

October 30, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	5,601		5,196	
Sales (Rs. m)	36,251	42,995	35,369	42,268
% Chng.	2.5	1.7		
EBITDA (Rs. m)	10,440	12,655	9,679	11,841
% Chng.	7.9	6.9		
EPS (Rs.)	124.1	155.6	113.1	146.4
% Chng.	9.7	6.3		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	23,494	29,980	36,251	42,995
EBITDA (Rs. m)	5,337	8,608	10,440	12,655
Margin (%)	22.7	28.7	28.8	29.4
PAT (Rs. m)	2,886	5,007	6,157	7,719
EPS (Rs.)	58.2	100.9	124.1	155.6
Gr. (%)	32.0	73.5	23.0	25.4
DPS (Rs.)	12.0	20.8	25.5	32.0
Yield (%)	0.2	0.4	0.5	0.6
RoE (%)	11.5	17.7	18.8	20.2
RoCE (%)	10.6	15.6	16.6	18.8
EV/Sales (x)	11.2	8.9	7.4	6.2
EV/EBITDA (x)	49.2	31.1	25.6	21.0
PE (x)	86.1	49.6	40.4	32.2
P/BV (x)	9.5	8.2	7.1	6.0

Key Data

NAFL.BO | NFIL IN

52-W High / Low	Rs.5,444 / Rs.3,180
Sensex / Nifty	84,404 / 25,878
Market Cap	Rs.257bn/ \$ 2,893m
Shares Outstanding	51m
3M Avg. Daily Value	Rs.519.06m

Shareholding Pattern (%)

Promoter's	27.12
Foreign	22.15
Domestic Institution	29.57
Public & Others	21.16
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	8.4	10.8	50.2
Relative	3.1	5.3	42.3

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Robust order pipeline to drive future growth

Quick Pointers:

- Capex of Rs2.4bn announced for additional HFC capacity of up to 15,000mtpa (R32 equivalent) and Rs750mn for debottlenecking MPP at Dahej
- CDMO: Strong order book pipeline till FY27; management reaffirmed its USD 100mn revenue target for FY27

Navin Fluorine International Ltd (NFIL) reported its highest-ever quarterly revenue of Rs7.6bn, up 46.3% YoY and 4.6% QoQ, driven by strong performance across all three business segments. The High-Performance Products (HPP) segment grew 38% YoY, supported by robust demand and improved realizations for refrigerants, with both R32 plants operating at optimal capacity. The Specialty Chemicals segment posted a 39% YoY increase, aided by meaningful contributions from the Fluoro-specialty plant commissioned in Dec'24. Strong purchase orders are already in place for H2FY26. The CDMO segment delivered a 98% YoY growth, with 96% of revenue derived from exports. Backed by a healthy order book extending till FY27, the management reaffirmed its USD 100mn revenue guidance by FY27. We remain positive on NFIL's long-term outlook, underpinned by a strong order pipeline, ongoing capacity expansion, and debottlenecking initiatives that are expected to sustain growth momentum. The stock currently trades at 36x Sep'27 EPS. We value the company at 40x Sep'27E EPS, arriving at a target price of Rs5,601, and maintain our 'Accumulate' rating on the stock.

- CDMO/Specialty chemical sees 98%/39% YoY revenue growth:** Consolidated revenue stood at Rs7.6bn, up 46.3% YoY and 4.6% QoQ (PLe: Rs7.1bn; Consensus: Rs7.1bn). H1FY26 revenue grew by 42.4% YoY. During Q2FY26, CDMO revenue stood at Rs1.34bn, while Specialty Chemicals revenue was Rs2.2bn. Gross profit margin improved to 58.7% (vs 56.8% in Q2FY25 and 57.6% in Q1FY26), an improvement of 190bps YoY and 110bps QoQ, supported by higher realizations and lower raw material costs.
- EBITDAM improves 300bps sequentially:** EBITDA stood at Rs2.5bn, up 129.3% YoY/ 19% QoQ (PLe: Rs.2bn, Consensus: Rs1.8bn). EBITDA margin came in at 32.5% (vs 20.7% in Q2FY25 and 28.5% in Q1FY26). H1FY26 EBITDA increased by 118% to Rs4.5bn in H1FY26). Reported PAT at Rs1.5bn increased by 152.2% YoY and 26.6%QoQ, While PAT margins were at 20% vs 11% & 16% in Q2FY25 & Q1FY26 respectively.
- Concall takeaways: HPP: (1)** HPP Segment: Capex of Rs2.4bn has been allocated for setting up additional HFC capacity of up to 15,000mtpa (R32 equivalent) at the Surat unit, expected to be completed by Q3FY27. The peak revenue potential from this project is estimated at Rs6–8.25bn. **(2)** AHF project is expected to commission in ongoing quarter. **(3)** The Fluorospecialty plant, commissioned in Dec'24, has started contributing meaningfully from Q2FY26. **(4)** MPP Debottlenecking: A Rs750mn capex has been announced for debottlenecking the multipurpose plant (MPP), with a peak revenue potential of Rs1.4–1.6bn. The project is expected to be completed by Q3FY27

