

Prince Pipes and Fittings

Recovery awaited

We recently interacted with the Prince Pipes management, Mr. Nihar Chheda, VP (Strategy), and Mr. Anand Gupta, CFO. The company targets 12–15% volume growth in FY27, supported by industry consolidation, with expected EBITDA margins of 11–12%, driven by an improved value-added product mix and consequent gross margin expansion. Management expects the bathware segment to break even in H2FY27 at a monthly run rate of INR 80–100mn and aims to scale it up to INR 3–4bn annual revenue over the next four years, with a margin potential of 13–14%. On demand, April saw primary channel destocking due to excess inventory build-up in March, though secondary demand remained healthy, while May witnessed a strong rebound in primary demand. Management anticipates that PVC prices will remain steady, going forward. We expect plumbing industry volume growth to remain muted in FY27, primarily due to elevated channel inventory levels at the end of FY26. Additionally, we anticipate competitive intensity to continue, which is likely to keep margins under check. We have modeled a 6% volume CAGR over FY26–28E. Supported by improved realizations, we expect revenue CAGR of 9% over the same period. Given the low base of margins in FY26, impacted by inventory losses, we project a recovery, leading to an EBITDA CAGR of 18% and an APAT CAGR of 32% during FY26–28E. We maintain our estimates for FY27/28E and REDUCE, with an unchanged TP of INR 260/share, by valuing the company at 22x Mar-28 EPS.

- Guidance:** The company is targeting 12–15% volume growth in FY27, supported by the ongoing industry consolidation. It expects 11–12% EBITDA margin for FY27, aided by a higher value-added product mix, which will drive the gross margin higher. The bathware segment is anticipated to reach breakeven in H2FY27 at a monthly revenue run rate of INR 80–100mn. Over the next four years, the annual revenue targets for this segment are set at INR 3–4bn, with a margin potential of 13–14%.
- Demand and cost trend:** Management indicated that April saw destocking in the primary channel due to excess inventory build-up in March, even as secondary demand remained healthy. However, May witnessed a rebound, and channel inventory has normalized now. The company noted that following the sharp spike in PVC prices in March, the market has since then corrected and stabilized, with supply conditions returning to normal. Management expects PVC prices to remain steady, going forward.
- Bihar expansion to strengthen presence in eastern market:** The company indicated that it continues to be among the top two players in the eastern market, which is currently witnessing strong infrastructure-led growth. In line with this, the company commissioned a ~65K MT plumbing plant in Bihar in FY26. Following the commissioning, it has discontinued outsourcing in the eastern region. It expects the eastern market to outpace industry growth. The plant is operating well and has achieved ~60% utilization.
- CPVC segment to witness traction:** In December 2025, the company ended its partnership with Lubrizol and introduced its proprietary SmartFit Plus CPVC brand. This transition has delivered significant cost efficiencies, allowing the company to pass on a substantial portion of the savings to the market to improve competitiveness, while retaining a part of the benefits to support margin expansion. In our view, this strategic shift will lead to stronger volume growth alongside margin improvements.

REDUCE

CMP (as on 09 Jun 2026)	INR 284
Target Price	INR 260
NIFTY	23,242

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 260	INR 260
EPS	FY27E	FY28E
revision %	-	-

KEY STOCK DATA

Bloomberg code	PRINCPIN IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	31/328
6m avg traded value (INR mn)	93
52 Week high / low	INR 388/205

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	20.5	12.7	(15.0)
Relative (%)	25.2	25.4	(4.7)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	60.94	60.95
FIs & Local MFs	15.61	15.54
FPIs	3.54	3.55
Public & Others	19.91	19.96
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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- Outlook and valuation:** We expect plumbing industry volume growth to remain muted in FY27, primarily due to elevated channel inventory levels at the end of FY26. Additionally, we anticipate competitive intensity to continue, which is likely to keep the margins under check. We have modeled a 6% volume CAGR over FY26–28E. Supported by improved realizations, we expect revenue CAGR of 9% over the same period. Given the low margin base of FY26 (as they were impacted by inventory losses), we project a recovery leading to an 18% EBITDA CAGR and a 32% APAT CAGR during FY26–28E. We maintain estimates for FY27/28E as well as REDUCE, with an unchanged TP of INR 260/share, by valuing the company at 22x Mar-28 EPS.

