

Laxmi Organic Industries (LXCHEM IN)

**Q4FY26 Result
Update**

May 22, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	REDUCE		REDUCE	
Target Price	143		116	
Sales (INR mn)	32,223	37,957	31,486	34,962
% Chng.	2.3	8.6		
EBITDA (INR mn)	2,086	2,587	2,028	2,478
% Chng.	2.9	4.4		
EPS (INR)	3.3	4.3	3.1	4.2
% Chng.	6.5	2.4		

Key Data

LAXR.BO | LXCHEM IN

BSE Code	543277
NSE Code	LXCHEM
52-W High / Low	INR 241 / INR 107
Face Value	2
Sensex / Nifty	75,415 / 23,719
Market Cap	INR 42 bn / \$ 440 mn
Shares Outstanding	277.21 mn
3M Avg. Daily Value	INR 140.04 mn

Shareholding Pattern (%)

Promoters	69.35
FIIs	1.15
Mutual Funds	3.32
Domestic Institutions	0.50
Public & Others	25.68
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	5.3	10.6	(16.9)	(21.0)
Relative	9.6	21.4	(6.1)	(15.2)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	29,854	28,467	32,223	37,957
EBITDA (INR mn)	2,796	1,714	2,086	2,587
Margin (%)	9.4	6.0	6.5	6.8
PAT (INR mn)	1,135	794	934	1,213
EV (INR mn)	41,954	46,531	47,109	47,473
Total Debt (INR mn)	2,532	5,408	5,600	6,526
C&C Eq. (INR mn)	1,183	613	208	769
EPS (INR)	4.1	2.9	3.4	4.4
Gr. (%)	(6.3)	(30.1)	17.7	29.9
DPS (INR)	0.5	0.3	0.3	0.4
Yield (%)	0.4	0.2	0.2	0.3
RoE (%)	6.1	4.1	4.6	5.7
RoCE (%)	7.6	4.0	4.4	5.4
EV/Sales (x)	1.4	1.6	1.5	1.3
EV/EBITDA (x)	15.0	27.1	22.6	18.3
PE (x)	37.1	53.0	45.0	34.7
P/BV (x)	2.2	2.1	2.0	1.9

Higher realization drives sequential performance

Quick Pointers

- Successfully commissioned Ethyl Acetate plant at Lote
- Hitachi plant expected to commence in Q2FY27

Laxmi Organic Industries (LXCHEM) reported consolidated revenue of Rs7.4bn, up 3.6% YoY and 2.3% QoQ, primarily driven by higher price realizations. The Essentials segment contributed ~71% of the total revenue, +6.6% YoY and +3.9% QoQ. The Specialty Chemicals segment recorded 18% degrowth in FY26; however, EBITDA margin contracted by 300bps to 15.8%. One of the products in this segment is undergoing a regulatory phase-out, which is expected to impact near-term topline performance as its replacement product is recently commercialised.

Management highlighted that the Fluorochemicals segment achieved nearly 40–45% of peak revenue potential in FY26 and maintains a healthy order book for FY27, with full ramp-up expected in FY27 itself. The company also successfully commissioned its Ethyl Acetate plant at Lote. Demand for printing & packaging and pharma segments remained stable during Jan–Feb and witnessed improvement in Mar, whereas industrial solutions demand remained steady during the quarter.

At CMP, the stock trades at 35x FY28E EPS. We value the stock at Rs143/share based on SOTP valuation and maintain our 'Reduce' rating on the stock.

Revenue increased 3.6% QoQ/2.3%YoY: Consolidated revenue stood at Rs7.4bn (up 3.6% YoY and 2.3% QoQ), slightly ahead of PLe of Rs7bn and consensus estimate of Rs7.1bn. Revenue growth was primarily driven by higher price realizations, while the company also recognised reversal of Rs407.3mn Maharashtra electricity duty liabilities under other operating income following a favourable MERC ruling during Q4FY26. However, FY26 revenue declined 4.6% YoY to Rs28.5bn. Gross profit margin stood at 33.6% compared with 34.6% in Q4FY25 and 33.9% in Q3FY26.

