 and H1 FY '26 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 Number 2 of the investor presentation of the company, which is uploaded on 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 Q2 and H1 FY '26 Earnings Call. I am joined today by our MD, Mr. Nitin Kulkarni, our CFO, Mr. Anish Ganatra; and Ms. Payal Dave from MUFG Intime, our Investor Relations Advisor.

I am pleased to begin by announcing that the Board has decided to declare an interim dividend of INR6.5 per share on a face value of INR2 per share. At Navin Fluorine, we are committed to operating sustainably and responsibly. In line with our commitment, we have released the third sustainability report in the last quarter, and the copy of the same can be downloaded from the website.

The report aims to deliver a comprehensive assessment of Navin Fluorine's endeavors in fostering sustainable business practices and addressing the interest and expectations of our valued stakeholders.

Our focus on driving the key priorities, manufacturing excellence, controlling the controllables and pursuit of growth objectives is yielding results and underpins the good performance for the quarter and the first half. All 3 of our business divisions reported good growth in Q2 FY '26,

setting a strong tone for the fiscal year ahead and beyond. With a strong order book in place, we remain optimistic about sustained momentum in the times to come.

Later during the call, Nitin and Anish will share the business and financial performance details. I'm also happy to inform you that the Board of Directors in today's meeting have approved two capex. Both these capexes are strategic in nature. One consolidating our position in ref gases and another demonstrating our ability to deepen partnerships with global innovators.

Contribution to the growth from these capexes will further help us secure growth in FY '27 and beyond. In particular, the Board approved, number one, a capex of INR236.5 crores for setting up additional HFC capacity equivalent up to 15,000 metric tonnes per annum of R32.

Global R32 demand supply is in tight balance and likely to remain the way for the foreseeable future. This HFC capacity directly addresses global needs for transitioning to low GWP commitments as also increasing RAC and blend demand in India and export markets.

It is our strategic priority to play to our strengths in this business, utilizing our available entitlement under Kigali Montreal Protocol, ensuring a balanced play across blends and 32, maximizing value for our shareholders. This asset is expected to generate a peak annual revenue of INR600 crores to INR825 crores on completion.

The second, debottlenecking of our MPP capacity is consistent with our strategy to sweat assets in the Specialty vertical while deepening our strong relationships with global innovators, participating in and contributing to their future growth.

This capex will contribute to INR140 crores to INR160 crores per annum on completion. Both these capexes will be funded through internal accruals. We continue to deepen our relationships with customers and suppliers while developing new relationships across different geographies and business verticals.

Thank you once again for joining us today. With that, I would like to now hand over to Nitin to provide an update of our operating and business performance.

**Nitin Kulkarni:**

Good evening, everyone, and thank you for attending the call today. All 3 of our business verticals demonstrated good growth in Q2 FY '26, establishing a positive outlook for H2 FY '26. With a healthy order book secured, we are confident about maintaining this momentum going forward.

Our revenue for H1 rose by 42% to INR1,484 crores and for the quarter rose by 46% to INR758 crores. Our EBITDA, PAT and EPS for the H1 and for the quarter has more than doubled compared to the same period of FY '25.

On HPP business, during the second quarter of FY '26, the HPP business achieved robust growth with the revenue crossing INR400 crores, an increase of 38% year-on-year. The performance

was driven by higher realization and volumes in both domestic as well as international markets. Our plants across Dahej and Surat are running at optimal capacity.

Our AHF project continues to advance steadily with mechanical trials underway. We are expecting to commission the same by Q3 of FY '26. We also continue to progress development work on high-purity electronic grade HF.

Further, the Board of Directors today approved setting up of additional HFC equivalent up to 15,000 metric tonnes per annum of R32. We continue to believe that the global demand supply situation will further tighten over the near term considering the cuts under Kigali Amendment and increasing demand for blends and R32 in RAC application.

This project is in line with our philosophy to nurture the product basket in a manner maximizing realization through a balance of committed offtakes and open positions. The project is expected to be commissioned by Q3 FY '27 with a peak revenue potential of approximately INR600 crores to INR825 crores per annum.

On Specialty business, our revenue in Specialty business grew from INR158 crores in Q2 FY '25 to INR220 crores in Q2 FY '26, representing a growth of 39% year-on-year. Fluoro specialty plant commissioned in December 2024 has started contributing meaningfully from this quarter with the plant operating at optimum capacity.

With a strong order booking in hand through to calendar year '26, we remain optimistic for H2 and beyond. The Chemours project to manufacture Opteon, a two-phase immersion cooling fluid is progressing well and is on track for completion by Q1 of FY '27.

