



Havells India Limited

Q2 FY24 {Quarter Ended September 30, 2023}

{Un-audited Financial Results}



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(Havells India Standalone)

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Q2 FY24 (Quarter Ended September 30, 2023)

6% YoY Net Revenue Growth	Rs 373 crores 30% Growth YoY EBITDA	Rs 249 crores 33% Growth YoY PAT	Rs 2,468 crores Net Cash
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1. P&L Summary – Quarterly

(In Rs crores)	Q2 FY24	Q2 FY23	YoY (%)	Q1 FY24
Net Revenue (NR)	3,891	3,669	6%	4,824
Contribution	790	632	25%	856
<i>as a % of NR</i>	20.3%	17.2%		17.7%
Add: Depreciation / Amortization	81	72		76
Less: Advertising & Sales Promotion	85	87	(2)%	134
<i>as a % of NR</i>	2.2%	2.4%		2.8%
Less: Other SG&A	413	330	25%	395
<i>as a % of NR</i>	10.6%	9.0%		8.2%
EBITDA	373	287	30%	402
<i>as a % of NR</i>	9.6%	7.8%		8.3%
Depreciation / Amortization	81	72		76
Interest Expense	9	7		8
Foreign Exchange gain/ (loss)	8	0		8
Other Income	45	43		57
Profit Before Tax	335	251	33%	382
<i>as a % of NR</i>	8.6%	6.9%		7.9%
Tax	86	65		95
Net Profit	249	187	33%	287
<i>as a % of NR</i>	6.4%	5.1%		6.0%
Other Comprehensive Income/(Loss)	(1)	(1)		(1)
Total Comprehensive Income	248	186	33%	286

Results Summary:

- Witnessed consumer demand softness; positive outlook for the upcoming festival season
- Growth primarily driven by housing segment and government's sustained thrust on infrastructure projects
- Shift in festival led demand from Q2 to Q3

2. Segment Wise – Quarterly

2.1 Revenue Analysis

(In Rs crores)	Q2 FY24	Q2 FY23	YoY (%)	Q1 FY24
Switchgears	532	488	9%	541
Cable	1,470	1,359	8%	1,485
Lighting & Fixtures	396	397	(0)%	367
Electrical Cons. Durables	733	773	(5)%	877
Others	266	237	12%	248
Sub Total	3,398	3,255	4%	3,518
Lloyd Consumer	493	414	19%	1,305
Total	3,891	3,669	6%	4,824

- Switchgear growth driven by infrastructure & construction
- Power cable growth aided by infrastructure projects, higher than flexible cable
- YoY price deflation in LED continues to impact consumer lighting revenues; volume growth sustained
- Muted consumer demand & shift in festival impacted ECD revenues
- Lloyd maintained its growth momentum

2.2 Contribution Margin* Analysis

(In %)	Q2 FY24	Q2 FY23	Q1 FY24
Switchgears	39.6%	38.0%	40.4%
Cable	15.5%	9.5%	14.8%
Lighting & Fixtures	28.8%	28.5%	29.1%
Electrical Cons. Durables	23.5%	21.8%	22.7%
Others	16.9%	17.6%	18.2%
Sub Total	22.7%	19.6%	22.4%
Lloyd Consumer	3.9%	(1.7)%	5.1%
Total	20.3%	17.2%	17.7%

* Contribution Margins = Net Revenue less Material Cost less Manufacturing Variables less Direct Selling Variables less Depreciation

- Margin expansion YoY across segments
- Cable margins reverted to its normative level post commodity price led disruption in Q2 last year

2.3 Segment Results Analysis

<i>(In Rs crores)</i>	Q2 FY24		Q2 FY23		Q1 FY24	
	Segment Results	% of NR	Segment Results	% of NR	Segment Results	% of NR
Switchgears	141	26.4%	122	25.0%	150	27.7%
Cable	171	11.6%	86	6.3%	169	11.4%
Lighting & Fixtures	57	14.4%	57	14.4%	53	14.4%
Electrical Cons. Durables	85	11.6%	90	11.6%	96	10.9%
Others	4	1.5%	4	1.7%	9	3.5%
Sub Total	457	13.5%	359	11.0%	476	13.5%
Lloyd Consumer	(73)	(14.9)%	(83)	(20.1)%	(61)	(4.7)%
Total	384	9.9%	276	7.5%	415	8.6%
Finance Cost	(9)	(0.2)%	(7)	(0.2)%	(8)	(0.2)%
Unallocable Expenses	(91)	(2.4)%	(61)	(1.7)%	(89)	(1.9)%
Unallocable Income	52	1.3%	43	1.2%	65	1.3%
Profit Before Tax	335	8.6%	251	6.9%	382	7.9%

3. P&L Summary – Half Yearly

<i>(In Rs crores)</i>	H1FY24	H1FY23	YoY (%)
Net Revenue (NR)	8,715	7,899	10%
Contribution	1,645	1,358	21%
<i>as a % of NR</i>	18.9%	17.2%	
Add: Depreciation / Amortization	157	144	
Less: Advertising & Sales Promotion	219	200	9%
<i>as a % of NR</i>	2.5%	2.5%	
Less: Other SG&A	808	654	24%
<i>as a % of NR</i>	9.3%	8.3%	
EBITDA	776	648	20%
<i>as a % of NR</i>	8.9%	8.2%	
Depreciation / Amortization	157	144	
Interest Expense	18	17	
Foreign Exchange gain/ (loss)	15	-1	
Other Income	102	92	
Profit Before Tax	718	578	24%
<i>as a % of NR</i>	8.2%	7.3%	
Tax	181	149	
Net Profit	537	429	25%
<i>as a % of NR</i>	6.2%	5.4%	
Other Comprehensive Income/(Loss)	(2)	(2)	
Total Comprehensive Income	534	428	25%

