

5th June 2025

Close* – ₹1,990

View – Hold

Q4FY25 Result Update

- During Q4FY25, Deepak Nitrite Ltd. (DNL) posted a resilient performance despite multiple sectoral headwinds faced by the company. Strong sequential performance was supported by process optimization initiatives, debottlenecking efforts and capacity augmentation, which cumulatively enhanced operational efficiency. Deepak Chem Tech Board approved investment upto ₹3,500crs for new capacities in Phenol, Acetone and IPA which will be integrated into polycarbonate resin production.
- In Q4FY25, DNL's consol. revenue came in at ₹2,180crs up +3%YoY /+15% QoQ led by strong volume growth owing to capacity augmentation, however, realizations remained depressed due to China's continuous dumping. This quarter too witnessed subdued demand from Agrochemical segment and the management expects it to continue for couple of quarters.
- During the quarter, Advanced Intermediates as well as Phenolics both witnessed sequential improvement in margins by +381bps and +675bps respectively. This led to EBITDA margins improving +567bps QoQ (+36bps YoY) to 14.5% and EBITDA came at ₹317crs up +5% YoY/+88% QoQ.
- Amid ongoing capex cycle, depreciation charges remain elevated at ₹51crs up +10% YoY/+6% QoQ. Interest cost too came higher at ₹9crs. Resultantly, profit after tax stood at ₹202crs up 106% QoQ.
 - Advanced Intermediates** segment's revenues recovered from 3QFY25 lows aided by continued focus on high-demand products. Segmental performance was largely driven by the growth in volumes, aided by better demand for some products such as Dyes and Pigments. As a result, segmental revenue stood at ₹654crs up +19% QoQ (-3% YoY). Aided by higher volumes and cost savings initiatives, improved operational efficiency led to EBIT margins improving 381bps QoQ to 7%.
 - Phenolics** segment revenue came at ₹1,532crs up +5% YoY/+12% QoQ, aided by the company's recently undertaken debottlenecking leading to increased volumes. This supported EBIT margin expansion of +156bps YoY/+675bps QoQ to 16%.

Important Statistics

Nifty	24,620
Sensex	80,998
Close*	1,990
MCAP (₹ bn)	271.42
52-week H/L (₹)	₹3,169/₹1,782
NSE Code	DEEPAKNTR
BSE Code	506401
Bloomberg Code	DN:IN

Close* as on 4th June 2025

Shareholding pattern (%)	Mar'25
Promoter	49.28
FII	06.65
DII	23.22
Public & Others	20.85

Financials

(₹ crs)				
Particulars	FY24	FY25E	FY26E	FY27E
Revenues	7,682	8,282	8,737	9,436
Gross Profit	2,446	2,494	2,752	3,039
Gross Profit Margin	32%	30%	32%	0
EBITDA	1,123	1,092	1,293	1,463
EBITDA Margin	15%	13%	15%	0
Net Profit	731	697	821	935
EPS	59	51	60	69
P/E (x)	33	39	33	29
RoE (%)	16%	13%	13%	14%

Source: Company, Way2Wealth

Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
Deepak Nitrite	-7%	7%	310%
Nifty 50	13%	48%	145%
SENSEX	12%	45%	138%

View

- Deepak Nitrite Ltd.'s Q4FY25 performance showed early signs of recovery in some parts of the business. While demand for Agrochemical will remain muted for couple of more quarters, however, Dyes and Pigments saw demand improvement. Similarly, capacity augmentation through debottlenecking, cost saving initiatives and higher volumes led to an increase in operational efficiency and drove margins improvement during the quarter.
- By Q2FY26, multiple projects will get commissioned, which includes R&D center at Savli, Vadodara in addition to Hydrogenation and Nitration capacities. Greenfield capacities for downstream products of MIBK / MUBC will get commissioned by Q3FY26. Keeping in view large capacity additions **we remain bullish on the stock and recommend to HOLD. The company at CMP ₹1990, trading at 29x its FY27e P/E ratio.**

Prasad Hase

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View – Hold

Quarterly Financial Performance

(₹ crs)

