

KEI[®]

Wires & Cables

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Capital Goods

COMPANY DETAILS

Market cap:	Rs. 34,256 cr
52-week high/low:	Rs. 4,588/2,443
NSE volume: (No of shares)	22.0 lakh
BSE code:	517569
NSE code:	KEI
Free float: (No of shares)	5.9 cr

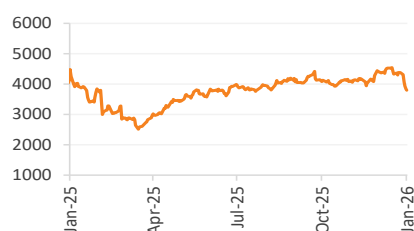
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	35.0
FII	25.8
DII	27.2
Others	12.0

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-13.9	-7.0	-2.1	-8.0
Relative to Sensex	-9.3	-3.5	-2.2	-14.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 3,796**

Price Target: **Rs. 4,800**

Quick Snapshot

- Revenue grew 19.8% y-o-y, meeting our estimates. Revenue growth was supported by uptrend in C&W volumes and exports which grew by 96% y-o-y.
- OPM rose 107 bps to 10.8% above our estimates, indicating that commodity prices hike have been already passed on.
- Management reiterated its guidance of >20% revenue growth and OPMs of 10.5-11% for FY26. Growth guidance is at 20% for 2026 and 2027.
- Company likely to do well, backed by multiple tailwinds; stock trades at 35x/28x to FY27/FY28 EPS estimates. We maintain a Buy with a PT of Rs. 4,800.

Result overview

- Q3 numbers:** Revenues rose 19.8% y-o-y led by robust performance across segments such as C&W (20%), and Turnkey projects (81%), Operating profit rose 33% with implied margin improvement of 107 bps, commodity price rise has been passed on. PAT stood at Rs. 235 crore (43% up y-o-y).
- Expansion to aid growth:** Sanand facility commercialization has been slightly delayed and now second phase for EHV and MV cables has been delayed by 6-8 months as an impact of delay in vertical tower construction. Sanand plant would have an asset turn of 3x leading to a total revenue of 6,000 crore. The full ramp up to take place in initial quarters of FY28. Management guided for an >20% revenue growth and OPM of 10.5%-11% in FY26 and Sanand capacity expansion would keep revenue growth of 20% intact for next 2-3 years.
- Cables & wires:** Segment grew strongly on sustained demand momentum. Exports business grew by 96% y-o-y and now contributing 17% to total revenues. Cables & wires had a strong volume growth of 15% y-o-y and balance growth was due to increase in prices. Management expects to reach 20% in 2-3 years. Cables segment's margins improved 200 bps to 12%. Within the cables segment, LT cables' revenues rose up 23%, EHV cables 82%, and housing wires 46%.

Our Call

KEI eyes a healthy ~20% growth in the long term, backed by tailwinds from emerging sectors such as renewables, transmission, data centers, etc. Additionally, the company has been gaining traction in exports and targets a 17-20% contribution incoming 2-3 years. We expect a revenue/PAT CAGR of 21%/~25% over FY25-FY28E. The stock trades at 35x/28x to FY27/FY28 EPS estimates. Hence, we retain our rating to Buy on the stock with a revised PT of Rs. 4,800.

Key Risks

1) Fluctuating raw material prices 2) Increasing competition in the C&W and FMEG segment. 3) Continuing losses in FMEG segment.

Valuation

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net sales (Rs cr)	8,104	9,736	11,749	14,276	17,358
OPM (%)	10.3	10.2	10.1	10.5	10.9
Net profit (Rs cr)	581	696	844	1,062	1,343
Adjusted EPS (Rs)	64.4	77.2	93.5	117.8	148.9
Growth (YoY) %	21.7	19.9	21.1	25.9	26.4
PER (x)	58.9	49.2	40.6	32.2	25.5
P/B (x)	10.9	6.3	5.5	4.7	4.1
EV/EBIDTA (x)	40.2	33.7	27.3	21.6	17.0
RoCE (%)	24.9	16.6	17.7	19.4	21.0
Core RoE (%)	18.5	12.0	12.8	13.9	15.0

Source: Company; Mirae Asset Sharekhan estimates

Concall Highlights:

- Healthy domestic demand is seen in the sectors of solar power, power T&D, real estate, data center, construction and infrastructure.
- Average capacity utilisation is at 75-78% across cables plants.
- **Capex:** In greenfield capex, KEI will invest Rs. 1100 crore for LT, HT & EHV cables in Sanand, Gujarat, and the first phase was operational by Dec 2025. Second phase delays is impacted by delay in vertical tower construction and now will be operational in Q2FY27. And full ramp up of facility will gradually taking place. The Sanand plant would have an asset turn of 3x leading to total revenue of 6,000 crore.

Results

					Rs cr
Particulars	Q3FY26	Q3FY25	YoY %	Q2FY26	QoQ %
Net Sales	2,955	2,467	19.8	2,726	8.4
Operating Profit	320	241	32.9	269	18.8
Other Income	34	14	148.5	42	(20.1)
Interest	17	14	16.5	14	17.5
Depreciation	23	19	19.1	20	11.9
PBT	315	221	42.3	277	13.5
Tax	80	56	41.5	74	8.2
PAT	235	165	42.5	204	15.4
EPS (Rs.)	24.6	18.3	34.5	21.3	15.4
Margin			BPS		BPS
OPM (%)	10.8	9.8	107	9.9	95
NPM (%)	7.9	6.7	127	7.5	48
Tax rate(%)	25.4	25.5	(13)	26.6	(124)

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Motilal Asset Management Company Ltd	4.86
2	Kotak Mahindra Asset Management Company Ltd	4.57
3	Government Pension Fund- Global	3.06
4	Vanguard group Inc	2.76
5	Canara Robeco Asset Management Company Ltd	2.33
6	Capital Group Cos Inc	2.17
7	Norges Bank	2.14
8	Smallcap World Fund Inc	2.1
9	Axis Asset Management Company Ltd	1.71
10	ICICI Prudential Asset Management Co Ltd	1.56

Source: Bloomberg

Key management personnel

Name	Designation
Anil Gupta	Chairman and Managing Director
Akshit Diviaj Gupta	Executive Director
Archana Gupta	Non-Executive – Non-Independent Director
Rajeev Gupta	CFO

Source: Company Website

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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