

## BUILDING MATERIALS

| Q3FY26 Preview

| 29 December 2025

### BM Q3FY26 Preview: demand condition remains soft

- Our building materials universe's revenue is likely to grow at a muted pace for the 12th consecutive quarter
- BM EBITDAM to improve on YoY basis in Q3, owing to a weak base, but will likely remain well below normal due to intense competition
- Plastic pipes to perform the worst on weak resin prices; wood panel to perform better in Q3 on operating leverage benefit and a low base

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**Building Materials (BM):** We expect our BM universe's revenue to grow at single-digit rate (+7.5% YoY in Q3FY26) for the 12th consecutive quarter due to weak real estate activity. Our BM universe's EBITDA is projected to grow at a healthy 19.0% YoY in Q3FY26 in anticipation of margin expansion (+113bps YoY to 11.7%), owing to a weak base. However, operating margin is expected to stay 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 10.3% YoY in Q3FY26. Pipe realisation is forecast to decline by 6.0% QoQ, on the back of weak PVC resin prices. Pipe sector is likely to post MTM inventory loss in Q3FY26, but our pipe universe EBITDA is projected to rise by 13.7% YoY in Q3FY26, due to a weak base effect (on account of steeper decline in resin prices -11% QoQ in Q3FY25 vs -6% QoQ in Q3FY26). SI is likely to post superior volume growth in Q3FY26, due to aggressive pricing strategy and benefit of consolidation of the Wavin business.

**Bathware:** Our bathware universe revenue is projected to grow at a muted pace (+6.1% YoY) for the ninth straight quarter. Segment EBITDA margin is expected to be slightly under pressure (-33bps YoY to 11.8%) in Q3FY26 on high discounts offered to dealers in a weak demand environment and cost inflation pressure.

**Tiles:** Our tiles universe volume is forecast to be relatively flat (+0.7% YoY) in Q3FY26 due to muted demand conditions. Tiles realisation is expected to remain stable QoQ. Despite intense competition, our tiles universe EBITDA margin is projected to improve by 236bps YoY to 13.9% in Q3FY26, mainly due to the benefit of cost savings initiatives implemented by Kajaria.

**Wood Panel:** Our wood panel universe revenue is projected to grow at a healthy 11.0% YoY in Q3FY26 mainly due to benefit of completion of large capex projects. 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 (+142bps YoY to 11.2%) in Q3FY26 due to benefit of operating leverage and a low base effect.



**Fig 1 – Plastic Pipe earnings estimates – Q3FY26**

Particulars	Q3FY26E	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
<b>SI - Consolidated</b>					
Pipe Volume (KT)	141.7	126.5	12.0	119.9	18.2
Pipe Realization (Rs/kg)	127.0	131.6	(3.5)	133.7	(5.0)
Pipe EBITDA (Rs/kg)	15.2	16.0	(5.0)	17.1	(11.0)
Sales (Rs mn)	26,689	25,099	6.3	23,939	11.5
EBITDA (Rs mn)	3,259	3,088	5.5	2,974	9.6
EBITDA margin (%)	12.2	12.3	(9bps)	12.4	(21bps)
Adjusted PAT (Rs mn)	1,888	1,870	1.0	1,647	14.6
<b>ASTRA - Consolidated</b>					
Pipe Volume (KT)	59.2	52.8	12.0	61.2	(3.3)
Pipe Realization (Rs/kg)	170.2	182.1	(6.5)	177.3	(4.0)
Pipe EBITDA (Rs/kg)	28.9	33.0	(12.3)	32.7	(11.6)
Sales (Rs mn)	15,105	13,970	8.1	15,774	(4.2)
EBITDA (Rs mn)	2,325	2,195	5.9	2,568	(9.5)
EBITDA margin (%)	15.4	15.7	(32bps)	16.3	(89bps)
Adjusted PAT (Rs mn)	1,211	1,179	2.7	1,409	(14.1)
<b>FNXP - Consolidated</b>					
Pipe Volume (KT)	91.8	85.8	7.0	65.3	40.5
Sales (Rs mn)	11,459	10,012	14.4	8,587	33.4
EBITDA (Rs mn)	918	834	10.0	1,302	(29.5)
EBITDA margin (%)	8.0	8.3	(32bps)	15.2	(715bps)
Adjusted PAT (Rs mn)	941	1,236	(23.9)	931	1.0
<b>PRINCIPI - Standalone</b>					
Pipe Volume (KT)	45.4	41.3	10.0	42.8	6.2
Pipe Realization (Rs/kg)	132.1	140.0	(5.6)	139.0	(5.0)
Pipe EBITDA (Rs/kg)	11.7	0.7	NM	12.9	(9.6)
Sales (Rs mn)	5,996	5,777	3.8	5,946	0.8
EBITDA (Rs mn)	529	30	NM	551	(4.0)
EBITDA margin (%)	8.8	0.5	831bps	9.3	(45bps)
Adjusted PAT (Rs mn)	131	(204)	NM	146	(10.2)
<b>APOLP - Consolidated</b>					
Pipe Volume (KT)	29.6	27.0	9.8	21.7	36.7
Pipe Realization (Rs/kg)	105.6	114.1	(7.5)	108.7	(2.9)
Pipe EBITDA (Rs/kg)	7.4	8.6	(13.7)	7.3	2.3
Sales (Rs mn)	3,130	3,079	1.6	2,357	32.8
EBITDA (Rs mn)	220	233	(5.2)	158	39.9
EBITDA margin (%)	7.0	7.6	(51bps)	6.7	36bps
Adjusted PAT (Rs mn)	59	62	(5.5)	16	261.9

