

**PRICOL LIMITED**

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Pricol delivered a decent set of Q4FY26 performance, with consolidated revenue rising 46.0% YoY to ₹11 bn, supported by robust demand across 2W, PV, CVs and off-highway segments, alongside continued scale-up in its polymer (P3L) businesses. Sequential revenue growth stood at 5.8%, reflecting sustained momentum despite a high base. EBITDA increased 63.6% YoY to ₹1.31 bn; while EBITDA margins grew by 127 bps YoY and 24 bps QoQ to 11.9%, primarily driven by better operating leverage and turnaround in the P3L business. PBT grew 81.2% YoY to ₹957 mn, though elevated finance costs—driven by higher working capital usage—partly offset operating leverage benefits. PAT rose 110% YoY to ₹732 mn, with margin expansion reflecting operating profit percolation. Overall consolidated numbers were on a low base since P3L acquisition was not completed in Q4 FY25. On standalone basis, revenue grew 37.6% YoY and 6.8% QoQ to ₹8.3 bn. EBITDA stood at ₹947 mn, up 45.9% YoY and 5.5% QoQ, with margins improving by 65 bps to 11.4% YoY. PAT came in at ₹782 mn, registering a 180% YoY increase. Overall, while near-term margins moderated due to growth-related investments, capacity constraints, increasing RM inflation; 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 Q4FY26 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.

**Entry into new products and capacity augmentation strengthen growth outlook**

Pricol has acquired businesses to supply its DIS products (LCD/TFT) to – Tata Motors Sierra and Punch, VECV's Titan EV LCV and Bajaj 3W-EV Wego. The company is expanding its product portfolio across high-growth and regulation-led categories, with increase in market share in disc brakes business for Tata New Safari, which started in current quarter 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	FY26	FY27E	FY28E
Total Income (₹ mn)	26,919	40,408	46,176	53,394
EBITDA (₹ mn)	3,129	4,694	4,975	6,228
EBITDA Margins (%)	11.6	11.6	10.8	11.7
EPS (₹)	13.7	20.6	21.7	26.0
P/E (x)	40.6	27.1	25.6	21.4
P/BV (x)	6.7	5.4	4.5	3.7
EV/EBITDA (x)	21.8	15.0	14.1	11.5
RoE (%)	17.9	22.1	19.1	18.9
RoCE (%)	22.6	26.2	21.6	21.7

**BUY**

Current Market Price (₹)	554
12M Price Target (₹)	650
Potential Return (%)	17

**Stock Data**

Sector	:	Auto Components
Face Value (₹)	:	1
Total MCap (₹ bn)	:	68
Free Float MCap (₹ bn)	:	42
52-Week High / Low (₹)	:	694 / 415
BSE Code / NSE Symbol	:	540293 / PRICOLLTD
Bloomberg	:	PRICOL:IN
Sensex / Nifty	:	75,315 / 23,650

**Shareholding Pattern**

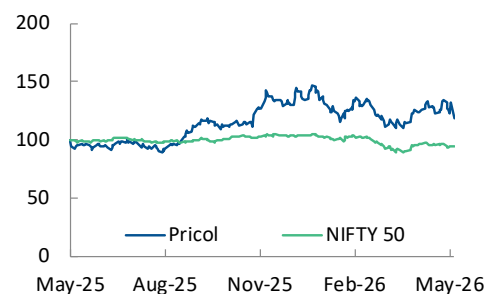
(%)	Mar-26	Dec-25	Sep-25	Jun-25
Promoter	38.51	38.51	38.51	38.51
MF's	10.25	10.04	11.55	11.34
AIF's	1.83	1.89	1.95	1.37
FPIs	15.61	16.91	15.40	16.07
Insurance	0.36	0.36	1.05	2.79
Others	33.44	32.29	31.54	29.92

Source: BSE

**Price Performance**

(%)	1M	3M	6M	12M
PRICOLLTD	-5.7	-8.3	-12.4	26.2
Nifty 50	-2.9	-8.4	-8.7	-5.5

\* To date / current date : May 18, 2026

**PRICOLLTD vs NIFTY 50**

The polymer division (Pricol Precision / P3L) delivered Q4FY26 revenue of ~₹9.24 bn with EBITDA margins of 9.24% in FY 26, supported by strong demand and continued ramp-up of customer programmes; management reiterated long-term margin guidance of >10% 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 (capex of ₹6.8-7 bn for FY 27E), 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. The new plant shall cater mainly to the P3L business along with some capex going for disc brakes and DIS business. 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 grow well. However, this business grew at 30% in FY 27, slightly below the management's target of 30-35% on the back of weak exports amidst war in the Middle East.

#### Quarterly Financial Snapshot (Consolidated)

YE Mar (₹ mn)	Q4FY26	Q3FY26	QoQ Chg (%)	Q4FY25	YoY Chg (%)
<b>Total Income</b>	<b>10,992</b>	<b>10,394</b>	<b>5.8</b>	<b>7,520</b>	<b>46.2</b>
RM Cost	7,532	7,172	5.0	5,300	42.1
Employees Cost	1,234	1,246	-1.0	1,024	20.5
Other Expenses	916	762	20.2	569	61.0
<b>EBITDA</b>	<b>1,310</b>	<b>1,214</b>	<b>7.9</b>	<b>801</b>	<b>63.6</b>
<i>Margin (%)</i>	<i>11.9</i>	<i>11.7</i>	<i>23.8bps</i>	<i>10.6</i>	<i>127.3bps</i>
Depreciation	311	302	2.9	264	17.9
<b>EBIT</b>	<b>999</b>	<b>912</b>	<b>9.6</b>	<b>537</b>	<b>86.1</b>
Finance Cost	82	86	-4.3	52	58.3
Other Income	41	19	113.2	43	-6.6
<b>PBT</b>	<b>957</b>	<b>845</b>	<b>13.3</b>	<b>528</b>	<b>81.2</b>
Total Tax	225	208	8.2	179	25.8
<b>PAT</b>	<b>732</b>	<b>637</b>	<b>15.0</b>	<b>349</b>	<b>109.5</b>
<i>Margin (%)</i>	<i>6.7</i>	<i>6.1</i>	<i>53.4bps</i>	<i>4.6</i>	<i>201.5bps</i>

Source: Company, LKP Research

#### Quarterly Financial Snapshot (Standalone)

YE Mar (₹ mn)	Q4FY26	Q3FY26	QoQ Chg (%)	Q4FY25	YoY Chg (%)
Total Income	8,343	7,810	6.8	6,064	37.6
RM Cost	6,010	5,642	6.5	4,347	38.3
Employees Cost	929	953	-2.5	816	13.8
Other Expenses	669	508	31.9	425	57.4
<b>EBITDA</b>	<b>947</b>	<b>898</b>	<b>5.5</b>	<b>649</b>	<b>45.9</b>
<i>Margin (%)</i>	<i>11.4</i>	<i>11.5</i>	<i>(10 bps)</i>	<i>10.7</i>	<i>(70 bps)</i>
Depreciation	242	241	0.7	219	10.5
<b>EBIT</b>	<b>705</b>	<b>657</b>	<b>7.3</b>	<b>430</b>	<b>63.9</b>
Finance Cost	46	54	-15.4	34	33.0
Other Income	269	9	2,920.2	32	732.9
<b>PBT</b>	<b>928</b>	<b>612</b>	<b>51.6</b>	<b>428</b>	<b>116.8</b>
Total Tax	146	167	-12.8	148	-1.5
<b>PAT</b>	<b>782</b>	<b>445</b>	<b>75.9</b>	<b>280</b>	<b>179.5</b>
<i>Margin (%)</i>	<i>9.4</i>	<i>5.7</i>	<i>370 bps</i>	<i>4.6</i>	<i>476bps</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. However, in current uncertain environment, management has signaled some risk to their target and estimates given increasing tension in the Middle East resulting into higher inflation in RM and supply constraints. Also, with new capacity addition expected to impact profitability in FY 27E, we are slightly trimming down our estimates and target price, while maintaining a BUY rating on the stock with a target of ₹650, 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.
- Revenue breakup – DIS -60%, P3L – 20%, ACFMS – 20% of consolidated topline
- Disc brakes business is making steady profits
- The outlook for the overall business remains uncertain among global pressures, however the company indicated that they will grow higher than the industry.
- The company plans to double the P3L revenues in mid-term from the time the business was acquired.
- Exports in FY 27 was 7% of consolidated revenues, while the management targets to double exports in next couple of years.
- ACFMS business targets to grow at 30-35% in FY 27.
- Non brakes business is 96% of total topline.
- P3L revenues were at ₹9.24 bn in FY 26, while the EBITDA margins were at 9.24%, much higher than 6-6.5% at the time of acquisition completion in Feb 25.
- The polymer division (P3L) is operating at over 90% utilization, temporarily constraining growth and necessitating capacity additions to support upcoming product launches. Hence management has outlined a multi-year capex plan of ₹6.8-7 bn aimed at capacity expansion and advanced technologies, to be funded through internal accruals and some debt. Net debt /Equity to be not more than 0.5x-0.6x.

## Income Statement

(₹ mn)	FY25	FY26	FY27E	FY28E
<b>Total Income</b>	<b>26,919</b>	<b>40,408</b>	<b>46,176</b>	<b>53,394</b>
Change (%)	18.5	50.1	14.3	15.6
RM Cost	18,607	27,939	32,382	37,065
Employees Cost	3,247	4,704	5,233	6,049
Other Expenses	1,936	3,072	3,587	4,053
<b>EBITDA</b>	<b>3,129</b>	<b>4,694</b>	<b>4,975</b>	<b>6,228</b>
Margin (%)	11.6	11.6	10.8	11.7
Depreciation	898	1,200	1,400	1,837
<b>EBIT</b>	<b>2,231</b>	<b>3,494</b>	<b>3,574</b>	<b>4,391</b>
Finance Cost	132	300	311	363
Other Income	166	116	268	308
<b>PBT bef. EO Exp.</b>	<b>2,266</b>	<b>3,309</b>	<b>3,531</b>	<b>4,337</b>
Exceptional Items	0	0	0	0
<b>PBT after EO Exp.</b>	<b>2,266</b>	<b>3,309</b>	<b>3,531</b>	<b>4,337</b>
Total Tax	596	801	883	1,169
<b>Reported PAT</b>	<b>1,670</b>	<b>2,508</b>	<b>2,648</b>	<b>3,168</b>
<b>Adjusted PAT</b>	<b>1,670</b>	<b>2,508</b>	<b>2,648</b>	<b>3,168</b>
Change (%)	18.8	50.2	5.6	19.6
Margin (%)	6.2	6.2	5.7	5.9

Source: Company, LKP Research

## Key Ratios

YE Mar	FY25	FY26	FY27E	FY28E
<b>Per Share</b>				
Adj EPS	13.7	20.6	21.7	26.0
Cash EPS	21.1	30.4	33.2	41.1
BV/Share	83.4	102.9	124.7	150.7
<b>Valuation (x)</b>				
P/E	40.6	27.1	25.6	21.4
P/BV	6.7	5.4	4.5	3.7
EV/Sales	2.5	1.7	1.5	1.3
EV/EBITDA	21.8	15.0	14.1	11.5
<b>Return Ratios (%)</b>				
RoE	17.9	22.1	19.1	18.9
RoCE	22.6	26.2	21.6	21.7
RoIC	16.4	18.2	15.4	15.6
<b>Working Capital Ratios</b>				
Fixed Asset Turnover (x)	4.6	5.2	4.9	4.3
Asset Turnover (x)	1.6	1.8	1.8	1.9
Inventory (Days)	67.0	58.9	60.0	59.0
Debtor (Days)	51.5	47.4	45.0	42.0
Creditor (Days)	76.5	65.4	55.0	53.0
<b>Leverage Ratio (x)</b>				
Current Ratio	1.3	1.2	1.5	1.4
Net Debt/Equity	0.0	0.2	0.2	0.2

Source: Company, LKP Research

## Balance Sheet

(₹ mn)	FY25	FY26	FY27E	FY28E
Equity Share Capital	122	122	122	122
Reserves & Surplus	10,038	12,427	15,075	18,243
Total Networkth	10,160	12,549	15,197	18,365
<b>Non-current Liabilities</b>				
Long term debt	678	972	1,878	3,078
Other non current liabilities	1,086	530	530	530
Total non-current liab & provs	1,764	1,501	2,408	3,608
<b>Current Liabilities</b>				
Trade payables	4,546	5,462	4,297	6,467
Short term provs+ borrowings	874	3,092	1,477	1,582
Other current liabilities	2,150	2,149	2,149	2,149
Total current liab and provs	7,569	10,703	7,923	10,199
<b>Total Equity &amp; Liabilities</b>	<b>19,494</b>	<b>24,753</b>	<b>25,527</b>	<b>32,171</b>
<b>Assets</b>				
Net block	7,065	8,601	10,292	14,689
Intangible assets	799	637	637	637
Other non current assets	1,824	2,593	2,593	2,593
<b>Total non current assets</b>	<b>9,689</b>	<b>11,831</b>	<b>13,522</b>	<b>17,919</b>
Cash and cash equivalents	1,011	1,179	573	270
Inventories	3,626	5,393	5,253	6,730
Trade receivables	4,727	5,778	5,608	6,680
Other current assets	440	572	572	572
<b>Total current Assets</b>	<b>9,805</b>	<b>12,922</b>	<b>12,005</b>	<b>14,252</b>
<b>Total Assets</b>	<b>19,494</b>	<b>24,753</b>	<b>25,528</b>	<b>32,171</b>

Source: Company, LKP Research

## Cash Flow

(₹ mn)	FY25	FY26	FY27E	FY28E
<b>Profit/(Loss) before Tax</b>	<b>2,266</b>	<b>3,309</b>	<b>3,531</b>	<b>4,337</b>
Depreciation	898	1,200	1,400	1,837
Interest & Finance Charges	132	300	311	363
Direct Taxes Paid	-567	-859	-883	-1,169
(Inc)/Dec in WC	437	-1,246	-855	-378
Others	-72	108	0	0
<b>CF from Operations</b>	<b>3,093</b>	<b>2,813</b>	<b>3,505</b>	<b>4,989</b>
Capex	-2,163	-3,234	-4,734	-6,234
(Pur)/Sale of Investments	155	201	0	0
<b>Others</b>	<b>-1,762</b>	<b>53</b>	<b>0</b>	<b>0</b>
<b>CF from Investments</b>	<b>-3,770</b>	<b>-2,979</b>	<b>-4,734</b>	<b>-6,234</b>
Inc/(Dec) in Debt	781	943	934	1,305
Interest Paid	-133	-544	-311	-363
Dividend Paid	0	0	0	0
Others	-86	-64	0	0
<b>CF from Fin. Activity</b>	<b>562</b>	<b>335</b>	<b>623</b>	<b>942</b>
<b>Inc/Dec of Cash</b>	<b>-115</b>	<b>168</b>	<b>-606</b>	<b>-303</b>
Opening Balance	1,125	1,011	1,179	573
<b>Closing Balance</b>	<b>1,011</b>	<b>1,179</b>	<b>573</b>	<b>270</b>

Source: Company, LKP Research

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