CD Research Pvt Ltd

CHANGING DIMENSIONS

Aug 21, 2026

KEC International Ltd.	
No. of shares (m)	266.2
Mkt cap (Rs crs/$m)	11290/1180.4
Current price (Rs/$)	424/4.4
Price target (Rs/$)	610/6.4
52 W H/L (Rs.)	938/418
Book Value (Rs/$)	217/2.3
Beta	1.1
Daily volume NSE (avg. monthly)	1001427
P/BV (FY27e/28e)	1.8/1.6
EV/EBITDA (FY27e/28e)	8.8/8.0
P/E (FY27e/28e)	15.6/12.5
EPS growth (FY26/27e/28e)	13.2/11.1/24.4
OPM (FY26/27e/28e)	8.0/7.6/7.5
ROE (FY26/27e/28e)	12.3/12.1/13.5
ROCE (FY26/27e/28e)	11.2/11.0/11.8
D/E ratio (FY26/27e/28e)	1.3/1.1/0.9
BSE Code	532714
NSE Code	KEC
Bloomberg	KECI IN
Reuters	KECL.NS

Shareholding pattern	%
Promoters	50.1
MFs / Banks / FIs/Others	23.3
FPIs	9.9
Govt. Holding	0.0
Public & Others	16.7
Total	**100.0**

As on June 30, 2026

Recommendation
BUY
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Quarterly Highlights

- Revenue from operations of KEC International stood at Rs 5023.54 crs in Q1FY27 broadly flat when compared with Rs 5022.88 crs in Q1FY26. T&D continued to be the largest contributor with revenue of ~Rs 3217 crs, accounting for ~64% of consolidated revenue. Execution in T&D was impacted by supply-chain and logistics constraints in the Middle East as well as ROW-related challenges in India. SAE Towers, however, reported strong growth of over 25% y-o-y with revenue of ~Rs 450 crs, supported by healthy demand across the US, Mexico and Brazil. The Company secured new orders of over ~Rs 6300 crs during the quarter across divisions, of which T&D contributed around ~Rs 3600 crs. The order book stood at Rs 37697 crs, while the order book plus L1 remained above Rs 40000 crs.
- Profitability remained under pressure impacted by geopolitical disruptions in the Middle East, elevated logistics cost, payment delays owing from water projects and continued costs relating to settlement of legacy transportation and metro projects. KEC's consolidated operating profit stood at Rs 290.81 crs in Q1FY27 down from Rs 350.10 crs in Q1FY26. T&D margins remained healthy at around double-digit levels, while profitability in civil and transportation segment remained weak.
- During the quarter, KEC continued to expand into new growth areas and geographies. The Company secured its first transmission line order for the evacuation of power to a data centre in Western India and a substantial tower supply order in the Middle East, thus opening up a new market for its tower supply business. SAE secured orders of some Rs 1700 crs, including its largest-ever tower supply order from the US, while also executing its first pilot order for mining structures in Brazil and securing an order for solar-project structures in Mexico.
- The stock is currently trading at 15.6x FY27e EPS of Rs 27.25and 12.5x FY28e EPS of Rs 33.91. Near-term earnings remain exposed to geopolitical and supply-chain disruptions in the Middle East, delayed collections from water projects, and continued costs in legacy projects. Nevertheless KEC's strong T&D franchise and improving momentum in SAE Towers provide healthy growth visibility. Given an uptick in earnings, ROE is pegged at 12.1% in FY27e and 13.5% in FY28e. Balancing odds, we assign 'buy' rating on the stock with revised target of Rs 610 (previous target of Rs 999) based on 18x FY28e earnings.

Rs crs	FY24	FY25	FY26	FY27e	FY28e
Income from operations	19914.17	21846.70	23505.54	26575.65	29570.34
Other Income	52.41	70.86	50.33	54.16	53.00
EBITDA (other income included)	1408.37	1750.11	1858.36**	2073.36	2284.79
PAT after EO (adjusted)	346.28	566.63	652.65	725.41	902.56
EPS (Rs)	13.47	21.66*	24.52	27.25	33.91
EPS growth (%)	100.5	60.8	13.2	11.1	24.4

*calculated on weighted average equity
**includes exceptional items amounting Rs 61.33 crs.

