

PRICOL LIMITED

Scale-led growth continues across core end-markets

LKP
Since 1948

Trust • Invest • Grow

Pricol delivered a strong Q3FY26 performance, with consolidated revenue rising 64.0% YoY to ₹10.39 bn, supported by robust demand across 2W, PV, CVs and off-highway segments, alongside continued scale-up in its polymer businesses. Sequential revenue growth stood at 3.2% QoQ, reflecting sustained momentum despite a high base. EBITDA increased 61.6% YoY to ₹1.21 bn; however, EBITDA margins moderated by 17 bps YoY and 40 bps QoQ to 11.7%, primarily driven by higher employee costs and other operating expenses linked to new program ramp-ups, capacity constraints in the polymer business, and investments in engineering and technology. Management clarified that commodity inflation remains fully pass-through with customers, limiting raw material-led margin risk. PBT grew 55.2% YoY to ₹845 mn, though elevated finance costs—driven by higher working capital usage—partly offset operating leverage benefits. PAT rose 53.7% YoY to ₹637 mn, with margin contraction reflecting operating cost pressures and higher interest outgo. On a standalone basis, revenue grew 27.0% YoY and 5.6% QoQ to ₹8.0 bn. EBITDA stood at ₹898 mn, up 30.3% YoY and 2.3% QoQ, with margins improving by 28 bps to 11.2%. PAT came in at ₹445 mn, registering a 24.8% YoY increase. Overall, while near-term margins moderated due to growth-related investments and capacity constraints, strong topline growth and operating scale underscore healthy execution, with margins expected to normalise as new capacities come on stream and fixed costs are better absorbed.

Partnership-led technology expansion enhances market positioning

Management highlighted Q3FY26 as an important inflection point for Pricol, reflecting progress in its transition towards a technology-driven automotive supplier. Strategically, Pricol is strengthening its technology stack through partnerships, including an exclusive MOU with BOE for backward integration of LCD and TFT displays in India and a collaboration with Domino for premium switches and throttles, positioning the company to benefit from rising electronic content and cockpit integration in vehicles. Management reiterated confidence in sustaining industry outperformance, supported by a broadening product portfolio and continued investments in engineering and technology.

New product commercialisation and capacity augmentation strengthen growth outlook

The company is expanding its product portfolio across high-growth and regulation-led categories, with mass production of disc brakes for a large two-wheeler OEM scheduled to commence from Q1FY27, supported by the potential expansion of ABS norms. Battery Management Systems are in advanced stages of development, with start of production expected over the next four to five quarters.

Key Financials	FY25	FY26E	FY27E	FY28E
Total Income (₹ mn)	26,919	40,440	45,536	51,372
EBITDA (₹ mn)	3,129	4,598	5,411	6,183
EBITDA Margins (%)	11.6	11.4	11.9	12.0
EPS (₹)	13.7	21.6	25.5	29.1
P/E (x)	40.1	25.5	21.6	18.9
P/BV (x)	6.6	5.2	4.2	3.4
EV/EBITDA (x)	21.5	14.8	12.0	10.5
RoE (%)	17.9	22.9	21.6	20.1
RoCE (%)	22.6	26.4	27.7	28.5

BUY

Current Market Price (₹)	549
12M Price Target (₹)	728
Potential Return (%)	33

Stock Data

Sector	:	Auto Components
Face Value (₹)	:	1
Total MCap (₹ bn)	:	67
Free Float MCap (₹ bn)	:	41
52-Week High / Low (₹)	:	694 / 368
BSE Code / NSE Symbol	:	540293 / PRICOLLTD
Bloomberg	:	PRICOL:IN
Sensex / Nifty	:	82,270 / 25,321

Shareholding Pattern

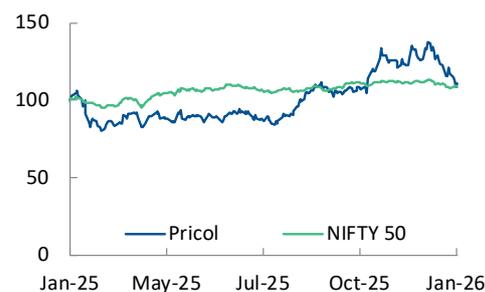
(%)	Dec-25	Sep-25	Jun-25	Mar-25
Promoter	38.51	38.51	38.51	38.51
MF's	10.04	11.55	11.34	11.23
AIF's	1.89	1.95	1.37	1.39
FPIs	16.91	15.40	16.07	16.26
Insurance	0.36	1.05	2.79	3.04
Others	32.29	31.54	29.92	29.57

Source: BSE

Price Performance

(%)	1M	3M	6M	12M
PRICOLLTD	-14.7	1.9	25.3	10.8
Nifty 50	-2.4	-2.2	1.9	8.9

* To date / current date : January 30, 2026

PRICOLLTD vs NIFTY 50

The polymer division (Pricol Precision / P3L) delivered Q3FY26 revenue of ~₹2.33 bn with EBITDA margins of ~9.3%, supported by strong demand and continued ramp-up of customer programmes; management reiterated long-term margin guidance of ~10.5% for the plastics business, driven by operating leverage, process improvements and scale benefits. Capacity utilisation remains elevated at over 90%, prompting investments in additional capacity, commissioning of a new plant and the setting up of a Centre of Excellence to develop new technologies such as in-mould painting and advanced polymer processes. A significant portion of overall CapEx, between INR 4-5 bn, will be allocated to the polymer division to expand capacity. To support this next phase of expansion, management indicated that upcoming investments will be largely funded through internal accruals, while the ACFM division continues to anchor export growth.

Quarterly Financial Snapshot (Consolidated)

YE Mar (₹ mn)	Q3FY26	Q2FY26	QoQ Chg (%)	Q3FY25	YoY Chg (%)
Total Income	10,394	10,069	3.2	6,338	64.0
RM Cost	7,172	6,993	2.6	4,375	63.9
Employees Cost	1,246	1,148	8.5	779	59.9
Other Expenses	762	748	2.0	433	76.0
EBITDA	1,214	1,180	2.9	751	61.6
<i>Margin (%)</i>	<i>11.7</i>	<i>11.7</i>	<i>-4.0bps</i>	<i>11.9</i>	<i>-17.1bps</i>
Depreciation	302	300	0.6	224	34.8
EBIT	912	880	3.7	527	73.0
Finance Cost	86	68	26.7	23	281.5
Other Income	19	34	-43.6	40	-52.5
PBT	845	845	-0.1	545	55.2
Total Tax	208	206	1.2	130	60.0
PAT	637	640	-0.5	414	53.7
<i>Margin (%)</i>	<i>6.1</i>	<i>6.4</i>	<i>-22.8bps</i>	<i>6.5</i>	<i>-41.2bps</i>

Source: Company, LKP Research

Quarterly Financial Snapshot (Standalone)

YE Mar (₹ mn)	Q3FY26	Q2FY26	QoQ Chg (%)	Q3FY25	YoY Chg (%)
Total Income	8,000	7,575	5.6	6,300	27.0
RM Cost	5,642	5,370	5.1	4,457	26.6
Employees Cost	953	852	11.8	759	25.6
Other Expenses	508	476	6.7	395	28.6
EBITDA	898	877	2.3	689	30.3
<i>Margin (%)</i>	<i>11.2</i>	<i>11.6</i>	<i>-0.4bps</i>	<i>10.9</i>	<i>28.4bps</i>
Depreciation	241	240	0.4	219	9.9
EBIT	657	638	3.1	470	39.8
Finance Cost	54	41	32.4	22	140.7
Other Income	9	17	-47.6	32	-72.1
PBT	612	614	-0.3	479	27.6
Total Tax	167	159	5.5	123	35.7
PAT	445	455	-2.3	356	24.8
<i>Margin (%)</i>	<i>5.6</i>	<i>6.0</i>	<i>-0.5bps</i>	<i>5.7</i>	<i>-9.6bps</i>

Source: Company, LKP Research

Outlook & Valuation

We remain constructive on Pricol's medium-term outlook, supported by sustained industry outperformance, a broadening technology-led product portfolio, and rising content per vehicle across core automotive segments. Growth visibility is underpinned by ramp-up of new products, deeper engagement with OEMs, capacity additions in the polymer business, and continued traction in exports, while ongoing investments in engineering and technology position the company well for higher-value programs. We estimate Revenue/EBITDA/PAT to grow at a CAGR of 24%/25%/29%, respectively, over FY25–FY28E. We maintain a BUY rating on the stock with a TP of ₹728, valuing it at 25x FY28E EPS.

Earnings Call Key Takeaways

- **Sustained industry outperformance:** Management highlighted that Pricol has outperformed the underlying automotive market for the last 8–12 quarters and expects this trend to continue, supported by portfolio diversification and new product ramp-ups.
- **New product pipeline driving future growth:** Mass production of disc brakes for a large Indian two-wheeler OEM is scheduled from Q1FY27, while Battery Management Systems (BMS) are in advanced testing stages with production expected over the next 4–5 quarters. The e-cockpit solution remains under proof of concept.
- **Strategic partnerships deepen technology capabilities:** The exclusive MOU with BOE enables backward integration into LCD and TFT displays, while collaboration with Domino supports entry into premium switches and throttles, strengthening Pricol's technology-led positioning.
- **Capacity constraints prompting investments:** The polymer division (P3L) is operating at over 90% utilisation, temporarily constraining growth and necessitating capacity additions to support upcoming product launches.
- **Capex focused on growth, funded internally:** Management outlined a multi-year capex plan aimed at capacity expansion and advanced technologies, to be funded through internal accruals, with no long-term debt on the balance sheet.
- **ACFM anchors exports:** The ACFM division contributes ~25% of consolidated revenue and continues to drive export growth, with exports accounting for ~10% of overall revenues and growing at ~15% YoY in Q3.
- **Employee cost increase is strategic:** Higher employee expenses reflect forward-looking hiring to support new technologies and partnerships, while management clarified that the new labour code has not materially impacted costs.

Income Statement

(₹ mn)	FY25	FY26E	FY27E	FY28E
Total Income	26,919	40,440	45,536	51,372
Change (%)	18.5	50.2	12.6	12.8
RM Cost	18,607	28,356	31,607	35,624
Employees Cost	3,247	4,621	5,159	5,820
Other Expenses	1,936	2,865	3,359	3,745
EBITDA	3,129	4,598	5,411	6,183
Margin (%)	11.6	11.4	11.9	12.0
Depreciation	898	1,157	1,325	1,493
EBIT	2,231	3,441	4,086	4,690
Finance Cost	132	214	259	283
Other Income	166	234	263	297
PBT bef. EO Exp.	2,266	3,461	4,090	4,704
Exceptional Items	0	0	0	0
PBT after EO Exp.	2,266	3,461	4,090	4,704
Total Tax	596	833	986	1,155
Reported PAT	1,670	2,628	3,104	3,548
Adjusted PAT	1,670	2,628	3,104	3,548
Change (%)	18.8	57.3	18.1	14.3
Margin (%)	6.2	6.5	6.8	6.9

Source: Company, LKP Research

Key Ratios

YE Mar	FY25	FY26E	FY27E	FY28E
Per Share				
Adj EPS	13.7	21.6	25.5	29.1
Cash EPS	21.1	31.1	36.3	41.4
BV/Share	83.4	104.9	130.4	159.5
Valuation (x)				
P/E	40.1	25.5	21.6	18.9
P/BV	6.6	5.2	4.2	3.4
EV/Sales	2.5	1.7	1.4	1.3
EV/EBITDA	21.5	14.8	12.0	10.5
Return Ratios (%)				
RoE	17.9	22.9	21.6	20.1
RoCE	22.6	26.4	27.7	28.5
RoIC	16.4	20.1	18.6	17.2
Working Capital Ratios				
Fixed Asset Turnover (x)	4.6	5.3	5.2	5.2
Asset Turnover (x)	1.6	1.8	1.7	1.6
Inventory (Days)	67.0	66.0	65.0	65.0
Debtor (Days)	51.5	52.0	53.0	53.0
Creditor (Days)	76.5	77.0	78.0	78.0
Leverage Ratio (x)				
Current Ratio	1.3	1.4	1.7	1.8
Net Debt/Equity	0.0	0.1	-0.1	-0.1

Source: Company, LKP Research

Balance Sheet

(₹ mn)	FY25	FY26E	FY27E	FY28E
Equity Share Capital	122	122	122	122
Reserves & Surplus	10,038	12,666	15,770	19,319
Total Networth	10,160	12,788	15,892	19,440
Non-current Liabilities				
Long term debt	678	1,178	1,678	2,178
Other non current liabilities	1,086	1,086	1,086	1,086
Total non-current liab & provs	1,764	2,264	2,764	3,264
Current Liabilities				
Trade payables	4,546	7,418	6,090	9,135
Short term provs+ borrowings	874	1,141	1,240	1,359
Other current liabilities	2,150	2,150	2,150	2,150
Total current liab and provs	7,569	10,709	9,480	12,644
Total Equity & Liabilities	19,494	25,761	28,136	35,349
Assets				
Net block	7,065	8,258	9,333	10,240
Intangible assets	799	799	799	799
Other non current assets	1,824	1,824	1,824	1,824
Total non current assets	9,689	10,882	11,957	12,864
Cash and cash equivalents	1,011	1,015	4,682	5,495
Inventories	3,626	6,629	4,629	8,059
Trade receivables	4,727	6,795	6,429	8,490
Other current assets	440	440	440	440
Total current Assets	9,805	14,880	16,179	22,485
Total Assets	19,494	25,761	28,136	35,349

Source: Company, LKP Research

Cash Flow

(₹ mn)	FY25	FY26E	FY27E	FY28E
Profit/(Loss) before Tax	2,266	3,461	4,090	4,704
Depreciation	898	1,157	1,325	1,493
Interest & Finance Charges	132	214	259	283
Direct Taxes Paid	-567	-833	-986	-1,155
(Inc)/Dec in WC	437	-2,198	1,039	-2,447
Others	-72	0	0	0
CF from Operations	3,093	1,801	5,727	2,877
Capex	-2,163	-2,350	-2,400	-2,400
(Pur)/Sale of Investments	155	0	0	0
Others	-1,762	0	0	0
CF from Investments	-3,770	-2,350	-2,400	-2,400
Inc/(Dec) in Debt	781	767	599	620
Interest Paid	-133	-214	-259	-283
Dividend Paid	0	0	0	0
Others	-86	0	0	0
CF from Fin. Activity	562	553	339	337
Inc/Dec of Cash	-115	4	3,666	814
Opening Balance	1,125	1,011	1,015	4,682
Closing Balance	1,011	1,015	4,682	5,495

Source: Company, LKP Research

DISCLAIMERS AND DISCLOSURES

LKP Securities Limited (CIN-L67120MH1994PLC080039, www.lkpsec.com) herein after referred as “LKP” and its affiliates are a full-fledged, brokerage and financing group. LKP was established in 1994 and is a brokerage and distribution house. LKP is a registered Research Analyst (SEBI Regn.: INH00001758), corporate trading member (SEBI Regn.: INZ000216033) of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSEI) and Depository Participant (SEBI Regn.:IN-DP-705-2022) of CDSL and SEBI Registered Portfolio Management Services (SEBI Regn.: INH00001758). LKP along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking (SEBI Regn.: INM000002483), commodity broking, depository participant, insurance broking (IRDA Regn.: IRDA- CA0365) and services rendered in connection with distribution of primary market issues and financial products like mutual funds(ARN: 31751) etc. LKP hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on LKP for certain operational deviations in ordinary/routine course of business. LKP has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

LKP offers research services to clients. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Other disclosures by LKP and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:- LKP or its associates or Research Officials employed by LKP or relatives of research officials may have financial interest in the subject company. LKP or its associates and Research Analyst or his/her relative's may have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of public appearance. LKP or its associates and Research officials or his/her relative's does not have any material conflict of interest in the subject company.

LKP or its associates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates may have co-managed public offering of securities for the subject company in the past 12(twelve) months. LKP or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12(twelve) months. LKP or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. LKP or its associates may have received any compensation from the subject company in the past twelve months. Subject Company may have been client of LKP or its associates during twelve months preceding the date of distribution of the research report for the services provided by LKP or its associates. Research Officials has served as officer, director or employee of the subject company: (NO). The research Analyst or research entity (LKP) has not been engaged in market making activity for the subject company. LKP and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LKP or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of LKP or its Group Companies.

The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read “Risk Disclosure Document for Capital Market and Derivatives Segments” as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. All material presented in this report, unless specifically indicated otherwise, is under copyright to LKP. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of LKP.

Ashwin Patil

Assistant Vice President - Research

ashwin_patil@lkpsec.com