PL Capital PRABHUDAS LILLADHER

Laxmi Organic Industries (LXCHEM IN)

Q1FY27 Result Update

July 30, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	REDUCE		REDUCE	
Target Price	169		143	
Sales (INR mn)	33,364	39,535	32,223	37,957
% Chng.	*3.5*	*4.2*		
EBITDA (INR mn)	2,985	3,628	2,086	2,587
% Chng.	*43.1*	*40.2*		
EPS (INR)	5.2	6.5	3.3	4.3
% Chng.	*57.6*	*51.2*		

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	77,928 / 24,317
Market Cap	INR 50 bn / $ 528 mn
Shares Outstanding	277.21 mn
3M Avg. Daily Value	INR 374.94 mn

Shareholding Pattern (%)

Promoters	69.34
FIIs	0.69
Mutual Funds	3.31
Domestic Institutions	0.52
Public & Others	26.14
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	17.5	26.2	28.5	(8.4)
Relative	15.4	24.6	35.6	(4.2)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	29,854	28,467	33,364	39,535
EBITDA (INR mn)	2,796	1,714	2,985	3,628
Margin (%)	*9.4*	*6.0*	*8.9*	*9.2*
PAT (INR mn)	1,135	794	1,446	1,804
EV (INR mn)	50,361	54,942	54,337	53,638
Total Debt (INR mn)	2,532	5,408	5,600	6,526
C&C Eq. (INR mn)	1,183	613	1,388	3,012
EPS (INR)	4.1	2.9	5.2	6.5
Gr. (%)	*(6.3)*	*(30.1)*	*82.3*	*24.7*
DPS (INR)	0.5	0.3	0.5	0.7
Yield (%)	*0.3*	*0.2*	*0.3*	*0.4*
RoE (%)	*6.1*	*4.1*	*7.1*	*8.2*
RoCE (%)	*7.6*	*4.0*	*7.5*	*8.7*
EV/Sales (x)	1.7	1.9	1.6	1.4
EV/EBITDA (x)	18.0	32.1	18.2	14.8
PE (x)	44.5	63.6	34.9	28.0
P/BV (x)	2.6	2.5	2.4	2.2

Higher realization drives sequential performance

Quick Pointers

- Full year capex is expected to Rs1.25bn in FY27
- Dahej project II mechanization completion over, ramp up expected from Q4FY27

Laxmi Organic Industries (LXCHEM) reported consolidated revenue of INR9.7bn in Q1FY27, up 40% YoY and 32% QoQ, driven by ~10% volume growth and ~30% growth from higher realizations and an improved product mix. The Essentials segment contributed 75% of topline and grew 50% YoY, with EBITDAM expanding 940bps YoY, supported by Ethyl Acetate spreads reaching a 12-year high of USD215/tn during the quarter. However, spreads have started moderating since May'26 and are expected to normalize further as the West Asia conflict eases. The Specialty Chemicals segment reported 17% YoY revenue growth, while EBITDAM contracted 310bps YoY due to lower raw material prices. Management indicated that input costs in the Specialty business have started rising, the company continues to expect the Fluorochemicals business to achieve full ramp-up during FY27. In addition, the newly commissioned Ethyl Acetate capacity at Lote is expected to drive volume growth, while Dahej Phase II remains on track and is likely to commence commercial contribution from Q4FY27, with a gradual ramp-up through FY28. At the current market price, the stock trades at 28x FY28E EPS. We value the company at INR182/share based on our SOTP valuation and maintain our 'Reduce' rating on the stock.

Revenue increased 32% QoQ/40%YoY: Consolidated revenue stood at Rs9.7bn (39.7% YoY/ 31.7% QoQ) (PLe: Rs7.5bn, Consensus: Rs 7.3bn), actual topline was higher than PL estimates. Driven by strong volumes and prices across portfolio However, Gross profit margin was 37.5% (vs 30.8% in Q1FY26 and 33.6% in Q4FY26). primarily driven by higher changes in inventories and WIP.

