

POLYCAB INDIA LIMITED

Polycab House, 771 Mogul Lane, Mahim (W), Mumbai – 400016
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Date: 10th May 2022

To
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai – 400 001

To
Listing Department
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: 542652 Scrip Symbol: Polycab
ISIN:- INE455K01017

Dear Sir / Madam

Sub: Earnings Call Presentation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Earnings Call presentation on the Audited (Standalone and Consolidated) Financial Results of the Company for the quarter and year ended 31st March 2022.

Kindly take the same on your record.

Thanking you

Yours Faithfully
For Polycab India Limited

Manita Carmen A Gonsalves
Company Secretary and Compliance Officer
Membership No.: A18321
Address: Polycab House, 771, Mogul Lane
Mahim (West), Mumbai - 400 016



Registered Office:
Unit No.4, Plot No.105, Halol Vadodara Road,
Village Nurpura, Taluka Halol, Panchmahal, Gujarat-389350
Tel : 2676- 227600 / 227700

Q4 FY2022 Presentation

10 May 2022




Q4 FY2022

Financial Performance




Key Highlights

 **Top-line (Revenue)**


Q4FY22: 39,700 mn
⌄ 35% YoY
⌄ 18% QoQ

FY22: 1,22,038 mn
⌄ 39% YoY

 **Operating (EBITDA)**

Q4FY22: 4,760 mn
⌄ 18% YoY
⌄ 31% QoQ

FY22: 12,626 mn
⌄ 14% YoY

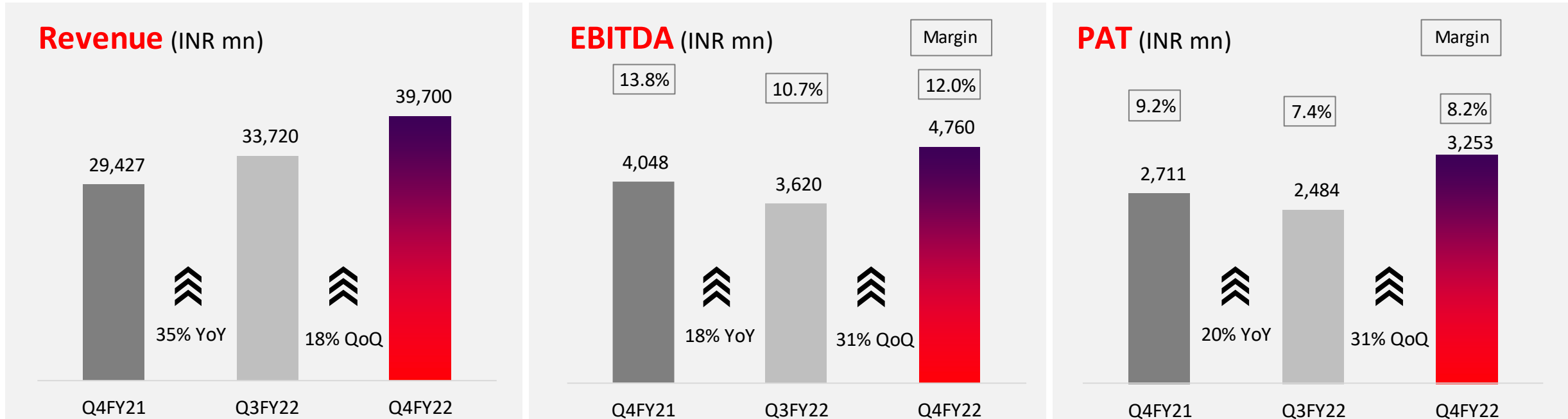
 **Profitability (PAT)**

Q4FY22: 3,253 mn
⌄ 20% YoY
⌄ 31% QoQ

FY22: 8,452 mn
⌄ 14% YoY

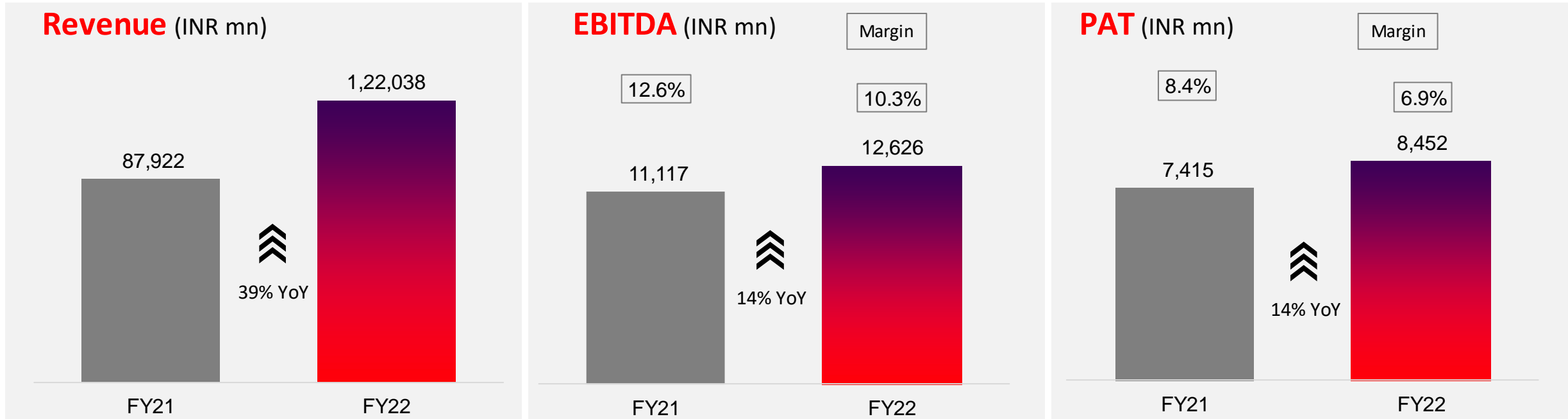


Q4 FY22: Strong growth trajectory



- Healthy demand environment despite sharp inflation coupled with strong execution led to continuing sequential performance. Revenue grew by 35% YoY and 18% on a QoQ basis with relatively better growth in wires and cables segment.
- EBITDA margin continues to improve sequentially by 125bps to 12% led by price hikes and better operating leverage, partly offset by persistent input cost pressures.
- PBT and PAT was up 17% YoY and 20% YoY, respectively. PAT margin improved to 8.2%.
- Net Cash position stood at Rs 11bn as of March 2022 end as against Rs 9.6bn last year despite a one-off investment of Rs 2bn in office space. Debt to Equity improved to 0.01x.

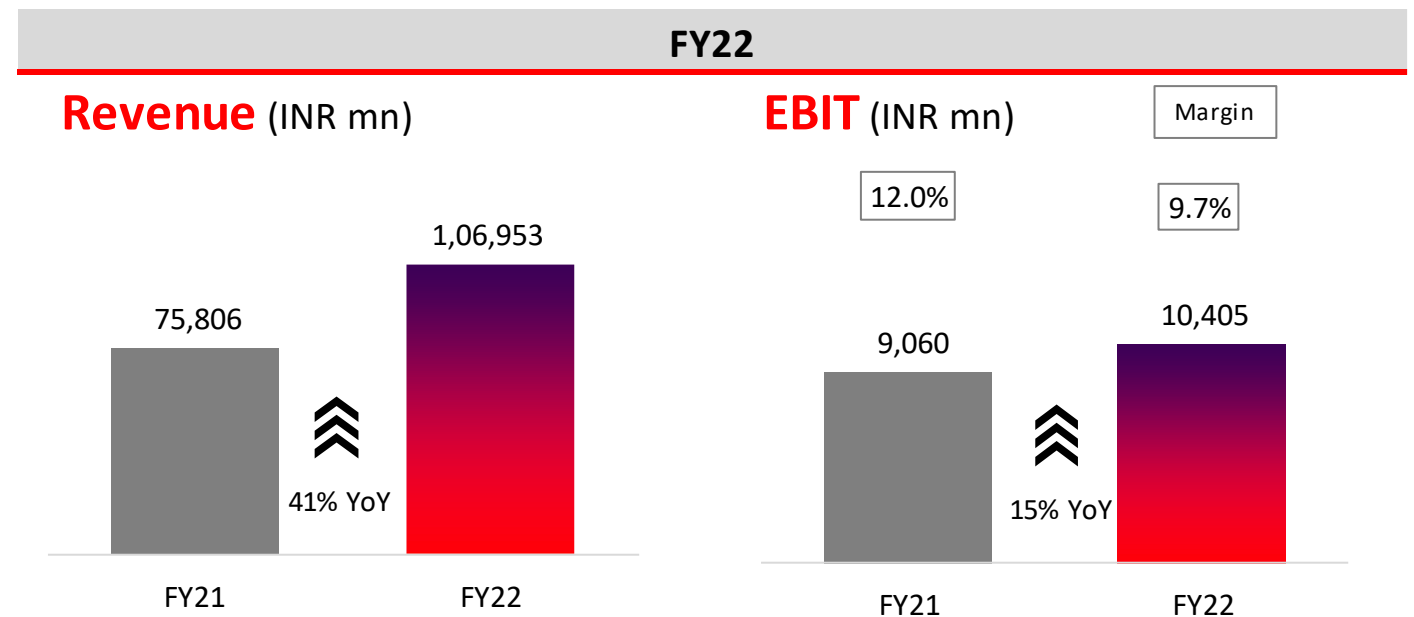
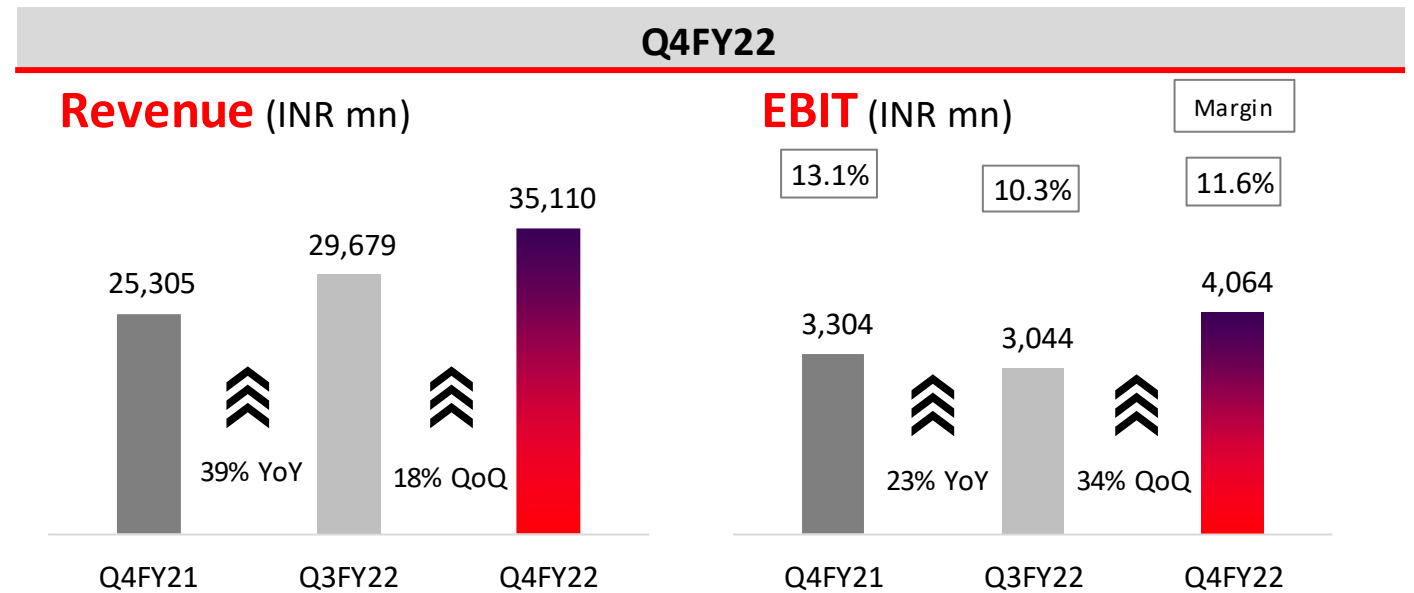
FY22: Surpassed INR 120 bn milestone amidst challenging environment



