13 August 2026

Astral

Broadly in-line Q1; robust outlook; maintain HOLD on limited upside

Rating: **HOLD**
Target Price: Rs.1,650
Share Price: Rs.1,464

Astral (ASTRA) delivered a lower-than-estimated revenue performance in Q1FY27 (5.2% lower than our estimate), due to a weak 0.1% y/y pipe volume (vs. our estimate of 7%). However, EBITDA came in-line our estimate (up 25% y/y to Rs2.31bn vs. our estimate of Rs2.32bn) on account of better-than-expected plumbing EBITDA margin (up 248bps y/y to 17.3% vs. our estimate of 16%). Notably, it has reported industry leading volume growth and margin for the fourth consecutive quarters. The management has guided robust outlook for FY27e. The company would reconsider the demerger of chemical business once its revenue crosses Rs50bn mark (Rs18.9bn in FY26), which is not likely to happen at least over the next five years. However, we believe the street would continue to value the stock on SOTP basis and would assign lower multiple to chemical business due to weak RoE profile compared to pipe business. We expect ASTRA's EPS to clock a strong 31.8% CAGR over FY26-28e with a healthy pre-tax RoIC of 32.7% over FY27-28e. However, considering limited upside potential, we maintain our HOLD rating on the stock with an unrevised SOTP-based TP of Rs1,650, valuing plumbing division at 50x PE and chemical division at 30x of FY28e.

Key Quarterly Highlights: ASTRA's pipe volume was flat vs. industry de-growth of 10% in Q1FY27. Plumbing segment's EBITDA margin improved by 248bps y/y to 17.3%. Resinova revenue grew 24.9% y/y, while segmental EBITDA margin contracted by 182bps y/y to 12.2%, due to time lag in passing on the impact of higher commodity inflation pressure to consumers. SEAL IT revenue grew by a healthy 26% y/y with sharp 469bps y/y improvement in segmental margin to 4.9%. Paints revenue grew by a sharp 48.8% y/y with EBITDA breakeven (vs. EBITDA margin of -8.3% in Q4FY26).

Guidance: The management intends to demerge the chemical business once its revenue crosses Rs50bn mark, which is not likely to happen over the next 5 years. The company has registered double-digit volume growth for its pipe business in FY27 (YTD), due to strong recovery in demand in Jul-26 (up 40% y/y). The company targets pipe volume to grow at double-digit rate with EBITDA margin of 16-18% for FY27. Resinova revenue is targeted to grow at 15-20% in FY27 with EBITDA margin of 15%. SEAL IT revenue is projected to grow by >10% with EBITDA margin of 8-10% in FY27. Paints business is expected to grow by 20-25% with low-single-digit EBITDA margin in FY27. The CPVC resin plant is expected commence the trial run in Q4FY27. Capex budget has been revised up to Rs3-3.5bn (from Rs3bn earlier) in FY27.

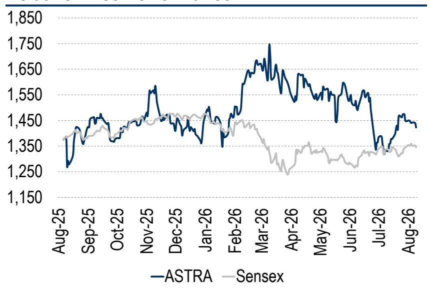
Outlook and Valuation: Post Q1FY27 result, we have slightly tweaked our EPS estimates by +0.5/0.4% for FY27/28e. At CMP, the stock trades at a P/E of 52.7/41x on FY27/28e vs. 5-year pre-COVID average of 45.7x. Considering limited upside potential, we maintain our HOLD rating on the stock with an unrevised SOTP-based TP of Rs1,650, valuing plumbing division at 50x PE and chemical division at 30x of FY28e. **Downside Risks:** (a) market share loss in pipe and adhesives; and (b) steep volatility in resin prices. **Upside Risk:** Sharp uptick in real estate sector.

Key Data	ASTRA IN / ASPT.BO
52-week high / low	Rs1768 / 1263
Sensex / Nifty	77966 / 24436
Market cap	Rs383bn
Shares outstanding	269m

Shareholding Pattern (%)	Jun'26	Mar'26	Dec'25
Promoters	54.2	54.2	54.2
- *of which, Pledged*	-	-	-
Free float	45.9	45.9	45.9
- Foreign institutions	13.9	14.5	15.2
- Domestic institutions	20.9	20.9	19.2
- Public	11.1	10.4	11.4

Estimates Revision (%)	FY27e	FY28e
Sales	(0.1)	(0.9)
EBITDA	1.8	1.3
APAT	0.5	0.4

Relative Price Performance



Source: Bloomberg

Utkarsh Nopany
Research Analyst

Anu Parakh
Research Associate

Quick Glance – Financials and Valuations (Consolidated)

