

HAVELLS INDIA

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	1,492
12 month price target (INR)	1,790
52 Week High/Low	1,946/1,360
Market cap (INR bn/USD bn)	935/10.6
Free float (%)	73.8
Avg. daily value traded (INR mn)	1,512.3

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	59.4%	59.4%	59.4%
FII	19.3%	21.6%	22.3%
DII	21.3%	19.0%	18.3%
Pledge	0.0%	0.0%	0.0%

FINANCIALS

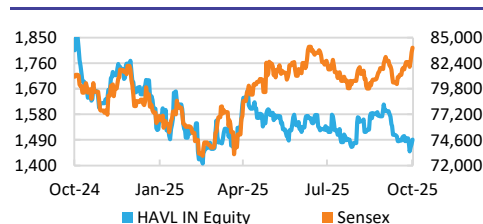
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	217,458	223,934	257,682	295,597
EBITDA	21,486	22,159	27,870	33,089
Adjusted profit	14,821	15,198	19,493	23,421
Diluted EPS (INR)	23.6	24.2	31.1	37.3
EPS growth (%)	16.4	2.5	28.3	20.1
RoAE (%)	18.6	17.4	20.2	22.0
P/E (x)	64.8	63.3	49.3	41.1
EV/EBITDA (x)	43.2	42.2	33.4	28.0
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	223,934	257,682	(2.9)	(3.4)
EBITDA	22,159	27,870	(8.0)	(6.4)
Adjusted profit	15,198	19,493	(8.6)	(6.8)
Diluted EPS (INR)	24.2	31.1	(8.6)	(6.8)

PRICE PERFORMANCE



Summer categories drag steady quarter

Havells reported revenue/EBITDA/PAT growth of 5%/8%/16% YoY in Q2FY26 with summer category products continuing to report weakness. C&W posted 12% growth, followed by switchgears (+8%) and lighting (+7%). Lloyd revenue dipped 19%, but EBIT losses ballooned to INR1bn due to higher consumer offers, under-absorption of overheads and EPR compliance provision.

We believe near-term concerns pertaining to channel inventory and demand scenario shall endure. We are trimming estimates by 3–9% to reflect near-term concerns. We reckon revenue/EBITDA/PAT CAGR of 11%/15%/16% over FY26–28E, yielding a TP of INR1,790 (earlier INR1,910); maintain 'BUY'.

Summer products affect performance

Overall revenue grew 5% YoY to INR47.7bn, in-line with our estimates. C&W revenue expanded 12% YoY with contribution margins expanding 540bp to 17.7% with cables continuing steady growth momentum. Lighting revenue grew 7% YoY on the back of LED price stabilisation with contribution margins contracting 80bp to 30.5%. ECD revenue edged down 2% YoY mainly due to a decline in fans and air coolers with contribution margins contracting 230bp to 21%. Lloyd revenue dipped 19% YoY due to high channel inventory and GST changes with contribution margins at 1.7% given significant under-absorption of overheads and higher consumer offers to assist in secondary sales of air conditioners owing to extended monsoon. Overall EBITDA grew 8%, missing our estimates by 12%, largely led by losses in Lloyd. PAT expanded 16% YoY, missing our estimates by 7%.

High inventory looms over near term growth

Demand recorded positive momentum during the quarter with a recovery in rural demand and B2B segment. International demand, particularly in cables, switchgears and RAC remained robust despite global situation. Higher inventory in cables and Lloyd led to a rise in working capital, affecting cash and cash equivalents. Moreover, focus on cost rationalisation shall eventually improve margins and profitability.

One of the most diversified player; maintain 'BUY'

Havells is one of the most diversified players with significant market share across categories. We are trimming estimates by 3–9% to reflect near-term concerns. We reckon revenue/EBITDA/PAT CAGR of 11%/15%/16% over FY26–28E, yielding a TP of INR1,790 (versus INR1,910 earlier); maintain 'BUY'.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY25	% Change
Net Revenue	47,666	45,330	(5.2)	54,378	(12.3)
EBITDA	4,408	4,081	(8.0)	5,235	(15.8)
Adjusted Profit	3,167	2,808	(12.8)	3,550	(10.8)
Diluted EPS (INR)	5.0	4.5	(12.8)	5.7	(10.8)

