



# Q1 FY24 Presentation

18 July 2023

# Q1 FY24

## Financial Performance

# Key Highlights

## Top-line (Revenue)

**Q1 FY24: 38,894 Mn**

⌄ 42% YoY

⌄ -10% QoQ



## Operating (EBITDA)

**Q1 FY24: 5,486 Mn**

⌄ 77% YoY

⌄ -9% QoQ

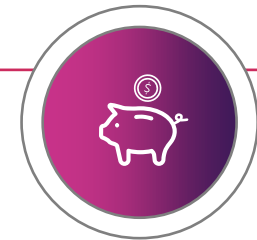


## Profitability (PAT)

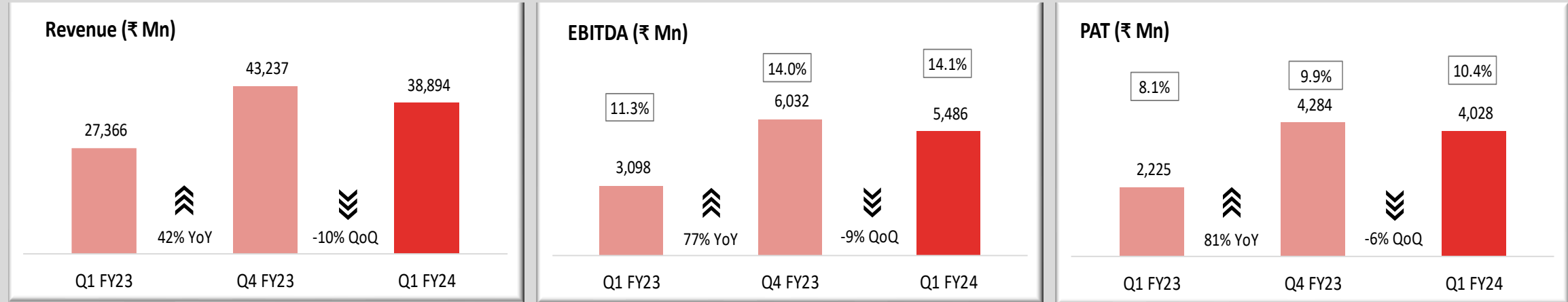
**Q1 FY24: 4,028 Mn**

⌄ 81% YoY

⌄ -6% QoQ



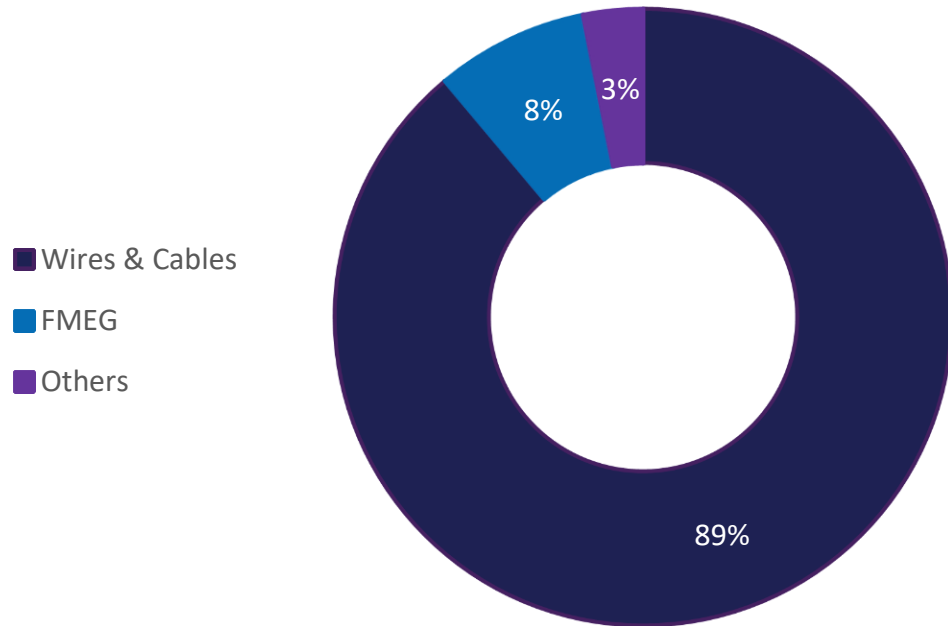
# Q1 FY24: Business on Accelerated Growth Trajectory



