August 14, 2026

The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: **544664**

The Manager,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

NSE Symbol: **KSHINTL**

Sub.: Transcript of the Earnings Conference Call held on Tuesday, August 11, 2026, in respect of the Company's Unaudited Financial Results for the quarter ended June 30, 2026.

Ref.:
1. **Regulation 30 and Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");**
2. **Intimation of Earnings Conference Call dated July 29, 2026 ("Earnings Call Intimation"); and**
3. **Intimation of Audio recording of Earnings Conference Call dated August 11, 2026 ("Audio Recording Submission").**

Dear Sir/Madam,

Pursuant to above-referred Listing Regulations and in continuation to the Earnings Call Intimation and Audio Recording Submission, we are pleased to submit transcript of the Earnings Conference Call held on Tuesday, August 11, 2026, in respect of the Company's Unaudited Financial Results for the quarter ended June 30, 2026.

The transcript has been hosted on the Company's website at: https://kshinternational.com/investor-relations/transcripts/.

You are requested to take this intimation on record.

Thanking you,
For KSH International Limited

NAKUL SHIVAJI PATIL

Digitally signed by NAKUL SHIVAJI PATIL
Date: 2026.08.14 17:11:14 +05'30'

Nakul Shivaji Patil
Company Secretary and Compliance Officer
Membership No.: A39990

Encl.: As above.

KSH International Limited

Q1 FY27 Earnings Conference Call"

August 11, 2026

MANAGEMENT:	**MR. RAJESH HEGDE – MANAGING DIRECTOR – KSH INTERNATIONAL LIMITED**
	MR. AMOD JOSHI – CHIEF FINANCIAL OFFICER – KSH INTERNATIONAL LIMITED
	MR. DHRUV CHOPRA – HEAD, INVESTOR RELATIONS – KSH INTERNATIONAL LIMITED
	MR. NAKUL PATIL – COMPANY SECRETARY AND COMPLIANCE OFFICER – KSH INTERNATIONAL LIMITED
MODERATOR:	**MR. BHAVANI KUMAWAT – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the KSH International Q1 FY27 Earnings Conference Call hosted by Axis Capital Limited. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the management's opening remarks. Should you need assistance during the conference call, please signal the operator by pressing star, then zero on your touchtone telephone. Please note that this conference is being recorded.

I will now have the conference over to Mr. Bhavani Kumawat from Axis Capital Limited. Thank you and over to you.

Bhavani Kumawat: Thank you, Ryan. Good morning, everyone. On behalf of Axis Capital Limited, I welcome you all to KSH International Q1 FY27 earnings conference call. Today on the call, we have with us our management represented by Mr. Rajesh Hegde, Managing Director, Mr. Amod Joshi, Chief Financial Officer, Mr. Dhruv Chopra, Head of Investor Relations, and Mr. Nakul Patil, Company Secretary and Compliance Officer. We thank KSH International for giving us the opportunity to host the call.

And now I would like to hand over the floor to the management for their opening remarks, post which we will open the floor for Q&A. Thank you and over to you, Rajesh sir.

Rajesh Hegde: Yes. Good morning, everyone. This is Rajesh Hegde. Welcome to our first quarter of fiscal 2027 results call. Fiscal 2026 was a pivotal year in our 45-year history, marked by the completion of phase one of our Super expansion. In fiscal 2027, we are focused on utilizing that capacity while concurrently completing Phase 2 of our expansion.

And I am extremely pleased with the start we have made in the first quarter of 2027. Our first quarter financial results along with supporting information have been submitted to the exchanges and have been uploaded to our website. On today's call, I will start with a quick summary of KSH and then focus on some of the strategic developments and trends we see, as well as some of the key operating metrics of the company, including progress on Supa.

Amod will then discuss the financial and operating metrics as well. For those new to KSH International, we are a 45-year-old manufacturer of magnet winding wires, which is the most critical component of coils used in electric machines, from power transformers down to AC compressors and everything in between.

We are the leading manufacturer of specialized winding wires in India and the largest exporter of winding wires from the country. Our installed capacity at June 30th, 2026 was 43,445 metric tons and once phase two of our Super expansion is complete by the end of this year, this financial year, we would have an installed capacity of roughly 59,000 metric tons, making us the second largest winding wire manufacturer in India.

We are a B2B company servicing about servicing over 120 leading domestic and global OEM customers and maintain long-term relationships with these customers with repeat revenue in excess of 95%. Additionally, our business is make-to-order, which means we procure the copper and begin processing only after receiving a purchase order from the customer.

Thus, LME copper price and exchange rate is a direct pass-through. Roughly 75% of our revenue comes from large power transformers used in T&D, renewables, railways, and data centers, driven by our core continuously transposed conductors or CTC product, in which we are the market leaders in India.

CTC is a complex engineered wire product and all of our exports are exclusively to T&D customers across five continents. The T&D sector, as you know it, is in a structural long-term cycle driven by renewable energy, grid modernization, urbanization, and growing power demand for AI data centers in India as well as globally.

To address this demand, almost every transformer transformers OEM is meaningfully expanding their own capacity. So to put it simply, more transformers require more winding wires. On our last call, we mentioned that some large transformer clients were exploring long long-term multi-year agreements to ensure predictability of their supply as they ramp up capacity.

We are very pleased to announce that we have entered into a five-year supply framework agreement with Hitachi Energy Global to supply winding wires to their Indian plants as well as their some of their global plants.

As yet, this is a framework agreement and the details are still being finalized. We will, of course, provide an update when we are in a position to do so. Long-term agreements such as this further improves visibility for us to ramp up utilization as we complete the Phase 2 expansion at Supa.

