



POLYCAB

Connection Zindagi Ka

Date: 03rd October 2024



Introduction

- In 1964, Late Thakurdas Jaisinghani had established 'Sind Electric Stores',
- Further the business was carried forward by 4 sons of Late Thakurdas Jaisinghani.
- In 1996, it was incorporated as 'Polycab Wires Private Limited'.
- In 2014, forayed into FMEG segment and post that in 2019 company got listed on both the exchanges.
- As per Technopak report, it is a market leader in the domestic wires and cables segment with over 25-26% in the organized market





Board Of Directors



Inder T Jaisinghani
Chairman and Managing Director

R **C**



Bharat A Jaisinghani
Whole-Time Director

R **S**



Nikhil R Jaisinghani
Whole-Time Director

R **S**



Rakeshkumar Talati
Whole-Time Director

C



Gandharv Tongia
Whole-Time Director

R **C** **S**



TP Ostwal
Independent Director

A **N** **R**



RS Sharma
Independent Director

A **N** **R**



Sutapa Banerjee
Independent Director

A **N** **C**



Manju Agarwal
Independent Director

N **C** **S**



Bhaskar Sharma
Independent Director

R **C** **S**

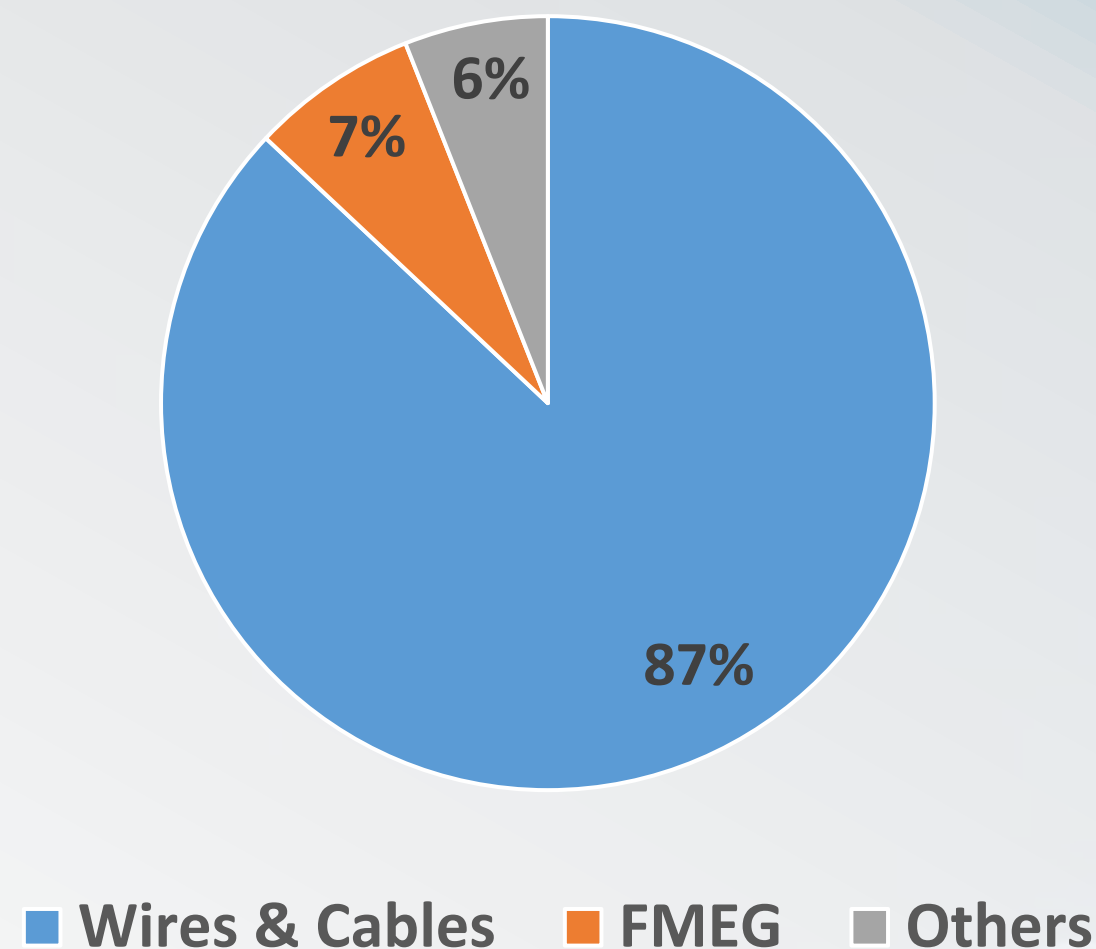
Committees of the Board as on 18th July 2024 **R** Chairperson **S** Member

A Audit Committee **N** Nomination and Remuneration Committee **S** Stakeholders' Relationship Committee **R** Risk Management Committee **C** Corporate Social Responsibility and Environment Social and Governance Committee



