



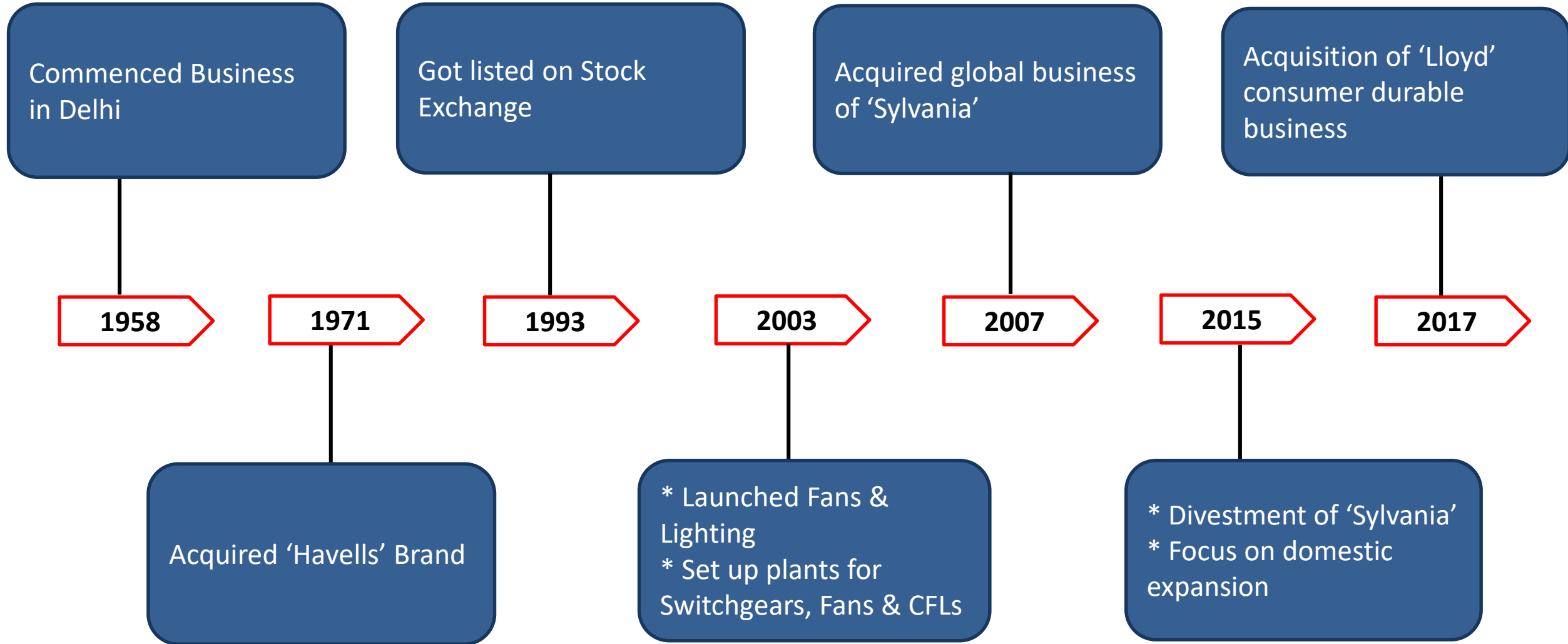
HAVELLS



HAVELLS INDIA LIMITED

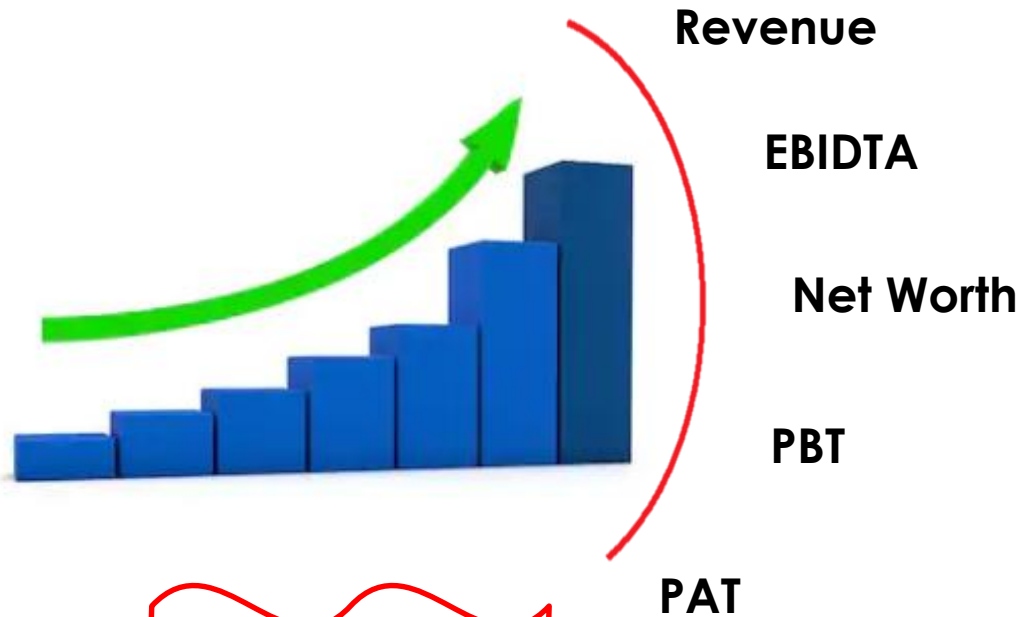
February 2019

AN EVOLVING JOURNEY



CONSISTENT DELIVERY

Financial performance



~30%
CAGR since
listing

Market capitalization



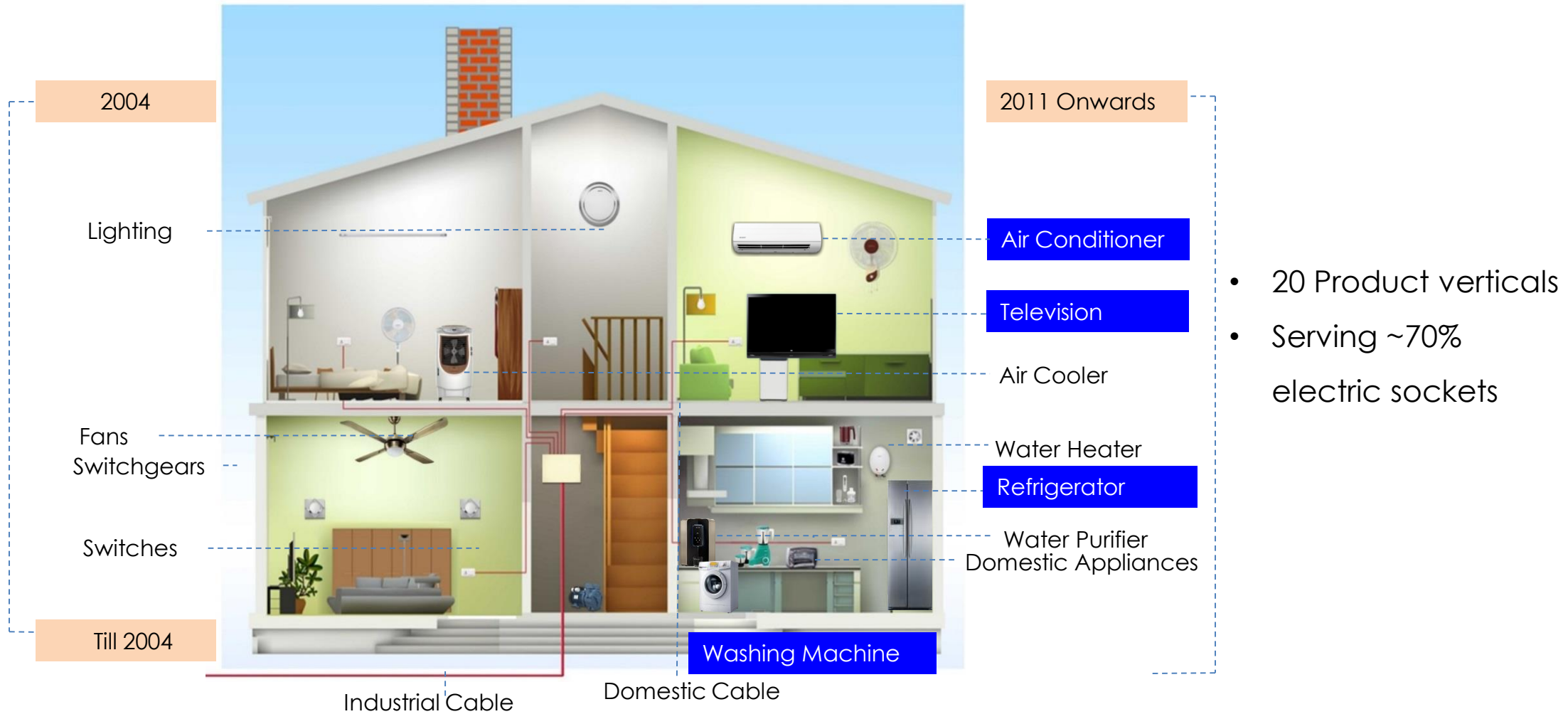
~38%
CAGR since
listing

KEY MILESTONES

- **Leverage channel by expanding product portfolio**
 - ✓ Industrial to a consumer company
- **Manufacturing**
 - ✓ Large scale manufacturing with high standards of quality assurance
 - ✓ ~90% 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

EXPANDING CONSUMER FUNNEL

Electricals

Size: ~ Rs. 45,000 crores
CAGR (2018-23): ~12%



