

# Navin Fluorine International Limited

Investor Presentation – Q2FY20

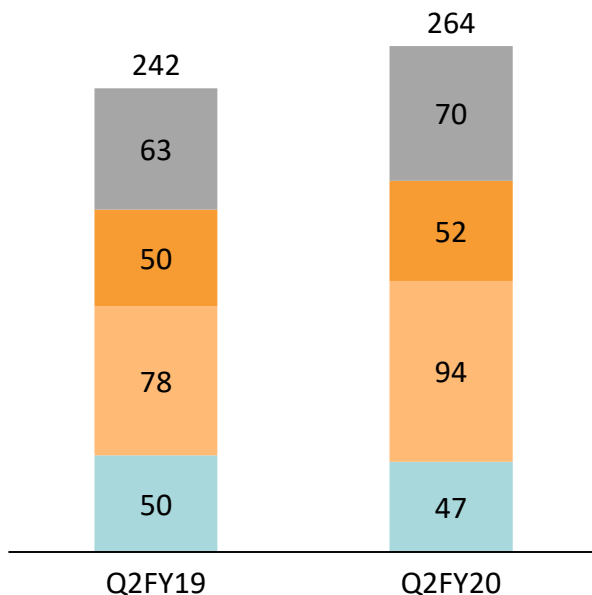
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# Significant Improvement in Business Performance

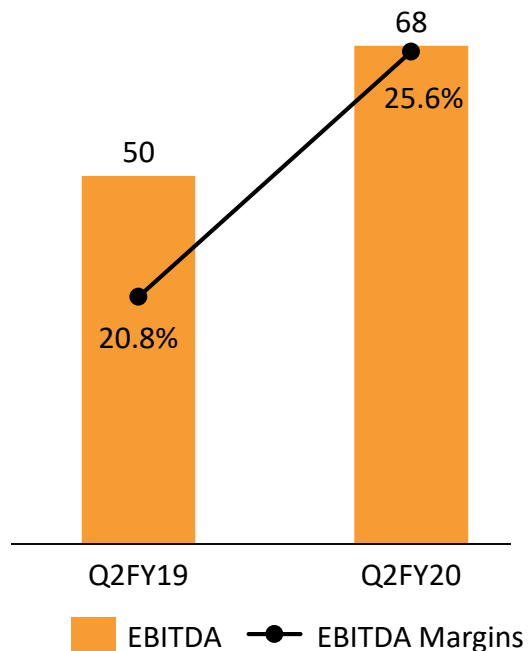
## Operating Revenue (Rs. Crs)



## Operating EBITDA (Rs. Crs)



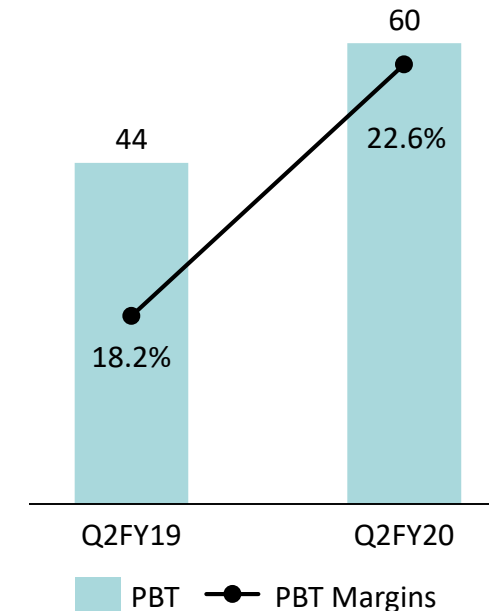
**34%**



## Operating PBT (Rs. Crs)



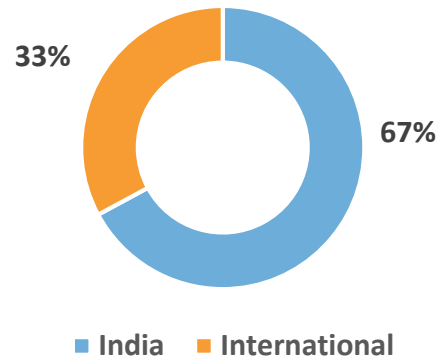
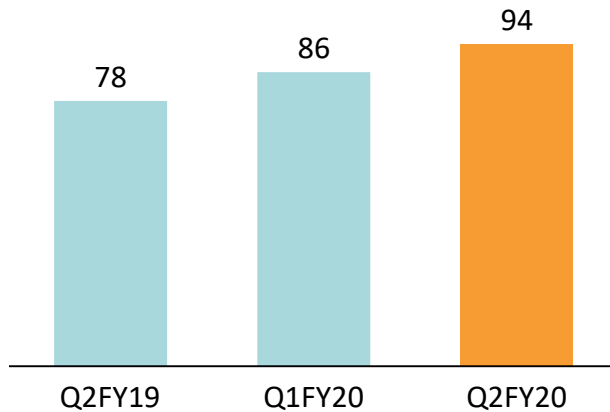
**35%**



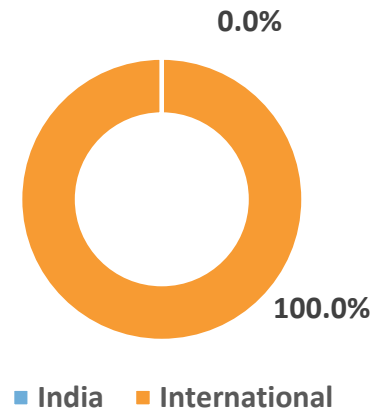
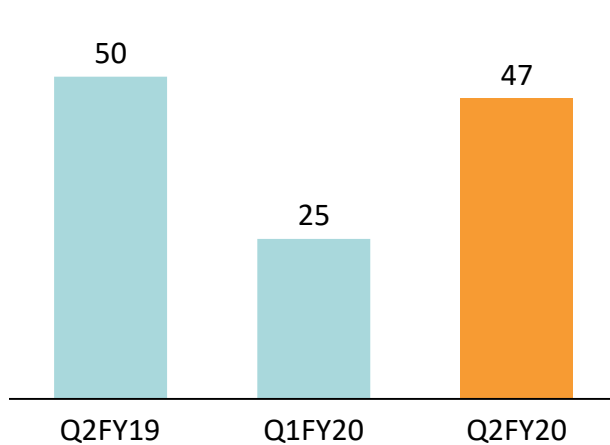
**Strong pipeline in Speciality and CRAMS to drive growth momentum**

