Navin Fluorine International (NFIL IN)

Rating: ACCUMULATE | CMP: Rs5,198 | TP: Rs5,559

July 31, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	5,559		5,556	
Sales (Rs. m)	29,104	35,369	29,104	35,369
% Chng.	-	-		
EBITDA (Rs. m)	7,505	9,326	7,359	9,157
% Chng.	2.0	1.8		
EPS (Rs.)	84.7	108.9	84.1	108.8
% Chng.	0.7	-		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	20,650	23,494	29,104	35,369
EBITDA (Rs. m)	3,983	5,337	7,505	9,326
Margin (%)	19.3	22.7	25.8	26.4
PAT (Rs. m)	2,184	2,886	4,202	5,401
EPS (Rs.)	44.1	58.2	84.7	108.9
Gr. (%)	(41.8)	32.0	45.6	28.5
DPS (Rs.)	12.0	12.0	17.4	22.4
Yield (%)	0.2	0.2	0.3	0.4
RoE (%)	9.6	11.5	15.0	17.0
RoCE (%)	8.9	10.6	12.9	14.4
EV/Sales (x)	13.1	11.6	9.5	7.8
EV/EBITDA (x)	68.0	50.9	37.0	29.7
PE (x)	117.9	89.3	61.4	47.7
P/BV (x)	10.8	9.8	8.7	7.6

Key Data	**NAFL.BO | NFIL IN**
52-W High / Low	Rs.5,245 / Rs.3,160
Sensex / Nifty	81,482 / 24,855
Market Cap	Rs.266bn/ $ 3,044m
Shares Outstanding	51m
3M Avg. Daily Value	Rs.709.55m

Shareholding Pattern (%)

Promoter's	27.14
Foreign	21.98
Domestic Institution	29.88
Public & Others	21.00
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	7.8	33.0	37.8
Relative	10.7	25.3	37.8

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Strong order visibility going ahead

Quick Pointers:

- AHF and cGMP4 Phase 1 plants expected to be commissioned in Q2FY26 and Q3FY26, respectively
- R32 plant commercialized in Mar' 25, running at optimum utilization

Navin Fluorine International (NFIL) reported its highest-ever quarterly revenue at Rs7.3bn, up 38.5% YoY and 3.5% QoQ, broadly in line with our estimates. Growth was primarily driven by exceptional performance in the High-Performance Products (HPP) segment, which registered a robust 44.8% YoY increase, supported by strong demand and better realizations for refrigerants. The newly commissioned R32 plant is already operating at optimal utilization. The Specialty Chemicals segment delivered a solid 35.2% YoY growth. Supplies of 3 new molecules are expected to commence from Q2FY26, which should further boost revenue from this segment. Meanwhile, the fluoro specialty unit, operational since Dec'24, is expected to contribute meaningfully in FY26. The CDMO segment grew 23% YoY, with 97% of the revenue coming from exports. Backed by a strong order book for CY25, this segment is well-poised for robust growth, and the management has reiterated its revenue guidance of USD100mn by FY27. We remain positive on NFIL's long-term outlook. A strong order pipeline, ongoing capacity expansion, and improved realizations are expected to be key growth drivers going forward. The stock is currently trading at 48x FY27E EPS of Rs109. We value the company at 51x FY27 EPS to arrive at TP of Rs5,559. We maintain 'Accumulate' on the stock.

- **HPP/Specialty see 45%/35% YoY revenue growth:** Consolidated revenue stood at Rs7.25bn (38.5% YoY/ 3.5% QoQ; PLe: Rs7.5bn, Consensus: Rs7.4bn); actual topline was in line with our estimates. The HPP and Specialty Chemicals segments saw a revenue increase of 45% and 35%, respectively, while the CDMO segment witnessed 22% growth in revenue. Gross profit margin was at 57.6% (vs. 56% in Q1FY25 and 54.2% in Q4FY25), improved by 340bps QoQ and 106bps YoY, driven by lower raw material cost and higher realizations.

