Result Update
11th November, 2025

Prince Pipes & Fittings Ltd.
Building Materials

BUY
Target Price
400

Strengthening Brand & Retail Presence; Steady Recovery Ahead

Est. Vs. Actual for Q2FY26: Revenue - **MISS**; EBITDA (Adj.) - **BEAT**; PAT - **INLINE**

Changes in Estimates Post Q2FY26 Result

FY26E/FY27E: Revenue: 0%/0%; **EBITDA (Adj.):** 0%/0%; **PAT :** 0%/0%

Recommendation Rationale

- **Foucs on High Margin and Value-Add products:** The company's EBITDA margins stood higher than expected at 9.3%, supported by a favourable product mix and strong growth in value-added segments, particularly fittings, CPVC, and bathware. Management emphasised a strategic focus on increasing the share of higher-margin plumbing, CPVC, and fittings segments within the overall mix while maintaining a stable presence in the agri segment. Stable PVC resin prices and improved operating leverage from higher utilisation rates are expected to further aid margin recovery in H2FY26. Continued investments in brand building, SKUs, and dealer expansion in the bathware segment are likely to enhance profitability consistency and reduce dependence on volatile raw material cycles.
- **Long-Term Structural Drivers Intact:** The government's sustained infra push through housing and irrigation programs is driving steady underlying demand for piping systems. Additionally, the potential imposition of Anti-Dumping Duty (ADD) on imported CPVC resin could serve as a margin stabiliser for players like Prince Pipes. Management also indicated expectations of volume and margin recovery in H2FY26, supported by demand normalisation post-monsoon, stable PVC prices, and improving utilisation levels.
- **Diversification – Aquel brand:** The Aquel bathware division continues to gain traction with new showroom additions across key urban and semi-urban markets such as Uttar Pradesh and Rajasthan. Management indicated that Aquel strategically complements the core pipes and fittings portfolio, enabling cross-selling opportunities and enhancing brand visibility. While the segment remains in its investment phase with limited revenue contribution at present, it is expected to scale meaningfully over the next 12–18 months (FY27 onwards). Over time, Aquel is positioned to become a key value-accretive, higher-margin business driving portfolio diversification for Prince Pipes.

Sector Outlook: Positive

Company Outlook & Guidance: Management maintained a positive outlook for H2FY26, supported by stable PVC prices, improving demand momentum post-monsoon, and easing channel inventory. The company expects volume recovery and margin improvement driven by higher utilisation, cost rationalisation, and a superior product mix. The focus remains on expanding retail reach, the Aquel bathware brand, and the value-added portfolio to enhance profitability consistency. Over the medium term, management guided for steady double-digit volume growth, sustained margin recovery, and healthy cash generation. It plans to maintain a disciplined capex approach and indicated margin improvement sequentially, likely in the 11–13% normalised range.

Current Valuation: 23X FY28E EPS (Earlier 25X FY27E EPS)

Current TP: **Rs 400/share** (**Earlier TP: Rs 400/share**)

Recommendation: We maintain our **BUY** recommendation on the stock.

Financial Performance

Prince reported revenue of Rs 595 Cr, down 4.4% YoY, missing estimates. The overall industry demand saw a slow recovery amid volatile polymer prices. Gross margins expanded by 127 bps YoY. Reported EBITDA stood at Rs 52 Cr, up 20.6% YoY, with an EBITDA margin of 9.3%, a 192 bps YoY improvement. The company reported PAT of Rs 15 Cr, flat YoY. During the quarter, volumes remained flat YoY at 42,761 MT, reflecting a higher contribution from value-added products.

