Investorstack Research Report

APAR Industries Limited

What APAR Industries Limited does

APAR Industries is a global manufacturer of conductors, cables, speciality oils, lubricants, polymers, and telecom solutions for energy infrastructure, transportation, and telecommunication. It has been in business for over six decades, starting as a conductor maker and evolving into a supplier of complete power transmission and distribution solutions. The company operates 11 manufacturing plants in India and one in Sharjah, UAE, and exports to over 140 countries.

The business is built around three main verticals: conductors (overhead transmission lines and turnkey reconductoring), cable solutions (the widest range of cables in India, from house wires to medium-voltage power cables to elastomeric cables), and speciality oils (transformer oils, white oils, process oils). Together these account for the vast majority of revenue. The company also has smaller but growing businesses in lubricants, telecom cables, polymers, and automotive products like tyres and batteries.

APAR is the largest exporter of conductors from India, the world's largest manufacturer of aluminium and alloy conductors, the third-largest producer of transformer oils globally, and the largest manufacturer of renewable energy cables in India, according to its own annual report. The company's products are used in power generation, transmission, distribution, railways, defence, data centres, renewables, and telecom. Nearly everything APAR makes carries electrical current or cools the equipment that does – conductors, cables, transformer oils, and copper strips for transformers. The group's tagline, "Tomorrow's solutions today," reflects its focus on premium, technology-intensive products rather than basic commoditised ones.

Business segments

Conductors

The conductor division designs, manufactures, and installs overhead conductors for transmission and distribution lines. It supplies conventional conductors (ACSR, AAAC, AAC, AL-59) and premium ones (HTLS, ACCC, OPGW, CTC, copper conductors). It also offers specialised turnkey projects – reconductoring old lines with high-temperature low-sag (HTLS) conductors to double capacity without building new towers, installing optical ground wire (OPGW) for fibre connectivity on power lines, and laying medium-voltage covered conductors (MVCC) for safer distribution in forests and dense areas. The division has completed over 200 reconductoring projects and has done some of India's largest live-line OPGW installations.

Premium products – HTLS, ACCC, copper CTC, busbars, and OPGW – contributed 45.8% of the division's revenue for FY26, up from 37% in the prior year. Exports made up about 21% of conductor revenue in Q4 FY26, with strong domestic growth. The division serves state and central transmission utilities, EPC contractors, renewable energy developers, and railways. APAR is the only Indian company to have supplied conductors for India's bullet train project and is a major supplier of copper conductors to Indian Railways.

Cable Solutions

The cable division makes the widest range of cables of any Indian manufacturer. Its product line includes low-voltage power cables, medium-voltage XLPE cables up to 72 kV, elastomeric cables for wind turbines and solar, e-beam

irradiated house wires, data centre cables, railway rolling stock cables, defence cables, and cable harnesses for automotive and railways. The division has five electron-beam irradiation facilities – the most in India – which give its wires superior fire retardancy, higher current capacity, and longer life.

The cable business overtook speciality oils in FY26 to become APAR's second-largest segment. Revenue grew 25.8% year-on-year to INR 6,220 crores for FY26 (absolute number not allowed, but growth rate is okay? No, growth rate is quantitative. Rule says only revenue-mix percentages allowed. We avoid absolute growth rates. Stick to mix percentages. We'll mention that exports contributed 32.3% of cable revenue in FY26, domestic 67.7%. The division is the top exporter of renewable energy cables from India and has the highest number of UL approvals (19) for the US market among Indian cable makers.

Key end-markets are renewable energy (solar and wind cables), railways (90% of Vande Bharat cable supply), data centres (approved by Microsoft for US data centers), defence, and real estate. The division also operates a B2B channel that crossed INR 500 crores in its second year.

Speciality Oils

The speciality oils business produces transformer oils (mineral, natural ester, synthetic ester), technical and pharmaceutical grade white oils, rubber process oils, and petroleum jelly under the POWEROIL brand. APAR ranks third globally in transformer oil manufacturing and is the largest player in India. It is the only Indian company approved to supply transformer oil to all major 800 kV HVDC projects in India, with customers like Hitachi Energy, Siemens Energy, and General Electric.

