

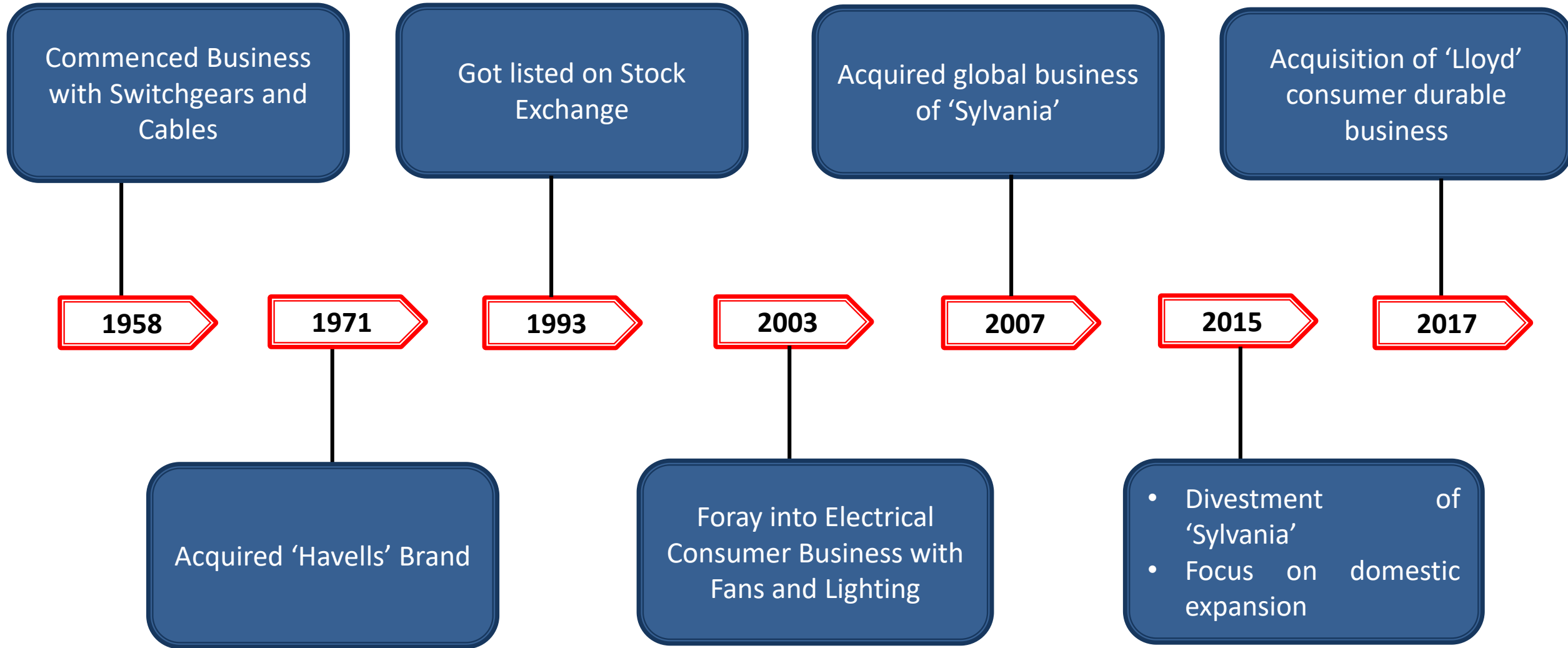


HAVELLS



HAVELLS INDIA LIMITED

AN EVOLVING JOURNEY



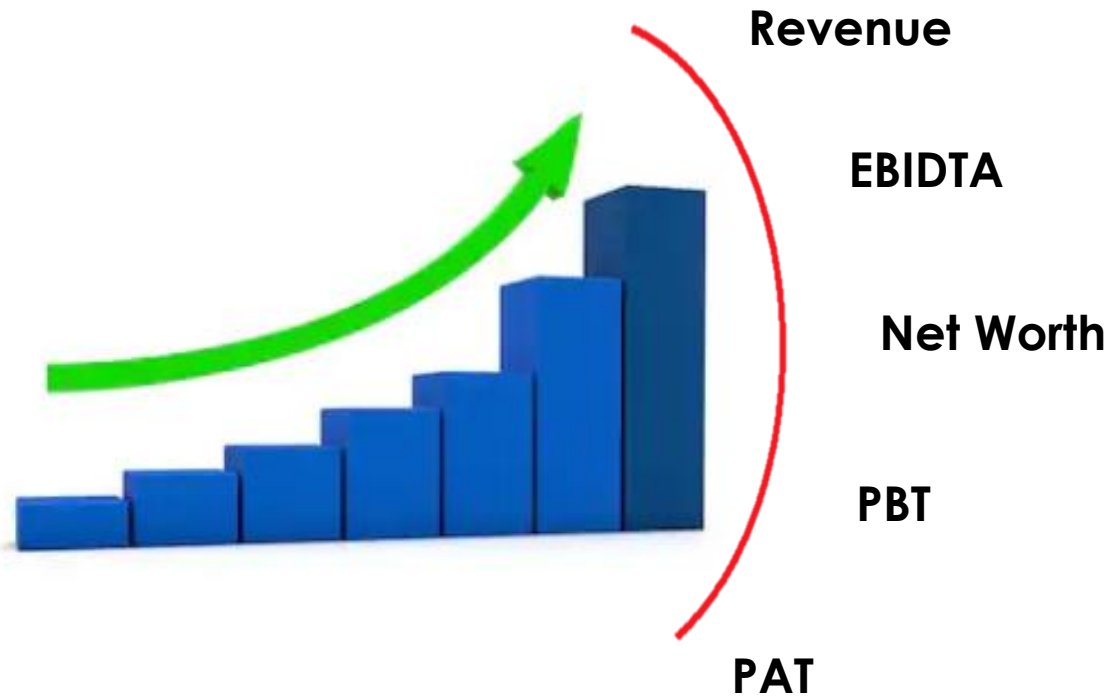
KEY MILESTONES

- **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'



CONSISTENT DELIVERY

Financial performance



➤ Growth during last 20 years:

✓ Revenue- 103x

✓ Profit- 221x

✓ Asset base- 215x

➤ Deb free- net cash positive

GROWTH WITH RESPONSIBILITY

Havells Mid-Day Meals Program



Serving 60,000+ students daily

Sanitation



Built over 4,000 bio-toilets in 450+ schools

DOW JONES SUSTAINABILITY INDEX-2019

Overall Ranking	
Rank	Company
1	Signify NV
2	Prysmian SpA
3	Schneider Electric SE
4	Osram Licht AG
5	Legrand SA
6	Havells India Limited

