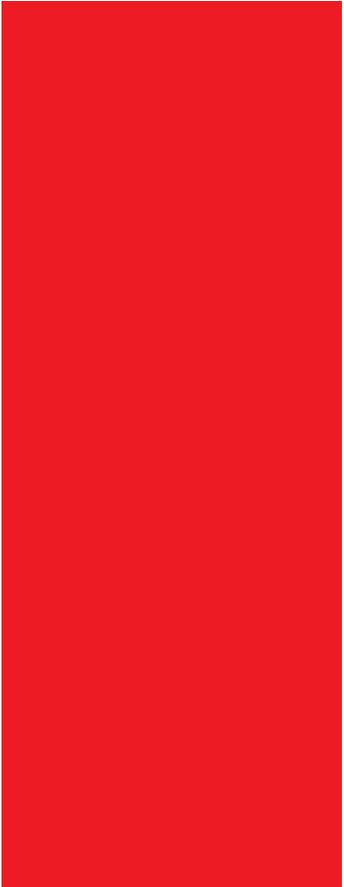




**HAVELLS**



# **HAVELLS INDIA LIMITED**

**November 2022**

# HAVELLS TRANSCENDS 2 DEEP POOLS OF HIGH GROWTH

## Electricals

CURRENT SIZE: ~ Rs 75K cr

IN FIVE YEARS: ~ Rs 120K cr



## Electronics

CURRENT SIZE: ~ Rs 100 K cr

IN FIVE YEARS: ~ Rs 175K cr



# A WELL STACKED FMEG



## Well entrenched Brand

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

## Self Reliant

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



## Widely Distributed

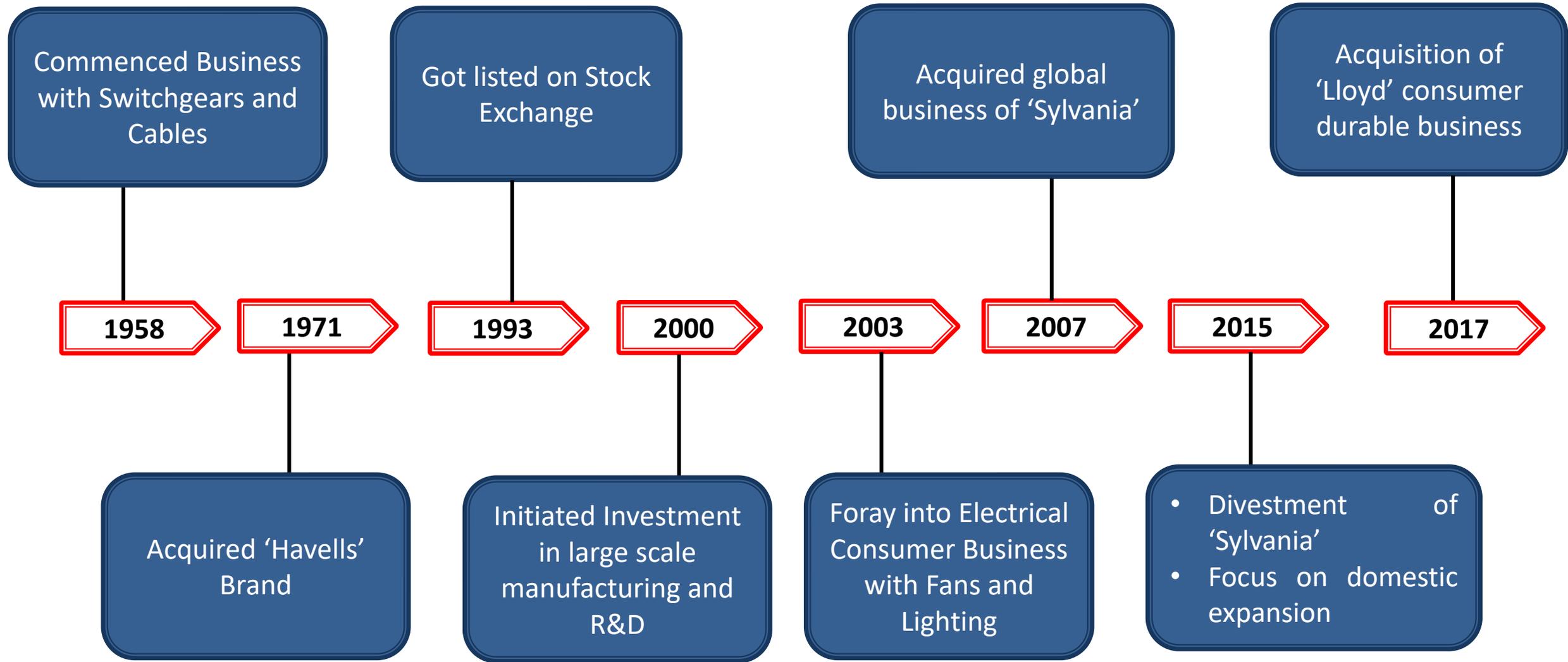
- Omni Channel
- ~14,000 direct dealers
- ~210,000 retailers

## Widest Product Portfolio

- 21 product verticals
- ~USD 15 bn addressable market

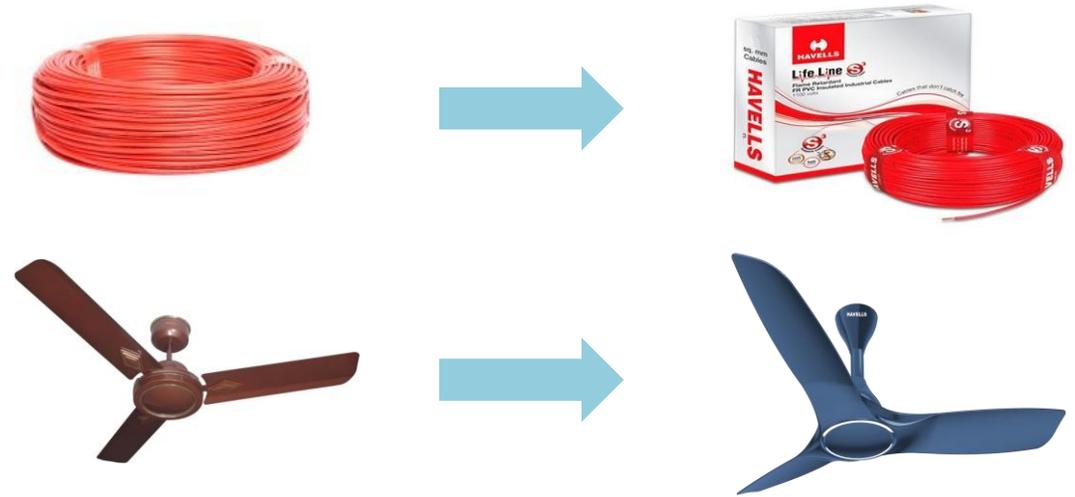


# AN EVOLVING JOURNEY

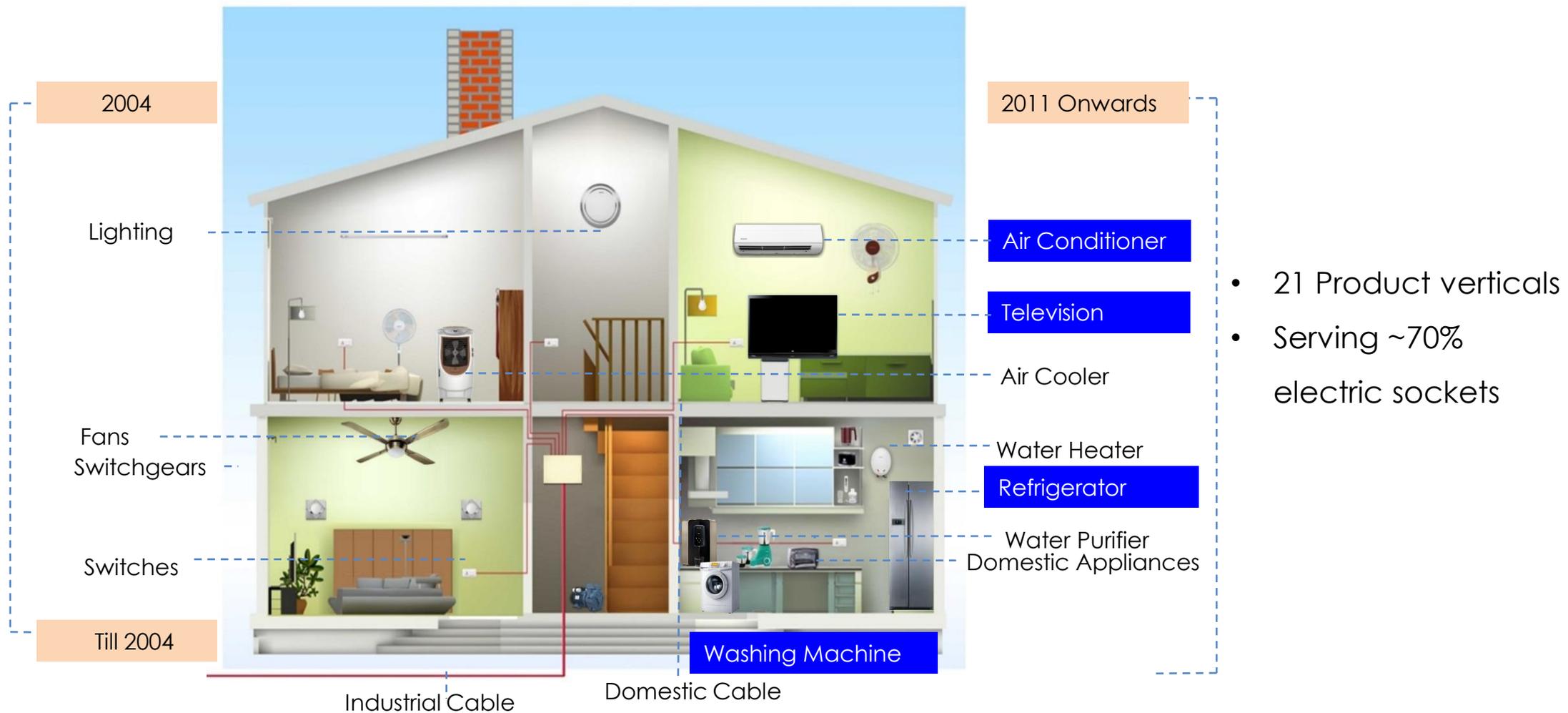


# KEY MILESTONES

- Commodity to Branded
- Single to Multi product
- Large scale manufacturing to drive efficiency and quality
- Mass to 'mass premium'
- Pan India Brand and uniform pricing
- Acquisition of Sylvania and pragmatic exit
- Lloyd Acquisition
  - ✓ Entry into high potential Consumer Durables
  - ✓ Aligned with 'Deeper into Homes'



# DEEPER INTO HOMES



# A 10 YEAR RETROSPECT

in INR crores

	FY 2012	FY 2022	CAGR
Revenues	3,616	13,889	14%
EBIDTA	459	1,758	14%
PAT	305	1,195	15%
Net Worth	1,608	5,989	14%
Market Cap	7,135	72,272	26%
Product Lines	13	21	
Number of Towns	1,054	1,853	
Head count	3,090	5,970	



**HAVELLS**



**MOVING AHEAD**

# WELL BALANCED PORTFOLIO

## Revenue Mix (FY22)

Switchgears



13%

Cables



33%

Lighting & Fixtures



10%

Electrical Consumer & Durables



22%

Lloyd



16%

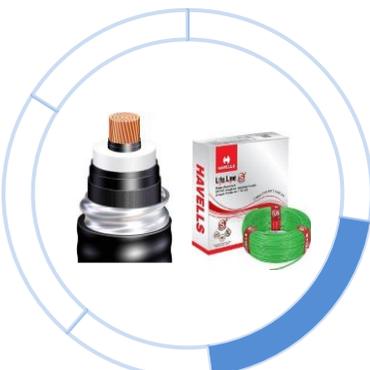
## Contribution Margin Mix (FY22)

