nuvama institutional equities

APAR INDUSTRIES

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	8,671
12 month price target (INR)	10,750
52 Week High/Low	11,797/4,270
Market cap (INR bn/USD bn)	348/3.9
Free float (%)	73.8
Avg. daily value traded (INR mn)	834.0

SHAREHOLDING PATTERN

	Sep-24	Jun-24	Mar-24
Promoter	57.77%	57.77%	57.77%
FII	9.87%	10.22%	10.97%
DII	20.62%	21.24%	20.4%
Pledge	0%	0%	0%

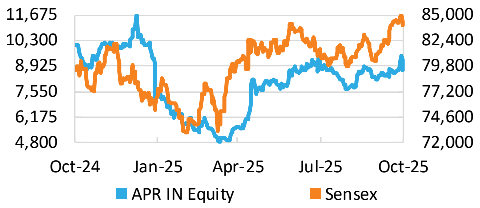
FINANCIALS (INR mn)

Year to March	FY25A	FY25	FY27E	FY28E
Revenue	1,85,812	2,09,877	2,46,502	2,82,237
EBITDA	15,474	16,316	18,965	21,783
Adjusted profit	8,213	8,715	10,402	12,190
Diluted EPS (INR)	204.5	216.9	259.0	303.5
EPS growth (%)	(3.6)	6.1	19.4	17.2
RoAE (%)	19.6	18.0	18.5	18.7
P/E (x)	42.4	40.0	33.5	28.6
EV/EBITDA (x)	22.3	21.6	18.6	16.1
Dividend yield (%)	0.6	0.5	0.6	0.7

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	2,09,877	2,46,502	(1.0)	1.1
EBITDA	16,316	18,965	(7.0)	(12.3)
Adjusted profit	8,715	10,402	(3.4)	(13.4)
Diluted EPS (INR)	216.9	259.0	(3.4)	(13.4)

PRICE PERFORMANCE



Near-term caution; secular story strong

Apar Industries delivered yet another strong showing in Q2FY26 with consolidated revenue surging 23% YoY, driven by a sharp uptick in US sales (+129.6% YoY). Conductors' profitability (EBIT/mt) held strong at INR39,363, supported by a richer premium mix (45.4%). Management remained constructive on the long-term fundamental story, but guided for near-term caution given softer ordering, which could weigh on margins and execution in Q3FY26.

We are cutting FY26/27 estimates and retain 'BUY' with an SotP-based Dec-26 TP of INR10,750 (earlier INR12,100). Maintain 'BUY'; we believe Apar is well placed to capture the significant opportunities in the domestic as well as overseas markets.

Strong broad-based beat; US sales propel revenue and margins

Consolidated revenue surged 23.1% YoY in Q2FY26 to INR57bn driven by Conductors (+35% YoY) and C&W (+25% YoY), taking H1FY26 growth to 25%. OPMs remained broadly stable at 8.7%/9.2% (Q2FY26/H1FY26). PAT surged 30% YoY to INR2.5bn with PAT margins up ~20bp to 4.4%/4.8% (Q2FY26/H1FY26).

Conductors segment: Revenue soared 35% YoY to INR31bn driven by strong volume growth (+16.2% YoY) and a sharp pickup in exports (+74.6% YoY). Export mix improved to 24.2% against 18.7% in Q2FY25. EBIT/mt was steady at ~INR38k/t, backed by a richer product mix (premium products mix at 45.4% against 42.2% in Q2FY25) and a recovery in US sales (+145.7% YoY on low base). OI was subdued at INR21.2bn (-5.1% YoY) as customers deferred awards amid tariff uncertainty and rising aluminium/ copper prices. **C&W segment:** Revenue expanded 25% YoY to INR15.3bn, driven by a surge in exports (+82.6% YoY). Export mix rose to 42.3% (versus 29% in Q2FY25), led by the US (+121.2% YoY). OPMs expanded 50bp YoY to 10.2% in Q2FY26. Pending OB was INR18.3bn. **Oils segment:** Revenue remained flattish YoY at INR13.4bn with EBITDA/kl improving to INR5,869 (+7.2%).

Management further clarified the effective US tariff impact is ~30%/50% of value for conductors/cables, as Section 232 applies to the metal portion (Al, Cu, steel), putting all nations on an equal footing. *Click here* to read the entire conference call KTAs.

Revise estimates downwards

We are cutting FY26E/27E EPS by 3%/13% to reflect near-term headwinds in US exports as well as a rise in aluminium/copper prices. We value Apar on SotP basis with PER of 45x/20x/35x Dec-27 PAT of Conductors/Oils/Cables segments. Maintain '**BUY**' with a Dec-26 TP of INR10,750 (from INR12,100). Key risks—global shocks, competitive intensity and slowdown in T&D ordering.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	57,154	46,445	23.1	51,042	12.0
EBITDA	4,609	3,565	29.3	4,523	1.9
Adjusted Profit	2,517	1,939	29.8	2,629	(4.3)
Diluted EPS (INR)	62.7	48.3	29.8	65.4	(4.3)

Achal Lohade
achal.lohade@nuvama.com

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY25	FY27E	FY28E
Total operating income	1,85,812	2,09,877	2,46,502	2,82,237
Gross profit	38,419	45,123	52,998	60,681
Employee costs	3,378	4,222	4,856	5,584
Other expenses	19,567	24,586	29,177	33,314
EBITDA	15,474	16,316	18,965	21,783
Depreciation	1,322	1,718	2,147	2,792
Less: Interest expense	4,089	4,171	4,379	4,598
Add: Other income	994	1,193	1,431	1,861
Profit before tax	11,056	11,619	13,870	16,254
Prov for tax	2,843	2,905	3,467	4,063
Less: Other adjustment	0	0	0	0
Reported profit	8,213	8,715	10,402	12,190
Less: Excp.item (net)	0	0	0	0
Adjusted profit	8,213	8,715	10,402	12,190
Diluted shares o/s	40	40	40	40
Adjusted diluted EPS	204	217	259	303
DPS (INR)	51.0	43.4	51.8	60.7
Tax rate (%)	25.7	25.0	25.0	25.0

Balance Sheet (INR mn)

Year to March	FY25A	FY25	FY27E	FY28E
Share capital	402	402	402	402
Reserves	44,634	51,605	59,927	69,680
Shareholders funds	45,035	52,007	60,329	70,081
Minority interest	0	0	0	0
Borrowings	4,701	4,701	4,701	4,701
Trade payables	55,488	63,250	74,288	85,058
Other liabs & prov	7,410	5,780	6,784	7,763
Total liabilities	1,12,636	1,25,739	1,46,102	1,67,603
Net block	15,404	27,990	33,147	37,659
Intangible assets	0	0	0	0
Capital WIP	1,304	1,304	1,304	1,304
Total fixed assets	16,708	29,294	34,451	38,963
Non current inv	2,195	2,195	2,195	2,195
Cash/cash equivalent	7,610	(210)	446	3,239
Sundry debtors	41,933	46,000	54,028	61,860
Loans & advances	0	0	0	0
Other assets	44,190	48,460	54,983	61,346
Total assets	1,12,636	1,25,739	1,46,102	1,67,603

Important Ratios (%)

Year to March	FY25A	FY25	FY27E	FY28E
COGS (% of rev)	79.3	78.5	78.5	78.5
Employee cost (% of rev)	1.8	2.0	2.0	2.0
A&P (% of rev)	0	0	0	0
EBITDA margin (%)	8.3	7.8	7.7	7.7
Net profit margin (%)	4.4	4.2	4.2	4.3
Rev. Growth (% YoY)	15.0	13.0	17.5	14.5
EBITDA growth (% YoY)	1.3	5.4	16.2	14.9
Adj. profit growth (%)	(0.5)	6.1	19.4	17.2

Free Cash Flow (INR mn)