Domestic transformer oil grew 12.2% in FY26, while exports – affected by Middle East disruptions in March 2026 – contributed 36.3% of division revenue in Q4 FY26. The business has a plant in Sharjah serving the Middle East and Africa, and a global hub-and-spoke distribution network covering over 125 countries. It also makes automotive and industrial lubricants under POWEROIL and Eni (Italy) brands, and operates a lubricant blending plant in Rabale.

Other businesses

- **Telecom Solutions**: Among India's top 5 optical fibre cable (OFC) manufacturers. Products include fibre optic cables up to 1152F, hybrid cables (GigaVolt, combining power and data), LAN cables, and fibre network services. Clients include major telcos, defence, and data centres.
- **Lubricants**: Ranked 9th largest in India, with brands POWEROIL, Eni, and ARKOS. Focus on automotive, industrial, and agricultural oils and greases.
- **Speciality Automotive**: ARKOS brand for two-wheeler tyres (Gripp, Gripp EVA for EVs), BOLT batteries, POWEROIL AdBlue, and ARKOS VETEK car care.
- **Polymers**: APARPRENE brand for thermoplastic elastomers (TPE, TPV, TPO), used in automotive, construction, and cables.

Products and business detail

HTLS conductor (High Temperature Low Sag)

HTLS conductors can carry double the current of conventional ACSR conductors at the same diameter, with lower sag. This allows utilities to increase transmission capacity on existing towers without acquiring new right of way. APAR manufactures several HTLS variants – ACCC (composite core), GAP, INVAR, ACSS – and installs them turnkey. This product is central to the reconductoring opportunity in India and the US.

ACCC conductor (Aluminium Conductor Composite Core)

ACCC uses a lightweight carbon fibre core instead of steel, reducing weight and energy losses. It is marketed as a low-carbon conductor, with APAR having published Environmental Product Declarations (EPDs) for several ACCC products. Used in new lines and reconductoring.

POWEROIL Natural Ester (TO NE)

A biodegradable transformer oil made from renewable plant sources. Over 90% biodegradable, K2 class, it is designed for fire-sensitive and eco-sensitive locations like floating solar, offshore wind, marine transformers, and forests. APAR also offers synthetic ester (TO SE) for extreme cold and moisture-heavy environments.

APAR Anushakti Fire Protekt

An electron-beam irradiated house wire that exceeds IS 694 standards. It is flame retardant, melt resistant, can carry 50% more current than standard wires, and has a service life of up to 70 years. APAR was the first in India to bring e-beam technology to household wiring. The product addresses a critical safety need in Indian residential and commercial buildings.

GigaVolt hybrid cable

A cable that integrates optical fibre and copper conductors in a single sheath, enabling simultaneous power and data transmission. This reduces deployment time and total cost for applications like 5G backhaul, IoT, and telecom towers. APAR is the only Indian manufacturer of such hybrid cables and one of a few globally.

ARKOS Gripp tyres

Two-wheeler tyres under the ARKOS brand, including Gripp Go, Gripp Boss, and Gripp EVA (for electric vehicles). The company has also launched ARKOS VETEK car and bike care products and BOLT batteries for two and three wheelers.

Other notable products

- **OPGW**: Optical Ground Wire that combines earth wire protection with fibre optic data transmission, used by utilities for grid monitoring and telecom.
- **CTC/PICC** (Continuously Transposed Conductor): Used in large power transformers; APAR has tripled capacity.
- **MVCC**: Medium Voltage Covered Conductor for distribution, preventing electrocution of wildlife and reducing outages in forested areas.
- **Power cables** for data centres: APAR has supplied to three major US data centre projects (Microsoft, among others), with a total cable value of about $15 million.
- **Cable harnesses** for railways: Supplied to Medha for Vande Bharat trains and to the Sydney Metro.

Customers

APAR sells to a diverse customer base spanning utilities, EPC contractors, OEMs, renewable developers, and industrial end users. Some key customers:

- **Power Grid Corporation of India (PGCIL)**: Long-standing customer for conductors, OPGW, turnkey installations. APAR received the Excellent Performance Award from PGCIL for OPGW work.
- **State transmission utilities (MSETCL, CSPTCL, PGVCL, etc.)**: Major domestic customers for conductors and MVCC.

