

Havells India

22 April 2026

Operator: Good day and welcome to the Q4 FY26 earnings conference call of Havells India Limited. As a reminder, all participant lines will be in a listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. I now hand the conference call over to Mr. Umang Mehta from Kotak Securities. Thank you and over to you.

Umang Mehta – Kotak Securities: Thank you. On behalf of Kotak Securities, we welcome you all to the Q4 FY26 and FY26 results conference call of Havells India Limited. We have with us today the senior management represented by Mr. Anil Rai Gupta, Chairman and Managing Director; Mr. Rajesh Kumar Gupta, Whole-time Director and Group CFO; Mr. Amit Kumar Gupta, Whole-time Director; and Mr. Rajiv Goel, Executive Director. Now I hand over the call to Mr. Anil Rai Gupta for his initial comments and then we will open the floor for Q&A. Thanks and over to you, Anil sir.

Management: Thank you, Umang. Good morning to all for joining today's call. We hope you would have reviewed the results and we will now walk you through the key highlights. It was a moderate overall performance despite what might be considered an important start to the season.

Momentum in industrial and infrastructure-linked categories remains strong. However, consumer categories have been impacted by rising costs from recent global disruptions. We have stepped up our advertising investments in the brand, and these remain both in order. On the profitability front, margins held well except for lighting, which was impacted due to lower revenues. We are currently navigating cost pressure which has been developed at many stages. Calibrated price actions have also been initiated.

Our renewable energy initiatives continue to scale. As you are aware, during the period we have recently divested investments. This investment allows us to leverage Goldi Solar module manufacturing capabilities to expand our solar portfolio. There is a gain of 283 crores on this investment. The gain is reported under other income for the quarter.

We have invested in setting up a new refrigerator plant at Ghiloth. During the quarter, the capacity was commissioned with a refreshed product portfolio. After relaying on matters like the pickup in demand for cooling products, we remain optimistic about a revival of summer demand while closely tracking its impact on consumer spending. We will now move to Q&A.

Operator: Thank you. We will now begin the question and answer session. The first question comes from the line of Ravi Swaminathan with Emkay Global. Please go ahead.

Ravi Swaminathan – Emkay Global: Hi sir, thanks for taking my question. My first question is with respect to the cables and wires segment. During the quarter we registered 14% growth. If you look at the copper prices, I think year-over-year it would have increased by a much higher number. So had we seen a decline in terms of volumes at a cable and wire segment level? If so, why was it so? And was it just related to dealer destocking alone or was the end market also on the weaker side? If you can give some clarity on it.

Management: Thank you very much. On an overall basis, the volume is 10. The cable and industrial cable segment has grown much faster than the domestic wire segment. During the quarter, there was some destocking in domestic wires and a very high base last year. If you remember, Q4 FY25

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saw a major buildup and stocking. There was a significant amount of price correction in copper before the war, and hence overall growth slowed down. So you see the wire segment remained flat, but the cable segment has grown much faster.

Ravi Swaminathan – Emkay Global: Okay, and with respect to the other couple of segments, namely AC and fans, how much price increase would we have taken over the past few months to compensate for the raw material price increase? In both these products, if you can highlight that, and how much are we likely to take?

Management: Price increases actually happened in two stages. The first increase happened due to the energy efficiency ratings change during the quarter. And then, of course, there are raw material changes which are happening. Throughout February 2026 there was an increase in raw material prices. So I would say, starting from April, there is calibrated price increases happening not only in fans but in other categories as well.

Ravi Swaminathan – Emkay Global: Thanks, sir.

Operator: Thank you. The next question comes from the line of Natasha Jain with Phillip Capital. Please go ahead.

Natasha Jain – Phillip Capital: Thank you. Since your line was not clear earlier, I will just repeat one question. In terms of wire and cable, you mentioned that the volume has been flat, but the margin increase has been very sharp. Could you point out what could be attributed to inventory gains, and if there is any mix change that has led to such a sharp margin spike despite volume degrowth?

Management: I think rather than just looking at this particular quarter, because there are usually year-end adjustments because of the final dealer incentives and all, overall there were inventory gains because of copper and aluminum as well. But volume growth was 6%. It was not flat; volume growth was 6%. We have seen a slight degrowth in the domestic wire segment but much higher growth in the industrial segment.

Natasha Jain – Phillip Capital: Understood. My second question is on lighting. Revenue there has been broadly flat, but the margin has increased extremely sharply. Your contribution stands at 37% and you mentioned in your presentation that the long-term average is 30-32%. Does that mean there is some one-off in lighting and that it should normalize to 30% levels going forward?

