

FINANCIAL MODEL

PLANT VISIT

Rising Stars 2026

IMPORT
SUBSTITUTION

ORGANISED
V/S
UNORGANISED

MANAGEMENT MEET

EXPORT
OPPORTUNITY

FAST GROWING
BUSINESSES

INDUSTRY
POTENTIAL

CAPACITY
EXPANSION

PEER ANALYSIS

VALUATION MODEL



Current Price*	Rs. 1,972.0
Target Price	Rs. 2,491.0
Upside	26.3%

*Closing price as on 22nd Jan'26

STOCK DATA

Industry Segment	Iron & Steel Products
BSE Code	533758
NSE Code	APLAPOLLO
Bloomberg Code	APAT IN
52 Week High / Low (Rs.)	1,994/1,273
Face Value (Rs.)	2.0
Diluted Number of Shares (Crore.)	27.8
Market Cap. (Rs Crore.)	54,762
Avg. Yearly NSE Volume	6,00,680

SHAREHOLDING PATTERN (%)

Particulars	Mar-25	Jun-25	Sep-25	Dec-25
Promoters	28.3	28.3	28.3	28.3
FII	31.8	33.1	33.7	33.1
DII	16.7	16.8	18.9	19.9
Public & Others	23.2	21.8	19.1	18.7
Total	100.0	100.0	100.0	100.0

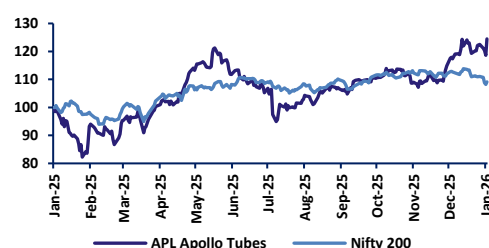
RETURNS STATISTICS (%)

Particulars	1M	3M	6M	12M
APL Apollo Tubes	5.8	12.6	16.5	26.4
NIFTY 200	(3.3)	(2.3)	0.0	9.0

Valuation and return ratio

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
P/E (x)	74.7	72.3	46.1	34.2	25.3
P/BV (x)	15.2	13.0	10.7	8.7	6.9
EV/EBITDA (x)	46.6	45.7	29.8	23.3	17.7
EV/Sales (x)	3.1	2.6	2.4	2.0	1.5
Mcap/Sales (x)	3.0	2.6	2.4	2.0	1.6
RoE (%)	20.3	18.0	23.3	25.4	27.3
RoCE (%)	23.1	22.7	29.5	31.6	34.0

Stock Performance (1-year)



Key highlights of the 3QFY26 Result

Best-ever quarterly performance with the highest sales volume, EBITDA and PAT
APL Apollo Tubes (APAT) during 3QFY26 reported 7.0%/36.5%/42.9% YoY increase in Net Sales/EBITDA/PAT at Rs 5,815 cr/472 cr/Rs 310 cr respectively. Sales volume for 3QFY26 stood at 9,16,976 metric tonnes (MT), its highest ever quarterly sales volumes, up 10.7% YoY/7.2% QoQ.

Strategy capacity expansion plan: The company is on track to expand its production capacity from 5 Mn ton to 8 Mn ton by FY28. The expansion will be facilitated via 4 greenfield projects (Gorakhpur: 0.2 Mn ton, Siliguri: 0.3 Mn ton, Bhuj: 0.3 Mn ton, New Malur: 0.6 Mn ton), 1 brownfield expansion in Raipur (0.6 Mn ton) and additional 1.0 Mn ton through debottlenecking. The capex required for this feat is guided to be around Rs 1,500 cr (Rs 1,300 cr for Greenfield & Brownfield expansion and Rs 200 cr for Debottlenecking) spread over the next 2 years, and shall be funded completely through internal accruals. Accompanying this growth vision, is the plan to increase the total capacity to 10 Mn ton by FY30.

Foray into Super Specialty segment: The incremental 2 Mn ton capacity (to reach 10 Mn ton capacity by FY30 from 8 Mn ton in FY28) will be dedicated towards the Super Specialty segment with a view to cater to the EV, Aerospace, Petrochem, Heavy Engineering and O&G industries. The segment is known to command EBITDA per ton in the range of Rs 10,000 – 15,000. The company is actively evaluating JV targets globally and talks are underway with Japanese, Korean, European and American majors. Further details around the project are expected to be shared in the coming 12 months.

