BUY
TP: Rs 1,760 | ▲ 27%

ASTRAL | Building Materials | 06 November 2026

Volume-led growth; margin recovery awaited

- **Revenue up 26% YoY (5% above est.); EBITDA 2% below est. with margin at 13.1% (-318bps YoY)**
- **Plumbing volume up 19% YoY, margin down 276bps to 16.3% on lagged pass-through; paints and adhesives margin down 510bps to 7.6%**
- **Cut estimates, maintain BUY; assign 55x P/E to arrive Sep'27TP of Rs 1,760**

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Strong revenue growth; profitability remains muted: Astral Limited (ASTRA) reported 26% YoY growth in consolidated revenue to Rs19.9bn, 5% above our estimate, led by 25% growth in plumbing revenue and 29% growth in paints and adhesives. However, EBITDA increased only 1% YoY to Rs2.61bn, 2% below our estimate, as margin contracted 318bps to 13.1%. Adjusted PAT grew 1% YoY to Rs1.37bn, missing our estimate by 5%.

Plumbing volumes strong; paints & adhesives margin under pressure: Plumbing revenue grew 25% YoY to Rs 14.0bn on 19% volume growth and ~5% higher realisation. EBITDA rose 7%, but margin fell 276bps to 16.3% on lagged price pass-through and a lower CPVC mix, and EBITDA/kg dropped to ~Rs 31 from ~Rs 35. Paints and adhesives revenue grew 29% (India adhesives +25%, UK +30%, paints +44%), while EBITDA fell 23% and margin declined 509bps to 7.6% on high-cost inventory. Paints posted an EBITDA loss of Rs 41mn.

Outlook: Management expects H2 to be stronger, and said October was its best month ever. ASTRA has taken a 5% price increase in CPVC in Oct'26 and indicated PVC price increases have been passed through in full. Management guides FY27 plumbing volume of 290-300kt, plumbing EBITDA of ~Rs 10.5bn (16-18% margin band) and consolidated EBITDA of ~Rs 12.5bn, with ~15% EBITDA growth in FY28. In adhesives, it expects India margin of ~13% for FY27 (13-14% by year-end) and UK margin of 9-10% by year-end. In paints, it targets a 3-4% EBITDA margin by year-end and 8-10% in FY28. FY27 capex is guided at ~Rs 4bn, including the CPVC resin plant.

Cut estimates, maintain BUY: We cut FY27E/FY28E/FY29E revenue by 1%/3%/4% while keeping EBITDA margin broadly unchanged at ~15%, as we view Q2's margin miss as timing-led (lagged price pass-through and a lower CPVC mix) rather than structural. This lowers our EBITDA/PAT estimates by 1-4%. We roll forward our valuation to Sep'28E EPS at an unchanged 55x P/E, arriving at a Sep'27 TP of Rs 1,760 (27% upside), and maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	ASTRA IN/Rs 1,388
Market cap	US$ 3.9bn
Free float	46%
3M ADV	US$ 13.0mn
52wk high/low	Rs 1,769/Rs 1,312
Promoter/FPI/DII	54%/17%/17%

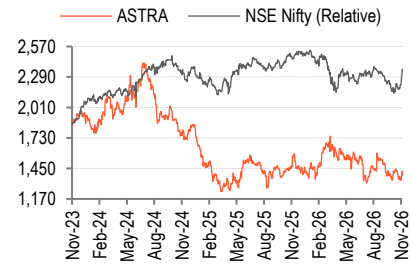
Source: NSE | Price as of 5 Nov 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	65,686	77,947	91,459
EBITDA (Rs mn)	10,619	11,675	13,704
Adj. net profit (Rs mn)	5,592	6,507	7,821
Adj. EPS (Rs)	20.8	24.2	29.1
Consensus EPS (Rs)	20.8	26.8	33.6
Adj. ROAE (%)	14.6	15.1	16.0
Adj. P/E (x)	66.8	57.4	47.7
EV/EBITDA (x)	34.6	31.2	26.4
Adj. EPS growth (%)	6.8	16.4	20.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly Performance - Consolidated

Particulars (Rs mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)	BOBCAPS Q2FY27E	Var (%)
Revenue	19,883	15,774	26	15,780	26	35,663	29,386	21	18,992	5
Gross Profit	7,024	6,244	12	6,404	10	13,428	11,605	16	7,231	(3)
Gross Margin (%)	35.3	39.6	(426bps)	40.6	(526bps)	37.7	39.5	(184bps)	38.1	(275bps)
EBITDA	2,605	2,568	1	2,312	13	4,917	4,417	11	2,660	(2)
EBITDA Margin (%)	13.1	16.3	(318bps)	14.7	(155bps)	13.8	15.0	(124bps)	14.0	(91bps)
Depreciation	787	723	9	754	4	1,541	1,442	7	774	2
Interest	90	79	14	83	8	173	158	9	83	8
Other Income	118	114	4	128	(8)	246	205	20	128	(8)
PBT	1,814	1,799	1	1,628	11.4	3,442	2,897	19	1,931	(6)
Tax	446	451	(1)	426	5	872	757	15	486	(8)
Adjusted PAT	1,368	1,348	1	1,202	13.8	2,570	2,140	20	1,445	(5)
Exceptional item	95	-		0		95	-		0	
Reported PAT	1,273	1,348	(6)	1,202	5.9	2,475	2,140	16	1,445	(12)
Adj. PAT Margin (%)	6.9	8.5	(167bps)	7.6	(74bps)	7.2	7.3	(8bps)	7.6	(73bps)
EPS (Rs)	4.7	5.0	(6)	4.5	5.9	9.6	8.0	20	5.4	(11.9)

Source: Company, BOBCAPS Research

Fig 2 – Segment Financials

Plumbing & bathware	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Pipe sales volume (kt)	72.9	61.2	19	56.1	30	129	117.30	10
Pipe realization (Rs/kg)	186.0	177.3	5	180.3	3	183.6	171.0	7
Revenue (Rs mn)	13983	11186	25	10505	33	24,488	20,725	18
EBITDA (Rs mn)	2,276	2129	7	1983	15	4,259	3,694	15
EBITDA margin (%)	16.3	19.0	(276bps)	18.9	(260bps)	17.4	17.8	(43bps)
Paints & Adhesives								
Revenue (Rs mn)	5900	4588	29	5275	12	11,175	8,661	29
EBITDA (Rs mn)	447	581	(23)	479	(7)	926	956	(3)
EBITDA margin (%)	7.6	12.7	(509bps)	9.1	(151bps)	8.3	11.0	(275bps)

Source: Company, BOBCAPS Research

Earnings Call Highlights

- **Plumbing: strong H2 expected after a soft-margin Q2:** Management indicated Q2 volume growth of 19% YoY (H1: 10%), supported by restocking after low channel inventory following a weak Q1. EBITDA margin declined to 16.3%, as price increases were passed on with a lag. Management targets FY27 plumbing volumes of 290-300kt and EBITDA of ~Rs10.5bn, supported by the usual H2 seasonality and a richer CPVC and value-added product mix.

- **PVC pricing and polymer costs: downside protection improves:** Management indicated that PVC price increases have been fully passed on, while CPVC prices were increased by 5% in October. It reported no inventory gains in Q2. Management believes the MIP provides a floor of ~Rs85-90/kg, with a provisional countervailing duty also expected, improving price visibility and distributor willingness to hold inventory.

