

Prince Pipes and Fittings | ADD

Navigating challenges

Prince Pipes, a top-five player in India's plastic piping industry with 7,200+ SKUs and multi-brand presence, is repositioning itself as an integrated water solutions provider by scaling bathware and water tank adjacencies alongside its core pipes business. The company leverages a diversified manufacturing footprint, integrated logistics, and brand initiatives—including the new Begusarai facility and A&P programmes—to optimise cost and enhance market reach. However, volume lagged peers over FY20–25 (~6% CAGR vs. 11–12% for leaders) and margins declined (EBITDA from ~14% to ~6%; return ratios from >20% to ~3%). We forecast volume to grow by ~9% CAGR over FY25–28E, and EBITDA margin to improve to ~11% by FY28 (broadly reverting to FY23–24 levels) mainly supported by a low base, richer value-added mix, and scaling of bathware. Return ratios are expected to recover to 9–10% by FY28E, though they will still be below historical levels and peer benchmarks. We re-initiate with ADD rating and a TP of INR 360/sh based on 27x Sep'27 P/E (in line with the 5-year average). Key risks include higher competitive intensity and PVC price volatility.

- **Transitioning to a holistic water solutions provider:** Prince has established itself among the top five players in India's plastic piping industry with a portfolio of 7,200+ SKUs, multi-brand positioning, and increasing distribution reach. The company is repositioning itself as an integrated water solutions provider, scaling adjacencies in bathware and water tanks alongside its core pipes business. Strategic alliances with technical/ global partners, innovation-led product mix, and focus on higher-margin CPVC, plumbing, SWR, and industrial segments will help in strengthening its growth and margin profile, while focus on diversification into institutional channels will support operating leverage.
- **Driving penetration through scale and brand investments:** The company leverages a diversified manufacturing footprint and integrated logistics (11 depots/warehouses) to optimise freight cost (~1.5–1.6% of sales, ~40–50bps below the industry average). The new Begusarai (Bihar) facility (45–50ktpa already commissioned, including CPVC) is expected to reach 60ktpa by Sep'25, which will strengthen Prince's East India presence; the company is targeting 60–65% utilisation by FY27. On branding, A&P spend rose to 2% of sales in FY25 (vs. 1.5–1.6% of sales earlier), supported by celebrity endorsement, loyalty programmes, and a strategic tie-up with Indian Railways, and a similar spend is planned in FY26 to drive brand equity and visibility.
- **Subdued past; optimism ahead from a low base:** Prince has lagged peers over FY20–25 with muted ~6% volume CAGR (vs. 11–12% for leaders), subdued ~50% utilisation, and EBITDA margin contraction from ~14% to ~6%, leading to a decline in return ratios from >20% to ~3%. We forecast volume to grow at ~9% CAGR over FY25–28E and margin to improve to ~11% by FY28, supported by higher volume on a low base, richer value-added mix, and scaling of bathware. FCF of ~INR 2.2bn over FY25–28E (after factoring in capex of INR 4.4bn and normalisation of inventory to 75 days) should take net debt to near-zero level by FY28E. Return ratios are expected to recover to 9–10% by FY28E, though they will still be below historical levels, and that of peers.
- **We re-initiate with ADD and TP of INR 360** based on 27x Sep'27 P/E, in line with the past 5-year average. Key risks include higher competitive intensity and PVC price volatility.



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Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	NA
Current Price Target (12M)	360
Upside/(Downside)	9.0%
Previous Price Target	NA
Change	NA

Key Data – PRINCIP IN

Current Market Price	INR330
Market cap (bn)	INR36.5/US\$0.4
Free Float	39%
Shares in issue (mn)	110.6
Diluted share (mn)	110.6
3-mon avg daily val (mn)	INR120.7/US\$1.4
52-week range	585/210
Sensex/Nifty	81,160/24,891
INR/US\$	88.7

Price Performance

%	1M	6M	12M
Absolute	-2.3	31.1	-42.5
Relative*	-2.8	24.9	-39.2

* To the BSE Sensex

Financial Summary

	(INR mn)				
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	25,687	25,239	26,255	29,666	33,496
Sales Growth (%)	-5.2	-1.7	4.0	13.0	12.9
EBITDA	3,074	1,618	2,038	2,869	3,786
EBITDA Margin (%)	12.0	6.4	7.8	9.7	11.3
Adjusted Net Profit	1,646	431	590	1,164	1,804
Diluted EPS (INR)	14.9	3.9	5.3	10.5	16.3
Diluted EPS Growth (%)	35.5	-73.8	36.8	97.1	55.0
ROIC (%)	11.2	2.4	3.4	6.5	9.4
ROE (%)	11.3	2.8	3.7	6.9	9.9
P/E (x)	22.2	84.6	61.8	31.4	20.2
P/B (x)	2.4	2.3	2.2	2.1	1.9
EV/EBITDA (x)	12.1	23.8	18.4	13.0	9.7
Dividend Yield (%)	0.0	0.3	0.2	0.3	0.3

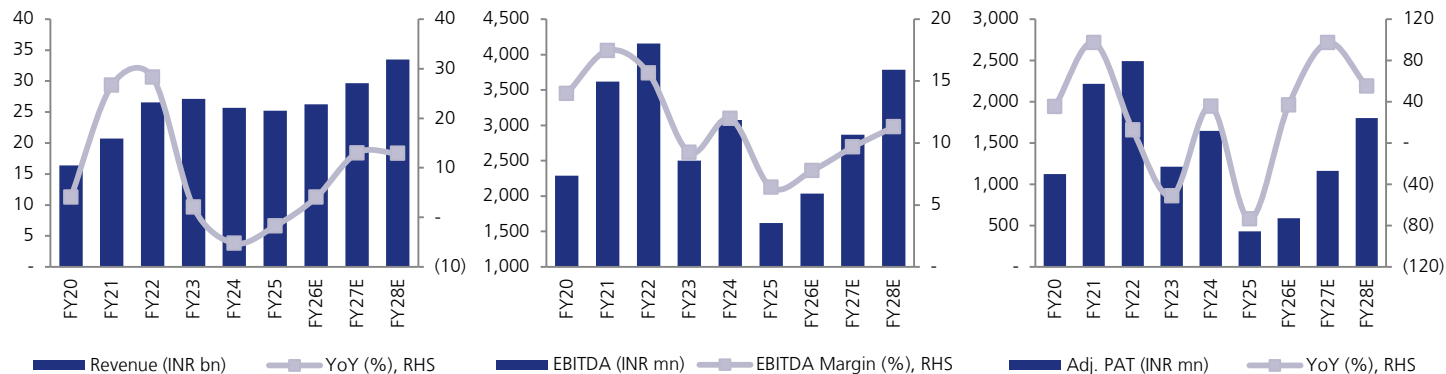
Source: Company data, JM Financial. Note: Valuations as of 25/Sep/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

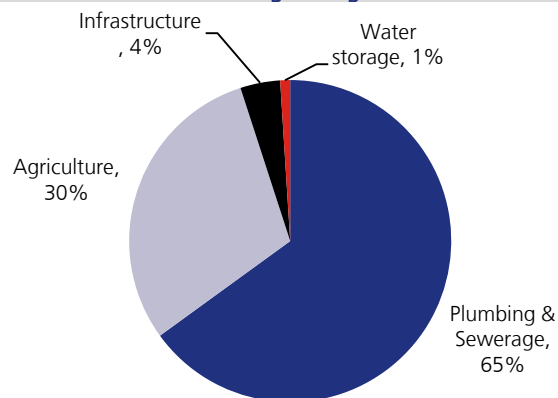
Story in Charts

Exhibit 1. We estimate Revenue/ EBITDA/ Adj. PAT CAGR of 10%/ 33%/ 61% over FY25-28E on a low base



