31 October 2026
2QFY27 Results Update | Sector: Chemicals

Navin Fluorine International

Estimate change	
TP change	
Rating change	

CMP: INR8,676 **TP: INR9,460 (+9%)** **Neutral**

Bloomberg	NFIL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	445.3 / 4.7
52-Week Range (INR)	8950 / 4889
1, 6, 12 Rel. Per (%)	4/31/84
12M Avg Val (INR M)	1626

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	33.1	46.6	56.6
EBITDA	10.8	15.9	18.8
PAT	6.7	10.2	12.1
EPS (INR)	130.5	199.9	236.2
EPS Gr. (%)	124.2	53.2	18.1
BV/Sh.(INR)	775.5	934.3	1,121.9
Ratios			
Net D:E	0.3	0.2	0.1
RoE (%)	20.3	23.4	23.0
RoCE (%)	16.0	19.5	19.6
Payout (%)	20.6	20.6	20.6
Valuations			
P/E (x)	66.5	43.4	36.7
P/BV (x)	11.2	9.3	7.7
EV/EBITDA (x)	42.2	28.7	24.1
Div. Yield (%)	0.3	0.5	0.6
FCF Yield (%)	0.9	0.9	1.3

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	27.1	27.1	27.1
DII	28.7	28.5	29.6
FII	23.4	23.7	22.2
Others	20.9	20.7	21.2

FII includes depository receipts

Growth momentum to sustain across key business segments

Operating performance beats estimates

- Navin Fluorine International (NFIL) delivered robust performance in 2QFY27, with revenue growing 57% YoY, driven by broad-based strength across all business segments. High Performance Products (HPP)/Specialty Chemicals/CDMO revenues grew 50%/58%/78% YoY. EBITDA surged 66% YoY, led by pricing actions and operating efficiencies.
- NFIL's outlook remains favorable, underpinned by its diversified business portfolio. The HPP segment is expected to sustain its growth momentum, supported by a favorable pricing environment and ongoing capacity expansions. Meanwhile, the Specialty Chemicals business is likely to maintain its strong growth trajectory, driven by robust order visibility in 2HFY27 and the gradual scale-up of its product pipeline across existing and new molecules.
- Further, the CDMO business is expected to sustain its growth momentum, supported by positive developments across pipeline molecules and the commissioning of Phase 2 of the CGMP-4 facility, which is expected to become operational by the end of 4QFY27.
- On the back of a strong performance, we increase our FY27/FY28 earnings estimates by 8%/10% and reiterate our **Neutral** rating on the stock with a TP of INR9,460 (40x FY28E EPS).

Robust 2QFY27 performance across all business segments

- NFIL reported revenue of INR12b (est. INR10.3%), up 57% YoY, driven by growth across all three segments.
- Gross margin stood at 57% (down 190bp YoY), while EBITDA margin stood at 34.2% (32.4% in 2QFY26), driven by a favorable product mix and operational leverage.
- EBITDA stood at INR4b (est. INR3.4b), up 66% YoY, and adj. PAT grew 81% YoY to INR2.7b (est. INR2.1b)
- HPP revenue grew 50% YoY to INR6b, driven by higher volumes and improved realizations, while the pricing environment for HFC remained constructive.
- Specialty Chemicals revenue grew 58% YoY to INR3.5b, driven by 63% growth in the international business and strong scale-up across existing molecules.
- The CDMO business sustained its growth trajectory, with revenue growing 78% YoY to INR2.4b, driven by an increasing demand for existing molecules and continued deeper engagement with European CDMO majors.
- India/International revenue grew 64%/54% YoY in 2QFY27.
- In 1HFY27, revenue/EBITDA/Adj. PAT grew 51%/69%/93% YoY to INR22.4b/INR7.6b/INR5.1b.
- CFO stood at INR4.6b on Sept'26 compared to INR2.8b on Sept'25.

