

October 16, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	4,926		4,946	
Sales (Rs. m)	1,44,096	1,75,664	1,42,013	1,72,690
% Chng.	1.5	1.7		
EBITDA (Rs. m)	15,188	18,516	15,477	18,820
% Chng.	(1.9)	(1.6)		
EPS (Rs.)	111.4	134.3	111.8	134.8
% Chng.	(0.4)	(0.4)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	97,359	1,18,546	1,44,096	1,75,664
EBITDA (Rs. m)	9,910	12,010	15,188	18,516
Margin (%)	10.2	10.1	10.5	10.5
PAT (Rs. m)	6,964	8,863	10,642	12,835
EPS (Rs.)	72.9	92.8	111.4	134.3
Gr. (%)	13.2	27.3	20.1	20.6
DPS (Rs.)	4.0	7.5	7.5	7.5
Yield (%)	0.1	0.2	0.2	0.2
RoE (%)	15.6	14.3	15.0	15.7
RoCE (%)	21.5	19.6	20.5	21.3
EV/Sales (x)	3.9	3.3	2.7	2.2
EV/EBITDA (x)	38.5	32.1	25.3	20.6
PE (x)	57.3	45.0	37.5	31.1
P/BV (x)	6.9	6.1	5.3	4.5

Key Data

KEIN.BO | KEII IN

52-W High / Low	Rs.4,706 / Rs.2,424
Sensex / Nifty	83,468 / 25,585
Market Cap	Rs.399bn / \$ 4,540m
Shares Outstanding	96m
3M Avg. Daily Value	Rs.1088.87m

Shareholding Pattern (%)

Promoter's	35.00
Foreign	25.83
Domestic Institution	26.71
Public & Others	12.46
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(0.2)	51.5	(4.8)
Relative	(1.5)	39.8	(7.1)

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Sanand ramp-up delayed, growth outlook intact

Quick Pointers:

- Reported volume growth of 15% in Q2FY26
- Guided for 20%+ revenue growth in FY26 and 20%+ CAGR from FY27

KEII has reported W&C revenue growth of 22.5% driven by strong export demand, which offset the moderation in domestic demand. KEII has guided for revenue growth to exceed 20% in FY26, with a sustained CAGR of over 20% from FY27. Growth is expected to be driven by strong traction across emerging sectors such as data centers, renewables, real estate, and infrastructure projects. Commencement of the 1st phase of the new facility, expected by Nov'25, with 50% capacity utilization, will further support growth; full ramp-up is anticipated by FY27. The company aims to improve its EBITDA margin by 100-150bps once Sanand plant becomes fully operational. KEII reported strong revenue growth in EHV cables (+83.0% YoY), LT cables (+33.5% YoY), and housing/winding wires (+27.3% YoY) in Q2FY26. Exports saw a significant increase of 93.2%, while institutional cable exports surged by 116.6%. We tweak our earnings estimates for FY27/FY28. We estimate revenue/EBITDA/PAT CAGR of 21.7%/23.2%/22.6% for FY25-28E. Maintain 'BUY' at TP of Rs4,926 (earlier Rs4,946), valuing at 40x FY28 earnings.

Revenue grows by 19.4%, PAT up by 31.5%: Revenue grew by 19.4% YoY to Rs27.2bn (PLe: Rs28.4bn). W&C segment grew by 22.5% YoY to Rs26.3bn, while SS wires declined by 10.6% YoY to Rs539mn, and EPC declined by 22.6% YoY to Rs1.0bn. EBITDA grew by 19.8% YoY to Rs2.7bn (PLe: Rs 2.9bn), and EBITDA margin expanded by 10bps YoY to 9.9% (PLe: 10.1%). EBIT margin of W&C expanded by 50bps YoY to 10.9%, EPC contracted by 420bps YoY to 5.1%, and SS wires expanded by 350bps to 8.2%. PAT stood at Rs2.0bn (+31.5% YoY, PLe: Rs2.1bn). Domestic institutional W&C sales grew by 3.1% YoY, whereas institutional exports surged by 116.6% YoY. Dealer/distributor driven sales grew by 17.3%. Dealer count stood at 2,343 vs 2,094 in Q1FY26. Pending order book stood at Rs38.2bn. Net cash stood at Rs13.8bn.

