

Initiating Coverage KEC International Ltd.

15-July-2021



KEC International Ltd.



Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Heavy Electrical Equipment	Rs. 413	Buy at LTP and add on dips to Rs. 379	Rs. 460	Rs. 486	2 quarters

HDFC Scrip Code	KECLTD
BSE Code	532714
NSE Code	KEC
Bloomberg	KECI:IN
LTP 14 th July, 2021	413
Equity Capital (Rs cr)	51.4
Face Value (Rs)	2
Equity Share O/S (cr)	25.7
Market Cap (Rs cr)	10619
Book Value (Rs)	130.7
Avg. 52 Wk Volumes	480717
52 Week High	486.5
52 Week Low	258.3

Share holding Pattern % (Mar, 2021)	
Promoters	51.8
Institutions	36.3
Non Institutions	11.9
Total	100.0

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Our Take:

KEC International Ltd is the flagship company of USD 4 bn RPG group. The RPG group has a history of business which dates back to 1820. Currently, the group operates in various industries like infrastructure, information technology, life sciences, plantations, pharmaceuticals, energy, Oil & Gas pipelines, cables and tyre manufacturing. KEC International is USD 1.8 bn global infrastructure engineering, procurement and construction (EPC) major with more than seven decades of experience. It delivers projects in key infrastructure sectors such as power transmission & distribution (T&D), railways, civil, urban infrastructure, solar, smart infrastructure, Oil & Gas pipelines and cables. In 2010, KEC acquired SAE Towers (SAE), a leading manufacturer of steel lattice transmission towers in the Americas, with an annual production capacity of 100,000 metric tonnes.

The company has executed/ongoing projects in over 33+ countries and a footprint in 105+ (70+ EPC; 80+ cables supply; 65+ tower supply) countries as on FY21. Prudent diversification over the past 20 years has allowed it to enter bigger businesses and geographies and double its revenue every five years.

Valuations & Recommendation:

Despite pandemic-inflicted challenges, the company recovered with strong revenue of Rs 13,114 crore for the full year FY21, with a robust growth of 10% vis-à-vis last year, and an order intake growth of 5% YoY. This was the result of increased contribution from the non-T&D business (namely railways and civil), accelerated ramp-up in execution, increasing labour strength, and deployment of mechanisation, automation, and digitalisation initiatives. FY21 results were further favoured by significant reduction in interest cost and debt levels and optimisation in tax costs. New ventures in railway (metro), civil and smart infra will open up avenues in the coming quarters.

Due to the slowdown in domestic T&D capex, KEC has expanded its overseas presence and entered into 20 new countries over the past 5 years. It has also taken steps towards growing its non-T&D presence. Share of non-T&D businesses (mainly Railways, Civil & Urban Infrastructure) increased from 13% in FY16 to 42% in FY21.

However, the ongoing COVID crisis is key monitorable. The company might have to bear the brunt of any adverse policy measures to control the current upsurge in cases across the country. Its T&D business witnessed a progressive ramp-up across all project sites in domestic, as well as international locations. Despite the intermittent challenges due to COVID, especially in international locations, the business has been successful in largely maintaining the revenue in line with last year's. KEC witnessed significant traction in terms of order intake, both in domestic as well as international locations. Further, diversification into other sectors and wide reach bodes well for the company. Order wins in new segments like water pipeline, hydrocarbon, warehouse, Flue Gas Desulfurisation (FGD) and chemical would allow civil business to scale up.

KEC has guided for 10%+ revenue growth in FY22, led by growth guidance of 100%/30% YoY in Civil/Railways verticals. KEC also expects order inflows of Rs 8,000-9,000 crore in T&D and similar inflows in non-T&D segments, implying order inflows of Rs16,000-18,000 crore in FY22 (FY21: Rs11,900 crore). Margins are likely to take time to recover as they are suffering from higher commodity costs (especially steel) and losses in older EPC contracts in Brazil. As the share of new orders rise in execution, margins could recover from H2FY22E.

We feel investors can buy the stock at LTP and add more on dips to Rs 379 (11.8x FY23E EPS) for base case target of Rs 460 (14.3x FY23E EPS) and bull case target price of Rs 486 (15x FY23E EPS) over the next two quarters.

Financial Summary (Consolidated)

Particulars (Rscr)	Q4FY21	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	FY19	FY20	FY21	FY22E	FY23E
Total Operating Income	4360.5	3671.0	18.8	3289.2	32.6	11000.5	11965.4	13114.2	14766.9	16592.7
EBITDA	354.6	370.7	-4.4	298.7	18.7	1149.9	1234.4	1141.2	1217.2	1588.8
Depreciation	38.0	39.2	-2.9	38.0	0.1	117.1	147.2	152.5	163.3	178.3
Other Income	12.3	2.7	351.6	3.9	215.3	22.6	11.1	29.9	14.3	14.5
Interest Cost	63.2	65.2	-3.1	65.8	-4.0	311.9	308.0	262.7	289.0	292.1
Tax	71.4	76.2	-6.3	53.7	32.9	257.1	224.8	203.2	205.5	303.6
APAT	194.3	192.9	0.7	145.1	33.9	486.4	565.5	552.7	573.8	829.4
Diluted EPS (Rs)	7.6	7.5	0.7	5.6	33.9	18.9	22.0	21.5	22.3	32.3
RoE-%						21.9	21.6	18.0	15.8	19.4
P/E (x)						21.8	18.8	19.2	18.5	12.8
EV/EBITDA						11.6	11.2	10.7	10.6	8.2

(Source: Company, HDFC sec)

Recent Triggers

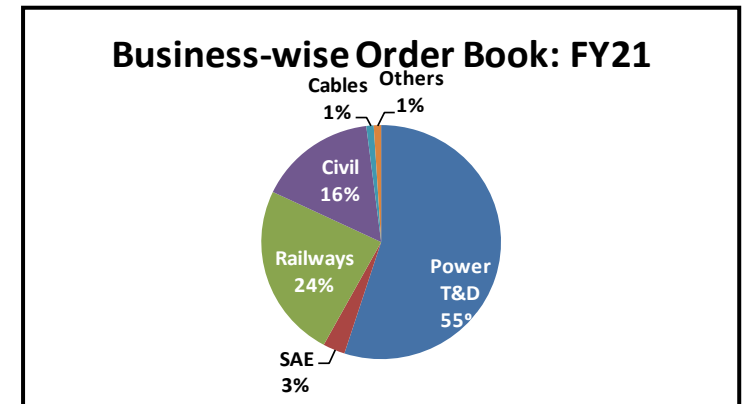
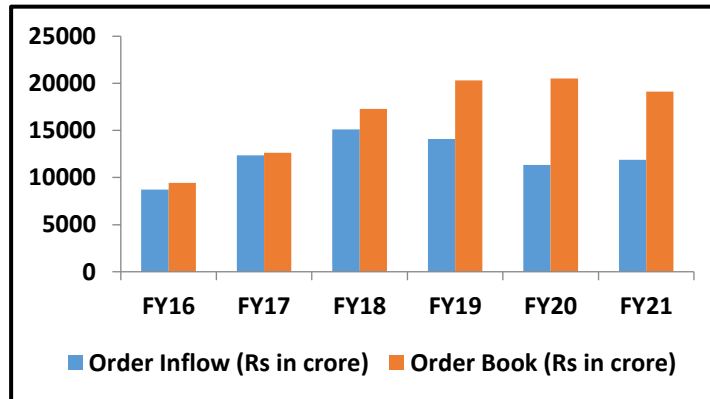
Strong order book augurs well

KEC is the largest T&D player in South Asia with a ~ 15% market share in India and ~ 20% market share in SAARC. It has large presence in Middle East, Africa, Americas, East Asia Pacific and Commonwealth of Independent States (CIS). It has a robust order book + L1 of over Rs 25,000 crore. The company secured orders worth Rs 11,876 crore in FY21 with a growth of 5% over the past year. The international order book grew to Rs 3,700 crore (a growth of ~4X over last year) this year, including several large-sized orders in Oman and Mozambique. It also secured three new EPC orders this year aggregating to Rs 500 crore, including its first substation EPC order in Brazil. Among geographies, MENA, SAARC, and Africa account for most of the international orders. Even in the SAE (especially Brazil) markets, where demand for its EPC business is currently seeing a downturn, it has had decent ordering compared to last year.

The T&D segment reinforced its leadership position across several regions and secured orders of over Rs 7,500 crore with growth of over 75% over the previous year. The overall tender pipeline in T&D continues to be strong, especially in international T&D. In case of domestic T&D, the revised bidding of the Green Energy Corridor Projects Phase II has been concluded for most of the schemes and KEC has been successful with significant orders of around Rs 1,500 crore.

Its healthy total order book of ~Rs 19,109 crore as on March 31, 2021 (i.e. 1.5 times of FY21 revenue), provides revenue visibility.

With rise in crude prices, tendering activity in MENA region has increased, which improves KEC's international T&D opportunity landscape.





Completion of various projects in FY21 and execution of various ongoing projects will boost the top line

During FY21, under the T&D segment, the company commissioned 500 kV Pluak Daeng substation project in Thailand, which involved the erection of the country's largest substation gantries. It also commissioned Tanzania's first 400 kV substations at Dodoma and Singida, 400 kV Pugalur - Arasur transmission Line in Tamil Nadu, part of Power Grid Corporation of India Limited's (PGCIL) prestigious 800 kV Raigarh – Pugalur HVDC project, 400 kV Silchar and Misa Substations in Assam for PGCIL, part of North Eastern Region strengthening scheme-II, amongst others.

During FY21, under, the railways segment, KEC commissioned Kalaikunda-Jhargram third Line project in West Bengal and Villupuram Railway electrification project in Tamil Nadu. During FY21, KEC had done electrification of first electric train (Bongaigaon-Sarupeta) in Assam, and laid first train line in Kendrapara-Paradeep project in Odisha. As a backward integration approach, under the cables segment the company commissioned additional capacity for Railway contact & catenary conductors and signalling cables. It also commenced supplies of railway products to Indian Railways and other EPC contractors, in addition to captive consumption for its projects.

Currently, under the Civil segment, in residential sector, KEC is executing eight projects for reputed clients in Mumbai, Bangalore, Pune, and Goa. The company is also executing two orders in the strategic Defence civil segment, including one for building a Data Centre. Under the same sector it is executing 12 cement silos and pre-heaters taking the total number of silos, pre-heaters and other critical structures to 27 till date.

Under Urban Infrastructure segment the company is under construction of six metro and RRTS projects with a combined value of Rs 3,833 crore, which include two projects each for Delhi Metro Rail Corporation and Kochi Metro Rail Corporation, one for Chennai Metro Rail Limited, and one for National Capital Region Transport Corporation to construct a section of the Delhi-Meerut RRTS. KEC is constructing over 30 stations in high density urban areas and close to 50 km of elevated viaducts, cross existing metro lines, railway lines, flyovers, and rivers as on FY21. During the year, the company has also commissioned a two-lane River Over Bridge in Kochi.

During FY21 under the Solar segment the company is constructing a 20 MW Solar Carport (13.7 partly commissioned), one of the largest carport project in India, for a reputed automobile manufacturer. The execution for the recently secured 13.6 MW rooftop solar project for a corporate client is also underway. During FY21, the company commissioned a 14 MW ground mount solar project in Maharashtra.



Further, during the year, under the Smart Infra segment, the company is in advanced stages of commissioning two projects, Bidkin Smart City (AURIC), a green-field project being developed on the Delhi-Mumbai Industrial Corridor and the brown-field Aurangabad Smart City Project (will deliver command & control centre, biometric system and digital outdoor displays), a city among 100 cities of the Smart Cities Mission. It is also constructing an integrated command and control centre for a green-field project in Greater Noida, in addition to installing several Smart City components. During FY21, the company has entered the Defence sector as well wherein it is executing projects for Airport Perimeter Security Systems.

Apart from these, KEC International (KEC) has signed project agreements with Warora-Kurnool Transmission (WKTL), a subsidiary of Adani Transmission (ATL), for Rs 477 crore to complete the balance work of the transmission lines in Andhra Pradesh, Maharashtra and Telangana and release the earlier dues of this project. ATL had signed an agreement with Essel Infra projects (EIL) on 26 March 2021 for acquisition of WKTL. This project along with the current TBCB projects secured from Power Grid Corporation of India Ltd (Rs 1,500 crore) in the last quarter will contribute significantly to revenue growth in the domestic T&D market. A significant portion of the dues have already been received.

On the other hand, in the SAE markets, the company has three new projects, execution of which will start by the end of Q1FY22. The hit owing to steel price rise and COVID-led scarcity should be offset against the margins expected to arise from these new projects and the new tower supply orders which are coming at the current prices.

Bright prospect in the railways, civil and green corridor segments augur well for the company

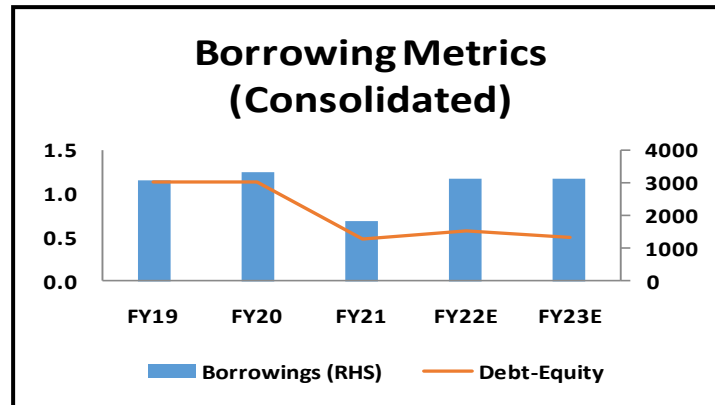
The railways, civil and cable business have been the primary growth drivers in Q4FY21 and FY21. It surpassed revenue of over Rs 3,400 crore for the year with robust growth of 34% over the previous year. Revenue growth from Railways has jumped from Rs 210 crore to Rs 3,409 crore in last 5 years (CAGR 75%). Growth continues to be robust in conventional and technological areas and international markets. Recently, it hired a Chief Technology Officer, two engineering consultants and a team of engineers to help it secure a greater share of the opportunity size while also entering into technologically complex areas. Five metro-rail projects are now being executed (ahead of schedule) and earning higher margins than the anticipated tender margin. Management has pegged to earn 20-25% revenue CAGR in this division in the next two years, with margins coming in double digits. The railways tender pipeline continues to remain robust with a blend of conventional, technologically enabled/emerging areas as well as international opportunities. With an order book plus L1 of over Rs 7,000 crore, the company expects railways to continue its growth trajectory in the coming quarters.



The civil segment had a growth of almost 3 times compared to last year with revenue of Rs 1,080 crore. The segment secured breakthrough orders/L1 in the warehouse, water pipeline, aviation sectors and reinforced its presence in the industrial sector by foraying into chemical, hydrocarbon and FGD segments. With over Rs 4,500 crore worth of order book plus L1, the segment is expected to continue to be one of the key growth drivers in the coming quarters.

Lower borrowings and improved working capital scenario keep the balance sheet under check

Net debt as of 31st March 2021 stood at Rs 1,679 crore, which is a significant reduction of close to Rs 1,000 crore vis-à-vis the last quarter and a reduction of over Rs 500 crore YoY. With this, the interest cost also reduced by 60 bps vis-à-vis last year. Further, rupee debt has come down significantly this year, which is why the company is on a spree in converting foreign currency loan book to rupee. By freeing up/repaying the foreign currency debt, it is giving an opportunity to sell surplus foreign currency in the forward market at a ~5% premium.



Long-term Triggers

Diversification of business limits segment concentration risks

- KEC is the only company in the world to have four tower testing stations. There are three testing facilities in India and one in Brazil, which are capable of testing towers of up to 1,200 kV, including Lattice and Guyed Towers, Tubular and Monopoles. Transmission & distribution business provides integrated solutions on a turnkey basis for transmission lines of up to 1,200 kV and large-sized

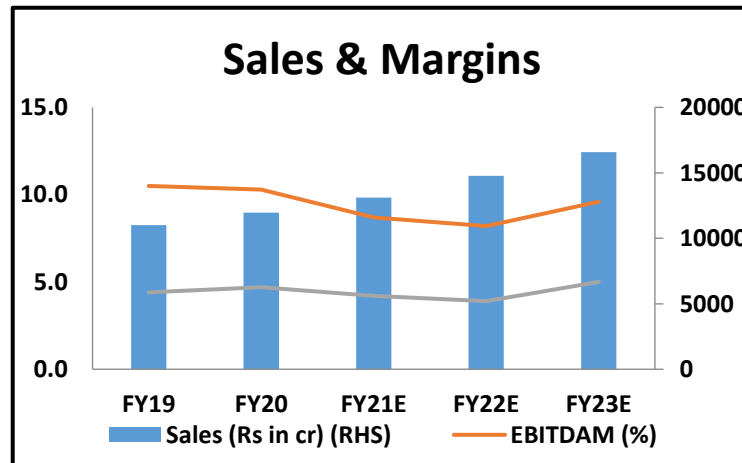
substations – air insulated up to 1,150 kV, gas insulated up to 765 kV and hybrid substations up to 220 kV. The company acquired a sixth tower manufacturing facility, in Dubai last year which was commissioned in FY21. This state-of-the-art 50,000 MTPA plant is serving the high-growth potential markets such as the Middle East and other regions. KEC is also one of the largest producers of steel lattice transmission towers in the American region and manufactures an extensive range of products that include poles, hardware, and substation structures. The company is one of the largest globally operating T&D players, with a total tower manufacturing capacity of 3,62,200 MTPA.

- **Railways:** an integrated player with over five decades of expertise in the railway infrastructure EPC sector KEC continues to remain a leader in railways overhead electrification (OHE) projects and execute complex and technology intensive projects such as track laying, signalling and telecom, road over bridges (RoBs) and other railway infrastructure. Under this segment also, the company has diversified into new and emerging areas such as speed up-gradation for high-speed rail, construction of depots and workshops for urban infra projects and also tunnel ventilation. Over 50% of KEC's order intake in FY21 in Railways, comprises of orders from these new segments. The company has also secured a technically challenging composite project for the private sector player, including ground stabilisation, track laying, signalling and telecommunication and associated works. The company has electrified 1,329 RKM (22%) of India's Railway tracks as on FY21. As on FY21 the company continued to manufacture galvanised steel structures for Railways at its tower manufacturing units, with a capacity of 48,000 MTPA.
- **Civil & urban infra** focuses on the construction of factories, residential & commercial buildings, urban infrastructure, warehouses and sewage & water treatment plants, especially in the mid-sized market segment dominated by small unorganized players and a few large companies. The business continued to diversify and forayed into urban infrastructure and defence civil sectors. KEC continues diversification in new areas with orders coming from sectors like cement, chemicals, water pipelines, and the residential space which seemed quite encouraging during Q4FY21. During FY21, under the Civil segment, the company leveraged advanced digital technologies such as drones, photogrammetry, BIM, and IoT in construction. It developed proficiencies in erecting and commissioning heavy mechanical structures, of over 1,000 MTs, such as cement mill, wagon tippler, stacker & reclaimer and other critical structures.
- **Solar:** KEC offers comprehensive EPC services across large-scale ground-mounted and rooftop solutions, including Single Axis Tracking projects. As on FY21 the company has total capacity of 12,000 MTPA solar structures.
- **Smart infra:** The business plays the role of a master system integrator and works closely with central and state governments, urban local bodies and utilities for creating digital infrastructure in the areas of smart cities, communication, mobility, and smart utility.
- **Oil & gas pipeline** includes construction of oil & gas cross-country pipelines.

- Cables: KEC is continuously expanding its portfolio with new products to tap into the growing cables market globally. Cables are marketed under the brand name of RPG Cables and Asian Cables. As on FY21, the company had 40,000 KM power cables, 3,600 KM instrumentation cables, 8 lakh optical fibre cables, 6 lakh copper telecom cables, 2,040 catenary conductors, and 3,240 MTPA contact wire cables manufacturing capacity.
- a) Power Cables (LT/HT/EHV)
 - b) Telecom Cable Optic Fiber and Jelly Filled

Strong long-term demand prospects for power transmission and distribution infrastructure

In the domestic market, Power Grid Corporation of India Ltd (PGCIL), private sector transmission lines developers and state transmission entities are the key customers for transmission and distribution. The demand for transmission line and substation is expected to remain strong in the long term, given the strong need to augment the existing interregional transmission capacity owing to inadequacy/capacity constraints as well as the need to manage regional differences in power generation and power requirements. In international markets, the underdeveloped markets of Africa, SAARC, the Middle East and Latin America present a favourable market potential for setting up transmission lines and substation infrastructure.





What could go wrong?

- The company is subject to forex fluctuations and rising commodity prices globally, which are impacting its operating margin, although it tactically decides between higher forex debt and use of forward contracts. Raw material prices for the cables, towers etc keep fluctuating. Margins could deteriorate further if commodity prices inch up further.
- High working capital intensity in the EPC business. COVID has led to increase in receivables, leading to lower CFO (Rs 436.8 crore vs Rs 496.4 crore in FY20) due to sustained increase in working capital in the past couple of years.
- Intense competition in domestic and international markets for the transmission & distribution business. Even after diversification, a huge chunk of KEC's revenue still comes from the T&D division, which does not mitigate segment concentration risk. This concentration makes it prone to risks associated with defaults/delays by state utilities and/or slowdown in fresh order inflow – both local and foreign.
- Due to COVID headwinds, sporadic lockdowns at project sites and delay in awards/L1s affect its business prospects.
- Subdued outlook of EPC projects in the South American markets owing to Vale dam burst in Brazil, lower availability of steel, and steep price rise affected the margins of the SAE business. However, due to higher provisioned margins for these projects, company should manage to overcome these challenges.
- Environmental challenges impacted execution at three ongoing projects in Delhi, aggravated by the farmers' agitation hitting the supply chain, thereby creating shortages of raw material.

Company Profile:

KEC International Ltd is engaged in the construction of utility projects. It has geographical presence in both India and overseas with 8 manufacturing plants across India, Dubai, Brazil, and Mexico. Its power transmission and distribution business include provision of end-to-end solutions in power transmission and distribution. Its cables service offerings include extra-high voltage (EHV) cabling solutions provided through cable selection and cabling system, and manufacturing of a range of power (high tension and EHV cables), control, telecommunication and instrumentation cables. It offers services in all the functional segments of railways infrastructure, including construction of civil infrastructure like bridges, tunnels, platforms, station buildings, along with workshop modernisation. Its water services include waste-water treatment, including treatment of sewage and industrial effluent, and water resource management, including building of canals, construction of dams and water system, and civil works related to thermal power projects. KEC has interest in 26 JVs.

KEC International Ltd.

Financials (Consolidated)

Income Statement

(Rs Cr)	FY19	FY20	FY21	FY22E	FY23E
Net Revenues	11000.5	11965.4	13114.2	14766.9	16592.7
<i>Growth (%)</i>		8.8%	9.6%	12.6%	12.4%
Operating Expenses	9850.6	10731.0	11973.0	13549.7	15004.0
EBITDA	1149.9	1234.4	1141.2	1217.2	1588.8
<i>Growth (%)</i>		7.3%	-7.5%	6.7%	30.5%
<i>EBITDA Margin (%)</i>	10.5%	10.3%	8.7%	8.2%	9.6%
Depreciation	117.1	147.2	152.5	163.3	178.3
EBIT	1032.8	1087.2	988.7	1053.9	1410.5
Other Income	22.6	11.1	29.9	14.3	14.5
Interest expenses	311.9	308.0	262.7	289.0	292.1
EBT	743.5	790.3	755.9	779.3	1132.9
Tax	257.1	224.8	203.2	205.5	303.6
RPAT	486.4	565.5	552.7	573.8	829.4
APAT	486.4	565.5	552.7	573.8	829.4
<i>Growth (%)</i>		16.3%	-2.3%	3.8%	44.5%
EPS	18.9	22.0	21.5	22.3	32.3

