

# Kaynes Technologies

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↑ |
| Rating change   | ↔ |

|                       |             |
|-----------------------|-------------|
| Bloomberg             | KAYNES IN   |
| Equity Shares (m)     | 64          |
| M.Cap.(INRb)/(USDb)   | 401.3 / 4.7 |
| 52-Week Range (INR)   | 7825 / 2555 |
| 1, 6, 12 Rel. Per (%) | 4/7/132     |
| 12M Avg Val (INR M)   | 3245        |

## Financials & Valuations (INR b)

| Y/E Mar              | FY25  | FY26E | FY27E |
|----------------------|-------|-------|-------|
| Sales                | 27.2  | 42.9  | 67.0  |
| EBITDA               | 4.1   | 6.7   | 10.6  |
| Adj. PAT             | 2.9   | 5.4   | 8.5   |
| EBITDA Margin (%)    | 15.1  | 15.5  | 15.8  |
| Cons. Adj. EPS (INR) | 45.8  | 83.5  | 132.4 |
| EPS Gr. (%)          | 59.6  | 82.4  | 58.5  |
| BV/Sh. (INR)         | 443.2 | 526.7 | 659.1 |

## Ratios

|          |      |      |      |
|----------|------|------|------|
| Net D:E  | -0.1 | -0.0 | -0.2 |
| RoE (%)  | 11.0 | 17.2 | 22.3 |
| RoCE (%) | 11.5 | 15.4 | 21.6 |

## Valuations

|               |     |    |    |
|---------------|-----|----|----|
| P/E (x)       | 137 | 75 | 47 |
| EV/EBITDA (x) | 97  | 60 | 37 |

## Shareholding pattern (%)

| As on    | Mar-25 | Dec-24 | Mar-24 |
|----------|--------|--------|--------|
| Promoter | 57.8   | 57.8   | 57.8   |
| DII      | 17.0   | 15.0   | 18.4   |
| FII      | 11.2   | 14.8   | 14.2   |
| Others   | 14.1   | 12.4   | 9.6    |

Note: FII includes depository receipts

**CMP: INR6,263**      **TP: INR7,300 (+17%)**      **Buy**

## Strong order book aids growth visibility

### Operating performance in line; earnings miss due to higher depreciation

- Kaynes Technologies (KAYNES) reported a robust 4Q performance, with revenue growth of 55% YoY, led by strong bookings in the industrials (up 61% YoY, including EV), automotive (up 51% YoY) and IoT, IT & consumers (up 3x YoY) segments. EBITDA margin expanded 210bp YoY during the quarter, led by the gross margin expansion of 720bp (higher mix of ODM business 32% vs. almost nil in 4QFY24).
- Order inflows remained strong at INR15.3b in 4Q, boosting the order book by 60% YoY/9% QoQ to ~INR66b, anchored by high-margin sectors like Aerospace, Industrials, and Automotive. With improved execution visibility, a favorable order mix, and continued investments in high-tech verticals, KAYNES appears well-positioned to sustain growth and profitability going ahead.
- We maintain our FY26/FY27 earnings estimates and **reiterate our BUY rating on the stock with a TP of INR7,300 (premised on 55x FY27E EPS).**

### Robust revenue performance with improved margins

- Consol. revenue grew 55% YoY to INR9.8b (est. INR10.6b) in 4QFY25, while EBITDA rose 76% YoY to INR1.7b (est. in line).
- EBITDA margin expanded 210bp YoY to 17.1% (est. 16.2%), led by a corresponding expansion in gross margin (up 720bp YoY) due to a favorable business mix and accounting change for some consumables transferred to other expenses (up 540bp YoY). Adjusted PAT grew 43% YoY to INR1.2b (est. of INR1.3b).
- In FY25, revenue/EBITDA/adj. PAT grew 51%/62%/60% YoY to INR27.2b/INR4.1b/INR2.9b.
- Net working capital days improved to 93 in FY25 from 111 in FY24. Net debt increased to ~INR6.8b as of FY25 from INR2.2b as of FY24.

### Highlights from the management commentary

- **Guidance:** Management guided for YoY revenue growth of over 60% (including the Canada acquisition) in FY26. Core EMS margins are expected to improve by 50bp (to 15.5-16%). ODM contributions from the industrials, railways, and IT/IoT segments (aided by growing demand from CDAC) are also expected to rise.
- **August Electronics:** The Canada-based entity is expected to clock revenue growth of 15-20% independently and over 20% with KAYNES' integration. The acquisition strengthens KAYNES' North American footprint, brings in high-margin customers, and offers a strategic China+1 sourcing alternative for global clients. August Electronics operates at higher EBITDA margins than KAYNES' consolidated levels, aiding profitability.
- **Capex:** FY26 capex will be focused on semiconductor and HDI PCB projects, with maintenance-only investments in Core EMS. Construction of the OSAT (at Sanand, Gujarat) and HDI PCB (at Chennai) facilities is on track for completion, with revenue visibility from 4QFY26. The INR34b OSAT and INR14b HDI PCB capex will be majorly incurred in FY26/FY27.