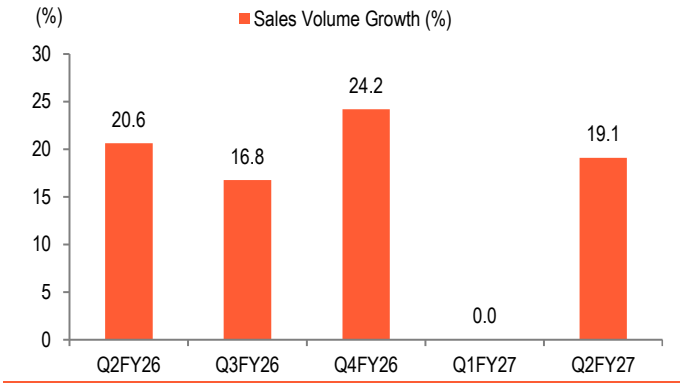
- **Adhesives: growth outlook upgraded, margin recovery remains gradual:** India and UK adhesives revenue grew 25% and 30%, respectively, both driven by volumes. Management expects growth to exceed its earlier guidance of 15–20% for India and 10%+ for the UK. India adhesives reported an H1 EBITDA margin of 11.5%, below its normal 14-15% range, due to high-cost inventory and lagged price pass-through. Management now expects ~13% margin for FY27, with a 13-14% run rate by year-end. The UK business targets a 9-10% margin by FY27-end, compared with 6.3% in Q2.

- **Paints: strong growth, but profitability turnaround is pending:** Paints revenue grew 44% in Q2 and 51% in H1, but the business remained loss-making, with an EBITDA margin of ~-5% in Q2. Management targets a 3–4% EBITDA margin by FY27-end and 8–10% in FY28, alongside revenue growth of 40-50%. ASTRA does not plan to enter new states until margins reach 9-10% and indicated that legacy collection issues following the Gem Paints acquisition have been resolved.

- **PNew products and backward integration to support growth:** Al-PEX commercial sales are expected to commence in Q3 from ASTRAl's own plant; the full PPR range has been launched, while the electrofusion HDPE drainage system is expected to launch shortly. The CPVC resin plant is expected to begin trials in early Q4, with commercial production by Mar'27 and full ramp-up within one quarter. The specialty chemicals business, which reported Q2 revenue of Rs53mn and EBITDA of Rs8mn, is planned for expansion over the next 1-2 years to replace imported inputs.

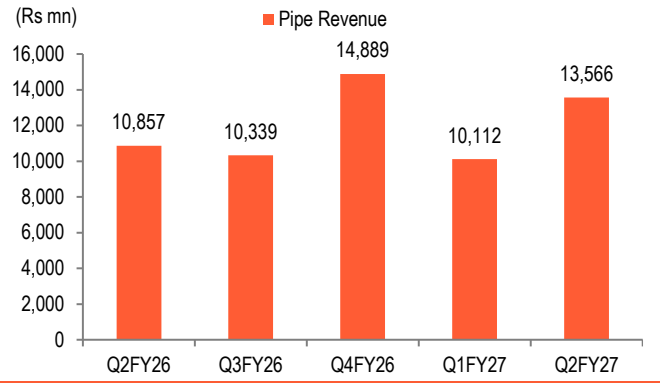
- **Consolidated outlook, capex and working capital:** Management targets FY27 EBITDA of ~Rs12.5bn, comprising ~Rs10.5bn from plumbing and Rs2bn+ from chemicals, and expects ~15% EBITDA growth in FY28. FY27 capex is estimated at ~Rs4bn, including the CPVC plant, partly offset by expected proceeds of ~Rs500mn from the sale of the Gem Paints Bangalore asset. Future capex is expected to moderate as land and buildings are already in place. Inventory days increased due to input-cost inflation, while payable days declined temporarily as the company settled dollar liabilities early to limit forex losses.

