



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✗	✓	✗

+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS	✗	↔	✗
RQ	✗	↔	✗
RV	✗	↔	✗

Company details

Market cap:	Rs. 41,816 cr
52-week high/low:	Rs. 1,870/1,232
NSE volume: (No of shares)	8.6 lakh
BSE code:	532830
NSE code:	ASTRAL
Free float: (No of shares)	12.30 cr

Shareholding (%)

Promoters	54
DII	18
FII	17
Others	12

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	10.5	13.2	16.9	-10.0
Relative to Sensex	8.7	9.0	16.0	-17.1

Source: Mirae Asset Sharekhan Research, Bloomberg

Astral Ltd

Q2 strong, medium-term outlook robust

Building material	Sharekhan code: ASTRAL		
Reco/View: Buy	↔	CMP: Rs. 1,557 (as on Nov 07, 2025)	Price Target: Rs. 1,852 ↑

Summary

- Consolidated revenue rose 15% y-o-y to Rs. 1,577 crore (8.4% above estimates), while EBITDA grew 22.3% y-o-y to Rs. 257 crore, driven by robust volume growth and a higher share of VAP.
- Management reiterated double-digit volume growth outlook for piping segment and guided for a 16-18% EBITDA margin in FY26; adhesives business to deliver ~15% revenue growth with 15-16% margins.
- Ramp-up of Hyderabad and Kanpur plants, CPVC resin backward integration and potential implementation of ADD would be key medium-term growth catalysts.
- We retain a Buy with a revised PT upward to of Rs. 1,852, anticipating sustained demand momentum and improving operating leverage through FY26.

Strong Q2FY26 performance with revenue up 15% y-o-y to Rs. 1,577 crore and EBITDA up 22% to Rs. 257 crore, on robust piping volumes and higher VAP. EBITDA margin rose 95 bps y-o-y to 16.3%, despite decline in PVC prices. Piping volumes grew 20.6% y-o-y to 61,224 MT, reflecting continued market share gains. The Hyderabad plant ramp-up is improving and along with the newly-commissioned Kanpur plant, it is expected to support volume growth from Q4FY26. This will reduce logistics costs as utilisation improves. Channel inventory remains low, and a potential ADD on PVC could lift prices, triggering restocking. Management expects double-digit volume growth for FY26, supported by a stronger H2. In other segments, Adhesives India grew ~15% with 15-16% margins, while UK adhesives turned around with 7.3% EBITDA margin (v versus loss earlier) and is targeting double-digit margin by FY27. Paints grew 19% in H1 with ~20% full-year guidance; The bathware segment grew 20% in H1FY26, with management expecting healthy momentum in Q3 and Q4. Over the next five years, the segment is projected to sustain a 20-25% growth trajectory. The management maintained its 15-16% consolidated EBITDA margin guidance, with upside from plant ramp-up and cost efficiencies.

Key positives

- Strong volume growth despite weak industry backdrop

Key negatives

- Average PVC prices declined 10.6% y-o-y in Q2FY26.

Management Commentary

- CPVC backward integration project (40,000 TPA) is progressing well, with commissioning targeted by September 2026. The fully captive facility will meet internal requirements, reducing import dependence, improving cost efficiency and releasing working capital, with scalability up to 80,000 TPA based on demand.
- Focus remains on optimising recent capex and improving asset utilisation. Astral spent Rs. 282 crore in H1 FY26, maintaining full-year guidance at Rs. 300-350 crore. Over the last four years, it has invested Rs. 1,400 crore across verticals, now aiming to leverage these for growth, margin improvement, and stronger cash flows.
- Market share gains continue through decentralised manufacturing and new regional plants, enhancing service reach, cutting logistics costs, and solidifying its competitive position.
- Capex on bathware division remains modest at Rs. 30 crore.

Revision in earnings estimates - We have added FY28E in our analysis.

Our Call

Valuation - Retain Buy with a revised PT of Rs. 1,852: The polymer industry continues to witness volatility, with PVC prices declining 10.6% y-o-y in Q2 FY26. However, management expects gradual pricing stability, supported by a potential anti-dumping duty (ADD) implementation and BIS enforcement, which could aid demand recovery. Astral remains focused on scaling up its newer segments — plastic tanks, valves, paints, faucets, and sanitaryware — which are likely to drive incremental growth and margin expansion over the medium term. We project consolidated revenue, operating profit, and net profit CAGR of 14%, 16%, and 20% respectively over FY2025-FY2028E. The stock trades at 65.5x/53.8x/46.2x its FY2026E/FY2027E/FY2028E earnings. With strong growth visibility, improving product mix, and operating leverage from recent capacity additions, we maintain our Buy rating with a revised PT of Rs. 1,852.

