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Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Tower,
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Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Subject: Transcript of the Conference Call held on May 4, 2026

Dear Sir/ Madam,

With reference to our letter dated April 25, 2026 intimating you about the conference call with Analyst(s)/ Institutional Investor(s) held on May 04, 2026. Please find attached the transcript of the aforesaid conference call.

The above information is also available on the website of the Company.

We request you to kindly take the above information on your record.

Thanking you

Yours faithfully

For APL Apollo Tubes Limited

**(Vipul Jain)
Company Secretary and
Compliance Officer**

Encl: a/a

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“APL Apollo Tubes Limited
Q4 & FY '26 Earnings Conference Call”

May 04, 2026



MANAGEMENT: **MR. SANJAY GUPTA -- CHAIRMAN AND MANAGING DIRECTOR – APL APOLLO TUBES LIMITED**
MR. RAHUL GUPTA – DIRECTOR – APL APOLLO TUBES LIMITED
MR. DEEPAK GOYAL – DIRECTOR, OPERATIONS – APL APOLLO TUBES LIMITED
MR. ANUBHAV GUPTA – CHIEF STRATEGY OFFICER – APL APOLLO TUBES LIMITED
MR. CHETAN KHANDELWAL – CHIEF FINANCIAL OFFICER – APL APOLLO TUBES LIMITED

MODERATOR: **MR. AKHILESH KUMAR – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to APL Apollo Tubes Q4 and FY '26 Earnings Conference Call hosted by Emkay Global Financial Services Limited.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinion, and expectation of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Akhilesh Kumar from Emkay Global Financial Services Limited. Thank you and over to you, Mr. Kumar.

Akhilesh Kumar: Good morning, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today: Rahul Gupta, Director; Deepak Goyal, Director Operations; Anubhav Gupta, Chief Strategy Officer; and Chetan Khandelwal, Chief Financial Officer.

I shall now hand over the call to the management for their opening remarks. Over to you, sir.

Anubhav Gupta: Thanks, Akhilesh. Thanks for hosting us. And we also have our Chairman and Managing Director, Mr. Sanjay Gupta, on the call.

So good morning, everyone and thanks for joining in. We hope you have reviewed the results and will now walk you through the key highlights for the quarter 4, FY '26. It was such an exciting quarter with the rollercoaster ride. Things looked so good till 28th of February and then the Middle East crisis started, which impacted our performance towards end of the financial year. But despite that, we could pull off with very strong performance for the quarter 4, FY '26 and if you look at the full year results as well.

Key highlights being; Number one, 9% increase in our quarterly volume on Y-o-Y basis. EBITDA per ton at upward of INR5,500 per ton for the quarter 4; our 37% ROCE for the full year closing FY '26, negative working capital cycle for the full year.

Operating cash flow generation of INR20 billion and free cash flow generation of INR13 billion for the full year. And we closed the year with net cash balance of INR15 billion plus in the books.

In today's environment, the way things are changing, it's becoming very difficult to predict sales volume on month-on-month basis. Since the war started, there have been a lot of upsides and downsides for the global economy and the Indian economy, which is impacting our business in a lot of ways.

Number one being, the shortage of raw material steel from the Indian mills and also the global supply chain got disrupted. Our Dubai operations are operating at 40% utilization right now because of the on-going crisis there. Then there is a fear of price correction in the raw material prices because steel prices have gone up so much in the last three-four months. So there is a de-stocking from our channel partners as well.

Energy crisis in India did impact our volumes in the month of March and things have got stabilized, but then there is always a sword which can come up and like which can again impact if at all there is shortage of fuel etcetera in the country.

And of course, because of heat and elections, there was labour shortage also for the time being, which also impacted our operations directly and indirectly as a lot of construction sites went for the halt.

So, our focus right now is to protect our profitability and margins when we know that volume prediction becomes challenging in this environment because the APL Apollo is the market leader and because of our very strong brand positioning, we are able to improve our margins significantly and this is what we demonstrated in our March numbers as well.

Despite, April month being slow in terms of volume, this beginning of May is also kind of similar to what trend we saw in April, but in terms of profitability, in terms of EBITDA per ton, we are doing much better than what we have ever guided for.

