BOBCAPS
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BUY
TP: Rs 1,690 | ▲ 15%

ASTRAL | Building Materials | 13 August 2026

Market share gains support pipe margins; retain FY27 outlook

- **Flat pipe volumes amid polymer volatility; mix and utilisation lift EBITDA margin to 18.9%**
- **Adjacencies grow 30%; FY27 guidance maintained across plumbing, adhesives and paints**
- **Cut estimates, maintain BUY; assign 55x P/E to arrive June-27TP of Rs 1,690**

Vineet Shanker
Research Analyst
Harshit Mundra
Research Associate
research@bobcaps.in

Plumbing gains market share; product mix and utilisation drive margin: Astral (ASTRA) reported revenue growth of 16% YoY, broadly in line with our estimate, while EBITDA grew 25% YoY, 8% above our estimate. EBITDA margin improved 107bps YoY to 14.7%. Plumbing volumes remained flat YoY despite an industry decline of ~9-10%, implying market share gains, while realisations increased 9% YoY. Plumbing EBITDA margin expanded to 18.9% from 14.8%, supported by favourable product mix and higher utilisation.

Paints & adhesives growth remains healthy; margins moderate: Paints & Adhesives revenue grew 30% YoY, led by 37% growth in Resinova and 35% growth in paints, while EBITDA grew 5% YoY and margin declined 207bps to 8.7%. Within plumbing, sanitaryware revenue grew 49% YoY, supporting the broader mix improvement. Overall, gross margin expanded 120bps YoY to 40.6%, while higher employee and other expenses partly offset the operating improvement.

FY27 guidance: Management retained its FY27 guidance of double-digit plumbing volume growth and 16-18% EBITDA margin, while expecting India adhesives revenue growth of 15-20% and UK adhesives growth in the double digits, with EBITDA margins of ~15% and 8-10%, respectively. Paint revenue growth is guided at 20-25%, with a lower-single-digit EBITDA margin. FY27 capex remains at Rs 3.0-3.5bn, with the CPVC resin plant on track for completion by Dec'26.

Cut estimates, maintain BUY: We expect ASTRA's EPS to grow at a strong ~21% CAGR over FY26-FY29E, supported by sustained market-share gains in pipes, scale-up in paints & adhesives and benefits from backward integration. We cut FY27E/FY28E EPS by 5%/3% while largely maintaining FY29E estimates, reflecting near-term margin pressure despite healthy plumbing growth. We maintain BUY and value on June'28E, valuing at 55x P/E to arrive at an TP of Rs 1,690.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	ASTRA IN/Rs 1,464
Market cap	US$ 4.1bn
Free float	46%
3M ADV	US$ 10.3mn
52wk high/low	Rs 1,769/Rs 1,270
Promoter/FPI/DII	54%/17%/17%

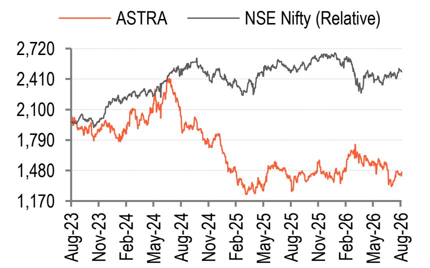
Source: NSE | Price as of 12 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	65,686	78,460	93,820
EBITDA (Rs mn)	10,619	11,789	14,089
Adj. net profit (Rs mn)	5,531	6,661	8,104
Adj. EPS (Rs)	20.6	24.8	30.1
Consensus EPS (Rs)	25.4	26.7	33.2
Adj. ROAE (%)	14.3	15.4	16.5
Adj. P/E (x)	71.2	59.1	48.6
EV/EBITDA (x)	36.5	32.6	27.1
Adj. EPS growth (%)	5.6	20.4	21.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly performance - Consolidated

