

Building Materials

Oct-Dec'25 Earnings Preview

Demand Softness Persists; Margins Offer Cushion

Building Material companies under our coverage universe are expected to report single digit revenue growth due to weak demand and extended monsoon, however margins are expected to expand due to cost reduction measures and because of cooling of timber cost. We anticipate moderate volume growth of 10.0% YoY in plastic pipe sector. Tiles and bathware sectors are likely to experience single digit growth expecting demand to pick up in coming years. 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 8.3%/19.5%/19.5% YoY. We expect Astral (ASTRA) and Century plyboards (CPBI) to outperform in the BM space.

- **Plastic Pipe - Moderate vol. growth continue:** The coverage plastic pipe companies are expected to report moderate volume growth of 10.0% YoY, primarily due to delays in ADD implementation, extension of BIS for PVC resin, subdued demand and due to extended monsoon. We estimate revenue growth of +7.6% YoY. However, EBITDA and PAT are expected to increase by 9.8% and 8.1% YoY, respectively, mainly due to margin expansion of ~25bps YoY, Supreme Industries and Astral are expected to post moderate sales growth of +9.3% and +11.9% YoY, respectively, with volume growth in the Pipes & Fittings (P&F) segment at 12.0% for Supreme and 15.0% for Astral. We are expecting Inventory loss of Rs 200/250mn for Astral/Supreme in Q3FY26.
- **Tiles & Bathware – soft performance for KJS & CRS:** Kajaria is expected to report soft revenue growth of 5.7% YoY in the quarter, primarily driven by modest tile volume growth of 3.7% YoY. Domestic demand remains moderate, due to extended monsoon also competitive intensity increased due to reduced exports from Morbi players, leading to increased domestic supply. However, as export-related challenges begin to ease, Morbi exports are expected to pick. Despite steady volumes, EBITDA margin for Kajaria is expected to expand to 18.0%, due to cost rationalization measures and closure of the low-margin plywood business. Cera Sanitaryware (CRS) is expected revenue to increase by 6.2% YoY. Faucets segment is expected to grow by 12.0% and sanitaryware by 2.0% YoY. EBITDA margin is expected to expand by ~60bps YoY to 13.8%, with PAT likely to grow by 17.7% YoY.
- **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 15.6% YoY, with EBITDA margin of 12.0%. We expect MDF volume growth of +20.0% YoY for CPBI and +7.3% YoY for Greenpanel (GP). Plywood volume growth is estimated at +14.5% YoY for CPBI and 2.0% YoY for GP. Additionally, CPBI's laminate segment expected volume growth of 12.0% YoY, aided by an improvement in export business. Overall, the wood panel coverage universe is expected to report revenue growth of +13.1% YoY, while EBITDA and PAT increase by 38.7% and 31.5% YoY, respectively, due to estimated EBITDA margin expansion of ~220 bps YoY.

January 6, 2026

Exhibit 1: PL Universe

| Companies | Rating | CMP (Rs) | TP (Rs) |
|-----------------------|--------|----------|---------|
| Astral Ltd. | BUY | 1,487 | 1,736 |
| Century Plyboard (I) | HOLD | 811 | 842 |
| Cera Sanitaryware | BUY | 5,177 | 7,372 |
| Finolex Industries | Acc | 181 | 211 |
| Greenpanel Industries | BUY | 229 | 400 |
| Kajaria Ceramics | HOLD | 1,003 | 1,053 |
| Supreme Industries | BUY | 3,625 | 4,726 |

Source: PL Acc=Accumulate

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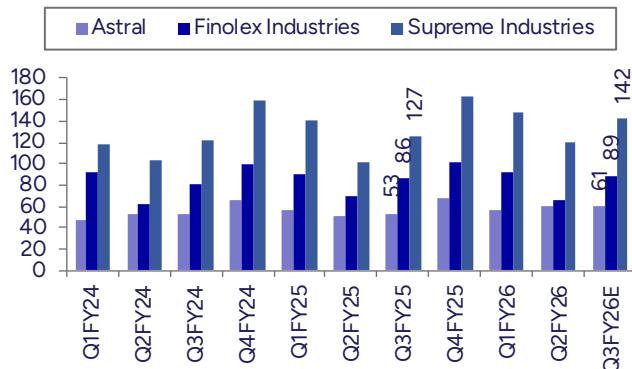
- **Coverage target price changes:** As we roll forward our target prices to Mar'28E, we have revised the target prices for all the companies, while maintaining our ratings for all the coverage companies.

