

Havells India Limited

Q2 FY22 {SEPTEMBER 30, 2021}
{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 20th October 2021.

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SECTION 1. HAVELLS INDIA (STANDALONE)

Table 1.1: P&L Summary – Quarterly

In crores of Rupees	Q2 FY 22	Q2 FY 21	Change %
Net Revenue	3,221	2,452	31%
Contribution as a % to NR	683 21.2%	607 24.8%	12%
Add: Depreciation / Amortization	62	59	
Less: Advertisement and Sales Promotion as a % to NR	33 1.0%	19 0.8%	68%
Less: Other SG&A as a % to NR	268 8.3%	226 9.2%	19%
EBIDTA as a % to NR	444 13.7%	421 17.2%	6%
Depreciation / Amortization	62	59	
Interest Expense	11	17	
Foreign Exchange (gain)/loss	(5)	(4)	
Interest Income (A)	24	27	
Others (B)	3	49	
Add: Other Income (A+B)	27	75	
Profit before tax & sale of Assets As a % of NR	402 12.5%	381 15.5%	6%
Gain on Sale of Assets	1	43	
Profit before tax as a % to NR	403 12.5%	424 17.3%	(5%)
Tax	102	99	
Net Profit as a % to NR	302 9.4%	325 13.3%	(7%)
Other Comprehensive (Income)/Expense	(2)	(1)	
Total Comprehensive Income	300	324	

Results Summary

- Healthy growth across business verticals
- Omnichannel strategy including online, rural, modern trade and enterprise business penetration playing out well, adding new customers and broad basing demand channels
- There has been increased conversion in projects and B2B
- Increase in commodity cost remains unabated with severe escalation in a rather short period
- Price increase have been staggered creating a lag affect on margins
- However, we maintain a positive outlook on demand growth which could support margin as well

Table 1.2: Segment wise Revenue analysis – Quarterly

In crores of Rupees	Q2 FY 22	Q2 FY 21	Change (%)
Switchgears	443	370	20%
Cable	1,144	785	46%
Lighting & Fixtures	354	265	34%
Electrical Cons. Durables	728	580	26%
Others	211	172	23%
Sub Total	2,880	2,172	33%
Lloyd	341	280	22%
Total	3,221	2,452	31%

- Switchgear growth reflecting real estate upcycle
- Higher commodity prices contributed growth in Cable & Wires
- Lighting has been beneficiary of deeper penetration and new launches
- Industrial and infra expected to remain strong

Table 1.3: Segment wise margin analysis – Quarterly

(I) Contribution margins (%) ^	Q2 FY22	Q2 FY21	Q1 FY22
Switchgears	38.4%	42.1%	38.6%
Cable	12.7%	17.4%	18.9%
Lighting & Fixtures	32.9%	31.0%	29.9%
Electrical Cons. Durables	24.4%	27.2%	21.5%
Others	21.7%	21.9%	19.1%
Sub total	22.8%	26.2%	24.2%
Lloyd	8.0%	13.7%	12.4%
Total	21.2%	24.8%	21.9%

- Contribution margins have sustained on QoQ basis though cost pressure remains significantly high. Continued volatility in commodity prices impacted cable margins
- Adequate price increase in Lloyd has been challenging due to hyper competitive environment. Margins were further impacted by under absorption of overheads due to lower production

^ Contribution margins are derived after deducting material cost, manufacturing variables, direct selling variables and depreciation from the net revenue

(II) Segment results (%)**(In crores of Rupees)**

Segments	Q2 FY22			Q2 FY21			Q1 FY22		
	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS
Switchgears	443	120	27.2%	370	115	31.0%	374	102	27.3%
Cable	1,144	115	10.1%	785	112	14.3%	807	126	15.6%
Lighting	354	77	21.9%	265	52	19.7%	210	32	15.1%
ECD	728	126	17.3%	580	117	20.2%	576	67	11.7%
Others	211	20	9.6%	172	14	8.2%	137	5	3.9%
Sub total	2,880	459	16.0%	2,172	410	18.9%	2,104	333	15.8%
Lloyd	341	(18)	(5.4%)	280	5	1.8%	494	10	2.1%
Total	3,221	441	13.6%	2,452	415	16.9%	2,598	343	13.2%
-Finance cost		11	0.3%		17	0.7%		11	0.4%
-Unallocable exp.		60	1.9%		54	2.2%		51	2.0%
-Unallocable Inc.		(33)	(1.0%)		(79)	(3.2%)		(34)	(1.3%)
PBT		403	12.5%		424	17.3%		315	12.1%