Switchgears



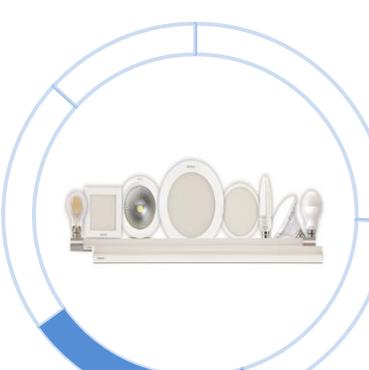
24%

Cables



24%

Lighting & Fixtures



15%

Electrical Consumer & Durables



25%

Lloyd



5%

# MARKET SHARE: TOP 3 ACROSS CATEGORIES

	Product	Indicative Market Size (Rs. in crores)	Indicative Market Share	Indicative Rank	Organized Penetration Level	Peers
Switchgears	MCB 	3,000	~18-20%	Top 3	High	Legrand, Schneider
	Switches* 	4,500	~12-13%	Top 3	Medium	Panasonic (Anchor), Legrand
Cable	Flexible 	17,000	~16%	Top 3	Low	Finolex, Polycab
	Power (LT & MV) 	17,000	~10-11%	Top 3	Medium	Polycab, KEI
LED Lighting	Lighting & Fixtures 	14,000	~10-12%	Top 3	Medium	Philips, Wipro, Crompton
ECD	Fans 	8,500	~20%	Top 3	High	Crompton, Usha, Orient
	Water Heaters 	2,500	~20%	Top 3	Medium	Racold, AO Smith, Bajaj
	Other Appliances 	7,000	~10%	Top 3	Medium	Philips, Bajaj