Exhibit 2: Q3FY26 Result Preview

| Company Name | | Q3FY26E | Q3FY25 | YoY gr. (%) | Q2FY26 | QoQ gr. (%) | Remark |
|-----------------------|------------|---------|--------|-------------|--------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Astral Ltd. | Sales | 15,631 | 13,970 | 11.9 | 15,774 | (0.9) | We expect sales to grow by 11.9% YoY, led by 15% volume growth in Q3FY26. Plumbing segment is expected to grow by 10.7%, sanitaryware expects to grow at 25.0% YoY. Paints/Adhesives segment expected 20.0%/13.0% YoY growth. We expect Plumbing EBITDA margin of 17.8%, and P&A business expected EBITDA margin of 12.0%. |
| | EBITDA | 2,392 | 2,195 | 9.0 | 2,568 | (6.8) | |
| | Margin (%) | 15.3 | 15.7 | -41 bps | 16.3 | -97 bps | |
| | PBT | 1,642 | 1,543 | 6.4 | 1,799 | (8.7) | |
| | Adj. PAT | 1,231 | 1,126 | 9.3 | 1,348 | (8.7) | |
| Century Plyboard (I) | Sales | 13,179 | 11,405 | 15.6 | 13,855 | (4.9) | We expect sales growth of 15.6% YoY mainly with Plywood/MDF revenue growth of 11.1%/28.6% YoY with volume growth of 14.5%/20.0%. We expect EBITDA to expand by 65bps YoY to 12.0%. PAT is expected to increase by 20.4% YoY. |
| | EBITDA | 1,583 | 1,295 | 22.2 | 1,746 | (9.4) | |
| | Margin (%) | 12.0 | 11.4 | 65 bps | 12.6 | -60 bps | |
| | PBT | 947 | 799 | 18.5 | 979 | (3.2) | |
| | Adj. PAT | 709 | 588 | 20.4 | 709 | (0.1) | |
| Cera Sanitaryware | Sales | 4,769 | 4,493 | 6.2 | 4,879 | (2.2) | We expect sales to increase by 6.2% YoY. Faucets business sales to increase by 12.0% and sanitary business expected to increase by 2.0% YoY. We expect EBITDA margin of 13.8%. We expect PAT to grow by 17.7% YoY. |
| | EBITDA | 658 | 594 | 10.8 | 671 | (2.0) | |
| | Margin (%) | 13.8 | 13.2 | 58 bps | 13.8 | 4 bps | |
| | PBT | 689 | 599 | 14.9 | 722 | (4.7) | |
| | Adj. PAT | 540 | 459 | 17.7 | 566 | (4.7) | |
