Prince Pipes and Fittings Ltd. (PRIPIP)

CMP: ₹298 | Target ₹ 370 (24%) | Target Period: 12 months | BUY

November 4, 2026

Strong Q2; Improving product mix...

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.

Q2FY27 performance: Prince Pipes and Fittings reported a strong Q2FY27 performance, with revenue increasing 38% YoY to ₹ 821 crore, driven by 22% volume growth to 52,080 MT. EBITDA surged 82% YoY to ₹ 100 crore, with margins improving to 12.2% (versus 9.3% in Q2FY26), while PAT jumped 226% to ₹ 48 crore. Bathware segment reported a revenue of ₹ 19 crore.

Investment Rationale:

- **FY27 volume/EBITDA margin guidance retained:** Prince pipes retained 12-15% YoY volume growth guidance for FY27 (Q2FY27 – 22% YoY, H1FY27 – 7% YoY). The Minimum Import Price (MIP) issued on July 24, 2026 (validity of 6 months) and DGTR's recommendations of provisional countervailing duties (CVD) on Chinese PVC imports is expected to stabilise PVC prices (abating downward pressure). 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 products (such as DECILO). Its Bathware business is expected to breakeven in Q4FY27 (earlier Q3FY27) at ~₹ 24-25 crore quarterly revenue run-rate.
- **Lowering dependence on PVC polymer:** Prince pipes is focusing on reducing its dependence on PVC polymer due to its high volatility. It will be developing new products (catering B2C and B2B – realty) over the next few years to gain first mover advantage, in turn increasing usage of Polypropylene (PP), Polypropylene Random Copolymer (PPR) and Chlorinated Polyvinyl Chloride (CPVC) polymers. The same is expected to drive revenue growth and EBITDA margins. Currently, CPVC and PPR mix is 30%+ compared to 25% traditionally. Further, new channel partners additions, Distributor Management Systems and sales force automation is expected to help the company in gaining market share from unorganised players and to a certain extent from large organised players.

Rating and Target Price:

- 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.

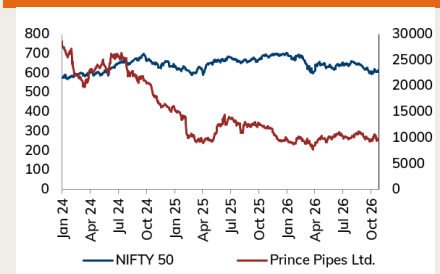
Particulars

Particular	₹ crore
Market Capitalisation	3295
Gross Debt (FY26)	140
Cash (FY26)	129
EV (₹crore)	3306
52 week H/L	328/205
Equity capital	111
Face value	10

Shareholding pattern

Particular	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	60.9	61.0	61.0	61.0
FIIs	3.5	3.5	3.1	3.2
DIIs	15.6	15.5	15.3	15.1
Others	19.9	20.0	20.7	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)	20.0	76.4	43.8		23.3	17.5	
EV to EBIDTA (x)	10.8	21.5	14.3		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

Q2FY27 Earnings call highlights

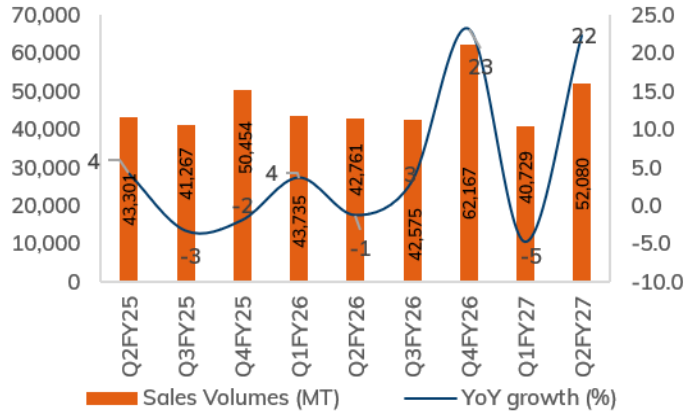
- **Guidance:** Management reiterated its FY27 volume growth guidance of 12-15%, with EBITDA margin guidance maintained at 11-13%. While H1FY27 volume growth stood at 7%, management expects a strong H2 performance, supported by improving end-user demand, channel restocking, market-share gains and capacity utilisation. October volume growth remained strong and broadly in line with Q2 levels (on a lower base). The company maintained its FY27 capex guidance of ~₹ 200 crore, of which ₹ 70 crore was incurred in H1FY27.
- **Demand and Future Outlook:** Management highlighted an improvement in industry demand following stabilisation in PVC prices during Q2FY27. The implementation of the Minimum Import Price (MIP) has provided greater visibility on input costs and reduced distributor concerns around inventory losses, supporting channel restocking. It expects the proposed countervailing duty (CVD) on Chinese PVC imports to provide further support to domestic industry conditions. Management expects PVC prices to remain broadly range-bound at ₹ 95-100/kg, considering current crude and elevated freight costs.
- **Bathware:** Bathware revenue stood at ₹ 19 crore in Q2FY27, with an EBITDA loss of ₹ 4 crore. Management indicated that the business requires ₹ 24-25 crore per quarter to achieve break-even. It expects the segment to approach break in Q4FY27.
- **Premiumisation:** CPVC and PPR together contributed over 30% of overall revenue (versus ~25% traditionally). CPVC was the fastest-growing polymer in terms of contribution, with growth higher than the industry. Management reiterated its focus on increasing the share of value-added products through deeper penetration of CPVC and PPR, alongside new product launches. It also indicated that the company would continue to grow across PVC, CPVC, PPR and PP categories, while maintaining the contribution of value-added products. A higher share of these polymers is expected to reduce dependence on PVC and moderate margin volatility over the long term.
- **Product Innovation:** The company has established a dedicated product innovation and R&D function to develop differentiated, value-added products. DECILO has seen installations across residential and hospitality projects in multiple states. Currently manufactured at the Haridwar facility, the company plans to expand its manufacturing footprint to the Silvassa facility by the end of the March quarter.

