

KEC International Ltd.

| | |
|---------------------------------|----------------|
| No. of shares (m) | 266.2 |
| Mkt cap (Rs crs/\$m) | 23340/2643.9 |
| Current price (Rs/\$) | 877/9.9 |
| Price target (Rs/\$) | 999/11.3 |
| 52 W H/L (Rs.) | 1313/627 |
| Book Value (Rs/\$) | 191.7/2.2 |
| Beta | 1.1 |
| Daily volume NSE (avg. monthly) | 984730 |
| P/BV (FY26e/27e) | 4.2/3.6 |
| EV/EBITDA (FY26e/27e) | 13.6/11.6 |
| P/E (FY26e/27e) | 28.5/22.8 |
| EPS growth (FY25/26e/27e) | 60.8/42.2/24.8 |
| OPM (FY25/26e/27e) | 7.7/8.0/8.0 |
| ROE (FY25/26e/27e) | 13.1/15.6/17.0 |
| ROCE (FY25/26e/27e) | 14.8/16.1/17.2 |
| D/E ratio (FY25/26e/27e) | 1.1/1.0/1.0 |
| BSE Code | 532714 |
| NSE Code | KEC |
| Bloomberg | KECI IN |
| Reuters | KECL.NS |

Shareholding pattern

| | % |
|--------------------------|--------------|
| Promoters | 50.1 |
| MFs / Banks / FIs/Others | 22.6 |
| FPIs | 16.0 |
| Govt. Holding | 0.0 |
| Public & Others | 11.3 |
| Total | 100.0 |

As on June 30, 2025

Recommendation

ACCUMULATE

Phone: + 91 (33) 4488 0011

E- mail: research@cdresearch.in

Quarterly Highlights

- Revenue from operations of KEC International stood at Rs 5022.88 crs in Q1FY26 as against Rs 4511.89 crs in Q1FY25, depicting a growth of 11.3%. With revenue of Rs 3,157 crs, T&D's contribution to topline increased to 63% during the quarter from 55% in the corresponding period last year as the Company was able to increase its tendering activities in domestic and international markets. Growth in revenues from SAE was, however, limited to 3.8% y-o-y (Rs 359 crs in Q1FY26 vs Rs 346 crs in Q1FY25) as Brazilian real strengthened against both USD and INR. T&D business, together with civil, accounted for bulk of order inflows worth Rs 5,500 crs in Q1FY26.
- With increased traction from international market, KEC's consolidated operating profit surged to Rs 350.10 crs in Q1FY26 from Rs 270.37 crs in Q1FY25. With recovery of payments from water segment (received Rs 257 crs in Q1FY26), cash flows would rather improve. OPM stood at 6.9% during the quarter with T&D margin in double digit. Margins of non-T&D business receded due to weak execution in civil and transportation business.
- During the quarter, KEC entered into semiconductor EPC segment by bagging its first order. It also received its first order for a STATCOM project and considers it to be a growing segment as renewable energy is gaining visibility. It also secured transmission line and substation orders in Middle East and India along with supply of towers, hardware, and poles in America.
- The stock is currently trading at 28.5x FY26e EPS of Rs 30.80 and 22.8x FY27e EPS of Rs 38.43. Although its plans of foraying into new markets like STATCOM, semiconductor plants, wind renewable energy and battery energy storage system (BESS) remains a concern, KEC's flourishing international T&D business along with its expansion of non-T&D segment in international market may help it grow its earnings going forward. Given an uptick in earnings, ROE is pegged at 15.6% in FY26e and 17.0% in FY27e. Balancing odds, we assign 'accumulate' rating on the stock with revised target of Rs 999 (previous target of Rs 776) based on 26x FY27e earnings.

| Rs crs | FY23 | FY24 | FY25 | FY26e | FY27e |
|--------------------------------|----------|----------|----------|----------|----------|
| Income from operations | 17281.71 | 19914.17 | 21846.70 | 24970.49 | 29433.89 |
| Other Income | 31.32 | 52.41 | 70.86 | 86.69 | 74.72 |
| EBITDA (other income included) | 978.21 | 1408.37 | 1750.11 | 2072.90 | 2428.56 |
| PAT after EO (adjusted) | 172.70 | 346.28 | 566.63 | 819.78 | 1023.07 |
| EPS (Rs) | 6.72 | 13.47 | 21.66* | 30.80 | 38.43 |
| EPS growth (%) | -53.1 | 100.5 | 60.8 | 42.2 | 24.8 |

