Company Name: KSH International Ltd.

Management Participants :

- Rajesh Hegde – Managing Director
- Amod Joshi – Chief Financial Officer
- Dhruv Chopra – Head Investor Relations

11th Annual Valorem Conference Highlights:

Key Highlights:

- Magnet winding wires are critical, performance-sensitive components, accounting for up to 30% of the cost of a large power transformer, down to ~5–6% motor costs.
- Around ~75% of revenue comes from specialized, high-value winding wires, while the remaining ~25% is contributed by standard wires.
- The company is a leader in Continuously Transposed Conductors (CTC), having introduced the technology in India in 2006 and building a strong position in high-voltage and HVDC transformer applications.
- The company follows a make-to-order model with no inventory-based production and typically turns around an order within 15–20 days.
- Raw material costs such as copper and currency fluctuations are largely passed through, with profitability driven by value addition.
- The company has a diversified global customer base of over 120 clients, with ~94% repeat business reflecting strong customer relationships. Its long-standing relationships with global OEMs and utilities create high switching costs, strengthening its competitive positioning.
- It benefits from high entry barriers such as long qualification cycles, stringent approvals, and a proven track record with no failures in deployed transformers.
- The company operates 4 manufacturing facilities with a total capacity of 43,445 tonnes, which is being expanded to 59,045 tonnes through its Supa plant by the end of Q4-FY27.
- Exports contribute ~30% of revenue, making the company the largest exporters of magnet winding wires from India.
- The company's growth is driven by transmission and distribution capex, industrial and localization trends in motors, and emerging opportunities in the EV segment with new products like PEEK wires.
- The company's strong presence in high-voltage and HVDC transformer segments positions it to benefit from the global energy transition and grid modernization.

Key Questions & Answers discussed during the Conference:

- **How will the revenue and capacity mix evolve between standard and specialty wires?** Following the completion of Phase 2 expansion, specialized wires should account for approximately 65% of the capacity, while standard wires should account for the balance 35% and while specialty products such as HVDC-grade wires offer higher realizations, expansion in standard wires will support volumes, resulting in a stable blended EBITDA of approximately INR 65,000 per tonne at around 59,000 tonnes capacity and 85% utilization.

- **What is the incremental value addition from export markets?** Exports typically generate a couple of percentage points higher value addition compared to domestic sales.

- **What are the global capex trends in the transformer industry and demand outlook?** The transformer industry globally is witnessing a strong capex cycle, where most manufacturers are either operating at full capacity, expanding existing facilities, or commissioning new plants within the next 6–12 months, indicating a broad-based demand upcycle.

- **What was the impact of the Middle East conflict in Q3 FY26?** There was no material financial impact during the quarter, In FY approximately 13% revenue came from multiple countries in the GCC.

- **What is the company's view on backward integration into copper?** We do not prioritize major backward integration into copper manufacturing as sufficient supply exists in the market, and instead focus on forward integration and value addition, while also highlighting that large-scale viability of recycled copper for high-voltage applications remains uncertain. Having said that, we have discussed pursuing a backward integration related to our own scrap generated in the manufacturing process on a captive basis.

- **How does the company plan to reduce working capital days?** The higher working capital cycle of around 80 days is primarily due to low payable days of approximately 5 days arising from advance payments for copper procurement, and we are implementing supply chain financing, which is expected to improve payable days over the next several quarters.

- **What is the export mix between standard and specialty wires?** Exports are entirely composed of specialty wires, as these are supplied to global transformer manufacturers requiring high-performance products.

- **What is the capex required for the Supa greenfield facility?** The total capex for the Supa greenfield facility is approximately INR 338 crore for a 30,000-tonne capacity plant, of which around INR 100 crore is allocated toward land and building.

- **How does the company compete with Chinese players globally?** Absent any favourable FTA agreements for China, we are cost competitive with those manufacturers, and a lower cost provider than other global peers.

- **What is the outlook for export contribution?** Exports historically contributed 30-40% of revenue and we expect to maintain a similar mix going forward.

- **Has supplier concentration risk in copper sourcing reduced?** There are several large domestic suppliers such as Adani Group, Hindalco Industries, and Vedanta Limited, which reduce any single-supplier concentration risk.

- **How does copper price volatility impact margins?** We do not manage performance based on percentage EBITDA margins as these are influenced by copper price movements, and instead focuses on maintaining stable margins on a per kg basis, making percentage margins largely a function of commodity price fluctuations.

- **How is demand expected to evolve for HVDC and PEEK wires in India and globally?** HVDC demand is expected to contribute meaningfully over the long term with a significant impact likely post-2030 assuming project execution progresses as planned, while current projects remain limited in scale and do not materially impact volumes, and overall growth is expected to be driven by broad-based volume expansion rather than HVDC alone, whereas PEEK wires are already seeing adoption globally, particularly in Europe and China for 800V+ EV platforms, and in India adoption remains at an early stage but is expected to increase as the EV ecosystem transitions toward higher voltage traction motors.

- **What is the revenue mix across end-user industries?** Approximately 75% of revenue is derived from the power segment including transmission and distribution, railways and renewables, around 20–25% comes from industrial motors.

- **What growth trends are being observed across product segments?** Both specialty and standard wire segments are witnessing strong growth, with specialty wires growing at around 61% year-on-year in Q3 FY2026 and standard wires at around 55% year-on-year in the same period, supported by ongoing capacity expansion in both categories.

- **What is the scope of the PEEK wire licensing agreement and its outlook?** We hold an exclusive license for India from a global patent holder, and PEEK wires are primarily used in 800V+ EV motors with growing global adoption by large OEMs, while in India adoption is still at a nascent stage due to the dominance of 400V systems but is expected to increase as the industry evolves.