- Overall top-line surpassed Rs 120 bn milestone in FY22. Revenue grew by 39% YoY despite the two waves of pandemic and unprecedented inflation.
- EBITDA grew 14% YoY. Cost inflation pressures were partly mitigated by price hikes, favourable operating leverage and better mix.
- PBT at Rs 11.1 bn grew by 10% YoY with 9.1% margin. Adjusted PAT was up 14% YoY with 6.9% margin.

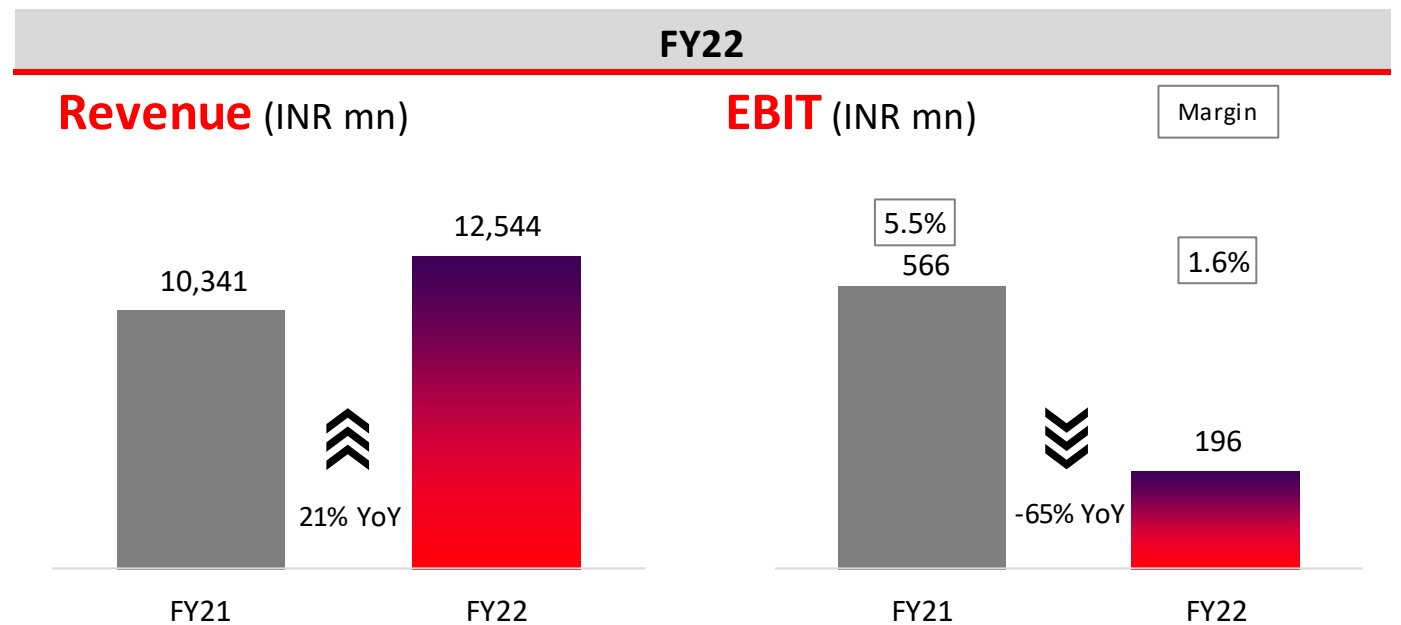
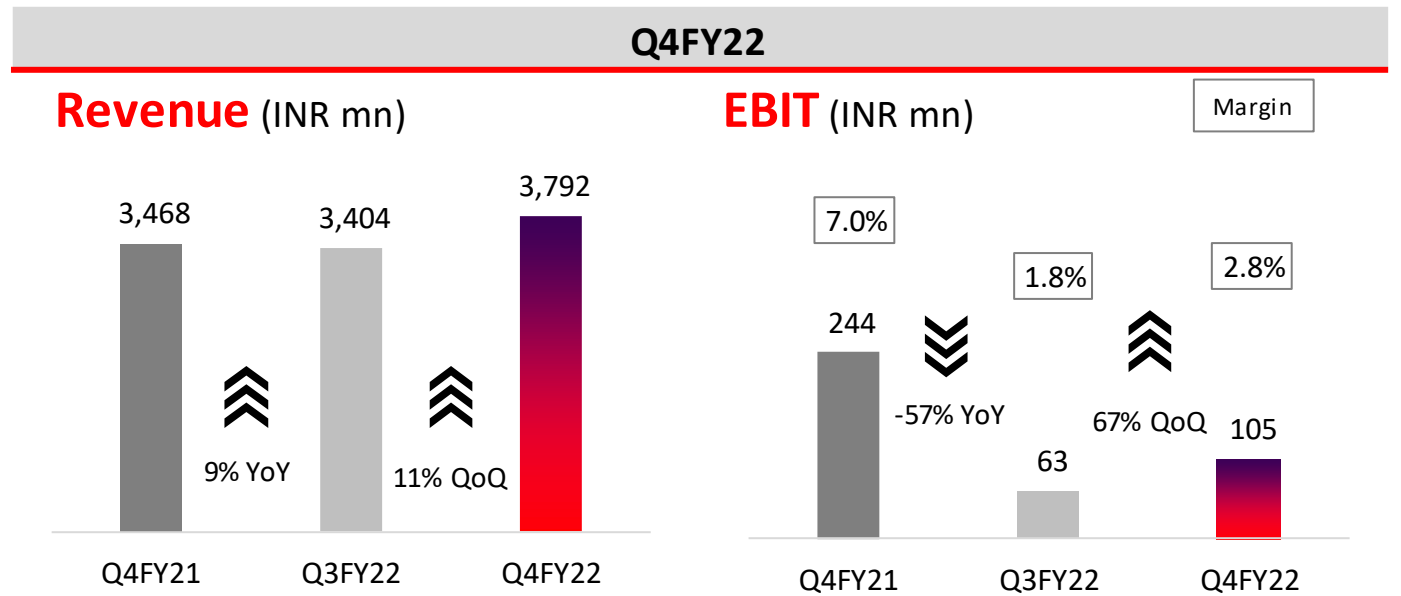
Wires and Cables