Concall highlights: **1)** The company has guided for revenue growth of over 20% in FY26 and a sustained CAGR of 20%+ from FY27, along with EBITDA margin expansion of 100–150bps as the Sanand plant becomes fully operational. **2)** W&C volume grew 15% YoY in Q2FY26. **3)** Sanand plant has been delayed by ~4months due contractor side challenges and labor shortage, while the 2nd phase is delayed by ~9months due to complexities faced in the construction of vertical tower. **4)** The plant is expected to generate revenue of ~Rs60bn, of which ~Rs1.2bn will be contributed by the EHV segment and Rs4.8bn from the low and medium voltage cables. **5)** Pending order book, including EPC, stood at Rs38.2bn: EPC at Rs4.8bn, EHV at Rs6.4bn, domestic cables at Rs20.7bn, and export cables at Rs6.4bn. **6)** Capacity utilization for Q2FY25 stood at 78% in cables, 65% in housing wires, 85% in SS wires, and 46% in communication cables. **7)** Export contribution to total revenue is expected to increase to 18% in FY27. **8)** The company derived 54.1% of revenue from dealers/distributors Q2FY26. **9)** 25% of total exports in H1FY26 came from newer geographies.

Exhibit 1: Q2FY26 Result Overview

Y/E Mar	Q2FY26	Q2FY25	YoY gr.	Q2FY26E	% Var.	Q1FY26	QoQ gr.	H1FY26	H1FY25	YoY gr.
Net Sales	27,263	22,838	19.4%	28,382	-3.9%	25,903	5.3%	53,167	43,488	22.3%
Expenditure										
Operating & Manufacturing Expenses	20,907	17,627	18.6%	21,797		19,899	5.1%	40,806	33,207	22.9%
% of Net Sales	76.7%	77.2%		76.8%		77%		76.8%	76.4%	0.4%
Gross Profit	6,356	5,211	22.0%	6,585	-3.5%	6,005	5.9%	12,361	10,281	20.2%
% of Net Sales	23.3	22.8	0.5	23.2		23.2	0.1	23.2	23.6	-0.4
Personnel Cost	861	741	16.2%	937	-8.1%	853	0.9%	1,713	1,470	16.5%
% of Net Sales	3.2%	3.2%		3.3%		0.03		3.2%	3.4%	-0.2%
Other Expenses	2,802	2,223	26.1%	2,781	0.8%	2,572	9.0%	5,374	4,373	22.9%
% of Net Sales	10.3%	9.7%		9.8%		0.10		10.1%	10.1%	0.1%
Total Expenditure	24,570	20,590	19.3%	25,515	-3.7%	23,323	5.3%	47,893	39,050	22.6%
EBITDA	2,693	2,248	19.8%	2,867	-6.0%	2,580	4.4%	5,274	4,439	18.8%
Margin (%)	9.9	9.8	0.10	10.1		9.96	-0.08	9.9	10.2	-0.29
Other income	423	128	231.6%	290	45.8%	396	6.8%	819	306	167.7%
Depreciation	202	163	23.7%	210	-3.8%	199	1.5%	401	318	25.9%
EBIT	2,914	2,212	31.8%	2,947	-1.1%	2,777	4.9%	5,692	4,426	28.6%
Interest	142	133	6.2%	130	8.9%	145	-2.4%	287	275	4.3%
PBT before exceptional item	2,773	2,079	33.4%	2,817	-1.6%	2,632	5.3%	5,405	4,151	30.2%
Total Taxes	738	531	39.0%	721	2.3%	675	9.3%	1,412	1,056	33.8%
ETR (%)	26.6%	25.5%		25.6%		0.26		26.1%	25.4%	0.7%
Adj. PAT	2,035	1,548	31.5%	2,096	-2.9%	1,957	4.0%	3,993	3,096	29.0%
Exceptional item	0	0				0		0	0	
PAT	2,035	1,548	31.5%	2,096	-2.9%	1,957	4.0%	3,993	3,096	29.0%