Fig 1 – Income Statement (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Net revenue	**56,414**	**58,324**	**65,686**	**79,868**	**95,633**
Growth (%)	9.4	3.4	12.6	21.6	19.7
Direct cost	36,933	37,613	42,265	52,456	63,918
SG&A	10,234	11,252	12,802	14,236	15,353
EBITDA	**9,247**	**9,459**	**10,619**	**13,176**	**16,362**
EBITDA margin (%)	16.4	16.2	16.2	16.5	17.1
- Depreciation	1,976	2,434	2,916	3,335	3,701
Other income	421	413	473	512	512
Interest expenses	291	413	644	338	340
PBT	**7,336**	**7,025**	**7,306**	**10,015**	**12,833**
Effective tax rates (%)	25.6	26.1	26.8	25.4	25.2
+ Associates / (Minorities)	(1)	-	-	-	-
Net income	**5,461**	**5,238**	**5,366**	**7,474**	**9,603**
Adj. income	**5,509**	**5,238**	**5,531**	**7,474**	**9,603**
WANS	269	269	269	269	269
FDEPS (Rs)	20	19	21	28	36
FDEPS growth (%)	18.7	(4.9)	3.0	39.8	28.5
Gross margins (%)	34.5	35.5	35.7	34.3	33.2

Fig 2 – Balance Sheet (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Share capital	269	269	269	269	269
Net worth	31,881	36,170	40,579	46,439	53,890
Debt	964	1,439	1,531	1,445	1,445
Minority interest	804	757	-	-	-
DTL / (Assets)	460	551	826	826	826
Capital employed	**34,109**	**38,917**	**42,936**	**48,710**	**56,161**
Net tangible assets	17,854	21,709	24,373	26,038	27,337
Net intangible assets	5,348	5,695	5,779	5,779	5,779
Goodwill	-	-	-	-	-
CWIP (tang. & ingang.)	1,506	1,160	887	887	887
Investments (strategic)	-	-	-	-	-
Investments (financial)	-	-	-	-	-
Current assets (excl. cash)	1,283	1,449	1,722	1,948	2,196
Cash	6,096	6,083	9,434	12,801	17,473
Current liabilities	2,151	3,054	3,630	3,665	3,704
Working capital	4,173	5,875	4,371	4,922	6,192
Capital deployed	**34,109**	**38,917**	**42,936**	**48,710**	**56,161**
Contingent liabilities	94	27	-	-	-

Fig 3 – Cash-flow Statement (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
EBIT (before other income)	**7,336**	**7,025**	**7,306**	**10,015**	**12,833**
+ Non-cash items	1,976	2,434	2,916	3,335	3,701
Oper. prof. before WC	**9,312**	**9,459**	**10,222**	**13,350**	**16,534**
- Incr. / (decr.) in WC	(199)	(874)	2,080	(742)	(1,480)
Others incl. taxes	(1,946)	(1,836)	(1,562)	(2,716)	(3,402)
Operating cash-flow	**7,167**	**6,749**	**10,740**	**9,893**	**11,652**
- Capex (tang. + intang.)	(5,789)	(6,290)	(5,389)	(5,000)	(5,000)
Free cash-flow	**1,378**	**459**	**5,351**	**4,893**	**6,652**
Acquisitions					
- Div. (incl. buyback & taxes)	(1,009)	(1,009)	(1,076)	(1,614)	(2,152)
+ Equity raised	-	-	-	-	-
+ Debt raised	191	475	92	(86)	-
- Fin investments	-	-	-	-	-
- Misc. (CFI + CFF)	(1,285)	62	(1,016)	174	172
Net cash-flow	**(725)**	**(13)**	**3,351**	**3,367**	**4,672**