*calculated on weighted average equity

Industry Outlook

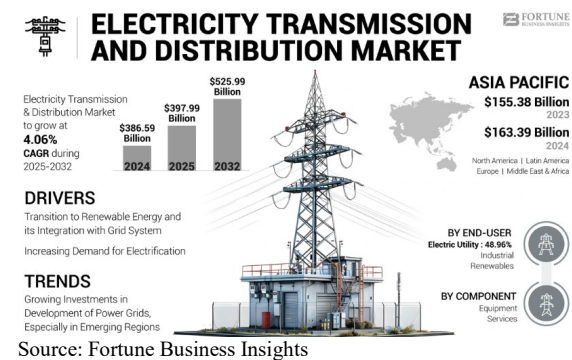
Global Construction Sector

According to a report by Expert Market Research, the global construction market size reached a value of approximately USD 13.57 trillion in 2024. The market size is expected to grow at a CAGR of 6.5% between 2025 and 2034, reaching a value of around USD 25.47 trillion by 2034. Booming urbanization and steady population growth is driving the demand for new infrastructure projects worldwide. Increasing private sector investments and growing foreign investments in emerging nations supported by government policies have helped fund large scale construction projects. Technological advancements and green building practices have attracted attention in modern times. Various companies are using renewable energy, water-saving tech, low-VOC paints, sustainable wood, recycled steel, and energy-efficient insulation in order to comply with green building standards like leadership in energy and environmental design (LEED) and building research establishment environmental assessment method (BREEAM). Incorporation of automation, robotics and AI in the process of construction has seen visibility in recent times.

Power T&D Industry

According to a report by Fortune Business Insights, global electricity T&D market size was valued at USD 386.59 billion in 2024. It is projected to grow to USD 397.99 billion in 2025 and reach USD 525.99 billion by 2032, exhibiting a CAGR of 4.06% during the forecast period. With a market share of 42.26% in 2024, the market was dominated by Asia Pacific region. Effective T&D system is essential for maintaining grid reliability, optimizing energy efficiency, and ensuring safe, consistent access to electricity across various sectors. Need for renewable energy sources (wind and solar) and its integration into a grid system has increased momentum of investments towards T&D sector.

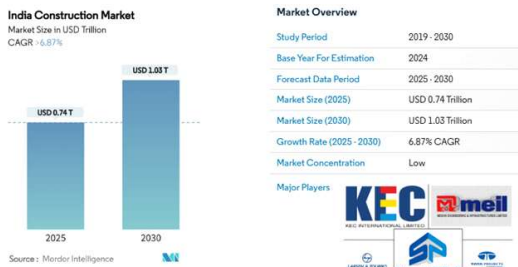
The global push towards electrification, including the adoption of electric vehicles and the proliferation of data centres, is driving up electricity demand. According to the International Energy Agency (IEA), in 2025, sales of electric cars are expected to surpass 20 million, accounting for over a quarter of cars sold worldwide. In the first three months of 2025, global electric car sales were up 35% year-on-year. Modernization of T&D infrastructure has become a necessity to ensure reliable power delivery. Complex regulatory frameworks and lengthy permitting processes become barriers in development and expansion of T&D projects. Furthermore, increasing digitalization of T&D systems introduces vulnerabilities to cyberattacks, necessitating robust cybersecurity measures to protect critical infrastructure.



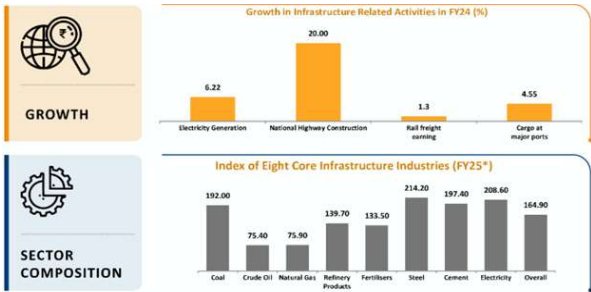
Civil Construction India

According to a report by Mordor Intelligence, the Indian construction market size stands at USD 740.08 billion in 2025 and is projected to climb to USD 1,031.71 billion by 2030, equating to a 6.87% CAGR over the forecast period. Rapid urbanization, increasing capital expenditure and policy linked incentives are contributing towards the growth. By sector, residential sector led with 44.34% revenue share of the Indian construction market in 2024. India’s urban population is set to exceed 600 million by 2030, which will generate immense demand for housing and commercial floor space requirements. Digital India move has led to increasing cloud adoption which is propelling investments in hyperscale data centres. With only 19% of the 71 million construction workforce formally trained, modular and precast systems are increasingly favored to reduce on site labor reliance.

Infrastructure construction’s contribution in the Indian construction market size was 35.5% in 2024. Highway programs, metro rail build outs and construction of airports largely constitute infrastructure construction. Higher multimodal logistics efficiency targets also channel funds into railroads-port connectivity, reinforcing infrastructure’s centrality within the Indian construction market. New construction remains the backbone of the Indian construction market with a pipeline of mega-infrastructure and greenfield industrial parks. Yet land acquisition risk and commodity cost swings often divert attention toward asset recycling and brownfield expansion, where revenue realization occurs faster. Hybrid models combining demolition, modular rebuilds, and green retrofits increasingly blur the line between new and renovation scopes, encouraging contractors to develop integrated competencies across the project lifecycle.



