

R R Kabel (RRKABEL IN)

Rating: BUY | CMP: Rs1,377 | TP: Rs1,844

February 2, 2026

Q3FY26 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current	Previous		
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,844		1,788	
Sales (Rs. m)	1,10,280	1,31,120	1,07,616	1,28,023
% Chng.	2.5	2.4		
EBITDA (Rs. m)	9,052	10,765	8,771	10,434
% Chng.	3.2	3.2		
EPS (Rs.)	52.6	61.5	51.3	59.6
% Chng.	2.5	3.1		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	76,182	95,676	1,10,280	1,31,120
EBITDA (Rs. m)	4,856	7,480	9,052	10,765
Margin (%)	6.4	7.8	8.2	8.2
PAT (Rs. m)	3,116	4,980	5,945	6,949
EPS (Rs.)	27.6	44.0	52.6	61.5
Gr. (%)	4.3	59.8	19.4	16.9
DPS (Rs.)	6.0	7.5	6.0	6.0
Yield (%)	0.4	0.5	0.4	0.4
RoE (%)	15.7	20.7	20.2	19.3
RoCE (%)	20.8	26.0	25.1	24.7
EV/Sales (x)	2.0	1.6	1.4	1.2
EV/EBITDA (x)	31.9	21.0	17.2	14.4
PE (x)	50.0	31.3	26.2	22.4
P/BV (x)	7.2	5.9	4.8	4.0

Key Data	RRKABEL IN
52-W High / Low	Rs.1,563 / Rs.751
Sensex / Nifty	80,723 / 24,825
Market Cap	Rs.156bn / \$ 1,693m
Shares Outstanding	113m
3M Avg. Daily Value	Rs.379.72m

Shareholding Pattern (%)

Promoter's	61.65
Foreign	8.40
Domestic Institution	13.94
Public & Others	16.01
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(6.3)	3.2	5.2
Relative	(1.1)	3.0	1.1

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Strong volume growth led by domestic demand

Quick Pointers:

- W&C business reported 30% volume growth in Q3FY26.
- EBITDA margin expanded by 190bps & W&C EBIT margin, by 170bps YoY.

RRKABEL reported strong volume growth of 30% YoY, with cables/wires segments recording ~25%/~30% growth driven by a stronger domestic demand alongside healthy export growth. The company's capex plans are in line with its long-term growth strategy, supporting timely capacity expansion plans. The company has guided for 100bps W&C EBIT margin improvement every year and to reach ~10.5% by FY28. Exports grew by 37.0%, driven by strong volume growth and momentum from all regions. It has implemented price hikes in Dec'25 and Jan'26 in response to volatility in input costs. RRKABEL remains on track to achieve 18% volume growth in FY26, supported by capacity expansion plans to cater to domestic as well as export demand, and expects the FMEG segment to break even by Q4FY26. We estimate revenue/EBITDA/PAT CAGR of 17.1%/20.0%/18.1% over FY26-28E. We upward revise our FY27/FY28 earnings estimates by 2.5%/3.1% factoring in margin improvement in the W&C segment. We maintain 'BUY' rating with revised TP of Rs1,844 (earlier Rs1,788) based on 30x Mar'28 earnings.

Revenue grows 42.3%, PAT up by 72.4% YoY: Revenue grew by 42.3% YoY to Rs25.4bn (PLe: Rs22.5bn). W&C revenue grew by 48.6% YoY to Rs22.9bn and volume grew by 30% YoY. Exports grew by 37% YoY to Rs6.6bn, contributing 26% to total revenue. Domestic W&C grew by 53.9% YoY to Rs16.3bn. FMEG revenue grew by 1.5% YoY to Rs2.4bn. Gross margins contracted by 40bps YoY to 18.0% (PLe: 19.1%). EBITDA grew by 84.8% YoY to Rs2.0bn (PLe: Rs1.8bn). EBITDA margin expanded by 190bps YoY to 8.1% (PLe: 7.8%). PAT grew by 72.4% YoY to Rs1.2bn (PLe: Rs1.2bn). W&C EBIT margin expanded by 170bps YoY to 8.7%. FMEG reported EBIT loss of Rs49mn vs. loss of Rs44mn in Q3FY25.

Concall highlights: 1) RRKABEL expects 18% volume growth in FY26. 2) W&C volume grew by 30% in Q3FY26 with wires/cables growing at ~30%/~25%. 3) Domestic W&C reported volume growth of ~30%. 4) RRKABEL reiterated that its FMEG segment is set to break even in Q4FY26. 5) Europe contribute to 40% of export revenue. 6) The management has guided for W&C EBIT margin to improve by 100bps every year and aims to reach ~10.5% by FY28. 7) The company has planned Rs12bn capex over FY26 to FY28, with ~80% allocated to cables. 8) RRKABEL undertook price hikes in Dec'25 and Jan'26. 9) Working capital days decreased to 56 days in Dec'25 from 57 days in Sep'25; the company expects this to go down to 50-60 days. 10) Capacity utilization for cables stands at ~90% and wires, at ~70%. 11) Fans/Lighting/Appliances & Switchgear contributed to ~50%/~32%/~18% to FEMG portfolio, while premium and mid-premium contributed ~20%. 12) About ~1/3rd of FEMG manufacturing is in-house, while the rest is outsourced.

Exhibit 1: Q3FY26 Result Overview (Rs mn)

Y/e March	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var.	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Net Sales	25,359	17,822	42.3%	22,531	12.5%	21,638	17.2%	67,582	54,004	25.1%
Expenditure										
Operating & Manufacturing Expenses	20,803	14,554	42.9%	18,228	14.1%	17,554	18.5%	55,200	44,717	23.4%
% of Net Sales	82.0%	81.7%		80.9%		81.1%		81.7%	82.8%	
Gross Profit	4,556	3,267	39.4%	4,304	5.9%	4,084	11.5%	12,383	9,287	33.3%
% of Net Sales	18.0%	18.3%	-0.4%	19.1%	-1.1%	18.9%	-0.9%	18.3%	17.2%	1.1%
Personnel Cost	989	908	9.0%	1,059	-6.6%	1,012	-2.3%	2,932	2,689	9.1%
% of Net Sales	3.9%	5.1%		4.7%		4.7%		4.3%	5.0%	
Other Expenses	1,523	1,254	21.4%	1,487	2.4%	1,314	16.0%	4,229	3,686	14.7%
% of Net Sales	6.0%	7.0%		6.6%		6.1%		6.3%	6.8%	
Total Expenditure	23,316	16,716	39.5%	20,774	12.2%	19,880	17.3%	62,361	51,091	22.1%
EBITDA	2,043	1,105	84.8%	1,757	16.2%	1,758	16.2%	5,222	2,913	79.3%
Margin (%)	8.1%	6.2%	1.9%	7.8%	0.3%	8.1%	-0.1%	7.7%	5.4%	2.3%
Other income	142	134	5.8%	194	-26.7%	169	-15.7%	435	392	11.0%
Depreciation	239	178	34.4%	250	-4.3%	219	9.5%	661	515	28.4%
EBIT	1,946	1,062	83.3%	1,701	14.4%	1,708	13.9%	4,996	2,790	79.1%
Interest	189	162	17.0%	157	20.5%	162	16.5%	503	434	15.8%
PBT before exceptional item	1,757	900	95.1%	1,544	13.7%	1,546	13.6%	4,493	2,356	90.7%
Total Taxes	405	219		389		386		1,094	538	
ETR (%)	23.1%	24.3%		25.2%		25.0%		24.4%	22.8%	
Share of JV/Associates	21	4		3		3		34	7	
Adj. PAT	1,373	686	100.2%	1,158	18.5%	1,163	18.1%	3,433	1,825	88.1%
Exceptional item	-190	0		0		0		-190	0	
PAT	1,182	686	72.4%	1,158	2.1%	1,163	1.7%	3,243	1,825	77.7%

Source: Company, PL

Exhibit 2: Segmental break-up (Rs mn)

Y/e March	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Revenues								
Wires and cables	22,926	15,425	48.6%	19,712	16.3%	60,973	47,325	28.8%
FMEG	2,432	2,396	1.5%	1,926	26.3%	6,609	6,679	-1.1%
Revenues	25,359	17,822	42.3%	21,638	17.2%	67,582	54,005	25.1%
EBIT								
Wires and cables	1,988	1,075	84.9%	1,804	10.2%	5,183	3,023	71.4%
EBIT margin (%)	8.7%	7.0%	1.7%	9.2%	-0.5%	8.5%	6.4%	2.1%
FMEG	-49	-44	11.7%	-117	-57.8%	-237	-368	-35.4%
EBIT margin (%)	-2.0%	-1.8%	-0.2%	-6.1%	4.0%	-3.6%	-5.5%	1.9%
Total	1,938	1,031	88.1%	1,687	14.9%	4,946	2,656	86.2%
EBIT margin (%)	7.6%	5.8%	1.9%	7.8%	-0.2	7.3%	4.9%	2.4%

