

SEC/0611/2025

By E-Filing

November 06, 2025

National Stock Exchange of India Limited "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. Scrip Symbol : APARINDS Kind Attn.: Listing Department	BSE Limited Corporate Relations Department, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code : 532259 Kind Attn. : Corporate Relationship Department
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Sub. : Submission of Transcript of the analysts and investors conference call on Un-audited Financial Results (Standalone & Consolidated) on Q2FY26 (2025-26).

Ref.: Reg. 30 read with Schedule III & all other applicable Regulations, if any, of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"), as amended from time to time

Dear Sir / Madam,

Kindly refer our letter dated October 30, 2025, under Ref. no. SEC/3010/2025, w.r.t. submission of Audio Recording link of the analysts and investors conference call on the Un-audited Financial Results (Standalone & Consolidated) of the Company for Q2Y26 (2025-26).

Pursuant to the provisions of Regulation 30(6) of the Listing Regulations, we are submitting herewith the transcript of the conference call made on October 30, 2025 on the Un-audited Financial Results (Standalone & Consolidated) of the Company for Q2FY26 (2025-26).

The aforesaid transcript is also made available at the website of the Company viz. www.apar.com.

Kindly take note of this.

Thanking you,

Yours faithfully,

For APAR Industries Limited

(Chaitanya N. Desai)
Managing Director
DIN : 00008091

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“APAR Industries Limited Q2 & H1 FY'26 Earnings Conference Call”

October 30, 2025



MANAGEMENT: MR. KUSHAL DESAI - CHAIRMAN AND MANAGING
DIRECTOR, APAR INDUSTRIES LIMITED
MR. CHAITANYA DESAI - MANAGING DIRECTOR,
APAR INDUSTRIES LIMITED
MR. RAMESH IYER - CHIEF FINANCIAL OFFICER, APAR
INDUSTRIES LIMITED

MODERATORS: MR. AMBESH TIWARI - S-ANCIAL TECHNOLOGIES

Moderator: Ladies and gentlemen, good day and welcome to APAR Industries Limited Q2 FY'26 Earnings Conference Call.

As a reminder, all participant lines will be in 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ambesh Tiwari from S-Ancial Technologies. Thank you and over to you.

Ambesh Tiwari: Thank you. Good afternoon, everyone. This is Ambesh from S-Ancial Technologies. I welcome you all to the Q2 FY'26 Earnings Conference Call for APAR Industries to discuss the business performance and outlook.

We have from the management side, Mr. Kushal Desai – Chairman and Managing Director, Mr. Chaitanya Desai – Managing Director and CFO – Mr. Ramesh Iyer.

I would now pass on to Mr. Kushal Desai for the opening remarks. Thank you and over to you, sir.

Kushal Desai: Thank you, Ambesh. Good afternoon, everyone and welcome to the APAR Industries Q2 & H1 FY'26 Conference Earnings Call.

I would like to start by giving a quick overview of our consolidated business performance and then follow that up with a short industry update. Post that,

we will get into more details on the individual performance of segments and then finally open up the floor to questions.

In terms of 'Financial Performance' for Q2 FY'26:

The consolidated revenue came in at Rs. 5,715 crores representing a 23.1% increase in year-on-year with volume growth being witnessed across all three divisions. This is largely due to good domestic business performance as well as good export performance in the quarter as well. Our exports are up 43% year-on-year contributing to 34.7% of the company's consolidated revenue compared to 29.8% a year ago. EBITDA post open period forex increased 24% year-on-year to Rs. 499 crores with a margin of 8.7%. Profit after tax came in at Rs. 252 crores which is 30% higher than the previous period. Profit after tax margin is at 4.4% which is 20 basis points higher than what we had in the 2nd Quarter of FY'25.

In terms of the first half, consolidated revenue came in at Rs. 10,820 crores. This is the first time that we have crossed Rs. 10,000 crores in one half. It's up 25% year-on-year. EBITDA post open period forex stands at Rs. 1,000 crores which is historically high half yearly EBITDA post open period forex. This is up 25.5% versus the first half of FY'25. The EBITDA margin stands at about 9.2%.

In terms of key industry highlights:

India's renewable energy sector continues to show good momentum with the first half of the current fiscal year witnessing a record capacity addition of about 25 gigawatts which is the highest ever in a 6-month period driven largely by the solar sector. Of the total capacity of 25 gigawatts added

during April-September 2025, the solar power sector encompassing ground-mounted, rooftop hybrid and off-grid segments contributed around 21.7 gigawatts and the wind contributed about 3 gigawatts according to the data which has been published by the Union Ministry of New and Renewable Energy.

In terms of some sectoral updates:

The Central Electricity Authority under the Ministry of Power has prepared a master plan proposing the development of 208 large hydro projects across 12 sub-basins in India's north-eastern states. The government's ambitious Rs. 6.4 trillion which is \$77 billion transmission plan aims to evacuate over 76 gigawatts of hydroelectric capacity from the Brahmaputra basin by 2047. This initiative is designed to unlock the region's vast untapped hydro potential supporting India's clean energy transition and enhancing the national grid reliability. This initiative also represents India's largest ever investment in hydroelectric transmission infrastructure.

In terms of the transmission line and substation addition:

According to CEA, India's substation capacity addition saw a good momentum in the first half of FY'26, rising by around 74% year-on-year. The country added 44,645 MVA of transformation capacity which is a sharp increase from 25,690 MVA in the first half of FY'25. However, this represents only two-thirds of the planned 68,183 MVA target for the period indicating continued execution shortfalls compared to the plan. However, in contrast, the transmission line additions have actually remained subdued. During April-September FY'26, only 2,411 circuit kilometers of

new lines were commissioned which is a 27% decline from the first half of FY'25 and achieving just 39% of the plan for the period. This shortfall was particularly acute in the 765 kV category where additions dropped to 300 circuit kilometers, down 26% year-on-year and covering only 9% of the planned addition.