# High Value Business Performance

## Speciality Business Revenues (Rs. In Crs)



## CRAMS Business Revenues (Rs. In Crs)



### Strong Performance continues

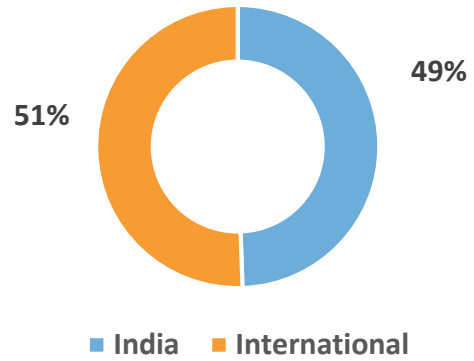
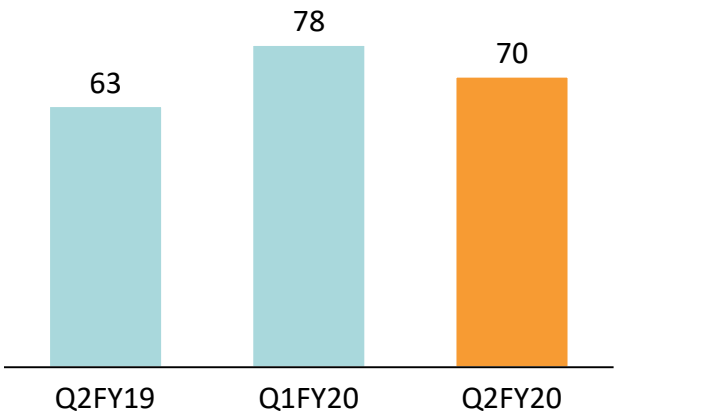
- Revenue was driven by both volume and better realisation
- Good Project flow in Life science and Crop science to drive future growth

### Long term outlook remains positive

- New customer acquisitions leading to strong growth pipeline
- Manufacturing in CGMP3 to begin by December 2019

# Legacy Business Performance

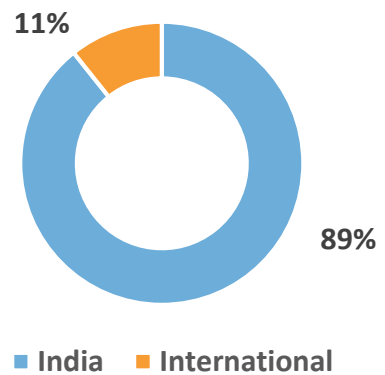
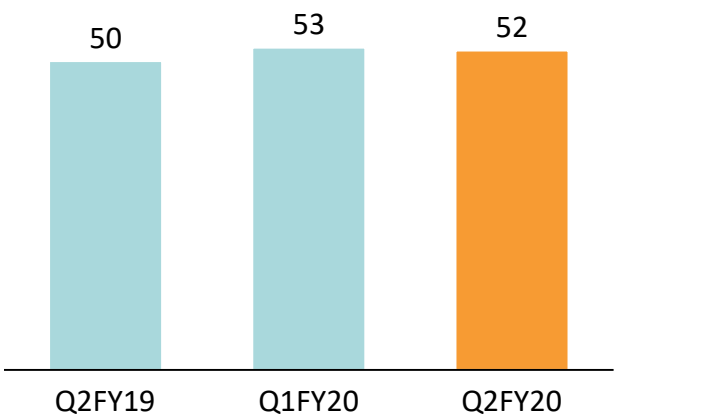
## Refrigerant Business Revenues (Rs. In Crs)



### Margin Expansion on Y-o-Y basis

- Better pricing compared to last year on both Domestic & Export
- Increase penetration in Middle-east markets

## Inorganic Fluoride Business Revenues (Rs. In Crs)



### Performance Maintained

- Volume maintained despite soft demand from stainless steel & glass industry
- Pricing power helped maintain margins

