

October 18, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	8,808		8,718	
Sales (Rs. m)	3,24,764	3,73,691	3,23,144	3,68,943
% Chng.	0.5	1.3		
EBITDA (Rs. m)	45,548	53,760	45,391	53,093
% Chng.	0.3	1.3		
EPS (Rs.)	201.5	237.1	201.7	235.0
% Chng.	(0.1)	0.9		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	2,24,082	2,71,095	3,24,764	3,73,691
EBITDA (Rs. m)	29,602	39,659	45,548	53,760
Margin (%)	13.2	14.6	14.0	14.4
PAT (Rs. m)	20,199	26,742	30,312	35,661
EPS (Rs.)	134.3	177.8	201.5	237.1
Gr. (%)	13.1	32.4	13.4	17.6
DPS (Rs.)	35.0	40.0	45.0	45.0
Yield (%)	0.5	0.5	0.6	0.6
RoE (%)	22.4	24.2	22.5	22.1
RoCE (%)	31.4	33.4	31.1	30.5
EV/Sales (x)	4.9	4.0	3.3	2.9
EV/EBITDA (x)	37.0	27.5	23.8	19.9
PE (x)	55.4	41.8	36.9	31.4
P/BV (x)	11.4	9.1	7.6	6.4

Key Data POLC.BO | POLYCAB IN

52-W High / Low	Rs.7,795 / Rs.4,555
Sensex / Nifty	83,952 / 25,710
Market Cap	Rs.1,120bn / \$ 12,730m
Shares Outstanding	151m
3M Avg. Daily Value	Rs.1987.8m

Shareholding Pattern (%)

Promoter's	62.00
Foreign	14.00
Domestic Institution	12.00
Public & Others	12.00
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	1.1	40.6	4.5
Relative	(0.4)	31.5	0.8

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Strong execution drives W&C margin expansion

Quick Pointers:

- W&C business reported 20.9% revenue growth in Q2FY26
- EBITDAM expands by 430bps YoY; W&C EBIT margin expand by 270bps YoY

The Wires & Cables (W&C) segment reported volume growth in high teens, with cables bit higher than wires. Domestic W&C business grew by 20.6% YoY, driven by high government spending and improved project execution. The company's international business grew by 25% YoY in Q2FY26 and contributed 6.5% to the total revenue. In EPC segment reported an EBIT margin of 18.1% in Q2FY26, supported by a one-time gain of Rs 300mn. The company aims to increase export contribution to 10% by FY30. Its FMEG segment delivered another quarter of positive EBIT led by solar products and is expected to be the major contributor to the FEMG portfolio. Its new plant is expected to be commissioned by Q3FY27 and accordingly, revenue contribution from EHV sales is likely to commence from FY28. POLYCAB aims to achieve 1.5x sector growth in volume and EBITDA margin of 11-13% by FY30 through its Project Spring. We expect revenue/EBITDA/PAT CAGR of 18.6%/22.0%/20.9% over FY25-28E. We assign SOTP-based target price of Rs8,808 (Rs 8,718 earlier), implying PE of 40x FY28E.

W&C grows 20.9% YoY, domestic W&C business up 20.6%: W&C business reported revenue growth of 20.9% YoY in Q2FY26, with cables outpacing wires in volume terms. 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 (contributes ~20% of exports), 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 6.5% of the consolidated revenue for the quarter.

Sales grows 17.8%, PAT up 55.9%: Sales grew 17.8% YoY to Rs64.8bn (PLe: Rs 66.2bn). W&C business grew 20.9% YoY to Rs56.3bn (PLe: Rs55.1bn). Export revenue grew by 25% YoY and contributed 6.5% to total sales. Gross margins expanded by 350bps YoY to 27.1% (PLe: 25.0%). EBITDA grew by 61.6% YoY to Rs10.2bn (PLe: Rs8.9bn). EBITDA margin expanded by 430bps YoY to 15.8% (PLe: 13.4%) due to improved pricing action and operational efficiency. PAT grew by 55.9% YoY to Rs6.9bn (PLe: Rs5.7bn). W&C EBIT grew by 47.0% YoY to Rs8.5bn and margins expanded by 270bps YoY to 15.1%. FMEG revenue rose by 14.3% YoY to Rs4.4bn (PLe: Rs 4.4bn) and reported positive EBIT of Rs 24mn vs loss of Rs 252mn in Q2FY25.