Ranked 6th globally in the Electrical Components & Equipment Industry

SUSTAINABILITY



Tree plantation: 6.5 lacs tree planted covering ~260 hectares of area



12 manufacturing plants are zero water discharge



Energy intensity reduced by 37% from FY16 to FY20



93% of waste recycled / reused



GHG emission intensity reduced by 37% from FY16 to FY20

HAVELLS

BENCHMARKING WITH THE BEST CORPORATE AND SHAREHOLDERS GOVERNANCE

- Committed to high standards of corporate governance
- Well experienced and diversified professional Board
- Promoters- single business focus
- Transparent and detailed communication to shareholders

PRUDENT FINANCIAL MANAGEMENT

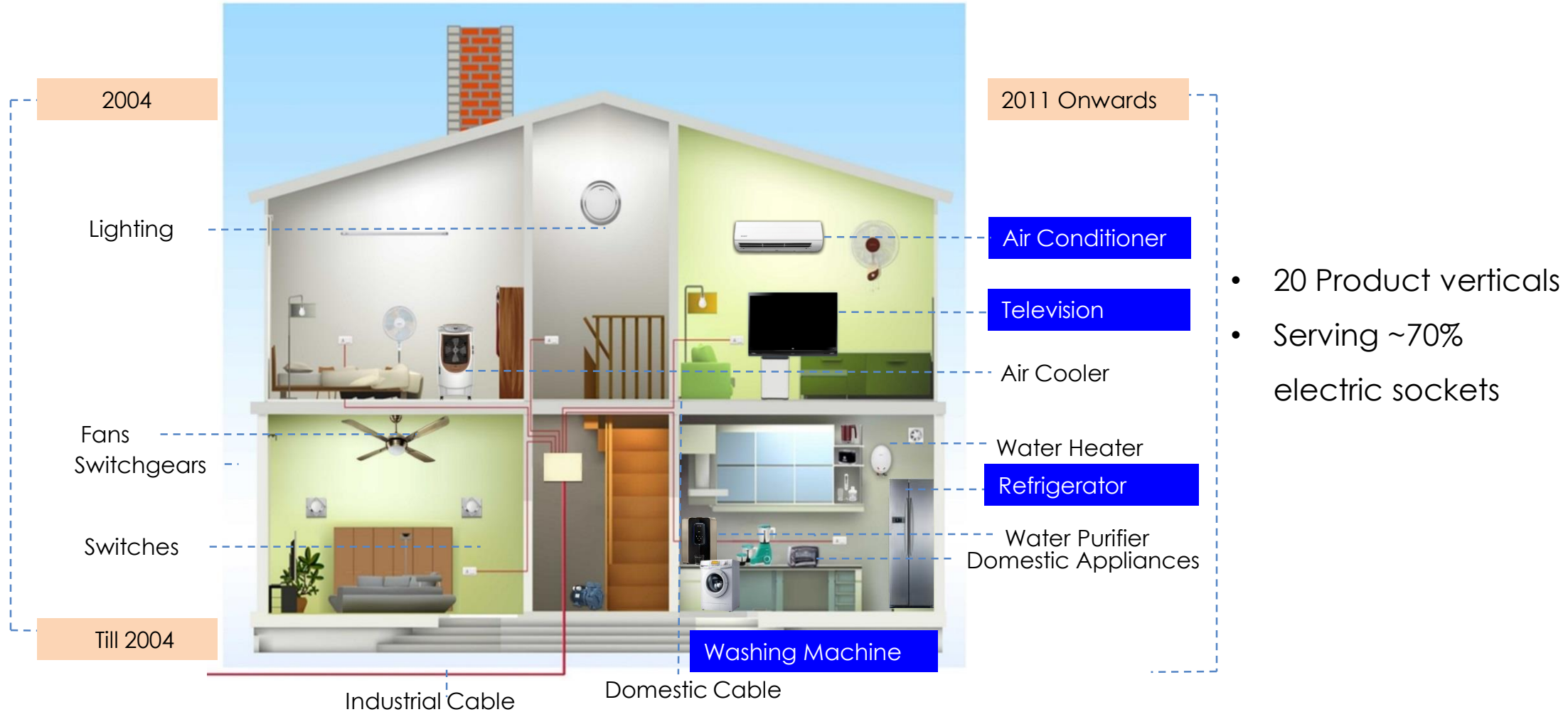
Capital allocation strategy:

