# Dhanuka Agritech

India | Fertilizers & Agricultural Chemicals | **Result Update** | **Rating Upgrade**

6 February 2026

## Weak Q3; guarded optimistic ahead

Dhanuka Agritech (DAGRI IN) reported weak Q3. Profitability was impacted by negative operating leverage, as topline declined by 8% YoY. DAGRI bore the brunt of weak agrochemical demand environment as excess rainfall and subdued crop prices impacted pesticide consumption. DAGRI is a play on demand uptick in domestic agrochemical, which in turn is very erratic and follows weather conditions.

While the stock has corrected by ~45% in the past nine months and valuations at 12.8x FY28E EPS are compelling, earnings outlook depends on the trajectory of monsoon and its impact on agrochemical consumption. Hence, **we revise DAGRI to Buy** from Accumulate. However, we lower our TP to INR 1,372 (INR 1,628 earlier), on 17x 9MFY28E EPS of INR 80.7, as we roll forward to 9MFY28E financials.

**Dahej plant to ramp up in Q4:** DAGRI commercialized its second technical molecule from its technical plant at Dahej in Gujarat in Q3FY26. However, revenues remained muted at ~INR 0.04bn, as Q3 is an off-season quarter for both Bifenthrin and Difenoconazole. In addition, Difenoconazole production was delayed into November-December but is now fully operational. Management expects a sharp improvement from Q4FY26, with meaningful revenue contribution commencing in Q4 and 80% capacity utilization targeted for FY27 across Bifenthrin, Difenoconazole and Iprovalicarb.

**MPP-2 plans in final stage:** The MPP-2 plant at Dahej is in final planning stage and is expected to be concluded by the end of FY26. The capex for this plant is expected to be INR 0.6-0.7bn.

**Robust pipeline in FY27:** DAGRI has a strong launch pipeline in FY27, with three new products planned. This includes two fungicides under the 9(3) registration route, targeted at key crops such as grapes, potato, tomato and chilli. In addition, DAGRI plans to introduce a spray enhancer, primarily catering to the tomato segment.

**Revise to Buy with TP lowered to INR 1,372:** DAGRI used to be a pure domestic branded business play. It diversified and de-risked its business, with entry into technical manufacturing. With the acquisition of two molecules from Bayer AG, it has accelerated its footprint globally and is trying to lower geographical concentration risk. The acquisition has started bearing fruits in FY26 but DAGRI expects growth and margin to improve from FY27E.

Due to excess rainfall and weak agrochemical demand, FY26 is a washout year for domestic agrochemical companies and DAGRI. So, we lower EBITDA estimates by 9%, 13% and 16%, and PAT estimates by 11%, 18% and 21% for FY26E, FY27E and FY28E. We reduce our TP to INR 1,372 (from INR 1,628) on 17x 9MFY28E EPS of INR 80.7, as we roll forward to 9MFY28E.

While the stock has corrected by ~45% in the past nine months and valuations at 12.8x FY28E EPS are compelling, earnings outlook depend on the trajectory of monsoon and its impact on agrochemical consumption. Hence, we revise **DAGRI to Buy from Accumulate**.

### Key Financials

| YE March (INR mn) | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Revenue (INR mn) | 17,585 | 20,352 | 20,015 | 22,669 | 25,794 |
| YoY (%) | 3.4 | 15.7 | (1.7) | 13.3 | 13.8 |
| EBITDA (INR mn) | 3,274 | 4,166 | 3,981 | 4,631 | 5,520 |
| EBITDA margin (%) | 18.6 | 20.5 | 19.9 | 20.4 | 21.4 |
| Adj PAT (INR mn) | 2,391 | 2,970 | 2,720 | 3,160 | 3,798 |
| YoY (%) | 2.4 | 24.2 | (8.4) | 16.2 | 20.2 |
| Fully DEPS (INR) | 52.5 | 65.9 | 60.3 | 70.1 | 84.3 |
| RoE (%) | 20.6 | 22.3 | 18.1 | 18.3 | 19.2 |
| RoCE (%) | 24.7 | 26.7 | 21.8 | 22.6 | 23.9 |
| P/E (x) | 20.4 | 16.2 | 17.7 | 15.2 | 12.7 |
| EV/EBITDA (x) | 14.4 | 11.3 | 11.8 | 10.2 | 8.5 |