**Research Analyst: Sumant Kumar** (Sumant.Kumar@MotilalOswal.com) | **Meet Jain** (Meet.Jain@MotilalOswal.com)

**Research Analyst: Nirvik Saini** (Nirvik.Saini@MotilalOswal.com) | **Yash Darak** (Yash.Darak@MotilalOswal.com)

**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

### Valuation and view

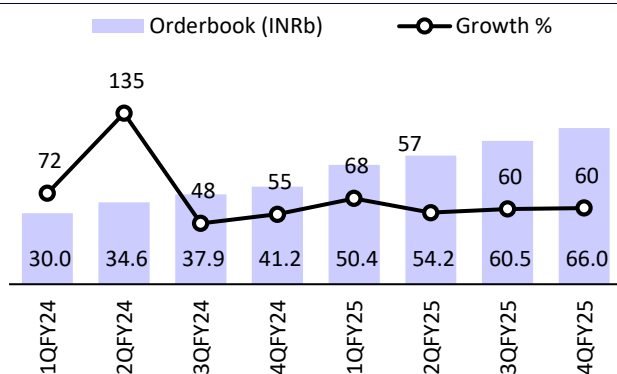
- KAYNES ended FY25 on a strong footing with an all-round performance. With a strong order book (INR66b), the company is likely to sustain its strong revenue growth momentum going forward. Further, increased traction in some of its high-margin verticals will lead to margin expansion for the company.
- We estimate a CAGR of 57%/61%/70% in revenue/EBITDA/adj. PAT over FY25-FY27. **Reiterate BUY with a TP of INR7,300 (premised on 55x FY27E EPS).**

### Consolidated - Quarterly Earnings Model

| Consolidated - Quarterly Earnings Model |       |       |       |       |       |       |       |       |        |        |        | (INR m) |
|---|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|---------|
| Y/E March                               | FY24  |       |       |       | FY25  |       |       |       | FY24   | FY25   | FY25E  | Var     |
|   | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    |        |        | 4QE    | %       |
| Gross Sales                             | 2,972 | 3,608 | 5,093 | 6,373 | 5,040 | 5,721 | 6,612 | 9,845 | 18,046 | 27,218 | 10,643 | -7%     |
| YoY Change (%)                          | 49.1  | 32.1  | 76.2  | 74.8  | 69.6  | 58.5  | 29.8  | 54.5  | 60.3   | 50.8   | 67.0   |         |
| Total Expenditure                       | 2,569 | 3,121 | 4,394 | 5,421 | 4,371 | 4,900 | 5,671 | 8,166 | 15,505 | 23,108 | 8,914  |         |
| EBITDA                                  | 403   | 488   | 699   | 952   | 669   | 821   | 940   | 1,679 | 2,542  | 4,109  | 1,729  | -3%     |
| Margins (%)                             | 13.5  | 13.5  | 13.7  | 14.9  | 13.3  | 14.4  | 14.2  | 17.1  | 14.1   | 15.1   | 16.2   |         |
| Depreciation                            | 53    | 65    | 60    | 74    | 84    | 86    | 108   | 169   | 251    | 447    | 110    |         |
| Interest                                | 113   | 118   | 148   | 153   | 227   | 221   | 270   | 295   | 533    | 1,013  | 270    |         |
| Other Income                            | 81    | 90    | 94    | 294   | 283   | 336   | 246   | 205   | 559    | 1,070  | 200    |         |
| PBT before EO expense                   | 319   | 394   | 585   | 1,019 | 641   | 849   | 808   | 1,419 | 2,317  | 3,718  | 1,549  |         |
| Extra-Ord expense                       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      | 0      | 0      |         |
| PBT                                     | 319   | 394   | 585   | 1,019 | 641   | 849   | 808   | 1,419 | 2,317  | 3,718  | 1,549  |         |
| Tax                                     | 72    | 71    | 133   | 207   | 133   | 247   | 144   | 257   | 483    | 782    | 294    |         |
| Rate (%)                                | 22.6  | 18.0  | 22.7  | 20.3  | 20.8  | 29.1  | 17.8  | 18.1  | 20.8   | 21.0   | 19.0   |         |
| Minority Interest & P/L of Asso. Cos.   | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      | 0      | 0      |         |
| Reported PAT                            | 246   | 323   | 452   | 813   | 508   | 602   | 665   | 1,162 | 1,834  | 2,936  | 1,255  |         |
| Adj PAT                                 | 246   | 323   | 452   | 813   | 508   | 602   | 665   | 1,162 | 1,834  | 2,936  | 1,255  | -7%     |
| YoY Change (%)                          | 149.0 | 52.8  | 97.7  | 97.3  | 106.0 | 86.4  | 47.1  | 43.0  | 92.9   | 60.1   | 54.4   |         |
| Margins (%)                             | 8.3   | 9.0   | 8.9   | 12.8  | 10.1  | 10.5  | 10.1  | 11.8  | 10.2   | 10.8   | 11.8   |         |

