

Navin Fluorine International

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	NFIL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	265.7 / 3
52-Week Range (INR)	5245 / 3160
1, 6, 12 Rel. Per (%)	10/26/38
12M Avg Val (INR M)	816

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	23.5	32.0	38.3
EBITDA	5.3	8.2	10.0
PAT	2.9	4.5	5.8
EPS (INR)	58.2	88.5	112.4
EPS Gr. (%)	26.2	52.0	27.1
BV/Sh.(INR)	529.5	729.6	818.9

Ratios

Net D:E	0.5	0.2	0.2
RoE (%)	11.5	14.2	14.5
RoCE (%)	8.8	11.8	12.8
Payout (%)	20.6	20.6	20.6

Valuations

P/E (x)	89.2	58.7	46.2
P/BV (x)	9.8	7.1	6.3
EV/EBITDA (x)	50.9	33.7	27.7
Div. Yield (%)	0.2	0.4	0.4
FCF Yield (%)	0.0	-0.2	0.4

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	28.0	28.4	28.8
DII	28.7	30.0	27.4
FII	21.6	20.2	18.0
Others	21.7	21.4	25.8

FII includes depository receipts

CMP: INR5,190

TP: INR5,100 (-2%)

Neutral

Better pricing and operating leverage drive operating performance Earnings in line with our estimate

- 1QFY26 was a strong quarter for Navin Fluorine International (NFIL), with revenue rising 39% YoY, supported by strong performance across all three business segments. Revenue in HPP/specialty chemicals/CDMO grew 45%/35%/22% YoY. EBITDA grew 2x YoY, driven by operating efficiencies and a better pricing environment.
- We expect this momentum to sustain, supported by the successful commercialization of the R32 project in Mar'25, along with the stable pricing environment of refrigerant gases. Moreover, the launch of three new molecules in specialty chemicals—expected to commence in 2QFY26—and the commissioning of new capacities in 2HFY26 (in HPP and CDMO) are expected to further reinforce growth going forward.
- With new capacities expected to commercialize and the visibility of a strong order book, we broadly maintain our FY26/FY27 earnings estimates and reiterate our Neutral rating on the stock with a TP of INR5100 (45x FY27E EPS)

HPP and specialty chemicals key growth drivers in 1QFY26

- NFIL reported revenue of INR7.3b (est. INR7.8b), up 39% YoY, driven by growth across all three segments.
- Gross margin stood at 57.6% (up 160bp), while EBITDA margin expanded 930bp YoY to 28.5%, driven by operational efficiencies and a better pricing environment.
- EBITDA stood at INR2.1b (est. in line), up 2.06x YoY, and PAT grew 2.3x YoY to INR1.2b in 1QFY26 (est. in line).
- Revenue in the HPP segment (up 45%) was driven by higher volumes and improved realizations in 1Q, supported by the successful commercialization of the R32 project in Mar'25.
- Revenue in the Specialty Chemicals segment grew 35% YoY to INR2.2b, driven by 37% growth in the international business, while the CDMO business continued its growth trajectory in 1QFY26, with revenue growing 23% YoY to INR990m.
- India's revenue grew 28% YoY, while revenue from the International business grew 44% YoY.

Highlights from the management commentary

- **High-purity electronic grade:** The company has announced an exclusive partnership with Buss ChemTech AG, Switzerland, to commercialize high-purity electronic grade HF. It is progressing well in engaging with global electronics customers, supporting the development of its broader product portfolio.
- **HPP:** The company successfully commercialized the R32 project in Mar'25 and is currently running it at optimal capacity. With global demand for R32 accelerating, the company is actively working with international partners to further capitalize on this opportunity.

- **Capacity allocation:** The AHF capex for INR4.5b at Dahej is expected to be commissioned by the end of 2QFY26, while the Phase 1 capex of INR1.6b for cGMP4 remains on track for commissioning by the end of 3QFY26.

