KSH International Limited

Rating “HOLD” with a TP of INR 783

KSH International Limited (KSHINTL) delivers a clean sweep, beats on all counts in Q4 FY26 and FY26, with no misses across revenue, EBITDA, PAT, and exports. Q4 FY26 revenue from operations stood at INR 1,018 Cr (up 101% YoY) driven by volume growth, favourable product mix, while PAT of INR 34.5 Cr grew 87% YoY. For the full year, FY26 revenue came in at INR 3,107 Cr (up 61% YoY) with PAT of INR 110 Cr (up 62% YoY). EBITDA/ton improved sharply to INR 74,018 in Q4 FY26 (+24% YoY) and INR 67,625 for FY26 (+29% YoY), driven by operating leverage from higher capacity utilization, a faster-growing specialized wires segment (which commands ~3x higher EBITDA/ton vs. standard wires) outpacing standard wire growth, and an increasing share of exports in the revenue mix. Specialized wires grew 103% YoY in Q4 and 62% in FY26. Export revenue surged 92% YoY in Q4 FY26, sharply accelerating from 37% in Q3 FY26, driven by new geographies and new transformer OEM customers. Installed capacity Q42026 stands at 43,445 MTs with the company on track to exit FY27 at 59,045 MT. Balance sheet strengthened materially post-IPO, with Debt/Equity declining to 0.39x in FY26 from 1.21x in FY25. **We recommend a HOLD on KSH International Limited with a TP of INR 783, as the company is on track to deliver strong volume and earnings growth underpinned by capacity expansion, specialized wire mix improvement, and accelerating export momentum.**

Key Business Highlights

- **Revenue Growth & Customer Momentum:** Q4 FY26 and FY26 revenue grew 101% and 61% YoY to INR 1,018 Cr and INR 3,107 Cr respectively, driven by volumes, mix, and copper prices. Export revenue accelerated sharply to 92% YoY growth in Q4 FY26 (vs. 37% in Q3 FY26), reaching INR 823 Cr for FY26 (~27% of revenues), driven by new geographies and new transformer OEM additions in existing markets. New domestic OEM customers were also added for standard wire products.
- **Volume Growth & Capacity Expansion**: Volumes grew 29% YoY to 7,612 MT in Q4 FY26 and 21% YoY to 28,168 MT in FY26. Installed capacity stands at 43,445 MT at Q42026, on track to reach 59,045 MT by end of FY27. Utilization was 70% in Q4 FY26, a sequential improvement over Q3 FY26, with management guiding for at least 21% volume growth in FY27.
- **EBITDA/Ton — Structural Improvement**: EBITDA/ton improved 24% YoY to INR 74,018 in Q4 FY26 and 29% YoY to INR 67,625 for FY26, driven by operating leverage, higher specialized wire mix (~3x EBITDA/ton vs. standard), and growing export share. Management views INR 65,000–70,000/ton as sustainable long-term.
- **Working Capital**: Payable days improved 8 days in FY26, with management targeting a further ~25-day improvement. Inventory days were marginally higher due to the lumpy nature of the business and ~100–150 tons of shipments pushed from March to April owing to Middle East re-routing, with zero demand destruction.

Valuation at a Glance

- **We recommend a HOLD on KSH International Limited with a TP of INR 783, based on an upgraded multiple of 30x FY28E EPS of INR 26.1.** The multiple reflects KSH’s structural positioning as India’s leading CTC supplier, exceptional EBITDA/ton, and long-term demand visibility from India’s T&D capex and global export ramp up.

Key Financial Snapshot

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue	1057	1390	1938	3128	3894	4865
Revenue YoY %		32%	39%	61%	24%	25%
EBITDA (₹ Cr)	50	71	123	192	240	300
EBITDA Margin %	4.75%	5.17%	6.35%	6.18%	6.18%	6.18%
PAT (₹ Cr)	27	37	68	110	138	174
PAT Margin %	2.54%	2.70%	3.53%	3.55%	3.56%	3.59%
EPS (₹)	5	7	12	18	20	26
P/E (x) @CMP	159	113	62	40	36	29
ROCE %	13%	14%	16%	15%	16%	17%
ROE %	14%	16%	23%	14%	15%	16%

Result Update

HOLD

Stock Data

CMP (INR)	742
Target	783
Upside (%)	5%
BSE code	544664
NSE code	KSHINTL
Bloomberg Code	KSHINTL:IN
Face Value	5.0
Market Capitalization (Cr)	5,018
1M Average Daily Volume	492,148
52-week H/L	799/330

Shareholding Pattern (%)

Period	Mar’26	Dec’25
Promoters	74.58	74.58
FII	5.05	3.72
DII	13.89	13.09
Others	6.47	8.61

Estimates & Actuals

Particulars	FY26A	FY27E	FY28E
EBITDA	192	240	300
PAT	110	138	174
PAT Margin	3.55%	3.56%	3.59%
EPS	18	20	26

Price Chart

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Key Takeaways from Earnings Call

1. **Financial Performance**
   Quarterly (4QFY26 vs 4QFY25)
   - Revenue from Operations: INR 1,018 Cr, up 101% YoY
   - EBITDA: INR 56 Cr, up 60% YoY; EBITDA margin at 5.5% vs 6.9% in Q4 FY25
   - EBITDA/Ton: INR 74,018, up 24% YoY
   - PAT: INR 34.5 Cr, up 87% YoY

   Yearly (FY26 vs FY25)
   - Revenue from Operations: INR 3,107 Cr, up 61% YoY
   - EBITDA: INR 192 Cr, up 55% YoY; EBITDA margin at 6.1% vs 6.4% in FY25
   - EBITDA/Ton: INR 67,625, up 29% YoY
   - PAT: INR 110 Cr, up 62% YoY

2. **Operational Performance** *(primary driver for FY26 success)*
   - Production Volume: Volumes grew 29% YoY to 7,612 MTs in Q4 FY26 and 21% YoY to 28,168 MTs in FY26. Specialized wires maintained ~75% revenue share, growing 103% YoY in Q4 and 62% for the full year, significantly outpacing standard wire growth.
   - Company-level utilization was 70% in Q4 FY26, a sequential improvement over Q3 FY26, diluted by the sizeable Supa capacity addition.
   - Management guiding for at least 21% volume growth in FY27 with new capacity available.
   - Working Capital: Net working capital days improved to 65 days from 68 days in FY25. Payable days improved 8 days in FY26; management targeting ~25-payable days by the end of FY27. Inventory days marginally higher due to lumpy business nature and ~100–150 tons of Middle East shipment delays (pushed from March to April), zero demand destruction.
   - 3.2 MW rooftop solar commissioned at Supa, bringing total captive solar capacity to 4 MW. Green copper backward integration project on track for H2 FY27.

3. **Strategic Highlights and Market Positioning**
   - Export & Customer Momentum: Export revenue accelerated to 92% YoY in Q4 FY26 vs. 37% in Q3 FY26, driven by new geographies and new transformer OEM customers in existing markets. New domestic OEM customers also added for standard wire products.
   - CTC Market & Competitive Dynamics: Domestic CTC demand stood at ~40,000 tons in FY25, expected to reach ~70,000 tons in FY27 and 100,000–120,000 tons by 2030. Value addition per ton is fixed contractually by product complexity, copper price movements affect EBITDA margin (%) but not absolute EBITDA/ton. Global transformer OEMs are not backward integrated into CTC manufacturing.
   - New Growth Vertical: KSH has earmarked 5–10% of capacity for PEEK insulated wires targeting automotive/EV applications. Revenues expected within 1.5–2 years at EBITDA/ton in line with higher CTC margins, making it a meaningful margin-accretive opportunity as it scales.
   - Capacity & Outlook: Installed capacity at March 31, 2026: 43,445 MTs including 14,400 MTs at Supa Phase 1; on track to exit FY27 at 59,045 MTs with physical space for an additional 10,000 MTs. Peak utilization of ~85% expected over 2–3 years.
   - Business Model: Strict B2B, make-to-order model; 120+ OEMs, 97% repeat revenue, copper fully passed through. Blended EBITDA of INR 65,000–70,000/ton viewed as sustainable long-term. New entrants require 5–7 years for PGCIL approvals up to 765 kV & HVDC.

Valuation Thesis

HOLD at 30x FY28E P/E with a TP INR INR 783

We recommend a HOLD on KSH International Limited with a 12-month Target Price of INR 783, based on an upgraded multiple of 30x FY28E (Prev. 22x) earnings per share of INR 26.1. The 30x FY28E P/E is justified by: (1) 23/25/27% Revenue/EBITDA/PAT CAGR from FY26-FY28E; (2) HVDC sole approved vendor - creating structural pricing power; (3) highest EBITDA/ton in the winding wires universe and expected to be stable.

