Retail Equity Research

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APL APOLLO TUBES LTD.

BUY

Sector: Iron & Steel Products

13th August, 2026

Key Changes	Target ▼		Rating ●		Earnings ▼
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid cap	APLAPOLLO:IN	77,966	APLAPOLLO	533758	12 Months

Target	**Rs. 2,325**
CMP	**Rs. 1,992**
Return	**+17%**

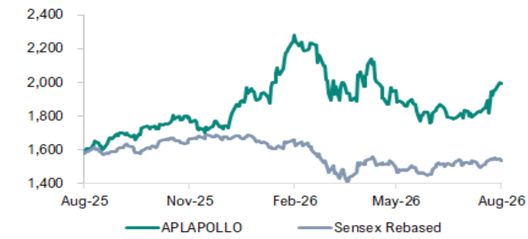
Data as of: 12-Aug-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	55,298
52 Week High — Low (Rs.)	2,301 - 1,575
Enterprise Value (Rs. cr)	54,716
Outstanding Shares (cr)	27.8
Free Float (%)	71.7
Dividend Yield (%)	0.4
6m average volume (cr)	0.1
Beta	0.97
Face value (Rs.)	2.0

Shareholding (%)	Q3FY26	Q4FY26	Q1FY27
Promoters	28.3	28.3	28.3
FII's	33.1	37.5	35.1
MFs/Institutions	19.9	16.1	18.6
Public	10.7	10.3	9.9
Others	8.0	7.9	8.2
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	5.8%	-12.4%	25.9%
Absolute Sensex	4.6%	-6.8%	-2.8%
Relative Return	1.2%	-5.5%	28.7%

*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	23,079	27,323	31,330
Growth (%)	*11.5*	*18.4*	*14.7*
EBITDA	1,802	2,162	2,542
EBITDA Margin (%)	*7.8*	*7.9*	*8.1*
PAT Adjusted	1,203	1,440	1,739
Growth (%)	*58.9*	*19.7*	*20.8*
Adjusted EPS	43.3	51.9	62.7
Growth (%)	*58.9*	*19.7*	*20.8*
P/E	46.0	38.4	31.8
P/B	10.4	8.5	7.0
EV/EBITDA	30.4	25.3	21.3
ROE (%)	*22.7*	*22.2*	*22.0*
D/E	0.1	0.1	0.1

Pricing power supports revenue; Volume declines

APL Apollo Tubes (APAT) is a leading manufacturer of structural steel tubes, with an annual production capacity of 5mn tonne. APL Apollo operates a vast 3-tier distribution network with over 800+ distributors In Q1FY27, its sales mix comprised Apollo structural tubes (~64%), Apollo Z (~32%) and Apollo Galv (~4%), catering to a diverse range of customers and applications.

- Consolidated revenue from operations increased 8.5% YoY in Q1FY27 to Rs. 5,607cr, driven by improved pricing power.
- Sales volume decreased to 745,000 tonness in Q1FY27 from 794,000 tonnes in Q1FY26 due to disrupted operations in the UAE, reduced sales in the SG Premium brand and energy crisis in India.
- EBITDA rose 10.6% YoY to Rs. 411cr and EBITDA margin grew 10bps YoY to 7.3%, driven by strategic price hikes of products, leveraging the robust brand positioning and higher realisation.
- Reported profit after tax (PAT) grew 10.9% YoY to Rs. 263cr owing to growth in the topline.

Outlook & Valuation

The company remains optimistic about its growth prospects as it expects sales volumes to improve in Q2FY27 and anticipates a much stronger performance in H2FY27, as macroeconomic conditions and demand are expected to stabilise, particularly in construction and export markets. The company's aggressive capacity expansion plans are expected to be operational over the next 2.5 years, along with debottlenecking initiatives that are projected to increase the total capacity to 8 million tonnes. By FY28, management expects earnings visibility to improve as the share of value-added products increases, reducing sensitivity to steel price fluctuations. Additional growth is expected from new product launches and emerging opportunities in solar-related applications and roofing products. Therefore, **we retain our BUY rating on the stock, with a revised target price of Rs. 2,325, based on 37x FY28E adjusted earnings per share (EPS)**.

