ArihantCapital
Generating Wealth

Q1FY27 - Result Update
13th August 2026

Astral Ltd.

Multi-Segment Growth

CMP: INR 1,487

Rating: BUY

Target Price: INR 1,808

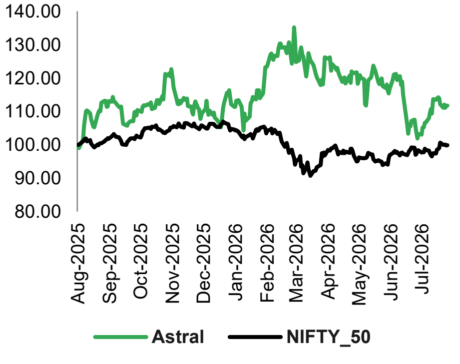
Stock Info	
BSE	532830
NSE	Astral
Bloomberg	ASTRA IN
Reuters	ASTL.NS
Sector	Plastic Products – Industrial
Face Value (INR)	1
Mkt Cap (INR Bn)	399.46
52w H/L (INR)	1769/1270
Avg yearly Vol (in 000')	733.04

Shareholding Pattern %
(As on June, 2026)

Promoters	54.22%
Public & Others	45.78%

Stock Performance (%)	1m	6m	12m
Astral	+10.5	-8.9	-14.3
Nifty 50	+0.5	-4.5	-1.2

Astral Vs Nifty 50



Abhishek Jain
abhishek.jain@arihantcapital.com
022 67114851

Ronak Osthwal
ronak.osthwal@arihantcapital.com
022 67114865

Astral reported steady Q1FY27 consolidated results. Revenue came in at INR 15.7 Bn, down 23.8% QoQ but up 16.8% YoY, 0.8% below our estimates. Gross margin stood at 40.58%, compared with 40.23% in the previous quarter and 39.38% in the corresponding quarter last year, versus our estimate of 39.9%. EBITDA came in at INR 2,312 Mn, down 39.3% QoQ but up 25.7% YoY, 0.6% below our estimate. EBITDA margin stood at 14.65%, compared with 18.33% QoQ and 13.58% YoY, versus our estimate of 14.62%. PAT came in at INR 1,202 Mn, down 43.1% QoQ but up 52.9% YoY, 0.7% below our estimate. PAT margin stood at 7.6%, compared with 10.2% QoQ and 5.82% YoY, broadly in line with our estimate of 7.61%.

Capacity Monetization & New Product Opportunities: Astral is entering the monetization phase of the significant capacity investments undertaken over the last few years, with improving utilization expected to drive operating leverage and cash generation. Kanpur is already seeing strong utilization, while Hyderabad provides meaningful headroom for growth. PEX-Al-PEX commercialization from Q3FY27 and the CPVC resin plant from Q4FY27 should add new growth opportunities, while the expanded portfolio of valves, water tanks, fire sprinklers, OPVC and other value-added products should support mix improvement.

Strong Multi-Year Growth Visibility: Management's confidence of exceeding its earlier 20–25% growth guidance reflects improving demand across Plumbing, Adhesives and Paints. End-user demand remains robust across major verticals, while geographic expansion, new products and improving capacity utilization should support growth over the coming years. With multiple businesses at different stages of scaling and profitability improvement, Astral is developing a more diversified growth profile, which should support a healthy earnings trajectory.

Diversification Driving Growth: Astral's Adhesive, Paint, Bathware and Specialty Chemicals businesses are emerging as important growth levers beyond Plumbing. Adhesive India is expected to see margin recovery as high-cost inventory normalizes and raw-material prices soften, while UK Adhesives is showing a clear profitability turnaround. Paint has reached EBITDA breakeven with strong volume growth, and DSS has delivered a healthy initial margin, providing further scope for diversification and earnings growth.