So, we will try to protect our full year target numbers in terms of absolute EBITDA, which we had guided in our previous call. And hopefully things will become better as we move forward. But given the current atmosphere, our focus is on profitability rather than just pushing volumes.

And our long-term plan of 8-million-ton capacity by FY '28 remains totally on-track. Our capex commitments, new land acquisition, new product development, distribution announcement in East India, that everything remains on track so that whenever things recover, we are quickly able to recover our lost volume and demonstrate good performance. That's all from our side.

We'd like to take questions now.

Moderator: Thank you so much. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Sneha from Nuvama Wealth Management. Please go ahead.

Sneha: Hi, good afternoon team. I mean, good morning team. Just couple of questions from my end. Firstly, you said Dubai is operating at around 40% utilization, just wanted to take an update on galvanized tubes because last time we were facing some gas shortages. How is the operational level at this point of time in those color-coated as well as galvanized tubes?

Anubhav Gupta: So Sneha, see, I mean, the domestic operations, they were majorly hit for few weeks in month of March. Then obviously things became a bit easy in terms of gas availability and our plants also moved to alternate fuels. So, things have improved significantly. But yes, like I said, there

is always a sword hanging, okay, when the crisis can again hit the industries. So I would say like because of that fear factor, we would be operating at 80%-85%. If we know that crisis is fully gone, then of course there could be 15%-20% increase in the production from the current levels.

Sneha: Understood. And Anubhav, you also said about the demand weakness or probably de-stocking. Could you actually bifurcate that into whether it's an actual demand weakness on ground and has government spending actually picked up in anyway, or is it the mere de-stocking which is taking place and you know, we are sure looking at a re-bounce here in terms of demand? So that's one. And any changes in the guidance because of the current situation that you may want to give out?

Sanjay Gupta: Good morning, Sneha, Sanjay this side. Sneha, this type of atmosphere, we can't say, this is a de-stocking or this is the demand slowdown. It takes some time to analyze these things. But whatever we give the yearly guidance in terms of volume and the profitability, I think volume can be a little up and down due to the current scenario. But if the volume goes up and down then we are trying to keep our margin intact.

We are working by increasing our margin this time. Volume, we are not focusing on our volume. We are focusing on our margin. When the atmosphere gets a little better, the steel shortage in the country will also end, then we are focusing on the volume and at that time we will pull back our volume by adjusting the margin a little.

But in the current scenario, it is very difficult to give quarter on quarter and month on month guidance right now. But yearly targets par we are intact. We don't have any change. Maybe if the volume is a little less then, we will try to protect the margin.

Sneha: Understood sir. That was pretty helpful. Thanks, thanks a lot team and all the very best.

Sanjay Gupta: Thank you.

Moderator: Thank you. Our next question comes from the line of Angad Saluja from UBS Securities India. Please go ahead.

Angad Saluja: Yes, hi. Thank you for taking my question. So, one question, I mean, obviously guidance is difficult to give in the current scenario, but if we look at realizations and obviously the EBITDA per ton, how are we looking at that, given HRC prices have also gone up, but, you know, the risk from Patra also remains, to sort of take away some volumes? So how are we managing the margin bit in this scenario even though volumes are slightly volatile right now?

Sanjay Gupta: Boss, in the Patra segment, I am also talking on the last call also, that our volume in the Patra segment, we have reduced our volume attached to that segment a lot at this time, which is left less than 30%. We are gradually reducing it. So, from there we don't get pressure in our margin because we are focusing on our brand and innovations. Yes, in that our galvanized and coated products there we increase some margin due to shortage also. So, because of this we think that our margin will be better. In Dubai also our volume is less, but margins are better.