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Highlights from the management commentary

- **CDMO**: NFIL has initiated Phase 2 of its cGMP-4 capex of INR1.3b, funded through internal accruals, with commissioning expected by 4QFY27. Engagement with the European CDMO major continues to deepen, supported by rising demand for an existing molecule and receipt of a qualification purchase order. The company is also expanding its presence across promising therapeutic areas, including oncology, cardiovascular, neurology, and animal health.
- **Specialty chemicals**: The business is expected to sustain its growth momentum, supported by healthy order visibility for 2HFY27 and beyond. The commissioning of the Dahej MPP capacity de-bottlenecking in Sept'26 and the upcoming Chemours project, targeted for completion by end-3QFY27, are expected to provide incremental growth opportunities
- **HPP**: The extension of the HFO supply contract with Solstice Advanced Materials by four years to 11 years increases the total contract value to ~USD590m, providing incremental revenue potential of ~USD180m. Further, the additional HFC capacity of up to 15,000 MTPA (R32) is on track for commissioning shortly, providing further growth opportunities. The pricing environment for HFC continues to be constructive supported by demand-supply dynamics.

Valuation and view

- We believe NFIL is well-positioned to sustain its growth momentum, supported by the constructive pricing environment, growing international exposure, robust order visibility, and operational leverage, led by capacity ramp-up.
- The outlook is further supported by: 1) a strategic partnership with Chemours to foray into high-growth advanced materials, 2) planned investment for increasing the R32 capacity (likely to be operational soon), 3) Debottlenecking of the specialty chemical plant at Dahej, 4) the ramp-up of the AHF plant, and 4) Phase II - cGMP4 on track to operationalize by end 4QFY27.
- We expect a CAGR of 31%/32%/35% in revenue/EBITDA/adj. PAT over FY26-28. The stock is trading at ~37x FY28E EPS of INR236 and ~24x FY28E EV/EBITDA. We value the company at 40x FY28E EPS to arrive at our TP of INR9,460 and **we reiterate our Neutral rating.**

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Gross Sales	**7,254**	**7,584**	**8,924**	**9,377**	**10,451**	**11,907**	**11,862**	**12,341**	**33,139**	**46,561**	**10,373**	**15%**
YoY Change (%)	38.5	46.3	47.2	33.8	44.1	57.0	32.9	31.6	41.1	40.5	36.8	
Total Expenditure	5,186	5,123	5,848	6,166	6,880	7,833	7,829	8,145	22,322	30,687	6,898	
Gross Margin (%)	57.6%	58.7%	58.8%	58.6%	57.0%	56.9%	55.0%	55.0%	58.5%	55.9%	58.0%	
EBITDA	**2,068**	**2,462**	**3,076**	**3,212**	**3,571**	**4,075**	**4,033**	**4,196**	**10,817**	**15,874**	**3,475**	**17%**
Margin (%)	28.5	32.5	34.5	34.2	34.2	34.2	34.0	34.0	32.6	34.1	33.5	
Depreciation	352	366	362	412	417	428	500	530	1,492	1,875	430	
Interest	304	303	283	289	321	287	350	360	1,179	1,318	340	
Other Income	139	182	156	176	351	156	167	188	653	862	195	
PBT before EO expense	**1,551**	**1,975**	**2,587**	**2,686**	**3,184**	**3,516**	**3,350**	**3,494**	**8,799**	**13,543**	**2,900**	
Extra-Ord. expense	0	0	205	-137	0	0	0	0	68	0	0	
PBT	**1,551**	**1,975**	**2,383**	**2,823**	**3,184**	**3,516**	**3,350**	**3,494**	**8,732**	**13,543**	**2,900**	
Tax	379	491	529	697	751	823	843	879	2,096	3,296	730	
Rate (%)	24.5	24.9	22.2	24.7	23.6	23.4	25.2	25.2	24.0	24.3	25.2	
Reported PAT	**1,172**	**1,484**	**1,854**	**2,126**	**2,433**	**2,692**	**2,507**	**2,615**	**6,636**	**10,247**	**2,170**	
Adj. PAT	**1,172**	**1,484**	**2,008**	**2,023**	**2,433**	**2,692**	**2,507**	**2,615**	**6,686**	**10,247**	**2,170**	**24%**
YoY Change (%)	128.9	152.2	140.1	112.9	107.6	81.5	24.9	29.3	131.7	53.3	46.3	
Margin (%)	16.2	19.6	22.5	21.6	23.3	22.6	21.1	21.2	20.2	22.0	20.9	

