Prince Pipes and Fittings Ltd. (PRIPIP)

ICICI Direct

CMP: ₹277	Target ₹ 370 (34%)	Target Period: 12 months	BUY

August 6, 2026

Mixed Q1; FY27 guidance retained...

About the stock: Prince Pipes and Fittings Ltd. (PPFL) is one of the largest domestic manufacturers of PVC pipes with a market share of ~5%.

• It has 9 manufacturing units, with a combined capacity of ~4.35 LTPA, across India.

•It has a strong network of over 1500+ distributors.

Q1FY27 performance: Prince Pipes and Fittings reported a mixed Q1FY27 performance, with revenue increasing 5% YoY to ₹ 609 crore despite a 7% YoY decline in volumes to 40,729 MT. EBITDA surged 95% YoY to ₹ 77 crore, with EBITDA margin expanding to 12.7% (up 584 bps YoY), while PAT rose sharply to ₹ 34 crore (versus ₹ 5 crore in Q1FY26). Bathware segment reported a revenue of ₹ 13 crore.

Investment Rationale:

- **FY27 volume/EBITDA margin guidance retained:** Prince pipes retained 12-15% YoY volume growth guidance for FY27 despite a 7% YoY dip in Q1FY27. Sharp correction in PVC prices in April 2026 (suspension of import duty on PVC resin till June 2026 led to channel destocking) led to Q1 volume dip. The implementation of the Minimum Import Price (MIP) and the removal of the import duty rebate from 16 June have helped stabilise PVC prices, normalise channel inventories, and is expected to drive channel restocking. The management retained its EBITDA margins guidance of 11-13% for FY27, which is expected to be driven by better product mix (CPVC, PPR Plumbing systems) and new product launches (such as DECILO, low noise drainage pipes).
- **Network expansion and value chain digitisation to drive growth:** Prince pipes is aggressively adding new channel partners on the basis of identified whitespaces at district and taluka level. It has operationalised Distributor Management Systems providing visibility at retailer level in order to offer targeted schemes to drive sales. Further, its sales force automation is in place to improve productivity at ground sales level. The above measures are expected to help the company in gaining market share from unorganised players and to a certain extent from large organised players. Consequently, the management remains confident of achieving industry leading industry growth rate over the medium to long term.

Rating and Target Price:

- We have fine-tuned our earnings estimates for FY27 & FY28. We estimate its revenue/EBITDA/PAT to grow at a CAGR of ~14%/29%/52% over FY26-FY29E.
- We retain Buy with an unchanged price target of ₹ 370, i.e. 23x P/E on FY28E EPS.

PRINCE PIPING SYSTEMS

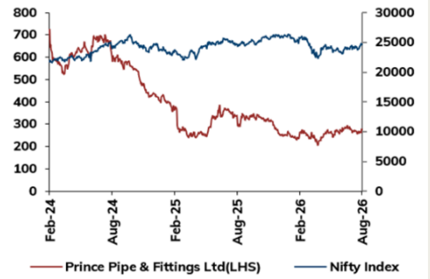
Particulars

Particular	₹ crore
Market Capitalisation	3063
Gross Debt (FY26)	140
Cash (FY26)	129
EV (₹crore)	3073
52 week H/L	358/205
Equity capital	111
Face value	10

Shareholding pattern

Particular	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	60.9	60.9	61.0	61.0
FIIs	3.7	3.5	3.5	3.1
DIIs	16.0	15.6	15.5	15.3
Others	19.4	19.9	20.0	20.7

Price Chart



Key risks

(i) Sharp decline in PVC/CPVC resin prices

(ii) Slowdown in agriculture, infrastructure, real estate sectors.