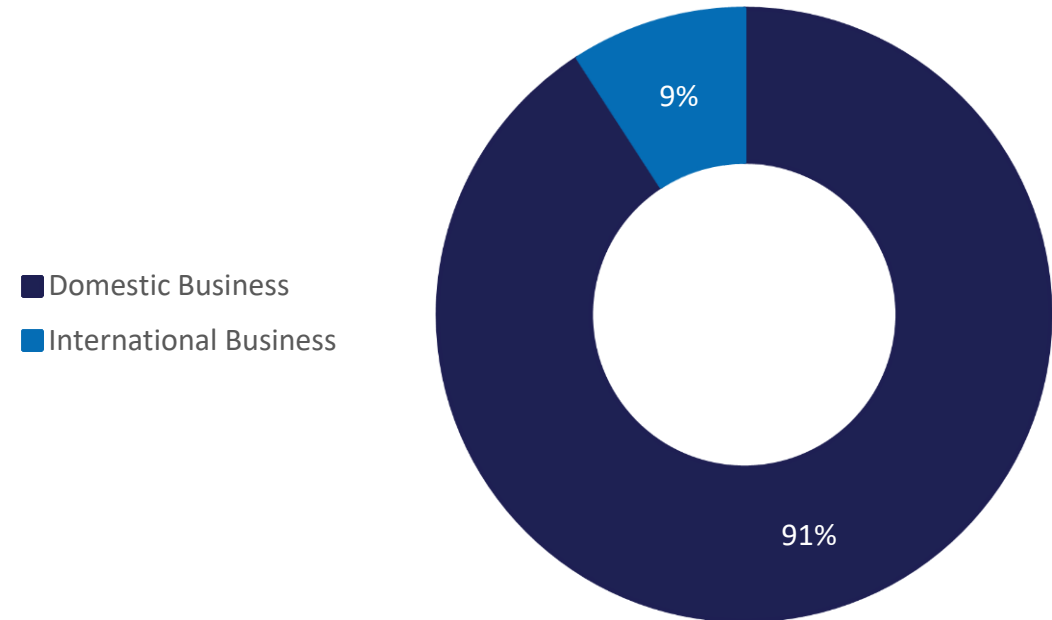
- Revenue grew by 42% YoY in spite of lower commodity prices on the back of strong volume growth in wires & cables business
- EBITDA margin improved by ~280 bps YoY to 14.1%. Judicious price revisions, better operating leverage and favourable business mix contributed to margin improvement
- PAT up by 81% YoY with margin improvement of ~230 bps YoY and ~50 bps sequentially


# Business Mix

## Product Mix



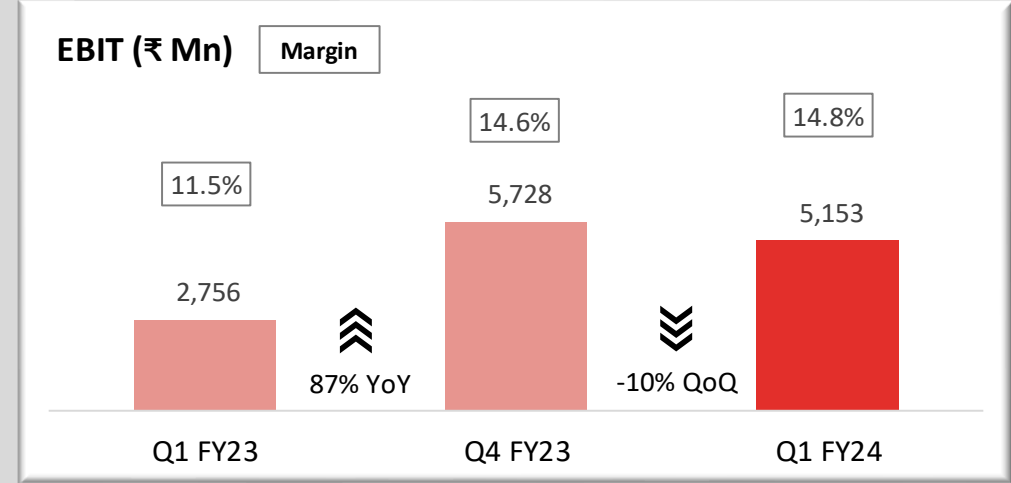
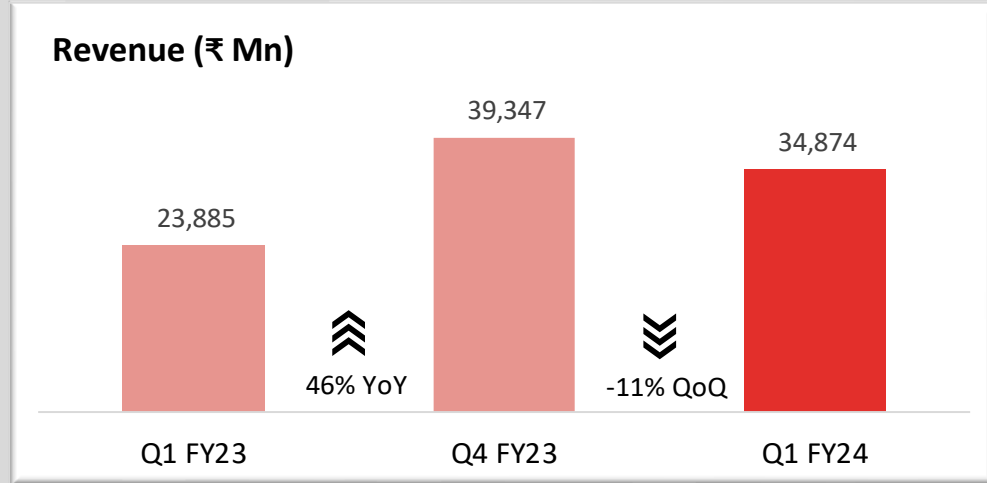
## Mode of Sales