Exhibit 1: One-year forward P/E trend

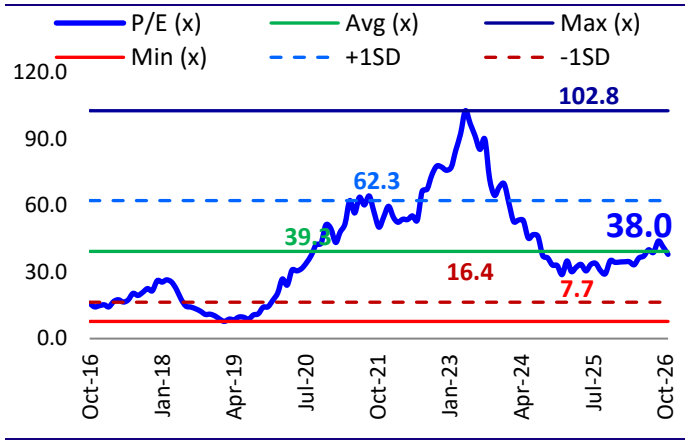
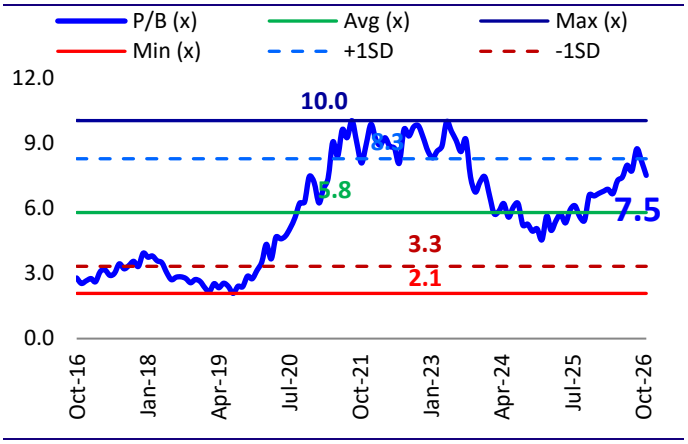