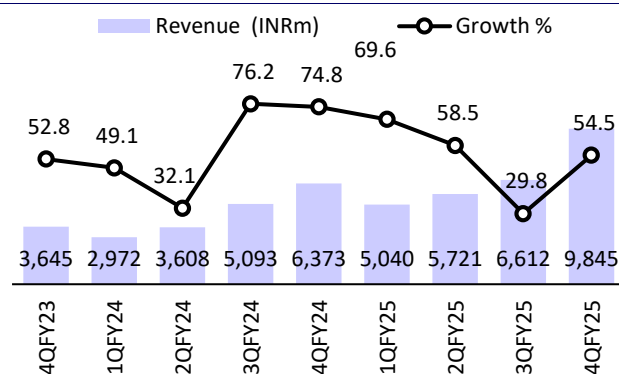
## Key Exhibits

**Exhibit 1: Consolidated order book trend**



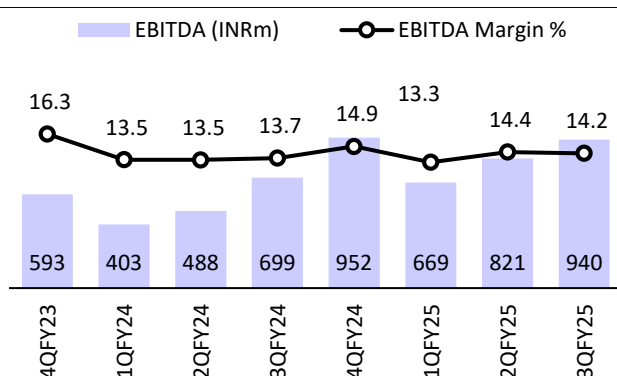
Source: Company, MOFSL

**Exhibit 2: Consolidated revenue trend**



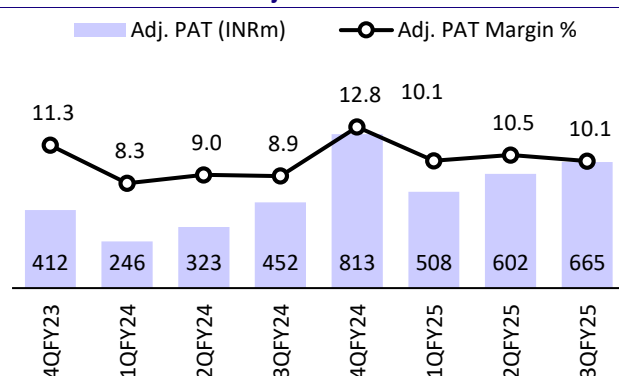
Source: Company, MOFSL

**Exhibit 3: Consolidated EBITDA trend**



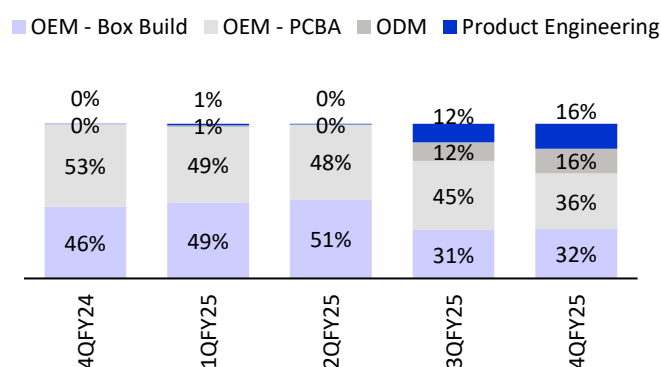
Source: Company, MOFSL

**Exhibit 4: Consolidated adj. PAT trend**



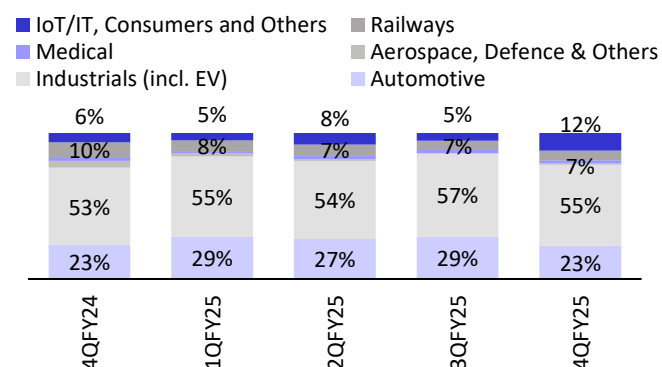
Source: Company, MOFSL

**Exhibit 5: Product-wise revenue mix**



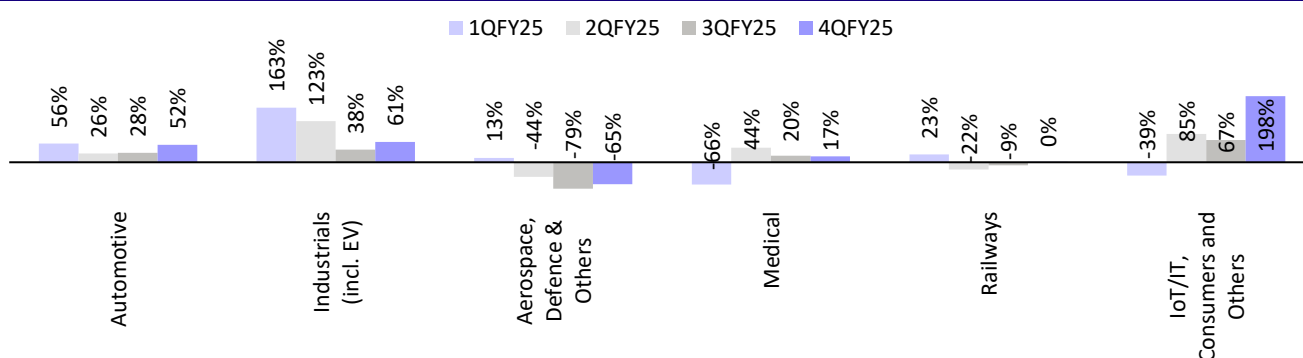
Source: Company, MOFSL

**Exhibit 6: End-user industry-wise revenue mix**



Source: Company, MOFSL

**Exhibit 7: Key growth trends across end-user verticals**



Source: MOFSL, Company



## Highlights from the management commentary

### Outlook and guidance

- Management reaffirmed strong growth acceleration for FY26, consistent with its earlier guidance in 3QFY25, supported by robust order inflows and a healthy execution pipeline.
- Broad-based growth is expected across all verticals, with significant traction in EV and Aerospace segments.
- FY26 revenue is guided to grow at least 60% YoY, including contributions from the Canada acquisition, with 4Q margin performance reflecting true EMS margin levels due to cost capitalization of OSAT/PCB.
- The company maintains a positive profitability outlook, projecting a 50bp expansion in core EMS margins to 14.5-16% in FY26, driven by strong performance in smart meters, aerospace, and automotive.
- ODM contributions are set to increase, driven by rising demand from industrials, railways, and IT/IoT applications—particularly supported by growing server orders from CDAC.

### Expansion projects and capex plans

- Construction of the OSAT facility in Sanand and the HDI PCB facility in Chennai remains on schedule.