Our strategy to deepen partnerships with global innovator and focusing on R&D is working well. We have received a firm order for calendar year '26 from global innovator to manufacture a key intermediate for their novel AI. We have strong visibility for the above product from the innovator.

Accordingly, the Board has approved capex of INR75 crore for debottlenecking of MPP capacity at Dahej, with a target commissioning date set for Q3 FY '27 and peak revenue potential of approximately INR140 crores to INR160 crores per annum.

We continue to build a robust pipeline with global agro and advanced material partners and are actively collaborating on new molecules, both on CRO and scale-up manufacturing campaigns. This will help the future growth and support our aspiration to carve out a separate advanced material vertical.

On CDMO business revenue, in our CDMO business has grown by 98% on a year-on-year basis to INR134 crores in Q2 FY '26. The relationship with our European CDMO partner continues to grow stronger, and we look forward to supplies commencing from January 2026 from our cGMP4 plant.

We are also pleased with the delivery of new late-stage molecule to another EU major during the quarter with expectation of a repeat order in calendar year '26. We continue to develop our portfolio of late-stage innovator molecules and happy to share that following our successful deliveries of pipeline products in recent quarter, the CDMO business has undergone an audit by 3 major innovators during the period.

In conclusion, we remain focused on driving manufacturing excellence and customer-centric approach with our business while remaining committed to growth in a disciplined manner.

On this note, I would like to hand over to Anish to brief you on financial performance.

**Anish Ganatra:** Thank you, Nitin. Good evening, everyone, and a warm welcome to our earnings call. Let me take you through the financial performance for Q2 and H1 FY '26. Looking at our quarterly performance, we reported revenues of INR758 crores in Q2 FY '26, a 46% year-on-year growth driven by strong performance across all our businesses.

Operating EBITDA stood at INR246 crores, reporting a growth of 129% year-on-year. Operating EBITDA margin was 32.5% versus 20.7% in Q2...

**Moderator:** Ladies and gentlemen, please stay connected. The management has been disconnected. Yes, sir. You're audible.

**Anish Ganatra:** Okay. Apologies, guys, for that disruption. I'll probably go back to starting with the quarterly performance. We reported revenues of INR758 crores in Q2 FY '26, a 46% year-on-year growth driven by strong performance across all our businesses. Operating EBITDA for the quarter stood at INR246 crores, reporting a growth of 129% year-on-year. Operating EBITDA margin was 32.5% versus 20.7% in Q2 FY '25. The margins have also grown sequentially as against 28.5% in Q1 FY '26.

Profit after tax grew over 2x to INR148 crores compared to INR59 crores in Q2 FY '25. Looking at our half yearly performance, on a consolidated basis, we reported net operating revenues of INR1,484 crores, a 42% increase over INR1,042 crores in first half FY '25. Operating EBITDA stood at INR453 crores compared to INR208 crores in the previous year with margins at 30.5% versus 19.9% last year.

Profit after tax for first half FY '26 was INR266 crores compared to INR110 crores in H1 FY '25, a growth of 141% year-on-year. We continue to maintain a disciplined financial framework while driving growth. As of 30th September, net debt-to-equity ratio stands at 0.9x, underscoring the strength of our balance sheet. Our working capital days is at 87x sales, well within our financial frame.

This concludes my remarks. We can now 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 Rohit Nagraj from B&K.

**Rohit Nagraj:** Congratulations on a stellar set of numbers. Just one question. First, given that the first half performance has been very strong, both in terms of top line growth and EBITDA margins, what are we looking at in terms of guidance for FY '26, FY '27 in terms of overall growth as well as margins and the capex for both these years?

**Anish Ganatra:** Thanks Rohit, for the question. I mean, again, for FY '26, so I wouldn't give you any forward guidance on FY '27. You already have the PAR numbers, etc., right? So there's no point in reiterating what you already are aware of. But FY '26, clearly, we've set a run rate. And I think that run rate was aligned with the PAR expectations that most of the market players have out of us.

In terms of EBITDA numbers, the first half EBITDA number at 13.5% signals a very strong traction of achieving closer to 30% for the full year as well. So that's what we are striving to. We had originally given a guidance of 25% EBITDA, but we always said that there was more upside to it than downside. Where we stand now in the first half, given the performance, I think we are well on track to be between 28% to 30% for the year.

**Rohit Nagraj:** And just capex for FY '26 and if you have any number for FY '27?

**Anish Ganatra:** So FY '26, I think we've done about INR300-odd crores in the first half in terms of cash outflow. It will be within the range of that INR700 crores -- INR600 crores, INR700 crores for the year in terms of cash outflow, considering ongoing capexes, including the new ones that we've announced.

