HAVELLS INDIA LIMITED

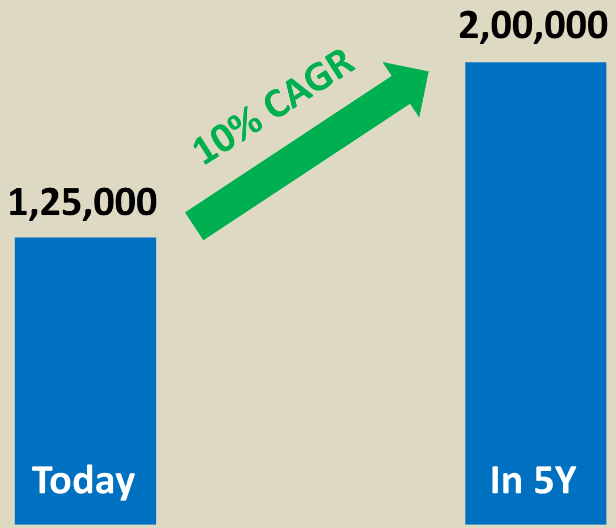
March 2024

Havells Transcends 2 Deep Pools Of High Growth

Electricals

HAVELLS

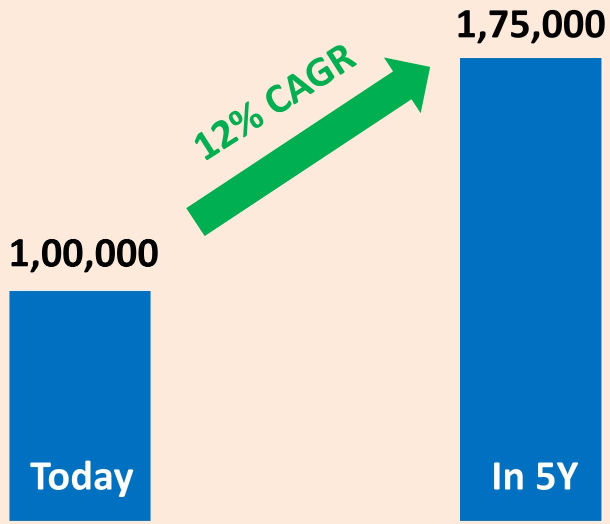
Market Size In Rs Cr (Annual)



Electronics

LLOYD

Market Size In Rs Cr (Annual)



Source: Internal & industry estimates

A Well Stacked FMEG

HAVELLS
HAVELLS Crabtree
Switching solutions since 1918
LLOYD
STANDARD
REO
HAVELLS STUDIO

Well entrenched Brand

- Mass Premium
- National Presence
- 6 Brands addressing markets and channels

Self Reliant

- >90% in-house manufacturing
- High level of automation & integration

Widely Distributed

- Omni Channel
- ~17,000 direct dealers
- ~220,000 retailers

Widest Product Portfolio

- 20 product verticals
- USD 25+ bn addressable market

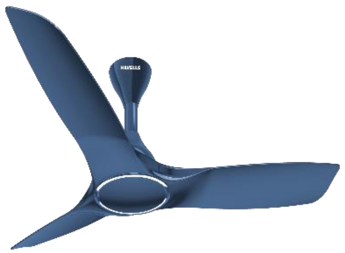
An Evolving Journey

- **1958** – Commenced business with Switchgears and Cables
- **1971** – Acquired ‘Havells’ brand
- **1993** – Got listed on Stock Exchange
- **2003** – Foray into Electrical Consumer Business with Fans and Lighting
- **2007** – Acquired global business of ‘Sylvania’
- **2015** – Divestment of ‘Sylvania’

  Focus on domestic expansion
- **2017** – Acquisition of ‘Lloyd’ consumer durable business
- **2019** – Commissioned Lloyd AC plant in Ghiloth
- **2023** – First manufacturing foray into South India with 2 new plants