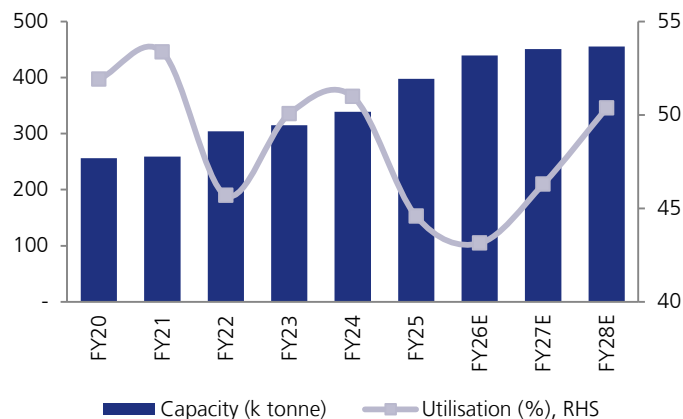
Source: Company, JM Financial

Exhibit 2. Revenue mix: Plumbing and agriculture contributes >90%



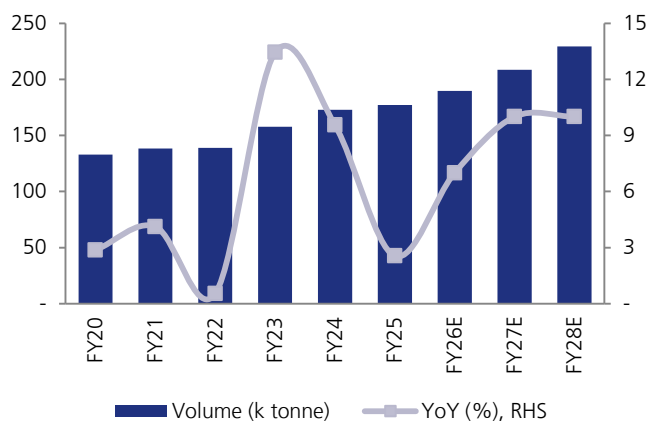
Source: Company, JM Financial

Exhibit 3. Installed capacity to rise at ~5% CAGR over FY25-28E



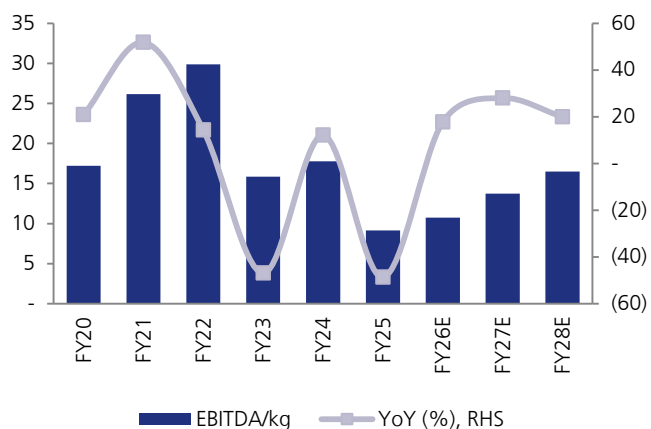
Source: Company, JM Financial

Exhibit 4. Volumes to likely grow at ~9% CAGR over FY25-28E...

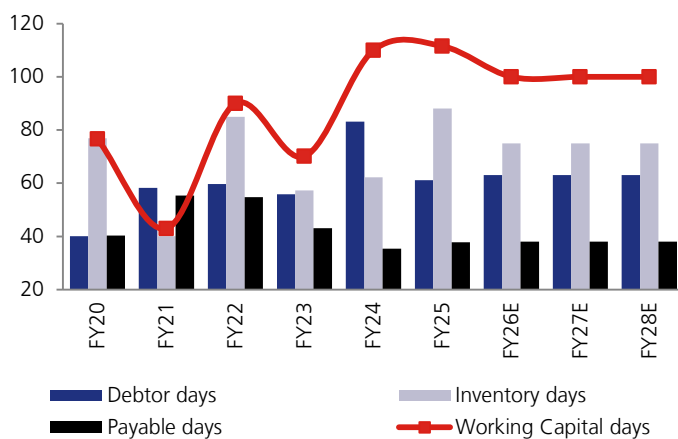


Source: Company, JM Financial

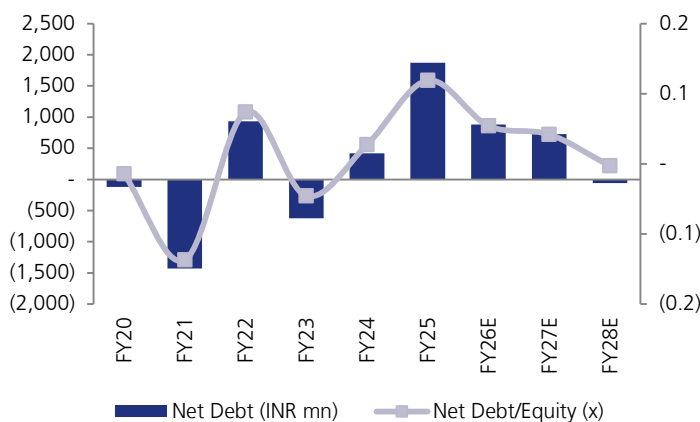
Exhibit 5. while EBITDA/kg may grow at ~22% CAGR over FY25-28E



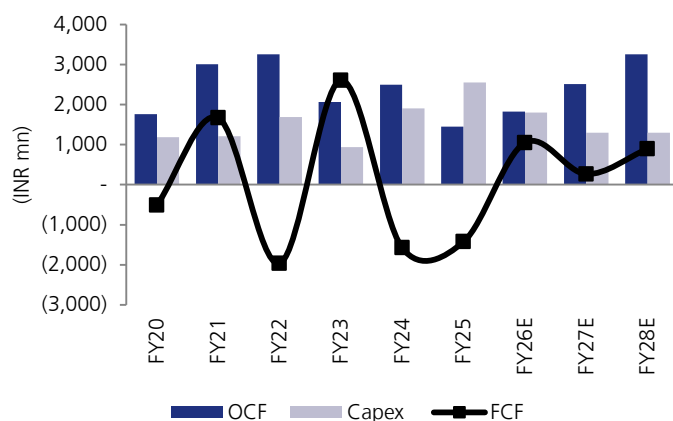
Source: Company, JM Financial

Exhibit 6. Improving days of working capital trajectory


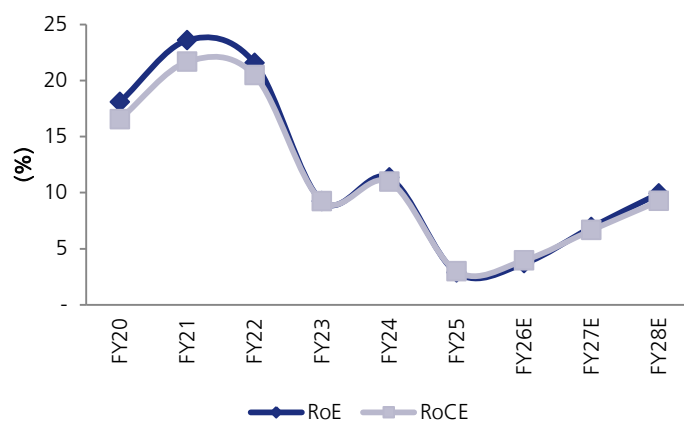
Source: Company, JM Financial

Exhibit 7. We estimate net debt to turn broadly nil by FY28E


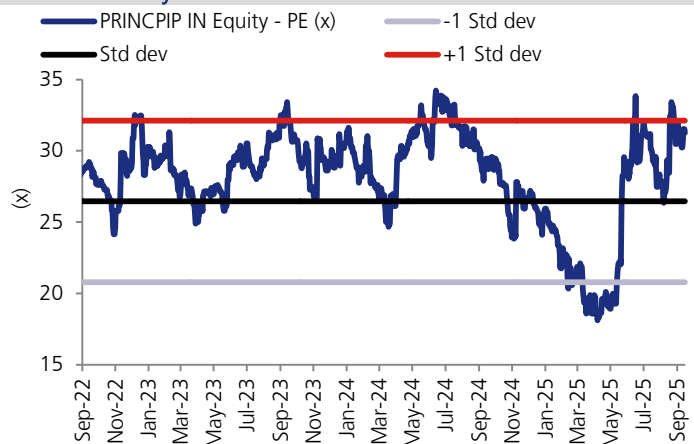
Source: Company, JM Financial

Exhibit 8. Strong OCF generation of ~INR 8bn over FY25-28E


Source: Company, JM Financial

Exhibit 9. Return ratios to improve over FY25-28E


Source: Company, JM Financial

Exhibit 10. One-year forward P/E


Source: Bloomberg, JM Financial

Exhibit 11. Re-initiate ADD with TP of INR 360 on 27x Sep'27E

P/E Method

Sep'27E EPS (INR)	13.4
P/E multiple (x)	27
Target Price (INR)	360
CMP (INR)	330
Upside (%)	9.0