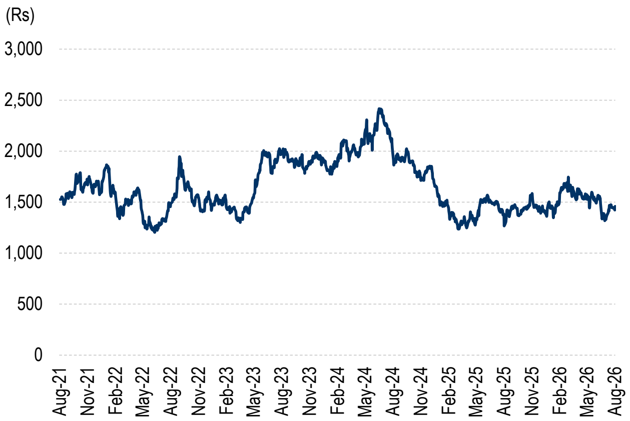
Source: Company

Fig 4 – Ratio Analysis (%)S

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
P/E (x)	98.2	67.1	80.4	52.7	41.0
EV / EBITDA (x)	57.5	36.4	39.8	29.0	23.1
EV / Sales (x)	9.4	5.9	6.4	4.8	4.0
P/B (x)	16.8	9.6	10.6	8.5	7.3
RoE (%)	18.7	15.4	14.4	17.2	19.1
RoCE (%) - after tax	16.9	14.4	14.0	16.3	18.4
ROIC (%) - before tax	30,1	24.6	24.5	29.8	35.6
DPS (Rs)	3.8	3.8	4.0	6.0	8.0
Dividend yield (%)	0.2	0.3	0.3	0.4	0.5
Dividend payout (%) - incl. DDT	18.3	19.3	19.5	21.6	22.4
Net debt / equity (x)	(19.1)	(17.3)	(29.4)	(42.2)	(59.6)
Receivables (days)	24	27	26	26	26
Inventory (days)	59	63	62	60	62
Payables (days)	6	6	6	6	6
CFO: PAT, %	130.1	128.8	194.2	132.4	121.3

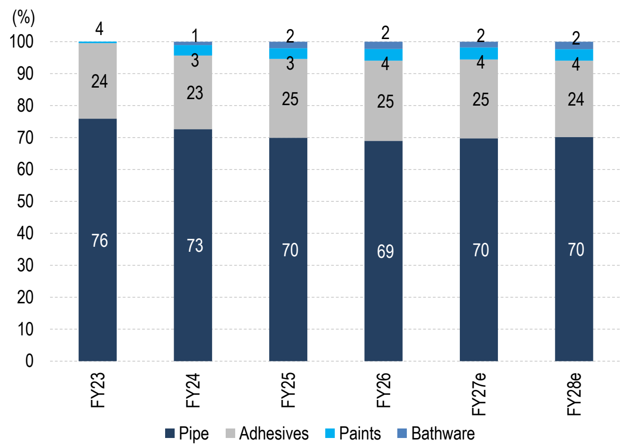
Source: Company

Fig 5 – Price Movement



Source: Bloomberg

Fig 6 – Revenue-mix Trend



Source: Company

Financial Highlights

Fig 7 – Quarterly Performance – Consolidated

(Rs m)	Q1FY27	Q1FY26	y/y (%)	Q4FY26	q/q (%)	FY26	FY25	y/y (%)
Total operating income	15,780	13,612	15.9	20,885	(24.4)	65,686	58,324	12.6
Raw-Material expense	9,376	8,251	13.6	12,482	(24.9)	39,511	35,192	12.3
Gross Profit	**6,404**	**5,361**	**19.5**	**8,403**	**(23.8)**	**26,175**	**23,132**	**13.2**
Employee expense	1,695	1,419	19.5	1,542	9.9	5,904	5,179	14.0
Other expense	2,397	2,093	14.5	3,032	(20.9)	9,652	8,494	13.6
EBITDA	**2,312**	**1,849**	**25.0**	**3,829**	**(39.6)**	**10,619**	**9,459**	**12.3**
D&A	754	719	4.9	740	1.9	2,916	2,434	19.8
EBIT	1,558	1,130	37.9	3,089	(49.6)	7,703	7,025	9.7
Interest cost	83	79	5.1	74	12.2	319	333	(4.2)
Interest income & others	153	47	225.5	(49)	(412.2)	(78)	333	(123.4)
PBT	1,628	1,098	48.3	2,966	(45.1)	7,306	7,025	4.0
Tax	426	306	39.2	836	(49.0)	1,959	1,836	6.7
Reported PAT	**1,202**	**792**	**51.8**	**2,130**	**(43.6)**	**5,347**	**5,189**	**3.0**
Adjusted PAT	**1,182**	**824**	**43.4**	**2,289**	**(48.4)**	**5,751**	**5,297**	**8.6**

As % of revenue			**y/y (bps)**		**q/q (bps)**			**y/y (bps)**
Gross margin	40.6	39.4	120	40.2	35	39.8	39.7	19
Employee cost	10.7	10.4	32	7.4	336	9.0	8.9	11
Other cost	15.2	15.4	(19)	14.5	67	14.7	14.6	13
EBITDA margin	**14.7**	**13.6**	**107**	**18.3**	**(368)**	**16.2**	**16.2**	**(5)**
Tax rate	26.2	27.9	(170)	28.2	(202)	26.8	26.1	68
APAT margin	**7.5**	**6.1**	**144**	**11.0**	**(347)**	**8.8**	**9.1**	**(33)**

