

May 27, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		ACCUMULATE	
Target Price	213		202	
Sales (Rs. m)	46,738	51,443	46,252	50,912
% Chng.	1.1	1.0		
EBITDA (Rs. m)	5,749	6,791	5,597	6,619
% Chng.	2.7	2.6		
EPS (Rs.)	8.9	10.4	8.5	9.8
% Chng.	4.8	5.5		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	43,174	41,420	46,738	51,443
EBITDA (Rs. m)	5,849	4,758	5,749	6,791
Margin (%)	13.5	11.5	12.3	13.2
PAT (Rs. m)	4,736	4,841	5,513	6,410
EPS (Rs.)	7.7	7.8	8.9	10.4
Gr. (%)	102.0	2.2	13.9	16.3
DPS (Rs.)	3.3	3.6	5.0	5.9
Yield (%)	1.5	1.6	2.3	2.6
RoE (%)	9.0	8.3	8.9	10.1
RoCE (%)	8.2	6.0	7.2	8.6
EV/Sales (x)	2.8	2.8	2.5	2.2
EV/EBITDA (x)	21.0	24.7	20.4	16.9
PE (x)	29.2	28.5	25.1	21.6
P/BV (x)	2.5	2.3	2.2	2.1

Key Data

FINX.BO | FNXP IN

52-W High / Low	Rs.356 / Rs.144
Sensex / Nifty	82,176 / 25,001
Market Cap	Rs.139bn / \$ 1,630m
Shares Outstanding	620m
3M Avg. Daily Value	Rs.340.58m

Shareholding Pattern (%)

Promoter's	52.47
Foreign	6.48
Domestic Institution	11.70
Public & Others	29.35
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	30.0	(15.2)	(30.4)
Relative	25.3	(17.4)	(36.1)

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Margin contracted, soft volume growth

Pointers:

- Volume increased by 2.1% YoY in P&F segment in a challenging quarter.
- P&F EBIT margin contracted by ~200bps to 9.2%.

P&F reported soft volume growth of 2.1% YoY due to challenging demand scenario and delays in ADD on PVC resin prices. The company has guided double digit volume growth for FY26, with margin recovery expected as competitive pricing will improve with demand and normalization in channel inventory. EBIT/kg for the P&F segment moderated at Rs10.5 with lower PVC-EDC spread at USD 491/MT and 3.2% YoY lower realization. The correction in realization was mainly due to discounts and correction in RM prices. We estimate revenue/EBITDA/adj PAT CAGR of 11.4%/19.5%/27.8% for FY25-27E with P&F volume CAGR of 9.1% and EBITDA margin of 13.2% by FY27E. We have upward revised our earnings estimates for FY26E/FY27E by 4.8%/5.5% and downgrade our rating to 'HOLD' from 'Accumulate' revised TP of Rs213 (Rs202 earlier) due to uptick in the stock price, based on 18x FY27E earnings plus valued stake in the group listed entity Finolex Cables at 50% discount to consensus target market value.

Revenues decline 5.1% YoY; P&F vol. increase by 2.1% YoY: FNXP revenue decline by 5.1 YoY to Rs11.7bn (PLe: Rs 12.2bn). The P&F revenue at Rs 11.7bn (down by 1.2% YoY) with a increase in volume by 2.1% YoY. The realizations stood at ~Rs114 per Kg down by 3.2% YoY (PLe: Rs118 per Kg). PVC resin segment posted revenue of Rs3.9bn (down 23.1% YoY), volume decline by 11.1% YoY to 55,864MT. The external sales vol. was down by 97.6% YoY and external realization was up 165.0% YoY. Gross margin contracted by ~290bps YoY to 34.5% (PLe: 35.7%). EBITDA decline by 18.0% to 1.7bn (PLe: Rs1.3bn) with EBITDA margin of 14.6% (PLe:10.8%) P&F business reported EBIT of Rs 1.1bn with EBIT margin of 9.2%. PVC resin EBIT stood at Rs 513mn with EBIT margin of 13.2%. Reported PAT of Rs1.6bn remained flat YoY (PLe: Rs1.2bn).