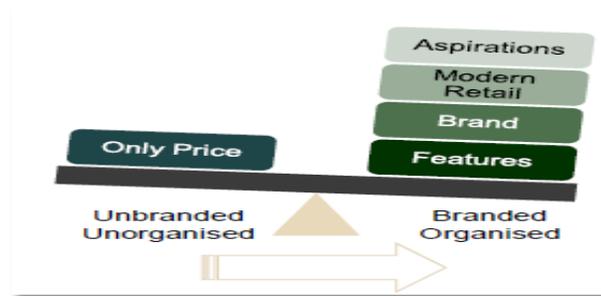
\* Modular plate switches

# GROWTH LEVERS

Electrification- semi urban & rural penetration



Aspirational shift for brands



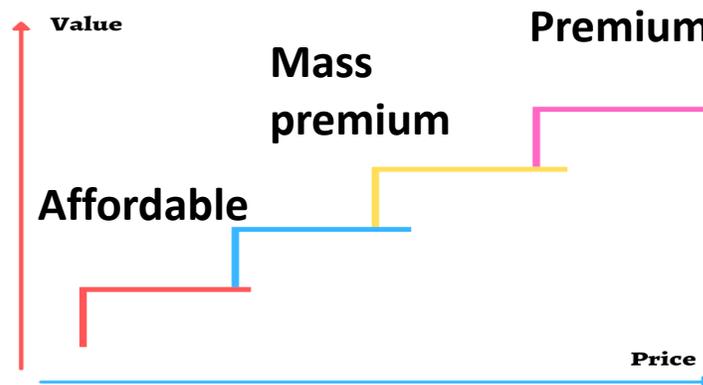
Formalization & Digitisation



Nuclearization of families



Product Expansion & Laddering



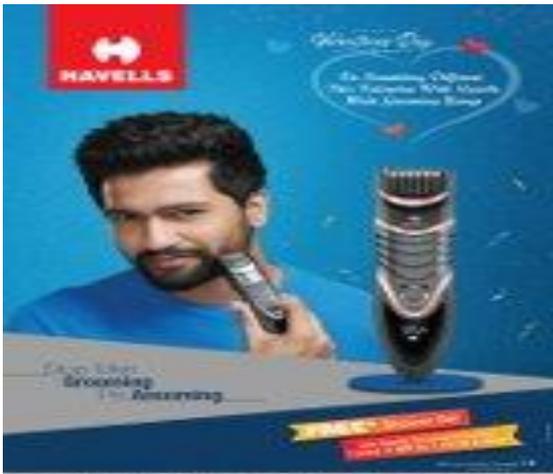
Rise in disposable income & comfort led demand



HAVELLS

# DRIVING BRAND AFFINITY

## ➤ National Advertising



## ➤ Regional Associations



## ➤ Digital campaigns



## ➤ Brand Shops



# DISTRIBUTION: BROADENING ROUTE TO MARKET

Traditional



Modern Trade



E-Commerce



Exclusive Stores



Projects



Govt. Canteen Stores



Exports

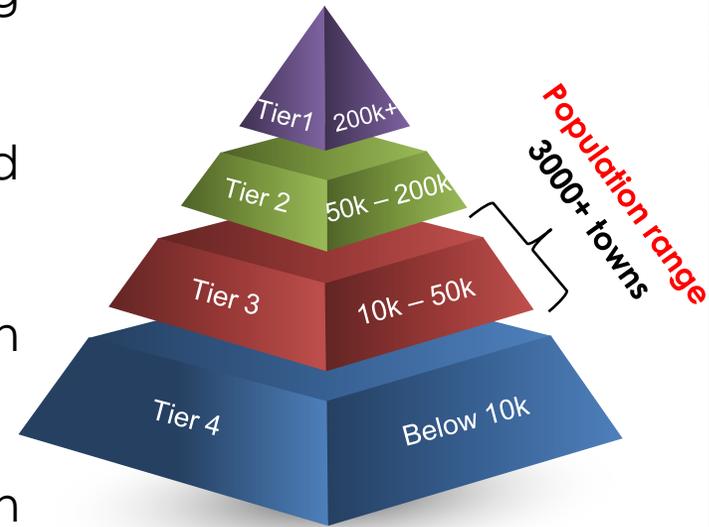


Rural



# DISTRIBUTION: RURAL- UNTAPPED OPPORTUNITY

- Improved electricity penetration creating demand
- Informed rural customer shifting to trusted brands
- Direct presence in 3,000 towns with population range of 10K-50K
- Havells is the most penetrated FMEG brand in Rural markets



## Present portfolio for rural markets



Lighting



Switches



Switch gear



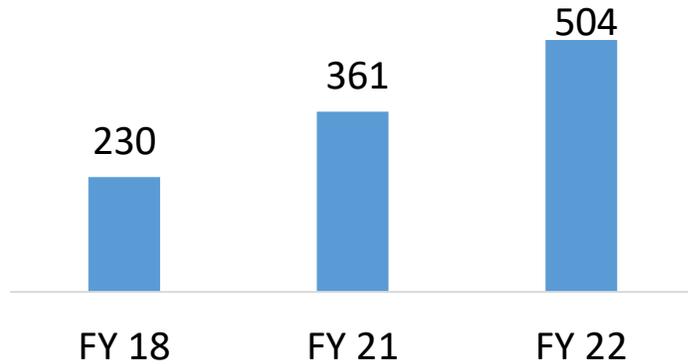
Wires



Fans

# DISTRIBUTION: EXPORTS

## Exports (in INR crs)



## Strengths & Opportunity

- Brand, Manufacturing & technical capabilities
- Wide product portfolio
- China +1 (Creating global opportunities)
- Hitherto Nebulous now in focus
- Broad basing markets, including developed countries

