

August 13, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		ACCUMULATE	
Target Price	1,503		1,630	
Sales (Rs. m)	62,697	72,958	66,792	77,357
% Chng.	(6.1)	(5.7)		
EBITDA (Rs. m)	10,282	12,257	10,997	12,857
% Chng.	(6.5)	(4.7)		
EPS (Rs.)	21.3	27.6	23.6	29.9
% Chng.	(10.0)	(7.8)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	56,414	58,324	62,697	72,958
EBITDA (Rs. m)	9,183	9,459	10,282	12,257
Margin (%)	16.3	16.2	16.4	16.8
PAT (Rs. m)	5,456	5,189	5,718	7,423
EPS (Rs.)	20.3	19.3	21.3	27.6
Gr. (%)	19.0	(4.9)	10.2	29.8
DPS (Rs.)	3.7	3.7	3.7	3.7
Yield (%)	0.3	0.3	0.3	0.3
RoE (%)	18.5	15.3	14.8	16.8
RoCE (%)	25.0	20.8	19.9	22.3
EV/Sales (x)	6.0	5.8	5.3	4.5
EV/EBITDA (x)	36.6	35.7	32.4	26.7
PE (x)	62.6	65.8	59.7	46.0
P/BV (x)	10.7	9.4	8.4	7.2

Key Data

ASTL.BO | ASTRA IN

52-W High / Low	Rs.2,040 / Rs.1,232
Sensex / Nifty	80,236 / 24,487
Market Cap	Rs.341bn / \$ 3,887m
Shares Outstanding	269m
3M Avg. Daily Value	Rs.1265.34m

Shareholding Pattern (%)

Promoter's	54.10
Foreign	20.15
Domestic Institution	14.71
Public & Others	10.85
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(14.0)	(9.0)	(34.5)
Relative	(11.5)	(13.6)	(35.0)

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Volatility in PVC prices drags margins

Quick Pointers:

- Volume remained flat YoY in P&F due to weak demand scenario
- EBITDA per Kg maintained at higher trajectory of Rs 28 in P&F.

Astral Ltd (ASTRA) has reported flat volume growth of 0.5% in the plastic pipe segment due to weak demand scenario and delays in ADD on PVC resin. Its plumbing EBITDA margin contracted by 150bps YoY to 16.4%, with EBITDA per kg for the plastic pipe segment at Rs 27.9 after inventory loss of Rs 250mn in Q1FY26. During the quarter, PVC prices declined by 14% YoY. However, from Q2FY26, prices stabilized, and volumes began to recover. In July'25, the company recorded a 30% YoY volume growth. We anticipate ASTRA will achieve 10.0% volume growth in its P&F business, along with a 13.6% revenue increase in its Paints & Adhesives segment in FY26. The company is also expected to maintain its EBITDA margin of >16% in the coming years. We estimate sales/EBITDA/PAT CAGR of 11.8%/13.8%/19.6% over FY25-27E. We downward revise ASTRA FY26/27E earnings by 10.0%/7.8%. Further, we revised DCF-based TP to Rs1,503 (Rs1,630 earlier) and Upgrade our rating to 'BUY' from 'Accumulate' due to recent correction in the stock prices.

Revenue declined by 1.6% YoY, PAT declined by 33.7% YoY: Revenue declined by 1.6% YoY to Rs13.6bn (PLe: Rs14.7bn) led by flat volume growth YoY in plumbing segment due to weak demand. Gross margin contracted by ~120bps at 39.4%, (PLe: 40.1%). EBITDA declined by 13.8% to Rs 1.8bn (PLe: Rs2.3bn). EBITDA margin contracted by 190bps YoY to 13.6%, (PLe 15.5%), primarily due to 14% YoY decline in PVC resin prices, which led to inventory losses and adversely impacted realizations. EBITDA per Kg (incl. OI) for Plastic pipe segment at Rs 27.9 vs Rs 32.6 in Q1FY25 and EBITDA margin of Paints and Adhesives business contracted by ~280bps YoY to 9.2%. PAT stood at Rs 792mn (down 33.7% YoY), 35.3% below our est. (Rs 1.2bn), Cash and cash equivalent stood at Rs 4.9bn. Astral has acquired an 80% stake in Nexelon Chem Pvt Ltd, planning to invest up to Rs1.2 bn in setting up a CPVC resin plant to secure key raw materials, reduce costs, and boost margins.

