

Corporate Presentation

24 October 2020

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Company Overview



Polycab: A Snapshot

#1 Manufacturer in India

Market leader in Wires and Cables¹

12 - 13% Overall Market Share²



PAN India Network



3,650+ Dealers & Distributors

1,37,000+ Retail Outlets

Fast Growing FMEG Brand



5-year CAGR at ~47%

Manufacturing Footprint



25 Facilities, 7 locations

Strong backward integration

Strong Management Bandwidth



Blend of Entrepreneurial and highly experienced professional management

Proven Track Record

5 year CAGR

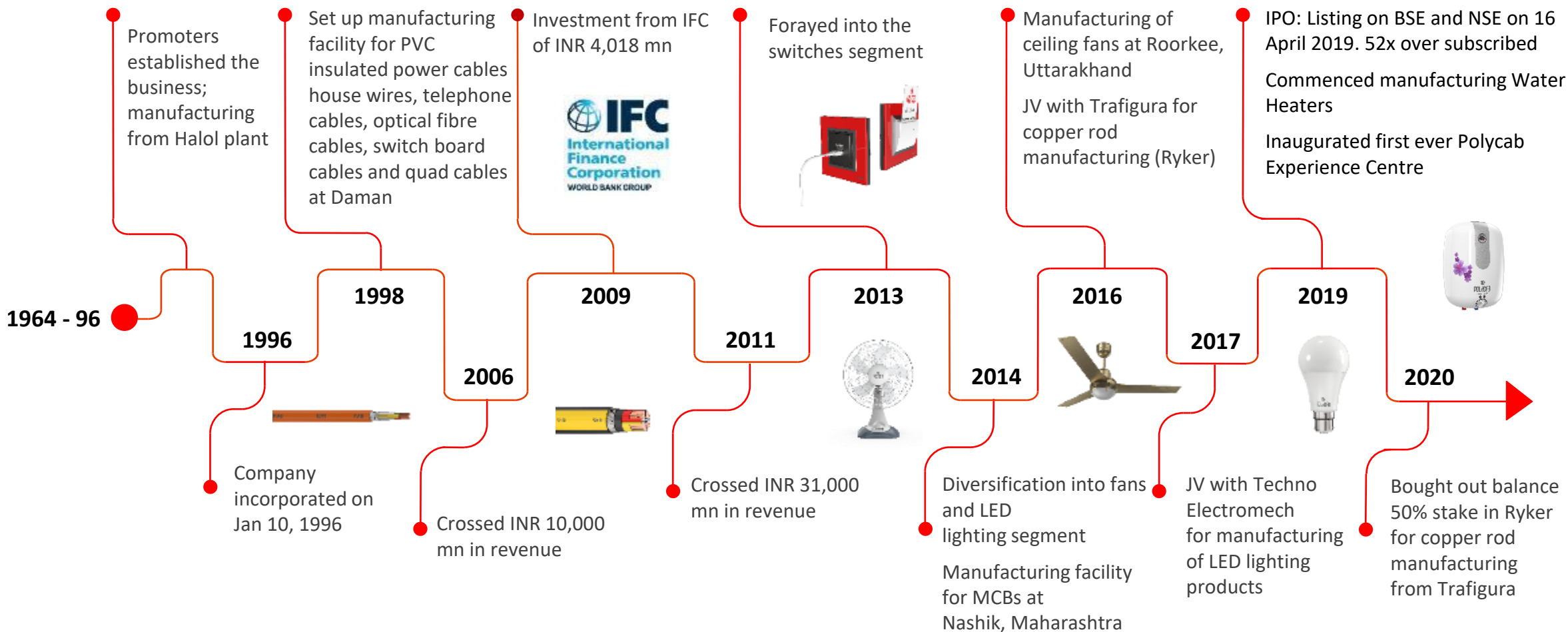
Revenue 13%

EBITDA⁴ 21%, PAT⁵ 37%



Note: FMEG: Fast Moving Electrical Goods; (1) In India, In terms of segment revenue; (2) As of March 31, 2020; (3) EBITDA - Earnings before Interest, Tax, Depreciation & Amortization excludes other Income; (4) PAT – Profit after tax

Our Journey



Our Segments: An Overview

% of Total Revenue

85%
Wires & Cables



**FY 20 Total Revenue
88,300 Mn**

9%
**Fast Moving
Electrical Goods**

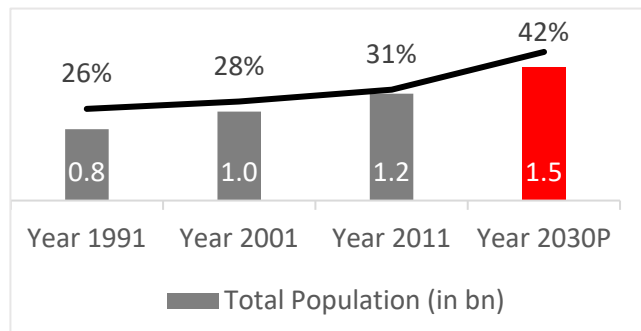


6%
Other (incl. EPC)

Notes: Consolidated Revenue in INR Mn

Increase in Consumer Spending, Infrastructure Growth and Industrial Investments to Drive Electricals Industry

Consumer Spend



- **Metropolitan cities** in India to increase from 46 in 2011 to **68 in 2030¹**
- **Working-age population** to grow **~1.2x times** in the period 2015-2030
- Increasing **propensity to Spend**, demand for **improved products** and preference of **Indian brands**
- **Per Capita Income CAGR of c.10%** over last 5 years
- **Developed Rural, Urbanization and Nuclearization of families**

