




Accumulate

Sector: Electrical Equipment

18th March 2026

Key Changes	Target 	Rating 	Earnings 	Target	Rs.1,008		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.856
Small Cap	FNXC:IN	76,071	FINCABLES	500144	12 Months	Return	+18%

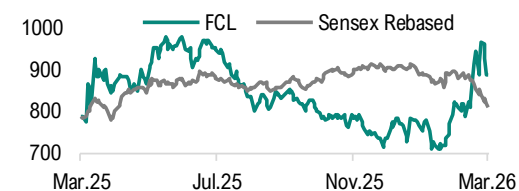
Data as of: 17-03-2026, 18.00hrs

Company Data	
Market Cap (Rs.cr)	13,098
52 Week High — Low (Rs.)	1,028-701
Enterprise Value (Rs.cr)	13,075
Outstanding Shares (Rs.cr)	15.3
Free Float (%)	49.0
Dividend Yield (%)	0.93
6m average volume (cr)	0.01
Beta	1.2
Face value (Rs)	2.0

Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	35.9	35.9	35.9
Fil's	10.7	9.9	9.4
MFs/Institutions	15.6	15.9	15.8
Public	37.9	38.4	39.0
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	20.4%	5.7%	13.0%
Absolute Sensex	-9.8%	-6.6%	2.9%
Relative Return	30.1%	12.3%	10.1%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26E	FY27E	FY28E
Sales	6,307	7,102	8,235
Growth (%)	18.6	12.6	16.0
EBITDA	618	710	824
EBITDA Margin (%)	9.8	10.0	10.0
PAT Adjusted	618	721	835
Growth (%)	13.4	16.7	15.8
Adjusted EPS	40.4	47.1	54.6
Growth (%)	13.4	16.7	15.8
P/E	21.2	18.2	15.7
P/B	2.6	2.3	2.0
EV/EBITDA	21.1	18.3	15.8
ROE (%)	12.7	13.4	13.8
D/E	0.0	0.0	0.0

Author: Anil R - Sr. Research Analyst

Volume-led growth...Margin recovery gradual

Finolex Cables Ltd. (FCL) manufactures electrical (80% of revenue) and telecommunication cables (16%). Its edge comes from backward integration in copper and PVC, a wide distribution network, and strong brand recall.

- In Q3FY26, revenue grew 35% YoY, supported by broad-based volume growth—Electric Wires (+28%), Auto Cables (+42%), and Power Cables (+22%). Communication cables remained a drag; despite OFC volumes rising ~33%, weak fiber realizations led to a 6% YoY revenue decline in the segment.
- EBITDA margins contracted 140 bps YoY to 9.6%, impacted by copper price volatility, pass-through lags, and an unfavorable mix shift toward lower-margin industrial and auto products.
- Going forward, demand visibility remains healthy, supported by continued momentum in the real estate sector and sustained government capex. Capacity utilization across solar, auto, and power cables is currently around 80%, while a ramp-up in construction wire utilization is expected to drive additional operating leverage.
- Margins have structurally reset from mid-teen levels, reflecting the distributor model transition (~200–300 bps impact) and mix dilution. Management guides recovery to 11–12%, supported by higher utilization, E-Beam product ramp-up in premium segments, and OFC capacity doubling to 8mn km by Q1FY27.
- We revise FY26E/FY27E EPS downward by 2.7%/5.1%, factoring in copper volatility and delayed fibre recovery. We model EBITDA margins at ~10% for FY26E–28E; a key upside risk remains faster utilization ramp and improved product mix.

Outlook & Valuation

We expect Finolex Cables (FCL) to deliver earnings growth at a CAGR of ~16.3% over FY26E–FY28E, supported by healthy demand from the real estate and construction sectors, continued government infrastructure spending, and rising volumes from its newer product offerings. **We value FCL's core business at 17x FY28E P/E and its stake in Finolex Industries at Rs.80, arriving at a SOTP-based target price of Rs.1,008. Given input price volatility and downward revision in our earnings estimates, we downgrade our rating on FCL to Accumulate from BUY.**

Quarterly Financials Standalone.

Rs.cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Sales	1,599	1,182	35.2	1376	16.2	4,370	3,724	17.3
EBITDA	153	129	18.5	143	6.7	427	348	22.7
Margin %	9.6	10.9	-135bps	10.4	-85bps	9.8	9.3	43bps
EBIT	138	117	17.5	129	6.7	384	314	22.4
PBT	179	162	10.6	239	(25.0)	588	505	16.4
Reported PAT	136	124	9.7	187	(27.2)	462	393	17.6
Adjusted PAT	136	124	9.7	187	(27.2)	462	393	17.6
EPS (Rs)	8.9	8.1	9.7	12.2	(27.2)	30.2	25.7	17.6