Concall Highlights: **1)** Mgmt has guided a double-digit volume growth in the piping segment with the 16-18% EBITDA margin in FY26. Company highlighted that the double-digit growth guidance remains achievable, supported by multiple drivers: anti-dumping duty (ADD) implementation, BIS certification, higher government spending, and a recovering construction sector. If these factors play out favorably, growth could potentially reach ~15% or above. **2)** UK adhesive business has stabilized and is showing recovery with 8% growth in Q1FY26. A new experienced leader has been appointed to drive the UK business turnaround. **3)** The bathware segment grew by 27% YoY in Q1FY26, driven by strong market acceptance of Astral's products. The order book remains healthy, with management aiming to sustain growth momentum through continued product launches and premiumization efforts. Company aims to reach Rs 5-6bn revenue in coming years. **4)** Paint business delivered 20% growth. Company aims to maintain this growth trajectory in coming quarters. **5)** Astral Kanpur plant is expected to commence

commercial production in Q3FY26, adopting a phased rollout beginning with tank and PVC products. This facility is set to strengthen the company's market presence in Northern India, especially in Uttar Pradesh, Bihar, and parts of Eastern NCR. **6)** Management expects that ADD on PVC resin will be announced in Q2FY26, supporting both volume and value growth. PVC prices appear to have bottomed out, with a modest recovery likely ahead. **7)** Astral has acquired an 80% stake in Nexelon Chem Pvt Ltd and will invest up to Rs 1.2 bn to set up a 40,000 MT CPVC resin plant, aimed at securing key raw materials, reducing costs, and improving margins. **8)** It is expected to start commercial production by Q2FY27. Astral has developed in-house technology for CPVC resin manufacturing with technical assistance from its partner. **9)** Currently, Astral maintains a 90-day CPVC resin inventory due to import dependency. Once the new CPVC plant is operational, inventory holding will drop sharply to 1–2 weeks, eliminating the need for long-term stockpiling. This will free up working capital, reduce storage costs, and improve supply chain efficiency. **10)** Company reported an inventory loss of Rs 250mn which impacted the margins, however for Q2FY26 company is not expecting any inventory loss. **11)** The company plans to invest Rs 3–3.5bn in capex during FY26, with Rs 500mn already deployed in Q1FY26, and is set to add 25,000 MT capacity at its Kanpur plant.

Exhibit 1: Q1FY26 Result Overview: Sales declined by 1.6% YoY, PAT declined by 33.7% YoY

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	YoY gr. (%)	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	13,612	13,836	-1.6	14,734	-7.6	16,814	-19.0	62,697	58,324	7.5
Expenditure										
Operating & Manufacturing Expenses	8,251	8,226	0.3	8,826	-6.5	10,188	-19.0	37,744	35,192	7.3
<i>% of Net Sales</i>	<i>60.6</i>	<i>59.5</i>		<i>59.9</i>		<i>60.6</i>		<i>60.2</i>	<i>60.3</i>	
Gross Profit	5,361	5,610	-4.4	5,908	-9.3	6,626	-19.1	24,953	23,132	7.9
<i>% of Net Sales</i>	<i>39.4</i>	<i>40.5</i>		<i>40.1</i>		<i>39.4</i>		<i>39.8</i>	<i>39.7</i>	
Personnel Cost	1,419	1,267	12.0	1,370	3.6	1,331	6.6	5,705	5,179	10.2
<i>% of Net Sales</i>	<i>10.4</i>	<i>9.2</i>		<i>9.3</i>		<i>7.9</i>		<i>9.1</i>	<i>8.9</i>	
Other Expenses	2,093	2,199	-4.8	2,250	-7.0	2,276	-8.0	8,966	8,494	5.6
<i>% of Net Sales</i>	<i>15.4</i>	<i>15.9</i>		<i>15.3</i>		<i>13.5</i>		<i>14.3</i>	<i>14.6</i>	
Total Expenditure	11,763	11,692	0.6	12,446	-5.5	13,795	-14.7	52,415	48,865	7.3
EBITDA	1,849	2,144	-13.8	2,288	-19.2	3,019	-38.8	10,282	9,459	8.7
<i>Margin (%)</i>	<i>13.6</i>	<i>15.5</i>		<i>15.5</i>		<i>18.0</i>		<i>16.4</i>	<i>16.2</i>	
Depreciation	719	556	29.3	648	11.0	648	11.0	2,742	2,434	12.6
EBIT	1,130	1,588	-28.8	1,640	-31.1	2,371	-52.3	7,541	7,025	7.3
Other income	91	119	-23.5	110	-17.3	88	3.4	560	413	35.6
Interest	123	76	61.8	96	28.1	96	28.1	413	413	0.0
PBT	1,098	1,631	-32.7	1,654	-33.6	2,363	-53.5	7,688	7,025	9.4
Total Taxes	306	436	-29.8	430	-28.9	583	-47.5	1,970	1,836	7.3
<i>ETR (%)</i>	<i>27.9</i>	<i>26.7</i>		<i>26.0</i>		<i>24.7</i>		<i>25.6</i>	<i>26.1</i>	
PAT	792	1,195	-33.7	1,224	-35.3	1,781	-55.5	5,718	5,189	10.2