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	217,458	223,934	257,682	295,597
Gross profit	71,572	75,018	86,324	99,616
Employee costs	18,518	19,814	21,796	23,976
Other expenses	31,568	33,045	36,658	42,551
EBITDA	21,486	22,159	27,870	33,089
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	20,310	26,050	31,299
Prov for tax	5,203	5,106	6,557	7,878
Less: Other adj	259	26	0	0
Reported profit	14,629	15,179	19,493	23,421
Less: Excp.item (net)	192	19	0	0
Adjusted profit	14,821	15,198	19,493	23,421
Diluted shares o/s	627	627	627	627
Adjusted diluted EPS	23.6	24.2	31.1	37.3
DPS (INR)	0	0	0	0
Tax rate (%)	25.9	25.1	25.2	25.2

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
EBITDA margin (%)	9.9	9.9	10.8	11.2
Net profit margin (%)	6.8	6.8	7.6	7.9
Revenue growth (% YoY)	17.2	3.0	15.1	14.7
EBITDA growth (% YoY)	16.4	3.1	25.8	18.7
Adj. profit growth (%)	16.4	2.5	28.3	20.1

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)	64.8	63.3	49.3	41.1
Price/BV (x)	11.5	10.5	9.5	8.6
EV/EBITDA (x)	43.2	42.2	33.4	28.0
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	91,023	100,769	111,309
Shareholders funds	83,310	91,650	101,396	111,936
Minority interest	0	0	0	0
Borrowings	775	0	0	0
Trade payables	30,401	30,676	35,299	40,493
Other liabs & prov	23,264	23,871	26,941	30,393
Total liabilities	137,750	146,196	163,636	182,821
Net block	46,270	52,986	59,252	64,235
Intangible assets	0	0	0	0
Capital WIP	1,182	4,000	3,000	3,000
Total fixed assets	47,451	56,986	62,252	67,235
Non current inv	110	6,110	6,110	6,110
Cash/cash equivalent	33,526	26,312	30,533	35,803
Sundry debtors	12,536	12,270	14,120	16,197
Loans & advances	0	0	0	0
Other assets	44,127	44,545	50,647	57,503
Total assets	137,750	146,196	163,636	182,821

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	20,091	20,310	26,050	31,299
Add: Depreciation	3,987	4,466	4,734	5,018
Interest (net of tax)	(1,823)	(2,618)	(2,914)	(3,227)
Others	552	26	42	50
Less: Changes in WC	(2,146)	703	(301)	(338)
Operating cash flow	15,606	17,782	21,054	24,924
Less: Capex	(7,526)	(14,000)	(10,000)	(10,000)
Free cash flow	8,081	3,782	11,054	14,924

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	18.6	17.4	20.2	22.0
RoCE (%)	25.8	23.6	27.4	29.8
Inventory days	93	99	93	93
Receivable days	20	20	19	19
Payable days	72	75	70	71
Working cap (% sales)	3.1	2.7	2.5	2.3
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	(0.4)	(0.3)	(0.3)	(0.3)
Interest coverage (x)	40.5	40.9	52.5	60.6

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	16.4	2.5	28.3	20.1
RoE (%)	18.6	17.4	20.2	22.0
EBITDA growth (%)	16.4	3.1	25.8	18.7
Payout ratio (%)	0	0	0	0

Q2FY26 conference call: Key highlights

Demand scenario

- Demand recorded positive momentum during the quarter. Rural demand recovery was visible during the quarter.
- B2B demand has been robust with B2C demand witnessing a recovery.
- International demand, particularly in cables, switchgears and RAC remained robust despite global situations.

Cables

- Mid-double-digit volume growth in wires in H1FY26.
- However, wires volume growth was lower than value growth. Volume and value growth in cables were same.
- The company has acquired a land parcel in Alwar for cables expansion.
- C&W contribution margins stood at 17.7% on the back of rising price and inventory benefit. However, on a sustainable basis, the company expects margins to be around 15–16%.

Lighting

- The company has been witnessing price stabilisation in the lighting segment.

Switchgears

- The company reported 37.3% contribution margins during the quarter due to adverse mix. However, on a sustainable basis, margins to be in the range of 37–40%.

ECD

- Overall ECD segment inched down 2% YoY. Fans witnessed mid-single digit decline due to unseasonal rains. Fans will witness BEE 2.0 norm changes with effect from Jan-26. The additional cost incurred will be passed on to customers.
- Air coolers witnessed a steep decline during the quarter.
- Contribution margins remained weak at 21% given fans' off season and under-absorption of overheads. Furthermore, EPR liabilities have increased during the year, which will be passed on eventually.
- ECD segment did not witness any GST change benefits.

Others

- Solar portfolio typically remains subdued in Q2 on seasonality. However, the company expects H2FY26 to witness healthy growth.
- Margins is likely to improve going ahead.

