

Rating: BUY | CMP: Rs3,853 | TP: Rs5,573

January 22, 2026

Q3FY26 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current	Previous		
	FY27E	FY28E	FY27E	FY28E
Rating	BUY	BUY		
Target Price	5,573	5,573		
Sales (Rs. m)	1,46,521	1,78,784	1,46,316	1,79,767
% Chng.	0.1	(0.5)		
EBITDA (Rs. m)	15,447	18,845	15,424	18,950
% Chng.	0.1	(0.6)		
EPS (Rs.)	115.5	138.0	113.2	137.7
% Chng.	2.0	0.3		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	97,359	1,18,757	1,46,521	1,78,784
EBITDA (Rs. m)	9,910	12,436	15,447	18,845
Margin (%)	10.2	10.5	10.5	10.5
PAT (Rs. m)	6,964	9,297	11,040	13,189
EPS (Rs.)	72.9	97.3	115.5	138.0
Gr. (%)	13.2	33.5	18.7	19.5
DPS (Rs.)	4.0	4.5	7.5	7.5
Yield (%)	0.1	0.1	0.2	0.2
RoE (%)	15.6	14.9	15.4	15.9
RoCE (%)	21.5	20.4	21.0	21.7
EV/Sales (x)	3.6	3.0	2.4	2.0
EV/EBITDA (x)	35.4	28.2	22.9	18.7
PE (x)	52.9	39.6	33.4	27.9
P/BV (x)	6.4	5.5	4.8	4.1

Key Data

	KEIN.BO KEII IN
52-W High / Low	Rs.4,588 / Rs.2,424
Sensex / Nifty	82,307 / 25,290
Market Cap	Rs.368bn / \$ 4,020m
Shares Outstanding	96m
3M Avg. Daily Value	Rs.819.93m

Shareholding Pattern (%)

Promoter's	35.00
Foreign	25.48
Domestic Institution	27.27
Public & Others	12.25
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(13.2)	(3.4)	(6.6)
Relative	(9.8)	(3.6)	(13.3)

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Exports and housing wires drive margin expansion

Quick Pointers:

- Reported volume growth of 10-11% in Q3FY26
- Reiterated 20%+ revenue growth in FY26 and 20%+ CAGR from FY27

KEII reported W&C revenue growth of 19.5% in Q3FY26, driven by strong growth in institutional cable exports. W&C EBIT margin expanded by 190bps due to increased share of housing wires and substantial contribution of exports to total revenue. KEII has guided for 20%+ revenue growth in FY26 and ~25% in Q4FY26, despite RM inflation, backed by capacity increase. From FY27, the company targets >20% revenue CAGR supported by full ramp-up of Sanand plant and strong domestic and overseas demand. Sanand project will be fully ramped up by Mar'27, with electron beam equipment commissioning by Apr'26, MV cables by Aug'26, and EHV cables by Mar'27. The company aims to improve its EBITDA margin by ~100bps once the plant is fully commissioned and has guided for ~11% margin in FY27. KEII reported strong revenue growth in EHV cables (+82.1% YoY) and housing/winding wires (+45.7% YoY). Exports saw a significant increase of 82.4%, with institutional cable exports surging by 95.5%. We tweak our earnings estimates for FY27/FY28. We estimate revenue/EBITDA/PAT CAGR of 22.7%/23.1%/19.1% for FY26-28E. Maintain 'BUY' at TP of Rs5,573 (same as earlier), valuing at 40x FY28 earnings.

Revenue grows by 19.5%, PAT up by 42.7%: Revenue grew by 19.5% YoY to Rs29.5bn (PLe: Rs30.9bn). W&C segment grew by 19.7% YoY to Rs28.2bn, while SS wires declined by 1.9% YoY to Rs545mn, and EPC grew by 81.1% YoY to Rs1.4bn. EBITDA grew by 35.1% YoY to Rs3.3bn (PLe: Rs3.2bn), and EBITDA margin expanded by 130bps YoY to 11.2% (PLe: 10.2%). EBIT margin of W&C expanded by 190bps YoY to 12.0%, EPC contracted by 120bps YoY to 1.2%, and SS wires expanded by 90bps to 6.4%. PAT stood at Rs2.3bn (+42.7% YoY, PLe: Rs2.2bn). Domestic institutional W&C sales declined by 15.4% YoY, whereas institutional exports surged by 95.5% YoY. Dealer/distributor driven sales grew by 29.2%. Dealer count stood at 2,114 vs. 2,100 in Q2FY26. Pending order book stood at Rs39.3bn, and net cash, at Rs12.7bn.

