

July 24, 2025

Q1FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	4,346		4,346	
Sales (Rs. m)	1,19,066	1,36,517	1,19,066	1,36,517
% Chng.	-	-	-	-
EBITDA (Rs. m)	16,942	19,825	16,942	19,825
% Chng.	-	-	-	-
EPS (Rs.)	90.1	108.6	90.1	108.6
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,01,343	1,04,463	1,19,066	1,36,517
EBITDA (Rs. m)	15,473	14,317	16,942	19,825
Margin (%)	15.3	13.7	14.2	14.5
PAT (Rs. m)	10,697	9,609	11,450	13,798
EPS (Rs.)	84.2	75.6	90.1	108.6
Gr. (%)	23.6	(10.2)	19.2	20.5
DPS (Rs.)	30.0	34.0	30.0	30.0
Yield (%)	0.7	0.8	0.7	0.7
RoE (%)	22.5	17.8	19.0	19.9
RoCE (%)	27.6	21.0	22.6	24.1
EV/Sales (x)	5.2	5.1	4.4	3.8
EV/EBITDA (x)	34.1	37.0	31.2	26.2
PE (x)	50.4	56.1	47.1	39.1
P/BV (x)	10.6	9.5	8.4	7.3

Key Data

SUPI.BO | SI IN

52-W High / Low	Rs.5,725 / Rs.3,020
Sensex / Nifty	82,184 / 25,062
Market Cap	Rs.539bn/ \$ 6,237m
Shares Outstanding	127m
3M Avg. Daily Value	Rs.1313.12m

Shareholding Pattern (%)

Promoter's	48.85
Foreign	22.94
Domestic Institution	13.25
Public & Others	14.96
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.1)	11.6	(20.8)
Relative	(5.3)	3.4	(22.8)

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Soft performance, expects volume pickup

Supreme Industries' (SI) Q1FY26 volume growth was 5.7% below our estimates, due to lower volume in the plastic pipe segment (up 6.1% YoY against our est. of 7.3%) due to early monsoon, leading to lower demand in the agriculture piping segments, delay in ADD on PVC resin resulted de-stocking in the channels. EBITDA margin contracted by 250bps YoY with decrease in EBIT/kg to Rs 10.6 (down 35.9% YoY) in pipe segment mainly due to inventory loss of Rs 500mn. Adjusting for the inventory loss PAT was in line with our estimates in Q1FY26. The management has revised its FY26 guidance, raising P&F volume growth from 10–12% to 15–17% and overall volume growth to 14–15%, while maintaining its EBITDA margin guidance at 14.5–15.5%. Also maintained its plastic pipe segment capacity to reach 1mn MT by FY26. Considering the current PVC resin price scenario, moderate demand environment, and slow-moving channel inventory, we have decided to maintain our FY26/FY27 estimates, with P&F volume growth of 12.4%/15.0% and EBITDA margins of 14.2%/14.5%, respectively. We estimate FY25-27E revenue/EBITDA/PAT CAGR of 14.3%/17.7%/19.8%, with overall volume CAGR of 12.4% and EBITDA margin expansion of ~80bps. We maintained our TP of Rs4,346 based on 40x FY27E earnings. Maintain 'HOLD'.

Revenues declined by 1.0%, Adj. PAT declined by 26.0%: Sales declined by 1% YoY to Rs26.1bn (PLe: Rs 27.5bn) with vol. increases by 5.7% YoY to 184kMT and realization decline by 6.4% YoY. Plastic Pipe segment revenue down by 3.6% YoY to Rs 17.9bn, packaging revenue up 9.1% YoY to Rs 4.0bn, industrial revenue down by 1.6% YoY to Rs3.0bn, consumer segment was up by 1.2% YoY to Rs1.0bn. EBITDA decline by 17.7% YoY to Rs 3.2bn (PLe: Rs3.9bn). EBITDA margin contracted by ~250bps to 12.2% (PLe:14.0%) due to fall in PVC prices, there was inventory loss impacted margins. EBITDA per Kg reached Rs17.0/kg. In Plastic Pipes/ Packaging/ Industrial/Consumer, EBIT margins contracted by ~370/6/50/250bps YoY to 8.8%/11.4%/5.8%/14.0%.PAT stood to Rs 2.0bn (-26.0%YoY; PLe Rs2.7bn). The overall turnover of value-added products remains at Rs.9.33bn in Q1FY26 as compared to Rs 9.25bn in Q1FY25.

Con call highlights: **1)** SI is targeting a volume growth of 15-17% in the pipes segment and 14.5-15.5% from overall segments with EBITDA margins of 14.5–15%. **2)** The company is aiming to scale its pipe segment capacity to 1mn MT by FY26 with a utilization of 65-70%. The recently acquired Wavin is expected to contribute 30k MT to volumes in FY26. **3)** In Q1FY26, the plastic piping business was impacted due to an early monsoon, leading to lower demand in the agriculture piping segment. **4)** SI is expecting an ADD on PVC resin to come by Oct-Nov'25. **5)** The protective packaging segment contributed Rs 4.0bn in Q1FY26 and expected to reach Rs 10bn by FY26. **6)** The Profile Window project is nearing completion, with trial production set for Q2FY25. 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. **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)** Demand for housing remains strong; the company has expanded its piping system portfolio by adding over 15,000 SKUs and new product offerings. **10)** After receiving positive response for its PTMT faucets, the company is now diversifying into PTMT showers. **11)** SI reported an inventory loss of Rs 500mn in Q1FY26.

Exhibit 1: Q1FY26 Result Overview: Sales decline by 1.0% YoY, adj PAT declines by 26.0% YoY

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	%Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	26,092	26,364	(1.0)	27,538	(5.2)	30,271	(13.8)	1,19,066	1,04,463	14.0
Expenditure										
Operating & Manufacturing Expenses	17,895	17,958	(0.4)	19,139	(6.5)	21,332	(16.1)	81,474	71,465	14.0
% of Net Sales	68.6	68.1		69.5		70.5	-	68.4	68.4	
Gross Profit	8,197	8,406	(2.48)	8,399	(2.40)	8,939	(8.3)	37,592	32,998	13.9
% of Net Sales	31.4	31.9	(47)	30.5	92	29.5	-	31.6	31.6	
Personnel Cost	1,349	1,213	11.2	1,280	5.4	1,310	3.0	5,554	8,488	(34.6)
% of Net Sales	5.2	4.6		4.6		4.3	-	4.7	8.1	
Other Expenses	2,817	2,454	14.8	2,423	16.2	2,623	7.4	9,406	4,750	98.0
% of Net Sales	10.8	9.3		8.8		8.7	-	7.9	4.5	
Total Expenditure	22,903	22,490	1.8	23,685	(3.3)	26,108	(12.3)	1,02,124	90,146	13.3
EBITDA	3,189	3,873	(17.7)	3,853	(17.2)	4,163	(23.4)	16,942	14,317	18.3
Margin (%)	12.2	14.7	(2.47)	14.0	(1.77)	13.8	-	14.2	13.7	
Depreciation	930	860	8.1	914	1.8	914	1.8	3,941	3,586	9.9
EBIT	2,259	3,013	(25.0)	2,939	(23.2)	3,249	(30.5)	13,001	10,730	21.2
Other income	169	214	(21.1)	120	41.0	125	35.9	630	578	8.9
Interest	28	33	(16.8)	30	(6.7)	30	(6.7)	187	119	56.7
PBT	2,400	3,194	(24.9)	3,030	(20.8)	3,344	(28.2)	13,444	11,190	20.1
Total Taxes	629	836	(24.8)	788	(20.2)	732	(14.1)	3,315	2,782	19.2
ETR (%)	26.2	26.2		26.0		21.9	-	24.7	24.9	
Adj. PAT	2,023	2,734	(26.0)	2,662	(24.0)	2,939	(31.2)	11,450	9,609	19.2
Share of Profit/(Loss) in Associate	252	375	(32.9)	420	(40.0)	328	(23.1)	1,321	1,201	10.0
Reported PAT	2,023	2,734	(26.0)	2,662	(24.0)	2,939	(31.2)	11,450	9,609	19.2

Source: Company, PL

Exhibit 2: Segmental Breakup: Pipe revenue down by 3.6% YoY, margins contract ~370bps YoY

