

Apr-Jun'26  
Earnings  
Preview

# Building Materials

July 02, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Astral	BUY	1,363	1,779
Century Plyboard (I)	Accumulate	749	862
Cera Sanitaryware	BUY	6,476	7,430
Finolex Industries	Accumulate	176	207
Greenpanel Industries	BUY	190	325
Kajaria Ceramics	Accumulate	1,204	1,338
Supreme Industries	BUY	3,276	4,454

## Healthy Realization to Drive Margin Expansion

### Quick Pointers

- Building material companies under coverage are expected to report healthy revenue growth of 15.7% YoY and EBITDA margin is likely to expand by ~210bps.
- Plastic pipes sector is anticipated post soft volume growth of 5.4% YoY.

In Q1FY27, building material companies under coverage are expected to report healthy revenue growth of 15.7% YoY, driven by the pipes segment. EBITDA margin is likely to expand by ~210bps, supported by rising PVC resin prices, enabling larger players to pass on costs, price hikes across tiles & bathware segments, and cooling of chemicals price. Plastic pipes sector is anticipated to deliver soft volume growth of 5.4% YoY. Tiles sector is likely to experience single-digit growth. In the wood panel segment, CPBI is expected to see good revenue growth, led by the plywood segment (contributes 55% to the topline). We expect coverage companies to register sales/EBITDA/PAT growth of 15.7%/35.9%/46.0% YoY, and tiles & bathware players to outperform in the building materials space.

**Plastic pipes - Healthy realization to offset soft volume growth:** Plastic pipe companies under our coverage are expected to report soft volume growth in Q1FY27, due to weak demand, channel destocking amid fluctuating PVC resin prices, and muted agricultural offtake owing to lower-than-expected rainfall. ASTRA/SI/FNXP are expected to report pipes & fittings volume growth of 7.0%/5.5%/4.4% YoY. Finolex Industries' volume growth is likely to remain subdued due to soft offtake in agri pipes and cautious dealer inventory restocking, following fluctuation in PVC resin prices. Despite modest volume growth, higher PVC resin prices (+28% YoY/+9.0% QoQ in Q1FY27) are expected to support realization. We estimate Astral/Supreme Industries/Finolex Industries to report ~8%/15%/15% YoY realization growth, supported by higher YoY PVC resin prices during Q1FY27. On the profitability front, margins of the coverage pipes companies are expected to expand by ~240bps YoY to 14.3%, supported by improved realization and absence of inventory losses during the quarter.

**Tiles & bathware:** Kajaria Ceramics (KJC) is expected to report revenue growth of 15.2% YoY, driven by price hikes implemented to offset higher gas costs. Tile volumes are expected to grow by 5.5% YoY, supported by continued market share gains amid disruptions in the Morbi cluster. CRS is expected to deliver revenue growth of 13.3% YoY, led by ~17.0% growth in the faucets segment and ~14.0% growth in sanitaryware. EBITDA margin is likely to expand by ~40bps YoY to 13.1%, supported by price hikes that helped offset higher input costs.

**Wood panel – Plywood continues to outperform:** CPBI is expected to deliver healthy sales growth of 16.7% YoY, with EBITDA margin of 12.0%. We expect MDF volume growth of ~25.0% YoY for CPBI and ~10.5% YoY for GP. Greenpanel's MDF volume is likely to remain relatively soft, due to elevated freight rates resulting from geopolitical tensions, which continue to weigh on export volumes, along with sustained competitive intensity in the industry. Plywood volume growth is estimated at +12.0% YoY for CPBI and 14.6% YoY for GP. CPBI's laminate segment is likely to record single-digit volume growth of 5.5% YoY, impacted by geopolitical tensions affecting exports. Overall, the wood panel coverage universe is expected to report revenue growth of +14.6% YoY, while EBITDA is likely to increase by ~48% with margin expanding by 260bps to 11.7%.

