

Rating: ACCUMULATE | CMP: Rs6,387 | TP: Rs7,038

February 19, 2026

Analyst Meet Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE	ACCUMULATE		
Target Price	7,038	7,038		
Sales (Rs. m)	38,719	44,681	38,719	44,681
% Chng.	-	-		
EBITDA (Rs. m)	11,953	14,153	11,953	14,153
% Chng.	-	-		
EPS (Rs.)	148.1	179.3	148.1	179.3
% Chng.	-	-		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	23,494	32,130	38,719	44,681
EBITDA (Rs. m)	5,337	10,372	11,953	14,153
Margin (%)	22.7	32.3	30.9	31.7
PAT (Rs. m)	2,886	6,506	7,345	8,893
EPS (Rs.)	58.2	131.2	148.1	179.3
Gr. (%)	32.0	125.4	12.9	21.1
DPS (Rs.)	12.0	27.8	30.5	36.9
Yield (%)	0.2	0.4	0.5	0.6
RoE (%)	11.5	22.5	21.3	21.7
RoCE (%)	10.6	19.6	18.8	20.4
EV/Sales (x)	14.1	10.4	8.6	7.4
EV/EBITDA (x)	62.0	32.3	27.9	23.4
PE (x)	109.8	48.7	43.1	35.6
P/BV (x)	12.1	10.0	8.5	7.1

Key Data

NAFL.BO | NFIL IN

52-W High / Low	Rs.6,965 / Rs.3,566
Sensex / Nifty	83,734 / 25,819
Market Cap	Rs.327bn / \$ 3,609m
Shares Outstanding	51m
3M Avg. Daily Value	Rs.1261.48m

Shareholding Pattern (%)

Promoter's	27.11
Foreign	23.74
Domestic Institution	28.09
Public & Others	21.06
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.7	26.7	56.3
Relative	3.5	22.9	41.8

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Multiple growth levers in FY27–28

Quick Pointers:

- Chemours Phase 2 capex has the potential to reach ~10x of the current investment of USD14mn
- Fermion's annual run-rate is expected to increase in FY27 from the previously guided number of ~USD40mn

We attended the analyst meet for Navin Fluorine International Ltd (NFIL) and, based on our interaction with the management, the company appears well positioned for a strong multi-year growth trajectory, supported by a robust CDMO pipeline, expansion of key refrigerant gas capacities, and sustained momentum in the agchem segment. The Chemours partnership, with an initial investment of USD14mn, offers significant potential, with Phase 2 capex potentially scaling up to ~10x as demand for liquid cooling fluids gains traction. Additionally, high-grade HF and the upcoming R32-equivalent plant are expected to materially enhance performance from FY28, aided by expanded AHF capacity of ~60,000mtpa, which will support both external sales and value-added downstream integration. Overall, with diversified growth drivers across CDMO, agchem and refrigerants, NFIL is shifting its focus toward short-cycle, high-value products in the coming years. We expect revenue/EBITDA/PAT to clock a CAGR of 18%/17%/15% over FY26–28E and maintain our 'Accumulate' rating on the stock with TP of Rs7,038, valuing it at 41x Dec'27E EPS.

- Limited downside risks to R32 pricing:** The management expects ~15,000mtpa of R32-equivalent capacity to come on stream in Q3FY27, contributing to 4–5 months of revenue in FY27. The management also indicated that R32 prices are not expected to see any major downside even after new capacity additions. Domestic realizations are currently superior to export markets. With the commissioning of 40,000mtpa of new AHF capacity, surplus AHF volumes of 6–8ktpa are expected to be sold externally in FY27. However, the company aims to utilize maximum AHF for value-added downstream products. Additionally, HFO volumes still have headroom for ~20% growth, and the company has no immediate debottlenecking plans. NFIL is focusing on product diversification in collaboration with Honeywell, to reduce dependence on a single HFO molecule.
- Strong CDMO pipeline and growth visibility:** The company has a pipeline of 10–15 molecules, of which 2–3 are likely to enter the final stages of regulatory approval over the next 2–3 years. Fermion's annual run-rate is expected to increase in FY27 from the previously guided number of ~USD40mn.
- Chemours Phase 2 capex can reach ~10x current investment:** The Chemours project (Opteon) is progressing as planned and is expected to be commissioned in Q1FY27, with NFIL's plant becoming the first global capacity for Chemours for this product. The management highlighted that Chemours Phase 2 capex could reach ~10x of the current investment (USD14mn) once demand for the 2-phase immersion fluid picks up. Project Nectar is expected to achieve ~50% utilization in FY26, scale up to ~75% by end-FY27, and reach full utilization by FY28, providing meaningful earnings ramp-up over the medium term.