Financial summary (INR mn)

Year Ending March	FY23	FY24	FY25	FY26	FY27E	FY28E
Pipes sales (K MT)	157.7	172.8	177.2	191.2	200.8	216.9
NSR (Rs/Kg)	172	149	142	136	143	143
EBITDA (Rs/Kg)	16	18	9	12	14	15
Net Sales	27,109	25,687	25,239	25,983	28,646	30,938
EBITDA	2,503	3,074	1,618	2,316	2,764	3,225
EBITDAM (%)	9.2	12.0	6.4	8.9	9.6	10.4
APAT	1,214	1,646	431	752	1,023	1,311
Diluted EPS (Rs)	11.0	14.9	3.9	6.8	9.3	11.9
EV / EBITDA (x)	11.9	10.2	20.4	12.9	11.0	9.2
P/E (x)	25.9	19.1	72.8	41.8	30.7	24.0
RoE (%)	9.2	11.3	2.8	4.7	6.1	7.3

Source: Company, HSIE Research

Estimates revision summary

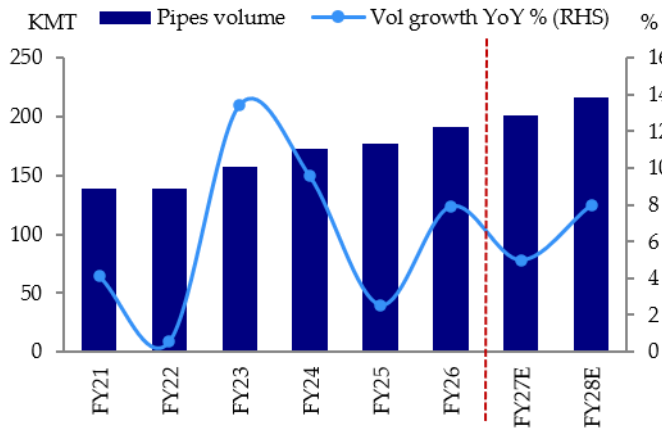
We retain our estimates for FY27E, and FY28E.

INR mn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Net Sales	28,646	28,646	-	30,938	30,938	-
EBITDA	2,764	2,764	-	3,225	3,225	-
APAT	1,023	1,023	-	1,311	1,311	-

Source: Company, HSIE Research

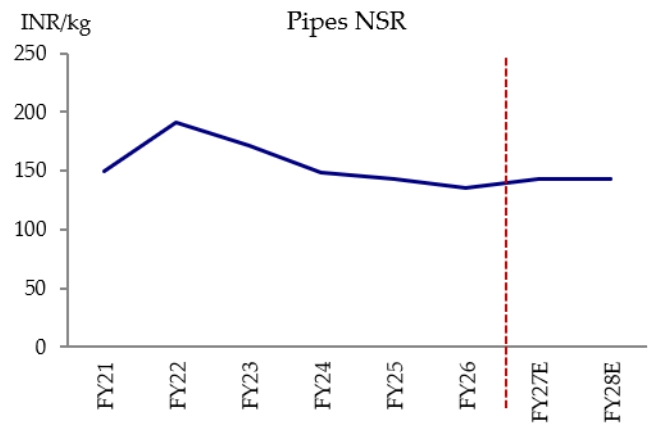
Prince Pipes and Fittings: Company Update

