

July 18, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		ACCUMULATE	
Target Price	8,091		7,510	
Sales (Rs. m)	2,72,504	3,23,144	2,65,518	3,14,711
% Chng.	2.6	2.7		
EBITDA (Rs. m)	38,007	45,391	34,832	41,727
% Chng.	9.1	8.8		
EPS (Rs.)	170.2	201.7	157.9	187.2
% Chng.	7.8	7.8		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,80,394	2,24,082	2,72,504	3,23,144
EBITDA (Rs. m)	24,918	29,602	38,007	45,391
Margin (%)	13.8	13.2	13.9	14.0
PAT (Rs. m)	17,840	20,199	25,610	30,347
EPS (Rs.)	118.7	134.3	170.2	201.7
Gr. (%)	39.9	13.1	26.8	18.5
DPS (Rs.)	18.5	35.0	40.0	45.0
Yield (%)	0.3	0.5	0.6	0.6
RoE (%)	24.1	22.4	23.3	22.7
RoCE (%)	32.7	31.4	32.1	31.2
EV/Sales (x)	5.7	4.5	3.7	3.1
EV/EBITDA (x)	40.9	34.4	26.7	22.2
PE (x)	58.3	51.6	40.7	34.3
P/BV (x)	12.7	10.6	8.6	7.1

Key Data POLC.BO | POLYCAB IN

52-W High / Low	Rs.7,607 / Rs.4,555
Sensex / Nifty	81,758 / 24,968
Market Cap	Rs.1,042bn / \$ 12,099m
Shares Outstanding	151m
3M Avg. Daily Value	Rs.2382.18m

Shareholding Pattern (%)

Promoter's	63.04
Foreign	11.11
Domestic Institution	10.95
Public & Others	14.90
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	15.6	2.2	5.7
Relative	15.2	(4.3)	5.2

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Strong traction in W&C with margin expansion

Quick Pointers:

- W&C business reported 31.2% revenue growth in Q1FY26
- EBITDAM expands by 210bps YoY; W&C EBIT margin expand by 190bps YoY

We are upgrading POLYCAB from 'Accumulate' to 'BUY' with strong Q1 and improvement in EBITDA margin. The Wires & Cables (W&C) segment reported volume growth of 25%, with cables outperforming wires. Domestic W&C business grew by 32% YoY, driven by strong momentum in both channel and institutional segments. POLYCAB holds 27% market share in domestic organized W&C industry. The company's international business grew by 24% YoY in Q1FY26 on a low base, but declined by 6% QoQ. Contribution of exports to total revenue stood at 5.2%, but it is expected to improve in the coming quarters. The company aims to increase export contribution to 10% in the next 5 years. Its FMEG segment delivered another quarter of positive EBIT led by premium fans, lights and switches. Solar products are now a major contributor to the FMEG portfolio. POLYCAB aims to achieve 1.5x sector growth in volume and EBITDA margin of 11-13% over the next 5 years through its Project Spring and 12-14% from BharatNet project. We expect revenue/EBITDA/PAT CAGR of 20.1%/23.8%/22.6% over FY25-27E. We assign SOTP-based target price of Rs8,091 (Rs 7,510 earlier), implying PE of 40x FY27E.

W&C grows 31.2% YoY, domestic W&C business up 32%: W&C business reported revenue growth of 31.2% YoY in Q1FY26, with cables outpacing wires. Emerging sectors like data centers, EVs, aerospace, defense and government expenditure have collectively created substantial opportunities for the domestic W&C industry. The company remains a leader in the W&C space in India with a market share of 27% in the domestic organized W&C industry. In case of international business, the US, Europe, Australia and the Middle East are the key contributors, while other regions continue to exhibit strong demand. The company now exports to 80+ countries and plans to add more countries to expand revenue and minimize revenue concentration risk. International business revenue accounted for 5.2% of the consolidated revenue for the quarter.

