

# Navin Fluorine International Limited

## Investor Presentation

July 2015

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# Navin Fluorine International Limited



**Largest Integrated Specialty Fluorochemical Company in India**

**Building “India’s only plant with high pressure fluorination capabilities with cGMP compliance” for CRAMS Business**

**Manufacturing plants strategically located closer to major ports**

**Over 45 years of expertise in Handling Fluorine**

**Strong Clientele base in India & abroad, including Global Innovators**

**Pioneers of Refrigerant Gas manufacturing in India**

**“RESPONSIBLE CARE” certification**



# Fluorine Chemistry - A Growing Landscape

Global demand for Fluoro-chemicals in 2018 to reach  
4.0 Million MT , with CAGR of 4% per annum



Pharmaceuticals



Agriculture



Electronics



Steel



Solar / Energy



Aluminum



White Goods

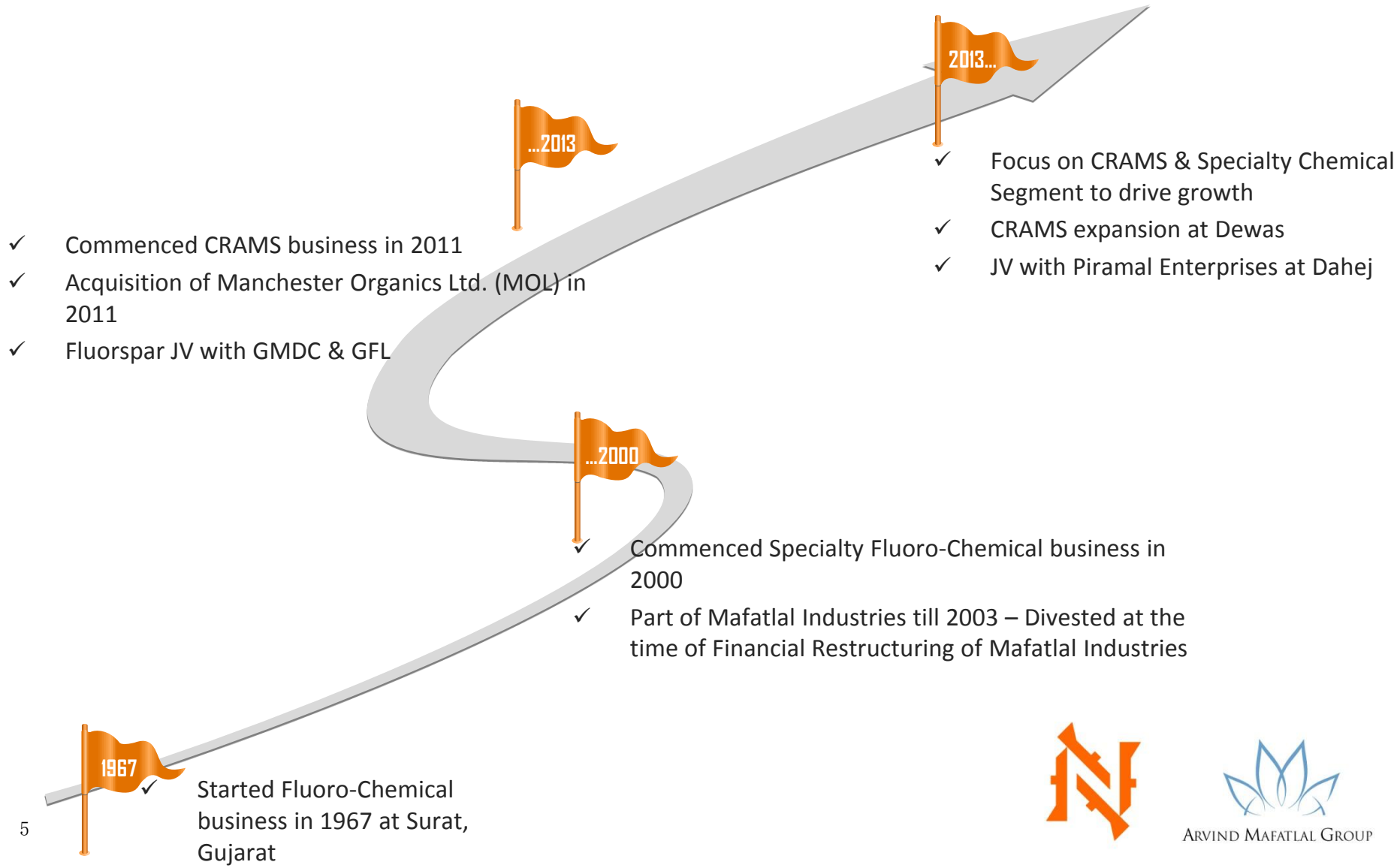


Automotive



Glass

# Evolution of NFIL



# Professional Management



**Mr. H.A. Mafatlal – Chairman**

## Professional Team ....

### **Mr. Shekhar Khanolkar : Managing Director**

Chemical Engineer with Masters in Management studies and an alumni of Harvard Business School  
Spent more than 21 years in the Chemical industry with both Indian & Multinational Chemical majors  
Been on the Board of the Company since 2008

### **Mr. Sitendu Nagchaudhuri : Chief Financial Officer**

Fellow Chartered Accountant, having an experience of more than 24 years in Corporate Finance & Strategy Leadership roles with various Transnational & Indian corporations across diverse sectors within India and abroad

### **Dr. Ashis Mukherjee : President – CRAMS / CTO**

Postgraduate in Science from IIT & a Ph.D. from Princeton University  
Total experience of more than 21 years in Pharma, R&D & CRAMS  
Spearheading the CRAMs initiatives of the Company since 2009

### **Mr. G.C. Jain : President – Operations**

Chemical Engineer and has a Diploma in Management Studies  
Total work experience of 34 years in plant operations in India and abroad  
Been with the Company since 2011

