




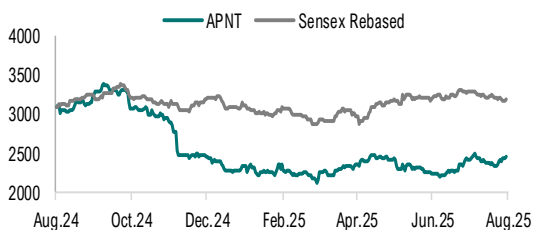
18th August 2025

Key Changes		Target 	Rating 	Earnings 		Target	Rs.2,777
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.2,529
Large Cap	APNT:IN	80,598	ASIANPAINT	500820	12 Months	Return	10%

Green shoot in urban demand adds optimism...

Company Data			
Market Cap (cr)	2,42,582		
52 Week High — Low (Rs.)	3,394-2,125		
Enterprise Value (cr)	2,41,905		
Outstanding Shares (Rs cr)	95.9		
Free Float (%)	47.4		
Dividend Yield (%)	0.98		
6m average volume (cr)	0.1		
Beta	0.8		
Face value (Rs)	1.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	52.6	52.6	52.6
FII's	13.6	12.2	11.9
MFs/Insti	14.0	15.5	21.0
Public	19.8	19.6	14.5
Total	100	100	100
Promoter Pledge (%)	4.1	4.9	4.9
Price Performance	3 Month	6 Month	1 Year
Absolute Return	4.5%	7.7%	-21.2%
Absolute Sensex	0.0%	3.4%	2.5%
Relative Return*	4.6%	4.3%	-23.7%

**over or underperformance to benchmark index*



Consolidated (Rs cr)	FY25A	FY26E	FY27E
Sales	33,906	35,437	38,297
Growth (%)	-4.5	4.5	8.1
EBITDA	6,006	6,485	7,085
EBITDA Margin(%)	17.7	18.3	18.5
Adj. PAT	4,073	4,486	4,843
Growth (%)	-26.7	10.1	8.0
Adj.EPS	42.5	46.8	50.5
Growth (%)	-26.7	10.1	8.0
P/E	59.6	54.1	50.1
P/B	11.8	10.5	9.4
EV/EBITDA	40.3	37.3	34.2
ROE (%)	20.7	20.6	19.8
D/E	0.1	0.0	0.0

Author: Antu Eapan Thomas - Sr. Research Analyst

- In Q1FY26, APNT's volume grew by 3.9% YoY, which is marginally better than our estimate, as the early arrival of the monsoon did not dampen demand as much as feared.
- Gross margin improved by 15bps YoY to 42.7% due to benign input prices and backward integration. The company expects input prices to inch up by 1.5-2% due to the imposition of anti-dumping duty on TiO2 imports from China.
- EBITDA margin contracted by 70bps YoY to 18.2% due to higher sales and marketing spending. However, the management maintained its EBITDA margin guidance of 18-20% for FY26.
- Urban markets are showing early signs of recovery, and a good monsoon is expected to support overall demand. At the same time, the company's key backward integration projects such as the white cement plant in Dubai—are nearing completion, with output benefits expected to begin from the next quarter.

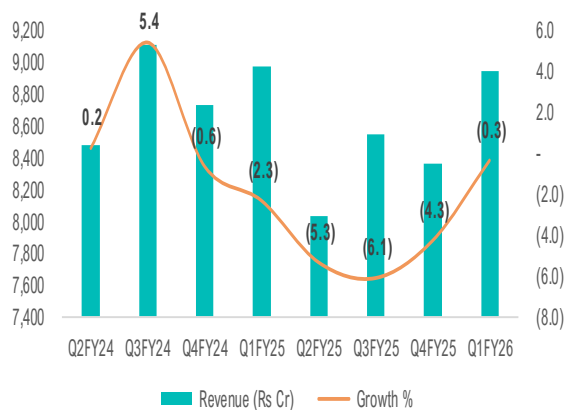
We expect the competition intensity to continue in the near term and expect a recovery in demand from H2FY26 on account of festival season and post-monsoon season demand. We, therefore, **revise our rating to HOLD from Reduce with a revised target price of Rs. 2,777, based on a P/E of 55x (~10% discount to its 5-year average) on FY27 EPS.**

Rs. cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Sales	8,939	8,970	-0.3	8,359	6.9
EBITDA	1,625	1,694	-4.1	1,436	13.1
Margin (%)	18.2	18.9	-70bps	17.2	100bps
EBIT	1,324	1,466	-9.7	1,135	16.7
PBT	1,472	1,567	-6.0	999	47.4
Rep. PAT	1,117	1,187	-5.9	701	59.4
Adj PAT	1,117	1,187	-5.9	884	26.4
EPS (Rs)	11.6	12.4	-5.9	9.2	26.4

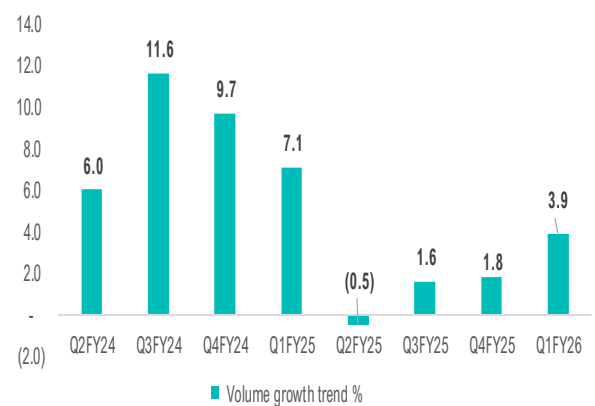
Key Concall Highlights

- The company is expecting single digit volume/value growth in FY26.
- Expectations of better monsoons coupled with benign oil prices are near-term tailwinds for the industry.
- Backward integration processes are progressing well, the white cement plant with a capacity of 2.75 lakh ton is expected to become operational in Q2FY26.
- The VAM-VAE emulsion plant in Dahej is likely to become operational in Q1FY27.
- The new products contributed to over 14% of overall sales in Q1FY26.
- The company expects capex of Rs 700cr for FY26.
- The company maintained EBITDA margin guidance of 18-20% for FY26

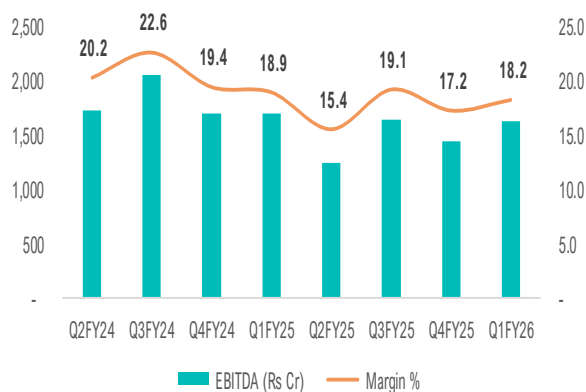
Revenue



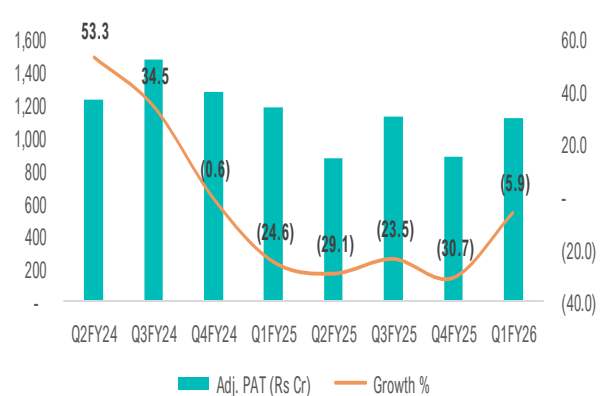
Volume Growth %



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	35,825	38,717	35,437	38,297	-1.1	-1.1
EBITDA	6,449	7,085	6,485	7,085	0.6	0.0
Margins (%)	18.0	18.3	18.3	18.5	30bps	20bps
Adj. PAT	4,459	4,843	4,486	4,843	0.6	0.0
EPS	47	51	47	50	0.6	0.0



Consolidated Financials

PROFIT & LOSS

Y. E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	34,489	35,495	33,906	35,437	38,297
% change	18.5	2.9	-4.5	4.5	8.1
EBITDA	6,260	7,585	6,006	6,485	7,085
% change	30.3	21.2	-20.8	8.0	9.3
Depreciation	858	853	1,026	1,127	1,208
EBIT	5402	6,732	4,980	5,358	5,877
Interest	144	205	227	245	260
Other Income	386.5	688.0	572.6	600.0	650.0
PBT	5,595	7,215	4,962	5,713	6,267
% change	34.6	29.0	-31.2	15.1	9.7
Tax	1,494	1,790	1,393	1,397	1,604
Tax Rate (%)	26	25	30	24	26
Reported PAT	4,195	5,557	3,710	4,486	4,843
Adj*	49	0	363	0	0
Adj PAT	4,244	5,557	4,073	4,486	4,843
% change	32.6	30.9	-26.7	10.1	8.0
No. of shares (cr)	96	96	96	96	96
Adj EPS (Rs.)	44	58	42	47	50
% change	32.6	30.9	-26.7	10.1	8.0
DPS (Rs.)	14.2	15.3	16.4	17.5	18.6