Particulars (Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	BOBCAPS Q1FY27E	Variance (%)
Total operating income	15,780	13,612	15.9	20,885	(24.4)	15,891	(0.7)
Raw-Material expense	9,376	8,251	13.6	12,482	(24.9)	9,511	(1.4)
Gross Profit	6,404	5,361	19.5	8,403	(23.8)	6,380	0.4
Employee expense	1,695	1,419	19.5	1,542	9.9	1,573	7.8
Other expense	2,397	2,093	14.5	3,032	(20.9)	2,669	(10.2)
EBITDA	2,312	1,849	25.0	3,829	(39.6)	2,138	8.2
D&A	754	719	4.9	740	1.9	750	0.5
EBIT	1,558	1,130	37.9	3,089	(49.6)	1,388	12.3
Interest cost	83	79	5.1	74	12.2	94	(11.7)
Interest income & others	153	47	225.5	(49)	(412.2)	143	7.0
PBT	1,628	1,098	48.3	2,966	(45.1)	1,437	13.3
Tax	426	306	39.2	836	(49.0)	362	17.8
Reported PAT	1,202	792	51.8	2,130	(43.6)	1,075	11.8
Adjusted PAT	1,184	824	43.7	2,289	(48.3)	1,075	10.1
As % of net revenues	**Q1FY27**	**Q1FY26**	**chg (bps)**	**Q4FY26**	**chg (bps)**	**BOBCAPS Q1FY27E**	**chg (bps)**
Gross margin	40.6	39.4	120	40.2	35	15,891	43
Employee cost	10.7	10.4	32	7.4	336	9.9	84
Other cost	15.2	15.4	(19)	14.5	67	16.8	(161)
EBITDA margin	14.7	13.6	107	18.3	(368)	13.5	120
Tax rate	26.2	27.9	(170)	28.2	(202)	25.2	100
APAT margin	7.5	6.1	145	11.0	(346)	6.8	73

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

Particulars	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Plumbing & Bathware					
Pipe sales volume (kt)	56.1	56.1	-	84.1	(33.3)
Pipe realization (Rs/kg)	178.5	164.2	8.7	177.1	0.8
Revenue (Rs mn)	10505	9539	10.1	15342	(31.5)
EBITDA (Rs mn)	1983	1412	40.4	3341	(40.6)
EBITDA margin (%)	18.9	14.8	407.4	21.8	(290)
Paints & Adhesives			**YoY (%)**		**QoQ (%)**
Revenue (Rs mn)	5275	4073	29.5	5543	(4.8)
EBITDA (Rs mn)	457	437	4.6	483	(5.4)
EBITDA margin (%)	8.7	10.7	(206.6)	8.7	(5)

Source: Company, BOBCAPS Research

Earnings Call Highlights

- **Plumbing gains share despite a distorted quarter:** Industry plumbing volumes fell ~9-10% YoY in Q1FY27, while Astral delivered flat volumes and 10% value growth. SAP HANA halted dispatches for ~10 days in Apr'26, impacting reported volumes. Management indicated ~40% YoY volume growth in Jul'26, with double-digit growth continuing into Aug'26.

- **PVC volatility eases; channel restocking underway:** Falling PVC prices had resulted in dealer destocking during Q1, while MIP implementation and subsequent PVC price recovery have supported inventory rebuilding. Management indicated that channel inventories are currently not elevated. A potential anti-dumping/value-added duty on Chinese PVC imports is also under discussion, although there is no confirmed timeline by the Govt. of India.

- **Plumbing margin beat driven by mix and utilisation:** Pipe EBITDA margin improved to 18.9% from 16.4% YoY. Management attributed the outperformance primarily to a favourable mix, with lower-margin agri-pipe demand remaining weak, alongside better utilisation at the Kanpur and Hyderabad plants. Management retains FY27 double-digit volume growth and 16-18% EBITDA margin guidance.

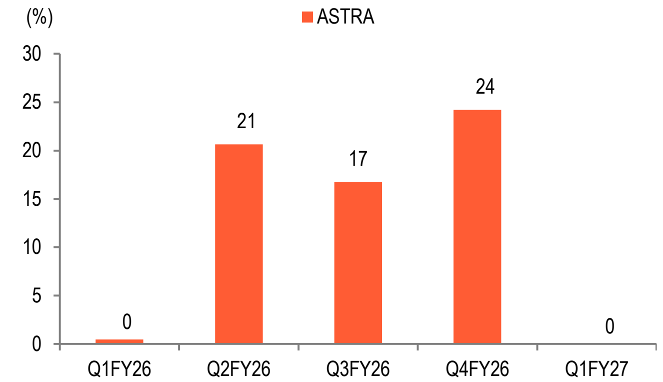
- **Adhesives growth remains strong, but margin recovery is gradual:** India adhesives revenue grew ~25% YoY, while a 6-8% price hike partially offset ~15-16% input-cost inflation. EBITDA margin declined to 12.2% from 14.0%, impacted by higher-cost inventory. Management's FY27 target for India/UK is 15-20%/ double digit revenue growth, respectively, with EBITDA Margin of 15%/8-10%, respectively. UK adhesives revenue grew 26% YoY, although management indicated that ~8-10ppt was attributable to FX.

- **Paint growth remains strong, but profitability is yet to recover:** Paint revenue grew 49% YoY, driven by ~35-40% volume growth, while EBITDA margin remained low at 0.1% vs 1.0% YoY. Capacity utilisation stood at ~60-65%. Management targets 20-25% revenue growth and lower single digit EBITDA margin.

- **Chemicals/paint demerger shelved for now:** Management has decided against the proposed demerger of the chemicals and paint businesses, citing their current sub-scale nature. It indicated that the exercise could be revisited once the businesses reach ~Rs 50bn revenue, versus ~Rs 20bn in FY26, implying no near-term demerger catalyst.

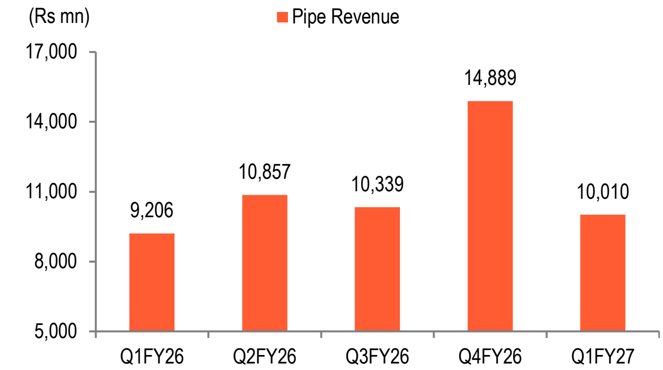
- **Capex remains on track; CPVC resin plant key to monitor:** Q1FY27 capex stood at Rs 1.37bn against FY27 guidance of Rs 3.0-3.5bn. The CPVC resin plant remains on track for completion by Dec'26, with trial runs and product stabilisation expected in Q4FY27. The new valve facility is operational, while PEX-aluminium machines are expected to commence commercial production by end-Sep'26.