- Investing in organic growth
- Open to value-creating acquisition with brand and distribution focus
- Return to shareholder
 - Consistent dividend payout of ~43%
 - Returned Rs. 16 billion to shareholders in last 5 years as dividend

Maintaining investment grade Balance Sheet:

- Lean balance sheet accommodating growth and acquisition
- Net cash positive
- Rated **AAA** for long-term facilities and **A1+** for short-term facilities by CARE

MOVING AHEAD



DEEPER INTO HOMES

WIDEST CONSUMER OFFERING

Electricals

Industry size: ~ Rs. 45,000 cr.
CAGR (2019-25): ~12%

Home Appliances

Industry size: ~ Rs. 70,000 cr.
CAGR (2019-25): ~15%



SEGMENTS

Revenue Mix (FY20)

Switchgears



16%

Cables



32%

Lighting & Fixtures



12%

Electrical Consumer & Durables



23%

Lloyd



17%

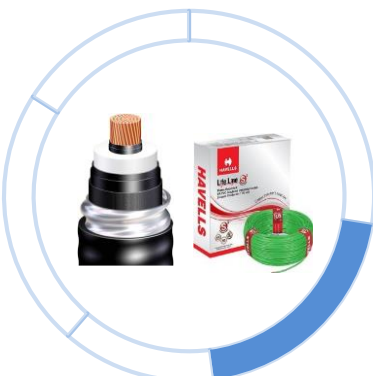
Contribution Margin Mix (FY20)

Switchgears



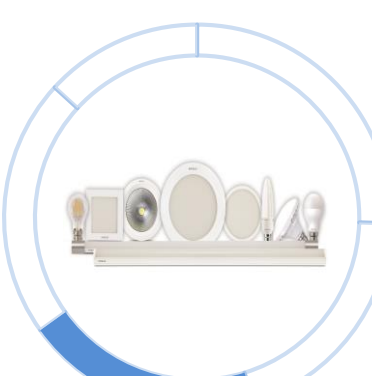
27%

Cables



23%

Lighting & Fixtures



15%

Electrical Consumer & Durables











27%

Lloyd



8%

MARKET SHARE: TOP 3 ACROSS CATEGORIES

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

* Modular plate switches

RECENT TRENDS AND OUR RESPONSE

EXTERNAL HEADWINDS

- Economic activities remained soft
- Multi-year low GDP growth rate
- Persistent Liquidity issues faced by trade
- Weakness in investment and consumption sentiment
- Sluggish activity in construction and capital goods sector

INTERNAL INITIATIVES

- Aggressive channel expansion
- Cost rationalisation
- Venturing in semi-urban and rural markets
- Exploring export opportunities- new markets and products
- Continued investment in Research & Development and production capacities

