

Jan-Mar'26
Earnings
Preview

Building Materials

Pipes in the Lead: Driving Growth in BM

Quick Pointers

- Building material companies under coverage are expected to report healthy revenue growth of ~20.3% YoY and EBITDA margin are likely to expand by ~120bps.
- Plastic pipes sector is anticipated volume growth of ~20% YoY.
- Tiles and bathware sectors are likely to experience single digit growth.

Building material companies under coverage are expected to report healthy revenue growth of ~20.3% YoY, primarily driven by the pipes segment. Margins are likely to expand by ~120bps, supported by rising PVC resin prices, enabling larger players to pass on costs and benefit from inventory gains and cooling of timber prices. The plastic pipes sector is anticipated to deliver strong volume growth of ~20% YoY. Tiles and bathware sectors are likely to experience single digit growth. Wood panel segment CPBI is expecting good revenue growth mainly driven from plywood segment (contributes 55% to the topline). We expect coverage companies to register sales/EBITDA/PAT growth of 20.3%/30.0%/28.3% YoY. We expect pipes players to outperform in the BM space.

Plastic Pipe - Healthy vol. growth: The coverage plastic pipe companies are expected to report healthy volume growth of ~20% YoY, driven by higher PVC prices amid crude-led inflation and continued market share gains from unorganized players facing margin and working capital pressures. Supply disruptions, rising freight costs, and elevated global PVC prices have tightened availability, keeping overall industry volumes under pressure while benefiting large, organized players. The potential removal of China's VAT export rebate on PVC is structurally positive, as it may curb dumping, stabilize prices, and further support growth for organized players. Supreme Industries/Finolex and Astral are expected to post robust sales growth of 23%/29.3% and +29.3% YoY, respectively, with volume growth in the Pipes & Fittings (P&F) segment at 20.3%/~16.0%/25.0% for Supreme/Finolex/Astral respectively.

Tiles & Bathware segment: Kajaria is expected to report moderate revenue growth of 10.0% YoY in the quarter, primarily supported by healthy tile volume growth of 8.0% YoY, aided by a recovery from Q3FY26 destocking and market share gains amid disruptions in the Morbi cluster. While gas price volatility remains a key risk, the company's standalone operations are considered stable. Price hikes and low dealer inventory are likely to support realizations. Margins are projected to expand by approximately 580bps to 17.1%, driven by pricing actions and an improved product mix. Cera Sanitaryware (CRS) is anticipated to report revenue growth of 8.1% YoY, with the faucets segment expected to grow around 12.0% and sanitaryware by 5.5% YoY. However, elevated gas and manufacturing costs, coupled with continued industry discounts of roughly 2–2.5%, are expected to impact EBITDAM and PAT. Input cost inflation and outsourcing risks associated with the Morbi cluster are likely to keep EBITDA margins under pressure in the near term.

April 02, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Astral Ltd.	BUY	1,554	1,876
Century Plyboard (I)	BUY	720	841
Cera Sanitaryware	BUY	4,677	6,747
Finolex Industries	BUY	159	203
Greenpanel Industries	BUY	182	370
Kajaria Ceramics	BUY	966	1,147
Supreme Industries	BUY	3,642	4,698
Astral Ltd.	BUY	1,554	1,876

Woodpanel – plywood continue to outperform: Century Plyboards (CPBI) is expected to sustain volume growth in the plywood segment, driven by market share gains. CPBI is expected to deliver healthy sales growth of 13.6% YoY, with EBITDA margin of 12.0%. We expect MDF volume growth of +22.0% YoY for CPBI and +26.1% YoY for Greenpanel (GP). Plywood volume growth is estimated at +15.0% YoY for CPBI and 8.0% YoY for GP. CPBI's laminate segment is likely to record single-digit volume growth of 2.0% YoY, impacted by geopolitical tensions affecting exports. Overall, the wood panel coverage universe is expected to report revenue growth of +11.5% YoY, while EBITDA and PAT increase by 13.3% and 5.1% YoY, respectively.