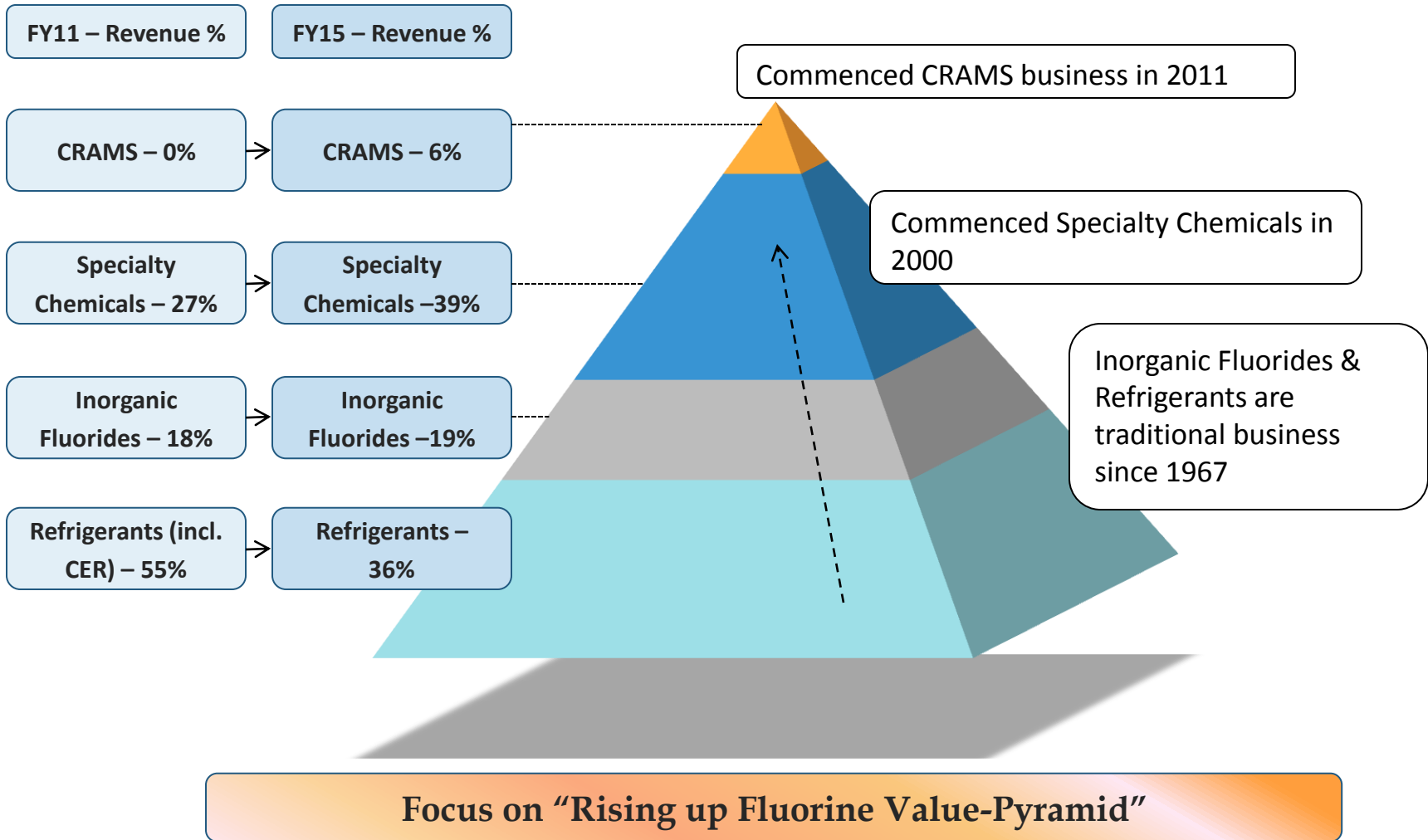
### **Mr. Niraj B. Mankad : Vice President – Legal & Company Secretary**

Graduate in commerce with a degree in Law and a member of ICSI  
Total work experience of more than 21 years and has been with the group since 1992



ARVIND MAFATLAL GROUP

# Business Units (BU) - Standalone



# Refrigerants Inorganic Fluorides

*Sustainable and Stable BUs*



# Refrigerants : Growing Demand for Non-Emissive applications



Product Offering



User Base



Distribution Network



Export Outreach

- ✓ Pioneered manufacturing of refrigerant gases in India in 1967 in Surat, Gujarat
- ✓ MARFON – Brand has become generic name for refrigerants in India
- ✓ Currently, manufactures only Mafron-22 (HCFC-22)

- ✓ Used in Residential Air Conditioning
- ✓ Used in Industrial / Commercial Cooling
- ✓ Increasingly being used for non-emissive purposes such as feedstock in Pharmaceuticals Industries

- ✓ Strong Distribution Network of over 120 dealers in domestic and overseas markets
- ✓ Preferred Choice for OEMs, Service Technicians and Equipment Owners

- ✓ Exports to South-East Asia, Middle East, Saudi Arabia, Turkey, Egypt & South Africa
- ✓ Caters to OEM players as well as replacement demand in Overseas Markets

# Inorganic Fluorides : Growth from Exports



Product Offering



User Base



Distribution Network



Export Outreach

- ✓ Portfolio includes 8-10 products
- ✓ One of the largest Anhydrous Hydrofluoric (AHF) and Aqueous Hydrofluoric acid manufacturing capacities in India

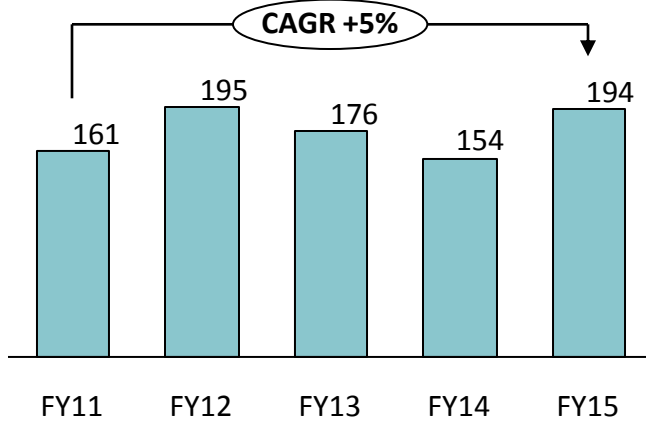
- ✓ Oil & Gas Industry
- ✓ Stainless Steel
- ✓ Pharmaceuticals & Agro chemicals
- ✓ Used in Abrasives
- ✓ Used in Solar Panels

- ✓ Developed Strong network in India
- ✓ Presence in all major user companies

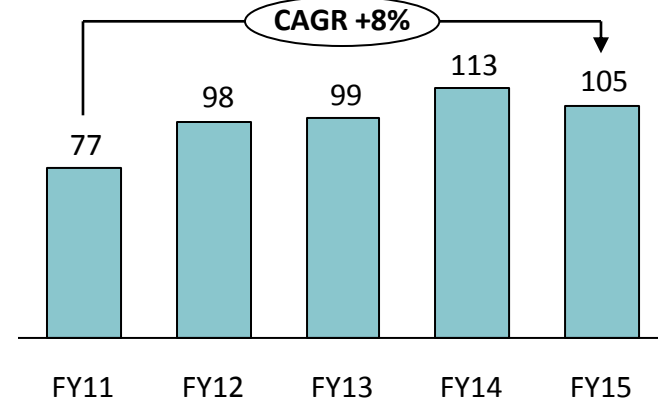
- ✓ Growing exports
- ✓ From near Zero to ~10% of the turnover in FY15

