

**Price:** 4,546

**Recommendation:** Buy

**Industry:** Specialty Chemicals

**Sector:** Commodities

**Report Date:** 06-May-2025

Navin Fluorine International Limited (NFIL) is a leading global player in fluorine chemistry, delivering innovative solutions across High-Performance Products, Specialty Chemicals, and Contract Development and Manufacturing (CDMO). With a focus on sustainability, operational excellence, and strategic partnerships, NFIL drives growth through cutting-edge technologies and disciplined execution.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1598 Cr	Operating Profit(Year)	278 Cr	Operating Profit Margin	17.4 %
Previous Year	1628 Cr	Operating Profit(Quarter)	91.7 Cr	EBITDA Margin	18.71 %
Current Quarter	440 Cr	PAT (Year)	195 Cr	Net Profit Margin	13.8 %
Previous Quarter	386 Cr	PAT (Quarter)	65.2 Cr	EPS	42.2
Revenue (QYoY)	359 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	108	Sales Growth	8.33 %	Sales Growth	13.99 %
PEG Ratio	18.2	PAT Growth	-35.86 %	Sales Growth QYoY	22.56 %
EV/EBITDA	67.2	EPS Growth	-10.97 %	PAT Growth	30.4 %
P/B	9.49	Dividend Yield	0.26	PAT Growth QYoY	115.89 %
Capital Allocation		Holdings		Leverage	
RoE	8.79 %	Promoter	28.4 %	Debt/Equity	0.02
RoA	7.60 %	FII	20.2 %	Debt	59.0 Cr
RoCE	10.7 %	DII	30.0 %	Market Cap	22547 Cr
RoIC	16.2 %	Public	21.4 %	Enterprise value	22599 Cr
		No of Shares	4.96 Cr	Cash Equivalents	6.51 Cr

source : Company filings

## Company's Overview Based on Recent Concall and Performance:

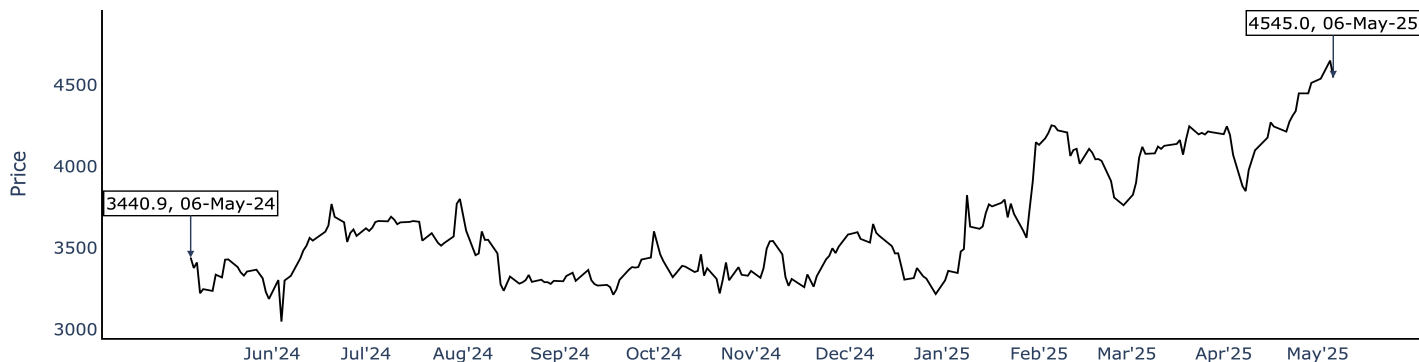
Navin Fluorine International Limited (NFIL) showcased robust operational performance in Q3 and 9M FY25, driven by strategic initiatives across its business verticals. The company reported a 21% YoY revenue growth in Q3FY25, with sales reaching 606.2 crore and operating EBITDA surging by 95% YoY to 147.3 crore, reflecting improved margins and operational efficiency. Key initiatives include capacity expansions in High-Performance Products (HPP) and Specialty Chemicals, such as the 84 crore investment for R32 capacity and 450 crore capex for AHF, both progressing on schedule. Specialty Chemicals saw strong order visibility, with new molecules set to launch in Q4FY25 and Q1FY26, while the CDMO segment strengthened its European and US partnerships, supported by a 288 crore cGMP4 capex. These investments align with NFIL's strategy to diversify revenue streams and enhance its global footprint.

