

Havells India Limited

Q1 FY21 {JUNE 30, 2020}
{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 limited reviewed by the Auditors of the Company and approved by the Board of Directors in their meeting held on 27th July 2020.

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SECTION 1. HAVELLS INDIA (STANDALONE)

Table 1.1: P&L Summary – Quarterly

In crores of Rupees	Q1 FY 21	Q1 FY 20	Change %
Net Revenue	1,479	2,713	(45%)
Contribution as a % to NR	255 17.2%	639 23.6%	(60%)
Add: Depreciation / Amortization	60	47	
Less: Advertisement and Sales Promotion as a % to NR	6 0.4%	137 5.0%	(96%)
Less: Other SG&A as a % to NR	178 12.1%	271 10.0%	(34%)
EBIDTA as a % to NR	131 8.8%	278 10.3%	(53%)
Depreciation / Amortization	60	47	
Interest Expense	17	5	
Foreign Exchange (gain)/loss	(7)	(11)	
Add: Interest and Other Income	26	29	
Profit before tax as a % to NR	86 5.8%	266 9.8%	(68%)
Tax	23	90	
Net Profit as a % to NR	63 4.3%	176 6.5%	(64%)
Other Comprehensive (Income)/Expense	(1)	(1)	
Total Comprehensive Income	62	175	

Current Status

- Since 4th May, all factories gradually commenced operations
- Currently operating at full capacity, adhering strictly to hygiene norms
- Sales offices including Head Office operating on rotational WFH
- Demand markets were tepid initially, picked momentum in later half of May
- Owing to frequent regional disruption and shutdowns, demand scenario remains hazy and uncertain

Results Summary

- Covid-19 significantly impacted the performance during the quarter.
- Month of May registered 60% against LY whereas June surpassed LY by 4%. Overall quarter was 57% against LY for Havells
- Lloyd achieved ~80% revenues against LY in May, whereas growth in June was 8% over LY. Overall quarter was 47% against LY
- Decline in contribution margins influenced by lower volumes
- Advertising was significantly restrained

Table 1.2: Segment wise Revenue analysis – Quarterly

In crores of Rupees	Q1	Q1	Change (%)
	FY 21	FY 20	
Switchgears*	190	342	(44%)
Cable	461	779	(41%)
Lighting & Fixtures*	138	250	(45%)
Electrical Cons. Durables*	302	562	(46%)
Others*	82	128	(36%)
Sub Total	1,173	2,061	(43%)
Lloyd	306	652	(53%)
Total	1,479	2,713	(45%)

- Consumer portfolio within all segments recovered earlier and better than industrial portfolio

*The Company has reviewed its segments classification effective 1st April 2020. The product categories which are not strictly subscribing to the specific category has been independently classified under Others. Others include Motor, Pump, Solar, Personal Grooming and Water Purifier businesses. The comparative figures for earlier periods have been accordingly reclassified.

Table 1.3: Segment wise margin analysis – Quarterly

(I) Contribution margins (%) ^	Q1 FY21	Q1 FY20	Q4 FY20	FY 19-20
Switchgears	33.4%	41.5%	37.3%	41.0%
Cable	12.2%	16.5%	12.3%	16.3%
Lighting & Fixtures	19.9%	32.0%	29.4%	30.1%
Electrical Cons. Durables	22.0%	28.1%	24.5%	26.1%
Others	13.7%	20.2%	21.3%	19.6%
Sub total	19.2%	25.9%	22.4%	25.0%
Lloyd	9.8%	16.1%	9.7%	10.6%
Total	17.2%	23.6%	19.8%	22.6%

^ Contribution margins are derived after deducting material cost, manufacturing variables, direct selling variables and depreciation from the net revenue

(II) Segment results (%)**(In crores of Rupees)**

Segments	Q1 FY21			Q1 FY20			Q4 FY20			FY 19-20		
	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS
Switchgears	190	29	15.3%	342	83	24.3%	303	67	22.1%	1,339	325	24.3%
Cable	461	37	7.9%	779	85	10.9%	682	67	9.8%	2,994	332	11.1%
Lighting	138	3	2.1%	250	36	14.2%	234	33	14.0%	1,014	146	14.4%
ECD	302	37	12.3%	562	82	14.7%	418	56	13.4%	2,005	287	14.3%
Others	82	(5)	(5.6%)	128	(5)	(4.2%)	121	(1)	(1.1%)	486	(25)	(5.1%)
Sub total	1,173	101	8.6%	2,061	280	13.6%	1,758	221	12.6%	7,839	1,065	13.6%
Lloyd	306	6	2.1%	652	8	1.3%	458	9	1.9%	1,590	(40)	(2.5%)
Total	1,479	107	7.3%	2,713	288	10.6%	2,216	230	10.4%	9,429	1,025	10.9%
-Finance cost		17	1.1%		5	0.2%		5	0.2%		20	0.2%
-Unallocable exp.		5	0.3%		18	0.7%		27	1.2%		103	1.1%
PBT		86	5.8%		266	9.8%		198	8.9%		902	9.6%

Contribution by Segment

- Contribution margins declined Y-O-Y owing to decline in production and related under absorption of overheads. However, sequentially, margins have been stable
- Lighting margins are further impacted by stock provisions, as per the prevailing provision policy and accentuated due to lower volumes

Table 1.4: Balance Sheet highlights

In crores of Rs.	As at June 20 Unaudited	As at March 20 Audited
ASSETS		
Fixed Assets (incl. Intangibles)	3,392	3,436
Other long-term assets	145	159
Current assets		
Inventories	1,527	1,872
Trade receivables	279	241
Other financial assets	<u>178</u>	<u>214</u>
	1,984	2,327
Cash and cash equivalents	1,734	1,107
Assets held for sale	20	20
Total Assets	<u>7,275</u>	<u>7,048</u>
EQUITY AND LIABILITIES		
Equity share capital	63	63
Reserves and Surplus	4,314	4,242
Equity	<u>4,377</u>	<u>4,305</u>
Non-current liabilities		
Borrowings	358	-
Other non-current liabilities	143	148
Deferred tax liabilities	293	287
Current liabilities		
Borrowings	539	41
Trade payables	742	1,414
Other Liabilities	<u>823</u>	<u>853</u>
	2,104	2,308
Total Equity and Liabilities	<u>7,275</u>	<u>7,048</u>

- Credit line of Rs. 870 crores has been availed during the quarter
- Trade payables have reduced due to relatively lower purchases and on-time payment to creditors

Table 1.5: Cash flow highlights

	June-20	FY 20
PBT	86	902
Depreciation	60	218
Others	(9)	(34)
Working Capital Changes	(351)	(21)
Taxes Paid	(5)	(240)
Operating Net Cash Flow (A)	(219)	825
Net capex	(20)	(359)
Fixed deposits (made)/ matured during the period	(633)	(251)
Interest received	11	62
Others	0	-
Net Cash Flow from Investing Activities (B)	(642)	(548)
Payment of final and interim dividend	-	(641)
Borrowings availed	870	-
Others	(22)	(75)
Net Cash Flow from Financing Activities (C)	848	(716)
Net Cash Flow (A+B+C)	(13)	(439)
Cash & cash equ. In the beginning	242	681
Effects of exchange difference	(0)	-
Cash & cash equ. at the end	229	242
Bank balance other than cash & cash equ. above	1,505	861
Cash and Bank balances	1,734	1,103

- Working Capital changes are unique to this quarter due to disproportionate reduction in trade payables
- Capex has been minimal
- FY20 dividend includes interim dividend

Table 1.6: Cash (net of debt)

(in crores of rupees)	30 th June 2020	31 st March 2020
1. Short Term	539	41
2. Long Term	358	-
Total Debt	897	41
Less: Cash	1,734	1,103
Net cash	837	1,062

Table 1.7: Financial Ratios (Havells India Standalone)

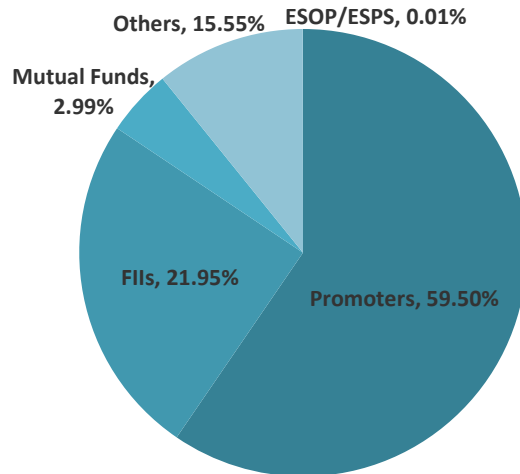
Financial Ratios	Q1 FY21	Q1 FY20
Profitability		
OPM % {EBIDTA/NR}	8.8%	10.3%
RONW % {PAT TTM / Avg. NW}	14.8%	19.0%
ROCE % {EBIDTA TTM / Avg. CE}	20.0%	28.1%
Liquidity Ratio		
Current Ratio {CA/CL}	1.8	1.5
Debtor Days {Debtors/NR TTM}	13	14
Inventory Days {Inventories/NR TTM}	68	66
Creditor Days {Creditors/NR TTM}	33	54
Net working capital days	48	26

- Trade payables have reduced due to relatively lower purchases and on-time payment to creditors

SECTION 2. SHAREHOLDING RELATED INFORMATION

Table 2.1: Shareholding pattern

Shareholding Pattern as on 30.06.2020



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

Havells will be issuing fresh Information Update, like the one you are reading now; on the day it declares its Quarterly/ Half Yearly Financial Results. Some forward looking statements on projections, estimates, expectations, outlook etc. are included in such updates to help investors / analysts get a better comprehension of the Company's prospects and make informed investment decisions. Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints. The information contained in such updates is made public and does not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 1992. For further information / clarification, you may contact Mr. Manish Kaushik, Senior General Manager at Havells India Limited, QRG Towers, 2D Sector 126, Expressway, Noida UP (India), Tel: +91-120-4771000 Fax no.: +91-120-4772000; **E-mail: ir@havells.com**.