Note: Pricing as on 05 February 2026; Source: Company, Elara Securities Estimate

Rating: Buy
Target Price: INR 1,372
Upside: 28%
CMP: INR 1,068
As on 05 February 2026

| Key data | |
|---|---|
| Bloomberg | DAGRI IN |
| Reuters Code | DHNP.NS |
| Shares outstanding (mn) | 45 |
| Market cap (INR bn/USD mn) | 48/533 |
| EV (INR bn/USD mn) | 47/522 |
| ADTV 3M (INR mn/USD mn) | 47/1 |
| 52 week high/low | 1,975/1,018 |
| Free float (%) | 30 |

Note: as on 05 February 2026; Source: Bloomberg

Price chart


Source: Bloomberg

| Shareholding (%) | Q4 FY25 | Q1 FY26 | Q2 FY26 | Q3 FY26 |
|---|---|---|---|---|
| Promoter | 70.3 | 69.9 | 69.7 | 69.7 |
| % Pledge | 0.0 | 0.0 | 0.0 | 0.0 |
| FII | 2.2 | 2.7 | 2.3 | 2.1 |
| DII | 18.0 | 17.6 | 18.1 | 18.8 |
| Others | 9.5 | 9.8 | 9.9 | 9.4 |

Source: BSE

| Price performance (%) | 3M | 6M | 12M |
|---|---|---|---|
| Nifty | 0.2 | 4.0 | 8.2 |
| Dhanuka Agritech | (18.8) | (34.8) | (24.5) |
| NSE Mid-cap | (0.5) | 3.5 | 9.0 |
| NSE Small-cap | (8.1) | (6.2) | (1.2) |

Source: Bloomberg


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Global Markets Research

## Financials (YE March)

| Income Statement (INR mn) | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Total Revenue | 17,585 | 20,352 | 20,015 | 22,669 | 25,794 |
| Gross Profit | 6,864 | 8,161 | 8,106 | 9,067 | 10,318 |
| EBITDA | 3,274 | 4,166 | 3,981 | 4,631 | 5,520 |
| EBIT | 2,869 | 3,611 | 3,324 | 3,894 | 4,728 |
| Interest expense | 31 | 51 | 50 | 50 | 50 |
| Other income | 350 | 361 | 361 | 379 | 398 |
| Exceptional/ Extra-ordinary items | - | - | - | - | - |
| PBT | 3,188 | 3,921 | 3,635 | 4,224 | 5,076 |
| Tax | 797 | 952 | 915 | 1,063 | 1,278 |
| Minority interest/Associates income | - | - | - | - | - |
| Reported PAT | 2,391 | 2,970 | 2,720 | 3,160 | 3,798 |
| Adjusted PAT | 2,391 | 2,970 | 2,720 | 3,160 | 3,798 |

| Balance Sheet (INR mn) | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Shareholders' Equity | 12,559 | 14,027 | 16,086 | 18,380 | 21,198 |
| Minority Interest | - | - | - | - | - |
| Trade Payables | 1,495 | 1,400 | 1,535 | 1,739 | 1,979 |
| Provisions & Other Current Liabilities | 1,282 | 1,664 | 1,493 | 1,693 | 1,933 |
| Total Borrowings | 5 | 422 | - | - | - |
| Other long term liabilities | 451 | 488 | 511 | 580 | 664 |
| **Total liabilities & equity** | **15,791** | **18,001** | **19,624** | **22,392** | **25,774** |
| Net Fixed Assets | 3,495 | 3,362 | 3,590 | 3,353 | 3,062 |
| Goodwill | - | - | - | - | - |
| Intangible assets | 9 | 1,613 | 1,450 | 1,290 | 1,130 |
| Business Investments / other NC assets | 2,029 | 1,540 | 1,491 | 1,527 | 1,569 |
| Cash, Bank Balances & treasury investments | 990 | 1,389 | 2,676 | 4,796 | 7,009 |
| Inventories | 4,179 | 3,987 | 4,387 | 4,968 | 5,653 |
| Sundry Debtors | 3,468 | 4,591 | 4,387 | 4,658 | 5,300 |
| Other Current Assets | 1,622 | 1,517 | 1,643 | 1,800 | 2,051 |
| **Total Assets** | **15,791** | **18,001** | **19,624** | **22,392** | **25,774** |

