ADD (Maintain)

CMP: **INR 989** Target Price: **INR 1,060 (INR 950)** ▲ 7%

ICICI Securities

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11 August 2026

India | Equity Research | Results Update

KSH International

Capital Goods

The march continues...

KSH reported an exceptional quarter with revenue growing 108% YoY to INR 11.6bn, EBITDA grew 85% YoY to INR 744mn. Moreover, EBITDA/t grew 42% YoY to INR 93,325 on account of: 1) higher contribution from CTC in product mix; 2) higher export contribution; 3) increase in utilisation to 73.5% vs. 70% QoQ; and 4) persistent INR depreciation. However, it guides for EBITDA/t of INR 75,000 for FY27. Moreover, KSH has signed a five-year agreement with Hitachi Energy Global to supply winding wires to Indian plants as well as some global plants. We believe KSH is well placed to capitalise on multi-year T&D capex cycle, with capacity expansion and utilisation ramp-up underpinning a sustained growth trajectory. We maintain **ADD** with a revised TP of INR 1,060. (valuing at 30x FY28E earnings).

An excellent print; aided by record CTC contribution

KSH reported robust volume growth of 30% YoY to ~8kt, aided by higher utilisation of 73.5% during the quarter. This led to revenue growth of 108% YoY to INR 11.6bn, with EBITDA of INR 744mn and EBITDA/t of INR 93,325 (+42% YoY) during the quarter. Thus, PAT came in at INR 422mn. Specialised wires segment revenue grew 113% YoY to INR 8.1bn, aided by record contribution from high-margin CTC wires. Notably, large power infrastructure orders (765kV and HVDC) have scaled-up, now accounting for ~25% of its overall CTC volumes over the last 2–3 quarters.

Robust growth in exports

In Q1FY27, KSH's exports revenue grew 76% YoY/12% QoQ to INR 2.8bn, aided by wallet-share gains from existing customers as well as new OEMs across all key geographies. With time, KSH aims to increase exports' share in revenue to 40%.

Uptick in utilisation

KSH reported 73.5% utilisation in Q1FY27 against 70% in Q4FY26, on a larger installed base, which led to robust volume growth of 30% YoY. It remains on track to expand its installed capacity to ~59kt by Mar'27.

Maintain ADD

We maintain **ADD**, with a revised TP of INR 1,060 (earlier INR 950).

Financial Summary

Y/E Mar-31 (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	19,280	31,070	37,560	46,111
EBITDA	1,212	1,921	2,634	3,436
EBITDA Margin (%)	6.3	6.2	7.0	7.5
Net Profit	686	1,116	1,728	2,394
EPS (INR)	10.1	16.5	25.5	35.3
EPS % Chg YoY	83.7	62.6	54.9	38.6
P/E (x)	97.7	60.1	38.8	28.0
EV/EBITDA (x)	58.2	36.1	25.8	19.3
RoCE (%)	23.0	20.2	19.5	21.3
RoE (%)	26.3	20.3	19.3	21.8

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Market Data

Market Cap (INR)	67bn
Market Cap (USD)	703mn
Bloomberg Code	KSHINTL IN
Reuters Code	KSHN.BO
52-week Range (INR)	1,046 /330
Free Float (%)	24.0
ADTV-3M (mn) (USD)	4.2

Price Performance (%)	3m	6m	12m
Absolute	55.0	162.4	0.0
Relative to Sensex	52.2	169.6	0.0

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
Revenue	2	4
EBITDA	7	10
EPS	9	12

Previous Reports

23-06-2026: Company Update

27-05-2026: Q4FY26 results review

Exhibit 1: Quarterly financial highlights

INR mn	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	QoQ (%)	YoY (%)	FY25	FY26	YoY (%)
Total Revenue	**5,587**	**7,121**	**8,178**	**10,183**	**11,642**	**14%**	**108%**	**19,280**	**31,070**	**61%**
EBITDA	**403**	**461**	**494**	**564**	**744**	**32%**	**85%**	**1,212**	**1,921**	**58%**
EBITDA Margin (%)	*7%*	*6%*	*6%*	*6%*	*6%*	*85 bps*	*-82 bps*	*6%*	*6%*	*-20 bps*
Depreciation	33	39	70	77	84	9%	*152%*	140	219	**57%**
Finance Cost	73	93	142	132	173	31%	*136%*	274	440	**61%**
Other Income	39	36	47	93	82	-12%	*110%*	105	214	**104%**
PBT	335	365	328	447	569	27%	70%	903	1,476	**63%**
Tax	109	69	81	101	147	45%	35%	217	360	**66%**
Tax Rate (%)	*32%*	*19%*	*25%*	*23%*	*26%*	*310 bps*	*-657 bps*	*24%*	*24%*	*-140 bps*
Reported PAT	227	296	247	345	422	22%	86%	686	1,116	**63%**
Adjusted PAT	**227**	**299**	**231**	**345**	**422**	**22%**	**86%**	**686**	**1,102**	**61%**
APAT Margin (%)	*4%*	*4%*	*3%*	*3%*	*4%*	*24 bps*	*-43 bps*	*4%*	*4%*	*-8 bps*
EPS	4	5	3	5	6	22%	56%	12	16	**35%**

Source: I-Sec research, Company data

Exhibit 2: Segmental revenue break-up

Segmental Revenue	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	QoQ (%)	YoY (%)	FY25	FY26	YoY (%)
Specialised Wires	3,798	5,097	5,897	7,079	8,093	*14%*	*113%*	13,529	21,871	**62%**
Standard Wires	1,497	1,542	1,819	2,309	2,739	*19%*	*83%*	4,547	7,167	**58%**
Other Operating Income	292	483	462	795	810	*2%*	*177%*	1,204	2,032	**69%**

Source: I-Sec research, Company data

Q1FY27 conference call: Highlights

Why EBITDA/t saw exceptional growth

- KSH reported EBITDA/t of INR 93, 325 in Q1FY27 vs. INR 65,885 in Q1FY26
    - The major factor was a record contribution from CTC in the product mix
    - Higher export contribution and volumes
    - Increase in utilisation to 73.5% against 70% in Q4FY26, on a larger installed base
    - Persistent INR depreciation
- KSH has firmly guided for EBITDA/t INR 75,000 for FY27

Long-term contract with Hitachi

- KSH entered into a 5-year supply agreement with Hitachi to supply winding wires to Indian plants as well as some of the global plants
- It is a framework agreement; no quantity or price agreed upon, as of now

Exports

- Export revenue increased 76% YoY to INR 2.8bn, growth remains strong across all geographies
- Over time, KSH aims to increase exports contribution to 40% of total revenue

Capacity addition – on track

- KSH expects to complete capacity addition by Mar'27 to 59.5kt, with the next wave of addition expected in Q2FY27
- Space available for more capacity addition of 10–12kt at Supa facility
- But management highlighted that main objective is to reach 85% with current installed capacity and would then contemplate additional capacity
- PEEK wires capacity status – still under installation

Utilisation – grew QoQ

- Increase in utilisation to 73.5%, against 70% in Q4FY26

Other highlights

- Management expects fixed costs to increase as capacity utilisation ramps up at Supa plant
- Over 25% of CTC volume is coming from large transformers in the last 2-3 quarters – from 765kV and HVDC
- Average working capital days of 60 vs. 71 in Q1FY26
- KSH reported repeat revenues of more than 95%
- For FY27, more than INR 500mn capex expected
- Commissioned 5kt copper scrap recycling facility at Chakan in Aug'26

Valuation and outlook

India's transmission and distribution (T&D) sector is in its revival phase. The growing need for power is driven by electrification, industrialisation and data centre capacity additions. Coupled with an increasing share of renewables in power capacity additions, the need for upgrading and stabilising the grid has become pronounced. The demand for transmission equipment is accelerating, leading many key equipment players to ramp up their capacities. KSH Industries, with its specialised wires business, is well placed to cater to this growing domestic demand.

KSH also stands to benefit from growing demand in export markets. Countries around the world are faced with the need to strengthen their power grids, yet many lack manufacturing capacities for critical power transmission equipment. Amid global shortages, India has become a viable, cost-efficient and technically advanced alternative.

With its strong presence in domestic as well as export markets, KSH is poised to be a beneficiary of the industry-wide tailwinds. Given the demand momentum, it is expanding its capacity to ~59kt from ~43.5kt.

We maintain **ADD** with a revised TP of INR 1,060 (INR 950 earlier), based on 30x FY28E earnings.

Key risks: 1) Lower-than-expected volume growth; 2) lower-than-expected margin; and 3) a material increase in working capital days.

Exhibit 3: Valuation

FY28E PAT (INR mn)	FY28E EPS (INR)	Multiple (x)	TP (INR/share)
2,394	35.3	30	1,060

Source: I-Sec research, Company data

Exhibit 4: Earnings revision table (INR mn)

Earnings Change	FY27E			FY28E		
	New	Old	Chg	New	Old	Chg
Revenues	37,560	36,961	2%	46,111	44,212	4%
EBITDA	2,634	2,451	7%	3,436	3,115	10%
PAT	1,728	1,588	9%	2,394	2,142	12%

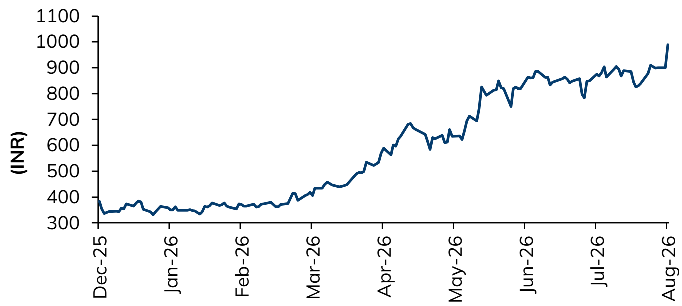
Source: I-Sec research, Company data

Exhibit 5: Shareholding pattern

%	Dec'25	Mar'26	Jun'26
Promoters	74.6	74.6	74.6
Institutional investors	16.8	18.9	16.6
MFs and others	12.2	13.4	10.9
FIs/Banks	0.0	0.0	0.0
Insurance	0.9	0.5	0.0
FIIs	3.7	5.0	5.7
Others	8.6	6.5	8.9

