



ASIAN PAINTS LTD - WACC Using Peers Comparison (MAR-2025)

Weighted Average Cost of Capital

Peers Comparison

| Name of Company | Country | Total Debt | Total Equity | Tax Rate | Debt/ Equity | Debt/ Capital | Levered Beta | Unlevered Beta |
|---------------------------|-----------|------------|--------------|----------|-----------------|------------------|-----------------|-------------------|
| Asian Paints | India | 2,290.3 | 19,400.0 | 30.00% | 11.81% | 10.56% | 0.67 | 0.62 |
| Berger Paints India Ltd | India | 670.3 | 6,155.0 | 30.00% | 10.89% | 9.82% | 0.52 | 0.48 |
| Kansai Nerolac Paints Ltd | Ind-Jap | 296.4 | 6,423.0 | 30.00% | 4.61% | 4.41% | 0.59 | 0.57 |
| Akzo Nobel India Ltd | Ind-Dutch | 62.1 | 1,329.0 | 30.00% | 4.67% | 4.46% | 0.43 | 0.42 |
| Indigo Paints Ltd | India | 19.7 | 1,048.0 | 30.00% | 1.88% | 1.85% | 0.80 | 0.79 |
| | | | | Average | 30.00% | 6.77% | 0.60 | 0.58 |
| | | | | Mean | 30.00% | 4.67% | 0.59 | 0.57 |

Cost of Debt

| | |
|------------------------------|--------------|
| Pre Tax cost of debt | 9.91% |
| Tax Rate | 30.00% |
| Post Tax cost of debt | 6.94% |

Cost of Equity

| | |
|-----------------------|---------------|
| Risk free rate | 6.40% |
| Market Return | 15.00% |
| Equity risk premium | 8.60% |
| Levered beta | 0.63 |
| Cost of Equity | 11.82% |

Capital Structure

| | | Current | Target |
|-----------------------------|------------------|----------------|----------------|
| Total Debt | 2,290.3 | 0.94% | 6.22% |
| Market Capitalization | 242552.35 | 99.06% | 93.78% |
| Total Capitalization | 244,842.6 | 100.00% | 100.00% |

| | | |
|--------------------|--------|-------|
| Debt/Equity | 11.81% | 6.77% |
|--------------------|--------|-------|

Levered Beta

| | |
|------------------------------|-------------|
| Comps Meadian Unlevered beta | 0.60 |
| Target Debt/Equity | 6.77% |
| Tax Rate | 30.00% |
| Levered Beta | 0.63 |

WACC

| | |
|-----------------------|---------------|
| Cost of Equity | 11.82% |
| Equity Weight | 93.78% |
| Post Tax Cost of Debt | 6.94% |
| Debt Weight | 6.22% |
| WACC | 11.52% |

Summary -

Asian Paints must earn at least 11.52% on its investments to create value.
Investors (debt + equity) require a 11.52% return for the risk they are taking.