EBITDAM contracted by 100bps YoY: EBITDA stood at Rs536mn, decreased 9.1% YoY but increased 7.4 % QoQ, (PLe: Rs328mn, Consensus: Rs350mn). EBITDA margin came at 7.3% (vs 8.3% in Q4FY25 and 6.9% in Q3FY26), slightly higher sequentially due to lower operating expenses. The company changed its depreciation method from Written Down Value (WDV) to Straight Line Method (SLM) effective March 31, 2026 leading to lower depreciation. Reported PAT was at Rs216mn, declining 1% YoY and 15.2% sequentially, PAT margins were at 3%, compared with 3% in Q4FY25 and 4% in Q3FY26.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	7,032	7,353	5.0	7,097	4.0
EBITDA (INR mn)	328	536	63.0	590	-9.0
Margin (%)	4.7	7.3	260 bps	8.3	-100 bps
PAT (INR mn)	82	216	163.0	218	-1.0

Source: Company, PL

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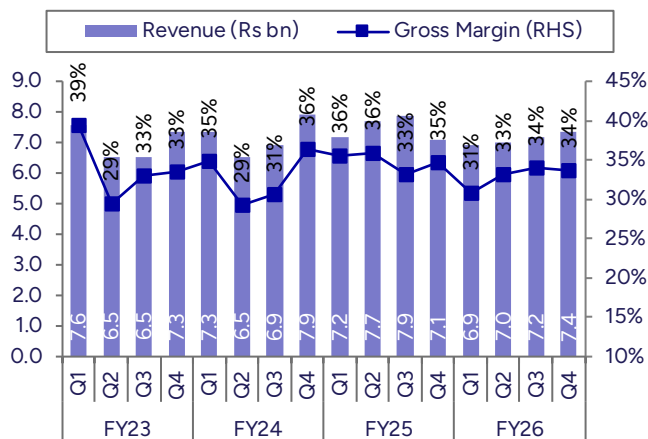
Concall key takeaways: (1) Printing and packaging and Pharma demand remained stable during Jan and Feb on a QoQ basis, with demand witnessing an uptick in March. (2) Demand for industrial solutions remained stable during the quarter. (3) Acetic Acid, a key raw material, increased to around \$400/tn in Q3FY26 before moderating to nearly \$350/tonne during Jan–Feb’26. (4) Ethanol prices have remained largely firm throughout the period. (5) Sharp spike in feedstock prices such as Methanol (raw material for Acetic Acid) following the steep increase in crude oil prices. (6) Hitachi plant expected to commence in Q2FY27. (7) Dahej capex total Rs7.1bn, it is more focused on Diketene derivatives and acetic anhydride. (8) In Essentials business Ethyl Acetate spreads remained around \$130/tn during Jan–Feb, increased to nearly \$220/tn in March, and further rose to around \$260/tn in April. (9) In Specialty business phased out agrochemical intermediate contributed 10%. (10) Replacement product for the phased-out agrochemical intermediate contributed small revenue in Q4FY26, it is expected to ramp up in FY26.

Exhibit 1 : Q4FY26 Result Overview – Consolidated (INR mn)

Y/e March	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Net Sales	7,353	7,097	3.6	7,032	4.6	7,187	2.3	28,467	29,854	(4.6)
Gross Profit	2,473	2,458	0.6	2,285	8.2	2,439	1.4	9,920	10,700	(7.3)
Margin (%)	33.6	34.6		32.5		33.9		35%	36%	
EBITDA	536	590	(9.1)	328	63.3	499	7.4	1,714	2,796	(38.7)
Margin (%)	7.3	8.3		4.7		6.9		6%	9%	
Other Income	27.1	11.0	147.6	44.1	(38.4)	31.5	-13.8	153.1	253.6	(39.6)
Depreciation	192	395	(51.4)	216	(11.2)	205	-6.2	766	1,240	(38.2)
EBIT	371	206	80.5	156	137.8	326	13.9	1,100	1,810	(39.2)
Interest	47	73	(36.3)	71.9		68	-31.2	221	205	8.0
PBT before exceptional items	325	132	145.3	84	285.2	258	25.8	880	1,605	(45.2)
Total Tax	109	-85	(228.2)	2	5,297	4	2,596.5	86	470	(81.7)
ETR (%)	33.6	-64.3		2.4		1.6		10%	29%	
Adj. PAT	216	218	(1.0)	82	162.0	254	-15.2	793	1,135	(30.1)
Exceptional Items	0	0		0		0		0	0	
PAT	216	218	(1.0)	82	162.0	254	-15.2	793	1,135	(30.1)