Exhibit 2: One-year forward P/B trend



Story in charts – 2QFY27

Exhibit 3: Sales increased 57% YoY

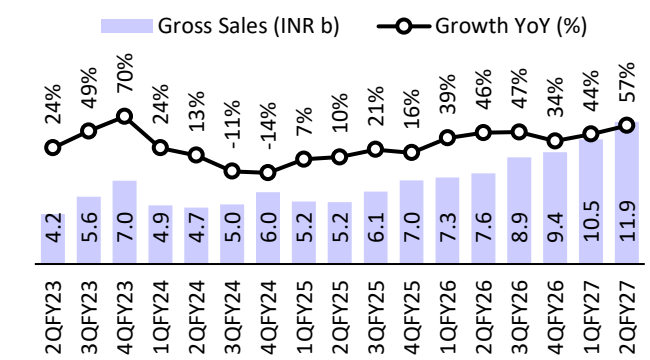


Exhibit 4: Margin trend

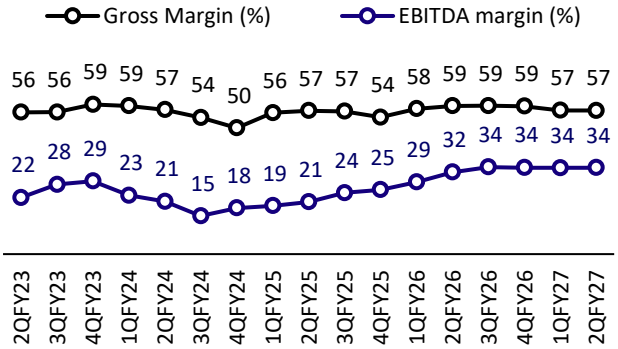


Exhibit 5: EBITDA rose 66% YoY

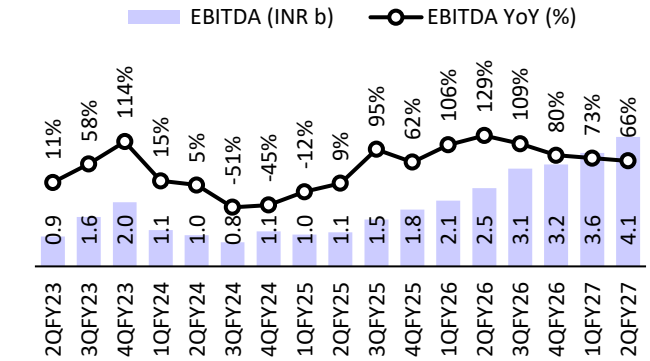


Exhibit 6: Adjusted PAT trend

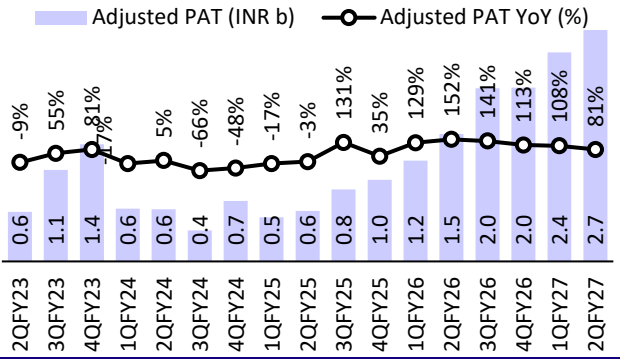


Exhibit 7: Specialty Chemicals revenue increased 58% YoY

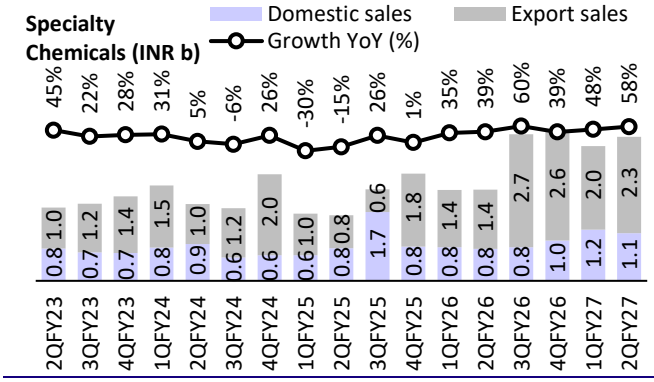


Exhibit 8: CDMO revenue increased 78% YoY

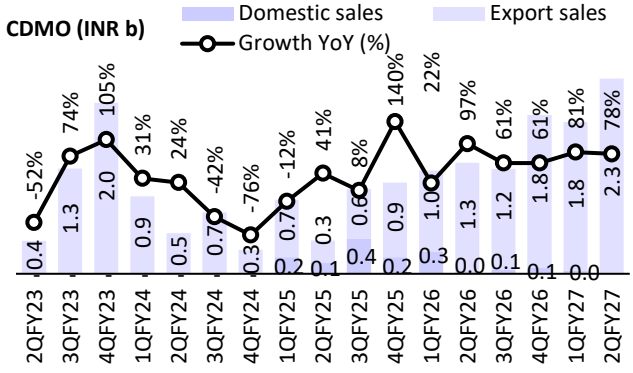
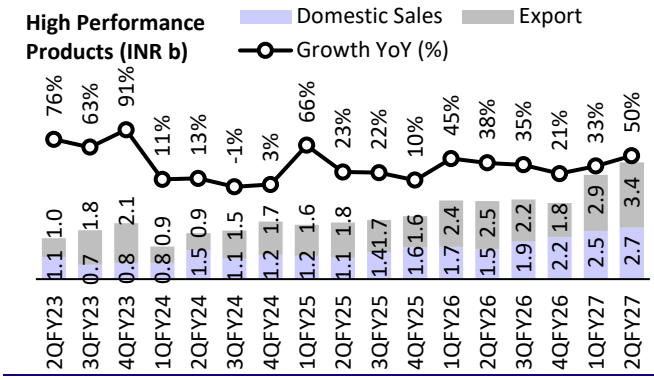
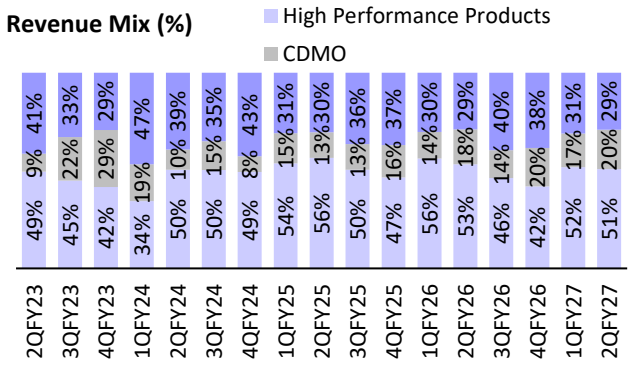


Exhibit 9: HPP sales increased 50% YoY



Source: Company, MOFSL

Exhibit 10: Revenue mix for the quarter



Source: Company, MOFSL

Management concall highlights

Specialty Chemicals

- Exports accounted for 67% of segment revenue.
- The business continued to see healthy growth, supported by strong order visibility for 2HFY27 and beyond and a product pipeline scaling up across existing and new molecules.
- The business has reached the quarterly run rate of ~INR3.5b that management had guided over the last three quarters.
- Debottlenecking of the multi-purpose plant (MPP) at Dahej was commissioned in Sept'26. Its contribution is not yet reflected in the numbers.
- The company is extracting more from its current assets by mapping more products into its plants and minimizing process steps. This allows more campaigns in the same plants.
- The five new molecules are contributing to growth, with campaign orders in place until the end of the year and beyond.

CDMO

- Exports accounted for 97% of segment revenue.