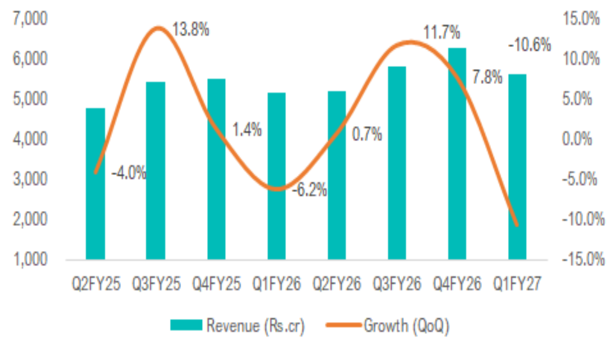
Quarterly Financials Consol.

Rs.cr	Q1FY27	Q1FY26	YoY Growth (%)	Q4FY26	QoQ Growth (%)
Sales	5,607	5,170	*8.5*	6,269	*-10.6*
EBITDA	411	372	*10.6*	511	*-19.5*
Margin (%)	*7.3*	*7.2*	*10bps*	*8.2*	*-90bps*
EBIT	352	318	*10.8*	452	*-22.1*
PBT	352	310	*13.7*	457	*-22.8*
Rep. PAT	263	237	*10.9*	354	*-25.7*
Adj PAT	263	237	*10.9*	354	*-25.7*
Adj. EPS (Rs)	9.5	8.5	*10.9*	12.8	*-25.8*

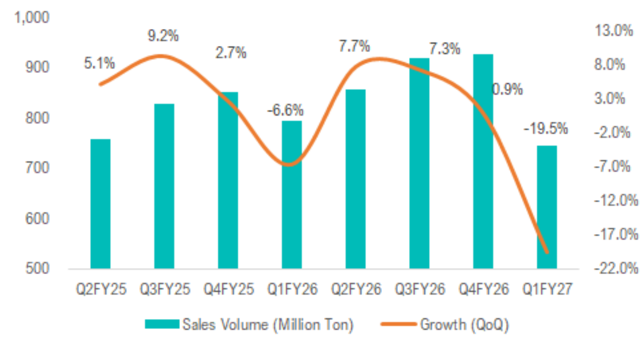
Key concall highlights

- The management has guided to 15-20% sales volume growth in FY27, driven by increased contribution from roofing and value-added products, recovery in the UAE operations, strategic use of the SG Premium brand and expanded production capacity.
- The company expects 20% EBITDA growth in FY27 driven by volume recovery, higher EBITDA/tonne from pricing and mix, and capacity-led growth in value-added products. Segmental EBITDA guidance: Rs. 6,000-Rs. 7,000 per tonne for Apollo branded and roofing products; around Rs. 500 per tonne for SG Premium.
- APL Apollo is planning to add 2.0 million tonnes of new plant capacity through Gorakhpur (0.2 million tonnes), Siliguri (0.3 million tonnes), New Malur (1.0 million tonnes) and the proposed Maharashtra/North Karnataka plant (0.5 million tonnes).
- Additionally, the company expects to add 1.0 million tonne through debottlenecking across existing facilities, taking the total capacity to 8.0 million tonnes over the next 2.5 years.
- APL Apollo's value-added product share is expected to rise to 75-80% from ~65%, driven by capacity expansion, focus on PEB, roofing, solar and large-format tubes. This mix shift is a part of management's broader de-commoditisation strategy aimed at reducing earnings sensitivity to steel-price volatility and improving margin resilience.

