# PICK OF THE WEEK

02nd May, 2026

## Astral Ltd

Sector: Building Materials

**BUY**

| CMP | Target Price | Upside |
|---|---|---|
| 1,528 | 1,680 | 10% |

CMP as on 30th April, 2026 | Time horizon: 6-9 Months

### Why Astral Ltd

- Strong Volume Growth; Better Realisations
- Capex Monetisation Phase
- Focus on Margin Improvement

### About the Company

Astral Poly Technik Ltd, established in 1996, is a leading manufacturer of plumbing and drainage systems in India. Over the years, the company has also diversified into the adhesives business.

### Investment Rational

**A. Strong Volume Growth**

- Plastic pipe companies are expected to show healthy volume growth of ~25% YoY, driven by higher PVC prices amid crude-led inflation.
- Large organised players are expected to benefit from tighter supply conditions arising from supply disruptions and rising freight costs.

**B. Capex Monetisation Phase**

- Astral's Rs 1,400 Cr capex cycle over the past four years is now entering the monetisation phase.
- New facilities in Hyderabad (~50–55% utilized) and Kanpur (capacity already expanded) are driving incremental volumes and regional market share gains.

### C. Focus on Margin Improvement

- Management reiterated double-digit volume growth (with 9M growth already at ~13%) with a 16–18% margin band, suggesting earnings resilience.
- Backward integration of CPVC resin in even a small form can lift blended margins while supporting aggressive market share expansion. The company is focusing not only on expanding margins but also on gaining market share through this.

## Outlook & Valuation

- Management has indicated a strong start to Q4FY26 with Jan and Feb'26 volumes doing better than Q3FY26, supported by demand and improvement in polymer prices. Astral has reiterated its confidence in delivering double-digit growth in volumes and margin guidance of 16%-18%.
- Our estimates remain broadly in line with the company's double-digit growth guidance and improving margins, supported by capex monetisation.

**Valuation**: Trading at 50x FY27E EPS

## Analyst Insights

We recommend a **BUY** with a target price of Rs 1,680/share, implying an **upside of 10%** from the CMP.

## Research Analysts


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## Financial Summary

| | FY26E | FY27E | FY28E |
|---|---|---|---|
| Net Sales (Rs Cr) | 6,473 | 7,456 | 8,420 |
| EBITDA (Rs Cr) | 1,087 | 1,357 | 1,532 |
| Net Profit (Rs Cr) | 628 | 814 | 928 |
| EPS (Rs.) | 23.4 | 30.3 | 34.6 |
| PER (x) | 59.6 | 46.1 | 40.4 |
| EV/EBITDA (x) | 33.6 | 26.5 | 22.9 |
| P/BV (x) | 8.9 | 7.6 | 6.5 |
| ROE (%) | 14.9 | 16.5 | 16.1 |

## Market Data

| | |
|---|---|
| No. of Shares | 26.9 Cr |
| Market Cap (Rs Cr) | 41,063 |
| 52-week High | 1,769 |
| 52-week Low | 1,240 |
| P/E (x) | 50X FY27E EPS |
| BSE Code | 532830 |
| NSE Code | ASTRAL |

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