Fig 1 – ASTRA reported 19% volume growth in Q2FY27



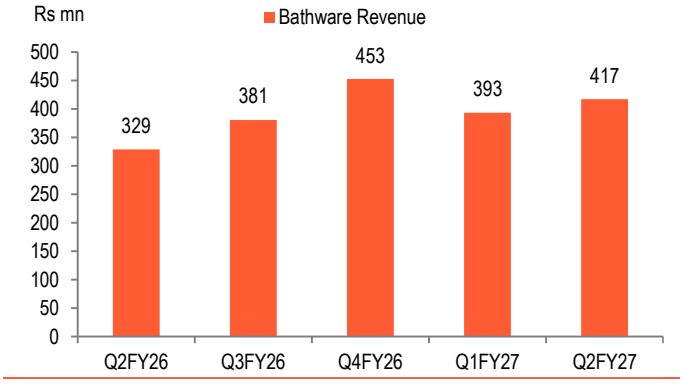
Source: Company, BOBCAPS Research

Fig 2 – ASTRA revenue grew by 9% YoY in Q2FY27



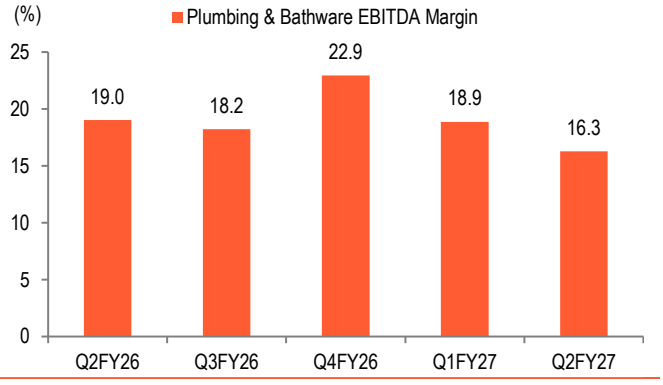
Source: Company, BOBCAPS Research

Fig 3 – Bathware revenue grew sharply by 27% YoY in Q2FY27



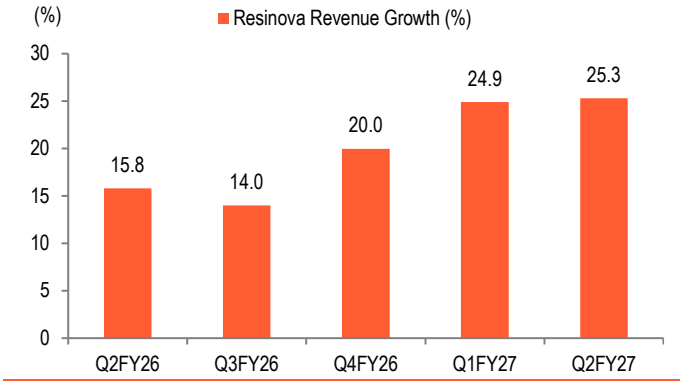
Source: Company, BOBCAPS Research

Fig 4 – Plumbing & bathware EBITDA margin contracted by 276bps YoY to 16.3% in Q2FY27



