

BUY

TP: Rs 1,700 | ▲ 18%

ASTRAL

| Building Materials

| 21 May 2026

Strong pipes growth and operating leverage drive earnings beat

- 24% pipes volume growth drives EBITDA margin expansion to 21.8% despite polymer volatility
- FY27 guidance remains healthy with 10-15% pipes volume growth and 15-25% adjacencies revenue growth
- Upgrade to BUY; roll forward to Mar'28E & assign 55x P/E, implying TP of Rs 1,700 on earnings visibility & backward integration

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Strong Q4 beat led by pipes; margins recover sharply: ASTRAL reported a strong Q4FY26 performance, with revenue/EBITDA/APAT growing 24%/27%/27% YoY, beating estimates by 5%/13%/16% respectively. The performance was led by robust pipes volume growth and better product mix. Consolidated EBITDA margin expanded 38bps YoY to 18.3%, while pipes EBITDA margin expanded sharply by 228bps YoY to 21.8%, aided by higher utilisation, improved realizations and favourable operating leverage. Consequently, APAT margin improved 23bps YoY to 11.0% despite elevated tax incidence.

Pipes continues to outperform; paints and adhesives margins remain under pressure: Plumbing & bathware revenue grew 25% YoY, driven by strong pipes volume growth of 24% YoY, while realizations remained broadly flat YoY. Pipes EBITDA grew 40% YoY, with EBITDA per kg improving 12% YoY to Rs 39.7/kg, reflecting improved spreads and operating leverage. Paints & adhesives revenue grew 22% YoY, though EBITDA declined 20% YoY, with EBITDA margin contracting 457bps YoY to 8.7%, impacted by continued competitive intensity and weak profitability in paints. Net cash stood at Rs 9.4 bn as of Mar'26 versus Rs 5.1 bn in Dec'25.

FY27 guidance: Management guided for 10-15% volume growth in pipes, 15-20% revenue growth in adhesives, and ~25% growth in both paints and bathware during FY27. Inventory gains in Q4FY26 were indicated to be negligible.

Upgrade to BUY: We expect ASTRA's EPS to grow at a strong 20% CAGR with healthy ROE of ~17% over FY26-FY29E, supported by sustained market-share gains in pipes, improving scale-up in bathware and adhesives, and benefits from backward integration initiatives. We raise our FY27 EPS estimates by 3% while largely maintaining FY28 estimates, driven by stronger pipes growth and better margin trajectory in the plumbing segment. We upgrade the stock to BUY (from HOLD) and roll forward our valuation to Mar'28E, valuing the stock at 55x P/E to arrive at an unchanged TP of Rs 1,700, implying ~18% upside.

Key changes

Target	Rating
◀▶	▲

Ticker/Price	ASTRA IN/Rs 1,444
Market cap	US\$ 4.1bn
Free float	46%
3M ADV	US\$ 13.3mn
52wk high/low	Rs 1,769/Rs 1,264
Promoter/FPI/DII	54%/17%/17%

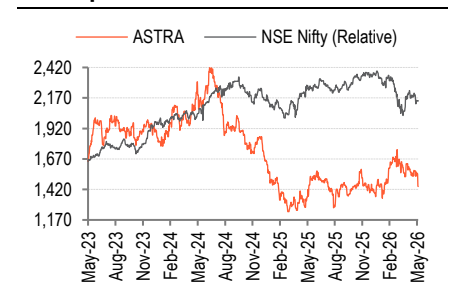
Source: NSE | Price as of 20 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	65,686	79,000	92,847
EBITDA (Rs mn)	10,619	12,280	14,436
Adj. net profit (Rs mn)	5,531	7,002	8,316
Adj. EPS (Rs)	20.6	26.0	30.9
Consensus EPS (Rs)	20.6	26.9	33.3
Adj. ROAE (%)	14.3	16.1	16.8
Adj. P/E (x)	70.2	55.5	46.7
EV/EBITDA (x)	36.0	30.9	26.0
Adj. EPS growth (%)	5.6	26.6	18.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly performance - Consolidated

Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)	BOBCAPS Q4FY26E	Variance (%)
Total operating income	20,885	16,814	24.2	15,415	35.5	65,686	58,324	12.6	19,881	5.0
Raw-Material expense	12,482	10,188	22.5	9,248	35.0	39,511	35,192	12.3	12,365	0.9
Gross Profit	8,403	6,626	26.8	6,167	36.3	26,175	23,132	13.2	7,516	11.8
Employee expense	1,542	1,331	15.9	1,477	4.4	5,904	5,179	14.0	1,477	4.4
Other expense	3,032	2,276	33.2	2,317	30.9	9,652	8,494	13.6	2,653	14.3
EBITDA	3,829	3,019	26.8	2,373	61.4	10,619	9,459	12.3	3,387	13.1
D&A	740	648	14.2	734	0.8	2,916	2,434	19.8	756	(2.1)
EBIT	3,089	2,371	30.3	1,639	88.5	7,703	7,025	9.7	2,631	17.4
Interest cost	74	81	(8.6)	87	(14.9)	319	333	(4.2)	87	(14.9)
Interest income & others	(49)	74	(166.2)	(109)	(55.0)	(78)	333	(123.4)	95	(151.6)
PBT	2,966	2,364	25.5	1,443	105.5	7,306	7,025	4.0	2,639	12.4
Tax	836	583	43.4	366	128.4	1,959	1,836	6.7	664	25.9
Reported PAT	2,130	1,781	19.6	1,077	97.8	5,347	5,189	3.0	1,974	7.9
Adjusted PAT	2,289	1,804	26.9	1,229	86.2	5,751	5,297	8.6	1,974	16.0
As % of net revenues	Q4FY26	Q4FY25	chg (bps)	Q3FY26	chg (bps)	FY26	FY25	chg (bps)		
Gross margin	40.2	39.4	83	40.0	23	39.8	39.7	19		
Employee cost	7.4	7.9	(53)	9.6	(220)	9.0	8.9	11		
Other cost	14.5	13.5	98	15.0	(51)	14.7	14.6	13		
EBITDA margin	18.3	18.0	38	15.4	294	16.2	16.2	(5)		
Tax rate	28.2	24.7	352	25.4	282	26.8	26.1	68		
APAT margin	11.0	10.7	23	8.0	299	8.8	9.1	(33)		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

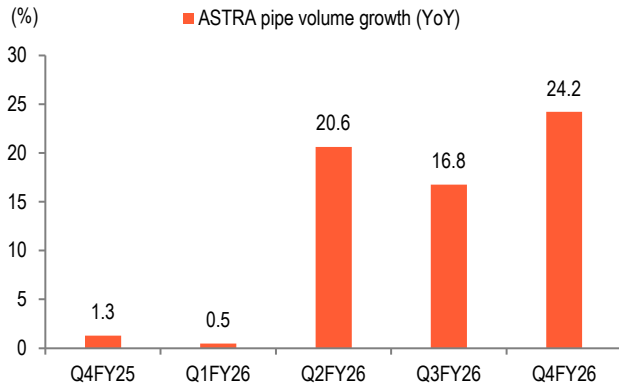
Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Plumbing & Bathware								
Pipe sales volume (kt)	84.1	67.7	24.2	61.7	36.3	263	227	15.8
Pipe realization (Rs/kg)	177.1	176.1	0.6	167.6	5.7	172	180	(4.1)
Revenue (Rs mn)	15342	12266	25.1	10720	43.1	46787	41963	11.5
EBITDA (Rs mn)	3341	2392	39.7	1825	83.1	8582	7480	14.7
EBITDA margin (%)	21.8	19.5	227.6	17.0	475	18.3	17.8	51.7
Paints & Adhesives								
Revenue (Rs mn)	5543	4548	21.9	4695	18.1	18,899	16,361	15.5
EBITDA (Rs mn)	483	604	(20.0)	548	(11.9)	2,032	1,956	3.9
EBITDA margin (%)	8.7	13.3	(456.7)	11.7	(296)	10.8	12.0	(120.3)

