

Midas Techno Funda

Pricol Ltd.

05 Feb 2026

Pricol Ltd – Fundamental View

CMP
Rs. 580

12M TP
Rs. 730

Rating
BUY

Pricol Limited is an automotive technology and precision-engineered products company supplying solutions across two-wheelers, three-wheelers, passenger vehicles, commercial vehicles, off-highway vehicles, industrial applications, and electric vehicles. It operates through three core verticals: Driver Information & Connected Vehicle Solutions (DICVS), Actuation, Control & Fluid Management Systems (ACFMS), and Precision Products. As of FY25, including subsidiaries, Pricol operates 14 manufacturing plants and two technology centres, with geographic presence in India, Indonesia, Singapore, Japan, and the UAE, and supplies directly to OEMs across 16 countries. The consolidated employee base stands at ~8,500.

Key Investment Rationale:

- **Strategic polymer acquisition (P3L):** Pricol has acquired the injection-moulded plastics business of Sundaram Auto Components via its subsidiary P3L, expanding its portfolio beyond legacy electronics. Shorter polymer development cycles enable faster time-to-market and earlier participation in OEM sourcing programs. The acquired business reported ~6–7% EBITDA margins at acquisition, which improved to ~9.3% by Q3FY26 post the integration. Management expects further margin expansion led by operational efficiencies and productivity gains. Pricol is scaling the business beyond its historical customer base, with orders secured from Ather Energy and Tier-1 customers such as Hanon, Autoliv & Schneider, while engagements are underway with Hero MotoCorp, HMSI, Bajaj Auto & Tata Motors.
- **Expansion of content per vehicle:** Pricol is transitioning from supplying standalone components to system-level driver information and electronic solutions, bundling clusters, ECUs, sensors, housings, mounts, and connected features into integrated offerings. This increases the value supplied per vehicle and OEM wallet share, supporting revenue growth beyond underlying volume trends. Management has reiterated the rising adoption of advanced electronic systems across EV and ICE platforms, where Pricol maintains a ~75–80% market share in two-wheeler TFT clusters, providing strong visibility on incremental content wins.
- **Disc brakes and ABS regulation-led structural demand:** Within the Actuation, Control & Fluid Management Systems segment, disc brakes represent a structural growth driver. The mandatory ABS regulation, effective Jan. 2026, is expected to materially increase disc brake penetration in two-wheelers, independent of near-term volume trends. Pricol has commenced disc brake supplies, with management guiding for a meaningful volume ramp-up in the next 12–24 months. Alongside fuel pump modules, disc brakes will be a key growth driver for the segment, providing non-cyclical revenue visibility & aiding operating leverage as volumes scale.
- **Defined capex road map and capital efficiency:** Strong cash generation, reflected in ~94% OCF-to-EBITDA conversion in FY25, supports funding largely via internal accruals, while a low debt-to-equity ratio of ~0.13 as of FY25 shows balance sheet strength. Capital allocation remains strong, with guided capex of Rs. 250–300 cr in FY26–27, followed by Rs. 120–150 cr of annual sustenance capex, focused on disc brakes, polymer components, control assemblies, debottlenecking & electronics localisation. The planned capex is likely to boost capacity, product launches & operating leverage without materially increasing financial leverage.
- **Financial performance & outlook:** In Q3FY26, revenue stood at Rs. 1,020.4 cr (+65.7% Y-o-Y), EBITDA at Rs. 124.4 cr (+59.4% Y-o-Y), margins at 12.2% & PAT at Rs. 63.6 cr (+53.6% Y-o-Y). Consensus projects revenue & EPS CAGR of 29.4% & 32.8%, respectively, over FY25–27E. At a CMP of Rs. 580, the stock trades at 24x FY27E EPS versus the industry average of 28x, implying a valuation discount to peers. Consensus estimates FY27E RoE at 21% versus the industry average of 19%, indicating superior capital efficiency.

Rs cr	FY23	FY24	FY25	FY26E	FY27E
Revenue	1,959	2,272	2,692	3,932	4,507
Growth y/y	26.8%	16.0%	18.5%	46.1%	14.6%
EBITDA Margin %	12.7%	12.3%	11.6%	11.6%	12.1%
Net Income Margin %	6.4%	6.2%	6.1%	6.2%	6.5%
EPS (Rs)	10.2	11.5	13.7	20.1	24.1
Growth y/y	144.2%	12.8%	18.7%	46.6%	20.2%
EV/EBITDA			22.6	15.5	13.0
PE			42.4	28.9	24.0

05 Feb 2026

Industry Auto Components & Equipments

Key Stock Data

Bloomberg	PRICOL IN
Shares o/s (cr)	12.2
Market Cap (Rs. cr)	7,072
52 wk High/Low	695/368
20D ADV ('000)	989.5
Index	BSE Small Cap
F&O	N

Latest Shareholding (%)

	Dec-25	Sep-25	Jun-25
Promoters	38.5	38.5	38.5
Institutions	29.2	31.1	31.6
Public	32.3	30.4	29.9

Stock Performance (%)

	1M	6M	12M
PRICOL	(15.0)	31.0	12.0
BSE Small Cap	(5.3)	(6.9)	(0.6)

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Pricol Ltd– Technical View

Auto Components & Equipments

Reco/View
Buy

CMP
Rs. 580

Buying Range
Rs. 560 - 585

12M TP
Rs. 730

SL (on Closing Basis)
Rs. 495

Potential Upside
27.5%

Technical View (Daily)

2-Pricol Limited - 04/02/26
EMA(CloseLine:200), EMA(CloseLine:100)

[Log] F7Net



- The stock remains in a robust primary uptrend, characterized by a consistent higher-high, higher-low formation on both weekly and monthly timeframes.
- A recent price correction provided a high-concurrency retest of the previous breakout trendline, which aligned perfectly with the 200-day EMA.
- Price action at this key junction yielded a Hammer candle on both the daily and weekly charts, signaling strong buying interest at lower levels.
- Having successfully bounced, the stock is now consolidating well above its 100 and 200-day EMAs.
- This bullish setup is further validated by the RSI, which has turned northward from oversold territory, confirming a resurgence in momentum.
- Based on the structural setup, we expect the stock to move toward the 730 levels in the next 8 – 12 months.
- Thus, traders can buy the stock with a stop loss of 495 on a daily closing basis.

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Source: Falcon, Spark PWM
Note: CMP is previous day close

Pricol – Technical View

3-Year Price Chart



Source: www.tradingview.com

Abbreviation

Bn	Billion
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV/EBITDA	Enterprise Value/ Earnings Before Interest, Tax, and Depreciation
Mn	Million
O/S	Outstanding Shares
P/E	Price/Earnings
Tn	Trillion

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	REDUCE	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	SELL	Stock expected to fall >10% over a 1-year horizon

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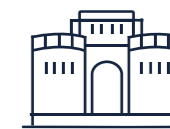
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