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)
Revenues					
Plastic pipe	17,923	18,584	(3.6)	20,741	(13.6)
Packing Product	4,016	3,681	9.1	4,211	(4.6)
Industrial Product	3,016	3,064	(1.6)	3,464	(12.9)
Consumer Product	,984	972	1.2	1,361	(27.7)
TOTAL	26,092	26,364	(1.0)	30,271	(13.8)
EBIT					
Plastic pipe	1573.9	2,313	-32.0	2,159	-27.1
EBIT margin (%)	8.8	12.4	-3.67	10.4	-1.6
Packing Product	457.3	421	8.5	571	-19.9
EBIT margin (%)	11.4	11.4	-0.06	13.5	-2.2
Industrial Product	176.4	195	-9.7	352	-49.9
EBIT margin (%)	5.8	6.4	-0.53	10.2	-4.3
Consumer Product	138	161	-14.1	226	-38.8
EBIT margin (%)	14.0	16.5	-2.51	16.6	-2.5
Total	2428	3,227	-24.8	3,374	-28.0
EBIT margin (%)	9.3	12.2	-2.9	11.1	-1.8

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,01,343	1,04,463	1,19,066	1,36,517
YoY gr. (%)	10.1	3.1	14.0	14.7
Cost of Goods Sold	68,584	71,465	81,474	92,832
Gross Profit	32,759	32,998	37,592	43,686
Margin (%)	32.3	31.6	31.6	32.0
Employee Cost	7,715	8,488	5,554	6,553
Other Expenses	4,259	4,750	9,406	10,785
EBITDA	15,473	14,317	16,942	19,825
YoY gr. (%)	29.0	(7.5)	18.3	17.0
Margin (%)	15.3	13.7	14.2	14.5
Depreciation and Amortization	2,984	3,586	3,941	4,245
EBIT	12,490	10,730	13,001	15,580
Margin (%)	12.3	10.3	10.9	11.4
Net Interest	161	119	187	213
Other Income	657	578	630	1,100
Profit Before Tax	12,985	11,190	13,444	16,466
Margin (%)	12.8	10.7	11.3	12.1
Total Tax	3,357	2,782	3,315	4,121
Effective tax rate (%)	25.8	24.9	24.7	25.0
Profit after tax	9,629	8,408	10,130	12,345
Minority interest	-	-	-	-
Share Profit from Associate	1,069	1,201	1,321	1,453
Adjusted PAT	10,697	9,609	11,450	13,798
YoY gr. (%)	23.6	(10.2)	19.2	20.5
Margin (%)	10.6	9.2	9.6	10.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	10,697	9,609	11,450	13,798
YoY gr. (%)	23.6	(10.2)	19.2	20.5
Margin (%)	10.6	9.2	9.6	10.1
Other Comprehensive Income	(74)	-	-	-
Total Comprehensive Income	10,623	9,609	11,450	13,798
Equity Shares O/s (m)	127	127	127	127
EPS (Rs)	84.2	75.6	90.1	108.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	45,918	52,503	62,759	65,539
Tangibles	44,488	50,779	61,035	63,815
Intangibles	1,430	1,724	1,724	1,724
Acc: Dep / Amortization	22,645	25,769	29,711	33,956
Tangibles	22,645	25,769	29,711	33,956
Intangibles	-	-	-	-
Net fixed assets	23,273	26,734	33,048	31,583
Tangibles	21,844	25,010	31,325	29,860
Intangibles	1,430	1,724	1,724	1,724
Capital Work In Progress	1,437	4,026	4,026	4,026
Goodwill	-	-	-	-
Non-Current Investments	6,591	7,276	7,276	7,276
Net Deferred tax assets	(960)	(875)	(875)	(875)
Other Non-Current Assets	1,382	2,583	2,583	2,583
Current Assets				
Investments	-	-	-	-
Inventories	13,586	13,337	15,201	17,429
Trade receivables	5,114	5,401	6,156	7,058
Cash & Bank Balance	11,785	9,441	9,675	19,823
Other Current Assets	2,389	2,881	3,283	3,765
Total Assets	65,557	71,678	81,249	93,544
Equity				
Equity Share Capital	254	254	254	254
Other Equity	50,834	56,350	63,989	73,975
Total Networth	51,088	56,604	64,243	74,230
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	298	380	380	380
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	10,156	8,934	10,183	11,676
Other current liabilities	2,572	4,209	4,797	5,500
Total Equity & Liabilities	65,557	71,678	81,249	93,544

