



Havells India Limited

Q3 FY23 {Quarter Ended December 31, 2022}

{Un-Audited Financial Results}



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(Havells India Standalone)

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Q3 FY23 (Quarter Ended December 31, 2022)

13% YoY Net Revenue Growth	22% CAGR 3Y Revenue Growth	10% EBITDA Margin Rs 424 crores	Rs 284 crores Profit After Tax	Rs 2,220 crores Net Cash
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1. P&L Summary – Quarterly

(In Rs crores)	Q3 FY23	Q3 FY22	YoY (%)	Q2 FY23
Net Revenue (NR)	4,120	3,652	13%	3,669
Contribution	825	754	9%	632
as a % of NR	20.0%	20.7%		17.2%
Add: Depreciation / Amortization	75	66		72
Less: Advertising & Sales Promotion	128	100	27%	87
as a % of NR	3.1%	2.7%		2.4%
Less: Other SG&A	348	280	24%	330
as a % of NR	8.4%	7.7%		9.0%
EBITDA	424	440	(4)%	287
as a % of NR	10.3%	12.1%		7.8%
Depreciation / Amortization	75	66		72
Interest Expense	7	12		7
Foreign Exchange gain/ (loss)	8	16		0
Other Income	32	33		43
Profit Before Tax	382	411	(7)%	251
as a % of NR	9.3%	11.2%		6.9%
Tax	98	105		65
Net Profit	284	306	(7)%	187
as a % of NR	6.9%	8.4%		5.1%
Other Comprehensive Income/(Loss)	(1)	(1)		(1)
Total Comprehensive Income	283	305	(7)%	186

Results Summary:

- Revenue growth predominately volume driven
- Moderating consumer demand amidst retail inflation
- Margin improved sequentially with stability in RM prices in Q3
- Lloyd growth momentum maintained; however, margins remain under pressure owing to high-cost inventory and market competitiveness
- Accelerated investment on brand with spend of Rs 128 cr as against Rs 100 cr Q3 last year

2. Segment Wise – Quarterly

2.1 Revenue Analysis

(In Rs crores)	Q3 FY23	Q3 FY22	YoY (%)	Q3 FY20	3Y CAGR (%)
Switchgears	514	496	3.7%	331	15.8%
Cable	1,412	1,206	17.1%	712	25.6%
Lighting & Fixtures	420	408	3.0%	276	15.0%
Electrical Cons. Durables	935	893	4.7%	536	20.4%
Others	232	184	25.9%	115	26.5%
Sub Total	3,513	3,187	10.2%	1,969	21.3%
Lloyd Consumer	607	466	30.3%	300	26.4%
Total	4,120	3,652	12.8%	2,270	22.0%

- Subdued retail demand impacting consumer facing businesses
- B2B businesses supported by demand in Industrial & Infra
- Well-managed the transition of BEE Rating change in fans
- Encouraging channel pickup in Lloyd for the upcoming season

2.2 Contribution Margin* Analysis

(In %)	Q3 FY23	Q3 FY22	Q2 FY23
Switchgears	38.0%	39.8%	38.0%
Cable	15.9%	14.1%	9.5%
Lighting & Fixtures	29.4%	33.8%	28.5%
Electrical Cons. Durables	23.3%	22.3%	21.8%
Others	17.8%	18.7%	17.6%
Sub Total	22.8%	23.2%	19.6%
Lloyd Consumer	3.7%	3.6%	(1.7)%
Total	20.0%	20.7%	17.2%

* Contribution Margins = Net Revenue less Material Cost less Manufacturing Variables less Direct Selling Variables less Depreciation

- Cable margins recovered post liquidation of high-cost inventory
- Margin expansion across segments benefited with stability in RM prices in Q3
- Lloyd continues to hold high-cost inventory. Margins should further improve in Q4

2.3 Segment Results Analysis

<i>(In Rs crores)</i>	Q3 FY23		Q3 FY22		Q2 FY23	
	Segment Results	% of NR	Segment Results	% of NR	Segment Results	% of NR
Switchgears	127	24.7%	145	29.3%	122	25.0%
Cable	163	11.5%	126	10.4%	86	6.3%
Lighting & Fixtures	53	12.7%	87	21.3%	57	14.4%
Electrical Cons. Durables	123	13.1%	114	12.7%	90	11.6%
Others	7	3.1%	5	2.5%	4	1.7%
Sub Total	473	13.5%	476	14.9%	359	11.0%
Lloyd Consumer	(60)	(9.8)%	(42)	(9.0)%	(83)	(20.1)%
Total	413	10.0%	434	11.9%	276	7.5%
Finance Cost	(7)	(0.2)%	(12)	(0.3)%	(7)	(0.2)%
Unallocable Expenses	(64)	(1.6)%	(60)	(1.6)%	(61)	(1.7)%
Unallocable Income	40	1.0%	49	1.3%	43	1.2%
Profit Before Tax	382	9.3%	411	11.2%	251	6.9%

3. P&L Summary – Nine Months

<i>(In Rs crores)</i>	9M FY23	9M FY22	YoY (%)
Net Revenue (NR)	12,019	9,471	27%
Contribution	2,183	2,007	9%
<i>as a % of NR</i>	18.2%	21.2%	
Add: Depreciation / Amortization	219	190	
Less: Advertising & Sales Promotion	328	178	84%
<i>as a % of NR</i>	2.7%	1.9%	
Less: Other SG&A	1,002	783	28%
<i>as a % of NR</i>	8.3%	8.3%	
EBITDA	1,072	1,237	(13)%
<i>as a % of NR</i>	8.9%	13.1%	
Depreciation / Amortization	219	190	
Interest Expense	24	34	
Foreign Exchange gain/ (loss)	7	31	
Other Income	123	85	
Profit Before Tax	960	1,129	(15)%
<i>as a % of NR</i>	8.0%	11.9%	
Tax	247	287	
Net Profit	713	842	(15)%
<i>as a % of NR</i>	5.9%	8.9%	
Other Comprehensive Income/(Loss)	(3)	(3)	
Total Comprehensive Income	711	839	(15)%

4. Segment Wise – Nine Months

4.1 Revenue Analysis

(In Rs crores)	9M FY23	9M FY22	YoY (%)
Switchgears	1,519	1,312	15.7%
Cable	3,964	3,157	25.6%
Lighting & Fixtures	1,188	971	22.3%
Electrical Cons. Durables	2,546	2,197	15.9%
Others	697	533	30.8%
Sub Total	9,914	8,170	21.3%
Lloyd Consumer	2,105	1,301	61.7%
Total	12,019	9,471	26.9%

4.2 Contribution Margin* Analysis

(In %)	9M FY23	9M FY22
Switchgears	37.9%	39.0%
Cable	12.1%	14.8%
Lighting & Fixtures	29.1%	32.6%
Electrical Cons. Durables	23.1%	22.8%
Others	17.9%	20.0%
Sub Total	21.3%	23.3%
Lloyd Consumer	3.3%	8.1%
Total	18.2%	21.2%

* Contribution Margins = Net Revenue less Material Cost less Manufacturing Variables less Direct Selling Variables less Depreciation

4.3 Segment Results Analysis

(In Rs crores)	9M FY23		9M FY22	
	Segment Results	% of NR	Segment Results	% of NR
Switchgears	384	25.3%	368	28.0%
Cable	336	8.5%	367	11.6%
Lighting & Fixtures	171	14.4%	196	20.2%
Electrical Cons. Durables	323	12.7%	307	14.0%
Others	23	3.4%	30	5.7%
Sub Total	1,238	12.5%	1,268	15.5%
Lloyd Consumer	(199)	(9.4)%	(50)	(3.8)%
Total	1,039	8.6%	1,219	12.9%
Finance Cost	(24)	(0.2)%	(34)	(0.4)%
Unallocable Expenses	(186)	(1.5)%	(172)	(1.8)%
Unallocable Income	130	1.1%	116	1.2%
Profit Before Tax	960	8.0%	1,129	11.9%