Source: JM Financial

Investment Thesis

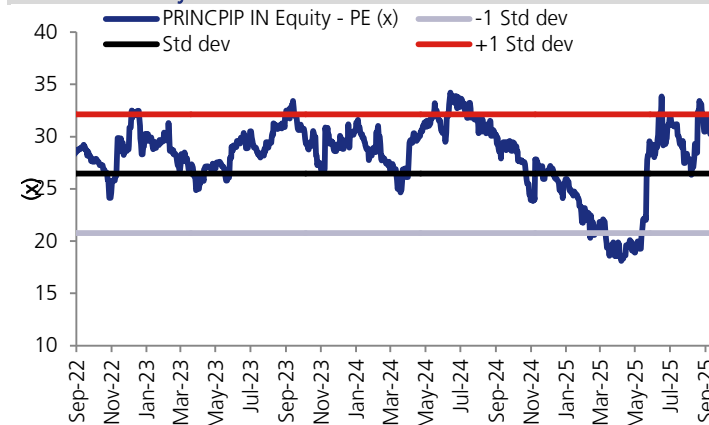
- **Transitioning to a holistic water solutions provider:** Prince is among the top five players in India's plastic piping industry, backed by 7,200+ SKUs, multi-brand positioning, and a growing distribution network. The company is repositioning itself as an integrated water solutions provider by scaling adjacencies in bathware and water tanks alongside its core pipes business. Strategic alliances with global/technical partners, an innovation-driven product mix, and a focus on higher-margin segments (CPVC, plumbing, SWR, industrial) are expected to strengthen growth and margins, while diversification into institutional channels should enhance operating leverage.
- **Driving penetration through scale and brand investments:** The company leverages a diversified manufacturing footprint and integrated logistics (11 depots/warehouses) to keep freight cost at ~1.5–1.6% of sales, ~40–50bps below the industry average. Its new Begusarai (Bihar) facility (45–50ktpa, including CPVC, already commissioned) is set to scale up to 60ktpa by Sep'25, strengthening Prince's presence in East India; utilisation is targeted at 60–65% by FY27. On branding, A&P spend increased to 2% of sales in FY25 (vs. 1.5–1.6% earlier), supported by celebrity endorsements, loyalty programmes, and a strategic tie-up with Indian Railways. A similar spend is planned in FY26 to further enhance brand equity and visibility.
- **Subdued past; optimism ahead from a low base:** Prince has lagged peers over FY20–25, posting a muted ~6% volume CAGR (vs. 11–12% for leaders), subdued utilisation of ~50%, and EBITDA margin compression from ~14% to ~6%, driving RoCE down from >20% to ~3%. We forecast ~9% volume CAGR over FY25–28E and margin recovery to ~11% by FY28, aided by higher volume on a low base, a richer value-added mix, and scaling of bathware. FCF of ~INR 2.2bn over FY25–28E (post capex of INR 4.4bn and inventory normalisation to 75 days) should reduce net debt to near-zero by FY28E. RoCE is expected to improve to 9–10% by FY28E, though it will still be below historical levels, and that of peers.
- **Key Risks:**
 - **Raw material cost volatility:** The company's dependence on PVC and CPVC resins—derivatives of crude oil—exposes it to global price swings and supply chain disruptions.
 - **Increasing competitive intensity:** Heightened price-based competition and aggressive capacity additions by peers could restrict pricing power, pressure margins, and make market share expansion challenging.
 - **Execution risk in new business segments:** Prince Pipes has forayed into higher-margin categories such as bathware and water tanks to diversify its portfolio. Delays in achieving scale or profitability could weigh on profitability/ returns.
- **We re-initiate with ADD and TP of INR 360** based on 27x Sep'27 P/E, in line with the past 5-year average.

Exhibit 12. Re-initiate ADD with TP of INR 360 on 27x Sep'27E

P/E Method	
Sep'27E EPS (INR)	13.4
P/E multiple (x)	27
Target Price (INR)	360
CMP (INR)	330
Upside (%)	9.0

Source: JM Financial

Exhibit 13. One-year forward P/E



Source: Bloomberg, JM Financial

Exhibit 14. Key assumptions

Detailed P/L Key Assumptions										
Key Assumptions	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR (%) FY20-25 FY25-28E
Operational Metrics										
Capacity (kt)	256	259	304	315	339	398	440	451	456	9.2 4.6
Volume (kt)	133	138	139	158	173	177	190	209	229	5.9 9.0
Utilisation (%)	52	53	46	50	51	45	43	46	50	
Blended Realisation (INR/kg)	123	150	191	172	149	142	138	142	146	3.0 0.8
EBITDA/kg (INR/kg)	17	26	30	16	18	9	11	14	17	(11.9) 21.8
P&L (INR mn)										
Revenue	16,357	20,715	26,568	27,109	25,687	25,239	26,255	29,666	33,496	9.1 9.9
EBITDA	2,288	3,616	4,156	2,503	3,074	1,618	2,038	2,869	3,786	(6.7) 32.8
Adj. PAT	1,125	2,218	2,494	1,214	1,646	431	590	1,164	1,804	(17.4) 61.1
Balance Sheet (INR mn)										
Equity	8,377	10,435	12,653	13,640	15,444	15,764	16,299	17,352	19,045	
Net debt	(122)	(1,432)	933	(625)	421	1,874	883	727	(57)	
Cash Flow (INR mn)										
OCF before NWC change	1,757	3,004	3,254	2,068	2,495	1,450	1,828	2,508	3,251	
Chnge in NWC	(1,081)	(127)	(3,529)	1,474	(2,163)	(322)	1,019	(941)	(1,057)	
Capex	(1,188)	(1,210)	(1,687)	(938)	(1,908)	(2,554)	(1,800)	(1,300)	(1,300)	
FCF	(512)	1,667	(1,963)	2,604	(1,577)	(1,426)	1,046	267	894	
Return Ratios (%)										
RoE	18.2	23.6	21.6	9.2	11.3	2.8	3.7	6.9	9.9	
RoCE	16.5	21.7	20.5	9.2	11.0	3.0	4.0	6.7	9.2	
RoIC	18.7	25.7	22.6	9.2	10.6	2.3	3.4	6.3	9.2	
Valuations (x)										
P/E							61.9	31.4	20.3	
EV/EBITDA							18.4	13.0	9.6	

Source: JM Financial

Transitioning to holistic water solutions provider

Prince Pipes has emerged as a top-five player in India's plastic piping industry, supported by a portfolio of 7,200+ SKUs, multi-brand positioning (Prince, Trubore, Aque), and a pan-India distribution network of 1,500+ partners. The company is repositioning itself as an integrated water solutions provider, scaling adjacencies in bathware and water tanks alongside its core pipes business. Its differentiated brand portfolio (Aquafit, Biofit, Safefit), strategic alliances (Lubrizol, Ostendorf, Hauraton), and innovation-led product mix strengthen its value proposition. Prince Pipes holds ~10% share in CPVC (~20–25% of revenue), and is strategically focused on higher-margin plumbing, SWR, and industrial segments, while diversifying into B2B/institutional channels to enhance growth and operating leverage.

From pipes to integrated water solutions

Prince Pipes has scaled into one of the top five players in India's plastic piping industry with a comprehensive portfolio of >7,200 SKUs across plumbing, agriculture, and infrastructure. It is repositioning itself as an integrated water solutions provider, expanding into bathware and drainage systems. The company has built a robust pan-India distribution network of 1,500+ channel partners with a presence across markets.

The company's innovation-led approach is underpinned by differentiated brands (Aquafit, Biofit, Safefit) and global partnerships with Lubrizol, Ostendorf Kunststoffe, Hauraton, and Unnati. Its addressable market opportunity is >INR 600bn, spanning CPVC, UPVC, PPR, and HDPE pipes, LLDPE water tanks, and sanitaryware/bath fittings. It operates under three brands: Prince (pan-India), Trubore (South India), and Aque (bathware).

In CPVC (~20-25% revenue), it holds ~10% market share. The company's strategic focus remains on higher-margin segments such as plumbing, SWR, and industrial applications. Historically retail-led (75–80% of revenue), it is now sharpening its presence in the institutional/project (B2B) segment to diversify the mix and unlock operating leverage.

