Astral Ltd. (ASTPOL)

ICICI Direct

CMP: ₹1588 | Target ₹ 1830 (15%) | Target Period: 12 months | BUY

August 13, 2026

Outperforming industry growth; retain Buy

About the stock: Astral, established in 1996 by Sandeep Engineer, introduced CPVC piping in India. As of FY26, it has 21 manufacturing units with an aggregate capacity of 5.97 lakh TPA (4.2 lakh TPA Pipes, Water tanks & Bathware, 1.4 lakh TPA Adhesives & Sealants, 36000 TPA Paints). It has a strong network of over 2.7 lakh dealers and 3990+ distributors.

Q1FY27 performance: Astral reported strong Q1FY27 performance with consolidated revenue rising 16% YoY to ₹ 1,578 crore, driven by both Plumbing (revenue up 10% at ₹ 1,051 crore) and Paints & Adhesives (up 30% at ₹ 528 crore). Plumbing volumes were largely flat at 56,146 MT. Consol. EBITDA grew 25% YoY to ₹ 231 crore, with margin expanding 107 bps to 14.7%. EBITDA margin (including other income) for plumbing was up by 247 bps at 18.9% and for paints & adhesives was down by 54 bps at 8.7%. PAT grew 52% YoY to ₹ 120 crore, with PAT margin improving to 7.6% (up by 180 bps).

Investment Rationale:

- **FY27 guidance retained across verticals:** Management reiterated FY27 double-digit plumbing volume growth with 16-18% EBITDA margin, while Paints and Adhesives are guided to 20-25% and 15-20% revenue growth, respectively, with low-single-digit and ~15% EBITDA margins. UK Adhesives is expected to deliver double-digit revenue growth with 8-10% EBITDA margin, while Bathware is targeted to grow at 20-25% CAGR over the next 4-5 years. Management expects DSS Speciality Chemicals to scale up with increasing product volumes and emerge as an important growth and margin contributor.
- **Strong Demand Recovery in Plumbing:** Astral's piping business is well positioned for a recovery, with volumes growing ~40% in July and in double digits in August, while channel inventories have normalised and secondary sales remain healthy. Despite a ~10% industry decline in Q1FY27, Astral's volumes remained flat, with CPVC growing in high single digits, aided by plant decentralisation and market share gains in newer regions. The company is further strengthening its growth profile through debottlenecking, which has increased Pipes & Fittings capacity to 4.21 lakh MT from 4.18 lakh MT, while the CPVC resin plant is on track for completion by December, with trials and stabilisation in Q4FY27, providing potential benefits to margins and supply security.

Rating and Target Price:

- We estimate its revenue/EBITDA/PAT to grow at a CAGR of ~14%/18%/26% over FY26-FY28E.
- We retain Buy with an unchanged SOTP based price target of ₹ 1830, implied ~58x P/E on FY28E EPS.

ASTRAL PIPES

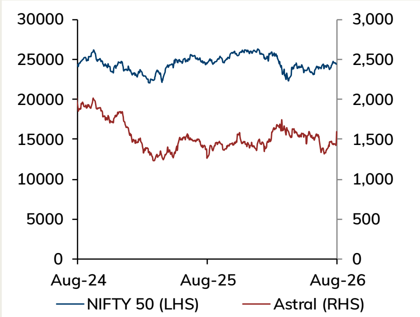
Particulars

Particular	₹ crore
Market Capitalisation	42662
Gross Debt (FY26)	153
Cash (FY26)	943
EV (₹crore)	41871
52 week H/L	1768/1270
Equity capital	27
Face value	₹ 1

Shareholding pattern

Particular	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	54.2	54.2	54.2	54.2
FIIs	16.6	15.2	14.5	13.9
DIIs	17.8	19.2	21.3	21.3
Others	11.4	11.4	10.0	10.6

Price Chart



Key risks

(i) Sharp decline in PVC/CPVC resin prices

(ii) Slowdown in agriculture, infrastructure, real estate sectors.

