

HOLD

TP: Rs 4,900 | ▼ 2%

KEI INDUSTRIES

| Consumer Durables

| 05 May 2026

In-line quarter; long-term guidance intact

- Revenue in-line; EBITDA beat on inventory gains. Revenue grew 19% YoY, led by 25% YoY growth in domestic; while exports declined (-10%)
- Sales though institutional channel was up 9% YoY, while dealer/distributor channel grew 29% YoY
- Raise estimates; roll forward to Mar-28EPS, arrive at TP of Rs 4,900, maintain HOLD

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Beat on EBITDA; margin expansion led by inventory gains: KEI reported Q4FY26 revenue of Rs 34.8bn (+19% YoY, in line with estimates), led by the cables & wires segment, where dealer/distribution sales outpaced institutional growth. Net volume growth during the quarter was ~2% YoY. EBITDA at Rs 3.8bn was up 27% YoY (15% ahead of our estimates), as margin expanded 60bps YoY to 11.0%. We believe this is on account of inventory gains and higher B2C mix offsetting EPC drag. For FY26, EBITDA/PAT grew 24%/32% YoY, ahead of 21% revenue growth.

C&W led by B2C; channel mix continues to improve: Core C&W revenue grew 18% YoY in Q4 to Rs 33.0bn, with B2C sales up 29% YoY to Rs 19.4bn and now accounts for 55.7% of sales. This supported a 150bps YoY expansion in the segment’s EBIT margin to 12.4%. Institutional growth was modest at 6% YoY, but richer EHV sales of Rs2.2bn vs Rs1.2bn YoY.

EPC to be contained; exports declined (-10% YoY/-18% QoQ): Exports declined 10% YoY, due to the ongoing conflict in West Asia. However, management is confident of achieving robust growth as it adds new geographies. In FY26, exports grew ~45% YoY to Rs18.3bn and are targeted at ~20% of FY27 sales; aided by the restart of US shipments following the tariff-led lull. SS Wire was flat in FY26 at Rs2.12bn, though EBIT margin expanded ~360bps to 7.9%.

Capacity ramp-up underway; balance sheet provides optionality: Q4 volume growth was a mere 2% YoY. We believe this to be mainly on account of a slower capacity ramp-up at Sanand and higher channel inventories in the dealer channel. Phase 2 EHV is expected by Q4FY27; while an annual capex of Rs 6-7bn over the next 2-3 years will be funded internally.

Raise estimates, maintain HOLD: We revise our FY27-28E estimates upwards (+9%) in FY27-FY28 to incorporate the improving B2C channel mix and EHV ramp-up, while trimming EPC revenue assumptions given continued execution lag. We retain our 40x multiple and roll forward to Mar-28E EPS to arrive at TP of Rs 4,900; given limited upside, we maintain HOLD.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	KEI IN/Rs 5,018
Market cap	US\$ 4.7bn
Free float	61%
3M ADV	US\$ 21.7mn
52wk high/low	Rs 5,303/Rs 3,151
Promoter/FPI/DII	37%/27%/20%

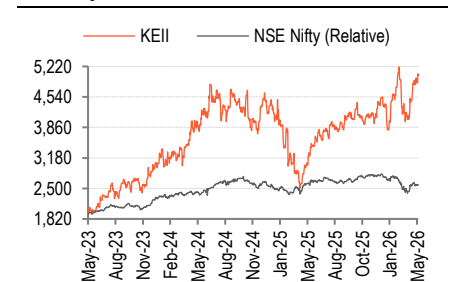
Source: NSE | Price as of 5 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,17,478	1,40,495	1,66,212
EBITDA (Rs mn)	12,290	14,347	17,068
Adj. net profit (Rs mn)	9,184	9,848	11,762
Adj. EPS (Rs)	96.1	103.1	123.1
Adj. ROAE (%)	14.8	13.8	14.4
Adj. P/E (x)	52.2	48.7	40.8
EV/EBITDA (x)	35.8	31.2	26.1
Adj. EPS growth (%)	31.9	7.2	19.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Q4FY26 & FY26 Financial Highlights