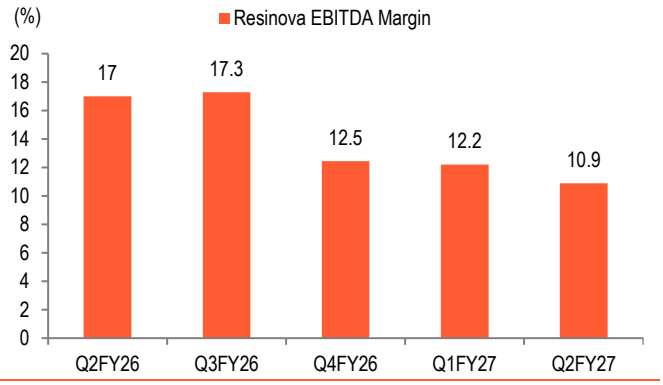
Source: Company, BOBCAPS Research

Fig 5 – Resinova revenue grew at a healthy pace of 25% YoY in Q2FY27



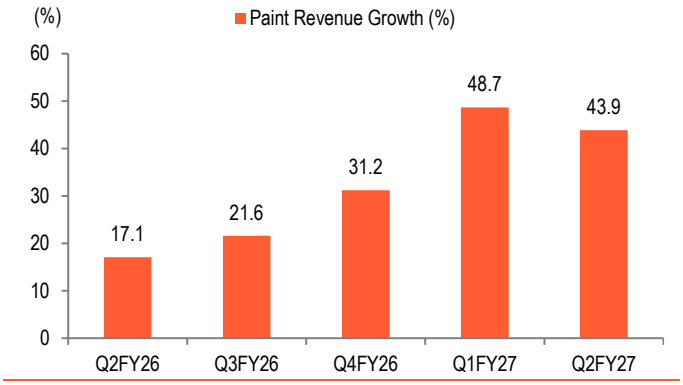
Source: Company, BOBCAPS Research

Fig 6 – .. Resinova EBITDA margin contracted to 10.9% in Q2FY27



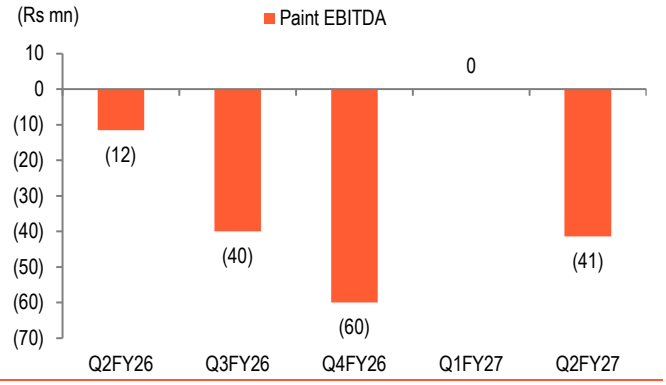
Source: Company, BOBCAPS Research

Fig 7 – Paints revenue was up 44% YoY in Q2FY27



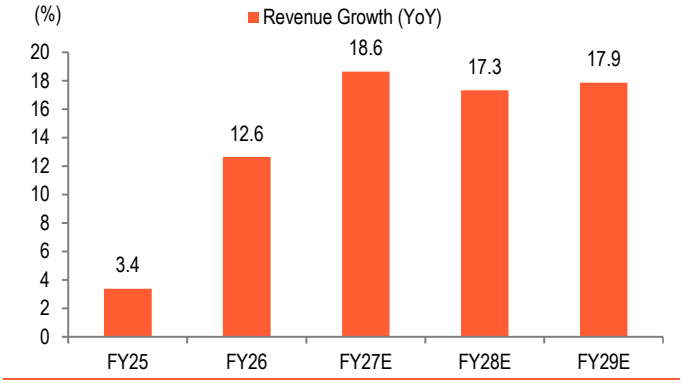
Source: Company, BOBCAPS Research

Fig 8 – Paints EBITDA increased in Q2FY27



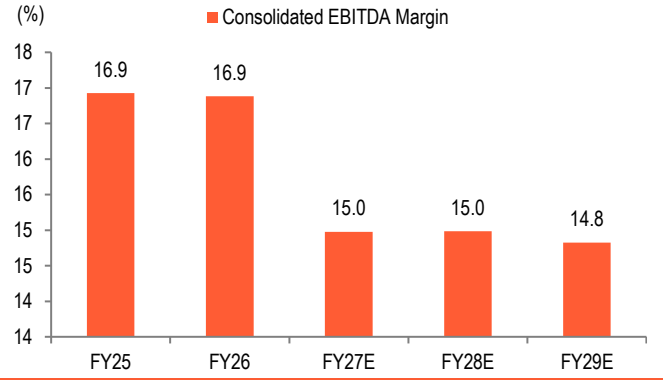
Source: Company, BOBCAPS Research

Fig 9 – ASTRA's revenue is projected to grow at 12% CAGR over FY26-FY29E



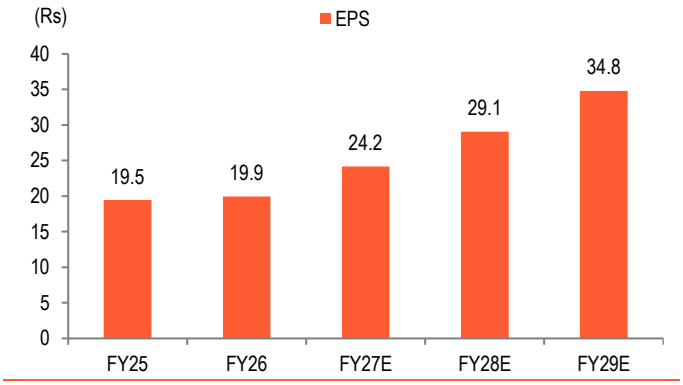
Source: Company, BOBCAPS Research

Fig 10 – Consolidated EBITDA margin is projected to be stable ~15% over FY27E-FY28E



