

Supreme Industries Ltd.

Buy

Sector: Plastic Products

12th December 2025

Key Changes	Target		Rating		Earnings		Target	Rs.3,890
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame		CMP	Rs.3,235
Mid Cap	SI:IN	84,818	SUPREMEIND	509930	12 Months		Return	+20%

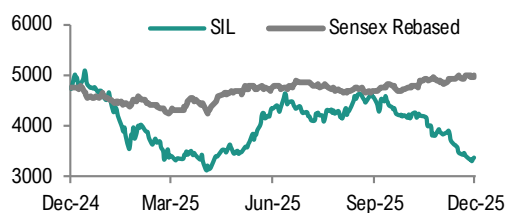
Data as of: 11-12-2025 18.00 hrs

Company Data	
Market Cap (Rs. cr.)	41,087
52 Week High — Low (Rs.)	5,153-3,020
Enterprise Value (Rs. cr)	40,244
Outstanding Shares (Rs cr)	12.7
Free Float (%)	50.6
Dividend Yield (%)	1.0
6m average volume (cr)	0.12
Beta	0.9
Face value (Rs)	2.0

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	48.9	48.9	48.9
FII's	22.9	21.9	20.7
MFs/Institutions	13.3	14.6	16.0
Public	15.0	14.6	14.5
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-22.7%	-22.6%	-29.3%
Absolute Sensex	4.6%	5.7%	4.8%
Relative Return	-30.4%	-28.3%	-34.1%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Sales	10,446	11,519	13,267
Growth (%)	3.1	10.3	15.2
EBITDA	1,432	1,613	2,003
EBITDA Margin (%)	13.7	14.0	15.1
PAT Adjusted	961	1,020	1,300
Growth (%)	(10.2)	6.2	27.4
Adjusted EPS	75.6	80.3	102.4
Growth (%)	(10.2)	6.2	27.4
P/E	42.8	40.3	31.6
P/B	7.3	6.6	5.8
EV/EBITDA	28.1	25.1	20.2
ROE (%)	17.8	17.1	19.5
D/E	0.0	0.0	0.0

Author: Anil R - Sr. Research Analyst

Soft H1, strong pipe volume fuels optimism for H2

Supreme Industries Ltd. (SIL) is India's leading player in plastic products; the company's wide range of offerings include plastic piping systems, packaging, industrial and consumer products.

- Revenue grew by 5.3% YoY, supported by a 12% YoY increase in volumes, led by strong performance in the piping segment (volume up 17.2% YoY) driven by robust demand in plumbing, agriculture, and a pickup in infrastructure.
- However, blended realization/tonne declined by 6.4% YoY due to continued volatility in input prices, impacting margins. EBITDA margin contracted by 160 bps YoY to 12.2%, primarily due to inventory losses, product mix and elevated operating costs, resulting in a 20.3% YoY decline in net profit.
- We revise our EPS estimates downward by 18% for FY26E and 10.3% for FY27E, factoring in lower-than-expected EBITDA margins in H1.
- PVC prices are expected to stabilize, and with improving affordability; volume momentum in piping segment is expected to continue H2FY26.
- We project a volume CAGR of 12.6%, revenue CAGR of 13.0%, and profitability CAGR of 16% over FY25–27E, supported by improved realizations and operating leverage from better scale.

Outlook & Valuation

We expect H2FY26 SIL to deliver improved performance, driven by robust demand in the plastic piping segment, supported by sustained momentum in the real estate and construction sectors. SIL's long-term fundamentals remain strong, anchored by its diversified product portfolio, strategic capacity expansion, improving market share, and a solid balance sheet. Given the likelihood of higher volume growth than the industry, **we value SIL at a P/E of 38x (5-year average) on FY27E EPS and maintain BUY rating on the stock with a target price of Rs.3,890.**

Quarterly Financials Consol.

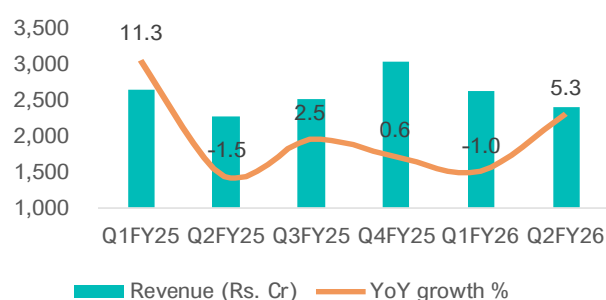
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	2,394	2,273	5.3	2,609	(8.3)	5,003	4,909	1.9
EBITDA	297	319	(6.8)	319	(6.7)	616	707	(12.8)
Margin %	10.7	8.7	208bps	9.8	93bps	12.3	14.4	-207bps
EBIT	193	229	(15.8)	226	(14.5)	419	531	(21.1)
PBT	203	242	(16.1)	240	(15.5)	443	561	(21.1)
Reported PAT	165	207	(20.3)	202	(18.6)	367	480	(23.5)
Adjusted PAT	165	207	(20.3)	202	(18.6)	367	480	(23.5)
EPS (Rs)	13.0	16.3	(20.3)	15.9	(18.6)	29	38	(23.5)