Source: Company, BOBCAPS Research

**Fig 2 – Ceramics earnings estimates – Q3FY26**

Particulars	Q3FY26E	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
<b>CRS - Consolidated</b>					
Sales (Rs mn)	4,664	4,523	3.1	4,879	(4.4)
EBITDA (Rs mn)	619	615	0.6	671	(7.7)
EBITDA margin (%)	13.3	13.6	(32bps)	13.8	(48bps)
Adjusted PAT (Rs mn)	498	458	8.7	566	(12.1)
<b>Hindware - Consolidated</b>					
Bathware revenue (Rs mn)	3,715	3,377	10.0	3,970	(6.4)
Bathware EBITDA margin (%)	10.0	10.2	(22bps)	10.8	(83bps)
Pipe revenue (Rs mn)	1,941	1,892	2.6	1,960	(1.0)
Pipe EBITDA margin (%)	6.0	6.9	(92bps)	6.1	(12bps)
Sales (Rs mn)	6,392	5,942	7.6	6,763	(5.5)
EBITDA (Rs mn)	486	294	65.4	564	(13.8)
EBITDA margin (%)	7.6	4.9	266bps	8.3	(73bps)
Adjusted PAT (Rs mn)	17	(169)	NM	47	(63.6)
<b>KJC – Consolidated</b>					
Tiles Volume (MSM)	28.6	28.9	(1.2)	28.9	(1.1)
Tiles Realisation (Rs/sqm)	364.2	360.1	1.1	364.2	0.0
Sales (Rs mn)	11,792	11,556	2.0	11,860	(0.6)
EBITDA (Rs mn)	2,031	1,533	32.5	2,135	(4.8)
EBITDA margin (%)	17.2	13.3	396bps	18.0	(77bps)
Adjusted PAT (Rs mn)	1,273	836	52.2	1,330	(4.3)
<b>SOMC - Consolidated</b>					
Tiles Volume (MSM)	17.8	17.1	4.1	17.8	(0.2)
Tiles Realisation (Rs/sqm)	320.6	319.6	0.3	320.5	0.0
Sales (Rs mn)	6,756	6,449	4.8	6,852	(1.4)
EBITDA (Rs mn)	538	535	0.6	535	0.5
EBITDA margin (%)	8.0	8.3	(33bps)	7.8	15bps
Adjusted PAT (Rs mn)	168	104	60.9	150	11.8

Source: Company, BOBCAPS Research

**Fig 3 – Wood Panel earnings estimates – Q3FY26**

Particulars	Q3FY26E	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
<b>CPBI – Consolidated</b>					
Sales (Rs mn)	12,603	11,405	10.5	13,855	(9.0)
EBITDA (Rs mn)	1,637	1,295	26.4	1,746	(6.3)
EBITDA margin (%)	13.0	11.4	163bps	12.6	39bps
Adjusted PAT (Rs mn)	651	588	10.6	709	(8.3)
<b>Volumes</b>					
Plywood (CBM)	1,13,382	1,03,133	9.9	1,28,617	(11.8)
Laminates (mn sheet)	2.0	1.8	10.0	2.0	1.3
MDF (CBM)	1,12,820	98,104	15.0	113,748	(0.8)
Particleboard (CBM)	21,824	16,788	30.0	18,858	15.7
<b>EBITDA margin (%)</b>					
Plywood	14.0	11.6	238bps	13.9	12bps
Laminates	9.0	4.3	475bps	8.8	25bps
MDF	15.0	15.9	(92bps)	15.5	(47bps)
Particleboard	(3.0)	4.5	(746bps)	(13.0)	996bps
<b>GRLM – Consolidated</b>					
Laminates volume (mn sheet)	5.2	4.8	10.0	5.8	(9.4)
Laminates EBITDA margin (%)	15.0	13.2	184bps	17.9	(293bps)
Sales (Rs mn)	7,508	6,020	24.7	8,083	(7.1)
EBITDA (Rs mn)	802	635	26.2	1,044	(23.2)
EBITDA margin (%)	10.7	10.6	13bps	12.9	(223bps)
Adjusted PAT (Rs mn)	179	155	15.6	318	(43.6)
<b>GREENP - Consolidated</b>					
MDF volume (CBM)	1,19,709	1,16,077	3.1	1,26,989	(5.7)
MDF EBITDA margin (%)	8.0	5.1	291bps	6.5	147bps
Sales (Rs mn)	3,657	3,594	1.7	3,960	(7.6)
EBITDA (Rs mn)	280	173	61.4	248	13.0
EBITDA margin (%)	7.7	4.8	283bps	6.3	140bps
Adjusted PAT (Rs mn)	(42)	86	NM	(61)	(30.9)
<b>MTLM - Consolidated</b>					
Sales (Rs mn)	6,382	6,145	3.9	6,886	(7.3)
EBITDA (Rs mn)	643	540	19.0	568	13.3
EBITDA margin (%)	10.1	8.8	128bps	8.2	183bps
Adjusted PAT (Rs mn)	227	244	(6.9)	160	42.0
<b>Volumes</b>					
Plywood (mn sqm)	19.8	18.2	8.7	21.7	(8.8)
MDF (CBM)	46,175	42,259	9.3	47,018	(1.8)
<b>EBITDA margin (%)</b>					
Plywood	8.6	8.4	13bps	8.2	33bps
MDF	15.0	10.4	456bps	8.3	674bps

Source: BOBCAPS Research, Company

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