



Duration: 6-9 Months

CMP (Rs)	Target (Rs)	Potential Upside (%)
1,337	1,475	10%

MARKET DATA

No. of Shares	26.9 Cr
Market Cap	35,997 Cr
52-week High / Low	2,454 / 1,232
BSE Code	532830
NSE Code	Astral

Why Astral Ltd?

- ✓ **Healthy Growth Opportunities**
- ✓ **Improving Margins**
- ✓ **No Major Capex Outlay**
- ✓ **PVC Prices Bottomed Out**
- ✓ **2nd Largest Adhesive Business**

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About the Company

Astral Pipes is a leading name in India's home building materials industry, renowned for a strong presence in plastic pipes, adhesives, paints, faucets, and sanitary ware. Backed by robust manufacturing, a wide range of products, and a trusted brand, the company has consistently outpaced industry growth. Its resilience and operational excellence have cemented its position as a dominant force in the market.

Investment Rationale

- A. Growth to be driven by volume growth & polymer prices:** Astral's growth is expected to accelerate once prices stabilise in the next two to three months, as prices have bottomed out and the company expects volume growth of 10-15% in FY26E. If polymer prices rise by 5-7%, overall growth could be in the range of 15-20%. New geographies, especially Eastern India, will be a focus area for expansion. The new OPVC segment is expected to contribute to revenue as it has obtained ISI approval.
- B. Adhesive Business:** The adhesive business has consistently grown at 18-20% CAGR over the last decade. EBITDA margins have improved from 6% to 15-16%. It has launched "Bondtite" in the Indian market, a fully automated plant with Epoxy being a major product. Expected margins for the segment in India for FY26E are to be in the range of 14-16%.
- C. Capex:** The company's capital expenditure remains controlled, with current capacity utilisation at roughly 60%. Astral is well-positioned to meet future demand, with additional capacity expansion at its Kanpur and Hyderabad units, expected to be operational in FY26. Astral does not plan any significant capex apart from maintenance and technology upgrades.
- D. Outlook & Guidance:** Astral has reiterated its EBITDA margin guidance of 16-18%, although additional capex for new plants, product launches, and distribution expansion have led to higher costs. These are expected to normalise as volumes grow.
- E. Recommendation:** We recommend a BUY rating on the stock with a target price of Rs 1,475/share, implying an upside of 10% from the CMP.

Financial Summary

Y/E March	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs.)	PER (x)	EV/EBITDA (x)	P/BV (x)	ROE (%)
FY24	5,641	918	546	20.3	66.1	38.7	11.0	16.7
FY25E	6,133	1,012	638	23.7	56.5	34.7	9.5	16.8
FY26E	6,940	1,166	745	27.7	48.4	29.6	8.1	16.7
FY27E	7,994	1,375	886	32.9	40.7	24.6	6.9	16.9

Source: Axis Securities Research. CMP as on 4th April, 2025

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