

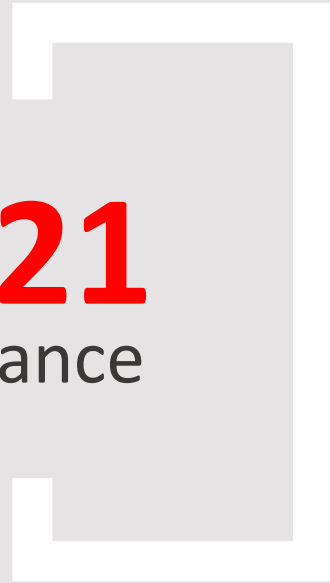
Q4 FY2021

Earnings Presentation

13 May 2021

Q4 & FY2021

Financial Performance



Key Highlights



Top-line (Revenue)

Q4FY21: 30,374 mn
 ⤴ 43% YoY
 ⤴ 9% QoQ

FY21: 89,265 mn
 ⤴ 1% YoY



Operating (EBITDA)

Q4FY21: 4,220 mn
 ⤴ 43% YoY
 ⤴ 12% QoQ

FY21: 11,668 mn
 ⤴ 3% YoY



Profitability (PAT)

Q4FY21: 2,832 mn
 ⤴ 32% YoY
 ⤴ 7% QoQ

FY21: 8,859 mn
 ⤴ 16% YoY



ROCE

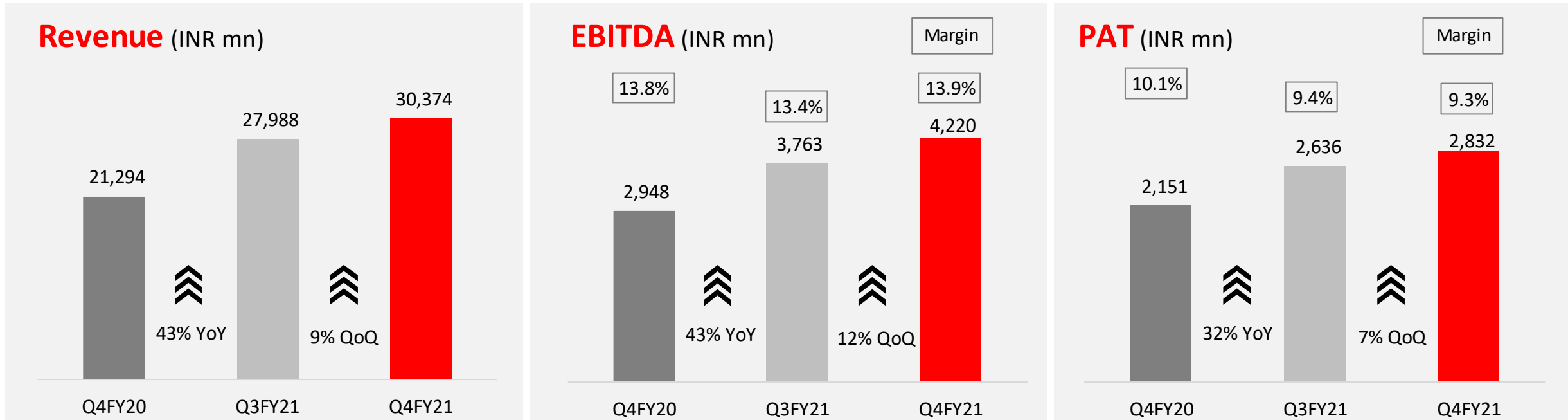
Q4FY21: 31.9%
 ⤴ 205bps YoY
 ⤴ 133bps QoQ

FY21: 22.3%
 ⤴ -417bps YoY



Notes: (1) Numbers on consolidated basis (2) Revenue: Revenue from operations (3) EBITDA excludes other Income (4) PAT: Profit After Tax on reported basis and includes exceptional items as explained on slide 10 (5) Annualised Returns On Capital Employed (ROCE)