- The business is on track to reach its target of USD100m in order book visibility by FY27. Growth came from the base business with Fermion and from new qualification campaigns.
- Engagement with the European CDMO major continues to deepen, supported by increasing demand for an existing molecule, and the company has received a qualification purchase order.
- Phase 2 of the current good manufacturing practice facility 4 (cGMP4), with capex of INR1.25b, is on track to become operational by end-4QFY27.
- Phases 1 and 2 are both dedicated to Fermion. Management stated its combined peak annual revenue potential of ~INR9–10b by FY29.
- Infrastructure for future phases is being built, allowing the company to move quickly to cGMP5. Management will trigger cGMP5 once utilization reaches 70–80%.
- Two pipeline molecules made encouraging progress. One received regulatory approval in China and is on a fast track for US Food and Drug Administration approval. The other relates to a potential label expansion of darolutamide.

HPP

- Exports accounted for 56% of segment revenue.
- Revenue growth was driven by higher volumes and improved realizations. Hydrofluorocarbon (HFC) pricing remained firm, with realizations improving QoQ.
- The hydrofluoroolefin (HFO) business supplied to Solstice Advanced Materials also contributed to sequential growth.
- The anhydrous hydrogen fluoride facility is still ramping up. Merchant sales of hydrogen fluoride are well above initial expectations.
- The additional HFC capacity of up to 15,000 metric tons per annum of R32 is on track for commissioning shortly. It has a capex of INR2.4b and peak revenue

potential of INR6.0–8.3b per annum. Management expects some incremental contribution toward the end of 3QFY27, with full ramp-up likely in 4QFY27.

