

22<sup>nd</sup> July 2025

Close\* – ₹7042/-

View – Book Profit

## Q1FY26 Result Highlights

- **Reported strong Q1FY26 topline growth of 26% to ₹5906crs.** The strong growth was driven by robust performance in the Wires & Cables (W&C) business, supported by the healthy growth momentum in the Fast-Moving Electrical Goods (FMEG) business.
- EBITDA margins improved ~210bps YoY to 14.5% supported by strategic pricing revisions, improved operational efficiency, and a favorable business mix. PAT registered a strong growth of 49% YoY with PAT margins improving ~170bps YoY to 10.2%.
- Other incomes grew 37% YoY. Finance and depreciation costs grew by 24%/28% YoY, respectively. A&P spending declined by 37% YoY to ₹15crs (0.3% of the B2C sales) for the quarter.
- **Wires & Cables and FMEG segments registered strong double-digit revenue growth YoY.** The W&C segment grew 31% YoY growth for the quarter, supported by sustained demand across core sectors. **Key growth drivers included higher government expenditure, better project execution, and rising commodity prices.** The domestic business grew by 32% YoY, with cables growth once again outpacing wires. Both channel and institutional business showed healthy traction. The international business grew 24% YoY, albeit on a low base and accounted for 5.2% of the Company's topline. EBIT margins for the quarter expanded by ~190 bps YoY to 14.7%, aided by strategic price adjustments and operating leverage.
- **The FMEG business (8% of revenue)** continued its healthy growth trajectory to register 18% YoY growth. The fans segment witnessed a muted performance, impacted by a shorter summer season. The premiumization strategy has helped with the premium fans portfolio, contributing ~25% of the fan sales. Categories like lights, switchgears, switches, and conduit pipes & fittings delivered healthy growth, supported by steady demand from the real estate sector. Solar products sustained their robust growth trajectory, clocking more than 2x YoY growth and emerging as the largest category within the FMEG portfolio. Notably, the business continued its upward margin trend, achieving a second consecutive profitable quarter. Margin improvement was supported by portfolio-wide gross margin expansion, driven by a shift toward premium products, and better operating leverage from scaling efficiencies.
- **The EPC business registered a de-growth of 19% YoY during the quarter to ₹347crs, with EBIT margins at 7.7%. At the end of Mar'25, it had an open order book of ~₹70bn.**
- Management retains its long-term margin guidance of ~11-13%, considering geographical mix, volatility in commodity prices, capacity expansion, and expected rise in A&P spending.
- Working capital improved to 43 days in Q1FY26, primarily driven by a temporary increase in payable days. However, management anticipates this to normalize and revert to the long-term average range of 50–55 days in the upcoming quarters. Capex in Q1FY26 was ₹4.1bn in line with its project spring guidance of ₹12 – 16bn annually through FY30.
- The US continues to be a key export market, remaining one of the largest consumers of cables and contributing nearly one-third of the company's export sales during the quarter.

## Important Statistics

Nifty	25,091
Sensex	82,200
Close*	7,042
MCAP (₹ crs)	1,05,261
52-week H/L (₹)	7,607/4,557
NSE Code	POLYCAB
BSE Code	542652
Bloomberg Code	POLYCAB:IN

\*Close as on 21-Jul-25

## Shareholding Pattern (%)

June'25

Promoter	63.0
DII	11.6
FII	11.5
Public & Others	13.9

## Financials

(₹ crs)

Particulars	FY23	FY24	FY25
<b>Revenue</b>	<b>14108</b>	<b>18039</b>	<b>22,408</b>
Wires & Cables	12777.5	16162	19065
% of Revenue	90.6	89.3	83.1
FMEG	1261	1299	1682
% of Revenue	8.9	7.2	9.6
<b>EBITDA</b>	<b>1852</b>	<b>2492</b>	<b>2960</b>
<b>EBITDA Margin (%)</b>	<b>13.1</b>	<b>13.8</b>	<b>13.2</b>
<b>Net Profit</b>	<b>1271</b>	<b>1803</b>	<b>2045</b>
EPS (₹)	84.6	119.9	136
DPS (₹)	14.2	14.8	19.4
P/E (x)	83.2	58.7	51.8
EV/EBITDA (x)	21.5	27.9	24.3
P/BV (x)	6.5	9.3	7.9
RoE (%)	19.1	21.6	20.6
RoCE (%)	26.1	29.0	27.9

Source: Company, Way2Wealth

## Relative Performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
<b>POLYCAB</b>	<b>12</b>	<b>204</b>	<b>760</b>
<b>Nifty 50</b>	<b>2</b>	<b>46</b>	<b>124</b>
<b>Sensex</b>	<b>2</b>	<b>45</b>	<b>119</b>

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- **Under its five-year guidance for FY26-30, named 'Project Spring'**, 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%.

