

November 04, 2025

To

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

NSE Symbol: APOLLOPIPE

SCRIP Code: 531761

Dear Sir/Madam,

Sub: Transcript of the Conference Call

With reference to our intimation dated October 22, 2025 regarding the Conference Call, which was held on Thursday, October 30, 2025 and pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the aforesaid conference call.

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

Kindly take the above information on records.

Thanking you,

Yours faithfully,

For Apollo Pipes Limited

Gourab Kumar Nayak
Company Secretary & Compliance Officer

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“Apollo Pipes Limited
Q2 FY '26 Earnings Conference Call”
October 30, 2025



MANAGEMENT: **MR. SAMEER GUPTA – CHAIRMAN AND MANAGING DIRECTOR – APOLLO PIPES LIMITED**
MR. ARUN AGARWAL – JOINT MANAGING DIRECTOR – APOLLO PIPES LIMITED
MR. AJAY KUMAR JAIN – CHIEF FINANCIAL OFFICER – APOLLO PIPES LIMITED
MR. ANUBHAV GUPTA – GROUP CHIEF STRATEGY OFFICER – APOLLO PIPES LIMITED

MODERATOR: **MR. KARAN BHATELIA – ASIAN MARKET SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Apollo Pipes Limited Q2 FY '26 Earnings Conference Call hosted by Asian Market Securities Private Limited. 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 touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Bhatelia from Asian Market Securities. Thank you, and over to you, sir.

Karan Bhatelia:: Hi, everyone. A very good morning. On behalf of Asian Market Securities, we thank you for joining us on the Apollo Pipes' 2Q and First Half Conference Call. In the panel today we have Mr. Sameer Gupta, Chairman Managing Director; Arun Agarwal, Joint Managing Director; CFO, Mr. Ajay Kumar Jain; and Anubhav Gupta, Group Strategy Officer. May I now invite Sameerji to begin the process. Thank you, and over to you, sir.

Sameer Gupta: Thank you. Good morning, everyone. This is Sameer Gupta, CMD of Apollo Pipes. I have joined today with Mr. Arun Agarwal, JMD; Mr. A.K. Jain, CFO; and Mr. Anubhav Gupta, Group CSO. I would like to extend a warm welcome to all of you to our Q2 FY '26 earnings call. We are almost 7 months into FY '26 and the challenges pertaining to PVC pipe industry persist.

The sector has been facing significant headwinds due to weak end user demand and heightened volatility in raw material prices. Demand was impacted primarily due to a slowdown in both the private real estate sector and government infrastructure spending. On top of this, the frequent and sharp fluctuation in PVC resin prices triggered cautious behavior and continuous destocking by our channel partners.

We saw marginal growth in the industry in Q2 on year-on-year basis due to very low base in Q2 FY '25. As a result, Apollo Pipes experienced a growth of 8% in consolidated sales volume and our margins were under pressure due to lower capacity utilization and heightened competition across the sector. Despite this, we remain focused on our long-term growth journey and are actively executing our 4-pronged strategy to navigate the current environment.

1. Product portfolio expansion - Recently we expanded our product range with the addition of PLB ducts, DWC pipes, PE gas pipes and PVC-O pipes in the piping segment. In addition, we have forayed into UPVC doors and windows category, further strengthening our presence in the building materials space.

These strategic additions align up with our vision to diversify into adjacent high-growth segments and cater to the evolving needs of the infrastructure, real estate and utility sector. Each of these products is engineered to offer enhanced performance and durability, replacing conventional materials and opening up new market opportunities for Apollo Pipes.

2. Improving product mix - We are increasing our focus on CPVC pipes, which currently contributes 15% of our volume. We have tied up with Lubrizol, which is leading raw material supplier to create a joint pitch and strengthen our presence in this high-margin category.

3. West India plant ramp-up - With over 1 year of integration, our West India facility acquired last year is now seeing a steady ramp-up in production. This plant is playing a key role in catering to the demand in Western India.

4. Eastern India expansion - Our new plant in Varanasi is on track and is expected to commence operations in the coming months. This will significantly strengthen our presence in the Eastern India market. On the capital expenditure front, we continue to invest in building long-term capacity.

We incurred a capex of INR92 crores in H1 following the spend of INR166 crores in FY '25. We remain committed to expanding our total installed capacity to 2,86,000 tons over the next 2 years without any debt to our book. Our working capital cycle is slightly elevated in H1 due to high inventory levels. However, it self settle back with higher sales in H2.

Looking ahead, we expect a more favorable demand environment starting from November onwards as construction activities are likely to resume post monsoon. Additionally, increased government spendings on infrastructure projects should boost liquidity and improve cash flows across the ecosystem.

That concludes our opening remarks. Now we are glad to take questions. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and 1 on their touchtone phone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the questions are being assembled. Our first question comes from the line of Sneha Talreja from Nuvama. Please go ahead.

Sneha Talreja:

Hi, good morning. Just coming to your numbers here, what would be the revised guidance now given that you were guiding for low to mid-double-digit volume growth and EBITDA per ton of around INR11,000 for Apollo and Kisan around INR7,000. We have not been seeing good performance for the first 2 quarters, so you have H1 numbers. And given demand environment remains weak, what would you like to guide for the entire year?

