

HAVELLS INDIA

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	1,532
12 month price target (INR)	1,820
52 Week High/Low	2,106/1,360
Market cap (INR bn/USD bn)	961/11.1
Free float (%)	73.8
Avg. daily value traded (INR mn)	1,635.5

SHAREHOLDING PATTERN

	Jun-25	Mar-25	Dec-24
Promoter	59.4%	59.4%	59.4%
FII	22.0%	22.3%	23.5%
DII	18.6%	18.3%	17.1%
Pledge	0%	0%	0%

FINANCIALS

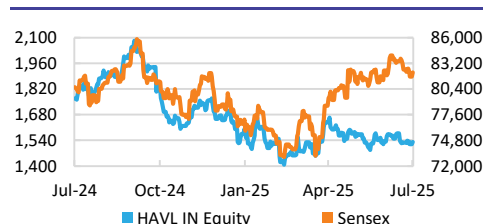
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	217,458	230,727	266,814	307,526
EBITDA	21,486	24,080	29,765	35,493
Adjusted profit	14,888	16,636	20,912	25,220
Diluted EPS (INR)	23.7	26.5	33.4	40.2
EPS growth (%)	16.9	11.7	25.7	20.6
RoAE (%)	18.9	18.9	21.4	23.2
P/E (x)	64.5	57.8	46.0	38.1
EV/EBITDA (x)	43.2	38.6	31.0	25.8
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	230,727	266,814	(6.1)	(7.3)
EBITDA	24,080	29,765	(1.8)	(3.7)
Adjusted profit	16,636	20,912	(3.2)	(5.0)
Diluted EPS (INR)	26.5	33.4	(3.2)	(5.0)

PRICE PERFORMANCE



Summer shock; near-term outlook muted

Havells reported a weak set of Q1FY26 numbers with revenue decreasing 6% YoY on the back of weak ECD (-14% YoY) and Lloyd (-34% YoY). The C&W segment, however, offset this, surging 27% YoY (21–22% volume growth) with healthy margins. Unseasonal rains and a shortened summer further aggravated the weak consumer sentiment.

We reckon the weak showing is a near-term concern, and anticipate the performance to ramp up over medium term as inventory normalises and consumer demand strengthens. We are trimming FY26–28E EPS by 3–5% (6–8% below consensus), and reckon the revenue/EBITDA/PAT CAGR would be 12%/18%/19%. At 52x Jun-27E EPS, the TP works out to INR1,820 (earlier INR1,920); retain 'BUY'.

Cooling products decline in erratic season; infra trending well

1QFY26 revenue grew by 6% YoY (10% below our estimate) owing to weaker-than-expected demand for summer products. ECD revenue fell 14% YoY (highest-ever decline ex-covid quarters), whereas C&W (+27% YoY with volume growth of 21–22%) and switchgears (+9%) saved Q1. EBITDA dipped 10% YoY dragged by adverse operating leverage along with higher employee cost (+8% YoY) and A&P spends at 2.6%. Lloyd revenue slid 34% YoY due to: i) higher base; and ii) higher channel inventories in Q4 amid a weak summer season (versus robust season YoY). 1HCY25 (Jan-Jun'25) is almost flat YoY and in line with industry as per the company.

High inventory and tepid consumer demand to impact near term

Havells expects consumer demand to revive in 2HFY26E, which would eventually normalise the inventory levels (currently piled up due to subdued season). However, the company continues to invest across segments—doubling underground cables, expanding solar portfolio, Lloyds, etc which would eventually boost the future levers of growth. Moreover, focus on cost rationalisation shall eventually improve margins and profitability.

Right trajectory for medium-to-long-term growth; retain 'BUY'

Havells has a diversified product portfolio with a presence across the consumer durables category. Havells is the market leader in various categories and is likely to sustain its growth trajectory. Near-term concerns pertain to weak consumer demand, high inventory levels, margins pressure, etc; we view this as a good opportunity to accumulate. We reckon a revenue/EBITDA/PAT CAGR of 12%/18%/19% over FY25–28E. We value the stock at 52x Jun'27E EPS with a TP of INR1,820 (earlier INR1,920); maintain 'BUY'.

Financials

Year to March	Q1FY26	Q1FY25	% Change	Q4FY25	% Change
Net Revenue	54,378	57,981	(6.2)	65,322	(16.8)
EBITDA	5,235	5,796	(9.7)	7,693	(32.0)
Adjusted Profit	3,550	4,137	(14.2)	5,286	(32.8)
Diluted EPS (INR)	5.7	6.6	(14.2)	8.4	(32.8)

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	217,458	230,727	266,814	307,526
Gross profit	71,572	78,447	89,383	103,636
Employee costs	18,518	20,000	22,400	25,088
Other expenses	31,568	34,368	37,218	43,055
EBITDA	21,486	24,080	29,765	35,493
Depreciation	3,987	4,466	4,734	5,018
Less: Interest expense	432	432	441	463
Add: Other income	3,025	3,050	3,355	3,691
Profit before tax	20,091	22,232	27,946	33,703
Prov for tax	5,203	5,596	7,034	8,483
Less: Other adj	0	0	0	0
Reported profit	14,888	16,636	20,912	25,220
Less: Excp.item (net)	0	0	0	0
Adjusted profit	14,888	16,636	20,912	25,220
Diluted shares o/s	627	627	627	627
Adjusted diluted EPS	23.7	26.5	33.4	40.2
DPS (INR)	0	0	0	0
Tax rate (%)	25.9	25.2	25.2	25.2

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
EBITDA margin (%)	9.9	10.4	11.2	11.5
Net profit margin (%)	6.8	7.2	7.8	8.2
Revenue growth (% YoY)	17.2	6.1	15.6	15.3
EBITDA growth (% YoY)	16.4	12.1	23.6	19.2
Adj. profit growth (%)	16.9	11.7	25.7	20.6

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.0	6.0	7.0	7.0
Repo rate (%)	6.5	5.8	5.0	5.0
USD/INR (average)	0	0	0	0

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	64.5	57.8	46.0	38.1
Price/BV (x)	11.5	10.4	9.3	8.4
EV/EBITDA (x)	43.2	38.6	31.0	25.8
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	627	627	627	627
Reserves	82,683	91,833	102,289	113,638
Shareholders funds	83,310	92,460	102,915	114,265
Minority interest	0	0	0	0
Borrowings	775	0	0	0
Trade payables	30,401	31,606	36,550	42,127
Other liabs & prov	23,264	24,490	27,773	31,480
Total liabilities	137,750	148,556	167,238	187,871
Net block	46,270	49,986	55,252	58,235
Intangible assets	0	0	0	0
Capital WIP	1,182	3,000	2,000	1,000
Total fixed assets	47,451	52,986	57,252	59,235
Non current inv	110	6,110	6,110	6,110
Cash/cash equivalent	33,526	31,044	36,957	46,016
Sundry debtors	12,536	12,643	14,620	16,851
Loans & advances	0	0	0	0
Other assets	44,127	45,773	52,299	59,660
Total assets	137,750	148,556	167,238	187,871

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	20,091	22,232	27,946	33,703
Add: Depreciation	3,987	4,466	4,734	5,018
Interest (net of tax)	(1,823)	(2,618)	(2,914)	(3,227)
Others	552	36	45	54
Less: Changes in WC	(2,146)	643	(322)	(363)
Operating cash flow	15,606	19,163	22,455	26,702
Less: Capex	(7,526)	(10,000)	(9,000)	(7,000)
Free cash flow	8,081	9,163	13,455	19,702

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	18.9	18.9	21.4	23.2
RoCE (%)	25.8	25.7	29.1	31.5
Inventory days	93	98	93	93
Receivable days	20	20	19	19
Payable days	72	74	70	70
Working cap (% sales)	3.1	2.6	2.4	2.2
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(0.4)	(0.3)	(0.4)	(0.4)
Interest coverage (x)	40.5	45.4	56.8	65.8

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	16.9	11.7	25.7	20.6
RoE (%)	18.9	18.9	21.4	23.2
EBITDA growth (%)	16.4	12.1	23.6	19.2
Payout ratio (%)	0	0	0	0

1QFY26 earnings call takeaways

- Unexpected season, i.e. early rains and shorter summers have dented the overall performance. However, it is a transitory performance, and a ramp-up should be visible going ahead.
- **ECD**
 - Cooling products suffered a decline due to erratic weather. Fans too faced a large decline YoY. The company remains confident of ramping up fans' growth once inventories normalise.
 - Room coolers reported a decline similar to Room air conditioners (RAC).
 - Product mix and adverse operating leverage dented margins in Q1. Contribution margins at product/category levels are seeing some improvement, though product mix dents overall margins.
- **Cables & Wires**
 - Revenues charged up 27% YoY with volume growing 21–22%. Similar growth was seen across cables and wires (low base YoY).
 - Underground cables expansion is on track with capacity set to double from FY24–27E. The company has sufficient capacity in low-voltage cables. Hence, focus remains on medium- and high-voltage cables going ahead. Healthy traction seen with expanding customer base (both domestic and overseas).
 - Wires has an inventory build-up at the current juncture and the company remains confident of clearing it over the next 15–20 days.
 - The company expects sustainable C&W contribution margins to be 14–15% (implies a PBIT margin of 11–12%).
- **Switchgears**
 - Exports helped boost Q1 revenue growth, albeit at a slightly lower margin.
 - Overall consumer demand has remained tepid in the past few quarters. However, the company remains confident of healthy demand in 2HFY26E.
 - Confident of sustaining margins within 38–40% (c. 37.2%).
 - The segment has high entry barriers; hence, competition is among existing players.
- **Lighting**
 - Revenues declined by 3% YoY on the back of deflation in price (10% YoY; though stabilised on a QoQ basis). Premiumisation helped report healthy revenue trend and margins.
 - However contribution margins remains strong and the company remains confident of sustaining industry-leading margins in the segment, largely on account of its solutions-oriented and premium portfolios.

- **Lloyds**

- The company continues to view Lloyd as a medium-to-long term play, which had been in the right trajectory. The company maintains the Top 3 position in the category.
- Focusing on expanding margins with internal efficiencies (mainly manufacturing efficiencies). The company remains focused on positioning itself with better pricing, which will boost margin expansion.
- Despite significant investments in A&P, deepening penetration (ISD etc), Lloyd's margins have seen significant improvement.
- Currently, the inventory remains at elevated levels (given Jan-to-Jun'25), sales revenues flat) and also production from two manufacturing facilities has driven an increase in inventories. However, this is expected to normalise over coming months given adjustments.

- **Others**

- Solar category remains a sizeable opportunity in this segment. The company had clocked INR4.25bn from solar and related products in FY25, and expects to clock INR10–15bn over coming years.
- Solar rooftops is a big emerging category, which the company is focusing upon.
- Pumps category witnessed a decline in the quarter given unseasonal rains.
- Investment in Goldi Solar is a huge growth opportunity. This will expand the company's addressable market to many products such as solar cell, battery, etc, which could be the future levers of growth.
- Rural contributes 5–6% to the total consumer products' revenue, with growth surpassing the urban. REO (launched last years) is witnessing robust growth and now contributes 25% to rural revenue. Utsav are fully branded stores for population ranging from 5k–10k, and are witnessing healthy traction. More categories like pumps etc will be launched through this channel.
- Creditor days reduced to 44 days (from 57 YoY) mainly due to lower utilisations (given weak sales trajectory) and there is no change in payment/credit terms of the creditors.

