

10 May 2025

India | Equity Research | Results Update

**Navin Fluorine International**

Speciality Chemicals

**Biz shaping up well – partnerships signed for foray into advance materials**

Navin Fluorine International's (NFIL) business is shaping up well with visible scaling up of pharma CDMO and multiple late-stage contracts in sight. Agro-chemicals' intermediate capacities are ramping up with new product campaigns rising. Ref-gas has capacity expansion in clean R-32, and supply contract for HFO. And now, NFIL is foraying into advance materials with initial capacities of two-phase immersion cooling fluid, addressing demand from adoption of AI chips, and N3 and N5 grade HF, which has applications in solar and electronics. These diversifications are helping NFIL increase TAM and improve business resilience. We tweak our FY26E/FY27E EPS and reduced our TP to INR 4,450 (from INR 4,490) with an unchanged multiple at 40x FY27E EPS. We downgrade our rating to **HOLD** (from *Buy*). Inherently, we remain impressed by the evolution of NFIL's business and future outlook, and management walking the talk; downgrade is only on fair valuations.

**Robust outlook across segments**

**CDMO:** Company has received an order for supply of new molecule for FY26 from an EU major. NFIL has supplied scale-up order to a US major in Q4FY25; and supply of commercial order is expected in FY26. On Fermion contract, NFIL has received orders for CY25 supplies; however, significant ramp-up is expected post commission of cGMP-4 phase-1 in Nov'25 with capex of INR 1.6bn. NFIL remains on the path to achieve revenue of ~USD 100mn in FY27.

**Specialty chemicals:** **1)** Nectar plant is commissioned, and considering it is a complex three-stage process, the company is ramping up its facility gradually with supplies to anchor customers. It has started modification work on the plant and anticipates reaching 50–55% revenue potential in FY26. **2)** MPP-2 has run at 75–80% utilisation and dedicated plant also fell short of optimal utilisation. NFIL expects to achieve peak revenues in FY26 from these plants. **3)** Surat plant can do revenue of INR 400mn with dispatches started in Feb'25.

**HPP:** **1)** R-32 pricing outlook remains strong, and NFIL has commissioned 4.5ktpa capacity plant in Mar'25. It has already achieved optimal utilisation. **2)** NFIL is in discussion with strategic buyers for R-32 plant, and if fruitful, more capacity would be added subsequently. **3)** AHF plant shall be commissioned in Q2FY26. NFIL has announced its foray into solar and electronic grade HF with a technology agreement with Buss ChemTech AG. The company would produce N5 grade for electronics and N3 for solar application.

**Financial Summary**

| Y/E March (INR mn) | FY24A  | FY25A  | FY26E  | FY27E  |
|--------------------|--------|--------|--------|--------|
| Net Revenue        | 20,650 | 23,494 | 31,394 | 36,708 |
| EBITDA             | 3,983  | 5,337  | 8,062  | 9,510  |
| EBITDA Margin (%)  | 19.3   | 22.7   | 25.7   | 25.9   |
| Net Profit         | 1,663  | 2,886  | 4,549  | 5,511  |
| EPS (INR)          | 54.6   | 58.2   | 91.7   | 111.1  |
| EPS % Chg YoY      | (27.9) | 6.6    | 57.6   | 21.2   |
| P/E (x)            | 84.2   | 79.0   | 50.1   | 41.4   |
| EV/EBITDA (x)      | 59.2   | 44.4   | 29.6   | 25.1   |
| RoCE (%)           | 6.9    | 8.1    | 11.9   | 12.9   |
| RoE (%)            | 11.8   | 11.5   | 16.2   | 17.2   |

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**Market Data**

|                     |              |
|---------------------|--------------|
| Market Cap (INR)    | 228bn        |
| Market Cap (USD)    | 2,671mn      |
| Bloomberg Code      | NFIL IN      |
| Reuters Code        | NAFL.BO      |
| 52-week Range (INR) | 4,726 /2,876 |
| Free Float (%)      | 70.0         |
| ADTV-3M (mn) (USD)  | 9.5          |

| Price Performance (%) | 3m  | 6m   | 12m  |
|-----------------------|-----|------|------|
| Absolute              | 8.9 | 29.7 | 42.6 |
| Relative to Sensex    | 4.5 | 28.7 | 33.3 |

| ESG Score   | 2023 | 2024 | Change |
|-------------|------|------|--------|
| ESG score   | 64.7 | 62.8 | (1.9)  |
| Environment | 41.0 | 44.4 | 3.4    |
| Social      | 68.7 | 66.1 | (2.6)  |
| Governance  | 78.2 | 77.1 | (1.1)  |

**Note** - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

| Earnings Revisions (%) | FY26E | FY27E |
|------------------------|-------|-------|
| Revenue                | 0.2   | 0.1   |
| EBITDA                 | 0.3   | (0.2) |
| EPS                    | 0.5   | (1.0) |

**Previous Reports**

31-01-2025: [Q3FY25 results review](#)

24-10-2024: [Q2FY25 results review](#)

### Broad-based growth across segments

NFIL's Q4FY25 revenue was up 16.4% YoY/15.6% QoQ to INR 7bn aided by growth across segments. HPP segment revenue stood at INR 3.3bn, up 9.8% YoY/6.5% QoQ. Domestic HPP revenue jumped 30.7% YoY on strong off-take in R-32 and better realisations in both R-32 and R-22. However, HPP exports contracted 5.4% YoY on optimal utilisation of HFO plant as contracted; and phase-down (32.5% cut from base-line capacity) of R-22 effective Jan'25. CDMO, lumpy business, up 45.6% QoQ/140% YoY to INR 1.2bn aided by ramp-up in supplies to EU MSA and scale-up supplies delivered to a US major.

Specialty chemicals business increased 0.8% YoY/ 17.2% QoQ to INR 2.6bn helped by better off-take across plants, particularly for agro-chemicals applications. The company has started dispatches from its Surat plant and Project Nectar is ramping-up gradually.

### Consolidated EBITDA margin up 120bp QoQ to 25.5%

NFIL's gross profit margin was down 240bps QoQ to 54.2% due to higher raw-material cost (such as sulphur). However, gross profit margin surged 420bps on a YoY basis. Gross profit rose 26.2% YoY/10.7% QoQ to INR 3.8bn. EBITDA soared by 62.4% YoY/ 21.3% QoQ to INR 1.8bn; EBITDA margin stood at 25.5%, up 721bps YoY/120bps QoQ. The company has achieved EBITDA margin of 25% by end-FY25, as guided earlier. Employee cost reduced 1.4% QoQ due to reversal of certain ESOPs. Net profit increased 35% YoY/13.6% QoQ to INR 950mn while depreciation costs increased on full-quarter impact of two plants commissioned in Q3FY25.

The company has guided for EBITDA margin to remain in the range of 23–27% with mid-point at 25% in FY26.

### Announce foray into advance materials

- Company has announced its foray into the advance materials segment and signed its first partnership with Chemours for production of its proprietary Opteon™ two-phase immersion cooling fluid to address data centre cooling needs created by AI and next-generation chips.
- NFIL would establish its manufacturing facility at Surat with capex of USD 14mn, including USD 5mn contribution by Chemours. This shall be the initial capacity that would help enable adopting of the product. The plant is expected to be commissioned by Q1FY27.

### Risks

**Upside risks:** 1) Faster-than-expected ramp-up in projects at Dahej; and 2) CDMO revenue growing at higher-than-expected pace.

**Downside risks:** 1) Delay in plant commissioning at Dahej impacting revenues and margins; and 2) gradual-than-expected recovery in specialty chemicals business.

**Exhibit 1: NFIL (consolidated financials)**

| INR mn                     | Q4FY24       | Q1FY25       | Q2FY25       | Q3FY25       | Q4FY25       | QoQ (%)     | YoY (%)     |
|----------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Net revenue                | 6,020        | 5,237        | 5,186        | 6,062        | 7,009        | 15.6        | 16.4        |
| Cost of Goods sold         | 3,010        | 2,304        | 2,240        | 2,632        | 3,211        | 22.0        | 6.7         |
| <b>Gross profit</b>        | <b>3,009</b> | <b>2,933</b> | <b>2,946</b> | <b>3,430</b> | <b>3,799</b> | <b>10.7</b> | <b>26.2</b> |
| Gross profit margin (%)    | 50.0         | 56.0         | 56.8         | 56.6         | 54.2         |             |             |
| Employee cost              | 713          | 782          | 770          | 713          | 703          | (1.4)       | (1.4)       |
| % of revenue               | 11.8         | 14.9         | 14.8         | 11.8         | 10.0         |             |             |
| Other expenses             | 1,196        | 1,148        | 1,103        | 1,245        | 1,309        | 5.1         | 9.4         |
| % of revenue               | 19.9         | 21.9         | 21.3         | 20.5         | 18.7         |             |             |
| <b>Total expenses</b>      | <b>1,909</b> | <b>1,929</b> | <b>1,872</b> | <b>1,957</b> | <b>2,011</b> | <b>2.8</b>  | <b>5.4</b>  |
| <b>EBITDA</b>              | <b>1,101</b> | <b>1,004</b> | <b>1,074</b> | <b>1,473</b> | <b>1,787</b> | <b>21.3</b> | <b>62.4</b> |
| EBITDA margin (%)          | 18.3         | 19.2         | 20.7         | 24.3         | 25.5         |             |             |
| Depreciation               | 257          | 267          | 279          | 296          | 353          | 19.3        | 37.1        |
| <b>EBIT</b>                | <b>843</b>   | <b>736</b>   | <b>795</b>   | <b>1,178</b> | <b>1,435</b> | <b>21.8</b> | <b>70.1</b> |
| EBIT margin (%)            | 14.0         | 14.1         | 15.3         | 19.4         | 20.5         |             |             |
| Other income               | 125          | 103          | 112          | 105          | 118          | 12.9        | (5.5)       |
| Finance cost               | 174          | 156          | 139          | 202          | 283          | 39.8        | 62.0        |
| <b>PBT</b>                 | <b>794</b>   | <b>683</b>   | <b>768</b>   | <b>1,080</b> | <b>1,270</b> | <b>17.6</b> | <b>59.9</b> |
| Tax expenses               | 90           | 171          | 179          | 244          | 320          | 31.2        | 254.4       |
| ETR (%)                    | 11.4         | 25.0         | 23.4         | 22.6         | 25.2         |             |             |
| Exceptional item           | -            | -            | -            | -            | -            |             |             |
| Profit from JV             | -            | -            | -            | -            | -            |             |             |
| <b>PAT</b>                 | <b>704</b>   | <b>512</b>   | <b>588</b>   | <b>836</b>   | <b>950</b>   | <b>13.6</b> | <b>35.0</b> |
| Net profit margin (%)      | 11.7         | 9.8          | 11.3         | 13.8         | 13.6         |             |             |
| <b>Recurring EPS (INR)</b> | <b>14.2</b>  | <b>10.3</b>  | <b>11.9</b>  | <b>16.9</b>  | <b>19.2</b>  | <b>13.6</b> | <b>35.0</b> |