Pipes volume likely to clock 6% CAGR over FY26-28E



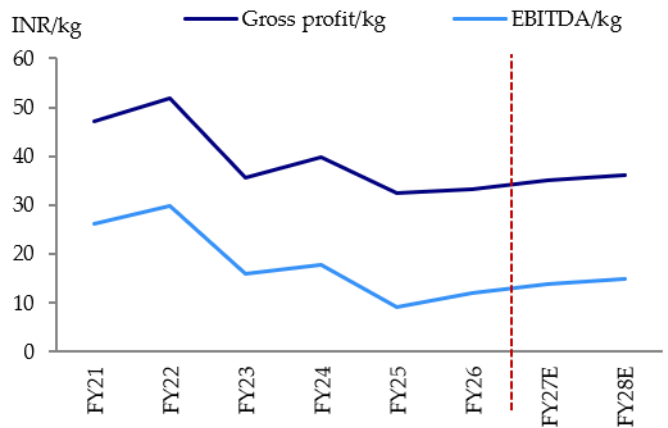
Source: Company, HSIE Research

We expect pipes NSR to rebound in FY27E



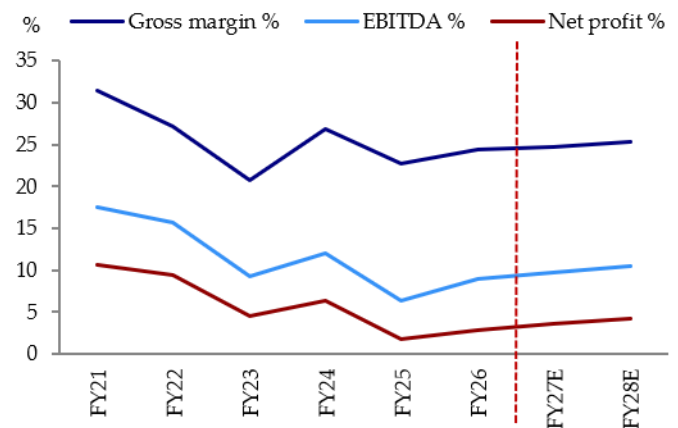
Source: Company, HSIE Research

Profitability to improve further in FY27/28E



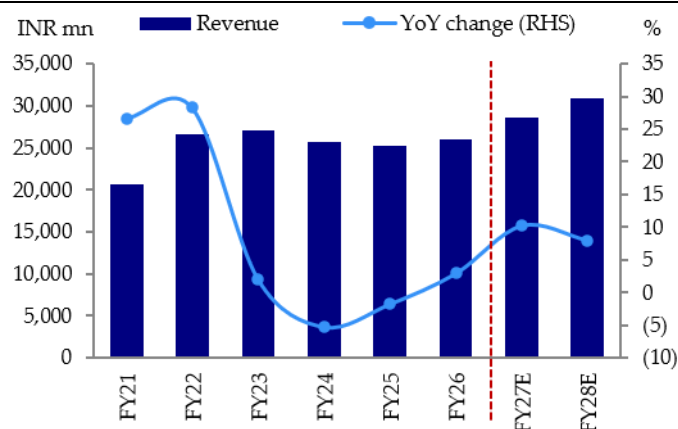
Source: Company, HSIE Research

Going forward, gross margin will improve, which will lead to better EBITDA/APAT margin



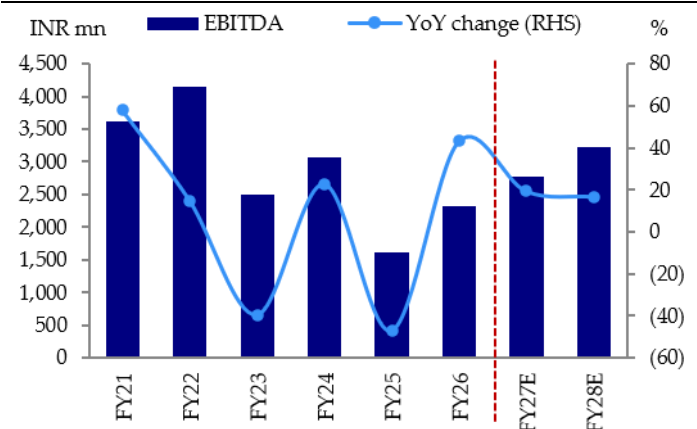
Source: Company, HSIE Research

We estimate revenue will grow at 9% CAGR over FY26-28E (volume-led)