Source: Bloomberg, I-Sec research

Exhibit 6: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 7: Profit & Loss

(INR mn, year ending Mar-31)

	FY25A	FY26A	FY27E	FY28E
Net Sales	**19,280**	**31,070**	**37,560**	**46,111**
Operating Expenses	924	1,284	1,439	1,824
EBITDA	**1,212**	**1,921**	**2,634**	**3,436**
EBITDA Margin (%)	6.3	6.2	7.0	7.5
Depreciation & Amortization	140	219	278	333
EBIT	1,072	1,702	2,356	3,103
Interest expenditure	274	440	319	223
Other Non-operating Income	105	214	236	271
Recurring PBT	**903**	**1,476**	**2,273**	**3,150**
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	217	360	546	756
PAT	686	1,116	1,728	2,394
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**686**	**1,116**	**1,728**	**2,394**
Net Income (Adjusted)	**686**	**1,116**	**1,728**	**2,394**

Source Company data, I-Sec research

Exhibit 8: Balance sheet

(INR mn, year ending Mar-31)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	4,476	8,893	8,952	11,454
of which cash & cash eqv.	87	845	1,180	1,972
Total Current Liabilities & Provisions	318	1,867	1,274	1,751
Net Current Assets	**4,158**	**7,025**	**7,678**	**9,703**
Investments	-	-	-	-
Net Fixed Assets	1,297	3,595	4,118	3,784
ROU Assets	-	-	-	-
Capital Work-in-Progress	1,070	43	-	-
Total Intangible Assets	-	-	-	-
Other assets	81	694	81	81
Deferred Tax Assets	-	-	-	-
Total Assets	**6,606**	**11,359**	**11,877**	**13,568**
Liabilities				
Borrowings	**3,607**	**3,162**	**2,000**	**1,300**
Deferred Tax Liability	-	-	-	-
provisions	-	-	-	-
other Liabilities	98	115	68	65
Equity Share Capital	284	339	339	339
Reserves & Surplus	2,617	7,742	9,470	11,864
Total Net Worth	**2,901**	**8,081**	**9,809**	**12,203**
Minority Interest	-	-	-	-
Total Liabilities	**6,606**	**11,359**	**11,877**	**13,568**

Source Company data, I-Sec research

Exhibit 9: Cashflow statement

(INR mn, year ending Mar-31)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**(608)**	**(994)**	**1,410**	**1,161**
Working Capital Changes	(1,294)	(2,110)	(317)	(1,233)
Capital Commitments	(909)	(1,272)	(479)	333
Free Cashflow	**301**	**278**	**1,889**	**828**
Other investing cashflow	-	-	-	-
Cashflow from Investing Activities	(909)	(1,272)	(479)	333
Issue of Share Capital	-	-	-	1
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	1,539	(445)	(1,162)	(700)
Dividend paid	-	4,064	0	0
Others	(113)	(596)	566	(3)
Cash flow from Financing Activities	1,426	3,024	(596)	(703)
Chg. in Cash & Bank balance	**(91)**	**758**	**335**	**791**
Closing cash & balance	87	845	1,180	1,972

Source Company data, I-Sec research

Exhibit 10: Key ratios

(Year ending Mar-31)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	10.1	16.5	25.5	35.3
Adjusted EPS (Diluted)	10.1	16.5	25.5	35.3
Cash EPS	12.2	19.7	29.6	40.3
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	42.8	119.3	144.8	180.1
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	39.4	61.2	20.9	22.8
EBITDA	69.6	58.5	37.1	30.5
EPS (INR)	83.7	62.6	54.9	38.6
Valuation Ratios (x)				
P/E	97.7	60.1	38.8	28.0
P/CEPS	81.1	50.2	33.4	24.6
P/BV	23.1	8.3	6.8	5.5
EV / EBITDA	58.2	36.1	25.8	19.3
P / Sales	3.5	2.2	1.8	1.5
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	11.1	10.3	10.8	11.4
EBITDA Margins (%)	6.3	6.2	7.0	7.5
Effective Tax Rate (%)	24.0	24.4	24.0	24.0
Net Profit Margins (%)	3.6	3.6	4.6	5.2
NWC / Total Assets (%)	0.1	-	-	-
Net Debt / Equity (x)	1.2	0.3	0.1	(0.1)
Net Debt / EBITDA (x)	2.9	1.2	0.3	(0.2)
Profitability Ratios				
RoCE (%)	23.0	20.2	19.5	21.3
RoE (%)	26.3	20.3	19.3	21.8
RoIC (%)	16.4	16.3	17.1	20.3
Fixed Asset Turnover (x)	14.4	12.7	9.7	11.7
Inventory Turnover Days	43	62	38	39
Receivables Days	49	48	42	42
Payables Days	4	18	7	10

Source Company data, I-Sec research

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