

Navin Fluorine International Limited

Result Update Presentation

Q3 & 9M FY18

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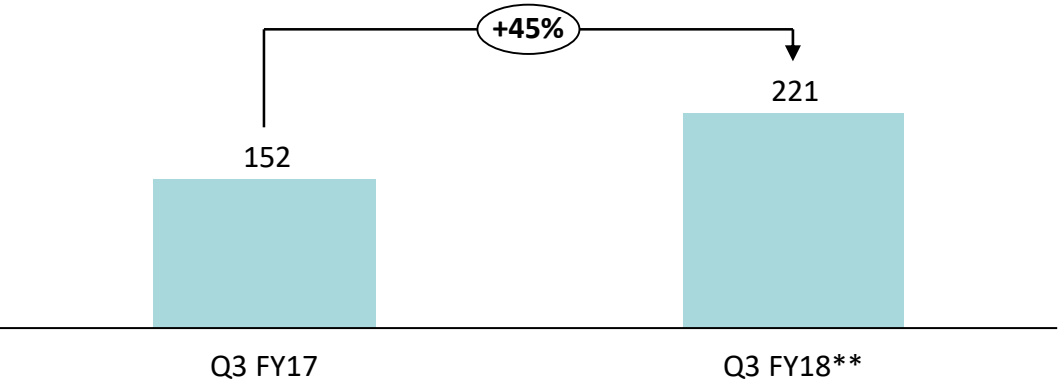
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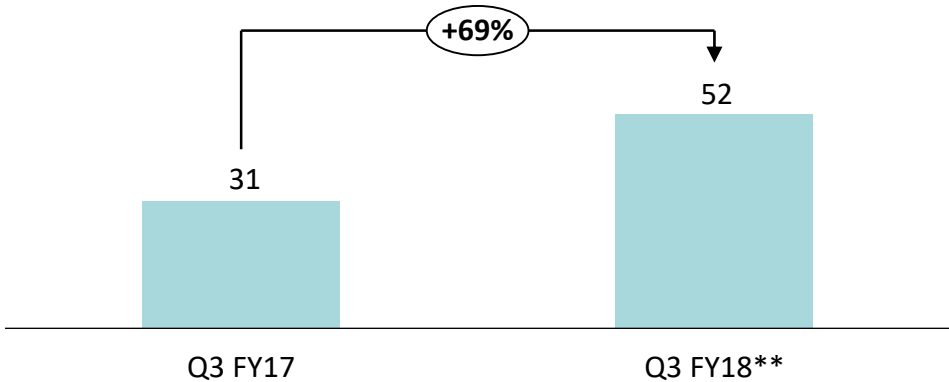
Standalone Financial Highlights – Quarter 3*



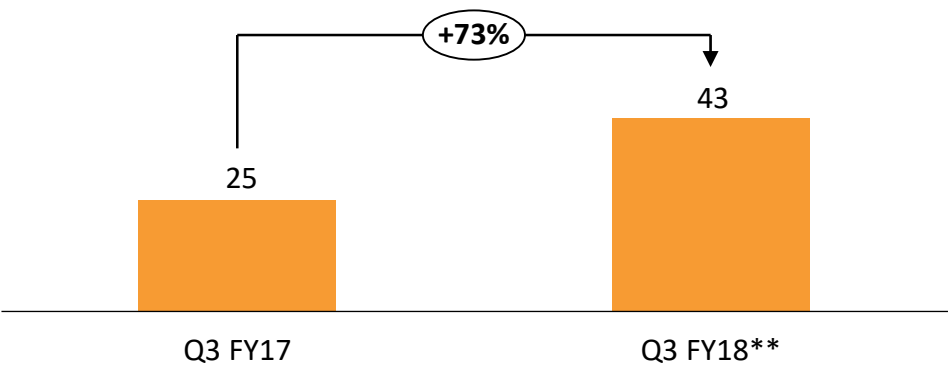
Revenue from Operations (Rs. Crs)^



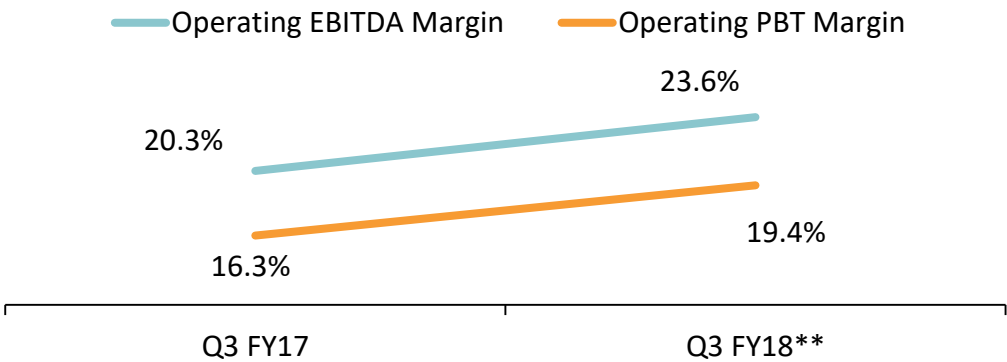
Operating EBITDA (Rs. Crs)



Operating PBT (Rs. Crs)



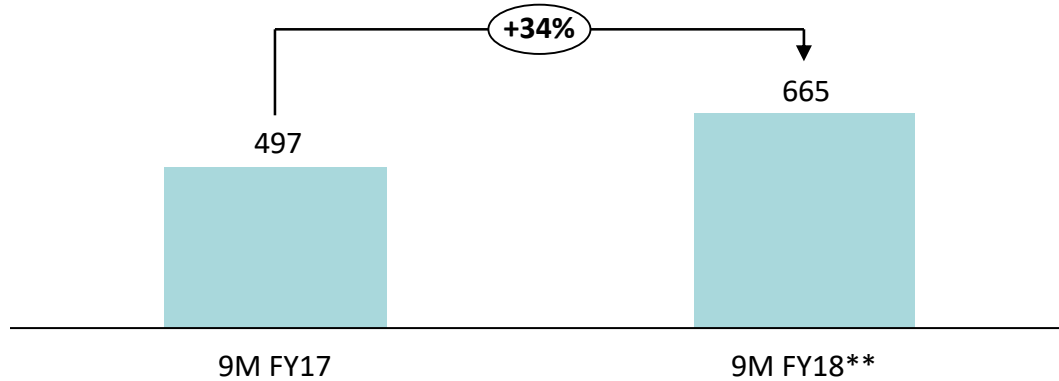
Margins (%)



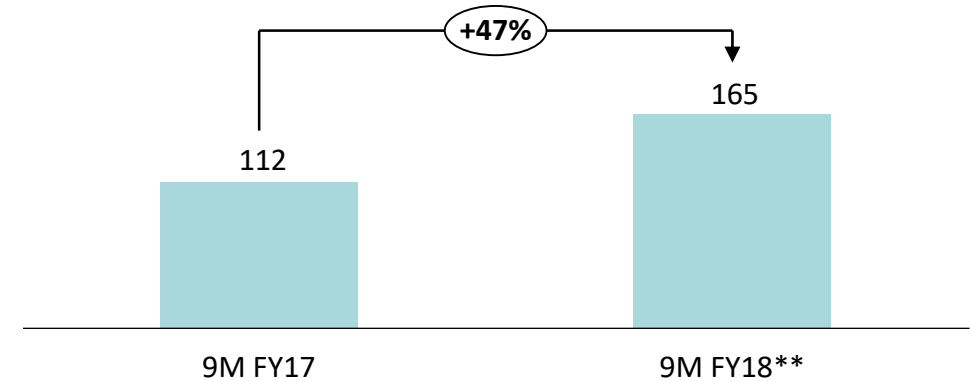
* as per Ind AS financials
** Financials of Dahej operations are included till 30th November 2017
^ Please refer slide no. 7