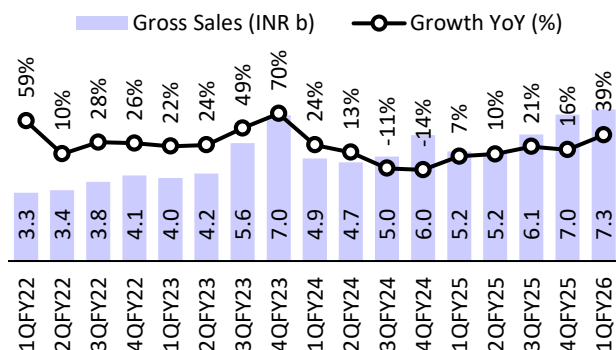
Valuation and view

- We believe the company is well-positioned to sustain its growth momentum in FY26, supported by the commercialization of three new molecules in 2QFY26 and material contributions expected from the Fluoro Specialty unit at Dahej, which commenced operations in Dec'24.
- The medium-term outlook is further supported by: 1) a strategic partnership with Chemours to foray into high-growth advanced materials and 2) the approval of a key molecule by both the US and EU, enabling expanded applications in the CDMO segment.
- We expect a revenue/EBITDA/adj. PAT CAGR of 28%/37%/41% over FY25-27. The stock is trading at ~46x FY27E EPS of INR112.4. and 27.7x FY27E EV/EBITDA. We value the company at 45x FY27E EPS to arrive at our TP of INR5,100. Valuations remain expensive; thus, **we reiterate our Neutral rating.**

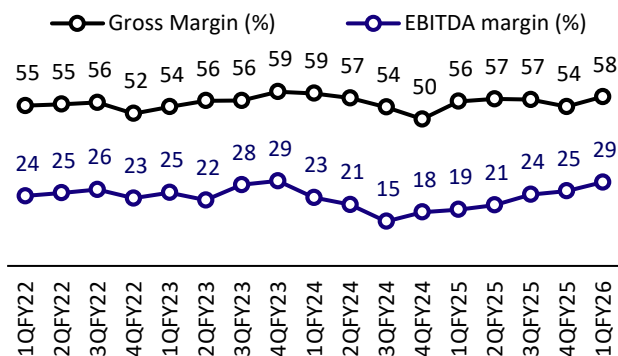
Consolidated - Quarterly Snapshot

Y/E March	FY25				FY26				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY25	FY26E	FY26 1QE	Var (%)
Gross Sales	5,237	5,186	6,062	7,009	7,254	7,986	8,184	8,528	23,494	31,952	7,788	-7%
YoY Change (%)	6.6	9.9	21.2	16.4	38.5	54.0	35.0	21.7	13.8	36.0	48.7	
Gross Margin (%)	56.0%	56.8%	56.6%	54.2%	57.6%	54.4%	57.0%	57.4%	55.8%	56.6%	56.7%	0.8%
EBITDA	1,004	1,074	1,473	1,787	2,068	1,711	2,101	2,272	5,337	8,151	2,026	2%
Margin (%)	19.2	20.7	24.3	25.5	28.5	21.4	25.7	26.6	22.7	25.5	26.0	2.5
Depreciation	267	279	296	353	352	371	410	420	1,194	1,553	361	
Interest	156	139	202	283	304	291	290	279	779	1,164	286	
Other Income	103	112	105	118	139	123	125	109	437	496	121	
PBT before EO expense	683	768	1,080	1,270	1,551	1,172	1,526	1,682	3,801	5,931	1,499	3%
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	683	768	1,080	1,270	1,551	1,172	1,526	1,682	3,801	5,931	1,499	3%
Tax	171	179	244	320	379	295	385	433	915	1,493	377	
Rate (%)	25.0	23.4	22.6	25.2	24.5	25.2	25.2	25.8	24.1	25.2	25.2	
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	512	588	836	950	1,172	877	1,141	1,249	2,886	4,438	1,122	4%
Adj. PAT	512	588	836	950	1,172	877	1,141	1,249	2,886	4,438	1,122	4%
YoY Change (%)	-16.8	-2.9	131.2	35.0	128.8	49.1	36.5	31.4	26.3	53.8	119.2	
Margin (%)	9.8	11.3	13.8	13.6	16.2	11.0	13.9	14.6	12.3	13.9	14.4	1.7
Segmental Revenue (INR m)												
High Performance Products (HPP)	2,810	2,930	3,060	3,260	4,070	3,633	3,580	3,351	12,060	9,250	3,807	7%
Specialty Chemicals	1,620	1,580	2,210	2,590	2,190	2,923	3,094	3,270	8,000	6,380	2,688	-19%
CDMO	810	680	790	1,150	990	1,414	1,493	1,570	3,430	2,620	1,290	-23%