Guidance: The company has guided volumes to grow by 20% YoY in 4QFY26 and full year FY27/FY28 respectively. However, we have assumed volume growth of 12.3%/17.8%/20.4% YoY for FY26E/FY27E/FY28E, resulting in total volumes of 3.5 Mn ton/4.2 Mn ton/5.0 Mn ton, respectively. With this, we believe the EBITDA/t to touch Rs. 5,178/Rs. 5,523/Rs. 5,881 for FY26E/FY27E/FY28E. We expect Sales/EBITDA/PAT CAGR of 18.5%/35.1%/41.9% for FY25-FY28E.

Maintain BUY- Target Rs 2,491/-

We believe the valuation still looks attractive for long-term investors on the back of (a) Large growth drivers such as Construction, Railways, Airports and Solar, (b) Increase in Value-added product mix, (c) Higher exports, and (d) Increasing HRC capacity, narrowing the price gap between patra and primary HRC. **We roll forward our FY28 estimates and value the stock at Rs 2,491, implying an upside of 26.3% from CMP of Rs 1,972, based on FY28E P/E multiple of 32.0x.**

Financial Summary (Rs cr)

Particulars	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	18,119	20,690	22,536	27,472	34,394
Growth (%)	12.1%	14.2%	8.9%	21.9%	25.2%
EBITDA	1,192	1,199	1,837	2,308	2,958
Growth (%)	16.7%	0.6%	53.2%	25.6%	28.2%
Net Profit	732	757	1,189	1,602	2,161
Growth (%)	14.1%	3.4%	57.0%	34.8%	34.9%
EPS (Rs)	26.4	27.3	42.8	57.7	77.8
Growth (%)	14.1%	3.4%	57.0%	34.8%	34.9%
DPS (Rs)	5.5	5.8	10.7	14.4	19.5
Div. Yield (%)	0.3	0.3	0.5	0.7	1.0

Source: Company, SBICAP Securities Research

3QFY26 Result

Figures in Rs. Cr.

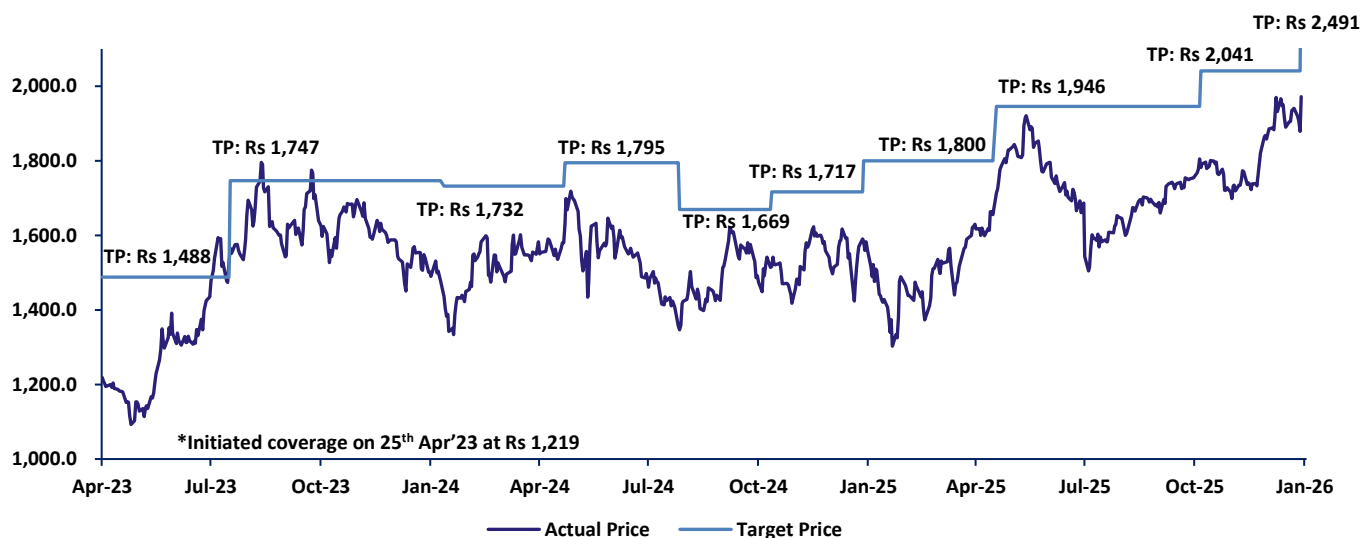
Quarter Ended	3QFY26	2QFY26	QoQ % Change	3QFY25	YoY % Change	Comments
Net Sales	5,815.1	5,206.3	11.7	5,432.7	7.0	Highest ever quarterly sales volumes despite of a challenging demand scenario.
Other Income	24.7	25.1	(1.4)	21.7	14.2	
Total Income	5,839.9	5,231.4	11.6	5,454.4	7.1	
Total Operating Expenditure	5,343.3	4,759.3	12.3	5,087.2	5.0	
Material Cost	4,900.8	4,341.3	12.9	4,662.3	5.1	
As % of Sales	84.3	83.4	-	85.8	-	
Other Exp.	442.6	418.0	-	424.9	-	
As % of Sales	7.6	8.0	-	7.8	-	
EBITDA (Excl OI)	471.8	447.0	5.5	345.6	36.5	Higher VAP share (57%) and focus on cost control led to 23% YoY increase in EBITDA/t to Rs 5,146 in 3QFY26.
EBITDA (Incl OI)	496.5	472.1	5.2	367.2	35.2	
Interest & Finance Cost	32.9	27.6	19.1	36.8	(10.7)	
PBDT	463.7	444.5	4.3	330.4	40.3	
Depreciation	59.2	58.1	1.8	50.3	17.6	
PBT	404.5	386.4	4.7	280.1	44.4	
Tax	94.4	84.8	11.3	63.1	49.6	
Net Profit	310.0	301.5	2.8	217.0	42.9	Higher PAT on the back of lower finance cost and strong operational efficiencies.
Operating Margins (%)	8.1	8.6		6.4		
Net Profit Margins (%)	5.3	5.8		4.0		
Tax Rate (%)	23.3	22.0		22.5		
Equity (Rs cr)	55.5	55.5		55.5		
FV (Rs)	2.0	2.0		2.0		
EPS (Rs)	11.2	10.9		7.8		
Cash EPS (Rs)	13.3	13.0		9.6		

Estimate Revision

Particulars (Rs. cr)	New Estimate			Old Estimate			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	22,536	27,472	34,394	21,546	26,450	-	4.6	3.9	-
EBITDA	1,837	2,308	2,958	1,702	2,222	-	7.9	3.9	-
EBITDA Margin (%)	8.2	8.4	8.6	7.9	8.4	-	25 bps	-	-
PAT	1,189	1,602	2,161	1,129	1,531	-	5.3	4.6	-
EPS (Rs. Per share)	42.8	57.7	77.8	40.7	55.2	-	5.2	4.5	-

Source: SBICAP Securities Research Estimates

Target Price History



Financial Statements

Income Statement

Figures in Cr.

Particulars	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue from Operations	18,119	20,690	22,536	27,472	34,394
<i>% YoY growth</i>	12.1%	14.2%	8.9%	21.9%	25.2%
COGS (incl Stock Adj)	15,617	17,870	19,314	23,489	29,338
Gross Profit	2,502	2,819	3,223	3,984	5,056
Gross margin (%)	13.8%	13.6%	14.3%	14.5%	14.7%
Employee Cost	258	333	237	288	361
Other Operating Expenses	1,052	1,288	1,149	1,387	1,737
EBITDA	1,192	1,199	1,837	2,308	2,958
<i>% YoY growth</i>	16.7%	0.6%	53.2%	25.6%	28.2%
EBITDA margin (%)	6.6%	5.8%	8.1%	8.4%	8.6%
Other Income	75	96	106	90	99
Depreciation	176	201	231	256	306
EBIT	1,091	1,094	1,712	2,141	2,751
Interest Expense	113	133	124	88	49
Exceptional Items	-	-	-	-	-
PBT	978	960	1,587	2,054	2,702
Tax	245	203	399	452	540
<i>Effective Tax Rate (%)</i>	25.1%	21.2%	25.1%	22.0%	20.0%
PAT	732	757	1,189	1,602	2,161
<i>% YoY growth</i>	14.1%	3.4%	57.0%	34.8%	34.9%
PAT margin (%)	4.0%	3.7%	5.3%	5.8%	6.3%
Minority Interest	-	-	-	-	-
Reported PAT After Minority Interest	732	757	1,189	1,602	2,161
<i>% YoY growth</i>	14.1%	3.4%	57.0%	34.8%	34.9%
Adjusted PAT	732	757	1,189	1,602	2,161
<i>% YoY growth</i>	14.1%	3.4%	57.0%	34.8%	34.9%
Adj PAT margin (%)	4.0%	3.7%	5.3%	5.8%	6.3%
EPS (Rs)	26.4	27.3	42.8	57.7	77.8
<i>% YoY growth</i>	14.1%	3.4%	57.0%	34.8%	34.9%
Adj. EPS (Rs)	26.4	27.3	42.8	57.7	77.8
<i>% YoY growth</i>	14.1%	3.4%	57.0%	34.8%	34.9%

Balance Sheet

Figures in Cr.

