

April 23, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		BUY	
Target Price	1,717		1,750	
Sales (Rs. m)	2,49,714	2,87,120	2,49,194	2,87,296
% Chng.	0.2	(0.1)		
EBITDA (Rs. m)	25,818	30,765	25,923	31,301
% Chng.	(0.4)	(1.7)		
EPS (Rs.)	28.1	34.0	28.7	34.9
% Chng.	(2.0)	(2.6)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,85,900	2,17,781	2,49,714	2,87,120
EBITDA (Rs. m)	18,426	21,309	25,818	30,765
Margin (%)	9.9	9.8	10.3	10.7
PAT (Rs. m)	12,708	14,702	17,625	21,315
EPS (Rs.)	20.3	23.5	28.1	34.0
Gr. (%)	19.3	15.7	19.9	20.9
DPS (Rs.)	9.0	9.5	11.0	11.0
Yield (%)	0.5	0.6	0.7	0.7
RoE (%)	18.1	18.6	19.5	20.4
RoCE (%)	24.9	25.8	26.7	27.9
EV/Sales (x)	5.4	4.6	4.0	3.5
EV/EBITDA (x)	55.0	47.4	38.8	32.3
PE (x)	82.1	71.0	59.2	49.0
P/BV (x)	14.0	12.5	10.8	9.4

Key Data

HVEL.BO | HAVL IN

52-W High / Low	Rs.2,106 / Rs.1,360
Sensex / Nifty	79,596 / 24,167
Market Cap	Rs.1,044bn / \$ 12,251m
Shares Outstanding	627m
3M Avg. Daily Value	Rs.1591.26m

Shareholding Pattern (%)

Promoter's	59.41
Foreign	22.31
Domestic Institution	12.76
Public & Others	5.52
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	12.4	(6.0)	7.3
Relative	8.6	(5.3)	(0.7)

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Cables & Lloyd drive strong results; Outlook remains cautious

Quick Pointers:

- W&C revenue grew 21.2% YoY, driven equally by value and volume gr. (50:50).
- Lloyd reported growth of 39.5% YoY, aided strong volume gr. in RAC segment.

We downward revise Havells India's (HAVL) FY26/FY27E earnings by 2.0%/2.6% to factor in the soft margins commentary related Cable & Lloyd businesses and downgrade our recommendation to 'HOLD' from 'BUY', in view of the significant run-up in stock price in the near past. Havells reported strong results, primarily driven by robust growth in the Cables and Lloyd segments, though future momentum appears cautious. RAC segment expected limited growth due to delayed summer, high primary sales in Q4FY25, and slowdown in secondary sales in Q1FY26 so far. W&C segment delivered strong 21.2% revenue growth, with a balanced 50:50 mix of volume and value growth with wires contributing 65% to the segment. The company has made a strategic investment in the solar sector through Goldi Solar, with a focus on residential and commercial sectors and not into utility business. We estimate revenue/EBITDA/PAT CAGR of 14.8% / 20.2% / 20.4% with ECD/Cables/Lloyd revenue CAGR of 14.0%/17.0%/15.6% over FY25-27E and EBITDA margin of 10.7% by FY27E (+90bps). Downgrade to 'HOLD', with TP of Rs1,717 (earlier Rs1,750), based on DCF, which implies 50x FY27E earnings.

Revenue grew 20.2%, PAT declined 15.7% YoY: Revenue grew by 20.2% YoY to Rs65.4bn (PL: Rs62.4bn). ECD (contributed 15% to revenue) grew 9.5% YoY with a mild start to the summer season. Lloyd revenue grew 39.2% YoY to Rs18.7bn, with a steady growth in RAC due to delayed summers. W&C revenue grew by 21.2% YoY to Rs21.7bn, led by power cables. EBITDA grew by 19.3% YoY to Rs7.6bn (PL: Rs6.5bn). EBITDA margin contracted by 10bps YoY to 11.6%. (PL: 10.4%). Advertising & sales promotion spends stood at 2.2% of sales (up 8.2% YoY) and employee expenses jumped 12.9% YoY. In terms of segmental EBIT margin, Cables came in at 11.9% (-10bps), Lighting at 16.4% (-160bps YoY), ECD at 12.5% (+130bps), Switchgear at 25.7% (-250bps YoY), and Lloyd at 6.1% (+340bps). PBT grew by 17.0% YoY to Rs7.0bn. PAT grew 15.7% YoY to Rs9.5bn (PL: Rs4.5bn).

ConCall Takeaways: **1)** HAVL has guided Switchgear's contribution margin to range from 38% to 40%. **2)** The company has overall capex plans of Rs10bn for FY25 and FY26 each, which includes a new R&D center. **3)** No capex has been allocated to Lloyd for a couple of years. Tumkur plant expansion is underway. **4)** W&C reported strong 21.2% revenue growth, driven equally by volume and value, with Wires contributing 65% to the segment. **5)** Havells has strategically entered into solar business through investment in Goldi Solar. It plans to scale into residential and commercial segments. **6)** RAC segment experienced muted growth due to a delayed summer, strong primary sales in Q4FY25, and slowdown in secondary sales, all of which affected primary sales volume. **7)** The company has gained market share in residential switchgear, which makes up 75% of the business, while industrial switchgear saw slower growth and market share decline post-elections. **8)** With the entry of 2 major players in the W&C industry, Havells' investments will remain focused on expanding its reach, strengthening brand building, and advancing technology and product development. **9)** The company is expanding into developed markets like the US, Europe and Australia, with exports contributing 3-3.5% of revenue.

Exhibit 1: Q4FY25 Result Overview (Rs mn)

Y/e March	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	65,436	54,420	20.2	48,890	33.8	217,781	185,900	17.1
Gross Profit	21,046	17,858	17.9	16,835	25.0	71,697	60,213	19.1
% of N S	32.2	32.8	-0.7	34.4	-2.27	32.9	32.4	0.5
Other Expenses	13,476	11,512	17.1	12,570	7.2	50,388	41,787	20.6
% of N S	20.6	21.2	-0.6	25.7	-5.12	23.1	22.5	0.7
EBITDA	7,571	6,346	19.3	4,265	77.5	21,309	18,426	15.6
Margin (%)	11.6	11.7	-0.1	8.7	2.85	9.8	9.9	-0.1
Depreciation	1,097	934	17.4	1,041	5.3	4,004	3,385	18.3
Interest	152	177	(14.1)	94	62.1	432	457	(5.4)
Other income	687	758	(9.3)	643	6.8	3,033	2,490	21.8
PBT	7,009	5,993	17.0	3,773	85.7	19,905	17,074	16.6
Tax	1,839	1,526	20.5	994	85.0	5,203	4,366	19.2
ETR (%)	26.2	25.5	0.8	26.3	-0.10	26.1	25.6	0.6
Adj. PAT	5,170	4,467	15.7	2,780	86.0	14,702	12,708	15.7

Source: Company, PL

Exhibit 2: Segmental Breakup (Rs mn)

Y/e March	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Revenues								
Switchgears	6,918	6,513	6.2	5,769	19.93	23,968	22,463	6.7
Cables	21,694	17,896	21.2	16,879	28.53	71,836	63,176	13.7
Lighting & Fixtures	4,417	4,353	1.5	4,464	-1.06	16,708	16,398	1.9
Electrical Consumer Durables	9,973	9,104	9.5	11,048	-9.73	40,139	34,825	15.3
Others	3,698	3,096	19.4	3,308	11.80	13,789	10,936	26.1
Core Revenues	46,700	40,961	14.0	41,468	12.62	166,440	147,797	12.6
Lloyd	18,736	13,459	39.2	7,422	152.43	51,341	38,103	34.7
Total Revenues	65,436	54,420	20.2	48,890	33.84	217,781	185,900	17.1
EBIT								
Switchgears	1,776	1,836	(3.3)	1,048	69.4	5,395	5,963	(9.5)
EBIT margin (%)	25.7	28.2	-2.5	18.2	7.5	22.5	26.5	-4.0
Cables	2,586	2,154	20.1	1,870	38.3	7,715	7,161	7.7
EBIT margin (%)	11.9	12.0	-0.1	11.1	0.8	10.7	11.3	-0.6
Lighting & Fixtures	725	785	(7.6)	651	11.3	2,507	2,478	1.2
EBIT margin (%)	16.4	18.0	-1.6	14.6	1.8	15.0	15.1	-0.1
Electrical Consumer Durables	1,248	1,025	21.8	953	31.0	3,991	3,871	3.1
EBIT margin (%)	12.5	11.3	1.3	8.6	3.9	9.9	11.1	-1.2
Others	143	89	61.1	-67	-314.9	252	246	2.6
EBIT margin (%)	3.9	2.9	1.0	-2.0	5.9	1.8	2.2	-0.4
Core EBIT	6,478	5,888	10.0	4,456	45.4	19,860	19,719	0.7
EBIT margin (%)	13.9	14.4	-0.5	10.7	3.1	11.9	13.3	-1.4
Lloyd	1,144	360	217.8	-361	NA	1,175	-1,670	NA
EBIT margin (%)	6.1	2.7	3.4	-4.9		2.3	-4.4	
Total EBIT	7,622	6,248	22.0	4,094	86.2	21,035	18,049	16.5
EBIT margin (%)	11.6	11.5	0.2	8.4	3.3	9.7	9.7	-0.1

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,85,900	2,17,781	2,49,714	2,87,120
YoY gr. (%)	9.9	17.1	14.7	15.0
Cost of Goods Sold	1,25,687	1,46,084	1,66,469	1,91,619
Gross Profit	60,213	71,697	83,245	95,502
Margin (%)	32.4	32.9	33.3	33.3
Employee Cost	15,485	18,700	21,226	23,687
Other Expenses	13,251	15,797	16,349	18,798
EBITDA	18,426	21,309	25,818	30,765
YoY gr. (%)	15.7	15.6	21.2	19.2
Margin (%)	9.9	9.8	10.3	10.7
Depreciation and Amortization	3,385	4,004	4,723	5,334
EBIT	15,041	17,305	21,095	25,430
Margin (%)	8.1	7.9	8.4	8.9
Net Interest	457	432	468	513
Other Income	2,490	3,033	3,004	3,664
Profit Before Tax	17,074	19,905	23,632	28,581
Margin (%)	9.2	9.1	9.5	10.0
Total Tax	4,366	5,203	6,007	7,265
Effective tax rate (%)	25.6	26.1	25.4	25.4
Profit after tax	12,708	14,702	17,625	21,315
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	12,708	14,702	17,625	21,315
YoY gr. (%)	19.3	15.7	19.9	20.9
Margin (%)	6.8	6.8	7.1	7.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	12,708	14,702	17,625	21,315
YoY gr. (%)	19.3	15.7	19.9	20.9
Margin (%)	6.8	6.8	7.1	7.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	12,708	14,702	17,625	21,315
Equity Shares O/s (m)	627	627	627	627
EPS (Rs)	20.3	23.5	28.1	34.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	53,733	64,637	75,237	85,337
Tangibles	41,173	51,547	62,047	72,047
Intangibles	12,560	13,090	13,190	13,290
Acc: Dep / Amortization	16,959	21,223	25,945	31,280
Tangibles	15,110	19,026	23,466	28,516
Intangibles	1,849	2,197	2,480	2,764
Net fixed assets	36,774	43,414	49,292	54,057
Tangibles	26,063	32,521	38,581	43,531
Intangibles	10,712	10,893	10,711	10,526
Capital Work In Progress	2,987	1,182	1,017	1,017
Goodwill	3,105	3,105	3,105	3,105
Non-Current Investments	532	474	445	464
Net Deferred tax assets	(3,575)	(3,753)	(3,338)	(3,266)
Other Non-Current Assets	1,933	1,214	1,910	2,101
Current Assets				
Investments	-	-	-	-
Inventories	34,086	40,469	47,890	55,064
Trade receivables	11,650	12,583	13,683	15,733
Cash & Bank Balance	30,382	33,781	40,776	49,502
Other Current Assets	2,372	1,668	2,497	2,871
Total Assets	1,24,327	1,38,094	1,61,289	1,84,685
Equity				
Equity Share Capital	627	627	627	627
Other Equity	73,841	82,783	96,452	1,10,871
Total Network	74,468	83,410	97,079	1,11,498
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	877	547	1,178	1,355
Other non current liabilities	152	101	204	234
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	26,919	30,470	35,118	40,424
Other current liabilities	15,912	17,278	21,116	24,164
Total Equity & Liabilities	1,24,327	1,38,094	1,61,289	1,84,685

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	17,074	19,905	23,632	28,581
Add. Depreciation	3,385	4,004	4,723	5,334
Add. Interest	456	432	468	513
Less Financial Other Income	2,490	3,033	3,004	3,664
Add. Other	(1,738)	(1,696)	407	424
Op. profit before WC changes	19,177	22,646	29,229	34,852
Net Changes-WC	4,272	(2,438)	(1,411)	(1,352)
Direct tax	(3,919)	(5,055)	(6,007)	(7,265)
Net cash from Op. activities	19,529	15,153	21,811	26,235
Capital expenditures	(7,623)	(7,538)	(11,115)	(10,100)
Interest / Dividend Income	1,510	2,391	-	-
Others	(10,026)	2,131	(6,970)	(7,000)
Net Cash from Invt. activities	(16,139)	(3,016)	(18,085)	(17,100)
Issue of share cap. / premium	213	616	-	-
Debt changes	(513)	(679)	-	-
Dividend paid	(4,701)	(6,268)	(5,956)	(6,896)
Interest paid	(380)	(394)	(468)	(513)
Others	-	-	-	-
Net cash from Fin. activities	(5,381)	(6,726)	(6,424)	(7,409)
Net change in cash	(1,991)	5,412	(2,697)	1,726
Free Cash Flow	12,231	7,170	10,501	15,198

