

Berger Paints India Ltd

HOLD

Sector: Paints

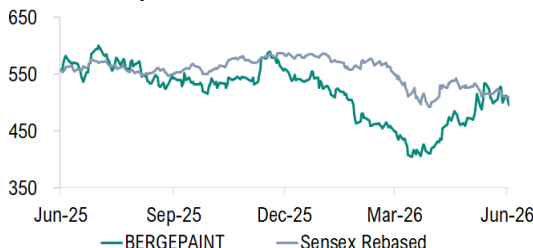
10th June, 2026

Key Changes	Target	Rating	Earnings	Target	Rs. 554		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 502
Mid Cap	BRGR:IN	73,919	BERGEPAIN	509480	12 Months	Return	+10%

Data as of: 09-June-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	57,822		
52 Week High — Low (Rs.)	605 - 392		
Enterprise Value (Rs. cr)	58,170		
Outstanding Shares (cr)	116.6		
Free Float (%)	24.3		
Dividend Yield (%)	0.8		
6m average volume (cr)	0.1		
Beta	1.0		
Face value (Rs.)	1.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	75.0	75.0	75.0
FII's	5.4	5.3	4.7
MFs/Institutions	10.7	11.1	11.7
Public	6.7	6.5	6.5
Others	2.2	2.2	2.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	10.6%	-11.2%	-11.2%
Absolute Sensex	-7.3%	-12.6%	-7.9%
Relative Return	17.9%	1.5%	-3.2%

***over or under performance to benchmark index**



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	11,880	13,039	14,212
Growth (%)	2.9	9.7	9.0
EBITDA	1,833	2,063	2,304
EBITDA Margin (%)	15.4	15.8	16.2
PAT Adjusted	1,180	1,272	1,435
Growth (%)	0.0	7.8	12.8
Adjusted EPS	10.1	10.9	12.3
Growth (%)	0.0	7.8	12.8
P/E	40.5	45.4	40.3
P/B	6.9	7.6	6.9
EV/EBITDA	26.3	28.2	25.2
ROE (%)	16.3	16.7	17.1
D/E	0.1	0.1	0.1

Resilient result, balanced outlook

Berger Paints India (Berger) is the second largest paint company in the domestic market with 10 strategically located manufacturing units and a countrywide distribution network of 25,000+ dealers.

- Consolidated revenue grew 6.1% YoY to Rs. 2,868cr in Q4FY26. The growth was aided by strong decorative demand, pre-price-hike dealer buying, premium emulsion demand and healthy traction across key business segments.
- Berger registered 11.8% YoY volume growth in Q4FY26 driven by offtake across key business segments, while value grew 6.7% YoY.
- In Q4FY26, the industrial business delivered strong volume-led growth with high-teen margins, driven by robust performance in protective and automotive coatings, supported by sustained two-wheeler demand.
- EBITDA rose 12.6% YoY to Rs. 482cr due to improved operational efficiency. As a result, the EBITDA margin improved 100bps YoY to 16.8%.
- Reported profit after tax (PAT) rose 27.5% YoY to Rs. 335cr because of higher revenue and exceptional gain aided by an insurance claim recognition in Q4FY26.

Outlook & Valuation

Berger Paints delivered a healthy quarterly performance, supported by strong volume growth across the decorative, automotive and selected industrial segments. Premium products, wider retail reach and continued momentum in waterproofing and construction chemicals strengthened the business mix. Margin performance also improved meaningfully due to a better product mix, operating leverage and lower input costs during the quarter. However, the near-term outlook is becoming more balanced since raw material costs have started rising again, prompting price increases that may affect demand momentum after some advance channel stocking. Competitive intensity in the paints industry also remains high, which can limit pricing freedom and keep pressure on market share gains. Therefore, **we downgrade our rating on the stock to 'HOLD', with a rolled-forward target price of Rs. 554, based on 45x FY28E adjusted EPS.**

Quarterly Financials Consolidated

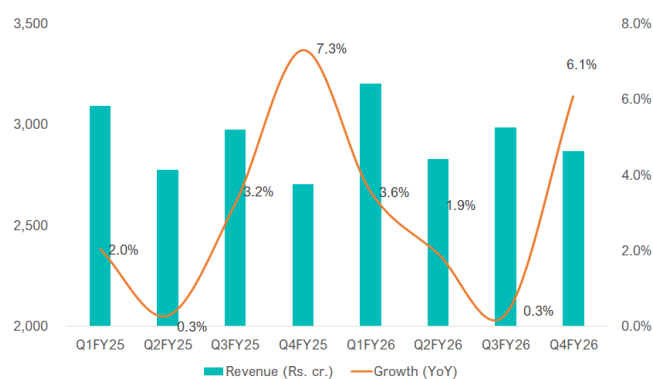
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	2,868	2,704	6.1	2,984	-3.9	11,880	11,545	2.9
EBITDA	482	428	12.6	471	2.3	1,833	1,856	-1.2
Margin (%)	16.8	15.8	100bps	15.8	100bps	15.4	16.1	-70bps
EBIT	381	339	12.4	371	2.6	1,441	1,502	-4.0
PBT	428	341	25.5	334	28.0	1,437	1,533	-6.3
Rep. PAT	335	263	27.5	271	23.5	1,128	1,183	-4.6
Adj PAT	298	262	13.7	324	-8.2	1,180	1,180	0.0
Adj. EPS (Rs)	2.9	2.2	13.7	2.3	-8.2	10.1	10.1	0.0