# Standalone Profitability Statement

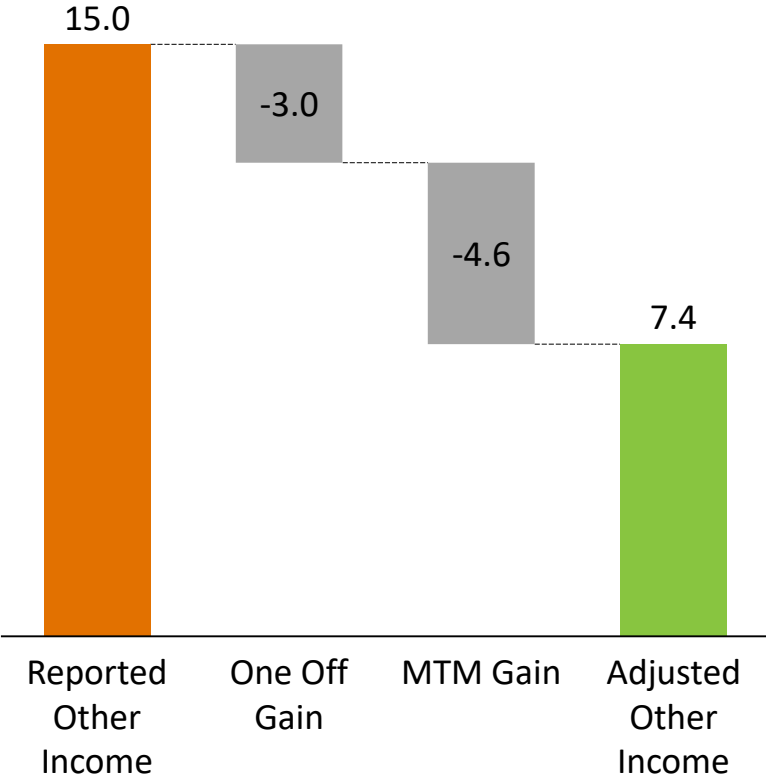
Particulars (Rs. Crs.)	Q2 FY20	Q2 FY19	Y-o-Y %	Q1 FY20	Q-o-Q %	H1 FY20	H1 FY19	Y-o-Y %
<b>Net Revenue from Operations</b>	<b>263.9</b>	<b>241.7</b>	<b>9%</b>	<b>241.8</b>	<b>9%</b>	<b>505.6</b>	<b>484.8</b>	<b>4%</b>
Raw Material	122.0	121.5		114.9		236.9	231.1	
Employee Expenses	27.0	23.8		25.6		52.6	49.0	
Other Expenses	47.3	46.1		40.6		87.8	91.3	
<b>Operating EBITDA</b>	<b>67.6</b>	<b>50.3</b>	<b>34%</b>	<b>60.7</b>	<b>11%</b>	<b>128.3</b>	<b>113.5</b>	<b>13%</b>
<b>Operating EBITDA Margin</b>	<b>25.6%</b>	<b>20.8%</b>	<b>479 bps</b>	<b>25.1%</b>	<b>49 bps</b>	<b>25.4%</b>	<b>23.4%</b>	<b>198 bps</b>
Interest Expenses	0.3	0.0		0.4		0.7	0.1	
Depreciation	7.7	6.2		7.5		15.2	13.2	
<b>Operating PBT</b>	<b>59.6</b>	<b>44.1</b>	<b>35%</b>	<b>52.9</b>	<b>13%</b>	<b>112.5</b>	<b>100.2</b>	<b>12%</b>
<b>Operating PBT Margin</b>	<b>22.6%</b>	<b>18.2%</b>	<b>434 bps</b>	<b>21.9%</b>	<b>71 bps</b>	<b>22.2%</b>	<b>20.7%</b>	<b>156 bps</b>
Other Income	8.7	7.7		6.4		15.0	11.4	
<b>PBT</b>	<b>68.2</b>	<b>51.8</b>		<b>59.2</b>		<b>127.5</b>	<b>111.7</b>	
Tax	21.8	17.6		19.8		41.6	37.9	
<b>Profit After Tax</b>	<b>46.4</b>	<b>34.2</b>	<b>36%</b>	<b>39.5</b>	<b>18%</b>	<b>85.9</b>	<b>73.8</b>	<b>16%</b>
<b>Profit After Tax Margin</b>	<b>17.6%</b>	<b>14.2%</b>	<b>343 bps</b>	<b>16.3%</b>	<b>126 bps</b>	<b>17.0%</b>	<b>15.2%</b>	<b>176 bps</b>
<b>Other Comprehensive Income</b>								
Items that will not be reclassified to Profit & Loss (net of tax)	-0.6	0.2		-0.5		-1.2	-0.5	
<b>Total Comprehensive income for the Period</b>	<b>45.8</b>	<b>34.4</b>	<b>33%</b>	<b>38.9</b>	<b>18%</b>	<b>84.7</b>	<b>73.3</b>	<b>16%</b>

# Standalone Balance Sheet

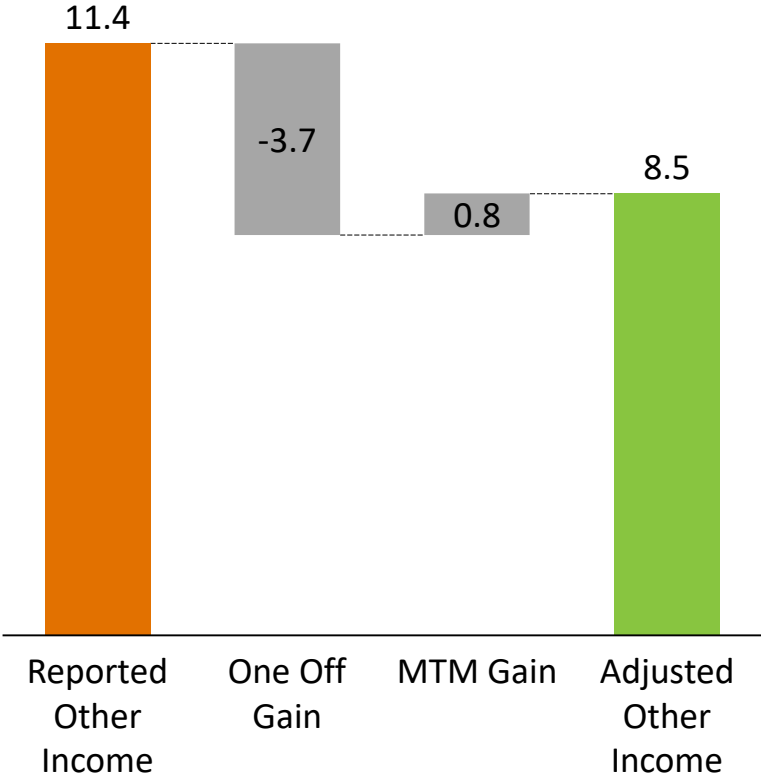
ASSETS (Rs. Crs.)	30-Sep-19	31-Mar-19	EQUITY AND LIABILITIES (Rs. Crs.)	30-Sep-19	31-Mar-19
<b>Non-current assets</b>	<b>694.2</b>	<b>747.3</b>	<b>EQUITY</b>	<b>1,120.7</b>	<b>1,059.2</b>
Property, Plant and Equipment	315.5	279.6	Equity Share Capital	9.9	9.9
Capital work-in-progress	62.9	39.3	Other Equity	1,110.8	1,049.3
Right-of-use Assets	12.1	0.0			
Investment Property	42.8	43.2	<b>Non-Current Liabilities</b>	<b>63.7</b>	<b>52.6</b>
Other Intangible Assets	1.2	1.3	Provisions	9.9	8.6
Investment in Subsidiaries, Associate & JV Venture	137.7	133.5	Deferred Tax Liabilities (Net)	30.8	29.5
Financial Assets			Other non-current liabilities	14.4	14.5
(i) Investments	88.3	204.9	Other Financial Liabilities	8.5	0.0
(ii) Loans	15.2	16.0	<b>Current liabilities</b>	<b>164.4</b>	<b>156.3</b>
(iii) Other Financial Assets	0.1	0.1	Financial Liabilities		
Non-current tax assets	9.3	9.7	(i) Borrowings		
Other non-current assets	9.0	19.6	(ii) Trade Payables	83.5	67.9
			(iii) Other Financial Liabilities	19.0	23.4
<b>Current assets</b>	<b>654.6</b>	<b>520.8</b>	Provisions	2.8	2.4
Inventories	98.9	92.9	Current Tax Liabilities (Net)	40.0	36.0
Financial Assets			Other Current Liabilities	19.2	26.7
(i) Investments	255.1	188.3	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,348.8</b>	<b>1,268.1</b>
(ii) Trade receivables	196.1	167.5			
(iii) Cash and cash equivalents	9.7	12.7			
(iv) Bank balances other than (iii) above	37.5	9.7			
(v) Loans	6.8	7.2			
(vi) Others financial assets	5.2	2.0			
Other Current Assets	45.4	40.6			
<b>TOTAL ASSETS</b>	<b>1,348.8</b>	<b>1,268.1</b>			