Con call highlights: **1)** Management guided for double-digit volume growth in pipes segment for FY26 with a recovery in margin. **2)** In FY25 the Agri:non-agri mix for P&F stood at 67:33 in volume terms which will improve to 50:50 in next 3-4 years. The growth in the non-agri segment is driven by a stronger focus on the project business, with deeper engagement with builders and consultants. **3)** The agri/non-agri segment grew by 2%/9% in FY25. **4)** Fittings segment has a capacity of 50k MT, of which 20% is manufactured in-house, while the remaining 80% is outsourced or produced through contract manufacturing arrangements. **5)** EDC/VCM contributes 55%/45% in the production of PVC resin for FY25. **6)** In FY25, demand remained weak due to low government spending & volatility in PVC prices. However, April and May saw a strong rebound in demand across both agri and non-agri segments. **7)** The PVC price stood at USD 745/MT vs USD 785/MT in Q4FY25, PVC-EDC spread stood at USD 491/MT vs USD 427/MT, PVC-VCM spread at USD 160/MT vs USD 135/MT **8)** Finolex Industries has an organized market share of 30%

in the PVC pipe Industry. **9)** Company plans to invest Rs 1.25-1.5bn in capex for FY26, FNXP is debottlenecking of 50k MT capacity in pipe segment, 25k MT has been completed in Q4FY25 & remaining will be completed in the coming months.**10)** Currently there is still no clarity on the ADD & BIS norms, but it is expected to be implemented soon. PVC prices may increase by Rs3-5/kg post BIS implementation.

Exhibit 1: Q4FY25 Result Overview: Sales decline 5.1% YoY, EBITDA margin at 14.6%

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	11,718	12,354	-5.1	10,012	17.0	41,420	43,174	(4.1)
Expenditure			100					
Operating & Manufacturing Expenses	7,679	7,739	-0.8	6,585	16.6	26,761	27,369	(2.2)
% of Net Sales	65.5	62.6		65.8		64.6	63.4	
Gross Profit	4,039	4,615	-12.5	3,428	17.8	14,659	15,805	(7.3)
% of Net Sales	34.5	37.4	-	2.89	34.2	35.4	36.6	
Personnel Cost	513	567	-9.6	570	-10.1	2,223	2,114	5.2
% of Net Sales	4.4	4.6		5.7		5.4	4.9	
Other Expenses	1,814	1,959	-7.4	2,023	-10.3	7,717	7,849	(1.7)
% of Net Sales	15.5	15.9		20.2		18.6	18.2	
Total Expenditure	10,005	10,265	-2.5	9,178	9.0	9,940	9,962	(0.2)
EBITDA	1,713	2,089	-18.0	834	105.3	4,719	5,843	(19.2)
Margin (%)	14.6	16.9	-	2.30	8.3	11.4	13.5	
Depreciation	269	267	0.8	273	-1.5	1,067	1,160	(8.0)
EBIT	1,444	1,823	-20.8	561	157.3	3,652	4,683	(22.0)
Interest	62	73	-15.5	100	-38.3	296	365	(18.7)
Other income	646	438	47.5	484	33.4	2,505	1,805	38.8
PBT	2,028	2,187	-7.3	945	114.5	5,861	6,123	(4.3)
Total Taxes	586	639	-8.3	178	229.7	2,432	1,770	37.5
ETR (%)	28.9	29.2		18.8		41.5	28.9	
Adj. PAT	1,646	1,649	-0.2	940	75.0	7,598	4,354	74.5
Exceptional Items	-	-		-		4,170	-	
Reported PAT	1,646	1,649	(0.2)	940	75.0	11,768	4,354	170.3

Source: Company, PL

Exhibit 2: Segmental Breakup: P&F revenue decline by 1.2% YoY, while EBIT margin contracts by 200bps YoY

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Revenues								
PVC	3,900	5,075	(23.1)	4,133	(5.6)	16,600	14,858	11.7
PVC Pipe & Fittings	11,684	11,822	(1.2)	9,927	17.7	41,041	41,852	(1.9)
EBIT								
PVC	513	656	(21.8)	392	31	1,955	1,200	62.9
EBIT margin (%)	13.2	12.9		9.5		11.8	8.1	
PVC Pipe & Fittings	1,076	1,328	(19.0)	321	235	2,356	4,011	(41.3)
EBIT margin (%)	9.2	11.2	(2.02)	3.2		5.7	9.6	