Standalone Financial Highlights – 9 months*

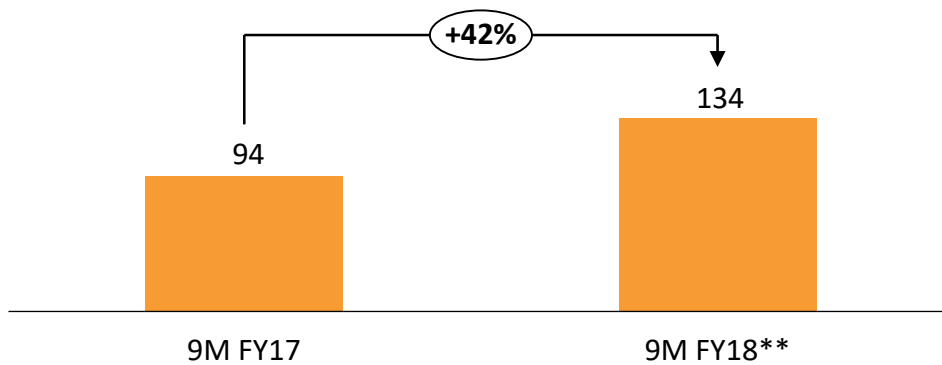
Revenue from Operations (Rs. Crs)^



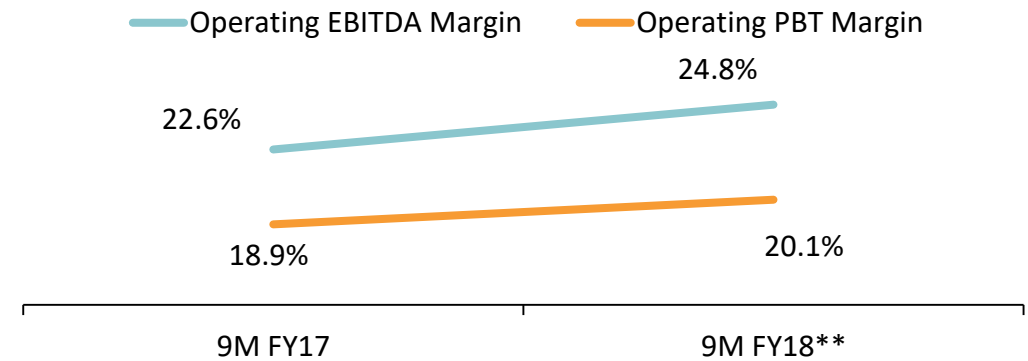
Operating EBITDA (Rs. Crs)



Operating PBT (Rs. Crs)



Margins (%)



* as per Ind AS financials

** Financials of Dahej operations are included till 30th November 2017

^ Please refer slide no. 7

Standalone Profitability Statement [as per Ind AS]

Particulars (Rs. Crs.)	Q3 FY18**	Q3 FY17	Change %	9M FY18**	9M FY17	Change %
Net Revenue from Operations[^]	221	152	45%	665	497	34%
Raw Material	91	62		274	206	
Employee Expenses	24	18		67	54	
Other Expenses	55	41		160	125	
Operating EBITDA	52	31	69%	165	112	47%
Operating EBITDA Margin	23.6%	20.3%	+ 330 bps	24.8%	22.6%	+ 220 bps
Interest Expenses	0	0		0	0	
Depreciation	9	6		31	18	
Operating PBT	43	25	73%	134	94	42%
Operating PBT Margin	19.4%	16.3%	+ 310 bps	20.1%	18.9%	+ 120 bps
Other Income	23	0.5		71	37	
PBT	66	25	161%	204	131	56%
Tax	18	11		65	35	
Profit After Tax	48	14	235%	140	96	45%
Profit After Tax Margin	21.5%	9.3%		21.0%	19.3%	
Other Comprehensive Income						
Items that will not be reclassified to Profit & Loss (net of tax)	0.3	-1		-1	-1	
Total Comprehensive income for the Period	48	14		139	95	
Cash Profit*	57	20	180%	170	114	49%

* Cash Profit = Profit After Tax for the Period + Depreciation

** Financials of Dahej operations are included till 30th November 2017

[^] Please refer slide no. 7

Balance Sheet [as per Ind AS]

ASSETS (Rs. Crs.)	30-Sep-17
Non-current assets	730
Property, Plant and Equipment	398
Capital work-in-progress	27
Investment Property	44
Other Intangible Assets	1
Financial Assets	
(i) Investments	219
(ii) Loans	12
(iii) Other financial assets	7
Non-current tax assets	16
Other non-current assets	6
Current assets	539
Inventories	112
Financial Assets	
(i) Investments	197
(ii) Trade receivables	159
(iii) Cash and cash equivalents	15
(iv) Bank balances other than (iii) above	8
(v) Others financial assets	2
Other Current Assets	46
TOTAL ASSETS	1,269

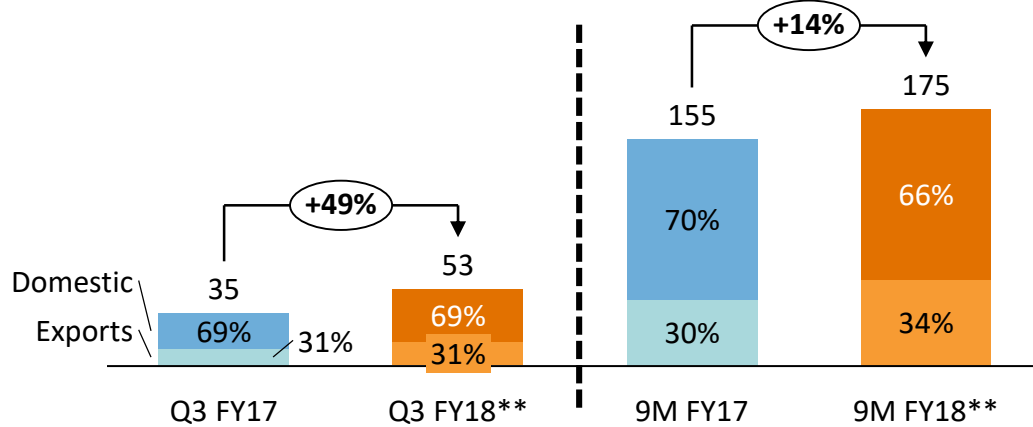
EQUITY AND LIABILITIES (Rs. Crs.)	30-Sep-17
EQUITY	895
Equity Share Capital	10
Other Equity	886
Non-Current Liabilities	69
Provisions	9
Deferred Tax Liabilities (Net)	39
Other non-current liabilities	21
Current liabilities	305
Financial Liabilities	
(i) Trade Payables	104
(ii) Other Financial Liabilities	11
Provisions	2
Current Tax Liabilities (Net)	44
Other Current Liabilities	144
TOTAL EQUITY AND LIABILITIES	1,269