And in terms of going forward, obviously, there will be a spillover of these capex that we've announced today into next year. But the frame remains for the next couple of years to about INR1,000 crores. But that's the frame. That's what my balance sheet and the strength will allow me to do. It will depend on the project as we execute the project.

**Moderator:** The next question is from the line of Ankur Periwal from Axis.

**Ankur Periwal:** Congratulations for a superb set of performance across the business segments. First question on the R32 expansion. If I do the working, you are presuming a pricing of, give and take, \$4.5 to \$6.5 for R32. So just wanted your thoughts, given there is a queue of capacity expansion by you and other peers as well. How do you look at the pricing scenario, both, let's say, in CY '26 and probably from a medium-term perspective?

**Anish Ganatra:** I mean let me sort of walk you through with the rationale supporting the R32 capex. I mean, again, like we've always said before, we remain very, very constructive on the overall demand environment for R32, not just directly for R32, but also driven by blends and export demand arising out of consumption cuts happening in the West and the growing demand in India as well.

The pricing environment, as we've always said, we believe will remain firm, but we're not going to second guess what the future price will be. We think that if you look at the demand and supply factors, the demand tailwinds far outweigh the supply sort of concerns that anyone may have.

And so therefore, there is a strong sort of sense that the pricing environment will remain firm in the foreseeable future. We also think that given the dynamics of R32, additional supply, as you know, can only come from India.

And with this capex, what Navin is doing is essentially signaling that we are going to take our full entitlement under the quota and nurture this product for value to the shareholders, which will mean that we will do a balanced approach of committed offtakes and open positions so as to drive maximum realization while ensuring that the near term, any oversupply concerns do not remain. The economics anyway, as you are aware from R32 always remain very attractive as everybody is aware of it. So I won't reiterate that. I hope that answers your question, Ankur.

**Ankur Periwal:** Yes, Anish, pretty much. But just one follow-up. One, on the contractual versus spot sales, have we -- do we have any visibility or probably we are in discussion with the global players for a longer-term supply arrangement for R32 and...

**Anish Ganatra:** We have strong arrangements already in place.

**Ankur Periwal:** Great. And secondly, from an overall margin outlook, while you did mention 30-odd percent for this year. But given the pricing that we are expecting this capex to generate as well as the ramp-up in other businesses, will it be fair to say that even over a medium term, probably a 30-ish percent EBITDA margin is what one should work with?

**Anish Ganatra:** See, I just think that I don't want you to put words in my mouth. But essentially, what you should look at, see the growth that we are demonstrating in this quarter is coming across the vertical. It's coming from volume expansion. It's coming from pricing. It's coming from product mix. It's coming from efficiencies. It's coming from a lot of drivers around it. So like I said before, there is more upside to that 25% than downside. So we are certainly working to be closer to 30% in the midterm, but that's what we are working to.

**Moderator:** The next question is from the line of Sajal Kapoor from Antifragile Thinking.

**Sajal Kapoor:** Sir, what concrete non-physical milestones things are such as master service agreements or co-development rights or intellectual property participation do you think define Navin Molecular progress towards becoming a more sort of integrated and strategic CDMO partner? So I'm looking for certain intangibles or nonfinancial parameters, if you can share.

**Anish Ganatra:** So, I think the biggest intangible for Navin Molecular and this is the nuance of that business, yes, Sajal, is that essentially, you are -- you have to work very closely with global innovators. And the philosophy is around on time to quality delivery in these stages because these molecules



and intermediates while being a small component of the overall sort of value they are very critical to delivery.

The other thing is that what we bring to the table is obviously our capabilities around complex chemistry, including in terms of whether we talk about our capacities, whether we talk about our R&D innovation to make sure that these -- the product quality is maintained to standard.

The entire ecosystem has to be offered, including how we protect the IP rights, how do we make sure that the customers' regulatory requirements are consistently met through a strong cGMP4 - cGMP kind of compliance environment. So it's a range of things over there, frankly. And it's like at the end of the day, what will work for us is our track record and how well we do sort of work with global partners and we're increasingly demonstrating that.

**Sajal Kapoor:**

So thank you for that. I mean that's the exact kind of detail I was seeking. My second and last question is, how are the digital manufacturing initiatives like the advanced process control systems, the real-time quality monitoring, all those digital initiatives, how are they translating into measurable margin improvement, yield enhancement or any sort of faster batch release within the CDMO business?

