

November 26, 2025

Management Meet Update

■ Change in Estimates | ■ Target | Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		ACCUMULATE	
Target Price	7,565		7,565	
Sales (Rs. m)	63,010	84,715	63,010	84,715
% Chng.	-	-	-	-
EBITDA (Rs. m)	10,082	13,554	10,082	13,554
% Chng.	-	-	-	-
EPS (Rs.)	105.1	134.2	105.1	134.2
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	27,218	41,688	63,010	84,715
EBITDA (Rs. m)	4,107	6,795	10,082	13,554
Margin (%)	15.1	16.3	16.0	16.0
PAT (Rs. m)	2,934	4,480	7,040	8,982
EPS (Rs.)	45.8	66.9	105.1	134.2
Gr. (%)	59.7	46.1	57.1	27.6
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	11.0	11.7	13.6	15.0
RoCE (%)	14.5	16.3	18.5	20.5
EV/Sales (x)	13.5	9.1	6.1	4.6
EV/EBITDA (x)	89.7	55.6	37.9	28.5
PE (x)	126.2	86.4	55.0	43.1
P/BV (x)	13.0	8.0	7.0	6.0

Key Data

KAYN.BO | KAYNES IN

52-W High / Low	Rs.7,825 / Rs.3,825
Sensex / Nifty	84,587 / 25,885
Market Cap	Rs.387bn/ \$ 4,341m
Shares Outstanding	67m
3M Avg. Daily Value	Rs.3984.33m

Shareholding Pattern (%)

Promoter's	53.46
Foreign	10.71
Domestic Institution	23.66
Public & Others	12.17
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(13.6)	(4.1)	(2.0)
Relative	(14.0)	(7.3)	(7.2)

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Diversified Expansion Driving Momentum

We interacted with Kaynes Technology's management to understand its to medium-long term growth outlook across EMS, OSAT and PCB. The company has maintained its FY26 revenue guidance, highlighted improving margins and cash flows, and detailed its capex plan across major verticals. Strong momentum is expected in Industrial, Automotive, Aerospace, and electronics categories, while Railways is set to revive with Kavach-led opportunities. We upgrade our rating to 'BUY' from 'Accumulate' due to recent correction in the stock price. Our DCF-based TP is Rs 7,565, implying PE of 62x Sep'27E earnings. We estimate FY25-28E revenue/EBITDA/PAT CAGR of 46.0%/48.9%/45.0%, with EBITDA margin expansion of ~90bps.

Key takeaways:

Guidance: Kaynes has maintained its revenue guidance of Rs45bn by FY26 with EMS segment is expected to contribute Rs 41-42bn, with the remaining from August Electronics and OSAT segment. Company expects to achieve 17% margins, supported by a higher contribution from high-margin businesses and operating leverage. PCB/OSAT segment to contribute Rs 5bn/Rs10bn to the topline in FY27.

Key Segment Drivers:

- Railways earlier contributed ~33%, but the segment has been lagging. However, the company expects to regaining traction, driven by strong demand in Signalling and Kavach-related opportunities. Kavach alone is expected to contribute Rs 3-4bn in FY26.
- In Industrial segment, smart meters to contribute Rs8-10bn, while the remaining portfolio grows at a moderate pace.
- Automobile segment expects strong momentum across segment, with big customer acquisitions contributing 5-6% to the topline and new product categories scaling similarly. Charger-related opportunities remain incremental and are not yet included.
- Aerospace are witnessing high growth, whereas Medical remains softer. IT, Telecom, and related electronics are emerging as high-growth categories.

OSAT & PCB Business Outlook:

- Kaynes will invest Rs 33bn in its Sanand OSAT facility and expects meaningful revenue from FY27. Of this planned capex, Rs 5bn has already been spent on the pilot plant in FY26, with Rs 8.5bn in FY27, Rs 9.5bn in FY28, and Rs 10bn in FY29.
- The company also achieved a major milestone in Q2FY26 by delivering India's first commercially manufactured multi-chip module (IPM5) from the Sanand OSAT facility.
- Kaynes plans to invest around Rs14bn in its PCB facility in Chennai. Of this, ~5bn will be spent in FY26, including Rs1.1bn for the multilayer PCBs and operations expected to begin by FY27. The remaining capex will be incurred in FY28.

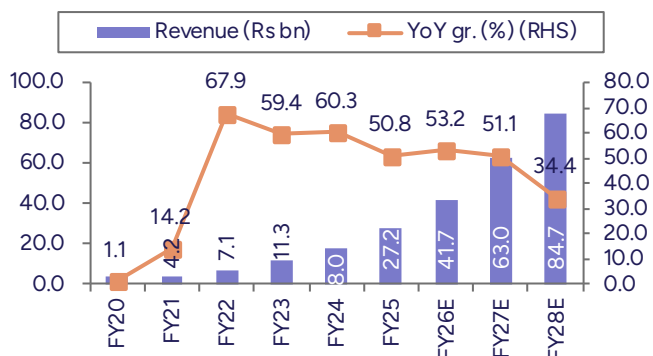
Kaynes SpaceTech: Space Systems Expansion Plan:

- Kaynes SpaceTech is led by a strong team that includes around 15 retired ISRO scientists, with its first demo satellite planned for launch in May'26 and a micro-satellite targeted for Dec'26, positioning it to become the first Indian private company to place a satellite in space.
- The company is also developing an Attitude Determination System (ADS), crucial for drones and satellites, which will be followed by a command-and-control center to support applications in national security and beyond.
- The company is currently working on its first satellite, costing around Rs 300mn, and plans to scale it to 10 satellites by FY28, involving a total investment of about Rs 2.5bn over the next 2–3 years.

Cash Conversion Strengthening Through SCF:

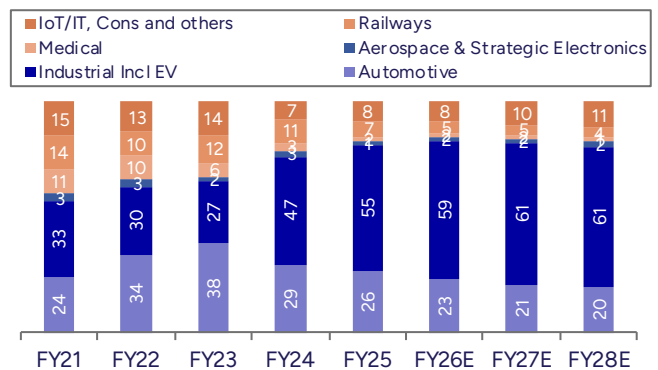
- Kaynes has implemented supply-chain financing for five clients and will mandate it for all new customers, improving cash conversion as receivable risk shifts to the client after material acceptance.
- Earlier Rs 3.3bn held in other current assets (now reduced to Rs 2.3bn) is expected to fully release by FY26, improving NWC to 70–80 days and driving positive operating cash flow.

Exhibit 1: Revenue to grow at 46.0% CAGR over FY25-28E



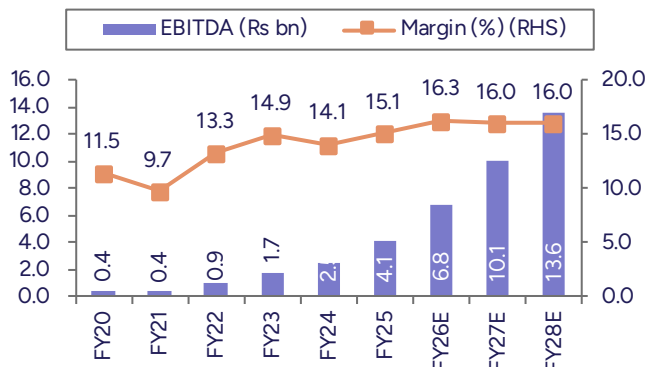
Source: Company, PL

Exhibit 2: Revenue diversified across segments (%)