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2-Year CAGR (FY24-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	2569	2524	2598	0.6%	2949	3366	13.8%
EBIDTA	307	162	232	-13.2%	318	386	29.1%
EBIDTA Margins(%)	12.0	6.4	8.9		10.8	11.5	
Adjusted PAT	165	43	75	-32.4%	132	175	52.4%
EPS (Rs.)	14.9	3.9	6.8		11.9	15.8	
P/E (x)	18.6	71.0	40.7		23.3	17.5	
EV to EBIDTA (x)	10.1	20.0	13.3		9.6	7.8	
RoNW (%)	10.7	2.7	4.5		7.4	9.0	
RoCE (%)	13.8	3.3	6.6		9.7	12.0	

Source: Company, ICICI Direct Research

Q1FY27 Earnings call highlights

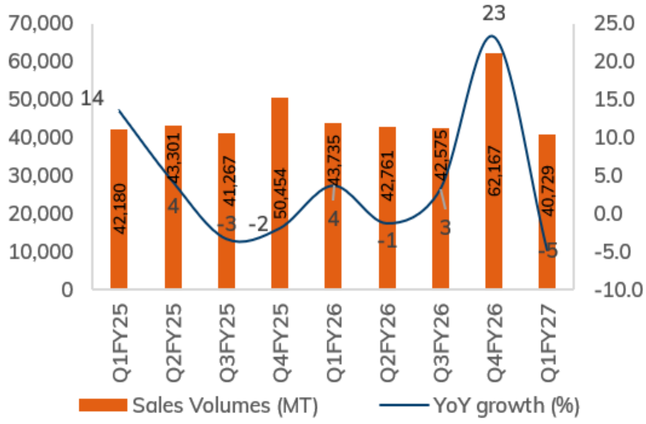
- **Guidance:** Management reiterated its FY27 volume growth guidance of 12-15% and EBITDA margin guidance of 11-13%, despite a weak Q1FY27 volume performance. It expects volume recovery from Q2FY27 onwards, supported by normalization in PVC demand, product premiumisation, distributor expansion and improving capacity utilisation. Management also reiterated its capex guidance of ₹ 200-210 crore (including ₹ 40-45 crore towards the Aquel acquisition spent in Q1FY27).
- **Demand and Future Outlook:** Plastic Piping volumes declined 7% YoY in Q1FY27, largely due to a sharp correction in PVC prices in April triggering widespread channel destocking. Demand recovered from May onwards, aided by the implementation of the Minimum Import Price (MIP) and the withdrawal of the import duty rebate from 16 June, which helped stabilise PVC prices. Management remains optimistic on the medium-term outlook, supported by improving infrastructure demand, premiumisation, better realizations, and operating leverage.
- **Bathware:** Bathware revenue stood at ₹ 13 crore during Q1FY27 with an EBITDA loss of ₹ 5 crore. Management expects a meaningful improvement from Q2FY27 onwards and remains confident of achieving a ₹ 25 crore quarterly revenue run rate by Q3FY27, which would enable the segment to approach break-even.
- **Premium Product:** Management reiterated its focus on premiumisation through differentiated products. The newly launched DECILO, a low-noise drainage piping system, has commenced commercial supplies from the Haridwar facility and is already being deployed in residential as well as commercial projects, including hospitals and hotels. The company expects innovation-led products to improve gross margins and strengthen its positioning in premium plumbing solutions.
- **Growth Pillars:** Management highlighted its long-term growth strategy centred on four pillars 1) Innovation and R&D 2) Distributor network expansion 3) Retailer network expansion 4) Brand Building. The company continues to strengthen its product portfolio through premium launches such as DECILO, while expanding its distribution and retail network, with further additions planned in Q2FY27. Management highlighted healthy distributor additions from both organised and unorganised players, supported by strong channel relationships and product demand. Brand visibility is also being enhanced through high-impact campaigns across local trains, buses, and other high-footfall locations to drive retail demand and improve brand recall.
- **Digitisation of Value Chain:** Management highlighted that the Distributor Management System (DMS) has been fully rolled out across its distributor network, enabling real-time tracking of secondary sales and retailer-level inventory. The platform supports targeted retailer incentive programmes and facilitates a shift from a push-based to a pull-based demand model, allowing production planning based on actual market demand.