Source: Company, BOBCAPS Research

Earnings Call Highlights

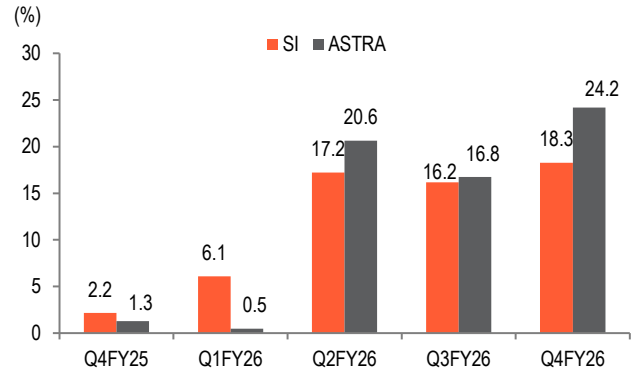
- **Industry backdrop constructive; Astral positioned to outgrow:** Management expects the pipes industry to grow volumes by ~8% in FY27, with organized players likely to outperform as polymer-price volatility and formalization accelerate share shift from unorganised. Extension of Jal Jeevan Mission to Dec'28 with a FY27 outlay of Rs 676bn provides multi-year demand visibility, especially in rural plumbing. In adhesives and paints, the domestic adhesives/sealants market is expected to grow 8-10% and decorative/industrial paints 6-7%, with ASTRA seeing emerging export opportunities into MEA and Europe.
- **Core plumbing remains the growth and earnings engine:** Plumbing contributed 73% of consolidated revenues in Q4, with volumes up 24% YoY, materially outpacing industry growth and reinforcing ASTRA's share gains in organized pipes. Newly commissioned plants at Kanpur and Hyderabad are fully ramped up, taking installed capacity to 417.6k MT and improving regional reach, logistics costs and service levels, which should support mid-teens volume growth guidance for FY27.
- **Bathware, faucets, tanks deepen the building-materials platform:** Within plumbing, bathware revenues grew 31% YoY in Q4; management expects 25–30% growth in FY27 with a clear target of EBITDA breakeven, driven by distribution scale-up and operating leverage. Faucets are similarly guided for 25-30% growth, while water tanks are growing faster than the core pipes portfolio, collectively supporting the company's transition from a pipes manufacturer to a broader building-materials platform.
- **Adhesives and paints growth still investment-heavy:** The segment grew 22% YoY, but EBITDA declined 1% YoY as the company continued to invest in paints distribution and absorbed weak profitability in overseas operations (including a ~Rs 60mn paints loss in Q4). For FY27, management is targeting 15-20% revenue growth in adhesives (India 15-20%, UK 10% value growth) with 220bps EBITDA margin improvement, and 25% growth in paints, with a medium-term ambition to scale paints revenues to Rs 10bn.
- **Backward integration strengthens PVC positioning:** The acquisition of 80% in Nexelon Chem and the planned 40kt CPVC resin facility will make Astral the only domestic CPVC pipe player with captive resin, reducing import dependence and FX-linked raw-material volatility once commissioned. The upcoming Khambhat greenfield site will further augment pipes and water-tank capacity, underpinning management's confidence in long-term volume growth; FY27 capex is planned at Rs 3bn.
- **Deeper retail reach supports market share gains:** The company added 20% more channel partners during FY26, expanding reach to 20,000 towns across India. Management highlighted that deeper retail penetration and stronger distribution reach continue to support above-industry growth across pipes, bathware and adhesives.