| Cash Flow Statement (INR mn) | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Cashflow from Operations** | **1,299** | **2,577** | **2,754** | **3,110** | **3,383** |
| Capital expenditure | (893) | (1,940) | (486) | (340) | (340) |
| Acquisitions / divestitures | - | - | - | - | - |
| Other Business cashflow | 84 | 513 | (203) | (1,821) | (102) |
| **Free Cash Flow** | **490** | **1,150** | **2,065** | **949** | **2,941** |
| Cashflow from Financing | (506) | (750) | (778) | 1,170 | (727) |
| Net Change in Cash / treasury investments | (15) | 399 | 1,287 | 2,120 | 2,214 |

| Key assumptions & Ratios | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Dividend per share (INR) | 14.0 | 2.0 | 19.3 | 21.7 | 26.1 |
| Book value per share (INR) | 275.5 | 311.2 | 356.8 | 407.7 | 470.3 |
| RoCE (Pre-tax) (%) | 24.7 | 26.7 | 21.8 | 22.6 | 23.9 |
| ROIC (Pre-tax) (%) | 27.0 | 29.3 | 25.1 | 28.9 | 34.0 |
| ROE (%) | 20.6 | 22.3 | 18.1 | 18.3 | 19.2 |
| Asset Turnover (x) | 5.3 | 5.9 | 5.8 | 6.5 | 8.0 |
| Net Debt to Equity (x) | (0.1) | (0.1) | (0.2) | (0.3) | (0.3) |
| Net Debt to EBITDA (x) | (0.3) | (0.2) | (0.7) | (1.0) | (1.3) |
| Interest cover (x) (EBITDA/ int exp) | 106.1 | 81.5 | 79.6 | 92.6 | 110.4 |
| Total Working capital days (WC/rev) | 157.9 | 162.1 | 182.0 | 218.7 | 242.5 |

| Valuation | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| P/E (x) | 20.4 | 16.2 | 17.7 | 15.2 | 12.7 |
| P/Sales (x) | 2.7 | 2.4 | 2.4 | 2.1 | 1.9 |
| EV/ EBITDA (x) | 14.4 | 11.3 | 11.8 | 10.2 | 8.5 |
| EV/ OCF (x) | 36.3 | 18.3 | 17.1 | 15.2 | 13.9 |
| FCF Yield | 1.0 | 2.4 | 4.4 | 2.0 | 6.2 |
| Price to BV (x) | 3.9 | 3.4 | 3.0 | 2.6 | 2.3 |
| Dividend yield (%) | 1.3 | 0.2 | 1.8 | 2.0 | 2.4 |

Note: Pricing as on 05 February 2026; Source: Company, Elara Securities Estimate

**Exhibit 1: Quarterly financials**

| Consolidated financials (INR mn) | Q3FY26 | Q3FY25 | YoY (%) | Q1FY26 | QoQ (%) | Q3FY26E | Variance (%) | 9MFY26 | 9MFY25 | YoY (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cons Net Sales** | 4,099 | 4,453 | (7.9) | 5,283 | (22.4) | 4,096 | 0.1 | 15,365 | 15,931 | (3.6) |
| Raw Materials | 2,467 | 2,674 | (7.7) | 3,379 | (27.0) | 2,437 | 1.2 | 9,290 | 9,682 | (4.0) |
| *% of Net Sales* | 60.2 | 60.1 | 14bp | 64.0 | (378)bp | 59.5 | 69bp | 60.5 | 60.8 | (31)bp |
| Employee Cost | 449 | 423 | 6.1 | 467 | (3.8) | 432 | 4.0 | 1,395 | 1,319 | 5.8 |
| Other Expenses | 596 | 600 | (0.6) | 605 | (1.4) | 564 | 5.7 | 1,894 | 1,862 | 1.7 |
| Total Expenditure | 3,513 | 3,697 | (5.0) | 4,451 | (21.1) | 3,433 | 2.3 | 12,579 | 12,863 | (2.2) |
| **EBITDA** | 587 | 756 | (22.4) | 832 | (29.5) | 663 | (11.6) | 2,786 | 3,069 | (9.2) |
| *Margin (%)* | 14.3 | 17.0 | (266)bp | 15.7 | (144)bp | 16.2 | (189)bp | 18.1 | 19.3 | (113)bp |
| Depreciation | 163 | 131 | 24.6 | 154 | 5.7 | 165 | (1.5) | 479 | 380 | 26.1 |
| **EBIT** | 424 | 625 | (32.2) | 678 | (37.5) | 498 | (14.9) | 2,307 | 2,689 | (14.2) |
| Interest | 8 | 14 | (44.5) | 13 | (38.9) | 8 | (0.5) | 29 | 33 | (12.1) |
| Other Income | 81 | 70 | 15.9 | 80 | 1.0 | 84 | (3.3) | 225 | 249 | (9.9) |
| Exceptional Items | - | - | NA | - | NA | - | NA | - | - | NA |
| **PBT** | 497 | 681 | (27.0) | 745 | (33.3) | 574 | (13.4) | 2,502 | 2,905 | (13.9) |
| Tax | 97 | 130 | (25.3) | 190 | (48.9) | 146 | (33.5) | 608 | 690 | (11.9) |
| *Tax Rate (%)* | 19.6 | 19.1 | 44bp | 25.5 | (597)bp | 25.5 | (592)bp | 24.3 | 23.8 | 53bp |
| RPAT | 400 | 551 | (27.4) | 555 | (27.9) | 428 | (6.6) | 1,895 | 2,215 | (14.5) |
| APAT | 400 | 551 | (27.4) | 555 | (27.9) | 428 | (6.6) | 1,895 | 2,215 | (14.5) |
| Adj EPS | 8.9 | 12.2 | (27.4) | 12.3 | (27.9) | 9.5 | (6.6) | 42.0 | 49.0 | (14.2) |

