

August 5, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		HOLD	
Target Price	217		222	
Sales (Rs. m)	43,682	48,076	45,001	49,528
% Chng.	(2.9)	(2.9)		
EBITDA (Rs. m)	5,080	6,154	5,535	6,538
% Chng.	(8.2)	(5.9)		
EPS (Rs.)	8.2	9.8	8.7	10.1
% Chng.	(5.0)	(2.9)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	43,174	41,420	43,682	48,076
EBITDA (Rs. m)	5,849	4,758	5,080	6,154
Margin (%)	13.5	11.5	11.6	12.8
PAT (Rs. m)	4,736	4,841	5,081	6,041
EPS (Rs.)	7.7	7.8	8.2	9.8
Gr. (%)	102.0	2.2	4.9	18.9
DPS (Rs.)	3.3	3.6	4.7	5.6
Yield (%)	1.7	1.8	2.4	2.8
RoE (%)	9.0	8.3	8.2	9.5
RoCE (%)	8.2	6.0	6.2	7.6
EV/Sales (x)	2.5	2.4	2.3	2.0
EV/EBITDA (x)	18.2	21.3	19.8	16.0
PE (x)	25.7	25.2	24.0	20.2
P/BV (x)	2.2	2.0	1.9	1.9

Key Data

FINX.BO | FNXP IN

52-W High / Low	Rs.334 / Rs.144
Sensex / Nifty	80,710 / 24,650
Market Cap	Rs.122bn / \$ 1,392m
Shares Outstanding	620m
3M Avg. Daily Value	Rs.391.35m

Shareholding Pattern (%)

Promoter's	52.47
Foreign	6.03
Domestic Institution	11.36
Public & Others	30.14
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(6.7)	(3.0)	(31.8)
Relative	(3.6)	(5.9)	(33.4)

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Margin contracted, soft volume growth

Quick Pointers:

- Volume increased by 1.7% YoY in P&F segment in a challenging quarter.
- EBITDAM contracted by ~910bps to 9.0% YoY.

P&F reported soft volume growth of 1.7% 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 demand and normalization in channel inventory. Consolidated EBITDA/kg for the P&F volume moderated at Rs10.2 with lower PVC-EDC spread at USD 522/MT and lower realization. The correction in realization was mainly due to discounts and correction in RM prices. We estimate revenue/EBITDA/adj PAT CAGR of 7.7%/13.7%/24.3% for FY25-27E with P&F volume CAGR of 7.0% and EBITDA margin of 12.8% by FY27E. We have downward revised our earnings estimates by 5.0%/2.9% for FY26E/FY27E and upgrade our rating to 'Accumulate' from 'HOLD' revised TP of Rs217 (Rs222 earlier) due to correction in the stock price, based on 20x FY27E earnings plus valued stake in the group listed entity Finolex Cables at 50% discount to consensus target market value.

Revenues decline 8.5% YoY; P&F vol. increase by 1.7% YoY: FNXP revenue decline by 8.5 YoY to Rs10.4bn (in-line with PLe). Pipe & fittings volume increased by 1.7% YoY at 92,129MT (PLe: 2.1%). Gross margins contracted by ~870bps YoY to 32.6% (PLe: 37.0%), due to PVC-EDC spread decreased from USD 533/MT to USD 522/MT. EBITDA decline by 54.7% to 0.9bn (PLe: Rs1.5bn) with EBITDA margin of 9.0% (PLe:14.6%). PBT stood at Rs 1.3bn (PLe: Rs1.8bn) Adjusting for one off gain on account of leasehold land in Q1FY25, adj PAT decline by 41.3% YoY to Rs 982mn (PLe: Rs 1.5bn). The company reported a robust cash (FCFF) of Rs 25bn vs Rs 24bn in Q1FY25.

Con call highlights: **1)** FNXP expects volume growth of 10% in pipes segment for FY26 (in-line with the industry growth rate). **2)** Agri:Nonagri ratio stood at 70:30, with both segments growing at similar 2% rates in Q1FY26. Non-agri revenue stood at Rs 4.6bn. **3)** Early monsoon significantly impacted demand, with June being particularly subdued. The weak demand scenario persisted throughout quarter despite the company's efforts to maintain growth. **4)** The company remains optimistic about the industry's double-digit growth potential and expects demand recovery post-monsoon, supported by government infrastructure schemes and improving market conditions. **5)** In Q1FY26 realizations got impacted due to PVC price volatility which leads to margin contraction. The company managed inventory effectively with no inventory losses reported. **6)** The PVC price stood at USD 708/MT vs USD 855/MT in Q1FY25, PVC-EDC spread stood at USD 522/MT vs USD 533/MT, PVC-VCM spread at USD 151/MT vs USD 184/MT. **7)** FNXP has debottlenecked 50,000 MT capacity in the pipes segment, with 25,000 MT completed in Q4FY25 and the remaining 25,000 MT commissioned in Q1FY26. **8)** In Q1FY26 CPVC volumes grew at 10% YoY, with pipes contributing 6% growth and fittings achieving impressive 32% growth. CPVC currently contributes nearly 6% to the overall volumes. **9)** In the Fitting segment company is expected to add

