



Havells India Limited

Q1 FY24 {Quarter Ended June 30, 2023}

{Un-audited Financial Results}



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(Havells India Standalone)

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Q1 FY24 (Quarter Ended June 30, 2023)

| | | | |
|--------------------------------------|--|-------------------------------------|------------------------------------|
| 14% YoY Net Revenue Growth | Rs 402 crores 8.3% EBITDA | Rs 287 crores 6.0% PAT | Rs 2,781 crores Net Cash |
|--------------------------------------|--|-------------------------------------|------------------------------------|

1. P&L Summary – Quarterly

| (In Rs crores) | Q1 FY24 | Q1 FY23 | YoY (%) | Q4 FY23 |
|-------------------------------------|--------------|--------------|------------|--------------|
| Net Revenue (NR) | 4,824 | 4,230 | 14% | 4,850 |
| Contribution | 856 | 726 | 18% | 909 |
| as a % of NR | 17.7% | 17.2% | | 18.7% |
| Add: Depreciation / Amortization | 76 | 72 | | 77 |
| Less: Advertising & Sales Promotion | 134 | 113 | 18% | 110 |
| as a % of NR | 2.8% | 2.7% | | 2.3% |
| Less: Other SG&A | 395 | 324 | 22% | 346 |
| as a % of NR | 8.2% | 7.7% | | 7.1% |
| EBITDA | 402 | 361 | 11% | 531 |
| as a % of NR | 8.3% | 8.5% | | 10.9% |
| Depreciation / Amortization | 76 | 72 | | 77 |
| Interest Expense | 8 | 10 | | 10 |
| Foreign Exchange gain/ (loss) | 8 | -2 | | 15 |
| Other Income | 57 | 48 | | 32 |
| Profit Before Tax | 382 | 327 | 17% | 490 |
| as a % of NR | 7.9% | 7.7% | | 10.1% |
| Tax | 95 | 84 | | 129 |
| Net Profit | 287 | 242 | 19% | 362 |
| as a % of NR | 6.0% | 5.7% | | 7.5% |
| Other Comprehensive Income/(Loss) | (1) | (1) | | (5) |
| Total Comprehensive Income | 286 | 242 | 19% | 357 |

Results Summary:

- Sluggish consumer demand, though seems to pickup lately
- Infrastructure/ construction upcycle continues
- Cooling products impacted by unseasonal rains
- Overall margins maintained

2. Segment Wise – Quarterly

2.1 Revenue Analysis

| <i>(In Rs crores)</i> | Q1 FY24 | Q1 FY23 | YoY (%) | Q4 FY23 |
|---------------------------|--------------|--------------|------------|--------------|
| Switchgears | 541 | 517 | 5% | 601 |
| Cable | 1,485 | 1,193 | 24% | 1,568 |
| Lighting & Fixtures | 367 | 371 | (1)% | 413 |
| Electrical Cons. Durables | 877 | 838 | 5% | 749 |
| Others | 248 | 228 | 9% | 254 |
| Sub Total | 3,518 | 3,146 | 12% | 3,586 |
| Lloyd Consumer | 1,305 | 1,084 | 20% | 1,264 |
| Total | 4,824 | 4,230 | 14% | 4,850 |

- Normalization in channel inventory in Switchgear post a strong 27% revenue growth in Q4
- Deflationary trend in LED impacting the consumer lighting revenues; healthy growth in professional lighting
- Disrupted summer impacted fans sales
- Lloyd grew decently despite unfavourable season

2.2 Contribution Margin* Analysis

| <i>(In %)</i> | Q1 FY24 | Q1 FY23 | Q4 FY23 |
|---------------------------|--------------|--------------|--------------|
| Switchgears | 40.4% | 37.8% | 39.6% |
| Cable | 14.8% | 10.4% | 15.0% |
| Lighting & Fixtures | 29.1% | 29.4% | 31.9% |
| Electrical Cons. Durables | 22.7% | 24.2% | 23.9% |
| Others | 18.2% | 18.2% | 18.2% |
| Sub Total | 22.4% | 21.4% | 23.2% |
| Lloyd Consumer | 5.1% | 4.9% | 6.2% |
| Total | 17.7% | 17.2% | 18.7% |

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

2.3 Segment Results Analysis

| <i>(In Rs crores)</i> | Q1 FY24 | | Q1 FY23 | | Q4 FY23 | |
|---------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | Segment Results | % of NR | Segment Results | % of NR | Segment Results | % of NR |
| Switchgears | 150 | 27.7% | 135 | 26.2% | 172 | 28.6% |
| Cable | 169 | 11.4% | 87 | 7.3% | 189 | 12.0% |
| Lighting & Fixtures | 53 | 14.4% | 61 | 16.5% | 75 | 18.2% |
| Electrical Cons. Durables | 96 | 10.9% | 110 | 13.1% | 96 | 12.8% |
| Others | 9 | 3.5% | 12 | 5.4% | 12 | 4.5% |
| Sub Total | 476 | 13.5% | 406 | 12.9% | 544 | 15.2% |
| Lloyd Consumer | (61) | (4.7)% | (56) | (5.2)% | (22) | (1.7)% |
| Total | 415 | 8.6% | 350 | 8.3% | 522 | 10.8% |
| Finance Cost | (8) | (0.2)% | (10) | (0.2)% | (10) | (0.2)% |
| Unallocable Expenses | (89) | (1.9)% | (61) | (1.4)% | (68) | (1.4)% |
| Unallocable Income | 65 | 1.3% | 47 | 1.1% | 47 | 1.0% |
| Profit Before Tax | 382 | 7.9% | 327 | 7.7% | 490 | 10.1% |