Source: Company, PL

Exhibit 2: Segmental Breakup: Plumbing revenue decline by 5.9% YoY with EBIT margin of 10.4%

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)
Revenues					
Plumbing/Plastics	9,539	10,132	-5.9	12,266	-22.2
Paints & Adhesives	4,073	3,704	10.0	4,548	-10.4
EBIT					
Plumbing/Plastics	989	1,400	-29.4	1,998	-50.5
<i>EBIT margin (%)</i>	<i>10.4</i>	<i>13.8</i>		<i>16.3</i>	
Paints & Adhesives	196	260	-24.6	414	-52.7
<i>EBIT margin (%)</i>	<i>4.8</i>	<i>7.0</i>		<i>9.1</i>	

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	56,414	58,324	62,697	72,958
YoY gr. (%)	9.4	3.4	7.5	16.4
Cost of Goods Sold	34,590	35,192	37,744	43,921
Gross Profit	21,824	23,132	24,953	29,037
Margin (%)	38.7	39.7	39.8	39.8
Employee Cost	4,384	5,179	5,705	6,347
Other Expenses	-	-	-	-
EBITDA	9,183	9,459	10,282	12,257
YoY gr. (%)	13.4	3.0	8.7	19.2
Margin (%)	16.3	16.2	16.4	16.8
Depreciation and Amortization	1,976	2,434	2,742	2,894
EBIT	7,207	7,025	7,541	9,363
Margin (%)	12.8	12.0	12.0	12.8
Net Interest	291	413	413	383
Other Income	421	413	560	940
Profit Before Tax	7,337	7,025	7,688	9,920
Margin (%)	13.0	12.0	12.3	13.6
Total Tax	1,880	1,836	1,970	2,497
Effective tax rate (%)	25.6	26.1	25.6	25.2
Profit after tax	5,457	5,189	5,718	7,423
Minority interest	1	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	5,456	5,189	5,718	7,423
YoY gr. (%)	19.0	(4.9)	10.2	29.8
Margin (%)	9.7	8.9	9.1	10.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	5,456	5,189	5,718	7,423
YoY gr. (%)	19.5	(4.9)	10.2	29.8
Margin (%)	9.7	8.9	9.1	10.2
Other Comprehensive Income	4	-	-	-
Total Comprehensive Income	5,460	5,189	5,718	7,423
Equity Shares O/s (m)	269	269	269	269
EPS (Rs)	20.3	19.3	21.3	27.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	32,557	39,113	41,613	43,613
Tangibles	32,557	39,113	41,613	43,613
Intangibles	-	-	-	-
Acc: Dep / Amortization	9,563	11,997	14,739	17,633
Tangibles	9,563	11,997	14,739	17,633
Intangibles	-	-	-	-
Net fixed assets	22,994	27,116	26,874	25,980
Tangibles	22,994	27,116	26,874	25,980
Intangibles	-	-	-	-
Capital Work In Progress	1,506	1,160	1,160	1,160
Goodwill	-	-	-	-
Non-Current Investments	-	-	-	-
Net Deferred tax assets	(439)	(469)	(469)	(469)
Other Non-Current Assets	602	714	714	714
Current Assets				
Investments	-	-	-	-
Inventories	9,134	10,111	10,869	12,648
Trade receivables	3,758	4,353	4,679	5,445
Cash & Bank Balance	6,096	6,083	10,484	16,589
Other Current Assets	862	928	998	1,011
Total Assets	44,979	50,560	55,875	63,646
Equity				
Equity Share Capital	269	269	269	269
Other Equity	31,612	35,901	40,611	47,027
Total Network	31,881	36,170	40,880	47,296
Non-Current Liabilities				
Long Term borrowings	569	1,563	1,363	1,163
Provisions	53	86	92	108
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	625	769	769	769
Trade payables	8,719	8,589	9,233	10,744
Other current liabilities	1,868	2,075	2,229	2,258
Total Equity & Liabilities	44,979	50,560	55,875	63,646

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	7,337	7,025	7,688	9,920
Add. Depreciation	1,976	2,434	2,742	2,894
Add. Interest	291	413	413	383
Less Financial Other Income	421	413	560	940
Add. Other	(98)	(157)	6	15
Op. profit before WC changes	9,506	9,715	10,849	13,212
Net Changes-WC	500	(1,718)	(357)	(1,020)
Direct tax	(1,772)	(1,701)	(1,970)	(2,497)
Net cash from Op. activities	8,234	6,296	8,522	9,695
Capital expenditures	(5,502)	(5,394)	(2,500)	(2,000)
Interest / Dividend Income	66	47	-	-
Others	26	221	-	-
Net Cash from Invt. activities	(5,410)	(5,126)	(2,500)	(2,000)
Issue of share cap. / premium	-	-	-	-
Debt changes	(751)	166	(200)	(200)
Dividend paid	(1,007)	(1,007)	(1,007)	(1,007)
Interest paid	(267)	(342)	(413)	(383)
Others	-	-	-	-
Net cash from Fin. activities	(2,025)	(1,183)	(1,620)	(1,590)
Net change in cash	799	(13)	4,401	6,105
Free Cash Flow	2,732	902	6,022	7,695