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	43,174	41,420	46,738	51,443
YoY gr. (%)	(1.8)	(4.1)	12.8	10.1
Cost of Goods Sold	27,369	26,761	29,819	32,821
Gross Profit	15,805	14,659	16,919	18,622
Margin (%)	36.6	35.4	36.2	36.2
Employee Cost	2,114	2,223	2,430	2,624
Other Expenses	3,430	7,678	3,646	3,601
EBITDA	5,849	4,758	5,749	6,791
YoY gr. (%)	99.5	(18.6)	20.8	18.1
Margin (%)	13.5	11.5	12.3	13.2
Depreciation and Amortization	1,160	1,067	1,118	1,138
EBIT	4,688	3,691	4,631	5,652
Margin (%)	10.9	8.9	9.9	11.0
Net Interest	365	296	217	217
Other Income	1,800	2,466	2,420	2,500
Profit Before Tax	6,123	10,031	6,834	7,935
Margin (%)	14.2	24.2	14.6	15.4
Total Tax	1,770	2,432	1,741	2,024
Effective tax rate (%)	28.9	24.2	25.5	25.5
Profit after tax	4,354	7,599	5,093	5,910
Minority interest	-	-	-	-
Share Profit from Associate	382	402	420	500
Adjusted PAT	4,736	4,841	5,513	6,410
YoY gr. (%)	102.0	2.2	13.9	16.3
Margin (%)	11.0	11.7	11.8	12.5
Extra Ord. Income / (Exp)	-	3,159	-	-
Reported PAT	4,736	8,000	5,513	6,410
YoY gr. (%)	102.0	68.9	(31.1)	16.3
Margin (%)	11.0	19.3	11.8	12.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,736	8,000	5,513	6,410
Equity Shares O/s (m)	618	618	618	618
EPS (Rs)	7.7	7.8	8.9	10.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	26,848	27,375	28,394	28,921
Tangibles	26,848	27,375	28,394	28,921
Intangibles	-	-	-	-
Acc: Dep / Amortization	16,437	17,504	18,622	19,760
Tangibles	16,437	17,504	18,622	19,760
Intangibles	-	-	-	-
Net fixed assets	10,411	9,871	9,772	9,161
Tangibles	10,411	9,871	9,772	9,161
Intangibles	-	-	-	-
Capital Work In Progress	332	945	474	498
Goodwill	-	-	-	-
Non-Current Investments	27,204	27,928	27,928	27,928
Net Deferred tax assets	(2,120)	(2,341)	(2,341)	(2,341)
Other Non-Current Assets	394	266	266	266
Current Assets				
Investments	19,347	22,250	18,000	18,000
Inventories	7,280	7,824	8,088	8,542
Trade receivables	4,576	3,793	4,279	4,710
Cash & Bank Balance	22	444	5,231	7,566
Other Current Assets	-	-	-	-
Total Assets	70,579	73,819	74,596	77,279
Equity				
Equity Share Capital	1,237	1,237	1,237	1,237
Other Equity	55,106	59,732	61,477	63,498
Total Networkth	56,343	60,969	62,713	64,735
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	233	171	171	171
Other non current liabilities	536	410	410	410
Current Liabilities				
ST Debt / Current of LT Debt	3,820	2,211	2,211	2,211
Trade payables	2,886	4,442	3,075	3,385
Other current liabilities	4,329	3,124	3,509	3,850
Total Equity & Liabilities	70,579	73,819	74,596	77,279

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	6,506	10,432	7,254	8,435
Add. Depreciation	1,160	1,067	1,118	1,138
Add. Interest	365	296	217	217
Less Financial Other Income	1,800	2,466	2,420	2,500
Add. Other	(2,173)	(7,198)	(2,420)	(2,500)
Op. profit before WC changes	5,857	4,598	6,169	7,291
Net Changes-WC	(876)	1,216	(1,777)	(274)
Direct tax	(1,448)	(1,987)	(1,741)	(2,024)
Net cash from Op. activities	3,533	3,827	2,651	4,992
Capital expenditures	(864)	(1,155)	(549)	(551)
Interest / Dividend Income	707	201	2,420	2,500
Others	(673)	1,038	-	-
Net Cash from Invt. activities	(830)	83	1,871	1,949
Issue of share cap. / premium	-	-	-	-
Debt changes	(1,460)	(1,576)	-	-
Dividend paid	(928)	(1,546)	(3,768)	(4,389)
Interest paid	(345)	(298)	(217)	(217)
Others	(34)	(68)	-	-
Net cash from Fin. activities	(2,767)	(3,488)	(3,986)	(4,606)
Net change in cash	(64)	422	537	2,335
Free Cash Flow	2,670	2,672	2,102	4,441