# Wires & Cables

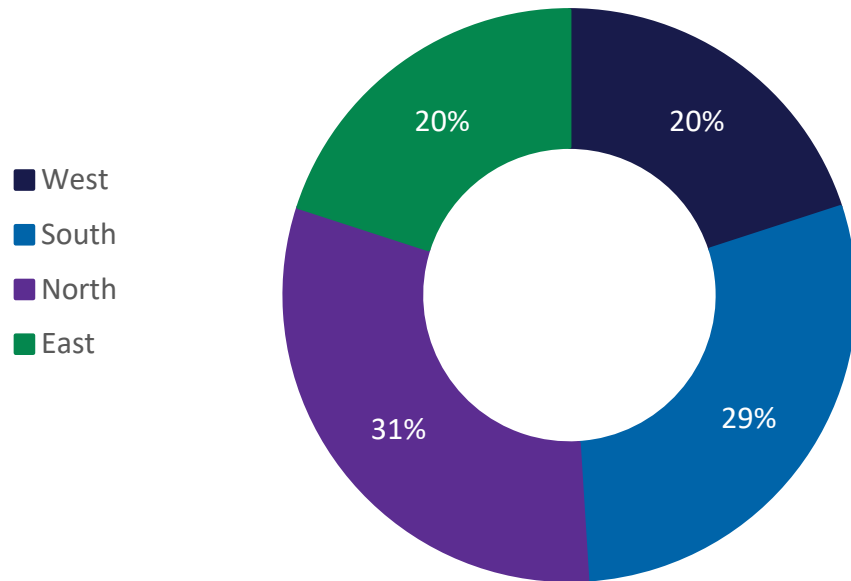
# Riding the Wave of Robust Demand



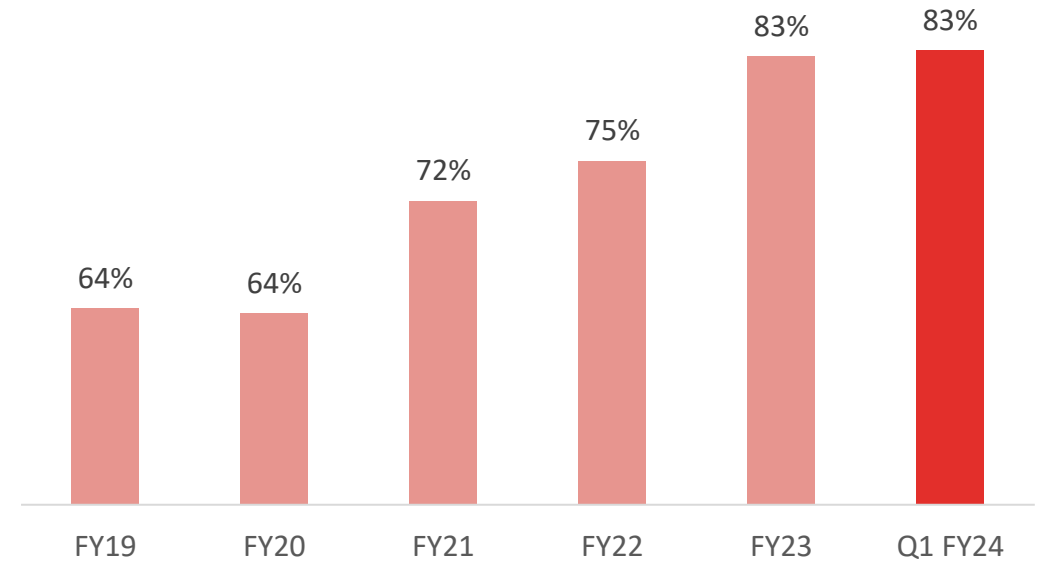
- Wires & Cables revenue grew by 46% YoY despite lower commodity prices on the back of strong volume growth both domestically and internationally. Industry witnessing robust domestic demand supported by government measures, improving private capex and strong real-estate off-take
- Domestic distribution driven business sustained its strong growth momentum, while institutional business exhibited remarkable growth acceleration. Geographically, growth was broad based, with highest growth coming from North region. Cables growth continued to outperform wires growth
- Revenue from international business grew by 88% YoY, contributing to 8.9% of the consolidated revenue. The Company expanded its global footprint to 72 countries
- Margins improved by ~330 bps YoY led by judicious price revisions, better operating leverage and strong growth in international business