Source: Company, Elara Securities Estimate

**Regulatory changes impacted portfolio launches in Q1FY27:** The revenue impact of biostimulant products stood at INR 0.15 bn in Q3FY26. Management expects approvals for three out of four affected products by Q4FY26, enabling launches from Q1FY27 under the new regulatory regime.

**Exhibit 2: Insecticides sales down 14% YoY**

| Sales (INR mn) | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Insecticides | 1,141 | 1,708 | 996 | 2,719 | 1,290 | 1,621 | 1,234 | 2,813 | 1,335 | 1,680 | 1,215 | 2,752 | 1,148 |
| Fungicides | 787 | 631 | 369 | 1,112 | 847 | 589 | 494 | 1,374 | 889 | 575 | 581 | 1,735 | 861 |
| Herbicides | 1,534 | 965 | 1,993 | 1,545 | 1,411 | 1,031 | 2,468 | 1,112 | 1,546 | 1,414 | 2,641 | 538 | 1,517 |
| Others | 472 | 408 | 332 | 803 | 484 | 442 | 740 | 1,243 | 683 | 751 | 845 | 957 | 574 |

Source: Company, Elara Securities Research

**Exhibit 3: South India sales down 19%**

| Sales (INR mn) | Q3FY23 | Q4FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| North | 865 | 1,077 | 1,107 | 1,483 | 887 | 958 | 1,530 | 1,897 | 1,008 | 1,503 | 1,638 | 1,795 | 1,025 |
| South | 1,495 | 1,522 | 738 | 1,916 | 1,573 | 1,473 | 938 | 2,028 | 1,720 | 1,503 | 1,004 | 1,974 | 1,394 |
| West | 1,141 | 705 | 1,513 | 2,101 | 1,089 | 737 | 2,073 | 1,832 | 1,228 | 884 | 2,166 | 1,436 | 1,230 |
| East | 433 | 408 | 332 | 680 | 484 | 516 | 395 | 785 | 498 | 530 | 475 | 778 | 451 |

Source: Company, Elara Securities Research

**Exhibit 4: Valuation**

| (INR) | |
|---|---|
| EPS – FY27E | 70.1 |
| EPS – FY28E | 84.3 |
| Implied 9MFY28E EPS | 80.7 |
| Target multiple (x) | 17 |
| Target price | 1,372 |

