AN EVOLVING JOURNEY

1958
Commenced Business in Delhi

1971
Acquired ‘Havells’ Brand

1993
Got listed on Stock Exchange

2003
* Launched Fans & Lighting
* Set up plants for Switchgears, Fans & CFLs

2007
Acquired global business of ‘Sylvania’

2015
* Divestment of ‘Sylvania’
* Focus on domestic expansion

2017
Acquisition of ‘Lloyd’ consumer durable business
CONSISTENT DELIVERY

Financial performance

- Revenue
- EBITDA
- Net Worth
- PBT
- PAT

~30% CAGR since listing

Market capitalization

~38% CAGR since listing
KEY MILESTONES

- Leverage channel by expanding product portfolio
  - Industrial to a consumer company

- Manufacturing
  - Large scale manufacturing with high standards of quality assurance
  - ~90% in-house

- National Advertising and uniform discounting
  - Disproportionate ad spend on 'non-consumer' products

- Mass to 'mass premium'
  - Steady premiumisation

- Acquisition of Sylvania and pragmatic exit
  - Changing industry dynamics and capital allocation

- Lloyd Acquisition
  - Entry into high potential Large Consumer Durables
  - Aligned with ‘Deeper into Homes’
MOVING AHEAD

DEEPER INTO HOMES

- 20 Product verticals
- Serving ~70% electric sockets
Expanding Consumer Funnel

Electricals
Size: ~ Rs. 45,000 crores
CAGR (2018-23): ~12%

Home Appliances
Size: ~ Rs. 70,000 crores
CAGR (2018-23): ~15%
SEGMENTS

Revenue Mix (FY19)

- Switchgears: 17%
- Cables: 32%
- Lighting & Fixtures: 13%
- Electrical Consumer & Durables: 20%
- Lloyd: 18%

Contribution Margin Mix (FY19)

- Switchgears: 27%
- Cables: 22%
- Lighting & Fixtures: 16%
- Electrical Consumer & Durables: 22%
- Lloyd: 13%
**Favourable Macro Levers**

**Urbanization**
To be 40% by 2030 from 34% currently
Investment on infrastructure and housing will be key focus area

**Electrification**
High degree of focus on electrification, electrification now reaching semi urban and rural

**Aspirational shift for brands**
Consumer preference accelerating for branded products
Regulatory measures viz GST narrowing gap with unorganised sector

**Young Demography**
Growing middle class across urban, semi urban.
Nuclearization of families, better standard of living and global exposure
HAVELLS ELECTRICAL
# Market Share: Top 3 Across Categories

<table>
<thead>
<tr>
<th>Product</th>
<th>Indicative Market Size (Rs. in crores)</th>
<th>Indicative Market Share</th>
<th>Indicative Rank</th>
<th>Organized Penetration Level</th>
<th>Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switchgears</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MCB</td>
<td>2,900</td>
<td>~18%</td>
<td># 1-2</td>
<td>High</td>
<td>Legrand, Schneider</td>
</tr>
<tr>
<td>Switches*</td>
<td>4,500</td>
<td>~12-13%</td>
<td># 3</td>
<td>Medium</td>
<td>Panasonic (Anchor), Legrand</td>
</tr>
<tr>
<td>Cable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>10,000</td>
<td>~16%</td>
<td># 3</td>
<td>Low</td>
<td>Finolex, Polycab</td>
</tr>
<tr>
<td>Industrial</td>
<td>15,000</td>
<td>~10-11%</td>
<td># 3</td>
<td>Medium</td>
<td>Polycab, KEI</td>
</tr>
<tr>
<td>LED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lighting &amp; Fixtures</td>
<td>10,000</td>
<td>~12-15%</td>
<td># 2-4</td>
<td>Medium</td>
<td>Philips, Wipro, Crompton, Bajaj</td>
</tr>
<tr>
<td>Fans</td>
<td>7,500</td>
<td>~19%</td>
<td># 2</td>
<td>High</td>
<td>Crompton, Usha, Orient</td>
</tr>
<tr>
<td>Water Heaters</td>
<td>1,700</td>
<td>~19%</td>
<td># 1</td>
<td>Medium</td>
<td>Racold, AO Smith</td>
</tr>
<tr>
<td>Other Appliances</td>
<td>5,000</td>
<td>~6%</td>
<td>#3-4</td>
<td>Medium</td>
<td>Bajaj, Philips</td>
</tr>
</tbody>
</table>

