20 May 2026

4QFY26 Results Update | Sector: Midcaps

Prince Pipes and Fittings

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	PRINCPIP IN
Equity Shares (m)	111
M.Cap.(INRb)/(USDb)	29.3 / 0.3
52-Week Range (INR)	388 / 205
1, 6, 12 Rel. Per (%)	6/-1/-3
12M Avg Val (INR M)	101

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	26.0	31.1	36.4
EBITDA	2.3	3.3	4.1
PAT	0.7	1.5	2.1
EBITDA (%)	8.9	10.5	11.2
EPS (INR)	6.8	13.7	18.7
EPS Gr. (%)	73.2	101.6	36.3
BV/Sh. (INR)	365.4	396.4	439.6
Ratios			
Net D/E	-0.1	-0.1	-0.1
RoE (%)	4.6	8.8	10.9
RoCE (%)	4.5	8.4	10.5
Payout (%)	15.1	7.3	5.4
Valuations			
P/E (x)	39.0	19.4	14.2
EV/EBITDA (x)	12.0	8.5	6.5
Div Yield (%)	0.4	0.4	0.4
FCF Yield (%)	10.6	-0.3	5.1

Shareholding Pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	61.0	60.9	60.9
DII	15.5	15.6	15.0
FII	3.5	3.5	6.2
Others	20.0	19.9	17.9

Note: FII includes depository receipts

CMP: INR265 TP: INR330 (+24%) Buy

Volume-led strong operating performance

Earnings miss estimates

- Prince Pipes and Fittings (PRINCPIP) posted a robust quarter, driven by strong volume growth of 23% YoY, leading to operating leverage-led margin expansion of 530bp YoY. Inventory gains during the quarter were entirely passed on to distributors and channel partners to support faster inventory movement (helped reduce working capital days) and foster better relations with them, aiding market share gains (reflected in volume growth).
- With volatility persisting due to the West Asia conflict, Apr'26 witnessed inventory destocking, leading to lower volumes, while May'26 saw strong primary volume growth. FY26 witnessed healthy improvement in working capital days and liquidity, which management expects to improve further in FY27.
- Despite a miss in our 4Q estimates, we largely maintain our FY27/FY28 earnings estimate on the back of healthy volume growth (12-15%) and margin guidance (11-13%) for FY27. We value the stock at 18x FY28E EPS to arrive at our TP of INR330. **Reiterate BUY.**

Operating leverage and better product mix improve margins

- Consolidated revenue grew 18% YoY/48% QoQ to INR85b (est INR9.9b), while volumes increased 23%/46% YoY/QoQ to 62.2KMT. Realization declined 4% YoY, while improving 2% QoQ to INR136.7/kg, with the entire inventory gain passed on.
- Consolidated EBITDA surged 2x YoY to INR1.1b (est. INR1.4b), with an EBITDA margin of 12.9% (est. 13.7%). EBITDA/kg stood at INR17.6/kg (up 62% YoY and 2.7X QoQ). Adj. PAT (after tax) was INR561m vs. INR242m YoY (est. INR771m).
- Net working capital days improved to 45 as of Mar'26 vs. 98 as of Mar'25. This was largely led by lower inventory (down 18 days), lower receivables (down 10 days), and higher payable days (up 25 days).
- For FY26, revenue, EBITDA, and PAT grew 3%, 44%, and 73% to INR26b, INR2.3b, and INR747m, respectively. Meanwhile, volume and EBITDA/kg grew 8% and 33% to 191.2k MT and INR12.1, respectively.

Highlights from the management commentary

- **Market share:** The industry is witnessing strong consolidation, with both small and large players under pressure. PRINCPIP continues to gain market share through new product launches and the expansion of its distributor network, despite aggressive pricing by large players driving volume growth.
- **Guidance and outlook:** For FY27, management has guided for volume growth of 12-15%; EBITDA margins of 11-13%; inventory days to sustain at 65-75days; and receivable days to decline by 10-15 days.