| Finoлекс Industries | Sales | 9,758 | 10,012 | -2.5 | 8,587 | 13.6 | We expect sales to decline by 2.5% YoY, vol. to increase by ~4.0% YoY in P&F segment, However realisation is expected to decline by 5.4% YoY. We expect EBITDA margin of 9.6%, and PAT to increase by 6.5%. |
| | EBITDA | 936 | 834 | 12.1 | 1,302 | (28.1) | |
| | Margin (%) | 9.6 | 8.3 | 125 bps | 15.2 | -557 bps | |
| | PBT | 1,196 | 945 | 26.5 | 1,562 | (23.4) | |
| | Adj. PAT | 1,001 | 940 | 6.5 | 1,236 | (19.0) | |
| Greenpanel Industries | Sales | 3,779 | 3,594 | 5.2 | 3,960 | (4.6) | We expect sales to grow by 5.2%. MDF segment expected sales volume to increase by 7.3%, while plywood volumes to grow by 2.0% YoY. We expect EBITDA margin of 12.0% YoY (~720bps expansion). We expect PAT grow by 108.1% YoY. |
| | EBITDA | 455 | 173 | 162.0 | 326 | 39.5 | |
| | Margin (%) | 12.0 | 4.8 | 720 bps | 8.2 | 380 bps | |
| | PBT | 236 | 52 | 354.0 | 35 | 570.6 | |
| | Adj. PAT | 177 | 85 | 108.1 | -61 | (389.2) | |
| Kajaria Ceramics | Sales | 12,220 | 11,556 | 5.7 | 11,860 | 3.0 | We expect sales to grow by 5.7% mainly with tiles volume growth of 3.7% YoY. Sanitaryware segment to grow by 5.0% YoY. We expect EBITDA margin to expand by ~470bps to 18.0%. We expect PAT to grow by 63.6% YoY. |
| | EBITDA | 2,200 | 1,533 | 43.4 | 2,135 | 3.1 | |
| | Margin (%) | 18.0 | 13.3 | 473 bps | 18.0 | 0 bps | |
| | PBT | 1,886 | 1,166 | 61.7 | 1,813 | 4.0 | |
| | Adj. PAT | 1,384 | 846 | 63.6 | 1,330 | 4.1 | |
| Supreme Industries | Sales | 27,444 | 25,099 | 9.3 | 23,939 | 14.6 | We expect sales to grow by 9.3% YoY with Plastic Pipe/Packing Products/Industrial products/consumer product volume growth of 12%/7%/3%/4% YoY. We expect EBITDA margin of 12.3%, remain flat YoY and PAT to grow by 8.3% YoY. |
| | EBITDA | 3,388 | 3,088 | 9.7 | 2,974 | 13.9 | |
| | Margin (%) | 12.3 | 12.3 | 4 bps | 12.4 | -8 bps | |
| | PBT | 2,359 | 2,235 | 5.6 | 2,028 | 16.4 | |
| | Adj. PAT | 2,024 | 1,870 | 8.3 | 1,647 | 22.9 | |