Year to March	FY25A	FY25	FY27E	FY28E
Reported profit	11,058	11,619	13,870	16,254
Add: Depreciation	1,322	1,718	2,147	2,792
Interest (net of tax)	2,583	2,978	2,948	2,738
Others	569	0	0	0
Less: Changes in WC	63	(2,206)	(2,509)	(2,448)
Operating cash flow	12,906	11,205	12,989	15,272
Less: Capex	(5,097)	(14,304)	(7,304)	(7,304)
Free cash flow	7,809	(3,100)	5,685	7,968

Assumptions (%)

Year to March	FY25A	FY25	FY27E	FY28E
Conductor vol. Gth (%)	7.8	6.0	12.0	12.0
Transformer & oil vol. gth (%)	7.8	(2.0)	8.0	8.0
Cable & wire rev. Gth (%)	28.1	15.0	25.0	20.0
Cond. Realisation gth. (%)	10.7	14.0	0	0
Transformer & oil Realisation growth (%)	(2.4)	(4.0)	5.0	5.0
Conductor margin/ton	36,650	35,000	35,000	35,000
Transf. & oil margin/ton	5,982	5,700	5,800	5,800
Cable & wire PBIT margin (%)	9.3	9.5	9.5	9.5

Key Ratios

Year to March	FY25A	FY25	FY27E	FY28E
RoE (%)	19.6	18.0	18.5	18.7
RoCE (%)	32.7	29.7	30.0	29.8
Inventory days	76	78	77	78
Receivable days	80	76	74	75
Payable days	128	132	130	131
Working cap (% sales)	12.5	12.1	11.3	10.8
Gross debt/equity (x)	10.4	9.0	7.8	6.7
Net debt/equity (x)	(6.5)	9.4	7.1	2.1
Interest coverage (x)	3.5	3.5	3.8	4.1

Valuation Metrics

Year to March	FY25A	FY25	FY27E	FY28E
Diluted P/E (x)	42.4	40.0	33.5	28.6
Price/BV (x)	7.7	6.7	5.8	5.0
EV/EBITDA (x)	22.3	21.6	18.6	16.1
Dividend yield (%)	0.6	0.5	0.6	0.7

Source: Company and Nuvama estimates

Valuation Drivers

Year to March	FY25A	FY25	FY27E	FY28E
EPS growth (%)	(3.6)	6.1	19.4	17.2
RoE (%)	19.6	18.0	18.5	18.7
EBITDA growth (%)	1.3	5.4	16.2	14.9
Payout ratio (%)	24.9	20.0	20.0	20.0

Q2FY26 conference call: Key highlights

Opening remarks

- Management attributed the quarterly performance to both good domestic and exports performance (exports up 43% YoY).
- RE sector continued to show good momentum with 25GW (solar at 22GW and wind at 3GW) additions in H1FY26.
- Transmission plan by the government to evacuate 76GW from the Brahmaputra basin by 2047, highest ever investment in hydroelectric infrastructure.
- The country added 2,411 ckm transmission line and 4,645MVA transformation capacity (74% YoY). Transmission line additions failed to achieve their target on the back of poor additions in 765kv category while transformation capacity additions were robust.
- **Conductors:** EBITDA/mt of INR39,363/mt attributable to higher realisations, improved product mix and volume growth at 16.2%. US revenue up 145.7% versus Q2FY25 due to low base in last year Q2.
- **Oils:** Transformer oil volume growth was lower at 4.6% on account of supply chain issues. However domestic growth at 13.6% YoY.
- **Cables:** A 25.2% YoY growth due to exports growing 82.6% (US revenue shot up 121.2% YoY).
- Fundamental growth intact; steady business from renewable energy, grid augmentation and modernisation.
- **US tariffs situation:** Aluminium and other products added to section 232 (uniform at 50% for aluminium, copper and steel across all countries). Hence, Indian exporters are at a less-disadvantaged situation. Customers in the US have honoured their commitments. They are absorbing the duties; pace of orders are slower due to ongoing geopolitical situation; certain incentives announced by the US government – start of solar projects: July 4, 2026 and complete before Dec-27 – which should drive order inflows (to avail of the incentives); The Trump government has hinted this incentive might not be extended. Section 232 was very sudden and hence settling down took time. Hence, we like to believe section 232 was the single largest factor.

Comments by segment

Conductors

- Continue with earlier stated guidance of INR30,000/mt due to a mix of factors. Data centres is a major driver of electricity demand in the US and believe major demand in the US due to data centres. Transmission line additions in wind corridors. H2 in India is generally better on the back of lower weather-related issues.
- US Exports
  - About 30% for conductors and 50% for cables is non-metals component in exports to US (metals already covered in section 232, hence all nations on equal footing).
  - Order inflow has taken a hit in August and September and it has started seeing order inflow again in Q3. However, due to lower order inflow in Q2, revenues in Q3 – will see a definite hit (execution to be strong from November-end).

- New order inflow taken is at lower margins and will be realised in Q4FY26.
- Cable exports to the US is higher on account of pre-buy before tariffs hit.
- Conductors and cables in US have both taken a hit. However, the company has been able to pass on the same due to which other expenses has increased. so no impact on EBITDA/mt.

- Domestic
  - No fundamental challenges seen. However, right of way is an issue. Earlier conductors were ordered by the EPC, even if RoW had not come in, but now since EPC has milestone billing ordered only at the time of money received by it on completion of milestone. Transmission line additions were poor in H1, should be demand from line additions soon.
  - **Reconductoring optionality:** It is the best way forward since it is cheaper than a new line, much faster, and no RoW issues. 150–200% increase in throughput of power. The industry is also lobbying CEA to consider new lines with HTLS conductors itself. The company believes lot of reconductoring projects coming up. Government is working on a reconductoring plan as well. A lot of expertise required both in manufacturing as well as installation.
- With the spike in copper and aluminium prices, Products are becoming more expensive hence customers are waiting for the prices to correct, hence order inflow is on hold. No effect on GMs, since Apar runs a fully hedged book. Also, the pricing is on cost plus (absolute margins).
- Almost all product lines conductors are being expanded and this will be done by Mar-26 and H1F27. Compared to demand, capacities in the market not expanding at same pace.
- It is constrained by how demand shapes up rather than capacity. Equipment is fungible to produce a wider range of premium products.

Cables business expansion.

- Apar has not reduced any capex plans, as it believe demand will continue to remain strong. Wind capacity additions globally is robust.
- Bulk of the commissioning in cables segment will be done by Jun-26 while some spillover likely in Q2FY27, Expect gradual ramp in capacity utilization.
- Incremental revenues of INR60bn seen from the same. Further company has 66 acre land hence further expansion is easier.

Others

- **Impact of RM inflation:** The company hedges positions on the London metal exchanges, after locking in the metal price with the customer.
- **Exports to US-** INR16bn in FY25, it has already done the same in H1FY26.
- **Capacity utilisation around** 70–80% in conductors and 80–85% in cables segment (almost 100% in some products).
- **Capex guidance:** FY26 - INR13bn (already done INR4bn capex in H1FY26), FY27/28 – not as high as FY26, since much of the capacity additions capex done in FY26 itself.

Exhibit 1: Valuation (SotP)

Fair value date	UoM	31-Dec-26
PAT (1 year forward)		
Conductors	INR mn	5,437
Oils	INR mn	2,033
Cables	INR mn	4,187
Multiple		
Conductors	x	45
Oils	x	20
Cables	x	35
Total Value	**INR mn**	**431,876**
No of shares	x	40.2
Fair Value	**INR**	**10,750**
Upside/ (downside)	%	24%

Source: Company, Nuvama Research

Exhibit 2: Quarterly results summary

INR mn; Year-end March	2Q25A	2Q26A	YoY	2yr CAGR	1Q26A	QoQ	1H25	1H26	YoY	2yr CAGR
Revenue	**46,445**	**57,154**	**23.1%**	**21%**	**51,042**	**12.0%**	**86,550**	**108,196**	**25%**	**19%**
Cost of RM Consumed	37,406	44,710	19.5%	23%	40,332	10.9%	68,886	85,042	23%	21%
Gross Profit	9,039	12,445	37.7%	15%	10,709	16.2%	17,664	23,154	31%	11%
Gross Margin	19.5%	21.8%	230 bps	0 bps	21.0%	80 bps	20.4%	21.4%	100 bps	-290 bps
Employee Costs	879	997	13.4%	17%	1,049	-5.0%	1,700	2,045	20%	22%
% of sales	1.9%	1.7%	-10 bps	0 bps	2.1%	-30 bps	2.0%	1.9%	-10 bps	10 bps
Other Expenses	4,595	6,839	48.8%	14%	5,138	33.1%	8,633	11,977	39%	7%
% of sales	9.9%	12.0%	210 bps	0 bps	10.1%	190 bps	10.0%	11.1%	110 bps	-240 bps
Total Expenditure	42,880	52,545	22.5%	21%	46,519	13.0%	79,219	99,064	25%	19%
EBITDA	**3,565**	**4,609**	**29.3%**	**15%**	**4,523**	**1.9%**	**7,331**	**9,132**	**25%**	**15%**
EBITDA Margin	**7.7%**	**8.1%**	**40 bps**	**0 bps**	**8.9%**	**-80 bps**	**8.5%**	**8.4%**	**0 bps**	**-60 bps**
Depreciation	321	399	24.4%	19%	382	4.4%	632	781	24%	19%
EBIT	3,245	4,210	29.8%	14%	4,140	1.7%	6,699	8,351	25%	14%
Other Income	328	274	-16.3%	21%	248	10.6%	481	522	9%	27%
Finance Costs	1,006	1,079	7.3%	2%	863	25.0%	1,909	1,942	2%	6%
XO (Income)/Expenses	0	0			0		0	0		
Profit Before Tax	2,567	3,406	32.7%	20%	3,525	-3.4%	5,271	6,931	31%	18%
Tax Expense	629	888	41.3%	19%	896	-0.9%	1,307	1,784	37%	18%
Tax Rate	24.5%	26.1%			25.4%		24.8%	25.7%		0.0%
Reported Net Profit	**1,939**	**2,517**	**29.8%**	**20%**	**2,629**	**-4.3%**	**3,964**	**5,146**	**30%**	**18%**
Reported EPS	**48.3**	**62.7**	**29.8%**	**17%**	**65.4**	**-4.3%**	**98.7**	**128.1**	**30%**	**15%**
Adjusted Net Profit	**1,939**	**2,517**	**29.8%**	**20%**	**2,629**	**-4.3%**	**3,964**	**5,146**	**30%**	**18%**
Adjusted EPS	**48.3**	**62.7**	**29.8%**	**17%**	**65.4**	**-4.3%**	**98.7**	**128.1**	**30%**	**15%**

Source: Company, Nuvama Research

Exhibit 3: Segment results summary

INR mn	2Q25A	2Q26A	YoY	2yr CAGR	1Q26A	QoQ	1H25	1H26	YoY	2yr CAGR
Total Revenue	**48,976**	**60,108**	**22.7%**	**22%**	**55,053**	**9.2%**	**91,749**	**115,161**	**26%**	**20%**
Conductors	22,990	31,002	34.8%	26%	27,847	11.3%	42,348	58,849	39%	26%
Transformers & Speciality Oil	13,390	13,422	0.2%	6%	12,621	6.4%	26,042	26,043	0%	4%
Cables	12,270	15,350	25.1%	32%	14,194	8.1%	22,688	29,544	30%	26%
Total EBIT (ex unallocable)	**3,937**	**4,852**	**23.2%**	**16%**	**4,674**	**3.8%**	**7,716**	**9,479**	**23%**	**16%**
Conductors	2,041	2,385	16.9%	7%	2,361	1.0%	3,934	4,746	21%	12%
Transformers & Speciality Oil	781	926	18.6%	24%	978	-5.3%	1,703	1,904	12%	20%
Cables	1,097	1,508	37.5%	29%	1,321	14.2%	2,079	2,829	36%	21%
				chng						chng
EBIT Margin	**8.0%**	**8.1%**	**0 bps**	**-80 bps**	**8.5%**	**-40 bps**	**8.4%**	**8.2%**	**-20 bps**	**-50 bps**
Conductors	8.9%	7.7%	-120 bps	-300 bps	8.5%	-80 bps	9.3%	8.1%	-120 bps	-210 bps
Transformers & Speciality Oil	5.8%	6.9%	110 bps	190 bps	7.7%	-80 bps	6.5%	7.3%	80 bps	180 bps
Cables	8.9%	9.8%	90 bps	-40 bps	9.3%	50 bps	9.2%	9.6%	40 bps	-80 bps

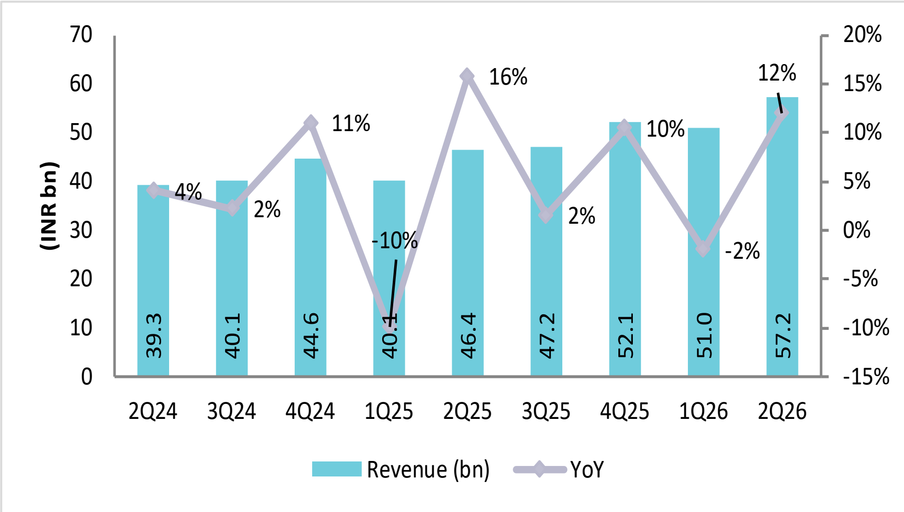
Source: : Company, Nuvama Research

Exhibit 4: Quarterly segmental financial performance

Y/E March		2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	1H25	1H26
Conductors Revenue	INR mn	19,433	19,855	23,280	19,358	22,990	24,491	28,983	27,847	31,002	42,348	58,849
YoY		35%	4%	10%	9%	18%	23%	24%	44%	35%		39%
Volumes	MT	54,074	50,695	56,299	48,619	54,145	60,352	59,593	57,132	62,916	1,02,764	1,20,048
YoY		79%	14%	14%	7%	0%	19%	6%	18%	16%		17%
Realisation	INR/MT	3,59,369	3,91,648	4,13,514	3,98,147	4,24,601	4,05,808	4,86,352	4,87,419	4,92,747	8,22,747	9,80,165
YoY		-25%	-9%	-4%	2%	18%	4%	18%	22%	16%		19%
EBITDA post forex	INR	2,110	2,110	2,730	1,870	2,040	1,790	2,470	2,500	2,480	3,910	4,980
% margin		10.9%	10.6%	11.7%	9.7%	8.9%	7.3%	8.5%	9.0%	8.0%	9.2%	8.5%
EBITDA per MT	INR	39,021	41,621	48,491	38,462	37,677	29,659	41,448	43,758	39,417	38,048	41,483
PBIT (Reported)	INR mn	2,070	2,092	2,709	1,894	2,041	1,819	2,409	2,361	2,385	3,934	4,746
% margin		10.7%	10.5%	11.6%	9.8%	8.9%	7.4%	8.3%	8.5%	7.7%	9.3%	8.1%
EBIT per MT	INR	38,283	41,264	48,109	38,946	37,688	30,135	40,431	41,329	37,899	38,283	39,532
Transformers & Oil Revenue	INR mn	11,949	12,396	12,103	12,652	13,390	12,318	12,501	12,621	13,422	26,042	26,043
YoY		2%	0%	3%	6%	12%	-1%	3%	0%	0%		0%
Volumes	KL	1,33,788	1,36,329	1,37,090	1,38,357	1,48,524	1,42,921	1,49,840	1,49,497	1,60,703	2,86,881	3,10,200
YoY		18%	8%	5%	6%	11%	5%	9%	8%	8%		8%
Realisations	INR/KL	89,313	90,926	88,286	91,447	90,154	86,185	83,431	84,420	83,522	1,81,601	1,67,942
YoY		-14%	-7%	-2%	0%	1%	-5%	-5%	-8%	-7%		-8%
EBITDA post forex	INR	610	1,110	580	960	810	910	880	1,050	940	1,770	1,990
% margin		5.1%	9.0%	4.8%	7.6%	6.0%	7.4%	7.0%	8.3%	7.0%	6.8%	7.6%
EBITDA per KL	INR	4,559	8,142	4,231	6,939	5,454	6,367	5,873	7,024	5,849	6,170	6,415
PBIT (Reported)	INR mn	598	1,081	513	922	781	902	863	978	926	1,703	1,904
% margin		5.0%	8.7%	4.2%	7.3%	5.8%	7.3%	6.9%	7.7%	6.9%	5.7%	6.4%
PBIT per KL	INR	4,470	7,926	3,740	6,666	5,258	6,308	5,756	6,541	5,764	5,937	6,138
Cables Revenue	INR mn	8,827	9,240	10,858	10,418	12,270	12,661	14,103	14,194	15,350	22,688	29,544
YoY		16%	0.3%	15%	8%	39%	37%	30%	36%	25%		30%
PBIT (Reported)	INR mn	906	983	1,142	982	1,097	1,156	1,360	1,321	1,508	2,079	2,829
EBITDA post forex	INR mn	980	1070	1230	1070	1190	1220	1500	1420	1570	2,260	2,990
% margin		11.1%	11.6%	11.3%	10.3%	9.7%	9.6%	10.6%	10.0%	10.2%	10.0%	10.1%
Total Revenue	INR mn	39,255	40,132	44,551	40,105	46,445	47,164	52,098	51,042	57,154	86,550	1,08,196
YoY		21%	2%	9%	6%	18%	18%	17%	27%	23%		25%
Total EBITDA post forex	INR mn	3,700	4,290	4,540	3,900	4,040	3,920	4,850	4,970	4,990	7,940	9,960
YoY		54%	22%	0%	7%	9%	-9%	7%	27%	24%		25%
% margin		9.4%	10.7%	10.2%	9.7%	8.7%	8.3%	9.3%	9.7%	8.7%	9.2%	9.2%
Total EBIT	INR mn	3,608	4,186	4,388	3,828	3,937	3,895	4,677	4,674	4,852	7,765	9,526
YoY		0%	0%	0%	10%	9%	-7%	7%	22%	23%		23%
% margin		9.2%	10.4%	9.8%	9.5%	8.5%	8.3%	9.0%	9.2%	8.5%	9.0%	8.8%

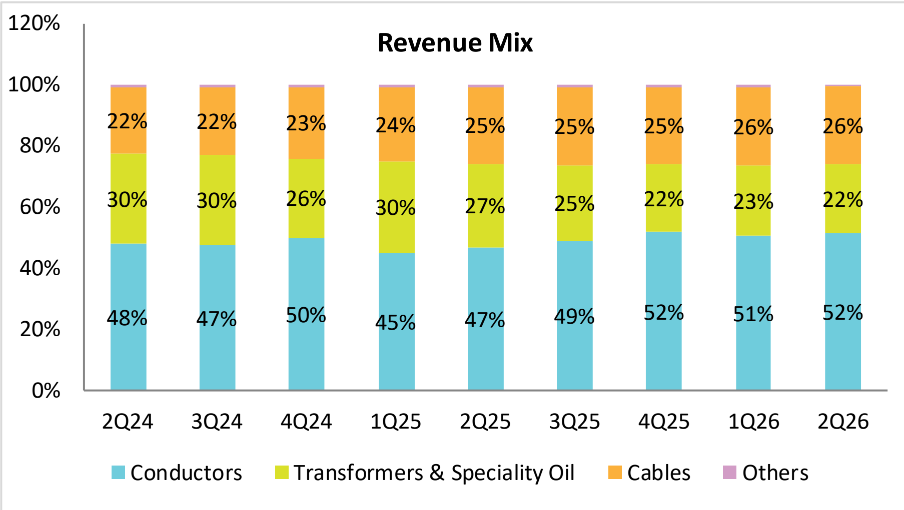
Source: Company, Nuvama Research

Exhibit 5: Quarterly revenue trend



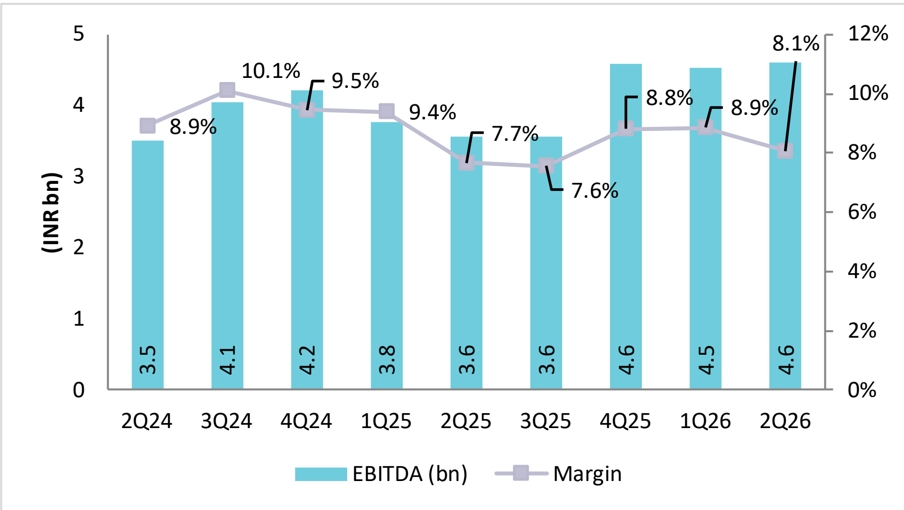
Source: Company, Nuvama Research

Exhibit 6: Quarterly revenue mix



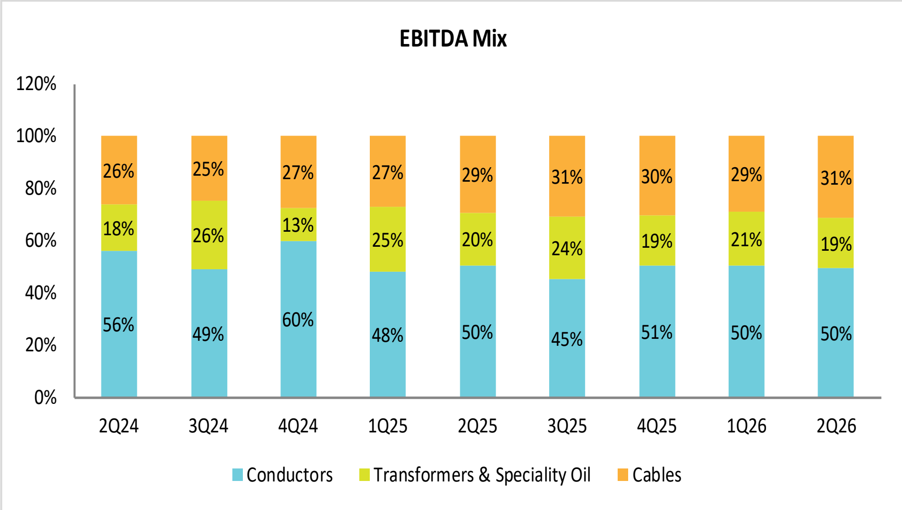
Source: Company, Nuvama Research

Exhibit 7: Quarterly EBITDA trend



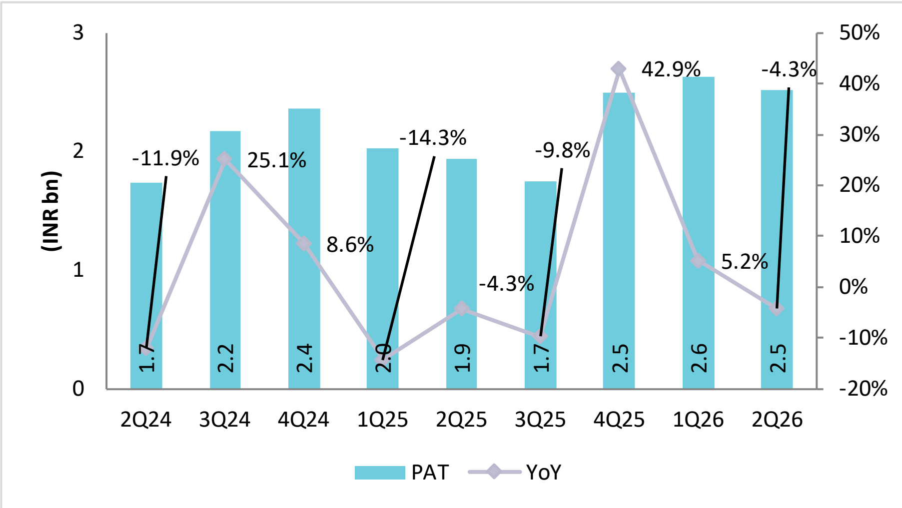
Source: Company, Nuvama Research

Exhibit 8: Quarterly EBITDA mix



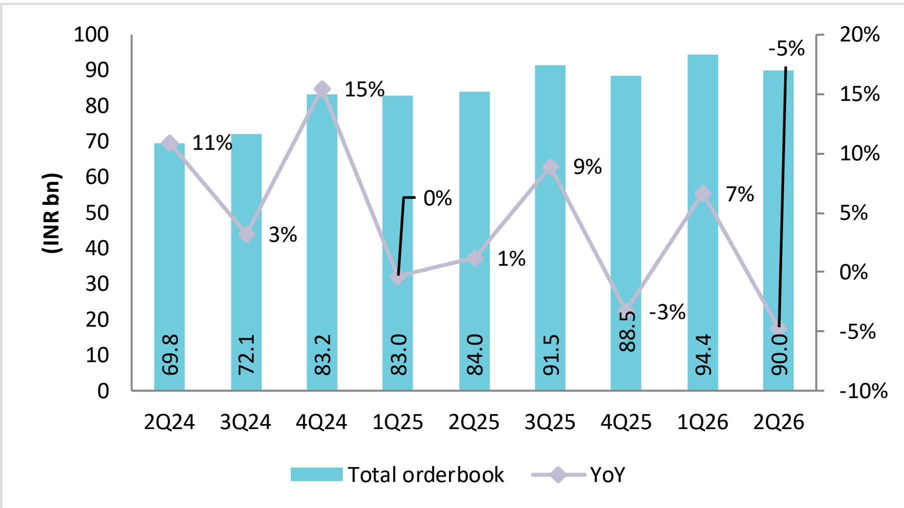
Source: Company, Nuvama Research

Exhibit 9: Quarterly PAT trend



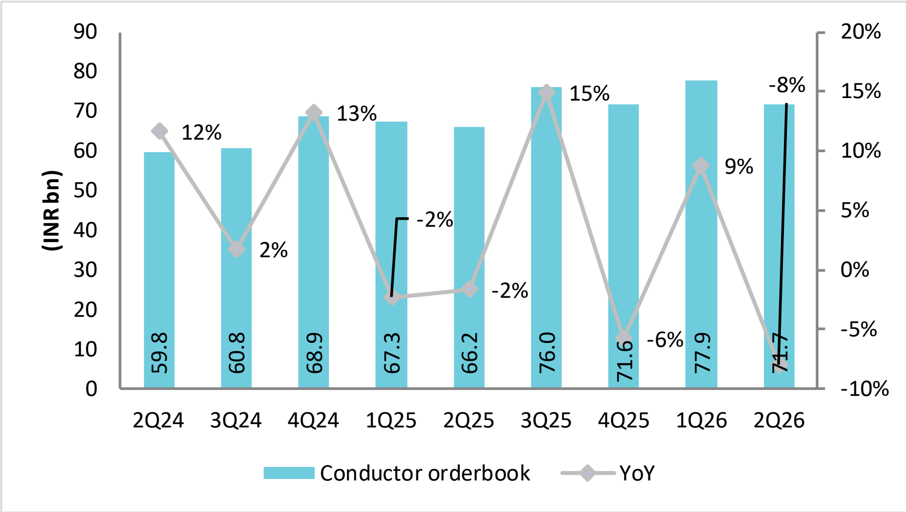
Source: Company, Nuvama Research

Exhibit 10: Quarterly order book



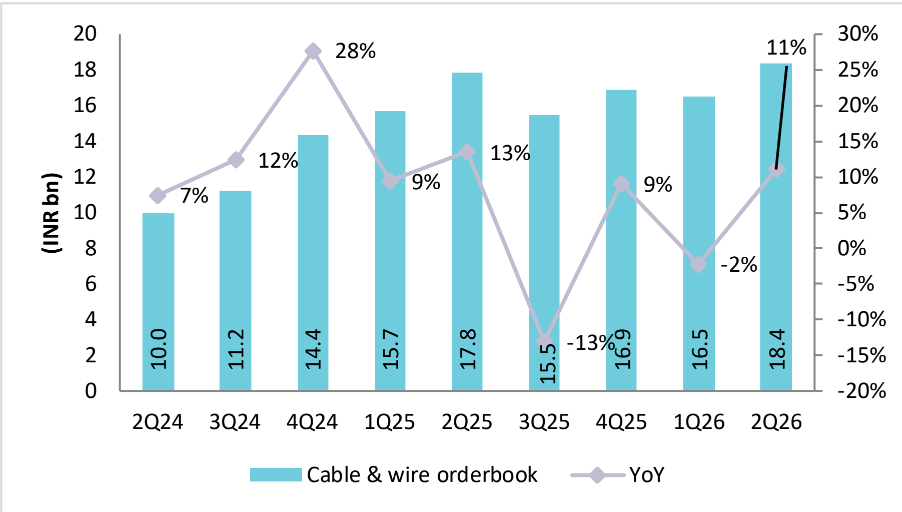
Source: Company, Nuvama Research

Exhibit 11: Quarterly conductor order book value



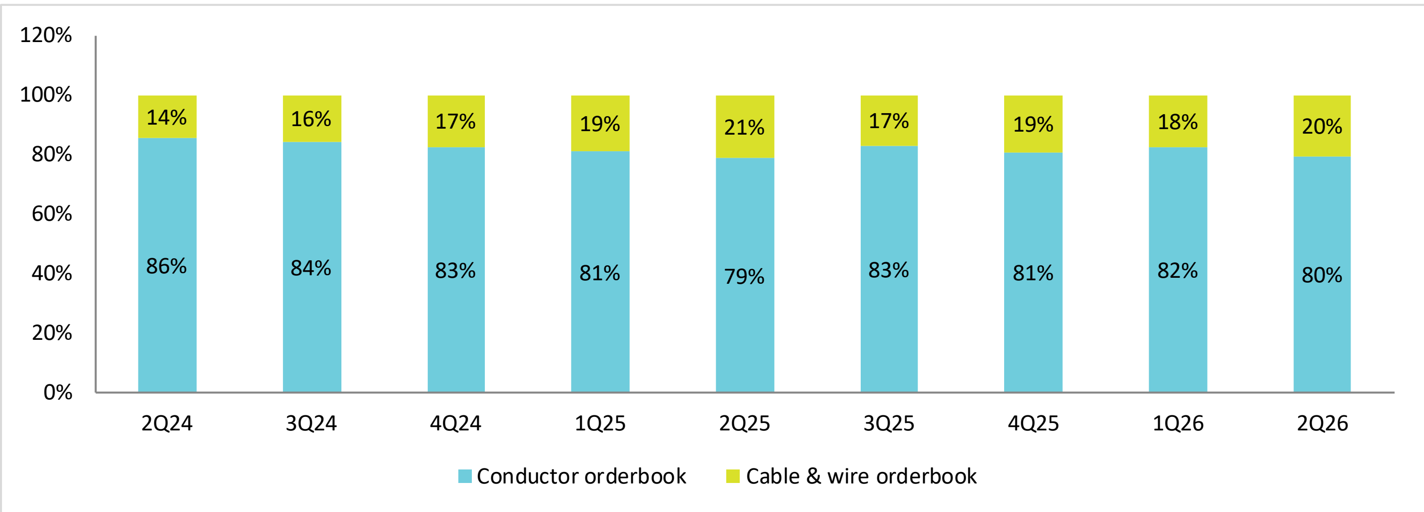
Source: Company, Nuvama Research

Exhibit 12: Quarterly cable & wire order book value



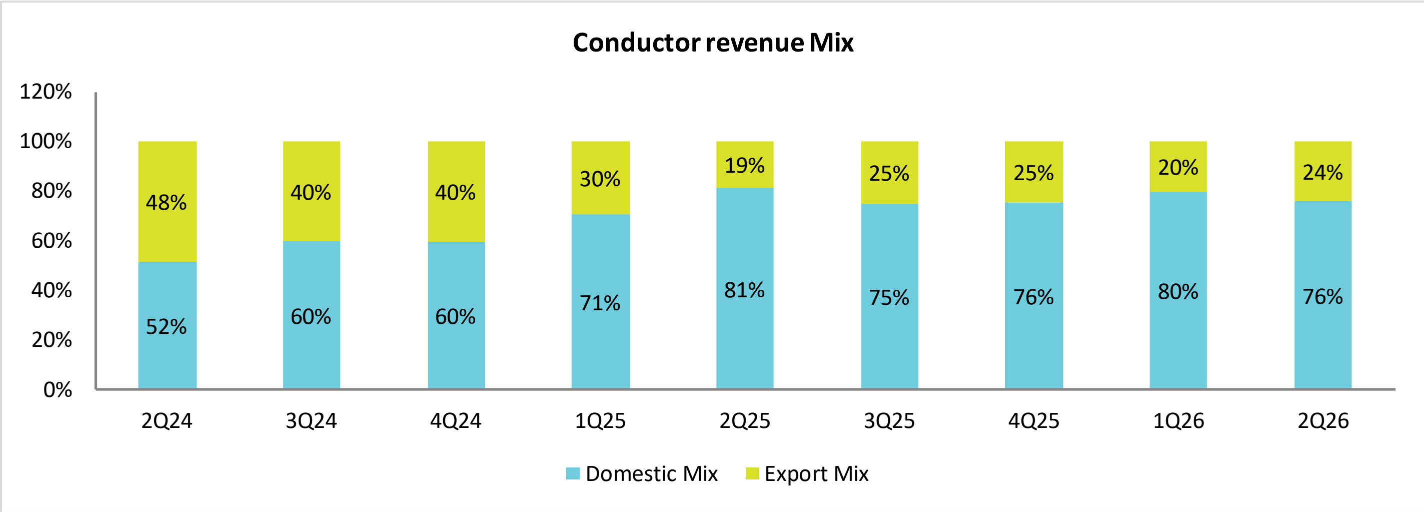
Source: Company, Nuvama Research

Exhibit 13: Order book mix (value)



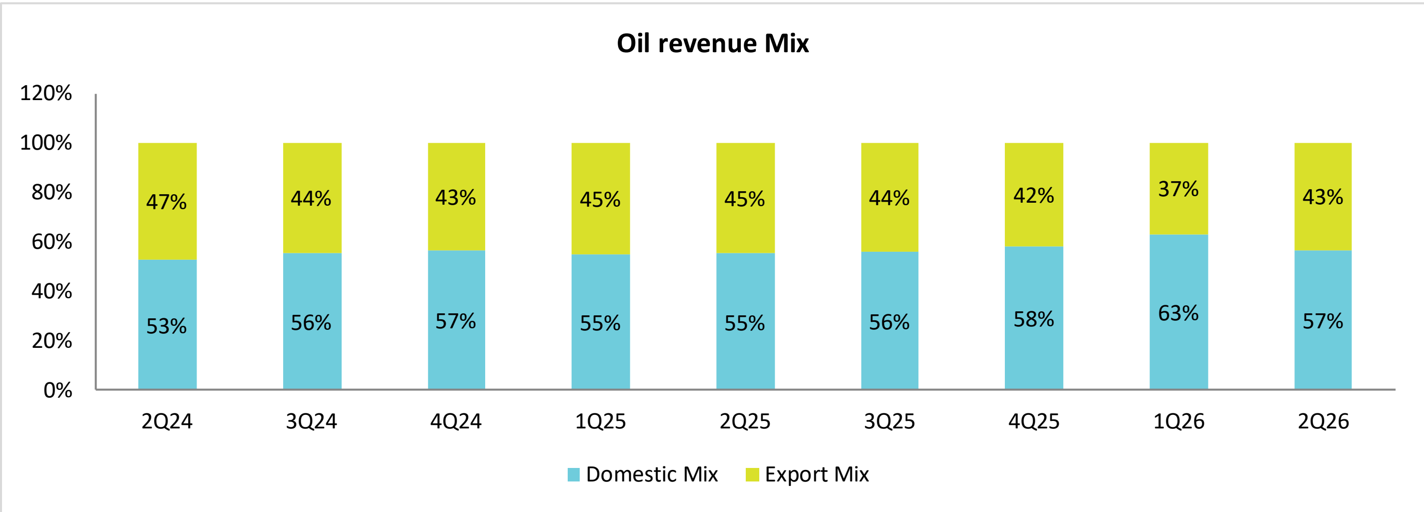
Source: Company, Nuvama Research

Exhibit 14: Conductor – Domestic and export revenue mix



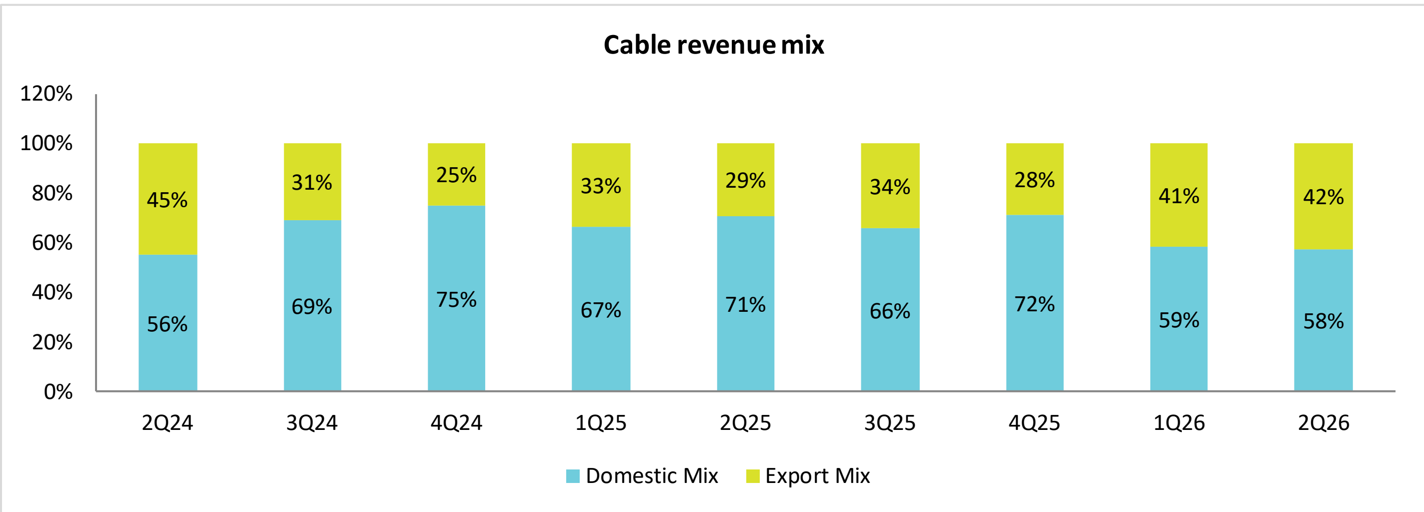
Source: Company, Nuvama Research

Exhibit 15: Oil – Domestic and export revenue mix



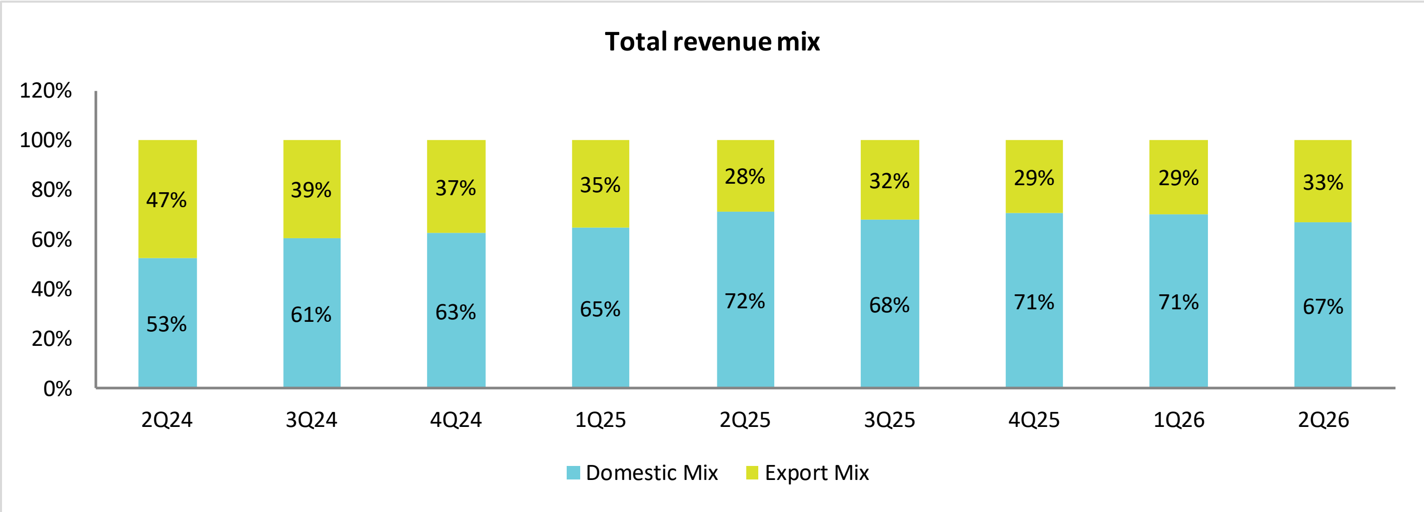
Source: Company, Nuvama Research

Exhibit 16: Cable – Domestic and export revenue mix



Source: Company, Nuvama Research

Exhibit 17: Domestic and export mix



Source: Company, Nuvama Research

Exhibit 18: Yearly segmental financial performance

												CAGR	
Particulars	**UoM**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY19-25**	**FY25-28**
Conductors Revenue	**INR mn**	**39,150**	**36,005**	**29,080**	**42,000**	**70,130**	**80,310**	**95,820**	**1,15,789**	**1,29,684**	**1,45,246**	**16%**	**15%**
YoY		53%	-8%	-19%	44%	67%	15%	19%	21%	12%	12%		
Volumes (MT)	MT	1,82,977	1,58,104	1,28,460	1,07,357	1,60,131	2,06,633	2,22,709	2,36,072	2,64,400	2,96,128	3%	10%
YoY		10%	-14%	-19%	-16%	49%	29%	8%	6%	12%	12%		
Realisation	INR/MT	2,13,961	2,27,727	2,26,376	3,91,218	4,37,954	3,88,659	4,30,248	4,90,483	4,90,483	4,90,483	12%	4%
YoY		39%	6%	-1%	73%	12%	-11%	11%	14%	0%	0%		
EBIT	INR mn	1,507	1,576	680	1,628	6,825	8,575	8,162	8,263	9,254	10,364	33%	8%
% margin		3.8%	4.4%	2.3%	3.9%	9.7%	10.7%	8.5%	7.1%	7.1%	7.1%		
EBIT per Ton		8,235	9,966	5,293	15,160	42,621	41,500	36,650	35,000	35,000	35,000	28%	-2%
YoY		5%	21%	-47%	186%	181%	-3%	-12%	-5%	0%	0%		
Transformers & Oil Revenue	INR mn	26,300	23,110	23,640	35,600	46,408	48,369	50,864	47,853	54,265	61,537	12%	7%
YoY		22%	-12%	2%	51%	30%	4%	5%	-6%	13%	13%		
Volumes	KL	4,29,989	4,03,626	3,99,214	4,61,589	4,86,582	5,37,862	5,79,642	5,68,049	6,13,493	6,62,573	5%	5%
YoY		11%	-6%	-1%	16%	5%	11%	8%	-2%	8%	8%		
Realisations	INR/KL	61,164	57,256	59,216	77,125	95,376	89,929	87,751	84,241	88,453	92,875	6%	2%
YoY		10%	-6%	3%	30%	24%	-6%	-2%	-4%	5%	5%		
EBIT	INR mn	1,186	1,206	2,663	2,684	2,251	2,918	3,467	3,238	3,558	3,843	20%	3%
% margin		4.5%	5.2%	11.3%	7.5%	4.8%	6.0%	6.8%	6.8%	6.6%	6.2%		
EBIT per L		2,758	2,987	6,671	5,814	4,626	5,425	5,982	5,700	5,800	5,800	14%	-1%
YoY		-35%	8%	123%	-13%	-20%	17%	10%	-5%	2%	0%		
Cables Revenue	INR mn	16,840	16,010	12,700	19,930	32,635	38,589	49,447	56,864	71,080	85,296	20%	20%
YoY		51%	-5%	-21%	57%	64%	18%	28%	15%	25%	20%		
EBIT	INR mn	1,730	1,546	328	798	3,168	4,051	4,595	5,402	6,753	8,103	18%	21%
% margin		10.3%	9.7%	2.6%	4.0%	9.7%	10.5%	9.3%	9.5%	9.5%	9.5%		
Total Revenue	INR mn	79,639	74,255	63,880	93,166	1,43,363	1,61,530	1,85,812	2,09,877	2,46,502	2,82,237	15%	15%
YoY		37%	-7%	-14%	46%	54%	13%	15%	13%	17%	14%		
Total EBIT	INR mn	4,445	4,344	3,706	5,146	12,312	15,664	16,337	16,982	19,645	22,391	24%	11%
YoY		14%	-2%	-15%	39%	139%	27%	4%	4%	16%	14%		

Source: Company, Nuvama Research

Company Description

APAR Industries came into being in 1958 in India. Over 60 years later, it has grown into a diversified USD2bn-plus trusted manufacturer and supplier of conductors, a wide variety of cables, speciality oils, polymers and lubricants with a presence in 140-plus countries. APAR is a diversified manufacturer primarily serving customers in the global energy infrastructure sector. It is India's largest player in terms of sales of conductors, one of the leading exporters of conductors and cables, and one of the three key players in the domestic RE cables segment. The company is India's largest private manufacturer of specialty oils by capacity in FY23.

APAR operates in three key business segments: i) conductors; ii) transformer and specialty oils; and iii) power/telecom cables. It owns and operates eight manufacturing facilities in India and one manufacturing facility in Sharjah (UAE), which is strategically located in terms of receiving materials from suppliers as well as delivering products to customers. Over the years, APAR has built up robust product research & development capabilities, which have been a cornerstone of its stellar performance. The company works closely with its customers to develop customised products and provide bespoke solutions for end applications. The company has a track record of introducing premium and innovative products that fulfil customer-specific needs.

Investment Theme

NEP outlines INR9.2tn of T&D capex over 2022–32 with an emphasis on HV/UHV space (>220kv) led by energy transition (~210GW installed currently to ~600GW by 2032) and 5–7% power demand CAGR (urbanisation, EV ecosystem, green hydrogen, data centres, grid modernisation, etc). Exports potential emanates from: i) US's infra capex plans of USD1.2tn for revamping its aging T&D infra; and ii) Europe's plans to spend EUR584bn on grid expansion/stability by 2032. All of the above add to APAR's serviceable market, which we reckon is INR3.2–5.1tn for conductors and INR10–12tn for domestic C&W over 2022–32.

We expect conductors' profitability to sustain or pick-up on the back of a rising mix of HEC conductors (over three–four years) spurred by larger investments in 400–765kv transmission lines (envisaged under NEP). For C&W, we see huge growth opportunities led by demand for optical fibres, electronic beams, elastomeric cables, HT/LT power cables and other specialised cables. We believe APAR can rake in elevated profitability riding the shift to high efficiency/premium conductors in India's T&D cycle while a higher exports mix adds to growth. APAR has ~50% share in HTLS conductors (ACCC) used for re-conductoring.

Key Risks

- Global shocks and slowdown in government investments
- Competitive intensity
- Adverse working capital management
- Slowdown in power T&D order awards/execution
- Subdued power demand growth
- Volatility in key RM, crude prices and exchange rate

Additional Data

Management

Chairman	Kushal Desai
MD & CEO	Kushal Desai
Co-MD	Chaitanya N Desai
CFO	Ramesh Iyer

Holdings – Top 10*

	% Holding		% Holding
Axis AMC	4.45	Norges bank	2.13
HDFC AMC	2.94	Vanguard	1.70
Nippon Life Ind	2.64	ICICI Prudentia	1.69
Kotak Mahindra	2.57	IDFC Mutual	1.11
Motilal Oswal	2.16	Blackrock Inc	0.86

**Latest public data*

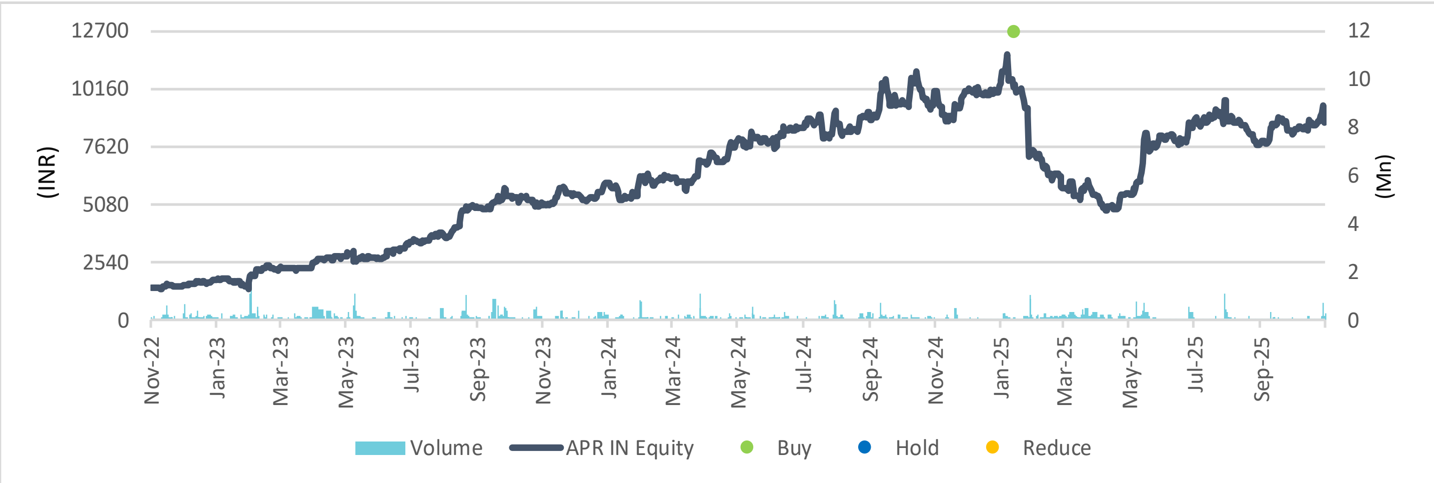
Recent Company Research

Date	Title	Price	Reco
29-Jul-25	Solid result; earnings recovery in sight; *Result Update*	9,682	Buy
14-May-25	Positioning itself for future growth ; *Result Update*	6,928	Buy
28-Jan-25	Growth alone unable to show profitabilit; *Result Update*	10,303	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
31-Oct-25	Kalpataru Projects	Strong execution underpins PAT beat; *Result Update*
30-Oct-25	Larsen & Toubro	Stellar OI to drive growth beyond FY27; *Result Update*
29-Oct-25	CG POWER AND IND	Power sales offset sluggish Industrials; *Result Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

DISCLAIMER

Nuvama Wealth Management Limited (defined as "NWML" or "Research Entity") a company duly incorporated under the Companies Act, 1956 (CIN No L67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities. Name of Compliance officer: Mr. Abhijit Talekar, E-mail address: researchcompliance@nuvama.com Contact details +91 9004510449 Investor Grievance e-mail address- grievance.nwm@nuvama.com

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No.INH000011316 and Enlistment no. 5723 with BSE and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance .The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients other than intended recipients as customers by virtue of their receiving this report.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (b) be engaged in any other transaction involving such Securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML

NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or NWML's associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company in the last 12 month period ending on the last day of the month immediately preceding the date of publication of the Report.: No

NWML has financial interest in the subject companies: No

NWML's Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report.

Research analyst or his/her relative may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report

NWML has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years.
A graph of daily closing prices of the securities is also available at www.nseindia.com

Artificial Intelligence ("AI") tools may have been used (i) during the information gathering stage for compiling or collating the data from-(a) publicly available data sources; (b) databases to which NWML subscribes; and (c) internally generated research data, and/or (ii) for compiling summaries of the report.

Analyst Certification:
The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Additional Disclaimers

Disclaimer for U.S. Persons
This research report is a product of NWML, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by NWML only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc. (formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

Disclaimer for U.K. Persons
The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the “Order”); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”).

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Disclaimer for Canadian Persons
This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

Disclaimer for Singapore Persons
In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

Disclaimer for Hong Kong persons
This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance “SFO”. This report is intended for distribution only to “Professional Investors” as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors.” Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING. REGISTRATION GRANTED BY SEBI, MEMBERSHIP OF RAASB AND CERTIFICATION FROM NISM IN NO WAY GUARANTEE PERFORMANCE OF NWML OR PROVIDE ANY ASSURANCE OF RETURNS TO INVESTORS AND CLIENTS.

Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
DN: c=IN, o=Personal, pseudonym=MH0z6uWRNZkczK6PleN50FvOvOyHy7Ay, 2.5.4.20=e648fc28137c6fa4c0e6296c524ee518d54fd4f7ba4be4d07cb750c531c68e2c, postalCode=400098, st=Maharashtra, serialNumber=7370c9de10fb28bbf7cbc6f71afe3cfe848fa7245a8d681629dc3093fb2a8ea9, cn=ABNEESH KUMAR ROY
Date: 2025.11.01 13:18:03 +05'30'
Adobe Acrobat version: 2024.005.20320