# Other Income Built-up

H1 FY20 (Rs. Crs)



H1 FY19 (Rs. Crs)



\* One-Off Gain is towards Sale of Investments



# Standalone Cashflow Statement

Particulars (Rs in Crs)	30-Sep-19	30-Sep-18
<b>(A) Cash flow from operating activities</b>		
Profit before tax	127.5	111.7
Adjustments for noncash items	3.1	2.3
Operating profit before working capital changes	130.6	113.9
Working capital adjustments	-37.5	-45.8
<b>Cash flows generated from operating activities</b>	93.0	68.1
Income tax paid	-35.7	-27.8
<b>Net Cash flows generated from operating activities (A)</b>	<b>57.4</b>	<b>40.3</b>
<b>Net Cash flows generated from investing activities (B)</b>	<b>-33.9</b>	<b>10.5</b>
<b>Net Cash flows generated from financing activities (C)</b>	<b>-26.5</b>	<b>-36.9</b>
<b>Net Cash Increase/(Decrease)</b>	<b>-3.0</b>	<b>14.0</b>

# Return Ratios

Particulars (Rs. Crs)	Standalone	
	30-Sep-19	31-Mar-19
Operating EBIT (excl. OI)	205*	192
Shareholders Fund	1,121	1,059
Total Debt (Short term + Long Term + Current Maturities)	0	0
Total Cash & Cash Equivalents	433	459
Net Cash	-433	-459
Capital Employed	687	600
<b>ROCE</b>	<b>29.8%</b>	<b>32.0%</b>
Capital Employed (Adj. CWIP)	624	561
<b>ROCE</b>	<b>32.8%</b>	<b>34.3%</b>
<b>30%+ ROCE</b>		