Exhibit 1: Quarterly Analysis

Particulars	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	Comments
Operating Income	**821**	**595**	**38.1**	**609**	**34.7**	Piping Volumes were up by 22% YoY. Bathware revenue stood at ₹ 19 crore
Other Income	3	2	92.9	4	-22.0	
Total Revenue	824	596	38.2	613	34.3	
Raw Materials Costs	549	413	32.8	387	41.9	
Employees Expenses	55	45	22.2	51	7.8	
Other Expenses	116	81	43.4	94	23.3	
Total Expenditure	720	539	33.5	532	35.3	
EBITDA	**100**	**55**	**82.4**	**77**	**30.3**	Better product and end-user mix led to margin expansion YoY. Bathware losses of 4 cr
EBITDA Margins (%)	12.2	9.2	295bps	12.6	-38bps	
Interest	2	4	-63.1	3	-48.9	
Depreciation	35	32	9.2	35	1.2	
Exceptional items	0	0	-	0	-	
PBT	67	20	236.5	43	55.0	
Tax	19	5	265.2	9	104.9	
Adj. PAT	**48**	**15**	**226.4**	**34**	**41.5**	

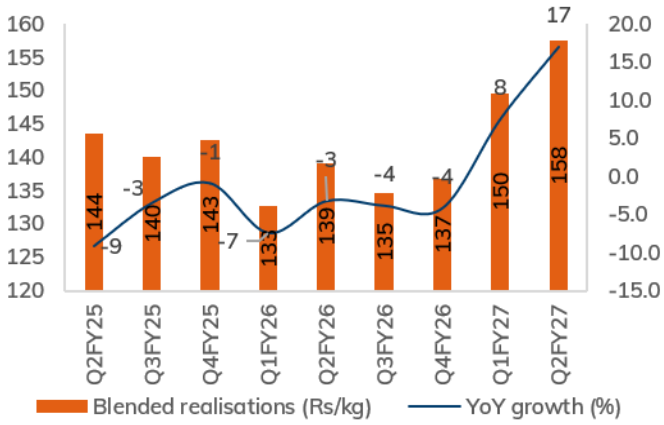
Source: Company, ICICI Direct Research

Exhibit 2: Sales Volume Trend



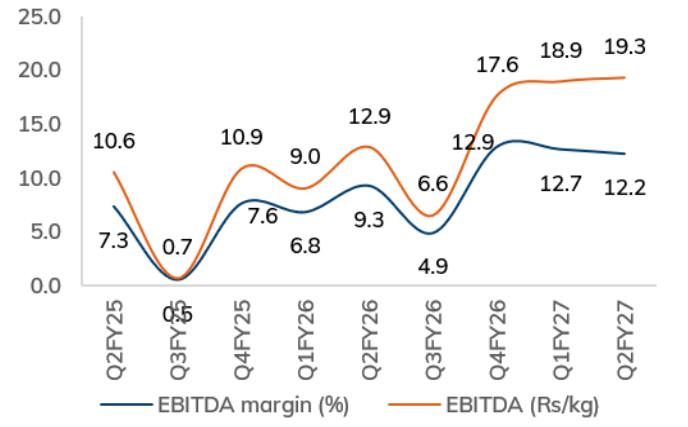
Source: Company, ICICI Direct Research

Exhibit 3: Blended Realisation Trend



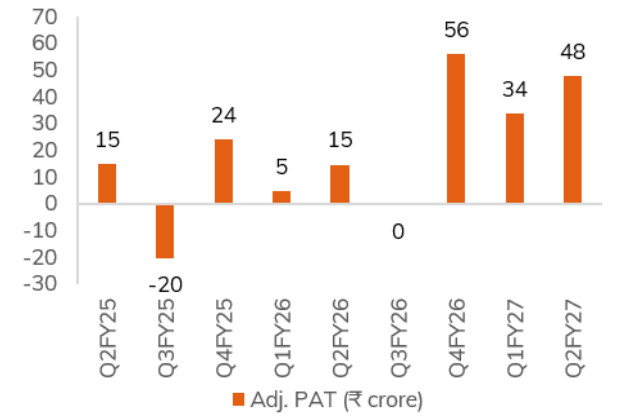
Source: Company, ICICI Direct Research

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	76.4	43.8	23.3	17.5
EV / EBITDA	21.5	14.3	9.6	7.8
EV / Net Sales	1.4	1.3	1.0	0.9
Market Cap / Sales	1.3	1.3	1.1	1.0
Price to Book Value	2.1	2.0	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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Reduce: -15% to -5%;

Sell: <-15%

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