## Outdoor & In-Shop Branding



Uganda



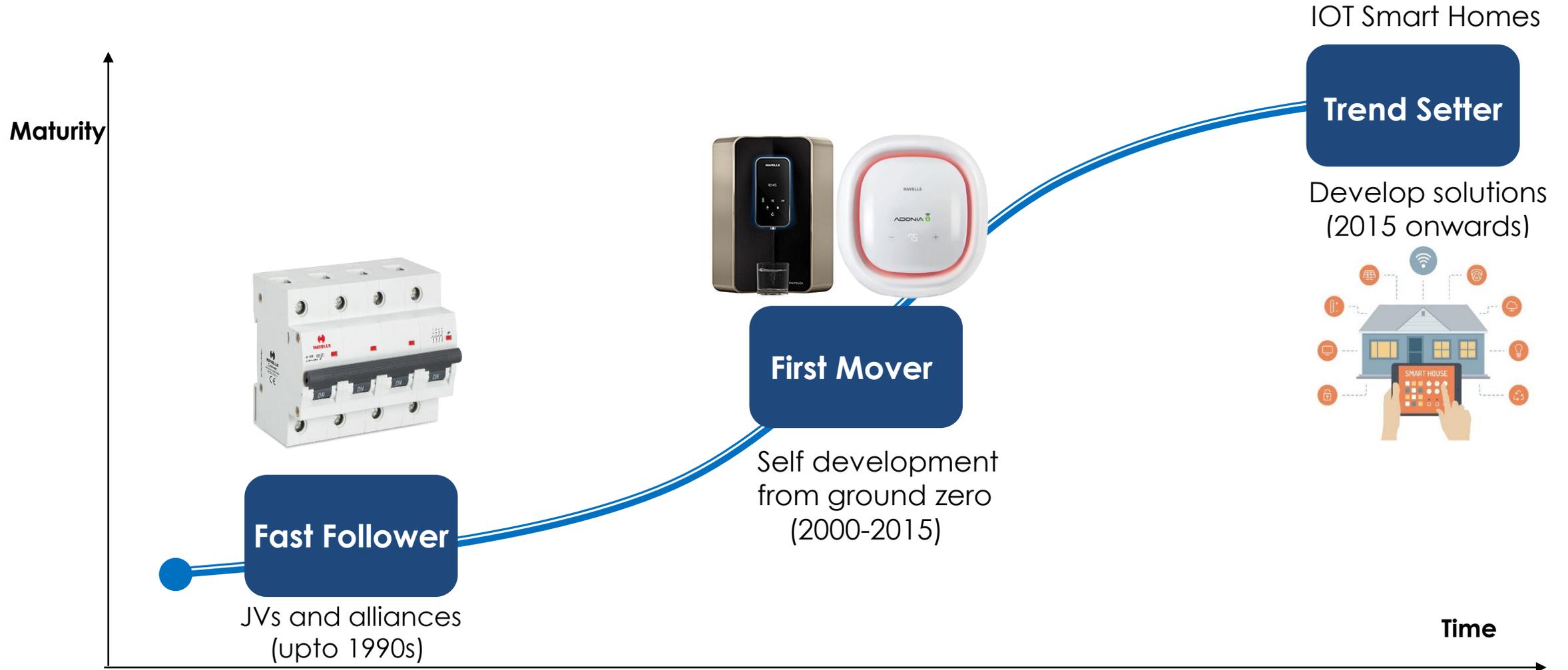
Qatar

## Brand Shops



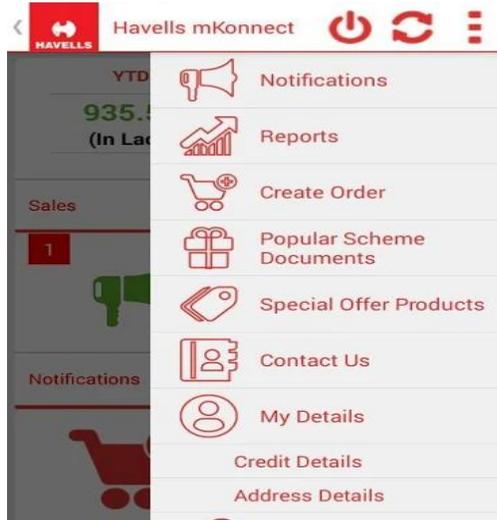
Sierra Leone & Ghana

# FAST FOLLOWER TO THOUGHT LEADERSHIP: R&D



# DIGITIZATION: DRIVING BUSINESS EFFICIENCY

Distribution Management System (DMS)