Table 1.4: P&L Summary – Half Yearly

In crores of Rupees	H1 FY 22	H1 FY 21	Change %
Net Revenue	5,819	3,931	48%
Contribution as a % to NR	1,253 21.5%	862 21.9%	45%
Add: Depreciation / Amortization	124	119	
Less: Advertisement and Sales Promotion as a % to NR	78 1.3%	25 0.6%	212%
Less: Other SG&A as a % to NR	503 8.6%	405 10.3%	24%
EBIDTA as a % to NR	797 13.7%	551 14.0%	45%
Depreciation / Amortization	124	119	
Interest Expense	22	34	
Foreign Exchange (gain)/loss	(15)	(11)	
Interest Income (A)	44	46	
Others (B)	7	11	
Add: Other Income (A+B)	51	57	
Profit before tax & sale of Assets As a % of NR	717 12.3%	466 11.8%	54%
Gain on Sale of Assets	1	43	
Profit before tax as a % to NR	718 12.3%	509 13.0%	41%
Tax	182	121	
Net Profit as a % to NR	536 9.2%	388 9.9%	38%
Other Comprehensive (Income)/Expense	(2)	(2)	
Total Comprehensive Income	534	386	

Table 1.5: Segment wise Revenue analysis – Half Yearly

In crores of Rupees	H1 FY 22	H1 FY 21	Change (%)
Switchgears	816	560	46%
Cable	1,952	1,246	57%
Lighting & Fixtures	563	403	40%
Electrical Cons. Durables	1,304	881	48%
Others	349	254	37%
Sub Total	4,984	3,344	49%
Lloyd	835	587	42%
Total	5,819	3,931	48%

Table 1.6: Segment wise margin analysis – Half Yearly

(I) Contribution margins (%)	H1 FY22	H1 FY21
Switchgears	38.5%	39.2%
Cable	15.3%	15.4%
Lighting & Fixtures	31.8%	27.2%
Electrical Cons. Durables	23.1%	25.4%
Others	20.6%	19.3%
Sub total	23.4%	23.7%
Lloyd	10.6%	11.7%
Total	21.5%	21.9%

(II) Segment results (%)

(In crores of Rupees)

Segments	H1 FY22			H1 FY21		
	Net Sales	Segment result	% to NS	Net Sales	Segment result	% to NS
Switchgears	816	222	27.2%	560	144	25.7%
Cable	1,952	241	12.4%	1,246	148	11.9%
Lighting	563	109	19.3%	403	55	13.7%
ECD	1,304	194	14.9%	881	154	17.5%
Others	349	26	7.4%	254	10	3.7%
Sub total	4,984	792	15.9%	3,344	511	15.3%
Lloyd	835	(8)	(1.0%)	587	11	2.0%
Total	5,819	784	13.5%	3,931	522	13.3%
-Finance cost		22	0.4%		34	0.9%
-Unallocable exp.		111	1.9%		90	2.3%
-Unallocable Income		(67)	(1.2%)		(111)	(2.8%)
PBT		718	12.3%		509	13.0%

Table 1.7: Balance Sheet highlights

In crores of Rupees	30-Sep-21 (Unaudited)	31-Mar-21 (Audited)
ASSETS		
Property, plant and equipment	1,862	1,861
Capital work in progress	119	86
Goodwill	310	310
Other intangible assets	1,110	1,119
Intangible assets under development	1	4
Investment in subsidiaries	2	2
Contract assets	43	50
Financial assets		
(i) Trade receivables	3	3
(ii) Other Bank Balance	16	-
(iii) Other financial assets	21	20
Other non-current assets	52	55
Non-current tax asset (net)	24	24
Total Non-current assets	3,563	3,533
Current assets		
Inventories	2,743	2,620
Contract assets	23	20
Financial assets		
(i) Investments	310	306
(ii) Trade receivables	526	560
(iii) Cash and cash equivalents	234	326
(iv) Bank balances other than (iii) above	1,992	1,298
(v) Other financial assets	47	46
Other current assets	93	109
Total Current Assets	5,969	5,287
Assets held for sale	0	1
Sub-total	5,969	5,287
Total Assets	9,532	8,820
EQUITY AND LIABILITIES		
Equity share capital	63	63
Other equity	5,448	5,102
Total Equity	5,511	5,164
Non-current liabilities		
Contract liability	5	5
Financial liabilities		
(i) Borrowings	333	394
(ii) Lease Liabilities	90	102
(iii) Other financial liabilities	1	1
Provisions	67	58
Deferred tax liabilities (Net)	346	339
Total Non-Current Liabilities	841	899
Current liabilities		
Contract liabilities	14	10
Financial liabilities		
(i) Borrowings	123	99
(ii) Lease liabilities	31	29
(iii) Trade payables		
a) Total outstanding dues of Micro Ent. and Small Ent.	138	189
b) Total outstanding dues of other than above	1,832	1,408
(iv) Other financial liabilities	587	570
Provisions	296	258
Current tax liabilities (Net)	67	74
Other current liabilities	92	121
Total Current Liabilities	3,180	2,757
Total Equity and Liabilities	9,532	8,820