Anubhav Gupta:

Yes. Hi, morning. Anubhav here. So definitely the performance of the industry and performance of Apollo both have been below expectations as we are into 7 months of FY '26. And our guidance also stands revised down which we were earlier hoping that we should be doing around 20% plus volume growth.

So what we are still confident is that the last 5 months of the fiscal year should be better than the first 7 months, given that whatever impacted the sales for the construction material industry, like heavy monsoon, low construction activity and low spending from the government,

specifically on the water infrastructure projects. So that should reverse in next 5 months. And we could make up to whatever we lost, right, in the first 7 months.

So hopefully, we should be touching about our earlier guidance which we gave, right? But yes, for that to achieve, we still need support from the macro industry, which should come, right? So maybe in next 2, 3 months, we will be able to better guide how things are looking for like Q4 FY '26 and how close we are able to reach our earlier target.

Sneha Talreja: So Anubhav, at this point of time, you're saying you would like to maintain the guidance, hoping that the next 5 months should turn out to be better?

Anubhav Gupta: So definitely, yes, Sneha, because as we all know that things were very, very soft in the first 7 months and a lot of hopes are from the macro turnaround and specifically to housing plumbing and water infrastructure. So even 70%, 80% of what was expected from the macro, we are able to get, you will see a very strong turnaround in our performance in the second half.

Sneha Talreja: Sure. Now coming to the demand front, any improvements seen? I know it's too early. We're just we are still in the middle of some monsoon and we are still seeing festivities getting over. But any improvement in demand? And moreover, anything on the antidumping duty that you would want to say because we are nearing the deadline here? And does your guidance also take into account that the dumping duty will be imposed and there would be some amount of restocking?

Anubhav Gupta: So, definitely, Sneha, as you would also be checking with channel partners in the industry that everyone is sitting on very, very light inventory levels because the raw material prices have been very, very volatile. And I think one direction which is required for raw material prices to stabilize or to go even higher is the imposition of ADD, antidumping duty, which it should come.

That's what all the experts are saying. So we are going by their words that it should come in month of November. And yes, it will lead to massive restocking, right, because the channel has been sitting light for a long time now. And if there is stability in the steel prices and clear direction, then restocking should help us to achieve our targets.

Sneha Talreja: And just two numbers, if at all you could help us with. One is CPVC, what would have been your 6-month growth rate number or in fact, even Q2 would be helpful. And second, you said that you've not gone into too many other new segments like OPVC, DWC. At this point of time, all these newer segments, which are largely related to infra, how much would they account for as a percentage of our volumes?

Anubhav Gupta: So CPVC is high double digit and Y-o-Y growth. And the other new segments, they are still like under 5% as the contribution. But the ramp-up should come pretty soon, right, as the market is accepting these products.

We are getting approvals in OPVC in multiple states. Window profile, we launched that product last quarter, and we have a good pipeline. So by March, April, I mean, as we enter in FY '27, we

will have a pretty solid platform to demonstrate that these products are contributing in a much higher manner versus what they're doing today.

Sneha Talreja:

Understood. Thanks a lot.

Moderator:

Our next question comes from the line of Keshav Lahoti from HDFC Securities.

Keshav Lahoti:

Thank you for the opportunity. So one thing I want to understand as we talk about ADD coming up. So once the ADD will come up, how much the resin prices can rise, and when ADD when there is a high probability it will come in November, why still channel is sitting on low inventory. It means that the channel is not confident ADD will be levied. How should we read it?

Sameer Gupta:

Yes, Keshav, this is Sameer Gupta. Yes. Regarding the ADD, actually this is actually very much prolonged for the last 3, 4 months. We are expecting this to come in the month of August and in September, then in October, still it has not come. So channel doesn't have that, you can say, confidence on what date it is coming.

So they don't want to incur any loss because every time the Reliance or local producers, other local producers increase the rates and they stock, they increase their stock. And again, it is backed out because of the delay from the government side and the resin prices again goes down. So this is actually impacting the loss on the channel partners.

So they don't have right now any confidence and when exactly it will come. Once it will come, then definitely they will go for increasing their stocks, which will definitely increase our sales number. But right now, till the date it doesn't come, then the channel will not have any confidence on what exactly is going to happen with ADD.

Keshav Lahoti:

Understood. Got it. Fair to assume this quarter there is no inventory gain and loss?

Anubhav Gupta:

There is some loss, which is very marginal because PVC prices were volatile and it led to write-offs.

Sameer Gupta:

Again, to your previous question, after ADD, we expect an increase of 7% to 8% in the PVC resin prices from the current Reliance prices that we expect, but we don't know what exactly the ADD will be. And, yes, it totally depends upon those numbers when it will come, then we can actually calculate what exactly the number will be.

Keshav Lahoti:

Got it. Possible to quantify should be sub 50 bps, fair to assume sub 50bps, 20 bps?

Sameer Gupta:

I have said that 7% to 8% in the normal circumstance, that is what we have guided right now.

Keshav Lahoti:

No. Sorry, I'm talking about inventory, fair to assume 20, 30 bps marginally of sales?

