Stock Idea Note - Navin Fluorine International Ltd.

Company Overview

Navin Fluorine International Limited, the flagship entity of the Padmanabh Mafatlal Group, is among India's leading specialty fluorochemical manufacturers with over five decades of expertise in fluorine chemistry. The company has established itself as a preferred global partner across diversified fluoro-chemical applications, operating through three core verticals HPP, Specialty Chemicals, and CDMO with a portfolio of 70+ products. Its offerings span refrigerant gases marketed under the 'MAFRON' brand, inorganic and specialty fluorides, and contract development and manufacturing services. The launch of the Navin Molecular brand in FY24 further strengthened its CDMO positioning, expanding capabilities beyond fluorination chemistry. The company maintains a strong global footprint across North America, Europe, the Middle East, and Asia-Pacific, with exports contributing ~56% of FY25 revenue, underscoring its global competitiveness. It holds several strategic distinctions, including being the first manufacturer of refrigerant gases in India, the only domestic producer of hydrofluoroolefins (HFOs), and one of the largest global producers of BF□. Operationally, Navin Fluorine runs one of India's largest integrated fluorochemical complexes, with manufacturing facilities at Surat and Dahej (Gujarat), Dewas (Madhya Pradesh), and Manchester (UK). Its innovation capabilities are supported by a DSIR-approved Navin Research Innovation Centre (NRIC) in Surat and an R&D facility for Navin Molecular at Dewas. With long-term supply contracts across pharmaceutical and agrochemical intermediates and multi-year strategic partnerships with global innovators, the company has built strong revenue visibility and customer stickiness. Ongoing investments in multipurpose plants (MPPs), guided by its strategic focus on Product, Platform, and Partnerships (3Ps), alongside sustainability-led capital allocation, position the company for structurally sustainable growth and long-term value creation.

Investment Rationale

Deepening global innovator partnerships and capacity-led scale-up drive specialty chemicals growth

The Specialty Chemicals segment delivered its highest-ever quarterly revenue in Q3FY26, led by scale-up of existing molecules, strong campaign execution (including the Nectar project), and continued addition of new molecules within the agrochemical value chain. Order visibility remains robust for Q4 and beyond, supported by deeper integration with global innovators and a strategic shift from a transactional supply model to an embedded technology-partner approach, enhancing customer stickiness and value capture. Importantly, the company continues to add one to two new molecules per quarter, strengthening the product pipeline and diversifying revenue streams. Ongoing capacity additions including the Chemours project (targeted for Q1FY27) and MPP debottlenecking at Dahej (expected Q3FY27) provide incremental growth levers with operating leverage benefits. With MPP-1 nearing peak utilization, MPP-2 operating at ~70–80%, and Nectar ramping up, the segment retains meaningful headroom for scale-up. Overall, improved execution, capacity-led expansion, and a strengthening product pipeline position the Specialty Chemicals vertical for sustained double-digit growth and durable earnings compounding over the medium term.

Backward integration and capacity expansion strengthen HPP margin-led growth trajectory

The HPP segment delivered a strong performance in Q3FY26, supported by improved realizations and healthy volume growth amid a favorable pricing environment. The commissioning of the AHF facility represents a key strategic milestone, strengthening backward integration, enhancing supply security, and enabling greater value capture through captive consumption into higher-margin downstream fluorochemistries. The planned incremental HFC expansion (~15,000 MTPA of R32), target-

Stock Rating

BUY	HOLD	SELL
■		
> 15%	-5% to 15%	< -5%

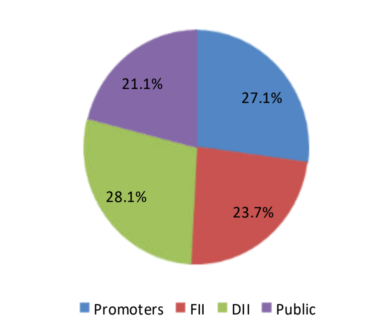
Sector Outlook Positive

Stock	
CMP (INR)	6,524
Target Price (INR)	7,591
NSE Symbol	NAVINFLUOR
BSE Code	532504
Bloomberg	NFIL IN
Reuters	NAFL.BO

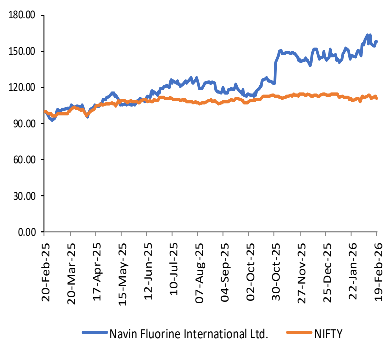
Key Data	
Nifty	25,571
52WeekH/L(Rs.)	6,965/3,566
O/s Shares (Cr.)	5.13
Market Cap (Rs, Cr.)	33,424
Face Value (Rs.)	2

Average volume	
3 months	206,837
6 months	227,390
1 year	198,622

Share Holding Pattern (%)



Relative Price Chart



for Q3FY27, further positions the company to benefit from sustained demand for low-GWP refrigerants across domestic and export markets. With R32 operating at healthy utilization levels and pricing remaining supportive, the segment continues to demonstrate margin strength. Importantly, the AHF plant provides optionality to participate in advanced and niche fluorinated applications, including electronic and semiconductor-grade chemistries, thereby expanding the addressable opportunity beyond traditional refrigerants. Backed by a structurally stronger margin framework (~30% annual EBITDA guidance), disciplined capital allocation, and expanding global market access, the HPP vertical is well placed to deliver steady volume-led growth, margin resilience, and operating leverage over the medium term.

Valuation and Outlook

Navin Fluorine International Limited continues to strengthen its earnings trajectory, underpinned by robust revenue growth across HPP and Specialty Chemicals, improving realizations, and operating leverage benefits from recent capacity additions. Management maintains a constructive outlook, guided by structural margin improvement (~30% EBITDA band), disciplined capital allocation, and calibrated expansion across high-value fluorochemical platforms. The company's growth strategy remains centered on backward integration (AHF commissioning), incremental R32 capacity expansion, scaling multipurpose plants (MPPs), deepening global innovator partnerships, and expanding CDMO capabilities under Navin Molecular thereby enhancing revenue visibility and customer stickiness. Industry dynamics remain supportive, with sustained global demand for low-GWP refrigerants, gradual recovery in agrochemicals, increasing outsourcing in pharma intermediates, and emerging opportunities in advanced and electronic-grade fluorochemistries. The company has strong finanical 9MFY26 growth momentum, healthy return ratios, and a prudent balance sheet provide flexibility to fund growth capex through FY27. With multiple projects slated for commissioning over FY26-27, improving asset utilization, and a diversified global revenue mix, the company is well positioned to deliver steady double-digit topline growth, margin resilience, and incremental earnings compounding. Given its integrated fluorine chemistry capabilities, expanding addressable market, and strengthening execution track record, the valuation is justified at a premium to peers, supported by long-term structural growth visibility. **On the valuation front, we value the company based on 77x FY26e earnings and arrive at a target price of Rs. 7591 (16% upside from the current market price) with a 12-month investment horizon.**

Key Financials						
YE March (INR. Crs)	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Revenue	**1,453**	**2,077**	**2,065**	**2,349**	**3,171**	**3,901**
Revenue Growth (Y-oY)	*23.2%*	*42.9%*	*(0.6%)*	*13.8%*	*35.0%*	*23.0%*
EBITDA	**356**	**550**	**399**	**534**	**908**	**1,271**
EBIT Growth (Y-o-Y)	*15.2%*	*54.5%*	*(27.5%)*	*33.8%*	*70.0%*	*40.0%*
Net Profit	**263**	**375**	**270**	**289**	**506**	**733**
Net Profit Growth (Y-o-Y)	*1.9%*	*42.6%*	*(28.0%)*	*7.0%*	*75.0%*	*45.0%*
Diluted EPS	**53.1**	**75.7**	**54.6**	**58.2**	**98.6**	**143.0**
Diluted EPS Growth (Y-o-Y)	*2.1%*	*42.6%*	*(27.9%)*	*6.7%*	*69.4%*	*45.0%*
Key Ratios						
EBITDA margin (%)	**24.5%**	**26.5%**	**19.3%**	**22.7%**	**28.6%**	**32.6%**
NPM (%)	18.1%	18.1%	13.1%	12.3%	15.9%	18.8%
RoE (%)	**14.3%**	**17.2%**	**11.3%**	**11.0%**	**16.5%**	**19.7%**
RoCE (%)	31.4%	20.2%	20.4%	20.7%	20.4%	24.5%
Valuation Ratios						
P/E (x)	**122.8x**	**86.2x**	**119.5x**	**112.0x**	**66.1x**	**45.6x**
EV/EBITDA (x)	94.0x	62.3x	87.2x	65.3x	38.1x	27.3x
P/BV (x)	**18.1x**	**15.3x**	**14.0x**	**12.7x**	**10.9x**	**9.0x**
Market Cap. / Sales (x)	23.0x	16.1x	16.2x	14.2x	10.5x	8.6x

Source: Bloomberg, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. 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. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392