RESULT REVIEW

HOLD

TP: Rs 1,610 | ⮝ 7%

ASTRAL | Building Materials | 06 February 2026

Volume strength offsets pricing and cost headwinds

- **Broadly in-line performance, revenue /EBITDA/ Adj PAT was 2% above our estimates.**
- **Revenue grew 10% YoY led by 8% / 18% YoY growth in the sales of plumbing /paints and adhesives respectively**
- **Revise estimates, roll forward to Dec-27EPS, ascribe unchanged 1YF multiple of 55x to arrive at a TP of 1,610; Maintain HOLD**

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Beats estimates, volume growth surprises; Paints & Adhesives report strong growth (+18% YoY): ASTRA beats our estimates for Q3FY26 (Revenue: +2%; EBITDA: +2%; PAT: +2%), due to the strong pipe sales volume (up 17% YoY vs our estimate of 12% YoY growth). ASTRA revenue/EBITDA/APAT grew by 10%/8%/4% YoY in Q3FY26.

Pricing pressure led to margin contraction (-30bps YoY): Pipes business continued to deliver strong volume-led growth, with pipes volumes up 17% YoY in Q3FY26. However, realisations declined 8% YoY, due to pricing corrections, leading to a modest contraction in segment EBITDA margins (–59 bps YoY to 17.0%). Pains & adhesives segment maintained healthy growth, with revenue up 15% YoY while operating loss widened to Rs 30mn vs Rs 20mn in Q3FY25. Overall, ASTRA's performance in Q3FY26 reflected resilient demand and market share gains (outperformed peers – SI volume growth +16% YoY, Apollo volume declined 6% YoY, while Finolex volume declined 14% YoY) offset by pricing pressure (Inventory loss reported during Q3 was Rs 220mn) and cost normalisation across segments.

Maintains guidance as PVC resin prices stabilise: Management maintained its guidance for mid-teens volume growth in pipes. This was driven by market-share gains, improving PVC resin pricing scenario leading to restocking by the channel and ramp-up at newer plants. Pipe margins are expected to improve sequentially, as polymer price volatility eases and inventory losses reverse. Pains and adhesives remain on a medium-term scale-up path, with profitability improving gradually as operations stabilise.

Tweak estimates, maintain HOLD: We expect ASTRA EPS to grow at a strong 20% CAGR with a healthy ROE of 17% over FY25-FY28E. However, we believe the stock is richly valued (trading at 61x on 1YF P/E vs 5Y pre-Covid average of 45.0x). We have tweaked our FY25-28E estimates marginally and ascribe unchanged 1YF multiple of 55x to arrive at TP of Rs 1,610 per share. We maintain HOLD, on a limited upside.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	ASTRA IN/Rs 1,504
Market cap	US$ 4.5bn
Free float	46%
3M ADV	US$ 10.5mn
52wk high/low	Rs 1,594/Rs 1,232
Promoter/FPI/DII	54%/17%/17%

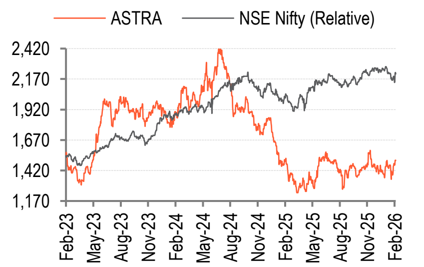
Source: NSE | Price as of 5 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	58,324	64,036	74,993
EBITDA (Rs mn)	9,459	10,048	12,175
Adj. net profit (Rs mn)	5,238	5,425	6,781
Adj. EPS (Rs)	19.5	20.2	25.2
Consensus EPS (Rs)	19.5	21.3	27.3
Adj. ROAE (%)	15.0	13.9	15.5
Adj. P/E (x)	77.2	74.6	59.6
EV/EBITDA (x)	42.2	39.7	32.6
Adj. EPS growth (%)	(4.9)	3.6	25.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly performance - Consolidated