In June 25, the Power Ministry announced a rollout of ultra-high voltage AC power transmission systems with nine 1,100 kV lines and 10 substations identified for development by 2034. So, overall, while substation capacity additions have shown an encouraging momentum, the transmission line expansion continues to lag behind targets. However, this is expected to gather pace and align more closely with the targets in the months to come.

Now, coming to our segmental performance:

The conductor division in the 2nd Quarter of FY'26 had a revenue growth of 34.9% year-on-year on the back of a product mix which had higher realization and a better composition plus there was a volume growth of 16.2% in Q2 FY'25 versus the previous period. Exports grew 74.6% over last year's same period. Exports contributed 24.2% of the overall revenue compared to 18.7% a year ago. The U.S. revenue in the first half was up 145%. Premium product mix contribution is 45.4% in Q2 FY'26 versus 42.2% in Q2 FY'25. The EBITDA post forex also grew 21.4% to reach a value of Rs. 248 crores. On the margin front, EBITDA post open period FOREX stands at Rs. 39,636 per metric ton as against Rs.37,702 per metric ton for the same period last year. Improved premium mix and growth in the U.S. business has resulted in this higher EBITDA per ton. The total order

book is at Rs. 7,168 crores and the new orders received during H1 were Rs. 5,256 crores.

As we look at the first half revenues, that came in at Rs.5,885 crores which is up 39% over the first half of last year. Volume again has grown at 16.8%. The export mix stands at 22.3%. The EBITDA has come in at Rs. 497 crores which is 27% higher. The EBITDA margin is at Rs. 41,421 per metric ton versus Rs. 38,095 per metric ton in the last year.

We have strengthened and opened up new markets beyond the U.S. For example, in Europe, we are expanding and entering a larger footprint in new countries for some of our premium products and also adding them in Latin America. We have also added a few new customers in Canada. In spite of all this, growth in the first half, there are actually two headwinds which we are facing as we get into Q3 which is particularly due to the increase in metal prices. If you see, aluminum prices have increased to almost \$2,900 per ton and copper prices have increased to more than \$11,200 per metric ton. This is causing new ordering globally to be put on hold when customers and EPC players, developers etc. are playing a waiting game in the short term to see if prices actually correct downward. During this period, the ordering is significantly reduced. What we see is execution taking place of only those customers who had previously blocked the metals at older prices. This is also to some extent true in the cables business, especially in solar cables and some of the other cables where the metal content is reasonably high.

Now coming to our oil business:

Revenues from operations remain flat compared to last year, largely because crude prices in the first half have been lower than what they were in the same period previous year. Volume has grown 8.2%. Transformer oil volume was a bit lower at 4.6% at a global level on account of some execution delays in the supply chain, especially from our plant in the Middle East as well as in some of the export locations. However, the transformer oil domestic business posted a very strong revenue growth of 13.6% versus the previous year. Automotive oil grew 3.7% whereas industrial lubricants grew 18.8%. Exports contributed 43.2% of the overall oil division revenues as compared to 44.7% a year ago. In terms of EBITDA per KL, this quarter it is at Rs. 5,869 versus Rs. 5,473 per KL a year ago.

H1 revenue has also remained pretty much flat for the same reason. However, the domestic transformer oil business has grown 17.3% in the first half versus the same period previous year and the export mix in the first half stands at 40.1%.

In terms of our cable division:

The revenue in Q2 FY'26 posted a strong revenue growth of 25.1% to reach Rs. 1,535 crores. The US revenues in the first half have grown 121.2% over the last year. The export mix was 42.3% in Q2 FY'26 versus 29% in Q2 FY'25. The EBITDA post forex recorded a year-on-year growth of 32% to reach Rs. 157 crores. EBITDA margin came in at 10.2% in the quarter which is up 50 basis points compared to last year. The pending order book stands today at Rs. 1,836 crores.

The cable business for the first half posted a revenue growth of 30.2% to reach Rs. 2,954 crores. The export mix stands at 41.8% in H1 versus 30.9% a year ago. Again, the US revenues have grown 127.7% in the first half. The EBITDA post forex grew 32.1% to Rs. 299 crores with an EBITDA margin of 10.1%.

I would now like to move to concluding remarks and summing up the scenario:

If you look at the fundamental growth drivers for the Company, we believe that they still continue to remain fairly intact. There is a steady inflow of business coming from renewable energy in India as well as around the globe. There is continued investment happening in terms of grid monetization and augmentation at a global level.

Domestic business continues to be relatively strong. And our presence across multiple segments in the generation, transmission and distribution of electricity continues to be healthy. On the export front, the US tariff situation is fluid at the moment with various announcements that have happened over the last few months.

One important development has been that aluminum and almost 400 products were added to the Section 232 duty, which is uniform at 50% for aluminum, copper and steel. This is uniform across all the countries. So, as a consequence, that puts us in a slightly less disadvantageous position. When you look at the export of the product, the metal content is charged at 50% and the non-metal content is charged on the basis of the basic duty plus the reciprocal duty, which in India is at 54% at this stage versus the

lowest duties which are coming from the Middle Eastern countries and the UK, which stands at approximately 10%.

Basis news articles and talks which are going on about the trade deal, hopefully it seems that there is a certain level of progress taking place. However, in the meantime, customers in the United States have honored their commitments on most of the orders and they have accepted the materials. There is also a willingness for them to absorb a part of the duty, allowing us to make some adjustments in our prices and margins. And the new order inflow has started in Q3 after a break of two months in Q2. The pace of orders is a little bit slower as customers try to size up the geopolitical situation and the tariff situation. However, there are certain incentives which were announced by the US government which are time-bound. So, it requires construction to start of renewable energy projects, especially solar projects by 4th of July 2026. And the project has to be completed and in service i.e. by delivering power into the grid before December '27. So, considering this, I would believe that order inflow will continue to be there and would actually increase to avail of the incentives which are there. The Trump government seems to have hinted that this period may not get extended. So, accordingly, we are seeing improvement in the order inflow in Q3. But this is likely to be executed during the end of Q3 and early Q4. And the revenues for what we export in Q3 will be realized only in Q4, resulting in a Q3 coming under some amount of pressure both on topline as well as on the overall profitability side. So, given that globally there is an increase in demand, we would also look at trying to mitigate some of the shortfall of the US in the shorter term by trying to book more business in the domestic market as well as in some of

the other export markets. As I mentioned earlier, one dampener is that there has been a sudden spike in the price of aluminum and copper, which is holding off people from finalizing their orders in the hope or expectation that these prices may fall. But overall, we believe that if you look beyond one quarter and you look into the medium term, we believe that the business fundamentals continue to remain strong.

So, on this note, I would like to conclude my presentation and open up the floor to questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Umesh Raut from Nomura. Please go ahead.

Umesh Raut: Hi, sir. Congratulations for a very strong set of results. My first question is pertaining to a conductor segment where we have reported a very strong set of EBITDA per ton realization numbers consecutively for almost now three quarters. And our guidance is at about closer to about Rs. 30,000 per ton on this side. So, any revision in terms of guidance now considering that consistent performance of EBITDA per ton more of closer to Rs. 40,000 per ton. And especially with respect to what you talked about in case of US market, how demand is kind of shaping up. If you can divide that demand in case of data center and then other government-related projects? And where exactly do you see postponements kind of happening in terms of decision making from the customers? And also in case of domestic market, how do you see second half shaping up in terms of demand considering that first half was relatively noted in terms of executing projects on transmission line side?

Ramesh Iyer: Hi, Umesh. So, I will answer the first part of it. Basically, on the EBITDA part, we will continue our guidance of 30,000 per metric ton as we have been explaining in the calls earlier, it's a combination of various product categories. And depending on what gets executed during the quarter, our margins comes up. And as you would have seen, the EBITDA margins we have been guiding from 10,000 to 30,000 over the last 2-3 years, where we see a comfort level below which the EBITDA are not likely to drop over a 12-month period. So, despite that, we have got 35,000 to 40,000 EBITDA per metric ton. For the time being, we'll continue to guide 30,000 per metric ton for the overall medium to long-term 12-month period.

Chaitanya Desai: On the second part of your question, so data centers is definitely one of the major drivers of the electricity demand in the US. But in terms of the products that we are selling, especially the conductor part, so transmission is an important component to feed the power to the data centers. And definitely, that is one of the areas we don't have the exact breakup. But our estimate is that the major part of the demand currently in the US is actually coming because of the data centers. The second driver is also in terms of the various other projects, especially wind energy in the US. So, a lot of transmission lines are coming up in those wind corridors to transmit the power from the generating point to the various consumption areas. So, these are the major drivers.

Umesh Raut: Okay. And in domestic market, how do you see things shaping up in especially second half of FY'26?

Chaitanya Desai: So, second half traditionally is always better in terms of less weather-related issues. So, we feel that there will be a better progress. As was already

explained, that the progress in the first half in this year has been behind the target by a huge margin in India. But hopefully, we expect things to gather pace in the second half. There is pricing of the aluminum which we spoke about. That there are some projects which already the bidders have bid with a certain assumption of aluminum and the products based on aluminum. So, they are waiting till, you know, prices of aluminum drop for them to actually go ahead with the placement of orders. So, to the extent they can delay some of the projects, there will be a little bit of that effect also happening in India and outside India.

Umesh Raut: Got it. In terms of import of conductor or cables in US market, so when you talked about that most of these countries are at par with respect to duties of 50% excluding Middle East and UK or Europe. So, basically how much of that portion which is coming in from Middle East and Europe into US market as a part of total demand?

Kushal Desai: My apologies. I don't know. The line seemed to have some trouble and dropped. So, as I was explaining that there are actually now the US tariff situation is a bit complicated to understand. So, let me spend a minute and explain. So, there is something called Section 232 in which strategic products are included from US economy perspective. And that includes three metals which is aluminum, copper and steel. So, the duty on these irrespective of the country from which the metal is being imported is attracting a duty of 50%. So, if a product lands there with a value of \$100 and it has \$40 of metal, then that \$40 will attract a duty of 50%. And the remaining \$60 will attract a duty based on the reciprocal rate of duty. So, what we were saying here is that India actually has, we have gained to some

extent because it is normalized to the extent of the metal portion and the disadvantage is to the extent of the non-metal portion, which is anywhere between in the case of conductors is probably around 30% is a non-metal portion of the value of the goods. Whereas in the case of cables, it could be as high as 50% of the value of the goods. So, there is this disadvantage that still exists at the moment. But because the metal portion is equalized, the overall impact is a bit lower. So, does that answer your question, Umesh?

