

October 28, 2025

Q2FY26 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		ACCUMULATE	
Target Price	4,723		4,758	
Sales (Rs. m)	1,37,452	1,57,300	1,36,517	1,55,711
% Chng.	0.7	1.0		
EBITDA (Rs. m)	19,960	23,629	19,825	23,390
% Chng.	0.7	1.0		
EPS (Rs.)	107.7	129.3	108.6	130.1
% Chng.	(0.9)	(0.6)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,04,463	1,19,863	1,37,452	1,57,300
EBITDA (Rs. m)	14,317	16,820	19,960	23,629
Margin (%)	13.7	14.0	14.5	15.0
PAT (Rs. m)	9,609	11,025	13,678	16,422
EPS (Rs.)	75.6	86.8	107.7	129.3
Gr. (%)	(10.2)	14.7	24.1	20.1
DPS (Rs.)	34.0	30.0	30.0	30.0
Yield (%)	0.8	0.7	0.7	0.7
RoE (%)	17.8	18.3	19.9	20.5
RoCE (%)	21.0	21.8	24.1	25.0
EV/Sales (x)	4.8	4.2	3.6	3.0
EV/EBITDA (x)	34.8	29.7	24.5	20.2
PE (x)	52.9	46.1	37.2	31.0
P/BV (x)	9.0	8.0	6.9	5.9

Key Data

SUPI.BO | SI IN

52-W High / Low	Rs.5,157 / Rs.3,020
Sensex / Nifty	84,779 / 25,966
Market Cap	Rs.508bn/ \$ 5,759m
Shares Outstanding	127m
3M Avg. Daily Value	Rs.739.82m

Shareholding Pattern (%)

Promoter's	48.90
Foreign	20.66
Domestic Institution	15.96
Public & Others	14.48
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.5)	15.0	(6.7)
Relative	(10.4)	7.5	(12.7)

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Robust Pipe Volumes; ADD Tailwinds in H2

Supreme Industries' (SI) Q2FY26 volume growth was 11.8% above our estimates of 6.8%. SI expects H2FY26 to better than H1FY26, supported by the likely imposition of ADD on PVC resin, improved agriculture demand, and higher government spending. EBITDA margin in Q2FY26 contracted by 160bps YoY to 12.4%, primarily due to higher other expenses arising from the acquisition and consolidation of the Wavin business. The management has revised its FY26 guidance for overall volume growth of 14–15% to 12–14%, while maintaining its P&F volume growth of 15–17% and EBITDA margin guidance at 14.5–15%. In FY26 SI expects its plastic pipe segment capacity to reach 1mn MT. We estimate FY25–28E revenue/EBITDA/PAT CAGR of 14.6%/18.2%/19.6%, with volume CAGR of 13.0% and EBITDA margin expansion of ~130bps. We have revised our earnings estimates for FY27/FY28E by 0.9%/0.6% and maintain TP to Rs4,723 (earlier Rs 4,758) based on 40x Sep'27E earnings. We are upgrading our rating from 'Accumulate' to 'BUY', due to recent correction in stock prices.

Revenues grew by 5.3%, PAT declined by 20.3%: Sales grew by 5.3% YoY to Rs 23.9bn (PL: Rs 23.8bn) with vol. increases by 11.8% YoY to 154kMT and realization decline by 5.8% YoY. Plastic Pipe segment revenue up by 11.4% YoY to Rs 16.0bn, packaging revenue down 1.6% YoY to Rs 3.9bn, industrial revenue down by 13.7% YoY to Rs2.8bn, consumer segment remained flat YoY to Rs1.0bn. EBITDA decline by 6.8% YoY to Rs 3.0bn (PL: Rs 3.2bn). EBITDA margins contracted by ~160bps YoY to 12.4% (PL: 13.4%), due to higher other expenses. EBITDA per Kg reached Rs19.0/kg. In Plastic Pipes/Industrial/Consumer, EBIT margins contracted by ~250/440/240bps YoY to 7.9%/4.2%/13.7%, whereas packaging segment EBIT expanded by ~180bps to 12.1. Consolidated PAT incl. income from associates declines by 20.3% YoY to Rs 1.6bn (PL: Rs2.1bn). The overall turnover of value-added products remains at Rs 10.7bn in Q2FY26 as compared to Rs 9.1bn in Q2FY25.

Con call highlights: **1)** SI has revised its overall volume growth target to 12–14% from 14–15%, while maintaining its plastic pipe volume growth target at 15–17% with EBITDA margins of 14.5–15% for FY26. **2)** The company aims to scale its pipe segment capacity to 1mn MT by FY26 with 65–70% utilization. The recently acquired Wavin is expected to contribute around 20k MT to FY26 volumes, with 3k MT already achieved in Aug–Sept 2025. **3)** The imposition of Anti-Dumping Duty (ADD) on PVC, expected from Nov'25, still remains uncertain. **4)** SI has acquired Wavin Industries' Plastic Pipe Business, with a total installed capacity of 71,000 MTPA. This acquisition and technology partnership are expected to strengthen the company's plastic piping division by expanding capacities, enhancing market reach, and improving water management systems. **5)** The protective packaging segment contributed Rs 8.5bn in FY25 and expected to reach Rs 10bn by FY26. **6)** The Profile Window project is nearing completion, with production to set by Dec'25. Initial launch will be in U.P. and NCR, followed by pan-India expansion. The plant will have a 5,000-ton PVC profile capacity. **7)** The company plans to set up a new unit for material handling products at its recently acquired land in Malanpur (Madhya Pradesh), aiming to strengthen its presence in central India along with greenfield projects in Bihar, Jammu, and Western Maharashtra planned for FY27.

8) The Company received an LoA for supplying 2 lakh of 10kg composite LPG cylinders to BPCL and a repeat order of 2.3lakh cylinders from IOCL, supporting better utilization of its expanded composite cylinder capacity. 9) The company has commenced production of PP Silent Pipe Systems in technical collaboration with Poloplast GmbH, Austria 10) SI reported an inventory loss of Rs 500-600mn in H1FY26. 11) The company has invested Rs 8.7bn in H1FY26 and expects to incur a total capex of Rs 13bn for FY26.

Exhibit 1: Q2FY26 Result Overview: Sales grew by 5.3% YoY, PAT declined by 20.3% YoY

Y/e March (Rs mn)	Q2 FY26	Q2 FY25	YoY gr. (%)	Q2 FY26E	%Var.	Q1 FY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Net Sales	23,939	22,730	5.3	23,791	0.6	26,092	(8.3)	50,031	49,093	1.9
Expenditure							-			
Operating & Manufacturing Expenses	15,870	14,886	6.6	15,702	1.1	17,895	(11.3)	33,765	32,844	2.8
% of Net Sales	66.3	65.5		66.0		68.6	-	67.5	66.9	
Gross Profit	8,069	7,844	2.87	8,089	(0.25)	8,197	(1.6)	16,266	16,250	0.1
% of Net Sales	33.7	34.5	(80)	34.0	(29)	31.4	-	32.5	33.1	
Personnel Cost	1,346	1,198	12.4	1,349	(0.2)	1,349	(0.2)	2,695	2,411	11.8
% of Net Sales	5.6	5.3		5.7		5.2	-	5.4	4.9	
Other Expenses	3,749	2,632	42.4	2,712	38.2	2,817	33.1	7,408	6,773	9.4
% of Net Sales	15.7	11.6		11.4		10.8	-	14.8	13.8	
Total Expenditure	20,965	19,537	7.3	20,606	1.7	22,903	(8.5)	43,868	42,027	4.4
EBITDA	2,974	3,192	(6.8)	3,185	(6.6)	3,189	(6.7)	6,163	7,066	(12.8)
Margin (%)	12.4	14.0	(1.62)	13.4	(0.96)	12.2	-	12.3	14.4	
Depreciation	1,044	899	16.0	930	12.2	930	12.2	1,974	1,760	12.2
EBIT	1,931	2,293	(15.8)	2,255	(14.4)	2,259	(14.5)	4,189	5,306	(21.1)
Other income	155	151	3.3	170	(8.6)	169	(8.2)	325	365	(11.0)
Interest	58	26	122.5	28	110.5	28	110.5	86	60	44.5
PBT	2,028	2,417	(16.1)	2,397	(15.4)	2,400	(15.5)	4,428	5,611	(21.1)
Total Taxes	529	629	(16.0)	623	(15.1)	629	(15.9)	1,158	1,465	(21.0)
ETR (%)	26.1	26.0		26.0		26.2	-	26.1	26.1	
Adj. PAT	1,499	1,788	(16.2)	1,774	(15.5)	1,771	(15.4)	3,270	4,146	(21.1)
Share of Profit/(Loss) in Associate	149	278	(46.5)	280	(46.9)	252	(40.9)	401	653	(38.7)
Reported PAT	1,647	2,066	(20.3)	2,054	(19.8)	2,023	(18.6)	3,670	4,800	(23.5)