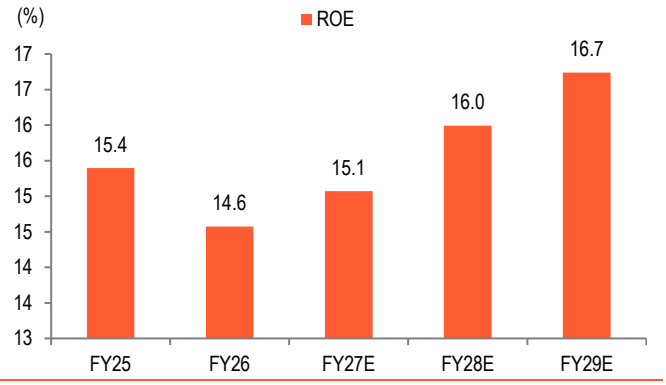
Source: Company, BOBCAPS Research

Fig 11 – EPS projected to grow at 20% CAGR over FY26-FY29E



Source: Company, BOBCAPS Research

Fig 12 – ROE is projected to improve from 14.6% in FY26 to 16.7% in FY29E



Source: Company, BOBCAPS Research

Valuation Methodology

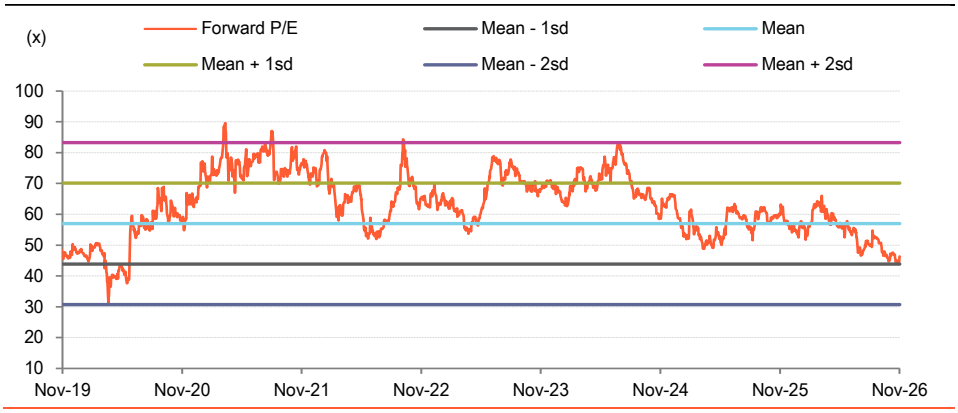
We cut FY27E/FY28E/FY29E revenue by 1%/3%/4% while keeping EBITDA margin broadly unchanged at ~15%, as we view Q2's margin miss as timing-led (lagged price pass-through and a pipe-heavy mix) rather than structural. This lowers our EBITDA/PAT estimates by 1-4%. We roll forward our valuation to Sep'28E EPS at an unchanged 55x P/E, arriving at a Sep'27 TP of Rs 1,760 (27% upside). Volume momentum and CPVC backward integration from Q4FY27 support our view.