Umesh Raut: Yes, sir. So, my final question is on the cable business side where we have seen EBIDA margins kind of hovering in the range of 10% since last few quarters. I think you have mentioned in the past that we were doing certain repositioning exercises, branding exercises, and that's why expenses were relatively higher. Over the course of scale-up in the business, we will have margins improvement coming in. So, basically, I just want to understand how should one think about EBIDA margin in the cable business going forward?

Ramesh Iyer: So, on a medium to long-term basis, we expect the margins to hover around 10% to 12% as we have been guiding earlier. And because of the various categories of the products, because of multiple markets of the product, it could anywhere be at the lower end of 10% or upper end of 12% over a period of time. So, that's where it's likely to land. And we are in that range currently.

Umesh Raut: Okay. And is it possible to share any breakup in between end-user markets where you experience relatively higher margin for those specific

applications and in some segments, margins could be relatively lower? So, any possible breakup that you can share on cable side?

Ramesh Iyer: No, there is no fixed pattern as such. It all depends on the composition, on the requirements, on the mix specifications. There are a lot of moving parts there due to which it may not be possible to arrive at this kind of answer properly.

Umesh Raut: Okay. Got it, sir. Thank you so much and all the very best.

Ramesh Iyer: Thanks.

Moderator: Thank you. The next question is from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani: Thanks for the opportunity, sir. My first question is on the headwinds due to metal prices, which you highlighted. And you also talked about the ordering is significantly reduced. Is it what you're talking about refers to US? And what is the assessment with respect to impact of this metal prices in the near term? Anything, any impact on the gross margin because of this, if you could highlight on that?

Kushal Desai: So, there are two parts to it. One is, I mentioned in the opening remarks that because metal prices have suddenly shot up, people have stopped ordering at the moment because their product will be more expensive. A lot of customers are in a wait and watch mode to see if the price is actually correct downward for the metals, in which case they would end up placing new orders. So, the order inflow has not been cancelled, but it's on hold in many instances. The second part of your question is, whether it's going

to have an effect on gross margins? The answer to that is no, because we run a completely hedged book. So, we do not take on the risk of the metal. That risk is sitting with customers and on a back-to-back basis we end up taking the positions on the metal.

Amit Anwani: Yes. Second, sir, on tariffs. So, you did highlight that 30% of conductors' business might get impacted, as you explained, and 50% of cables component. So, given that there's a 50% tariff applicable in September-October already, until the deal happened, any impact you witnessed, if you could explain any amount of percentage where despite negotiation with the customer, we had an impact on sales in the US market?

Kushal Desai: So, for almost two months, which is your August and September of the last quarter, the order inflow had almost completely stopped because people were waiting and watching to see what would happen between the tariff situation. However, as I mentioned in the opening remarks that in Q3, we have started seeing a flow of orders starting to come in. So, this would definitely have a short-term impact in our booking of revenues in Q3 of FY'26. Because the new order inflow which has started coming in, even though it is at lower margins, it is all on a DDP basis, so the revenue will get recognized in Q4 of FY'26. So, there is a definite impact, but the order inflow has already started coming in. And as I mentioned, with certain customers who want to avail of these incentives in the United States on the renewable energy, there are certain timelines in which they need to deliver. So, I think that to some extent, at least as far as solar installations are concerned, there is a movement that we have seen that has already started in spite of the higher tariff levels.

Amit Anwani: Understood, sir. So, for cables, we can see this quarter, I think the sales was about Rs. 895 crores for domestic business, which is kind of hardly 1%-2% growth. So, any reason there? And exports for cables, despite you explained that orders were stopped, so if you could explain, the exports for cable were significantly higher despite the tariff. So, if you would like to explain these numbers on cable?

Kushal Desai: In terms of the cable exports to the US because the periods were already announced by which the increase would take place. A lot of customers have taken delivery of product to meet with those deadlines and that is reflected in the higher percentage numbers that you see of growth in the cable side. Also, the domestic market, Q2 is normally the slowest period. The power cable work really stops quite dramatically in Q2. So, we took that period to actually complete all the US export orders which were there. We have not really had any major penalties and tariff-related issues to absorb in terms of our own P&L so far. Our expectation is that in Q3 and Q4, the domestic market will be picking up. And in Q4, you will see a lot more billing happening to the US markets and the other export markets as well.

Amit Anwani: So, finally, last question on the conductors. We can see premium products delivering strong growth. And I understand that this is primarily because of the domestic. Is it also the reason that gives us confidence of 30,000 plus EBITDA per ton? That is one. Second, has there been any impact on the US EBITDA per ton? Could you just highlight negative or positive because of the recent developments of tariffs?

Kushal Desai: The EBITDA pattern for the US markets across all both conductors and cables have both obviously taken a hit. In the case of conductors, as I mentioned, the metal portion is much larger than in the case of cables. So, the hit is taken on the non-metal portion of the product.

Ramesh Iyer: But we have been able to pass on this hit to the customers. So, if you look at our P&L, there is no net impact on our profitability, both on conductors and cables in Q2 for the orders that have got executed in the P&L. So, in the sense, if I drive your attention to the other expenses line, you can see an increase that has happened. So, a lot, a part of that increase is due to import duty in US, which you have to incur as a cost. But at the same time, it has been billed to the customer. So, there is no impact on the profitability for the two divisions.

Chaitanya Desai: So, there will be a hit for this September quarter. But going forward, as explained for the new orders which are coming in now, there will be a hit in terms of volume for a little while and also the margins will be a little less. I hope that clarifies, Amitji?

Amit Anwani: Yes, on the premium products, what's driving this? Is it fairly domestic or?