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	76,182	95,676	1,10,280	1,31,120
YoY gr. (%)	15.5	25.6	15.3	18.9
Cost of Goods Sold	62,549	78,167	88,897	1,05,564
Gross Profit	13,633	17,509	21,383	25,555
Margin (%)	17.9	18.3	19.4	19.5
Employee Cost	3,485	4,114	5,073	6,163
Other Expenses	3,311	4,043	5,101	6,063
EBITDA	4,856	7,480	9,052	10,765
YoY gr. (%)	5.2	54.0	21.0	18.9
Margin (%)	6.4	7.8	8.2	8.2
Depreciation and Amortization	705	902	1,103	1,363
EBIT	4,151	6,577	7,949	9,402
Margin (%)	5.4	6.9	7.2	7.2
Net Interest	589	676	672	688
Other Income	511	580	595	500
Profit Before Tax	4,074	6,482	7,873	9,215
Margin (%)	5.3	6.8	7.1	7.0
Total Tax	978	1,556	1,982	2,319
Effective tax rate (%)	24.0	24.0	25.2	25.2
Profit after tax	3,095	4,926	5,891	6,896
Minority interest	-	-	-	-
Share Profit from Associate	21	54	54	54
Adjusted PAT	3,116	4,980	5,945	6,949
YoY gr. (%)	4.5	59.8	19.4	16.9
Margin (%)	4.1	5.2	5.4	5.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,116	4,980	5,945	6,949
YoY gr. (%)	4.5	59.8	19.4	16.9
Margin (%)	4.1	5.2	5.4	5.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,116	4,980	5,945	6,949
Equity Shares O/s (m)	113	113	113	113
EPS (Rs)	27.6	44.0	52.6	61.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	11,528	15,228	18,928	23,828
Tangibles	11,365	15,015	18,665	23,515
Intangibles	163	213	263	313
Acc: Dep / Amortization	3,838	4,740	5,843	7,206
Tangibles	3,679	4,560	5,636	6,967
Intangibles	159	180	207	239
Net fixed assets	7,690	10,488	13,085	16,622
Tangibles	7,686	10,455	13,029	16,548
Intangibles	4	33	56	74
Capital Work In Progress	2,347	2,147	1,947	1,847
Goodwill	-	-	-	-
Non-Current Investments	1,905	1,414	1,421	1,431
Net Deferred tax assets	(302)	(302)	(302)	(302)
Other Non-Current Assets	703	871	998	1,178
Current Assets				
Investments	524	524	524	524
Inventories	10,109	13,106	15,107	17,962
Trade receivables	8,232	10,485	12,085	14,369
Cash & Bank Balance	2,269	2,952	3,943	4,010
Other Current Assets	1,061	1,332	1,536	1,688
Total Assets	35,169	43,734	51,124	60,200
Equity				
Equity Share Capital	565	565	565	565
Other Equity	20,961	25,941	31,886	38,835
Total Networth	21,526	26,506	32,451	39,401
Non-Current Liabilities				
Long Term borrowings	-	1,500	1,500	1,500
Provisions	720	1,052	1,212	1,441
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,220	3,200	2,900	2,400
Trade payables	7,623	7,924	9,011	10,701
Other current liabilities	2,777	3,214	3,704	4,404
Total Equity & Liabilities	35,169	43,734	51,124	60,200

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	4,095	6,536	7,927	9,269
Add. Depreciation	705	902	1,103	1,363
Add. Interest	589	676	672	688
Less Financial Other Income	511	580	595	500
Add. Other	(136)	(683)	(694)	(641)
Op. profit before WC changes	5,252	7,431	9,007	10,678
Net Changes-WC	656	(4,948)	(2,319)	(3,034)
Direct tax	(965)	(1,556)	(1,982)	(2,319)
Net cash from Op. activities	4,944	927	4,707	5,325
Capital expenditures	(3,671)	(3,500)	(3,500)	(4,800)
Interest / Dividend Income	30	580	595	500
Others	1,950	600	100	100
Net Cash from Inv. activities	(1,690)	(2,320)	(2,805)	(4,200)
Issue of share cap. / premium	83	-	-	-
Debt changes	(836)	2,951	(39)	(171)
Dividend paid	(621)	(848)	(678)	(678)
Interest paid	(538)	(676)	(672)	(688)
Others	-	-	-	-
Net cash from Fin. activities	(1,912)	1,427	(1,389)	(1,537)
Net change in cash	1,342	35	513	(411)
Free Cash Flow	1,273	(2,573)	1,207	525

