BUILDING MATERIALS | Q2FY26 Preview | 07 October 2025

BM Q2FY26 Preview: soft demand persists

- **Our building materials universe's revenue is likely to grow at a muted pace for the eleventh consecutive quarter**
- **BM EBITDAM to improve on YoY basis in Q2 owing to weak base, but likely to remain well below normal due to intense competition**
- **Plastic pipe is likely to perform relatively better in Q2 on favourable product mix and bottoming of resin prices**

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Building Materials (BM): We expect our BM universe's revenue to grow at a muted pace (+4.5% YoY in Q2FY26) for the eleventh consecutive quarter, due to weak real estate activity. Our BM universe's EBITDA is projected to grow at 12.6% YoY in Q2FY26 in anticipation of margin expansion (+83bps YoY to 11.6%), owing to a weak base. However, operating margin is expected to remain well below the normal level, owing to intense competition in a soft demand environment.

Plastic Pipes: Our pipe universe volume is projected to grow at 7.6% YoY in Q2FY26 over a weak base (+2.3% YoY in Q2FY25). Pipe realisation is forecast to rise by 5.4% QoQ, on the back of favourable product mix due to low contribution of agri pipe volume in a monsoon affected quarter. However, pipe companies EBITDA are projected to decline by 4.0% YoY in Q2FY26 due to lower realisation, on the back of steep correction in resin prices (-12.4% YoY). SI is likely to post superior volume growth (+9% YoY) for the 15th straight quarter in Q2FY26, due to the benefit of aggressive pricing strategy and benefit of consolidation of the Wavin business.

Bathware: Our bathware universe revenue is projected to grow at a muted pace (+5.6% YoY) for the eighth straight quarter. Segment EBITDA margin is expected to be relatively flat (+6bps YoY to 12.5%) in Q2FY26 over a weak base due to continued high discounts offered to dealers in a weak demand environment.

Tiles: Our tiles universe volume is forecast to grow at a meagre 4.0% YoY in Q2FY26. Tiles realisation is expected to remain stable QoQ given the intense competition from Morbi players. However, tiles EBITDA margin is projected to improve by 88bps YoY to 12.6% in Q2FY26 due to benefit of cost savings initiatives implemented by Kajaria.

Wood Panel: Our wood panel universe revenue is projected to grow at 11.7% YoY in Q2FY26. MDF and particleboard prices were stable on QoQ basis, as the leading players target to quickly ramp up their new capacities in an oversupplied market. EBITDA margin is expected to improve (+55bps YoY to 10.4%), in Q2FY26 due to benefit of operating leverage and weak base effect.

Fig 1 – Plastic Pipe earnings estimates – Q2FY26

Particulars	Q2FY26E	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
SI - Consolidated					
Pipe Volume (KT)	111.4	102.2	9.0	148.8	(25.1)
Pipe Realization (Rs/kg)	126.5	140.6	(10.1)	120.5	5.0
Pipe EBITDA (Rs/kg)	17.7	21.0	(15.5)	15.1	17.4
Sales (Rs mn)	22,929	22,730	0.9	26,092	(12.1)
EBITDA (Rs mn)	3,094	3,192	(3.1)	3,189	(3.0)
EBITDA margin (%)	13.5	14.0	(55bps)	12.2	127bps
Adjusted PAT (Rs mn)	1899	2066	(8.1)	2023	(6.1)
ASTRA - Consolidated					
Pipe Volume (KT)	54.3	50.8	7.0	56.1	(3.2)
Pipe Realization (Rs/kg)	172.4	184.7	(6.7)	164.2	5.0
Pipe EBITDA (Rs/kg)	29.3	32.4	(9.6)	25.2	16.4
Sales (Rs mn)	14,161	13,704	3.3	13,612	4.0
EBITDA (Rs mn)	2,093	2,101	(0.4)	1,849	13.2
EBITDA margin (%)	14.8	15.3	(55bps)	13.6	119bps
Adjusted PAT (Rs mn)	1,036	1,110	(6.7)	824	25.8
FNXP - Consolidated					
Pipe Volume (KT)	72.8	69.3	5.0	92.1	(21.0)
Sales (Rs mn)	8,491	8,284	2.5	10,432	(18.6)
EBITDA (Rs mn)	801	106	657.7	936	(14.4)
EBITDA margin (%)	9.4	1.3	816bps	9.0	46bps
Adjusted PAT (Rs mn)	1,052	407	158.7	931	13.0
PRINCPIP - Standalone					
Pipe Volume (KT)	46.3	43.3	7.0	43.7	5.9
Pipe Realization (Rs/kg)	136.7	143.7	(4.8)	132.7	3.0
Pipe EBITDA (Rs/kg)	11.6	10.6	10.3	8.0	45.0
Sales (Rs mn)	6,333	6,221	1.8	5,804	9.1
EBITDA (Rs mn)	539	457	18.0	351	53.6
EBITDA margin (%)	8.5	7.3	117bps	6.0	247bps
Adjusted PAT (Rs mn)	151	147	2.9	37	304.5
APOLP - Consolidated					
Pipe Volume (KT)	22.6	20.2	12.0	25.3	(10.8)
Pipe Realization (Rs/kg)	113.4	124.3	(8.7)	108.6	4.4
Pipe EBITDA (Rs/kg)	8.1	9.6	(16.2)	8.2	(1.3)
Sales (Rs mn)	2,561	2,504	2.3	2,750	(6.9)
EBITDA (Rs mn)	182	194	(6.2)	207	(12.0)
EBITDA margin (%)	7.1	7.7	(64bps)	7.5	(41bps)
Adjusted PAT (Rs mn)	51	42	21.5	81	(37.6)

Source: Company, BOBCAPS Research

Fig 2 – Ceramics earnings estimates – Q2FY26

Particulars	Q2FY26E	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
CRS - Consolidated					
Sales (Rs mn)	5,222	4,926	6.0	4,222	23.7
EBITDA (Rs mn)	714	721	(1.0)	551	29.5
EBITDA margin (%)	13.7	14.6	(97bps)	13.0	62bps
Adjusted PAT (Rs mn)	577	680	(15.1)	466	23.9
Hindware - Consolidated					
Bathware revenue (Rs mn)	3,782	3,602	5.0	3,410	10.9
Bathware EBITDA margin (%)	10.0	9.5	53bps	12.6	(261bps)
Pipe revenue (Rs mn)	1,704	1,871	(8.9)	1,190	43.2
Pipe EBITDA margin (%)	7.0	6.8	21bps	5.9	112bps
Sales (Rs mn)	6,063	6,298	(3.7)	5,312	14.2
EBITDA (Rs mn)	413	297	39.1	488	(15.2)
EBITDA margin (%)	6.8	4.7	210bps	9.2	(236bps)
Adjusted PAT (Rs mn)	(15)	(148)	(90.0)	37	(140.3)
KJC – Consolidated					
Tiles Volume (MSM)	30.1	28.7	5.0	27.2	10.9
Tiles Realisation (Rs/sqm)	362.9	367.1	(1.1)	362.9	0.0
Sales (Rs mn)	12,164	11,793	3.2	11,027	10.3
EBITDA (Rs mn)	1,923	1,589	21.0	1,869	2.9
EBITDA margin (%)	15.8	13.5	233bps	16.9	(114bps)
Adjusted PAT (Rs mn)	1,174	781	50.3	1,090	7.7
SOMC - Consolidated					
Tiles Volume (MSM)	18.2	17.8	2.3	16.0	13.9
Tiles Realisation (Rs/sqm)	316.1	319.0	(0.9)	319.3	(1.0)
Sales (Rs mn)	6,814	6,663	2.3	6,044	12.7
EBITDA (Rs mn)	460	560	(17.8)	482	(4.5)
EBITDA margin (%)	6.8	8.4	(165bps)	8.0	(122bps)
Adjusted PAT (Rs mn)	99	171	(42.1)	104	(4.2)

Source: Company, BOBCAPS Research

Fig 3 – Wood Panel earnings estimates – Q2FY26

Particulars	Q2FY26E	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
CPBI – Consolidated					
Sales (Rs mn)	13,118	11,836	10.8	11,694	12.2
EBITDA (Rs mn)	1,532	1,113	37.6	1,282	19.5
EBITDA margin (%)	11.7	9.4	227bps	11.0	72bps
Adjusted PAT (Rs mn)	658	400	64.5	529	24.3
Volumes					
Plywood (CBM)	1,23,140	1,11,945	10.0	1,08,315	13.7
Laminates (mn sheet)	2.1	1.9	15.0	2.0	8.7
MDF (CBM)	1,03,539	94,126	10.0	84,099	23.1
Particleboard (CBM)	23,773	19,811	20.0	16,302	45.8
EBITDA margin (%)					
Plywood	13.0	13.6	(59bps)	14.3	(125bps)
Laminates	7.0	4.1	288bps	5.0	199bps
MDF	12.0	2.3	970bps	9.4	264bps
Particleboard	5.0	5.5	(51bps)	(0.9)	594bps
GRLM – Consolidated					
Laminates volume (mn sheet)	5.8	5.4	7.0	4.9	16.7
Laminates EBITDA margin (%)	15.0	14.7	31bps	13.2	182bps
Sales (Rs mn)	7,959	6,808	16.9	6,738	18.1
EBITDA (Rs mn)	827	814	1.6	547	51.2
EBITDA margin (%)	10.4	12.0	(157bps)	8.1	228bps
Adjusted PAT (Rs mn)	253	344	(26.5)	47	440.5
GREENP - Consolidated					
MDF volume (CBM)	1,12,927	1,01,546	11.2	1,02,096	10.6
MDF EBITDA margin (%)	6.7	9.9	(324bps)	4.0	266bps
Sales (Rs mn)	3,562	3,369	5.7	3,282	8.5
EBITDA (Rs mn)	221	299	(26.2)	117	88.3
EBITDA margin (%)	6.2	8.9	(268bps)	3.6	262bps
Adjusted PAT (Rs mn)	(66)	97	(167.6)	(145)	(54.8)
MTLM - Consolidated					
Sales (Rs mn)	7,101	6,405	10.9	6,008	18.2
EBITDA (Rs mn)	725	576	25.8	616	17.7
EBITDA margin (%)	10.2	9.0	121bps	10.3	(4bps)
Adjusted PAT (Rs mn)	311	176	77.3	250	24.7
Volumes					
Plywood (mn sqm)	21.4	20.2	5.9	17.1	25.1
MDF (CBM)	46,358	40553	14.3	46,350	0.0
EBITDA margin (%)					
Plywood	8.7	8.3	36bps	7.9	77bps
MDF	16.0	11.8	422bps	17.7	(165bps)

Source: BOBCAPS Research, Company

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