- The HFO supply contract with Solstice Advanced Materials has been extended by four years to Dec'32, making it an 11-year contract. The extension adds ~USD180m of revenue potential and takes the total contract value to ~USD590m.
- Management said the extension protects the base business beyond FY28 on the same asset base. Since the contract follows a pass-through pricing mechanism and guarantees larger volumes than before, management cautioned against deriving an average annual run rate from it.
- The extension does not restrict the company's own HFO development, which will be pursued in non-conflicting applications through partnership or product models.
- Management expects HFO pricing to remain at a premium, as each HFO serves a distinct application and global HFO capacity is only ~10% of global refrigerant demand by tonnage.

Advanced materials

- The company is incubating an advanced materials vertical focused on data centers, electronics, defense, and semiconductors. Management expects it to contribute ~10–15% of the company's expanded revenue base by 2030.
- The adoption capacities, with capex of INR900m, are expected to be completed by 2QFY28.
- The Chemours project is targeted for completion by end-3QFY27 (vs. end-2QFY27 earlier). It has capex of INR1.2b, of which 35% is funded by the customer, and purchase orders are in place for delivery in 4QFY27.
- Management said the delay was a conscious choice to select the right process route for the initial capacity. This will allow faster scale-up of the larger capacity if demand emerges.
- Management expects to take about 15 months after commissioning to assess market adoption and decide on further capex.
- The Defence Research and Development Organisation project for a critical defense material is progressing on schedule. As the molecule has dual use, the company will pursue the pharmaceutical application earlier.

Outlook

- Management expects FY27 EBITDA margin to remain in the same range as H1FY27. Its long-term EBITDA margin guidance of 30% remains unchanged.
- Growth through FY28 is largely secured by the current capex, with cGMP4 contributing into FY29. Further projects will be announced as they clear stage-gate approvals.

Others

- Forex tailwinds and pricing actions largely offset higher sourcing costs, while operating leverage and efficiency initiatives helped protect EBITDA.
- Hydrogen fluoride prices have risen, but input costs such as sulphur and gas have also increased. Management said the 34% EBITDA margin reflects efficiency improvements, not pricing alone.

- FY27 capex is expected at ~INR7b, at the lower end of the INR7–10b annual framework. Of this, ~INR3.0–3.1b was spent in 1HFY27.
- Net operating working capital stood at 72 days, within the company's framework of 70–75 days.
- The company is investing INR157m in a special purpose vehicle for 14.9MW of hybrid power capacity. The project will meet over 60% of energy needs from renewable sources.

Exhibit 11: Summary of our revised estimates

Particulars	Revised		Previous		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue (INR m)	46,561	56,589	44,286	53,480	5%	6%
EBITDA (INR m)	15,874	18,821	14,943	17,371	6%	8%
PAT (INR m)	10,247	12,105	9,476	10,979	8%	10%
EPS (INR)	199.9	236.2	184.9	214.2	8%	10%