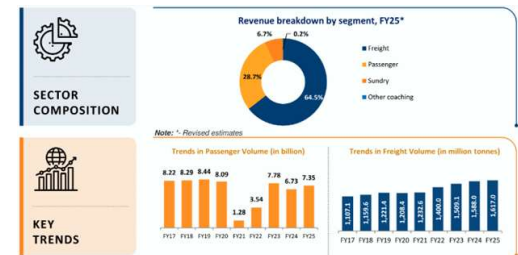
Source: Mordor Intelligence



Source: IBEF

Railways

Indian railways play a key role in transportation system of the country by running through different parts and connecting people. A total of 34,000 kms of new railway tracks have been constructed throughout the country in the past 11 years. In the budget of 2025-26, government allocated Rs 2.65 lakh crores to the Ministry of Railways for construction of new railway lines, gauge conversion, rolling stock, doubling of tracks, etc. India aims to transform Indian Railways into a net-zero emitter as part of its broader energy goals by 2030.

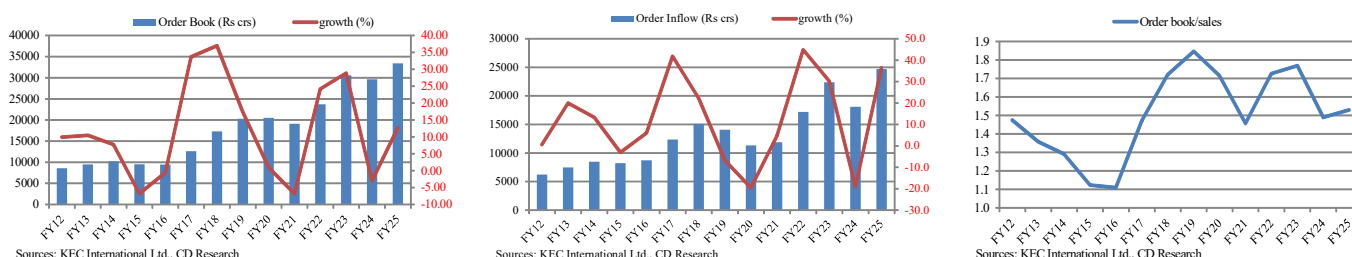


Source: IBEF

Order Book

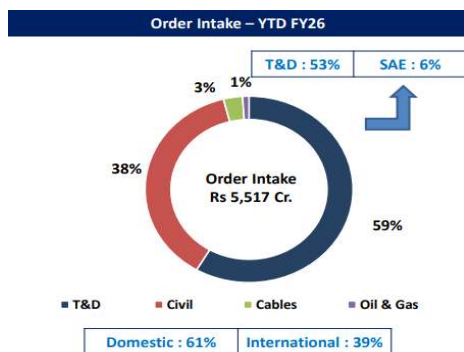
KEC International's order book stood at Rs 34,409 crs as on 30th June, 2025 (excluding L1 positions of over Rs 6000 crs), with contribution from domestic market being 65% to the overall mix. Order intake for Q1FY26 was Rs 5,517 crs with major contribution from T&D (59%) and civil business (38%). KEC is looking forward to order tendering pipeline of Rs 1, 80,000 crs comprising of Rs 60,000 crs from international T&D, Rs 30,000 crs from domestic T&D and Rs 50,000 crs from civil.

T&D business alone has secured orders worth Rs 3,200 crs in Q1FY26 across India, Middle East (substantial orders in Saudi Arabia) and America. KEC is actively bidding for orders in HVDC segment where projects related to HVDC converter station and HVDC transmission line are underway. International HVDC orders of the Company are limited to Saudi Arabia. However, it might get an opportunity in North America as well. The Company believes to secure orders for STATCOM in the coming quarters. In SAE, the hardware business is attracting significant orders in Brazil and tower supply orders in Mexico.

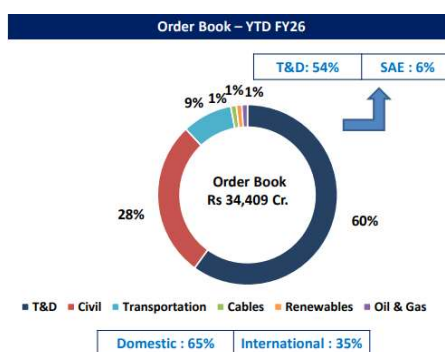


The civil segment has a strong order book with order inflows of almost Rs 2,100 crs in Q1FY26. KEC has stepped into semiconductor EPC segment and have also received order for metals and mining. With its focus on high ticket size orders (over Rs 400 crs) in buildings and factories (B&F), which constitutes of nearly 50% of the current order book of civil, the Company secured orders in B&F vertical under premium high-rise residential segment.

