



POLYCAB

Connection Zindagi Ka

Date: 20th October 2023



Introduction

- In 1964, Late Thakurdas Jaisinghani had established 'Sind Electric Stores'
- Later the business was carried forward by 4 sons of Late Thakurdas Jaisinghani.
- In 1996, it was incorporated as 'Polycab Wires Private Limited'.
- In 2014, it forayed into FMEG segment and post that in 2019 company got listed on both the exchanges.
- As per Technopak August 2023 report, it is a market leader in the domestic wires and cables segment with over 22-24% in the organized market.





Board Of Directors



Inder T Jaisinghani
Chairman and Managing Director



Bharat A Jaisinghani
Whole-Time Director



Nikhil R Jaisinghani
Whole-Time Director



Rakeshkumar Talati
Whole-Time Director



RS Sharma
Independent Director



TP Ostwal
Independent Director



Pradeep Poddar
Independent Director



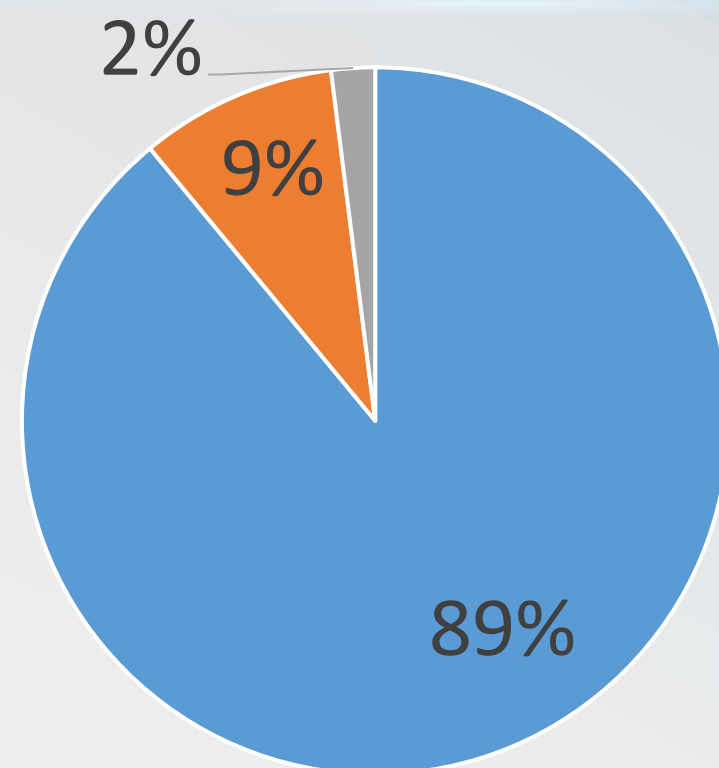
Sutapa Banerjee
Independent Director

Source: Company Data



Revenue Mix & Shareholding Pattern

Revenue Mix- Mar-23

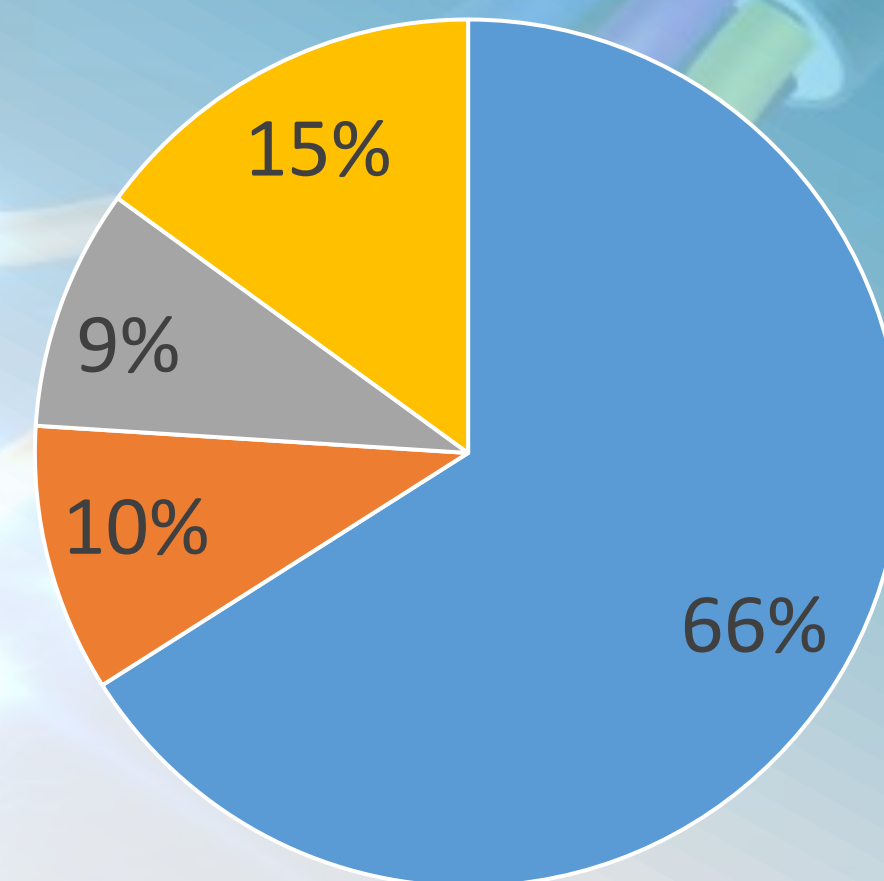


■ Wires & Cables ■ FMEG ■ Others

Source: Company Data

As per the management, in FY14 Polycab entered into FMEG segment with a view to diversify its business.

