Dated: 7 Nov 2025

Clean Science & Technology (CLEAN) - BUY

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.981	**Rs.1200**

Rationale:

- Reported soft earnings for Q2FY26, as expected, amid a demand slowdown for the company's leading products.
- The near-term outlook is unclear amid macro headwinds.
- Commercialization of key projects remains on track and HALS is now showing traction.
- Even in the event of delays in the ramp-up of growth projects, the stock may undergo only a 'time' correction rather than a price correction.
- Elevation of Siddharth Sikchi highlights his commitment to the company and his continued skin in the game.
- We cut EPS estimates by 16-19% and lower our December 2026 Fair Value to Rs1,200 (from Rs1,370), but retain BUY for healthy medium-term growth.

Positives:

- Management is hopeful for growth in Q4FY26 as new products contribute.
- HALS sales volumes jumped 25% qoq in Q2FY26 and are expected to maintain qoq growth going forward.

Negatives:

- EBITDA declined 2.9% yoy as demand headwinds hit leading, most profitable products.
- Gross margins at the subsidiary were impacted by the use of high-cost inventories.
- Management attributed the decline in volumes to demand uncertainty and competitive intensity from Chinese suppliers.
- Market uncertainties from tariffs and competitive dynamics.
- Volume growth is not expected to return in Q3FY26.

(EBITDA-Earnings Before Interest, Taxes, Depreciation, and Amortization, HALS - Hindered Amine Light Stabilizers)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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