- Current assets remain stable
- Payable days reverting to long-term average

Table 1.8: Cash flow

In crores of rupees	Sep 21 YTD	FY21
PBT	718	1,432
Depreciation	124	249
Others	(26)	(53)
Working Capital Changes	345	(699)
Taxes Paid	(183)	(271)
Operating Net Cash Flow (A)	979	658
Capex	(142)	(219)
Proceeds from sale of fixed assets	2	96
Fixed deposits and investments made during the period	(696)	(729)
Others	24	89
Net Cash Flow from Investing Activities (B)	(812)	(763)
Dividends paid	(219)	(188)
Net borrowings availed / (repaid)	(37)	451
Others	(2)	(73)
Net Cash Flow from Financing Activities (C)	(258)	190
Net Cash Flow (A+B+C)	(91)	85
Cash and cash equivalents at the beginning	327	242
Effect of exchange diff. on cash and cash equ. held in foreign currency	(1)	0
Cash and Cash Equivalents at the end of the period	234	327
Bank balances other than cash and cash equivalents above	2,318	1,604
Cash & bank balances and investments	2,552	1,931

- Capex largely pertains to the Washing Machine greenfield project and expansion at the Water heater facility
- The normalization of creditors post Covid aberrations resulted in release of working capital.

Table 1.9: Cash (net of debt)

(in crores of rupees)	30 th Sep 2021	30 th Sep 2020
1. Short Term*	123	737
2. Long Term	333	336
Total Debt	456	1,073
Less: Cash and investments	2,552	2,489
Net cash	2,096	1,416

*Including Current maturity of Long-Term loan

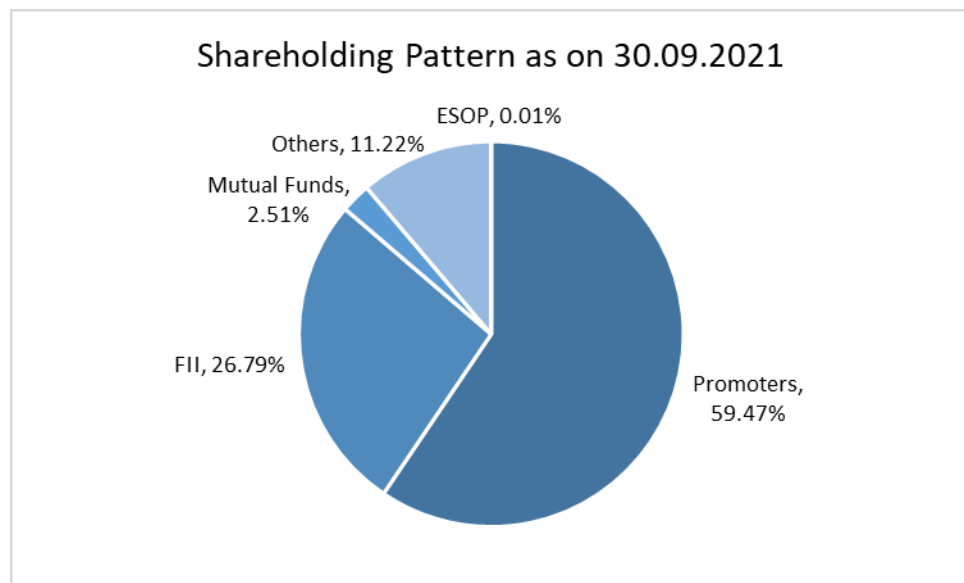
Table 1.10 Financial Ratios (Havells India Standalone)

Financial Ratios	Q2 FY22	Q2 FY21
Profitability	13.7%	17.2%
OPM % {EBIDTA/NR}		
RONW % {PAT TTM / Avg. NW}	23.1%	17.8%
ROCE % {EBIDTA TTM / Avg. CE}	31.7%	22.1%
Liquidity Ratio		
Current Ratio {CA/CL}	1.9	1.7
Debtor Days {Debtors/NR}	15	12
Inventory Days {Inventories/NR}	77	65
Creditor Days {Creditors/NR}	55	41
Net working capital days*	36	36

*based on quarterly sales

SECTION 2. SHAREHOLDING RELATED INFORMATION

Table 2.1: Shareholding pattern



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, Associate Vice President 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**.