# Consolidated Profitability Statement

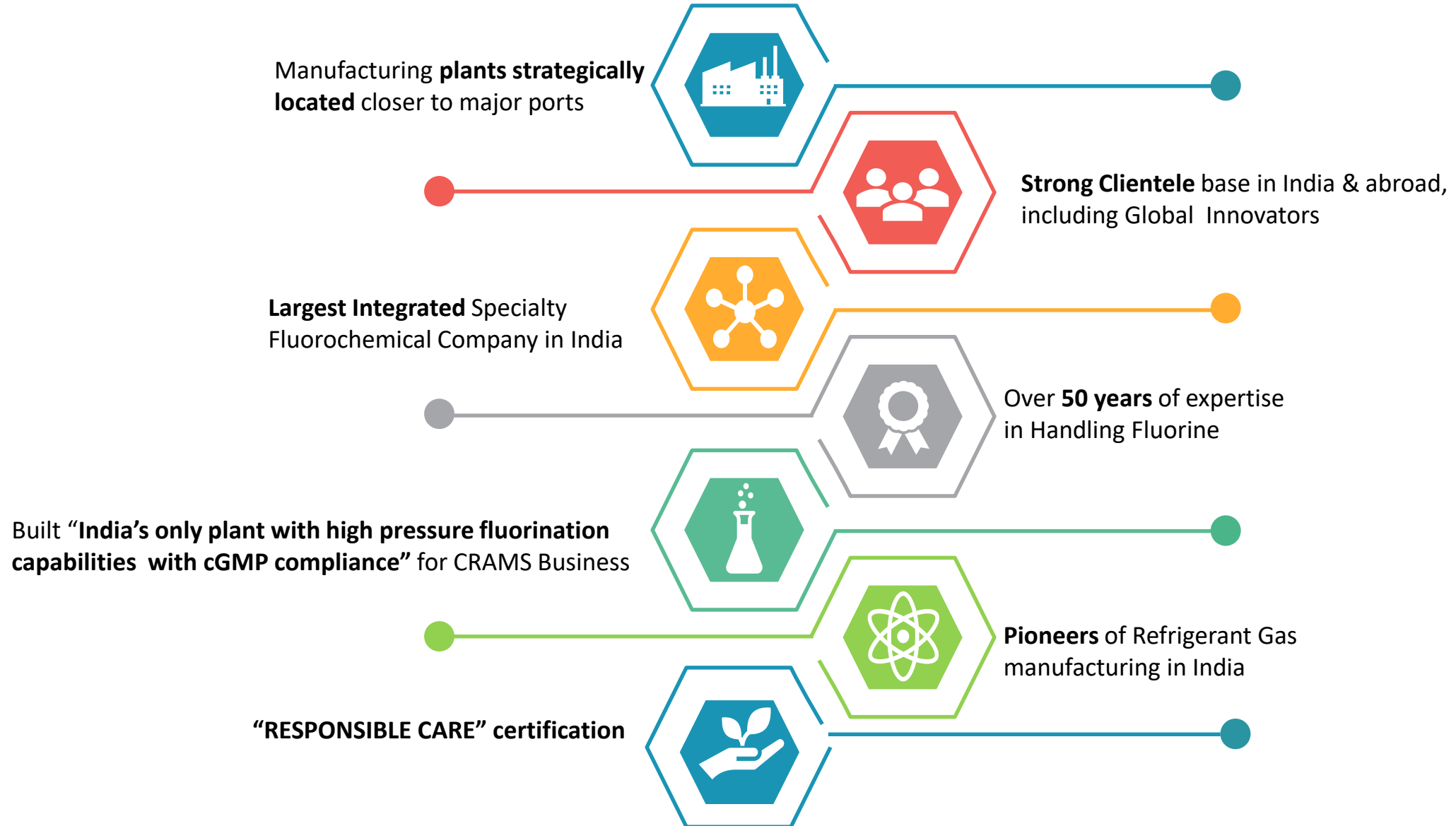
Particulars (Rs. Crs.)	Q2 FY20	Q2 FY19	Y-o-Y %	Q1 FY20	Q-o-Q %	H1 FY20	H1 FY19	Y-o-Y %
<b>Net Revenue from Operations</b>	<b>272.9</b>	<b>253.4</b>	<b>8%</b>	<b>251.5</b>	<b>9%</b>	<b>524.5</b>	<b>509.5</b>	<b>3%</b>
Raw Material	126.7	126.7		120.2		246.9	243.0	
Employee Expenses	32.1	28.8		30.5		62.6	58.2	
Other Expenses	46.1	46.9		39.6		85.7	93.4	
<b>Operating EBITDA</b>	<b>68.1</b>	<b>51.0</b>	<b>34%</b>	<b>61.1</b>	<b>12%</b>	<b>129.2</b>	<b>114.9</b>	<b>12%</b>
<b>Operating EBITDA Margin</b>	<b>25.0%</b>	<b>20.1%</b>	<b>485 bps</b>	<b>24.3%</b>	<b>66 bps</b>	<b>24.6%</b>	<b>22.6%</b>	<b>208 bps</b>
Interest Expenses	0.4	0.1		0.5		0.9	0.3	
Depreciation	8.5	6.7		8.2		16.7	14.1	
<b>Operating PBT</b>	<b>59.2</b>	<b>44.1</b>	<b>34%</b>	<b>52.4</b>	<b>13%</b>	<b>111.6</b>	<b>100.5</b>	<b>11%</b>
<b>Operating PBT Margin</b>	<b>21.7%</b>	<b>17.4%</b>	<b>430 bps</b>	<b>20.8%</b>	<b>88 bps</b>	<b>21.3%</b>	<b>19.7%</b>	<b>155 bps</b>
Other Income	9.2	8.2		6.8		16.0	12.2	
<b>PBT</b>	<b>68.4</b>	<b>52.3</b>		<b>59.2</b>		<b>127.6</b>	<b>112.7</b>	
Tax	21.9	17.7		19.6		41.5	37.4	
<b>Profit After Tax</b>	<b>46.6</b>	<b>34.6</b>	<b>35%</b>	<b>39.6</b>	<b>18%</b>	<b>86.1</b>	<b>75.3</b>	<b>14%</b>
<b>Profit After Tax Margin</b>	<b>17.1%</b>	<b>13.6%</b>	<b>342 bps</b>	<b>15.7%</b>	<b>130 bps</b>	<b>16.4%</b>	<b>14.8%</b>	<b>164 bps</b>
Share of Profit from Associates and joint ventures (net)	0.8	2.7		3.5		4.3	0.0	
<b>Profit for the period</b>	<b>47.3</b>	<b>37.3</b>		<b>43.1</b>	<b>10%</b>	<b>90.5</b>	<b>75.3</b>	
<b>Other Comprehensive Income</b>								
Items that will not be reclassified to Profit & Loss (net of tax)	-1.0	1.1		-1.3		-2.3	-0.1	
<b>Total Comprehensive income for the Period</b>	<b>46.3</b>	<b>38.4</b>	<b>21%</b>	<b>41.8</b>	<b>11%</b>	<b>88.1</b>	<b>75.2</b>	<b>17%</b>