# BU Performance

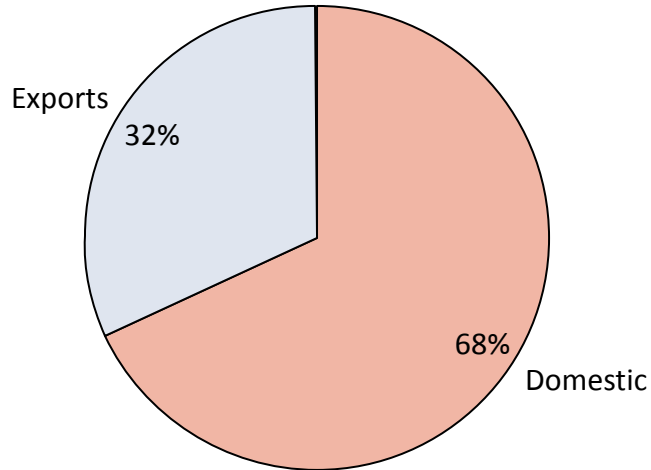
## Refrigerants



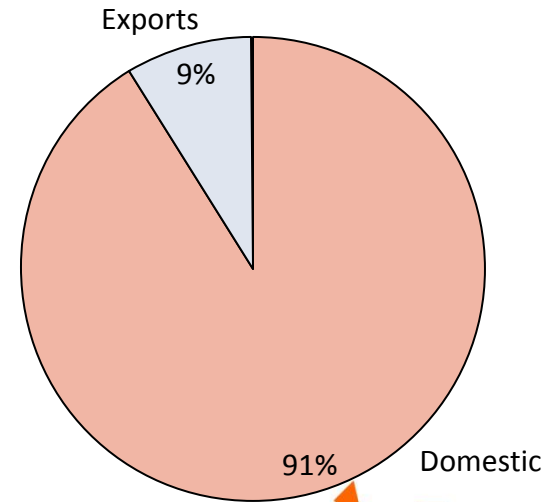
## Inorganic Fluorides



Revenue (Rs.Crs)



