

APL APOLLO TUBES - BUY

Q4FY26 Result Update

Current Market Price (CMP) Rs. 1915	Fair Value (FV) Rs.2284
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Rationale:

- During Q4FY26, APL Apollo Tube (APL)'s performance was in-line with our estimates on bottom-line front.
- Revenue grew ~14% YoY and ~5% QoQ to Rs6,269 cr, driven by healthy volume growth.
- During the quarter, volume stood at 925kt, up 9% YoY and up ~1% QoQ.
- APL reported PAT of Rs354cr, which is up ~21% yoy.
- We expect earnings per share growth of 17.7 % in FY27E and 21.8% in FY28E.
- Hence, we recommend BUY, with revised target price of Rs 2284.

Positives:

- For FY26, volumes grew 11% YoY, outperforming industry growth and indicating market share gains.
- On the operating (EBITDA) front, the company reported margin improved YoY (up 64bp), primarily on account of lower raw material.

Negatives:

- The share of Value-Added Product (VAP) was 55% in Q4FY26 (57% in Q3FY26).
(EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization; P/E: Price/Earnings)



The content of this document has been derived from Kotak Securities PCG research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- 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
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- 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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