# **KEI Industries**

India | Capital Goods | Result Update

# Industry leading C&W performance in Q3

KEI Industries (KEII IN) reported 20% top-line growth in Q3FY25, in line with our estimates, led by growing domestic demand. Despite margin declining due to fluctuations in copper prices, management has retained revenue growth target of 16-17% with EBITDA margin at 10-11% for FY25. Management upwardly revised sales growth to 19-20% from FY26 from 16-17% earlier, led by growing exports contribution (15-17% target from the current 11-13%), rising retail presence, and continued increase in domestic demand driven by new capacity. We reiterate **Accumulate** with a TP of INR 4,660 on 40x (unchanged) December 2026E P/E as we roll forward by a quarter.

**Robust demand, lower wires mix drive industry-leading C&W sales**: KEII delivered an industry-leading 26% YoY sales growth in cables & wires (C&W) segment (vs Havells 7% & Polycab 12%), led by strong demand from low tension, high tension (LT-HT) cables and lower mix of wires, which saw another quarter of destocking. C&W posted volume growth of 17% YoY. EPC revenue plunged 80% YoY while revenue for stainless steel (SS) wires rose 29% YoY. <u>Management has raised sales growth target from FY26 to 19-20%</u> YoY from 16-17% earlier, led by growing exports contribution, rising retail presence and continued increase in domestic demand led by new capacity.

**EHV hit by delay in utilities approval, capacity used for HT**: In Q3, Extra High Voltage (EHV) cables sales fell 55% YoY to INR 840mn, due to delay in permit from utilities. To utilize idle EHV capacity, HT cable production was bolstered, due to fungibility of EHV capacity with HT. This resulted in sales for HT cables, up 54% YoY to INR 5.6bn. Sales for house wires (29% of Q2) grew 25% to INR 7.2bn, led by healthy retail demand while LT cables rose 30% YoY to INR 9.9bn. <u>Management expects EHV to rebound in FY26 once new Sanand capacity is operational, with a revenue target of INR 6bn in FY26.</u>

**Margin down due to volatile copper prices in Q3:** Gross margin contracted 130bp YoY to 23.5%, due to fluctuations in copper prices and lag in passing on prices to end-users. Employee cost went up 14% and operating cost by 16%. EBITDA rose 12% YoY to INR 2.4bn, in line with our estimates. EBITDA margin shrank 60bp to 9.8% YoY, due to the dip in EHV volume. <u>Management has retained target of EBITDA margin in the range of 10-11% in FY25, with margin likely to normalize by Q4FY25. Further, by FY27, it aims to expand margin from 11.0% to 12.5%, once utilization improves.</u>

**Reiterate Accumulate with a TP of INR 4,660**: <u>We lower our EPS by 1% for FY25E, due to delayed margin recovery on continued copper price volatility and keep FY26E EPS unchanged.</u> We retain our TP at INR 4,660 based on 40x (unchanged) December 2026E P/E as we roll forward by a quarter. We reiterate **Accumulate** as KEI is the second-largest C&W company with a dominant market share in India (Source: Company), given: 1) sectoral tailwinds, 2) raising sales growth guidance, and 3) focus on growing exports presence. Higher capacity utilization, continued margin improvement, strong cashflow generation, robust domestic demand, and rising exports opportunity are key catalysts. We expect an ROE of 16% during FY25-27E.

#### **Key financials**

YE March	FY23	FY24	FY25E	FY26E	FY27E
Revenue (INR mn)	69,123	81,041	95,645	117,280	142,665
YoY (%)	20.7	17.2	18.0	22.6	21.6
EBITDA (INR mn)	7,062	8,376	9,747	12,762	16,298
EBITDA margin (%)	10.2	10.3	10.2	10.9	11.4
Adj PAT (INR mn)	4,707	5,811	7,038	9,460	11,695
YoY (%)	28.5	23.4	21.1	34.4	23.6
Fully DEPS (INR)	52.9	64.4	73.7	99.1	122.5
RoE (%)	19.9	20.3	15.7	15.1	16.0
RoCE (%)	19.2	20.2	15.9	15.3	16.3
P/E (x)	32.1	54.3	56.0	41.7	33.7
EV/EBITDA (x)	21.1	37.0	38.1	29.1	22.4

Note: pricing as on 22 January 2025; Source: Company, Elara Securities Estimate



22 January 2025

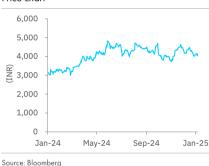
Rating: Accumulate		
Target Price: INR 4,660		
Upside: 13%		
CMP: INR 4, 128		
As on 22 January 2025		

#### Kev dat

Key data	
Bloomberg	KEII IN
Reuters Code	KEIN.NS
Shares outstanding (mn)	96
Market cap (INR bn/USD mn)	394/4,568
Enterprise Value (INR bn/USD mn)	395/4,581
Avg daily volume 3M (INR mn/USD mn)	1,324/15
52 week high/low	5,040/2,884
Free float (%)	63

Note: as on 22 January 2025; Source: Bloomberg

#### Price chart



Shareholding (%)	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Promoter	37.1	37.1	37.1	35.0
% Pledged	-	-	-	-
FII	31.0	30.8	31.1	29.8
DII	16.3	16.6	16.0	20.7
Others	15.6	15.6	15.8	14.5
Source: BSE				

Price performance (%)	ЗM	6M	12M
Nifty	(5.4)	(5.5)	7.3
KEI Industries	3.1	0.2	36.4
NSE Mid-cap	(5.4)	(6.2)	10.5
NSE Small-cap	(4.9)	(7.5)	10.7