Fig 3 – ASTRA pipe volume grew at a strong pace of 24.2% YoY in Q4FY26



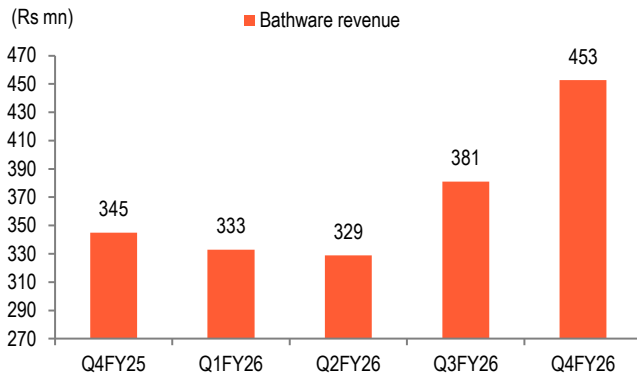
Source: Company, BOBCAPS Research

Fig 4 – pipe YoY volume growth ASTRA vs SI



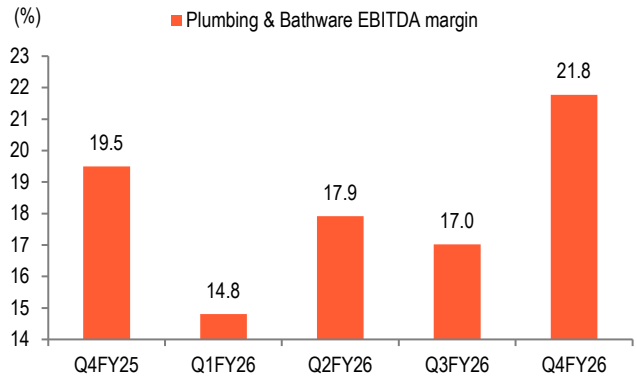
Source: Company, BOBCAPS Research

Fig 5 – Bathware revenue grew sharply by 22% YoY in Q4FY26 over a small base



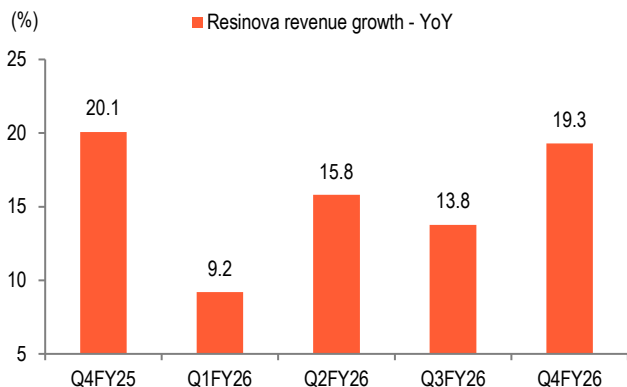
Source: Company, BOBCAPS Research

Fig 6 – Plumbing & bathware EBITDA margin contracted by 228bps YoY to 21.8% in Q4FY26