With two solar projects (500 MW each in Karnataka and Rajasthan) under execution, the Company is optimistic about growing its presence in renewables space. The quarter was marked by 87% growth in revenue to Rs 136 crs. With dominance of solar, the Company is also focusing on wind projects and stepping into battery energy storage systems (BESS). Transportation business of KEC has slowed down as the Company is facing issue in securing blocks. Hence, it is only focusing on deployment of Kavach across 500 track kilometres. In oil and gas segment, KEC has secured its second international order in Africa, thus, ramping up its international presence to avoid increasing competitive intensity in the domestic market.



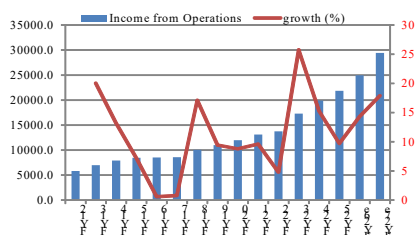
Source: KEC International Ltd.



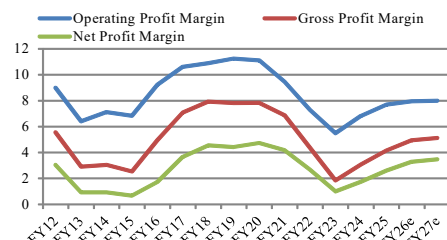
Source: KEC International Ltd.

Financials and Valuations

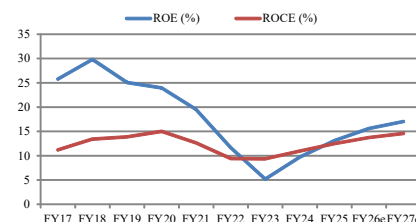
Backed by strong performance of T&D business (contribution to revenue of 59%) in domestic and international markets, revenue from operations grew by 9.7% to Rs 21,846.70 crs in FY25 from Rs 19,914.17 crs in FY24. Growth would have been higher but for supply chain bottlenecks in T&D business. Due to depreciation of Brazilian real against US dollar, revenues from SAE Towers (operated at full capacity) retreated by 8% to Rs 1,325 crs in FY25 from Rs 1,447 crs in FY24. Growth in revenues of civil segment was affected due to shortage of labor and slowdown in execution of water projects due to delayed payments (outstanding amount of Rs 800 crs). Setback due to labor shortage has now been stabilized in civil segment but T&D is yet to recover from this long pressing problem. KEC is still grappling with the issue of payments related to Jal Jeevan projects of the government. Operating profit stood at Rs 1682.57 crs in FY25 as compared to Rs 1358.60 crs in FY24, OPM being 7.7%.



Sources: KEC International Ltd., CD Research

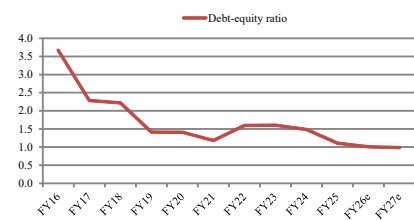


Sources: KEC International Ltd., CD Research

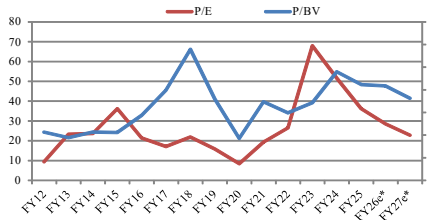


Sources: KEC International Ltd., CD Research

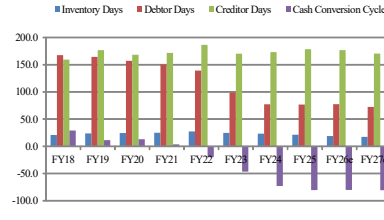
The Company has drawn plans to incur capex of Rs 350 crs in the current fiscal which will be deployed towards setting up tower manufacturing facility in Butibori (capex of nearly Rs 15 crs) amongst others. Post the tower manufacturing capacity expansion at Butibori plant, total capacity of T&D will sum up to ~4.8 lac MT. After successfully commissioning first phase in March, 2024, the Company is all set to doubling capacity of its aluminum conductor plant in Vadodara facility. KEC is intensifying its presence in cables segment by diversifying its product portfolio by setting up plants for e-beam and elastomeric cables (capex of nearly Rs 100 crs); commercial production of which is expected to begin towards the end of current fiscal.



Sources: KEC International Ltd., CD Research



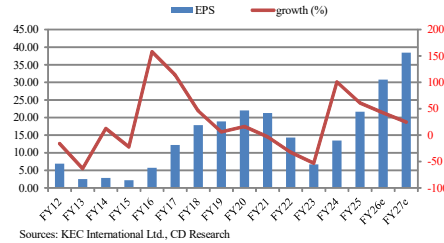
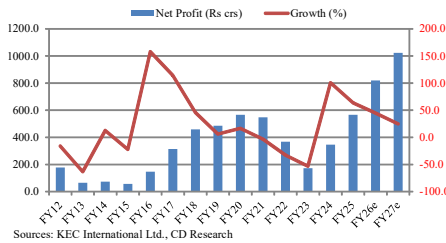
Sources: KEC International Ltd., CD Research



Sources: KEC International Ltd., CD Research

KEC anticipates a reduction in its debt by the end of current fiscal on the back of payments from Afghanistan, water projects and dues related to metro projects in Delhi and Chennai, (where the payments were back ended). Reduction in inventory (conductors and steel) will also contribute towards declining level of debt and will, therefore, improve working capital. Working capital, which increased due to water projects, back ending of viaducts and inventory buildup, is also expected to decrease.