# Domestic Business: Distribution-led Efficient Business

## Zone-Wise Distributors Split



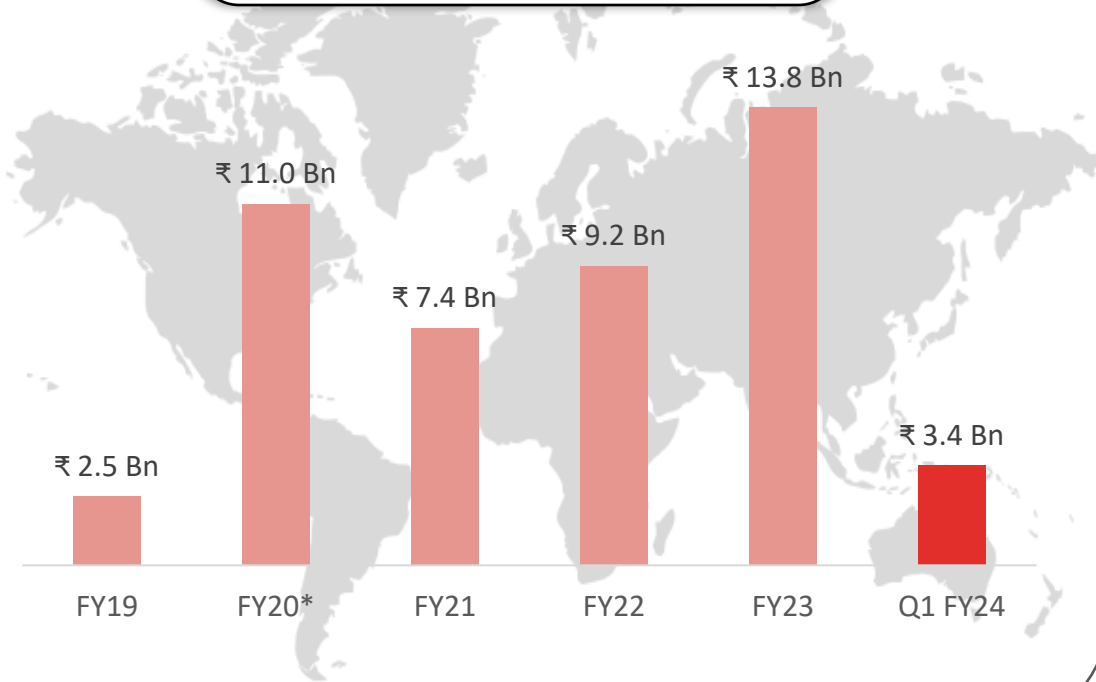
## Channel Financing & Advances





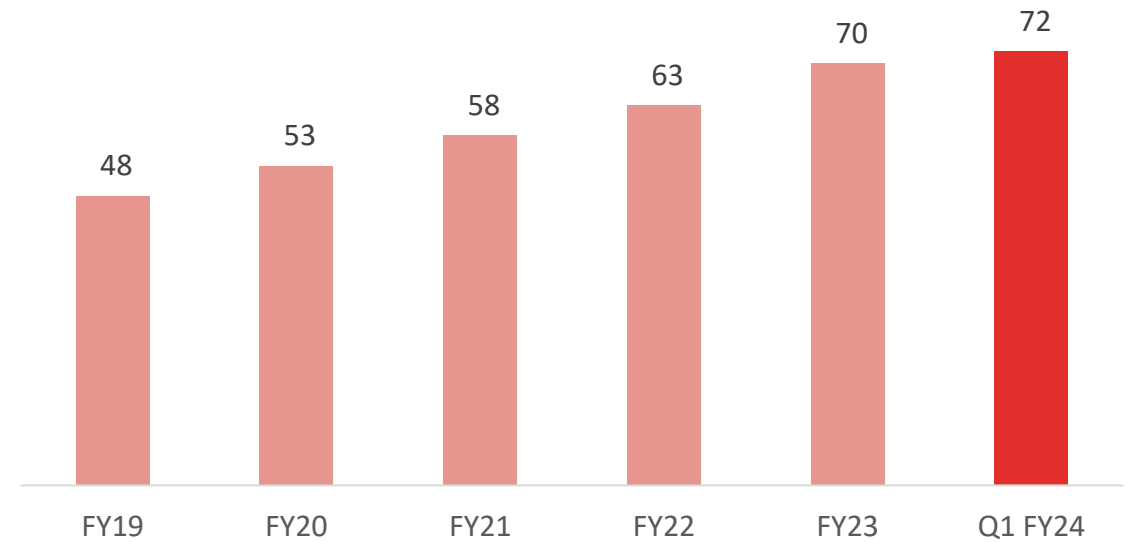
# International Business: Expanding Global Footprint with Granular Order Book

