

12<sup>th</sup> May 2026

Close\* – ₹1,949.80/-

View – **Hold**

**Key Highlights – Q4FY26**

- APL Apollo Tubes Ltd (APAT) delivered its strongest-ever quarterly performance in Q4FY26, reporting record sales volume, EBITDA, and net profit despite geopolitical disruptions, energy shortages, and volatility in steel prices. Strong brand-led pricing power, improved product mix, and tight working-capital discipline enabled the company to protect margins and generate industry-leading cash flows.
- Sales volume reached an all-time high of ~925k tons in Q4FY26 (+9% YoY, +1% QoQ), underscoring APL Apollo's ~60–65% market share in HR-coil-based structural tubes. Market-share gains continued amid sectoral disruptions, aided by deeper channel penetration, substitution from unorganized players, and leadership across value-added structural categories.
- Operating expenses increased 13% YoY to ₹5,758crs in Q4FY26 (vs ₹5343crs in Q3FY26) and 8% QoQ, primarily driven by higher raw-material consumption due to volume growth, elevated trading volumes, higher freight costs from plant-level disruptions, and incremental branding spends during the quarter.
- EBITDA rose to ₹511crs in Q4FY26, up 24% YoY and 8% QoQ, supported by record volumes, strong realizations, richer product mix, and continued cost-rationalization initiatives. Brand-driven price hikes in the general category and sustained strength in value-added products underpinned margin resilience despite steel price volatility.
- Net profit stood at ₹354crs in Q4FY26, reflecting a 21% YoY and 14% QoQ increase. FY26 net profit came in at ₹1,203crs (+59% YoY), highlighting strong operating leverage, lower finance costs, and superior capital efficiency through the year. The company ended FY26 with a net cash position of ~₹1,530crs, reinforcing balance-sheet strength.
- EBITDA/ton expanded to a record ₹5,525 per ton in Q4FY26 (+14% YoY, +7% QoQ), driven by improved realizations, brand premium, and operating efficiencies. Short inventory cycles (~30 days) limited mark-to-market risks, ensuring margin sustainability even amid sharp movements in HR-coil prices.

**Important Statistics**

<b>Nifty</b>	24,176
<b>Sensex</b>	77,328
<b>Close* (₹)</b>	1,949.80
<b>M.CAP (₹ crs)</b>	~54,445
<b>52 Week H/L (₹)</b>	2301/1492
<b>NSE Code</b>	APLAPOLLO
<b>BSE Code</b>	533758
<b>Bloomberg Code</b>	APAT:IN

Close\* as on 11<sup>th</sup> May 2026

Shareholding Pattern (%)	Mar'25	Jun'25	Sep'25	Dec'25	Mar'26
Promoter	28.31	28.31	28.30	28.27	28.25
FII	31.78	33.05	31.72	33.12	37.52
DII	16.74	16.83	18.92	19.91	16.05
Public	23.17	21.81	19.07	18.69	18.18

**Financials**

Particulars	(₹ crs)			
	FY25	FY26	FY27E	FY28E
Revenue	20,690	23,079	26,956	31,225
EBITDA	1,199	1,802	2,127	2,525
% Margin	6%	7.8%	7.9%	8.1%
PAT	757	1,203	1,475	1,797
EPS	27	43	53	65
RoE (%)	19	25	24.9	24.6
P/E (x)	73	45	37	30
P/BV (x)	13	13	8	7
EV/EBITDA (x)	35	26.06	25.8	21.7

Source: Company, Way2Wealth Research

**Sales volume**

Sales volume reached an all-time high of ~925k tons in Q4FY26 (+9% YoY, +1% QoQ) despite disruptions from energy shortages, geopolitical tensions, and construction slowdowns. Volumes recovered steadily from Q1FY26 lows (794k tons), led by sustained expansion in the General segment, which increased from 308k tons in Q1FY26 to 414k tons in Q4FY26, reflecting strong brand-led demand. Heavy products showed gradual improvement, while Light and Coated segments remained largely range-bound. Agri/Industrial volumes strengthened meaningfully in H2FY26, and Rust-proof products stayed resilient, underscoring APL Apollo's diversified demand profile and continued market-share gains (~60–65%) in HR-coil-based structural tubes.

Particulars	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Volume ('000 Tons)	<b>850</b>	<b>794</b>	<b>855</b>	<b>917</b>	<b>925</b>
Heavy	82	72	77	81	84
Light	143	129	129	145	141
General	353	308	368	392	414
Rust-proof	185	191	193	199	195
Coated	55	63	62	63	52
Agri/Industrial	33	31	26	36	39

Source: Company, Way2Wealth Research

**Relative Performance**

Return (%)	1 Yr	3Yr	5 Yr
<b>APAT</b>	<b>28.5</b>	<b>63.3</b>	<b>205.8</b>
<b>Nifty 50</b>	0.76	33.7	62.3
<b>SENSEX</b>	-5	26.6	56.45

Source: Company, Way2Wealth Research

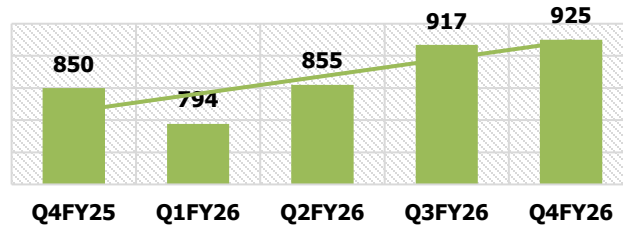
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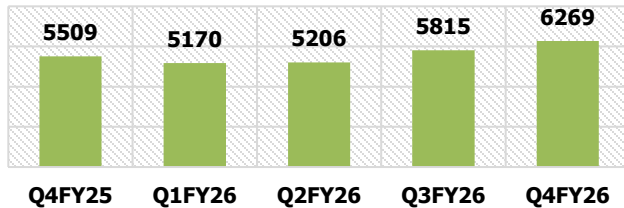
**Capacity Ramp Up**

Capacity ramp-up remains firmly on track, supported by strong balance-sheet strength and internal cash generation. APL Apollo closed FY26 with installed capacity of ~5.0 mn tons, while executing a clearly defined expansion roadmap to reach ~8.0 mn tons by FY28 through a mix of greenfield, brownfield, and debottlenecking initiatives. New capacities in East India (Gorakhpur, Siliguri) and South India (Malur, Bengaluru) are aimed at improving regional penetration and reducing logistics costs, while plant modernization and mill upgrades are enhancing throughput and operating efficiency. Management highlighted that recent disruptions have temporarily capped utilization (~85–90%), but the underlying demand environment and product pipeline remain intact. Importantly, the entire capex program is being funded through operating cash flows, preserving the company’s net-cash position (~₹1,530crs) and enabling a calibrated, profitability-focused ramp-up as volumes normalize.

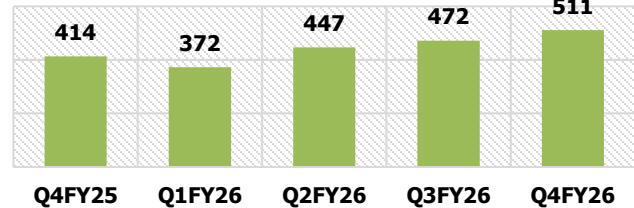
**Sales Volume (k Ton)**



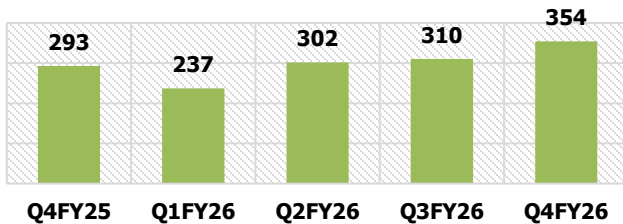
**Revenue**



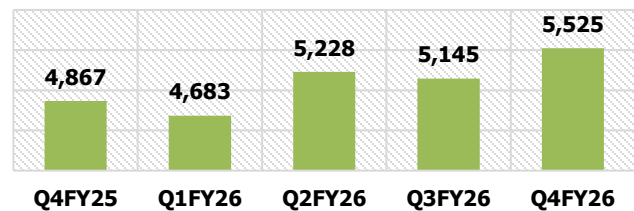
**EBITDA**



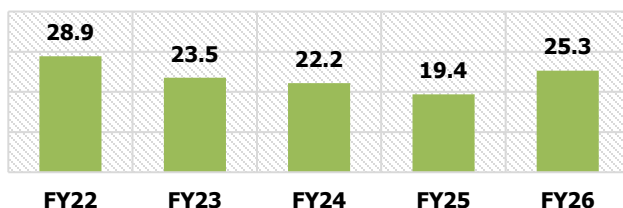
**Net Profit**



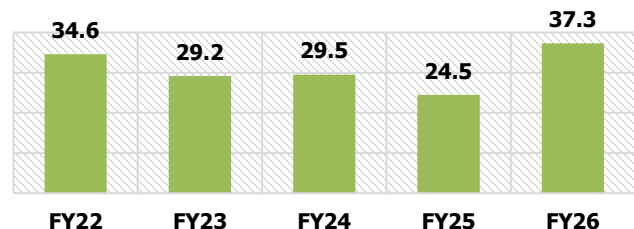
**EBITDA/ton (₹)**



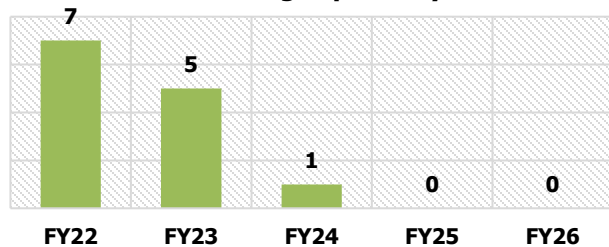
**ROE %**



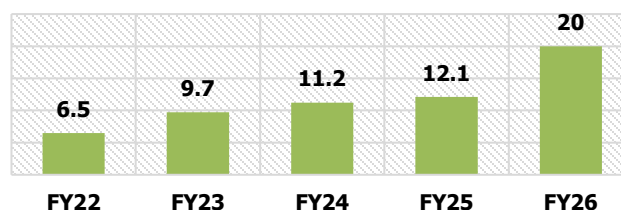
**ROCE %**



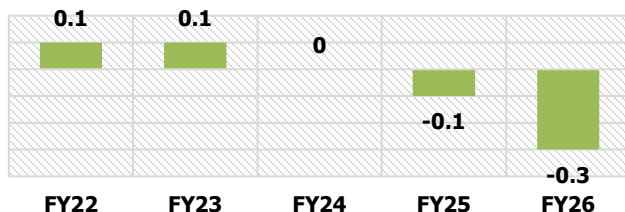
**Net working capital days**



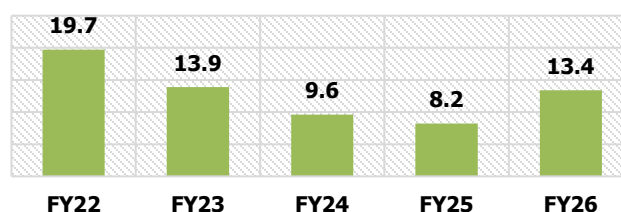
**Operating Cash Flow(₹ Bn)**



**Net Debt/Equity**



**Interest Coverage Ratio (x)**



Source : Company, Way2Wealth research

**Geopolitical Headwinds: Mitigated Through Operational Agility**

Management mitigated geopolitical disruptions through a combination of operational agility, margin discipline, and balance-sheet strength. Supply-side shocks from Middle-East tensions impacted Dubai operations (utilization ~40%) and caused temporary energy-related shutdowns in India; however, management quickly shifted plants to alternate fuels, rerouted supplies across facilities, and prioritized profitability over volume. Brand-led pricing power allowed timely pass-through of higher steel costs, while short inventory cycles (~30 days) limited mark-to-market risks during sharp HRC inflation. Tight working-capital control—including inventory rationalization and improved creditor terms—enabled strong cash generation, resulting in a net-cash balance of ~₹1,530crs, ensuring capex continuity and resilience despite external shocks. The company also leveraged industry disruptions to gain market share from weaker, unorganized players, reinforcing long-term competitive positioning.

**View**

APL Apollo Tubes remains well positioned, underpinned by its dominant market position, resilient margin profile and strong balance sheet strength. Despite geopolitical disruptions and input cost volatility in FY26, the company delivered record volumes, EBITDA/ton and operating cash flows, underscoring superior execution and business resilience. Management’s FY27 guidance of 15–20% volume growth, 20–25% EBITDA growth and 25–30% PAT growth reflects continued market share gains, an increasing contribution from value added products and a calibrated capacity ramp up fully funded through internal accruals. That said, near term risks persist from sharp steel price volatility that could impact spreads, and prolonged geopolitical or energy related disruptions affecting plant utilization. While the stock is trading below its 5 year median P/E and valuation support is evident, upside appears balanced against these risks. Hence, **the stock is recommended to Hold at its current price trading at ~35x FY28E earnings.**

12<sup>th</sup> May 2026

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 View – **Hold**
**Financials**

Particulars	(₹ crs)							
	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY26	FY25	YoY
Revenue	6,269	5,509	14	5,815	8	23,079	20,690	12
Material Cost	5,268	4,812	9	4,901	7	19,509	17,870	9
Employees exp	96.17	75.36	28	92.69	4	370.5	332.5	11
Op-Exp	5,758	5,095	13	5,343	8	21,277	19,491	9
EBITDA	511	414	24	472	8	1,802	1,199	50
% Margin	8.2	7.5	64	8.1	4	7.8	5.8	201
Depreciation	59	58	3	59	0	231	201	15
EBIT	452	356	27	413	9	1,571	998	57
% Margin	7.2	6.5	74	7.1	11	6.8	4.8	198
EBT	457	359	27	404	13	1,557	960	62
PAT	354	293	21	310	14	1,203	757	59
% Margin	5.7	5.3	33	5.3	32	5.2	3.7	155
EPS - Adjusted	12.76	10.56	21	11.17	14	43.32	27.28	59

*Source: Company, Way2wealth Research*

12<sup>th</sup> May 2026

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View – Hold

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**Disclosure of Interest Statement: APL Apollo Tubes Ltd. as on May 12, 2026**

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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