5. Balance Sheet

(In Rs crores)	Dec'22 (Un-audited)	Mar'22 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,978	2,021
Capital work in progress	270	57
Goodwill	310	310
Other intangible assets	1,087	1,102
Intangible assets under development	1	0
Investment in subsidiaries	0	2
Contract assets	29	39
Financial assets		
(i) Investments	20	273
(ii) Trade receivables	2	3
(iii) Other financial assets	34	42
Other non-current assets	95	43
Non current tax assets (net)	27	27
Total Non current Assets	3,854	3,918
Current assets		
Inventories	3,652	2,968
Contract assets	24	27
Financial assets		
(i) Investments	179	153
(ii) Trade receivables	661	765
(iii) Cash and cash equivalents	786	764
(iv) Bank balances other than (iii) above	1,252	1,772
(v) Other financial assets	133	30
Other current assets	145	108
Total Current assets	6,833	6,587
Assets classified as held for sale	1	1
Total assets	10,688	10,505
EQUITY AND LIABILITIES		
Equity		
Equity share capital	63	63
Other equity	6,383	5,926
Total equity	6,445	5,989
Liabilities		
Non-current liabilities		
Contract liabilities	4	5
Financial liabilities		
(i) Borrowings	-	273
(ii) Lease liabilities	175	179
(iii) Other financial liabilities	4	4
Provisions	120	76
Deferred tax liabilities (Net)	357	351
Total Non Current Liabilities	659	887
Current liabilities		
Contract liabilities	24	17
Financial liabilities		
(i) Borrowings	-	123
(ii) Lease liabilities	36	42
(iii) Trade payables		
a) Total outstanding dues of micro enterprise and small enterprises;	138	114
b) Total outstanding dues of creditors other than micro & small enterprises	2,281	2,265
(iv) Other financial liabilities	693	525
Other current liabilities	143	227
Provisions	243	253
Current tax liabilities (net)	26	63
Total Current Liabilities	3,584	3,629
Total equity and liabilities	10,688	10,505

- Inventory increase mainly attributed to build up for AC season
- Other current financial assets include Rs 107 cr relating to insurance claim receivable for lighting plant
- Borrowings fully repaid during the year

6. Cash Flow

<i>(In Rs crores)</i>	YTD FY23	FY22
PBT	960	1,604
Depreciation	219	261
Others	(63)	(40)
Working Capital Changes	(596)	342
Taxes Paid	(277)	(414)
Operating Net Cash Flow (A)	243	1,753
Capex	(369)	(255)
Others	66	100
Net Cash Flow from Investing Act. (B)	(303)	(154)
Dividends paid	(282)	(407)
Net borrowings availed/(repaid)	(394)	(97)
Others	(26)	(43)
Net Cash Flow from Financing Act. (C)	(702)	(547)
Net Cash Flow (A+B+C)	(762)	1,051
Cash & Cash Equivalent at beginning	2,982	1,931
Cash & Cash Equivalent at end	2,220	2,982

* Cash & Cash Equivalent includes bank deposits also

- Working capital outgo mainly on account of increase in inventory
- Capex includes Rs 236 crores towards new Air conditioner project in Sricity, Andhra Pradesh

7. Net Cash

<i>(In Rs crores)</i>	As of 31-Dec-22	As of 31-Mar-22
Short Term Debt*	-	123
Long Term Debt	-	273
Total Debt	-	396
Less: Cash and Investments	2,220	2,982
Net Cash	2,220	2,586

*Including Current maturity of Long-Term loan

8. Financial Ratios

	Q3 FY23	Q3 FY22	Q2 FY23
Profitability			
OPM % {EBIDTA/NR}	10.3%	12.1%	7.8%
RONW % {PAT TTM / Avg. NW}	17.2%	21.1%	18.1%
ROCE % {EBIDTA TTM / Avg. CE}	25.0%	29.7%	25.7%
Liquidity			
Current Ratio {CA/CL}	1.9	1.8	1.9
Debtor Days {Debtors/NR}	15	14	14
Inventory Days {Inventories/NR}	81	74	88
Creditor Days {Creditors/NR}	54	51	60
Net working capital days*	42	37	42

*based on quarterly sales

Disclosure of information, communication with investors / analysts / financial community

We recommend that readers refer to the Havells India financials to get a better appreciation of the business performance. A copy of the latest Financial Results of Havells India Limited are available on Havells website – 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 19th January 2023.

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