Company Name: Pricol Limited

Quarter under review: Q4-FY26

Pricol Limited– Q4-FY26/FY26 Concall Highlights:

Pricol Ltd (Consolidated)								
INR In Mn	**Q4-FY26**	**Q4-FY25**	**Y-o-Y**	**Q3-FY26**	**Q-o-Q**	**FY26**	**FY25**	**Y-o-Y**
Operational Income	10,992	7,694	42.9%	10,394	5.8%	40,408	26,919	50.1%
EBITDA	1,310	801	63.6%	1,214	7.9%	4,694	3,129	50.0%
EBITDA M (%)	11.92%	10.40%	152 bps	11.68%	24 bps	11.62%	11.62%	0 bps
PAT	732	350	109.5%	637	15.0%	2,508	1,670	50.2%
PAT M (%)	6.66%	4.54%	212 bps	6.13%	53 bps	6.21%	6.20%	1 bps
Diluted EPS	6.00	2.87	NA	5.22	14.9%	20.57	13.70	50.1%

Operational Highlights:

- Digital Clusters gaining significant share with Tata Motors. 75%-80% of Tata cars now ship with their clusters, including the newly launched Tata Sierra, which earned a supplier award from Tata Motors' MD.
- Segment revenue mix on a consolidated basis: DICVS contributes 60% of total revenue, with ACFMS and the polymer subsidiary each contributing 20% each.
- A major CAPEX cycle of INR 680–700 crores is planned for FY27 to build new plants and add machines across all divisions to cater to a healthy pipeline of new business wins.
- Growth in the plastics division was constrained this year purely due to lack of manufacturing capacity, not demand, driving ROCE to exceptionally high levels.
- A Center of Excellence in polymer technology is being set up as part of forward investment in P3L, which will temporarily soften margins to 10% before recovering over a two-year horizon.
- Exports currently stand at 7% of revenues; the near-term goal is to reach 10%, with the earlier 20% aspiration recalibrated.
- BOE backward integration project is underway. Backlight module production expected to commence in 10–12 months, strengthening display product offerings rather than adding incremental revenue.
- Domino partnership targets commercial production readiness in 18–24 months, with early revenues beginning to trickle in thereafter.
- Disc brakes remain on track for the 2030 target with steady progress across key customers, while ABS is explicitly not in scope in the foreseeable future.
- P3L is well on track to double its revenue within three years from the FY25 base, with management indicating the business could potentially exceed that target due to new business wins and ongoing capacity additions.
- Management indicated that an external market study provided reassuring feedback regarding its competitive positioning in instrument clusters despite increasing competition and industry uncertainties.

Key Questions & Answers discussed during the Concall:

- **How is the company managing the multiple cost pressures from semiconductors, rare earth magnets, freight and forex?** We faced several headwinds during FY26 including the semiconductor crisis, rare earth magnet shortages and the West Asia geopolitical crisis, yet we still delivered a decent performance. We are actively engaging with our top 10–12 customers for supplementary invoicing and immediate price corrections. The impact cannot be entirely passed on to OEMs or end consumers, so the burden will likely be shared between customers, OEMs and us. We expect to get better clarity on the final cost-sharing structure over the next quarter.
- **How does management see instrument cluster market share evolving despite rising competition?** We recently conducted a detailed external market analysis of our business share and the findings were very reassuring. We have maintained market share by volume while increasing market share by value. Competition has always existed and will continue to exist, but our investments in R&D and product development keep us ahead of the curve. Based on confirmed LOIs for upcoming programs, we do not foresee any meaningful market share loss over the next three years unless the industry itself slows materially
- **What is the update on PV digital clusters with Tata Motors and Mahindra?** We have grown significantly with Tata Motors and today around 75%–80% of Tata passenger vehicles are coming out with our clusters. We also received an award from Tata Motors for the development work done on the new Sierra cluster. However, we are yet to enter Mahindra and that remains an important target for us going forward.
- **What is the outlook for the ACFMS business?** We achieved nearly 30% growth in ACFMS during FY26, which was in line with our earlier guidance. Going forward, we are still working towards a similar growth trajectory with a strong export focus. However, the current macroeconomic environment, including crude oil volatility and rupee depreciation, makes it difficult for us to confidently commit to FY27 guidance right now. We believe visibility should improve after September once global conditions stabilize.
- **What is the outlook for P3L's revenue and margins?** We remain well on track to double P3L's revenue within three years from the acquisition period and may even exceed that target. We have already won significant new business and are now expanding capacities to support those programs. At the same time, we are forward investing in technology, new plants and talent by setting up a Center of Excellence in polymer technology. Because of these investments, margins may normalize closer to 10% over the next two years before improving again as the benefits start flowing through.
- **What is the company's CAPEX plan going forward?** We are entering our next major CAPEX cycle as the earlier expansion cycle has largely concluded and capacity utilization across divisions has peaked. In fact, our plastics business could not grow further this year purely because of capacity constraints. We have planned approximately INR 680–700 crores of CAPEX in FY27 for new plants, machinery and capacity additions across DICVS, ACFMS and polymer businesses. We will fund this through internal accruals along with a measured amount of debt while keeping debt-equity around 0.5–0.6x.

- **Why did the company maintain the dividend at 200% instead of increasing it?** Although we were eligible to declare a higher dividend after the interim Golden Jubilee dividend, the Board consciously decided to conserve cash given the significant capital investments ahead and the uncertain macroeconomic environment. We felt it was prudent to maintain the dividend at 200% for FY26 and reassess the situation over the next six months before taking any further decision.

- **Are there any acquisition plans under evaluation?** We are actively evaluating acquisition opportunities but are being highly selective under the current environment. Our focus is on high-quality assets with strong customers, healthy balance sheets, capable management teams and good manufacturing facilities that can deliver decent returns. Active negotiations and due diligence are currently underway on a few opportunities.

- **What is the exports strategy going forward?** Our earlier aspiration was to achieve exports of 20% of revenue, but that target has now been recalibrated. Currently, exports contribute around 7% of revenue and our near-to-medium-term objective is to increase that to 10% over the coming years.

Key Participants:

- *Sahil Sanghvi — Monarch Network Capital Ltd*
- *Khush Nahar — Electrum PMS*
- *Shubham Bhatra — Ambit AMC*
- *Preet Pitani — InCred AMC*