Source: Company, HSIE Research

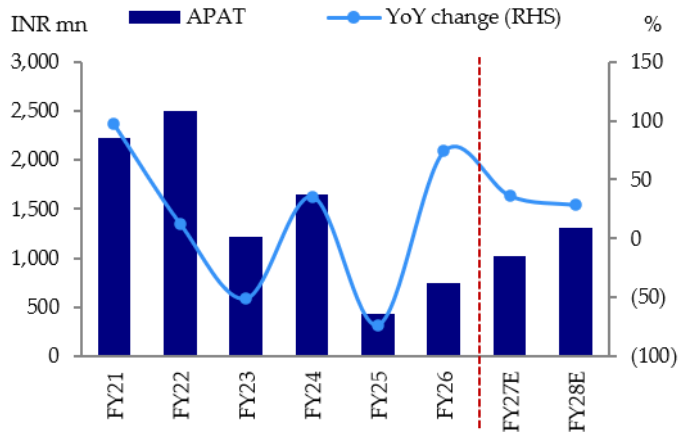
We project 18% EBITDA CAGR during FY26-28E on a low base



Source: Company, HSIE Research

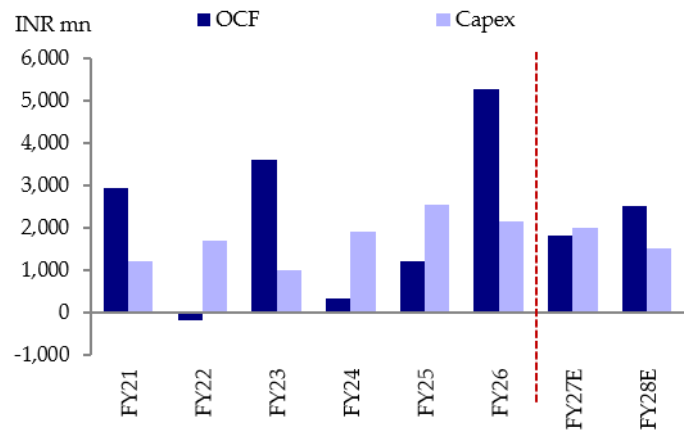
Prince Pipes and Fittings: Company Update

