



KEI

Wires & Cables



**PROUDLY MAKING IN
INDIA SINCE 1968**

#VocalForLocal

KEI INDUSTRIES LIMITED
Corporate Presentation
May, 2022

Agenda



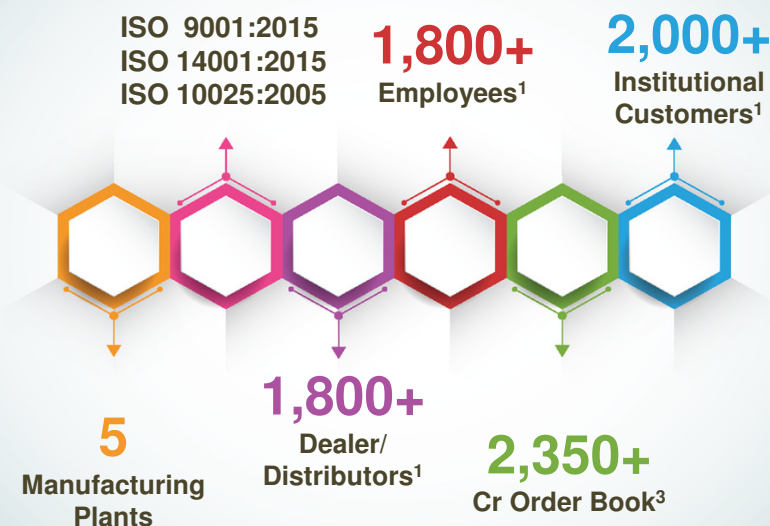
Company Overview



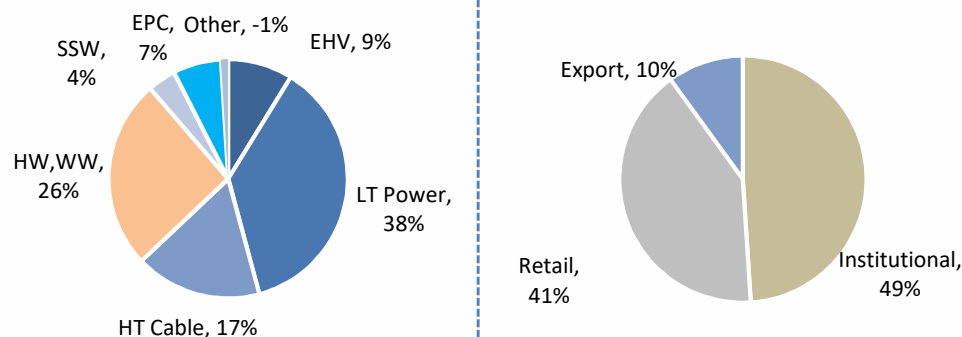
Overview

- Leading manufacturer of cables and wires with a wide product portfolio spread across
 - EHV, HT and LT Power Cables, House Wire, Stainless Steel Wire
- Forward integrated into EPC services for Power, Distribution, Transmission and sub-station projects
- 5 plants located at Bhiwadi, Chopanki, Pathredi (Rajasthan), Rakholi and Chinchpada (Silvassa)
- Robust R&D facility with in-house lab accredited by NABL
- Established in 1968

Key Metrics

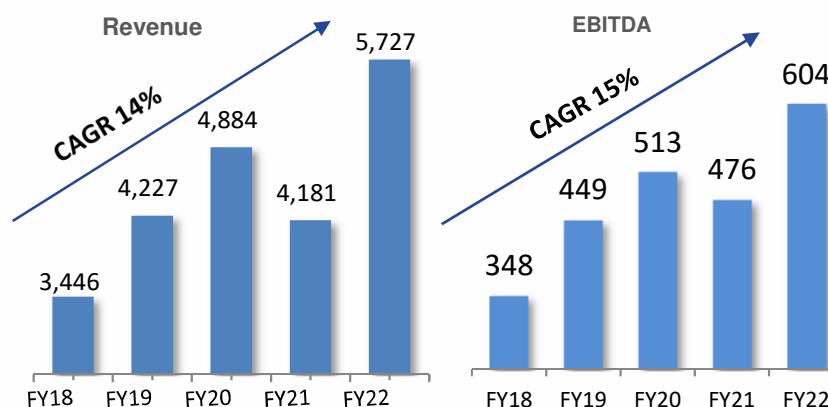


Product and Revenue Split² (FY22)



Note: 1 – As of 31st March, 2022. 2 – Based on Standalone Financials 3- As on 30.05.2022

Key Financials² (INR Cr)



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Major Highlights

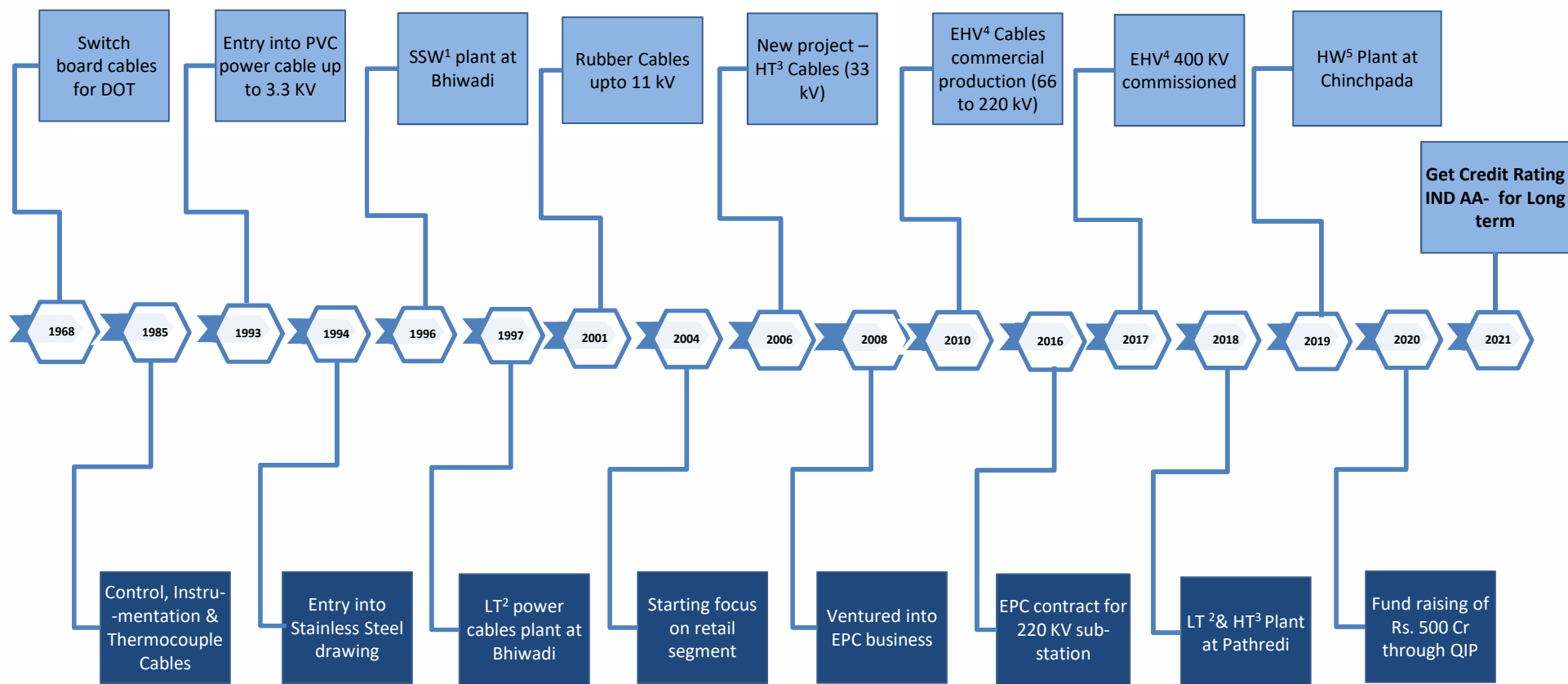


- ET 500 2021 KEI ranking is 303.
- During FY 2019-20, Company has raised fund Rs. 500 Crore through QIP.
- ICRA Ltd, CARE & India Ratings and Research Private Limited has upgraded long term rating IND AA- and short term rating IND A1+.
- Insurance of Receivables to mitigate risk.
- Healthy Order Book to achieved turnover and Profitability.
- Healthy Brand Visibility – TV Advertising , IPL Rajasthan Royals, Customer Loyalty and Preferences.
- Super Brand Status 2011-2016 and 2019 - 2022
- Diversified business profile across customers, industries and manufacturing locations.
- Increase focus on Exports, Retail segments and EHV to support expected improvement in turnover, profitability as well as working capital.
- Very Strong relationship with banks.
- Highly committed promoters and management
- Appoint Boston Consulting Group (BCG) for Retail House wire business.

Consistently Evolving Business Model



- ✓ Focus has been on expanding product portfolio
- ✓ De-risking business by increasing diversification



Note: 1 – Stainless Steel Wire; 2 - Low tension cables; 3 – High Tension Cables; 4 – Extra High Voltage , 5- House Wire

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Richly Experienced Management Team



Mrs. Archana Gupta
Director



Mr. Rajeev Gupta
Executive Director
(Finance) & CFO



Mr. Lalit Sharma
COO



Mr. Dilip Barnwal
Vice President
(Operations-Silvassa)



Mr. Daya Nand Sharma
Vice President
(Operations-Chopanki)



Mr. K.C Sharma
Sr. Vice President
(Operations-Bhiwadi)



Mr. Akshit Diviaj Gupta
Director



Mr. Manoj Kakkar
Executive Director
(Sales & Marketing)



Mr. Manish Mantri
Sr. Vice President (EPC)



Mr. Anil Gupta
Chairman-cum-Managing Director

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Comprehensive Product Portfolio



Wide product basket comprising:

- Extra-High Voltage Cables up to 400 KV
- High & Medium Voltage Cables
- Control & Instrumentation Cables
- Specialty Cables
- Submersible Cables
- Rubber Cables
- Solar Cables
- PVC/Poly Wrapped Winding Wires
- Flexible & House Wires
- Stainless Steel Wires
- EPC Projects

Helping the company service a wide spectrum of sectors such as power, oil refineries, railways, automobiles, cement, steel, fertilizers, textile and real estate, amongst others



EHV cables



HT cables



LT cables



Control Cables



Instrumentation



Offshore Cables



Solar Cables



SS Wires



Winding Wires



House Wires



Flexible Wires



Rubber Cables

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Company Strengths

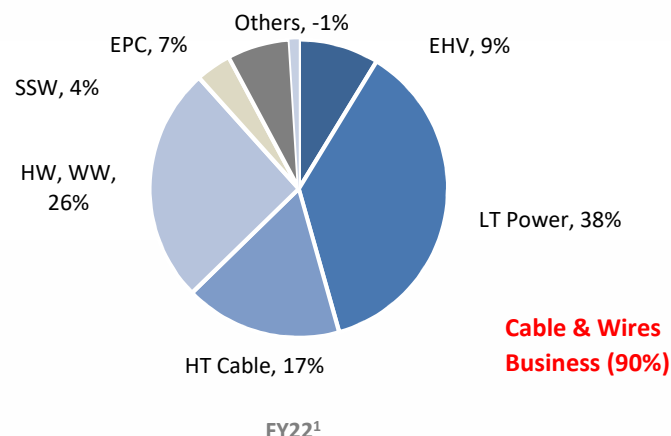


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Well Diversified across Multiple Dimensions



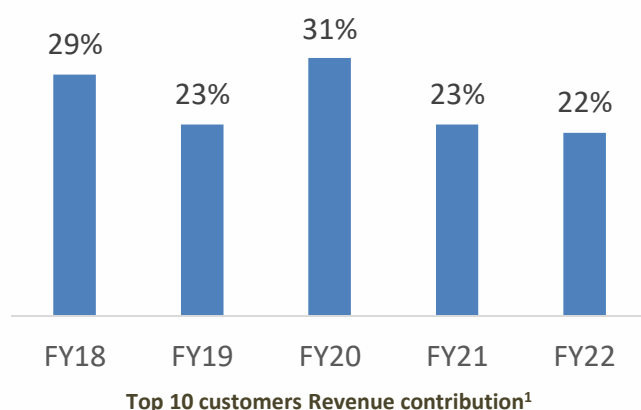
Wide Product Basket...



...With applications across Industries



...Coupled with low customer concentration



- KEI is diversified across products and industries
- Customer concentration is low with top 10 customers accounting for 22% of sales in FY22
- Diversification helps in de-risking

Note: 1 – Based on Standalone Financials

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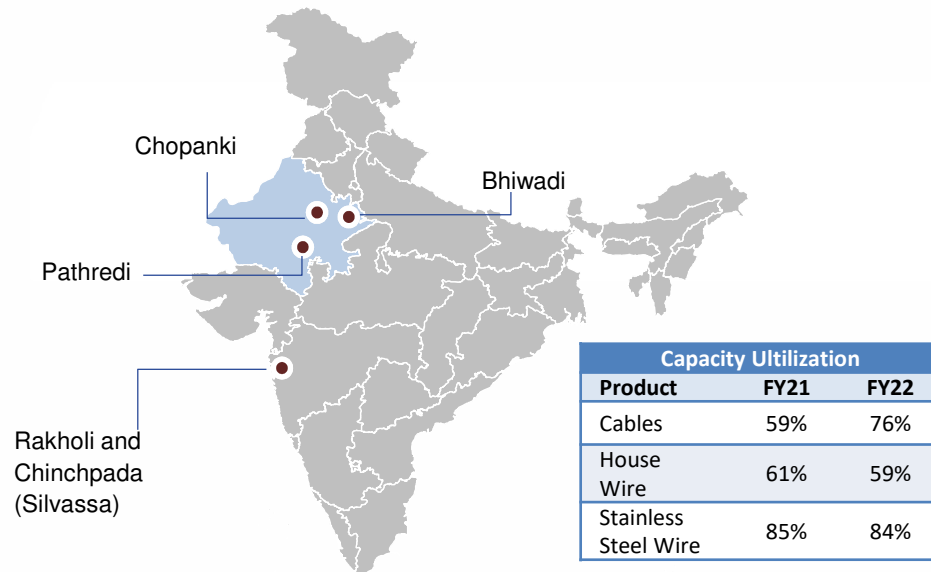
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Strategically located manufacturing facilities and Strong R&D capabilities



Plant Locations and Key Capacities



Products (as of 31 st March'22)	Bhiwadi	Rakholi	Chopanki	Pathredi	Chinchpada
EHV	✓		✓		
HT Power Cable	✓		✓	✓	
LT Power Cable	✓	✓	✓	✓	
Control Cable	✓	✓		✓	✓
Instrumentation/Communication Cable	✓			✓	✓
Rubber cable	✓				
House Wire/ Winding Wire	✓	✓			✓
Stainless Steel Wire	✓				

Plant Location	Start Date	Capacity (As of 31st March, 22)
Bhiwadi	1996	<ul style="list-style-type: none"> Cable – 54,800 Kms House Wire/WW – 190,000 Kms Stainless Steel Wire – 9,000 MT
Rakholi	2002	<ul style="list-style-type: none"> Cable – 30,000 Kms House Wire – 696,000 Kms
Chopanki	2007	<ul style="list-style-type: none"> Cable – 4,900 Kms
Pathredi	2018	<ul style="list-style-type: none"> Cable – 22,600 Kms
Chinchpada	2019	<ul style="list-style-type: none"> House Wire – 4,46,000 Kms Cable- 12,900 Kms Communication cable – 28,800 Kms

Strong R&D capabilities

- R&D facility with in-house lab accredited by NABL
- Customized solutions for customers
- Continuous focus on development of new products
- Niche product offerings
- Focus on developing specialty products

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.... Strategically located manufacturing facilities and Strong R&D capabilities



Pathredi Plant



Bhiwadi Plant



Chopanki Plant



Silvassa Plant



Chinchpada Plant

Adherence to the most stringent quality standards laid down by KEI



Sri Ram Centre

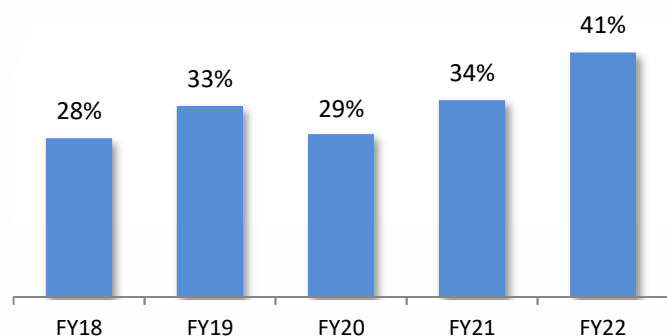
Our products are tested as per international standards by: KEMA (The Netherlands), FGH (Germany), TUV (Rheinland), SGS, IRS, ABS, CEIL, BRE (UK), LLOYDS REGISTER, BVQI, DNV, KVERNER POWERGAS, CPRI, ERDA, IDEMI, EIL, PDIL and MECON.

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Strong presence in retail segment with a well entrenched distribution network

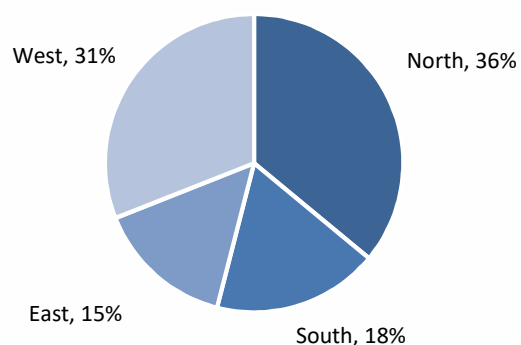


Increasing focus on retail...



Retail as a % of sales ²

...Leading to Pan India retail sales



FY22²

Note: 1- As of 31stth March, 2022; 2- Based on Standalone Financials

...With strong distribution network...

	# of Dealers / Distributors ¹	# of Marketing Offices ¹
North	575	9
South	335	7
East	437	6
West	458	14

- Strong distribution network covering major metros and Tier 1 and 2 cities
- 22 depots across India
- 36 marketing offices across the country
- Company is focussing on marketing through various brand promotion activities via multiple communication channels

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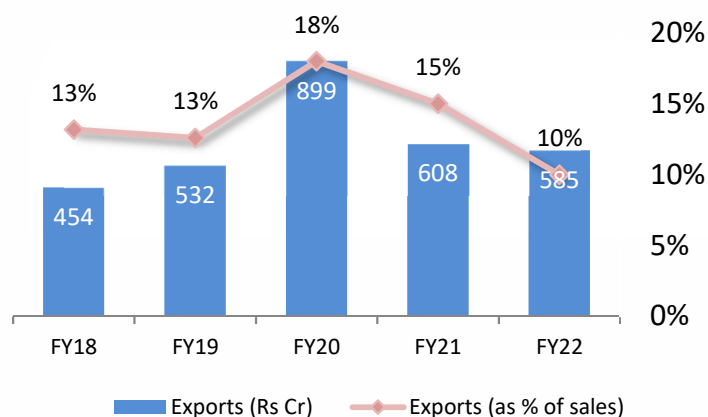
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Growing Exports Presence



Exports sales in last 5 years



- Exports accounted for 10% of sales in FY22 Exports provide natural hedge on forex as the company also imports raw materials
- Strong order book for exports of Rs. 667 Cr as on May, 2022.

Presence across over 50 countries with offices in 5 countries



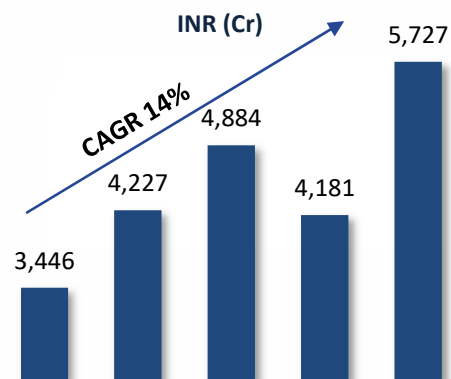
Note: Based on Standalone Financials

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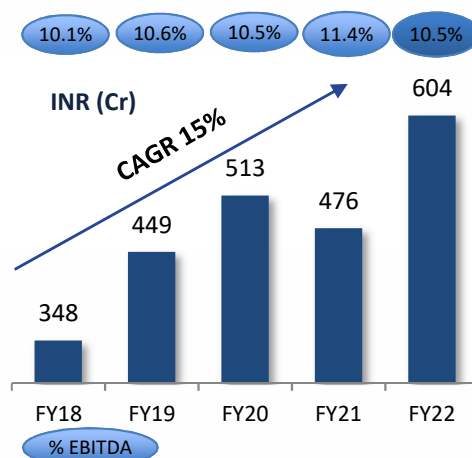
Strong Financial Performance



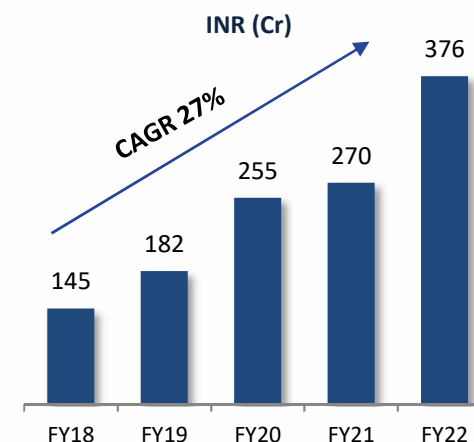
Robust Revenue Growth...



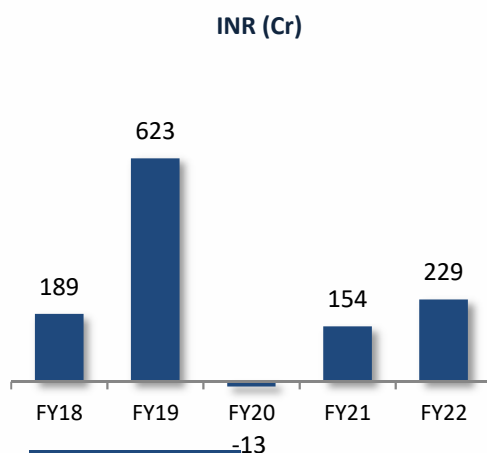
...with stable EBITDA Margins...



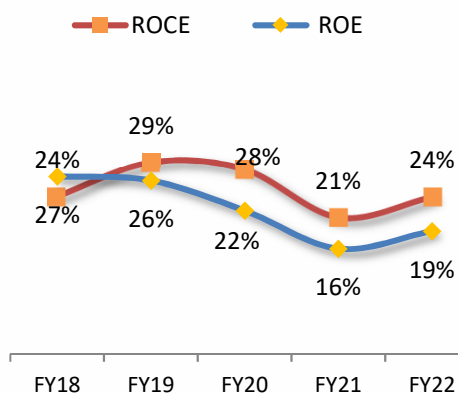
...and strong PAT Growth



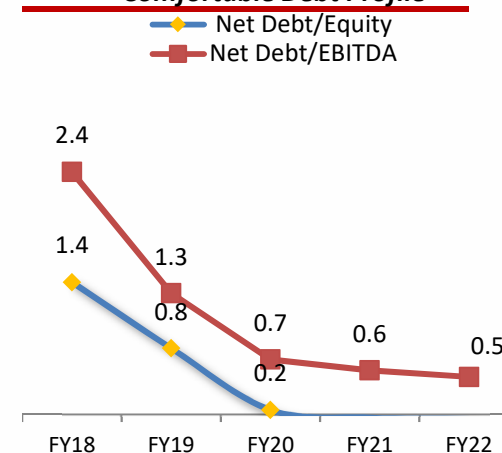
Cash Flow



Robust Return Ratios²

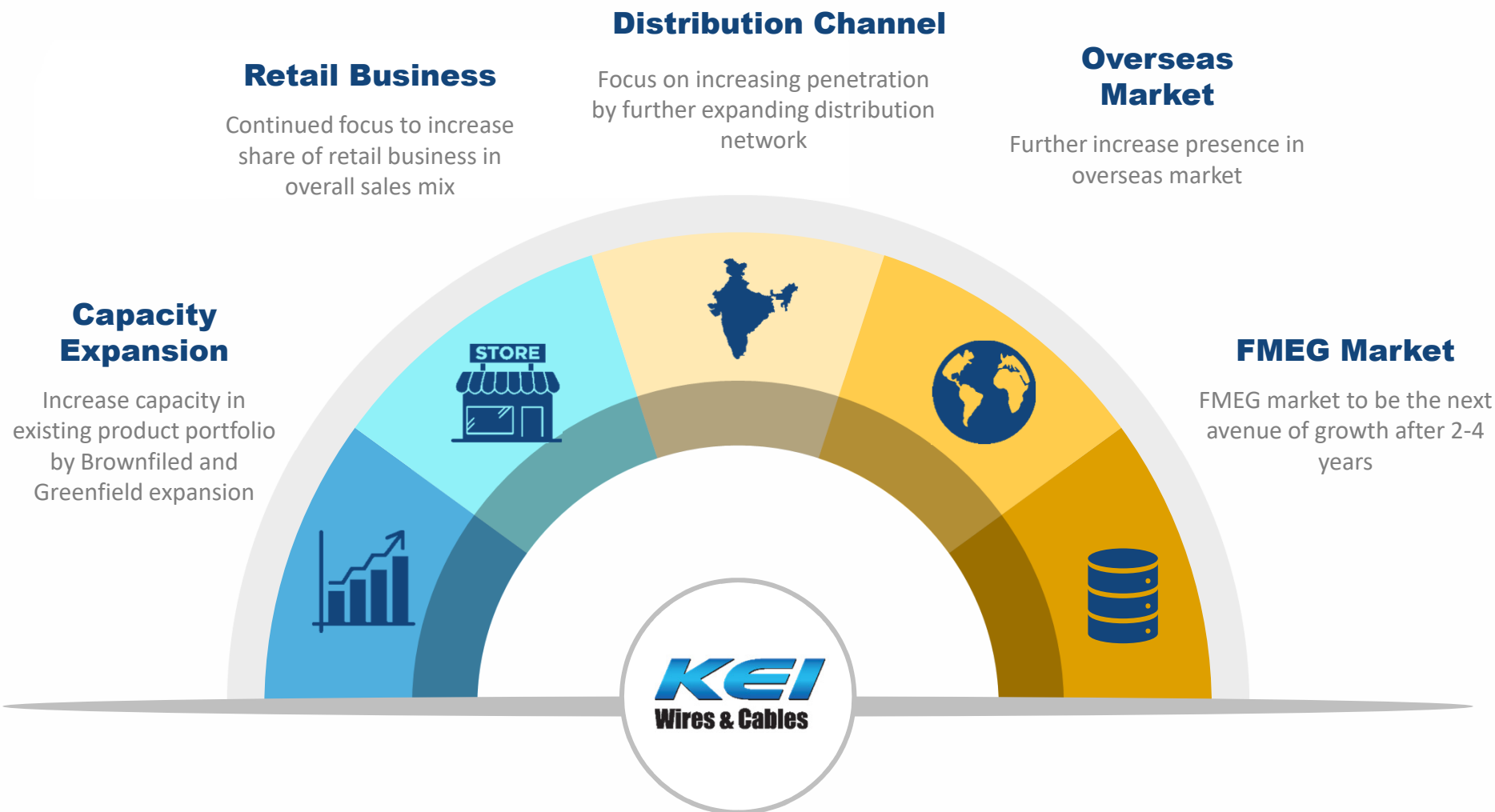


Comfortable Debt Profile



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Growth Strategy



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Industry Prospects



Economic Factors :

- In 2022-23, India's GDP is expected to rise by 7.2%.
- India is growing rapidly and is expected to become a US\$ 5 trillion economy by 2025..
- The gross Goods and Services Tax (GST) revenue collection hit an all-time high of Rs. 1.68 trillion (US\$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.
- Government's commitment towards inclusive development is manifest in enhanced capital expenditure for 2022-23, powering the seven engines Gatishakti to reduce the infrastructure gap, and facilitate private investment in the country.
- India gets the highest annual FDI inflow of USD 83.57 billion in FY21-22
- India fastest growing economy among G-20 nations.
- As per Budget 2022-23, Outlay for capital expenditure at Rs. 750,000 crore (US\$ 100 billion), a 35.4% increase from Rs. 554,000 crore (US\$ 74.09 billion) in 2021-22.
- In order to boost India's digital economy, the Reserve Bank of India (RBI) will be launching the Central Bank Digital Currency (CBDC) as India's official digital rupee.

Industry Prospects



Power and cable Sectors:

- India's power sector is forecasted to attract investments worth Rs 9-9.5 trillion (US\$ 128.24-135.37 billion) between FY19-23.
- Expansion in industrial activity to boost cable demand for electricity.
- India is the third-largest producer and second-largest consumer of electricity worldwide, with an installed power capacity of 395.07 GW, as of January 2022.
- As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of Rs. 111 lakh crore (US\$ 1.4 trillion).
- India's power consumption increased 2.2% YoY in February 2022 to 105.54 billion units (BU).
- The Central Electricity Authority (CEA) estimates India's power requirement to reach 817 GW by 2030
- In the Union Budget 2022-23, the government allocated Rs. 19,500 crore (US\$ 2.57 billion) for a PLI scheme to boost the manufacturing of high-efficiency solar modules.

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Industry Prospects



Real State Sectors:

- Government of India's Housing for All initiative is expected to bring US\$ 1.3 trillion investment in the housing sector by 2025.
- Real estate sector in India is expected to reach US\$1 trillion by 2030. By 2025, it will contribute 13% to the country's GDP
- Demand for Residential space expected to grow Sharply.
 - Rapid urbanisation
 - Growth in population
 - Rise in the number of nuclear families
 - Easy availability of finance
 - Growth in Tourism
 - Government policies
- Niche sectors expected to provide growth opportunities
 - Flex Space Segment
 - Healthcare
 - Senior citizen housing
 - Smaller office spaces
 - Service apartments
 - Hotels

Industry Prospects



Infrastructure Sectors:

- Government announced expenditure of ~ INR 111 lakh crore in infrastructure sector over next 5 years, as a part of National Infrastructure Pipeline (NIP).
- Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs.10 lakh crore (US\$ 130.57 billion) to enhance the infrastructure sector.
- India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23.
- Big thrust on monetizing assets.
- AAI plans to develop over 20 airports in tier II and tier III cities in the next 5 years.
- The government announced Rs. 305,984 crore (US\$ 42billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sectors scheme.
- Expenditure Allocation in Budget for FY 2022-23.
 - Rs. 1,46,367 crore (US\$ 18.34 billion) for Railways.
 - Rs. 84,586 crore (US\$11.05 billion) for IT and Telecom
 - Rs. 1,99,108 crore (US\$ 26.02 billion) for Roads and Highways Infrastructure.
 - Rs. 18,998 crore (US\$ 2.61 billion) for Metro Project.

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Industry Prospects



Manufacturing, Engineering and Capital Goods Sectors:

- Capacity creation in sectors such as infrastructure, power, mining, oil and gas, refinery, steel, cement automotive and consumer durables is driving demand in the engineering sector.
- Increase Investment in Indian Manufacturing sector by domestic and foreign Institutional.
- India is on a path of becoming the hub for hi-tech manufacturing as global giants.
- Govt of India introduced Production Incentive Scheme (PLI) for Large Scale manufacturing.
- The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025
- Increase in demand in EV. India has registered 162% growth in EV sales this year, with electric bus sales increasing the highest at 1,250% YoY growth.
- In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.
- Growth Drivers
 - Supportive Government policies leading to higher investments
 - Increase in infrastructure spending
 - Capacity addition for power generation
 - Increasing FDI inflows
 - Easy credit facilities for manufacturing companies
 - Increase in Exports
 - Increase in Consumption

Strengthening Brand Recognition



Partner



2013-2015

2009-2012

Wires & Cables Specialist



Jode Dilon Ke Taar



2016-2017

2019-2020

Har Tension Sahe Chalti Rahe



2019 onwards



IPL Sponsorship from FY 17 to FY 22

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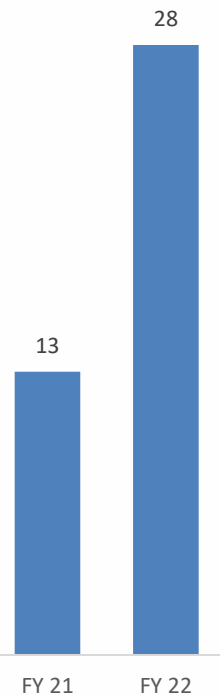
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... and strengthening it further using multi pronged approach



Advertisement and
Publicity Expenses
(in cr)



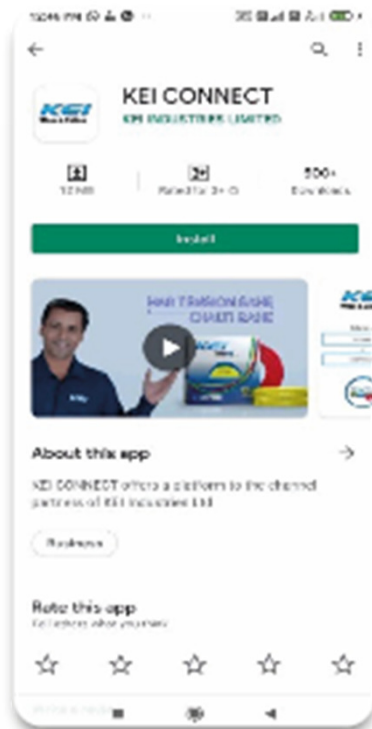
- Association with Rajasthan royals and amplification Via digital presence
- Meeting with Channel Partners
- KEI marked presence though outdoor campaigns
- Participation in events and exhibitions (Domestic & International)
- Extensive Retail Branding around major festivals
- New IT App for connecting Dealers, Distributors, Retailers and Electricians.
- TV Advertisement

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... New Connecting App

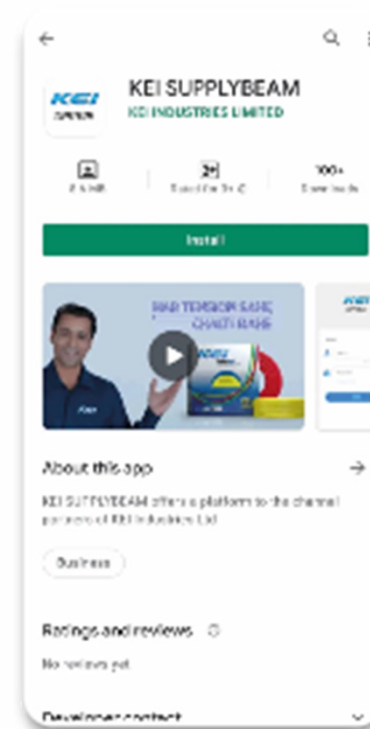


Our online platforms 'KEI Supply Beam' and 'KEI Connect' (an end-to-end channel management software that enables better decisions, speed and efficiency) keep us connected with 'Kutumb'.