Anubhav Gupta:

So can you repeat the question?

Keshav Lahoti:

So what I'm trying to understand, as you said it's a marginal inventory loss. I understand should be sub-50 bps, still the margin looks subpar. So what is possible to quantify inventory loss and

why still the margin possibly still we are not on a track to hit the double digit? Is it higher competition intensity or discount prevailing in the market? What is keeping the margin so far?

Anubhav Gupta :

So see, I mean, this quarter, Kisan was a drag on the EBITDA spreads because Kisan volume run rate, if you see what we were achieving for last 2 quarters, it was sequentially down. And Kisan was operating at 4%, 5% EBITDA margin, but there is, like it kind of broke even, okay? So that was a drag. If you look at Apollo stand-alone, we are still doing better.

And of course, in an industry scenario when the demand is less and all the players they are becoming very aggressive in the pricing, so you can see that all the companies would have reported results by now or even private unlisted companies, the EBITDA spreads for each company is under pressure because industry is going through less demand and kind of price war situation. So yes, it is impacting everybody, and we are not immune to that.

Things should improve as the overall demand recovers, which it should pretty soon. And at the same time, the competition in the unorganized sector and weaker organized players is also going away slowly, gradually. So a lot of cleanup has taken place. So we believe that once the demand is back, the organized larger players will be able to improve their pricing and EBITDA spreads will recover.

And also will -- and Apollo Pipes on a stand-alone basis and even Kisan for that matter. So on a consolidated basis, we will have a lot of operating leverage gains, which is visible, right? Like if you see when do 26,000, 27,000 tons of quarterly volume, operating leverage benefits come in and spreads improve. But in Q2, we were at like 21,000 ton volume, right? So it results in negative operating leverage.

So we are hopeful, we are confident that next 2 quarters should be 26,000 ton kind of sales volume figures. And that's why we are still maintaining the original guidance of sales volume growth. If we are able to do that, which we should, then you will see the improvement in our spreads in second half.

Keshav Lahoti:

Got it. So what is the guidance at stand-alone and Kisan level for volume and on margin side, both? Maybe consol or Kisan you can give separately?

Anubhav Gupta:

Right. So we always give guidance on sales volume, right? Last year, we did 85,000 tons on consol basis, like above 20% volume growth guidance comes out to be 100,000 to 105,000 ton for the full year. We are confident that we should be achieving around 100,000 tons.

Keshav Lahoti:

Understood. Got it. Got it. And nothing on margin side, like how you see the margin curve, when it will be double digit, anything some additionally you can give some color.

Anubhav Gupta:

Definitely, in next 2 to 3 years, margins have to improve, right? So one is this operating leverage, which I explained. And second, all the new products which we have added, they're all like high-margin products. So whether it is OPVC pipe, but unfortunately, it is not firing as of now because of low spends from the government side on infrastructure.

So that's like super-high-margin product, then window profiles, which we added, again, it's like a high-margin product where we are going to leverage on our brand, APL Apollo, and it will help us command premium versus the existing players.

Third is CPVC where we have tied up with Lubrizol. I mean this is one reason if you look at our top 5 competitors, where our sales mix with CPVC was like 15% to 18%, and we are not able to match the EBITDA spreads what the other top 5 players achieve. So with Lubrizol, the idea is to take CPVC sales mix beyond 25% in next 2, 3 years. And once we achieve that, you will see improvement in our margin.

So directionally, we are confident that we would touch low double digit in next 2, 3 years. It's just that -- I mean all these steps what we are taking, right, they have to start operationalizing and they have to streamline, which it will. And yes, 100,000 ton volume this year and 125,000 ton volume in the following year with improving spreads, we are very much confident that whatever ROC, whatever absolute EBITDA we have guided for, we will achieve those numbers.

Keshav Lahoti: Understood. Got it. And this Lubrizol tie-up for resin manufacturing for in-house or for supplying to market also?

Sameer Gupta: No, this tie-up is for the supply of CPVC resin to Apollo brands.

Keshav Lahoti: Only Apollo brands, got it. And one last question from my side. October, how has been -- I get October demand has been weak, but whether we should see mid-single-digit growth or possibly it has been a decline?

Anubhav Gupta : So October month, I mean, of course, it is not the right metric to measure, okay, because all the holidays, festival holidays fell into October month. So almost 10 days were lost starting like the Sharan Navratri, Diwali and Chhath, which took place earlier this week. So what I can tell you is that for the full year, we should be touching about 100,000 tons. So yes, October was weak, but November, December looks solid.

Keshav Lahoti: Got it. Thank you.

Moderator: Next question comes from the line of Utkarsh Nopany from BOB Capital Markets.

Utkarsh Nopany: Good morning, Sir, my first question is regarding your pipe volume growth in the H1 of FY '26. So if we see our pipe capacity on a stand-alone basis has gone up, say, from 1,36,000 tons in H1 FY '24 to right now 1,68,500 tons. But still our pipe volume has gone down by roughly 6% over the past 2-year period.

So wanted to know why we are struggling to grow our volume because if we see all our major peers are still able to post positive volume growth, but we are not able to post positive volume growth despite a significant increase in our capacity over a 2-year period. So this is my first question, sir.