Sales grows 25.7%, PAT up 49.5%: Sales grew 25.7% YoY to Rs59.1bn (PLe: Rs55.6bn). W&C business grew 31.2% YoY to Rs60.2bn (PLe: Rs56.8bn). Export revenue grew by 24% YoY and contributed 5.2% to total sales. Gross margins expanded by 230bps YoY to 26.9% (PLe: 25.6%). EBITDA grew by 47.0% YoY to Rs8.6bn (PLe: Rs7.4bn). EBITDA margin expanded by 210bps YoY to 14.5% (PLe: 13.3%) due to improved pricing action and operational efficiency. PAT grew by 49.5% YoY to Rs5.9bn (PLe: Rs5.2bn). W&C EBIT grew by 50.7% YoY to Rs7.5bn and margins expanded by 190bps YoY to 14.7%. FMEG revenue rose by 17.5% YoY to Rs4.4bn (PLe: Rs 4.6bn) and reported positive EBIT of Rs96mn vs loss of Rs27mn in Q1FY25.



Exhibit 1: Q1FY26 Result Overview (Rs mn)

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	59,060	46,980	25.7	55,627	6.2	69,858	(15.5)	272,504	224,083	21.6
Gross Profit	15,872	11,565	37.2	14,241	11.5	17,805	(10.9)	69,337	55,783	24.3
% of NS	26.9	24.6	2.3	25.6	1.3	25.5	1.39	25.4	24.9	0.55
Other Expenses	7,296	5,731	27.3	6,842	6.6	7,551	(3.4)	31,330	26,180	19.7
% of NS	12.4	12.2	0.2	12.3	0.1	10.8	1.54	11.5	11.7	
EBITDA	8,576	5,834	47.0	7,398	15.9	10,254	(16.4)	38,007	29,602	28.4
Margins (%)	14.5	12.4	2.1	13	1.2	14.7	-0.16	13.9	13.2	0.74
Depreciation	857	671	27.7	823	4.2	804	6.6	4,117	2,981	38.1
Interest	513	413	24.1	258	98.6	325	57.5	1,466	1,689	(13.2)
Other Income	799	584	36.9	707	13.2	481	66.3	1,802	2,076	(13.2)
PBT	8,006	5,334	50.1	7,024	14.0	9,606	(16.7)	34,226	27,008	26.7
Tax	2,009	1,317	52.5	1,735	15.8	2,262	(11.2)	8,304	6,553	26.7
Tax rate (%)	25.1	24.7		24.7	0.4	23.5		24.3	24.3	
Adjusted PAT	5,921	3,960	49.5	5,211	13.6	7,267	(18.5)	25,610	20,200	26.8

Source: Company, PL

Exhibit 2: Segmental Breakup (Rs mn)

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Revenues								
Wires & Cables	51,312	39,109	31.2	59,201	-13.3	225,898	188,881	19.6
FMEG	4,459	3,794	17.5	4,692	-5.0	18,777	16,535	13.6
Others (EPC)	3,474	4,279	-18.8	6,028	-42.4	27,829	19,192	45.0
Total	59,245	47,182	25.6	69,921	-15.3	272,504	224,608	21.3
EBIT								
Wires & Cables	7,542	5,003	50.7	8,926	-15.5	31,124	25,722	21.0
EBIT margin (%)	14.7	12.8	190bps	15.1		13.8	13.6	
FMEG	96	-27	NA	23	317.4	1,106	(382)	NA
EBIT margin (%)	2.2	-0.7	290bps	0.5		5.9	-2.3	
Others (EPC)	268	388	-31.0	564	-52.6	2,619	1,806	45.0
EBIT margin (%)	7.7	9.1	-140bps	9.4		9.4	9.4	
Total EBIT	7,906	5,364	47.4	9,513	-16.9	34,849	27,146	28.4
EBIT margin (%)	13.3	11.4	200bps	13.6		12.8	12.1	

Source: Company, PL

Conference Call Highlights

- **Consolidated revenue grew 25.7% YoY**, marking the highest Q1 revenue for the company, led by robust performance in the W&C business.
- The company targets 1.5x industry growth in W&C business and 1.5x-2x in FMEG business in the next 5 years under Project Spring.
- The company has planned a capex of Rs 60–80bn over the next 5 years, majority of which will be allocated to W&C and backward integration.
- The company incurred a total capex of Rs4.1bn in Q1FY26.