Outlook: We remain positive on Astral's medium-term outlook, supported by sustained market-share gains, sharp improvement in Plumbing demand and increasing utilization of recently commissioned capacities. MIP-led PVC price stability should improve earnings visibility, while a sustained rise in polymer prices could provide additional near-term margin upside. Adhesives, Paints, UK Adhesives and DSS provide incremental growth and profitability levers, reducing dependence on Plumbing over time. New product launches and the CPVC resin plant should further strengthen the product mix and support growth. **We have Buy rating on the stock with target price of INR 1,808**

Year-end March						
(INR Mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	51,585	56,414	58,324	65,686	78,805	94,189
EBITDA	8,099	9,183	9,459	10,619	12,868	15,945
PAT	4,725	5,456	5,189	5,347	7,245	9,355
EPS (INR)	17.0	20.3	19.5	19.9	26.9	34.8
EBITDA Margin (%)	15.7%	16.3%	16.2%	16.2%	16.3%	16.9%
EV/EBITDA	49	43	42	37	30	24
P/E (x)	88	73	76	75	55	43

Astral Ltd Q1FY27 Concall Highlights

Plumbing & Market Share

• Astral maintained flat plumbing volumes despite ~10% industry de-growth, highlighting continued market-share gains.
• Plumbing value growth remained healthy, supported by improved realizations and a favourable product mix.
• Demand improved sharply from May onwards, with ~40% volume growth in July and double-digit growth continuing into August.
• Channel restocking is supporting the recovery as dealers rebuild inventory following the implementation of MIP.
• Astral continues to gain distributors from competitors, allowing market-share expansion without significant pricing aggression.
• Kanpur plant has received strong market acceptance and is largely sold out, with expansion planned to cater to rising demand.
• Hyderabad is gradually gaining market presence and is currently operating at around 50% utilization, providing significant headroom for growth.
• The company continues to gain share across both PVC and CPVC, supported by geographic expansion and a wider product portfolio.

Margins & Raw Material Environment

• Plumbing margins expanded on the back of better utilization of newer plants and increased contribution from higher-margin plumbing products.
• Lower agri-product contribution supported the overall mix, as Astral's plumbing products carry better margins than agri products.
• Management continues to guide for 16–18% Plumbing EBITDA margin, while retaining upside potential after Q2.
• Rising PVC prices could provide additional margin tailwinds if the current trend sustains for a longer period.
• MIP implementation should reduce PVC price volatility and improve earnings visibility and forecasting ability.
• Adhesive margins were temporarily impacted by high-cost inventory accumulated during the previous quarter.
• Adhesive raw-material inflation of >15–16% was partly passed through via 6–8% price hikes, with further margin recovery expected as input costs soften.
• Q1 did not see any meaningful inventory gain/loss, while a potential Q2 inventory gain remains an upside trigger if PVC prices continue rising.

Adhesives, Paints & Bathware

• Adhesive India delivered strong growth, supported by healthy traction across rural, online and overseas markets.
• Management expects Adhesive India margins to normalize toward the 15-17% range as raw-material pressures ease.
• UK Adhesives is showing a clear turnaround, with improving growth and profitability after a challenging FY26.
• UK Adhesives is targeting 8-10% full-year EBITDA margin, indicating meaningful profitability improvement from current levels.
• Paint delivered its strongest growth since the Gem acquisition, supported by good traction across existing operating states.
• Paint volume growth was estimated at 35-40%, with the balance of growth coming from product price increases.

• Paint has reached EBITDA breakeven, while management continues to target lower-single-digit margins for FY27.
• Bathware demand is gradually improving, with new projects and developers increasingly adopting the Astral brand.