Exhibit 1: Quarterly performance

INR mn	Q1FY25A	Q1FY26A	YoY	6-year CAGR	Q4FY25A	QoQ	Q1FY26E	VAR
Net Sales	57,981	54,378	-6%	12%	65,322	-17%	60,255	-10%
Havells (Ex-Lloyd)	38,740	41,760	8%	12%	46,622	-10%	42,938	-3%
Lloyd	19,241	12,619	-34%	12%	18,700	-33%	17,317	-27%
Raw Material Cost	39,500	36,175	-8%	13%	44,340	-18%	39,769	-9%
Gross Profit	18,482	18,203	-2%	10%	20,982	-13%	20,487	-11%
Gross Margin	31.9%	33.5%	160	-400	32.1%	140	34.0%	-50
Employee cost	4,582	4,949	8%	13%	4,693	5%	5,040	-2%
% of sales	7.9%	9.1%	120	20	7.2%	190	8.4%	70
Other expenses	8,104	8,019	-1%	8%	8,595	-7%	10,143	-21%
% of sales	14.0%	14.7%	80	-360	13.2%	160	16.8%	-210
Advertisement Exp	1,724	1,423	-17%	1%	1,423	0%	1,808	-21%
% of sales	3.0%	2.6%	-40	-240	2.2%	40	3.0%	-40
Other Exp	6,380	6,596	3%	11%	7,173	-8%	8,336	-21%
% of sales	11.0%	12.1%	110	-120	11.0%	110	13.8%	-170
Total Expenditure	52,185	49,143	-6%	12%	57,629	-15%	54,952	-11%
EBITDA	5,796	5,235	-10%	11%	7,693	-32%	5,304	-1%
EBITDA margin	10.0%	9.6%	-40	-60	11.8%	-220	8.8%	80
Havells EBITDA	5,087	5,409	6%	12%	6,543	-17%	5,650	-4%
Havells EBITDA margin	13.1%	13.0%	-20	-40	14.0%	-110	13.2%	-20
Lloyd EBITDA	709	-174	-125%	NA	1,151	-115%	-346	-50%
Lloyd EBITDA margin	3.7%	-1.4%	-510	-180	6.2%	-750	-2.0%	60
Depreciation	920	1,051	14%	14%	1,080	-3%	1,102	-5%
EBIT	4,876	4,185	-14%	10%	6,613	-37%	4,202	0%
Other Income	770	691	-10%	16%	687	1%	700	-1%
PBIT	5,646	4,875	-14%	11%	7,300	-33%	4,902	-1%
Interest	86	94	9%	12%	152	-39%	140	-33%
Forex Loss/-Income	0	0			0		0	
XO Expense/-Income	34	36			86		0	
PBT	5,527	4,746	-14%	10%	7,062	-33%	4,762	0%
Tax Expense	1,415	1,222	-14%	5%	1,839	-34%	1,200	2%
Tax Rate	25.4%	25.6%	10	-820	26.0%	-50	25.2%	40
Reported Net Profit	4,112	3,523	-14%	12%	5,223	-33%	3,562	-1%
Adjusted Net Profit	4,137	3,550	-14%	13%	5,286	-33%	3,562	0%
Adj EPS	6.6	5.7	-14%	13%	8.4	-33%	5.7	0%

