

4th November 2025

Close* – ₹1791/-

View – **Buy**

Key Highlights – Q2FY26

- APL Apollo Tubes Ltd (APAT) delivered its strongest-ever quarterly results, achieving record highs in sales volume, EBITDA, and net profit despite challenges such as prolonged monsoons, muted construction activity, and a soft macroeconomic backdrop.
- Sales volume of 8.55 lakh tons, up 13% YoY and 8% QoQ. The growth was supported by improved utilization at key facilities in Raipur and Dubai, along with a rebound in demand following the monsoon season.
- Revenue rose 9% YoY and 1% QoQ to ₹5,206crs, driven by higher volumes while average realizations remained stable.
- Op-Expenses at ₹4,759crs, reflect a YoY increase of ₹123crs and a QoQ decline of ₹39crs. The YoY rise was primarily driven by higher operational activity and an increase in other expenses, aligned with the company's volume growth and expansion plan.
- EBITDA came in at ₹447crs, reflecting a sharp 224% YoY and 20% QoQ increase.
- Net profit surged to ₹302crs, a 461% YoY and 27% QoQ jump, supported by robust EBITDA growth and lower interest costs, which declined 24% YoY and 17% QoQ.
- EBITDA/ton at ₹5,228, marking a significant increase of 187% YoY and 12% YoY, driven by a superior product mix, brand premium, and operational efficiencies.

Important Statistics

Nifty	25,763.35
Sensex	83,978.49
Close*	1,791
M.CAP (₹ bn)	~500
52 Week H/L (₹)	1936/1273
NSE Code	APLAPOLLO
BSE Code	533758
Bloomberg Code	APAT:IN

Close* as on 3rd Nov 2025

Shareholding Pattern (%)	Sep'24	Dec'24	Mar'25	Jun'25	Sep'25
Promoter	28.32	28.31	28.31	28.31	28.30
FII	31.94	31.72	31.78	33.05	31.72
DII	15.89	16.51	16.74	16.83	18.92
Public	23.84	23.45	23.17	21.81	19.07

Sales volume

APL Apollo Tubes Ltd achieved its highest-ever quarterly sales volume, reaching 8.55 lakh tons, reflecting a 13% YoY and 8% QoQ growth. This performance marks a significant milestone, especially considering the challenging macroeconomic environment and seasonal headwinds like extended monsoons. The volume growth was broad-based across product categories, with notable contributions from the General, Apollo Z (rust-proof), and Apollo Structural segments. On a half-yearly basis, the company reported a total volume of 16.49 lakh tons in H1FY26, up 11% YoY compared to 14.79 lakh tons in H1FY25. This consistent upward trend in volumes underscores APL Apollo's strong market positioning, robust distribution network, and increasing demand for its diversified product portfolio across infrastructure, housing, and industrial applications.

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Volume ('000 Tons)	758	828	850	794	855
Heavy	63	80	82	72	77
Light	127	143	143	129	129
General	338	360	353	308	368
Rust-proof	150	166	185	191	193
Coated	51	46	55	63	62
Agri/Industrial	29	34	33	31	26

Source: Company, Way2Wealth Research

Financials

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue	16,166	18,119	20,690	23,096	27,177
EBITDA	1,022	1,192	1,199	1,722	2,098
% Margin	6%	7%	6%	7%	8%
PAT	642	732	757	1,154	1,437
EPS	23	26	27	41	53
RoE (%)	24	22	19	24	25
P/E (x)	65	57	65.7	43.2	34.6
P/BV (x)	11	12	12	9.6	7.7
EV/EBITDA (x)	42	44	41	29	24

Source: Company, Way2Wealth Research

Relative Performance

Return (%)	1 Yr	3Yr	5 Yr
APAT	16	64	462
Nifty 50	6	43	118
SENSEX	5	38	108

Source: Company, Way2Wealth

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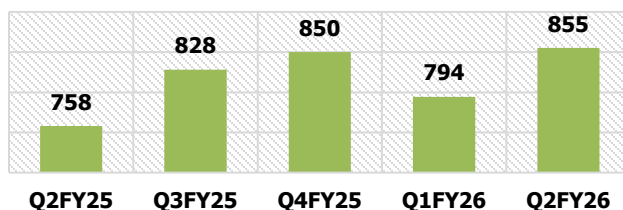
Close* – ₹1791/-