Though non-T&D space contributed only 37% towards revenue of Q1FY26, KEC is confident of traction in this space. With execution in renewables segment ramping up in line with government's goal of augmenting renewable energy sources in the country, substantial growth in this segment is anticipated during the year as the company is hopeful of receiving projects related to solar, wind and BESS. Under oil and gas segment, the Company's focus is entirely on international market with already two projects in Africa and targeting for more in Middle East. KEC is facing increased competitive intensity in non-T&D space especially in railways from Tier-2 and Tier-3 developers.



The stock is currently trading at 28.5x FY26e EPS of Rs 30.80 and 22.8x FY27e EPS of Rs 38.43. Increasing orders from international and domestic T&D coupled with growing non-T&D opportunities in the international market (bid for multiple tenders in Middle East for civil projects and expansion of oil and gas pipeline business in Africa) is expected to boost revenue by 14.3% and 17.9% in the current fiscal and next. Government's increased focus on expanding renewable energy sources of the country will help attract orders in T&D business. Focus on improving connectivity via roadways and airways might help attract orders for civil and transportation segment, yet order execution holds key. Given an uptick in earnings, ROE is pegged at 15.6% in FY26e and 17.0% in FY27e. Balancing odds, we assign 'accumulate' rating on the stock with revised target of Rs 999 (previous target of Rs 776) based on 26x FY27e earnings. For more info refer to our June 2024 report.

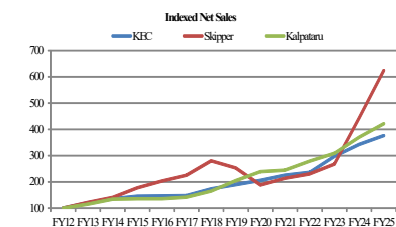
Cross Sectional Analysis

| Company | Equity* | CMP | MCAP* | Sales* | Profit* | OPM (%) | NPM (%) | Int Cov | ROE (%) | Mcap/Sales | P/BV | P/E |
|-----------|---------|------|-------|--------|---------|---------|---------|---------|---------|------------|------|------|
| KEC | 53 | 877 | 23340 | 22358 | 604 | 6.4 | 2.7 | 1.9 | 13.6 | 1.0 | 4.6 | 38.7 |
| Skipper | 11 | 533 | 6024 | 4787 | 163 | 10.0 | 3.4 | 2.0 | 15.1 | 1.3 | 4.9 | 36.8 |
| Kalpataru | 34 | 1294 | 22095 | 23900 | 700 | 9.1 | 2.9 | 2.3 | 12.3 | 0.9 | 3.4 | 31.5 |

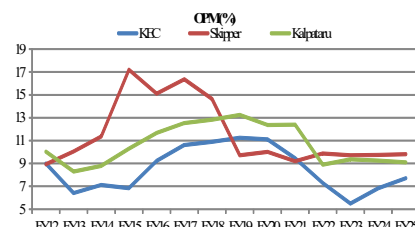
*figures in crores; consolidated or standalone data as available on August 29th, 2025

Strong execution in engineering products and polymer products business segments led Skipper Ltd. achieve its highest ever first quarter revenue of Rs 1,253.86 crs in Q1FY26 (14.8% growth from Rs 1091.74 crs in Q1FY25). Strong demand from international market helped export revenue grow by 30% y-o-y to Rs 325 crs. As on 30th June, 2025 Skipper's highest ever order book stood at over Rs 8,520 crs. Operating profit grew by 21.5% to Rs 127.17 crs in Q1FY26; OPM being 10.1%. Revenue from engineering products segment grew by 23.7% while that of polymer products grew by 33.6%. The Company aims to become the world's largest tower manufacturer with 6,00,000 MTPA capacity by FY28. In the polymer products' business, the Company's focus is on enhancing profitability via plumbing segment, improving retail distribution network and enhancing product diversification.

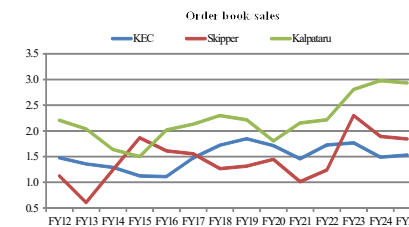
KPIL's consolidated order book as on 30th June, 2025 stood at Rs 65,475 crs. On the back of strong project execution, consolidated revenue of the Company grew by 34.5% to Rs 6,171.17 crs in Q1FY26 as compared to Rs 4586.60 crs in Q1FY25. Operating profit surged by 38.6% to Rs 525.05 crs in Q1FY26 from Rs 378.8 crs in Q1FY25. OPM stood at 8.5%. Revenue from transmission and distribution business of the Company grew by 56% y-o-y (Rs 2,873 crs in Q1FY26 vs Rs 1,843 crs in Q1FY25) as project execution in domestic and international market surged. KPIL looks forward to securing higher value projects in this segment, where the tender pipeline is in excess of Rs 1,20,000 crs, driven by investments in energy transition, grid modernization and the growing demand for power.



Sources: Companies, Ace Equity



Sources: Companies, Ace Equity



Sources: Companies, Ace Equity

Financials

Quarterly Results

Figures in Rs crs

| | Q1FY26 | Q1FY25 | % chg. | FY25 | FY24 | % chg. |
|---------------------------------------|----------------|----------------|-------------|-----------------|-----------------|-------------|
| Income From Operations | 5022.88 | 4511.89 | 11.3 | 21846.70 | 19914.17 | 9.7 |
| Other Income | 5.39 | 43.13 | -87.5 | 70.86 | 52.41 | 35.2 |
| Total Income | 5028.27 | 4555.02 | 10.4 | 21917.56 | 19966.58 | 9.8 |
| Total Expenditure | 4672.78 | 4241.52 | 10.2 | 20167.45 | 18558.21 | 8.7 |
| EBITDA (other income included) | 355.49 | 313.50 | 13.4 | 1750.11 | 1408.37 | 24.3 |
| Interest | 151.12 | 154.95 | -2.5 | 838.94 | 796.52 | 5.3 |
| Depreciation | 45.86 | 46.51 | -1.4 | 183.68 | 185.36 | -0.9 |
| PBT | 158.51 | 112.04 | 41.5 | 727.49 | 426.49 | 70.6 |
| Tax | 33.91 | 24.46 | 38.6 | 156.75 | 79.71 | 96.7 |
| PAT | 124.60 | 87.58 | 42.3 | 570.74 | 346.78 | 64.6 |
| Extraordinary Items | - | - | - | 4.11 | 0.50 | 715.5 |
| Adjusted Net Profit | 124.60 | 87.58 | 42.3 | 566.63 | 346.28 | 63.6 |
| EPS(Rs) | 4.68 | 3.41 | 37.4 | 21.66 | 13.47 | 60.8 |

Consolidated Income Statement

Figures in Rs crs

| | FY23 | FY24 | FY25 | FY26e | FY27e |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Income From Operations | 17281.71 | 19914.17 | 21846.70 | 24970.49 | 29433.89 |
| Other Income | 25.8 | 15.2 | 9.7 | 14.3 | 17.9 |
| Total Income | 31.32 | 52.41 | 70.86 | 86.69 | 74.72 |
| Total Expenditure | 17313.03 | 19966.58 | 21917.56 | 25057.18 | 29508.62 |
| EBITDA (other income included) | 16334.82 | 18558.21 | 20167.45 | 22984.28 | 27080.06 |
| Interest* | 978.21 | 1408.37 | 1750.11 | 2072.90 | 2428.56 |
| Depreciation | 655.75 | 796.52 | 838.94 | 837.89 | 919.03 |
| PBT | 161.48 | 185.36 | 183.68 | 197.31 | 214.50 |
| Tax | 160.98 | 426.49 | 727.49 | 1037.70 | 1295.03 |
| PAT | -15.05 | 79.71 | 156.75 | 217.92 | 271.96 |
| Extraordinary Items | 176.03 | 346.78 | 570.74 | 819.78 | 1023.07 |
| Adjusted Net Profit | 3.33 | 0.50 | 4.11 | - | - |
| EPS (Rs) | 172.70 | 346.28 | 566.63 | 819.78 | 1023.07 |
| | 6.72 | 13.47 | 21.66** | 30.80 | 38.43 |

*includes bank charges

**on weighted average equity

Consolidated Balance Sheet

Figures in Rs crs

| | FY23 | FY24 | FY25 | FY26e | FY27e |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sources of Funds | | | | | |
| Share Capital | 51.42 | 51.42 | 53.24* | 53.24 | 53.24 |
| Reserves | 3720.00 | 4044.28 | 5294.21 | 5972.58 | 6835.94 |
| Total Shareholders' Funds | 3771.42 | 4095.70 | 5347.45 | 6025.82 | 6889.18 |
| Long Term Debt | 656.33 | 384.15 | 569.94 | 500.00 | 450.00 |
| Total Liabilities | 4427.75 | 4479.85 | 5917.39 | 6525.82 | 7339.18 |
| Application of Funds | | | | | |
| Gross Block | 2911.44 | 3127.08 | 3290.00 | 3638.52 | 4028.52 |
| Less: Accumulated Depreciation | 1328.63 | 1498.81 | 1643.39 | 1840.70 | 2055.21 |
| Net Block | 1582.81 | 1628.27 | 1646.61 | 1797.82 | 1973.31 |
| Capital Work in Progress | 11.45 | 13.92 | 38.52 | 40.00 | 30.00 |
| Investments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Assets, Loans & Advances | | | | | |
| Inventory | 1137.16 | 1213.31 | 1140.46 | 1248.52 | 1324.53 |
| Trade receivables | 4281.67 | 4136.62 | 5051.10 | 5556.21 | 6111.83 |
| Cash and Bank | 344.16 | 273.28 | 655.93 | 238.51 | 209.67 |
| Other current assets | 8672.62 | 10534.64 | 12539.15 | 14287.75 | 16831.38 |
| Total CA | 14435.61 | 16157.85 | 19386.64 | 21330.99 | 24477.40 |
| Current Liabilities | 12724.62 | 14431.47 | 16126.01 | 17645.36 | 20266.57 |
| Provisions-Short term | 94.44 | 102.23 | 100.87 | 109.00 | 118.50 |
| Total Current Liabilities | 12819.06 | 14533.70 | 16226.88 | 17754.36 | 20385.07 |
| Net Current Assets | 1616.55 | 1624.15 | 3159.76 | 3576.63 | 4092.33 |
| Net Deferred Tax | 320.10 | 353.66 | 437.15 | 410.00 | 385.00 |
| Net long term assets(net of liabilities) | 896.84 | 859.85 | 635.35 | 701.38 | 858.53 |
| Total Assets | 4427.75 | 4479.85 | 5917.39 | 6525.82 | 7339.18 |

*increased post QIP issue

Key Financial Ratios

| | FY23 | FY24 | FY25 | FY26e | FY27e |
|--------------------------|-------|-------|-------|-------|-------|
| Growth Ratios (%) | | | | | |
| Revenue | 25.8 | 15.2 | 9.7 | 14.3 | 17.9 |
| EBITDA | -3.8 | 44.4 | 23.9 | 18.8 | 17.2 |
| Net Profit | -53.1 | 100.5 | 63.6 | 44.7 | 24.8 |
| EPS | -53.1 | 100.5 | 60.8 | 42.2 | 24.8 |
| Margins (%) | | | | | |
| Operating Profit Margin | 5.5 | 6.8 | 7.7 | 8.0 | 8.0 |
| Gross profit Margin | 1.8 | 3.1 | 4.1 | 4.9 | 5.1 |
| Net Profit Margin | 1.0 | 1.7 | 2.6 | 3.3 | 3.5 |
| Return (%) | | | | | |
| ROCE | 12.4 | 13.7 | 14.8 | 16.1 | 17.2 |
| ROE | 5.2 | 9.7 | 13.1 | 15.6 | 17.0 |
| Valuations | | | | | |
| Market Cap/ Sales | 0.7 | 0.9 | 1.0 | 0.9 | 0.8 |
| EV/EBITDA | 17.3 | 16.4 | 14.7 | 13.6 | 11.6 |
| P/E | 67.9 | 51.5 | 36.1 | 28.5 | 22.8 |
| P/BV | 3.4 | 4.8 | 4.2 | 4.2 | 3.6 |
| Other Ratios | | | | | |
| Interest Coverage | 1.2 | 1.5 | 1.9 | 2.2 | 2.4 |
| Debt Equity* | 1.6 | 1.5 | 1.1 | 1.0 | 1.0 |
| Current Ratio | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Turnover Ratios | | | | | |
| Fixed Asset Turnover | 13.3 | 14.9 | 16.0 | 17.3 | 18.3 |
| Total Asset Turnover | 4.4 | 4.9 | 4.6 | 4.3 | 4.5 |
| Debtors Turnover | 3.7 | 4.7 | 4.8 | 4.7 | 5.0 |
| Inventory Turnover | 14.8 | 15.8 | 17.1 | 19.2 | 21.0 |
| Creditors Turnover | 2.1 | 2.1 | 2.0 | 2.1 | 2.1 |
| WC Ratios | | | | | |
| Debtors Days | 99.1 | 77.1 | 76.8 | 77.5 | 72.3 |
| Inventory Days | 24.6 | 23.1 | 21.3 | 19.0 | 17.3 |
| Creditors Days* | 170.2 | 173.3 | 178.6 | 176.8 | 170.5 |
| Cash Conversion Cycle | -46.5 | -73.0 | -80.6 | -80.3 | -80.8 |

*includes acceptances

Cumulative Financial Data

| Rs crs | FY19-21 | FY22-24 | FY25-27e |
|---------------------------|---------|---------|----------|
| Income from operations | 36080 | 50938 | 76251 |
| Operating profit | 3807 | 3307 | 6023 |
| EBIT | 3444 | 2891 | 5651 |
| PBT | 2282 | 1026 | 3055 |
| PAT | 1599 | 887 | 2409 |
| Dividends | 292 | 283 | 474 |
| Sales growth (%) | 32.9 | 41.2 | 49.7 |
| PAT growth (%) | 73.8 | -44.5 | 171.6 |
| OPM (%) | 10.6 | 6.5 | 7.9 |
| GPM (%) | 7.5 | 3.0 | 4.8 |
| NPM (%) | 4.4 | 1.7 | 3.2 |
| Interest coverage | 3.0 | 1.6 | 2.2 |
| ROE (%) | 22.3 | 8.7 | 15.8 |
| ROCE (%) | 18.7 | 13.1 | 16.0 |
| Debt-Equity ratio* | 0.7 | 1.5 | 1.0 |
| Fixed asset turnover | 11.4 | 13.4 | 16.7 |
| Total asset turnover | 4.1 | 4.5 | 4.6 |
| Debtors turnover | 2.3 | 3.6 | 5.0 |
| Creditors turnover | 2.0 | 2.1 | 2.1 |
| Inventory turnover | 14.6 | 15.4 | 18.4 |
| Debtor days | 158.2 | 102.3 | 73.6 |
| Creditor days | 183.7 | 177.0 | 177.4 |
| Inventory days | 24.9 | 23.6 | 19.8 |
| Cash conversion cycle | -0.6 | -51.1 | -84.1 |
| Dividend payout ratio (%) | 18.2 | 33.1 | 19.6 |

FY19-21 implies three year period ending fiscal 21

*as on terminal year (includes acceptances)

Robust growth in order book will support KEC's revenue as it will grow by 49.7% to Rs 76,251 crs during FY25-27e over the preceding three years. Order book will be supported by higher order inflows from both domestic and international transmission and distribution business. Healthy order execution coupled with stabilizing raw material prices would help operating profit to grow to Rs 6023 crs in FY25-27e period from Rs 3307 crs in FY22-24. (See Table)

ROE for the period is estimated at 15.8% (vs 8.7% in FY22-24). Recovery in payments from Afghanistan and water related projects might help in debtors turnover improve to 5.0 in FY25-27e from 3.6 during FY22-24. Debt-equity ratio is expected to fall to 1.0 in FY25-27e from 1.5 in FY22-24. With dip in debtor days, cash conversion cycle will turn more favorable in FY25-27e period. Pick up in execution can increase the fixed asset turnover ratio to 16.7 in FY25-27e from 13.4 in FY22-24.

Financial Summary- US Dollar denominated

| million \$ | FY23 | FY24 | FY25 | FY26e | FY27e |
|-----------------------------------|--------|--------|--------|--------|--------|
| Equity capital | 6.3 | 6.2 | 6.2 | 6.0 | 6.0 |
| Shareholders' funds | 416.7 | 446.3 | 575.8 | 633.0 | 729.3 |
| Total debt* | 668.5 | 662.3 | 638.5 | 637.5 | 717.2 |
| Net fixed assets (including CWIP) | 161.2 | 164.3 | 164.4 | 176.7 | 195.4 |
| Investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net current assets | 187.2 | 182.5 | 352.7 | 387.1 | 444.0 |
| Total assets | 496.5 | 492.3 | 642.4 | 689.6 | 780.2 |
| Revenues | 2149.7 | 2405.3 | 2583.3 | 2828.5 | 3334.1 |
| EBITDA | 121.3 | 170.0 | 206.3 | 234.8 | 275.1 |
| EBDT | 39.7 | 73.8 | 107.1 | 139.9 | 171.0 |
| PBT | 19.6 | 51.4 | 85.4 | 117.5 | 146.7 |
| PAT | 21.5 | 41.8 | 67.0 | 92.9 | 115.9 |
| EPS(\$) | 0.08 | 0.16 | 0.26 | 0.35 | 0.44 |
| Book value (\$) | 1.62 | 1.74 | 2.16 | 2.38 | 2.74 |

Income statement figures translated at average rates; balance sheet at year end rates; projections at current rates (Rs 88.28/\$). All dollar denominated figures are adjusted for extraordinary items.

*includes acceptances

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CD Research Private Limited (CIN: U51109WB1983PTC036323)

Registered Office: 37, Shakespeare Sarani, 3rd Floor, Kolkata – 700 017; Phone: +91(33) 4488 0000

Corporate Office: 5th Floor, Vaswani Mansion, 120, Dinshaw Wachha Road, Churchgate, Mumbai – 400020 Phone: +91(22) 49224000

Website: Email: research@cdresearch.in

buy: >20% accumulate: >10% to ≤20% hold: ≥-10% to ≤10% reduce: ≥-20% to <-10% sell: <-20%

| Rs/\$ | FY21 | FY22 | FY23 | FY24 | FY25 |
|----------|-------|-------|-------|-------|-------|
| Average | 74.20 | 74.51 | 80.39 | 82.79 | 84.57 |
| Year end | 73.50 | 75.81 | 82.22 | 83.37 | 85.58 |

All \$ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate.