

KEC International

Execution and margin in-line; High interest cost dents PAT

KECI's consolidated sales grew 11% YoY to Rs45bn, 3% below our estimate. Growth was led by SAE towers (+51% YoY to Rs3.3bn) and Civil segment (+42% YoY to Rs10.5bn). EBITDA grew 54% YoY to Rs2.7bn on a low base, leading to EBITDA margin of 6.1%, up 170bps YoY/30bps QoQ and in-line with our estimate. Higher interest cost (up 39% YoY to Rs1.8bn, forming 4% of sales vs. 3.1% YoY due to steep rise in cost of borrowing and higher debt levels) led to flattish PAT YoY at Rs558mn. PAT was below our/consensus estimate of Rs709mn/Rs865mn. YTD-FY24 order inflow was Rs90bn while order book was up 13% YoY/4% QoQ at Rs331bn with domestic-international split of 69-31%. With large tender pipeline (Rs1250bn), KECI has retained its order inflow/revenue guidance of Rs250bn/Rs200bn for FY24. With SAE turning PBT positive, 6% EBITDA margin in H1FY24 is achieved while guidance of 7% margin for FY24E has been retained. We cut our order inflow estimate to Rs235bn (from Rs250bn earlier) for FY24 and incorporate a steep rise in interest cost. Thus, our earnings estimates are cut by 18%/15% for FY24/25. We roll over the valuation to Sept'25 and retain ADD rating with a revised target of Rs625 (Rs660 earlier) based on P/E of 16x H1FY26E EPS.

Execution remains healthy; T&D and Civil offers healthy scale-up prospects

Segment-wise, SAE towers grew 51% YoY to Rs3.3bn while Civil segment grew 42% YoY to Rs10.5bn. Cables grew 6% YoY to Rs4.1bn while T&D sales grew only 2% YoY to Rs18.8bn. Railways sales fell 12% YoY to Rs7.8bn. Revenue worth Rs5bn was deferred from Q2 owing to supply constraints in components such as conductor, transformer and pipes for Jal Jeevan mission. 20% of sales is derived from product supply orders of towers and cables. The business outlook is positive for T&D segment from India (led by green energy corridors) and overseas markets (Middle East, SAARC and Far East). Civil is scaling up at rapid pace, and is likely to register revenue of Rs50bn/Rs70bn in FY24E/25E.

Operating margin in-line; H2 to see much improved margin profile

EBITDA margin in 2Q/H1FY24 was at 6.1%/5.9%, in-line with management guidance. KECI has maintained its FY24 EBITDA margin guidance of 7%. Margin are likely to expand in T&D segment. Existing margin in Saudi Arabia are at 8-9% while KECI is aiming for double digit margin in new orders. Civil segment is operating at EBITDA margin of 8% and PBT margin of 5%. KECI is not taking low margin orders from divisional railways.

Tender pipeline is large but FY24 inflow guidance of Rs250bn could be at risk

Tender pipeline is large at Rs1250bn comprising T&D (Rs750bn), Railways (Rs200bn) and Civil (Rs200bn). It includes international T&D pipeline of Rs500bn consisting of Rs300bn from GCC countries. In domestic market, large opportunity includes Rs280bn green energy corridor in Ladakh. However, considering YTD-FY24 order inflow of Rs90bn, and possible spill-over of some domestic orders to next year due to elections, we feel Rs250bn inflow target in FY24 could be at risk. We factor in Rs235bn inflows (+5% YoY).

Maintain ADD with a revised target price of Rs625

We expect KECI to report revenue CAGR of 13% over FY23-26E. Higher interest costs and high NWC cycle (140 days as on 1HFY24) are near term headwinds.

