

Apcotex Industries Ltd. – Investment BUY Call – 6 Months Horizon

Dear Bajaj Capital Investors,

New Stock Recommendations for BUY on 6 May 2026

CMP -> 426

Upside Potential-> 12%

Investment Horizon -> 6 Months

Target price -> 477

Apcotex Industries, a leading domestic manufacturer of Synthetic Rubber and Synthetic Latex, presents a compelling BUY opportunity for a short to medium-term investment horizon of 3–6 months. The company has demonstrated a strong operational trajectory, supported by its diversified product portfolio across high-demand segments such as Nitrile Rubber, Styrene Acrylics and Nitrile Latex. This positions it well to benefit from improving industrial demand and favourable sectoral dynamics.

The company delivered a robust performance in Q4FY26, with significant growth observed both on a QoQ and YoY basis at the operating revenue as well as PAT levels. Notably, operating margins expanded during the quarter, reflecting improved cost efficiencies and better product mix. On the balance sheet front, Apcotex has shown marked improvement in financial health, with operating cash flow rising sharply to INR 203 crore in FY26 from INR 85 crore in FY25. Additionally, the company has undertaken substantial deleveraging, reducing its debt from INR 184 crore to INR 93 crore and effectively becoming debt-free as of 31 March 2026.

From a valuation standpoint, the stock continues to trade at reasonable levels, with a TTM P/E of ~22x and a P/S ratio of ~1.5x, offering a favourable risk-reward profile relative to its growth prospects and improving fundamentals. Supported by strong earnings visibility, enhanced cash flows and a cleaner balance sheet, Apcotex Industries Ltd is well-positioned for potential price appreciation over the next 3–6 months. Investors may consider accumulating the stock at current levels for short to medium-term gains.

Q4FY26 Results:

	YoY	QoQ	Mar 2026	Dec 2025	Mar 2025
Revenue Cr	13.8%	19.9%	398	331	349
Operating Profit Cr	42.1%	25.6%	55	44	38
OPM %			13.8	13.1	11.0
PAT Cr	107.3%	56.4%	35	22	17
NPM %			8.7	6.7	4.8
EPS ₹	107.4%	56.5%	6.7	4.3	3.2

Happy investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team