

Finolex Industries (FNXP IN)

Q4FY26 Result Update

May 28, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		BUY	
Target Price	207		203	
Sales (INR mn)	46,007	51,533	46,776	51,130
% Chng.	(1.6)	0.8		
EBITDA (INR mn)	6,183	7,050	5,847	6,800
% Chng.	5.7	3.7		
EPS (INR)	9.3	10.6	9.2	10.6
% Chng.	1.1	-		

Key Data

FINX.BO | FNXP IN

BSE Code	500940
NSE Code	FINPIPE
52-W High / Low	INR 236 / INR 147
Face Value	2
Sensex / Nifty	75,868 / 23,907
Market Cap	INR 119 bn / \$ 1,244 mn
Shares Outstanding	620.48 mn
3M Avg. Daily Value	INR 108.03 mn

Shareholding Pattern (%)

Promoters	52.47
FII's	5.86
Mutual Funds	11.36
Domestic Institutions	1.43
Public & Others	28.88
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	9.4	3.6	6.2	(14.0)
Relative	11.5	11.0	20.0	(7.5)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	41,420	41,134	46,007	51,533
EBITDA (INR mn)	4,758	6,789	6,183	7,050
Margin (%)	11.5	16.5	13.4	13.7
PAT (INR mn)	4,841	5,991	5,782	6,565
EV (INR mn)	98,197	98,123	95,129	92,969
Total Debt (INR mn)	2,211	4,373	3,373	3,373
C&C Eq. (INR mn)	444	314	308	467
EPS (INR)	7.8	9.7	9.4	10.6
Gr. (%)	2.2	23.7	(3.5)	13.5
DPS (INR)	3.6	2.9	2.8	3.2
Yield (%)	1.9	1.5	1.5	1.7
RoE (%)	8.3	9.7	9.0	9.7
RoCE (%)	6.0	8.8	7.5	8.3
EV/Sales (x)	2.4	2.4	2.1	1.8
EV/EBITDA (x)	20.6	14.5	15.4	13.2
PE (x)	24.5	19.8	20.5	18.1
P/BV (x)	1.9	1.9	1.8	1.7

Subdued volume, inventory gain drives margin expansion

Quick Pointers

- Volume remained flat YoY in P&F segment.
- EBITDAM expanded by ~1070bps to 25.3% YoY with improvement in PVC-EDC spread & inventory gain.

P&F volume remained flat YoY in Q4FY26 due to weak agri demand, as farmers delayed purchases amid PVC price volatility and expectations of further price corrections, FNXP guided for higher single-digit to low double-digit volume growth in the P&F segment for FY27, while targeting EBITDA margins at sub-15% levels amid continued volatility in RM prices. The company reported an inventory gain of INR 350-400mn in Q4FY26. The company increased its inventory position to 91 days (up 22 days YoY, calculated on sales) at the end of Mar'26 due to volatility in raw material prices and in anticipation of strong agri-pipe demand in Q1FY27. We estimate revenue/EBITDA/adj PAT CAGR of 11.9%/1.9%/4.7% for FY26-28E with P&F volume CAGR of 8.3% and EBITDA margin of 13.7% by FY28E. We have tweaked our earnings estimates for FY27/FY28E and downgrade to 'Accumulate' rating with revised TP of Rs207 (earlier Rs 203) based on 18x Mar'28 earnings plus valued stake in the group listed entity Finolex Cables at 50% discount to consensus target market value.

Q4FY26 financial performance: Revenue grew by 12.1% YoY to Rs 13.1bn, (Pl: 15.2bn). Pipe & fittings volume remained flat at 101,772 MT due to a slowdown in agri-pipe demand amid volatility in PVC resin prices.. Gross margins expanded by ~1330bps YoY to 47.8% (Pl: 43.4%), on account of PVC-EDC spread increased from USD 449/MT in Q3FY26 to USD 521/MT in Q4FY26 and inventory gain of Rs 350-400mn. EBITDA reported Rs 3.3bn up by 93.9% YoY (Pl: Rs 2.2bn) with EBITDA margins expanded by ~1070bps to 25.3% (Pl: 14.6%). PBT stood at Rs 3.3bn (Pl: Rs2.4bn). Adj PAT grew by 58.7% YoY to Rs 2.6bn (Pl: Rs 1.9bn). The company reported a robust cash (FCFF) of Rs 26bn.

