

**Building Materials – Q3FY26  
Result Preview**

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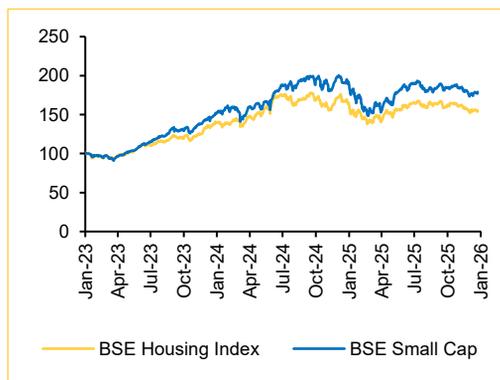
# Basic Materials – Building Materials

## Q3FY26 Quarterly Result Preview

**Sector View: Positive**

Recommendation			
Company	CMP (INR)	TP (INR)	Rated
Hindware Home (HINDWARE)	242	430	Buy
Apollo Pipes (APOLP)	293	420	Buy
Greenply Industries (MTLM)	242	425	Buy
Man Industries (MAN)	350	600	Buy
Somany Ceramics (SOMC)	409	635	Buy
Sirca Paints (SIRCA)	467	625	Buy

\*CMP as on January 12, 2026



### Volume Growth and Margin Expansion Expected

For Q3FY26, we expect marginal YoY volume growth across segments in the Building Materials space, with operating margin likely to improve, supported by higher volumes. **Pipe volume is projected to grow ~2% YoY**, driven by demand from real estate, infrastructure and home improvement. **EBITDA/kg for our coverage universe is expected to decline ~10% YoY**, reflecting a higher contribution from lower-margin products and a decline in PVC prices. The **bathware segment** is expected to deliver **~20% YoY revenue growth**, while **tile volumes** are projected to **grow ~6% YoY**. In the **wood panels** segment, **plywood** and **MDF** volumes are estimated to grow ~12.0/13.6% YoY, respectively, with segment margin expected to **expand ~69 bps**, aided by plywood price hikes and an improved product mix.

Overall, the Building Materials sector is expected to witness marginal volume growth trends, led by bathware and wood panels, followed by the Pipes and Tiles segments. Overall, profitability is expected to improve, backed by higher volumes and a better order book.

The market would pardon any disappointment on the volume growth front in this quarter if management commentary indicates a sharp recovery in H1CY26.

### Sector View

We maintain our positive stance on the Building Materials sector. Volume growth, better product mix and a strong order book will be the key catalysts, going forward.

### High-conviction investment ideas:

We maintain a positive stance on **HINDWARE** and **MAN**, which are expected to deliver strong growth in Q3FY26E

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### Coverage Universe

HINDWARE						
INR Mn	Q3FY26E	Q3FY25	YoY %	Q2FY26	QoQ %	Comments
Bathware Revenue	4,000	3,377	18.4	3,970	0.8	We expect HINDWARE pipes segment to report 11% YoY volume growth, driven by home improvement and infrastructure demand. However, realisation is expected to decline 3%, reflecting a 6% QoQ drop in PVC prices. Meanwhile, the bathware segment is projected to deliver 18.4% YoY revenue growth. Overall, margin is likely to improve 462.5 bps, supported by a lower base, improved contribution from premium bathware products and higher CPVC pipe sales.  <b>Watch out for:</b> Execution update on the turnaround plan for bathware business
Bathware EBITDA Margin (%)	11.2	10.2	100.0 bps	10.8	40.0 bps	
Pipe Revenue	2,000	1,892	5.7	1,960	2.0	
Pipe EBITDA Margin (%)	7.0	6.9	7.6 bps	6.1	87.8 bps	
Sales	6,900	5,954	15.9	6,766	2.0	
EBITDA	660	294	124.4	564	17.0	
EBITDA Margin (%)	9.6	4.9	462.5 bps	8.3	122.8 bps	
Adjusted PAT	172	-169	NA	51	238.8	