Anubhav Gupta: So here, you have to remove the HDPE sales for APL Apollo, which used to be like mid-double-digit contribution 1.5 years ago. And now it is like less than 5%, right? So in trade segment, we

have increased our sales volume. But when you look at the total pipe volume, you don't see that because HDPE volume like collapsed by 80%, 90%, right, which used to contribute 15% to our sales volume 1.5, 2 years ago. So that's why you see the decline in volume.

And whatever new capacity we have added, this is not in HDPE. This is in the category where we are improving our sales volume, right, whether it is UPVC pipes or CPCV, OPVC we added, right? So yes, I mean, like in next 2, 3 years, all this new capacity, you will see that ramping up and utilization levels will hit 70%, 75%.

Utkarsh Nopany:

Okay, sir. Sir, my next question is on the utilization level only. So if we see our current capacity is operating at a pretty low level at around 43% level, and we are facing challenges in ramping up our existing capacity. So then why we are planning to aggressively grow our capacity to 2,86,000 over the next 2 years, why we are not looking forward to first ramp up our existing capacity and then slowly increase our pipe capacity?

Anubhav Gupta:

You've got to understand our capex program, okay, which we kick started 2.5 years ago, right? Capacity, you just don't add overnight, okay? So in 2023 calendar year, okay, we sat on a drawing board, right, where we said, okay, from 125,000 tons, we have to go to 300,000 tons, right? We have to put a plant in West India. We have to put a plant in East India.

We have to expand capacities in South India, and then we have to add products like OPVC pipe, window profile, all these new products. So all in all, we said, okay, let's spend INR600 crores from 2024 to 2027, right? So that was the capex program, INR150 crores every year into 4 years is INR600 crores, right? We raised money, right?

Promoters put in INR260 crores and then we got Middle Eastern fund to invest another INR110 crores. And then we knew that company would be generating this much of cash flow in 4 years, right? So we kick started that capex program on all the fronts, right? We had a team to manage that. And we didn't know that like things will become so bad in terms of demand throughout 2024 calendar year and 2025 so far.

So whatever capex program we are implementing, right, it's from a very like long-term perspective, 5 to 10 years, right? Demand situation becomes weak. It's a short-term phenomenon, right, which it will change. Why we are not too much worried is that all this expansion has come without any debt, right? All this was funded from equity or internal cash flows. So we have not bloated our balance sheet.

We don't have heavy interest costs which are eroding my profit margins. Demand, if not today, it has to come back, right? So all this capacity without debt, it will help me recover my revenue quickly. And that's why we are confident that, yes, we can do 100,000 ton sales volume this year, 125,000 ton sales volume next year. If I don't have capacity, then all this guidance has no relevance.

Utkarsh Nopany:

No, I understand. First of all, the reason why I was asking is that our return ratios is getting depressed because we are operating at a pretty low rate. So that was the only thought process behind asking that.

Anubhav Gupta:

Correct. So see, I mean, these are the capex program which got kickstarted, right, at all the fronts. And now they can't be stopped, right? So here, like -- so one lever for ROCE expansion will be like when we start getting like massive orders in OPVC segment, right, which are not in the market today. But say in 4, 5 months, market opens up and we book orders, right?

It's like very high-margin product. So whatever investment of INR100 crores plus I made, right, it will start giving me 30%, 40% return, right? So that will boost my ROCE window profile we invested like INR80 crores, INR90 crores for the capex.

Now by FY '27, quarter 1, it should start contributing significantly. It is a 30%, 40% ROCE segment, right? So that will boost my company's ROCE, right? So just that, I mean, we -- I know it's been like many quarters where we are not able to deliver on ROCE front. But we do see light in the tunnel, right? And matter of 1, 2 quarters, you will see that ROCE will go right now, it's single digit.

It will move to double digit, right? And then eventually, we will hit 20%, 22%, which has always been our target. But on a management level, we are not overwhelmed as in like demand is slow for 1.5 years. So we should not like do capex or we should not think like what we would do in 2030. We don't want to hold our hands back.

Utkarsh Nopany:

Okay. And sir, lastly, my question is on the CPVC tie-up with Lubrizol. So wanted to know whether we have become the third licensing partner for Lubrizol CPVC brand or whether any license for the existing partner has been removed and you have become.

Sameer Gupta:

Yes, you can say that we are becoming the third licensee, but it is not like that the previous licensees were. They have been licensed with the brand of FlowGuard, but we have been licensed with the brand of TempRite which is right now for only Apollo Pipes. So right now we have tie-up with Lubrizol for TempRite brand.

Utkarsh Nopany:

Okay. And just wanted clarification. You said some time back that the CPVC pipe share right now is 15% to 18%, and we are planning to take it up to 25% level over the next 3 years. Is that correct, sir?

Anubhav Gupta:

That's right.

Utkarsh Nopany:

Okay, thanks a lot.

Moderator:

Our next question comes from the line of from Aasim from DAM Capital.

Aasim:

Good morning. So just wanted 2 clarifications. One was on the volume growth or rather the volume number expectation for FY '26. Now I heard you want to achieve 100,000 to 105,000 metric ton sales this year. Was that the correct number? Or did you mean that you have done that much last year and you still aim to do 20% growth on the 100,000 basis?

Anubhav Gupta:

Yes, Aasim. So see, yes, like I said, there is good -- there is like whatever has happened in the first 7 months of FY '26, right, the next 5 months could be much, much stronger. They have to

be stronger, right? So based on those hopes and confidence, we are saying that we should be able to touch the figure like which we had stated earlier.

Aasim: You've done 100,000 last year. 20% growth on that should be 120,000. Is that the number you aspire to reach?

Anubhav Gupta: That's right.

Aasim: Okay. And second is on basically what -- I just wanted to understand what happened on Kisan level at the EBITDA front in Q2 because I would have assumed most of the work of integrating that plant is already done. It's been 6 quarters since we acquired it. And so did something go wrong in Q2? Any one-off that you want to clarify or just call out just to help us understand what might have dragged the EBITDA back to 0 in the case of Kisan?

Anubhav Gupta: So Aasim, I think it's more of like a factor of 2 things, right? One is the -- because the volume declined on Q-o-Q basis, right? So there was negative operating leverage, right, because of fixed costs, which you couldn't lower down, right? So negative operating leverage. Second, Aasim, is the pricing in the industry for the PVC pipe segment as a whole, right?

Because it did -- like I said, there's a price war which is going on, right? And Category A, Category B brands all have kind of reduced pricing heavily. So Kisan in their Western market also, they had to reduce the pricing, right? And that led to like, I would say, like a marginal loss only at EBITDA level, even lower than breakeven.

Aasim: The price thing would be a bigger part, right? Because Kisan, I think the volume -- there is still some 8%, 9% Y-o-Y volume growth?

Management: Right, see, why all the players would reduce the price in one go because of the desperation to sell. Now why there was desperation because Western India or I would say a whole of India saw a rainfall this year more than like what we saw in our life so far, right? So when monsoons were there, demand collapsed, right? Every player wanted to fill in their capacities, fill in their capacities to achieve sales targets. So what they did, they reduced pricing, right? So yes, I mean, it's an industry phenomena and from where like Kisan is not immune.

Aasim: This is more a Kisan problem than an Apollo problem. Is it? Because I don't see the same level of impact on Apollo because I would assume the competitive intensity throughout everywhere. That is not the case, at least in Q2, right?

Anubhav Gupta: Because like West India was more impacted from heavy monsoon, I would say, than rest of India, number one. Number two, Apollo's portfolio mix is now 60% towards construction material, housing plumbing, right, whereas Kisan contribution from housing plumbing is lower than agri, right? So they got impacted more.

Aasim: Okay, thank you.

Moderator: Our next question comes from the line of Udit Gajiwala from Yes Securities.

Udit Gajiwala:

So, sir, on the ADD front, what Sameer sir mentioned, just wanted to understand that the 6%, 7% price hike that is expected, that should take a longer time, right, because of this 3, 4 months buffer, we are hearing that the imports have gone up sharply. So despite ADD, let's assume it comes up by the time line that is there right now by November 15, but the price hikes may not be so fast. Is the understanding correct? If you can just throw some light, please?

Sameer Gupta:

Yes, Udit, yes, regarding the ADD, of course, the traders or the, you can say, resin, local resin suppliers, they have increased their inventory on account of anticipation in ADD. But the next level, the channel partners, they are quite empty.

And once the demand ramps up, then we are expecting a rise of this 7% to 8%, the resin prices on account of demand, not on account of inventory. Because once the demand is there definitely the local producer will raise their prices along with the local suppliers of PVC resin, they will also increase their resin prices in the market because the fresh material will not be available at the same price.

Udit Gajiwala:

Understood sir, that's it from my side.

Moderator:

Our next question comes from the line of Pujan Shah from Molecule Ventures.

Pujan Shah:

My first question relates to the CPVC side. So just want to understand a on broader aspect that the reason for the tie-up with the Lubrizol, is it because the domestic producer has not been able to produce a quality required by us? Or is it because of the sustainable supply from raw material, which we need on a constant basis has been only supplied by Lubrizol. So why we initiated with Lubrizol rather than going with local suppliers as well?

Sameer Gupta:

Yes, Mr. Shah. Actually, there is a quality, you can say, superiority in Lubrizol as compared to the local suppliers in India which are already there. There are 2 suppliers right now. So Lubrizol has an upper hand in terms of quality with them. And next thing is that Lubrizol is also starting, you can say, production plant in India by FY '27, yes. FY '27 they will be starting their local production.

So they will be very competitive. And again, right now they are also trying to match their prices in accordance with the local supplies, what has been done with the local suppliers. So because of this thing, we are going with Lubrizol.

Secondly, the brand value also impacts too much in the institutional and the contractor sales, where Lubrizol has an upper hand because of FlowGuard brand already being at the top in the industry. So with the help of Lubrizol we will be able to cater new markets where right now Apollo is not able to supply because of quality perception being FlowGuard being the leader.

So we want to take that perception and want to regain our good, you can say, good quantum and good position in CPVC in that area where we are right now not supplying in the, you can say, builder segment or institution sector, where we have good demand in CPVC.

- Pujan Shah:** So, sir, just wanted to understand, so our total requirement of CPVC will be procured from Lubrizol or we have a tier 2 suppliers as well to maintain our.
- Sameer Gupta:** No, no, no, it is 100% tier, and our local total requirement will be filled by Lubrizol only.
- Pujan Shah:** Okay. Got it. And sir, just wanted to understand as you now has been guiding us that right now import has been very steep in terms of PVC, while channel inventory is -- has holding a low inventory. So just wanted to understand the context whenever the ADD comes into place, there is always steep imports because after that the price always inches up. And so why channel partner has been not building up the inventory because ultimately that will also increase the price and taking also that inventory gain in their own portfolio.
- Sameer Gupta:** Right now, because the ADD is there in the news for the last 3, 4 months, and it is not getting happened. So channel partner doesn't have that confidence and when exactly it will come. And for 2, 3 times, they have already incurred losses on account of ADD date, build up their inventories and the prices again go down and they had to face losses on account of that drop. So right now, channel partners, they are not confident of keeping stocks.
- And whenever the ADD will come, they will definitely ramp up their stocks. And as per that, we anticipate, you can say, demand increase with increases coming into phases, not exactly at 1% or 2% at one time. In the next 15, 20 days, they will increase the price to the normal level of what after ADD prices will be. So channel partners will definitely stock, but after ADD happens, not before that because of the past experience.
- Pujan Shah:** Okay. Got it. And sir, last question would be on the PVC side. So right now, PVC would be trending around 68, 69 and that would expect after ADD it could go to 74, right? That is what our core expectation.
- Sameer Gupta:** Yes. Yes, yes. As per the current guidance that we have got from this government. So if there is any change, then it will definitely adjust accordingly. But right now, as per the current guidance, it should be like that only.
- Pujan Shah:** Okay. And sir, right now in Lubrizol, we are currently importing the RM right after once the Lubrizol commission the plant in India we will start procuring locally...
- Sameer Gupta:** No. We are not importing from any of the outside India plant. Lubrizol is importing itself and they are supplying it from their local depot.
- Moderator:** Our next question comes from the line of Sujit D Patil from iSight Fintrade Private Limited.
- Sujit D Patil:** My question to Mr. Gupta is as Apollo Pipe continues to expand its product range, what's the bigger strategic decision you see beyond just adding new SKUs to build long-term leadership in the industry?
- Anubhav Gupta:** So here the idea is that once we have built the distribution channel, right, to sell UPVC pipes, right, if you look at the journey of APL Apollo Pipes last 10 years, 2015, '16, when we got serious into this business and we started all the expansion. So idea was to manufacture UPVC

pipes, which were mainly for agri application, right, and build the distribution system. So over the next 2, 3 years, we did that.

Then we introduced UPVC pipes for home plumbing, right? So we use the same channel, right, to push down the product. Then we got into fittings. Again, same channel we used to expand our revenues. Then we got into CPVC, then we got into water tank, then we got into plastic bath fittings. And in last 2, 3 years, right, which is like next phase of growth for Apollo, which we started in 2023.

Here, we identified 2, 3 segments, right, which we could sell through same channel, right? Like we introduced DWC pipes, right, then gas piping, PLB ducts, right? OPVC is a different channel, but then at least the contractors who are using our HDP pipes, right, we could use that channel.

Then window profiles is slightly a different channel. But then the APL Apollo brand in construction materials, that is helping this product to be like -- to be launched, right, and do well in the market. So idea is that, I mean, we need to hit INR3,000 crores of revenue, right? And we realize that it cannot be done only basis of like 2, 3 products, right?

We need a mix of dozens of products, right? Majority of those products will be sold through the same channel, which we have worked in the last 10 years to build, right, and backed by brand APL Apollo. They trust what this brand has in the mind share of our customers. That's the strategy which we are working on.

Sujit D Patil: I believe Mr. Jain is also today on the call?

Anubhav Gupta: Mister?

Sujit D Patil: Mr. Jain, Ajay Jain is on the call today?

Anubhav Gupta: Yes, that's right. Yes.

Sujit D Patil: So my question is, Mr. Jain, looking ahead, what internal steps or cost management planning do you think are most important to protect the margins, especially if input cost or demand patterns keep on changing?

Ajay Kumar Jain: So as Mr. Anubhav Gupta told earlier that all the expansions and capex would be done internally and there would be no debt. So looking after all those activities, still we would be at a very low level of debt in case of working capital is concerned as per our capex and expansion guidelines.

Sujit D Patil : Okay, thank you.

Moderator: Our next question comes from the line of Rudraksh Raheja from ithought Financial Consulting.

Rudraksh Raheja: My questions are mainly regarding the OPVC segment. Sir, how is the pricing trend in that segment and current prices, if you can inform us.