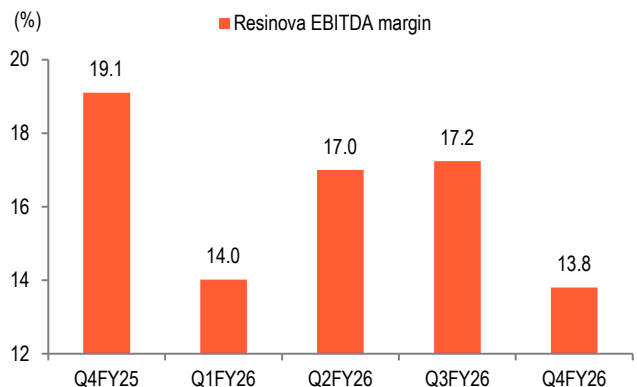
Source: Company, BOBCAPS Research

Fig 7 – Resinova revenue grew at a healthy pace of 19.3% YoY in Q4FY26



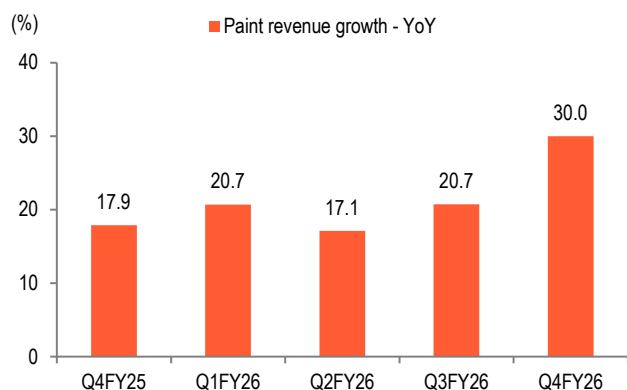
Source: Company, BOBCAPS Research

Fig 8 – .. Resinova EBITDA margin contracted to 13.8% in Q4FY26



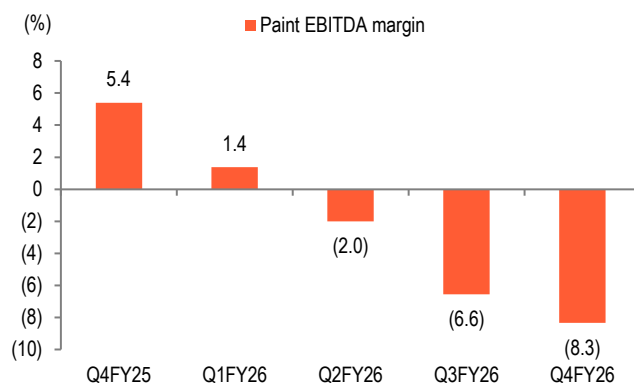
Source: Company, BOBCAPS Research

Fig 9 – Paints revenue was up 30% YoY in Q4FY26



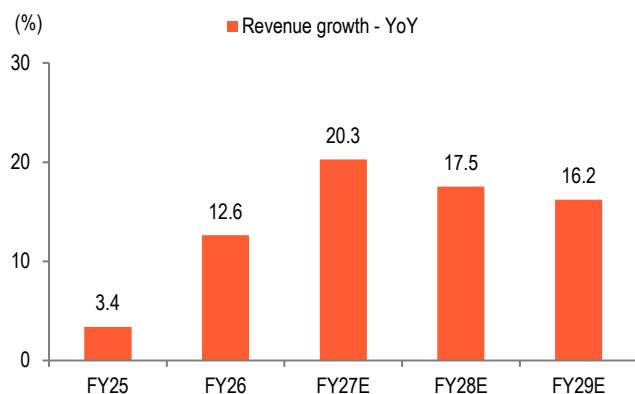
Source: Company, BOBCAPS Research

Fig 10 – Paints EBITDA margin fell sharply in Q4FY26



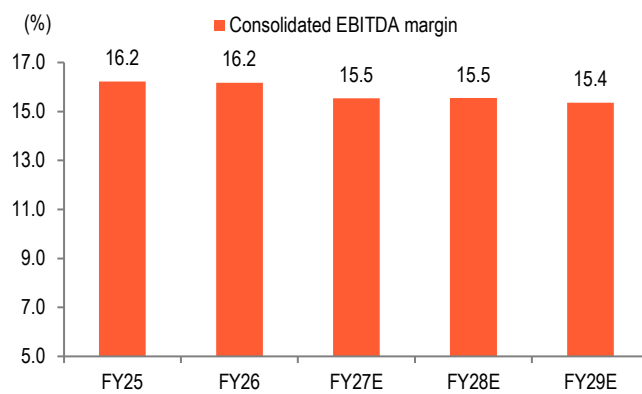
Source: Company, BOBCAPS Research

Fig 11 – ASTRA’s revenue is projected to grow at 9% CAGR over FY26-FY29E



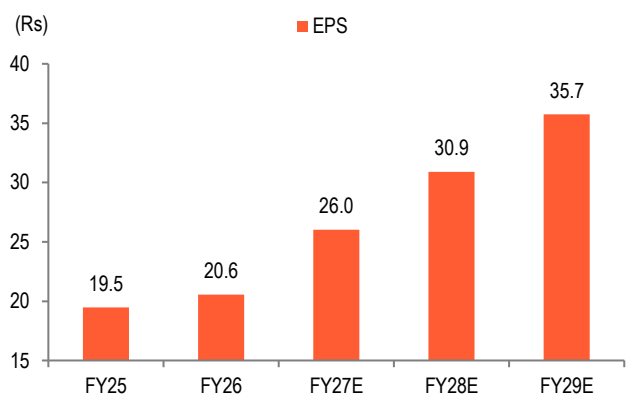
Source: Company, BOBCAPS Research

Fig 12 – Consolidated EBITDA margin is projected to be stable ~16.3% over FY27E-FY28E



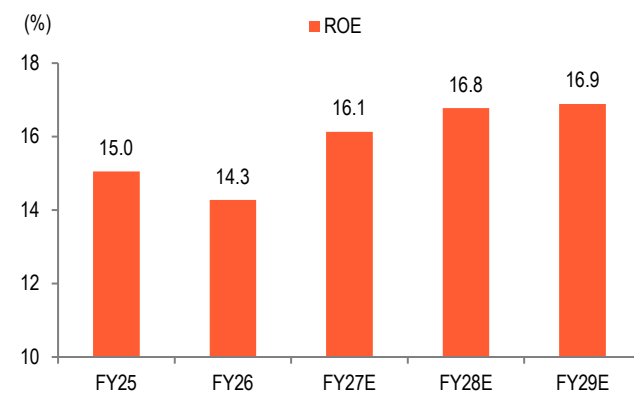