Exhibit 15. Revenue mix (FY25)

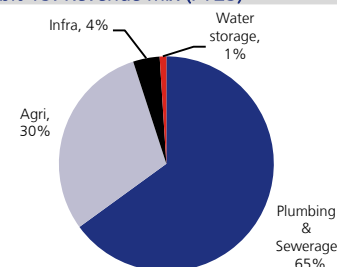
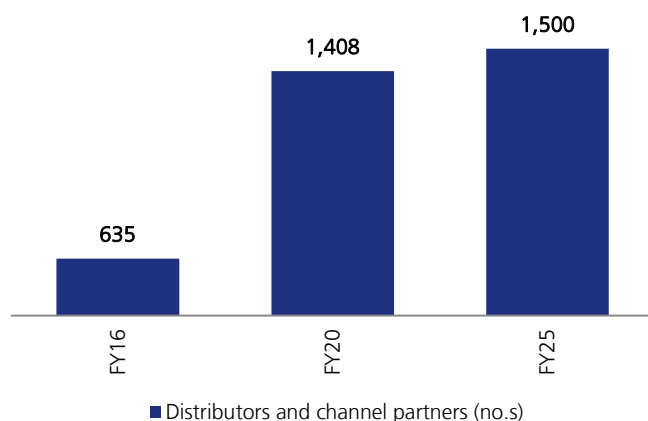


Exhibit 16. Key business segments



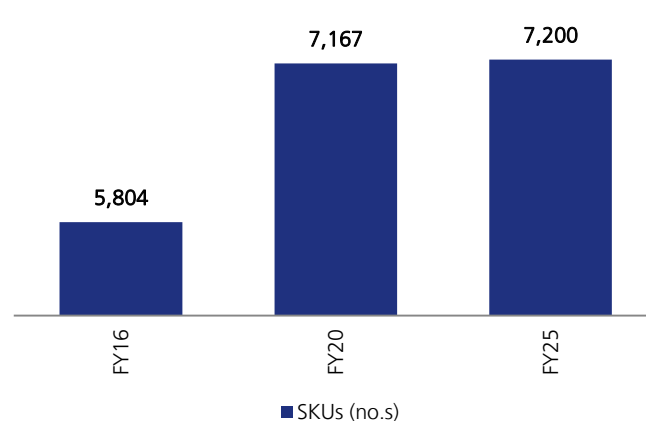
Source: Company, JM Financial

Exhibit 17. Pan-India network of >1,500 channel partners



Source: Company, JM Financial

Exhibit 18. Product portfolio of 7,200+ SKUs across segments



Source: Company, JM Financial

Extensive portfolio driving scale

Prince Pipes addresses a sizeable ~INR 850bn–900bn opportunity, with pipes (~70%), bathware (~18–20%), and water tanks (~10–12%) forming the core demand pools. The company has built a comprehensive polymer-processing platform spanning pipes, fittings, valves, LLDPE water tanks, and bathware solutions. Strategic alliances notably with Lubrizol, provide access to FlowGuard Plus CPVC plumbing and Corzan CPVC industrial systems, strengthening its value proposition.

Exhibit 19. Wide-ranging product portfolio, making it a full-fledged water solutions company

Sub-category	Product Name	Description
Piping and Fittings		
CPVC Pipes & Fittings	FlowGuard Plus	For hot & cold water up to 93°C. Developed with Lubrizol (USA).
PPR (Polypropylene Random Copolymer)	Greenfit	Suitable for hot & cold water up to 95°C. Mostly used in hospitals, hotels, high-rises.
UPVC Pipes	EASYFIT/EASYFITin	Pressure pipes for farm water distribution; ring and solvent joint. Used in agriculture and Industrial sectors
HDPE Pipes	HDPE (PE-63/80/100)	Flexible, durable pipes used for irrigation and bore wells.
Agricultural Fittings	Valves, fittings	Includes Ball Valves, Service Saddles, Couplers, etc.
Sewerage and Drainage		
SWR Pipes & Fittings	SILENTFIT/ULTRAFIT	Low noise SWR system used for Waste-Rainwater pipes with ring fit & solvent joint options.
Inspection Chambers	CORFIT Manholes	Modular manholes & chambers used for underground inspection.
Manhole Covers	DURAFIT	Durable and corrosion-resistant covers for sewerage systems.
Agricultural Fittings	AQUAFIT	Included Ball Valves, Service saddles, Couplers, etc.
Storage of Wastewater	BIOFIT	Septic tanks for waste-water management, Launched in 2025.
Agriculture, Water Storage & Drainage		
Water Tanks	STOREFIT	Launched in FY20. Multi-layered water storage tanks.
Silent Drainage system	Skolan Safe	Premium Polypropylene (PP) Silent Drainage System manufactured by Ostendorf Kunststoffe GmbH in Germany.
PP Drainage System	HT Safe	Low Noise PP Drainage System used for kitchen & labs; resistant to hot water.
Surface Drainage	Hauraton	Channels for infrastructure drainage (parking, airports, etc.) developed with German technology.
Sub-Surface Drainage	Terrafta	Used in water table control in farming and airport, etc.
Underground Drainage	FOAMFIT/DRAINFIT	Double-wall corrugated HDPE pipes for underground drainage.
Bathware and Sanitaryware		
Faucets	Aurum, Titanio, Platina, Marquise, Tiara, etc.	Premium chrome and matte finish ranges.
Showers & Health Taps	Overhead, hand showers, sensor taps	Aimed at modern bathrooms and water saving.
Sanitaryware	EWCs, Wash Basins, Urinals	With rimless designs, anti-germ glaze, and water-saving flushing.

Source: Company, JM Financial

Exhibit 20. Products under plumbing & industrial and sewerage & underground segments



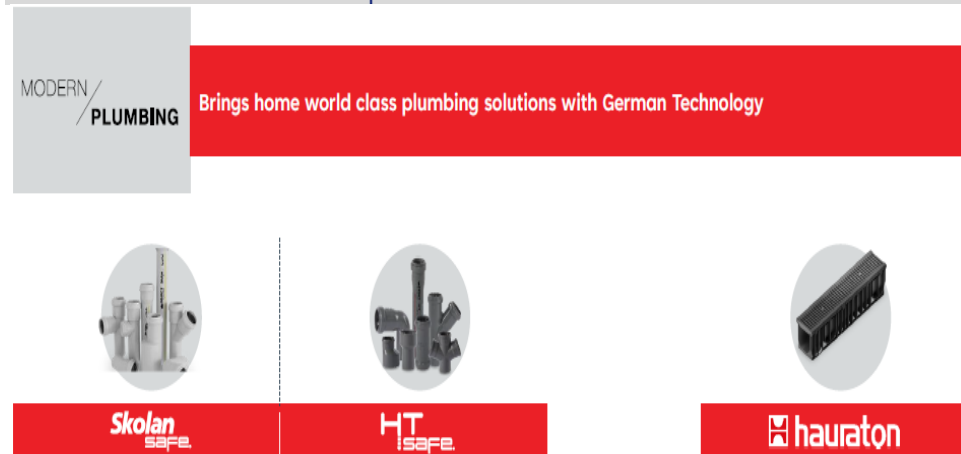
Source: Company, JM Financial

Exhibit 21. Products under agriculture, water storage & sub-surface drainage, wires and PTMT tapware segments



Source: Company, JM Financial

Exhibit 22. Recent additions to the portfolio



Source: Company, JM Financial

Exhibit 23. Strategic product and technical collaborations helped in launching innovative and cost-effective SKUs



Source: Company, JM Financial

Diversifying into tanks and bathware

■ Water tanks – Gaining traction in a shifting landscape

Prince Pipes is capitalising on the INR 100bn water tank opportunity, as the market structurally transitions from conventional cement and steel tanks to polymer-based solutions driven by rising concerns over water quality and contamination. Since the launch of its Storefit brand in Jun'20, the segment has delivered robust traction, with revenue rising ~20% YoY to INR 480mn in FY25. Backed by a multi-location manufacturing footprint and strong brand equity, the company is well positioned to scale this business meaningfully over the medium term.

■ Bathware – Strengthening presence through Aqueel integration

In FY24, Prince Pipes acquired the Aqueel brand for INR 550mn, marking its entry into India's INR 194bn bathware market (faucets: INR 130bn; sanitaryware: INR 64bn). Aqueel currently operates through 200+ retail touch points, with a growing footprint across North, West, and South India, and is focused on expanding visibility in under-penetrated geographies. The segment reported INR 110mn revenue in 1QFY26 alongside an EBITDA loss of ~INR 50mn. The management has guided for FY26 revenue of INR 500mn–600mn and a path to EBITDA breakeven within the next 4–6 quarters.

