



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	✗	↔	✗

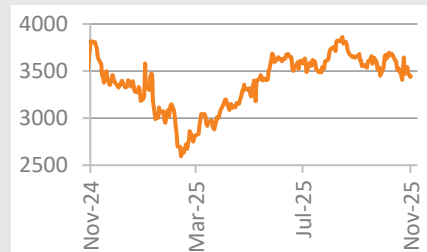
Company details

Market cap:	Rs. 17,215 cr
52-week high/low:	Rs. 3,693/2,258
NSE volume: (No of shares)	1.04 lakh
BSE code:	520111
NSE code:	RATNAMANI
Free float: (No of shares)	2.82 cr

Shareholding (%)

Promoters	59.8
FII	11.2
DII	18.8
Others	10.3

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	5.8	4.9	-13.3	-30.4
Relative to Sensex	2.7	-0.0	-16.1	-39.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Ratnamani Metals & Tubes Ltd

Subsidiaries to drive growth

Capital Goods	Sharekhan code: RATNAMANI		
Reco/View: Buy	↔	CMP: Rs. 2,456 (as on Nov 14, 2025)	Price Target: Rs. 2,900 ↓

Summary

- PAT rose 57% y-o-y) beating estimates, while revenues grew 23% to Rs 1,192 crore above our expectation of Rs 1,019 crore. OPM rose by 193 bps led by good gross margins.
- Order book recovered by 37% y-o-y to Rs 2000 crore.
- Various expansion plans were achieved and subsidiary performances remain robust; strong balance sheet and dominant domestic position in steel tubes & pipes makes company well-placed to capture medium to long-term growth opportunities
- Subsidiaries and JVs hold key to growth; we maintain a Buy with a revised PT of Rs 2,900 factoring a revenue/profit CAGR of 9/16% over FY25-28. The stock trades at 21x FY28EPS.

Revenues grew 23% y-o-y on a strong show by subsidiaries, while standalone business grew just 5% on lower input prices and margin pressure on certain products. Subsidiary Ravi Technoforge had a strong revenue growth of 40% and Ratnamani Finow Spooling Solutions (RFSS) continues to gain traction with revenue of Rs 110 Crores and strong order visibility, reaffirming its Rs a Rs. 300-crore annual revenue guidance. Several key milestones were achieved in the quarter, including commissioning of Phase I of the Odisha Plant, with Phase II (Coating Plant) expected in Q3. The company also pioneered the supply of hydrogen-compliant carbon steel welded pipes in India, and the Kutch Plant received both the API monogram certification from the American Petroleum Institute and the CII National Award for Excellence in Energy Management 2025. Higher realisations and favorable product mix. Baring business in RTL is expected to ramp up margins due to automation and higher demand. The spooling business is also expected to ramp-up execution significantly in FY26. The currently order book stands at Rs 2,000 crore up 37% y-o-y. OPM of 17.7% (up 193 bps y-o-y) was beating our estimates. Consequently, operating profit/PAT is Rs. 211 crore/Rs. 156 crore, up 38%/57% y-o-y.

Key positives

- Subsidiaries performed strongly; Incremental spending on subsidiaries and JVs to drive growth
- OPM rose 193 bps led by higher gross margins

Key negatives

- Standalone sales stayed moderate

Revision in estimates – We revisited our FY26-27 estimates factoring in the H1FY2025 performance.

Our Call

Valuation – Retained Hold with a PT of Rs. 2,900: RMTL is well-positioned to benefit from a potential rise in order intake, especially from high-margin stainless steel pipes and is exploring Europe and the US. Over the longer term we expect the subsidiaries and JV's spending to drive the growth and expect the domestic pipeline business to be muted. Considering the initiatives, We maintain our buy rating for a revised price target of Rs 2,900 factoring in the Revenue/profit CAGR of 9/16% over FY25-28. The stock trades at 21x FY28EPS.

Key Risks

- Soft demand or a delay in plant commissioning might affect revenue growth.
- Inability to undertake adequate and timely price hikes to mitigate volatility in input costs might affect margins.