Source: I-Sec research, Company data

**Exhibit 2: NFIL (standalone financials)**

| INR mn                     | Q4FY24       | Q1FY25       | Q2FY25       | Q3FY25       | Q4FY25       | QoQ (%)      | YoY (%)      |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net revenue                | 3,966        | 3,763        | 3,858        | 4,398        | 4,849        | 10.3         | 22.3         |
| Cost of Goods sold         | 2,036        | 1,711        | 1,749        | 2,020        | 2,297        | 13.7         | 12.8         |
| <b>Gross profit</b>        | <b>1,930</b> | <b>2,052</b> | <b>2,109</b> | <b>2,378</b> | <b>2,552</b> | <b>7.3</b>   | <b>32.2</b>  |
| Gross profit margin (%)    | 48.7         | 54.5         | 54.7         | 54.1         | 52.6         |              |              |
| Employee cost              | 579          | 572          | 560          | 527          | 521          | (1.2)        | (10.1)       |
| % of revenue               | 14.6         | 15.2         | 14.5         | 12.0         | 10.7         |              |              |
| Other expenses             | 845          | 845          | 832          | 934          | 912          | (2.3)        | 8.0          |
| % of revenue               | 21.3         | 22.5         | 21.6         | 21.2         | 18.8         |              |              |
| <b>Total expenses</b>      | <b>1,424</b> | <b>1,417</b> | <b>1,392</b> | <b>1,461</b> | <b>1,433</b> | <b>(1.9)</b> | <b>0.6</b>   |
| <b>EBITDA</b>              | <b>507</b>   | <b>634</b>   | <b>717</b>   | <b>917</b>   | <b>1,119</b> | <b>22.0</b>  | <b>121.0</b> |
| EBITDA margin (%)          | 12.8         | 16.9         | 18.6         | 20.9         | 23.1         |              |              |
| Depreciation               | 160          | 166          | 171          | 174          | 188          | 8.3          | 17.7         |
| <b>EBIT</b>                | <b>347</b>   | <b>469</b>   | <b>546</b>   | <b>744</b>   | <b>931</b>   | <b>25.2</b>  | <b>168.7</b> |
| EBIT margin (%)            | 8.7          | 12.5         | 14.2         | 16.9         | 19.2         |              |              |
| Other income               | 152          | 201          | 125          | 111          | 120          | 7.9          | (21.1)       |
| Finance cost               | 13           | 7            | 13           | 7            | 6            | (16.7)       | (57.7)       |
| <b>PBT</b>                 | <b>485</b>   | <b>662</b>   | <b>658</b>   | <b>848</b>   | <b>1,045</b> | <b>23.3</b>  | <b>115.4</b> |
| Exceptional item           | -            | -            | -            | -            | -            |              |              |
| Tax expenses               | 45           | 162          | 158          | 195          | 279          | 42.8         | 519.6        |
| ETR (%)                    | 9.3          | 24.5         | 23.9         | 23.0         | 26.7         |              |              |
| <b>PAT</b>                 | <b>440</b>   | <b>500</b>   | <b>501</b>   | <b>652</b>   | <b>766</b>   | <b>17.4</b>  | <b>74.1</b>  |
| Net profit margin (%)      | 11.1         | 13.3         | 13.0         | 14.8         | 15.8         |              |              |
| <b>Recurring EPS (INR)</b> | <b>8.9</b>   | <b>10.1</b>  | <b>10.1</b>  | <b>13.2</b>  | <b>15.5</b>  | <b>17.4</b>  | <b>74.1</b>  |

