

CMP: ₹ 6,240

Target: ₹ 7,250 (16%)

Target Period: 12 months

BUY

February 17, 2026

Firing on all cylinders; Focus on new capex...

About the stock: Navin Fluorine International Limited (NFIL) operates as one of the largest integrated fluorochemicals complexes in India with a presence in speciality chemicals, CDMO, and HPP (Refrigerants + Inorganic Fluoride + HPP).

- In Q3FY26, HPP (Refrigerants, Inorganic Fluorides) accounted for (46% of the revenues), followed by Speciality Chemicals, (40% of the revenues) and (14% of the revenues)
- Additional HFC capacity of R32 up to 15,000 tonnes p.a. is expected to get commissioned by Q3FY27.

Investment Rationale

- **Q3FY26- Strong performance across all parameters-** Navin Fluorine reported revenues of ₹892 crore, up 47% YoY. Segment wise, Speciality Chemicals (40% of the revenues) reported a growth of 60%, HPP (46% of the revenues) reported a growth of 35%, CDMO (14% of the revenues) grew 61% YoY on the back strong order book visibility. GPM stood at 58.8%, up ~220 bps YoY. EBITDA for the quarter stood at ₹308 crore, up 109% YoY, translating into margins of 34.5%, up ~1000 bps YoY. PAT for the quarter stood at ₹185.4 crore, up 122% YoY.
- **Earlier launches, initiatives bearing fruits; Strategic capacity additions on cards-** Specialty Chemicals growth was driven by scale-up supplies of new molecules, Nectar traction and optimum utilisation at the Fluorospecialty plant at Dahej. Going ahead, completion of Chemours project by Q1FY27 besides de-bottlenecking of MPP capacity at Dahej by Q3FY27 are key monitorable in Specialty Chemicals. HPP growth was driven by higher realizations (supportive pricing environment) and volumes. In HPP, it has already commissioned 40000 MTPA p.a. of Anhydrous Hydrogen Fluoride (AHF) plant, enabling entry into niche downstream fluorinated products through backward integration and supporting internal consumption for higher-value streams. Besides, the ongoing R32 capacity expansion from 9000 MTPA to 24000 MTPA (additional 15000 MTPA) is slated for commissioning in Q3 FY27, with peak revenue potential of ₹600–825 crore. The CDMO business delivered robust performance with encouraging FY26 commentary, maintaining strong momentum toward its aspirational US\$100 million revenue target by FY27, bolstered by full utilization of the cGMP4 dedicated block expected by end-FY27 amid solid demand from European customers. We believe the execution that the company demonstrated over the last many quarters is expected to get replicated with similar kind of intensity, thus improving the overall visibility. Accordingly, we have baked in Revenue/ EBITDA/PAT CAGR of 23% /23% /26% respectively during FY26E-28E. NFIL continues to remain a compelling play with performance visibility and execution track record.

Rating and Target Price

Our target price is ₹7,250 based on 26x FY28E EBITDA of ₹1,427.6 crore.

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	2 year CAGR (FY23-25)	FY26E	FY27E	FY28E	2 year CAGR (FY26-28E)
Net Revenue	2,077.4	2,065.0	2,349.4	6.3%	3,088.0	3,853.6	4,680.8	23.1%
EBITDA	550.3	398.3	533.7	-1.5%	941.8	1,194.6	1,427.6	23.1%
EBITDA Margins (%)	26.5%	19.3%	22.7%		30.5%	31.0%	30.5%	
Adj.PAT	375.2	218.4	288.6	-12.3%	562.9	719.0	891.9	25.9%
Adj. EPS (₹)	75.7	44.1	58.2		113.5	145.0	179.8	
EV/EBITDA	57.7x	79.8x	59.8x		34.5x	27.3x	22.5x	
P/E	82.4x	114.3x	107.3x		55.0x	43.0x	34.7x	
ROE (%)	17.2	9.2	11.0		18.0	19.0	19.3	
ROCE (%)	17.2	9.5	11.2		16.6	18.4	20.9	

Source: Company, ICICI Direct Research

N Navin Fluorine International Limited

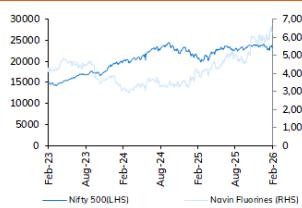
Particulars

Particular	Amount
Market cap (₹ Crore)	30,950
FY25 Total Debt (₹ Crore)	1,466
FY25 Cash & Inv (₹ Crore)	20
EV (₹ Crore)	32,397
52 Week H/L	6965/ 3566
Equity Capital (₹ Crore)	9.9
Face Value (₹)	2

Shareholding pattern

(in %)	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	28.4	28.0	27.1	27.1
FII	20.2	21.6	22.2	23.7
DII	30.0	28.7	29.6	28.1
Others	21.4	21.7	21.1	21.0

Price Chart



Key risks

- Lower than expected revenue growth in Fluro speciality business
- Delay in the offtake of new projects

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Q3FY26 Earnings Release / Conference call highlights

HPP- (Refrigerants + Inorganic Fluorides + HPP)

- The growth was driven by higher realizations in R-32. Moreover, the realizations are better in the export market compared to the domestic market.
- The management expects firm pricing environment going forward.
- The company has commissioned its AHF project in Q4FY26 and has commenced commercial supplies.
- The new R32 capex is on track for commissioning in Q3FY27 and has an annualized peak revenue potential of ₹600-825 crore.

Speciality Chemicals

- Specialty chemicals revenue grew by 60% YoY on the back of strong growth from Project Nectar and increased utilisation from other MPPs.
- The management highlighted that Agrochemicals outlook looks positive for FY27 as global agrochemical majors are projecting better volume growth. Moreover, NFIL acts as a technology partner with agro major's v/s a pure play transactional model which has helped the company in developing its foothold amongst the Agchem players.
- Capacity utilisation - MPP 1: optimum utilisation, MPP 2 – 70-80% (expected to reach optimum utilisation within a year), Project Nectar – 50% (NFIL is working to secure the other 50%).

CDMO:

- This segment reported a robust growth on the back of strong order book visibility for medium term. One scale up order will be executed in Q4FY26.
- Completed successful validation and started commercial supplies for an EU major which has strong visibility in upcoming 3 years.
- The company has maintained its guidance of achieving US\$ 100 mn in revenues by FY27.
- This business has a balanced portfolio with a mix of early and late-stage molecules. (More than one molecule scale-up expected during FY27)

Advanced Materials:

- The company is in early stages of evaluating projects in the advanced materials value chain where it will leverage its strengths through the backward integration in AHF to produce high grade chemicals (such as electronic grade HF, BF3 for semiconductor application). Moreover, the segment will be largely export driven.
- Semi-conductor mission 2.0 announced in Union Budget to be positive for NFIL as it focuses on ramping up Advanced Materials segment.

Margin Guidance

- The company achieved a margin expansion of ~1000 bps YoY on the back of portfolio diversification, improved realisations, operational efficiencies.
- Management raised the margin guidance to 30%+ for FY26 and beyond.

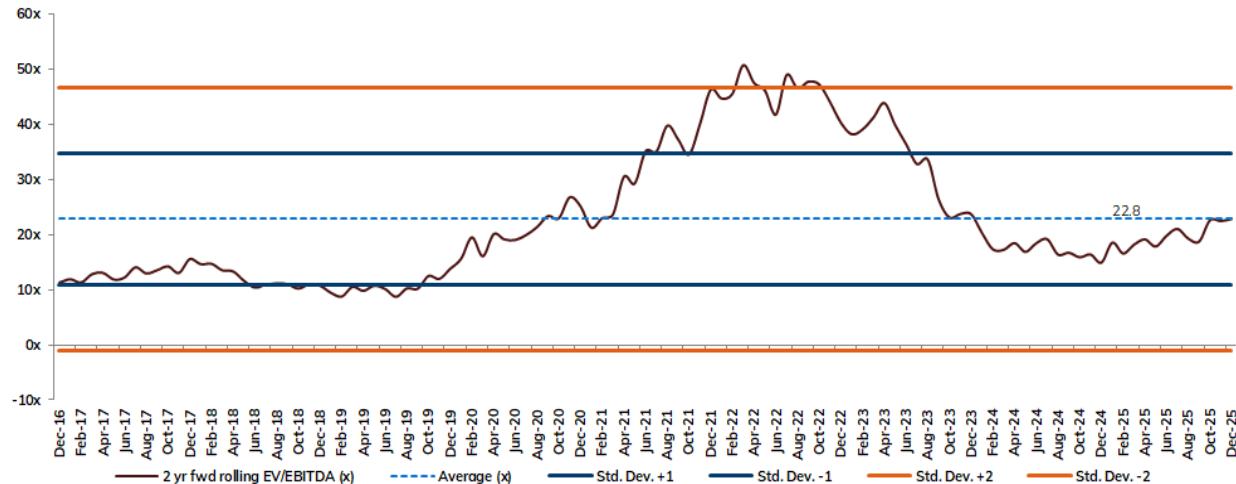
Exhibit 1: Ongoing Capex plans



Ongoing Capex's

	HFC	MPP	Advanced Materials
Capex Details	Additional HFC capacity equivalent upto 15,000 MTPA of R32	De-bottlenecking MPP capacity at Dahej to support launch of new molecule for a global innovator	Initial commercial capacity for manufacturing to enable adoption of innovative liquid cooling product
Capex Rational	Constructive global demand-supply environment driven by transition to low GWP gasses and increasing RAC and blends demand in India and export market	<ul style="list-style-type: none"> Strong projections received from global innovator to participate in their growth Purchase order received for CY26 	For expanding footprint in the emerging and innovative Advanced Materials products
Amount & Completion Date	<ul style="list-style-type: none"> Capex of Rs. 236.5 Crs to be funded by internal accruals. Project expected to be commissioned by Q3FY27 	<ul style="list-style-type: none"> Capex of Rs. 75 Crs to be funded by internal accruals. Targeted commissioning by Q3FY27 	<ul style="list-style-type: none"> Capex of Rs. 120 Crs, with 35 % funded by customer; balance through internal accruals Targeted commissioning by Q1FY27
Peak Revenue Potential	~ Rs. 600-825 Crs per annum	~ Rs. 140-160 Crs per annum	Under Confidentiality

Exhibit 2: 2 year forward EV/EBITDA band



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 1: Profit and loss statement

Year end March	FY24	FY25	FY26E	FY27E	FY28E
Total Operating Income	2,065.0	2,349.4	3,088.0	3,853.6	4,680.8
Growth (%)	-0.6	13.8	31.4	24.8	21.5
Raw Material Expenses	935.4	1,038.6	1,374.2	1,618.5	1,919.1
Employee Cost	285.8	296.7	401.4	501.0	608.5
Other Expenses	445.5	480.4	370.6	539.5	725.5
Total Operating Expenditure	1,666.7	1,815.7	2,146.2	2,659.0	3,253.2
EBITDA	398.3	533.7	941.8	1,194.6	1,427.6
Growth (%)	-27.6	34.0	76.5	26.8	19.5
Other Income	55.9	43.7	48.1	48.1	48.1
Depreciation	96.2	119.4	142.9	172.9	190.9
Net Interest Exp.	74.6	77.9	103.0	119.5	106.0
Other exceptional items	52.1	0.0	0.0	0.0	0.0
PBT	335.5	380.1	744.0	950.3	1,178.8
Total Tax	65.0	91.5	181.1	231.3	286.9
PAT	270.5	288.6	562.9	719.0	891.9
Adjusted PAT	218.4	288.6	562.9	719.0	891.9
Growth (%)	-41.8	32.2	95.1	27.7	24.0
Adjusted EPS (₹)	44.1	58.2	113.5	145.0	179.8