Valuation (Consolidated)

	Rs cr				
Particulars	FY24	FY25	FY26	FY27E	FY28E
Revenue	5,059	5,186	5,520	6,075	6,787
OPM (%)	17.7	15.9	16.9	17.2	17.8
Adjusted PAT	626	542	637	721	841
EPS (Rs.)	89.3	77.3	90.8	102.8	119.9
PER (x)	27.5	31.8	27.0	23.9	20.5
P/BV (x)	5.5	4.7	4.2	3.7	3.2
EV/EBITDA (x)	19.0	20.6	17.0	14.7	12.3
RoNW (%)	21.8	16.0	16.5	16.5	16.8
RoCE (%)	26.3	20.6	20.8	20.9	21.5

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars						Rs cr
	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	
Revenues	1191.7	971.3	22.7	1151.6	3.5	
Operating expenses	980.4	817.8	19.9	963.5	1.8	
Operating profit	211.3	153.5	37.6	188.2	12.3	
Depreciation	32.0	25.9	23.7	31.7	1.2	
Other income	26.9	19.5	37.7	30.3	-11.2	
Interest	6.7	13.6	-50.8	11.0	-39.3	
PBT	199.5	133.6	49.3	175.8	13.5	
Tax	43.4	34.2	26.8	48.6	-10.8	
PAT	156.1	99.4	57.1	127.2	22.7	
EPS (Rs.)	22.3	14.2	57.3	18.2	22.7	
Margins			BPS		BPS	
OPM (%)	17.7	15.8	193	16.3	139	
NPM (%)	13.1	10.2	287	11.0	206	
Tax rate (%)	21.8	25.6	-387	27.7	-592	

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Long-term growth drivers remain intact

The global steel pipes & tubes market is expected to reach \$279 billion by 2027, with a 7.9% CAGR from 2019 to 2027. The Asia-Pacific region has the largest share of the global pipes market and is expected to clock a CAGR of 8.4% in the next four years. India is the third-largest manufacturer of steel pipes, with an estimated market size of Rs. 33,000 crores, which registered a steady 8.2% CAGR over the past 10 years. Although COVID-19 affected the progress of some infrastructure projects, we believe the return of normalcy in economic activities, the government's focus on increasing the participation of local firms in government projects by disallowing global tenders for up to Rs. 200 crore, government spending on infrastructure projects (Jal se Nal, expansion of the National Gas Grid and CGD pipelines, etc), and anti-dumping duties on imports of seamless CS pipes from China would drive overall demand for steel pipes going ahead.

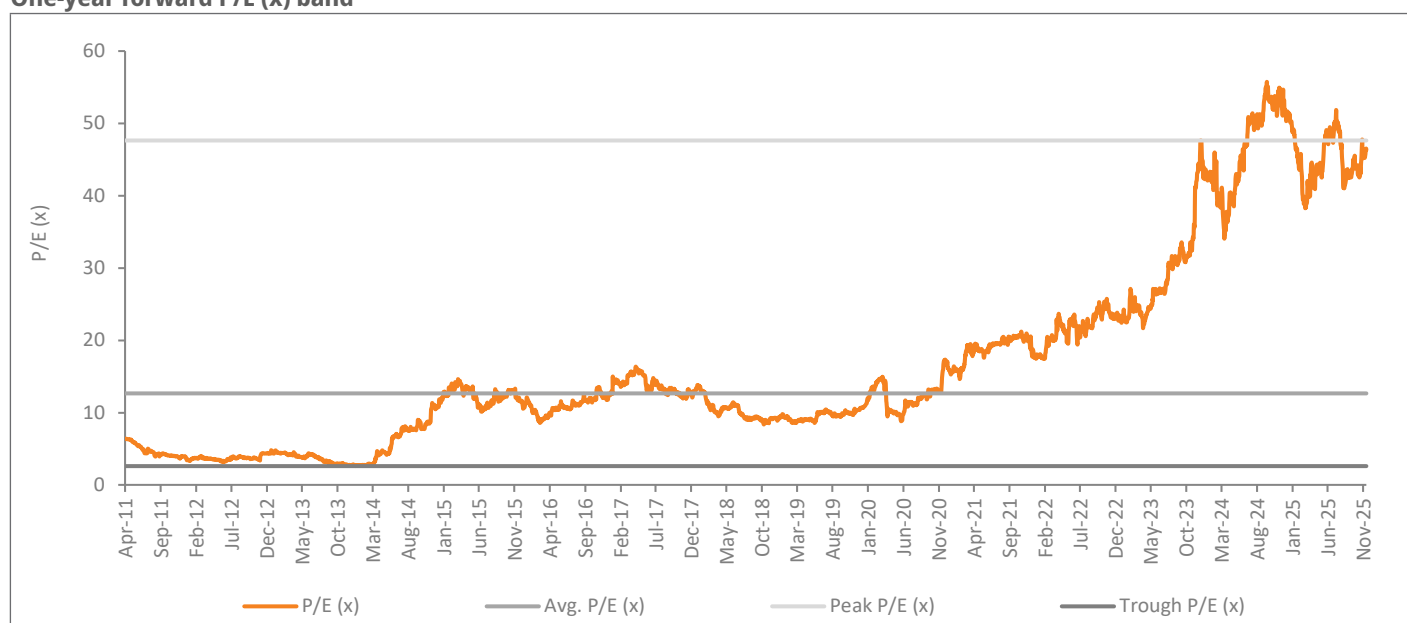
■ Company Outlook – Well-poised for growth