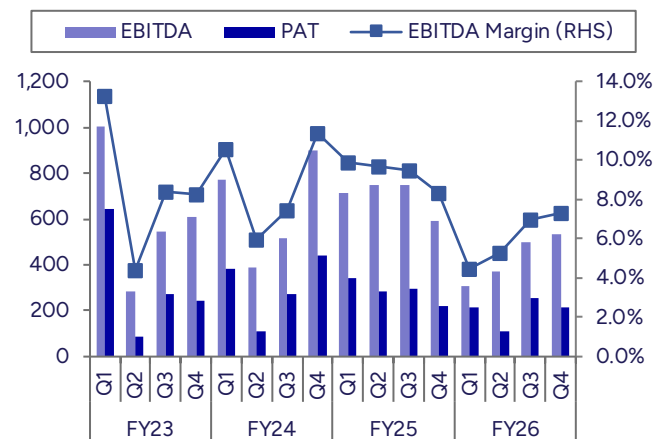
Source: Company, PL

Exhibit 2 : Revenue increase driven by higher price realizations



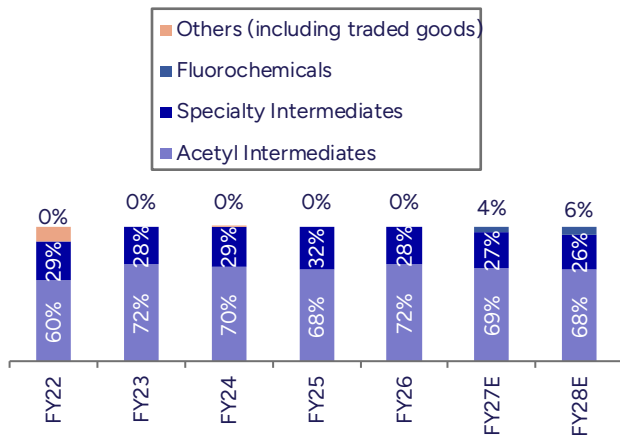
Source: Company, PL

Exhibit 3 : EBITDA margin declines by 100bps YoY



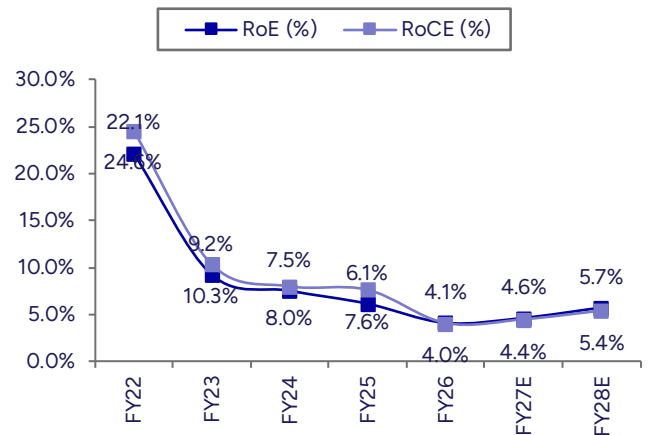
Source: Company, PL

Exhibit 4 : Fluorochemicals started contribution from FY26



Source: Company, PL

Exhibit 5 : Return ratios to be at 5-6%



Source: Company, PL

Exhibit 6 : Quarterly segmental performance

Consolidated Revenue	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Essentials Segment	5,220	4,898	6.6%	5,024	3.9%	20,268	20,361	-0.5%
Specialty Intermediates	2,132	2,199	-3.0%	1,756	21.4%	7,790	9,493	-17.9%
Total	7,352	7,097	3.6%	6,780	8.4%	28,058	29,854	-6.0%