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2-Year CAGR (FY24-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	5,641	5,832	6,569	7.9%	7,477	8,489	13.7%
EBIDTA	918	946	1,062	7.5%	1,265	1,474	17.8%
EBIDTA Margins(%)	16.3	16.2	16.2		16.9	17.4	
Adjusted PAT	546	524	537	-0.9%	712	852	26.0%
EPS (Rs.)	20.3	19.5	19.9		26.5	31.7	
P/E (x)	78.2	81.6	79.6		60.0	50.1	
EV to EBIDTA (x)	46.0	44.7	39.5		33.2	28.2	
RoNW (%)	18.5	15.4	14.0		16.3	16.9	
RoCE (%)	23.4	20.1	19.6		21.3	22.2	

Source: Company, ICICI Direct Research

Q1FY27 Earnings call highlights

- **Guidance:** Management reiterated its FY27 guidance of double-digit plumbing volume growth and 16-18% EBITDA margin (despite flat Q1FY27 volumes). Revenue growth guidance for the Paints/Adhesives businesses remains at 20-25%/15-20%, respectively, with expected margins of low-single digit and 15%.
- **Demand and Future Outlook:** Management indicated that demand recovered strongly from May, with volumes growing ~40% in July and remaining in double digits in August. Channel inventory has normalised, with July restocking largely consumed by early August, while secondary and tertiary sales remain healthy. Management remains optimistic on the demand outlook, supported by stable PVC prices following MIP implementation, with government evaluating anti-dumping/value-added duty measures on Chinese products, which, if implemented, could provide further support to domestic polymer prices
- **Plumbing Business:** Plastic piping volumes remained flat in Q1FY27 despite a ~10% industry decline, with CPVC volumes growing in high single digits, supported by plant decentralisation and market share gains in newer regions. Demand remained healthy across segments except agri products. Plumbing EBITDA margin improved to 18.9%, aided by better utilisation of the Kanpur and Hyderabad plants and a favourable mix towards higher-margin plumbing and value-added products. Kanpur is operating at high utilisation and may be expanded, while Hyderabad is at ~50% utilisation.
- **Adhesive (India & UK):** India adhesives revenue grew 25% YoY to ₹ 326 crore, supported by strong traction across rural, online and export markets. EBITDA margin moderated to 12.2% due to higher-cost inventory and elevated raw material prices, despite passing on a 7-8% price hike (against a 15-16% increase in raw-material costs). Management expects margins to recover as raw material prices soften and reiterated its ~15% EBITDA margin guidance. UK adhesives revenue grew 26% YoY to ₹ 121 crore, with EBITDA margin improving sharply to 4.9, as the business returns to a normal growth trajectory. Management retained its 8-10% full-year EBITDA margin and double-digit revenue growth guidance.
- **Paints:** Paint revenue grew 49% YoY to ₹ 75 crore, marking the highest growth since the Gem acquisition, with estimated volume growth of 35-40%. Growth was broad-based across all six operating states and supported by new product launches, while capacity utilisation stood at ~60%. EBITDA turned positive at 0.1%, and management retained its FY27 guidance of 20-25% revenue growth with a low-single-digit EBITDA margin.
- **Bathware:** Bathware revenue increased 18% YoY to ₹ 29 crore with business achieving EBITDA break-even. Management highlighted that Astral remains a relatively new entrant with a low base and expects the segment to deliver 20-25% CAGR over the next 4-5 years, supported by both project and retail channels.
- **DSS Speciality Chemicals:** The newly acquired DSS business delivered ₹ 7 crore revenue and ₹ 0.9 crore EBITDA in Q1FY27, implying a 12.9% EBITDA margin from the first quarter of consolidation. Management expects the business to scale as product volumes ramp up and sees specialty chemicals as an important growth and margin contributor going forward.
- **CPVC Resin & New Products:** The CPVC resin plant remains on track for completion by December, with trials and product stabilisation expected in Q4FY27, supporting future growth and margin expansion. PEX-Aluminium-PEX machines are under installation, with trials expected to conclude by September and commercial production thereafter; management expects the high-value, high-margin product to start contributing from Q3FY27.

