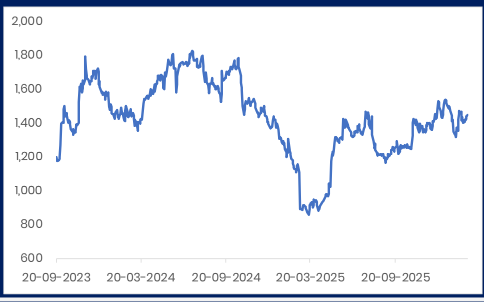
Company Name: R R Kabel Ltd.

CMP: ₹ 1,504 (24 Feb, 2026)	M Cap: ₹ 17,010 Cr.	Target : ₹ 1,813

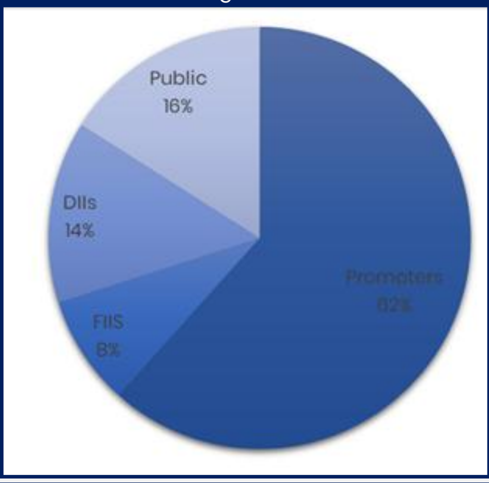
Key Information*##

NSE Code	RRKABEL
BSE Code	543981
Shares o/s (Cr)	11.31
FV (₹)	5
Latest EPS (TTM) ₹	40.91
Latest PE Ratios (x)	35.44
Latest BV ₹	206.28
51 Wk H (₹)	1901.95
52 Wk L (₹)	853.55

Price Chart*



Shareholding Pattern Dec'25



Product Portfolio

Source: Capitaline Data Base, EFL Research, Company Investor Presentation

Incorporated in 1995, RR Kabel provides consumer electrical products used for residential, commercial, industrial, and infrastructure purposes in two major segments, namely wires and cables (including house wires, industrial wires, power cables, and special cables) and FMEG (including fans, lighting, switches, and appliances). The company has a global reach spanning 74 countries and 42 international certifications. It derives 88% revenue from W&C and 12% from FEMG. The company markets their wires and cable products under The RR Kabel brand, and fans and lights under Luminous Fans and Lights brand.

Investment Rationale

Industry tailwinds suggest structural demand

India's Power Cables industry is set for strong growth, driven mainly by rapid expansion in renewable energy—especially solar and wind. As the country pushes toward ambitious clean energy targets, large-scale additions in transmission and distribution infrastructure will significantly boost demand for high-quality, efficient, and reliable power cables. Demand from sunrise sectors like Electric vehicles and Data centres (fuelled by the rapid growth of cloud computing, digital payments, streaming services, AI-driven applications, and government initiatives such as Digital India). Cables & Wires (C&W) companies are growing at 20-25% CAGR in the cables segment and the industry is now expected to grow at 2x GDP growth vs historical rate of 1.5x GDP as a whole (Cables accounts for ~65% of C&W industry). Despite copper prices going up 20-25% in one quarter, the players in the industry were able to pass it on due to strong structural demand and likely to stay firm.

Focus towards medium-and high-voltage (MV/HV) Cables

Historically, wires accounted for 73% of RR Kabel's revenues while the rest 27% came in from cables business within the C&W pie. However, with the power cables business targeted to grow at 25%, the share of power cables is expected to reach 36% by FY28E. More importantly, power cables command higher margin than wires and the move would be margin accretive. The company has decided to move into medium-and high-voltage (MV/HV) Cables which has higher EBIT margin of 8-15% vs 4-6% for low voltage (LV) cables where the company had major exposure, thus uplifting overall EBIT margin for the company.

Wires segment to play second fiddle

RR Kabel is one of the largest exporters from India with wire exports accounting for ~20% of C&W revenue in FY25. The wire segment margin was hit in FY25 due to volatility in copper prices. However, the company is strengthening profitability in its Wires segment by improving distributor productivity and loyalty, supported by an expanded product portfolio, advanced planning tools, and focused engagement initiatives for electricians and retailers. RR Kabel runs India's largest electrician loyalty programme, with more than 5.8 lakh electricians. The wire segment is expected to grow at higher single digit by FY28E.