Looking at our export performance in Q1 of FY27, our export revenue increased 76% year-over-year and 12% higher than Q4 of FY26. Export growth remained strong across all our key geographies and was driven by wallet share gains with existing customers as well as new OEM customers added over the past two quarters.

Specialized wire revenue overall grew at record 113% year-over-year compared to 62% growth in FY26. Growth was driven by higher CTC contribution and exports. In fact, in Q1, CTC's contribution to the total revenue reached record levels in the last several years. Apart from the end-user demand environment, this was also partially driven by the fact that we front-loaded some of our phase one capacity addition towards specialized wires.

Over the next two to three quarters, we expect this to normalize to previous levels as we complete phase two of our expansion over the remainder of this year. Domestically, as domestically as well, we have added a number of standard wire clients, particularly as capacity has ramped up in Supa. As we have stated, our focus for standard wires is predominantly in the select end-user industries such as EVs, AC compressors, motors, alternators for DG sets, etcetera, where precision technology plays a critical role.

Standard wire revenue grew at a robust 83% year-over-year rate during Q1, similar to the 80% growth in Q4. Overall, sales volume was a little under 8,000 metric tons in Q1, up from roughly 7,600 metric tons in Q4 and 6,100 metric tons a year ago. This represents 30% year-over-year volume growth while being 5% higher than Q4 of FY26.

Similar to revenue trends, specialized wire volume significantly outpaced standard wire volume growth. There is one short-term industry dynamic we have observed and I feel it's worth calling out, which is that we have seen a few of the transformer OEM customers who are in active capacity expansion mode, delay picking up their orders by a few weeks.

We do, however, believe that this will normalize as soon as they are able to resolve the bottlenecks and make their new facilities operational. Our Supa expansion continues to remain on track for FY27 completion with the next wave of capacity expected to be added in Q2 of FY27. In Q1, annualized capacity was unchanged at 43,445 metric tons.

With capacity unchanged, consolidated company utilization improved to about 73.5% in Q1, up from 70% in Q4 of FY26. Last week, we completed yet another one of our IPO objectives on time by commissioning our upcast backward integration facility in Chakan. This facility will have a capacity of 5,000 metric tons and be used to recycle our own copper scrap, which in turn should provide some modest operating efficiency and further strengthen our sustainability efforts.

I would now like to focus my remaining comments on two of the key metrics of our business, namely our capacity expansion through Supa and the EBITDA per ton. First, on our capacity expansion in Supa, though Q1, we have completed 14,400 metric tons of the scheduled 30,000 metric tons expansion, let me highlight two points.

Number one being, we are on track to complete the remaining phase two capacity by March 2027 with the next wave of addition expected during Q2. To secure a long-term capacity, and the second, being to secure a long-term capacity expansion requirements, our board last night authorized management to evaluate acquiring an additional 10 acres of land within Supa MIDC for its long-term expansion requirements.

Purchasing land in Supa MIDC is the obvious choice for us, given the established infrastructure we are currently building out. Moving now to our EBITDA per ton performance, in Q1 of FY27, we reported EBITDA per ton of approximately INR93,000 per metric ton, up from roughly INR74,000 in Q4 and INR66,000 a year ago.

The key drivers for this improvements were, number one being, within specialized wires, we had a record contribution of CTC during Q1. While demand is undoubtedly strong, there is also a timing element of front-loading specialized winding wire capacity in phase one, and hence, we expect contributions from the standard wires to increase as we go into the second half of the year.

Number two being higher export contribution and volumes during Q1, which are all for specialized wires. In addition, some of the new OEM customers have been more favorable and market-driven value addition rates compared to our established long-term customers on a like-for-like basis. Number three, an increase in the consolidation -- consolidated utilization rates to 73.5% in Q1 of FY27 versus 70% in Q4 of FY26 on a larger installed base.

And lastly, a persistent weaker rupee is also helping the EBITDA per ton. Lastly, I want to touch upon our working capital management efforts given it is a key focus area of improvement for us and will take us closer to our goal of ultimately being cash flow positive despite the hyper-growth environment we face.

After showing a five-day average working capital day improvement in Q4, we were able to improve it by another five days in Q1 during Q1, resulting in an average working capital days of 60 days during the quarter compared to 71 days a year ago. There is more work to be done and we are focused on doing just that.

To conclude, I would like to highlight some of the financial trends we have observed over the trailing 12 months that we believe should be sustainable through FY27. First, for the trailing 12 months, volume growth was 26%. The higher phase one capacity will be available for the full year FY27 as opposed to only for a part of FY26, and therefore, we feel that we should be able to sustain this rate of volume growth for the full year.

Second, we reported an EBITDA per ton of approximately INR74,000 for the trailing 12 months period. We therefore believe that we should be able to sustain approximately INR75,000 per ton for FY27, though the actual performance will depend on the product mix, exports, and currency. We also want to highlight that we expect some fixed costs to increase as we ramp up capacity utilization going forward in the Supa plant.

In summary, our key strategy is to drive sustained growth is, number one being, to grow volume in our ultra-precision higher value-added products in segments like T&D, EV motors, and exports. Number two, expand our international presence, including expansion with our global clients. Number three being, increase wallet share with existing clients.

Number four, drive operating efficiencies through scale and backward integration, and lastly, to improve our sustainability efforts. I would now like to ask Amod, our CFO, to go over some of the financial and operational details. Over to you, Amod.