- For OSAT, chip trials will begin in 2Q/3QFY26, with the first chip expected in 3QFY26 and meaningful production from 4QFY26; full building readiness is expected in FY27.
- The total OSAT capex is INR34b, with INR27b under the CG scheme (50% grant, pari-passu funding), and an additional 20-25% expected from state government with a six-month disbursement lag.
- The HDI PCB facility is projected to start generating revenue from 4QFY26, supported by likely PLI incentives and strong pre-commissioning capacity bookings.
- Capex for FY26 will be largely directed toward semiconductor and PCB projects, while EMS-related investments will be limited to maintenance capex.

### Orderbook and client wins

- The company closed the year with a robust order book, supported by incremental high-margin orders across the Aerospace, Industrials, and Automotive segments.
- In addition to the visible pipeline, it holds confirmed long-term orders exceeding five years, which are not included in the reported closing order book.
- Its long-standing relationship with ISRO continues to strengthen, with an ongoing focus on high-tech and high-margin manufacturing opportunities.
- The company is actively targeting one large global EMS client through its Canada-based entity (August Electronics), aiming to further enhance its international customer base.

### Canada Acquisition (August Electronics)

- The company has strengthened its presence in North America by adding manufacturing capacity and onboarding high-margin customers through its Canada entity.
- The Canadian business is expected to grow independently at 15-20%, and over 20% when integrated with KAYNES' operations.
- This acquisition provides a strategic China+1 sourcing alternative for global clients, enhancing supply chain diversification.
- August Electronics operates with EBITDA margins higher than Kaynes' consolidated margins, contributing positively to overall profitability.

### Other

- High other expenses in recent quarters stem from a reclassification of consumables.
- Efforts are underway to reduce inventory days and improve working capital.
- The increase in non-current assets, impacting CFO, is tied to AMISP-linked deferred payments.
- Revenue in FY25 was impacted by smart meter capacity constraints, though the issue has now been resolved.
- The company continues to expand its capabilities and geographic presence through a mix of organic growth and strategic acquisitions.

### Valuation and view

- KAYNES ended FY25 on a strong footing with an all-round performance. With a strong order book (INR66b), the company is likely to continue its strong revenue growth momentum going forward. Further, the increased traction in some of its high-margin verticals will lead to margin expansion for the company.
- We estimate a CAGR of 57%/61%/70% in revenue/EBITDA/adj. PAT over FY25-FY27. **Reiterate BUY with a TP of INR7,300 (premised on 55x FY27E EPS).**

### Exhibit 8: Changes to our estimates

| Earnings change<br>(INR m) | Old    |        | New    |        | Change |       |
|----------------------------|--------|--------|--------|--------|--------|-------|
|                            | FY26E  | FY27E  | FY26E  | FY27E  | FY26E  | FY27E |
| Revenue                    | 42,801 | 66,901 | 42,913 | 67,047 | 0%     | 0%    |
| EBITDA                     | 6,657  | 10,619 | 6,651  | 10,619 | 0%     | 0%    |
| Adj. PAT                   | 5,342  | 8,565  | 5,351  | 8,482  | 0%     | -1%   |

## Financials and valuations

| Consolidated - Income Statement     |              |              |              |               |               |               |               | (INRm)        |
|-------------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                           | FY20         | FY21         | FY22         | FY23          | FY24          | FY25          | FY26E         | FY27E         |
| <b>Total Income from Operations</b> | <b>3,682</b> | <b>4,206</b> | <b>7,062</b> | <b>11,261</b> | <b>18,046</b> | <b>27,218</b> | <b>42,913</b> | <b>67,047</b> |
| Change (%)                          | 1.1          | 14.2         | 67.9         | 59.4          | 60.3          | 50.8          | 57.7          | 56.2          |
| RM Cost                             | 2,417        | 2,861        | 4,894        | 7,801         | 13,299        | 18,997        | 30,683        | 48,073        |
| Employees Cost                      | 424          | 459          | 602          | 771           | 1,028         | 1,781         | 2,360         | 3,621         |
| Other Expenses                      | 428          | 477          | 629          | 1,006         | 1,178         | 2,333         | 3,219         | 4,734         |
| <b>Total Expenditure</b>            | <b>3,269</b> | <b>3,797</b> | <b>6,126</b> | <b>9,578</b>  | <b>15,505</b> | <b>23,111</b> | <b>36,261</b> | <b>56,427</b> |
| % of Sales                          | 88.8         | 90.3         | 86.7         | 85.1          | 85.9          | 84.9          | 84.5          | 84.2          |
| <b>EBITDA</b>                       | <b>413</b>   | <b>409</b>   | <b>937</b>   | <b>1,683</b>  | <b>2,542</b>  | <b>4,107</b>  | <b>6,651</b>  | <b>10,619</b> |
| Margin (%)                          | 11.2         | 9.7          | 13.3         | 14.9          | 14.1          | 15.1          | 15.5          | 15.8          |
| Depreciation                        | 84           | 101          | 132          | 187           | 251           | 447           | 585           | 1,409         |
| <b>EBIT</b>                         | <b>330</b>   | <b>308</b>   | <b>805</b>   | <b>1,496</b>  | <b>2,290</b>  | <b>3,660</b>  | <b>6,066</b>  | <b>9,210</b>  |
| Int. and Finance Charges            | 236          | 240          | 256          | 349           | 533           | 1,013         | 500           | 400           |
| Other Income                        | 19           | 40           | 41           | 114           | 559           | 1,070         | 1,294         | 2,064         |
| <b>PBT bef. EO Exp.</b>             | <b>113</b>   | <b>109</b>   | <b>590</b>   | <b>1,260</b>  | <b>2,317</b>  | <b>3,716</b>  | <b>6,861</b>  | <b>10,874</b> |
| EO Items                            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             |
| <b>PBT after EO Exp.</b>            | <b>113</b>   | <b>109</b>   | <b>590</b>   | <b>1,260</b>  | <b>2,317</b>  | <b>3,716</b>  | <b>6,861</b>  | <b>10,874</b> |
| Total Tax                           | 19           | 11           | 174          | 308           | 483           | 782           | 1,509         | 2,392         |
| Tax Rate (%)                        | 17.1         | 10.5         | 29.4         | 24.5          | 20.8          | 21.0          | 22.0          | 22.0          |
| Minority Interest                   | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             |
| <b>Reported PAT</b>                 | <b>94</b>    | <b>97</b>    | <b>417</b>   | <b>952</b>    | <b>1,834</b>  | <b>2,934</b>  | <b>5,351</b>  | <b>8,482</b>  |
| <b>Adjusted PAT</b>                 | <b>94</b>    | <b>97</b>    | <b>417</b>   | <b>952</b>    | <b>1,834</b>  | <b>2,934</b>  | <b>5,351</b>  | <b>8,482</b>  |
| Change (%)                          | -3.8         | 4.0          | 328.2        | 128.4         | 92.7          | 60.0          | 82.4          | 58.5          |
| Margin (%)                          | 2.5          | 2.3          | 5.9          | 8.5           | 10.2          | 10.8          | 12.5          | 12.7          |

| Consolidated - Balance Sheet        |              |              |              |               |               |               |               | (INRm)        |
|-------------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                           | FY20         | FY21         | FY22         | FY23          | FY24          | FY25          | FY26E         | FY27E         |
| Equity Share Capital                | 68           | 68           | 462          | 581           | 639           | 641           | 641           | 641           |
| Preference Capital                  | 0            | 11           | 4            | 0             | 0             | 0             | 0             | 0             |
| Total Reserves                      | 959          | 1,308        | 1,560        | 9,009         | 24,230        | 27,762        | 33,113        | 41,595        |
| <b>Net Worth</b>                    | <b>1,027</b> | <b>1,387</b> | <b>2,026</b> | <b>9,590</b>  | <b>24,869</b> | <b>28,403</b> | <b>33,754</b> | <b>42,235</b> |
| Minority Interest                   | 6            | 9            | 11           | 13            | 16            | 40            | 40            | 40            |
| Total Loans                         | 1,643        | 1,526        | 1,779        | 1,359         | 3,061         | 8,755         | 3,755         | 1,755         |
| Deferred Tax Liabilities            | 79           | 52           | 68           | 77            | 102           | 130           | 130           | 130           |
| <b>Capital Employed</b>             | <b>2,755</b> | <b>2,974</b> | <b>3,884</b> | <b>11,039</b> | <b>28,047</b> | <b>37,327</b> | <b>37,679</b> | <b>44,160</b> |
| Gross Block                         | 930          | 1,181        | 1,544        | 1,925         | 3,831         | 7,875         | 8,850         | 34,510        |
| Less: Accum. Deprn.                 | 382          | 483          | 615          | 802           | 1,054         | 1,501         | 2,086         | 3,496         |
| <b>Net Fixed Assets</b>             | <b>547</b>   | <b>698</b>   | <b>929</b>   | <b>1,123</b>  | <b>2,777</b>  | <b>6,374</b>  | <b>6,764</b>  | <b>31,015</b> |
| Goodwill on Consolidation           | 23           | 23           | 23           | 23            | 152           | 141           | 141           | 141           |
| Capital WIP                         | 119          | 126          | 83           | 293           | 1,051         | 3,002         | 19,475        | 720           |
| <b>Total Investments</b>            | <b>16</b>    | <b>17</b>    | <b>15</b>    | <b>33</b>     | <b>1,318</b>  | <b>1,324</b>  | <b>1,324</b>  | <b>1,324</b>  |
| Current Investments                 | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             |
| <b>Curr. Assets, Loans&amp;Adv.</b> | <b>3,075</b> | <b>3,330</b> | <b>5,173</b> | <b>12,715</b> | <b>27,354</b> | <b>35,571</b> | <b>25,730</b> | <b>42,668</b> |
| Inventory                           | 1,511        | 1,639        | 2,264        | 4,132         | 5,483         | 8,144         | 10,087        | 15,146        |
| Account Receivables                 | 937          | 1,218        | 1,977        | 2,271         | 3,556         | 5,746         | 7,054         | 11,021        |
| Cash and Bank Balance               | 123          | 143          | 216          | 4,860         | 15,256        | 10,563        | 3,869         | 9,126         |
| Loans and Advances                  | 504          | 331          | 716          | 1,453         | 3,060         | 11,118        | 4,720         | 7,375         |
| <b>Curr. Liability &amp; Prov.</b>  | <b>1,027</b> | <b>1,219</b> | <b>2,340</b> | <b>3,148</b>  | <b>4,605</b>  | <b>9,085</b>  | <b>15,756</b> | <b>31,708</b> |
| Account Payables                    | 921          | 954          | 1,641        | 2,229         | 3,610         | 6,829         | 8,430         | 13,208        |
| Other Current Liabilities           | 76           | 226          | 648          | 857           | 920           | 2,130         | 7,111         | 18,164        |
| Provisions                          | 30           | 39           | 52           | 62            | 74            | 126           | 215           | 335           |
| <b>Net Current Assets</b>           | <b>2,048</b> | <b>2,110</b> | <b>2,833</b> | <b>9,567</b>  | <b>22,750</b> | <b>26,486</b> | <b>9,974</b>  | <b>10,960</b> |
| Misc Expenditure                    | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             |
| <b>Appl. of Funds</b>               | <b>2,755</b> | <b>2,974</b> | <b>3,884</b> | <b>11,039</b> | <b>28,047</b> | <b>37,327</b> | <b>37,679</b> | <b>44,160</b> |

## Financials and valuations

### Ratios

| Y/E March                     | FY20        | FY21        | FY22       | FY23        | FY24        | FY25        | FY26E       | FY27E        |
|-------------------------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|--------------|
| <b>Basic (INR)</b>            |             |             |            |             |             |             |             |              |
| <b>EPS</b>                    | <b>13.8</b> | <b>14.3</b> | <b>9.0</b> | <b>16.4</b> | <b>28.7</b> | <b>45.8</b> | <b>83.5</b> | <b>132.4</b> |
| Cash EPS                      | 26.1        | 29.1        | 11.9       | 19.6        | 32.6        | 52.8        | 92.6        | 154.3        |
| BV/Share                      | 151.0       | 203.9       | 43.9       | 164.9       | 389.1       | 443.2       | 526.7       | 659.1        |
| DPS                           | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          |
| Payout (%)                    | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          |
| <b>Valuation (x)</b>          |             |             |            |             |             |             |             |              |
| P/E                           | 454.4       | 436.8       | 692.5      | 381.8       | 217.9       | 136.5       | 74.9        | 47.2         |
| Cash P/E                      | 239.7       | 214.6       | 526.3      | 319.0       | 191.6       | 118.5       | 67.5        | 40.5         |
| P/BV                          | 41.4        | 30.7        | 142.4      | 37.9        | 16.1        | 14.1        | 11.9        | 9.5          |
| EV/Sales                      | 12.0        | 10.4        | 41.1       | 32.0        | 21.5        | 14.7        | 9.3         | 5.9          |
| EV/EBITDA                     | 106.5       | 107.4       | 309.8      | 213.9       | 152.4       | 97.1        | 60.2        | 37.0         |
| Dividend Yield (%)            | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          |
| FCF per share                 | 20.6        | 4.0         | -4.6       | -17.2       | -32.7       | -160.9      | -38.8       | 87.3         |
| <b>Return Ratios (%)</b>      |             |             |            |             |             |             |             |              |
| RoE                           | 9.1         | 8.1         | 24.4       | 16.4        | 10.6        | 11.0        | 17.2        | 22.3         |
| RoCE                          | 10.8        | 11.2        | 17.8       | 16.5        | 11.6        | 11.5        | 15.4        | 21.6         |
| RoIC                          | 10.9        | 10.7        | 18.2       | 24.0        | 22.3        | 17.6        | 26.7        | 31.2         |
| <b>Working Capital Ratios</b> |             |             |            |             |             |             |             |              |
| Fixed Asset Turnover (x)      | 4.0         | 3.6         | 4.6        | 5.9         | 4.7         | 3.5         | 4.8         | 1.9          |
| Asset Turnover (x)            | 1.0         | 1.0         | 1.1        | 0.8         | 0.6         | 0.6         | 0.8         | 0.9          |
| Inventory (Days)              | 205         | 201         | 146        | 150         | 132         | 131         | 120         | 115          |
| Debtor (Days)                 | 106         | 93          | 83         | 69          | 59          | 62          | 60          | 60           |
| Creditor (Days)               | 136         | 120         | 97         | 91          | 80          | 100         | 100         | 100          |
| <b>Leverage Ratio (x)</b>     |             |             |            |             |             |             |             |              |
| Current Ratio                 | 3.0         | 2.7         | 2.2        | 4.0         | 5.9         | 3.9         | 1.6         | 1.3          |
| Interest Cover Ratio          | 1.4         | 1.3         | 3.1        | 4.3         | 4.3         | 3.6         | 12.1        | 23           |
| Net Debt/Equity               | 1.5         | 1.0         | 0.8        | -0.4        | -0.5        | -0.1        | 0.0         | -0.2         |