Sales for the Quarter ended 31st December 2017 is net of Goods and Services Tax (GST), however sales till period ended 31st December 2016 and other comprehensive periods are gross of Excise duty. The Net Revenue from Operations (Net of GST/Excise Duty) as applicable are as stated below:

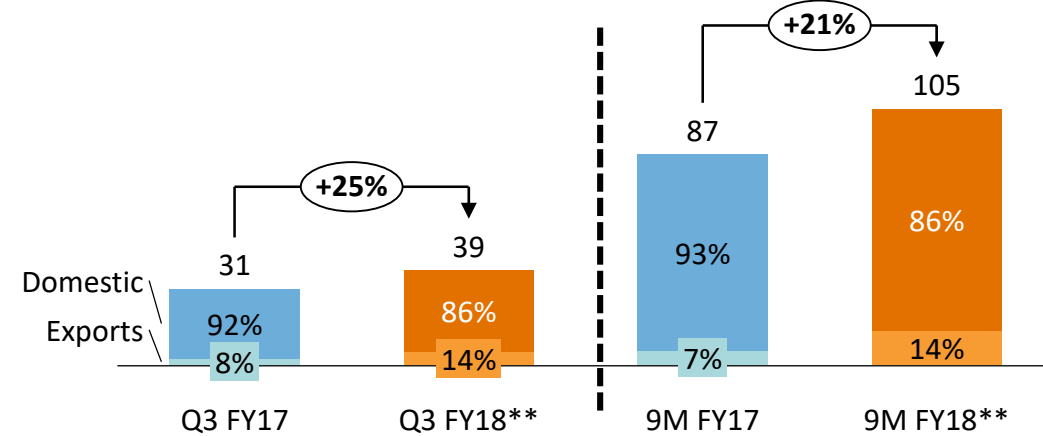
	For the Quarter ended on			For the Nine Months ended on	
Rs. In Crores	31st December 2017	30th September 2017	31st December 2016	31st December 2017	31st December 2016
Net revenue from Operations	221	218	152	665	497

Business Units Performance : Revenue Break-up*

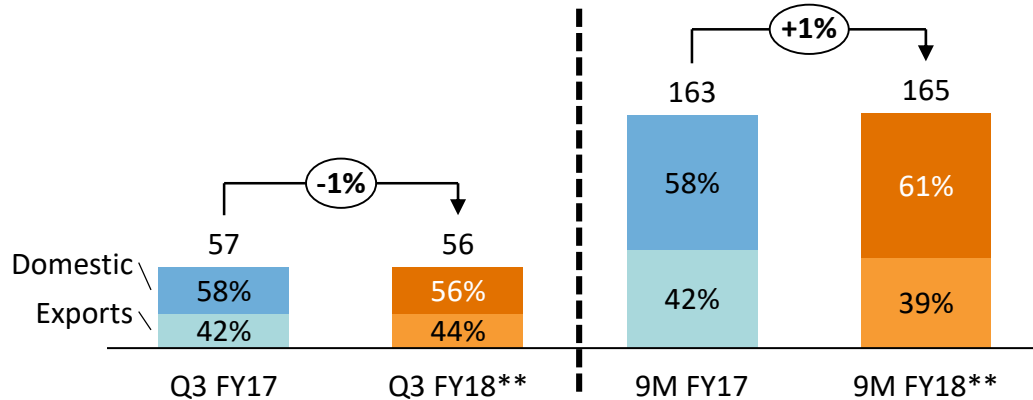
Refrigerants (Rs. Crs)



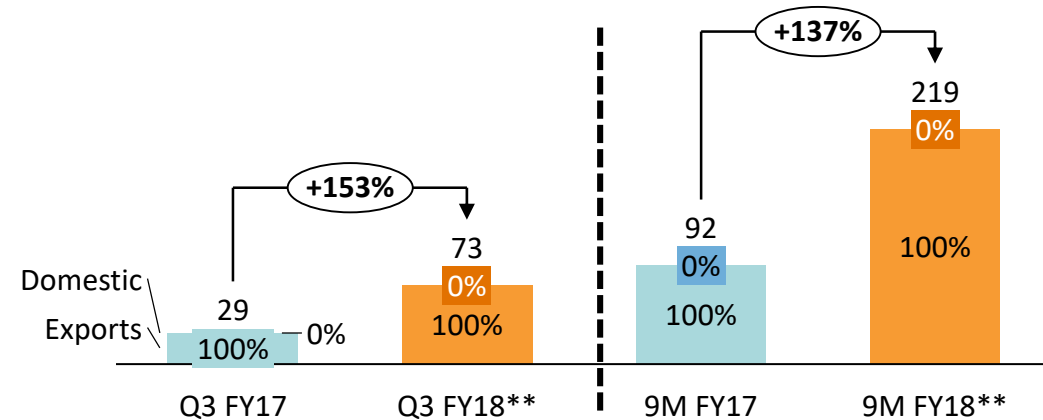
Inorganic Fluorides (Rs. Crs)



Specialty Chemicals (Rs. Crs)



CRAMS (Rs. Crs)