New Products, Capacity & Capital Allocation
• Astral has significantly expanded its product basket over the last few years, including water tanks, valves, fire sprinklers, OPVC, PTMT and low-noise products.
• The broader product portfolio is helping Astral diversify growth while improving the overall value mix and margins.
• The new state-of-the-art valve facility is fully operational and should support the company's value-added product strategy.
• PEX-Al-PEX machines are under installation, with trials expected by mid-September and commercial production by end-September.
• PEX-Al-PEX is expected to be a high-value, high-margin product and should start contributing from Q3FY27.
• The CPVC resin plant remains on schedule for completion by December, with trial runs and product stabilization expected in Q4.
• Astral is now entering the monetization phase of its significant investments made over the past 4-5 years, with higher utilization expected to improve cash generation.
• DSS has made a strong initial contribution, delivering 12.9% EBITDA margin in its first quarter and providing another avenue for specialty-chemical growth.

Guidance, Demand & Strategic Outlook
• Management remains confident of exceeding the earlier 20-25% full-year growth guidance following the strong Q1 performance.
• Plumbing guidance remains at double-digit volume growth, with management preferring to wait until Q2 before considering an upward revision.
• Plumbing EBITDA margin guidance remains at 16-18%, with potential upside if the current polymer environment persists.
• Adhesive India is targeting 15-20% growth, while management expects margins to recover as raw-material costs normalize.
• Paint is targeting 20-25% growth with lower-single-digit EBITDA margins as the business continues to scale.
• End-user demand remains healthy across Plumbing, Adhesives, Paints and Bathware, with management indicating that momentum has continued into Q2.
• The company expects the combination of network expansion, new products and geographic penetration to remain key drivers of market-share gains.
• The proposed demerger has been called off for now, with management indicating that the option could be reconsidered once the business reaches a substantially larger scale.

Outlook
Astral's outlook has strengthened materially with sharp recovery in Plumbing demand, continued market-share gains and improving utilization of recently commissioned plants. The combination of MIP-led PVC price stability, channel restocking and improving realizations should support Plumbing growth and earnings visibility. Adhesives and UK Adhesives are positioned for margin recovery, while Paint is moving toward a meaningful profitability inflection as scale improves. New products such as PEX-Al-PEX, the CPVC resin plant and DSS should further diversify growth and improve the overall mix. **We have Buy rating on the stock with target price of INR 1,808**.

Exhibit: Income Statement (Consol)

Year End-March	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue (Mn)						
Gross Sales	51,585	56,414	58,324	65,686	78,805	94,189
Net Sales	51,585	56,414	58,324	65,686	78,805	94,189
YoY (%)	19%	9%	3%	13%	20%	20%
Adjusted COGS	**34,347**	**34,590**	**35,192**	**39,511**	**47,399**	**56,558**
YoY (%)	19%	1%	2%	12%	20%	19%
Personnel/ Employee benefit expenses	3,193	4,384	5,179	5,904	7,085	8,185
YoY (%)	30%	37%	18%	14%	20%	16%
Manufacturing & Other Expenses	5,946	8,257	8,494	9,652	11,454	13,501
YoY (%)	28%	39%	3%	14%	19%	18%
Total Expenditure	**43,486**	**47,231**	**48,865**	**55,067**	**65,937**	**78,244**
YoY (%)	7%	13%	3%	12%	21%	24%
EBITDA	**8,099**	**9,183**	**9,459**	**10,619**	**12,868**	**15,945**
YoY (%)	7%	13%	3%	12%	21%	24%
EBITDA Margin (%)	16%	16%	16%	16%	16%	17%
Depreciation	1,781	1,976	2,434	2,916	3,240	3,556
% of Gross Block	8%	7%	7%	8%	7%	7%
EBIT	**6,318**	**7,207**	**7,025**	**7,703**	**9,628**	**12,389**
EBIT Margin (%)	12%	13%	12%	12%	12%	13%
Interest Expenses	400	291	413	644	536	594
Non-operating/ Other income	267	421	413	473	567	678
PBT	**6,152**	**7,336**	**7,025**	**7,306**	**9,660**	**12,473**
Tax-Total	1,557	1,880	1,836	1,959	2,415	3,118
Adj. Net Profit	**4,595**	**5,456**	**5,189**	**5,347**	**7,245**	**9,355**
Reported Profit	**4,725**	**5,456**	**5,189**	**5,347**	**7,245**	**9,355**
PAT Margin	9%	10%	9%	8%	9%	10%
Shares o/s/ paid up equity sh capital	269	269	269	269	269	269
Adj EPS	17	20	19	20	27	35
Dividend payment	603	1,007	1,007	1,076	1,076	1,076
Dividend payout (%)	13%	18%	19%	20%	15%	12%
Retained earnings	3,992	4,449	4,182	4,271	6,169	8,279