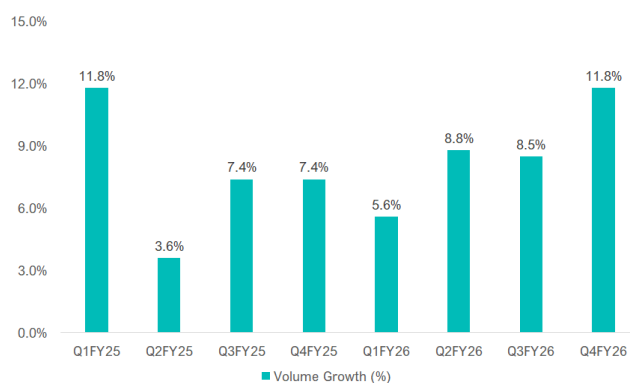
Key concall highlights

- Management expects gradual recovery in FY27, supported by branding investments, wider distribution and positive demand prospects in decorative, industrial and protective coatings.
- Construction chemicals and waterproofing maintained strong momentum, with management highlighting steady demand across important markets and expecting these categories to remain important growth drivers.
- Automotive and industrial coatings posted strong growth, supported by better demand in two- and three-wheelers, passenger vehicles, powder coatings and other industrial coating segments.
- The company launched several premium products, including cooling roof paints and metallic finishes for walls and metals. These products saw encouraging early sales.
- Subsidiary performance was mixed overall, with strong results from some overseas and automotive businesses, while Nepal operations and one specialty coatings unit faced temporary pressure.
- The balance sheet strengthened sharply, with net cash improving from Rs. 351cr in FY24 to Rs. 1,198cr in FY26, giving the group strong financial flexibility.

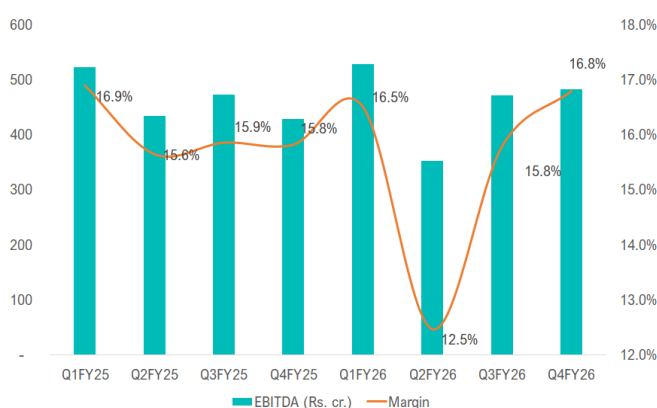
Revenue



Volume Growth



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	13,557	-	13,039	14,212	-3.8	-
EBITDA	2,140	-	2,063	2,304	-3.6	-
Margins (%)	15.8	-	15.8	16.2	Obps	-
Adj. PAT	1,332	-	1,272	1,435	-4.5	-
EPS	11.4	-	10.9	12.3	-4.3	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	11,199	11,545	11,880	13,039	14,212
% change	6.0	3.1	2.9	9.7	9.0
EBITDA	1,861	1,856	1,833	2,063	2,304
% change	25.2	-0.3	-1.2	12.5	11.7
Depreciation	331	354	392	437	467
EBIT	1,530	1,502	1,441	1,625	1,837
Interest	78	63	58	55	53
Other Income	64	95	53	58	58
PBT	1,516	1,533	1,437	1,628	1,843
% change	29.0	1.2	-6.3	13.3	13.2
Tax	387	386	360	408	462
Tax Rate (%)	25.5	25.2	25.1	25.1	25.1
Reported PAT	1,170	1,183	1,128	1,274	1,437
PAT att. to common shareholders	1,168	1,180	1,127	1,272	1,435
Adj.*	-	-	53	-	-
Adj. PAT	1,168	1,180	1,180	1,272	1,435
% change	35.9	1.1	0.0	7.8	12.8
No. of shares (cr)	116.6	116.6	116.6	116.6	116.6
Adj EPS (Rs.)	10.0	10.1	10.1	10.9	12.3
% change	35.9	1.1	0.0	7.8	12.8
DPS (Rs.)	3.5	3.8	4.0	5.0	5.5

Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	1,501	1,537	1,520	1,711	1,904
Non-cash adj.	137	43	104	-105	-44
Other adjustments	-	-	-	-	-
Changes in W.C	-47	-311	-84	-71	16
C.F. Operation	1,591	1,269	1,540	1,535	1,876
Capital exp.	-271	-425	-503	-476	-533
Change in inv.	-104	-237	-494	-369	-599
Other invest.CF	-23	12	21		
C.F - Investment	-398	-650	-976	-845	-1,132
Issue of equity			1	-	-
Issue/repay debt	-722	-185	-159	-16	-16
Dividends paid	-311	-408	-443	-583	-645
Other finance.CF	-36	-12	-11	-55	-53
C.F - Finance	-1,069	-606	-613	-654	-713
Chg. in cash	124	14	-49	36	32
Closing Cash	451	500	305	341	373

Balance Sheet

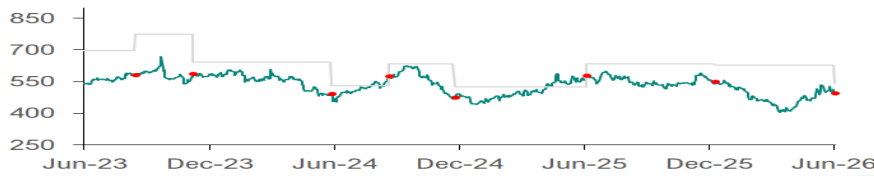
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	451	500	305	341	373
Accts. Receivable	1,302	1,536	1,565	1,708	1,812
Inventories	2,180	2,366	2,393	2,573	2,670
Other Cur. Assets	386	488	1,163	1,596	2,251
Investments	169	199	235	267	290
Gross Fixed Assets	3,640	4,024	4,528	5,003	5,536
Net Fixed Assets	2,516	2,693	2,811	2,843	2,903
CWIP	187	123	316	322	329
Intangible Assets	985	986	1,031	1,134	1,248
Def. Tax -Net	1	7	22	25	28
Other Assets	192	233	215	217	219
Total Assets	8,369	9,132	10,057	11,027	12,122
Current Liabilities	2,057	2,128	2,330	2,664	2,975
Provisions	13	15	19	20	22
Debt Funds	826	738	691	674	659
Other Liabilities	83	83	88	47	53
Equity Capital	117	117	117	117	117
Res. & Surplus	5,262	6,038	6,800	7,489	8,280
Shareholder Funds	5,379	6,154	6,916	7,606	8,397
Minority Interest	10	13	14	15	17
Total Liabilities	8,369	9,132	10,057	11,027	12,122
BVPS	46	53	59	65	72

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	16.6	16.1	15.4	15.8	16.2
EBIT margin (%)	13.7	13.0	12.1	12.5	12.9
Net profit mgn.(%)	10.4	10.2	9.5	9.8	10.1
ROE (%)	21.7	19.2	16.3	16.7	17.1
ROCE (%)	24.6	21.8	18.9	19.6	20.3
W.C & Liquidity					
Receivables (days)	42.4	48.6	48.1	47.8	46.5
Inventory (days)	119.7	127.7	127.9	124.1	116.8
Payables (days)	92.2	93.9	93.3	96.3	96.8
Current ratio (x)	1.8	2.1	2.1	2.2	2.2
Quick ratio (x)	0.8	1.0	1.1	1.2	1.3
Turnover & Leverage					
Gross asset T.O (x)	3.2	3.0	2.8	2.7	2.7
Total asset T.O (x)	1.4	1.3	1.2	1.2	1.2
Int. covge. ratio (x)	19.6	23.7	25.0	29.4	34.9
Adj. debt/equity (x)	0.2	0.1	0.1	0.1	0.1
Valuation					
EV/Sales (x)	6.0	5.1	4.1	4.5	4.1
EV/EBITDA (x)	36.1	31.5	26.3	28.2	25.2
P/E (x)	57.2	49.4	40.5	45.4	40.3
P/BV (x)	12.4	9.5	6.9	7.6	6.9



Recommendation Summary (Last 3 years)



Dates	Rating	Target
16-Aug-23	BUY	774
08-Nov-23	HOLD	643
28-May-24	HOLD	530
21-Aug-24	ACCUMULATE	633
25-Nov-24	HOLD	523
05-Jun-25	HOLD	635
10-Dec-25	BUY	628
10-June-26	HOLD	554


Investment Rating Criteria


Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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