Geographic Mix – FY15



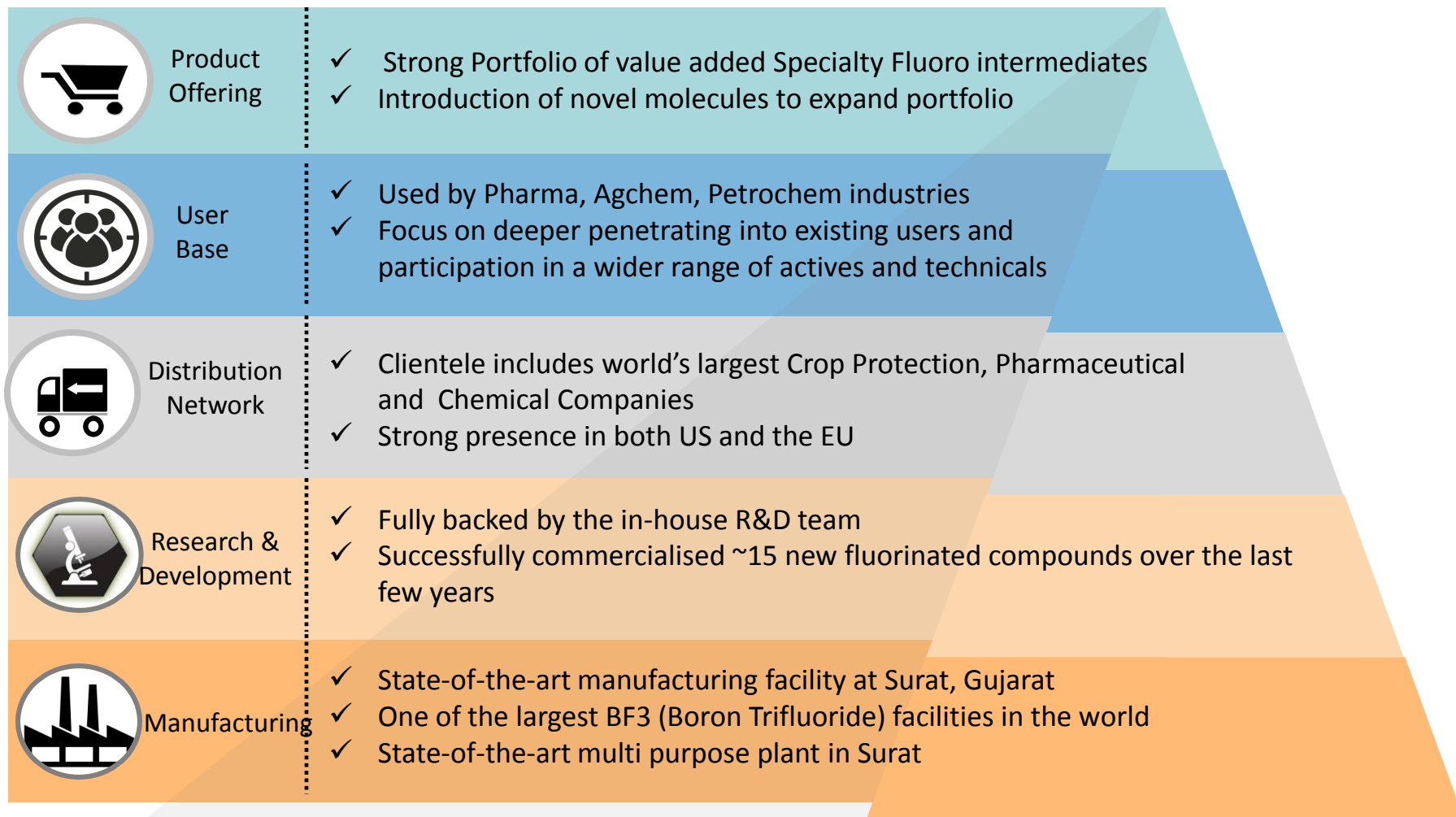
# Specialty Chemicals

## CRAMS

*Driving up the “Fluorine Value chain”*



# Specialty Chemicals : Growing product basket



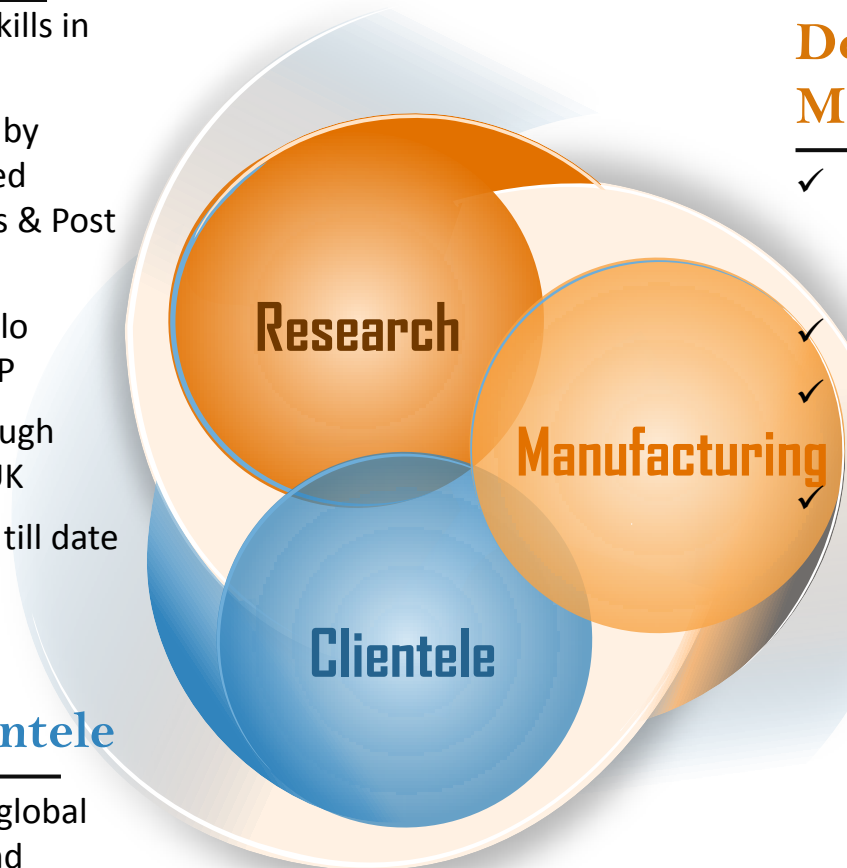
# CRAMS : Scalable Growth through INNOVATION

## Strong R&D

- ✓ Leveraging our proven skills in Fluorination Chemistry
- ✓ State of the art R&D led by qualified and experienced chemistry teams of PhDs & Post Doctorals
- ✓ cGMP Pilot Plant with Kilo Laboratory at Dewas, MP
- ✓ European presense through Manchester Organics , UK
- ✓ Worked on 50+ projects till date

## “Fortune 500” Clientele

- ✓ Client relationship with global Innovators in Pharma and Lifesciences compsnies
- ✓ Worked with more than 20+ Global majors



## Developing Contract Manufacturing Base

- ✓ Setting up manufacturing facility for multi-ton batch size, at Dewas MP
- ✓ Investment of Rs. 60 Crs
- ✓ Expected to be commissioned by H1FY16
- ✓ New Facility will be “India’s only plant with high pressure fluorination, cGMP complaint capabilities”



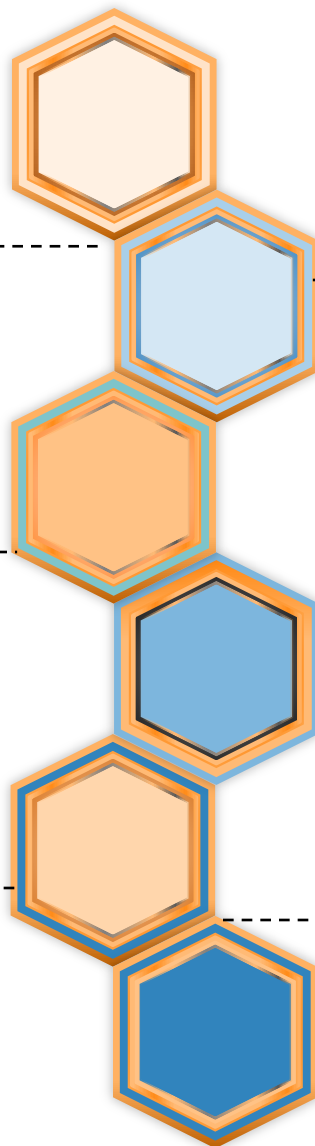
# Manchester Organics - In Perfect Synergy with CRAMS



✓ Established in 1996, Manchester Organic Ltd (MOL) has a strong legacy in fluorination and high pressure chemistry

✓ Specialist in fluorination technology, with expertise in general organic synthesis at all scales

✓ Continuously expanding product catalogue of over 38,000 compounds, some exclusive to MOL



✓ Offer over 60 years of combined chemistry experience to customers

✓ Milligram to multi-kilo research/production facility in the UK with high pressure/specialist fluorination facility

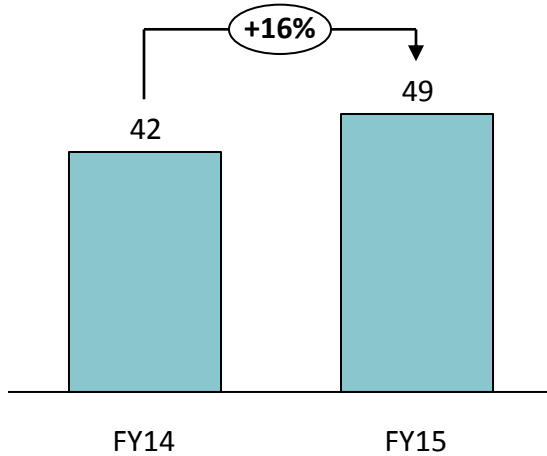
✓ Works directly with R&D Team of Innovator Companies



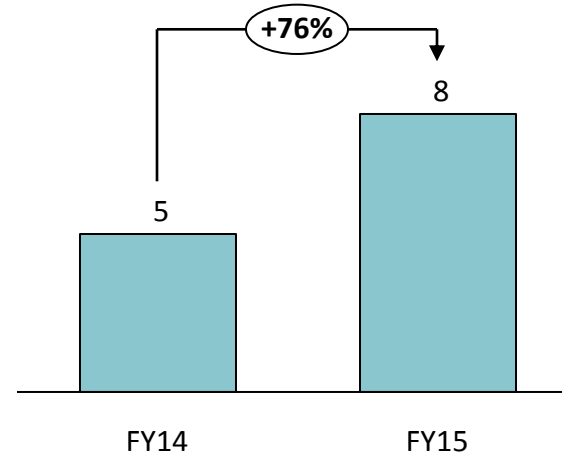
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# MOL Performance