Source: Company, PL

Exhibit 2: Segmental Breakup: Pipe revenue up by 11.4% YoY, margins contract ~250bps YoY

Y/e March (Rs mn)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Revenues								
Plastic pipe	16021	14,379	11.4	17,923	(10.6)	33,944	32,963	3.0
Packing Product	3935	3,999	(1.6)	4,016	(2.0)	7,951	7,680	3.5
Industrial Product	2826	3,276	(13.7)	3,016	(6.3)	5,842	6,339	(7.9)
Consumer Product	1033	1,039	(0.6)	984	5.0	2,017	2,011	0.3
TOTAL	23939	22,730	5.3	26,092	(8.3)	50,031	49,093	1.9
EBIT								
Plastic pipe	1268	1,504	-15.7	1,574	-19.4	2,842	3,817	(25.5)
<i>EBIT margin (%)</i>	<i>7.9</i>	<i>10.5</i>	<i>-2.5</i>	<i>8.8</i>	<i>-0.9</i>	<i>8.4</i>	<i>11.6</i>	<i>(3.2)</i>
Packing Product	476	413	15.3	457	4.1	933	834	11.9
<i>EBIT margin (%)</i>	<i>12.1</i>	<i>10.3</i>	<i>1.8</i>	<i>11.4</i>	<i>0.7</i>	<i>11.7</i>	<i>10.9</i>	<i>0.9</i>
Industrial Product	118	281	-58.1	176	-33.1	294	477	(38.3)
<i>EBIT margin (%)</i>	<i>4.2</i>	<i>8.6</i>	<i>-4.4</i>	<i>5.8</i>	<i>-1.7</i>	<i>5.0</i>	<i>7.5</i>	<i>(2.5)</i>
Consumer Product	141	167	-15.4	138	2.2	279	328	(14.8)
<i>EBIT margin (%)</i>	<i>13.7</i>	<i>16.1</i>	<i>-2.4</i>	<i>14.0</i>	<i>-0.4</i>	<i>13.8</i>	<i>16.3</i>	<i>(2.5)</i>
Total	2086	2,443	-14.6	2,428	-14.1	4,514	5,671	(20.4)
<i>EBIT margin (%)</i>	<i>8.7</i>	<i>10.7</i>	<i>-2.0</i>	<i>9.3</i>	<i>-0.6</i>	<i>9.0</i>	<i>11.6</i>	<i>(2.5)</i>

Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,04,463	1,19,863	1,37,452	1,57,300
YoY gr. (%)	3.1	14.7	14.7	14.4
Cost of Goods Sold	71,465	82,015	93,467	1,06,649
Gross Profit	32,998	37,848	43,985	50,651
Margin (%)	31.6	31.6	32.0	32.2
Employee Cost	8,488	5,592	6,598	7,078
Other Expenses	4,750	9,709	10,859	12,427
EBITDA	14,317	16,820	19,960	23,629
YoY gr. (%)	(7.5)	17.5	18.7	18.4
Margin (%)	13.7	14.0	14.5	15.0
Depreciation and Amortization	3,586	4,310	4,495	4,811
EBIT	10,730	12,510	15,466	18,818
Margin (%)	10.3	10.4	11.3	12.0
Net Interest	119	208	215	246
Other Income	578	630	1,100	1,200
Profit Before Tax	11,190	12,932	16,351	19,772
Margin (%)	10.7	10.8	11.9	12.6
Total Tax	2,782	3,192	4,086	4,905
Effective tax rate (%)	24.9	24.7	25.0	24.8
Profit after tax	8,408	9,741	12,265	14,867
Minority interest	-	-	-	-
Share Profit from Associate	1,201	1,285	1,413	1,554
Adjusted PAT	9,609	11,025	13,678	16,422
YoY gr. (%)	(10.2)	14.7	24.1	20.1
Margin (%)	9.2	9.2	10.0	10.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	9,609	11,025	13,678	16,422
YoY gr. (%)	(10.2)	14.7	24.1	20.1
Margin (%)	9.2	9.2	10.0	10.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9,609	11,025	13,678	16,422
Equity Shares O/s (m)	127	127	127	127
EPS (Rs)	75.6	86.8	107.7	129.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	52,503	62,759	65,539	69,713
Tangibles	50,779	61,035	63,815	67,989
Intangibles	1,724	1,724	1,724	1,724
Acc: Dep / Amortization	25,769	30,080	34,574	39,385
Tangibles	25,769	30,080	34,574	39,385
Intangibles	-	-	-	-
Net fixed assets	26,734	32,679	30,965	30,328
Tangibles	25,010	30,956	29,241	28,604
Intangibles	1,724	1,724	1,724	1,724
Capital Work In Progress	4,026	4,026	4,026	4,026
Goodwill	-	-	-	-
Non-Current Investments	7,276	7,276	7,276	7,276
Net Deferred tax assets	(875)	(875)	(875)	(875)
Other Non-Current Assets	2,583	2,583	2,583	2,583
Current Assets				
Investments	-	-	-	-
Inventories	13,337	15,303	17,548	20,082
Trade receivables	5,401	6,197	7,107	8,133
Cash & Bank Balance	9,441	9,559	19,828	31,593
Other Current Assets	2,881	3,305	3,790	4,338
Total Assets	71,678	80,929	93,123	1,08,359
Equity				
Equity Share Capital	254	254	254	254
Other Equity	56,350	63,564	73,431	86,041
Total Network	56,604	63,818	73,685	86,295
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	380	380	380	380
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	8,934	10,252	11,756	13,453
Other current liabilities	4,209	4,829	5,538	6,337
Total Equity & Liabilities	71,678	80,929	93,123	1,08,359

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	12,390	14,217	17,764	21,327
Add. Depreciation	3,586	4,310	4,495	4,811
Add. Interest	119	208	215	246
Less Financial Other Income	578	630	1,100	1,200
Add. Other	(2,043)	(630)	(1,100)	(1,200)
Op. profit before WC changes	14,052	18,105	21,373	25,184
Net Changes-WC	(992)	(1,150)	(1,313)	(1,482)
Direct tax	(3,023)	(3,192)	(4,086)	(4,905)
Net cash from Op. activities	10,037	13,763	15,974	18,796
Capital expenditures	(8,904)	(10,256)	(2,780)	(4,174)
Interest / Dividend Income	22	630	1,100	1,200
Others	975	-	-	-
Net Cash from Invst. activities	(7,908)	(9,626)	(1,680)	(2,974)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(4,065)	3,812	3,812	3,812
Interest paid	(57)	208	215	246
Others	(279)	-	-	-
Net cash from Fin. activities	(4,400)	4,019	4,026	4,057
Net change in cash	(2,271)	8,156	18,321	19,880
Free Cash Flow	1,133	3,507	13,195	14,623

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	75.6	86.8	107.7	129.3
CEPS	103.9	120.7	143.0	167.1
BVPS	445.5	502.3	580.0	679.2
FCF	8.9	27.6	103.9	115.1
DPS	34.0	30.0	30.0	30.0
Return Ratio(%)				
RoCE	21.0	21.8	24.1	25.0
ROIC	18.2	18.6	23.7	29.2
RoE	17.8	18.3	19.9	20.5
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.1)	(0.3)	(0.4)
Net Working Capital (Days)	34	34	34	34
Valuation(x)				
PER	52.9	46.1	37.2	31.0
P/B	9.0	8.0	6.9	5.9
P/CEPS	38.5	33.1	28.0	23.9
EV/EBITDA	34.8	29.7	24.5	20.2
EV/Sales	4.8	4.2	3.6	3.0
Dividend Yield (%)	0.8	0.7	0.7	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	25,099	30,271	26,092	23,939
YoY gr. (%)	2.5	0.6	(1.0)	5.3
Raw Material Expenses	17,289	21,332	17,895	15,870
Gross Profit	7,810	8,939	8,197	8,069
Margin (%)	31.1	29.5	31.4	33.7
EBITDA	3,088	4,163	3,189	2,974
YoY gr. (%)	(18.5)	(15.2)	(17.7)	(6.8)
Margin (%)	12.3	13.8	12.2	12.4
Depreciation / Depletion	913	914	930	1,044
EBIT	2,175	3,249	2,259	1,931
Margin (%)	8.7	10.7	8.7	8.1
Net Interest	30	30	28	58
Other Income	89	125	169	155
Profit before Tax	2,235	3,344	2,400	2,028
Margin (%)	8.9	11.0	9.2	8.5
Total Tax	584	732	629	529
Effective tax rate (%)	26.2	21.9	26.2	26.1
Profit after Tax	1,650	2,612	1,771	1,499
Minority interest	-	-	-	-
Share Profit from Associates	220	328	252	149
Adjusted PAT	1,870	2,939	2,023	1,647
YoY gr. (%)	(27.0)	(17.2)	(26.0)	(20.3)
Margin (%)	7.4	9.7	7.8	6.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,870	2,939	2,023	1,647
YoY gr. (%)	(27.0)	(17.2)	(26.0)	(20.3)
Margin (%)	7.4	9.7	7.8	6.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,870	2,939	2,023	1,647
Avg. Shares O/s (m)	127	127	127	127
EPS (Rs)	14.7	23.1	15.9	13.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Oct-25	Accumulate	4,758	4,200
2	24-Jul-25	Hold	4,346	4,243
3	02-Jul-25	Hold	4,346	4,376
4	25-Apr-25	Accumulate	3,803	3,512
5	08-Apr-25	Accumulate	3,689	3,112
6	03-Mar-25	Accumulate	3,748	3,533
7	21-Jan-25	BUY	5,040	4,022
8	08-Jan-25	BUY	5,721	4,600

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	9,889	8,418
2	Astral Ltd.	BUY	1,727	1,384
3	Avalon Technologies	Hold	1,083	1,253
4	Bajaj Electricals	BUY	664	549
5	Cello World	BUY	686	575
6	Century Plyboard (I)	Hold	818	808
7	Cera Sanitaryware	BUY	7,424	6,149
8	Crompton Greaves Consumer Electricals	BUY	391	293
9	Cyient DLM	Accumulate	478	441
10	Finolex Industries	Accumulate	240	206
11	Greenpanel Industries	BUY	410	299
12	Havells India	Accumulate	1,653	1,487
13	Kajaria Ceramics	Hold	1,288	1,251
14	Kaynes Technology India	Hold	7,427	7,593
15	KEI Industries	BUY	4,926	4,173
16	LG Electronics India	BUY	1,780	1,688
17	Polycab India	BUY	8,808	7,440
18	R R Kabel	BUY	1,615	1,268
19	Supreme Industries	Accumulate	4,758	4,200
20	Syrma SGS Technology	Accumulate	870	852
21	Voltas	Hold	1,440	1,354

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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