Fig 13 – Revised Estimates

Revision	New			Old			Var %		
Particulars	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	77,947	91,459	1,07,810	78,455	93,820	1,12,542	-1%	-3%	-4%
EBITDA	11,675	13,704	15,984	11,786	14,089	16,726	-1%	-3%	-4%
margin %	15.0%	15.0%	14.8%	15.0%	15.0%	14.9%	(4bps)	(3bps)	(4bps)
PAT	6,507	7,821	9,363	6,659	8,104	9,778	-2%	-3%	-4%

Source: Company, BOBCAPS Research

Fig 14 – ASTRA 1YF P/E band chart



Source: Bloomberg, BOBCAPS Research

Fig 15 – Key assumptions

Particulars (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue-Mix					
Pipe	70	69	67	63	59
Adhesives	25	25	27	29	32
Paints	3	4	4	5	6
Bathware	2	2	3	3	3
Operating Metrics					
Pipe volume growth	3	16	9	11	10
Adhesive revenue growth	9	15	26	29	31
Paints revenue growth	9	22	35	35	35
Bathware revenue growth	57	27	39	35	26
EBITDA margin					
Pipe	18	19	19	18	18
Adhesives	13	13	10	11	12
Paints	6	(4)	2	6	7

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**58,324**	**65,686**	**77,947**	**91,459**	**1,07,810**
EBITDA	9,459	10,619	11,675	13,704	15,984
Depreciation	2,434	2,916	3,125	3,321	3,539
EBIT	7,025	7,703	8,551	10,383	12,445
Net interest inc./(exp.)	413	644	332	332	332
Other inc./(exp.)	413	473	480	400	400
Exceptional items	0	0	0	0	0
EBT	7,025	7,532	8,699	10,451	12,513
Income taxes	1,836	1,959	2,192	2,631	3,149
Extraordinary items	0	226	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**5,238**	**5,366**	**6,507**	**7,821**	**9,363**
Adjustments	0	226	0	0	0
Adjusted net profit	**5,238**	**5,592**	**6,507**	**7,821**	**9,363**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	8,589	11,553	13,709	16,086	18,962
Other current liabilities	2,303	2,724	2,349	2,756	3,249
Provisions	-	-	-	-	-
Debt funds	1,173	1,447	1,447	1,447	1,447
Other liabilities	637	986	986	986	986
Equity capital	269	269	269	269	269
Reserves & surplus	32,682	40,310	45,503	51,766	59,584
Shareholders' fund	36,927	40,579	45,772	52,035	59,853
Total liab. and equities	**50,560**	**58,119**	**65,093**	**74,140**	**85,327**
Cash and cash eq.	6,083	9,434	11,413	14,986	19,904
Accounts receivables	4,353	4,751	5,638	6,615	7,798
Inventories	10,111	11,173	12,954	15,273	18,294
Other current assets	941	1,033	1,226	1,438	1,695
Investments	-	-	-	-	-
Net fixed assets	21,421	23,671	25,546	27,225	28,686
CWIP	1,160	887	887	887	887
Intangible assets	5,695	5,779	5,779	5,779	5,779
Deferred tax assets, net	-	-	-	-	-
Other assets	796	1,391	1,651	1,937	2,283
Total assets	**50,560**	**58,119**	**65,093**	**74,140**	**85,327**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**6,296**	**11,170**	**8,553**	**10,416**	**11,811**
Capital expenditures	(5,448)	(4,591)	(5,000)	(5,000)	(5,000)
Change in investments	-	-	-	-	-
Other investing cash flows	322	(474)	(260)	(286)	(346)
Cash flow from investing	**(5,126)**	**(5,065)**	**(5,260)**	**(5,286)**	**(5,346)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(743)	(3,843)	0	0	0
Interest expenses	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other financing cash flows	567	1,568	(1,314)	(1,558)	(1,546)
Cash flow from financing	**(1,183)**	**(3,282)**	**(1,314)**	**(1,558)**	**(1,546)**
Chg in cash & cash eq.	**(13)**	**2,823**	**1,979**	**3,572**	**4,919**
Closing cash & cash eq.	**6,083**	**9,434**	**11,413**	**14,986**	**19,904**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	19.5	19.9	24.2	29.1	34.8
Adjusted EPS	19.5	20.8	24.2	29.1	34.8
Dividend per share	0.0	0.0	4.9	5.8	5.7
Book value per share	134.5	150.9	170.2	193.4	222.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	6.3	5.6	4.7	4.0	3.3
EV/EBITDA	39.0	34.6	31.2	26.4	22.4
Adjusted P/E	71.3	66.8	57.4	47.7	39.9
P/BV	10.3	9.2	8.2	7.2	6.2

