

KEI INDUSTRIES LTD

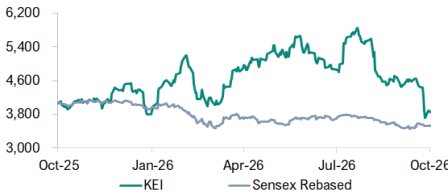
BUY

Sector: Cables

29th October, 2026

Key Changes	Target	Rating	Earnings	Target	Rs. 4,500
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	KEI:IN	73,246	KEI	517569	12 Months
				CMP	Rs. 3,852
				Return	+17%

Data as of: 28-10-2026, 18:00hrs

Company Data			
Market Cap (Rs.cr)			36,843
52 Week High — Low (Rs.)			5,931 – 3,652
Enterprise Value (Rs.cr)			35,979
Outstanding Shares (cr.)			9.6
Free Float (%)			64.4
Dividend Yield (%)			0.1
6m average volume (lacs)			4.9
Beta			1.6
Face value (Rs.)			2.0
Shareholding (%)	Q4FY26	Q1FY27	Q2FY27
Promoters	35.0	35.0	35.0
FII's	27.3	27.3	26.1
MFs/Institutions	25.8	25.9	26.3
Public	10.4	10.5	10.9
Others	1.5	1.3	1.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-20.5%	-22.5%	-5.2%
Absolute Sensex	-4.6%	-4.7%	-13.4%
Relative Return	-15.9%	-17.7%	8.2%
*over or under performance to the benchmark index			
			
Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	11,748	14,667	17,560
Growth (%)	20.7	24.9	19.7
EBITDA	1,229	1,625	1,967
EBITDA Margin (%)	10.5	11.1	11.2
Adj. PAT	918	1,158	1,388
Growth (%)	31.9	26.1	19.9
Adj. EPS	96.1	121.1	145.2
Growth (%)	31.9	26.0	19.9
P/E	40.1	31.8	26.5
P/B	5.5	4.7	4.0
EV/EBITDA	28.9	22.1	18.3
ROE (%)	13.8	14.9	15.2
D/E	0.0	0.0	0.0

Healthy demand drives steady performance

KEI Industries Ltd is a leading manufacturer of wires and cables, with a diversified portfolio spanning house wires, power cables, specialty cables, stainless steel wires, and EPC solutions for power infrastructure projects.

- Revenue grew 38.5% YoY to Rs. 3,776cr in Q2FY27, primarily because of strong growth across domestic wires and cables and traction in dealer-distributor channels.
- Domestic wires and cables revenue increased 45.8% YoY to Rs. 3,184cr, reflecting strong underlying demand and improved operational performance.
- Wires and cables contributed 96.4% of quarterly revenue, while dealer-distributor sales, which rose 50.5% YoY, accounted for 58.8% of sales, highlighting the strength of the company's distribution network.
- EBITDA rose 39.8% YoY to Rs. 377cr supported by robust revenue growth and operational improvements, while margin improved 10bps YoY to 10.0%.
- Profit after tax (PAT) grew 29.0% YoY to Rs. 262cr in Q2FY27, aided by strong revenue growth and healthy operating performance.

Outlook & Valuation

KEI Industries delivered a steady performance in Q2FY27, supported by healthy demand across domestic wires and cables, aided by infrastructure investments, power transmission spending, renewable energy projects and deeper retail penetration. The company is strengthening its market position through its extensive dealer network, increasing contribution from extra high voltage (EHV) cables and improving export opportunities. The management is confident of sustained growth, supported by strong demand and a healthy order backlog. Further, the ongoing ramp-up of the Sanand facility is expected to aid future growth and capacity expansion. We value KEI at 31x FY28E EPS, slightly below its historical average, to account for moderating earnings growth and commodity/execution risks, while recognising strong structural demand for cables. Accordingly, **we upgrade the stock from HOLD to BUY rating and revise our target price to Rs. 4,500.**