KEY MILESTONES

- Commodity to Branded
- Single to Multi product
- Large scale manufacturing to drive efficiency and quality
- Mass to 'Mass Premium'
- Pan India presence
- Acquisition of Sylvania and pragmatic exit
- Lloyd Acquisition
  - ✓ Entry into high potential Consumer Durables
  - ✓ Aligned with 'Deeper into Homes'
- Expansion to rural areas



Deeper Into Homes

- 20 Product verticals
- Serving ~70% electric sockets

SEEDING & SCALING BUSINESSES

Rs 1,000+ Crores Categories

6

- Cable
- Wire
- Consumer Lighting
- Fans
- Residential Switchgear
- AC

A 10 Year Retrospect

In Rs Crores	FY13	FY23	10Y CAGR
Revenues	4,225	16,868	▲ 15%
EBITDA	533	1,603	▲ 12%
PAT	371	1,075	▲ 11%
Net Worth	1,870	6,614	▲ 13%
Market Cap	8,082	74,461	▲ 25%
Product Lines	12	20	
Head count	3,680	6,822	

Well Balanced Portfolio

Revenue Mix (FY23)

Switchgears

13%

Cables

33%

Lighting & Fixtures

9%

Electrical Consumer & Durables

20%

Lloyd

20%

Contribution Margin Mix (FY23)