- **Capex:** Astral spent ₹ 137 crore on capex in Q1FY27, including ₹ 87 crore in plumbing, ₹ 32 crore in adhesives, ₹ 2 crore in the UK business and ₹ 16 crore towards the CPVC resin plant. FY27 capex is budgeted at ₹ 300-350 crore, with the major expansion cycle largely nearing completion. the Company has increased its Pipes and Fittings production capacity from 4,17,645 M.T. to 4,21,497 M.T with debottlenecking existing capacities.

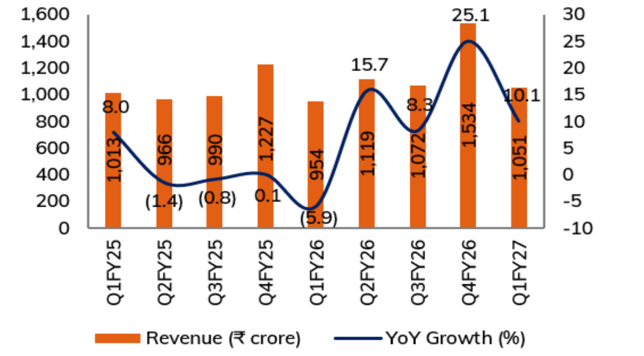
Exhibit 1: Quarterly Analysis

Particulars	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Comments
Operating Income	**1,578**	**1,361**	**15.9**	**2,089**	**-24.4**	Plumbing volumes were up 10% YoY. Paints & Adhesives revenues grew by ~30% YoY
Other Income	13	9	40.7	17	-26.0	
Total Revenue	1,591	1,370	16.1	2,106	-24.5	
Raw Materials Costs	938	825	13.6	1,248	-24.9	
Employees Expenses	170	142	19.5	154	9.9	
Other Expenses	240	209	14.5	303	-20.9	
Total Expenditure	1,347	1,176	14.5	1,706	-21.0	
EBITDA	**231**	**185**	**25.0**	**383**	**-39.6**	Plumbing margins were up ~250bps YoY. Paints & Adhesives margins lower due to high RM
EBITDA Margins (%)	14.7	13.6	107bps	18.3	-368bps	
Interest	6	12	-52.8	24	-75.3	
Depreciation	75	72	4.9	74	1.9	
PBT	**163**	**110**	**48.3**	**303**	**-46.2**	
Tax	43	31	39.2	84	-49.0	
Income from Assoc.	0	0	-	0	-	
Minority Interest	0	-2	-	0	-	
Adj. PAT	**120**	**81**	**48.2**	**219**	**-45.1**	

Source: Company, ICICI Direct Research

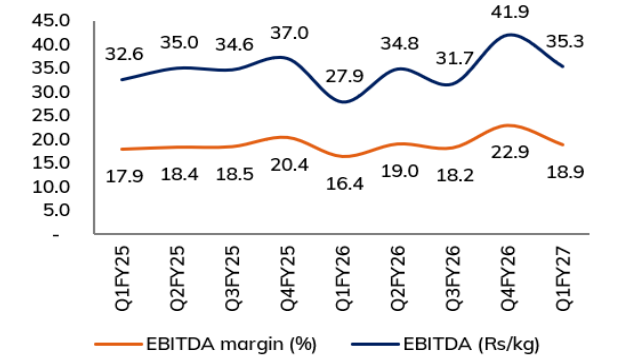
Segmental Trends

Exhibit 2: Plumbing(Pipes,fittings,water tanks,bathware)