**Anish Ganatra:**

So globally, I mean, I wouldn't just kind of say this for CDMO, but across our business verticals, the fact that we work with some of the largest players in the world, right? We have access to cutting-edge technologies, BCS systems, etc., where our process information is monitored on a real time in terms of performance and quality parameters. So -- and not only for us, but it is also accessible to our partners that we work with.

And in CDMO, particularly the work that we are doing with Fermion, again, there exactly -- it's a very close partnership, right, from how the asset is constructed to how it's commissioned to validation batches to ongoing quality checks, etc.

**Moderator:**

The next question is from the line of Abhijit from Kotak Securities.

**Abhijit:**

So first, with regard to R32, if you could please share your outlook for world demand growth for R32 over the next 5 years or so, that would be really helpful?

**Anish Ganatra:**

So if you -- Abhijit, if you look at the current scenario, right, current scenario, everybody knows R32 is in a very tight position, both from a demand and supply point of view. And if you look at the global demand for R32, I think it's growing ex China at about 5% CAGR. And there is no reason to believe that equation will go into imbalance.

Everything that we see, it only means that the supply is going to get more and more constrained. I mean, come '29, you're going to see a 10% cut some in China, too, right? And everywhere else in the West, you're seeing the cut coming in. Come 32, you will start to see cuts happening in India, too.

So everything on supply is being constrained in some sense. After '26, you can't have new capacity coming up in India and demand for 32 and cooling requirements from RAC, etc., are growing not only in India, but elsewhere because of the transition to lower GWP consumption requirements as well.

**Abhijit:** That's really helpful. So just to clarify, you're probably at about 300,000 tonnes or 350,000 tonnes right now and growing at a 5% CAGR. Is that how we should think about it?

**Anish Ganatra:** I think so, roughly. Ex-China, I'm talking. Because Chinese capacity is largely expected to be consumed within China. So that's why you should look at it ex China.

**Abhijit:** Got it. And the other one I just had was on the CDMO business. We've mentioned that we've got this -- from the European MSA, we've now got a strong outlook with 3 years of projection. So if you could please just remind us again what exactly is the projection from this project? I believe previously, we had said \$30 million peak. Is that what still stands at peak or has it been revised?

**Anish Ganatra:** So I had indicated that if you remember that when we talked of our \$100 million target, we said 35% to 40% will come from this molecule, which I think has got more upward chances of bettering that because of obviously the growth in the end product. And so the big demand is, I think, in '29 or something, it's actually way out for that product. But I had indicated what it would mean for us in FY '27. And I think that's pretty much clear that's how it's going to shape up.

**Moderator:** The next question is from the line of Vivek Rajamani from Morgan Stanley.

**Vivek Rajamani:** Congratulations on a fantastic set of numbers. Just on the state of the agri segment, we did see a good pickup in global volumes in the first half. And now we are once again hearing some signs of stress. While you've mentioned that you have a strong outlook for H2, I just wanted to get your insights on the kind of conversations that you're having with your customers and the kind of the recovery that you guys are seeing in the space?

**Anish Ganatra:** Thanks, Vivek. I think again, in the ag chem sector, one of the things that we've always said that with everything that's going on in the global market, a more closer relationship with the global innovators working to get a share of their future R&D pipeline is the right way to go about this. And that I think is yielding results. That's what's supporting the new MPP debottlenecking project.

We've always maintained that in the ag chem sector, we will be continuing to invest because we again remain very constructive of the long-term growth scenario in that business. But we are going to be very disciplined. We are going to be extending our utilization and sweating the assets more and more, and that's exactly what you see being played out as we speak.