Fast-moving electrical goods (FMEG)- emerging growth driver

The FMEG segment accounts for 10-12% of revenue and has been loss making since the inception and the company plans to expand their FMEG revenues by manufacturing higher margin products like switchgears, decorative fans etc., building 'RR Signature' brand for premium products, expand network and product portfolio. The company has planned to expand into tier 2/3 markets and premiumisation of products is expected to drive with revenues higher, leveraging its strong network of 4000+ dealers of the core C&W business. Losses have narrowed for the FMEG segment and is expected to breakeven by Q4FY26 and structural profitability targeted by FY28. EBIT margins improved along -11%/-9%/-5%/-3.5% in FY23/FY24/FY25/9MFY26. Management has targeted 25% revenue growth by FY28 and EBIT margin of 5-6%.

Project RRise and the shift towards high-intensity demand

RR Kabel has outlined its long-term growth roadmap under "Project RRise," a three-year strategy spanning FY26 to FY28. The company aims to achieve an 18% CAGR in its C&W segment and over 25% CAGR in its FMEG business, with targeted EBIT margins of around 10.5% by FY28 for the C&W segment. Management is targeting a 2.5x increase in EBITDA during this period. To meet its growth ambitions, the company plans to invest ₹1,200 crore to expand manufacturing capacity by 1.7x. Current capacity utilisation remains robust, with the wire segment operating at about 70% and the cable segment nearing 90%. Around 80% of the planned capex will be allocated to the cables business, including the addition of 36,000 metric tonnes of cable capacity and 6,000 metric tonnes of wire capacity. The first phase, comprising 12,000 metric tonnes, is expected to be commissioned by Q4 FY26, with the full expansion to follow thereafter by Q3FY27 and revenue contribution from FY27 onwards. Out of ₹1,200 crore, ₹280 crore was incurred in 9MFY26.

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Valuations & Recommendation

The C&W industry is in a sweet spot and all companies would be beneficiaries of the strong trend. However, RR Kabel remains one of the fastest growing company in the C&W space and is expected to gain market share. Financials of the company is strong with 3-year Revenue/PAT CAGR of 20%/13% respectively with EBITDA margins at ~6-7%. The company has however, witnessed 25% YoY growth in revenue in 9MFY26 and EBITDA margins expanded from 5.4% to 7.7% due to premiumization of products and higher share of cables vs wires. Management has targeted 10.5% EBIT margin in the C&W segment and 5-6% EBIT levels for FMEG segment by FY28. Cash flow from operations as % of EBITDA has been above 100% for last 3 years and the company has targeted to improve working capital cycle further. Further, on the export front, EU accounts for 40% of exports for the company and the tariff reduction is extremely beneficial for the company.

At the CMP, the scrip is trading at 26.5x FY28E EPS and we advise to 'BUY' for a target of ₹1,813.

Financials

	Q3 FY26	Q3 FY25	YoY	Q2 FY26	QoQ	9m HY26	9m HY25	YoY	FY25	FY26E	FY27E	FY27E
Operating Revenue	2,536	1,782	42.3%	2,164	17.2%	6,759	5,400	25.2%	7,618	9,031	10,268	11,695
EBIT	178	108	64.8%	171	4.1%	484	280	72.9%	469	610	746	923
EBIT M	7.0%	6.1%		7.9%		7.2%	5.2%		6.2%	6.8%	7.3%	7.9%
Profit for the Period	118	69	71.0%	116	1.7%	324	183	77.0%	312	409	508	641.1
Profit M	4.7%	3.9%		5.4%		4.8%	3.4%		4.1%	4.5%	5.0%	5.5%
EPS (Dil)	10.46	6.06	72.6%	10.28	1.8%	28.64	16.18	77.0%	27.55	36.12	44.94	56.67

Sources: Screener.in, EFL Research

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EFL's recommendation nomenclatures (12 months investment horizon)	
BUY	>15%
Accumulate	5% to 15%
Hold	5% to -5%
Reduce	-5% to 15%
Sell	< -15%
NR (Not Rated)	No specific call on the stock
UR (Under review)	Stock being reviewed – rating may change shortly

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