Particulars (Rs mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)	BOBCAPS Q3FY26E	Variance (%)
Total operating income	15,415	13,970	10.3	15,774	(2.3)	44,801	41,510	7.9	15,105	2.1
Raw-Material expense	9,248	8,400	10.1	9,530	(3.0)	27,029	25,004	8.1		
Gross Profit	6,167	5,570	10.7	6,244	(1.2)	17,772	16,506	7.7		
Employee expense	1,477	1,298	13.8	1,466	0.8	4,362	3,848	13.4		
Other expense	2,317	2,077	11.6	2,210	4.8	6,620	6,218	6.5		
EBITDA	2,373	2,195	8.1	2,568	(7.6)	6,790	6,440	5.4	2,325	2.1
D&A	734	631	16.3	723	1.5	2,176	1,786	21.8		
EBIT	1,639	1,564	4.8	1,845	(11.2)	4,614	4,654	(0.9)		
Interest cost	87	87	-	79	10.1	245	252	(2.8)		
Interest income & others	(109)	65	(267.7)	33	(430.3)	(29)	259	(111.2)		
PBT	1,443	1,542	(6.4)	1,799	(19.8)	4,340	4,661	(6.9)		
Tax	366	416	(12.0)	451	(18.8)	1,123	1,253	(10.4)		
Reported PAT	1,077	1,126	(4.4)	1,348	(20.1)	3,217	3,408	(5.6)		
Adjusted PAT	1,229	1,179	4.3	1,409	(12.7)	3,462	3,492	(0.9)	1,211	1.5
As % of net revenues			**chg (bps)**		**chg (bps)**			**chg (bps)**		
Gross margin	40.0	39.9	14	39.6	42	39.7	39.8	(10)		
Employee cost	9.6	9.3	29	9.3	29	9.7	9.3	47		
Other cost	15.0	14.9	16	14.0	102	14.8	15.0	(20)		
EBITDA margin	15.4	15.7	(32)	16.3	(89)	15.2	15.5	(36)		
Tax rate	25.4	27.0	(161)	25.1	29	25.9	26.9	(101)		
APAT margin	8.0	8.4	(46)	8.9	(96)	7.7	8.4	(69)		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

Particulars	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Plumbing & Bathware								
Pipe sales volume (kt)	61.7	52.8	16.8	61.2	0.8	179	159	12.3
Pipe realization (Rs/kg)	167.6	182.1	(8.0)	177.3	(5.5)	170	181	(6.2)
Revenue (Rs mn)	10,720	9,901	8.3	11,186	(4.2)	31,445	29,697	5.9
EBITDA (Rs mn)	1,825	1,744	4.6	2,004	(8.9)	5,241	5,088	3.0
EBITDA margin (%)	17.0	17.6	(59.0)	17.9	(89)	16.7	17.1	(46.6)
Paints & Adhesives								
Revenue (Rs mn)	4,695	4,069	15.4	4,588	2.3	13,356	11,813	13.1
EBITDA (Rs mn)	548	451	21.5	564	(2.8)	1,549	1,352	14.6
EBITDA margin (%)	11.7	11.1	58.8	12.3	(62)	11.6	11.4	15.3

Source: Company, BOBCAPS Research

Earnings Call Highlights

- **Pipe demand scenario:** Management indicated that ground-level demand improved sequentially in Q3FY26, strengthening further into Jan-Feb'26, with secondary sales also turning positive. Importantly, demand recovery is not driven by channel stocking alone — management clarified distributor inventory remaining lean and restocking getting liquidated quickly, indicating a genuine end-market traction. Demand strength was visible across both retail (B2C) and project (B2B) segments, despite a muted government spending, with leaders gaining share while smaller players struggling. Industry volume growth is estimated to be in single digit.

- **Polymer price scenario:** Polymer prices remained volatile during Q3FY26, with ASTRA absorbing an inventory loss of Rs 200-250mn due to PVC and CPVC price corrections. Management stated that PVC prices have bottomed out and started moving upward, with a Rs 7/kg hike announced from Jan'26, of which Rs 5/kg has already been passed on and the balance to be passed shortly. Management expects 1–2/kg further upside, post which prices are likely to stabilise. Importantly, they do not see fresh low-cost imports ahead, as most of the discounted material has already entered the system during Jan-Feb'26.

- **Pipes segment:** Volume increased sharply by 16.8% YoY in Q3FY26 due to market share gain, given the aggressive pricing policy, geographical expansion with de-centralised operation and a broader portfolio expansion. Pipe segment EBITDA margin contracted by 59bps YoY to 17% in Q3FY26. CPVC is growing at a double-digit rate; the company has gained market share in this segment through aggressive positioning. Going ahead, the company maintains guidance of growing the pipe volume at a double-digit rate with EBITDA margin of 16-18% in FY26. New plants at Hyderabad and Kanpur contributed to incremental volumes, with Kanpur ramping up faster than expected and already operating near capacity.

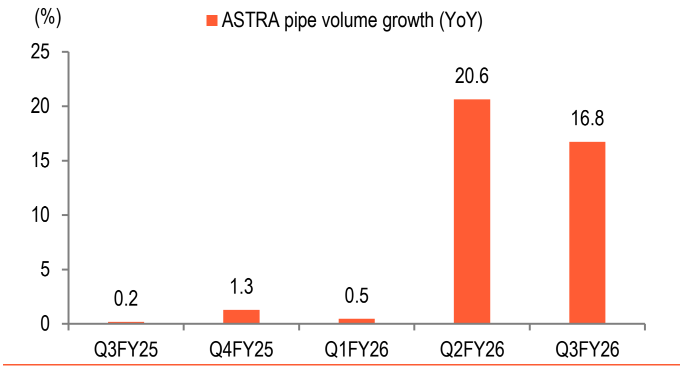
- **Resinova:** Revenue grew by 13.8% YoY and division EBITDA margin expanded by 34bps YoY to 17.7% in Q3FY26. Management highlighted the ongoing capacity consolidation and automation, with select chemistries being centralised to improve cost efficiency. The segment continues to track the company's medium-term guidance of 15% growth with 12-14% EBITDA margins, although near-term margins were influenced by branding spends and operating restructuring.

- **SEAL IT:** Revenue grew significantly by 18.5% in Q3FY26. Division EBITDA margin improved sharply by 991bps YoY to 4.2% in Q3FY26 owing to a low base. Management highlighted corrective actions like: a) inventory clean-up b) procurement rationalisation c) plant-level fixes d) appointment of a new India-based CEO — all have stabilised operations. While margins remain subdued, management expects progressive margin recovery from Q4FY26 onwards, with FY27 targeted at mid-to-high single-digit EBITDA margins, though the guidance remains cautious.

- **Paints:** Revenue grew at a healthy rate of 20.7% YoY in Q3FY26, driven by expansion into Gujarat, Rajasthan, Maharashtra and deeper penetration in South India. Management reiterated guidance of ~20% growth, with margin improvement expected over the next 2-3 quarters.

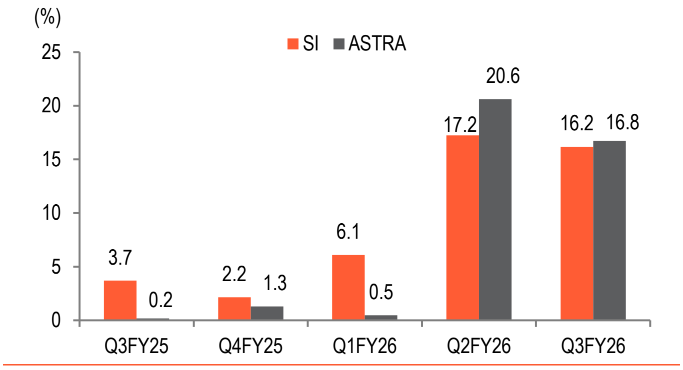
- **Bathware:** Revenue grew by 36.6% YoY in Q2FY26. Management noted that losses have largely been arrested and expects the segment to turn EBITDA-positive from FY27.
- **Capex:** ASTRA has maintained its capex guidance of Rs 3.0-3.5bn for FY26 (spent Rs 2.9bn in 9MFY26). The CPVC backward integration project is progressing as per schedule, with construction underway, machinery ordered, and trial runs expected around Q3FY27, followed by commercial operations in Q4FY27. Meaningful volume contribution is expected from FY28 onwards.