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.6	74.2	74.8	74.8	74.8
Interest burden (PBT/EBIT)	100.0	97.8	101.7	100.7	100.5
EBIT margin (EBIT/Revenue)	12.0	11.7	11.0	11.4	11.5
Asset turnover (Rev./Avg TA)	3.0	2.9	3.2	3.5	3.9
Leverage (Avg TA/Avg Equity)	0.6	0.6	0.6	0.5	0.5
Adjusted ROAE	15.4	14.6	15.1	16.0	16.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	3.4	12.6	18.7	17.3	17.9
EBITDA	3.0	12.3	9.9	17.4	16.6
Adjusted EPS	(4.1)	6.8	16.4	20.2	19.7
Profitability & Return ratios (%)					
EBITDA margin	16.2	16.2	15.0	15.0	14.8
EBIT margin	12.0	11.7	11.0	11.4	11.5
Adjusted profit margin	9.0	8.5	8.3	8.6	8.7
Adjusted ROAE	15.4	14.6	15.1	16.0	16.7
ROCE	20.0	19.3	19.1	20.6	21.7
Working capital days (days)					
Receivables	27	26	26	26	26
Inventory	100	98	98	98	98
Payables	54	64	64	64	64
Ratios (x)					
Gross asset turnover	1.9	1.9	2.1	2.1	2.2
Current ratio	1.9	1.8	1.9	2.0	2.1
Net interest coverage ratio	17.0	12.0	25.8	31.3	37.5
Adjusted debt/equity	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)

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

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

BUY – Expected return >+15%

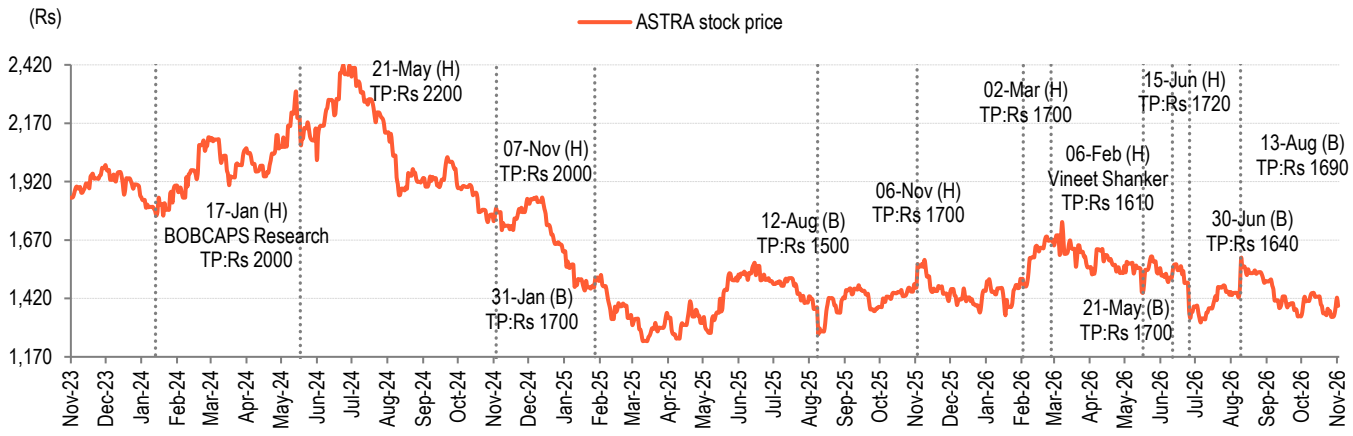
HOLD – Expected return from -6% to +15%

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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