Amod Joshi: Yes, thanks, Rajesh. I will discuss our first quarter FY27 financial and operating performance. During Q1 FY27, our revenue from operations was INR1,164 crores, which is 108% higher compared to the same period last year. Specialized winding wire revenue in Q1 increased 113% versus a year ago driven by ongoing demand from our T&D clients, domestically as well as from the export market.

Standard winding wires also grew 83% year-over-year in Q1. Revenue from exports grew 76% compared to Q1 of FY26. Volume, mix, and material prices were key drivers of top-line performance. Q1 EBITDA of INR74.4 crores improved from INR40.3 crores last year and INR56.3 crores last quarter.

As we have stated, reported margins can fluctuate due to movement in copper prices, given that copper is a pass-through. Therefore, to evaluate the underlying progress of the company's profitability, it is more important to look at the unit economics of the business. EBITDA per ton for Q1 was approximately INR93,000 per metric ton on consolidated basis, up from approximately INR66,000 in the last year and INR74,000 in Q4.

During Q1 of FY27, we reported a quarterly record PAT of INR42.2 crores, which increased 86% from Q1 of FY26 and 22% higher than INR34.5 crores reported in Q4 of FY26.

Lastly, turning to cash flows and the steps we are taking to improve cash flow generation in a high-growth environment. Working capital days calculated on an average balance basis improved to 60 days from 65 days in Q4 and 71 days in Q1 of FY26. In Q1, we made further progress on both payables as well as receivables compared to Q4, payables showing a five-day improvement and receivables a two-day improvement.

Inventory days remained flat given the nature of our business. We will, of course, keep looking for further efficiencies over the next several quarters with the goal of being operating cash flow positive even in a high-growth environment. With that, I'd like to hand the call back to the moderator to open up for questions, please.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Dikshi Jain from Incred Research. Please go ahead.

Dikshi Jain: Yes. Congratulations on a very good numbers. My first question was regarding the EBITDA per ton. As we just discussed that the EBITDA per ton number has been very high in this quarter. How do we see this moving for the rest of the year? Also has the margins improved for standard wires as well? How sustainable is this?

Dhruv Chopra: Hi, Dikshi. I think Rajesh just addressed this particular point in his prepared remarks. But essentially what we feel is that you know there are some obviously strong structural trends supporting the EBITDA per ton, but there are also various factors in there. First of all, as our Supa Phase 2 capacity comes in over the next three quarters, there will be additional higher costs which is a counter.

As well as, ultimately, what is the mix between the product CTC versus others, as well as standard and special, broadly. So from our perspective where we feel comfortable is INR75,000 a ton for the remainder of FY27, or for the full FY27.

Dikshi Jain: Sir, has the EBITDA per ton improved for standard wires as well? Not asking for a specific number, but I'm just looking, just want an idea regarding that. And how is the share of higher kV classes CTC moved in the specialized wire segment?

Amod Joshi: Yes, so as the round wire or standard winding wire capacity utilization has gone up, the EBITDA per metric ton of standard also has improved marginally from earlier quarters. And your second question is in terms of higher value-added products for 765? Yes, the quantity has been higher as compared to both the earlier quarters.

Rajesh Hegde: Similar, I think it's around 25% of the higher kV classes within the specialized. 765 kV.

Dikshi Jain: Okay. Thank you for taking the questions.

Moderator: Thank you. We take the next question from the line of Gaurav Bhatia from Goldman Sachs. Please go ahead.

Gaurav Bhatia: Sir, thank you for taking my question, and congratulations on a great set of numbers. Again, asking this question again on EBITDA per ton. Is there any lumpiness in the, the CTC orders that we've executed in the current quarter?

Rajesh Hegde: So as we explained during the call. Yes. Okay go ahead.

Gaurav Bhatia: Let me explain the question. So, the question is, is when you're talking about specialed, non-specialized wire capacity also coming up, and, and that growth going forward being higher than let's say CTC growth, will absolute revenue that you've generated from CTC business, will that fall or will that also grow, but it will grow slower than the non-specialized wire? That's my first question.

Dhruv Chopra: Gaurav, so to simply answer your question, no, there's no lumpiness. I think it's a question of proportion. So as capacity on standard wires and others come in, those volumes will pick up. So if CTC as an example was at an extremely high mix percentage of the total, that mix percentage will revert closer to normal. It doesn't mean that it would necessarily go down on an absolute basis.

Gaurav Bhatia: So if I were to look at EBITDA per ton or EBITDA separately for CTC business versus let's say non-specialized business, both will grow but the mix could change, and therefore we could see a lower EBITDA per ton on an average for the company. Is that what you're trying to imply?

Dhruv Chopra: Yes, I mean I wouldn't say explicitly that EBITDA per ton for both will grow, but EBITDA will grow on an absolute basis for both, yes.

Gaurav Bhatia: Fair. Because the number that you just mentioned, 74,000 for the full year, and if you've done 93,000 in the first quarter, it essentially implies lower than 74,000 for the rest of the nine months, which is a bit surprising why it would be below last year Q4.

Dhruv Chopra: So, so, Gaurav, again, we have mentioned that this is not a, a guidance in that this is a number we are going to deliver. We have said that 75,000 is a level we are comfortable delivering.

Gaurav Bhatia: Understood. That makes more sense. Second question, on this 10 acres land and the capacity. Now, at the Supa Facility, I remember you had mentioned that there's another 12,000 ton expansion that is possible without, any need for extra land. Then this 10-acre land is on top of that. So, so two parts to the question. One, if I were to use this 10-acre land, how much incremental capacity is possible on a 10-acre land?

Dhruv Chopra: Right now, we don't have an answer to that question because the focus is on identifying the land. And ultimately, the tonnage that comes out of any plot of land will depend on the mix of the machines and products that you're putting in. And we're a long way off from determining that. This is more to ensure that longer term we have the ability to add more capacity as we need it.

Gaurav Bhatia: Okay. Okay. And just the last bit on, on working capital. Now, we've seen a steady improvement in this, uh, in the working capital number of days. Where do you think is the sweet spot? I mean, where do you want to head to ultimately in whatever time frame, but what is that number?

Amod Joshi: So if you look at the industry standard overall, see, 30, 35 net working capital days is what the industry is operating at. Some of our, including some of our peers are even lower than that. But we feel that 30, 35 days is something that is fairly achievable, and that is what our aim in the going forward will be to do better than that also if possible.

Gaurav Bhatia: And any timeframe you think is reasonable to assume that.

Dhruv Chopra: Sorry, Yes, on the time frame, you know, it's a multi-quarter process, not, multi years, but,

Dhruv Chopra: Gaurav, can I ask you to jump back in queue so we can give some other folks a chance as well?

Gaurav Bhatia: Sure, sure, sure. I'll come back in queue.

Moderator: Thank you. We take the next question from the line of Vihang Subramanian from Zaaba Capital. Please go ahead.

Vihang Subramanian: Yes, hi, thanks for taking my question. Just one on, you know, the long-term contract which you have signed with Hitachi, could you talk a bit more about that and, you know, what kind of products does it cover and what is the EBITDA per ton potential from it? That's one. And number two, related to that, you mentioned last quarter that a lot of OEMs were looking to sign similar such contracts. So do you think that over the next few quarters, you could see more OEMs locking in supply, primarily because of the scarcity in supply today?

Rajesh Hegde: So with Hitachi, you know, as we mentioned, this is a framework agreement where the broad construct is, you know, decided upon, but still there's no quantity or, you know, price defined as of right now. It's more of a framework that we agree on, but it's in due process. We will also, you know, frame the quantity as well, which we will, of course, you know, communicate as we go along.

Now the trend in the industry, what we had mentioned before also is, since most of the transformer manufacturers globally are sitting on an order book of say about say three to four years, so the general tendency is to, you know, at least lock in some amount of the capacity that would be required, you know, and that's where we come in because we have already been servicing most of these customers. And this discussion is ongoing, and you know, we will report back whenever we are in a position to, you know, finalize any more agreements. That time we will probably come back to all of you and, you know, mention it in the call.

Vihang Subramanian: Understood. And just if you could throw some colour on the EBITDA per ton, would you be able to say like whether this is higher, like a customer like Hitachi given that they are, you know, very prevalent in high voltage, is the EBITDA per ton higher than the company average when you supply to them?

Rajesh Hegde: No, it's, it'll be similar, similar, you know. And except like, I mean, you know, when you look at it from a five-year agreement, then there would be obviously some clauses which, going forward, might move the EBITDA per ton. But there is still work in progress, so I don't want to give any real guidance as such on the EBITDA per ton going forward. But definitely, you know, we'll be able to maintain it.

Vihang Subramanian: Understood.

Rajesh Hegde: And the products you mentioned, I think one of your other questions was, what products? So Hitachi or transformer companies use special specialized winding wires, which is your CTC, your paper insulated or your enamel insulated rectangular conductors.

Vihang Subramanian: Understood. And I think just on the EBITDA per ton, I think previously your guidance was 65 to 75, but I think now you're confident of sustaining 75 at the very least. Is that the right way to look at it?

Rajesh Hegde: Yes. That's, that's what we are saying. Yes.

Vihang Subramanian: Understood. Sure. Thank you. That's it from my side. I'll jump back in the queue.

Moderator: Thank you. We take the next question from the line of Shubham Borade from ICICI Securities. Please go ahead.

Shubham Borade: Hi. Thank you for taking my question and congratulations on excellent set of numbers. So my first question is in this quarter exports contributed 24% to the revenue, which was 29% in last Q1 FY26. So what is management's outlook on this? And what number can we expect for the full year FY27? And second would be, uh, in this quarter of total exports, exact how much were to US and Middle East? That were my questions. Thanks.

Rajesh Hegde: I'm sorry, can you repeat the second question?

Shubham Borade: Out of total exports in this quarter, how much was to US and Middle East?

Dhruv Chopra: Okay. So, on the first question around export percentage, I think you are calculating, I mean the way we typically calculate it is on operating revenue excluding the other operating revenue. Excluding other operating revenue. So on that basis, I think it was 27%, around 27%. Yes, this quarter it was 27%. And what we have said is over time, so not specifically in this period of this year, the target is to increase it back to its historical peak of around 40% of total revenue.

And on the second question was the mix. So, quarterly we don't provide that information, but annually Middle East, Europe, and US are key export geographies, and each of them represented between 8% to 11% of total revenue.

Shubham Borade: Okay. Thank you. That's was my question.

Moderator: Thank you. We take the next question from the line of Jenish Karia from Union AMC. Please go ahead.

Jenish Karia: Yes, thank you for the opportunity. I hope I'm audible.

Rajesh Hegde: Yes, you are, Jenish.

Jenish Karia: Yes, sir. Thank you for the opportunity and congratulations on a very strong set of numbers on the operating front as well as on the balance sheet side. The question is more from an industry demand outlook. How do you see the cycle panning out? Do you expect the cycle to remain strong over the next three to five years, growing incrementally each year, or you expect the growth rate to slightly moderate in the next couple of years? What is your view on the cycle?

Rajesh Hegde: So if you, let me just break it up into some parts. I mean, if you look at the T&D side of it, you know, like we mentioned, you know, a lot of the customers locally and globally, we find them, they are sitting on an order book of anything that could be from say, 3 to 5 years, and depending on which customer you talk to.

Most of these customers are also in expansion mode. But some of them have expanded, some of the capacities are going to come in this financial year, some of it is going to come around 2029, and every year you're going to have some capacity that comes into the market. So, what we expect going forward on the T&D side, definitely the volumes are there as we go forward, and that's the reason why we decided to add capacity for the T&D segment.

Then the other drivers, if you really see, are the EV or the AC compressors or even the alternators which are used in DG sets. Finally, these alternators are being used for the data centers as well. So there also we are finding, like if you see alternators for DG sets or some of the motor segments and AC compressors, there is a strong demand pipeline that's coming up because of the sectors that they are going to be used in. And there are some other factors also like BIS which is being implemented.

So there's a lot of localization of the winding wire that's happening, which was earlier being imported from -- imported into the country, but now because of BIS, the standard wires are necessarily being -- the supply base is shifting to Indian companies. And then lastly, the EV motor side, this is a more long drawn out process, because the EV, the winding wires which are going to be required for EV, the 2-wheeler side is very, very strong. 3-wheeler side is also very strong.

Passenger car and bus in terms of volumes, I feel that still, we would say around 2028, you know, FY28, FY29 is where the incremental meaningful volumes would really play. But then you have to be a part of those programs right now, so that whenever those programs mature, that time we are in a position to supply to these companies. Have I answered your question?

Jenish Karia: Yes, sir, that was really, very helpful. Next is on the margin front. While you already guided that you would be able to maintain at least margins of INR75,000 per ton. Is it possible for you -- so I'll break my question into 2 parts. Is it possible for you to break down the 93,000 tons margin as to qualitatively or quantitatively however you would like to answer, between inventory gains, value mix improvement from specialized wires and standard wires, and operating leverage? That is the first part of the question.

And second part of the margin question is, with the HVDC and other higher value items increasing going forward, maybe not immediately, but 2, 3 years down the line, can we see an upward trend in the margin from the INR75,000 guidance?

Rajesh Hegde: I think you'll have to answer that first one now, I mean from the operating leverage.

Amod Joshi: Yes. So see the breakup of the EBITDA that you asked in terms of the improvement, what you mentioned, all 3 factors have contributed to the increase in EBITDA. However, we do not give a full breakup of the 3 on the call over here.

Second question is on your higher specialized value added products. Yes, the expectation is that the quantities will go up and it will help to sustain or improve the EBITDA going forward, but like it was mentioned on the call earlier, we are comfortable to say that 75% is a long-term sustainable EBITDA.

Rajesh Hegde: 75,000.

Amod Joshi: 75,000

Dhruv Chopra: So, Jenish, if I can just add, this is Dhruv, one quick thing on that EBITDA question. Look, I think the key driver, which is what we called out on the call rather than the individual components, is the mix. And we've always mentioned that specialized wires are more profitable than standard wires, and even within specialized wires, CTC being even more so.

And so, in this particular quarter, the contribution from CTC reached historically record levels, and that was a much bigger driver of the higher EBITDA per ton than any of the individual components.

Jenish Karia: Perfect, sir. That was helpful. And that was all from my end.

Dhruv Chopra: Okay. Thank you.

Moderator: Thank you. We take the next question from the line of Mayank Chaturvedi from HSBC. Please go ahead.

Mayank Chaturvedi: Yes, hi. Thank you, sir, for giving me this opportunity. Sir, just to one of the earlier participants, you were mentioning some percentage of revenues that has come in within the specialized wires from higher rated transformers. Can you just repeat that percentage for me please?

Rajesh Hegde: You're talking about the 765 and HVDC?

Mayank Chaturvedi: Yes.

Dhruv Chopra: Yes. So for the last 2, 3 quarters or so, that has trended above 25% of overall CTC volume is coming from the large power transformers. And that continues to hold.

Mayank Chaturvedi: Okay. So within specialized, you have historic high CTC levels, and within CTC, you have 25% above coming in from 765 and HVDC.

Rajesh Hegde: Yes, correct.

Mayank Chaturvedi: Okay. And that historical high level of CTC mix within specialized, would that be -- would it be fair to assume, it would be more than 50%?

Dhruv Chopra: So again, we are conscious about what specific metrics are disclosed, but I think if you look at overall specialized wires, CTC will represent anywhere between 50% to 75% of that segment.

Mayank Chaturvedi: All right. Got it. And just on this new land parcel that you are trying to identify in Supa, I'm assuming, would it be a mix of specialized and standard wires or would it be for one of those capacities? If you can just give me some color on it.

Amod Joshi: The land we are identifying, it was mentioned earlier, is for future expansion and it will be in our existing products. But currently that is under discussion within the company, and we will give you more details as and when we finalize it.

Mayank Chaturvedi: All right, okay. Sure. Yes, that will be all from my side. Thank you.

Amod Joshi: Thank you.

Moderator: Thank you. We take the next question from the line of Priyanshu Jain from Growth X Infinity. Please go ahead.

Priyanshu Jain: Hi, sir. Congratulations on a great set of results. The execution has been really phenomenal. I have a few questions. First will be on the capex side. So like by the year-end, we will be somewhere close to 59,000, 60,000 MT ton.

After that, like as you mentioned that we are acquiring land as well. So can you share some thought on like the earlier we can have around 12,000 additional capacity. So for that, can you tell me what is the capex required for the additional 12,000 and any future plans if you can share right now?

Dhruv Chopra: Priyanshu, it's again difficult to answer those questions that far in advance. We have said our focus right now is the phase 2 of the capacity expansion, which takes us to 59,000 tons. We have space available on the existing Supa plant where we said we can add potentially another 10,000 to 12,000, and this new plot would then be over and above that for future expansion requirements.

So I think you have to look at it sequentially for now. For FY 2027, the focus is exclusively on getting the phase 2 completed. The challenge and objective along with that is of course to utilize that capacity. So that is going to be a key focus area for us. As utilization is building in the overall 59,000 ton capacity, we will accordingly start working on additional capacity expansion.

So at that point in time, we will be in a clearer position to let you know how many tons would come in, what would be -- the mix, would it be, only special, standard, special, only T&D and EV. All of those are still to be determined. For us right now the focus is get the 59,000 in place and then make sure we utilize that effectively.

Priyanshu Jain: Got it. And, sir, second question will be on the client addition side. So as we are, like the data center boom is there and like transformer and distribution is also there. So can you throw some light on it? Like, are we in current talks with any future potential clients or the existing clients as well? And like what kind of a specific product, like...

Rajesh Hegde: For data centers, you mean? No, we lost you there. But you are saying any specific products for data centers, you're saying and clients?

Priyanshu Jain: Yes.

Rajesh Hegde: So when we say data centers, it's basically any transformer that goes into a data center or maybe a UPS that goes into some data center. I mean, these are our potential markets where we can supply either special winding wires or standard winding wires.

So that's the way to look at it. I mean, every data center requires X amount of transformers, and some of them could be the higher kV transformers, and they will also require some distribution transformers, as well as the UPS that goes into the data center. So these are some of the markets that we would -- when we look at the data center market, this is what we really look at. And the second one -- the second question? Can you repeat the second question?

Priyanshu Jain: Sir, on the clientele part only. Like...

Rajesh Hegde: Yes. And then, sorry, one more thing. Also the DG sets, the diesel generating sets that go into these data centers, there are alternators that go into these DG sets. That's the other market that's going to -- we feel that is going to really grow as well, because DG set is a critical component within the data center as a backup power requirement. So if you were to really break up the data center market, I mean, this is how we we look at it here.

Priyanshu Jain: And sir, just last question is on the product mix side. So, sir, like the capacity which we are adding by the year-end, can we use the same facility for the -- I know it's a kind of a vague question, but like I still have to ask. Can we use the same capacity for both, like standard and the specialized one? Or like they are separate? Like different in terms of...

Rajesh Hegde: No. So, like for CTC, I mean, if your answer, I mean, if your question is, are they fungible? They are not. I mean, for standard wires, some of the processes are fungible, but otherwise the insulation lines that are there are very specific to CTC, would have some specific lines. The EV products would have specific lines which cater to the EV products, and the peak products would have again SPMs that would be there. So they are not fungible in terms of capacities, can't be used for each other.

Priyanshu Jain: So going forward, we can expect standard wire going to increase the share of standard wire products?

Rajesh Hegde: No. So we mentioned in the call, see, when we did the 43,000 approximately capacity, we had front-loaded the CTC capacity, but now going forward, we would be having more of the standard wire and some of the special wire which goes into the EV, you know, some of those capacities will come in. But the CTC capacity is available with us for the rest of the year already, and that's the focus for utilization and with the customers.

Priyanshu Jain: Okay. Great, sir. Thank you, sir. That's all from my side. All the best for the future.

Rajesh Hegde: Thank you.

Moderator: Thank you. We take the next question from the line of Surya Narayan Nayak from Sunidhi Securities. Please go ahead.

Surya Nayak: Yes. Thank you for your opportunity and congrats for the great set of numbers. So one question is that when we take the orders from the different clients during Q3 and Q4 of the year, so the specialized special and standard wire component is nearly fixed. So just to understand, why the fluctuations in the EBITDA per ton, because of the product mix during the year?

And secondly, to add to the previous participant's question, is that up to the wire drawing space it is nearly same, and after that insulation, the operations are different. So just to understand that because it is, I mean, semi fungible, we can say, so just to understand, whether for in case of hyper-demand situation from the specialized section, will you be more committed to your clients who are into the higher kV class customers, or let's say maybe EV, those are the customers, rather, taking less of the, under-committing to the general industry segments and other segments?

Rajesh Hegde: Yes, so I'll answer the second question first. I mean, when we look at like you mentioned, I mean the drawing capacities are fungible, but otherwise the insulation capacities are not. Now we would really look at let's say if there is more -- we are open to, if we have more orders on the T&D side, which is more if like let's say if we pick up more HVDC orders, or say 765 kV orders, then we would obviously pivot to adding capacity more on the specialty winding wire.

Similarly, for the EV products, if we get some qualifications which are -- where we see a visibility in the next few years, where a program is going to be certain, then we would look at adding capacities in those, those areas. So that's how we decide about future capacity additions. And the first question was...

Surya Nayak: First question is related to the intake of orders and the change in the product mix afterwards?

Rajesh Hegde: Yes, so, see, I mean, I think we mentioned it in the previous calls also, but let me just repeat it for the benefit of everyone. I mean, how this works is that we get into a year-long contract for the value addition with at least about say 80% to 85% of the customers. Now this determines the overall, but then the mix that we will get during the year, let's say if I have specialty let's say CTC, we decide on the basic construct where the value addition is fixed, but then if we receive more orders during the year, say in a particular month for say 765 kV or say more of exports of CTC.

This would obviously, that mix is what we are talking about drives margins up or down. And in this case, as we mentioned 93,000, there were several driving factors. One of them was obviously the CTC mix was higher, the export percentage was higher also, and there was again within the CTC, you have your CTC as well as for the 765 kV and the HVDC, also there was some execution of that going on.