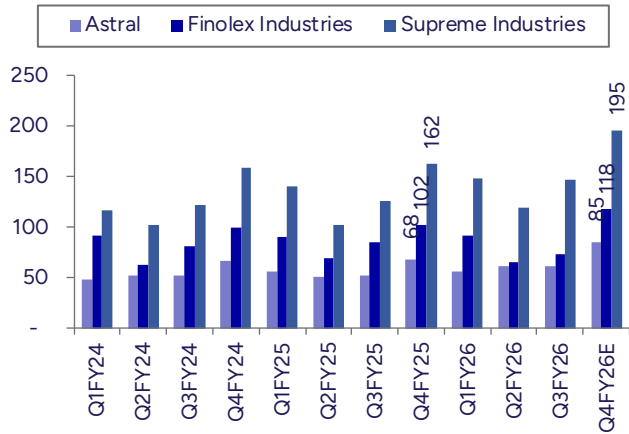
Coverage target price changes: We have revised our earnings estimates upward for most companies in our coverage universe for FY27/FY28, except for CRS, CPBI and Greenpanel industries (GP). We upgraded our rating to 'BUY' from 'Accumulate' for Finolex Ind. and Century Plyboards due to recent correction in the stock prices while maintained our ratings of others in the coverage companies.

Exhibit 1: Q4FY26 Result Preview (INR mn)

Company Name		Q4FY26E	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	Remark
Astral Ltd.	Sales	21,745	16,814	29.3	15,415	41.1	We expect sales to grow by 29.3% YoY, led by 25% volume growth in Q4FY26. Plumbing segment is expected to grow by 36.1%. Paints/Adhesives segment expected 20.0%/10.0% YoY growth. We expect Plumbing EBITDA margin of 20.7%, and P&A business expected EBITDA margin of 11.9%.
	EBITDA	3,970	3,019	31.5	2,373	67.3	
	Margin (%)	18.3	18.0	30 bps	15.4	286 bps	
	PBT	3,354	2,363	41.9	1,608	108.6	
	Adj. PAT	2,591	1,781	45.5	1,242	108.6	
Century Plyboard (I)	Sales	13,618	11,983	13.6	13,501	0.9	We expect sales growth of 13.6% YoY mainly with Plywood/MDF revenue growth of 11.5%/14.7% YoY with volume growth of 15.0%/22.0%. We expect EBITDA to expand by 80bps YoY to 12.0%. PAT is expected to increase by ~43% YoY.
	EBITDA	1,635	1,346	21.5	1,702	(3.9)	
	Margin (%)	12.0	11.2	78 bps	12.6	-60 bps	
	PBT	890	817	9.0	924	(3.7)	
	Adj. PAT	666	466	42.8	650	2.4	
Cera Sanitaryware	Sales	6,249	5,780	8.1	4,990	25.2	We expect sales to increase by 8.1% YoY. Faucets business sales to increase by ~12.0% and sanitary business expected to increase by 5.5% YoY. We expect EBITDA margin of 12.5%. We expect PAT to decline by 20.1% YoY.
	EBITDA	781	1,056	(26.0)	511	52.9	
	Margin (%)	12.5	18.3	-577 bps	10.2	226 bps	
	PBT	876	1,096	(20.0)	507	72.9	
	Adj. PAT	684	856	(20.1)	237	188.8	
Finolex Industries	Sales	15,153	11,718	29.3	8,977	68.8	We expect sales to grow by 29.3% YoY, vol. to increase by ~16.0% YoY in P&F segment, with the increase in realization by 12.0% YoY. We expect EBITDA margin of 14.6%, and PAT to increase by 13.6%.
	EBITDA	2,214	1,713	29.3	1,231	79.9	
	Margin (%)	14.6	14.6	0 bps	13.7	90 bps	
	PBT	2,444	2,028	20.5	1,461	67.3	
	Adj. PAT	1,869	1,646	13.6	1,161	61.0	
Greenpanel Industries	Sales	3,912	3,745	4.4	4,163	(6.0)	We expect sales to grow by 4.4%. MDF segment expected sales volume to increase by 26.1%, while plywood volumes to grow by 8.0% YoY. We expect EBITDA margin of 11.0% YoY (~180bps contraction). We expect PAT declined by ~55% YoY.
	EBITDA	432	480	(9.9)	411	5.2	
	Margin (%)	11.0	12.8	-176 bps	9.9	118 bps	
	PBT	178	297	(40.0)	144	23.6	
	Adj. PAT	133	294	(54.6)	102	30.2	
Kajaria Ceramics	Sales	13,417	12,219	9.8	11,683	14.8	We expect sales to grow by ~10% mainly with tiles volume growth of 8.0% YoY. Sanitaryware segment to grow by 6.0% YoY. We expect EBITDA margin to expand by ~580bps to 17.1%. We expect PAT to grow by 122% YoY.
	EBITDA	2,294	1,384	65.8	2,012	14.0	
	Margin (%)	17.1	11.3	578 bps	17.2	-12 bps	
	PBT	1,946	1,014	91.9	1,654	17.7	
	Adj. PAT	1,472	663	122.0	880	67.3	
Supreme Industries	Sales	37,185	30,271	22.8	26,869	38.4	We expect sales to grow by 22.8% YoY with Plastic Pipe/Packing Products/Industrial products/consumer product volume growth of 20.3%/3.3%/1.8%/1.7%YoY. We expect EBITDA margin of 15.6%, expand by 180 bps YoY and PAT to grow by 25.2% YoY.
	EBITDA	5,784	4,163	38.9	3,292	75.7	
	Margin (%)	15.6	13.8	180 bps	12.3	330 bps	
	PBT	4,646	3,344	38.9	2,120	119.1	
	Adj. PAT	3,681	2,939	25.2	1,534	140.0	