Fig 3 – ASTRA pipe volume grew at a strong pace of 16.8% YoY in Q3FY26



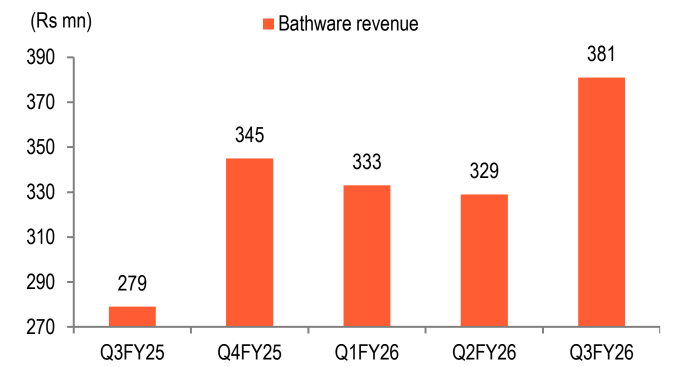
Source: Company, BOBCAPS Research

Fig 4 – ASTRA reported in-line pipe YoY volume growth vs SI for the first time over 4 years



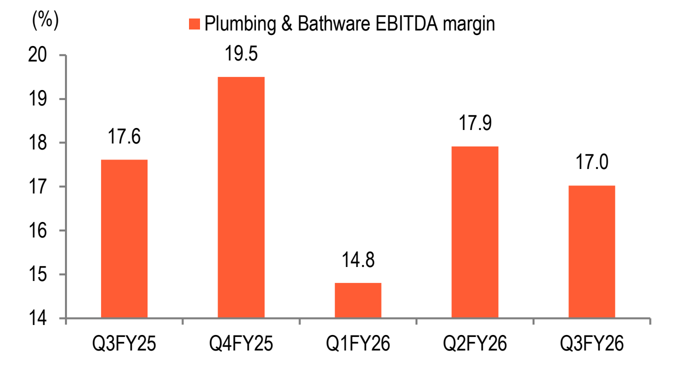
Source: Company, BOBCAPS Research

Fig 5 – Bathware revenue grew sharply by 36.6% YoY in Q3FY26 over a small base



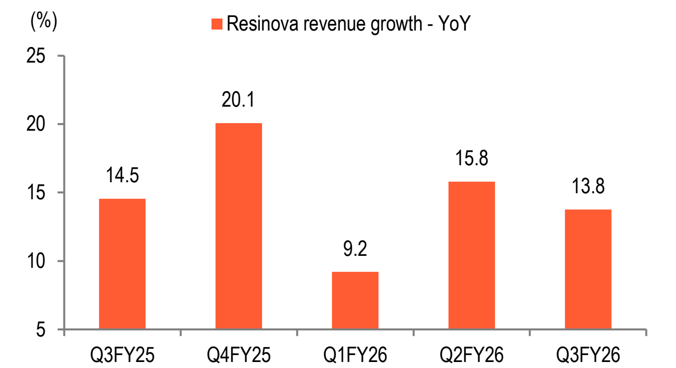
Source: Company, BOBCAPS Research

Fig 6 – Plumbing & bathware EBITDA margin contracted by 59bps YoY to 17.0% in Q3FY26