(5) Supply orders from the cGMP-4 unit to a European client are expected to commence by Jan'26. (6) Around 35–40% of the USD100mn CDMO target is expected to come from the European MSA order. (7) The CDMO order book remains strong, providing visibility until FY27. (8) Capex in H1FY26 stood at Rs3bn, while FY26 capex is expected to be in the range of Rs6–7bn. (9) EBITDA margin guidance increased from 25% to 28–30%.

Exhibit 1: Q2FY26 Result Overview (Rs mn) (Consolidated)

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var.	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Net Sales	7,584	5,186	46.3	7,058	7.5	7,254	4.6	14,838	10,422	42.4
Gross Profit	4,455	2,946	51.2	4,027	10.6	4,177	6.7	8,632	5,879	46.8
Margin (%)	58.7	56.8		57.1		57.6		58.2	56.4	
EBITDA	2,462	1,074	129.3	1,973	24.7	2,068	19.0	4,530	2,077	118.1
Margin (%)	32.5	20.7		28.0		28.5		30.5	19.9	
Other Income	182	112		146		139		321	214	
Depreciation	366	279	31.1	395	(7.3)	352	3.8	718	546	31.5
EBIT	2,278	906	151.4	1,724	32.1	1,855	22.8	4,133	1,745	136.8
Interest	303	139	118.6	259	16.8	304	(0.2)	607	295	105.9
PBT before exceptional items	1,975	768	157.3	1,465	34.8	1,551	27.3	3,526	1,451	143.1
Total Tax	491	179	174.0	355	38.4	379	29.5	871	350	148.6
ETR (%)	24.9	23.4		24.2		24.5		24.7	24.2	
Adj. PAT	1,484	588	152.2	1,110	33.6	1,172	26.6	2,655	1,100	141.4
Exceptional Items	0	0		0		0		0	0	
PAT	1,484	588	152.2	1,110	33.6	1,172	26.6	2,655	1,100	141.3

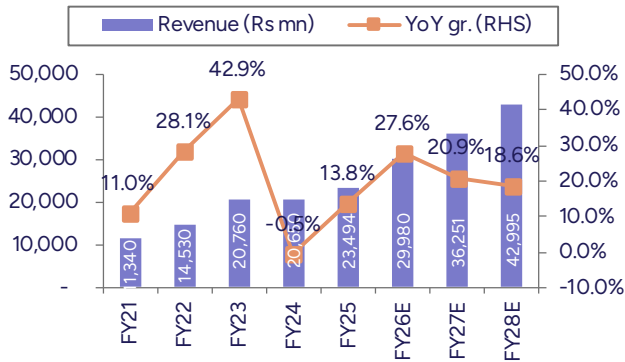
Source: Company, PL

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

Segment Details	Q2FY26	Q2FY25	YoY gr.	Q1FY26	QoQ gr.	H1FY26	H1FY25	YoY gr.
HPP	4,040	2,930	37.9%	4,070	-0.7%	8,110	5,740	41.3%
CDMO	1,340	680	97.1%	990	35.4%	2,330	1,490	56.4%
Specialty Chemicals	2,200	1,580	39.2%	2,190	0.5%	4,390	3,200	37.2%
Total Sales	7,580	5,190	46.1%	7,250	4.6%	14,830	10,430	42.2%