### Consolidated - Cash Flow Statement

| Y/E March                        | FY20        | FY21        | FY22        | FY23          | FY24           | FY25           | FY26E          | FY27E         |
|----------------------------------|-------------|-------------|-------------|---------------|----------------|----------------|----------------|---------------|
| <b>(INRm)</b>                    |             |             |             |               |                |                |                |               |
| OP/(Loss) before Tax             | 113         | 109         | 590         | 1,260         | 2,317          | 3,716          | 6,861          | 10,874        |
| Depreciation                     | 84          | 101         | 132         | 187           | 251            | 447            | 585            | 1,409         |
| Interest & Finance Charges       | 228         | 233         | -11         | -100          | -27            | 1,013          | -794           | -1,664        |
| Direct Taxes Paid                | -19         | -28         | -22         | -503          | -483           | -644           | -1,509         | -2,392        |
| (Inc)/Dec in WC                  | 44          | -137        | -743        | -1,629        | -1,358         | -4,522         | 9,818          | 4,271         |
| <b>CF from Operations</b>        | <b>451</b>  | <b>277</b>  | <b>-53</b>  | <b>-784</b>   | <b>701</b>     | <b>10</b>      | <b>14,960</b>  | <b>12,498</b> |
| Others                           | 2           | 0           | 265         | 365           | 0              | -834           | 0              | 0             |
| <b>CF from Operating incl EO</b> | <b>452</b>  | <b>277</b>  | <b>211</b>  | <b>-419</b>   | <b>701</b>     | <b>-823</b>    | <b>14,960</b>  | <b>12,498</b> |
| (Inc)/Dec in FA                  | -312        | -250        | -422        | -581          | -2,792         | -9,487         | -17,449        | -6,905        |
| <b>Free Cash Flow</b>            | <b>140</b>  | <b>27</b>   | <b>-211</b> | <b>-1,001</b> | <b>-2,091</b>  | <b>-10,311</b> | <b>-2,489</b>  | <b>5,593</b>  |
| (Pur)/Sale of Investments        | 205         | 2           | -33         | 0             | 0              | 4,984          | 0              | 0             |
| Others                           | 8           | 7           | 11          | -4,352        | -12,261        | 957            | 1,294          | 2,064         |
| <b>CF from Investments</b>       | <b>-99</b>  | <b>-241</b> | <b>-445</b> | <b>-4,933</b> | <b>-15,052</b> | <b>-3,547</b>  | <b>-16,154</b> | <b>-4,841</b> |
| Issue of Shares                  | 0           | 270         | 228         | 6,600         | 13,436         | 2              | 0              | 0             |
| Inc/(Dec) in Debt                | -118        | -44         | 301         | -336          | 1,702          | 5,694          | -5,000         | -2,000        |
| Interest Paid                    | -236        | -240        | -256        | -349          | -533           | -1,013         | -500           | -400          |
| Dividend Paid                    | 0           | 0           | 0           | 0             | 0              | 0              | 0              | 0             |
| Others                           | 0           | -6          | 0           | -371          | -320           | -33            | 0              | 0             |
| <b>CF from Fin. Activity</b>     | <b>-354</b> | <b>-19</b>  | <b>272</b>  | <b>5,543</b>  | <b>14,285</b>  | <b>4,650</b>   | <b>-5,500</b>  | <b>-2,400</b> |
| <b>Inc/Dec of Cash</b>           | <b>-1</b>   | <b>17</b>   | <b>38</b>   | <b>191</b>    | <b>-67</b>     | <b>280</b>     | <b>-6,695</b>  | <b>5,257</b>  |
| Opening Balance                  | 8           | 126         | 143         | 216           | 4,860          | 15,255         | 10,563         | 3,869         |
| Other cash & cash equivalent     | 115         | 0           | 35          | 4,453         | 10,462         | -4,972         | 0              | 0             |
| <b>Closing Balance</b>           | <b>123</b>  | <b>143</b>  | <b>216</b>  | <b>4,860</b>  | <b>15,255</b>  | <b>10,563</b>  | <b>3,869</b>   | <b>9,126</b>  |

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

## NOTES



| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | > - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

| Disclosure of Interest Statement | Kaynes Technologies |
|----------------------------------|---------------------|
| Analyst ownership of the stock   | No                  |

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration

provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motalal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motalal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motalal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motalal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motalaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motalaloswal.com, Contact No.:022-40548085.

#### Grievance Redressal Cell:

| Contact Person     | Contact No.                 | Email ID                     |
|--------------------|-----------------------------|------------------------------|
| Ms. Hemangi Date   | 022 40548000 / 022 67490600 | query@motalaloswal.com       |
| Ms. Kumud Upadhyay | 022 40548082                | servicehead@motalaloswal.com |
| Mr. Ajay Menon     | 022 40548083                | am@motalaloswal.com          |

Registration details of group entities.: Motalal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motalal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motalaloswal.com. In case of grievances for any of the services rendered by Motalal Oswal Financial Services Limited (MOFSL) write to grievances@motalaloswal.com, for DP to dp@grievances@motalaloswal.com.