Particulars	Q4FY25	Q4FY24	YoY % change	Q3FY25	QoQ % change	FY25	FY24	YoY% change
Net sales	2,180	2,126	3%	1,903	15%	8,282	7,682	8%
COGS	1,512	1,474	3%	1,393	9%	5,788	5,236	11%
Gross Profit	667	652	2%	510	31%	2,494	2,446	2%
Gross Profit Margin	30.6%	30.7%	-6 bps	26.8%	380 bps	30.1%	31.8%	-172 bps
Employees Expense	102	93	9%	98	3%	392	351	12%
Power & Fuel Expense	114	113	1%	109	5%	464	457	1%
Other Expense	135	145	-7%	135	0%	547	514	6%
EBITDA	317	301	5%	169	88%	1,092	1,123	-3%
EBITDA margins %	14.5%	14.2%	36 bps	8.9%	567 bps	13.2%	14.6%	-144 bps
Depreciation	51	46	10%	48	6%	195	166	18%
EBIT	265	255	4%	120	120%	896	958	-6%
Interest Expense	9	4	112%	6	53%	28	12	132%
Other income	23	19	19%	21	9%	84	76	10%
PBT	279	269	3%	135	106%	953	1,022	-7%
Tax Expense	76	95	-20%	37	106%	255	291	-12%
PAT	203	174	16%	98	106%	697	731	-5%
Exceptional items	-	80		-		-	80	
Reported PAT	202	254	-20%	98	106%	697	811	-14%
PAT margins %	9.3%	11.9%	-265 bps	5.2%	413 bps	8.4%	10.6%	-214 bps
EPS (Basic & diluted)	15	19	-20%	7	106%	51	59	-14%

Source: Company, Way2Wealth

(₹ crs)

Segment revenue	Q4FY25	Q4FY24	YoY % change	Q3FY25	QoQ % change	FY25	FY24	YoY% change
Advanced Intermediates								
Sales	654	671	-3%	552	19%	2,527	2,724	-7%
EBIT	45	134	-66%	17	166%	176	446	-61%
EBIT margins %	7%	20%	-1,309 bps	3%	381 bps	7%	16%	-942 bps
Phenolics								
Sales	1,532	1,466	5%	1,366	12%	5,805	5,003	16%
EBIT	239	206	16%	121	97%	783	644	22%
EBIT margins %	16%	14%	156 bps	9%	675 bps	13%	13%	62 bps

Source: Company, Way2Wealth

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 View – **Hold**
Financial Performance

(₹ Cr)

Financial	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net sales	4,360	6,802	7,972	7,682	8,282	8,737	9,436
COGS	2,264	4,114	5,348	5,236	5,788	5,985	6,398
Gross Profit	2,096	2,688	2,625	2,446	2,494	2,752	3,039
Gross Profit Margin %	48%	40%	33%	32%	30%	32%	32%
Employees cost	247	274	318	351	392	393	425
Power and Fuel Costs	265	439	542	457	464	489	528
Other Expense	337	375	475	514	547	577	623
Total Expenditure	3,113	5,202	6,683	6,559	7,190	7,444	7,974
EBITDA	1,247	1,600	1,289	1,123	1,092	1,293	1,463
EBITDA margins %	28.6%	23.5%	16.2%	14.6%	13.2%	14.8%	15.5%
Depreciation	153	178	166	166	195	245	264
EBIT/ Operating Profit	1,094	1,422	1,123	958	896	1,048	1,198
Interest	74	34	25	12	28	35	42
Other income	22	46	48	76	84	91	103
PBT	1,042	1,434	1,146	1,022	953	1,105	1,258
Provision for current tax	266	368	294	291	255	284	323
PAT	776	1,066	852	731	697	821	935
Exceptional items	-	-	-	80	-	-	-
Reported PAT	776	1,066	852	811	697	821	935
PAT margin %	17.8%	15.7%	10.7%	10.6%	8.4%	9.4%	9.9%
EPS (Basic & diluted)	56.9	78.2	62.5	59.5	51.1	60.2	68.6

Source: Company, Way2Wealth

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View – Hold

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Disclosure of Interest Statement Deepak Nitrite Ltd. as on 05th June 2025

Name of the Security	Deepak Nitrite Ltd.
Name of the analyst	Prasad Hase
Analysts' ownership of any stock related to the information contained	
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
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