Financial and valuation summary

YE Mar (Rs mn)	2QFY24A	2QFY23A	YoY (%)	1QFY24A	QoQ (%)	FY24E	FY25E	FY26E
Revenues	44,990	40,640	10.7	42,436	6.0	192,541	218,127	247,965
EBITDA	2,743	1,780	54.2	2,444	12.3	13,453	19,952	23,561
EBITDA margin (%)	6.1	4.4	170bps	5.8	30bps	7.0	9.1	9.5
Adj. Net profit	558	552	1.1	423	31.9	4,302	8,897	11,256
Adj. EPS (Rs)	2.2	2.1	1.1	1.6	31.9	16.7	34.6	43.8
EPS growth (%)						144.4	106.8	26.5
PE (x)						36.8	17.8	14.0
EV/EBITDA (x)						13.8	9.4	8.0
PBV (x)						3.9	3.3	2.8
RoE (%)						10.9	20.0	21.6
RoCE (%)						13.2	17.7	19.0

Source: Company, Centrum Broking

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Result Update

India I Capital Goods

02 November, 2023

ADD

Price: Rs615

Target Price: Rs625

Forecast return: 2%

Institutional Research

Market Data

Bloomberg:	KECI IN
52 week H/L:	748/405
Market cap:	Rs158.0bn
Shares Outstanding:	257.1mn
Free float:	58.0%
Avg. daily vol. 3mth:	6,16,775

Source: Bloomberg

Changes in the report

Rating:	ADD; Unchanged
Target price:	Rs625; down 5.3%
EPS:	FY24E: Rs16.7; down 18.6%
	FY25E: Rs34.6; down 15.7%

Source: Centrum Broking

Shareholding pattern

	Sep-23	Jun-23	Mar-23	Dec-22
Promoter	51.9	51.9	51.9	51.9
FIIs	11.3	11.6	12.6	12.6
DIIIs	26.6	26.1	25.3	25.1
Public/other	10.2	10.4	10.2	10.4

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q2FY24	Actual Q2FY24	Variance (%)
Revenue	46,455	44,990	(3.2)
EBITDA	2,817	2,743	(2.6)
EBITDA margin	6.1	6.1	-
PAT	709	558	(21.2)
EPS	2.8	2.2	(21.2)

Source: Company Data, Centrum Broking



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Capital Goods

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY24E New	FY24E Old	% chg	FY25E New	FY25E Old	% chg
Revenue	1,92,541	2,01,977	(4.7)	2,18,127	2,35,469	(7.4)
EBITDA	13,453	14,565	(7.6)	19,952	21,382	(6.7)
EBITDA margin	7.0	7.2 (20bps)		9.1	9.1	-
Adj. PAT	4,302	5,287	(18.6)	8,897	10,555	(15.7)
Diluted EPS (Rs)	16.7	20.6	(18.6)	34.6	41.1	(15.7)

Source: Centrum Broking

Company versus NIFTY 50

	1m	6m	1 year
KECI IN	(7.2)	23.7	41.6
NIFTY 50	(3.0)	22.5	24.1

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY24E	FY25E	FY26E
Order inflow growth (%)	5.3	16.7	14.6
Revenue growth (%)	11.4	13.3	13.7
EBITDA margin (%)	7.0	9.1	9.5

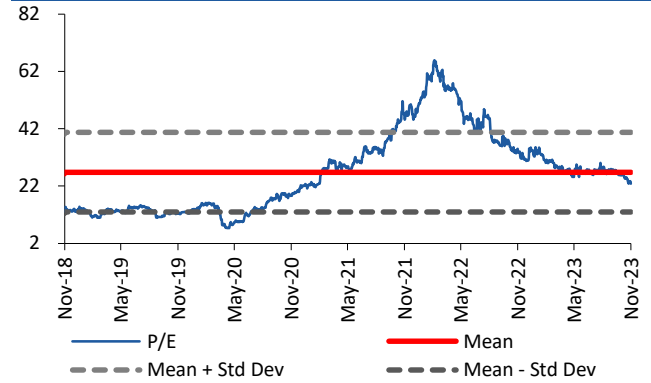
Source: Centrum Broking

Valuations

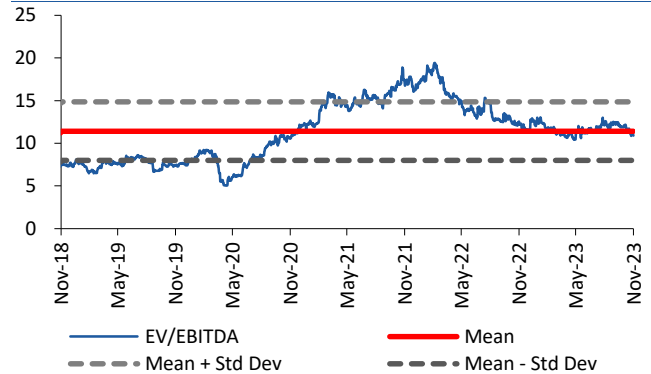
We value KECI at 16x H1FY26E EPS and arrive at the target price of Rs625

Valuations	Rs/share
H1FY26E EPS	39.2
PE (x)	16
Target price per share	625

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Key concall takeaways

Financials

- Guidance retained for FY24E - Rs200bn sales, 7% EBITDA margin, Rs250bn inflow
- Quoted large no. of tenders in India and Middle East. Tender pipeline of Rs1250bn consisting of Rs750bn transmission, Rs200bn railway and Rs200bn civil
- Tender pipeline from international T&D is Rs500bn, of which GCC countries is Rs300bn and other markets are Rs200bn.
- H2FY24 interest cost will be 2.8% to 2.9% of sales. Expect H2 sales to be 30% higher than H1. Annual interest cost 3.2-3.5% of sales.
- 65% of interest cost increase is due to cost of borrowing rising and 35% increase is due to rise in debt levels
- Average cost of borrowing has risen from 5.5% to 8%. Since most borrowing is for working capital loan, it immediately gets reflected in interest cost. Cost of borrowing will remain at similar levels for next 3-4 quarters.
- Debt = 70% is domestic, 30% international. Rise in net debt is considerably lower than revenue growth rate
- With growth in revenue, requirement of working capital and net-debt will also rise. But NWC days are likely to come down. Aspiration is 110 days for FY24.
- 20% of sales is from product sales (tower supply, cables etc)
- Key export markets for growth are Bangladesh, Nepal, Middle East, West Africa. L1 position of Rs40bn, primarily in international T&D.

T&D and SAE Towers

- SAE was PBT positive for 2nd successive quarter, cost of borrowing is down to 12% from 20% YoY
- Business outlook for T&D is positive. Rs280bn green energy corridor approved for Ladakh. Significant uptick seen in Middle East, SAARC and Far East
- Delay in supply of components (conductor, transformer, pipes for Jal Jeevan Mission) led to deferment of Rs5bn sales from Q2
- Brazil debt is at \$50mn
- T&D margin are improving. Existing Saudi Arabia orders are at 8-9% margin, aiming for double digit margin in new orders.
- While orders from Saudi Arabia are fixed price, now metal price gets rebased on the date of tender award. So the risk of metal price fluctuation during bidding to order award period has significantly reduced. On date of award, they can hedge the metal. Earlier UAE was offering this hybrid system, now Saudi Arabia is also doing it.
- Order book of Rs28bn across 6 continents for tower supply.
- Dubai facility continue to leverage middle east presence.

Civil

- Execution remains robust, YTD inflow Rs20bn from metals & mining, public spaces, data centers, secured first ever order for building a hospital and FMCG plant.
- This business will continue to be major growth driver for KEC. Civil sales likely at Rs50bn in FY24 and Rs70bn in FY25.
- Order book + L1 of Rs110bn. Large pipeline of Rs200bn from real estate, metals & mining, public spaces, industrials (cement).
- FY24 inflow likely at Rs80bn and FY25 likely at Rs100bn.

- Data center currently is Rs5bn-Rs6bn opportunity as KEC does only civil work. Once it gets in to MEP for data centers, scale will improve
- Civil EBITDA margin is 8%, NWC days are at 70 days, PBT margin 5%

Railways

- Execution suffered due to delays in work front and heavy rains. Started work in Bangladesh. Expect business to pick up momentum
- Looking forward to metro orders, TCAS and international orders.
- Currently not bidding aggressively for railway order from divisional railway due to lower margin, working capital needs and competition from regional players.

Cables

- Transformation program for enhancing profitability is reaping results. H1 margin improved.
- Developed 5 new products

Quarterly Performance trend

Exhibit 1: Quarterly Financial Snapshot

Y/E March (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Revenue	33,400	42,748	33,181	40,640	43,746	55,250	42,436	44,990	10.7	6.0
Direct Costs	24,879	33,881	24,631	31,812	35,152	44,614	31,938	34,541	8.6	8.1
Gross Profit	8,521	8,867	8,550	8,828	8,594	10,637	10,498	10,450	18.4	(0.5)
Staff Cost	3,227	3,180	3,406	3,545	3,204	3,408	3,539	3,800	7.2	7.4
Other Expenses	2,904	3,170	3,460	3,504	3,391	4,394	4,515	3,906	11.5	(13.5)
Total Expenditure	31,010	40,231	31,497	38,861	41,747	52,415	39,992	42,247	8.7	5.6
EBITDA	2,390	2,517	1,684	1,780	1,999	2,835	2,444	2,743	54.2	12.3
Depreciation	393	419	393	399	408	415	418	465	16.7	11.3
EBIT	1,997	2,098	1,291	1,381	1,591	2,420	2,026	2,278	65.0	12.5
Interest	824	954	1,000	1,277	1,493	1,616	1,587	1,778	39.3	12.1
Other Income	50	34	80	161	17	55	28	158	(2.0)	459.0
PBT	1,223	1,178	371	266	114	859	467	658	147.6	40.9
Tax	287	58	61	(287)	(62)	137	44	100	NA	127.7
PAT	936	1,120	310	552	176	722	423	558	1.1	31.9
EPS (Rs/share)	3.6	4.4	1.2	2.1	0.7	2.8	1.6	2.2	1.1	31.9

As a % of revenue

Direct Costs	74.5	79.3	74.2	78.3	80.4	80.7	75.3	76.8		
Gross Margin	25.5	20.7	25.8	21.7	19.6	19.3	24.7	23.2		
Staff Cost	9.7	7.4	10.3	8.7	7.3	6.2	8.3	8.4		
Other expenses	8.7	7.4	10.4	8.6	7.8	8.0	10.6	8.7		
EBITDA Margin	7.2	5.9	5.1	4.4	4.6	5.1	5.8	6.1		
PAT Margin	2.8	2.6	0.9	1.4	0.4	1.3	1.0	1.2		
Tax rate	23.5	4.9	16.4	-107.9	-54.0	15.9	9.4	15.1		

Source: Company, Centrum Broking

Exhibit 2: Segment-wise quarterly revenue trend

Revenue (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
T&D	13,880	16,940	12,840	18,390	19,270	23,790	18,790	18,760	2.0	(0.2)
SAE Towers	2,200	2,530	3,660	2,200	3,450	3,930	3,090	3,330	51.4	7.8
Cables	3,870	4,470	4,190	3,900	3,680	4,390	3,890	4,130	5.9	6.2
Railways	9,450	13,350	7,050	8,830	8,970	12,420	7,640	7,760	(12.1)	1.6
Civil	4,820	6,650	5,980	7,400	8,450	11,350	9,550	10,540	42.4	10.4
Others (Oil & Gas, Solar)	830	1,090	961	1,140	1,590	1,510	1,040	2,020	77.2	94.2
Total	35,050	45,030	34,681	41,860	45,410	57,390	44,000	46,540	11.2	5.8

Revenue mix (%)

T&D	39.6	37.6	37.0	43.9	42.4	41.5	42.7	40.3		
SAE Towers	6.3	5.6	10.6	5.3	7.6	6.8	7.0	7.2		
Cables	11.0	9.9	12.1	9.3	8.1	7.6	8.8	8.9		
Railways	27.0	29.6	20.3	21.1	19.8	21.6	17.4	16.7		
Civil	13.8	14.8	17.2	17.7	18.6	19.8	21.7	22.6		
Others (Oil & Gas, Solar)	2.4	2.4	2.8	2.7	3.5	2.6	2.4	4.3		

Source: Company, Centrum Broking

Exhibit 3: Segment-wise quarterly order inflow trend

Order inflow (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
T&D	32,979	6,551	10,069	23,419	22,506	33,518	14,850	34,650	48.0	133.3
SAE Towers	956	2,466	2,430	1,756	9,813	1,666	3,600	900	(48.7)	(75.0)
Cables	2,564	1,849	4,514	1,765	3,053	1,857	5,400	2,700	52.9	(50.0)
Railways	2,977	8,551	4,166	20,950	4,437	(461)	7,650	(450)	NA	NA
Civil	23,638	10,479	12,499	18,896	4,379	31,360	13,500	7,200	(61.9)	(46.7)
Others (Oil & Gas, Solar)	4,236	925	1,042	3,144	6,702	301	-	-	NA	NA
Total	67,350	30,820	34,720	69,930	50,890	68,240	45,000	45,000	(35.6)	0.0

Geographical split (Rs mn)

Domestic	40,280	25,990	29,512	54,208	28,269	49,133	34,200	20,700	(61.8)	(39.5)
International	27,070	4,830	5,208	15,722	22,621	19,107	10,800	24,300	54.6	125.0
Total	67,350	30,820	34,720	69,930	50,890	68,240	45,000	45,000	(35.6)	-

Order Inflow mix (%)

T&D	49.0	21.3	29.0	33.5	44.2	49.1	33.0	77.0		
SAE Towers	1.4	8.0	7.0	2.5	19.3	2.4	8.0	2.0		
Cables	3.8	6.0	13.0	2.5	6.0	2.7	12.0	6.0		
Railways	4.4	27.7	12.0	30.0	8.7	(0.7)	17.0	(1.0)		
Civil	35.1	34.0	36.0	27.0	8.6	46.0	30.0	16.0		
Others (Oil & Gas, Solar)	6.3	3.0	3.0	4.5	13.2	0.4	-	-		

Geography-wise mix (%)

Domestic	59.8	84.3	85.0	77.5	55.5	72.0	76.0	46.0		
International	40.2	15.7	15.0	22.5	44.5	28.0	24.0	54.0		

Source: Company, Centrum Broking

Exhibit 4: Segment-wise quarterly order book trend

Order book (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
T&D	1,09,805	1,06,722	97,252	1,10,276	1,15,924	1,28,323	1,17,488	1,37,808	25.0	17.3
SAE Towers	12,201	11,858	11,860	11,028	17,389	15,277	15,063	12,528	13.6	(16.8)
Cables	2,440	2,372	4,744	5,514	5,796	3,055	6,025	6,264	13.6	4.0
Railways	41,482	37,946	37,952	49,624	49,268	39,719	45,188	40,716	(18.0)	(9.9)
Civil	68,323	68,776	75,904	88,221	81,147	1,00,825	1,05,438	1,03,356	17.2	(2.0)
Others (Oil & Gas, Solar)	9,760	9,486	9,488	11,028	20,287	18,332	12,050	12,528	13.6	4.0
Total	2,44,010	2,37,160	2,37,200	2,75,690	2,89,810	3,05,530	3,01,250	3,13,200	13.6	4.0

Geographical split (Rs mn)

Domestic	1,51,286	1,47,039	1,56,552	1,87,469	1,94,173	2,10,816	2,13,888	2,16,108	15.3	1.0
International	92,724	90,121	80,648	88,221	95,637	94,714	87,363	97,092	10.1	11.1
Total	2,44,010	2,37,160	2,37,200	2,75,690	2,89,810	3,05,530	3,01,250	3,13,200	13.6	4.0

Order book mix (%)

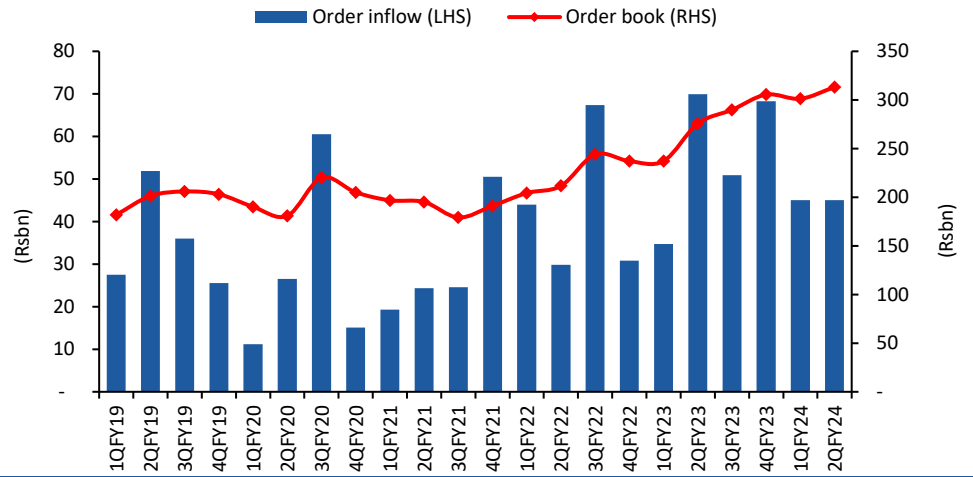
T&D	45.0	45.0	41.0	40.0	40.0	42.0	39.0	44.0		
SAE Towers	5.0	5.0	5.0	4.0	6.0	5.0	5.0	4.0		
Cables	1.0	1.0	2.0	2.0	2.0	1.0	2.0	2.0		
Railways	17.0	16.0	16.0	18.0	17.0	13.0	15.0	13.0		
Civil	28.0	29.0	32.0	32.0	28.0	33.0	35.0	33.0		
Others (Oil & Gas, Solar)	4.0	4.0	4.0	4.0	7.0	6.0	4.0	4.0		

Geography-wise mix (%)

Domestic	62.0	62.0	66.0	68.0	67.0	69.0	71.0	69.0		
International	38.0	38.0	34.0	32.0	33.0	31.0	29.0	31.0		

Source: Company, Centrum Broking

Exhibit 5: KECI's order inflow and order book trend



Source: Company Data, Centrum Broking

Exhibit 6: Net debt and acceptances trend

Y/E March (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY	QoQ
Net Debt	29,130	26,130	34,180	35,480	34,320	28,720	36,990	44,910	26.6	21.4
Acceptances	19,380	21,520	26,580	23,720	21,850	21,130	20,150	18,480	(22.1)	(8.3)
Total	48,510	47,650	60,760	59,200	56,170	49,850	57,140	63,390	7.1	10.9

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenues	1,37,423	1,72,817	1,92,541	2,18,127	2,47,965
Operating Expense	1,04,582	1,36,208	1,46,356	1,62,620	1,84,730
Employee cost	12,587	13,562	15,211	16,360	18,349
Others	11,219	14,749	17,521	19,195	21,325
EBITDA	9,035	8,297	13,453	19,952	23,561
Depreciation & Amortisation	1,579	1,615	1,807	1,911	2,022
EBIT	7,456	6,683	11,646	18,041	21,539
Interest expenses	3,160	5,386	6,546	6,544	6,943
Other income	134	313	347	393	446
PBT	4,431	1,610	5,446	11,890	15,042
Taxes	674	(151)	1,144	2,993	3,786
Effective tax rate (%)	15.2	9.3	21.0	25.2	25.2
PAT	3,757	1,760	4,302	8,897	11,256
Minority/Associates	0	0	0	0	0
Recurring PAT	3,757	1,760	4,302	8,897	11,256
Extraordinary items	(436)	0	0	0	0
Reported PAT	3,321	1,760	4,302	8,897	11,256

Ratios					
YE Mar	FY22A	FY23A	FY24E	FY25E	FY26E
Growth (%)					
Revenue	4.8	25.8	11.4	13.3	13.7
EBITDA	(20.8)	(8.2)	62.1	48.3	18.1
Adj. EPS	(32.0)	(53.1)	144.4	106.8	26.5
Margins (%)					
Gross	56.7	59.1	59.6	60.2	60.3
EBITDA	6.6	4.8	7.0	9.1	9.5
EBIT	5.4	3.9	6.0	8.3	8.7
Adjusted PAT	2.4	1.0	2.2	4.1	4.5
Returns (%)					
ROE	10.8	4.8	10.9	20.0	21.6
ROCE	10.9	9.4	13.2	17.7	19.0
ROIC	11.2	9.4	13.6	18.6	19.8
Turnover (days)					
Gross block turnover ratio (x)	6.4	7.3	7.2	7.4	7.6
Debtors	148	135	146	147	148
Inventory	59	57	56	56	57
Creditors	399	393	406	394	388
Net working capital	115	95	90	89	90
Solvency (x)					
Net debt-equity	0.7	0.8	0.7	0.6	0.5
Interest coverage ratio	2.9	1.5	2.1	3.0	3.4
Net debt/EBITDA	2.9	3.4	2.1	1.4	1.3
Per share (Rs)					
Adjusted EPS	14.6	6.8	16.7	34.6	43.8
BVPS	140.8	146.7	159.4	186.0	219.8
CEPS	20.8	13.1	23.8	42.0	51.6
DPS	4.0	3.0	4.0	8.0	10.0
Dividend payout (%)	31.0	43.8	23.9	23.1	22.8
Valuation (x)					
P/E	42.1	89.8	36.8	17.8	14.0
P/BV	4.4	4.2	3.9	3.3	2.8
EV/EBITDA	20.4	22.5	13.8	9.4	8.0
Dividend yield (%)	0.7	0.5	0.7	1.3	1.6