4. Segment Wise – Half Yearly

4.1 Revenue Analysis

(In Rs crores)	H1FY24	H1FY23	YoY (%)
Switchgears	1,073	1,004	7%
Cable	2,955	2,552	16%
Lighting & Fixtures	763	768	(1)%
Electrical Cons. Durables	1,610	1,612	(0)%
Others	515	465	11%
Sub Total	6,917	6,401	8%
Lloyd Consumer	1,798	1,498	20%
Total	8,715	7,899	10%

4.2 Contribution Margin* Analysis

(In %)	H1FY24	H1FY23
Switchgears	40.0%	37.9%
Cable	15.2%	10.0%
Lighting & Fixtures	28.9%	28.9%
Electrical Cons. Durables	23.0%	23.1%
Others	17.5%	17.9%
Sub Total	22.5%	20.5%
Lloyd Consumer	4.8%	3.1%
Total	18.9%	17.2%

* Contribution Margins = Net Revenue less Material Cost less Manufacturing Variables less Direct Selling Variables less Depreciation

4.3 Segment Results Analysis

(In Rs crores)	H1FY24		H1FY23	
	Segment Results	% of NR	Segment Results	% of NR
Switchgears	291	27.1%	257	25.6%
Cable	340	11.5%	173	6.8%
Lighting & Fixtures	110	14.4%	118	15.4%
Electrical Cons. Durables	181	11.2%	200	12.4%
Others	13	2.5%	16	3.5%
Sub Total	933	13.5%	765	12.0%
Lloyd Consumer	(134)	(7.5)%	(139)	(9.3)%
Total	799	9.2%	626	7.9%
Finance Cost	(18)	(0.2)%	(17)	(0.2)%
Unallocable Expenses	(181)	(2.1)%	(122)	(1.5)%
Unallocable Income	117	1.3%	90	1.1%
Profit Before Tax	718	8.2%	578	7.3%

5. Balance Sheet

(In Rs crores)	Sept'23 (UnAudited)	Mar'23 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,447	2,228
Capital work in progress	143	163
Goodwill	310	310
Other intangible assets	1,076	1,082
Intangible assets under development	5	3
Investment in subsidiaries	0.5	0
Financial assets		
(i) Investments	20	20
(ii) Trade receivables	2	2
(iii) Other financial assets	197	149
Contract assets	19	26
Other non-current assets	72	79
Non Current tax assets (net)	29	29
Total non current assets	4,321	4,091
Current assets		
Inventories	3,562	3,708
Financial assets		
(i) Investments	-	181
(ii) Trade receivables	538	971
(iii) Cash and cash equivalents	312	457
(iv) Bank balances other than (iii) above	1,990	1,405
(v) Other financial assets	35	117
Contract assets	26	27
Other current assets	218	175
Total current assets	6,681	7,041
Assets classified as held for sale	1	11
Total assets	11,004	11,143
EQUITY AND LIABILITIES		
Equity share capital	63	63
Other equity	6,826	6,552
Total equity	6,889	6,614
Non-current liabilities		
Financial liabilities		
(ii) Lease liabilities	218	187
(iii) Other financial liabilities	30	7
Contract liabilities	3	4
Provisions	118	137
Deferred tax liabilities (Net)	363	362
Total non current liabilities	732	696
Current liabilities		
Financial liabilities		
(i) Lease liabilities	51	36
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	165	155
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,028	2,488
(iii) Other financial liabilities	620	625
Contract liabilities	85	83
Other current liabilities	95	139
Provisions	281	275
Current tax liabilities (net)	59	32
Total current liabilities	3,383	3,832
Total equity and liabilities	11,004	11,143

6. Cash Flow

<i>(In Rs crores)</i>	H1 FY24	FY23
PBT	718	1,450
Depreciation	157	296
Others	(71)	(93)
Working Capital Changes	158	(697)
Taxes Paid	(153)	(392)
Operating Net Cash Flow (A)	810	565
Capex	(296)	(588)
Others	91	106
Net Cash Flow from Investing Act. (B)	(205)	(481)
Dividends paid	(282)	(470)
Net borrowings availed/(repaid)	0	(394)
Others	(13)	(43)
Net Cash Flow from Financing Act. (C)	(295)	(907)
Net Cash Flow (A+B+C)	310	(824)
Cash & Cash Equivalent at beginning	2,158	2,982
Cash & Cash Equivalent at end	2,468	2,158

* Cash & Cash Equivalent includes bank deposits also

- Investment in manufacturing continues, capex mainly for cable, Lloyd and lighting capacities

7. Financial Ratios

	Q2 FY24	Q2 FY23	Q1 FY24
Profitability			
OPM % {EBITDA/NR}	9.6%	7.8%	8.3%
ROE % {PAT TTM / Average Net Worth TTM}	17.8%	18.1%	17.3%
ROCE % {EBIT TTM / Average Capital Employed TTM (Net Worth + Debt)}	24.4%	24.1%	23.8%
Liquidity			
Current Ratio {CA/CL}	2.0	1.9	1.8
Debtor Days {Debtors/NR TTM}	11	13	17
Inventory Days {Inventories/NR TTM}	74	81	69
Creditor Days {Creditors/NR TTM}	45	55	50
Net working capital days*	39	39	36

*based on TTM sales

Disclosure of information, communication with investors / analysts / financial community

We recommend that readers refer to the Havells India financials to get a better appreciation of the business performance. A copy of the latest Financial Results of Havells India Limited are available on Havells website – 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 19th October 2023.

Havells will be issuing fresh Information Update, like the one you are reading now; on the day it declares its 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.

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