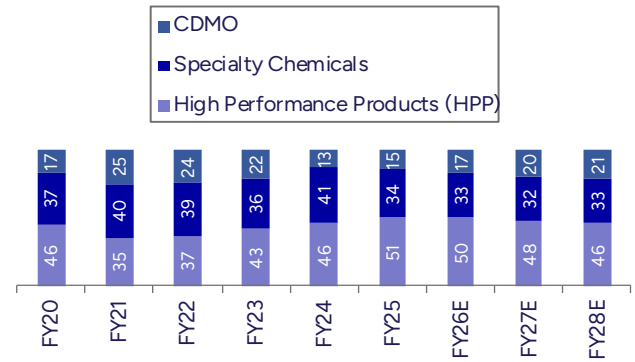
Source: Company, PL

Exhibit 3: Revenue to grow at 22% CAGR over FY25-28E



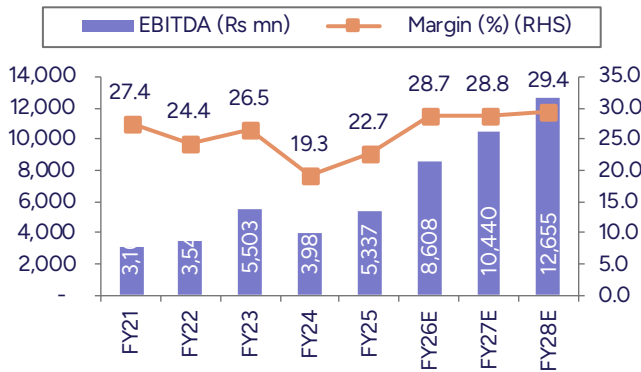
Source: Company, PL

Exhibit 4: Revenue mixed profile (%)



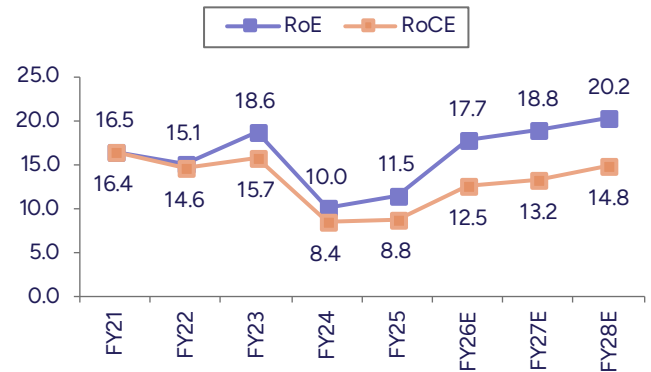
Source: Company, PL

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



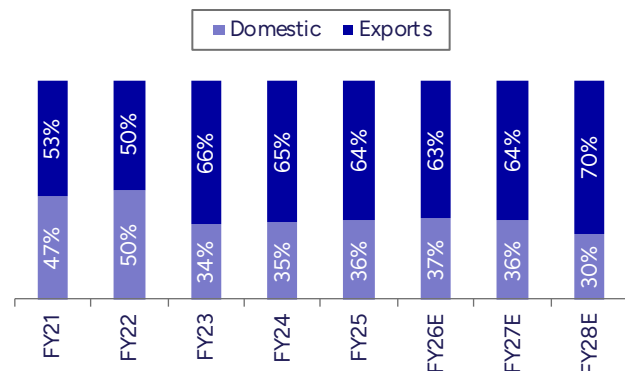
Source: Company, PL

Exhibit 6: Despite huge capex, return ratios to rise



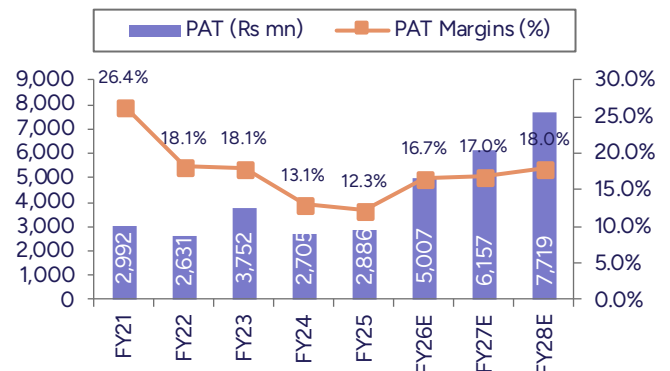
Source: Company, PL

Exhibit 7: Export mix to be at 70% in FY28E



Source: Company, PL

Exhibit 8: PAT margin to be at 18% in FY28E



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	23,494	29,980	36,251	42,995
YoY gr. (%)	13.8	27.6	20.9	18.6
Cost of Goods Sold	10,386	12,742	15,334	18,187
Gross Profit	13,108	17,239	20,917	24,808
Margin (%)	55.8	57.5	57.7	57.7
Employee Cost	2,967	3,234	3,589	3,984
Other Expenses	4,804	5,396	6,888	8,169
EBITDA	5,337	8,608	10,440	12,655
YoY gr. (%)	34.0	61.3	21.3	21.2
Margin (%)	22.7	28.7	28.8	29.4
Depreciation and Amortization	1,194	1,495	1,743	1,968
EBIT	4,143	7,113	8,697	10,687
Margin (%)	17.6	23.7	24.0	24.9
Net Interest	779	1,037	1,141	1,084
Other Income	437	600	653	688
Profit Before Tax	3,801	6,676	8,209	10,291
Margin (%)	16.2	22.3	22.6	23.9
Total Tax	915	1,669	2,052	2,573
Effective tax rate (%)	24.1	25.0	25.0	25.0
Profit after tax	2,886	5,007	6,157	7,719
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,886	5,007	6,157	7,719
YoY gr. (%)	32.2	73.5	23.0	25.4
Margin (%)	12.3	16.7	17.0	18.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,886	5,007	6,157	7,719
YoY gr. (%)	32.2	73.5	23.0	25.4
Margin (%)	12.3	16.7	17.0	18.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,886	5,007	6,157	7,719
Equity Shares O/s (m)	50	50	50	50
EPS (Rs)	58.2	100.9	124.1	155.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	30,225	36,225	41,225	46,225
Tangibles	30,225	36,225	41,225	46,225
Intangibles	-	-	-	-
Acc: Dep / Amortization	4,721	6,216	7,958	9,926
Tangibles	4,721	6,216	7,958	9,926
Intangibles	-	-	-	-
Net fixed assets	25,505	30,010	33,267	36,299
Tangibles	25,505	30,010	33,267	36,299
Intangibles	-	-	-	-
Capital Work In Progress	3,498	3,498	3,498	3,498
Goodwill	-	-	-	-
Non-Current Investments	4,799	4,799	4,799	4,799
Net Deferred tax assets	(754)	(754)	(754)	(754)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	3,224	3,795	4,584	5,388
Trade receivables	5,824	8,132	9,833	11,662
Cash & Bank Balance	405	1,074	295	962
Other Current Assets	5,048	5,048	5,048	5,048
Total Assets	48,304	56,356	61,323	67,656
Equity				
Equity Share Capital	99	99	99	99
Other Equity	26,163	30,140	35,030	41,161
Total Networth	26,262	30,239	35,129	41,260
Non-Current Liabilities				
Long Term borrowings	14,407	20,170	19,162	18,204
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	3,270	586	707	831
Other current liabilities	3,611	4,607	5,571	6,607
Total Equity & Liabilities	48,304	56,356	61,323	67,656

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	3,801	6,676	8,209	10,291
Add. Depreciation	1,194	1,495	1,743	1,968
Add. Interest	779	1,037	1,141	1,084
Less Financial Other Income	437	600	653	688
Add. Other	8	-	-	-
Op. profit before WC changes	5,783	9,208	11,092	13,343
Net Changes-WC	933	(4,566)	(1,404)	(1,473)
Direct tax	(780)	(1,669)	(2,052)	(2,573)
Net cash from Op. activities	5,935	2,974	7,636	9,297
Capital expenditures	(5,611)	(6,000)	(5,000)	(5,000)
Interest / Dividend Income	17	-	-	-
Others	484	-	-	-
Net Cash from Inv. activities	(5,111)	(6,000)	(5,000)	(5,000)
Issue of share cap. / premium	-	-	-	-
Debt changes	1,014	5,763	(1,009)	(958)
Dividend paid	(595)	(1,030)	(1,267)	(1,588)
Interest paid	(786)	(1,037)	(1,141)	(1,084)
Others	-	-	-	-
Net cash from Fin. activities	(366)	3,696	(3,416)	(3,630)
Net change in cash	458	669	(780)	667
Free Cash Flow	324	(3,026)	2,636	4,297

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	58.2	100.9	124.1	155.6
CEPS	82.3	131.1	159.3	195.3
BVPS	529.5	609.7	708.2	831.9
FCF	6.5	(61.0)	53.1	86.6
DPS	12.0	20.8	25.5	32.0
Return Ratio(%)				
RoCE	10.6	15.6	16.6	18.8
ROIC	8.1	11.9	12.6	14.2
RoE	11.5	17.7	18.8	20.2
Balance Sheet				
Net Debt : Equity (x)	0.5	0.6	0.5	0.4
Net Working Capital (Days)	90	138	138	138
Valuation(x)				
PER	86.1	49.6	40.4	32.2
P/B	9.5	8.2	7.1	6.0
P/CEPS	60.9	38.2	31.5	25.6
EV/EBITDA	49.2	31.1	25.6	21.0
EV/Sales	11.2	8.9	7.4	6.2
Dividend Yield (%)	0.2	0.4	0.5	0.6

