Q1FY27 Result Update

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Retail Equity Research

Finolex Cables Ltd.

Accumulate

Sector: Electrical Equipment

21st August 2026

Key Changes	Target ▲	Rating ●	Earnings ▲

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	FNXC:IN	77,538	FINCABLES	500144	12 Months

Target	**Rs.1,494**
CMP	**Rs.1,280**
Return	**+17%**

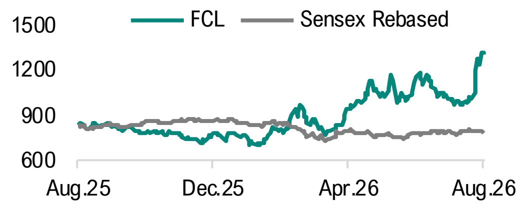
Data as of: 20-08-2026, 18.00hrs

Company Data	
Market Cap (Rs.cr)	19,581
52 Week High — Low (Rs.)	1,375-701
Enterprise Value (Rs.cr)	19,437
Outstanding Shares (Rs.cr)	15.3
Free Float (%)	49.0
Dividend Yield (%)	0.62
6m average volume (cr)	0.01
Beta	1.2
Face value (Rs)	2.0

Shareholding (%)	Q3FY26	Q4FY26	Q1FY27
Promoters	35.9	35.9	35.9
FII's	9.4	9.6	9.7
MFs/Institutions	15.8	16.4	16.7
Public	39.0	38.1	37.8
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	26.4%	63.1%	57.0%
Absolute Sensex	2.1%	7.6%	-5.8%
Relative Return	24.3%	70.8%	62.8%

***over or under performance to benchmark index**



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	6,321	7,844	8,918
Growth (%)	*18.8*	*24.1*	*13.7*
EBITDA	630	863	990
EBITDA Margin (%)	*10.0*	*11.0*	*11.1*
PAT Adjusted	623	770	880
Growth (%)	*14.4*	*23.6*	*14.3*
Adjusted EPS	40.7	50.3	57.5
Growth (%)	*14.4*	*23.6*	*14.3*
P/E	31.4	25.4	22.3
P/B	3.8	3.4	3.0
EV/EBITDA	30.8	22.7	19.6
ROE (%)	12.8	14.2	14.4
D/E	0.0	0.0	0.0

Author: Anil R - Sr. Research Analyst

Riding Fibre Wave…Growth Story Intact

Finolex Cables Ltd. (FCL) manufactures electrical (80% of revenue) and telecommunication cables (16%). Its edge comes from backward integration in copper and PVC, a wide distribution network, and strong brand recall.

- Revenue grew 44% YoY on broad-based volumes. Electrical Cables rose 47% YoY, led by high double-digit growth in Auto, Solar, Agri and Flexibles, while Building Wire stayed muted on channel de-stocking. Communication Cables outperformed (+62% YoY) on ~30% OFC volume growth and firm fiber realizations; Copper Rod was hit by a temporary LPG-led plant shutdown.
- EBITDA grew 90% YoY, with margins expanding ~294 bps YoY to 12.3%, led by operating leverage, a favorable product mix and copper cost pass-through. PAT grew 59% YoY.
- Demand visibility remains healthy, underpinned by real estate, government capex and a data-center-led fiber upcycle, with exports emerging as a key incremental lever. The ramp-up in construction wire utilization and premium segments is expected to drive further operating leverage.
- Management guides to margins of 11–12%, supported by higher capacity utilisation, the E-Beam product ramp-up in premium segments, and a doubling of OFC capacity to 8mn km by Q2FY27.
- We raise our FY27E/FY28E EPS by 6.8%/5.3%, factoring in improved growth visibility in optic fibre—driven by data-centre and telecom-led OFC demand—alongside healthy demand across the broader product portfolio.

Outlook & Valuation

We expect Finolex Cables (FCL) to deliver earnings growth at a CAGR of ~19.0% over FY26–FY28E, supported by healthy demand from the real estate and construction sectors, power T&D, renewables, data centres and exports. **We value FCL's core business at 24x FY28E P/E and its stake in Finolex Industries at Rs.113, arriving at a SOTP-based target price of Rs.1,494.** However, given input price volatility and a sharp run-up in stock prices, **we maintain Accumulate rating.**

Quarterly Financials Standalone.

Rs.cr	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Sales	2,013	1,396	*44.3*	1951	*3.2*
EBITDA	248	131	*89.6*	203	*21.9*
Margin %	12.3	9.4	294bps	10.4	189bps
EBIT	226	117	*93.3*	187	*21.3*
PBT	277	171	*62.4*	219	*26.7*
Reported PAT	221	139	*59.4*	161	*37.3*
Adjusted PAT	221	139	*59.4*	161	*37.3*
EPS (Rs)	14.5	9.1	*59.4*	10.5	*37.3*