# Consolidated Balance Sheet

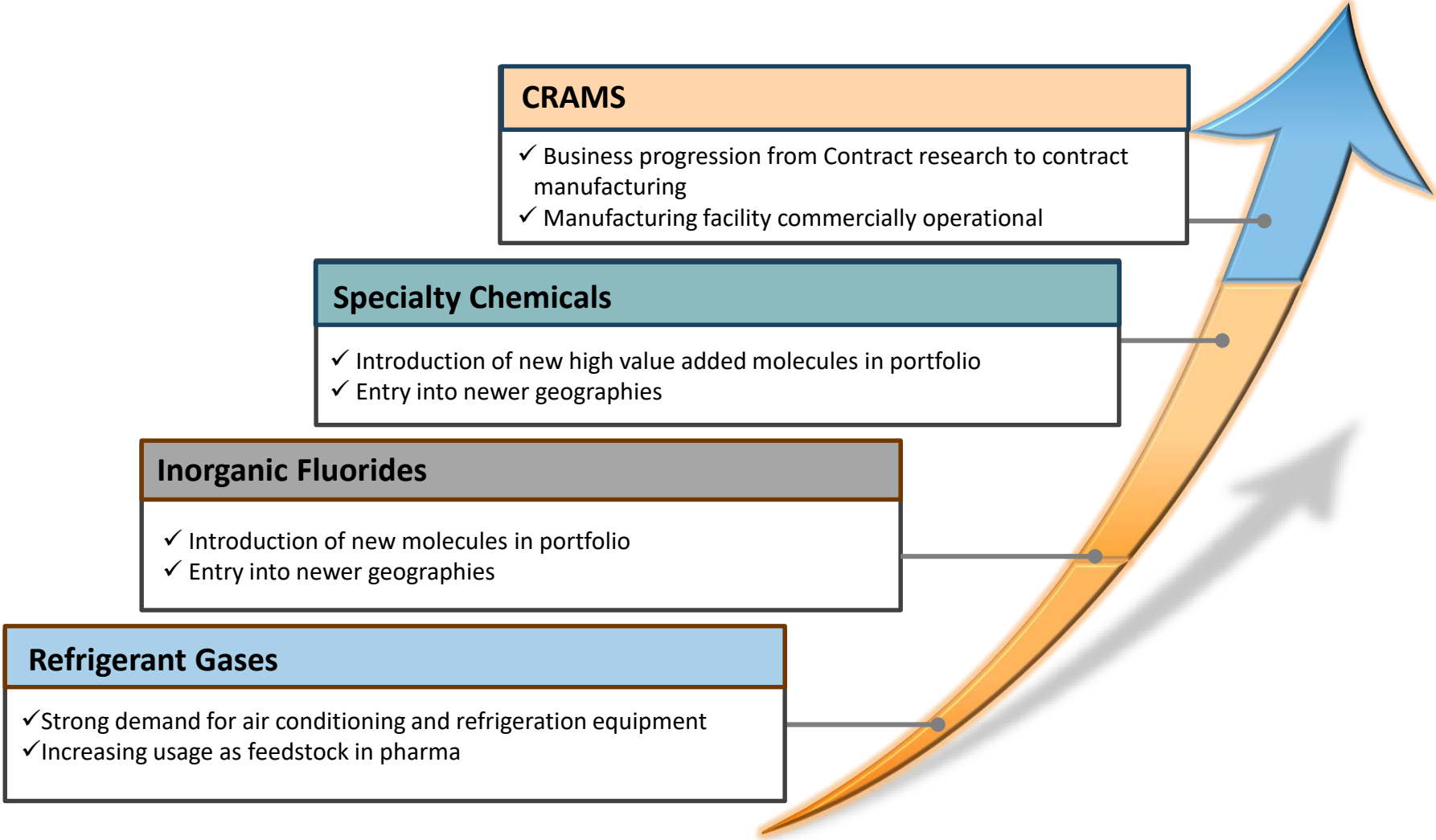
ASSETS (Rs. Crs.)	30-Sep-19	31-Mar-19	EQUITY AND LIABILITIES (Rs. Crs.)	30-Sep-19	31-Mar-19
<b>Non-current assets</b>	<b>705.7</b>	<b>746.5</b>	<b>EQUITY</b>	<b>1,137.6</b>	<b>1,072.5</b>
Property, Plant and Equipment	321.3	285.0	Equity Share Capital	9.9	9.9
Capital work-in-progress	62.9	39.3	Other Equity	1,127.7	1,062.6
Right-of-use Assets	22.0				
Investment Property	55.6	56.2	<b>Non-Current Liabilities</b>	<b>75.2</b>	<b>57.9</b>
Other Intangible Assets	1.2	1.3	Provisions	9.9	8.6
Goodwill	87.8	87.8	Deferred Tax Liabilities (Net)	35.7	34.8
Investment in Subsidiaries, Associate & JV Venture	37.6	33.3	Other non-current liabilities	14.4	14.5
Financial Assets			Other Financial Liabilities	15.1	-
(i) Investments	89.5	205.8	<b>Current liabilities</b>	<b>164.4</b>	<b>156.3</b>
(ii) Loans	7.4	7.3	Financial Liabilities		
(iii) Other Financial Assets	0.1	0.1	(i) Borrowings	-	4.1
Non-current tax assets	11.4	10.7	(ii) Trade Payables	88.5	71.3
Other non-current assets	9.0	19.6	(iii) Other Financial Liabilities	23.9	25.0
			Provisions	2.8	2.4
<b>Current assets</b>	<b>693.0</b>	<b>560.7</b>	Current Tax Liabilities (Net)	40.1	36.1
Inventories	118.2	111.9	Other Current Liabilities	30.7	37.9
Financial Assets					
(i) Investments	255.1	188.3	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,398.7</b>	<b>1,307.2</b>
(ii) Trade receivables	201.2	172.7			
(iii) Cash and cash equivalents	12.9	15.9			
(iv) Bank balances other than (iii) above	49.0	21.1			
(v) Loans	4.2	4.8			
(vi) Others financial assets	6.0	2.9			
Other Current Assets	46.3	43.1			
<b>TOTAL ASSETS</b>	<b>1,398.7</b>	<b>1,307.2</b>			

