

Strong Performance, Growth visibility intact...

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).

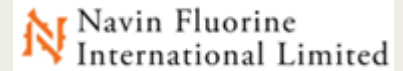
- In Q4FY26, HPP (Refrigerants, Inorganic Fluorides) accounted for (42% of the revenues), followed by Speciality Chemicals, (38% of the revenues) and CDMO (14% of the revenues).
- Additional HFC capacity of R32 up to 15,000 tonnes p.a. is expected to get commissioned by Q3FY27.

Investment Rationale

- Q4FY26- Strong performance across all parameters-** Navin Fluorine reported revenues of ₹938 crore, up 34% YoY. Segment wise, Speciality Chemicals (38% of the revenue) reported a growth of 39%, HPP (42% of revenue) reported a growth of 21%, CDMO (20% of revenue) grew 62% YoY on the back strong order book visibility. GPM stood at 58.6%, up ~440 bps YoY. EBITDA for the quarter stood at ₹321 crore, up 80% YoY, translating into margins of 34.2%, up ~875 bps YoY. PAT for the quarter stood at ₹213 crore, up 124% YoY. For FY26, revenues stood at ₹3,314 crores. Segment wise, Speciality Chemicals (35% of the revenue) reported a growth of 44%, HPP (49% of revenue) reported a growth of 34%, CDMO (16% of revenue) grew 59% YoY. EBITDA margins came in at 32.6% (up ~990 bps) with PAT at ₹664 crores, up 130%.
- Muti segment strength and growth drivers support FY27 outlook-** Navin Fluorine delivered another strong quarter, with healthy performance across segments, while outlining multiple growth drivers to sustain momentum into FY27. Growth will be led by ramp-up of the HF plant, higher utilization at Project Nectar (~70–75% vs ~55–60% in FY26), debottlenecking of the MPP facility for new molecule launches, commissioning of the Chemours project, R-32 capacity expansion (on track for Q3FY27), and scale-up of the cGMP-4 plant supported by strong demand from Fermion. In the near term, HPP growth remains supported by robust volumes and realizations, while stable profitability in refrigerant gases reflects strong domestic demand despite input cost pressures. The specialty chemicals segment is witnessing volume recovery with ~80% utilization visibility for FY27, aided by improved order book and upcoming capacity additions. CDMO continues to be a key growth pillar, with a strong product pipeline and expanding therapeutic focus, keeping the company on track to achieve its US\$100 million revenue target by FY27. Management has also maintained its 30%+ margin guidance, supported by limited geopolitical impact and the ability to pass on cost inflation, albeit with some lag. Overall, strong order book visibility and ongoing capacity expansions provides healthy growth visibility, ahead.

Rating and Target Price

Our target price is ₹8,010 based on 27x FY28E EBITDA of ₹1,513.7 crore.



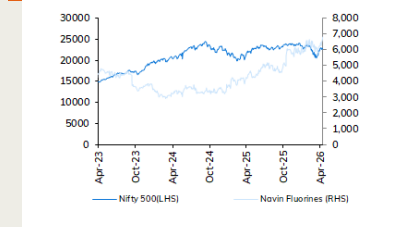
Particulars

Particular	Amount
Market cap (₹ Crore)	34,668
FY26 Total Debt (₹ Crore)	1,272
FY26 Cash & Inv (₹ Crore)	23
EV (₹ Crore)	35,917
52 Week H/L	6965/ 4188
Equity Capital (₹ Crore)	10.3
Face Value (₹)	2

Shareholding pattern

(in %)	Jun-25	Sep-25	Dec-25	Mar-26
Promoter	28.0	27.1	27.1	27.1
FII	21.6	22.2	23.7	23.8
DII	28.7	29.6	28.1	27.6
Others	21.7	21.1	21.0	21.5