Industry Outlook

Global Construction Sector

According to Expert Market Research, the global construction market was valued at $14.45 trillion in 2025 and is projected to reach $27.12 trillion by 2035, registering a CAGR of 6.5% during the ten year period. Asia-Pacific is expected to grow at approximately ~7% over the forecast period, supported by rapid urbanization in India, China and Southeast Asia, along with government-backed infrastructure programs in the region. Commercial construction is expected to remain an important growth segment, driven by continued investments in offices, retail, hospitality and data centres, while residential construction remains the volume backbone of the industry owing to sustained housing demand.

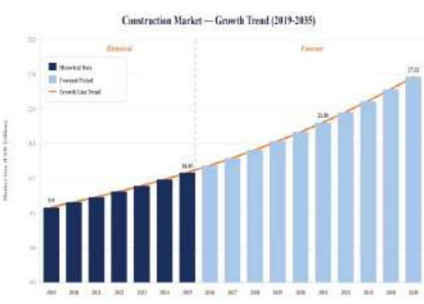
The industry is gradually shifting towards technology-led and standardized project delivery. Building Information Modelling (BIM), modular and prefabricated construction, AI-enabled scheduling, robotics and digital twins are increasingly being adopted to reduce rework, improve cost certainty and compress execution timelines. Demand for low-carbon concrete, recycled steel, mass timber and other green construction materials is also increasing as governments and project owners incorporate sustainability and embodied-carbon considerations into procurement decisions. These trends are likely to favour large and integrated contractors with strong design, procurement, digital execution and balance-sheet capabilities. However, economic slowdowns, regulatory obstacles and volatility in material costs remain key constraints for the sector.

Power T&D Industry

According to Fortune Business Insights, the global electricity transmission and distribution market is expected to increase to $410.8 billion in 2026 and $580.51 billion by 2034, reflecting a CAGR of 3.9% during nine year period. Asia-Pacific dominated the market and is projected to reach $177.88 billion in 2026. India's electricity T&D market alone is estimated to be worth $28.88 billion in 2026, highlighting the country's importance within the regional opportunity. The transition towards renewable energy remains a structural growth driver for the industry. Increasing integration of intermittent wind and solar generation requires expansion of transmission capacity, grid-balancing infrastructure and modernization of substations and distribution networks. Rapid urbanization, industrial electrification and rising power demand are further increasing the need for reliable and efficient electricity delivery.

Nevertheless, the Indian industry remains capital intensive and exposed to regulatory approvals, implementation delays and the technical complexity of managing decentralized and bi-directional power flows. Increasing digitalization of grids also raises exposure to cyberattacks, necessitating stronger cybersecurity systems and higher investments in network protection. Hence, while grid modernization provides a multi-year opportunity for T&D equipment manufacturers and EPC contractors, execution capabilities and regulatory coordination will remain important differentiators.

Source: Fortune Business Insights



Source: Expert Market Research

Civil Construction India

According to Mordor Intelligence, the Indian construction market is estimated at $0.79 trillion in 2026 and is projected to reach $1.10 trillion by 2031, growing at a CAGR of 6.87%. The growth outlook is supported by front-loaded public expenditure and increasing participation of private capital. Public outlays accounted for 51.79% of construction spending in 2025, while private investment is projected to grow at a CAGR of 10.06% through 2031, aided by deeper capital pools and wider adoption of REIT and InvIT structures. Residential construction remained the largest segment, accounting for 44.68% of the market in 2025. However, infrastructure construction is expected to grow faster at a CAGR of 9.49% through 2031, supported by transport corridors, highways, renewable-energy infrastructure and industrial developments. Transportation and renewable-energy projects collectively generated $25.2 billion of EPC orders during 2025, supported by 8,500 km of highway awards and additions of solar and wind capacity. New construction accounted for 76.88% of the market in 2025, although renovation is expected to be the fastest-growing construction type, indicating increasing opportunities in brownfield expansion, asset upgrades and redevelopment.