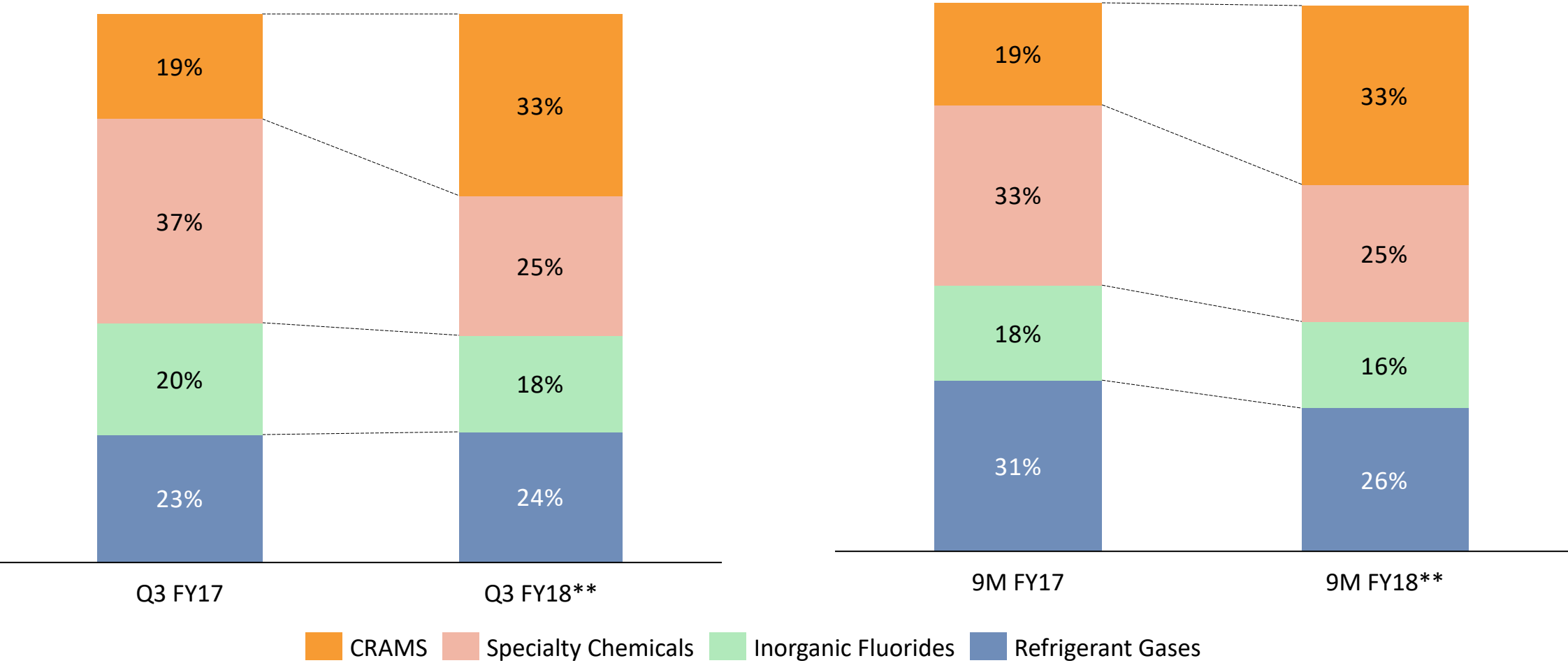


Note: (a) Revenue is Net of Excise Duty / GST; (b) Standalone Results

* as per Ind AS financials

** Financials of Dahej operations are included till 30th November 2017

Standalone Revenue Mix : Business Unit Wise*



Note: (a) Revenue is Net of Excise Duty / GST

* as per Ind AS financials

** Financials of Dahej operations are included till 30th November 2017

Sale of Undertaking at Dahej, Gujarat:

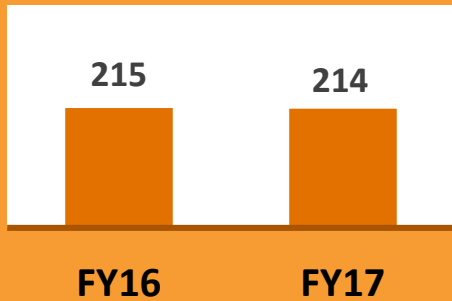
- ❖ With the effect from December 1, 2017 the business relating to the manufacture and sale of Specialty Fluorochemicals being conducted at Dahej is being transferred to CCPL (Joint Venture Company incorporated pursuant to the said Joint Venture with Piramal Enterprises Ltd. the shareholding of the Company and Piramal Enterprises Ltd. is in the ratio of 49:51) as a going concern together with all the identified Assets, Liabilities, consents, permissions etc. on a slump sale basis at the net book value of that business undertaking
 - Revenue from operations of this business is Rs. 9.44 Crs and Rs. 55.68 Crs for the Quarter and Nine Months ended 31st December 2017

Capex Update:

- ❖ Company has approved a Capital Expenditure of Rs. 115 crores towards creating additional cGMP capacity and associated infrastructure at its Dewas facilities. The expanded capacity will be utilised for the Company's expanding Contract manufacturing activity for the value added complex chemicals and fluoro intermediates manufactured for innovator pharma companies across the globe
 - The new capacity addition will be similar to the Company's existing multiproduct plant configuration with multistage batch and products processing capabilities
 - The new capacity is expected to come on stream by June 2019
 - The capital investment of Rs. 115 crores will be funded through a combination of internal accruals and debt

Annual Financial Performance[#]

Refrigerants



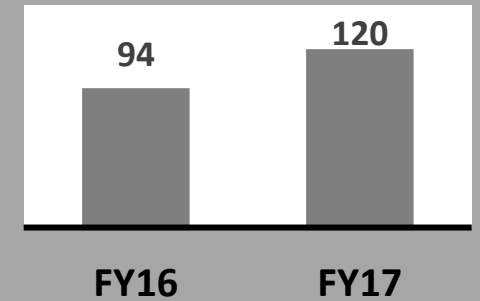
Increasing demands for cooling solutions & as feedstock for Pharmaceutical industry to drive long term growth

31%

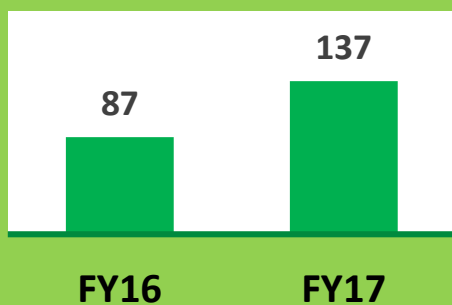
Traction in Key product portfolios & Customer segments

17%

Inorganic Fluorides



CRAMS*



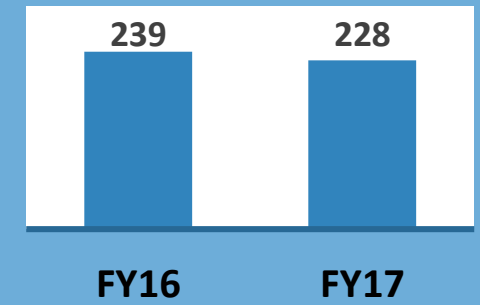
Ramp up in successful delivery across a range of orders from Innovator pharmaceutical Majors through effective leveraging of the cGMP facility at Dewas & integration with M.O.L.

20%

Continuing Focus on niche offerings & key customer interface, backed up by strong product pipeline

33%

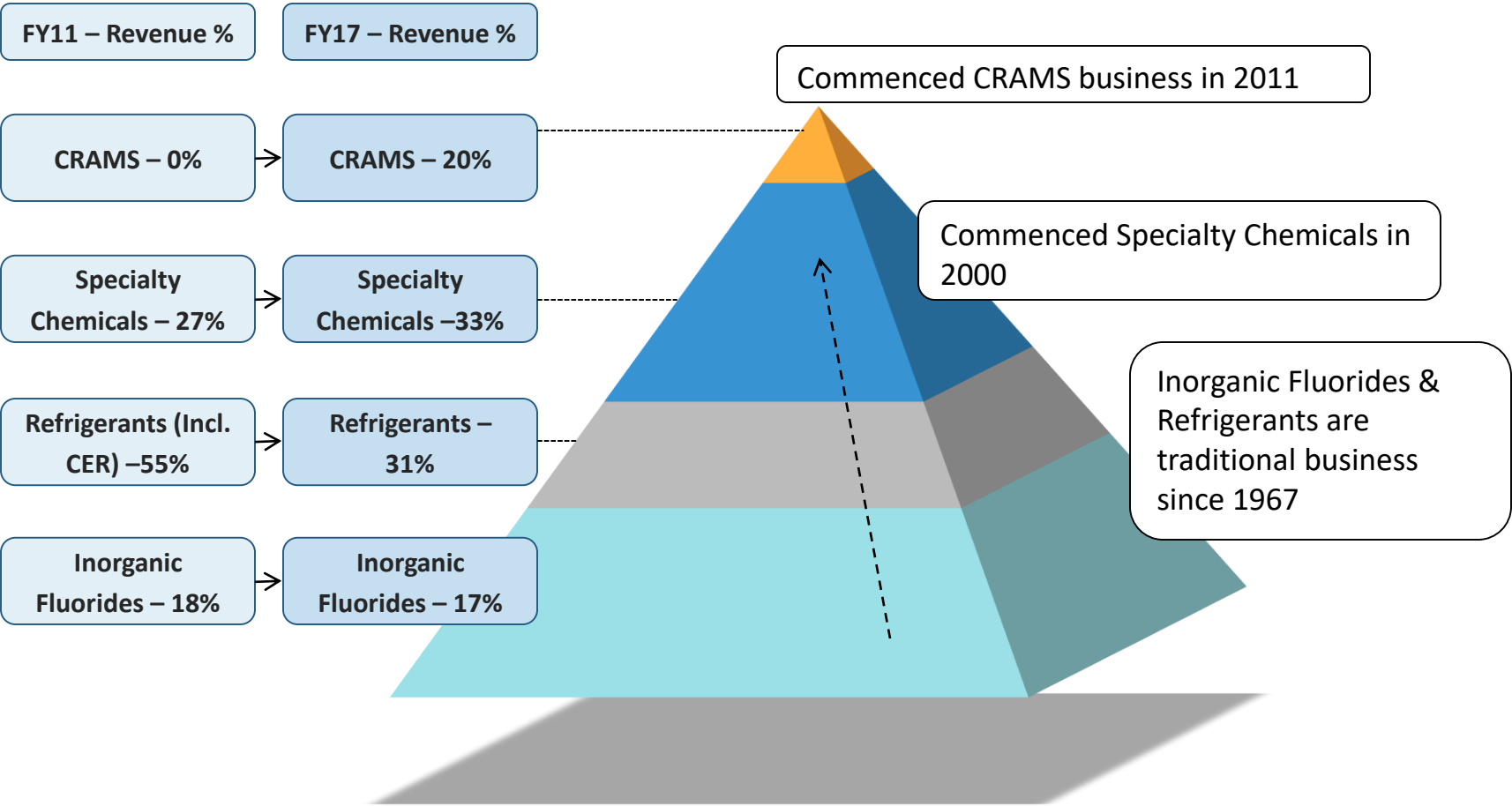
Specialty Chemicals



Revenue Break-up FY17

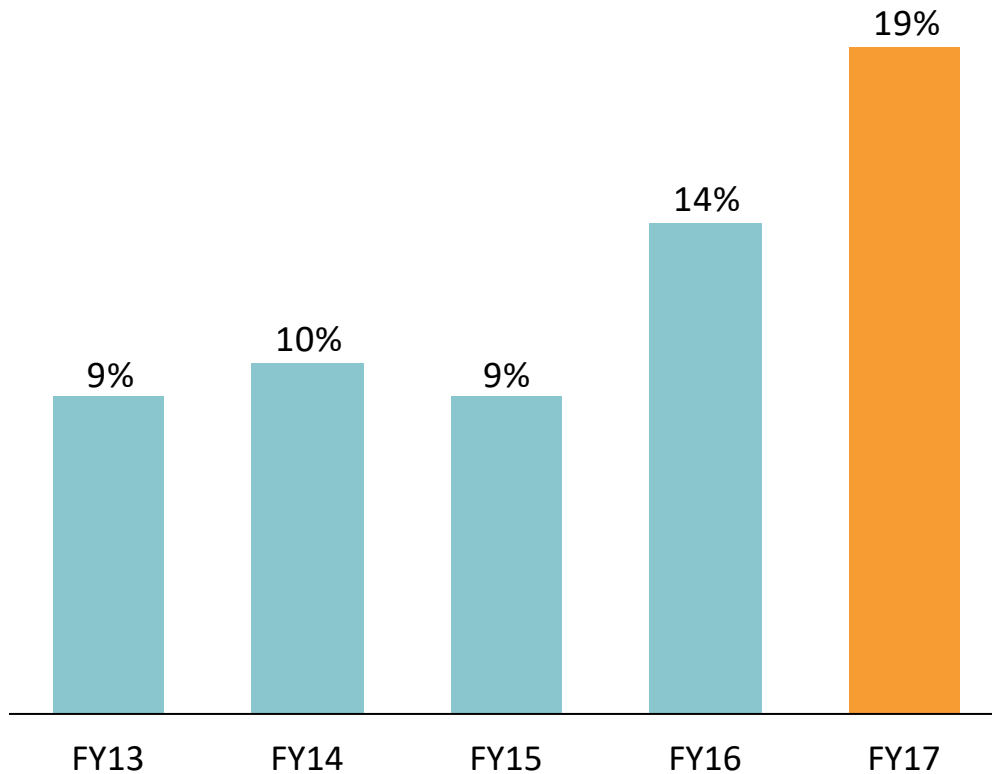
¹¹ * CRAMS business generating revenue since FY13
as per I GAAP financials

Rising up Fluorine Value-Pyramid...

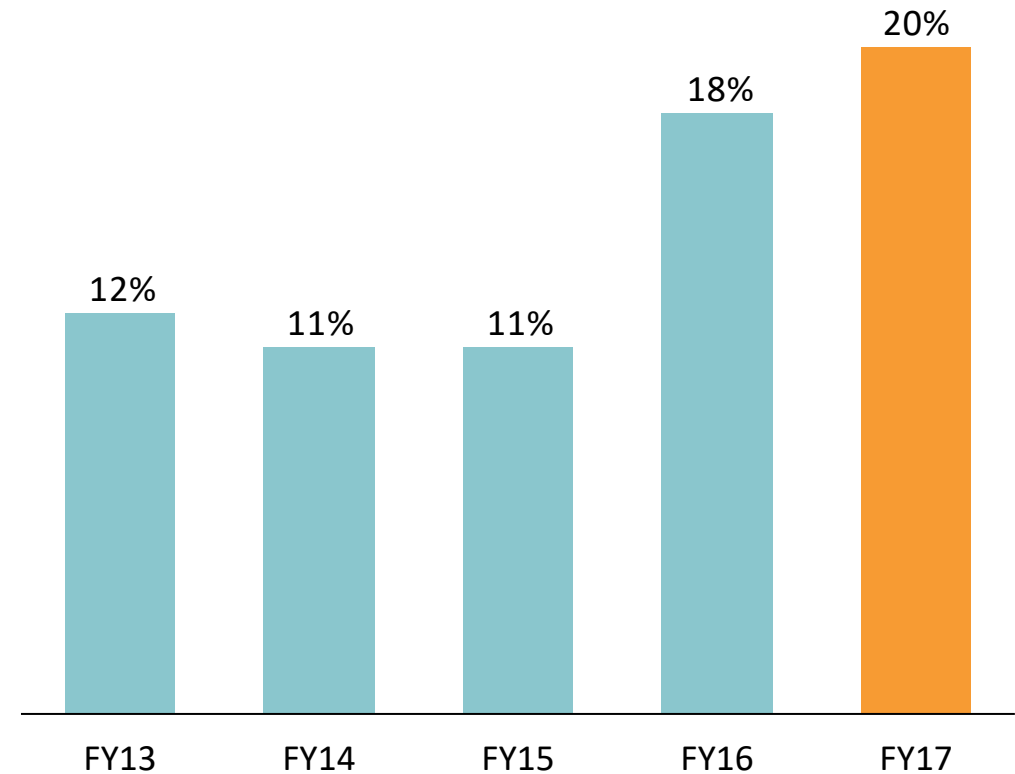


...Strategy Begins to Yield Results

Return on Net Worth # (%)



Return on Capital Employed # (%)