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	14,054	12,390	14,765	17,919
Add. Depreciation	2,984	3,586	3,941	4,245
Add. Interest	161	119	187	213
Less Financial Other Income	657	578	630	1,100
Add. Other	(1,634)	(2,043)	(630)	(1,100)
Op. profit before WC changes	15,565	14,052	18,263	21,277
Net Changes-WC	1,796	(992)	(1,090)	(1,303)
Direct tax	(3,232)	(3,023)	(3,315)	(4,121)
Net cash from Op. activities	14,129	10,037	13,858	15,853
Capital expenditures	(5,493)	(8,904)	(10,256)	(2,780)
Interest / Dividend Income	12	22	630	1,100
Others	(604)	975	-	-
Net Cash from Invst. activities	(6,085)	(7,908)	(9,626)	(1,680)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(3,557)	(4,065)	3,812	3,812
Interest paid	(39)	(57)	187	213
Others	(221)	(279)	-	-
Net cash from Fin. activities	(3,817)	(4,400)	3,998	4,025
Net change in cash	4,227	(2,271)	8,230	18,198
Free Cash Flow	8,636	1,133	3,602	13,073

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	84.2	75.6	90.1	108.6
CEPS	107.7	103.9	121.1	142.0
BVPS	402.1	445.5	505.7	584.3
FCF	68.0	8.9	28.3	102.9
DPS	30.0	34.0	30.0	30.0
Return Ratio(%)				
RoCE	27.6	21.0	22.6	24.1
ROIC	25.9	18.2	19.3	23.6
RoE	22.5	17.8	19.0	19.9
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.3)
Net Working Capital (Days)	31	34	34	34
Valuation(x)				
PER	50.4	56.1	47.1	39.1
P/B	10.6	9.5	8.4	7.3
P/CEPS	39.4	40.9	35.0	29.9
EV/EBITDA	34.1	37.0	31.2	26.2
EV/Sales	5.2	5.1	4.4	3.8
Dividend Yield (%)	0.7	0.8	0.7	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	22,730	25,099	30,271	26,092
YoY gr. (%)	(1.5)	2.5	0.6	(1.0)
Raw Material Expenses	14,886	17,289	21,332	17,895
Gross Profit	7,844	7,810	8,939	8,197
Margin (%)	34.5	31.1	29.5	31.4
EBITDA	3,192	3,088	4,163	3,189
YoY gr. (%)	(10.4)	(18.5)	(15.2)	(17.7)
Margin (%)	14.0	12.3	13.8	12.2
Depreciation / Depletion	899	913	914	930
EBIT	2,293	2,175	3,249	2,259
Margin (%)	10.1	8.7	10.7	8.7
Net Interest	26	30	30	28
Other Income	151	89	125	169
Profit before Tax	2,417	2,235	3,344	2,400
Margin (%)	10.6	8.9	11.0	9.2
Total Tax	629	584	732	629
Effective tax rate (%)	26.0	26.2	21.9	26.2
Profit after Tax	1,788	1,650	2,612	1,771
Minority interest	-	-	-	-
Share Profit from Associates	278	220	328	252
Adjusted PAT	2,066	1,870	2,939	2,023
YoY gr. (%)	(15.0)	(27.0)	(17.2)	(26.0)
Margin (%)	9.1	7.4	9.7	7.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,066	1,870	2,939	2,023
YoY gr. (%)	(15.0)	(27.0)	(17.2)	(26.0)
Margin (%)	9.1	7.4	9.7	7.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,066	1,870	2,939	2,023
Avg. Shares O/s (m)	127	127	127	127
EPS (Rs)	16.3	14.7	23.1	15.9

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	02-Jul-25	Hold	4,346	4,376
2	25-Apr-25	Accumulate	3,803	3,512
3	08-Apr-25	Accumulate	3,689	3,112
4	03-Mar-25	Accumulate	3,748	3,533
5	21-Jan-25	BUY	5,040	4,022
6	08-Jan-25	BUY	5,721	4,600
7	23-Oct-24	BUY	5,752	4,593
8	08-Oct-24	Accumulate	6,069	5,433

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	838
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	350
8	Cyient DLM	Accumulate	540	480
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	310	271
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Hold	1,192	1,242
13	Kaynes Technology India	Hold	6,068	6,176
14	KEI Industries	BUY	4,527	3,970
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,485	1,393
17	Supreme Industries	Hold	4,346	4,376
18	Syrma SGS Technology	Hold	625	607
19	Voltas	Hold	1,350	1,367

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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