- Wires and Cables revenue grew by 39% YoY despite a relatively healthier base. Demand environment continued to remain encouraging.
- Domestic distribution driven business continued to see strong traction. However, institutional business, while growing, was subdued compared to last quarter.
- Wires grew faster than cables. Housing wires posted strong growth led by continued momentum in real estate and renovation activities as well as demand generation initiatives. A new sub brand “Etira” was launched in the economy price segment. Trade sentiment in Cables was temporarily restrained by significant volatility in Aluminum prices.
- Exports business was nearly 2x of last year and 2.2x excluding a large customer. Demand from sectors like Oil & Gas, Renewables and Infrastructure remained strong globally. Overall, Exports business was 7.6% of consolidated revenue in FY22.
- Margins continued to improve sequentially led by judicious price hikes and improved operating leverage.



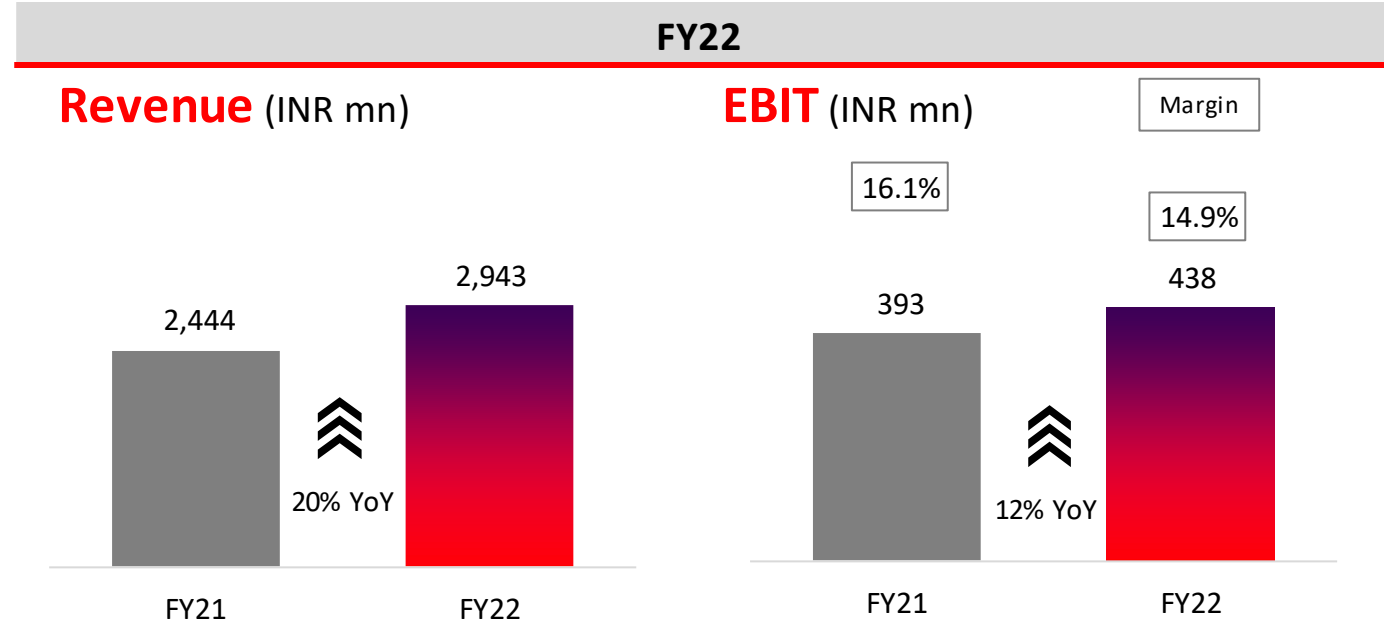
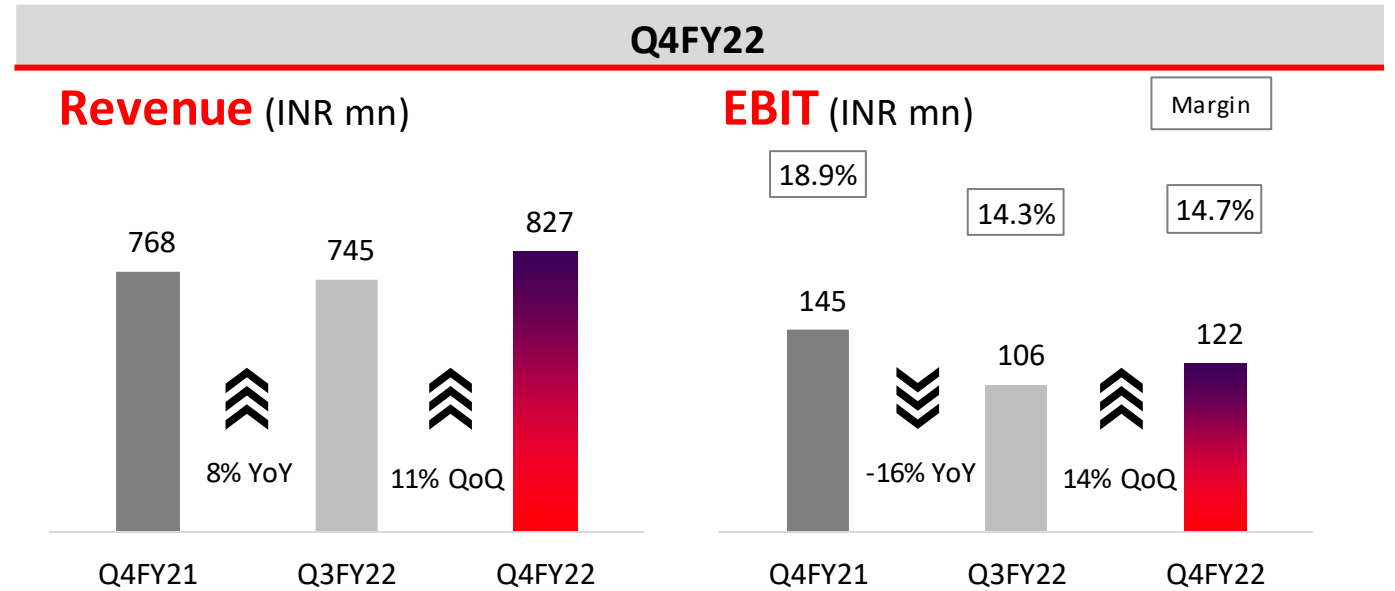
Fast Moving Electrical Goods

- FMEG business grew 9% YoY and 11% on a sequential basis. Overall demand momentum in Q4 was albeit subdued largely attributable to broader inflation. The business also underwent realignment exercise to improve sales force efficacy and achieve distribution synergies.
- Fans, lights and switchgears business posted healthy growth while Conduit Pipes continued the strong momentum. Switches saw a decline due to supply challenges. Transition to inhouse manufacturing of switches is ongoing. Solar business was muted however for the full year it achieved over 50% YoY growth.
- Four key initiatives to drive growth in FY23 will be 1) Aggressive market reach expansion 2) Building the right product portfolio across price spectrums 3) Improved brand architecture to drive premiumization and 4) Augmented influencer management program
- Profitability improved on a sequential basis but was lower than last year largely on account of higher A&P, staff cost and input cost pressures. The company is committed to achieving 12% annualized EBITDA margin in this business by FY26.



