Robust Demand Visibility; Mixed Margin Trends Across Coverage

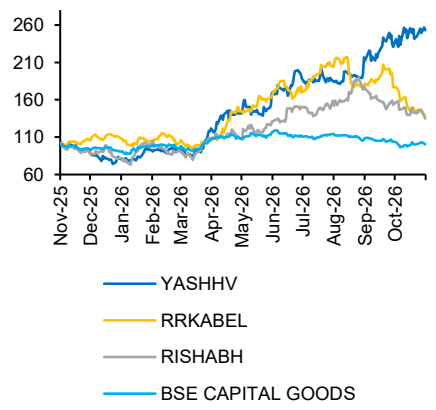
Q2FY27 Quarterly Result Review

Sector View: Positive

Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rated
RISHABH	578	815	BUY
RRKABEL	1,815	2,870	BUY
YASHHV	1,268	1,500	BUY

Relative Performance (%)			
YTD	1Y	6M	3M
BSE CAP GOODS	0.4	(7.1)	(11.9)
RISHABH	35.0	26.8	(11.3)
RRKABEL	37.8	(4.6)	(33.3)
YASHHV	153.3	78.7	37.1

Source: Choice Institutional Equities



Source: Choice Institutional Equities

Industry Outlook: The power T&D outlook remains favourable, with **INR 9.15 Tn of grid investment** planned **by FY32** to **expand transmission** and evacuate **rising renewable power**. Healthy order visibility supports **demand for 400/765 kV transformers, reactors and bushings.** In wires and cables, grid capex, renewables, data centres and infrastructure remain key growth drivers. However, the **11% correction in copper price over the last month** and lower aluminium price have triggered **5–6%** product **price cut, weighing on realisation**. Dealer destocking and deferred purchase, amid expectation of further cut and a high Q3FY26 volume base, could moderate near-term growth. Lower input cost may cushion margin, although **inventory loss** remains a key monitorable.

RISHABH: Q2FY27 **revenue grew 8.4% YoY to INR 2,128 Mn**, led by Electrical and Electronic Instruments (EEI) growth, but **EBITDA margin contracted 175 bps** to **15.2%**. The management retained **FY27 EEI growth guidance of 20–25%** and guides for margin recovery **to 20–22%**. Lower-margin product mix, delayed commodity pass-through, US tariff and Lumel Alucast loss remain key risks.

RRKABEL: Q2FY27 **revenue grew 51.8% YoY to INR 32,840 Mn**, with **EBITDA margin expanding to 8.6%**. The management revised FY27 Wires and Cables (W&C) volume growth guidance, from 16–18% to 14–15%, reiterating segment EBITDA margin targets of 9.5% for FY27 and 10.5% for FY28. A new entrant with an established dealer network and pan-India presence is intensifying competition and pricing pressure.

YASHHV: H1FY27 **revenue grew 95.3% YoY to INR 1,945 Mn**, with **EBITDA margin expanding to 27.5%**. **Order book nearly doubled to INR 7,600 Mn**, providing 15–18 months of visibility. Localised cores for up to 245 kV bushings are available from Q4FY27.

We maintain a **positive view on the sector** and a **'BUY'** rating on all the three stocks. **YASHHV** is our **top investment idea** (TP raised, from **INR 1200 to INR 1500; 18.3% upside).** Key monitorables include execution, copper price, competition and working capital.

Q2FY27 Quarterly Result Review

Long-term Investment Ideas

YASHHV_H1FY27_Result Update

TP: 1,500 | Upside: 18.3%

Volume-led growth: H1FY27 revenue +95% YoY to INR 1,945 Mn on ~40% volume growth; EBITDA margin up 622 bps to 27.5%.

Strong visibility: Order book of INR 7,600 Mn; Jarod facility ramping up; management expects a seller's market for the next 2-4 years.

Coverage Comparison and Financial Metrics

Company	CMP (INR)	TP (INR)	Rev. CAGR (FY26-29E)	EBITDAM % FY26 / FY29E	PATM % FY26 / FY29E	EV/EBITDA (x) FY26 / FY29E
RISHABH	578	815	16.0%	16.3 / 18.2	10.6 / 12.0	16.6/8.85
RRKABEL	1815	2,870	19.0%	8.1 / 9.0	5.1 / 6.1	26.4/13.6
YASHHV	1268	1,500	49.0%	24.1 / 30.5	15.9 / 18.9	64.1/15.2

**CMP as on Nov 19, 2026*

Source: Company, Choice Institutional Equities

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Key Takeaways from Management Commentary in Q2FY27

Coverage Companies	Q2FY27 Key Result & Concall Highlights
RISHABH	▪ **EEI segment:** Management retained its FY27 revenue growth guidance of **20–25%**, despite delivering **29.3%** growth in H1FY27, supported by a healthy order book, and indicated a similar growth outlook for FY28. Adjusted EBITDA margin is anticipated to normalise at **20–22%**, reflecting a higher contribution from lower-margin solar inverters and EMS. ▪ **International business:** Lumel SA revenue grew **24.8%** to **INR 1,338 Mn** in H1FY27, with the US, the UK and China businesses growing **100%**, **38%** and **25%**, respectively. Despite higher US import duty, the company is absorbing a part of the tariff impact to retain customers, while prioritising profitable geographic expansion. ▪ **Margin pressure:** A rising contribution from solar inverters and EMS, which carry contribution margins of **10–15%** compared with **50–60%** for certain traditional products, is weighing on overall margins. Higher commodity prices and delays in price pass-through are adding to cost pressures. ▪ **Aluminium die-casting:** Lumel Alucast revenue fell **36.6%** to **INR 850 Mn** in H1FY27, with an adjusted EBITDA loss of **INR 32 Mn**, management has prioritised profitable business over volume and targets near break-even EBITDA in FY27. ▪ **Solar inverter business:** An automated production line with capacity of **400 units per day** (12,000 units per month) has been commissioned and the portfolio is expanding towards 50 kW and hybrid inverters. Management sees profitability reaching near-core EEI levels in two to three years. ▪ **Capacity expansion and product development:** The Nashik expansion has been partially commissioned, with the focus shifting to capacity ramp-up, utilisation and productivity. The company plans to launch over **10 additional products in FY27-FY28** and sees opportunities in data centre-related electrical measurement, current transformers, power quality and energy monitoring.
RRKABEL	▪ **Demand environment:** Management remains positive on industry fundamentals, supported by infrastructure investment, power and electrification, housing and industrial capex, despite global uncertainty. ▪ **FY27 volume guidance:** Wires and cables volume growth guidance cut from 16-18% to 14-15% citing market volatility and quarterly fluctuation; management remains confident of outperforming the industry average. ▪ **Margin outlook:** Management reiterated its target of **300 bps** margin expansion between FY26 and FY28, with the wires and cables segment margin targeted to improve to **9.5% in FY27** and **10.5% in FY28**. ▪ **Competition:** Management acknowledged that competition intensity may fluctuate but is confident of delivering growth through efficient capacity-utilisation and stronger sales and marketing execution. ▪ **Exports:** Exports accounted for **32%** of Q2FY27 revenue, with management guiding for a **32–35%** contribution in H2FY27. Growth is increasingly led by cables, supported by capacity additions, particularly in Europe and the Middle East. ▪ **FMEG outlook:** Q2 profitability was impacted by seasonality, particularly in fans. Management guided for a significant improvement in revenue and profitability in H2 while reiterating its FY27 target of achieving full-year breakeven at the segment profit level. ▪ **UM Cables acquisition:** The company signed a Business Transfer Agreement on 25 September, 2026, with U M Cables Limited (UMCL) and Usha Martin Limited to acquire UMCL's optical fibre and related cables undertaking for **INR 770 Mn**. In a press release dated 1 November 2026, the Company announced that the undertaking has been transferred to it by way of slump sale, on a going concern basis, effective from the close of business on 31 October 2026. ▪ **Expansion plans:** The board approved an initial allocation of at least **INR 2,000 Mn** towards land acquisition for further wires and cables capacity expansion, over and above the FY27 capex plan of **INR 5,500–6,000 Mn**. The FY28 capex guidance of **INR 3,000 Mn** was broadly maintained, with further details on the proposed expansion to be announced in the next one to two quarters.

Source: RISHABH, RRKABEL Choice Institutional Equities

Key Takeaways from Management Commentary in H1FY27

Coverage Companies	H1FY27 Key Result & Concall Highlights
YASHHV	▪ **Demand:** Demand remains structurally strong, driven by grid modernisation, replacement of ageing infrastructure, renewables integration and rising demand from data centres and industrial electrification. ▪ **Pricing and margin guidance:** Management expects favourable market conditions to persist for the next two to four years. Although transformer manufacturers announced fresh capacity expansion plans last month, the new capacity will take **24–30 months** to become operational. Management does not anticipate any significant excess capacity in the bushing segment. ▪ **Bushings:** Bushings are insulating components which carry current from **transformer windings to the external grid** while **preventing electrical leakage**. Despite their low cost (2–6% of transformer cost), failure can cause major outages, making reliability paramount. High entry barriers and the **shift towards longer-life RIP technology** (30–35 years vs. 15–20 years for OIP) **favour established players.** ▪ **International expansion:** YASHHV is prioritising **expansion across** the **US, Europe** and the **Middle East**. Its US subsidiary has representation agreements across ~27 states and a healthy order book. Exports offer realisation higher than domestic sales for the same kV class. Localised **RIP manufacturing** is likely to enable entry into export markets, where the company currently faces restrictions. ▪ **Technical milestones:** YASHHV is the first Indian OEM to complete seismic qualification of IEEE-compliant **138kV** and **230kV** OIP bushings and it supplied its first **245kV** wall-through bushing to a PSU. ▪ **Jarod:** Commercial production on the assembly model using imported cores has begun. Orders from the existing book are being shifted there, easing the Halol bottleneck. ▪ **Greenfield capex:** Increased from **INR 1,530 Mn**, guided in May 2026, to **INR 2,200 Mn**, with **INR 1,060 Mn** deployed as of 30 Sep 2026 and the balance to be incurred over the next **12 months**. ▪ **Localised-core timeline:** Type testing of localised-core bushings is due within weeks and the first-go trial result was encouraging. Localised RIP production up to **245kV** is targeted from Q4FY27, followed by **420kV** and **550kV** between Q4FY28 and mid-FY29.

Source: YASHHV Choice Institutional Equities

LONG-TERM INVESTMENT IDEAS

Key Financials				
INR Bn	**FY26**	**FY27E**	**FY28E**	**FY29E**
Net Revenue	2.4	4.0	5.8	7.9
YoY (%)	57.2	68.4	45.8	36.1
EBITDA	0.6	1.1	1.7	2.4
EBITDAM %	24.1	27.1	29.0	30.5
Adj. PAT	0.4	0.6	0.9	1.5
EPS (INR)	13.1	20.6	30.4	48.4
ROE %	22.5	22.0	21.4	26.8
PER (x)	97.0	61.4	41.7	26.2

Source: YASHHV, Choice Institutional Equities

H1FY27 Snapshot			
Particulars (INR Mn)	**H1FY27**	**H1FY26**	**YoY (%)**
Revenue	**1,945**	**996**	**95.3**
COGS	934	549	70.2
Gross Profit	**1,011**	**447**	**126.1**
Employee Cost	210	108	93.6
Other Expenses	265	126	109.8
EBITDA	**536**	**212**	**152.3**
EBITDA Margin (%)	**27.5**	**21.3**	**622 bps**
Other Income	11	20	-47.4
Interest	24	22	13.9
PBT	478	185	158.5
Tax	117	48	143.6
Adj. PAT	**364**	**137**	**165.7**
EPS (INR)	**12.4**	**4.7**	**161.0**

Source: YASHHV, Choice Institutional Equities

YASHHV | Rating: BUY | TP: INR 1,500

We maintain **BUY on YASHHV** and raise our DCF-based **TP to INR 1,500 (from INR 1,200)**, implying **18.3% upside** from CMP of INR 1,268. Our TP implies a P/E of **38x on average FY28-29E EPS**.

H1FY27 was strong. Revenue **grew 95% YoY to INR 1,945 Mn** on **nearly 40% volume** growth and a robust domestic demand. **EBITDA margin improved 622 bps** to **27.5%**, driven by customer-specific pricing and favourable vendor terms, with a better product mix, higher realisation and contribution from operating leverage. PAT beat **our estimate by 56.7%**.

Visibility is high. The **order book stands at INR 7,600 Mn**. Commercial production has started at Jarod on an assembly model using imported cores, and orders from the existing book are being shifted there to ease the Halol bottleneck. Management forecast favourable market conditions to persist for the next two to four years, as **new transformer capacity will take 24–30 months to come** on stream, while no significant capacity additions are anticipated in bushings.

We have revised our estimates upwards, projecting **revenue/EBITDA/Adj. PAT CAGR of 49%/62%/58%, respectively, for FY26–29E**, driven by strong volume growth, an improving product mix, operating leverage and higher realisations. The medium-term outlook for transformer bushings is backed by grid expansion and replacement, renewable integration, data centres and industrial electrification.

What we are watching out for: Progress on **localised-core bushings**, with type testing projected to be completed in the next few weeks and indigenous **RIP manufacturing** up to 245kV **targeted from Q4FY27**, followed by 420kV/550kV variants between Q4FY28 and mid-FY29. Greenfield capex has been increased **from INR 1,530 Mn** to the INR 2,200 Mn, with INR 1,060 Mn deployed as of September 30, 2026. **International expansion** remains the key strategic priority; Yash HV USA has signed three representation agreements covering nearly 27 states. The company has unexecuted 420kV bushing orders, with invoicing commencing this year through an assembly model using imported cores at INR 3.6–4.4 Mn per bushing.

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
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***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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