MIRAE ASSET Sharekhan

Hi-Tech Pipes Ltd

On a strong growth trajectory

Building Materials	Sharekhan code: HITECH
Reco/View: Positive ↔	CMP: **Rs. 109** (as on Nov 18, 2025)
	PT: **Rs. 149** ↑

3R MATRIX

	+	=	-
Right Sector (RS)	✓		
Right Quality (RQ)	✓		
Right Valuation (RV)	✓		

+ Positive = Neutral – Negative

What has changed in 3R MATRIX

	Old		New
RS		↔	
RQ		↔	
RV		↔	

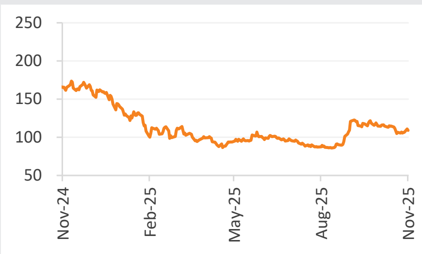
Company details

Market cap:	Rs. 2215 cr
52-week high/low:	Rs. 177/81
NSE volume: (No of shares)	22.2 lakh
BSE code:	543411
NSE code:	HITECH
Free float: (No of shares)	11.4 cr

Shareholding (%)

FII	2.39
Institutions	15
Public & others	39
Promoters	44

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-4.8	23.9	14.8	-35.1
Relative to Sensex	-5.1	20.5	10.2	-40.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Consolidated revenues rose 21.7% y-o-y, to Rs. 858.8 crore, while EBITDA increased 5.1% y-o-y to Rs. 44.3 crore, despite soft steel prices, mainly due to a better product mix and export contribution.
- The 3-lakh tonne capacity expansion at existing plants will be on-stream in Q3FY26, with a heavy focus on VAP, which will drive meaningful volume and margin contribution.
- Management maintained FY26 volume guidance at 5.5-6 lakh tonnes, with installed capacity expected to reach 1 million tonnes; EBITDA/tonne guidance stood at Rs. 3,500–4,000.
- We remain positive and expect a ~37% upside, driven by strong earnings visibility over FY2025–FY2028E and margin expansion led by value-added products and better operating leverage.

Consolidated revenues stood at Rs. 858.8 crore, up 21.7% y-o-y, while EBITDA increased 5.1% y-o-y to Rs. 44.3 crore, on an improved product mix that lifted realisation per tonne by 19.5% y-o-y to Rs. 68,582. This, in turn, helped EBITDA/tonne rise 3.2% y-o-y to Rs. 3,540, despite only a 1.8% volume increase to 1.25 lakh tonnes during the quarter. The company also announced a new greenfield facility at Hindupur (Andhra Pradesh) with a capacity of 1.5 lakh tonnes, backed by a Rs. 100-crore internally funded capex, which will be focused on value-added products (VAP) and strengthen Hi-Tech's presence in South India. The management highlighted its strategic push toward VAP, with share expected to rise from 37% now to 41–42% in FY26 and 45–47% in FY27, noting that EBITDA/tonne could reach Rs. 5,000 once the VAP mix crosses 50%, given that VAP currently earns Rs. 4,500–5,000 per tonne. Hi-Tech Pipes is also progressing on the capacity expansion front, with installed capacity expected to reach 1 mnt by FY26, followed by an additional 1 million tonnes through a mix of brownfield and greenfield expansion between FY27 and mid-FY29, enabling the company to achieve its long-term goal of 2 million tonnes.

Management Commentary

- Pricing Scenario:
  - o Management highlighted that VAP realisation are higher, with a premium of Rs. 10,000-15,000 per tonne over uncoated products.
  - o Price gap between primary and secondary steel remains at Rs. 5,000-6,000 per tonne.
  - o Government imposed a 12% safeguard duty on cheap steel imports from Russia and China has helped stabilise the market, and any further increase-being demanded by domestic steel producers-would be structurally positive for the steel industry.
- Export volumes remain steady at 6,000-7,000 tonnes per quarter, with the management expecting gradual growth as new value-added lines ramp up.
- Both global and Indian steel prices have stabilised. Management noted that if prices do not decline further, EBITDA per tonne should see incremental improvement in the coming quarters.
- Capacity utilisation stood at 66% for Q2, and the company is targeting ~70% utilisation in the near term as new capacities ramp up and demand improves post-monsoon.
- Capex for FY26 is 200 crore and FY27 is Rs. 120-130 crore.

Revision in earnings estimates – We have introduced FY28E in our financials.

Our Call

Valuation – Stay Positive; expect 37% upside: Hi-Tech is well-positioned to benefit from sustained strong demand, supported by government-led infrastructure investments and a stable steel pricing environment. The company is focused on capacity expansion and increasing the share of value-added products to drive scale and enhance operational profitability. Hi-Tech aims to achieve a 1-mnt capacity in the near term, and 2 mnt in the long run. We expect revenue/EBITDA/PAT to grow at 21%/27%/36% CAGR over FY25–FY28E and assign a 16.5x P/E multiple to its FY28 earnings. We maintain a positive view on the stock and expect a 37% upside given the robust growth outlook and operational levers.