We expect 32% APAT CAGR during FY26-28E owing higher EBITDA



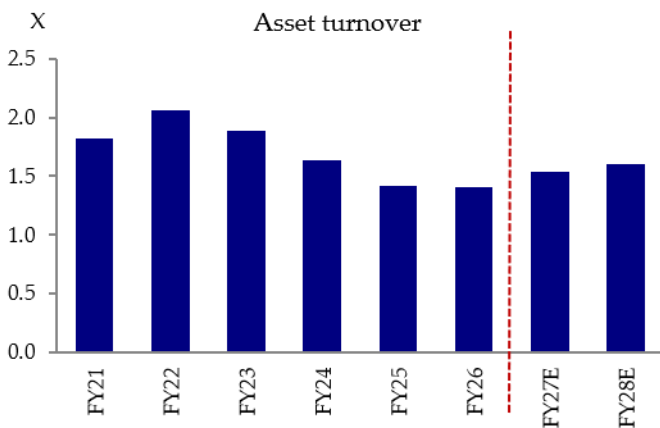
Source: Company, HSIE Research

We estimate OCF will exceed capex due to a slowdown in the pace of capex



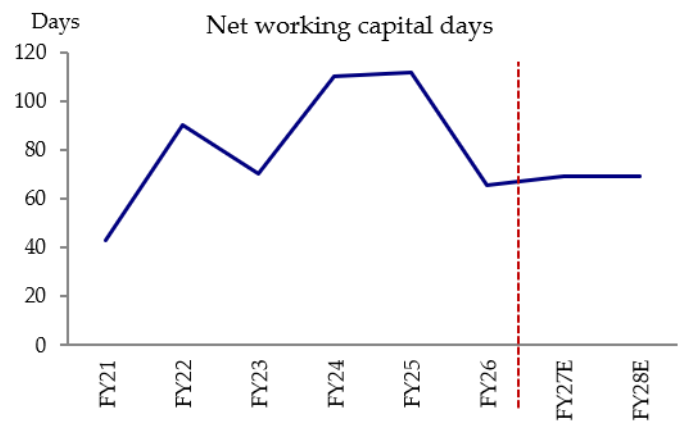
Source: Company, HSIE Research

Owing to low utilization, asset turnover will remain below 2x



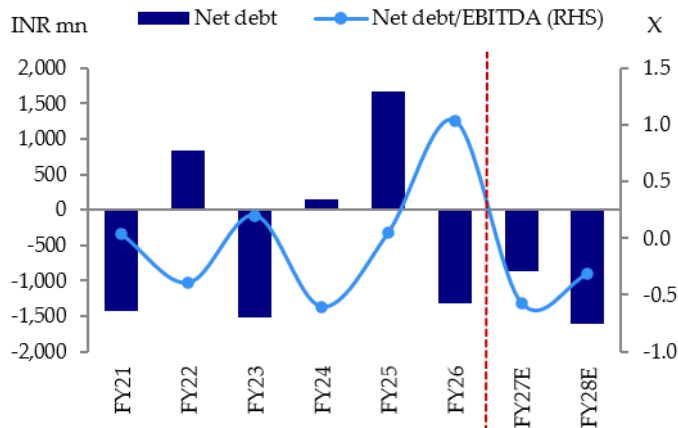
Source: Company, HSIE Research

We estimate working capital cycle to remain broadly at similar level



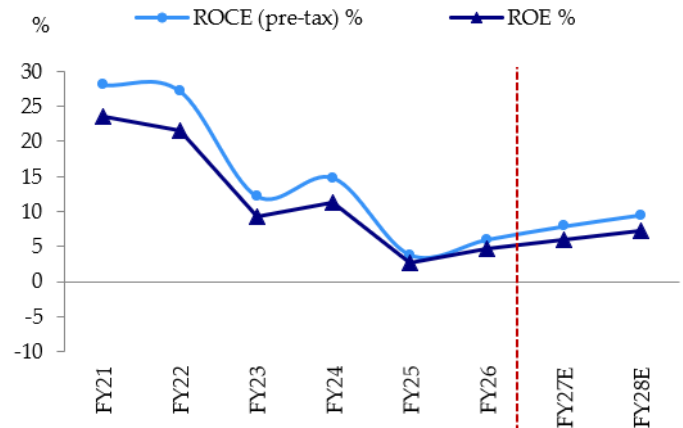
Source: Company, HSIE Research

Supported by healthy operating cash inflow, the company's net cash balance will rise



Source: Company, HSIE Research

Return ratios to improve during FY26-28E



Source: Company, HSIE Research

Financials

Income Statement

YE Mar (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenues	27,109	25,687	25,239	25,983	28,646	30,938
<i>Growth %</i>	2.0	(5.2)	(1.7)	2.9	10.3	8.0
Raw Material	20,922	18,193	18,839	18,944	20,862	22,312
Power & Fuel	556	603	654	687	722	788
Freight Expense	361	406	383	402	422	465
Employee cost	1,161	1,477	1,742	1,842	2,031	2,194
Other Expenses	1,605	1,934	2,003	1,792	1,845	1,955
EBITDA	2,503	3,074	1,618	2,316	2,764	3,225
<i>EBITDA Margin (%)</i>	9.2	12.0	6.4	8.9	9.6	10.4
<i>EBITDA Growth %</i>	(39.8)	22.8	(47.4)	43.1	19.3	16.7
Depreciation	830	912	1,070	1,311	1,428	1,524
EBIT	1,673	2,162	548	1,005	1,336	1,701
Other Income	86	161	137	109	139	139
Interest	110	65	97	96	102	81
PBT	1,648	2,258	588	1,018	1,373	1,759
Tax	434	613	157	266	350	449
RPAT	1,214	1,825	431	731	1,023	1,311
EO (Loss) / Profit (Net Of Tax)	-	179	-	(20)	-	-
APAT	1,214	1,646	431	752	1,023	1,311
<i>APAT Growth (%)</i>	(51.3)	35.5	(73.8)	74.3	36.0	28.2
AEPS	11.0	14.9	3.9	6.8	9.3	11.9
<i>AEPS Growth %</i>	(51.3)	35.5	(73.8)	74.3	36.0	28.2