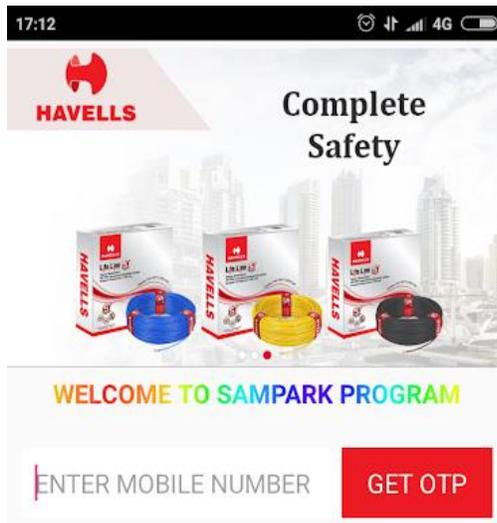
## SAMPARK

Retailers Engagement Program

Digital Knowledge Centre



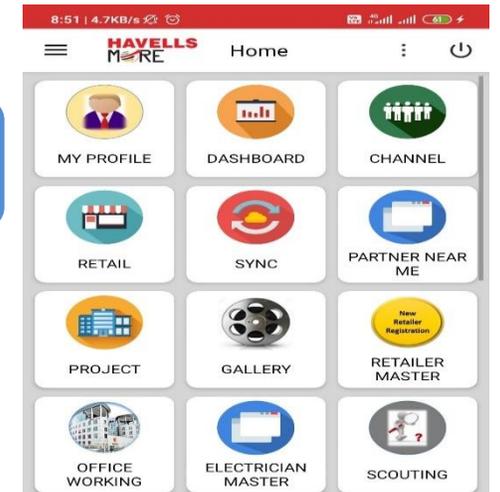
mKonnnect: Dealer App



## E-PLUS 2.0

Electrician Loyalty Program

Sales Force Automation



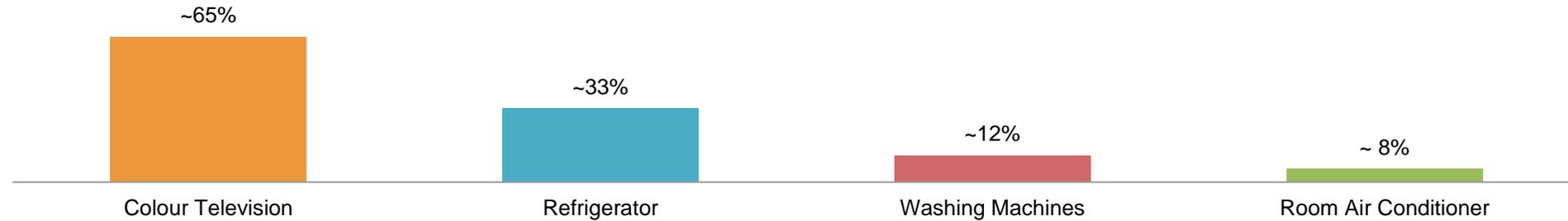
# LLOYD

- Revenue of ~ INR 2200 crores (~\$ 300 mn)
- Among top three AC players in the country
- Recently launched Washing Machine and Refrigerator
- A full stack consumer appliances play
- Leveraging Havells strength