Other

- Other segment largely comprises of our EPC business
- Total income at Rs 827mn grew by 8% YoY
- Segmental EBIT was lower on YoY basis but up by 14% QoQ. Margin stood at 14.7%.
- Annual sustainable operating margin in this business is expected to be in high single digit over mid to long term



Financial Statements

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Consolidated Profit and Loss Statement

Particulars (INR mn)	Quarter						Year To Date			
	Q4FY22	%	Q3FY22	%	Q4FY21	%	FY22	%	FY21	%
Revenue from Operation	39,700	100.0%	33,720	100.0%	29,427	100.0%	1,22,038	100.0%	87,922	100.0%
Cost of Goods sold	30,892	77.8%	26,095	77.4%	21,857	74.3%	94,657	77.6%	65,171	74.1%
Contribution (A)	8,808	22.2%	7,625	22.6%	7,571	25.7%	27,381	22.4%	22,751	25.9%
Employee cost	1,050	2.6%	1,025	3.0%	976	3.3%	4,066	3.3%	3,537	4.0%
Other Operating Expenses	2,994	7.5%	2,983	8.8%	2,554	8.7%	10,663	8.7%	8,102	9.2%
Total Operating Expenses (B)	4,044	10.2%	4,008	11.9%	3,530	12.0%	14,729	12.1%	11,639	13.2%
Share of profit/(loss) of JVs (Net of tax) (C)	-4	0.0%	3	0.0%	7	0.0%	-26	0.0%	6	0.0%
EBITDA (A)-(B)+(C)	4,760	12.0%	3,620	10.7%	4,048	13.8%	12,626	10.3%	11,117	12.6%
Other Income	168	0.4%	216	0.6%	231	0.8%	899	0.7%	1,029	1.2%
Depreciation	503	1.3%	511	1.5%	461	1.6%	2,015	1.7%	1,762	2.0%
Finance Cost	125	0.3%	78	0.2%	132	0.4%	352	0.3%	427	0.5%
PBT	4,300	10.8%	3,247	9.6%	3,686	12.5%	11,159	9.1%	9,958	11.3%
Income Tax	1,047	2.6%	763	2.3%	976	3.3%	2,706	2.2%	2,543	2.9%
Adjusted PAT	3,253	8.2%	2,484	7.4%	2,711	9.2%	8,452	6.9%	7,415	8.4%
Exceptional items / Discontinued ops.	0	0.0%	678	2.0%	121	0.4%	721	0.6%	1,444	1.6%
Reported PAT	3,253	8.2%	3,162	9.4%	2,832	9.6%	9,173	7.5%	8,859	10.1%
Exceptional items / Discontinued ops. (INR mn)										
	Q4FY22	%	Q3FY22	%	Q4FY21	%	FY22	%	FY21	%
Income tax refund (Income Tax expense)	-	-	-	-	-	-	-	0.0%	839	1.0%
Interest on income tax refund (Other income)	-	-	-	-	-	-	-	0.0%	164	0.2%
Profit from Discontinued operations	-	-	678	-	121	-	721	0.6%	441	0.5%
Total	0	0.0%	678	2.0%	121	0.4%	721	0.6%	1,444	1.6%

Consolidated Balance Sheet

Particulars (INR mn)	Mar-22	Dec-21	Mar-21
Assets			
Non-current Assets			
Fixed Assets	20,598	18,128	19,805
Non-current Deposits	126	2,092	580
Other Non-current Assets	1,983	2,225	2,036
Total Non-current Assets	22,708	22,444	22,421
Current Assets			
Inventories	21,996	27,173	19,879
Trade Receivables	12,964	12,216	14,358
Investments	7,641	3,546	6,231
Cash and Bank Balances	4,071	1,895	5,313
Others - Current Assets	4,739	4,527	1,945
Total Current Assets	51,411	49,357	47,726
Total Assets	74,119	71,801	70,147

Particulars (INR mn)	Mar-22	Dec-21	Mar-21
Equity and Liabilities			
Shareholder's Funds			
Share Capital	1,495	1,494	1,491
Reserves and Surplus	53,943	50,667	46,048
Total Shareholder's Funds	55,438	52,160	47,539
Minority Interest	250	219	188
Non-current Liabilities			
Borrowings	30	37	1,037
Others - Non-current Liabilities	988	1,119	1,237
Total Non-current Liabilities	1,018	1,155	2,274
Current Liabilities			
Short-term Borrowings	802	756	1,450
Trade Payables	12,175	13,952	13,480
Others - Current Liabilities	4,436	3,559	5,215
Total Current Liabilities	17,413	18,267	20,146
Total Equity and Liabilities	74,119	71,801	70,147

Consolidated Condensed Cash Flow Statement

Particulars (INR mn)	Quarter			Year To Date	
	Q4FY22	Q3FY22	Q4FY21	FY22	FY21
Net Cash Flow from Operating Activities	7,027	-3,981	-2,939	5,116	12,524
Net cash flow from/(used in) investing activities	-6,440	3,996	3,216	-4,270	-10,121
Net cash flow from/(used in) financing activities	-123	-223	-383	-2,007	-1,748
Net Increase / (Decrease) in cash and cash equivalents	464	-208	-106	-1,160	656

Other key data points

Particulars (INR mn)	Quarter			Year To Date	
	Q4FY22	Q3FY22	Q4FY21	FY22	FY21
Advertisement and sales promotion expense	166	436	144	823	683
Capital expenditure	2,762	930	583	5,200	1,911
Net Cash Position*	11,007	6,740	9,637	11,007	9,637
Trade acceptances*	6,365	6,936	6,538	6,365	6,538
Goods in Transit*	317	805	1,171	317	1,171
Exports contribution (%)	6.0%	9.4%	4.1%	7.6%	8.5%