The industry nevertheless faces material execution and profitability risks. Volatility in bitumen, steel and other construction inputs can compress margins on fixed-price contracts, particularly for legacy projects without adequate price-escalation clauses. Land-acquisition litigation is also causing project delays and cost overruns, prompting government authorities and contractors to increasingly consider brownfield widening, land-pooling and projects using existing rights of way. Environmental restrictions on sand mining and the growing compliance burden associated with ESG-linked financing may further affect mid-sized contractors. These factors indicate that order-book growth may not translate uniformly into profitability, with project selection, contract structure, working-capital discipline and supply-chain management remaining critical factors.

Source: Mordor Intelligence

Source: Ministry of Railways

Railways

Indian Railways remains an important contributor to India's infrastructure and logistics development. Under the Union Budget 2026–27, the sector received a record capital expenditure allocation of Rs 2.93 lakh crore, reflecting continued government focus on network expansion, safety, high-speed connectivity and modernization of freight and passenger infrastructure. Freight continues to remain the principal revenue driver for the sector. Indian Railways carried a record 1,670 million tonnes of freight in FY26, while freight revenue increased to Rs 1.78 trillion and accounted for 63.97% of total receipts. The sector is simultaneously undergoing a transition towards electrified, safer and technology-driven infrastructure.

The sector is simultaneously undergoing a transition towards electrified, safer and technology-driven infrastructure. The continued focus on electrification and green mobility is aligned with Indian Railways' objective of becoming a net-zero carbon emitter by 2030. Sustained capital expenditure, freight growth and network modernization are therefore expected to provide long-term order visibility for railway EPC, signaling and rolling-stock supplies, although timely project execution and availability of budgetary funding will remain key monitorables.

Order Book

KEC International's order book stood at Rs 37,697 crs YTD (excluding L1 positions of almost Rs 3000 crs), with contribution from domestic market being 54% to the overall mix. Order intake for YTD was Rs 6,303 crs with major contribution from T&D (57%), civil business (15%) and renewables (12%). KEC is currently evaluating tenders and orders of some Rs 2,00,000 crs (T&D business accounts for majority).

T&D business alone has secured orders worth ~Rs 3600 crs in Q1FY27 across India, Middle East, Africa and America. In India, KEC continues to expand in private-sector and has secured its first transmission line order for evacuation of power to a data centre in Western India, while discussions are underway with other data centre developers. The Company continues to actively participate in the growing HVDC opportunity, having bid for multiple packages during the year. KEC has also entered a new market for tower supplies in the Middle East. SAE Towers witnessed a sharp pickup in orders with inflow of some Rs 1,700 crs so far this fiscal, nearly four times yoy, across the US, Mexico and Brazil. The wins include SAE's largest-ever tower supply order from the US, taking its order book plus L1 to a record of over Rs 3,800 crs. The business has also executed its first pilot order for mining structures in Brazil and secured an order from Mexico for structures for an overseas solar project, thereby expanding beyond conventional transmission applications.

Sources: KEC International Ltd., CD Research

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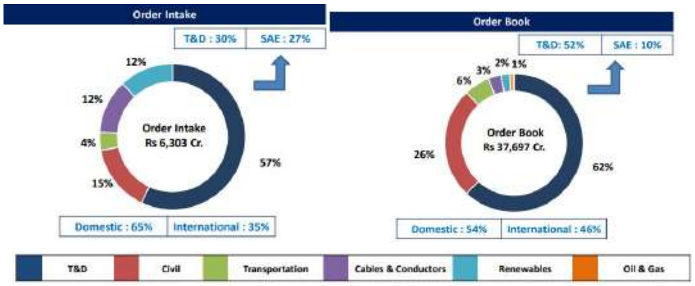
The Civil business continues to build its order book around Buildings & Factories (B&F). KEC closed a new automobile account and further strengthened its presence in premium high-rise residential projects; it is currently constructing around 80 high-rise buildings across key Indian cities. The civil order book plus L1 remains over Rs 10,000 crs, while management continues to see healthy opportunities in residential, commercial and metals & mining. Water execution remains calibrated given payment delays, with water accounting for only ~13-14% of the civil order book.