## Coverage Universe

SOMC						
INR Mn	Q3FY26E	Q3FY25	YoY %	Q2FY26	QoQ %	Comments
Tiles Volume (MSM)	18.0	17.1	5.5	17.8	1.2	▪ We expect SOMC tiles segment to report 5.5% YoY volume growth. Meanwhile, the bathware segment, aided by market share gain and low base, is projected to deliver a healthy 27% YoY revenue growth. The margin is likely to improve 50 bps, primarily driven by lower other cost.
Tiles Realisation (INR/sqm)	324	320	1.4	321	1.1	
Sales	6,988	6,401	9.2	6,805	2.7	▪ <b>Watch out for:</b> Faster utilisation ramp-up at the Max plant and continued premium tile traction to drive profitability.
EBITDA	584	535	9.3	535	9.2	
EBITDA margin (%)	8.4	8.4	0.6 bps	7.9	49.5 bps	
Adjusted PAT	210	93	125.8	150	40.0	
MTLM						
INR Mn	Q3FY26E	Q3FY25	YoY %	Q2FY26	QoQ %	Comments
Sales	6,723	6,145	9.4	6,886	(2.4)	▪ We expect MTLM plywood and MDF volumes to grow 12.0/3.6% YoY, respectively. EBITDA is projected to increase 18.0% YoY driven by higher plywood volumes and recent price hike. EBITDA margin is expected to expand 69 bps.  ▪ <b>Watch out for:</b> Demand sustainability and margin recovery in MDF/plywood with gradual improvement in Samet JV performance.
EBITDA	638	540	18.0	568	12.4	
EBITDA Margin (%)	9.5	8.8	69.0 bps	8.2	124.2 bps	
Adjusted PAT	283	244	16.2	160	77.1	
Volumes						
Plywood (Mn sqm)	20.4	18.2	12.0	21.7	(6.1)	
MDF (CBM)	48,000	42,259	13.6	47,018	2.1	
EBITDA Margin (%)						
Plywood	8.2	8.4	(20.0) bps	8.2	-	
MDF	15.0	10.4	460.0 bps	8.3	670.0 bps	
APOLP						
INR Mn	Q3FY26E	Q3FY25	YoY %	Q2FY26	QoQ %	Comments
Pipe Volume (MT)	26,500	26,987	(1.8)	21,685	22.2	▪ Driven by muted demand and lower government infrastructure spending, we expect APOLP's volume to decline 2% YoY. Realisation is likely to decline 5% QoQ, reflecting a drop in PVC price. EBITDA is projected to fall 20.1% YoY due to higher cost, while the margin is expected to contract 76.1 bps to 6.8%, owing to a higher contribution from lower-margin Agri/Kisan pipes.
Pipe Realisation (INR/kg)	1,03,264	1,14,102	(9.5)	1,08,699	(5.0)	
Pipe EBITDA (INR/kg)	7,000	8,623	(18.8)	7,271	(3.7)	
Sales	2,736	3,079	(11.1)	2,357	16.1	
EBITDA	186	233	(20.1)	158	18.0	
EBITDA Margin (%)	6.8	7.6	(76.1) bps	6.7	10.8 bps	
Adjusted PAT	64	62	3.3	16	294.8	▪ <b>Watch out for:</b> Ramp-up at Kisan asset and commentary on pricing outlook for the rest of FY26.
MAN						
INR Mn	Q3FY26E	Q3FY25	YoY %	Q2FY26	QoQ %	Comments
Sales	8,271	7,319	13.0	8,341	(0.8)	▪ We expect MAN revenue to grow 13% YoY, supported by a strong order book. The margin is projected to improve 84.4 bps to 11.6%
EBITDA	959	787	21.9	1,211	(20.8)	
EBITDA Margin (%)	11.6	10.8	84.4 bps	14.5	(291.9) bps	▪ <b>Watch out for:</b> Improving order book visibility and gradual ramp-up of the Jammu and Saudi plants.
Adjusted PAT	516	341	51.2	370	39.5	
SIRCA						
INR Mn	Q3FY26E	Q3FY25	YoY %	Q2FY26	QoQ %	Comments
Sales (INR Mn)	1,400	887	57.8	1,312	6.7	▪ Driven by higher contribution from recently-acquired entities and a strong home improvement demand, we expect SIRCA to report 57.8% YoY revenue growth. Margin is projected to expand 364.3 bps YoY to 21.9%, supported by an improved product mix and operating leverage benefit.
EBITDA (INR Mn)	295	154	90.8	274	7.6	
EBITDA Margin (%)	21.0	17.4	364.3 bps	20.9	16.1 bps	
Adjusted PAT (INR Mn)	198	115	73.3	181	9.7	▪ <b>Watch out for:</b> Smooth Wembley integration and faster receivables normalization to sustain margins and growth.

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<b>Large Cap*</b>	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
<b>Mid &amp; Small Cap*</b>	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
<b>Other Ratings</b>	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
<b>Sector View</b>	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

\*Large Cap: More Than INR 20,000 Cr Market Cap  
 \*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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