Key Financials (Consolidated)

(Rs Cr)	Q2FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	595	2.4	-4.4	667	-10.9
Adj. EBITDA	55	39.3	20.6	52	5.6
EBITDA Margin	9.3%	245bps	192bps	7.8%	145bps
Net Profit	14.63	203.6	-0.5	14	1.4
EPS (Rs)	1.32	203.6	-0.5	1.3	1.4

Source: Company, Axis Securities Research

(CMP as of 10th November, 2025)

CMP (Rs)	313
Upside /Downside (%)	28%
High/Low (Rs)	475/210
Market cap (Cr)	3,455
Avg. daily vol. (1m) Shrs.	3,66,645
No. of shares (Cr)	11.05

Shareholding (%)

	Mar-25	Jun-25	Sep-25
Promoter	60.9	60.9	60.9
FIIs	6.2	3.8	3.7
MFs / UTI	14.8	15.4	15.6
Others	18.1	19.9	19.7

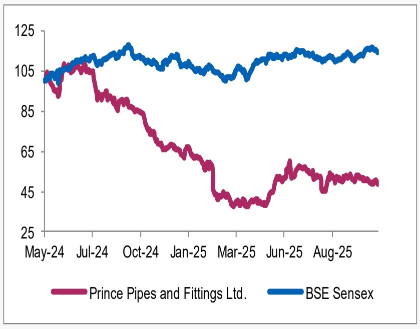
Financial & Valuations

Y/E Mar (Rs Cr)	FY26E	FY27E	FY28E
Net Sales	2,924	3,245	3,830
EBIDTA	284	341	402
Net Profit	116	160	191
EPS, Rs	10.4	14.5	17.3
PER, x	32.3	23.2	19.5
EV/EBIDTA, x	15.4	12.5	10.4
ROE, %	2.2	2.0	1.8
Debt/Equity (%)	6.8	8.7	9.3

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Revenue	0%	0%
EBITDA	0%	0%
PAT	0%	0%

Relative Performance



Source: Ace Equity, Axis Securities Research

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Valuation & Recommendation

Our estimates are broadly in line with the company's high single-digit growth guidance for the year. We believe a better product mix, combined with improved channel inventory confidence and sustained polymer prices, will lead to a gradual growth trajectory for the sector. **We continue to value the stock at a 23X FY28E to arrive at a TP of Rs 400/share and maintain our BUY rating on the stock, implying an upside of 28%.**

Key Highlights from Concall

- **Distribution Network:** Ongoing efforts to widen dealer and retail footprint, particularly in Tier-II and Tier-III towns, to strengthen national presence.
- **Capacity Utilisations:** Healthy utilization levels; no major new capacity announced as existing facilities are sufficient to support near-term growth.
- **Wokring Capital**: Inventory levels remain comfortable; management is maintaining prudent control amid raw material volatility
- **Branding: A&P spends**: Management reiterated its continued investment in brand-building, especially to strengthen the Prince and Aquel brands. A&P spends remain in line with historical levels, with a focus on retail visibility, influencer engagement, and digital campaigns.
- **Begusarai Plant**: Management confirmed that the Begusarai plant (Bihar) has been successfully commissioned and is now operational. The facility is expected to serve demand in eastern and northeastern markets, plant supports both agri and plumbing product lines.
- **Market Consolidation**: It is noted that the shift from unorganised to organised players continues. It indicated sequential improvement in volumes and channel activity**,** suggesting market share gains in plumbing and CPVC categories as distribution expanded.

Key Risks to Our Estimates and TP

- **Raw Material Volatility:** PVC price fluctuations remain a major risk — sudden spikes or sharp corrections can disrupt channel confidence, impact margins, and affect near-term demand.
- **Competitive Intensity:** Increasing competition from both organised and regional players could pressure pricing, particularly in commoditised PVC pipes.
- **Working Capital Management:** Higher inventory or credit support to dealers during volatile periods could temporarily stretch working capital.
- **Regulatory/Policy Risk:** Any changes in import duties or anti-dumping policies for CPVC resin could impact raw material costs and pricing flexibility.

