KSH International

Capital Goods

Strong growth momentum continues

KSH International (KSH) reported a very strong Q4FY26 performance with revenue and PAT growth of 2x and 1.9x YoY, driven by robust volume growth, a sharp ramp-up in specialised winding wires, and strong export traction. FY26 revenue was ~INR 31bn (+61% YoY), while EBITDA and PAT grew 58% and 63% YoY, respectively. Notably, exports grew 92%/39% in Q4/FY26, respectively. The company is well poised to benefit from: 1) Structural transformer demand globally, 2) increasing penetration in HVDC transformers, 3) export-led growth opportunities, and 4) capacity expansion from 29kt in FY25 to 59kt by FY27-end. Note that it has recently increased its capacity by ~1.5x to ~43.5kt. With the transmission capex tailwinds intact in the domestic market, healthy export opportunities and KSH's strong positioning in specialised conductors, we see a strong outlook for volume growth over the next 2-3 years. Retain **BUY**.

Strong growth in volumes

KSH reported volume growth of 29% YoY in Q4FY26 and 21% YoY in FY26, aided by an uptick in exports and strong momentum in specialised winding wire demand. Sales volumes increased to 28kt in FY26 (vs. 23kt in FY25). In FY26, EBITDA/t improved to ~INR 68k vs. INR 52k in FY25. Management guides for a sustainable EBITDA/t range of INR 68-74k.

Specialised winding wires grow 1.6x YoY

Specialised magnet winding wires contributed >70% of FY26 revenue and grew 62% YoY. In Q4, winding wires contributed a revenue of INR 7bn (a 2x YoY jump). These products cater to high-voltage transformers, HVDC transformers, and industrial applications, where entry barriers remain high due to long qualification cycles and stringent OEM approvals. Notably, KSH is aptly positioned in terms of approvals and could benefit from the strong traction in specialised wires.

An uptick in exports

Export revenue grew 92% YoY in Q4FY26 and 39% YoY in FY26, aided by new customer additions and expansion into new geographies. Management sees strong demand from OEMs globally, amid power grid upgrades, renewable integration and AI data-centre-led growth.

Capacity expansion on track

KSH expanded its installed capacity by 1.5x to 43.5kt FY26, which could aid volume growth in FY27. It remains on track to reach 59kt by Q4FY27.

Reiterate BUY

We reiterate **BUY** with a revised TP of INR 900 (INR 600 earlier).

Financial Summary

Y/E Mar'31 (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	19,280	31,070	38,396	45,428
EBITDA	1,212	1,921	2,434	3,022
EBITDA Margin (%)	6.3	6.2	6.3	6.7
Net Profit	686	1,116	1,571	2,067
EPS (INR)	10.1	16.5	23.2	30.5
EPS % Chg YoY	83.7	62.6	40.8	31.6
P/E (x)	73.1	44.9	31.9	24.2
EV/EBITDA (x)	44.3	27.3	21.1	16.5
RoCE (%)	23.0	20.2	18.0	19.0
RoE (%)	26.3	20.3	17.7	19.3

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Market Data

Market Cap (INR)	50bn
Market Cap (USD)	524mn
Bloomberg Code	KSHINTL IN
Reuters Code	KSHN.BO
52-week Range (INR)	799 /330
Free Float (%)	24.0
ADTV-3M (mn) (USD)	2.6

Price Performance (%)	3m	6m	12m
Absolute	98.5	0.0	0.0
Relative to Sensex	106.1	0.0	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

Previous Reports

11-03-2026: Initiating Coverage

Exhibit 1: Quarterly financials

INR mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)	FY25	FY26	YoY (%)
Total Revenue	5,078	5,587	7,121	8,178	10,183	25%	101%	19,280	31,070	61%
EBITDA	352	403	461	494	564	14%	60%	1,212	1,921	58%
EBITDA Margin (%)	*7%*	*7%*	*6%*	*6%*	*6%*	*-50 bps*	*-139 bps*	*6%*	*6%*	*65 bps*
Depreciation	35	33	39	70	77	10%	122%	140	219	57%
Finance Cost	79	73	93	142	132	-7%	68%	274	440	61%
Other Income	20	39	36	47	93	98%	367%	105	214	104%
PBT	258	335	365	328	447	36%	73%	903	1,476	63%
Tax	74	109	69	81	101	26%	37%	217	360	66%
Tax Rate (%)	*29%*	*32%*	*19%*	*25%*	*23%*	*-188 bps*	*-588 bps*	*24%*	*24%*	*170 bps*
Reported PAT	185	227	296	247	345	40%	87%	686	1,116	63%
Adjusted PAT	185	227	299	231	345	49%	87%	686	1,102	61%
APAT Margin (%)	*4%*	*4%*	*4%*	*3%*	*3%*	*56 bps*	*-24 bps*	*4%*	*4%*	*16 bps*
EPS	3	4	5	3	5	49%	57%	12	16	35%

Source: I-Sec research, Company data

Exhibit 2: Revenue break-up

INR mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	QoQ (%)	YoY (%)	FY25	FY26	YoY (%)
Specialised Wires	3,484	3,798	5,097	5,897	7,079	20%	103%	13,529	21,871	62%
Standard Wires	1,280	1,497	1,542	1,819	2,309	27%	80%	4,547	7,167	58%
Other Operating Income	315	292	483	462	795	72%	152%	1,204	2,032	69%

Source: I-Sec research, Company data

Q4FY26 conference call highlights

Financial highlights

- EBITDA/ton improved in Q4 to INR 74k vs. INR 59.6k (+24% YoY).
- For FY26, EBITDA/t came in at INR 68k vs. INR 52k (+31% YoY).
- Management guided for a sustainable range of INR 68-74k EBITDA/t for the coming years.
- Specialised revenue came in at INR 7bn, +103% YoY.
- Standard wire revenue came in at INR 2.3bn, +80% YoY.
- Specialised winding wires continued to contribute >70% of total revenue.

Export business

- Export revenue for Q4 was INR 2.5bn (+92% YoY), and for FY26, it was INR 8.2bn, +39% YoY.
- Company added new export geographies and new transformer OEM customers globally.
- Management highlighted strong demand from the Middle East, Europe and North America driven by grid upgrades and renewable investments.
- Ongoing global conflicts impacted volume sales by 100-150t.

Capacity addition

- Installed capacity increased to ~43.5kt at FY26-end vs. 29kt earlier.
- The company is on track to achieve 59kt capacity by Q4FY27, led by the Supa Phase-II expansion.

Other Highlights

- Volumes came in at 7.6kt (+29% YoY) in Q4 and 28kt in FY26 (+21% YoY).
- Debt/equity ratio reduced sharply to 0.39x in FY26 from 1.21x in FY25, aided by IPO proceeds and loan repayments.

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 **BUY** with a revised TP of **INR 900** (INR 600 earlier), based on 30x FY28E earnings (vs. 20x FY28E). We have revised the multiple upwards given better near-term growth visibility, which is driven by a healthy volume trajectory aided by domestic transmission tailwinds and exports and a better-than-expected EBITDA/t.

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/share)	Multiple (x)	TP (INR/share)
2,067	30.5	30	900

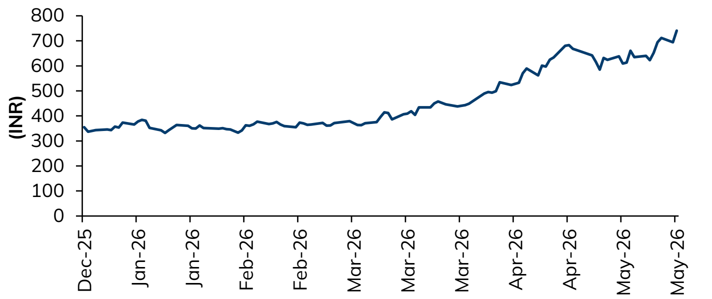
Source: I-Sec research, Company data

Exhibit 4: Shareholding pattern

%	Dec'25	Mar'26
Promoters	74.6	74.6
Institutional investors	16.8	18.9
MFs and other	11.6	11.6
Banks/ FIs	60.7	1.8
Insurance Cos.	0.9	0.5
FIIs	3.7	5.0
Others	8.6	6.5