Price Chart



Key risks

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

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Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2 year CAGR (FY24-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Net Revenue	2,065.0	2,349.4	3,313.9	26.7%	4,087.2	4,962.8	22.4%
EBITDA	398.3	533.7	1,081.7	64.8%	1,267.0	1,513.7	18.3%
EBITDA Margins (%)	19.3%	22.7%	32.6%		31.0%	30.5%	
Adj.PAT	218.4	288.6	670.3	75.2%	817.7	1,002.6	22.3%
Adj. EPS (₹)	44.1	58.2	130.8		159.6	195.6	
EV/EBITDA	86.8x	65.0x	32.2x		27.6x	22.9x	
P/E	124.6x	116.9x	52.5x		42.6x	34.8x	
ROE (%)	9.2	11.0	16.9		17.3	17.7	
ROCE (%)	9.5	11.2	19.0		19.1	21.3	

Q4FY26 Earnings Release / Conference call highlights

HPP- (Refrigerants + Inorganic Fluorides + HPP)

- The growth was driven by driven by a combination of higher volumes and improved realisations. The management expects firm pricing environment going forward, on the back of strong demand for low GWP gas, and does not see much risk from planned capacity additions. Notably, China prices remain strong US\$ 9 and stated their revenue potential range (₹600-875 crores) includes a downside case
- The capex plan of ₹240 crore to add 15ktpa of R-32 capacity will be commissioned by Q3FY27
- Sequential drop in HPP segment revenue was mainly attributed to the planned shutdown during the quarter and loss of Middle East shipments of ~₹15 crore (15 days impact).
- The company's current contract with Honeywell covers only 80% capacity utilisation and it has scope to increase production if Honeywell requires.

Speciality Chemicals

- The management alluded that outlook remains strong supported by strong order visibility for FY27 (till 80% utilisation) and beyond.
- While Agrochem industry outlook remains hazy due to Chinese competition, the management expects no material margin dilution for the respective molecules supplied by the company.
- Navin Fluorine worked on 13 new specialty chemicals molecules during FY26.
- The company has received orders for 80% of its agrochem capacity for CY26
- Chemours project, with a capex of ₹120 crore, is likely to be completed by end-Q1FY27. The company claimed that it is the sole manufacturing site for Chemours.

CDMO:

- CDMO segment reported ~62% YoY revenue growth during Q4FY26 backed by strong order visibility for medium term, better project execution and customer traction. Completed successful validation and started commercial supplies from cGMP4 (Phase 1) for an EU major which has strong visibility in upcoming 3 years.
- The company has maintained its guidance of achieving US\$ 100 million in revenues by FY27.
- In total, the company is working on ~50-55 volumes in CDMO space with equal split between early stage and late-stage molecules. It is increasing footprint across range of promising therapeutic areas with global innovators- Oncology, Respiratory, Cardiovascular, Neurology and Animal health.
- The company anticipates solid growth momentum from the Fermion contract, on the back of the projections from fermion to achieve US\$5 billion peak sales by 2028/2029.
- For nectar plant, Navin Fluorine expects to achieve ₹300 crore in revenue by FY27. It is in the process of getting qualification for the remaining 50% capacity with two other customers and expects to reach 75-80% utilisation by end-FY28.

Capex Plans

- cGMP 4 Phase 1/ AHF facility was commissioned during Q3FY26/Q4FY26 respectively, commercial supplies for both have begun. Semi-conductor mission 2.0 announced in Union Budget to be positive for the company as it focuses on ramping up Advanced Materials segment.
- All ongoing capex projects are meeting the commissioning deadlines wherein the potential revenue could be in excess of ₹1,000 crore.

Margin Guidance

- The full year margin expansion of ~990bps was largely attributed to new capacities, volume growth (~70%) and mix/pricing (30%).

- Management maintained the margin guidance to 30%+ for FY26 and beyond.

Others

- The company had undertaken a plant shutdown in Q4FY26 to recharge the catalyst in one of its plants (HFO) and R-32 resulting in a 4.6% QoQ revenue decline in the HPP segment.
- Employee costs are expected to remain in the range of 7.5-9% of revenue in the coming years.
- Working capital days have been revised downward to 75-80day vs. 90days earlier.