Segment revenues (Rs m)	**Q1FY27**	**Q1FY26**	**YoY (%)**	**Q4FY26**	**QoQ (%)**	**FY26**	**FY25**	**YoY (%)**
Plumbing & bathware								
Pipe sales volume (kt)	56.1	56.1	0.1	84.0	(33.2)	263	227	15.8
Pipe realization (Rs/kg)	182.1	165.8	9.8	176.1	3.4	172	180	(4.1)
Revenue	10505	9539	10.1	15342	(31.5)	46787	41963	11.5
EBITDA	1816	1412	28.6	3341	(45.6)	8582	7480	14.7
EBITDA margin (%)	17.3	14.8	248bps	21.8	(449bps)	18.3	17.8	52bps

Paints & Adhesives (Rs m)	**Q1FY27**	**Q1FY26**	**YoY (%)**	**Q4FY26**	**QoQ (%)**	**FY26**	**FY25**	**YoY (%)**
Revenue	5275	4073	29.5	5543	(4.8)	18,899	16,361	15.5
EBITDA	496	437	13.5	488	1.6	2,037	1,979	2.9
EBITDA margin (%)	9.4	10.7	(133bps)	8.8	60bps	10.8	12.1	(132bps)

Source: Company

Q1FY27 Earnings Call KTAs

Pipe Industry Scenario

- Plumbing industry de-grew by 10% y/y. The volatility in market is putting pressure on smaller, unorganised players, enabling large the companies like Astral to gain market share.
- However, the demand scenario has turned robust with the company seeing double-digit volume growth from Jul-26, driven by channel restocking and strong end-user demand.

Polymer Price Scenario

- With the implementation of MIP, the volatility in resin prices will reduce and protect the industry from downside price risk.
- There is also a discussion about a potential ADD/CVD on Chinese products, which if implemented would further aid domestic players.

Plumbing & Bathware

- Segment revenue grew 10.1% y/y and EBITDA margin expanded by 248bps y/y to 17.3% in Q1FY27, due to market share gain in newer geographies aided by ramp-up of new plants in Kanpur and Hyderabad. The muted demand for low-margin agri products also contributed to a better margin profile.
    - **Plumbing:** Pipe volume was flat on y/y basis in Q1FY27, due to weak demand in Apr-26 and partly due to SAP HANA implementation that halted dispatches for 10 days. However, demand picked up from May-26, with Jul-26 recording 40% volume growth. This is due to a combination of strong end-user demand and significant channel restocking after a period of destocking amid falling PVC prices. CPVC volume grew in high-single digits in Q1FY27. *The management reiterates its guidance for a minimum double-digit volume growth with an EBITDA margin of 16-18% in FY27. The CPVC resin plant, coming online in Q4FY27, is expected to drive higher growth and margin expansion in FY28. However, it expects value growth to outpace volume growth by ~10%.*
    - **Bathware: Segmental** revenue grew by 18.1% y/y with EBITDA breakeven in Q1FY27. The management is confident of 20-25% CAGR in bathware revenue over the next 4-5 years by expanding through both retail and project channels.

Resinova (Domestic Adhesives)

- Revenue grew sharply by 24.9% y/y in Q1FY27, led by broad-based growth with good traction in rural, urban, and online channels.
- However, EBITDA margin contracted by 182bps y/y to 12.2% in Q1FY27, due to lag in passing on the impact of commodity inflation pressure (up 15-16%).
- Thus, with RM prices softening and price hikes of 6-8% implemented, the company is confident of clocking 15-20% topline growth with EBITDA margin of 15% in FY27.

SEAL IT (overseas adhesives)

- Revenue grew sharply by 26.0% y/y in Q1FY27, with 8-10% of the growth attributed to currency benefits.
- EBITDA margin expanded by 469bps y/y to 4.9% in Q1FY27. due to weak base.
- The management is confident of surpassing the double-digit topline growth seen in Q1FY27 with EBITDA margin of 8-10% in FY27.

Paints Business

- Revenue grew sharply by 48.7% y/y, led by 30-35% volume growth and balance by price hike.
- Segment reached EBITDA breakeven (0.1% in Q1FY27 vs. -8.3% in Q4FY26).
- **Specialty Chemical (DSS):** Segmental revenue stood at Rs67m with EBITDA margin of 12.9% in Q1FY27.
- Capacity utilisation stood at 60-65% in Q1FY27. The company's current focus is to consolidate in the six states of South and West India.
- The Segment is expected to grow at 20-25% top-line growth with low single-digit EBITDA margin in FY27.

Capex

- The company spent Rs1.4bn in Q1FY27 across segments, while Rs3-3.5bn capex is budgeted for FY27.
- The backward integrated CPVC resin project (40k MTPA in Phase-I) remains on track for commissioning by Q3FY27 and trial runs are expected in Q4FY27.