Source: I-Sec research, Company data

**Exhibit 3: NFIL (consolidated minus standalone) financials**

| INR mn                  | Q4FY24       | Q1FY25     | Q2FY25     | Q3FY25       | Q4FY25       | QoQ (%)      | YoY (%)       |
|-------------------------|--------------|------------|------------|--------------|--------------|--------------|---------------|
| Net revenue             | 2,053        | 1,474      | 1,327      | 1,664        | 2,160        | 29.8         | 5.2           |
| Cost of Goods sold      | 975          | 593        | 491        | 612          | 914          | 49.3         | (6.2)         |
| <b>Gross profit</b>     | <b>1,079</b> | <b>881</b> | <b>837</b> | <b>1,052</b> | <b>1,246</b> | <b>18.4</b>  | <b>15.5</b>   |
| Gross profit margin (%) | 52.5         | 59.8       | 63.0       | 63.2         | 57.7         |              |               |
| Employee cost           | 133          | 210        | 210        | 186          | 182          | (2.0)        | 36.4          |
| % of revenue            | 6.5          | 14.2       | 15.8       | 11.2         | 8.4          |              |               |
| Other expenses          | 351          | 302        | 270        | 311          | 396          | 27.5         | 12.8          |
| % of revenue            | 17.1         | 20.5       | 20.4       | 18.7         | 18.4         |              |               |
| <b>Total expenses</b>   | <b>485</b>   | <b>512</b> | <b>480</b> | <b>497</b>   | <b>578</b>   | <b>16.4</b>  | <b>19.3</b>   |
| <b>EBITDA</b>           | <b>594</b>   | <b>369</b> | <b>356</b> | <b>556</b>   | <b>668</b>   | <b>20.2</b>  | <b>12.4</b>   |
| EBITDA margin (%)       | 28.9         | 25.0       | 26.8       | 33.4         | 30.9         |              |               |
| Depreciation            | 97           | 101        | 108        | 122          | 164          | 35.0         | 69.2          |
| <b>EBIT</b>             | <b>497</b>   | <b>268</b> | <b>248</b> | <b>434</b>   | <b>504</b>   | <b>16.0</b>  | <b>1.3</b>    |
| EBIT margin (%)         | 24.2         | 18.2       | 18.7       | 26.1         | 23.3         |              |               |
| Other income            | (26)         | (98)       | (13)       | (6)          | (1)          | (80.0)       | (95.4)        |
| Finance cost            | 161          | 149        | 126        | 196          | 277          | 41.7         | 71.7          |
| <b>PBT</b>              | <b>309</b>   | <b>21</b>  | <b>109</b> | <b>233</b>   | <b>225</b>   | <b>(3.1)</b> | <b>(27.1)</b> |
| Tax expenses            | 45           | 9          | 22         | 49           | 42           | (14.9)       | (8.4)         |
| ETR (%)                 | 14.7         | 43.3       | 19.8       | 21.0         | 18.5         |              |               |
| Exceptional item        |              |            |            |              |              |              |               |
| <b>PAT</b>              | <b>264</b>   | <b>12</b>  | <b>88</b>  | <b>184</b>   | <b>184</b>   | <b>0.1</b>   | <b>(30.4)</b> |
| Net profit margin (%)   | 12.8         | 0.8        | 6.6        | 11.0         | 8.5          |              |               |

Source: Company data, I-Sec research

**Exhibit 4: NFIL – segmental revenue**

| INR mn                  | Q4FY24       | Q1FY25       | Q2FY25       | Q3FY25       | Q4FY25       | QoQ (%)     | YoY (%)     |
|-------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| HPP (ref-gas/inorganic) | 2,970        | 2,810        | 2,930        | 3,060        | 3,260        | 6.5         | 9.8         |
| Specialty Chemicals     | 2,570        | 1,620        | 1,580        | 2,210        | 2,590        | 17.2        | 0.8         |
| CDMO                    | 480          | 810          | 680          | 790          | 1,150        | 45.6        | 139.6       |
| <b>Total revenue</b>    | <b>6,020</b> | <b>5,240</b> | <b>5,190</b> | <b>6,060</b> | <b>7,000</b> | <b>15.5</b> | <b>16.3</b> |
| <b>Contribution (%)</b> |              |              |              |              |              |             |             |
| HPP (ref-gas/inorganic) | 49.3         | 53.6         | 56.5         | 50.5         | 46.6         |             |             |
| Specialty Chemicals     | 42.7         | 30.9         | 30.4         | 36.5         | 37.0         |             |             |
| CDMO                    | 8.0          | 15.5         | 13.1         | 13.0         | 16.4         |             |             |