Revenue Mix & Shareholding Pattern

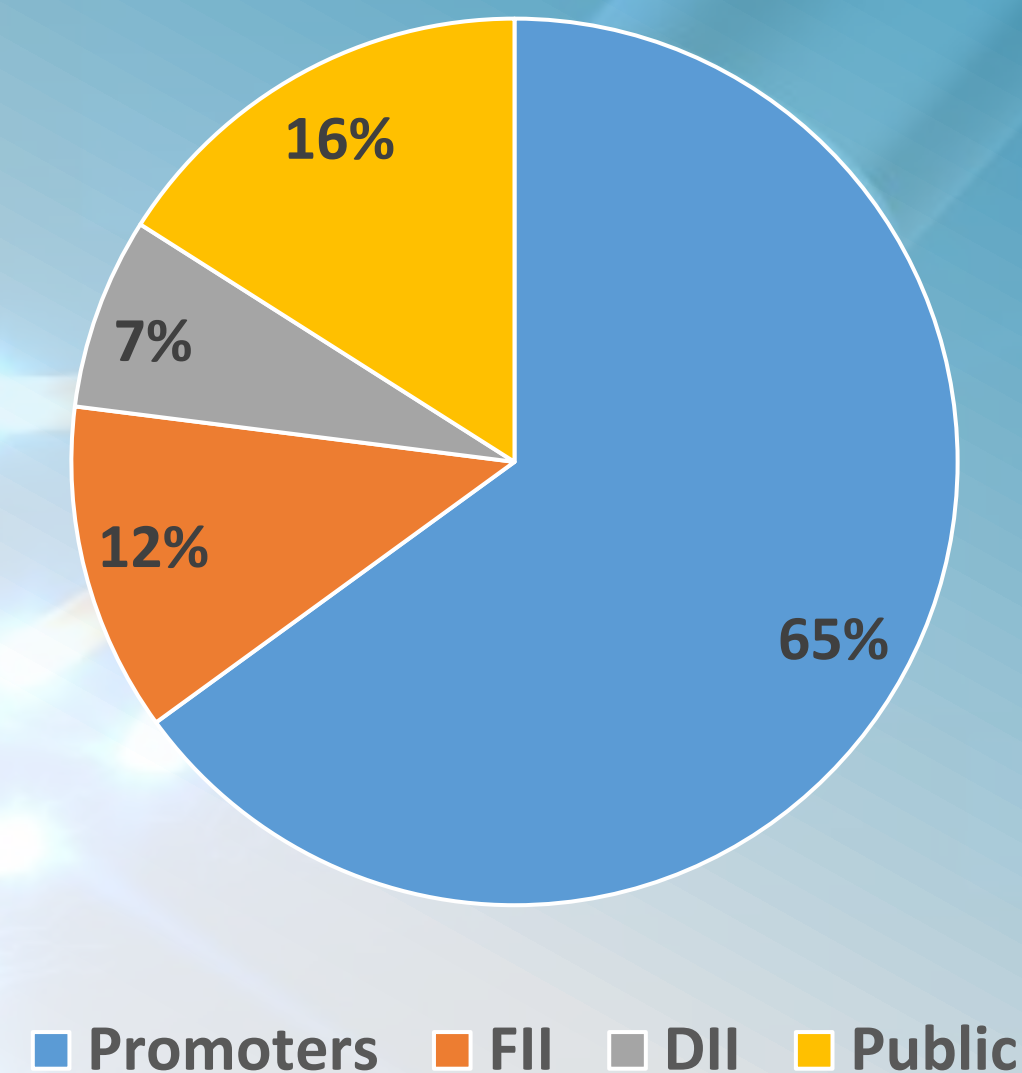
Revenue Mix- Mar-24



In FY14 it entered into FMEG segment, with a view to diversify its business.

Source: Company Data

Shareholding Pattern- Jun-24



Source: BSE Data and Equentis Research



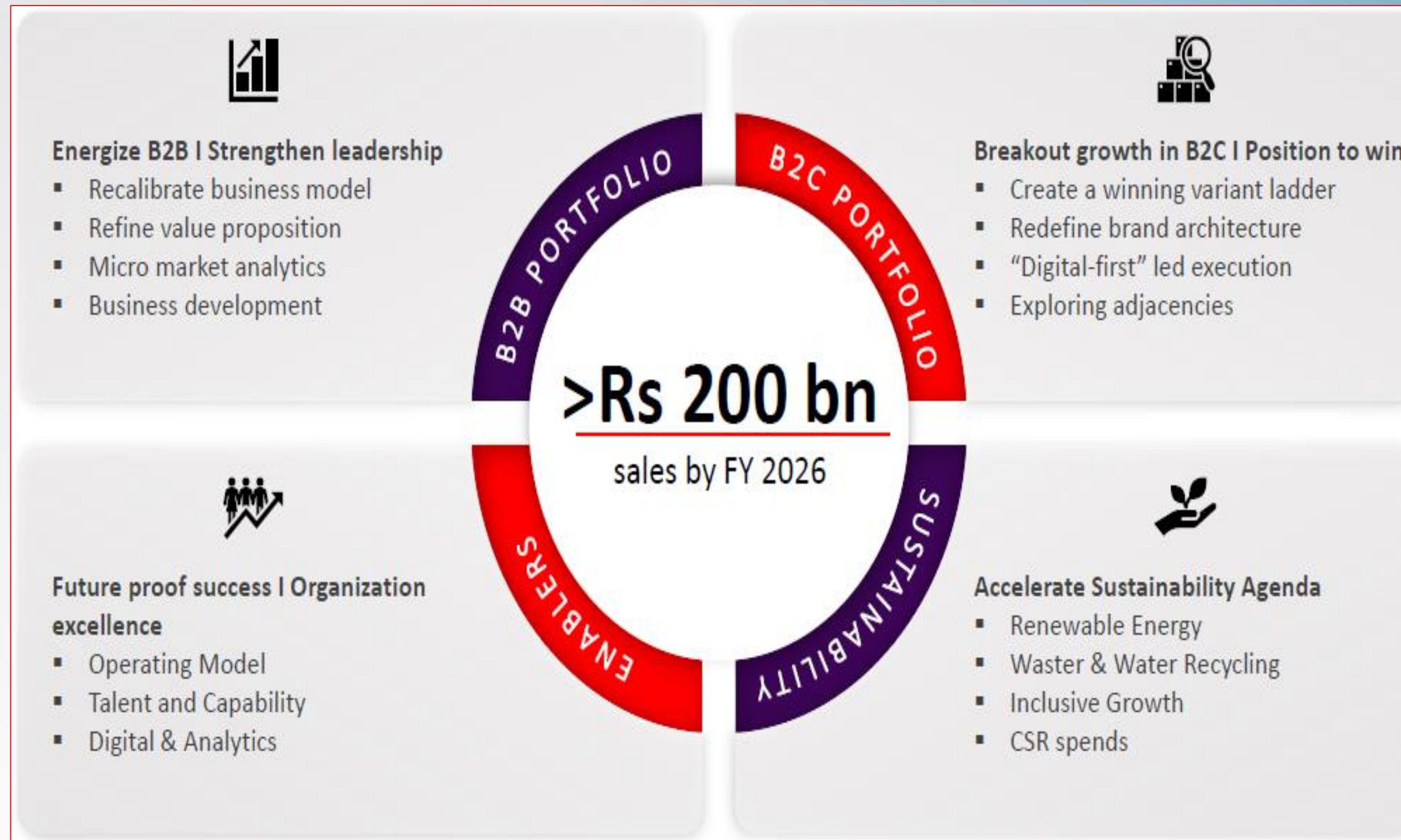
Product offerings



Source: Company data

Project Leap- The next leg growth Driver.