Channel Inventory

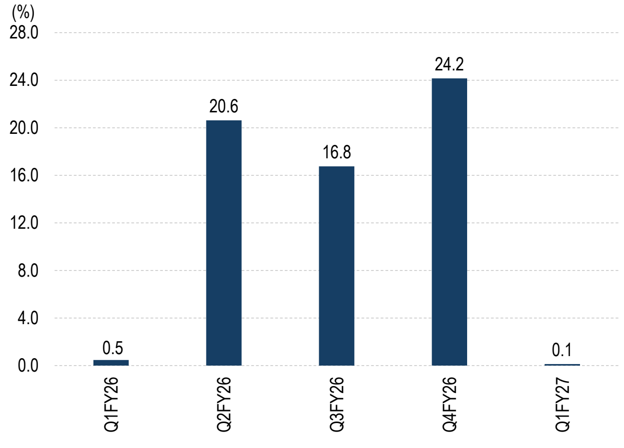
- The management confirmed that secondary and tertiary sales were higher than primary sales in Q1FY27, reflecting channel destocking.
- The channel subsequently restocked substantially in Jul-26, and significant portion of the inventory has already been consumed by early Aug-26 because of strong secondary sales.
- Channel inventory is currently at normal level.

Demerger Strategy

- The management clarified the decision to call off the demerger plan was in response to feedback from shareholders and advisors, who felt the timing was not right.
- They suggested that a demerger might be reconsidered when the business achieves a more substantial scale, but there is no fixed timeline or trigger for this.