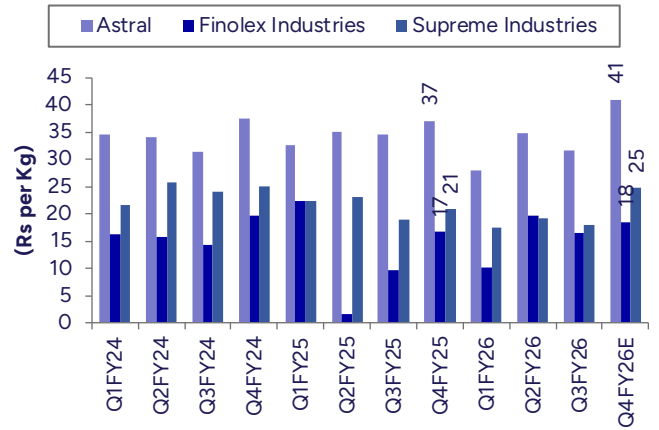
Source: Company, PL

Exhibit 2: Pipe Vol. growth est. ~20.0% YoY



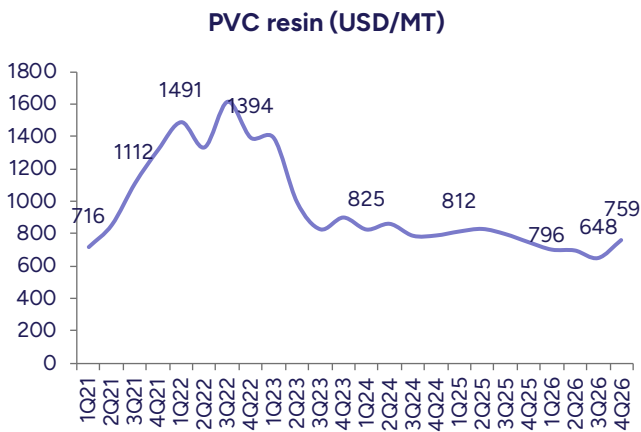
Source: Company, PL

Exhibit 3: Pipe EBITDA/Kg expected to grow by ~13.0% YoY



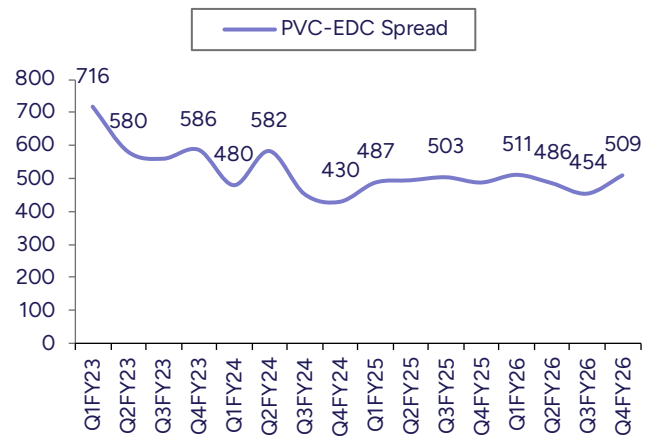
Source: Company, PL

Exhibit 4: PVC resin prices down ~2%/17% YoY/QoQ in Q4



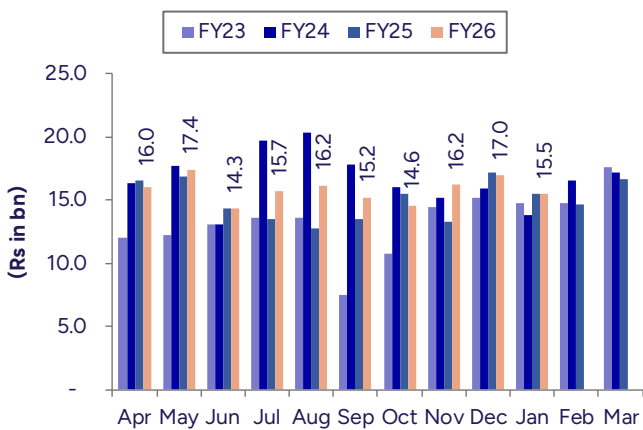
Source: Company, PL

Exhibit 5: PVC-EDC spread grew by 4.0% YoY in Q4FY26



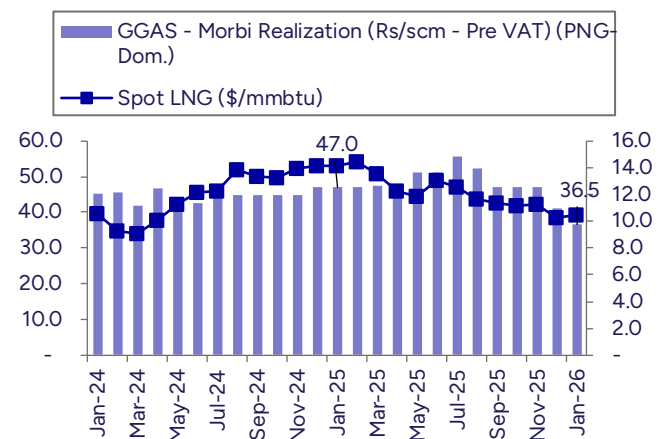
Source: Company, PL

Exhibit 6: Tiles export by 6% YoY from Apr-Dec'25



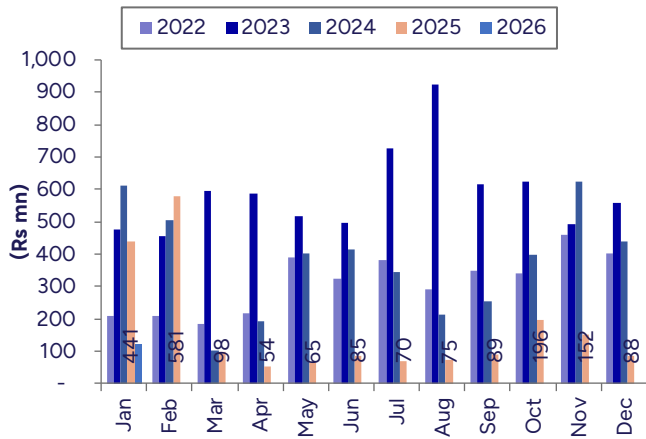
Source: Company, PL

Exhibit 7: GGAS (Morbi) prices range bound at Rs37/SCM



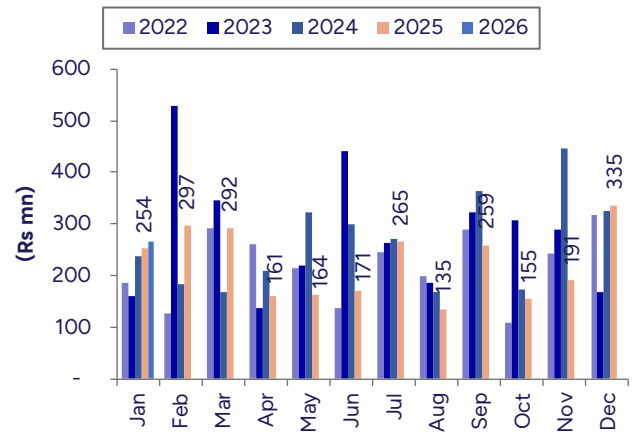
Source: Company, PL

Exhibit 8: MDF imports down by 73% YoY from Apr-Dec'25



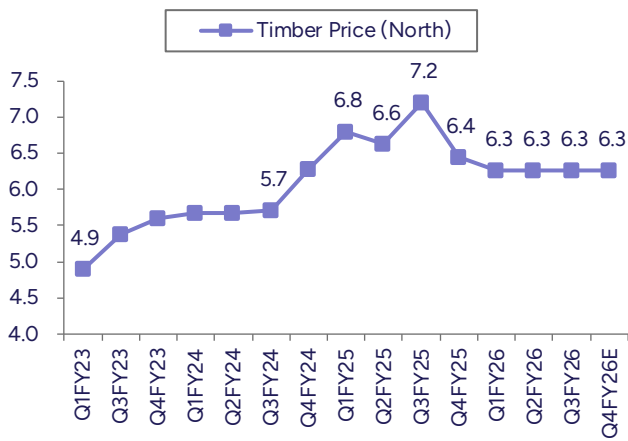
