

Another soft quarter on election, heatwave and competition

- Our building materials universe's revenue to grow at a moderate pace for sixth consecutive quarter on elections and extreme heat wave
- Margin profile of each BM segment to remain under pressure due to rise in competitive intensity in a muted demand environment
- On a relative basis, plastic pipe to perform the best on good pick-up in agri pipe demand, whereas wood panel to be the worst in Q1FY25

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Building materials (BM): We expect our BM universe revenue to grow at a moderate pace (10.3% YoY in Q1FY25) for the sixth consecutive quarter due to weak demand on account of the election and extreme heat wave conditions. We believe our BM universe EBITDA will grow at a fast rate (17.2% YoY) in Q1FY25 due to a weak base (MTM inventory loss in pipe segment). However, the margin profile of each BM segment is likely to remain under pressure on a QoQ basis due to increased competitive intensity in a muted demand environment. On a relative basis, plastic pipe is likely to perform the best and wood panel the worst in Q1FY25.

Plastic pipes: We believe our pipe universe EBITDA will grow sharply by 27.7% YoY in Q1FY25 driven by healthy volumes (+21.1% YoY on account of a good pick-up in agri pipe demand) and favourable resin prices. We believe the full impact of MTM inventory gain due to rising polymer prices is likely to be seen in Q2FY25. However, our pipe universe EBITDA is projected to decline by 4.6% YoY to Rs18.5/kg in Q1FY25 due to inferior mix and intense competition in the industry. On a relative basis, SI is likely to post superior volume growth (+23% YoY) compared to its major listed peers for the 10th consecutive quarter.

Bathware: We believe our bathware universe revenue will grow at 3.8% YoY and EBITDA to be relatively flat (-0.7% YoY) in Q1FY25 due to margin compression in a weak demand environment.

Tiles: We forecast our tiles universe EBITDA to grow at a marginal 1.5% YoY in Q1FY25 due to tepid volume (+4.2%) on account of subdued demand environment and the impact of intense competition from Morbi players.

Wood panels: We expect our wood panels universe revenue to grow at a healthy 12.2% YoY in Q1FY25 mainly due to contributions from newly commissioned units. However, EBITDA is projected to grow at a lower pace (at 9.0%) in Q1FY25 due to continued margin pressure on account of weak realisation (particularly for MDF) and higher timber prices. On a relative basis, MTLM is again likely to post sharp growth in its operating profit (+61.1% YoY) due to fast ramp up of its new MDF unit.



Fig 1 – Plastic Pipe earnings estimate – Q1FY25

Particulars	Q1FY25E	Q1FY24	YoY (%)	Q4FY24	QoQ (%)
SI – Consolidated					
Pipe Volume (KT)	144.2	117.3	23.0	158.8	(9.2)
Pipe Realisation (Rs/kg)	130.1	138.7	(6.1)	135.6	(4.0)
Pipe EBITDA (Rs/kg)	20.8	20.5	1.7	21.6	(3.8)
Sales (Rs mn)	26,627	23,686	12.4	30,079	(11.5)
EBITDA (Rs mn)	4,256	3,216	32.3	4,907	(13.3)
EBITDA margin (%)	16.0	13.6	241bps	16.3	(33bps)
Adjusted PAT (Rs mn)	2,967	2,155	37.6	3,548	(16.4)
ASTRA – Consolidated					
Pipe Volume (KT)	57.5	48.0	20.0	66.8	(13.9)
Pipe Realisation (Rs/kg)	179.7	192.8	(6.8)	179.7	0.0
Pipe EBITDA (Rs/kg)	32.3	32.4	(0.1)	36.4	(11.2)
Sales (Rs mn)	14,593	12,831	13.7	16,251	(10.2)
EBITDA (Rs mn)	2,390	2,016	18.5	2,915	(18.0)
EBITDA margin (%)	16.4	15.7	66bps	17.9	(156bps)
Adjusted PAT (Rs mn)	1,394	1,198	16.3	1,819	(23.4)
FNXP – Consolidated					
Pipe Volume (KT)	106.0	92.2	15.0	100.2	5.8
Pipe Realisation (Rs/kg)	118.0	125.2	(5.7)	118.0	0.0
Pipe EBITDA (Rs/kg)	12.5	15.9	(21.3)	14.3	(12.8)
Sales (Rs mn)	12,614	11,792	7.0	12,354	2.1
EBITDA (Rs mn)	1,999	1,525	31.1	2,089	(4.3)
EBITDA margin (%)	15.8	12.9	292bps	16.9	(107bps)
Adjusted PAT (Rs mn)	1,644	1,153	42.6	1,649	(0.3)
PRINCIPIP – Standalone					
Pipe Volume (KT)	42.7	37.2	15.0	51.4	(16.9)
Pipe Realisation (Rs/kg)	143.9	149.0	(3.4)	143.9	0.0
Pipe EBITDA (Rs/kg)	14.1	12.2	15.5	17.9	(21.4)
Sales (Rs mn)	6,147	5,536	11.1	7,401	(16.9)
EBITDA (Rs mn)	602	453	32.9	923	(34.7)
EBITDA margin (%)	9.8	8.2	161bps	12.5	(267bps)
Adjusted PAT (Rs mn)	282	196	44.0	546	(48.3)
APOLP – Consolidated					
Pipe Volume (KT)	31.9	21.2	50.3	21.3	49.5
Pipe Realisation (Rs/kg)	119.6	122.7	(2.5)	119.7	(0.1)
Pipe EBITDA (Rs/kg)	9.1	12.3	(26.0)	11.9	(23.3)
Sales (Rs mn)	3,816	2,603	46.6	2,556	49.3
EBITDA (Rs mn)	291	262	11.3	254	14.6
EBITDA margin (%)	7.6	10.1	(242bps)	9.9	231bps
Adjusted PAT (Rs mn)	135	139	(3.0)	67	100.8