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- **Capacity:** The Begusarai plant currently operates at ~60% utilization, while southern capacities are being ramped to gain more market share. Management indicated that optimal asset turnover of ~2.5x gross block can be achieved at overall utilization levels of 60-65%. FY26 utilization stands at ~52%, with a target to reach 58-60% by FY27, supported by volume growth guidance. Planned FY27 capex is ~INR2-2.1b, mainly towards maintenance, debottlenecking across 2-3 plants, and the completion of the Aquel plant.

Valuation and view

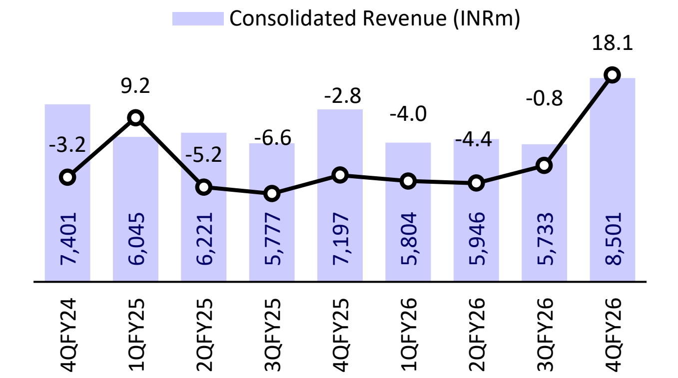
- FY26 ended on a strong footing, with volume-led growth improving market share. FY27 is expected to be better, supported by healthy volume growth on the back of improving demand, the ramp-up of the new Begusarai (Bihar) plant, and expansion of the bathware segment into the Southern and Eastern markets. Additionally, improving product mix and operating leverage are likely to lead to better margins for FY27.
- We expect PRINCPIP to clock an 18%/33%/66% CAGR in revenue/EBITDA/PAT over FY26-28. We value the stock at 18x FY28 EPS to arrive at our TP of INR330. **Reiterate BUY.**

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	%
Gross Sales	**6,045**	**6,221**	**5,777**	**7,197**	**5,804**	**5,946**	**5,733**	**8,501**	**25,239**	**25,983**	**9,931**	**-14**
YoY Change (%)	9.2	-5.2	-6.6	-2.8	-4.0	-4.4	-0.8	18.1	-1.7	2.9	38.0	
Total Expenditure	5,462	5,764	5,748	6,648	5,408	5,395	5,454	7,405	23,621	23,661	8,574	
EBITDA	**583**	**457**	**30**	**548**	**396**	**551**	**279**	**1,096**	**1,618**	**2,322**	**1,357**	**-19**
Margins (%)	9.6	7.3	0.5	7.6	6.8	9.3	4.9	12.9	6.4	8.9	13.7	
Depreciation	257	276	264	273	307	325	336	343	1,070	1,311	340	
Interest	14	16	32	33	52	45	-38	43	97	102	35	
Other Income	26	39	15	57	27	16	19	46	137	109	30	
PBT before EO expense	**337**	**204**	**-252**	**299**	**64**	**198**	**0**	**756**	**588**	**1,018**	**1,013**	
Extra-Ord expense	0	0	0	0	0	0	20	0	0	20	0	
PBT	**337**	**204**	**-252**	**299**	**64**	**198**	**-20**	**756**	**588**	**997**	**1,013**	
Tax	90	57	-48	58	15	51	4	195	157	266	242	
Rate (%)	26.7	28.0	18.9	19.2	24.2	26.0	-18.2	25.8	26.7	26.6	23.9	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**247**	**147**	**-204**	**242**	**48**	**146**	**-24**	**561**	**431**	**732**	**771**	
Adj PAT	**247**	**147**	**-204**	**242**	**48**	**146**	**-8**	**561**	**431**	**747**	**771**	**-27**
YoY Change (%)	25.8	-72.1	-154.3	-55.8	-80.5	-0.5	-95.9	132.1	-73.8	73	219	
Margins (%)	4.1	2.4	-3.5	3.4	0.8	2.5	-0.1	6.6	1.7	2.9	7.8	

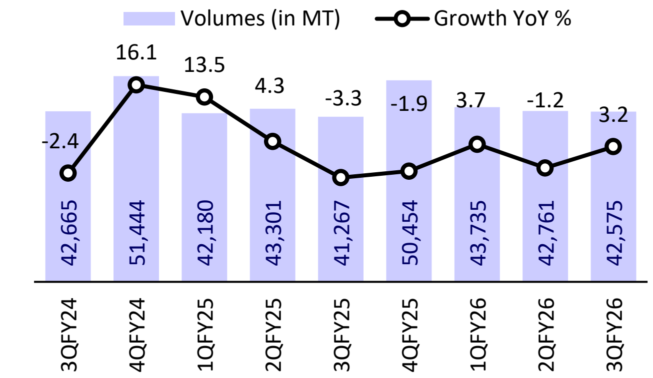
Key Exhibits

Exhibit 1: Consolidated revenue trend



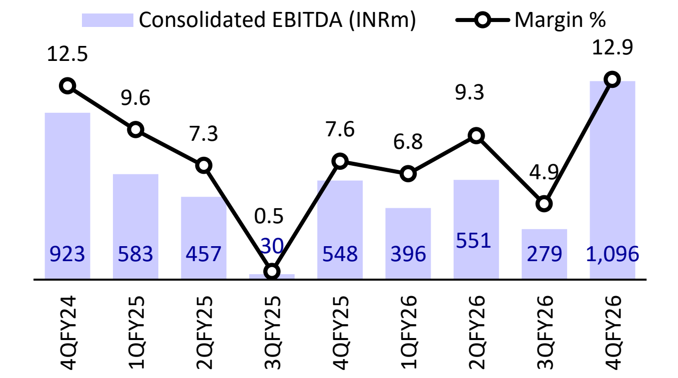
Source: Company, MOFSL

Exhibit 2: Volume trend



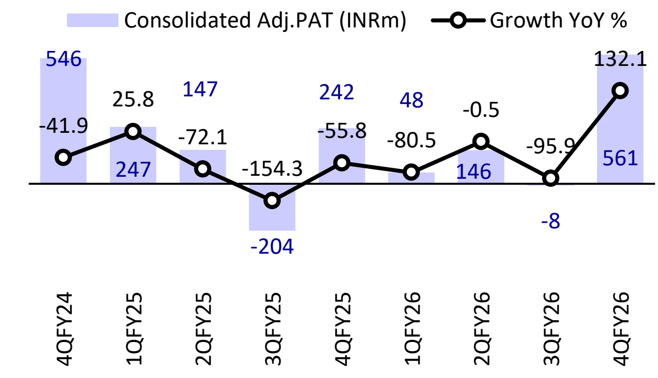
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



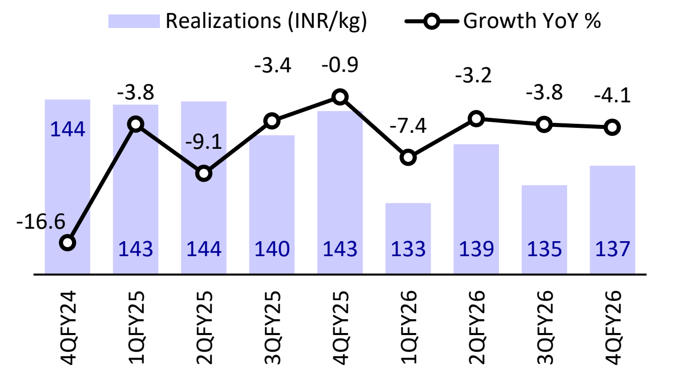
Source: Company, MOFSL

Exhibit 4: Consolidated adj. PAT trend



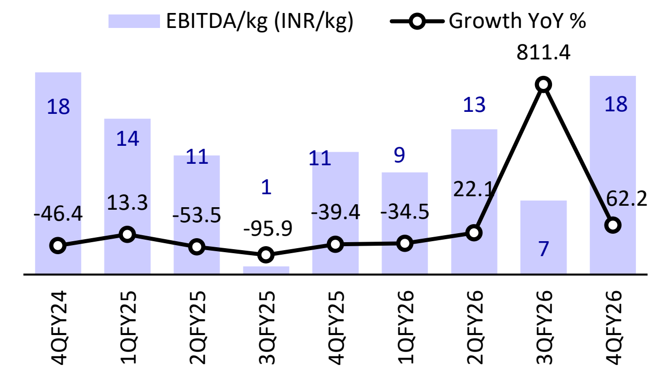
Source: Company, MOFSL

Exhibit 5: Consolidated realization trend



Source: Company, MOFSL

Exhibit 6: Consolidated EBITDA/kg trend



Source: Company, MOFSL

Exhibit 7: Capacity across India

Source: Company, MOFSL

Highlights from the management commentary

Demand and Market Environment

- FY26 remained a challenging year for the industry, impacted by sharp volatility in raw material prices, prolonged unseasonal rainfall, and subdued demand across key end-user segments.
- Sharp fluctuations in PVC resin prices disrupted channel dynamics across the value chain during the year.
- Apr'26 remained challenging for the industry due to significant channel destocking, which impacted volumes; however, demand and volumes witnessed a healthy recovery in May.
- Despite a sharp cost escalation across building materials, management has not observed any slowdown in real estate construction activity, given the non-discretionary nature of pipes.
- The industry is witnessing strong consolidation, with both small and large players facing challenges. PRINCPIP continues to gain market share through new product launches and expansion of its distributor network.

Operational Update

- Despite external headwinds, the company delivered its highest-ever quarterly volume performance, with volume growth of 23% YoY in 4QFY26, while full-year volume growth stood at 8%.
- The strong volume performance highlights the resilience of the business model, strength of the company's market presence, and disciplined execution focused on operational efficiency, cost optimization, and targeted growth initiatives.
- Working capital efficiency improved significantly during the year, driven by a sharp reduction in inventory and receivable days, with working capital days reducing to 45 days from 98 days in the previous year.

- The company passed on inventory gains to channel partners during the quarter to support faster inventory movement (helped reduce working capital days) and foster better relations with them, resulting in no inventory gains being booked in 4QFY26.
- Volume growth remained robust across all three months of 4QFY26, with only a marginal impact in March due to war-related disruptions.
- The strong performance was supported by an aggressive pricing strategy and the passing on of inventory gains to channel partners, in line with the company's market share expansion strategy.
- CPVC continued to be the fastest-growing segment for the company during the quarter.
- Margin expansion during the quarter despite no inventory gain was led by the absence of inventory losses, strong volume growth, and a favorable product mix led by CPVC.
- CPVC volume growth outpaced overall volume growth of the company, reflecting increasing market acceptance of its products.

New Product Launches

- During the quarter, the company continued to strengthen its growth platform through innovation and strategic expansion.
- The company enhanced its product portfolio with the launch of 'DECILO', the low-noise polypropylene pipe system.

Guidance and Outlook

- Management remains optimistic about future growth prospects, supported by the improving PVC pricing environment.
- The company has guided for FY27 volume growth of 12–15%, with EBITDA margins expected to remain in the range of 11–13% on an annualized basis.
- Management highlighted that the share of value-added products will remain a key determinant of the margin trajectory going forward.
- Strong demand was witnessed across both plumbing and agriculture segments in May, and management expects demand momentum to remain favorable for large organized players amid accelerating industry consolidation and continued stress among smaller players due to the challenging macroeconomic environment.
- The company maintained its inventory guidance of 60–75 days and is currently operating well within this range.
- Further sustainable improvement in working capital is expected to come from lower debtor and inventory days, with the company targeting an additional reduction of 10–15 days in debtor days by the end of FY27.
- Growth in value-added products is expected to outpace growth in core products, with the segment's contribution expected to reach ~27% going forward.
- Gross margins are expected to expand going forward, driven by better pricing, a richer product mix, benefits from decentralization, and new product launches.
- In 1QFY27, inventory losses are expected due to price correction; however, the losses will be lower due to increasing control on inventory and working capital.

Capacity Additions and Capex

- The company has estimated ~INR700m of maintenance capex for FY27.
- Capacity utilization at the Begusarai plant remained healthy at ~65%. The company is focused on improving utilization levels at its South Indian plants, which is expected to be driven by gradual market share gains in the region.
- Overall FY26 capacity utilization stood at ~52%, with management expecting utilization to improve to ~58–60% by the end of FY27, subject to achieving the guided volume growth.
- South Indian plants are currently operating below optimal utilization levels. Management indicated that once utilization reaches ~65%, asset turnover could scale to nearly 2.5x of the gross block.

Others

- The company continued to expand its geographic reach to drive volume growth across markets.
- Despite the volatile industry environment, the company added distributors across the domestic market, benefiting from ongoing industry consolidation and onboarding multiple new channel partners.
- The agriculture segment remains relatively price-sensitive and contributes less than 30% of the overall volume mix, with customers being less brand conscious. Management highlighted that the key demand tailwinds continue to remain in the plumbing segment.
- FY27 capex guidance stands at ~INR2-2.1b, which will primarily be utilized toward maintenance capex, debottlenecking across 2–3 plants, and completion of the Aquel plant (~INR400m–420m).
- In both PVC and CPVC, the company's pricing remains broadly at par with the market leader at a pan-India level, although minor variations may persist across states.
- Management stated that the company has not lost market share and continues to focus on expanding its retailer and distributor network, strengthening its product portfolio through innovative launches, and increasing the share of value-added products.
- Contribution from the project business has increased to ~30% of revenue currently, compared to ~25% around 1–1.5 years ago.

Valuation and view

- FY26 ended on a strong footing, with volume-led growth improving market share. FY27 is expected to be better, supported by healthy volume growth on the back of improving demand, the ramp-up of the new Begusarai (Bihar) plant, and geographical expansion of the bathware segment into the Southern and Eastern markets. Additionally, the improving product mix and operating leverage can lead to better margins for FY27.
- We expect PRINCPIP to clock an 18%/33%/66% CAGR in revenue/EBITDA/PAT over FY26-28. We value the stock at 18x FY28 EPS to arrive at our TP of INR330. **Reiterate BUY.**

Exhibit 8: Revisions to our estimates

Earnings change	Old		New		Change	
(INRm)	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	32,536	38,017	31,106	36,367	-4%	-4%
EBITDA	3,357	4,172	3,280	4,077	-2%	-2%
Adj. PAT	1,559	2,154	1,507	2,053	-3%	-5%

Financials and valuations

Consolidated - Income Statement

(INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**20,715**	**26,568**	**27,109**	**25,687**	**25,239**	**25,983**	**31,106**	**36,367**
Change (%)	26.6	28.3	2.0	-5.2	-1.7	2.9	19.7	16.9
RM Cost	13,789	18,915	20,922	18,193	18,839	18,944	22,396	26,184
Gross Profit	6,927	7,653	6,187	7,494	6,400	7,039	8,710	10,183
Margin (%)	33.4	28.8	22.8	29.2	25.4	27.1	28.0	28.0
Employees Cost	997	1,162	1,161	1,477	1,742	1,842	2,022	2,291
Other Expenses	2,313	2,335	2,523	2,943	3,040	2,875	3,408	3,815
Total Expenditure	**17,099**	**22,412**	**24,606**	**22,613**	**23,621**	**23,661**	**27,826**	**32,290**
% of Sales	82.5	84.4	90.8	88.0	93.6	91.1	89.5	88.8
EBITDA	**3,616**	**4,156**	**2,503**	**3,074**	**1,618**	**2,322**	**3,280**	**4,077**
Margin (%)	17.5	15.6	9.2	12.0	6.4	8.9	10.5	11.2
Depreciation	594	703	830	912	1,070	1,311	1,397	1,494
EBIT	**3,022**	**3,453**	**1,673**	**2,162**	**548**	**1,011**	**1,883**	**2,583**
Int. and Finance Charges	207	139	110	65	97	102	56	57
Other Income	176	55	86	161	137	109	187	218
PBT bef. EO Exp.	**2,991**	**3,369**	**1,648**	**2,258**	**588**	**1,018**	**2,013**	**2,744**
EO Items	0	0	0	179	0	-20	0	0
PBT after EO Exp.	**2,991**	**3,369**	**1,648**	**2,438**	**588**	**997**	**2,013**	**2,744**
Total Tax	773	875	434	612	157	266	507	691
Tax Rate (%)	25.8	26.0	26.3	25.1	26.7	26.6	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	**2,218**	**2,494**	**1,214**	**1,825**	**431**	**732**	**1,507**	**2,053**
Adjusted PAT	**2,218**	**2,494**	**1,214**	**1,646**	**431**	**747**	**1,507**	**2,053**
Change (%)	97.2	12.4	-51.3	35.6	-73.8	73.2	101.6	36.3
Margin (%)	10.7	9.4	4.5	6.4	1.7	2.9	4.8	5.6

Consolidated - Balance Sheet

(INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	1,100	1,106	1,106	1,106	1,106	1,106	1,106	1,106
Total Reserves	9,335	11,547	12,534	14,338	14,659	15,339	16,736	18,678
Net Worth	**10,435**	**12,653**	**13,640**	**15,444**	**15,764**	**16,445**	**17,841**	**19,784**
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	852	1,500	581	1,144	2,641	1,400	1,400	900
Deferred Tax Liabilities	133	123	137	191	193	237	237	237
Capital Employed	**11,420**	**14,275**	**14,358**	**16,779**	**18,599**	**18,082**	**19,478**	**20,921**
Gross Block	8,892	11,037	12,186	14,162	16,891	19,328	20,587	22,087
Less: Accum. Deprn.	3,896	4,599	5,429	6,341	7,411	8,722	10,119	11,612
Net Fixed Assets	**4,996**	**6,438**	**6,757**	**7,821**	**9,480**	**10,606**	**10,468**	**10,475**
Goodwill on Consolidation	3	3	3	3	3	3	3	3
Capital WIP	765	226	236	354	198	259	1,000	500
Total Investments	**15**	**117**	**920**	**382**	**270**	**1,484**	**1,484**	**1,484**
Current Investments	0	100	917	379	267	1,481	1,481	1,481
Curr. Assets, Loans&Adv.	**10,049**	**12,606**	**10,626**	**12,673**	**13,243**	**11,886**	**13,893**	**17,076**
Inventory	2,273	6,188	4,256	4,379	6,095	4,953	5,930	6,933
Account Receivables	3,308	4,346	4,150	5,849	4,229	3,633	4,349	5,085
Cash and Bank Balance	2,299	586	1,244	777	830	1,290	1,208	2,245
Loans and Advances	2,169	1,485	976	1,668	2,089	2,010	2,406	2,813
Curr. Liability & Prov.	**4,408**	**5,115**	**4,184**	**4,453**	**4,595**	**6,156**	**7,370**	**8,617**
Account Payables	3,144	3,986	3,202	2,491	2,611	3,922	4,695	5,489
Other Current Liabilities	1,131	980	825	1,758	1,730	1,936	2,318	2,710
Provisions	134	149	157	204	254	299	357	418
Net Current Assets	**5,641**	**7,491**	**6,442**	**8,220**	**8,648**	**5,730**	**6,523**	**8,459**
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	**11,420**	**14,275**	**14,358**	**16,779**	**18,599**	**18,082**	**19,478**	**20,921**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**20.2**	**22.7**	**11.0**	**15.0**	**3.9**	**6.8**	**13.7**	**18.7**
Cash EPS	62.5	71.0	45.4	56.8	33.4	45.7	64.5	78.8
BV/Share	231.8	281.1	303.0	343.1	350.3	365.4	396.4	439.6
DPS	3.5	3.5	0.0	1.0	0.5	1.0	1.0	1.0
Payout (%)	17.4	15.5	0.0	6.1	12.8	15.1	7.3	5.4
Valuation (x)								
P/E	13.1	11.7	24.0	17.7	67.6	39.0	19.4	14.2
Cash P/E	4.2	3.7	5.8	4.7	7.9	5.8	4.1	3.4
P/BV	1.1	0.9	0.9	0.8	0.8	0.7	0.7	0.6
EV/Sales	1.3	1.1	1.0	1.1	1.2	1.1	0.9	0.7
EV/EBITDA	7.7	7.2	11.1	9.5	19.1	12.0	8.5	6.5
Dividend Yield (%)	1.3	1.3	0.0	0.4	0.2	0.4	0.4	0.4
FCF per share	13.4	-16.3	24.4	-14.0	-12.4	28.2	-0.9	13.5
Return Ratios (%)								
RoE	23.6	21.6	9.2	11.3	2.8	4.6	8.8	10.9
RoCE	21.3	20.4	9.1	11.3	2.9	4.5	8.4	10.5
RoIC	26.7	23.6	9.7	11.9	2.5	4.6	9.1	11.9
Working Capital Ratios								
Fixed Asset Turnover (x)	2.3	2.4	2.2	1.8	1.5	1.3	1.5	1.6
Asset Turnover (x)	1.8	1.9	1.9	1.5	1.4	1.4	1.6	1.7
Inventory (Days)	40	85	57	62	88	70	70	70
Debtor (Days)	58	60	56	83	61	51	51	51
Creditor (Days)	55	55	43	35	38	55	55	55
Leverage Ratio (x)								
Current Ratio	2.3	2.5	2.5	2.8	2.9	1.9	1.9	2.0
Interest Cover Ratio	14.6	24.8	15.2	33.3	5.7	9.9	33.6	44.9
Net Debt/Equity	-0.1	0.1	-0.1	0.0	0.1	-0.1	-0.1	-0.1

Consolidated - Cash Flow Statement (INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	2,991	3,369	1,648	2,258	588	1,018	2,013	2,744
Depreciation	594	703	830	912	1,070	1,311	1,397	1,494
Interest & Finance Charges	31	84	102	49	80	158	-131	-161
Direct Taxes Paid	-773	-875	-401	-733	-281	-34	-507	-691
(Inc)/Dec in WC	77	-3,476	1,474	-2,151	-322	2,782	-875	-899
CF from Operations	**2,920**	**-195**	**3,654**	**335**	**1,136**	**5,235**	**1,898**	**2,487**
Others	0	0	-52	-6	53	29	0	0
CF from Operating incl EO	**2,920**	**-195**	**3,602**	**329**	**1,189**	**5,265**	**1,898**	**2,487**
(Inc)/Dec in FA	-1,444	-1,605	-903	-1,873	-2,556	-2,148	-2,000	-1,000
Free Cash Flow	**1,476**	**-1,800**	**2,699**	**-1,544**	**-1,367**	**3,117**	**-102**	**1,487**
(Pur)/Sale of Investments	-8	-103	-772	593	144	-1,169	0	0
Others	755	1,913	193	22	66	66	187	218
CF from Investments	**-697**	**205**	**-1,481**	**-1,258**	**-2,347**	**-3,251**	**-1,813**	**-782**
Issue of Shares	0	5	0	0	0	0	0	0
Inc/(Dec) in Debt	-1,757	648	-919	560	-321	-1,122	0	-500
Interest Paid	-207	-139	-99	-46	-106	-153	-56	-57
Dividend Paid	-385	-387	-221	0	-111	-55	-111	-111
Others	-145	-1,850	17	-39	1,736	-202	0	0
CF from Fin. Activity	**-2,494**	**-1,723**	**-1,222**	**475**	**1,198**	**-1,533**	**-167**	**-668**
Inc/Dec of Cash	**-271**	**-1,713**	**899**	**-453**	**41**	**481**	**-82**	**1,037**
Opening Balance	2,570	2,299	316	1,215	761	830	1,290	1,208
Other bank balance			29	16	28	-21	0	0
Closing Balance	**2,299**	**586**	**1,244**	**777**	**830**	**1,290**	**1,208**	**2,245**

N O T E S

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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