5 August 2026

1QFY27 Results Update | Sector: Chemicals

Navin Fluorine International

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	NFIL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	390.4 / 4.1
52-Week Range (INR)	7936 / 4499
1, 6, 12 Rel. Per (%)	-1/25/47
12M Avg Val (INR M)	1322

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	33.1	43.8	52.8
EBITDA	10.8	14.4	16.9
PAT	6.7	9.1	10.6
EPS (INR)	130.5	177.5	207.2
EPS Gr. (%)	124.2	36.0	16.7
BV/Sh.(INR)	775.5	916.5	1,081.1
Ratios			
Net D:E	0.3	0.2	0.2
RoE (%)	20.3	21.0	20.7
RoCE (%)	16.0	17.7	17.8
Payout (%)	20.6	20.6	20.6
Valuations			
P/E (x)	58.4	42.9	36.8
P/BV (x)	9.8	8.3	7.0
EV/EBITDA (x)	37.1	27.8	23.7
Div. Yield (%)	0.3	0.5	0.6
FCF Yield (%)	1.0	0.8	1.2

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	27.1	27.1	28.0
DII	28.5	27.6	28.7
FII	23.7	23.8	21.6
Others	20.7	21.5	21.7

FII includes depository receipts

CMP: INR7,610 **TP: INR8,300 (+9%)** **Neutral**

Strong execution led by diversified growth engines

Operating performance beats estimates

- Navin Fluorine International (NFIL) delivered a robust performance in 1QFY27, with revenue growing 44% YoY, driven by broad-based strength across all business segments. High Performance Products (HPP)/Specialty Chemicals/CDMO revenues grew 33%/48%/82% YoY. EBITDA surged 73% YoY, led by operating leverage and improved pricing in the HPP segment.
- We remain positive on NFIL's outlook, supported by its diversified portfolio. We expect the HPP segment to sustain its growth momentum, aided by a favorable pricing environment and ongoing capacity expansions, while the Specialty Chemicals business is likely to maintain its strong trajectory, supported by robust order visibility and continued scale-up of existing molecules.
- Further we expect the CDMO business to sustain its momentum, supported by a balanced portfolio of late-stage, commercial, and early-stage molecules, along with the commercialization of Phase II cGMP-4 by 4QFY27.
- On the back of a strong 1QFY27 and improved EBITDA margin guidance, we increase our FY27/FY28 earnings estimates by 10%/13% and reiterate our **Neutral** rating on the stock with a TP of INR8,300 (40x FY28E EPS).

Robust 1QFY27 performance across all business segments

- NFIL reported revenue of INR10.5b (est. INR9.6), up 44% YoY, driven by growth across all three segments.
- Gross margin stood at 57% (down 60bp YoY), while EBITDA margin stood at 34.2% (28.5% in 1QFY26), driven by a favorable product mix and operational leverage.
- EBITDA stood at INR3.6b (est. INR3.2b), up 73% YoY, and adj. PAT grew 2.1x YoY to INR2.4b (est. INR1.9b)
- HPP revenue grew 33% YoY to INR5.4b, driven by higher volumes and improved realizations, while the pricing environment for HFC remained constructive.
- Specialty Chemicals revenue grew 48% YoY to INR3.3b, driven by 46% growth in the international business and strong scale-up across existing molecules.
- The CDMO business sustained its growth trajectory, with revenue growing 82% YoY to INR1.8b, driven by an increasing demand for existing molecules and continued deeper engagement with European CDMO majors.
- India/International revenue grew 50%/41% YoY in 1QFY27.

Highlights from the management commentary

- **Advanced materials**: NFIL has approved an INR900m capex to set up advanced materials capacity at Surat, with commissioning targeted by 2QFY28. The investment targets high-growth and margin sectors like semiconductors, data centers, electronics, and defense. The facility will scale up 4-5 customer-qualified products from lab to commercial production, while also supporting the development of a critical indigenous defense material in partnership with DRDO.

