

POLYCAB

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Q2 FY24 Presentation

18 October 2023

Q2 FY24

Financial Performance

Key Highlights

Top-line (Revenue)

Q2 FY24: 42,177 Mn

⌘ 27% YoY

⌘ 8% QoQ

H1 FY24: 81,071 Mn

⌘ 34% YoY



Operating (EBITDA)

Q2 FY24: 6,089 Mn

⌘ 43% YoY

⌘ 11% QoQ

H1 FY24: 11,575 Mn

⌘ 57% YoY



Profitability (PAT)

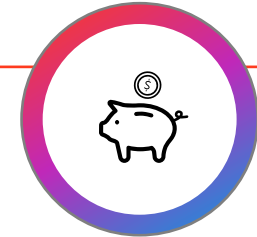
Q2 FY24: 4,298 Mn

⌘ 59% YoY

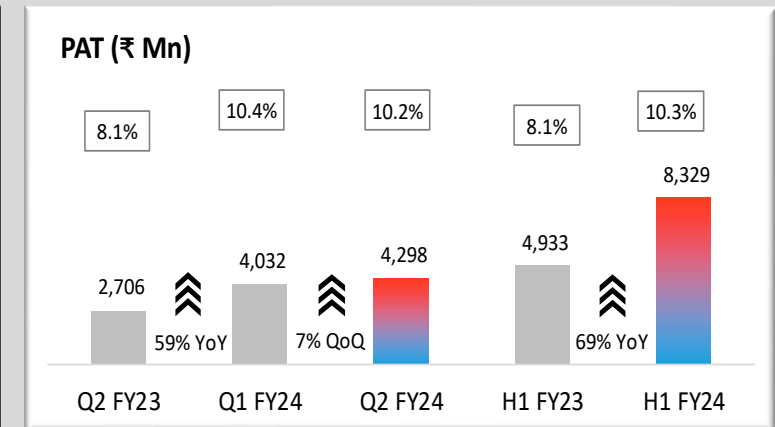
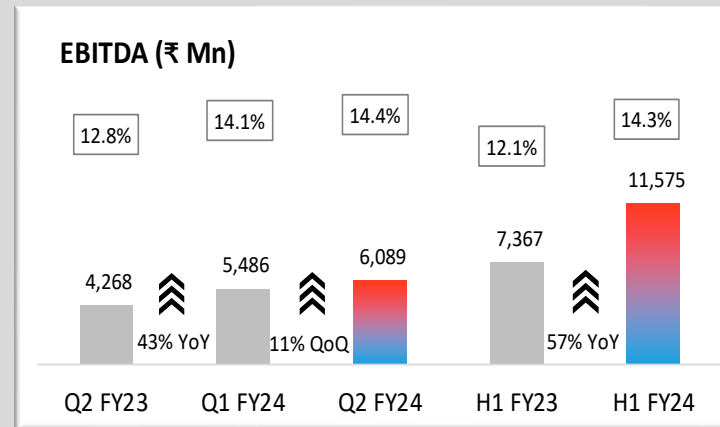
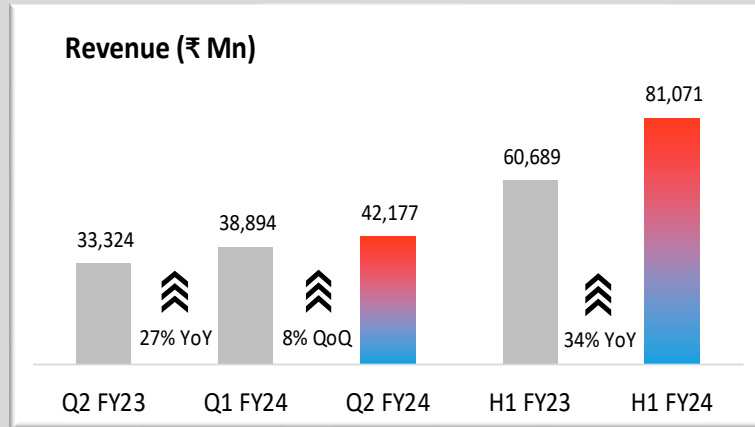
⌘ 7% QoQ