Source: Company data, I-Sec research

**Exhibit 5: NFIL – domestic/overseas revenue breakup**

| INR mn                  | Q4FY24       | Q1FY25       | Q2FY25       | Q3FY25       | Q4FY25       | QoQ (%)      | YoY (%)       |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Domestic</b>         |              |              |              |              |              |              |               |
| HPP (ref-gas/inorganic) | 1,247        | 1,208        | 1,113        | 1,408        | 1,630        | 15.8         | 30.7          |
| Specialty Chemicals     | 617          | 616          | 790          | 1,658        | 1,761        | 6.3          | 185.5         |
| CDMO                    | 197          | 130          | 415          | 198          | 886          | 348.4        |               |
| <b>Total Domestic</b>   | <b>2,061</b> | <b>1,954</b> | <b>2,318</b> | <b>3,263</b> | <b>4,277</b> | <b>31.1</b>  | <b>107.5</b>  |
| <b>Exports</b>          |              |              |              |              |              |              |               |
| HPP (ref-gas/inorganic) | 1,723        | 1,602        | 1,817        | 1,652        | 1,630        | (1.4)        | (5.4)         |
| Specialty Chemicals     | 1,953        | 1,004        | 790          | 553          | 829          | 50.0         | (57.6)        |
| CDMO                    | 283          | 680          | 265          | 593          | 265          | (55.4)       | (6.6)         |
| <b>Total Exports</b>    | <b>3,959</b> | <b>3,287</b> | <b>2,872</b> | <b>2,797</b> | <b>2,723</b> | <b>(2.6)</b> | <b>(31.2)</b> |

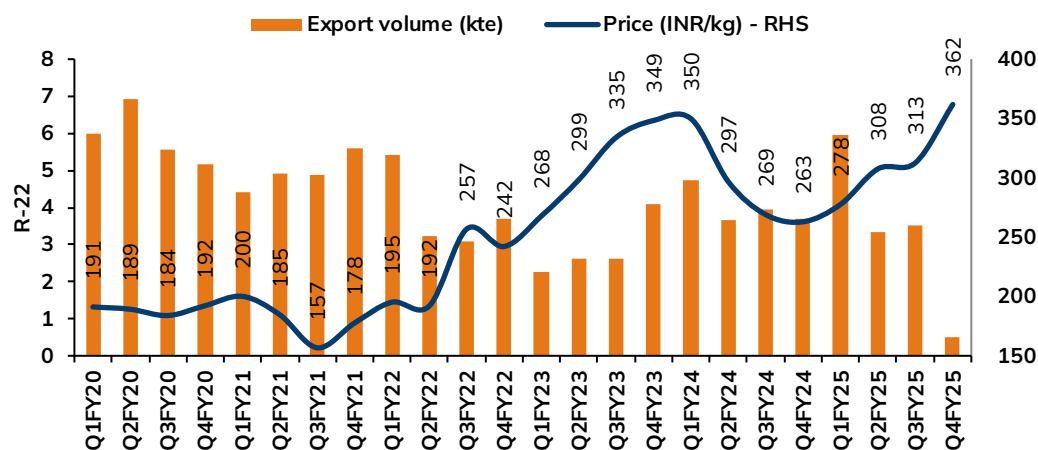
Source: Company data, I-Sec research

### Exhibit 6: Earnings revision

| INR mn            | Revised |        | Earlier |        | % Change |       |
|-------------------|---------|--------|---------|--------|----------|-------|
|                   | FY26E   | FY27E  | FY26E   | FY27E  | FY26E    | FY27E |
| Revenue           | 31,394  | 36,708 | 31,332  | 36,687 | 0.2      | 0.1   |
| EBITDA            | 8,062   | 9,510  | 8,042   | 9,524  | 0.3      | (0.2) |
| EBITDA margin (%) | 25.7    | 25.9   | 25.7    | 26.0   |          |       |
| PAT               | 4,549   | 5,511  | 4,520   | 5,563  | 0.6      | (0.9) |
| EPS (INR)         | 92      | 111    | 91      | 112    | 0.5      | (1.0) |