- Overall margins maintained YoY; softening of commodity price not fully reflected
- Lighting margins impacted owing to low value growth and price erosion

3. Balance Sheet

| (In Rs crores) | June'23 (UnAudited) | Mar'23 (Audited) |
|---|---------------------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 2,348 | 2,228 |
| Capital work in progress | 160 | 163 |
| Goodwill | 310 | 310 |
| Other intangible assets | 1,078 | 1,082 |
| Intangible assets under development | 3 | 3 |
| Investment in subsidiaries | 0.5 | 0 |
| Financial assets | | |
| (i) Investments | 20 | 20 |
| (ii) Trade receivables | 2 | 2 |
| (iii) Other financial assets | 117 | 149 |
| Contract assets | 22 | 26 |
| Other non-current assets | 81 | 79 |
| Non Current tax assets (net) | 29 | 29 |
| Total non current assets | 4,171 | 4,091 |
| Current assets | | |
| Inventories | 3,297 | 3,708 |
| Financial assets | | |
| (i) Investments | 75 | 181 |
| (ii) Trade receivables | 797 | 971 |
| (iii) Cash and cash equivalents | 384 | 457 |
| (iv) Bank balances other than (iii) above | 2,237 | 1,405 |
| (v) Other financial assets | 94 | 117 |
| Contract assets | 27 | 27 |
| Other current assets | 211 | 175 |
| Total current assets | 7,123 | 7,041 |
| Assets classified as held for sale | 3 | 11 |
| Total assets | 11,297 | 11,143 |
| EQUITY AND LIABILITIES | | |
| Equity share capital | 63 | 63 |
| Other equity | 6,577 | 6,552 |
| Total equity | 6,640 | 6,614 |
| Non-current liabilities | | |
| Financial liabilities | | |
| (ii) Lease liabilities | 205 | 187 |
| (iii) Other financial liabilities | 17 | 7 |
| Contract liabilities | 3 | 4 |
| Provisions | 152 | 137 |
| Deferred tax liabilities (Net) | 361 | 362 |
| Total non current liabilities | 739 | 696 |
| Current liabilities | | |
| Financial liabilities | | |
| (i) Lease liabilities | 44 | 36 |
| (ii) Trade payables | | |
| a) Total outstanding dues of micro enterprises and small enterprises | 160 | 155 |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,221 | 2,488 |
| (iii) Other financial liabilities | 914 | 625 |
| Contract liabilities | 88 | 83 |
| Other current liabilities | 159 | 139 |
| Provisions | 278 | 275 |
| Current tax liabilities (net) | 55 | 32 |
| Total current liabilities | 3,918 | 3,832 |
| Total equity and liabilities | 11,297 | 11,143 |

- Planned inventory reduction inline with season

4. Cash Flow

| <i>(In Rs crores)</i> | Q1 FY24 | FY23 |
|--|--------------|--------------|
| PBT | 382 | 1,450 |
| Depreciation | 76 | 296 |
| Others | (52) | (93) |
| Working Capital Changes | 392 | (697) |
| Taxes Paid | (69) | (392) |
| Operating Net Cash Flow (A) | 729 | 565 |
| Capex | (140) | (588) |
| Others | 60 | 106 |
| Net Cash Flow from Investing Act. (B) | (80) | (481) |
| Dividends paid | (30) | (470) |
| Net borrowings availed/(repaid) | 0 | (394) |
| Others | 4 | (43) |
| Net Cash Flow from Financing Act. (C) | (26) | (907) |
| Net Cash Flow (A+B+C) | 623 | (824) |
| Cash & Cash Equivalent at beginning | 2,158 | 2,982 |
| Cash & Cash Equivalent at end | 2,781 | 2,158 |

* Cash & Cash Equivalent includes bank deposits also

- Dividend paid post quarter close in July 2023

5. Financial Ratios

| | Q1 FY24 | Q1 FY23 | Q4 FY23 |
|--|-----------|-----------|-----------|
| Profitability | | | |
| OPM % {EBITDA/NR} | 8.3% | 8.5% | 10.9% |
| RONW % {PAT TTM / Avg. NW} | 17.3% | 20.6% | 16.9% |
| ROCE % {EBIT TTM / Average Capital Employed (Net Worth + Debt)} | 23.8% | 26.8% | 23.1% |
| Liquidity | | | |
| Current Ratio {CA/CL} | 1.8 | 1.9 | 1.8 |
| Debtor Days {Debtors/NR TTM} | 17 | 14 | 21 |
| Inventory Days {Inventories/NR TTM} | 69 | 74 | 80 |
| Creditor Days {Creditors/NR TTM} | 50 | 63 | 57 |
| Net working capital days* | 36 | 25 | 44 |

*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. The results are limited reviewed by the Auditors of the Company and approved by the Board of Directors in their meeting held on 20th July 2023.

Havells will be issuing fresh Information Update, like the one you are reading now; on the day it declares its 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.

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