Shareholding Pattern- Sep-23



■ Promoters ■ FII ■ DII ■ Public

Source: Company Data



Product offerings

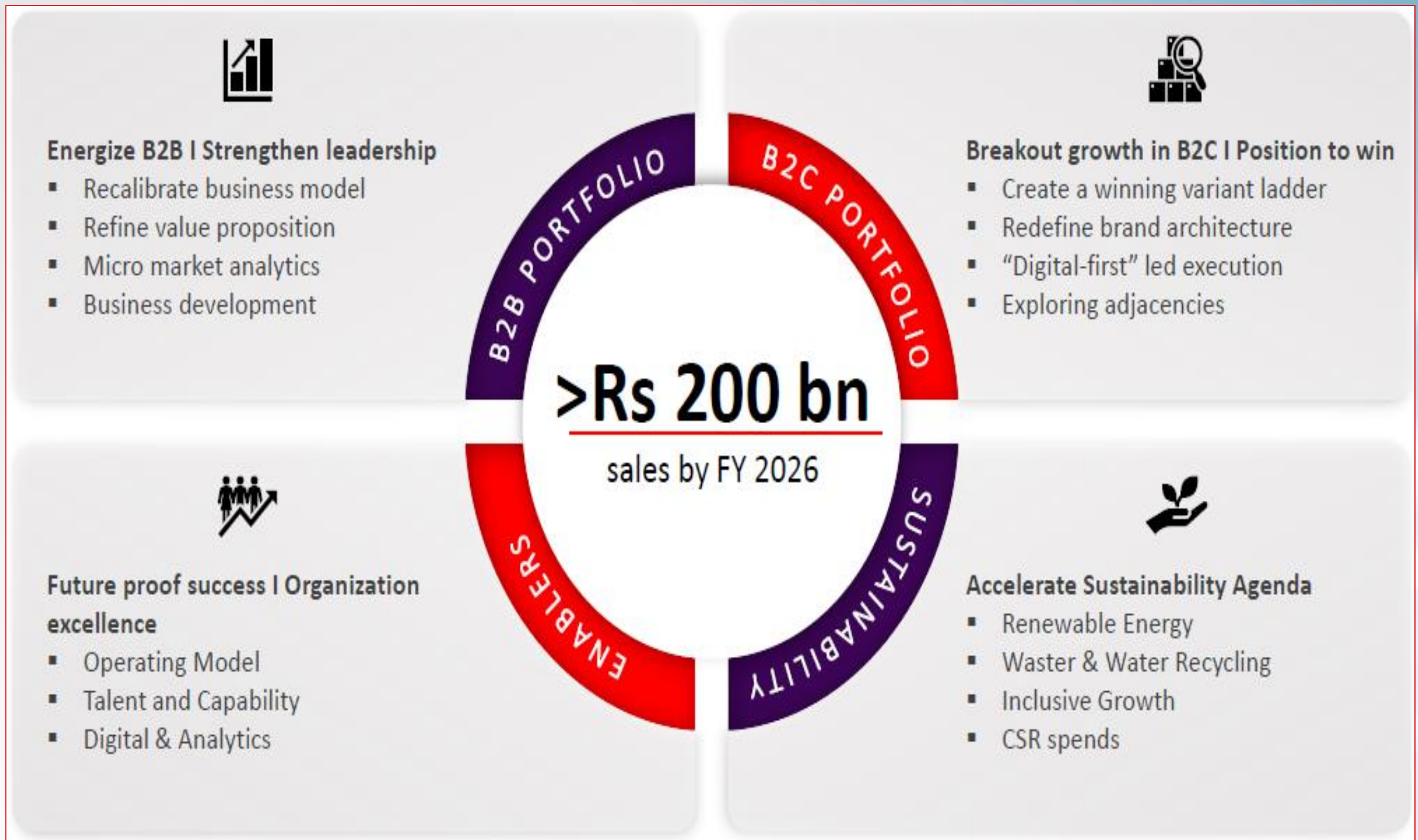


Source: Company data



Project Leap- Transformational Project.

Project Leap

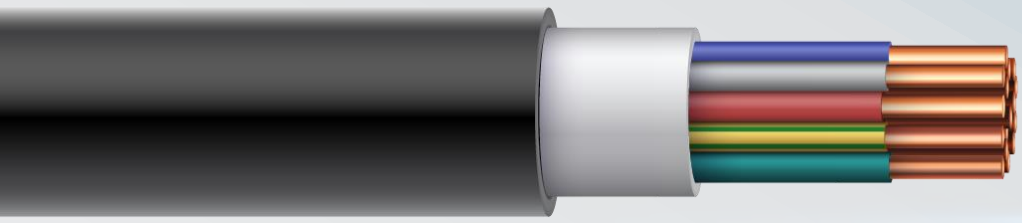


- Polycab introduced project leap in FY22 aiming to more than double its revenues to ~Rs.20,000 crores by FY26. Translates ~18% CAGR over FY21.