Fig 3 – ASTRA reported flat Pipe YoY volume growth in Q1FY27



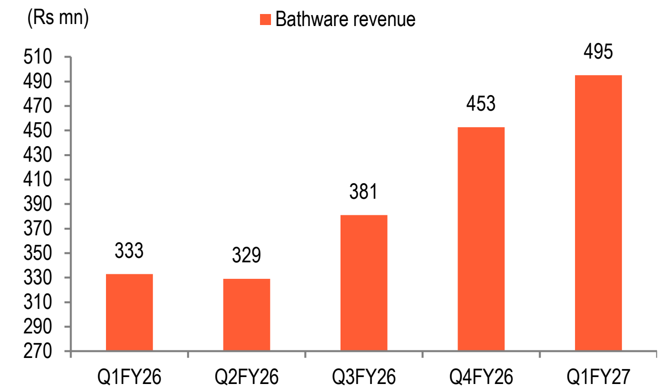
Source: Company, BOBCAPS Research

Fig 4 – ASTRA revenue grew by 9% YoY in Q1FY27



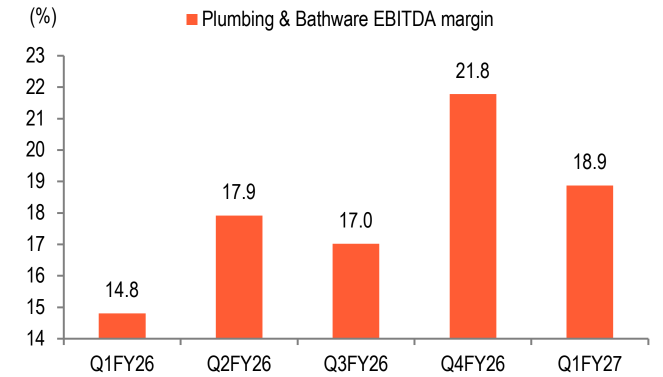
Source: Company, BOBCAPS Research

Fig 5 – Bathware revenue grew sharply by 49% YoY in Q1FY27 over a small base



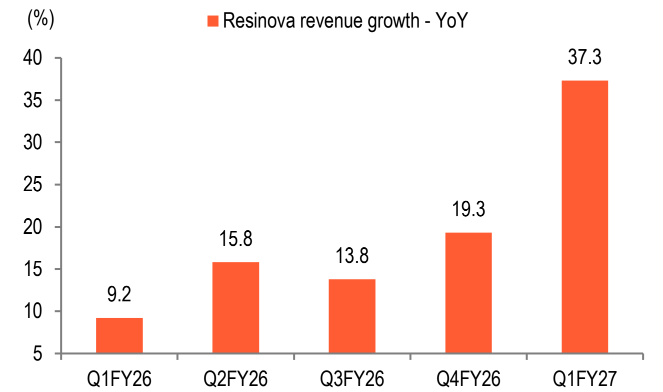
Source: Company, BOBCAPS Research

Fig 6 – Plumbing & bathware EBITDA margin expanded by 407bps YoY to 18.9% in Q1FY27