Infrastructure Development

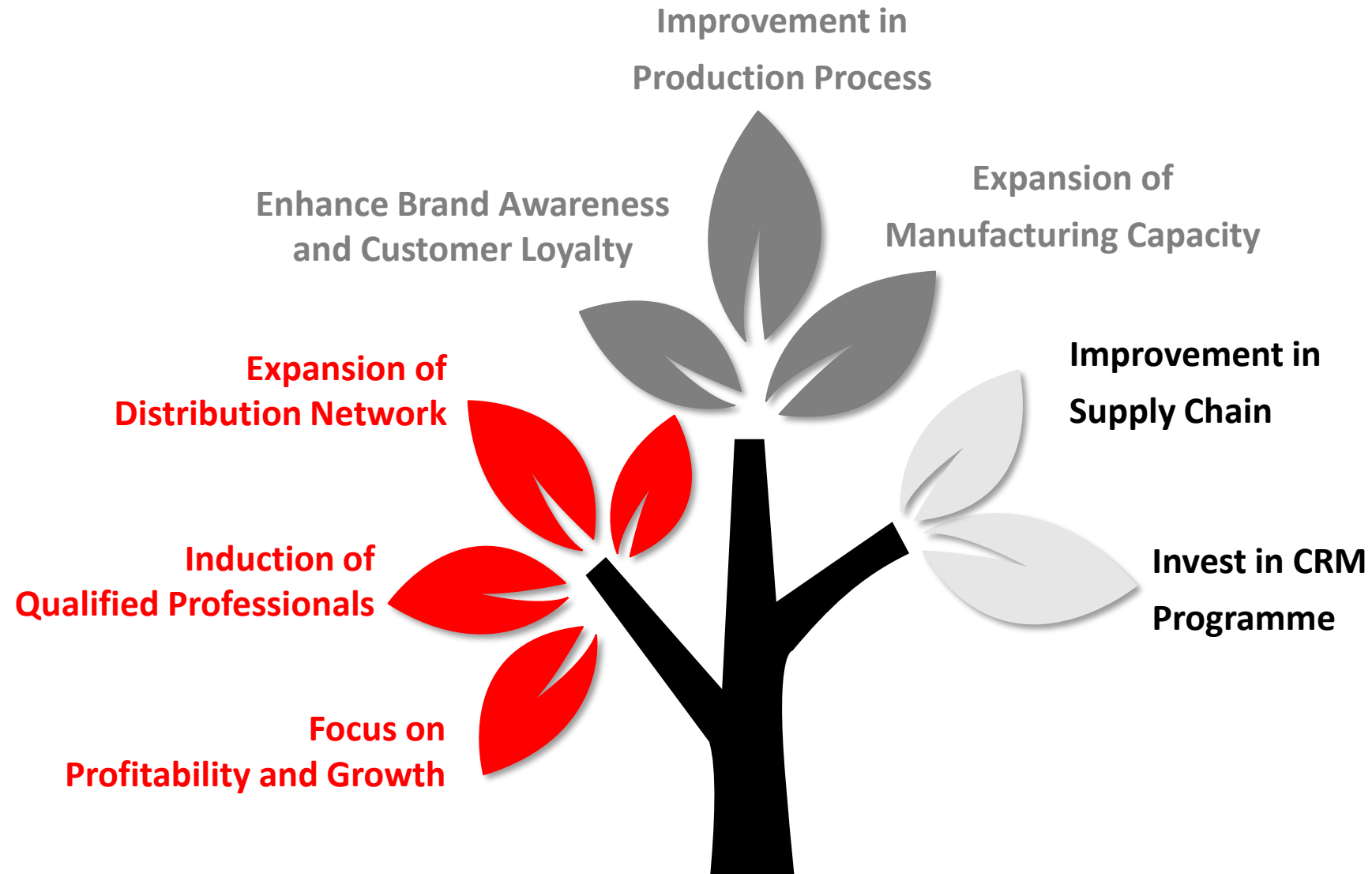
- Government announced expenditure of **~ INR 111 lakh crore** in infrastructure sector over **next 5 years, as a part of National Infrastructure Pipeline (NIP)**,
 - Energy, railways, urban and infrastructure to comprise **~72%** of the expenditure
- Total Energy capacity expected to be **583 GW by 2025** from current 356 GW
- **Housing for All by 2022** targeting 31mn households in the urban and rural areas – PMAY
- **100% electrification** of existing railway network, mass **rapid transit system** and availability of **public charging infrastructure**
- **100% population** coverage for telecom and high-quality broadband services and **laying optical fiber cables** across the nation under **Bharat Net project**

Industrial Growth

- **Indian Electrical Equipment Industry** plans to make India the “country of choice” for production of electrical equipment
- **Indigenous** manufacturing, self reliant India
- **Cut in corporate tax rate** to promote growth and investments
- Reforms and initiatives under **Aatmanirbhar Bharat Abhiyaan** to support Indian economy:
 - MSME funding, MGNREGS allocation, Agriculture reforms to boost income
 - Liquidity Injection to revive DISCOMs and overall economy. Power Tariff reforms
 - No foreign participation in < Rs 200cr Government tenders, Defence import ban.
 - Affordable housing push through Credit Linked Subsidy Scheme. Industrial infrastructure upgrade scheme

Sources: 1. National Infrastructure Pipeline Task Force Report 2020, 2. Pradhan Mantri Awas Yojana (Urban) Mission, 3. Announcements by Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman

Key Management Initiatives to create value



Leadership in Wires and Cables

Market leader in Wires & Cables with a diverse portfolio

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

Power Cable



Control Cables



Other Cables



Optical Fiber Cable



Instrumentation Cables



Flexible Wires



Building Wires



FR (Flame Retardant)



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

Polycab's dominant position in Wires and Cables industry to capture attractive market size

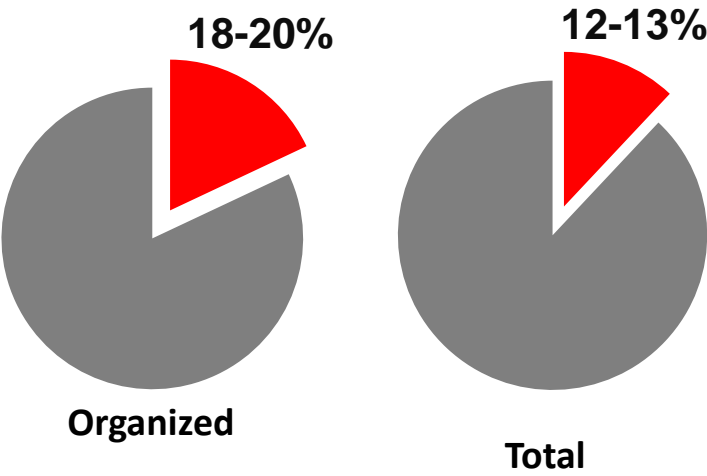
**Wires and Cables industry
In FY20¹:**

~ 500 – 550bn
Market Size

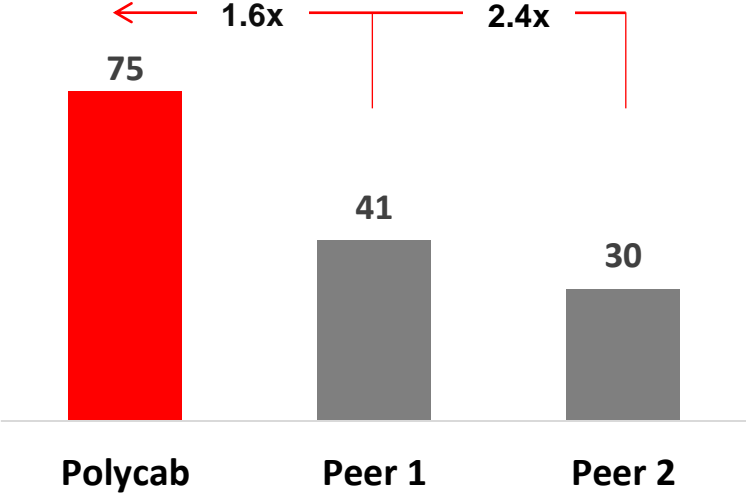
40–45% of the electrical
equipment industry

