

May 21, 2026

Outperforming Q4; Growth momentum to sustain

About the stock: Prince Pipes and Fittings Ltd. (PPFL) is one of the largest domestic manufacturers of PVC pipes with a market share of ~5%.

- It has 9 manufacturing units, with a combined capacity of ~4.35 LTPA, across India.
- It has a strong network of over 1500+ distributors.

Q4FY26 performance: Prince Pipes and Fittings reported strong Q4FY26 performance with highest ever quarterly sales volume of 62,167 MT (up 23% YoY/46% QoQ). Revenue increased 18% YoY to ₹ 850 crore, while EBITDA surged 100% YoY to ₹ 110 crore. EBITDA margin expanded sharply to 13% (up by 527bps YoY) driven by high gross margins of 29% (up by 380bps YoY) and improved operational efficiency. PAT rose 132% YoY to ₹ 56 crore with margins of 6.6% (up by 324 bps YoY). For FY26, volumes increased 8% YoY to 1,91,238 MT, while revenue grew marginally to ₹ 2,598 crore. EBITDA increased 43% YoY to ₹ 232 crore, with EBITDA margin improving to 9% (up by 250bps YoY). Adj. PAT (adjusted for exceptional item of ₹ 2 crore) rose 74% YoY to ₹ 75 crore. The Board also recommended a final dividend of ₹ 1/share for FY26.

Investment Rationale

- Eyeing volume growth of 12-15% YoY for FY27:** The company is targeting volume growth of 12-15% YoY for FY27 (8% YoY in FY26) as it expects benefits sustaining from increasing retail contribution (currently at 30%), channel partner additions (thousands of dealers added over trailing few quarters), industry consolidation (addition of dealers from unorganised players and peers too) and rising value-added product share (target 27-28% in FY28). It retained its EBITDA margin guidance of 11-12% for FY27 which would be aided by 1) pricing mix 2) product mix 3) de-centralising benefits from Bihar plant and 4) product innovation. On working capital front, it is in the range of 65-75 days with respect to inventory while targets 10 days reduction in debtor days (50 days in FY26) by FY27 end.
- Capex guidance of ₹ 200-210 crore for FY27:** The company would continue to focus on increasing capacity utilisations at Telangana (underutilised) & Bihar (60% reached during Q4FY26) plants. It would be incurring capex of ~₹ 200-210 crore in FY27 towards building state of the art warehouses to increase its inventory storage capacity, de-bottlenecking of specific products at few plants and second tranche of investment for Aquel brand (~₹ 40-45 crore done in April 2026). On bathware, it retained its breakeven target by Q3FY27 on achieving ₹ 20-25 crore quarterly revenue run-rate.

Rating and Target Price

- We estimate its revenues/EBITDA/PAT to grow at a CAGR of ~13%/31%/56% over FY26-FY28E. We retain BUY with an unchanged Target Price of ₹ 370/- i.e. 23x P/E on FY28E.

Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2-Year CAGR (FY24-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	2569	2524	2598	0.6%	2892	3301	12.7%
EBIDTA	307	162	232	-13.2%	311	395	30.5%
EBIDTA Margins(%)	12.0	6.4	8.9		10.8	12.0	
Adjusted PAT	165	43	75	-32.4%	128	182	55.6%
EPS (Rs.)	14.9	3.9	6.8		11.5	16.5	
P/E (x)	18.3	70.0	40.1		23.7	16.6	
EV to EBIDTA (x)	9.9	19.8	13.1		9.6	7.4	
RoNW (%)	10.7	2.7	4.5		7.2	9.4	
RoCE (%)	13.8	3.3	6.6		9.3	12.3	

Source: Company, ICICI Direct Research



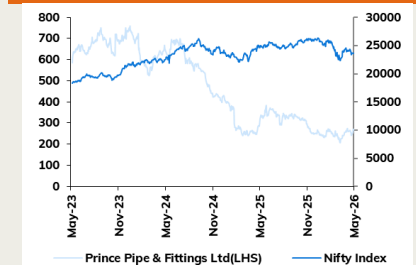
Particulars

Particular	₹ crore
Market Capitalisation	2985
Gross Debt (FY26)	140
Cash (FY26)	129
EV (₹crore)	2996
52 week H/L	388/205
Equity capital	111
Face value	10

Shareholding pattern

Particular	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	60.9	60.9	60.9	61.0
FIIIs	3.8	3.7	3.5	3.5
DIIIs	15.7	16.0	15.6	15.5
Others	19.6	19.4	19.9	20.0

Price Chart



Key risks

- Sharp decline in PVC/CPVC resin prices
- Slowdown in agriculture, infrastructure, real estate sectors

Research Analyst

Ronald Siyoni
ronald.siyoni@icicisecurities.com

Riddhi Gupta
riddhi.gupta@icicisecurities.com

Recent earnings call highlights:

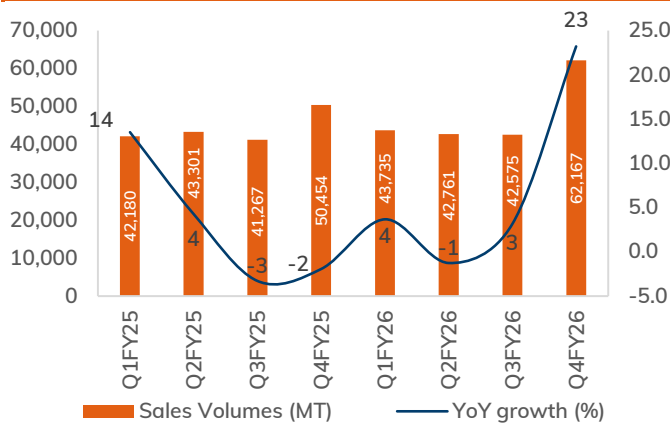
- **Guidance:** Management has guided for 12-15% YoY volume growth in FY27, as it expects benefits sustaining from increasing retail contribution, channel partner additions, industry consolidation and rising value-added product share. It retained its EBITDA margin guidance of 11-12% for FY27 which would be aided by 1) pricing mix 2) product mix 3) de-centralising benefits from Bihar plant and 4) product innovation.
- **Industry Outlook:** Industry demand remained weak in April due to dealer destocking after PVC price correction; however, secondary demand improved in May. Management highlighted that competitive pricing, inventory gain pass-through, and strong supply-chain execution helped channel partners avoid major inventory losses, enabling market share gains from unorganized players. The company has added thousands of retailers and expanded distributor presence, particularly in white-space markets across South and East India. Management believes deeper retail penetration and direct retailer incentive programs will make market share gains more sustainable over the long term.
- **Margin Outlook:** Q4FY26 margins improved due to the absence of inventory losses, strong operating leverage (as volumes surged 23%), and a better product mix led by CPVC and PPR products. Management guided sustainable EBITDA margins of 11-13% for FY27.
- **Working capital improvement:** Net working capital days improved materially to 45 days (vs 98 days in FY25) led by lower inventory days reducing to 70 (from 88) and receivable days improving to 51. In FY27, company plans to decrease its debtor days by 10-15 days (from 51 days in FY26) and targets tighter inventory management practices, maintaining inventory days (including raw material and finished goods inventory) in the range of 65-75 days, which indicates strengthening operational discipline.
- **Capex:** Management has guided for FY27 capex of ₹ 200-210 crore, (including ₹ 40-45 crore towards the Aquel acquisition). No major pipe capacity additions are planned during the year, with the company instead focusing on improving utilization levels at its South India plants.
- **Bathware:** Company completed the second phase of its asset acquisition related to the Aquel bathware business on 7th April, 2026, including manufacturing infrastructure in Gujarat. The company also inaugurated a new experience center in Vadodara to strengthen customer outreach and brand visibility. Bathware revenue stood at ~₹ 16 crore in Q4FY26, while losses were ₹ 5 crore. Management expects the segment to break even at quarterly revenue run rate of ₹ 20-25 crore, which is likely to be achieved by Q2/Q3FY27.
- **New Product Addition:** Company strengthened its premium product portfolio with the launch of DECULO, a low-noise polypropylene pipe system designed for modern infrastructure applications. DECULO offers superior strength, durability, chemical resistance, enhanced flow performance, and significant noise reduction. Management highlighted that the product is powered by German technology and manufactured in India, reinforcing the company's focus on innovation, premiumization, and value-added product offerings.

Exhibit 1: Quarterly Analysis

	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments
Operating Income	850	720	18.1	573	48.3	Piping Volumes were up 23% YoY.
Other Income	5	6	-19.8	2	135.9	Bathware revenue stood at ₹ 16 crore
Total Revenue	855	725	17.8	575	48.6	
Raw Materials Costs	581	517	12.4	419	38.8	
Employees Expenses	51	46	9.5	47	7.7	
Other Expenses	109	102	7.1	80	36.6	
Total Expenditure	740	665	11.4	545	35.8	
EBITDA	110	55	99.9	28	292.9	Gross margin expansion boosted EBITDA
EBITDA Margins (%)	12.8	7.6	527bps	4.8	798bps	margins. Bathware loss of ₹ 5 cr.
Interest	4	3	28.3	-4	-	
Depreciation	34	27	25.7	34	2.2	
Exceptional items	0	0	-	-2	-	
PBT	76	30	152.6	-2	-	
Tax	20	6	238.9	0	-	
Adj. PAT	56	24	132.1	0	-	

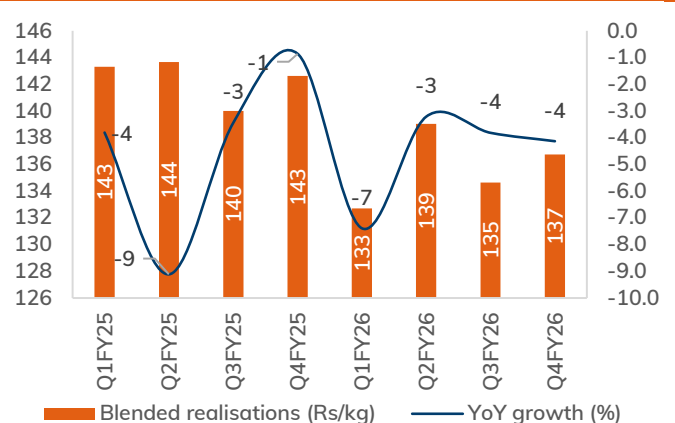
Source: Company, ICICI Direct Research

Exhibit 2: Sales Volume trend



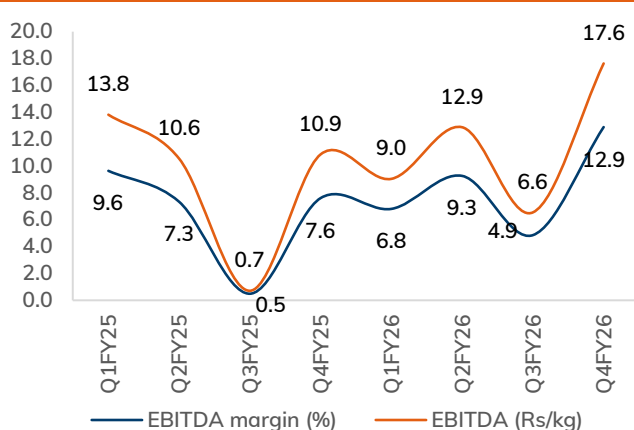
Source: Company, ICICI Direct Research

Exhibit 3: Blended realisation trend



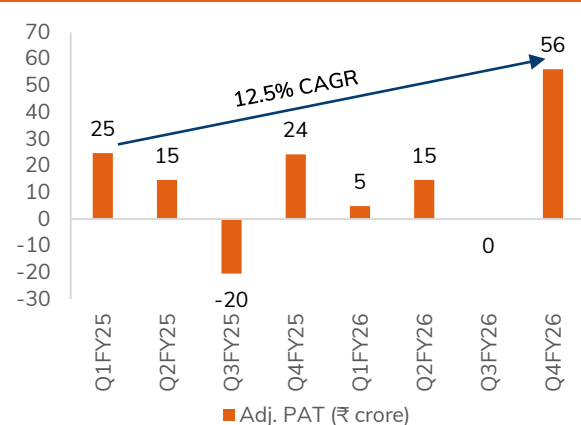
Source: Company, ICICI Direct Research

Exhibit 4: EBITDA trend



Source: Company, ICICI Direct Research

Exhibit 5: PAT trend



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 6: Profit and loss statement

₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	2524	2598	2892	3301
Growth (%)	-1.7%	2.9%	11.3%	14.1%
Operating Expenses	1884	1894	2031	2287
Gross Profit	640	704	861	1014
Gross Profit Margins (%)	25.4%	27.1%	29.8%	30.7%
Employee Expenses	174	184	203	223
Other Expenditure	304	288	347	396
Total Operating Exp.	2362	2367	2580	2906
EBITDA	162	232	311	395
Growth (%)	-47.4%	43.1%	34.4%	26.7%
Interest	10	10	9	5
Depreciation	107	131	141	153
Other Income	14	11	13	14
PBT before Excl. item	59	102	175	250
Total tax	16	27	47	67
PAT before MI	43	75	128	182
Income from Associates	0	0	0	0
Exceptional items	0	-2	0	0
PAT	43	73	128	182
Growth (%)	-73.8%	69.7%	74.3%	42.8%
EPS (Adjusted)	3.9	6.8	11.5	16.5

Source: Company, ICICI Direct Research

Exhibit 7: Cash Flow Statement

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/loss after taxation	59	102	175	250
Add: Dep. & Amortization	107	131	141	153
Change in working capital	-32	278	-18	-67
Total tax paid	-28	-3	-47	-67
Others	13	19	0	0
CF from operating activities	119	526	250	268
(Purchase)/Sale of Fixed Assets	-254	-210	-205	-205
Others	19	-117	0	0
CF from Investing activities	-235	-327	-205	-205
(inc)/Dec in Loan	99	32	-50	-50
Divident & Divident tax	-11	6	-6	-6
Equity raised	0	0	0	0
Others	33	-191	0	0
CF from Financing activities	121	-153	-56	-56
Net Cash Flow	5	46	-11	8
Opening Cash & Cash Equivalent	78	83	129	118
Closing Cash & Cash Equivalent	83	129	118	126

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet

₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	111	111	111	111
Reserve and Surplus	1466	1534	1656	1833
Total Shareholders funds	1576	1645	1767	1943
Minority Interest	0	0	0	0
Total Debt	264	140	90	40
Deferred Tax Liability	19	24	24	24
Long-Term Provisions	22	26	26	26
Other Non Current Liabilities	6	1	1	1
Total Liabilities	1888	1835	1907	2034
Net Block	960	1066	1131	1182
Capital WIP	20	24	24	24
Fixed Assets	980	1090	1154	1205
Goodwill & Other intangible assets	0	2	2	2
Investments	27	148	148	148
Other non-Current Assets	53	23	23	23
Inventory	609	495	376	423
Debtors	423	363	396	452
Other Current Assets	130	172	172	172
Loans & Advances	0	0	9	10
Cash	83	129	118	126
Total Current Assets	1245	1160	1070	1183
Creditors	261	392	295	332
Provisions	4	4	4	4
Other Current Liabilities	167	192	192	192
Total Current Liabilities	431	589	492	529
Net Current Assets	814	571	579	654
Deferred Tax Asset	14	0	0	0
Application of Funds	1888	1835	1907	2034

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Adjusted EPS	3.9	6.8	11.5	16.5
Cash EPS	10.8	47.6	22.6	24.3
BV per share	142.6	148.7	159.8	175.8
Dividend per share	0.5	1.0	0.5	0.5
Operating Ratios (%)				
Gross Profit Margins	25.4	27.1	29.8	30.7
Operating EBITDA margins (%)	6.4	8.9	10.8	12.0
(Adjusted) PAT Margins	1.7	2.8	4.4	5.5
Cash Conversion Cycle	112	66	60	60
Fixed asset turnover (x)	2.6	2.4	2.5	2.7
Return Ratios (%)				
RoE	2.7	4.5	7.2	9.4
RoCE	3.3	6.6	9.3	12.3
RoIC	2.5	4.5	7.8	10.5
Valuation Ratios (x)				
P/E	69.2	39.7	23.7	16.6
EV / EBITDA	19.6	12.9	9.6	7.4
EV / Net Sales	1.3	1.2	1.0	0.9
Market Cap / Sales	1.2	1.1	1.0	0.9
Price to Book Value	1.9	1.8	1.7	1.6
Solvency Ratios				
Debt / EBITDA	1.6	0.6	0.3	0.1
Debt / Equity	0.2	0.1	0.1	0.0

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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