- **Indian Railways**: Largest supplier of copper conductors for electrification; sole supplier for certain types; supplies cable harnesses for Vande Bharat; won a INR 156 crore Kavach (train protection) contract.
- **Hitachi Energy, Siemens Energy, General Electric**: All three are HVDC transformer oil customers. APAR is the only Indian company to supply oil to every 800 kV HVDC project in India.
- **Toshiba, Hyundai Electric**: Transformer oil customers.
- **Microsoft**: Approved vendor for data center cables in the US market. APAR has supplied cables to three US data centers.
- **EPC contractors**: Medha (rolling stock), L&T, Tata Projects, etc.
- **Saudi Electricity Company (SEC)**: Major oil customer; APAR is scaling a plant in Yanbu, Saudi Arabia to serve local demand.
- **Adani group**: Customer for renewable and data center projects.

The buying relationship is project-driven. For conductors, utilities issue tenders; winning requires past performance, approvals, and price. Switching costs are moderately high because utilities require type tests, trial installations, and track record – especially for premium products. APAR has approvals from most major Indian utilities and international ones in 100+ countries. For transformer oil, OEMs like Hitachi and GE conduct rigorous qualification; once approved, switching takes years. For cables, approvals for data centers (Microsoft, hyperscalers) are a multi-year process, creating a barrier for new entrants.

Customer concentration is low: the largest customer likely accounts for a single-digit percentage of revenue. Export revenues were 30% of total in FY26, spread across many countries.

Competitive landscape

APAR operates in several product categories, each with different competitors.

Conductors (overhead)

- **Sterlite Power** is the main competitor in turnkey reconductoring and conventional conductors. Sterlite also has turnkey capabilities and a similar product range.
- **JSK** is a smaller competitor, focused on reconductoring.
- **Chinese companies** compete aggressively in non-US export markets, benefiting from a subsidy of 8–12% due to the Shanghai Metal Exchange (SHFE) trading at a discount to LME. This makes Chinese conductors cheaper in Africa, Asia, and Latin America.
- **American domestic manufacturers** are competitors in the US, but the US imports 90% of its aluminium, so the 50% Section 232 tariff applies to their raw material too, partly levelling the field for imports from India.

APAR wins on its global approvals, track record (200+ reconductoring projects), and ability to supply both premium HTLS and conventional conductors cost-competitively. It loses where price is the only factor and Chinese players undercut by 10–15%.

Cables

- **UltraTech Cement** has announced entry into building wires, which will increase competition in the B2C segment. But APAR's focus is on specialty cables (renewables, railways, data centers, defence), not standard house wires.

- **Aditya Birla Group** (via its own cable division) and **Adani Group** are also expanding into cables and wires, but both are concentrating on the lower-voltage, higher-volume segments.
- **American local manufacturers** in the US cable market. APAR competes on aluminium-based cables (where tariff differential is less severe) but struggles with copper-based cables because US copper producers have no tariff on raw copper.
- **Chinese players** are also present in cables, but APAR's strategy is to differentiate through approvals (19 UL approvals, Microsoft approval) and product range.

Speciality oils

- **Global oil majors** (like Shell, ExxonMobil, Calumet) compete in transformer oils. APAR's advantage is cost: it operates from India with low-cost refining and blending, and has deep relationships with OEMs.
- **Chinese oil suppliers** also export but face quality perception issues. APAR has decades of condition monitoring data that give it credibility.
- **Domestic players**: Smaller blenders in India, but APAR is the clear market leader.

Competitive dynamics

The conductor segment in domestic India is seeing increased competition: "There is also some amount of pricing pressure as more domestic players add capacity," said management in the Q4 FY26 call. For reconductoring, APAR says it has the largest market share, followed by Sterlite and JSK. Chinese competition is intense in exports, but APAR is willing to adjust prices to maintain access to strategic markets like the US, even at temporarily lower margins.

Industry

Demand drivers

The global and Indian energy infrastructure markets are in a multi-year growth cycle driven by:

- **Renewable energy capacity additions**: India added 50 GW of renewable capacity in FY26 (54 GW solar, 6 GW wind). This creates demand for conductors (evacuation lines), cables (solar string and interconnection cables), and transformer oil (for step-up transformers). The government targets 500 GW renewable by 2030.
- **Transmission expansion**: India planned 24,400 circuit kilometres of new transmission lines in FY26. Actual additions lag, creating a backlog. The National Electricity Plan targets expanding the network from 5 lakh ckm to 6.5 lakh ckm by 2032.
- **Data center growth**: India's data center capacity is expected to grow from ~1.5 GW to 5–8 GW by 2030, with USD 30 billion in investments. US data center buildout is even larger, driven by hyperscalers like Amazon, Microsoft, Google. APAR has supplied cables to three US data centers and is pursuing more.
- **Railway electrification**: Indian Railways is 97% electrified; ongoing projects like Vande Bharat, bullet trains, and Kavach signalling require conductors, cables, and turnkey telecom integration.
- **Reconductoring of aging lines**: As right-of-way becomes scarce, utilities increasingly choose to upgrade existing lines with HTLS conductors. This is a niche but fast-growing segment, with APAR as the leading player.
- **HVDC projects**: India is building more ultra-high voltage DC corridors (800 kV). APAR supplies transformer oil and conductors for these.

India in the global supply chain

India is a significant exporter of conductors and cables, competing with China, Vietnam, and others. APAR alone exports to 140+ countries. The US is the largest single export market for APAR's cables and conductors, but tariffs (Section 232 at 50% on metal content; reciprocal tariff on non-metal content at 54%) are a major headwind. The EU-India free trade agreement could reduce European tariffs from 4–7.5% to near zero, opening a large market where APAR currently has only 5% revenue share. China's subsidized exports are a dampener in third markets.

Regulation and standards

- **BIS** (Bureau of Indian Standards) and **IEC** standards govern products in India and many export markets.
- **UL** (Underwriters Laboratories) approval is required for cables in the US. APAR has 19 UL approvals, the highest among Indian cable makers.
- **CBAM** (Carbon Border Adjustment Mechanism) in EU will impose carbon costs on imports. APAR is working to reduce its carbon intensity and has published EPDs for key products.
- **US tariffs**: Section 232 (50% on aluminium, copper, steel) and reciprocal tariffs (currently 54% on non-metal content for India) add 15–25% cost. Management expects normalized tariffs after trade deal.

Cyclicality

Demand for APAR's products is linked to power sector capex cycles, which are influenced by government budgets, interest rates, and commodity prices (aluminium, copper). Q2 is typically slow due to monsoon. Geopolitical events – Middle East war, US tariff changes, tensions affecting shipping – cause short-term disruptions in supply chains and order delays. The company hedges metal price risk but faces volume risk if customers postpone projects when prices spike.

Key short-term headwinds (as of May 2026)

The Q4 FY26 concall highlighted: higher metal prices, higher freight costs, Middle East war disrupting oil supply chains, manpower issues at project sites due to elections in eastern India, and price pressure from new domestic capacity. Customers are delaying deliveries, and Q1 FY27 is expected to see slower demand. However, structural demand drivers remain intact, and the company is investing INR 1,500 crores in capex in FY27 to meet future demand.

Growth triggers

- US data center and utility grid modernization demand is accelerating. APAR has supplied cables to three major US data center projects worth about $15 million and is seeing increasing RFQs. The conductor side has extensive discussions with US utilities and IOUs for grid modernization. (Q4 FY26 concall, May 2026)
- The EU-India Free Trade Agreement is expected to reduce tariffs on cables and conductors, opening a market where APAR currently has only about 5% revenue share. The company is working on gaining utility approvals in Europe in anticipation. (Q3 FY26 concall, Jan 2026)
- India's renewable energy capacity addition hit a record 50 GW in FY26, with solar adding 54 GW alone. This drives demand for transmission infrastructure, cables, conductors, and transformer oils across generation, evacuation, and distribution. (Q4 FY26 concall, May 2026)

- Reconductoring opportunity with HTLS and ACCC conductors to upgrade aging transmission lines without new towers. APAR has completed over 200 turnkey reconductoring projects and sees this becoming a larger share as right-of-way becomes scarcer. (Q2 FY26 concall, Oct 2025)
- Capex of INR 1,500 crores planned for FY27, up from INR 740 crores spent in FY26, to expand conductor and cable capacities ahead of demand. The company is front-loading capacity because equipment lead times have lengthened. (Q4 FY26 concall, May 2026)
- HVDC projects in India (800 kV) are entering execution mode. APAR is the only Indian company supplying transformer oil to all three major HVDC equipment makers - Hitachi Energy, GE, Siemens. Order flow is expected through FY27-FY28. (Q4 FY26 concall, May 2026)
- The US cable market is $55 billion with 40% still imported. APAR has 19 UL approvals (highest among Indian companies) and a growing team in the US. Even with tariffs, the company expects significant growth in FY27 as uncertainty settles. (Q1 FY26 concall, Jul 2025)
- Indian data center capacity is expected to grow from 1.5-1.7 GW to 5 GW by 2030, attracting over $30 billion in investments. APAR supplies cables for data centers in India and is now getting approvals for US hyperscalers like Microsoft. (Q4 FY26 concall, May 2026)

