

KSH International Ltd

IPO Note



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Step Into The World of Magnet Winding Wires

KSH International Limited is a leading manufacturer of magnet winding wires in India, headquartered in Pune, Maharashtra. Incorporated in 1979, the company has over four decades of operating history and has evolved into a key supplier of copper and aluminium winding wires used across the electrical and industrial ecosystem, including power generation, transmission & distribution, electric vehicles, renewable energy, home appliances, and industrial motors.

KSH operates in India's growing electrical equipment and energy transition landscape, driven by rising electrification, renewable energy capacity additions, electric vehicle adoption, and infrastructure investments. The company follows a manufacturing-led business model with strong backward integration, supported by in-house quality control, testing capabilities, and long-standing customer relationships.

The company serves a diversified customer base comprising domestic and international OEMs, with exports forming a meaningful part of revenues. Its products are supplied to customers across multiple geographies, positioning KSH as a recognized player in the global magnet winding wire market. Domestically, it benefits from established relationships with transformer manufacturers, motor manufacturers, and other industrial customers.

As this is KSH International Limited's first public issue, investors should note risks such as dependence on cyclical end-user industries, volatility in copper and aluminium prices, intense competition from domestic and global players, and foreign exchange risks arising from exports.

Despite these risks, KSH International Limited has demonstrated consistent operational performance, scale benefits, and a strong market position in a niche yet critical segment of the electrical value chain. The IPO comprises a fresh issue and an offer for sale, aimed at supporting future growth initiatives, strengthening the balance sheet, and providing liquidity to existing shareholders while enhancing the company's visibility in the capital markets.

Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	Adj BVPS (₹)	RoE (%)	RoIC (%)	EV/EBITDA (X)	P/BV (X)	P/E (X)
FY23	1,049.5	51.2	26.6	4.9	2.5	3.9	28.6	13.7	14.0	53.1	13.4	97.8
FY24	1,382.8	72.0	37.4	5.2	2.7	5.5	34.1	16.2	14.5	38.8	11.3	69.7
FY25	1,928.3	123.1	68.0	6.4	3.5	10.0	44.0	22.8	16.9	24.0	8.7	38.3

Source: Ventura Research & Company update

Issue Structure and Offer Details:

KSH International IPO is a book build issue of INR 710 Cr. The issue is a combination of fresh issue of 1.09 Cr. shares aggregating to INR 420 Cr. and offer for sale of 0.76 Cr. shares aggregating to INR 290 Cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Net issue
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 384

Source: Company Reports

Objects of the Issue:

1. Repayment of certain company borrowings – INR 225.98 Cr.
2. Purchase and setup of new machinery at 2 plants – INR 87.02 Cr.
3. Purchase and setup of a rooftop solar power plant for power generation at our Supa Facility – INR 8.83 Cr.
4. General corporate purposes

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement							
Revenue	1,049.5	1,382.8	1,928.3	Adjusted EPS (INR)	3.9	5.5	10.0
<i>YoY Growth (%)</i>	20.5	31.8	39.4	Adjusted Cash EPS (INR)	5.1	7.1	12.1
Raw Material Cost	937.0	1,231.8	1,714.4	Adjusted BVPS (INR)	28.6	34.1	44.0
<i>RM Cost to Sales (%)</i>	89.3	89.1	88.9	Adjusted CFO per share (INR)	9.2	(2.5)	(1.4)
Employee Cost	23.8	33.7	39.7	CFO Yield (%)	2.4	(0.7)	(0.4)
<i>Employee Cost to Sales (%)</i>	2.3	2.4	2.1	Adjusted FCF per share (INR)	8.1	(6.2)	(16.0)
Other Expenses	37.4	45.3	51.0	FCF Yield (%)	2.1	(1.6)	(4.2)
<i>Other Exp to Sales (%)</i>	3.6	3.3	2.6				
EBITDA	51.2	72.0	123.1	Solvency Ratio (X)			
<i>Margin (%)</i>	4.9	5.2	6.4	Total Debt to Equity	0.6	0.9	1.2
<i>YoY Growth (%)</i>	1.2	40.7	71.1	Net Debt to Equity	0.6	0.8	1.2
Depreciation & Amortization	8.2	11.0	14.0	Net Debt to EBITDA	2.2	2.6	2.8
EBIT	43.0	61.0	109.1				
<i>Margin (%)</i>	4.1	4.4	5.7	Return Ratios (%)			
<i>YoY Growth (%)</i>	(3.5)	42.0	78.8	Return on Equity	13.7	16.2	22.8
Other Income	7.1	7.7	9.9	Return on Capital Employed	10.3	10.3	12.5
Bill discounting & other charges	14.7	18.1	28.6	Return on Invested Capital	14.0	14.5	16.9
Fin Charges Coverage (X)	2.9	3.4	3.8				
Exceptional Item	0.0	0.0	0.0	Working Capital Ratios			
PBT	35.5	50.6	90.4	Payable Days (Nos)	7	5	6
<i>Margin (%)</i>	3.4	3.7	4.7	Inventory Days (Nos)	38	35	40
<i>YoY Growth (%)</i>	(12.5)	42.7	78.7	Receivable Days (Nos)	38	42	42
Tax Expense	8.9	13.3	22.4	Net Working Capital Days (Nos)	69	72	76
<i>Tax Rate (%)</i>	25.0	26.2	24.8	Net Working Capital to Sales (%)	19.0	19.8	20.8
PAT	26.6	37.4	68.0				
<i>Margin (%)</i>	2.5	2.7	3.5	Valuation (X)			
<i>YoY Growth (%)</i>	(3.5)	40.3	82.0	P/E	97.8	69.7	38.3
Min Int/Sh of Assoc	0.0	0.0	0.0	P/BV	13.4	11.3	8.7
Net Profit	26.6	37.4	68.0	EV/EBITDA	53.1	38.8	24.0
<i>Margin (%)</i>	2.5	2.7	3.5	EV/Sales	2.6	2.0	1.5
<i>YoY Growth (%)</i>	(3.5)	40.3	82.0				
Balance Sheet							
Share Capital	5.7	5.7	28.4	Cash Flow Statement			
Total Reserves	187.9	225.2	270.1	PBT	35.5	50.6	90.4
Shareholders Fund	193.6	230.9	298.5	Adjustments	32.4	20.0	50.5
Long Term Borrowings	7.8	34.3	115.9	Change in Working Capital	3.1	(74.6)	(128.3)
Deferred Tax Assets / Liabilities	7.7	7.6	6.3	Less: Tax Paid	(8.9)	(13.3)	(22.4)
Other Long Term Liabilities	7.3	4.7	3.1	Cash Flow from Operations	62.1	(17.2)	(9.8)
Long Term Trade Payables	0.0	0.0	0.0	Net Capital Expenditure	(18.4)	(37.9)	(120.2)
Long Term Provisions	0.5	0.6	0.9	Change in Investments	(1.6)	(0.9)	1.8
Total Liabilities	217.0	278.2	424.7	Cash Flow from Investing	(20.0)	(38.8)	(118.4)
Net Block	107.4	139.7	133.1	Change in Borrowings	(26.0)	85.5	151.5
Capital Work in Progress	9.4	7.4	107.8	Less: Finance Cost	(14.7)	(18.1)	(28.6)
Intangible assets under development	0.0	0.0	0.0	Proceeds from Equity	0.0	0.0	0.0
Non Current Investments	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Loans & Advances	5.9	8.1	29.2	Dividend Paid	0.0	0.0	0.0
Other Non Current Assets	0.0	0.0	0.0	Cash flow from Financing	(40.6)	67.4	122.9
Net Current Assets	94.2	122.9	154.7	Net Cash Flow	1.5	11.4	(5.2)
Total Assets	217.0	278.2	424.7	Forex Effect	0.0	0.0	(0.0)
				Opening Balance of Cash	2.7	4.2	15.6
				Closing Balance of Cash	4.2	15.6	10.4

Source: Ventura Research

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