

# Havells India Limited

**Q1 FY23** {JUNE 30, 2022}  
{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 20<sup>th</sup> July 2022.

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## SECTION 1. HAVELLS INDIA (STANDALONE)

Table 1.1: P&L Summary – Quarterly

In crores of Rupees	Q1 FY 23	Q1 FY 22	Change %	Q1 FY 20	3 Year CAGR%	Q4 FY 22
<b>Net Revenue</b>	<b>4,230</b>	<b>2,598</b>	<b>63%</b>	<b>2,713</b>	<b>16%</b>	<b>4,417</b>
<b>Contribution as a % to NR</b>	<b>726 17.2%</b>	<b>570 21.9%</b>	<b>27%</b>	<b>639 23.6%</b>	<b>4%</b>	<b>815 18.4%</b>
Add: Depreciation / Amortization	72	62		47		71
Less: Advertisement and Sales Promotion as a % to NR	113 2.7%	45 1.7%	151%	137 5.0%		69 1.6%
Less: Other SG&A as a % to NR	324 7.7%	233 9.0%		271 10.0%		296 6.7%
<b>EBIDTA as a % to NR</b>	<b>361 8.5%</b>	<b>353 13.6%</b>	<b>2%</b>	<b>278 10.3%</b>	<b>9%</b>	<b>521 11.8%</b>
Depreciation / Amortization	72	62		47		71
Interest Expense	10	11		5		19
Foreign Exchange (gain)/loss	-	(10)		(11)		(2)
Interest Income (A)	37	20		24		30
Others (B)	10	4		5		12
<b>Add: Other Income (A+B)</b>	<b>47</b>	<b>24</b>		<b>29</b>		<b>42</b>
<b>Profit before tax as a % to NR</b>	<b>327 7.7%</b>	<b>315 12.1%</b>	<b>4%</b>	<b>266 9.8%</b>	<b>7%</b>	<b>475 10.8%</b>
Tax	84	80		90		122
<b>Net Profit as a % to NR</b>	<b>243 5.7%</b>	<b>234 9.0%</b>	<b>4%</b>	<b>176 6.5%</b>	<b>11%</b>	<b>353 8.0%</b>
Other Comprehensive Income/(Expense)	(1)	(1)		(1)		9
<b>Total Comprehensive Income</b>	<b>242</b>	<b>233</b>		<b>175</b>		<b>362</b>

### Results Summary

- Robust revenue growth YoY albeit on a disrupted base
- Margins under pressure though steady from last quarter
- Significant and sudden decline in commodity prices causing price volatility particularly in cable
- Benefits from cost moderation will reflect in a couple of quarters
- Advertisement spend in line with plan and substantially higher from previous quarters
- The demand outlook is stable in consumer and residential segments with slight deferment in Industrial and Infra segment

**Table 1.2: Segment wise Revenue analysis – Quarterly**

In crores of Rupees	Q1	Q1	Change (%)	Q1	3 Year
	FY 23	FY 22		FY20	CAGR%
Switchgears	517	374	38%	342	15%
Cable	1,193	807	48%	779	15%
Lighting & Fixtures	371	210	77%	250	14%
Electrical Cons. Durables	838	576	46%	562	14%
Others	228	137	66%	128	21%
<b>Sub Total</b>	<b>3,146</b>	<b>2,104</b>	<b>50%</b>	<b>2,061</b>	<b>15%</b>
Lloyd	1,084	494	119%	652	18%
<b>Total</b>	<b>4,230</b>	<b>2,598</b>	<b>63%</b>	<b>2,713</b>	<b>16%</b>

- Steady growth in quarterly and 3-year CAGR revenues
- The renewed construction cycle is supporting switchgear sales
- Consumer lighting benefited with increased penetration and range expansion
- Lloyd delivered strong revenue performance

**Table 1.3: Segment wise margin analysis – Quarterly**

(I) Contribution margins (%) ^	Q1 FY23	Q1 FY22	Q4 FY22	
Switchgears	37.8%	38.6%	37.5%	<ul style="list-style-type: none"> <li>• Overall contribution margins sequentially maintained, except cable</li> <li>• Cable margins impacted due to time lag, a sudden and sharp decline in commodity costs passed on while holding high-cost inventory</li> <li>• We expect margins to gradually improve from falling commodity prices</li> </ul>
Cable	10.4%	18.9%	14.1%	
Lighting & Fixtures	29.4%	29.9%	27.2%	
Electrical Cons. Durables	24.2%	21.5%	24.5%	
Others	18.2%	19.1%	24.2%	
<b>Sub total</b>	<b>21.4%</b>	<b>24.2%</b>	<b>22.1%</b>	
Lloyd	4.9%	12.4%	5.2%	
<b>Total</b>	<b>17.2%</b>	<b>21.9%</b>	<b>18.4%</b>	