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet

Year end March	FY24	FY25	FY26E	FY27E	FY28E
Liabilities					
Equity Capital	9.9	9.9	9.9	9.9	9.9
Reserves & Surplus	2,372.8	2,616.3	3,119.7	3,779.2	4,611.6
Total Shareholders Funds	2,382.7	2,626.2	3,129.7	3,789.2	4,621.6
Minority Interest	0.0	0.0	0.0	0.0	0.0
Long Term Borrowings	1,040.2	1,066.6	1,416.6	1,416.6	1,116.6
Net Deferred Tax liability	64.3	75.4	75.4	75.4	75.4
Other long term liabilities	13.5	127.0	20.0	25.0	30.4
Long term provisions	18.5	20.4	22.4	28.0	34.0
Current Liabilities and Provisions					
Short term borrowings	328.3	399.8	549.8	599.8	399.8
Trade Payables	302.5	327.0	423.0	422.3	513.0
Other Current Liabilities	215.0	181.5	238.5	297.7	361.6
Short Term Provisions	12.1	6.5	11.8	14.8	17.9
Total Current Liabilities	857.9	914.7	1,223.1	1,334.5	1,292.2
Total Liabilities	4,377.0	4,830.4	5,887.3	6,668.7	7,170.2
Assets					
Net Block	1,736.3	2,599.2	3,456.1	3,783.2	3,992.3
Capital Work in Progress	711.1	349.8	200.0	200.0	200.0
Intangible assets under devl.	0.0	5.6	5.6	5.6	5.6
Goodwill on Consolidation	87.8	87.8	87.8	87.8	87.8
Non-current investments	8.8	8.1	8.1	8.1	8.1
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Long term loans and advances	0.3	0.2	0.5	0.6	0.7
Other Non Current Assets	279.6	190.9	236.1	282.4	332.5
Current Assets, Loans & Advances					
Current Investments	486.0	471.8	271.8	71.8	-128.2
Inventories	371.7	322.4	465.3	686.3	769.4
Sundry Debtors	512.5	582.4	761.4	950.2	1,025.9
Cash and Bank	6.6	19.7	141.5	277.0	492.5
Loans and Advances	0.6	0.1	0.1	0.1	0.1
Other Current assets	175.8	192.4	252.9	315.6	383.4
Current Assets	1,553.2	1,588.8	1,893.1	2,301.0	2,543.2
Total Assets	4,377.0	4,830.4	5,887.3	6,668.7	7,170.2

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement

Year end March	FY25	FY26E	FY27E	FY28E
PBT & Extraordinary	380.1	744.0	950.3	1,178.8
Add: Depreciation	119.4	142.9	172.9	190.9
After other adjustments				
(Inc) / Dec in Working Capital	93.3	-374.4	-447.0	-107.7
Taxes	-78.0	-181.1	-231.3	-286.9
Others	56.1	103.0	119.5	106.0
CF from operating activities	570.8	434.4	564.4	1,081.1
Purchase of Fixed Assets	-561.1	-850.0	-500.0	-400.0
Others	50.1	200.0	200.0	200.0
CF from investing activities	-511.1	-650.0	-300.0	-200.0
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	101.4	500.0	50.0	-500.0
Dividend paid & dividend tax	-59.5	-59.5	-59.5	-59.5
Others	-88.7	-103.0	-119.5	-106.0
CF from financing activities	-46.7	337.5	-129.0	-665.5
Net cash flow	13.0	121.9	135.4	215.6
Opening cash	6.6	19.7	141.5	277.0
Closing cash	19.7	141.5	277.0	492.5

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

Year end March	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
Adj. EPS	58.2	113.5	145.0	179.8
Adj. Cash EPS	82.3	142.3	179.8	218.3
BV	529.5	631.0	763.9	931.8
DPS	12.0	12.0	12.0	12.0
Operating Ratios (%)				
Gross Margin (%)	55.8	55.5	58.0	59.0
EBITDA Margin (%)	22.7	30.5	31.0	30.5
PAT Margin (%)	12.3	18.2	18.7	19.1
Debtor Days	90	90	90	80
Inventory Days	50	55	65	60
Creditor Days	51	50	40	40
Cash Conversion Cycle	90	95	115	100
Return Ratios (%)				
Return on Assets (%)	6.0	9.6	10.8	12.4
RoCE (%)	11.2	16.6	18.4	20.9
RoE (%)	11.0	18.0	19.0	19.3
Solvency				
Total Debt / Equity	0.6	0.6	0.5	0.3
Interest Coverage	5.9	8.2	9.0	12.1
Current Ratio	1.7	1.5	1.7	2.0
Quick Ratio	1.4	1.2	1.2	1.4
Valuation Ratios (x)				
EV/EBITDA	59.8	34.5	27.3	22.5
P/E	107.3	55.0	43.0	34.7
P/B	11.8	9.9	8.2	6.7
EV/Sales	13.6	10.5	8.5	6.9

Source: Company, ICICI Direct Research

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