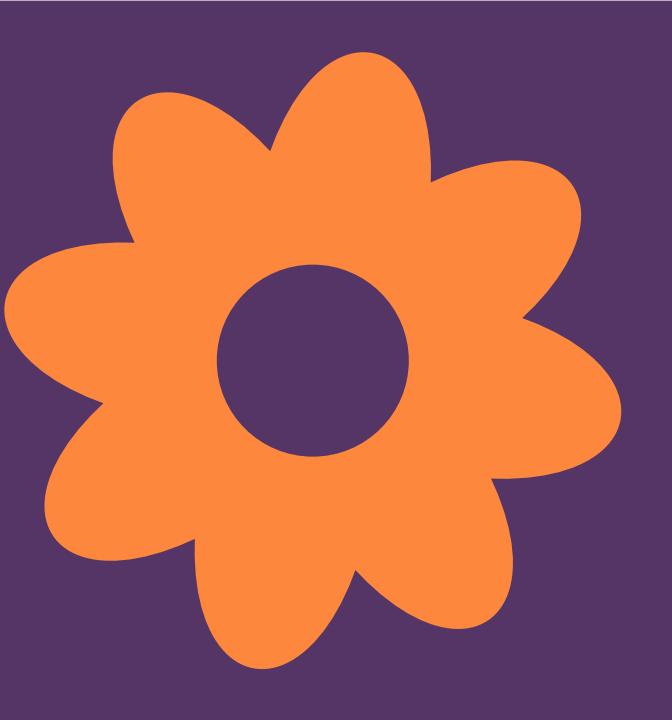
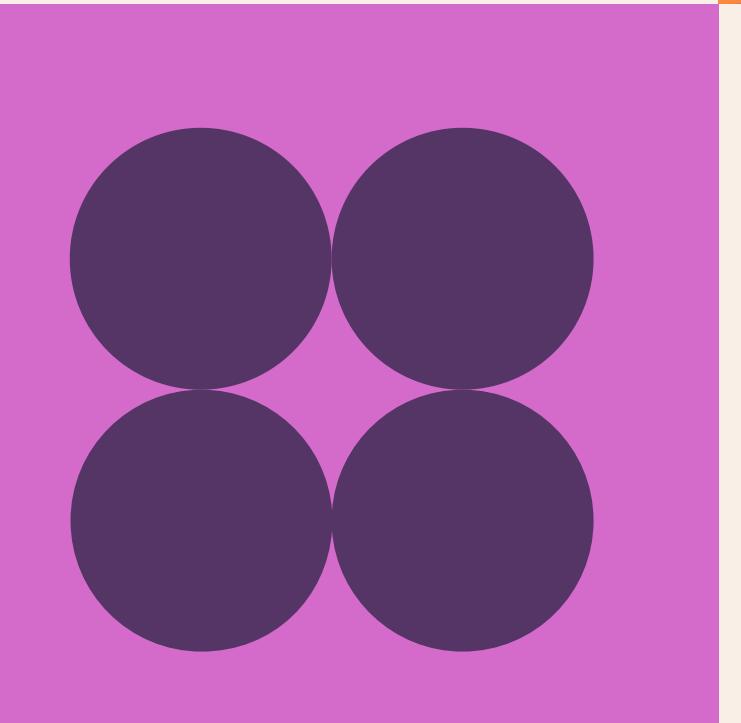


FEC PS-1

Stock Pitch - KEI Industries

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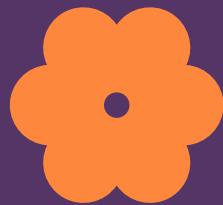
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Overview

KEI was established in 1968 as a partnership firm under the name Krishna Electrical Industries, with the prime business activity of manufacturing house-wiring rubber cables.