Revenue mix (%)								
Essentials Segment	71.0%	69.0%		74.1%		72.2%	68.2%	
Specialty Intermediates	29.0%	31.0%		25.9%		27.8%	31.8%	
Total	100%	100%		100%		100%	100%	

EBITDA								
Essentials Segment	198	177	0.1	(254.6)	(1.8)	134	778	(0.8)
Specialty Intermediates	338	413	(0.2)	753.9	(0.6)	1,580	2,019	(0.2)
Total	536	590	-9%	499	7%	1714	2797	-39%

EBITDA mix								
Essentials Segment	37.0%	30.0%		-51.0%		7.8%	27.8%	
Specialty Intermediates	63.0%	70.0%		151.0%		92.2%	72.2%	
Total	100%	100%		100%		100%	100%	

EBITDA Margin								
Essentials Segment	3.8%	3.6%		-5.1%		0.7%	3.8%	
Specialty Intermediates	15.8%	18.8%		42.9%		20.3%	21.3%	
Overall Margins	7.3%	8.3%		7.4%		6.1%	9.4%	

Source: Company, PL

Exhibit 7 : Valuation – SOTP based TP at INR 143; maintain REDUCE rating

	Enterprise Value (INR mn): FY28	EV/EBITDA (x)	Per Share
Specialty Intermediates	35,185	21	127
Fluorochemicals	3,968	14	14
Acetyl Intermediates	5,027	8	18
Enterprise Value			159
Less: Net Debt and Investments (Dec'27)			(16)
Fair Value / Target Price (Rs)			143

Source: PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	29,854	28,467	32,223	37,957
YoY gr. (%)	4.2	(4.6)	13.2	17.8
Cost of Goods Sold	19,476	19,100	21,799	25,771
Gross Profit	10,378	9,366	10,424	12,186
Margin (%)	34.8	32.9	32.4	32.1
Employee Cost	1,465	1,722	1,894	2,084
Other Expenses	6,117	5,930	6,445	7,516
EBITDA	2,796	1,714	2,086	2,587
YoY gr. (%)	9.4	(38.7)	21.7	24.1
Margin (%)	9.4	6.0	6.5	6.8
Depreciation and Amortization	1,240	766	941	1,122
EBIT	1,556	948	1,145	1,466
Margin (%)	5.2	3.3	3.6	3.9
Net Interest	205	221	275	303
Other Income	254	153	168	185
Profit Before Tax	1,605	880	1,038	1,348
Margin (%)	5.4	3.1	3.2	3.6
Total Tax	470	86	104	135
Effective Tax Rate (%)	29.3	9.8	10.0	10.0
Profit After Tax	1,135	794	934	1,213
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,135	794	934	1,213
YoY gr. (%)	(5.8)	(30.1)	17.7	29.9
Margin (%)	3.8	2.8	2.9	3.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,135	794	934	1,213
YoY gr. (%)	(5.8)	(30.1)	17.7	29.9
Margin (%)	3.8	2.8	2.9	3.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,135	794	934	1,213
Equity Shares O/s (mn)	277	277	277	277
EPS (INR)	4.1	2.9	3.4	4.4

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	17,059	20,967	28,484	30,484
Tangibles	17,033	20,941	28,459	30,459
Intangibles	26	26	26	26
Acc: Dep / Amortization	5,427	6,193	7,134	8,256
Tangibles	5,409	6,175	7,116	8,238
Intangibles	18	18	18	18
Net Fixed Assets	11,632	14,774	21,350	22,228
Tangibles	11,624	14,766	21,342	22,221
Intangibles	8	8	8	8
Capital Work In Progress	3,984	6,517	1,000	1,000
Goodwill	33	33	33	33
Non-Current Investments	118	258	258	258
Net Deferred Tax Assets	(316)	(269)	(269)	(269)
Other Non-Current Assets	550	242	242	242
Current Assets				
Investments	1,454	342	342	342
Inventories	3,780	3,651	4,133	4,869
Trade Receivables	5,379	5,236	5,926	6,981
Cash & Bank Balance	1,183	613	208	769
Other Current Assets	2,046	2,468	2,793	3,290
Total Assets	30,446	34,458	36,650	40,438
Equity				
Equity Share Capital	554	554	554	554
Other Equity	18,513	19,302	20,142	21,234
Total Network	19,067	19,856	20,696	21,788
Non-Current Liabilities				
Long Term Borrowings	425	4,932	5,100	6,000
Provisions	62	97	97	97
Other Non Current Liabilities	27	14	14	14
Current Liabilities				
ST Debt / Current of LT Debt	2,107	477	500	526
Trade Payables	6,972	7,302	8,266	9,737
Other Current Liabilities	1,446	1,488	1,684	1,984
Total Equity & Liabilities	30,446	34,458	36,650	40,438

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	1,605	880	1,038	1,348
Add. Depreciation	1,240	766	941	1,122
Add. Interest	205	221	275	303
Less Financial Other Income	254	153	168	185
Add. Other	(58)	(602)	(168)	(185)
Op. Profit before WC Changes	2,992	1,265	2,086	2,587
Net Changes-WC	(1,657)	579	(387)	(590)
Direct Tax	(255)	(94)	(95)	(122)
Net Cash from Op. Activities	1,080	1,749	1,603	1,875
Capital Expenditures	(3,940)	(6,024)	(2,000)	(2,000)
Interest / Dividend Income	70	57	168	185
Others	1,195	1,930	-	-
Net Cash from Inv. Activities	(2,676)	(4,036)	(1,832)	(1,815)
Issue of Share Cap. / Premium	100	5	-	-
Debt Changes	1,174	2,877	192	925
Dividend Paid	(166)	(139)	(93)	(121)
Interest Paid	(181)	(257)	(275)	(303)
Others	(27)	(13)	-	-
Net Cash from Fin. Activities	901	2,472	(177)	501
Net Change in Cash	(695)	185	(405)	561
Free Cash Flow	(2,862)	(4,276)	(397)	(125)

Source: Company, PL

Quarterly Financials (INR mn)

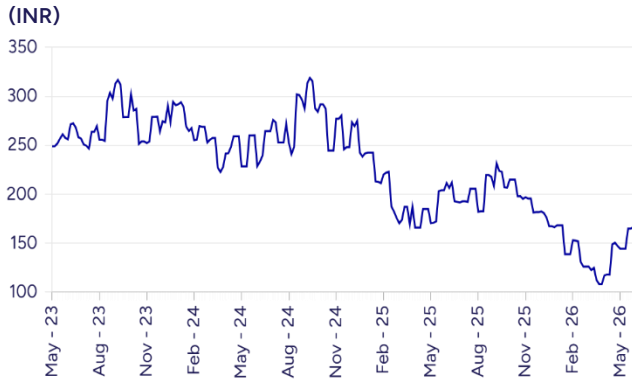
Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	6,929	6,997	7,187	7,353
YoY gr. (%)	(3.5)	(9.3)	(8.6)	3.6
Raw Material Expenses	4,794	4,679	4,747	4,880
Gross Profit	2,136	2,318	2,439	2,473
Margin (%)	30.8	33.1	33.9	33.6
EBITDA	308	371	499	536
YoY gr. (%)	(56.8)	(50.4)	(33.2)	(9.1)
Margin (%)	4.4	5.3	6.9	7.3
Depreciation / Depletion	171	198	205	192
EBIT	136	173	295	344
Margin (%)	2.0	2.5	4.1	4.7
Net Interest	49	57	68	47
Other Income	55	39	32	27
Profit before Tax	142	155	258	325
Margin (%)	2.0	2.2	3.6	4.4
Total Tax	(72)	45	4	109
Effective Tax Rate (%)	(50.7)	28.9	1.6	33.6
Profit After Tax	214	110	254	216
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	214	110	254	216
YoY gr. (%)	(37.8)	(60.9)	(13.3)	(1.0)
Margin (%)	3.1	1.6	3.5	2.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	214	110	254	216
YoY gr. (%)	(37.8)	(60.9)	(13.3)	(1.0)
Margin (%)	3.1	1.6	3.5	2.9
Other Comprehensive Income	(1)	(2)	2	-
Total Comprehensive Income	213	109	256	-
Avg. Shares O/s (mn)	277	277	277	277
EPS (INR)	0.8	0.4	0.9	0.8