Source: Company, PL

Exhibit 9: MDF exports down by 29% YoY from Apr-Dec'25



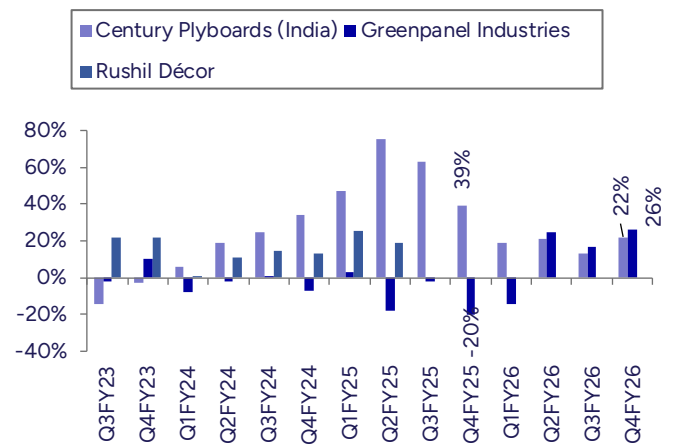
Source: Company, PL

Exhibit 10: Timber prices are expected to remain stable



Source: Company, PL

Exhibit 11: MDF segment volume growth – Player-wise



Source: Company, PL

Exhibit 22: Valuation Summary

Company Name	C/S	Rating	CMP (Rs)	TP (Rs)	Mcap (Rs bn)	Sales (Rs m)				EBITDA (Rs m)				Adj. PAT (Rs m)				EPS (Rs)				RoE (%)				PE (x)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Astral Ltd.	C	BUY	1,554	1,876	417.9	58,324	66,567	77,428	89,514	9,459	10,984	13,008	15,396	5,189	6,041	7,863	9,607	19.3	22.5	29.2	35.7	15.3	15.6	17.6	18.3	80.5	69.2	53.1	43.5
Century Plyboard (I)	C	BUY	720	841	160.0	45,278	51,981	60,186	69,184	4,866	6,576	8,185	9,686	1,994	2,841	4,058	5,350	9.0	12.8	18.3	24.1	8.7	11.4	14.5	16.7	80.2	56.3	39.4	29.9
