

19th January, 2023

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E)
Mumbai- 400 051

NSE Symbol : HAVELLS

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

Scrip Code : 517354

Sub: Information Update on the Unaudited Financial Results Q3 2022-23

Dear Sir,

In furtherance to the un-audited standalone and consolidated financial results of the Company viz. Havells India Limited already forwarded to the stock exchanges this day in compliance of Regulations 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, also please find enclosed herewith an information update on the financial results of the Company for the third quarter and nine-months ended 31st December, 2022.

The above is for your information and records.

Thanking you.

Yours faithfully,
for **Havells India Limited**

(Sanjay Kumar Gupta)
Company Secretary

Encl: as above

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Havells India Limited

Q3 FY23 {Quarter Ended December 31, 2022}

{Un-Audited Financial Results}



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(Havells India Standalone)

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Q3 FY23 (Quarter Ended December 31, 2022)

| | | | | |
|--------------------------------------|--------------------------------------|--|--|------------------------------------|
| 13% YoY Net Revenue Growth | 22% CAGR 3Y Revenue Growth | 10% EBITDA Margin Rs 424 crores | Rs 284 crores Profit After Tax | Rs 2,220 crores Net Cash |
|--------------------------------------|--------------------------------------|--|--|------------------------------------|

1. P&L Summary – Quarterly

| (In Rs crores) | Q3 FY23 | Q3 FY22 | YoY (%) | Q2 FY23 |
|-------------------------------------|--------------|--------------|-------------|--------------|
| Net Revenue (NR) | 4,120 | 3,652 | 13% | 3,669 |
| Contribution | 825 | 754 | 9% | 632 |
| as a % of NR | 20.0% | 20.7% | | 17.2% |
| Add: Depreciation / Amortization | 75 | 66 | | 72 |
| Less: Advertising & Sales Promotion | 128 | 100 | 27% | 87 |
| as a % of NR | 3.1% | 2.7% | | 2.4% |
| Less: Other SG&A | 348 | 280 | 24% | 330 |
| as a % of NR | 8.4% | 7.7% | | 9.0% |
| EBITDA | 424 | 440 | (4)% | 287 |
| as a % of NR | 10.3% | 12.1% | | 7.8% |
| Depreciation / Amortization | 75 | 66 | | 72 |
| Interest Expense | 7 | 12 | | 7 |
| Foreign Exchange gain/ (loss) | 8 | 16 | | 0 |
| Other Income | 32 | 33 | | 43 |
| Profit Before Tax | 382 | 411 | (7)% | 251 |
| as a % of NR | 9.3% | 11.2% | | 6.9% |
| Tax | 98 | 105 | | 65 |
| Net Profit | 284 | 306 | (7)% | 187 |
| as a % of NR | 6.9% | 8.4% | | 5.1% |
| Other Comprehensive Income/(Loss) | (1) | (1) | | (1) |
| Total Comprehensive Income | 283 | 305 | (7)% | 186 |

Results Summary:

- Revenue growth predominately volume driven
- Moderating consumer demand amidst retail inflation
- Margin improved sequentially with stability in RM prices in Q3
- Lloyd growth momentum maintained; however, margins remain under pressure owing to high-cost inventory and market competitiveness
- Accelerated investment on brand with spend of Rs 128 cr as against Rs 100 cr Q3 last year

2. Segment Wise – Quarterly

2.1 Revenue Analysis

| (In Rs crores) | Q3 FY23 | Q3 FY22 | YoY (%) | Q3 FY20 | 3Y CAGR (%) |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| Switchgears | 514 | 496 | 3.7% | 331 | 15.8% |
| Cable | 1,412 | 1,206 | 17.1% | 712 | 25.6% |
| Lighting & Fixtures | 420 | 408 | 3.0% | 276 | 15.0% |
| Electrical Cons. Durables | 935 | 893 | 4.7% | 536 | 20.4% |
| Others | 232 | 184 | 25.9% | 115 | 26.5% |
| Sub Total | 3,513 | 3,187 | 10.2% | 1,969 | 21.3% |
| Lloyd Consumer | 607 | 466 | 30.3% | 300 | 26.4% |
| Total | 4,120 | 3,652 | 12.8% | 2,270 | 22.0% |

- Subdued retail demand impacting consumer facing businesses
- B2B businesses supported by demand in Industrial & Infra
- Well-managed the transition of BEE Rating change in fans
- Encouraging channel pickup in Lloyd for the upcoming season

2.2 Contribution Margin* Analysis

| (In %) | Q3 FY23 | Q3 FY22 | Q2 FY23 |
|---------------------------|--------------|--------------|--------------|
| Switchgears | 38.0% | 39.8% | 38.0% |
| Cable | 15.9% | 14.1% | 9.5% |
| Lighting & Fixtures | 29.4% | 33.8% | 28.5% |
| Electrical Cons. Durables | 23.3% | 22.3% | 21.8% |
| Others | 17.8% | 18.7% | 17.6% |
| Sub Total | 22.8% | 23.2% | 19.6% |
| Lloyd Consumer | 3.7% | 3.6% | (1.7)% |
| Total | 20.0% | 20.7% | 17.2% |

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

- Cable margins recovered post liquidation of high-cost inventory
- Margin expansion across segments benefited with stability in RM prices in Q3
- Lloyd continues to hold high-cost inventory. Margins should further improve in Q4

2.3 Segment Results Analysis

| <i>(In Rs crores)</i> | Q3 FY23 | | Q3 FY22 | | Q2 FY23 | |
|---------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | Segment Results | % of NR | Segment Results | % of NR | Segment Results | % of NR |
| Switchgears | 127 | 24.7% | 145 | 29.3% | 122 | 25.0% |
| Cable | 163 | 11.5% | 126 | 10.4% | 86 | 6.3% |
| Lighting & Fixtures | 53 | 12.7% | 87 | 21.3% | 57 | 14.4% |
| Electrical Cons. Durables | 123 | 13.1% | 114 | 12.7% | 90 | 11.6% |
| Others | 7 | 3.1% | 5 | 2.5% | 4 | 1.7% |
| Sub Total | 473 | 13.5% | 476 | 14.9% | 359 | 11.0% |
| Lloyd Consumer | (60) | (9.8)% | (42) | (9.0)% | (83) | (20.1)% |
| Total | 413 | 10.0% | 434 | 11.9% | 276 | 7.5% |
| Finance Cost | (7) | (0.2)% | (12) | (0.3)% | (7) | (0.2)% |
| Unallocable Expenses | (64) | (1.6)% | (60) | (1.6)% | (61) | (1.7)% |
| Unallocable Income | 40 | 1.0% | 49 | 1.3% | 43 | 1.2% |
| Profit Before Tax | 382 | 9.3% | 411 | 11.2% | 251 | 6.9% |

3. P&L Summary – Nine Months

| <i>(In Rs crores)</i> | 9M FY23 | 9M FY22 | YoY (%) |
|-------------------------------------|---------------|--------------|--------------|
| Net Revenue (NR) | 12,019 | 9,471 | 27% |
| Contribution | 2,183 | 2,007 | 9% |
| <i>as a % of NR</i> | 18.2% | 21.2% | |
| Add: Depreciation / Amortization | 219 | 190 | |
| Less: Advertising & Sales Promotion | 328 | 178 | 84% |
| <i>as a % of NR</i> | 2.7% | 1.9% | |
| Less: Other SG&A | 1,002 | 783 | 28% |
| <i>as a % of NR</i> | 8.3% | 8.3% | |
| EBITDA | 1,072 | 1,237 | (13)% |
| <i>as a % of NR</i> | 8.9% | 13.1% | |
| Depreciation / Amortization | 219 | 190 | |
| Interest Expense | 24 | 34 | |
| Foreign Exchange gain/ (loss) | 7 | 31 | |
| Other Income | 123 | 85 | |
| Profit Before Tax | 960 | 1,129 | (15)% |
| <i>as a % of NR</i> | 8.0% | 11.9% | |
| Tax | 247 | 287 | |
| Net Profit | 713 | 842 | (15)% |
| <i>as a % of NR</i> | 5.9% | 8.9% | |
| Other Comprehensive Income/(Loss) | (3) | (3) | |
| Total Comprehensive Income | 711 | 839 | (15)% |

