QRG GROUP

HAVELLS

21st February, 2017

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: Intimation of Schedule of Analyst/ Institutional Investor Meet

Dear Sir,

In terms of Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with corresponding circulars and notifications issued thereunder, it is hereby informed that the management of the Company shall be participating in the Investor Conference, scheduled as follows:-

Name- IIFL
Date- 23rd February 2017
Location- Mumbai

Also enclosed is a copy of the Investor Presentation which would be used in the above conference.

The same is also being uploaded on the website of the Company.

This is for your information and records.

Thanking you.

Yours faithfully,
for **Havells India Limited**

(Sanjay Gupta)
Company Secretary

Encl: as above

HAVELLS INDIA LTD.
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E-mail: marketing@havells.com, www.havells.com
Registered Office: 904, 9th Floor, Surya Kiran Building,
K.G. Marg, Connaught Place, New Delhi - 110001. (INDIA)
Consumer Care No.:
1800 103 1313, 1800 11 0303 (All Connections), 011-4166 0303 (Landline)
CIN: L31900DL1983PLC016304

HAVELLS | Crabtree | STANDARD | promptec | REO

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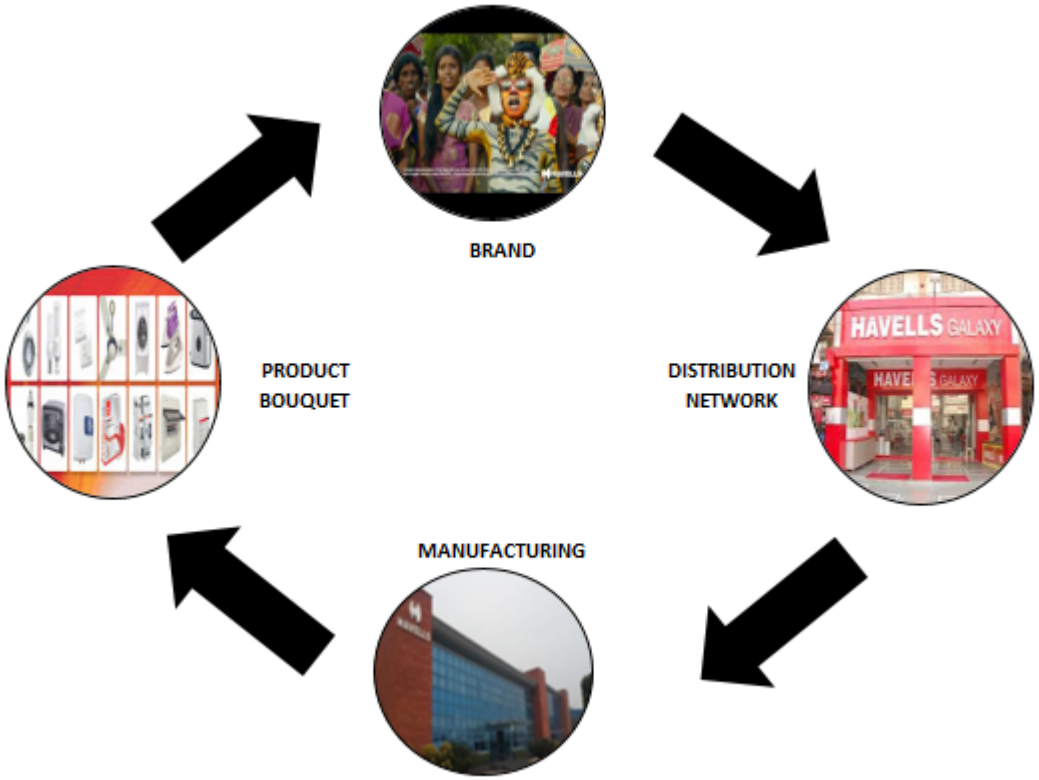
DEEPER INTO THE HOME

February 2017

INTRODUCTION

Havells is an electrical consumer product company in India

An efficient interplay



Higher Market Share | Higher Profitability | Free Cash Flow | Superior Return to shareholders

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HAVELLS – SNAP SHOT

(Rs. In crores)

An Indian FMEG	FY 2011	FY2016	CAGR% (5yrs)
Turnover	2,882	5,437	14%
EBITDA %	11.7%	13.8%	17%
Net Profit before exceptions	242	513	16%
Market Capitalization	4,625	26,280*	35%