35-40KMT capacity in FY27. **10)** Mr. Udipt Agarwal is appointed as Additional Director/Whole-time Director from Sep 5, 2025, and as Managing Director from Nov 1, 2025. He currently serves as Chief Commercial Officer at Alkyl Amines Chemicals Ltd. He will look at the market expansion, capacity expansion and market penetration part. **11)** The company will now report as a single entity rather than separate PVC resin and pipes segments, as PVC resin sales are now almost entirely for captive consumption. **12)** FNXP plans to invest Rs1.5bn for Capex in FY26 and expects to add up capacity in the coming years. Company expects to invest Rs2-3bn every year for maintenance and for expansion in capacity

Exhibit 1: Q1FY26 Result Overview: Sales decline 8.5% YoY, EBITDA margin at 9.0%

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	%Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	10,432	11,405	-8.5	10,453	-0.2	11,718	-11.0	43,682	41,420	5.5
Expenditure										
Operating & Manufacturing Expenses	7,028	6,686	5.1	6,586	6.7	7,679	-8.5	27,957	26,761	4.5
% of Net Sales	67.4	58.6		63.0		65.5		64.0	64.6	
Gross Profit	3,403	4,719	-27.9	3,868	-12.0	4,039	-15.7	15,726	14,659	7.3
% of Net Sales	32.6	41.4	-8.75	37.0	-4.38	34.5		36.0	35.4	
Personnel Cost	584	576	1.3	540	8.1	513	13.9	2,302	2,223	3.6
% of Net Sales	5.6	5.0		5.2		4.4		5.3	5.4	
Other Expenses	1,884	2,077	-9.3	1,800	4.7	1,814	3.8	3,495	7,678	(54.5)
% of Net Sales	18.1	18.2		17.2		15.5		8.0	18.5	
Total Expenditure	9,496	9,338	1.7	8,926	6.4	10,005	-5.1	38,602	36,662	5.3
EBITDA	936	2,067	-54.7	1,528	-38.7	1,713	-45.4	5,080	4,758	6.8
Margin (%)	9.0	18.1	-9.15	14.6	-5.64	14.6		11.6	11.5	
Depreciation	266	261	2.0	279	-4.8	269	-1.0	1,118	1,067	4.7
EBIT	670	1,806	-62.9	1,248	-46.3	1,444	-53.6	3,963	3,691	7.4
Interest	55	67	-17.1	54	1.4	62	-10.8	217	296	(26.7)
Other income	647	549	17.8	605	6.9	646	0.2	2,520	2,466	2.2
PBT	1,262	6,458	-80.5	1,799	-29.9	2,028	-37.8	6,265	10,031	(37.5)
Total Taxes	328	1,456	-77.5	432	-24.0	586	-44.0	1,604	2,432	(34.0)
ETR (%)	26.0	22.5		24.0		28.9		25.6	24.2	
Adj. PAT	982	1,671	-41.3	1,472	-33.3	1,646	-40.4	5,081	4,841	4.9
Exceptional Items	-	(3,336)		-		-		-	3,159	
Reported PAT	982	5,007	(80.4)	1,472	(33.3)	1,646	-40.4	5,081	8,000	(36.5)

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	43,174	41,420	43,682	48,076
YoY gr. (%)	(1.8)	(4.1)	5.5	10.1
Cost of Goods Sold	27,369	26,761	27,957	30,769
Gross Profit	15,805	14,659	15,726	17,307
Margin (%)	36.6	35.4	36.0	36.0
Employee Cost	2,114	2,223	2,302	2,452
Other Expenses	3,430	7,678	3,495	3,365
EBITDA	5,849	4,758	5,080	6,154
YoY gr. (%)	99.5	(18.6)	6.8	21.1
Margin (%)	13.5	11.5	11.6	12.8
Depreciation and Amortization	1,160	1,067	1,118	1,138
EBIT	4,688	3,691	3,963	5,015
Margin (%)	10.9	8.9	9.1	10.4
Net Interest	365	296	217	217
Other Income	1,800	2,466	2,520	2,650
Profit Before Tax	6,123	10,031	6,265	7,448
Margin (%)	14.2	24.2	14.3	15.5
Total Tax	1,770	2,432	1,604	1,908
Effective tax rate (%)	28.9	24.2	25.6	25.6
Profit after tax	4,354	7,599	4,661	5,541
Minority interest	-	-	-	-
Share Profit from Associate	382	402	420	500
Adjusted PAT	4,736	4,841	5,081	6,041
YoY gr. (%)	102.0	2.2	4.9	18.9
Margin (%)	11.0	11.7	11.6	12.6
Extra Ord. Income / (Exp)	-	3,159	-	-
Reported PAT	4,736	8,000	5,081	6,041
YoY gr. (%)	102.0	68.9	(36.5)	18.9
Margin (%)	11.0	19.3	11.6	12.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,736	8,000	5,081	6,041
Equity Shares O/s (m)	618	618	618	618
EPS (Rs)	7.7	7.8	8.2	9.8