View – Buy

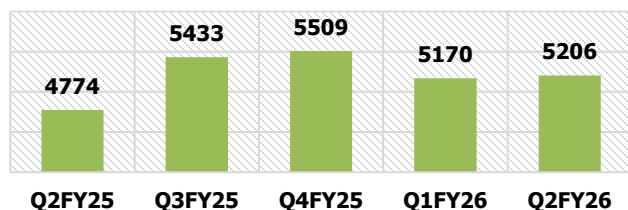
Capacity Ramp Up

The company has outlined significant CapEx plans for capacity ramp-up, with a projected investment of ₹1,500crs over the next three years to expand its total capacity toward approximately 7mn ton. The existing capacity base, as reported in H1FY26, is 4.5mn ton. The goal is to reach a proposed capacity of 6.8 Mn Ton by FY28. This expansion strategy involves both greenfield and brownfield projects focusing on specialty tubes and strategic geographical presence. Greenfield expansion includes new plants in the East (Gorakhpur and Kolkata) and South (New Malur), while brownfield expansion focuses on the West (Bhuj), international markets (Dubai), and specialized offerings (Roofing sheets and Heavy structural tubes at Raipur).

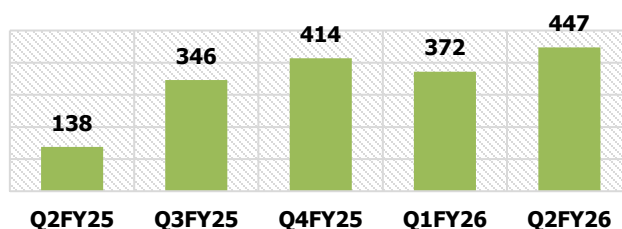
Sales Volume (k Ton)



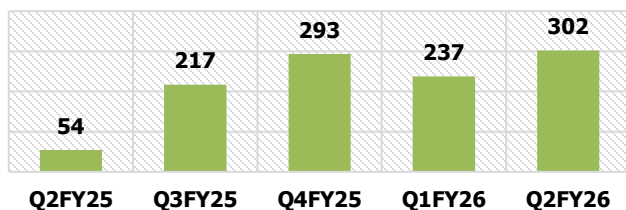
Revenue



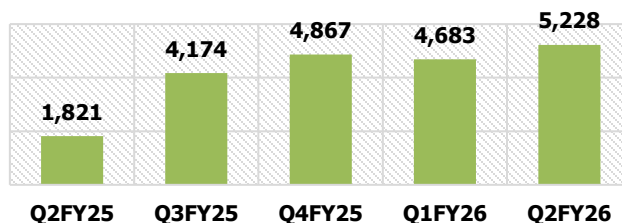
EBITDA



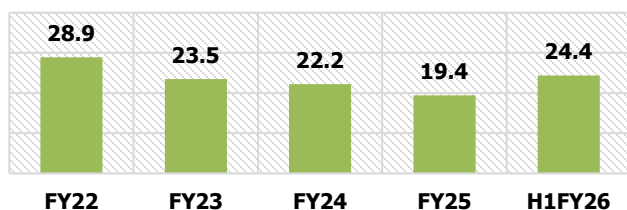
Net Profit



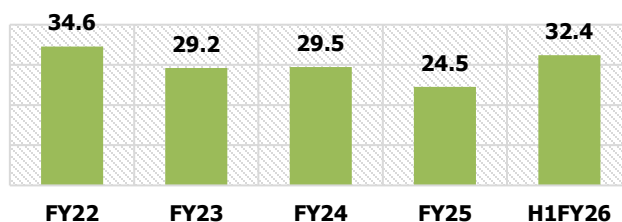
EBITDA/ton (Rs)



ROE %



ROCE %

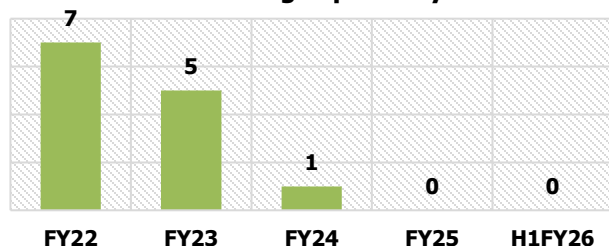


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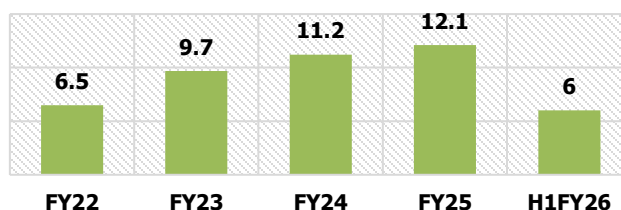
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View – Buy

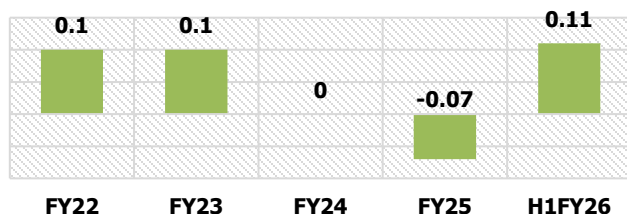
Net working capital days



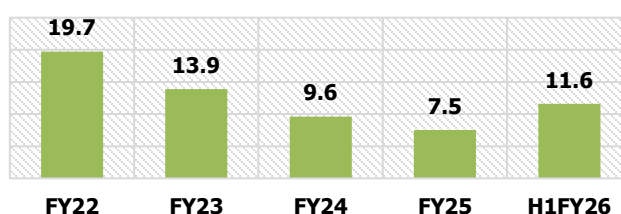
Operating Cash Flow(₹ Bn)



Net Debt/Equity



Interest Coverage Ratio (x)



Source : Company, Way2Wealth research

Growth strategy

The core of the company's growth strategy centers on de-commoditizing the product portfolio to achieve higher volume, greater value-added product mix, and sustain superior profitability. This involves a dual focus: maximizing operating leverage through increased sales volume and utilization and strategically expanding capacity. The company aims to innovate products to replace conventional construction methods and capture market share in high-growth, value-added applications. This is evidenced by the focus on increasing the Value-Added Sales mix, which reached 57% in Q2FY26 (up from 55% in Q2FY25). Strategically, the company is executing a ₹1500crs Capex plan over the next three years to expand capacity toward approximately 7 million tons by FY28, with the long-term aspiration to reach up to ~10 Mt. These new capacities are specifically designed to focus on value-added markets, new product applications (like the 1,000 sq mm tube, roofing sheets, and renewables), and brand pricing, driving the targeted EBITDA/ton trajectory toward ₹5,000–6,000/ton. The overall financial priority supporting this growth is to achieve sustainable EPS growth, maintain a strong capital structure as a net cash company, and attain a high ROCE of $\geq 30\%$, which was already at 32.4% in Q2FY26.

View

APL Apollo Tubes Ltd has consistently demonstrated its leadership in the structural steel tube industry, and its Q2FY26 performance further reinforces this position. The company reported its highest-ever quarterly volume of 8.55 lakh tons, with EBITDA rising to ₹447crs and EBITDA/ton reaching ₹5,228, driven by a richer product mix, improved plant utilization, and disciplined cost management. Financially, the company remains robust, with zero working capital days, a net cash balance sheet, and ROCE improving to 32.4%, reflecting efficient capital deployment and strong profitability.

Strategically, APL Apollo is executing a well-defined capacity expansion plan to reach 6.8 million tons by FY28, fully funded through internal accruals. This positions the company to capture long-term demand across infrastructure, housing, and renewable energy sectors. Its focus on value-added products and brand-led pricing power

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View – **Buy**

supports margin sustainability and earnings visibility. However, investors should monitor two key risks: steel price volatility, which could impact gross margins, and delays in government infrastructure spending, which may affect volume growth. Despite these risks, APL Apollo's strong fundamentals, strategic growth initiatives, and resilient business model make it a high-conviction investment idea in the construction materials space.

From a valuation standpoint, we maintain a **Buy** recommendation at current levels since stock is trading at an EV/EBITDA multiple of ~29x, which is significantly below its historical averages, offering a compelling entry point for long-term investors.

Financials

								(₹ crs)
Particulars	Q2FY26	Q2FY25	YoY	Q1FY26	QoQ	H2FY26	H1FY25	YoY
Revenue	5,206	4,774	9	5,170	1	10,376	9,748	6
Material Cost	4,341	4,242	2	4,380	(1)	8,722	8,512	2
Employees exp	89	87	2	93	(5)	182	167	9
Op-Exp	4,759	4,636	3	4,798	(1)	9,557	9,309	3
EBITDA	447	138	224	372	20	819	440	86
% Margin	8.6	2.9	569	7	139	8	5	338
Depreciation	58	47	24	54	7	112	93	20
EBIT	389	91	327	318	22	707	346	104
% Margin	7.5	1.9	556	6.1	133	6.8	3.6	326
EBT	386	70	455	310	25	696	322	117
PAT	302	54	461	237	27	551	247	123
% Margin	5.8	1.1	467	4.6	121	5.3	2.5	277
EPS - Adjusted	10.87	1.94	461	8.55	27	19.84	8.90	123

Source: Company, Way2wealth Research

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Disclosure of Interest Statement: APL Apollo Tubes Ltd. as on November 04, 2025

Name of the Security	APL Apollo Tubes Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	Yes (24 shares bought on 30 Aug 2021)
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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