Source: Company, BOBCAPS Research

Fig 13 – EPS projected to grow at 20.2% CAGR over FY26-FY29E



Source: Company, BOBCAPS Research

Fig 14 – ROE is projected to improve from 14.3% in FY26 to 16.9% in FY29E



Source: Company, BOBCAPS Research

Valuation Methodology

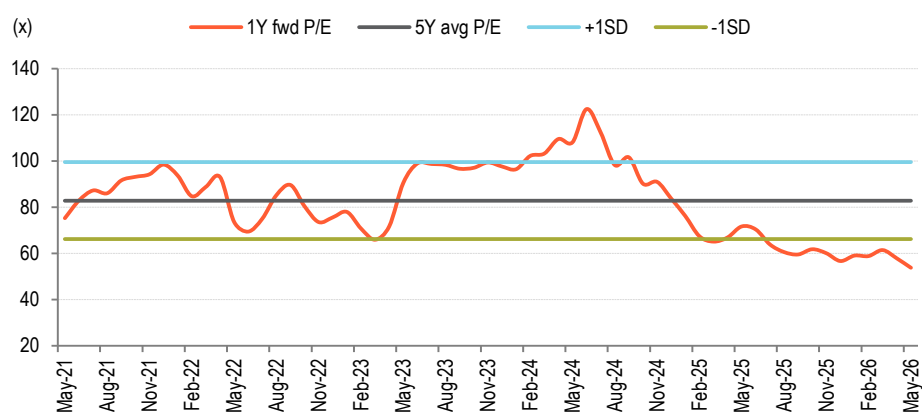
We expect ASTRA's EPS to grow at a strong 20% CAGR with healthy ROE of ~17% over FY26-FY29E, supported by sustained market-share gains in pipes, improving scale-up in bathware and adhesives, and benefits from backward integration initiatives. We raise our FY27 EPS estimates by 3% while largely maintaining FY28 estimates, driven by stronger pipes growth and better margin trajectory in the plumbing segment. We upgrade the stock to BUY (from HOLD) and roll forward our valuation to Mar'28E, valuing the stock at 55x P/E to arrive at an unchanged TP of Rs 1,700, implying ~18% upside.