Exhibit 24. Product basket – Aqueel by Prince



A strong platform, complementary to Prince's growth plans in the high growth Indian bathware market

Signed an Asset Purchase Agreement with Klaus Waren Fixtures Pvt Ltd., for the acquisition and assignment of identified assets for Rs. 55 crores in March 2024

Acquisition presents strong synergies and advantages:

Direct access to an iconic brand along with state-of-the-art facility

Increase in presence in the plumbing and bathing segments, enables Prince to increase its participation and contribution to the high growth real estate

Access to distribution channel in major markets across India

Presents opportunity to build greater depth for Prince's bathware segment and leverage Aqueel's iconic brand equity



Source: Company, JM Financial

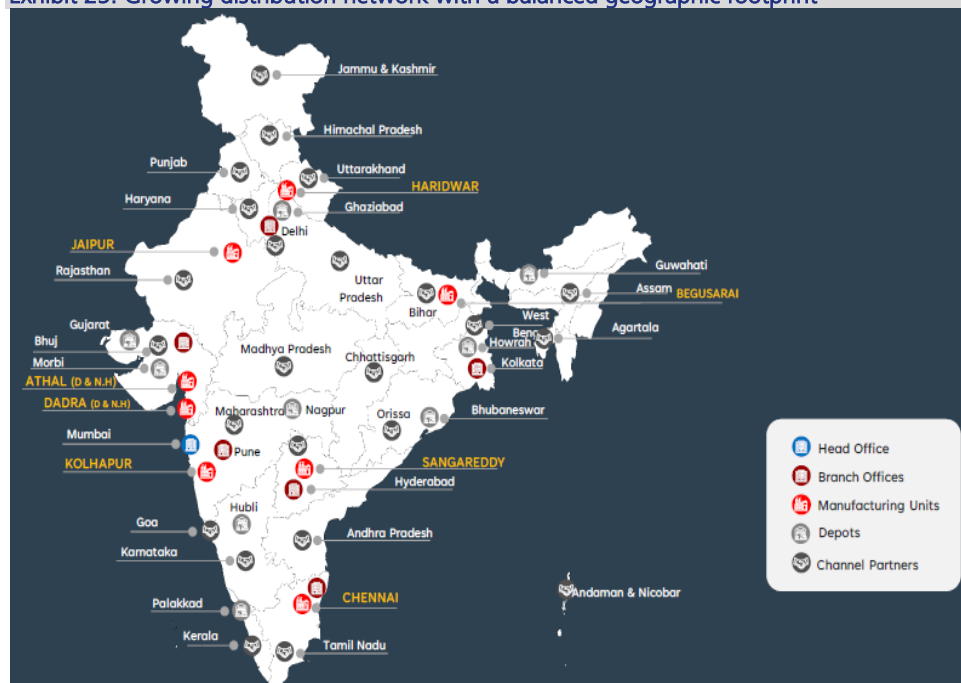
Driving penetration through scale and brand investments

Prince Pipes continues to leverage its geographically diversified manufacturing base to optimise freight cost (1.5–1.6% of sales, ~40–50bps below industry average) and ensure supply chain efficiency, aided by 11 depots and warehouses. The new Begusarai (Bihar) facility (45–50ktpa already commissioned, including CPVC) is expected to reach 60ktpa by Sep'25, which will strengthen Prince's East India presence; the company is targeting 60–65% utilisation by FY27. On the branding front, A&P intensity rose to 2.1% of sales in FY25 (vs. 1.5% in FY23) on the back of celebrity endorsement (Akshay Kumar), loyalty programmes, and a tie-up with Indian Railways to boost visibility. The management plans to sustain ~2% A&P spend in FY26, reinforcing brand equity as a growth driver.

Prince Pipes has effectively leveraged its geographically diversified manufacturing base to expand its market reach and enhance operational efficiency. Strategic deployment of plants across India has enabled the company to optimise freight cost, with logistics expenses contained at just 1.5-1.6% of sales (~40–50bps below industry average), reflecting superior supply chain management. Dynamic capacity reallocation—shifting machinery closer to demand centres—further minimises freight outgo, supported by an integrated logistics backbone of 11 depots and warehouses. Given the margin sensitivity of long-distance transport in the piping business, regional manufacturing presence remains critical. The new Begusarai (Bihar) facility (45–50ktpa already commissioned, including CPVC) is expected to reach 60ktpa by Sep'25, which will strengthen Prince's East India presence; the company is targeting 60–65% utilisation by FY27.

On the brand side, Prince Pipes has scaled up investments to reinforce recall and customer engagement. Advertising and promotion (A&P) spend increased to 2.1% of sales in FY25 (vs. 1.5% in FY23), driven by intensified marketing initiatives, loyalty programmes, and the appointment of actor Akshay Kumar as brand ambassador. A strategic partnership with Indian Railways to showcase the brand across Vande Bharat and premium trains has further enhanced visibility nationwide. The management intends to sustain A&P intensity at ~2% of sales in FY26, underlining its commitment to brand-building as a growth lever.

Exhibit 25. Growing distribution network with a balanced geographic footprint



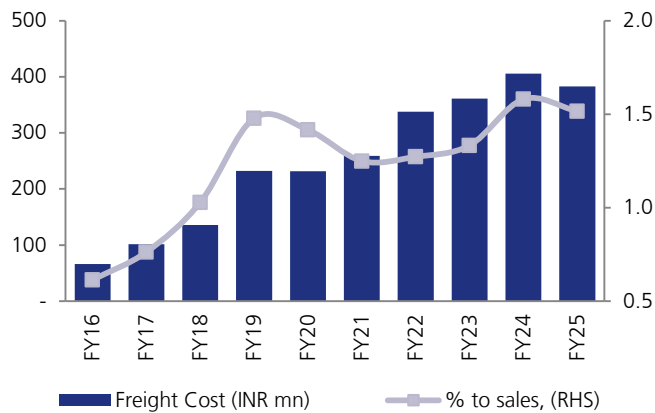
Source: Company, JM Financial

Exhibit 26. Details of manufacturing facilities



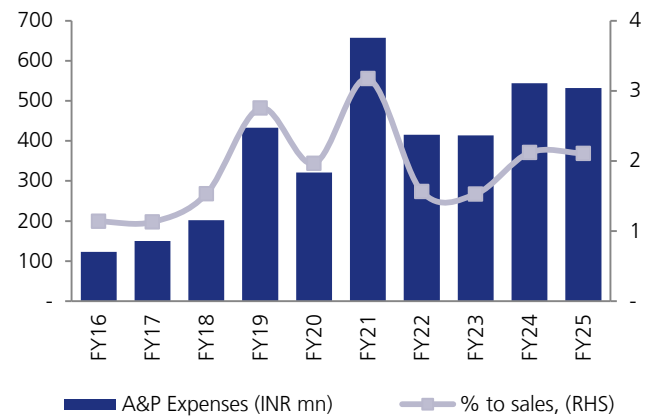
Source: Company, JM Financial

Exhibit 27. Freight cost stands 40-50bps lower than industry average



Source: Company, JM Financial

Exhibit 28. Brand-building initiatives increased A&P expenses



Source: Company, JM Financial

Exhibit 29. Akshay Kumar as the brand ambassador



Source: Company, JM Financial

Exhibit 30. Initiated transit media as high-impact salience engine



Source: Company, JM Financial

Subdued past; optimism ahead from a low base

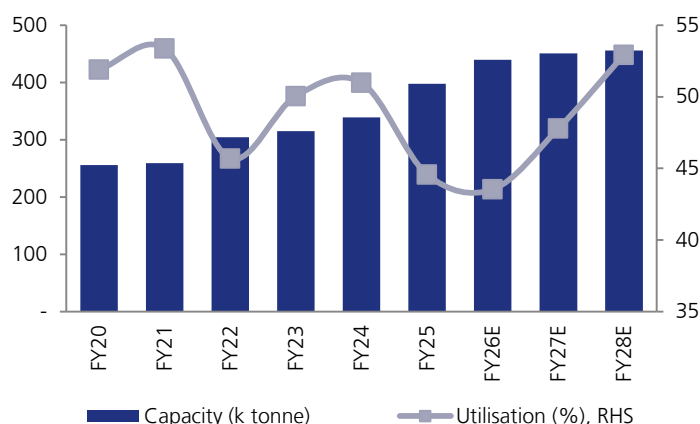
Prince Pipes has lagged peers over FY20–25 with muted ~6% volume CAGR (vs. 11–12% for leaders), subdued ~50% utilisation, and EBITDA margin contraction from ~14% to ~6%, leading to a fall in return ratios from >20% to ~3%. The management has guided for demand recovery from 2HFY26. We forecast volume to grow at ~9% CAGR over FY25–28E and margin to improve to ~11% by FY28, supported by higher volume, richer value-added mix, and scaling of bathware. FCF of ~INR 2.2bn over FY25–28E (after factoring in capex of INR 4.4bn and normalisation of inventory to 75 days) should take net debt to near-zero level by FY28E. Return ratios are expected to recover to 9–10% by FY28E, though they are still below historical levels and peer benchmarks.