- Polycab aims to achieve low double-digit margin in FMEG business by FY26E.
- Polycab has appointed BCG as a consultant for this transformational project.

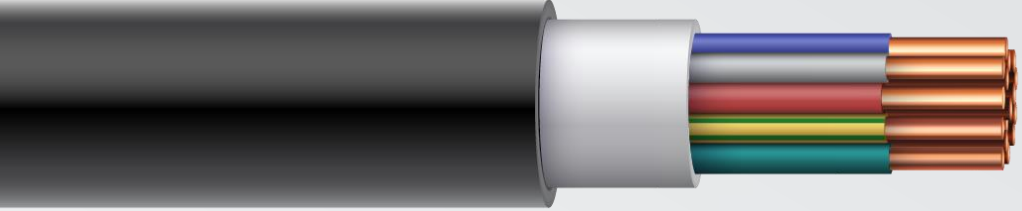
Source: Company data



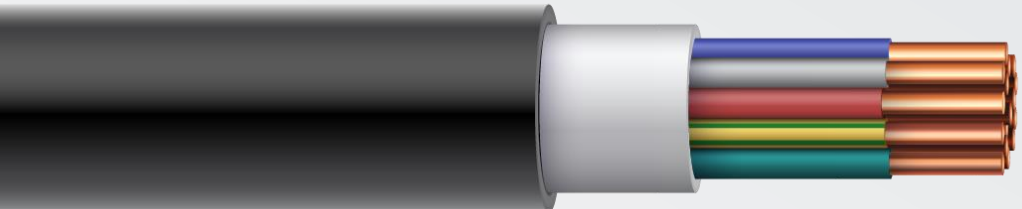
Company & Industry Overview



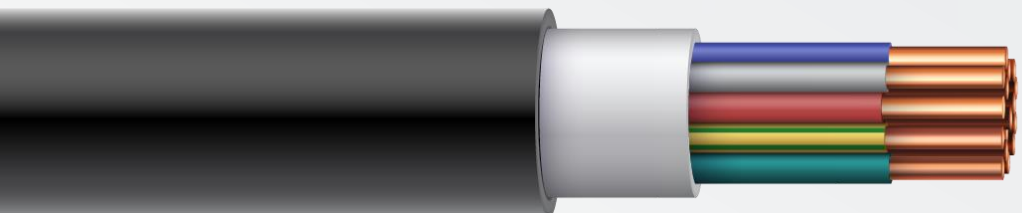
Undisputed leader in the Wires & Cables segment.



Focus on expanding product portfolio in FMEG.



Hohm Automation to be key driver for the growth.



Expanding distribution reach.



Leader in Wires & Cables

As per Technopak August 2023 report, Polycab is an undisputed leader and a dominant player in the Wires & Cable segment with a ~22-24% market share in the organized market.

As per the company ~Rs 7.5 lakh crores investments are to be made in infra, steel, and cement sectors, and there are emerging industry opportunities i.e. capex revival, infrastructure push and housing up cycle which will lead to improve demand for cables & Wires.

Polycab is the largest Wires and Cables manufacturer in India, with a strong suite of products...

Power Cable 	Optical Fiber Cable 	Building Wires
Control Cables 	Instrumentation Cables 	FR (Flame Retardant)
Other Cables 	Flexible Wires 	FRLS (Flame Retardant Low Smoke)
		ZHFR (Zero Halogen Flame Retardant)
		Solar Cable

Wide Customer Base across Industries...

Power	Oil and Gas	Construction
IT Park	Infrastructure	Metal
Non-Metal	Cement	Agriculture
Real Estate	Telecom	Railway

Source: Company data



FMEG- Next growth driver

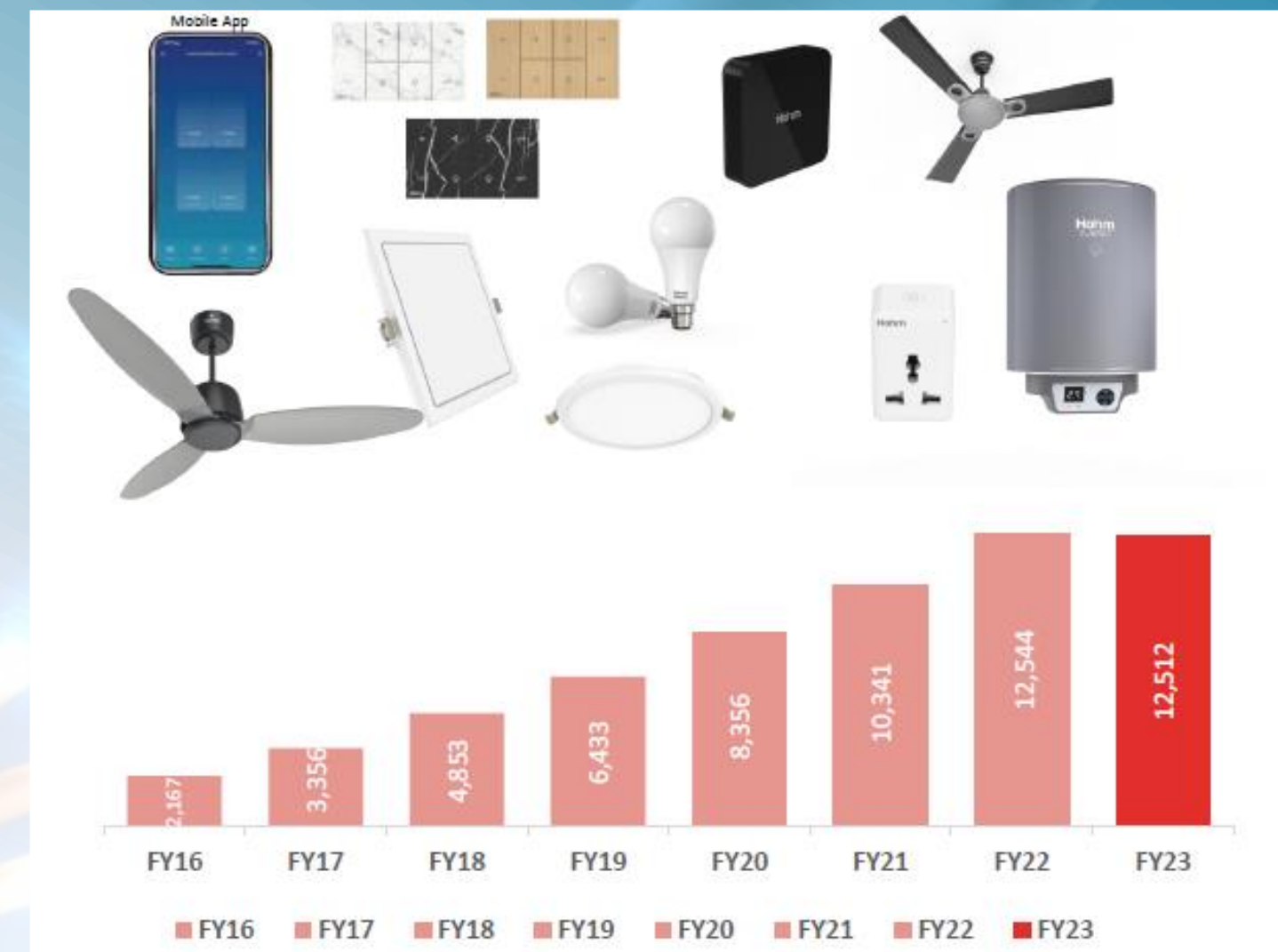
As per Polycab FMEG is the next growth driver where it forayed in this business in 2014, and as 2022 FMEG is ~10% of revenues.

Currently Polycab is present in the following segments - Fans, Lighting Luminaires, IOT products, Switches, Switchgears, Water heaters, Pipes, Conduits, Agro pumps, Solar etc.

As per the management, Fans is growing very well in the entire FMEG product portfolio, and it is the largest contributor to the revenues.

In FY23 annual report, the management has mentioned that FMEG business is witnessing synergies with the core business of Cables & Wires.

FMEG Revenue Trend (In Rs Mn)



Source: Company data

Hohm Automation- IOT based products

- As per the management, IoT (Internet of Things) is going to be future.
- As per its FY23 annual report, there is a huge opportunity in the automation space and over the next few years, Comfort would be the priority.
- Company mentions it is one of the early mover in IoT based Electronics.
- Polycab acquired a company known “Silvan Home Automation”, which will fuel growth in its IoT based products.



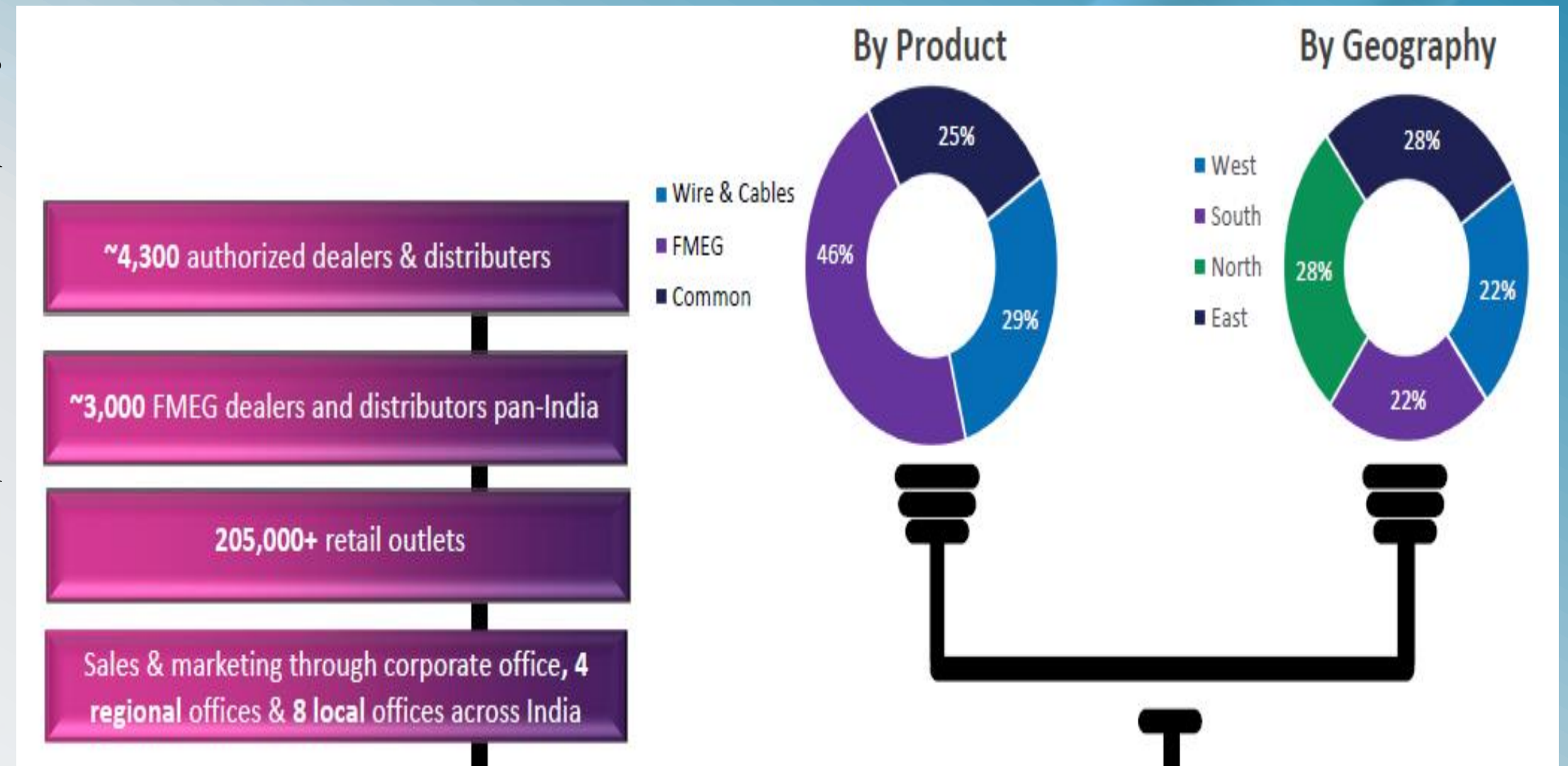
Source: Company data

Polycab has a wide Distribution network

Polycab has manufacturing presence across the country, with 23 manufacturing facilities across 7 locations and 52 warehouses in India.

➤ The company has an entrenched distribution, encompassing 4,300+ dealers, 205,000+ retail outlets and 180,000+ electricians' network.

➤ As a part of its distribution strategy, Polycab has also embarked on a multi-format retail approach - 'Polycab Galleria', 'Arena' and 'Shoppee'.



Source: Company data



Industry Overview

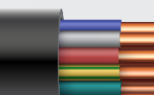



As per Technopak report, Organized players are positioned well



Industry Triggers- India

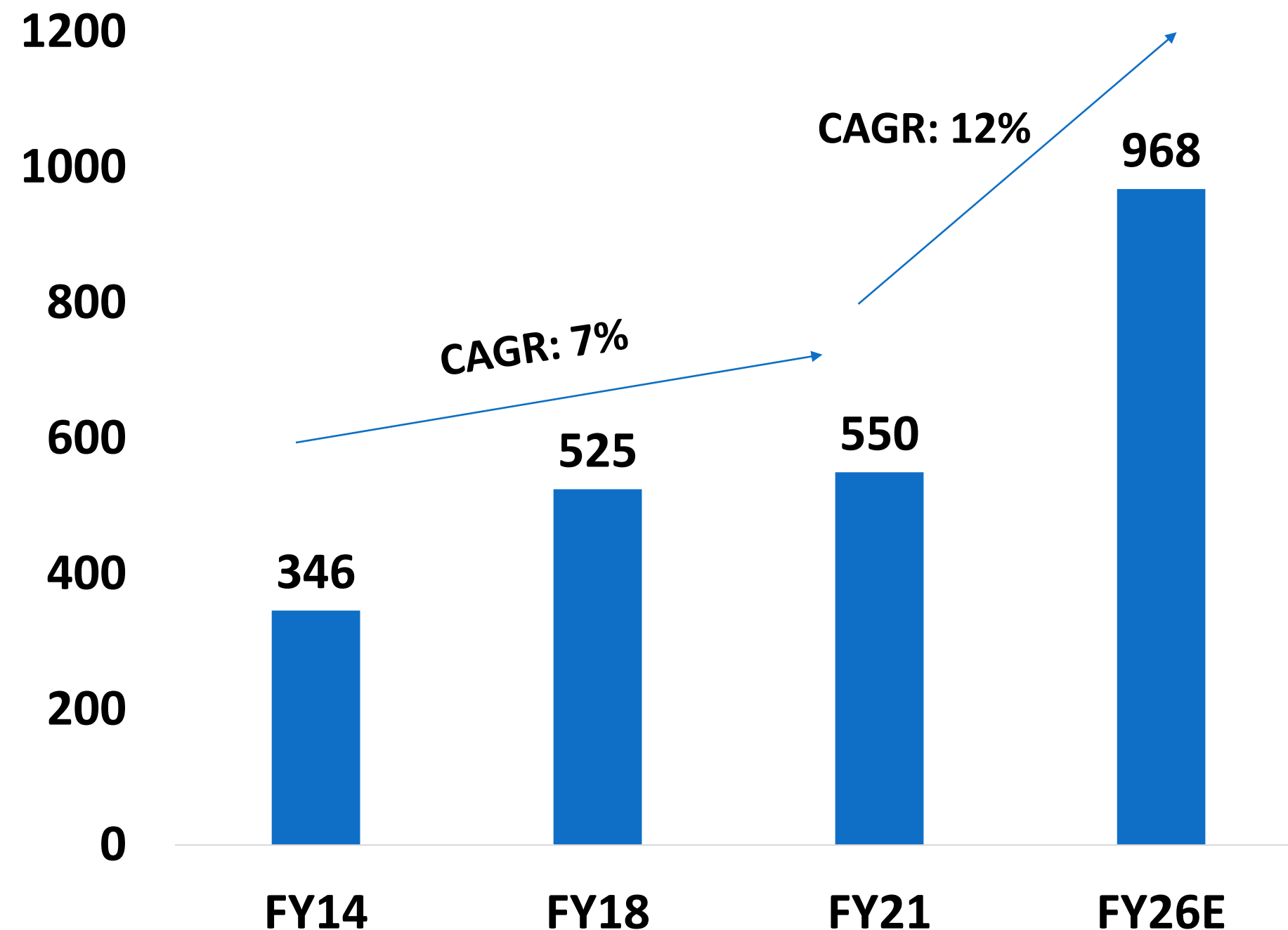
As per Technopak Report,

 The W&C industry expected to register ~12% CAGR by value over 2021-2026.

 Leading players likely to grow faster as they gain market share due to operational challenges faced by small regional players.

 The W&C is expected to grow fastest in the Consumer electrical industry.

Wire & Cables Industry Size (In Rs Bn)