Management: Yes, you can take that as well. As I said, during the year, sometimes in the fourth quarter there are certain period-end releases that are for the entire year. One can say that on an average you can expect 30-32%, but sometimes the first three quarter releases also happen in certain cases. Long-term, the margin would be 30-32%.

Natasha Jain – Phillip Capital: And so this is even despite the fact that ASP decline has stabilized, as mentioned in the presentation?

Management: That is right.

Natasha Jain – Phillip Capital: Got it. One last quick question in terms of Lloyd. We understand that the summer was bad and continued probably until the beginning of April. Could you throw some

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color on how the channel inventory is right now and give a little color on sell-in and sell-out?

Management: I think your analysis is absolutely right. The first half of April was also slow. So there were some channel inventories, but now it is evening out. South and west have started a good summer and I think it is now coming in the north as well. So hopefully by the end of this month, there will be normalized inventories at the channel.

Natasha Jain – Phillip Capital: Understood. Thank you so much, sir. All the best.

Operator: Thank you. The next question comes from the line of Rahul Agarwal with Ikiye. Please go ahead.

Rahul Agarwal – Ikiye: Hi, very good evening. Thank you so much for the opportunity. Sir, couple of questions. Firstly, on the outlook for FY27, both on volume and revenue growth. Given that the fourth quarter ended weak, should we expect double-digit volume growth plus some price hikes into FY27? Could you share any outlook?

Management: In today's environment, it is difficult to say. We are just looking at it month-to-month. Who knows where the war goes or how variables change. We are seeing sharp increases in prices for most product categories. How much value growth will be is difficult to say at this point. I am not even talking about the summer, but the kind of sharp increases in prices can, though hopefully it should not, start affecting demand. That remains to be seen as we operate.

At this point, it is very difficult to say what the growth will be. We are very positive and hopeful. The summer has started on a good note, but the demand is yet to be seen. Our focus will be to continue to strive toward getting more efficiency. You will see we have also continued to invest heavily in our brand-building activities, which clearly indicates that we are here for a long period of time. It is very difficult to predict short-term ups and downs.

Rahul Agarwal – Ikiye: So base case, even if we do mid-single digit volume, along with the price hike, we should still beat mid-double digits next year in terms of value growth? Is that a reasonable assumption?

Management: As I said, right now it would not be right for me to give any number.

Rahul Agarwal – Ikiye: Okay, no problem. Secondly, on the margin side, given the various price hikes and what we are seeing on the raw material inflation side, should we assume that whatever raw material inflation or forex issues we are seeing, most of that is passed through and the entire absorption is being done from the Havells side?

Management: We are striving to do that. Again, we are in a competitive world and we have to see how it holds up. We are striving to pass on the costs, but we have to compete in the market. Our focus will also be to retain or gain market share. We will just play a balancing game.

Rahul Agarwal – Ikiye: And last question on after-sales service. I think we have seen a lot of premium product launches across all segments from Havells over the last 6 months. Looking at your website, a lot of new products are launched. Regarding technicians, whoever services the customer from an after-sales perspective is largely the same team for both premium and mass-segment

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products. Is it possible to have a separate team for luxury and premium products so that the customer experience is not compromised?

Management: These are very operational issues which we continue to manage to ensure that we give the best service to the consumer. Our objective is to continue to give the best service as well as the best customer experience always.

Rahul Agarwal – InCred Capital: Understood. Thank you so much. I will get back in the queue. All the best.

Operator: The next question comes from the line of Aniruddha Joshi with ICICI. Please go ahead.

Aniruddha Joshi – ICICI: Yes, thanks for the opportunity. On the solar business, we have seen almost 48% growth in the 'other' segment and the EBIT margin also saw a good expansion. Can you share more details on the solar business? Have we reached a normalized run rate or is there still good scope to grow? How long can this growth rate sustain? Have solar margins reached an optimal level or is there further scope for expansion?

Secondly, in terms of volume growth in fans, coolers, and refrigerators, how has that panned out? Since there was likely no excess sell-in in December for these products, have they also seen some impact on volumes, or is there healthy growth?

Management: Regarding your first question on solar, most of the growth you see in the 'other' segment is coming out of solar. The way to look at it is that we are building capacities both in industrial cables as well as solar. Solar growth is supported through our investment in Goldi. Because of the assured supplies and capacity that we have, we are able to take advantage of the tailwinds that are there in these two segments.