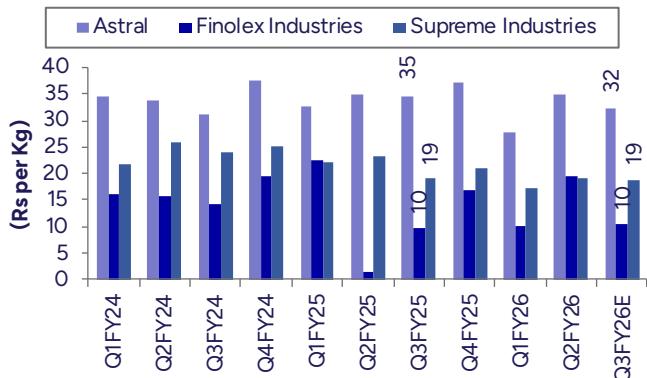
Source: Company, PL

Exhibit 3: Pipe Vol. growth est. 10.0% YoY



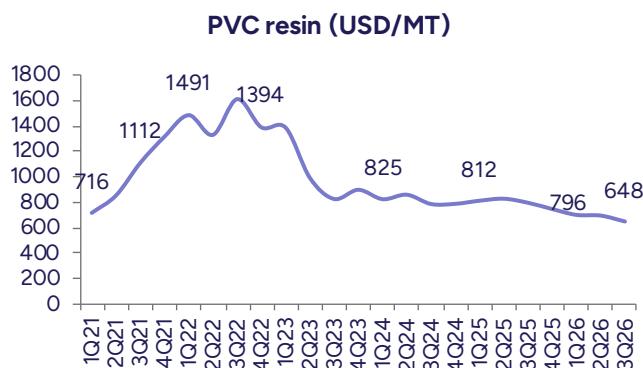
Source: Company, PL

Exhibit 4: Pipe EBITDA/Kg expected to decline by ~3.0% YoY



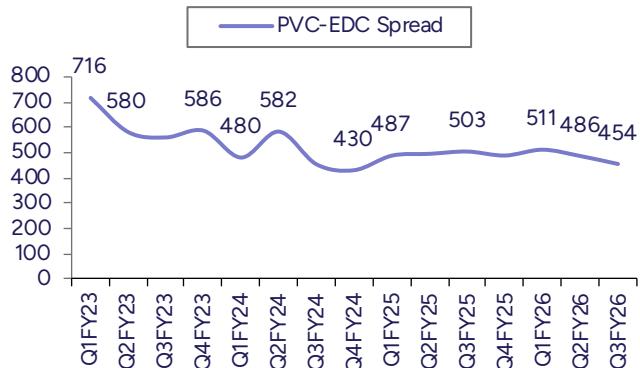
Source: Company, PL

Exhibit 5: PVC resin prices down ~19%/7% YoY/QoQ in Q3



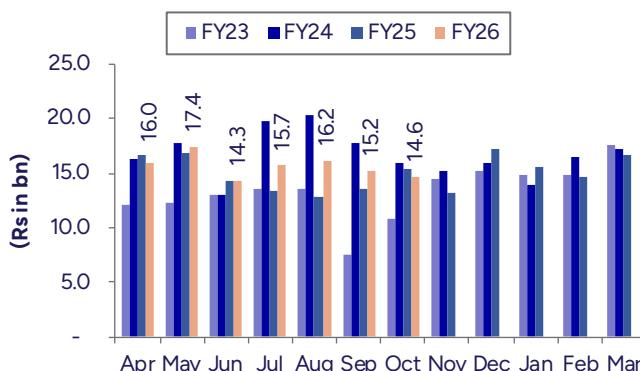
Source: Industry, PL

Exhibit 6: PVC-EDC spread decline by ~10.0% YoY in Q3FY26



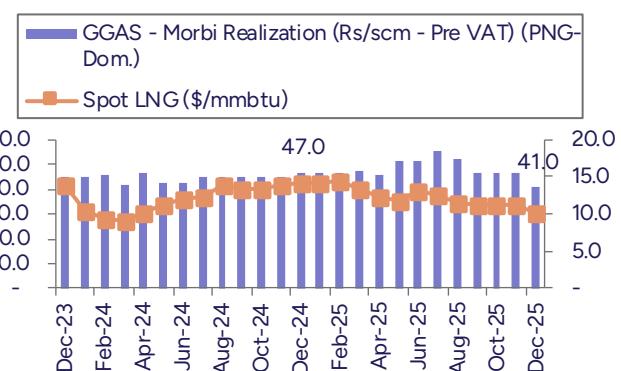
Source: Industry, PL

Exhibit 7: Tiles export up by 6% YoY from Apr-Oct'25



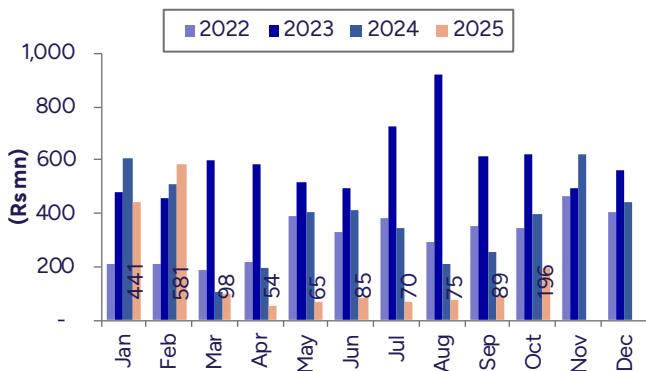
Source: Ministry of Commerce, PL

Exhibit 8: GGAS (Morbi) prices range bound at Rs41/SCM



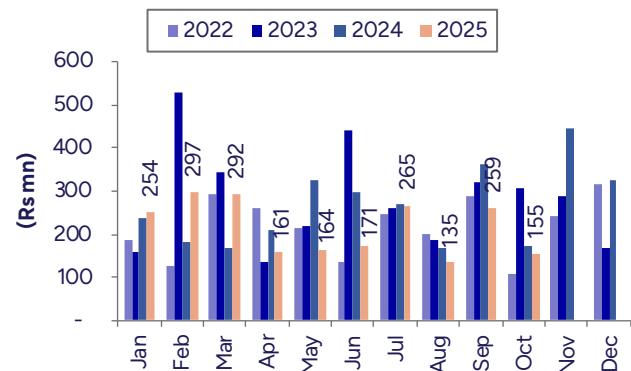
Source: Ministry of Commerce, PL

Exhibit 9: MDF import down 72% YoY from Apr-Oct'25



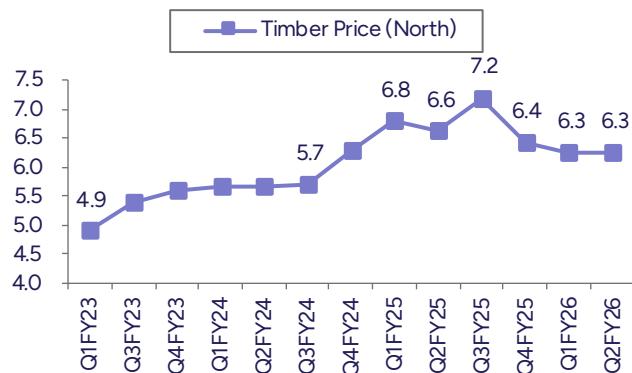
Source: Ministry of Commerce, PL

Exhibit 10: MDF exports down by 27% YoY from Apr-Oct'25