* as on 31st Jan-17

Deeper into the Home

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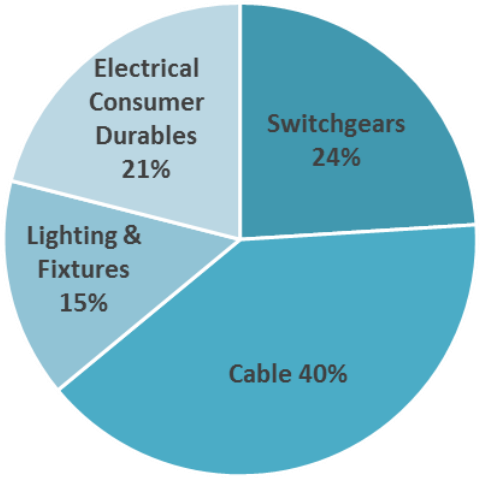
MACRO LEVERS - FAVAOURABLE OUTLOOK

Urbanization	To be 40% by 2030 from 31% currently Investment on infrastructure and housing will be key focus area
Electrification	High degree of focus on electrification, presently 78% population electrified, low quality and regular supply are key issues
Organized Penetration	Low to medium penetration in most of the categories Large presence of unorganized sector
Young Demography	Growing middle class across urban, semi urban. Brand aspiration, better standard of living and global exposure

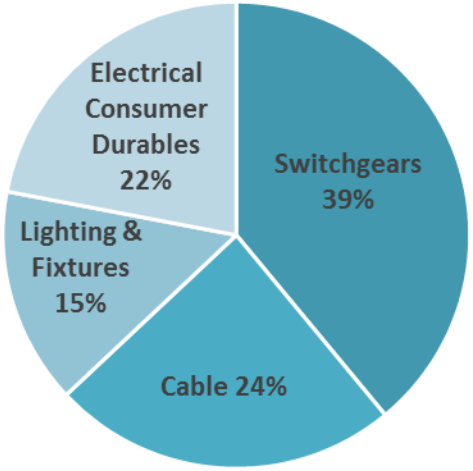
BUSINESS OVERVIEW

SEGMENTS

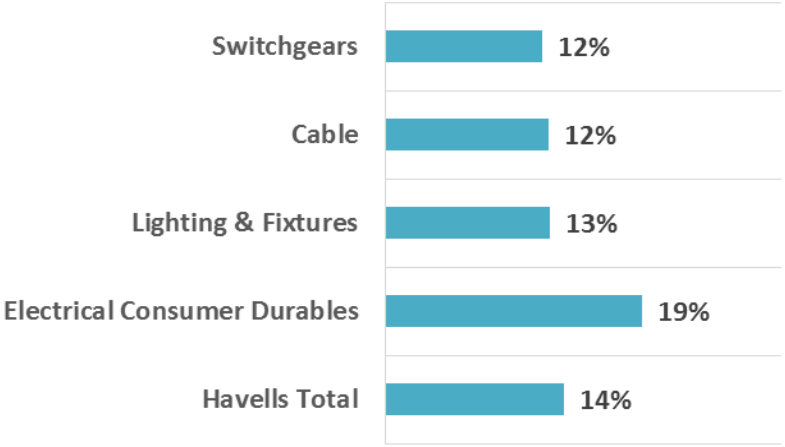
Revenue Mix



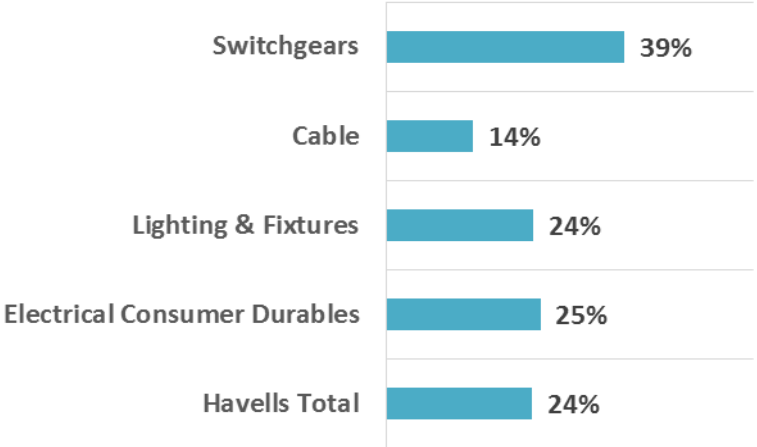
Contribution Margin Mix



Revenue CAGR % (5 Years)



Contribution Margin % (FY16)



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MARKET SHARE

	Product	Indicative Market Size (Rs. in crores)	Indicative Market Share	Indicative Rank	Organized Penetration Level	Peers
Switchgears	MCB	2,000	27-28%	# 1	High	Legrand, Schneider
	Switches*	2,200	14-15%	# 3	Medium	Panasonic (Anchor), Legrand
Cable	Domestic	8,000	16%	# 3	Low	Finolex, Polycab
	Industrial	12,000	10%	# 3	Low	Polycab, KEI
Lighting	Lighting & Fixtures	6,500	10-14%	# 2-4	Medium	Philips, Crompton, Bajaj, Wipro
ECD	Fans	6,200	15%	# 3	High	Crompton, Orient, Usha
	Water Heaters	1,400	9%	# 4-5	Low	Racold, AO Smith
	Other Appliances	5,200	2-3%	-	Low	Bajaj, Philips

* Premium modular plate switches

PRODUCT AND GEOGRAPHIC EXPANSION

- Expand and straddle existing product category led by product variants and technology
- Bankroll fresh verticals with 2-3 years incubation, empirically constituting 8-10% of total revenue
- 'Standard' and 'Reo' brands extended to new categories – maximize distribution network
- Inorganic, evaluate opportunistically- brand & distribution to be focused
- Expand export markets by increasing local presence and introduction of wider range

New Products

Solar

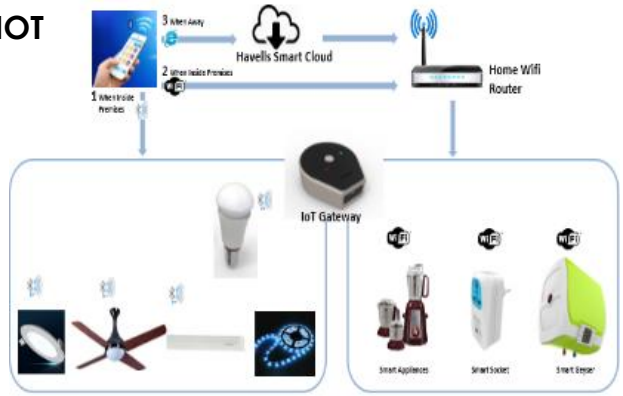
Standard Fan

Variants led by technology

Home Automation

LED Lighting

IOT



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DEEPENING PARTNERSHIP WITH CHANNEL – 360* CONNECT

- Deeper focus on distribution and last mile connect with retailers and electricians, to be serviced through existing dealer
- Simplified incentive scheme for easier adoption and participation
- Havells Galaxies, 398 in nos. constituting 19% of non industrial cable revenue
- Interest also shown by Channel partners of STANDARD, 14 galaxies already opened

~6,500
Direct Dealers

~100,000
Retailers

~200,000
Electricians

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SAMPARK2015

SUSTAINED INVESTMENT IN BRAND & SUPPLY CHAIN

Brand: Sizable investment in advertisement, 3-4% of revenue, comparable with industry leaders in paints, adhesive etc.

Invested Rs 700 crores in advertisement and promotion over last 5 years

IT and supply chain: Robust IT systems to provide efficient and timely services to dealer. Connect with last mile retailers and electricians, ~ 300,000 registered users under multiple schemes.

Manufacturing: Currently ~ 90% of sale is from in-house manufacturing, setting up new plant in east and south for national footprint

After Sales Service: Large Network for entire product category – covering 400 cities, 7 vernacular languages + Hindi & English, 560 channel partners with 2,000 people + 250 Havells' employees

STRONG MANUFACTURING

- Defying industry convention, Havells significantly invested in 12 large scale, well equipped plants
- One plant-one product focus to drive scale and cost efficiencies
- Provide confidence to dealers/ consumers and a critical and strategic swiftness to market opportunity, gaps and demand
- Insulated against wide forex fluctuation, ~ 90% of revenue from in-house Manufacturing.