RMTL is the most prominent manufacturer of nickel alloy/stainless steel seamless and welded tubes/pipes and titanium welded tubes in India and is one of the leading manufacturers of carbon steel (CS) welded pipes. We believe that solid revenue growth would continue over FY2024E-FY2026E, led by a strong order book, higher order inflows, an anticipated increase in government's due to expanded capacities, and an anticipated increase in government spending on infrastructure schemes. RMTL's stainless steel pipes segment will strengthen its leadership position, led by products that would substitute for its expanded capacity and robust demand from refineries and power plants. The management has guided for standalone revenues of Rs. 4500-5000 crore for FY24 and EBITDA margin of 16-18%.

■ Valuation – Retained Buy with a PT of Rs. 2,900

RMTL is well-positioned to benefit from a potential rise in order intake, especially from high-margin stainless steel pipes and is exploring Europe and the US. Over the longer term we expect the subsidiaries and JV's spending to drive the growth and expect the domestic pipeline business to be muted. Considering the initiatives, We maintain our buy rating for a revised price target of Rs 2,900 factoring in the Revenue/profit CAGR of 9/16% over FY25-28. The stock trades at 21x FY28EPS.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Incorporated in 1983, RMTL is a critical player in piping solutions in India. The company is the largest manufacturer of nickel alloy/SS seamless and welded tubes/pipes and titanium welded tubes in India. RMTL is also one of India's leading manufacturers of CS welded pipes (ERW, L-SAW, and H-SAW) and SS/CS pipes with three-layer PE/PP coating. The company has two manufacturing plants located in Gujarat. It manufactures various withs and CS products and value-added products in each segment, having a capacity of 50,000 mtpa and 3,50,000 mtpa. RMTL caters to clients in refineries, petrochemicals, oil and gas, thermal power, nuclear power energy, fertilisers, water distribution, chemicals, and aerospace.

Investment theme

RMTL is expected to sustain a growth momentum path over FY2024E-FY2025E, given the robust demand outlook coupled with the expectation of healthy order intake. The company is expanding capacities in a calibrated manner through a mix of internal accruals and debt. RMTL is a net debt-free company with a stable margin profile and healthy return ratios.

Key Risks

- ♦ Softness in demand offtake or delay in commissioning of plant might impact revenue growth momentum.
- ♦ Inability to take adequate and timely price hikes to mitigate adverse volatility in input cost material might impact margin profile.

Additional Data

Key management personnel

Name	Designation
Prakash Misrimal Sanghvi	Chairman and Managing Director
Jayantilal Mistrimal Sanghvi	Joint Managing Director
Shantilal Mishrimal Sanghvi	Executive Director
Vimal Katta	Chief Financial Officer
Anil Maloo	Company Secretary

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Kotak Mahindra Asset Management Co	4.83
2	ICICI Prudential Asset Management	4.75
3	Nalanda India Fund Ltd	4.42
4	SBI Funds Management Ltd	3.04
5	Nalanda India Equity Fund Ltd	2.97
6	L&T Mutual Fund Trustee Ltd/India	1.82
7	Vanguard Group Inc/The	1.17
8	Mirae Asset Financial Group	1.12
9	DSP Finance Pvt Ltd	0.91
10	Canara Robeco Asset Management Co	0.67

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 deteriorating 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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