- Vivek Rajamani:** Sure sir. And just maybe one clarification on CDMO. I think in the PPT, you've mentioned that supplies for a material order were concluded in this quarter and you're on for discussions. I just wanted to clarify in the opening remarks, did you mention that it would be likely in CY '26?
- Anish Ganatra:** Yes. So there's a repeat order for this particular molecule that will come in for CY '26. It's expected to be -- have its readout in the end of calendar year '26. And then post that, it can support -- it has the potential of being another Fermion, to be honest.
- Moderator:** The next question is from the line of Siddharth Gadekar from Equirus.
- Siddharth Gadekar:** Sir, first just coming back to the R32 part. So can you just share how much of the volume is contracted versus how much are we doing on spot basis? And how should we think about this in CY '26?
- Anish Ganatra:** Yes. So Siddharth, thanks for your question. But unfortunately, I will not be able to share anything beyond saying that we've taken a very balanced approach. And actually, the answer lies within that statement itself but I'm not going to be able to share exact quantities. But we are taking this very measured manner, ensuring that as the capacities come up, there is a market that we are servicing, there's a customer that we are servicing.
- And that customer that we are servicing will also -- relationship will continue to grow deeper. So this relationship is meant to extend beyond the midterm that the commitments are meant for. They're not short-term relationships. But at this stage, there's a lot of commercial sensitivity. I would prefer not to talk about any further details on the contractual commitments and how much percentage and what.
- Siddharth Gadekar:** And can you give any color in terms of how is the pricing difference versus the spot and the contracted volume?
- Anish Ganatra:** No. So any midterm contract, you've got to make a win-win solution. And a win-win solution is always if it's as closest to the market as it's possible. So that's how we structure our contracts, yes.
- Moderator:** The next question is from the line of Sanjesh Jain from ICICI Securities.
- Sanjesh Jain:** A couple of them. First on the specialty new plant of INR75 crores. Nitin, you mentioned that there is a Novel AI, which we have won. Is this a dedicated capacity for Novel AI? And is it a commercial product or we will be starting along with the innovator?
- Anish Ganatra:** So thanks for that. Nitin is very much with me, so if you continue asking difficult questions, I'll have to drag him in. But this one, I think I can take. So on this, like we said, it's an MPP debottlenecking, right? So as the name goes, it's a multipurpose plant. The idea is to sweat the asset, drive further realization and seek greater value.

So we are going to keep maintaining flexibility. But at the same time, as this molecule blows up and goes bigger, at that stage, we will be talking and possibly talking of a capex -- dedicated capex, today, not. And also, it's an intermediate yes, not an AI. But it has the potential to get into an AI for us.

**Sanjesh Jain:**

One question from my side on the margin, Anish. This quarter, it looks like it has entirely come from an operating leverage because our gross profit margin is broadly in the same line. Now revenue has grown by 45%, employee cost is down and operating cost has increased only by 12%. Is there any one-off -- or it will be really helpful to understand what is translating such a strong operating leverage, not even a logistic cost is showing up there. So how should we read this?

**Anish Ganatra:**

No. So I think over there, again, so the best way to look at this, Sanjesh, is to see the bridge between your 20.7% of last year and a 32.5% of this year, right? If you see the business has actually benefited significantly from volume growth, which was always the case. I mean it was -- I think -- I don't know if it was you or somebody else, but I'm sure we've had these questions when we've been talking of 25% guidance that people have said, you're going to have operating leverage, where is it going to show. So now that is showing, and it's showing across the verticals.

About half of this EBITDA growth is coming because of volume, more than half, actually, about 3/4 of it is coming from volume. We are seeing about any sort of -- there has obviously been some forex tailwind as well, but that forex tailwind has largely been absorbed by sub sourcing costs.

So if you see, there are 2 sort of drivers here, about 80%, 90% coming from the volume growth and the forex sort of offsetting between sourcing and forex gains. And then obviously, you've got ref prices, which is why we are sort of structuring our guidance to 28% to 30% because of the fact that you may lose some forex gains if forex turns out. We are not going to speculate on the forex value. But the underlying story of the business and the cost structure, the work that we've been doing to drive efficiency and manufacturing excellence is going to continue.

**Sanjesh Jain:**

I think we are adding a lot of brownfield. That means this operating leverage should keep playing out, right, Anish?

**Anish Ganatra:**

Yes. It should play out, and it should continue playing out. But at some point, if you're going to translate this to a forward guidance, I wouldn't do that at this stage.

**Sanjesh Jain:**

One follow-up on the Nectar. We have started the second product as well. So are we confident that in CY '26, the anchor customer will lift INR300 crores? And what is the update on the remaining INR300 crores of the capacity?

**Anish Ganatra:**

We are on track both for this year's numbers, about half of the PAR that we had always indicated and it will be slightly more than half closer to the number you mentioned. And there are firm

orders for the customer to offtake that. So -- and we are working towards that. I mean there is a lot of tailwinds you will see in the coming quarters on the specialty side in that front.

The update on the open position, we've already made supplies for that too. So next year, you will start to start seeing outcomes coming from that. Our target is to get to the full PAR by the end of FY '27.

**Sanjesh Jain:** So, we are looking at a full utilization by December '26?

**Anish Ganatra:** No, by FY '27...

**Sanjesh Jain:** That is March '27. Got it. Sorry, one last question. On the contract with the European thing, why is its approval taking almost 6 months? Because I think they're already supplying that. In that sense, shouldn't it have been slightly faster?

