

12th December, 2017

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: Presentation for the 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, please find enclosed herewith a copy of the Investor Presentation which shall be used by the Company, Havells India Limited, in today's session of the Analyst Meet, intimation whereof was given to the stock exchanges vide Company's letter dated 5th December, 2017.

This is for your information and records.

Thanking you.

Yours faithfully,
for **Havells India Limited**



(Sanjay Kumar Gupta)
Company Secretary

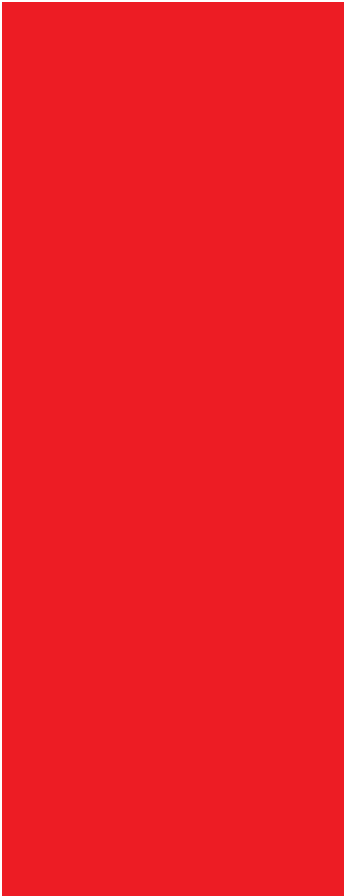
Encl: as above

HAVELLS INDIA LTD.

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Consumer Care No.:
1800 103 1313, 1800 11 0303 (All Connections), 011-4166 0303 (Landline)
CIN: L31900DL1983PLC016304
GSTIN: 09AAACH0351E2Z2



HAVELLS



25 Years of Public Listing:

A retrospect and an outlook

25 YEARS OF LISTING

- Havells issued its equity to public in October 1993
- The issue included ~22 lac equity shares of Rs. 10 each @ premium of Rs. 15 per share
- Issue was oversubscribed 4 times and listed at a marginal premium
- 1992-1995 era of public listing of illustrious companies including Infosys, Motherson Sumi, Eicher Motors and Sun Pharmaceutical

25 YEARS OF LISTING

➤ Post initial issue of equity:

- ✓ Limited additional issue of ~\$ 5 mn and ~ \$ 110 mn (to finance Sylvania acquisition); diluting 14.5% of share capital
- ✓ 3 bonus and 2 share splits
- ✓ Never issued any preferential or warrants to promoters
- ✓ Dividend payout of Rs. 1.63 lac on an initial investment of Rs.2,500 (100 equity shares)

CONSISTENT GROWTH

- Consistent growth in each business parameter

in INR crores

	FY 1994	FY 2017	CAGR
Revenues	17.1	6,135	29%
EBIDTA	1.6	824	31%
PBT	1.3	769	32%
PAT	0.9	539	32%
Net Worth	8.5	3,274	30%
Market Cap.	15	29,000	37%
No. of people (excl. workers)	~350	4,974	12%

KEY MILESTONES

➤ **1996: Forayed in Cables & Wires**

- First expansion beyond switchgear
- Acquired a sick manufacturing unit in Alwar
- Spread over an area of 100 acres constitutes 40% of Havells business



➤ **2000: Acquisition of Standard Electricals**

- Was amongst top 5 switchgear brands with strong South footprints
- Leapfrogged Havells to be amongst top 2 in switchgear
- Revitalized brand since 2013
- On a journey to a INR 1000 crs brand



➤ **2003: Consumer centric products extension**

- Launched ‘consumer facing’ fans and lighting
- A first by a switchgear or cables company
- Focus on brand and its affinity with channel/customers
- Scoffed initially by purists, now followed by each industry player



- **2004: Baddi plant commissioned**
 - Shift to large scale and efficient production
 - European quality; Chinese costs
 - 12 plants; 93% in-house production



- **2005: No 'Economy Segment' fans**
 - 40% fans market then was economy segment
 - A bold decision to provide a superior quality experience to consumers
 - Premiumization trend initiated



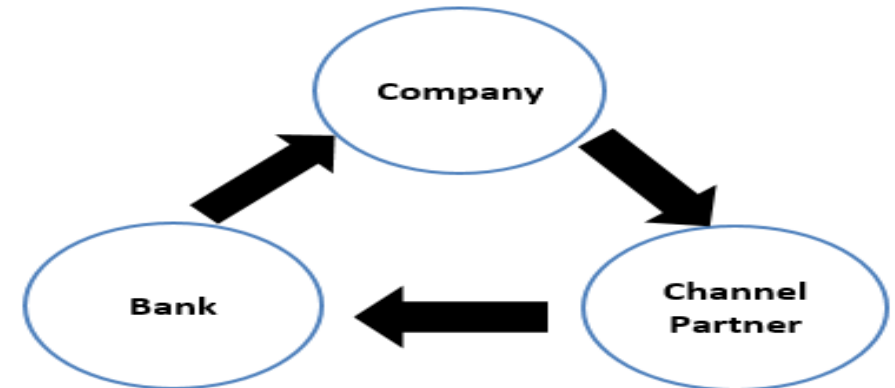
➤ **2005: CSR initiative of Mid Day Meal**

- Modelled on Akshaypatra though self managed
- Presently serving meals to ~58,000 school children in 688 schools in Alwar district



➤ **2006: Channel financing**

- ‘Color of Money’ missing from balance sheet
- Growth usurping cash generation
- Innovative 3 way channel financing releasing funds and financed dealers/company growth



➤ **2007: National advertising and uniform discounting**

- Sponsor T20 WC telecast
- Disproportionate ad spend on 'non-consumer' categories
- Gained significant VOC
- Disrupted electrical industry and its marketing practices with uniform discount policy
- The resultant market and margin discipline as key pillar for profit improvement



➤ **2007: Acquisition of *SYLVANIA***

- An audacious acquisition with a 50-country footprint
- 2008 global recession led to significant losses
- Stabilized operations in 2011, profitable since then

➤ **2015: *SYLVANIA* divestment**

- Decision driven by changing industry dynamics
- And capital allocation
- A time bound divestment with receipt of ~Rs 1200 crores

➤ **Consistent new product introductions**

2012: Water Heaters



2013: Domestic Appliances



Dec 2017: Water Purification



2013: Pumps



2016: Air Coolers



➤ **2017: Lloyd acquisition**

- A foray into high potential Large Consumer durables
- Aligned with 'Deeper into Homes'
- Opportunity to expand categories and grow with aspirational New India



IN RETROSPECT

➤ **Pride**

- An India brand born, survived and thrived amidst fierce competition from MNCs and large Indian industries
- Value creation for its shareholders, employees, dealers, consumers and society in general
- Make in India- Defied industry convention, contributed to national production since 1977
- Simplicity, ethical, transparent, high benchmarked corporate governance

IN RETROSPECT

➤ **People**

- Havells growth predicated on people connect- dealers, vendors, employees, lenders
- Deepening and diversification of management bandwidth to support next level of growth

➤ **Possibilities**

- Excited with opportunities ahead
- Short term disruptions give way to long term growth
- Havells well prepared to serve the aspiring nation and retain its streak of innovation led growth

FUTURE OUTLOOK

➤ **Technology led**

- Products – communicable
- Platform viz IoT, home automation
- Sales productivity; data analytics

➤ **Channel**

- Retail
- Width and depth
- Omni channel (inclusive and co-existence)

➤ **Meaningful presence** in each product category by market share – Top 5 (preferably 3)

➤ Industry leading growth; steadily gain market share

FUTURE OUTLOOK

➤ **Management fortification**

- Continue to attract, hire and retain competitive talent, from and outside industry
- Professional rigor and entrepreneurial empowerment

➤ **Ambitious** on growth, conservative on financials

➤ Post Lloyd, sufficient organic growth opportunities to reach next level

➤ Lean balance sheet, low working capital, maintain dividend payout

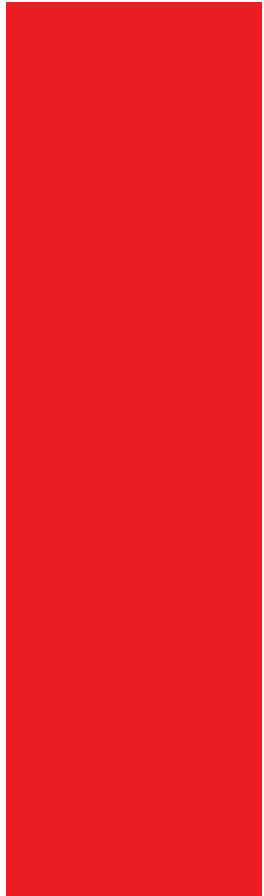
➤ Environmentally sensitive and sustenance – water +, low carbon

➤ A well entrenched, respected consumer centric brand with top quartile profitability and return on capital

➤ Sustain value maximization for each stakeholder as demonstrated in the last 25 years!



