

July 29, 2025

Event Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	6,068		6,068	
Sales (Rs. m)	41,688	63,010	41,688	63,010
% Chng.	-	-	-	-
EBITDA (Rs. m)	6,520	9,956	6,520	9,956
% Chng.	-	-	-	-
EPS (Rs.)	63.6	100.4	63.6	100.4
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	18,046	27,218	41,688	63,010
EBITDA (Rs. m)	2,542	4,107	6,520	9,956
Margin (%)	14.1	15.1	15.6	15.8
PAT (Rs. m)	1,833	2,934	4,073	6,433
EPS (Rs.)	28.7	45.8	63.6	100.4
Gr. (%)	75.1	59.7	38.8	58.0
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	10.6	11.0	13.5	18.4
RoCE (%)	14.7	14.5	16.6	21.3
EV/Sales (x)	19.0	13.0	8.7	5.8
EV/EBITDA (x)	134.6	86.0	55.6	36.9
PE (x)	193.3	121.0	87.2	55.2
P/BV (x)	14.2	12.5	11.2	9.3

Key Data

KAYN.BO | KAYNES IN

52-W High / Low	Rs.7,825 / Rs.3,825
Sensex / Nifty	81,338 / 24,821
Market Cap	Rs.371bn / \$ 4,274m
Shares Outstanding	67m
3M Avg. Daily Value	Rs.2974.4m

Shareholding Pattern (%)

Promoter's	57.75
Foreign	11.17
Domestic Institution	16.98
Public & Others	14.10
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.5)	11.8	20.6
Relative	(2.4)	5.2	20.7

Praveen Sahay

praveensahay@plindia.com | 91-22-66322369

Rahul Shah

rahulshah@plindia.com | 91-22-66322534

Accelerating Growth Through Acquisitions

Kaynes Technology India Ltd (KAYNES) has announced the acquisition of stakes in three companies with a combined FY25 revenue of Rs 30mn, accounting for just 0.1% of KAYNES' FY25 revenue, to enhance its strategic presence in aerospace & defense manufacturing and deep-tech sensing networks. The company plans to invest Rs 438mn to acquire 76% stake each in Aerocaliph Components and Cryo Precision Technologies, and 11.3% stake in Tranzmeo IT Solutions. These acquisitions aim to strengthen Kaynes' presence in the Aerospace & Defense (A&D) segment, as Aerocaliph and Cryo Precision manufacture CNC products catering to A&D applications.

We estimate FY25-27E revenue/EBITDA/PAT CAGR of 52.2%/55.7%/47.8%, with EBITDA margin expansion of ~70bps. KAYNES is currently trading at 87x/55x FY26/FY27E earnings.

