

Rating: ACCUMULATE | CMP: Rs6,598 | TP: Rs7,038

February 9, 2026

## Q3FY26 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE	ACCUMULATE		
Target Price	7,038	6,722		
Sales (Rs. m)	38,719	44,681	36,283	43,038
% Chng.	6.7	3.8		
EBITDA (Rs. m)	11,953	14,153	10,895	13,383
% Chng.	9.7	5.8		
EPS (Rs.)	148.1	179.3	131.3	167.2
% Chng.	12.8	7.2		

### 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)	14.5	10.8	8.9	7.6
EV/EBITDA (x)	63.9	33.3	28.8	24.1
PE (x)	113.4	50.3	44.6	36.8
P/BV (x)	12.5	10.4	8.7	7.4

### Key Data

	NAFL.BO   NFIL IN
52-W High / Low	Rs.6,635 / Rs.3,566
Sensex / Nifty	84,066 / 25,867
Market Cap	Rs.338bn/ \$ 3,725m
Shares Outstanding	51m
3M Avg. Daily Value	Rs.1024.44m

### 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	15.8	37.1	56.3
Relative	15.1	30.2	44.8

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## Robust order pipeline to drive growth

### Quick Pointers:

- AHF capex has been commissioned in Feb'26, and dispatches have commenced
- Chemours and R32 equivalent projects are on track for completion in Q1FY27 and Q3FY27, respectively.

**NFIL reported robust quarterly revenue of Rs8.9bn, up 47.2% YoY and 17.7% QoQ, driven by strong performance across the 3 business segments. The High-Performance Products (HPP) segment grew 35% YoY, supported by robust demand, and improved realizations and volumes for refrigerants, with both R32 plants operating at full capacity. The Specialty Chemicals segment posted 60% YoY increase, aided by meaningful contributions from the fluoro-specialty plant commissioned in Dec'24. Strong purchase order pipeline is already in place for Q4 and beyond. The CDMO segment delivered 61% YoY growth, with 94% of revenue derived from exports. The segment is backed by a healthy order book extending for CY26 and beyond. The management reaffirmed its USD100mn 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, which will sustain growth momentum. The stock currently trades at 37x FY28E EPS. We value the company at 41x Dec'27E EPS, arriving at TP of Rs7,038, and maintain 'Accumulate' rating.**

- **CDMO/Specialty Chemicals up 61%/60% YoY:** Consolidated revenue stood at Rs8.9bn, up 47.2% YoY and 17.7% QoQ (PLe: Rs7.6bn). 9MFY26 revenue grew by 44.1% YoY. During Q3FY26, CDMO revenue stood at Rs1.3bn, while Specialty Chemicals revenue was Rs3.5bn. Gross profit margin improved to 58.8% (vs. 56.6% in Q3FY25 and 58.7% in Q2FY26), an improvement of 220bps YoY, supported by higher realizations and lower raw material costs.
- **EBITDA margin expands by 200bps QoQ/1,020bps YoY:** EBITDA stood at Rs3bn, up 108.8% YoY/ 24.9% QoQ (PLe: Rs2.3bn). EBITDA margin came in at 34.5% (vs. 24.3% in Q3FY25 and 32.5% in Q2FY26). 9MFY26 EBITDA stood at Rs7.6bn, up 114% vs. 9MFY25. Reported PAT at Rs1.9bn surged 121.8% YoY and 25% QoQ. PAT margin stood at 21% vs. 14% in Q3FY25 and 20% in Q2FY26.
- **Concall takeaways:** **HPP:** (1) AHF with Rs4.5bn capex has commenced operations recently, with commercial supplies underway. (2) Growth was driven by higher realization and volumes. (3) 15,000mtpa of R32 equivalent is likely to be commissioned by Q3FY27. (4) Export realizations for R32 are better than domestic realizations. **Specialty Chemicals:** (5) Strong order pipeline provides visibility for Q4 and beyond. (6) Chemours project is likely to be completed in Q1FY27, with full utilization expected in a year. (7) Debottlenecking of MPP capacity at Dahej is on track to be commissioned in Q3FY27; peak revenue expected is Rs1.4-1.6bn. (8) Utilization: MPP1: 100%, MPP2 (dedicated plant): 70%-80%, Project Nectar: 50% for FY26. (9) Global liquid cooling market stands at ~USD3bn. **CDMO:** (10) cGMP-4 commenced operations, with commercial supplies to a European player. NFIL has given strong revenue outlook for the next 3 years and maintained the USD100mn CDMO target for FY27. **Guidance:** (11) EBITDAM guidance stands at 30% (+2%/-2%).