NFIL's business strategies emphasize operational excellence, disciplined execution, and customer-centric growth. The company's 3P strategy—Product, Platform, and Partnerships—has been pivotal in securing multi-year contracts, such as the \$410 million HPP agreement, and launching new agrochemical products backed by supply contracts. Investments in modern technologies, backward integration for raw materials, and strategic sourcing away from China further bolster its competitive edge. NFIL's focus on sustainability is evident through initiatives like renewable energy adoption, water conservation, and waste reduction, complemented by its EcoVadis Gold Medal recognition for sustainability practices. The company's ESG targets, including a 30% reduction in carbon emissions and 50% renewable electricity usage by 2030, reinforce its commitment to responsible growth.

Future growth prospects for NFIL are promising, with sizable investments in capacity expansion and product innovation. The commissioning of new facilities, such as the Dahej HF plant and R32 capacity, is expected to drive revenue growth and operational scalability. The CDMO segment's robust order book and new molecule supplies in FY26 highlight its potential for long-term growth. NFIL's strategic partnerships with global innovators and its ability to scale from research to manufacturing position it as a trusted global fluorine chemistry provider. Additionally, the company's focus on talent retention, safety, and governance ensures a strong foundation for sustainable expansion.

Overall, NFIL's performance reflects a balanced approach to growth, diversification, and sustainability. Its consistent dividend payouts, disciplined execution of capex programs, and strategic alignment with customer needs underscore its reliability and market leadership. With a strong emphasis on innovation, operational efficiency, and ESG practices, NFIL is well-positioned to capitalize on emerging opportunities in specialty fluorochemicals and CDMO services, driving value for stakeholders and reinforcing its reputation as a trusted global partner.

NAVINFLUOR Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
<b>SRF</b>	86556.05	75.49	12.22%	1.96%	14.36%	34.58%	6.96%
<b>Linde India</b>	52987.31	122.02	12.88%	-4.50%	-14.21%	9.20%	-2.70%
<b>Gujarat Fluoroch</b>	42610.83	93.50	7.69%	-3.37%	15.73%	4.13%	57.50%
<b>Godrej Industrie</b>	37607.35	48.65	0.65%	0.41%	34.39%	-34.57%	76.86%
<b>Deepak Nitrite</b>	26660.22	38.60	16.38%	-6.33%	-5.27%	-49.49%	-51.45%

Aspect	Commentary
<b>Revenue</b>	Revenue declined marginally YoY from Rs.1628 Cr to Rs.1598 Cr, but QoQ growth was strong at 13.99%, driven by improved sales performance in Q3FY25. Specialty Chemicals and CDMO segments contributed significantly to the quarterly growth, showcasing robust demand and operational efficiency.
<b>Profit &amp; Loss</b>	Operating profit for the year stood at Rs.278 Cr, reflecting a margin of 17.4%. PAT declined YoY by 35.86% to Rs.195 Cr, impacted by higher costs. However, QoQ PAT growth surged by 30.4%, supported by improved operational performance and cost management.
<b>Profitability Matrix</b>	Operating profit margin was 17.4%, while EBITDA margin stood at 18.71%, indicating efficient cost control. Net profit margin was 13.8%, reflecting profitability challenges YoY but improved QoQ performance due to operational efficiency gains.
<b>Valuation Matrix</b>	Trailing P/E of 108 and EV/EBITDA of 67.2 suggest high valuation relative to peers. PEG ratio of 18.2 indicates slower earnings growth relative to price. Dividend yield of 0.26% is modest, reflecting reinvestment focus. P/B ratio of 9.49 highlights premium valuation.
<b>Growth (YoY)</b>	Sales grew 8.33% YoY, driven by Specialty Chemicals and CDMO segments. PAT declined by 35.86%, reflecting cost pressures. EPS fell by 10.97%, indicating profitability challenges. Investments in capacity expansion aim to address growth and margin improvement.
<b>Growth (QoQ)</b>	Sales grew 13.99% QoQ, supported by strong demand in Specialty Chemicals. PAT growth was robust at 30.4%, reflecting operational efficiency. PAT QYoY surged 115.89%, showcasing recovery momentum. EPS growth remains subdued, highlighting profitability focus.
<b>Capital Allocation</b>	RoE of 8.79% and RoCE of 10.7% reflect moderate returns on capital. RoIC of 16.2% indicates efficient investment utilization. Cash equivalents of Rs.6.51 Cr are limited, but disciplined capex programs align with long-term growth strategies.
<b>Holdings</b>	Promoter holding is stable at 28.4%, ensuring control. FII and DII holdings are strong at 20.2% and 30%, respectively, reflecting institutional confidence. Public holding at 21.4% indicates balanced ownership. Market cap of Rs.22,547 Cr highlights strong investor interest.
<b>Leverage</b>	Debt/Equity ratio of 0.02 reflects minimal leverage, ensuring financial stability. Total debt of Rs.59 Cr is manageable, supported by strong cash flows. Enterprise value of Rs.22,599 Cr underscores market confidence in NFIL's growth potential and operational scalability.

**Analyst viewpoint:** Navin Fluorine International Limited (NFIL) demonstrates strong growth potential in the short to mid-term, supported by robust QoQ sales growth of 13.99% and PAT growth of 30.4%. The Specialty Chemicals and CDMO segments continue to drive demand, with QYoY sales growth at an impressive 22.56% and PAT growth surging by 115.89%. Strategic investments in capacity expansion, such as the Rs.450 crore capex for AHF and Rs.84 crore for R32, are progressing on schedule, ensuring scalability and operational efficiency. The company's disciplined execution of its 3P strategy—Product, Platform, and Partnerships—has secured multi-year contracts, including a \$410 million HPP agreement, while backward integration and strategic sourcing enhance its competitive edge. NFIL's focus on sustainability, highlighted by its EcoVadis Gold Medal recognition and ambitious ESG targets, further reinforces its position as a reliable and innovative player in the specialty chemicals sector.

Despite its premium valuation metrics, including a trailing P/E of 108 and EV/EBITDA of 67.2, NFIL's consistent operational performance and strategic initiatives justify its growth trajectory. The company's ability to diversify revenue streams, strengthen global partnerships, and launch new molecules positions it well for long-term value creation. While YoY PAT declined by 35.86%, reflecting cost pressures, the QoQ recovery underscores improved operational efficiency and cost management. Investors should remain mindful of the modest dividend yield of 0.26%, which reflects NFIL's reinvestment focus. Overall, NFIL's balanced approach to growth, innovation, and sustainability makes it a compelling buy recommendation for the short to mid-term horizon.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

#### Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclaimers:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document 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 document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments 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.

**Terms & Conditions:**

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

**Payment and Renewal:**

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

**Limitation of Liability:**

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

**No Investment Advice:**

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

**Termination:**

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

**No Guarantee:** While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

**Review and Update:** Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

**Research Analyst Details:**

Name: Robin Arya

Email: [smallcase@goalfi.in](mailto:smallcase@goalfi.in)

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – [support@goalfi.in](mailto:support@goalfi.in)

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to [hello@goalfi.app](mailto:hello@goalfi.app)

Website: [goalfiresearch.smallcase.com](http://goalfiresearch.smallcase.com)