- Angad Saluja:** And what is driving this margin, mainly is it better realization, that is driving it?
- Sanjay Gupta:** Mainly boss, you can say market leadership, product innovation, and supported by the shortage of steel also.
- Angad Saluja:** Got it. And sir, one last question. I think capex, absolute amount, how much are we expecting to spend in FY '27?
- Sanjay Gupta:** So our target remains the same, around INR500 crores, INR600 crores yearly capex. Our total capex plan which is pending right now for 8 million ton is around INR1,400 crores, INR1,500 crores our total pending plan is 8 million tons. We will complete it in the next 2 and 2.5 years for 8 million tons.
- Angad Saluja:** Got it. Thank you.
- Sanjay Gupta:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Vikas Singh from ICICI Securities. Please go ahead.
- Vikas Singh:** Good morning sir and thank you for the opportunity. And congratulation on a decent set of number in a very challenging time. Sir, just wanted to understand the sustainability of INR5,500 ton margin going forward, considering that the Patra and the primary gap is higher and this quarter you would have benefited from the shortage of material in the galvanized segment. So what -- and plus Dubai is also not picking up. So could you give us a little bit more insight into this?
- Sanjay Gupta:** First, you say from INR5000 to INR5500 per ton, I think this on a long term basis. Yes, INR6000 plus that we trying in the current situation, will it sustain us or not, this I can't say anything right now. But INR5,000 to INR5,500, the 2 years of track record, the product price margin we have we are quite sure that now in the future, we continue with this margin.
- Vikas Singh:** Sir, any portion of the inventory gains would have been involved in this, because the prices rise so sharply?
- Sanjay Gupta:** Inventory, mean, the inventory is in the books, we a large scale. The maximum price increase was 1st April. 1st April, by almost INR4500. So the inventory we have in our books is still at the old rate. And we don't have much of that inventory either because -- if you see our balance sheet, are at almost 25 days. There's also scrap, stock in the branches, and pending orders from OEM and export. So, I can say that the free inventory we have is 13-14 days' worth of free inventory. So, what profit or loss will we incur from that.
- Vikas Singh:** Noted sir. And sir, in the past we have seen when the prices rise so quickly, we usually had a problem securing the raw material. So anything that sort of problem you're facing right now, also considering that some of the capacities would have been curtailed like ArcelorMittal?

Sanjay Gupta: There was a shortage of raw material in April. I think the raw material position should ease a bit in the month of May. As the raw material position eases a bit, we will also try to push the goods a bit. So to be frank, in April our position was such that we neither had the goods nor did we have buyers. So we just remained sitting comfortably and doing our work, focusing on margins.

Now from May the raw material position seems to be easing a bit. So we are also trying to push our volume. So let's see, I think it is too early to say what will happen. But I have no doubt about the yearly commitment and guidance.

Vikas Singh: Noted Sir. Sir, I have a question on our last capital allocation policy because our cash generation is far exceeding our capex requirement. So what will we do? Will we increase the dividend? How will it be?

Sanjay Gupta: I think my net liabilities are around INR500 crores as of today. How much is left, Chetan?

Chetan Khandelwal: INR500 crores.

Sanjay Gupta: I have a liability of INR500 crores. Once I eliminate this liability in Q1 and Q2, I'm unsure what to do with the cash. Either increase the dividend or do a buyback.

Vikas Singh: So we can expect good dividend going forward for this year?

Sanjay Gupta: I can say yes.

Vikas Singh: Thank you sir. That's all from my side and all the best for future.

Sanjay Gupta: Thank you.

Moderator: Thank you. Our next question comes from the line of Bharat Shah from BCS Capital Ideas Limited. Please go ahead.

Bharat Shah: Sanjay ji, first of all, most delighted at this quarter results. More than the quantum of the growth, it is the outstanding quality of the growth which is really, really impressive, I must say. I think the focus on the profit pool, focus on maintaining the hygiene and strength of the sales, which has been there for last several quarters, is finally showing up in a remarkable way in our operating results.

But what really impressed me was end of December quarter our net cash on the balance sheet was INR550 crores and end of March '26, it is INR1,510 crores or whatever, which means INR1,000 crores almost cash has been added in a single quarter while profit say net profit of INR350 crores in the quarter, but net cash added on the balance sheet has been almost INR1,000 crores. I think this is truly remarkable. -- Anubhav, would you like to throw light on that?

Anubhav Gupta: Sure, Bharat bhai. So, there are two, three factors. One is that during our quarter three call, we had said that we are taking some steps to further rationalize our inventory churn. Okay, so some of the SKUs we wanted to start manufacturing at a single plant rather than being spread out, which leads to inventory hold up, raw material inventory hold up at multiple plants. So that,

strategy actually worked pretty well where we could almost reduce our absolute inventory in terms of tonnage by 30,000-40,000 tons.