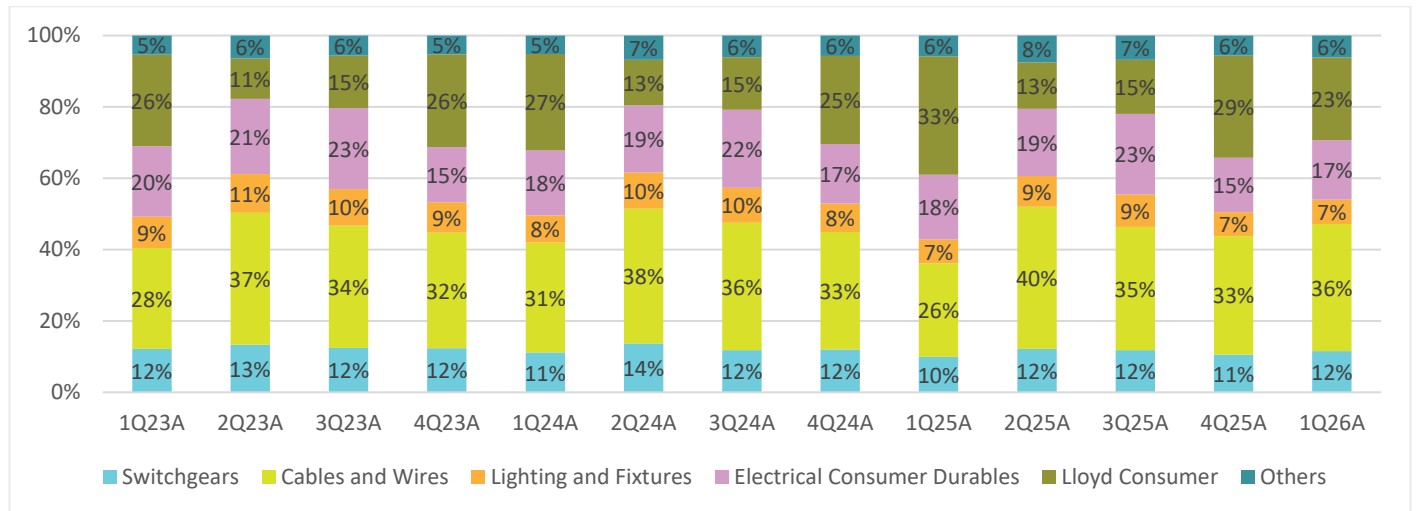
Source: Company, Nuvama Research

Exhibit 2: Segmental performance

INR mn	Q1FY25A	Q1FY26A	YoY	6-year CAGR	Q4FY25A	QoQ	Q1FY26E	VAR
Total Revenue	57,981	54,378	-6%	12%	65,322	-17%	60,255	-10%
Havells	38,740	41,760	8%	12%	46,622	-10%	42,938	-3%
Switchgears	5,759	6,296	9%	11%	6,914	-9%	6,046	4%
Cables & Wires	15,212	19,332	27%	16%	21,694	-11%	17,951	8%
Lighting & Fixtures	3,856	3,735	-3%	7%	4,358	-14%	3,972	-6%
Electrical Consumer Durables	10,549	9,059	-14%	8%	9,959	-9%	10,865	-17%
Others	3,365	3,337	-1%	17%	3,698	-10%	4,105	-19%
Lloyd	19,241	12,619	-34%	12%	18,700	-33%	17,317	-27%
Havells (Ex Lloyd and C&W)	23,528	22,427	-5%	10%	24,929	-10%	24,988	-10%
Contribution margin (%)	19.5%	19.7%	20	-330	20.1%	-40		
Havells (ex-Lloyds)	22.7%	22.4%	-30	-250	22.5%	-10		
Switchgears	38.7%	37.2%	-150	-430	38.5%	-130		
Cables and Margins	14.6%	16.0%	140	-50	14.7%	130		
Lighting and Fixtures	31.9%	30.1%	-180	-190	32.8%	-270		
Electrical Consumer Durables	24.1%	23.6%	-50	-450	25.9%	-230		
Others	17.1%	19.3%	220	NM	17.4%	190		
Lloyds	13.2%	11.1%	-210	-500	14.0%	-290		
Havells (Ex Lloyd and C&W)	27.9%	27.9%	0	-370	29.3%	-140		
Total EBIT	5,691	5,117	-10%	10%	7,668	-33%	5,058	1%
Havells	5,017	5,314	6%	11%	6,501	-18%	5,405	-2%
Switchgears	1,419	1,475	4%	10%	1,776	-17%	1,512	-2%
Cables and Wires	1,711	2,426	42%	19%	2,586	-6%	1,939	25%
Lighting and Fixtures	630	462	-27%	4%	747	-38%	616	-25%
Electrical Cons Durables	1,147	789	-31%	-1%	1,249	-37%	1,195	-34%
Others	110	162	47%	NM	143	NM	144	13%
Lloyd	674	-197	-129%	NM	1,167	NM	-346	-43%
Havells (Ex Lloyd and C&W)	3,306	2,888	-13%	7%	3,915	-26%	3,466	-17%
Total EBIT margin	9.8%	9.4%	-40	-120	11.7%	-230	8.4%	100
Havells	13.0%	12.7%	-20	-90	13.9%	-120	12.6%	10
Switchgears	24.6%	23.4%	-120	-80	25.7%	-230	25.0%	-160
Cables and Wires	11.2%	12.6%	130	170	11.9%	60	10.8%	180
Lighting and Fixtures	16.3%	12.4%	-400	-190	17.1%	-480	15.5%	-310
Electrical Cons Durables	10.9%	8.7%	-220	-590	12.5%	-380	11.0%	-230
Others	3.3%	4.8%	160	NM	3.9%	100	3.5%	130
Lloyd	3.5%	-1.6%	-510	-280	6.2%	-780	-2.0%	40
Havells (Ex Lloyd and C&W)	14.1%	12.9%	-120	-240	15.7%	-280	13.9%	-100