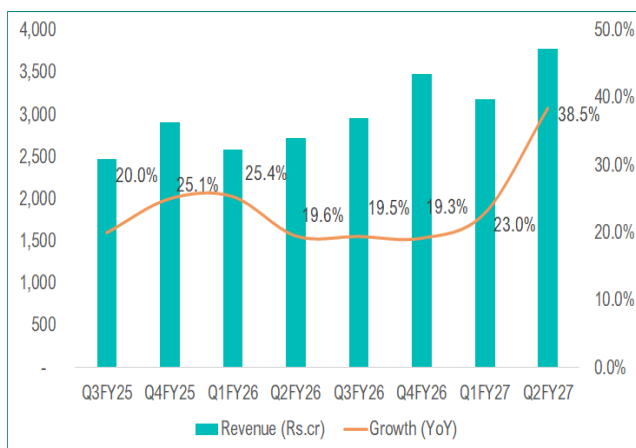
Quarterly Financials Consolidated

Rs.cr	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Sales	3,776	2,726	38.5	3,185	18.6	6,962	5,317	30.9
EBITDA	377	269	39.8	396	-4.9	772	527	46.5
Margin (%)	10.0	9.9	10bps	12.4	-240bps	11.1	9.9	120bps
EBIT	346	249	38.9	367	-5.8	713	487	46.4
PBT	353	277	27.4	369	-4.3	722	541	33.7
Rep. PAT	262	204	29.0	274	-4.3	537	399	34.4
Adj PAT	262	204	29.0	274	-4.3	537	399	34.4
Adj. EPS (Rs)	27.4	21.3	28.9	28.7	-4.3	56.1	41.8	34.4

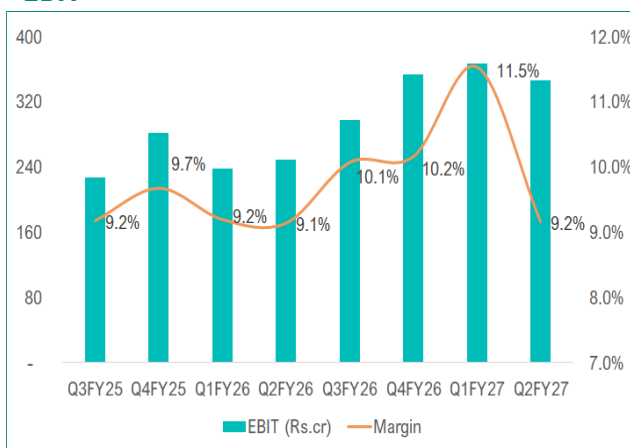
Key Concall Highlights

- KEI's overall order book stood at approximately Rs. 5,185cr, of which those of wires and cables amounted to Rs. 4,927cr, while those EPC orders amounted to Rs. 258cr. Export order book stood near Rs. 991cr, with around half originating from the United States, where the management indicated particularly strong industrial and energy-related demand conditions.
- Phase-II commercial production of EHV and high tension (HT) cables at the Sanand facility is expected to commence by end-March 2027, with sales expected to begin following the commissioning and approval process.
- The company incurred capex of Rs. 402cr during H1FY27, including Rs. 333cr for the Sanand project. The management said that capex is expected to be approximately Rs. 600cr annually over the next three to four fiscal years.
- The management expects revenue growth of over 25% in FY27, supported by strong demand across domestic and overseas markets.
- The management has reiterated annual EBITDA margin guidance of ~11%. It has also indicated that margin could move from 11% to 11.5% and subsequently towards 12% as the Sanand facility ramps up.

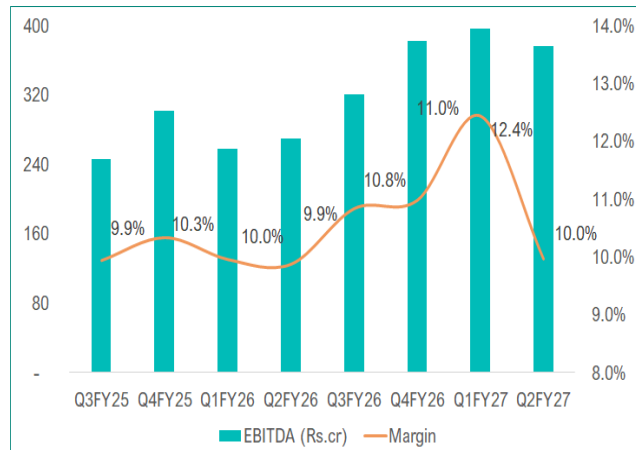
Revenue



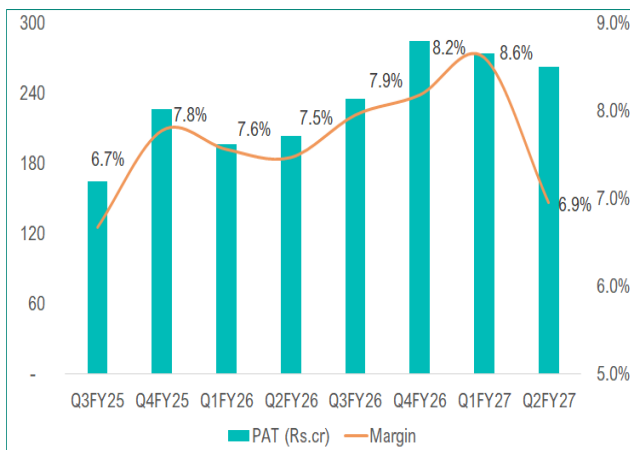
EBIT



EBITDA



PAT



Change in Estimates

Year / Rs. cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	14,578	17,466	14,667	17,560	0.6	0.5
EBITDA	1,643	1,959	1,625	1,967	-1.1	0.4
Margins (%)	11.3	11.2	11.1	11.2	-20bps	-
Adj. PAT	1,192	1,422	1,158	1,388	-2.9	-2.4
Adj. EPS	124.8	148.8	121.1	145.2	-2.9	-2.5

Consolidated Financials

Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	8,121	9,736	11,748	14,667	17,560
% change	17.6	19.9	20.7	24.9	19.7
EBITDA	854	991	1,229	1,625	1,967
% change	21.7	16.0	24.0	32.2	21.0
Depreciation	61	70	91	102	105
EBIT	793	921	1,138	1,523	1,861
Interest	44	56	64	74	97
Other Income	32	72	159	95	86
PBT	781	937	1,232	1,544	1,850
% change	21.7	20.0	31.5	25.3	19.9
Tax	200	241	314	386	463
Tax Rate (%)	25.7	25.7	25.5	25.0	25.0
Reported PAT	581	696	918	1,158	1,388
PAT att. to common shareholders	581	696	918	1,158	1,388
Adj*	-	-	-	-	-
Adj PAT	581	696	918	1,158	1,388
% change	21.6	20.0	31.9	26.1	19.9
No. of shares (cr)	9.0	9.6	9.6	9.6	9.6
Adj EPS (Rs.)	64.3	72.9	96.1	121.1	145.2
% change	21.7	13.3	31.9	26.0	19.9
DPS (Rs.)	3.5	4.0	4.5	5.5	6.0