Fig 15 – Revised estimates

Particulars	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Consolidated (Rs bn)									
Revenue	79.0	92.8	107.9	75.0	88.8	NA	5.3	4.6	NA
EBITDA	12.3	14.4	16.6	12.2	14.5	NA	0.7	(0.4)	NA
EBITDA margin	15.5	15.5	15.4	16.3	16.3	NA	(72bps)	(78bps)	NA
Adjusted PAT	7.0	8.3	9.6	6.8	8.3	NA	3.0	0.2	NA
EPS (Rs)	26.0	30.9	35.7	25.3	30.9	NA	3.0	0.2	NA

Source: BOBCAPS Research

Fig 16 – Trading at 53.8x on consensus 1Y P/E vs 5Y average of 82.8x



Source: Bloomberg, BOBCAPS Research

Fig 17 – Key assumptions

Particulars (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue-Mix					
Pipe	70	69	68	66	64
Adhesives	25	25	25	26	27
Paints	3	4	4	4	5
Bathware	2	2	3	3	4
Operating Metrics					
Pipe volume growth	3	16	15	13	12
Adhesive revenue growth	9	15	21	21	21
Paints revenue growth	6	22	30	30	30
Bathware revenue growth	93	27	55	35	26
EBITDA margin					
Pipe	18	19	18	18	18
Adhesives	13	13	12	12	12
Paints	6	-4	7	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	79,000	92,847	1,07,906
EBITDA	9,459	10,619	12,280	14,436	16,572
Depreciation	2,434	2,916	3,039	3,439	3,839
EBIT	7,025	7,703	9,241	10,997	12,733
Net interest inc./(exp.)	(413)	(644)	(376)	(376)	(376)
Other inc./(exp.)	413	473	492	492	492
Exceptional items	0	0	0	0	0
EBT	7,025	7,532	9,357	11,113	12,849
Income taxes	1,836	1,959	2,355	2,797	3,234
Extraordinary items	0	226	0	0	0
Min. int./Inc. from assoc.	49	19	0	0	0
Reported net profit	5,238	5,366	7,002	8,316	9,615
Adjustments	0	165	0	0	0
Adjusted net profit	5,238	5,531	7,002	8,316	9,615

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	8,589	11,553	13,895	16,330	18,979
Other current liabilities	2,279	2,563	2,563	2,563	2,563
Provisions	24	161	194	228	264
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	45,967	52,669	60,670
Shareholders' fund	36,927	40,579	46,236	52,938	60,939
Total liab. and equities	50,560	58,119	64,619	73,790	84,477
Cash and cash eq.	6,083	9,434	10,977	14,667	19,855
Accounts receivables	4,353	4,751	5,714	6,715	7,805
Inventories	10,111	11,173	12,996	15,697	18,709
Other current assets	941	1,033	1,242	1,460	1,697
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	64,619	73,790	84,477

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	6,318	11,000	9,303	10,188	11,685
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)	492	492	492
Cash flow from investing	(5,126)	(5,065)	(4,508)	(4,508)	(4,508)
Equities issued/Others	0	(765)	0	0	0
Debt raised/repaid	166	(317)	(1,531)	0	0
Interest expenses	(342)	(569)	(376)	(376)	(376)
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)	(3,252)	(1,990)	(1,990)
Chg in cash & cash eq.	9	2,653	1,543	3,690	5,187
Closing cash & cash eq.	6,105	8,758	10,301	13,991	19,179

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	19.5	19.9	26.0	30.9	35.7
Adjusted EPS	19.5	20.6	26.0	30.9	35.7
Dividend per share	3.8	2.5	5.0	6.0	6.0
Book value per share	134.5	150.9	171.9	196.8	226.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	6.6	5.8	4.8	4.0	3.4
EV/EBITDA	40.5	36.0	30.9	26.0	22.4
Adjusted P/E	74.1	70.2	55.5	46.7	40.4
P/BV	10.7	9.6	8.4	7.3	6.4

