

19th February 2026

Close* – ₹1,651.10

 View – **Hold**
Q3FY26 Result Update

Deepak Nitrite reported Q3FY26 revenue of ₹1,975crs, up 4% YoY and 4% QoQ, indicating stable volume-led performance despite pricing pressure. EBITDA was ₹211crs, up 25% YoY and 3% QoQ, with margins improving to 11% compared to 9% in Q3FY25, supported by better operating leverage and cost control. PAT was ₹100crs, up 2% YoY but down 16% QoQ due to higher depreciation and interest costs, with PAT margins at 5%.

Advanced Intermediate segment:

- In Q3FY26, the Advanced Intermediates segment delivered revenue of ₹652crs, reflecting 18% YoY and 11% QoQ growth, supported by higher volumes, improved market penetration of key products, and expansion into new geographies.
- The company optimized product mix through plant fungibility and benefited from contributions of new product launches. However, EBIT declined to ₹15crs with margins at 2% (vs 3% YoY), impacted by aggressive Chinese dumping, global overcapacity, and continued inventory destocking across agrochemical value chains.
- Portfolio pricing remains under pressure, though the commissioning of the Nitric Acid facility strengthens backward integration and establishes a structurally cost-efficient framework, which should support gradual margin expansion.
- Additionally, global supply chain diversification and evolving India-US/EU trade structures are expected to create incremental market share opportunities in high-value intermediates over the coming quarters.

Phenolics segment:

The Phenolics segment reported revenue of ₹1,334crs in Q3FY26, broadly stable YoY. Sales volumes in both Phenol and Acetone increased, aided by process optimization and strong domestic demand, partially offsetting softer market realizations. EBIT improved by 20% YoY to ₹145crs, with margins expanding to 11% from 9%, driven by operating leverage and strategic cost optimization initiatives. Despite import headwinds, the company maintains market leadership through efficient manufacturing operations and consistent domestic supply fulfillment, resulting in steady profitability performance.

Concall highlights:

- The Nitric Acid plant was commissioned in mid-December, marking a key milestone in strengthening backward integration within the Advanced Intermediates segment. From Q4 onwards, the facility is expected to operate at 95–100% utilization levels, enabling full internal consumption. This integration is anticipated to materially improve cost efficiencies and act as a meaningful EBITDA driver in the Q4FY26.
- The MIBK/MIBC project is scheduled for commissioning in Q4FY26. The domestic market remains largely import-dependent, positioning the company favorably to substitute imports with local production. Marketing initiatives have already been undertaken to build customer acceptance and secure initial demand. Revenue contribution from the project is expected to gain visibility from Q1FY27 as the plant ramps up operations.
- The Polycarbonate project remains on track with a targeted commissioning timeline of December 2027. Dismantling activities at the Germany site are currently underway as part of the relocation process. The project will

Important Statistics

Nifty	25,819.35
Sensex	83,734.25
Close*	1,651.10
MCAP (₹ bn)	225.73
52-week H/L (₹)	₹2,174.00/₹1,514
NSE Code	DEEPAKNTR
BSE Code	506401
Bloomberg Code	DN:IN

Close as on 18th February 2026*

Shareholding pattern (%)	Dec'25
Promoter	49.33
FII	6.06
DII	23.20
Public & Others	21.42

Financials

Particulars	₹ crs				
	FY24	FY25	FY26E	FY27E	FY28E
Revenues	7682	8282	7727	8710	9755
EBITDA	1118	1092	820	1132	1268
EBITDA Margin (%)	15%	13%	11%	13%	13%
NetProfit	811	697	443	559	652
EPS(₹)	59.4	51.1	32.5	41.0	47.8
RoE(%)	17%	13%	8%	9%	9%
P/E(x)	27.7	32.3	50.7	40.2	34.5
EV/EBITDA(x)	19.2	20.9	28.9	21.3	19.1

Source: Company, Way2Wealth
Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
Deepak Nitrite	-14%	-9%	28%
Nifty 50	12%	43%	72%
SENSEX	10%	37%	64%

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establish a fully integrated value chain spanning propylene to phenol, BPA, and ultimately polycarbonate, enhancing structural competitiveness. Importantly, domestic demand for polycarbonate in India is expanding faster than earlier estimates, reinforcing the long-term growth rationale for this investment.

- Management indicated that 10–15 new products are currently under customer validation, with impurity profiling and stability studies in progress. These products have applications in mining, flame retardants, personal care, and polymers.
- The anti-dumping duty on sodium nitrite has been removed specifically for Deepak, improving its competitive positioning in the US market. With the earlier effective tariff of over 100% now significantly reduced, the company expects a meaningful recovery in export volumes and profitability going forward.
- The management has guided capex of ₹2500crs for FY26 and ₹2600-2700crs FY27.

