

14th September, 2018

The National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra Kurla Complex  
Bandra (E)  
Mumbai- 400 051

NSE Symbol : HAVELLS

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400 001

Scrip Code : 517354

**Sub: Intimation of Schedule of Analyst Meet**

Dear Sir,

In terms of Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with corresponding circulars and notifications issued thereunder, it is hereby informed that the management of the Company, Havells India Limited, shall be participating in the Investor Conference, scheduled as follows:-

Name of the Organizer: ICICI Securities  
Place: Mumbai (via video conference from Noida)  
Date: 18<sup>th</sup> September, 2018

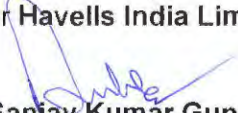
Name of the Organizer: J P Morgan  
Place: New Delhi  
Date: 19<sup>th</sup> – 20<sup>th</sup> September 2018

Also enclosed is a copy of the Investor Presentation which would be used in the above conferences.

This is for your information and records.

Thanking you.

Yours faithfully,  
for Havells India Limited

  
(Sanjay Kumar Gupta)  
Company Secretary

Encl: as above

**HAVELLS INDIA LTD.**

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Tel: +91-120-3331000, Fax: +91-120-3332000  
E-mail: marketing@havells.com, www.havells.com  
Registered Office: 904, 9th Floor, Surya Kiran Building,  
K.G. Marg, Connaught Place, New Delhi - 110001, (INDIA)  
Consumer Care No.:  
1800 103 1313, 1800 11 0303 (All Connections), 011-4166 0303 (Landline)  
CIN: L31900DL1983PLC016304  
GSTIN: 09AAACH0351E2Z2



**HAVELLS**



# HAVELLS INDIA LIMITED

Sep 2018

# 25 YEARS OF PUBLIC LISTING

# 25 YEARS OF PUBLIC LISTING

- Consistent growth in each business parameter

in INR crores

|                                  | FY 1994 | FY 2018 | CAGR |
|----------------------------------|---------|---------|------|
| Revenues                         | 17.1    | 8,138   | 29%  |
| EBIDTA                           | 1.6     | 1,049   | 31%  |
| PBT                              | 1.3     | 1,003   | 32%  |
| PAT                              | 0.9     | 713     | 32%  |
| Net Worth                        | 8.5     | 3,739   | 29%  |
| Market Cap.                      | 15      | 41,194* | 38%  |
| No. of people<br>(excl. workers) | ~350    | 5,789   | 12%  |

\* as on 14<sup>th</sup> Sep-18

# KEY MILESTONES

- **Leverage channel by expanding product portfolio**
  - ✓ Industrial to a consumer company
- **Manufacturing**
  - ✓ Large scale manufacturing on China pattern
  - ✓ Quality on European benchmark
  - ✓ >93% in-house
- **National Advertising and uniform discounting**
  - ✓ Disproportionate ad spend on 'non-consumer' products
- **Mass to 'mass premium'**
  - ✓ Steady premiumisation
- **Acquisition of Sylvania and pragmatic exit**
  - ✓ Changing industry dynamics and capital allocation
- **Lloyd Acquisition**
  - ✓ Entry into high potential Large Consumer Durables
  - ✓ Aligned with 'Deeper into Homes'





# MOVING AHEAD



## DEEPER INTO HOMES



## ➤ HAVELLS REPRESENTS 2 POOLS OF LARGE OPPORTUNITIES

### Electricals

SIZE: ~ Rs. 45K crores  
CAGR (2018-23): ~12%



### Home Appliances

SIZE: ~ Rs. 70K crores  
CAGR (2018-23): ~15%



Source: Industry

# FAVOURABLE MACRO LEVERS

## Urbanization

To be 40% by 2030 from 31% currently

Investment on infrastructure and housing will be key focus area

## Electrification

High degree of focus on electrification, presently 78% population electrified,  
low quality and regular supply are key issues

## Organized Penetration

Low to medium penetration in most of the categories

Large presence of unorganized sector

## Young Demography

Growing middle class across urban, semi urban.