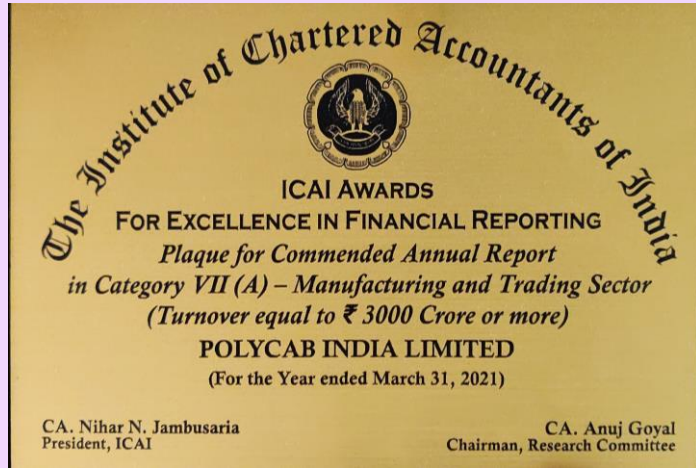
* as at period end

Other financial metrics

Working Capital in days	Average						Closing					
	Q4FY22	Q3FY22	Q2FY22	Q1FY22	FY21	FY20	Q4FY22	Q3FY22	Q2FY22	Q1FY22	FY21	FY20
Receivable Days	41	39	37	40	59	57	39	40	37	35	59	59
Inventory days	81	97	93	114	108	112	85	116	95	129	110	110
Payable Days	67	84	77	87	102	122	63	74	75	91	102	105
Net Working Capital	54	52	52	67	65	48	61	82	57	73	67	64

Other Income (INR mn)	Q4FY22	Q3FY22	Q4FY21	FY22	FY21
Interest income	67	62	56	269	193
Gain/loss on Redemption of investment	71	48	61	228	167
Fair value of financial assets (MTM)	-26	25	25	0	25
Exchange differences (net)	14	74	63	317	568
Miscellaneous income	42	8	26	85	76
Total	168	216	231	899	1029

Finance Cost (INR mn)	Q4FY22	Q3FY22	Q4FY21	FY22	FY21
Interest on Bank Borrowings	3	2	3	11	23
Interest on LC, VBD and Leases	76	28	71	151	234
Other borrowing costs	46	48	57	190	152
Foreign Exchange Gain/loss	0	0	0	0	18
Total	125	78	132	352	427