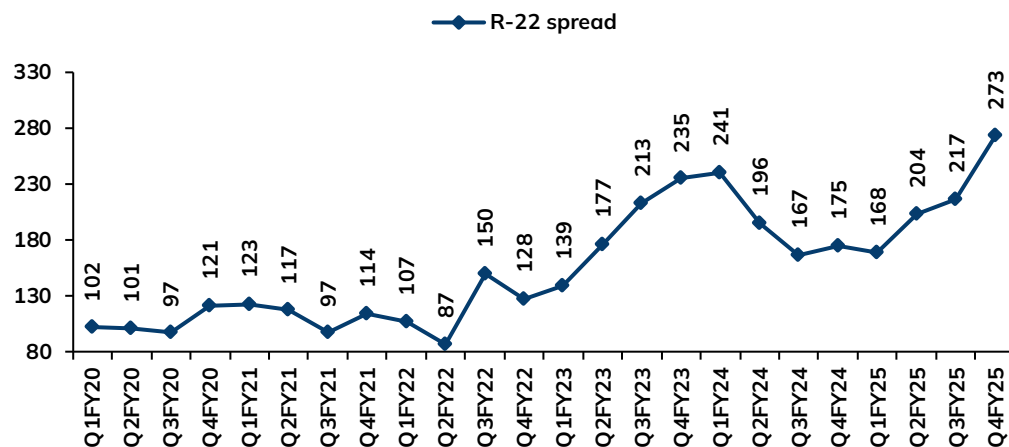
Source: I-Sec research, Company data

### Exhibit 7: R-22 prices up 37.7% YoY

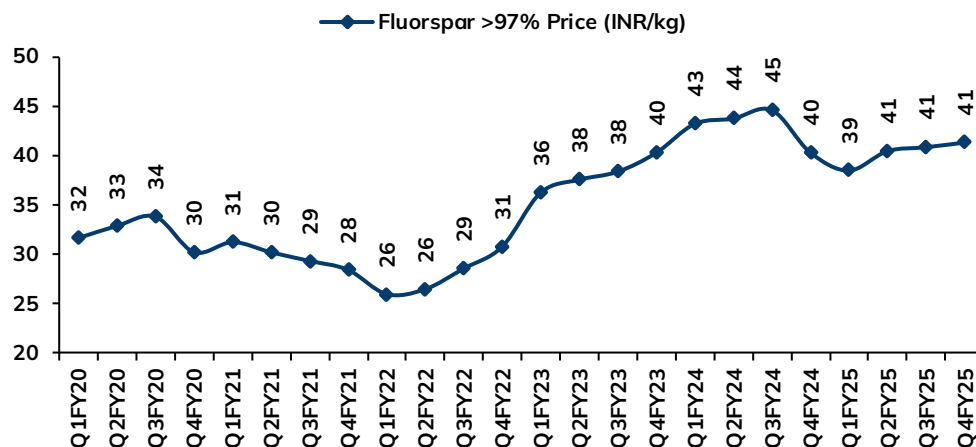


Source: I-Sec research, Company data; Note Q4FY25 data is for the month of Jan'25

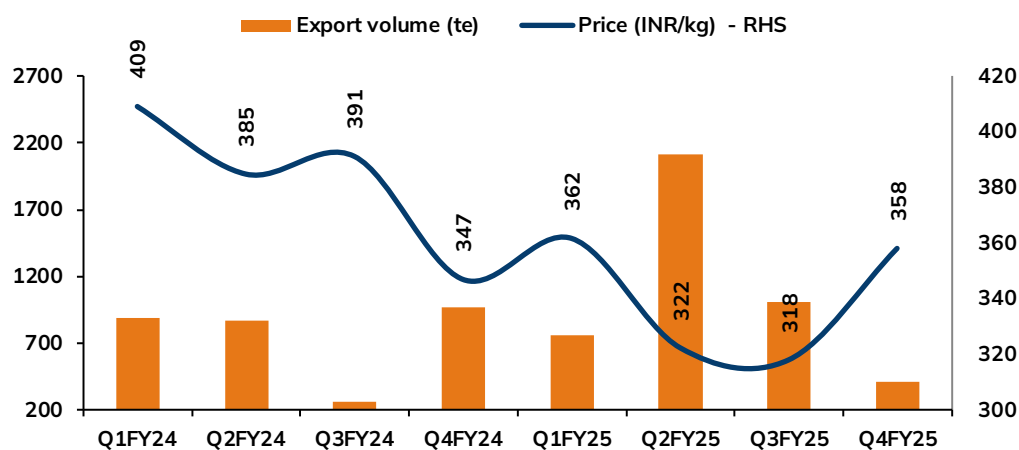
### Exhibit 8: R22-fluorspar/chloroform spread up 56% YoY



Source: I-Sec research, Company data; Note Q4FY25 data is for the month of Jan'25

**Exhibit 7: Fluorspar >97% prices up 2.5% YoY**

Source: I-Sec research, Company data; Note Q4FY25 data is for the month of Jan'25

**Exhibit 10: R-32 prices up 3.2% YoY**

Source: I-Sec research, Company data; Note Q4FY25 data is for the month of Jan'25

**Exhibit 11: Shareholding pattern**

| %                       | Sep'24 | Dec'24 | Mar'25 |
|-------------------------|--------|--------|--------|
| Promoters               | 28.4   | 28.4   | 28.4   |
| Institutional investors | 46.4   | 47.0   | 50.2   |
| MFs and other           | 15.2   | 16.2   | 16.9   |
| FIs/ Banks              | 0.0    | 0.0    | 0.0    |
| Insurance Cos.          | 12.4   | 11.6   | 12.5   |
| FIIIs                   | 18.8   | 19.2   | 20.8   |
| Others                  | 25.2   | 24.6   | 21.4   |

