

KSH International Limited

[Formerly known as KSH International Private Limited]



INTERNATIONAL

February 12, 2026

The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The Manager,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

BSE Scrip Code: **544664**

NSE Symbol: **KSHINTL**

Sub.: Transcript of the Earnings Conference Call held on Monday, February 09, 2026, in respect of the Company's Unaudited Financial Results for quarter and nine months period ended December 31, 2025.

- Ref.: 1. Regulation 30 and Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");**
- 2. Intimation of Earnings Conference Call dated January 28, 2026 ("Earnings Call Intimation"); and**
- 3) Intimation of Audio Recording Link of Earnings Call dated February 09, 2026 ("Audio Recording Link Submission").**

Dear Sir/Madam,

Pursuant to above-referred Listing Regulations and in continuation of the Earnings Call Intimation and audio Recording Link Submission, we are pleased to submit transcript of the Earnings Conference Call held on Monday, February 09, 2026, in respect of the Company's Unaudited Standalone Financial Results for the quarter and nine months period ended December 31, 2025.

The transcript shall be hosted on the Company's website at: <https://kshinternational.com/investor-relations/transcripts/>.

You are requested to take this intimation on record.

Thanking you,
For KSH International Limited

Sarthak Arun Malvadkar
Company Secretary and Compliance Officer
Membership No.: A28473

Encl.: As above.



“KSH International Limited
Q3 & 9 Months FY '26 Earnings Conference Call”
February 09, 2026



MANAGEMENT: **MR. RAJESH HEGDE – MANAGING DIRECTOR – KSH INTERNATIONAL LIMITED**
MR. AMOD JOSHI – CHIEF FINANCIAL OFFICER – KSH INTERNATIONAL LIMITED
MR. DHRUV CHOPRA – HEAD, INVESTOR RELATIONS – KSH INTERNATIONAL LIMITED
MR. NAKUL PATIL – HEAD, SECRETARIAL & LEGAL – KSH INTERNATIONAL LIMITED

MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to KSH International Limited Q3 FY '26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities Limited. Thank you and over to you, sir.

Mohit Kumar: Yes, thank you, Rudra. Good morning, everyone. On behalf of ICICI Securities, I welcome you all to the Q3FY '26 Earnings Conference Call of KSH International.

Today, we have with us Mr. Rajesh Hegde, Managing Director, Mr. Amod Joshi, Chief Financial Officer, Mr. Dhruv Chopra, Head of Investor Relations, and Mr. Nakul Patil, Head, Secretary and Legal. Without much delay, I'll now hand over the call to the management. Thank you and over to you, sir.

Rajesh Hegde: Yes, thank you, Mohit. Yes, good morning, everyone. This is Rajesh Hegde, the Managing Director for KSH.

I would like to welcome all current and prospective shareholders to our Third Quarter Fiscal 2026 Results Call. Our IPO concluded late in Q3 of FY '26 and there are some moving parts this quarter, primarily due to the timing and activities related to the Supa expansion. Year-to-date figures will smoothen out any quarter-to-quarter movements.

In our view, Q4 of FY '26 would be our full first quarter post listing and more representative of the underlying and sustainable trends in the business. Given our current capacity and a robust demand environment, we have the capability to produce 28,500 to 29,500 metric tons for the full year.

Higher volumes generally also drive better operating leverage, which was adversely affected in Q3 of FY '26 due to the upfront costs related to the substantial capacity addition that came online in the quarter.

Our third quarter and 9 months financial results, along with supporting information, have been submitted to the exchanges and have been uploaded to our website. On today's call, I would like to focus on three key areas. First, I will address what differentiates our business and the key drivers and trends.



Second, I want to spend a little more time on our new Supa facility and its impact on the company. And last, we will address the financial and operating metrics for Q3 and 9 months of FY '26.

To refresh all, KSH International is a 45-year-old manufacturer of magnet winding wires, which is the most critical components of coils used in large and small electric machines, from power transformers to motors down to small compressors for air conditioning and everything in between.

Based on currently available data and our capacity addition, we may now be the second largest winding wire manufacturer in India with an installed capacity of 43,445 metric tons, and we continue to remain the largest exporter of winding wires from India. Once Phase 2 of our expansion is completed in 14 months' time, we would have an installed capacity of 59,045 metric tons, annualized.

We are a B2B company servicing approximately 120 leading domestic and global OEM customers and maintain long-term relationships with these customers, resulting in more than 90% of the revenue being from repeat customers. Additionally, our business is make-to-order, which means we procure the copper and begin processing only after receiving a purchase order from the customer.

Thus, LME copper prices and exchange rate is a direct pass-through, and we do not take any exposure to short or long-term variations in the copper price. Roughly 75% of our revenue comes from large power transformers used in T&D, renewables, railways, and data centers driven by our core Continuously Transposed Conductors, or CTC product in which we are the market leaders in India.

CTC is a complex engineered wire product and all of our exports are exclusively to T&D customers across 24 countries. We continue to maintain our leadership in CTC with a comprehensive track record as well as OEM and utility approvals. We are approved for all classes of power transformers, including being the only Indian company approved to supply to HVDC 400kV transformers.

CTC is one of the key differentiators from our peers and accounts for more than half of our specialized winding wire business. Why do we succeed? In an ultra-precision field, our long-term mantra has been that quality has to be built into the product we produce, not something that gets inspected at the end.