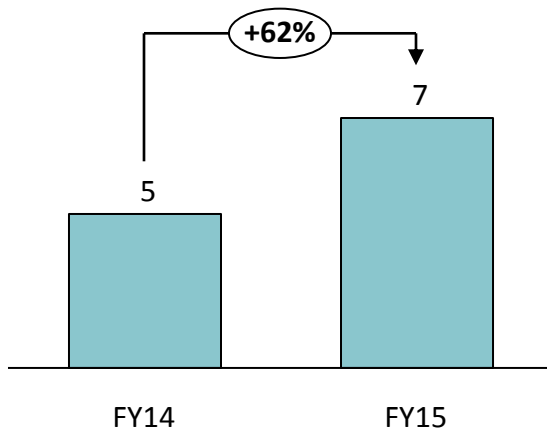
### Revenue (Rs.Crs)



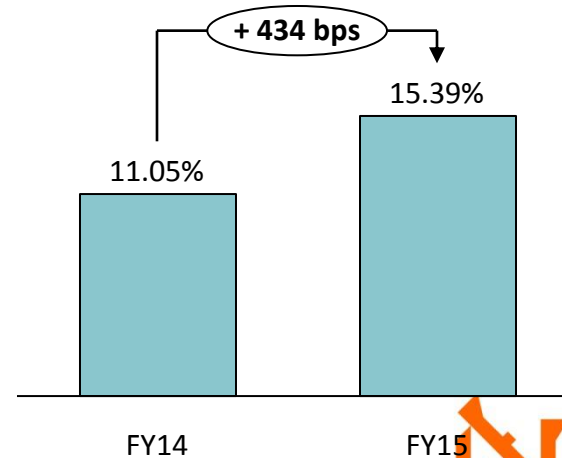
### PBT (Rs.Crs)



### PAT (Rs.Crs)

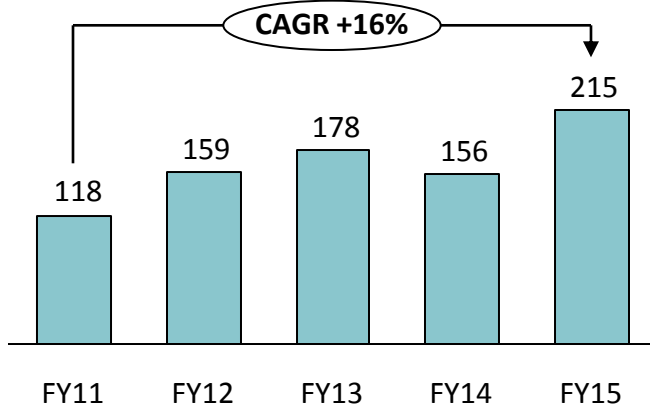


### PAT Margin %



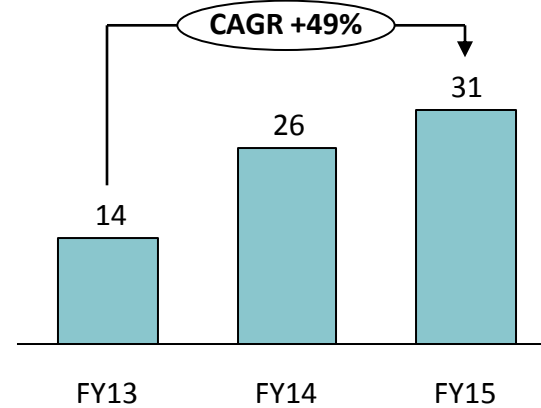
# BU Performance

## Specialty Chemicals

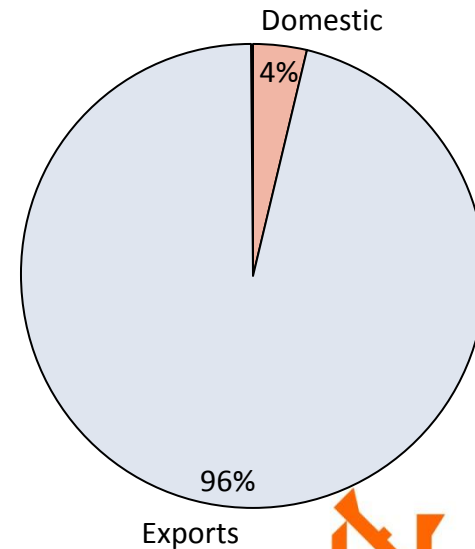
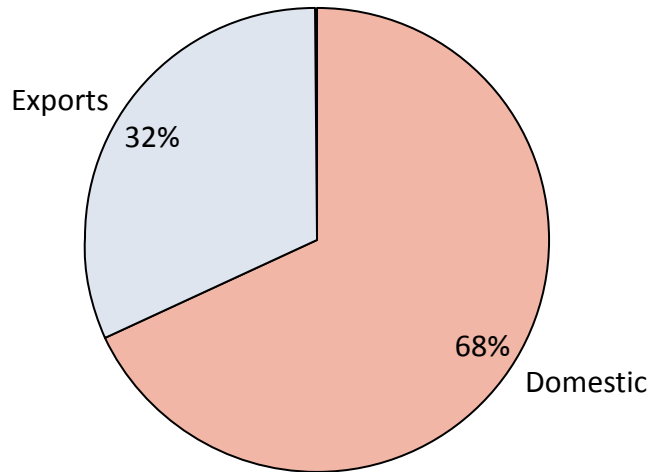


Revenue (Rs.Crs)

## CRAMS\*



Geographic Mix – FY15



\* CRAMS business generating revenue from FY13

# JV with Piramal Enterprises

- ✓ Entered into JV with Piramal Enterprises Ltd
  - ✓ 51% - Piramal Enterprises Ltd
  - ✓ 49% - Navin Fluorine International Ltd
- ✓ To develop, manufacture & sell specialty Fluorochemicals for the healthcare segment
- ✓ Initial investment - ~Rs. 120 Crs. Current estimates of investment is ~ Rs. 140 Crs. Due to increase in scope
- ✓ Site Development & Regulatory approvals under process
- ✓ Expected to come on-stream by FY16
- ✓ Piramal will completely buy out the product and Navin will supply the most critical RM