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	4.1	2.9	3.4	4.4
CEPS	8.6	5.6	6.8	8.4
BVPS	68.8	71.6	74.7	78.6
FCF	(10.3)	(15.4)	(1.4)	-
DPS	0.5	0.3	0.3	0.4
Return Ratio (%)				
RoCE	7.6	4.0	4.4	5.4
ROIC	6.5	4.0	4.1	5.0
RoE	6.1	4.1	4.6	5.7
Balance Sheet				
Net Debt : Equity (x)	-	0.2	0.2	0.2
Net Working Capital (Days)	27	20	20	20
Valuation (x)				
PER	37.0	53.0	45.0	34.6
P/B	2.2	2.1	2.0	1.9
P/CEPS	17.7	26.9	22.4	18.0
EV/EBITDA	15.0	27.1	22.5	18.3
EV/Sales	1.4	1.6	1.4	1.2
Dividend Yield (%)	0.3	0.1	0.2	0.2
FCFF Yield (%)	(6.9)	(10.2)	(1.0)	-
PEG Ratio	(6.0)	(1.8)	2.5	1.1

Source: Company, PL

Price Chart

Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	REDUCE	116	125
2	30-Jan-26	Reduce	125	143
3	07-Jan-26	Reduce	153	162
4	30-Oct-25	Reduce	192	198
5	07-Oct-25	Reduce	199	215
6	29-Jul-25	Reduce	179	196
7	07-Jul-25	Reduce	172	197
8	21-May-25	Reduce	172	190
9	08-Apr-25	Reduce	160	169
10	23-Jan-25	Hold	237	226

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aarti Industries	Accumulate	529	488
2	Bharat Petroleum Corporation	Accumulate	325	294
3	Bharti Airtel	BUY	2226	1884
4	Clean Science and Technology	Hold	846	818
5	Deepak Nitrite	REDUCE	1495	1749
6	Fine Organic Industries	BUY	5353	4607
7	GAIL (India)	Buy	170	145
8	Gujarat Fluorochemicals	HOLD	3316	3330
9	Gujarat Gas	Accumulate	342	313
10	Gujarat State Petronet	Hold	242	236
11	Hindustan Petroleum Corporation	Accumulate	427	390
12	Indian Oil Corporation	Accumulate	145	135
13	Indraprastha Gas	Buy	181	157
14	Jubilant Ingrevia	HOLD	657	635
15	Laxmi Organic Industries	REDUCE	116	125
16	Mahanagar Gas	Accumulate	1302	1174
17	Mangalore Refinery & Petrochemicals	Sell	143	186
18	Navin Fluorine International	Accumulate	7297	6759
19	NOCIL	HOLD	176	182
20	Oil & Natural Gas Corporation	Accumulate	309	287
21	Oil India	Accumulate	550	507
22	Petronet LNG	Accumulate	310	283
23	Reliance Industries	BUY	1635	1328
24	SRF	REDUCE	2579	2720
25	Sudeep Pharma	Reduce	638	682
26	Vinati Organics	Accumulate	1475	1288

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Swarnendu Bhushan IIT, MBA Finance, Mr. Saurabh Ahire MBA, Passed CFA Level II, Mr. Tejas Kadam BCom Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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