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- **CDMO**: NFIL initiated phase 2 of cGMP4 capex of INR1.3b funded through internal accruals which is likely to get operationalized by 4QFY27. The expansion deepens engagement with European customers, with management targeting a 3x Asset T/O by FY29. The company is also moving up the value chain by expanding into API minus-one-stage manufacturing while progressing an early-phase molecule for a key customer.
- **Specialty chemicals**: Revenue grew 48% YoY during 1Q, driven by strong scale-up across existing molecules. MPP capacity expansion and Chemours project remain on track, supported by strong product pipeline. NFIL plans to pitch 4-5 new molecules in FY27, including three patented molecules, strengthening growth visibility and pricing resilience
- **HPP**: The 15kMTPA R32 capacity expansion remains on track for commissioning in 3QFY27. Management indicated that pricing environment for HFC continues to be constructive supported by demand-supply dynamics and rising interest for contractual offtakes in new capacities.

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 (likely to be operational by 2QFY27), 2) planned investment for increasing the R32 capacity (likely to be operational by 3QFY27) and MPP debottlenecking for the specialty chemical plant at Dahej (targeted commissioning by 3QFY27), 3) the ramp-up of the AHF plant, and 4) the new advanced materials facility at Surat, to be commissioned by 2QFY28, targeting high-growth sectors and scaling customer-qualified products.
- We expect a CAGR of 26%/25%/26% in revenue/EBITDA/adj. PAT over FY26-28. The stock is trading at ~37x FY28E EPS of INR207 and ~24x FY28E EV/EBITDA. We value the company at 40x FY28E EPS to arrive at our TP of INR8,300, 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	2QE	3QE	4QE			1QE	(%)
Gross Sales	**7,254**	**7,584**	**8,924**	**9,377**	**10,451**	**10,018**	**11,295**	**12,020**	**33,139**	**43,784**	**9,634**	**8**
YoY Change (%)	*38.5*	*46.3*	*47.2*	*33.8*	*44.1*	*32.1*	*26.6*	*28.2*	*41.1*	*32.1*	*32.8*	
Total Expenditure	5,186	5,123	5,848	6,166	6,880	6,802	7,568	8,089	22,322	29,339	6,435	
Gross Margin (%)	*57.6%*	*58.7%*	*58.8%*	*58.6%*	*57.0%*	*58.5%*	*59.0%*	*58.0%*	*58.5%*	*58.1%*	*58.0%*	
EBITDA	**2,068**	**2,462**	**3,076**	**3,212**	**3,571**	**3,216**	**3,727**	**3,930**	**10,817**	**14,444**	**3,198**	**12**
Margin (%)	*28.5*	*32.5*	*34.5*	*34.2*	*34.2*	*32.1*	*33.0*	*32.7*	*32.6*	*33.0*	*33.2*	
Depreciation	352	366	362	412	417	430	500	530	1,492	1,877	420	
Interest	304	303	283	289	321	340	350	360	1,179	1,371	293	
Other Income	139	182	156	176	351	191	164	185	653	891	149	
PBT before EO expense	**1,551**	**1,975**	**2,587**	**2,686**	**3,184**	**2,637**	**3,041**	**3,225**	**8,799**	**12,087**	**2,634**	
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**	**2,637**	**3,041**	**3,225**	**8,732**	**12,087**	**2,634**	
Tax	379	491	529	697	751	664	765	812	2,096	2,991	663	
Rate (%)	*24.5*	*24.9*	*22.2*	*24.7*	*23.6*	*25.2*	*25.2*	*25.2*	*24.0*	*24.7*	*25.2*	
Reported PAT	**1,172**	**1,484**	**1,854**	**2,126**	**2,433**	**1,973**	**2,276**	**2,414**	**6,636**	**9,096**	**1,984**	
Adj. PAT	**1,172**	**1,484**	**2,008**	**2,023**	**2,433**	**1,973**	**2,276**	**2,414**	**6,686**	**9,096**	**1,984**	**23**
YoY Change (%)	*128.9*	*152.2*	*140.1*	*112.9*	*107.6*	*33.0*	*13.4*	*19.3*	*131.7*	*36.0*	*69.3*	
Margin (%)	*16.2*	*19.6*	*22.5*	*21.6*	*23.3*	*19.7*	*20.1*	*20.1*	*20.2*	*20.8*	*20.6*	

Exhibit 1: One-year forward P/E trend

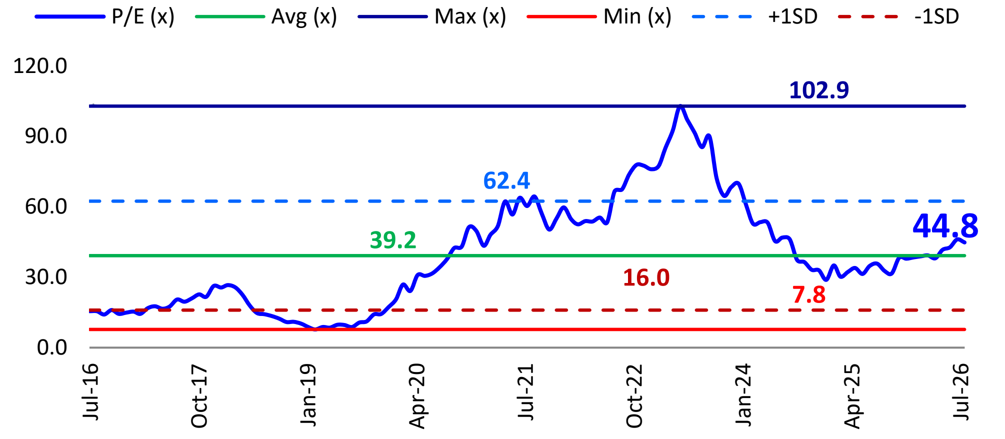
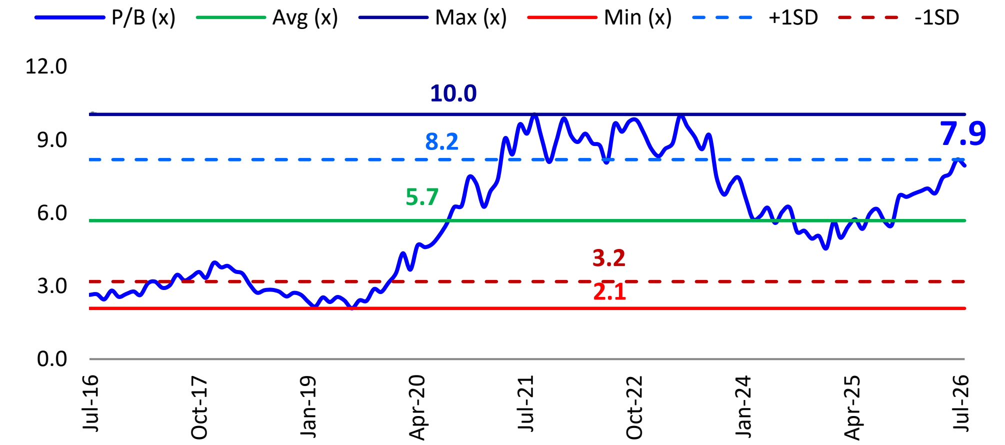


Exhibit 2: One-year forward P/B trend



Story in charts – 1QFY27

Exhibit 3: Sales increased 44% YoY

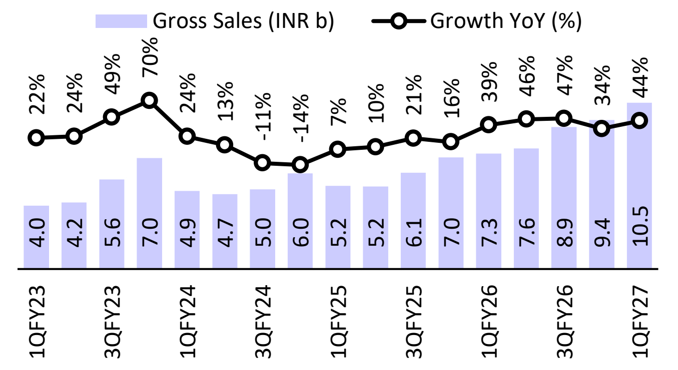


Exhibit 4: Margin trend

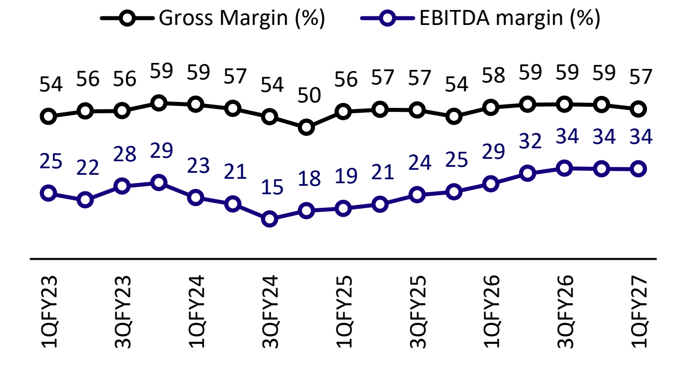


Exhibit 5: EBITDA rose 80% YoY

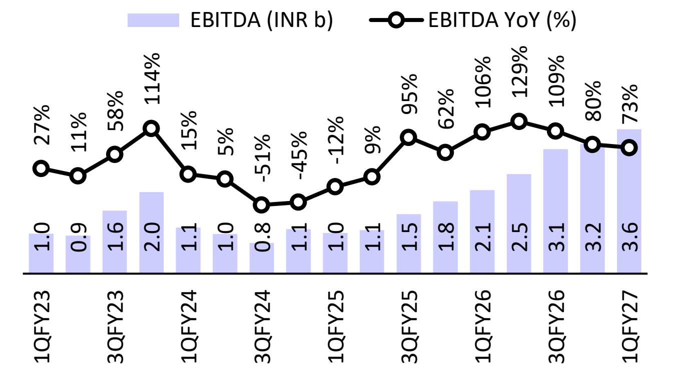


Exhibit 6: Adjusted PAT trend

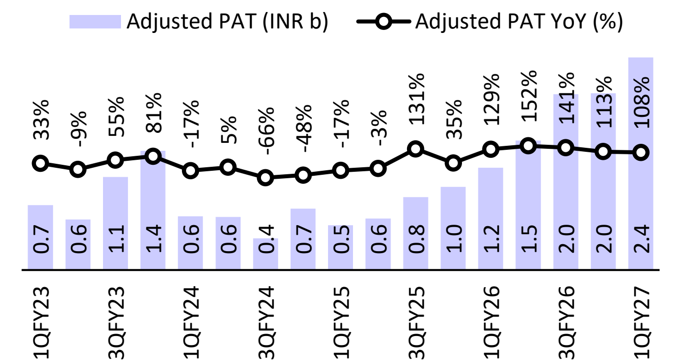


Exhibit 7: Specialty Chemicals revenue increased 48% YoY

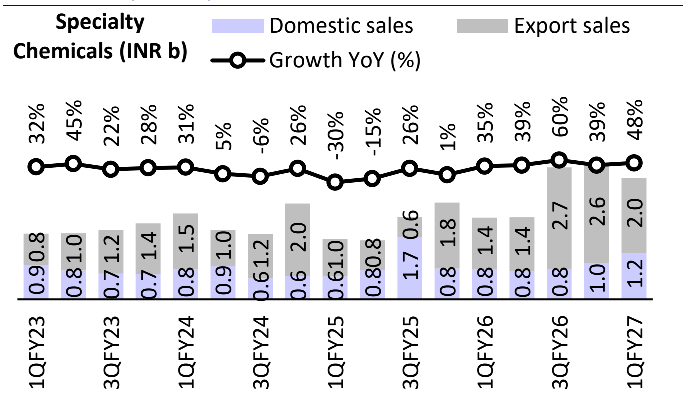


Exhibit 8: CDMO revenue increased 61% YoY - CDMO (INR b)

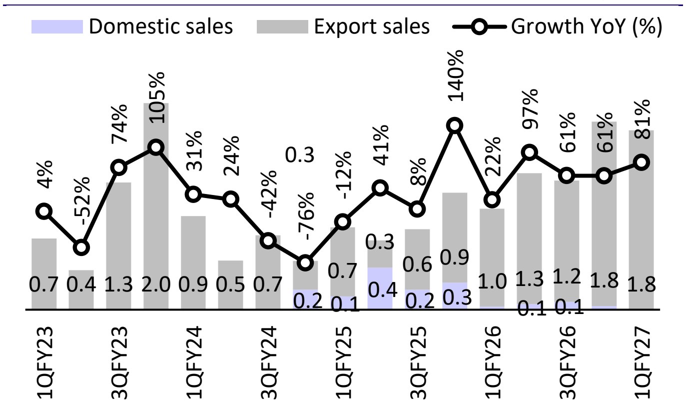
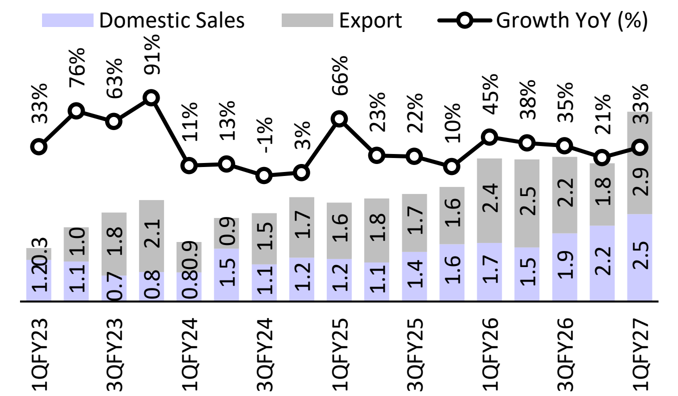
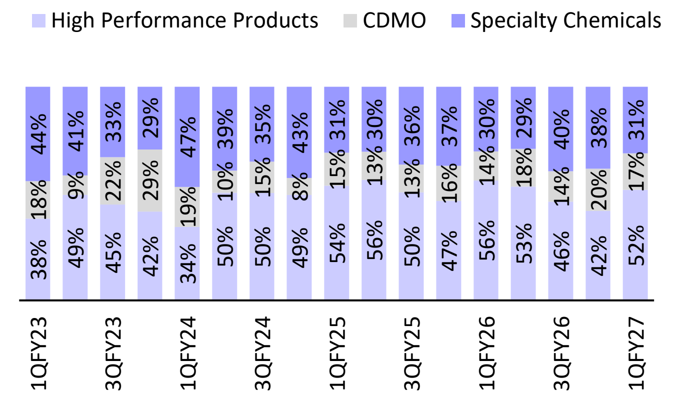


Exhibit 9: HPP sales increased 33% YoY (INR b)



Source: Company, MOFSL

Exhibit 10: Revenue mix for the quarter



Source: Company, MOFSL

CONFERENCE CALL

Management concall highlights

Specialty Chemicals

- Revenue increased 48% YoY to INR3.3b, with exports at 62%.
- The product pipeline continues to remain strong, with meaningful scale-up across existing molecules and a strong line-up of new launches.
- The Chemours project is targeted for completion by the end of 2QFY27. The scale-up, however, will require some time.
- MPP debottlenecking capacity is on track for commissioning in 3QFY27, with revenue potential of ~INR1.4-1.6b.
- 4-5 new molecules will be pitched in the Spec Chem business in FY27. Three are already patented, and pricing pressure is not likely.

CDMO

- Revenue increased 82% YoY to INR1.8b, with exports at 98%.
- The company continued to deepen its engagement with European CDMO majors, supported by increasing demand for existing molecules and an expanding footprint within their supply chain. It is now pursuing an MSA for an additional molecule in the same supply chain (API minus 1 stage) with an existing customer. It is also working on an early-phase molecule for the same customer.
- BOD initiated phase 2 of cGMP4 capex of INR1.3b (internal accruals) likely to operationalize by 4QFY27, deepening partnership with European majors. The company is targeting Asset T/O of ~3x. Phase 1 was operationalized in 3QFY26, with a capex of ~INR1.6b.
- The company is increasing footprint across a range of promising therapeutic areas with leading global innovators - Oncology, Respiratory, Cardiovascular, Neurology, and Animal Health.
- The company is currently working on 13-14 molecules, of which 10 are in the late stages of development and 3 are expected to receive FDA readouts in the next 8-12 months.

HPP

- Revenue increased 33% YoY to INR5.4b, with exports at 54%.
- Revenue growth was driven by higher realizations and healthy volumes.
- Pricing environment for HFC continues to be constructive, supported by demand-supply dynamics and an increasing interest for contractual offtakes in new capacities.
- The AHF facility commenced operations in 4QFY26 and continues to be ramped up.
- The additional 15k MTPA capacity of R32 is on track and likely to be commissioned in 3QFY27. The project entails a total capex of INR2.4b and is expected to generate revenue of ~INR6-8.3b per annum. The company intends to adopt competitive pricing while benefiting from operational leverage.
- Long-term demand appears constructive for R32; demand is expected to double in a decade with supply being cut half.

- India's R32 market is expected to remain oversupplied, prompting the company to focus on export markets. Customers are seeking long-term contracts (5 years) to secure R32.
- HF ~60k MTPA capacity is good on consol. level for the company.
- The company has signed a 7-year contract relating to HFOs with Honeywell, which had commenced in Aug'22, with a further extendible period of three years.