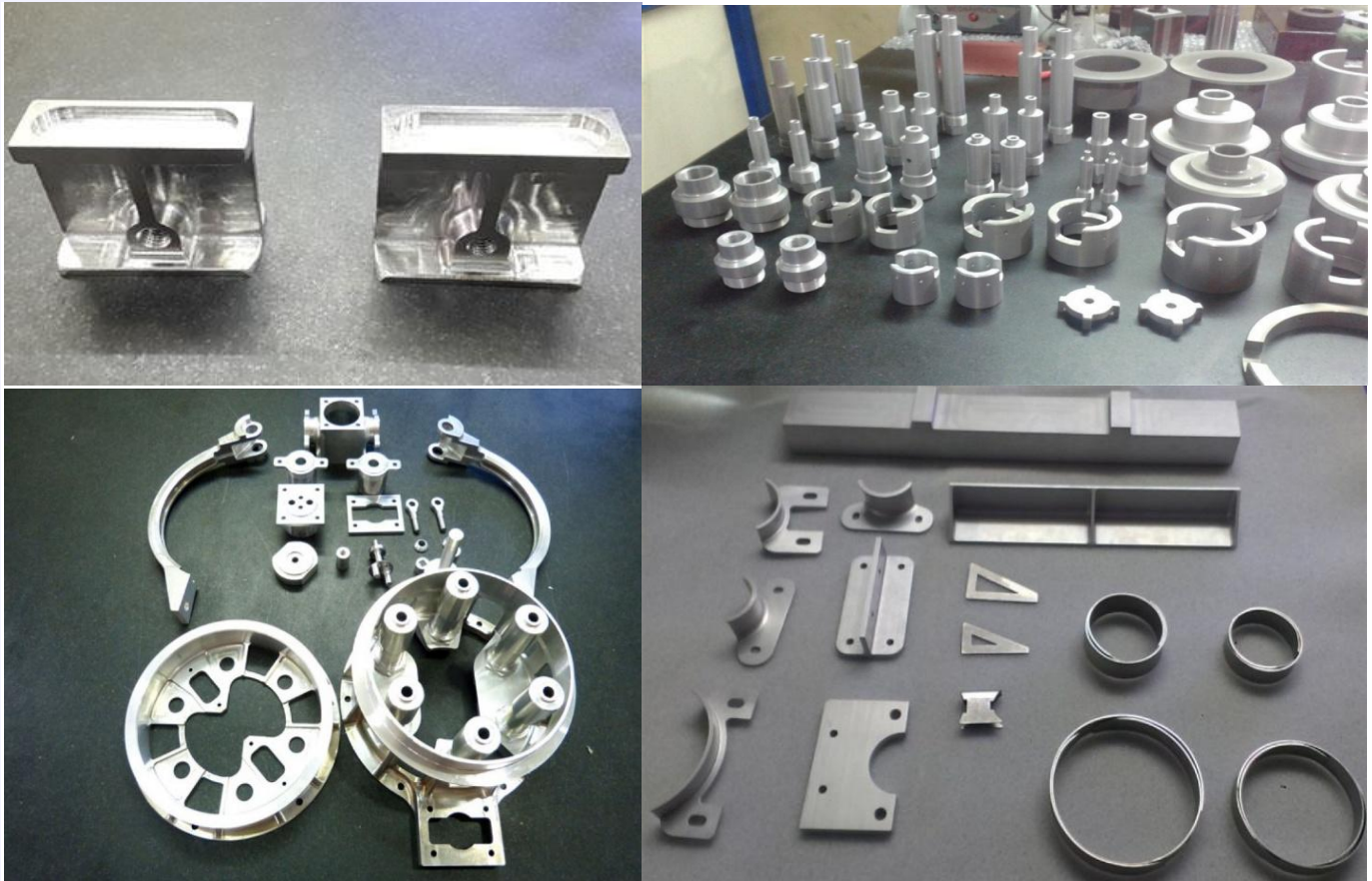
Companies Brief:

Aerocaliph Components Pvt Ltd: AeroCaliph Components Pvt Ltd is a precision engineering company serving aerospace, aircraft, and defense sectors. It offers CNC milling, turning, surface treatment, and end-to-end solutions including design and development of electromechanical hardware systems. AeroCaliph has built a strong reputation over the past three years by delivering high-precision components for India's space and defense programs. The company has supplied parts for the GSLV Mk-III, BrahMos missile systems, and Indian Navy platforms. AeroCaliph has also contributed over 500 components to the Indian Space Program, supporting PSLV, GSLV, and satellite systems with reliable and efficient manufacturing.

Cryo Precision Technologies Pvt Ltd: Cryo Precision Technologies (CRYPTTEL) is aerospace manufacturing company established in 2009 and headquartered in Kerala, India. The company began its journey with just two CNC machines and basic supporting infrastructure. Over the years, CRYPTTEL has steadily expanded its capabilities and now operates a modern manufacturing facility equipped with 10 CNC machines, CNC CMM, Jigboring machine, and various conventional machines. It serves prominent organizations in India's aerospace and defense ecosystem, including VSSC, LPSC, IISU, SIDCO, GTRE, URSC Bengaluru, DRDL Hyderabad, and BrahMos Aerospace Trivandrum.

Tranzmeo IT Solutions Pvt Ltd: Tranzmeo IT Solutions Pvt Ltd, specialised in anomaly forensics and remote monitoring, Tranzmeo combines artificial intelligence, machine learning and fiber-optic sensing to deliver a suite of solutions that includes T-Connect OneView and Security Tracking System (STS). Its Uptime Monitoring System offers interactive analytics for SCADA, RTUs, PIDS and power-cable infrastructure, while TRIDTS and TRIDAS convert existing fiber-optic cables into temperature sensor arrays and virtual microphones/vibration sensors over ranges of 50–100 km without on-site hardware.