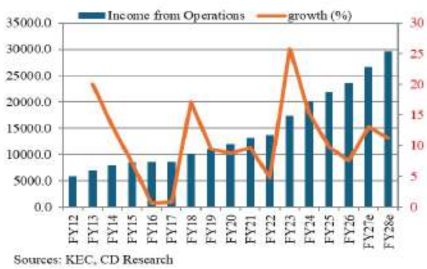
Renewables which secured fresh orders of ~Rs 800 crs (YTD) across wind and solar and is now executing over 600 MW of wind and solar projects. The recently commissioned 1 GW solar portfolio in Karnataka and Rajasthan is operating at rated capacity, while KEC is engaging with leading wind OEMs to expand its wind EPC presence. Transportation remains selective, with new orders of over Rs 250 crs in ABS segment; KEC has implemented KAVACH across 667 route km and is executing deployments across another 1,780 route km and over 3,000 locomotives, while continuing to pursue KAVACH, technology-led metro and tunnel ventilation opportunities.

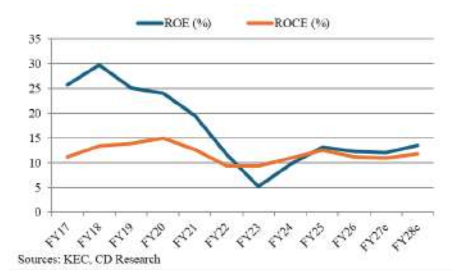


Source: KEC International Ltd.; *YTD as per company presentation dated 10th August,2026.

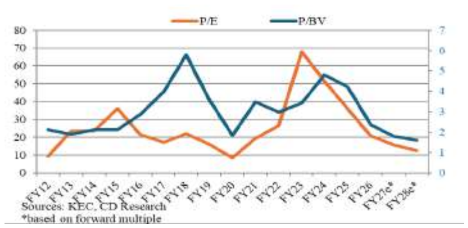
Financials and Valuation

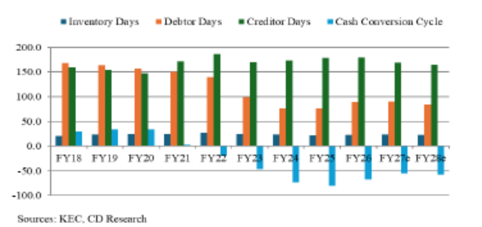
Revenue from operations of KEC International grew by 7.6% to Rs 23,505.54 crs in FY26 from Rs 21,846.70 crs in FY25, primarily led by strong execution in the T&D and cables & conductors businesses. Consequently, contribution of T&D (including SAE Towers) to overall revenues increased sharply to ~68% (Rs 15,883 crs) in FY26 from ~59% (Rs 12,833) in the preceding fiscal. T&D remains the fulcrum of KEC's growth strategy with order inflows of ~Rs 17,700 during FY26, the momentum continued in Q1FY27 as revenues from this segment contributed over ~64% (Rs 3,217 crs) in total revenues. T&D order inflows so far this fiscal stood at ~Rs 3,600 crs across India, Middle East, Africa and America. Operating profit grew by 11.1% to Rs 1,869.27 crs in FY26 as against Rs 1,682.57 crs in FY25, OPM improved by some 30 bps to ~8.0%. Profitability, however, remained below its potential on account of labor shortages, calibrated execution of water projects due to delayed payments, closure costs associated with legacy metro and transportation projects and supply-chain disruptions in the Middle East towards the latter part of the year.





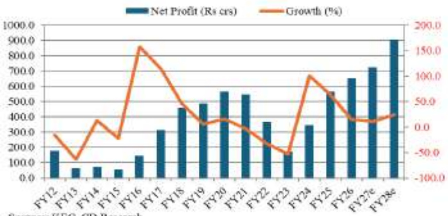
The Company has drawn plans to incur capex of Rs 350 crs and Rs 400 crs in FY27 and FY28 respectively, which will be utilized in completion of tower facilities and expanding product capabilities in the cables segment. Revenues from cables segment grew by 22.8% to Rs 2,217 crs in FY26 and 56.9% to Rs 601 crs in Q1FY27 (y-o-y) respectively. With its aluminium conductor capacity already operational, the existing asset base can support revenues of around Rs 3,000 crs. Further upcoming Elastomeric and E-beam cable facilities will expand the product portfolios towards applications in defence, railways, shipping and other industrial segment thus improving the product mix. As the current product portfolio in this segment is highly commoditized, margins remain below industry average at some low single digit leaving scope for improvement as specialty cables scale up.