Concall highlights: **1)** KEII reiterated its guidance for revenue growth of over 20% in FY26 and a sustained CAGR of 20%+ from FY27, along with EBITDA margin expansion of ~100bps as the Sanand plant becomes fully operational and ~11% EBITDA in FY27. **2)** W&C volume grew 10-11% YoY in Q3FY26. **3)** KEII expects the Sanand plant to contribute to incremental topline of Rs60bn by FY29. **4)** In 9MFY26, the company incurred a total capex of Rs9.3bn: Rs7.7bn in Sanand, Rs960mn for land purchase (Sanand & Salarpur), and Rs630mn at other locations. **5)** Total capex incurred on Sanand plant is Rs13.5bn, and another Rs2bn will be spent in Q4FY26. **6)** Pending order book stood at Rs39.3bn: EPC at Rs3.6bn, EHV at Rs7.2bn, domestic cables at Rs24.3bn, and export cables at Rs4.2bn. **7)** Capacity utilization stood at 76% in cables. **8)** KEII is procuring 85% of its RMs domestically. **9)** It plans to invest additional Rs20bn over the next 3-4 years, with proposal expected to be finalized by the board within the next 6 months. **10)** A&P expense for FY26 will be Rs750-800mn.

Exhibit 1: Q3FY26 Result Overview

Y/E Mar	Q3FY26	Q3FY25	YoY gr.	Q3FY26E	% Var.	Q2FY26	QoQ gr.	9MFY26	9MFY25	YoY gr.
Net Sales	29,547	24,723	19.5%	30,879	-4.3%	27,263	8.4%	82,714	68,211	21.3%
Expenditure										
Operating & Manufacturing Expenses	22,395	19,072	17.4%	23,592		20,907	7.1%	63,201	52,279	20.9%
% of Net Sales	75.8%	77.1%		76.4%		77%		76.4%	76.6%	-0.2%
Gross Profit	7,152	5,651	26.6%	7,287	-1.9%	6,356	12.5%	19,513	15,932	22.5%
% of Net Sales	24.2	22.9	1.3	23.6		23.3	0.9	23.6	23.4	0.2
Personnel Cost	880	754	16.6%	1,050	-16.2%	861	2.2%	2,593	2,222	16.7%
% of Net Sales	3.0%	3.1%		3.4%		0.03		3.1%	3.3%	-0.1%
Other Expenses	2,956	2,441	21.1%	3,085	-4.2%	2,802	5.5%	8,330	6,813	22.3%
% of Net Sales	10.0%	9.9%		10.0%		0.10		10.1%	10.0%	0.1%
Total Expenditure	26,230	22,267	17.8%	27,726	-5.4%	24,570	6.8%	74,123	61,314	20.9%
EBITDA	3,317	2,456	35.1%	3,153	5.2%	2,693	23.2%	8,591	6,897	24.6%
Margin (%)	11.2	9.9	0.1	10.2		9.88	1.35	10.4	10.1	0.3
Other income	338	86	292.3%	280	20.7%	423	-20.1%	1,157	347	233.5%
Depreciation	226	190	19.1%	335	-32.5%	202	11.9%	627	508	23.4%
EBIT	3,429	2,352	45.8%	3,098	10.7%	2,914	17.7%	9,121	6,736	35.4%
Interest	166	143	16.5%	190	-12.5%	142	17.5%	453	418	8.4%
PBT before exceptional item	3,263	2,209	47.7%	2,908	12.2%	2,773	17.7%	8,668	6,318	37.2%
Total Taxes	798	564	41.5%	732	9.0%	738	8.2%	2,211	1,619	36.5%
ETR (%)	24.5%	25.5%		25.2%		0.27		25.5%	25.6%	-0.1%
Adj. PAT	2,465	1,645	49.8%	2,176	13.3%	2,035	21.1%	6,457	4,699	37.4%
Exceptional item	-116	0				0		-116	0	
PAT	2,349	1,645	42.7%	2,176	7.9%	2,035	15.4%	6,341	4,699	35.0%

Source: Company, PL

Exhibit 2: Segmental Breakup

Y/E Mar	Q3FY26	Q3FY25	YoY gr.	Q2FY26	QoQ gr.	9MFY26	9MFY25	YoY gr.
Revenues								
Cables	28,208	23,563	19.7%	26,256	7.4%	79,235	63,802	24.2%
Stainless Steel Wire	545	555	-1.9%	539	1.1%	1,604	1,698	-5.5%
EPC	1,374	759	81.1%	1,014	35.6%	3,382	4,328	-21.9%
Less: Inter-segment result	580	154		950		1,508	1,617	
Revenues	29,547	24,723	19.5%	26,858	10.0%	82,714	68,211	21.3%
EBIT								
Cables	3,373	2,372	42.2%	2,871	17.5%	8,909	6,680	33.4%
EBIT margin (%)	12.0%	10.1%	1.9%	10.9%	1.0%	11.2%	10.5%	0.8%
Stainless Steel Wire	35	30	14.8%	44	-21.1%	122	69	75.1%
EBIT margin (%)	6.4%	5.5%	0.9%	8.2%	-1.8%	7.6%	4.1%	3.5%
EPC	17	19	-9.6%	51	-67.0%	147	438	-66.3%
EBIT margin (%)	1.2%	2.5%	-1.2%	5.1%	-3.8%	4.4%	10.1%	-5.8%
Less: inter-segment result	-15	-78	-80.5%	-13	13.1%	(4)	-16	-71.6%
Total	3,441	2,498	37.7%	2,980	15.5%	9,183	7,203	27.5%
EBIT margin (%)	11.6%	10.1%	1.5%	11.1%	0.6%	11.1%	10.6%	0.5%

