

Acutaas Chemicals (ACUTAAS) – BUY

Company Update

Current Market Price (CMP) Rs.1,141	Fair Value (FV) Rs.1,490
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Rationale:

- Acutaas Chemicals’ announcement of a JV to manufacture semiconductor chemicals in Korea is an incremental positive for our estimates.
- It promises a faster ramp-up of this line of business than we previously expected.
- We raise FY28E EPS by 5% to Rs55 and June 2026E FV to Rs1,490 (from Rs1,450).
- We maintain BUY in anticipation of a strong 36% EPS CAGR over FY25-30E.
(EPS – Earnings Per Share; CAGR – Compound Annual Growth Rate; EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization)

Company Update:

👍 Positives:

- Acutaas has announced a JV with a South Korean company named J & Materials.
- Korea JV (Indichem) could ramp up to Rs150 cr of EBITDA by FY30.
- Widens Acutaas’ portfolio of products and clients in photoacid generators.
- We estimate that Acutaas’ overall semiconductor chemicals business generates EBITDA of Rs210 cr in FY30 on revenues of 340 cr.
- Potential for a re-rating given very high return metrics in semiconductor chemicals.

👎 Negatives:

- Semiconductor chemicals EBITDA margin declines from 72.4% in FY24 to 50% in FY25.

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For detailed report dated 30th June 2025. Note: CMP & valuation may differ due to difference in dates.



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