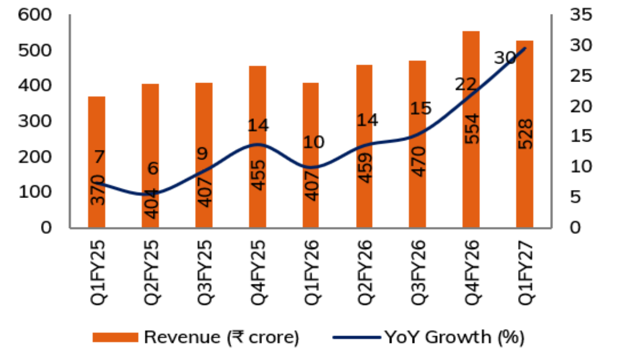
Source: Company, ICICI Direct Research

Exhibit 3: Plumbing(Pipes,fittings,water tanks,bathware



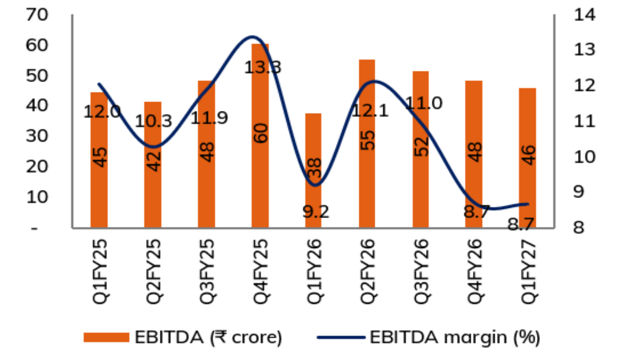
Source: Company, ICICI Direct Research

Exhibit 4: Paints & Adhesives (Resinova + Seal It + Paint)



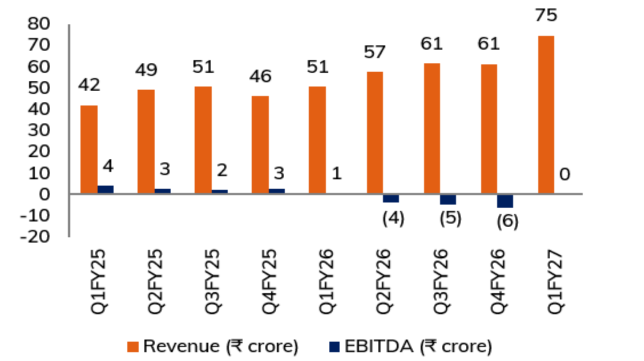
Source: Company, ICICI Direct Research

Exhibit 5: Paints & Adhesives (Resinova + Seal It +Paint)



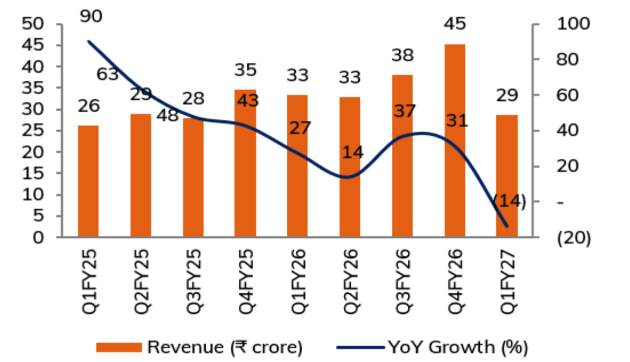
Source: Company, ICICI Direct Research

Exhibit 6: Paints Revenue/EBITDA Trend



Source: Company, ICICI Direct Research

Exhibit 7: Bathware Revenue Trend



Source: Company, ICICI Direct Research

Financial summary

Exhibit 8: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	**5832**	**6569**	**7477**	**8489**
Growth (%)	3.4%	12.6%	13.8%	13.5%
Operating Expenses	3519	3951	4538	5156
Gross Profit	2313	2618	2940	3333
Gross Profit Margins (%)	39.7%	39.8%	39.3%	39.3%
Employee Expenses	518	590	583	662
Other Expenditure	849	965	1092	1196
Total Operating Exp.	4887	5507	6213	7015
EBITDA	**946**	**1062**	**1265**	**1474**
Growth (%)	3.0%	12.3%	19.1%	16.6%
Interest	41	64	49	49
Depreciation	243	292	313	342
Other Income	41	47	47	53
PBT before Excl. item	**703**	**753**	**949**	**1137**
Total tax	184	196	242	290
PAT before MI	519	557	707	847
Minority interest	-5	-2	-5	-5
Profit from associates	0	0	0	0
Exceptional items	0	23	0	0
PAT	**524**	**537**	**712**	**852**
Growth (%)	-4.1%	2.4%	32.8%	19.6%
EPS (Adjusted)	**19**	**20**	**26**	**32**