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)	Q4FY26E	Variance (%)
Revenue	34,764	29,148	19	29,547	18	1,17,478	97,359	20.7	35,049	(1)
EBITDA	3,816	3,013	27	3,201	19	12,290	9,910	24.0	3,310	15
EBITDA Margin (%)	11.0	10.3	60bps	10.8	10	10.5	10.2	30 bps	9.4	153bps
Depreciation	285	193		226		912	701		239	
Interest	188	139		166		641	556		136	
Other Income	428	371		338		1,586	718		430	
PBT	3,772	3,052	24	3,147	20	12,323	9,370	32	2,978	27
Tax	928	786		798		3,139	2,406		707	
Adjusted PAT	2,843	2,265	25	2,349	21	9,184	6,964	32	2,272	25
Exceptional item	-	-		-		-	-		-	
Reported PAT	2,843	2,265	25	2,349	21	9,184	6,964	32	2,272	25
Adj. PATM (%)	8.2	7.8	40bps	7.9	20	7.8	7.2	70bps	6.5	170bps
EPS (Rs)	29.7	23.7	25	24.6	21	96.1	72.9	31.9	25.2	18.0

Source: Company, BOBCAPS Research

Fig 2 – Segmental Performance

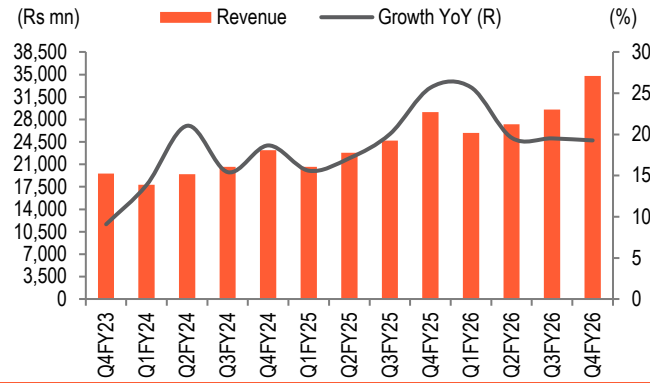
(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Segment revenue								
Cables	32,970	27,968	18	28,208	17	1,12,206	91,770	22
Stainless Steel Wire	561	462	21	545	3	2,165	2,159	0
EPC Projects	2,233	2234	0	1374	62	5614	6562	(14)
EBIT								
Cables	4,104	3,069	34	3,373	22	13,014	9,749	33
EBIT margin (%)	12.4	11.0	150bps	12.0	50bps	11.6	10.6	100bps
Stainless Steel Wire	50	25	100	35	43	172	94	82
EBIT margin (%)	8.9	5.4	350bps	6.4	250bps	7.9	4.4	360bps
EPC Projects	47	170	(72)	17	177	194	608	(68)
EBIT margin (%)	2.1	7.6	(550bps)	1	90bps	3.5	9.3	(580bps)