FY26 financial performance: Revenue remained flat YoY at Rs 41.0bn, Pipe & fittings volume declined by 4.4% YoY to 332,736MT. Gross margins expanded by 630bps YoY to ~42%. EBITDA grew by 42.7% YoY to Rs 6.8bn. EBITDA margins expanded by ~500bps YoY to 16.5%. PBT declined by ~24% YoY to Rs 7.6bn. PAT declined by 25.1% YoY to Rs6.0bn, mainly due to one off the exceptional gain reported in FY25.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	15,153	13,139	-13.0	11,718	12.0
EBITDA (INR mn)	2,214	3,320	50.0	1,713	94.0
Margin (%)	14.6	25.3	1070 bps	14.6	1070 bps
PAT (INR mn)	1,869	2,613	40.0	1,646	59.0

Source: Company, PL

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Conference Call Highlights:

- Management guided for higher single-digit to low double-digit volume growth in the P&F segment for FY27, while targeting EBITDA margins at sub-15% levels amid continued volatility in PVC spreads and raw material prices, supported by infrastructure spending, housing demand, Jal Jeevan Mission projects and gradual recovery in agri demand.
- In Q4FY26 volumes remained broadly flat due to weak agri demand, as farmers delayed purchases amid PVC price volatility and expectations of further price corrections. With ~65-70% of revenue comes from agri segment, demand continued to remain dependent on monsoon trends and farmer sentiment. While April stayed weak and May saw marginal recovery ahead of monsoon.
- Management reiterated its strategy to reduce dependence on the agri segment and increase non-agri exposure, with the agri:non-agri mix improving to 63:37 in Q4FY26 from 67:33 in Q4FY25 (vs. 62:38 in Q3FY26), while targeting a balanced 50:50 mix over the next five years.
- Fittings contribution improved to ~11% of total volumes in FY26 from ~10% in FY25, while CPVC volume contribution stood at 7-8% of total volumes in Q4FY26 vs 6-7% in Q4FY25.
- Finolex Industries currently operates with installed pipe capacity of ~0.52mn tonnes, with FY26 utilization at ~67%, while management stated that capacity remains sufficient to support future growth.
- The PVC price stood at USD 793/MT vs USD 727/MT in Q4FY25, PVC-EDC spread stood at USD 521/MT vs USD 493/MT, PVC-VCM spread at USD 179/MT vs USD 160/MT.
- FNXP reported an inventory gain of INR 350-400mn in Q4FY26.
- The company plans annual maintenance and debottlenecking capex of ~INR1-2bn, focused on replacing lower-capacity extrusion lines with higher-capacity lines and improving operational efficiencies.
- The company increased its inventory position to 91 days (up 22 days YoY, calculated on sales) at the end of Mar'26 due to volatility in raw material prices and in anticipation of strong agri-pipe demand in Q1FY27.

Exhibit 1 : Q4FY26 Result overview: Sales increased by 12.1% YoY, EBITDA margins expanded by 1070bps to 25.3%