But one thing that we pointed out also is that some of the new customers we had, and which we were executing orders in the Q1 where we've onboarded, they are obviously at a higher value addition than the existing customers because we had an opportunity to link it to the market price as well. And so that's also pushed up the EBITDA per ton for this quarter.

Surya Nayak: So then, sir, in that case, when you enter into, just a sign the multi-year contract with Hitachi, and likewise, maybe you will be getting more orders from similar kind of people like GE Vernova and others. So, then your insulation capacity will be falling short, and you would be requiring quicker addition of capacities in that. Is my understanding, right?

Rajesh Hegde: No, no, we have like 43,000 tons of capacity is available right now, and we have another 16 odd thousand tons of capacity that is going to come on stream by the end of this financial year, which will be available. So next year we'll really start with an installed capacity base of around 59,000 metric tons. So that would take that would be the starting point for next year, is what we are saying.

Surya Nayak: Okay, okay. So, we don't have, I mean let's say, if you keep on onboarding more of the higher kV class, or let's say HVDC segment customers, then we don't have any issue as far as insulation capacities are concerned. Those are taken care of?

Rajesh Hegde: Yes, right now, we don't. But once it reaches the 85% utilization rate, then that's when we would really start thinking about future capacity expansion.

Surya Nayak: Because in the Q3, Q2, Q3 '28, I see your utilization level reaching to 75%, close to 75%. So, is it fair to understand that you will be planning maybe in the Q2, Q3 time Q3 '28?

Dhruv Chopra: Surya, this is getting very focused in terms of timing. I think when we see utilization rates on the fully installed base trending up, we will start looking at which machines we need under which products, and at that point in time we will be able to give you, it's Q2, Q3 '28 is four, six quarters away. So, I don't think on a quarterly basis we'll be able to provide you any specific timelines.

But like I said to an earlier question also, get the 59,000 installed, and then start pushing that utilization up, and you will see once that on the larger base the utilization is going, I think then this is a very direct and relevant question that you can ask us which we will be in a position to answer.

Surya Nayak: Okay. And regarding sir, upcast capacity, any kind of benefit that may accrue if you can quantify, because that will flow obviously in the next year perhaps. So, if you want to quantify, and whether this kind of scale will be also raised, because this is a smaller investment of around INR6 crores, INR7 crores?

Amod Joshi: Yes, regarding current year considering that upcast has just come up in the last month, and the remaining period that is remaining in this year, we see maybe it, it can just add maybe close to a few rupees to the bottom line, to the gross profit, but not more than that.

Because if it is a capacity, as compared to the total capacity for the year, it's right now not that high. But having said that, going forward, obviously, if we see that the benefit is approving, there's nothing that stops us from planning more capacity in that, but currently that is not on the cards immediately.

Dhruv Chopra: So, Surya, strategically the way we've thought about this is essentially to be able to recycle our own scrap that we are generating from our production view for captive purposes. We have not thought about expanding it into a much broader effect. So as a result of that, your overall recycling capacity is sub less than 10% of your overall capacity. So, while it will provide a benefit, there's only a limited amount of benefit that will come because of the scale that it would relative to the overall.

Surya Nayak: So, Dhruv, these 5000 capacities are in sync with the overall 60000 capacity scrap that we can get. I mean, is that understanding right?

Dhruv Chopra: Yes. Yes, yes. That's correct. Slightly lower, but I think more or less you're right.

Surya Nayak: Okay, okay. Thank you, sir.

Moderator: Thank you. We take the next question from the line of Abhi Jain from AJ Capital. Please go ahead.

Abhi Jain: Hi, hope I'm audible.

Rajesh Hegde: Yes, you are, Abhi.

Abhi Jain: Hi, congratulations on a good set of numbers. I'm new to the company, so I have some basic questions which I wanted to get clarity on, hope that's okay. So, the first question is I think I missed that quantification of the inventory gains number inside this INR93,000 crores EBITDA per ton that you have achieved in Q1. So, can you help us quantify what part of it was inventory gains?

Amod Joshi: No, so you're asking about inventory, sorry, I didn't, have you quantified the inventory gains?

Abhi Jain: Inventory gains, yes.

Dhruv Chopra: No, I think Abhi, we've mentioned that you know everything played a role. Nothing played an outsized role. The main impact on the EBITDA per ton came from the mix and the contribution, the higher contribution this quarter from CTC specifically. Then it has in previous quarters.

Abhi Jain: All right, that sounds more reassuring. So, this 93,000, okay, so then the 75,000 seems conservative, but this is fair. Thanks for that. My second question is, I just wanted to understand basically, what is on a steady-state basis, the lag between copper price pricing to the customer and the copper prices on actual inventory outcome. So, what would be that lag? Are you able to pass it on immediate quarter, or does it lag by a few quarters? Could you help us understand that mechanism?

Rajesh Hegde: Yes, so Abhi, let me answer the question, this is Rajesh. See how this business works, I mean, we are in a make-to-order environment. We are not in a make-to-stock, because we are basically supplying to OEMs, and typically what we do is we get into a value addition contract with every customer, at every OEM. And then let's say, for example, I get into a value addition contract for say 2000 tons with customer X, or 2400.

And then customer X will release purchase orders for 200 tons a month, but not necessarily 200 tons on one day, but it will be staggered up every purchase order is a unique purchase order. And on that, and that's on an unknown LME basis. And we will book the copper once we receive the order, we will book the copper with our supplier, and whatever is the known copper price, that becomes the invoice price for the copper portion for that particular order.