#### Harshit Kapadia

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Associate Nemish Sunda



Elara Securities (India) Private Limited

# Financials (YE March)

EBIT     6,769     8,282     9,882     13,015     16,063       Leass-Interset Expenses     3,47     4,39     4,47     3,34     375       PBT     6,420     7,811     9,435     12,263     15,677       Leass-Taxes     1,647     2,002     2,396     3,221     3,982       Adjusted PAT     4,707     5,811     7,038     9,460     11,695       Adjusted PAT     4,707     5,811     7,038     9,460     11,695       Balance Sheet (INR mn)     FY22     FY236     FY272     FY343     78,523       Share Capital     180     191     191     191     191     191     191     191     191     191     191     191     194     193     101     101     101     101     101     104     102     940     394     5548     103,039     Expensed     194     123     193     105     10     10     10     10     10     10     10     10     10     10     1	Income Statement (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Margin (%)     10.2     10.3     10.2     10.9     11.14       Mdd: - kon operating Income     276     490     431     1.111     908       Extra-ordinary Items (net)     -     (2)     -     -     -       Depretation     571     61.44     776     8957     1.135       Destretation     571     61.44     776     499     447     334     575       Destretation     571     61.42     7.811     9.435     11.695     11.695       Est Traces     1.647     7.038     9.460     11.695     11.695     11.91     191<			-			
Addi- Non operating Income     276     490     931     1,211     900       Edra-ordinary Items (net)     -     (2)     -     -     -       Edra-ordinary Items (net)     571     644     796     1535     -     -     -       EBIT     6,766     6,252     9,882     13,015     16,053     -<			-			
bray-methany items (nei)     -     -     -       Depreciation     571     614     776     9857     1.133       BEIT     6,66     8,252     9,882     13,015     15,653       Less: Therset Expanses     3,47     4,307     78,455     12,626     15,677       Depreciation     4,707     5,811     7,038     9,460     11,693       Alguisted PAT     4,707     5,811     7,038     9,460     11,693       Balance Esheet (IMR mn)     FY22     FY226     FY226     FY226     FY226     79,723       Share Capital     1,803     1,443     3,613     26,923     7,933     7,933       Net Worth     2,589     3,1,423     1,624     4,813     4,648       Advic Capital Methopreciation     3,027     3,641     4,603     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,649     4,64						
Depreciation     971     6,14     796     997     1,153       BBT     6,768     6,252     9,882     13,015     16,063       Less: Interest Expenses     347     439     447     334     375       PPT     6,420     7,811     9,435     12,681     15,677       Less: Taxes     1,407     5,809     7,038     9,460     11,695       Share Capital     1,80     180     191     191     191       Share Capital     1,80     13,02     57,962     67,024     78,337       Net Worth     25,690     31,483     58,153     67,234     78,528       Copital Employed     27,511     33,008     59,450     67,829     79,928       Copita Employed     27,511     33,008     59,450     67,829     79,928       Copita Employed     27,513     30,098     59,450     67,829     79,928       Copita Employed     27,713     23,77     7,04     23,77     24,72     25,733     40,0578       R					,	908
BBT     6,768     8,252     9,882     13,015     16,053       Less: Interet Expenses     3,47     439     447     3,34     373       PBT     6,420     7,911     9,435     32,261     15,507       Less: Taxes     1,447     2,002     2,396     3,221     3,982       PAT     4,774     5,691     7,038     9,460     11,693       Balance Sheet (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Share Capital     180     191	• • • •					-
Less: Interest Expenses     347     439     447     334     375       PPT     6,420     7,411     9,435     12,461     15,677       Dest: Taxes     1,447     2,002     2,396     3,221     3,826       PAT     4,774     5,509     7,038     9,460     11,095       Salance Sheet (INR mn)     FV23     FV24     FV25E     FV26E     FV27E       Share Capital     1.80     1.80     1.91     1.91     7937     787.27     78.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.73     79.74     79.74     79.72	Depreciation					,
PBT     6,420     7,911     9,435     12,681     15,677       Lets : Taxes     1,647     2,002     2,396     3,221     3,982       Aljusted PAT     4,777     5,501     7,038     9,460     11,695       Balance Sheet (INR mn)     FY24     FY25E     FY26E     FY27E       Brance Capital     160     160     101     101     101     101       Reserves     25,710     31,302     57,662     67,234     78,323       Net Worth     25,800     31,483     58,453     67,829     79,312       Gars     1,353     1,342     1,024     321     391       Net Morth     2,603     3,643     4,437     5,394     6,548       Add:- Capital Mork in progres     146     1,209     4,000     400     400       Net Working Capital     16,308     17,166     19,545     22,587     25,433       Capital Mork in progress     134     10     10     10     10     10     10       Net Working C			-			
1.647     2.002     2.396     3.221     3.962       PAT     4.774     5.609     7.038     9.460     11.695       Balance Sheet (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Share Capital     180     191     191     69.044     78.337       Net Worth     25.690     31.483     58.153     67.244     78.528       Leans     1.353     1.342     1.042     391       Vet Worth     25.690     31.483     58.153     67.244     78.528       Leans     1.353     1.342     1.024     391     455     30.353     1.533     1.342     1.024     391     400						