Source: Company, PL

Exhibit 2: Segmental Breakup

Y/E Mar	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Revenues								
Cables	26,256	21,440	22.5%	24,771	6.0%	51,027	40,239	26.8%
Stainless Steel Wire	539	602	-10.6%	521	3.4%	1,060	1,143	-7.3%
EPC	1,014	1,309	-22.6%	994	2.0%	2,008	3,569	-43.8%
Less: Inter-segment result	545	513		950		928	1,463	
Revenues	27,263	22,838	19.4%	25,336	7.6%	53,167	43,488	22.3%
EBIT								
Cables	2,871	2,241	28.1%	2,665	7.7%	5,536	4,309	28.5%
EBIT margin (%)	10.9%	10.5%	0.4%	10.8%	0.1%	10.8%	10.7%	0.1%
Stainless Steel Wire	44	29	54.7%	42	5.1%	87	39	122.4%
EBIT margin (%)	8.2%	4.8%	3.5%	8.1%	0.1%	8.2%	3.4%	4.8%
EPC	51	121	-57.6%	79	-35.2%	130	419	-68.9%
EBIT margin (%)	5.1%	9.2%	-4.2%	8.0%	-2.9%	6.5%	11.7%	-5.2%
Less: inter-segment result	-13	9	-247.7%	24	-155.7%	11	62	-82.7%
Total	2,980	2,382	25.1%	2,763	7.9%	5,742	4,705	22.1%
EBIT margin (%)	10.9%	10.4%	0.5%	10.9%	0.0%	10.8%	10.8%	0.0%

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	97,359	1,18,546	1,44,096	1,75,664
YoY gr. (%)	19.9	21.8	21.6	21.9
Cost of Goods Sold	74,766	90,545	1,09,974	1,34,067
Gross Profit	22,593	28,001	34,122	41,597
Margin (%)	23.2	23.6	23.7	23.7
Employee Cost	3,043	3,793	4,611	5,621
Other Expenses	5,830	7,811	9,135	11,136
EBITDA	9,910	12,010	15,188	18,516
YoY gr. (%)	16.0	21.2	26.5	21.9
Margin (%)	10.2	10.1	10.5	10.5
Depreciation and Amortization	701	954	1,354	1,633
EBIT	9,208	11,056	13,834	16,883
Margin (%)	9.5	9.3	9.6	9.6
Net Interest	556	583	815	1,004
Other Income	718	1,443	1,203	1,273
Profit Before Tax	9,370	11,916	14,222	17,152
Margin (%)	9.6	10.1	9.9	9.8
Total Tax	2,406	3,053	3,580	4,317
Effective tax rate (%)	25.7	25.6	25.2	25.2
Profit after tax	6,964	8,863	10,642	12,835
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	6,964	8,863	10,642	12,835
YoY gr. (%)	19.9	27.3	20.1	20.6
Margin (%)	7.2	7.5	7.4	7.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	6,964	8,863	10,642	12,835
YoY gr. (%)	19.9	27.3	20.1	20.6
Margin (%)	7.2	7.5	7.4	7.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,964	8,863	10,642	12,835
Equity Shares O/s (m)	96	96	96	96
EPS (Rs)	72.9	92.8	111.4	134.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	14,212	24,503	30,923	35,233
Tangibles	14,109	24,350	30,751	35,040
Intangibles	102	152	172	192
Acc: Dep / Amortization	4,281	5,235	6,589	8,223
Tangibles	4,189	5,135	6,477	8,098
Intangibles	92	101	112	125
Net fixed assets	9,931	19,267	24,334	27,010
Tangibles	9,920	19,216	24,274	26,942
Intangibles	11	52	60	68
Capital Work In Progress	3,855	3,355	500	500
Goodwill	-	-	-	-
Non-Current Investments	154	180	216	260
Net Deferred tax assets	(304)	(304)	(304)	(304)
Other Non-Current Assets	2,060	2,060	2,060	2,060
Current Assets				
Investments	-	-	-	-
Inventories	17,303	19,487	23,687	28,876
Trade receivables	17,972	22,085	26,845	32,727
Cash & Bank Balance	19,153	14,744	17,698	19,636
Other Current Assets	1,454	2,371	2,882	3,513
Total Assets	72,346	84,274	99,091	1,15,627
Equity				
Equity Share Capital	191	191	191	191
Other Equity	57,666	65,677	75,602	87,720
Total Network	57,858	65,868	75,793	87,911
Non-Current Liabilities				
Long Term borrowings	-	-	1,000	600
Provisions	204	178	216	263
Other non current liabilities	192	234	285	347
Current Liabilities				
ST Debt / Current of LT Debt	1,783	1,802	2,190	2,670
Trade payables	7,792	10,915	13,257	16,162
Other current liabilities	3,906	4,618	5,614	6,844
Total Equity & Liabilities	72,346	84,274	99,091	1,15,627