Balance Sheet

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	701	1,915	1,513	1,137	1,138
Accounts Receivable	1,518	1,797	1,842	2,584	3,143
Inventories	1,343	1,730	2,401	2,948	3,503
Other Cur. Assets	136	192	402	488	502
Investments	2	2	2	3	4
Gross Fixed Assets	865	1,559	2,811	3,515	4,236
Net Fixed Assets	769	992	1,686	2,237	2,798
CWIP	121	385	1,002	1,052	1,105
Intangible Assets	2	1	1	1	2
Def. Tax Assets	-	-	-	-	-
Other Assets	66	220	109	118	129
Total Assets	4,656	7,235	8,956	10,569	12,324
Current Liabilities	1,297	1,170	1,891	2,273	2,631
Provisions	17	20	24	27	30
Debt Funds	134	178	186	292	301
Other Liabilities	60	80	189	201	213
Equity Capital	18	19	19	19	19
Reserves & Surplus	3,130	5,767	6,646	7,758	9,130
Shareholders' Funds	3,148	5,786	6,665	7,777	9,149
Minority Interest	-	-	-	-	-
Total Liabilities	4,656	7,235	8,956	10,569	12,324
BVPS	349	606	698	813	957

Cash Flow

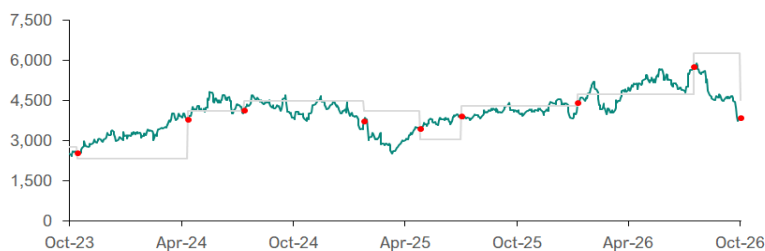
Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	642	767	1,010	1,260	1,493
Non-cash adj.	28	-4	-157	-12	82
Other adjustments	-	-	-	-	-
Changes in W.C	-59	-794	-12	-979	-813
C.F. Operation	611	-32	840	269	763
Capital exp.	-400	-694	-1,252	-704	-721
Change in inv.	27	-833	796	-	-
Other invest.CF	21	26	107	-	-
C.F – Investment	-353	-1,501	-350	-704	-721
Issue of equity	1	1,972	1	-	-
Issue/repay debt	-1	44	8	106	9
Dividends paid	-28	-42	-43	-53	-57
Other finance.CF	-44	-56	-64	7	7
C.F – Finance	-72	1,919	-98	60	-41
Chg. in cash	186	386	392	-375	1
Closing cash	701	1,915	1,513	1,137	1,138

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	10.5	10.2	10.5	11.1	11.2
EBIT margin (%)	9.8	9.5	9.7	10.4	10.6
Net profit mgn.(%)	7.1	7.2	7.8	7.9	7.9
ROE (%)	18.4	12.0	13.8	14.9	15.2
ROCE (%)	24.2	15.4	16.6	18.9	19.7
W.C & Liquidity					
Receivables (days)	68.2	67.4	57.2	64.3	65.3
Inventory (days)	79.2	84.5	97.5	95.5	93.2
Payables (days)	59.5	38.0	54.2	53.3	51.8
Current ratio (x)	2.6	4.2	3.0	2.8	2.8
Quick ratio (x)	1.5	2.8	1.6	1.5	1.5
Turnover & Leverage					
Gross asset T.O (x)	9.4	6.2	4.2	4.2	4.1
Total asset T.O (x)	1.7	1.3	1.3	1.4	1.4
Int. coverage ratio (x)	18.1	16.5	17.8	20.5	19.3
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	4.2	3.6	3.0	2.5	2.0
EV/EBITDA (x)	40.0	35.4	28.9	22.1	18.3
P/E (x)	59.9	52.9	40.1	31.8	26.5
P/BV (x)	11.0	6.4	5.5	4.7	4.0



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
8-May-24	HOLD	4,085
8-Aug-24	HOLD	4,475
20-Feb-25	BUY	4,103
22-May-25	REDUCE/SELL	3,030
29-Jul-25	HOLD	4,272
4-Feb-26	HOLD	4,735
13-Aug-26	HOLD	6,251
29-Oct-26	BUY	4,500

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition: **Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock. **Symbols definition:**  Upgrade  No Change  Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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