Source: Company, HSIE Research

Balance Sheet

YE Mar (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
SOURCES OF FUNDS						
Share Capital	1,106	1,106	1,106	1,106	1,106	1,106
Reserves And Surplus	12,534	14,338	14,659	15,339	16,209	17,323
Total Equity	13,640	15,444	15,764	16,445	17,314	18,429
Long-term Debt	31	288	948	637	637	12
Short-term Debt	598	1,009	1,820	817	817	842
Total Debt	629	1,296	2,768	1,453	1,453	854
Deferred Tax Liability	137	191	193	237	237	237
Long-term Liab+ Provisions	20	26	35	41	45	50
TOTAL SOURCES OF FUNDS	14,425	16,957	18,761	18,177	19,050	19,569
APPLICATION OF FUNDS						
Net Block	6,806	7,976	9,605	10,684	11,256	11,232
Capital WIP	236	354	198	238	238	238
Other Non-current Assets	267	435	530	232	243	256
Total Non-current Investments	3	3	3	3	3	3
Total Non-current Assets	7,311	8,767	10,336	11,156	11,740	11,728
Inventories	4,256	4,379	6,095	4,953	4,870	5,259
Debtors	4,150	5,849	4,229	3,633	4,010	4,331
Cash and Cash Equivalents	2,140	1,156	1,097	2,771	2,322	2,460
Other Current Assets (& Loans/adv)	1,430	1,081	1,437	1,725	1,803	1,885
Total Current Assets	11,976	12,465	12,857	13,082	13,005	13,936
Creditors	3,202	2,491	2,611	3,922	3,438	3,713
Other Current Liabilities & Provns	1,661	1,784	1,822	2,140	2,258	2,382
Total Current Liabilities	4,863	4,275	4,433	6,062	5,695	6,095
Net Current Assets	7,113	8,190	8,424	7,020	7,310	7,841
TOTAL APPLICATION OF FUNDS	14,425	16,957	18,761	18,177	19,050	19,569

Source: Company, HSIE Research

Cash Flow

YE Mar (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Reported PBT	1,648	2,258	588	1,018	1,373	1,759
Non-operating & EO Items	(51)	(6)	53	2,179	-	-
Interest Expenses	102	49	80	158	102	81
Depreciation	830	912	1,070	1,311	1,428	1,524
Working Capital Change	1,473	(2,151)	(322)	633	(746)	(401)
Tax Paid	(401)	(733)	(281)	(34)	(350)	(449)
OPERATING CASH FLOW (a)	3,602	329	1,189	5,265	1,806	2,515
Capex	(998)	(1,908)	(2,554)	(2,138)	(2,000)	(1,500)
Free Cash Flow (FCF)	2,604	(1,579)	(1,364)	3,127	(194)	1,015
Investments	(531)	586	146	(1,148)	-	-
Non-operating Income	48	65	61	35	-	-
INVESTING CASH FLOW (b)	(1,481)	(1,258)	(2,347)	(3,250)	(2,000)	(1,500)
Debt Issuance/(Repaid)	(891)	560	1,497	(1,312)	-	(600)
Interest Expenses	(110)	(85)	(189)	(153)	(102)	(81)
FCFE	1,603	(1,104)	(56)	1,662	(296)	334
Share Capital Issuance	-	-	-	-	-	-
Dividend	(221)	-	(111)	(55)	(153)	(197)
FINANCING CASH FLOW (c)	(1,222)	475	1,198	(1,520)	(255)	(877)
NET CASH FLOW (a+b+c)	899	(453)	41	494	(449)	138
Closing Cash & Equivalents	1,585	1,687	1,197	1,591	2,322	2,460