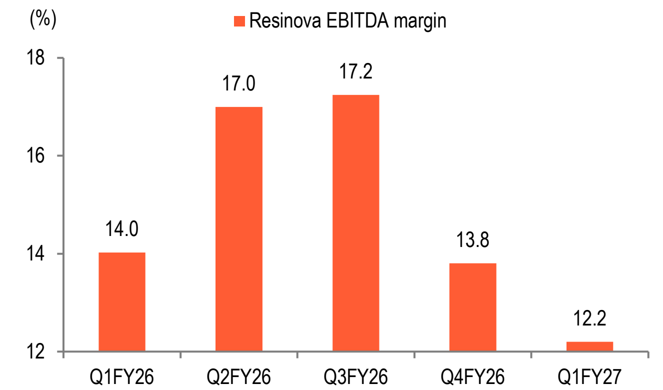
Source: Company, BOBCAPS Research

Fig 7 – Resinova revenue grew at a healthy pace of 37% YoY in Q1FY27



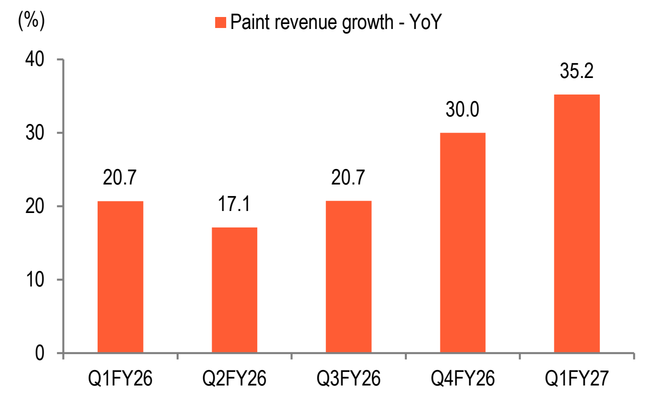
Source: Company, BOBCAPS Research

Fig 8 – .. Resinova EBITDA margin contracted to 12.2% in Q1FY27



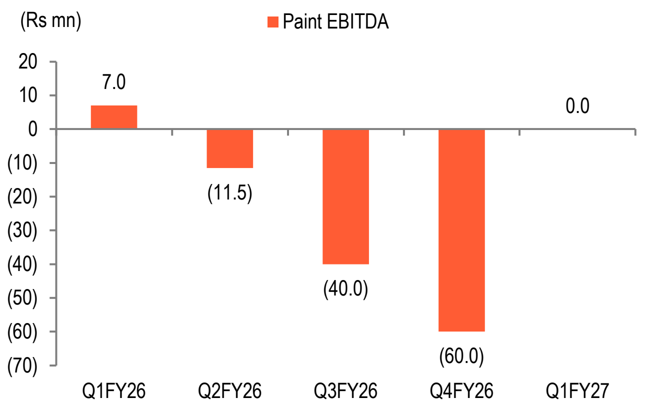
Source: Company, BOBCAPS Research

Fig 9 – Paints revenue was up 35% YoY in Q4FY26



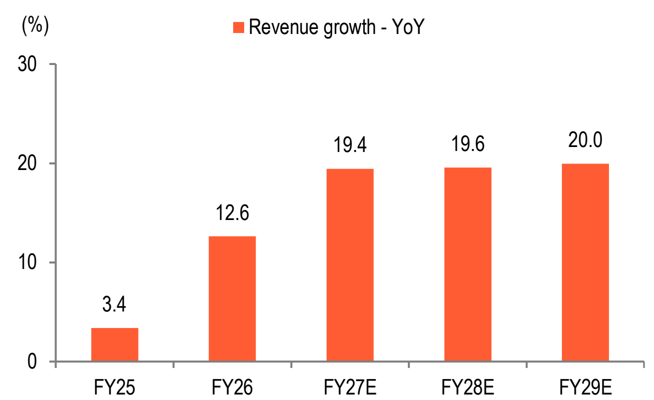
Source: Company, BOBCAPS Research

Fig 10 – Paints EBITDA has reached break-even in Q1FY27



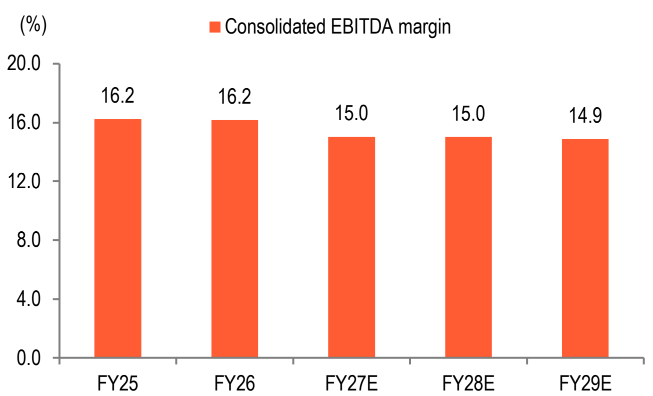
Source: Company, BOBCAPS Research

Fig 11 – ASTRA's revenue is projected to grow at 16% CAGR over FY26-FY29E



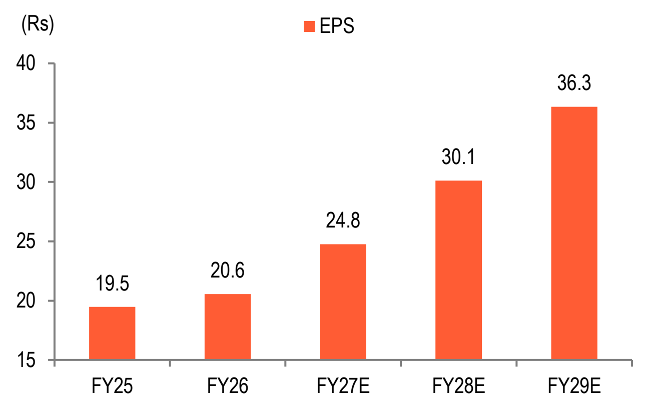
Source: Company, BOBCAPS Research

Fig 12 – Consolidated EBITDA margin is projected to be stable ~15% over FY27E-FY28E