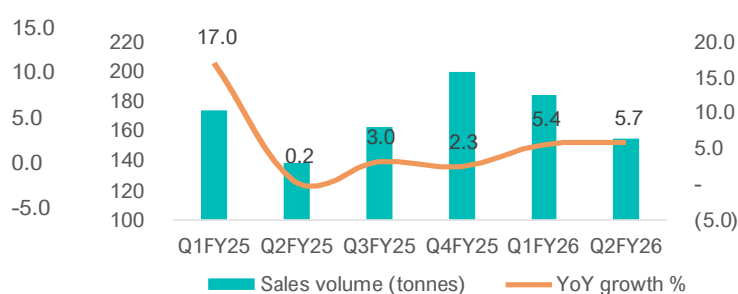
Key Concall Highlights

- In H1FY26, the inventory losses of approximately Rs.50-60cr due to falling raw material prices.
- Planned capex of Rs.1,300cr, primarily for expanding plastic piping capacity to 1 million MT, including 5,000 MT window profile capacity will be funded by internal accruals.
- Wavin Acquisition has been completed on August 1, 2025. Wavin's 71,000 MT capacity expected to contribute 20,000–30,000 MT to FY26 volumes.
- Reiterated volume growth guidance of 15–17% for piping and 12–14% overall. EBITDA margin guidance maintained at 14.5–15% for FY26.
- Executed its awarded contracts for the supply of 2 lakh 10kg composite LPG cylinders to BPCL and a repeat order of 2.3 lakh cylinders from IOCL. Delivered its first order of CNG Cascade Cylinders and is expecting repeat orders.
- Received German Technical and Scientific Association for Gas and Water certification (DVGW) for electrofusion fittings, making it the only company in India eligible to supply both PE gas pipes and fittings (gas distribution).

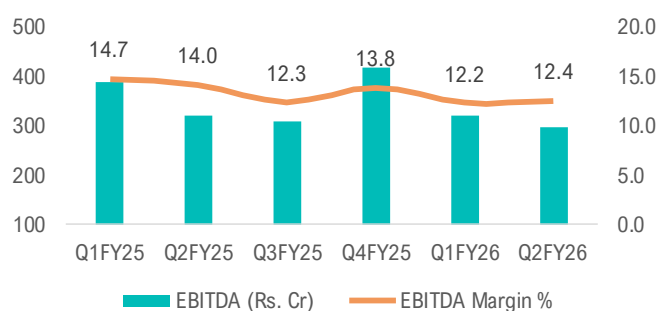
Revenue



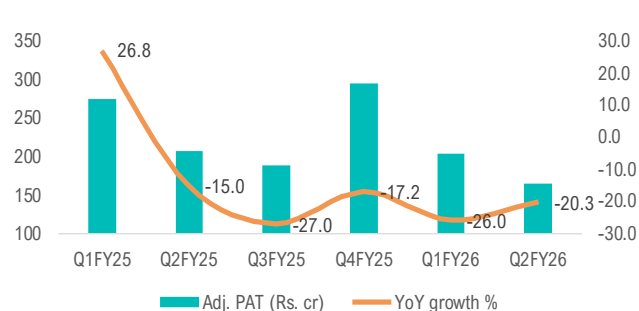
Volume



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	12,013	13,710	11,519	13,267	(4.1)	(3.2)
EBITDA	1,844	2,139	1,613	2,003	(12.5)	(6.3)
Margins (%)	15.4	15.6	14.0	15.1	(135bps)	(50bps)
Adj. PAT	1,250	1,449	1,020	1,300	(18.4)	(10.3)
EPS	98.4	114.1	80.3	102.4	(18.4)	(10.3)



Consolidated Financials

Profit & Loss

Y.E March (Rs.cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	9,202	10,134	10,446	11,519	13,267
% change	18.4	10.1	3.1	10.3	15.2
EBITDA	1,200	1,547	1,432	1,613	2,003
% change	(3.4)	29.0	(7.5)	12.6	24.2
Depreciation	263	298	359	412	464
EBIT	936	1,249	1,073	1,201	1,539
Interest	8	16	12	21	21
Other Income	30	66	58	64	73
PBT	958	1,299	1,119	1,244	1,591
% change	(6.8)	35.5	(13.8)	11.2	27.9
Tax	246	336	278	313	401
Tax Rate (%)	25.7	25.8	24.9	25.2	25.2
Reported PAT	865	1,070	961	1,020	1,300
Adj*	-	-	-	-	-
Adj PAT	865	1,070	961	1,020	1,300
% change	(10.6)	23.6	(10.2)	6.2	27.4
No. of shares (cr)	12.7	12.7	12.7	12.7	12.7
Adj EPS (Rs.)	68.1	84.2	75.6	80.3	102.4
% change	(10.6)	23.6	(10.2)	6.2	27.4
DPS (Rs.)	24.0	28.0	34.0	34.0	34.0
CEPS (Rs.)	88.9	107.7	103.9	112.8	138.9