Exhibit 1: Q2FY26 Result Overview (Rs mn)

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26E	% Var.	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Net Sales	64,772	54,984	17.8	66,227	(2.2)	59,060	9.7	123,832	101,965	21.4
Gross Profit	17,563	12,960	35.5	16,557	6.1	15,872	10.7	33,435	24,525	36.3
% of NS	27.1	23.6	3.5	25	2.1	26.9	0.24	27.0	24.1	2.95
Other Expenses	7,356	6,644	10.7	7,696	-4.4	7,296	0.8	14,652	12,375	18.4
% of NS	11.4	12.1	-0.7	11.6	-0.3	12.4	-1.00	11.8	12.1	
EBITDA	10,208	6,316	61.6	8,861	15.2	8,576	19.0	18,784	12,149	54.6
Margins (%)	15.8	11.5	4.3	13	2.4	14.5	1.24	15.2	11.9	3.25
Depreciation	968	721	34.3	1,037	-6.7	857	12.9	1,825	1,392	31.1
Interest	484	453	6.8	435	11.3	513	(5.6)	997	866	15.1
Other Income	454	762	(40.3)	334	36.0	799	(43.2)	1,254	1,346	(6.8)
PBT	9,210	5,903	56.0	7,723	19.3	8,006	15.0	17,216	11,237	53.2
Tax	2,280	1,451	57.1	1,944	17.3	2,009	13.5	4,289	2,769	54.9
Tax rate (%)	24.8	24.6		25.2	-0.4	25.1		24.9	24.6	
Adjusted PAT	6,855	4,398	55.9	5,706	20.1	5,921	15.8	12,776	8,358	52.9

Source: Company, PL

Exhibit 2: Segmental Breakup (Rs mn)

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Revenues								
Wires & Cables	56,329	46,588	20.9	51,312	9.8	107,641	85,697	25.6
FMEG	4,437	3,881	14.3	4,459	-0.5	8,896	7,675	15.9
Others (EPC)	4,024	4,967	-19.0	3,474	15.8	7,498	9,246	-18.9
Total	64,790	55,436	16.9	59,245	9.4	124,035	102,618	20.9
EBIT								
Wires & Cables	8,504	5,785	47.0	7,542	12.8	16,046	10,788	48.7
EBIT margin (%)	15.1	12.4	2.7	14.7	0.4	14.9	12.6	2.3
FMEG	24	-252	NA	96	-75.0	120	(279)	NA
EBIT margin (%)	0.5	-6.5	7.0	2.2	-1.6	1.3	-3.6	5.0
Others (EPC)	730	514	42.0	268	172.8	997	901	10.6
EBIT margin (%)	18.1	10.3	7.8	7.7	10.4	13.3	9.7	3.6
Total EBIT	9,258	6,046	53.1	7,906	17.1	17,163	11,410	50.4
EBIT margin (%)	14.3	10.9	3.4	13.3	0.9	13.8	11.1	2.7

Source: Company, PL

Conference Call Highlights

- **Consolidated revenue grew 17.8% YoY**, with strong performance in W&C and a healthy growth in FMEG.
- Volume growth was in high teens in Q2FY26 with cables recording stronger growth than wires.
- The company targets 1.5x industry growth in W&C business and 1.5x-2x in FMEG business by FY30 under Project Spring.
- The company has planned a annual capex of Rs 12–16bn till FY30, majority of which will be allocated to EHV cables and other cables.
- The company incurred a total capex of Rs3.3bn in Q2FY26.