Project Leap

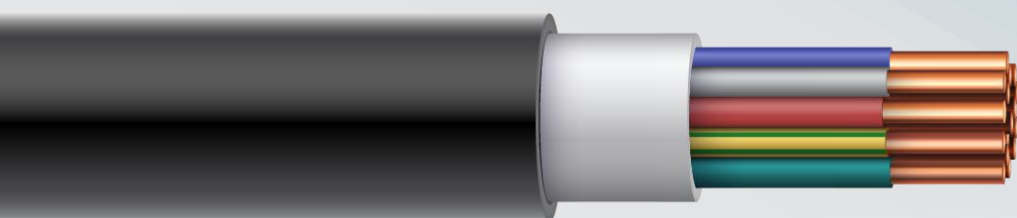


- Introduced project leap aiming to more than double its revenues to ~Rs.20,000 crores by FY26. Translates ~18% CAGR over FY21.
- Aims to achieve low double-digit margin in FMEG business by FY26E.
- Polycab has appointed BCG as a consultant for this transformational project.

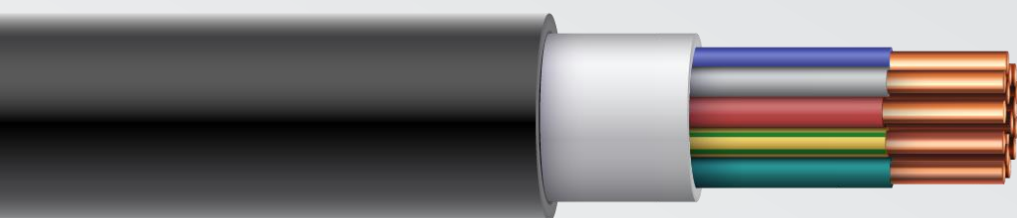
Source: Company data



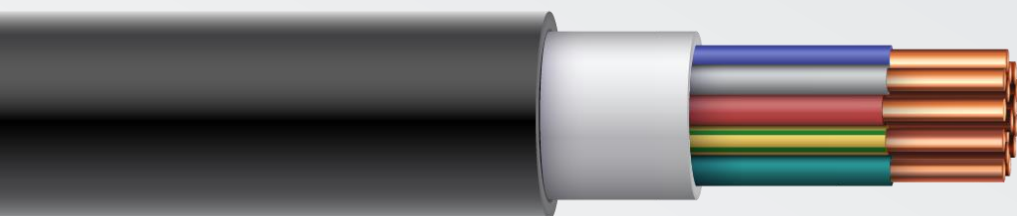
Company & Industry Overview



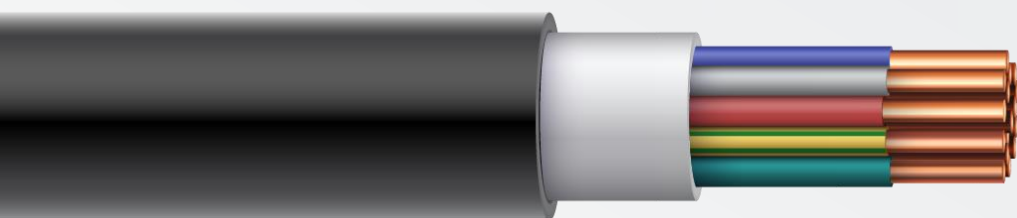
Undisputed leader in the Wires & Cables segment.



Focus on expanding product portfolio in FMEG.



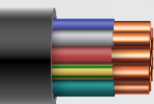
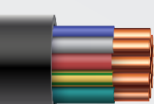
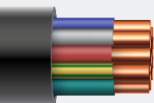
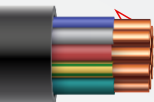
Hohm Automation to be key driver for the growth.

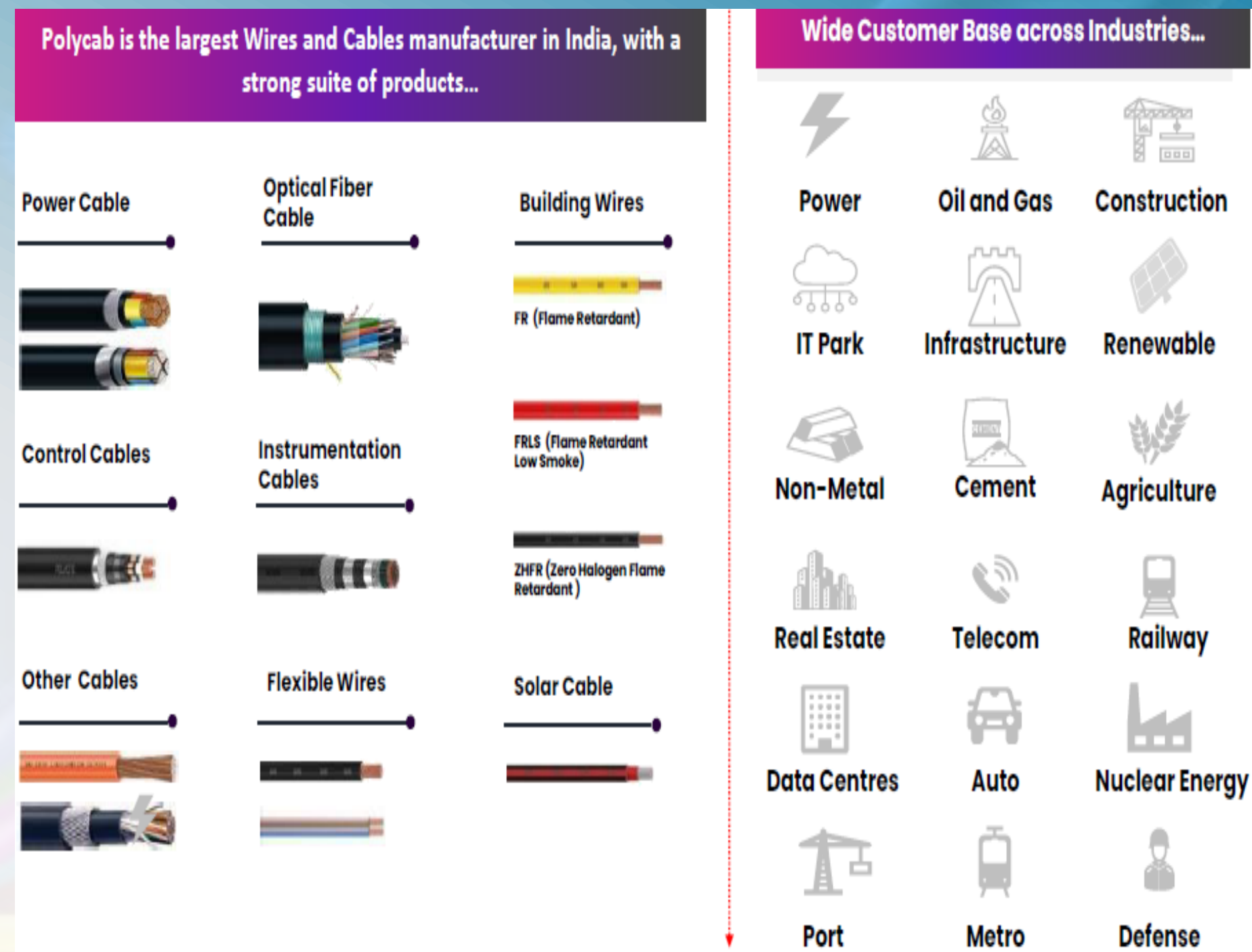


Expanding distribution reach.



Leader in Wires & Cables

-  Undisputed leader and a dominant player in the Wires & Cable segment.
-  ~25-26% market share in the organized market, much ahead of peers.
-  Will continue to grow steadily in the core business.
-  As per the GoI, approx. Rs. 11 lakh crores will be spent towards Infra, steel, and cement sectors, there are emerging industry opportunity i.e. Capex revival, infrastructure push and housing up cycle this will lead to improve demand for cables & Wires.





Source: Equentis Research & Company



FMEG- Next growth driver

 Forayed in FMEG business in 2014, and as 2024 it is ~7% of revenues.

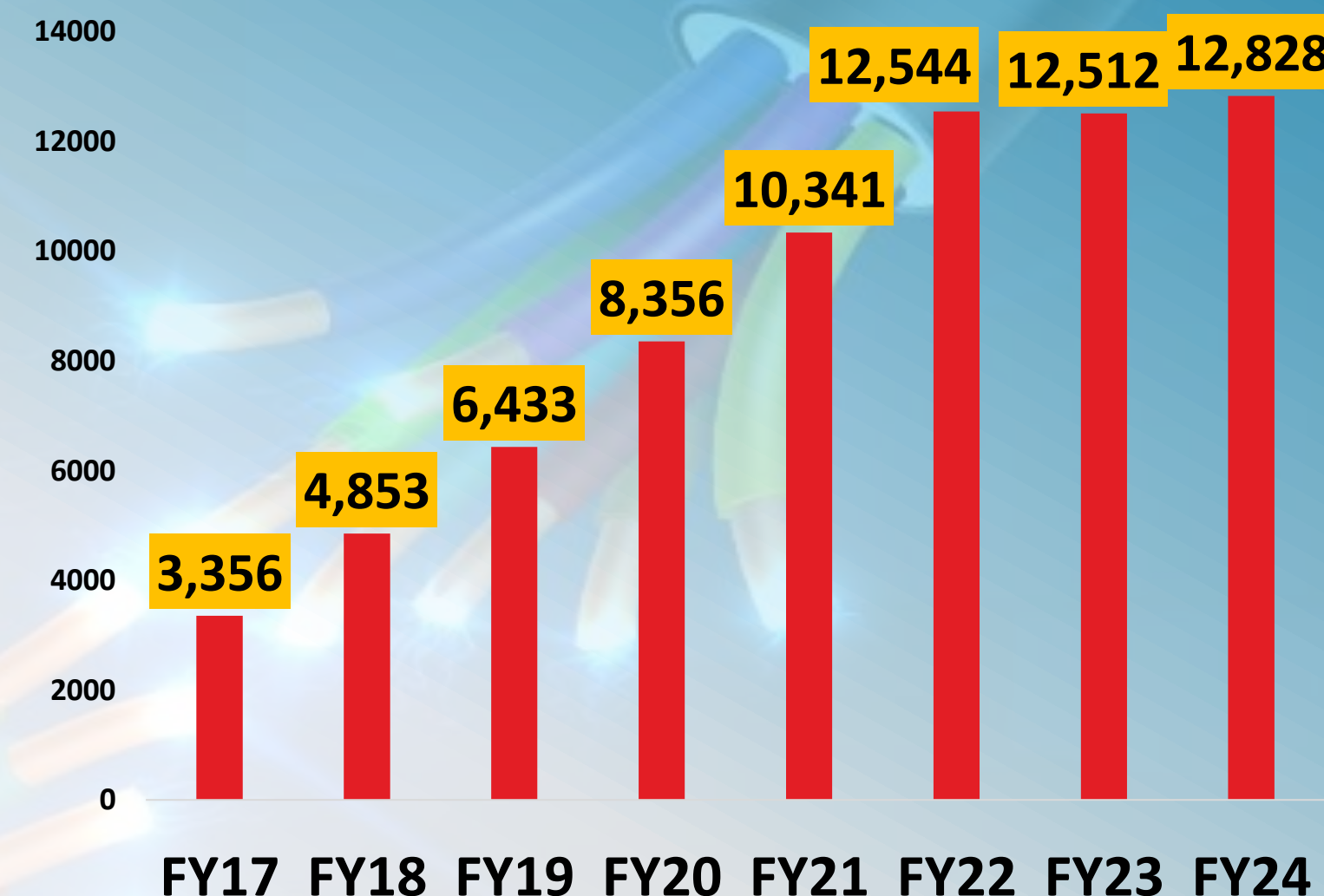
 Currently present in the following segments - Fans, Lighting Luminaires, IOT products, Switches, Switchgears, Water heaters, Pipes, Conduits, Agro pumps, Solar etc.

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

➤ It is leveraging the synergies with the core business of Cables & Wires.

➤ Polycab offers IoT enabled product under its brand Hohm automation.

FMEG Revenue Trend



Source: Company data



Hohm Automation- IoT based products are the Future

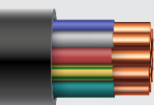
- IoT (Internet of Things) is going to be future.
- There is a huge opportunity in the automation space.
- Over the next few years, Comfort would be the priority.
- One of the early mover in IoT based Electronics
- Acquired a company known “Silvan Home Automation”, this will fuel growth to its IoT based products.

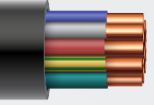



Source: Company data

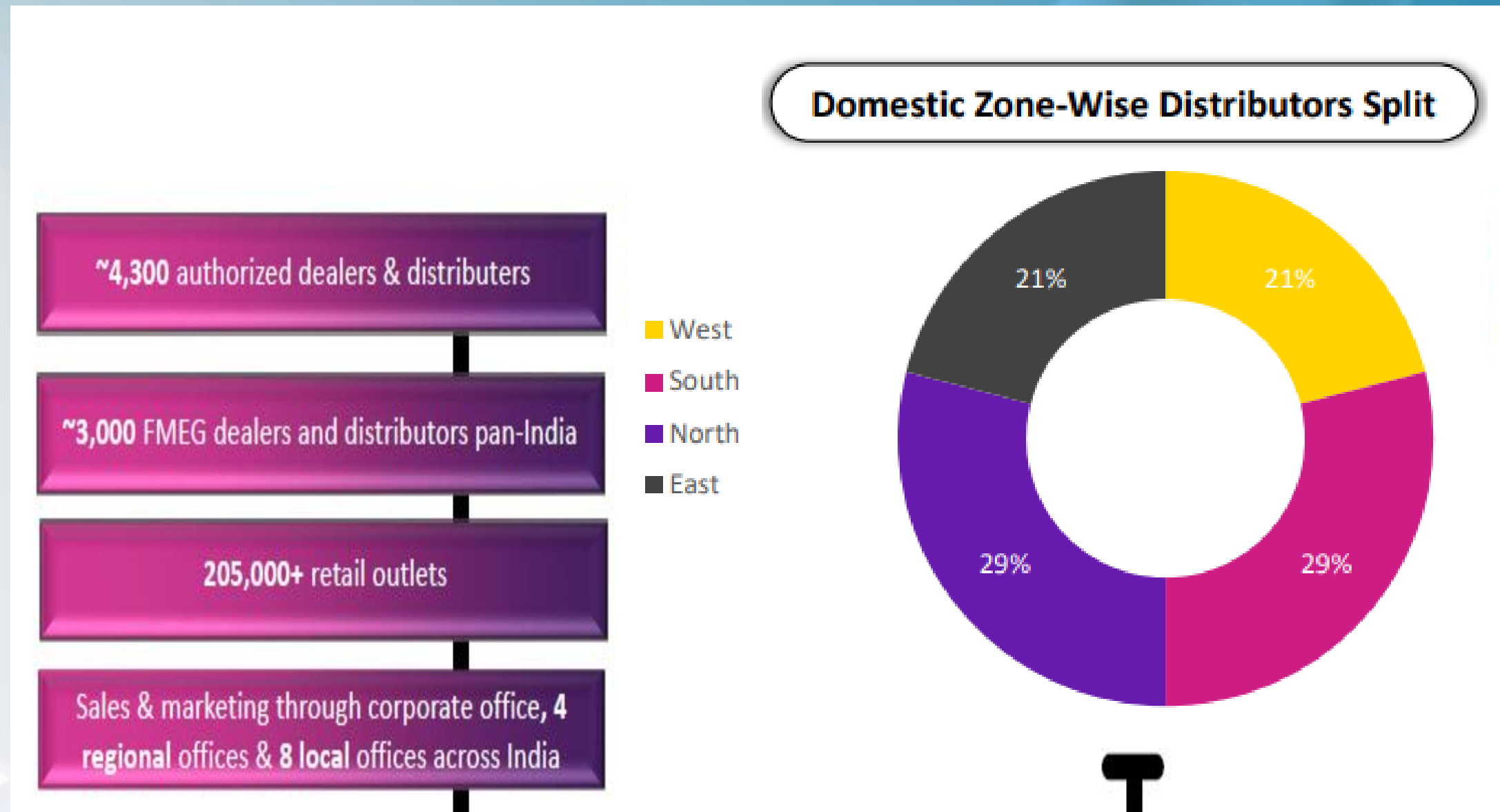


Expanding Distribution network

 Has strong manufacturing presence, with 25 manufacturing facilities across 7 locations and 52 warehouses in India.

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

 Polycab has also embarked on a multi-format retail approach - 'Polycab Galleria', 'Arena' and 'Shoppee'.



Source: Company, Equentis Research



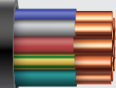
Industry Overview

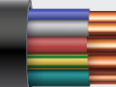


Organized players are positioned well



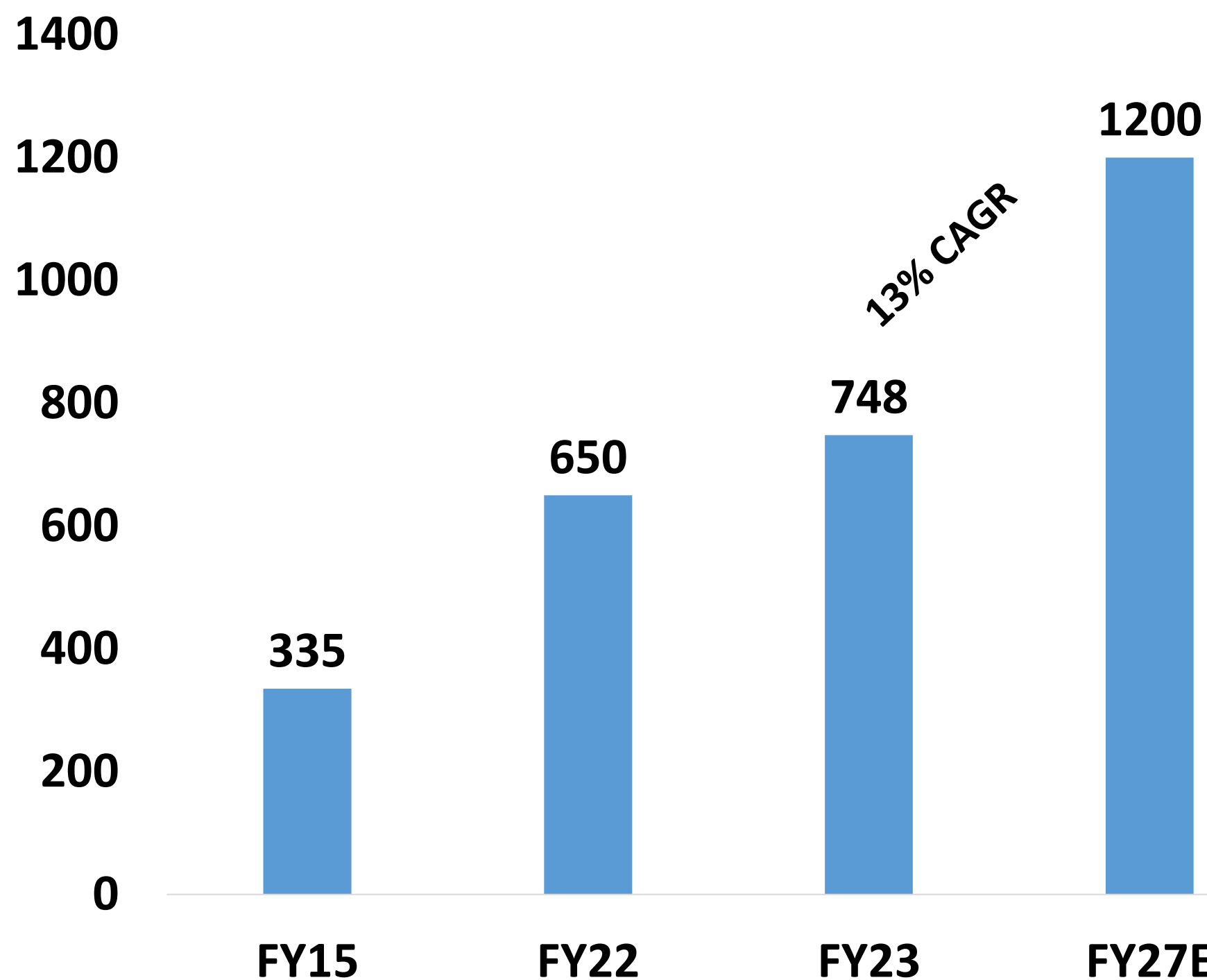
Industry Triggers- India

 The W&C industry expected to register ~13% CAGR by value over 2023-2027E.

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

 The Wire & Cable industry is expected to grow fastest in the Consumer electrical industry.

Wire & Cable segment to grow ~13%



Source: Technopak



Global Industry Overview

Global Cable & Wire Industry

Global Cable & Wire Industry projected to grow at ~7% to reach \$410 Bn by 2030

Key Demand Drivers

China + 1 Policy

- Global Companies looking to diversify their supply chain away from China
- Various countries have increased Tariffs and levied sanctions on China on a wide range of products including electrical equipments



Power and Electricity Trend

- Global Electricity consumption expected to double by 2050
- EU plans to invest \$633 Bn into electricity grid by 2030
- US GRIP program to invest \$10.5 Bn funds to support and expand of electric grids



Renewable Energy Project

- EU to invest \$ 1.6 Tn in power grid and renewable Energy projects by 2030
- EU Offshore Wind Energy capacity to grow from 12 GW to 300 GW by 2050
- African Renewable Energy Initiative to create 300 GW of renewable electricity for Africa



Data Centers and Digitization

- Global Data Center investments will be on a high growth trajectory due to AI adoption and demand for Cloud infrastructure
- Global spending on building of data centers is forecast to reach \$49 Bn by 2030



EV Adoption and Charging Infrastructure

- Battery and Hybrid EVs to make up 55% of total global vehicle sales by 2030
- Global Public charging points to exceed ~15 Mn by 2030 from current 4 Mn



Smart Cities and Residential Estate

- UN projects 68% of world population living in Urban Areas by 2050
- Saudi Arabia's Vision 2030 plan to lead an investment of \$ 1 trillion for real estate and infrastructure projects
- Global Smart Cities Market is expected to reach \$ 1.1 trillion by 2028



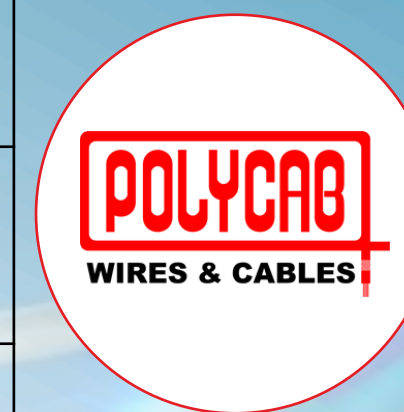
Source: Industry Reports; Company Estimates

Organized players are positioned well

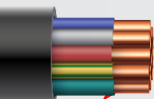
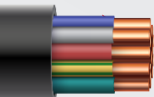
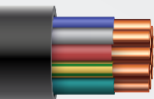



Peer Comparison

Peer Comparison –FY24							3 YR CAGR FY21-24	
Name	P/E	P/B	ROE%	ROCE %	Debt/Eq	EV/EBITDA	Sales	PAT
Polycab India	58	12	24.2%	32.7%	0.01	40	27%	26%
Finolex Cables	34	5	13.6%	12.8%	0.0	24	22%	12%
KEI Industries	65	12	20.3%	20.2%	0.1	42	25%	29%
Orient Elec	78	8	9.2%	8.6%	0.0	31	11%	N.A
Bajaj Elec	79	8	8.1%	10.0%	0.3	31	0%	NA
RR Kabel	65	11	21.0%	18.3%	0.1	37	34%	31%



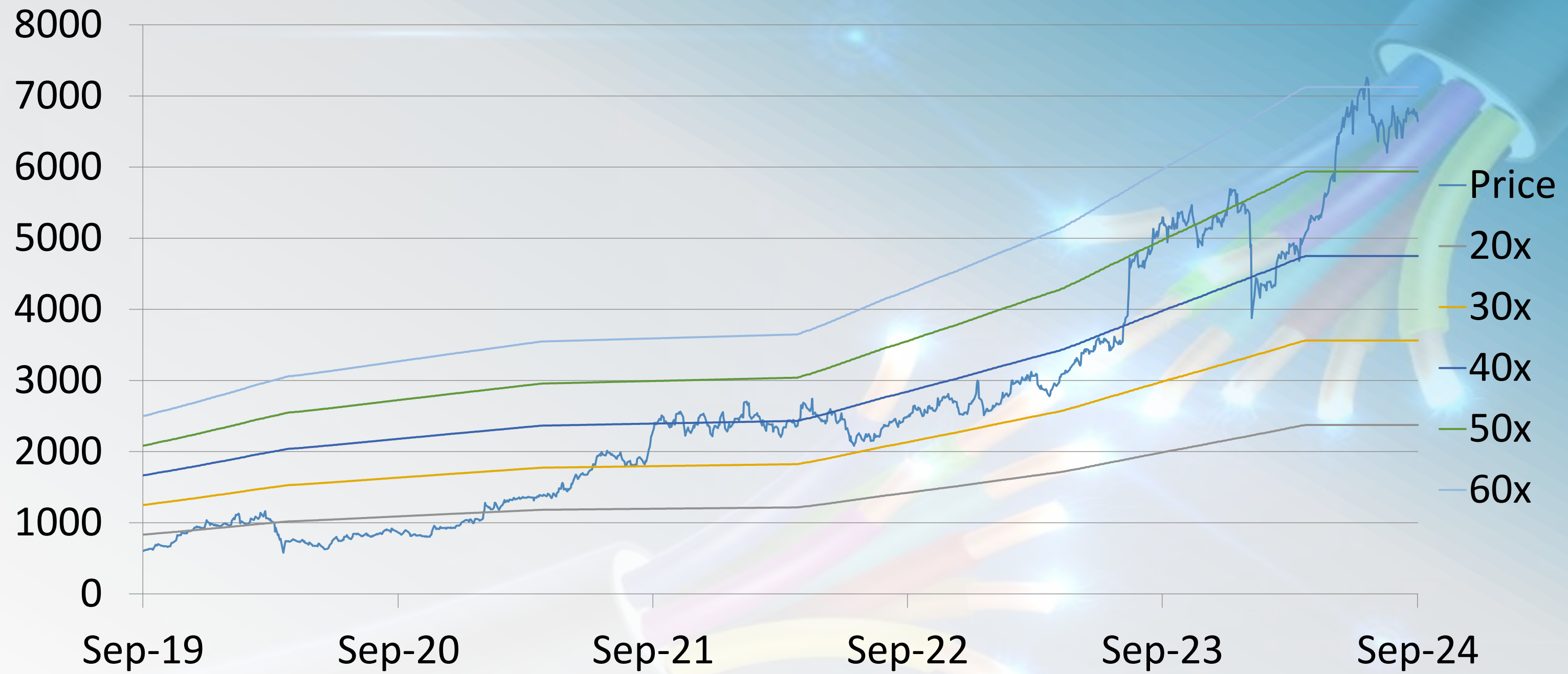
Conclusion

-  Dominant player in the Wire & cable industry.
-  Robust expansion in B2C FMEG category which enjoys high margin.
-  Focus on deepening penetration and expanding its distribution reach.
-  A perfect play on the growth story of consumer electrical in India.





PE Band - Polycab India Ltd.

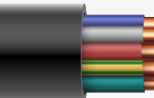


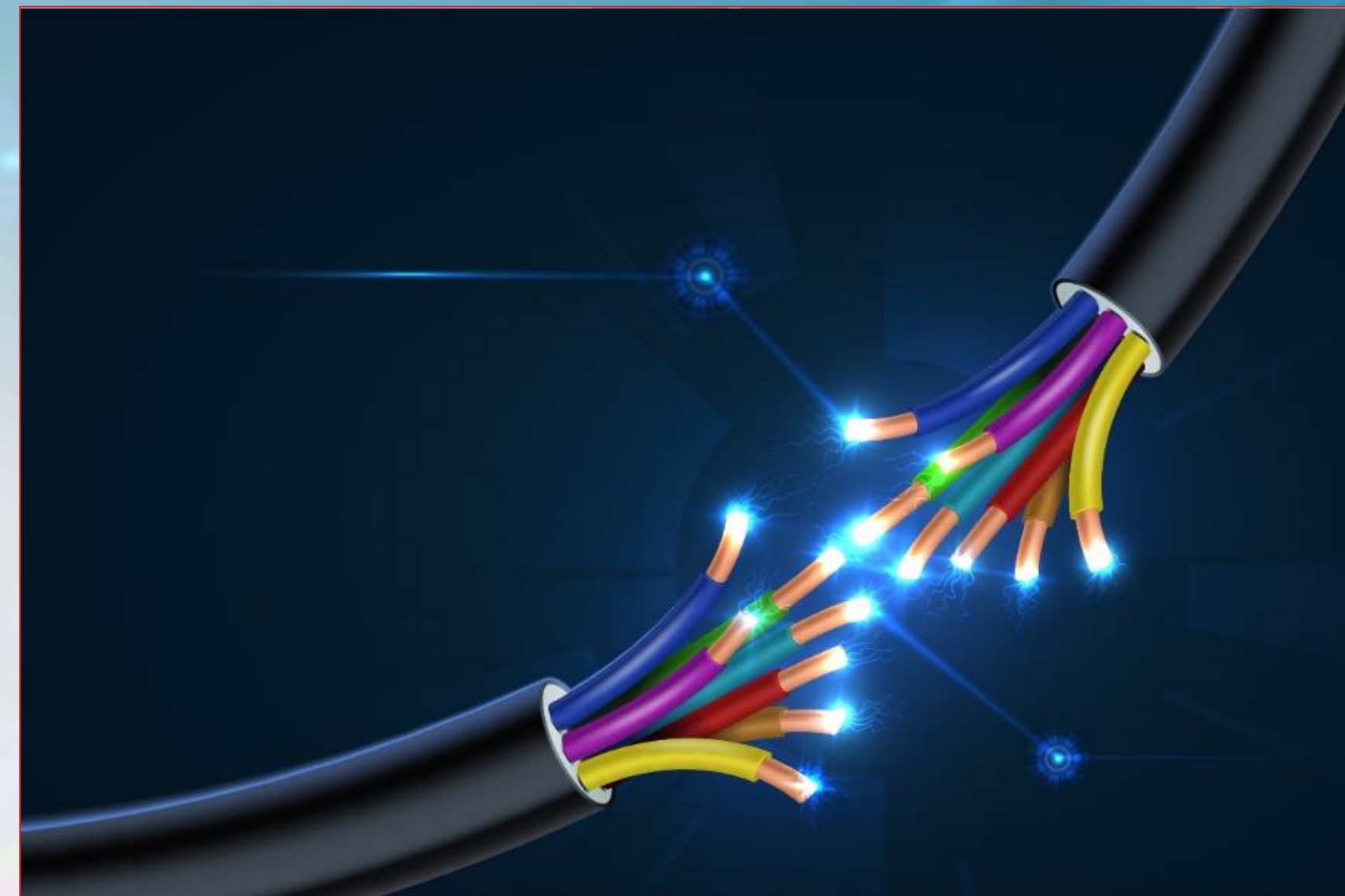
Key Monitorable

 Steep increase in RM prices and its inefficiency to pass on the same.

 Lower than expected growth in FMEG segment.

 Slowdown in Real Estate & Construction activities.

 Any adverse outcome of the IT raids conducted in the past might have a one-time impact on profits.