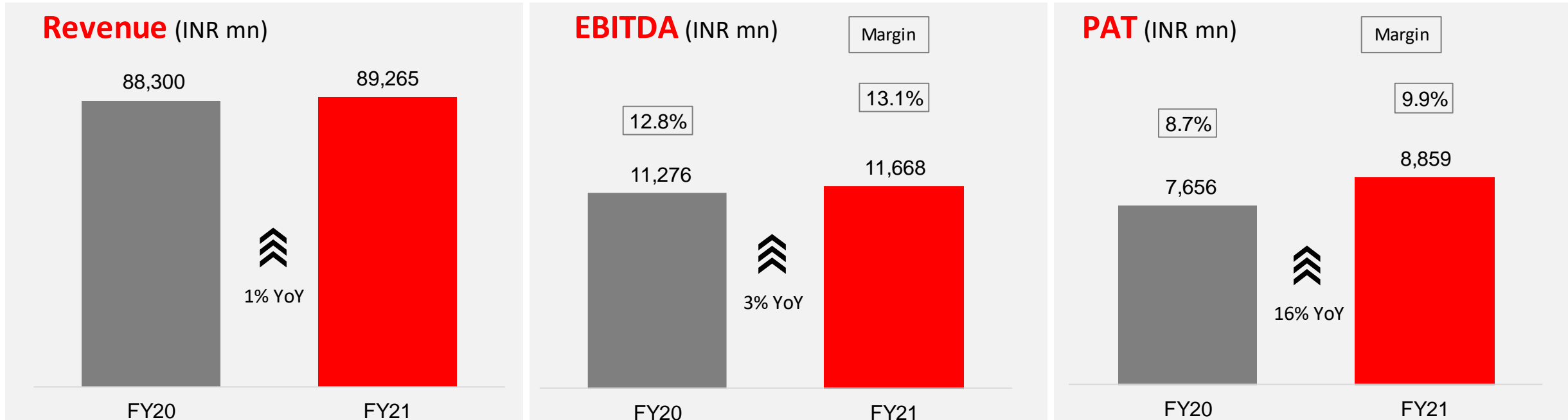
Q4 FY21: Strong underlying growth



- Revenue was up by 43% YoY and 9% QoQ with healthy underlying growth across business segments and improving share of B2C business
- EBITDA grew by 43% YoY with 13.9% margin helped by pricing actions, leverage benefits and cost saving initiatives
- PBT and PAT was up 36% YoY and 32% YoY, respectively. PAT margin stood at 9.3%
- ROCE at 31.9% was up by over 200bp YoY while Net Cash position at over Rs 9bn, as of March 2021 end, was 5.5x of same period last year

Notes: (1) Consolidated basis in INR mn (2) Revenue: Revenue from operations (3) EBITDA Margin: EBITDA / Revenue (4) EBITDA excludes other Income (5) PAT: Profit After Tax on reported basis and