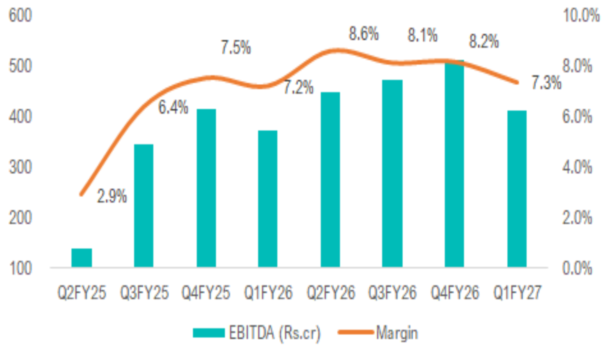
Revenue



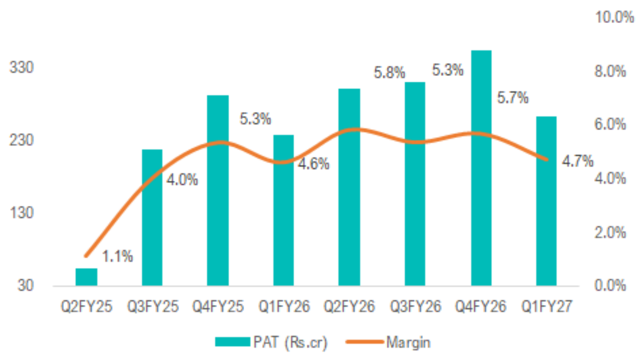
Sales volume (Million tonnes)



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	27,132	31,769	27,323	31,330	*0.7*	*-1.4*
EBITDA	2,225	2,621	2,162	2,542	*-2.8*	*-3.0*
Margins (%)	*8.2*	*8.3*	*7.9*	*8.1*	*-30bps*	*-20bps*
Adj. PAT	1,512	1,809	1,440	1,739	*-4.8*	*-3.8*
EPS	54.5	65.2	51.9	62.7	*-4.8*	*-3.8*

Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**18,119**	**20,690**	**23,079**	**27,323**	**31,330**
% change	*12.1*	*14.2*	*11.5*	*18.4*	*14.7*
EBITDA	**1,192**	**1,199**	**1,802**	**2,162**	**2,542**
% change	*16.7*	*0.6*	*50.3*	*20.0*	*17.6*
Depreciation	176	201	231	276	298
EBIT	**1,016**	**998**	**1,571**	**1,886**	**2,244**
Interest	113	133	125	123	120
Other Income	75	96	112	157	196
PBT	**978**	**960**	**1,557**	**1,919**	**2,319**
% change	*13.3*	*-1.8*	*62.2*	*23.3*	*20.8*
Tax	245	203	354	480	580
Tax Rate (%)	*25.1*	*21.2*	*22.7*	*25.0*	*25.0*
Reported PAT	**732**	**757**	**1,203**	**1,440**	**1,739**
PAT att. to common shareholder-	**732**	**757**	**1,203**	**1,440**	**1,739**
Adj.*	-	-	-	-	-
Adj. PAT	**732**	**757**	**1,203**	**1,440**	**1,739**
% change	*14.1*	*3.4*	*58.9*	*19.7*	*20.8*
No. of shares (cr)	27.8	27.8	27.8	27.8	27.8
Adj EPS (Rs.)	**26.4**	**27.3**	**43.3**	**51.9**	**62.7**
% change	*14.0*	*3.4*	*58.9*	*19.7*	*20.8*
DPS (Rs.)	5.5	5.8	8.5	9.4	11.0