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	20.3	19.3	21.3	27.6
CEPS	27.6	28.3	31.4	38.4
BVPS	118.5	134.5	152.0	175.8
FCF	10.2	3.4	22.4	28.6
DPS	3.7	3.7	3.7	3.7
Return Ratio(%)				
RoCE	25.0	20.8	19.9	22.3
ROIC	21.9	17.5	18.5	23.7
RoE	18.5	15.3	14.8	16.8
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.1)	(0.2)	(0.3)
Net Working Capital (Days)	27	37	37	37
Valuation(x)				
PER	62.6	65.8	59.7	46.0
P/B	10.7	9.4	8.4	7.2
P/CEPS	45.9	44.8	40.4	33.1
EV/EBITDA	36.6	35.7	32.4	26.7
EV/Sales	6.0	5.8	5.3	4.5
Dividend Yield (%)	0.3	0.3	0.3	0.3

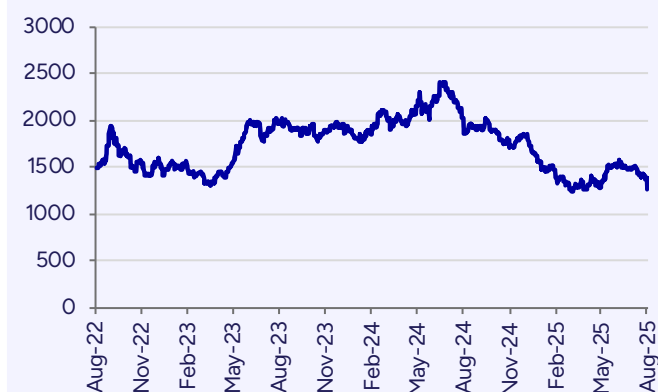
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	13,704	13,970	16,814	13,612
YoY gr. (%)	0.5	2.0	3.5	(1.6)
Raw Material Expenses	8,378	8,400	10,188	8,251
Gross Profit	5,326	5,570	6,626	5,361
Margin (%)	38.9	39.9	39.4	39.4
EBITDA	2,101	2,195	3,019	1,849
YoY gr. (%)	(4.5)	7.0	3.6	(13.8)
Margin (%)	15.3	15.7	18.0	13.6
Depreciation / Depletion	599	631	648	719
EBIT	1,502	1,564	2,371	1,130
Margin (%)	11.0	11.2	14.1	8.3
Net Interest	102	139	96	123
Other Income	88	118	88	91
Profit before Tax	1,488	1,543	2,363	1,098
Margin (%)	10.9	11.0	14.1	8.1
Total Tax	401	416	583	306
Effective tax rate (%)	26.9	27.0	24.7	27.9
Profit after Tax	1,087	1,127	1,780	792
Minority interest	-	-	-	-
Share Profit from Associates	-	(1)	1	-
Adjusted PAT	1,087	1,126	1,781	792
YoY gr. (%)	(17.4)	(0.6)	(1.8)	(33.7)
Margin (%)	7.9	8.1	10.6	5.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,087	1,126	1,781	792
YoY gr. (%)	(17.4)	(0.6)	(1.8)	(33.7)
Margin (%)	7.9	8.1	10.6	5.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,087	1,126	1,781	792
Avg. Shares O/s (m)	269	269	269	269
EPS (Rs)	4.0	4.2	6.6	2.9

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	02-Jul-25	Accumulate	1,630	1,494
2	22-May-25	BUY	1,630	1,378
3	08-Apr-25	BUY	1,532	1,288
4	31-Jan-25	BUY	1,808	1,470
5	08-Jan-25	BUY	1,883	1,553
6	08-Nov-24	Accumulate	1,929	1,789
7	08-Oct-24	BUY	2,214	1,888

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	943	878
3	Bajaj Electricals	Accumulate	656	615
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	702	738
6	Cera Sanitaryware	Accumulate	7,178	6,244
7	Crompton Greaves Consumer Electricals	BUY	430	319
8	Cyient DLM	Accumulate	540	480
9	Finolex Industries	Accumulate	217	197
10	Greenpanel Industries	BUY	374	280
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Hold	1,192	1,242
13	Kaynes Technology India	Hold	6,367	6,326
14	KEI Industries	BUY	4,527	3,970
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,516	1,337
17	Supreme Industries	Hold	4,346	4,243
18	Syrma SGS Technology	Hold	705	706
19	Voltas	Hold	1,268	1,305

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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