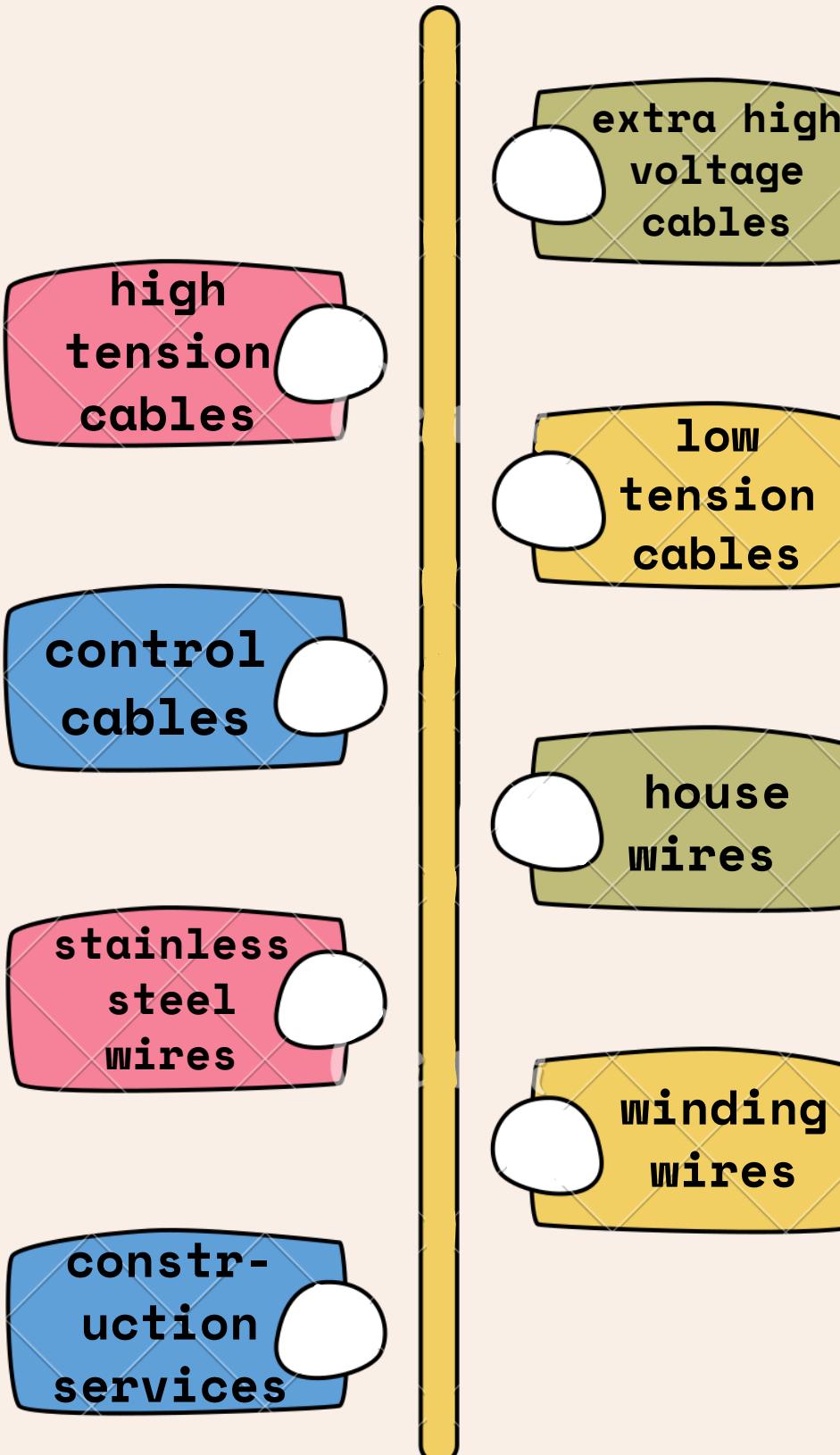
5 plants located at Bhiwadi, Chopanki, Pathredi (Rajasthan), and Rakholi, Chinchpada (D&NH)



Mission

- Strong branding of products & services.
- Professionally managed, self-propelled and system driven company.
- Achieving the intent of sustainability 'Leadership with Care'.
- In house R&D for New Product Development.

Products



Financial Performance

FY 2021-22	FY 2020-21
Turnover (in Cr.)	INR 5,726.55
Profit Before Tax (in Cr.)	INR 507.73
Net Profit (in Cr.)	INR 376.22

Reasons for choosing this sector

Demand for Communication

Communication infrastructure suffers significant damage. Increased demand for communication services as affected individuals and businesses rely on reliable communication channels.

Infrastructure Rebuilding

Expansion Opportunities

Long-Term Growth Potential

Reasons for choosing this sector

Increased
Demand
for
Communication

Infrastructure Rebuilding

Damaged
infrastructure needs
repair !!!

The restoration of
underground cables,
fiber optic lines, and
network
infrastructure

Expansion Opportunities

Long-Term
Growth
Potential

Reasons for choosing this sector

Increased
Demand
for
Communication

Infrastructure
Rebuilding

Expansion
Opportunities

opportunities to expand their network coverage, install new cables, and establish a presence in previously underserved areas

Long-Term
Growth
Potential

Reasons for choosing this sector

Increased
Demand
for
Communication

Infrastructure
Rebuilding

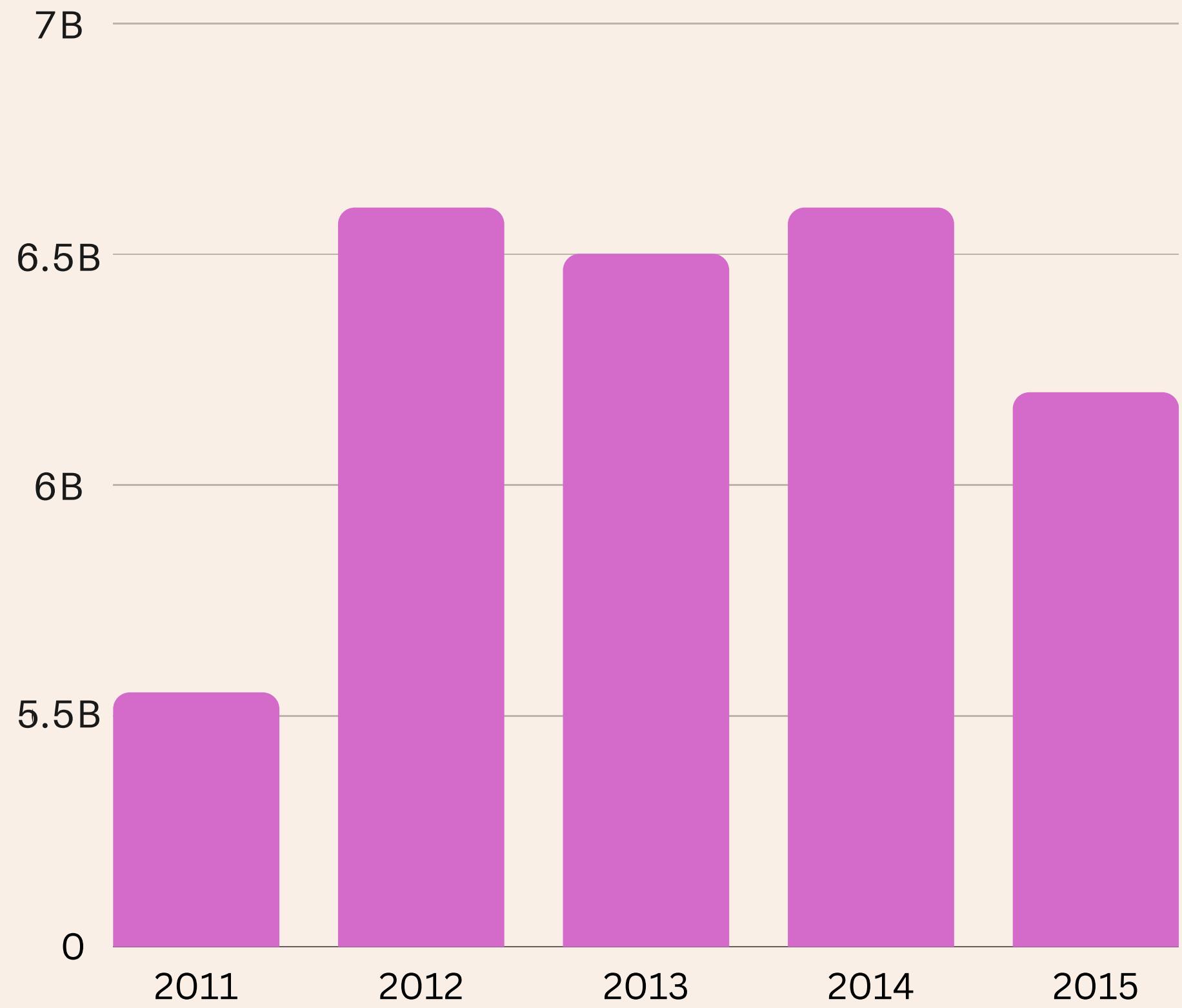
Expansion
Opportunities

Long-Term
Growth
Potential

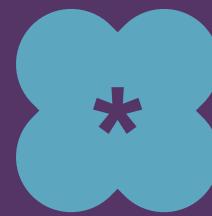
could be seen as
an opportunity to
benefit from the
recovery and
reconstruction
efforts

Past Market Analysis

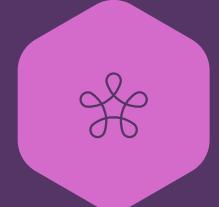
Data on the value of Japan's import of insulated wires and cables (in USD) after the 2011 earthquake and tsunami of 9.1 magnitude.



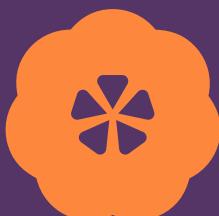
Financial Analysis



The company has shown a good profit growth of 27.42% for the Past 3 years.

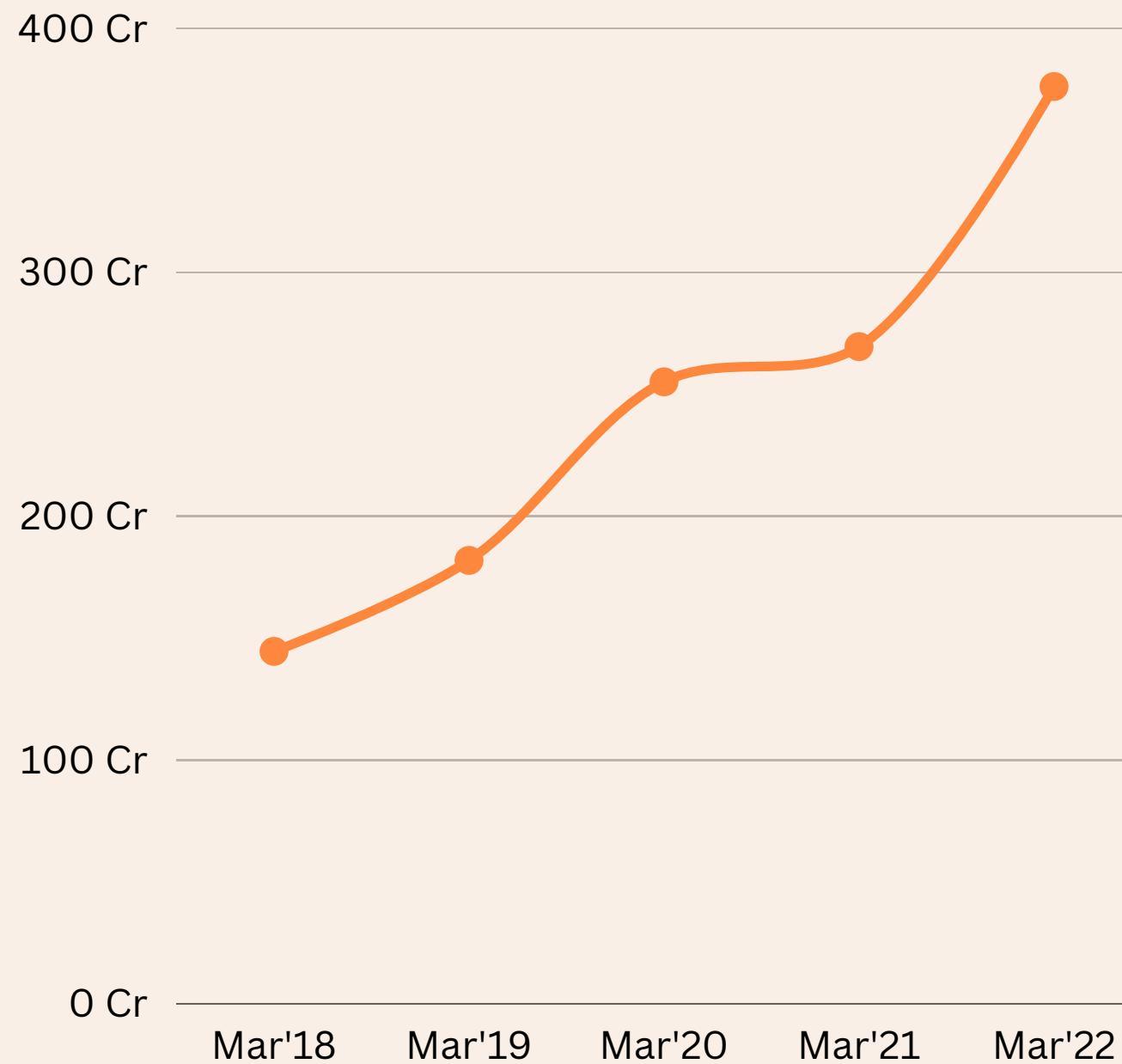


Company has been maintaining a healthy ROCE of 24.43% over the past 3 years.



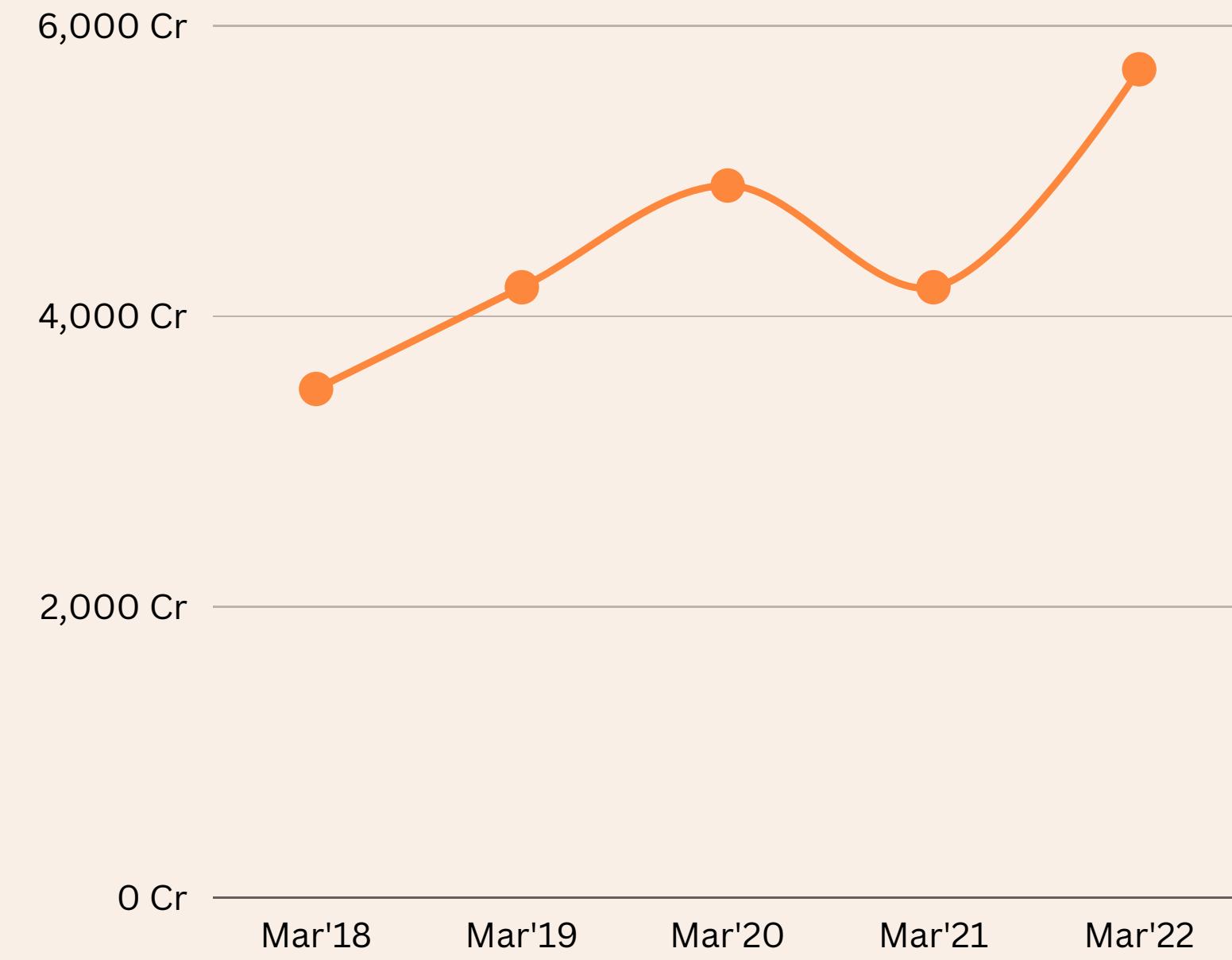
Company has a healthy Interest coverage ratio of 13.57.

Profit Growth



1 Year **3 Years** **5 Years**
39.57% 27.42% 32.01%

Sales Growth



1 Year **3 Years** **5 Years**
36.95% 10.65% 16.85%

YEARLY RESULTS



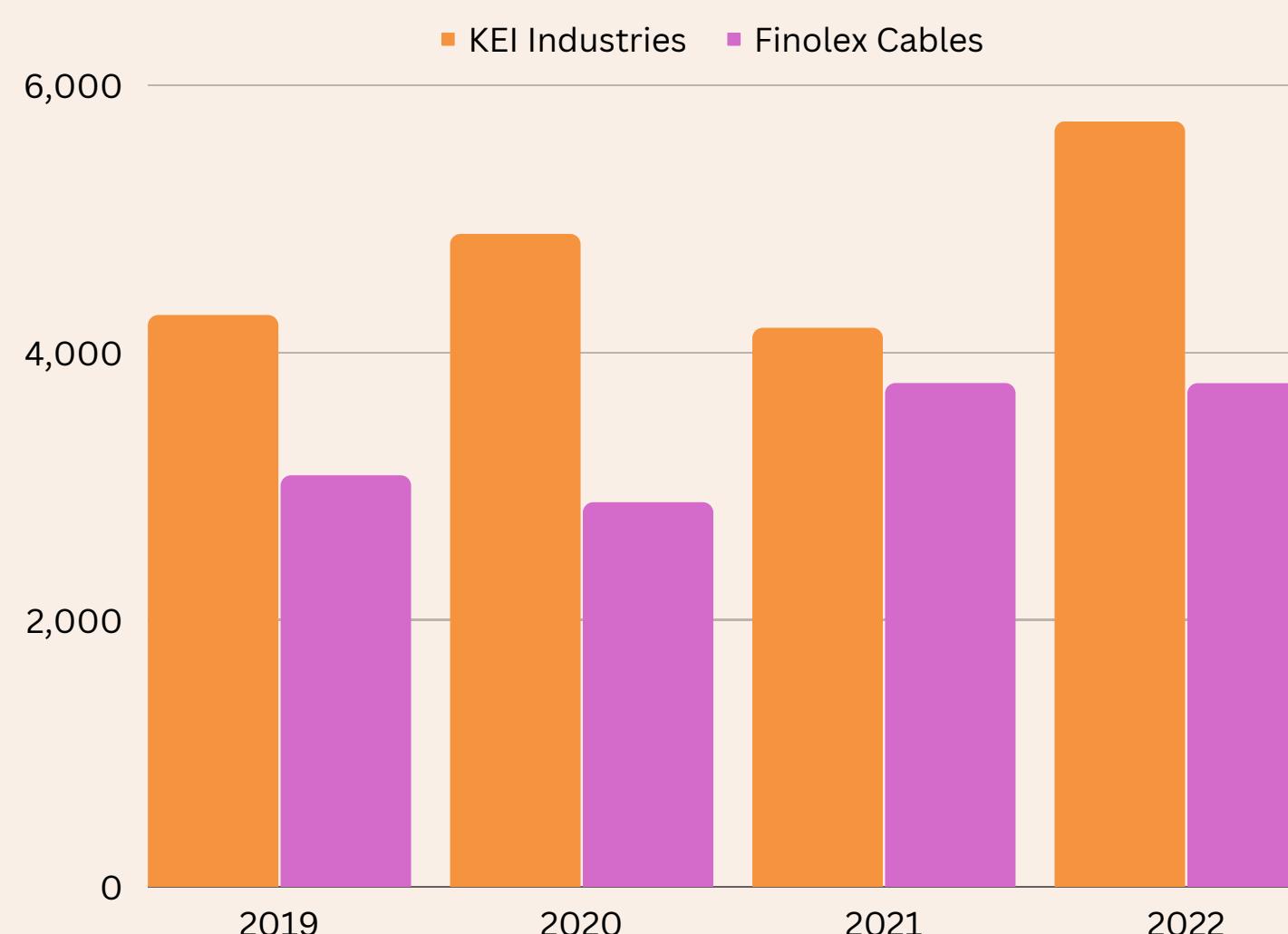
PARTICULARS	MARCH 2019	MARCH 2020	MARCH 2021	MARCH 2022
NET SALES(in Cr)	4,226.96	4,884.27	4,181.49	5,726.55
OPERATING PROFIT(in Cr)	442.21	496.04	455.47	588.69
ADJUSTED EPS (In Rs)	23.04	28.50	30	41.75
NET PROFIT(in Cr)	181.87	255.10	269.55	376.22

Competitive Analysis

Cable manufacturing companies

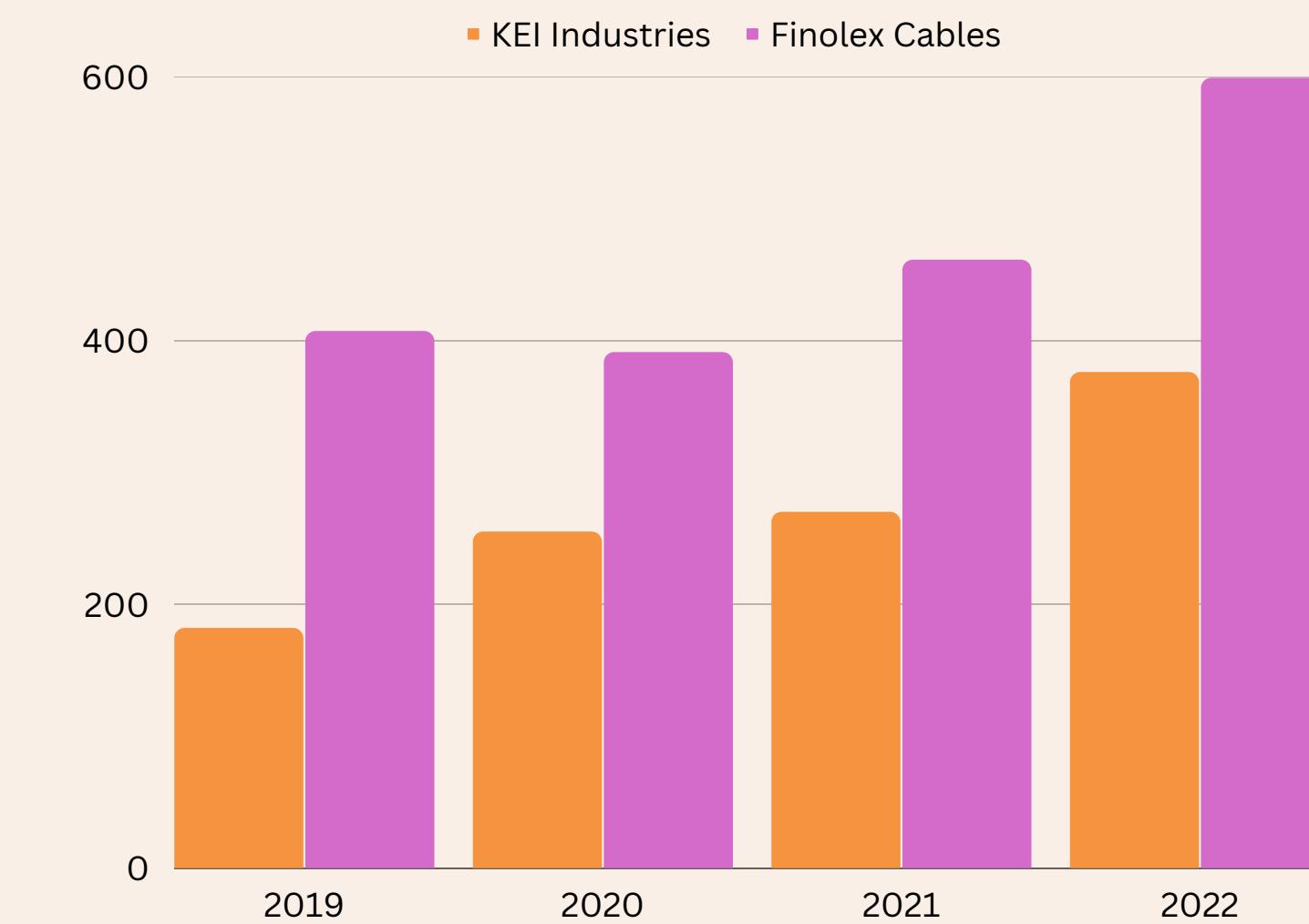
COMPANY	MARKET CAP (IN CR)	P/E RATIO	ROCE	DEBT TO EQUITY	EV/EBITDA
KEI Industries Limited	18067	37.82	24.12%	0.16	24.66
Finolex Cables	12976	27.34	17.00%	0.07	20.11
Polycab India Limited	51047	40.15	24.21%	0.01	26.09
Sterlite Technologies	6073	18.10	7.85%	1.42	9.04

Sales Analysis



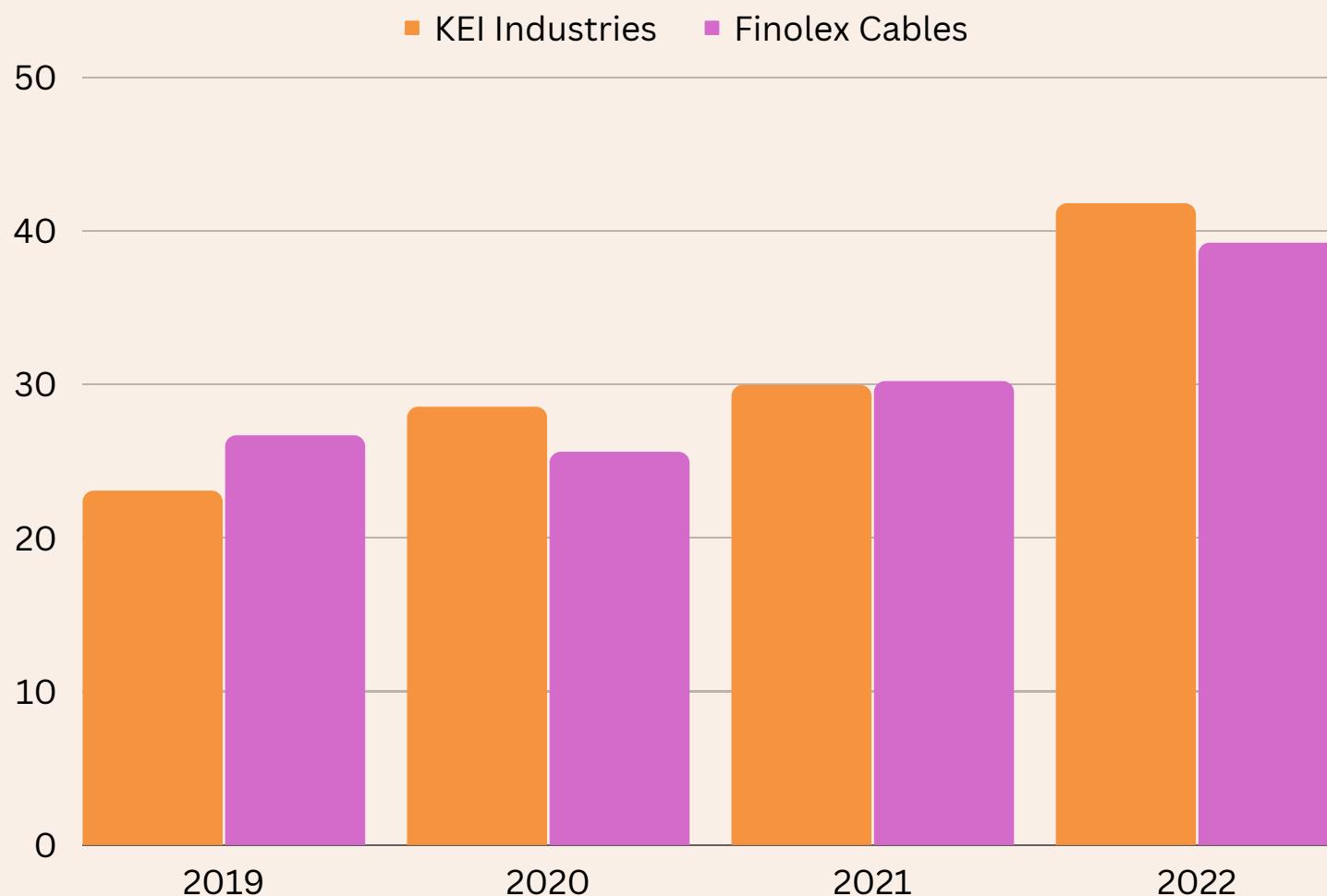
KEI Industries shows faster growth despite Finolex Cables having higher net profit.

Net Profit Analysis



KEI Industries has surpassed Finolex Cables in sales and shows higher sales growth, indicating its superior performance and market success.