**Anish Ganatra:** No. So are you referring to Fermion? Are you referring to...

**Sanjesh Jain:** Yes, Fermion correct, the dedicated plant.

**Anish Ganatra:** So that is -- you know how the validation happened here, right?

**Nitin Kulkarni:** Sanjesh, this is for the new facility...

**Anish Ganatra:** Yes, for the new facility...

**Nitin Kulkarni:** And it is faster. You must be aware that commissioning happened just one month back. And there are certain number of batches which we need to make of each and every step. We need to validate the quality, the quantity detail. So that is progressing. That is the reason if you see we have made a comment that the commercial supply will start from Jan.

**Anish Ganatra:** Because you're giving some space for December holidays, etc., right? So January is when we expect to start.

**Nitin Kulkarni:** So this validation is for the new site and the new circuit in cGMP4. That's all.

**Sanjesh Jain:** No, no. That's Nitin I'm aware. I thought it could have been slightly faster, but I agree to your point it's -- they have to...

**Anish Ganatra:** So Sanjesh, for us, it's about getting this right. Frankly, it's having no effect on our ability to drive the revenue and the top line in CDMO. We've got enough bandwidth and capacity. Fermion's orders are still being supplied and going as sort of.

**Sanjesh Jain:** No, no, we are already now 2 new products, if you see the 2 more products where we are looking at a scale of supply. And then there is a Fermion. I think if that plant gets started, then it eases in terms of how we service the customer.

**Anish Ganatra:** There is no -- I mean we are managing that, Sanjesh. There is no concern on capacity constraints in CDMO on that. We were able to manage that. That's not an issue. I mean this is not a long time line, as Nitin has said any which way.

**Sanjesh Jain:** Are we looking at surpassing \$100 million there?

**Anish Ganatra:** I have given that as an aspirational target, and I've also said very clearly that the absolute number doesn't matter. Even if I get closer to 100 or higher than 100, what matters is the scale that takes us when we get closer to that number as well. So it's about making CDMO sizable, and that's what is the message rather than a number. But we are inching closer to that. Visibility is going to be very, very strong.

**Moderator:** The next question is from the line of Arun Prasath from Avendus Spark.

**Arun Prasath:** So my first question is on AHF. I think with even if the new plant -- new R32 plant running at full capacity, we will still have very large unutilized AHF utilization. In the past, we spoke about using that to sell the external -- to sell it to the external market. So how is the progress on that front? And when do we think that we can fully utilize the plant?

**Nitin Kulkarni:** See Arun, as Anish is always saying and we are mentioning in most of the calls, this is -- this exactly. The HF capacities which we are -- which is coming up -- this is actually the license to drain and as we said always that our approach is how we can do the value addition by utilizing this new HF capacity by going much higher into the manufacturing chain.

We never said that we are going to utilize or run this plant on 100% capacities from day go. It is going to be gradual, and we are of the opinion by 2029, 2030, we will hit both the capacities, will get utilized to the optimal level.

And in that direction, we are already working with the various partners in the advanced materials space, in the HPP area as well as in Spec Chem. And -- of course you must be aware, we have already mentioned that we are progressing quite well on the electronic grade HF. That is also going to consume some good percentage of the capacities at a much higher value realization.

So, I think we should look at the HF investment and capacities more on the long-term basis -- more strategic. But still I think with the existing capacities and upcoming capacity from FY '26 itself will be 50% up as far as -- or more than that in capacity utilization.

**Anish Ganatra:** Yes. I mean a good point over there, Arun, is that, I mean, if you look at R32 today, if us putting in capacity today is going to yield a greater realization per kg of HF. The work that the team is doing on doing your electronic grade HF or in advanced material that Nitin was talking, all of those are going to ultimately add more and more realization per every kg of HF. And that is the game. It's not about selling the volume and merchant sales. Those are temporary short-term things. We want to be in the market, but that's very strategic investment.