Ramesh Iyer: Premium products are largely domestic.

Chaitanya Desai: But we are trying to increase our geographic reach outside India also for these products now. It is at the beginning stage, but definitely it is one of the efforts we are making so that with the difficulties with some of the, or the challenges in some of the markets like US, then we are trying to make up in other markets.

Amit Anwani: And is it fair to assume that gradually the EBITDA per ton in premium products is improving, or has it improved in past 5-6 quarters?

Chaitanya Desai: It has remained pretty much at a decent level.

Kushal Desai: There is no unit improvement in EBITDAs per ton, but the mix of that has continued to remain reasonably strong. So, if you see copper transpose conductors, copper bus bars, all of these products including HTLS conductors, they have all remained reasonably strong. And the outlook for these products also remains good because all products which are having increasing demand in the both short, medium and long term.

Amit Anwani: Thank you so much, sir. All the best.

Moderator: Thank you. The next question is from the line of Prathmesh Salunkhe from PL Capital. Please go ahead.

Prathmesh Salunkhe: Hi, sir. Thank you for the opportunity. So, since we are on cables business, now that we understand most of the cables growth is coming from the US business and there is a dependency as of now. So, just wanted to know if and when this tariff situation resolves, what kind of impact we can see going forward? Can the cables business maintain this kind of growth in next year as well?

Kushal Desai: So, our sense is that there will be a definite impact in Q3 of FY'26 because there was two months of really no order and flow coming in. As we get into Q4 onwards, you will see again the momentum starting to pick up. There will be practically almost no billing happening in Q3 with respect to the US markets. In fact, I mean, I wouldn't say no billing but substantially lower

billing taking place. The domestic market also, for example, if you see there is a lot of solar addition taking place, but all the string cables for solar are all copper based. And if you see in the last 10 days, copper has reached almost all-time high prices, touching close to \$12,000 before it has come off. So, there is a little bit of disruption that has happened in there where developers are just holding back because they have all quoted on a fixed price basis. So, there is a little bit of disruption which is there. We see that will probably all play out in Q3. And then from Q4 onwards, we'll start seeing business volumes again increasing both domestic as well as export.

Prathmesh Salunkhe: Okay. Also, sir, we are doing quite a bit Capex in cables business, expanding our capacity across the cable. So, wanted to understand what kind of revenue we might get from cables like maybe elastomeric cables? What were the revenue figures for elastomeric, '24-'25, and then with increasing capacity, what kind of revenue we can get from such cables? So, we understand sort of trend. Thank you.

Kushal Desai: Historically, we aren't giving a break up in terms of the sub cable types. But all I can tell you is that we have been guiding a growth of 25% year on year. The first half has delivered something far in excess of that. There will be a bit of a blip that happens in Q3. But, you know, as you go forward, Q4 onwards, we will continue to see this increase. We have not reduced anything in terms of the Capex that the company has announced. So, we are going ahead with all our Capex plans because we believe fundamentally that the demand is going to continue to remain strong. So, on the renewable side, on the contrary you see, the amount of growth happening on the wind side has also been very strong. And APAR has a

very strong position in the cables that go into windmills. So, we have been seeing a good growth on that front as well. In Q2, you will see windmills don't get added because to erect a windmill with monsoon and the winds being at high levels and generally that's the slow period. As you get into Q3-Q4, you'll see segments like wind, railways, all of these things on the domestic side picking up. And from Q4 onwards, we'll see again U.S. export revenue getting booked. So, I hope that kind of gives you the picture.

Prathmesh Salunkhe: Yes, very helpful. Thank you so much for the questions and all the best.

Moderator: Thank you. The next question is from the line of Nitin Arora from Axis Mutual Fund. Please go ahead.

Nitin Arora: Hi, sir. Thanks for taking my question. Just on this awarding side, because I know you've been sounding cautious over the last 2-3 quarters because of the tariff part as well. But you're over delivering every quarter. Every quarter, I think the growth has been very strong. Just on when you said that Q3 orders especially only on the U.S. market, there were no bookings. And from Q4 on and Q3, you have started seeing orders also coming in. When these orders are coming in, is it purely on the conductor and cable and it's again the renewable Capex where the customers are decided? Because when we look at the global data of renewables, that is not falling, that the ordering has been very strong. So, obviously, when you said to meet the deadline of the IRA incentives there, so it's just the U.S. revenue part, which you see some slowness coming in Q3 and Q4 is where you again start seeing a bump up. And is the order run rate, the similar kind of a run rate,

what you're getting now, the inquiry and the order run rate, if you can just clarify that?

Kushal Desai: So, on the order flow, so this constant inquiry has been coming even through this entire period where there was no real orders getting finalized. But we have seen a large intake come in at the end of through the Diwali, meaning the last week of October, early in the last 10 days, a whole spate of orders has come in from the U.S. market. So, we have had to adjust our pricing to some extent. Customers have absorbed a portion of the duties at their end. We have also come to realize that even the local domestic players have had to adjust the prices upward because all aluminum, the U.S. imports almost 90% of its aluminum. So, those prices have also got, the local prices of aluminum have got adjusted up to that extent. So, this was a whole period where things needed a bit of settling down. And then now this order inflow has come. So, you will see a reasonably strong execution happening from November onwards. And it's all directly, the orders which are getting finalized first are all coming from the renewable energy side in the U.S. So, both on the solar and the wind side. So, APAR exports actually cables that go into the wind side also in the U.S. But the solar is much larger in terms of the volume.

Nitin Arora: Got it. That's very helpful. So, that's all I wanted to know.