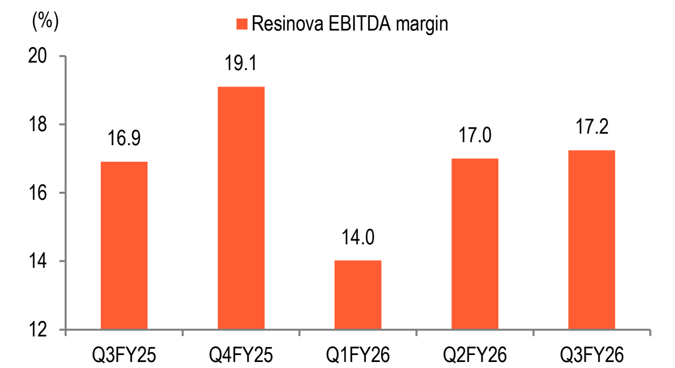
Source: Company, BOBCAPS Research

Fig 7 – Resinova revenue grew at a healthy pace of 13.8% YoY in Q3FY26



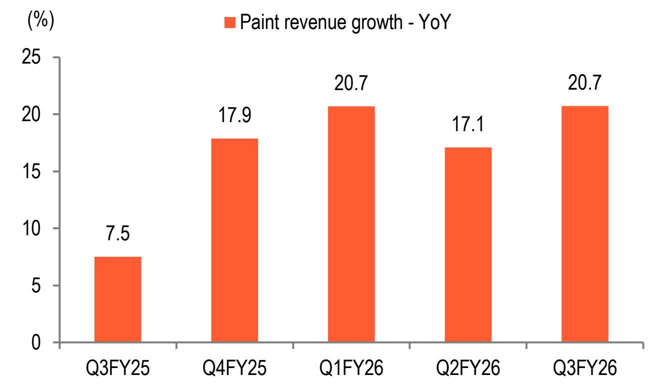
Source: Company, BOBCAPS Research

Fig 8 – .. Resinova EBITDA margin improved by 34bps YoY to 17.2% in Q3FY26



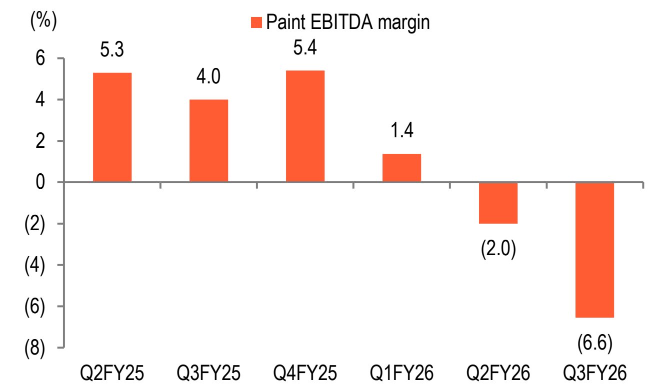
Source: Company, BOBCAPS Research

Fig 9 – Paints revenue was up 20.7% YoY in Q3FY26



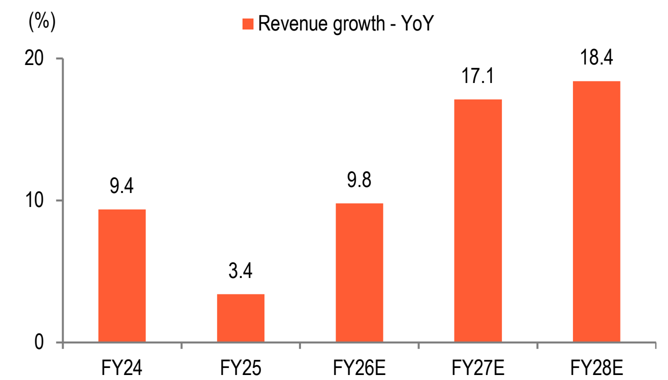
Source: Company, BOBCAPS Research

Fig 10 – Paints EBITDA margin fell sharply in Q3FY26 due to high employee and branding costs