Polycab 5-year C&W Revenue CAGR: ~11%

Market Share in FY20⁽¹⁾



FY20 Wires and Cables Revenue



The Polycab Advantage

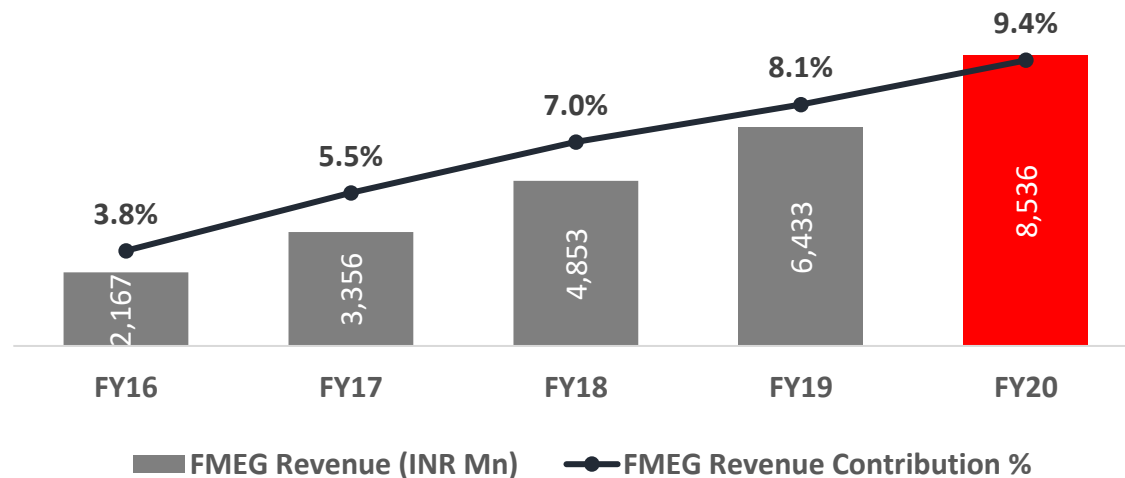


Note: (1) Industry estimates, Polycab estimates; (2) Revenue in INR billion; No adjustment for Inter segment revenue

Fast growing FMEG Business

FMEG : Expanding presence in 'Electricals' ecosystem

FMEG continues to become a sizeable part of the business - growing at 47% CAGR in past 5 years



Forayed in FY14 ...

- Diversified portfolio with focus on the upcoming industry trends
- Inhouse Manufacturing
- Pan India Distribution
- Present in Fans, Lighting Luminaires, Switches, Switchgears, Water heaters, Pipes, Conduits, Agro pumps, Solar etc.

... leveraging synergies

- Common raw materials - higher negotiating power
- Manufacturing know how
- Strong brand goodwill in electricals space
- Economies of scale - Cost-savings in transportation & distribution
- Cross-sell opportunities to a larger customer base

High Growth Opportunity in the Indian FMEG Industry

Macro drivers include evolving consumer aspirations, increasing awareness, rising income, rural electrification, urbanisation, digital connectivity

Fans



93Bn

- Preference for **energy efficient fans**
- **Value added products**
- Increasing demand for **premium and smart fans** with aesthetic appeal

Switches



46Bn

- Customer preferences towards **modular switches**
- Demand for **safe and secure switches**
- Greater awareness towards **building automation and management**

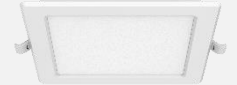
Switchgear



210Bn

- **LV to outgrow MV / HV** segment
- **Modular devices and safe products** gaining preference
- Rising demand for various **electrical appliances**

Lighting



223Bn

- Considerable **shift towards LED segment**
- Government efforts and consumer awareness towards **energy efficient technology**
- **Emerging technology trends** like Smart LED's

Notes: Industry estimates, Polycab estimates; Figures in INR

Polycab Experience Centres: Expanding in 'Electricals' ecosystem

- Strategic showcase enabling consumers and trade constituents to experience and choose from a wide range of quality products
- At iconic electric markets hub which is also an important feeder market to western and southern India
- Deepens connect with direct customers in the FMEG market as well as retailers from upcountry
- Aiming to expand such experimental stores across key cities
- Currently in Mumbai, Pune, Trivandrum and Visakhapatnam

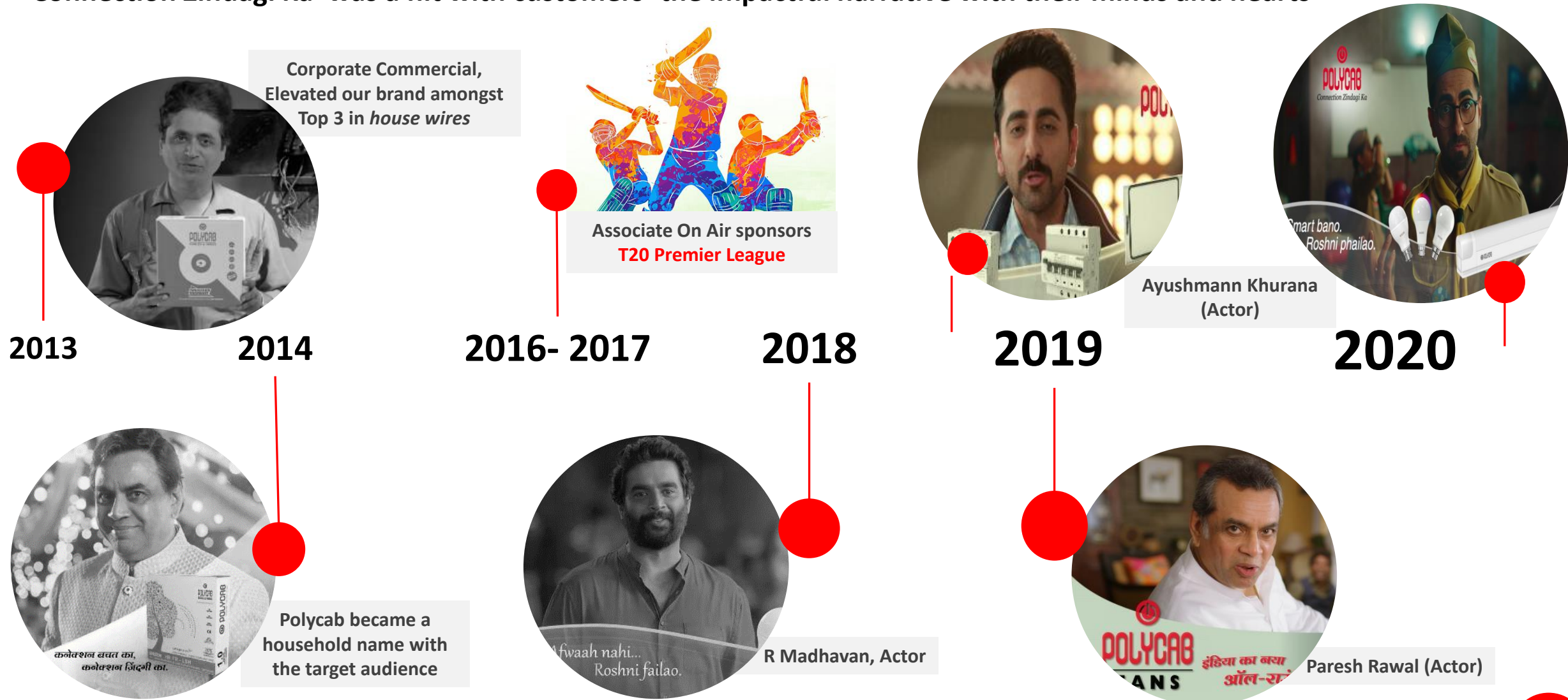


Strengthening Brand Recognition

Strong Brand Recognition in the Electricals Industry..

