kotak neo

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Acutaas Chemicals (ACUTAAS)

Current Market Price	Fair Value (FV)
Rs.3260	Rs.3110

Date: 27 July 2026

Previous Rating: - BUY **Current Rating:** REDUCE **Change:** Downgrade

Ratings Rationale

- Acutaas Chemicals delivered strong results once again in Q1FY27.
- Continued growth in CDMO revenues was complemented by the catalog business.
- Earnings growth is likely to remain robust, underpinned by multiple growth drivers.
- Specialty chemicals division revenues declined 10.7% yoy.
- Management expects stable EBITDA margins in FY27 as lower-margin battery chemicals offset strong CDMO growth.
- Valuations have run up way too fast given its high revenue concentration in Nubeqa intermediates.
- Nubeqa goes off-patent in mid-2030s, likely creating pressure on growth & margins.
- We believe valuations have run up too far too soon.
- We switch to an SoTP-based valuation and cut our rating to REDUCE with a revised FV of Rs3,110.

(CDMO – Contract Development and Manufacturing Organization | SoTP – Sum of the Parts | EBITDA – Earnings Before Interest, Taxes, Depreciation & Amortization)

Valuation

Rest of the business (ex- Nubeqa) leaves us with an implied June 2028E target P/E of 35X

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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