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Total Income from Operations	**11,331**	**14,534**	**20,774**	**20,650**	**23,494**	**33,139**	**46,561**	**56,589**
Change (%)	10.8	28.3	42.9	-0.6	13.8	41.1	40.5	21.5
Gross Margin (%)	54.9	54.2	56.9	54.7	55.8	58.5	55.9	56.9
EBITDA	**3,108**	**3,548**	**5,503**	**3,983**	**5,337**	**10,817**	**15,874**	**18,821**
Margin (%)	27.4	24.4	26.5	19.3	22.7	32.6	34.1	33.3
Depreciation	407	479	626	962	1,194	1,492	1,875	2,210
EBIT	**2,702**	**3,069**	**4,877**	**3,021**	**4,143**	**9,325**	**14,000**	**16,611**
Int. and Finance Charges	14	19	275	746	779	1,179	1,318	1,452
Other Income	745	392	357	559	437	653	862	1,017
PBT bef. EO Exp.	**3,433**	**3,442**	**4,959**	**2,834**	**3,801**	**8,799**	**13,543**	**16,176**
EO Items	662	0	0	521	0	-68	0	0
PBT after EO Exp.	**4,095**	**3,442**	**4,959**	**3,355**	**3,801**	**8,732**	**13,543**	**16,176**
Total Tax	1,103	812	1,207	650	915	2,096	3,296	4,071
Tax Rate (%)	26.9	23.6	24.3	19.4	24.1	24.0	24.3	25.2
Reported PAT	**2,992**	**2,631**	**3,752**	**2,705**	**2,886**	**6,635.6**	**10,247**	**12,105**
Adjusted PAT	**2,508**	**2,631**	**3,752**	**2,285**	**2,886**	**6,687**	**10,247**	**12,105**
Change (%)	-37.3	4.9	42.6	-39.1	26.3	131.7	53.2	18.1
Margin (%)	22.1	18.1	18.1	11.1	12.3	20.2	22.0	21.4

Consolidated - Balance Sheet								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	99	99	99	99	99	103	103	103
Total Reserves	16,402	18,343	21,750	23,728	26,163	39,643	47,782	57,397
Net Worth	**16,501**	**18,442**	**21,850**	**23,827**	**26,262**	**39,746**	**47,885**	**57,499**
Total Loans	0	1,000	8,487	13,399	14,407	12,264	12,877	13,521
Deferred Tax Liabilities	167	201	348	643	754	1,369	1,369	1,369
Capital Employed	**16,668**	**19,644**	**30,684**	**37,869**	**41,424**	**53,378**	**62,130**	**72,389**
Gross Block	4,937	5,714	17,629	20,890	30,712	38,089	43,670	52,399
Less: Accum. Deprn.	1,459	1,938	2,565	3,526	4,721	6,213	8,087	10,297
Net Fixed Assets	**3,478**	**3,776**	**15,065**	**17,363**	**25,992**	**31,877**	**35,583**	**42,102**
Capital WIP	365	7,421	2,786	7,111	3,498	1,433	4,537	5,157
Total Investments	**4,503**	**1,181**	**955**	**5,453**	**5,293**	**12,773**	**12,773**	**12,773**
Curr. Assets, Loans, and Adv.	**10,319**	**11,477**	**15,610**	**12,964**	**12,644**	**16,832**	**22,831**	**29,177**
Inventory	1,543	2,575	4,681	3,717	3,224	4,456	6,125	7,539
Account Receivables	2,759	3,577	5,615	5,125	5,824	7,518	10,563	12,838
Cash and Bank Balance	3,889	902	348	276	405	970	2,255	4,913
Loans and Advances	2,128	4,423	4,966	3,847	3,190	3,888	3,888	3,888
Curr. Liability and Prov.	**1,998**	**4,211**	**4,609**	**5,900**	**6,880**	**10,413**	**14,470**	**17,699**
Account Payables	1,027	141	2,435	3,025	3,270	5,293	7,276	8,955
Other Current Liabilities	824	3,879	1,944	2,569	3,342	4,956	6,963	8,462
Provisions	147	191	231	306	269	165	232	282
Net Current Assets	**8,322**	**7,266**	**11,001**	**7,064**	**5,764**	**6,418**	**8,361**	**11,479**
Appl. of Funds	**16,668**	**19,644**	**30,684**	**37,869**	**41,424**	**53,378**	**62,130**	**72,389**