This results in the quality and longevity of our products, most of which are still actively working in the field. The T&D sector is in a structural long-term cycle driven by

renewable energy, grid modernization, urbanization, and growing power demand for AI data centers. This is not just an India phenomenon, but a global one.

The primary bottleneck is the supply of power transformers, which is driving capacity expansion by transformer OEMs globally, as evidenced by the public comments and financial performances reported by all our customers. This directly feeds into the demand for our products.

Though there is growth across all power transformers, one of the most exciting opportunities in our view lies with HVDC, which is required to evacuate power over long distances for renewable energy projects.

During the third quarter, we commenced supplying specialized winding wires towards cumulative orders of 37 HVDC transformers received to date. These orders would be supplied over a period of 12 to 18 months. Though, at the current level of 40-odd transformers, it will not meaningfully impact any given quarter's performance.

But as more HVDC transformers begin to be supplied, which we expect to happen, it should start to have an incremental benefit to the company, given it is our highest value addition product. Meanwhile, momentum for 765 kV transformers and reactors continues, with contribution in Q3 of FY '26 being higher compared to Q2 of FY '26.

Shifting to exports, in Q3 of FY '26, our export revenue increased 37% year-over-year, accelerating from the 22% year-over-year growth we reported in Q2 of FY '26. With new capacity, we are now able to be more proactive, target accelerating volumes for our existing global clients and over time from new clients in new geographies.

In summary, our key strategies to drive sustained growth is to: a, to grow volume from higher value-added segments like T&D, EV motors and exports. B, to expand our international presence including expansion with our global clients. C, to increase wallet share with our existing clients. D, to drive operating efficiencies through scale and backward integration. And finally, to improve sustainability efforts within the company as well.

Moving now to our new facility in Supa, we completed Phase 1 at the end of September 2025, bringing 12,000 metric tons of additional capacity online. During Q3, we added a further 2,400 metric tons, bringing total capacity at December 31, 2025 to 43,445 metric tons. Supa capacity expansion is across all our product lines, from CTC down to round wires or standard magnet winding wires.

The rapid introduction of this capacity led to a short-term increase in costs as these are incurred in advance of the volume produced. We expect volumes to increase sequentially every quarter, in turn driving better operating leverage. During the first 3 months of operation, we achieved more than 50% capacity utilization at Supa, bringing consolidated company utilization down to 68% from 90% plus last quarter.

Looking at our overall volume growth, we sold approximately 7,400 metric tons of winding wire in Q3 of FY '26, an increase of almost 24% compared to Q3 of FY '25. And the highest volume growth rate we have had in many years, maybe even 10 years. We are excited with the prospect of seeing our quarterly volume trend higher off this much larger base.

I would now like to ask Amod Joshi, our CFO, to go over some of the financial and operational details. Over to you, Amod.

Amod Joshi:

Yes, thank you, Rajesh. Good morning, everybody. I will discuss our third quarter and 9-month FY '26 financials and operating performance now.

During the 9 months and Q3 of FY '26, our revenue from operations were INR2,089 crores and INR818 crores, respectively. This resulted in an increase of 47% and 59% compared to the same period last year. Specialized winding wires represented approximately 75% of total revenue, excluding other operating revenue in 9 months and Q3 of FY '26 and increased 48% and 61% versus a year ago. This was largely driven by ongoing demand from our T&D clients.

Standard winding wires also grew 48% and 55% in 9 months and Q3, respectively. Revenues from exports grew 37% compared to Q3 of FY '25 and represented around 27% of total revenues, excluding other operating revenue during the period. Volumes, product mix, and material prices were key drivers to top-line performance.

In line with the shift to increase volumes of higher-value-added products and cost rationalization, our gross profit per ton also improved approximately 4% over Q2 of FY '26 and nearly 12% over Q3 of FY '25. 9 months and Q3 FY '26 EBITDA of INR136 crores and INR49 crores improved from INR87 crores and INR40 crores last year, respectively.

As we have stated, reporting margins can fluctuate due to movements in copper prices, given that copper is a pass-through. This quarter, copper prices increased sharply, negatively impacting the margins, but as you can see, did not impact EBITDA per ton. Therefore, to evaluate the underlying progress of the company's profitability, it is more important to look at the unit economics of the business.

This brings me to EBITDA per ton discussion. EBITDA per ton for 9 months of FY '26 was approximately INR66,000 per metric ton, which is almost similar to Q3 FY '25 and up from INR50,000 for 9 months FY '25. This performance is consistent with our prior commentary that EBITDA per ton at current levels are sustainable.

There were a few non-recurring items during Q3 of FY '26 which we believe warrant being called out so everyone can understand the underlying trends in the business. First, there was an exceptional one-time expense of INR1.6 crores related to implementation of the new Labour Codes in Q3 of FY '26.

Second, the Supa Phase 1 facility, which was capitalised at the end of Q2 FY '26, had an interest to the tune of INR2.7 crores related specifically to the loan taken to fund the Supa Phase 1 expansion and was charged to P&L in Q3 FY '26. Having repaid this loan in full in the last week of December '25, this expense is no longer expected to recur.

Third, additional depreciation expense amounting to almost INR3.8 crores relating to the same Phase 1 expansion was charged to P&L in Q3 FY '26. Though this amount is recurring in nature and one we believe would be absorbed by growing volumes, we highlight it as it impacts the comparability of Q3 FY '26 results with prior periods.

Lastly, as is typical with the new facility that starts up, the Supa expansion saw some fixed and operating costs in Q3 FY '26. As volumes ramp up, we expect these costs to be absorbed and operating leverage to kick in over in due course.

During Q3 FY '26, we reported PAT of INR23 crores which declined 9% from Q3 FY '25 due to the reasons just mentioned. For 9 months of FY '26, we have reported PAT of INR75.6 crores which is an increase of 53% from INR49.5 crores in the same period in FY25.

I will now briefly provide an update on the utilization of our IPO proceeds as well as some additional financial metrics. In late December 2025, we repaid INR225.9 crores of long-term and short-term debt, including the term debt taken for financing the Supa Phase 1 expansion. Therefore, at the end of December 2025, our debt-to-equity ratio, if we exclude the cash earmarked for redeployment from IPO proceeds, has come down to 0.42x from almost 1.35x in Q2 FY '26.

Additionally, in Q3 FY '26, the company spent INR5.4 crores towards the purchase of new machinery. Orders and advances for the new machinery have already been put in place and we expect deliveries of this equipment to happen over the course of the next 14 months. Our endeavour is to ramp up capacity for CTC as quickly as possible given

the current demand environment. Once completed, we would have doubled our capacity across all our products from 29,000 metric tons to 59,000 metric tons.

Finally, working capital days remain in the 75-80 day range calculated on a closing balances basis during Q3 FY '26, though we expect this to start trending lower incrementally over the next several quarters.

Let me now hand over the call back to Rajesh for his closing remarks. Over to you, Rajesh.

Rajesh Hegde:

Thank you, Amod. Given we are approaching the mid-point of our final quarter of fiscal 2026, I want to highlight where we ended fiscal 2025 and the year-to-date trends, we have reported so far this year. First, in FY '25, we reported a volume of 23,345 metric tons. So far, volume growth has been 18% for the 9 months of FY '26.

Q3 of FY '26 volume grew at 24% due to the inclusion of Supa, which we believe is a sustainable rate for this fiscal year given the additional annualised 14,400 metric tons of capacity available in the second half of this year.

Second, in FY '25, we reported EBITDA per ton of approximately INR52,500 per metric ton and for the 9 months of FY '26 and we are operating at roughly about INR66,000 per metric ton, which we have previously said is a level we feel is sustainable.

And third, for FY '26, we reported -- FY '25, we reported PAT of INR68 crores. For 9 months of FY '26, we have delivered PAT growth of roughly 53%, which is a rate of growth we believe is also sustainable for this year. In summary, we are excited with the demand environment for our products and even more so by having the capacity now available to service this demand.

Like any capacity expansion, we had some short-term cost implications for adding said capacity in Q3, but we believe that this is the inflection point and looking forward to executing our strategy for the remainder of the year and beyond.

With that, I would like to hand the call back to the moderator to open up for questions.

Moderator:

Thank you very much. Our first question comes from the line of Nidhi from ICICI Securities Limited. Please go ahead.

Nidhi:

Yes, thank you so much for taking my question. So, my first question is on the duties. So, post the US trade deal, how are we looking at the duty scenario? What were the duties for India prior to this on the fabrication portion, not on the copper, on the



fabrication? And now going forward, are we, you know, in terms of cost competitiveness with China and other countries, where do we stand?

Rajesh Hegde: Yes, this is Rajesh. So, you know, before the duties were on the value addition part was around 54%-odd. And now, of course, this is still work in progress because we are hearing conflicting information between 18% to 25%. So, I think we would wait for a final revert from, you know, the information that we have to receive. But we believe that it will be somewhere between 18% to 25%, you know.

Nidhi: All right. And could you just call out...

Rajesh Hegde: Your other question was, compared to China, you know, China is still at about 34% on the value-add US revenue.

Nidhi: All right. And could you just call out what was the amount of exports to the US in 9 months in, say, rupee terms?

Dhruv Chopra: Yes, we, Nidhi, this is Dhruv, we provide that on an annual basis. So, for last year, it was about 9% of total revenue.

Nidhi: All right. My question on the HVDC, the 37 transformer order that we have, I am assuming that a portion of that comes from the BHEL order. And where is the remaining portion coming from? Is it from India or is it from abroad? And can we assume that this order, the entirety of the value of the order for the fabrication alone should be closer to 250 million or should be closer to 80 million?

Rajesh Hegde: This 250 million to 80 million, I am not sure. I mean, in terms of fabrication, you know, whether we put out a number. But what I can tell you is that this order is from India itself, from another manufacturer of HVDC transformers, you know.

Nidhi: My last question would be that, given that we have seen this increase in capacity, and you also mentioned on the call that we can expect this run rate going forward. Did you mean for current capacity, the run rate should be closer to 7,500 per quarter? Or is it that we can expect a similar increase in volume for Q4 as we did see for Q3?

Rajesh Hegde: Similar increase we are expecting.

Nidhi: All right. So, would that be fair to assume that by Q1 FY '27, we could see probably 10,000 tons per quarter?

Rajesh Hegde: Yes, Nidhi, I mean, that will ultimately depend on the utilization rates. But clearly, we will continue to focus on driving those up.



- Nidhi:** All right. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.
- Mahesh Bendre:** Hi, good morning, sir. Thank you so much for the opportunity. Sir, in first 9 months, we have reported volumes of around 20,500 metric tons. So, based on our capability order book, what kind of volume we are looking for this financial year?
- Rajesh Hegde:** Yes, I think we have mentioned in our call that between 28,000 to 29,000 is what we are expecting. 28,000 to 29,000 metric tons for the full year.
- Mahesh Bendre:** Okay. Okay. So, I mean, if I assume a midpoint of 28,500, then we will end up around 8,000 kind of volume this quarter?
- Rajesh Hegde:** Yes, yes, that's right.
- Mahesh Bendre:** And, sir, what will be the corresponding number last quarter, Q4, that number will be?
- Rajesh Hegde:** You are asking last quarter of last year, right?
- Mahesh Bendre:** Yes, Q4 FY '25?
- Rajesh Hegde:** Around 6,000 it was. Below 6,000, just below 6,000 tons.
- Mahesh Bendre:** Okay. So, 30%-35% growth is feasible in terms of volume?
- Rajesh Hegde:** Yes, yes. With this additional volume that's available, so that's what we are saying that, we have this additional volume that's available for the rest of the quarter.
- Mahesh Bendre:** And, sir, our utilization is around 68%, you mentioned. So, this 43,000 capacity of metric ton, what kind of utilization we expect to achieve next year?
- Amod Joshi:** Look, overall, 43,400, like we said, the capacity ramp-up generally takes 2 to 3 years to reach 80% to 85%. And with that trajectory, we expect to keep the same trajectory over the next 2 to 3 years for this 43,400.
- Rajesh Hegde:** No, but I think your question was on this capacity base of 43,400 tons. I mean, you know, if you do the math, then it will be approximately, I mean, if you take between 28,000 to 29,000 metric tons that we are saying. So, I don't have the immediate percentage.

- Amod Joshi:** Yes, about 60% to 70%. But, Mahesh, just one clarification point is that the 43,000 metric tons is also not static. That capacity is going to keep increasing till 59,000 over the course of the next 14 months.
- Mahesh Bendre:** No, no, I'm assuming this is currently 43,000. Additional comes, that's well and above. But this 43,000, which is available for next year, entire year. So, what kind of utilization we are expecting?
- Rajesh Hegde:** Next year, you're saying, okay.
- Mahesh Bendre:** Yes, next year?
- Rajesh Hegde:** Yes, next year, I mean, our endeavor is, of course, to keep increasing. So, like what Amod said, 85% is normally a good capacity utilization or optimal capacity utilization. And on this 43 you could probably, 80-85 would be our target, of course, 85%.
- Mahesh Bendre:** Okay, so 37,000 is feasible?
- Rajesh Hegde:** Yes, yes.
- Mahesh Bendre:** Yes. Okay, okay. Sir, last question from my end. I mean, the interest cost last quarter was, I mean, much higher, I think, INR14 crores. So, given the loans we have paid, short-term and long-term, what kind of interest we are going to pay for the last quarter and maybe next year?
- Amod Joshi:** Look, as far as interest is concerned, the working capital interest actually increases in proportion to the top line. And like we mentioned, the indicative tonnage of top line for the Q4 will be higher than Q3.
- So, from that perspective, the working capital interest will be slightly more than Q3. Having said that, we have repaid the term loan for Supa and a INR2.7 crores saving will definitely kick in in the Q4 of FY '26.
- Mahesh Bendre:** So, this number will be, I mean, this INR14 crores looks to be a slightly higher, the number will be lower in this Q4?
- Amod Joshi:** No, because the utilization also will go up. So, we don't expect that working capital interest to go down significantly from the Q3 levels.
- Mahesh Bendre:** Yes, but the extraordinary item will not come, right?
- Amod Joshi:** Yes, the INR2.7 crores. That's the term loan interest. Yes, that will not be there.

- Mahesh Bendre:** Sure. Thank you. Thank you so much, sir.
- Amod Joshi:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Kaushik Doshi from ICICI Securities. Please go ahead.
- Kaushik Doshi:** Yes. Hi, sir. Good morning. Thank you for the opportunity. Sir, my first question is, copper prices has gone 30% year-on-year. Will this affect all the magnetic winding wire manufacturers? And do we see a delay in order finalization due to this?
- Rajesh Hegde:** No. So, like we explained, our business model, copper is a complete pass-through for us. And once we receive an order, we book the copper with our supplier, and then the copper LME price and the exchange is a pass-through, and we focus on the value addition.
- So, when it comes to standard winding wire, I think, especially people who are doing more the B2C business, we are a B2B company, there you might expect people to have some exposure to the copper price, and you cannot really have a complete pass-through on that basis, because there is some stock that is there at every point as well.
- In terms of demand, I mean, if you look at transformers, we are talking about power transformers, these are all typically long-lead items. We do not see copper prices really affecting the power transformer segments. And even in some of the other segments, we do not see that happening.
- But it could be maybe in some of the small motors, people would think about like fans, etcetera. They would think about switching from copper to aluminum as an alternative, and we manufacture aluminum as well in our manufacturing. So, that is something that needs to be seen, how it will be.
- Kaushik Doshi:** Okay, sir. Got it. Sir, can you provide current inventory levels and net working days?
- Amod Joshi:** Current net working days on an overall basis is, like you mentioned, around 75 to 80 days on a closing balance basis. Inventory days are a little higher in that 75 days, which occupies almost 40 to 45 days on account of inventory.
- Kaushik Doshi:** Okay, sir. And, sir, adding to the question of some other analysts, as you said that China is at 34% and India will come around 20% to 25%. So, if India comes at 24% on a run rate basis, how do we compare in terms of prices with China? So, if you can explain on that?