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	7.7	7.8	8.9	10.4
CEPS	9.5	9.6	10.7	12.2
BVPS	91.1	98.6	101.4	104.7
FCF	4.3	4.3	3.4	7.2
DPS	3.3	3.6	5.0	5.9
Return Ratio(%)				
RoCE	8.2	6.0	7.2	8.6
ROIC	8.8	7.2	8.5	10.4
RoE	9.0	8.3	8.9	10.1
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.3)	(0.3)	(0.4)
Net Working Capital (Days)	76	63	73	70
Valuation(x)				
PER	29.2	28.5	25.1	21.6
P/B	2.5	2.3	2.2	2.1
P/CEPS	23.4	23.4	20.8	18.3
EV/EBITDA	21.0	24.7	20.4	16.9
EV/Sales	2.8	2.8	2.5	2.2
Dividend Yield (%)	1.5	1.6	2.3	2.6

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	11,405	8,284	10,012	11,718
YoY gr. (%)	(3.3)	(6.2)	(1.8)	(5.1)
Raw Material Expenses	6,686	5,811	6,585	7,679
Gross Profit	4,719	2,473	3,428	4,039
Margin (%)	41.4	29.9	34.2	34.5
EBITDA	2,067	106	834	1,713
YoY gr. (%)	35.5	(89.7)	(30.4)	(18.0)
Margin (%)	18.1	1.3	8.3	14.6
Depreciation / Depletion	261	264	273	269
EBIT	1,806	(159)	561	1,444
Margin (%)	15.8	(1.9)	5.6	12.3
Net Interest	67	68	100	62
Other Income	549	826	484	646
Profit before Tax	6,458	600	945	2,028
Margin (%)	56.6	7.2	9.4	17.3
Total Tax	1,456	213	178	586
Effective tax rate (%)	22.5	35.5	18.8	28.9
Profit after Tax	5,002	387	767	1,442
Minority interest	-	-	-	-
Share Profit from Associates	5	20	173	204
Adjusted PAT	1,671	407	940	1,646
YoY gr. (%)	44.9	(58.5)	(1.4)	(0.2)
Margin (%)	14.7	4.9	9.4	14.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,671	407	940	1,646
YoY gr. (%)	44.9	(58.5)	(1.4)	(0.2)
Margin (%)	14.7	4.9	9.4	14.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,671	407	940	1,646
Avg. Shares O/s (m)	618	618	618	618
EPS (Rs)	2.7	0.7	1.5	2.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	Accumulate	202	176
2	10-Feb-25	Accumulate	229	195
3	08-Jan-25	Accumulate	270	233
4	28-Oct-24	Hold	302	284
5	08-Oct-24	Hold	288	290
6	29-Jul-24	Hold	321	328
7	07-Jul-24	Hold	312	323

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,630	1,378
2	Avalon Technologies	Accumulate	927	879
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	770	545
5	Century Plyboard (I)	BUY	806	668
6	Cera Sanitaryware	BUY	7,319	5,832
7	Crompton Greaves Consumer Electricals	BUY	423	327
8	Cyient DLM	Accumulate	546	494
9	Finolex Industries	Accumulate	202	176
10	Greenpanel Industries	BUY	310	249
11	Havells India	Hold	1,717	1,665
12	Kajaria Ceramics	Accumulate	878	800
13	Kaynes Technology India	Hold	5,744	6,263
14	KEI Industries	BUY	4,278	3,295
15	Polycab India	BUY	7,152	5,880
16	R R Kabel	BUY	1,292	1,024
17	Supreme Industries	Accumulate	3,803	3,512
18	Syrma SGS Technology	BUY	618	526
19	Voltas	BUY	1,516	1,223

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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