Financials

Profit & Loss (Rs. In mn)	FY-20	FY-21	FY-22	FY-23	FY-24	3Yr CAGR (FY21-24)
Net Sales	88,300	87,922	1,22,037	1,41,078	1,80,394	27%
YoY	10.6%	-0.4%	38.8%	15.6%	27.9%	
EBITDA	11,350	11,111	12,652	18,521	24,918	31%
EBITDA Margins (%)	12.9%	12.6%	10.4%	13.1%	13.8%	
Adjusted PAT	7,730	8,859	9,173	12,708	17,840	26%
PAT Margins (%)	8.8%	10.1%	7.5%	9.0%	9.9%	
Adjusted EPS	51.0	59.4	61.3	84.6	118.7	26%
Cash Flow (Rs. In mn)	FY-20	FY-21	FY-22	FY-23	FY-24	
Cash Flow from Operation	2,446	8,944	10,129	3,797	11,865	
Free Cash Flow	-455	7,034	5,914	-2,239	7,475	
Key Ratios	FY-20	FY-21	FY-22	FY-23	FY-24	3Yr Avg. (FY21-24)
Debt to Equity (x)	0.04	0.03	0.02	0.01	0.01	0.01
ROCE (%)	30.5%	23.8%	21.8%	28.6%	32.7%	27.7%
ROE (%)	19.8%	18.6%	16.5%	21.0%	24.2%	20.6%

**Thank
You**

Equentis Wealth Advisory Services Limited (EWASL) is registered as an Investment Adviser with Securities and Exchange Board of India (SEBI).

“Research & Ranking” is the brand under which the Research Division of EWASL render’s its Investment Advisory Services.

General Disclaimers: This Research Report (hereinafter called ‘Report’) is prepared and distributed by EWASL for information purposes only. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives, or any other security through EWASL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security(ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by EWASL to be reliable. EWASL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of EWASL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report.

Risks: Trading and investment in securities market are subject to market risks. Read all the related documents carefully before investing. There are no assurances or guarantees that the objectives of any of trading / investment in securities will be achieved. The trades/ investments referred to herein may not be suitable to all categories of traders/investors. The names of securities mentioned herein do not in any manner indicate their prospects or returns. The value of securities referred to herein may be adversely affected by the performance or otherwise of the respective issuer companies, changes in the market conditions, micro and macro factors and forces affecting capital markets like interest rate risk, credit risk, liquidity risk and reinvestment risk. Derivative products may also be affected by various risks including but not limited to counter party risk, market risk, valuation risk, liquidity risk and other risks. Besides the price of the underlying asset, volatility, tenor and interest rates may affect the pricing of derivatives.

Disclaimers in respect of jurisdiction: The possession, circulation and/or distribution of this Report may be restricted or regulated in certain jurisdictions by appropriate laws. No action has been or will be taken by EWASL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. EWASL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to EWASL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in Mumbai (India).

Disciplinary History: Nil

Details of Business Activity: Equentis carries out the functions of an investment advisor like, curating a plan that is personalized to meet the financial goals of an investor based on his/her risk appetite, and strategizing investments by managing and minimizing risk and building wealth in the long term.

Terms and Conditions on which Research Report is offered: The present research Report is offered to the client/s of Equentis upon successful subscription of any of the Investment Advisory Products offered by the Equentis.

Details of Associates:

Super Smart Magic Productions LLP (by virtue of Common Directorship/Partnership/shareholding) - LLPIN - ABB-5786,

Research and Ranking.com Services Private Limited (by virtue of Common Directorship/shareholding) - CIN - U74900MH2016PTC284686

Disclosure of Interest: The Research Analyst(s) who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the securities and their respective issuers. None of EWASL, Research Analyst(s), or their relatives had any known direct /indirect material conflict of interest including any long/short position(s) in any specific security on which views/opinions have been made in this Report, during its preparation.

Equentis either itself or through its associate entities does not have/hold any financial interest, either directly or indirectly in the subject company. Equentis either itself or through its associate entities does not have/hold actual/beneficial ownership of 1% or more securities at the end of the month immediately preceding the date of publication of research report, either directly or indirectly in the subject company. Equentis or its associate entities does not have any other material conflict of interest at the time of publication of the research report and have not received any compensation from the subject company in any form either directly or indirectly in past twelve months (from the date of publication of the Research Report). It is further declared that Equentis or its associates have not managed or co-managed public offering of securities for the subject company in any form either directly or indirectly in past twelve months (from the date of publication of the Research Report).

It is further declared that Equentis or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in any form either directly or indirectly in past twelve months (from the date of publication of the Research Report). It is further declared that Equentis or its associates have not received any compensation or other benefits from the subject Company or third party in connection with this research report. It is further declared that the subject company is not and was not a client of Equentis during the twelve months preceding the publication of research report. Employees or Directors of Equentis have not served as an officer, director or employee of the subject company. Equentis or its employee has not been engaged in market making activity for the subject company.

Copyright: The copyright in this Report belongs exclusively to EWASL. This Report shall only be read by those persons to whom it has been delivered. No reprinting, reproduction, copying, distribution of this Report in any manner whatsoever, in whole or in part, is permitted without the prior express written consent of EWASL.

EWASL's activities were never suspended by SEBI or any other authority. Further, there does not exist any material adverse order/judgments/strictures assessed by any regulatory, government or public authority or agency or any law enforcing agency in last three years. Further, there does not exist any material enquiry of whatsoever nature instituted or pending against EWASL as on the date of this Report.

Important: This Research report is prepared by our “Research & Investment Advisors Department”. These disclaimers, risks and other disclosures must be read in conjunction with the information / opinions / views of which they form part of.

DISCLOSURES

Equentis Wealth Advisory Services Limited

Investment Advisor

Registered Office: Marathon Futurex, A-603 6th Floor, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel East, Mumbai 400013

Corporate Identification Number (CIN) - U74999MH2015PLC262812

Email: support@researchandraking.com | **Telephone:** +91 22 61013800

SEBI Registration No.: INA000003874 | Type of Registration – Non-Individual | Validity: Perpetual | Membership Number of BASL - 1816

Principal Officer: Mr. Manish Goel | Email: po@equentis.com, +91 22 61013800

Compliance Officer: Mr. Rakesh Gupta, Email: compliance@equentis.com +91 22 61013800

Grievance Officer: Ms. Nishi Mehta, Email: grievance@researchandraking.com, +91 22 61013800

SEBI Office Details: SEBI Bhavan BKC, Plot No.C4-A, 'G' Block Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra | Tel: +91-22-26449000 / 40459000

SEBI SCORES: <https://scores.gov.in/scores/Welcome.html> | **SMARTODR:** <https://smartodr.in/login>

Disclaimers:

1. “Research & Ranking” is the brand under which Equentis Wealth Advisory Service Limited renders its Investment Advisory Services.
2. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
3. The information is only for consumption by the intended recipient and such material should not be redistributed.
4. Registration granted by SEBI, membership of BASL and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