Exhibit 1: Aerocaliph Components - Product portfolio



Source: Company, PL

Exhibit 2: Cryo Precision Technologies - Product portfolio



Source: Company, PL

Exhibit 3: Acquisition details

Acquisition details	Aerocaliph Components Pvt Ltd	Cryo Precision Technologies Pvt Ltd	Tranzmeo IT Solutions Private Limited
Stakes Acquired	76%	76%	11.13%
Acquisition Amount (Rs mn)	6.0	0.7	431
Equity Value (Rs mn)	7.9	0.9	3,871
Revenue FY25 (Rs mn)	3.5	9.4	17.3
Networth (Rs mn)	-16.2	-9.7	5.8
Business	CNC machine Products for A&D segment	CNC machine Products for A&D segment	Artificial Intelligence, Machine Learning, and Fiber optic sensing
Location	Trivandrum, Kerala	Trivandrum, Kerala	Ernakulam, Kerala
Owner	Randeep Raveendran and Jinumon Kizhakkeveetil Govindan	Jinumon Kizhakkeveetil Govindan	Bata George and Safil Sunny
P/S (FY25)	2.3x	0.1x	224x

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	18,046	27,218	41,688	63,010
YoY gr. (%)	60.3	50.8	53.2	51.1
Cost of Goods Sold	-	-	-	-
Gross Profit	4,747	8,220	12,715	19,218
Margin (%)	26.3	30.2	30.5	30.5
Employee Cost	1,028	1,781	2,652	3,906
Other Expenses	-	-	-	-
EBITDA	2,542	4,107	6,520	9,956
YoY gr. (%)	51.0	61.6	58.7	52.7
Margin (%)	14.1	15.1	15.6	15.8
Depreciation and Amortization	251	447	879	1,141
EBIT	2,290	3,660	5,641	8,815
Margin (%)	12.7	13.4	13.5	14.0
Net Interest	534	1,013	1,059	1,136
Other Income	559	1,070	855	910
Profit Before Tax	2,316	3,716	5,437	8,589
Margin (%)	12.8	13.7	13.0	13.6
Total Tax	483	782	1,365	2,156
Effective tax rate (%)	20.8	21.0	25.1	25.1
Profit after tax	1,833	2,934	4,073	6,433
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,833	2,934	4,073	6,433
YoY gr. (%)	92.5	60.1	38.8	58.0
Margin (%)	10.2	10.8	9.8	10.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,833	2,934	4,073	6,433
YoY gr. (%)	92.5	60.1	38.8	58.0
Margin (%)	10.2	10.8	9.8	10.2
Other Comprehensive Income	6	10	-	-
Total Comprehensive Income	1,839	2,944	4,073	6,433
Equity Shares O/s (m)	64	64	64	64
EPS (Rs)	28.7	45.8	63.6	100.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	3,680	7,895	16,300	22,451
Tangibles	3,276	6,263	14,538	20,549
Intangibles	404	1,633	1,763	1,903
Acc: Dep / Amortization	903	1,522	2,279	3,303
Tangibles	682	1,218	1,839	2,717
Intangibles	220	304	440	586
Net fixed assets	2,777	6,374	14,021	19,148
Tangibles	2,594	5,045	12,698	17,832
Intangibles	183	1,329	1,323	1,316
Capital Work In Progress	1,314	5,848	5,639	5,981
Goodwill	152	141	141	141
Non-Current Investments	1,443	1,475	1,491	1,500
Net Deferred tax assets	(102)	(130)	(190)	(284)
Other Non-Current Assets	1,099	5,742	5,733	5,733
Current Assets				
Investments	-	-	-	-
Inventories	5,483	8,144	12,563	18,989
Trade receivables	3,556	5,746	8,566	12,947
Cash & Bank Balance	15,256	10,563	2,138	(158)
Other Current Assets	1,278	2,093	2,302	2,533
Total Assets	32,652	46,412	52,910	67,162
Equity				
Equity Share Capital	639	641	641	641
Other Equity	24,230	27,762	31,152	37,585
Total Network	24,869	28,403	31,793	38,226
Non-Current Liabilities				
Long Term borrowings	112	675	834	945
Provisions	192	344	351	456
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,949	8,080	8,580	11,080
Trade payables	3,610	6,829	9,137	13,810
Other current liabilities	803	1,912	1,986	2,320
Total Equity & Liabilities	32,652	46,412	52,910	67,162

