

# Short Term Fundamental Pick

**Friday, 17 April 2026**



**Rating** : **Buy**  
**Cmp** : **₹6256.00** as on 16th April 2026  
**Sector** : **Chemicals.**  
**Target** : **₹7500.00**  
**Upside Potential** : **19.88%**  
**Time Frame** : **8-12 Months**



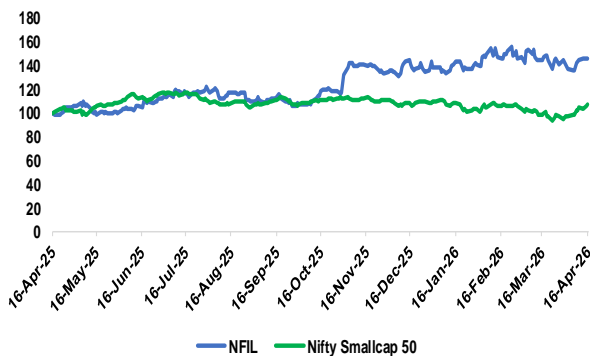
## Key Data

Nifty/Sensex	24196.75/77988.68
BSE Code	532504
NSE Code	NAVINFLOUR
Bloomberg Code	NFIL IN
Basic Industry	Specialty Chemicals
Market Cap(Cr.)	32,035.35
No. of Shares(Cr.)	5.12
Face Value	2
52 Week High/Low	6965/4110

## Shareholding Pattern

Particulars	Q3FY26
Promoter	27.10%
MF	17.80%
FII	23.70%
Public	21.10%
Others	10.30%

NFIL vs Nifty smallcap 50



**Robust Performance CDMO pipeline business, Strong Revenue Visibility and Steady Volume in the Agrochem Business, which augurs Long Term Growth for NFIL...**

**Navin Fluorine International Limited** is a leading fluorinated specialty chemicals manufacturer with a strong global presence across 27 countries and a portfolio of over 70 products as of FY25. The company operates through three key segments—High Performance Products (HPP) contributing ~51% of revenue, Specialty Chemicals at ~34%, and CDMO at ~15%. Its international exposure remains high, with exports contributing ~68% of revenue in Q3FY26 compared to ~56% in FY25, reflecting a steadily increasing global footprint. Over the past three years, the company has delivered a healthy revenue CAGR of ~18%, primarily driven by growth in inorganic fluorides and refrigerant gases, while profit has grown at ~11% CAGR, supported by stable operating margins of ~25–26%.

The balance sheet remains strong with low debt levels, and the company has consistently invested in growth, with average capex cash outflows of ~₹650 crore over the last five years. NFIL also maintains a healthy dividend payout ratio of ~18.4%, reflecting a balanced capital allocation strategy. Within segments, the HPP business has a competitive edge as the first mover in refrigerants in India, with products sold under the “Mafron” brand, and a Hydrofluoric Acid (HF) capacity of ~60,000 TPA with ~56% exports. The Specialty Chemicals segment has ~51% export exposure and strong global partnerships across crop science, life sciences, and performance materials, including a supply agreement for a patented agrochemical product in Japan with revenue potential of ₹20–30 crore. The CDMO segment, largely export-driven, reported ~31% growth in FY25, supported by a robust pipeline of late-stage and early-stage molecules.

## Highlights and Investment Rationale

- **Q3FY26 Financial Performance and Growth Momentum:** The company delivered a robust Q3FY26 performance, with revenue growing 47.2% YoY, EBITDA rising 108.8%, and margins expanding to 34.5%. PAT surged 146.3% with a margin of 23.1%, driven by strong contributions across all segments.