Advanced materials

- The BOD has approved a capex of INR900m to set up adoption capacities for advanced materials at the Surat unit funded through internal accruals. This facility is expected to be commissioned by 2QFY28.
- 4-5 lab-scale products have already been approved by customers, and the new capacity will enable their transition to commercial-scale qualification.
- The company has partnered with DRDO for indigenous process development of a critical defense material. Currently imported, this chemical is expected to be localized by the company. The application of this product extends beyond defense.
- High-growth, high-margin segments focusing on data centers, semiconductor, electronics, and defense leverage the company's core fluorinated expertise.
- Management highlighted specific applications within this vertical - Chip cooling process and display manufacturing, high-voltage electric applications, and advanced intermediates for films/coatings.
- The vertical is currently being incubated and is likely to evolve into a CDMO-like business in some years.
- Electronic-grade HF will also be part of this vertical once announced by the company.
- This will be reported under the current three verticals, only until it reaches major numbers.

Outlook

- Growth through FY28 is largely baked in by the current capex. Growth factors for further years will be planned ahead as the current capex gets qualified.
- EBITDA margin is guided at ~33% (+/- 2pp) for FY27.

Subsidiary performance

- Since the subsidiary business is campaign-driven, the product mix plays a major role.
- The AHF capacity has been commissioned at the subsidiary, resulting in transfer pricing adjustments.
- The subsidiary is evaluating downstream products, which are expected to improve its margin profile.

Others

- Investment in SPV for setting up a hybrid power plant - Investment of INR157m for 14.9 MW of Hybrid capacity across NFIL and NFASL. More than 60% requirement will be met by this project through renewable sources.
- The company became net debt-free during the quarter.
- Net WC days stood at 81.
- Gross margins contracted sequentially, but operational leverage helped in sustaining margins.
- RM costs are being passed on to customers, wherever possible.

Exhibit 11: Summary of our revised estimates

Particulars	Revised		Previous		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue (INR m)	43,784	52,845	42,341	49,698	3%	6%
EBITDA (INR m)	14,444	16,901	13,482	15,162	7%	11%
PAT (INR m)	9,096	10,618	8,289	9,375	10%	13%
EPS (INR)	177.5	207.2	161.7	182.9	10%	13%

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**	**43,784**	**52,845**
Change (%)	*10.8*	*28.3*	*42.9*	*-0.6*	*13.8*	*41.1*	*32.1*	*20.7*
Gross Margin (%)	*54.9*	*54.2*	*56.9*	*54.7*	*55.8*	*58.5*	*58.1*	*56.9*
EBITDA	**3,108**	**3,548**	**5,503**	**3,983**	**5,337**	**10,817**	**14,444**	**16,901**
Margin (%)	*27.4*	*24.4*	*26.5*	*19.3*	*22.7*	*32.6*	*33.0*	*32.0*
Depreciation	407	479	626	962	1,194	1,492	1,877	2,210
EBIT	**2,702**	**3,069**	**4,877**	**3,021**	**4,143**	**9,325**	**12,568**	**14,692**
Int. and Finance Charges	14	19	275	746	779	1,179	1,371	1,452
Other Income	745	392	357	559	437	653	891	950
PBT bef. EO Exp.	**3,433**	**3,442**	**4,959**	**2,834**	**3,801**	**8,799**	**12,087**	**14,190**
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**	**12,087**	**14,190**
Total Tax	1,103	812	1,207	650	915	2,096	2,991	3,571
Tax Rate (%)	*26.9*	*23.6*	*24.3*	*19.4*	*24.1*	*24.0*	*24.7*	*25.2*
Reported PAT	**2,992**	**2,631**	**3,752**	**2,705**	**2,886**	**6,635.6**	**9,096**	**10,618**
Adjusted PAT	**2,508**	**2,631**	**3,752**	**2,285**	**2,886**	**6,687**	**9,096**	**10,618**
Change (%)	*-37.3*	*4.9*	*42.6*	*-39.1*	*26.3*	*131.7*	*36.0*	*16.7*
Margin (%)	*22.1*	*18.1*	*18.1*	*11.1*	*12.3*	*20.2*	*20.8*	*20.1*