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	22,250	24,250
Inventories	7,280	7,824	7,583	8,008
Trade receivables	4,576	3,793	4,000	4,402
Cash & Bank Balance	22	444	1,211	1,428
Other Current Assets	-	-	-	-
Total Assets	70,579	73,819	74,008	76,512
Equity				
Equity Share Capital	1,237	1,237	1,237	1,237
Other Equity	55,106	59,732	61,319	63,205
Total Networth	56,343	60,969	62,556	64,442
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	2,874	3,163
Other current liabilities	4,329	3,124	3,288	3,606
Total Equity & Liabilities	70,579	73,819	74,008	76,512

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	6,506	10,432	6,685	7,948
Add. Depreciation	1,160	1,067	1,118	1,138
Add. Interest	365	296	217	217
Less Financial Other Income	1,800	2,466	2,520	2,650
Add. Other	(2,173)	(7,198)	(2,520)	(2,650)
Op. profit before WC changes	5,857	4,598	5,500	6,654
Net Changes-WC	(876)	1,216	(1,389)	(257)
Direct tax	(1,448)	(1,987)	(1,604)	(1,908)
Net cash from Op. activities	3,533	3,827	2,507	4,489
Capital expenditures	(864)	(1,155)	(549)	(551)
Interest / Dividend Income	707	201	2,520	2,650
Others	(673)	1,038	-	-
Net Cash from Invst. activities	(830)	83	1,971	2,099
Issue of share cap. / premium	-	-	-	-
Debt changes	(1,460)	(1,576)	-	-
Dividend paid	(928)	(1,546)	(3,494)	(4,154)
Interest paid	(345)	(298)	(217)	(217)
Others	(34)	(68)	-	-
Net cash from Fin. activities	(2,767)	(3,488)	(3,711)	(4,371)
Net change in cash	(64)	422	767	2,217
Free Cash Flow	2,670	2,672	1,958	3,938

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	7.7	7.8	8.2	9.8
CEPS	9.5	9.6	10.0	11.6
BVPS	91.1	98.6	101.2	104.2
FCF	4.3	4.3	3.2	6.4
DPS	3.3	3.6	4.7	5.6
Return Ratio(%)				
RoCE	8.2	6.0	6.2	7.6
ROIC	8.8	7.2	7.3	9.3
RoE	9.0	8.3	8.2	9.5
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	25.7	25.2	24.0	20.2
P/B	2.2	2.0	1.9	1.9
P/CEPS	20.7	20.6	19.6	17.0
EV/EBITDA	18.2	21.3	19.8	16.0
EV/Sales	2.5	2.4	2.3	2.0
Dividend Yield (%)	1.7	1.8	2.4	2.8

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	8,284	10,012	11,718	10,432
YoY gr. (%)	(6.2)	(1.8)	(5.1)	(8.5)
Raw Material Expenses	5,811	6,585	7,679	7,028
Gross Profit	2,473	3,428	4,039	3,403
Margin (%)	29.9	34.2	34.5	32.6
EBITDA	106	834	1,713	936
YoY gr. (%)	(89.7)	(30.4)	(18.0)	(54.7)
Margin (%)	1.3	8.3	14.6	9.0
Depreciation / Depletion	264	273	269	266
EBIT	(159)	561	1,444	670
Margin (%)	(1.9)	5.6	12.3	6.4
Net Interest	68	100	62	55
Other Income	826	484	646	647
Profit before Tax	600	945	2,028	1,262
Margin (%)	7.2	9.4	17.3	12.1
Total Tax	213	178	586	328
Effective tax rate (%)	35.5	18.8	28.9	26.0
Profit after Tax	387	767	1,442	934
Minority interest	-	-	-	-
Share Profit from Associates	20	173	204	48
Adjusted PAT	407	940	1,646	982
YoY gr. (%)	(58.5)	(1.4)	(0.2)	(41.3)
Margin (%)	4.9	9.4	14.0	9.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	407	940	1,646	982
YoY gr. (%)	(58.5)	(1.4)	(0.2)	(41.3)
Margin (%)	4.9	9.4	14.0	9.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	407	940	1,646	982
Avg. Shares O/s (m)	618	618	618	618
EPS (Rs)	0.7	1.5	2.7	1.6

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	02-Jul-25	Hold	222	217
2	27-May-25	Hold	213	224
3	08-Apr-25	Accumulate	202	176
4	10-Feb-25	Accumulate	229	195
5	08-Jan-25	Accumulate	270	233
6	28-Oct-24	Hold	302	284
7	08-Oct-24	Hold	288	290

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	838
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	350
8	Cyient DLM	Accumulate	540	480
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	374	280
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Hold	1,192	1,242
13	Kaynes Technology India	Hold	6,367	6,172
14	KEI Industries	BUY	4,527	3,970
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,516	1,337
17	Supreme Industries	Hold	4,346	4,243
18	Syrma SGS Technology	Hold	705	706
19	Voltas	Hold	1,350	1,367

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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