Cera Sanitaryware	C	BUY	4,677	6,747	60.3	19,153	20,483	23,176	25,920	2,907	2,665	3,263	3,675	2,450	2,162	2,639	2,948	189.9	167.6	204.6	228.5	18.2	15.2	16.5	16.2	24.6	27.9	22.9	20.5
Finolex Industries	C	BUY	159	203	98.4	41,420	43,153	46,776	51,130	4,758	5,364	5,847	6,800	4,841	5,172	5,698	6,557	7.8	8.4	9.2	10.6	8.3	8.4	9.0	10.0	20.3	19.0	17.3	15.0
Greenpanel Industries	C	BUY	182	370	22.3	14,358	15,311	18,352	21,401	1,312	1,399	3,306	3,962	721	412	1,755	2,267	5.9	3.4	14.3	18.5	5.3	3.0	12.0	13.6	30.9	54.1	12.7	9.8
Kajaria Ceramics	C	BUY	966	1,147	153.9	46,351	48,004	52,313	56,011	6,262	8,161	8,893	9,522	3,426	4,654	5,476	6,011	21.5	29.2	34.4	37.7	12.8	16.0	16.8	16.3	44.9	33.1	28.1	25.6
Supreme Industries	C	BUY	3,642	4,698	462.7	1,04,463	1,14,085	1,31,260	1,49,868	14,317	15,239	19,061	21,913	9,609	8,880	12,530	14,917	75.6	69.9	98.6	117.4	17.8	15.0	19.0	19.6	48.2	52.1	36.9	31.0

Source: Company, PL C=Consolidated / S=Standalone

Exhibit 15: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Astral Ltd.	BUY	BUY	1,876	1,736	8.1%	77,428	74,524	3.9%	89,514	86,139	3.9%	7,863	7,447	5.6%	9,607	9,121	5.3%	29.2	27.7	5.6%	35.7	33.9	5.3%
Century Plyboard (I)	BUY	Accumulate	841	843	-0.2%	60,186	60,186	0.0%	69,184	69,184	0.0%	4,058	4,069	-0.3%	5,350	5,366	-0.3%	18.3	18.3	-0.1%	24.1	24.1	-0.2%
Cera Sanitaryware	BUY	BUY	6,747	7,372	-8.5%	23,176	22,732	2.0%	25,920	25,412	2.0%	2,639	2,783	-5.2%	2,948	3,183	-7.4%	204.6	215.8	-5.2%	228.5	246.8	-7.4%
Finolex Industries	BUY	Accumulate	203	199	2.0%	46,776	44,796	4.4%	51,130	49,751	2.8%	5,698	5,510	3.4%	6,557	6,418	2.2%	9.2	8.9	3.4%	10.6	10.4	2.2%
Greenpanel Industries	BUY	BUY	370	369	0.1%	18,352	18,696	-1.8%	21,401	21,385	0.1%	1,755	1,804	-2.7%	2,267	2,265	0.1%	14.3	14.7	-2.7%	18.5	18.5	0.1%
Kajaria Ceramics	BUY	BUY	1,147	1,147	0.0%	52,313	52,313	0.0%	56,011	56,011	0.0%	5,476	5,476	0.0%	6,011	6,011	0.0%	34.4	34.4	0.0%	37.7	37.7	0.0%
Supreme Industries	BUY	BUY	4,698	4,566	2.9%	1,31,260	1,28,061	2.5%	1,49,868	1,46,099	2.6%	12,530	12,176	2.9%	14,917	14,497	2.9%	98.6	95.8	2.9%	117.4	114.1	2.9%

Source: PL C = Current / P = Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	8617	7048
2	Astral Ltd.	BUY	1794	1504
3	Avalon Technologies	BUY	1175	1021
4	Bajaj Electricals	Accumulate	449	409
5	Cello World	BUY	621	508
6	Century Plyboard (I)	Accumulate	843	798
7	Cera Sanitaryware	BUY	6800	5054
8	Crompton Greaves Consumer Electricals	BUY	346	245
9	Cyient DLM	Accumulate	418	364
10	Finolex Industries	Accumulate	199	175
11	Greenpanel Industries	BUY	369	229
12	Havells India	Accumulate	1634	1447
13	Kajaria Ceramics	BUY	1147	920
14	Kaynes Technology India	BUY	5502	3700
15	KEI Industries	BUY	5573	3853
16	LG Electronics India	BUY	1813	1581
17	Polycab India	BUY	9744	7122
18	Premier Energies	BUY	892	683
19	R R Kabel	BUY	1844	1356
20	Supreme Industries	BUY	4566	3349
21	Syrma SGS Technology	BUY	929	755
22	Vikram Solar	BUY	226	190
23	Voltas	Hold	1442	1349
24	Waaree Energies	BUY	3600	2599

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BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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