PAT     4,774     5,809     7,038     9,460     11,695       Adjusted PAT     4,707     5,811     7,038     9,460     11,695       Balance Sheet (INR mn)     FY23E     FY24E     FY25E     FY25E<			-			15,677
Adjusted PAT     4,707     5,811     7,038     9,460     11,495       Balance Sheet (INR mn)     FY22     FY24     FY25E     FY26E     FY27E       Share Capital     180     180     191     191     191     191       Reserves     25,710     31,302     57,962     67,044     78,337       Net Worth     25,890     31,483     58,153     67,224     78,523       Loans     1,354     20,723     273     273     273     273     273     273     26,653     30,653     10,442     20,553     26,653     30,653     10,442     20,553     26,653     30,653     10,440     400     4000     4000     4000     400     4000     400     4000     400     4000     400     4000     400 <t< td=""><td></td><td></td><td></td><td>2,396</td><td></td><td></td></t<>				2,396		
Balance Sheet (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Share Capital     180     191     191     191     191       Share Capital     180     180     191     191     191       Reserves     25,710     31,302     57,962     67,044     78,327       Net Worth     25,890     31,483     58,153     67,234     78,528       Net Befered Tax Liability     268     273     273     273     273     273     273     273     273     273     273     273     273     273     273     273     273     273     273     243     4,827     5,394     6,548     30,953     30,353     30,353     30,353     30,353     30,353     21,959     24,205     21,959     24,205       Net Kind Assets     5,819     8,912     16,516     21,959     24,205       Net Kind Capital Chanot     5,727     7,004     23,974     23,267     29,537       Cash Bank Balance     5,737     30,308		,	5,809		,	
Share Capital     180     191     191     191     191       Reserves     25,710     31,302     57,962     67,044     78,323       Loans     1,353     1,342     1,024     321     391       Net Deferred Tax Libility     266     273     25,587     25,587     25,587     25,587     25,587     25,587     25,587     25,587     26,515     8,516	•		5,811			
Reserves     25,710     31,302     57,962     67,044     78,337       Net Worth     25,890     31,483     58,153     67,224     78,528       Net Deferred Tax Liability     268     273     273     273     273       Capital Employed     27,511     33,098     59,450     67,829     79,129       Gross Block     8,701     11,13,44     20,553     30,353     144     42,055     30,353       Less: - Accumulated Depreciation     3,027     3,641     4,437     5,394     6,548       Add: - Capital work in progress     146     1,209     400     400     400       Investments     13     16     16     16     16     16       Net Working Capital Contron Casits     27,511     33,098     59,450     67,829     79,192       Cash Bank Balance     5,737     7,004     23,374     13,208     16,378     13,973     17,206       Cash Point Audited for non-cash terms     7,464     8,400     10,678     13,973     17,206       Cash Po						
Net Worth     25,990     31,483     58,153     67,234     78,523       Loans     1,353     1,342     1,024     321     321       Net Deferred Tax Liability     268     273     273     273     273       Gapital Employed     27,511     33,098     59,450     67,829     79,192       Gross Block     8,701     11,344     20,553     20,535     30,353       Less'- Accumulated Depreciation     3,027     3,641     4,437     5,394     6,548       Add:-Capital work in progress     1,45     1,209     400     400     400       Net Kick Assets     5,519     8,912     16,6,56     22,587     25,433       Cash Row Statement (INR mn)     F122     F124     F125     F126     F1272       Cash Flow Statement (INR mn)     F123     8,151     8,622     10,930     11,364       Depreting Cash Flow     6,151     8,151     8,622     10,930     11,364       Ses: Capex     (9,77)     (4,000)     (8,400)     (6,400)     (3,402)	Share Capital					
Loans     1,353     1,342     1,024     321     391       Net Deferred Tax Liability     268     273 <td< td=""><td>Reserves</td><td></td><td>-</td><td></td><td></td><td></td></td<>	Reserves		-			
Net Deferred Tax Liability   268   273   273   273   273     Capital Employed   27,511   33,098   59,450   67,829   79,129     Gross Block   8,701   11,344   20,553   26,943   30,353     Less: Accumulated Depreciation   3,027   3,641   4,437   5,334   6,548     Add: Capital work in progress   146   1,209   400   400   400     Net Fixed Assets   5,839   8,912   16,516   21,959   24,205     Investments   13   16   16   16   16     Net Working Capital   16,308   17,166   19,545   22,587   25,433     Cash R Balance   5,372   7,004   23,374   23,267   29,537     Add/Less: Working Capital Changes   (3,490   (6,678   13,973   17,206     Add/Less: Working Capital Changes   (3,493   (6,991   (2,045)   (3,921   (3,942)     Cash Profit adjusted for non-cash items   7,264   8,840   10,678   13,942   14,205     Cash Profit adjusted for non-cash items   7,264   8,	Net Worth	25,890	31,483	58,153	67,234	78,528
