

## Building Materials – Q2FY26 Result Preview

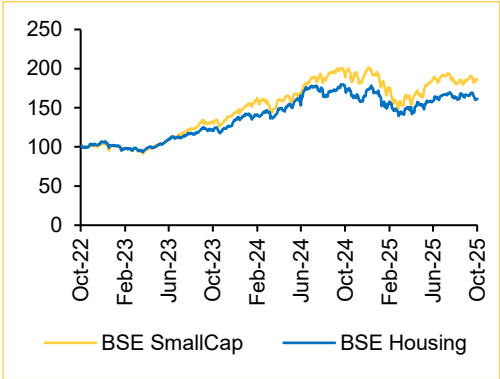


Basic Materials – Building Materials  
Q2FY26 Quarterly Results Preview

Sector View: Positive

Recommendation			
Company	CMP (INR)	TP (INR)	Rated
Hindware Home	336	375	Buy
Apollo Pipes	336	475	Buy
Greenply Industries	293	425	Buy
Man Industries	372	480	Buy
Somany Ceramics	455	635	Buy
Sirca Paints	476	625	Buy

\*CMP as on October 8, 2025



Building Materials Sector: Growth across Segments, but Margins Under Strain

In Q2FY26, we expect mixed volume growth trends for the Building Materials sector across segments, but, at the same time, margin would be under pressure. **Pipes volume is expected to grow 11% YoY**, driven by Real Estate, Infra and Home Improvement demand. **EBITDA/kg is set to decline by 12% YoY** due to increase in mix of lower margin products for our coverage companies. **Bathware segment revenue is anticipated to increase 7% YoY**. Tiles segment is projected to see 5% volume growth YoY. In **Wood Panels** segment, **Plywood/MDF volume would remain flat while MDF segment would report volume growth of 9% YoY**, with overall margin expected to improve by 65.2bps due to price hike in the plywood segment and better product mix.

Overall, the Building Materials sector would witness mixed volume growth trends, lead by pipes and wood panels followed by bathware and tiles segments. Overall, profitability is expected to remain under pressure due to higher raw material prices and dealer incentives, amongst other.

Any disappointment on the volume growth front in this quarter would be pardoned by the market if management commentary indicates a sharp recovery in H2FY26.

Sector View

We maintain our Positive Stance on the Building Materials sector backed by Healthy Home improvement and Infra demand. The volume growth, better product and Strong order book will be the key catalyst. going forward. **Our preferred ideas are: HINDWARE & MAN.**

Prashanth Kota

Email: [prashanth.kota@choiceindia.com](mailto:prashanth.kota@choiceindia.com)  
Ph: +91 22 6707 9521

Bharat Kumar Kudikyala

Email: [bharat.kudikyala@choiceindia.com](mailto:bharat.kudikyala@choiceindia.com)  
Ph: +91 22 6707 9521

Coverage Universe

HINDWARE						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Bathware Revenue	3,849	3,602	6.9	3,410	12.9	• We expect Hindware's pipe segment to report 9% volume growth YoY, backed by home improvement and infra demand. However, realisation is expected to increase by 3% on the back of increase in PVC prices by 5% on QoQ. Meanwhile, the bathware segment is projected to report 6.9% revenue growth. Overall margin is likely improve by 682.5bps on the back of lower base and better contribution from premium bathware products and higher CPVC pipe sales.  • <b>Watch out for:</b> Execution updates on the turnaround plan for bathware business.
Bathware EBITDA margin (%)	13.0	9.5	353.3bps	12.6	39.0bps	
Pipe Revenue	1,735	1,871	-7.2	1,190	45.8	
Pipe EBITDA margin (%)	7.0	6.8	21.2bps	5.9	110.0bps	
Sales	6,509	6,298	3.3	5,312	22.5	
EBITDA	751	297	152.9	488	54.1	
EBITDA margin (%)	11.5	4.7	682.5bps	9.2	236.4bps	
Adjusted PAT	128	-145	NA	-292	NA	

## Coverage Universe

SOMC						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Tiles Volume (MSM)	19	18	5.0	16	16.8	<ul style="list-style-type: none"> <li>We expect Somany's tiles' segment to report a 5% YoY volume growth. Meanwhile, the bathware segment is expected to report a healthy 10% YoY revenue growth owing market share gains on a low base. Margin is likely to improve by 21bps, primarily due to lower other cost.</li> </ul>
Tiles Realisation (INR/sqm)	315	319	-1.2	319	-1.4	
Sales	6,952	6,663	4.3	6,044	15.0	
EBITDA	599	560	6.9	482	24.3	
EBITDA margin (%)	8.6	8.4	21.1bps	8.0	64.1bps	
Adjusted PAT	193	171	12.7	104	86.4	

MTLM						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Sales	6,504	6,405	1.5	6,008	8.3	<ul style="list-style-type: none"> <li>We expect Greenply's plywood volume to remain flat and MDF volume to increase by 9% YoY. EBITDA is expected to grow by 1.9% and margin is anticipated to decline by 60.5bps due to lower volume in plywood segment and higher timber cost.</li> </ul>
EBITDA	628	576	8.9	616	1.9	
EBITDA margin (%)	9.6	9.0	65.2bps	10.3	-60.5bps	
Adjusted PAT	261	176	48.8	284	-8.0	
Volumes						
Plywood (MN sqm)	20	20	-1.0	17	17.0	
MDF (CBM)	44,203	40,553	9.0	46,350	-4.6	
EBITDA margin (%)						
Plywood	8	8	-40.0bps	8	-	
MDF	16	12	420.0bps	17	-140.0bps	

APOLP						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Pipe Volume (MT)	22,500	20,152	11.7	25,315	-11.1	<ul style="list-style-type: none"> <li>We anticipate 11.7% volume growth in 2QFY26 driven by volume addition in Kisan business, capacity addition and uptick in government infrastructure initiatives. However, realisation is likely to increase by 3% QoQ owing to increase in PVC prices. EBITDA is anticipated to remain flat by 3% due to higher cost, but margin is projected to dip by 15bps to 7.6% due to a higher mix of lower- margin Agri /Kisan pipes.</li> </ul>
Pipe Realisation (INR/kg)	1,11,891	1,24,273	-10.0	1,08,632	3.0	
Pipe EBITDA (INR/kg)	8,500	9,627	-11.7	8,167	4.1	
Sales	2,518	2,504	0.5	2,750	-8.5	
EBITDA	191	194	-1.4	207	-7.5	
EBITDA margin (%)	7.6	7.7	-15.0bps	7.5	7.8bps	<ul style="list-style-type: none"> <li><b>Watch out for:</b> Ramp-up at Kisan asset and commentary on pricing outlook for the rest of FY26</li> </ul>
Adjusted PAT	70	41	68.2	81	-14.1	

MAN						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Sales	9,272	8,062	15.0	7,421	24.9	<ul style="list-style-type: none"> <li>We anticipate revenue to increase by 15% YoY owing to strong order book. Margin is expected to remain flat YoY.</li> </ul>
EBITDA	738	637	15.8	491	50.2	
EBITDA margin (%)	8.0	7.9	5.3bps	6.6	134.0bps	
Adjusted PAT	454	319	42.5	276	64.4	

SIRCA						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Sales (INR Mn)	1,234	1,055	17.0	1,142	8.0	<ul style="list-style-type: none"> <li>We anticipate Sirca to report a revenue growth of 17% YoY, backed by higher contribution from newly-acquired companies and strong home improvement demand. Meanwhile, margin is expected to improve by 173bps YoY to 19.7% due to better product mix.</li> </ul>
EBITDA (INR Mn)	243	190	28.3	226	7.8	
EBITDA margin (%)	19.7	18.0	173.0bps	19.7	-4.3bps	
Adjusted PAT (INR Mn)	158	133	19.2	142	11.5	



Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research	utsav.verma@choiceindia.com	+91 22 6707 9440
Prashanth Kumar Kota, CFA	Analyst – Basic Materials	prashanth.kota@choiceindia.com	+91 22 6707 9887
Dhanshree Jadhav	Analyst – Technology	dhanshree.jadhav@choiceindia.com	+91 22 6707 9535
Karan Kamdar	Analyst – Small and Midcaps	karan.kamdar@choiceindia.com	+91 22 6707 9451
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Ashutosh Murarka	Analyst – Cement & Infrastructure	ashutosh.murarka@choiceindia.com	+91 22 6707 9887
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Aayush Saboo	Sr. Associate – Real Estate	aayush.saboo@choiceindia.com	+91 22 6707 9512
Bharat Kumar Kudikyala	Sr. Associate – Building Materials and Mining	bharat.kudikyala@choiceindia.com	+91 22 6707 9521
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Kunal Bajaj	Sr. Associate – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Abhinav Kapadia	Sr. Associate – Capital Goods	abhinav.kapadia@choiceindia.com	+91 22 6707 9707
Vikrant Shah, CFA (ICFAI)	Sr. Associate – Banks	vikrant.shah@choiceindia.com	+91 22 6707 9887
Stuti Bagadia	Associate – Pharma	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Auto	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9535

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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

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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

### Other Ratings

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

### Sector View

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis 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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**Choice Equity Broking Private Limited-Research Analyst** - INH000000222. (CIN. NO.: U65999MH2010PTC198714). Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri(East), Mumbai 400099. Tel. No. 022-6707 9999

Compliance Officer--Prashant Salian, Email Id – Prashant.salian@choiceindia.com Contact no. 022- 67079999- Ext-2310

Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834. Email- ig@choiceindia.com

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