**Exhibit 1: Q3FY26 Result Overview (Rs mn) (Consolidated)**

Y/e March	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var.	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
<b>Net Sales</b>	<b>8,924</b>	<b>6,062</b>	<b>47.2</b>	<b>7,570</b>	<b>17.9</b>	<b>7,584</b>	<b>17.7</b>	<b>23,762</b>	<b>16,484</b>	<b>44.1</b>
Gross Profit	5,247	3,430	52.9	4,321	21.4	4,455	17.8	13,879	9,309	49.1
<b>Margin (%)</b>	<b>58.8</b>	<b>56.6</b>		<b>57.1</b>		<b>58.7</b>		<b>58.4</b>	<b>56.5</b>	
<b>EBITDA</b>	<b>3,076</b>	<b>1,473</b>	<b>108.8</b>	<b>2,253</b>	<b>36.5</b>	<b>2,462</b>	<b>24.9</b>	<b>7,605</b>	<b>3,550</b>	<b>114.2</b>
<b>Margin (%)</b>	<b>34.5</b>	<b>24.3</b>		<b>29.8</b>		<b>32.5</b>		<b>32.0</b>	<b>21.5</b>	
Other Income	156	105		150		182		477	319	
Depreciation	362	296	22.3	374	(3.3)	366	(1.1)	1,080	842	28.3
<b>EBIT</b>	<b>2,870</b>	<b>1,282</b>	<b>123.8</b>	<b>2,029</b>	<b>41.5</b>	<b>2,278</b>	<b>26.0</b>	<b>7,003</b>	<b>3,027</b>	<b>131.3</b>
Interest	283	202	39.8	303	(6.6)	303	(6.7)	889	497	79.0
<b>PBT before exceptional items</b>	<b>2,587</b>	<b>1,080</b>	<b>139.5</b>	<b>1,726</b>	<b>49.9</b>	<b>1,975</b>	<b>31.0</b>	<b>6,113</b>	<b>2,531</b>	<b>141.6</b>
Total Tax	529	244	116.5	430	23.0	491	7.6	1399	595	135.4
<b>ETR (%)</b>	<b>20.4</b>	<b>22.6</b>		<b>24.9</b>		<b>24.9</b>		<b>22.9</b>	<b>23.5</b>	
<b>Adj. PAT</b>	<b>2,059</b>	<b>836</b>	<b>146.3</b>	<b>1,297</b>	<b>58.8</b>	<b>1,484</b>	<b>38.8</b>	<b>4,714</b>	<b>1,936</b>	<b>143.5</b>
Exceptional Items	205	0		0		0		205	0	
<b>PAT</b>	<b>1,854</b>	<b>836</b>	<b>121.8</b>	<b>1,297</b>	<b>43.0</b>	<b>1,484</b>	<b>25.0</b>	<b>4,510</b>	<b>1,936</b>	<b>132.9</b>