^ 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 FY23			Q1 FY22			Q4 FY22		
	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS
Switchgears	517	135	26.2%	374	102	27.3%	474	123	25.9%
Cable	1,193	87	7.3%	807	126	15.6%	1,488	173	11.6%
Lighting	371	61	16.5%	210	32	15.1%	399	62	15.4%
ECD	838	110	13.1%	576	67	11.7%	870	150	17.3%
Others	228	12	5.4%	137	5	3.9%	226	27	11.7%
<b>Sub total</b>	<b>3,146</b>	<b>406</b>	<b>12.9%</b>	<b>2,104</b>	<b>333</b>	<b>15.8%</b>	<b>3,458</b>	<b>535</b>	<b>15.5%</b>
Lloyd	1,084	(56)	(5.2%)	494	10	2.1%	959	(21)	(2.2%)
<b>Total</b>	<b>4,230</b>	<b>350</b>	<b>8.3%</b>	<b>2,598</b>	<b>343</b>	<b>13.2%</b>	<b>4,417</b>	<b>513</b>	<b>11.6%</b>
-Finance cost		10	0.2%		11	0.4%		19	0.4%
-Unallocable exp.		61	1.4%		51	2.0%		64	1.4%
-Unallocable Inc.		(47)	(1.1%)		(34)	(1.3%)		(44)	(1.0%)
<b>PBT</b>		<b>327</b>	<b>7.7%</b>		<b>315</b>	<b>12.1%</b>		<b>475</b>	<b>10.8%</b>

- Segment results of ECD and Lloyd impacted due to higher Advertising spend

**Table 1.7: Balance Sheet highlights**

In crores of Rupees	30-Jun-22 (Un-Audited)	31-Mar-22 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	2,029	2021
Capital work in progress	19	57
Goodwill	310	310
Other intangible assets	1,097	1,102
Intangible assets under development	1	0
Investment in subsidiaries	1	2
Contract assets	36	39
Financial assets		
(i) Investments	296	273
(ii) Trade receivables	3	3
(iv) Other financial assets	26	42
Other non-current assets	68	43
Non-current tax asset (net)	27	27
<b>Total Non-current assets</b>	<b>3,912</b>	<b>3,918</b>
<b>Current assets</b>		
Inventories	3,134	2,968
Contract assets	24	27
Financial assets		
(i) Investments	155	153
(ii) Trade receivables	606	765
(iii) Cash and cash equivalents	261	764
(iv) Bank balances other than (iii) above	2,383	1,772
(v) Other financial assets	34	30
Other current assets	156	108
<b>Total Current Assets</b>	<b>6,754</b>	<b>6,586</b>
Assets held for sale	0	1
<b>Sub-total</b>	<b>6,754</b>	<b>6,587</b>
<b>Total Assets</b>	<b>10,667</b>	<b>10,505</b>
<b>EQUITY AND LIABILITIES</b>		
Equity share capital	63	63
Other equity	6,194	5,926
<b>Total Equity</b>	<b>6,257</b>	<b>5,989</b>
<b>Non-current liabilities</b>		
Contract liability	4	5
Financial liabilities		
(i) Borrowings	125	273
(ii) Lease Liabilities	171	179
(iii) Other financial liabilities	4	4
Provisions	108	76
Deferred tax liabilities (Net)	352	351
<b>Total Non-Current Liabilities</b>	<b>765</b>	<b>887</b>
<b>Current liabilities</b>		
Contract liabilities	20	17
Financial liabilities		
(i) Borrowings	63	123
(ii) Lease liabilities	39	42
(iii) Trade payables		
a) Total outstanding dues of Micro Ent. and Small Ent.	155	114
b) Total outstanding dues of other than above	2,511	2,265
(iv) Other financial liabilities	491	525
Other current liabilities	96	227
Provisions	220	253
Current tax liabilities (Net)	51	63
<b>Total Current Liabilities</b>	<b>3,645</b>	<b>3,629</b>
<b>Total Equity and Liabilities</b>	<b>10,667</b>	<b>10,505</b>

➤ Long-term borrowing repaid to the tune of Rs. 208 cr

**Table 1.8: Cash flow**

<b>In crores of rupees</b>	<b>YTD FY23</b>	<b>FY22</b>
PBT	327	1,604
Depreciation	72	261
Others	(26)	(48)
<b>Working Capital Changes</b>	<b>60</b>	<b>342</b>
Taxes Paid	(95)	(414)
<b>Operating Net Cash Flow (A)</b>	<b>338</b>	<b>1,744</b>
Capex	(56)	(255)
Proceeds from sale of fixed assets	0	6
Fixed deposits and investments made during the period	(570)	(605)
Investment in Shares	(20)	
Others	6	95
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(640)</b>	<b>(759)</b>
Dividends paid	0	(407)
Net borrowings availed / (repaid)	(206)	(97)
Others	7	(43)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(199)</b>	<b>(547)</b>
<b>Net Cash Flow (A+B+C)</b>	<b>(501)</b>	<b>438</b>
Cash and cash equivalents at the beginning	764	327
Effect of exchange diff. on cash and cash equ. held in foreign currency	(1)	(1)
<b>Cash and Cash Equivalents at the end of the period</b>	<b>261</b>	<b>764</b>
<b>Bank balances other than cash and cash equivalents above</b>	<b>2,819</b>	<b>2,218</b>
<b>Cash &amp; bank balances and investments</b>	<b>3,080</b>	<b>2,982</b>

**Table 1.9: Net Cash**

(in crores of rupees)	30 <sup>th</sup> Jun 2022	31 <sup>st</sup> Mar 2022
1. Short Term*	63	123
2. Long Term	125	273
Total Debt	188	396
Less: Cash and investments	3,080	2,982
<b>Net cash</b>	<b>2,892</b>	<b>2,586</b>

\*Including Current maturity of Long-Term loan

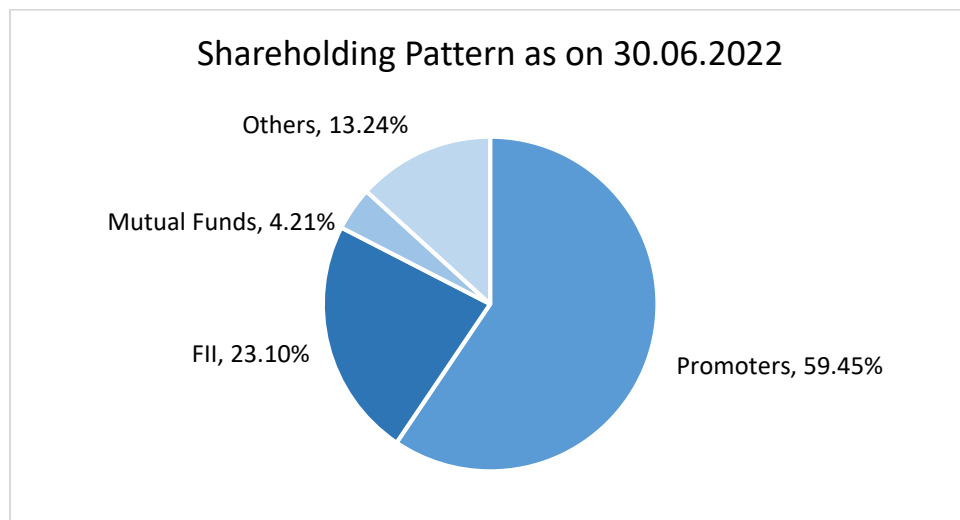
**Table 1.10 Financial Ratios (Havells India Standalone)**

Financial Ratios	Q1 FY23	Q1 FY22	Q4 FY22
<b>Profitability</b>			
OPM % {EBIDTA/NR}	8.5%	13.6%	11.8%
RONW % {PAT TTM / Avg. NW}	21.1%	24.5%	21.8%
ROCE % {EBIDTA TTM / Avg. CE}	29.2%	31.6%	29.7%
<b>Liquidity Ratio</b>			
Current Ratio {CA/CL}	1.9	2.1	1.8
Debtor Days {Debtors/NR}	13	18	16
Inventory Days {Inventories/NR}	67	92	60
Creditor Days {Creditors/NR}	57	42	48
<b>Net working capital days*</b>	<b>23</b>	<b>68</b>	<b>28</b>

\*based on quarterly sales

## SECTION 2. SHAREHOLDING RELATED INFORMATION

### Shareholding pattern



### 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, Joint Vice President 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](mailto:ir@havells.com)**.