Capital Employed     27,511     33,098     59,450     67,829     79,192       Gross Block     8,701     11,344     20,553     26,953     30,355       Less: - Accumulated Depreciation     3,027     3,641     4,437     5,394     6,548       Add: - Capital work in progress     146     1,209     4.00     4.00     4.00       Net Fixed Assets     5,819     8,912     16,516     21,959     22,567       Investments     13     1.6     1.6     1.6     1.6       Cash & Bank Balance     5,372     7,004     23,374     23,267     29,537       Application of Funds     27,511     33,098     59,450     67,829     79,192       Cash For Statement (IVR mn)     FY23     FY24     FY25E     FY26E     CASC     20,930     43,460       Graving Cash Flow before Tax     6,915     8,151     8,622     10,930     (2,846)       Graving Cash Flow testore Tax     6,915     8,151     8,622     10,920     (2,846)       Cash Prostite adustand Changes     (349) <td>Loans</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Loans					
Gross Block     8,701     11,344     20,553     26,953     30,353       Less:- Accumulated Depreciation     3,027     3,641     4,437     5,394     6,548       Add:- Capital work in progress     146     1,209     400     400     400       Net Fixed Assets     5,819     8,912     16,516     21,959     24,205       Investments     13     16     16     16     16       Net Working Capital     16,308     17,166     19,545     22,587     25,433       Cash Reak Balance     5,372     7,04     23,374     23,267     29,593       Application of Funds     27,611     33,098     59,450     67,829     79,192       Cash Fordi adjusted for non-cash items     7,264     8,400     0,678     13,973     17,206       Cash Polit adjusted for non-cash items     7,126     8,151     8,622     10,930     13,960       Cash Polit adjusted for non-cash items     7,246     8,151     8,622     10,930     13,920       Depreting Cash Flow     5,139     6,106     <	Net Deferred Tax Liability					
3,027     3,641     4,437     5,394     6,548       Add:-Capital work in progress     146     1,209     400     400     400       Net Fixed Assets     5,819     8,912     16,516     21,959     24,205       Investments     13     16     16     16     16       Net Working Capital     16,308     17,166     19,545     22,587     25,433       Cash & Bank Balance     5,372     7,004     23,374     23,267     29,537       Application of Funds     27,511     33,098     59,450     67,829     79,192       Cash Profit adjusted for non-cash items     7,264     8,840     10,678     13,973     17,206       Add/Less: Working Capital Changes     (349)     (6,400     (6,400)     (3,400)     (2,246)       Operating Cash Flow before Tax     6,915     8,151     8,622     10,939     10,307       Eess: Capex     (1,776)     (2,045)     (2,396)     (3,242)     (3,982)       Operating Cash Flow     4,163     2,106     (2,174)     1,309			-	59,450		
Add:-Capital work in progress     146     1,209     400     400       Net Fixed Assets     5,819     8,912     16,516     21,959     24,205       Investments     13     16     16     16     16       Net Working Capital     16,308     17,166     19,545     22,587     25,433       Cash & Bank Balance     5,372     7,004     23,374     23,267     29,537       Application of Funds     27,511     33,098     59,450     67,829     79,192       Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Cash Flow Statement (INR mn)     G195     8,151     8,622     10,930     14,360       Add/Less : Working Capital Changes     (349)     (669)     (2,056)     (3,042)     (2,846)       Operating Cash Flow     5,139     6,106     6,226     7,709     10,378       Less : Capex     (977)     (4,000)     (8,400)     (6,400)     (6,400)       Investing Cash Flow     (3167)     7,74     1,309     6,270	Gross Block		11,344			
Net Fixed Assets     5,819     8,912     16,516     21,959     24,205       Investments     13     16     16     16     16       Net Working Capital     16,308     17,166     19,545     22,587     25,433       Cash & Bank Bance     5,372     7,004     23,374     23,267     25,537       Application of Funds     27,511     33,098     59,450     67,829     79,192       Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY27E     Cash Profit adjusted for non-cash items     7,264     8,840     10,678     13,973     17,200       Add/Less : Working Capital Changes     (349)     (6,699     (2,056)     (3,040)     (3,492)     (2,846)     (3,221)     (3,982)       Operating Cash Flow     5,139     6,106     6,226     7,709     10,378       Less: Capex     (977)     (4,000)     (8,400)     (6,400)     (3,400)       Free Cash Flow     4,163     2,106     (2,174)     1,309     6,978       Investing Cash Flow     4,163     2,106	Less:- Accumulated Depreciation	3,027	3,641	4,437	5,394	
Investments     13     16     16     16     16       Net Working Capital     16,308     17,166     19,545     22,587     25,433       Cash & Bank Balance     5,372     7,004     23,374     23,267     29,537       Application of Funds     27,511     33,098     59,450     67,829     79,152       Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Cash Flow Lopior Tax     6,915     8,151     8,622     10,930     14,360       Tax     (1,776)     (2,045)     (2,396)     (3,221)     (3,982)       Operating Cash Flow     4,163     2,106     6,226     7,709     10,370       Investing Cash Flow     (395)     474     -	Add:- Capital work in progress	146	1,209	400	400	400
