

Astral Ltd.

12th May 2025

Sector: Plastic Products

LTP	Recommendation	Target	Stop Loss	Return
Rs.1,275	Buy between Rs.1,270-1,340	Rs.1,600	Rs.1,160	+26%
SENSEX	Market Cap	NSE Code	BSE Code	Time Frame
79,454	Rs.35,728cr	ASTRAL	532830	3-6 Months

Data as of: 09-05-2025

52W High	52W Low	F&O Listed	Div. Yield	D/E
Rs.2,454	Rs.1,232	Yes	0.3%	0.06
Consolidated (Rs.cr)	FY24A	FY25E	FY26E	
Revenue	5,641	5,931	6,866	
Growth (%)	9	5	16	
EBITDA	910	953	1,147	
EBITDA Margin(%)	16	16	17	
Adj. PAT	546	527	666	
Growth (%)	19	-3	26	
EPS	20.3	19.6	24.8	
Growth (%)	19	-3	26	
RoE (%)	18.5	15.5	17.3	
Valuation	FY24A	FY25E	FY26E	
P/E (x)	62.8	65.1	51.4	
Price/Book Value	10.4	10.4	9.0	
EV/EBITDA	59.5	39.5	32.7	
Price Performance	3 Month	6 Month	1 Year	
Absolute Return (%)	-6.4	-23.4	-38.6	
Absolute Sensex (%)	7.1	5.2	12.50	
Shareholding (%)	Q2FY25	Q3FY25	Q4FY25	
Promoters	54.10	54.10	54.10	
FIIs	22.32	21.07	20.17	
MFs/Institutions	12.48	13.76	14.60	
Public	11.11	10.90	10.97	
Others	-	-	-	
Total	100.0	100.0	100.0	
Promoter pledge	Nil	Nil	Nil	

Fundamental View

Astral Ltd. (Astral), incorporated in 1996, is one of the fastest growing and leading companies in the category of building materials with presence across pipes & bathware (71%) and adhesives(25%) and Paints (4%) as of 9MFY25. It is among India's leading players in the high-margin CPVC pipes and fittings business.

- Revenue grew modestly by ~3%YoY to ₹4,151cr in 9MFY25, supported by aggregate volume growth in the plumbing business of ~4%, despite moderation in realisation.
- The lower realisation was because of polymer price volatility, weak construction and agricultural demand due to an extended monsoon, and a slowdown in government infrastructure spending.
- EBITDA grew just by ~3% YoY, while EBITDA margins contracted by ~10 bps YoY to ~16.3% in 9MFY25 on the back of higher employee costs and expansion-related expenses. Consequently, PAT declined by ~6.5%YoY to ₹341cr in 9MFY25.
- However, for Q3FY25, EBITDA grew by ~9%YoY while EBITDA margins expanded by ~110bps YoY to ~16.5%, signalling a potential margin improvement in coming quarters.
- The profitability is poised to recover in FY26E, led by stabilized raw material costs, healthy share of value-added products, strategic expansions, and enhanced operational efficiencies.
- As per market consensus, Astral Ltd. is currently trading at 1year fwd. P/E of 51x (which is at ~23% discount to 5 year Avg P/E. 67x). The long-term growth story of Astral is intact on the back of superior product mix, leadership within CVC pipes segment, new launches, an extensive distribution network and a healthy balance sheet. Astral is trading at comfortable valuation at current levels.

Technical View

- The stock has formed a triple bottom pattern on the daily chart following a sharp correction from July 2024 to March 2025. It has now reclaimed the 50-day moving average (50-DMA) and is trading firmly above it, supported by strong volume action.
- Momentum indicators also support the bullish outlook. The daily RSI shows improving momentum, consistently forming higher peaks and higher troughs, and is currently positioned around 52. Meanwhile, the MACD is hovering near its central line.
- Following a ~50% decline from its all-time high, the recent rebound and strong base formation suggest a potential trend reversal. The stock now appears poised to test the 200-DMA as well as the 38.2% Fibonacci retracement level in the near term.

Price Chart



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