Okay. I mean, if you look at, if you look at the inventory levels as at 31st December and 31st March in absolute value, there is a INR250 crores reduction despite the fact that steel prices went up. So, you can imagine that in terms of absolute volume, the reduction is much more. So that strategy of inventory rationalization actually worked.

And, and yes, there were, because there were some better payment terms from the creditors, that also helped our, our cash flow generation. -- And then yes, like you said, INR350 crores of cash flow generation for the quarter four, which helped in kind of piling up of the cash.

Bharat Shah: No, truly remarkable. I must say this and the whole team deserves congratulations because single quarter cash addition of INR1,000 crores is really, really remarkable number, given also a lot has happened in a quarter. I mean, these days lot happens every day. So, in a quarter so many things have happened and the business has delivered this is truly remarkable. The target after the residual INR500 crores liability once they are retired, maybe in the first quarter also in the current quarter, I think the target to reach negative working capital remains intact, right?

Anubhav Gupta: That's right.

Bharat Shah: Okay. And finally, Sanjay ji, when you said the year in entirety but targets remain intact, so just to refresh my memory on that, are we saying about 20% volume growth which if I'm not mistaken, we were thinking...

Sanjay Gupta: Bharat bhai, I tell to the last call, 15% to 20% growth and 20% to 25% EBITDA growth and 25% to 30% PAT growth.

Bharat Shah: Fantastic. Okay. So that is the guidance that we are talking which we will take...

Sanjay Gupta: Yes. Volume. I think 20% is difficult. If it gets worse than we targeting 15%. But from a margin point of view, we are very confident that we can achieve. Much better.

Bharat Shah: No, absolutely. I think that focus on maintaining and enhancing actually the quality of the performance rather than just the quantum...

Sanjay Gupta: This is our main focus area.

Bharat Shah: Yes, it is really remarkable and 40% plus ROCE which I think will go even higher in the fiscal '27, net cash balance sheet, and yet having global size addition to the capacity and through the challenging time achieving all that, truly remarkable. Hearty congratulations, Sanjay ji.

Sanjay Gupta: Thank you, Bharat bhai.

Moderator: Thank you, sir. Our next question comes from the line of Akshay from AK Investment. Please go ahead.

Akshay: Hi sir, thank you for taking my question and first of all congratulations for the great set of number. Sir, my question is currently for the application-wise our segment housing is contributing the maximum as at 64% and the second number is the commercial buildings 23% and the third number is infrastructure 13%. So, over the next two, three years, do we expect that infrastructure and commercial buildings will be -- share will be higher due to the government capex and all these things?

Anubhav Gupta: So definitely there should be some improvement in infrastructure and commercial. Commercial has been doing pretty well for last two-three years. So that mix continues to improve. Infrastructure from the government side has been on slowdown for two years, that's why the residential sales mix improved in the overall pie. Yes, we do expect government to start spending heavily and if it does, so there could be 2%-3% improvement in mix from infra side, otherwise housing will keep on taking the lead.

Moderator: Our next question comes from the line of Darshan Mehta from Dolat Capital.

Darshan Mehta: So my first question was can you provide us the share of SG Premium to overall volumes in Q4? Hello?

Anubhav Gupta: It's between 8% to 9%.

Darshan Mehta: 8% to 9% of total volumes, right?

Anubhav Gupta: Of the total volume, yes.

Darshan Mehta: Okay, okay. Not general products, total volumes. Yes. And I -- so also our other expenses I think have grown 13% Q-o-Q. So just wanted to know is there any specific reason for this or is this in line with normal operating activity?

Anubhav Gupta: So there are two-three things here. One is the freight cost, the outward freight cost was a bit higher in the quarter four on Q-o-Q basis because there was shutdown of our operations in few plants, right. Because of gas shortage, so we had to feed market from the other plants. That's why the outward freight was a bit higher. And secondly, we did some branding expenses in the quarter four, so that was higher on Q-o-Q basis. These are the two main factors.

Darshan Mehta: Okay. And just wanted to understand, let's say if the war had not broken. But still, let's say we would have seen the same increase in steel prices, the sporadic rise that we have seen in steel prices between Q3 to now. So in that scenario, could we had made EBITDA per ton in excess of INR5,500? Because what -- why I'm coming on this question is, let's -- even you would have lost some volumes.