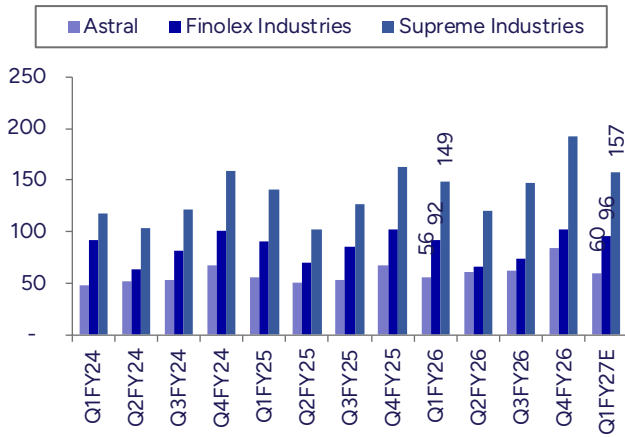
**TP changes:** We have revised downward our FY28 earnings estimates for Supreme Industries and Greenpanel Industries (GP), raised estimates for Kajaria Ceramics, and maintained estimates for the remaining companies in our coverage universe. We have retained our ratings across all companies under our building materials coverage. We maintain positive view on CERA, Astral and Supreme Industries over the medium to long term.

**Exhibit 1: Q1FY27 Result Preview (INR mn)**

Company Name		Q1FY27E	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
Astral Ltd.	Sales	15,705	13,612	15.4	20,885	(24.8)	We expect sales to grow by 15.4% YoY, led by soft volume growth of 7% in Q1FY27. Plumbing segment is expected to grow by 15.6%. Paints/Adhesives segment expected 20.0%/14.3% YoY growth. We expect EBITDA margin of 14.0% and PAT is expected to grow by 38.4%.
	EBITDA	2,199	1,849	18.9	3,989	(44.9)	
	Margin (%)	14.0	13.6	42 bps	19.1	-510 bps	
	PBT	1,466	1,098	33.5	3,187	(54.0)	
	Adj. PAT	1,096	792	38.4	2,351	(53.4)	
Century Plyboard (I)	Sales	13,644	11,694	16.7	14,922	(8.6)	We expect sales growth of 16.7% YoY mainly with Plywood/MDF revenue growth of 12.6%/18.7% YoY with volume growth of 12.0%/25.0%. We expect EBITDA to expand by 100bps YoY to 12.0%. PAT is expected to increase by ~32% YoY.
	EBITDA	1,640	1,282	27.9	1,990	(17.6)	
	Margin (%)	12.0	11.0	106 bps	13.3	-132 bps	
	PBT	930	711	30.7	1,279	(27.3)	
	Adj. PAT	696	529	31.5	794	(12.4)	
Cera Sanitaryware	Sales	4,753	4,194	13.3	6,438	(26.2)	We expect sales to increase by 13.3% YoY. Faucets business sales to increase by ~17.0% and sanitary business expected to increase by 14.0% YoY. We expect EBITDA margin of 13.1%. We expect PAT to grow by 11.0% YoY.
	EBITDA	623	531	17.3	979	(36.4)	
	Margin (%)	13.1	12.7	45 bps	15.2	-211 bps	
	PBT	690	611	12.9	929	(25.7)	
	Adj. PAT	517	465	11.0	773	(33.2)	
Finolex Industries	Sales	12,543	10,432	20.2	13,139	(4.5)	We expect sales to grow by 20.2% YoY, vol. to increase by 4.4% YoY in P&F segment, with the increase in realization by 15.0% YoY. We expect EBITDA margin of 13.7%, and PAT to increase by 57.2%.
	EBITDA	1,718	936	83.6	3,320	(48.2)	
	Margin (%)	13.7	9.0	473 bps	25.3	-1157 bps	
	PBT	1,943	1,262	54.0	3,345	(41.9)	
	Adj. PAT	1,543	982	57.2	2,613	(40.9)	
Greenpanel Industries	Sales	3,516	3,282	7.1	3,989	(11.9)	We expect sales to grow by 7.1%. MDF segment expected sales volume to increase by 10.5%, while plywood volumes to grow by 14.6% YoY. We expect EBITDA margin of 10.4% YoY.
	EBITDA	367	76	385.6	314	16.8	
	Margin (%)	10.4	2.3	814 bps	7.9	256 bps	
	PBT	108	-199	NA	72	50.0	
	Adj. PAT	94	-346	NA	14	584.6	
Kajaria Ceramics	Sales	12,699	11,027	15.2	13,734	(7.5)	We expect sales to grow by ~15.2% mainly with tiles volume growth of 5.5% YoY. Sanitaryware segment to grow by 7.0% YoY. We expect EBITDA margin to contract by 85bps to 17.8%. We expect PAT to grow by 30.1% YoY.
	EBITDA	2,260	1,869	21.0	2,635	(14.2)	
	Margin (%)	17.8	16.9	85 bps	19.2	-139 bps	
	PBT	1,907	1,513	26.1	2,279	(16.3)	
	Adj. PAT	1,435	1,103	30.1	1,597	(10.1)	
Supreme Industries	Sales	30,116	26,092	15.4	35,277	(14.6)	We expect sales to grow by 15.4% YoY with Plastic Pipe/Packing Products/Industrial products/consumer product volume growth of 5.5%/5.0%/1.0%/1.0% YoY. We expect EBITDA margin of 14.7%, expand by 250 bps YoY and PAT to grow by 34.3% YoY.
	EBITDA	4,421	3,189	38.6	6,231	(29.1)	
	Margin (%)	14.7	12.2	246 bps	17.7	-298 bps	
	PBT	3,256	2,400	35.7	5,013	(35.0)	
	Adj. PAT	2,718	2,023	34.3	4,336	(37.3)	