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	97,359	1,18,757	1,46,521	1,78,784
YoY gr. (%)	19.9	22.0	23.4	22.0
Cost of Goods Sold	74,766	90,493	1,11,825	1,36,448
Gross Profit	22,593	28,264	34,696	42,336
Margin (%)	23.2	23.8	23.7	23.7
Employee Cost	3,043	3,610	4,689	5,721
Other Expenses	5,830	7,824	9,286	11,334
EBITDA	9,910	12,436	15,447	18,845
YoY gr. (%)	16.0	25.5	24.2	22.0
Margin (%)	10.2	10.5	10.5	10.5
Depreciation and Amortization	701	855	1,173	1,534
EBIT	9,208	11,581	14,273	17,311
Margin (%)	9.5	9.8	9.7	9.7
Net Interest	556	620	793	972
Other Income	718	1,477	1,214	1,287
Profit Before Tax	9,370	12,438	14,694	17,626
Margin (%)	9.6	10.5	10.0	9.9
Total Tax	2,406	3,141	3,654	4,436
Effective tax rate (%)	25.7	25.3	24.9	25.2
Profit after tax	6,964	9,297	11,040	13,189
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	6,964	9,297	11,040	13,189
YoY gr. (%)	19.9	33.5	18.7	19.5
Margin (%)	7.2	7.8	7.5	7.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	6,964	9,297	11,040	13,189
YoY gr. (%)	19.9	33.5	18.7	19.5
Margin (%)	7.2	7.8	7.5	7.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,964	9,297	11,040	13,189
Equity Shares O/s (m)	96	96	96	96
EPS (Rs)	72.9	97.3	115.5	138.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	14,212	20,554	27,675	34,601
Tangibles	14,109	20,402	27,502	34,409
Intangibles	102	152	172	192
Acc: Dep / Amortization	4,281	5,136	6,309	7,843
Tangibles	4,189	5,036	6,200	7,723
Intangibles	92	99	109	120
Net fixed assets	9,931	15,419	21,366	26,758
Goodwill	-	-	-	-
Non-Current Investments	154	180	219	264
Net Deferred tax assets	(304)	(304)	(304)	(304)
Other Non-Current Assets	2,060	2,060	2,060	2,060
Current Assets				
Investments	-	-	-	-
Inventories	17,303	19,522	24,086	29,389
Trade receivables	17,972	22,125	27,297	33,308
Cash & Bank Balance	19,153	18,740	16,885	17,704
Other Current Assets	1,454	2,375	2,930	3,576
Total Assets	72,346	85,002	99,580	1,16,977
Equity				
Equity Share Capital	191	191	191	191
Other Equity	57,666	66,398	76,721	89,194
Total Networth	57,858	66,589	76,912	89,385
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	204	178	220	268
Other non current liabilities	192	234	289	353
Current Liabilities				
ST Debt / Current of LT Debt	1,783	1,805	2,227	2,717
Trade payables	7,792	10,909	13,480	16,449
Other current liabilities	3,906	4,627	5,708	6,965
Total Equity & Liabilities	72,346	85,002	99,580	1,16,977

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	9,370	12,438	14,694	17,626
Add. Depreciation	701	855	1,173	1,534
Add. Interest	556	620	793	972
Less Financial Other Income	718	1,477	1,214	1,287
Add. Other	(461)	(1,490)	(1,156)	(1,220)
Op. profit before WC changes	10,166	12,422	15,504	18,912
Net Changes-WC	(8,227)	(3,696)	(6,808)	(7,931)
Direct tax	(2,261)	(3,141)	(3,654)	(4,436)
Net cash from Op. activities	(322)	5,586	5,042	6,544
Capital expenditures	(6,912)	(6,343)	(7,120)	(5,927)
Interest / Dividend Income	264	1,477	1,214	1,287
Others	(8,359)	4,007	1,500	200
Net Cash from Inv. activities	(15,007)	(859)	(4,407)	(4,440)
Issue of share cap. / premium	20,011	-	-	-
Debt changes	117	48	519	603
Dividend paid	(418)	(430)	(717)	(717)
Interest paid	(525)	(620)	(793)	(972)
Others	-	-	-	-
Net cash from Fin. activities	19,185	(1,001)	(990)	(1,086)
Net change in cash	3,856	3,726	(355)	1,019
Free Cash Flow	(7,234)	(757)	(2,079)	618