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	23,494	32,130	38,719	44,681
YoY gr. (%)	13.8	36.8	20.5	15.4
Cost of Goods Sold	10,386	13,334	16,262	18,766
Gross Profit	13,108	18,796	22,457	25,915
Margin (%)	55.8	58.5	58.0	58.0
Employee Cost	2,967	3,026	3,147	3,273
Other Expenses	4,804	5,398	7,357	8,489
EBITDA	5,337	10,372	11,953	14,153
YoY gr. (%)	34.0	94.3	15.2	18.4
Margin (%)	22.7	32.3	30.9	31.7
Depreciation and Amortization	1,194	1,329	1,743	1,968
EBIT	4,143	9,043	10,211	12,185
Margin (%)	17.6	28.1	26.4	27.3
Net Interest	779	1,176	1,180	1,121
Other Income	437	643	697	715
Profit Before Tax	3,801	8,510	9,728	11,779
Margin (%)	16.2	26.5	25.1	26.4
Total Tax	915	2,004	2,383	2,886
Effective tax rate (%)	24.1	23.6	24.5	24.5
Profit after tax	2,886	6,506	7,345	8,893
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,886	6,506	7,345	8,893
YoY gr. (%)	32.2	125.4	12.9	21.1
Margin (%)	12.3	20.2	19.0	19.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,886	6,506	7,345	8,893
YoY gr. (%)	32.2	125.4	12.9	21.1
Margin (%)	12.3	20.2	19.0	19.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,886	6,506	7,345	8,893
Equity Shares O/s (m)	50	50	50	50
EPS (Rs)	58.2	131.2	148.1	179.3

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	6,050	7,792	9,760
Tangibles	4,721	6,050	7,792	9,760
Intangibles	-	-	-	-
Net fixed assets	25,505	30,176	33,433	36,465
Goodwill	25,505	30,176	33,433	36,465
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	3,864	4,753	5,421
Trade receivables	5,824	8,715	10,502	12,119
Cash & Bank Balance	405	1,951	1,992	3,799
Other Current Assets	5,048	5,048	5,048	5,048
Total Assets	48,304	58,051	64,025	71,150
Equity				
Equity Share Capital	99	99	99	99
Other Equity	26,163	31,493	37,327	44,390
Total Networth	26,262	31,592	37,426	44,490
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	596	733	836
Other current liabilities	3,611	4,938	5,950	6,867
Total Equity & Liabilities	48,304	58,051	64,025	71,150

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	3,801	8,715	9,728	11,779
Add. Depreciation	1,194	1,329	1,743	1,968
Add. Interest	779	1,176	1,180	1,121
Less Financial Other Income	437	643	697	715
Add. Other	8	-	-	-
Op. profit before WC changes	5,783	11,220	12,650	14,868
Net Changes-WC	933	(4,876)	(1,527)	(1,266)
Direct tax	(780)	(2,004)	(2,383)	(2,886)
Net cash from Op. activities	5,935	4,339	8,740	10,716
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)	(1,381)	(1,511)	(1,830)
Interest paid	(786)	(1,176)	(1,180)	(1,121)
Others	-	-	-	-
Net cash from Fin. activities	(366)	3,207	(3,699)	(3,909)
Net change in cash	458	1,546	41	1,807
Free Cash Flow	324	(1,661)	3,740	5,716

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E	
Per Share(Rs)					
EPS		58.2	131.2	148.1	179.3
CEPS		82.3	158.0	183.2	219.0
BVPS		529.5	636.9	754.6	897.0
FCF		6.5	(33.5)	75.4	115.2
DPS		12.0	27.8	30.5	36.9
Return Ratio(%)					
RoCE		10.6	19.6	18.8	20.4
ROIC		8.1	15.3	14.8	16.2
RoE		11.5	22.5	21.3	21.7
Balance Sheet					
Net Debt : Equity (x)		0.5	0.6	0.5	0.3
Net Working Capital (Days)		90	136	137	136
Valuation(x)					
PER		109.8	48.7	43.1	35.6
P/B		12.1	10.0	8.5	7.1
P/CEPS		77.6	40.4	34.9	29.2
EV/EBITDA		62.0	32.3	27.9	23.4
EV/Sales		14.1	10.4	8.6	7.4
Dividend Yield (%)		0.2	0.4	0.5	0.6

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	7,009	7,254	7,584	8,924
YoY gr. (%)	16.4	38.5	46.3	47.2
Raw Material Expenses	3,211	3,077	3,129	3,677
Gross Profit	3,799	4,177	4,455	5,247
Margin (%)	54.2	57.6	58.7	58.8
EBITDA	1,787	2,068	2,462	3,076
YoY gr. (%)	62.4	106.1	129.3	108.8
Margin (%)	25.5	28.5	32.5	34.5
Depreciation / Depletion	353	352	366	362
EBIT	1,435	1,716	2,096	2,714
Margin (%)	20.5	23.6	27.6	30.4
Net Interest	282	304	303	283
Other Income	118	139	182	156
Profit before Tax	1,271	1,551	1,975	2,587
Margin (%)	18.1	21.4	26.0	29.0
Total Tax	320	379	491	529
Effective tax rate (%)	25.2	24.5	24.9	20.4
Profit after Tax	950	1,172	1,484	2,059
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	950	1,172	1,484	2,263
YoY gr. (%)	35.0	128.8	152.2	170.7
Margin (%)	13.6	16.2	19.6	25.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	950	1,172	1,484	2,263
YoY gr. (%)	35.0	128.8	152.2	170.7
Margin (%)	13.6	16.2	19.6	25.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	50	50	50	50
EPS (Rs)	19.0	23.4	29.7	45.3

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Feb-26	Accumulate	7,038	6,598
2	07-Jan-26	Accumulate	6,722	5,751
3	20-Nov-25	Accumulate	6,441	6,025
4	14-Nov-25	Accumulate	6,441	6,015
5	30-Oct-25	Accumulate	5,601	5,009
6	07-Oct-25	Accumulate	5,196	4,568
7	31-Jul-25	Accumulate	5,559	5,198
8	07-Jul-25	Accumulate	5,161	4,933
9	10-May-25	Accumulate	5,161	4,595
10	08-Apr-25	Accumulate	4,454	3,880

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Accumulate	466	430
2	Bharat Petroleum Corporation	Accumulate	406	373
3	Bharti Airtel	Accumulate	2,313	2,038
4	Clean Science and Technology	Hold	841	861
5	Deepak Nitrite	Hold	1,673	1,634
6	Fine Organic Industries	BUY	5,117	4,423
7	GAIL (India)	BUY	190	160
8	Gujarat Fluorochemicals	Hold	3,434	3,360
9	Gujarat Gas	Accumulate	422	399
10	Gujarat State Petronet	Hold	296	303
11	Hindustan Petroleum Corporation	Accumulate	457	428
12	Indian Oil Corporation	Accumulate	195	176
13	Indraprastha Gas	Accumulate	191	167
14	Jubilant Ingrevia	Hold	657	626
15	Laxmi Organic Industries	Reduce	125	143
16	Mahanagar Gas	Accumulate	1,305	1,181
17	Mangalore Refinery & Petrochemicals	Accumulate	162	151
18	Navin Fluorine International	Accumulate	7,038	6,598
19	NOCIL	Hold	159	153
20	Oil & Natural Gas Corporation	Accumulate	297	267
21	Oil India	Accumulate	527	479
22	Petronet LNG	Hold	288	290
23	Reliance Industries	BUY	1,688	1,423
24	SRF	Hold	2,894	2,883
25	Vinati Organics	Accumulate	1,671	1,496

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%

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