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SBU DISCUSSIONS



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Switchgear Business



Vision Statement
To continuously improve our leadership position by expanding product depth & customer reach.

MCB Business Overview



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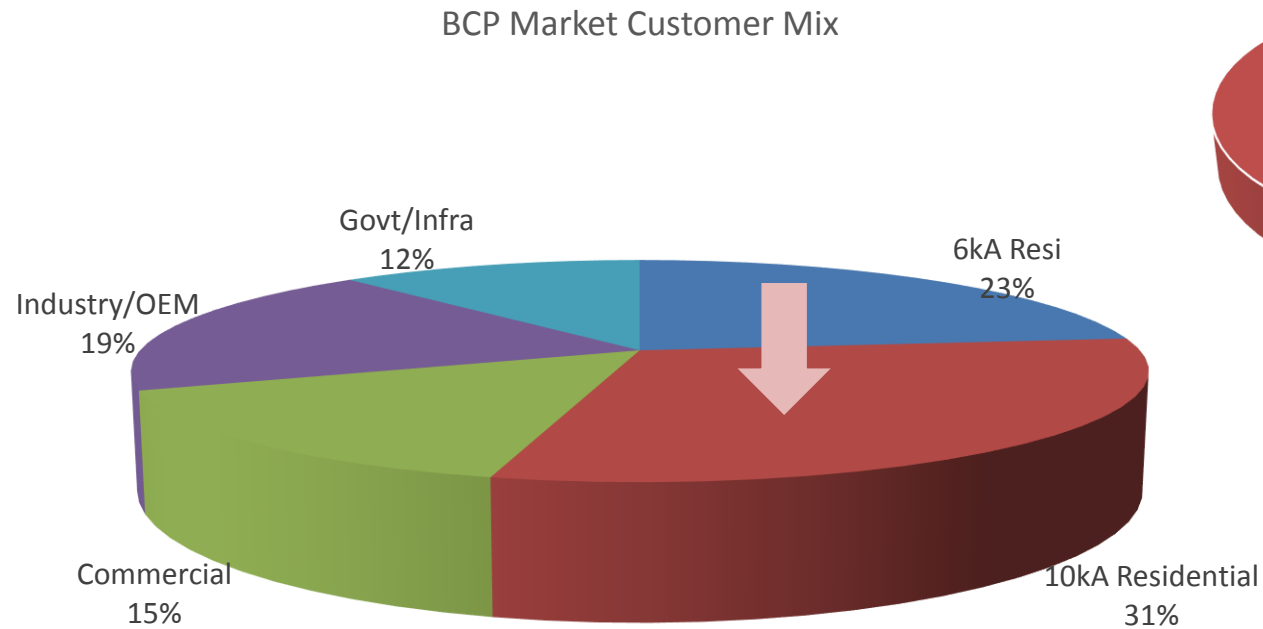
Total Market Size: ~2800 Cr

Addressable Market: ~2150 Cr

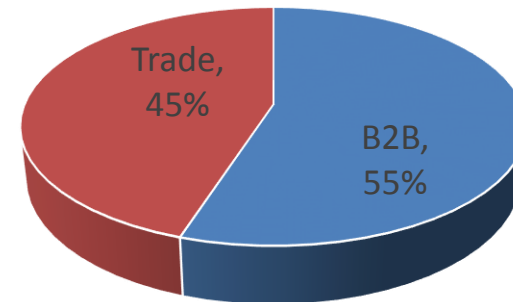
Products: MCB, RCCB, DB

Key Competitors: Legrand, Schneider

MCB Market by Customer Mix



B2B Market Sales mix



- Havells predominantly present in trade & residential space

Strategic Direction

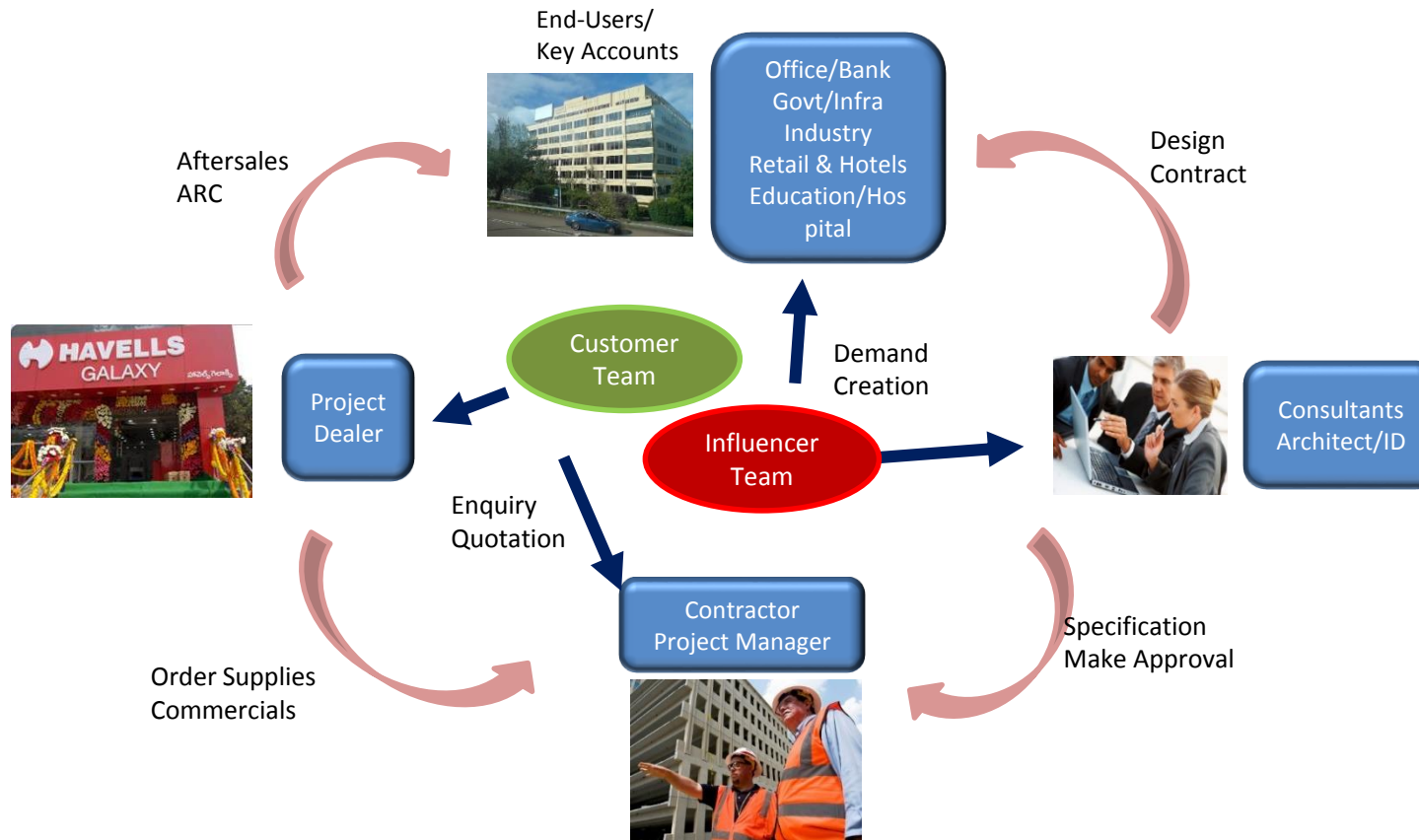
- Expanding into non-Resi : take our share from <10% to over 30% in next 3 years
 - [B2B sales approach](#)
 - Differentiated Product Offer