Cash Flow

Y.E March (Rs.cr)	FY23A	FY24A	FY25A	FY26E	FY26E
Net inc. + Depn.	1,129	1,368	1,320	1,432	1,765
Non-cash adj.	(178)	(147)	(236)	21	21
Changes in W.C	(78)	180	(99)	(133)	(188)
C.F. Operation	890	1,413	1,004	1,320	1,597
Capital exp.	(422)	(547)	(888)	(1,047)	(1,070)
Change in inv.	19	24	40	(95)	(110)
Other invest.CF	54	53	57	-	-
C.F – Investment	(349)	(609)	(791)	(1,142)	(1,180)
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	-	(10)	(10)
Dividends paid	(305)	(356)	(406)	(432)	(432)
Other finance.CF	(22)	(26)	(34)	(21)	(21)
C.F – Finance	(327)	(382)	(440)	(463)	(463)
Chg. in cash	215	423	(227)	(285)	(45)
Closing cash	738	1,179	944	659	613

Balance Sheet

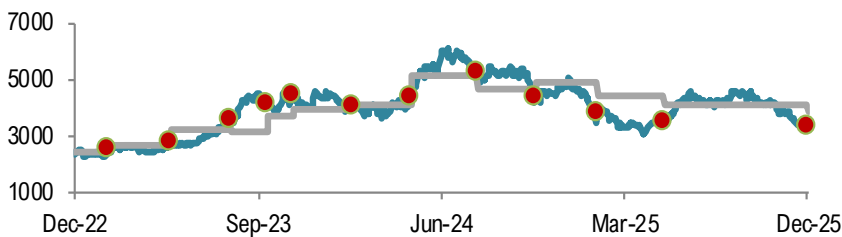
Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	738	1,179	944	659	613
Accounts Receivable	492	511	540	568	654
Inventories	1,386	1,359	1,334	1,507	1,728
Other Cur. Assets	353	398	554	600	691
Investments	577	638	720	815	925
Gross Fixed Assets	4,144	4,600	5,284	6,484	7,584
Net Fixed Assets	2,059	2,265	2,619	3,407	4,042
CWIP	84	144	403	250	220
Intangible Assets	5	62	55	55	55
Def. Tax (Net)	(91)	(96)	(87)	(87)	(87)
Other Assets	0	0	0	0	0
Total Assets	5,603	6,460	7,080	7,772	8,840
Current Liabilities	904	1,016	893	1,136	1,303
Provisions	35	46	49	54	62
Debt Funds	59	71	102	92	82
Other Liabilities	204	219	376	241	276
Equity Capital	25	25	25	25	25
Reserves & Surplus	4,377	5,083	5,635	6,223	7,092
Shareholder's Fund	4,402	5,109	5,660	6,249	7,117
Total Liabilities	5,603	6,460	7,080	7,772	8,840
BVPS (Rs.)	347	402	446	492	560

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	13.0	15.3	13.7	14.0	15.1
EBIT margin (%)	10.2	12.3	10.3	10.4	11.6
Net profit mgn.(%)	9.4	10.6	9.2	8.9	9.8
ROE (%)	21.0	22.5	17.8	17.1	19.5
ROCE (%)	20.9	22.4	17.7	17.1	19.4
W.C & Liquidity					
Receivables (days)	19.0	18.1	18.4	17.6	16.8
Inventory (days)	52.5	49.4	47.0	45.0	44.5
Payables (days)	47.0	51.1	48.8	47.2	49.4
Current ratio (x)	3.2	3.2	3.6	2.8	2.7
Quick ratio (x)	1.2	1.5	1.5	0.5	0.5
Turnover & Leverage					
Gross asset T.O (x)	2.4	2.3	2.1	2.0	1.9
Total asset T.O (x)	1.8	1.7	1.5	1.6	1.6
Int. coverage ratio (x)	116.7	77.5	90.2	56.5	74.1
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	4.4	3.9	3.9	3.5	3.1
EV/EBITDA (x)	33.7	25.8	28.1	25.1	20.2
P/E (x)	47.5	38.4	42.8	40.3	31.6
P/BV (x)	9.3	8.0	7.3	6.6	5.8



Recommendation Summary (last 3 years)



Dates	Rating	Target
03.May.23	BUY	3,223
01.Aug.23	SELL	3,181
25.Sept.23	SELL	3,694
02.Nov.23	SELL	3,949
29.Jan.24	HOLD	4,416
29.April.24	BUY	5,173
02.Aug.24	SELL	4,718
30.Oct.24	ACCUMULATE	4,895
31.Jan.25	BUY	4,442
12.May.25	BUY	4,107
12.Dec.25	BUY	3,890

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

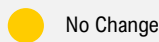
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Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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