Net Working Capital     16,308     17,166     19,545     22,587     25,433       Cash & Bank Balance     5,372     7,004     23,374     23,267     29,537       Application of Funds     27,511     33,098     59,450     67,829     79,192       Cash Flow Statement (IRR mn)     FY23     FY24     FY25E     FY26E     FY26E       Cash Flow Statement (IRR ma)     7,264     8,840     10,678     13,973     17,206       Cash Flow Statement (IRR ma)     FY23     FY24     FY25E     FY26E     FY26E       Cash Flow Statement (IRR ma)     7,264     8,840     10,678     13,973     17,206       Add/Less : Working Capital Changes     (349)     (6,699     (2,045)     (3,042)     (2,846)       Operating Cash Flow     5,139     6,106     6,226     7,709     10,378       Less: Capex     (977)     (4,000)     (8,400)     (6,400)     (3,400)       Free Cash Flow     4,163     2,106     (2,174)     1,309     6,978       Investing Cash Flow     (355)     1,772	Net Fixed Assets	5,819	8,912	16,516	21,959	24,205
Cash & Balance     5,372     7,004     23,374     23,267     29,537       Application of Funds     27,511     33,098     59,450     67,829     79,122       Cash Fortin adjusted for non-cash items     7,264     8,840     10,678     13,973     17,206       Add/Less : Working Capital Changes     (349)     (669)     (2,056)     (3,042)     (2,846)       Operating Cash Flow before Tax     6,915     8,151     8,622     10,930     14,360       Operating Cash Flow     5,139     6,106     6,226     7,709     10,378       Desc: Cape X     (977)     (4,000)     (8,400)     (6,400)     (3,400)       Free Cash Flow     4,163     2,106     (2,2174)     1,309     6,978       Investing Cash Flow     (395)     474     -     -     -     -       Cf from Fin. Activity     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,307)     (107)     6,270       Ratio Analysis     FY23     FY24	Investments	13	16	16	16	16
Application of Funds     27,511     33,098     59,450     67,829     79,192       Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Cash Flow Statement (INR mn)     FY26     R.513     8,622     10,930     14,360       Add/Less: Working Capital Changes     (349)     (689)     (2,056)     (3,042)     (2,846)       Operating Cash Flow before Tax     6,915     8,151     8,622     10,930     14,360       Tax     (1,776)     (2,045)     (2,396)     (3,221)     (3,982)       Operating Cash Flow     4,163     2,106     6,226     7,709     10,378       Less: Capex     (977)     (4,000)     (6,6400)     (3,400)     (6,400)     (3,400)       Investing Cash Flow     4,163     2,106     2,174     1,309     6,978       Investing Cash Flow     (2,559)     (776)     (1,133)     (1,414)     (708)       Ratio Analysis     FY25E     <	Net Working Capital	16,308	17,166	19,545	22,587	25,433
Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Cash Flow Statement (INR mn)     FY23     FY24     FY25E     FY26E     FY27E       Cash Flow Statement (INR mn)     7,264     8,840     10,678     13,973     17,260       Add/Less: Working Capital Changes     (3,49)     (6,69)     (2,365)     (3,042)     (2,846)       Operating Cash Flow before Tax     6,915     8,151     8,622     10,930     14,360       Tax     (1,776)     (2,045)     (2,396)     (3,221)     (3,982)       Operating Cash Flow     5,139     6,106     6,226     7,709     10,378       Less: Capex     (977)     (4,000)     (6,400)     (3,042)     (2,944)       Investing Cash Flow     (1,776)     (7,76)     (1,133)     (1,416)     (708)       Investing Cash Flow     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,307)     (1007)     6,276       Revenue growth     20.7     17.2	Cash & Bank Balance	5,372	7,004	23,374	23,267	29,537
Cash Profit adjusted for non-cash items     7,264     8,840     10,678     13,973     17,206       Add/Less : Working Capital Changes     (349)     (689)     (2,056)     (3,042)     (2,846)       Operating Cash Flow before Tax     6,915     8,151     8,622     10,930     14,360       Tax     (1,776)     (2,045)     (2,396)     (3,221)     (3,982)       Operating Cash Flow     5,139     6,1006     6,222     7,709     10,378       Less: - Capex     (977)     (4,000)     (8,400)     (6,400)     (3,400)       Free Cash Flow     4,163     2,106     (2,174)     1,309     6,978       Investing Cash Flow     (395)     474     -	Application of Funds	27,511	33,098	59,450	67,829	79,192
Add/Less: Working Capital Changes   (349)   (689)   (2,056)   (3,042)   (2,846)     Operating Cash Flow before Tax   6,915   8,151   8,622   10,930   14,360     Tax   (1,776)   (2,045)   (2,396)   (3,221)   (3,982)     Operating Cash Flow   5,139   6,106   6,226   7,709   10,378     Less: Capex   (977)   (4,000)   (8,400)   (6,400)   (3,400)     Free Cash Flow   4,163   2,106   (2,174)   1,309   6,978     Investing Cash Flow   (395)   474   -   -   -     CF from Fin. Activity   (2,559)   (776)   (1,133)   (1,416)   (708)     Net Change in Cash   1,208   1,804   (3,307)   (407)   6,270     Ratio Analysis   FY23   FY24   FY25E   FY26E   FY27E     Income Statement Ratios (%)   20.7   17.2   18.0   22.6   21.6     EBITDA growth   20.0   18.6   16.4   30.9   27.7     PAT growth   20.7   17.2   18.0   22.6	Cash Flow Statement (INR mn)	FY23	FY24	FY25E	FY26E	FY27E
Operating Cash Flow before Tax     6,915     8,151     8,622     10,930     14,360       Tax     (1,776)     (2,045)     (2,396)     (3,221)     (3,982)       Operating Cash Flow     5,139     6,060     6,226     7,709     10,378       Less: Capex     (977)     (4,000)     (8,400)     (6,400)     (3,982)       Pree Cash Flow     (395)     474     -     -     -       Three Cash Flow     (395)     474     -     -     -       CF from Fin. Activity     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,307)     (107)     6,270       Ratio Analysis     FY23     FY24     FY26E     FY26E     FY26E       Income Statement Ratios (%)     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA growth     20.2     10.2     10.9     11.4  Net margin     6.8     7.2 <td>Cash Profit adjusted for non-cash items</td> <td>7,264</td> <td>8,840</td> <td>10,678</td> <td>13,973</td> <td>17,206</td>	Cash Profit adjusted for non-cash items	7,264	8,840	10,678	13,973	17,206
