

May 7, 2025

Q4FY25 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	4,278		4,278	
Sales (Rs. m)	1,15,020	1,36,074	1,13,639	1,36,293
% Chng.	1.2	(0.2)		
EBITDA (Rs. m)	12,071	14,580	11,927	15,077
% Chng.	1.2	(3.3)		
EPS (Rs.)	87.5	106.0	84.3	107.0
% Chng.	3.8	(0.9)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	81,207	97,359	1,15,020	1,36,074
EBITDA (Rs. m)	8,542	9,910	12,071	14,580
Margin (%)	10.5	10.2	10.5	10.7
PAT (Rs. m)	5,811	6,964	8,366	10,124
EPS (Rs.)	64.4	72.9	87.5	106.0
Gr. (%)	20.6	13.2	20.1	21.0
DPS (Rs.)	5.5	4.0	7.5	7.5
Yield (%)	0.2	0.1	0.2	0.2
RoE (%)	20.3	15.6	13.6	14.4
RoCE (%)	27.5	21.5	18.7	19.7
EV/Sales (x)	3.6	3.1	2.6	2.2
EV/EBITDA (x)	34.2	30.0	24.8	20.5
PE (x)	51.2	45.2	37.6	31.1
P/BV (x)	9.4	5.4	4.8	4.2

Key Data

KEIN.BO | KEII IN

52-W High / Low	Rs.5,040 / Rs.2,424
Sensex / Nifty	80,747 / 24,414
Market Cap	Rs.315bn / \$ 3,712m
Shares Outstanding	96m
3M Avg. Daily Value	Rs.3001.36m

Shareholding Pattern (%)

Promoter's	35.01
Foreign	25.83
Domestic Institution	23.51
Public & Others	15.65
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	31.3	(17.9)	(14.1)
Relative	18.9	(19.1)	(21.8)

Praveen Sahay

praveensahay@plindia.com | 91-22-66322369

Shivam Patel

shivampatel@plindia.com | 91-22-66322274

Sanand plant to boost revenue and improve margin

Quick Pointers:

- Reported volume growth of +21%/20% in Q4FY25/FY25
- Guided for 18% revenue growth in FY26 with commercial production of LT/HT cable

KEI has guided for 20% revenue growth till FY28 supported by commercial production of LT and HT cables in Q1FY26 and completion of Sanand plant by end of FY26 driven by strong demand in domestic & export markets. Major driver for domestic demand are power generation sector (Solar and Wind) and power distribution and transmission companies, as per the management. The company aims to improve its EBITDA margin once Sanand plant becomes operational. KEI reported strong rev growth in HT cables (+65.6% YoY), LT cables (+38.5% YoY) & housing wires (+37.9% YoY) in Q4FY25. Exports saw a significant increase this quarter +91.6% in Q4FY25 while institutional cable exports grew by 219%. We upward revised our earnings estimates for FY26 by 3.8% to factor in increased capacity utilization from existing plant, strong domestic and international demand, and tweaked FY27E earnings. We estimate revenue/EBITDA/PAT CAGR of 18.2%/21.3%/20.6%. Maintain 'BUY' at TP of Rs4,278, valuing at 40x FY27 earnings.

Revenue grew by 25.1%, PAT up by 34.3%: Revenue grew by 25.1% YoY to Rs29.1bn (PLe: Rs27.8bn). C&W segment grew by 34.5% YoY to Rs27.9bn, Stainless steel wires revenue declined by 20.0% YoY to Rs462mn, while EPC revenue declined by 34.4% YoY to Rs2.2bn. EBITDA grew by 18.1% YoY to Rs3.0bn (PLe: Rs2.9bn). EBITDA margin contracted by 60bps YoY to 10.3% (PLe: 10.6%). Cables EBIT margin expanded by 10bps YoY to 11%, EPC EBIT margin contracted by 480bps YoY to 7.6%, while EBIT margin of stainless steel wires expanded by 310bps YoY. PAT stood at Rs2.3bn (+34.3%YoY, PLe: Rs2.0bn). Domestic institutional W&C sales declined by 2.3% YoY, whereas export inst sales grew by 219.1% YoY. Dealer/distributor driven sales grew by 41.8%. Dealer count stood at ~2,082 vs 2,060 in Q3FY25. Pending order book stood at Rs38.4bn. Net cash stood at Rs173.7bn.

Con call highlights: **1)** The company has guided revenue growth of 18% for FY26. **2)** Volume growth in W&C segment was 21%/20% YoY in Q4FY25/FY25. **3)** In FY25, the company incurred a total capex of ~Rs6.18bn, with Rs680mn at Chinchpada (Silvassa), Rs580mn at Pathredi in Rajasthan, Rs3.84bn in Sanand, Rs320mn in Bhiwadi, and Rs760mn at other locations. **4)** The company expects its market share from FY27 once new capacity becomes operational. **5)** Commercial production of LT and HT cables will commence by end of Q1FY26 and Sanand project will be completed by end of FY26. **6)** Pending order book including EPC stands at Rs3.8bn. EPC Domestic Rs 4.23bn, EPC EHV Rs 6.03bn, Domestic Cable Rs 21.12bn and Export Cable Rs 7.01bn. **7)** Capacity utilization for FY25 stood at 85%/71%/89%/38% in Cable /Housing Wire/Stainless Steel/Communication cable division respectively. **8)** In the wires business, East/West/North/South accounts for 15.55%/28.53%/37.73%/18.19% of revenue in FY25. **9)** The company derived 51.38%/52.26% of revenue from dealers/distributors in Q4FY25/FY25. **10)** 70% of dealer/distributor are covered by channel financing in FY25.

Exhibit 1: Q4FY25 Result Overview: Sales grew by 25.7% YoY, PAT grew by 34.2% YoY

Y/E Mar	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	29,148	23,193	25.7	24,673	18.1	97,359	81,207	19.9
Expenditure								
Operating & Manufacturing Expenses	22,487	17,761	26.6	19,072	17.9	74,766	61,843	20.9
% of Net Sales	77.1	76.6		77		76.8	76.2	0.6
Gross Profit	6,661	5,431	22.6	5,601	18.9	22,593	19,365	16.7
% of Net Sales	22.85	23.42	-0.57	22.70	0.15	23.21	23.85	-0.64
Personnel Cost	821	695	18.1	754	8.8	3,043	2,664	14.2
% of Net Sales	2.8	3.0		0.03		3.1	3.3	-0.2
Other Expenses	2,827	2,290	23.4	2,438	15.9	9,640	8,159	18.1
% of Net Sales	9.7	9.9		0.10		9.9	10.0	-0.1
Total Expenditure	26,135	20,747	26.0	22,264	17.4	87,449	72,665	20.3
EBITDA	3,013	2,446	23.2	2,408	25.1	9,910	8,542	16.0
Margin (%)	10.34	10.54	-0.21	9.76	0.58	10.18	10.52	-0.34
Other income	371	152	144.8	136	172.8	718	324	121.8
Depreciation	193	158	22.6	190	1.9	701	614	14.3
EBIT	3,191	2,440	30.8	2,355	35.5	9,927	8,252	20.3
Interest	139	165	-15.9	143	-2.7	556	439	26.7
PBT before exceptional item	3,052	2,274	34.2	2,212	38.0	9,370	7,813	19.9
Total Taxes	786	587	34.0	564	39.4	2,406	2,002	20.1
ETR (%)	25.8	25.8		0.25		25.7	25.6	0.0
Share of JV/Associates	0	0		0		0	0	
Minority Interest	0	0		0		0	0	
Adj. PAT	2,266	1,688	34.2	1,648	37.5	6,965	5,811	19.9
Exceptional item	0	-2		0		0	-2	
PAT	2,266	1,686	34.4	1,648	37.5	6,965	5,808	19.9

Source: Company, PL

Exhibit 2: Segmental Breakup: Cables revenue grew by 19.8%, while margins contracted by ~50bps YoY

Y/E Mar	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Revenues								
Cables	27,968	20,792	34.5	23,517	18.9	91,770	73,358	25.1
Stainless Steel Wire	462	577	-20.0	551	-16.2	2,159	2,222	-2.8
EPC	2,234	3,405	-34.4	759	194.4	6,562	12,151	-46.0
Less: Inter-segment result	1,515	1,474		950		3,133	6,524	
Revenues	29,148	23,299	25.1	23,877	22.1	97,359	81,207	19.9
EBIT								
Cables	3,069	2,258	35.9	2,372	29.4	9,749	7,570	28.8
EBIT margin (%)	11.0	10.9	0.1	10.1	0.9	10.6	10.3	0.3
Stainless Steel Wire	25	13	91.1	30	-17.9	94	117	-19.0
EBIT margin (%)	5.4	2.3	3.1	5.5	-0.1	4.4	5.2	-0.9
EPC	170	422	-59.6	19	808.8	608	1,431	-57.5
EBIT margin (%)	7.6	12.4	-4.8	2.5	5.1	9.3	11.8	-2.5
Less: inter-segment result	65	65	0.0	-78	-183.6	49	330	-85.1
Total	3,199	2,627	21.8	2,498	28.0	10,402	8,788	18.4
EBIT margin (%)	11.0	11.3	-0.3	10.5	0.5	10.7	10.8	-0.1

Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	81,207	97,359	1,15,020	1,36,074
YoY gr. (%)	17.5	19.9	18.1	18.3
Cost of Goods Sold	61,843	74,766	87,991	1,04,097
Gross Profit	19,365	22,593	27,030	31,977
Margin (%)	23.8	23.2	23.5	23.5
Employee Cost	2,664	3,043	3,451	4,082
Other Expenses	5,069	5,843	7,388	8,646
EBITDA	8,542	9,910	12,071	14,580
YoY gr. (%)	21.0	16.0	21.8	20.8
Margin (%)	10.5	10.2	10.5	10.7
Depreciation and Amortization	614	701	1,050	1,306
EBIT	7,928	9,208	11,021	13,273
Margin (%)	9.8	9.5	9.6	9.8
Net Interest	439	556	643	693
Other Income	324	718	869	950
Profit Before Tax	7,813	9,370	11,247	13,530
Margin (%)	9.6	9.6	9.8	9.9
Total Tax	2,002	2,406	2,882	3,405
Effective tax rate (%)	25.6	25.7	25.6	25.2
Profit after tax	5,811	6,964	8,366	10,124
Minority interest	0	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	5,811	6,964	8,366	10,124
YoY gr. (%)	20.7	19.9	20.1	21.0
Margin (%)	7.2	7.2	7.3	7.4
Extra Ord. Income / (Exp)	(1)	-	-	-
Reported PAT	5,809	6,964	8,366	10,124
YoY gr. (%)	20.7	19.9	20.1	21.0
Margin (%)	7.2	7.2	7.3	7.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	5,809	6,964	8,366	10,124
Equity Shares O/s (m)	90	96	96	96
EPS (Rs)	64.4	72.9	87.5	106.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	11,298	14,401	23,412	30,313
Tangibles	11,214	14,299	23,290	30,171
Intangibles	84	102	122	142
Acc: Dep / Amortization	3,595	4,470	5,521	6,827
Tangibles	3,526	4,378	5,419	6,713
Intangibles	69	92	102	114
Net fixed assets	7,703	9,931	17,891	23,486
Tangibles	7,688	9,920	17,871	23,458
Intangibles	15	11	20	29
Capital Work In Progress	1,209	3,855	3,355	500
Goodwill	-	-	-	-
Non-Current Investments	131	154	175	204
Net Deferred tax assets	(273)	(304)	(304)	(304)
Other Non-Current Assets	547	2,060	2,060	2,060
Current Assets				
Investments	-	-	-	-
Inventories	13,427	17,303	18,907	22,368
Trade receivables	15,179	17,972	21,428	25,351
Cash & Bank Balance	7,004	19,153	16,982	19,009
Other Current Assets	1,017	1,454	2,300	2,721
Total Assets	46,565	72,346	83,805	96,524
Equity				
Equity Share Capital	180	191	191	191
Other Equity	31,302	57,666	65,224	74,632
Total Network	31,483	57,858	65,415	74,823
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	173	204	173	204
Other non current liabilities	64	192	227	269
Current Liabilities				
ST Debt / Current of LT Debt	1,342	1,783	1,944	2,300
Trade payables	10,079	7,792	10,764	12,734
Other current liabilities	2,892	3,906	4,633	5,482
Total Equity & Liabilities	46,565	72,346	83,805	96,524

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	7,813	9,370	11,247	13,530
Add. Depreciation	614	701	1,050	1,306
Add. Interest	439	556	643	693
Less Financial Other Income	324	718	869	950
Add. Other	(26)	(370)	(891)	(907)
Op. profit before WC changes	8,839	10,258	12,050	14,623
Net Changes-WC	(689)	(8,227)	(2,426)	(5,114)
Direct tax	(2,045)	(2,261)	(2,882)	(3,405)
Net cash from Op. activities	6,105	(231)	6,743	6,103
Capital expenditures	(2,554)	(6,912)	(8,511)	(4,046)
Interest / Dividend Income	209	264	869	950
Others	(1,181)	(8,359)	5,297	-
Net Cash from Invst. activities	(3,526)	(15,007)	(2,345)	(3,096)
Issue of share cap. / premium	11	20,011	-	-
Debt changes	(36)	117	175	430
Dividend paid	(281)	(418)	(717)	(717)
Interest paid	(412)	(525)	(643)	(693)
Others	-	-	-	-
Net cash from Fin. activities	(718)	19,185	(1,185)	(980)
Net change in cash	1,861	3,948	3,213	2,027
Free Cash Flow	3,551	(7,143)	(1,768)	2,057