Prince Pipes has underperformed peers in recent years, with volume growth of just ~6% over FY20–25 vs. 11–12% for industry leaders, reflecting heightened competition, sub-optimal pricing strategy, limited traction from A&P spend, and ERP-related execution challenges. Capacity utilisation has remained subdued at ~50%, constraining operating leverage. Consequently, profitability has deteriorated, with EBITDA margin contracting from ~14% in FY20 to ~6% in FY25, driven by weak absorption and inventory losses. Coupled with ongoing capex, these pressures have led to a sharp decline in return ratios, from >20% in FY20 to ~3% in FY25. The management expects demand recovery from 2HFY26 and has guided for high-single-digit volume growth in FY26. We forecast volume to grow at ~9% CAGR over FY25–28E, aided by the low base.

Commentary of management in 1QFY26 concall

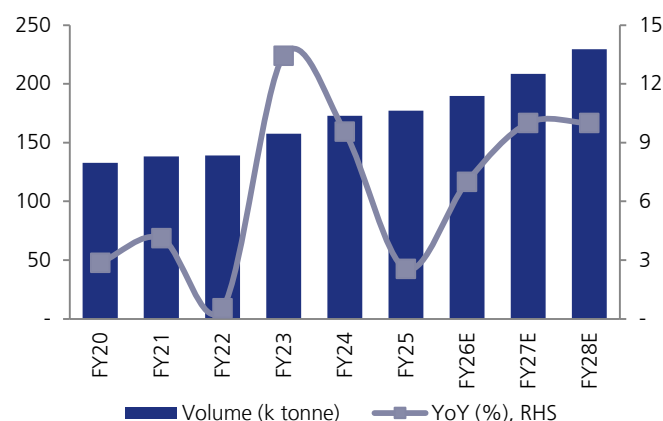
So I think high single digit, low double digit kind of growth can be expected going forward. I think by 4Q, we should be normalised, if not by 3Q. So, as capacity utilisation improves and profitability normalises going forward, we will see improvement of return ratios back into 10% to 15% and then eventually more than 15%.

Exhibit 31. Capacity to grow at ~5% CAGR over FY25–28E



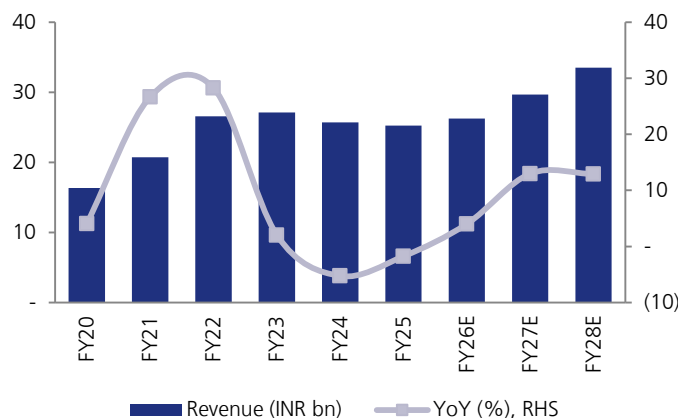
Source: Company, JM Financial

Exhibit 32. Volume is likely to grow at ~9% CAGR over FY25–28E



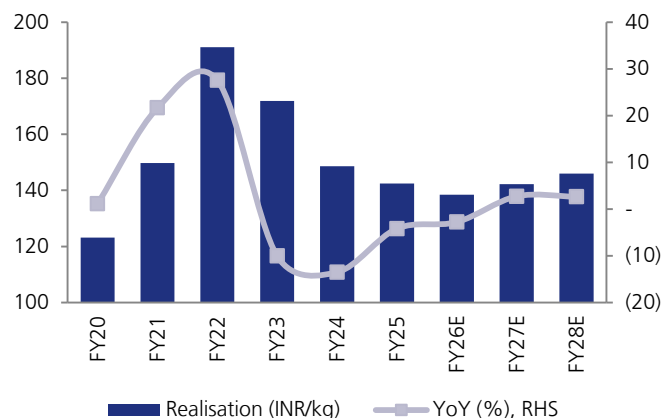
Source: Company, JM Financial

Exhibit 33. Revenue to grow at ~10% CAGR over FY25–28E



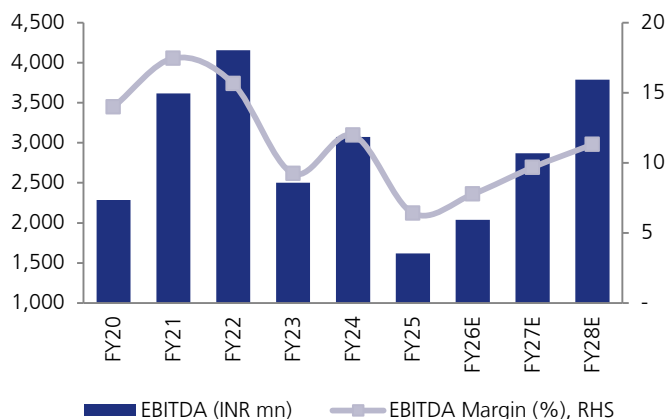
Source: Company, JM Financial

Exhibit 34. Realisation to grow ~1% CAGR over FY25–28E

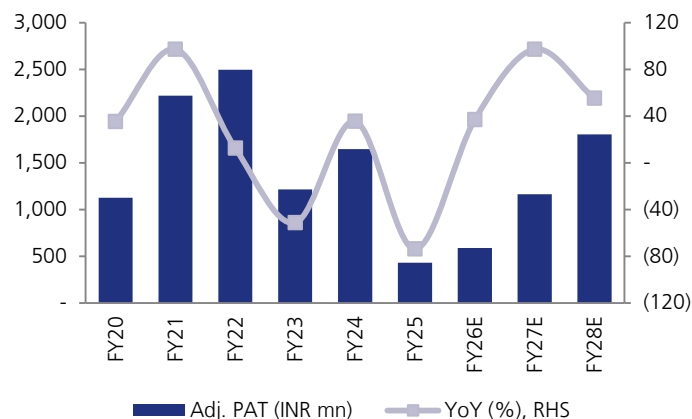


Source: Company, JM Financial

Prince Pipes' EBITDA margin has remained volatile in recent years, but the company's focus on higher volume growth, improving value-added products mix and scaling its bathware portfolio is aimed at driving margin expansion. We expect profitability to improve gradually, with margin rising to ~11% by FY28, supported by a richer product mix and better operating leverage. EBITDA/kg is projected to recover from INR 9/kg in FY25 to ~INR 17/kg by FY28E (broadly reverting to FY23-24 levels). On this low earnings base, we forecast EPS to deliver >60% CAGR over FY25–28E.

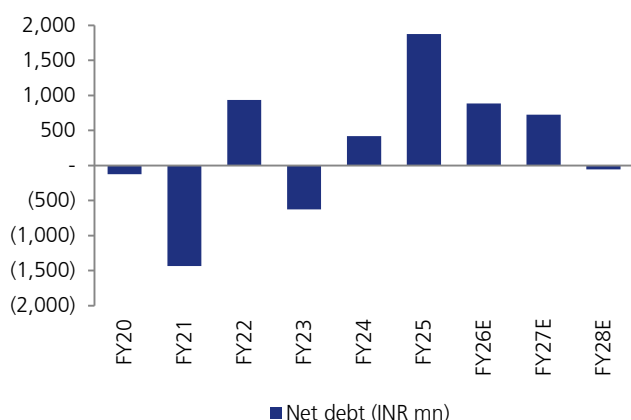
Exhibit 35. EBITDA to grow at ~33% CAGR over FY25-28E


Source: Company, JM Financial

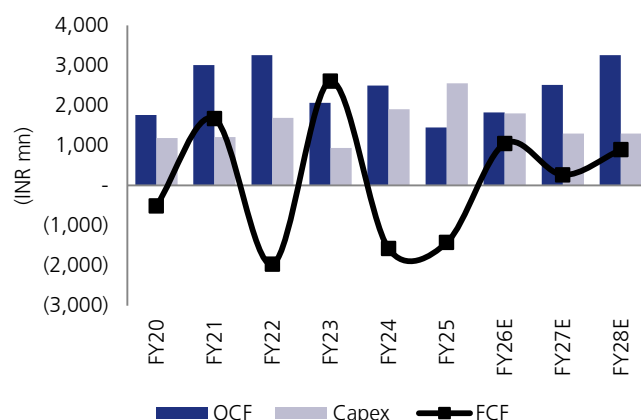
Exhibit 36. PAT to grow ~61% CAGR over FY25-28E on a low base


Source: Company, JM Financial

We estimate cumulative capex of ~INR 4.4bn over FY25–28E. FCF generation of ~INR 2.2bn should enable Prince Pipes to reduce net debt to broadly nil by FY28E. Over the past 5 years, net working capital (NWC) days have lengthened, driven by a sharp rise in inventory days (doubling to >85 days in FY25) as the company sought to benefit from PVC price trends. The management now targets inventory days of ~70–75, going forward. Elevated capex and margin pressure have weighed on return ratios, which declined sharply from historical levels. With improving utilisation and profitability, we forecast return ratios to recover to 9–10% by FY28E—still meaningfully below past averages and peer benchmarks.