Balance Sheet

(Rs Cr)	FY19	FY20	FY21	FY22E	FY23E
SOURCES OF FUNDS					
Share Capital	51.4	51.4	51.4	51.4	51.4
Reserves	2383.7	2746.2	3308.3	3847.7	4593.8
Total Share-holders Funds	2435.1	2797.6	3359.7	3899.1	4645.2
Minority Interest	0.0	0.0	0.0	0.0	0.0
Long Term Debt	541.1	306.9	218.7	541.1	541.1
Short Term Debt	2497.6	3020.1	1624.7	2562.6	2562.6
Total Debt	3038.6	3327.0	1843.4	3103.6	3103.6
Other Non-Current Liabilities	13.9	128.0	127.0	13.9	13.9
Deferred Taxes	118.3	52.7	-6.8	118.3	118.3
TOTAL SOURCES OF FUNDS	5606.0	6305.2	5323.3	7135.0	7881.1
APPLICATION OF FUNDS					
Net Block	978.7	1129.2	1182.1	967.9	964.8
CWIP	7.3	84.0	17.9	11.8	13.3
Goodwill	203.7	222.6	215.4	203.7	203.7
Other Non-Current Assets	322.3	390.2	491.8	322.3	322.3
Total Non-current Assets	1512.0	1826.0	1907.2	1505.8	1504.1
Inventories	641.0	775.8	842.2	995.3	979.0
Debtors	4875.3	5444.8	5566.8	6796.8	7500.8
Cash & bank balances	276.2	163.7	250.2	785.0	690.7
ST Loans & Advances	33.6	113.0	112.9	111.8	119.6
Other Assets	4325.1	4531.3	5306.7	4814.8	5633.3
Total Current Assets	10151.1	11028.5	12078.9	13503.7	14923.5
Creditors	6006.8	6474.7	8290.0	7825.6	8497.7
Other Current Liabilities & Provisions	50.3	74.6	372.7	50.3	50.3
Total Current Liabilities	6057.2	6549.3	8662.7	7875.9	8548.0
Net Current Assets	4093.9	4479.2	3416.2	5627.8	6375.5
Misc Expenses & Others	0.0	0.1	0.0	1.5	1.5
TOTAL APPLICATION OF FUNDS	5606.0	6305.2	5323.3	7135.0	7881.1

KEC International Ltd.

Cash Flow Statement

(Rs Cr)	FY19	FY20	FY21	FY22E	FY23E
PBT	747.6	790.3	552.7	779.3	1132.9
Non-operating & EO items	-101.5	63.7	310.2	0.0	0.0
Interest expenses	311.9	308.0	262.7	289.0	292.1
Depreciation	117.1	147.2	152.5	163.3	178.3
Working Capital Change	-578.7	-867.0	-224.9	-8.0	-842.0
Tax paid	-297.7	-349.3	-208.8	-205.5	-303.6
OPERATING CASH FLOW (a)	198.7	92.9	844.5	1018.1	457.7
CAPEX	-108.3	-206.5	-113.7	-156.6	-176.6
Investments	83.5	-9.3	21.4	0.0	0.0
Non-operating income	-44.6	7.9	-35.1	0.0	0.0
INVESTING CASH FLOW (b)	-69.5	-207.9	-127.4	-156.6	-176.6
Share capital Issuance	0.0	0.0	0.0	0.0	0.0
Debt Issuance	228.2	458.9	-308.3	-110.0	0.0
Dividend Payment	-61.4	-155.8	-0.5	-83.2	-83.2
Others	0.0	-31.6	0.0	0.0	0.0
Interest expenses	-316.7	-268.9	-355.1	-289.0	-292.1
FINANCING CASH FLOW (c)	-149.9	2.5	-663.9	-482.2	-375.3
NET CASH FLOW (a+b+c)	-20.6	-112.5	53.2	379.2	-94.2

Key Ratios

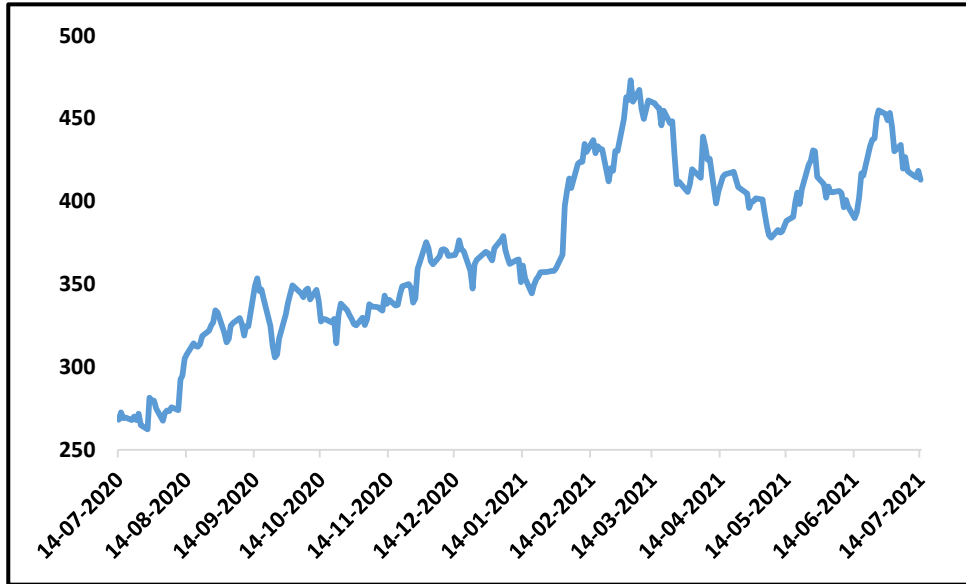
Particulars	FY19	FY20	FY21	FY22E	FY23E
PROFITABILITY RATIOS (%)					
GPM	26.2	29.6	26.7	25.7	28.3
EBITDAM	10.5	10.3	8.7	8.2	9.6
APATM	4.4	4.7	4.2	3.9	5.0
RoE	21.9	21.6	18.0	15.8	19.3
RoCE	12.2	13.6	13.2	12.9	14.1
SOLVENCY RATIOS (X)					
Net Debt/EBITDA	2.6	2.7	1.6	2.5	2.0
Net D/E	1.1	1.1	0.5	0.6	0.5
PER SHARE DATA (Rs)					
EPS	18.9	22.0	21.5	22.3	32.3
CEPS	23.5	27.7	27.4	28.7	39.2
DPS	3.4	4.0	2.7	2.7	2.7
BVPS	94.7	108.8	130.7	152.5	181.5
TURNOVER RATIOS (Days)					
Inventory	21.3	23.7	23.4	24.6	21.5
Debtors	161.8	166.1	154.9	168.0	165.0
Payables	199.3	197.5	230.7	193.4	186.9
VALUATION					
P/E (x)	21.8	18.8	19.2	18.5	12.8
P/BV (x)	4.4	3.8	3.2	2.7	2.3
EV/EBITDA (x)	11.6	11.2	10.7	10.6	8.2
EV/Revenues (x)	1.2	1.2	0.9	0.9	0.8
Dividend Yield (%)	0.8	1.0	0.7	0.7	0.7

(Source: Company, HDFC sec)

KEC International Ltd.

598.71	685.65	68.56	11.55	203.88	118.92	118.09
(+22.11)	(-14.51)	(-7.74)	(-1.05)	(-1.05)	(-1.67)	(-1.44)
142.09	167.29	154.12	393.13	-62.95	-187.58	-42.38
(-35.1)	(-17.46)	(-7.84)	(-7.58)	(-111.88)	(-71.46)	(-15.88)

One year stock price chart



(Source: Company, HDFC sec)

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