Source: Company, BOBCAPS Research

Earnings Call Highlights

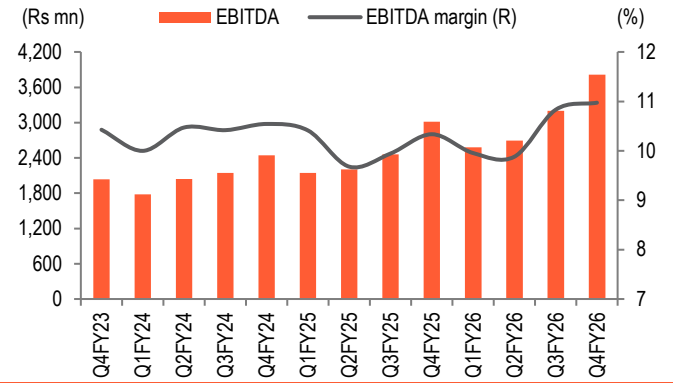
- Management highlighted that the demand continues to be robust across sectors like power T&D, institutional infrastructure, metro/railways, real estate, commercial construction, oil & gas and data centres. The demand for power generation is expected to remain healthy across renewables as well as thermal projects.
- Raw material remains easily available despite supply constraints, with no disruption at the plant level. However, export dispatches of ~Rs 0.5-0.6bn were deferred in Mar'26, due to shipping restrictions for the Middle East routes; dispatches have resumed from Apr'26, albeit at higher freight costs.
- Management clarified that the higher freight on Middle East shipments is partly borne by customers, while FOB contracts protect KEI from freight escalation. In select orders, the freight impact will likely be offset by a favourable currency movement, limiting margin risk of the export dispatches.
- Price pass-through remains effective across channels. Institutional orders are quoted on prevailing metal prices on an order-to-order basis. Retail prices are revised twice a month, helping limit the margin volatility despite the fluctuations in copper/aluminium prices.
- Export product basket remains similar to domestic sales, comprising LT, HT, EHV, control and instrumentation cables. Key geographies include the Middle East, Australia, Africa, Europe and the US, with incremental US traction expected from HT cables and copper flexible cables for data-centre applications.
- US order book stood at ~Rs 0.5-0.6bn, as of Mar'26. Management indicated the business development to have restarted after the tariff-related disruption, with near-term focus on restoring the earlier run-rate of ~Rs 0.4bn/month before scaling further.
- Management expects the dealer/distribution mix to stay stable at ~53-55% of sales. Within the dealer channel, wires contribute ~50-55% and cables ~45-50%. Dealer churn is ~10-12% annually, largely reflecting additions and exits in smaller towns and retail-heavy markets.
- Backward integration continues to be under evaluation. Currently, KEI manufactures PVC and LT XLPE compounds, while MV compounds are procured/imported; EHV compounds stay dependent on import. -. Management is evaluating the in-house MV compound and galvanised steel armour wire manufacturing, given the monthly armour wire consumption of ~5,000 tonnes.
- Working capital intensity continues to improve with higher channel financing and B2C mix. Receivable days reduced from ~2.2 months to ~1.88 months; and may decline further to ~1.75 months. Net working capital cycle improved to ~2.97 months from ~3.39 months.
- Order book stood at ~Rs 35.9bn, as of Mar'26; comprising EPC at Rs 3.1bn, EHV cables at Rs 6.3bn, domestic cables at Rs 21.5bn and export cables at Rs 5.0bn. Additionally, KEI is L1 for EHV orders worth ~Rs 2.3bn. The dealer/distribution orders are not captured in the order book, given the short execution cycles of ~3-7 days.

