Retail Equity Research

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Asian Paints Ltd.

BUY

Sector: Paint

14th November 2025

Key Changes	Target ▲		Rating ▲		Earnings ▲
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	APNT:IN	84,479	ASIANPAINT	500820	12 Months

Target	**Rs.3,244**
CMP	**Rs.2,879**
Return	**13%**

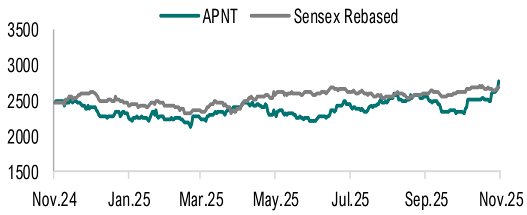
Data as of: 13-11-2025, 16:00hrs

Company Data	
Market Cap (cr)	2,76,154
52 Week High — Low (Rs.)	2,909-2,125
Enterprise Value (cr)	2,75,477
Outstanding Shares (Rs cr)	95.9
Free Float (%)	47.4
Dividend Yield (%)	0.86
6m average volume (cr)	0.1
Beta	0.8
Face value (Rs)	1.0

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	52.6	52.6	52.6
FII's	12.2	11.9	11.6
MFs/Insti	15.5	21.0	21.5
Public	19.6	14.5	14.2
Total	100	100	100
Promoter Pledge (%)	4.9	4.9	4.8

Price Performance	3 Month	6 Month	1 Year
Absolute Return	13.8%	22.4%	16.5%
Absolute Sensex	4.8%	2.6%	8.7%
Relative Return*	9.0%	19.8%	7.8%

****over or underperformance to benchmark index***



Consolidated (Rs cr)	FY26E	FY27E	FY28E
Sales	35,778	38,640	42,504
Growth (%)	*5.5*	*8.0*	*10.0*
EBITDA	6,583	7,303	8,161
EBITDA Margin(%)	*18.4*	*18.9*	*19.2*
Adj. PAT	4,479	5,058	5,657
Growth (%)	*10.0*	*12.9*	*11.8*
Adj.EPS	46.7	52.7	59.0
Growth (%)	*10.0*	*12.9*	*11.8*
P/E	61.7	54.6	48.8
P/B	12.0	10.6	9.4
EV/EBITDA	41.8	37.8	33.8
ROE (%)	*20.5*	*20.6*	*20.4*
D/E	0.0	0.0	0.0

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Stellar Performance in Q2FY26…

Asian Paints Ltd. (APNT), is engaged in the business of manufacturing, selling and distribution of paints and related products for home décor. APNT is the market leader in the Indian paint manufacturing industry.

- In Q2FY26, APNT delivered strong volume growth of 10.9%, driven by early festive demand, increased brand spending, product regionalization effort, and an expanding B2B network.
- Despite aggressive marketing spend, EBITDA margin improved by 242 bps YoY, supported by deflation in RM price (~1.6%), backward integration and better product mix.
- The management maintained its EBITDA margin guidance of 18-20% for FY26 in expectation of mid single digit volume growth and revival in demand.
- Although industry competition remains high, the company's strong brand position, combined with a healthier demand environment supported by a robust marriage season and a favourable monsoon, continues to drive volume growth.
- The company's key backward integration projects, such as the white cement plant in Dubai, are commissioned, while the VAM/VAE project is to be commissioned in Q1FY27 to support margins.

Outlook & Valuation

With the company's ongoing B2B expansion and product regionalisation efforts, we expect volume growth to improve to mid-single digits in FY26. A better product mix and soft input costs should further support earnings. We therefore revise our rating to BUY from **HOLD with a revised target price of Rs. 3,244, based on a 55x P/E on FY28 EPS.**

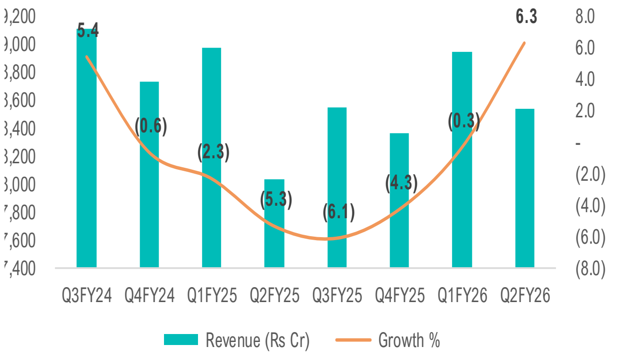
Quarterly Financials Consol.

Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	8,531	8,028	6.3	8,939	-4.6	17,470	16,997	2.8
EBITDA	1,503	1,240	21.3	1,625	-7.5	3,128	2,933	6.7
Margin (%)	17.6	15.4	218bps	18.2	-56bps	17.9	17.3	65bps
EBIT	1,198	998	20.1	1,324	-9.5	2,523	2,464	2.4
PBT	1,353	928	45.8	1,472	-8.1	2,826	2,495	13.3
Rep. PAT	1,018	694	46.8	1,117	-8.8	2,135	1,880	13.6
Adj PAT	1,018	874	16.5	1,117	-8.8	2,135	2,061	3.6
EPS (Rs)	10.6	9.1	16.5	11.6	-8.8	22.3	21.5	3.6

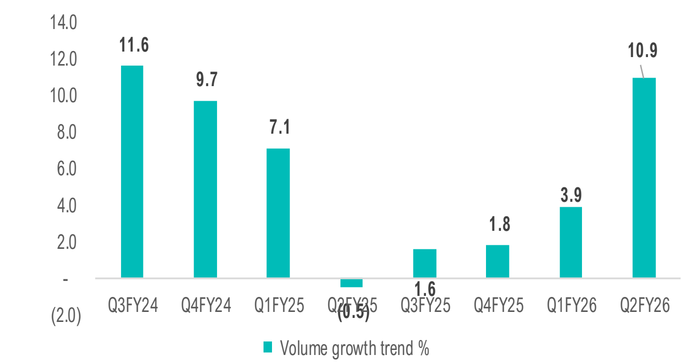
Key Concall Highlights

- The company is expecting mid single digit volume/value growth in FY26.
- The overall industry grew around 3-3.5% in H1FY26
- Extended monsoon negatively impacted demand, though there was some improvement in September and early October during the festive season.
- Strong upcoming marriage season –good monsoon potentially helping rural markets - GST corrections potentially boosting consumption.
- The new products contributed to over 15% of overall sales in Q2FY26.
- The company maintained EBITDA margin guidance of 18-20% for FY26.

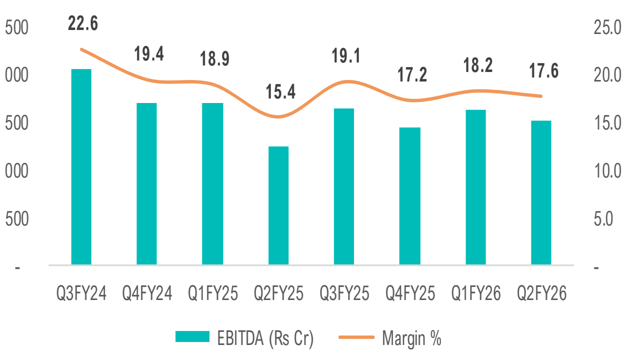
Revenue



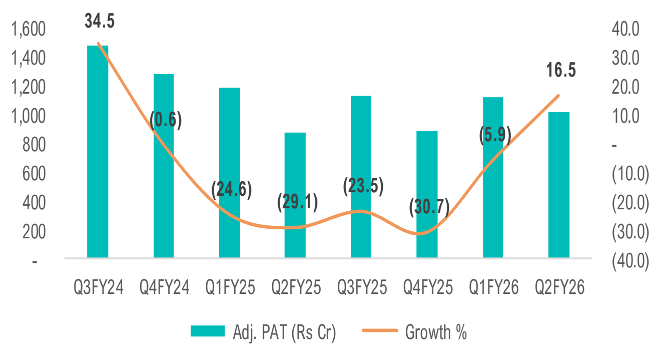
Volume Growth %



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY26E**	**FY27E**	**FY26E**	**FY27E**	**FY26E**	**FY27E**
Revenue	35,437	38,297	35,778	38,640	1.0	0.9
EBITDA	6,485	7,085	6,583	7,303	1.5	3.1
Margins (%)	18.3	18.5	18.4	18.9	10bps	40bps
Adj. PAT	4,486	4,843	4,479	5,058	-0.2	4.4
EPS	46.8	50.5	46.7	52.7	-0.2	4.4

Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**35,495**	**33,906**	**35,778**	**38,640**	**42,504**
% change	2.9	-4.5	5.5	8.0	10.0
EBITDA	**7,585**	**6,006**	**6,583**	**7,303**	**8,161**
% change	21.2	-20.8	9.6	10.9	11.7
Depreciation	853	1,026	1,226	1,246	1,312
EBIT	**6,732**	**4,980**	**5,357**	**6,056**	**6,849**
Interest	205	227	194	205	200
Other Income	688.0	572.6	700.0	750.0	750.0
PBT	**7,215**	**4,962**	**5,863**	**6,601**	**7,398**
% change	29.0	-31.2	18.1	12.6	12.1
Tax	1,790	1,393	1,554	1,723	1,931
Tax Rate (%)	25	30	27	26	26
Reported PAT	**5,557**	**3,710**	**4,479**	**5,058**	**5,657**
Adj*	0	363	0	0	0
Adj PAT	**5,557**	**4,073**	**4,479**	**5,058**	**5,657**
% change	30.9	-26.7	10.0	12.9	11.8
No. of shares (cr)	**96**	**96**	**96**	**96**	**96**
Adj EPS (Rs.)	58	42	47	53	59
% change	30.9	-26.7	10.0	12.9	11.8
DPS (Rs.)	15.3	16.4	17.5	18.6	19.7

BALANCE SHEET

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	1,084	1,839	1,965	1,454	1,206
Accounts Receivable	4,891	4,830	5,097	5,822	6,405
Inventories	5,923	5,721	6,092	6,460	7,068
Other Cur. Assets	3,570	3,395	3,558	4,055	4,460
Investments	4,588	5,964	7,754	10,080	13,104
Gross Fixed Assets	10,108	11,608	12,608	13,608	14,608
Net Fixed Assets	6,302	6,452	6,246	6,019	5,727
CWIP	2,698	1,000	1,000	1,000	1,000
Intangible Assets	844	810	766	774	784
Def. Tax (Net)	-	-	-	-	-
Other Assets	-	-	-	-	-
Total Assets	**29,901**	**30,012**	**32,477**	**35,663**	**39,753**
Current Liabilities	8,756	6,951	6,923	7,177	7,853
Provisions	285	279	294	318	349
Debt Funds	1,107	1,162	1,117	1,072	1,027
Other Liabilities	1,024	1,060	1,106	1,130	1,154
Equity Capital	96	96	96	96	96
Reserves & Surplus	18,632	20,465	22,941	25,870	29,273
Shareholder's Fund	18,728	20,561	23,037	25,966	29,368
Total Liabilities	**29,901**	**30,012**	**32,477**	**35,663**	**39,753**
BVPS (Rs.)	**195**	**214**	**240**	**271**	**306**

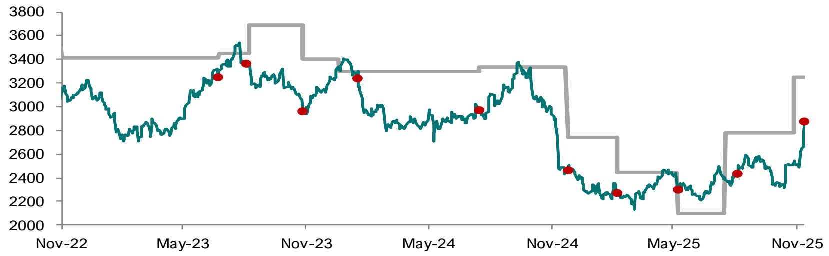
CASH FLOW

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	**8,201**	**6,129**	**7,259**	**8,028**	**8,900**
Non-cash adj.	-1874	-1036	-1460	-1564	-1726
Changes in W.C	496	-1,374	-813	-1,311	-888
C.F. Operation	**6823**	**3,719**	**4,985**	**5,153**	**6,286**
Capital exp.	-3,556	296	-976	-1,028	-1,030
Change in inv.	-25	-1492	-1662	-2276	-3024
Other invest.CF	0	0	0	0	0
C.F – Investment	**-3581**	**-1196**	**-2638**	**-3304**	**-4053**
Issue of equity	0	0	0	0	0
Issue/repay debt	-70	-172	-239	-250	-245
Dividends paid	-1,751	-1,877	-2,003	-2,129	-2,255
Other finance.CF	242	20	20	20	20
C.F – Finance	**-1580**	**-3895**	**-2222**	**-2359**	**-2480**
Chg. in cash	1662	-1372	126	-511	-248
Closing cash	3,211	1,839	1,965	1,454	1,206

RATIOS

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	21.4	17.7	18.4	18.9	19.2
EBIT margin (%)	19.0	14.7	15.0	15.7	16.1
Net profit mgn.(%)	15.7	12.0	12.5	13.1	13.3
ROE (%)	32.0	20.7	20.5	20.6	20.4
ROCE (%)	23.6	15.0	15.1	15.2	15.1
W.C & Liquidity					
Receivables (days)	49.0	52.3	50.6	51.6	52.5
Inventory (days)	62.4	62.7	60.3	59.3	58.1
Payables (days)	5.9	7.6	7.4	7.0	6.6
Current ratio (x)	1.7	2.2	2.3	2.4	2.3
Quick ratio (x)	0.7	1.0	1.0	1.0	1.0
Turnover & Leverage					
Gross asset T.O (x)	3.8	3.1	3.0	2.9	3.0
Total asset T.O (x)	1.3	1.1	1.1	1.1	1.1
Int. coverage ratio (x)	32.8	21.9	27.6	29.5	34.2
Adj. debt/equity (x)	0.1	0.1	0.0	0.0	0.0
Valuation					
EV/Sales (x)	7.8	8.1	7.7	7.1	6.5
EV/EBITDA (x)	36.4	45.9	41.8	37.8	33.8
P/E (x)	49.7	67.8	61.7	54.6	48.8
P/BV (x)	14.7	13.4	12.0	10.6	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
14-Nov-2025	BUY	3,244

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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