## International Business Sales



*\*Includes one-off large Institutional order*

## International Business Spread

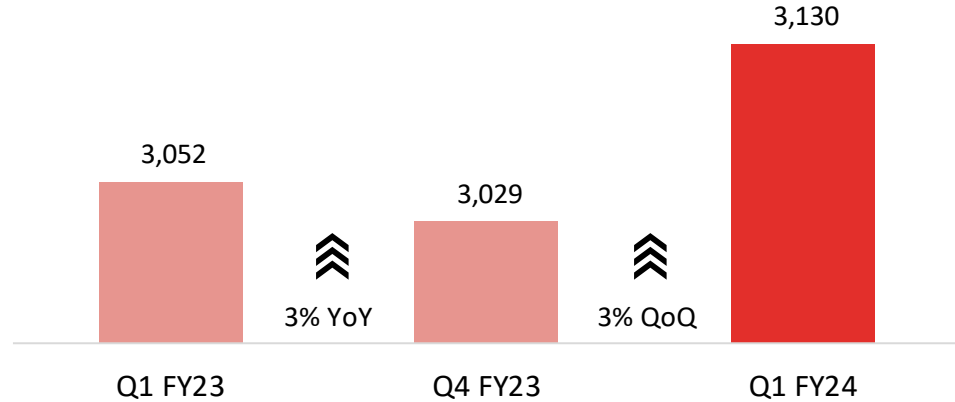


**FMEG**



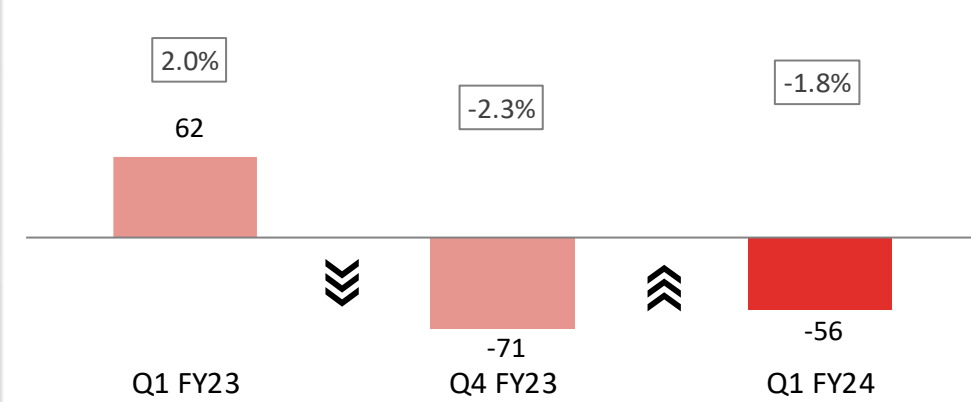
# Weak Consumer Demand Reins In Growth

## Revenue (₹ Mn)



## EBIT (₹ Mn)

### Margin



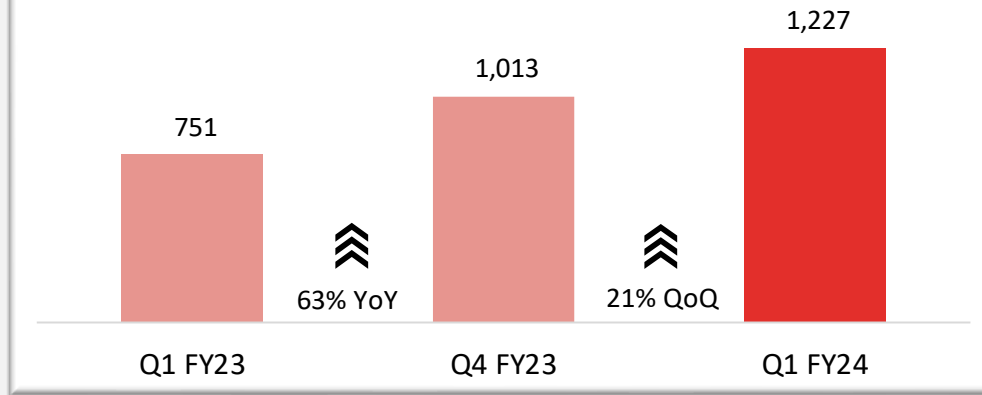
- FMEG business was muted during the quarter as weak consumer sentiment weighed down on sales. However, the segment showed 3% year-on-year and sequential growth as benefits of channel realignment started to play-out
- Fans business exhibited healthy growth sequentially as older non-BEE compliant inventory with channel partners was sold off, leading to fresh sales of newer BEE compliant inventory during the quarter. Switchgears and Conduit Pipes & Fittings businesses too showed sequential growth, tapping on the continued strong momentum in the real estate sector. Switches business continued with its impressive growth, with sales growing 3.8x over the same quarter last year, albeit on a lower base. Lights & luminaires business de-grew marginally, on a sequential basis, on account of the continued pricing corrections in the LED segment
- On the geographic front, Western region, the Company's stronghold, demonstrated positive growth both on year-on-year as well as sequential basis, while Southern and Eastern regions too showed sequential growth
- Segmental EBIT continued to be in the negative territory saddled by fixed costs and A&P spends in the absence of scale. However, the quality of earnings have improved with channel finance penetration now at 91% for the FMEG business