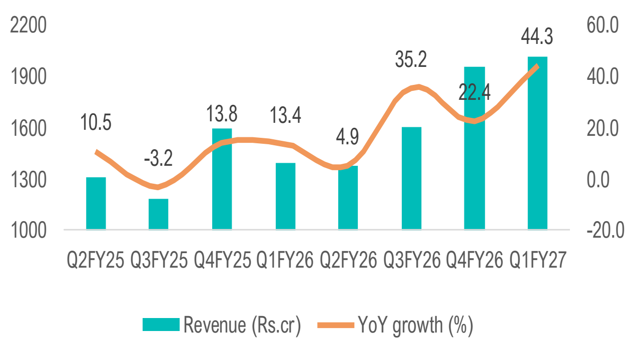
Key Concall Highlights

- Standard G.652.D fibre prices rose from ~$5–6 (Dec-25) to $17–18, now settling at ~$11–13/km; premium/high-count variants are far higher (some exports done at ~$25/km), driven by a global AI/data-centre-led shortage likely to persist in the near term.
- Management sees robust communication and power cable demand over the next 2-3 years, driven by data-centre/AI-led fibre demand and large-scale investments. It has accelerated fibre capacity expansion and is strengthening R&D for higher-fibre-count designs, already exporting fibre and data-centre cables to the US/Europe, with active customer engagement to scale up further.
- Preform plant commissioned (equiv. ~4mn km fibre, ~100% for captive consumption); stabilization over the next couple of months, with margin benefit accruing from Q3FY27. The balance preform is still to be sourced externally.
- OFC capacity ramp accelerated, draw capacity moving from 4 to 8mn km in one go to be completed by Sep-26; cabling to expand 8-10mn km (later). At 8mn km and ~$11/km, fiber-only revenue potential ~$88mn, with 25–30% value-add if cabled.

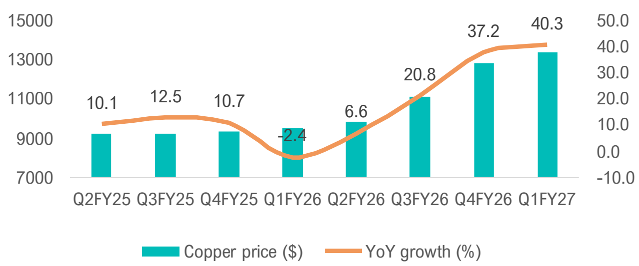
SOTP Valuation

Particulars	Segments	FY27E EPS	Valued at P/E	Holding discount	Value/Share (Rs)
FCL Standalone	Core Business	Rs.57.5	24.0x	-	1,380
Finolex Industries	FCL holds 32.4%	Rs.10.3	11.0x	40% holding discount	113
Total Value per share					**1,494**

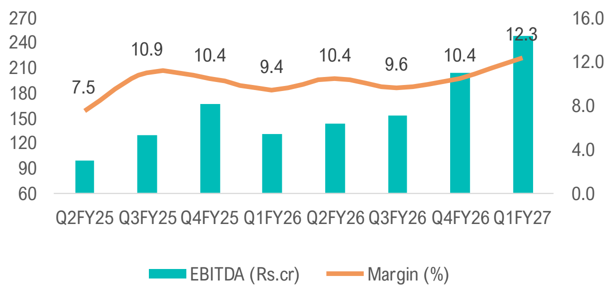
Revenue



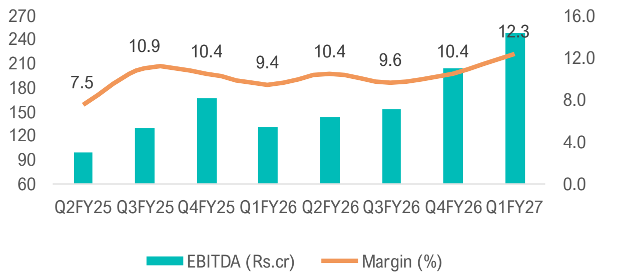
Copper prices



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr.	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	7,102	8,235	7,844	8,918	*10.5*	*8.3*
EBITDA	710	824	863	990	*21.5*	*20.1*
Margins (%)	10.0	10.0	11.0	11.1	*100bps*	*101bps*
Adj. PAT	712	835	770	880	*6.7*	*5.3*
EPS	47.1	54.6	50.3	57.5	*6.7*	*5.3*

Standalone Financials

PROFIT & LOSS

Y.E March (Rs cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**5,014**	**5,319**	**6,321**	**7,844**	**8,918**
% change	*11.9*	*6.1*	*18.8*	*24.1*	*13.7*
EBITDA	**581**	**514**	**630**	**863**	**990**
% change	*17.2*	*(11.5)*	*22.5*	*36.9*	*14.7*
Depreciation	44	47	59	85	96
EBIT	**537**	**468**	**571**	**778**	**894**
Interest	2	2	2	2	2
Other Income	218	248	238	223	251
PBT	**753**	**714**	**807**	**999**	**1,142**
% change	*16.5*	*(5.2)*	*13.1*	*23.9*	*14.3*
Tax	**181**	**169**	**184**	**230**	**263**
Tax Rate (%)	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*
Reported PAT	**572**	**544**	**623**	**770**	**880**
Adj.*	-	-	-	-	-
Adj. PAT	**572**	**544**	**623**	**770**	**880**
% change	*13.9*	*(4.8)*	*14.4*	*23.6*	*14.3*
No. of shares (cr)	15	15	15	15	15
Adj EPS (Rs)	**37.4**	**35.6**	**40.7**	**50.3**	**57.5**
% change	*13.9*	*(4.8)*	*14.4*	*23.6*	*14.3*
DPS (Rs)	7.0	8.0	8.0	8.0	8.0