- Arun Prasath** One follow-up on the R32. You mentioned that you are balanced in terms of contract and spot. Typically, what is the contract duration? Is it 3 months, 6 months thing or pretty longer than that?
- Anish Ganatra:** No, no, I have already indicated that it more midterm. So it's not long-term contracts, it's midterm contracts. Now when I talk midterm, I'm talking about 4 to 5 years. But this is a relationship we are going to nurture. It's not about a transactional activity.
- Arun Prasath** My second question is on the other expense part. If I look at it for last 3 to 4 quarters, the total other expense on absolute basis is more or less have remained at a similar level. Is there any -- I understand other expense will have some variable portion and some fixed portion. Are we benefiting anything on the variable portion, say, freight cost is...
- Anish Ganatra:** We are driving a lot of efficiency in the system. We're driving a lot of efficiencies in the system, whether it's about using our utilities more effectively, reducing affluent cost, that is what manufacturing excellence is about. So frankly, you will see some of that continue as well because that's our focus. Our focus is twofold, drive the variable down, keep the fixed as fixed, and which is why I think Vishad has talked about controlling the controllables.
- Arun Prasath:** Would you say that on the yield part or on the consumption part, it is -- the benefit is more from the price front or from the yield front within the other expense?
- Anish Ganatra:** No. So as I talked about the EBITDA bridge when I was explaining to Sanjesh, about 90% of our underlying growth in the margins, EBITDA margins or -- and that effectively translates down to PAT, etc., is coming largely from volume growth. And then yes, you also have some pricing tailwinds and you have forex tailwinds, which are offset through your sourcing costs.
- Moderator:** The next question is from the line of Aditya Pal from MSA Capital Partners.
- Aditya Pal:** Congratulations for great set of numbers. Sir, I'm a bit new to the company, just started company recently. Wanted to have a quick understanding on our 3 segments that is Spec Chem, HPP and the CDMO segment. CDMO segment is entirely contractual. If I were to understand what would be the percentage of contractual revenue of HPP and Spec Chem? Contractual revenue is what?
- Anish Ganatra:** So Aditya, I can take that question, but perhaps not appropriate for a call like this, which is a 1 hour call on the performance. Really appreciate you getting in touch with our IR, and we'll have a separate one on one or a separate meeting scheduled for this where we can talk you through the business and explain you since as you rightly said, you just started tracking or just new to it. You can also look at our investor pack. If that's okay, don't mind me saying that.
- Aditya Pal:** No, that's quite alright because I was not getting the percentage. So I read your previous con calls, I was not getting the percentage of revenues. So that's why I asked this question.
- Anish Ganatra:** Yes, yes. We can have that conversation offline, not a problem.

- Moderator:** The next question is from the line of Krishan Parwani from JM Financial.
- Krishan Parwani:** Congratulations on a very strong set of numbers. Two questions from my side. First, on the ag chem intermediate, the new ag chem intermediate product. So can you please highlight the expected peak market size of the agrochemical for which you'll be manufacturing this intermediate?
- Anish Ganatra:** So this ag chem intermediate, Krishnan, is a very novel intermediate that gets applied to specific sort of crops and -- but it's a herbicide. And it's a very, very, very novel innovation with a huge sort of potential, also a potential where this has got significant growth aspirations for the innovator too. So we are participating in the growth innovators growth aspiration, so to say. But I would not be able to, at this point, share the long-term views, obviously, because of commercial sensitivities again.
- Krishan Parwani:** No problem, and secondly, on the R32 incremental capacities -- so what kind of utilization rate that you are planning? Because I believe you said that you will be cautiously supplying to the market so that there is no oversupply. So what's the kind of utilization rate that you are planning for R32...
- Anish Ganatra:** Like I said, Krishan, we are looking at a balanced approach of committed and open position. And so there is no oversupply in that sense. What I meant was this will be worked out for global and Indian markets in a balanced way such that we are able to offload the entire quota that we are allowed to manufacture. And we have got very strong visibility to that based on arrangements we have in place.
- Krishan Parwani:** Okay. I got it. I mean I didn't mean that there will be an oversupply. Just was referring to more like your utilization rate for the R32.
- Moderator:** The next question is from the line of Keyur from ICICI Prudential.
- Keyur:** Congratulations on good results. Sir, just one question on the margin guidance that you are giving for this year. Now considering that many of the projects are probably will ramp up in FY '27, do we assume similar margins or optimal margins? How should we think for FY '27?
- Anish Ganatra:** Yes. So I think we can visit in the coming quarters on that Keyur, be patient. Like I said, we are working very hard to maximize this value for shareholders. You can see it in the last 2 quarters. I've already given an indication of what '26 end would look like and what we are working to. As we get nearer that time, things will become more and more clearer and more and more cemented.
- Moderator:** The next question is from the line of Madhav from Fidelity.
- Madhav:** I just wanted to understand on the CRAMS business, we had a fairly sharp ramp-up at least on a year-over-year basis. You did indicate that there was one large supply which got completed. So just wanted to understand any color that you can share in terms of the quantum of that supply?



Like some of this business can be lumpy, like not just for you, but for the peers as well. So just wanted to understand how lumpy that supply was for us?