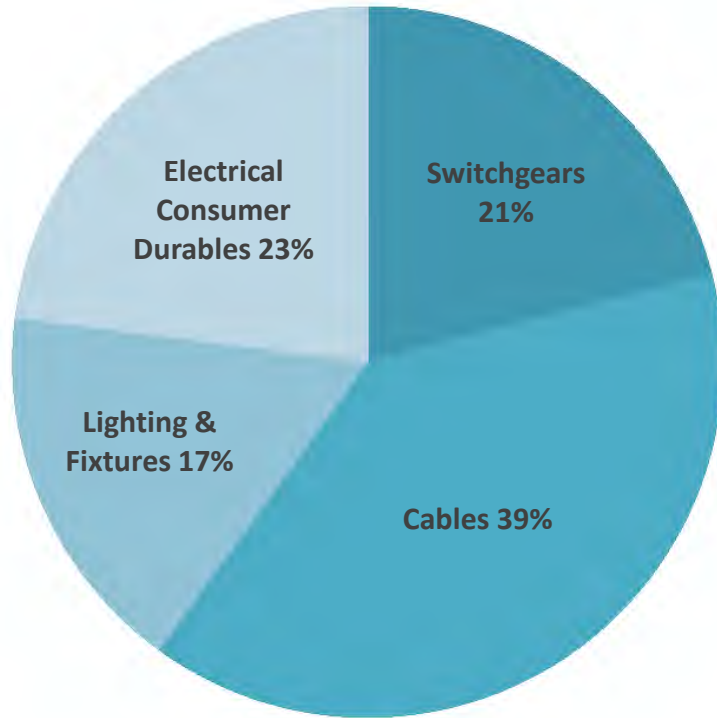
Brand aspiration, better standard of living and global exposure