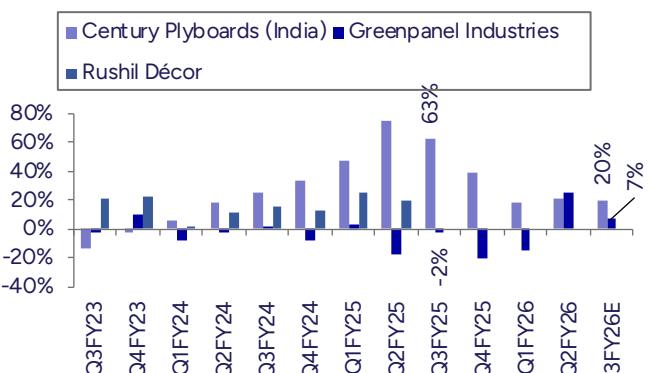
Source: Ministry of Commerce, PL

Exhibit 11: Timber price was down by 5.6%YoY in Q2FY26



Source: Company, PL

Exhibit 12: MDF segment volume growth – Player-wise



Source: Company, PL

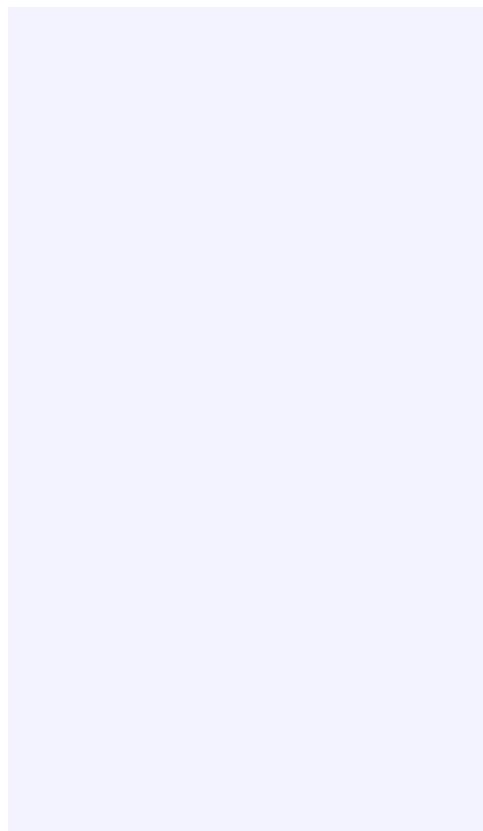


Exhibit 13: Valuation Summary

| Company Names | S/ C | Rating | CMP (Rs) | TP (Rs) | MCap (Rs bn) | Sales (Rs bn) | | | | EBITDA (Rs bn) | | | | PAT (Rs bn) | | | | 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 | 1,487 | 1,736 | 400.1 | 58.3 | 64.1 | 74.5 | 86.1 | 9.5 | 10.5 | 12.5 | 14.8 | 5.2 | 5.7 | 7.4 | 9.1 | 19.3 | 21.1 | 27.7 | 33.9 | 15.3 | 14.8 | 16.9 | 17.8 | 77.1 | 70.4 | 53.7 | 43.9 |
| Century Plyboard (I) | C | HOLD | 811 | 842 | 180.5 | 45.3 | 51.5 | 58.6 | 67.3 | 4.9 | 6.5 | 7.8 | 9.0 | 2.0 | 3.3 | 4.3 | 5.1 | 9.0 | 15.0 | 19.2 | 23.0 | 8.7 | 13.3 | 15.0 | 15.7 | 90.5 | 54.2 | 42.2 | 35.2 |
| Cera Sanitaryware | C | BUY | 5,177 | 7,372 | 66.8 | 19.2 | 20.1 | 22.7 | 25.4 | 2.9 | 3.0 | 3.5 | 4.0 | 2.4 | 2.4 | 2.8 | 3.2 | 189.9 | 185.1 | 215.8 | 246.8 | 18.2 | 16.7 | 17.4 | 17.5 | 27.3 | 28.0 | 24.0 | 21.0 |
| Finolex Industries | C | Acc | 181 | 211 | 111.7 | 41.4 | 42.0 | 46.8 | 52.0 | 4.8 | 5.1 | 5.9 | 6.9 | 4.8 | 4.9 | 5.7 | 6.6 | 7.8 | 8.0 | 9.2 | 10.7 | 8.3 | 8.0 | 9.0 | 10.1 | 23.1 | 22.6 | 19.6 | 16.8 |
| Greenpanel Industries | C | BUY | 229 | 400 | 28.0 | 14.4 | 15.1 | 18.9 | 21.7 | 1.3 | 1.6 | 3.4 | 4.0 | 0.7 | 0.7 | 2.0 | 2.4 | 5.9 | 5.7 | 16.0 | 19.8 | 5.3 | 5.0 | 13.0 | 14.1 | 38.9 | 40.2 | 14.3 | 11.5 |
| Kajaria Ceramics | C | HOLD | 1,003 | 1,053 | 159.8 | 46.4 | 47.7 | 51.6 | 56.5 | 6.3 | 8.1 | 8.8 | 9.6 | 3.4 | 4.7 | 5.3 | 6.0 | 21.5 | 29.3 | 33.6 | 37.9 | 12.8 | 16.0 | 16.4 | 16.4 | 46.6 | 34.3 | 29.9 | 26.5 |
| Supreme Industries | C | BUY | 3,625 | 4,726 | 460.6 | 104.5 | 111.2 | 126.8 | 144.5 | 14.3 | 15.6 | 18.4 | 21.7 | 9.6 | 9.9 | 12.5 | 15.0 | 75.6 | 77.6 | 98.3 | 118.1 | 17.8 | 16.5 | 18.6 | 19.5 | 47.9 | 46.7 | 36.9 | 30.7 |