Source: Bloomberg, I-Sec research

Exhibit 5: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 6: Profit & Loss

(INR mn, year ending Mar'31)

	FY25A	FY26A	FY27E	FY28E
Net Sales	**19,280**	**31,070**	**38,396**	**45,428**
Operating Expenses	924	1,284	1,584	1,945
EBITDA	**1,212**	**1,921**	**2,434**	**3,022**
EBITDA Margin (%)	6.3	6.2	6.3	6.7
Depreciation & Amortization	140	219	282	338
EBIT	1,072	1,702	2,152	2,683
Interest expenditure	274	440	320	222
Other Non-operating Income	105	214	236	259
Recurring PBT	**903**	**1,476**	**2,067**	**2,720**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	217	360	496	653
PAT	686	1,116	1,571	2,067
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**686**	**1,116**	**1,571**	**2,067**
Net Income (Adjusted)	**686**	**1,116**	**1,571**	**2,067**

Source Company data, I-Sec research

Exhibit 7: Balance sheet

(INR mn, year ending Mar'31)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	4,476	8,893	8,738	10,890
of which cash & cash eqv.	87	845	799	1,544
Total Current Liabilities & Provisions	318	1,867	1,291	1,740
Net Current Assets	**4,158**	**7,025**	**7,447**	**9,149**
Investments	-	-	-	-
Net Fixed Assets	1,297	3,595	4,192	3,854
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**	**11,720**	**13,084**
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	9,313	11,381
Total Net Worth	**2,901**	**8,081**	**9,652**	**11,719**
Minority Interest	-	-	-	-
Total Liabilities	**6,606**	**11,359**	**11,720**	**13,084**

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending Mar'31)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**(608)**	**(994)**	**1,104**	**1,110**
Working Capital Changes	(1,294)	(2,110)	(468)	(957)
Capital Commitments	(909)	(1,272)	(554)	338
Free Cashflow	**301**	**278**	**1,658**	**772**
Other investing cashflow	**-**	**-**	**-**	**-**
Cashflow from Investing Activities	(909)	(1,272)	(554)	338
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**	**(46)**	**745**
Closing cash & balance	87	845	799	1,544

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending Mar'31)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	10.1	16.5	23.2	30.5
Adjusted EPS (Diluted)	10.1	16.5	23.2	30.5
Cash EPS	12.2	19.7	27.4	35.5
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	42.8	119.3	142.5	173.0
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	39.4	61.2	23.6	18.3
EBITDA	69.6	58.5	26.7	24.2
EPS (INR)	83.7	62.6	40.8	31.6
Valuation Ratios (x)				
P/E	73.1	44.9	31.9	24.2
P/CEPS	60.7	37.5	27.0	20.8
P/BV	17.3	6.2	5.2	4.3
EV / EBITDA	44.3	27.3	21.1	16.5
P / Sales	2.6	1.6	1.3	1.1
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	11.1	10.3	10.5	10.9
EBITDA Margins (%)	6.3	6.2	6.3	6.7
Effective Tax Rate (%)	24.0	24.4	24.0	24.0
Net Profit Margins (%)	3.6	3.6	4.1	4.6
NWC / Total Assets (%)	0.1	-	-	-
Net Debt / Equity (x)	1.2	0.3	0.1	0.0
Net Debt / EBITDA (x)	2.9	1.2	0.5	(0.1)
Profitability Ratios				
RoCE (%)	23.0	20.2	18.0	19.0
RoE (%)	26.3	20.3	17.7	19.3
RoIC (%)	16.4	16.3	15.8	18.1
Fixed Asset Turnover (x)	14.4	12.7	9.9	11.3
Inventory Turnover Days	43	62	39	38
Receivables Days	49	48	42	41
Payables Days	4	18	7	10

Source Company data, I-Sec research

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