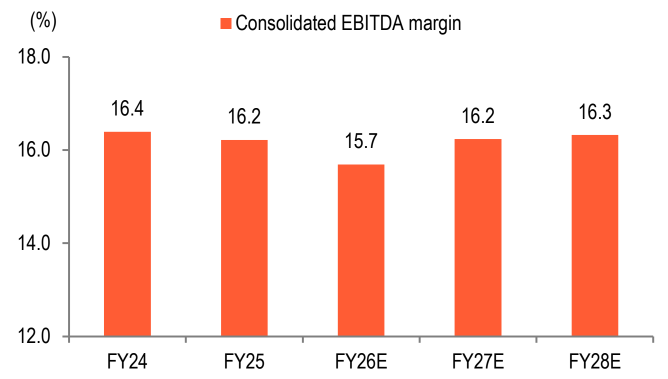
Source: Company, BOBCAPS Research

Fig 11 – ASTRA's revenue is projected to grow at 15% CAGR over FY25-FY28E



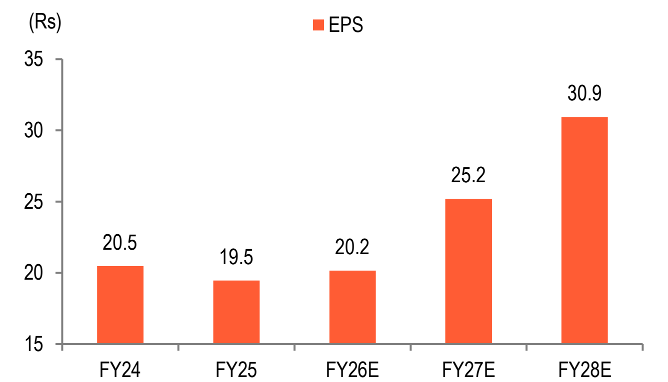
Source: Company, BOBCAPS Research

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



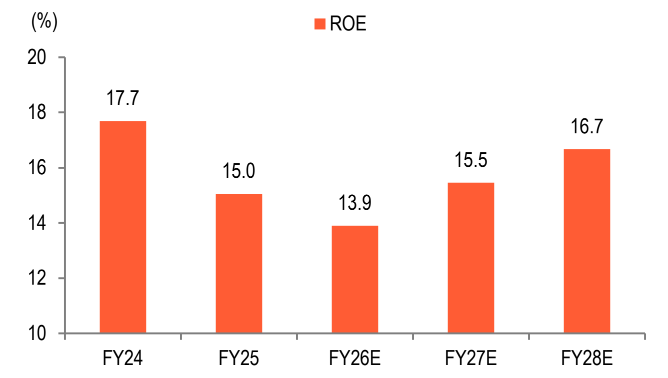
Source: Company, BOBCAPS Research

Fig 13 – EPS projected to grow at 16.7% CAGR over FY25-FY28E



Source: Company, BOBCAPS Research

Fig 14 – ROE is projected to improve from 15.0% in FY25 to 16.7% in FY28E



Source: Company, BOBCAPS Research

Valuation Methodology

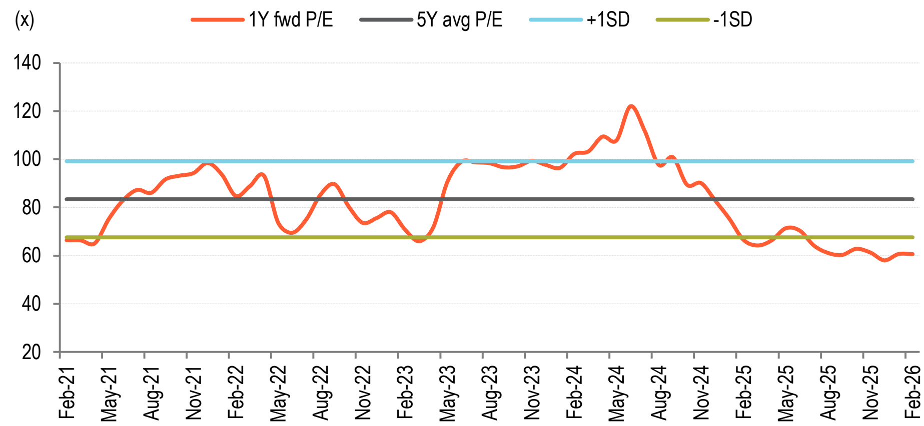
We expect ASTRA EPS to grow at a strong 20% CAGR with a healthy ROE of 17% over FY25-FY28E. However, we believe the stock is richly valued (trading at 61x on 1YF P/E vs 5Y pre-Covid average of 45.0x). We have tweaked our FY25-28E estimates marginally and ascribe unchanged 1YF multiple of 55x to arrive at TP of Rs 1,610 per share. We maintain HOLD, on a limited upside.