KEC anticipates a reduction in its debt by the end of current fiscal on the back of payments from Afghanistan, water projects and dues related to metro projects in Delhi and Chennai. The increase in working capital is expected to decline in this fiscal on the back of reduction in inventory, improved collection of receipts and gradual de-escalation of West Asia crisis, though such expectations of working capital moderation have often times been belied in the past.

Civil segment is expected to become an incremental growth driver in this fiscal, as the company prioritises larger orders from Tier-1 customers across high-rise residential, commercial real estate, metals & mining, semiconductors and industrial projects. Yet revenue growth dismally moderated last fiscal from Rs 4,483 (20.5% of total revenues) in FY25 to Rs 3,823 crs (16.3% of total revenues) in FY26 and Q1 is no exception thus casting doubt on the scaling of this segment. Renewables, transportation and oil & gas combined contributed roughly 10% to total revenues (Rs 2,329 crs in FY26) falling from ~15% from the previous year (Rs 3,328 crs in FY25). Although the company is aiming to expand it revenues by executing projects across newer areas such as BESS in renewables, technology-intensive areas such as, automatic block signaling, ballastless tracks and tunnel ventilation in transportation contribution from this segment is expected to remain in high single digit this fiscal, thus underscoring the fact that "hyperbole barely comes true".



Sources: KEC, CD Research

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The stock is currently trading at 15.6x FY27e EPS of Rs 27.25 and 12.5x FY28e EPS of Rs 33.91. Middle East continues to be an important growth market and constituted roughly 25% of the company's order book plus L1 position, broadly divided between Saudi Arabia and UAE. Physical execution at project sites in Middle East has largely continued, but disruptions to shipments from India, China and Europe, higher freight, insurance, fuel and power costs and delays in arrival of bought-out equipment have affected revenue recognition and margins.

T&D remains the principal growth and profitability anchor, with HVDC, renewable evacuation, private-sector transmission, data-centre power infrastructure and international opportunities providing a strong medium-term runway aiding topline growth of ~13% and ~11% in the current and next fiscal respectively. Cables and renewables should gradually diversify the earnings base, while improvement in Civil and Transportation profitability offers scope for operating leverage if legacy projects are closed on time. However, persistent geopolitical disruption in West Asia, ROW bottlenecks, slow realization of water receivables, labour shortages and delays in closure of legacy projects could prolong margin and working-capital normalization. Scaling would rest on KEC's ability to timely execute projects- order book merely a showpiece if execution risks elevate. Given an uptick in earnings, ROE is pegged at 12.1% in FY27e and 13.5% in FY28e. Balancing odds, we assign 'accumulate' rating on the stock with revised target of Rs 610 (previous target of Rs 999) based on 18x FY28e earnings. For more info refer to our Sep, 2025 report.

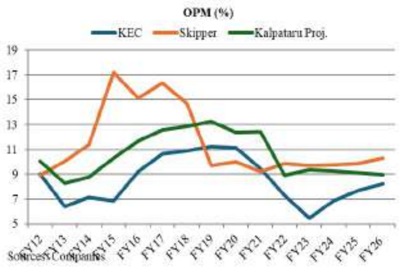
Cross Sectional Analysis

Company	Equity*	CMP	MCAP*	Sales*	Profit*	OPM (%)	NPM (%)	Int Cov	ROE (%)	Mcap/Sales	P/BV	P/E
KEC	53	424	11290	23506	601	7.7	2.6	1.9	11.0	0.5	3.0	18.8
Skipper	12**	555	6784	5609	233	10.4	4.1	2.4	17.7	1.2	3.6	29.1
Kalpataru Proj.	34	1388	23696	27380	1103	9.0	4.0	3.2	15.5	0.9	3.1	21.5

*figures in crores; consolidated data as available on August 21th, 2026;**Skipper P/E on post QIP Equity.

Strong execution of infrastructure projects helped Skipper Ltd. achieve revenue of Rs 1,309.83 crs in Q1FY27 (4.5% growth from Rs 1,253.86 crs in Q1FY26) despite geopolitical disruptions impacting overseas orders. Export revenue declined by ~50% y-o-y to Rs 162 crs due to delays and temporary holds arising from developments in West Asia. As on 30th June, 2026, Skipper's order book stood at ~Rs 9,217 crs, while order inflow during Q1FY27 stood at ~Rs 1,674 crs. Operating profit grew by 10.2% to Rs 140.11 crs in Q1FY27; OPM improved by ~60 bps to 10.7%. Revenue from engineering products and polymer products declined by 8.3% and 8.0% respectively, while revenue from infrastructure projects grew by 148% y-o-y. The Company's ongoing 75,000 mtpa capacity expansion in the engineering segment is expected to increase installed capacity to 4,50,000 mtpa during FY27, with a long-term roadmap to reach 6,00,000 mtpa by FY29. In the polymer products business, the Company continues to focus on enhancing its retail distribution network, while in the engineering business it is looking to deepen its presence in EHV, HVDC and developed export markets.

KPIL's consolidated order book as on 30th June, 2026 stood at Rs 66,607 crs. Backed by moderate project execution, consolidated revenue of the Company grew by 3.8% to Rs 6,407.97 crs in Q1FY27 as compared to Rs 6,171.17 crs in Q1FY26. Operating profit grew by ~7% to Rs 561.87 crs in Q1FY27 from Rs 525.05 crs in Q1FY26. OPM improved by 26 bps to 8.8%. Revenue from transmission and distribution business of the Company grew by ~10% y-o-y (Rs 2,924 crs in Q1FY27 vs Rs 2,655 crs in Q1FY26) led by healthy project execution and a robust order backlog. KPIL has secured T&D orders worth Rs 4,163 crs and B&F orders worth Rs 2,815 crs constituting over 90% of its order inflow in FY27 YTD. The T&D segment continues to offer strong growth prospects, driven by rising power demand, renewable energy evacuation and investments in grid infrastructure, along with sizeable opportunities across international markets.



Financials

Quarterly Results

Figures in Rs crs

	Q1FY27	Q1FY26	% chg	FY26	FY25	% chg
Income From Operations	**5023.54**	**5022.88**	**0.0**	**23505.54**	**21846.70**	**7.6**
Other Income	13.94	5.39	158.6	50.33	70.86	-29.0
Total Income	**5037.48**	**5028.27**	**0.2**	**23555.87**	**21917.56**	**7.5**
Total Expenditure	4732.73	4672.78	1.3	21697.61	20167.45	7.6
EBITDA (other income included)	**304.75**	**355.49**	**-14.3**	**1858.26**	**1750.11**	**6.2**
Interest	164.03	151.12	8.5	871.74	838.94	3.9
Depreciation	50.82	45.86	10.8	197.38	183.68	7.5
PBT	**89.90**	**158.51**	**-43.3**	**789.14**	**727.49**	**8.5**
Tax	17.28	33.91	-49.0	183.55	156.75	17.1
PAT	**72.62**	**124.60**	**-41.7**	**605.59**	**570.74**	**6.1**
Extraordinary Items	-	-	-	-47.06	4.11	-
Adjusted Net Profit	**72.62**	**124.60**	**-41.7**	**652.65**	**566.63**	**15.2**
EPS(Rs)	2.73	4.68	-41.7	24.52	21.66	13.2

Consolidated Income Statement

Figures in Rs crs

	FY24	FY25	FY26	FY27e	FY28e
Income From Operations	**19914.17**	**21846.70**	**23505.54**	**26575.65**	**29570.34**
Other Income	52.41	70.86	50.33	54.16	53.00
Total Income	**19966.58**	**21917.56**	**23555.87**	**26629.81**	**29623.34**
Total Expenditure	18558.21	20167.45	21697.61	24556.44	27338.55
EBITDA (other income included)	**1408.37**	**1750.11**	**1858.26**	**2073.36**	**2284.79**
Interest*	796.52	838.94	871.74	917.42	857.50
Depreciation	185.36	183.68	197.38	213.85	239.71
PBT	**426.49**	**727.49**	**789.14**	**942.09**	**1187.58**
Tax	79.71	156.75	183.55	216.68	285.02
PAT	**346.78**	**570.74**	**605.59**	**725.41**	**902.56**
Extraordinary Items	0.50	4.11	-47.06	-	-
Adjusted Net Profit	**346.28**	**566.63**	**652.65**	**725.41**	**902.56**
EPS (Rs)	13.47	21.66**	24.52	27.25	33.91