CASH FLOW

Y. E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	6,547	8,201	6,129	7,010	7,655
Non-cash adj.	-1362	-1874	-1036	-1176	-1391
Changes in W.C	-598	496	-1,374	-734	-1,307
C. F. Operation	4586	6823	3,719	5,100	4,957
Capital exp.	-1,387	-3,556	296	-976	-1,028
Change in inv.	-1008	-25	-1492	-1762	-2276
Other invest.CF	0	0	0	0	0
C. F – Investment	-2395	-3581	-1196	-2738	-3304
Issue of equity	0	0	0	0	0
Issue/repay debt	52	-70	-172	-290	-305
Dividends paid	-1,625	-1,751	-1,877	-2,003	-2,129
Other finance.CF	66	242	20	20	20
C. F – Finance	-1507	-1580	-3895	-2273	-2414
Chg. in cash	684	1662	-1372	88	-761
Closing cash	1,549	3,211	1,839	1,927	1,167

BALANCE SHEET

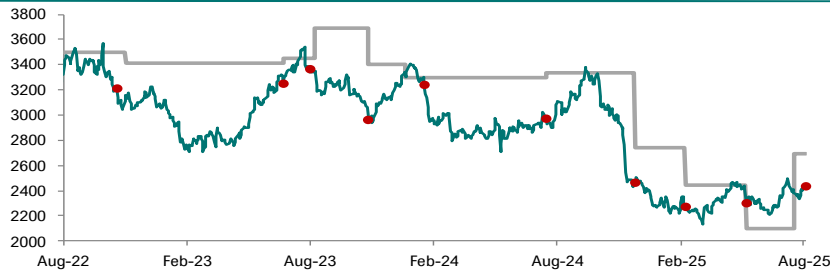
Y. E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	844	1,084	1,839	1,927	1,167
Accounts Receivable	4,639	4,891	4,830	5,049	5,771
Inventories	6,211	5,923	5,721	6,087	6,448
Other Cur. Assets	3,034	3,570	3,395	3,524	4,019
Investments	4,262	4,588	5,964	7,754	10,080
Gross Fixed Assets	8,691	10,108	11,608	12,608	13,608
Net Fixed Assets	5,355	6,302	6,452	6,345	6,157
CWIP	1,020	2,698	1,000	1,000	1,000
Intangible Assets	415	844	810	766	774
Def. Tax (Net)	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	25,779	29,901	30,012	32,452	35,415
Current Liabilities	7,740	8,756	6,951	6,917	7,164
Provisions	305	285	279	291	315
Debt Funds	972	1,107	1,162	1,117	1,072
Other Liabilities	770	1,024	1,060	1,083	1,106
Equity Capital	96	96	96	96	96
Reserves & Surplus	15,896	18,632	20,465	22,948	25,661
Shareholder's Fund	15,992	18,728	20,561	23,044	25,757
Total Liabilities	25,779	29,901	30,012	32,452	35,415
BVPS (Rs.)	167	195	214	240	269

RATIOS

Y. E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	18.2	21.4	17.7	18.3	18.5
EBIT margin (%)	15.7	19.0	14.7	15.1	15.3
Net profit mgn.(%)	12.3	15.7	12.0	12.7	12.6
ROE (%)	28.5	32.0	20.7	20.6	19.8
ROCE (%)	20.3	23.6	15.0	15.6	14.9
W.C & Liquidity					
Receivables (days)	45.0	49.0	52.3	50.9	51.6
Inventory (days)	65.4	62.4	62.7	60.8	59.7
Payables (days)	4.5	5.9	7.6	7.5	7.1
Current ratio (x)	1.8	1.7	2.2	2.3	2.3
Quick ratio (x)	0.7	0.7	1.0	1.0	1.0
Turnover & Leverage					
Gross asset T.O (x)	4.2	3.8	3.1	2.9	2.9
Total asset T.O (x)	1.4	1.3	1.1	1.1	1.1
Int. coverage ratio (x)	37.4	32.8	21.9	21.8	22.6
Adj. debt/equity (x)	0.1	0.1	0.1	0.0	0.0
Valuation					
EV/Sales (x)	7.0	6.8	7.1	6.8	6.3
EV/EBITDA (x)	38.8	32.0	40.3	37.3	34.2
P/E (x)	57.2	43.7	59.6	54.1	50.1
P/BV (x)	15.2	13.0	11.8	10.5	9.4



Recommendation Summary (last 3 years)



Dates	Rating	Target
28-Jul-2022	Buy	3,502
1-Nov-2022	Buy	3,416
24-Jan-2023	Buy	3,115
26-Jun-2023	Hold	3,448
08-Aug-2023	Buy	3,691
31-Oct-2023	Buy	3,399
24-Jan-2024	HOLD	3,299
19-Jul-2024	Buy	3,305
29-Nov-2024	Buy	2,701
13-Feb-2025	HOLD	2,441
14-May-2025	Reduce	2,095
18-Aug-2025	HOLD	2,777

Investment rating criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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