↓ from

KEI Supply Beam for dealers/distributors.



↓ from

KEI Connect for retailers/electricians

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Summary Financials (Standalone)



Annual Summary of Financials

₹ in Crore

Particulars	FY 18	FY 19	FY 20	FY 21	FY 22*
Net Sales	3,446	4,227	4,884	4,181	5,727
EBITDA	348	449	513	476	604
PBT	204	279	327	360	508
PAT	145	182	255	270	376
Net Fixed Assets	430	520	565	544	547
Net Worth	605	779	1507	1774	2135
Total Debt(Inc. Buyers Credit and Bill Discounting)	842	600	367	305	331
ROCE (%)	24	29	28	21	24
ROE (%)	27	26	22	16	19

* The Company has changed its accounting policy for valuation of Raw Materials, Finished Goods, Project Materials and Work in Process from First In First Out (FIFO) to moving weighted average cost method w.e.f. 1st April, 2021. In accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, this change in method of accounting for inventories has been retrospectively applied to all prior periods presented herein.

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Summary Financials (Standalone)



Quarterly Summary of Profit & Loss

₹ in Crore

Particulars	FY 21-Q1	FY 21-Q2	FY 21-Q3	FY 21-Q4	FY 22-Q1 [*]	FY 22-Q2 [*]	FY 22-Q3 [*]	FY 22-Q4 [*]
Net Revenue	745	1037	1153	1246	1018	1353	1564	1792
PBDIT	85	122	129	140	116	149	159	180
PBT	53	93	101	113	91	125	136	156
PAT	40	68	76	86	67	92	101	116
EPS (₹)	4.38	7.59	8.48	9.58	7.47	10.22	11.24	12.87

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Summary Financials (Product and segment wise)



₹ in Crore

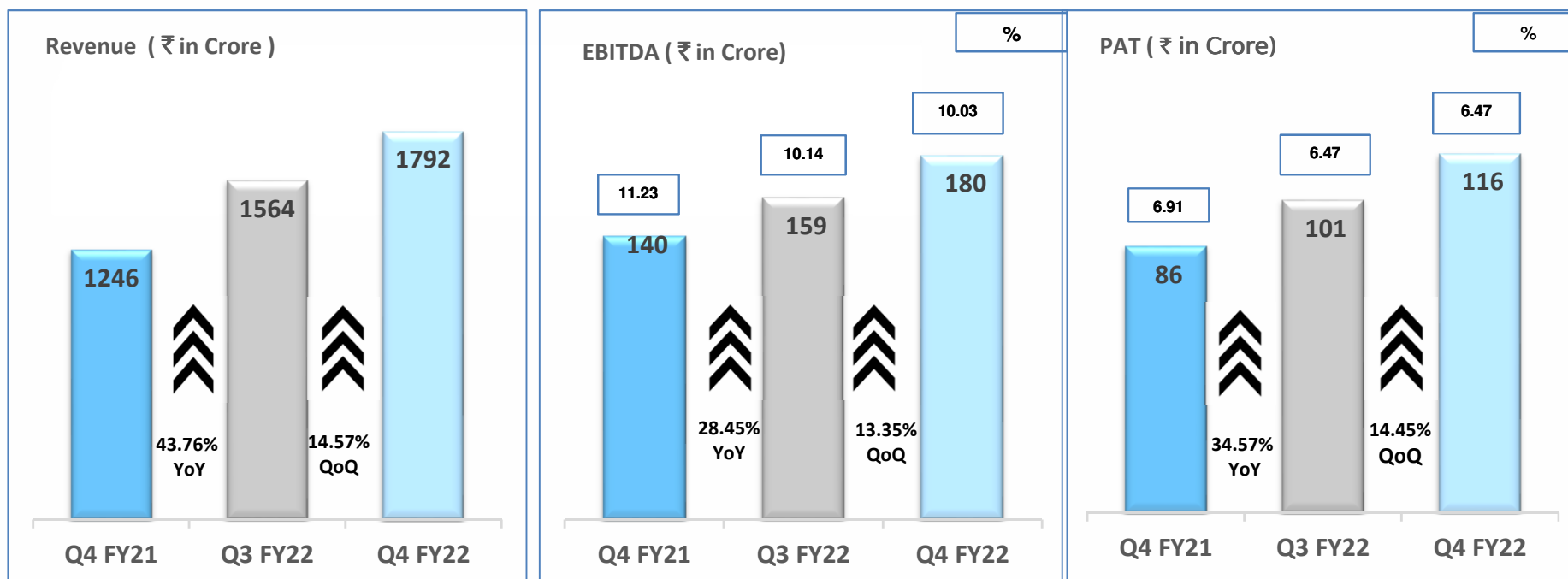
Particulars	FY 20	FY 21	FY 22	FY22-Q1	FY22-Q2	FY22-Q3	FY22-Q4
Domestic	2,623	2,233	2,713	554	675	775	931
Dealer	1,413	1,408	2,318	387	580	634	717
Export	899	608	585	93	129	186	177
Less: Ind AS	51	68	111	16	31	31	33
Total	4,884	4,181	5,727	1,018	1,353	1,564	1,792
LT Cable	2,041	1,567	2,166	389	476	583	719
HT Cable	673	688	1002	240	202	248	312
EHV	435	418	514	29	156	183	146
HW,WW	852	907	1506	233	394	412	466
SS Wire	137	140	226	48	52	65	61
EPC other Than Cable	764	466	380	86	92	93	109
Other net of Ind AS	-18	-5	-67	-7	-19	-20	-21
Total	4,884	4,181	5,727	1,018	1,353	1,564	1,792

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Financial Performance Q-4 FY 22 Highlights



- Revenue improved by 43.76% YoY in this quarter.
- EBITDA margin in this quarter has declined to 10.03% as against 11.23% YoY. EBITDA margin declined due to normalization of expenses of pre-COVID level and sharp fluctuation in input costs.
- PAT margin in this quarter has declined to 6.47% as against 6.91% YoY.

Balance Sheet (Standalone)



₹ in Crore

ASSETS	FY 22*	FY 21	FY 20	EQUITY AND LIABILITIES	FY 22*	FY 21	FY 20
Non-Current Assets				Equity			
Fixed Assets	547.41	544.25	564.83	Equity Share Capital	18.02	17.97	17.90
Other Non Current Assets	18.58	23.89	18.09	Other Equity	2,117.30	1,755.58	1,488.86
Total Non Current Assets	565.99	568.14	582.92	Total Equity	2,135.32	1,773.55	1,506.76
				Non-Current Liabilities			
				Borrowings	-	31.35	52.70
				Other Non Current Liabilities	59.06	61.20	56.66
				Total Non Current Liabilities	59.06	92.55	109.36
Current Assets				Current Liabilities			
Inventories	1,079.41	762.75	863.78	Short Term Borrowings	331.37	274.09	262.39
Trade Receivables	1,395.53	1,349.57	1,367.59	Trade Payables	762.62	741.43	1,168.97
Cash and Bank Balances	360.03	221.21	214.30	Others - Current Liabilities	238.67	126.59	221.18
Other Current Assets	126.08	106.54	240.07	Total Current Liabilities	1,332.66	1,142.11	1,652.54
Total Current Assets	2,961.05	2,440.07	2685.74				
Total Assets	3,527.04	3,008.21	3268.66	Total Equity and Liabilities	3,527.04	3,008.21	3,268.66

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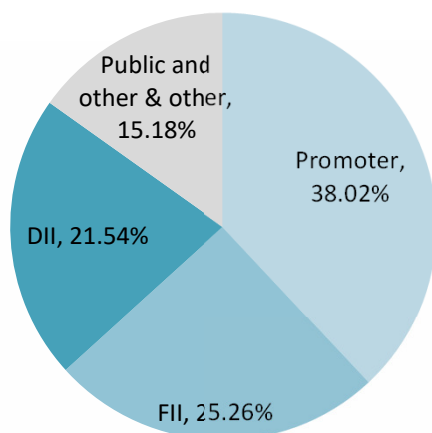
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Shareholding



Shareholding Pattern (as of 31st March, 2022)



Key Institutional Investors (as of 31st March, 2022)

Name of Shareholder	% Holding
Smallcap World Fund, INC	5.02%
DSP Value Fund	4.21%
HDFC Trustee Co Ltd A/C HDFC Retirement Saving Fund - Equity Plan	2.97%
Franklin Build India Fund	2.71%
Massachusetts Institute Of Technology	2.39%
Invesco India Small cap Fund	2.37%
Others	27.13%

Our Social Responsibility - Partnering for Community Resilience



Our CSR initiatives span across several critical areas of human progress, including healthcare, hunger and poverty eradication, education, environmental sustainability and sports promotion. This year, we also contributed funds to PMCARES towards India's fight against COVID-19.



Tata Community Initiative Trust - The Company joined hands with Tata STRIVE a CSR program of Tata Community Initiatives Trust, we funded students across two skill development programs: electrical wireman course in Hyderabad and beauty advisor course in Mumbai



Education and skill proficiency can empower communities to become self-reliant, build a better future for themselves and foster self-respect. In keeping with this belief, we extended support to Kalpatru Society to enable children from underprivileged backgrounds continue with their education



we also partnered with ISKON to serve meals to migrant laborers and daily wage workers. Fresh hot meals were delivered to more than 2 Lakhs homeless people every single day during the nationwide lockdown.



we are encouraging children and budding talent to pursue sports and realize their full potential. This year, we associated with Zak Sports Maidan Pvt. Ltd. to nurture cricketing talent in the country.



We are committed to improving the surroundings where we live and work. We provided financial support to GVIKSH for conducting plantation drives and sharing knowledge on waste management for a greener, cleaner and better tomorrow



Educating pregnant women about health and nutrition with its campaign 'Janani Jyoti'

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Our Social Responsibility - Partnering for Community Resilience



Jeevan Jyoti - A Skill Development Program to nurture the head, heart and skills of the Kids of Electricians.



Marked its Presence in Mahakumbh 2021 at Haridwar With an objective to Pilgrimage Facilitation And support State Government in Green & Clean Kumbh We made a socially responsible connection with almost 9.1 million pilgrims who visited Kumbh from across India.

Amount spent on CSR during the FY 21-22	Amount in (crore)
Promoting education	1.77
Promoting Healthcare Including Preventive Healthcare, Covid Management	2.68
Eradicating hunger, poverty and malnutrition	1.60
Disaster Management	0.07
Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports	0.03
Ensuring animal welfare	0.37
Total CSR	6.52

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Environmental, Social and Governance



KEI is committed to provide a safe and environmentally responsible workplace in the communities where we operate.

- Our all manufacturing facilities conform with the ISO 14001:2015 certification for environment management system, the OHSAS 18001: 2007 certification for occupational health and safety management and the ISO 9001:2015 certification for quality management system.
- Safety Awareness Interactive program
- Use of Steel drum Instead of wooden drum
- Use of Natural Gas
- Plantation around factory workplace
- Use of Solar Panel
- Zero Waste of Water
- Rainwater Harvesting

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KEI
Wires & Cables



Thank
you



CIN: L74899DL1992PLC051527

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