*includes bank charges
**on weighted average equity

Consolidated Balance Sheet

Figures in Rs crs

	FY24	FY25	FY26	FY27e	FY28e
Sources of Funds					
Share Capital	51.42	53.24	53.24	53.24	53.24
Reserves	4044.28	5294.21	6106.45	6685.45	7441.60
Total Shareholders' Funds	**4095.70**	**5347.45**	**6159.69**	**6738.69**	**7494.84**
Long Term Debt	384.15	569.94	881.97	850.00	800.00
Total Liabilities	**4479.85**	**5917.39**	**7041.66**	**7588.69**	**8294.84**
Application of Funds					
Gross Block**	3127.08	3290.00	3524.74	3888.39	4308.39
Less: Accumulated Depreciation	1498.81	1643.39	1751.37	1965.22	2204.93
Net Block	**1628.27**	**1646.61**	**1773.37**	**1923.17**	**2103.46**
Capital Work in Progress	13.92	38.52	113.65	100.00	80.00
Investments	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans & Advances					
Inventory	1213.31	1140.46	1532.74	1594.54	1774.22
Trade receivables	4136.62	5051.10	6474.21	6643.91	7096.88
Cash and Bank	273.28	655.93	511.93	467.07	551.16
Other current assets	10534.64	12539.15	13690.20	14337.89	15010.25
Total CA	**16157.85**	**19386.64**	**22209.08**	**23043.41**	**24432.51**
Current Liabilities	14431.47	16126.01	17906.35	18369.51	19308.97
Provisions-Short term	102.23	100.87	101.46	105.00	110.00
Total Current Liabilities	**14533.70**	**16226.88**	**18007.81**	**18474.51**	**19418.97**
Net Current Assets	1624.15	3159.76	4201.27	4568.90	5013.55
Net Deferred Tax	353.66	437.15	450.78	440.00	425.00
Net long term assets (net of liabilities)	859.85	635.35	502.59	556.62	672.83
Total Assets	**4479.85**	**5917.39**	**7041.66**	**7588.69**	**8294.84**

**includes goodwill of Rs 305.80 crs in FY26; Rs 278.22 crs in FY25; Rs 272.13 crs in FY24.

Key Financial Ratios

	FY24	FY25	FY26	FY27e	FY28e
Growth Ratios (%)					
Revenue	15.2	9.7	7.6	13.1	11.3
EBITDA	44.4	23.9	10.0	8.0	10.2
Net Profit	100.5	63.6	15.2	11.1	24.4
EPS	100.5	60.8	13.2	11.1	24.4
Margins (%)					
Operating Profit Margin	6.8	7.7	8.0	7.6	7.5
Gross profit Margin	3.1	4.1	4.5	4.3	4.8
Net Profit Margin	1.7	2.6	2.8	2.7	3.1
Return (%)					
ROCE	10.9	12.5	11.2	11.0	11.8
ROE	9.7	13.1	12.3	12.1	13.5
Valuations					
Market Cap/ Sales	0.9	1.0	0.6	0.4	0.4
EV/EBITDA	16.4	14.7	10.7	8.8	8.0
P/E	51.5	36.1	20.9	15.6	12.5
P/BV	4.8	4.2	2.4	1.8	1.6
Other Ratios					
Interest Coverage	1.5	1.9	2.0	2.0	2.4
Debt Equity*	1.5	1.1	1.3	1.1	0.9
Current Ratio	1.1	1.2	1.2	1.2	1.2
Turnover Ratios					
Fixed Asset Turnover	14.9	16.0	16.6	17.2	17.3
Total Asset Turnover	4.9	4.6	3.9	3.9	3.9
Debtors Turnover	4.7	4.8	4.1	4.1	4.3
Inventory Turnover	15.8	17.1	16.2	15.7	16.2
Creditors Turnover	2.1	2.0	2.0	2.2	2.2
WC Ratios					
Debtors Days	77.1	76.8	89.5	90.1	84.8
Inventory Days	23.1	21.3	22.5	23.2	22.5
Creditors Days*	173.3	178.6	179.9	168.4	165.4
Cash Conversion Cycle	-73.0	-80.6	-67.9	-55.1	-58.1