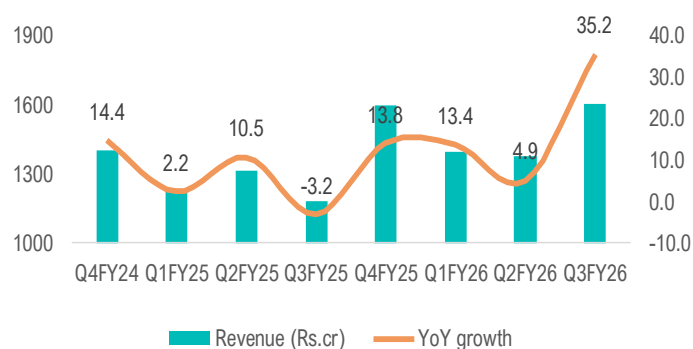
Key Concall Highlights

- A significant new addition, solar stables with capacity utilization already at 80–85% of recently commissioned capacity, reflecting strong early traction.
- Fibre prices have hardened post-Q3 from ~\$3 to ~\$5, with global shortages emerging in both preform and fibre — earnings impact is expected in coming quarters.
- Five price hikes taken in Q3 (~12% cumulative); two additional hikes in Q4 to date. Strategy remains average-based procurement with cost treated as pass-through, though timing lags create transient margin pressure.
- Preform factory under production trials; commissioning expected within FY26. Fibre draw capacity to expand from 4 mn km to 8 mn km by Q1 FY27 in two phases, with Phase 1 equipment already on site.
- Power cable demand is expected from upcoming data centres, though sizing remains uncertain due to design variability.
- The Birla Group expected to commission a wire & cable facility in Q2/Q3 of CY26, entering direct competition in the construction wire segment. Adani's entry timeline remains unclear — FY27, FY28, or FY29.

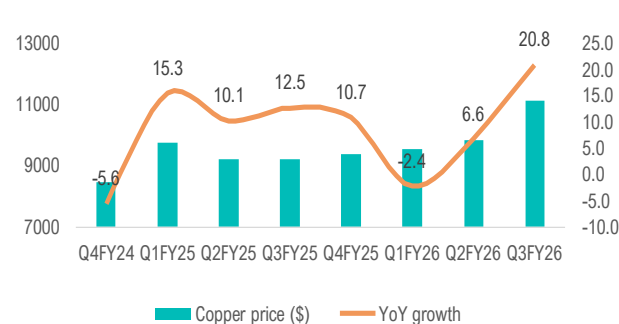
SOTP Valuation

Particulars	Segments	FY27E EPS	Valued at P/E	Holding discount	Value/Share (Rs)
FCL Standalone	Core Business	Rs.54.7	17.0x	-	928
Finolex Industries	FCL holds 32.4%	Rs.8.9	8.0x	40% holding discount	80
Total Value per share					1,008

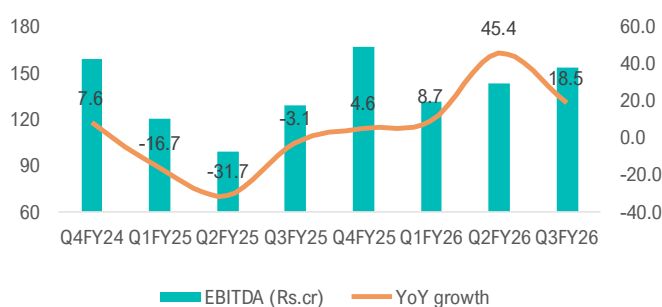
Revenue



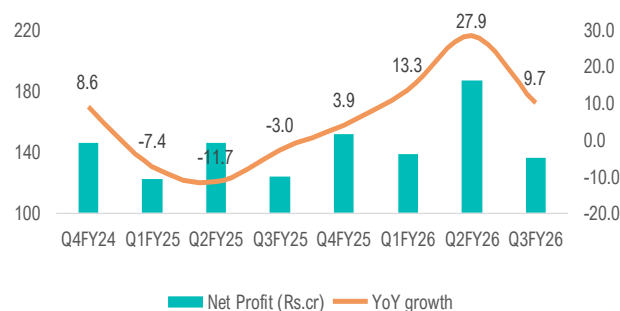
Copper prices



EBITDA



PAT



Change in Estimates

Year / Rs cr.	Old estimates		New estimates			Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY28E	FY26E	FY27E
Revenue	5,825	6,684	6,307	7,102	8,235	8.3	6.3
EBITDA	618	736	618	710	824	-	(3.5)
Margins (%)	10.6	11.0	9.8	10.0	10.0	(80bps)	(100bps)
Adj. PAT	637	762	618	712	835	(3.0)	(5.4)
EPS	41.6	49.8	40.4	47.1	54.6	(3.0)	(5.4)



Standalone Financials

PROFIT & LOSS

Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	5,014	5,319	6,307	7,102	8,235
% change	11.9	6.1	18.6	12.6	16.0
EBITDA	581	514	618	710	824
% change	17.2	(11.5)	20.2	14.9	16.0
Depreciation	44	47	60	67	75
EBIT	537	468	558	644	749
Interest	2	2	2	1	1
Other Income	218	248	256	306	350
PBT	753	714	813	948	1,098
% change	16.5	(5.2)	13.9	16.7	15.8
Tax	181	169	195	228	264
Tax Rate (%)	0.2	0.2	0.2	0.2	0.2
Reported PAT	572	544	618	721	835
Adj.*	-	-	-	-	-
Adj. PAT	572	544	618	721	835
% change	13.9	(4.8)	13.4	16.7	15.8
No. of shares (cr)	15	15	15	15	15
Adj EPS (Rs)	37.4	35.6	40.4	47.1	54.6
% change	13.9	(4.8)	13.4	16.7	15.8
DPS (Rs)	7.0	8.0	8.0	8.0	8.0