But so that means that operating leverage would not have really kicked in your numbers, but still you were able to make INR5,500. So just wanted to understand is this purely because of lower HRC price that you would have seen in your inventory that has actually kicked in EBITDA per ton or is there anything else?

Anubhav Gupta: So Darshan, see, I mean, during our quarter three call, we had guided for around near about 1 million ton of sales volume in quarter four with INR5,300-INR5,500 per ton EBITDA okay, for the full quarter. Till 28th Feb, we were pretty much on track to achieve these numbers.

And when the crisis started, then this whole disruption started to hurt the operations in Middle East, in India because of gas shortage and then steel shortage and steel price hike. So yes, I mean, if war had not started, we would have met our guidance which we had given in the quarter three.

Darshan Mehta: Understood. Irrespective of the rise in steel price that we had seen. So I am not talking about Q4, let's say even in Q1, assuming steel prices are where they are currently. And do we think that in terms of per ton...?

Anubhav Gupta: Darshan, sorry, but it is tough to say, no that steel prices increased pretty much after war also. There was some increase during Jan-Feb-March, Jan and Feb months, but after war the acceleration in steel prices was pretty high.

Moderator: Our next question comes from the line of Amit Murarka from Axis Capital.

Amit Murarka: So just wanted to understand like, your market share movements. So I believe these kind of disruption that we are seeing, let's say the issue around fuel availability, around metal availability. Is it fair to say that this is structurally positive for you wherein you gain market share from the unorganized players?

Anubhav Gupta: So Amit, which we did definitely like we have demonstrated this similar trends during COVID times. The industry leaders, the strong players, they always benefit from the like, disruption which impact the overall industry. So yes, I mean, it -- that's the resilience of our business model that we can manoeuvre our strategy based on the conditions which keep on coming and going. But yes, I mean, at the same time we wish that things become back to normal so that whatever guidance we have given for the full year, we are smoothly able to achieve that.

Amit Murarka: No, I wanted to understand more the market behaviour honestly here. So like we have seen in other industries also generally high inflation sometimes also lead to down-trading and actually some gains to the unorganized players. So in that context, I wanted to understand like is this current situation that way positive for you on a structural basis or would you see or fear some down-trading to happen because the high inflation?

Anubhav Gupta: See, I mean, Amit, see, this disruption is not going to stay for more than, like, six months, okay. I mean, any expert you talk about, people keep on saying that it's been two months...

Amit Murarka: No, it was earlier two weeks honestly, so it's been stretching quite a bit. Yes, we don't know. Yes, that's what.

Anubhav Gupta: So yes, so if it is for say for four months put together, two months have been passed and another two months. Then whatever benefit we could get, we have already achieved that right. In terms of market share gains, in terms of pricing power, in terms of margin improvement, okay. So --

but yes, if it goes beyond like four months, right? So then obviously the weaker players, right, they may not be able to run their plants because of gas shortage.

Obviously larger players have access to resources. We have seen that in other industries, similarly in building materials, okay. So yes, to answer your question, if things get prolonged like more than what anyone is expecting, then obviously the benefits will keep on accruing more and more for stronger players.

- Amit Murarka:** Got it. Got it. That's all from me. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** Yes, congratulations to the team for good set of numbers. My first question pertains to, you know, the inventory which has come down significantly, multi-year low, and I think this was as per guidance. So just wanted to understand the sustainability of the current levels or is it like this was also an impact of some de-stocking or during the turmoil?
- Anubhav Gupta:** So Rajesh, Sanjayji's mission is to bring it further down, okay. That's what he has given mandate to the relevant team to keep on bringing inventory levels down and down and down. So yes, I mean, whatever we have achieved as at March 2026, it is highly sustainable.
- Rajesh Ravi:** Great. That's really nice to hear. And on the EBITDA front, Sanjay sir mentioned around 20-25% EBITDA growth and in which you're factoring close to 15% for the volume growth and margin expanding not -- at close to INR5,500. Is this understanding correct for FY '27?
- Sanjay Gupta:** For FY '27, our volume growth is very clear -- we are targeting 15% to 20%. EBITDA growth is 20% to 25% and PAT growth is 25% to 30%.
- Rajesh Ravi:** Okay, fantastic.
- Sanjay Gupta:** Rajesh, in this scenario you can cut the lower side 15%, 20%, 25%. If the fee is better, you can take the higher side.
- Rajesh Ravi:** Great. So, I just wanted to understand this INR5,500 odd which works out to be at least on the EBITDA margin. So, you know, what would right this? Is it the better product mix or what...?
- Sanjay Gupta:** Better product mix. The cost of this quarter will little because of the low volume. But this is a better product mix.
- Rajesh Ravi:** So better product mix is what will drive up your margins. Okay. And sir, on the April, you mentioned that the volume growth had been muted or volume had been muted. What does this mean? This is low single digit growth here indicating or flattish. How should we deal with the May volume come into and general? In general, what is the construction level impact?
- Sanjay Gupta:** It is difficult to say, because in April, we 2.5 lakh tons. In May, the first two or three days were not good. But, it will above the flatness. Last year, we have done 7.92 lakh tons. As per our