So that's the pass-through mechanism, and then we focus on the value addition. So that's how this whole business is run, and this is not just us, I mean this is generally run by everybody and we do this because we want to insulate ourselves from the copper price as well as the exchange rate as well.

So, there is no time, I mean when you look at the time lag part of it, when I receive an order, then I'll take about 15 to 20 days to manufacture the copper, the finished good. But the copper price has already been finalized at the beginning of the order, so there is no real fluctuation as such for that order.

Abhi Jain: All right. Got it. This last question, coming to the borrowing costs. So, in FY26 I think your total interest cost was about INR44 odd crores. And in this quarter, we have seen it ramp up a bit to about INR17 crores this quarter. Can you help me understand for a company of your stature and your credit rating, it seems to be that your borrowing cost is in double digits. Is it a fair understanding or am I missing something?

Amod Joshi: So, borrowing cost, as far as the working capital is required, look, this is a working capital -- we require when the turnover goes up significantly, and the increase is because the turnover has gone up over the last quarter as compared to Q1, the turnover is significantly higher. Now, for working capital, the borrowing cost is always is going to be there. So as a turnover goes up, borrowing cost on working capital is expected to go up.

Dhruv Chopra: No, but I think just to clarify your point, the cost of the capital has not gone up. The overall interest expense is higher because the working capital finance is higher.

Amod Joshi: Yes, if there, if you look at the effective, the borrowing cost, cost, it is not really gone up significantly as compared to earlier years.

Abhi Jain: So, what would be that on a steady state basis, a high single digit?

Amod Joshi: Look, I mean, we use a lot of borrowing, we look, use a lot of working capital products. And the interest cost ranges between as low as say 6% to as low as 9.5%. And then depends on what mix we use, when the borrowing cost gets determined on that basis.

Abhi Jain: No, yes, that helps answer the question, because yes, I was looking that it is, it seemed like a double-digit figure, but clearly that is not the case from that. That is not best.

Abhi Jain: Yes. Thank you from my side and congratulations on great set of numbers and hope you keep delivering what you have promised and I'm sure you will overshoot your promises. So yes, congratulations.

Rajesh Hegde: Thank you. Thank you.

Moderator: Thank you. Ladies and gentlemen, we'll take the final question from the line of Rahul from Ambit Investment Advisors Private Limited. Please go ahead.

Rahul: Yes, good afternoon. Excellent set of execution from the entire team. Hope I'm audible.

Rajesh Hegde: Yes, sir, Rahul. Yes, yes, you are.

Rahul: Yes. Couple of questions. First on the peak insulated wires which we had planned for the EV traction motors. What is the status currently on that part?

Rajesh Hegde: Yes, it's still under installation. That whole I mean, we've still not installed the capacity, and we will report it when we've installed that capacity and made it operationalized that capacity.

Dhruv Chopra: But it is, it is part of our phase two. Yes.

Rahul: Okay, okay. And how much capex is being incurred for this phase two going forward for the entire year of FY27?

Amod Joshi: See the overall project cost for phase two like we had mentioned, part funded through the IPO funds, was around INR150 crores to INR160 crores. And we have incurred -- till now a large part of that has been incurred, but some of that is sitting in advances and so on and so forth. So, by the year end we are hoping that the entire phase two will get implemented, operationalized also.

Rahul: So, so for this year we can expect another INR50 crores capex which was sitting in as CWIP?

Amod Joshi: Yes, I think it will be more than that. If you see, for this particular full year if you look at it, it will be much higher than 50.

Dhruv Chopra: Yes, Rahul, it is all a lot of it is basically financed from the primary issue of the IPO. And so, I think that the whole breakup between phase one, phase two was covered in the RHP.

Rahul: Sure. And just the last question from my end, we have seen your value addition EBITDA per ton has grown at a 23% CAGR from '23 to '26. Can we expect the same run rate if we exclude the copper and whatever the value addition which you do, how much growth run rate we can expect on that aspect? That will be very helpful.

Dhruv Chopra: For the value addition, Rahul, just like the EBITDA per ton, is dependent on the mix between standard and special and then within that each of the products. So, the same trends we have talked about in the EBITDA per ton would also apply on the value addition side.

Rahul: And the realization is coming to INR14 lakh per ton. So, this also would be maintained on a steady state basis or because the non-speciality is growing.

Dhruv Chopra: No that is copper. Yes, I think the metal value has been included in the.

Rahul: Ah, but INR14 lakhs are more copper.

Amod Joshi: Yes, yes. The realization is, if I understand correctly, you are dividing the revenue per metric ton. And revenue per metric ton, a large, large part of the revenue is the copper part, which fluctuates based on the LME and the exchange rate.

Rahul: It would be, can you give how much can be the rough range of the copper?

Amod Joshi: No, look, because the LME and exchange rate fluctuates, it's very difficult to put a number to.

Rajesh Hegde: Like it's, I mean right now it's been fluctuating between $10,000 to $14,000 per metric ton LME has been fluctuating. And but what we are saying is that that's always a pass through for us.

Dhruv Chopra: So, I think if you want to look at it, you look at it at the gross profit level.

Rahul: Got it. Thank you, so much and best wishes, to the entire team. Thank you.

Rajesh Hegde: Thank you.

Moderator: Thank you. Ladies and gentlemen, with that we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

Rajesh Hegde: Yes, so thank you for having us on the call. And now our focus is of course to going forward is to one is to utilize the capacity that we have in place and install the additional capacity that we are really looking at. And I'm quite hopeful that we will meet most of our objectives as we have said in the call as well.

Moderator: Thank you. On behalf of Axis Capital Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.