includes exceptional items as explained on slide 10 (6) PAT Margin: Profit after Tax for the period divided by Revenue

FY21: A better year amidst disruption



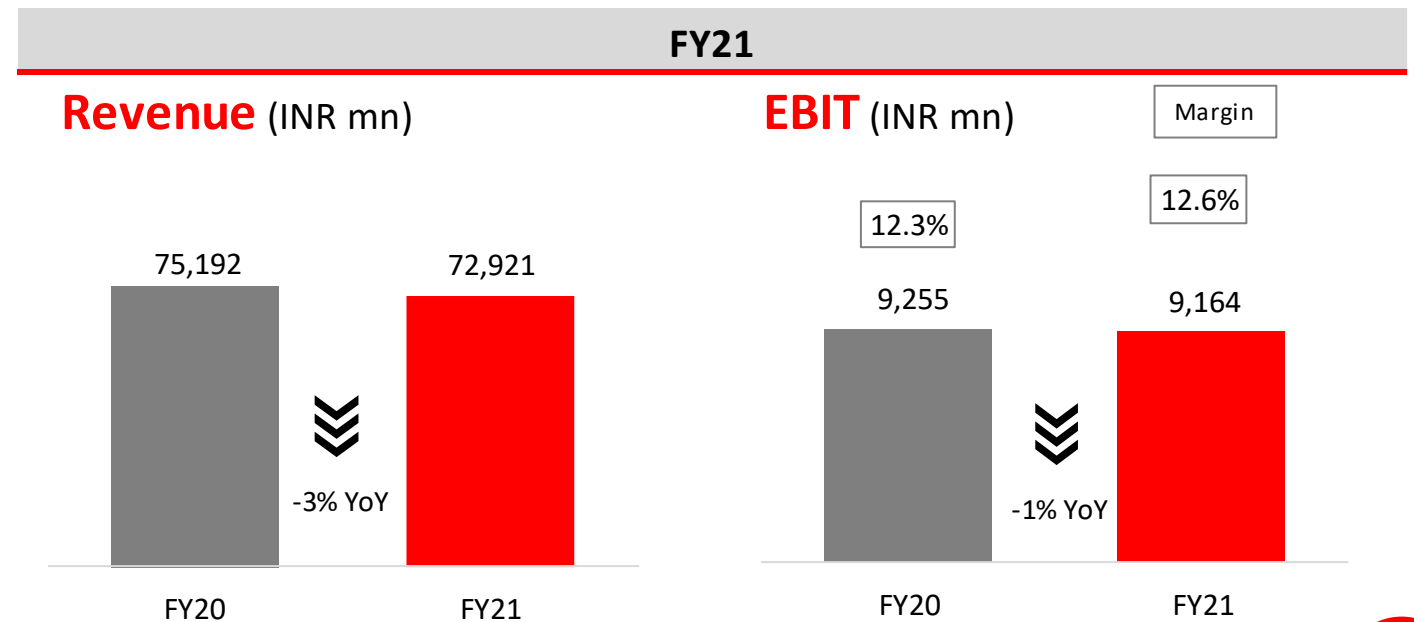
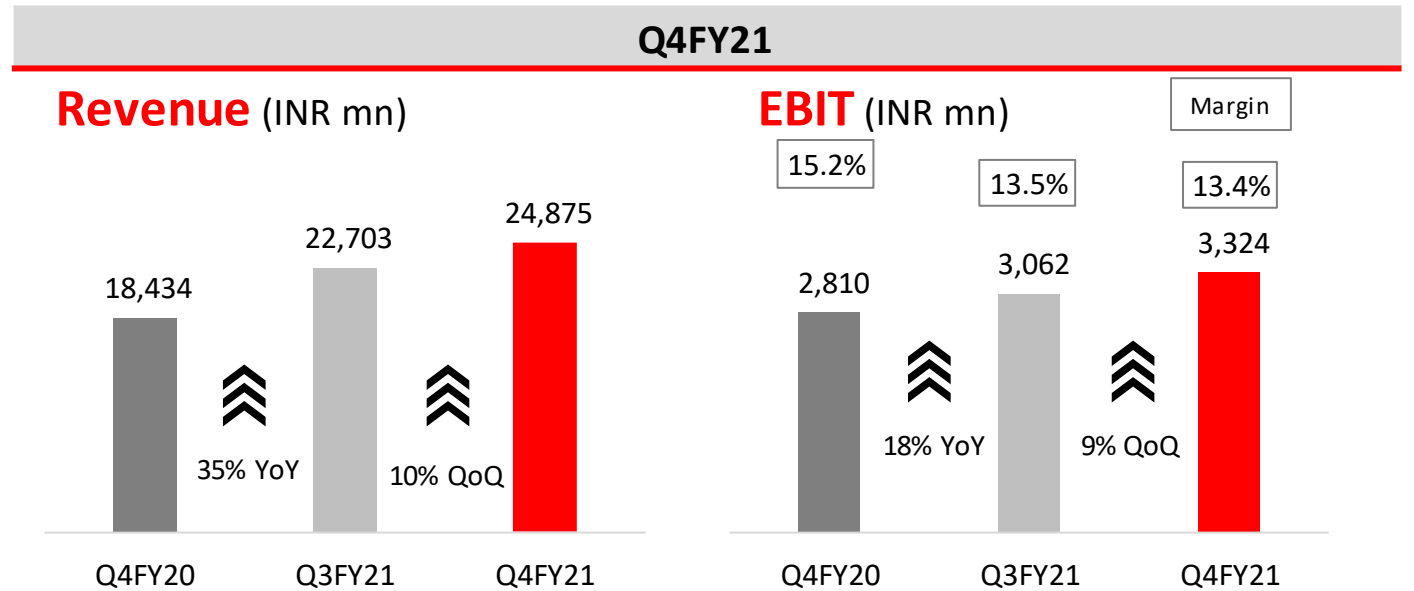
- Revenue was higher than last year led by strong performance in second half of the year, offsetting severe impact of COVID-19 outbreak
- Sales contribution from B2C product portfolio, on a standalone basis, grew from 32.6% in FY20 to 40.2% in FY21
- EBITDA grew 3% YoY with 30bps YoY improvement in margin despite adverse operating leverage seen in first half
- PBT stood at 10.6bn with 11.9% margin. PAT grew 16% YoY partly aided by few one off gains. PAT margin at 9.9% was up by 125bp YoY

