## Havells India Limited

## Q3 FY21 \{DECEMBER 31, 2020\} <br> \{Un-Audited Financial Results\}

We recommend that readers refer to the Havells India financials to get a better appreciation of the business performance. A copy of the latest quarterly/ yearly Financial Results of Havells India Limited are available on Havells website - http://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 $20^{\text {th }}$ January 2021.

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## SECTION 1. HAVELLS INDIA (STANDALONE)

Table 1.1: P\&L Summary - Quarterly

| In crores of Rupees | $\begin{array}{r} \text { Q3 } \\ \text { FY } 21 \end{array}$ | $\begin{array}{r} \text { Q3 } \\ \text { FY } 20 \end{array}$ | Change \% |
| :---: | :---: | :---: | :---: |
| Net Revenue | 3,166 | 2,270 | 39\% |
| Contribution as a \% to NR | $\begin{array}{r} 746 \\ 23.6 \% \end{array}$ | $\begin{array}{r} 537 \\ 23.7 \% \end{array}$ | 39\% |
| Add: Depreciation / Amortization <br> Less: Advertisement and Sales Promotion as a \% to NR <br> Less: Other SG\&A <br> as a \% to NR | $\begin{array}{r} 64 \\ 51 \\ 1.6 \% \\ 251 \\ 7.9 \% \end{array}$ | $\begin{array}{r} 55 \\ 77 \\ 3.4 \% \\ 246 \\ 10.8 \% \end{array}$ |  |
| EBIDTA as a \% to NR | $\begin{array}{r} 508 \\ 16.0 \% \end{array}$ | $\begin{array}{r} 269 \\ 11.8 \% \end{array}$ | 89\% |
| Depreciation / Amortization <br> Interest Expense <br> Foreign Exchange (gain)/loss | 64 15 (7) | 55 5 (4) |  |
| Interest Income (A) Others (B) | 33 (1) 32 | $\begin{array}{r}15 \\ 4 \\ \hline 10\end{array}$ |  |
| Other Income ( $\mathrm{A}+\mathrm{B}$ ) | 32 | 19 |  |
| Profit before tax as a \% to NR | $\begin{array}{r} 468 \\ 14.8 \% \\ \hline \end{array}$ | $\begin{array}{r} 232 \\ 10.2 \% \end{array}$ | 101\% |
| Tax | 119 | 33 |  |
| Net Profit as a \% to NR | $\begin{array}{r} 349 \\ 11.0 \% \end{array}$ | $\begin{array}{r} 199 \\ 8.8 \% \end{array}$ | 75\% |
| Other Comprehensive Income/(Expense) | (1) | (1) |  |
| Total Comprehensive Income | 348 | 198 |  |

## Overview

- Encouraging business performance with secular growth across divisions and regions led by:
$\checkmark$ Improvement in consumer sentiment, festive season and reduction in Covid-19 cases
$\checkmark$ Increased penetration in smaller towns and a higher rural reach
- Supply chain disruption faced by suppliers with high import dependence have further supported market share gains

Table 1.2: Segment wise Revenue analysis - Quarterly

| In crores of Rupees | Q3 <br> FY 21 | Q3 <br> FY 20 | Change <br> (\%) |
| :--- | ---: | ---: | ---: |
| Switchgears* | 437 | 331 | $32 \%$ |
| Cable | 905 | 712 | $27 \%$ |
| Lighting \& Fixtures* | 353 | 276 | $28 \%$ |
| Electrical Cons. Durables* | 783 | 536 | $46 \%$ |
| Others* | 176 | 115 | $53 \%$ |
| Sub Total | $\mathbf{2 , 6 5 4}$ | $\mathbf{1 , 9 7 0}$ | $\mathbf{3 5 \%}$ |
| Lloyd | 512 | 300 | $70 \%$ |
| Total | $\mathbf{3 , 1 6 6}$ | $\mathbf{2 , 2 7 0}$ | $\mathbf{3 9 \%}$ |


#### Abstract

* The Company has reviewed its segments classification effective $1^{\text {st }}$ April 2020. The product categories which are not strictly subscribing to the specific category has been independently classified under 'Others'. 'Others' include Motor, Pump, Solar, Personal Grooming and Water Purifier businesses. The comparative figures for earlier periods have been accordingly reclassified.


[^0]Table 1.3: Segment wise margin analysis - Quarterly

| (I) Contribution margins (\%) ^ | Q3 FY21 | Q3 FY20 | Q2 FY21 |  |
| :--- | ---: | ---: | ---: | :--- |
| Switchgears | $42.2 \%$ | $42.6 \%$ | $42.1 \%$ | ^ Contribution margins are derived after deducting |
| material cost, manufacturing variables, direct |  |  |  |  |
| Cable | $15.2 \%$ | $17.5 \%$ | $17.4 \%$ | selling variables and depreciation from the net |
| Lighting \& Fixtures | $34.4 \%$ | $30.3 \%$ | $31.0 \%$ | revenue |
| Electrical Cons. Durables | $25.6 \%$ | $26.3 \%$ | $27.2 \%$ |  |
| Others | $19.7 \%$ | $18.3 \%$ | $21.9 \%$ |  |
| Sub total | $\mathbf{2 5 . 6 \%}$ | $\mathbf{2 6 . 1 \%}$ | $\mathbf{2 6 . 2 \%}$ |  |
| Lloyd | $13.2 \%$ | $7.8 \%$ | $13.7 \%$ |  |
| Total | $\mathbf{2 3 . 6} \%$ | $\mathbf{2 3 . 6 \%}$ | $\mathbf{2 4 . 8 \%}$ |  |

(II) Segment results (\%)

| Segments | Q3 FY21 |  |  | Q3 FY20 |  |  | Q2 FY21 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{array}{r} \text { Net } \\ \text { Sales } \end{array}$ | Segment result | \% to NS | $\begin{array}{r} \mathrm{Net} \\ \text { Sales } \end{array}$ | Segment result | \% to NS | $\begin{array}{r} \text { Net } \\ \text { Sales } \end{array}$ | Segment result | \% to NS |
| Switchgears | 437 | 137 | 31.4\% | 331 | 87 | 26.4\% | 370 | 115 | 31.0\% |
| Cable | 905 | 103 | 11.3\% | 712 | 77 | 10.8\% | 785 | 112 | 14.3\% |
| Lighting | 353 | 81 | 23.0\% | 276 | 48 | 17.4\% | 265 | 52 | 19.7\% |
| ECD | 783 | 140 | 17.9\% | 536 | 77 | 14.4\% | 580 | 117 | 20.2\% |
| Others | 176 | 7 | 4.0\% | 115 | (9) | (7.9\%) | 172 | 14 | 8.2\% |
| Sub total | 2,654 | 468 | 17.7\% | 1,970 | 280 | 14.2\% | 2,172 | 410 | 18.9\% |
| Lloyd | 512 | 31 | 6.0\% | 300 | (13) | -4.3\% | 280 | 5 | 1.8\% |
| Total | 3,166 | 499 | 15.8\% | 2,270 | 267 | 11.8\% | 2,452 | 415 | 16.9\% |


| -Finance cost | 15 | $0.5 \%$ | 5 | $0.2 \%$ | 17 |
| :--- | ---: | ---: | ---: | ---: | ---: |
| -Unallocable exp. | 55 | $1.8 \%$ | 54 | $2.4 \%$ | 53 |
| -Unallocable inc. | $(39)$ | $(1.2 \%)$ |  | $(24)$ | $(1.1 \%)$ |
| PBT | 468 | $14.8 \%$ | $2.2 \%$ |  |  |
| $(3.2 \%)$ |  |  |  |  |  |

${ }^{\wedge}$ PBT of Q2FY21 include one-time gain of Rs. 43 crores on account of sale of unutilized land and building at Greater Noida

## Contribution by Segment

- Overall Contribution margins stable
- Commodity impact on margins still not fully reflected
- Segment profitability improved substantially YOY owing to operating leverage

Table 1.4: P\&L Summary - Nine Months

| In crores of Rupees | $\begin{array}{r} 9 M \\ \text { FY } 21 \end{array}$ | $\begin{array}{r} 9 M \\ \text { FY } 20 \end{array}$ | Change \% |
| :---: | :---: | :---: | :---: |
| Net Revenue | 7,097 | 7,213 | (2\%) |
| Contribution as a \% to NR | $\begin{array}{r} 1,608 \\ 22.7 \% \end{array}$ | $\begin{array}{r} 1,712 \\ 23.7 \% \end{array}$ | (6\%) |
| Less: Under-absorption- AC plant <br> Add: Depreciation / Amortization Less: Advertisement and Sales Promotion as a \% to NR <br> Less: Other SG\&A <br> as a \% to NR | $\begin{array}{r} 184 \\ 77 \\ 1.1 \% \\ 656 \\ 9.2 \% \end{array}$ | $\begin{array}{r} 15 \\ 155 \\ 288 \\ 4.0 \% \\ 782 \\ 10.8 \% \end{array}$ |  |
| EBIDTA <br> as a \% to NR | $\begin{array}{r} 1,059 \\ 14.9 \% \end{array}$ | $\begin{array}{r} 782 \\ 10.8 \% \end{array}$ | 35\% |
| Depreciation / Amortization Interest Expense Foreign Exchange (gain)/loss | $\begin{array}{r} 184 \\ 49 \\ (18) \end{array}$ | $\begin{array}{r} 155 \\ 15 \\ (21) \end{array}$ |  |
| Interest Income (A) Others* (B) | 79 54 | 57 14 |  |
| Other Income ( $\mathrm{A}+\mathrm{B}$ ) | 133 | 71 |  |
| Profit before tax as a \% to NR | $\begin{array}{r} 977 \\ 13.8 \% \end{array}$ | $\begin{array}{r} 704 \\ 9.8 \% \end{array}$ | 39\% |
| Tax | 240 | 148 |  |
| Net Profit as a \% to NR | $\begin{array}{r} 737 \\ 10.4 \% \end{array}$ | $\begin{array}{r} 556 \\ 7.7 \% \end{array}$ | 33\% |
| Other Comprehensive Income/(Expense) | (3) | (4) |  |
| Total Comprehensive Income | 734 | 552 |  |
| * Others include one-time gain of Rs. 43 crores on account of sale of unutilized land and building at Greater Noida |  |  |  |

Table 1.5: Segment wise Revenue analysis - Nine Months

| In crores of Rupees | $\mathbf{9 M}$ <br> FY 21 | 9M <br> FY | Change <br> $(\%)$ |
| :--- | ---: | ---: | ---: |
| Switchgears* | 998 | 1,037 | $(4 \%)$ |
| Cable | 2,151 | 2,312 | $(7 \%)$ |
| Lighting \& Fixtures* | 756 | 780 | $(3 \%)$ |
| Electrical Cons. Durables* | 1,665 | 1,588 | $5 \%$ |
| Others* | 429 | 364 | $18 \%$ |
| Sub Total | $\mathbf{5 , 9 9 9}$ | $\mathbf{6 , 0 8 1}$ | $\mathbf{( 1 \% )}$ |
| Lloyd | 1,098 | 1,132 | $(3 \%)$ |
| Total | $\mathbf{7 , 0 9 7}$ | $\mathbf{7 , 2 1 3}$ | $\mathbf{( 2 \% )}$ |

Table 1.6: Segment wise margin analysis - Nine Months

| (I) Contribution margins (\%) ^ | 9M FY21 | 9M FY20 | $\wedge$ Contribution margins are derived after deducting material cost, manufacturing variables, direct selling variables and depreciation from the net revenue <br> * Contribution margins in Lloyd in 9M FY20 are before unabsorbed expenses of Rs. 15 crores related to AC plant |
| :---: | :---: | :---: | :---: |
| Switchgears | 40.5\% | 42.1\% |  |
| Cable | 15.4\% | 17.5\% |  |
| Lighting \& Fixtures | 30.5\% | 30.3\% |  |
| Electrical Cons. Durables | 25.5\% | 26.6\% |  |
| Others | 19.4\% | 19.3\% |  |
| Sub total | 24.5\% | 25.8\% |  |
| Lloyd | 12.4\% | 11.0\%* |  |
| Total | 22.7\% | 23.7\%* |  |

(II) Segment results (\%) - Nine Months
(In crores of Rupees)

| Segments | 9M FY21 |  |  | 9M FY20 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Net Sales | Segment result | \% to NS | Net Sales | Segment result | \% to NS |
| Switchgears | 998 | 281 | 28.2\% | 1,037 | 258 | 24.9\% |
| Cable | 2,151 | 251 | 11.7\% | 2,312 | 266 | 11.5\% |
| Lighting | 756 | 136 | 18.0\% | 780 | 114 | 14.7\% |
| ECD | 1,665 | 295 | 17.7\% | 1,588 | 231 | 14.6\% |
| Others | 429 | 17 | 3.8\% | 364 | (25) | -7.0\% |
| Sub total | 5,999 | 980 | 16.3\% | 6,081 | 844 | 13.9\% |
| Lloyd | 1,098 | 42 | 3.9\% | 1,132 | (49) | -4.3\% |
| Total | 7,097 | 1,022 | 14.4\% | 7,213 | 795 | 11.0\% |
| -Finance cost |  | 49 | 0.7\% |  | 15 | 0.2\% |
| -Unallocable exp. |  | 146 | 2.1\% |  | 168 | 2.3\% |
| -Unallocable inc. |  | (150) | (2.1\%) |  | (92) | (1.3\%) |
| PBT |  | 977^ | 13.8\% |  | 704 | 9.8\% |

${ }^{\wedge}$ PBT of 9MFY21 include one-time gain of Rs. 43 crores on account of sale of unutilized land and building at Greater Noida
*The Company has reviewed its segments classification effective $1{ }^{\text {st }}$ April 2020. The product categories which are not strictly subscribing to the specific category has been independently classified under 'Others'. 'Others' include Motor, Pump, Solar, Personal Grooming and Water Purifier businesses. The comparative figures for earlier periods have been accordingly reclassified.

Table 1.7: Balance Sheet highlights

| In crores of Rupees | 31-Dec-20 <br> (Unaudited) | 31-Mar-20 <br> (Audited) |
| :---: | :---: | :---: |
| ASSETS |  |  |
| Property, plant and equipment | 1,764 | 1,899 |
| Capital work in progress | 112 | 83 |
| Goodwill | 310 | 310 |
| Other intangible assets | 1,124 | 1,139 |
| Intangible assets under development | 3 | 3 |
| Investment in subsidiaries | 2 | 2 |
| Contract assets | 53 | 61 |
| Financial assets |  |  |
| (i) Trade receivables | 3 | 8 |
| (ii) Other Bank Balance | 64 | - |
| (iii) Other financial assets | 20 | 21 |
| Other non-current assets | 49 | 51 |
| Non-current tax asset (net) | 24 | 17 |
| Non-current assets total | 3,528 | 3,594 |
| Current assets |  |  |
| Inventories | 1,973 | 1,872 |
| Contract assets | 22 | 20 |
| Financial assets |  |  |
| (i) Trade receivables | 544 | 241 |
| (ii) Cash and cash equivalents | 195 | 242 |
| (iii) Bank balances other than (ii) above | 2,429 | 865 |
| (iv) Other financial assets | 28 | 29 |
| Other current assets | 116 | 165 |
| Current assets total | 5,307 | 3,434 |
| Assets held for sale | 19 | 20 |
| Sub-total | 5,326 | 3,454 |
| Total Assets | 8,855 | 7,048 |
| EQUITY AND LIABILITIES |  |  |
| Equity share capital | 63 | 63 |
| Other equity | 4,987 | 4,242 |
| Total Equity | 5,050 | 4,305 |
| Non-current liabilities |  |  |
| Contract liability | 4 | 4 |
| Financial liabilities |  |  |
| (i) Borrowings | 313 | - |
| (ii) Other financial liabilities | 64 | 91 |
| Provisions | 46 | 36 |
| Deferred tax liabilities (Net) | 308 | 286 |
| Other non-current liabilities | 18 | 18 |
| Sub-total | 753 | 435 |
| Current liabilities |  |  |
| Contract liability | 13 | 16 |
| Financial liabilities |  |  |
| (i) Borrowings | 500 | - |
| (ii) Trade payables |  |  |
| a) Total outstanding dues of Micro Ent. and Small Ent. | 149 | 106 |
| b) Total outstanding dues of other than above | 1,146 | 1,308 |
| (iii) Other financial liabilities | 707 | 563 |
| Other current liabilities | 122 | 105 |
| Provisions | 266 | 210 |
| Current tax liabilities (Net) | 150 | - |
| Sub-total | 3,052 | 2,308 |
| Total Equity and Liabilities | 8,855 | 7,048 |

- Short term borrowings repaid to the tune of Rs. 200 crores during the quarter

Table 1.8: Cash flow statement

| In crores of rupees | Dec 20 YTD | FY 20 |
| :---: | :---: | :---: |
| PBT | 977 | 902 |
| Depreciation | 184 | 218 |
| Others | (68) | (34) |
| Working Capital Changes | (251) | (21) |
| Taxes Paid | (75) | (240) |
| Operating Net Cash Flow (A) | 767 | 825 |
| Capex | (131) | (361) |
| Proceeds from sale of fixed assets | 95 | 2 |
| Fixed deposits and investments made during the period | $(1,615)$ | (251) |
| Interest received | 66 | 62 |
| Net Cash Flow from Investing Activities (B) | $(1,585)$ | (548) |
| Dividends paid (including interim dividend) |  | (641) |
| Net borrowings availed / (repaid) | 812 | (54) |
| Others | (41) | (21) |
| Net Cash Flow from Financing Activities (C) | 771 | (716) |
| Net Cash Flow ( $\mathrm{A}+\mathrm{B}+\mathrm{C}$ ) | (47) | (439) |
| Cash and cash equivalents at the beginning | 242 | 681 |
| Effect of exchange diff. on cash and cash equ. held in foreign currency | 1 |  |
| Cash and Cash Equivalents at the end of the period | 196 | 242 |
| Bank balances other than cash and cash equivalents above | 2,493 | 861 |
| Cash \& bank balances and investments | 2,689 | 1,103 |

Table 1.9: Cash (net of debt)

| (in crores of rupees) | $\mathbf{3 1}^{\text {st }}$ Dec $\mathbf{2 0 2 0}$ | $\mathbf{3 1}^{\text {st }}$ Dec $\mathbf{2 0 1 9}$ |
| :--- | ---: | ---: |
| 1. Short Term | 552 | 54 |
| 2. Long Term | 313 | - |
| Total Debt | 865 | 54 |
| Less: Cash and investments | 2,689 | 1,152 |
| Net cash | $\mathbf{1 , 8 2 4}$ | $\mathbf{1 , 0 9 8}$ |

Table 1.10 Financial Ratios (Havells India Standalone)

| Financial Ratios | Q3 FY21 | Q3 FY20 |
| :--- | :---: | :---: |
| Profitability <br> OPM \% <br> \{EBIDTA/NR\} | $16.0 \%$ | $11.8 \%$ |
| RONW \% <br> \{PAT TTM / Avg. NW\} | $20.5 \%$ | $18.1 \%$ |
| ROCE \% <br> \{EBIDTA TTM / Avg. CE\} | $25.2 \%$ | $25.7 \%$ |
| Liquidity Ratio <br> Current Ratio <br> \{CA/CL\} | 1.7 |  |
| Debtor Days <br> \{Debtors/NR\} | 16 | 1.6 |
| Inventory Days <br> \{Inventories/NR\} | 57 | 12 |
| Creditor Days <br> \{Creditors/NR\} | 38 | 71 |
| Net working capital days* <br> *based on quarterly sales | 35 | 48 |

# Shareholding Pattern as on 31.12.2020 



DISCLOSURE OF INFORMATION, COMMUNICATION WITH INVESTORS / ANALYSTS / FINANCIAL COMMUNITY

Havells will be issuing fresh Information Update, like the one you are reading now; on the day it declares its Quarterly/ Half Yearly 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. For further information / clarification, you may contact Mr. Manish Kaushik, Senior General Manager at Havells India Limited, QRG Towers, 2D Sector 126, Expressway, Noida UP (India), Tel: +91-120-4771000 Fax no.: +91-120-4772000; E-mail: ir@havells.com.


[^0]:    - Healthy growth across categories, primarily led by:
    - Expanding distribution footprint
    - Robust supply chain
    - Gains from unorganised sector
    - Consumer and Residential portfolio registered $\sim 40 \%$ growth whereas Industrial and Infra grew mid-teens
    - Significant AC growth due to:
    - Perceived change in industry dynamics consequent to import prohibitions
    - Better availability from own production
    - Wider network coverage through regional retailers
    - Select pre-buying