Key Risks

- Downward pressure on steel prices and a drop in government and private capex.

Valuation (Consolidated) Rs cr

Particulars	FY25	FY26E	FY27E	FY28E
Revenue	3,068	3,580	4,472	5,367
OPM (%)	5.2	5.5	5.8	6.0
Adjusted PAT	73.0	92.0	138.0	184.0
% y-o-y growth	66.1	26.1	50.0	33.1
Adjusted EPS (Rs.)	3.6	4.5	6.8	9.0
P/E (x)	30.4	24.1	16.0	12.1
P/B (x)	1.8	1.6	1.5	1.3
EV/EBIDTA (x)	13.8	13.9	11.0	9.4
RoNW (%)	8.0	7.1	9.7	11.7
RoCE (%)	11.9	11.1	13.6	15.8

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated) **Rs cr**

Particulars	Q2FY2026	Q2FY2025	y-o-y (%)	Q1FY2026	q-o-q (%)
Net sales	**858.8**	**705.9**	**21.7**	**791.4**	**8.5**
other income	1.147	1.0	18.7	0.9	23.3
Total income	**859.9**	**706.9**	**21.7**	**792.3**	**8.5**
Total expenses	814.4	663.7	22.7	750.3	8.5
Operating profit	**44.3**	**42.2**	**5.1**	**41.0**	**8.0**
Depreciation	6.6	5.3	25.8	6.2	7.7
Interest	11.8	13.6	(13.2)	7.8	50.4
Exceptional items	--	--	NA	--	NA
Profit Before Tax	**27.1**	**24.3**	**11.3**	**28.0**	**(3.2)**
Taxes	6.8	6.2	9.8	7.0	(3.4)
PAT	20.3	18.1	11.9	20.9	(3.2)
Adjusted PAT	**20.3**	**18.1**	**11.9**	**20.9**	**(3.2)**
EPS (Rs.)	1.0	0.9	11.9	1.0	(3.2)
Margins (%)					
OPM (%)	5.2	6.0	-81 bps	5.2	-2 bps
NPM (%)	2.4	2.6	-21 bps	2.6	-28 bps
Tax rate (%)	25.2	25.5	-35 bps	25.2	-4 bps

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Strong recovery in business operations

The Indian steel pipes and tubes sector, particularly the Electric Resistance Welded (ERW) segment, is experiencing robust growth driven by significant tailwinds from key economic sectors. The market size, valued at approximately USD 7.50 billion in 2024, is projected to reach USD 8.20 billion by 2033 (IMARC Group), exhibiting a healthy CAGR. This expansion is primarily fueled by the government's aggressive push for infrastructure development, including projects under the Smart Cities Mission, Bharatmala, and Pradhan Mantri Awas Yojana (PMAY), alongside substantial investments in railways, ports, airports, and metro projects.

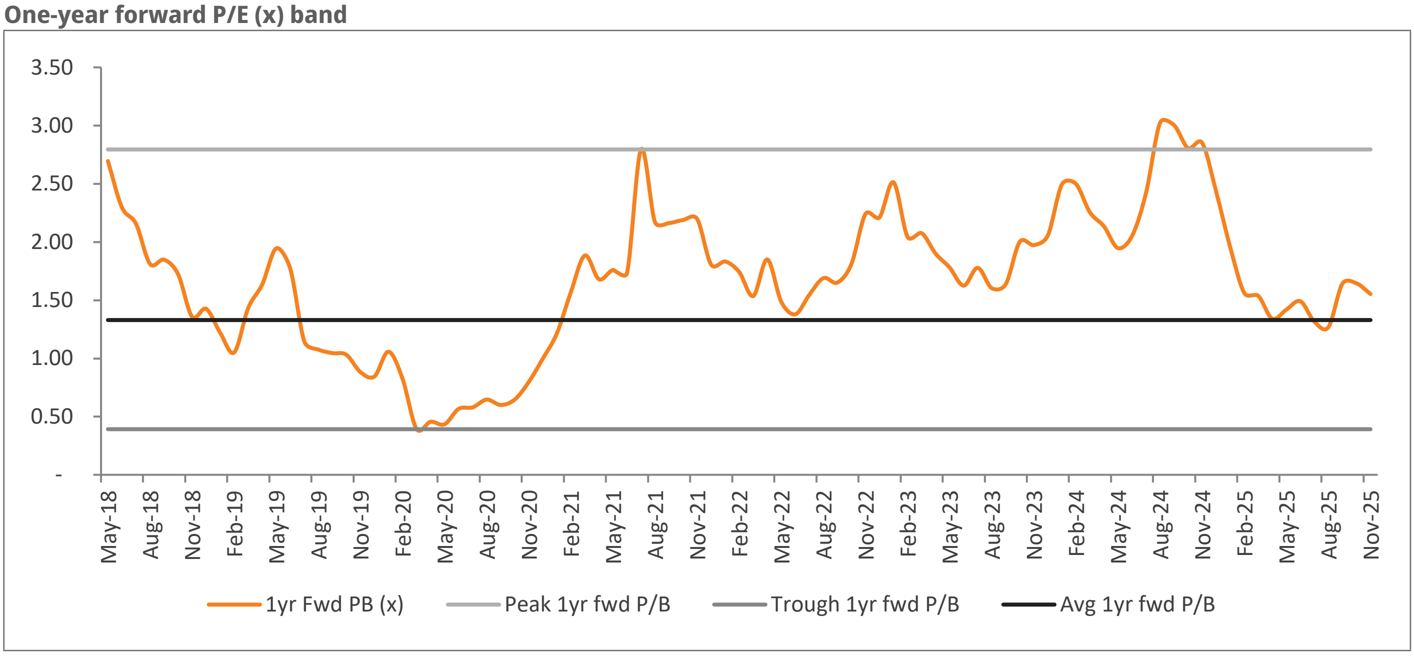
■ Company Outlook – Structural drivers to aid strong earnings growth

Hi-Tech Pipes' FY25 success has been pivotally driven by its global leadership in specialized solar torque tubes, which are manufactured at its Sanand Unit 2. These high-end tubes, essential components for solar tracking systems, have positioned the company at the forefront of renewable energy infrastructure. This has resulted in surging demand across key international markets, including North America, Europe, and the Middle East. The company is among India's top five pipe manufacturers, currently boasting a capacity of 7.5 lakh TPA. With a clear focus on VAP, the impending commissioning of the 3 lakh tonne capacity expansion at the existing facility, alongside the upcoming new greenfield facility in Andhra Pradesh by FY28, will collectively reinforce the company's VAP contribution. Hi-Tech Pipes is strategically on track to increase its total manufacturing capacity to 2 million tonnes by FY29.

■ Valuation – Stay Positive; expect 37% upside

Hi-Tech is well-positioned to benefit from sustained strong demand, supported by government-led infrastructure investments and a stable steel pricing environment. The company is focused on capacity expansion and increasing the share of value-added products to drive scale and enhance operational profitability. Hi-Tech aims to achieve a 1-mnt capacity in the near term, and 2 mnt in the long run. We expect revenue/EBITDA/PAT to grow at 21%/27%/36% CAGR over FY25–FY28E and assign a 16.5x P/E multiple to its FY28 earnings. We maintain a positive view on the stock and expect a 37% upside given the robust growth outlook and operational levers.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

One of India's leading steel processing companies, providing world class innovative products for nearly Four decades with a strong presence in steel pipes, hollow sections, tubes, cold rolled coils & strips, road crash barriers, solar mounting structures, GP/GC Sheets, Color Coated Coils and a variety of other galvanized products. The Company operates Six(6) state-of-the-art integrated manufacturing facilities located at Sikandrabad (UP), Sanand (Gujarat), Hindupur (AP) – near Bangalore, and Khopoli (Maharashtra), with an installed capacity of 7,50,000 MTPA, on a consolidated basis. The Company has direct marketing presence in over 20 states with more than 450+ Dealers & distributors across India.

Investment theme

Hi-Tech is on a strong growth journey, led by structural demand drivers such as low per capital domestic steel pipes consumption, infrastructure investments over the next five years, and government schemes like Jal Jeevan Mission, etc. The company's capacity expansion plans over the medium to long term without leveraging the balance sheet are expected to capture the huge growth potential for the domestic steel pipe industry. Hi-Tech is currently among the top five pipe manufacturers in India, with a capacity of 7.5 lakh metric tonnes in FY25, and is on track to reach 2 million tonnes capacity by FY29. The company's capacity expansion plans over the medium to long term without leveraging the balance sheet are expected to capture the huge growth potential for the domestic steel pipe industry.

Key Risks

- Downward pressure on steel prices and a drop in government and private capex.
- Risk of substitute products cornering a higher share of the demand pie.

Additional Data

Key management personnel

Name	Designation
Ajay Kumar Bansal	Chairman and Managing Director
Anan Amin	Head: Projects
Anish Bansal	Whole-Time Director

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	L&T Mutual Fund Trustee Ltd/India	2.56
2	Penang Enterprises Pvt Ltd	1.51
3	INDIA INFLECTION OPPORTUNITY TRU	1.33
4	Quadrature Capital Vector SP Ltd	1.01
5	JM Financial Asset Management Ltd	0.66
6	Principal Financial Group Inc	0.27
7	Dimensional Fund Advisors LP	0.2
8	Axis Asset Management Co Ltd/India	0.14
9	American Century Cos Inc	0.11
10	Goel Alka	0.1

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and detoriating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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