Tax     (1,776)     (2,045)     (2,396)     (3,221)     (3,982)       Operating Cash Flow     5,139     6,106     6,226     7,709     10,378       Less:- Capex     (977)     (4,000)     (8,400)     (6,400)     (3,400)       Free Cash Flow     4,163     2,106     (2,174)     1,309     6,978       Investing Cash Flow     (395)     474     -     -     -       CF from Fin. Activity     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,307)     (107)     6,270       Ratio Analysis     FY23     FY24     FY25E     FY26E     FY27E       Income Statement Ratios (%)     20.7     17.2     18.0     22.6     21.6       EBITDA growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       Dividend growth     0.2     10.3     10.2     10.9     11.4     3.0     2.9	Add/Less : Working Capital Changes	(349)	(689)	(2,056)	(3,042)	(2,846)
Operating Cash Flow     5,139     6,106     6,226     7,709     10,378       Less: Capex     (977)     (4,000)     (8,400)     (6,400)     (3,400)       Free Cash Flow     4,163     2,106     (2,174)     1,309     6,978       Investing Cash Flow     (395)     474     -     -     -       CF from Fin. Activity     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,07)     (107)     6,270       Ratio Analysis     FY23     FY24     FY25E     FY26E     FY27E       Income Statement Ratios (%)     20.7     17.2     18.0     22.6     21.6       BITDA growth     20.7     17.2     18.0     22.6     21.6       BITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)	Operating Cash Flow before Tax	6,915	8,151	8,622	10,930	14,360
Less:- Capex     (977)     (4,000)     (8,400)     (6,400)     (3,400)       Free Cash Flow     4,163     2,106     (2,174)     1,309     6,978       Investing Cash Flow     (395)     474     -     -     -       CF from Fin. Activity     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,307)     (107)     6,276       Ratio Analysis     FY23     FY24     FY25E     FY26E     FY26E       Income Statement Ratios (%)     20.7     17.2     18.0     22.6     21.6       EBITDA growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Divided EPS     52.9     64.4     73.7     99.1     122.5       Book value per share     287	Tax	(1,776)	(2,045)	(2,396)	(3,221)	(3,982)
Free Cash Flow     4,163     2,106     (2,174)     1,309     6,978       Investing Cash Flow     (395)     474     -	Operating Cash Flow	5,139	6,106	6,226	7,709	10,378
Investing Cash Flow     (395)     474     -     -       CF from Fin. Activity     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,307)     (107)     6,270       Ratio Analysis     FY23     FY24     FY25E     FY26E     FY27E       Income Statement Ratios (%)     20.7     17.2     18.0     22.6     21.6       Revenue growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Diluted EPS     52.9     64.4     73.7     99.1     122.5       DPS     3.0     3.1     3.2     3.3     2.9       Diluted EPS     52.9     64.4     73.7     99.1     122.5       DPS     3.0     3.1     3.2     3.3 <t< td=""><td>Less:- Capex</td><td>(977)</td><td>(4,000)</td><td>(8,400)</td><td>(6,400)</td><td>(3,400)</td></t<>	Less:- Capex	(977)	(4,000)	(8,400)	(6,400)	(3,400)
CF from Fin. Activity     (2,559)     (776)     (1,133)     (1,416)     (708)       Net Change in Cash     1,208     1,804     (3,307)     (107)     6,270       Ratio Analysis     FY23     FY24     FY25E     FY26E     FY27E       Income Statement Ratios (%)     20.7     17.2     18.0     22.6     21.6       Revenue growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     20.1     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1     0.1       P/	Free Cash Flow	4,163	2,106	(2,174)	1,309	6,978
Net Change in Cash     1,208     1,804     (3,307)     (107)     6,270       Ratio Analysis     FY23     FY24     FY25E     FY26E     FY27E     FY27E       Income Statement Ratios (%)     20.7     17.2     18.0     22.6     21.6       Revenue growth     20.7     17.2     18.0     22.6     21.6       EBITDA growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     20.0     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     0.2     0.1     0.1     0.1       Dividend yield (%)     0.2     0.1     0.1     0.1       V24uation (x)     22.1     54.3 <td>Investing Cash Flow</td> <td>(395)</td> <td>474</td> <td>-</td> <td>-</td> <td>-</td>	Investing Cash Flow	(395)	474	-	-	-
Ratio Analysis     FY23     FY24     FY25E     FY26E     FY27E       Income Statement Ratios (%)	CF from Fin. Activity	(2,559)	(776)	(1,133)	(1,416)	(708)
Income Statement Ratios (%)       Revenue growth     20.7     17.2     18.0     22.6     21.6       EBITDA growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     52.9     64.4     73.7     99.1     122.5       DPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       VEBITDA     21.1     37.0     38.1     29.1     22.4       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.	Net Change in Cash	1,208	1,804	(3,307)	(107)	6,270
Revenue growth     20.7     17.2     18.0     22.6     21.6       EBITDA growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     52.9     64.4     73.7     99.1     122.5       Diluted EPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)     7.0     38.1     29.1     22.4     24.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9	Ratio Analysis	FY23	FY24	FY25E	FY26E	FY27E