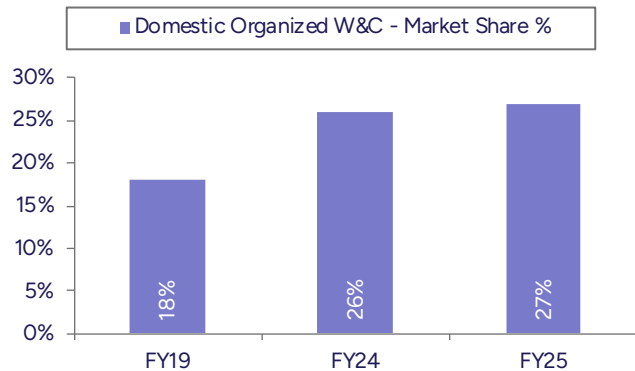
W&C Segment

- The company has guided EBITDA margin of 11-13% for the next 5 years. Margins are expected to remain in the 12–14% range from the BharatNet project and in high single digits from the RDSS order book.
- International business grew by 24% YoY on a low base and contributed to 5.2% of consolidated revenue. The US accounted for 1/3rd of the company's total exports.
- Domestic business grew by 32% with cables continuing to outperform wires. Both channel and institutional segments witnessed strong momentum.
- EBIT margin expanded by 190bps supported by targeted pricing actions and improved operating efficiency.
- EPC order book as of Q1FY26 stood at Rs120bn. Of this, RDSS order book stood at Rs40bn and BharatNet order book at Rs80bn, which is executable over the next 3-4 years.

FMEG Segment

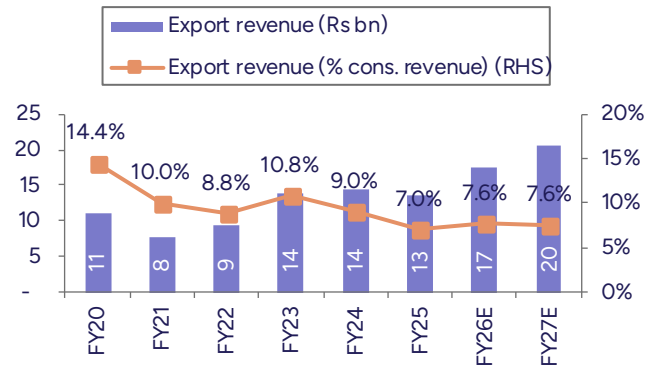
- The company has guided EBITDA margin to be 8-12% for FY26.
- The segment delivered another quarter of positive EBIT led by the premium portfolio.
- Premium fans contributed 25% to overall fan sales, while premium lighting accounted for 35% of lighting sales. Premium switches made up 20% of switch sales, and switchgears and conduits witnessed healthy demand from the real estate sector.
- Solar products recorded over 2x growth compared to the same quarter last year, and are now the largest contributors within the FMEG portfolio.
- All FMEG products, except solar inverters, are manufactured in-house, with no changes planned; solar inverters will continue to be outsourced.

Exhibit 3: POLYCAB market share on the rise



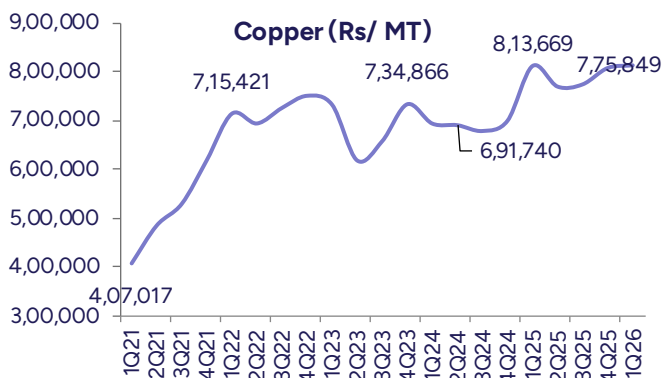
Source: Company, PL

Exhibit 4: Export revenue to reach 7.6% of rev by FY27E



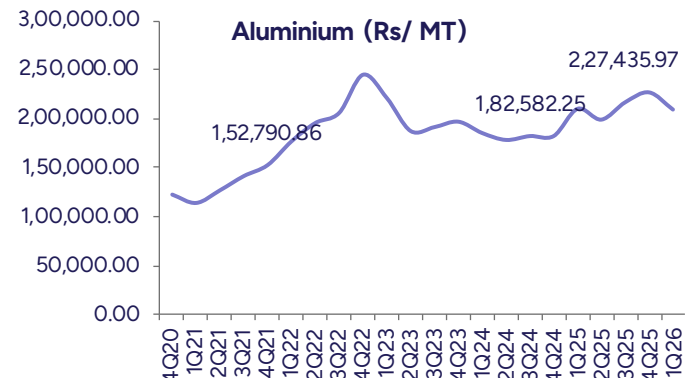
Source: Company, PL

Exhibit 5: Copper price up 0.2% YoY/0.7% QoQ in Q1FY26



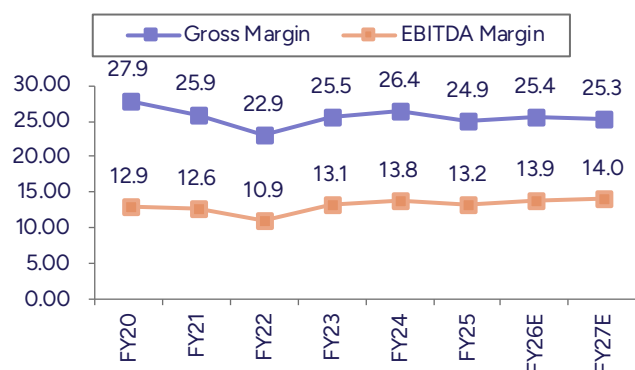
Source: Company, PL

Exhibit 6: Aluminium down 0.4% YoY/7.8% QoQ in Q1FY26



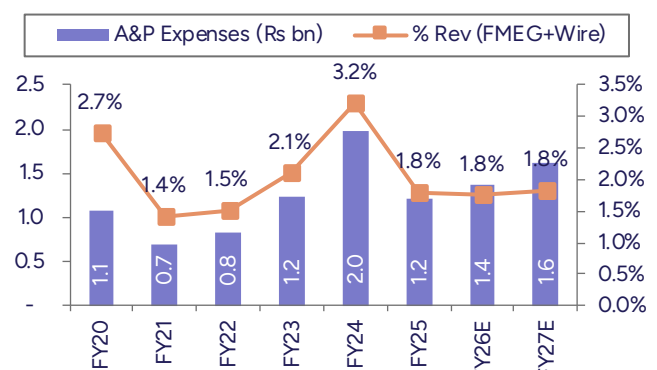
Source: Company, PL

Exhibit 7: GM to improve with segment/prod mix



Source: Company, PL

Exhibit 8: A&P exp to increase, drive retail business



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,80,394	2,24,082	2,72,504	3,23,144
YoY gr. (%)	27.9	24.2	21.6	18.6
Cost of Goods Sold	1,32,803	1,68,300	2,03,167	2,41,473
Gross Profit	47,591	55,782	69,337	81,671
Margin (%)	26.4	24.9	25.4	25.3
Employee Cost	6,095	7,367	8,993	10,664
Other Expenses	7,030	9,058	9,857	10,751
EBITDA	24,918	29,602	38,007	45,391
YoY gr. (%)	34.5	18.8	28.4	19.4
Margin (%)	13.8	13.2	13.9	14.0
Depreciation and Amortization	2,450	2,981	4,117	5,181
EBIT	22,467	26,621	33,890	40,210
Margin (%)	12.5	11.9	12.4	12.4
Net Interest	1,083	1,689	1,466	1,789
Other Income	2,209	2,076	1,802	2,080
Profit Before Tax	23,592	27,008	34,226	40,501
Margin (%)	13.1	12.1	12.6	12.5
Total Tax	5,564	6,553	8,304	9,827
Effective tax rate (%)	23.6	24.3	24.3	24.3
Profit after tax	18,029	20,455	25,921	30,674
Minority interest	189	255	312	327
Share Profit from Associate	-	-	-	-
Adjusted PAT	17,840	20,199	25,610	30,347
YoY gr. (%)	40.4	13.2	26.8	18.5
Margin (%)	9.9	9.0	9.4	9.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	17,840	20,199	25,610	30,347
YoY gr. (%)	40.4	13.2	26.8	18.5
Margin (%)	9.9	9.0	9.4	9.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	17,840	20,199	25,610	30,347
Equity Shares O/s (m)	150	150	150	150
EPS (Rs)	118.7	134.3	170.2	201.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	37,394	46,830	61,109	75,974
Tangibles	36,943	46,378	60,628	75,462
Intangibles	451	452	482	512
Acc: Dep / Amortization	14,065	16,718	20,451	25,326
Tangibles	13,775	16,365	20,033	24,839
Intangibles	291	353	418	487
Net fixed assets	23,329	30,112	40,659	50,648
Tangibles	23,169	30,013	40,595	50,623
Intangibles	160	98	64	25
Capital Work In Progress	5,784	7,081	7,081	7,081
Goodwill	46	-	-	-
Non-Current Investments	1,502	3,707	3,000	3,468
Net Deferred tax assets	(415)	(785)	(1,289)	(1,886)
Other Non-Current Assets	2,859	3,397	2,671	2,691
Current Assets				
Investments	18,224	17,490	17,490	22,490
Inventories	36,751	36,613	46,288	54,890
Trade receivables	20,471	25,963	31,357	37,184
Cash & Bank Balance	4,024	7,706	11,971	14,028
Other Current Assets	7,227	4,159	5,058	5,998
Total Assets	1,20,789	1,37,727	1,67,324	2,00,489
Equity				
Equity Share Capital	1,503	1,504	1,504	1,504
Other Equity	80,369	96,745	1,20,066	1,44,395
Total Network	81,872	98,249	1,21,570	1,45,900
Non-Current Liabilities				
Long Term borrowings	226	419	419	419
Provisions	439	413	502	596
Other non current liabilities	423	886	423	423
Current Liabilities				
ST Debt / Current of LT Debt	1,140	896	1,089	1,292
Trade payables	28,633	27,358	31,371	37,286
Other current liabilities	6,168	6,849	8,300	9,816
Total Equity & Liabilities	1,20,789	1,37,727	1,67,324	2,00,489

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	23,592	27,008	34,226	40,501
Add. Depreciation	2,450	2,981	4,117	5,181
Add. Interest	1,083	1,689	1,466	1,789
Less Financial Other Income	2,209	2,076	1,802	2,080
Add. Other	(331)	(1,162)	985	803
Op. profit before WC changes	26,795	30,516	40,794	48,274
Net Changes-WC	(8,090)	(6,099)	(10,000)	(8,615)
Direct tax	(5,743)	(6,331)	(8,304)	(9,827)
Net cash from Op. activities	12,962	18,085	22,490	29,832
Capital expenditures	(8,530)	(9,696)	(14,664)	(15,170)
Interest / Dividend Income	447	224	350	350
Others	563	(2,921)	(3,664)	(6,758)
Net Cash from Invst. activities	(7,519)	(12,393)	(17,978)	(21,578)
Issue of share cap. / premium	194	73	-	-
Debt changes	(54)	(160)	194	202
Dividend paid	(2,997)	(4,511)	(5,265)	(6,017)
Interest paid	(1,017)	(1,685)	(1,466)	(1,789)
Others	-	-	-	-
Net cash from Fin. activities	(3,874)	(6,283)	(6,538)	(7,604)
Net change in cash	1,570	(591)	(2,026)	650
Free Cash Flow	4,433	8,389	7,826	14,662

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	118.7	134.3	170.2	201.7
CEPS	135.0	154.1	197.6	236.2
BVPS	544.9	653.1	808.2	969.9
FCF	29.5	55.8	52.0	97.5
DPS	18.5	35.0	40.0	45.0
Return Ratio(%)				
RoCE	32.7	31.4	32.1	31.2
ROIC	32.2	30.5	31.4	30.8
RoE	24.1	22.4	23.3	22.7
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	37	43	48	48
Valuation(x)				
PER	58.3	51.6	40.7	34.3
P/B	12.7	10.6	8.6	7.1
P/CEPS	51.3	44.9	35.0	29.3
EV/EBITDA	40.9	34.4	26.7	22.2
EV/Sales	5.7	4.5	3.7	3.1
Dividend Yield (%)	0.3	0.5	0.6	0.6

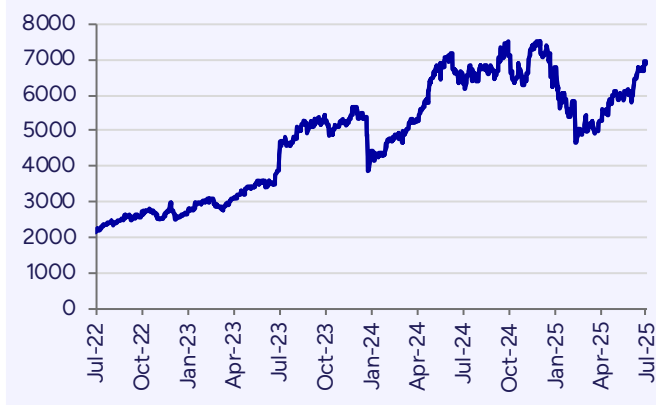
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	54,984	52,261	69,858	59,060
YoY gr. (%)	30.4	20.4	24.9	25.7
Raw Material Expenses	42,025	38,807	52,053	43,188
Gross Profit	12,960	13,453	17,805	15,872
Margin (%)	23.6	25.7	25.5	26.9
EBITDA	6,316	7,199	10,254	8,576
YoY gr. (%)	3.7	26.4	34.6	47.0
Margin (%)	11.5	13.8	14.7	14.5
Depreciation / Depletion	721	786	804	857
EBIT	5,595	6,414	9,450	7,719
Margin (%)	10.2	12.3	13.5	13.1
Net Interest	453	498	325	513
Other Income	762	250	481	799
Profit before Tax	5,903	6,166	9,606	8,006
Margin (%)	10.7	11.8	13.8	13.6
Total Tax	1,451	1,522	2,262	2,009
Effective tax rate (%)	24.6	24.7	23.5	25.1
Profit after Tax	4,452	4,643	7,344	5,997
Minority interest	54	68	77	76
Share Profit from Associates	-	-	-	-
Adjusted PAT	4,398	4,576	7,267	5,921
YoY gr. (%)	3.3	10.8	33.1	49.5
Margin (%)	8.0	8.8	10.4	10.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,398	4,576	7,267	5,921
YoY gr. (%)	3.3	10.8	33.1	49.5
Margin (%)	8.0	8.8	10.4	10.0
Other Comprehensive Income	(9)	-	36	(94)
Total Comprehensive Income	4,389	4,576	7,303	5,827
Avg. Shares O/s (m)	149	150	150	150
EPS (Rs)	29.5	30.4	48.3	39.4

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Jul-25	Accumulate	7,510	6,808
2	07-May-25	BUY	7,152	5,880
3	03-Apr-25	BUY	7,152	5,286
4	05-Mar-25	BUY	7,152	4,875
5	23-Jan-25	BUY	8,233	6,251
6	08-Jan-25	BUY	8,741	7,163
7	13-Dec-24	BUY	8,741	7,486
8	21-Oct-24	BUY	8,741	7,120
9	08-Oct-24	BUY	8,741	7,263
10	19-Jul-24	BUY	7,788	6,336

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	838
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	350
8	Cyient DLM	Accumulate	546	480
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	310	271
11	Havells India	Accumulate	1,718	1,573
12	Kajaria Ceramics	Accumulate	1,171	1,075
13	Kaynes Technology India	Hold	6,068	6,176
14	KEI Industries	BUY	4,455	3,841
15	Polycab India	Accumulate	7,510	6,808
16	R R Kabel	Accumulate	1,485	1,393
17	Supreme Industries	Hold	4,346	4,376
18	Syrma SGS Technology	Hold	625	607
19	Voltas	Hold	1,350	1,367

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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