- **EBITDAM improves 420bps YoY**: EBITDA stood at Rs2bn, up 106.1% YoY/ 15.7% QoQ (PLe: Rs2bn, Consensus: Rs1.9bn). EBITDA margin came in at 28.5% (vs. 19.2% in Q1FY25 and 25.5% in Q4FY25). Reported PAT at Rs1.17bn increased by 129% YoY and 23.3% QoQ. PAT margin was at 16% vs 10% in Q1FY25 and 14% in Q4FY25.

- **Concall takeaways: (1)** QIP of Rs7.5bn completed during Q1FY26. **(2)** Expect EBITDAM at ~25% going forward on consolidated basis. **(3)** Capex may expand to Rs7-10bn in FY26. **(4)** AHF plant with capex of Rs4.5bn to be commissioned by the end of Q2FY26. **(5)** cGMP4 plant for capex of Rs2.88bn, Phase 1 with an outlay of Rs1.6bn, to be commissioned by the end of Q3FY26. **(6)** New R32 plant operating at optimum level; sales of R32 increased. **(7)** Refrigerants growth driven by increased demand and higher realizations. **(8)** Buss Chemtech tie-up: focus will be on electronic grade AHF; detailed engineering work underway. **(9)** In Specialty Chemicals, supply of 3 new molecules to start in Q2FY26. **(10)** Fluoro specialty at Dahej, which started in Dec'24, is expected to contribute meaningfully in FY26. **(11)** Partnership with Chemours and foray into high-growth advanced material progressing well; commercial production expected by Q1FY27. **(12)** Dahej plant operated at 70% during Q1FY26**. (13)** Strong order book visibility for FY26 in the CDMO segment, including order visibility from Fermion**. (14)** In the CDMO segment, a large order is expected in Q2FY26 from another major European customer**. (15)** The company has partnered with a global pharmaceutical company to work on late-stage products.

Exhibit 1: Q1FY26 Result Overview (Rs mn) (Consolidated)

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	**7,254**	**5,237**	***38.5***	**7,494**	***(3.2)***	**7,009**	***3.5***	**29,104**	**23,494**	***23.9***
Gross Profit	4,177	2,933	*42.4*	4,193	*(0.4)*	3,799	*10.0*	16,735	13,108	*27.7*
Margin (%)	*57.6%*	*56.0%*		*56.0%*		*54.2%*		*57.5%*	*55.8%*	
EBITDA	**2,068**	**1,004**	***106.1***	**2,001**	***3.3***	**1,787**	***15.7***	**7,505**	**5,337**	***40.6***
Margin (%)	*28.5%*	*19.2%*		*26.7%*		*25.5%*		*25.8%*	*22.7%*	
Other Income	139	103		146		118		582	437	
Depreciation	352	267	*31.9*	403	*(12.5)*	353	*(0.1)*	1,661	1,194	*39.1*
EBIT	**1,855**	**839**	***121.0***	**1,744**	***6.3***	**1,553**	***19.4***	**6,426**	**4,580**	***40.3***
Interest	304	156	*94.6*	219	*38.7*	282	*7.6*	934	779	*19.8*
PBT before exceptional items	**1,551**	**683**	***127.1***	**1,525**	***1.7***	**1,271**	***22.1***	**5,492**	**3,801**	***44.5***
Total Tax	379	171	*121.9*	385	*(1.3)*	320	*18.4*	1291	915	*41.1*
ETR (%)	*24.5%*	*25.0%*		*25.2%*		*25.2%*		*23.5%*	*24.1%*	
Adj. PAT	**1,172**	**512**	***128.8***	**1,141**	***2.7***	**950**	***23.3***	**4,202**	**2,886**	***45.6***
Exceptional Items	0	0		0		0		0	0	
PAT	**1,172**	**512**	***128.8***	**1,141**	***2.7***	**950**	***23.3***	**4,202**	**2,886**	***45.6***