View

Deepak Nitrite Q3 FY26 reflected a transition phase, with healthy volume growth across segments but margin pressure arising from delayed integration benefits and persistent pricing headwinds. Management expects sequential improvement as new capacities stabilize and the benefits of backward integration start flowing through earnings. The company remains focused on executing its ongoing capex program, with ₹2,500crs planned for FY26 and ~₹2,600–2,700crs guided for FY27, largely directed toward backward integration, specialty expansions, and the polycarbonate value chain. The recently commissioned Nitric Acid plant is expected to operate at 95–100% utilization from Q4 onwards, enhancing structural cost efficiencies in the Advanced Intermediates segment. The MIBK/MIBC project is slated for commissioning in Q4 with revenue visibility from Q1 FY27, while nitration and hydrogenation assets are likely to witness steady ramp-up in the coming quarters. At the current market price, the stock trades at 35x FY28E P/E, reflecting capex-led growth expectations. We maintain a **HOLD** rating.

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Quarterly Financial Performance

(₹ crs)

Particulars	Q3FY26	Q3FY25	YoY % change	Q2FY26	QoQ % change	9MFY26	9MFY25	YoY % change
Net sales	1975	1903	4%	1902	4%	5767	6102	-5%
Total Income	1975	1903	4%	1902	4%	5767	6102	-5%
(Increase)/Decrease in stock in trade & WIP	-21	47	-146%	58	-137%	2	-40	-105%
Consumption of raw material	1372	1333	3%	1244	10%	3947	4202	-6%
Purchase of Traded goods	75	14	449%	76	-1%	215	113	90%
Gross profit	550	510	8%	525	5%	1603	1827	-12%
Gross profit margins %	28%	27%		28%		28%	30%	
Employees cost	107	98	9%	99	7%	312	291	7%
power & fuel cost	107	109	-2%	106	1%	327	349	-6%
Other Expenses	125	135	-7%	115	9%	360	412	-13%
Total Expenditure	1764	1735	2%	1698	4%	5162	5327	-3%
EBITDA	211	169	25%	204	3%	605	775	-22%
EBITDA margins %	11%	9%		11%		10%	13%	
Depreciation	58	48	19%	53	8%	162	144	12%
EBIT/ Operating Profit	153	120	27%	151	2%	443	631	-30%
Interest	11	6	81%	8	39%	27	18	49%
Other income	9	21	-60%	20	-57%	53	61	-13%
PBT	151	135	12%	163	-7%	469	674	-30%
PBT	138	135	2%	163	-15%	456	674	-32%
Provision for current tax	41	37	12%	42	-1%	125	182	-31%
Provision for Deferred Tax	-3	0	-8450%	2	-235%	0	-3	-91%
PAT	100	98	2%	119	-16%	331	495	-33%
reported PAT	100	98	2%	119	-16%	331	495	-33%
PAT margins %	5%	5%		6%		6%	8%	
EPS (Basic & diluted)	7.32	7.19	2%	8.71	-16%	24.25	36.28	-33%

Segment performance

(₹ crs)

Particulars	Q3FY26	Q3FY25	YoY % change	Q2FY26	QoQ % change	9MFY26	9MFY25	YoY % change
Segment Revenue								
Advanced Intermediates	652	552	18%	588	11%	1846	1873	-1%
Phenolics	1334	1366	-2%	1333	0%	3971	4272	-7%
Total	1986	1917	4%	1921	3%	5817	6146	-5%
Less: Inter segmt rev.	11	14	-20%	19	-42%	50	44	15%
Net sales	1975	1903	4%	1902	4%	5767	6102	-5%
Segment result								
Advanced Intermediates	15	17	-11%	23	-35%	73	130	-44%
EBIT margins %	2%	3%		4%		4%	7%	
Phenolics	145	121	20%	145	0%	408	544	-25%
EBIT margins %	11%	9%		11%		10%	13%	
Total	160	138	16%	168	-4%	481	674	-29%
Less: Interest	11	6	81%	8	39%	27	18	49%
Unallocated (inc/ exp (net))	-2	-3	-51%	-3	-51%	-14	-18	-19%
Exceptional items	-13					-13	0	
total PBT	138	135	2%	163	-15%	456	674	-32%

Source: Company, Way2Wealth

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Financial Performance

	(₹ crs)				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net sales	7682	8282	7727	8710	9755
Total Income	7682	8282	7727	8710	9755
COGS	5236	5788	5358	6097	6829
Gross profit	2446	2494	2152	2613	2927
Gross profit margins %	32%	30%	28%	30%	30%
Employees cost	351	392	410	435	488
power & fuel cost	457	464	444	523	585
Administrative & other Expense	520	547	477	523	585
Total Expenditure	6564	7190	6906	7578	8487
EBITDA	1118	1092	820	1132	1268
EBITDA margins %	15%	13%	11%	13%	13%
Depreciation	166	195	222	392	403
EBIT/ Operating Profit	952	896	598	741	865
Interest	12	28	37	50	50
Other income	82	84	60	65	65
PBT	1022	953	621	756	880
Provision for current tax	273	228	165	196	229
Reported PAT	811	697	443	559	652
PAT margins %	11%	8%	6%	6%	7%
EPS (Basic & diluted)	59.4	51.1	32.5	41.0	47.8

Source: Company, Way2Wealth

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Disclosure of Interest Statement Deepak Nitrite Ltd. as on 19th February 2026

Name of the Security	Deepak Nitrite Ltd.
Name of the analyst	Rupali Singh
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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