*includes acceptances

Cumulative Financial Data

Rs crs	FY20-22	FY23-25	FY26-28e
Income from operations	38822	59043	79652
Operating profit	3571	3989	6120
EBIT	3158	3597	5627
PBT	1982	1306	2980
PAT	1481	1086	2281
Dividends	311	321	439
Sales growth (%)	31.0	52.1	34.9
PAT growth (%)	17.6	-26.7	110.1
OPM (%)	9.2	6.8	7.7
GPM (%)	6.3	3.1	4.6
NPM (%)	3.8	1.8	2.9
Interest coverage	2.7	1.6	2.1
ROE (%)	18.2	8.8	12.7
ROCE (%)	11.6	10.7	12.1
Debt-Equity ratio*	1.6	1.1	0.9
Fixed asset turnover	11.4	14.8	16.8
Total asset turnover	4.0	4.2	4.0
Debtors turnover	2.6	3.9	4.4
Creditors turnover	2.0	2.1	2.1
Inventory turnover	13.8	16.6	16.8
Debtor days	140.8	94.2	83.5
Creditor days	180.9	172.6	174.6
Inventory days	26.5	21.9	21.7
Cash conversion cycle	-13.6	-56.4	-69.4
Dividend payout ratio (%)	21.4	29.4	19.7

FY20-22 implies three year period ending fiscal 21
*as on terminal year (includes acceptances)

KEC's cumulative revenue is estimated to grow by 34.9% to Rs 79,652 crs during FY26-28e over the preceding three-year period FY23-25, reflecting continued growth in business activity. Order book will be supported by higher order inflows from both domestic and international T&D (including SAE) business. Healthy order execution will increase operating profit to Rs 6,120 crs in FY26-28e from Rs 3,989 crs in FY23-25, with OPM improving by ~100 bps to 7.7%. Consequently, cumulative PAT is estimated to more than double to Rs 2,281 crs in FY26-28e from Rs 1,086 crs, translating into PAT growth of 110.1%. Net profit margin is also expected to improve by over 100 bps to 2.9%.

Improvement in profitability is expected to support ROE of 12.7% and ROCE of 12.1% during FY26-28e, compared with 8.8% and 10.7%, respectively, during FY23-25. Recovery in payments from Afghanistan and water related projects might help in debtors turnover improve to 4.4 in FY26-28e from 3.9 during FY23-25. Debt-equity ratio is expected to fall to 0.9 in FY26-28e from 1.1 in FY23-25. With dip in debtor and inventory days, cash conversion cycle will turn more favorable in FY26-28e period.

Financial Summary- US Dollar denominated

million $	FY24	FY25	FY26	FY27e	FY28e
Equity capital	6.2	6.2	5.6	5.6	5.6
Shareholders' funds	446.3	575.8	603.0	657.3	736.4
Total debt*	662.3	638.5	792.2	695.3	658.7
Net fixed assets (including CWIP)	164.3	164.4	167.1	179.6	196.3
Investments	0.0	0.0	0.0	0.0	0.0
Net current assets	182.5	352.7	428.4	462.4	508.9
Total assets	492.3	642.4	696.2	746.2	820.0
Revenues	2405.3	2583.3	2661.8	2778.7	3091.8
EBITDA	170.0	206.3	217.4	216.8	238.9
EBDT	73.8	107.1	118.7	120.9	149.2
PBT	51.4	85.4	96.3	98.5	124.2
PAT	41.8	67.0	73.9	75.8	94.4
EPS($)	0.16	0.26	0.28	0.28	0.35
Book value ($)	1.74	2.16	2.27	2.47	2.77

Income statement figures translated at average rates; balance sheet at year end rates; projections at current rates (Rs 95.6416). All dollar denominated figures are adjusted for extraordinary items.

*includes acceptances

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buy: >20%	accumulate: >10% to ≤20%	hold: ≥-10% to ≤10%	reduce: ≥-20% to <-10%	sell: <-20%

Rs/$	FY22	FY23	FY24	FY25	FY26
Average	74.51	80.39	82.79	84.57	88.31
Year end	75.81	82.22	83.37	85.58	94.65

All $ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate.