Dated: 6 August 2026

Navin Fluorine (NFIL) - SELL

Q1FY27 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.7,610	**Rs.5,250**

Rationale:

- Navin Fluorine (NFIL) reported a better-than-expected quarter, led entirely by another sharp revenue jump from the HPP BU.
- The HPP BU—chiefly comprising R-32—amid higher prices and volumes.
- NFIL announced two capex projects worth ~Rs215 cr combined and holds a bullish outlook for growth and margins.
- We switch to an SoTP methodology to derive greater granularity on value drivers.
- We arrive at a revised FV of Rs5,250 (Rs4,990 earlier). Retain SELL.

Positives:

- Revenues grew 44% yoy and 11.5% qoq.
- EBITDA margins held steady qoq at 34.2% (up 566 bps yoy), aided by operating leverage, driving EBITDA higher by 11.2% qoq (73% yoy).
- Adjusted EPS grew 20% qoq and 101% yoy to Rs47.5.

Negatives:

- CDMO revenues declined 3.2% qoq and Specialty Chemicals' revenues fell 9.7% qoq.
- Gross margins corrected 165 bps qoq (62 bps yoy).
- No numbers were shared regarding the DRDO project for sodium borohydride.
- The R-32 business is a declining annuity with an 85% phase down in volumes by 2047.
- Likely pressure on growth and margins of Nubeqa business after patent expiry in the mid-2030s.

(HPP BU – High Performance Products Business Unit | SoTP – Sum of the Parts | EBITDA – Earnings Before Interest, Taxes, Depreciation & Amortization | EPS – Earnings Per Share | CDMO – Contract Development and Manufacturing Organization | DRDO – Defence Research and Development Organisation)

Holding Period: 12 months

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Rating Scale (Private Client Group)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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