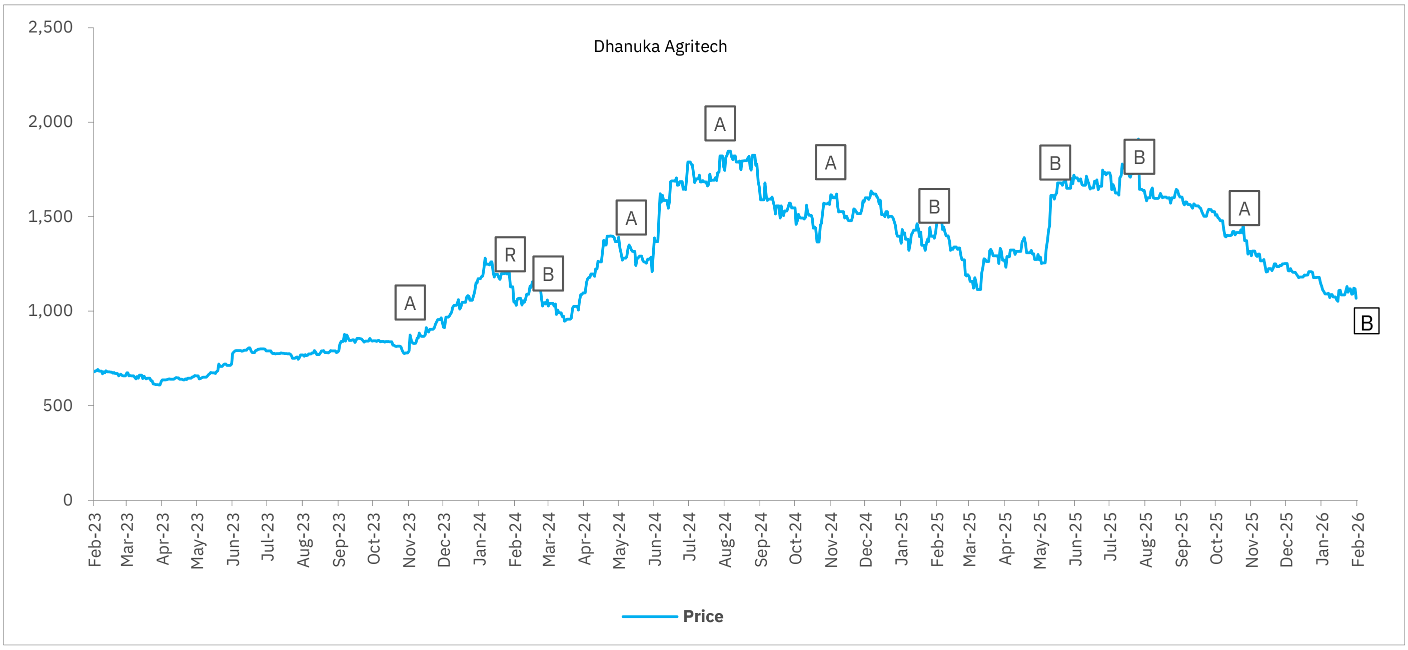
Source: Elara Securities Estimate

### Exhibit 5: Changes in estimates

| (INR mn) | Earlier | | | Revised | | | Change (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| Net Sales | 21,006 | 25,038 | 29,661 | 20,015 | 22,669 | 25,794 | (4.7) | (9.5) | (13.0) |
| EBITDA | 4,374 | 5,317 | 6,551 | 3,981 | 4,631 | 5,520 | (9.0) | (12.9) | (15.7) |
| EBITDA Margin (%) | 20.8 | 21.2 | 22.1 | 19.9 | 20.4 | 21.4 | (93)bp | (81)bp | (69)bp |
| PAT | 3,048 | 3,831 | 4,805 | 2,720 | 3,160 | 3,798 | (10.8) | (17.5) | (20.9) |
| EPS (INR) | 67.6 | 85.0 | 106.6 | 60.3 | 70.1 | 84.3 | (10.8) | (17.5) | (20.9) |
| **TP (INR)** | | | **1,628** | | | **1,372** | | | **(15.7)** |
| **Rating** | | | **Accumulate** | | | **Buy** | | | |

Source: Elara Securities Estimate

## Coverage History




| Date | Rating | Target Price (INR) | Closing Price (INR) |
|---|---|---|---|
| 07-Nov-2023 | Accumulate | 963 | 874 |
| 02-Feb-2024 | Reduce | 1,115 | 1,130 |
| 06-Mar-2024 | Buy | 1,287 | 1,028 |
| 17-May-2024 | Accumulate | 1,417 | 1,334 |
| 02-Aug-2024 | Accumulate | 2,106 | 1,821 |
| 06-Nov-2024 | Accumulate | 1,821 | 1,617 |
| 04-Feb-2025 | Buy | 1,821 | 1,385 |
| 20-May-2025 | Buy | 1,987 | 1,614 |
| 01-Aug-2025 | Buy | 2,106 | 1,646 |
| 31-Oct-2025 | Accumulate | 1,628 | 1,374 |
| 05-Feb-2026 | Buy | 1,372 | 1,068 |

### Guide to Research Rating

| | |
|---|---|
| **BUY (B)** | Absolute Return >+20% |
| **ACCUMULATE (A)** | Absolute Return +5% to +20% |
| **REDUCE (R)** | Absolute Return -5% to +5% |
| **SELL (S)** | Absolute Return < -5% |

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