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.6	73.4	74.8	74.8	74.8
Interest burden (PBT/EBIT)	100.0	97.8	101.3	101.1	100.9
EBIT margin (EBIT/Revenue)	12.0	11.7	11.7	11.8	11.8
Asset turnover (Rev./Avg TA)	115.4	113.0	122.3	125.8	127.7
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.5	1.5	1.5
Adjusted ROAE	15.0	14.3	16.1	16.8	16.9

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	3.4	12.6	20.3	17.5	16.2
EBITDA	2.3	12.3	15.6	17.6	14.8
Adjusted EPS	(4.9)	5.6	26.6	18.8	15.6
Profitability & Return ratios (%)					
EBITDA margin	16.2	16.2	15.5	15.5	15.4
EBIT margin	12.0	11.7	11.7	11.8	11.8
Adjusted profit margin	9.0	8.4	8.9	9.0	8.9
Adjusted ROAE	15.0	14.3	16.1	16.8	16.9
ROCE	19.4	19.4	21.1	21.7	21.7
Working capital days (days)					
Receivables	27	26	26	26	26
Inventory	63	62	60	62	63
Payables	54	64	64	64	64
Ratios (x)					
Gross asset turnover	1.9	1.9	2.1	2.2	2.2
Current ratio	1.9	1.8	1.9	2.0	2.2
Net interest coverage ratio	17.0	12.0	24.6	29.2	33.9
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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 SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
 SEBI Stock Broker Registration No: **INZ000159332**
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 For any queries or grievances, you may contact the Grievance Officer.
 Name of the Grievance Officer: Mr. Manoj Pawar
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Brand Name: **BOBCAPS**
 Website: <https://www.bobcaps.in/>
 CIN: **U65999MH1996GOI098009**



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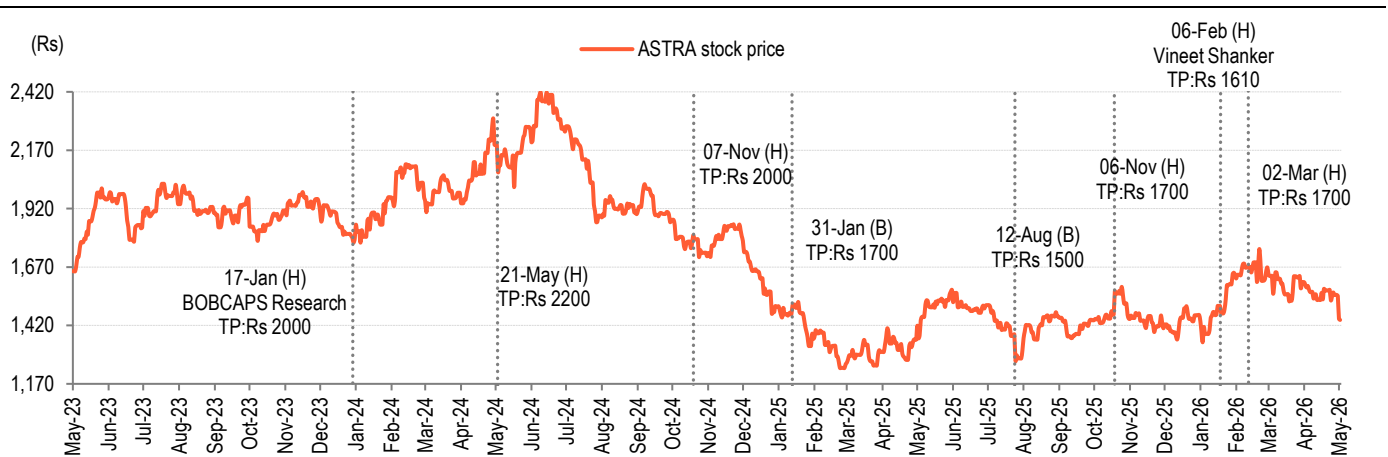
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

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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