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	20.3	23.5	28.1	34.0
CEPS	25.7	29.8	35.6	42.5
BVPS	118.8	133.0	154.9	177.9
FCF	19.5	11.4	16.8	24.2
DPS	9.0	9.5	11.0	11.0
Return Ratio(%)				
RoCE	24.9	25.8	26.7	27.9
ROIC	28.0	28.3	31.8	34.6
RoE	18.1	18.6	19.5	20.4
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)
Net Working Capital (Days)	37	38	39	39
Valuation(x)				
PER	82.1	71.0	59.2	49.0
P/B	14.0	12.5	10.8	9.4
P/CEPS	64.8	55.8	46.7	39.2
EV/EBITDA	55.0	47.4	38.8	32.3
EV/Sales	5.4	4.6	4.0	3.5
Dividend Yield (%)	0.5	0.6	0.7	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	58,062	45,393	48,890	65,436
YoY gr. (%)	20.1	16.4	10.8	20.2
Raw Material Expenses	39,565	30,075	32,055	44,389
Gross Profit	18,497	15,319	16,835	21,046
Margin (%)	31.9	33.7	34.4	32.2
EBITDA	5,722	3,751	4,265	7,571
YoY gr. (%)	42.4	0.5	(1.4)	19.3
Margin (%)	9.9	8.3	8.7	11.6
Depreciation / Depletion	920	946	1,041	1,097
EBIT	4,802	2,805	3,224	6,474
Margin (%)	8.3	6.2	6.6	9.9
Net Interest	86	101	94	152
Other Income	773	929	643	687
Profit before Tax	5,490	3,633	3,773	7,009
Margin (%)	9.5	8.0	7.7	10.7
Total Tax	1,415	955	994	1,839
Effective tax rate (%)	25.8	26.3	26.3	26.2
Profit after Tax	4,075	2,678	2,780	5,170
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	4,075	2,678	2,780	5,170
YoY gr. (%)	41.9	7.5	(3.5)	15.7
Margin (%)	7.0	5.9	5.7	7.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,075	2,678	2,780	5,170
YoY gr. (%)	41.9	7.5	(15.1)	15.7
Margin (%)	7.0	5.9	5.7	7.9
Other Comprehensive Income	(14)	(10)	-	-
Total Comprehensive Income	4,061	2,668	2,780	5,170
Avg. Shares O/s (m)	626	627	627	627
EPS (Rs)	6.5	4.3	4.4	8.2

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Apr-25	BUY	1,750	1,513
2	17-Jan-25	BUY	1,890	1,578
3	08-Jan-25	Accumulate	2,036	1,636
4	20-Oct-24	Accumulate	2,036	1,845
5	08-Oct-24	Accumulate	2,036	1,948
6	04-Sep-24	Accumulate	1,976	1,901
7	19-Jul-24	Accumulate	1,976	1,863
8	05-Jul-24	Accumulate	1,976	1,882
9	01-May-24	Accumulate	1,774	1,664

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,532	1,288
2	Avalon Technologies	Accumulate	900	807
3	Bajaj Electricals	Hold	552	551
4	Cello World	BUY	770	545
5	Century Plyboard (I)	BUY	806	668
6	Cera Sanitaryware	BUY	7,456	5,398
7	Crompton Greaves Consumer Electricals	BUY	440	339
8	Cyient DLM	BUY	692	455
9	Finolex Industries	Accumulate	202	176
10	Greenpanel Industries	BUY	330	233
11	Havells India	BUY	1,750	1,513
12	Kajaria Ceramics	BUY	966	785
13	Kaynes Technology India	Accumulate	5,528	4,956
14	KEI Industries	BUY	4,278	2,880
15	Polycab India	BUY	7,152	5,286
16	R R Kabel	BUY	1,292	944
17	Supreme Industries	Accumulate	3,689	3,112
18	Syrma SGS Technology	BUY	629	469
19	Voltas	BUY	1,593	1,345

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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