Ratnaveer Precision Engineering (RATPRE)

CMP: ₹405 | Target ₹ 555 (37%) | Target Period: 12 months | BUY

November 27, 2026

The CCL catalyst: unlocking new growth story...

About the stock: Ratnaveer Precision Engineering (RPEL), is a Gujarat based stainless steel (SS) product manufacturer focused on producing finished sheets, washers, solar roofing hooks, pipes and tubes. The company is now diversifying into high-growth electronics materials through its upcoming Copper Clad Laminate (CCL) manufacturing facility.

- SS finishing line sheets contributed ~53% to total revenues in FY26 followed by SS washers (~15%), sheet metal components (~11%), others (21%).

Investment Rationale:

- **Strong revenue visibility driven by CCL expansion and robust customer commitments:** Ratnaveer has significantly upgraded its growth outlook, projecting CCL revenue of ₹2,005 crore by FY29, compared with ₹653 crore in FY28 and ₹50 crore in FY27. The company has already secured customer commitments and orders covering nearly 50% of its planned CCL capacity of 79.2 lakh sheets annually, providing strong demand visibility ahead of commercial production. With five production lines scheduled for phased commissioning between February 2027 and June 2028, the CCL business is expected to emerge as a key growth driver, supported by domestic supply shortages and increasing PCB manufacturing demand.
- **Significant earnings growth and margin expansion supported by business diversification:** The company has revised its financial outlook, targeting consolidated revenue of ₹3,914 crore and EBITDA of ₹775 crore by FY29, implying substantial growth from FY27 projected revenue of ₹1,414 crore and EBITDA of ₹180 crore. The CCL business is expected to contribute EBITDA of ₹519 crore at a margin of 26%, significantly improving the consolidated EBITDA margin to 20% by FY29 from 13% in FY27. Additionally, ECMS-linked capital subsidy on eligible project costs is expected to lower the effective investment burden and improve project economics. The combination of the established stainless-steel business and high-margin CCL operations provides scope for operating leverage and earnings diversification.
- **Addressing a Large and Underpenetrated CCL Market with Strong Structural Demand Tailwinds:** Ratnaveer is strategically entering the Copper Clad Laminate (CCL) market, a critical raw material for PCB manufacturing and an essential component across data centres, semiconductors, drones and electronic appliances. India's CCL market is expected to reach nearly ₹30,000 crore by 2031, while the domestic PCB market is projected to expand to ₹1.76 lakh crore by 2032, providing a significant long-term growth opportunity amid rising electronics manufacturing and import substitution. Ratnaveer's planned investment of ₹338 crore, supported by ECMS approval, positions it among the early domestic integrated CCL manufacturers.

Rating and Target Price: We estimate Revenue & PAT to grow at ~43.4% & ~71% CAGR respectively over FY26-28E. Thus, we value the company at **25x FY28E EPS** to arrive at a fair value of **₹555 with a Buy Rating**.

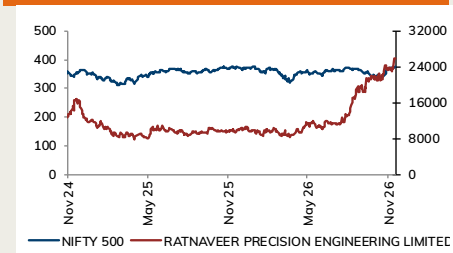
Particulars

	Rs. (in crore)
Market Capitalisation	3,404
Total Debt (FY26)	335
Cash and Inv. (FY26)	269
Enterprise Value	3470
52-week H/L (Rs.)	410/129
Equity capital	68.2
Face value (Rs.)	10

Shareholding pattern

%	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	42.6	42.7	45.5	38.7
FII	8.4	7.3	3.5	3.3
DII	2.6	2.5	2.0	1.2
Public	46.5	47.4	49.0	56.9

Price Chart



Key risks

(i) Slowdown in industrial capex

(ii) High working capital requirement

Research Analyst

Chirag Shah
shah.chirag@icicisecurities.com

Dilip Pandey
dilip.pandey@icicisecurities.com

Gourav Aggarwal
gourav.aggarwal@icicisecurities.com

Key Financial Summary

Rs crore	FY24	FY25	FY26	2 Year CAGR (FY24-26)	FY27E	FY28E	2 Year CAGR (FY26-28E)
Revenues	595	892	1,069	34.0	1,365	2,199	43.4
EBITDA	50	86	112	49.8	143	328	70.9
EBITDA margin (%)	8.4	9.7	10.5		10.5	14.9	
Net Profit	31	47	64	43.9	77	187	70.4
Diluted EPS (Rs)	4.6	6.9	9.4		9.2	22.2	
P/E (x)	88.8	58.9	42.9		44.2	18.2	
EV/EBITDA (x)	58.1	33.4	25.2		20.1	9.4	
RoCE (%)	11.1	13.0	9.6		8.1	16.3	
RoE (%)	12.3	12.6	9.6		7.1	14.7	