Exhibit 1: Quarterly Analysis

Particulars	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Comments
Operating Income	**609**	**580**	**5.0**	**850**	**-28.3**	Piping Volumes were down 7% YoY. Bathware revenue stood at ₹ 13 crore
Other Income	4	3	45.9	5	-12.7	
Total Revenue	613	583	5.2	855	-28.2	
Raw Materials Costs	387	415	-6.7	581	-33.4	
Employees Exp	51	41	23.4	51	0.2	
Other Expenses	94	85	11.4	109	-13.2	
Total Expenditure	532	541	-1.6	740	-28.1	
EBITDA	**77**	**40**	**95.0**	**110**	**-29.6**	Better product and end-user mix led to margin expansion YoY
EBITDA Margins (%)	12.6	6.8	579bps	12.8	-25bps	
Interest	3	5	-37.8	4	-	
Depreciation	35	31	13.9	34	2.1	
Exceptional items	0	0	-	0	-	
PBT	43	6	574.6	76	-	
Tax	9	2	494.3	20	-	
Adj. PAT	**34**	**5**	**600.2**	**56**	**-**	

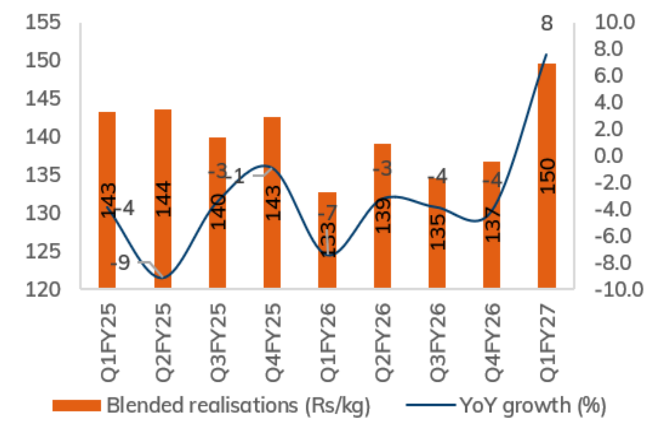
Source: Company, ICICI Direct Research

Exhibit 2: Sales Volume Trend



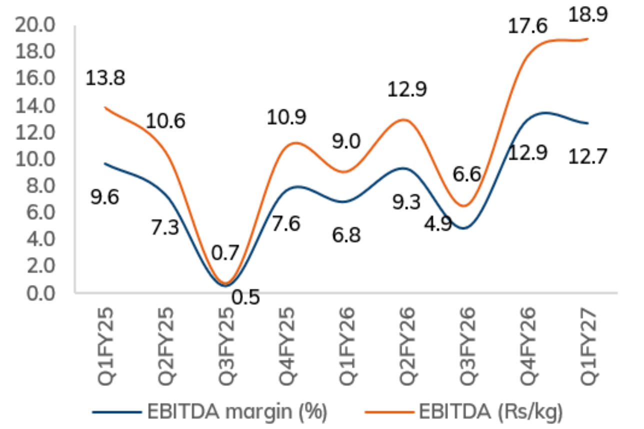
Source: Company, ICICI Direct Research

Exhibit 3: Blended Realisation Trend



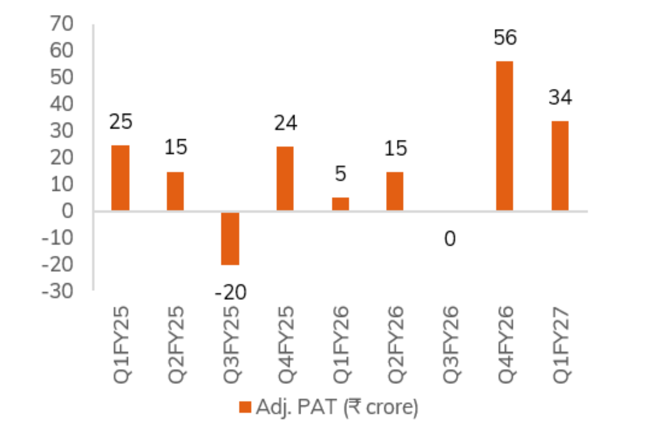
Source: Company, ICICI Direct Research

Exhibit 4: EBITDA Trend



Source: Company, ICICI Direct Research

Exhibit 5: PAT Trend



Source: Company, ICICI Direct Research

Financial summary

Exhibit 6: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Total Operating Income	**2524**	**2598**	**2949**	**3366**
Growth (%)	-1.7%	2.9%	13.5%	14.1%
Operating Expenses	1884	1894	2075	2353
Gross Profit	640	704	874	1013
Gross Profit Margins (%)	25.4%	27.1%	29.6%	30.1%
Employee Expenses	174	184	203	223
Other Expenditure	304	288	354	404
Total Operating Exp.	2362	2367	2631	2980
EBITDA	**162**	**232**	**318**	**386**
Growth (%)	-47.4%	43.1%	37.1%	21.5%
Interest	10	10	9	5
Depreciation	107	131	141	154
Other Income	14	11	13	13
PBT before Excl. item	**59**	**102**	**180**	**239**
Total tax	16	27	49	65
PAT before MI	43	75	132	175
Income from Associates	0	0	0	0
Exceptional items	0	-2	0	0
PAT	**43**	**73**	**132**	**175**
Growth (%)	-73.8%	69.7%	79.8%	32.7%
EPS (Adjusted)	**3.9**	**6.8**	**11.9**	**15.8**

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit/loss after taxation	59	102	180	239
Add: Dep. & Amortization	107	131	141	154
Change in working capital	-32	278	-28	-69
Total tax paid	-28	-3	-49	-65
Others	13	19	0	0
CF from operating activities	**119**	**526**	**244**	**259**
(Purchase)/Sale of Fixed Assets	-254	-210	-209	-209