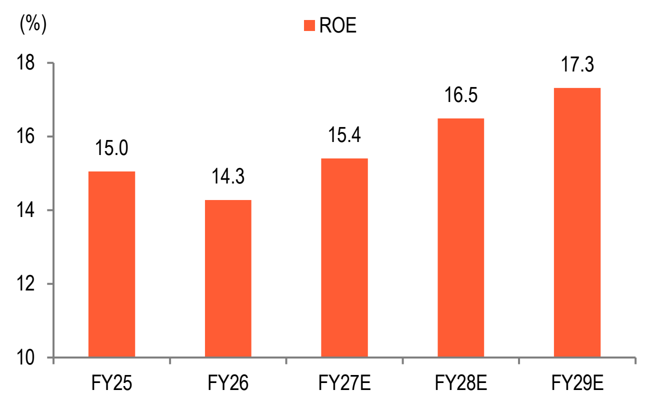
Source: Company, BOBCAPS Research

Fig 13 – EPS projected to grow at 20.9% CAGR over FY26-FY29E



Source: Company, BOBCAPS Research

Fig 14 – ROE is projected to improve from 14.3% in FY26 to 17.3% in FY29E



Source: Company, BOBCAPS Research

Valuation Methodology

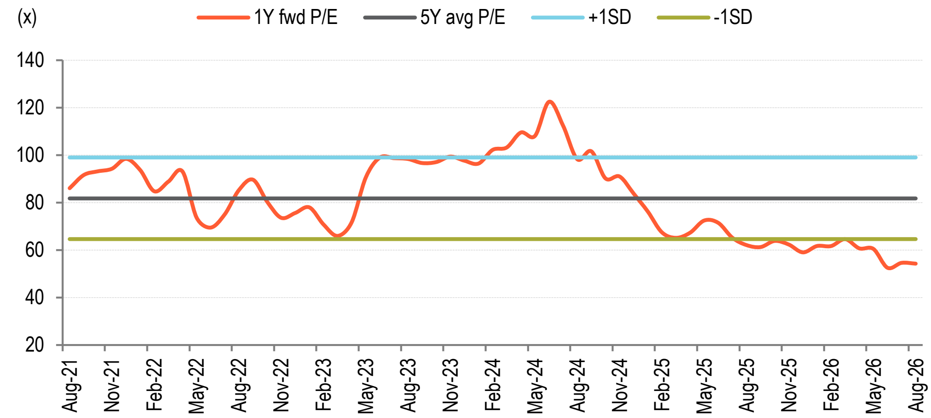
We expect ASTRA's EPS to grow at a strong ~21% CAGR over FY26-FY29E, supported by sustained market-share gains in pipes, scale-up in paints & adhesives and benefits from backward integration. We cut FY27E/FY28E EPS by 5%/3% while largely maintaining FY29E estimates, reflecting near-term margin pressure despite healthy plumbing growth. We maintain BUY and value on June'28E, valuing at 55x P/E to arrive at an TP of Rs 1,690.

Fig 15 – Revised estimates

Particulars	New			Old			Change (%)		
Consolidated (Rs bn)	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	78.5	93.8	112.5	79.2	93.3	109.3	(0.9)	0.6	3.0
EBITDA	11.8	14.1	16.7	12.3	14.5	16.8	(4.4)	(2.9)	(0.5)
EBITDA margin	15.0	15.0	14.9	15.6	15.6	15.4	(55bps)	(54bps)	(53bps)
Adjusted PAT	6.7	8.1	9.8	7.0	8.4	9.8	(5.4)	(3.2)	(0.2)
EPS (Rs)	24.8	30.1	36.3	26.2	31.1	36.4	(5.4)	(3.2)	(0.2)