Green Wires

#MannKiShanti: Influencer Educational Film
Shared with 4 lac+ influencers

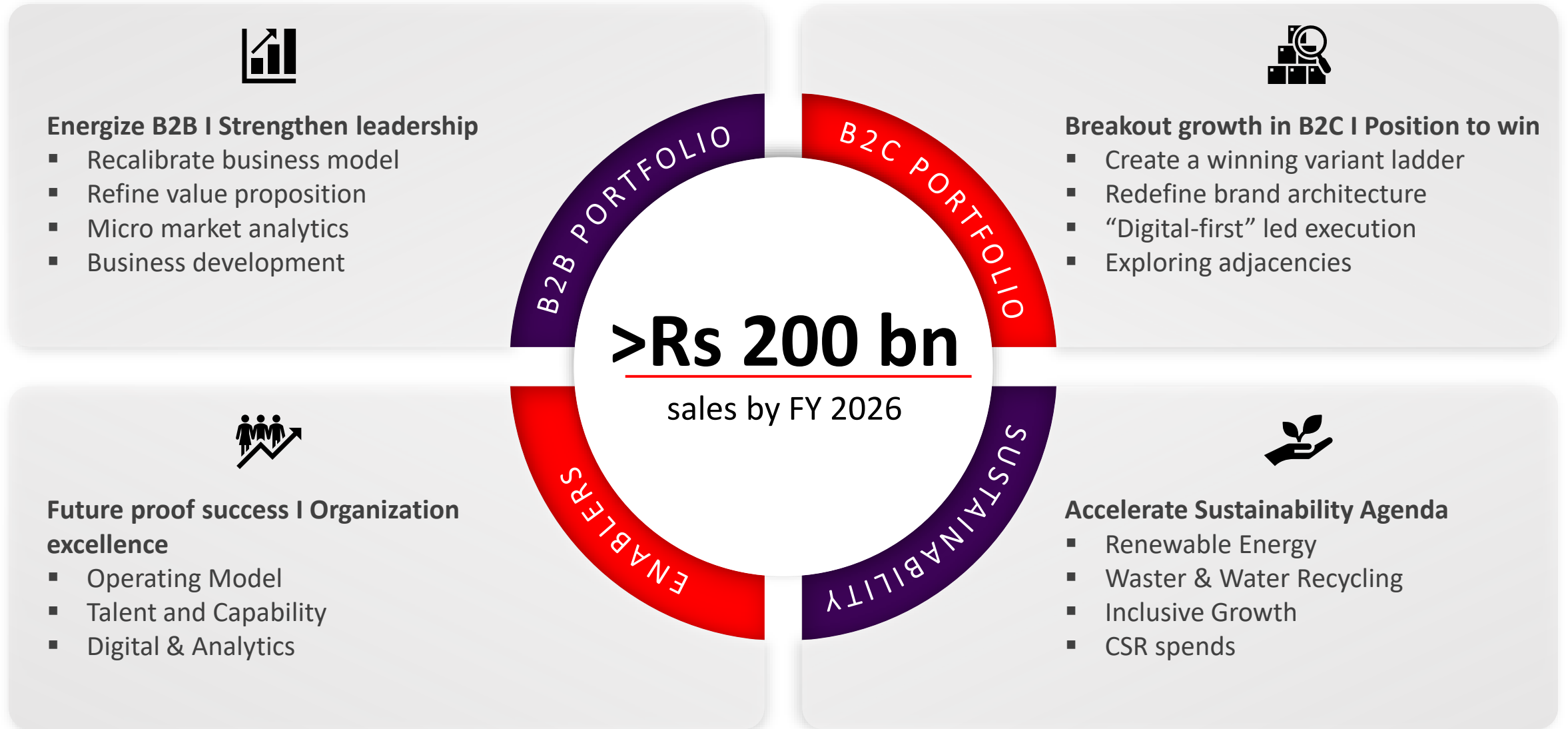


POLYCAB IGNIS



Project Leap

A multi year transformation journey



Project Leap

Made significant strides towards achieving our vision



Setup of right organization enablers

- ❖ Majority of talent acquisition for critical roles completed across businesses and functions
- ❖ Performance measures, Rewards & Recognition aligned to the growth strategy
- ❖ New transformation office to strengthen governance and implementation rigor



Customer centricity: Foundational moves

- ❖ Redesigned operating model of B2B businesses
- ❖ Heavy Duty & Light Duty Cables verticals merged to unlock significant value
- ❖ Structured approach to strategic key accounts
- ❖ Designed and piloted first in Industry, structured influencer management



Go – To – Market Excellence

- ❖ Built presence in Emerging India (Semi Urban & Rural) and Alternate channels
- ❖ Fast-tracked distribution expansion with ~ 2x increase in direct towns coverage
- ❖ Successfully piloted End to End digitization of front-end sales



Winning with new products

- ❖ Launched new sub brand “Etira” which will play pivotal role in economy price segments
- ❖ Portfolio roadmap in place for key businesses
- ❖ NPD council setup across businesses for structured review and governance



Key themes & priorities for the coming year

CUSTOMER CENTRICITY