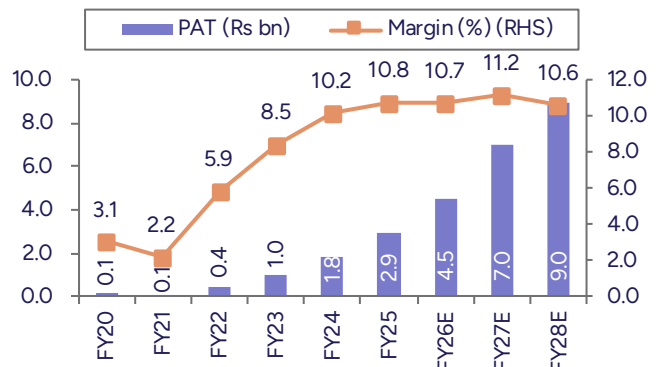
Source: Company, PL

Exhibit 3: EBITDA to improve by ~90bps over FY25-28E



Source: Company, PL

Exhibit 4: PAT to clock a CAGR of 45.0% over FY25-28E



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	27,218	41,688	63,010	84,715
YoY gr. (%)	50.8	53.2	51.1	34.4
Cost of Goods Sold	-	-	-	-
Gross Profit	8,220	15,424	22,936	30,836
Margin (%)	30.2	37.0	36.4	36.4
Employee Cost	1,781	3,418	5,041	6,862
Other Expenses	-	-	-	-
EBITDA	4,107	6,795	10,082	13,554
YoY gr. (%)	61.6	65.4	48.4	34.4
Margin (%)	15.1	16.3	16.0	16.0
Depreciation and Amortization	447	879	1,141	1,506
EBIT	3,660	5,916	8,941	12,048
Margin (%)	13.4	14.2	14.2	14.2
Net Interest	1,013	1,035	492	1,106
Other Income	1,070	1,100	950	1,050
Profit Before Tax	3,716	5,981	9,399	11,992
Margin (%)	13.7	14.3	14.9	14.2
Total Tax	782	1,501	2,359	3,010
Effective tax rate (%)	21.0	25.1	25.1	25.1
Profit after tax	2,934	4,480	7,040	8,982
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	2,934	4,480	7,040	8,982
YoY gr. (%)	60.1	52.7	57.1	27.6
Margin (%)	10.8	10.7	11.2	10.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,934	4,480	7,040	8,982
YoY gr. (%)	60.1	52.7	57.1	27.6
Margin (%)	10.8	10.7	11.2	10.6
Other Comprehensive Income	10	-	-	-
Total Comprehensive Income	2,944	4,480	7,040	8,982
Equity Shares O/s (m)	64	67	67	67
EPS (Rs)	45.8	66.9	105.1	134.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	7,895	16,300	22,451	29,445
Tangibles	6,263	14,538	20,549	27,402
Intangibles	1,633	1,763	1,903	2,043
Acc: Dep / Amortization	1,522	2,279	3,303	4,659
Tangibles	1,218	1,839	2,717	3,915
Intangibles	304	440	586	744
Net fixed assets	6,374	14,021	19,148	24,785
Tangibles	5,045	12,698	17,832	23,487
Intangibles	1,329	1,323	1,316	1,298
Capital Work In Progress	5,848	5,639	5,981	6,808
Goodwill	141	141	141	141
Non-Current Investments	1,475	1,491	1,500	1,561
Net Deferred tax assets	(130)	(196)	(299)	(299)
Other Non-Current Assets	5,742	5,733	5,733	5,733
Current Assets				
Investments	-	-	-	-
Inventories	8,144	12,563	18,989	25,531
Trade receivables	5,746	10,508	15,882	21,353
Cash & Bank Balance	10,563	9,411	7,501	6,412
Other Current Assets	2,093	2,302	2,533	2,786
Total Assets	46,412	62,124	77,756	95,491
Equity				
Equity Share Capital	641	670	670	670
Other Equity	27,762	47,531	54,570	63,553
Total Networkth	28,403	48,200	55,240	64,222
Non-Current Liabilities				
Long Term borrowings	675	-	-	-
Provisions	344	351	456	613
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	8,080	501	3,001	5,501
Trade payables	6,829	10,850	16,400	22,049
Other current liabilities	1,912	1,986	2,320	2,767
Total Equity & Liabilities	46,412	62,124	77,756	95,491

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	3,716	5,981	9,399	11,992
Add. Depreciation	447	879	1,141	1,506
Add. Interest	1,013	1,035	492	1,106
Less Financial Other Income	1,070	1,100	950	1,050
Add. Other	(834)	(850)	(700)	(700)
Op. profit before WC changes	4,343	7,045	10,332	13,904
Net Changes-WC	(4,522)	(5,160)	(6,251)	(6,363)
Direct tax	(644)	(1,501)	(2,359)	(3,010)
Net cash from Op. activities	(823)	384	1,722	4,532
Capital expenditures	(9,487)	(8,317)	(6,610)	(7,970)
Interest / Dividend Income	957	850	700	700
Others	4,984	-	-	-
Net Cash from Inv. activities	(3,547)	(7,467)	(5,910)	(7,270)
Issue of share cap. / premium	27	19,797	7,040	8,982
Debt changes	5,694	(8,263)	2,551	2,609
Dividend paid	-	-	-	-
Interest paid	(1,013)	(1,035)	(492)	(1,106)
Others	(58)	-	-	-
Net cash from Fin. activities	4,650	10,499	9,099	10,485
Net change in cash	280	3,415	4,911	7,747
Free Cash Flow	(10,311)	(7,933)	(4,888)	(3,438)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	45.8	66.9	105.1	134.2
CEPS	52.8	80.0	122.2	156.6
BVPS	443.2	719.9	825.0	959.2
FCF	(160.9)	(118.5)	(73.0)	(51.3)
DPS	-	-	-	-
Return Ratio(%)				
RoCE	14.5	16.3	18.5	20.5
ROIC	13.1	13.2	14.6	15.7
RoE	11.0	11.7	13.6	15.0
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.2)	(0.1)	0.0
Net Working Capital (Days)	95	107	107	107
Valuation(x)				
PER	126.2	86.4	55.0	43.1
P/B	13.0	8.0	7.0	6.0
P/CEPS	109.5	72.2	47.3	36.9
EV/EBITDA	89.7	55.6	37.9	28.5
EV/Sales	13.5	9.1	6.1	4.6
Dividend Yield (%)	-	-	-	-

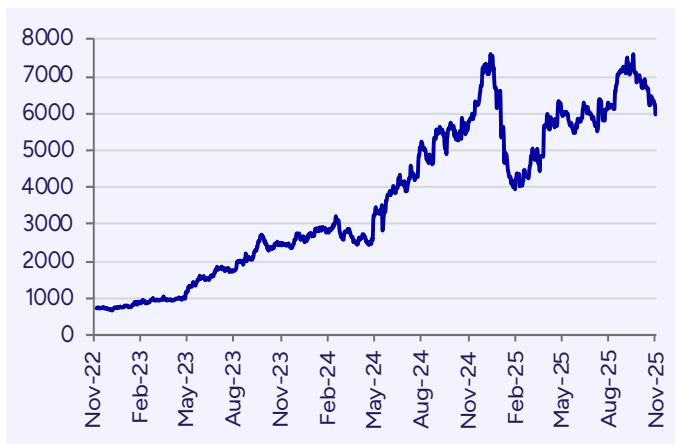
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	6,612	9,845	6,735	9,062
YoY gr. (%)	29.8	54.5	33.6	58.4
Raw Material Expenses	4,573	6,687	3,956	6,013
Gross Profit	2,038	3,158	2,779	3,049
Margin (%)	30.8	32.1	41.3	33.6
EBITDA	940	1,679	1,130	1,480
YoY gr. (%)	34.6	76.3	69.0	80.2
Margin (%)	14.2	17.1	16.8	16.3
Depreciation / Depletion	108	169	156	166
EBIT	832	1,509	974	1,314
Margin (%)	12.6	15.3	14.5	14.5
Net Interest	270	295	284	228
Other Income	246	205	271	431
Profit before Tax	808	1,419	961	1,517
Margin (%)	12.2	14.4	14.3	16.7
Total Tax	144	257	215	303
Effective tax rate (%)	17.8	18.1	22.3	20.0
Profit after Tax	665	1,162	746	1,214
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	665	1,162	746	1,214
YoY gr. (%)	47.1	43.0	46.8	101.7
Margin (%)	10.1	11.8	11.1	13.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	665	1,162	746	1,214
YoY gr. (%)	47.1	43.0	46.8	101.7
Margin (%)	10.1	11.8	11.1	13.4
Other Comprehensive Income	-	2	(6)	-
Total Comprehensive Income	665	1,164	740	1,214
Avg. Shares O/s (m)	67	67	67	67
EPS (Rs)	9.9	17.4	11.1	18.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Nov-25	Accumulate	7,565	6,659
2	07-Oct-25	Hold	7,427	7,593
3	05-Aug-25	Hold	6,367	6,326
4	31-Jul-25	Hold	6,367	6,172
5	29-Jul-25	Hold	6,068	5,542
6	04-Jul-25	Hold	6,068	6,176
7	16-May-25	Hold	5,744	6,263
8	04-Apr-25	Accumulate	5,528	4,956
9	28-Jan-25	BUY	5,528	4,661
10	09-Jan-25	Hold	6,085	6,971

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	8,901	7,227
2	Astral Ltd.	BUY	1,778	1,566
3	Avalon Technologies	Hold	1,083	1,062
4	Bajaj Electricals	BUY	600	514
5	Cello World	BUY	732	611
6	Century Plyboard (I)	Hold	845	799
7	Cera Sanitaryware	BUY	7,178	5,761
8	Crompton Greaves Consumer Electricals	BUY	375	279
9	Cyient DLM	Accumulate	478	441
10	Finolex Industries	Accumulate	228	188
11	Greenpanel Industries	BUY	399	270
12	Havells India	Accumulate	1,653	1,487
13	Kajaria Ceramics	Hold	1,288	1,251
14	Kaynes Technology India	Accumulate	7,565	6,659
15	KEI Industries	BUY	4,926	4,173
16	LG Electronics India	BUY	1,920	1,618
17	Polycab India	BUY	8,808	7,440
18	R R Kabel	BUY	1,634	1,391
19	Supreme Industries	BUY	4,723	4,001
20	Syrma SGS Technology	Accumulate	874	831
21	Voltas	Hold	1,411	1,351

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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