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FORTIFYING MANAGEMENT BANDWIDTH

- Strengthening organization structure for sharper focus with greater accountability
- 5 strategic business units to be managed separately with complete responsibility of P&L
- Deepen and diverse management pool with FMCG background
- Heavy lifting recruitment executed in current year
- Increased focus in India post Sylvania disinvestment
- Team strength at branches pan India increased by ~ 16% over last year

FINANCIALS

STANDALONE FINANCIALS

Financial highlights

in millions of Rupee

	FY15	FY16	9M FY17
Net Revenue	52,387	54,369	44,250
Growth %	*11%*	*4%*	*13%*
EBIDTA %	*13.3%*	*13.8%*	*13.4%*
PBT % before exceptions	*12.3%*	*13.1%*	*13.4%*
PAT before exceptions	4,649	5,130*	4,254**
PAT%	*8.9%*	*9.4%*	*9.6%*
CAPEX	1,689	1,728	1,560#
ROCE %	*29%*	*29%*	*24%*
Net Worth	23,758	26,442	31,756
Net Working Capital	4,277	5,057	7,602
Cash & Bank	6,973	14,953	15,906

- Low working capital due to channel financing made available to dealers i.e. direct funding by bankers with limited recourse on the company

* PAT for FY16 was Rs. 7,154 mn including exceptional items

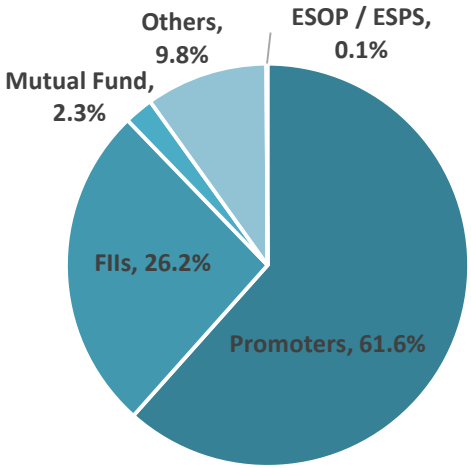
** PAT for 9M FY17 was Rs. 4,443 mn including exceptional items

Capex includes spend for augmenting and diversifying manufacturing capacity with proposed new plant at Bengaluru (YTD Rs. 24 cr), land acquisition at Gehlot (YTD Rs.16 cr) and new EHV cable line at Alwar (Rs. 33cr)

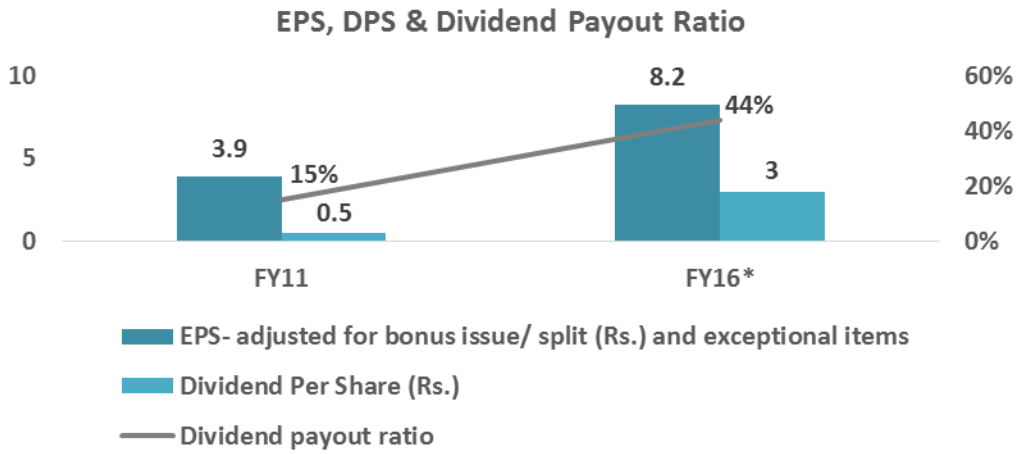
BENCHMARKING WITH THE BEST CORPORATE, FINANCIAL AND SHAREHOLDERS GOVERNANCE

- Promoters- Single business focus
- Transparent and detailed communication to shareholders
- Committed to high standards of corporate and shareholder governance, assigned CGR 2+ rating by CARE

Shareholding Pattern



As on 31.12.2016



* Excluding special dividend of Rs.3 per share, paid out of proceeds of Sylvania disinvestment

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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