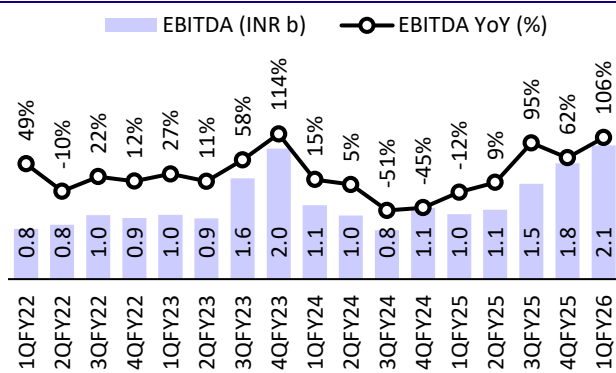
Story in charts – 1QFY26

Exhibit 1: Sales increased 39% YoY


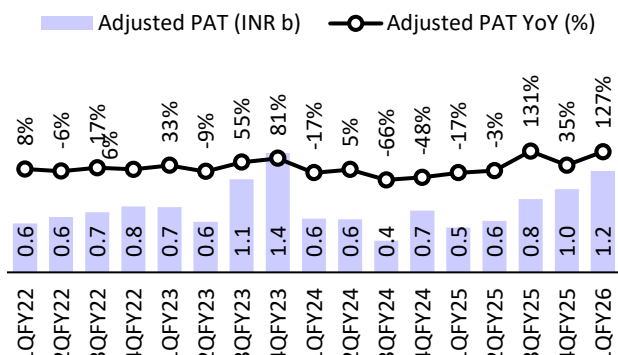
Source: Company, MOFSL

Exhibit 2: Margin trend


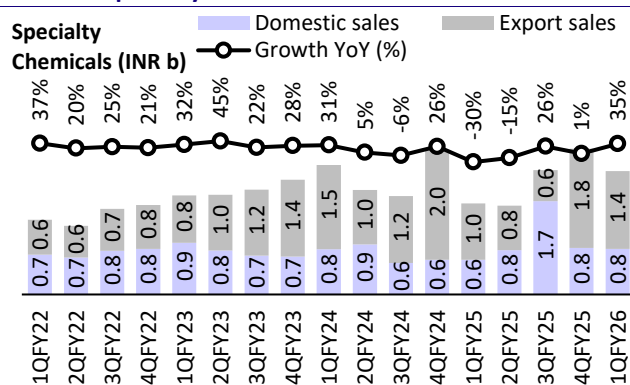
Source: Company, MOFSL

Exhibit 3: EBITDA up 2.06x


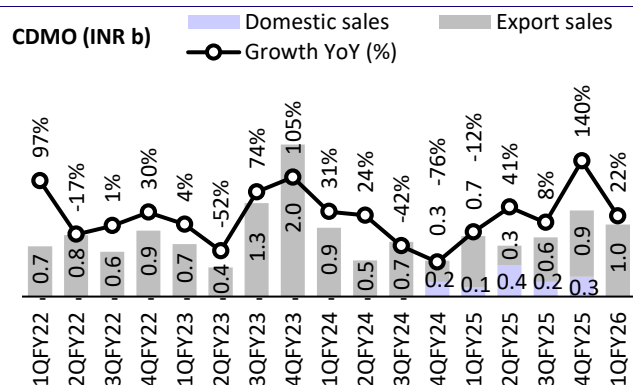
Source: Company, MOFSL

Exhibit 4: Adjusted PAT trend


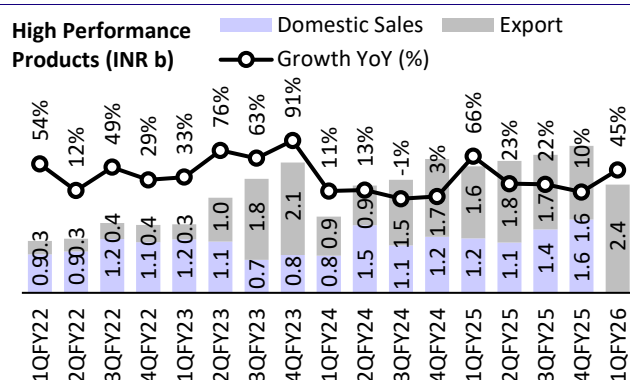
Source: Company, MOFSL

Exhibit 5: Specialty Chemicals revenue increased 35% YoY


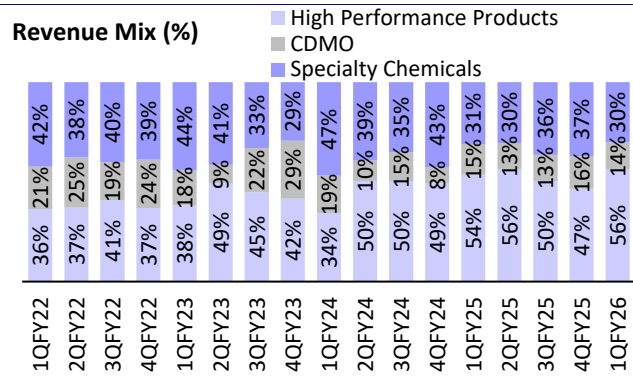
Source: Company, MOFSL

Exhibit 6: CDMO revenue increased 22% YoY


Source: Company, MOFSL

Exhibit 7: HPP sales increased 45% YoY


Source: Company, MOFSL

Exhibit 8: Revenue mix for the quarter


Source: Company, MOFSL



Management concall highlights

Specialty Chemicals

- The company will start supplying three new molecules in 2QFY26, with orders already in place.
- The Fluor Specialty unit at Dahej, which commenced in Dec'24, will have a meaningful contribution in FY26.
- A strategic partnership with Chemours has been announced to manufacture its proprietary product (Opteon); execution of a two-phase immersion cooling fluid project is already underway, alongside plans to foray into the high-growth advanced materials sector.
- The company is facing pricing pressure from Chinese competitors, though volume recovery is currently underway.

CDMO

- The company has strong revenue visibility backed by a robust order book for FY26.
- Orders are expected in FY26.
- EU Major – Material order received for supply in 2QFY26.
- Another EU Major – Scale up order expected in 2QFY26.
- US Major – Commercial order expected for delivery in FY26 (Scale-up order delivered).
- Total capex for cGMP4 is INR2.9b; Phase 1 capex of INR1.6b is on track and set to be commissioned by the end of 3QFY26.
- The company possesses strong capabilities, platforms, and technologies in the CRAMS (Contract Research and Manufacturing Services) or CDMO (Contract Development and Manufacturing Organization) segment, with proven expertise in handling complex chemistries and specialty processes.

