FundsIndia

Equity Research Desk ALPHA

KEI Wires & Cables

India's Leading Wire & Cable Manufacturer

Founded: **1968**
HQ: **New Delhi**

Leading Indian manufacturer of **wires and cables from 1.1 kV to 400 kV**

Presence across **60+ countries**

Product portfolio spans **EHV, HT & LT cables, house wires, specialty cables and stainless steel wires**

10 plants across Rajasthan, Silvassa and Gujarat

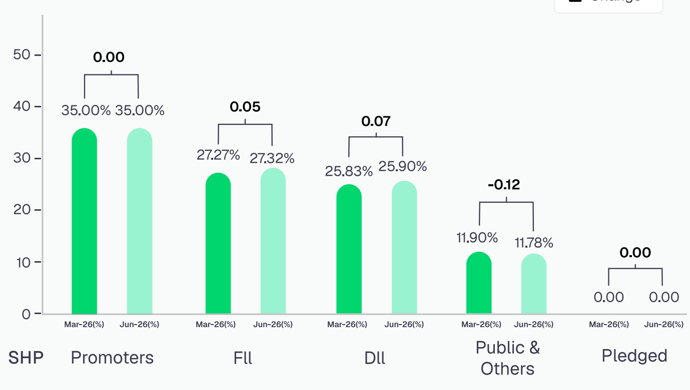
Strong distribution network **of 2,125+ dealers, 20,000+ retailers and 2 lakh+ electricians**

Among the few Indian manufacturers with **EHV cable capability up to 400 kV**

Market Data

CMP	₹4650
Date	18-Sept-2026
Target Price	₹5550
Upside Potential	19%
52 Week High/Low	₹5899/3729
NSE Code	KEI
Market Cap	Mid
Sector	Capital Goods
Rating	BUY

Shareholding Pattern



Subsidiaries

No subsidiary as of FY26. One associate, **KEI Cables SA (Pty) Limited, South Africa,** with 49% ownership.

Ratios - FY26

ROE	14.75%
ROCE	23.53%
Div. Yield	0.10%
PE Ratio (x)	45
Face Value	2
EPS (₹)	96.09

Growth Strategies

Sanand Capacity Expansion

- ₹2,000 Cr greenfield plant at **Sanand**
- Phase I began commercial production in **December 2025**
- Phase II EHV facility expected by **March 2027**
- Sanand expected to contribute **₹1,500–2,000 Cr revenue in FY27**
- Targeting **70–75% utilisation** next year
- Full potential of around **₹6,000–7,000 Cr revenue**

Margin Expansion

- Q1FY27 operating margin reached **13.04%**
- Management targets a sustained **11–12% margin**
- EHV margins close to **15%**
- Rising dealer-distributor contribution supports better working-capital efficiency
- Low margin EPC contribution reduced to **1.36% of sales**

EHV & Export Growth

- Domestic institutional EHV sales grew **82% in FY26**
- Exports grew **45% to ₹1,833 Cr**
- Export contribution targeted at **17–18% in FY27**
- Medium-term export target of **20% of revenue**
- Presence across **60+ countries**

Industry Outlook

India's power sector continues to expand with rising electricity demand

Installed power capacity reached **542.36 GW** as of May 2026

Renewable capacity stood at **225.61 GW**

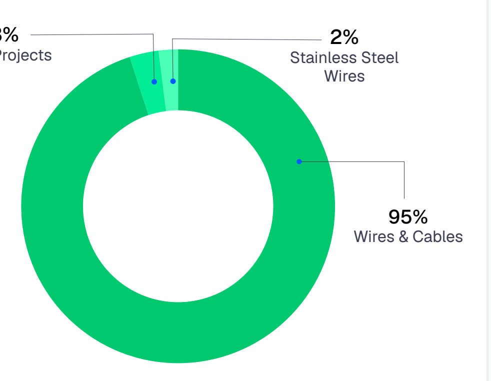
Power transmission investment of **₹9.16 lakh Cr** planned through 2032

Growing renewable capacity is increasing demand for transmission infrastructure

Distribution modernisation and smart-meter deployment support long-term cable demand

Revenue Breakup - FY26

Total Revenue (FY26) - ₹11,748 crore



Growth Drivers

Transmission & Distribution

- ₹9.16 lakh Cr planned transmission investment through 2032
- Expansion of substations and transmission networks
- Rising demand for high-voltage and EHV cables

Renewable Energy

- Renewable capacity expansion driving grid infrastructure requirements
- Renewable generation share expected to rise significantly by FY30
- Growing need for power evacuation and storage infrastructure

Distribution Modernisation

- Smart-meter rollout under RDSS
- Rooftop solar expansion
- Rising industrial electricity consumption and peak demand

Products & Services

Cables & Wires

- EHV cables up to **400 kV**
- HT & LT power cables
- Specialty cables for solar, EV charging, marine, instrumentation and fire survival
- House, winding and communication wires

EPC Projects

- Turnkey electrical projects including EHV cable laying and jointing
- Business being scaled down in favour of higher-margin operations

Stainless Steel Wires

- Wires for industrial and engineering applications

Edge: EHV capability up to 400 kV + strong retail distribution + growing export presence.

Competitive Advantage

- EHV cable capability up to **400 kV**
- Strong presence across retail, institutional and export markets
- **2,125+ active dealers** and **20,000+ retailers**
- Export presence across **60+ countries**
- Effectively debt-free balance sheet
- Sanand expansion creates significant additional capacity

Peer Analysis

Company	CMP(₹)	Mcap.(₹)	ROCE	ROE	3Yr Sales CAGR	P/E	EPS (₹)
KEI Industries	4,650	44,454	20%	15%	19%	45	104.27
Polycab India	8,400	126,581	33%	23%	27%	44	190.23
Finolex Cables	1,411	21,583	16%	12%	12%	27	52.32

Financial Highlights

Q1FY27

- **Revenue:** ₹3,185 Cr (↑22.97% YoY)
- **EBITDA:** ₹415 Cr (↑39.57% YoY)
- **EBITDA Margin:** 13.04% (+155 bps)
- **Net Profit:** ₹274 Cr (↑40.05% YoY)

FY26

- **Revenue:** ₹11,748 Cr (↑21% YoY)
- **EBITDA:** ₹1,388 Cr (↑ 30.56% YoY)
- **EBITDA Margin:** 11.81%
- **Net Profit:** ₹918 Cr (↑31.88% YoY)

Financial Performance (3 Years)

- **Revenue CAGR:** ~19%
- **Net Profit CAGR:** ~24%
- **ROE:** 14.75%
- **ROCE:** 23.53%
- **Debt-Equity:** 0.03x

Outlook

FY27 revenue growth guided at **>25%**

Revenue CAGR targeted at **>20% over the next 2–3 years**

Sanand expected to contribute **₹1,500–2,000 Cr in FY27**

Sanand Phase II EHV commissioning targeted by **March 2027**

Exports targeted at **17–18% of revenue in FY27**

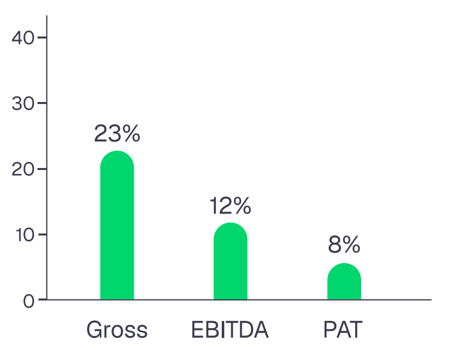
Medium-term export contribution targeted at **20%**

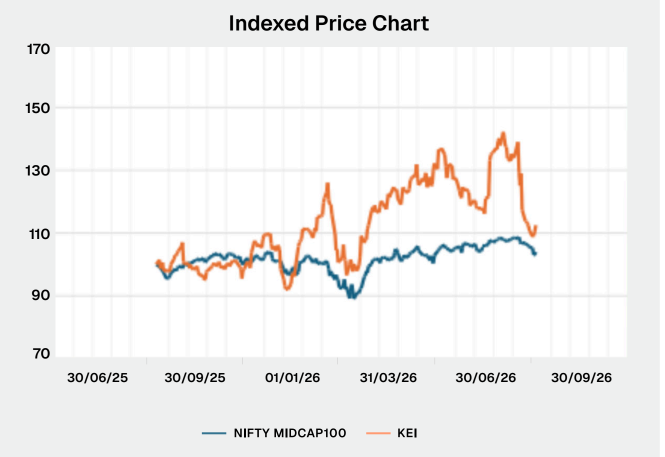
Capex guidance of **₹600–700 Cr annually**

Company has reiterated its **₹25,000 Cr revenue target** for FY29-30

Recommendation: BUY | Target Price: ₹5,550
Valuation: Target price of ₹5,550, based on 37x FY28E EPS.
Maintain a 20% stop-loss from entry price

Margins-FY26





SWOT Analysis

Strength

- EHV cable capability up to **400 kV**
- Strong retail and distribution network
- Effectively debt-free balance sheet
- Presence across **60+ countries**

Weakness

- High dependence on cables and wires segment
- Sanand ramp-up requires significant capital investment
- Returns currently impacted by the ongoing capex cycle

Opportunities

- Sanand Phase II EHV expansion
- Growing transmission and renewable energy capex
- Export expansion towards **20% of revenue**
- ₹4,292 Cr order book supporting growth

Threat

- Copper and aluminium price volatility
- Geopolitical disruptions to export markets
- Global trade and tariff changes
- Competition from established cable manufacturers