**View**

The demand outlook remains robust, driven by strong growth prospects in the infrastructure and real estate sectors. Continued momentum in the real estate market, coupled with the execution of strategic initiatives, is expected to further accelerate demand for FMEG products in the coming years. Polycab has also strengthened its position in the organized market, with share gains rising from 18% in FY2020 to 25–26% currently — a positive indicator for future growth.

At the current market price, the stock trades at 51.8x FY25E earnings of ₹136. Since our initial report dated **28Oct20**, the stock has touched a 52-week high of ₹7,607 on 15 Oct 2024, delivering stellar returns of over 650%. Given this significant rally, we recommend investors **book profits**. However, long-term investors may choose to hold, as we remain positive on the company's structural growth story.

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### FINANCIAL PERFORMANCE

(₹ crs)						
Particulars	Q1FY26	Q1FY25	VAR	Q4FY25	VAR	FY25
Net Sales	5,905.9	4,698.0	25.71%	6,985.8	-15.5%	22408.3
Other Income	79.9	58.4	36.8%	48.1	66.1%	207.7
<b>TOTAL INCOME</b>	<b>5,985.8</b>	<b>4,756.4</b>	<b>25.8%</b>	<b>7,033.9</b>	<b>-14.9%</b>	<b>22615.96</b>
Cost Of Materials Consumed	4,185.3	3,918.2	6.8%	4,398.8	-4.9%	15417.4
Purchase of stock in trade	125.5	169.7	-26.0%	119.3	5.2%	607.7
Stock Adjustment	(168.6)	(831.1)	-79.7%	295.6	-157.0%	-451.8
Project bought outs and subcontracting cost	176.5	284.7	-38.0%	391.7	-54.9%	1256.9
<i>RMC as a %age of sales</i>	<i>73.1%</i>	<i>75.4%</i>		<i>74.5%</i>		<i>75.1%</i>
Employee Benefit Expenses	218.8	153.9	42.2%	203.6	7.5%	736.7
<i>EPC as a %age of sales</i>	<i>3.7%</i>	<i>3.3%</i>		<i>2.9%</i>		<i>3.3%</i>
Advertisement and sales promotion expenses	15.0	24.0	-37.5%	28.6	-47.6%	120.9
<i>Advertisement and sales promotion expenses as a %age of sales</i>	<i>0.3%</i>	<i>0.5%</i>		<i>0.4%</i>		<i>0.5%</i>
Freight and forwarding expenses	98.1	78.3	25.3%	111.37		374.66
<i>Freight and forwarding expenses as a %age of sales</i>	<i>1.7%</i>	<i>1.7%</i>		<i>1.6%</i>		<i>1.7%</i>
Other Expenses	397.6	316.9	25.5%	411.4	-3.4%	1385.7
<i>Other Expenses as a %age of sales</i>	<i>6.7%</i>	<i>6.7%</i>		<i>5.9%</i>		<i>6.2%</i>
<b>TOTAL EXPENDITURE</b>	<b>5,048.2</b>	<b>4,114.6</b>	<b>22.7%</b>	<b>5,960.4</b>	<b>-15.3%</b>	<b>19448.1</b>
<b>EBIDTA</b>	<b>857.7</b>	<b>583.4</b>	<b>47.0%</b>	<b>1,025.4</b>	<b>-16.4%</b>	<b>2960.2</b>
<b>EBIDTA Margins %</b>	<b>14.5%</b>	<b>12.4%</b>	<b>2.1%</b>	<b>14.7%</b>		<b>13.2%</b>
Finance Costs	51.3	41.3	24.2%	32.5	57.7%	168.9
<b>PBDT</b>	<b>886.3</b>	<b>600.5</b>	<b>47.6%</b>	<b>1,040.9</b>	<b>-14.9%</b>	<b>2998.9</b>
Depreciation	85.7	67.1	27.7%	80.4	6.6%	298.1
<b>PBT before exceptional items</b>	<b>800.6</b>	<b>533.4</b>	<b>50.1%</b>	<b>960.5</b>	<b>-16.7%</b>	<b>2700.8</b>
<b>PBT</b>	<b>800.6</b>	<b>533.4</b>	<b>50.1%</b>	<b>960.5</b>	<b>-16.7%</b>	<b>2700.8</b>
Tax	200.9	131.7	52.5%	226.2	-11.2%	655.3
<i>Tax Rate</i>	<i>25.1%</i>	<i>24.7%</i>		<i>23.5%</i>		<i>24.3%</i>
<b>Reported Profit After Tax</b>	<b>599.7</b>	<b>401.7</b>	<b>49.3%</b>	<b>734.3</b>	<b>-18.3%</b>	<b>2045.5</b>
<b>PATM %</b>	<b>10.2%</b>	<b>8.6%</b>	<b>1.6%</b>	<b>10.5%</b>		<b>9.1%</b>
Other Comprehensive Income (Net of tax)- net credit / (charge)	(9.4)	(9.2)		3.6		-6.9
<b>Total Comprehensive Income</b>	<b>590.3</b>	<b>392.5</b>	<b>50.4%</b>	<b>737.9</b>	<b>-20.0%</b>	<b>2038.6</b>
<b>EPS</b>	<b>39.9</b>	<b>26.7</b>	<b>49.3%</b>	<b>48.8</b>	<b>-18.3%</b>	<b>136.0</b>
Equity	150.4	150.4		150.4		150.4
Face Value	10.0	10.0		10.0		10

Source: Company, Way2Wealth

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**SEGMENTAL PERFORMANCE**

(₹ crs)

Particulars	Q1FY26	Q1FY25	VAR	Q4FY25	VAR	FY25
<b>REVENUES</b>						
<b>Revenue from Operations</b>	<b>6,030.2</b>	<b>4,808.9</b>	<b>25.4%</b>	<b>7,097.9</b>	<b>-15.0%</b>	<b>22,953.8</b>
Wires and cables	5,228.6	3,995.6	30.9%	6,019.1	-13.1%	19,065.9
% Mix	86.7%	83.1%		84.8%		83.1%
FMEG	454.2	385.5	17.8%	476.0	-4.6%	1,682.1
% Mix	7.5%	8.0%		6.7%		7.3%
EPC	347.4	427.8	-18.8%	602.8	-42.4%	2,205.9
% Mix	5.8%	8.9%		8.5%		9.6%
Less : Inter Segment Revenues	105.7	90.8	16.4%	105.8	-0.1%	493.1
<b>Total Segment Revenue</b>	<b>5,924.5</b>	<b>4,718.1</b>	<b>25.6%</b>	<b>6,992.1</b>		<b>22,460.8</b>
<b>Profit/Loss Before Interest and Tax</b>						
<b>Profit/Loss Before Interest and Tax</b>	<b>804.5</b>	<b>546.9</b>	<b>47.1%</b>	<b>967.4</b>	<b>-16.8%</b>	<b>2,774.9</b>
Margin %	13.3%	11.4%		13.6%		12.1%
Wires and cables	768.3	510.9	50.4%	909.0	-15.5%	2,575.4
Margin %	14.7%	12.8%		15.1%		13.5%
FMEG	9.5	(2.8)	-439.3%	1.9	397.4%	(38.9)
Margin %	2.1%	-0.7%		0.4%		-2.3%
EPC	26.7	38.8	-31.2%	56.4	-52.7%	238.3
Margin %	7.7%	9.1%		9.4%		10.8%
Less : Inter segment results	14	10.4		16.02		60.1
Less : Interest	51.3	41.3	24.2%	32.5	57.7%	168.9
Add : Other Income	61.3	38.3	60.1%	41.8	46.8%	155.1
<b>Net Profit/Loss Before Tax</b>	<b>800.5</b>	<b>533.5</b>	<b>50.0%</b>	<b>960.6</b>	<b>-16.7%</b>	<b>2,700.9</b>

Source: Company, Way2Wealth

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## Disclosure of Interest Statement Polycab India Ltd. as on 22 July 2025

Name of the Security	Polycab India Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst:	No
Analyst's Relative: Yes / No	No
Analyst's Associate/Firm: Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
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