Fig 15 – Revised estimates

Particulars	New			Old			Change (%)		
Consolidated (Rs bn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	64.0	75.0	88.8	63.4	74.8	89.4	1.0	0.3	(0.6)
EBITDA	10.0	12.2	14.5	10.2	12.4	14.8	(1.1)	(1.9)	(2.1)
EBITDA margin	15.7	16.2	16.3	16.0	16.6	16.6	(35bps)	(36bps)	(24bps)
Adjusted PAT	5.4	6.8	8.3	5.5	7.0	8.6	(1.2)	(3.3)	(3.3)
EPS (Rs)	20.2	25.2	30.9	20.4	26.1	32.0	(1.2)	(3.3)	(3.3)

Source: BOBCAPS Research

Fig 16 – Trading at 61x on consensus 1YF P/E vs 5Y average of 83.4x



Source: Bloomberg, BOBCAPS Research

Fig 17 – Key assumptions

Particulars (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue-Mix					
Pipe	73	70	69	68	69
Adhesives	23	25	25	25	24
Paints	3	3	4	4	4
Bathware	1	2	2	3	3
Operating Metrics					
Pipe volume growth	24	3	14	16	15
Adhesive revenue growth	12	9	13	15	15
Paints revenue growth	(14)	6	20	21	21
Bathware revenue growth	177	93	25	51	36
EBITDA margin					
Pipe	18	18	18	18	18
Adhesives	13	13	14	15	15
Paints	14	6	(2)	7	8

Source: Company, BOBCAPS Research

BOBCAPS
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Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**56,414**	**58,324**	**64,036**	**74,993**	**88,785**
EBITDA	9,247	9,459	10,048	12,175	14,492
Depreciation	1,976	2,434	2,932	3,145	3,399
EBIT	7,271	7,025	7,116	9,030	11,093
Net interest inc./(exp.)	(291)	(413)	(332)	(348)	(348)
Other inc./(exp.)	421	413	395	380	380
Exceptional items	64	0	0	0	0
EBT	7,337	7,025	7,179	9,062	11,125
Income taxes	1,880	1,836	1,753	2,281	2,800
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	4	49	0	0	0
Reported net profit	**5,461**	**5,238**	**5,425**	**6,781**	**8,324**
Adjustments	48	0	0	0	0
Adjusted net profit	**5,509**	**5,238**	**5,425**	**6,781**	**8,324**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	8,719	8,589	9,451	11,068	13,104
Other current liabilities	1,956	2,279	2,279	2,279	2,279
Provisions	8	24	26	31	37
Debt funds	964	1,439	0	0	0
Other liabilities	647	1,302	1,302	1,302	1,302
Equity capital	269	269	269	269	269
Reserves & surplus	31,612	35,901	40,116	45,552	52,262
Shareholders' fund	32,685	36,927	41,142	46,578	53,288
Total liab. and equities	**44,979**	**50,560**	**54,200**	**61,258**	**70,010**
Cash and cash eq.	6,096	6,083	6,602	8,828	11,990
Accounts receivables	3,758	4,353	4,779	5,597	6,626
Inventories	9,134	10,111	10,643	12,625	15,362
Other current assets	868	941	1,035	1,213	1,436
Investments	0	0	0	0	0
Net fixed assets	17,646	21,421	23,489	25,344	26,945
CWIP	1,506	1,160	1,160	1,160	1,160
Intangible assets	5,348	5,695	5,695	5,695	5,695
Deferred tax assets, net	131	200	200	200	200
Other assets	492	596	596	596	596
Total assets	**44,979**	**50,560**	**54,200**	**61,258**	**70,010**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**7,167**	**6,749**	**8,106**	**8,539**	**9,744**
Capital expenditures	(5,789)	(6,290)	(5,000)	(5,000)	(5,000)
Change in investments	0	0	0	0	0
Other investing cash flows	357	413	395	380	380
Cash flow from investing	**(5,432)**	**(5,877)**	**(4,605)**	**(4,620)**	**(4,620)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	191	475	(1,439)	0	0
Interest expenses	(291)	(413)	(332)	(348)	(348)
Dividends paid	(1,009)	(1,009)	(1,211)	(1,345)	(1,614)
Other financing cash flows	(1,351)	62	0	0	0
Cash flow from financing	**(2,460)**	**(885)**	**(2,982)**	**(1,693)**	**(1,962)**
Chg in cash & cash eq.	**(725)**	**(13)**	**519**	**2,226**	**3,162**
Closing cash & cash eq.	**6,096**	**6,083**	**6,602**	**8,828**	**11,990**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	20.3	19.5	20.2	25.2	30.9
Adjusted EPS	20.5	19.5	20.2	25.2	30.9
Dividend per share	3.8	3.8	4.5	5.0	6.0
Book value per share	118.5	134.5	150.1	170.3	195.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	7.1	6.9	6.2	5.3	4.4
EV/EBITDA	43.1	42.2	39.7	32.6	27.2
Adjusted P/E	73.4	77.2	74.6	59.6	48.6
P/BV	12.7	11.2	10.0	8.8	7.7

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	75.1	74.6	75.6	74.8	74.8
Interest burden (PBT/EBIT)	100.9	100.0	100.9	100.4	100.3
EBIT margin (EBIT/Revenue)	12.9	12.0	11.1	12.0	12.5
Asset turnover (Rev./Avg TA)	125.4	115.4	118.1	122.4	126.8
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.4	1.4	1.4
Adjusted ROAE	17.7	15.0	13.9	15.5	16.7

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	9.4	3.4	9.8	17.1	18.4
EBITDA	14.0	2.3	6.2	21.2	19.0
Adjusted EPS	16.7	(4.9)	3.6	25.0	22.8
Profitability & Return ratios (%)					
EBITDA margin	16.4	16.2	15.7	16.2	16.3
EBIT margin	12.9	12.0	11.1	12.0	12.5
Adjusted profit margin	9.8	9.0	8.5	9.0	9.4
Adjusted ROAE	17.7	15.0	13.9	15.5	16.7
ROCE	22.9	19.4	18.3	20.2	21.5
Working capital days (days)					
Receivables	24	27	27	27	27
Inventory	59	63	61	61	63
Payables	56	54	54	54	54
Ratios (x)					
Gross asset turnover	2.3	1.9	1.8	1.9	2.0
Current ratio	1.8	1.9	2.0	2.1	2.3
Net interest coverage ratio	25.0	17.0	21.4	25.9	31.9
Adjusted debt/equity	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)

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

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Logo:

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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

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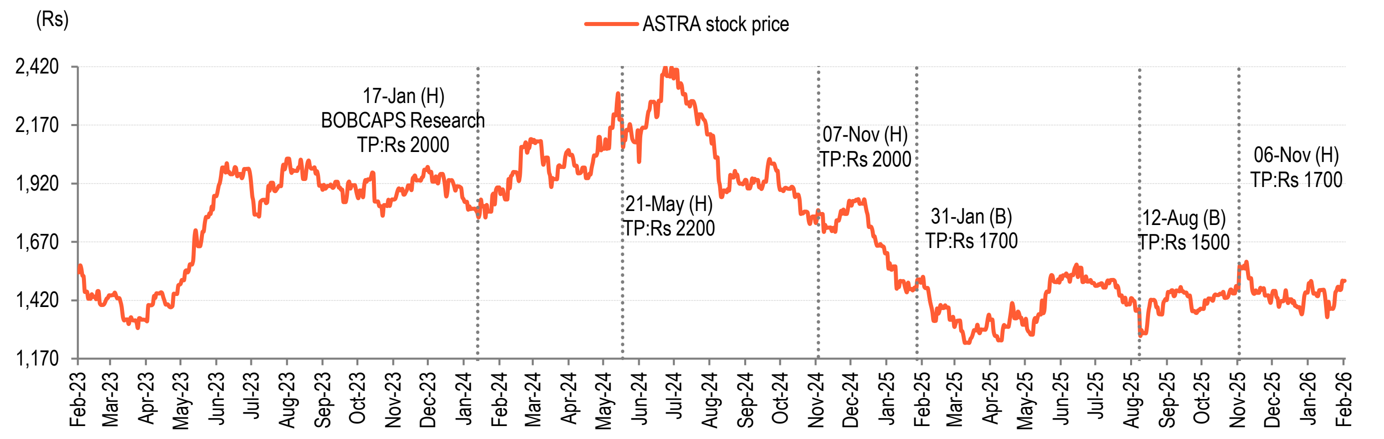
Ratings and Target Price (3-year history): ASTRAL (ASTRA IN)



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

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