# Business Overview

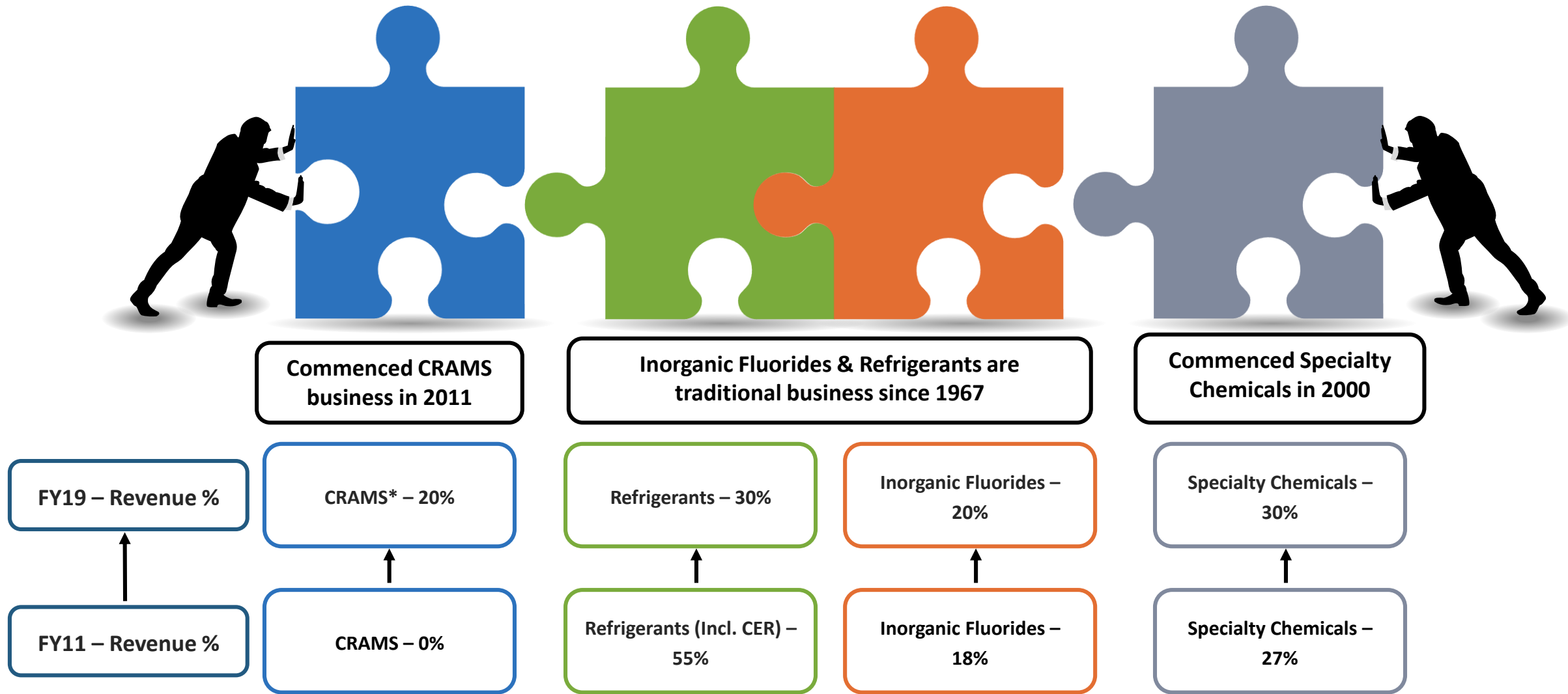
# Company Overview



# Rising up Fluorine Value-Pyramid...



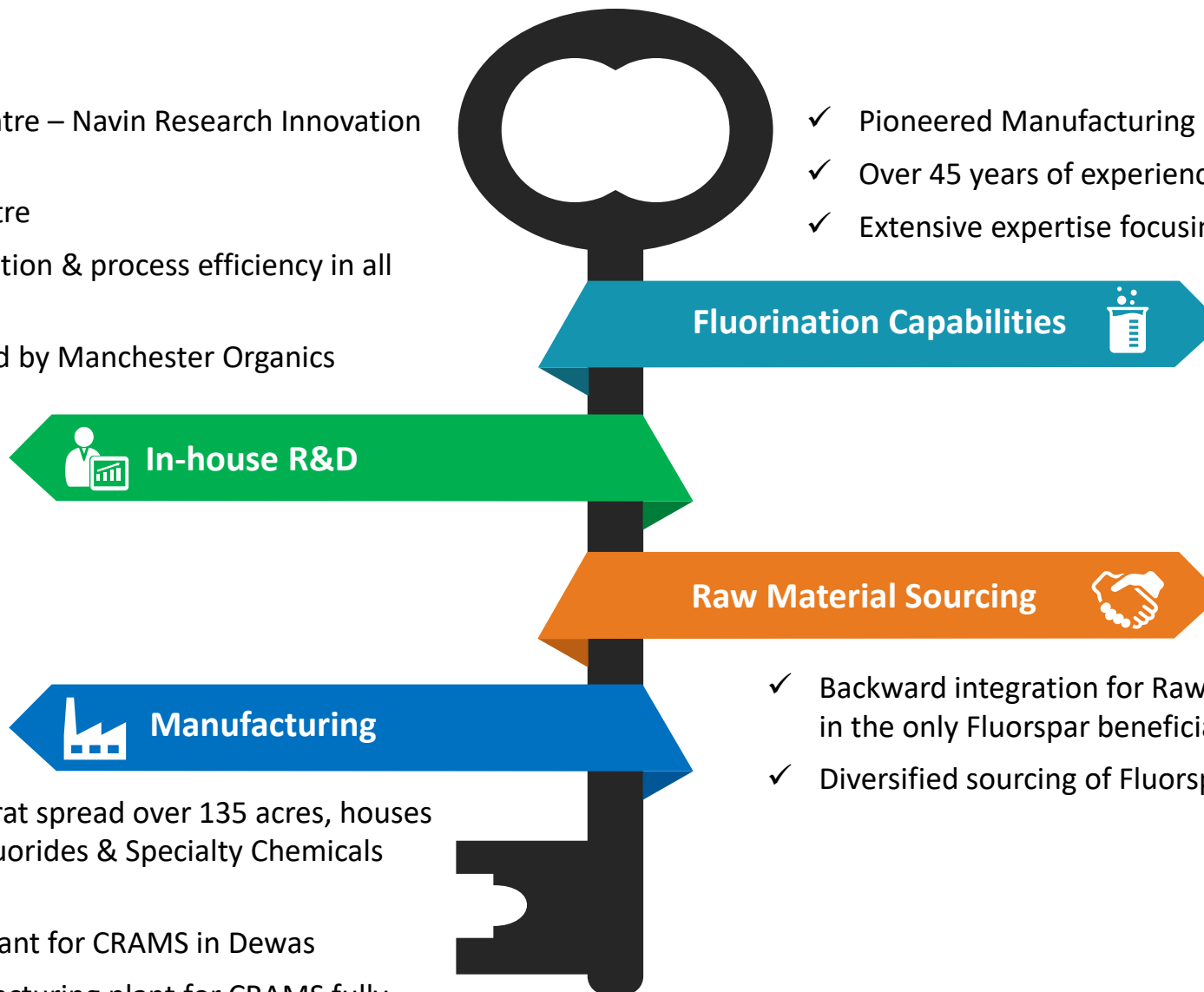
# ... Growth driven by Every Business Unit