- Arun Agarwal:** Hello, Rudraksh. So as far as pricing because it is a B2B segment, so pricing varies for each orders actually on the basis of which state we are operating in. So because everywhere it goes - - as of now, it is going to mainly into the government sector, wherein the prices are -- there is an upper cap actually. So it varies -- the discounting depends upon the cap that is there actually. So there is no fixed price for selling OPVC pipes. It is still on a higher margin product. So exact amount or quantum of price cannot be disclosed.
- Rudraksh Raheja:** On the trend front, sir, can you tell us like how it has been in the last...
- Arun Agarwal:** Competition every quarter, it is increasing. On the trend front, we can say that. Because demand from most of the states, they are still in the, say, implementation phase of converting from DI to OPVC. So I think another few quarters would be required for the demand to ramp up wherein the pricing again will start seeing uptrend.
- Rudraksh Raheja:** Got it. And sir, are we seeing any new states coming up with new tenders or new demand for this year?
- Arun Agarwal:** Yes, yes. It is going on in full swing. As of now, say, if you talk about last quarter, there were only 3, 4 states which were using OPVC. And if you talk about the next quarter, it will be almost double. Already 3, 4 states are at the final stages of taking out tenders.
- Rudraksh Raheja:** Got it. And which would be those states, sir?
- Arun Agarwal:** I can name a few. That is Bihar, Rajasthan and something like that. Kerala is also one of them.
- Rudraksh Raheja:** Got it. Got it, sir. And sir, how is the momentum on the funds released by say central governments.
- Arun Agarwal:** That is the only bigger concern actually for the last 1 year or so. That is killing the demand and all. Otherwise, the demand even today is good because funds are not being released to the contractors, so the fresh demand is not coming or fresh supplies we are not making.
- Rudraksh Raheja:** And we have not witnessed any progress on that front as of now.
- Arun Agarwal:** That is for the government to release actually, and every time we hear that, okay, from the next month, it will improve and all. So not sure about when actually it will happen. But as of now, that is a bigger concern especially for infra spending.
- Rudraksh Raheja :** Got it. Thank you sir.
- Moderator:** Our next question is from the line of Priyanshu Poyam from MoneyWorks4Me.
- Priyanshu Poyam:** I wanted to understand how much more money have we received from the warrants that we issued earlier. Has there been any increase in the amount received over the last quarter?
- Anubhav Gupta:** No. So that 75% remaining will come within its stipulated time line, which is 18 months. So as of now, nothing.

- Moderator:** Our next question comes from the line of Vanshita Amlani, who is an investor.
- Vanshita Amlani:** Can you share change in the EBITDA with the change in the price of resins?
- Anubhav Gupta:** Could you please a bit louder, please.
- Vanshita Amlani:** Can you share that with the change in the EBITDA with the change of price of resins?
- Anubhav Gupta:** So see, I mean, as a business model, we don't account for inventory gain or losses, right? And it is very difficult to predict like how much PVC prices would go up or go down, right? That's not in our control. What is in our control is the inventory level for the raw material, right, so that whatever fluctuation is there, we get the minimum hit. So if you look at our last performance in so many quarters, we always try to have minimum inventory for raw materials, which prevents us from any massive fluctuation in the PVC prices.
- Vanshita Amlani:** On the last quarter you mentioned that that we can achieve EBITDA 11% for Apollo alone and 7,000 for Kisan
- Anubhav Gupta:** Somehow your voice is not clear, ma'am.
- Vanshita Amlani:** You have last quarter you mentioned that you can achieve EBITDA of INR11,000 on Apollo standalone. And INR7,000 for Kisan. So can you guide us what volume this EBITDA level can achieve?
- Anubhav Gupta:** So if you look at Apollo, right, in Q2, we did almost INR10,000 per ton, right, despite the price war, which is going through, right, in the industry. And secondly, the negative operating leverage from decline in the sales volume on Q-o-Q basis, right? So like I said that once we start doing 25,000 to 30,000 tons on consol basis, Apollo will be upwards of INR10,000, INR11,000 per ton and Kisan will be like INR4,000, INR5,000, INR6,000 per ton.
- Vanshita Amlani:** Okay. And can you share what is the current product mix and what are you targeting the product mix?
- Anubhav Gupta:** So right now 60% is housing plumbing and 40% is agri plus water infrastructure. In next 2, 3 years, we want to take agri to 75% and 25% from agri and water infrastructure.
- Vanshita Amlani:** Okay. And will this product mix compare to the EBITDA in future?
- Anubhav Gupta:** That's right because housing plumbing offers better margin. So in next 2, 3 years, when we improve our sales mix, EBITDA spreads will improve.
- Moderator:** Our next question comes from the line of Karan Bhatelia from Asian Market Securities Private Limited.
- Karan Bhatelia:** Anubhav, you mentioned about competitive intensity. So if I can ask in the last 3 years, what kind of industry level capacity expansion has happened?