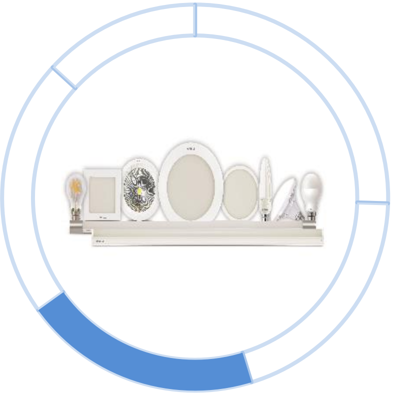
Switchgears

26%

Cables

23%

Lighting & Fixtures



15%

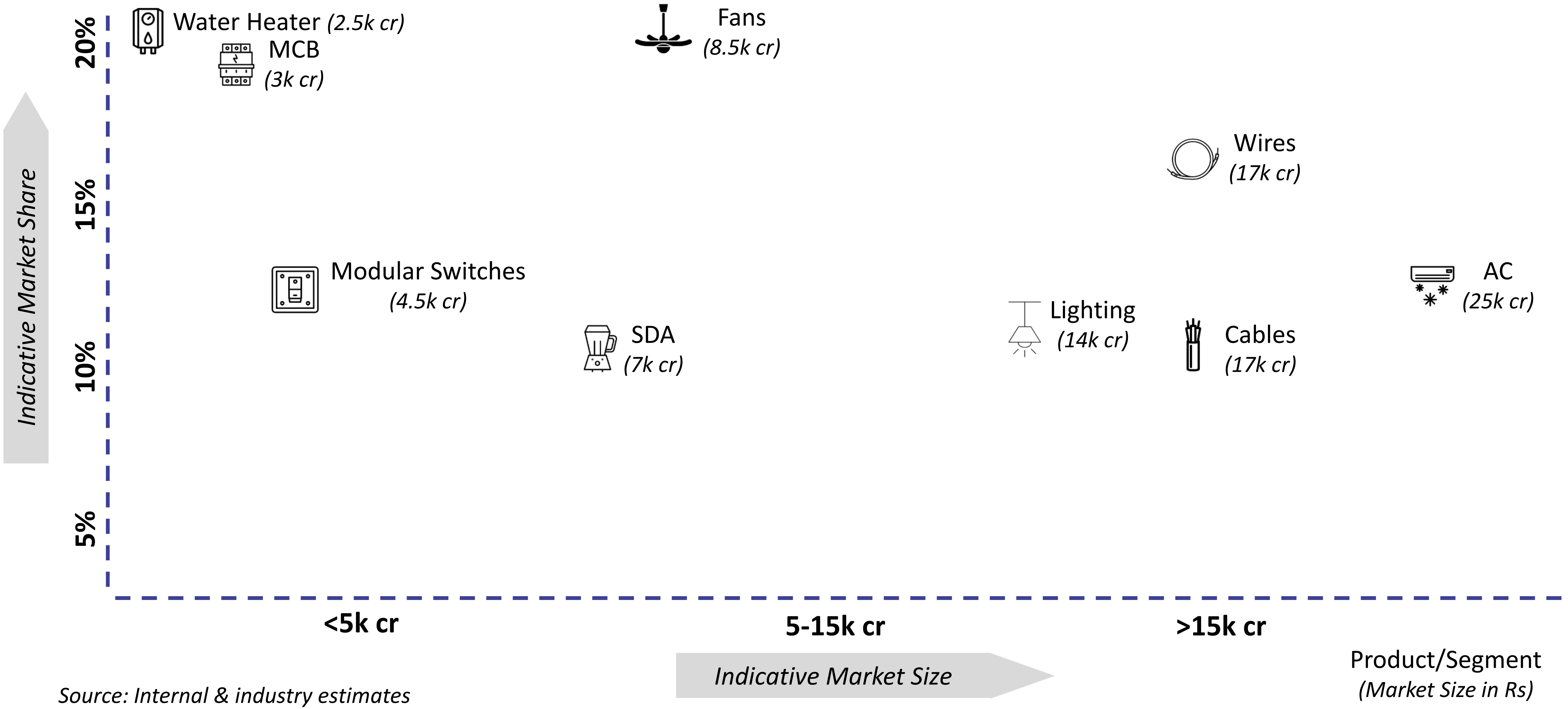
Electrical Consumer & Durables

25%

Lloyd

5%

Market Share: Top 3 Across Categories



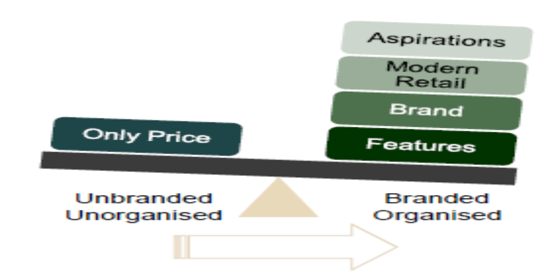
Source: Internal & industry estimates

MOVING AHEAD

Growth Levers

Electrification- semi urban & rural penetration

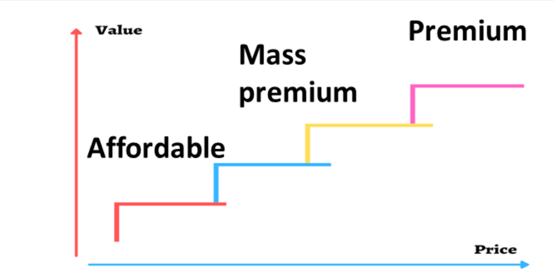
Aspirational shift for brands



Formalization & Digitisation

Nuclearization of families

Product Expansion & Laddering



Rise in disposable income & comfort led demand

Driving Brand Affinity

HAVELLS

- **National Advertising**

- **Regional Associations**

- **Digital Campaigns**

- **Brand Shops**

Distribution: Broadening Route To Market

HAVELLS

Traditional

Modern Trade

E-Commerce

Exclusive Stores

Projects

Canteen Stores

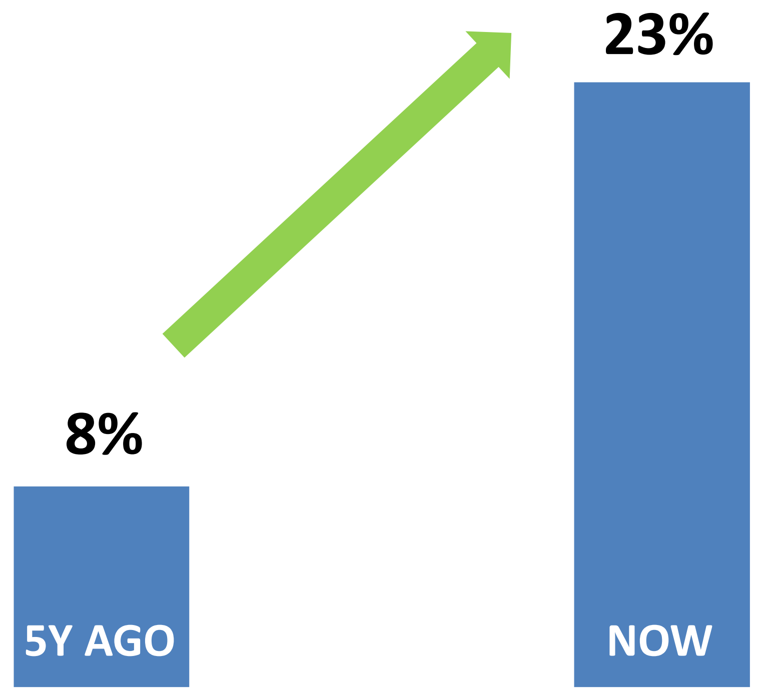
International

Rural

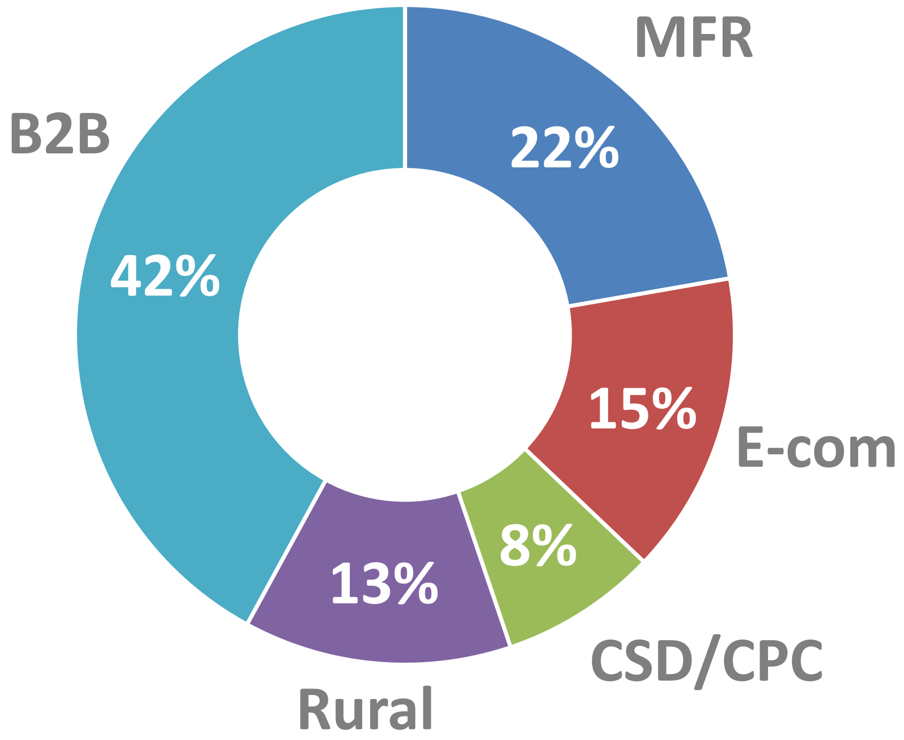
DISTRIBUTION: SEEDING EMERGING CHANNELS

HAVELLS

Emerging Channel (% of revenue)



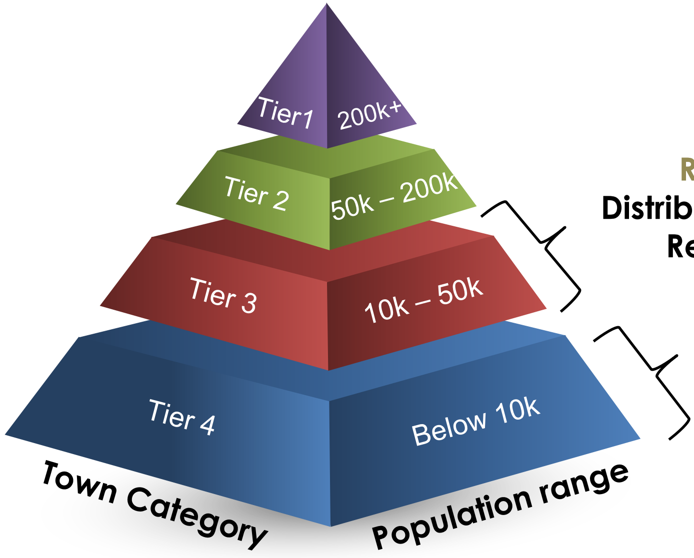
Emerging Channel Mix



Distribution: Rural- Untapped Opportunity

HAVELLS

- Improved electricity penetration creating demand
- Informed rural customer shifting to trusted brands
- Havells - Most penetrated FMEG brand in Rural markets



Rural Vistaar Initiative
Distributor presence in 3k towns
Retail touchpoints 42k+

500+ Havells UTSAV exclusive stores

DISTRIBUTION: INTERNATIONAL

70+ Countries

Rs 500+ crores
Export Revenue (FY23)

China+1
Creating global opportunities

~80%
Revenue from AMESA
(Africa, Middle East, and South Asia)

Opportunity to play in larger addressable Developed Markets

Havells Strengths
Brand, Manufacturing, Product portfolio, R&D

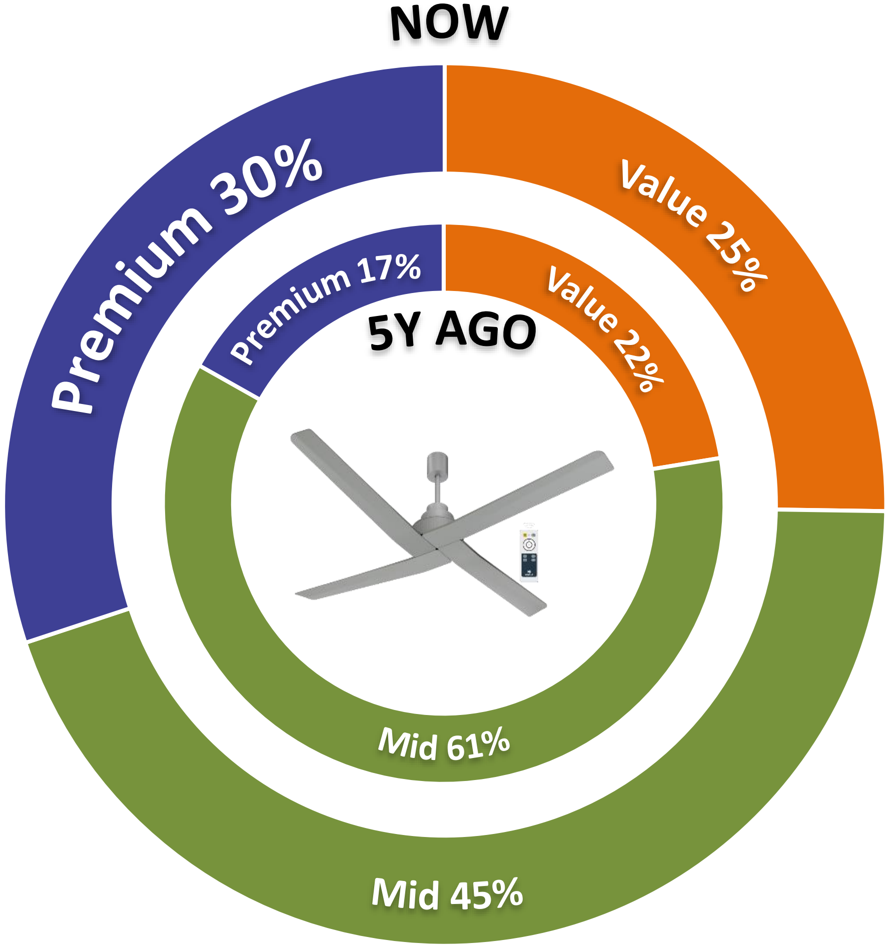
Recent Initiatives

Lloyd launch in Middle East
in partnership with
TEKNODOME

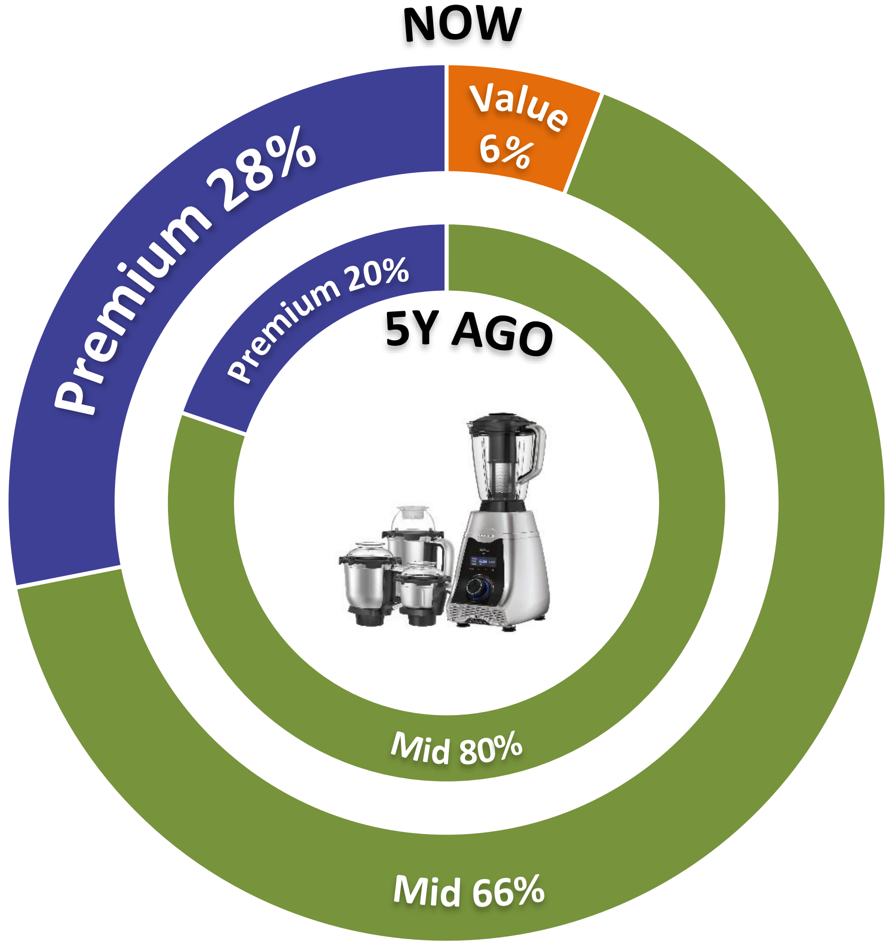
Setup of subsidiary in US to leverage new growth opportunities

Premiumisation

Ceiling Fans



Mixer Grinders



* *Premium refers to >1.2x of average selling price (ASP); Value refers to <0.8x of ASP*