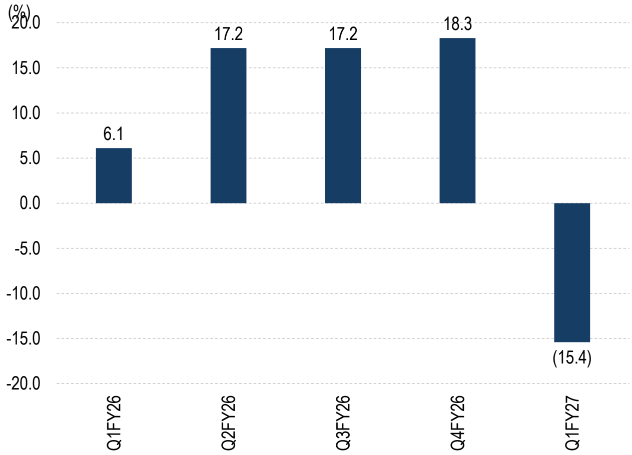
Story in Charts

Fig 8 – Astral y/y Pipe Volume Growth



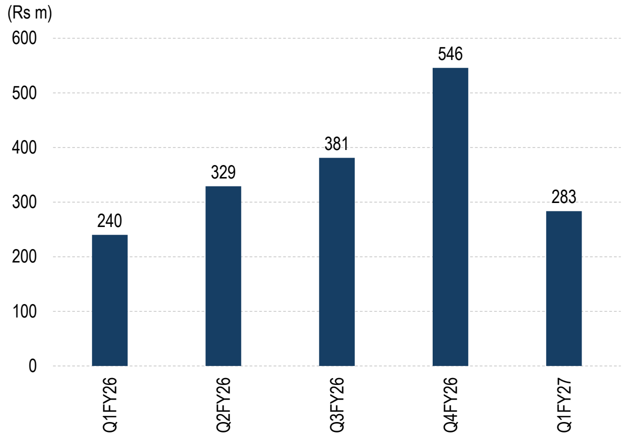
Source: Company

Fig 9 – SI y/y Pipe Volume Growth



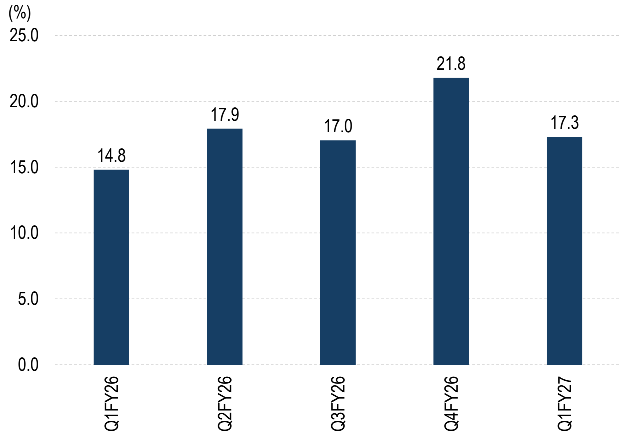
Source: Company

Fig 10 – Bathware Revenue



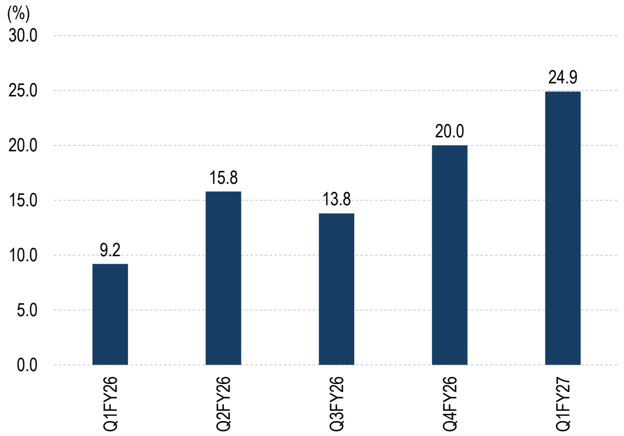
Source: Company

Fig 11 – Plumbing & Bathware EBITDA



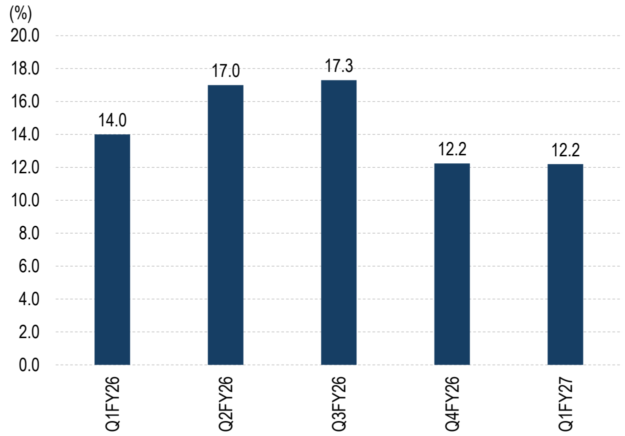
Source: Company

Fig 12 – Resinova Revenue Growth (y/y)