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E	
Per Share(Rs)					
EPS		27.6	44.0	52.6	61.5
CEPS		33.8	52.0	62.3	73.5
BVPS		190.4	234.4	287.0	348.5
FCF		11.3	(22.8)	10.7	4.6
DPS		6.0	7.5	6.0	6.0
Return Ratio(%)					
RoCE		20.8	26.0	25.1	24.7
ROIC		16.0	20.8	20.1	19.8
RoE		15.7	20.7	20.2	19.3
Balance Sheet					
Net Debt : Equity (x)		0.0	0.0	-	0.0
Net Working Capital (Days)		51	60	60	60
Valuation(x)					
PER		50.0	31.3	26.2	22.4
P/B		7.2	5.9	4.8	4.0
P/CEPS		40.7	26.5	22.1	18.7
EV/EBITDA		31.9	21.0	17.2	14.4
EV/Sales		2.0	1.6	1.4	1.2
Dividend Yield (%)		0.4	0.5	0.4	0.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	22,178	20,586	21,638	25,359
YoY gr. (%)	26.4	13.9	19.5	42.3
Raw Material Expenses	17,832	16,843	17,554	20,803
Gross Profit	4,346	3,743	4,084	4,556
Margin (%)	19.6	18.2	18.9	18.0
EBITDA	1,944	1,421	1,758	2,043
YoY gr. (%)	68.6	49.6	104.9	84.8
Margin (%)	8.8	6.9	8.1	8.1
Depreciation / Depletion	190	203	219	239
EBIT	1,753	1,218	1,539	1,804
Margin (%)	7.9	5.9	7.1	7.1
Net Interest	155	151	162	189
Other Income	119	124	169	142
Profit before Tax	1,718	1,190	1,546	1,757
Margin (%)	7.7	5.8	7.1	6.9
Total Tax	441	303	386	405
Effective tax rate (%)	25.6	25.4	25.0	23.1
Profit after Tax	1,277	888	1,160	1,351
Minority interest	-	-	-	-
Share Profit from Associates	14	10	3	21
Adjusted PAT	1,291	898	1,163	1,373
YoY gr. (%)	64.0	39.4	134.7	100.2
Margin (%)	5.8	4.4	5.4	5.4
Extra Ord. Income / (Exp)	-	-	-	(190)
Reported PAT	1,291	898	1,163	1,182
YoY gr. (%)	64.0	39.4	134.7	72.4
Margin (%)	5.8	4.4	5.4	4.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,291	898	1,163	1,182
Avg. Shares O/s (m)	113	113	113	113
EPS (Rs)	11.4	7.9	10.3	12.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	BUY	1,788	1,537
2	03-Nov-25	BUY	1,634	1,391
3	03-Oct-25	BUY	1,615	1,268
4	01-Aug-25	Accumulate	1,516	1,337
5	04-Jul-25	Accumulate	1,485	1,393
6	02-Jun-25	BUY	1,292	1,426
7	05-May-25	BUY	1,292	1,024
8	03-Apr-25	BUY	1,292	944
9	05-Mar-25	BUY	1,292	891

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	369	229
12	Havells India	Accumulate	1,634	1,447
13	Kajaria Ceramics	BUY	1,056	902
14	Kaynes Technology India	BUY	5,542	3,998
15	KEI Industries	BUY	5,573	3,853
16	LG Electronics India	BUY	1,920	1,456
17	Polycab India	BUY	9,744	7,122
18	Premier Energies	BUY	892	683
19	R R Kabel	BUY	1,788	1,537
20	Supreme Industries	BUY	4,566	3,349
21	Syrma SGS Technology	BUY	929	755
22	Vikram Solar	BUY	326	215
23	Volta	Hold	1,442	1,349
24	Waaree Energies	BUY	3,600	2,599

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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