Sector: Petrochemicals **RESULT REVIEW Q4&FY26** **Declared On: 24 April 2026**

Supreme Petrochem Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs743	139.6	Reduce	Rs725	-2.3%

**as on 04th May, 2026*

About the Company:

Supreme Petrochem Ltd (SPL) is the largest domestic manufacturer and exporter of Polystyrene (PS). SPL is at the forefront of styrenics businesses in India and the company maintains the standing as one of the largest domestic producer of expandable polystyrene (EPS). Moreover, the company continues its operations in specialty polymers & compounds (SPC) and extruded polystyrene (XPS) foam board markets. SPL has two manufacturing plants, one at Nagothane (120km from Mumbai) and the other at Manali in Chennai. The company is promoted by Supreme Industries Ltd and R. Raheja Investments Ltd.

Results: Quick Glance (Standalone):

- The net sales for the quarter reported a growth of 3.1% to Rs15870mn as compared to Rs15390mn in Q4FY25
- The Ebitda margins for the quarter under review stood at 15.96% as against 9.40% in Q4FY25
- The company reported profit of Rs1680mn as compared to Rs1069mn in the same quarter last year
- The EPS for the quarter under review stood at Rs8.94 as compared to Rs5.68 in the corresponding period of last year
- For FY26, the revenues came in at Rs53384mn as compared to Rs60234mn; drop of 11.4% while the PAT stood at Rs3273mn as against Rs3905mn. The EPS came in at Rs17.41 as against Rs20.77 in FY25

Conference Call Highlights:

- Q4 is typically a **strong quarter** for SPL which is supported by seasonally higher demand. The performance during the quarter under review was driven by higher volumes and better spreads. Styrene monomer (SM) prices remained **stable** during the quarter except a **sharp jump** was witnessed towards the month of March owing to the disruption in supply chain via the Strait of Hormuz. SM prices rose from ~USD1,000 (prior to the conflict) to a peak of ~USD1650; and have currently moderated to ~USD1,500 per ton. The sales volume of manufactured products increased to 100,664MT in Q4FY26 as against 95,556MT in Q4FY25, a growth of ~5.4%. For FY26, the volumes stood at 363,203MT as compared to 355,967MT in FY25 reflecting a growth of ~2%. The volumes reported are net of ~14,000 tons of the products being transferred and consumed internally for compounding and insulation board and hence are not included in the external sales volumes
- For FY26, the operational revenue declined by ~11% on a y-o-y basis on account of lower average SM prices. The average SM prices were lower by ~17% as compared to the previous year which translated into lower realizations despite nominal volume growth
- The demand from **OEM segments** remained healthy during the quarter, while non-OEM segments witnessed some softness. The OEMs are buying but SPL is not entering into contracts (mutual discussions with the clients) because the situation is very fluid in the current scenario for RM pricing and the other expenses to be incurred to procure as the shipping costs and the freight costs are very high. **~55%** of the total demand (non-OEM) is estimated to be impacted. The shipments from the Middle East were impacted during the month, however, the company was able to meet the domestic demand through sufficient inventory, material and transit and sourcing from alternate geographies. The company has already made **adequate arrangements** to ensure raw material availability going forward and this situation is anticipated to be eased only once the normal shipping through the Strait of Hormuz resumes. The company has been sourcing RM from some Asian countries including China. The focus of the company currently is to try and **meet the domestic demand** to the clients as and when required
- The manufacturing operations of the mass ABS plant has restarted with modified arrangements with utilisation levels of ~65% of the design capacity. The product has been well accepted in the market. The **EPS Phase 2 expansion project** at Nagothane complex was successfully commissioned on 14th April, 2026, enhancing the EPS capacity from 85,000TPA to 115,000TPA. For the capex plans related to **Haryana** project, the same is delayed and SPL currently is not committing any expense for the same. For **Xmold**, the customers are already on board and SPL is already getting orders from them. As far as the volumes are concerned which post the streamlining of the operations, the Management is expecting the same to increase by ~50-60% higher to ~65-70% of the total installed capacity
- The overall **capacity utilization** for the year remained healthy at over 80%. The trading volumes/sales stood at ~18% during the quarter under review, while for the full year, the same has reduced to ~18-19%. The overall capex for the entire year is estimated at ~Rs2500mn. All capex plans are funded through **internal accruals**. The company continues to remain a debt-free entity with an **investable surplus** of ~Rs7000mn at the end of March 2026

Financials:

Performance (Q4&FY26)									
Q4&FY26 Result (Rs mn)	**Mar-26**	**Mar-25**	**y-o-y**	**Dec-25**	**q-o-q**	**FY26**	**FY25**	**y-o-y**	**FY27E**
Total Revenue	15870	15390	3.1%	12647	25.5%	53384	60234	(11.4%)	56051
EBITDA	2532	1446	75.1%	693	-	5148	5326	(3.4%)	5605
Other Income	106	187	(43.3%)	88	20.8%	433	732	(40.8%)	443
Interest	41	30	39.2%	41	0.6%	141	124	13.6%	187
Depreciation	276	175	58.0%	269	2.6%	911	679	34.1%	1031
Exceptional Items	29	0	-	71	(59.3%)	100	0	-	0
Tax	612	360	69.9%	98	-	1156	1349	(14.3%)	1244
Net Profit	**1680**	**1069**	**57.2%**	**301**	**-**	**3273**	**3905**	**(16.2%)**	**3587**

Outlook and Recommendations:

The company has reported a good performance during the quarter under review, which is despite a lot of turmoil in the entire global trade and supply chain. As the prices of SM continue to fluctuate the same also reduces/shrinks the overall market demand, which was seen in the non-OEM business of SPL. The Management is balancing the material with the demand and concentrating mainly on meeting the domestic demand. The overall demand from the OEM sector is good but the same from the non-OEM sector has taken a hit due to higher prices, unavailability of labour and shortage of gas supplies. The incremental pricing will eventually get passed on to the consumers and when the prices start dropping, SPL may have an inventory loss; which is the basic market supply and demand economics. Despite the prevailing headwinds/ challenges in the industry, the company is looking at adding capacities and exploring new markets for volumes as well as value growth. The Management is estimating a volume guidance growth of 8-10% for the EPS business for FY27E, only if the normalcy returns by end of June 2026. As the demand for ABS continues to soar higher for the company and the entire industry in India, SPL aims to capture a considerable market share with planned capex. Despite some early hiccups in the phase-1 of the expansion plan for mass ABS, the company continues to progress towards the phase-2 expansion plans. SPL is also aware of the fact that some inventory loss might occur as the situation normalizes or the prices drop for that point in time and the Management is trying to contain the same. The Management continues to tackle new set of issues related to the supply-chain as well inventory gain/loss, where raw material volatility is an internal part of the business for SPL. The company tries to mitigate the same by keeping leaner stocks or having better negotiations of contracts with the suppliers; in the current scenario the company is deliberately not entering into contracts with OEMs till some clarity/stability is achieved in the prices as well as the spreads. The stock has breached our previous target price of Rs660. We feel the current issues are part and parcel of the entire business, and will fade away in near/short term; we upgrade our target price to Rs725 with an overall rating of **Reduce** from CMP of Rs743.

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