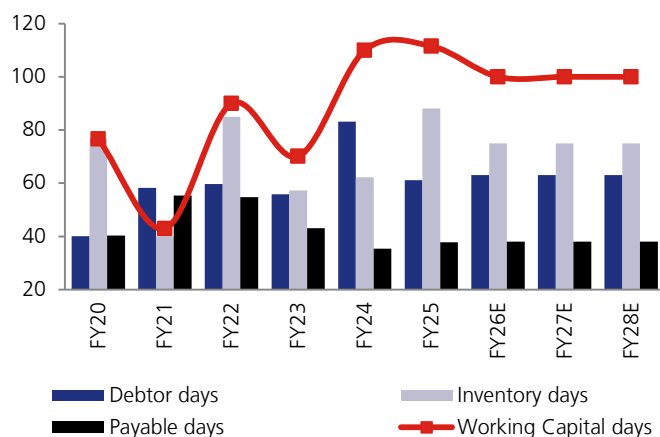
Exhibit 37. We expect net debt to turn broadly nil by FY28E


Source: Company, JM Financial

Exhibit 38. Strong OCF generation of ~INR 8bn over FY25-28E


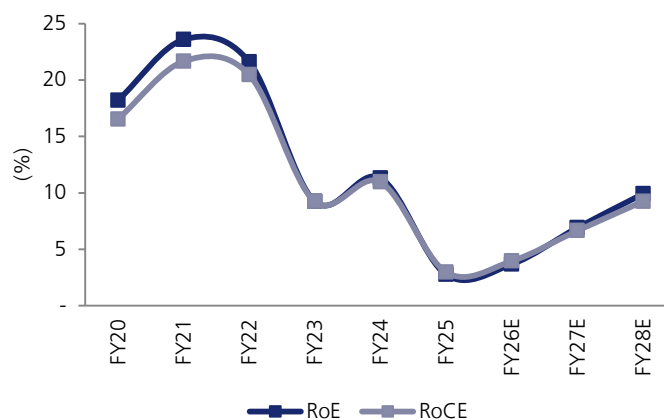
Source: Company, JM Financial

Exhibit 39. Improving days of working capital trajectory



Source: Company, JM Financial

Exhibit 40. Return ratios likely to improve over FY25-28E



Source: Company, JM Financial

Exhibit 41. Key assumptions

Annex-4: Key Assumptions											
Key Assumptions	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR (%)	
										FY20-25	FY25-28E
Operational Metrics											
Capacity (kt)	256	259	304	315	339	398	440	451	456	9.2	4.6
Volume (kt)	133	138	139	158	173	177	190	209	229	5.9	9.0
Utilisation (%)	52	53	46	50	51	45	43	46	50		
Blended Realisation (INR/kg)	123	150	191	172	149	142	138	142	146	3.0	0.8
EBITDA/kg (INR/kg)	17	26	30	16	18	9	11	14	17	(11.9)	21.8
P&L (INR mn)											
Revenue	16,357	20,715	26,568	27,109	25,687	25,239	26,255	29,666	33,496	9.1	9.9
EBITDA	2,288	3,616	4,156	2,503	3,074	1,618	2,038	2,869	3,786	(6.7)	32.8
Adj. PAT	1,125	2,218	2,494	1,214	1,646	431	590	1,164	1,804	(17.4)	61.1
Balance Sheet (INR mn)											
Equity	8,377	10,435	12,653	13,640	15,444	15,764	16,299	17,352	19,045		
Net debt	(122)	(1,432)	933	(625)	421	1,874	883	727	(57)		
Cash Flow (INR mn)											
OCF before NWC change	1,757	3,004	3,254	2,068	2,495	1,450	1,828	2,508	3,251		
Chnge in NWC	(1,081)	(127)	(3,529)	1,474	(2,163)	(322)	1,019	(941)	(1,057)		
Capex	(1,188)	(1,210)	(1,687)	(938)	(1,908)	(2,554)	(1,800)	(1,300)	(1,300)		
FCF	(512)	1,667	(1,963)	2,604	(1,577)	(1,426)	1,046	267	894		
Return Ratios (%)											
RoE	18.2	23.6	21.6	9.2	11.3	2.8	3.7	6.9	9.9		
RoCE	16.5	21.7	20.5	9.2	11.0	3.0	4.0	6.7	9.2		
RoIC	18.7	25.7	22.6	9.2	10.6	2.3	3.4	6.3	9.2		
Valuations (x)											
P/E							61.9	31.4	20.3		
EV/EBITDA							18.4	13.0	9.6		

Source: JM Financial

Re-initiate with ADD, TP of INR 360

Prince Pipes, a top-five player in India's plastic piping industry with 7,200+ SKUs and multi-brand presence, is repositioning itself as an integrated water solutions provider by scaling bathware and water tank adjacencies alongside its core pipes business. The company leverages a diversified manufacturing footprint, integrated logistics, and brand initiatives—including the new Begusarai facility and A&P programmes—to optimise cost and enhance market reach. However, volume lagged peers over FY20–25 (~6% CAGR vs. 11–12% for leaders) and margins declined (EBITDA from ~14% to ~6%; return ratios from >20% to ~3%).

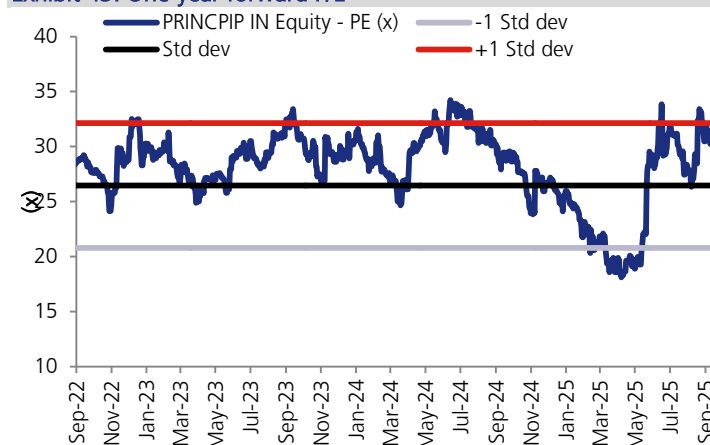
We forecast volume to grow by ~9% CAGR over FY25–28E, and EBITDA margin to improve to ~11% by FY28 (broadly reverting to FY23–24 levels) mainly supported by low base, richer value-added mix, and scaling of bathware. Return ratios are expected to recover to 9–10% by FY28E, though they will still be below historical levels and peer benchmarks. The stock has run up by >30% in the past 6 months. Accordingly, we re-initiate with ADD rating and a TP of INR 360/sh based on 27x Sep'27 P/E (in line with 5-year avg). Key risks include higher competitive intensity and PVC price volatility.

Exhibit 42. Re-initiate ADD with TP of INR 360 on 27x Sep'27E

P/E Method	
Sep'27E EPS (INR)	13.4
P/E multiple (x)	27
Target Price (INR)	360
CMP (INR)	330
Upside (%)	9.0

Source: JM Financial

Exhibit 43. One-year forward P/E



Source: Bloomberg, JM Financial

Key Risks

- **High exposure to real estate and construction cycles:** With a significant portion of revenue linked to the real estate cycle, Prince Pipes remains vulnerable to any slowdown in housing demand, delays in project execution, or adverse regulatory changes. A prolonged downturn in residential or infrastructure activity could meaningfully impact volume growth.
- **Raw material cost volatility:** The company's dependence on PVC and CPVC resins—derivatives of crude oil—exposes it to global price swings and supply chain disruptions.
- **Increasing competitive intensity:** Heightened price-based competition and aggressive capacity additions by peers could restrict pricing power, pressure margins, and make market share expansion challenging.
- **Execution risk in new business segments:** Prince Pipes has forayed into higher-margin categories such as bathware and water tanks to diversify its portfolio. However, scaling these businesses requires sustained brand-building and distribution expansion. Delays in achieving scale or profitability could weigh on profitability/ returns.

Company overview

Over the last 4 decades, Prince Pipes has emerged as one of India's largest integrated piping solutions providers. Its operations continue to expand across agriculture, plumbing, and borewell categories, and it is building the widest sewerage range and underground drainage solutions. With a product portfolio of 7,200+ SKUs, it is positioned as an end-to-end solutions provider. Prince Pipes has an extensive pan-India distribution network of over 1,500 channel partners. With eight manufacturing units, it is well positioned to address the growing potential of the Indian pipes and fittings industry.

