PRIVATE CLIENT GROUP | kotak Securities

Dated: 10th November 2025

AkzoNobel India (AKZO) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.3246	Rs.3710

Rationale:

- Company reported de-growth in earnings/EBIDTA and revenue during the quarter.
- There was muted consumer sentiment, competitive intensity and strategic review.
- Company reported sustained growth in B2B with healthy orders, but B2C was muted for the company.
- A potential revival of the ‘Dulux’ brand under the new owner “JSW Paints” bodes positive for the stock.
- Maintain ADD with a revised TP of Rs 3710 at 33x FY28E.
- We expect earnings to grow 14.4% in FY27E and grow by 10.4% in FY28E.
- Stock is trading at 28.9x FY28E earnings.

Positives:

- It was a difficult quarter for the decorative paints business.
- Company relaunched propositions in Mass (Promise) and Exterior Emulsions (Weather shield Projects).

Negatives:

- B2B – Growth momentum continued on a high base.
- In Industrial segment, there was growth in power and Mining businesses in Protective.

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.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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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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