Fig 3 – Revenue growth



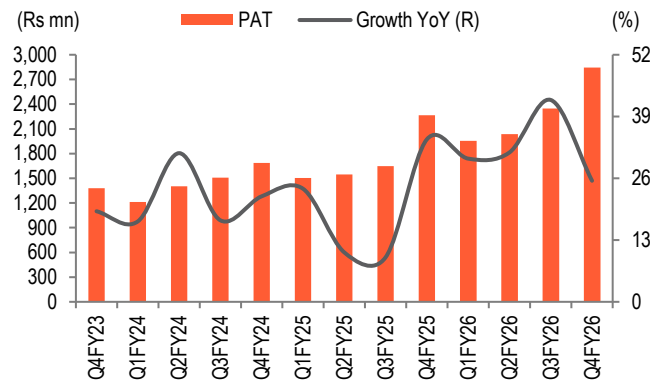
Source: Company, BOBCAPS Research

Fig 4 – EBITDA growth



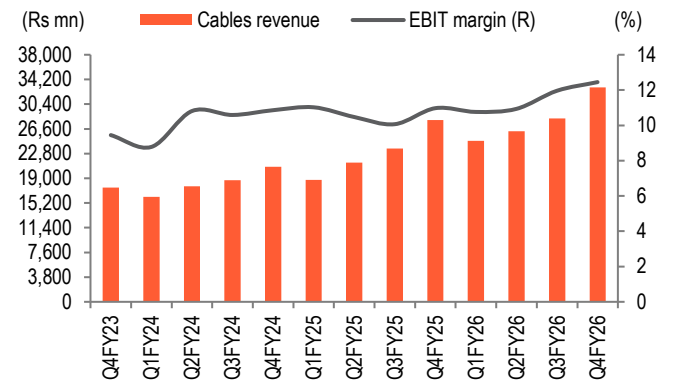
Source: Company, BOBCAPS Research

Fig 5 – Profit growth



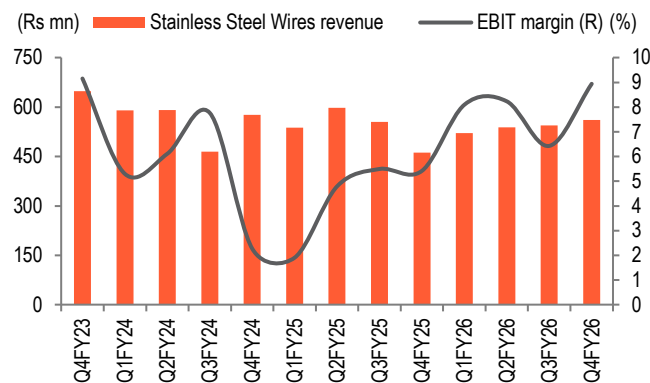
Source: Company, BOBCAPS Research

Fig 6 – Cables division growth



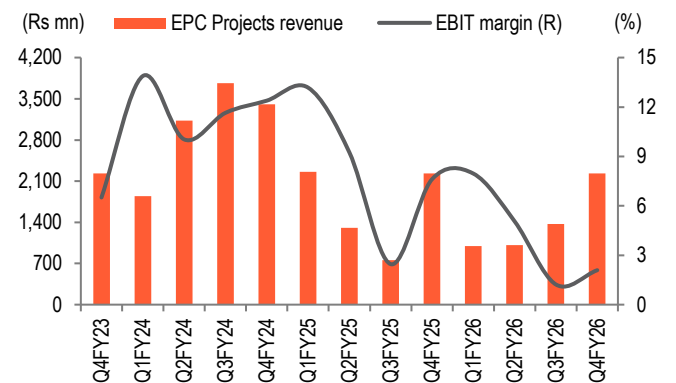
Source: Company, BOBCAPS Research

Fig 7 – Stainless steel growth



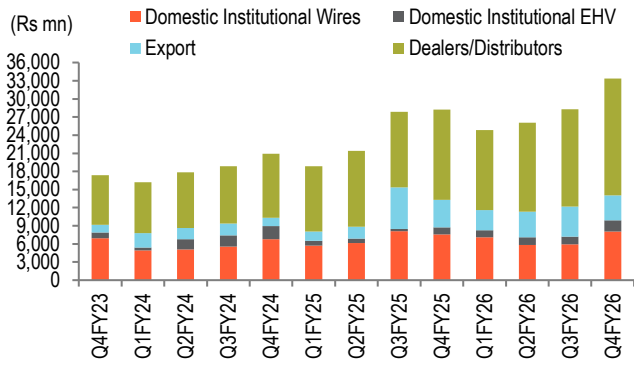
Source: Company, BOBCAPS Research

Fig 8 – EPC projects division growth



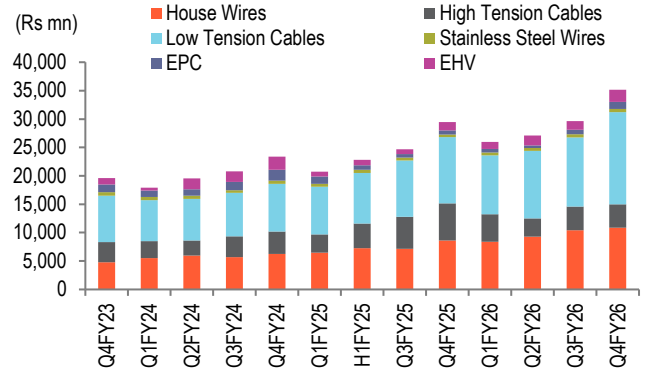
Source: Company, BOBCAPS Research

Fig 9 – Wire segment revenue: Channel mix



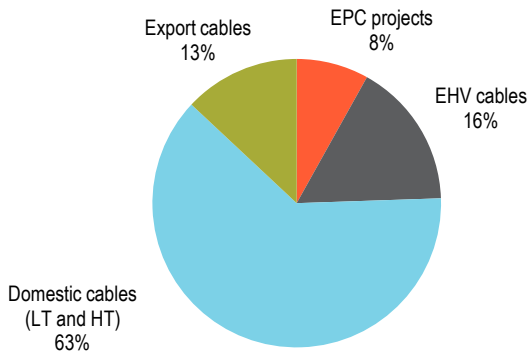