Exhibit: Balance Sheet (Consol)

Year-end March	FY23	FY24	FY25	FY26	FY27E	FY28E
Sources of Funds						
Equity Share Capital	269	269	269	269	269	269
Reserves & Surplus/ Other Equity	29,320	32,416	36,658	40,310	46,479	54,758
Networth	**29,589**	**32,685**	**36,927**	**40,579**	**46,748**	**55,027**
Unsecured Loans/ Borrowings/ Lease Liabilities	822	1,060	1,667	1,790	1,888	2,004
Other Liabilities	49	134	665	746	818	896
Total Liabilities	**43,731**	**44,979**	**50,560**	**58,119**	**64,873**	**75,010**
Total Funds Employed	**86,657**	**88,876**	**98,920**	**1,13,676**	**1,27,080**	**1,47,232**
Application of Funds						
Net Fixed Assets	**19,505**	**22,994**	**27,116**	**29,394**	**31,852**	**34,726**
Capital WIP	1,261	1,506	1,160	887	887	887
Investments/ Notes/ Fair value measurement	0	0	0	0	0	0
Current assets	**20,539**	**19,856**	**21,488**	**26,391**	**30,675**	**37,924**
Inventory	8,746	9,134	10,111	11,173	12,358	14,626
Days	85	94	100	98	104	101
Debtors	3,545	3,758	4,353	4,751	5,881	6,977
Days	22	24	25	25	27	27
Other Current Assets	947	686	797	877	965	1,061
Cash and Cash equivalent	5,295	6,094	6,081	8,904	10,665	14,223
Current Liabilities/Provisions	**13,337**	**11,212**	**11,433**	**14,978**	**15,459**	**17,195**
Creditors / Trade Payables	8,000	8,719	8,589	11,553	11,644	12,930
Days	63	64	63	65	64	64
Liabilities	3,422	1,860	2,051	2,304	2,621	2,990
Net Current Assets	**7,202**	**8,644**	**10,055**	**11,413**	**15,216**	**20,730**
Total Asset	**43,731**	**44,979**	**50,560**	**58,119**	**64,873**	**75,010**
Total Capital Employed	**36,529**	**36,335**	**40,505**	**46,706**	**49,657**	**54,281**

Exhibit: Cash Flow (Consol)

Year End-March	FY23	FY24	FY25	FY26	FY27E	FY28E
Profit After tax	**4,595**	**5,456**	**5,189**	**5,347**	**7,245**	**9,355**
Adjustments: Add						
Depreciation and amortisation	1,781	1,976	2,434	2,916	3,240	3,556
Interest adjustment	133	-130	-	171	-32	-84
Change in assets and liabilities	7,242	8,309	8,630	9,510	11,529	13,902
Inventories	-1,412	-388	-977	-1,062	-1,185	-2,269
Trade receivables	-854	-213	-595	-398	-1,130	-1,096
Trade payables	516	719	-130	2,964	91	1,286
Other Liabilities and provisions	1,437	-945	726	434	427	491
Other Assets	-444	217	-177	-97	-102	-113
Taxes	-3	-84	-77	-414	-	-
Net cash from operating activities	**6,584**	**7,763**	**7,575**	**11,211**	**9,630**	**12,202**
Net Sale/(Purchase) of tangible and intangible assets, Capital work in progress	-6,355	-5,710	-6,210	-4,921	-5,698	-6,430
Net Sale/(Purchase) of investments	267	421	413	417	567	678
Others	-108	89	-61	-154	-12	-12
Net cash (used) in investing activities	**-6,196**	**-5,200**	**-5,858**	**-4,658**	**-5,143**	**-5,765**
Interest expense	1,597	-1,594	177	-1,221	-470	-516
Dividend paid	451	603	1,007	1,076	1,076	1,076
Other financing activities	-979	-687	-900	-938	-1,076	-1,076
Net cash (used) in financing activities	**15**	**-3,288**	**-1,730**	**-3,202**	**-2,622**	**-2,667**
Closing Balance	**6,821**	**6,096**	**6,083**	**9,434**	**11,300**	**15,070**
FCF	**2,452**	**2,064**	**1,366**	**6,045**	**4,058**	**5,972**
Capex (% of sales)	4,132	5,699	6,209	3,547	3,783	4,239