- Anubhav Gupta:** The capacity expansion has been in like high double -- I mean, high single digit or low double digit, right? So 10% to 12% industry capacity has gone up.
- Karan Bhatelia:** Right. Also in the previous con calls, we've mentioned of 3 greenfield capex apart from Varanasi, when do we sit on the board and decide for the other 2? So are we waiting for PVC prices to kind of normalize? Or are we waiting for demand to pick up and then probably we can have some clarity on that?
- Anubhav Gupta:** So definitely, right, I mean, we need to utilize our existing capacity, right? That was the point which was raised by one of the participants also earlier. So as of now, we are set with 286,000 tons, right, which we're going to achieve in next 1 to 2 years in terms of like active capacity. Next phase of expansion will come when we are doing, say, 30,000, 35,000 tons, 40,000 tons of quarterly volume, right? And then we will go for next leg of expansion.
- Karan Bhatelia:** Right, right, right. So while the external demand environment remains pretty challenging, what kind of internal infrastructure are you working, whether it's on production efficiency, whether it's channel partner expansion, brand spends. So how do we see Apollo in the next couple of quarters?
- Anubhav Gupta:** So brand spends have been kind of at similar level what they used to be, right? I mean, so idea is to identify -- keep on identifying new products, right, for new applications, which can be sold through same channel or where we can leverage brand APL Apollo in construction material, right? That's what management is focusing on.
- Secondly, yes, improving efficiencies. That's like 24/7, 365 days job, Karan. All the plants, I mean, our most I would say, efficient plants are, number one, the mother plant in Dadri and second, Kisan, the Silvassa plant, right? So these 2 plants are the benchmark for us. And we -- like I said, 24/7 365 days, we try to maintain like the other plants should also achieve similar efficiencies, right?
- In terms of sales, yes, we have expanded our sales team for new products. We have expanded our distribution reach by adding more distributors. We have started monitoring secondary sales for our distributors, wherein our existing sales team, it visits the retail outlets.
- We have introduced an application, mobile app where we are kind of connecting all the retail shops on that app so that there could be direct communication with those retail shops. So idea is to connect almost 25,000, 30,000 retail shops by end of this fiscal year, right? And it will further help us to monitor secondary sales in a much more efficient manner.
- So yes, I mean, apart from identification of new products, new applications, apart from taking care of the ongoing capacity expansion projects, the focus is to improve efficiencies in all the plants to bring plants at the benchmark of Dadri and Silvassa. And fourth is like monitor secondary sales, right, and expanding the distribution reach for our products.
- Moderator:** Our next question comes from the line of Varun Julasaria from B&K Securities.

- Varun Julasaria:** I just wanted to understand the reason for the high tax expense this quarter and the higher other income this quarter.
- Anubhav Gupta:** So there is a small sale of extra land what we sold in Dadri, right? So that came into other income. Yes, that was a noncore asset, which was lying in the book, so we kind of disposed it off. And tax rate, just one second. So Apollo stand-alone is 21% tax rate, which is in line. Actually, Kisan had reported a loss at PBT level. So that's why it appears high. The tax rate on consolidated basis, but it will get adjusted in the subsequent quarters.
- Varun Julasaria:** Okay. So on the stand-alone, I guess, the tax expense is largely booked in the standalone only?
- Anubhav Gupta:** And also because of adjustment of depreciation, right, because a lot of fixed assets came into gross block, right? So some depreciation adjustment also is taking the tax expense higher.
- Varun Julasaria:** Okay. And my second question is, sir, what is the capex we have done so far for the year? And how much balance do we plan to do for the rest of the year? And if you could split it out across Varanasi and the UPVC and the OPVC and the other like new businesses where we have invested, new product line.
- Anubhav Gupta:** So, Varun, our capex so far in first half is INR92 crores, right? For the full year target is INR150 crores. And next year, this should go below INR100 crores for FY '27. And then the, it would be like normalized capex of INR40 crores, INR50 crores every year.
- Varun Julasaria:** Okay. And this INR150 crores, how much would be for Varanasi and how much could be for the existing brownfield in OPVC and other products?
- Anubhav Gupta:** So this year, maximum capex is for Varanasi, Varun, out of INR150 crores, which we will spend in full year.
- Varun Julasaria:** Okay. So maximum is for Varanasi. And sir, next year when we receive the fund from Kitara Capital, then again that greenfield plant would again get activated. So the capex would again start increasing, right? That's correct?
- Anubhav Gupta:** So we may hold it back for some time till, like I said, we start hitting 35,000, 40,000 tons of quarterly volume consistently.
- Varun Julasaria:** Okay. So that fund is not contingent on the greenfield plan, I mean, just want to understand?
- Anubhav Gupta:** Yes, that's right. I mean, obviously, 2 years got lost in this industry slowdown. So yes, I mean, definitely we want to put up a plant in South India. There's no doubt about it. And the money which we will receive that will be used for that. It's just that it could be 6 months, 9 months delay, that's all.
- Moderator:** Ladies and gentlemen, we will take that as our last question for the day. I would now like to hand the conference over to Mr. Karan Bhatelia. Over to you, sir.



Apollo Pipes Limited
October 30, 2025

Karan Bhatelia:

Yes. Thank you, participants, for login with the call. Management team, any closing remarks you want to make?

Ajay Kumar Jain:

Yes. This is Ajay Jain this side. I thank you all for joining us today. We appreciate your continued support and interest in our company. We look forward to updating you on our progress in future calls. If you have any further questions, please feel free to reach out to us. Thank you, and have a great day.

Moderator:

On behalf of Asian Market Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.