H1 FY24: 8,329 Mn


⌘ 69% YoY



Highest Ever Quarterly & Half Yearly PAT



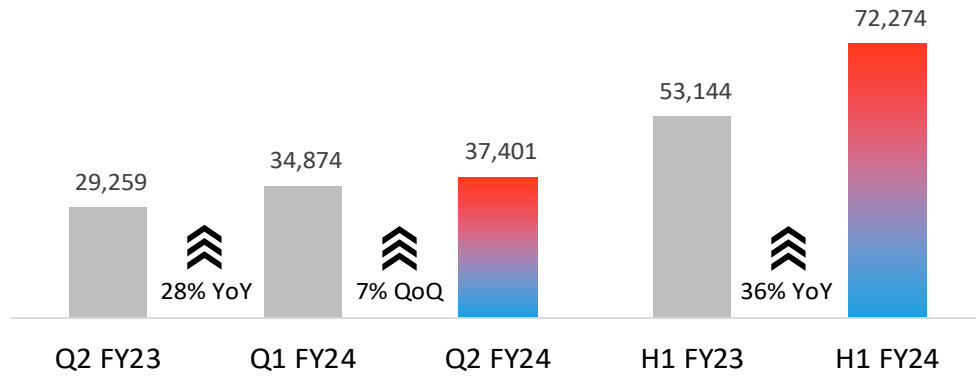
- Revenue grew by 34% YoY in H1FY24 and 27% YoY in Q2FY24 on the back of strong volume growth in wires & cables business
- For H1FY24, EBITDA margin improved by ~220 bps YoY to 14.3%. For Q2FY24, EBITDA margin improved ~160 bps YoY to 14.4%. Better operating leverage and favourable product mix contributed to margin improvement
- PAT increased by 69% YoY in H1FY24, to stand at ₹ 8,329 Mn, about two-thirds of FY23 PAT. PAT margin during H1FY24 improved by ~220 bps YoY. Company registered the highest ever quarterly PAT of ₹ 4,298 Mn in Q2FY24, a growth of 59% YoY, a margin improvement of ~210 bps YoY



Wires & Cables

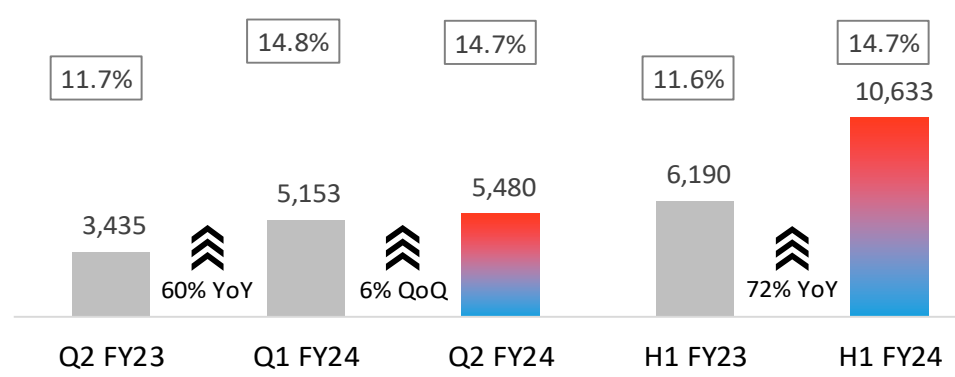
Robust Growth Momentum Sustained

Revenue (₹ Mn)



EBIT (₹ Mn)

Margin

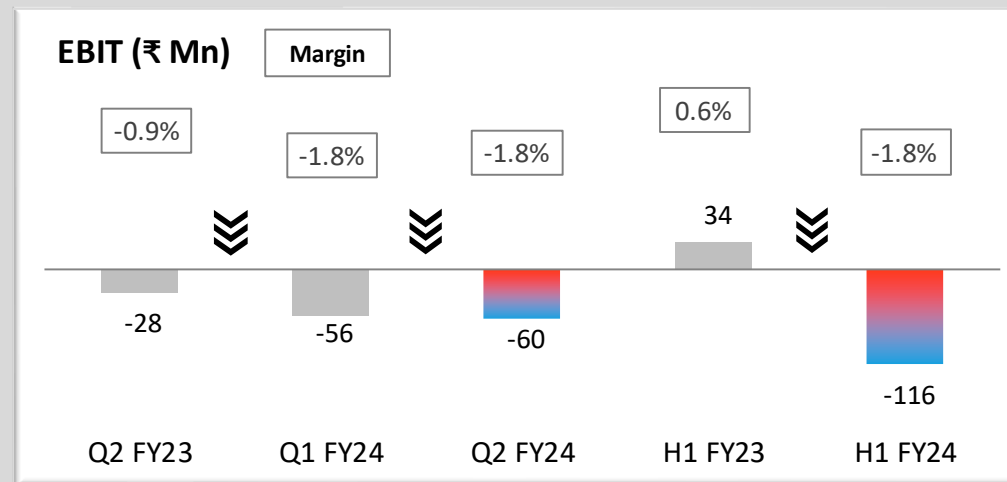
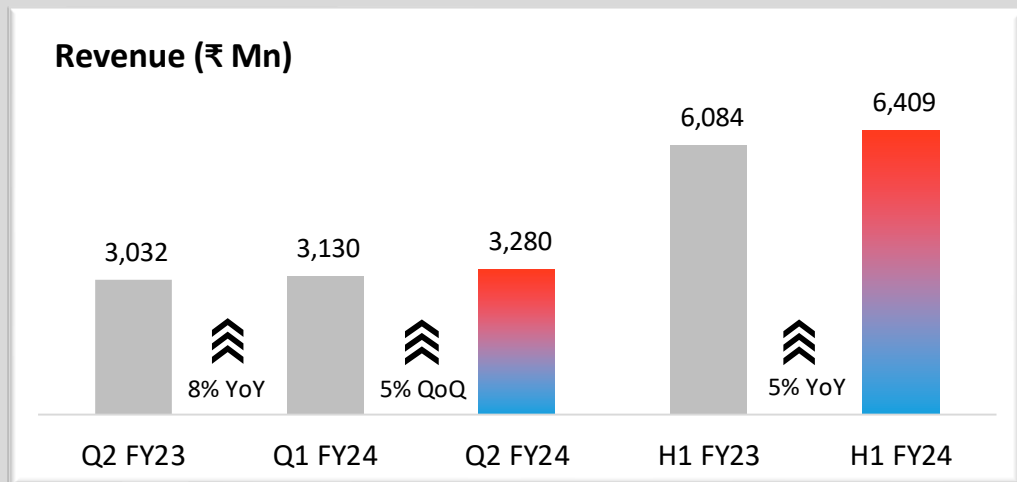


- Wires & Cables revenue for H1FY24 and Q2FY24 grew by 36% YoY and 28% YoY respectively, on the back of strong volume growth. Continued strong demand supported by government capex and robust real-estate off-take enabled sustenance of growth momentum
- Domestically, both distribution driven business and institutional business exhibited strong performance. Geographically, growth was broad based, with highest growth coming from North region. Cables growth continued to outperform wires growth
- Revenue from international business contributed 9.3% of the consolidated revenue for the quarter. The Company expanded its global footprint to 76 countries
- Margins improved by ~300 bps YoY in Q2FY24 led by better operating leverage and improvement in product-mix

FMEG



Benefits of Product-Mix Shift Playing Out



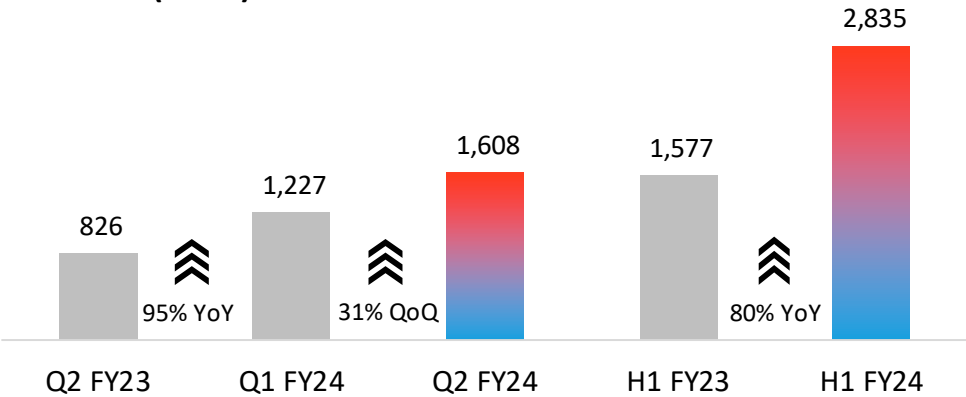
- FMEG business exhibited marginal growth of 8% YoY in Q2FY24, in-spite of the larger businesses of Fans and Lights showing de-growth due to continued weakness in consumer demand
- Switchgears and Conduit Pipes & Fittings showed remarkable growth during the quarter, both on YoY and QoQ basis. Switches business too exhibited excellent growth, with sales growing ~2x YoY, on a strong base. Luminaires business had a strong quarter, benefitting from the set-up of its separate GTM vertical, under Project LEAP
- Geographically, both West and South regions showed yearly as well as sequential growth during the quarter, while the North region showed sequential growth
- Improvement in mix towards higher margin products contained bottom-line de-growth despite higher A&P spends during the quarter