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	2,316	3,716	5,437	8,589
Add. Depreciation	251	447	879	1,141
Add. Interest	534	1,013	1,059	1,136
Less Financial Other Income	559	1,070	855	910
Add. Other	(390)	(834)	(680)	(500)
Op. profit before WC changes	2,710	4,343	6,695	10,366
Net Changes-WC	(1,352)	(4,522)	(4,932)	(6,134)
Direct tax	(481)	(644)	(1,365)	(2,156)
Net cash from Op. activities	877	(823)	398	2,077
Capital expenditures	(3,826)	(9,487)	(8,317)	(6,610)
Interest / Dividend Income	520	957	680	500
Others	(11,921)	4,984	-	-
Net Cash from Invst. activities	(15,228)	(3,547)	(7,637)	(6,110)
Issue of share cap. / premium	13,436	27	3,390	6,433
Debt changes	1,702	5,694	649	2,663
Dividend paid	-	-	-	-
Interest paid	(534)	(1,013)	(1,059)	(1,136)
Others	(318)	(58)	-	-
Net cash from Fin. activities	14,286	4,650	2,981	7,959
Net change in cash	(65)	280	(4,258)	3,926
Free Cash Flow	(2,949)	(10,311)	(7,919)	(4,534)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	28.7	45.8	63.6	100.4
CEPS	32.6	52.8	77.3	118.2
BVPS	389.1	443.2	496.1	596.5
FCF	(46.1)	(160.9)	(123.6)	(70.7)
DPS	-	-	-	-
Return Ratio(%)				
RoCE	14.7	14.5	16.6	21.3
ROIC	43.3	13.1	11.4	14.4
RoE	10.6	11.0	13.5	18.4
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.1)	0.2	0.3
Net Working Capital (Days)	110	95	105	105
Valuation(x)				
PER	193.3	121.0	87.2	55.2
P/B	14.2	12.5	11.2	9.3
P/CEPS	170.0	105.0	71.7	46.9
EV/EBITDA	134.6	86.0	55.6	36.9
EV/Sales	19.0	13.0	8.7	5.8
Dividend Yield (%)	-	-	-	-

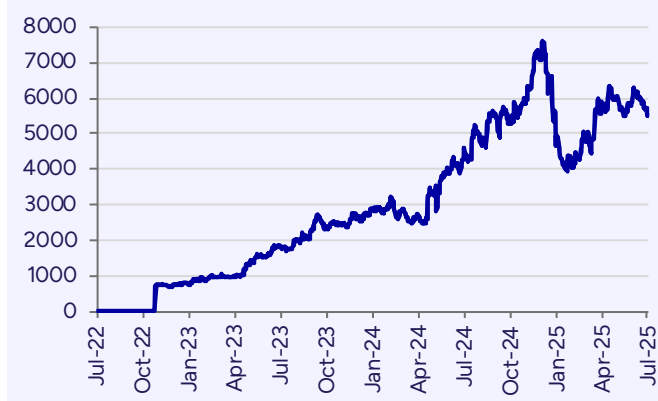
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26E
Net Revenue	5,721	6,612	9,845	7,559
YoY gr. (%)	58.5	29.8	54.5	50.0
Raw Material Expenses	4,073	4,573	6,687	5,367
Gross Profit	1,648	2,038	3,158	2,192
Margin (%)	28.8	30.8	32.1	29.0
EBITDA	821	940	1,679	1,096
YoY gr. (%)	68.3	34.6	76.3	63.8
Margin (%)	14.4	14.2	17.1	14.5
Depreciation / Depletion	86	108	169	176
EBIT	735	832	1,509	920
Margin (%)	12.9	12.6	15.3	12.2
Net Interest	221	270	295	265
Other Income	336	246	205	174
Profit before Tax	849	808	1,419	830
Margin (%)	14.8	12.2	14.4	11.0
Total Tax	247	144	257	207
Effective tax rate (%)	29.1	17.8	18.1	25.0
Profit after Tax	602	665	1,162	622
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	602	665	1,162	622
YoY gr. (%)	86.4	47.1	43.0	22.4
Margin (%)	10.5	10.1	11.8	8.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	602	665	1,162	622
YoY gr. (%)	86.4	47.1	43.0	22.4
Margin (%)	10.5	10.1	11.8	8.2
Other Comprehensive Income	-	-	2	(6)
Total Comprehensive Income	602	665	1,164	616
Avg. Shares O/s (m)	64	64	64	64
EPS (Rs)	9.4	10.4	18.2	9.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Jul-25	Hold	6,068	6,176
2	16-May-25	Hold	5,744	6,263
3	04-Apr-25	Accumulate	5,528	4,956
4	28-Jan-25	BUY	5,528	4,661
5	09-Jan-25	Hold	6,085	6,971
6	09-Dec-24	Hold	6,085	6,295

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	838
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	350
8	Cyient DLM	Accumulate	540	480
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	310	271
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Hold	1,192	1,242
13	Kaynes Technology India	Hold	6,068	6,176
14	KEI Industries	BUY	4,527	3,970
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,485	1,393
17	Supreme Industries	Hold	4,346	4,243
18	Syrma SGS Technology	Hold	705	706
19	Voltas	Hold	1,350	1,367

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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