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	64.4	72.9	87.5	106.0
CEPS	71.2	80.2	98.5	119.6
BVPS	348.9	605.5	684.6	783.0
FCF	39.4	(74.7)	(18.5)	21.5
DPS	5.5	4.0	7.5	7.5
Return Ratio(%)				
RoCE	27.5	21.5	18.7	19.7
ROIC	25.6	25.3	17.6	18.7
RoE	20.3	15.6	13.6	14.4
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.3)	(0.2)	(0.2)
Net Working Capital (Days)	83	103	94	94
Valuation(x)				
PER	51.2	45.2	37.6	31.1
P/B	9.4	5.4	4.8	4.2
P/CEPS	46.3	41.1	33.4	27.5
EV/EBITDA	34.2	30.0	24.8	20.5
EV/Sales	3.6	3.1	2.6	2.2
Dividend Yield (%)	0.2	0.1	0.2	0.2

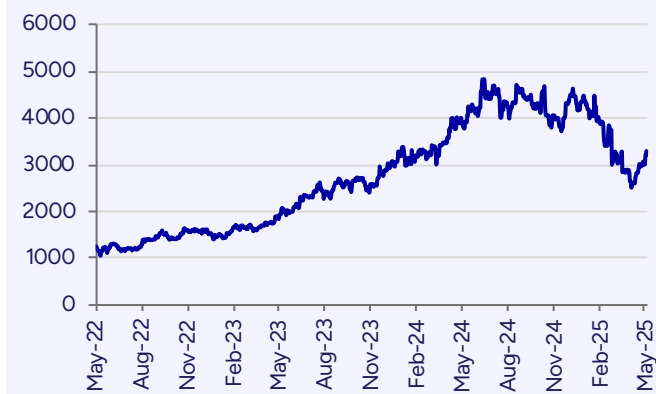
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	20,605	22,796	24,673	29,148
YoY gr. (%)	15.6	17.1	19.8	25.7
Raw Material Expenses	15,580	17,627	19,072	22,487
Gross Profit	5,025	5,170	5,601	6,661
Margin (%)	24.4	22.7	22.7	22.9
EBITDA	2,146	2,206	2,408	3,013
YoY gr. (%)	20.4	8.2	12.3	23.2
Margin (%)	10.4	9.7	9.8	10.3
Depreciation / Depletion	155	163	190	193
EBIT	1,991	2,043	2,219	2,820
Margin (%)	9.7	9.0	9.0	9.7
Net Interest	142	133	143	139
Other Income	178	169	136	371
Profit before Tax	2,027	2,079	2,212	3,052
Margin (%)	9.8	9.1	9.0	10.5
Total Tax	525	531	564	786
Effective tax rate (%)	25.9	25.5	25.5	25.8
Profit after Tax	1,502	1,548	1,648	2,266
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,502	1,548	1,648	2,266
YoY gr. (%)	23.8	10.4	9.4	34.2
Margin (%)	7.3	6.8	6.7	7.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,502	1,548	1,648	2,266
YoY gr. (%)	23.8	10.4	9.4	34.4
Margin (%)	7.3	6.8	6.7	7.8
Other Comprehensive Income	-	1	1	-
Total Comprehensive Income	1,502	1,549	1,649	2,266
Avg. Shares O/s (m)	90	90	96	96
EPS (Rs)	16.7	17.1	17.2	23.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Apr-25	BUY	4,278	2,880
2	05-Mar-25	BUY	4,280	3,141
3	22-Jan-25	BUY	5,041	4,128
4	08-Jan-25	BUY	5,265	4,313
5	20-Oct-24	BUY	5,265	4,058
6	08-Oct-24	BUY	5,265	4,200
7	31-Jul-24	Hold	4,688	4,307
8	05-Jul-24	Hold	4,688	4,686

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,532	1,288
2	Avalon Technologies	Accumulate	900	807
3	Bajaj Electricals	Hold	552	551
4	Cello World	BUY	770	545
5	Century Plyboard (I)	BUY	806	668
6	Cera Sanitaryware	BUY	7,456	5,398
7	Crompton Greaves Consumer Electricals	BUY	440	339
8	Cyient DLM	Accumulate	546	494
9	Finolex Industries	Accumulate	202	176
10	Greenpanel Industries	BUY	330	233
11	Havells India	Hold	1,717	1,665
12	Kajaria Ceramics	Accumulate	878	800
13	Kaynes Technology India	Accumulate	5,528	4,956
14	KEI Industries	BUY	4,278	2,880
15	Polycab India	BUY	7,152	5,286
16	R R Kabel	BUY	1,292	1,024
17	Supreme Industries	Accumulate	3,803	3,512
18	Syrma SGS Technology	BUY	629	469
19	Voltas	BUY	1,593	1,345

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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