Company Name: KSH International Ltd

Quarter under review: Q1-FY27

KSH International Ltd – Q1-FY27 Concall Highlights:

KSH International Ltd					
INR In Mn	**Q1-FY27**	**Q1-FY26**	**Y-o-Y**	**Q4-FY26**	**Q-o-Q**
Operational Income	11,642	5,587	108.4%	10,183	14.3%
EBITDA	744	402	85.1%	563	32.2%
EBITDA M (%)	6.39%	7.20%	-81 bps	5.53%	86 bps
PAT	422	227	85.9%	345	22.3%
PAT M (%)	3.63%	4.06%	-43 bps	3.39%	24 bps
Diluted EPS	6.22	3.99	55.9%	5.09	22.2%

Operational Highlights:

- Q1-FY27 volumes grew 30% YoY and 5% QoQ, reaching nearly 8,000 MT, with specialized wire volumes growing faster than standard wires.
- Revenue from specialized wires grew 113% YoY, driven by strong CTC contribution and higher exports
- Standard wire revenue grew 83% YoY, supported by capacity ramp-up at Supa and addition of new domestic customers.
- Export revenue increased 76% YoY and 12% QoQ, driven by wallet-share gains from existing customers and new OEM additions.
- EBITDA/ton increased to ~INR 93,000 in Q1-FY27, compared with ~INR 74,000 in Q4-FY26 and ~INR 66,000 in Q1-FY26.
- Higher CTC contribution was the key driver of EBITDA/ton improvement, with CTC reaching historically high contribution levels during the quarter.
- Company utilization improved to 73.5% from 70% in Q4-FY26, while installed capacity remained at 43,445 MT during Q1.
- Supa Phase 2 expansion remains on track for completion by March 2027, with the next capacity additions expected in Q2-FY27.
- The company completed 14,400 MT of the planned 30,000 MT Supa expansion, taking the eventual installed capacity to approximately 59,000 MT.
- The Board authorized evaluation of an additional 10-acre land parcel at Supa MIDC to support long-term capacity expansion.
- KSH signed a five-year supply framework agreement with Hitachi Energy Global covering winding wire supplies to its Indian and certain global plants.
- An upcast backward-integration facility with 5,000 MT capacity was commissioned at Chakan, aimed at recycling internal copper scrap and improving operating efficiency.
- Working capital days improved to 60 days, from 65 days in Q4-FY26 and 71 days in Q1-FY26, supported by improvements in receivables and payables.

Operational Highlights:

- Management expects EBITDA/ton of at least INR 75,000 to be sustainable for FY27, despite additional costs from Phase 2 capacity coming on stream

- Management highlighted strong structural demand from T&D, data centres, EVs, AC compressors and DG-set alternators, while BIS implementation is also driving localization of winding wire supplies in India.

Key Questions & Answers discussed during the Concall:

- **How sustainable is the Q1 EBITDA/ton of INR 93,000, and have standard wire margins also improved?** We believe EBITDA/ton of around INR 75,000 is sustainable for FY27. Standard wire EBITDA/ton has also improved marginally as utilization increased, while the contribution from higher-kV products, including 765 kV, has also increased

- **Was the strong CTC contribution in Q1 a one-off, and could CTC revenue decline as standard wire capacity ramps up?** There was no significant lumpiness in CTC orders. While CTC contribution was unusually high in Q1, its mix should normalize as additional standard wire capacity comes online. We still expect CTC to grow in absolute terms.

- **Where do you see working capital days settling over the longer term?** We believe we can bring the working capital cycle down to around 30–35 days.

- **What does the five-year framework agreement with Hitachi Energy entail?** The agreement is currently a framework arrangement, with the specific quantities and pricing still being finalized. Given that global transformer OEMs have long order books, we are seeing increasing discussions around securing winding-wire capacity for the longer term.

- **Would EBITDA/ton from Hitachi Energy be higher than the company average?** We expect the EBITDA/ton to be broadly similar to our company average. Since the five-year agreement is still being finalized, there could be some changes over time, but we are not giving any specific guidance at this stage.

- **What is the outlook for exports in FY27?** Exports contributed around 27% of operating revenue in Q1. Over the medium term, our objective is to take exports back towards the historical peak of around 40% of revenue, supported by growth in the US, Middle East and European markets

- **How do you see the industry cycle developing over the next three to five years?** We remain positive on the industry outlook, particularly T&D, where customers have strong multi-year order books and are expanding capacity. In addition, EVs, data centres, AC compressors and DG-set alternators should provide further demand opportunities.

- **Can EBITDA/ton move sustainably above INR 75,000 as the product mix improves?** Higher-value products should support profitability, particularly as our specialized product portfolio expands. However, we continue to use INR 75,000/ton as the sustainable level for our current guidance.

- **What is the CTC contribution within the specialized wires segment?** CTC currently represents around 50–75% of our specialized wires segment. The mix can vary depending on the order flow and product requirements during a particular period

- **What is the intended use of the additional 10-acre land parcel at Supa?** The land is being evaluated for future expansion of our existing product portfolio. The exact capacity and product mix have not yet been finalized, and we will provide more details once the plans are firmed up.

- **What are the capex plans beyond the planned 59,000 MT capacity?** Our immediate priority is to complete Phase 2 and reach around 59,000 MT of installed capacity. We also have space at the existing Supa facility for another 10,000–12,000 MT, but further expansion will depend on how quickly we utilize the 59,000 MT capacity.

- **Can the new capacity be used interchangeably between standard and specialized wires?** The capacities are not completely fungible. While some standard-wire processes can be shared, CTC, EV and PEEK products require specific insulation lines and equipment. Therefore, capacity allocation depends on the product being manufactured.

- **How will you prioritize capacity between HVDC/765 kV and EV opportunities?** We will base future capacity additions on the visibility of customer demand. If we receive strong HVDC or 765 kV orders, we would prioritize specialty winding-wire capacity. Similarly, confirmed multi-year EV programs would lead us to add dedicated EV capacity.

- **What is the rationale behind the 5,000 MT upcast facility, and how much benefit can it provide?** The facility is primarily intended to recycle our own copper scrap generated during production. Given its relatively small scale compared with our overall capacity, the near-term financial benefit will be modest, but it should provide operating efficiencies and support our sustainability objectives.

- **How much of the INR 93,000 EBITDA/ton was driven by inventory gains?** We have not separately quantified the inventory gain. No single factor had an outsized impact; the major driver was the product mix, particularly the significantly higher contribution from CTC during the quarter.

- **How does the copper price pass-through mechanism work?** We operate on a make-to-order basis and procure copper after receiving the customer's purchase order. The copper component is therefore linked to the prevailing LME price, while our contracted value addition remains the key margin component.

- **What is the current borrowing cost for the company?** Our borrowing cost currently ranges between around 6% and 9.5%, depending on the mix of working-capital financing products that we use

- **What is the status of the PEEK-insulated wire capacity for EV traction motors?** The PEEK-insulated wire capacity is still under installation and is part of Phase 2. We will provide an update once the capacity is fully installed and operational.

- **What is the overall capex requirement for Phase 2 in FY27?** The total Phase 2 project cost is around INR 150–160 crore. A large portion has already been incurred, including amounts currently sitting as advances, and we expect the entire Phase 2 expansion to be implemented and operationalized by year-end.

- **Will standard wires gain share as the new capacity comes online?** Phase 1 had a relatively higher CTC capacity allocation, while the upcoming additions will have a greater contribution from standard wires along with some specialty capacity for EV applications. Our existing CTC capacity is already available and the focus will be on improving its utilization.

- **Is the remaining Phase 2 capex likely to be around INR 50 crore?** The remaining capex is expected to be higher than INR 50 crore for the full year, as the company completes and operationalizes the Phase 2 expansion.

Key Participants

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