Friday, 17 April 2026

- **Consistent long-term growth with Financial Strength:** Over the longer term, revenue has more than doubled from ₹1,062 crores in FY20 to ₹2,349 crores in FY25, reflecting a steady growth trajectory, while operating profit growth of ~19% highlights improving cost efficiencies and strong execution.
- **Strong Financial Position:** The company has steadily strengthened its reserves, reflecting financial stability and disciplined operations. Consistent investments in fixed assets over the past three years, along with a stable asset turnover of ~1.1x, indicate balanced capacity expansion and efficient utilization. Net Debt-to-Equity remains low at 0.03x, with working capital maintained below 80 days of sales.
- **Specialty Chemicals:** Growth in the Specialty Chemicals segment is supported by scale-up of new molecules, traction in the Nectar portfolio, & strong utilization at the Dahej Fluoro-speciality plant. Utilisation for MPP-1 has reached optimal levels, while MPP-2 stands at ~75% and expected to reach peak utilisation within a year. Looking ahead, key growth drivers are Chemours project by Q1 FY27 and MPP debottlenecking at Dahej by Q3 FY27.
- **HPP Segment:** The HPP segment continues to benefit from favourable pricing and volume growth. Backward integration through the commissioning of the 40,000 MTPA AHF plant strengthens its presence in high-value fluorinated products while improving cost efficiencies and supporting downstream expansion.
- **R32 Expansion:** The expansion of R32 capacity from 9,000 MTPA to 24,000 MTPA is a major growth driver, expected to be commissioned by Q3FY27. At peak utilization, it has the potential to generate incremental revenues of ₹600–825 crore, significantly enhancing earnings visibility.
- **CDMO Business:** The CDMO segment remains a key growth pillar, registering strong momentum with 61% growth and robust order visibility. With increasing demand from European clients and full utilization of the cGMP-4 block expected by FY27-end, the business is well-positioned to achieve its US\$100 million revenue target.

Friday, 17 April 2026

- **Advanced Materials:** The company's entry into advanced materials, backed by AHF integration for electronic-grade HF and BF<sub>3</sub>, aligns it with the expanding semiconductor ecosystem. This export-focused segment, supported by Semiconductor Mission 2.0, offers strong long-term growth potential
- **Management outlook:** Management remains confident of sustaining EBITDA margins at ~30% (±200 bps) for FY26, supported by operating leverage and a favorable product mix following strong 9MFY26 performance. However, rising input costs, particularly sulfur and fluorspar, remain key risks, with pricing actions expected to offset inflationary pressures.

## Key risks:

- **High Production and R&D Costs:** Fluorochemicals involve complex manufacturing and specialized inputs, resulting in high production costs and pricing challenges in sensitive markets. Additionally, ongoing investment in eco-friendly alternatives increases R&D expenses, impacting profitability
- **Raw Material Dependency and Price Volatility:** The industry relies heavily on imported raw materials, making it vulnerable to supply disruptions and cost inflation. Geopolitical tensions and fluctuating oil prices further add uncertainty to input costs and margins.
- **Regulatory and Environmental Risks:** Stringent regulations and global climate commitments are driving a phase-out of high GWP products. India's target to cut HFC emissions by 85% by 2047 necessitates a shift toward sustainable alternatives, requiring additional investments.
- **Geopolitical and Energy-Related Risks:** The company operating in Fluorine chemistry is mostly independent of crude price movements, which provides stability. The High-margin CRAMS and specialty fluorination help to offset the rising costs, the business still faces risks from elevated energy prices and potential delays in shipments.

Key Financial Indicators & Valuation (Consolidated)					
YE March (Cr.)	FY23	FY24	FY25	FY26E	FY27E
Revenue	2,077.40	2,065.01	2,349.38	3,287.41	4,109.27
EBITDA	550.31	398.28	533.72	1,026.88	1,295.23
EBITDA Margin(%)	26.49%	19.29%	22.72%	31.24%	31.52%
PAT	375.19	218.38	288.60	635.32	786.41
Net Profit Margin(%)	18.06%	10.58%	12.28%	19.33%	19.14%
ROE(%)	17.17%	9.16%	10.99%	20.53%	21.12%
EPS	75.72	44.07	58.18	123.96	153.45
PE	56.33	70.61	72.33	49.71	40.77
EV/EBITDA	39.83	40.79	40.85	31.85	25.70
P/BV	9.67	6.47	7.95	10.21	8.61
EV/Net Sales	10.55	7.87	9.28	9.95	8.10

Variance Analysis (Consolidated)					
Particulars (Rs. In Cr.)	2025-Dec	2024-Dec	YoY%	2025-Sep	QoQ %
Net Sales	892.37	606.20	47%	758.42	18%
Total Expenditure	584.80	458.89	27%	512.25	14%
PBIDT (Excl OI)	307.57	147.31	109%	246.17	25%
PAT	205.87	83.60	146%	148.37	39%
PBIDTM% (Excl OI)	34.47%	24.30%	42%	32.46%	6%
PATM%	23.07%	13.79%	67%	19.56%	18%
Adj. EPS(Rs)	40.17	16.85	138%	28.95	39%

## Valuation and Outlook:

The company presents a compelling investment opportunity, supported by strong visibility of multi-year growth across key segments. A robust CDMO pipeline, continued momentum in the Agrochem business, and expansion in refrigerant capacities provide diversified growth drivers. The strategic partnership with Chemours, backed by an initial investment of USD 14 million, holds significant upside potential, with Phase 2 capex likely to scale meaningfully as demand for liquid cooling fluids accelerates. Additionally, upcoming capacities in high-grade HF and R32-equivalent products are expected to drive a step-up in earnings from FY28 onwards. The expanded AHF capacity of ~60,000 MTPA further strengthens backward integration, supporting both external sales and higher-margin downstream products. With a clear shift toward short-cycle, high-value products, the company is improving its margin profile and capital efficiency. Overall, the combination of strong order visibility, strategic capex, and focus on niche, high-growth segments make the company well for sustained earnings growth, making it an attractive long-term investment. **The company's PE multiple is right now trading at 57x, below its 3 year PE of 67.4x. We estimate 25% Revenue growth and 26% EBITDA growth in FY27 by maintaining a "BUY" rating with target potential of Rs.7500 for an upside of 19.88%.**

<b>Profit And Loss Statement Consolidated)</b>					
<b>YE March (Cr.)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>
I. Income					
<b>Net Sales</b>	<b>2,077.40</b>	<b>2,065.01</b>	<b>2,349.38</b>	<b>3,287.41</b>	<b>4,109.27</b>
II. Expenditure					
Raw Material Cost	866.66	902.62	1,010.03	1,377.18	1,704.18
Employee Cost	249.41	285.84	296.67	300.04	315.05
Other Expenses	411.02	478.27	508.96	583.31	794.80
<b>Total Expenditure</b>	<b>1,527.09</b>	<b>1,666.73</b>	<b>1,815.66</b>	<b>2,260.53</b>	<b>2,814.03</b>
<b>EBITDA</b>	<b>550.31</b>	<b>398.28</b>	<b>533.72</b>	<b>1,026.88</b>	<b>1,295.23</b>
Depreciation & Amortization	62.64	96.16	119.43	147.63	179.01
<b>EBIT</b>	<b>487.67</b>	<b>302.12</b>	<b>414.29</b>	<b>879.25</b>	<b>1,116.22</b>
Interest	27.52	74.56	77.93	112.07	133.50
Other Income	35.73	55.85	43.73	62.70	65.84
<b>Earnings Before Tax(EBT)</b>	<b>495.88</b>	<b>283.41</b>	<b>380.09</b>	<b>829.88</b>	<b>1,048.55</b>
Tax	120.69	65.03	91.49	194.57	262.14
<b>Profit After Tax(PAT)</b>	<b>375.19</b>	<b>218.38</b>	<b>288.60</b>	<b>635.32</b>	<b>786.41</b>
Exceptional Items	-	52.13	-	-20.47	-
Share of Associate	-0.01	-0.01	-0.02	-0.01	-
<b>Consolidated Net Profit</b>	<b>375.18</b>	<b>270.50</b>	<b>288.58</b>	<b>614.84</b>	<b>786.41</b>
EPS - Basic	75.72	44.07	58.18	123.96	153.45
EPS - Adjusted	75.72	44.07	58.18	123.96	153.45
No. Shares(Cr.)	4.96	4.96	4.96	5.13	5.13

## Investment Rating Matrix

<b>Ratings</b>	<b>Expected Return</b>
Buy	>15%
Accumulate	10% to 15%
Hold	0% to 15%
Sell	< - 15%

SSL Research aims to deliver objective views and recommendations. The recommendations are based on 12-month performance horizon, unless otherwise specified. The SSL investment rating matrix are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to Buy or downgraded to a Hold, Reduce and Sell.