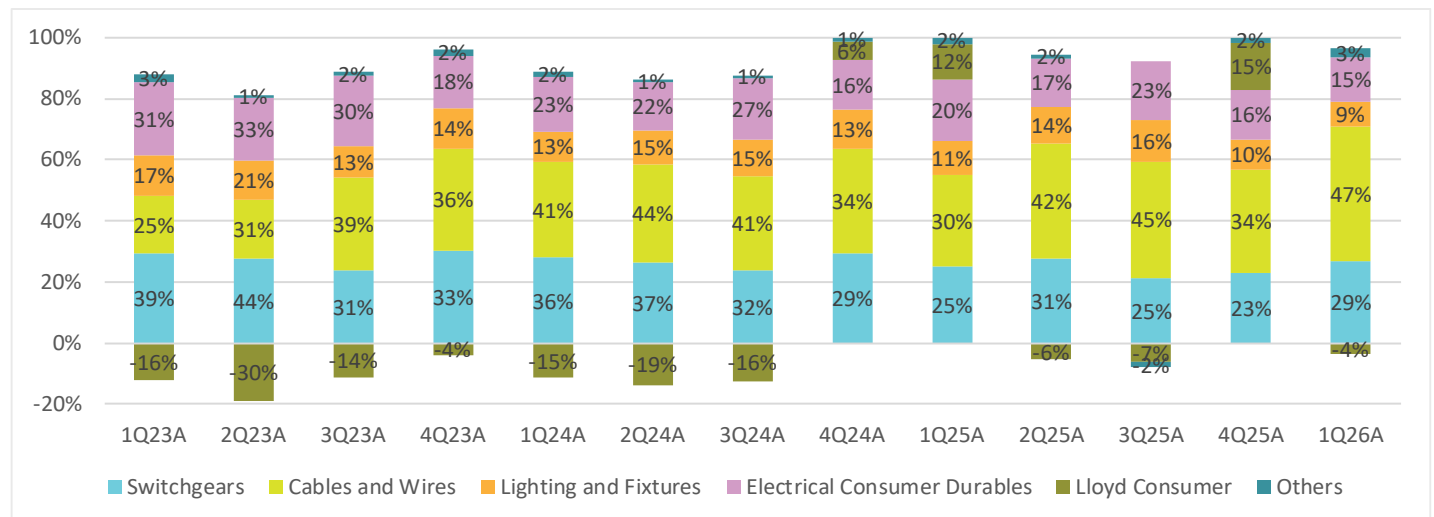
Source: Company, Nuvama Research

Exhibit 3: Revenue mix



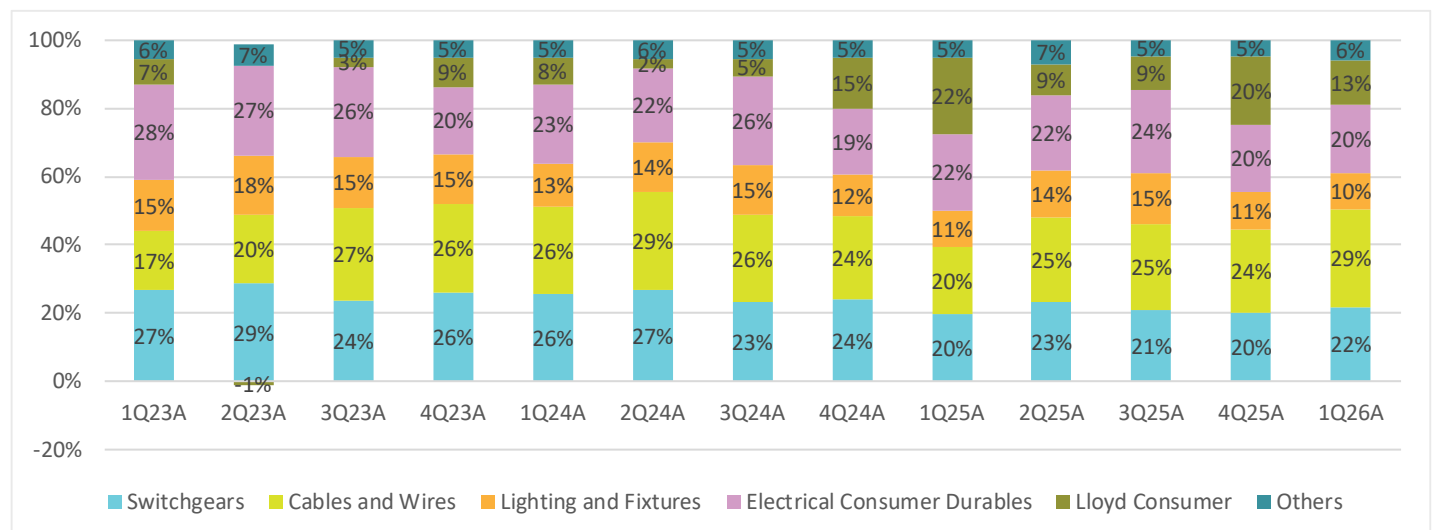
Source: Company, Nuvama Research

Exhibit 4: EBIT mix



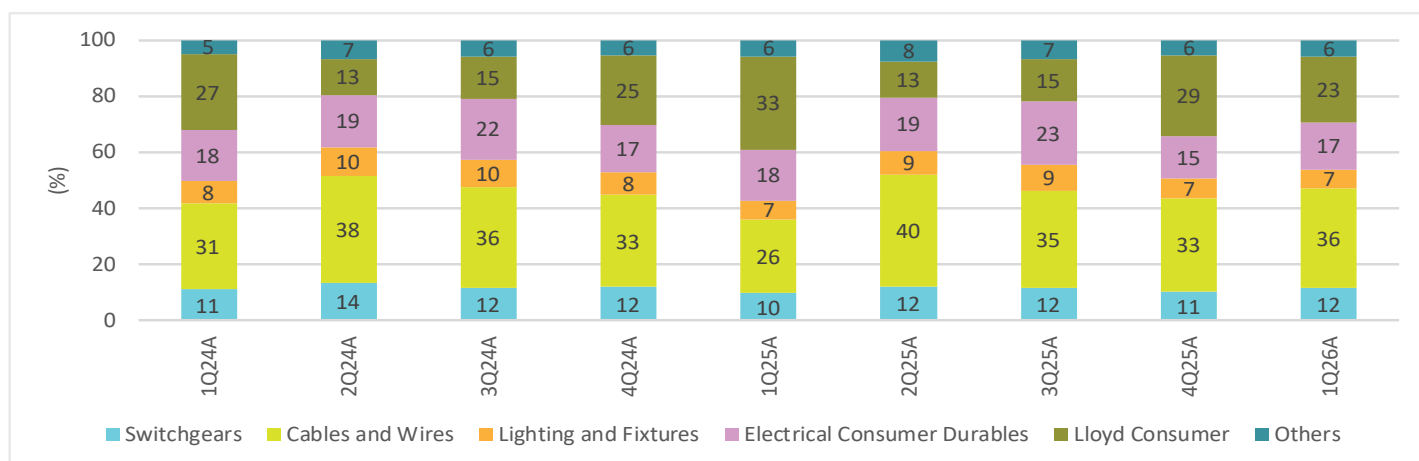
Source: Company, Nuvama Research

Exhibit 5: Contribution mix



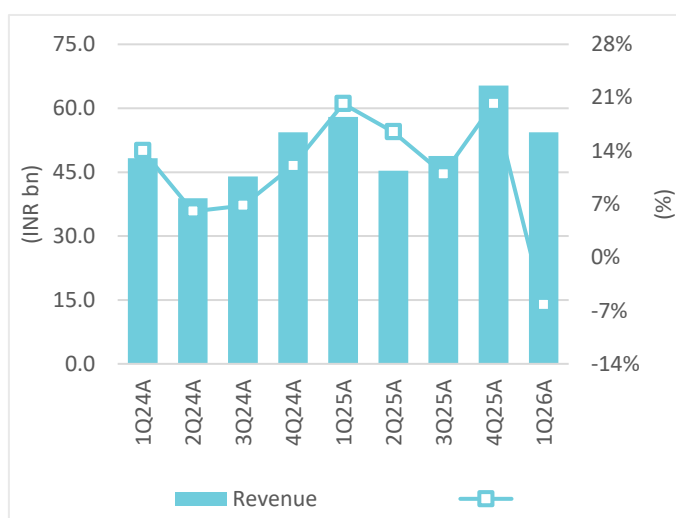
Source: Company, Nuvama Research

Exhibit 6: Revenue split by segment



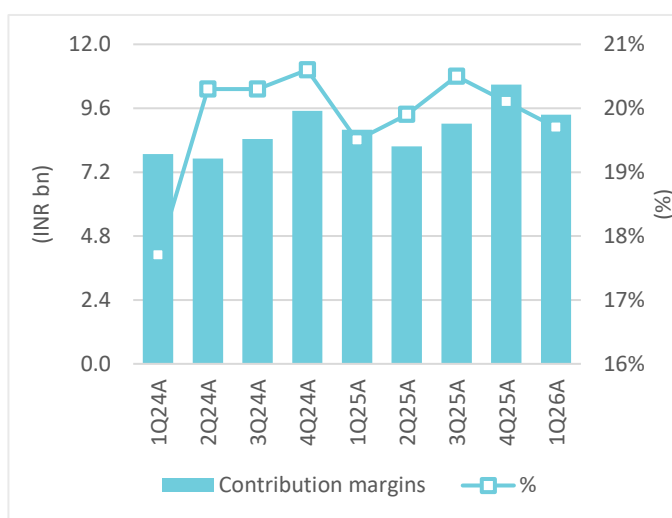
Source: Company, Nuvama Research

Exhibit 7: Revenue trend



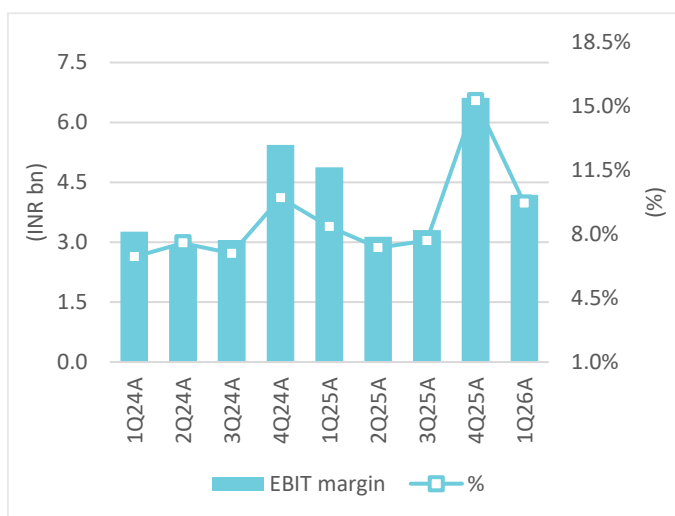
Source: Company, Nuvama Research

Exhibit 8: Contribution margin trends



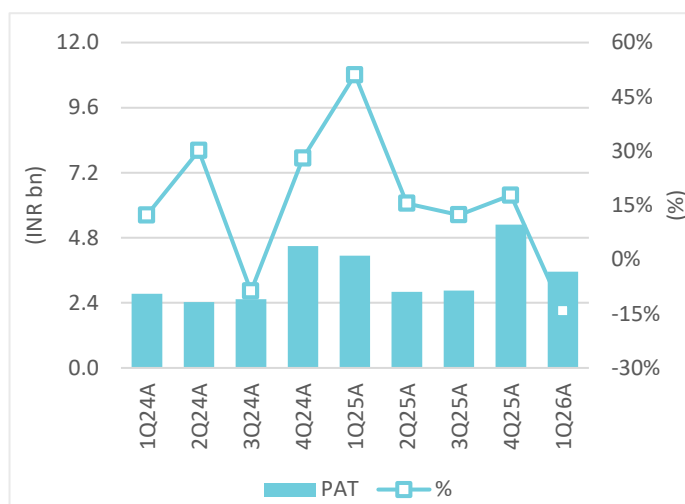
Source: Company, Nuvama Research

Exhibit 9: EBIT trend



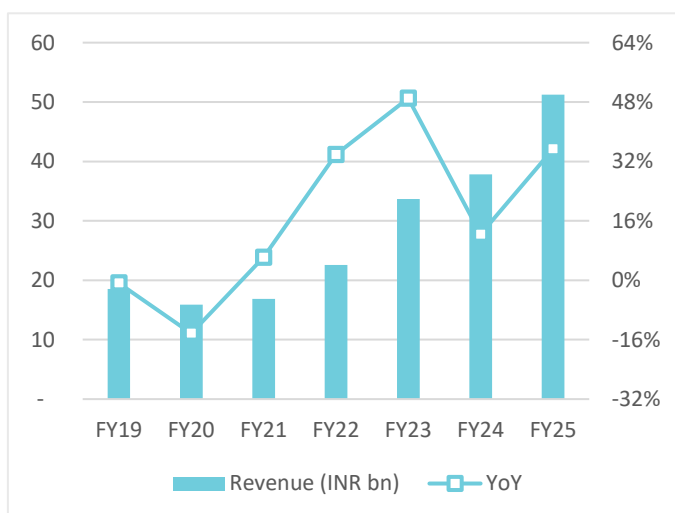
Source: Company, Nuvama Research

Exhibit 10: PAT trend



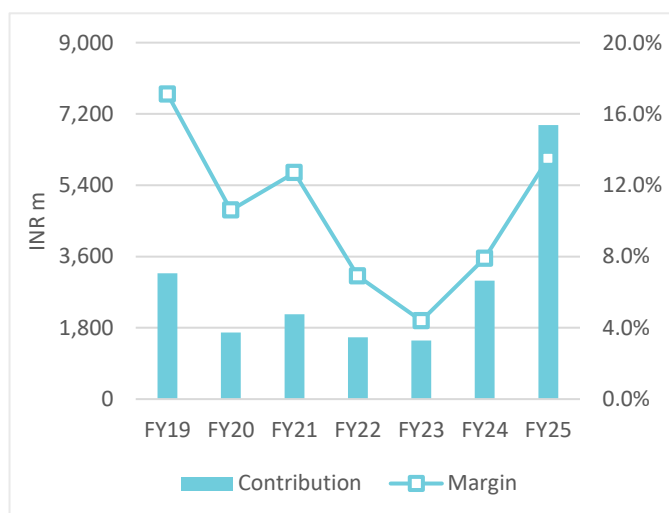
Source: Company, Nuvama Research

Exhibit 11: Lloyd revenue trend



Source: Company, Nuvama Research

Exhibit 12: Lloyd contribution margin trend



Source: Company, Nuvama Research

Exhibit 13: Performance trends*

INR m	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue													
Switchgears	5,167	4,878	5,141	6,010	5,407	5,324	5,206	6,513	5,759	5,513	5,769	6,914	6,296