Key Risks to Our Thesis

- **Capacity Ramp-Up Risk**: Supa capacity ramp-up slower than anticipated could keep utilization and operating leverage below expectations, pressuring EBITDA/ton improvement trajectory.
- **Demand Slowdown Risk:** Any moderation in domestic T&D capex or global transformer demand could impair volume growth assumptions and delay utilization ramp at Supa.
- **Working Capital Elongation**: Working capital days could elongate beyond guided levels given lumpy order execution, higher inventory buildup, and potential delays in receivable collections from export customers.
- **Customer concentration**- Top 10 customers contribute 50% to the revenue, losing any customer would have a material impact on the volumes.

Summary of Financials

P&L

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue from Operations	1,057	1,390	1,938	3,128	3,832	4,711
YoY Growth %	0.00%	31.60%	39.39%	61.41%	22.48%	22.94%
Raw Material Costs	937	1232	1714	2786	3427	4216
Employee Expenses	24	34	40	53	65	80
Manufacturing & Other Exp.	39	46	52	76	89	105
EBITDA	50	71	123	192	240	300
EBITDA Margin %	4.75%	5.17%	6.35%	6.18%	6.28%	6.38%
Depreciation	8	11	14	22	33	38
EBIT	42	61	109	170	207	262
Interest Expense	13	18	28	44	31	36
Other Income	7	8	10	21	10	10
PBT	35	51	90	148	186	236
Tax (25%)	9	13	22	36	46	59
PAT	27	37	68	110	139	177
PAT Margin %	2.54%	2.70%	3.53%	3.55%	3.65%	3.76%
EPS (₹)	4.68	6.57	11.96	18.38	20.57	26.10

Balance Sheet

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
PPE + CWIP	119	149	244	377	435	437
Other NC Assets	4	6	26	56	56	56
Total NC Assets	123	155	270	433	491	493
Inventories	109	133	211	425	423	520
Trade Receivables	109	159	224	333	440	541
Cash & Equivalents	7	18	11	84	175	299
Other Current Assets	11	18	29	47	58	71
Total Current Assets	236	327	475	889	1096	1431
Total Assets	359	483	745	1323	1586	1923
Equity Share Capital	6	6	28	34	34	34
Other Equity	188	225	270	774	914	1091
Total Equity	194	231	298	808	948	1125
LT Borrowings	8	34	116	26	26	26
Other NC Liabilities	16	13	10	12	12	12
ST Borrowings	117	180	260	325	378	434
Trade Payables	20	18	33	124	190	289
Other Current Liabilities	5	6	27	29	33	39
Total Liabilities	166	252	447	514	639	799
Total Liabilities & Equity	359	483	745	1323	1586	1923

Cash Flow

Particulars (INR Cr)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
CFO (Operating)	62	-17	-10	-65	149	134
PBT	35	51	90	148	186	236
D&A add-back	22	28	40	58	54	64
WC changes	13	-83	-119	-239	-45	-107
Taxes paid	-9	-12	-21	-32	-46	-59
CFI (Investing)	-20	-39	-118	-179	-80	-30
Capex	-22	-40	-120	-163	-90	-40
Other Income	2	1	0	1	10	10
CFF (Financing)	-41	67	123	306	22	19
Net Borrowings	-29	84	150	-48	54	56
IPO Proceeds	0	0	0	397	0	0
Interest Paid	-12	-16	-27	-44	-31	-36
Net Cash Change	1	11	-5	62	91	124
Closing Cash	4	16	11	73	164	288

Quarterly P&L

Particulars (INR Cr)	Q4FY26	Q3FY26	QoQ	Q4FY25	YoY
Revenue from Operations	1,018	818	25%	508	101%
Raw Material Costs	921	735	25%	452	104%
Employee Expenses	15	14	10%	7	107%
Manufacturing & Other Exp.	25	20	28%	13	94%
EBITDA	56	49	14%	35	60%
Depreciation	8	7	10%	3	122%
EBIT	49	42	15%	32	53%
Interest Expense	13	14	-7%	8	69%
Other Income	9	5	98%	2	368%
PBT	45	33	36%	26	73%
Tax (25%)	10	8	29%	7	37%
PAT	35	25	38%	18	87%
PAT Margin %	3.39%	3.05%	34 bps	3.64%	25 bps
EPS (₹)	5.10	4.00	28%	3.25	57%

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Buy	The stock's total return is expected to exceed 20% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Sell	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.