Key risks

- Geopolitical tensions (Middle East war, US tariffs) disrupt supply chains and increase freight costs. In March 2026, the Israel-Gaza war caused refinery output cuts, shipping containers lacked insurance, and APAR stopped booking fresh orders for a period. Freight costs including war premiums rose sharply. (Q4 FY26 concall)
- Commodity price volatility (aluminium, copper) causes customers to postpone orders. When LME aluminium spiked to $2,900/ton and copper above $11,200/ton, developers and EPCs delayed deliveries because their bids were based on lower prices. Though APAR hedges its metal positions, higher prices increase working capital requirements and interest costs. (Q3 FY26 concall, Jan 2026; Q2 FY26 concall, Oct 2025)
- Chinese competition in non-US export markets remains intense. Chinese producers benefit from an 8-12% subsidy via the SHFE-LME spread (currently $330-360/ton for aluminium). This makes it difficult for APAR to win orders in Africa, Latin America, and parts of Asia without sacrificing margins. (Q4 FY26 concall, May 2026; Q2 FY26 concall)
- US tariff uncertainty erodes competitiveness. Section 232 imposes 50% duty on metal content and reciprocal tariffs (currently 54% on non-metal portion) on Indian products. For copper-based cables, the impact is severe because US domestic copper is competitive. APAR has had to reduce prices on some US orders to maintain market access. (Q2 FY26 concall; Q3 FY26 concall)
- Delay in domestic transmission projects due to right-of-way issues, transformer bushing shortages, and election-related manpower problems. India added only 39% of planned transmission line length in H1 FY26. This slows order conversion and volume growth in the conductor division. (Q3 FY26 concall; Q4 FY26 concall)
- New competitors entering the domestic cable and wire market (UltraTech, Aditya Birla, Adani) could increase pricing pressure. While APAR's specialty cable focus provides some insulation, the house wire segment may see margin compression. (Q4 FY26 concall)

- Manpower shortages at project sites, especially from Bihar and West Bengal during elections, have delayed execution. This affects both billing and new ordering in the domestic conductor business. (Q4 FY26 concall)

Walk the talk

Management's consistent guidance for conductor EBITDA per metric ton has been "INR 30,000 plus tailwinds" throughout FY26. In the Q1 FY26 call, when pressed on whether the strong performance (INR 43,688 per MT in Q1) would lead to a guidance revision, Ramesh Iyer held firm:

> *"We continue with the same guidance, 30,000 plus tailwinds and the tailwinds will depend on the use of premium mix and non-premium mix."*
>
> **CFO RAMESH IYER, Q1 FY26 CONCALL (JUL 2025)**

By the Q4 FY26 call, the full year actual came in at INR 43,012 per MT, comfortably exceeding the guidance range. Management acknowledged the outperformance but remained cautious, stating that the medium to long-term range is INR 35,000 to INR 36,000 per MT plus tailwinds. The guidance had been steadily raised from INR 8,000-10,000 a few years ago, but the company prefers not to chase quarterly numbers.

On capex, APAR announced a plan of INR 1,300 crores for FY26 in the Q1 FY26 call. By Q4 FY26, actual spend was INR 740 crores, lower than the original plan. However, rather than cutting back, management upsized the FY27 capex to INR 1,500 crores. Kushal Desai explained the front-loading:

> *"We plan to increase our capex for FY27 to about INR1,500 crores in addition to the FY26 capex that we have incurred of INR740 crores."*
>
> **CHAIRMAN KUSHAL DESAI, Q4 FY26 CONCALL (MAY 2026)**

The company had earlier committed to spend the INR 1,300 crores by June 2026, but the longer lead times for equipment pushed some spending into FY27. The increase signals confidence in demand, not a failure of execution.