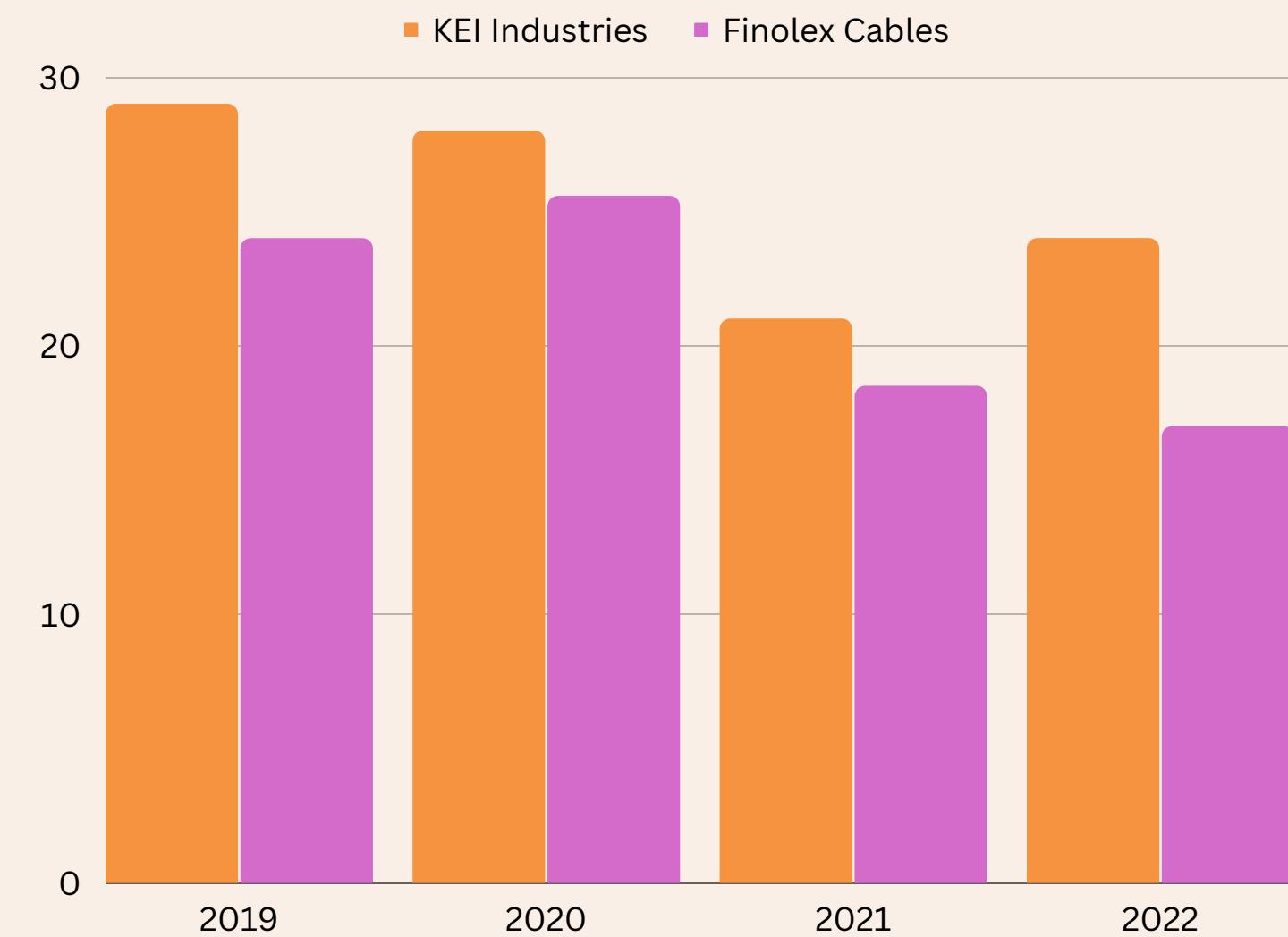
EPS Analysis



KEI Industries has higher EPS and faster growth rate than Finolex Cables, demonstrating superior performance.

KEI Industries maintains a superior ROCE of around 24% while Finolex Cables experiences a declining trend.

ROCE Analysis



RISKS

1. Valuation

The key valuation ratios of KEI Industries Ltd's currently when compared to its past seem to suggest it is in the Overvalued zone

2. Competition

Due to numerous players, this industry can be highly competitive vying for the huge market opportunity after the earthquake.

CATALYSTS

1. Demand

The level of demand for cables and related infrastructure products in the aftermath of an earthquake can lead to increased stock prices.

2. Government Contracts

Post-earthquake contracts and infrastructure projects can directly impact the company's stock price.

3. Industry Trends

Factors like increased investment in infrastructure and the growth of telecom networks can create positive sentiment and drive stock price appreciation.

CONCLUSION

- In conclusion, after careful analysis and consideration, it is evident that ***KEI Industries Ltd*** presents a compelling investment opportunity.
- The company's strong financial performance, robust market position, and strategic initiatives position it for long-term growth and shareholder value creation.
- As a result of the earthquake, there is significant potential for future appreciation in the stock price.
- Therefore, it is highly recommended to consider an investment in ***KEI Industries Ltd*** as it offers a promising outlook and aligns with our investment objectives.

THANK YOU



Sources and References

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- <https://trendeconomy.com/>
- <https://www.moneycontrol.com/>
- <https://www.kei-ind.com/amp/>
- <https://ticker.finology.in/company/KEI>