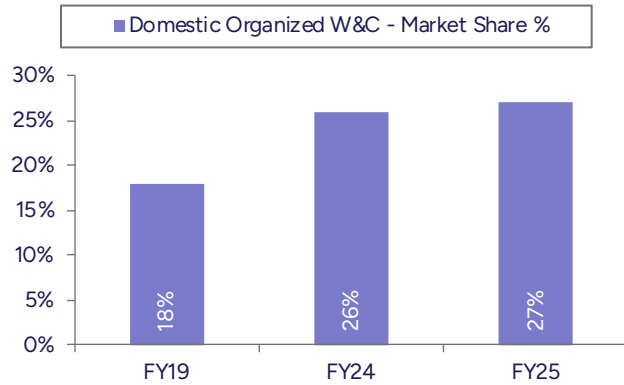
W&C Segment

- The company has guided EBITDA margin of 11-13% by FY30 under project spring.
- International business grew by 25% YoY and contributed 6.5% of consolidated revenue. The US accounted for ~20% of the company's total exports.
- Domestic business grew by 20.6% with sustained demand momentum in private and government sector. Healthy traction was observed across both channel and institutional sales.
- EBIT margin expanded by 270bps supported by due to operating leverage and favorable business mix.
- EPC order book as of Q2FY26 stood at Rs113.5bn. Of this, RDSS order book stood at Rs33.5bn and BharatNet order book at Rs80bn, of which execution will start from Q3FY26.

FMEG Segment

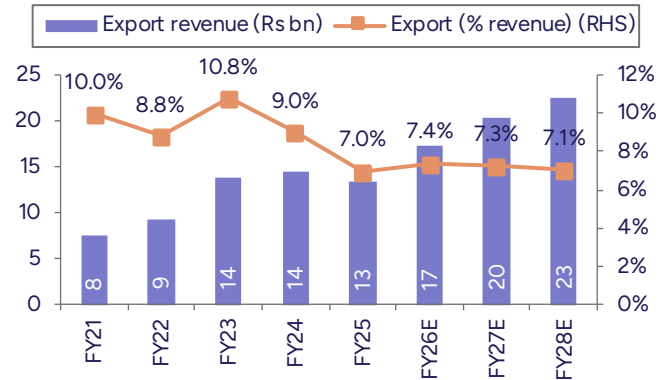
- The company has guided EBITDA margin to be 8-10% by FY30 under project spring.
- The segment delivered another quarter of positive EBIT led by solar products.
- Fans segment remained under pressure due to prolonged monsoon conditions and elevated channel inventory at the start of the quarter.
- Solar segment sustained strong growth momentum, driven by robust demand under central and state rooftop incentive schemes, and is expected to become the largest contributor to the FMEG portfolio in FY26.
- Lighting segment witnessed strong traction during festive season, driven by healthy growth across switches, switchgears, and conduit solutions.

Exhibit 3: POLYCAB market share on the rise



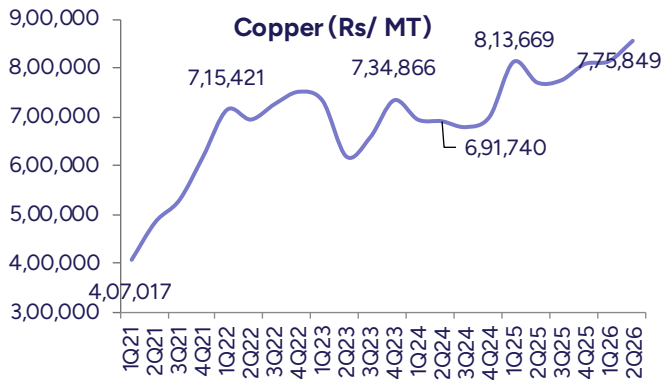
Source: Company, PL

Exhibit 4: Export revenue to reach 7.1% of rev by FY28E



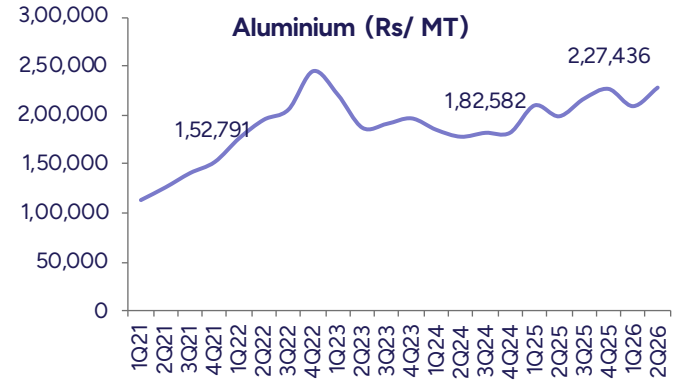
Source: Company, PL

Exhibit 5: Copper price up 11.1% YoY/5.2% QoQ in Q2FY26



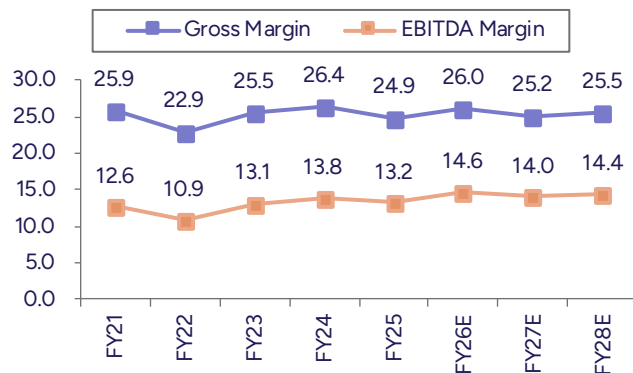
Source: Company, PL

Exhibit 6: Aluminium up 14.7% YoY/9.0% QoQ in Q2FY26



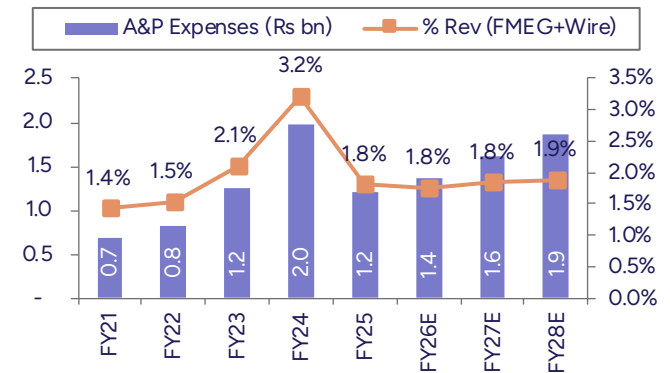
Source: Company, PL

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	FY25	FY26E	FY27E	FY28E
Net Revenues	2,24,082	2,71,095	3,24,764	3,73,691
YoY gr. (%)	24.2	21.0	19.8	15.1
Cost of Goods Sold	1,68,300	2,00,485	2,43,079	2,78,350
Gross Profit	55,782	70,610	81,685	95,341
Margin (%)	24.9	26.0	25.2	25.5
Employee Cost	7,367	8,946	10,717	12,332
Other Expenses	9,058	9,806	10,805	12,433
EBITDA	29,602	39,659	45,548	53,760
YoY gr. (%)	18.8	34.0	14.9	18.0
Margin (%)	13.2	14.6	14.0	14.4
Depreciation and Amortization	2,981	4,117	5,181	6,307
EBIT	26,621	35,542	40,367	47,453
Margin (%)	11.9	13.1	12.4	12.7
Net Interest	1,689	1,623	1,994	2,334
Other Income	2,076	1,801	2,082	2,421
Profit Before Tax	27,008	35,720	40,455	47,539
Margin (%)	12.1	13.2	12.5	12.7
Total Tax	6,553	8,667	9,816	11,535
Effective tax rate (%)	24.3	24.3	24.3	24.3
Profit after tax	20,455	27,053	30,639	36,004
Minority interest	255	312	327	344
Share Profit from Associate	-	-	-	-
Adjusted PAT	20,199	26,742	30,312	35,661
YoY gr. (%)	13.2	32.4	13.4	17.6
Margin (%)	9.0	9.9	9.3	9.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	20,199	26,742	30,312	35,661
YoY gr. (%)	13.2	32.4	13.4	17.6
Margin (%)	9.0	9.9	9.3	9.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	20,199	26,742	30,312	35,661
Equity Shares O/s (m)	150	150	150	150
EPS (Rs)	134.3	177.8	201.5	237.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	46,830	61,102	75,982	90,883
Tangibles	46,378	60,621	75,470	90,297
Intangibles	452	482	512	587
Acc: Dep / Amortization	16,718	20,450	25,326	31,335
Tangibles	16,365	20,032	24,839	30,772
Intangibles	353	418	487	564
Net fixed assets	30,112	40,652	50,656	59,548
Tangibles	30,013	40,589	50,631	59,525
Intangibles	98	64	25	23
Capital Work In Progress	7,081	7,081	7,081	7,081
Goodwill	-	-	-	-
Non-Current Investments	3,707	2,989	3,481	3,939
Net Deferred tax assets	(785)	(1,311)	(1,907)	(2,608)
Other Non-Current Assets	3,397	2,671	2,691	2,712
Current Assets				
Investments	17,490	17,490	22,490	27,490
Inventories	36,613	46,049	55,165	63,476
Trade receivables	25,963	31,195	37,370	43,000
Cash & Bank Balance	7,706	13,208	15,037	22,876
Other Current Assets	4,159	5,032	6,028	6,936
Total Assets	1,37,727	1,68,108	2,02,019	2,39,330
Equity				
Equity Share Capital	1,504	1,504	1,504	1,504
Other Equity	96,745	1,21,198	1,45,492	1,74,384
Total Network	98,249	1,22,702	1,46,997	1,75,888
Non-Current Liabilities				
Long Term borrowings	419	519	519	519
Provisions	413	500	599	689
Other non current liabilities	886	423	423	423
Current Liabilities				
ST Debt / Current of LT Debt	896	1,084	1,298	1,494
Trade payables	27,358	30,957	37,534	42,980
Other current liabilities	6,849	8,257	9,864	11,330
Total Equity & Liabilities	1,37,727	1,68,108	2,02,019	2,39,330

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	27,008	35,720	40,455	47,539
Add. Depreciation	2,981	4,117	5,181	6,307
Add. Interest	1,689	1,623	1,994	2,334
Less Financial Other Income	2,076	1,801	2,082	2,421
Add. Other	(1,162)	999	819	893
Op. profit before WC changes	30,516	42,459	48,449	57,073
Net Changes-WC	(6,099)	(10,010)	(8,822)	(8,592)
Direct tax	(6,331)	(8,667)	(9,816)	(11,535)
Net cash from Op. activities	18,085	23,782	29,810	36,946
Capital expenditures	(9,696)	(14,657)	(15,185)	(15,199)
Interest / Dividend Income	224	350	350	350
Others	(2,921)	(3,101)	(6,029)	(12,909)
Net Cash from Invst. activities	(12,393)	(17,409)	(20,864)	(27,758)
Issue of share cap. / premium	73	-	-	-
Debt changes	(160)	288	215	196
Dividend paid	(4,511)	(5,265)	(6,017)	(6,769)
Interest paid	(1,685)	(1,623)	(1,994)	(2,334)
Others	-	-	-	-
Net cash from Fin. activities	(6,283)	(6,600)	(7,796)	(8,908)
Net change in cash	(591)	(226)	1,150	280
Free Cash Flow	8,389	9,125	14,626	21,747

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	134.3	177.8	201.5	237.1
CEPS	154.1	205.1	235.9	279.0
BVPS	653.1	815.7	977.2	1,169.3
FCF	55.8	60.7	97.2	144.6
DPS	35.0	40.0	45.0	45.0
Return Ratio(%)				
RoCE	31.4	33.4	31.1	30.5
ROIC	30.5	33.1	30.9	31.8
RoE	22.4	24.2	22.5	22.1
Balance Sheet				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.3)
Net Working Capital (Days)	43	48	48	48
Valuation(x)				
PER	55.4	41.8	36.9	31.4
P/B	11.4	9.1	7.6	6.4
P/CEPS	48.3	36.3	31.5	26.7
EV/EBITDA	37.0	27.5	23.8	19.9
EV/Sales	4.9	4.0	3.3	2.9
Dividend Yield (%)	0.5	0.5	0.6	0.6

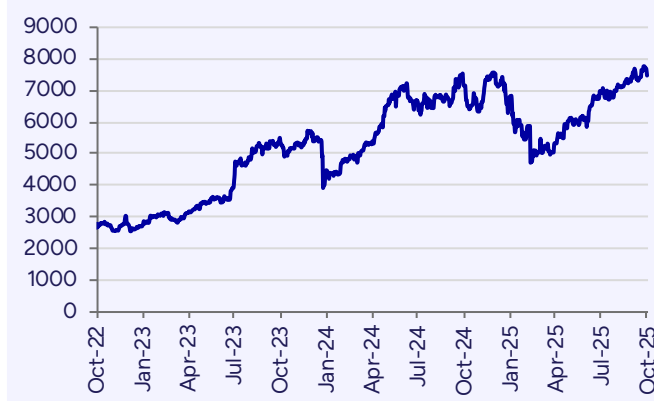
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	52,261	69,858	59,060	64,772
YoY gr. (%)	20.4	24.9	25.7	17.8
Raw Material Expenses	38,807	52,053	43,188	47,209
Gross Profit	13,453	17,805	15,872	17,563
Margin (%)	25.7	25.5	26.9	27.1
EBITDA	7,199	10,254	8,576	10,208
YoY gr. (%)	26.4	34.6	47.0	61.6
Margin (%)	13.8	14.7	14.5	15.8
Depreciation / Depletion	786	804	857	968
EBIT	6,414	9,450	7,719	9,240
Margin (%)	12.3	13.5	13.1	14.3
Net Interest	498	325	513	484
Other Income	250	481	799	454
Profit before Tax	6,166	9,606	8,006	9,210
Margin (%)	11.8	13.8	13.6	14.2
Total Tax	1,522	2,262	2,009	2,280
Effective tax rate (%)	24.7	23.5	25.1	24.8
Profit after Tax	4,643	7,344	5,997	6,930
Minority interest	68	77	76	75
Share Profit from Associates	-	-	-	-
Adjusted PAT	4,576	7,267	5,921	6,855
YoY gr. (%)	10.8	33.1	49.5	55.9
Margin (%)	8.8	10.4	10.0	10.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,576	7,267	5,921	6,855
YoY gr. (%)	10.8	33.1	49.5	55.9
Margin (%)	8.8	10.4	10.0	10.6
Other Comprehensive Income	-	36	(94)	-
Total Comprehensive Income	4,576	7,303	5,827	6,855
Avg. Shares O/s (m)	150	150	150	150
EPS (Rs)	30.4	48.3	39.4	45.6

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Oct-25	BUY	8,718	7,351
2	18-Jul-25	BUY	8,091	6,926
3	04-Jul-25	Accumulate	7,510	6,808
4	07-May-25	BUY	7,152	5,880
5	03-Apr-25	BUY	7,152	5,286
6	05-Mar-25	BUY	7,152	4,875
7	23-Jan-25	BUY	8,233	6,251
8	08-Jan-25	BUY	8,741	7,163
9	13-Dec-24	BUY	8,741	7,486
10	21-Oct-24	BUY	8,741	7,120

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	9,889	8,418
2	Astral Ltd.	BUY	1,727	1,384
3	Avalon Technologies	Hold	1,083	1,253
4	Bajaj Electricals	BUY	664	549
5	Cello World	BUY	686	575
6	Century Plyboard (I)	Hold	818	808
7	Cera Sanitaryware	BUY	7,424	6,149
8	Crompton Greaves Consumer Electricals	BUY	391	293
9	Cyient DLM	Accumulate	478	441
10	Finolex Industries	Accumulate	240	206
11	Greenpanel Industries	BUY	410	299
12	Havells India	Accumulate	1,653	1,485
13	Kajaria Ceramics	Hold	1,281	1,208
14	Kaynes Technology India	Hold	7,427	7,593
15	KEI Industries	BUY	4,926	4,173
16	LG Electronics India	BUY	1,780	1,688
17	Polycab India	BUY	8,718	7,351
18	R R Kabel	BUY	1,615	1,268
19	Supreme Industries	Accumulate	4,758	4,200
20	Syrma SGS Technology	Accumulate	870	852
21	Voltas	Hold	1,440	1,354

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

ANALYST CERTIFICATION

(Indian Clients)

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