Enhance visibility and control of secondary sales by significantly improving our understanding of end users and influencers

WINNING WITH NEW PRODUCTS

Execute the NPD roadmap to drive market share gains as well as premiumization

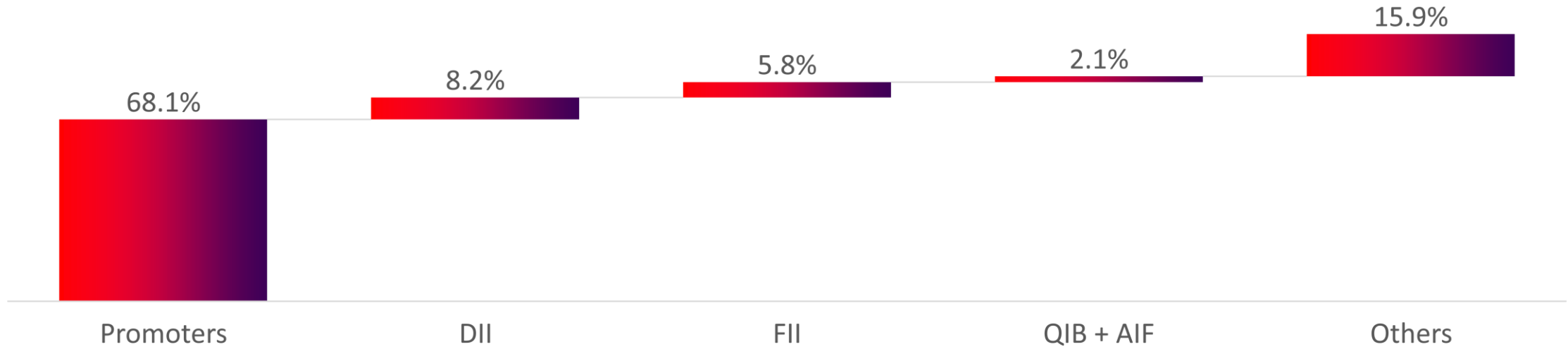
GO-TO-MARKET

Digitize the entire distribution ecosystem
Scale up in emerging India and alternate channels

GOVERNANCE

Monitor progress towards clearly define growth and profitability drivers of all building blocks

Shareholding Pattern



Note: As on 31st March 2022. 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"



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 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.

Notes and general definitions



1. Numbers on consolidated basis in INR million
2. Revenue: Revenue from operations
3. Segment Revenue: Total income (external sales) excluding finance income
4. EBITDA: Excludes other income
5. Segment EBIT: Includes other income and excludes finance income.
6. Segment EBIT margin: Segment EBIT divided by Segment Revenue.
7. PAT: Adjusted Profit After Tax excluding exceptional items and discontinued operations
8. PAT Margin: PAT for the period divided by Revenue
9. Net Cash: Cash & equivalents + Investments + Non-current Deposits – Debt
10. 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.
11. P&L and Segment numbers in current and prior comparable periods are restated due to divestment of Ryker Base.

THANK YOU

Polycab India Limited

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