Change in Estimates

(Rs Cr)

	Revised		Old		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	2,924	3,245	2,924	3,245	0%	0%
EBITDA (Adj.)	284	341	284	341	0%	0%
PAT	116	160	116	160	0%	0%

Source: Company, Axis Securities Research

Q2FY26 Results Review

(Rs Cr)

Particulars	Q2FY25	Q1FY26	Axis Sec Est (Rs Cr)	Q2FY26	% Change (YoY)	% Change (QoQ)	Variance (%)
Revenue	622	580	667	595	-4.4	2.4	-10.9
Growth (%)	3%	-19%	15%	2%	-47bps	2179bps	
Net Revenue	622	580	667	595	-4.4	2.4	-10.9
Expenses:							
Costs of Raw Material Consumed	460	433	-	438			
Purchase Stock in Trade	29	17	-	13			
Change in Inventories	-34	-18	-	-24			
Gross Profit	168	148	174	168	0.1	13.4	-3.2
Gross Margin	27%	26%	26%	28%	127bps	273bps	226bps
Employee Benefits Expense	45	41	41	45	0.7	8.9	8.9
Other Expenses	78	67	80	68	-12.4	1.0	-15.1
Total Expense	576	541	615	539	-6.4	-0.3	-12.3
EBITDA	46	40	52	55	20.6	39.3	5.6
EBITDA Margin	7%	7%	8%	9%	192bps	245bps	145bps
Depreciation & Amortization Expense	28	31	31	32	17.8	5.6	5.6
EBIT	18	9	21	23	24.8	156.6	5.5
Finance cost	2	5	5	4	173.7	-13.8	-13.8
Other Income	4	3	3	2	-58.9	-41.0	-41.0
EBT	20	6	19	20	-3.2	210.9	4.1
Profit Before Tax (PBT)	20	6	19	20	-3.2	210.9	4.1
Tax Expense	6	2	5	5	-10.3	233.5	12.6
Profit After Tax	15	5	14	15	-0.5	203.6	1.4
PAT Margin	2%	1%	2%	2%	10bps	163bps	30bps

Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E	FY28E
Total operating revenues	2,524	2,924	3,245	3,830
Growth (%)	-1.7	15.8	11.0	18.0
EBITDA	162	284	341	402
EBITDA margin (%)	6.4	10	11	11
Growth (%)	18	113	11	18
Depreciation & Amortization	107	126	138	145
EBIT	69	171	217	271
EBIT margin (%)	2.7	5.8	6.7	7.1
Interest	10	15	16	19
Other income	14	14	14	14
Profit before tax	59	156	201	252
Total Tax	16	41	40	61
Profit After Tax	43	116	160	191
net margin (%)	1.7	4.0	4.9	5.0
EPS (Rs)	4	10	15	17

Source: company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E	FY28E
Equity share capital	111	111	111	111
Other equity	1,466	1,581	1,742	1,933
Total Equity	1,576	1,692	1,852	2,043
Non-Current Liabilities				
Financial Liabilities	95	95	95	95
Other Non-current liabilities	41	41	41	41
Total Non-Current Liabilities	136	136	136	136
Current Liabilities				
Financial Liabilities	517	520	567	623
Other Current Liabilities	90	90	90	90
Total Current Liabilities	607	610	657	713
Total Equity & Liabilities	**2,319**	**2,438**	**2,646**	**2,892**
Non-Current Assets				
Net Fixed Assets	980	1,034	996	926
Financial Assets	53	53	53	53
Total Non-Current Assets	1,034	1,087	1,049	980
Current Assets				
Inventories	609	641	685	808
Financial Assets	548	582	783	963
Other Current Assets	128	128	128	128
Total Current Assets	1,286	1,351	1,596	1,913
Total Assets	**2,319**	**2,438**	**2,646**	**2,892**

Source: company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E Mar	FY25	FY26E	FY27E	FY28E
PBT	59	156	201	252
Depreciation	107	126	138	145
Others	13	0	0	0
Tax Paid	-28	-41	-40	-61
Changes in Working Capital	-32	-46	-28	-152
Net Cash from Operations	119	196	271	184
Capex	-255	-180	-100	-75
Change in Investment	15	0	0	0
Others	6	0	0	0
Net Cash from Investing	-235	-180	-100	-75
Others	-39	0	0	0
Net Cash from Financing	120	0	0	0
Net Change in Cash	4	16	171	109
Cash and cash equivalents at the beginning of the year (less bank overdrafts) (refer note 14)	76	0	0	0
Cash at the End of Year	80	97	267	376

Source: company, Axis Securities Research

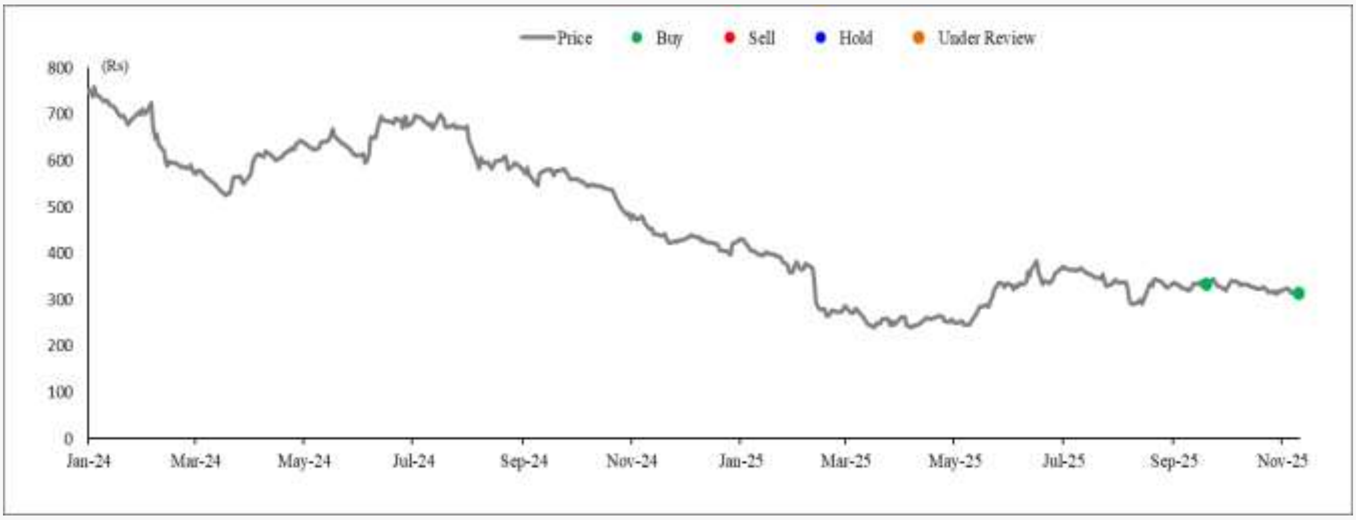
Ratio Analysis

(x) / (%)

Y/E Mar	FY25	FY26E	FY27E	FY28E
PROFITABILITY RATIOS				
EBITDA Margin (%)	6.4	9.7	10.5	10.5
net margin (%)	1.7	4.0	4.9	5.0
Return on invested capital (%)	3.0	7.0	8.2	9.4
Return on equity (%)	2.7	6.8	8.7	9.3
EFFICIENCY RATIOS				
Fixed Asset Turnover	2.57	2.83	3.26	4.13
Debt to equity	0.17	0.16	0.14	0.13
Interest coverage	7.08	11.69	13.36	14.16
Debtor days	73	54	51	49
Inventory days	101	130	124	119
Payable days	49	55	54	54
PER SHARE DATA				
EPS (Rs)	3.90	10.45	14.51	17.27
Book value per share (Rs)	142.59	153.03	167.55	184.82
DPS (Rs)				
VALUATION RATIOS				
P/E	85.87	32.06	23.08	19.40
P/BV	2.35	2.19	2.00	1.81
EV/EBITDA	26.99	15.35	12.41	10.39

Source: company, Axis Securities Research

Prince Pipes and Fittings Price Chart and Recommendation History



Date	Reco	TP	Research
23-Sep-25	BUY	400	Initiating Coverage
11-Nov-25	BUY	400	Result Update

Source: Axis Securities Research

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