Home Appliances

Size: ~ Rs. 70,000 crores
CAGR (2018-23): ~15%



SEGMENTS

Revenue Mix (9M FY19)

Switchgears



17%

Cables



32%

Lighting & Fixtures



13%

Electrical Consumer & Durables



20%

Lloyd



18%

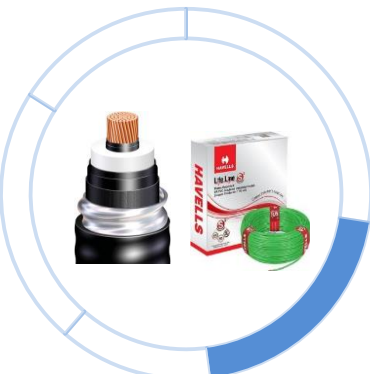
Contribution Margin Mix (9M FY19)

Switchgears



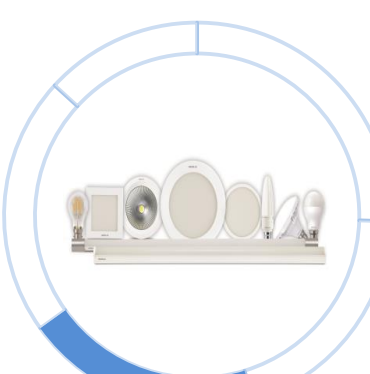
27%

Cables



21%

Lighting & Fixtures



15%

Electrical Consumer & Durables



23%

Lloyd



14%

FAVOURABLE MACRO LEVERS



Urbanization

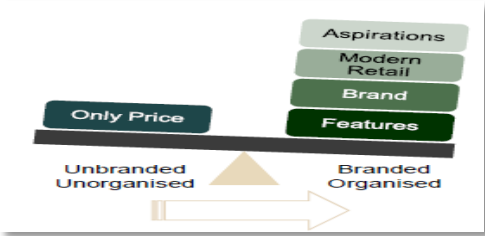
To be 40% by 2030 from 34% currently

Investment on infrastructure and housing will be key focus area



Electrification