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/loss after taxation	702.5	730.6	949.5	1137.3
Add: Dep. & Amortization	243.4	291.6	313.4	341.6
Change in working capital	-171.8	213.4	-319.2	-74.6
Total tax paid	-170.1	-187.4	-242.1	-290.0
Others	25.6	68.8	49.0	49.0
CF from operating activities	**629.6**	**1117.0**	**750.6**	**1163.2**
(Purchase)/Sale of Fixed Assets	-539.4	-456.3	-300.0	-300.0
Investments	22.1	25.7	0.0	0.0
Others	4.7	-75.9	-313.4	-341.6
CF from Investing activities	**-512.6**	**-506.5**	**-613.4**	**-641.6**
(inc)/Dec in Loan	45.6	-31.7	0.0	0.0
Divident & Divident tax	-100.7	-100.7	-107.6	-114.3
Equity raised	0.0	0.0	0.0	0.0
Others	-63.2	-195.8	-44.0	-44.0
CF from Financing activities	**-118.3**	**-328.2**	**-151.6**	**-158.3**
Net Cash Flow	-1.3	282.3	-14.4	363.3
Cash and Cash Equivalent	609.4	608.1	890.4	876.0
Cash	**608.1**	**890.4**	**876.0**	**1239.3**

Source: Company, ICICI Direct Research

Exhibit 10: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	27	27	27	27
Reserve and Surplus	3590	4031	4636	5374
Total Shareholders funds	**3617**	**4058**	**4663**	**5401**
Minority Interest	76	0	0	0
Total Debt	**144**	**153**	**153**	**153**
Deferred Tax Liability	55	83	83	83
Long-Term Provisions	9	16	16	16
Other Non Current Liabilities	67	71	71	71
Total Liabilities	**3967**	**4381**	**4986**	**5724**
Net Block	2142	2367	2667	2967
Capital WIP	116	89	89	89
Fixed Assets	**2258**	**2456**	**2756**	**3056**
Goodwill & Other intangible assets	570	578	578	578
Investments	0	0	0	0
Other non-Current Assets	80	139	139	139
Inventory	1011	1117	1270	1442
Debtors	435	475	533	605
Other Current Assets	80	88	88	88
Loans & Advances	14	16	16	16
Cash	608	943	929	1292
Total Current Assets	**2149**	**2639**	**2835**	**3442**
Creditors	859	1155	1065	1209
Provisions	2	16	16	16
Other Current Liabilities	228	260	241	266
Total Current Liabilities	**1089**	**1431**	**1322**	**1492**
Net Current Assets	1060	1208	1513	1951
Application of Funds	**3967**	**4381**	**4986**	**5724**

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Adjusted EPS	19.5	19.9	26.5	31.7
Cash EPS	28.5	30.8	38.1	44.4
BV per share	134.5	150.9	173.3	200.8
Dividend per share	0.8	4.0	4.0	4.3
Operating Ratios (%)				
Gross Profit Margins	39.7	39.8	39.3	39.3
Operating EBIDTA margins (%)	16.2	16.2	16.9	17.4
(Adjusted) PAT Margins	9.0	8.2	9.5	10.0
Cash Conversion Cycle	37	24	36	36
Fixed asset turnover (x)	1.2	1.2	1.2	1.3
Return Ratios (%)				
RoE	15.4	14.0	16.3	16.9
RoCE	20.1	19.6	21.3	22.2
RoIC	19.8	19.4	21.7	22.5
Valuation Ratios (x)				
P/E	81.6	79.6	60.0	50.1
EV / EBITDA	44.7	39.5	33.2	28.2
EV / Net Sales	7.2	6.4	5.6	4.9
Market Cap / Sales	7.3	6.5	5.7	5.0
Price to Book Value	11.8	10.5	9.2	7.9
Solvency Ratios				
Debt / EBITDA	0.2	0.1	0.1	0.1
Debt / Equity	0.0	0.0	0.0	0.0

Source: Company, ICICI Direct Research

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Sell: <-15%

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