Source: Bloomberg, I-Sec research

**Exhibit 12: Price chart**

Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 13: Profit & Loss

(INR mn, year ending March)

|  | FY24A         | FY25A         | FY26E         | FY27E         |
|--|---------------|---------------|---------------|---------------|
| Net Sales                              | 20,650        | 23,494        | 31,394        | 36,708        |
| <b>Operating Expenses</b>              | <b>16,667</b> | <b>18,157</b> | <b>23,331</b> | <b>27,198</b> |
| EBITDA                                 | 3,983         | 5,337         | 8,062         | 9,510         |
| <b>EBITDA Margin (%)</b>               | <b>19.3</b>   | <b>22.7</b>   | <b>25.7</b>   | <b>25.9</b>   |
| Depreciation & Amortization            | 962           | 1,194         | 1,615         | 1,857         |
| EBIT                                   | 3,021         | 4,143         | 6,448         | 7,653         |
| Interest expenditure                   | 746           | 779           | 1,081         | 1,081         |
| Other Non-operating Income             | 559           | 437           | 433           | 455           |
| Recurring PBT                          | 2,834         | 3,801         | 5,800         | 7,027         |
| <b>Profit / (Loss) from Associates</b> | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>Less: Taxes</b>                     | <b>650</b>    | <b>915</b>    | <b>1,251</b>  | <b>1,516</b>  |
| PAT                                    | 2,705         | 2,886         | 4,549         | 5,511         |
| Less: Minority Interest                | -             | -             | -             | -             |
| Extraordinaries (Net)                  | 521           | -             | -             | -             |
| Net Income (Reported)                  | 2,705         | 2,886         | 4,549         | 5,511         |
| <b>Net Income (Adjusted)</b>           | <b>1,663</b>  | <b>2,886</b>  | <b>4,549</b>  | <b>5,511</b>  |

Source Company data, I-Sec research

### Exhibit 14: Balance sheet

(INR mn, year ending March)

|  | FY24A         | FY25A         | FY26E         | FY27E         |
|--|---------------|---------------|---------------|---------------|
| Total Current Assets                   | 15,532        | 15,888        | 18,049        | 19,944        |
| of which cash & cash eqv.              | 275           | 405           | 863           | 464           |
| Total Current Liabilities & Provisions | 8,579         | 9,147         | 10,973        | 11,996        |
| <b>Net Current Assets</b>              | <b>6,953</b>  | <b>6,742</b>  | <b>7,076</b>  | <b>7,948</b>  |
| Investments                            | 5,453         | 5,293         | 3,293         | 3,293         |
| Net Fixed Assets                       | 23,990        | 29,083        | 32,468        | 35,861        |
| ROU Assets                             | -             | -             | -             | -             |
| Capital Work-in-Progress               | 7,111         | 3,554         | 3,554         | 3,554         |
| Total Intangible Assets                | 878           | 878           | 878           | 878           |
| Other assets                           | 2,166         | 1,287         | 1,480         | 1,702         |
| Deferred Tax Assets                    | -             | -             | -             | -             |
| <b>Total Assets</b>                    | <b>43,770</b> | <b>48,304</b> | <b>54,086</b> | <b>59,626</b> |
| <b>Liabilities</b>                     |               |               |               |               |
| <b>Borrowings</b>                      | <b>13,399</b> | <b>14,407</b> | <b>14,407</b> | <b>14,407</b> |
| <b>Deferred Tax Liability</b>          | <b>643</b>    | <b>754</b>    | <b>754</b>    | <b>754</b>    |
| Provisions                             | 185           | 204           | 235           | 270           |
| Other Liabilities                      | 308           | 1,402         | 1,717         | 1,824         |
| Equity Share Capital                   | 99            | 99            | 99            | 99            |
| Reserves & Surplus                     | 23,728        | 26,163        | 29,774        | 34,148        |
| <b>Total Net Worth</b>                 | <b>23,827</b> | <b>26,262</b> | <b>29,873</b> | <b>34,248</b> |
| Minority Interest                      | -             | -             | -             | -             |
| <b>Total Liabilities</b>               | <b>43,770</b> | <b>48,304</b> | <b>54,086</b> | <b>59,626</b> |

Source Company data, I-Sec research

### Exhibit 15: Quarterly trend

(INR mn, year ending March)

|                     | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|---------------------|--------|--------|--------|--------|
| Net Sales           | 5,237  | 5,186  | 6,062  | 7,009  |
| % growth (YOY)      | 6.6    | 9.9    | 20.8   | 16.4   |
| EBITDA              | 1,004  | 1,074  | 1,473  | 1,787  |
| Margin %            | 19.2   | 20.7   | 24.3   | 25.5   |
| Other Income        | 103    | 112    | 105    | 118    |
| Extraordinaries     | -      | -      | -      | -      |
| Adjusted Net Profit | 512    | 588    | 836    | 950    |