## StockHolding Services Limited

(Formerly known as SHCIL Services Limited)

CIN NO: U65990MH1995GOI085602 SEBI - RA: INH000001121

Plot No. P-51, T.T.C. Industrial Area, MIDC Mahape, Navi Mumbai – 400 710

Call to us: 91-080-69850100

E-Mail: [customerdesk@stockholdingservices.com](mailto:customerdesk@stockholdingservices.com)

[www.stockholdingservices.com](http://www.stockholdingservices.com)

### Disclaimer

The research recommendations and information are solely for the personal information of the authorized recipient and does not construe to be an offer document or any investment, legal or taxation advice or solicitation of any action based upon it.

The research services ("Report") provided is for the personal information of the authorized recipient(s) and is not for public distribution. The report is based on the facts, figures and information that are considered true, correct and reliable. The report is provided for information of clients only and does not construe to be an investment advice. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as a confirmation of any transaction. Each recipient of this report should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this report and should consult its own advisors to determine the merits and risks of such an investment. StockHolding Services Limited (formerly known as SHCIL Services Limited)-(SSL) and its associate companies, their directors and their employees shall not be in any way responsible for any loss or damage that may arise to any recipient from any inadvertent error in the information contained in this report or any action taken on the basis of this information.

### Disclosure

StockHolding Services Limited (formerly known as SHCIL Services Limited) -(SSL) is a SEBI Registered Research Analyst having registration no.: INH000001121. SSL is a SEBI Registered Corporate Stock broker having SEBI Single Registration No.: INZ000199936 and is a member of Bombay Stock Exchange (BSE)- Cash Segment and Derivatives Segment, National Stock Exchange (NSE)-Cash, derivatives and Currency Derivatives Segments and Multi Commodity Exchange of India (MCX) – Commodity Derivative. SSL has registered with SEBI to act as Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 2020, bearing registration no. INP000007304 and also obtained registration as Depository Participant (DP) with CDSL and NSDL, SEBI Registration No.: IN-DP-471-2020. SSL is a wholly owned subsidiary of Stock Holding Corporation of India Limited (StockHolding). StockHolding is primarily engaged in the business of providing custodial services, designated depository participant (DDP) post trading services, Authorized Person services in association with SSL and DP services. SHCIL is also registered as Research Analyst with SEBI. Neither SSL nor its Research Analysts have been engaged in market making activity for the companies mentioned in the report /recommendation. SSL or their Research Analysts have not managed or co-managed public offering of securities for the subject company (ies) in the past twelve months.

Registrations granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. 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.

The Analysts engaged in preparation of this Report or his/her relative or SSL's associates: - (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report.

The Analysts engaged in preparation of this Report or his/her relatives or SSL's associates: - (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;

(d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

**Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.**

"The securities quoted are for illustration only and are not recommendatory".

The investor is requested to take into consideration all the risk factors before actually trading in equity and derivative contracts. For grievances write to [grievances@stockholdingservices.com](mailto:grievances@stockholdingservices.com). In case you require any clarification or have any query/concern, kindly write to us at [ssl.research@stocholdingservices.com](mailto:ssl.research@stocholdingservices.com).

## **S. Devarajan**

*MBA (Finance & Foreign Trade), Ph.D. (Financial Management)*  
**Head of Research & Quant Strategist**

### **Sourabh Mishra**

MMS (Finance)  
**Research Analyst**

### **Mahesh R Chavan**

MSC (Finance)  
**Research Analyst**

### **Mahima Satish**

BSC (Finance)  
**Research Associate**