

FINANCIAL MODEL

PLANT VISIT

Rising Stars

2025

IMPORT
SUBSTITUTION

ORGANISED
VS
UNORGANISED

MANAGEMENT MEET

EXPORT
OPPORTUNITY

FAST GROWING
BUSINESSES

INDUSTRY
POTENTIAL

CAPACITY
EXPANSION

PEER ANALYSIS

VALUATION MODEL



Current Price*	Rs. 112.3
Target Price	Rs. 173.0
Upside	54.1%

*Closing price as on 20th Feb'25**STOCK DATA**

Industry Segment	Iron & Steel Products
BSE Code	543411
NSE Code	HITECH
Bloomberg Code	HITECH IN
52 Week High / Low (Rs.)	211/97
Face Value (Rs.)	1
Diluted Number of Shares (cr.)	20.3
Market Cap. (Rs cr.)	2,325
Avg. Yearly NSE Volume	13,36,410

SHAREHOLDING PATTERN (%)

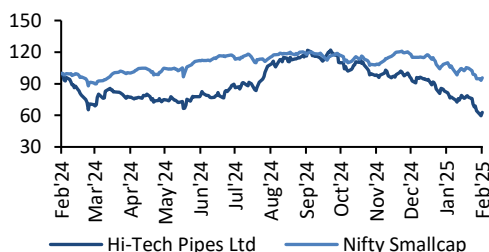
Particulars	Mar-24	Jun-24	Sep-24	Dec-24
Promoters	53.2	54.0	50.8	44.0
FII	0.4	1.8	9.3	9.8
DII	11.4	11.4	10.1	17.3
Public & Others	35.0	32.9	29.9	28.9
Total	100.0	100.0	100.0	100.0

RETURNS STATISTICS (%)

Particulars	1M	3M	6M	12M
Hi-Tech Pipes	(24.6)	(36.3)	(42.2)	(37.3)
S&P BSE SmallCap	(12.1)	(12.2)	(17.2)	(4.5)

Valuation and return ratio

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
P/E (x)	52.1	52.4	29.9	18.8	13.0
P/BV (x)	5.5	4.0	2.6	2.3	1.9
EV/EBITDA (x)	24.4	23.0	14.0	10.3	7.0
EV/Sales (x)	1.1	1.0	0.8	0.6	0.5
Mcap/Sales (x)	1.0	0.9	0.7	0.6	0.5
ROE (%)	9.0	7.6	8.6	12.0	14.9
ROCE (%)	14.0	10.7	12.6	16.1	19.7

Stock Performance (1-year)**Key Highlights of the 3QFY25 Result****Robust growth outlook for FY24-FY27E**

The company during the quarter reported 20.8%/27.4%/33.6% YoY increase in Revenue/EBITDA/PAT to Rs 761.0 cr/Rs 40.2 cr/Rs 19.1 cr respectively. The total sales volume increased by 26% YoY to 1.24 lakh tonnes in 3QFY25 vs 0.98 lakh tonnes, led by increased demand for steel tubes/structural steel products.

Volume, EBITDA/t & % Share of Value-added products (VAP) outlook: For FY25E/FY26E/FY27E, we have assumed sales volume of 0.49 mnt/0.59 mnt/0.74 mnt respectively (FY24-FY27E volume CAGR – 23.7%). We expect its blended EBITDA/t to increase to Rs 3,440/t/Rs 3,740/t/Rs 3,911/t in FY25E/FY26E/FY27E respectively from Rs 2,967/t in FY24 on the back of an increase in % share of value-added products to 50%+ in FY26 on a blended basis.

Growth drivers to boost the blended EBITDA/t and % share of VAP: The upcoming new capacities are majorly focused on value-added products (Gujarat, Sanand (Unit 2, Phase 2) and Sikandrabad) and are likely to be operational by end of FY25. This will aid in margin expansion and achieve 50%+ share of value-added products by FY26.

Distribution network: The company aims to increase its number of distributors by 10% over the next 12 to 18 months, from the current total of 450 to push volumes.

Maintain BUY with Price Target Rs 173.0/-

We believe, Hi-Tech pipes has mammoth growth prospects in the structural steel tubes space given its (a) Capacity expansion from 0.58 MTPA in FY23, 0.75 MTPA in FY24 to 1 MTPA in FY25E, (b) Transition from generic products to value-added products, (c) Product portfolio enhancement on back of Solar torque tubes, color coated roofing sheets and (d) Healthy demand for structural steel tube over medium and long term (Budgeted Allocation for Jal Jeevan Mission of Rs 67,000 cr in Union Budget 25-26). **At the CMP of Rs 112.3, the stock is currently trading at a P/E of 29.9x/18.8x/13.0x of its FY25E/FY26E/FY27E EPS of Rs 3.8/Rs 6.0/Rs 8.7 respectively. We value the stock at P/E of 20x FY27E EPS of Rs 8.7 to arrive at our TP of Rs 173.0, thus providing an upside potential of 54.1%.**

Financial Summary (Rs Cr)

Particulars	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	2385.8	2699.3	3100.5	3684.8	4675.5
<i>Growth (%)</i>	-	13.14%	14.86%	18.85%	26.89%
EBITDA	103.2	114.9	169.0	221.1	289.9
<i>Growth (%)</i>	-	11.29%	47.11%	30.84%	31.11%
Net Profit	43.6	43.9	77.1	122.3	177.4
<i>Growth (%)</i>	-	0.85%	75.52%	58.67%	45.01%
EPS (Rs)	2.2	2.1	3.8	6.0	8.7
<i>Growth (%)</i>	-	-0.60%	75.52%	58.67%	45.01%
DPS (Rs)	-	-	-	-	-
Div. Yield (%)	-	-	-	-	-

Source: Company, SSL Research

3QFY25 Result

Figures in Rs. Cr.

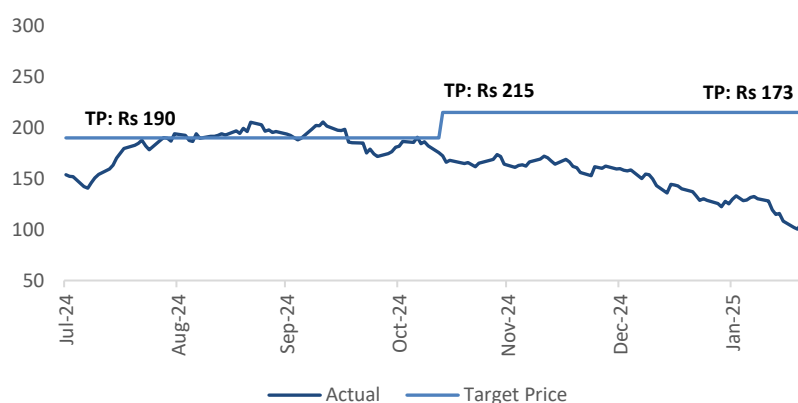
Quarter Ended	3QFY25	2QFY25	Q-O-Q % Change	3QFY24	Y-o-Y % Change	Comments
Net Sales	761.0	705.9	7.8	630.1	20.8	Highest ever quarterly sales volume of 1.24 lakh tonnes, up 26% YoY.
Other Income	0.4	1.0	(60.4)	0.4	(13.5)	
Total Income	761.4	706.9	7.7	630.5	20.8	
Total Operating Expenditure	720.8	663.7	8.6	598.5	20.4	
Material Cost	684.3	630.9	8.5	568.7	20.3	
As % of Sales	89.9	89.4	-	90.3	-	
Other Exp.	36.5	32.8	-	29.8	-	
As % of Sales	4.8	4.7	-	4.7	-	
EBITDA (Excl OI)	40.2	42.2	(4.6)	31.6	27.4	YoY EBITDA increase on the back of better operational efficiencies
EBITDA (Incl OI)	40.6	43.2	(5.9)	32.0	26.9	
Interest & Finance Cost	8.8	13.6	(35.4)	9.3	(5.4)	
PBDT	31.8	29.6	7.6	22.7	40.0	
Depreciation.	6.3	5.3	18.5	3.8	66.7	
PBT	25.6	24.3	5.3	19.0	34.7	
Tax	6.4	6.2	3.9	4.7	38.0	
Net Profit	19.1	18.1	5.7	14.3	33.6	Higher PAT on the back of lower interest cost
Operating Margins (%)	5.3	6.0		5.0		
Net Profit Margins (%)	2.5	2.6		2.3		
Tax Rate (%)	25.2	25.5		24.6		
Equity (Rs cr)	20.3	17.6		13.7		
FV (Rs)	1.0	1.0		1.0		
EPS (Rs)	0.9	1.0		1.0		
Cash EPS (Rs)	1.3	1.3		1.3		

Estimate Revision

Particulars (Rs. cr)	New Estimate			Old Estimate			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	3100.5	3684.8	4675.5	3151.3	4024.8	5165.7	-1.6%	-8.4%	-9.5%
EBITDA	169.0	221.1	289.9	171.7	241.5	320.3	-1.59%	-8.5%	-9.5%
EBITDA Margin (%)	5.5	6.0	6.2	5.4	6.0	6.2	0.9%	0.0%	0.0%
Adj. PAT	77.1	122.3	177.4	79.2	137.5	200	-2.64%	-11.0%	-11.3%
EPS (Rs. Per share)	3.8	6.0	8.7	3.9	6.7	9.8	-3.6%	-10.9%	-11.7%

Source: SSL Research

Target Price History



Financial Statements

Income Statement

Figures in Cr.

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Revenue from Operations	2,385.8	2,699.3	3100.5	3684.8	4675.5
% YoY growth	27.0%	13.1%	14.9%	18.8%	26.9%
Cost Of Revenues (incl Stock Adj)	2,174.3	2,462.5	2798.2	3316.3	4198.6
Gross Profit	211.5	236.8	302.3	368.5	476.9
Gross margins	8.9%	8.8%	9.8%	10.0%	10.2%
Employee Cost	26.4	31.5	34.1	36.8	46.8
Other Operating Expenses	81.9	90.5	99.2	110.5	140.3
EBITDA	103.2	114.9	169.0	221.1	289.9
EBITDA margins	4.3%	4.3%	5.5%	6.0%	6.2%
Other Income	2.3	1.2	2.1	2.0	1.5
Net Interest Exp.	35.3	41.9	46.7	35.5	27.3
Depreciation	13.8	15.5	20.9	23.3	25.9
Exceptional Items	-6.5	0.0	0.0	0.0	0.0
PBT	49.9	58.7	103.5	164.2	238.1
Tax	12.8	14.8	26.4	41.9	60.7
Adj PAT	43.6	43.9	77.1	122.3	177.4
PAT margin (%)	1.8%	1.6%	2.5%	3.3%	3.8%
Adj. EPS	2.2	2.1	3.8	6.0	8.7

Balance Sheet

Figures in Cr.

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Assets					
Net Block	286.5	354.4	460.8	517.4	544.0
Capital WIP	36.4	62.3	35.0	15.0	12.5
Intangible Assets under development	0.6	0.5	0.5	0.5	0.5
Other Noncurrent Assets	40.7	45.9	45.9	45.9	45.9
Current Assets					
Current Investment	-	-	2.0	7.0	12.0
Inventories	306.8	346.7	366.9	420.6	501.7
Trade receivables	185.5	280.2	280.5	305.1	361.0
Cash and Bank Balances	21.2	26.0	233.7	234.7	199.4
Short-term loans and advances	-	-	-	-	-
Other Current Assets	37.9	62.7	62.7	62.7	62.7
Total Current Assets	551.3	715.6	945.7	1,030.1	1,136.9
Current Liabilities & Provisions					
Trade payables	174.2	157.3	182.5	241.5	245.2
Other current liabilities	52.7	45.6	66.7	78.5	98.4
Short-term provisions	9.9	3.5	12.9	15.4	19.5
Total Current Liabilities	236.8	206.5	262.1	335.4	363.2
Net Current Assets	314.5	509.1	683.6	694.7	773.7
Total Assets	678.7	972.2	1,225.9	1,273.6	1,376.7
Liabilities					
Share Capital	12.8	15.0	20.5	20.5	20.5
Reserves and Surplus	405.3	561.4	874.0	996.3	1,173.7
Total Shareholders' Funds	418.1	576.4	894.4	1,016.8	1,194.2
Minority Interest	-	-	-	-	-
Total Debt	235.1	365.8	300.8	225.8	150.8
Long Term Provisions	1.2	1.5	2.1	2.5	3.1
Other Long-Term Liabilities	22.0	26.1	26.1	26.1	26.1
Net Deffered Tax Liability	2.3	2.5	2.5	2.5	2.5
Total Liabilities	678.7	972.2	1,225.9	1,273.6	1,376.7

Cash Flow

Figures in Cr.

Particulars	FY23	FY24	FY25E	FY26E	FY27E
PBT	56.4	58.7	103.5	164.2	238.1
Depreciation & Amortization	13.8	15.5	20.9	23.3	25.9
Other Adjustments	34.0	40.9	46.7	35.5	27.3
(Inc) / Dec in Working Capital	44.7	(198.9)	35.7	(4.7)	(108.6)
Taxes	(15.1)	(11.3)	(26.4)	(41.9)	(60.7)
Cash from Ops.	133.7	(95.2)	180.4	176.5	122.0
Capital Expenditure & investments	(104.2)	(118.7)	(102.0)	(65.0)	(55.0)
Cash from Investing	(104.2)	(118.7)	(102.0)	(65.0)	(55.0)
Issue of Share capital	122.3	114.6	241.0	-	-
Net Borrowings	(129.4)	155.8	(65.0)	(75.0)	(75.0)
Others	(20.8)	(55.7)	(46.7)	(35.5)	(27.3)
Issuance of Dividend	(0.6)	(0.3)	-	-	-
Cash from Financing	(28.5)	214.3	129.3	(110.5)	(102.3)
Extraordinary receipts/payment	-	-	-	-	-
Net Change in Cash	1.0	0.4	207.7	1.0	(35.3)
BF Cash	0.9	1.9	2.3	210.0	211.0
Forex & Others	-	-	-	-	-
Other Bank Balances	19.3	23.7	23.7	23.7	23.7
Cash in hand	21.2	26.0	233.7	234.7	199.4
FCF	64.4	(204.4)	80.4	116.5	72.0

Key Ratios

Particulars	FY23	FY24	FY25E	FY26E	FY27E
Profitability					
Return on Capital Employed (%)	14.0	10.7	12.6	16.1	19.7
Return on Equity (%)	9.0	7.6	8.6	12.0	14.9
Margin Analysis					
Gross Margin (%)	8.9	8.8	9.8	10.0	10.2
EBITDA Margin (%)	4.3	4.3	5.5	6.0	6.2
Net Income Margin (%)	1.6	1.6	2.5	3.3	3.8
Short-Term Liquidity					
Current Ratio (x)	1.5	1.5	2.0	2.2	2.6
Quick Ratio (x)	0.6	0.8	1.3	1.3	1.4
Avg. Days Sales Outstanding	28	38	33	30	28
Avg. Days Inventory Outstanding	47	47	43	42	39
Avg. Days Payables	27	21	21	24	19
Fixed asset turnover (x)	7.7	7.1	6.4	6.2	7.1
Debt-service coverage (x)	2.9	2.7	3.6	6.2	10.6
Long-Term Solvency					
Total Debt / Equity (x)	0.6	0.6	0.3	0.2	0.1
EBITDA / Interest Expense (x)	2.6	2.4	3.2	5.6	9.7
Valuation Ratios					
EV/EBITDA (x)	24.4	23.0	14.0	10.3	7.0
P/E (x)	52.1	52.4	29.9	18.8	13.0
P/B (x)	5.5	4.0	2.6	2.3	1.9

Our recent Rising Star recommendations and price performance

Sr.No.	Company Name	NSE Symbol	Initiated Date	Initiated Price	CMP*	Return (%) since initiated date	Latest rec. Date	Latest Target	High price since initiation	Return (%) based on High price since initiation
1	APL Apollo Tubes Ltd.	APLAPOLLO	25-Apr-23	1,219.0	1,476.3	21.1	21-Jan-25	1,801.0	1,800.0	47.7
2	Stylam Industries Ltd.	STYLAMIND	27-Apr-23	1,150.0	1,669.4	45.2	11-Feb-25	2,224.0	2,735.0	137.8
3	Star Cement Ltd.	STARCEMENT	05-May-23	123.2	210.6	70.9	12-Feb-25	232.0	256.0	107.8
4	JK Lakshmi Cement Ltd.	JKLAKSHMI	24-May-23	705.0	705.8	0.1	14-Feb-25	872.0	999.9	41.8
5	Dhanuka Agritech Ltd.	DHANUKA	29-May-23	711.0	1,320.3	85.7	05-Feb-25	1,694.0	1,925.8	170.9
6	Zen Technologies Ltd.	ZENTEC	12-Jul-23	520.0	1,113.7	114.2	19-Feb-25	1,484.6	2,627.0	405.2
7	SJS Enterprises Ltd.	SJS	05-Oct-23	680.0	873.7	28.5	20-Feb-25	1,210.0	1,347.0	98.1
8	KPI Green Energy Ltd.	KPIGREEN	17-Nov-23	259.6	414.8	59.8	13-Feb-25	549.0	745.3	187.1
9	Syrma SGS Technology Ltd.	SYRMA	06-Dec-23	590.0	446.0	(24.4)	31-Jan-25	680.0	705.0	19.5
10	Senco Gold Ltd.	SENCO	11-Dec-23	360.8	335.7	(7.0)	19-Feb-25	431.0	772.0	114.0
11	Hi-Tech Pipes Ltd.	HITECH	31-Jul-24	149.0	112.3	(24.6)	21-Feb-25	173.0	210.9	41.5
12	Aditya Birla Capital Ltd.	ABCAPITAL	22-Aug-24	222.2	158.2	(28.8)	05-Feb-25	280.0	244.0	9.8
13	Lumax Auto Technologies Ltd.	LUMAXTECH	27-Dec-24	625.8	555.4	(11.2)	20-Feb-25	857.0	684.8	9.4

*CMP is closing price as of 20th Feb,2025

Moved to Soft Coverage

Sr.No.	Company Name	NSE Symbol	Initiated Date	Initiated Price	Close price	Return (%) since initiated date	High Price Since Initiation	Return (%) based on High price since initiation	Comments
1	Satin Creditcare Network Ltd.	SATIN	10-Jan-24	259.0	198.0	(23.6)	284.0	9.7	Exited on 27 th Sep'24 due to Microfinance industry under stress.

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017

Research Analyst : INH000000602 | IRDA : CA0103 | PFRDA Registration No: POP 26092018

Registered & Corporate Office: Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg,
Mafatlal Mill Compound, Lower Parel East, Mumbai 400013For any information contact us: **(022) 6854 5555****E-mail: helpdesk@sbicapsec.com | Web: www.sbicapsec.com****DISCLOSURES & DISCLAIMERS:**

Analyst Certification: The views expressed in this research report ("Report") accurately reflect the personal views of the research analysts ("Analysts") employed by SBICAP Securities Limited (SSL) about any and all of the subject issuer(s) or company(ies) or securities. This report has been prepared based upon information available to the public and sources, believed to be reliable. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

The Analysts engaged in preparation of this Report or his/her relative:-

(a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report.

The Analysts engaged in preparation of this Report:-


(a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

Name	Qualification	Designation
Sudeep Shah	MMS-Finance	DVP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Sweta Padhi	MBA (Finance)	Research Analyst - Equity Fundamentals
Gautam Updhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ghanshyam Gupta	MBA (Finance)	Research Analyst - Currency Derivatives
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Uday Chandgothia	B.Tech (Mech), MBA (Finance)	Research Associate - Equity Fundamentals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

For other Disclosures please visit: https://bit.ly/R_disclaimer02


Sudeep Shah

DVP – Technical & Derivative Research


Sunny Agrawal

DVP – Fundamental Research