Cables and Wires	11,929	13,594	14,121	15,682	14,852	14,702	15,727	17,896	15,212	18,052	16,879	21,694	19,332
Lighting and Fixtures	3,711	3,970	4,201	4,134	3,670	3,965	4,299	4,334	3,856	3,909	4,409	4,358	3,735
Electrical Consumer Durables	8,381	7,735	9,348	7,495	8,770	7,331	9,613	9,104	10,549	8,564	11,043	9,959	9,059
Lloyd Consumer	10,837	4,141	6,068	12,640	13,055	4,930	6,467	13,401	19,241	5,874	7,418	18,700	12,619
Others	2,276	2,372	2,319	2,536	2,483	2,662	2,695	3,096	3,365	3,418	3,308	3,698	3,337
Total	42,301	36,689	41,197	48,496	48,237	38,912	44,006	54,343	57,981	45,330	48,825	65,322	54,378
Revenue (YoY)													
Switchgears	38%	10%	4%	27%	5%	9%	1%	8%	6%	4%	11%	6%	9%
Cables and Wires	48%	19%	17%	5%	24%	8%	11%	14%	2%	23%	7%	21%	27%
Lighting and Fixtures	77%	12%	3%	3%	-1%	0%	2%	5%	5%	-1%	3%	1%	-3%
Electrical Consumer Durables	46%	6%	5%	-14%	5%	-5%	3%	21%	20%	17%	15%	9%	-14%
Lloyd Consumer	119%	21%	30%	32%	20%	19%	7%	6%	47%	19%	15%	40%	-34%
Others	66%	12%	26%	12%	9%	12%	16%	22%	36%	28%	23%	19%	-1%
Total	63%	14%	13%	10%	14%	6%	7%	12%	20%	16%	11%	20%	-6%
Contribution margin (%)													
Switchgears	37.8%	38.0%	38.0%	39.6%	40.4%	39.6%	39.7%	41.1%	38.7%	38.2%	36.0%	38.5%	37.2%