High degree of focus on electrification, electrification now reaching semi urban and rural



Aspirational shift for brands

Consumer preference accelerating for branded products

Regulatory measures viz GST narrowing gap with unorganised sector











Young Demography

Growing middle class across urban, semi urban.

Nuclearization of families, better standard of living and global exposure

HAVELLS ELECTRICAL

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

CONSISTENT NEW PRODUCT INTRODUCTIONS

2012: Water Heaters



2013: Domestic Appliances and Pumps



2016: Air Coolers



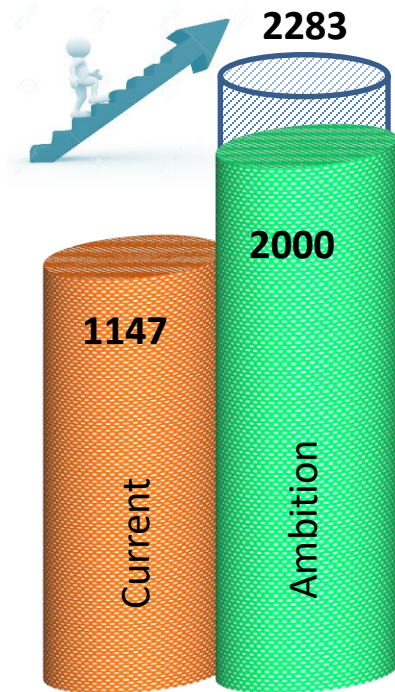
2017: Water Purification and Personal Grooming



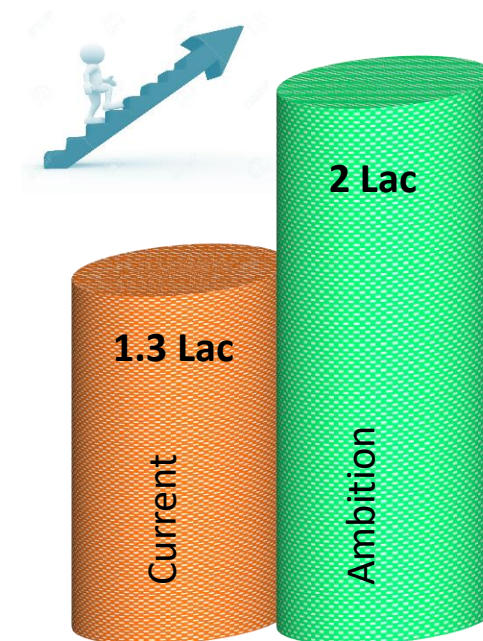
CHANNEL EXPANSION- DEEPER PENETRATION

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

TOWN PENETRATION – 25K ABOVE POPULATION



RETAILER - COUNT



~9,000
Direct Dealers

~130,000
Retailers

~250,000
Electricians

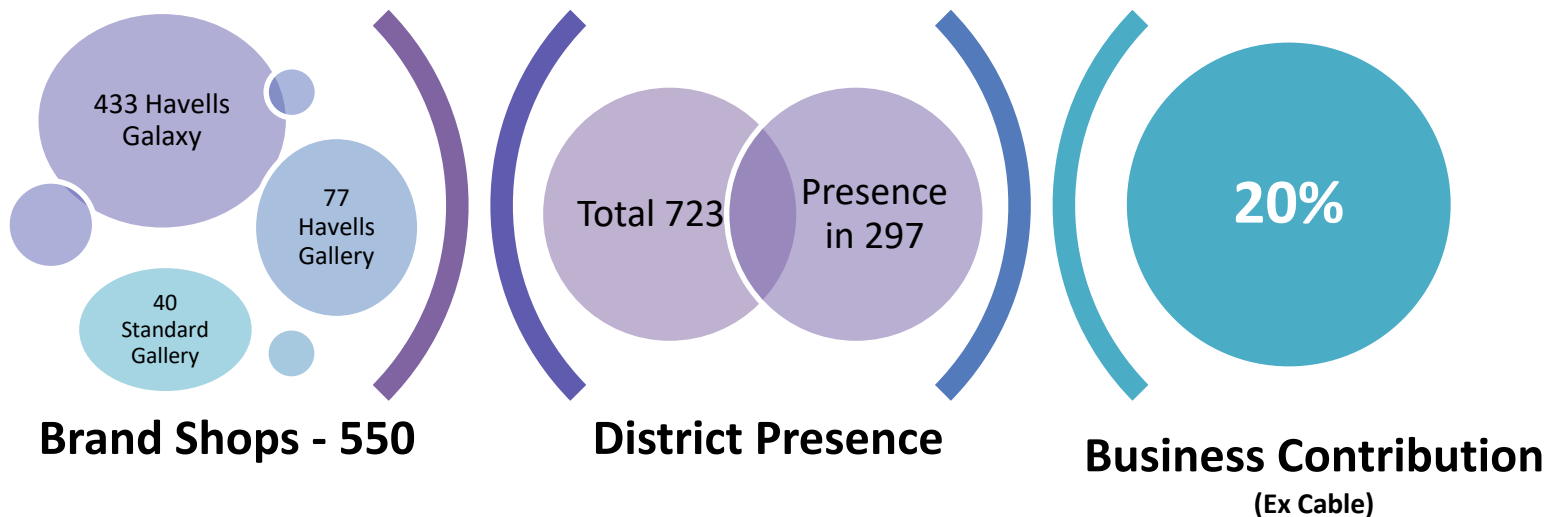
- Havells' major penetration is in Metro, Tier I & II Towns
- Rural sector and Tier III & below towns key penetration opportunity

CHANNEL EXPANSION

- Grow inclusively :
 - ✓ MBOs
 - ✓ Brand stores
 - ✓ Organized retail chains
 - ✓ Canteen Stores
 - ✓ Projects & Enterprise Business
 - ✓ E-commerce