In the coming year, we do feel there is enough opportunity in the solar segment to continue to grow. We will also be expanding our product ranges in the entire renewable space in coming times. It is difficult to say about the final margins. Volumes will benefit, but it is a competitive space and we need to see our market share grow. We will try to maintain or increase margins through better product additions and expansion of the range in the renewable space.

As far as the second question, in fans during the third quarter, there was a change in the BEE norms. This led to some stocking at the end of Q3 which impacted volumes in Q4, but the seasonality aspect also affected the fourth quarter. Hopefully, we should be seeing better volume growth in the first quarter.

Aniruddha Joshi – ICICI: Sure sir, but in terms of the monsoon, last year was impacted significantly. Logically, the impact of the monsoon this year is probably less compared to last year. On that favorable base, should these segments report strong growth, or is the impact of the monsoon this time also so high that we are still seeing some impact?

Management: It is difficult to predict what will happen in the monsoon, but you are right that last year was a low base. We should be seeing good growth this year.

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Aniruddha Joshi – ICICI: Okay. And is there any internal target or estimate the company is working on for summer products that you can share?

Management: We do not give any guidance on these numbers. In this scenario, we are hoping for faster growth. As I have said, for summer products, last year was a very low base, so we are hoping to get good growth in this first quarter.

Aniruddha Joshi – ICICI: Sure. Just last question, would the weighted average price hike at the company level be more than 10%? Is that a fair assumption?

Management: No, I think in many product ranges it varies between 5–10% and up to 20%.

Aniruddha Joshi – ICICI: Sure, thank you.

Operator: Thank you. The next question comes from the line of Balasubramanyam with Aryan Capital. Please go ahead.

Balasubramanyam – Aryan Capital: Good evening, sir. Thank you so much for the opportunity. Sir, trade receivables fell drastically from 1,254 crores to 782 crores, almost 30%. Even debtor days, which used to be in the 20–21 range over the last 5 years, have come down to 13 days. Is this majorly because of faster collections or a change in payment terms with distributors?

Management: We normally have dynamic collection days. We are connected to our channel, so these kinds of fluctuations are nothing new to us. There was no structural change in the payment terms. Depending upon the mix, sometimes these things happen. I think we should view them as normalized rather than exceptional happenings in this last quarter.

Balasubramanyam – Aryan Capital: Okay, sir. On the ECD side, Q3 was described as largely volume-driven. But in Q4 we saw a volume decline without major price reversals. Could you share the volume growth or de-growth for fans, water heaters, and air coolers for Q4?

Management: We do not give separate volume details for fans and water heaters. As I said, overall there was a de-growth in value terms in the fans segment because of the initial push in Q3 due to energy efficiency and a delayed summer.

Balasubramanyam – Aryan Capital: Okay, sir, thank you.

Operator: Thank you. The next question comes from the line of Siddhartha Sahare with Nomura. Please go ahead.

Siddhartha Sahare – Nomura: Thanks for the opportunity, sir. First on Lloyd, can you highlight broadly how much in price hikes we have taken until now and how much is required to go back to those double-digit contribution margin levels we had last year?

Management: It is a work in progress. As I said, there were quite a few price hikes, especially in the case of Lloyd, because of the energy efficiency changes in the 3-star and 5-star ratings. A lot of that happened during January to March. Now we are really seeing the impact of the cost increases post the war. That is being passed on. It is a work in progress, but the range is at least 8–15%, depending upon the category.

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Siddhartha Sahare – Nomura: On the cable and wire side, what will be the utilization levels of the new cable plant and when should phase two come online?

Management: Whatever capacities were added, we have still been operating at high capacity utilization. More capacities will come up during the year. Hopefully, by the end of this year or early in Q1 next year, we will have the entire capacity we planned for.

Siddhartha Sahare – Nomura: Understood, sir. Thanks a lot.

Operator: Thank you. The next question comes from the line of Aditya Barshia with Investec. Please go ahead.

Aditya Barshia – Investec: Good evening, sir. Given that some of these price increase announcements for fans and room ACs could have been made by March end, did we not see any element of pre-buying given the sharp increases announced? Secondly, regarding the margins in the 'other' segment, is operating leverage starting to help us? Should we expect high-teens contribution margins to be sustainable?

Management: On the first part, yes, there was some pre-buying in March, especially in the cooling products. Generally, that is the case most years because it is the upcoming season for April and May. This was accentuated by the fact that price increases were happening.