From B2B to B2C Our Brand Journey

‘Connection Zindagi Ka’ was a hit with customers- the impactful narrative with their minds and hearts



... and strengthening it further using multi pronged approach



Advertising and Sales Promotion Expenditure (INR mn)

As % of Sales

0.4%

163

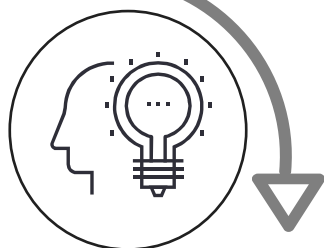
FY14

1.2%

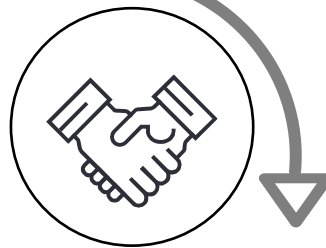
1,087

FY20

Multi pronged approach
to increase brand
awareness



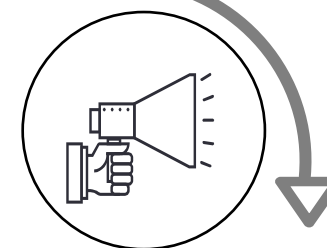
Actively engage Dealers
and Distributors



Loyalty Points via Bandhan
Star App



Increased Advertising on
Social Media and Sales
Promotion



Pan India distribution network to support diverse customer base and product categories



By Product



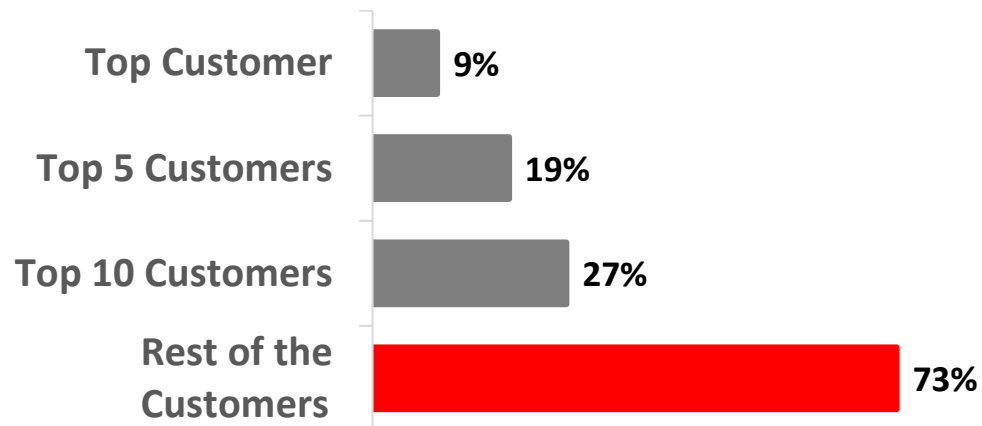
By Geography



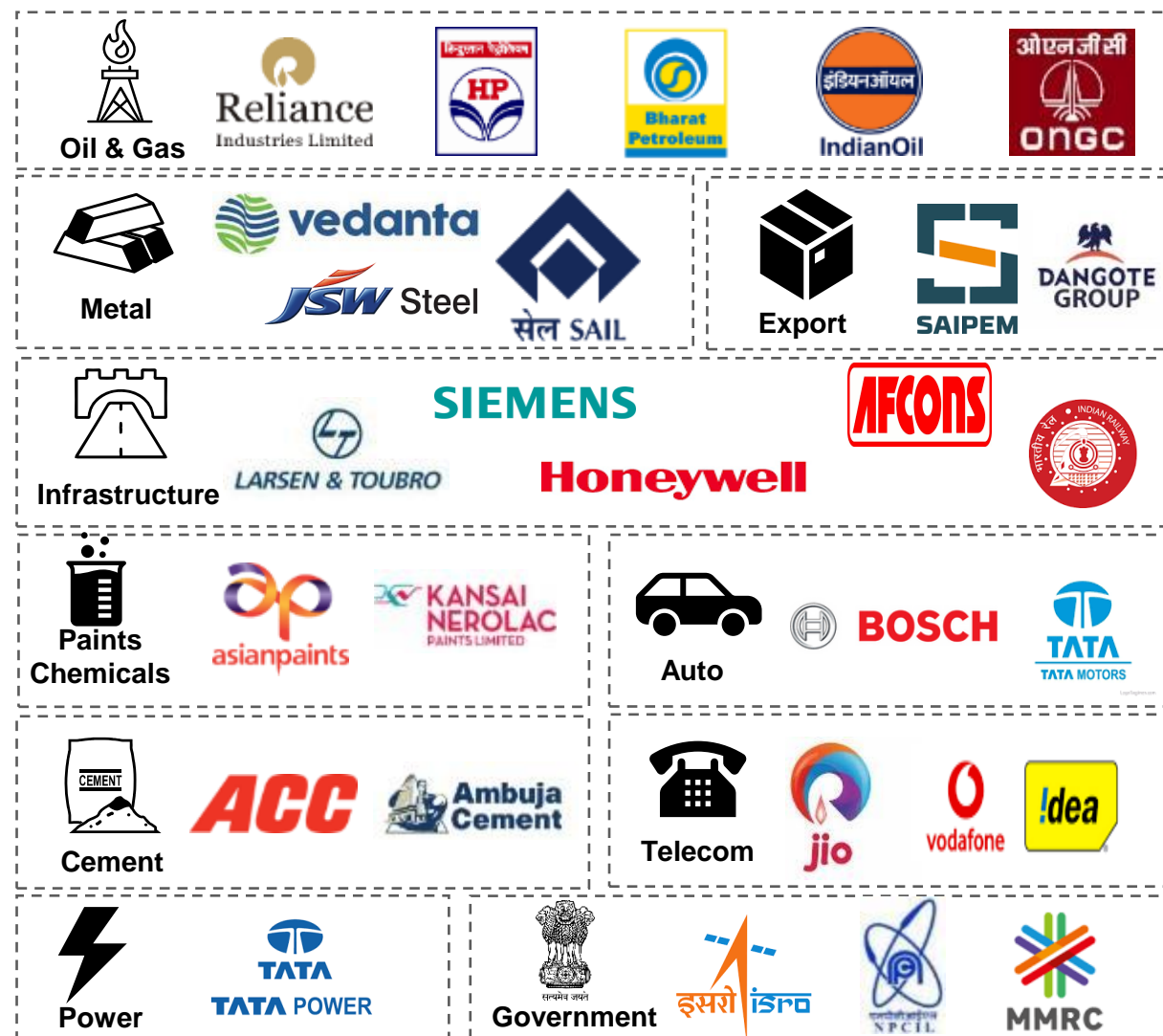
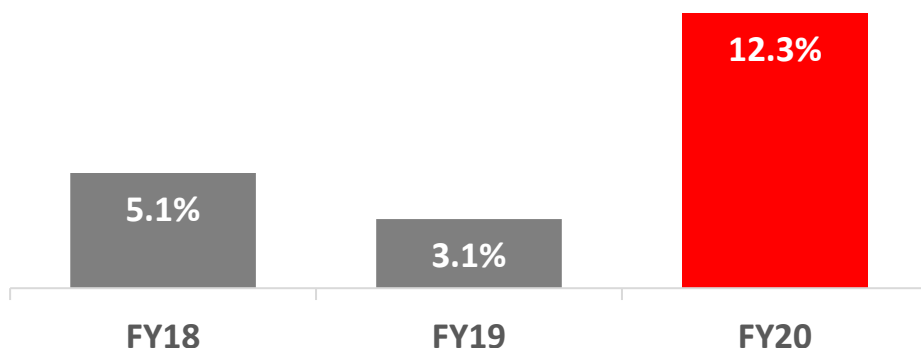
Notes: The above charts represents split of authorised dealers and distributors

Catering to marquee customers

Total Revenue Contribution in FY20

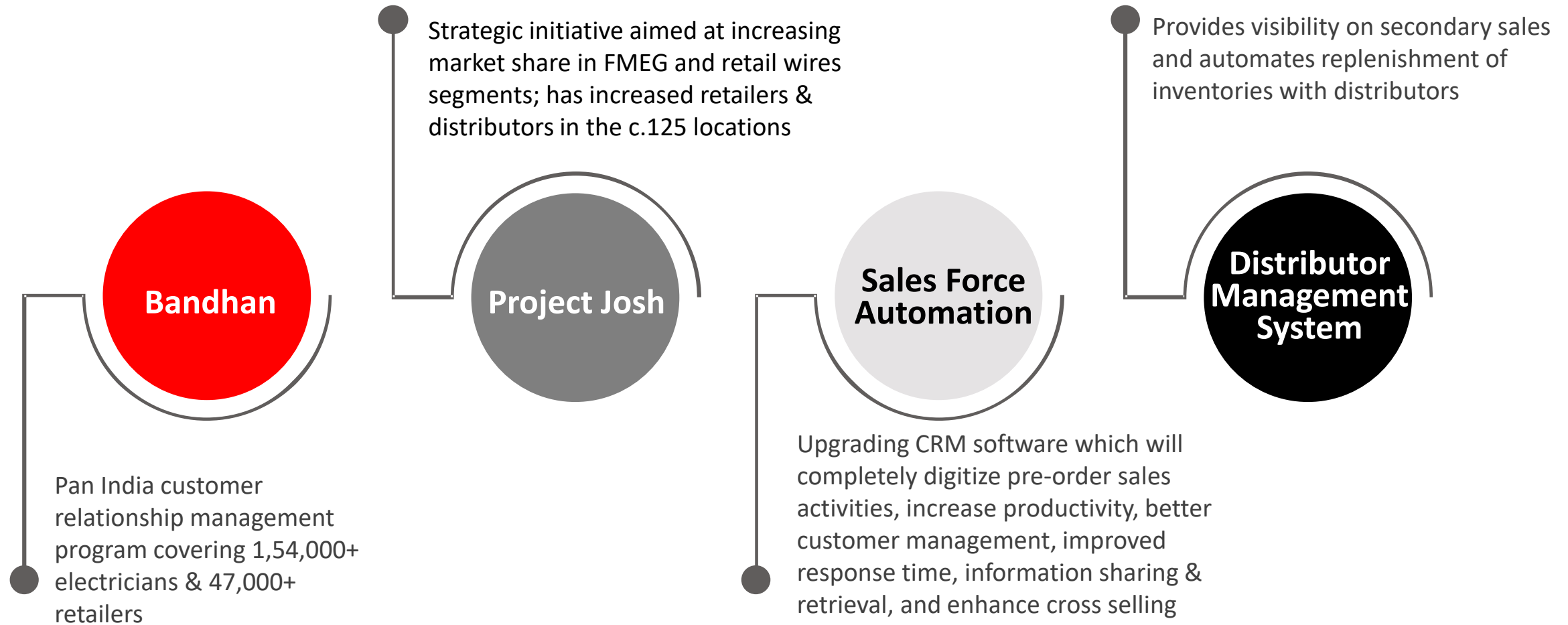


Revenue from outside India (% of total revenue)



Note: Companies served in past and present, directly or indirectly through authorised dealer/ distributors

Strategic initiatives to drive sustainable growth over long term



**Strong Manufacturing
& R&D capabilities**

Inhouse Manufacturing with a high degree of backward integration and Automation...

Multi-location manufacturing (Products¹; Annual capacity)



Halol



Fan Manufacturing Unit



Braiding Machines



Cable CCV Line

1. Figures are absolute numbers where no units are indicated as of 31st March, 2020;

...Strong R&D and innovation capabilities with quality assurance

Investments in in-house R&D capabilities with strong focus on backward integration...

- NABL ISO 17025 certified R&D centre to support own manufacturing
- Over 100 engineers and technicians
- Centre of excellence for R&D on polymers
- Bought out Ryker further strengthening backward integration of operations and improve quality of its key input i.e. Copper
- Ryker Plant copper analysis center for both incoming and out -going raw materials
- Existing facilities for key raw materials with continuously improving R&D capabilities to capitalize on industry trends
- Environmentally friendly power cables, rubber (elastomeric) cables and electron-beam irradiated cables



Green Wire

Our ecological initiative

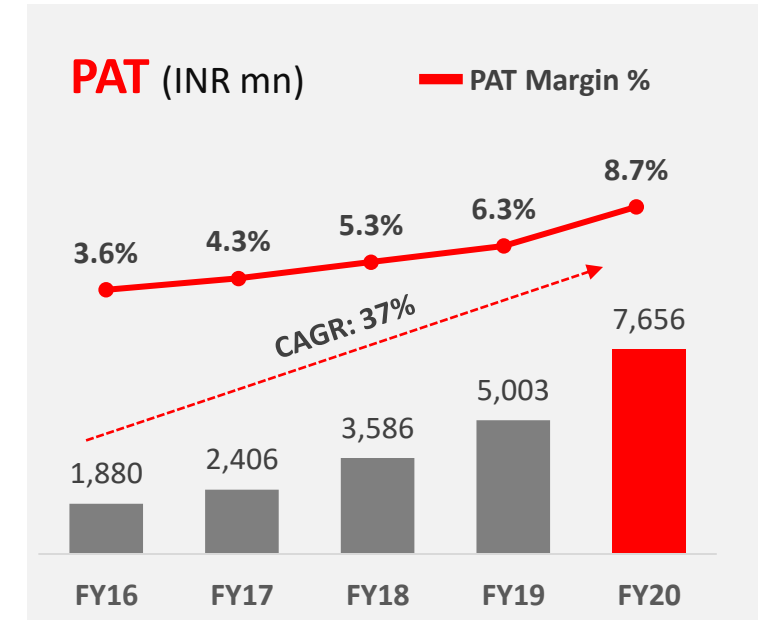
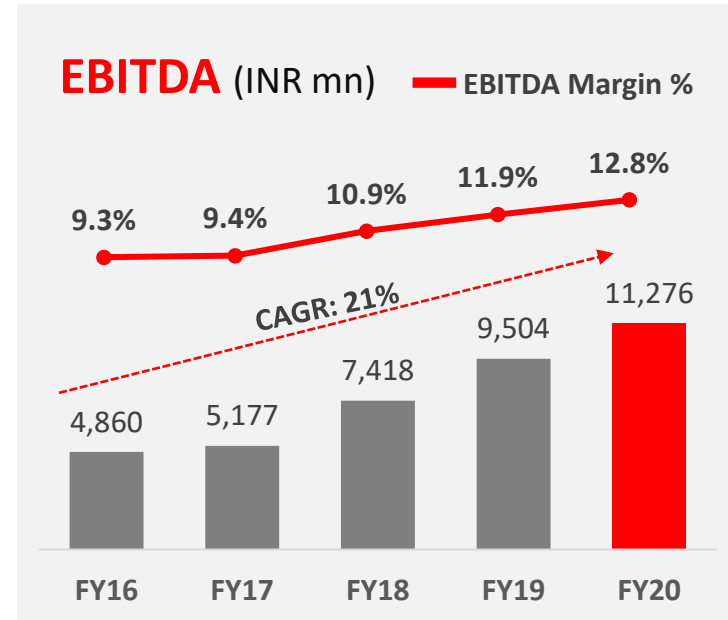
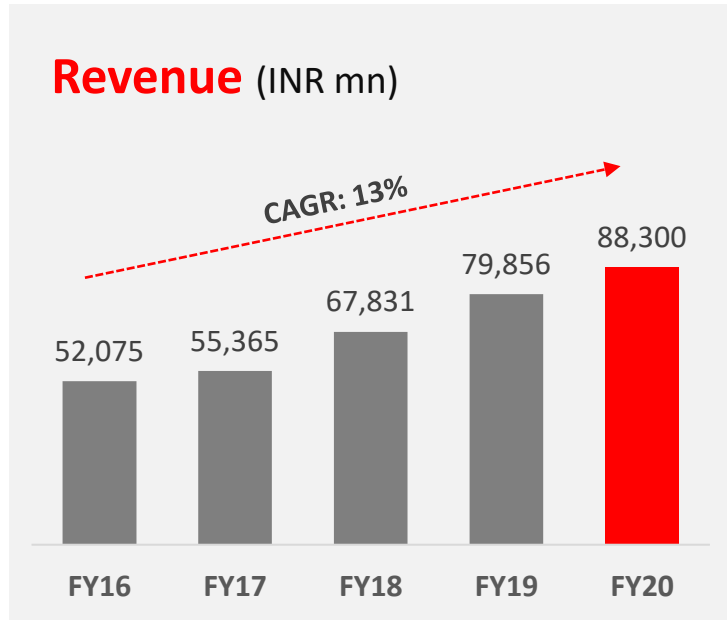
Launched Green Wire in 2017 an energy efficient and environment-friendly product that contributes to India's 'Go Green' mission