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity share capital	514	514	514	514	514
Reserves & surplus	35,685	37,200	40,474	47,314	55,999
Shareholders fund	36,199	37,714	40,988	47,829	56,514
Minority Interest	0	0	0	0	0
Total debt	28,627	31,945	32,945	33,945	34,945
Def tax liab. (net)	(1,703)	(3,201)	(3,201)	(3,201)	(3,201)
Total liabilities	63,123	66,458	70,732	78,572	88,257
Gross block	21,594	23,594	26,608	29,608	32,608
Less: acc. Depreciation	(9,161)	(10,776)	(12,583)	(14,494)	(16,516)
Net block	12,433	12,818	14,025	15,114	16,092
Capital WIP	25	115	100	100	100
Intangibles	2,944	3,010	3,010	3,010	3,010
Net fixed assets	15,401	15,943	17,136	18,224	19,202
Non Current Assets	4,301	5,621	6,354	7,198	8,183
Investments	126	0	0	0	0
Inventories	10,665	11,372	12,430	14,257	16,702
Sundry debtors	55,738	72,554	81,764	93,824	1,07,338
Cash & Cash Equivalents	2,619	3,442	4,904	5,350	5,278
Loans & advances	0	0	0	0	0
Other current assets	72,426	74,482	77,016	82,888	94,227
Trade payables	68,473	83,883	89,017	98,017	1,11,344
Other current liab.	28,665	31,886	38,508	43,625	49,593
Provisions	1,015	1,186	1,348	1,527	1,736
Net current assets	43,295	44,894	47,242	53,150	60,872
Total assets	63,123	66,458	70,732	78,572	88,257

Cashflow					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Profit Before Tax	4,431	1,610	5,446	11,890	15,042
Depreciation & Amortisation	1,579	1,615	1,807	1,911	2,022
Net Interest	3,160	5,386	6,546	6,544	6,943
Net Change – WC	(8,851)	(2,097)	(1,619)	(6,306)	(8,778)
Direct taxes	(674)	151	(1,144)	(2,993)	(3,786)
Net cash from operations	(355)	6,664	11,037	11,046	11,443
Capital expenditure	(2,699)	(2,090)	(3,000)	(3,000)	(3,000)
Acquisitions, net	0	0	0	0	0
Investments	(116)	126	0	0	0
Others	0	0	0	0	0
Net cash from investing	(2,815)	(1,964)	(3,000)	(3,000)	(3,000)
FCF	(3,170)	4,700	8,037	8,046	8,443
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	9,374	3,317	1,000	1,000	1,000
Dividend paid	(1,028)	(771)	(1,028)	(2,057)	(2,571)
Interest paid	(3,160)	(5,386)	(6,546)	(6,544)	(6,943)
Others	(253)	459	0	0	0
Net cash from financing	4,933	(2,381)	(6,575)	(7,601)	(8,514)
Net change in Cash	1,763	2,320	1,462	446	(71)

Source: Company, Centrum Broking

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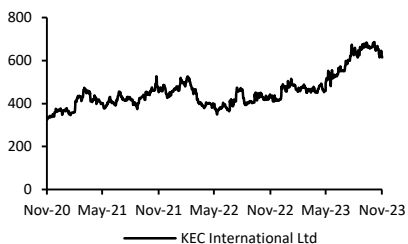
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KEC International



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