



POLYCAB INDIA (POLYCAB)

Valuations Near Fair Zone, Limiting Short-Term Upside.

CMP: 6,960 (Market Cap: 1,04,752 Cr)

Targets: 7,816 (12% Upside)

Strong Q1, But Valuation Limits Upside

We initiated coverage on Polycab on 18th May 2025 with a ₹7,310 target.

Post Q1FY26 results, we now raise our target price by 7% to ₹7,816, reflecting a solid operating performance.

However, with the stock trading at 23x FY27E EV/EBITDA, **valuations now appear near fully priced in the short term.** We recommend a 'Buy on Dips' approach.

Q1FY26 Highlights

Revenue Growth: +26% YoY, driven by **31% YOY growth in Wires & Cables** segment.

Domestic Demand: Strong at +32% YoY, supported by infrastructure and construction momentum.

Exports: +24% YoY, driven by global diversification and market share gains.



EBITDA Growth: +47% YoY, aided by premium product mix and pricing discipline.

FMEG Segment: Revenue up +18%, solar products more than doubled, and margins improved to **2.1%** – signaling early profitability stabilization.

EPC: 19% decline due to project delays, though margin stability suggested ahead.

Valuation & View

At CMP, Polycab trades at 23x FY27E EV/EBITDA, against our target multiple of 25x FY27E EV/EBITDA.

While Polycab remains India's market leader in Wires & Cables and is steadily building its FMEG vertical, near-term upside looks capped post the recent rally.

We maintain a constructive long-term view but recommend waiting for better entry levels - **Wait for dips to accumulate.**

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Revised Financial Summary (Amount in Cr)

Particulars	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	₹ 26,355	₹ 31,973	₹ 25,852	₹ 30,569	1.95%	4.59%
EBITDA	₹ 3,678	₹ 4,664	₹ 3,537	₹ 4,367	3.97%	6.81%
EBITDA Margins	13.95%	14.59%	13.68%	14.29%	0.27%	0.30%



Financial Summary (Amount in Cr)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue	₹ 14,108	₹ 18,039	₹ 22,408	₹ 26,355	₹ 31,973
Revenue Growth		27.86%	24.22%	17.61%	21.32%
EBITDA	₹ 1,843	₹ 2,492	₹ 2,964	₹ 3,678	₹ 4,664
EBITDA Margin	13.06%	13.81%	13.23%	13.95%	14.59%
EBITDA Growth		35.21%	18.94%	24.07%	26.83%
EV/EBITDA Multiple					25x
Enterprise Value					₹ 1,16,611 (₹ 622)
Less: Net Debt and NCI					
Value of Equity					₹ 1,17,233
No. of Shares					15
Share Price					₹ 7,816

For The Report initiating coverage on 18th May > [Click Here](#)

Recommendation Summary

Date	Target
18-May-25 ○	₹ 7,310
22-Jul-25 ●	↑ ₹ 7,816

Price Chart



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Annexures

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