Largest Brand Shop channel in electrical industry



RESEARCH AND DEVELOPMENT

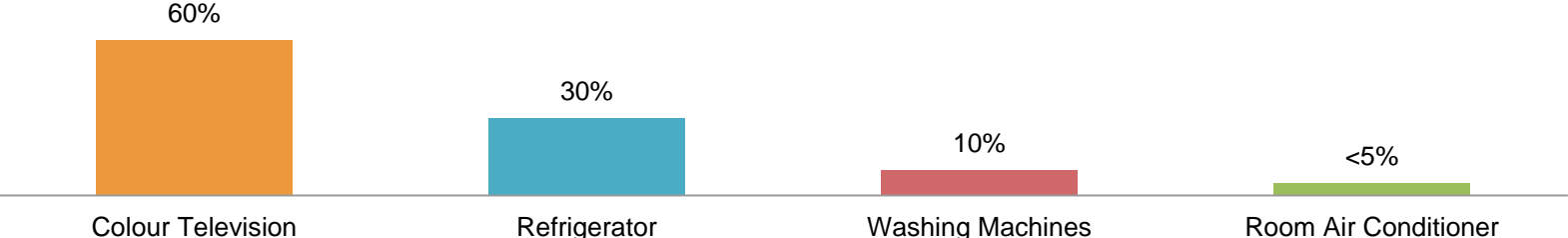


- Fast catcher to thought leadership
- R&D spend to increase from 1% to 3% of net revenue
- Intelligent hardware, embedded software
- Products to solution



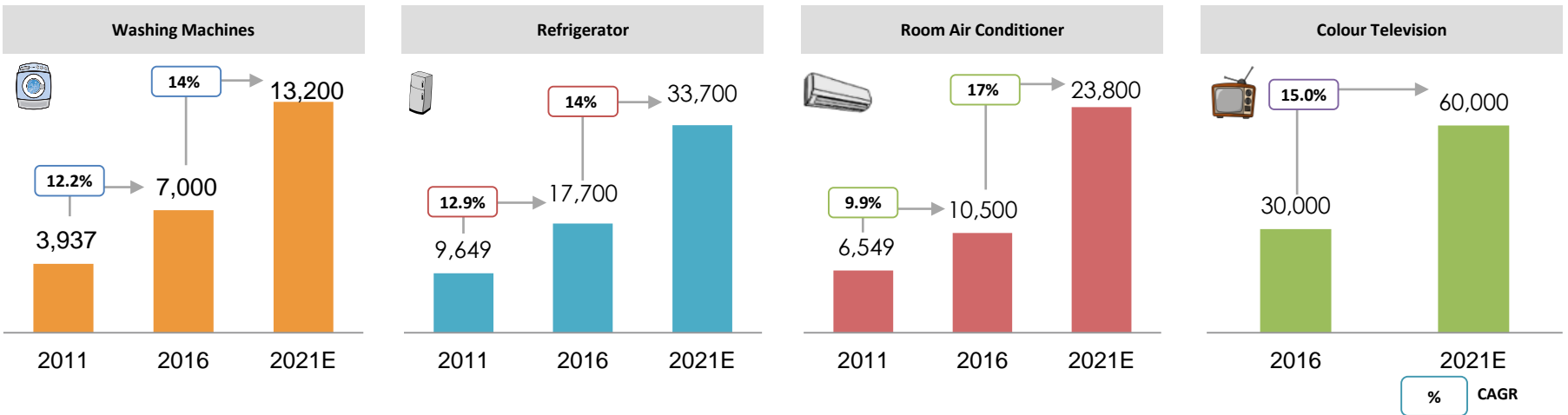
HIGH GROWTH POTENTIAL INDUSTRY

- Low Penetration



- Each Product Group Expected To Grow At Double Digit

INR Cr



Source: Industry data

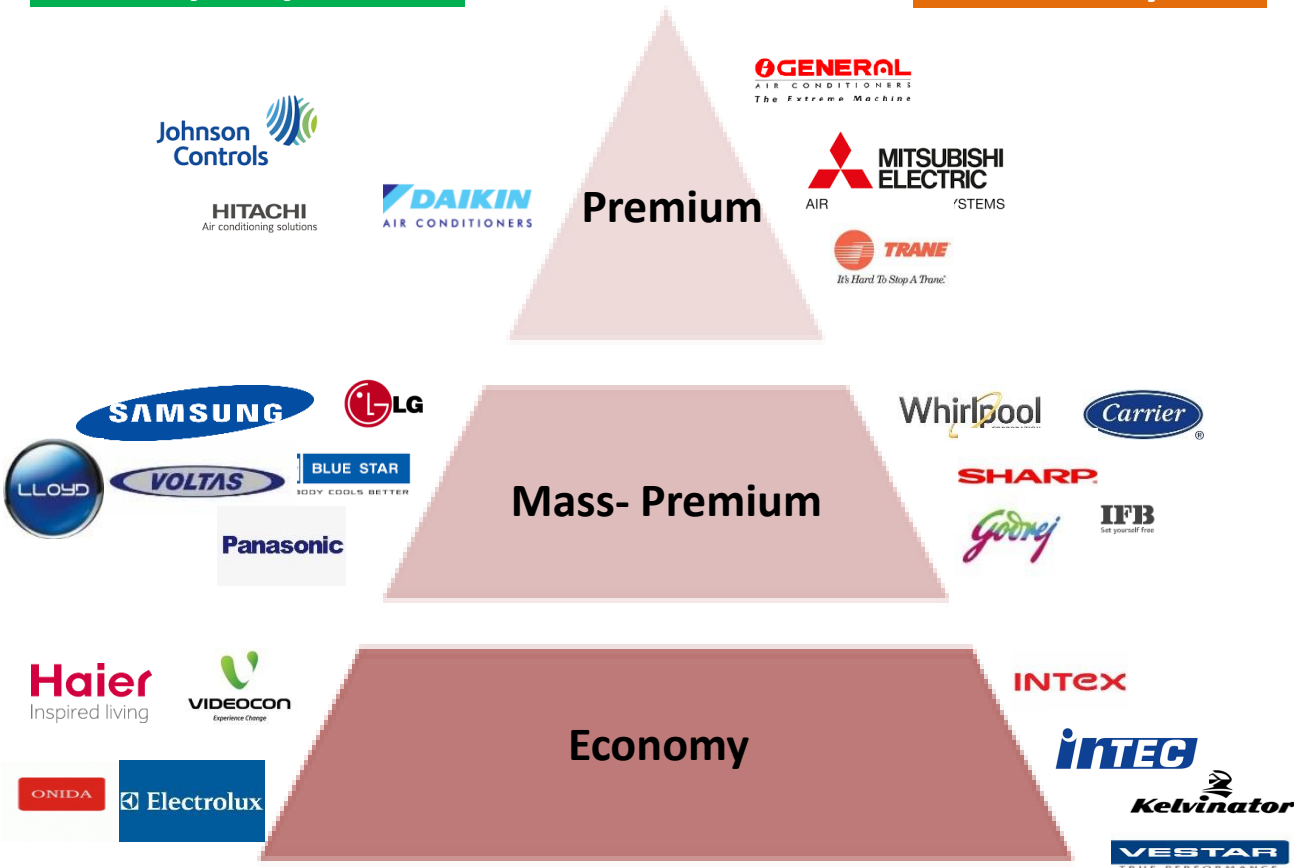


MASS PREMIUM POSITIONING

Air Conditioner Market in India

Key Players

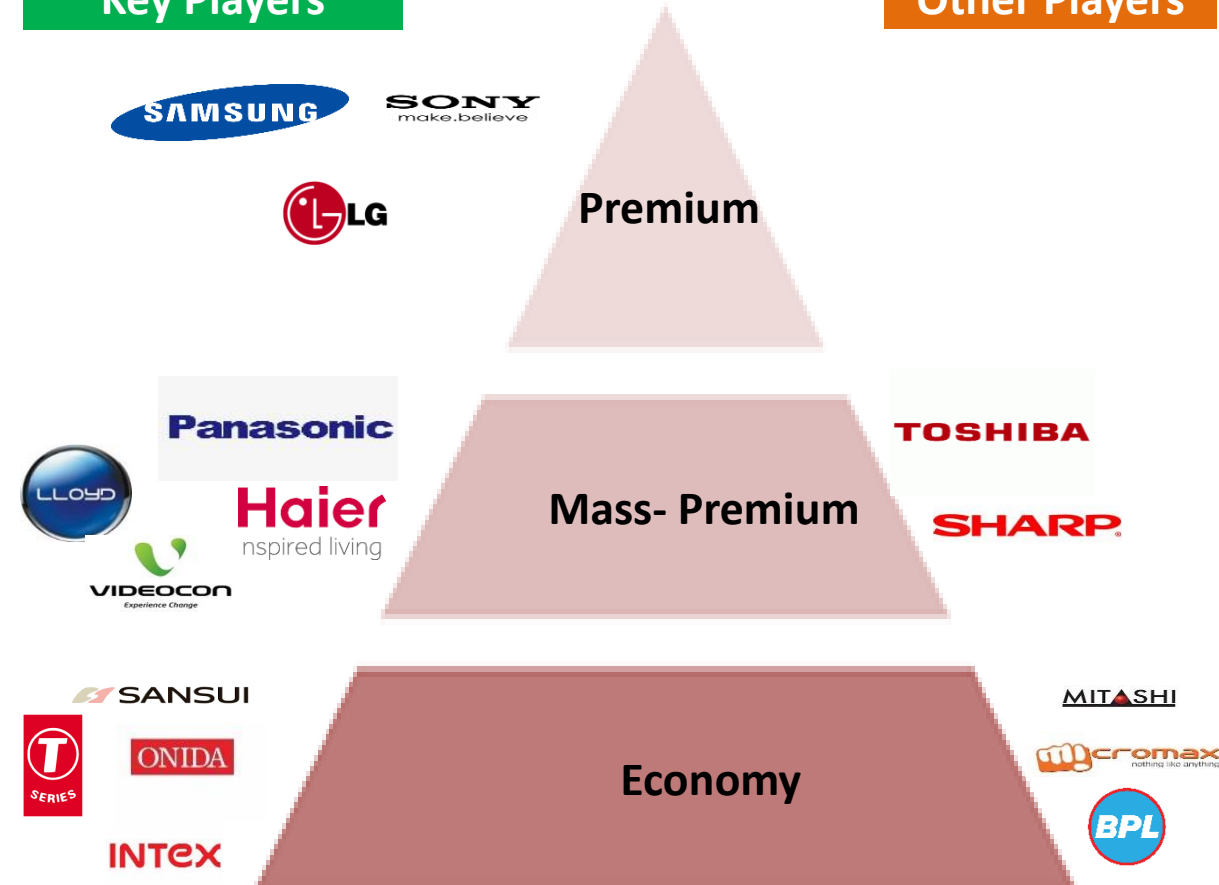
Other Players



LED TV Market in India

Key Players

Other 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

LLOYD-AN EVOLVING JOURNEY

- An exciting 18 months journey
- Favourable demand demographics to drive long term industry growth
- Investing behind brand, manufacturing, people and distribution to extend Lloyd positioning
- Leveraging Havells connect and trust
- Industry headwinds and disruptions in last year. Doesn't diminish medium term outlook



Lloyd AC Plant



FINANCIALS

STANDALONE FINANCIALS

Financial highlights

in millions of Rupee

	FY17	FY18	9M FY19
Net Revenue	61,353	81,385	73,057
Growth %	14%	33%**	30%**
EBIDTA %	13.4%	12.9%	11.9%
PBT % before exceptions	13.5%	12.3%	11.6%
PAT % before exceptions*	9.7%	8.6%	8.0%

CAPEX (incl. intangibles)	2,386	15,962	2,849
ROCE %	27%	30%	32%
Net Worth	32,736	37,392	40,384
Net Working Capital	5,274	3,131	9,079
Cash & Bank	19,375	15,262	10,835

* PAT for FY18 and FY17 was 8.8% and 8.8% including exceptional items

** Ex-Lloyd excise adjusted growth in FY18 and 9M FY19 was 13% and 27% respectively

GROWTH WITH RESPONSIBILITY

Havells Mid-Day Meals Program



Serving 60,000+ students daily

Sanitation



Built over 3,500 bio-toilets in 500+ schools

DOW JONES SUSTAINABILITY INDEX-2018

Overall Ranking	
Rank	Company
1	Signify NV
2	Schneider Electric SE
3	Legrand SA
4	Prysmian SpA
5	OSRAM Licht AG
6	Fuji Electric Co Ltd.
7	Havells India Limited

Ranked 7th globally in the Electrical Components & Equipment Industry

SUSTAINABILITY



9 of 12 manufacturing plants are zero water discharge



Generated 6% of clean energy from roof top plants



Energy intensity reduced by 40% from FY16 to FY18



99% of waste recycled / reused

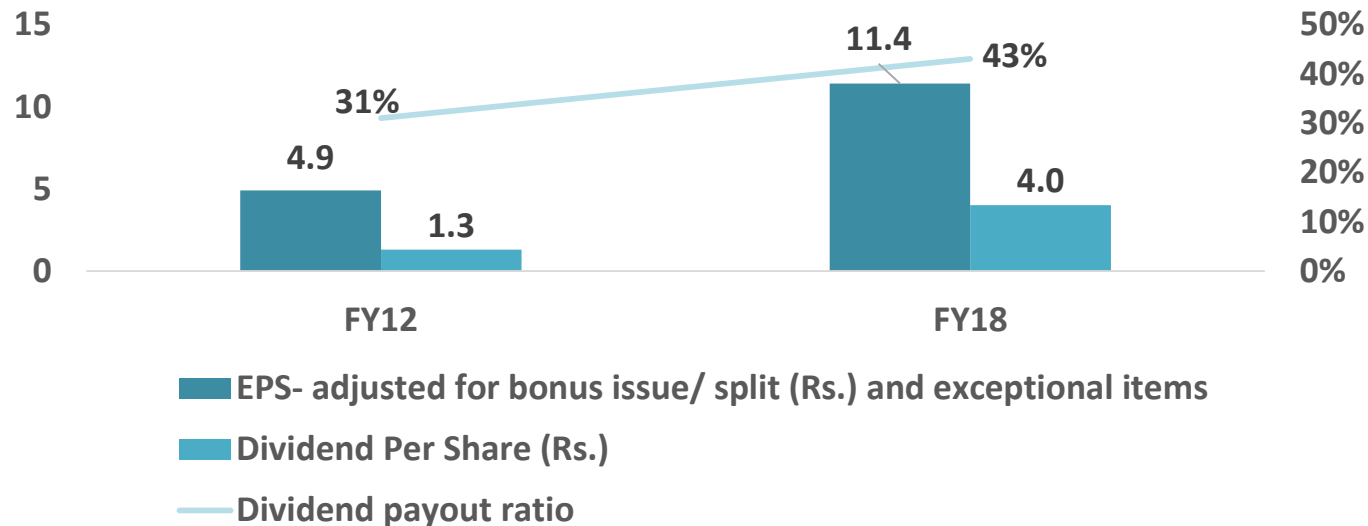


GHG emissions reduced by 38% from FY16 to FY18

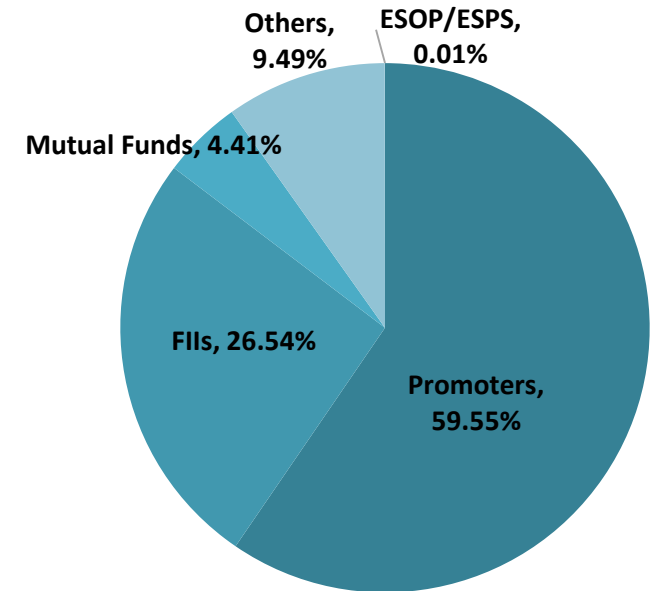
BENCHMARKING WITH THE BEST CORPORATE, FINANCIAL AND SHAREHOLDERS GOVERNANCE

- Promoters- single business focus
- Transparent and detailed communication to shareholders
- Committed to high standards of corporate and shareholder governance

EPS, DPS & Dividend Payout Ratio



Shareholding Pattern As on 31.12.2018



- Corporate Governance **CGR 2+** rating by **CARE**
- Maintaining dividend pay-out of ~44%, stated policy of 30% to 50%

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