Source: Company, PL

Acc=Accumulate / S=Standalone / C=Consolidated

Exhibit 14: Change in Estimates

| | Rating | | Target Price | | | | Sales | | | | | | PAT | | | | | | EPS | | | | | | | |
|-----------------------|--------|------|--------------|-------|------------|---------|---------|------------|---------|---------|------------|--------|--------|------------|--------|--------|------------|-------|-------|------------|-------|-------|------------|-------|---|------------|
| | | | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E | 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. | C | P | % Chng. |
| Astral Ltd. | BUY | BUY | 1,736 | 1,778 | -2.4% | 74,524 | 75,843 | -1.7% | 86,139 | 87,673 | -1.7% | 7,447 | 7,613 | -2.2% | 9,121 | 9,319 | -2.1% | 27.7 | 28.3 | -2.2% | 33.9 | 34.6 | -2.1% | | | |
| Century Plyboard (I) | HOLD | HOLD | 842 | 845 | -0.4% | 58,586 | 58,767 | -0.3% | 67,318 | 67,528 | -0.3% | 4,272 | 4,290 | -0.4% | 5,126 | 5,147 | -0.4% | 19.2 | 19.3 | -0.4% | 23.0 | 23.1 | -0.4% | | | |
| Cera Sanitaryware | BUY | BUY | 7,372 | 7,178 | 2.7% | 22,732 | 23,365 | -2.7% | 25,411 | 26,139 | -2.8% | 2,783 | 2,916 | -4.6% | 3,183 | 3,298 | -3.5% | 215.8 | 226.1 | -4.6% | 246.8 | 255.7 | -3.5% | | | |
| Finolex Industries | Acc | Acc | 211 | 228 | -7.8% | 46,827 | 48,433 | -3.3% | 52,011 | 54,656 | -4.8% | 5,703 | 5,965 | -4.4% | 6,646 | 6,995 | -5.0% | 9.2 | 9.6 | -4.4% | 10.7 | 11.3 | -5.0% | | | |
| Greenpanel Industries | BUY | BUY | 400 | 399 | 0.2% | 18,937 | 18,918 | 0.1% | 21,691 | 21,632 | 0.3% | 1,964 | 1,961 | 0.1% | 2,434 | 2,425 | 0.4% | 16.0 | 16.0 | 0.1% | 19.8 | 19.8 | 0.4% | | | |
| Kajaria Ceramics | HOLD | HOLD | 1,053 | 1,083 | 0.0% | 51,599 | 51,599 | 0.0% | 56,528 | 56,528 | 0.0% | 5,345 | 5,345 | 0.0% | 6,032 | 6,032 | 0.0% | 33.6 | 33.6 | 0.0% | 37.9 | 37.9 | 0.0% | | | |
| Supreme Industries | BUY | BUY | 4,726 | 4,723 | 0.1% | 126,832 | 137,452 | -7.7% | 144,519 | 157,300 | -8.1% | 12,492 | 13,678 | -8.7% | 15,006 | 16,422 | -8.6% | 98.3 | 107.7 | -8.7% | 118.1 | 129.3 | -8.6% | | | |

Source: Company, PL

Acc=Accumulate / C=Current / P=Previous

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------------|------------|---------|------------------|
| 1 | Amber Enterprises India | BUY | 8,263 | 6,712 |
| 2 | Astral Ltd. | BUY | 1,778 | 1,566 |
| 3 | Avalon Technologies | BUY | 1,100 | 908 |
| 4 | Bajaj Electricals | BUY | 600 | 514 |
| 5 | Cello World | BUY | 732 | 611 |
| 6 | Century Plyboard (I) | Hold | 845 | 799 |
| 7 | Cera Sanitaryware | BUY | 7,178 | 5,761 |
| 8 | Crompton Greaves Consumer Electricals | BUY | 375 | 279 |
| 9 | Cyient DLM | Accumulate | 439 | 416 |
| 10 | Finolex Industries | Accumulate | 228 | 188 |
| 11 | Greenpanel Industries | BUY | 399 | 270 |
| 12 | Havells India | Accumulate | 1,653 | 1,487 |
| 13 | Kajaria Ceramics | Hold | 1,083 | 1,049 |
| 14 | Kaynes Technology India | BUY | 5,542 | 3,998 |
| 15 | KEI Industries | BUY | 4,926 | 4,173 |
| 16 | LG Electronics India | BUY | 1,920 | 1,618 |
| 17 | Polycab India | BUY | 8,808 | 7,440 |
| 18 | Premier Energies | BUY | 1,106 | 886 |
| 19 | R R Kabel | BUY | 1,634 | 1,391 |
| 20 | Supreme Industries | BUY | 4,723 | 4,001 |
| 21 | Syrma SGS Technology | Accumulate | 860 | 750 |
| 22 | Vikram Solar | Accumulate | 275 | 241 |
| 23 | Volta | Hold | 1,411 | 1,351 |
| 24 | Waaree Energies | BUY | 4,086 | 3,077 |

PL's Recommendation Nomenclature

| | |
|--------------------------|-----------------------------------|
| 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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