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Net Sales	13,139	11,718	12.1	15,153	-13.3	8,977	46.4	41,134	41,420	(0.7)
Expenditure										
Operating & Manufacturing Expenses	6,863	7,679	-10.6	8,577	-20.0	5,149	33.3	23,963	26,761	(10.5)
% of Net Sales	52.2	65.5		56.6		57.4		58.3	64.6	
Gross Profit	6,276	4,039	55.4	6,576	-4.6	3,827	64.0	17,172	14,659	17.1
Gross margin (%)	47.8	34.5	13.30	43.4	4.37	42.6		41.7	35.4	6.35
Personnel Cost	620	513	20.9	703	-11.8	703	-11.8	2,426	2,223	9.1
% of Net Sales	4.7	4.4		4.6		7.8		5.9	5.4	
Other Expenses	2,336	1,814	28.8	3,660	-36.2	1,894	23.4	7,957	3,736	113.0
% of Net Sales	17.8	15.5		24.2		21.1		19.3	9.0	
Total Expenditure	9,819	10,005	-1.9	12,939	-24.1	7,746	26.8	34,346	36,662	(6.3)
EBITDA	3,320	1,713	93.9	2,214	50.0	1,231	169.8	6,789	4,758	42.7
Margin (%)	25.3	14.6	10.65	14.6	10.66	13.7		16.5	11.5	5.02
Depreciation	262	269	-2.5	265	-1.1	265	-1.1	1,068	1,067	0.0
EBIT	3,058	1,444	111.8	1,949	56.9	966	216.6	5,721	3,691	55.0
Interest	78	62	25.4	30	156.6	30	156.6	206	296	(30.6)
Other income	364	646	-43.6	525	-30.6	525	-30.6	2,114	2,466	(14.3)
PBT	3,345	2,028	65.0	2,444	36.9	1,461	129.0	7,629	10,031	(23.9)
Total Taxes	898	586	53.1	684	31.2	409	119.5	2,060	2,432	(15.3)
ETR (%)	26.8	28.9		28.0		28.0		27.0	24.2	
Adj. PAT	2,447	1,442	69.8	1,869	31.0	1,052	132.7	5,569	7,599	(26.7)
Profit from Associate	165	204		109		109		422	402	
Extra-ordinary income / (exp)	-	-		-		-		-	(4,170)	
Reported PAT	2,613	1,646	58.7	1,869	39.8	1,161	125.1	5,991	8,000	(25.1)

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	41,420	41,134	46,007	51,533
YoY gr. (%)	(4.1)	-	11.8	12.0
Cost of Goods Sold	26,761	23,963	29,307	32,878
Gross Profit	14,659	17,172	16,701	18,655
Margin (%)	35.4	41.7	37.0	37.0
Employee Cost	2,223	2,426	2,346	2,525
Other Expenses	3,736	7,957	3,359	3,607
EBITDA	4,758	6,789	6,183	7,050
YoY gr. (%)	(18.6)	42.7	(8.9)	14.0
Margin (%)	11.5	16.5	13.4	13.7
Depreciation and Amortization	1,067	1,068	1,086	1,164
EBIT	3,691	5,721	5,097	5,885
Margin (%)	8.9	13.9	11.1	11.4
Net Interest	296	206	242	241
Other Income	2,466	2,114	2,450	2,770
Profit Before Tax	10,031	7,629	7,305	8,415
Margin (%)	24.2	18.5	15.9	16.3
Total Tax	2,432	2,060	1,945	2,271
Effective Tax Rate (%)	24.2	27.0	26.6	27.0
Profit After Tax	7,599	5,569	5,360	6,144
Minority Interest	-	-	-	-
Share Profit from Associate	402	422	422	422
Adjusted PAT	4,841	5,991	5,782	6,565
YoY gr. (%)	2.2	23.7	(3.5)	13.5
Margin (%)	11.7	14.6	12.6	12.7
Extra Ord. Income / (Exp)	3,159	-	-	-
Reported PAT	8,000	5,991	5,782	6,565
YoY gr. (%)	68.9	(25.1)	(3.5)	13.5
Margin (%)	19.3	14.6	12.6	12.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,000	5,991	5,782	6,565
Equity Shares O/s (mn)	618	618	618	618
EPS (INR)	7.8	9.7	9.4	10.6

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	27,375	28,633	29,269	30,319
Tangibles	27,375	28,633	29,269	30,319
Intangibles	-	-	-	-
Acc: Dep / Amortization	17,504	18,572	19,657	20,822
Tangibles	17,504	18,572	19,657	20,822
Intangibles	-	-	-	-
Net Fixed Assets	9,871	10,062	9,612	9,497
Tangibles	9,871	10,062	9,612	9,497
Intangibles	-	-	-	-
Capital Work In Progress	945	391	364	376
Goodwill	-	-	-	-
Non-Current Investments	27,928	25,515	27,415	28,915
Net Deferred Tax Assets	(2,341)	(2,013)	(2,013)	(2,013)
Other Non-Current Assets	266	194	194	194
Current Assets				
Investments	22,250	24,617	26,617	28,617
Inventories	7,824	10,260	9,423	9,953
Trade Receivables	3,793	3,623	4,052	4,539
Cash & Bank Balance	444	314	308	467
Other Current Assets	-	-	-	-
Total Assets	73,819	75,956	79,069	83,760
Equity				
Equity Share Capital	1,237	1,237	1,237	1,237
Other Equity	59,732	60,910	64,566	68,736
Total Network	60,969	62,147	65,803	69,973
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	171	179	179	179
Other Non Current Liabilities	410	284	284	284
Current Liabilities				
ST Debt / Current of LT Debt	2,211	4,373	3,373	3,373
Trade Payables	4,442	3,664	4,098	4,591
Other Current Liabilities	3,124	3,159	3,179	3,203
Total Equity & Liabilities	73,819	75,956	79,069	83,760

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	10,432	8,050	7,727	8,836
Add. Depreciation	1,067	1,068	1,086	1,164
Add. Interest	296	206	242	241
Less Financial Other Income	2,466	2,114	2,450	2,770
Add. Other	(7,198)	(1,903)	(2,450)	(2,770)
Op. Profit before WC Changes	4,598	7,420	6,605	7,471
Net Changes-WC	1,216	(3,826)	761	(613)
Direct Tax	(1,987)	(1,677)	(1,945)	(2,271)
Net Cash from Op. Activities	3,827	1,918	5,421	4,587
Capital Expenditures	(1,155)	(650)	(609)	(1,062)
Interest / Dividend Income	201	1,056	2,450	2,770
Others	1,038	(1,963)	(1,900)	(1,500)
Net Cash from Inv. Activities	83	(1,557)	(59)	208
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(1,576)	2,007	(1,000)	-
Dividend Paid	(1,546)	(2,226)	(2,126)	(2,395)
Interest Paid	(298)	(189)	(242)	(241)
Others	(68)	(83)	-	-
Net Cash from Fin. Activities	(3,488)	(491)	(3,368)	(2,636)
Net Change in Cash	422	(130)	1,994	2,159
Free Cash Flow	2,672	1,268	4,812	3,525

Source: Company, PL

Quarterly Financials (INR mn)

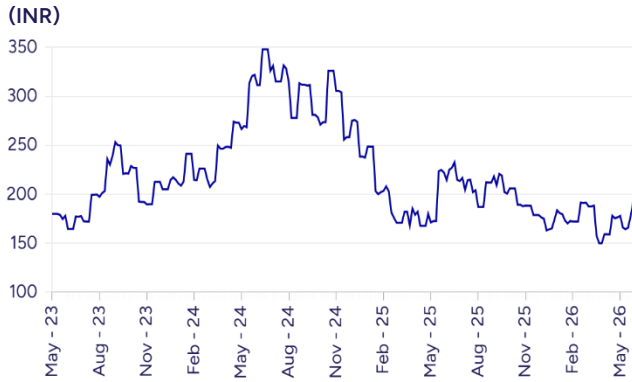
Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	10,432	8,587	8,977	13,139
YoY gr. (%)	(8.5)	3.7	(10.3)	12.1
Raw Material Expenses	7,028	4,922	5,149	6,863
Gross Profit	3,403	3,665	3,827	6,276
Margin (%)	32.6	42.7	42.6	47.8
EBITDA	936	1,302	1,231	3,320
YoY gr. (%)	(54.7)	1,131.5	47.5	93.9
Margin (%)	9.0	15.2	13.7	25.3
Depreciation / Depletion	266	274	265	262
EBIT	670	1,027	966	3,058
Margin (%)	6.4	12.0	10.8	23.3
Net Interest	55	43	30	78
Other Income	647	578	525	364
Profit before Tax	1,262	1,562	1,461	3,345
Margin (%)	12.1	18.2	16.3	25.5
Total Tax	328	425	409	898
Effective Tax Rate (%)	26.0	27.2	28.0	26.8
Profit After Tax	934	1,136	1,052	2,447
Minority Interest	-	-	-	-
Share Profit from Associate	48	99	109	165
Adjusted PAT	982	1,236	1,161	2,613
YoY gr. (%)	(41.3)	203.8	23.5	58.7
Margin (%)	9.4	14.4	12.9	19.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	982	1,236	1,161	2,613
YoY gr. (%)	(41.3)	203.8	23.5	58.7
Margin (%)	9.4	14.4	12.9	19.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	982	1,236	1,161	2,613
Avg. Shares O/s (mn)	618	618	618	618
EPS (INR)	1.6	2.0	1.9	4.2

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	7.8	9.7	9.4	10.6
CEPS	9.6	11.4	11.1	12.5
BVPS	98.6	100.5	106.4	113.2
FCF	4.3	2.1	7.8	5.7
DPS	3.6	2.9	2.8	3.2
Return Ratio (%)				
RoCE	6.0	8.8	7.5	8.3
ROIC	7.2	10.5	9.1	10.2
RoE	8.3	9.7	9.0	9.7
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	63	91	74	70
Valuation (x)				
PER	24.5	19.8	20.5	18.0
P/B	1.9	1.9	1.8	1.6
P/CEPS	20.0	16.8	17.2	15.3
EV/EBITDA	20.6	14.4	15.3	13.1
EV/Sales	2.3	2.3	2.0	1.8
Dividend Yield (%)	1.8	1.5	1.4	1.6
FCFF Yield (%)	2.2	1.0	4.0	2.9
PEG Ratio	10.9	0.8	(5.9)	1.3

Source: Company, PL

Price Chart

Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	02-Apr-26	BUY	203	159
2	03-Feb-26	Accumulate	199	175
3	07-Jan-26	Accumulate	211	181
4	10-Nov-25	Accumulate	228	188
5	06-Oct-25	Accumulate	240	206
6	21-Aug-25	Accumulate	228	203
7	05-Aug-25	Accumulate	217	197
8	02-Jul-25	Hold	222	217
9	27-May-25	Hold	213	224
10	08-Apr-25	Accumulate	202	176

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	8396	7154
2	Astral Ltd.	BUY	1863	1444
3	Avalon Technologies	Hold	1233	1256
4	Bajaj Electricals	Accumulate	384	343
5	Cello World	BUY	621	405
6	Century Plyboard (I)	Accumulate	862	778
7	Cera Sanitaryware	Buy	7429	5782
8	Crompton Greaves Consumer Electricals	Accumulate	320	285
9	Cyient DLM	HOLD	370	358
10	Finolex Industries	BUY	203	159
11	Greenpanel Industries	BUY	332	190
12	Havells India	Accumulate	1505	1349
13	Kajaria Ceramics	Accumulate	1323	1188
14	Kaynes Technology India	Accumulate	3506	3337
15	KEI Industries	Accumulate	5660	5018
16	LG Electronics India	Accumulate	1690	1491
17	Polycab India	BUY	10282	8416
18	Premier Energies	Accumulate	1071	982
19	R R Kabel	BUY	1964	1571
20	Supreme Industries	BUY	4626	3692
21	Syrma SGS Technology	Hold	1128	1075
22	Vikram Solar	Accumulate	226	215
23	Voltas	Hold	1308	1294
24	Waaree Energies	Buy	3713	3230

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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