# Clients across the Globe



CLARIANT



syngenta



Bayer CropScience



NOVARTIS



# 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

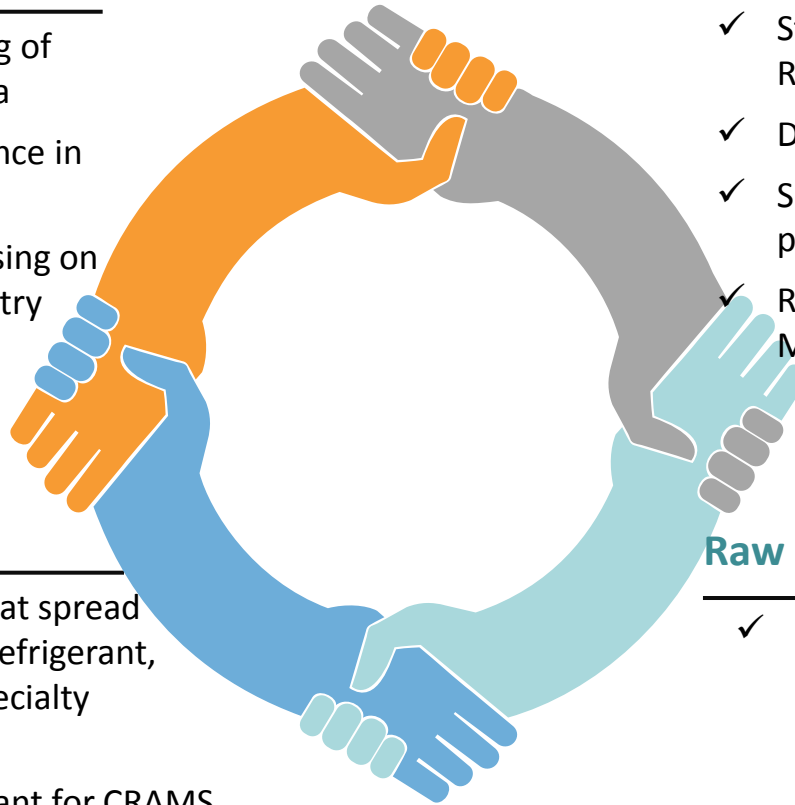
- ✓ Chemical Complex at Surat spread over 135 acres, houses Refrigerant, Inorganic Fluorides & Specialty Chemicals Plants
- ✓ cGMP Compliant Pilot plant for CRAMS in Dewas
- ✓ cGMP Compliant Manufacturing plant for CRAMS to come up at Dewas soon

## In-house R&D

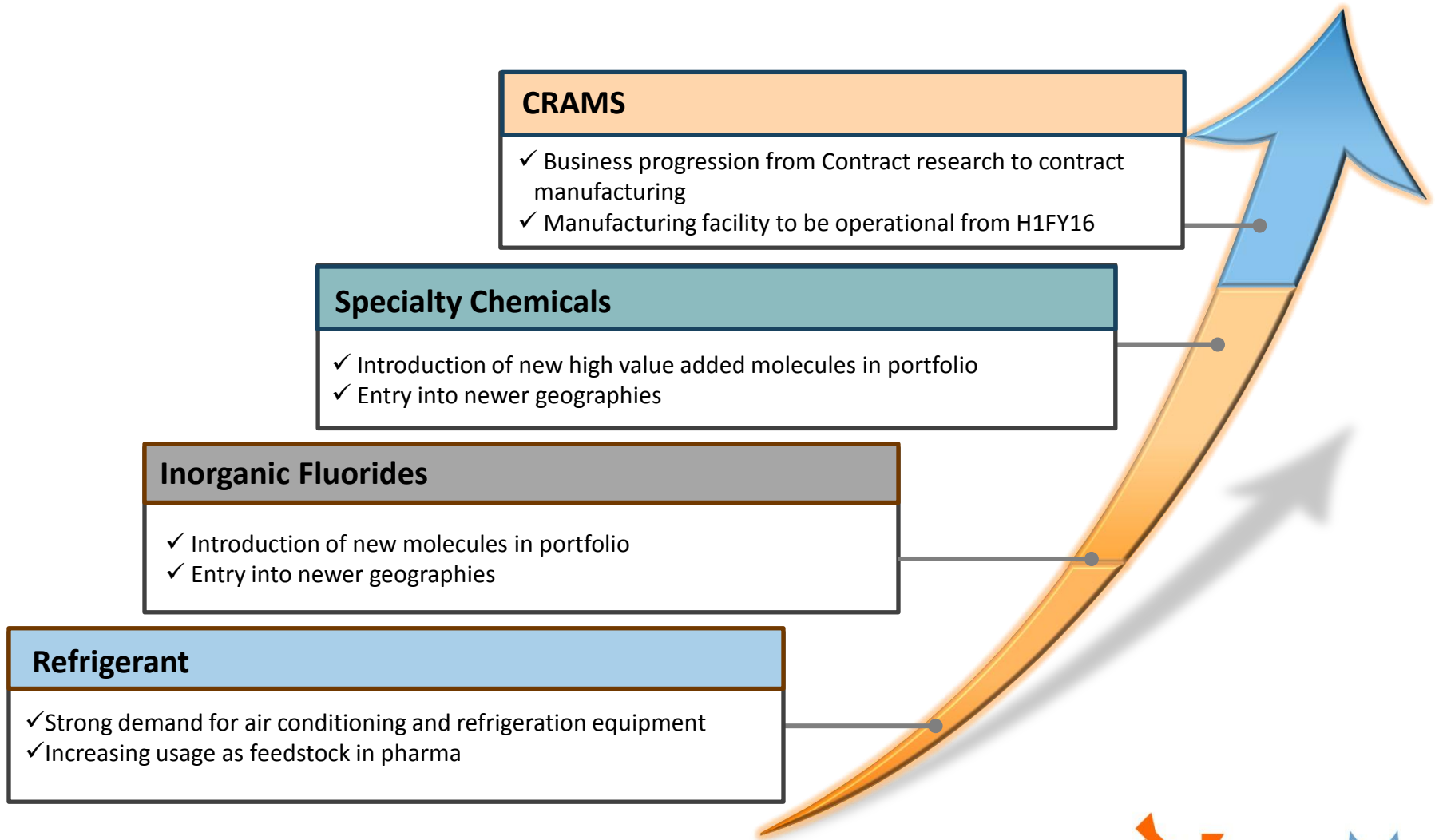
- ✓ State-of-the-art R&D centre – Navin Research Innovation Centre at Surat
- ✓ DSIR approved R&D Centre
- ✓ Supports in product addition & process efficiency in all business units
- ✓ R&D strength augmented by Manchester Organics Acquisition