R&D: Fast Follower To Thought Leadership

DIGITIZATION: DRIVING BUSINESS EFFICIENCY

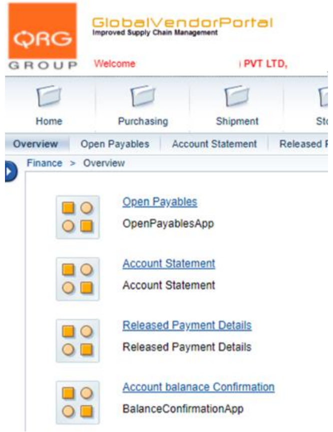
HAVELLS

Supplier → Factory → Channel Partner → Sales Team → Retailer → Consumer

360^0 Integration of Stakeholders, Business Processes and Data

Closer to the Consumer

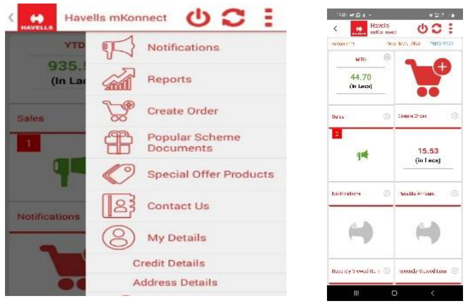
Global Vendor Portal



DASSAULT SYSTEMES

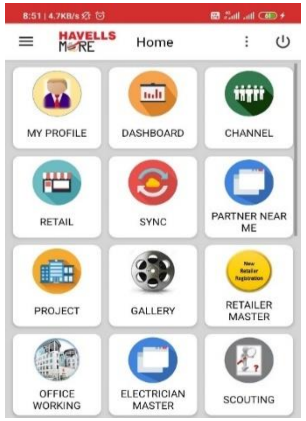
Industry 4.0 (Mfg Execution System)

DMS



Dealer Portal & App

MORE
Market Operations & Revenue Enhancement



Field Force Automation

SAMPARK

Retailer Engagement

E-PLUS 2.0

Electrician Loyalty

SYNC

Consumer App

Havells Home Advisor

Consultation

D2C Channel

WA for Business

Consumer Lifecycle: Awareness → Consideration → Purchase → Usage → Advocacy

With Consumer thru Lifecycle

LLOYD

HAVELLS

A **HAVELLS** Brand

~Rs 3,400 crores
Revenue (FY23)

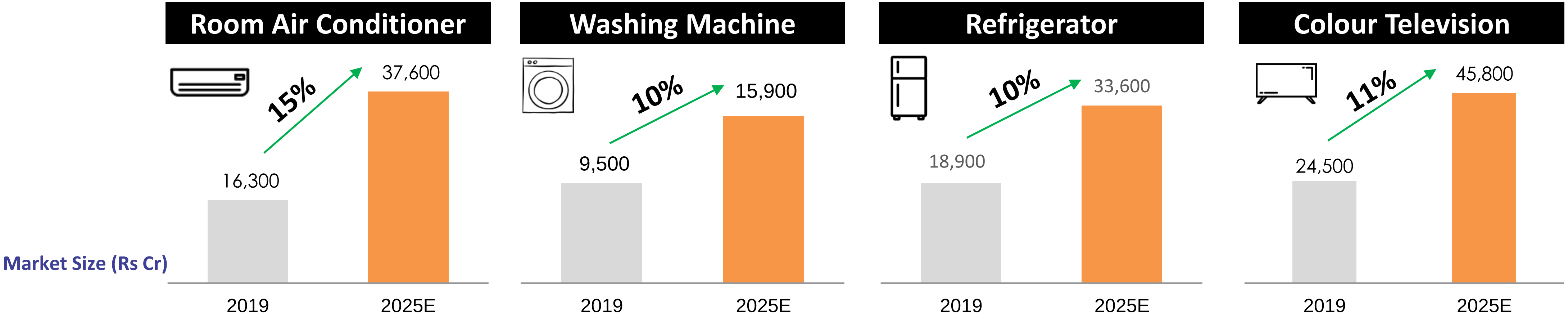
Full Stack
Consumer Appliances Play (AC, WM, Ref, TV)