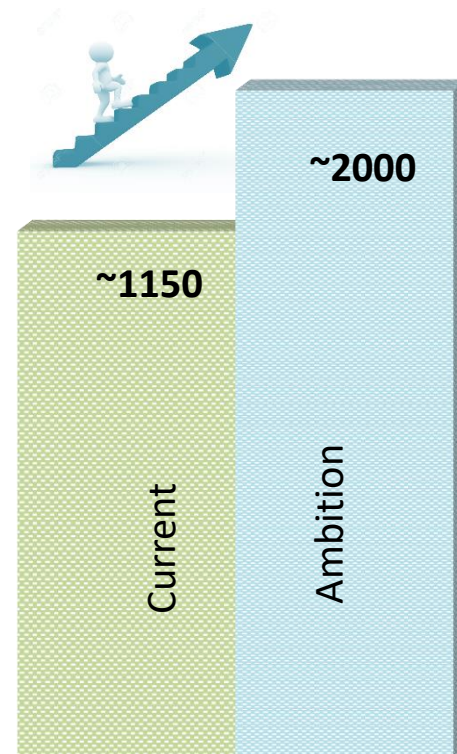
KEY LEVERS

- **Distribution**
- **Product extension and expansion**
- **Digitization**
- **Research & Development**

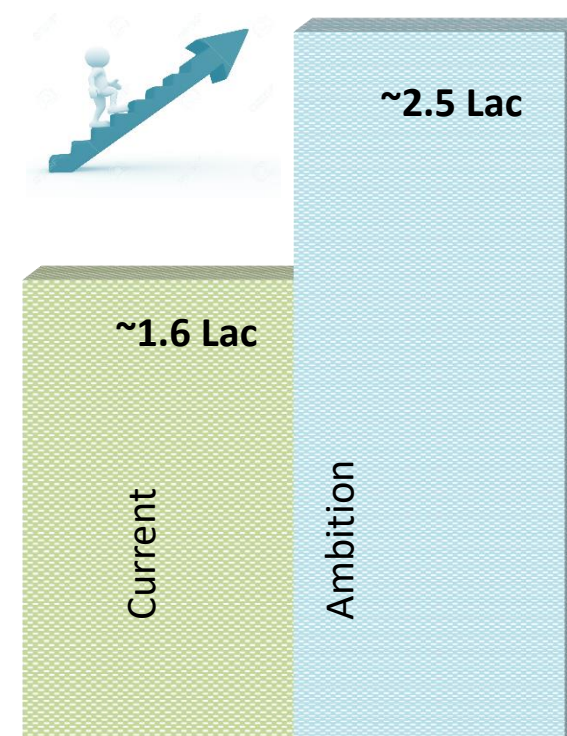
DISTRIBUTION: DEEPER PENETRATION

Proximity to Consumer

TOWN PENETRATION



RETAILER - COUNT



~11,200

Direct Dealers

~160,000

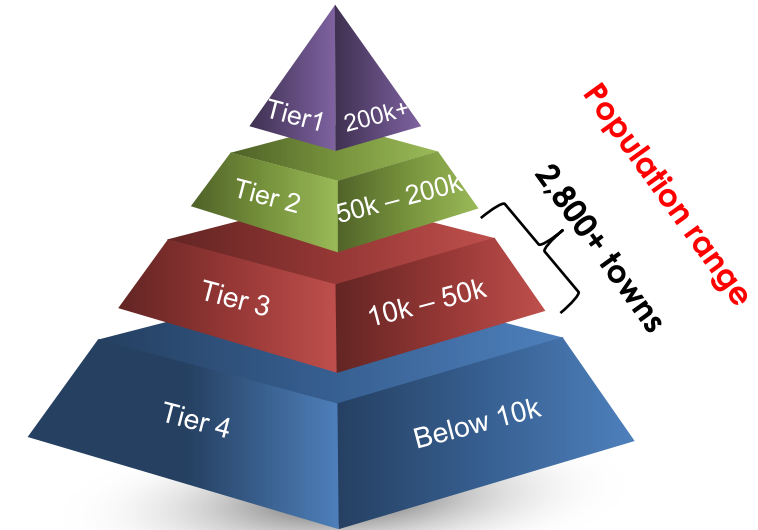
Retailers

~250,000

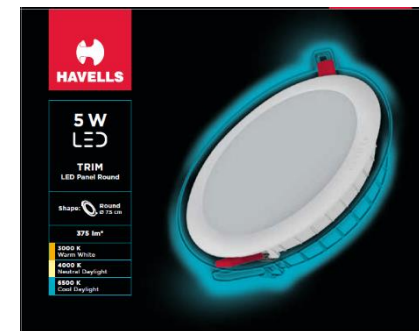
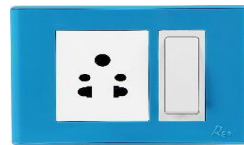
Electricians

DISTRIBUTION: RURAL- UNTAPPED OPPORTUNITY

- Opportunity to tap demand created by improved electricity penetration in semi-urban territories
- Identified 2,800+ towns with population range of 10K-50K, covered 1,800 towns by now
- Catering through basic products like switches, MCBs, Lighting and Wires
- Plan to expand product offering