Kushal Desai: On the conductor side as well, wherever customers need to place orders on for the conductors to prevent, their schedules getting disrupted. So, we started seeing some inflow of those orders coming in as well. So, if you see the growth, which we have shown, if you take FY'25, we had done almost Rs. 1,600 crores of conductors and cables put together. And if you

look at FY'26 in the first half, we have done almost a similar number. And this is because APAR has also been working very hard in increasing market access, as in getting approvals from customers, etc. And our belief is that at some point in time this tariff situation will get sorted out. And then as it gets sorted out, the larger access will be available based on all these approvals, which we have been working on, including through this current period.

Nitin Arora: Got it. It's just a month or two month phenomena, which you saw and then again, things are getting back on track.

Kushal Desai: There is a pressure on the margin because we have had to absorb part of it, customers have absorbed part of it. And these markets take many, many years to build. And so as a strategy, we have decided that we do not want to let up on products going into these markets and into these customers. Because the tariff problem, our belief is it will get sorted out at some point in time, in which case there will be more parity in terms of our ability. We have also invested a lot of money not only in equipment, but also in manufacturing practices, processes etc., where the products are optimized for the US market from our plants in India. And so as this tariff situation gets sorted out, I think you'll see a surge taking place in business going to the US. But we have to still wait and watch until that happens. In the meantime, business has restarted.

Nitin Arora: Sir, just one thing on the domestic market, as you rightly said, transmission is something which took a little stall. But when we look at the backlog of thermal projects and state distribution, that ordering, what we were seeing was quite healthy still in the first half. So, domestic though you have guided

for a 25% growth in cables and conductors also you've been doing very strong growth. From the domestic side, do you see any challenges on the growth or you still think the momentum will continue in that 20% plus range and premium product contribution continues to increase?

Kushal Desai: So, we don't see really any fundamental challenges on the domestic side. The short term issue has clearly been right of way. Also, there is a change that many of the customers are putting in the way in which you can do the billing. See, previously, even in government projects, railway projects, many other agencies, you could bill, there was a separate billing of product and then billing of the services that you had. So, you could supply the product part earlier in the cycle compared to the services part. Today, everything is now moving towards milestone billing. So, if your right of way doesn't come through, then you don't want to order the material because you can't then bill it further to the client. Your payment is now more milestone based in terms of how you execute. So, a few of these things have played out because of which there is likely to be a slightly slower movement happening in Q3. But keep in mind that post Diwali, that means from November through till March is the best construction season in the country. So, everyone is working overtime on getting right of ways and as those come through, you will see the conductor offtake starting to pick up. Plus, there is this backlog, as was mentioned in the opening remarks, that substations have outstripped actually the lines going in. So, there will be a demand that will come up for the lines.

Nitin Arora: Thank you so much.

Moderator: Thank you. The next question is from the line of Nidhi Shah from ICICI Securities. Please go ahead.

Nidhi Shah: Thank you so much for taking my question. My question is on the expansion of the conductors. What is the progress on that and by when do we expect the entire capacity to come online?

Chaitanya Desai: It is all going as per schedule. Almost all the product lines, we are increasing our capacities and we envisage that the bulk of it will be done by March '26. And some part of it will get done by the Q1 of the next financial year.

Nidhi Shah: And my second question on the conductor side is that what do you think is the outlook on the conductor side for the domestic market, given that not a lot of players are increasing capacity on the conductor side? Not many players exist in this space as well.

Chaitanya Desai: So, on the conductors, we are making several different types of products. So, there is one product group, which is on the copper side, which we are seeing that there is a fair amount of growth that we expect. Therefore, we are expanding. And you are right, relative to the demand, the increased capacity may not be so forthcoming. On some of the conventional conductor side, aluminum side, we see that the supply demand may be not so great for us because new capacities are coming in. And as we discussed, there is a little slowdown and we are building our capabilities on the premium products of the aluminum conductors. So, that is also expected to grow in the reconductoring projects of HTLS and OPGW.

Nidhi Shah: Thank you.

Chaitanya Desai: Thank you.

Moderator: Thank you. The next question is from the line of Kunal Sheth from B&K 360 One. Please go ahead.

Kunal Sheth: Hi. Good evening, sir. Thank you for the opportunity. Sir, you did mention about the conductor Capex that are likely to come by March. We are also investing about Rs. 800 crores in cable division. So, what is the, you know, status there? When are the capacity likely to come up there?

Kushal Desai: So, in the case of cables, the first phase of equipment are coming in the January-March quarter. And the balance will all arrive in the April-June quarter. So, by the June quarter, you will have pretty much everything having landed up at our sites. And then the commissioning will take place. So, bulk of the commissioning, I would imagine, would be done by June of 2026. The spillover of which would happen in the 3rd Quarter of next year, as in the quarter ending September of next year.

Kunal Sheth: Okay. So, basically, and then we will see gradual ramp-up in terms of utilization over the next few quarters?

Kushal Desai: Absolutely. We are equipped enough to meet, our operating plan for this year. And then the timing of the Capex is such that it times in to then allow for further increase happening from the next financial year onwards.

Kunal Sheth: Got it, sir. And sir, my second question is relating to conductor segments. The share of premium products there is about 45% in Q2 and about 44.5% in H1. Is there a number that we have in mind? Basically, what I am trying

to understand is where can this share go up, given that we are still focusing on a lot of premium products and introducing a lot of specialty products?