EBITDAM expanded by 740bps YoY: EBITDA stood at Rs1,143mn, increased 271.8% YoY and 113.2 % QoQ, (PLe: Rs653mn, Consensus: Rs529mn). EBITDA margin came at 11.8% (vs 4.4% in Q1FY26 and 7.3% in Q4FY26), Increased primarily driven by Higher realizations and operating leverage. Reported PAT was at Rs677mn, increased 216.6% YoY and 214.2% sequentially, PAT margins were at 7%, compared with 3% in Q1FY26 & Q4FY26.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR mn)	7,492	9,683	*29.0*	6,929	*40.0*
EBITDA (INR mn)	653	1,143	*75.0*	308	*271.0*
Margin (%)	*8.7*	*11.8*	*310 bps*	*4.4*	*740 bps*
PAT (INR mn)	385	677	*76.0*	214	*216.0*

Source: Company, PL

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Concall key takeaways: (1) Printing and packaging and Pharma demand remained stable during QoQ. **(2)** Demand for industrial solutions showed momentum during the quarter. **(3)** Depreciation is expected to go up from next quarter incremental INR70-75mn for each quarter. **(4)** Ethanol prices have remained largely firm throughout the quarter. **(5)** Methanol prices were also elevated during the quarter. **(6)** Acetic acid prices were higher in March and April, while they slightly moderated in May**. (7)** In Essentials business Ethyl Acetate spreads at last 12years high, they were around ~USD215/tn, spreads are the leading indicator for the Essentials basket performance**. (8)** In Specialty business No revenue from phased out agrochemical intermediate (It was 10% of specialty mix). **(9)** Mahad facility fully utilized, product which were not able to produce in Mahad due to capacity constraints will be brought back in Dahej. **(10)** Doubling diketene derivative capability at Dahej, with this expansion Laxmi will become global #3 producer of Diketene and its derivatives.

Exhibit 1: Quarterly Estimates

Particulars	Q1FY27A	*YoY gr.*	Q2FY27E	*YoY gr.*	Q3FY27E	*YoY gr.*	Q4FY27E	*YoY gr.*
Revenue from Operations	9,683	*40%*	7,924	*13%*	7,840	*9%*	7,916	*8%*
EBITDA	1,143	*272%*	639	*72%*	609	*22%*	594	*11%*
Margin (%)	*12%*		*8%*		*8%*		*8%*	
Adjusted PAT	677	*217%*	290	*163%*	258	*2%*	221	*3%*

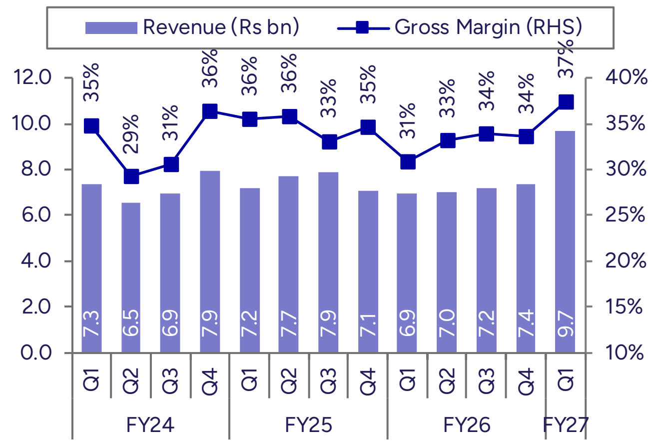
Source: Company, PL

Exhibit 2: Q1FY27 Result Overview – Consolidated (INR mn)