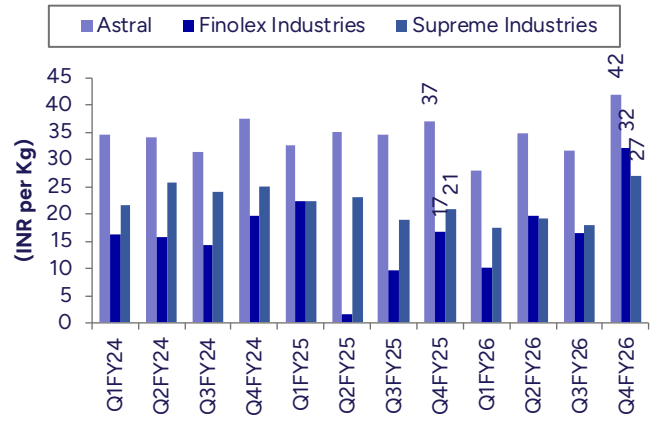
Source: Company, PL

Exhibit 2: Pipe segment to report soft vol growth of ~5.4% YoY



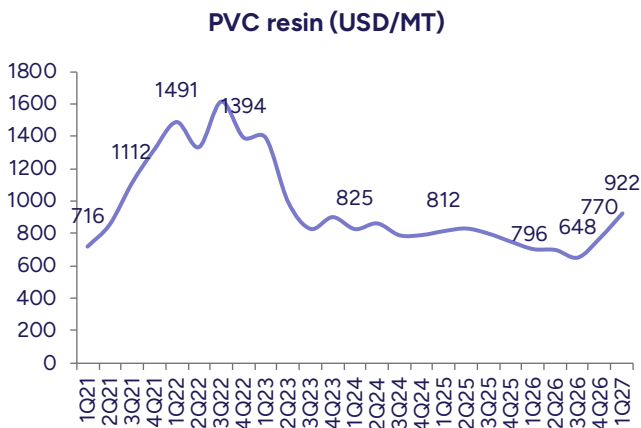
Source: Company, PL

Exhibit 3: Pipe EBITDA/kg to grow by 34.4% YoY



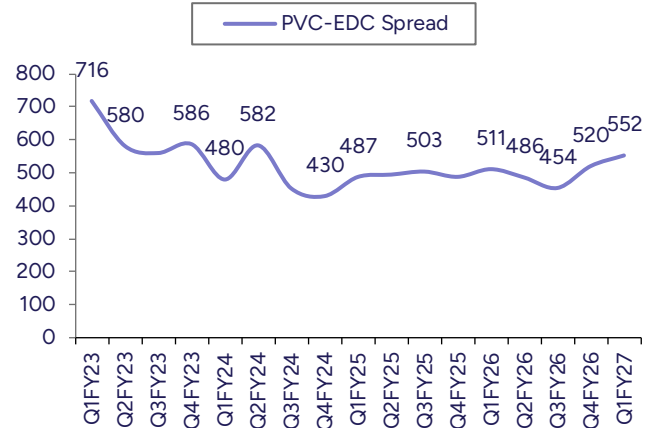
Source: Company, PL

Exhibit 4: Global PVC resin prices up by ~32%/20% YoY/QoQ in Q1FY27



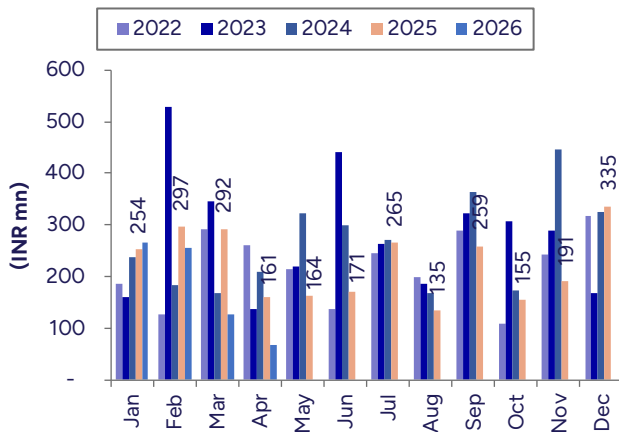
Source: Company, PL

Exhibit 5: PVC-EDC spread up by 8.0% YoY in Q1FY27



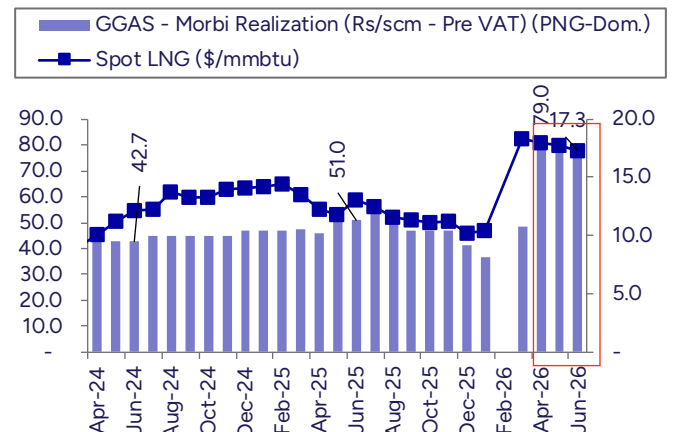
Source: Company, PL

Exhibit 6: Tiles exports decline by 20% YoY from Jan-Apr'26



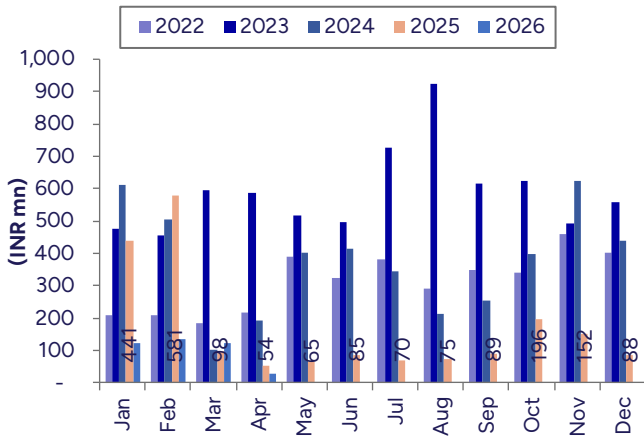
Source: Company, PL

Exhibit 7: GGAS (Morbi) prices range bound at INR79/SCM



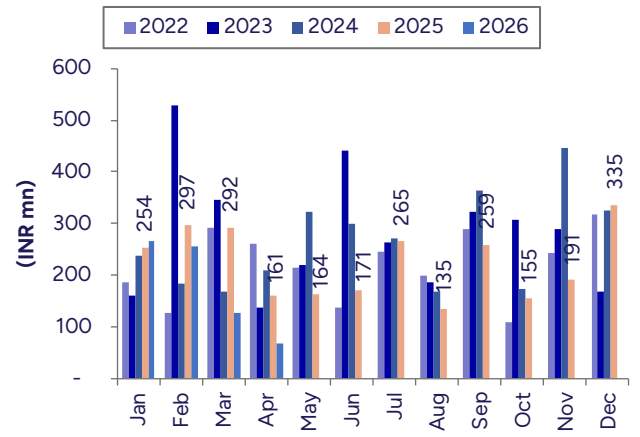
Source: Company, PL

Exhibit 8: MDF imports decline by 65% YoY from Jan-Apr'26



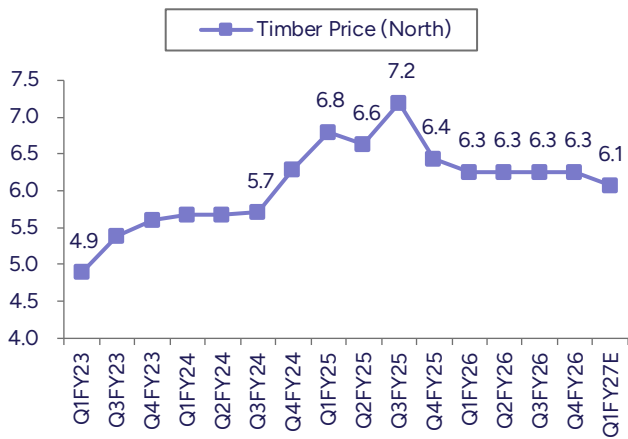