## Raw Material Sourcing

- ✓ Backward integration for Raw material through 25% JV partner in the only Fluorspar beneficiation company in India
- ✓ Supply from JV to commence in FY17
- ✓ Diversified sourcing of Fluorspar away from China



# Growth driven by Every Business Unit



# Quarterly Financial Performance



# Standalone Profitability Statement - Quarterly

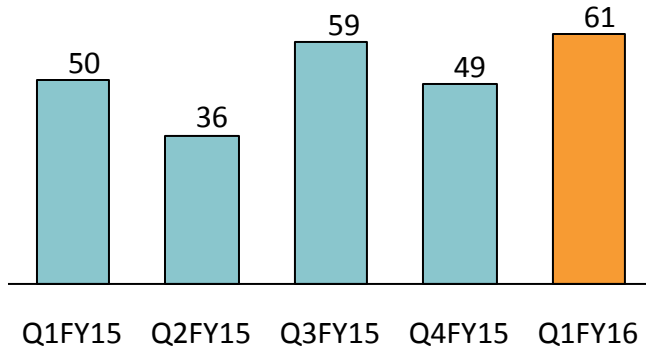


Rs. Crs.	Q1 FY16	Q1 FY15	Change %	FY15
Revenue	150	130	16%	546
Raw Material	71	65		272
Employee Expenses	16	17		61
Other Expenses	38	36		150
<b>EBITDA</b>	<b>26</b>	<b>12</b>	<b>109%</b>	<b>63</b>
<b>EBITDA Margin</b>	<b>17.0%</b>	<b>9.4%</b>		<b>11.6%</b>
Interest Expenses	0.5	0.2		3.2
Depreciation	4.5	4.5		18.6
<b>Operating PBT</b>	<b>20.6</b>	<b>7.6</b>	<b>171%</b>	<b>41.4</b>
<b>Operating PBT Margin</b>	<b>13.7%</b>	<b>5.8%</b>		<b>7.6%</b>
Other Income	4.1	3.8		26.6
PBT	24.6	11.4		68.1
Tax	6.5	2.9		18.7
<b>Profit After Tax</b>	<b>18.1</b>	<b>8.5</b>	<b>113%</b>	<b>49.4</b>
<b>Profit After Tax Margin</b>	<b>12.1%</b>	<b>6.5%</b>		<b>9.0%</b>

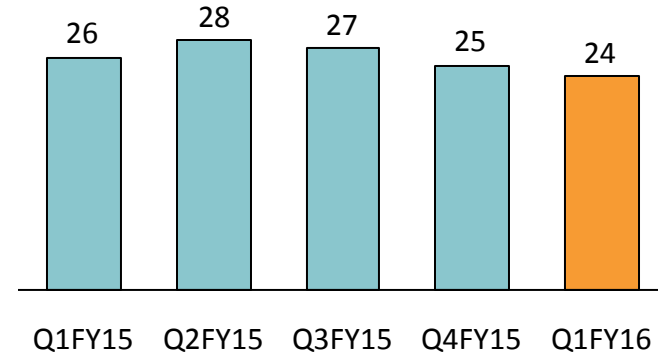


# Business Units Performance

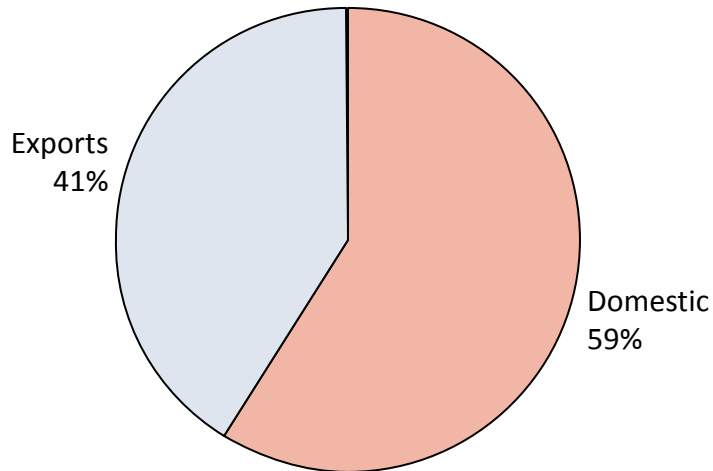
## Refrigerants



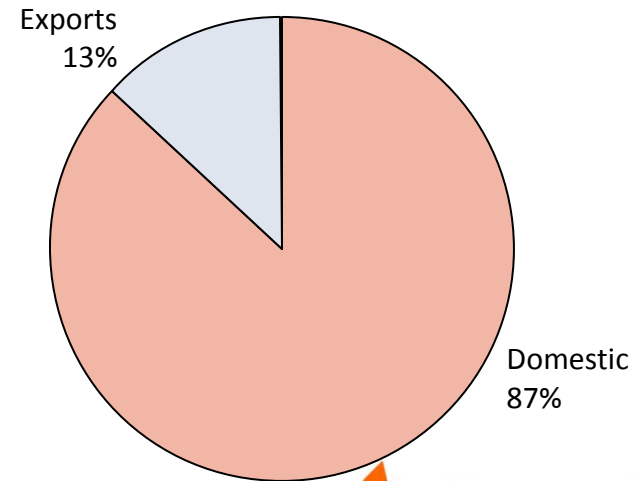
## Inorganic Fluorides



Revenue (Rs.Crs)

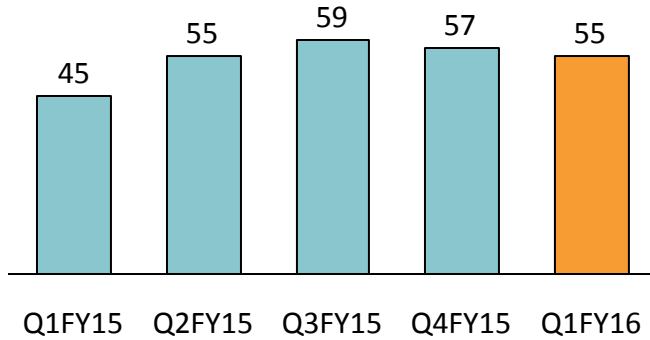


Geographic Mix – Q1FY15



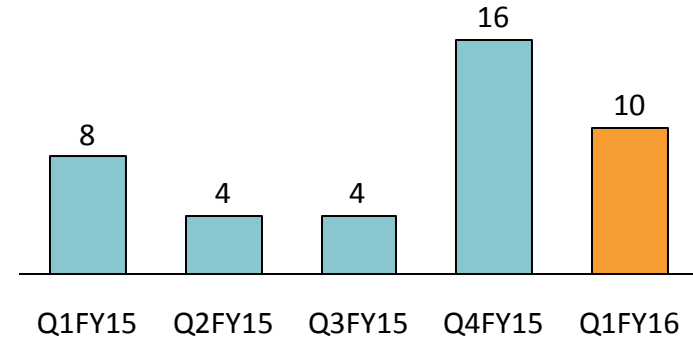
# Business Units Performance

## Specialty Chemicals

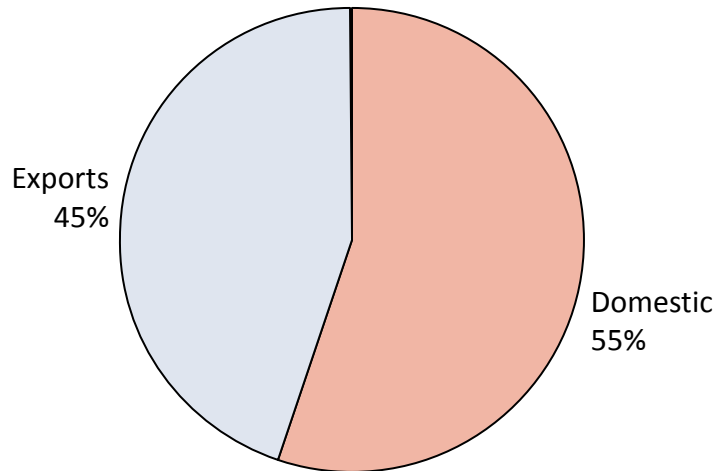


Revenue (Rs.Crs)

## CRAMS



Geographic Mix – Q1FY15



# Historical Financial Highlights



# Consolidated Profitability Statement

Rs. Crs.	FY15	FY14	Change %
Revenue	592	486	22%
Raw Material	289	228	
Employee Expenses	74	59	
Other Expenses	156	133	
<b>EBITDA</b>	<b>72</b>	<b>66</b>	<b>9.4%</b>
<b>EBITDA Margin</b>	<b>12.2%</b>	<b>13.6%</b>	
Interest Expenses	3	6	
Depreciation	20	22	
<b>Operating PBT</b>	<b>49</b>	<b>39</b>	<b>26%</b>
<b>Operating PBT Margin</b>	<b>8.24%</b>	<b>7.94%</b>	
Other Income	30	31	
PBT	78	69	
Tax	20	15	
Profit After Tax	58	55	
Minority Interest	(4)		
Extraordinary Items	-	11	
<b>PAT after Minority Interest and Extraordinary Items</b>	<b>55</b>	<b>66</b>	



# Consolidated Balance Sheet

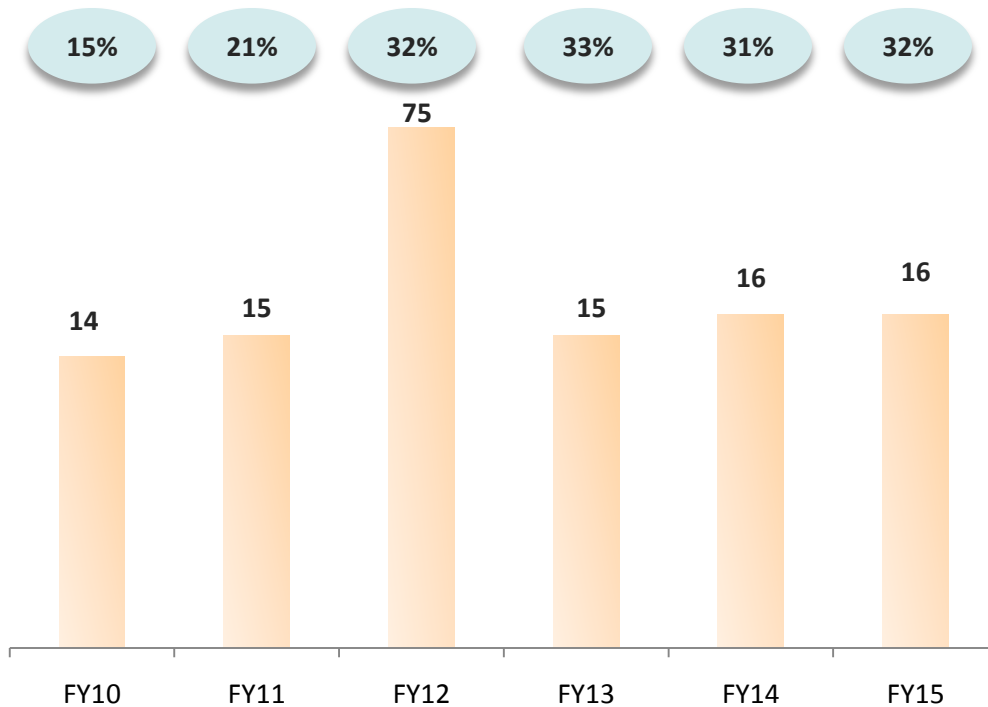


Rs. Crs.	Mar'15	Mar'14
<b>Shareholder's Fund</b>		
Share capital	10	10
Reserves & Surplus	578	546
<b>Minority Interest</b>	<b>13</b>	<b>9</b>
<b>Non-current liabilities</b>		
Long term borrowings	27	-
Deferred Tax Liabilities (net)	32	33
Other non-current liabilities	28	28
<b>Current liabilities</b>		
Short term borrowings	34	57
Trade Payables	89	61
Other current liabilities	41	35
<b>Total Liabilities</b>	<b>852</b>	<b>779</b>
<b>Non-current assets</b>		
Fixed assets	293	253
Goodwill on Consolidation	41	41
Non-current Investments	116	102
Long-term loans and advances	91	32
<b>Current assets</b>		
Current Investments	55	128
Inventories	76	66
Trade receivables	120	90
Cash and bank balances	28	38
Short Term Loans & Advances	28	26
Other current assets	4	3
<b>Total Assets</b>	<b>852</b>	<b>779</b>



# Dividend History

## Dividend Per Share (Rs.)



## Consistent Dividend Payout

- ✓ Continuous Dividend since last 10 years
- ✓ Special Dividend of Rs. 60 per share in FY 12
- ✓ Payout Ratio of more than 30% in last 4 years
- ✓ Declared Total dividend of Rs.16 per share in FY15

 Pay out Ratio =  $DPS / EPS$

**Pay-Out Ratio of 32%**



For further information, please contact:

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**Company :**

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