Y/e March	Q1FY27	Q1FY26	*YoY gr. (%)*	Q1FY27E	*% Var.*	Q4FY26	*QoQ gr. (%)*	FY27E	FY26	*YoY gr. (%)*
Net Sales	**9,683**	**6,929**	***39.7***	**7,492**	***29.3***	**7,353**	***31.7***	**33,364**	**28,467**	***17.2***
Gross Profit	3,627	2,136	*69.8*	2,587	*40.2*	2,473	*46.7*	11,753	9,366	*25.5*
Margin (%)	*37.5*	*30.8*		*34.5*		*33.6*		*3523%*	*3290%*	
EBITDA	**1,143**	**308**	***271.8***	**653**	***75.1***	**536**	***113.2***	**2,985**	**1,714**	***74.2***
Margin (%)	11.8	4.4		8.7		7.3		895%	602%	
Other Income	34.4	55.1	*(37.6)*	33.7	*2.1*	27.1	*26.7*	168.4	153.1	*10.0*
Depreciation	217	171	*26.6*	207	*4.9*	192	*13.1*	1,024	766	*33.6*
EBIT	**926**	**136**	***580.8***	**446**	***107.6***	**344**	***169.0***	**1,961**	**947**	***107.0***
Interest	43	49	*(12.7)*	58.5	*(26.5)*	47	*-8.1*	275	221	*24.6*
PBT before exceptional items	**918**	**142**	***546.6***	**421**	***117.8***	**325**	***182.6***	**1,854**	**880**	***110.8***
Total Tax	240	-72	*(433.9)*	36	*562*	109	*120.1*	408	86	*373.9*
ETR (%)	*26.2*	*26.2*		*8.6*				*2200%*	*979%*	
Adj. PAT	**677**	**214**	***216.6***	**385**	***75.9***	**216**	***214.2***	**1,446**	**793**	***82.3***
Exceptional Items						0		0	0	
PAT	**677**	**214**	***216.6***	**385**	***75.9***	**216**	***214.2***	**1,446**	**793**	***82.3***