CASH FLOW

Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	615	591	677	787	909
Non-cash adj.	(167)	(204)	4	4	4
Changes in W.C	140	(180)	(37)	(78)	(84)
C.F. Operation	577	207	644	713	829
Capital exp.	(219)	(235)	(35)	(150)	(150)
Change in inv.	(307)	64	(532)	(392)	(589)
Other invest.CF	86	89	-	-	-
C.F - Investment	(440)	(82)	(567)	(542)	(739)
Issue of equity	-	-	-	-	-
Issue/repay debt	0	(0)	-	-	-
Dividends paid	(107)	(122)	(122)	(122)	(122)
Other finance.CF	0	-	(2)	(1)	(1)
C.F - Finance	(112)	(128)	(123)	(123)	(123)
Chg. in cash	3	(0)	(5)	5	(3)
Closing cash	93	90	44	92	59

BALANCE SHEET

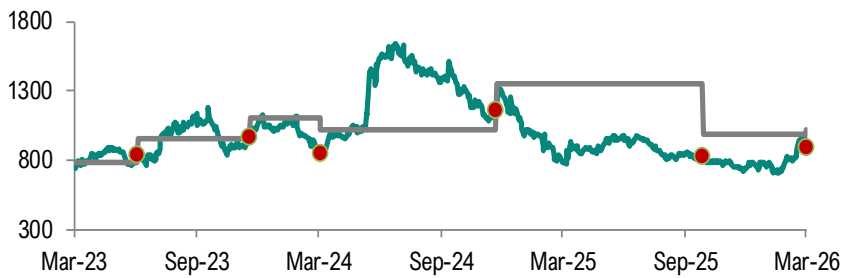
Y.E March (Rs cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	93	90	44	92	59
Accounts Receivable	177	243	259	292	338
Inventories	576	717	841	941	1,056
Other Cur. Assets	2,772	2,871	3,395	3,810	4,429
Investments	397	356	376	356	336
Gross Fixed Assets	806	938	1,158	1,308	1,458
Net Fixed Assets	443	582	743	826	901
CWIP	168	210	25	25	25
Intangible Assets	1	1	1	1	1
Def. Tax (Net)	(59)	(82)	(84)	(87)	(89)
Other Assets	(0)	(0)	(0)	(0)	(0)
Total Assets	4,568	4,989	5,600	6,256	7,056
Current Liabilities	325	348	462	518	601
Provisions	20	21	22	25	29
Debt Funds	18	20	20	20	20
Other Liabilities	-	-	-	-	-
Equity Capital	31	31	31	31	31
Reserves & Surplus	4,175	4,569	5,064	5,663	6,375
Shareholder's Fund	4,206	4,599	5,095	5,693	6,406
Total Liabilities	4,568	4,989	5,600	6,256	7,056
BVPS	275	301	333	372	419

RATIOS

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab & Return					
EBITDA margin (%)	11.6	9.7	9.8	10.0	10.0
EBIT margin (%)	10.7	8.8	8.9	9.1	9.1
Net profit mgn.(%)	11.4	10.2	9.8	10.1	10.1
ROE (%)	14.4	12.4	12.7	13.4	13.8
ROCE (%)	13.5	10.6	11.5	11.9	12.3
W.C & Liquidity					
Receivables (days)	14.4	14.4	14.5	14.2	14.0
Inventory (days)	57.8	55.0	55.6	56.8	54.8
Payables (days)	20.5	20.2	28.9	31.2	30.7
Current ratio (x)	10.5	10.6	9.4	9.5	9.3
Quick ratio (x)	0.8	1.0	0.6	0.6	0.6
Turnover & Leverage					
Gross asset T.O (x)	6.4	6.1	6.0	5.8	6.0
Total asset T.O (x)	1.2	1.1	1.2	1.2	1.2
Int. covge. ratio (x)	264.5	280.0	372.2	643.6	748.8
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	2.6	2.4	2.1	1.8	1.6
EV/EBITDA (x)	22.4	25.3	21.2	18.3	15.9
P/E (x)	22.9	24.1	21.2	18.2	15.7
P/BV (x)	3.1	2.8	2.6	2.3	2.0



Recommendation Summary (last 3 years)



Dates	Rating	Target
24.Nov.21	Accumulate	663
22.Nov.22	Accumulate	643
24.Feb.23	Hold	784
15.Jun.23	Accumulate	953
30.Nov.23	Accumulate	1,108
15.Mar.24	Buy	1,019
03.Dec.24	Accumulate	1,354
08.Oct.25	Buy	988
18.March.26	Accumulate	1,008

Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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