Source: Company, PL

Exhibit 9: MDF exports decline by 29% YoY from Jan-Apr'26



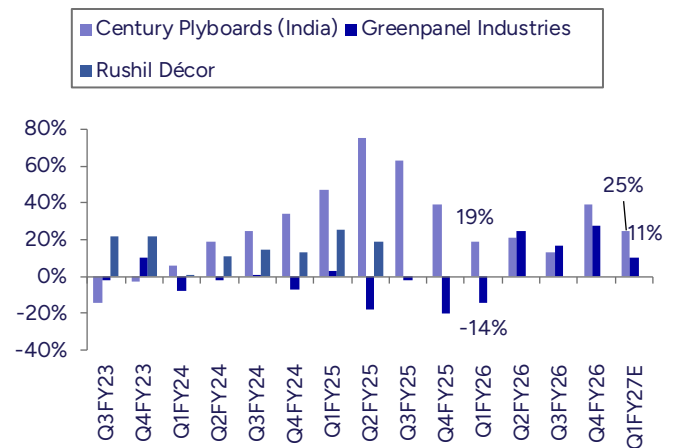
Source: Company, PL

Exhibit 10: Timber prices to correct by 3.0%



Source: Company, PL

Exhibit 11: MDF segment volume growth – Player-wise



Source: Company, PL

**Exhibit 12: Valuation Summary**

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR m)				EBITDA (INR mn)				Adj. PAT (INR mn)				EPS (INR)				RoE (%)				PE (x)			
						FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Astral Ltd.	C	BUY	1,363	1,779	366.7	58,324	65,686	79,083	92,730	9,459	10,619	13,301	15,940	5,189	5,573	7,759	9,663	19.3	20.7	28.8	35.9	15.3	14.5	17.7	18.7	70.7	65.8	47.3	37.9
Century Plyboard (I)	C	Accumulate	749	862	166.7	45,278	53,972	62,108	70,731	4,866	6,915	8,385	10,114	1,994	3,333	4,127	5,412	9.0	15.0	18.5	24.3	8.7	13.4	14.7	16.7	83.6	50.0	40.4	30.8
Cera Sanitaryware	C	BUY	6,476	7,430	83.5	19,153	20,501	24,507	27,751	2,907	2,692	3,451	3,935	2,480	2,120	2,784	3,147	192.3	164.4	215.9	244.0	18.4	15.0	17.7	17.6	33.7	39.4	30.0	26.5
Finolex Industries	C	Accumulate	176	207	109.0	41,420	41,134	44,517	51,533	4,758	6,789	5,983	7,050	4,841	5,991	5,632	6,565	7.8	9.7	9.1	10.6	8.3	9.7	8.8	9.7	22.5	18.2	19.4	16.6
Greenpanel Industries	C	BUY	190	325	23.3	14,358	15,394	17,927	21,910	1,312	1,126	2,617	3,374	721	199	1,380	1,990	5.9	1.6	11.3	16.2	5.3	1.5	9.7	12.5	32.4	117.1	16.9	11.7
Kajaria Ceramics	C	Accumulate	1,204	1,338	191.8	46,351	48,304	53,312	57,330	6,262	8,650	9,575	9,975	3,426	4,885	6,067	6,384	21.5	30.7	38.1	40.1	12.8	16.8	18.4	17.0	56.0	39.3	31.6	30.0
Supreme Industries	C	BUY	3,276	4,454	416.2	1,04,463	1,12,177	1,30,042	1,47,390	14,317	15,532	18,531	21,224	9,609	9,396	11,752	14,143	75.6	74.0	92.5	111.3	17.8	15.9	18.0	19.2	43.3	44.3	35.4	29.4