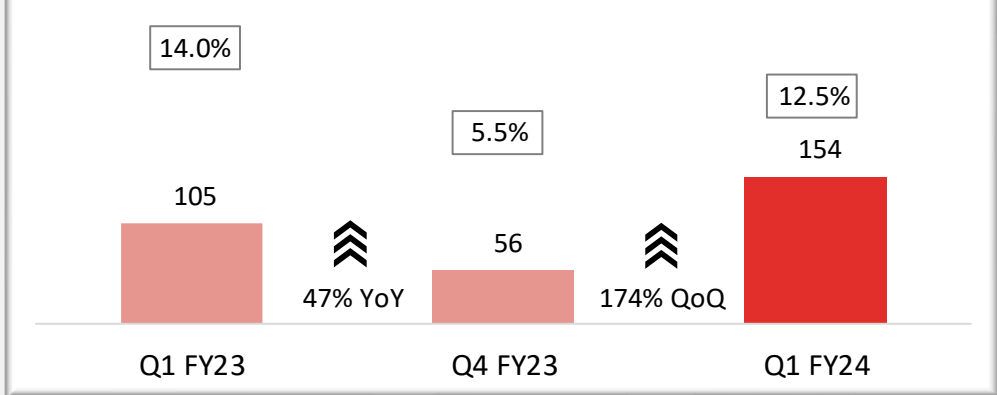
**Others**

# Other Segments

## Revenue (₹ Mn)



## EBIT (₹ Mn) Margin



- Other segment largely comprises of our EPC business
- Total income at ₹ 1,227 Mn grew by 63% YoY
- Segmental EBIT grew by 47% YoY. Margin stood at 12.5%
- Annual sustainable operating margin in this business is expected to be in high single digit over mid to long term

