



# Havells India Limited

Q4 FY23 {Quarter Ended March 31, 2023}

{Audited Financial Results}



## Table of Contents

(Havells India Standalone)

1. P&L Summary – Quarterly .....	3
2. Segment Wise – Quarterly.....	4
3. P&L Summary – Full Year.....	5
4. Segment Wise – Full Year .....	6
5. Balance Sheet .....	7
6. Cash Flow.....	8
7. Net Cash.....	8
8. Financial Ratios.....	9

## Q4 FY23 (Quarter Ended March 31, 2023)

<b>10% YoY</b> Net Revenue Growth	<b>12% YoY</b> Contribution Growth	<b>Rs 531 crores</b> EBITDA (10.9% Margin)	<b>Rs 362 crores</b> PAT (7.5% Margin)	<b>Rs 2,178 crores</b> Net Cash
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### 1. P&L Summary – Quarterly

(In Rs crores)	Q4 FY23	Q4 FY22	YoY (%)	Q3 FY23
<b>Net Revenue (NR)</b>	4,850	4,417	<b>10%</b>	4,120
<b>Contribution</b>	909	815	<b>12%</b>	825
<b>as a % of NR</b>	<b>18.7%</b>	<b>18.4%</b>		<b>20.0%</b>
Add: Depreciation / Amortization	77	71		75
Less: Advertising & Sales Promotion	110	69	59%	128
<b>as a % of NR</b>	<b>2.3%</b>	<b>1.6%</b>		<b>3.1%</b>
Less: Other SG&A	346	296	17%	348
<b>as a % of NR</b>	<b>7.1%</b>	<b>6.7%</b>		<b>8.4%</b>
<b>EBITDA</b>	531	521	<b>2%</b>	424
<b>as a % of NR</b>	<b>10.9%</b>	<b>11.8%</b>		<b>10.3%</b>
Depreciation / Amortization	77	71		75
Interest Expense	10	19		7
Foreign Exchange gain/ (loss)	15	2		8
Other Income	32	42		32
<b>Profit Before Tax</b>	490	475	<b>3%</b>	382
<b>as a % of NR</b>	<b>10.1%</b>	<b>10.8%</b>		<b>9.3%</b>
Tax	129	122		98
<b>Net Profit</b>	<b>362</b>	<b>353</b>	<b>2%</b>	<b>284</b>
<b>as a % of NR</b>	<b>7.5%</b>	<b>8.0%</b>		<b>6.9%</b>
Other Comprehensive Income/(Loss)	(5)	9		(1)
<b>Total Comprehensive Income</b>	357	362	<b>(1)%</b>	283

#### Results Summary:

- Consumer demand remains sluggish
- B2B sustained steady demand, led by infrastructure/ construction
- Lloyd maintained growth momentum
- Contribution margin improved while EBITDA margin impacted by higher investments in brand building

## 2. Segment Wise – Quarterly

### 2.1 Revenue Analysis

(In Rs crores)	Q4 FY23	Q4 FY22	YoY (%)
Switchgears	601	474	27%
Cable	1,568	1,488	5%
Lighting & Fixtures	413	399	3%
Electrical Cons. Durables	749	870	(14)%
Others	254	226	12%
<b>Sub Total</b>	<b>3,586</b>	<b>3,458</b>	<b>4%</b>
Lloyd Consumer	1,264	959	32%
<b>Total</b>	<b>4,850</b>	<b>4,417</b>	<b>10%</b>

- Strong construction led demand benefited switchgear segment
- Frequent commodity price fluctuations led to lower channel inventory in cable
- LED price fall impacted lighting revenues; mid teen volume growth
- Fans impacted by higher channel stocking owing to rating change in Q3

### 2.2 Contribution Margin\* Analysis

(In %)	Q4 FY23	Q4 FY22	Q3 FY23
Switchgears	39.6%	37.5%	38.0%
Cable	15.0%	14.1%	15.9%
Lighting & Fixtures	31.9%	27.2%	29.4%
Electrical Cons. Durables	23.9%	24.5%	23.3%
Others	18.2%	24.2%	17.8%
<b>Sub Total</b>	<b>23.2%</b>	<b>22.1%</b>	<b>22.8%</b>
Lloyd Consumer	6.2%	5.2%	3.7%
<b>Total</b>	<b>18.7%</b>	<b>18.4%</b>	<b>20.0%</b>

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

- Operating leverage in switchgears led to margin expansion
- Favourable product mix in lighting enabled better margins