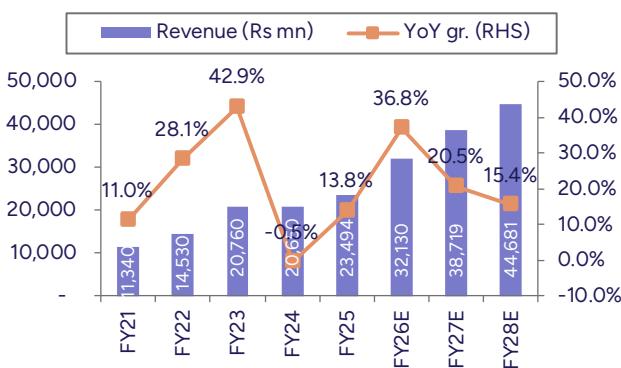
Source: Company, PL

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

Segment Details	Q3FY26	Q3FY25	YoY gr.	Q2FY26	QoQ gr.	9MFY26	9MFY25	YoY gr.
HPP	4,120	3,060	34.6%	4,040	2.0%	12,230	8,800	39.0%
CDMO	1,270	790	60.8%	1,340	-5.2%	3,600	2,280	57.9%
Specialty Chemicals	3,540	2,210	60.2%	2,200	60.9%	7,930	5,410	46.6%
<b>Total Sales</b>	<b>8,930</b>	<b>6,060</b>	<b>47.4%</b>	<b>7,580</b>	<b>17.8%</b>	<b>23,760</b>	<b>16,490</b>	<b>44.1%</b>

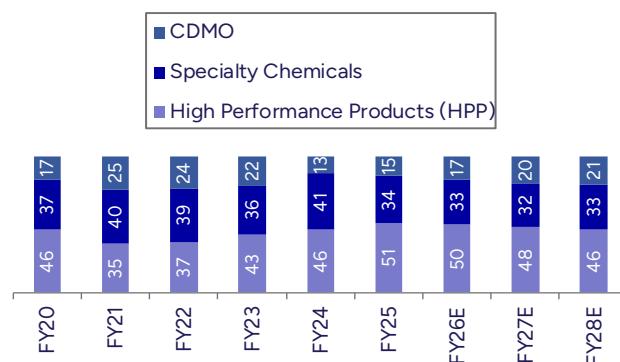
Source: Company, PL

**Exhibit 3: Revenue to grow at 24% CAGR over FY25-28E**



Source: Company, PL

**Exhibit 4: Revenue mix (%)**



Source: Company, PL

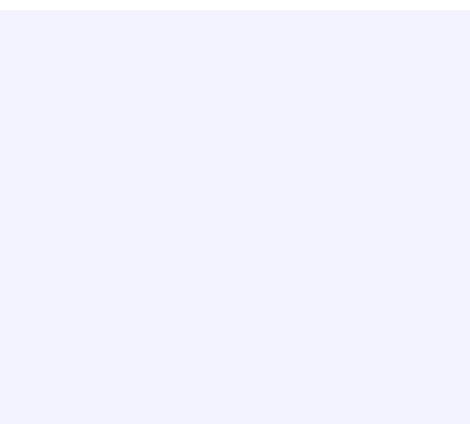
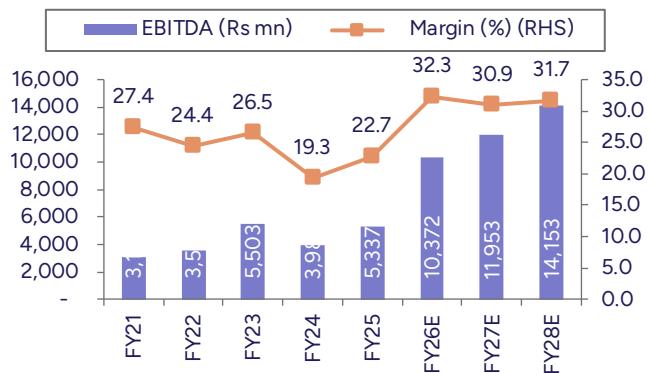
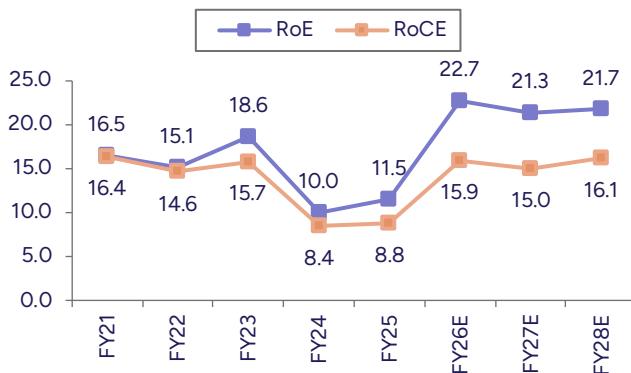


Exhibit 5: Margins to rise with high value-added mix



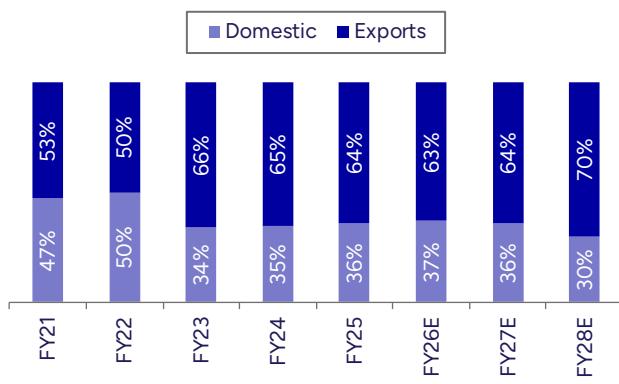
Source: Company, PL

Exhibit 6: Despite huge capex, return ratios to rise



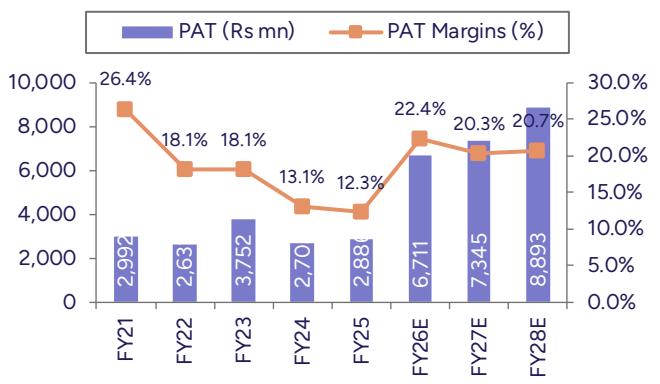
Source: Company, PL

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



Source: Company, PL

Exhibit 8: PAT margin to be at 21% in FY28E



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>23,494</b>	<b>32,130</b>	<b>38,719</b>	<b>44,681</b>
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
<b>EBITDA</b>	<b>5,337</b>	<b>10,372</b>	<b>11,953</b>	<b>14,153</b>
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
<b>EBIT</b>	<b>4,143</b>	<b>9,043</b>	<b>10,211</b>	<b>12,185</b>
Margin (%)	17.6	28.1	26.4	27.3
Net Interest	779	1,176	1,180	1,121
Other Income	437	643	697	715
<b>Profit Before Tax</b>	<b>3,801</b>	<b>8,510</b>	<b>9,728</b>	<b>11,779</b>
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
<b>Profit after tax</b>	<b>2,886</b>	<b>6,506</b>	<b>7,345</b>	<b>8,893</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>2,886</b>	<b>6,506</b>	<b>7,345</b>	<b>8,893</b>
YoY gr. (%)	32.2	125.4	12.9	21.1
Margin (%)	12.3	20.2	19.0	19.9
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>2,886</b>	<b>6,506</b>	<b>7,345</b>	<b>8,893</b>
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
<b>Equity Shares O/s (m)</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>EPS (Rs)</b>	<b>58.2</b>	<b>131.2</b>	<b>148.1</b>	<b>179.3</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>30,225</b>	<b>36,225</b>	<b>41,225</b>	<b>46,225</b>
Tangibles	30,225	36,225	41,225	46,225
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>4,721</b>	<b>6,050</b>	<b>7,792</b>	<b>9,760</b>
Tangibles	4,721	6,050	7,792	9,760
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>25,505</b>	<b>30,176</b>	<b>33,433</b>	<b>36,465</b>
Tangibles	25,505	30,176	33,433	36,465
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	-	-	-	-
<b>Current Assets</b>				
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
<b>Total Assets</b>	<b>48,304</b>	<b>58,051</b>	<b>64,025</b>	<b>71,150</b>
<b>Equity</b>				
Equity Share Capital	99	99	99	99
Other Equity	26,163	31,493	37,327	44,390
<b>Total Networth</b>	<b>26,262</b>	<b>31,592</b>	<b>37,426</b>	<b>44,490</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	14,407	20,170	19,162	18,204
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	3,270	596	733	836
Other current liabilities	3,611	4,938	5,950	6,867
<b>Total Equity &amp; Liabilities</b>	<b>48,304</b>	<b>58,051</b>	<b>64,025</b>	<b>71,150</b>