Notes: (1) Consolidated basis in INR mn (2) Revenue: Revenue from operations (3) EBITDA Margin: EBITDA / Revenue (4) EBITDA excludes other Income (5) PAT: Profit After Tax on reported basis and includes exceptional items as explained on slide 10 (6) PAT Margin: Profit after Tax for the period divided by Revenue

Wires and Cables

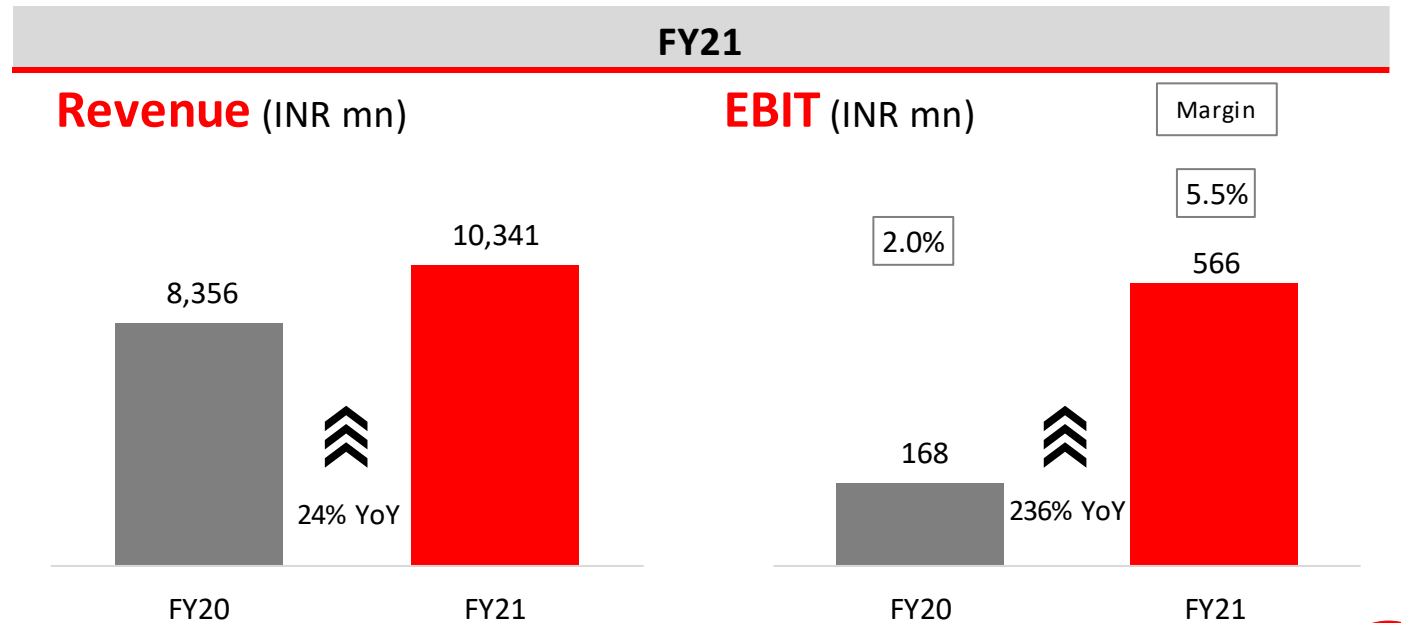
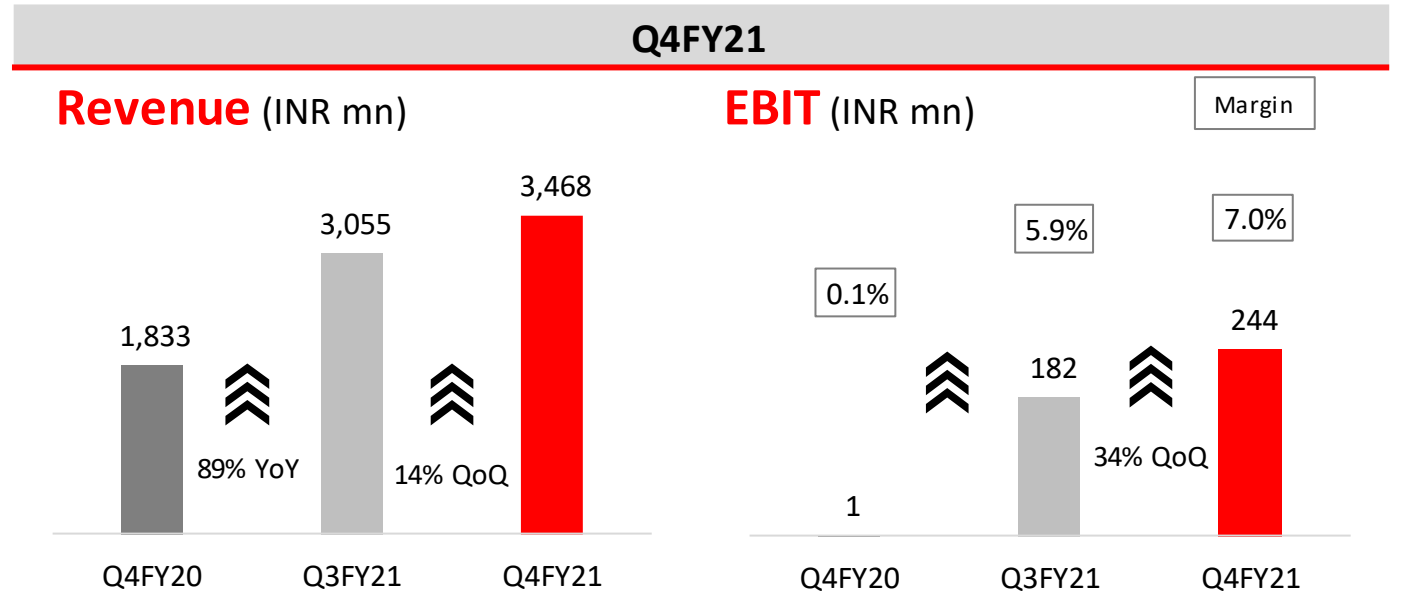
- Wires and Cables business grew by 35% YoY led by healthy pickup in infra and industrial project activities, improving consumer sentiment, and higher sales realisation. Polycab now commands 20-22% of share of the organised wires and cables market of India.
- Business performance was broadly consistent across distribution channel as well as institutional business. Institutional business saw a decent recovery.
- Within domestic distribution channel sales, Wires continued to grow faster than Cables. Housing wires sustained strong momentum.
- Export's revenue in Q4 stood at Rs1.37bn or 4.5% of overall sales. YoY decline is largely on account of higher base of Dangote order (0.1bn in Q4FY21 vs 3.2bn in Q4FY20). Excluding that, exports portfolio was lower by about 7% YoY on account of delay in some large construction projects globally.
- Profitability was sequentially stable in Q4. On full year basis segment margin improved by 26bps.

Notes: (1) Consolidated basis in INR mn (2) Revenue: Total income excluding finance income (3) EBIT (Earnings before Interest and Tax): includes other income and excludes finance income



Fast Moving Electrical Goods

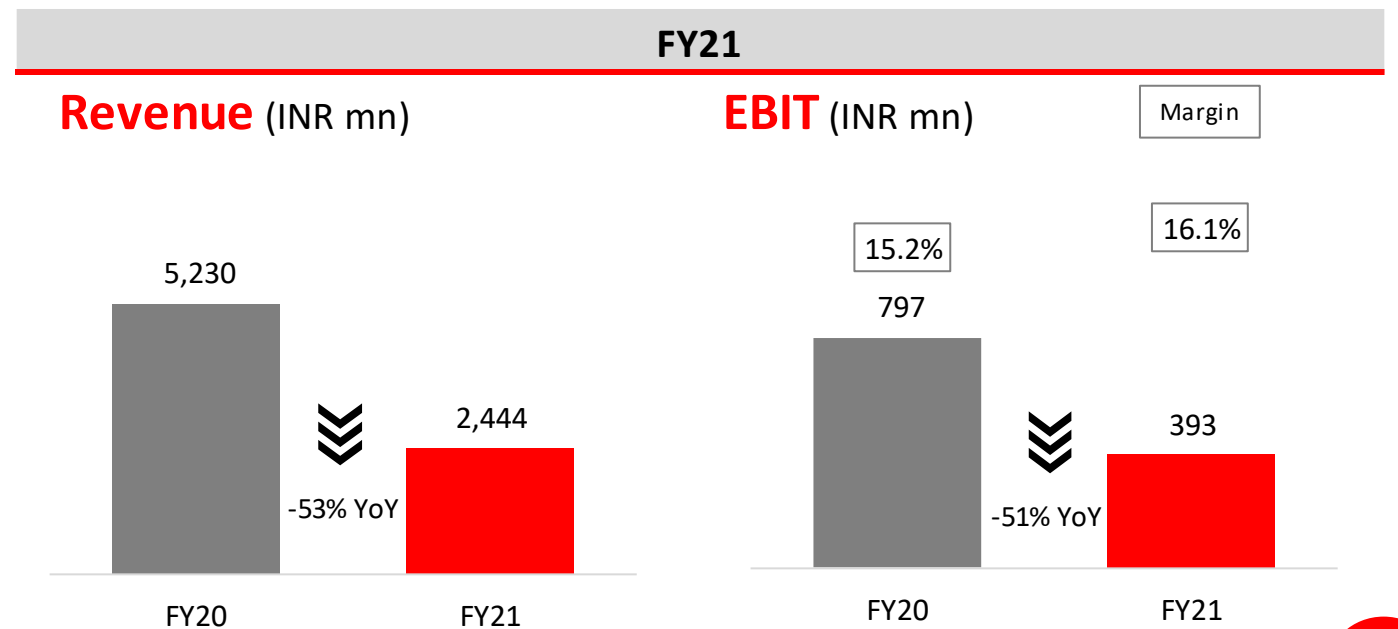
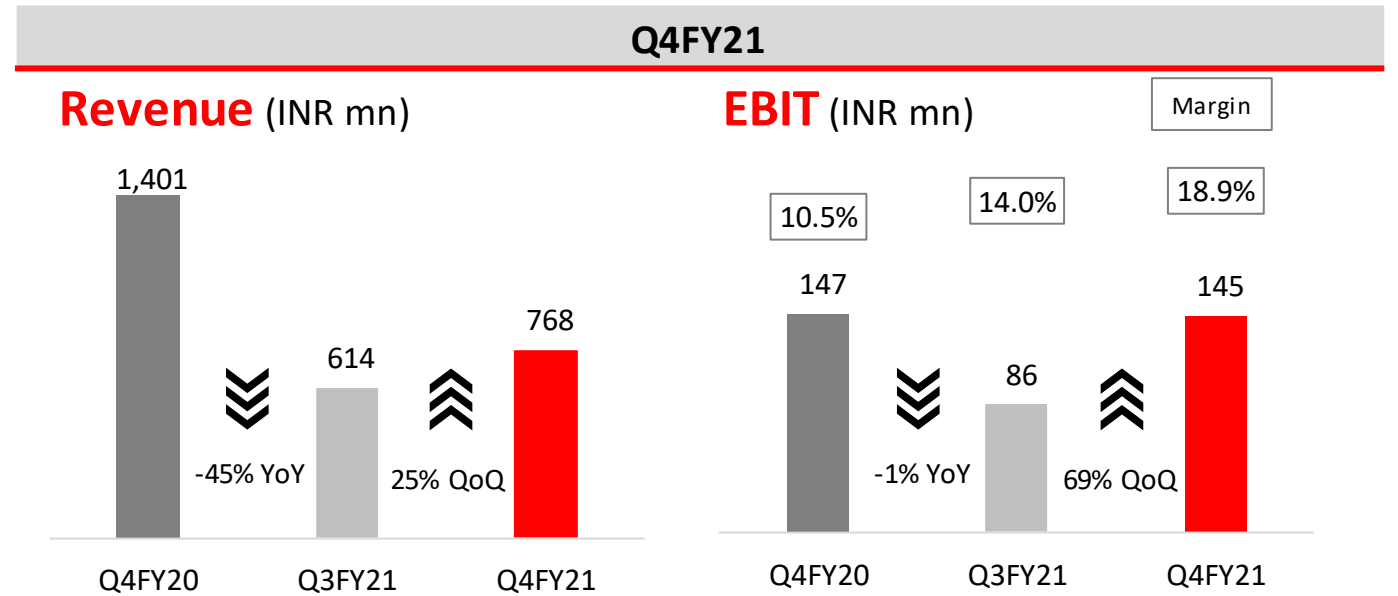
- FMEG business continued the robust momentum with total income growing by 89% over last year, despite cost inflation, on the back of healthy consumer demand, distribution and strong execution.
- FMEG contribution to overall sales increased 290bps YoY to 11.4%. Growth was strong across categories and regions. Market share gains were prominent across the board.
- Fans posted healthy growth despite stiff competition and cost push. Lighting products business nearly doubled led better demand supply alignment. Switches and Switchgears grew 2.5x while other categories also witnessed strong offtake.
- Improved product mix, calibrated pricing actions and design optimisation initiatives led to healthy improvement in profitability during the quarter.
- Segment EBIT margin at 7% in Q4 improved further by 108bps vs Q3.
- FY21 margin at 5.5% was higher by nearly 350bps YoY



Notes: (1) Consolidated basis in INR mn (2) Revenue: Total income excluding finance income (3) EBIT (Earnings before Interest and Tax): includes other income and excludes finance income

Other

- Other segment which largely comprises of our EPC business
- Total income was down 45% on a YoY basis. However, it increased by 25% QoQ with unlocking of markets and pickup in infra-activities
- Segmental EBIT in Q4FY21 was broadly stable
- On a full year basis, total income as well as EBIT nearly halved due to severe impact of pandemic and higher base of last year
- Annual sustainable operating margin in this business is expected to be in high single digit over mid to long term



Notes: (1) Consolidated basis in INR mn (2) Revenue: Total income excluding finance income (3) EBIT (Earnings before Interest and Tax): includes other income and excludes finance income

Financial Statements

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Consolidated Profit and Loss Statement

Particulars (INR mn)	Quarter						Year To Date			
	Q4FY21	%	Q3FY21	%	Q4FY20	%	FY21	%	FY20	%
Revenue from Operation	30,374	100.0%	27,988	100.0%	21,294	100.0%	89,265	100.0%	88,300	100.0%
Cost of Goods sold	22,644	74.5%	21,196	75.7%	14,769	69.4%	66,065	74.0%	63,686	72.1%
Contribution (A)	7,731	25.5%	6,792	24.3%	6,525	30.6%	23,200	26.0%	24,613	27.9%
Employee cost	997	3.3%	896	3.2%	899	4.2%	3,604	4.0%	3,657	4.1%
Other Operating Expenses	2,521	8.3%	2,138	7.6%	2,620	12.3%	7,926	8.9%	9,606	10.9%
Total Operating Expenses (B)	3,518	11.6%	3,034	10.8%	3,519	16.5%	11,530	12.9%	13,263	15.0%
Share of profit/(loss) of JVs (Net of tax) (C)	7	0.0%	5	0.0%	-58	-0.3%	-2	0.0%	-74	-0.1%
EBITDA (A)-(B)+(C)	4,220	13.9%	3,763	13.4%	2,948	13.8%	11,668	13.1%	11,276	12.8%
Other Income	274	0.9%	345	1.2%	465	2.2%	1,282	1.4%	928	1.1%
Depreciation	489	1.6%	478	1.7%	422	2.0%	1,866	2.1%	1,609	1.8%
Finance Cost	166	0.5%	88	0.3%	159	0.7%	531	0.6%	495	0.6%
Exceptional items	0	0.0%	0	0.0%	0	0.0%	97	0.1%	0	0.0%
PBT	3,838	12.6%	3,541	12.7%	2,831	13.3%	10,650	11.9%	10,100	11.4%
Income Tax	1,006	3.3%	905	3.2%	680	3.2%	1,791	2.0%	2,444	2.8%
PAT	2,832	9.3%	2,636	9.4%	2,151	10.1%	8,859	9.9%	7,656	8.7%

One off Items (INR mn)	Quarter						Year To Date			
	Q4FY21	%	Q3FY21	%	Q4FY20	%	FY21	%	FY20	%
(-) Income tax refund	-	-	-	-	-	-	839	0.9%	-	-
(-) Interest on income tax refund (Other income)	-	-	-	-	-	-	164	0.2%	-	-
(-) Gain on previously held equity interest in Ryker (Exceptional Items)	-	-	-	-	-	-	97	0.1%	-	-
(-) Tax writeback for prior period	-	-	-	-	-	-	-	-	-	-
Adjusted PAT	2,832	9.3%	2,636	9.4%	2,151	10.1%	7,759	8.7%	7,656	8.7%

Consolidated Balance Sheet

Particulars (INR mn)	Mar-21	Dec-20	Mar-20
Assets			
<u>Non-current Assets</u>			
Fixed Assets	19,686	19,395	16,632
Other Non-current Assets	2,734	2,377	2,485
Total Non-current Assets	22,421	21,772	19,117
<u>Current Assets</u>			
Inventories	19,879	18,301	19,250
Trade Receivables	14,358	11,860	14,336
Investments	6,231	10,456	400
Cash and Bank Balances	5,313	5,473	2,813
Others - Current Assets	1,945	3,458	3,700
Total Current Assets	47,726	49,547	40,499
Total Assets	70,147	71,319	59,616

Particulars (INR mn)	Mar-21	Dec-20	Mar-20
Equity and Liabilities			
<u>Shareholder's Funds</u>			
Share Capital	1,491	1,491	1,489
Reserves and Surplus	46,048	43,242	36,875
Total Shareholder's Funds	47,539	44,733	38,364
Minority Interest	188	171	150
<u>Non-current Liabilities</u>			
Borrowings	1,037	1,163	107
Others - Non-current Liabilities	1,237	1,303	904
Total Non-current Liabilities	2,274	2,467	1,011
<u>Current Liabilities</u>			
Short-term Borrowings	890	860	1,115
Trade Payables	13,480	17,864	13,537
Others - Current Liabilities	5,776	5,225	5,440
Total Current Liabilities	20,146	23,949	20,091
Total Equity and Liabilities	70,147	71,319	59,616

Consolidated Condensed Cash Flow Statement

Particulars (INR mn)	Quarter			Year To Date	
	Q4FY21	Q3FY21	Q4FY20	FY21	FY20
Net Cash Flow from Operating Activities	-3,081	7,713	-2,980	12,382	2,446
Net cash flow from/(used in) investing activities	3,216	-7,297	5,333	-10,121	-2,622
Net cash flow from/(used in) financing activities	-242	-232	-1,195	-1,606	107
Net Increase / (Decrease) in cash and cash equivalents	-107	185	1,158	656	-69

Other key data points

Particulars (INR mn)	Quarter			Year To Date	
	Q4FY21	Q3FY21	Q4FY20	FY21	FY20
Advertisement and sales promotion expense	144	372	185	683	1,087
Capital expenditure	583	658	434	1,911	2,814
Net Cash Position*	9,058	13,335	1,642	9,058	1,642
Trade acceptances*	6,538	11,314	8,136	6,538	8,136
Goods in Transit*	1,171	1,639	3,060	1,171	3,060

Notes: * as at period end

Other financial metrics

Working Capital in days	Trailing twelve months			Closing		
	FY21	FY20	FY19	FY21	FY20	FY19
Receivable Days	59	57	60	59	59	61
Inventory days	108	112	103	110	110	122
Payable Days	102	122	110	102	105	148
Net Working Capital	65	48	53	67	64	35

Other Income (INR mn)	Q4FY21	Q3FY21	Q4FY20	FY21	FY20
Interest income *	55	36	54	342	270
Gain/loss on Redemption of investment	61	59	37	167	179
Fair value of financial assets (MTM)	61	0	342	61	393
Exchange differences (net)	70	233	0	632	0
Miscellaneous income	27	17	32	80	86
Total	274	345	465	1282	928

*Interest income includes one-off item explained on slide 10

Finance Cost (INR mn)	Q4FY21	Q3FY21	Q4FY20	FY21	FY20
Interest on Bank Borrowings	31	25	15	111	64
Interest on LC, VBD and Leases	76	33	73	238	208
Other borrowing costs	60	30	47	158	183
Foreign Exchange Gain/loss	0	0	23	25	40
Total	166	88	159	531	495

Notes: Working capital days on TTM 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.



Project Leap

A multi year transformation journey



Energise B2B
Strengthen leadership



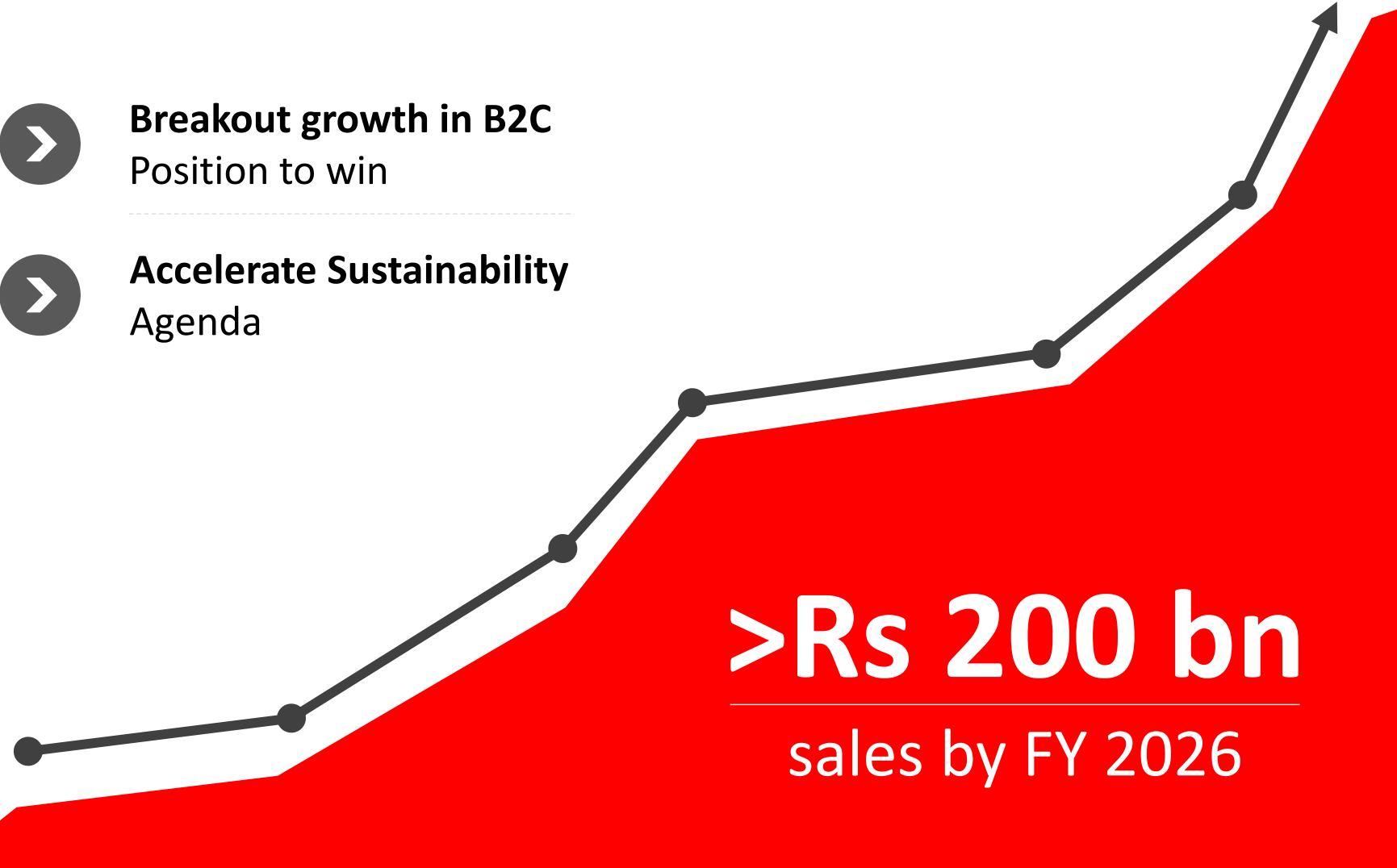
Breakout growth in B2C
Position to win



Future proof success
Organization excellence



Accelerate Sustainability
Agenda



>Rs 200 bn
sales by FY 2026

Energising B2B

1.5x

of market growth in core segments

>5%

contribution from adjacencies

2x

of market growth in emerging segments

>10%

contribution from exports

- **Recalibrate business model**
- **Refine value proposition**
- **Micro market analytics**
- **Business development**

Position to win in B2C

1.5x

of market growth in
retail wires

>12%

EBITDA margin in FMEG

2x

of market growth in
FMEG

~10%

contribution from Online
for specific categories

- Create a winning varianting ladder
- Redefine brand architecture
- “Digital-first” led execution
- Exploring adjacencies

Futureproof Success

Operating Model



- Increase business autonomy and accountability
- Reoriented performance management system

Talent and Capability



- Building innovation fostering specialized capabilities
- Performance oriented culture anchored on "customer first" principles

Digital & Analytics



- Leveraging digital to transform business model
- Analytics integrated business decision making

Empowered Organisation + Process Excellence

Accelerate Sustainability Agenda

Giving back to the society and the environment is a priority. Our products and processes imbibe a genuine sense of eco-consciousness. Our efforts are focused on creating an inclusive, empowered and resilient society, through regular social interventions.



Renewable Energy



Waster & Water Recycling

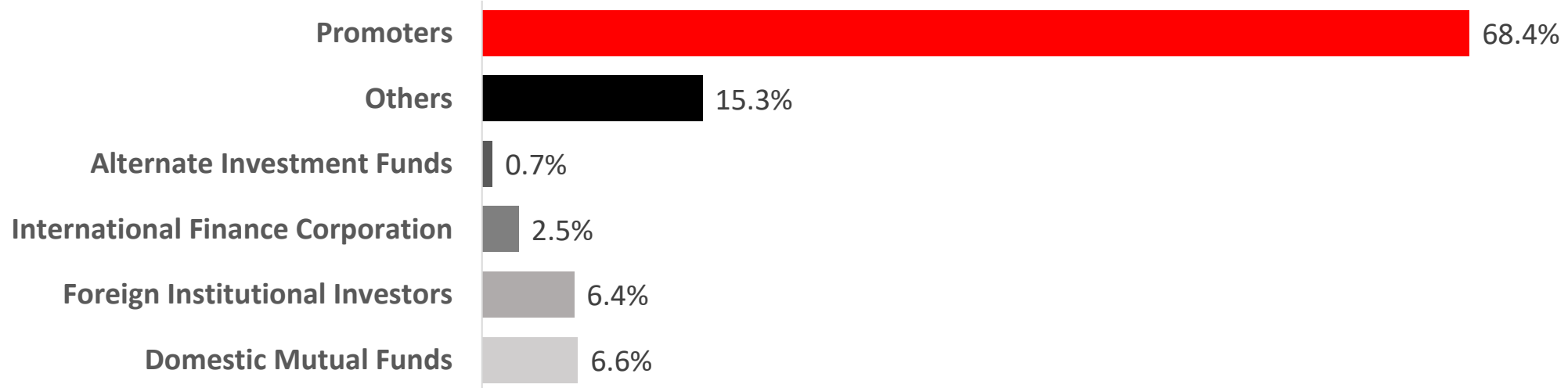


Inclusive Growth



CSR spends

Shareholding Pattern



Note: As on 31st March 2021.



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.



Thank you

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