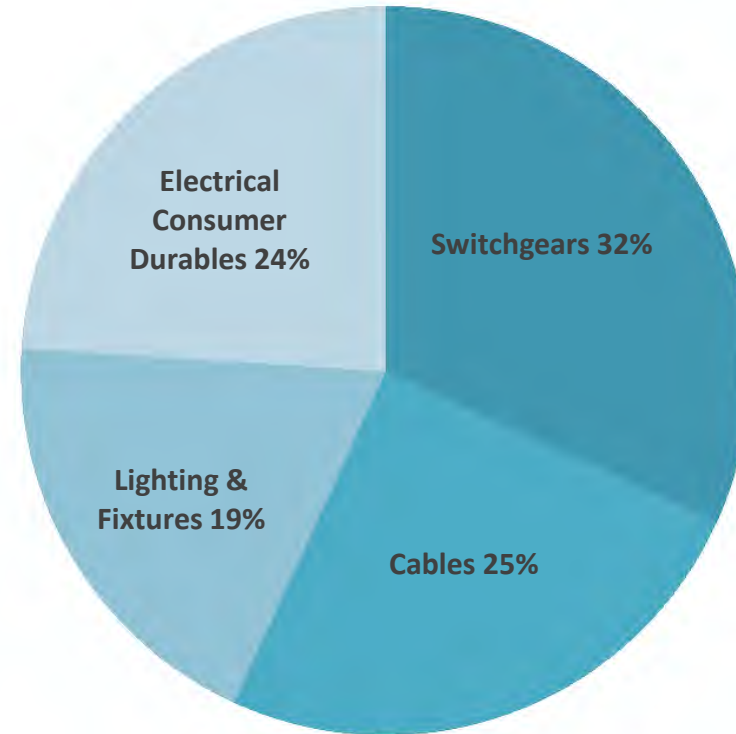
# HAVELLS ELECTRICAL

# SEGMENTS

## Revenue Mix (FY 18)



## Contribution Margin Mix (FY 18)



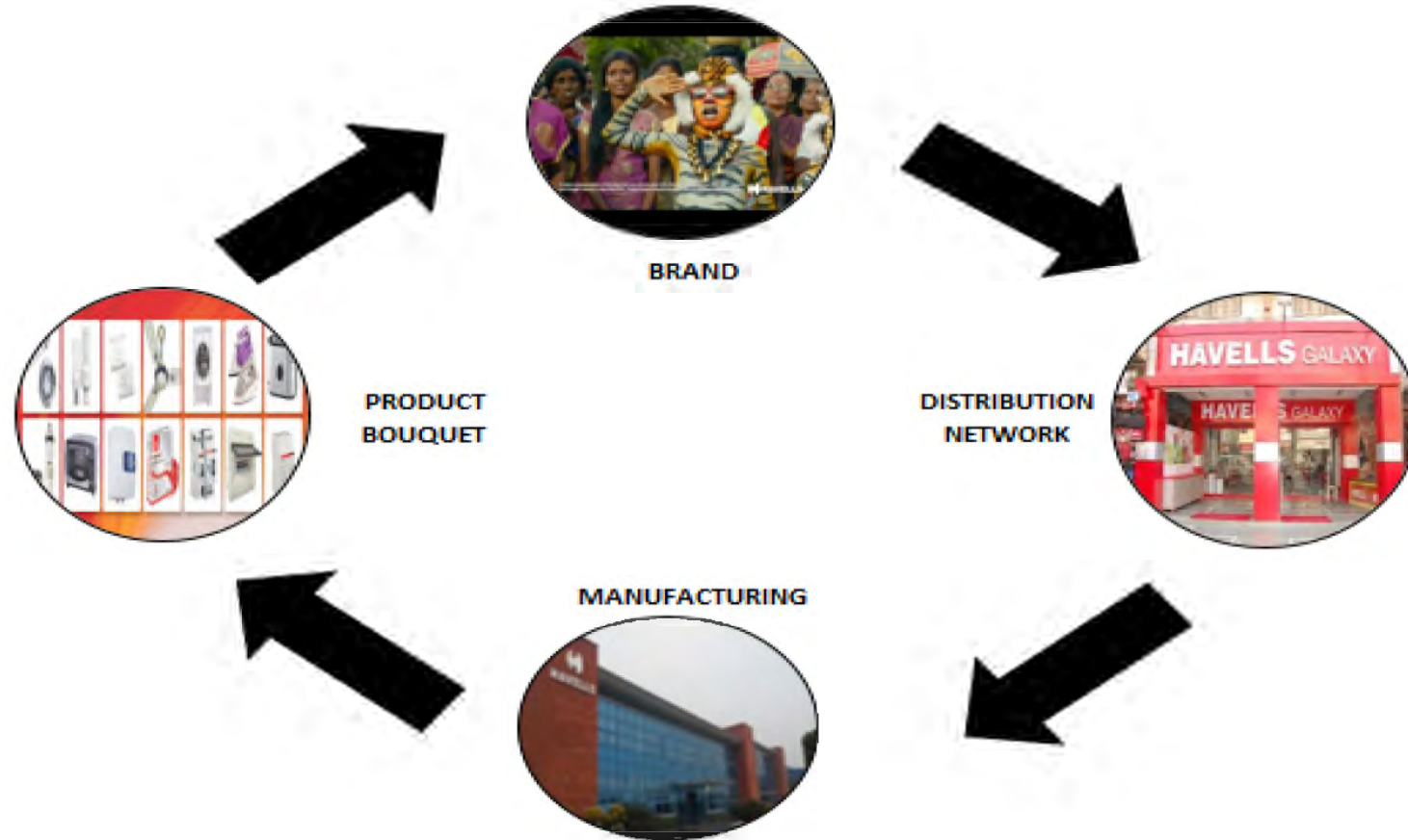
# MARKET SHARE: TOP 3 ACROSS CATEGORIES

|              | Product             | Indicative Market Size (Rs. in crores) | Indicative Market Share | Indicative Rank | Organized Penetration Level | Peers                           |
|--------------|---------------------|--|-------------------------|-----------------|-----------------------------|---------------------------------|
| Switchgears  | MCB                 | 2,200                                  | 27-28%                  | # 1             | High                        | Legrand, Schneider              |
|              | Switches*           | 2,200                                  | 14-15%                  | # 3             | Medium                      | Panasonic (Anchor), Legrand     |
| Cable        | Domestic            | 8,000                                  | 16%                     | # 3             | Low                         | Finolex, Polycab                |
|              | Industrial          | 12,000                                 | 10%                     | # 3             | Medium                      | Polycab, KEI                    |
| LED Lighting | Lighting & Fixtures | 6,500                                  | 10-14%                  | # 2-4           | Medium                      | Philips, Crompton, Bajaj, Wipro |
| ECD          | Fans                | 6,900                                  | 16%                     | # 3             | High                        | Crompton, Orient, Usha          |
|              | Water Heaters       | 1,400                                  | 15%                     | # 2             | Low                         | Racold, AO Smith                |
|              | Other Appliances    | 5,200                                  | 2-3%                    | -               | Low                         | Bajaj, Philips                  |