Source: Company, BOBCAPS Research

Fig 10 – Revenue breakup: Product mix



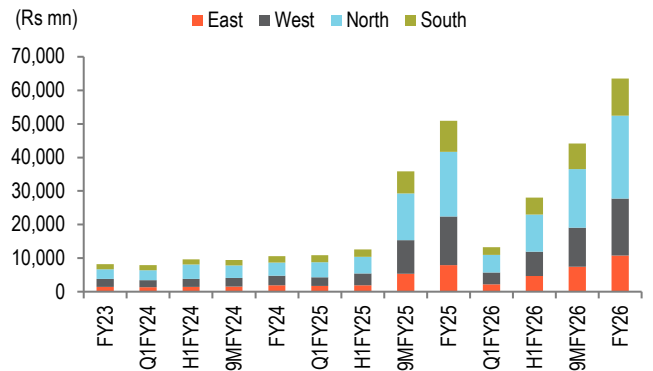
Source: Company, BOBCAPS Research

Fig 11 – Segmental order-book composition (as on Mar'26)



Source: Company, BOBCAPS Research

Fig 12 – Geography-wise sales mix

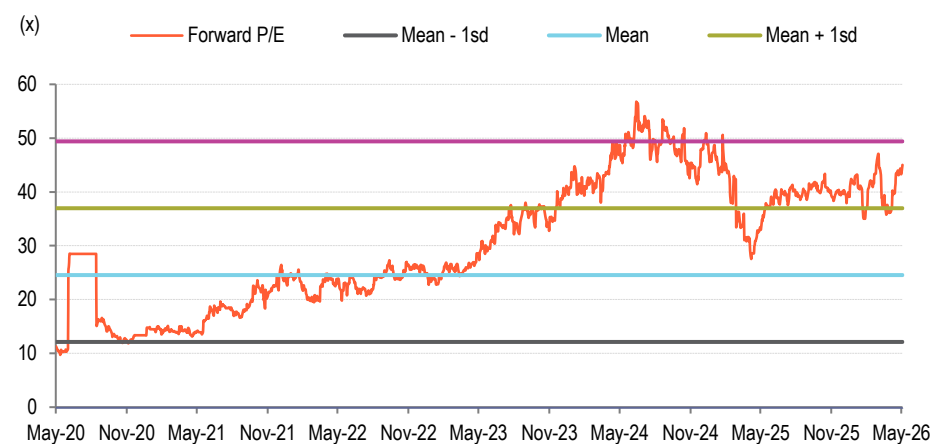


Source: Company, BOBCAPS Research

Valuation Methodology

We upgrade FY27/FY28E revenue estimates by 2%/4% while increasing the FY27-28E PAT by ~9%. We estimate KEII to deliver 18%/18%/14% revenue/EBITDA/PAT CAGR over FY26-29E, supported by strong domestic and exports demand. We retain our 40x multiple and roll forward to Mar-28E EPS to arrive at TP of Rs 4,900. Considering the limited upside, we maintain HOLD.