Kushal Desai: So, the copper side is a separate bucket by itself. But when you look at the aluminum side, which is consisting of HTLS and all these premium conductors, where we not only supply the conductor, but we also actually install it. So, that part of the market is actually a growing market. And there is a lot of work going on in there. Government policy also is being worked upon to improve and increase the amount of reconductoring efforts that are going to happen in the country. So, the equipment is actually fungible. So, as the HTLS demand increases, we are in a position to increase the production of those type of conductors. So, I don't see a limiting factor on that number. I think that we want to grow only up to a certain percentage. If there is a huge reconductoring demand that comes up, we would like to produce practically everything as HTLS.

Kunal Sheth: Okay, got it. So, basically, it's more constrained by how demand shapes up rather than our capacity.

Kushal Desai: Exactly. So, as we put in all the new Capex, we made sure that equipment is fungible to produce a much wider range of premium products.

Kunal Sheth: Got it, sir. Thank you so much and best of luck for the future quarters.

Moderator: Thank you. The next question is from the line of Mr. Achal Lohade from Nuvama Wealth Management Limited. Please go ahead.

Achal Lohade: Good afternoon, sir. Thank you for the opportunity. Just a few clarifications. One, in terms of the pricing, you did mention that you lock in the price,

but there is no impact on the margin. But in terms of, let's say copper has gone up from \$10,000 to \$11,000. So, is markup basis the absolute rupees per ton or the markup basis the percentage? If you could clarify.

Kushal Desai: The price variations would run on the basis of the absolute change in the price. It would not be based on a percentage change in the price. The price variation formula is based on the absolute change in the price. What I meant was that we hedge our position completely. So, we don't take any speculative risk on the price of the metal movement, either upward or downward.

Achal Lohade: Yes, fair. So, what I wanted to check, and correct me if I have got it right. So, essentially, whatever is the price, we add rupees per ton margin on that. Have I understood right?

Chaitanya Desai: So, I will give you an example. So, if a customer is placing an order on a provisional price basis with a certain delivery schedule, then as we come closer to the actual offtake month, then he has to finalize the price. And then there is a price variation formula which updates the price. So, when he updates the price, we lock in on that updated price, we take the LME position. I hope that clarifies.

Achal Lohade: Understood. Okay, and is it similar for conductors and cables both or it's different for both the products?

Kushal Desai: No. So, every product has its own price variation formula depending on the composition of the product. But the delta that takes place is fundamentally related to the metal itself. So, the change in the price of the metal itself.

Achal Lohade: Metal. Understood. The second question I had, sir, in terms of export for both conductors and cables, if you could clarify, how much is for the U.S.? What would be the U.S. mix out of the exports for conductors and cables separately?

Ramesh Iyer: We have given it. For the last year, full year, it was about Rs. 1,600 crores that we did. And as we just explained on the call, for the first half of this year, we have already crossed, already done Rs. 1,600 crores across cable and conductors in the U.S.

Achal Lohade: Understood. The third question I had, you know, given the current capacity, what is the potential revenue assuming the current price of the metal? Like, are we operating at a 60% utilization, 50% utilization, 90%? If you could give some clarity on that. And what is the additional capacity quantum which is coming on board?

Kushal Desai: So, if you were to look at both the conductor and the cable side today, in terms of operating capacity, we are at, in the conductor side about 75% to 80%. And then we are adding capacity going forward. On the cable side, also we are at about 80%-85% capacity. But in certain product categories, we are running at 100% utilization. The expansion that we put in are going to enable us to support the growth that we have been guiding for FY'26 and FY'27 and a little beyond that as well. Because a lot of new factory facilities are also coming up, so you can then start adding production lines to further increase. Especially on the cable side, a new 66-acre plot is being fully developed, which would then allow, beyond whatever we are putting in the Rs. 800 crores, we can incrementally then start increasing by then putting in production lines.

- Achal Lohade:** Got it. If you could quantify what is the Capex target for FY'26, '27, and '28? A ballpark number?
- Ramesh Iyer:** For FY'26, we have about Rs. 1,300 crores as a ballpark Capex across all three divisions. '27 and '28, we don't have at the moment.
- Achal Lohade:** But is it fair to say it will be Rs. 1,000 crores plus or it could fall?
- Ramesh Iyer:** It's not unlikely because we are going to spend a big amount this financial year to build capacities and infrastructure that will last for the next few years. So, the Capex for the following years will be substantially lower than what we will incur in FY'26.
- Kushal Desai:** Let me put it in a slightly different way. Answer the same question that, we are putting in Capex, which is good for over two years of expanded capacity, and we are doing this in advance. Because in the past, what has happened is that we have always allowed capacities to reach 85%-90% levels and then added. Given today's timeframe where capacity addition timings are much more complicated and difficult to achieve, we are putting this Capex in advance. So, the reason why Ramesh is saying that when you look out beyond this, depending on the way demand is picking up and the product lines where we are seeing more traction, we would then go in and start putting in equipment that's more specific to that. So, two years plus expansion is already clearly happening with this Capex.
- Achal Lohade:** Wonderful. And this last question, with respect to the reconductoring opportunity, if you could give some more sense, sorry I missed the initial part if you kind of said in that context, but if you could repeat for the reconductoring opportunity in India.

