

12th May 2025

Close* – ₹5767/-

View – Accumulate

Q4FY25 Result Highlights

- **Reported strong Q4FY25 topline growth of 25% to ₹6986crs on the back of robust growth across all business segments.**
- EBITDA margins improved ~110bps YoY to 14.7% driven by a profitable turnaround in the FMEG business and stronger margins in the EPC segment off a lower base. PAT registered a strong growth of 33% YoY and 58% QoQ, with PAT margins improving ~60bps YoY and ~160bps QoQ to 10.5%. Quarterly PAT exceeded the threshold of ₹ 7bn for the first time ever.
- Other incomes declined 11% YoY, respectively. Finance and depreciation costs grew by 33%/22% YoY, respectively. A&P spending declined by 24% YoY to ₹29crs (0.4% of the B2C sales) for the quarter.
- **All segments registered strong double-digit revenue growth YoY. The Wires and Cables (W&C) segment achieved 22% YoY growth** for the quarter, driven by sustained momentum across key sectors. Key contributors included increased government spending, improved project execution, continued strength in real estate, and an inflationary trend in commodity prices.
- **The Fast-Moving Electrical Goods (FMEG) business** registered a strong 33% YoY growth, with all product categories maintaining a robust growth trajectory. The fans segment delivered impressive growth despite a delayed summer, reflecting the effectiveness of strategic initiatives and continuing focus on premiumization. The lights and luminaires business sustained its momentum from the previous quarter, achieving strong volume and value growth, even amidst ongoing pricing deflation. Switchgears, conduit pipes & fittings, and switches also posted healthy growth, supported by steady demand from the real estate sector. Significantly, the business achieved break-even in Q4FY25 – its first profitable quarter after ten successive quarters of strategic investments in talent, product innovation, and brand building.
- **The EPC business** registered a strong growth of 47% YoY during the quarter to ₹ 6,028mn, on the back of robust execution of the RDSS order book. Currently, the EPC order book stands at ₹7000crs to be executed in the coming 4-5 years.
- For FY25, revenue increased by 24% YoY to ₹220 Bn, exceeding the Project Leap FY26 revenue goal of ₹200bn a year ahead of schedule. EBITDA grew 19% YoY to ₹ 29,602 Mn from ₹ 24,918mn in FY24. EBITDA Margins stood at 13.2%. PAT grew by 13% YoY exceeding ₹20 Bn for the first time in the history of the company.
- Exports in FY25 contributed around 6% to total sales and the management expects a strong rebound in FY26 supported by a robust order book and a favorable demand environment across key markets.
- **The company announced its five-year guidance for FY26-30, named 'Project Spring'.** Under this, it aims to grow its wire and cable business at 1.5x of industry growth (~1.5x of India's GDP growth), with margins at 11-13% and the guided-to capex at ₹60bn-80bn over next 5 years; exports are expected to contribute over 10% of sales. Also, the FMEG segment would grow 1.5-2x of industry growth, with margins expected at 8-10%.
- The company expects ~8000crs over the next five years.

Important Statistics

Nifty	24,008
Sensex	79,454
Close* (₹)	5,767
MCAP (₹ crs)	86,748
52-week H/L (₹)	7,607/4,557
NSE Code	POLYCAB
BSE Code	542652
Bloomberg Code	POLYCAB:IN

Close* as on 9th May 2025

Shareholding Pattern (%)

	Mar'25
Promoter	63.0
DII	10.9
FII	11.1
Public & Others	14.9

Financials

Particulars	FY23	FY24	FY25
Revenue	141,078	180,394	224,083
Wires & Cables	127,775	161,073	190,659
% of Revenue	90.6	89.3	83.1
FMEG	12,607	12,988	16,821
% of Revenue	8.9	7.2	7.3
EBITDA	18,521	24,918	29,602
EBITDA Margin (%)	13.1	13.8	13.2
Net Profit	12,708	17,840	20,455
EPS (₹)	84.6	118.7	136
P/E (x)	68.2	48.6	42.4
RoE (%)	19.1	21.6	20.8
RoCE (%)	27	31	31

Source: Company, Way2Wealth

Relative Performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
POLYCAB	-10	127	733
Nifty 50	12	58	172
Sensex	12	56	165

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View

The demand outlook remains positive given the growth prospects in the infrastructure and real estate sector. With robust growth in the real estate sector and the sustained execution of strategic initiatives, we expect demand for FMEG products to accelerate further in the coming years.

The growth was driven by the launch of over 130 new SKUs, expansion into more than 500 towns, and the addition of approximately 150 distributors and 7,000 retailers across new geographies—factors that collectively underscore the strong growth momentum during the year.

At its CMP of ₹5767/-, the stock trades at ~42.4 to its FY25EPS of ₹136. We advise investors to accumulate stock.

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FINANCIAL PERFORMANCE

(₹ crs)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
Net Sales	6,985.8	5,591.9	24.93%	5,226.1	33.7%	22,408.3	18,039.4	24.22%
Other Income	48.1	53.8	-10.6%	25.0	92.4%	207.7	220.8	-6.0%
TOTAL INCOME	7,033.9	5,645.7	24.6%	5,251.1	34.0%	22,616.0	18,260.2	23.9%
Cost Of Materials Consumed	4,398.8	3,535.5	24.4%	3,795.1	15.9%	15,417.4	12,661.6	21.8%
Purchase of stock in trade	119.3	133.6	-10.7%	166.0	-28.1%	607.7	565.9	7.4%
Stock Adjustment	295.6	215.9	36.9%	(353.7)	-183.6%	(451.8)	(421.5)	7.2%
Project bought outs and subcontracting cost	391.7	294.1	33.2%	273.3	43.3%	1,256.9	474.3	165.0%
<i>RMC as a %age of sales</i>	<i>74.5%</i>	<i>74.7%</i>		<i>74.3%</i>		<i>75.1%</i>	<i>73.6%</i>	
Employee Benefit Expenses	203.6	169.6	20.1%	198.9	2.4%	736.7	609.5	20.9%
<i>EPC as a %age of sales</i>	<i>2.9%</i>	<i>3.0%</i>		<i>3.8%</i>		<i>3.3%</i>	<i>3.4%</i>	
Advertisement and sales promotion expenses	28.6	37.7	-24.1%	37.2	-23.2%	120.9	198.9	-39.2%
<i>Advertisement and sales promotion expenses as a %age of sales</i>	<i>0.4%</i>	<i>0.7%</i>		<i>0.7%</i>		<i>0.5%</i>	<i>1.1%</i>	
Freight and forwarding expenses	111.37	96.46	15.5%	92.12		374.7	349.8	7.1%
<i>Freight and forwarding expenses as a %age of sales</i>	<i>1.6%</i>	<i>1.7%</i>		<i>1.8%</i>		<i>1.7%</i>	<i>1.9%</i>	
Other Expenses	411.4	347.4	18.4%	297.2	38.4%	1,385.7	1,109.1	24.9%
<i>Other Expenses as a %age of sales</i>	<i>5.9%</i>	<i>6.2%</i>		<i>5.7%</i>		<i>6.2%</i>	<i>6.1%</i>	
TOTAL EXPENDITURE	5,960.4	4,830.3	23.4%	4,506.2	32.3%	19,448.1	15,547.6	25.1%
EBIDTA	1,025.4	761.6	34.6%	719.9	42.4%	2,960.2	2,491.8	18.8%
<i>EBIDTA Margins %</i>	<i>14.7%</i>	<i>13.6%</i>	<i>1.1%</i>	<i>13.8%</i>		<i>13.2%</i>	<i>13.8%</i>	<i>-0.6%</i>
Finance Costs	32.5	24.4	33.4%	49.8	-34.6%	168.9	108.3	56.0%
PBDT	1,040.9	791.0	31.6%	695.2	49.7%	2,998.9	2,604.3	15.2%
Depreciation	80.4	65.7	22.4%	78.6	2.3%	298.1	245.0	21.7%
PBT	960.5	725.3	32.4%	616.6	55.8%	2,700.8	2,359.3	14.5%
Tax	226.2	171.8	31.7%	152.2	48.6%	655.3	556.4	17.8%
<i>Tax Rate</i>	<i>23.5%</i>	<i>23.7%</i>		<i>24.7%</i>		<i>24.3%</i>	<i>23.6%</i>	
Reported Profit After Tax	734.3	553.5	32.7%	464.4	58.1%	2,045.5	1,802.9	13.5%
<i>PATM %</i>	<i>10.5%</i>	<i>9.9%</i>	<i>0.6%</i>	<i>8.9%</i>		<i>9.1%</i>	<i>10.0%</i>	<i>-0.9%</i>
Adjusted Profit After Extra-ordinary item	734.3	553.5	32.7%	464.4	58.1%	2,045.5	1,802.9	13.5%
Other Comprehensive Income (Net of tax)- net credit / (charge)	3.6	(2.0)		(0.6)		(6.9)	(10.2)	
Total Comprehensive Income	737.9	551.5	33.8%	463.8	59.1%	2,038.6	1,792.7	13.7%
EPS	48.8	36.8	32.7%	30.9	58.1%	136.0	119.9	13.5%
Equity	150.4	150.4		150.4		150.4	150.4	
Face Value	10.0	10.0		10.0		10.0	10.0	

Source: Company, Way2Wealth

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SEGMENTAL PERFORMANCE

(₹ crs)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24
REVENUES							
Revenue from Operations	7,097.9	5,688.6	24.8%	5,306.3	33.8%	22,953.8	18,470.5
Wires and cables	6,019.1	4,919.7	22.3%	4,384.6	37.3%	19,065.9	16,162.3
% Mix	84.8%	86.5%		82.6%		83.1%	87.5%
FMEG	476.0	358.1	32.9%	423.2	12.5%	1,682.1	1,298.8
% Mix	6.7%	6.3%		8.0%		7.3%	7.0%
EPC	602.8	410.8	46.7%	498.5	20.9%	2,205.9	1,009.4
% Mix	8.5%	7.2%		9.4%		9.6%	5.5%
Less: Inter Segment Revenues	105.8	75.7	39.8%	99.3	6.5%	493.1	331.2
Total Segment Revenue	6,992.1	5,613.0	24.6%	5,207.0		22,460.8	18,139.2
Add: Other Unallocable Income	-	-		-		-	-
Net Revenue from Operations	6,992.1	5,613.0	24.6%	5,207.0	34.3%	22,460.8	18,139.2
Profit/Loss Before Interest and Tax							
Profit/Loss Before Interest and Tax	967.4	730.0	32.5%	633.3	52.8%	2,774.9	2,386.3
Margin %	13.6%	12.8%		11.9%		12.1%	12.9%
Wires and cables	909.0	755.1	20.4%	590.4	54.0%	2,575.4	2,379.5
Margin %	15.1%	15.3%		13.5%		13.5%	14.7%
FMEG	1.9	(45.9)	-104.2%	(12.7)	-115.0%	(38.9)	(94.2)
Margin %	0.4%	-12.8%		-3.0%		-2.3%	-7.3%
EPC	56.4	20.8	171.4%	55.6	1.5%	238.3	101.0
Margin %	9.4%	5.1%		11.1%		10.8%	10.0%
Less: Inter segment results	16.02	13.05		10.88		60.1	39.7
Less: Interest	32.5	24.4	33.4%	49.8	-34.7%	168.9	108.3
Add: Other Income	41.8	32.8	27.5%	44.1	-5.3%	155.1	121.1
Net Profit/Loss Before Tax	960.6	725.3	32.4%	616.7	55.8%	2,700.9	2,359.4

Source: Company, Way2Wealth

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Disclosure of Interest Statement Polycab India Ltd. as on 12th May 2025

Name of the Security	Polycab India Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained Financial Interest	NIL
Analyst:	No
Analyst's Relative: Yes / No	No
Analyst's Associate/Firm: Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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Broking relationship with company covered	NIL
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