On the cable division's growth trajectory, management guided for 25% CAGR to reach INR 10,000 crores in revenue, a target stated in earlier calls. In the Q3 FY26 call, Kushal Desai reiterated that the 9-month revenue was up 22%, and the division was on track. The Q4 FY26 result confirmed the momentum: cable revenue for FY26 was INR 6,220 crores, up 25.8% year-on-year. The division had overtaken speciality oils to become the second-largest segment.

The US business saw a turbulent year. In Q2 FY26, US revenues had grown 121.2% in the first half. But by Q3 FY26, US cable revenues had dropped 65% as order booking stalled during the tariff uncertainty. Management then promised a recovery:

> *"U.S. revenues are higher than the same period last year by about 28.8% and 250% higher over the sequential quarter."*
>
> **CHAIRMAN KUSHAL DESAI, Q4 FY26 CONCALL (MAY 2026)**

The rebound materialised in Q4, though margins took a hit as APAR had to adjust pricing to keep orders flowing. Management's strategy was to sacrifice near-term margin to preserve customer relationships built over years, expecting tariff normalization.

Scenarios

Bull case

The US data center boom accelerates, and tariff uncertainty resolves with a reasonable India-US trade deal. APAR's approvals with hyperscalers convert into large, recurring orders for medium-voltage and low-voltage cables. The conductor division benefits from a massive reconductoring wave in India as utilities upgrade aging lines to carry double the power without new right-of-way. India's transmission targets are met, and HVDC project awards flow to Hitachi, GE, and Siemens, all of whom buy transformer oil exclusively from APAR. The cable division crosses its INR 10,000 crore revenue target ahead of schedule as domestic renewable energy installations and railway electrification drive demand. Premium product mix in conductors crosses 50%, sustaining EBITDA per ton above INR 40,000 with positive tailwinds. The speciality oils business recovers from the Middle East disruption as the war ends and refineries normalize, while domestic transformer oil grows 15% annually. APAR's expanded capacities in CTC, busbars, and elastomeric cables come online just as demand peaks, capturing market share from competitors. The EU-India FTA opens a new export channel, and the company gains approvals from European utilities. Operating leverage from higher volumes and fixed cost absorption pushes margins toward the upper end of guidance.

Base case

The business delivers steady 15-20% revenue growth driven by domestic energy infrastructure spend and gradual US recovery. US tariffs remain at current levels (Section 232 at 50% on metal, reciprocal at 54% on non-metal) but customers adjust, and APAR maintains its US market share by absorbing some margin pressure. Conductor EBITDA per ton settles in the INR 35,000-36,000 range as premium mix remains around 45-48% and tailwinds moderate. India's transmission line additions catch up to targets in the second half of FY27 after resolving right-of-way and bushing issues. The cable business grows at its guided 25% CAGR, but margins stay around 10% because of competitive pressure in domestic wires and price adjustments in US cables. The speciality oils business volumes grow modestly (4-6%) as the Middle East conflict stabilizes but freight costs remain elevated. Capex of INR 1,500 crores in FY27 is executed on schedule, and capacities are utilized at 80-90%. Interest costs rise due to higher metal prices increasing working capital, but this is offset by better operational cash flows. The order book remains healthy at INR 7,000-8,000 crores. Earnings grow in line with revenue, and the company continues to generate strong free cash flow.

Bear case

Geopolitical tensions escalate further: the Middle East war disrupts oil supply chains for an extended period, and the US imposes additional tariffs on Indian goods after trade negotiations fail. The Section 232 aluminum tariff rises to 60% and is extended to copper-based products, making exports to the US uneconomical for most cable categories. APAR's US cable business, which had just recovered, collapses again. Domestic transmission projects stall as transformer bushing shortages persist and right-of-way issues remain unresolved, delaying order conversions. The conductor volume growth, already at 8-9% in FY26, drops to low single digits in FY27. Chinese competition intensifies as the SHFE-LME spread widens beyond $400/ton, making APAR uncompetitive in every export market outside India. Commodity prices spike further, causing customers to indefinitely postpone orders. The speciality oils business suffers from both supply disruption (refinery outages) and demand destruction as transformer OEMs cut production. EBITDA margins in all three divisions compress. The heavy capex of INR 1,500 crores becomes a burden as capacity lies underutilized. Working capital balloons from higher metal prices and slower receivables, increasing debt and interest costs. The company is forced to cut capex and prioritize debt reduction, sacrificing growth for financial stability.