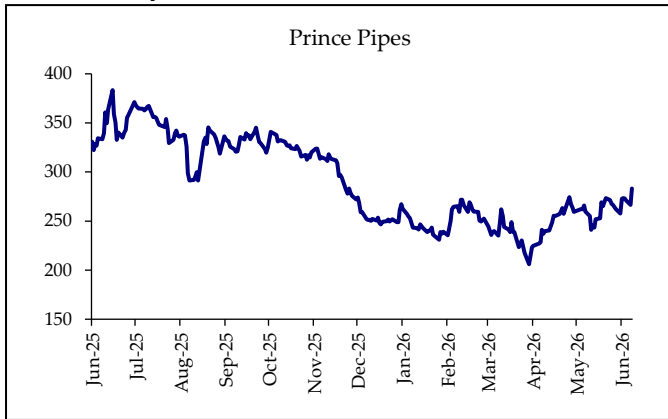
Source: Company, HSIE Research

Key Ratios

	FY23	FY24	FY25	FY26	FY27E	FY28E
PROFITABILITY %						
EBITDA Margin	9.2	12.0	6.4	8.9	9.6	10.4
EBIT Margin	6.2	8.4	2.2	3.9	4.7	5.5
APAT Margin	4.5	6.4	1.7	2.9	3.6	4.2
RoE	9.2	11.3	2.8	4.7	6.1	7.3
RoIC (pre-tax)	13.1	15.7	3.3	6.2	8.4	10.2
RoCE (pre-tax)	12.2	14.8	3.8	6.0	7.9	9.5
EFFICIENCY						
Tax Rate %	26.3	27.1	26.7	26.1	25.5	25.5
Fixed Asset Turnover (x)	2.8	2.3	1.9	1.6	1.6	1.5
Inventory (days)	57	62	88	70	62	62
Debtors (days)	56	83	61	51	51	51
Other Current Assets (days)	23	22	28	27	26	25
Payables (days)	43	35	38	55	44	44
Other Current Liab & Provns (days)	23	26	27	31	29	29
Cash Conversion Cycle (days)	70	106	113	62	66	66
Net Debt/EBITDA (x)	(0.6)	0.0	1.0	(0.6)	(0.3)	(0.5)
Net D/E	(0.1)	0.0	0.1	(0.1)	(0.1)	(0.1)
Interest Coverage	15.2	33.3	5.7	10.4	13.1	21.1
PER SHARE DATA (Rs)						
EPS	11.0	14.9	3.9	6.8	9.3	11.9
CEPS	18.5	23.1	13.6	18.7	22.2	25.6
Dividend	-	1.0	0.5	1.0	1.4	1.8
Book Value	123.4	139.7	142.6	148.7	156.6	166.7
VALUATION						
P/E (x)	25.9	19.1	72.8	41.8	30.7	24.0
P/Cash EPS (x)	15.4	11.5	20.9	15.4	12.8	11.1
P/BV (x)	2.3	2.0	2.0	1.9	1.8	1.7
EV/EBITDA (x)	11.9	10.2	20.4	12.9	11.0	9.2
EV/sales (x)	1.10	1.22	1.31	1.15	1.06	0.96
Dividend Yield (%)	-	0.4	0.2	0.4	0.5	0.6
OCF/EV (%)	12.1	1.0	3.6	17.6	5.9	8.5
FCFF/EV (%)	8.7	(5.0)	(4.1)	10.4	(0.6)	3.4
FCFE/M Cap (%)	8.3	(5.0)	(4.3)	10.0	(0.6)	3.2

Source: Company, HSIE Research

Price History



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: >10% Downside return potential

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