Balance Sheet

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	348	575	886	1,003	1,435
Accts. Receivable	139	267	351	396	439
Inventories	1,638	1,623	1,445	1,692	2,002
Other Cur. Assets	1,217	718	1,172	1,822	2,551
Investments	103	126	48	63	73
Gross Fixed Assets	3,838	4,560	5,256	5,863	6,490
Net Fixed Assets	3,141	3,528	3,921	4,186	4,436
CWIP	203	336	328	394	473
Intangible Assets	140	140	139	138	137
Def. Tax -Net	10	14	8	10	12
Other Assets	249	269	534	559	586
Total Assets	**7,187**	**7,596**	**8,833**	**10,262**	**12,143**
Current Liabilities	2,157	2,424	2,677	2,975	3,382
Provisions	26	30	30	30	31
Debt Funds	1,125	615	452	432	409
Other Liabilities	274	318	377	349	411
Equity Capital	56	56	56	56	56
Res. & Surplus	3,549	4,153	5,241	6,420	7,854
Shareholder Funds	3,605	4,209	5,297	6,475	7,909
Minority Interest	-	-	-	-	-
Total Liabilities	**7,187**	**7,596**	**8,833**	**10,262**	**12,143**
BVPS	130	152	191	233	285

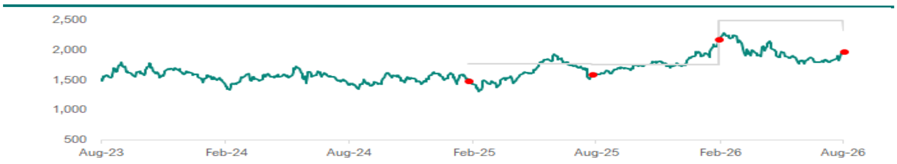
Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	**908**	**958**	**1,434**	**1,716**	**2,037**
Non-cash adj.	83	82	125	50	47
Other adjustments	-	-	-	-	-
Changes in W.C	124	173	545	-696	-642
C.F. Operation	**1,116**	**1,213**	**2,103**	**1,071**	**1,442**
Capital exp.	-695	-723	-696	-607	-627
Change in inv.	-293	211	-793	-15	-10
Other invest.CF	72	137	95	74	75
C.F - Investment	**-916**	**-375**	**-1,394**	**-548**	**-562**
Issue of equity	3	-		-	-
Issue/repay debt	259	-514	-162	-20	-23
Dividends paid	-139	-153	-160	-261	-305
Other finance.CF	-96	-149	-116	-125	-120
C.F - Finance	**27**	**-815**	**-438**	**-406**	**-449**
Chg. in cash	226	24	275	117	431
Closing Cash	**348**	**575**	**886**	**1,003**	**1,435**

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	6.6	5.8	7.8	7.9	8.1
EBIT margin (%)	5.6	4.8	6.8	6.9	7.2
Net profit mgn.(%)	4.0	3.7	5.2	5.3	5.6
ROE (%)	20.3	18.0	22.7	22.2	22.0
ROCE (%)	21.5	20.7	27.3	27.3	27.0
W.C & Liquidity					
Receivables (days)	2.8	4.7	5.5	5.3	5.1
Inventory (days)	38.3	33.2	27.0	28.2	29.3
Payables (days)	46.3	45.6	44.3	45.1	45.5
Current ratio (x)	1.3	1.2	1.3	1.6	1.8
Quick ratio (x)	0.2	0.3	0.4	0.4	0.5
Turnover &Leverage					
Gross asset T.O (x)	5.3	4.9	4.7	4.9	5.1
Total asset T.O (x)	2.8	2.8	2.8	2.9	2.8
Int. covge. ratio (x)	9.0	7.5	12.5	15.3	18.6
Adj. debt/equity (x)	0.3	0.1	0.1	0.1	0.1
Valuation					
EV/Sales (x)	3.1	2.7	2.4	2.0	1.7
EV/EBITDA (x)	47.0	46.1	30.4	25.3	21.3
P/E (x)	75.5	73.0	46.0	38.4	31.8
P/BV (x)	15.3	13.1	10.4	8.5	7.0

Recommendation Summary (Last 3 years)



Dates	Rating	Target
30-Jan-25	BUY	1,768
01-Aug-25	BUY	1,750
04-Feb-26	BUY	2,476
13-Aug-26	BUY	2,325

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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