* Modular plate switches
CONSISTENT NEW PRODUCT INTRODUCTIONS

2012: Water Heaters

2013: Domestic Appliances and Pumps

2016: Air Coolers

2017: Water Purification and Personal Grooming
**CHANNEL EXPANSION - DEEPER PENETRATION**

Proximity to Consumer – Transition towards Rural & Semi-Urban Cities

- Havells’ major penetration is in Metro, Tier I & II Towns
- Rural sector and Tier III & below towns key penetration opportunity

**TOWN PENETRATION – 25K ABOVE POPULATION**

<table>
<thead>
<tr>
<th>Current</th>
<th>Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1147</td>
<td>2283</td>
</tr>
</tbody>
</table>

**RETAILER - COUNT**

- ~9,000 Direct Dealers
- ~130,000 Retailers
- ~250,000 Electricians
CHANNEL EXPANSION

- Grow inclusively:
  - MBOs
  - Brand stores
  - Organized retail chains
  - Canteen Stores
  - Projects & Enterprise Business
  - E-commerce

Largest Brand Shop channel in electrical industry

Brand Shops - 550
District Presence
Business Contribution
(Ex Cable)

- 433 Havells Galaxy
- 77 Havells Gallery
- 40 Standard Gallery

Total 723 Presence in 297
20%
RESEARCH AND DEVELOPMENT

- Fast catcher to thought leadership
- R&D spend to increase from 1% to 3% of net revenue
- Intelligent hardware, embedded software
- Products to solution

First Mover
Self development from ground zero (2000-2015)

Fast Follower

JVs and alliances (Upto 1990s)

Trend Setter
Develop solutions (2015 onwards)

IOT Smart Homes
# High Growth Potential Industry

## Low Penetration

<table>
<thead>
<tr>
<th>Product Group</th>
<th>Growth Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colour Television</td>
<td>~65%</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>~33%</td>
</tr>
<tr>
<td>Washing Machines</td>
<td>~12%</td>
</tr>
<tr>
<td>Room Air Conditioner</td>
<td>&gt;5%</td>
</tr>
</tbody>
</table>

## Each Product Group Expected To Grow At Double Digit

<table>
<thead>
<tr>
<th>Product Group</th>
<th>2019</th>
<th>2025E</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washing Machines</td>
<td>9,500</td>
<td>15,900</td>
<td>10%</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>18,900</td>
<td>33,600</td>
<td>10%</td>
</tr>
<tr>
<td>Room Air Conditioner</td>
<td>16,300</td>
<td>37,600</td>
<td>15%</td>
</tr>
<tr>
<td>Colour Television</td>
<td>24,500</td>
<td>45,800</td>
<td>11%</td>
</tr>
</tbody>
</table>

### Source:
CEAMA and Frost and Sullivan
MASS PREMIUM POSITIONING

Air Conditioner Market in India

Key Players
- Johnson Controls
- Hitachi
- Daikin

Other Players
- Mitsubishi
- Trane
- General Electric
- Carrier
- Whirlpool
- LG
- Samsung

LED TV Market in India

Key Players
- Samsung
- Sony
- LG
- Panasonic
- Haier

Other Players
- Sharp
- Toshiba
- Videocon
- Intec
- Electrolux
- Intex
- Onida
- Kelvinator
- BPL

Economy
- Mass-Premium
- Premium
LLOYD WELL PLACED IN CONSUMER DURABLES MARKET

- **FY19 Gross sales of c.INR 2,000 Cr**
- **Gained 10% share in AC segment of India in ~ 7 years**
- **Gained 3% share in LED TV segment of India in ~ 5 years**
- **Among top three AC players in the country**
- **Innovative and aggressive in brand building initiatives, created a strong connect**
- **600+ Service centers pan India**
- **6 decades of brand vintage in AC segment**
- **10,000+ Display points pan India**
- **Presence across 450+ cities**
LLOYD - AN EVOLVING JOURNEY