BALANCE SHEET

Y.E March (Rs cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	93	90	163	55	202
Accounts Receivable	177	243	370	430	489
Inventories	576	717	1,023	1,268	1,444
Other Cur. Assets	2,772	2,871	2,158	2,665	3,030
Investments	397	356	982	982	982
Gross Fixed Assets	806	938	1,262	1,562	1,762
Net Fixed Assets	**443**	**582**	**847**	**1,062**	**1,166**
CWIP	168	210	105	50	50
Intangible Assets	1	1	3	3	3
Def. Tax (Net)	(59)	(82)	(104)	(106)	(109)
Other Assets	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Total Assets	**4,568**	**4,989**	**5,549**	**6,410**	**7,256**
Current Liabilities	325	348	405	612	697
Provisions	20	21	26	32	37
Debt Funds	**18**	**20**	**19**	**19**	**19**
Other Liabilities	-	-	-	-	-
Equity Capital	31	31	31	31	31
Reserves & Surplus	4,175	4,569	5,068	5,716	6,473
Shareholder's Fund	**4,206**	**4,599**	**5,099**	**5,746**	**6,504**
Total Liabilities	**4,568**	**4,989**	**5,549**	**6,410**	**7,256**
BVPS	275	301	333	376	425

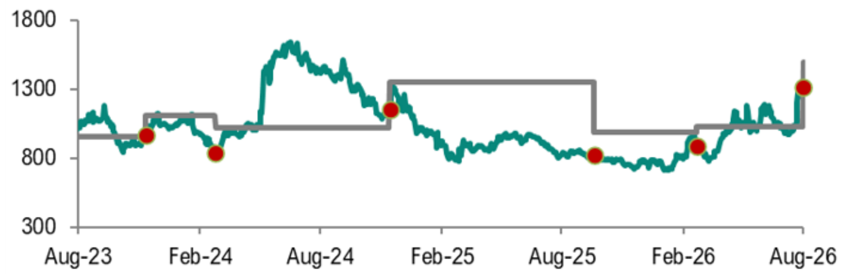
CASH FLOW

Y.E March (Rs cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	615	591	682	854	976
Non-cash adj.	(167)	(204)	(193)	5	5
Changes in W.C	140	(180)	(445)	(121)	(172)
C.F. Operation	**577**	**207**	**49**	**738**	**809**
Capital exp.	(219)	(235)	(154)	(245)	(200)
Change in inv.	(307)	64	209	(477)	(338)
Other invest.CF	86	89	97	-	-
C.F - Investment	**(440)**	**(82)**	**153**	**(722)**	**(538)**
Issue of equity	-	-	-	-	-
Issue/repay debt	0	(0)	(0)	-	-
Dividends paid	(107)	(122)	(122)	(122)	(122)
Other finance.CF	0	-	-	(2)	(2)
C.F - Finance	**(112)**	**(128)**	**(129)**	**(124)**	**(124)**
Chg. in cash	3	(0)	7	(11)	15
Closing cash	**93**	**90**	**163**	**55**	**202**

RATIOS

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab & Return					
EBITDA margin (%)	11.6	9.7	10.0	11.0	11.1
EBIT margin (%)	10.7	8.8	9.0	9.9	10.0
Net profit mgn.(%)	11.4	10.2	9.9	9.8	9.9
ROE (%)	14.4	12.4	12.8	14.2	14.4
ROCE (%)	13.5	10.6	11.7	14.3	14.5
W.C & Liquidity					
Receivables (days)	14.4	14.4	17.7	18.6	18.8
Inventory (days)	57.8	55.0	61.7	65.5	68.1
Payables (days)	20.5	20.2	26.7	29.1	32.9
Current ratio (x)	10.5	10.6	8.6	6.9	7.0
Quick ratio (x)	0.8	1.0	1.3	0.7	0.7
Turnover & Leverage					
Gross asset T.O (x)	6.4	6.1	5.7	5.6	5.4
Total asset T.O (x)	1.2	1.1	1.2	1.3	1.3
Int. covge. ratio (x)	264.5	280.0	326.1	389.1	446.8
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	3.9	3.7	3.1	2.5	2.2
EV/EBITDA (x)	33.6	37.9	30.8	22.7	19.6
P/E (x)	34.3	36.0	31.4	25.4	22.3
P/BV (x)	4.7	4.3	3.8	3.4	3.0

Recommendation Summary (last 3 years)



Dates	Rating	Target
24.Nov.21	Accumulate	663
22.Nov.22	Accumulate	643
24.Feb.23	Hold	784
15.Jun.23	Accumulate	953
30.Nov.23	Accumulate	1,108
15.Mar.24	Buy	1,019
03.Dec.24	Accumulate	1,354
08.Oct.25	Buy	988
18.March.26	Accumulate	1,008
21.Aug.26	Accumulate	1,494

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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