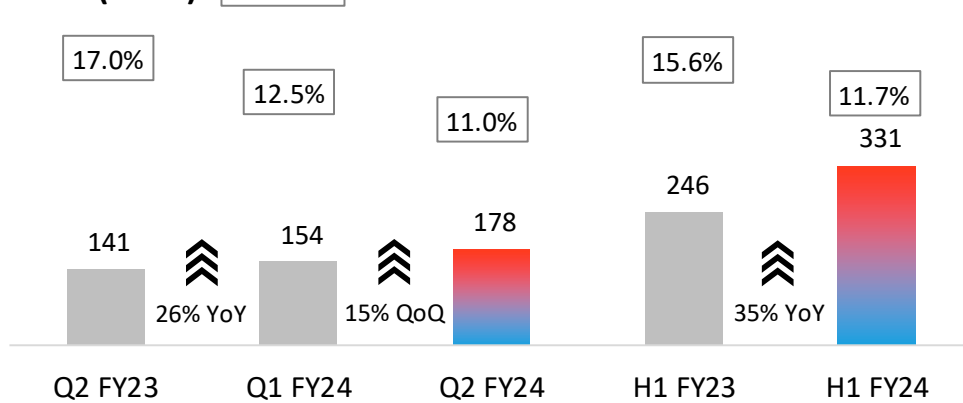
Others

Other Segments

Revenue (₹ Mn)



EBIT (₹ Mn) Margin



- Other segment largely comprises of our EPC business
- Total income for H1FY24 at ₹ 2,835 Mn grew by 80% YoY. Quarterly revenue was up by 95% YoY and 31% QoQ
- Segmental EBIT during H1FY24 and Q2FY24 grew by 35% YoY and 26% YoY respectively. Half-yearly margin stood at 11.7%
- Annual sustainable operating margin in this business is expected to be in high single digit over mid-to-long term

A hand holding a glowing orb against a background of raised fists. The hand is in the foreground, holding a bright, glowing orange and yellow orb. In the background, several other hands are raised in a similar gesture, but they are blurred. The overall scene is set against a light, cloudy sky.

Brand Refresh

Brand Refresh

Our brand refresh underscores our commitment to innovation, technology, safety, and sustainability, symbolizing in a brand line shift from 'Connection Zindagi Ka' to 'Ideas. Connected.'

Old Logo



New Logo



INOVO symbol



Idea behind the Polycab INOVO Symbol

- Red** - Leadership in Wires & Cables
- Blue** - Connection With Customers, Through FMEG Category
- Purple** - Future Readiness