Key Risks

Profitability is highly vulnerable to the volatile fluctuations in raw material (polymer) prices.

Valuation (Consolidated)

Particulars	Rs cr			
	FY25	FY26E	FY27E	FY28E
Revenue	5,832	6,720	7,774	8,725
OPM (%)	16.2	16.4	16.7	17.0
Adjusted PAT	524	639	779	906
y-o-y growth (%)	(4.1)	22.0	21.9	16.3
Adjusted EPS (Rs.)	19	24	29	34
P/E (x)	79.9	65.5	53.8	46.2
P/B (x)	11.6	9.9	8.4	7.1
EV/EBITDA (x)	43.8	37.0	31.0	27.4
RoNW (%)	15.4	16.3	16.9	16.7
RoCE (%)	20.1	21.0	22.0	21.8

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars						Rs cr
	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	Q-o-Q (%)	
Revenue	1,577.4	1,370.4	15.1	1,361.2	15.9	
EBITDA	256.8	210.1	22.2	184.9	38.9	
Other Income	11.4	8.8	29.5	9.1	25.3	
Depreciation	72.3	59.9	20.7	71.9	0.6	
Finance Cost	16.0	10.2	56.9	12.3	30.1	
PBT	179.9	148.8	20.9	109.8	63.8	
Tax Expenses	45.1	40.1	12.5	30.6	47.4	
PAT	134.8	108.7	24.0	79.2	70.2	
Adj PAT	134.8	110.0	22.5	81.1	66.2	
EPS (Rs)	5.0	4.1	22.5	3.0	66.2	
%			BPS		BPS	
EBITDA Margin	16.3	15.3	95	13.6	270	
PAT Margin	8.5	7.9	61	5.8	273	
Tax Rate	25.1	26.9	(188)	27.9	(280)	

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Strong recovery in business operations

The Indian plastic pipes industry has grown into a key enabler of the country's infrastructure, agriculture, and housing ambitions. With applications spanning water supply, sanitation, drainage, and plumbing, plastic piping systems have become integral to both rural development and urban modernisation. As per CRISIL Ratings and ICRA, the industry is estimated to have crossed Rs. 50,000 crore in size by FY25, supported by sustained volume growth despite near-term pricing pressures. The Indian adhesives and sealants industry forms a vital component of the country's manufacturing and construction value chain, with extensive applications across infrastructure, automotive, packaging, woodworking, electronics, and consumer segments. As per IMARC group report, the Indian adhesives and sealants market is estimated to be valued at ~\$2.56 billion. Industry assessments from IMARC Group indicate that the market is expected to expand at a compound annual growth rate of 5.95% over the next eight years, reaching \$4.3 billion by 2033.

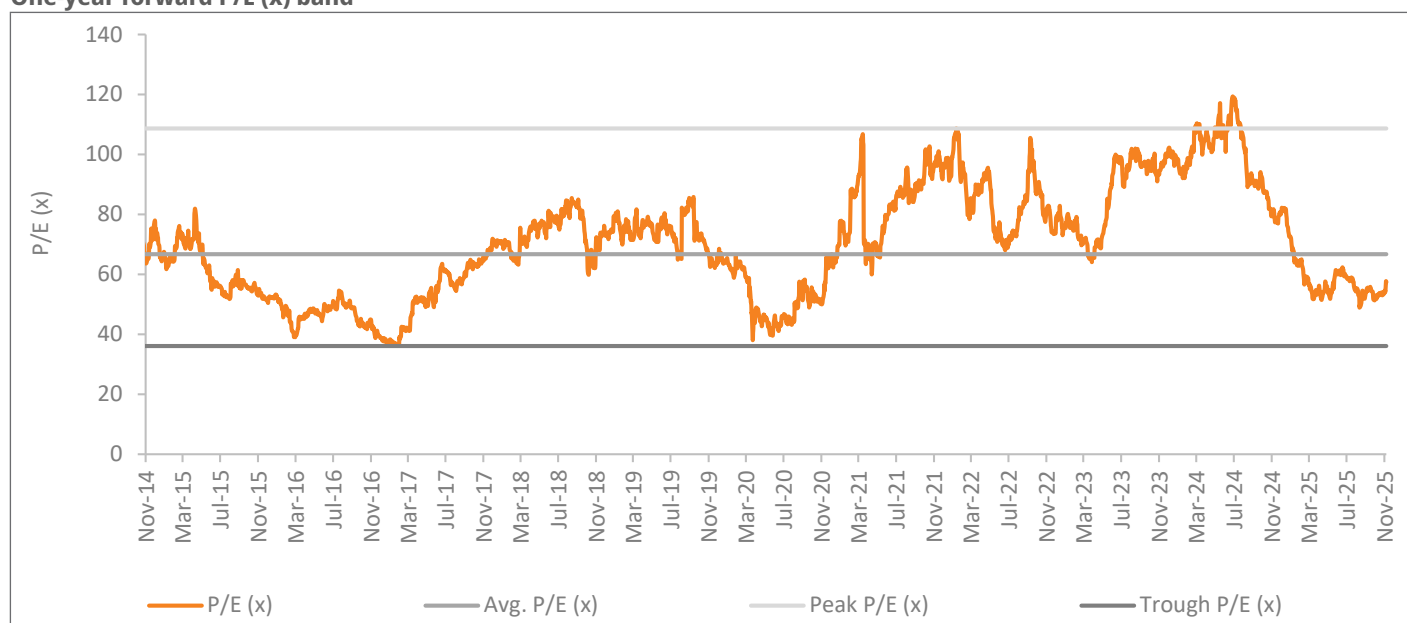
■ Company Outlook – Expect healthy growth in pipes and adhesives