BITDA growth     20.0     18.6     16.4     30.9     27.7       PAT growth     28.5     23.4     21.1     34.4     23.6       EBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     52.9     64.4     73.7     99.1     122.5       Diluted EPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)      7.9     32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0	Income Statement Ratios (%)					
PAT growth   28.5   23.4   21.1   34.4   23.6     EBITDA margin   10.2   10.3   10.2   10.9   11.4     Net margin   6.8   7.2   7.4   8.1   8.2     Per Share data (INR/Share)   52.9   64.4   73.7   99.1   122.5     DPS   3.0   3.1   3.2   3.3   3.5     Book value per share   287   349   609   704   823     Payout (incl. Div. Tax) (%)   5.7   4.8   4.3   3.3   2.9     Dividend yield (%)   0.2   0.1   0.1   0.1   0.1     Valuation (x)   P/E   32.1   54.3   56.0   41.7   33.7     EV/EBITDA   21.1   37.0   38.1   29.1   22.4     EV/Sales   2.2   3.8   3.9   3.2   2.6     Price/Book value   5.9   10.0   6.8   5.9   5.0     Return and Liquidity Ratios   10.2   (0.2)   (0.4)   (0.3)   (0.4)     ROE (%)   19.9   20.3   15.7 <td>Revenue growth</td> <td>20.7</td> <td>17.2</td> <td>18.0</td> <td>22.6</td> <td>21.6</td>	Revenue growth	20.7	17.2	18.0	22.6	21.6
LEBITDA margin     10.2     10.3     10.2     10.9     11.4       Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     Diluted EPS     52.9     64.4     73.7     99.1     122.5       DPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)     P/E     32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios     0.2     0.2     0.4     0.3     (0.4)       ROE (%)     19.9     20.3 <td>EBITDA growth</td> <td>20.0</td> <td>18.6</td> <td>16.4</td> <td>30.9</td> <td>27.7</td>	EBITDA growth	20.0	18.6	16.4	30.9	27.7
Net margin     6.8     7.2     7.4     8.1     8.2       Per Share data (INR/Share)     52.9     64.4     73.7     99.1     122.5       Diluted EPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)     P/E     32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     50.0       Return and Liquidity Ratios     0.2     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	PAT growth	28.5	23.4	21.1	34.4	23.6
Per Share data (INR/Share)       Diluted EPS     52.9     64.4     73.7     99.1     122.5       DPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)      7     38.1     29.1     22.4       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios       5.9     5.0     5.0       RoE (%)     19.9     20.3     15.7     15.1     16.0	EBITDA margin	10.2	10.3	10.2	10.9	11.4
Diluted EPS     52.9     64.4     73.7     99.1     122.5       DPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)      32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios      0.2     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	Net margin	6.8	7.2	7.4	8.1	8.2
DPS     3.0     3.1     3.2     3.3     3.5       Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)     P/E     32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios     Net debt/Equity (x)     (0.2)     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	Per Share data (INR/Share)					
Book value per share     287     349     609     704     823       Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)       32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios        0.2     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	Diluted EPS	52.9	64.4	73.7	99.1	122.5
Payout (incl. Div. Tax) (%)     5.7     4.8     4.3     3.3     2.9       Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)     P/E     32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios     VIII (0.2)     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	DPS	3.0	3.1	3.2	3.3	3.5
Dividend yield (%)     0.2     0.1     0.1     0.1     0.1       Valuation (x)     P/E     32.1     54.3     56.0     41.7     33.7       P/E     32.1     37.0     38.1     29.1     22.4       EV/EBITDA     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios     VICAL     VICA	Book value per share	287	349	609	704	823
Valuation (x)       P/E     32.1     54.3     56.0     41.7     33.7       EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios     0.21     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	Payout (incl. Div. Tax) (%)	5.7	4.8	4.3	3.3	2.9
P/E   32.1   54.3   56.0   41.7   33.7     EV/EBITDA   21.1   37.0   38.1   29.1   22.4     EV/Sales   2.2   3.8   3.9   3.2   2.6     Price/Book value   5.9   10.0   6.8   5.9   5.0     Return and Liquidity Ratios	Dividend yield (%)	0.2	0.1	0.1	0.1	0.1
EV/EBITDA     21.1     37.0     38.1     29.1     22.4       EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios	Valuation (x)					
EV/Sales     2.2     3.8     3.9     3.2     2.6       Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios     (0.2)     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	P/E	32.1	54.3	56.0	41.7	33.7
Price/Book value     5.9     10.0     6.8     5.9     5.0       Return and Liquidity Ratios     0.2     (0.2)     (0.4)     (0.3)     (0.4)       Net debt/Equity (x)     19.9     20.3     15.7     15.1     16.0	EV/EBITDA	21.1	37.0	38.1	29.1	22.4
Return and Liquidity Ratios       Net debt/Equity (x)     (0.2)     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	EV/Sales	2.2	3.8	3.9	3.2	2.6
Net debt/Equity (x)     (0.2)     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	Price/Book value	5.9	10.0	6.8	5.9	5.0
Net debt/Equity (x)     (0.2)     (0.2)     (0.4)     (0.3)     (0.4)       ROE (%)     19.9     20.3     15.7     15.1     16.0	Return and Liquidity Ratios					
ROE (%) 19.9 20.3 15.7 15.1 16.0	Net debt/Equity (x)	(0.2)	(0.2)	(0.4)	(0.3)	(0.4)
	ROCE (%)	19.2	20.2	15.9	15.3	