# Q1 FY24 Titbits

Polycab declared to be among the  
Top 50 Best Indian Brands by Interbrand



Set up the HOHM Booth  
at Home Expo 2023



Green Wires TVC



## New Arena Stores

Ahmednagar, Maharashtra



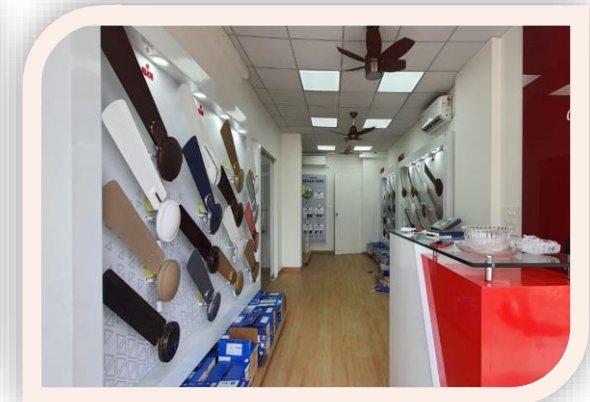
Vijayawada, Andhra Pradesh



Tumakuru, Karnataka



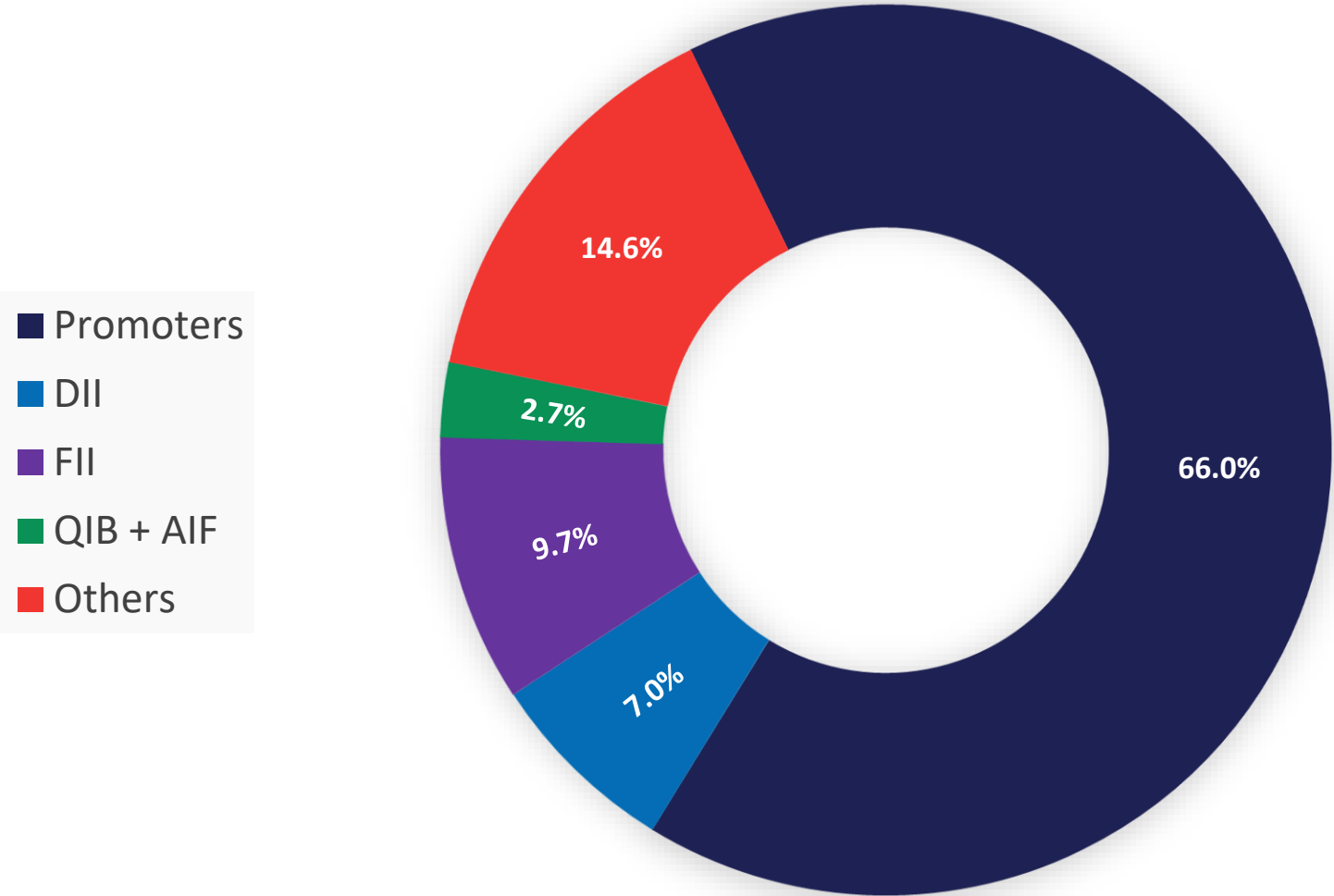
Vadodara, Gujarat





# Shareholding Pattern

# Shareholding Pattern



Note: As on 30<sup>th</sup> June 2023. DII (Domestic Institutional Investors) includes "Mutual Funds". FII (Foreign Institutional Investors) includes "Foreign Portfolio - Corp" and "Foreign Corporate Bodies". QIB/ AIF stands for "Qualified Institutional Buyer"/ "Alternative Investment Fund"





# Financial Statements

# Consolidated Profit and Loss Statement

Particulars (₹ Mn)	Quarter					
	Q1 FY24	%	Q4 FY23	%	Q1 FY23	%
<b>Revenue from Operations</b>	<b>38,894</b>	<b>100.0%</b>	<b>43,237</b>	<b>100.0%</b>	<b>27,366</b>	<b>100.0%</b>
Cost of Goods sold	28,581	73.5%	32,357	74.8%	20,524	75.0%
<b>Contribution (A)</b>	<b>10,313</b>	<b>26.5%</b>	<b>10,880</b>	<b>25.2%</b>	<b>6,842</b>	<b>25.0%</b>
Employee Cost	1,349	3.5%	1,187	2.7%	1,101	4.0%
Other Operating Expenses	3,478	8.9%	3,598	8.3%	2,630	9.6%
Total Operating Expenses (B)	4,828	12.4%	4,784	11.1%	3,731	13.6%
Share of profit/ (loss) of JVs (Net of tax) (C)	-	0.0%	-64	-0.1%	-13	0.0%
<b>EBITDA (A)-( B)+(C)</b>	<b>5,486</b>	<b>14.1%</b>	<b>6,032</b>	<b>14.0%</b>	<b>3,098</b>	<b>11.3%</b>
Other Income	640	1.6%	515	1.2%	443	1.6%
Depreciation	571	1.5%	535	1.2%	510	1.9%
Finance Cost	249	0.6%	282	0.7%	84	0.3%
<b>PBT</b>	<b>5,305</b>	<b>13.6%</b>	<b>5,731</b>	<b>13.3%</b>	<b>2,947</b>	<b>10.8%</b>
Income Tax	1,277	3.3%	1,446	3.3%	722	2.6%
<b>PAT</b>	<b>4,028</b>	<b>10.4%</b>	<b>4,284</b>	<b>9.9%</b>	<b>2,225</b>	<b>8.1%</b>