Source: Company Data, PL Research


Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	9,370	11,916	14,222	17,152
Add. Depreciation	701	954	1,354	1,633
Add. Interest	556	583	815	1,004
Less Financial Other Income	718	1,443	1,203	1,273
Add. Other	(461)	(1,457)	(1,150)	(1,208)
Op. profit before WC changes	10,166	11,996	15,241	18,581
Net Changes-WC	(8,227)	(3,618)	(6,289)	(7,760)
Direct tax	(2,261)	(3,053)	(3,580)	(4,317)
Net cash from Op. activities	(322)	5,325	5,372	6,504
Capital expenditures	(6,912)	(9,791)	(3,566)	(4,309)
Interest / Dividend Income	264	1,443	1,203	1,273
Others	(8,359)	4,007	1,500	200
Net Cash from Invst. activities	(15,007)	(4,341)	(863)	(2,836)
Issue of share cap. / premium	20,011	-	-	-
Debt changes	117	45	1,478	190
Dividend paid	(418)	(717)	(717)	(717)
Interest paid	(525)	(583)	(815)	(1,004)
Others	-	-	-	-
Net cash from Fin. activities	19,185	(1,255)	(54)	(1,530)
Net change in cash	3,856	(271)	4,455	2,137
Free Cash Flow	(7,234)	(4,466)	1,806	2,195

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	72.9	92.8	111.4	134.3
CEPS	80.2	102.7	125.5	151.4
BVPS	605.5	689.3	793.2	920.0
FCF	(75.7)	(46.7)	18.9	23.0
DPS	4.0	7.5	7.5	7.5
Return Ratio(%)				
RoCE	21.5	19.6	20.5	21.3
ROIC	25.3	16.8	18.6	19.3
RoE	15.6	14.3	15.0	15.7
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	103	94	94	94
Valuation(x)				
PER	57.3	45.0	37.5	31.1
P/B	6.9	6.1	5.3	4.5
P/CEPS	52.0	40.6	33.2	27.6
EV/EBITDA	38.5	32.1	25.3	20.6
EV/Sales	3.9	3.3	2.7	2.2
Dividend Yield (%)	0.1	0.2	0.2	0.2