Exhibit 44. Prince Pipes' journey towards a full-stack water solutions provider



Source: Company, JM Financial

Exhibit 45. Management background

Personnel	Designation	Brief Profile
Mr. Jayant Shamji Chheda	Founder, Chairman and MD	He has been associated with the Company since inception. He has extensive industry knowledge and over four decades of experience in the plastic industry. He was awarded the 'Lifetime Achievement Award' at the Vinyl India Conference, 2014.
Mr. Parag Chheda	Joint MD	He has been associated with the company since April 27, 1996. He holds an associate degree in business administration from Oakland Community College. He has over 31 years of experience in the piping industry. He was awarded the 'Inspiring Business Leader Award' at the Economic Times Summit, 2016 for the 'Business and Industry' sector.
Mr. Vipul Chheda	Executive Director	He has been associated with the company since March 11, 1997. His honed skills and dedication towards the vision have made him a vital part of the company's growth story. He has over 28 years of experience in the piping industry
Mr. Nihar P. Chheda	Vice President, Corporate Strategy	He is a graduate in Industrial Engineering from Purdue University USA and has been associated with the company since its IPO in 2019. He is also responsible in anchoring the company's raw materials and technology procurement strategy led by collaborations with global players.
Mr. Anand Gupta	Chief Financial Officer	He is a qualified Chartered Accountant and has worked with ACC Limited for 14 years before joining the company. He joined the company in June'20 as the Deputy CFO.

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	25,687	25,239	26,255	29,666	33,496
Sales Growth	-5.2%	-1.7%	4.0%	13.0%	12.9%
Other Operating Income	0	0	0	0	0
Total Revenue	25,687	25,239	26,255	29,666	33,496
Cost of Goods Sold/Op. Exp	18,193	18,839	19,429	21,805	24,452
Personnel Cost	1,477	1,742	1,829	2,012	2,213
Other Expenses	2,943	3,040	2,960	2,980	3,045
EBITDA	3,074	1,618	2,038	2,869	3,786
EBITDA Margin	12.0%	6.4%	7.8%	9.7%	11.3%
EBITDA Growth	22.8%	-47.4%	25.9%	40.8%	31.9%
Depn. & Amort.	912	1,070	1,238	1,345	1,447
EBIT	2,162	548	800	1,525	2,338
Other Income	161	137	140	143	146
Finance Cost	65	97	150	110	70
PBT before Excep. & Forex	2,258	588	790	1,558	2,414
Excep. & Forex Inc./Loss(-)	179	0	0	0	0
PBT	2,438	588	790	1,558	2,414
Taxes	613	157	200	394	611
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,825	431	590	1,164	1,804
Adjusted Net Profit	1,646	431	590	1,164	1,804
Net Margin	6.4%	1.7%	2.2%	3.9%	5.4%
Diluted Share Cap. (mn)	110.6	110.6	110.6	110.6	110.6
Diluted EPS (INR)	14.9	3.9	5.3	10.5	16.3
Diluted EPS Growth	35.5%	-73.8%	36.8%	97.1%	55.0%
Total Dividend + Tax	0	111	55	111	111
Dividend Per Share (INR)	0.0	1.0	0.5	1.0	1.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,258	588	790	1,558	2,414
Depn. & Amort.	912	1,070	1,238	1,345	1,447
Net Interest Exp. / Inc. (-)	49	80	150	110	70
Inc (-) / Dec in WCap.	-2,163	-322	1,019	-941	-1,057
Others	6	53	0	0	0
Taxes Paid	-733	-281	-200	-394	-611
Operating Cash Flow	329	1,189	2,996	1,677	2,264
Capex	-1,908	-2,554	-1,800	-1,300	-1,300
Free Cash Flow	-1,579	-1,364	1,196	377	964
Inc (-) / Dec in Investments	593	144	0	0	0
Others	65	76	0	0	0
Investing Cash Flow	-1,250	-2,334	-1,800	-1,300	-1,300
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	0	-111	-55	-111	-111
Inc / Dec (-) in Loans	5	1,658	-450	-250	-250
Others	470	-350	-150	-110	-70
Financing Cash Flow	475	1,198	-655	-471	-431
Inc / Dec (-) in Cash	-446	53	541	-94	533
Opening Cash Balance	1,223	777	830	1,371	1,277
Closing Cash Balance	777	830	1,371	1,277	1,811

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	15,444	15,764	16,299	17,352	19,045
Share Capital	1,106	1,106	1,106	1,106	1,106
Reserves & Surplus	14,338	14,659	15,194	16,247	17,940
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,198	2,704	2,254	2,004	1,754
Def. Tax Liab. / Assets (-)	191	193	193	193	193
Total - Equity & Liab.	16,832	18,661	18,746	19,549	20,992
Net Fixed Assets	8,177	9,681	10,243	10,199	10,052
Gross Fixed Assets	11,821	14,570	16,370	17,670	18,970
Intangible Assets	88	69	69	69	69
Less: Depn. & Amort.	4,085	5,155	6,393	7,738	9,185
Capital WIP	353	197	197	197	197
Investments	3	3	3	3	3
Current Assets	13,052	13,510	13,284	14,616	16,751
Inventories	4,379	6,095	5,395	6,096	6,883
Sundry Debtors	5,849	4,229	4,532	5,121	5,781
Cash & Bank Balances	777	830	1,371	1,277	1,811
Loans & Advances	4	4	4	4	4
Other Current Assets	2,043	2,351	1,982	2,118	2,271
Current Liab. & Prov.	4,400	4,532	4,784	5,269	5,813
Current Liabilities	2,590	2,674	2,797	3,152	3,551
Provisions & Others	1,810	1,858	1,987	2,117	2,262
Net Current Assets	8,652	8,978	8,500	9,348	10,938
Total - Assets	16,832	18,661	18,746	19,549	20,992

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.4%	1.7%	2.2%	3.9%	5.4%
Asset Turnover (x)	1.6	1.4	1.4	1.5	1.6
Leverage Factor (x)	1.1	1.2	1.2	1.2	1.1
RoE	11.3%	2.8%	3.7%	6.9%	9.9%

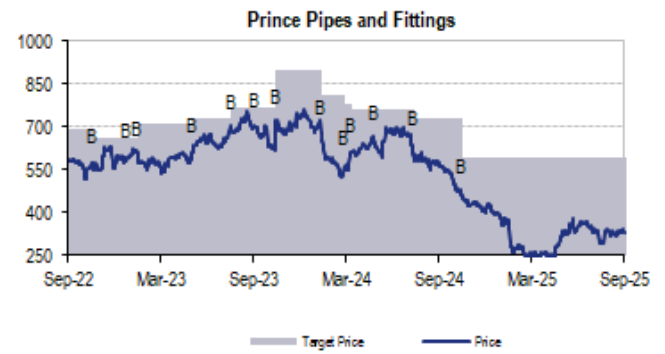
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	139.7	142.6	147.4	156.9	172.3
ROIC	11.2%	2.4%	3.4%	6.5%	9.4%
ROE	11.3%	2.8%	3.7%	6.9%	9.9%
Net Debt/Equity (x)	0.0	0.1	0.1	0.0	0.0
P/E (x)	22.2	84.6	61.8	31.4	20.2
P/B (x)	2.4	2.3	2.2	2.1	1.9
EV/EBITDA (x)	12.1	23.8	18.4	13.0	9.7
EV/Sales (x)	1.4	1.5	1.4	1.3	1.1
Debtor days	83	61	63	63	63
Inventory days	62	88	75	75	75
Creditor days	40	40	41	42	43

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
6-Nov-21	Buy	785	
4-Feb-22	Buy	820	4.5
14-Mar-22	Buy	770	-6.1
22-Apr-22	Buy	770	0.0
20-May-22	Buy	770	0.0
29-Jun-22	Buy	720	-6.5
10-Aug-22	Buy	690	-4.2
11-Nov-22	Buy	660	-4.3
18-Jan-23	Buy	660	0.0
9-Feb-23	Buy	710	7.6
26-May-23	Buy	730	2.8
11-Aug-23	Buy	770	5.5
28-Sep-23	Buy	770	0.0
9-Nov-23	Buy	900	16.9
6-Feb-24	Buy	810	-10.0
22-Mar-24	Buy	780	-3.7
3-Apr-24	Buy	760	-2.6
19-May-24	Buy	760	0.0
4-Aug-24	Buy	730	-3.9
10-Nov-24	Buy	590	-19.2

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

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