Source: BOBCAPS Research

Fig 16 – Trading at 54.2x on consensus 1YF P/E vs 5Y average of 81.8x



Source: Bloomberg, BOBCAPS Research

Fig 17 – Key assumptions

Particulars (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue-Mix					
Pipe	70	69	66	62	58
Adhesives	25	25	27	30	33
Paints	3	4	4	5	5
Bathware	2	2	3	3	3
Operating Metrics					
Pipe volume growth	3	16	9	12	11
Adhesive revenue growth	9	15	30	31	32
Paints revenue growth	6	22	35	35	35
Bathware revenue growth	93	27	52	35	26
EBITDA margin					
Pipe	18	19	19	18	18
Adhesives	13	13	10	11	12
Paints	6	(4)	1	8	8

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**58,324**	**65,686**	**78,460**	**93,820**	**1,12,542**
EBITDA	9,459	10,619	11,789	14,089	16,726
Depreciation	2,434	2,916	3,039	3,439	3,839
EBIT	7,025	7,703	8,750	10,650	12,887
Net interest inc./(exp.)	(413)	(644)	(332)	(332)	(332)
Other inc./(exp.)	413	473	512	512	512
Exceptional items	0	0	0	0	0
EBT	7,025	7,532	8,930	10,830	13,067
Income taxes	1,836	1,959	2,269	2,726	3,289
Extraordinary items	0	226	0	0	0
Min. int./Inc. from assoc.	49	19	0	0	0
Reported net profit	**5,238**	**5,366**	**6,661**	**8,104**	**9,778**
Adjustments	0	165	0	0	0
Adjusted net profit	**5,238**	**5,531**	**6,661**	**8,104**	**9,778**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	8,589	11,553	13,800	16,501	19,794
Other current liabilities	2,279	2,563	2,563	2,563	2,563
Provisions	24	161	192	230	276
Debt funds	1,439	1,531	0	0	0
Other liabilities	1,302	1,732	1,732	1,732	1,732
Equity capital	269	269	269	269	269
Reserves & surplus	35,901	40,310	45,626	52,116	60,280
Shareholders' fund	36,927	40,579	45,895	52,385	60,549
Total liab. and equities	**50,560**	**58,119**	**64,182**	**73,412**	**84,914**
Cash and cash eq.	6,083	9,434	10,338	13,603	18,479
Accounts receivables	4,353	4,751	5,675	6,786	8,140
Inventories	10,111	11,173	13,246	16,297	20,114
Other current assets	941	1,033	1,234	1,475	1,770
Investments	0	0	0	0	0
Net fixed assets	21,421	23,671	25,632	27,193	28,354
CWIP	1,160	887	887	887	887
Intangible assets	5,695	5,779	5,779	5,779	5,779
Deferred tax assets, net	200	376	376	376	376
Other assets	596	1,015	1,015	1,015	1,015
Total assets	**50,560**	**58,119**	**64,182**	**73,412**	**84,914**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**6,318**	**11,000**	**8,600**	**9,699**	**11,310**
Capital expenditures	(5,448)	(4,591)	(5,000)	(5,000)	(5,000)
Change in investments	275	285	0	0	0
Other investing cash flows	47	(759)	512	512	512
Cash flow from investing	**(5,126)**	**(5,065)**	**(4,488)**	**(4,488)**	**(4,488)**
Equities issued/Others	0	(765)	0	0	0
Debt raised/repaid	166	(317)	(1,531)	0	0
Interest expenses	(342)	(569)	(332)	(332)	(332)
Dividends paid	(1,007)	(1,007)	(1,345)	(1,614)	(1,614)
Other financing cash flows	0	(624)	0	0	0
Cash flow from financing	**(1,183)**	**(3,282)**	**(3,208)**	**(1,946)**	**(1,946)**
Chg in cash & cash eq.	**9**	**2,653**	**904**	**3,265**	**4,876**
Closing cash & cash eq.	**6,105**	**8,758**	**9,662**	**12,927**	**17,803**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	19.5	19.9	24.8	30.1	36.3
Adjusted EPS	19.5	20.6	24.8	30.1	36.3
Dividend per share	3.8	2.5	5.0	6.0	6.0
Book value per share	134.5	150.9	170.6	194.7	225.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	6.7	5.9	4.9	4.1	3.4
EV/EBITDA	41.1	36.5	32.6	27.1	22.6
Adjusted P/E	75.2	71.2	59.1	48.6	40.3
P/BV	10.9	9.7	8.6	7.5	6.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.6	73.4	74.6	74.8	74.8
Interest burden (PBT/EBIT)	100.0	97.8	102.1	101.7	101.4
EBIT margin (EBIT/Revenue)	12.0	11.7	11.2	11.4	11.5
Asset turnover (Rev./Avg TA)	115.4	113.0	122.2	127.8	132.5
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.5	1.5	1.5
Adjusted ROAE	15.0	14.3	15.4	16.5	17.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	3.4	12.6	19.4	19.6	20.0
EBITDA	2.3	12.3	11.0	19.5	18.7
Adjusted EPS	(4.9)	5.6	20.4	21.7	20.7
Profitability & Return ratios (%)					
EBITDA margin	16.2	16.2	15.0	15.0	14.9
EBIT margin	12.0	11.7	11.2	11.4	11.5
Adjusted profit margin	9.0	8.4	8.5	8.6	8.7
Adjusted ROAE	15.0	14.3	15.4	16.5	17.3
ROCE	19.4	19.4	20.2	21.3	22.1
Working capital days (days)					
Receivables	27	26	26	26	26
Inventory	63	62	62	63	65
Payables	54	64	64	64	64
Ratios (x)					
Gross asset turnover	1.9	1.9	2.1	2.2	2.3
Current ratio	1.9	1.8	1.8	2.0	2.1
Net interest coverage ratio	17.0	12.0	26.4	32.1	38.8
Adjusted debt/equity	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
CIN: **U65999MH1996GOI098009**