Particulars	FY24A	FY25A	FY26E	FY27E	FY28E
Assets					
Net Block	3,031	3,370	3,725	4,131	4,913
Capital WIP	203	336	250	338	-
Intangible Assets (incl. under development)	113	160	160	160	160
Other Non-current Assets	499	547	469	469	469
Current Assets					
Current Investment	-	-	-	-	-
Inventories	1,638	1,623	1,958	2,257	2,643
Trade receivables	139	267	474	128	437
Cash and Bank Balances	348	575	637	1,543	2,582
Short-term loans and advances	4	4	4	4	4
Other Current Assets	1,213	712	712	712	712
Total Current Assets	3,341	3,181	3,785	4,644	6,378
Current Liabilities & Provisions					
Trade payables	1,982	2,231	2,091	2,425	3,229
Other current liabilities	174	191	158	185	223
Short-term provisions	2	2	4	5	6
Total Current Liabilities	2,157	2,424	2,253	2,615	3,458
Net Current Assets	1,184	757	1,532	2,029	2,920
Assets Classified as held for sale	-	2	2	2	2
Total Assets	5,029	5,172	6,138	7,129	8,464
Liabilities					
Share Capital	56	56	56	56	56
Reserves and Surplus	3,549	4,153	5,045	6,246	7,867
Total Shareholders' Funds	3,605	4,209	5,100	6,302	7,923
Minority Interest	-	-	-	-	-
Total Debt	1,125	615	695	475	175
Long Term Provisions	26	30	44	53	67
Other Long-Term Liabilities	148	165	146	146	147
Net Deferred Tax Liability	126	153	153	153	153
Total Liabilities	5,029	5,172	6,138	7,129	8,464

Cash Flow

Figures in Cr.

Particulars	FY24A	FY25A	FY26E	FY27E	FY28E
PBT	978	960	1,587	2,054	2,702
Depreciation & Amortisation	176	201	231	256	306
Other Adjustments	56	66	124	88	49
(Inc) / Dec in Working Capital	120	173	(700)	418	162
Taxes	(218)	(188)	(399)	(452)	(540)
Cash from Ops.	1,112	1,213	844	2,364	2,678
Capital Expenditure & investments	(916)	(375)	(421)	(750)	(750)
Cash from Investing	(916)	(375)	(421)	(750)	(750)
Issue of Share capital	3	-	-	-	-
Net Borrowings	259	(514)	80	(220)	(300)
Others	(96)	(149)	(143)	(88)	(49)
Issuance of Dividend	(139)	(153)	(297)	(400)	(540)
Cash from Financing	27	(815)	(360)	(708)	(889)
Extraordinary receipts/payment	-	-	-	-	-
Net Change in Cash	222	24	62	906	1,039
BF Cash	123	345	369	431	1,337
Forex & Others	-	-	-	-	-
Other Bank Balances	2	206	206	206	206
Cash and cash equivalents	348	575	637	1,543	2,582
Free Cash Flow	384	422	344	1,614	1,928

Key Ratios

Particulars	FY24A	FY25A	FY26E	FY27E	FY28E
Profitability Ratios (%)					
Gross Margin	13.8	13.6	14.3	14.5	14.7
EBITDA	6.6	5.8	8.1	8.4	8.6
EBIT	6.0	5.3	7.6	7.8	8.0
Net Profit Margin	4.0	3.7	5.3	5.8	6.3
Return Ratios (%)					
RoE	20.3	18.0	23.3	25.4	27.3
RoCE	23.1	22.7	29.5	31.6	34.0
Per share data (Rs)					
EPS	26.4	27.3	42.8	57.7	77.8
Diluted EPS	26.4	27.3	42.8	57.7	77.8
CEPS	32.7	34.5	51.1	66.9	88.9
DPS	5.5	5.8	10.7	14.4	19.5
BVPS	129.9	151.6	183.7	227.0	285.3
Leverage Ratios (x)					
Gross Debt/Equity	0.3	0.1	0.1	0.1	0.0
Net Debt/Equity	0.2	0.0	0.0	(0.2)	(0.3)
Interest Coverage Ratio	9.6	8.2	13.8	24.4	56.5
Liquidity Ratios					
Current Ratio (x)	1.3	1.2	1.4	1.6	1.8
Quick Ratio (x)	0.7	0.6	0.7	0.8	1.1
Avg. Days Sales Outstanding	3	4	6	4	3
Avg. Days Inventory Outstanding	36	33	34	33	30
Avg. Days Payables	36	37	35	30	30
Turnover Ratio (x)					
Fixed asset turnover	5.4	5.1	4.9	5.2	5.6
Valuation Ratios (x)					
P/E	74.7	72.3	46.1	34.2	25.3
P/CEPS	60.3	57.1	38.6	29.5	22.2
PEG	5.3	21.5	0.8	1.0	0.7
P/BV	15.2	13.0	10.7	8.7	6.9
EV/EBIDTA	46.6	45.7	29.8	23.3	17.7
EV/ Net sales	3.1	2.6	2.4	2.0	1.5
Op Cash Flow/EBITDA	0.9	1.0	0.5	1.0	0.9
Dividend Payout (%)	20.8	21.1	25.0	25.0	25.0
Dividend Yield (%)	0.3	0.3	0.5	0.7	1.0
FCF Yield (%)	0.7	0.8	0.6	2.9	3.5

Source: SBICAP Securities Estimates

Our recent Rising Star recommendations and price performance

Sr.No.	Company Name	NSE Symbol	Initiated Date	Initiated Price	CMP*	Return (%) since initiated date	Latest rec. Date	Latest Target	High price since Initiation	Return (%) based on High price since initiation
1	APL Apollo Tubes Ltd.	APLAPOLLO	25-Apr-23	1,219.0	1,972.0	61.8	22-Jan-26	2,491.0	1,993.8	63.6
2	Star Cement Ltd.	STARCEMENT	05-May-23	123.2	214.5	74.1	11-Nov-25	295.0	309.0	150.8
3	JK Lakshmi Cement Ltd.	JKLAKSHMI	24-May-23	705.0	793.1	12.5	17-Nov-25	1,040.0	1,021.2	44.9
4	Dhanuka Agritech Ltd.	DHANUKA	29-May-23	711.0	1,111.4	56.3	07-Nov-25	1,725.0	1,975.0	177.8
5	SJS Enterprises Ltd.	SJS	05-Oct-23	680.0	1,614.8	137.5	21-Nov-25	2,032.0	1,888.9	177.8
6	KPI Green Energy Ltd.	KPIGREEN	17-Nov-23	259.6	434.1	67.2	20-Nov-25	615.0	745.3	187.1
7	Syrma SGS Technology Ltd.	SYRMA	06-Dec-23	590.0	667.6	13.1	14-Nov-25	1,120.0	909.9	54.2
8	Senco Gold Ltd.	SENCO	11-Dec-23	360.8	311.7	-13.6	19-Nov-25	395.0	772.0	114.0
9	Hi-Tech Pipes Ltd.	HITECH	31-Jul-24	149.0	78.0	-47.6	20-Nov-25	217.0	210.9	41.5
10	Lumax Auto Technologies Ltd.	LUMAXTECH	27-Dec-24	625.8	1,388.2	121.8	17-Nov-25	1,720.0	1,703.1	172.1
11	Goodluck India Ltd.	GOODLUCK	19-Mar-25	660.0	1,076.5	63.1	28-Jul-25	1,338.0	1,352.8	105.0
12	Man Industries (India) Ltd.	MANINDS	05-Aug-25	448.0	325.1	-27.4	24-Nov-25	660.0	491.0	9.6
13	Pricol Ltd.	PRICOLLTD	19-Nov-25	631.0	601.7	-4.6	19-Nov-25	816.0	695.0	10.1

*Closing price as of 22nd January, 2026

Moved to Soft Coverage

Sr.No.	Company Name	Initiated Date	Initiated Price	Close price	Return (%) since initiated date	High Price Since Initiation	Return (%) based on High price since initiation	Comments
1	Satin Creditcare Network Ltd.	10-Jan-24	259.0	198.0	(23.6)	284.0	9.7	Exited on 27 th Sep'24 due to Microfinance industry under stress.
2	Zen Technologies Ltd.	12-Jul-23	520.0	1,473.0	183.3	2,627.0	405.2	Booked profit on 24th Mar'25. The stock had run ahead of fundamental. Continue to monitor the order inflow in near term.
3	Aditya Birla Capital Ltd.	22-Aug-24	222.2	329.0	48.1	345.0	55.3	Post recent rally, stock appears fairly valued.
4	Stylam Industries Ltd	27-Apr-24	1,150	2,236	94.4	2,735	137.8	Booked profit as target achieved and moved into soft coverage. The flow information from management reduced. Aica Kogyo is now acquiring controlling stake in Stylam (53.1%) for \$225 million.

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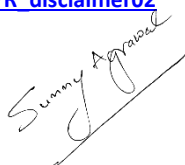
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Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
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