Supported by quality & reliability initiatives...



Robust Financials

Proven track record of financial performance

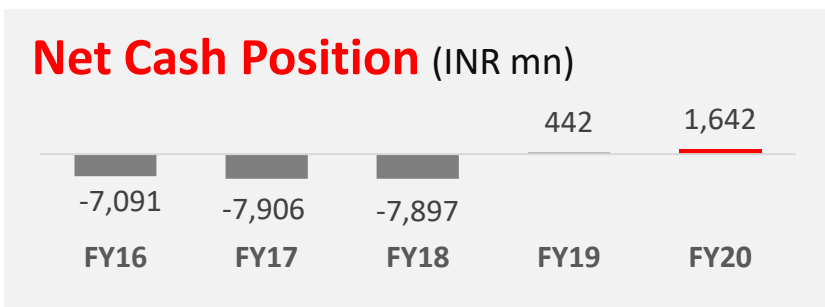
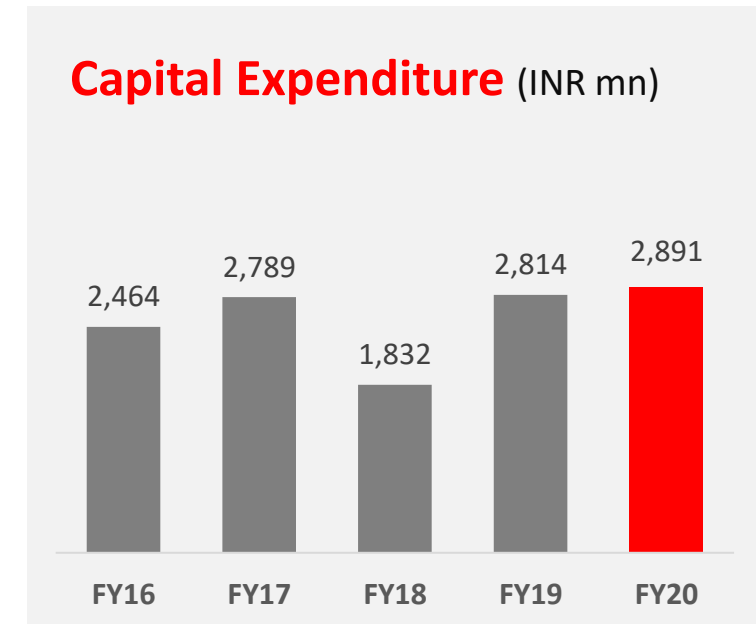
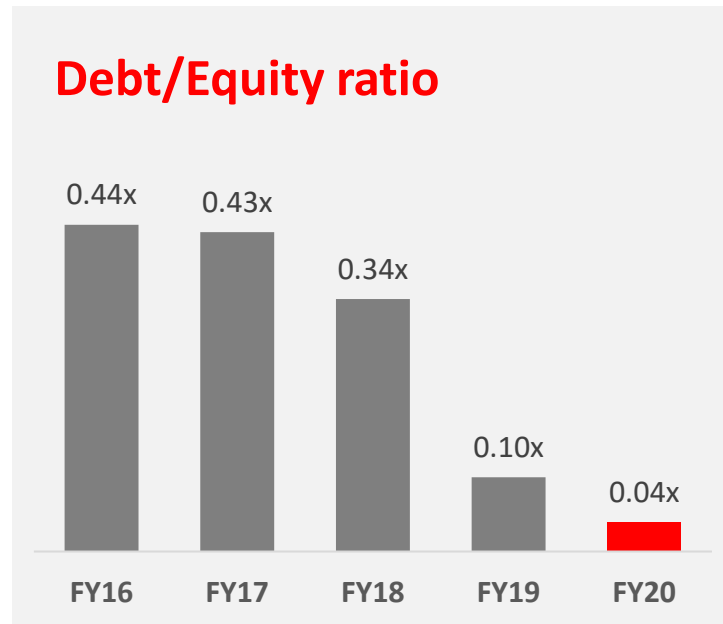
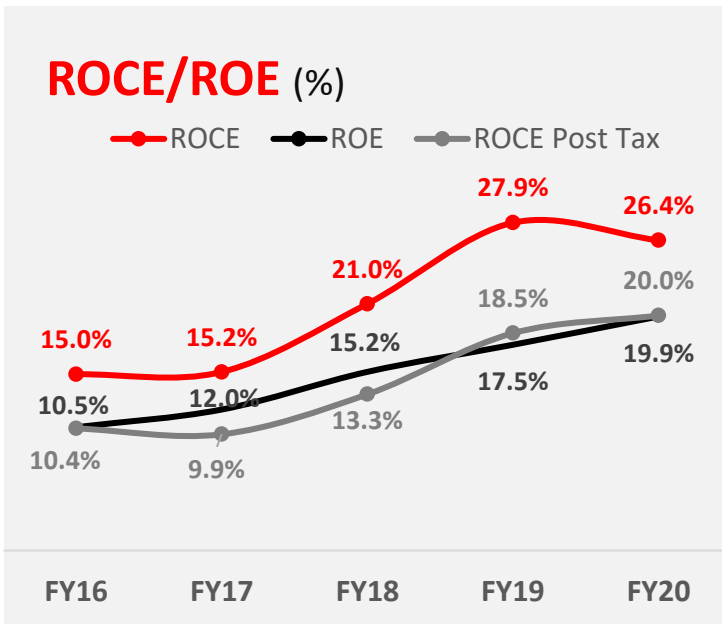


Delivering steady growth + profitability



Notes: (1) Numbers on consolidated basis (2) Financials for FY16-FY20 have been prepared using IND AS (3) Revenue: Revenue from operations (4) EBITDA excludes Other Income (5) CAGR - five years

Proven track record of financial performance



Improving returns and surplus cash to fuel future growth

Growth Funded by Internal Accruals



Invested in technology and built capacities for future

Notes: (1) Financials for FY16-FY20 have been prepared using IND AS (2) ROCE (Return on Capital Employed) is (Profit before tax plus finance cost) divided by closing value of (non-current borrowings plus current borrowings plus current maturities of non-current borrowings plus total equity including non-controlling interest), ROCE post tax uses effective tax rate (3) ROE (Return on Equity) is Profit for the year divided by closing value of equity including non-controlling interests (4) Debt / Equity: Total debt / equity including non-controlling interests (5) Net Cash Position: Cash + Bank balances + Investments - Debt

Consolidated Profit and Loss Statement

Particulars (INR mn)	FY 2020	%	FY 2019	%	FY 2018	%
Revenue from Operation	88,300	100.0%	79,856	100.0%	67,831	100.0%
Cost of Goods sold	63,686	72.1%	59,660	74.7%	52,053	76.7%
Contribution (A)	24,614	27.9%	20,196	25.3%	15,778	23.3%
Employee cost	3,657	4.1%	3,002	3.8%	2,593	3.8%
Other Operating Expenses	9,606	10.9%	7,666	9.6%	5,768	8.5%
Total Operating Expenses (B)	13,263	15.0%	10,668	13.4%	8,361	12.3%
Share of profit/(loss) of JVs (Net of tax) (C)	-74	-0.1%	-23	0.0%	1	0.0%
EBITDA (A) - (B) + (C)	11,276	12.8%	9,505	11.9%	7,418	10.9%
Other Income	928	1.1%	638	0.8%	516	0.8%
Depreciation	1,609	1.8%	1,414	1.8%	1,330	2.0%
Finance Cost	495	0.6%	1,167	1.5%	937	1.4%
PBT	10,100	11.4%	7,561	9.5%	5,667	8.4%
Income Tax	2,444	2.8%	2,558	3.2%	2,082	3.1%
PAT	7,656	8.7%	5,003	6.3%	3,585	5.3%

Consolidated Balance Sheet

Particulars (INR mn)	FY 2020	FY 2019	FY 2018
<u>Assets</u>			
<u>Non-Current Assets</u>			
Fixed Assets	16,632	14,686	13,331
Other Non-current Assets	2,485	2,355	1,891
Total Non-current Assets	19,117	17,041	15,222
<u>Current Assets</u>			
Inventories	19,250	19,958	13,657
Investments	400	0	0
Trade Receivables	14,336	13,343	12,908
Cash and Bank Balances	2813	3166	106
Others - Current Assets	3,700	2,774	2,588
Total Current Assets	40,499	39,242	29,259
Total Assets	59,616	56,283	44,481

Particulars (INR mn)	FY 2020	FY 2019	FY 2018
<u>Equity & Liabilities</u>			
Shareholder's Funds			
Share Capital	1,489	1,412	1,412
Reserves and Surplus	36,875	27,057	22,064
Total Shareholder's Funds	38,364	28,470	23,476
Minority Interest	150	84	40
<u>Non-current Liabilities</u>			
Borrowings	107	889	1,589
Others - Non-current Liabilities	904	650	831
Total Non-current Liabilities	1,011	1,540	2,420
<u>Current Liabilities</u>			
Short-term Borrowings	1,115	1,031	5,687
Trade Payables	13,537	15,202	9,221
Others - Current Liabilities	5,440	9,957	3,636
Total Current Liabilities	20,091	26,189	18,544
Total Equity and Liabilities	59,616	56,283	44,481

Consolidated Annual Cash Flow Statement

Particulars (INR mn)	FY 2020	FY 2019	FY 2018
Net Cash Flow from Operating Activities	2,446	12,300	3,624
Net cash flow from/(used in) investing activities	-2,622	-4,077	-1,878
Net cash flow from/(used in) financing activities	107	-6,514	-1,898
Net Increase / (Decrease in cash and cash equivalents)	-69	1,708	-152

2Q FY21 Key Highlights



Top-line (Revenue)

Q2 FY21: 21,137 mn

≡ -6% Y-o-Y

≡ 116% Q-o-Q

1H FY21: 30,903 mn

≡ -26% Y-o-Y



Operating (EBITDA)

Q2 FY21: 3,122 mn

≡ 16% Y-o-Y

≡ 454% Q-o-Q

1H FY21: 3,685 mn

≡ -25% Y-o-Y



Profitability (PAT)

Q2 FY21: 2,216 mn

≡ 14% Y-o-Y

≡ 88% Q-o-Q

1H FY21: 3,391 mn

≡ 3% Y-o-Y



Net Cash Position

Q2 FY21: 6,276 mn

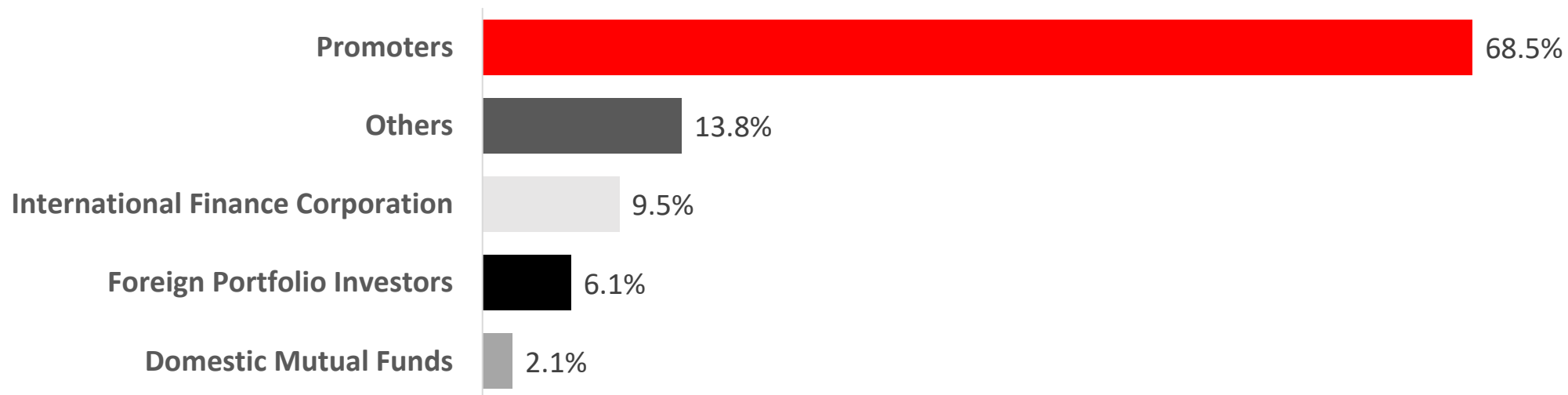
≡ 82% Y-o-Y

≡ 205% Q-o-Q



Notes: (1) Numbers on consolidated basis (2) Revenue: Revenue from operations (3) PAT: Profit After Tax on reported basis and includes exceptional items as explained on slide 11 (4) EBITDA excludes other Income

Shareholding Pattern



Notes: As on 30 September 2020. Promoter holding dilution in % terms is on account of issuance of new shares under ESOP scheme.