Top 3
AC Player in India

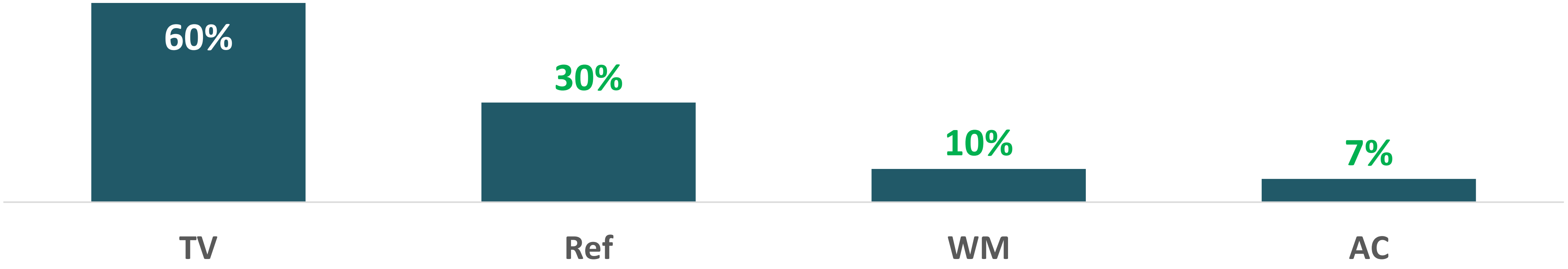
2 mn units
AC Manufacturing capacity across 2 plants

Consumer Durables: High Growth Potential Industry

Large High Growth Market



Low Penetration



Source: CEAMA and Frost and Sullivan

Lloyd Growth Pillars In Place

Local Manufacturing

- Sourcing Indigenized
- In-house manufacturing of AC

Channel Expansion

- Display at all the large retail chains
- Enhance numeric reach across India

Comprehensive CD Portfolio

- AC, Washing Machine, REF, TV

Brand Salience

- Celebrity engagement
- High decibel promotion
- Mass to mass premium

Financial Highlights

HAVELLS

In Rs Crores

	FY19	FY20	FY21	FY22	FY23	9MFY24
Net Revenue	10,068	9,429	10,428	13,889	16,868	13,116
Growth %	*24%***	(6%)	11%	33%	21%	9%
EBIDTA %	*11.8%*	11.9%	15.0%	12.7%	9.5%	9.2%
PBT % before exceptions	*11.4%*	9.6%	13.7%	11.5%	8.6%	8.5%
*PAT % before exceptions**	7.8%	7.8%	10.0%	8.6%	6.4%	6.3%
ROCE %	29%	21%	30%	28%	23%	24%
Net Worth	4,192	4,305	5,165	5,989	6,615	7,177
Net Working Capital	766	699	1,583	1,354	2,037	1,831
Cash & Bank	1,288	1,107	1,931	2,982	2,158	2,878

** Ex-Lloyd excise adjusted growth in FY19 was 22%
Above financials based on standalone numbers

ROCE % is EBIT / Average Capital Employed (Net Worth + Gross Debt)

Growth With Responsibility

Mid-day Meal

70k+ hot meals served daily across 700+ schools

Green Cover Program

Over 18 lakh saplings planted in last 5 years

Sanitation Programs

Maintenance of 4,000+ Bio-toilets in 500+ schools

Heritage Programs

First of its kind CSR restoration project

External Global ESG Rating

DJSI	**Ranked 7th** in the global electrical equipment sector
MSCI	Rating **A**
Sustainalytics	ESG Risk Rating 21.0 **(Medium Risk)**
CDP	**Water Security B & Climate Change C**

Governance

AAA credit Rating

CG2+
Corporate Governance rating

Consistent Dividend payout ratio of **~40%**

Highly reputed independent professional board

14 member board; only 3 family members on the board

Summary

An **Indian brand** born, survived and thrived amidst fierce competition

Uniquely positioned to serve the aspiring nation and build an institution

Value creation for all its stakeholders

Entrepreneurship with guts, integrity and humility

Excited with **opportunities ahead**

THANK YOU