- Multi Brand strategy to enter new price segments

- Focus on new product categories, applications – 10% of portfolio in next 2-3 years
- Leverage Hyundai Tie Up

- Geographical reach – Strengthen West and South regions with specific policies

B2B Sales – Commercial & Industry

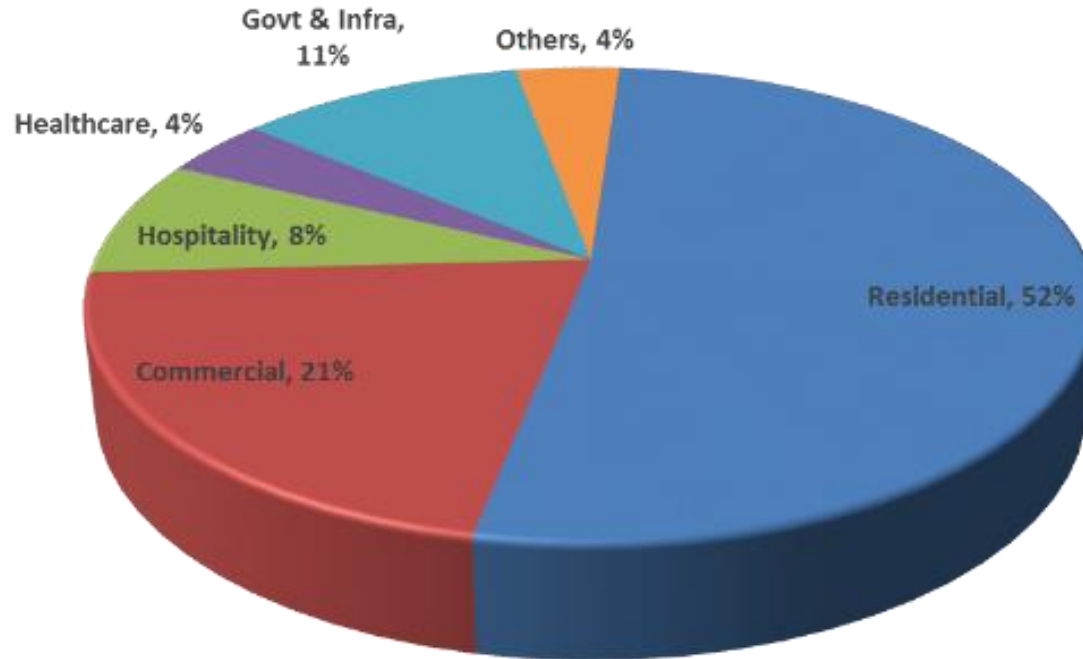


Technology Partnership with Hyundai Electric



- Havells will supply MCBs & Contactors to Hyundai
- Hyundai will supply LV & MV protection and switching devices to Havells
- Hyundai will also grant manufacturing license and technology transfer for Contactors and MCCBs to Havells

EWA Market By Customer Mix



Notes:

- Our major Mkt is in Residential Segment
- Almost 50% opportunity in non-residential Segment

EWA Strategic Direction

- **Expanding into non-resi : take our share from <10% to over 30% in next 3 years**
- **B2B sales approach**

- **Geographical reach – Strengthen West and South regions with specific policies**

- **Multi-brand strategy**
- **Upgrading through technology**



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CABLE & WIRES

CABLES

- For Transmission & Distribution of Electrical Power
- PVC/XLPE insulated cables
- Aluminium /Copper conductor cables
- Components:
Conductor/Insulation/Armour/OuterSheath