Lloyd

- Higher consumer offers impacted margins. These are recorded above contribution margins and hence pressure should ease out.
- The company expects channel inventory to normalise by Q3FY26. Inventories to see liquidation in Q3, due to BEE rating changes. However, the old inventory can be sold after the implementation of norms by the channel.
- Traditional channels (50% contribution to sales) is likely to normalise by Dec-25. Pick up is likely to happen post that.
- Modern trade/ecom channel to witness a pickup in Q4.
- The company expects BEE rating changes, leading to price reverting back to earlier levels. The cost will be passed on to customers.

Miscellaneous

- Higher working capital (particularly in cables) is likely to normalise in Q4.
- The company has been investing towards employee cost over the past years; the benefits of which are expected to be seen over coming years.
- Capex spends to be around INR14bn in FY26 and INR10bn in FY27.
- The company is likely to fill the portfolio gap with the introduction of chimneys, hubs etc. It is even evaluating high voltage cables to be added in the portfolio.

Exhibit 1: Quarterly performance

INR mn	2Q25A	2Q26A	YoY	2yr CAGR	1Q26A	QoQ	1HFY25	1HFY26	YoY
Net Sales	45,330	47,666	5%	11%	54,378	-12%	103,311	102,044	-1%
Havells (Ex-Lloyd)	39,456	42,880	9%	12%	41,760	3%	78,196	84,640	8%
Lloyd	5,874	4,786	-19%	-1%	12,619	-62%	25,115	17,405	-31%
Raw Material Cost	30,027	31,024	3%	9%	36,175	-14%	69,526	67,199	-3%
Gross Profit	15,303	16,642	9%	13%	18,203	-9%	33,785	34,845	3%
Gross Margin	33.8%	34.9%	120	160	33.5%	140	32.7%	34.1%	140
Employee cost	4,602	4,728	3%	12%	4,949	-4%	9,184	9,676	5%
% of sales	10.2%	9.9%	-20	20	9.1%	80	8.9%	9.5%	60
Other expenses	6,620	7,507	13%	17%	8,019	-6%	14,724	15,526	5%
% of sales	14.6%	15.7%	110	170	14.7%	100	14.3%	15.2%	100
Advertisement Exp	1,301	1,310	1%	24%	1,423	-8%	3,025	2,733	-10%
% of sales	2.9%	2.7%	-10	60	2.6%	10	2.9%	2.7%	-20
Other Exp	5,319	6,197	17%	16%	6,596	-6%	11,699	12,793	9%
% of sales	11.7%	13.0%	130	110	12.1%	90	11.3%	12.5%	120
Total Expenditure	41,249	43,259	5%	11%	49,143	-12%	93,434	92,402	-1%
EBITDA	4,081	4,408	8%	9%	5,235	-16%	9,877	9,643	-2%
EBITDA margin	9.0%	9.2%	20	-40	9.6%	-40	9.6%	9.4%	-10
Havells EBITDA	4,227	5,359	27%	9%	5,409	-1%	9,315	10,768	16%
Havells EBITDA margin	10.7%	12.5%	180	-70	13.0%	-50	11.9%	12.7%	80
Lloyd EBITDA	-146	-951	552%	12%	-174	447%	563	-1,125	-300%
Lloyd EBITDA margin	-2.5%	-19.9%	-1740	-450	-1.4%	-1850	2.2%	-6.5%	-870
Depreciation	946	1,051	11%	14%	1,051	0%	1,866	2,101	13%
EBIT	3,135	3,357	7%	7%	4,185	-20%	8,011	7,541	-6%
Other Income	758	863	14%	39%	691	25%	1,528	1,553	2%
PBIT	3,893	4,219	8%	12%	4,875	-13%	9,539	9,095	-5%
Interest	101	91	-9%	-1%	94	-2%	186	185	-1%
Forex Loss/-Income	0	0			0		0	0	
XO Expense/-Income	111	-10			36		145	26	
PBT	3,681	4,138	12%	11%	4,746	-13%	9,208	8,884	-4%
Tax Expense	955	963	1%	6%	1,222	-21%	2,370	2,185	-8%
Tax Rate	25.2%	23.3%	-190	-240	25.8%	-240	25.7%	24.6%	-110
Reported Net Profit	2,726	3,175	16%	13%	3,523	-10%	6,838	6,698	-2%
Adjusted Net Profit	2,808	3,167	13%	14%	3,550	-11%	6,945	6,717	-3%
Adj EPS	4.5	5.0	13%	14%	5.7	-11%	11.1	10.7	-3%

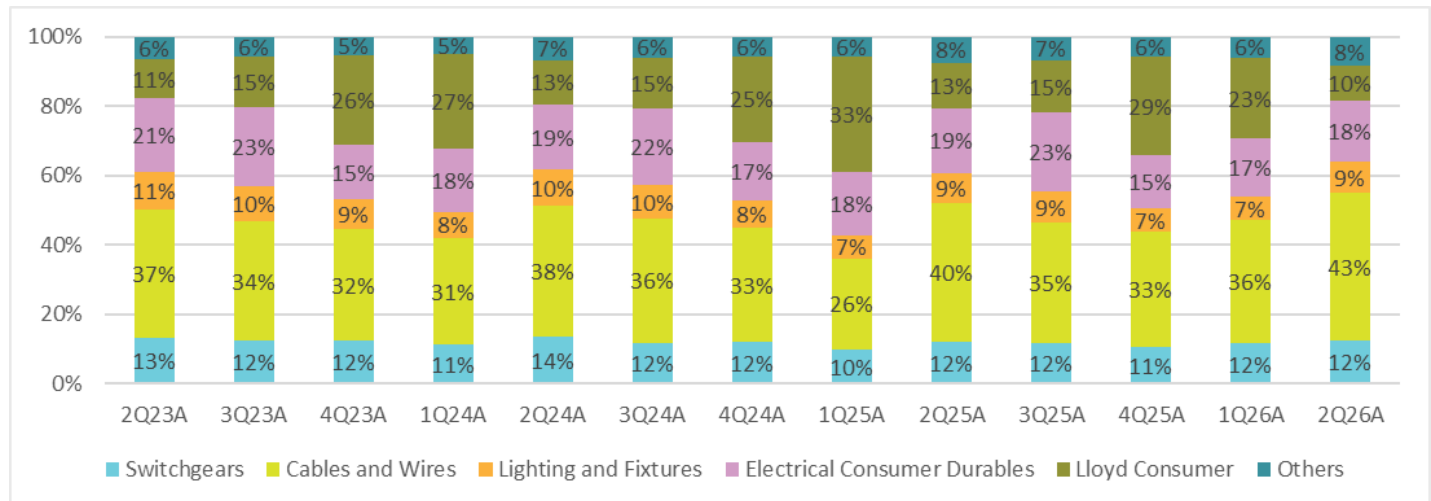
Source: Company, Nuvama Research

Exhibit 2: Segmental performance

INR mn	2Q25A	2Q26A	YoY	2yr CAGR	1Q26A	QoQ	1HFY25	1HFY26	YoY
Total Revenue	45,330	47,666	5%	11%	54,378	-12%	103,311	102,044	-1%
Havells	39,456	42,880	9%	12%	41,760	3%	78,196	84,640	8%
Switchgears	5,513	5,954	8%	6%	6,296	-5%	11,271	12,250	9%
Cables & Wires	18,052	20,282	12%	17%	19,332	5%	33,264	39,615	19%
Lighting & Fixtures	3,909	4,198	7%	3%	3,735	12%	7,765	7,934	2%
Electrical Consumer Durables	8,564	8,414	-2%	7%	9,059	-7%	19,113	17,473	-9%
Others	3,418	4,032	18%	23%	3,337	21%	6,783	7,369	9%
Lloyd	5,874	4,786	-19%	-1%	12,619	-62%	25,115	17,405	-31%
Havells (Ex Lloyd and C&W)	21,404	22,598	6%	8%	22,427	1%	44,932	45,025	0%
Contribution margin (%)	19.9%	20.1%	20	-290	19.7%	40	19.7%	19.9%	20
Havells (ex-Lloyds)	20.7%	22.2%	150	-270	22.4%	-20	21.7%	22.3%	60
Switchgears	38.2%	37.3%	-90	-230	37.2%	10	38.5%	37.2%	-120
Cables and Margins	12.3%	17.7%	540	220	16.0%	170	13.4%	16.9%	350
Lighting and Fixtures	31.3%	30.5%	-80	170	30.1%	40	31.6%	30.3%	-130
Electrical Consumer Durables	23.3%	21.0%	-230	-250	23.6%	-260	23.7%	22.3%	-140
Others	18.5%	15.9%	-260	NM	19.3%	-340	NM	NM	NM
Lloyds	14.0%	1.7%	-1230	-220	11.1%	-940	13.4%	8.5%	-490
Havells (Ex Lloyd and C&W)	27.8%	26.2%	-150	-200	27.9%	-170			0
Total EBIT	3,688	4,232	15%	5%	5,117	-17%	9,379	9,349	0%
Havells	3,911	5,220	33%	7%	5,314	-2%	8,929	10,535	18%
Switchgears	1,150	1,328	16%	-3%	1,475	-10%	2,569	2,803	9%
Cables and Wires	1,548	2,782	80%	28%	2,426	15%	3,259	5,209	60%
Lighting and Fixtures	505	565	12%	0%	462	22%	1,135	1,027	-10%
Electrical Cons Durables	643	476	-26%	-25%	789	-40%	1,790	1,265	-29%
Others	66	69	5%	31%	162	NM	176	231	32%
Lloyd	-224	-989	342%	16%	-197	NM	450	-1,186	-363%
Havells (Ex Lloyd and C&W)	2,363	2,438	3%	-8%	2,888	-16%	5,670	5,326	-6%
Total EBIT margin	8.1%	8.9%	70	-100	9.4%	-50	9.1%	9.2%	10
Havells	9.9%	12.2%	230	-130	12.7%	-60	11.4%	12.4%	100
Switchgears	20.9%	22.3%	140	-410	23.4%	-110	22.8%	22.9%	10
Cables and Wires	8.6%	13.7%	510	210	12.6%	120	9.8%	13.1%	340
Lighting and Fixtures	12.9%	13.5%	50	-90	12.4%	110	14.6%	12.9%	-170
Electrical Cons Durables	7.5%	5.7%	-190	-590	8.7%	-310	9.4%	7.2%	-210
Others	1.9%	1.7%	-20	NM	4.8%	-310	NM	NM	NM
Lloyd	-3.8%	-20.7%	-1680	-580	-1.6%	-1910	1.8%	-6.8%	-860
Havells (Ex Lloyd and C&W)	11.0%	10.8%	-30	-410	12.9%	-210	12.6%	11.8%	-80

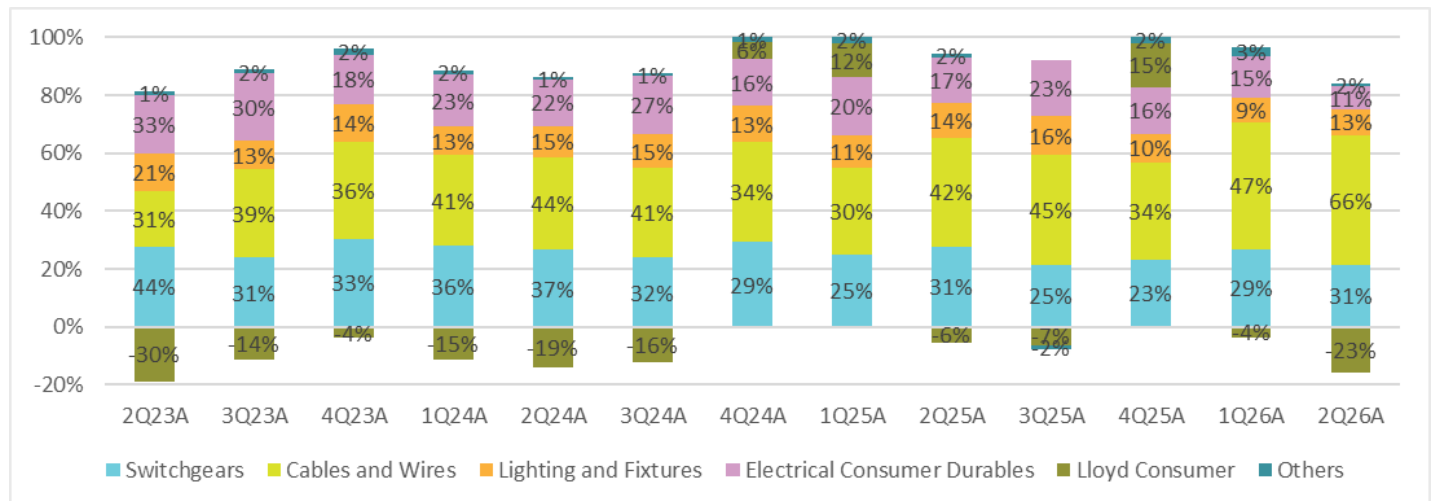
Source: Company, Nuvama Research

Exhibit 3: Revenue mix



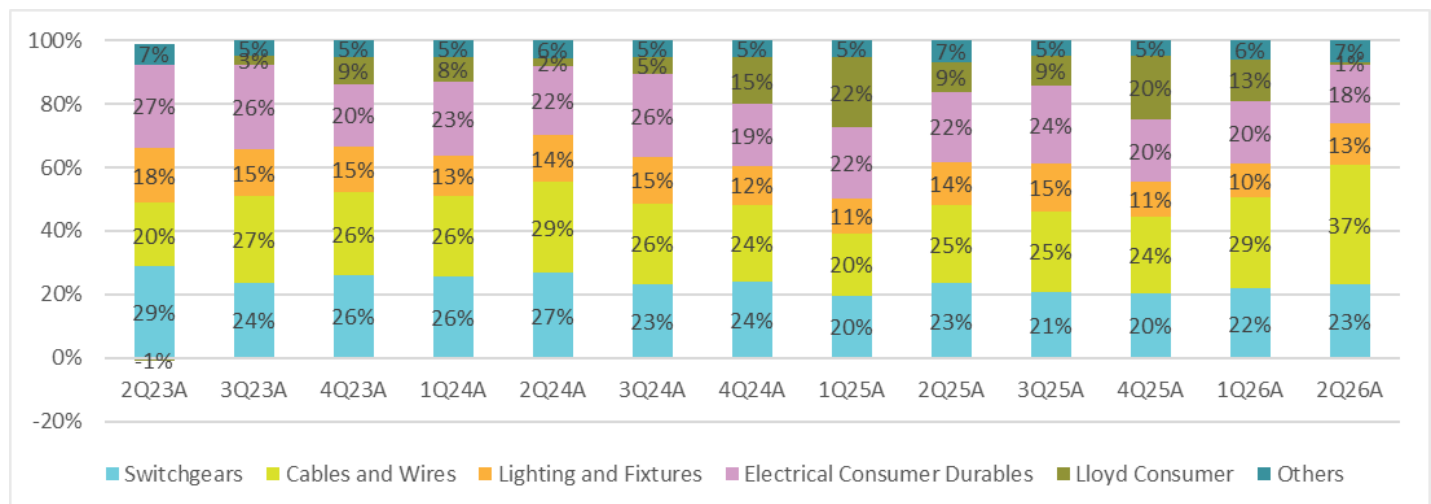
Source: Company, Nuvama Research

Exhibit 4: EBIT mix



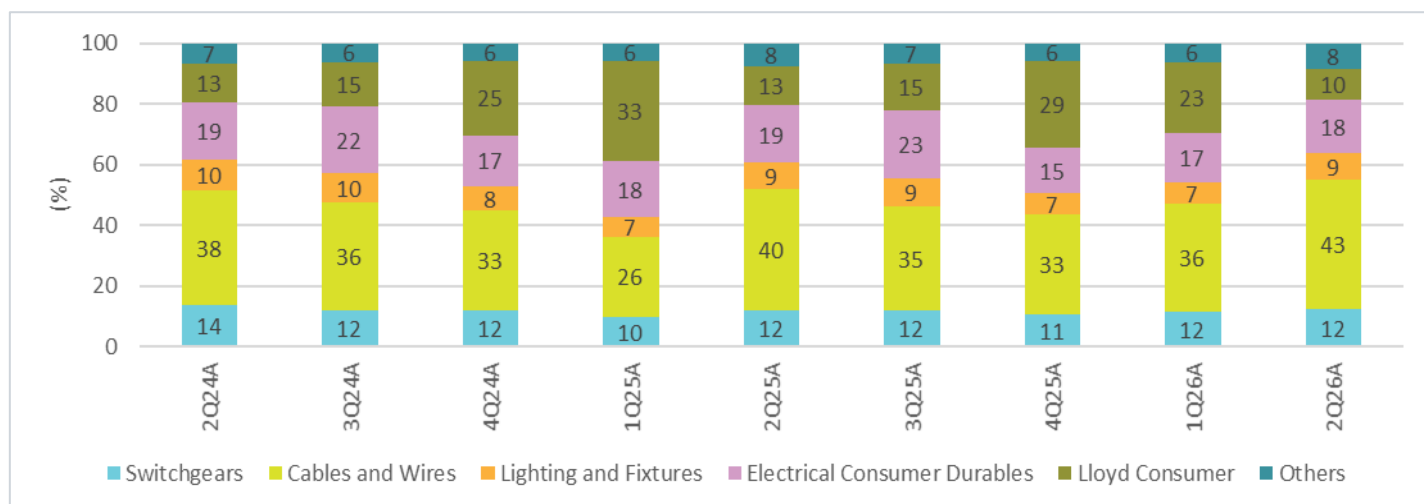
Source: Company, Nuvama Research

Exhibit 5: Contribution mix



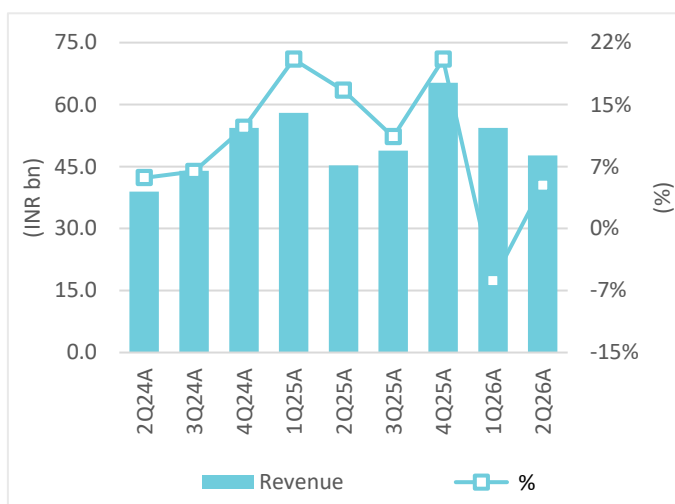
Source: Company, Nuvama Research

Exhibit 6: Product mix



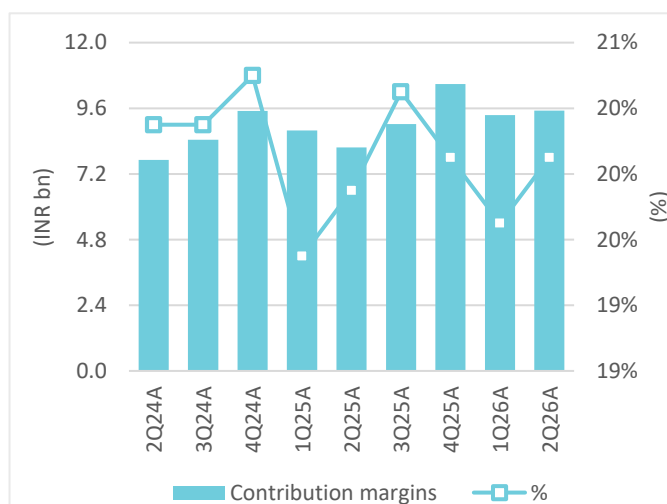
Source: Company, Nuvama Research

Exhibit 7: Revenue trends



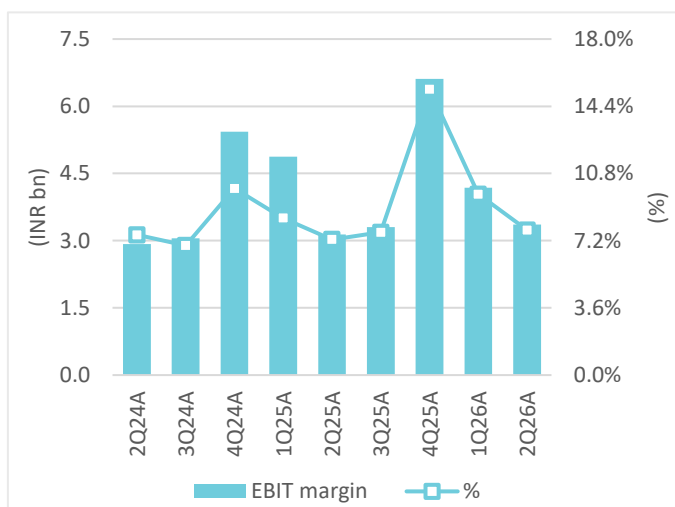
Source: Company, Nuvama Research

Exhibit 8: Contribution margin trends



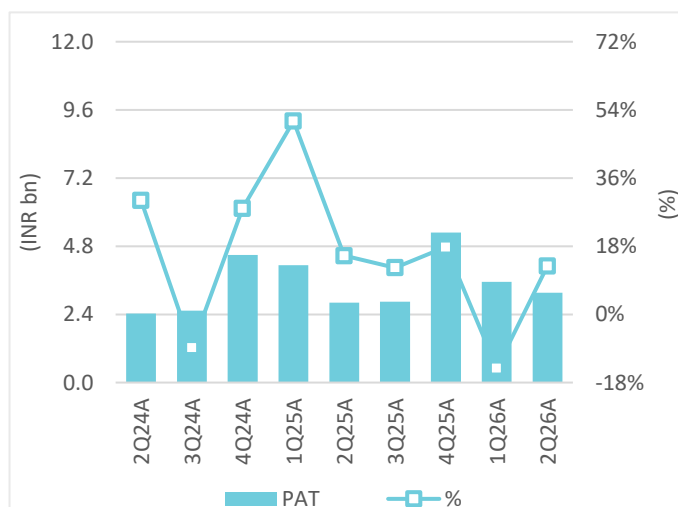
Source: Company, Nuvama Research

Exhibit 9: EBIT margin trends



Source: Company, Nuvama Research

Exhibit 10: PAT trends



Source: Company, Nuvama Research

Exhibit 11: Performance trends

INR m	1Q23A	2Q23A	3Q23A	4Q23A	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25A	3Q25A	4Q25A	1Q26A	2Q26A
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	5,954
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	20,282
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	4,198
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	8,414
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	4,786
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	4,032
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	47,666
Revenue (YoY)														
Switchgears	38%	10%	4%	27%	5%	9%	1%	8%	6%	4%	11%	6%	9%	8%
Cables and Wires	48%	19%	17%	5%	24%	8%	11%	14%	2%	23%	7%	21%	27%	12%
Lighting and Fixtures	77%	12%	3%	3%	-1%	0%	2%	5%	5%	-1%	3%	1%	-3%	7%
Electrical Consumer Durables	46%	6%	5%	-14%	5%	-5%	3%	21%	20%	17%	15%	9%	-14%	-2%
Lloyd Consumer	119%	21%	30%	32%	20%	19%	7%	6%	47%	19%	15%	40%	-34%	-19%
Others	66%	12%	26%	12%	9%	12%	16%	22%	36%	28%	23%	19%	-1%	18%
Total	63%	14%	13%	10%	14%	6%	7%	12%	20%	16%	11%	20%	-6%	5%
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%	37.3%
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%	17.7%
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%	30.5%
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%	21.0%
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%	1.7%
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%	15.9%
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%	20.1%
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%	22.3%
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%	13.7%
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%	13.5%
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%	5.7%
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%	-20.7%
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%	1.7%
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%	8.9%

Source: Company, Nuvama Research