- An exciting 2 years journey
- Favourable demand demographics to drive long term industry growth
- Investing behind brand, manufacturing, people and distribution to extend Lloyd positioning
- Leveraging Havells connect and trust
- Industry headwinds and disruptions in last year. Doesn’t diminish medium term outlook
FINANCIALS
## STANDALONE FINANCIALS

### Financial highlights

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>H1 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>61,353</td>
<td>81,385</td>
<td>100,576</td>
<td>49,423</td>
</tr>
<tr>
<td>Growth %</td>
<td>14%</td>
<td>33%**</td>
<td>24%**</td>
<td>3%**</td>
</tr>
<tr>
<td>EBIDTA %</td>
<td>13.4%</td>
<td>12.9%</td>
<td>11.9%</td>
<td>10.5%</td>
</tr>
<tr>
<td>PBT % before exceptions</td>
<td>13.5%</td>
<td>12.3%</td>
<td>11.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td>PAT % before exceptions*</td>
<td>9.7%</td>
<td>8.6%</td>
<td>7.9%</td>
<td>8.1%</td>
</tr>
<tr>
<td>CAPEX (incl. intangibles)</td>
<td>2,386</td>
<td>15,888</td>
<td>5,009</td>
<td>2,610</td>
</tr>
<tr>
<td>ROCE %</td>
<td>27%</td>
<td>30%</td>
<td>30%</td>
<td>27%</td>
</tr>
<tr>
<td>Net Worth</td>
<td>32,736</td>
<td>37,392</td>
<td>42,425</td>
<td>42,797</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>5,274</td>
<td>3,131</td>
<td>7,625</td>
<td>10,255</td>
</tr>
<tr>
<td>Cash &amp; Bank</td>
<td>19,375</td>
<td>15,262</td>
<td>12,848</td>
<td>7,920</td>
</tr>
</tbody>
</table>

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* PAT for FY18 and FY17 was 8.8% in both years including exceptional items

** Ex-Lloyd excise adjusted growth in FY18, FY19 and H1 FY20 was 13%, 23% and 8% respectively
GROWTH WITH RESPONSIBILITY

Havells Mid-Day Meals Program
Serving 60,000+ students daily

Sanitation
Built over 4,000 bio-toilets in 400+ schools

DOW JONES SUSTAINABILITY INDEX-2019

<table>
<thead>
<tr>
<th>Overall Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
</tbody>
</table>

Ranked 6th globally in the Electrical Components & Equipment Industry

SUSTAINABILITY

10 of 13 manufacturing plants are zero water discharge

Generated 6% of clean energy from roof top plants

Energy intensity reduced by 41% from FY16 to FY19

94% of waste recycled / reused

GHG emission intensity reduced by 40% from FY16 to FY19

HAVELLS
**BENCHMARKING WITH THE BEST CORPORATE, FINANCIAL AND SHAREHOLDERS GOVERNANCE**

- Promoters - single business focus
- Transparent and detailed communication to shareholders
- Committed to high standards of corporate and shareholder governance

**Shareholding Pattern As on 30.09.2019**

- Promoters, 59.52%
- FIIs, 26.29%
- Mutual Funds, 12.00%
- Others, 0.01%

- Corporate Governance CGR 2+ rating by CARE
- Maintaining dividend pay-out of ~43%, stated policy of 30% to 50%

**EPS, DPS & Dividend Payout Ratio**

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS- adjusted for bonus issue/ split (Rs.) and exceptional items</td>
<td>4.9</td>
<td>12.7</td>
</tr>
<tr>
<td>Dividend Per Share (Rs.)</td>
<td>1.3</td>
<td>4.5</td>
</tr>
<tr>
<td>Dividend payout ratio</td>
<td>31%</td>
<td>43%</td>
</tr>
</tbody>
</table>

- EPS- adjusted for bonus issue/ split (Rs.) and exceptional items
- Dividend Per Share (Rs.)
- Dividend payout ratio

0% 10% 20% 30% 40% 50%
SUMMARY

- India represents large untapped opportunity with lower penetration, higher unorganized sector & growing electrification.

- Havells preparing for future with constant products expansion, deepening market reach & brand reinforcement.

- Organic leverage with opportunistic acquisition to drive growth.

- Strengthening management bandwidth to lead ambitious growth plan.

- Native business acumen, market connect and ethics remain core values.
India: Electrified By Havells