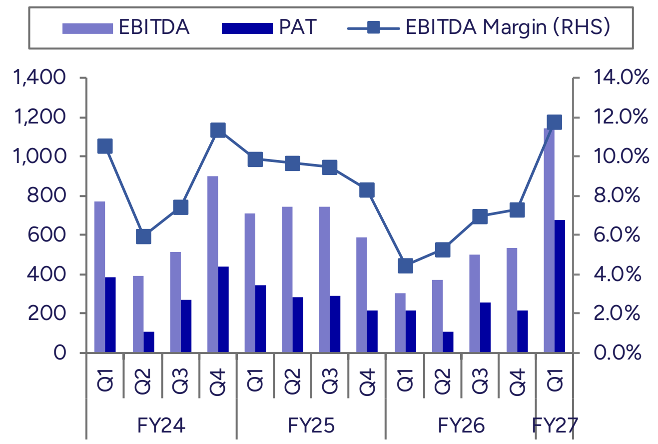
Source: Company, PL

Exhibit 3: Revenue increase driven by higher price realizations



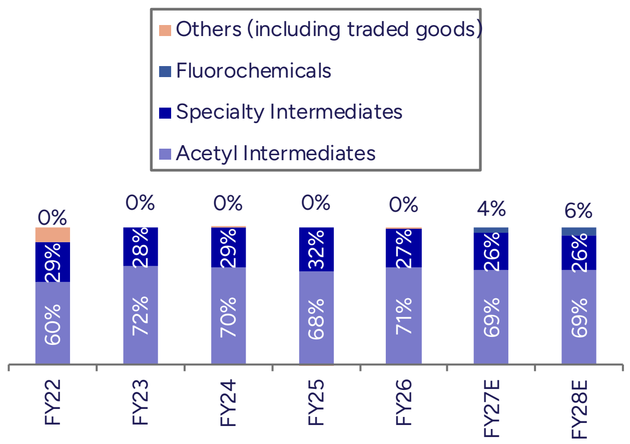
Source: Company, PL

Exhibit 4: EBIDTA margin declines by 450bps QoQY



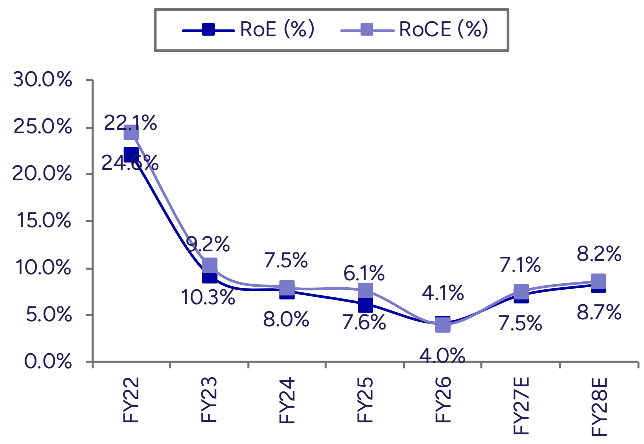
Source: Company, PL

Exhibit 5: Fluorochemicals started contribution from FY26



Source: Company, PL

Exhibit 6: Return ratios to be at 8-9%



Source: Company, PL

Exhibit 1 : Quarterly segmental performance

Consolidated Revenue	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*	FY27E	FY26	*YoY gr. (%)*
Essentials Segment	7,265	4,858	*49.5%*	5,220	*39.2%*	23,120	20,268	*14.1%*
Specialty Intermediates	2,418	2,071	*16.8%*	2,132	*13.4%*	8,804	7,790	*13.0%*
Total	**9,683**	**6,929**	***39.7%***	**7,352**	***31.7%***	**31,924**	**28,058**	***13.8%***
Revenue mix (%)								
Essentials Segment	75.0%	70.1%		71.0%		72.4%	72.2%	
Specialty Intermediates	25.0%	29.9%		29.0%		27.6%	27.8%	
Total	**100%**	**100%**		**100%**		**100%**	**100%**	
EBITDA								
Essentials Segment	823	94	*7.7*	198	*3.1*	1,360	134	*9.2*
Specialty Intermediates	320	338	*(0.1)*	338	*(0.1)*	1,453	1,580	*(0.1)*
Total	**1,143**	**432**	***165%***	**536**	***113%***	**2,813**	**1,714**	***64%***

Consolidated Revenue	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*	FY27E	FY26	*YoY gr. (%)*
EBITDA mix								
Essentials Segment	72.0%	21.8%		37.0%		48.4%	7.8%	
Specialty Intermediates	28.0%	78.2%		63.0%		51.6%	92.2%	
Total	**100%**	**100%**		**100%**		**100%**	**100%**	
EBITDA Margin								
Essentials Segment	x	1.9%		3.8%		5.9%	0.7%	
Specialty Intermediates	13.2%	16.3%		15.8%		16.5%	20.3%	
Overall Margins	11.8%	6.2%		7.3%		8.8%	6.1%	

Source: Company, PL

Exhibit 7: Valuation – SOTP based TP at INR 169; maintain REDUCE rating

	Enterprise Value (INR mn): FY28	EV/EBITDA (x)	Per Share
Specialty Intermediates	34,423	20	124
Fluorochemicals	3,968	14	14
Acetyl Intermediates	12,987	8	47
Enterprise Value			185
Less: Net Debt and Investments (Dec'27)			16
Fair Value / Target Price (Rs)			**169**

Source: PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**29,854**	**28,467**	**33,364**	**39,535**
YoY gr. (%)	*4.2*	*(4.6)*	*17.2*	*18.5*
Cost of Goods Sold	19,476	19,100	21,611	25,679
Gross Profit	10,378	9,366	11,753	13,856
Margin (%)	*34.8*	*32.9*	*35.2*	*35.0*
Employee Cost	1,465	1,722	1,894	2,084
Other Expenses	6,117	5,930	6,873	8,144
EBITDA	**2,796**	**1,714**	**2,985**	**3,628**
YoY gr. (%)	*9.4*	*(38.7)*	*74.2*	*21.5*
Margin (%)	*9.4*	*6.0*	*8.9*	*9.2*
Depreciation and Amortization	1,240	766	1,024	1,198
EBIT	**1,556**	**948**	**1,961**	**2,430**
Margin (%)	*5.2*	*3.3*	*5.9*	*6.1*
Net Interest	205	221	275	303
Other Income	254	153	168	185
Profit Before Tax	**1,605**	**880**	**1,854**	**2,312**
Margin (%)	*5.4*	*3.1*	*5.6*	*5.8*
Total Tax	470	86	408	509
Effective Tax Rate (%)	*29.3*	*9.8*	*22.0*	*22.0*
Profit After Tax	**1,135**	**794**	**1,446**	**1,804**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**1,135**	**794**	**1,446**	**1,804**
YoY gr. (%)	*(5.8)*	*(30.1)*	*82.3*	*24.7*
Margin (%)	*3.8*	*2.8*	*4.3*	*4.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**1,135**	**794**	**1,446**	**1,804**
YoY gr. (%)	*(5.8)*	*(30.1)*	*82.3*	*24.7*
Margin (%)	*3.8*	*2.8*	*4.3*	*4.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,135	794	1,446	1,804
Equity Shares O/s (mn)	**277**	**277**	**277**	**277**
EPS (INR)	**4.1**	**2.9**	**5.2**	**6.5**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**17,059**	**20,967**	**27,734**	**29,234**
Tangibles	17,033	20,941	27,709	29,209
Intangibles	26	26	26	26
Acc: Dep / Amortization	**5,427**	**6,193**	**7,217**	**8,415**
Tangibles	5,409	6,175	7,199	8,397
Intangibles	18	18	18	18
Net Fixed Assets	**11,632**	**14,774**	**20,517**	**20,819**
Tangibles	11,624	14,766	20,509	20,811
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	4,279	5,071
Trade Receivables	5,379	5,236	6,136	7,271
Cash & Bank Balance	1,183	613	1,388	3,012
Other Current Assets	2,046	2,468	2,892	3,427
Total Assets	**30,446**	**34,458**	**37,464**	**41,918**
Equity				
Equity Share Capital	554	554	554	554
Other Equity	18,513	19,302	20,603	22,227
Total Networth	**19,067**	**19,856**	**21,158**	**22,781**
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	8,558	10,141
Other Current Liabilities	1,446	1,488	1,744	2,067
Total Equity & Liabilities	**30,446**	**34,458**	**37,464**	**41,918**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	1,605	880	1,854	2,312
Add. Depreciation	1,240	766	1,024	1,198
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	2,985	3,628
Net Changes-WC	(1,657)	579	(504)	(635)
Direct Tax	(255)	(94)	(397)	(495)
Net Cash from Op. Activities	**1,080**	**1,749**	**2,084**	**2,497**
Capital Expenditures	(3,940)	(6,024)	(1,250)	(1,500)
Interest / Dividend Income	70	57	168	185
Others	1,195	1,930	-	-
Net Cash from Invt. Activities	**(2,676)**	**(4,036)**	**(1,082)**	**(1,315)**
Issue of Share Cap. / Premium	100	5	-	-
Debt Changes	1,174	2,877	192	925
Dividend Paid	(166)	(139)	(145)	(180)
Interest Paid	(181)	(257)	(275)	(303)
Others	(27)	(13)	-	-
Net Cash from Fin. Activities	**901**	**2,472**	**(228)**	**442**
Net Change in Cash	**(695)**	**185**	**775**	**1,624**
Free Cash Flow	(2,862)	(4,276)	834	997

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**6,997**	**7,187**	**7,353**	**9,683**
YoY gr. (%)	*(9.3)*	*(8.6)*	*3.6*	*39.7*
Raw Material Expenses	4,679	4,747	4,880	6,057
Gross Profit	2,318	2,439	2,473	3,627
Margin (%)	*33.1*	*33.9*	*33.6*	*37.5*
EBITDA	**371**	**499**	**536**	**1,143**
YoY gr. (%)	*(50.4)*	*(33.2)*	*(9.1)*	*271.8*
Margin (%)	*5.3*	*6.9*	*7.3*	*11.8*
Depreciation / Depletion	198	205	192	217
EBIT	**173**	**295**	**344**	**926**
Margin (%)	*2.5*	*4.1*	*4.7*	*9.6*
Net Interest	57	68	47	43
Other Income	39	32	27	34
Profit before Tax	**155**	**258**	**325**	**918**
Margin (%)	*2.2*	*3.6*	*4.4*	*9.5*
Total Tax	45	4	109	240
Effective Tax Rate (%)	*28.9*	*1.6*	*33.6*	*26.2*
Profit After Tax	**110**	**254**	**216**	**677**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**110**	**254**	**216**	**677**
YoY gr. (%)	*(60.9)*	*(13.4)*	*-*	*216.6*
Margin (%)	*1.6*	*3.5*	*2.9*	*7.0*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**110**	**254**	**216**	**677**
YoY gr. (%)	*(60.9)*	*(13.4)*	*-*	*216.6*
Margin (%)	*1.6*	*3.5*	*2.9*	*7.0*
Other Comprehensive Income	(2)	2	-	-
Total Comprehensive Income	**109**	**256**	**-**	**-**
Avg. Shares O/s (mn)	277	277	277	277
EPS (INR)	**0.4**	**0.9**	**0.8**	**2.4**