\* Premium modular plate switches



# AN EFFICIENT INTERPLAY



Higher Market Share

Higher Profitability

Free Cash Flow

Superior Return to shareholders

# CONSISTENT NEW PRODUCT INTRODUCTIONS

2012: Water Heaters



2013: Domestic Appliances



Dec 2017: Water Purification

2013: Pumps



2016: Air Coolers

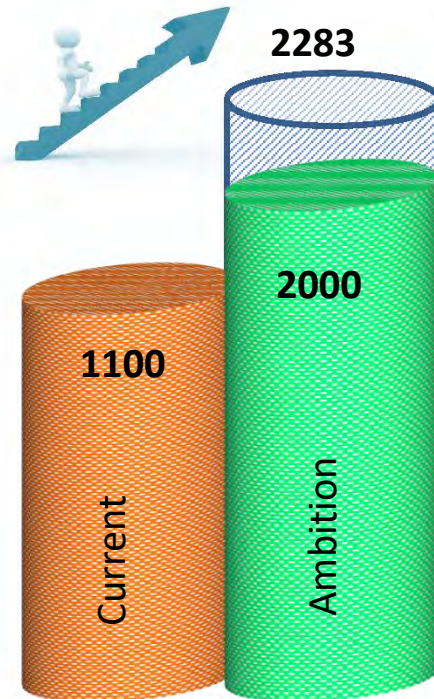




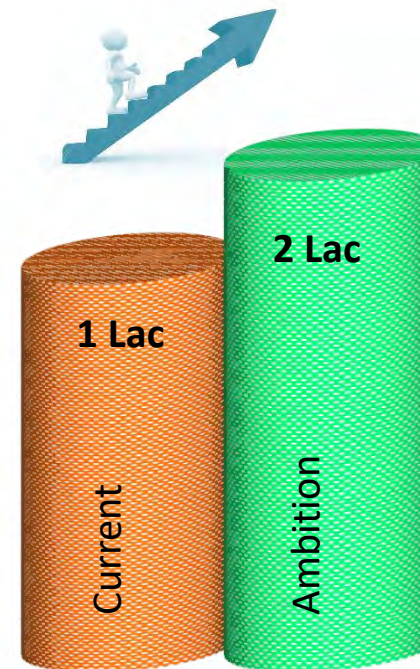
# CHANNEL EXPANSION- DEEPER PENETRATION

## Proximity to Consumer – Transition towards Rural & Semi-Urban Cities

TOWN PENETRATION – 25K ABOVE POPULATION



RETAILER - COUNT



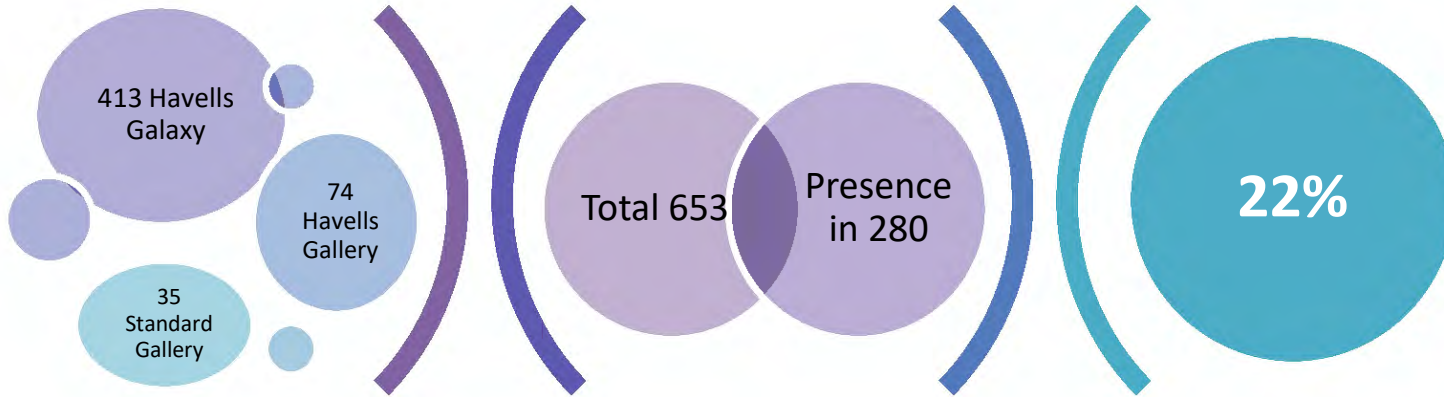
~8,500  
Direct Dealers

~100,000  
Retailers

~220,000  
Electricians

- Havells' major penetration is in Metro, Tier I & II Towns
- Rural sector and Tier III & below towns ket penetration opportunity

# CHANNEL EXPANSION-GALAXIES

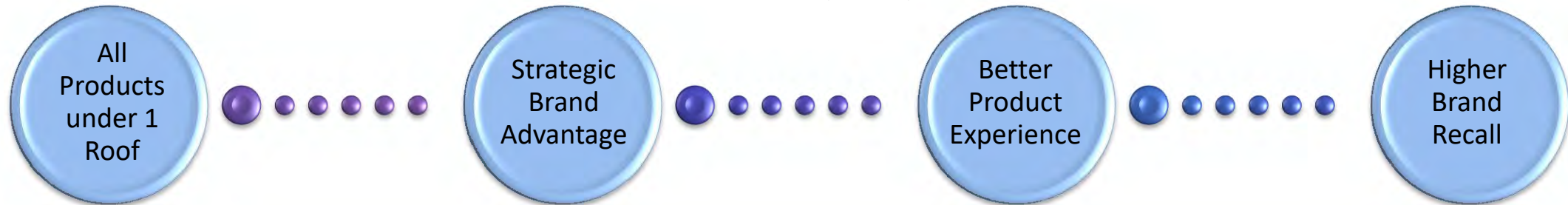


**Brand Shops - 522**

**District Presence**

**Business Contribution**

(Ex Cable)



*Largest Brand Shop Channel in Electrical Industry*



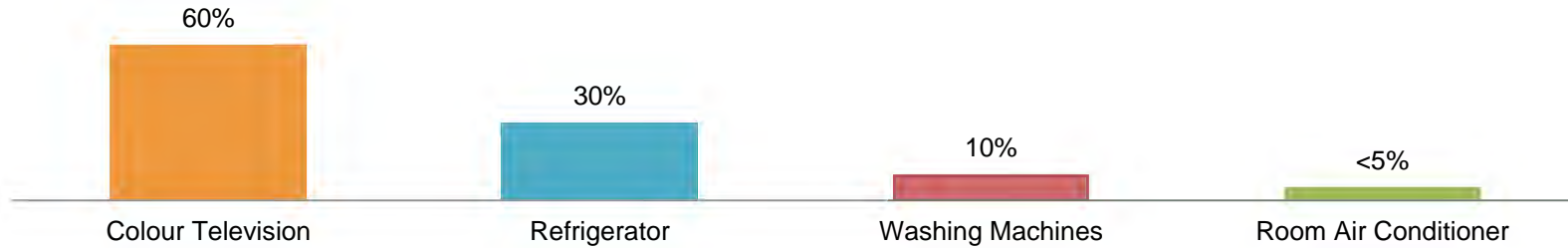
**HAVELLS**





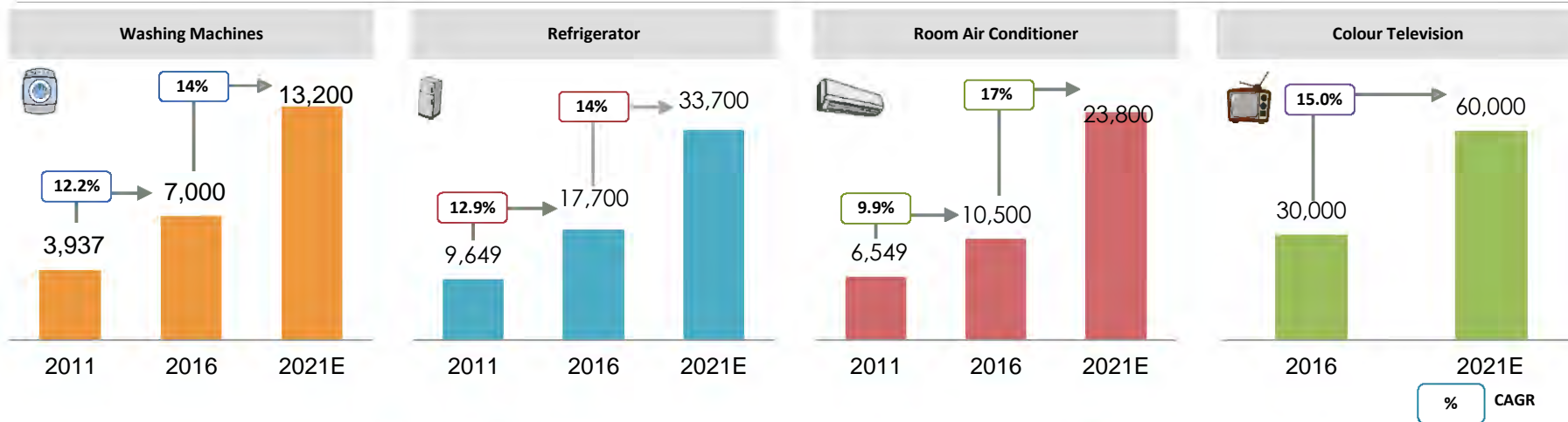
# HIGH GROWTH POTENTIAL INDUSTRY

- Low Penetration



- Each Product Group Expected To Grow At Double Digit

INR Cr



Source: Industry data

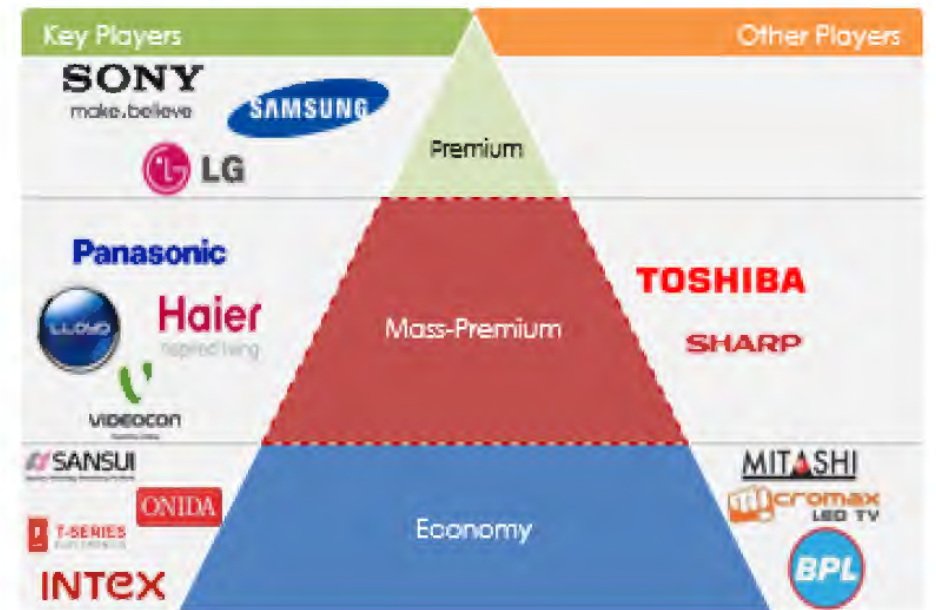


# MASS PREMIUM POSITIONING

## Air Conditioner Market in India



## LED TV Market in India





# INDUSTRY UNDERGOING DISRUPTION

- Fixed Speed → Variable Speed
- Change in Star Rating from CY2018
- IOT
- Upgrading to Green Gas
- HD/FHD → SMART → UHD → OLED
- Internet : Better penetration, Better bandwidth
- Convenience: Streaming options, Anytime (24x7) viewing
- Replacement market driven by migration from CRT to LED TV & Increasing screen size.