# Key Strengths

- ✓ State-of-the-art R&D centre – Navin Research Innovation Centre at Surat
- ✓ DSIR approved R&D Centre
- ✓ Supports in product addition & process efficiency in all business units
- ✓ R&D strength augmented by Manchester Organics Acquisition



- ✓ Pioneered Manufacturing of Refrigerant Gases in India
- ✓ Over 45 years of experience in handling Fluorine
- ✓ Extensive expertise focusing on specialty fluorine chemistry

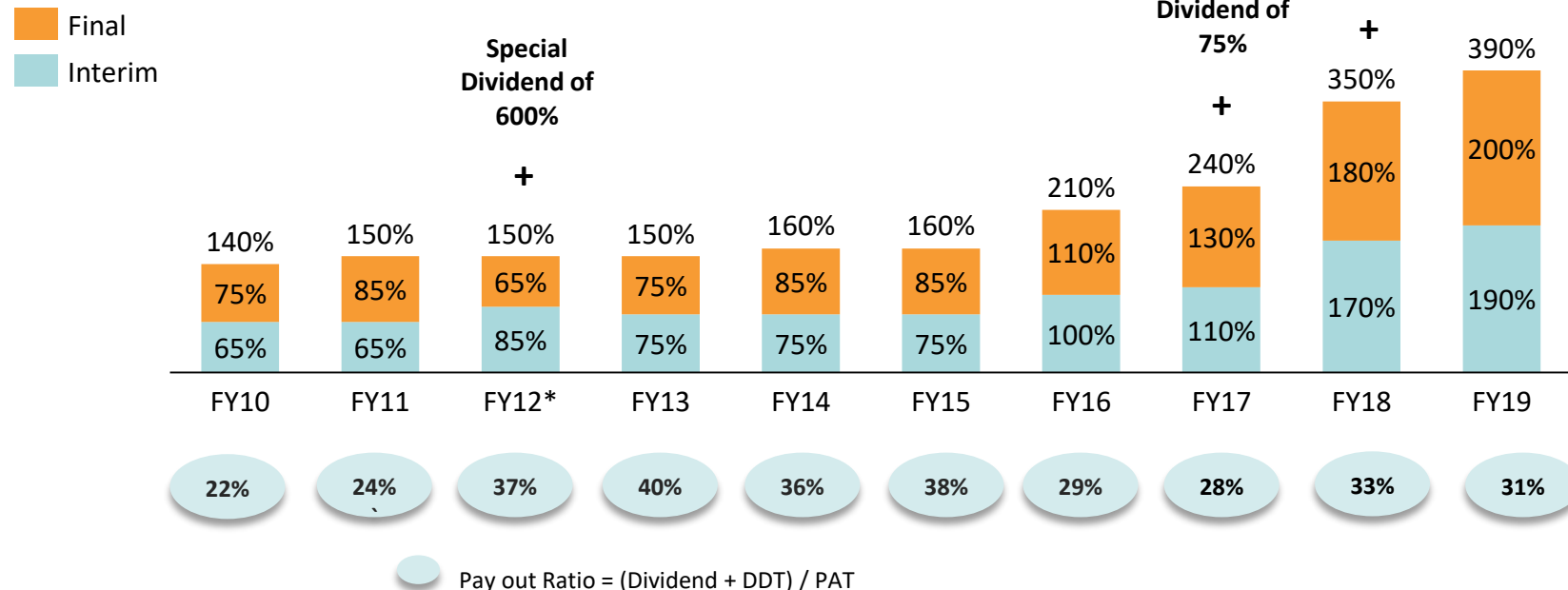
- ✓ Chemical Complex at Surat spread over 135 acres, houses Refrigerant, Inorganic Fluorides & Specialty Chemicals Plants
- ✓ cGMP Compliant Pilot plant for CRAMS in Dewas
- ✓ cGMP Compliant Manufacturing plant for CRAMS fully operational.

- ✓ Backward integration for Raw material through 25% JV partner in the only Fluorspar beneficiation company in India
- ✓ Diversified sourcing of Fluorspar away from China

# Consistent Dividend Performance

## Dividend as % of Face Value

## Robust Dividend Payout



- ✓ Continuous Dividend over 10 years
- ✓ Special Dividend of 600% on FV of Rs. 10 in FY12
- ✓ Special Dividend of 75% on FV of Rs. 10 in FY17
- ✓ Special of 150% on FV of Rs. 2 in FY18

The Board of Directors of the Company has declared an interim dividend of Rs. 4 per share of the FV of Rs. 2/- each (200% of the Face Value)

For further information, please contact:

**Company :**

**Investor Relations Advisors :**

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