Cables and Margins	10.4%	9.5%	15.9%	15.0%	14.8%	15.5%	14.5%	15.2%	14.6%	12.3%	15.0%	14.7%	16.0%
Lighting and Fixtures	29.4%	28.5%	29.4%	31.9%	29.1%	28.8%	30.5%	31.9%	31.9%	31.3%	34.0%	32.8%	30.1%
Electrical Consumer Durables	24.2%	21.8%	23.3%	23.9%	22.7%	23.5%	24.1%	23.7%	24.1%	23.3%	22.1%	25.9%	23.6%
Lloyds	4.9%	-1.7%	3.7%	6.2%	5.1%	3.9%	7.4%	12.5%	13.2%	14.0%	12.8%	14.0%	11.1%
Others	18.2%	17.6%	17.8%	18.2%	18.2%	16.9%	17.7%	18.5%	17.1%	18.5%	14.8%	17.4%	19.3%
Total Contribution margin	17.2%	17.2%	20.0%	18.7%	17.7%	20.3%	20.3%	20.6%	19.5%	19.9%	20.5%	20.1%	19.7%
EBIT margin (%)													
Switchgears	26.2%	25.0%	24.7%	28.6%	27.7%	26.4%	24.1%	28.2%	24.6%	20.9%	18.2%	25.7%	23.4%
Cables and Wires	7.3%	6.3%	11.5%	12.0%	11.4%	11.6%	10.4%	12.0%	11.2%	8.6%	11.1%	11.9%	12.6%
Lighting and Fixtures	16.5%	14.4%	12.7%	18.2%	14.4%	14.4%	14.2%	18.2%	16.3%	12.9%	14.8%	17.1%	12.4%
Electrical Consumer Durables	13.1%	11.6%	13.1%	12.8%	10.9%	11.6%	11.2%	11.3%	10.9%	7.5%	8.6%	12.5%	8.7%
Lloyd Consumer	-5.2%	-20.1%	-9.8%	-1.7%	-4.7%	-14.9%	-10.1%	2.8%	3.5%	-3.8%	-4.2%	6.2%	-1.6%
Others	5.4%	1.7%	3.1%	4.5%	3.5%	1.5%	1.6%	2.9%	3.3%	1.9%	-2.0%	3.9%	4.8%
Total EBIT margin	8.3%	7.5%	10.0%	10.8%	8.6%	9.9%	9.0%	11.5%	9.8%	8.1%	8.5%	11.7%	9.4%