Source Company data, I-Sec research

### Exhibit 16: Cashflow statement

(INR mn, year ending March)

|  | FY24A          | FY25A        | FY26E        | FY27E        |
|--|----------------|--------------|--------------|--------------|
| <b>Operating Cashflow</b>              | <b>3,889</b>   | <b>4,422</b> | <b>6,811</b> | <b>7,994</b> |
| Working Capital Changes                | 3,610          | 1,487        | (1,768)      | (1,380)      |
| Capital Commitments                    | (7,324)        | (5,643)      | (5,000)      | (5,250)      |
| <b>Free Cashflow</b>                   | <b>175</b>     | <b>266</b>   | <b>43</b>    | <b>1,364</b> |
| <b>Other investing cashflow</b>        | <b>(4,152)</b> | <b>580</b>   | <b>2,433</b> | <b>455</b>   |
| Cashflow from Investing Activities     | (3,611)        | 580          | 2,433        | 455          |
| Issue of Share Capital                 | 1              | -            | -            | -            |
| Interest Cost                          | (746)          | (779)        | (1,081)      | (1,081)      |
| Inc (Dec) in Borrowings                | 4,913          | 1,008        | -            | -            |
| Dividend paid                          | (745)          | (595)        | (938)        | (1,137)      |
| Others                                 | (66)           | -            | -            | -            |
| Cash flow from Financing Activities    | 3,357          | (367)        | (2,019)      | (2,217)      |
| <b>Chg. in Cash &amp; Bank balance</b> | <b>(78)</b>    | <b>479</b>   | <b>458</b>   | <b>(399)</b> |
| Closing cash & balance                 | 66             | 754          | 863          | 464          |

Source Company data, I-Sec research

### Exhibit 17: Key ratios

(Year ending March)

|                             | FY24A  | FY25A | FY26E | FY27E |
|-----------------------------|--------|-------|-------|-------|
| <b>Per Share Data (INR)</b> |        |       |       |       |
| Reported EPS                | 54.6   | 58.2  | 91.7  | 111.1 |
| Adjusted EPS (Diluted)      | 54.6   | 58.2  | 91.7  | 111.1 |
| Cash EPS                    | 74.0   | 82.3  | 124.3 | 148.6 |
| Dividend per share (DPS)    | 15.0   | 12.0  | 18.9  | 22.9  |
| Book Value per share (BV)   | 480.9  | 529.5 | 602.3 | 690.5 |
| Dividend Payout (%)         | 27.5   | 20.6  | 20.6  | 20.6  |
| <b>Growth (%)</b>           |        |       |       |       |
| Net Sales                   | (0.6)  | 13.8  | 33.6  | 16.9  |
| EBITDA                      | (27.6) | 34.0  | 51.1  | 18.0  |
| EPS (INR)                   | (27.9) | 6.6   | 57.6  | 21.2  |
| <b>Valuation Ratios (x)</b> |        |       |       |       |
| P/E                         | 84.2   | 79.0  | 50.1  | 41.4  |
| P/CEPS                      | 62.1   | 55.9  | 37.0  | 30.9  |
| P/BV                        | 9.6    | 8.7   | 7.6   | 6.7   |
| EV / EBITDA                 | 59.2   | 44.4  | 29.6  | 25.1  |
| EV/SALES                    | 11.4   | 10.1  | 7.6   | 6.5   |
| Dividend Yield (%)          | 0.3    | 0.3   | 0.4   | 0.5   |
| <b>Operating Ratios</b>     |        |       |       |       |
| Gross Profit Margins (%)    | 54.7   | 55.8  | 56.0  | 55.7  |
| EBITDA Margins (%)          | 19.3   | 22.7  | 25.7  | 25.9  |
| Effective Tax Rate (%)      | 28.1   | 24.1  | 21.6  | 21.6  |
| Net Profit Margins (%)      | 8.1    | 12.3  | 14.5  | 15.0  |
| NWC / Total Assets (%)      | 8.2    | 3.1   | (3.3) | (2.3) |
| Net Debt / Equity (x)       | 0.3    | 0.4   | 0.4   | 0.3   |
| Net Debt / EBITDA (x)       | 2.1    | 1.7   | 1.3   | 1.2   |
| <b>Profitability Ratios</b> |        |       |       |       |
| RoCE (%)                    | 6.9    | 8.1   | 11.9  | 12.9  |
| RoE (%)                     | 11.8   | 11.5  | 16.2  | 17.2  |
| RoIC (%)                    | 7.5    | 9.3   | 13.3  | 13.9  |
| Fixed Asset Turnover (x)    | 0.8    | 0.8   | 1.0   | 1.0   |
| Inventory Turnover Days     | 65.7   | 50.1  | 50.1  | 50.1  |
| Receivables Days            | 90.6   | 90.5  | 90.5  | 90.5  |
| Payables Days               | 53.5   | 50.8  | 52.8  | 52.8  |

Source Company data, I-Sec research



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