Fig 13 – KEII 1YF PE band chart



Source: Company, BOBCAPS Research

Fig 14 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	1,40,495	1,66,212	1,95,173	1,37,091	1,59,661	NA	2	4	NA
EBITDA	14,347	17,068	20,263	13,854	16,428	NA	4	4	NA
EBITDA Margin (%)	10.2	10.3	10.4	10.1	10.3	NA	10bps	0bps	NA
PAT	9,848	11,762	13,782	9,076	10,786	NA	9	9	NA

Source: BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	97,359	1,17,478	1,40,495	1,66,212	1,95,173
EBITDA	9,910	12,290	14,347	17,068	20,263
Depreciation	701	912	1,158	1,262	1,612
EBIT	9,208	11,379	13,189	15,806	18,651
Net interest inc./(exp.)	556	641	773	831	976
Other inc./(exp.)	718	1,586	750	750	750
Exceptional items	0	0	0	0	0
EBT	9,370	12,323	13,166	15,725	18,425
Income taxes	2,406	3,139	3,318	3,963	4,643
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	6,964	9,184	9,848	11,762	13,782
Adjustments	0	0	0	0	0
Adjusted net profit	6,964	9,184	9,848	11,762	13,782

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	7,792	13,346	13,472	15,938	18,715
Other current liabilities	3,825	5,478	4,619	5,465	6,417
Provisions	0	0	0	0	0
Debt funds	1,864	1,953	1,203	703	203
Other liabilities	1,008	2,133	2,551	3,018	3,544
Equity capital	191	191	191	191	191
Reserves & surplus	57,666	66,458	75,905	87,237	1,00,589
Shareholders' fund	57,858	66,649	76,096	87,428	1,00,781
Total liab. and equities	72,346	89,560	97,942	1,12,552	1,29,659
Cash and cash eq.	19,153	15,126	6,732	7,376	8,127
Accounts receivables	17,972	18,417	23,095	25,956	31,014
Inventories	17,303	24,008	29,639	34,153	40,104
Other current assets	1,917	4,017	4,639	5,488	6,445
Investments	17	17	20	24	28
Net fixed assets	9,931	13,069	18,911	24,649	29,037
CWIP	3,855	10,023	10,023	10,023	10,023
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	2,197	4,882	4,882	4,882	4,882
Total assets	72,346	89,560	97,942	1,12,552	1,29,659

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	(322)	8,400	(658)	8,111	7,159
Capital expenditures	(6,943)	(12,521)	(7,000)	(7,000)	(6,000)
Change in investments	0	0	(3)	(4)	(4)
Other investing cash flows	(8,065)	9,026	418	467	526
Cash flow from investing	(15,007)	(3,495)	(6,585)	(6,537)	(5,478)
Equities issued/Others	19,719	11	0	0	0
Debt raised/repaid	441	79	(750)	(500)	(500)
Interest expenses	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	(974)	(1,071)	(401)	(430)	(430)
Cash flow from financing	19,185	(982)	(1,151)	(930)	(930)
Chg in cash & cash eq.	3,856	3,923	(8,394)	644	751
Closing cash & cash eq.	19,153	15,126	6,732	7,376	8,127