Source: Company

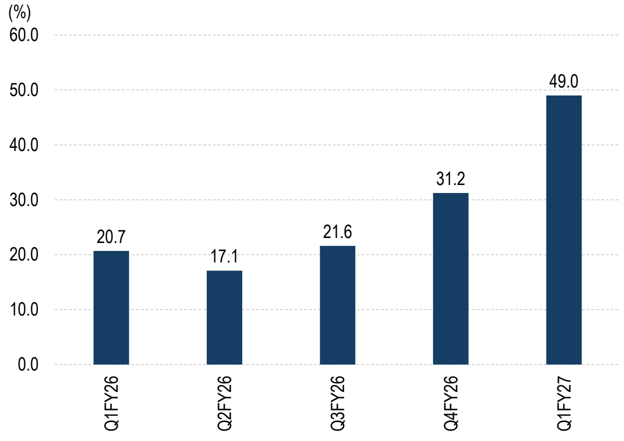
Fig 13 – Resinova EBITDA



Source: Company

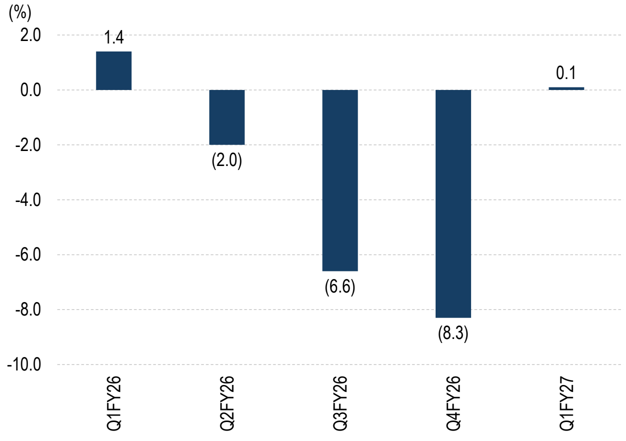
Story in Charts

Fig 14 – Paint Revenue Growth



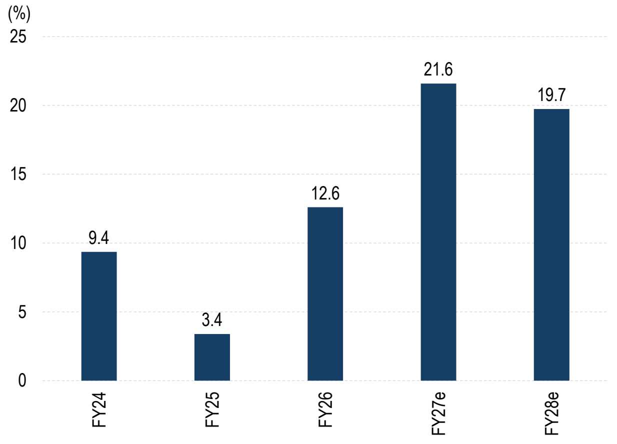
Source; Company

Fig 15 – Paint EBITDA



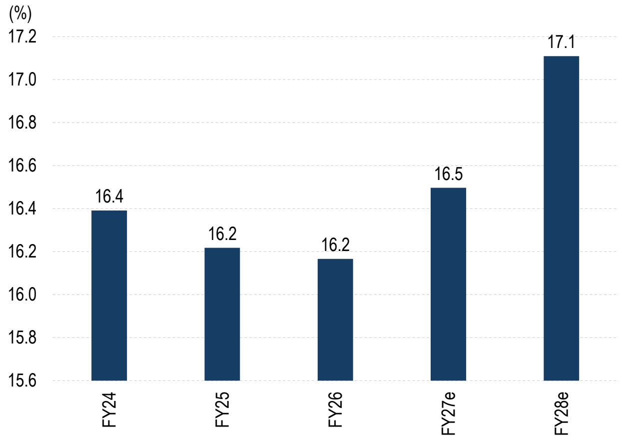
Source; Company

Fig 16 – Revenue Growth (y/y)



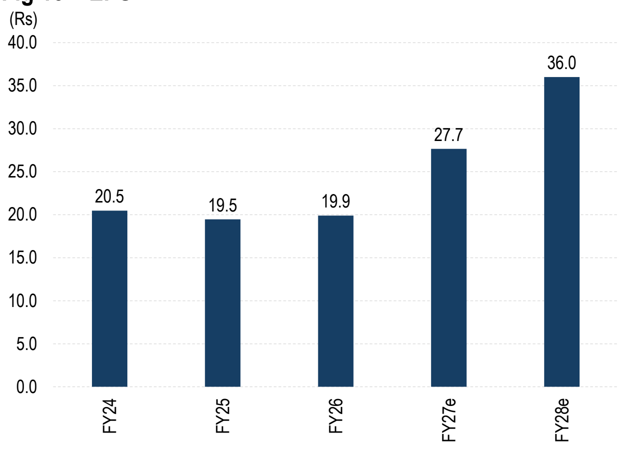
Source; Company

Fig 17 – Consolidated EBITDA



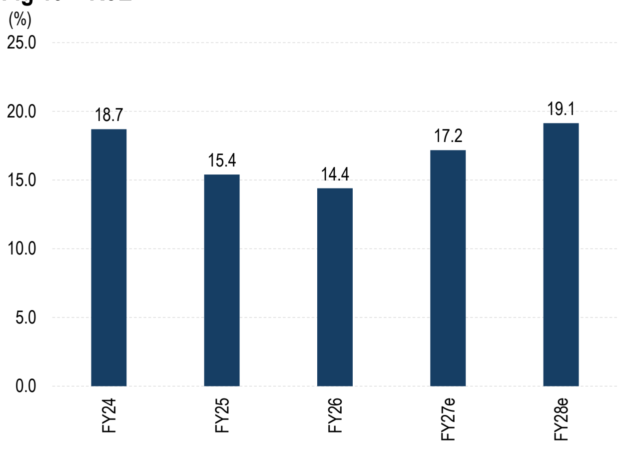
Source; Company

Fig 18 – EPS



Source; Company

Fig 19 – RoE



Source; Company

Outlook &Valuation

The company has reported industry leading volume growth and margin for the fourth consecutive quarters. The management has guided robust outlook for FY27. Post Q1FY27 result, we have slightly tweaked our EPS estimates by +0.5/0.4% for FY27/28e. At CMP, the stock trades at a P/E of 52.7/41x on FY27/28e vs. 5-year pre-COVID average of 45.7x.

We expect ASTRA's EPS to clock a strong 31.8% CAGR over FY26-28e with a healthy pre-tax RoIC of 32.7% over FY27-28e. **However, considering limited upside potential, we maintain our HOLD rating on the stock with an unrevised SOTP-based TP of Rs1,650, valuing plumbing division at an unchanged 50x PE and chemical division at an unchanged 30x of FY28e.**

Fig 20 – SOTP Valuation

Division	EPS – FY28e	P/E (x)	Target Price (Rs)
Plumbing	28.3	50.0	1,413
Chemical	7.9	30.0	237
Total			**1,650**