LV Cable



Solar Cable



HV Cable



LSZH / Fire
Survival Cable

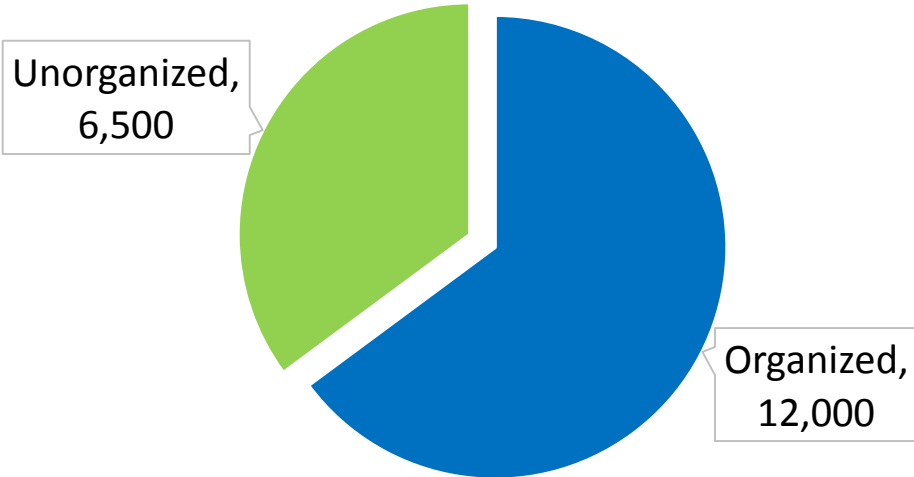


AB Cables

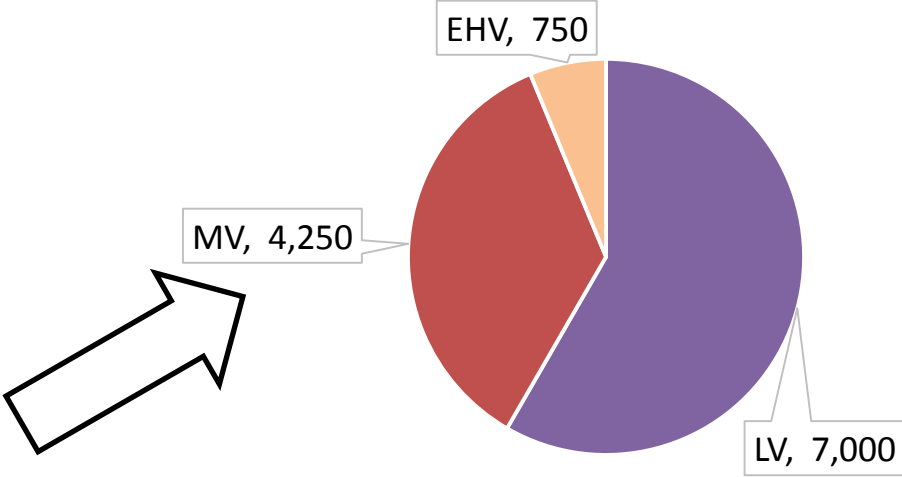
INDUSTRY OVERVIEW

in INR cr

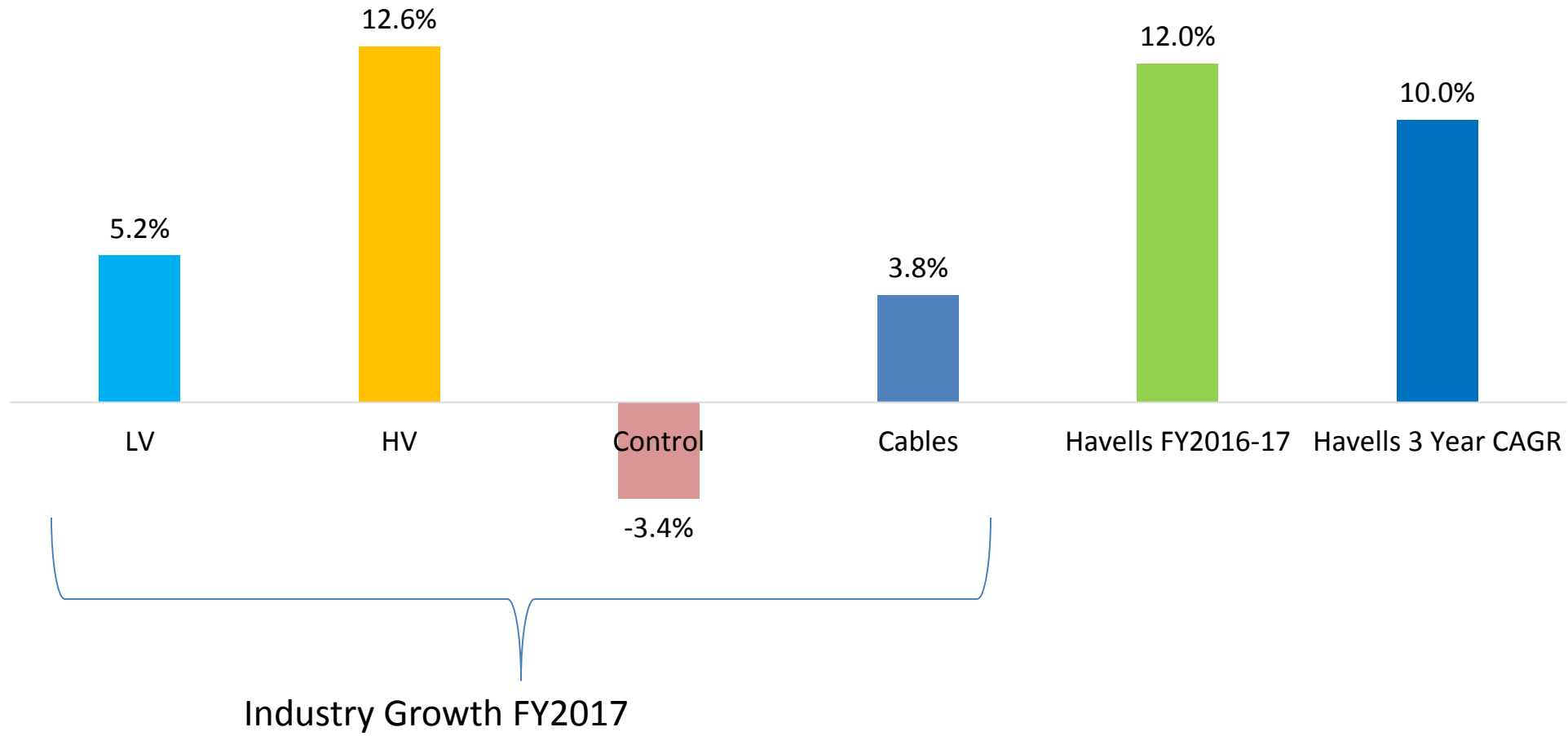
Cable Market



Organized Market - Product Wise Breakup



INDUSTRY UPDATE FY2017



FUTURE OUTLOOK: EXCITING OPPORTUNITIES AHEAD

- Strengthening, augmenting and modernizing of T&D infrastructure
- Smart city projects in advanced stage and are being awarded
- Metro projects are generating good demand for cable
- Renewable energy sector
- Highways, railways, ports, mines & minerals
- Capex in core manufacturing sectors have seen uptick



- Total revenue of cable industry expected to double in next 4-5 years
- Organized sector sales to accelerate owing to business formalization spurred by GST, RERA and demonization

STRATEGIC INITIATIVES

- Enhancing share of B2B sales
- Increase share of export revenue from 2% to 10% of total sales
- Enhance market share in western region from 12% to 20% of total sales
- Entry into EHV cable market
- Continued thrust on network expansion





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Flexible Cables (wires)

Growth Drivers



- GST Implementation to impetus organized sector growth
- Real estate accelerating post de-monetization & RERA



- Untapped segment like OEM/Panel Builders to spur demand.
- Digitalization to push demand for specialized communication cable.



- Increase investment in semi-urban & rural areas to boost connectivity .
- Retrofitting and Upgradation of network towers business



- Increase in Govt. investment for infrastructure projects like airport/metro.
- Tier 2 & Tier 3 cities seeing investment in hospitality/institution sector.

Industry Snapshot

- Organised market for flexible wire is ~ 8000cr, estimated to be 65% of industry
- Commodity sensitive rendering fluctuating pricing and margins
- Past industry growth has been low owing to demand stagnation from construction, housing and infrastructure
- Govt. initiatives like Affordable Housing, GST, National telecom policy expected to spur growth and revival from low sentiments.
- Development in quality products like fire resistant/energy saving wires to define future of this industry.
- Major players include Finolex, Polycab, Havells, Anchor, RR Kabel

Havells Wires BU

- Havells Wires accounted for ~ 20% of Havells business in FY 16-17.
- Continuous innovation in product - Offering features like HRFR & S3 properties in regular product range.
- Strong Channel across India 3500+ direct billing points.
- Direct representation in 700+ town (>50K)
- Strong dedicated sales team 150+ (highest in the industry)
- Dedicated team for Project/Institutional business.

Our Endeavour.....

- To remain being top 3 players with good margin in commodity driven competitive market.
- Focus on west India through distribution model.
- Target south market with specific regional policies
- Increase direct connect in towns with population above 50K
- Continue focus on Project, B2B & telecom tower business.
- Increase capacity of Multi Core/Higher Sizes & Flat Cable.



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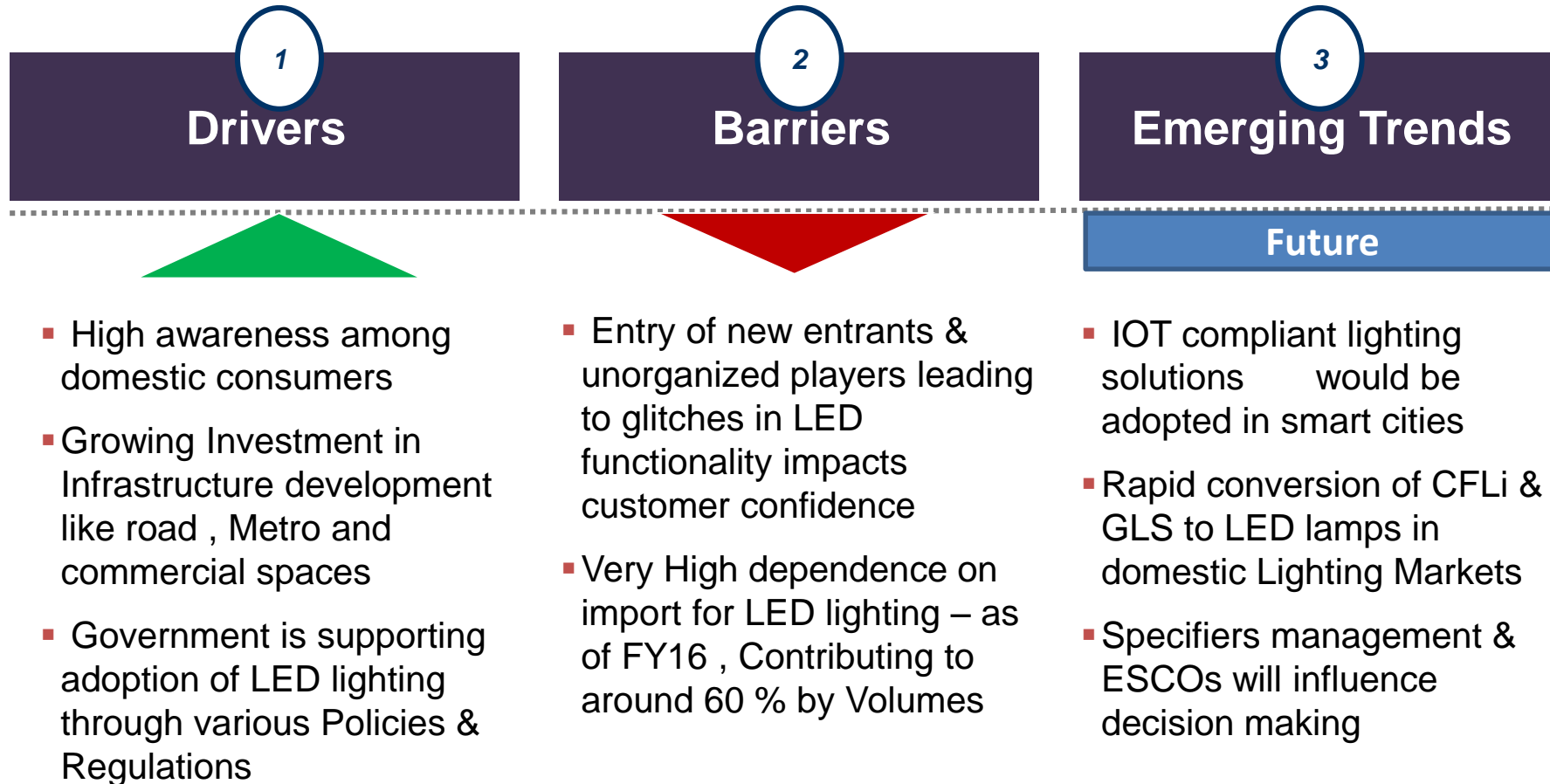


Business Update

Lighting

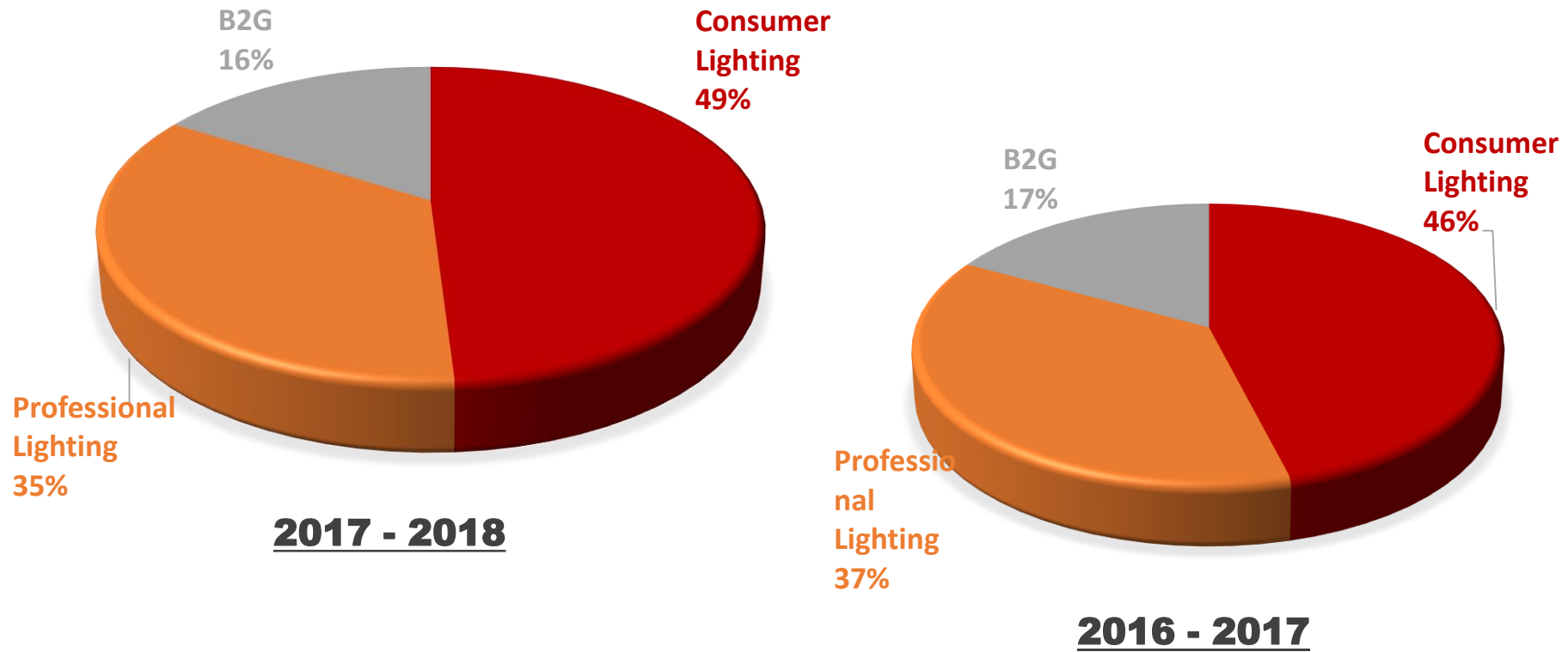
LED Lighting Market In India

Market Trends



Lighting growth plans well ahead of the market

Plan to Grow faster than the market and GDP



- Business is equally divided between professional (B2B + B2G) and consumer lighting

Lighting Market In India

Market Trends

Source – Frost and Sullivan
Sep 17 & Market Pulse

- Lighting Sector, market size is INR17600Cr and It accounts for 20% of the total power consumption in India
- LED Lighting market
 - Expected to grow from INR5300 Cr to 35000 Cr by the FY 2022.
 - CAGR of 46% (17 to 22) and YOY growth of 28% after initial surge
- Government is formulating various policies and regulations to push local manufacturing in LED lighting and Solar.
- Conventional Lighting will de-grow by 23% and will be just 3% of total lighting market by FY 22

Consumer Lighting – Havells

Key Points

- We have exhaustive product range
- Consumer mind share – Very much in to consumer consideration & preference
- Ability to create consumer delight through innovation
- Effectively communicating with consumers / TV , RADIO , OUTDOOR & activations at POP
- Opportunity to have direct reach in tier 2 and Semi Urban towns



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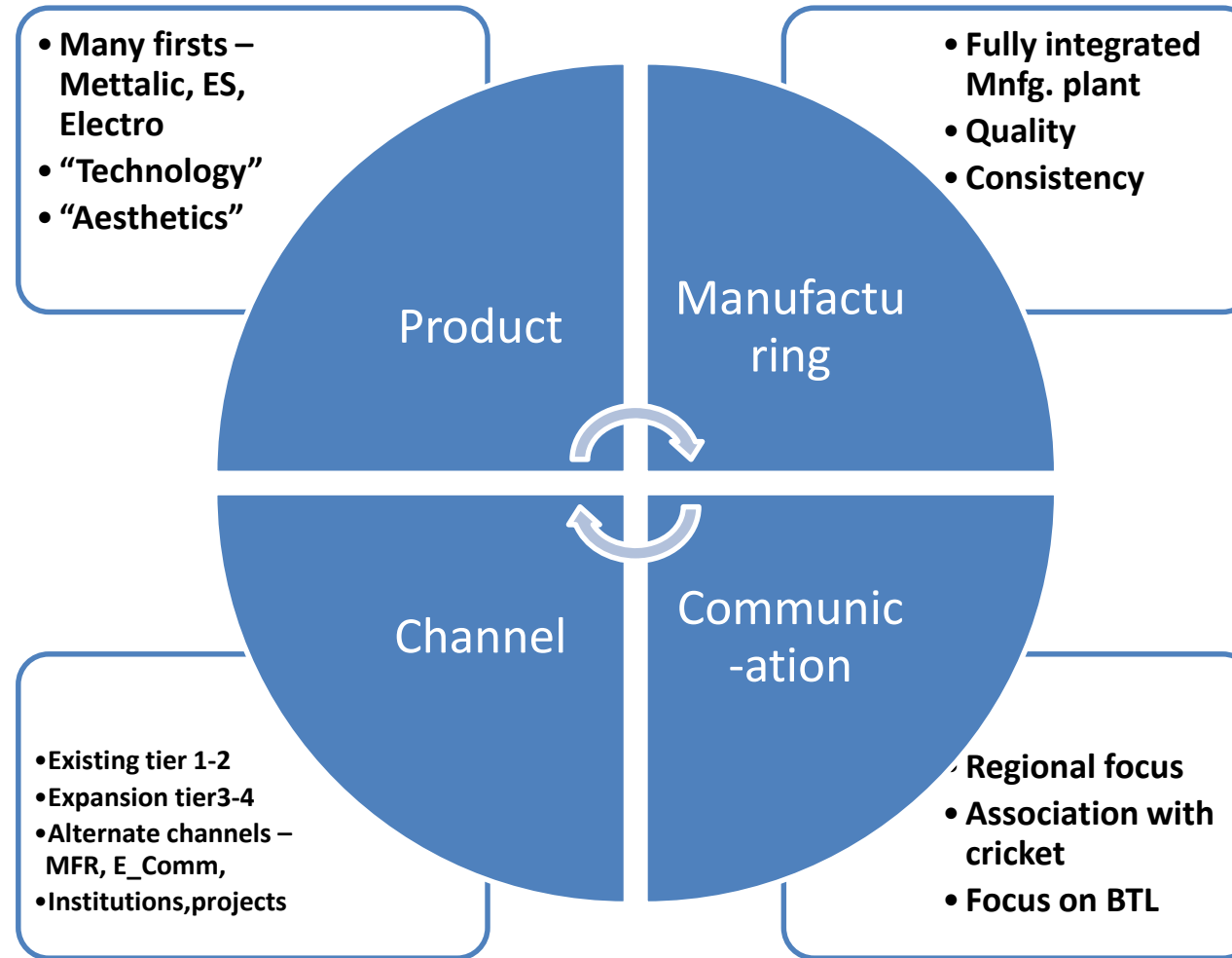
ELECTRIC CONSUMER DURABLES

ELECTRIC FANS

Vision : 20% share in 3 years, dominance in premium segment



■ Fans – Pillars of growth





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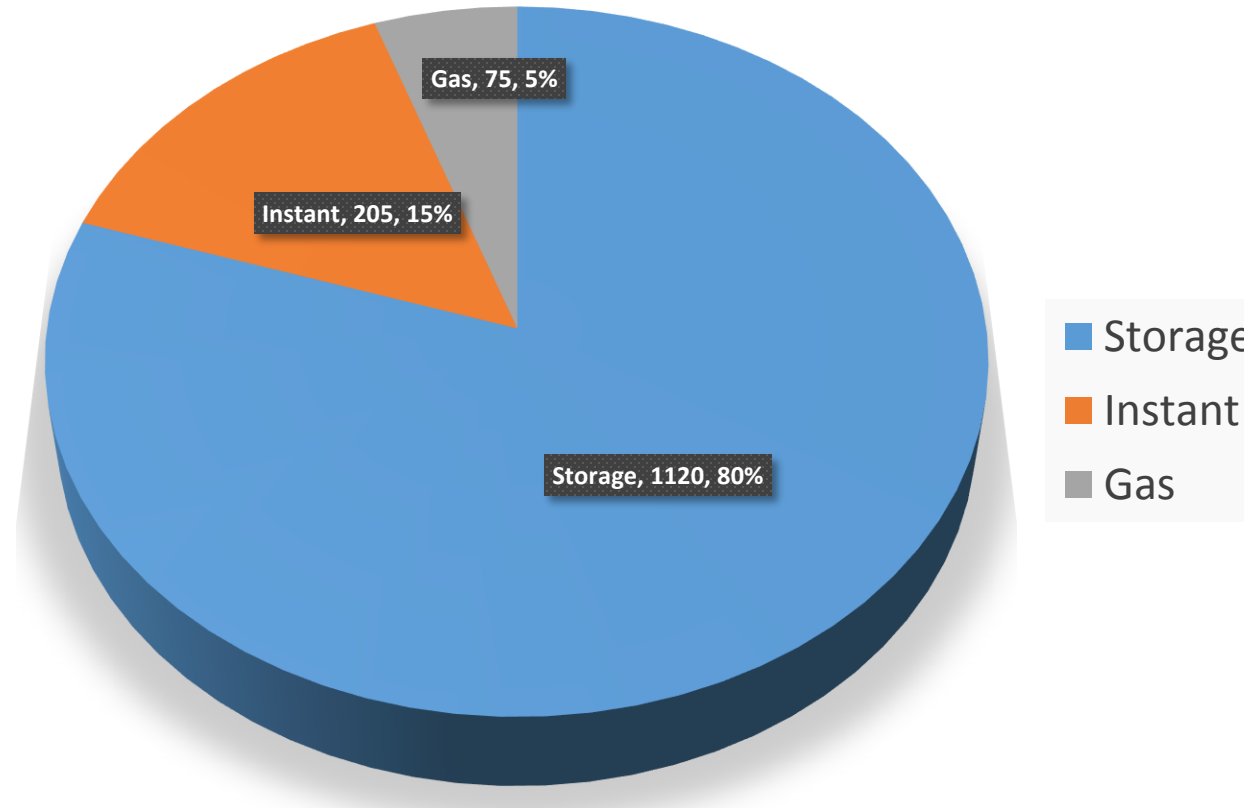


Water Heater

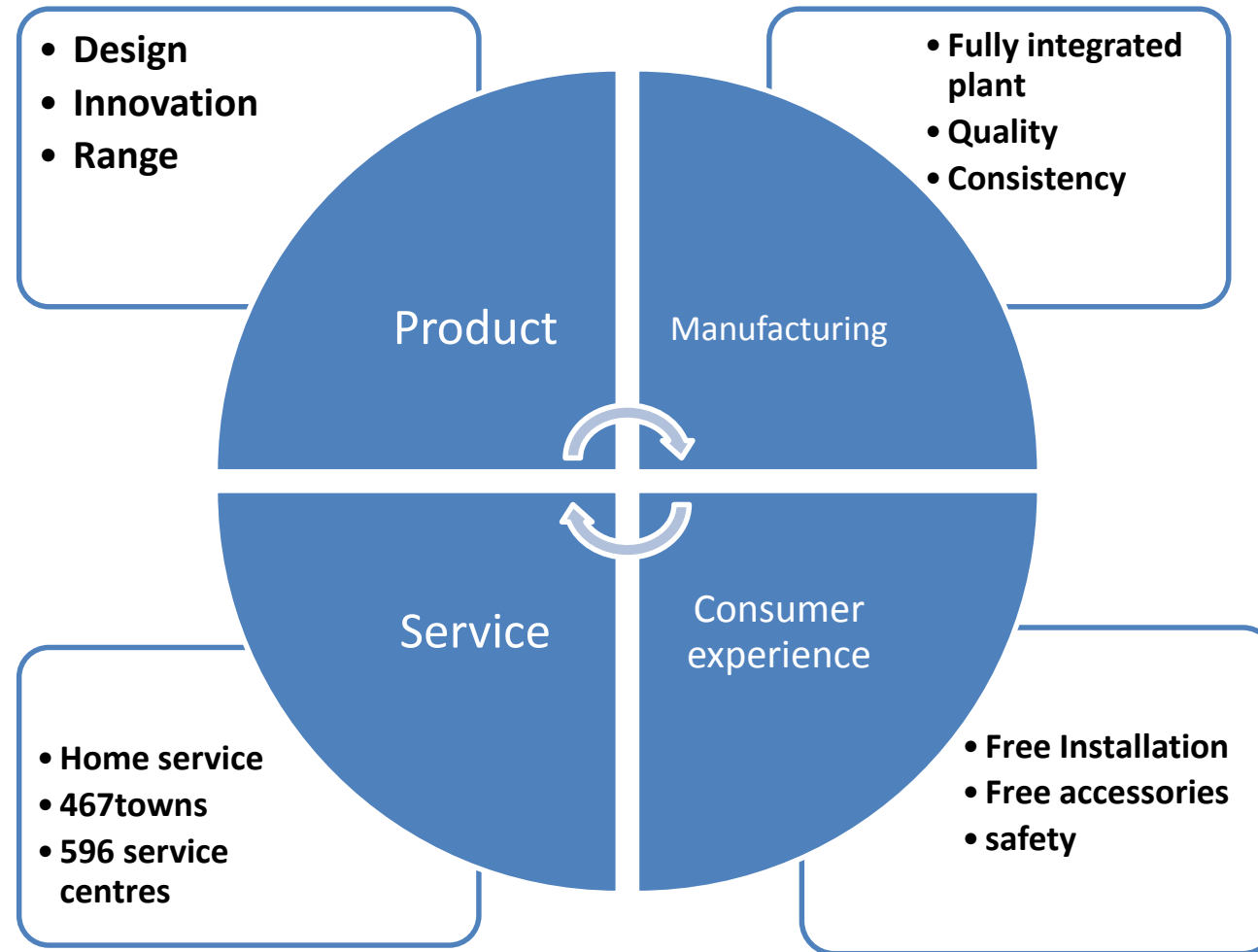
Vision : 20% share in 3 years, top 2 player



Water Heater Market Size : 1400 Cr



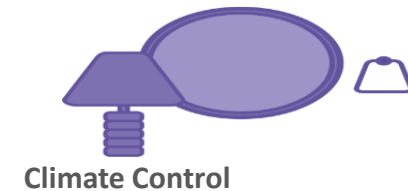
Water Heater – Pillars of growth



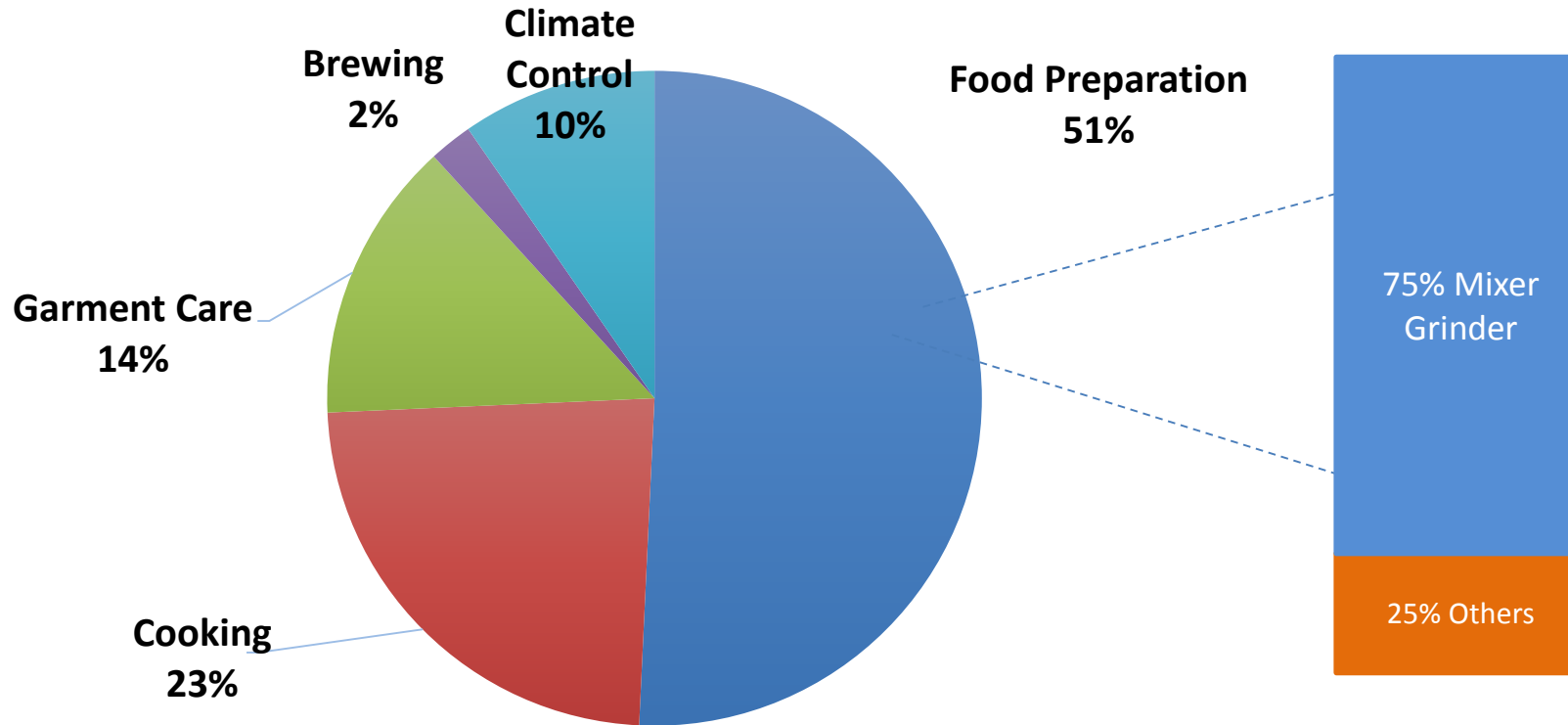


Small Domestic Appliances

*Vision : 10% share in 3 years (top 3 players),
dominance in superior design and performance*

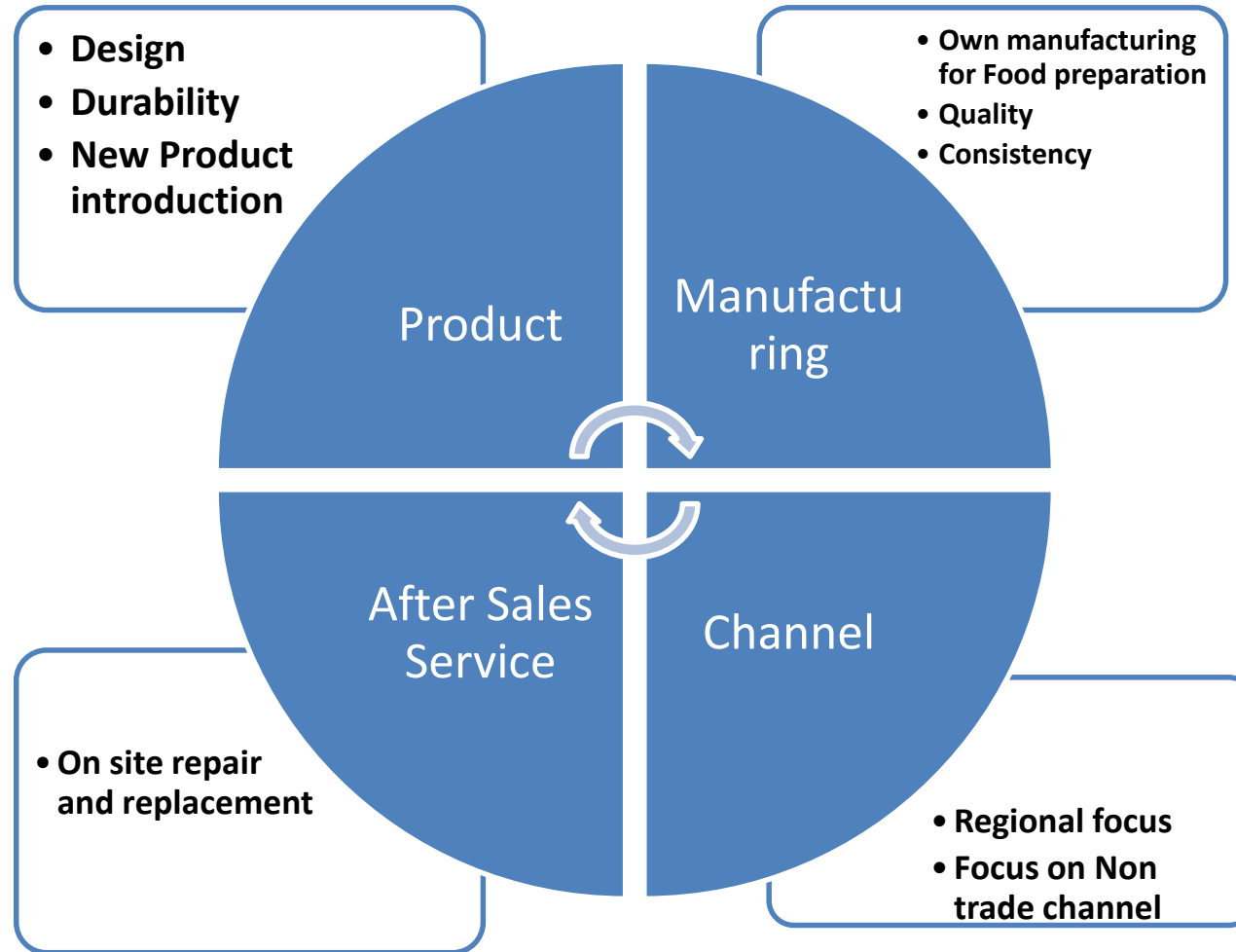


SDA Market Size : 4,700 Cr.



- **Food Preparation** : 2,400 Cr (CAGR 10%)
- **Garment Care** : 650 Cr (CAGR 12%)
- **Cooking** : 1,100 Cr (CAGR 15%)

■ SDA– Pillars Of Growth



Manufacturing : Mixer Grinder & Juicer mixer



SDA Factory- Haridwar



Assembly Line



Testing Lab



Tool Room



Tool Room



Plastic Molding Machines



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LLOYD CONSUMER DURABLES

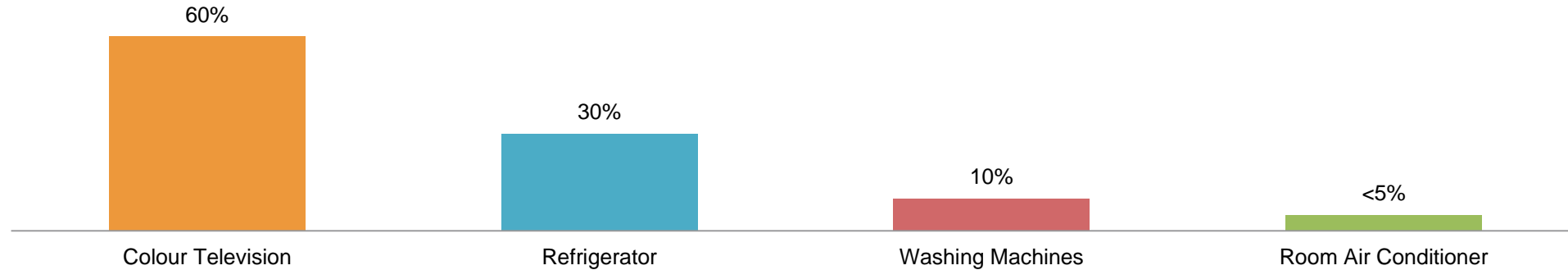


DEEPER INTO HOME WITH LLOYD



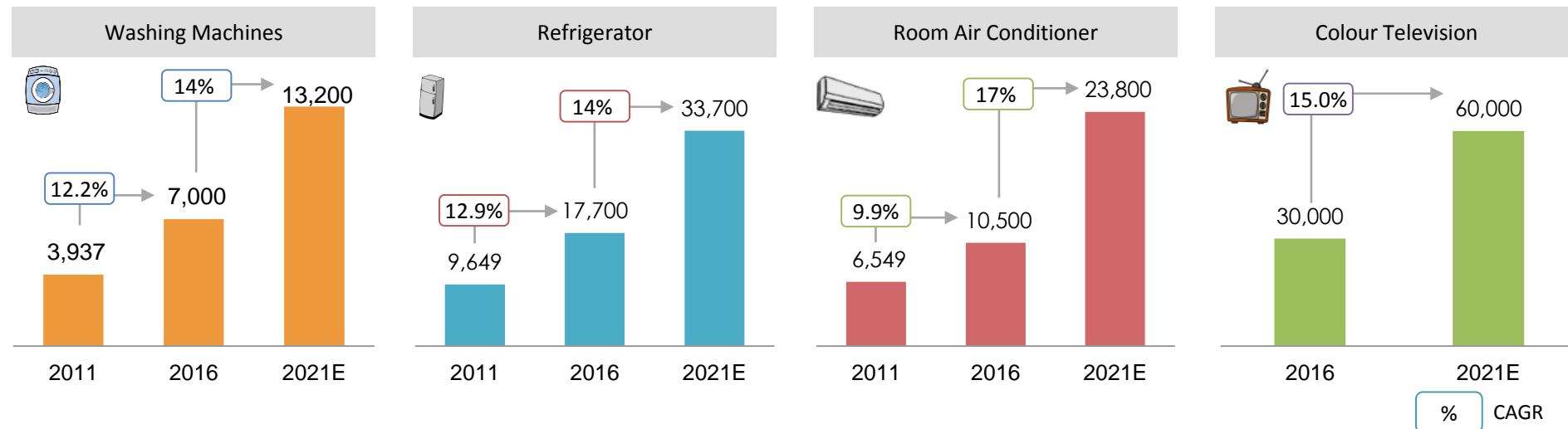
HIGH GROWTH POTENTIAL INDUSTRY

- Low Penetration



- Each Product Group Expected To Grow At Double Digit

INR Cr



Source: Industry data

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 serious long term players

LLOYD STRONG PRESENCE IN CONSUMER DURABLES MARKET



FY17 Gross sales of
c.INR 2,000 Cr



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



600+
Service centers pan
India



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



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



6 decades of Brand
vintage in B2B –
HVAC&R segment



Among top three AC
players in the country



10,000+
Display points pan India

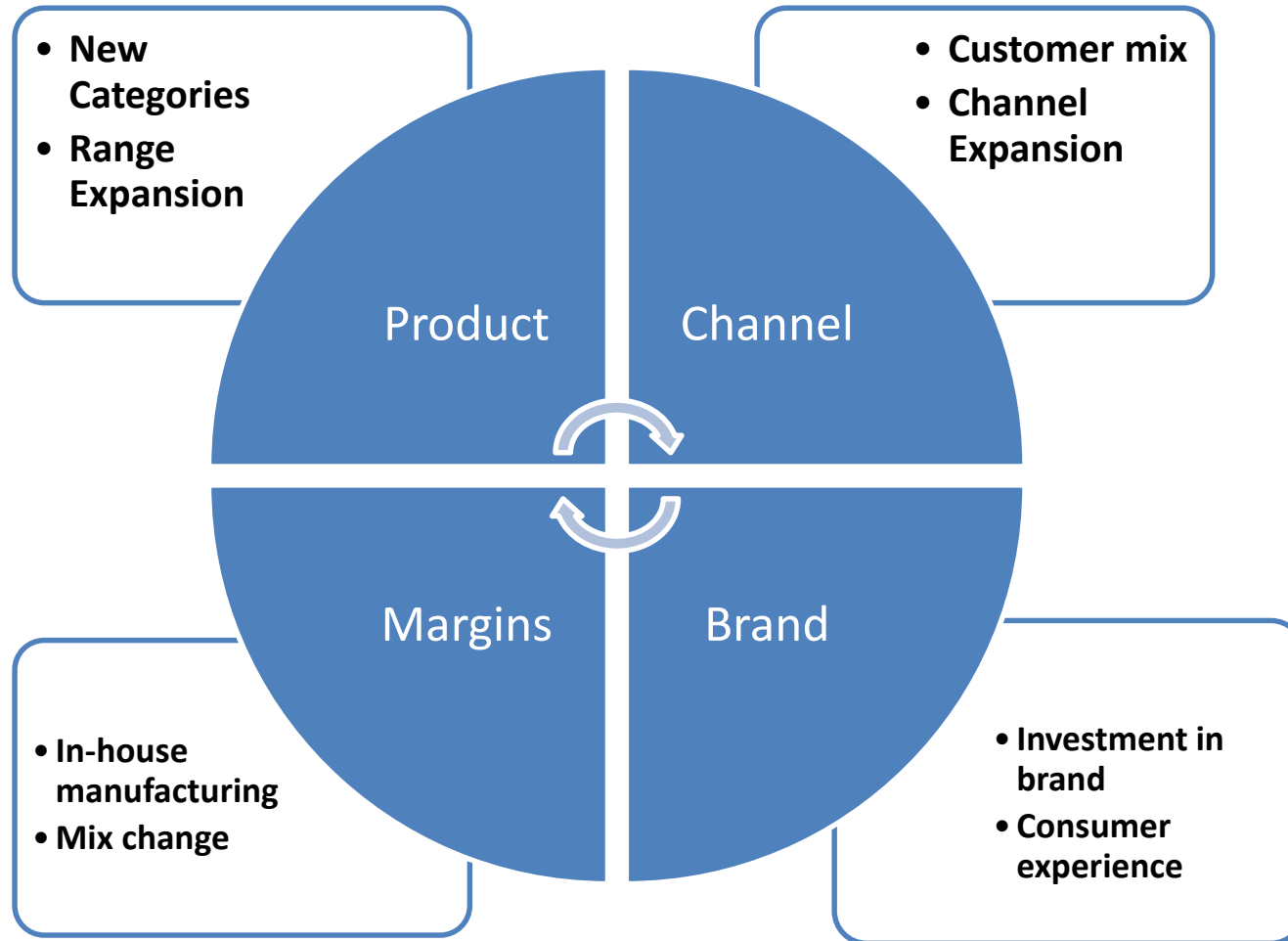


Presence across
450+ cities

BILLION \$ OPPORTUNITY

- To be an integrated, formidable well entrenched player in consumer durable space
- Aspiration to be Billion \$ in medium term
- Top quartile margins in next 4 to 5 years
- To invest significantly in setting up manufacturing facilities
- To be among top five players in all categories

ACTION PLAN-PILLARS OF GROWTH



 Crabtree

 STANDARD

 HAVELLS

REO



INDIA: ELECTRIFIED BY HAVELLS