**Creating opportunity for well capitalised, committed long range players**

# LLOYD WELL PLACED IN CONSUMER DURABLES MARKET



FY18 Gross sales of  
c.INR 2,000 Cr



Gained 13% share in AC  
segment of India in  
~ 7 years



Among top three AC  
players in the country



Gained 3% share in LED TV  
segment of India in  
~ 5 years



Innovative and aggressive in  
brand building initiatives,  
created a strong connect



10,000+  
Display points pan India



600+  
Service centers pan  
India



6 decades  
of brand vintage in AC  
segment



Presence across  
450+ cities



# STRATEGIC INITIATIVES

## ➤ Channel

- ✓ 65% through distributors, gravitate to industry average of ~50%+
- ✓ Brand Store, MTs, RRs to extend the reach and improve brand imagery
- ✓ Expand in Tier 1 and Metro towns

## ➤ Portfolio Expansion

- ✓ Reduce dependence on single product category
- ✓ Strengthen the offering in TV and WM

➤ In-house manufacture and product development; committed an outlay of ~Rs. 350 crores for AC plant at Neemrana

➤ Fortifying Lloyd Management team across products, sales and marketing

➤ Leverage Havells brand, infrastructure, consumer connect



# ASPIRATION

- To be an integrated, formidable and well entrenched consumer durable brand
- Innovation focussed on local requirements
- Billion \$ revenues with top quartile margins in 4-5 years
- Deeper presence across product categories and geographies
- Amongst top five players in each category

# FINANCIALS



# STANDALONE FINANCIALS

Financial highlights

in millions of Rupee

|                          | FY17<br>Havells | FY18<br>Havells | FY18<br>Lloyd<br>(from 8 <sup>th</sup> May'17) | FY18<br>Havells Total | Q1 FY19<br>Havells Total |
|--------------------------|-----------------|-----------------|--|-----------------------|--------------------------|
| Net Revenue              | 61,353          | 67,244          | 14,141   | 81,385                | 25,963                   |
| Growth %                 | 14%             | 10%**           | --   | 33%                   | 40% <sup>^</sup>         |
| EBIDTA %                 | 13.4%           | 13.9%           | 8.0%   | 12.9%                 | 12.4%                    |
| PBT % before exceptions  | 13.5%           | 13.5%           | 7.8%   | 12.3%                 | 11.7%                    |
| PAT % before exceptions* | 9.7%            | --              | --   | 8.6%                  | 8.1%                     |
| -----                    |                 |                 |  |                       |                          |
| CAPEX                    | 2,386           | --              | --   | 1,522                 | 650                      |
| ROCE %                   | 27%             | --              | --   | 30%                   | 32%                      |
| Net Worth                | 32,736          | --              | --   | 37,392                | 39,671                   |
| Net Working Capital      | 5,274           | --              | --   | 3,131                 | 3,393                    |
| Cash & Bank              | 19,375          | --              | --   | 15,262                | 17,371                   |

• Low working capital due to channel financing made available to dealers i.e. direct funding by bankers with no recourse on the company

\* PAT for FY18 and FY17 was Rs. 7,126 and Rs. 5,390 including exceptional items

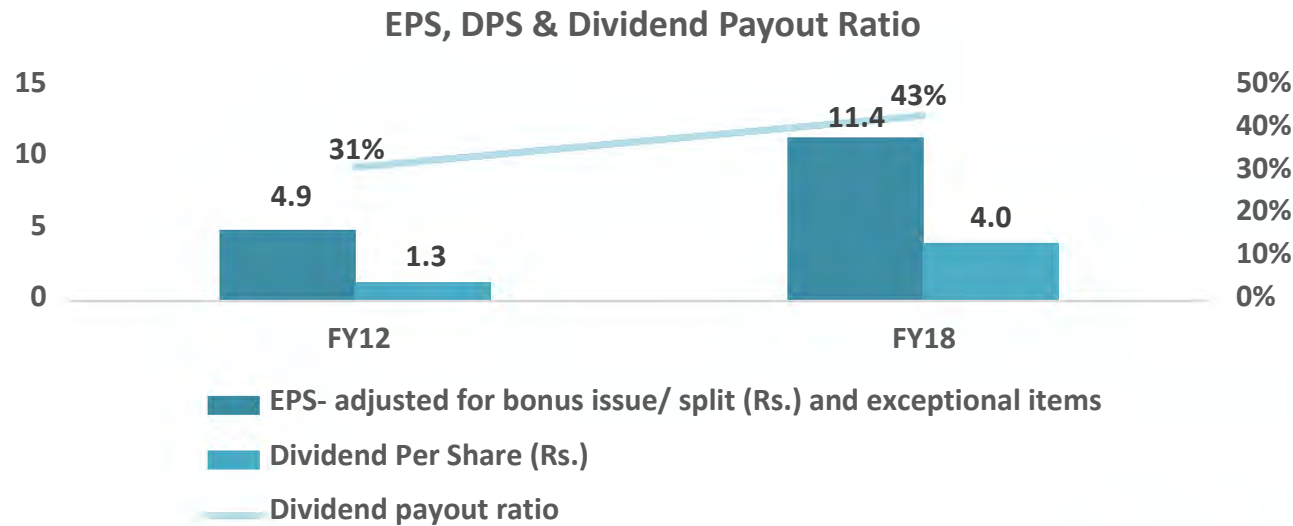
\*\* After adjustment of excise, growth is 13%

<sup>^</sup> Ex-Lloyd 22% adjusted growth

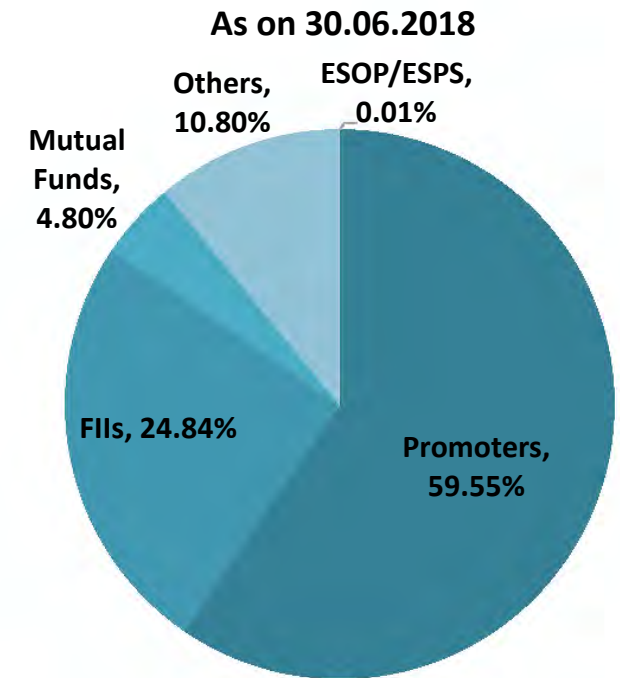


# BENCHMARKING WITH THE BEST CORPORATE, FINANCIAL AND SHAREHOLDERS GOVERNANCE

- Promoters- single business focus
- Transparent and detailed communication to shareholders
- Committed to high standards of corporate and shareholder governance, assigned CGR 2+ rating by CARE



## Shareholding Pattern



## SUMMARY

- India represents large untapped opportunity with lower penetration, higher unorganized sector & growing electrification
- Havells preparing for future with constant products expansion, deepening market reach & brand reinforcement
- Organic leverage with opportunistic acquisition to drive growth
- Strengthening management bandwidth to lead ambitious growth plan
- Native business acumen, market connect and ethics remain core values

 Crabtree

 STANDARD

 HAVELLS

 REO



**INDIA: ELECTRIFIED BY HAVELLS**