Others	19	-117	0	0
CF from Investing activities	**-235**	**-327**	**-209**	**-209**
(Inc)/Dec in Loan	99	32	-50	-50
Divident & Divident tax	-11	6	-6	-6
Equity raised	0	0	0	0
Others	33	-191	0	0
CF from Financing activities	**121**	**-153**	**-56**	**-56**
Net Cash Flow	5	46	-21	-5
Opening Cash & Cash Equivalent	78	83	129	109
Closing Cash & Cash Equivalent	**83**	**129**	**109**	**104**

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	111	111	111	111
Reserve and Surplus	1466	1534	1660	1829
Total Shareholders funds	**1576**	**1645**	**1771**	**1940**
Minority Interest	0	0	0	0
Total Debt	**264**	**140**	**90**	**40**
Deferred Tax Liability	19	24	24	24
Long-Term Provisions	22	26	26	26
Other Non Current Liabilities	6	1	1	1
Total Liabilities	**1888**	**1835**	**1911**	**2030**
Net Block	960	1066	1134	1189
Capital WIP	20	24	24	24
Fixed Assets	**980**	**1090**	**1158**	**1213**
Goodwill & Other intangible assets	0	2	2	2
Investments	27	148	148	148
Other non-Current Assets	53	23	23	23
Inventory	609	495	384	435
Debtors	423	363	404	461
Other Current Assets	130	172	172	172
Loans & Advances	0	0	9	10
Cash	83	129	109	104
Total Current Assets	**1245**	**1160**	**1077**	**1182**
Creditors	261	392	301	342
Provisions	4	4	4	4
Other Current Liabilities	167	192	192	192
Total Current Liabilities	**431**	**589**	**498**	**538**
Net Current Assets	814	571	579	644
Deferred Tax Asset	14	0	0	0
Application of Funds	**1888**	**1835**	**1911**	**2030**

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Adjusted EPS	3.9	6.8	11.9	15.8
Cash EPS	10.8	47.6	22.1	23.5
BV per share	142.6	148.7	160.1	175.4
Dividend per share	0.5	1.0	0.5	0.5
Operating Ratios (%)				
Gross Profit Margins	25.4	27.1	29.6	30.1
Operating EBIDTA margins (%)	6.4	8.9	10.8	11.5
(Adjusted) PAT Margins	1.7	2.8	4.5	5.2
Cash Conversion Cycle	112	66	60	60
Fixed asset turnover (x)	2.6	2.4	2.5	2.8
Return Ratios (%)				
RoE	2.7	4.5	7.4	9.0
RoCE	3.3	6.6	9.7	12.0
RoIC	2.5	4.5	8.0	9.9
Valuation Ratios (x)				
P/E	71.0	40.7	23.3	17.5
EV / EBITDA	20.0	13.3	9.6	7.8
EV / Net Sales	1.3	1.2	1.0	0.9
Market Cap / Sales	1.2	1.2	1.0	0.9
Price to Book Value	1.9	1.9	1.7	1.6
Solvency Ratios				
Debt / EBITDA	1.6	0.6	0.3	0.1
Debt / Equity	0.2	0.1	0.1	0.0

Source: Company, ICICI Direct Research

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Sell: <-15%

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