

Supreme Industries Ltd.

ACCUMULATE

Sector: Plastic Products

25th May 2026

Key Changes	Target	▲	Rating	▼	Earnings	▼	Target	Rs.4,044
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP		Rs.3,557
Mid Cap	SI:IN	75,415	SUPREMEIND	509930	12 Months	Return		+14%

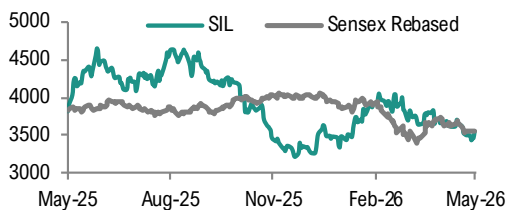
Data as of: 22-05-2026 18.00 hrs.

Company Data	
Market Cap (Rs. cr.)	45,185
52 Week High — Low (Rs.)	4,740-3,182
Enterprise Value (Rs. cr)	44,651
Outstanding Shares (Rs cr)	12.7
Free Float (%)	50.6
Dividend Yield (%)	1.01
6m average volume (cr)	0.12
Beta	0.9
Face value (Rs)	2.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	48.9	49.0	49.0
FII's	20.7	19.2	17.1
MFs/Institutions	16.0	17.1	19.1
Public	14.5	14.7	14.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-12.2%	2.8%	-7.0%
Absolute Sensex	-8.3%	-12.0%	-6.8%
Relative Return	-4.0%	14.7%	-0.1%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	11,218	12,941	14,691
Growth (%)	7.4	15.4	13.5
EBITDA	1,553	1,863	2,130
EBITDA Margin (%)	13.8	14.4	14.5
PAT Adjusted	954	1,146	1,352
Growth (%)	(0.7)	20.1	18.0
Adjusted EPS	75.1	90.2	106.4
Growth (%)	(0.7)	20.1	18.0
P/E	47.4	39.4	33.4
P/B	7.6	6.6	5.8
EV/EBITDA	28.7	24.2	21.0
ROE (%)	16.1	17.6	18.5
D/E	0.0	0.0	0.0

Author: Anil R - Sr. Research Analyst

Volume Recovery on Track... Margins to normalise

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

- In Q4FY26, revenue grew 16.5% YoY, led by volumes (+16% YoY, +26% QoQ) driven by channel restocking, strong pan-India plumbing demand and CPVC-led market share gains.
- EBITDA grew 50% YoY with margins expanding 390bps to 17.67%, supported by ~Rs.70–80cr inventory gains on a ~32% PVC price rise and lower ad spends.
- Consequently, net profit grew 47.5% YoY, which was also aided by a 58% YoY rise in associate profit contribution.
- Management guided 15–17% piping volume growth on steady plumbing demand and favourable PVC pricing; overall volume growth at 12–13% with EBITDA margins sustained at 14–14.5%.
- We cut FY27E EPS by 13.3% factoring in the non-recurrence of Q4FY26 inventory gains, near-term PVC volatility amid input inflation, and higher depreciation from accelerated capex; partially offset by Wavin ramp-up and piping market share gains.

Outlook & Valuation

SIL enters FY27E with improving volume momentum, supported by Wavin ramp-up and steady plumbing demand. We expect EBITDA margins to normalise as inventory gains unwind, even as input cost volatility persists. While the medium-term growth outlook remains intact (~19% earnings CAGR over FY26–28E), FY27E earnings are likely to face pressure from the absence of inventory gains, higher depreciation on accelerated capex, and margin dilution from Wavin scale-up. At the current valuation of 38x FY28E EPS, much of the medium-term growth is already priced in. Additionally, earnings visibility remains linked to PVC cycles, limiting scope for further re-rating. **We value SIL at 38x FY28E EPS and downgrade to Accumulate from BUY with a target price of Rs.4,044.**

Quarterly Financials Consol.

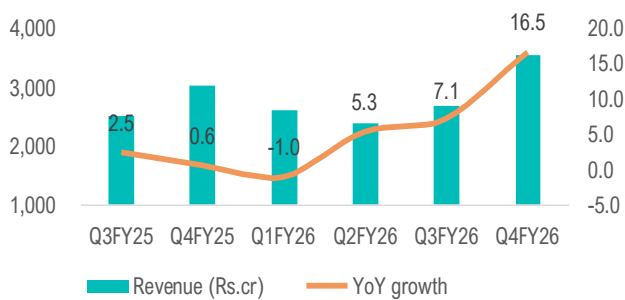
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26A	FY25A	YoY (%)
Sales	3,528	3,027	16.5	2,687	31.3	11,218	10,446	7.4
EBITDA	623	416	49.7	314	98.6	1,553	1,432	8.5
Margin %	17.7	13.8	391bps	11.7	599bps	13.8	13.7	14bps
EBIT	502	325	54.4	204	145.6	1,125	1,073	4.8
PBT	501	334	49.9	197	154.9	1,141	1,119	1.9
Reported PAT	434	294	47.5	153	182.7	954	961	(0.7)
Adjusted PAT	434	294	47.5	153	182.7	954	961	(0.7)
EPS (Rs)	34.1	23.1	47.5	12.1	182.7	75	76	(0.7)



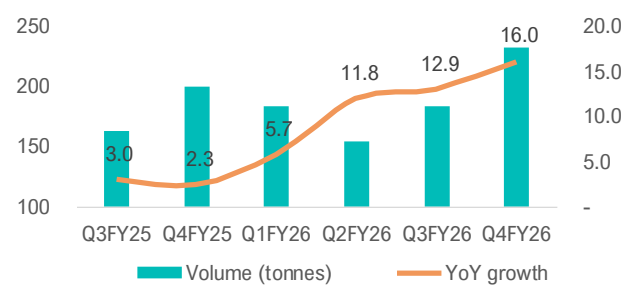
Key Concall Highlights

- Industry (plastic piping) expected to grow ~8% after ~9% decline in FY26.
- Sharp correction already played out; no further major downside expected near-term.
- Management sees strong pick-up in agri demand post PVC price correction, with plumbing demand remaining stable.
- Jal Jeevan/Nal Se Jal spending still inconsistent due to state funding delays.
- Management guides ~12–13% overall volume growth and 15–17% growth in piping segment for FY27.
- FY27 EBITDA margins guided to ~14–14.5%, reflecting a return to normal levels amid PVC volatility.
- Wavin expected to contribute ~48–50k tons annually going forward, targeting ~70% utilisation of installed capacity in FY27.
- Windows business expected to reach Rs.200–250cr revenue at full utilization.
- Planned ~Rs.1,000cr capex to add ~1.1 lakh MT capacity, largely in piping. New plants to be partially operational in FY27 and fully ramped over next 2 years.

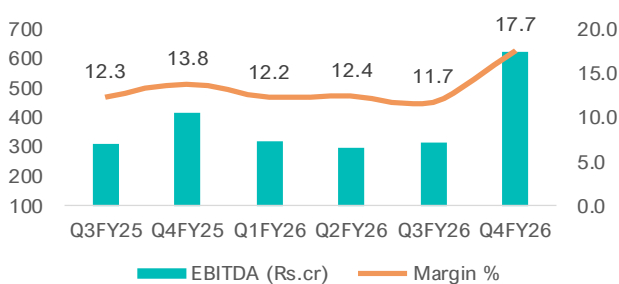
Revenue



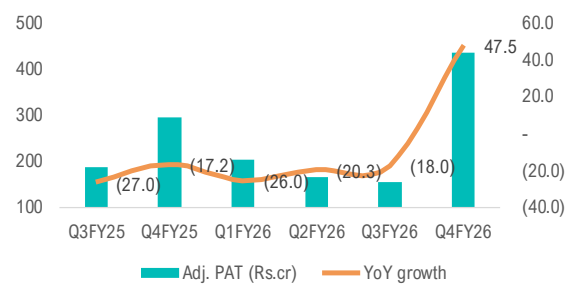
Volume



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	13,267	-	12,941	14,691	(2.5)	-
EBITDA	2,003	-	1,863	2,130	(7.0)	-
Margins (%)	15.1	-	14.4	14.5	(70bps)	-
Adj. PAT	1,300	-	1,146	1,352	(12.0)	-
EPS	102.4	-	90.2	106.4	(12.0)	-



Consolidated Financials

Profit & Loss

Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue	10,134	10,446	11,218	12,941	14,691
% change	10.1	3.1	7.4	15.4	13.5
EBITDA	1,547	1,432	1,553	1,863	2,130
% change	29.0	(7.5)	8.5	20.0	14.3
Depreciation	298	359	428	475	526
EBIT	1,249	1,073	1,125	1,389	1,604
Interest	16	12	29	13	10
Other Income	66	58	45	49	59
PBT	1,299	1,119	1,141	1,425	1,653
% change	35.5	(13.8)	1.9	24.9	16.1
Tax	336	278	288	359	417
Tax Rate (%)	25.8	24.9	25.2	25.2	25.2
Reported PAT	1,070	961	954	1,146	1,352
Adj*	-	-	-	-	-
Adj PAT	1,070	961	954	1,146	1,352
% change	23.6	(10.2)	(0.7)	20.1	18.0
No. of shares (cr)	12.7	12.7	12.7	12.7	12.7
Adj EPS (Rs.)	84.2	75.6	75.1	90.2	106.4
% change	23.6	(10.2)	(0.7)	20.1	18.0
DPS (Rs.)	28.0	32.0	35.0	35.0	35.0
CEPS (Rs.)	107.7	103.9	108.8	127.6	147.8