4. Segment Wise – Nine Months

4.1 Revenue Analysis

| (In Rs crores) | 9M FY23 | 9M FY22 | YoY (%) |
|---------------------------|---------------|--------------|--------------|
| Switchgears | 1,519 | 1,312 | 15.7% |
| Cable | 3,964 | 3,157 | 25.6% |
| Lighting & Fixtures | 1,188 | 971 | 22.3% |
| Electrical Cons. Durables | 2,546 | 2,197 | 15.9% |
| Others | 697 | 533 | 30.8% |
| Sub Total | 9,914 | 8,170 | 21.3% |
| Lloyd Consumer | 2,105 | 1,301 | 61.7% |
| Total | 12,019 | 9,471 | 26.9% |

4.2 Contribution Margin* Analysis

| (In %) | 9M FY23 | 9M FY22 |
|---------------------------|--------------|--------------|
| Switchgears | 37.9% | 39.0% |
| Cable | 12.1% | 14.8% |
| Lighting & Fixtures | 29.1% | 32.6% |
| Electrical Cons. Durables | 23.1% | 22.8% |
| Others | 17.9% | 20.0% |
| Sub Total | 21.3% | 23.3% |
| Lloyd Consumer | 3.3% | 8.1% |
| Total | 18.2% | 21.2% |

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

4.3 Segment Results Analysis

| (In Rs crores) | 9M FY23 | | 9M FY22 | |
|---------------------------|-----------------|--------------|-----------------|--------------|
| | Segment Results | % of NR | Segment Results | % of NR |
| Switchgears | 384 | 25.3% | 368 | 28.0% |
| Cable | 336 | 8.5% | 367 | 11.6% |
| Lighting & Fixtures | 171 | 14.4% | 196 | 20.2% |
| Electrical Cons. Durables | 323 | 12.7% | 307 | 14.0% |
| Others | 23 | 3.4% | 30 | 5.7% |
| Sub Total | 1,238 | 12.5% | 1,268 | 15.5% |
| Lloyd Consumer | (199) | (9.4)% | (50) | (3.8)% |
| Total | 1,039 | 8.6% | 1,219 | 12.9% |
| Finance Cost | (24) | (0.2)% | (34) | (0.4)% |
| Unallocable Expenses | (186) | (1.5)% | (172) | (1.8)% |
| Unallocable Income | 130 | 1.1% | 116 | 1.2% |
| Profit Before Tax | 960 | 8.0% | 1,129 | 11.9% |

5. Balance Sheet

| (In Rs crores) | Dec'22 (Un-audited) | Mar'22 (Audited) |
|---|---------------------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 1,978 | 2,021 |
| Capital work in progress | 270 | 57 |
| Goodwill | 310 | 310 |
| Other intangible assets | 1,087 | 1,102 |
| Intangible assets under development | 1 | 0 |
| Investment in subsidiaries | 0 | 2 |
| Contract assets | 29 | 39 |
| Financial assets | | |
| (i) Investments | 20 | 273 |
| (ii) Trade receivables | 2 | 3 |
| (iii) Other financial assets | 34 | 42 |
| Other non-current assets | 95 | 43 |
| Non current tax assets (net) | 27 | 27 |
| Total Non current Assets | 3,854 | 3,918 |
| Current assets | | |
| Inventories | 3,652 | 2,968 |
| Contract assets | 24 | 27 |
| Financial assets | | |
| (i) Investments | 179 | 153 |
| (ii) Trade receivables | 661 | 765 |
| (iii) Cash and cash equivalents | 786 | 764 |
| (iv) Bank balances other than (iii) above | 1,252 | 1,772 |
| (v) Other financial assets | 133 | 30 |
| Other current assets | 145 | 108 |
| Total Current assets | 6,833 | 6,587 |
| Assets classified as held for sale | 1 | 1 |
| Total assets | 10,688 | 10,505 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 63 | 63 |
| Other equity | 6,383 | 5,926 |
| Total equity | 6,445 | 5,989 |
| Liabilities | | |
| Non-current liabilities | | |
| Contract liabilities | 4 | 5 |
| Financial liabilities | | |
| (i) Borrowings | - | 273 |
| (ii) Lease liabilities | 175 | 179 |
| (iii) Other financial liabilities | 4 | 4 |
| Provisions | 120 | 76 |
| Deferred tax liabilities (Net) | 357 | 351 |
| Total Non Current Liabilities | 659 | 887 |
| Current liabilities | | |
| Contract liabilities | 24 | 17 |
| Financial liabilities | | |
| (i) Borrowings | - | 123 |
| (ii) Lease liabilities | 36 | 42 |
| (iii) Trade payables | | |
| a) Total outstanding dues of micro enterprise and small enterprises; | 138 | 114 |
| b) Total outstanding dues of creditors other than micro & small enterprises | 2,281 | 2,265 |
| (iv) Other financial liabilities | 693 | 525 |
| Other current liabilities | 143 | 227 |
| Provisions | 243 | 253 |
| Current tax liabilities (net) | 26 | 63 |
| Total Current Liabilities | 3,584 | 3,629 |
| Total equity and liabilities | 10,688 | 10,505 |

- Inventory increase mainly attributed to build up for AC season
- Other current financial assets include Rs 107 cr relating to insurance claim receivable for lighting plant
- Borrowings fully repaid during the year

6. Cash Flow

| <i>(In Rs crores)</i> | YTD FY23 | FY22 |
|--|--------------|--------------|
| PBT | 960 | 1,604 |
| Depreciation | 219 | 261 |
| Others | (63) | (40) |
| Working Capital Changes | (596) | 342 |
| Taxes Paid | (277) | (414) |
| Operating Net Cash Flow (A) | 243 | 1,753 |
| Capex | (369) | (255) |
| Others | 66 | 100 |
| Net Cash Flow from Investing Act. (B) | (303) | (154) |
| Dividends paid | (282) | (407) |
| Net borrowings availed/(repaid) | (394) | (97) |
| Others | (26) | (43) |
| Net Cash Flow from Financing Act. (C) | (702) | (547) |
| Net Cash Flow (A+B+C) | (762) | 1,051 |
| Cash & Cash Equivalent at beginning | 2,982 | 1,931 |
| Cash & Cash Equivalent at end | 2,220 | 2,982 |

* Cash & Cash Equivalent includes bank deposits also

- Working capital outgo mainly on account of increase in inventory
- Capex includes Rs 236 crores towards new Air conditioner project in Sricity, Andhra Pradesh

7. Net Cash

| <i>(In Rs crores)</i> | As of 31-Dec-22 | As of 31-Mar-22 |
|----------------------------|-----------------|-----------------|
| Short Term Debt* | - | 123 |
| Long Term Debt | - | 273 |
| Total Debt | - | 396 |
| Less: Cash and Investments | 2,220 | 2,982 |
| Net Cash | 2,220 | 2,586 |

*Including Current maturity of Long-Term loan

8. Financial Ratios

| | Q3 FY23 | Q3 FY22 | Q2 FY23 |
|------------------------------------|-----------|-----------|-----------|
| Profitability | | | |
| OPM % {EBIDTA/NR} | 10.3% | 12.1% | 7.8% |
| RONW % {PAT TTM / Avg. NW} | 17.2% | 21.1% | 18.1% |
| ROCE % {EBIDTA TTM / Avg. CE} | 25.0% | 29.7% | 25.7% |
| Liquidity | | | |
| Current Ratio {CA/CL} | 1.9 | 1.8 | 1.9 |
| Debtor Days {Debtors/NR} | 15 | 14 | 14 |
| Inventory Days {Inventories/NR} | 81 | 74 | 88 |
| Creditor Days {Creditors/NR} | 54 | 51 | 60 |
| Net working capital days* | 42 | 37 | 42 |

*based on quarterly 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 January 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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