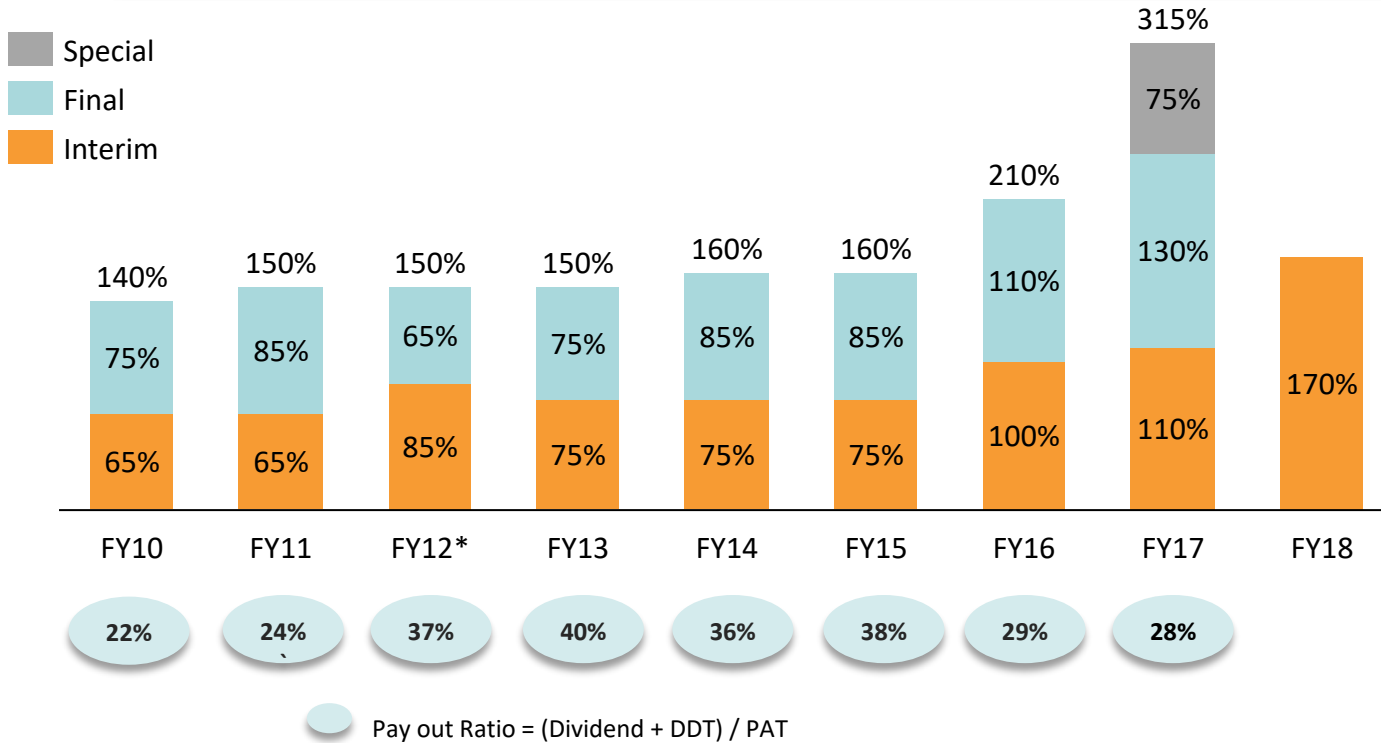


* Standalone Results

- Calculated based on I GAAP Financials

Consistent Dividend Performance

Dividend as % of Face Value



Robust Dividend Payout

- ✓ Continuous Dividend since last 10 years
- ✓ Special Dividend of Rs. 60.00 per share in FY12
- ✓ Special Dividend of 75% in FY17

Board of Directors has paid an Interim Dividend of Rs. 3.40 per share of the FV of Rs. 2/- each (170%) for FY 18

Standalone Profitability Statement [as per I GAAP]

Particulars (Rs. Crs.)	FY17	FY16	Change %
Revenue	701	636	10%
Raw Material	286	292	
Employee Expenses	77	66	
Other Expenses	189	162	
Operating EBITDA	150	116	29%
Operating EBITDA Margin	21.4%	18.2%	320 bps
Interest Expenses	0	3	
Depreciation	28	21	
Operating PBT	121	92	32%
Operating PBT Margin	17.3%	14.5%	280 bps
Other Income	30	25	
PBT before exceptional item	151	117	
Exceptional items	27	0	
PBT after exceptional items	178	117	
Tax	44	30	
Profit After Tax	134	86	56%
Adjusted PAT*	107	86	24%
Adjusted PAT* Margin	15.3%	13.5%	180 bps
Cash Profit**	135	107	26%
Cash Profit** Margin	19.3%	16.8%	250 bps

* Adjusted PAT = PAT - Exceptional Items

** Cash Profit = Adjusted PAT + Depreciation

Standalone Balance Sheet [as per I GAAP]

Equity and Liabilities (Rs. Crs.)	Mar'17	Mar'16
Shareholder's Fund	748	634
Share capital	10	10
Reserves & Surplus	738	624
Non-current liabilities	69	63
Long term borrowings	0	0
Deferred Tax Liabilities (net)	42	36
Other non-current liabilities	19	21
Long Term Provisions	7	6
Current liabilities	250	152
Short term borrowings	0	30
Trade Payables	92	92
Other current liabilities	143	12
Short Term Provision	15	18
Total Equity and Liabilities	1,067	849

Assets (Rs. Crs.)	Mar'17	Mar'16
Non-current assets	690	542
Fixed assets	428	282
Tangible Assets	411	267
Intangible Assets	0	1
Capital Work in Progress	17	14
Non-current Investments	212	213
Long-term loans and advances	50	48
Current assets	377	306
Current Investments	80	53
Inventories	99	63
Trade receivables	129	139
Cash and bank balances	30	15
Short Term Loans & Advances	37	34
Other current assets	2	3
Total Assets	1,067	849

Consolidated Profitability Statement [as per I GAAP]

Particulars (Rs. Crs.)	FY17	FY16	Change %
Revenue	748	680	10%
Raw Material	303	311	
Employee Expenses	92	81	
Other Expenses	195	171	
Operating EBITDA	158	117	35%
Operating EBITDA Margin	21.1%	17.2%	390 bps
Interest Expenses	2	4	
Depreciation	30	22	
Operating PBT	126	91	38%
Operating PBT Margin	16.8%	13.4%	340 bps
Other Income	31	24	
PBT before exceptional item	157	116	
Exceptional items	27	0	
PBT after exceptional items	184	116	
Tax	46	32	
Profit After Tax	138	84	64%
Adjusted PAT*	111	84	32%
Adjusted PAT* Margin	14.8%	12.4%	240 bps
Cash Profit**	141	106	33%
Cash Profit ** Margin	18.9%	15.6%	330 bps