We expect a revenue CAGR of 21% during FY24-27E

EBITDA margin to expand 110bp during FY24-27E

Note: Pricing as on 22 January 2025; Source: Company, Elara Securities Estimate

#### **Quarterly financials**

YE March (INR mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q3FY25E	Variance (%)
Revenues	24,673	20,594	19.8	22,796	8.2	24,312	1.5
EBITDA	2,408	2,146	12.3	2,206	9.2	2,518	(4.4)
EBITDA Margin (%)	9.8	10.4	(65.7)	9.7	8.5	10.4	(5.8)
Other Income	136	142	(3.9)	169	(19.6)	300	(54.7)
Interest	143	109	30.7	133	7.1	120	19.0
Depreciation	190	154	23.4	163	16.2	180	5.4
PBT	2,212	2,024	9.3	2,079	6.4	2,518	(12.2)
Tax rate (%)	25.5	25.6	(107.2)	25.5	(103.1)	25.5	(0.0)
Adj PAT	1,648	1,507	9.4	1,548	6.5	1,876	(12.2)
NPM (%)	6.6	7.3	(8.6)	6.7	(1.5)	7.6	(12.9)
EPS (INR)	18.3	16.7	9.4	17.2	6.5	20.8	(12.2)

Source: Company, Elara Securities Estimate

### Conference call highlights

#### Robust Q3 performance with growth in retail and exports

- Volume growth of 17% in cables in Q3
- EHV cable sales declined due to delay in Right of Way (ROW) and approvals for execution from utilities. As a result, capacity was used for HT cables
- Exports of C&W was around 30% for C&W, but it was lower number overall due to EPC contraction YoY, as it had exported EPC of INR 690mn to Gambia, and, this year, exports were INR 130mn.
- > Total cable institutional sales contribution was at 41% in 9MFY25
- Distribution network contribution was at 51% in Q3 vs 46% last year
- Active dealers were at 2,060 in Q3
- Order book was at INR 38.7bn (INR 5.54bn at EPC, INR 5.98bn at EHV, domestic cables at INR 21.48bn, and exports at INR 5.71bn)

#### Segment-wise utilization levels

- Cables at 85%
- ▶ House wires at 70%
- SS wires at 91%

#### New Brownfield and Greenfield capacity to sustain 15-17% sales growth

- Capex of INR 4.26bn spent in 9MFY25, of which Silvassa Brownfield capex was at INR 570mn, Pathredi (Rajasthan) Brownfield capex of INR 490mn, Bhiwadi Brownfield capex of INR 270mn, Sanand Greenfield capex at INR 2.52bn, and Other capex of INR 410mn
- Brownfield Silvassa and Pathredi capex plans are fully commissioned
- Brownfield capex to enable revenue growth of 16-17% each for FY25 and FY26
- Greenfield Sanand capex plan was at INR 8-10bn, which will commence production by Q1FY26. The company will spend further INR 7bn to complete the project in the next year to sustain 19-20% sales CAGR.
- > Targets revenue of INR 50-60bn from Sanand at peak capacity
- Spend balance INR 4bn capex in Q4FY25

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#### Segment-wise margins

- Exports at 11%
- Retail at 11%
- LT and HT Institutional at 10.5%
- EHV at 14-15%
- ▶ EPC at 12-14%

#### Overall outlook remains positive; FY30 sales target of INR 250bn

- The company expects significant growth in the US and Australia from next year. This year, it expects 30% exports growth in C&W, with a similar target for next year
- It plans to ramp up exports contribution to 15-17% from 11-13% in the next 2-3 years
- Solar power projects, power T&D, power generation and government capex are major drivers of demand
- It targets sales growth of 19-20% in FY26 as Brownfield capacity completed at Chinchpada in Silvassa and Pathredi in Rajasthan
- EBITDA margin target is at 11% in FY26
- Turnover target is at INR 250bn by FY30
- ▶ EBITDA margin target is in the range of 11.0-12.5% until FY27, and 12.5% by FY28, with improvement thereafter once utilization improves

#### **Orderbook execution**

- Exports orderbook executable in 3-4 months
- EHV orderbook executable in 4-6 months
- EPC orderbook executable in 2 years

#### Raises INR 20bn via QIP

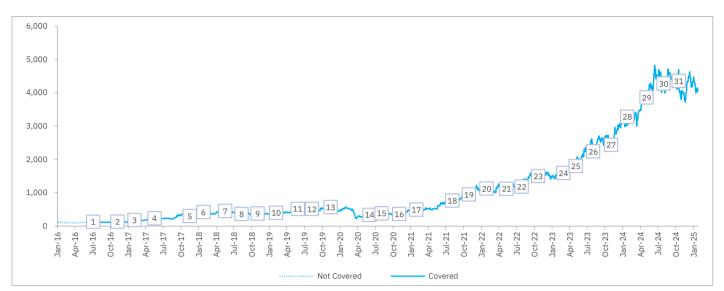
The company raised INR 20bn through QIP, out of which INR 14.5bn was utilized for Sanand expansion, ~INR 2.8bn for term loan repayment, INR 2.4bn for general corporate purposes, and INR 340mn in QIP expenses

#### Exhibit 1: Change in estimates

(INR mn)		Earlier		Revised			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	97,713	120,218	143,908	95,645	117,280	142,665	(2.1)	(2.4)	(0.9)
EBITDA	10,259	13,714	16,692	9,747	12,762	16,298	(5.0)	(6.9)	(2.4)
EBITDA margin (%)	10.5	11.4	11.6	10.2	10.9	11.4	(30.8)	(52.6)	(17.5)
PAT	7,085	9,448	11,572	7,038	9,460	11,695	(0.6)	0.1	1.1
EPS (INR)	74.2	98.9	121.2	73.7	99.1	122.5	(0.6)	0.2	1.1

Source: Elara Securities Estimate

# Coverage History



	Date	Rating	<b>Target Price</b>	Closing Price
24	28-Feb-2023	Buy	INR 1,990	INR 1,625
25	3-May-2023	Accumulate	INR 2,100	INR 1,836
26	1-Aug-2023	Accumulate	INR 2,390	INR 2,270
27	1-Nov-2023	Accumulate	INR 2,700	INR 2,470
28	24-Jan-2024	Accumulate	INR 3,485	INR 3,315
29	3-May-2024	Accumulate	INR 4,250	INR 3,893
30	30-Jul-2024	Accumulate	INR 4,500	INR 4,306
31	16-0ct-2024	Accumulate	INR 4,660	INR 4,385

### Guide to Research Rating

BUY	Absolute Return >+20%
ACCUMULATE	Absolute Return +5% to +20%
REDUCE	Absolute Return -5% to +5%
SELL	Absolute Return < -5%



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