Astral is well-positioned to capture growth opportunities unveiled by the government through its various schemes such as Housing for All by 2022, PMAY, Smart Cities Mission, AMRUT, HRIDAY, Har Ghar Jal by 2024, Nal se Jal by 2024, and PMKSY. Capacity expansion and improved utilisation of expanded capacity are expected to drive volume growth in the pipes business. Strategic steps taken during the last year in the adhesive business are now expected to show favourable results in a normal environment. Both pipes and adhesives businesses are expected to fare well over the long term, with pipe volumes expected to grow at over 15% per annum, while the adhesive business is expected to grow at 15-20% per annum. Further, the company would be scaling up its new businesses.

■ Valuation – Retain Buy with a revised PT of Rs. 1,852

The polymer industry continues to witness volatility, with PVC prices declining 10.6% y-o-y in Q2 FY26. However, management expects gradual pricing stability, supported by a potential anti-dumping duty (ADD) implementation and BIS enforcement, which could aid demand recovery. Astral remains focused on scaling up its newer segments — plastic tanks, valves, paints, faucets, and sanitaryware — which are likely to drive incremental growth and margin expansion over the medium term. We project consolidated revenue, operating profit, and net profit CAGR of 14%, 16%, and 20% respectively over FY2025–FY2028E. The stock trades at 65.5x/53.8x/46.2x its FY2026E/FY2027E/FY2028E earnings. With strong growth visibility, improving product mix, and operating leverage from recent capacity additions, we maintain our Buy rating with a revised PT of Rs. 1,852.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Established in 1996, Astral is among the country's leading manufacturers of plastic pipes used across industries. The company is now making strong inroads into the adhesives segment and infrastructure products. Astral currently operates in four countries with manufacturing facilities at 12 locations spread across India, the U.K., the U.S., and Kenya, having over 4,000 employees. The company has over 800 and 1,800 distributors in the plastic and adhesive segments, respectively. Astral is present across India through more than 30,000 and 4 lakh dealers in the plastic and adhesive segments.

Investment theme

Currently, Astral has a market share of 25% in CVPC pipes and 5% in PVC pipes and is well placed to grab significant growth opportunities unveiled by the government through its various schemes such as Housing for All by 2022, PMAY, Smart Cities Mission, AMRUT, HRIDAY, Har Ghar Jal by 2024, Nal se Jal by 2024, and PMKSY. Strategic steps over the past year in the adhesive business are now expected to show favourable results in a normalised environment. The company's pipes and adhesives businesses are expected to fare well over the long term. Further, the company would be scaling up its tank business, complementing its pipe business.

Key Risks

The company's profitability is highly vulnerable to the volatile fluctuations in raw material (polymer) prices.

Additional Data

Key management personnel

Name	Designation
Sandeep Pravinbhai Engineer	Chairman cum Managing Director
Jagruiti Sandeep Engineer	Executive Director
Hiranand A. Savlani	Chief Financial Officer

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Life Insurance Corp of India	4.99
2	UTI Asset Management Co Ltd	2.50
3	Blackrock Inc	2.09
4	Vanguard Group Inc/The	1.89
5	Tree Line Asia Master Fund	1.19
6	Nippon Life India Asset Management	1.15
7	T Rowe Price Group Inc	1.09
8	Republic of Singapore	1.00
9	SBI Funds Management Ltd	0.65
10	HDFC Pension Fund Management Ltd	0.62

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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