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	6.55	
Nalanda India F	4.12	
HDFC Funds	2.39	
Government Pens	1.60	
UTI Funds	1.12	

*Latest public data

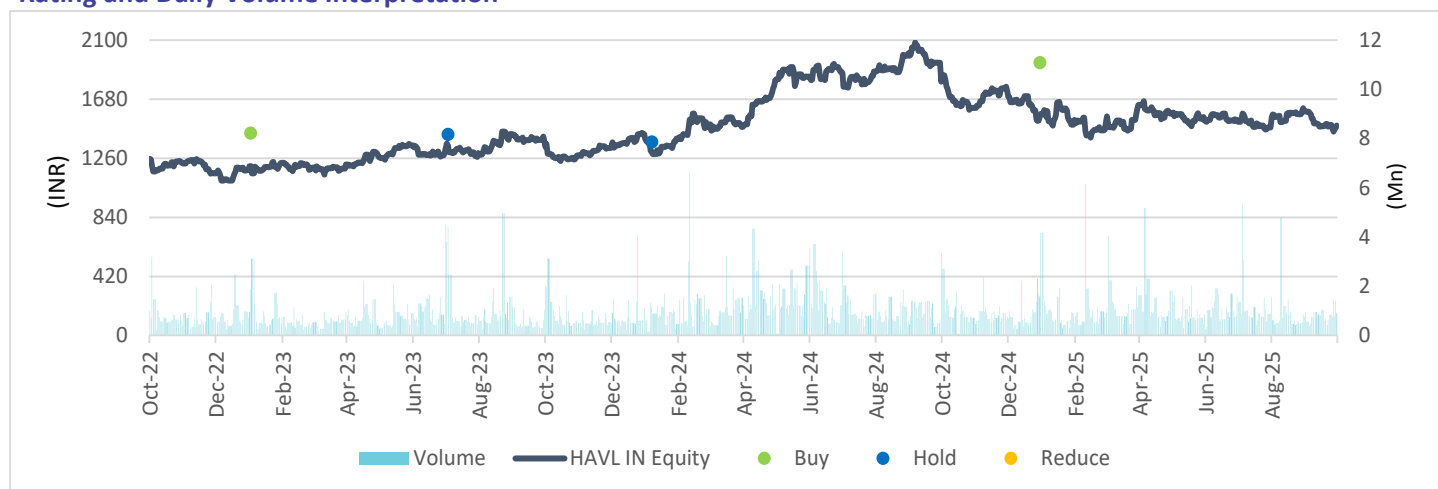
Recent Company Research

Date	Title	Price	Reco
21-Jul-25	Summer shock; near-term outlook muted; <i>Result Update</i>	1,532	Buy
22-Apr-25	All-round beat; brace for volatility; <i>Result Update</i>	1,665	Buy
17-Jan-25	Optimism outweighs near-term pain; <i>Nuvama Flash</i>	1,527	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
16-Oct-25	KEI Industries	In-line quarter; exports sustain strong ; <i>Result Update</i>
15-Oct-25	KEI Industries	Robustness in C&W growth sustain; <i>Oven fresh</i>
07-Oct-25	Consumer Durables, Electricals & EMS	Cables, EMS: Outperformance to continue; <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%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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