Financials and valuations

Ratios								
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Basic (INR)								
EPS	**50.7**	**53.1**	**75.7**	**46.1**	**58.2**	**130.5**	**199.9**	**236.2**
EPS Growth (%)	**-37.3**	**4.7**	**42.6**	**-39.1**	**26.2**	**124.2**	**53.2**	**18.1**
Cash EPS	58.9	62.8	88.4	65.5	82.3	159.6	236.5	279.3
BV/Share	333.5	372.2	441.0	480.9	529.5	775.5	934.3	1,121.9
DPS	11.0	11.0	12.0	15.0	12.0	26.6	41.1	48.6
Payout (%)	18.2	20.7	15.8	27.4	20.6	20.6	20.6	20.6
Valuation (x)								
P/E	171.2	163.5	114.6	188.2	149.2	66.5	43.4	36.7
Cash P/E	147.3	138.3	98.2	132.5	105.5	54.4	36.7	31.1
P/BV	26.0	23.3	19.7	18.1	16.4	11.2	9.3	7.7
EV/Sales	37.6	29.6	21.1	21.5	18.9	13.8	9.8	8.0
EV/EBITDA	136.9	121.2	79.6	111.3	83.3	42.2	28.7	24.1
Dividend Yield (%)	0.1	0.1	0.1	0.2	0.1	0.3	0.5	0.6
FCF per share	52.1	-101.1	-165.3	14.5	0.9	78.9	80.0	116.2
Return Ratios (%)								
RoE	16.5	15.1	18.6	10.0	11.5	20.3	23.4	23.0
RoCE	16.4	14.6	15.7	8.4	8.8	16.0	19.5	19.6
RoIC	25.3	26.0	20.1	9.4	11.0	20.1	26.2	27.0
Working Capital Ratios								
Fixed Asset Turnover (x)	3.2	4.0	2.2	1.3	1.1	1.1	1.4	1.5
Asset Turnover (x)	0.7	0.7	0.7	0.5	0.6	0.6	0.7	0.8
Inventory (Days)	50	65	82	66	50	49	48	49
Debtor (Days)	89	90	99	91	90	83	83	83
Creditor (Days)	33	4	43	53	51	58	57	58
Leverage Ratio (x)								
Current Ratio	5.2	2.7	3.4	2.2	1.8	1.6	1.6	1.6
Net Debt/Equity ratio	-0.2	0.0	0.4	0.6	0.5	0.3	0.2	0.1

Consolidated - Cash Flow Statement								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
OP/(Loss) before Tax	4,095	3,442	4,959	3,355	3,801	8,732	13,543	16,176
Depreciation	407	479	626	962	1,194	1,492	1,875	2,210
Others	-1,054	-289	184	-86	560	684	1,318	1,452
Direct Taxes Paid	-186	-781	-1,098	-343	-780	-1,591	-3,296	-4,071
(Inc.)/Dec. in WC	-305	-2,104	-5,308	3,611	933	-382	-657	-460
CF from Operations	**2,958**	**748**	**-636**	**7,499**	**5,708**	**8,936**	**12,783**	**15,307**
Capex	-382	-5,758	-7,555	-6,783	-5,665	-4,891	-8,684	-9,350
Free Cash Flow	**2,576**	**-5,011**	**-8,191**	**717**	**43**	**4,044**	**4,098**	**5,957**
Change in Investments	-914	3,757	799	-4,313	402	-7,628	0	0
CF from Investments	**-3,452**	**-1,724**	**-6,556**	**-10,936**	**-5,110**	**-12,349**	**-8,684**	**-9,350**
Inc./(Dec.) in Debt	0	1,020	7,442	4,913	1,014	-2,140	613	644
Interest Paid	-14	-19	-275	-746	-786	-1,056	-1,318	-1,452
Dividend Paid	-394	-542	-543	-743	-595	-680	-2,108	-2,491
CF from Fin. Activity	**-437**	**415**	**6,579**	**3,358**	**-467**	**3,442**	**-2,811**	**-3,299**
Inc./Dec. in Cash	**-931**	**-561**	**-613**	**-78**	**131**	**29**	**1,287**	**2,658**
Opening Balance	1,692	760	758	144	66	197	226	1,512
Closing Balance	**760**	**758**	**144**	**66**	**197**	**226**	**1,512**	**4,170**

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BUY	>=15%
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NEUTRAL	< - 10 % to 15%
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