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	72.9	96.1	103.1	123.1	144.2
Adjusted EPS	72.9	96.1	103.1	123.1	144.2
Dividend per share	4.0	4.5	4.2	4.5	4.5
Book value per share	605.5	697.5	796.4	915.0	1,054.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	4.5	3.7	3.2	2.7	2.3
EV/EBITDA	43.9	35.8	31.2	26.1	21.9
Adjusted P/E	68.9	52.2	48.7	40.8	34.8
P/BV	8.3	7.2	6.3	5.5	4.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.3	74.5	74.8	74.8	74.8
Interest burden (PBT/EBIT)	101.8	108.3	99.8	99.5	98.8
EBIT margin (EBIT/Revenue)	9.5	9.7	9.4	9.5	9.6
Asset turnover (Rev./Avg TA)	163.8	145.1	149.9	157.9	161.2
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.3	1.3	1.3
Adjusted ROAE	15.6	14.8	13.8	14.4	14.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	19.9	20.7	19.6	18.3	17.4
EBITDA	16.0	24.0	16.7	19.0	18.7
Adjusted EPS	19.9	31.9	7.2	19.4	17.2
Profitability & Return ratios (%)					
EBITDA margin	10.2	10.5	10.2	10.3	10.4
EBIT margin	9.5	9.7	9.4	9.5	9.6
Adjusted profit margin	7.2	7.8	7.0	7.1	7.1
Adjusted ROAE	15.6	14.8	13.8	14.4	14.6
ROCE	15.6	16.5	16.8	17.5	17.9
Working capital days (days)					
Receivables	67	57	60	57	58
Inventory	65	75	77	75	75
Payables	29	41	35	35	35
Ratios (x)					
Gross asset turnover	6.9	6.4	5.6	5.2	5.1
Current ratio	4.2	3.0	3.3	3.3	3.4
Net interest coverage ratio	16.5	17.8	17.1	19.0	19.1
Adjusted debt/equity	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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CIN: **U65999MH1996GOI098009**



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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

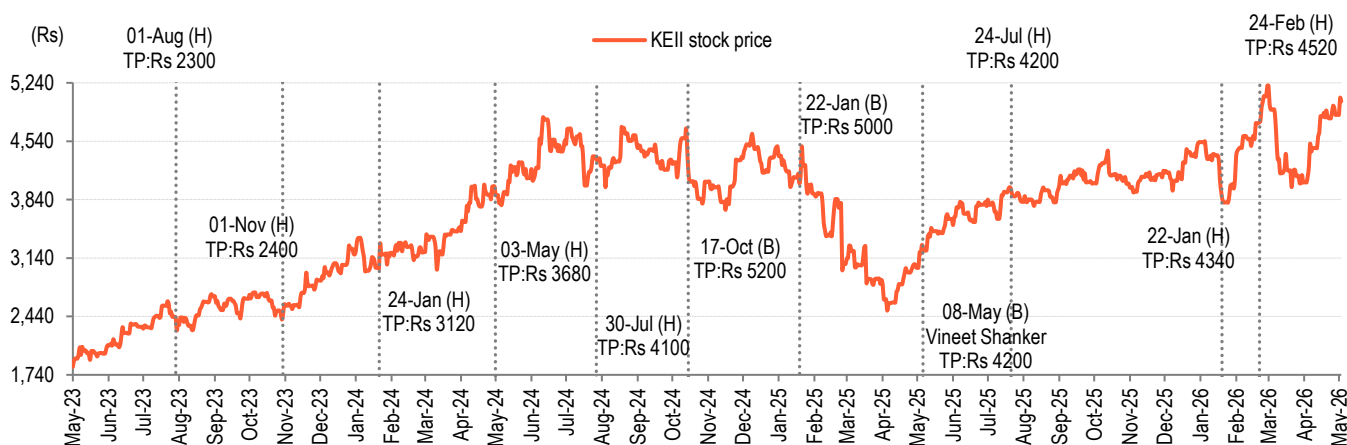
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): KEI INDUSTRIES (KEII IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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