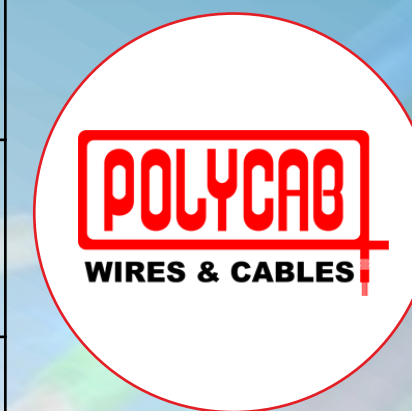


Source: Company data



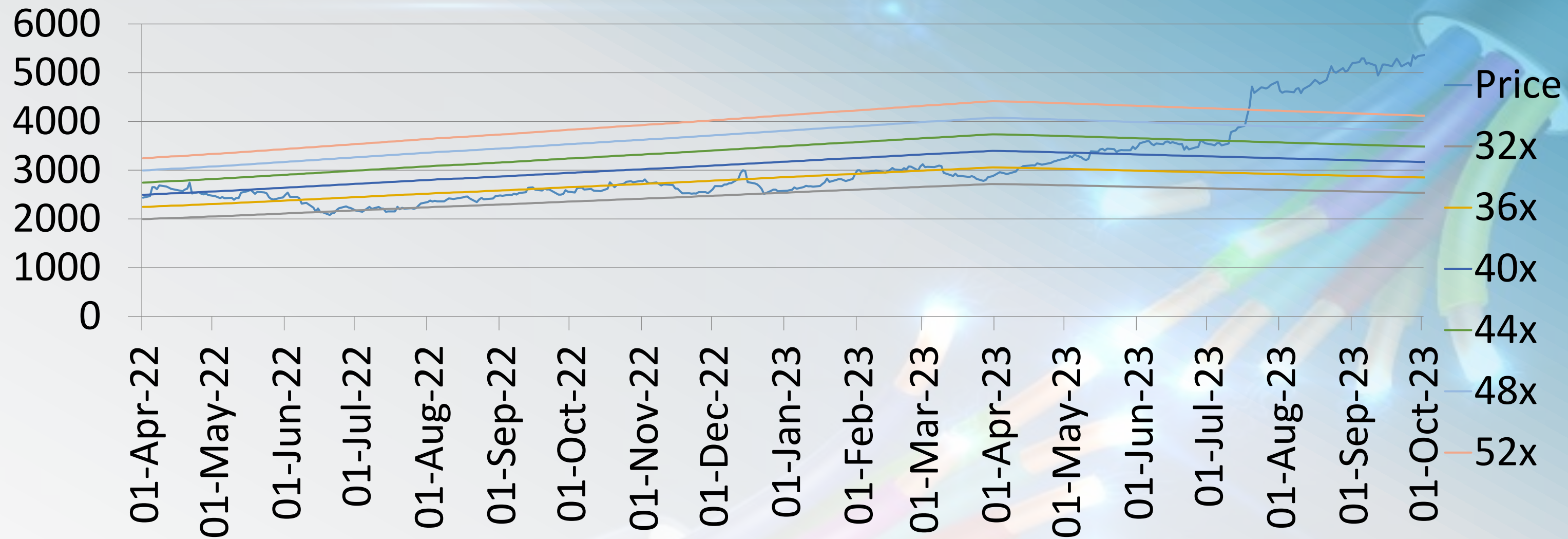
Peer Comparison

Peer Comparison –FY23							3 YR CAGR FY20-23	
Name	P/E	P/B	ROE%	ROCE %	Debt/Eq	EV/EBITDA	Sales	PAT
Polycab India	44	8	20.0%	27.1%	0.0	28	17%	18%
Finolex Cables	24	3	12.2%	15.6%	0.0	17	16%	9%
KEI Industries	44	8	20.2%	25.8%	0.1	28	12%	23%
Orient Elec	66	9	13.5%	19.2%	0.2	28	7%	-1%
Bajaj Elec	67	8	11.9%	18.4%	0.1	33	3%	NA



Source: Company data, Ace Equity.

TTM PE Band - Polycab India Ltd.



Source: Ace Equity



Key Monitorables

As per the FY23 annual report, the management believes any Steep increase in RM prices and its inefficiency to pass on the same may lead to impact profitability.

The management believes lower than expected growth in FMEG segment may impact business targets.

As per the FY23 annual report, any slowdown in Real Estate & Construction activities may impact its business in the near term.



Profit & Loss (Rs. In mn)	FY-19	FY-20	FY-21	FY-22	FY-23	3Yr CAGR (FY20-23)
Net Sales	79,856	88,300	87,922	122,037	141,070	17%
YoY	17.9%	10.6%	-0.4%	38.8%	15.6%	
EBITDA	9,528	11,350	11,111	12,652	18,522	18%
EBITDA Margins (%)	11.9%	12.9%	12.6%	10.4%	13.1%	
Adjusted PAT	5,026	7,730	8,859	9,173	12,699	18%
PAT Margins (%)	6.3%	8.8%	10.1%	7.5%	9.0%	
Adjusted EPS	35.4	51.0	59.4	61.3	84.7	18%
Cash Flow (Rs. In mn)	FY-19	FY-20	FY-21	FY-22	FY-23	
Cash Flow from Operation	12,300	2,446	8,944	10,129	8,238	
Free Cash Flow	9,439	-455	7,034	5,914	4,988	
Key Ratios	FY-19	FY-20	FY-21	FY-22	FY-23	3Yr Avg. (FY20-23)
Debt to Equity (x)	0.10	0.04	0.03	0.02	0.02	0.02
ROCE (%)	28.6%	30.5%	23.8%	21.8%	28.7%	24.8%
ROE (%)	17.6%	19.8%	18.6%	16.5%	21.3%	18.8%

Source: Company Data, Ace Equity

**Thank
You**

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