Source: Company Data, PL Research

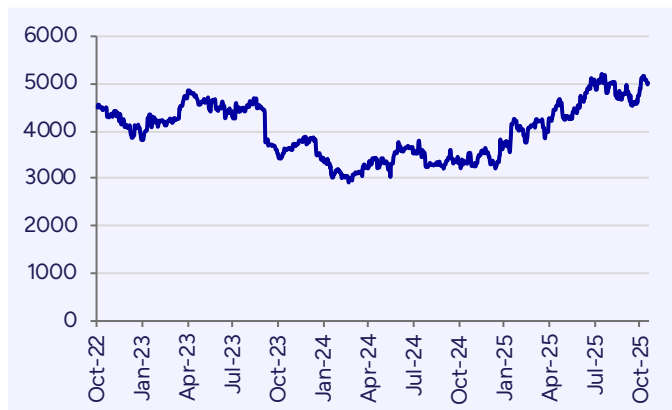
Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	6,062	7,009	7,254	7,584
YoY gr. (%)	20.8	16.4	38.5	46.3
Raw Material Expenses	2,632	3,211	3,077	3,129
Gross Profit	3,430	3,799	4,177	4,455
Margin (%)	56.6	54.2	57.6	58.7
EBITDA	1,473	1,787	2,068	2,462
YoY gr. (%)	94.7	62.4	106.1	129.3
Margin (%)	24.3	25.5	28.5	32.5
Depreciation / Depletion	296	353	352	366
EBIT	1,178	1,435	1,716	2,096
Margin (%)	19.4	20.5	23.6	27.6
Net Interest	202	282	304	303
Other Income	105	118	139	182
Profit before Tax	1,080	1,271	1,551	1,975
Margin (%)	17.8	18.1	21.4	26.0
Total Tax	244	320	379	491
Effective tax rate (%)	22.6	25.2	24.5	24.9
Profit after Tax	836	950	1,172	1,484
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	836	950	1,172	1,484
YoY gr. (%)	7.2	35.0	128.8	152.2
Margin (%)	13.8	13.6	16.2	19.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	836	950	1,172	1,484
YoY gr. (%)	7.2	35.0	128.8	152.2
Margin (%)	13.8	13.6	16.2	19.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	50	50	50	50
EPS (Rs)	16.7	19.0	23.4	29.7

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	Accumulate	5,196	4,568
2	31-Jul-25	Accumulate	5,559	5,198
3	07-Jul-25	Accumulate	5,161	4,933
4	10-May-25	Accumulate	5,161	4,595
5	08-Apr-25	Accumulate	4,454	3,880
6	31-Jan-25	Accumulate	4,373	3,908
7	08-Jan-25	Accumulate	3,672	3,478

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	395	377
2	Bharat Petroleum Corporation	Hold	347	342
3	Bharti Airtel	Accumulate	2,090	1,930
4	Clean Science and Technology	Hold	1,111	1,068
5	Deepak Nitrite	Hold	1,924	1,844
6	Fine Organic Industries	BUY	5,571	4,651
7	GAIL (India)	Accumulate	199	177
8	Gujarat Fluorochemicals	Hold	3,742	3,643
9	Gujarat Gas	Hold	442	436
10	Gujarat State Petronet	Accumulate	339	325
11	Hindustan Petroleum Corporation	Accumulate	458	446
12	Indian Oil Corporation	Accumulate	166	155
13	Indraprastha Gas	Reduce	192	209
14	Jubilant Ingrevia	Hold	695	677
15	Laxmi Organic Industries	Reduce	199	215
16	Mahanagar Gas	BUY	1,471	1,281
17	Mangalore Refinery & Petrochemicals	Accumulate	159	142
18	Navin Fluorine International	Accumulate	5,196	4,568
19	NOCIL	Hold	187	181
20	Oil & Natural Gas Corporation	BUY	278	244
21	Oil India	BUY	525	415
22	Petronet LNG	Hold	290	279
23	Reliance Industries	BUY	1,668	1,417
24	SRF	Hold	3,123	3,028
25	Vinati Organics	BUY	1,946	1,690

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)

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