Exhibit: Ratios (Consol)

Year-end March	FY23	FY24	FY25	FY26	FY27E	FY28E
Solvency Ratios						
Debt / Equity	0.03	0.03	0.04	0.04	0.03	0.03
Net Debt / Equity	-0.20	-0.16	-0.13	-0.19	-0.21	-0.24
Debt / EBITDA	0.10	0.10	0.15	0.14	0.12	0.11
Current Ratio	-0.75	-0.56	-0.49	-0.74	-0.75	-0.84
DuPont Analysis						
Sales/Assets	1.18	1.25	1.15	1.13	1.21	1.26
Assets/Equity	1.48	1.38	1.37	1.43	1.39	1.36
RoE	15.53%	16.69%	14.05%	14.29%	15.50%	17.00%
Per share ratios						
Reported EPS	16.97	20.30	19.47	21.56	26.93	34.78
Dividend per share	2.24	3.74	3.74	4.00	4.00	4.00
BV per share	110.00	121.51	137.28	150.85	173.78	204.56
Cash per Share	19.68	22.65	22.61	33.10	39.65	52.87
Revenue per Share	191.77	209.72	216.82	244.19	292.95	350.14
Profitability ratios						
Net Profit Margin (PAT/Net sales)	11.29%	8.91%	9.67%	8.90%	8.83%	9.19%
Gross Profit / Net Sales	33.42%	38.69%	39.66%	39.85%	39.85%	39.95%
EBITDA / Net Sales	15.70%	16.28%	16.22%	16.17%	16.33%	16.93%
EBIT / Net Sales	12.25%	12.78%	12.04%	11.73%	12.22%	13.15%
ROCE (%)	20.79%	21.34%	17.95%	17.86%	19.48%	21.43%
Activity ratios						
Inventory Days	85.44	94.34	99.80	98.31	104.29	101.39
Debtor Days	22.06	23.63	25.38	25.29	27.24	27.04
Creditor Days	62.94	64.08	63.37	65.49	63.81	64.04
Leverage ratios						
Interest coverage	15.80	24.77	17.01	11.96	17.97	20.86
Debt / Asset	0.02	0.02	0.03	0.03	0.02	0.02
Valuation ratios						
EV / EBITDA	48.64	43.00	41.80	36.92	30.33	24.25
PE (x)	87.60	73.25	76.37	68.98	55.21	42.76

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park	
Building No. 10, 1st Floor	6 Lad Colony,
Andheri Ghatkopar Link Road	Y.N. Road,
Chakala, Andheri (E)	Indore - 452003, (M.P.)
Mumbai – 400093	Tel: (91-731) 4217100/101
Tel: (91-22) 42254800	CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	**SMS: 'Arihant' to 56677**	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice.
ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE.
ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Abhishek Jain
Head of Research
Abhishek.jain@arihantcapital.com

Abhishek Chhajed Jain

Digitally signed by Abhishek Chhajed Jain
Date: 2026.08.13 14:15:43 +05'30'