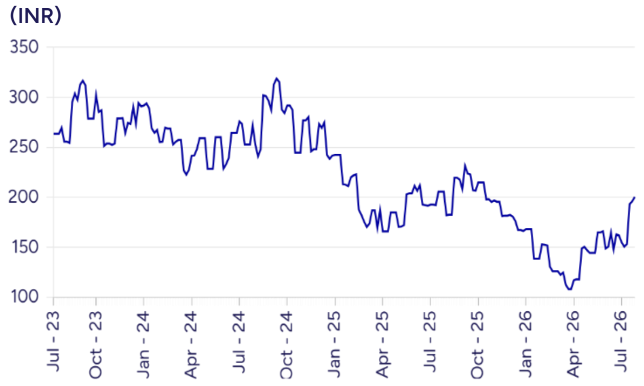
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	4.1	2.9	5.2	6.5
CEPS	8.6	5.6	8.9	10.8
BVPS	68.8	71.6	76.4	82.2
FCF	(10.3)	(15.4)	3.0	3.6
DPS	0.5	0.3	0.5	0.7
Return Ratio (%)				
RoCE	7.6	4.0	7.5	8.7
ROIC	6.5	4.0	6.2	7.4
RoE	6.1	4.1	7.1	8.2
Balance Sheet				
Net Debt : Equity (x)	-	0.2	0.2	0.1
Net Working Capital (Days)	27	20	20	20
Valuation (x)				
PER	44.4	63.6	34.8	27.9
P/B	2.6	2.5	2.3	2.2
P/CEPS	21.2	32.3	20.4	16.8
EV/EBITDA	18.0	32.0	18.2	14.7
EV/Sales	1.6	1.9	1.6	1.3
Dividend Yield (%)	0.2	0.1	0.2	0.3
FCFF Yield (%)	(5.7)	(8.5)	1.6	1.9
PEG Ratio	(7.2)	(2.2)	0.4	1.1

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	REDUCE	143	155
2	22-May-26	REDUCE	143	152
3	09-Apr-26	REDUCE	116	125
4	30-Jan-26	Reduce	125	143
5	07-Jan-26	Reduce	153	162
6	30-Oct-25	Reduce	192	198
7	07-Oct-25	Reduce	199	215
8	29-Jul-25	Reduce	179	196
9	07-Jul-25	Reduce	172	197
10	21-May-25	Reduce	172	190

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aarti Industries	Accumulate	529	478
2	Bharat Petroleum Corporation	HOLD	305	310
3	Bharti Airtel	BUY	2226	1884
4	Clean Science and Technology	HOLD	804	804
5	Deepak Nitrite	REDUCE	1514	1613
6	Fine Organic Industries	BUY	6001	5000
7	GAIL (India)	BUY	206	174
8	Gujarat Energy	Hold	293	286
9	Gujarat Fluorochemicals	HOLD	3772	3961
10	Gujarat State Petronet	Hold	242	236
11	Hindustan Petroleum Corporation	Reduce	350	385
12	Indian Oil Corporation	REDUCE	125	142
13	Indraprastha Gas	BUY	181	152
14	Jubilant Ingrevia	Hold	711	745
15	Laxmi Organic Industries	REDUCE	143	155
16	Mahanagar Gas	Accumulate	1283	1134
17	Mangalore Refinery & Petrochemicals	HOLD	150	157
18	Navin Fluorine International	Accumulate	8200	7547
19	NOCIL	HOLD	176	176
20	Oil & Natural Gas Corporation	Accumulate	266	244
21	Oil India	Accumulate	455	423
22	Petronet LNG	Accumulate	300	280
23	Reliance Industries	BUY	1675	1327
24	SRF	Reduce	2482	2632
25	Sudeep Pharma	REDUCE	760	811
26	Vinati Organics	Accumulate	1475	1355

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

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