Leadership Team - Board of Directors



Inder T Jaisinghani
Chairman and Managing Director



Ajay T Jaisinghani
Whole-Time Director



Ramesh T Jaisinghani
Whole-Time Director



SL Bajaj
Whole-Time Director

Qualified Chartered Accountant & has previously served major leadership role in Vedanta Ltd, Hindustan Zinc Ltd.



RS Sharma
Independent Director

Holds a degree from ICWA
Previously served as Chairman and MD at ONGC Limited



TP Ostwal
Independent Director

Practicing Chartered Accountant and is a senior partner with T.P Ostwal and Associates LLP



Pradeep Poddar
Independent Director

IIM-Ahemdabad Alumni
Currently on the Boards of Monsanto India Limited, Welspun India Limited, and Uflex Limited.



Hiroo Mirchandani
Independent Director

Business career of 30+ years. A Chevening Gurukul Scholar from the London School of Economics. Held leadership roles at Dabur, World Gold Council & BPL Telecom

Leadership Team - Key Management

- Blend of Entrepreneurial and Professional Management
- Professionals with Prior Experience in Vedanta, Tata Group, Unilever, Havells, Bajaj, SRBC & Co, Crompton, etc.
- Vision to Execute Strategies in a Dynamic Environment
- Extensive Relationships and Deep Business Understanding



Bharat A Jaisinghani
Director – FMEG Business (Non-board member)



Nikhil R Jaisinghani
Director – LDC Business (Non-board member)



Anil Hariani
Director – Commodities (Non-board member)



Manoj Verma
Executive President & Chief Operating Officer (CE)



Anil Shipley
Executive President and Chief Supply Chain Officer



Gandharv Tongia
Chief Financial Officer



Sanjeev Chhabra
Chief Treasury Officer



Anurag Agarwal
Executive President



Shashi Amin
Executive President & CBO



Suresh Kumar
CHRO & Executive President (Strategy and HR)



Sandeep Bhargava
Chief Procurement Officer



Diwaker Bharadwaj
President (Packaging)



Vijay Narayanan Ananthanarayanan
President (Strategic Marketing)



Vivek Khanna
Executive President



Kunal I Jaisinghani
Head – Agri Products



Sai Subramaniam Narayana
Company Secretary and Compliance Officer

Note: Designations as on 30 September 2020

Our Social Responsibility – A Philosophy of Empathetic Care

Community



Promoting **efficient farming** through sessions on soil testing & model farms

Women oriented skill training & creation of self help groups

Deeping of water reservoirs under Gujarat Government initiated “Sujalam Sufalam” programme in villages of Asoj, Bodidra & Waghodia were deepened

Infrastructure



Construction of **toilets and providing clean drinking water** in Gadhmahuda, Chachariya & Govindpuri village

Improvements in school infrastructure in Chachariya & Baska villages

Education



Leadership Enrichment for Adolescence through Assessment & Development (LEAAD) programme organised, students exposed to leadership building qualities

Study Science, Technology, Engineering & Mathematics (STEM) Laboratory set up for students to learn practical aspects of education

Health



Mobile Medical Unit offering services like OPD, medicines, health talks, camps & counselling in interiors. On an average 90 to 100 patients/day take advantages of these services

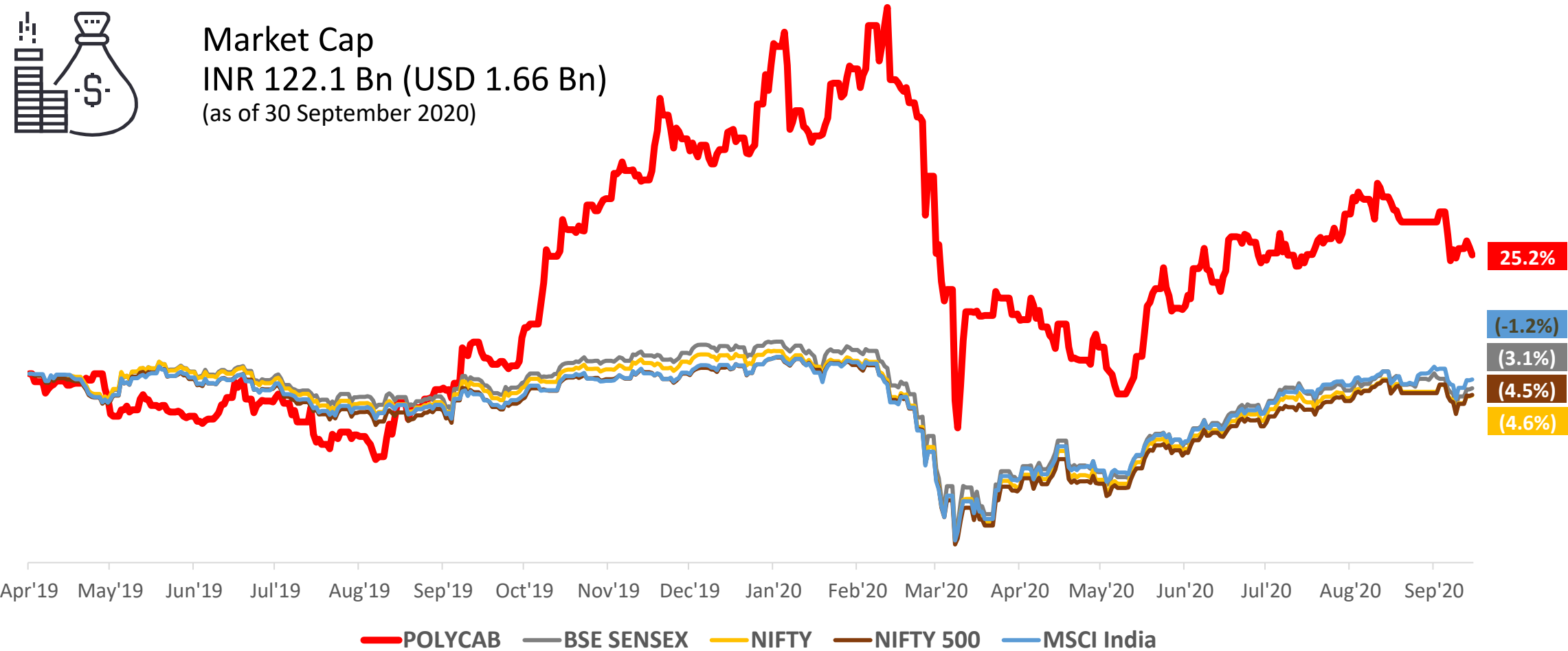
Jointly conducted **breast tumour detection camp** with Shree Halol Stree Samaj

Health camps in Mota Sandhiya, and Jalariya villages

Enhancing shareholder value



Market Cap
 INR 122.1 Bn (USD 1.66 Bn)
 (as of 30 September 2020)



Market Cap in USD calculated using USD INR spot rate of 73.6

Safe Harbour

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international copper, aluminum, oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.



Thank you

Polycab India Limited

CIN: L31300GJ1996PLC114183

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