Company Name: KSH International Ltd.

Quarter under review: Q4-FY26

KSH International Ltd. – Q4-FY26/FY26 Concall Highlights:

KSH International Ltd								
INR In Mn	Q4-FY26	Q4-FY25	Y-o-Y	Q3-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	10,183	5,078	NA	8,178	24.5%	31,070	19,283	61.1%
EBITDA	564	352	60.2%	494	14.2%	1,921	1,225	56.8%
EBITDA M (%)	5.53%	6.93%	-140 bps	6.04%	-51 bps	6.18%	6.35%	-17 bps
PAT	345	185	87.0%	233	48.0%	1,101	680	62.0%
PAT M (%)	3.39%	3.63%	-24 bps	2.85%	54 bps	3.54%	3.53%	1 bps
Diluted EPS	5.09	3.25	56.6%	3.99	27.6%	18.37	11.97	53.5%

Operational Highlights:

- We continue to see the global transformer industry remain in a structural upcycle driven by renewable energy integration, grid modernization, urbanization, railways, and rising power demand from AI-led data centres.
- Approximately 75% of our revenues are derived from large power transformer applications across T&D, renewables, railways, and data centres through our continuously transposed conductor (CTC) product portfolio.
- Our export revenues during Q4-FY26 increased sharply by 92% YoY, accelerating from 37% growth in Q3 and 22% growth in the preceding quarter. Exports currently cater entirely to transformer OEMs across North America, South America, Europe, the Middle East, and Asia.
- Our specialized winding wire revenues increased 103% YoY during Q4 FY26, significantly outperforming prior quarter growth trends.
- We continue to onboard new transformer OEM customers globally, particularly across the Americas and Europe, with initial trial quantities expected to scale meaningfully over time. Domestically, we are continuing to outperform the broader market by increasing wallet share among leading transformer OEM customers.
- We are witnessing strong demand momentum across EVs, AC compressors, motors, and precision-engineered standard winding wire applications.
- Our Supa expansion project remains on track for completion during FY27 and is expected to increase installed capacity to nearly 59,000 metric tons upon completion of Phase II. Peak capacity utilization is expected to stabilize around 85% over time, while an additional brownfield expansion of nearly 10,000 tons remains feasible at the Supa facility if demand sustains.
- We have initiated development of PEEK wire products for next-generation 800-volt EV traction motors, with commercialization expected over the next 18–24 months.
- We expect imports of CTC to decline materially as domestic capacities rise and rupee depreciation makes imports economically unattractive.
- We believe new entrants in higher-voltage CTC categories, including 765 kV and HVDC, typically require 5–7 years to obtain approvals and customer qualifications.

- Our balance sheet strengthened significantly with Debt to EBITDA reducing to 0.39x in FY26 from 1.21x in FY25. We are also undertaking working capital optimization initiatives with a focus on improving payable days and gradually reducing the working capital cycle over the next few quarters.
- Our current installed capacity stands at 43,445 MT as of March 31, 2026, with Q4 utilization at approximately 70%.
- We expect the India CTC market to reach 100,000–120,000 MT by 2030 from approximately 40,000 MT in FY25.
- Our green copper backward integration project is progressing as planned and is expected to commence operations in H2 FY27.

Key Questions & Answers discussed during the Concall:

- **What was the impact of Middle East disruptions on Q4 performance?** Temporary shipment disruptions in the Middle East impacted dispatches of nearly 200–300 tons during March, which were eventually delivered in April. Some manufacturing schedules were also deferred due to uncertainty around logistics. However, demand from export customers remained intact and no meaningful order cancellations were witnessed. Freight-related inflation was passed through wherever contracts allowed. Overall, the disruption remained temporary and business momentum normalized quickly.

- **What is the sustainable EBITDA per ton outlook going forward?** Q4 FY26 EBITDA per ton reached nearly INR 70,000, supported by stronger exports and favorable product mix. A sustainable long-term range of INR 65,000–70,000 per ton remains achievable depending on product mix. Higher contribution from exports and HVDC-grade CTC products is expected to support realizations. Stable copper prices and continued mix improvement can help maintain current profitability levels. The mix between standard and specialized products remains an important profitability driver.

- **How is working capital expected to evolve over the next few quarters?** We expects working capital days to gradually reduce over time through better banking arrangements and higher payable days. Inventory days increased temporarily because large transformer orders require phased manufacturing and dispatches. Shipment delays to the Middle East also temporarily elevated inventory levels during Q4. Payable days are expected to improve toward 25–30 days over time. These initiatives are expected to support stronger operating cash flow generation in FY27.

- **How difficult is it for new entrants to enter the CTC business?** New entrants typically start with lower-kV transformer applications before gradually moving toward higher-voltage categories such as 765 kV and HVDC. The approval process across utilities and transformer OEMs is highly stringent and time consuming. Based on industry experience, new entrants usually require 5–7 years to achieve meaningful qualifications in advanced transformer categories. Existing players with long operating history and deployed references maintain a significant advantage. Customer trust and operational track record remain critical entry barriers.

- **What are the demand drivers for exports and specialized winding wires?** Export demand continues to be driven entirely by transformer OEMs across four continents including the Americas, Europe, Middle East, and Asia. Most global transformer manufacturers are currently expanding capacities to address rising demand for transformers. Specialized winding wires, particularly CTC products, continue benefiting from renewable energy investments, grid modernization, and data center demand. Export relationships remain largely long term and recurring in nature. We aims to gradually increase exports contribution back toward 40% of revenues over the next few years.

- **How does the pricing structure work across CTC and HVDC products?** We typically operates through one-year or multi-year agreements with transformer OEMs. Pricing is based on a matrix of product complexity, processing requirements, and technical specifications rather than copper price fluctuations. Higher-complexity products such as HVDC and 765 kV transformers command higher value addition and better profitability. Copper prices remain a pass-through component under the business model. Margins therefore depend more on product complexity and customer mix.

- **Can transformer OEMs backward integrate into CTC manufacturing?** Large-scale backward integration by transformer OEMs is considered unlikely going forward. Earlier concerns emerged primarily when industry-wide supply shortages existed during the transformer upcycle. However, recent capacity additions by existing CTC manufacturers have improved availability significantly. CTC manufacturing involves highly complex and continuous processing technologies that require scale efficiencies and technical expertise. Globally, most transformer OEMs are not backward integrated into CTC manufacturing.

Key Participants:

- *Mohit Kumar – ICICI Securities*
- *Surya Narayan Nayak – Sunidhi Securities*
- *Mahesh Bendre – LIC Mutual Fund*
- *Chirag Jain – Spark Capital*