HPP

- Capex for AHF stands at INR4.5b at Dahej and is expected to be commissioned by the end of 2QFY26.
- The company's R32 capacity is at optimum utilization. The company indicated that prices for refrigerant gases are stable.
- There will be no impact of US tariffs on refrigerant gases; however, it is too early to comment on the implications for long-term contracts.

Capex

- The company has raised its capex from INR5b-6b to INR7b, and subsequently to INR10b, allocating funds to projects that offer the right value.
- The company has raised INR7.5b through QIP, proceeds of which will be used to strengthen the balance sheet and address fund capex requirements.

Others

- Margin expansion – The company witnessed a 2/3rd margin expansion due to operating leverage and 1/3rd due to the overall environment (increase in demand and improvement in price realization).
- The company has raised INR7.5b through QIP, proceeds of which will be used to strengthen the balance sheet and address fund capex requirements.
- The company remains firm with its margin guidance at 25%.

- There will be no impact of US tariffs on refrigerant gases. However, management intimated that it is too early to comment on long-term contracts.
- The company has an exclusive partnership with Buss ChemTech AG, Switzerland, to commercialize its high-purity electronic grade HF, making significant progress in engaging global customers in the electronic market. This serves as a foundation for advancing its broader product portfolio, with several products currently in the development and pilot stages.
- The company witnessed a QoQ decline, as sales are campaign-driven. Capacity utilization in the last quarter was 80%, compared to ~70% utilization in the current quarter.

Exhibit 9: Summary of our revised estimates

Particulars	Revised		Previous		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue (INR m)	31,952	38,292	31,952	38,012	0%	1%
EBITDA (INR m)	8,151	9,979	8,053	9,858	1%	1%
PAT (INR m)	4,529	5,757	4,400	5,714	3%	1%
EPS (INR)	88.5	112.4	88.7	115.2	0%	-2%

Financial story in charts

Exhibit 10: Expect ~30% revenue CAGR over FY25-27

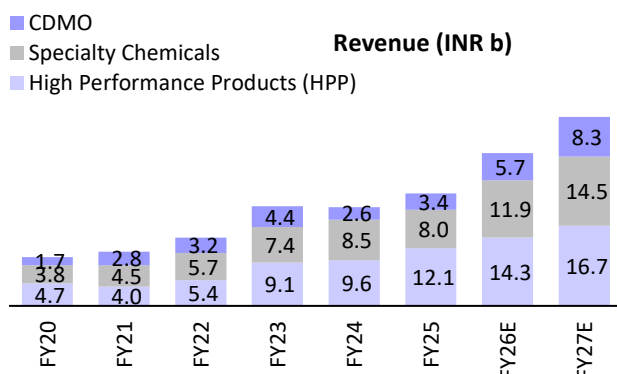


Exhibit 11: Revenue mix

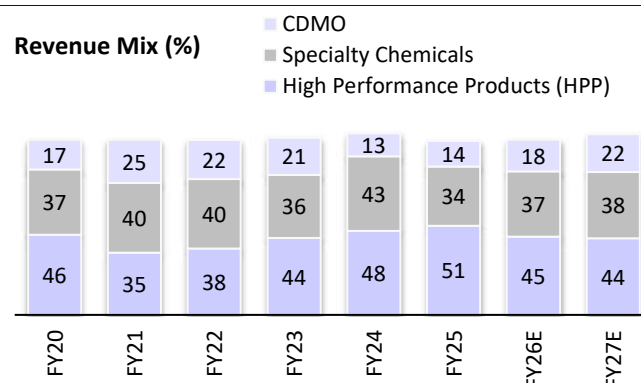


Exhibit 12: Geographic revenue split

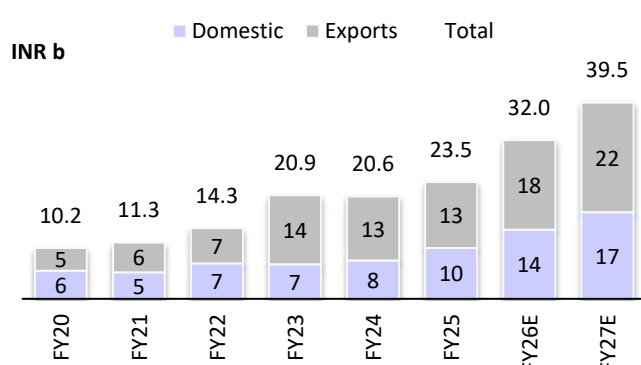


Exhibit 13: Geographic revenue mix

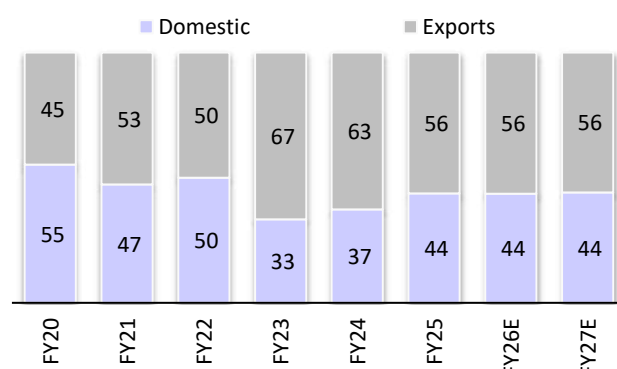


Exhibit 14: Expect ~37% EBITDA CAGR over FY25-27...

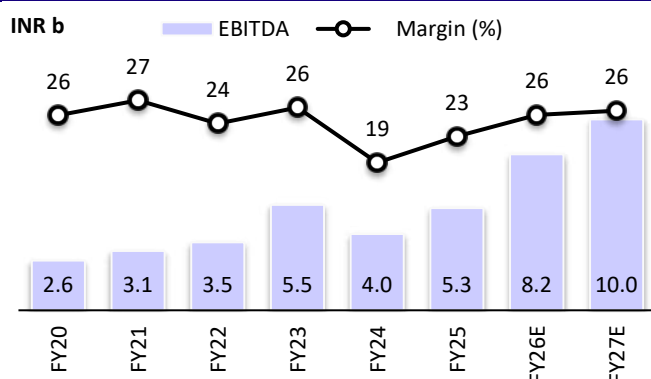
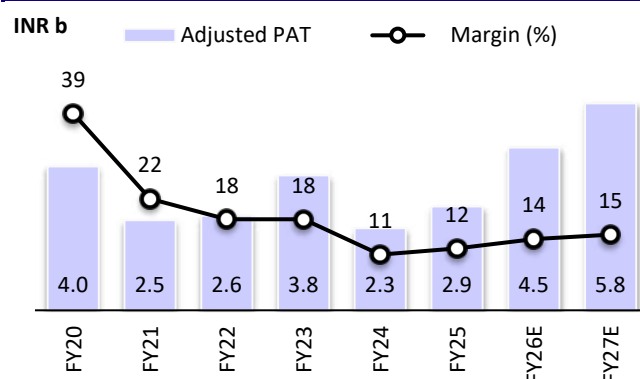


Exhibit 15: ...with adj. PAT CAGR of ~41% over FY25-27



Financials and valuations

Consolidated - Income Statement

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	10,223	11,331	14,534	20,774	20,650	23,494	31,952	38,292
Change (%)	7.0	10.8	28.3	42.9	-0.6	13.8	36.0	19.8
Raw Materials (INR m)	4,649	5,110	6,656	8,960	9,354	10,386	13,867	16,545
Employees Cost (INR m)	1,165	1,162	1,815	2,494	2,858	2,967	3,560	4,130
Other Expenses (INR m)	1,801	1,951	2,514	3,817	4,455	4,804	6,373	7,638
Total Expenditure	7,615	8,223	10,986	15,271	16,667	18,157	23,800	28,313
Gross Margin (%)	54.5	54.9	54.2	56.9	54.7	55.8	56.6	56.8
EBITDA	2,607	3,108	3,548	5,503	3,983	5,337	8,151	9,979
Margin (%)	25.5	27.4	24.4	26.5	19.3	22.7	25.5	26.1
Depreciation	337	407	479	626	962	1,194	1,553	1,820
EBIT	2,270	2,702	3,069	4,877	3,021	4,143	6,598	8,159
Int. and Finance Charges	16	14	19	275	746	779	1,041	1,059
Other Income	313	745	392	357	559	437	495	594
PBT bef. EO Exp.	2,567	3,433	3,442	4,959	2,834	3,801	6,053	7,694
EO Items	0	662	0	0	521	0	0	0
PBT after EO Exp.	2,567	4,095	3,442	4,959	3,355	3,801	6,053	7,694
Total Tax	-1,431	1,103	812	1,207	650	915	1,523	1,937
Tax Rate (%)	-55.7	26.9	23.6	24.3	19.4	24.1	25.2	25.2
Reported PAT	3,998	2,992	2,631	3,752	2,705	2,886	4,529	5,757
Adjusted PAT	3,998	2,508	2,631	3,752	2,285	2,886	4,529	5,757
Change (%)	169.3	-37.3	4.9	42.6	-39.1	26.3	56.9	27.1
Margin (%)	39.1	22.1	18.1	18.1	11.1	12.3	14.2	15.0

Consolidated - Balance Sheet

(InR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	99	99	99	99	99	99	102	102
Total Reserves	13,790	16,402	18,343	21,750	23,728	26,163	37,254	41,827
Net Worth	13,889	16,501	18,442	21,850	23,827	26,262	37,357	41,929
Total Loans	0	0	1,000	8,487	13,399	14,407	10,085	11,094
Deferred Tax Liabilities	206	167	201	348	643	754	754	754
Capital Employed	14,096	16,668	19,644	30,684	37,869	41,424	48,196	53,777
Gross Block	4,643	4,937	5,714	17,629	20,890	30,712	37,010	43,870
Less: Accum. Deprn.	1,053	1,459	1,938	2,565	3,526	4,721	6,274	8,093
Net Fixed Assets	3,591	3,478	3,776	15,065	17,363	25,992	30,737	35,777
Capital WIP	389	365	7,421	2,786	7,111	3,498	4,200	4,340
Total Investments	3,387	4,503	1,181	955	5,453	5,293	5,293	5,293
Curr. Assets, Loans, and Adv.	7,042	10,319	11,477	15,610	12,964	12,644	16,285	18,473
Inventory	1,361	1,543	2,575	4,681	3,717	3,224	4,226	5,028
Account Receivables	2,093	2,759	3,577	5,615	5,125	5,824	7,921	9,493
Cash and Bank Balance	2,640	3,889	902	348	276	405	948	763
Cash	1,692	761	757	145	66	197	739	554
Bank Balance	890	3,128	201	203	209	208	208	208
Loans and Advances	947	2,128	4,423	4,966	3,847	3,190	3,190	3,190
Curr. Liability and Prov.	1,644	1,998	4,211	4,609	5,900	6,880	9,196	10,983
Account Payables	922	1,027	141	2,435	3,025	3,270	4,286	5,099
Other Current Liabilities	590	824	3,879	1,944	2,569	3,342	4,545	5,447
Provisions	131	147	191	231	306	269	366	438
Net Current Assets	5,398	8,322	7,266	11,001	7,064	5,764	7,089	7,490
Appl. of Funds	14,096	16,668	19,644	30,684	37,869	41,424	48,196	53,777

Financials and valuations

Ratios								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	80.8	50.7	53.1	75.7	46.1	58.2	88.5	112.4
EPS Growth (%)	169.3	-37.3	4.7	42.6	-39.1	26.2	52.0	27.1
Cash EPS	87.6	58.9	62.8	88.4	65.5	82.3	118.8	148.0
BV/Share	280.7	333.5	372.2	441.0	480.9	529.5	729.6	818.9
DPS	11.0	11.0	11.0	12.0	15.0	12.0	18.2	23.1
Payout (%)	17.9	18.2	20.7	15.8	27.4	20.6	20.6	20.6
Valuation (x)								
P/E	64.2	102.4	97.7	68.5	112.5	89.2	58.7	46.2
Cash P/E	59.2	88.1	82.7	58.7	79.2	63.1	43.7	35.1
P/BV	18.5	15.6	13.9	11.8	10.8	9.8	7.1	6.3
EV/Sales	24.9	22.3	17.7	12.8	13.1	11.6	8.6	7.2
EV/EBITDA	97.5	81.4	72.5	48.2	67.9	50.9	33.7	27.7
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.3	0.2	0.4	0.4
FCF per share	11.8	52.1	-101.1	-165.3	14.5	0.9	-12.9	20.5
Return Ratios (%)								
RoE	32.7	16.5	15.1	18.6	10.0	11.5	14.2	14.5
RoCE	32.2	16.4	14.6	15.7	8.4	8.8	11.8	12.8
RoIC	55.7	25.3	26.0	20.1	9.4	11.0	14.1	15.1
Working Capital Ratios								
Fixed Asset Turnover (x)	3.2	3.2	4.0	2.2	1.3	1.1	1.1	1.2
Asset Turnover (x)	0.7	0.7	0.7	0.7	0.5	0.6	0.7	0.7
Inventory (Days)	49	50	65	82	66	50	48	48
Debtor (Days)	75	89	90	99	91	90	90	90
Creditor (Days)	33	33	4	43	53	51	49	49
Leverage Ratio (x)								
Current Ratio	4.3	5.2	2.7	3.4	2.2	1.8	1.8	1.7
Net Debt/Equity ratio	-0.2	-0.2	0.0	0.4	0.6	0.5	0.2	0.2

Consolidated - Cash Flow Statement							(INR m)	
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,567	4,095	3,442	4,959	3,355	3,801	6,053	7,694
Depreciation	337	407	479	626	962	1,194	1,553	1,820
Others	-210	-1,054	-289	184	-86	560	1,041	1,059
Direct Taxes Paid	-456	-186	-781	-1,098	-343	-780	-1,523	-1,937
(Inc.)/Dec. in WC	-684	-305	-2,104	-5,308	3,611	933	-783	-586
CF from Operations	1,555	2,958	748	-636	7,499	5,708	6,340	8,050
Capex	-972	-382	-5,758	-7,555	-6,783	-5,665	-7,000	-7,000
Free Cash Flow	582	2,576	-5,011	-8,191	717	43	-660	1,050
Change in Investments	1,706	-914	3,757	799	-4,313	402	0	0
CF from Investments	766	-3,452	-1,724	-6,556	-10,936	-5,110	-7,000	-7,000
Inc./(Dec.) in Debt	0	0	1,020	7,442	4,913	1,014	-4,322	1,009
Interest Paid	-16	-14	-19	-275	-746	-786	-1,041	-1,059
Dividend Paid	-714	-394	-542	-543	-743	-595	-932	-1,185
CF from Fin. Activity	-756	-437	415	6,579	3,359	-467	1,202	-1,235
Inc./Dec. in Cash	1,565	-931	-561	-613	-78	131	543	-185
Opening Balance	127	1,692	760	758	144	67	197	740
Closing Balance	1,692	760	758	144	67	197	740	554

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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