# Consolidated Balance Sheet

Particulars (₹ Mn)	Jun-23	Mar-23	Jun-22
<b><u>Assets</u></b>			
<b><u>Non-current Assets</u></b>			
Fixed Assets	23,694	23,177	20,716
Non-current Deposits	36	6	7
Other Non-current Assets	2,390	1,984	2,020
<b>Total Non-current Assets</b>	<b>26,120</b>	<b>25,167</b>	<b>22,743</b>
<b><u>Current Assets</u></b>			
Inventories	35,009	29,514	25,770
Trade Receivables	12,867	12,466	8,822
Investments	6,844	13,505	3,567
Cash and Bank Balances	5,437	6,952	3,170
Others - Current Assets	6,987	6,650	6,291
<b>Total Current Assets</b>	<b>67,144</b>	<b>69,087</b>	<b>47,620</b>
<b>Total Assets</b>	<b>93,265</b>	<b>94,255</b>	<b>70,363</b>

Particulars (₹ Mn)	Jun-23	Mar-23	Jun-22
<b><u>Equity and Liabilities</u></b>			
<b><u>Shareholder's Funds</u></b>			
Share Capital	1,499	1,498	1,496
Reserves and Surplus	65,763	64,814	54,053
<b>Total Shareholder's Funds</b>	<b>67,262</b>	<b>66,311</b>	<b>55,549</b>
Minority Interest	409	374	279
<b><u>Non-current Liabilities</u></b>			
Borrowings	36	42	34
Others - Non-current Liabilities	1,436	1,262	966
<b>Total Non-current Liabilities</b>	<b>1,472</b>	<b>1,304</b>	<b>1,000</b>
<b><u>Current Liabilities</u></b>			
Short-term Borrowings	2,150	1,509	806
Trade Payables	16,972	20,326	8,545
Others - Current Liabilities	5,001	4,430	4,184
<b>Total Current Liabilities</b>	<b>24,122</b>	<b>26,266</b>	<b>13,536</b>
<b>Total Equity and Liabilities</b>	<b>93,265</b>	<b>94,255</b>	<b>70,363</b>

# Consolidated Cash Flow Statement

Particulars (₹ Mn)	Quarter		
	Q1 FY24	Q4 FY23	Q1 FY23
Net Cash Flow from Operating Activities	-4,080	1,199	-2,053
Net cash flow from/ (used in) investing activities	6,823	-946	3,541
Net cash flow from/ (used in) financing activities	-2,717	-81	-2,095
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>26</b>	<b>172</b>	<b>-607</b>

## Other Key Data Points

Particulars (₹ Mn)	Quarter		
	Q1 FY24	Q4 FY23	Q1 FY23
Advertisement and Sales Promotion Expense	263	245	195
Capex Spends	1,522	1,132	1,044
Net Cash Position*	10,132	18,912	5,904
Trade Acceptances*	9,341	12,258	2,920
Goods in Transit*	2,466	1,063	2,065
Exports Contribution (%)	8.9%	12.5%	6.7%

\* as at period end

# Other Financial Metrics

Working Capital Days	Average				Closing			
	Q1 FY24	FY23	FY22	FY21	Q1 FY24	FY23	FY22	FY21
Receivable Days	26	33	41	59	31	32	39	59
Inventory Days	98	89	81	108	113	102	85	110
Payable Days	55	71	67	102	70	85	63	102
<b>Net Working Capital</b>	<b>69</b>	<b>51</b>	<b>54</b>	<b>65</b>	<b>74</b>	<b>50</b>	<b>61</b>	<b>67</b>

Other Income (₹ Mn)	Q1 FY24	Q4 FY23	Q1 FY23
Interest Income	106	97	59
Gain/ Loss on Redemption of Investment	197	265	63
Fair Value of Financial Assets (MTM)	20	-43	254
Exchange Differences (net)	276	184	45
Miscellaneous Income	41	12	22
<b>Total</b>	<b>640</b>	<b>515</b>	<b>443</b>

Finance Cost (₹ Mn)	Q1 FY24	Q4 FY23	Q1 FY23
Interest on Bank Borrowings	14	19	4
Interest on LC, VBD and Leases	193	221	33
Other Borrowing Costs	42	41	48
<b>Total</b>	<b>249</b>	<b>282</b>	<b>84</b>

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 based on 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.

1. Numbers on consolidated basis in ₹ million
2. Revenue: Revenue from operations
3. Segment Revenue: Total income (external sales) excluding finance income
4. EBITDA: Excludes other income
5. EBITDA Margin: EBITDA/ Revenue
6. Segment EBIT: Includes other income and excludes finance income
7. Segment EBIT margin: Segment EBIT divided by Segment Revenue
8. PAT: Profit After Tax on reported basis excluding exceptional items and discontinued operations
9. PAT Margin: PAT for the period divided by Revenue
10. Net Cash: Cash & equivalents + Investments + Non-current Deposits – Debt
11. Working Capital: Working capital days on Average basis is calculated using average of balance sheet number and sum of trailing 12 months P&L number. Closing basis uses period close balance sheet number and sum of trailing 12 months P&L number
12. P&L and Segment numbers in current and prior comparable periods are restated due to divestment of Ryker Base.

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