

July 22, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,645		1,718	
Sales (Rs. m)	2,41,130	2,76,094	2,49,714	2,87,120
% Chng.	(3.4)	(3.8)		
EBITDA (Rs. m)	24,019	28,952	25,818	30,765
% Chng.	(7.0)	(5.9)		
EPS (Rs.)	26.3	31.9	28.1	34.0
% Chng.	(6.4)	(6.0)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,85,900	2,17,781	2,41,130	2,76,094
EBITDA (Rs. m)	18,426	21,309	24,019	28,952
Margin (%)	9.9	9.8	10.0	10.5
PAT (Rs. m)	12,708	14,702	16,498	20,022
EPS (Rs.)	20.3	23.5	26.3	31.9
Gr. (%)	19.3	15.7	12.2	21.4
DPS (Rs.)	9.0	10.0	11.0	11.0
Yield (%)	0.6	0.7	0.7	0.7
RoE (%)	18.1	18.6	18.4	19.6
RoCE (%)	24.9	25.8	25.2	26.7
EV/Sales (x)	5.0	4.3	3.8	3.3
EV/EBITDA (x)	50.4	43.5	38.6	31.8
PE (x)	75.5	65.3	58.2	48.0
P/BV (x)	12.9	11.5	10.0	8.8

Key Data HVEL.BO | HAVL IN

52-W High / Low	Rs.2,106 / Rs.1,360
Sensex / Nifty	82,200 / 25,091
Market Cap	Rs.961bn / \$ 11,131m
Shares Outstanding	627m
3M Avg. Daily Value	Rs.1635.47m

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	(0.1)	(2.9)	(13.4)
Relative	0.1	(10.4)	(15.1)

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Lloyd & ECD lagged, dragging revenue down

Quick Pointers:

- W&C revenue grew 27.1% YoY supported by volume growth of 20%-21%
- Lloyd declined of 34.1% YoY & reported EBIT loss of Rs 209mn

We downward revise Havells FY26/27 earnings by 6.4%/6.0% to factor in the weak performance of Lloyd and ECD in current quarter, heavy compliance cost and pressure from inventory liquidation .while Havells reported strong growth in W&C segment with a volume growth of 20-21%. ECD and Lloyd segment declined due to unseasonal rains, product mix change and weak summer. Inventory levels of RAC are high at company level, which is expected to normalize in coming quarters. Company plans to double its underground cable capacity by FY27, with its new Tumkur facility already ramping up production, as the company sees strong medium-term growth opportunities driven by robust domestic and export demand. Goldi Solar is planning backward integration by moving into solar cell production, which will help Havells expand its solar portfolio. We estimate revenue/EBITDA/PAT CAGR of 12.6% / 16.6% / 16.7% with ECD/Cables/Lloyd revenue CAGR of 9.4%/17.7%/9.0% over FY25-27E and EBITDA margin of 10.5% by FY27E (+70bps). Maintain 'ACCUMULATE', with TP of Rs1,645 (earlier Rs1,718), based on DCF, which implies 52x FY27E earnings.

Revenue declined 6.0%, PAT declined 14.7% YoY: Revenues decline by 6.0% YoY to Rs54.5bn (PLe: Rs 59.7bn). ECD (contributed 17% to revenue) decline by 14.0% YoY to Rs9.1bn due to low demand for fans and air coolers. Lloyd revenues decline by 34.1% YoY to Rs12.7bn due to weak summer and high base. W&C revenues grew by 27.1% YoY to Rs19.3bn, supported by robust volume growth. EBITDA decline by 9.9% YoY to Rs5.2bn (PLe: Rs5.3bn). EBITDA Margin contracted by 40bps YoY to 9.5%. (PLe:8.9%). Advertising & sales promotion spends stood at 2.6% of sales (down 17.1% YoY). In terms of segmental EBIT margin, Cables came in at 12.6% (+130bps), Lighting at 12.0% (-430bps YoY), ECD at 8.7% (-220bps), Switchgear at 23.4% (-120bps YoY), and Lloyd at -1.6% (-490bps). PBT decline by 14.4% YoY to Rs4.7bn. PAT declined 14.7% YoY to Rs3.5bn (PLe: Rs3.5bn).