TV Commercial

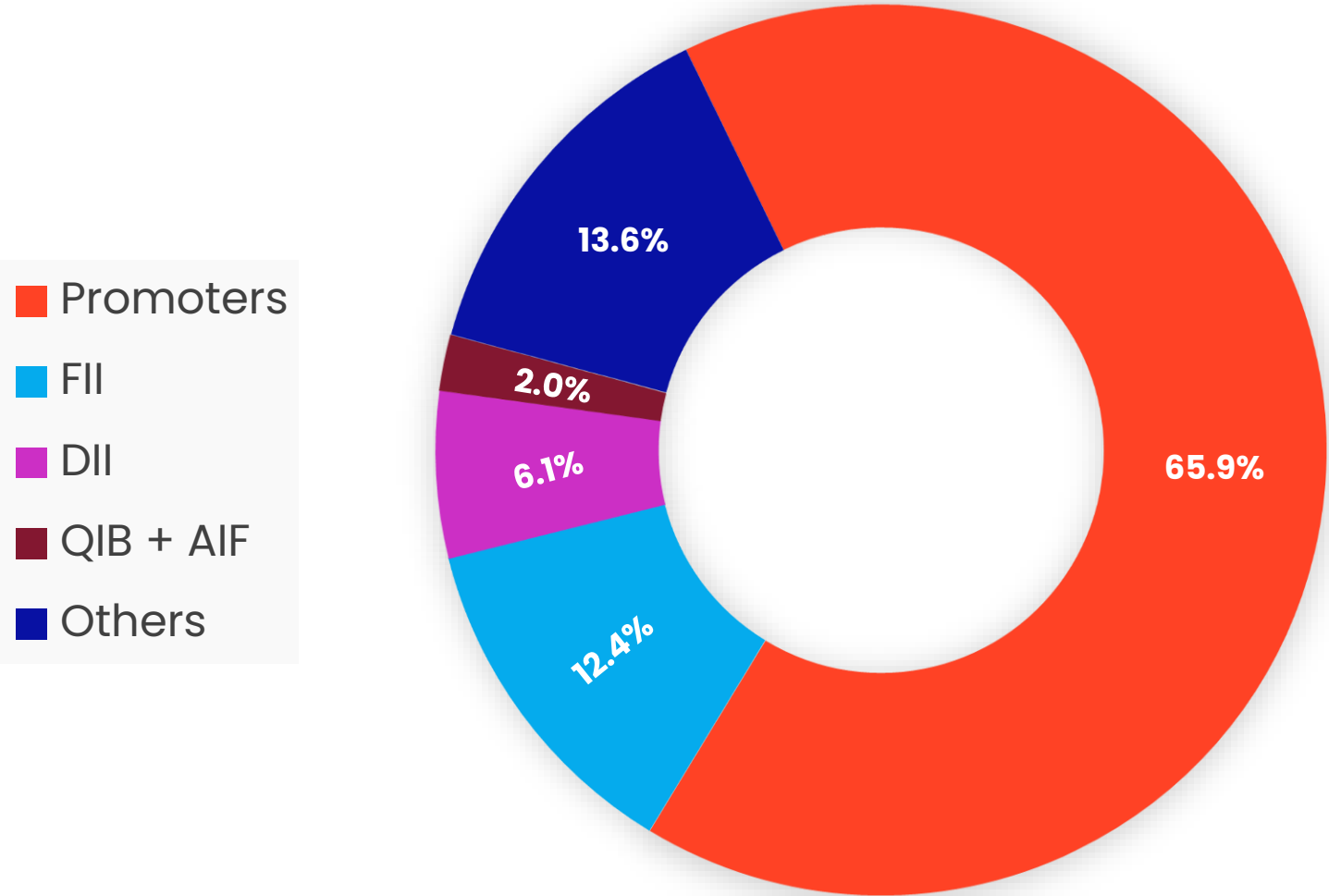


The new visual embodies progress and unity, incorporating the 'O' into its emblem with dawn-inspired colours



Shareholding Pattern

Shareholding Pattern



Note: As on 30th September 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"

The background features a complex financial visualization. On the right, there is a candlestick chart with several data points labeled: +68.764, 10.09, +75.354, 29.47, 73.64, 64.01, 80.98, and 11.58. Below the chart, a stack of black calculator keys is visible. In the foreground, there are several coins, including a stack of gold coins and several silver coins. A large, semi-transparent circle with a multi-colored gradient border (red, blue, purple) is positioned on the left side of the image.

Financial Statements

Consolidated Profit and Loss Statement

Particulars (₹ Mn)	Quarter						Year To Date			
	Q2 FY24	%	Q1 FY24	%	Q2 FY23	%	H1 FY24	%	H1 FY23	%
Revenue from Operations	42,177	100.0%	38,894	100.0%	33,324	100.0%	81,071	100.0%	60,689	100.0%
Cost of Goods sold	30,739	72.9%	28,581	73.5%	24,625	73.9%	59,319	73.2%	45,148	74.4%
Contribution (A)	11,438	27.1%	10,313	26.5%	8,699	26.1%	21,752	26.8%	15,541	25.6%
Employee Cost	1,557	3.7%	1,349	3.5%	1,148	3.4%	2,906	3.6%	2,249	3.7%
Other Operating Expenses	3,792	9.0%	3,478	8.9%	3,275	9.8%	7,271	9.0%	5,904	9.7%
Total Operating Expenses (B)	5,349	12.7%	4,828	12.4%	4,422	13.3%	10,177	12.6%	8,153	13.4%
Share of profit/ (loss) of JVs (Net of tax) (C)	-	0.0%	-	0.0%	-8	-0.02%	-	0.0%	-21	0.0%
EBITDA (A)-(B)+(C)	6,089	14.4%	5,486	14.1%	4,268	12.8%	11,575	14.3%	7,367	12.1%
Other Income	353	0.8%	640	1.6%	-22	-0.1%	993	1.2%	421	0.7%
Depreciation	603	1.4%	571	1.5%	523	1.6%	1,174	1.4%	1,033	1.7%
Finance Cost	268	0.6%	249	0.6%	139	0.4%	517	0.6%	223	0.4%
PBT	5,572	13.2%	5,305	13.6%	3,585	10.8%	10,876	13.4%	6,532	10.8%
Income Tax	1,274	3.0%	1,273	3.3%	878	2.6%	2,547	3.1%	1,599	2.6%
PAT	4,298	10.2%	4,032	10.4%	2,706	8.1%	8,329	10.3%	4,933	8.1%