### 2.3 Segment Results Analysis

<i>(In Rs crores)</i>	Q4 FY23		Q4 FY22		Q3 FY23	
	Segment Results	% of NR	Segment Results	% of NR	Segment Results	% of NR
Switchgears	172	28.6%	123	25.9%	127	24.7%
Cable	189	12.0%	173	11.6%	163	11.5%
Lighting & Fixtures	75	18.2%	62	15.4%	53	12.7%
Electrical Cons. Durables	96	12.8%	150	17.3%	123	13.1%
Others	12	4.5%	27	11.7%	7	3.1%
<b>Sub Total</b>	<b>544</b>	<b>15.2%</b>	<b>535</b>	<b>15.5%</b>	<b>473</b>	<b>13.5%</b>
Lloyd Consumer	(22)	(1.7)%	(21)	(2.2)%	(60)	(9.8)%
<b>Total</b>	<b>522</b>	<b>10.8%</b>	<b>513</b>	<b>11.6%</b>	<b>413</b>	<b>10.0%</b>
Finance Cost	(10)	(0.2)%	(19)	(0.4)%	(7)	(0.2)%
Unallocable Expenses	(68)	(1.4)%	(63)	(1.4)%	(64)	(1.6)%
Unallocable Income	47	1.0%	44	1.0%	40	1.0%
<b>Profit Before Tax</b>	<b>490</b>	<b>10.1%</b>	<b>475</b>	<b>10.8%</b>	<b>382</b>	<b>9.3%</b>

### 3. P&L Summary – Full Year

<i>(In Rs crores)</i>	FY23	FY22	YoY (%)
<b>Net Revenue (NR)</b>	16,868	13,889	<b>21%</b>
<b>Contribution</b>	3,093	2,822	<b>10%</b>
<b>as a % of NR</b>	<b>18.3%</b>	<b>20.3%</b>	
Add: Depreciation / Amortization	296	261	
Less: Advertising & Sales Promotion	437	247	77%
<b>as a % of NR</b>	<b>2.6%</b>	<b>1.8%</b>	
Less: Other SG&A	1,348	1,079	25%
<b>as a % of NR</b>	<b>8.0%</b>	<b>7.8%</b>	
<b>EBITDA</b>	1,603	1,758	<b>(9)%</b>
<b>as a % of NR</b>	<b>9.5%</b>	<b>12.7%</b>	
Depreciation / Amortization	296	261	
Interest Expense	34	53	
Foreign Exchange gain/ (loss)	22	33	
Other Income	155	127	
<b>Profit Before Tax</b>	1,450	1,604	<b>(10)%</b>
<b>as a % of NR</b>	<b>8.6%</b>	<b>11.5%</b>	
Tax	375	409	
<b>Net Profit</b>	1,075	1,195	<b>(10)%</b>
<b>as a % of NR</b>	<b>6.4%</b>	<b>8.6%</b>	
Other Comprehensive Income/(Loss)	(8)	6	
<b>Total Comprehensive Income</b>	1,067	1,200	<b>(11)%</b>

#### 4. Segment Wise – Full Year

##### 4.1 Revenue Analysis

(In Rs crores)	FY23	FY22	YoY (%)
Switchgears	2,120	1,786	18.7%
Cable	5,533	4,645	19.1%
Lighting & Fixtures	1,602	1,371	16.8%
Electrical Cons. Durables	3,296	3,067	7.5%
Others	950	759	25.2%
<b>Sub Total</b>	<b>13,500</b>	<b>11,628</b>	<b>16.1%</b>
Lloyd Consumer	3,369	2,261	49.0%
<b>Total</b>	<b>16,868</b>	<b>13,889</b>	<b>21.5%</b>

##### 4.2 Contribution Margin\* Analysis

(In %)	FY23	FY22
Switchgears	38.4%	38.6%
Cable	12.9%	14.6%
Lighting & Fixtures	29.8%	31.1%
Electrical Cons. Durables	23.3%	23.3%
Others	17.9%	21.2%
<b>Sub Total</b>	<b>21.8%</b>	<b>22.9%</b>
Lloyd Consumer	4.4%	6.9%
<b>Total</b>	<b>18.3%</b>	<b>20.3%</b>

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

##### 4.3 Segment Results Analysis

(In Rs crores)	FY23		FY22	
	Segment Results	% of NR	Segment Results	% of NR
Switchgears	556	26.3%	491	27.5%
Cable	525	9.5%	540	11.6%
Lighting & Fixtures	247	15.4%	258	18.8%
Electrical Cons. Durables	419	12.7%	458	14.9%
Others	35	3.7%	57	7.5%
<b>Sub Total</b>	<b>1,782</b>	<b>13.2%</b>	<b>1,803</b>	<b>15.5%</b>
Lloyd Consumer	(221)	(6.6)%	(71)	(3.1)%
<b>Total</b>	<b>1,561</b>	<b>9.3%</b>	<b>1,732</b>	<b>12.5%</b>
Finance Cost	(34)	(0.2)%	(53)	(0.4)%
Unallocable Expenses	(254)	(1.5)%	(235)	(1.7)%
Unallocable Income	177	1.0%	160	1.2%
<b>Profit Before Tax</b>	<b>1,450</b>	<b>8.6%</b>	<b>1,604</b>	<b>11.5%</b>

## 5. Balance Sheet

(In Rs crores)	Mar'23 (Audited)	Mar'22 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,228	2,021
Capital work in progress	163	57
Investment property		-
Goodwill	310	310
Other intangible assets	1,082	1,102
Intangible assets under development	3.0	0
Investment in subsidiaries	0	2
Contract assets	26	39
Financial assets		-
(i) Investments	20	273
(ii) Trade receivables	2	3
(iii) Other financial assets	149	42
Other non-current assets	79	43
Non current tax asset (net)	29	27
<b>Total non current assets</b>	<b>4,091</b>	<b>3,918</b>
<b>Current assets</b>		
Inventories	3,708	2,968
Contract assets	27	27
Financial assets		
(i) Investments	181	153
(ii) Trade receivables	971	765
(iii) Cash and cash equivalents	457	764
(iv) Bank balances other than (iii) above	1,405	1,772
(v) Other financial assets	117	30
Other current assets	175	108
<b>Total current assets</b>	<b>7,041</b>	<b>6,586</b>
Assets classified as held for sale	11	1
<b>Total assets</b>	<b>11,143</b>	<b>10,505</b>
<b>EQUITY AND LIABILITIES</b>		
Equity share capital	63	63
Other equity	6,552	5,926
<b>Total equity</b>	<b>6,614</b>	<b>5,989</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Contract liabilities	4	5
Financial liabilities		
(i) Borrowings	-	273
(ii) Lease liabilities	187	179
(iii) Other financial liabilities	7	4
Provisions	137	76
Deferred tax liabilities (Net)	362	351
<b>Total non current liabilities</b>	<b>696</b>	<b>887</b>
<b>Current liabilities</b>		
Contract liabilities	83	54
Financial liabilities		
(i) Borrowings	-	123
(ii) Lease liabilities	36	42
(iii) Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises; and	155	114
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,483	2,265
(iv) Other financial liabilities	625	525
Other current liabilities	144	189
Provisions	275	253
Current tax liabilities (net)	32	63
<b>Total Current liabilities</b>	<b>3,832</b>	<b>3,629</b>
<b>Total equity and liabilities</b>	<b>11,143</b>	<b>10,505</b>

- Inventory increase mainly attributed to build up for AC season
- Other current financial assets include ~Rs 113 cr relating to insurance claim receivable for lighting plant; subsequent to year-end, received an interim payment of Rs 24 cr

## 6. Cash Flow

<i>(In Rs crores)</i>	<b>FY23</b>	<b>FY22</b>
<b>PBT</b>	1,450	1,604
Depreciation	296	261
Others	(93)	(49)
Working Capital Changes	(697)	342
Taxes Paid	(392)	(414)
<b>Operating Net Cash Flow (A)</b>	<b>564</b>	<b>1,744</b>
Capex	(588)	(255)
Others	126	100
<b>Net Cash Flow from Investing Act. (B)</b>	<b>(461)</b>	<b>(154)</b>
Dividends paid	(470)	(407)
Net borrowings availed/(repaid)	(394)	(97)
Others	(43)	(43)
<b>Net Cash Flow from Financing Act. (C)</b>	<b>(907)</b>	<b>(547)</b>
<b>Net Cash Flow (A+B+C)</b>	<b>(804)</b>	<b>1,042</b>
Cash & Cash Equivalent at beginning	2,982	1,931
<b>Cash &amp; Cash Equivalent at end</b>	<b>2,178</b>	<b>2,982</b>

\* Cash & Cash Equivalent includes bank deposits also

- Working capital outgo mainly on account of increase in inventory
- Capex includes Rs 404 crores for Lloyd AC plant in Sri City & Washing Machine plant in Ghiloth

## 7. Net Cash

<i>(In Rs crores)</i>	<b>As of 31-Mar-23</b>	<b>As of 31-Mar-22</b>
Short Term Debt*	-	123
Long Term Debt	-	273
<b>Total Debt</b>	<b>-</b>	<b>396</b>
Less: Cash and Investments	2,178	2,982
<b>Net Cash</b>	<b>2,178</b>	<b>2,586</b>

\*Including Current maturity of Long-Term loan



## 8. Financial Ratios

	Q4 FY23	Q4 FY22	Q3 FY23
<b>Profitability</b>			
OPM % {EBITDA/NR}	10.9%	11.8%	10.3%
RONW % {PAT TTM / Avg. NW}	16.9%	21.2%	17.2%
ROCE % {EBITDA TTM / Avg. CE}	25.0%	29.1%	25.0%
<b>Liquidity</b>			
Current Ratio {CA/CL}	1.8	1.8	1.9
Debtor Days {Debtors/NR TTM}	21	20	15
Inventory Days {Inventories/NR TTM}	80	78	81
Creditor Days {Creditors/NR TTM}	57	63	54
<b>Net working capital days*</b>	44	36	42

\*based on TTM 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](http://www.havells.com). The results are audited by the Auditors of the Company and approved by the Board of Directors in their meeting held on 3<sup>rd</sup> May 2023.

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