* Adjusted PAT = PAT - Exceptional Items

** Cash Profit = Adjusted PAT + Depreciation



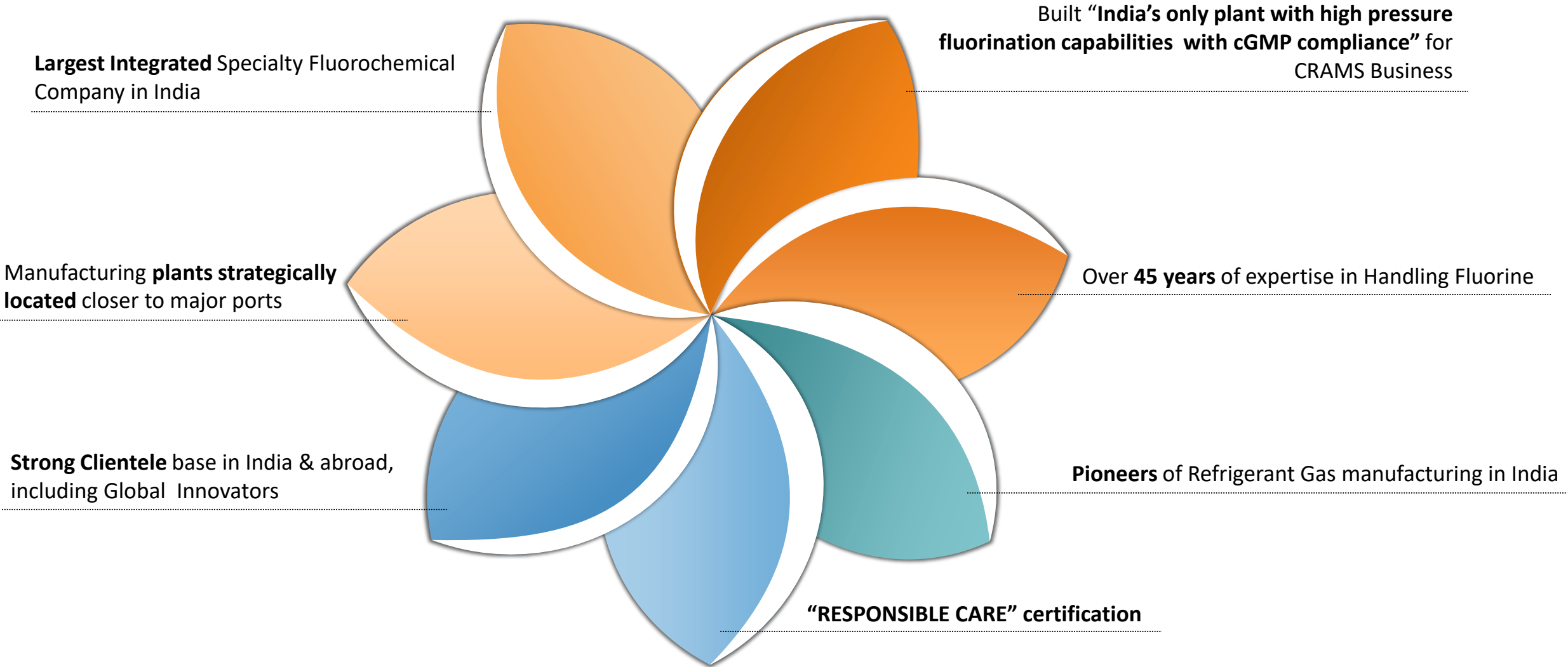
Consolidated Balance Sheet [as per I GAAP]

Equity and Liabilities (Rs. Crs.)	Mar'17	Mar'16
Shareholder's Fund	765	645
Share capital	10	10
Reserves & Surplus	755	636
Minority Interest	0	0
Non-current liabilities	123	113
Long term borrowings	51	48
Deferred Tax Liabilities (net)	43	37
Other non-current liabilities	21	23
Long Term Provisions	7	6
Current liabilities	220	196
Short term borrowings	19	34
Trade Payables	94	96
Other current liabilities	93	49
Short Term Provision	15	18
Total Equity and Liabilities	1,107	955

Assets (Rs. Crs.)	Mar'17	Mar'16
Non-current assets	689	608
Fixed assets	460	307
Tangible Assets	428	286
Intangible Assets	0	1
Capital Work in Progress	31	20
Goodwill on Consolidation	88	88
Non-current Investments	108	117
Long-term loans and advances	33	96
Current assets	419	347
Current Investments	80	53
Inventories	113	76
Trade receivables	136	151
Cash and bank balances	48	29
Short Term Loans & Advances	38	34
Other current assets	4	4
Total Assets	1,107	955

Business Overview





Business Units (BU) – Standalone

Focus on “Rising up Fluorine Value-Chain” with better profitability

CRAMS

- Leveraging our proven skills in Fluorination Chemistry
- CRAMS for custom chemical syntheses of fluorinated compounds for the pharmaceuticals, agro chemicals and speciality chemicals industries

Specialty Chemicals

- Large Scale Manufacture of Specialty Fluoro Intermediates
- Dedicated multipurpose plants (MPP) to process multi step products and intermediates which are high in the value chain

Refrigerants

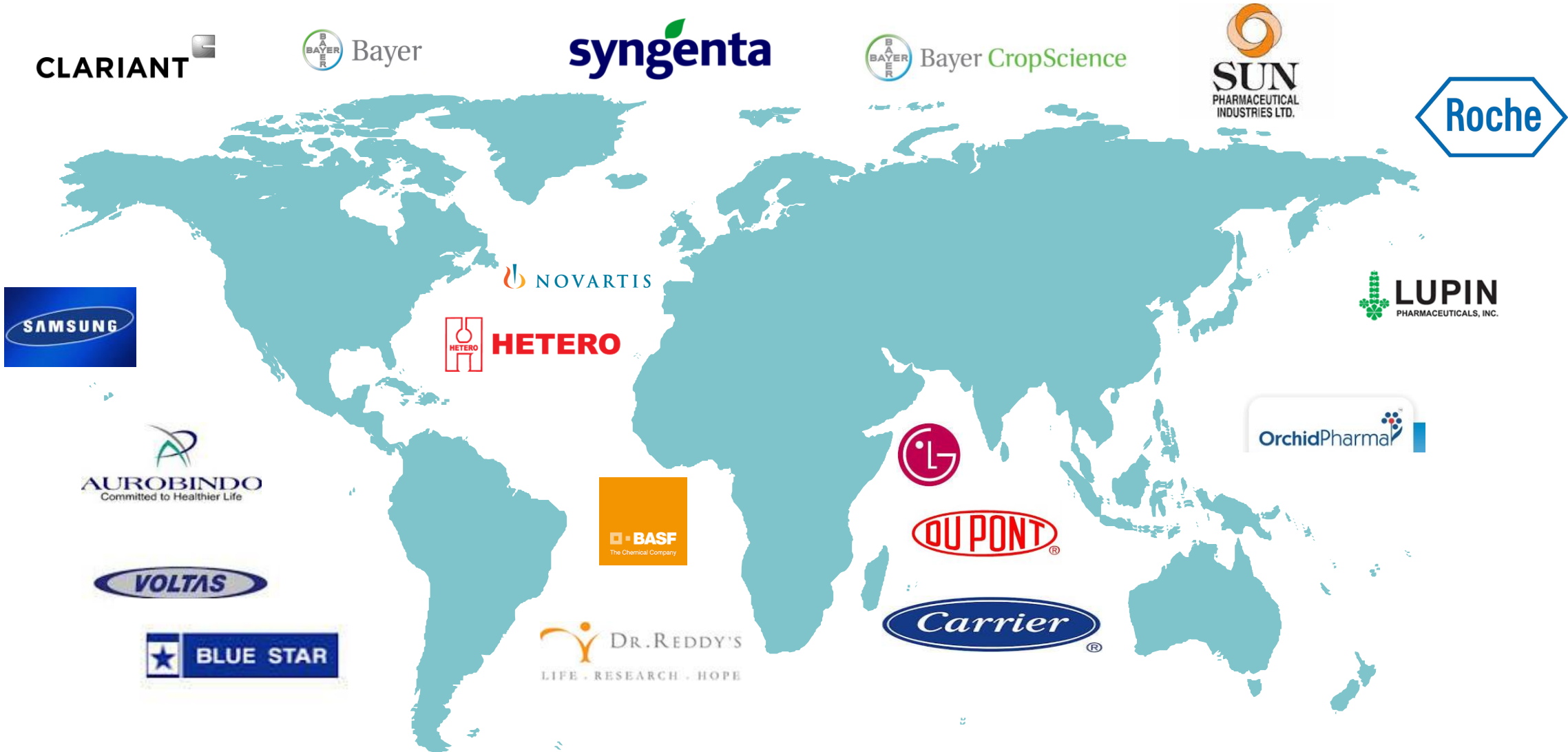
- Pioneer in Refrigerants in India
- Backward integrated into the manufacture of critical intermediates which are precursors to our Mafron brand of refrigerants