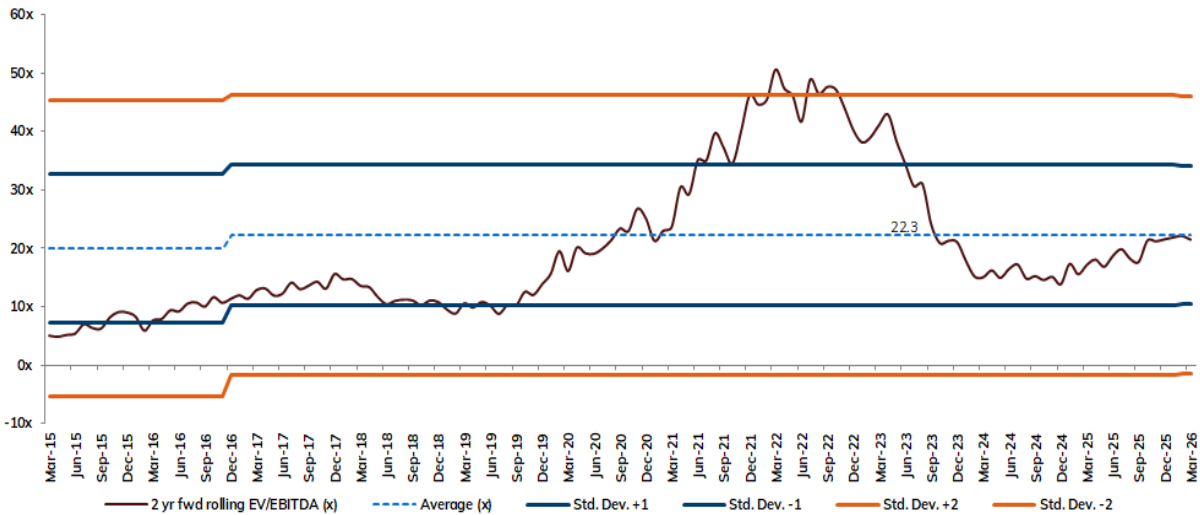
Exhibit 1: Ongoing Capex plans



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 gases 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 ₹ crore

Year end March	FY24	FY25	FY26	FY27E	FY28E
Total Operating Income	2,065.0	2,349.4	3,313.9	4,087.2	4,962.8
Growth (%)	-0.6	13.8	41.1	23.3	21.4
Raw Material Expenses	935.4	1,038.6	1,376.4	1,716.6	2,034.8
Employee Cost	285.8	296.7	307.3	531.3	645.2
Other Expenses	445.5	480.4	548.6	572.2	769.2
Total Operating Expenditure	1,666.7	1,815.7	2,232.2	2,820.2	3,449.2
EBITDA	398.3	533.7	1,081.7	1,267.0	1,513.7
Growth (%)	-27.6	34.0	102.7	17.1	19.5
Other Income	55.9	43.7	65.3	48.1	48.1
Depreciation	96.2	119.4	149.2	161.3	178.1
Net Interest Exp.	74.6	77.9	117.9	77.8	64.3
Other exceptional items	52.1	0.0	-6.8	0.0	0.0
PBT	335.5	380.1	873.2	1,076.0	1,319.3
Total Tax	65.0	91.5	209.6	258.3	316.7
PAT	270.5	288.6	663.6	817.7	1,002.6
Adjusted PAT	218.4	288.6	670.3	817.7	1,002.6
Growth (%)	-41.8	32.2	132.3	22.0	22.6
Adjusted EPS (₹)	44.1	58.2	130.8	159.6	195.6

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

Year end March	FY25	FY26	FY27E	FY28E
PBT & Extraordinary	380.1	873.2	1,076.0	1,319.3
Add: Depreciation	119.4	149.2	161.3	178.1
After other adjustments				
(Inc) / Dec in Working Capital	93.3	-38.2	-540.0	-394.0
Taxes	-78.0	-105.6	-258.3	-316.7
Others	56.1	14.9	77.8	64.3
CF from operating activities	570.8	893.6	516.7	851.0
Purchase of Fixed Assets	-561.1	-485.3	-500.0	-400.0
Others	50.1	-749.6	200.0	200.0
CF from investing activities	-511.1	-1,234.9	-300.0	-200.0
Issue/(Buy back) of Equity	0.0	746.8	0.0	0.0
Inc/(dec) in loan funds	101.4	-214.0	50.0	-500.0
Dividend paid & dividend tax	-59.5	-68.0	-61.5	-61.5
Others	-88.7	-120.6	-77.8	-64.3
CF from financing activities	-46.7	344.2	-89.3	-625.8
Net cash flow	13.0	2.9	127.4	25.2
Opening cash	6.6	19.7	22.6	150.0
Closing cash	19.7	22.6	150.0	175.2

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet ₹ crore

Year end March	FY24	FY25	FY26	FY27E	FY28E
Liabilities					
Equity Capital	9.9	9.9	10.3	10.3	10.3
Reserves & Surplus	2,372.8	2,616.3	3,964.3	4,720.5	5,661.6
Total Shareholders Funds	2,382.7	2,626.2	3,974.6	4,730.8	5,671.9
Minority Interest	0.0	0.0	0.0	0.0	0.0
Long Term Borrowings	1,040.2	1,066.6	972.4	972.4	672.4
Net Deferred Tax liability	64.3	75.4	136.9	136.9	136.9
Other long term liabilities	13.5	127.0	216.2	26.5	32.2
Long term provisions	18.5	20.4	11.1	29.7	36.0
Current Liabilities and Provisions					
Short term borrowings	328.3	399.8	299.4	349.4	149.4
Trade Payables	302.5	327.0	529.3	447.9	543.9
Other Current Liabilities	215.0	181.5	234.0	288.6	350.4
Short Term Provisions	12.1	6.5	5.4	15.7	19.0
Total Current Liabilities	857.9	914.7	1,068.1	1,101.5	1,062.7
Total Liabilities	4,377.0	4,830.4	6,379.1	6,997.8	7,612.0
Assets					
Net Block	1,736.3	2,599.2	3,187.7	3,469.7	3,691.5
Capital Work in Progress	711.1	349.8	143.3	200.0	200.0
Intangible assets under devl.	0.0	5.6	0.0	0.0	0.0
Goodwill on Consolidation	87.8	87.8	87.8	87.8	87.8
Non-current investments	8.8	8.1	5.3	5.3	5.3
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Long term loans and advances	0.3	0.2	0.2	0.6	0.8
Other Non Current Assets	279.6	190.9	169.6	295.4	348.4
Current Assets, Loans & Advances					
Current Investments	486.0	471.8	1,223.7	1,023.7	823.7
Inventories	371.7	322.4	445.6	503.9	679.8
Sundry Debtors	512.5	582.4	751.8	839.8	1,087.7
Cash and Bank	6.6	19.7	22.6	150.0	175.2
Loans and Advances	0.6	0.1	0.2	0.2	0.2
Other Current assets	175.8	192.4	341.6	421.3	511.6
Current Assets	1,553.2	1,588.8	2,785.4	2,938.9	3,278.2
Total Assets	4,377.0	4,830.4	6,379.1	6,997.8	7,612.0

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

Year end March	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Adj. EPS	58.2	129.5	159.6	195.6
Adj. Cash EPS	82.3	158.6	191.0	230.4
BV	529.5	775.5	923.1	1,106.7
DPS	12.0	12.0	12.0	12.0
Operating Ratios (%)				
Gross Margin (%)	55.8	58.5	58.0	59.0
EBITDA Margin (%)	22.7	32.6	31.0	30.5
PAT Margin (%)	12.3	20.2	20.0	20.2
Debtor Days	90	83	75	80
Inventory Days	50	49	45	50
Creditor Days	51	58	40	40
Cash Conversion Cycle	90	74	80	90
Return Ratios (%)				
Return on Assets (%)	6.0	10.5	11.7	13.2
RoCE (%)	11.2	19.0	19.1	21.3
RoE (%)	11.0	16.9	17.3	17.7
Solvency				
Total Debt / Equity	0.6	0.3	0.3	0.1
Interest Coverage	5.9	8.5	14.8	21.5
Current Ratio	1.7	2.6	2.7	3.1
Quick Ratio	1.4	2.2	2.2	2.4
Valuation Ratios (x)				
EV/EBITDA	65.0	32.2	27.6	22.9
P/E	116.9	52.5	42.6	34.8
P/B	12.8	8.8	7.4	6.1
EV/Sales	14.8	10.5	8.6	7.0

Source: Company, ICICI Direct Research

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