Kushal Desai: So, what I mentioned, I didn't mention anything in the opening remarks, in answering one of the questions I mentioned that the reconductoring opportunity, according to us, reconducting is absolutely the best way to go forward for the following reasons. Number one is that it's significantly cheaper than putting up a new line. Secondly, it is much faster and it is in the hands of the utility to give you the outage to actually put the lines up. So, there is no right of way required or no third-party permissions which are required. And the third thing is that if you choose the right design, you can actually increase the throughput of power by 150% more or 200% more. So, if you are carrying 100, you can go up to 250 or 300, depending on the configuration of the line that you end up choosing. So, when you look at this, in a country like India which is resource constrained, this is clearly the best way to go. So, our sense is that more and more of this reconductoring will have to come up. We have also been lobbying with CEA saying please allow new lines to be laid with the top-end conductors which is with the HTLS, etc., which so far has been focused only on reconductoring projects. So, this is also being considered by the Central Electricity Authority because keep in mind that you hear a lot of data centers going into the U.S., but there's a lot of data centers going into India as well. They are much smaller in size than the U.S. hyperscaler ones, but there is a lot of data centers going in, and they do require a large amount of energy to run. So, we believe that a lot of reconductoring projects are going to come up, and it will only accelerate with the addition of data centers and other energy-intensive assets which get installed.

Achal Lohade: Any quantification, sir, like in terms of annually how large is reconductoring at this point in time and how large can it become like in 3-5 years? Any quantifications?

Kushal Desai: So, actually the government is working on a reconductoring plan. So, they have taken out a renewable energy, 500-gigawatt renewable energy blueprint for the country. So, they are working on a transmission and reconductoring plan. A transmission plan also has been released, but the reconductoring plan is something that is being worked at. Our sense is that, see, it's largely demand-driven

Chaitanya Desai: And mostly it is in the urban areas currently or in the areas where there is more power requirement to be fed. But over a period of time, you know, what is currently like a niche application may become a more full-fledged requirement and a mainstream product.

Kushal Desai: It's difficult to gauge what percentage growth will be there, but it can really have a good growth going forward. Also a lot of expertise is required in that. It is not a very simple thing to do. A, to manufacture the HTLS and B, then to do the installation.

Achal Lohade: Understood. Thank you. I will fall back in the queue for follow-up. Thank you so much.

Moderator: Thank you. The next question is from the line of Amitoj from B&K Securities. Please go ahead.

Amitoj: Thank you, sir, for taking the question and congratulations on a great set of results. My question was on the subdued ordering activity seen in August

and September. I just want to clarify that this was primarily a result of Section 232 tariffs and higher metal prices or they were a result of high reciprocal tariffs?

Kushal Desai:

So, I think it's a combination of both because to a large extent, it was also because of 232. So, in the case of all the tariff increases reciprocally, you would have noticed that a notice period was given of several months and then a date was declared effective so-and-so date it will happen. When India was slapped a 25% penalty, the timeframe was shorter. But in the case of 232, it allows the government to impose it as of the time that they declared it. So, it becomes effective from 12:01 the next morning. So, it was so sudden, and 400 categories of products were added in there. So, obviously it took time for an evaluation in terms of what is going to be the impact. Even local domestic suppliers took time in terms of figuring out how things were going to fix and get rebalanced. People who had materials that were already in the country obviously could sell it at a lower price. So, there was quite a lot of confusion in that timeframe. I would think that 232 was the single largest factor for it. Reciprocal tariffs of countries also did not get declared overnight in one shot. If you see, they were being announced country-by-country. So, the whole thing actually resulted in a couple of months where things needed a bit of settling time. There is also hope that everybody has had at our end as well as our customers and that there will be a deal between India and the US. There was a period where there was a complete stalemate. Nothing was happening. Now, at least in the press, it seems like there is some positive movement. And I mean, if the trade deal happens, then it will only accelerate whatever our business is over there.

Amitoj: Got it. This was because my question was mainly focused on knowing that if this was largely an effect of reciprocal tariffs, then did we see any market share erosion in the US primarily? But now that I can confirm that most of it is due to Section 232 tariffs.

Kushal Desai: Yes.

Amitoj: Got it. And on the Capex side, I just had a few questions. So, out of the 13 million CAPEX, how much of it we have incurred till 1H FY'26?

Kushal Desai: About 400 odd crores we have...

Ramesh Iyer: For the Company as a whole, we have incurred Rs. 400 crores of Capex in the first half of the year.

Amitoj: Got it. And on the cable side, we had guided that this Capex of Rs. 800 crores will result in revenue generating capacity of around Rs. 10,000 crores.

Kushal Desai: This Rs. 800 crores increase in Capex will result in an immediate increase that happens of around Rs. 6,000 odd crores. So, from Rs. 5,000 crores which we started with, we will be able to end up at about Rs. 10,000 crores. Plus the infrastructure is set up on the 66 acres. So, now as you start adding new equipment and stuff, then the time frame for installing it is much faster and then you will get a much higher revenue versus the incremental Capex that you put in.

Amitoj: Got it. I think that is it from my side. Thank you for answering my questions.

Kushal Desai: Thank you.

Moderator: Thank you. Due to time constraint, this was the last question for today's conference. I now hand the conference to Mr. Kushal Desai for closing comments.

Kushal Desai: I would like to take this opportunity to thank everyone for your time to attend our earnings call. Just a quick summary in line with the closing remarks that I had. We see that all the fundamental drivers of our business continue to remain strong. There is a short-term impact as we have explained in detail that is going to hit us in Q3, especially from business in the US. The order inflow from there has already started. So, you will start seeing a better position happening in the fourth quarter of the year. The domestic side on conductors was affected to some extent due to right-of-way issues. Our expectation is that as we run through the second half of the year that will also get sorted out. And once that is done, there is a wonderful execution period available between now and 31st of March. Overall, we stand quite optimistic in terms of the way in which the business is growing, albeit a short-term problem which we will see in Q3. With that, I would like to close the call. Thank you very much for your time.

Moderator: Thank you. On behalf of APAR Industries Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.