- Rajesh Hegde:** So, first of all, when we look at the Chinese manufacturers of the similar kind of products, US is not a market for the Chinese. In fact, Chinese manufacturers so far, at least we have not seen them, although it was at one point in the past, quite a significant market for the Chinese manufacturers.
- But I think, US has taken the view that they would look at other countries to procure from. So, we are not finding them prevalent in the US market. And you wanted to add something?
- Amod Joshi:** No, just generally on vis-a-vis the Chinese manufacturers, in any territory where you look at a level playing field in terms of duties, we are cost competitive with them in those markets. And Japan would be an example of one such market.
- Kaushik Doshi:** Okay, sir. And, sir, you mentioned that you do aluminum as well. So, what percentage of your is aluminum?
- Amod Joshi:** Less than 1%. Yes.
- Kaushik Doshi:** Okay, sir. Got it. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Kushal Kasliwal from Inved Research. Please go ahead.
- Kushal Kasliwal:** Thank you. Thanks for taking my question. Sir, my first question was on our current realizations. It seems like at the current top line level and volume numbers which you have reported, our current realization of copper was around INR1,100 per kg. Is that a right number for 3Q?
- Amod Joshi:** Yes, I mean, if you just take the top line and divide by the tonnage that we've given, the number should be close to what you're saying.
- Kushal Kasliwal:** Understood. But the prevalent market prices currently in 3Q looking at some of the other companies as well as their public disclosures, it was around 1,300-1,350. So, just wanted to understand the reasons of this gap because some of the leaders actually in this space have reported and that is a public data which is 3Q numbers are somewhere near 1,300?
- Rajesh Hegde:** So, how our business works is that when a customer places an order, it could be on an unknown LME of the day's CSP, it could be the month's CSP or it could be like a 15-day moving average.

So, if you take all of these orders, I mean, it's very difficult to just say and from time to time, we'll keep getting these orders. So, if you take that average, I mean, what you're saying is that if others are at 1,350, why are we at 1,100? Isn't that, right?

Kushal Kasliwal: Yes, I mean, their public disclosures have been in 1,300, although their numbers cannot be tallied because they do not really report the quantity number which we report?

Rajesh Hegde: Correct, correct. So, in our case, I mean, what we do like -- it's very difficult to correlate to some other company because he could be maybe only working on an average model or maybe his orders could be only coming on maybe a week's average. So, that really and again, whether it's a complete pass-through for them, I'm not very sure. But in our case, it's anyway it's a complete pass-through for us.

Kushal Kasliwal: Understood. So, from what I'm getting is there can be a lag between actual copper prices which are prevalent in the market and our realizations per ton and it can be like almost 1.5 to 2 months lag?

Rajesh Hegde: For us, you're saying?

Kushal Kasliwal: Yes, for us versus the current copper prices, let's say, per ton or per kg prices of realizations of copper?

Rajesh Hegde: I would not, I mean, lag is essentially once we get an order, we normally take about 15 to 20 days to manufacture the material on a make to order basis and supply. So, but then even for that 20 days, we don't have any exposure on the copper price.

I mean, that's why we say that copper is a complete pass-through from the date of ordering itself till the time we manufacture it and dispatch it, the invoice would carry the same copper price. So, I'm not sure when you say lag, what exactly you mean by lag?

Kushal Kasliwal: I think I got my answer. I understood what you're saying. So, I'll just move on to my next question. My next question was around, our HVDC orders, which are currently we are executing roughly 37 orders. So, and also, we are into PEEK winding wire, which are used in EVs?

So, I just wanted to understand, on a 2- to 3-year basis, how large can this new age business become for us as a percentage of overall top line and, maybe some understanding on cadence of that coming on to our EBITDA per ton level from here, how higher we can go in terms of EBITDA per ton also?

Rajesh Hegde: So, when we look at HVDC, now, of course, there's a, the Khavda Bhadla project, which is there, but that is already out. And there are some still some more orders on -- in that, that still need to be finalized. But apart from that, there is a GE order, which they have recently got, then there are some repair orders with some of the other transformer manufacturers have got also.

So, all of this, this is an addressable market for KSH, because there is a localization content that is required also. And we have the creds for supplying to these transformer. In terms of quantifying, I mean, I'm not able to really give you an exact number right now in terms of quantity. But we can work on that, that side of it in terms of quantity. And you want to say something?

Management: No, just I was just going to add that in terms of the new businesses, I mean, for us, HVDC is part of the existing business, and that falls under T&D. But if you would have followed what we've been saying, the two new verticals, if you call it, where we are diversifying, is also in the EV market, as well as on the compressors, which falls under round wires.

So, I think over time, T&D will still remain the largest contributor. The EVs will grow, but right now, all these projects are in programs. So, the volumes will still take another 12 to 18 months before they are reflected, particularly on the 4-wheeler side. On the 2-wheeler side, we are already doing volume today.

But so, it's a little bit premature for us to figure out what percentage contribution it can be at this point. But we expect both the compressors and the EVs to increase from low single digits today to meaningful contributors to the group.

Kushal Kasliwal: Understood. Got it. Sir, another question was on Supa facility. Can you just confirm, I think, you called out earlier in the introduction section where you said that we have reached 50% capacity utilization in Supa?

Rajesh Hegde: Yes, we have.

Kushal Kasliwal: 50, 50, right?

Rajesh Hegde: 50, yes.

Kushal Kasliwal: So, if I just do the math, I mean, in 3Q, we have reported roughly 7,400 volume, the volumes, which we have 7,400 metric tons versus in 2Q, we had 7,037. That number was that. So, around 400 metric ton was increased in 3Q versus 2Q. This entire 4,000 is driven due to Supa?

- Amod Joshi:** Yes, it is driven. But what you are, yes, it is from Supa 400 extra.
- Kushal Kasliwal:** Yes, but then if I look at the monthly capacity of Supa, which we have installed is around 1,200. So, 400 divided by 1,200 is actually 33% only, right? Capacity utilization?
- Amod Joshi:** So, good observation. So, what has happened is, you know, in Q till Q2, our existing facilities were operating at much higher capacity utilization at around 95%, 96%. And we have earlier also called out that that percentage utilization is very high and it is not sustainable.
- So, as Q3 Supa facility kicked up, what happened is we rationalized the capacity utilization at other plants and the Supa facilities got ramped up. So, where the additional tonnage, what you observed correctly 400 metric tons, the remaining tonnage of 50% of Supa got added from Supa, the utilization for the other plants rationalized to almost 80% to 85%.
- Kushal Kasliwal:** Understood, understood. So, from other plants the production might have rationalized and the incremental one is coming from Supa?
- Amod Joshi:** That's correct.
- Kushal Kasliwal:** Understood, understood. Sir, if I may, my last question on working capital, I think in last phone call also we mentioned that we will be making steps to reduce it. So, what actively are we doing to reduce our working capital days because some of our peers are have meaningfully low working capital days, all goes back to higher requirement of working capital debt, it also goes back to the interest costs which we pay. So, on let us say a 1-year or 2-year forward basis, what are the strategies we are currently kind of deploying to reduce these working capital days?
- Amod Joshi:** Yes, a couple of things that we are actively going to do. One is our payable days are at low 5 days, as compared to the peers are much higher. So, we will be consciously purchasing copper on credit from suppliers as against advance payment from the bank.
- Now, that we expect the payable days to go up successively over the next quarters for Q3, actually it has gone up by almost 4 to 5 days. Second thing is the inventory levels. Inventory levels typically in the T&D sector what happens is the order sizes are pretty high, some 20 tons, 25 tons as compared to the standard winding wires.
- And when the order sizes are high, what happens is unless you do not manufacture the last ton, you cannot dispatch the entire order to the customer. That is why the inventory levels tend to be higher, but we are closely monitoring the inventory levels going

forward to ensure that the inventory levels remain within sustainable levels as compared to the peers.

Kushal Kasliwal: So, you are saying that especially on payable days, you will be able to match some of the other peers, like, maybe a company like Precision have that number close to around 50-60 days. Is that possible or is that a long shot?

Rajesh Hegde: That is possible. As our production volume goes up, then we are able to get better terms from the suppliers also and we are definitely going to move towards that.

Management: But Kushal, again just to reiterate, this is not an overnight thing. This is cumulatively quarter over quarter over quarter.

Kushal Kasliwal: Yes, but I think in terms of production level, we will be near to let us say you have already called out we are the second largest and the second largest player which is Ram Ratna is already near those numbers. So, I would assume that exercise will start now, and maybe from incrementally from here, maybe if we take a two-year view that can eventually be a goal in two years, right?

Rajesh Hegde: Yes, definitely.

Kushal Kasliwal: Okay, great. Thank you so much for answering all the questions. Thanks.

Rajesh Hegde: Thank you.

Moderator: Thank you. Our next question comes from the line of Sudhir from Birla Family Office. Please go ahead.

Sudhir: Yes, good morning, sir. See, my question is on CTC, sir. Am I audible?

Rajesh Hegde: Yes, yes, you are audible.

Sudhir: So, I believe that we are the only manufacturer of that in India. What is the EBITDA level there and how you are going to scale the production of CTC?

Rajesh Hegde: No, we did not say we are the only ones. We are one of the manufacturers, but we are the largest manufacturer of our CTC in India. And there are other players as well who manufacture CTC.

In terms of EBITDA per ton, we do not really report on a product-wise basis. We are on a cumulative basis. As we mentioned, we are at about INR65,000 to INR66,000 rupees per metric ton, as of this quarter.



- Management:** Yes. So, just again, a couple of points. One is CTC falls under specialized winding wires. That would obviously be higher than the consolidated average of the group of 66. And secondly, CTC, we are one of several players approved, I think, where you might have got mistaken of us being the only certified supplier for HVDCs.
- Rajesh Hegde:** Yes, for HVDC, we are the only ones who are supplying.
- Sudhir:** HVDC, you are the only one. Yes.
- Rajesh Hegde:** And, you know, in the specialized winding wires, you know, that's about 75% of our total revenues and standard is about 25%.
- Sudhir:** Yes. And, sir, can you guide EBITDA per ton next year, if you can?
- Management:** I think the commentary we have given, Sudhir, is that, we've had sharp increases over the years, but we are comfortable that at this level, we will be able to sustain. So, we're not looking to grow the EBITDA per ton explicitly from here higher, although some of that may come naturally as the business mix continues to shift towards higher value added products, whether it's more CTC, more HVDC, more PEEK wires. But I think in terms of where we are on a consolidated basis, we feel the 65, 66, 67,000 number is a sustainable number for us.
- Sudhir:** And, sir, my last question is, what is the market size of the HVDC-CTC product for HVDC, which you are making and you are the only player? As, you know, all these transmission people are moving to HVDC. So, can you estimate the market size, what could be the next couple of years?
- Management:** No, we don't have that information available, I think, at that granular level. I think slightly more broader information is there in the care industry report that was part of our DRHP. So, I can refer you to that, but HVDC specifically is harder to quantify.
- Sudhir:** Okay. Thank you. Thank you, sir, for the opportunity and all the best.
- Management:** Thank you.
- Moderator:** Our next question comes from the line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.
- Mahesh Bendre:** Hi, sir. Just one follow-up question. Sir, we are operating around 68% utilization, and we have still reported a INR66,000 rupees of EBITDA per ton. So, when we go to 85% plus next year, ideally this number should go up, right?

- Management:** 85% utilization, you are saying?
- Mahesh Bendre:** Yes, next year will be maybe 85% utilization. The operating leverage should play in. I mean, this number should logically go up?
- Rajesh Hegde:** Yes, but right now, we are basically saying that it will be between INR65,000 to INR66,000 is a sustainable number and we would really focus on the volume and some operating leverage, of course, we are getting, but we are also taking that into account and we would try to, you know, unless like what Dhruv said, if the product mix changes, which is kind of very difficult to immediately predict in terms of -- there's a sudden skew towards HVDC transformer orders, which is the highest value-added product, it's kind of difficult for us to really give a guidance right now, anything more than this right now.
- Management:** So, Mahesh, if I can just add, I think it's prudent to look at it as a sustainable level for an additional reason in that we are also actively growing, and consciously growing the standard wire products that we have, which are at lower volume. So, though specialized is significantly higher, three to one more profitable, we have to strike a balance.
- So, I think between both of those factors, growth in overall special and overall standard will keep it in this range. And then, of course, as we said, we get some additional operating leverage from fixed cost absorption or the mix shift goes towards PEEK wires or HVDC, then we will get, some further positive inclinations.
- Mahesh Bendre:** No, no, I was saying this, that any manufacturing company, when crosses 80% utilization, its profitability improves disproportionately. So, from that angle, I was asking these questions?
- Amod Joshi:** Yes, so, what your observation is correct, but we have, some phase two of super that are still to be capitalized, which is going to happen lastly in '26, '27. Now, like we had mentioned earlier, also, when the new capacity comes, there's some additional fixed cost also that flows to the P&L in the initial years when the new capacities come. Having that also in mind, we are saying that 65, 66,000 levels are sustainable, even at when the new capacity capitalization is going to happen in the next year.
- Management:** But just one final point, Mahesh, is you are 100% correct, in absolute terms, profitability will increase, so EBITDA will grow. We are talking more specifically on EBITDA per ton on a unit economic basis.
- Mahesh Bendre:** Sure. Thank you. Thank you so much, sir.

- Moderator:** Our next question comes from the lineup. Nishant Sharma from Nuvama Wealth PCG Research. Please go ahead.
- Nishant Sharma:** Thank you for the opportunity, sir. Sir, couple of questions from my side. One is on the debt levels. What are the current gross and net debt levels? And what was the interest expense for the quarter towards the working capital loans that we had?
- Amod Joshi:** So, gross level as December 25 was INR330 crores of total debt, which includes long term as well as short term. Now, there are some amount of cash that was generated from the IPO proceeds which were parked in deposits, as our utilization certificate is showing. But because those funds would eventually get utilized for capex and other purposes, which is highlighted in the IPO, we are not considering that as net debt equity ratio. But the net debt, if you reduce that is INR136 crores.
- Nishant Sharma:** INR136 is post using IPO, right?
- Amod Joshi:** Yes, INR136 crores is after using the funds parked in FD from the IPO. But I would urge you to consider INR330 crores as the gross debt level, because that funds in FD will eventually get utilized for the IPO purpose.
- Nishant Sharma:** And what would be the cost of debt for this INR330 odd crores?
- Amod Joshi:** So, INR330 crores includes say INR20 crores long term debt and short term is around INR310 crores. So, working capital debt levels, various products within working capital range from as low as 6% to 9%. There are various working capital products that we use. And long term debt is again around 8% plus or minus.
- Nishant Sharma:** So, basically, in this quarter, what was the interest expense towards working capital loans, if you can help us understand that level? Will that be possible?
- Management:** We'll get back to you. We'll have to pull out.
- Nishant Sharma:** No worries. My second question is around that. There was an announcement that now Chinese players will also be allowed to bid in government tenders. So, how are we likely to be affected with that announcement, whether it will be more towards the negative side or a positive side, if you can explain or help us understand the impact of that announcement to us?
- Rajesh Hegde:** Well, I mean, this is Rajesh. And, you know, although there is a lot of media, chatter about this announcement, but we've not really seen an official announcement come from the ministry. And also, I think, what has happened is that there was one company

which was TBA, which is a Chinese transformer manufacturer, who was not allowed to manufacture transformers in the past for or bid for government tenders.

But now I believe that they have been allowed to supply transformers and bid for government tenders. All these companies are our customers. So eventually, I think, you know, it's just, you know, from a, you know, order perspective, TBA is a customer for us. But and then what's happening in the media is, you know, they're probably talking about boiler, turbine, etcetera. These are other balancing equipment that is required.

Because in transformers, from what I know, it was pretty clear that, if you have to supply a power transformer to the India, to the utilities in India, you have to have a manufacturing setup here, so that you can service the transformers and there should be a local content as well. This I don't think that the government is still diluting. But we have, although there's lot of news in the media, we have yet to see something like this happen.

Nishant Sharma: I mean, the thing from a sort of perspective that we may see an incremental competition coming in, especially for CTC products, which may come in because of this announcement, there is no concern of that.

Rajesh Hegde: So CTC can still come in from China, and there is some CTC coming in from China. But then ultimately, they're not as cost competitive as the Indian manufacturers, because there is a significant duty element on that as well, and which is on the copper price as well. So, today if it is coming, it is also because there is a demand supply mismatch in India. But I think, now that we are geared up in terms of volumes, that supply mismatch should get addressed as well.

Nishant Sharma: And last bit of from my side is, whether the margins from say EV or a compressor related product would be in line with the blended EBITDA margin -- EBITDA pattern that we see, or that would be a little lower than those blended EBITDA pattern?

Rajesh Hegde: So in the EV side, when you look at two wheelers, or if you look at compressors, wires that are used for compressors, there would be still low margin, but high volume. And, it's not really comparable to the, like, let's say something that goes into the power transformer or HVDC transformer.

But if you look at the EV side of it, as you move towards the wires that are used for four wheeler applications, or, any four wheeler applications, including, let's say, the PEEK coated wire, which is going to be used for the 800 volt traction motor

architecture, that's where you would see a higher value addition and a higher margin because of the complexity.

So as the complexity of the manufacturing process increases, and the end application also becomes more complex, that's when you have a higher margin profile.

Nishant Sharma: So apart from that, what is the contribution right now that is coming from HVDC related products, if you can have any share on that side?

Rajesh Hegde: So, in the grand scheme of things, for us, it's quite, it's very small and negligible. That's what we were we've mentioned, because, 37 transformers doesn't really translate to a very large volume. But we are excited about the fact that, there are more, but it's the highest value added product within our portfolio of products that we supply.

So if you look at it, I mean, in future, as more and more HVDC transformers are going to come, because of the renewable push that is there, and this is globally happening, where HVDC is that is going to really go up substantially, then we see that since you're in a high value added segment, then that would make at that time, if you see more or more orders flowing, then we will see it making a meaningful impact on our bottom line as well.

Nishant Sharma: Sure, thank you very much and all the very best.

Rajesh Hegde: Thank you.

Moderator: Our next question comes from the line of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati: Questions have been answered.

Management: Hello?

Ankur Gulati: My questions have been answered. Thank you.

Rajesh Hegde: Okay, okay. Yes, next.

Moderator: Thank you. Our next question comes from the line of Aryan Bhatia from Inved Research. Please go ahead.

Aryan Bhatia: Thanks for the opportunity. So my question is regarding HVDC only. So are we the only supplier in India for HVDC CTC? And recently, like GE has gone one order for HVDC. So are we expecting implement an order inflow for the HVDC segment?

Rajesh Hegde: So right now, we're the only Indian manufacturer supplying CTC for the HVDC projects in India. And, which means obviously, I mean, unless you know, GE is going to export, then maybe they might they might look at importing some, but if they're supplying to anything that goes into the transmission grid, then, we are PGCIL certified for HVDC.

Aryan Bhatia: Okay, got the answer. The second question is all on interest cost. So if I look at our register pattern, although it remains the same, but not working out the requirement, due to higher copper prices will increase.

So eventually, our PAT growth will be lesser than our EBITDA growth, due to the higher interest cost. Is my understanding correct or we expect that interest to move in the same line? Because although our margins will be impacted because due to higher copper prices, but our working capital requirement is stretched. So eventually, our interest cost will be impacted due to the higher copper prices.

Amod Joshi: Yes, so that's actually a couple of things to consider as far as the impact on PAT is concerned. Yes, you're correct. When you say that, when higher copper prices requires us to have higher working capital and the interest on working capital may be higher.

Having said that, there are the one-time costs that we called out in the earlier meeting, which is not going to be there going forward. So that's almost INR1.6 crores on the labor cost and interest on Supa for almost INR3 crores. So the PAT impact, because of interest costs will definitely be there, but it will not offset the other savings that we are going to have from either the one-time cost or the increase in quantities that we are going to have in say Q4.

Management: And again, to add to that and reiterate a point earlier that we are working towards reducing this payables. So that will also play some role.

Aryan Bhatia: Okay, Thank you. That's all from my side. Best of luck.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to the management for closing comments.

Rajesh Hegde: Yes. Thank you, everyone. And thanks for spending the time to hear us. Thank you very much.

Moderator: Thank you. On behalf of KSH International Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.