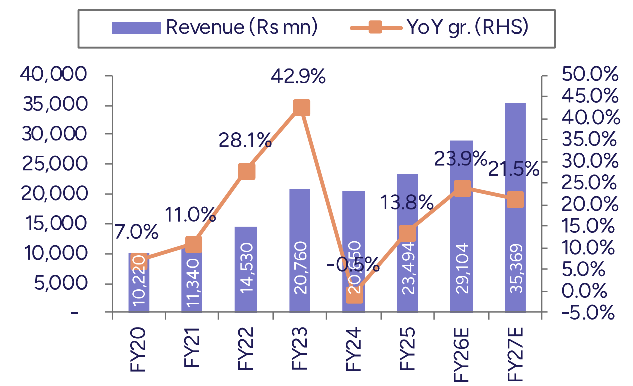
Source: Company, PL

Exhibit 2: Segmental Details (Rs mn) (Consolidated)

Segment Details	Q1FY26	Q1FY25	YoY gr.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
HPP	4,070	2,810	*44.8%*	3,260	*24.8%*	13,954	12,060	*15.7%*
CDMO	990	810	*22.2%*	1,150	*-13.9%*	10,004	3,430	*191.7%*
Specialty Chemicals	2,190	1,620	*35.2%*	2,590	*-15.4%*	5,145	8,000	*-35.7%*
Total Sales	**7,250**	**5,240**	***38.4%***	**7,000**	***3.6%***	**29,104**	**23,490**	***23.9%***

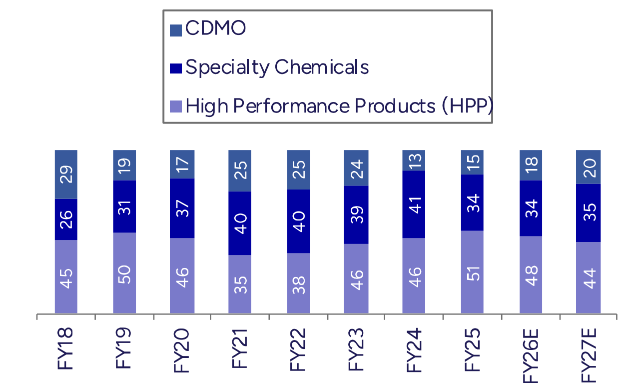
Source: Company, PL

Exhibit 3: Revenue to grow at 23% CAGR over FY25-27E



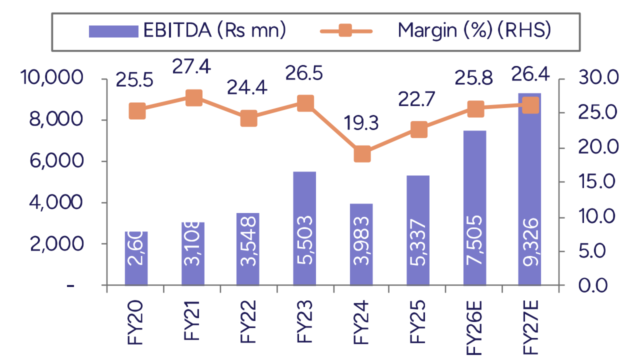
Source: Company, PL

Exhibit 4: Revenue mix (%)



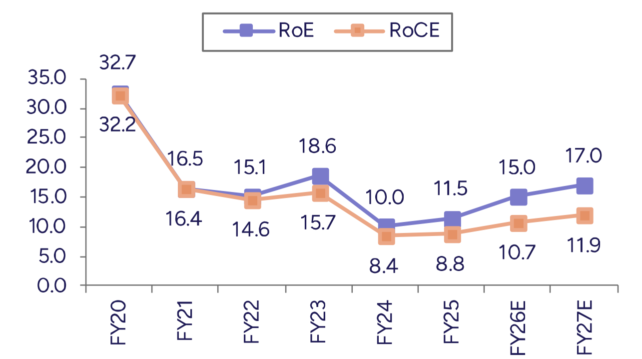
Source: Company, PL

Exhibit 5: Margins to rise with high value-added mix



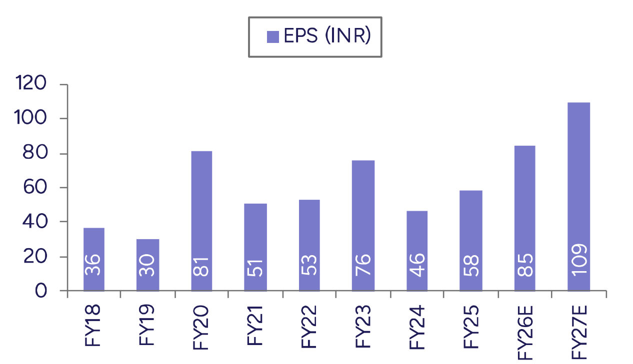
Source: Company, PL

Exhibit 6: Return ratios to rise, despite the huge capex



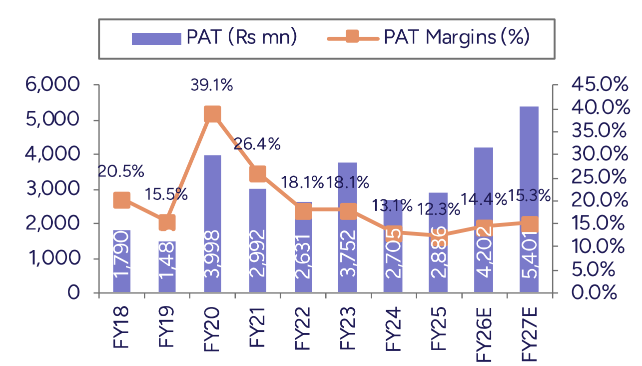
Source: Company, PL

Exhibit 7: EPS to reach Rs109 by FY27E



Source: Company, PL

Exhibit 8: PAT margin to be at 15% in FY27E



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	**20,650**	**23,494**	**29,104**	**35,369**
YoY gr. (%)	*(0.6)*	*13.8*	*23.9*	*21.5*
Cost of Goods Sold	9,354	10,386	12,369	14,961
Gross Profit	11,296	13,108	16,735	20,408
Margin (%)	*54.7*	*55.8*	*57.5*	*57.7*
Employee Cost	2,858	2,967	3,263	3,655
Other Expenses	4,455	4,804	5,966	7,428
EBITDA	**3,983**	**5,337**	**7,505**	**9,326**
YoY gr. (%)	*(27.6)*	*34.0*	*40.6*	*24.3*
Margin (%)	*19.3*	*22.7*	*25.8*	*26.4*
Depreciation and Amortization	962	1,194	1,661	1,911
EBIT	**3,021**	**4,143**	**5,844**	**7,414**
Margin (%)	*14.6*	*17.6*	*20.1*	*21.0*
Net Interest	746	779	934	1,062
Other Income	559	437	582	707
Profit Before Tax	**2,834**	**3,801**	**5,492**	**7,060**
Margin (%)	*13.7*	*16.2*	*18.9*	*20.0*
Total Tax	650	915	1,291	1,659
Effective tax rate (%)	*22.9*	*24.1*	*23.5*	*23.5*
Profit after tax	**2,184**	**2,886**	**4,202**	**5,401**
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**2,184**	**2,886**	**4,202**	**5,401**
YoY gr. (%)	*(41.8)*	*32.2*	*45.6*	*28.5*
Margin (%)	*10.6*	*12.3*	*14.4*	*15.3*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**2,184**	**2,886**	**4,202**	**5,401**
YoY gr. (%)	*(41.8)*	*32.2*	*45.6*	*28.5*
Margin (%)	*10.6*	*12.3*	*14.4*	*15.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,184	2,886	4,202	5,401
Equity Shares O/s (m)	**50**	**50**	**50**	**50**
EPS (Rs)	**44.1**	**58.2**	**84.7**	**108.9**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	**20,381**	**30,225**	**36,225**	**40,225**
Tangibles	20,381	30,225	36,225	40,225
Intangibles	-	-	-	-
Acc: Dep / Amortization	**3,526**	**4,721**	**6,382**	**8,293**
Tangibles	3,526	4,721	6,382	8,293
Intangibles	-	-	-	-
Net fixed assets	**16,854**	**25,505**	**29,843**	**31,932**
Tangibles	16,854	25,505	29,843	31,932
Intangibles	-	-	-	-
Capital Work In Progress	7,111	3,498	3,498	3,498
Goodwill	-	-	-	-
Non-Current Investments	4,948	4,799	4,799	4,799
Net Deferred tax assets	(643)	(754)	(754)	(754)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	3,717	3,224	3,835	4,625
Trade receivables	5,125	5,824	7,894	9,593
Cash & Bank Balance	275	405	670	458
Other Current Assets	5,740	5,048	5,048	5,048
Total Assets	**43,770**	**48,304**	**55,588**	**59,954**
Equity				
Equity Share Capital	99	99	99	99
Other Equity	23,728	26,163	29,500	33,790
Total Networth	**23,827**	**26,262**	**29,599**	**33,889**
Non-Current Liabilities				
Long Term borrowings	13,399	14,407	20,170	19,162
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	441	3,270	592	714
Other current liabilities	5,459	3,611	4,473	5,435
Total Equity & Liabilities	**43,770**	**48,304**	**55,588**	**59,954**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	3,355	3,801	5,492	7,060
Add. Depreciation	962	1,194	1,661	1,911
Add. Interest	746	779	934	1,062
Less Financial Other Income	559	437	582	707
Add. Other	(787)	8	-	-
Op. profit before WC changes	4,276	5,783	8,087	10,033
Net Changes-WC	3,610	933	(4,497)	(1,404)
Direct tax	(343)	(780)	(1,291)	(1,659)
Net cash from Op. activities	**7,543**	**5,935**	**2,300**	**6,970**
Capital expenditures	(7,324)	(5,611)	(6,000)	(4,000)
Interest / Dividend Income	33	17	-	-
Others	(3,643)	484	-	-
Net Cash from Invt. activities	**(10,935)**	**(5,111)**	**(6,000)**	**(4,000)**
Issue of share cap. / premium	-	-	-	-
Debt changes	4,913	1,014	5,763	(1,009)
Dividend paid	(745)	(595)	(864)	(1,111)
Interest paid	(746)	(786)	(934)	(1,062)
Others	-	-	-	-
Net cash from Fin. activities	**3,422**	**(366)**	**3,965**	**(3,182)**
Net change in cash	**31**	**458**	**265**	**(212)**
Free Cash Flow	220	324	(3,700)	2,970

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	**5,186**	**6,062**	**7,009**	**7,254**
YoY gr. (%)	*9.9*	*20.8*	*16.4*	*38.5*
Raw Material Expenses	2,240	2,632	3,211	3,077
Gross Profit	2,946	3,430	3,799	4,177
Margin (%)	*56.8*	*56.6*	*54.2*	*57.6*
EBITDA	**1,074**	**1,473**	**1,787**	**2,068**
YoY gr. (%)	*9.2*	*94.7*	*62.4*	*106.1*
Margin (%)	*20.7*	*24.3*	*25.5*	*28.5*
Depreciation / Depletion	279	296	353	352
EBIT	**795**	**1,178**	**1,435**	**1,716**
Margin (%)	*15.3*	*19.4*	*20.5*	*23.6*
Net Interest	139	202	282	304
Other Income	112	105	118	139
Profit before Tax	**768**	**1,080**	**1,271**	**1,551**
Margin (%)	*14.8*	*17.8*	*18.1*	*21.4*
Total Tax	179	244	320	379
Effective tax rate (%)	*23.4*	*22.6*	*25.2*	*24.5*
Profit after Tax	**588**	**836**	**950**	**1,172**
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	**588**	**836**	**950**	**1,172**
YoY gr. (%)	*(2.9)*	*7.2*	*35.0*	*128.8*
Margin (%)	*11.3*	*13.8*	*13.6*	*16.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**588**	**836**	**950**	**1,172**
YoY gr. (%)	*(2.9)*	*7.2*	*35.0*	*128.8*
Margin (%)	*11.3*	*13.8*	*13.6*	*16.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**-**
Avg. Shares O/s (m)	50	50	50	50
EPS (Rs)	**11.8**	**16.7**	**19.0**	**23.4**

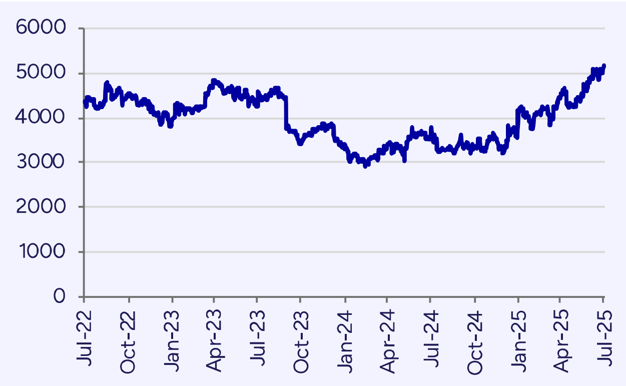
Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	44.1	58.2	84.7	108.9
CEPS	63.5	82.3	118.2	147.4
BVPS	480.9	529.5	596.8	683.2
FCF	4.4	6.5	(74.6)	59.9
DPS	12.0	12.0	17.4	22.4
Return Ratio(%)				
RoCE	8.9	10.6	12.9	14.4
ROIC	7.0	8.1	10.0	11.2
RoE	9.6	11.5	15.0	17.0
Balance Sheet				
Net Debt : Equity (x)	0.6	0.5	0.7	0.6
Net Working Capital (Days)	148	90	140	139
Valuation(x)				
PER	117.9	89.3	61.4	47.7
P/B	10.8	9.8	8.7	7.6
P/CEPS	81.9	63.2	44.0	35.3
EV/EBITDA	68.0	50.9	37.0	29.7
EV/Sales	13.1	11.6	9.5	7.8
Dividend Yield (%)	0.2	0.2	0.3	0.4

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jul-25	Accumulate	5,161	4,933
2	10-May-25	Accumulate	5,161	4,595
3	08-Apr-25	Accumulate	4,454	3,880
4	31-Jan-25	Accumulate	4,373	3,908
5	08-Jan-25	Accumulate	3,672	3,478
6	24-Oct-24	Accumulate	3,523	3,307
7	05-Oct-24	Accumulate	3,680	3,419

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	420	477
2	Bharat Petroleum Corporation	Reduce	311	332
3	Bharti Airtel	Accumulate	2,148	2,030
4	Clean Science and Technology	Hold	1,425	1,445
5	Deepak Nitrite	Reduce	1,799	1,963
6	Fine Organic Industries	BUY	5,440	5,269
7	GAIL (India)	Hold	180	181
8	Gujarat Fluorochemicals	Reduce	3,541	3,522
9	Gujarat Gas	Sell	404	499
10	Gujarat State Petronet	Hold	348	335
11	Hindustan Petroleum Corporation	Sell	360	437
12	Indian Oil Corporation	Reduce	138	148
13	Indraprastha Gas	Reduce	186	221
14	Jubilant Ingrevia	Hold	713	788
15	Laxmi Organic Industries	Reduce	179	196
16	Mahanagar Gas	Accumulate	1,559	1,483
17	Mangalore Refinery & Petrochemicals	Accumulate	152	139
18	Navin Fluorine International	Accumulate	5,161	4,933
19	NOCIL	Reduce	172	200
20	Oil & Natural Gas Corporation	Accumulate	284	241
21	Oil India	BUY	566	436
22	Petronet LNG	Hold	311	302
23	Reliance Industries	Accumulate	1,555	1,476
24	SRF	Hold	3,071	3,150
25	Vinati Organics	Accumulate	1,882	1,944

PL's Recommendation Nomenclature (Absolute Performance)

Buy	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Swarnendu Bhushan- IIT, MBA Finance, Mr. Saurabh Ahire- MBA, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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