**Anish Ganatra:** So Madhav, thanks. I mean the lumpiness, I think, and I'm going to say this, is going to be a thing of past for us, okay? Because you can see that in the consecutive 2 quarters that we've done and we don't think you will see the lumpiness. This particular molecule, like I've said, you are going to see that we've done one delivery now, and there will be another repeat order coming in for deliveries in CY '26. There is a readout expected at the end of December. Fingers crossed, that turns up and that will blow up as well after that.

**Madhav:** That regard is in December 2026?

**Anish Ganatra:** Probably slightly sooner than that. I'm just giving you December. It's probably November or whatever, but it is in that kind of window.

**Madhav:** And the incremental 15,000 tonne R32 capacity which you are putting up, any broad sense in terms of how much of that gets sold in domestic versus export markets? Like will exports be a larger part of the growth driver because like you said, blends, etc., is picking up in the Western markets as well. So some sense...

**Anish Ganatra:** I think we have a very unique proposition here because we are seeing today as we are selling our current capacities that there is enough appetite in the global market to balance any requirement as also Indian market continues to grow. So frankly, a percentage distribution doesn't matter, but it will probably be in the ratio of what we are looking at now as well, consistent with what everybody is seeing across the industry as well.

**Madhav:** Since it's going to be the mix of domestic and export both should scale up?

**Anish Ganatra:** There will be a mix, yes, there will be a mix of exports.

**Madhav:** Okay, thank you.

**Anish Ganatra:** So Madhav, just to add, I mean, like I've always said, this is a product we are going to nurture, right? So we are going to balance the placement of the product in such a way the margins aren't compromised.

**Moderator:** The next question is from the line of Surya Narayan Patra from PhillipCapital.

**Surya Narayan Patra:** Sir, my first question is on the CDMO side. In the opening remarks, you have mentioned about 3 new customers auditing your plant. So could you give some sense the nature of the client, although you mentioned that it is innovative? So is it large pharma kind of or nature of?

**Anish Ganatra:** Large pharma.

**Surya Narayan Patra:** And any product indication or anything that we generally get or it will not be indicated...

**Anish Ganatra:** I wouldn't prefer doing that.

**Surya Narayan Patra:** And sir, about the CDMO, in fact, in the first half, we have seen a robust growth of around 50% on a Y-o-Y basis. And we have also seen that fourth quarter of last year, second half was anyway, it was really robust again. So considering all that, how should one think in terms of the overall growth momentum for the CDMO for this year?

And how can that momentum can continue? Because you are also mentioning about your FY '27, your order book is kind of visibility that is there because of the purchase orders. So could you give some sense about the trajectory in terms of growth and all that?

**Anish Ganatra:** So we are striving to do second half that's better than first half, and that is then what will set the trajectory to get to the numbers we talked about. And the order book is strong, so hopefully that should be what we do.

**Surya Narayan Patra:** Sir, did you face any kind of a tariff impact so far in any of the -- for any of your business?

**Anish Ganatra:** So, nil to marginal. On a scale of 0 to 10, I would say probably 2 to 3...

**Surya Narayan Patra:** Any update on the Honeywell thing sir because we are anyway in terms of extending or expanding the relationship?

**Anish Ganatra:** So those conversations are always there. See with all our strategic customers, we don't make a one product conversation. There is a basket of products that you talk about. But honestly, nothing is matured yet for me to come to you and say, yes, there's a capex or there is an investment. But these discussions are ongoing, as with others too.

**Moderator:** Due to time constraint, that was the last question. I now hand the conference over to Mr. Anish Ganatra for closing comments.

**Anish Ganatra:** Thanks everybody for making to the call. Before we conclude, I just want to summarize the key takeaways from the call. Hopefully you've captured from what Vishad shared, Nitin has shared and through our conversations.

- This was a very strong performance for Navin for the quarter and first half. The operating leverage is playing out quite nicely.
- The balance sheet continues to remain strong, and we are within the framework and the financial framework that we've set.
- The value-accretive capex's which have now been announced are going to start accelerating or showing growth beyond FY '27, which is what we are always committed to.
- We continue to make progress across all our verticals on the strategy front with a particular focus on R&D and product pipeline. And the idea is ultimately that this will help propel growth and also allow us to meet our aspiration of carving out advanced materials.



*Navin Fluorine International Limited  
October 30, 2025*

- With a strong order book for CDMO vertical, we are continuing to inch towards our 100 million top line aspiration.

So I just wanted to make sure that everybody captures those key messages.

Once again, thank you for joining us today evening, and have a great evening. Thank you again.  
Bye.

**Moderator:** Thank you. On behalf of Navin Fluorine International Limited, that concludes this conference.  
Thank you for joining us, and you may now disconnect your lines.