Source: Company, Nuvama Research

* All numbers are actuals

Company Description

Incorporated in 1983, Havells India (HAVL) is one of the largest manufacturers of consumer durables and electrical components and systems in India. It is the market leader in light-duty power distribution products. Its offerings include electrical products like circuit protection equipment (domestic and industrial switchgears), cables and wires, and consumer durables like fans, CFLs, and lighting fixtures. Havells acquired (February 2017) the Consumer segment of Lloyd Electricals, which gave Havells access to Lloyd's strong distribution network with 10k plus touch points along with strong positioning in the room AC segment.

Investment Theme

Havells continued to deliver high growth in cables, and the new facility commissioned in FY25 shall help sustain growth. RACs' in-house capacity (3mn units) and capacity build-up in fully automatic washing machines imply further growth runway for Lloyd. Management indicated green shoots in B2C demand, though consistency in results shall be key. Overall, we derive comfort from Lloyd's profitability trajectory, B2B-driven capex and uptick in B2C demand. With consistent management focus on profitability and future demand visibility, we believe Havells is well positioned for long-term growth.

Key risks

Key downside risks include lack of growth and Lloyd remaining a low profitability business for longer than expected.

Additional Data

Management

CMD	Anil Rai Gupta
WTD & CFO	Rajesh Kumar Gupta
WTD	Siddhartha Pandit
Independent Director	Ashish Bharat Ram
Auditor	Price Waterhouse & Co

Holdings – Top 10*

	% Holding	% Holding
LIC Of India	5.27	
Nalanda India F	4.12	
HDFC Funds	1.63	
Government Pens	1.61	
UTI Funds	1.09	

*Latest public data

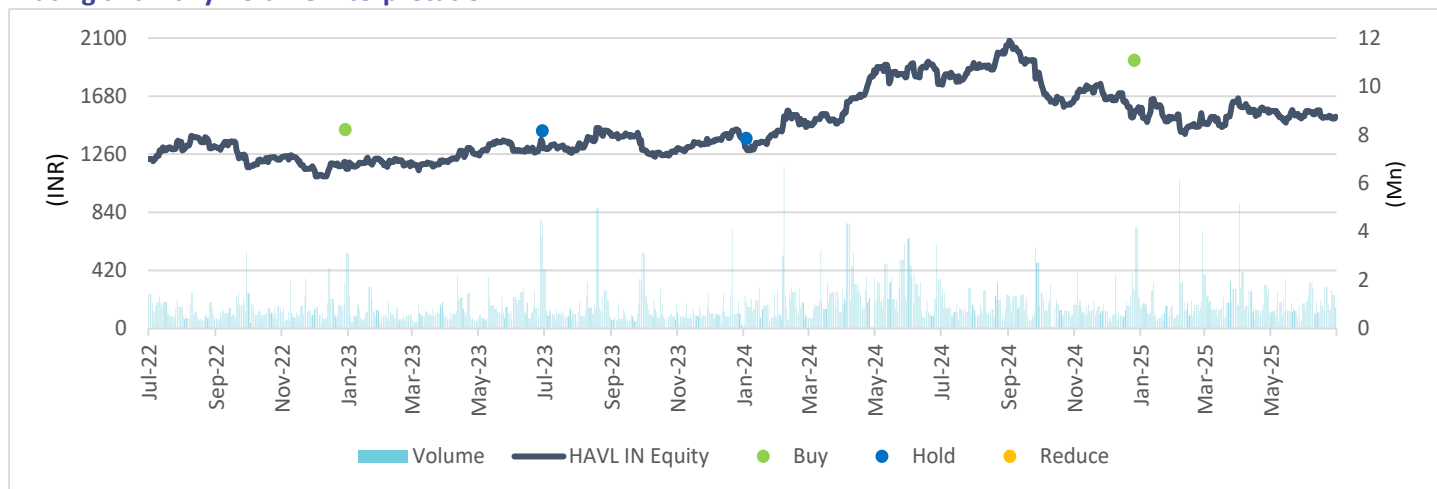
Recent Company Research

Date	Title	Price	Reco
22-Apr-25	All-round beat; brace for volatility; <i>Result Update</i>	1665	Buy
17-Jan-25	Optimism outweighs near-term pain; <i>Nuvama Flash</i>	1527	Buy
16-Jan-25	Margin blues persist for now; <i>Result Update</i>	1526	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
18-Jul-25	Polycab India	Blockbuster performance yet again; <i>Result Update</i>
17-Jul-25	Polycab India	Blockbuster quarter; C&W outshines; <i>Oven fresh</i>
07-Jul-25	Consumer Durables, Electricals & EMS	EMS and Cables shine; RAC, appliances we; <i>Sector Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	202
Hold	<15% and >-5%	66
Reduce	<-5%	36

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Abneesh Roy

Head of Research Committee

Abneesh.Roy@nuvama.com