Cash Flow

Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Deprn.	1,368	1,320	1,382	1,620	1,878
Non-cash adj.	(147)	(236)	(97)	13	10
Changes in W.C	180	(99)	(83)	(428)	(214)
C.F. Operation	1,413	1,004	1,225	1,205	1,673
Capital exp.	(547)	(888)	(808)	(1,085)	(800)
Change in inv.	24	40	(265)	(110)	(110)
Other invest.CF	53	57	60	-	-
C.F – Investment	(609)	(791)	(1,014)	(1,195)	(910)
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	-	(10)	(10)
Dividends paid	(356)	(406)	(445)	(445)	(445)
Other finance.CF	(26)	(34)	(52)	(13)	(10)
C.F – Finance	(382)	(440)	(496)	(468)	(465)
Chg. in cash	423	(227)	(285)	(457)	299
Closing cash	1,179	944	649	192	490

Balance Sheet

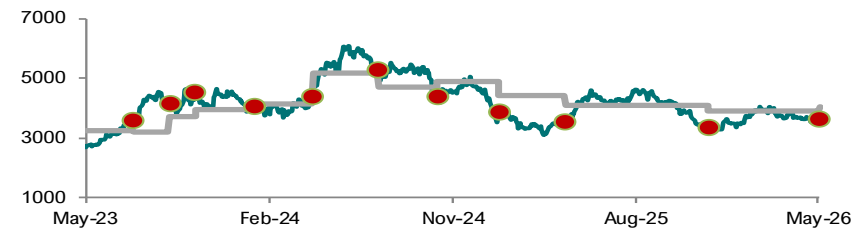
Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	1,179	944	649	192	490
Accounts Receivable	511	540	488	709	805
Inventories	1,359	1,334	1,619	1,795	2,038
Other Cur. Assets	398	554	468	674	765
Investments	638	720	762	872	982
Gross Fixed Assets	4,600	5,284	6,694	7,694	8,494
Net Fixed Assets	2,265	2,619	3,600	4,125	4,399
CWIP	144	403	135	220	220
Intangible Assets	62	55	74	74	74
Def. Tax (Net)	(96)	(87)	(95)	(95)	(95)
Other Assets	0	0	0	0	0
Total Assets	6,460	7,080	7,700	8,566	9,679
Current Liabilities	1,016	893	1,027	1,264	1,434
Provisions	46	49	65	60	68
Debt Funds	71	102	114	104	94
Other Liabilities	219	376	325	268	304
Equity Capital	25	25	25	25	25
Reserves & Surplus	5,083	5,635	6,144	6,845	7,752
Shareholder's Fund	5,109	5,660	6,169	6,870	7,777
Total Liabilities	6,460	7,080	7,700	8,566	9,679
BVPS (Rs.)	402	446	486	541	612

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	15.3	13.7	13.8	14.4	14.5
EBIT margin (%)	12.3	10.3	10.0	10.7	10.9
Net profit mgn.(%)	10.6	9.2	8.5	8.9	9.2
ROE (%)	22.5	17.8	16.1	17.6	18.5
ROCE (%)	22.4	17.7	16.2	17.4	18.3
W.C & Liquidity					
Receivables (days)	18.1	18.4	16.7	16.9	18.8
Inventory (days)	49.4	47.0	48.0	48.1	47.6
Payables (days)	51.1	48.8	46.4	47.9	49.7
Current ratio (x)	3.2	3.6	3.0	2.5	2.7
Quick ratio (x)	1.5	1.5	0.5	0.6	0.6
Turnover & Leverage					
Gross asset T.O (x)	2.3	2.1	1.9	1.8	1.8
Total asset T.O (x)	1.7	1.5	1.5	1.6	1.6
Int. coverage ratio (x)	77.5	90.2	38.8	106.0	161.8
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	4.3	4.2	4.0	3.5	3.0
EV/EBITDA (x)	28.5	31.0	28.7	24.2	21.0
P/E (x)	42.2	47.0	47.4	39.4	33.4
P/BV (x)	8.8	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
27.Jan.26	BUY	4,003
25.May.26	ACCUMULATE	4,044

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

Definition:

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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