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Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

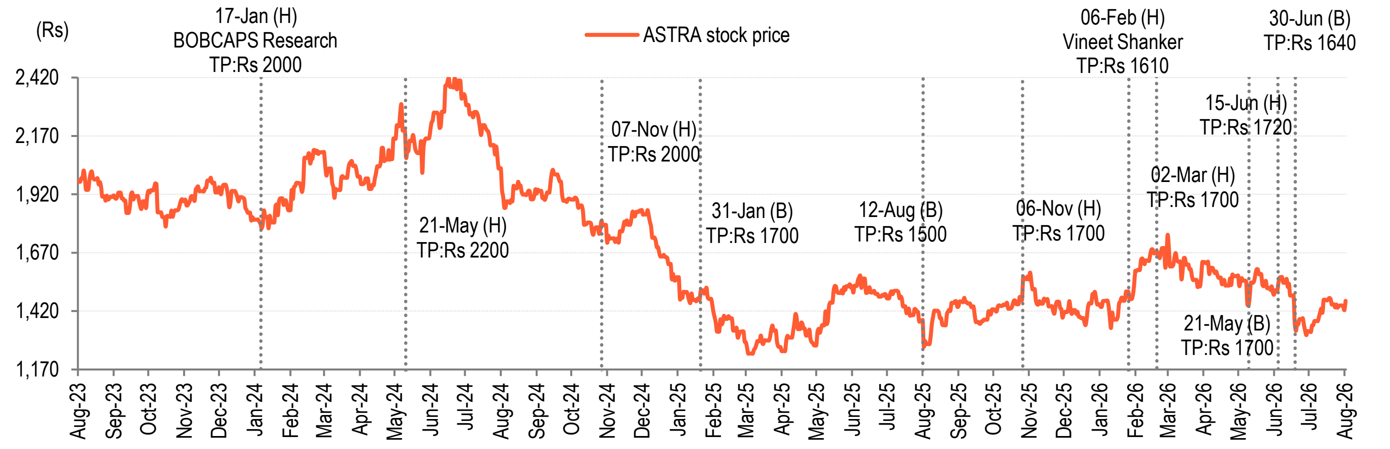
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): ASTRAL (ASTRA IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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