

Havells India Limited

Q3 FY20 {DEC 31, 2019}
{Un-Audited Financial Results}

We recommend that readers refer to the Havells India financials to get a better appreciation of the business performance. A copy of the latest quarterly/ yearly Financial Results of Havells India Limited are available on Havells website – <http://www.havells.com>. The results are approved by the Board of Directors in their meeting held on 21st Jan 2020.

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SECTION 1. HAVELLS INDIA LIMITED (STANDALONE)

Table 1.1: P&L Summary: Quarterly

In crores of Rupees	Q3 FY 20	Q3 FY 19	Change %
Net Revenue	2,269	2,518	(10%)
Contribution as a % to NR	535 23.6%	596 23.7%	(10%)
Add: Depreciation / Amortization	55	35	
Less: Advertisement and Sales Promotion as a % to NR	77 3.4%	91 3.6%	(15%)
Less: Other SG&A as a % to NR	246 10.8%	249 9.9%	(1%)
EBIDTA as a % to NR	267 11.8%	291 11.6%	(8%)
Depreciation / Amortization	55	35	
Interest Expense	5	4	
Foreign Exchange (gain)/loss	(5)	(11)	
Interest Income (C)	15	18	
Others (D)	4	8	
Add: Other Income (C) + (D)	19	26	
Profit before tax as a % to NR	231 10.2%	289 11.5%	(20%)
Tax	31	93	
Net Profit as a % to NR	200 8.8%	196 7.8%	2%
Other Comprehensive Income/ (Expense)	(1)	(1)	
Total Comprehensive Income	199	195	

Results Summary

- The deterioration in economic macros, sectoral liquidity challenges and slowdown in infrastructure segment has disproportionately impacted demand for industrial cables, professional lighting and industrial switchgear
- The general consumer sentiment has also been weak though we have managed to remain stable in consumer categories
- Despite softness in revenues, contribution and EBIDTA margins have been maintained owing to cost rationalization and increased cost consciousness at each level
- Sequentially, we have improved our margin performance in Q3 over Q2 and on similar sales level, our profits are higher by ~10%

Table 1.2: Business wise net revenue analysis: Quarterly

In crores of rupees	Q3 FY20	Q3 FY19	Change (%)
Switchgears*	371	393	(5%)
Cables	712	820	(13%)
Lighting & Fixtures	295	319	(8%)
Electrical Cons. Durables*	581	578	0%
Others	10	51	--
Sub Total	1,969	2,161	(9%)
Lloyd	300	357	(16%)
Total	2,269	2,518	(10%)

- Switchgear category largely impacted by decline in Industrial switchgear owing to sluggish infrastructure and Government driven procurement
- Domestic wires grew in low single digits. Power cables was weighed down by industrial and infrastructure slowdown and fall in prices of commodities
- Consumer lighting has remained stable underpinning portfolio and distribution resilience. Professional lighting negatively affected owing to projects logjam
- Lloyd revenues impacted by disruption in LED TV business. Air conditioners performed reasonably
- Others refers to B2G lighting project business

*The Company has re-organised its internal reporting effective April 01, 2019 and accordingly, Pump business which was earlier clubbed under Switchgear segment is being shown under "Electrical consumer durables" Segment. The comparative figures for earlier periods have been accordingly re-stated

Table 1.3: Business wise contribution margin (as a % of net revenue) analysis: Quarterly update

	Q3 FY20			Q3 FY19			Q2 FY20
	Revenue Mix %	Contribution	Contribution Margins %	Revenue Mix %	Contribution	Contribution Margins %	Contribution Margins %
Switchgears	19%	148	39.8%	18%	160	40.7%	39.9%
Cables	36%	125	17.5%	38%	129	15.8%	18.4%
Lighting & Fixtures	14%	82	28.0%	15%	95	29.8%	25.6%
Electrical Cons. Durables	30%	149	25.7%	27%	145	25.0%	25.1%
Others	1%	7	67.8%	2%	14	27.1%	74.7%
Sub Total	100%	511	26.0%	100%	543	25.1%	25.6%
Lloyd	-	24	7.8%	-	53	14.9%	3.0%*
Total	100%	535	23.6%	100%	596	23.7%	23.4%

Contribution by Segment

- Contribution margins maintained / improved both sequentially and YoY
- Cost rationalisation initiatives during last quarter have supported contribution margins
- Lloyd margins impacted due to loss in LED TV business.