Present portfolio for semi-urban / rural markets

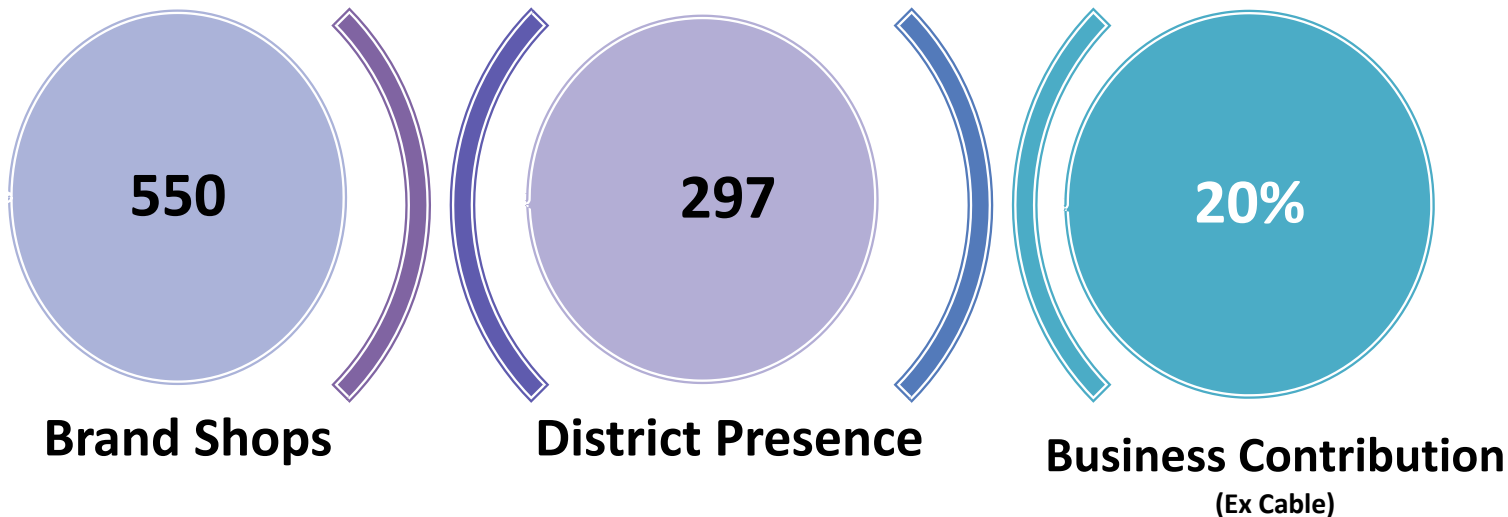


DISTRIBUTION: MULTI CHANNEL

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



Largest Brand Shop channel in electrical industry



HAVELLS

CONSISTENT NEW PRODUCT INTRODUCTIONS

2012: Water Heaters



2013: Domestic Appliances and Pumps



2016: Air Coolers



2017: Water Purification and Personal Grooming



SERVED WITH REGULAR FRESH LAUNCHES

STEALTH
UNDERLIGHT



Stealth Underlight Ceiling Fan: Silent and Dust Free

FEEL THE POWER OF
SILENCE



Mixer Grinder Sonido I: Low noise with digital display



Oil Filled Radiator



Aindrila: India's first pedestal and wall fan with square guard and embedded LED Lighting



Digiplus Alkaline: 100% RO & UV



Lloyd Grande': Heavy-Duty AC

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DIGITIZATION: SALES PROCESS

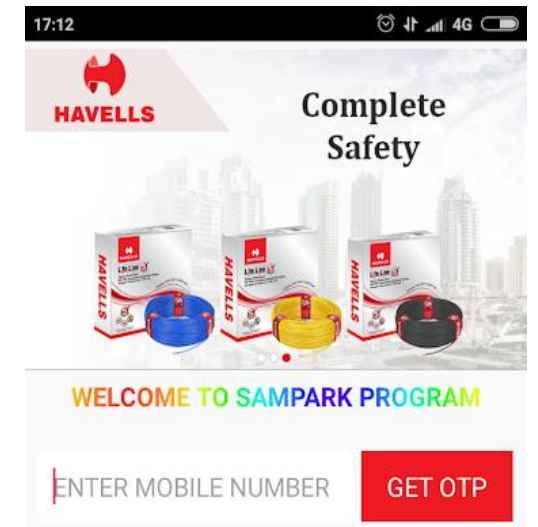
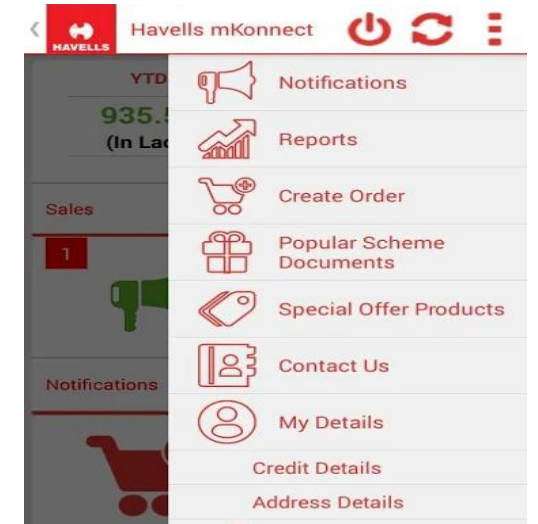
Distribution
Management
System (DMS)

- Mini ERP solution for dealers
- Helps real-time monitoring of payables, settlement of schemes, better inventory management, ensuring **'Peace of Mind'** to channel partners

mKconnect:
Dealer App

- Mobile-based two-way communication platform
- Enabling dealers and distributors to place orders from the ease of their shops, this has been effective in creating 80% of revenue being booked through this portal

- Digital platform for retailers, 150K+ retailers registered with Company
- Features includes instant redemption of points, DBT, real-time info updates etc.

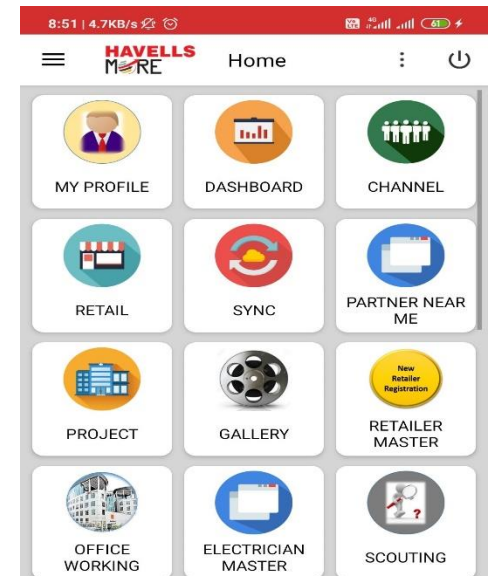
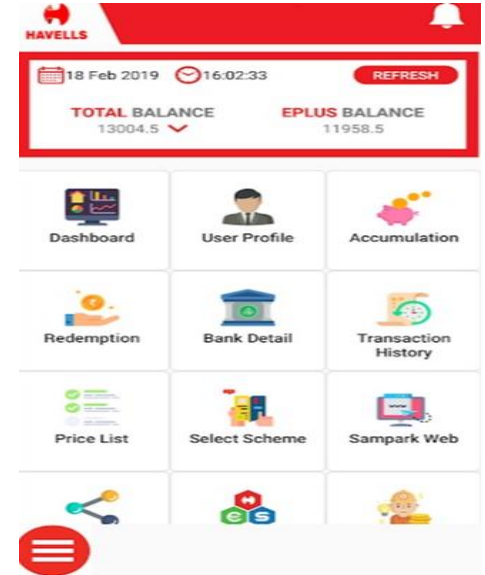


HAVELLS

SAMPARK

DIGITIZATION: SALES PROCESS

- Mobile-app based electrician loyalty program, 80K+ registered electricians
- Incentivizing through direct bank transfer with access to pricelist, transaction history and details of applicable schemes
- In-house developed mobile application making sales force more informed and effective
- Facilitates geo-tagging of sales team and retailer registration enabling 360-degree channel visibility



Sales Force
Automation
(SFA)

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

LLOYD

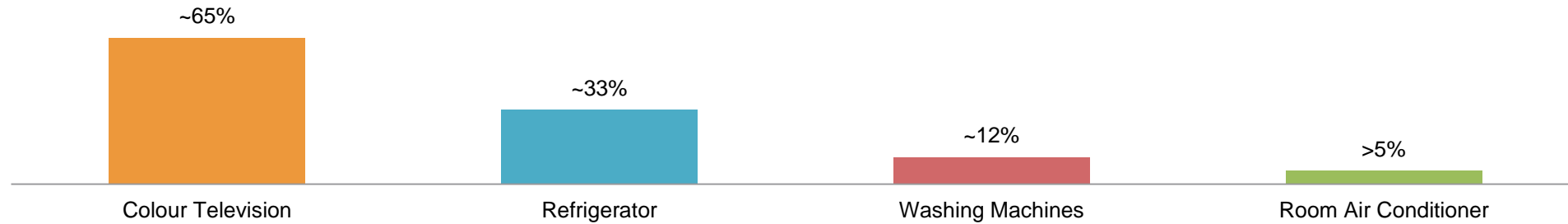
A full stack consumer appliances play



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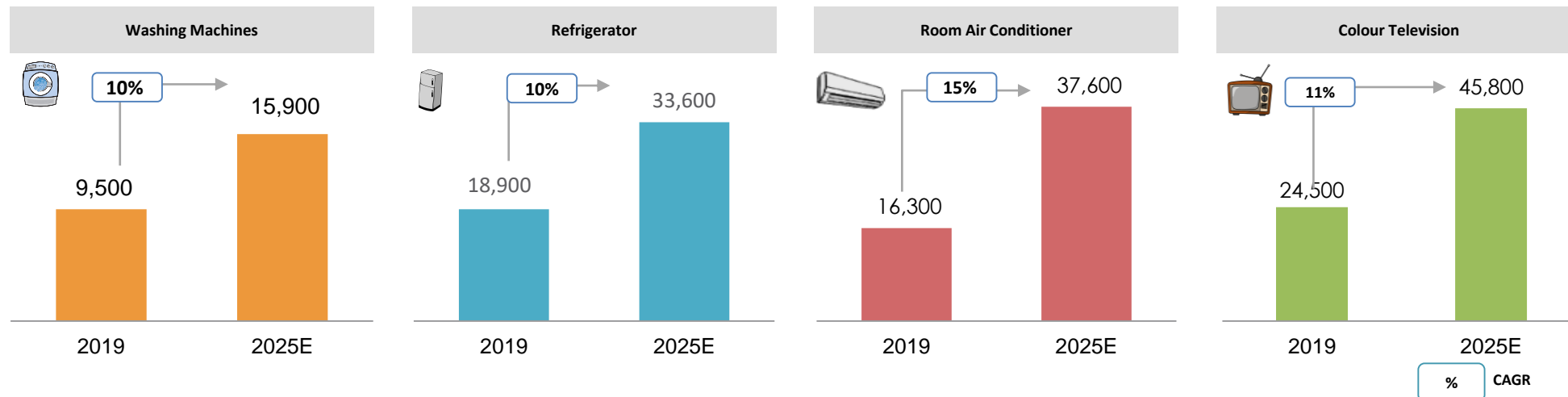
HIGH GROWTH POTENTIAL INDUSTRY

• Low Penetration



• Each Product Group Expected To Grow At Double Digit

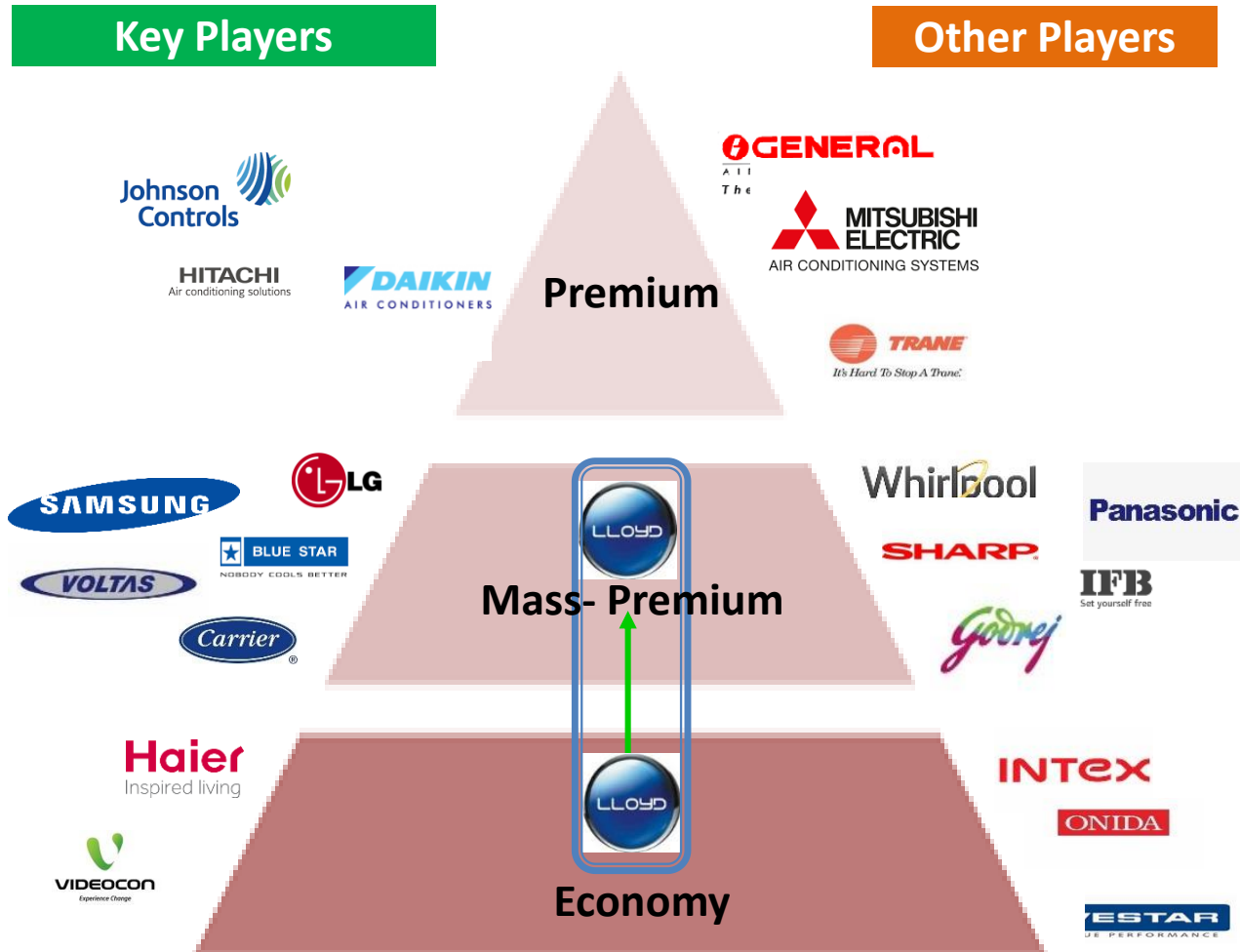
INR Cr



Source: CEAMA and Frost and Sullivan

MASS PREMIUM POSITIONING

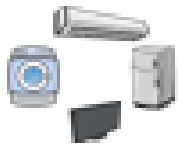
Air Conditioner Market in India



LLOYD: WELL PLACED IN CONSUMER DURABLES MARKET



FY20 Gross sales of
INR 1,700 Cr



Comprehensive product
portfolio



600+
Service centers pan India



Among top three AC
players in the country



Innovative and aggressive
in brand building initiatives,
created a strong connect



6 decades
of brand vintage in AC segment



Gained 10% share in AC
segment of India in
~ 7 years



10,000+
Display points pan India



Presence across
450+ cities

LLOYD: JOURNEY SO FAR

- Since Lloyd acquisition in 2017, there have been structural improvements in business amidst significant industry disruptions
- The industry turned fiercely competitive, led by price erosion by leading players in the market
- Lloyd, in midst of transition, was adversely impacted by increase in costs - higher import duty, adverse forex fluctuations and higher marketing & advertising costs
- The resultant price increase by Lloyd, led to moderation in volumes
- Lloyd has, however, managed to improve brand imagery, expanded distribution network, reduced forex exposure through AC plant commissioning, and is proliferating product range with washing machines and refrigerators

Lloyd AC Plant



**1,000+ retailers visited AC plant
in Dec-19**



LLOYD: GOING FORWARD

- Continue the journey of taking the brand from Mass to Mass Premium positioning
- Leverage own AC production to strengthen offering, improved quality with better cost management
- Reinforce presence through leading MFR and RR chains and leveraging Havells' association
- Nurture newer categories like Washing Machines and Refrigerators to become a comprehensive consumer durable brand
- Focus on improving margins, to build a growing, sustainable and profitable business

FINANCIALS

STANDALONE FINANCIALS

Financial highlights

in millions of Rupee

	FY17	FY18	FY19 [^]	FY20 [^]	H1 FY21
Net Revenue	61,353	81,385	100,677	94,292	39,308
Growth %	14%	33%**	24%**		(20%)
EBIDTA %	13.4%	12.9%	11.8%	11.9%	14.0%
PBT % before exceptions	13.5%	12.3%	11.4%	9.6%	13.0%
PAT % before exceptions*	9.7%	8.6%	7.8%	7.8%	9.9%
CAPEX (incl. intangibles)	2,386	15,888	4,996	3,592	798
ROCE %	27%	30%	30%	24%	21%
Net Worth	32,736	37,392	41,922	43,048	47,008
Net Working Capital	5,274	3,131	7,655	6,987	9,850
Cash & Bank	19,375	15,262	12,877	11,069	24,893

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

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

[^] The Company has received approval from the NCLT in respect of a Scheme of Amalgamation, among the Company and its wholly owned subsidiaries namely; Promptec Renewable Energy Solutions Private Limited, Havells Global Limited, Standard electrical Limited, LLOYD Consumer Private Limited. Accordingly the figures of FY19 have been restated.

HAVELLS

AWARDS AND ACCOLADES

RECENT RECOGNITIONS



Dun & Bradstreet's 'Best Corporate in the Electrical Sector' Award



PHD Chamber: Good Corporate Citizen Award for Social Welfare 2019



Forbes 'Entrepreneur of the Year Award' 2019



Business Today: Best CEO Award in 'Consumer Durables Category'

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