ConCall Takeaways: **1)** ECD segment declined primarily due to weak demand for fans and air coolers, weak summer demand and early rains. **2)** Lloyd had a weak quarter but continues to maintain margins, with no plans for heavy discounting during the off-season. **3)** Company aims to maintain Switchgear's contribution margin in range of 38% to 40%. **4)** W&C segment reported 20–21% volume growth, with equal contribution from wires and cables. **5)** company expects strong growth in solar portfolio, and likely to rise its revenue from Rs5bn in FY25 to Ra10bn–15bn in next few years. **6)** Havells remains positive on its lighting business and continues to invest despite price deflation and maintaining industry-leading margins. **7)** Rural region currently contribute 5–6% of overall revenue but are growing faster than urban markets. Havells plans to drive this growth by expanding distribution and launching Lloyd products through its UTSAV stores. **8)** Havells plans to double underground cable capacity by FY27, with gradual capacity ramp-up and production already underway at the Tumkur facility. **9)** Goldi Solar is undertaking backward integration by setting up solar cell production over the next 18months, and a potential to entry into battery storage.

Exhibit 1: Q1FY26 Result Overview (Rs mn)

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	54,554	58,062	(6.0)	59,731	(8.7)	65,436	(16.6)	241,130	217,781	10.7
Gross Profit	18,243	18,497	(1.4)	19,293	(5.4)	21,046	(13.3)	80,626	71,697	12.5
% of N S	33.4	31.9	1.6	32.3		32.2	1.28	33.4	32.9	0.5
Other Expenses	13,086	12,775	2.4	13,977	(6.4)	13,476	(2.9)	56,607	50,388	12.3
% of N S	24.0	22.0	2.0	23.4		20.6	3.39	23.5	23.1	0.3
EBITDA	5,157	5,722	(9.9)	5,316	(3.0)	7,571	(31.9)	24,019	21,309	12.7
Margin (%)	9.5	9.9	-0.4	8.9		11.6	-2.12	10.0	9.8	0.2
Depreciation	1,057	920	14.9	1,103	(4.1)	1,097	(3.6)	4,372	4,004	9.2
Interest	94	86	9.5	117	(20.0)	152	(38.5)	435	432	0.6
Other income	692	773	(10.5)	601	15.2	687	0.7	2,909	3,033	(4.1)
PBT	4,698	5,490	(14.4)	4,697	0.0	7,009	(33.0)	22,121	19,905	11.1
Tax	1,222	1,415	(13.6)	1,194	2.4	1,839	(33.5)	5,623	5,203	8.1
ETR (%)	26.0	25.8	0.2	25.4		26.2	-0.22	25.4	26.1	-0.7
Adj. PAT	3,475	4,075	(14.7)	3,503	(0.8)	5,170	(32.8)	16,498	14,702	12.2

Source: Company, PL

Exhibit 2: Segmental Breakup (Rs mn)

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Revenues								
Switchgears	6,298	5,768	9.2	6,918	-8.96	26,604	23,968	11.0
Cables	19,332	15,212	27.1	21,694	-10.89	85,126	71,836	18.5
Lighting & Fixtures	3,802	3,876	(1.9)	4,417	-13.94	17,627	16,708	5.5
Electrical Consumer Durables	9,073	10,554	(14.0)	9,973	-9.02	42,145	40,139	5.0
Others	3,337	3,365	(0.8)	3,698	-9.77	15,858	13,789	15.0
Core Revenues	41,842	38,775	7.9	46,700	(10.40)	187,360	166,440	12.6
Lloyd	12,711	19,287	(34.1)	18,736	-32.15	53,770	51,341	4.7
Total Revenues	54,554	58,062	(6.0)	65,436	(16.63)	241,130	217,781	10.7
EBIT								
Switchgears	1,476	1,422	3.8	1,776	-16.9	6,252	5,395	15.9
EBIT margin (%)	23.4	24.6	-1.2	25.7	-2.2	23.5	22.5	1.0
Cables	2,426	1,711	41.8	2,586	-6.2	9,364	7,715	21.4
EBIT margin (%)	12.6	11.2	1.3	11.9	0.6	11.0	10.7	0.3
Lighting & Fixtures	455	630	(27.7)	725	-37.2	2,645	2,507	5.5
EBIT margin (%)	12.0	16.2	-4.3	16.4	-4.4	15.0	15.0	0.0
Electrical Consumer Durables	788	1,147	(31.3)	1,248	-36.8	4,889	3,991	22.5
EBIT margin (%)	8.7	10.9	-2.2	12.5	-3.8	11.6	9.9	1.7
Others	162	110	47.0	143	13.2	476	252	88.9
EBIT margin (%)	4.8	3.3	1.6	3.9	1.0	3.0	1.8	1.2
Core EBIT	5,307	5,019	5.7	6,478	(18.1)	23,625	19,860	19.0
EBIT margin (%)	12.7	12.9	-0.3	13.9	-1.2	12.6	11.9	0.7
Lloyd	(209)	636	(132.9)	1,144	-118.3	1,075	1,175	(8.5)
EBIT margin (%)	-1.6	3.3	-4.9	6.1	-7.7	2.0	2.3	
Total EBIT	5,098	5,655	(9.9)	7,622	(33.1)	24,700	21,035	17.4
EBIT margin (%)	9.3	9.7	-0.4	11.6	-2.3	10.2	9.7	0.6

Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,85,900	2,17,781	2,41,130	2,76,094
YoY gr. (%)	9.9	17.1	10.7	14.5
Cost of Goods Sold	1,25,687	1,46,084	1,60,504	1,84,193
Gross Profit	60,213	71,697	80,626	91,902
Margin (%)	32.4	32.9	33.4	33.3
Employee Cost	15,485	18,700	20,496	22,778
Other Expenses	13,251	16,166	16,690	18,774
EBITDA	18,426	21,309	24,019	28,952
YoY gr. (%)	15.7	15.6	12.7	20.5
Margin (%)	9.9	9.8	10.0	10.5
Depreciation and Amortization	3,385	4,004	4,372	5,114
EBIT	15,041	17,305	19,647	23,838
Margin (%)	8.1	7.9	8.1	8.6
Net Interest	457	432	435	484
Other Income	2,490	3,033	2,909	3,492
Profit Before Tax	17,074	19,905	22,121	26,846
Margin (%)	9.2	9.1	9.2	9.7
Total Tax	4,366	5,203	5,623	6,824
Effective tax rate (%)	25.6	26.1	25.4	25.4
Profit after tax	12,708	14,702	16,498	20,022
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	12,708	14,702	16,498	20,022
YoY gr. (%)	19.3	15.7	12.2	21.4
Margin (%)	6.8	6.8	6.8	7.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	12,708	14,702	16,498	20,022
YoY gr. (%)	19.3	15.7	12.2	21.4
Margin (%)	6.8	6.8	6.8	7.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	12,708	14,702	16,498	20,022
Equity Shares O/s (m)	627	627	627	627
EPS (Rs)	20.3	23.5	26.3	31.9

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	53,733	63,771	74,907	86,406
Tangibles	41,173	50,827	61,717	73,116
Intangibles	12,560	12,944	13,190	13,290
Acc: Dep / Amortization	16,959	20,356	24,728	29,842
Tangibles	15,110	18,305	22,481	27,397
Intangibles	1,849	2,051	2,247	2,446
Net fixed assets	36,774	43,414	50,179	56,563
Tangibles	26,063	32,521	39,236	45,719
Intangibles	10,712	10,893	10,943	10,844
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	6,475	6,494
Net Deferred tax assets	(3,575)	(3,753)	(3,338)	(3,271)
Other Non-Current Assets	1,933	1,214	1,874	2,055
Current Assets				
Investments	-	-	-	-
Inventories	34,086	40,469	46,244	52,950
Trade receivables	11,650	12,583	13,213	15,128
Cash & Bank Balance	30,382	33,781	32,565	38,477
Other Current Assets	2,372	1,668	2,411	2,761
Total Assets	1,24,327	1,38,094	1,57,734	1,79,292
Equity				
Equity Share Capital	627	627	627	627
Other Equity	73,841	82,611	95,011	1,08,137
Total Network	74,468	83,238	95,638	1,08,764
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	877	547	1,136	1,304
Other non current liabilities	152	101	197	225
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	26,919	30,470	33,860	38,857
Other current liabilities	15,912	17,278	20,421	23,271
Total Equity & Liabilities	1,24,327	1,38,094	1,57,734	1,79,292