* Before unabsorbed expenses of Rs. 10 crores on account of recently commenced AC plant

Table 1.4: P&L Summary: Nine months

In crores of Rupees	9M FY 20	9M FY 19	Change %
Net Revenue	7,212	7,306	(1%)
Contribution as a % to NR	1,693 23.5%	1,750 24.0%	(3%)
Add: Depreciation / Amortization	155	110	
Less: Advertisement and Sales Promotion as a % to NR	288 4.0%	281 3.8%	2%
Less: Other SG&A as a % to NR	783 10.9%	709 9.7%	10%
EBIDTA as a % to NR	777 10.8%	870 11.9%	(11%)
Depreciation / Amortization	155	110	
Interest Expense	15	10	
Foreign Exchange (gain)/loss	(21)	(7)	
Interest Income (C)	58	63	
Others (D)	14	27	
Add: Other Income (C) + (D)	72	90	
Profit before tax as a % to NR	700 9.7%	847 11.6%	(17%)
Tax	144	262	
Net Profit as a % to NR	556 7.7%	585 8.0%	(5%)
Other Comprehensive Income/(Expense)	(5)	(2)	
Total Comprehensive Income	551	583	

Table 1.5: Business wise net revenue analysis: Nine months

In crores of rupees	9M FY20	9M FY19	Change (%)
Switchgears*	1,147	1,169	(2%)
Cables	2,312	2,337	(1%)
Lighting & Fixtures	835	861	(3%)
Electrical Cons. Durables*	1,755	1,563	12%
Others	31	53	--
Sub Total	6,080	5,983	2%
Lloyd	1,132	1,323	(14%)
Total	7,212	7,306	(1%)

*The Company has re-organised its internal reporting effective April 01, 2019 and accordingly, Pump business which was earlier clubbed under Switchgear segment is being shown under "Electrical consumer durables" Segment. The comparative figures for earlier periods have been accordingly re-stated

Table 1.6: Business wise contribution margin analysis: Nine months

	9M FY20			9M FY19		
	Revenue Mix %	Contribution	Contribution Margins %	Revenue Mix %	Contribution	Contribution Margins %
Switchgears	19%	456	39.7%	20%	468	40.0%
Cables	38%	404	17.5%	39%	364	15.6%
Lighting & Fixtures	14%	229	27.4%	14%	252	29.3%
Electrical Cons. Durables	29%	461	26.3%	26%	415	26.6%
Others	0%	19	62.2%	1%	13	24.3%
Sub Total	100%	1,569	25.8%	100%	1,512	25.3%
Lloyd	-	124	11.0%	-	238	18.0%
Total	100%	1,693	23.5%	100%	1,750	24.0%

Table 1.7: Balance Sheet highlights: Standalone

In crores of Rs.	As at Dec 19 Unaudited	As at March 19 Audited
ASSETS		
Fixed Assets (incl. Intangibles)	3,442	3,133
Other long-term assets	214	235
Current assets		
Inventories	1,761	1,917
Trade receivables	295	405
Other financial assets	<u>205</u>	<u>204</u>
	2,261	2,526
Cash and cash equivalents	1,152	1,285
Total Assets	7,069	7,179
EQUITY AND LIABILITIES		
Equity share capital	63	63
Reserves and Surplus	<u>4,416</u>	<u>4,180</u>
Equity	4,479	4,243
Non-current liabilities		
Borrowings	-	41
Other non-current liabilities	134	54
Deferred tax liabilities	308	322
Current liabilities		
Other current liabilities	318	351
Trade payables	1,175	1,559
Other financial liabilities	<u>655</u>	<u>609</u>
	2,148	2,519
Total Equity and Liabilities	7,069	7,179

- Increase in fixed assets is on account of investments towards capacity enhancement at various manufacturing units. Intangibles include lease assets created on account of adoption of Ind-AS 116

Table 1.8: Cash flow highlights: Standalone

	Dec-19 YTD	FY 19
PBT	700	1,155
Depreciation	155	149
Others	(33)	(69)
Working Capital Changes	(152)	(475)
Taxes Paid	(165)	(247)
Operating Net Cash Flow (A)	505	513
Capex	(334)	(501)
Fixed deposits (made)/ matured during the period	(152)	617
Interest received	47	80
Others	9	(18)
Net Cash Flow from Investing Activities (B)	(430)	178
Dividends paid	(340)	(302)
Others	(28)	(9)
Net Cash Flow from Financing Activities (C)	(368)	(311)
Net Cash Flow (A+B+C)	(293)	380
Cash & cash equ. In the beginning	678	301
Effects of exchange difference	(2)	(3)
Cash & cash equ. at the end	383	678
Bank balance other than cash & cash equ. above	769	607
Cash and Bank balances	1,152	1,285

- Capex for the period majorly pertains to investment in plants for wires, water heaters, switches and air conditioners

Table 1.9: Cash (net of debt)

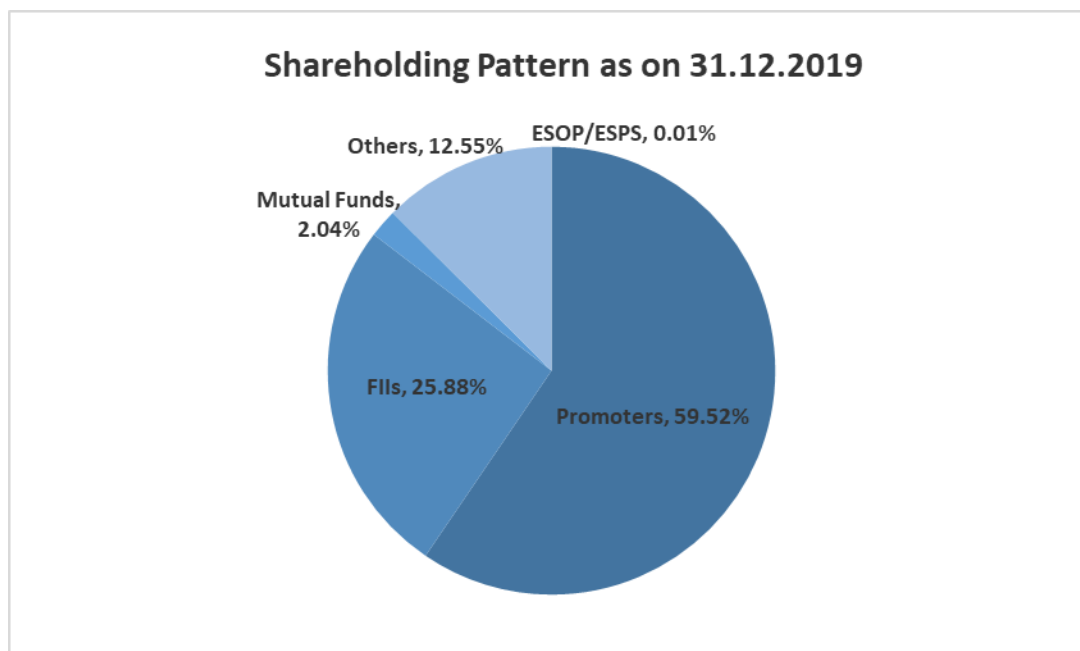
In crores of rupees	Q3 FY20	Q3 FY19
1. Short Term	54	54
2. Term loan	-	54
Total debt	54	108
Less: Cash	1,152	1,084
Net cash	1,098	976

Table 1.10: Financial Ratios (Standalone)

Financial Ratios	Q3 FY20	Q3 FY19
Profitability		
OPM (%) {EBIDTA/NR}	11.8%	11.6%
ROCE % {EBITDA TTM/ Avg. CE}	25.7%	31.8%
RONW % {PAT TTM/ Avg. NW}	18.1%	22.0%
Liquidity Ratios		
Current Ratio {CA/CL}	1.6	1.5
Debtors days {Debtors /NR TTM}	11	10
Inventory days {Inventories /NR TTM}	64	77
Creditors days {TC /NR TTM}	43	53
Net working capital days	32	34

SECTION 2. SHAREHOLDING RELATED INFORMATION

Table 2.1: Shareholding Pattern



DISCLOSURE OF INFORMATION, COMMUNICATION WITH INVESTORS / ANALYSTS / FINANCIAL COMMUNITY

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