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)
<b>Net cash from Op. activities</b>	<b>5,935</b>	<b>4,339</b>	<b>8,740</b>	<b>10,716</b>
Capital expenditures	(5,611)	(6,000)	(5,000)	(5,000)
Interest / Dividend Income	17	-	-	-
Others	484	-	-	-
<b>Net Cash from Inv. activities</b>	<b>(5,111)</b>	<b>(6,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>
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	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(366)</b>	<b>3,207</b>	<b>(3,699)</b>	<b>(3,909)</b>
<b>Net change in cash</b>	<b>458</b>	<b>1,546</b>	<b>41</b>	<b>1,807</b>
Free Cash Flow	324	(1,661)	3,740	5,716

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E	
<b>Per Share(Rs)</b>					
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
<b>Return Ratio(%)</b>					
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
<b>Balance Sheet</b>					
Net Debt : Equity (x)		0.5	0.6	0.5	0.3
Net Working Capital (Days)		90	136	137	136
<b>Valuation(x)</b>					
PER		113.4	50.3	44.6	36.8
P/B		12.5	10.4	8.7	7.4
P/CEPS		80.2	41.8	36.0	30.1
EV/EBITDA		63.9	33.3	28.8	24.1
EV/Sales		14.5	10.8	8.9	7.6
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
<b>Net Revenue</b>	<b>7,009</b>	<b>7,254</b>	<b>7,584</b>	<b>8,924</b>
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
<b>EBITDA</b>	<b>1,787</b>	<b>2,068</b>	<b>2,462</b>	<b>3,076</b>
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
<b>EBIT</b>	<b>1,435</b>	<b>1,716</b>	<b>2,096</b>	<b>2,714</b>
Margin (%)	20.5	23.6	27.6	30.4
Net Interest	282	304	303	283
Other Income	118	139	182	156
<b>Profit before Tax</b>	<b>1,271</b>	<b>1,551</b>	<b>1,975</b>	<b>2,587</b>
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
<b>Profit after Tax</b>	<b>950</b>	<b>1,172</b>	<b>1,484</b>	<b>2,059</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>950</b>	<b>1,172</b>	<b>1,484</b>	<b>2,263</b>
YoY gr. (%)	35.0	128.8	152.2	170.7
Margin (%)	13.6	16.2	19.6	25.4
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>950</b>	<b>1,172</b>	<b>1,484</b>	<b>2,263</b>
YoY gr. (%)	35.0	128.8	152.2	170.7
Margin (%)	13.6	16.2	19.6	25.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Avg. Shares O/s (m)	50	50	50	50
<b>EPS (Rs)</b>	<b>19.0</b>	<b>23.4</b>	<b>29.7</b>	<b>45.3</b>

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jan-26	Accumulate	6,722	5,751
2	20-Nov-25	Accumulate	6,441	6,025
3	14-Nov-25	Accumulate	6,441	6,015
4	30-Oct-25	Accumulate	5,601	5,009
5	07-Oct-25	Accumulate	5,196	4,568
6	31-Jul-25	Accumulate	5,559	5,198
7	07-Jul-25	Accumulate	5,161	4,933
8	10-May-25	Accumulate	5,161	4,595
9	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	1,729	1,626
6	Fine Organic Industries	BUY	5,103	4,274
7	GAIL (India)	BUY	190	160
8	Gujarat Fluorochemicals	Hold	3,639	3,485
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	Hold	196	190
14	Jubilant Ingrevia	Hold	657	626
15	Laxmi Organic Industries	Reduce	125	143
16	Mahanagar Gas	BUY	1,356	1,074
17	Mangalore Refinery & Petrochemicals	Accumulate	162	151
18	Navin Fluorine International	Accumulate	6,722	5,751
19	NOCIL	Hold	152	148
20	Oil & Natural Gas Corporation	BUY	307	242
21	Oil India	BUY	538	426
22	Petronet LNG	Hold	281	295
23	Reliance Industries	BUY	1,683	1,458
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%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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