Consolidated Balance Sheet

Particulars (₹ Mn)	Sep-23	Jun-23	Sep-22
Assets			
<u>Non-current Assets</u>			
Fixed Assets	24,730	23,694	21,151
Non-current Deposits	31	36	7
Other Non-current Assets	3,438	2,390	1,884
Total Non-current Assets	28,199	26,120	23,042
<u>Current Assets</u>			
Inventories	34,312	35,009	24,129
Trade Receivables	13,213	12,867	9,604
Investments	12,788	6,844	12,799
Cash and Bank Balances	4,089	5,437	4,878
Others - Current Assets	6,399	6,987	6,332
Total Current Assets	70,801	67,144	57,741
Total Assets	99,000	93,265	80,783

Particulars (₹ Mn)	Sep-23	Jun-23	Sep-22
Equity and Liabilities			
<u>Shareholder's Funds</u>			
Share Capital	1,500	1,499	1,497
Reserves and Surplus	70,451	65,763	56,835
Total Shareholder's Funds	71,951	67,262	58,332
Minority Interest	451	409	305
<u>Non-current Liabilities</u>			
Borrowings	33	36	28
Others - Non-current Liabilities	1,763	1,436	1,067
Total Non-current Liabilities	1,796	1,472	1,095
<u>Current Liabilities</u>			
Short-term Borrowings	1,558	2,150	1,004
Trade Payables	18,847	16,972	16,600
Others - Current Liabilities	4,397	5,001	3,447
Total Current Liabilities	24,801	24,123	21,051
Total Equity and Liabilities	99,000	93,265	80,783

Consolidated Cash Flow Statement

Particulars (₹ Mn)	Quarter			Year To Date	
	Q2 FY24	Q1 FY24	Q2 FY23	H1 FY24	H1 FY23
Net Cash Flow from Operating Activities	7,010	-4,080	11,628	2,930	9,576
Net cash flow from/ (used in) investing activities	-5,200	6,823	-11,265	1,623	-7,723
Net cash flow from/ (used in) financing activities	-788	-2,717	-36	-3,504	-2,131
Net Increase / (Decrease) in cash and cash equivalents	1,022	26	328	1,048	-279

Other Key Data Points

Particulars (₹ Mn)	Quarter			Year To Date	
	Q2 FY24	Q1 FY24	Q2 FY23	H1 FY24	H1 FY23
Advertisement and Sales Promotion Expense	446	263	168	708	363
Capex Spends	2,037	1,522	967	3,560	2,011
Net Cash Position*	15,317	10,132	16,652	15,317	16,652
Trade Acceptances*	10,262	9,341	10,776	10,262	10,776
Goods in Transit*	1,008	2,466	582	1,008	582
Exports Revenue	3,939	3,445	4,411	7,385	6,240
Exports Contribution (%)	9.3%	8.9%	13.2%	9.1%	10.3%

* as at period end

Other Financial Metrics

Working Capital Days	Average				Closing			
	Q2 FY24	Q1 FY24	FY23	FY22	Q2 FY24	Q1 FY24	FY23	FY22
Receivable Days	26	26	33	41	30	31	32	39
Inventory Days	89	98	89	81	105	113	102	85
Payable Days	65	55	71	67	70	70	85	63
Net Working Capital	50	69	51	54	65	74	50	61

Other Income (₹ Mn)	Q2 FY24	Q1 FY24	Q2 FY23	H1 FY24	H1 FY23
Interest Income	81	106	61	187	120
Gain/ Loss on Redemption of Investment	161	197	123	358	186
Fair Value of Financial Assets (MTM)	13	20	-182	33	73
Exchange Differences (net)	29	276	-45	305	-
Miscellaneous Income	69	41	20	110	43
Total	353	640	-22	993	421

Finance Cost (₹ Mn)	Q2 FY24	Q1 FY24	Q2 FY23	H1 FY24	H1 FY23
Interest on Bank Borrowings	32	14	10	47	14
Interest on LC, VBD and Leases	194	193	86	387	118
Other Borrowing Costs	42	42	43	83	91
Total	268	249	139	517	223

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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