thinking what is achievable 2.5 we have done in April, 2.75-3 lakh will be doing in May, 3 plus to 3.25 in June, so we can touch 8.75. So it will be more than 8, we can touch 8.75.

- Rajesh Ravi:** Okay. So next 2 months you are looking at May and June better traction to happen?
- Sanjay Gupta:** Yes. I think because there was a little problem with steel in April as well. I think that problem, the disruption that came, the steel problem is over. So we are now little bit aggressive in the market. So I think, May we can do 3 lakh ton and June we are back on track with 3.5 lakh ton.
- Rajesh Ravi:** Superb. And sir, this margin performance of March quarter, you believe that this could be repeated in...?
- Sanjay Gupta:** Yes, this is sustainable. It should be somewhat better than that.
- Rajesh Ravi:** Great, great. And lastly, you said, I just wanted to, you know, that you mentioned that the surplus cash beyond whatever, you know, short-term liabilities you want to reduce, after that whatever surplus is there, you will use that to either increase dividend or do a buyback?
- Sanjay Gupta:** Yes.
- Rajesh Ravi:** Great sir. That's all from my side. All the best. Thank you.
- Sanjay Gupta:** Thanks.
- Moderator:** Thank you. Our next question comes from the line of Onkar Gangurde from Shree Investment. Please go ahead.
- Onkar Gangurde:** Good morning sir. My question is regarding whatever the commentary you have given, it looks like there are more headwinds than the tailwinds currently given whatever the situation on ground is. Is that the correct understanding?
- Anubhav Gupta:** Yes, of course. I mean, whatever happening globally and in the domestic markets, yes, you have assessed it pretty right.
- Onkar Gangurde:** So I mean, I have to say then this is only and only because of the war-like situation, right? Because before the war broke out, you were quite bullish, in fact you raised the guidance as well on the -- in the quarter three. So whatever is...
- Anubhav Gupta:** Yes, so we are not reducing our guidance as of now, right, for the absolute EBITDA. Okay. So yes, I mean, like we were discussing on the previous call, every disruption brings some opportunities for the better companies and we try to grab that in our favor.
- Onkar Ghangurde:** So yes, like, my another question regarding this was like, now you have a good amount of cash with the financial strength you have on the balance sheet, like, how can you capture more and more market share from the competitors given the current situation? Because they must be also suffering quite a lot.

If the biggest player is suffering, I mean, giving a flattish kind of growth or low single digit kind of growth, so their situation would be even worse. So how can you use the financial strength to gain even more market share from competitors?

Anubhav Gupta: So this is what if you look at our market share in FY'26 versus FY'25, our market share is improved to 65% from 55%. Okay. And this can continue to improve if disruption continues to hurt our competition more than the larger player like Apollo.

Onkar Ghangurde: So I mean, what kind of steps you are taking to gain that kind of market share given the strength you have financially?

Anubhav Gupta: So one is the capacity building, okay. The capex is fully funded from internal cash flows. We were not present in East India much, right, so putting up two plants in East India will help us compete intensively with the local smaller players there. That results you will start seeing in next one to two years as our both plants become operational.

Second, we are building capacities for lighter structures in South India, where again we believe that we have -- we can gain more market share, okay, if we increase our capacities there. So our new Bangalore plant, which we call it Malur 2 that we are -- that we are going to build up over the next two years. So that again is on the back of strong balance sheet where my large capex will be funded from operating cash flows.

So balance sheet can only help fund capex, right, without straining -- without leveraging. So this is what we are building, capacity building. And second, branding also with better margins, we will spend a bit extra on branding this year, which will again help us gain market share.

Onkar Ghangurde: So this capacity building exercise you are saying is like more of a mid-to-long term kind of thing, right? But immediately in the short term, like what you are doing in this war-like situation to gain from the competitors given the strength you have financially?

Anubhav Gupta: So mainly working on SKU management and branding. These are the two things we are doing.

Onkar Ghangurde: Okay. I mean, like more dealerships or something like that you are doing, anything with the dealers you are doing?

Anubhav Gupta: Dealership in existing territories are fully leveraged. I mean, there is no scope to add new dealers in the existing territories. New markets where we are going, there we are developing new network.

Onkar Ghangurde: Okay. All right. Thank you, sir.

Moderator: Our next question comes from the line of Renjith Sivaram from Mahindra Manulife Mutual Fund. Please go ahead.

Renjith Sivaram: Yes, hi sir. Just wanted to understand, like, was there any impact on this LPG shortage or anything in our overall operations?

- Anubhav Gupta:** Can you be a bit louder please?
- Renjith Sivaram:** Yes, am I audible now? Hello?
- Anubhav Gupta:** Yes, go ahead.
- Renjith Sivaram:** Yes, was there any impact on this LPG shortage in our business and do you have any backup plan for that??
- Anubhav Gupta:** So definitely in month of March, two of our product categories in India, the rust-proof pipes and coated products, they faced temporary shutdowns at few locations. So our plants moved to alternate fuels. So there was disruption of 10 to 15 days. Yes, so there was definitely some disruption because of that.
- Renjith Sivaram:** Okay. And going ahead, do you see any, what is your backup plan like you have now kind of mitigated the same?
- Anubhav Gupta:** Right. So alternate fuels have helped the capacity ramp-up at those locations. It's just that, I mean, that fear of energy crisis coming back is always there. Okay. So things have become much better than what they were for those two weeks in month of March, but still because of fear factor, we would say that we are operating at 90% level, not 100% levels.
- Renjith Sivaram:** Okay. So this 15% to 20% growth guidance which you are giving is factoring in this, right?
- Anubhav Gupta:** Of course, yes. I mean, unless things become really worse from here. If, if there is like shortage of fuel to run vehicles, cars, automobile, then it'll be like extraordinary situation which will make us reconsider our business plan.
- Renjith Sivaram:** And like in the, in your demand industries where you supply these, so they will be also facing similarly such issues in terms of shortage and do you feel the demand will be enough to support this kind of a growth or it'll be due to market share gains?
- Anubhav Gupta:** It'll be combination of both, right. I mean, our material goes at the construction sites, right. So construction sites got halted for multiple reasons: Labour shortage, all raw material prices at construction sites went up, steel, tiles, plumbing pipes, paints, right. So many construction materials.
- So contractors, they try to delay the purchases. Okay. So once things settle down, contractors will renegotiate pricing with their customers, right? So things will start coming back on track. So then this pent-up demand will come back and we are hoping that we will be able to take share from that and that's why we are giving that 15% to 20% volume guidance.
- Yes, of course if things become further worse from here, okay, then we'll see, then we'll evaluate again. But right now talking to, like whatever is happening around us, it looks like things should settle, things should settle down quickly and we will be able to achieve our volume guidance.

- Moderator:** Thank you. Our next question comes from the line of Devarshi Jani, an Individual Investor. Please go ahead.
- Devarshi Jani:** Hello?
- Moderator:** Yes, please proceed.
- Devarshi Jani:** Okay. Thank you for opportunity. I was just wanting to know about the value-added sales, related question. You have reported the value-added sales mix of 25% in Q4, it is down slightly from 67 in Q3. Despite this, EBITDA per ton rose to a record high, it's like a 5,525. Can you bridge this gap? Was it driven by the inventory gain or a better spread in the general category, which shows jump to 3,405 EBITDA per ton, or a specific cost efficiency at Raipur plant, sir?
- Anubhav Gupta:** So there were two reasons. Number one is the Apollo, APL Apollo brand premium, okay, which led to better pricing in general category. Okay. If you remember that we have, we had increased the pricing for Apollo general segment in January of 2025, okay, by almost INR1,500 per ton. So that increase, that price hike is straightaway coming to our EBITDA, okay, for the general product.
- That's why from INR2,000 per ton EBITDA level, we are at INR3,500 per ton plus level in general. So this is the main driver of the profitability. Okay. And second, yes, of course, cost rationalization steps we keep on taking 24/7. So some, some measures keep on delivering results.
- Devarshi Jani:** Okay. So my next question is related to ESG and decarbonization. So now that you have achieved a SBTI validation, what is the incremental capex required annually to meet a 25% emission reduction target by 2030? Will it impact manufacturing cost per ton significantly?
- Anubhav Gupta:** No, in fact, whatever, I mean, whatever steps we take for better ESG compliance, it actually results in lower costs. For example, you, you invest into renewable energy, right, that brings down your overall cost per ton, power cost per ton, right? So, in fact, we are experiencing opposite, that you invest into ESG compliance, it actually end up yielding better results for you in terms of cost optimization.
- Devarshi Jani:** Okay. Thank you so much for answering, sir. Rest of the question already answered. And thank you for opportunity and best of luck for next quarter, sir.
- Anubhav Gupta:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rajesh Ravi from HDFC Securities. Please go ahead.
- Rajesh Ravi:** It's just a follow-up question. Given the current steel prices, you know, how would be the realization number looking sequentially even versus Q4 basis current prices?
- Anubhav Gupta:** Rajesh, you'll have to come back again. Rajesh, can you please repeat?

- Rajesh Ravi:** Yes, yes. Sure. I'm saying basis the current steel prices which are significantly higher and have been rising even in April and, you know, in this scenario, I'm sure not everything would have been captured in Q4 number in realization. So what sort of price increase on an average, you know, is your current sales versus Q4 average?
- Anubhav Gupta:** So prices like, okay, so if you look at the HR coil prices, okay, in the—in the market, they are up by around from March to May, okay, or I would say from April to May, they are up by around INR3,000 per ton. Yes, so that much price hike we took, Rajesh.
- Rajesh Ravi:** Okay. So that is what would be reflected in even in your realization and cost number.
- Anubhav Gupta:** Cost, yes.
- Rajesh Ravi:** Okay. Okay. And, you know, just last, just wanted to re-stress on this inventory gain. I believe somewhere during the call you mentioned you have 10 to 15 days of finished good inventory, you know, obviously which is quite lean. And because of...
- Anubhav Gupta:** Finished good inventory Rajesh, raw material, raw material inventory is 15 days.
- Rajesh Ravi:** Raw material, okay. So HRC rather. So, you know, the HRC prices which is going up, would you have to mark up your inventories and would have that led to some inventory gain in Q4?
- Anubhav Gupta:** So Rajesh, what happens is that since our overall inventory churn is less than 30 days and in India steel prices are revised once in a month, okay. So by the time next cycle comes up, we are already out of our previous cycle. Correct. So that's why the mark-to-market is not significant. It's like very, very minuscule. If my net inventory days are higher than 30 days, then there'll be mark-to-market in my balance sheet.
- Rajesh Ravi:** Understood. Understood. So basically none of your numbers would have any padded up of inventory, so in case if steel prices were to again come back, you won't have any issues over this.
- Anubhav Gupta:** That's right. That's right. It only happens when there is like significant drop in steel prices sometime like what we have seen, like there'll be like a time when steel price are revised twice in a month, okay, which—which happens once in a decade, okay. Then there could be like, you know, some gains or losses, okay, which would be significant. Otherwise, 11 out of 12 months steel prices are revised once in a month. So that doesn't hurt us.
- Rajesh Ravi:** Agreed. Agreed. Yes. Great. That's all from my end. Thank you and all the best.
- Anubhav Gupta:** Thanks.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I'll now hand the conference over to the management for the closing remarks. Thank you and over to you team.
- Anubhav Gupta:** Thank you everyone for joining us and thanks Emkay team for hosting us. Look forward to see you in the next quarter. Have a good day.



*APL Apollo Tubes Limited
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Moderator:

Thank you so much, sir. Ladies and gentlemen, on behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.