Inorganic Fluorides

- Over 45 years of Expertise in Inorganic Fluoride Chemistry
- Long & rich experience in manufacturing various inorganic fluorides with capacity, flexibility and experienced work force as well as develop products as per customer's need



Clients across the Globe



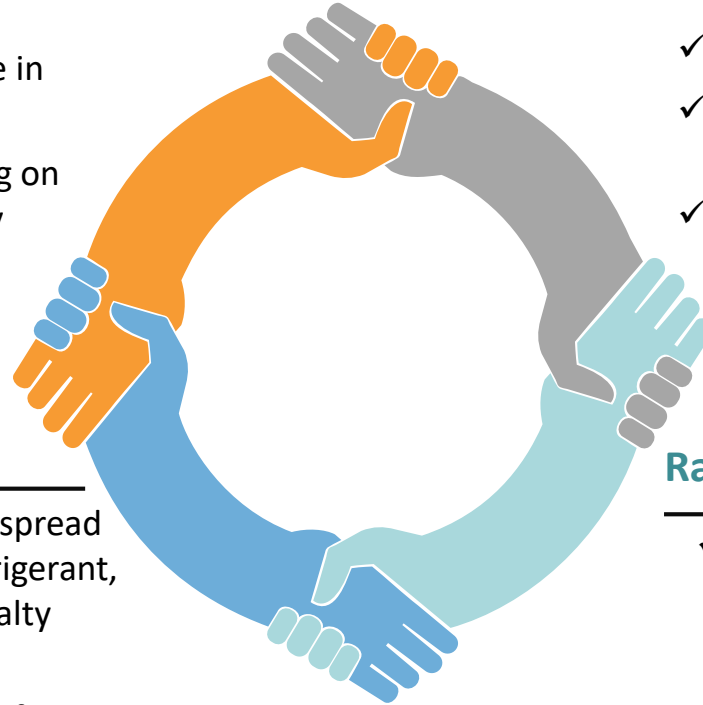
Key Strengths

Fluorination Capabilities

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

Manufacturing

- ✓ 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.



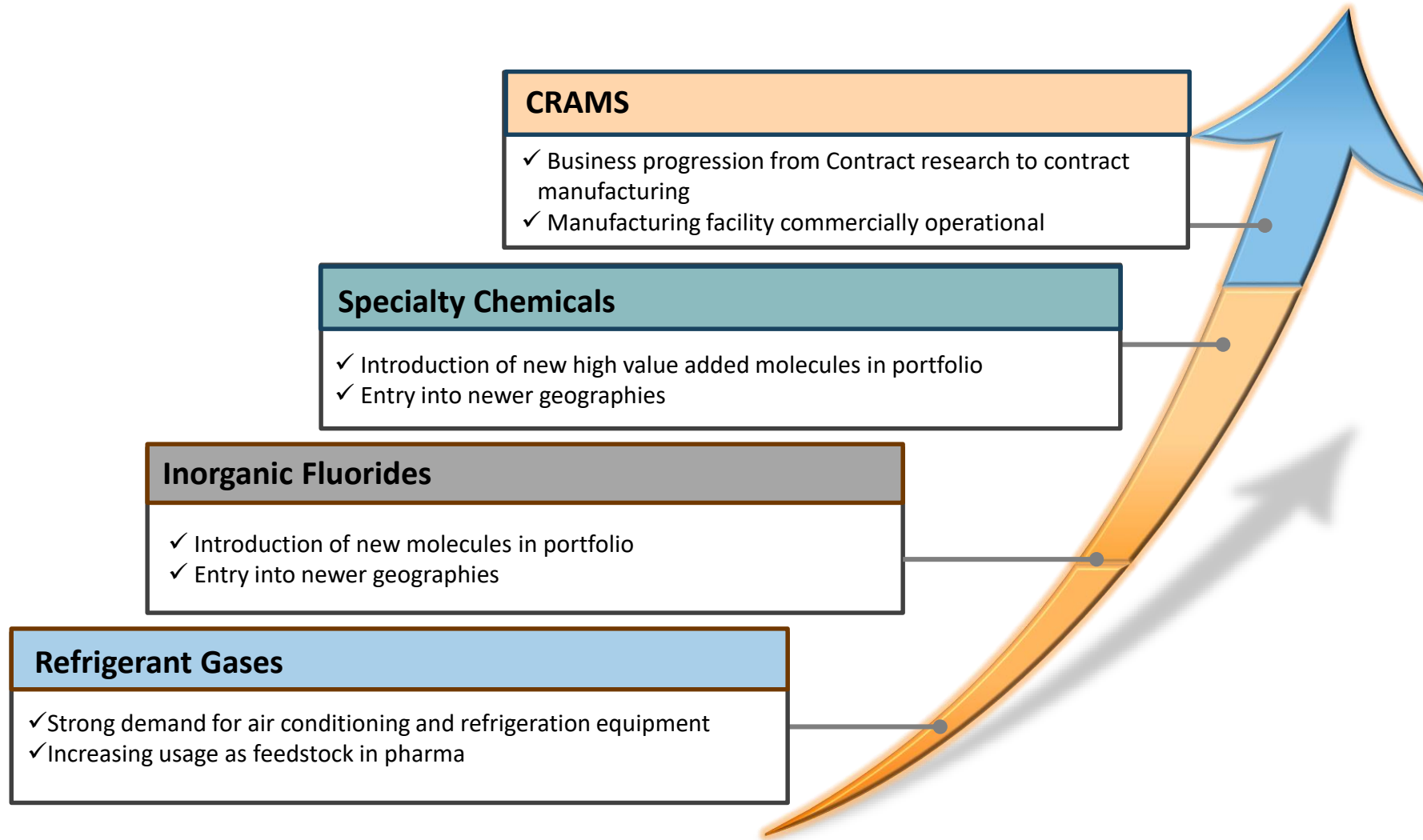
In-house R&D

- ✓ 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

Raw Material Sourcing

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

Growth driven by Every Business Unit



For further information, please contact:

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