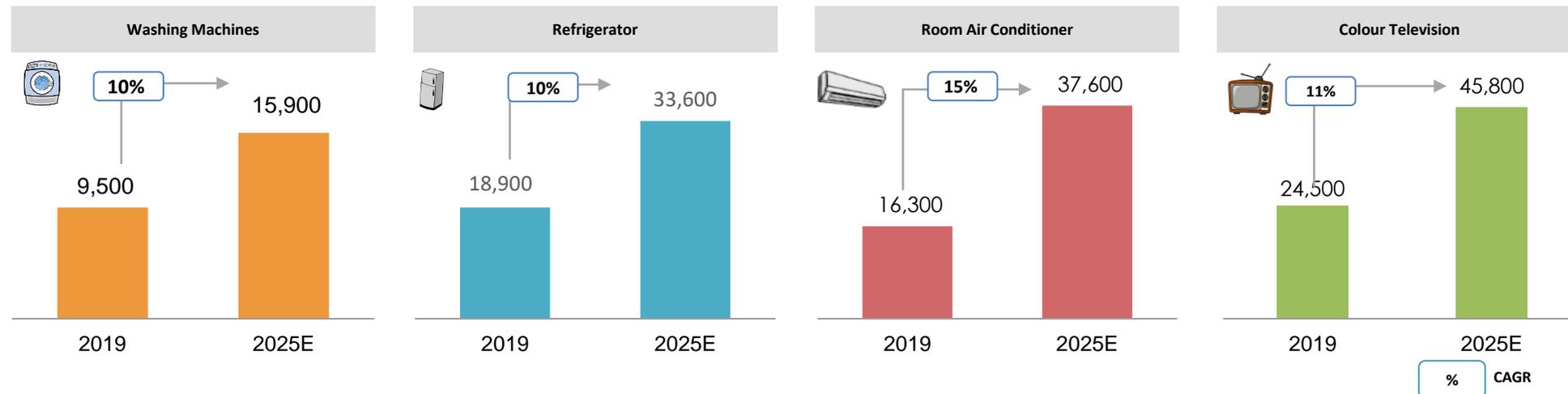
# HIGH GROWTH POTENTIAL INDUSTRY

## • Low Penetration



## • Each Product Group Expected To Grow At Double Digit

INR Cr



Source: CEAMA and Frost and Sullivan

# 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

- Introduction of REF now completes the basket



## Brand Salience

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



# FINANCIAL HIGHLIGHTS

in millions of Rupee

	FY18	FY19	FY20	FY21	FY22	H1FY23
Net Revenue	81,385	100,677	94,292	104,279	138,885	78,991
Growth %	33%**	24%**	(6%)	11%	33%	36%
EBIDTA %	12.9%	11.8%	11.9%	15.0%	12.7%	8.2%
PBT % before exceptions	12.3%	11.4%	9.6%	13.7%	11.5%	7.3%
PAT % before exceptions*	8.6%	7.8%	7.8%	10.0%	8.6%	5.4%
CAPEX (incl. intangibles)	15,888	4,996	3,592	2,189	2,545	1,666
ROCE %	30%	30%	24%	29%	30%	26%
Net Worth	37,392	41,922	43,048	51,645	59,886	61,610
Net Working Capital	3,131	7,655	6,987	15,834	13,535	16,883
Cash & Bank	15,262	12,877	11,069	19,310	29,821	20,690

\* PAT for FY18 was 8.8% in both years including exceptional items

\*\* Ex-Lloyd excise adjusted growth in FY18 and FY19 was 13% and 22% respectively

Above financials based on standalone numbers

# GROWTH WITH RESPONSIBILITY

## Mid-day Meal Programs



60000 hot meals served everyday to students across 693 schools.

## Green Cover Programs



15 lakh saplings planted till date

## Sanitation Programs



4600 bio-toilets Installed till date

## Heritage Programs



First of its kind restoration project that is funded through CSR

**Ranked 7<sup>th</sup> by DJSI** in the global electrical equipment sector

# SUMMARY

- Havells taps into a vast, high priority electrical products in home construction, improvement and convenience segment
- With improvement in per capital income , there will be a greater discretionary spend towards premiumization, brand affinity and comfort
- Distribution penetration, its universality , product digitisation and business efficiency through technology will be key focus
- Native business acumen, market connect and ethics remain core values

**THANK YOU**