PRIVATE CLIENT GROUP | kotak Securities

Dated: 31 Oct 2025

APL APOLLO TUBES LTD - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 1785	**Rs. 1980**

Rationale:

- During Q2FY26, APL Apollo Tube (APL)'s performance was above our estimates on bottom-line front.
- During the quarter, volume stood at 855kt, up 13% YoY and up ~8% QoQ.
- Revenue grew ~9% YoY and ~1% QoQ to Rs5,206 cr, driven by healthy volume growth.
- APL reported PAT of Rs302cr, which is up 460% yoy.
- We expect earnings per share growth of 31.4 % in FY27E and 26.1% in FY27E.
- Hence, we recommend ADD, with revised target price of Rs 1980.

Positives:

- The share of Value-Added Product (VAP) was 59% in H1FY26 (58% in H1FY25).
- On the operating (EBITDA) front, the company reported margin improved YoY (up 569bp), primarily on account of lower raw material and other expenditure.

Negatives:

- Average realization decreased by ~3% YoY to Rs60,892/tonne.

(EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization; P/E: Price/Earnings)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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