Source: Company, ICICI Direct Research

Financial summary

Exhibit 1: Profit and loss statement ₹ crore

Year-End March	FY25	FY26	FY27E	FY28E
Revenue	892	1,069	1,365	2,199
% Growth	49.8	19.8	27.7	61.1
Other income	4.0	9.7	9.0	9.0
Total Revenue	892	1,069	1,365	2,199
% Growth	49.8	19.8	27.7	61.1
Total Raw Material Costs	755	893	1,142	1,748
Employee Expenses	10.3	13.2	16.4	24.2
other expenses	40.7	50.7	62.8	98.9
Total Operating Expenditure	805	957	1,222	1,871
Operating Profit (EBITDA)	86.4	112.2	143.3	327.6
% Growth	72.8	29.9	27.7	128.6
Interest	12.7	20.5	22.0	35.0
PBDT	77.7	101.4	130.3	301.6
Depreciation	17.1	25.4	32.8	52.8
PBT before Exceptional Items	60.7	76.0	97.6	248.9
Total Tax	13.8	11.7	20.5	62.2
PAT before MI	47	64	77	187
PAT	47	64	77	187
% Growth	50.8	37.4	19.9	142.2
Diluted EPS	9.3	9.4	9.2	22.2

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

Year-End March	FY25	FY26	FY27E	FY28E
Profit after Tax	47	64	77	187
Depreciation	17.1	25.4	32.8	52.8
Interest	12.7	20.5	22.0	35.0
Cash Flow before WC changes	77	110	132	274
Changes in inventory	(48)	3	(103)	(240)
Changes in debtors	(21)	(109)	(12)	(102)
Changes in loans & Advances	-	-	-	-
Changes in other current assets	(27.3)	(119.0)	(14.8)	(125.1)
Net Increase in Current Assets	(96.4)	(224.4)	(130.4)	(467.1)
Changes in creditors	76.7	101.7	(16.7)	125.7
Changes in provisions	0.7	0.2	1.9	2.5
Net Inc in Current Liabilities	115.9	70.6	42.1	169.9
Net CF from Operating activities	96	(44)	44	(23)
Changes in deferred tax assets	-	-	-	-
(Purchase)/Sale of Fixed Assets	(138)	(110)	(413)	(120)
Net CF from Investing activities	(137)	(106)	(415)	(122)
Dividend and Dividend Tax	-	-	-	-
Net CF from Financing Activities	47	353	381	35
Net Cash flow	6.3	203.6	9.8	(110.3)
Opening Cash/Cash Equivalent	60	66	269	279
Closing Cash/ Cash Equivalent	66	269	279	169

Source: Company, ICICI Direct Research

Exhibit 3: Balance sheet ₹ crore

Year-End March	FY25	FY26	FY27E	FY28E
Equity Capital	53	68	84	84
Reserve and Surplus	318	601	996	1,182
Total Shareholders' funds	371	669	1,080	1,266
Total Debt	195	335	405	475
Deffered tax Liab	13	20	20	20
Total Liabilities	579	1,024	1,505	1,761
Gross Block	233	310	430	750
Acc: Depreciation	47	68	101	154
Net Block	186	242	329	596
Capital WIP	54	82	375	175
Total Fixed Assets	240	324	704	771
Non-Current Assets	11	14	16	19
Inventory	293	289	393	633
Debtors	66	175	187	289
Other Current Assets	71	190	205	330
Cash	66	269	279	169
Total Current Assets	496	924	1,064	1,421
Current Liabilities	121	222	206	331
Other Current Liab	46	15	74	118
Total Current Liabilities	167	238	280	449
Net Current Assets	329	686	784	971
Total Assets	579	1,024	1,505	1,761

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

Year-End March	FY25	FY26	FY27E	FY28E
Diluted EPS	6.9	9.4	9.2	22.2
Cash per Share	13.6	39.6	33.2	20.1
BV	76.5	98.3	128.4	150.6
EBITDA Margin	9.7	10.5	10.5	14.9
PAT Margin	5.2	6.0	5.6	8.5
RoE	12.6	9.6	7.1	14.7
RoCE	13.0	9.6	8.1	16.3
RoIC	13.9	11.8	9.2	17.5
EV / EBITDA	33.4	25.2	20.1	9.4
P/E	58.9	42.9	44.2	18.2
EV / Net Sales	3.2	2.6	2.1	1.4
Sales / Equity	2.4	1.6	1.3	1.7
Market Cap / Sales	3.1	2.6	2.0	1.3
Price to Book Value	5.3	4.1	3.2	2.7
Asset turnover	1.6	1.1	0.9	1.3
Debtors Turnover Ratio	16.2	8.9	7.5	9.2
Creditors Turnover Ratio	10.8	6.2	6.4	8.2
Debt / Equity	0.5	0.5	0.4	0.4
Current Ratio	3.5	2.9	3.7	3.7
Quick Ratio	1.1	1.6	1.9	1.8

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

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

ANALYST CERTIFICATION

I/We, Chirag Shah, PGDBM, Dilip Pandey, MBA, Gourav Aggarwal, MBA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

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

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions".