kotak neo

Dated: 6th August 2026

Berger Paints (BRGR) - REDUCE

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 545	**Rs.540**

Rationale:

- BRGR reported 12%/15%/18% yoy growth in revenue/EBITDA/PAT.
- Growth led by 8.5% volume growth and 5% pricing in decorative paints.
- Management expects robust revenue growth with 15-17% EBITDA margin.
- Birla Opus has closed the price gap versus incumbents.
- Moderated painter payouts, while continuing to offer elevated trade margins.
- We increase FY27-28E EPS by 4-10% as we factor in easing RM prices.
- We roll over and revise FV to Rs540 (from Rs515), based on 38X Sep 2028E PE.
- While competitive intensity is stabilizing.
- We remain cautious with new competition from JSW-Dulux adding to pressure from Birla Opus in a soft demand environment.

Positives:

- BRGR’s consolidated revenue grew 12% yoy to Rs3580 cr (1.3% beat).
- Growth led by volume/value growth of 8.4%/12.7% yoy for standalone business.
- There was ~5.6% yoy growth for subsidiaries.
- Auto coatings reported healthy Double digit value growth.

Negatives:

- Consolidated GM contracted 55 bps yoy to 40.9%.

The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com).Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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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.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

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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