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

**Exhibit 13: Change in estimates**

	Rating		Target Price			Sales (INR mn)						PAT (INR mn)						EPS (INR)					
						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	1,779	1,779	0.0%	79,083	79,083	0.0%	92,730	92,730	0.0%	7,759	7,759	0.0%	9,663	9,663	0.0%	28.8	28.8	0.0%	35.9	35.9	0.0%
Century Plyboard (I)	Accumulate	Accumulate	862	862	0.0%	62,108	62,108	0.0%	70,731	70,731	0.0%	4,127	4,127	0.0%	5,412	5,412	0.0%	18.5	18.5	0.0%	24.3	24.3	0.0%
Cera Sanitaryware	BUY	BUY	7,430	7,429	0.0%	24,507	24,506	0.0%	27,751	27,750	0.0%	2,784	2,784	0.0%	3,147	3,147	0.0%	215.9	215.9	0.0%	244.0	244.0	0.0%
Finolex Industries	Accumulate	Accumulate	207	207	0.0%	44,517	46,007	-3.2%	51,533	51,533	0.0%	5,632	5,782	-2.6%	6,565	6,565	0.0%	9.1	9.4	-2.6%	10.6	10.6	0.0%
Greenpanel Industries	BUY	BUY	325	332	-2.3%	17,927	18,905	-5.2%	21,910	22,295	-1.7%	1,380	1,491	-7.5%	1,990	2,037	-2.3%	11.3	12.2	-7.5%	16.2	16.6	-2.3%
Kajaria Ceramics	Accumulate	Accumulate	1,338	1,323	1.2%	53,312	52,919	0.7%	57,330	56,746	1.0%	6,067	5,794	4.7%	6,384	6,309	1.2%	38.1	36.4	4.7%	40.1	39.6	1.2%
Supreme Industries	BUY	BUY	4,454	4,626	-3.7%	1,30,042	1,31,541	-1.1%	1,47,390	1,49,139	-1.2%	11,752	12,283	-4.3%	14,143	14,688	-3.7%	92.5	96.7	-4.3%	111.3	115.6	-3.7%

Source: PL C = Current / P = Previous

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	9375	7889
2	Astral	BUY	1779	1487
3	Avalon Technologies	Hold	1233	1256
4	Bajaj Electricals	Accumulate	384	343
5	Cello World	BUY	489	368
6	Century Plyboard (I)	Accumulate	862	778
7	Cera Sanitaryware	BUY	7429	5870
8	Crompton Greaves Consumer Electricals	Accumulate	320	285
9	Cyient DLM	HOLD	370	358
10	Finolex Industries	Accumulate	207	192
11	Greenpanel Industries	BUY	332	186
12	Havells India	Accumulate	1505	1349
13	Kajaria Ceramics	Accumulate	1323	1188
14	Kaynes Technology India	Accumulate	3506	3337
15	KEI Industries	Accumulate	5660	5018
16	LG Electronics India	Accumulate	1690	1491
17	Polycab India	BUY	10282	8416
18	Premier Energies	HOLD	1138	1087
19	R R Kabel	BUY	1964	1571
20	Supreme Industries	BUY	4626	3692
21	Syrma SGS Technology	Hold	1128	1075
22	Vikram Solar	Accumulate	226	215
23	Voltas	Hold	1308	1294
24	Waaree Energies	Buy	3713	3230

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

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