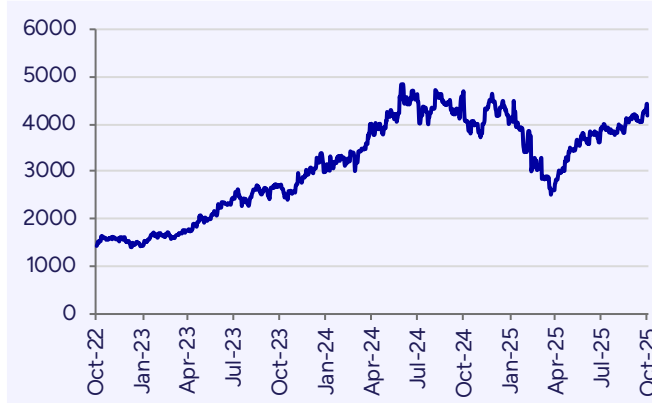
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	24,673	29,148	25,903	27,263
YoY gr. (%)	19.8	25.7	25.4	19.4
Raw Material Expenses	19,072	22,487	19,899	20,907
Gross Profit	5,601	6,661	6,005	6,356
Margin (%)	22.7	22.9	23.2	23.3
EBITDA	2,408	3,013	2,580	2,693
YoY gr. (%)	12.3	23.2	17.8	19.8
Margin (%)	9.8	10.3	10.0	9.9
Depreciation / Depletion	190	193	199	202
EBIT	2,219	2,820	2,381	2,491
Margin (%)	9.0	9.7	9.2	9.1
Net Interest	143	139	145	142
Other Income	136	371	396	423
Profit before Tax	2,212	3,052	2,632	2,773
Margin (%)	9.0	10.5	10.2	10.2
Total Tax	564	786	675	738
Effective tax rate (%)	25.5	25.8	25.6	26.6
Profit after Tax	1,648	2,266	1,957	2,035
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,648	2,266	1,957	2,035
YoY gr. (%)	9.4	34.2	26.5	31.5
Margin (%)	6.7	7.8	7.6	7.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,648	2,266	1,957	2,035
YoY gr. (%)	9.4	34.4	26.5	31.5
Margin (%)	6.7	7.8	7.6	7.5
Other Comprehensive Income	1	-	-	-
Total Comprehensive Income	1,649	2,266	1,957	2,035
Avg. Shares O/s (m)	96	96	96	96
EPS (Rs)	17.2	23.7	20.5	21.3

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Oct-25	BUY	4,946	4,034
2	23-Jul-25	BUY	4,527	3,970
3	04-Jul-25	BUY	4,455	3,841
4	07-May-25	BUY	4,278	3,295
5	03-Apr-25	BUY	4,278	2,880
6	05-Mar-25	BUY	4,280	3,141
7	22-Jan-25	BUY	5,041	4,128
8	08-Jan-25	BUY	5,265	4,313
9	20-Oct-24	BUY	5,265	4,058

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	9,889	8,418
2	Astral Ltd.	BUY	1,727	1,384
3	Avalon Technologies	Hold	1,083	1,253
4	Bajaj Electricals	BUY	664	549
5	Cello World	BUY	686	575
6	Century Plyboard (I)	Hold	818	808
7	Cera Sanitaryware	BUY	7,424	6,149
8	Crompton Greaves Consumer Electricals	BUY	391	293
9	Cyient DLM	Accumulate	478	441
10	Finolex Industries	Accumulate	240	206
11	Greenpanel Industries	BUY	410	299
12	Havells India	Accumulate	1,653	1,485
13	Kajaria Ceramics	Hold	1,281	1,208
14	Kaynes Technology India	Hold	7,427	7,593
15	KEI Industries	BUY	4,946	4,034
16	LG Electronics India	BUY	1,780	1,688
17	Polycab India	BUY	8,718	7,351
18	R R Kabel	BUY	1,615	1,268
19	Supreme Industries	Accumulate	4,758	4,200
20	Syrma SGS Technology	Accumulate	870	852
21	Voltas	Hold	1,440	1,354

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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