Source: Companies, BOBCAPS Research

Fig 2 – Ceramics earnings estimate – Q1FY25

Particulars	Q1FY25E	Q1FY24	YoY (%)	Q4FY24	QoQ (%)
CRS – Consolidated					
Sales (Rs mn)	4,577	4,289	6.7	5,488	(16.6)
EBITDA (Rs mn)	731	704	3.8	950	(23.0)
EBITDA margin (%)	16.0	16.4	(45bps)	17.3	(133bps)
Adjusted PAT (Rs mn)	581	563	3.2	749	(22.5)
Hindware – Consolidated					
Bathware revenue (Rs mn)	3,801	3,620	5.0	4,207	(9.7)
Bathware EBITDA margin (%)	15.0	16.7	(174bps)	15.3	(33bps)
Pipe revenue (Rs mn)	1,653	1,560	6.0	2,435	(32.1)
Pipe EBITDA margin (%)	9.0	6.7	233bps	10.8	(184bps)
Consumer appliances revenue (Rs mn)	999	1,052	(5.0)	1,082	(7.7)
Consumer appliances EBITDA margin (%)	(4.0)	1.3	(533bps)	(11.5)	755bps
Sales (Rs mn)	6,453	6,339	1.8	7,737	(16.6)
EBITDA (Rs mn)	599	601	(0.3)	560	7.0
EBITDA margin (%)	9.3	9.5	(20bps)	7.2	205bps
Adjusted PAT (Rs mn)	36	7	433.6	21	67.1
KJC – Consolidated					
Tiles Volume (MSM)	26.3	25.0	5.0	29.6	(11.2)
Tiles Realisation (Rs/sqm)	369	382	(3.5)	369	(0.0)
Sales (Rs mn)	11,038	10,642	3.7	12,408	(11.0)
EBITDA (Rs mn)	1,696	1,692	0.3	1,720	(1.4)
EBITDA margin (%)	15.4	15.9	(53bps)	13.9	151bps
Adjusted PAT (Rs mn)	1,014	1,075	(5.7)	1,024	(1.0)
SOMC – Consolidated					
Tiles Volume (MSM)	15.9	15.4	3.0	18.9	(15.9)
Tiles Realisation (Rs/sqm)	323	329	(1.9)	324	(0.3)
Sales (Rs mn)	5,901	5,865	0.6	7,375	(20.0)
EBITDA (Rs mn)	534	506	5.6	795	(32.8)
EBITDA margin (%)	9.1	8.6	43bps	10.8	(172bps)
Adjusted PAT (Rs mn)	144	191	(24.8)	287	(49.9)

Source: Companies, BOBCAPS Research

Fig 3 – Wood Panel earnings estimate – Q1FY25

Particulars	Q1FY25E	Q1FY24	YoY (%)	Q4FY24	QoQ (%)
CPBI – Consolidated					
Sales (Rs mn)	10,145	8,910	13.9	10,607	(4.4)
EBITDA (Rs mn)	1,418	1,332	6.4	1,483	(4.4)
EBITDA margin (%)	14.0	14.9	(97bps)	14.0	(1bps)
Adjusted PAT (Rs mn)	795	871	(8.8)	868	(8.4)
Volumes					
Plywood (CBM)	98,533	87,197	13.0	103,641	(4.9)
Laminates (mn sheet)	2.1	1.8	15.0	1.9	13.2
MDF (CBM)	69,583	47,988	45.0	62,886	10.6
Particleboard (CBM)	19,992	19,040	5.0	20,902	(4.4)
EBITDA margin (%)					
Plywood	12.9	12.2	72bps	13.3	(37bps)
Laminates	14.0	9.6	444bps	16.4	(237bps)
MDF	15.0	26.7	(1175bps)	13.7	125bps
Particleboard	19.0	23.1	(409bps)	17.7	133bps
GRLM – Consolidated					
Laminates volume (mn sheet)	4.9	4.2	17.8	5.2	(5.7)
Laminates EBITDA margin (%)	16.0	14.8	119bps	16.6	(62bps)
Sales (Rs mn)	5,893	5,152	14.4	6,241	(5.6)
EBITDA (Rs mn)	759	644	18.0	835	(9.1)
EBITDA margin (%)	12.9	12.5	39bps	13.4	(50bps)
Adjusted PAT (Rs mn)	320	322	(0.7)	387	(17.2)
GREENP – Consolidated					
MDF volume (CBM)	126,450	115,798	9.2	127,239	(0.6)
MDF EBITDA margin (%)	15.0	18.6	(364bps)	15.5	(49bps)
Sales (Rs mn)	3,955	3,862	2.4	3,966	(0.3)
EBITDA (Rs mn)	539	658	(18.1)	513	5.1
EBITDA margin (%)	13.6	17.0	(341bps)	12.9	69bps
Adjusted PAT (Rs mn)	306	373	(18.0)	298	2.5
MTLM – Consolidated					
Sales (Rs mn)	5,471	4,761	14.9	5,998	(8.8)
EBITDA (Rs mn)	480	298	61.1	577	(16.7)
EBITDA margin (%)	8.8	6.3	252bps	9.6	(83bps)
Adjusted PAT (Rs mn)	183	8	NM	284	(35.4)
Volumes					
Plywood (mn sqm)	17.4	16.3	6.4	18.8	(7.7)
MDF (CBM)	42,000	6,062	NM	45,764	(8.2)
EBITDA margin (%)					
Plywood	7.6	7.9	(27bps)	7.9	(29bps)
MDF	13.0	(39.9)	NM	14.1	(110bps)

Source: Companies, BOBCAPS Research

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