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	46,868	55,301
Net Worth	**16,501**	**18,442**	**21,850**	**23,827**	**26,262**	**39,746**	**46,970**	**55,404**
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**	**61,216**	**70,293**
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	8,089	10,299
Net Fixed Assets	**3,478**	**3,776**	**15,065**	**17,363**	**25,992**	**31,877**	**35,580**	**42,100**
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**	**21,170**	**26,073**
Inventory	1,543	2,575	4,681	3,717	3,224	4,456	5,856	7,175
Account Receivables	2,759	3,577	5,615	5,125	5,824	7,518	9,933	11,988
Cash and Bank Balance	3,889	902	348	276	405	970	1,493	3,023
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**	**13,722**	**16,688**
Account Payables	1,027	141	2,435	3,025	3,270	5,293	6,956	8,522
Other Current Liabilities	824	3,879	1,944	2,569	3,342	4,956	6,547	7,902
Provisions	147	191	231	306	269	165	218	263
Net Current Assets	**8,322**	**7,266**	**11,001**	**7,064**	**5,764**	**6,418**	**7,448**	**9,386**
Appl. of Funds	**16,668**	**19,644**	**30,684**	**37,869**	**41,424**	**53,378**	**61,216**	**70,293**

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**	**177.5**	**207.2**
EPS Growth (%)	**-37.3**	**4.7**	**42.6**	**-39.1**	**26.2**	**124.2**	**36.0**	**16.7**
Cash EPS	58.9	62.8	88.4	65.5	82.3	159.6	214.1	250.3
BV/Share	333.5	372.2	441.0	480.9	529.5	775.5	916.5	1,081.1
DPS	11.0	11.0	12.0	15.0	12.0	26.6	36.5	42.6
Payout (%)	18.2	20.7	15.8	27.4	20.6	20.6	20.6	20.6
Valuation (x)								
P/E	150.3	143.5	100.6	165.2	131.0	58.4	42.9	36.8
Cash P/E	129.3	121.4	86.2	116.3	92.6	47.7	35.6	30.4
P/BV	22.8	20.5	17.3	15.8	14.4	9.8	8.3	7.0
EV/Sales	32.9	26.0	18.6	18.9	16.7	12.1	9.2	7.6
EV/EBITDA	120.0	106.4	70.1	98.1	73.4	37.1	27.8	23.7
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.2	0.3	0.5	0.6
FCF per share	52.1	-101.1	-165.3	14.5	0.9	78.9	61.5	88.2
Return Ratios (%)								
RoE	16.5	15.1	18.6	10.0	11.5	20.3	21.0	20.7
RoCE	16.4	14.6	15.7	8.4	8.8	16.0	17.7	17.8
RoIC	25.3	26.0	20.1	9.4	11.0	20.1	23.5	24.0
Working Capital Ratios								
Fixed Asset Turnover (x)	3.2	4.0	2.2	1.3	1.1	1.1	1.3	1.4
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	49	50
Debtor (Days)	89	90	99	91	90	83	83	83
Creditor (Days)	33	4	43	53	51	58	58	59
Leverage Ratio (x)								
Current Ratio	5.2	2.7	3.4	2.2	1.8	1.6	1.5	1.6
Net Debt/Equity ratio	-0.2	0.0	0.4	0.6	0.5	0.3	0.2	0.2

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	12,087	14,190
Depreciation	407	479	626	962	1,194	1,492	1,877	2,210
Others	-1,054	-289	184	-86	560	684	1,371	1,452
Direct Taxes Paid	-186	-781	-1,098	-343	-780	-1,591	-2,991	-3,571
(Inc.)/Dec. in WC	-305	-2,104	-5,308	3,611	933	-382	-507	-408
CF from Operations	**2,958**	**748**	**-636**	**7,499**	**5,708**	**8,936**	**11,837**	**13,872**
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**	**3,152**	**4,522**
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	-1,371	-1,452
Dividend Paid	-394	-542	-543	-743	-595	-680	-1,871	-2,185
CF from Fin. Activity	**-437**	**415**	**6,579**	**3,358**	**-467**	**3,442**	**-2,627**	**-2,993**
Inc./Dec. in Cash	**-931**	**-561**	**-613**	**-78**	**131**	**29**	**525**	**1,529**
Opening Balance	1,692	760	758	144	66	197	226	750
Closing Balance	**760**	**758**	**144**	**66**	**197**	**226**	**750**	**2,279**

NOTES

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
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