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	17,074	19,905	22,121	26,846
Add. Depreciation	3,385	4,004	4,372	5,114
Add. Interest	456	432	435	484
Less Financial Other Income	2,490	3,033	2,909	3,492
Add. Other	(1,738)	(1,696)	279	395
Op. profit before WC changes	19,177	22,646	27,207	32,839
Net Changes-WC	4,272	(2,438)	(1,137)	(1,224)
Direct tax	(3,919)	(5,055)	(5,623)	(6,824)
Net cash from Op. activities	19,529	15,153	20,447	24,791
Capital expenditures	(7,623)	(7,538)	(10,959)	(11,499)
Interest / Dividend Income	1,510	2,391	-	-
Others	(10,026)	2,131	(9,000)	(7,000)
Net Cash from Invst. activities	(16,139)	(3,016)	(19,959)	(18,499)
Issue of share cap. / premium	213	616	-	-
Debt changes	(513)	(679)	-	-
Dividend paid	(4,701)	(6,268)	(3,762)	(6,896)
Interest paid	(380)	(394)	(435)	(484)
Others	-	-	-	-
Net cash from Fin. activities	(5,381)	(6,726)	(4,197)	(7,380)
Net change in cash	(1,991)	5,412	(3,709)	(1,088)
Free Cash Flow	12,231	8,036	8,761	12,413

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	20.3	23.5	26.3	31.9
CEPS	25.7	29.8	33.3	40.1
BVPS	118.8	132.8	152.5	173.5
FCF	19.5	12.8	14.0	19.8
DPS	9.0	10.0	11.0	11.0
Return Ratio(%)				
RoCE	24.9	25.8	25.2	26.7
ROIC	28.0	28.4	25.8	27.9
RoE	18.1	18.6	18.4	19.6
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.3)	(0.4)
Net Working Capital (Days)	37	38	39	39
Valuation(x)				
PER	75.5	65.3	58.2	48.0
P/B	12.9	11.5	10.0	8.8
P/CEPS	59.6	51.3	46.0	38.2
EV/EBITDA	50.4	43.5	38.6	31.8
EV/Sales	5.0	4.3	3.8	3.3
Dividend Yield (%)	0.6	0.7	0.7	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	45,393	48,890	65,436	54,554
YoY gr. (%)	16.4	10.8	20.2	(6.0)
Raw Material Expenses	30,075	32,055	44,389	36,311
Gross Profit	15,319	16,835	21,046	18,243
Margin (%)	33.7	34.4	32.2	33.4
EBITDA	3,751	4,265	7,571	5,157
YoY gr. (%)	0.5	(1.4)	19.3	(9.9)
Margin (%)	8.3	8.7	11.6	9.5
Depreciation / Depletion	946	1,041	1,097	1,057
EBIT	2,805	3,224	6,474	4,099
Margin (%)	6.2	6.6	9.9	7.5
Net Interest	101	94	152	94
Other Income	929	643	687	692
Profit before Tax	3,633	3,773	7,009	4,698
Margin (%)	8.0	7.7	10.7	8.6
Total Tax	955	994	1,839	1,222
Effective tax rate (%)	26.3	26.3	26.2	26.0
Profit after Tax	2,678	2,780	5,170	3,475
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	2,678	2,780	5,170	3,475
YoY gr. (%)	7.5	(3.5)	15.7	(14.7)
Margin (%)	5.9	5.7	7.9	6.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,678	2,780	5,170	3,475
YoY gr. (%)	7.5	(15.1)	15.7	(14.7)
Margin (%)	5.9	5.7	7.9	6.4
Other Comprehensive Income	(10)	-	-	-
Total Comprehensive Income	2,668	2,780	5,170	3,475
Avg. Shares O/s (m)	627	627	627	627
EPS (Rs)	4.3	4.4	8.2	5.5

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Jul-25	Accumulate	1,718	1,573
2	23-Apr-25	Hold	1,717	1,665
3	03-Apr-25	BUY	1,750	1,513
4	17-Jan-25	BUY	1,890	1,578
5	08-Jan-25	Accumulate	2,036	1,636
6	20-Oct-24	Accumulate	2,036	1,845
7	08-Oct-24	Accumulate	2,036	1,948
8	04-Sep-24	Accumulate	1,976	1,901

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	838
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	350
8	Cyient DLM	Accumulate	546	480
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	310	271
11	Havells India	Accumulate	1,718	1,573
12	Kajaria Ceramics	Accumulate	1,171	1,075
13	Kaynes Technology India	Hold	6,068	6,176
14	KEI Industries	BUY	4,455	3,841
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,485	1,393
17	Supreme Industries	Hold	4,346	4,376
18	Syrma SGS Technology	Hold	625	607
19	Voltas	Hold	1,350	1,367

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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