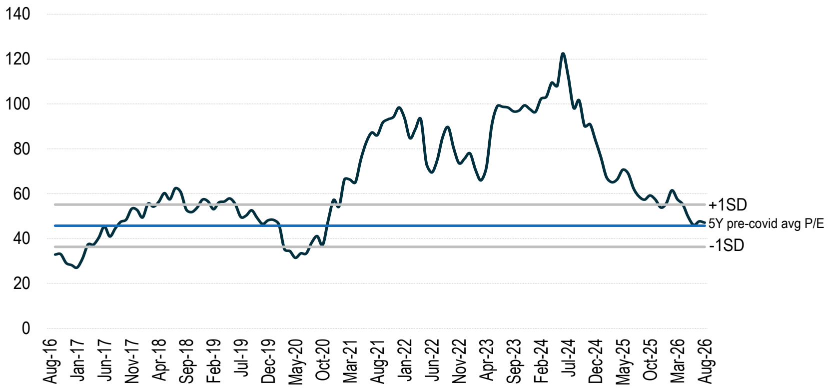
Source: Anand Rathi Research

Fig 21 – Change in Estimates

(Rs bn)	New Estimates		Old Estimates		Change (%)	
	FY27e	FY28e	FY27e	FY28e	FY27e	FY28e
Revenue	79.9	95.6	79.9	96.5	(0.1)	(0.9)
EBITDA	13.2	16.4	12.9	16.2	1.8	1.3
EBITDA margin (%)	16.5	17.1	16.2	16.7	31bps	38bps
PAT	7.5	9.6	7.4	9.6	0.5	0.4
EPS (Rs)	27.8	35.7	27.6	35.6	0.5	0.4

Source: Anand Rathi Research

Fig 22 – 1-Year Fwd. PE Band



Source; Company

Fig 23 – Key Assumptions

Particulars (%)	FY24	FY25	FY26	FY27e	FY28e
Revenue-Mix					
Pipe	73	70	69	70	70
Adhesives	23	25	25	25	24
Paints	3	3	4	4	4
Bathware	1	2	2	2	2
Operating Metrics					
Pipe volume growth	24	3	16	12	15
Adhesive revenue growth	12	9	14	20	16
Paints revenue growth	(14)	6	23	25	15
Bathware revenue growth	177	93	27	(4)	56
EBITDA margin					
Pipe	17.7	18.3	18.9	19.3	19.0
Adhesive	12.9	13.0	12.3	11.7	14.2
Paints	14.4	5.9	(4.3)	3.2	11.2

Source; Company, Anand Rathi Research

Key Risks

- **Downside Risks:** (a) Market share loss in pipe and adhesives; and (b) steep volatility in resin prices.
- **Upside Risk:** Sharp uptick in real estate sector.

Appendix

Analyst Certification

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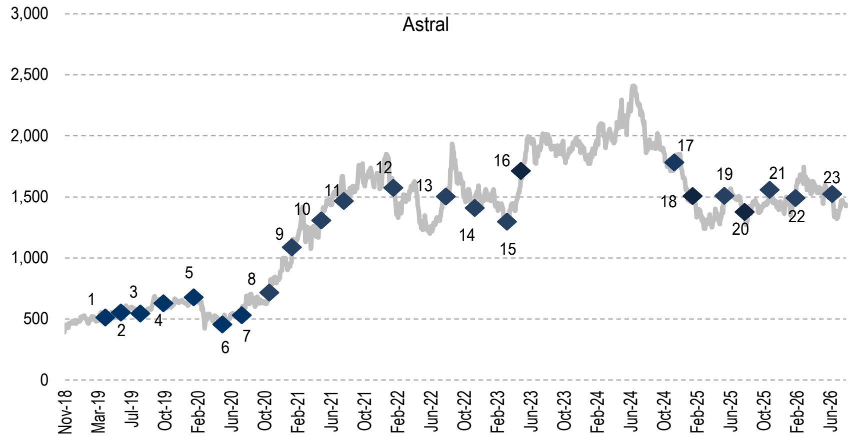
Rating and Target Price History (as of 12 August 2026)



	Date	Rating	TP (Rs)	Share Price (Rs)
8	07-Nov-20	Hold	1,002	873
9	03-Feb-21	Sell	1,352	1,458
10	19-May-21	Sell	1,647	1,816
11	09-Aug-21	Sell	2,039	2,150
12	07-Feb-22	Buy	2,560	2,112
13	17-Aug-22	Buy	2,605	2,014
14	16-Nov-22	Buy	2,488	1,923
15	28-Mar-23	Buy	1,810	1,334
16	19-May-23	Hold	1,793	1,651
17	26-Nov-24	Hold	2,666	1,783
18	31-Jan-25	Buy	2,180	1,507
19	26-May-25	Buy	1,812	1,509
20	13-Aug-25	Buy	1,665	1,297
21	07-Nov-25	Hold	1,690	1,556
22	06-Feb-26	Buy	1,800	1,504
23	28-Jun-26	Hold	1,650	1,487

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Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

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Compliance officer: Deepak Kedia, email id: deepakkedia@rathi.com, Contact no. +91 22 6281 7000
Grievance officer: Madhu Jain, email id: grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.
Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.