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E	
Per Share(Rs)					
EPS		72.9	97.3	115.5	138.0
CEPS		80.2	106.2	127.8	154.1
BVPS		605.5	696.9	804.9	935.4
FCF		(75.7)	(7.9)	(21.8)	6.5
DPS		4.0	4.5	7.5	7.5
Return Ratio(%)					
RoCE		21.5	20.4	21.0	21.7
ROIC		25.3	19.1	18.9	19.1
RoE		15.6	14.9	15.4	15.9
Balance Sheet					
Net Debt : Equity (x)		(0.3)	(0.3)	(0.2)	(0.2)
Net Working Capital (Days)		103	94	94	94
Valuation(x)					
PER		52.9	39.6	33.4	27.9
P/B		6.4	5.5	4.8	4.1
P/CEPS		48.0	36.3	30.1	25.0
EV/EBITDA		35.4	28.2	22.9	18.7
EV/Sales		3.6	3.0	2.4	2.0
Dividend Yield (%)		0.1	0.1	0.2	0.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	29,148	25,903	27,263	29,547
YoY gr. (%)	25.7	25.4	19.4	19.5
Raw Material Expenses	22,487	19,899	20,907	22,395
Gross Profit	6,661	6,005	6,356	7,152
Margin (%)	22.9	23.2	23.3	24.2
EBITDA	3,013	2,580	2,693	3,317
YoY gr. (%)	23.2	17.8	19.8	35.1
Margin (%)	10.3	10.0	9.9	11.2
Depreciation / Depletion	193	199	202	226
EBIT	2,820	2,381	2,491	3,091
Margin (%)	9.7	9.2	9.1	10.5
Net Interest	139	145	142	166
Other Income	371	396	423	338
Profit before Tax	3,052	2,632	2,773	3,263
Margin (%)	10.5	10.2	10.2	11.0
Total Tax	786	675	738	798
Effective tax rate (%)	25.8	25.6	26.6	24.5
Profit after Tax	2,266	1,957	2,035	2,465
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	2,266	1,957	2,035	2,465
YoY gr. (%)	34.2	26.5	31.5	49.8
Margin (%)	7.8	7.6	7.5	8.3
Extra Ord. Income / (Exp)	-	-	-	(116)
Reported PAT	2,266	1,957	2,035	2,349
YoY gr. (%)	34.4	26.5	31.5	42.7
Margin (%)	7.8	7.6	7.5	7.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,266	1,957	2,035	2,349
Avg. Shares O/s (m)	96	96	96	96
EPS (Rs)	23.7	20.5	21.3	25.8

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	BUY	5,573	4,538
2	16-Oct-25	BUY	4,926	4,173
3	03-Oct-25	BUY	4,946	4,034
4	23-Jul-25	BUY	4,527	3,970
5	04-Jul-25	BUY	4,455	3,841
6	07-May-25	BUY	4,278	3,295
7	03-Apr-25	BUY	4,278	2,880
8	05-Mar-25	BUY	4,280	3,141

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	8,263	6,712
2	Astral Ltd.	BUY	1,736	1,487
3	Avalon Technologies	BUY	1,100	908
4	Bajaj Electricals	BUY	597	476
5	Cello World	BUY	732	533
6	Century Plyboard (I)	Hold	842	811
7	Cera Sanitaryware	BUY	7,372	5,177
8	Crompton Greaves Consumer Electricals	BUY	362	263
9	Cyient DLM	Accumulate	418	364
10	Finolex Industries	Accumulate	211	181
11	Greenpanel Industries	BUY	400	229
12	Havells India	Accumulate	1,634	1,447
13	Kajaria Ceramics	Hold	1,053	1,003
14	Kaynes Technology India	BUY	5,542	3,998
15	KEI Industries	BUY	5,573	4,538
16	LG Electronics India	BUY	1,920	1,456
17	Polycab India	BUY	9,744	7,122
18	Premier Energies	BUY	1,106	752
19	R R Kabel	BUY	1,788	1,537
20	Safari Industries (India)	BUY	4,566	3,349
21	Supreme Industries	BUY	4,726	3,625
22	Syrma SGS Technology	Accumulate	860	750
23	Vikram Solar	BUY	326	215
24	Volta	Hold	1,442	1,508
25	Waaree Energies	BUY	4,084	2,673

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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