Regarding solar, it is a sunrise industry for us. Our major focus is to continue gaining market share and capture the tailwinds of this industry. It is difficult to say what the final margins will be, but they will continue to improve due to operating leverage.

Aditya Barshia – Investec: Perfect. That is helpful. Thank you so much.

Operator: Thank you. The next question comes from the line of Renu Baid with IIFL Securities. Please go ahead.

Renu Baid – IIFL Securities: Hi, good evening, sir. My first question is regarding the current environment being extremely difficult to predict. Given the steep inflationary pressure across segments, do you think consumer offtake in broadband is likely to remain slightly muted in the near term, say for a couple of quarters? Is the recovery in consumption getting prolonged?

Management: I have not seen this kind of price escalation in the recent past. Usually it happens, but it is not so steep or across all product categories. This time we are seeing it across the whole sector. While we are very hopeful of the overall structural things happening within India, we are bound by the fact that consumer offtake can get affected if the price hike is too high. Let us see how it turns out and how the war progresses. Hopefully, we should have some respite in the coming months.

Renu Baid – IIFL Securities: But for us, the priority would be to ensure market shares are retained or improved, even if it is challenging?

Management: Yes. We have tried to be more efficient during these times. Efficiency leads to market share gains. Our investment continues, whether it is in innovation, brand building, or distribution

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reach. Those investments do not slow down during tough periods. This might mean some pain in the short term, but we are playing a long-term game.

Renu Baid – IIFL Securities: Looking at the capex front, we stepped up investment across manufacturing facilities, particularly in cables, wires, and Lloyd. How should we look at investment plans for FY27 and FY28? Any notable segments to highlight?

Management: By FY27 and FY28, major capex will go into cables and wires, which is already planned. A significant amount of that is happening in this financial year, around 800 crores. The rest is a big investment going into a new R&D center, which will happen over the next 2 to 2.5 years. There is no major new capex in the Lloyd segment.

Renu Baid – IIFL Securities: Recently it was gathered that a large player entering from the cement side into cables and wires postponed their entry. Do you think a large entrant entering in the space could put incremental pressure on industry pricing trends?

Management: Wires and cables has seen a lot of consolidation from unorganized or regional brands to organized brands. Companies that continue to invest in innovation, brand building, and distribution will be the winners. If new players come in with the right investments, they will definitely gain some market share, but some readjustments may happen between the unorganized and organized sectors.

Renu Baid – IIFL Securities: How do you look to tackle the western region in terms of penetration for Havells products on the B2C side?

Management: Havells continues to invest not only in the western region but also in parts of the southern markets like Tamil Nadu, where our market shares were lower compared to other markets. Investments are going into distribution and localized brand building. We are seeing good traction in the West and in Tamil Nadu.

Renu Baid – IIFL Securities: Got it. Thanks much and best wishes.

Operator: Thank you. The next question comes from the line of Pravin Shah with BBL Capital. Please go ahead.

Pravin Shah – BBL Capital: Thank you for the opportunity. Regarding the investment focus toward industrial cables or renewables, how do we see the B2B and B2C mix evolving for the company in the next few years?

Management: We are investing in underground cables where we were previously under-represented. Our B2C to B2B mix has historically remained between 75:25 or 70:30. In the next couple of years, we should continue to grow even in the B2C segment, especially with growth opportunities in wires and ECD. I do not think there will be a meaningful move from B2C to B2B.

Pravin Shah – BBL Capital: Next question relates to switchgear. It was highlighted that margins were impacted by a lag in pricing. Do we believe it is possible to go back to 38% contribution margins in coming quarters?

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Management: We are striving toward that. In certain cases, the cost increases were so high that there was a lag in passing on the entire increase. We will strive toward that goal, but our eyes will also be on retaining and gaining market share. It will be a balance between growth and profitability.

Pravin Shah – BBL Capital: Thank you, sir. All the best.

Operator: Thank you. The next question comes from the line of Pulkit with GS. Please go ahead.

Pulkit – GS: Sir, thank you for taking my questions. Anil ji, in light of whatever is happening globally, can you discuss any supply chain disruptions navigated? And secondly, is there a scenario where stronger companies like you emerge stronger given better supply chain controls?

Management: On the supply side, there have been challenges over the last couple of months, more on the production side. Those have been navigated, including raw material supply and gas supply. Stronger companies are in a better position to manage continued investments. We will continue to strive for that in innovation, brand, and distribution. We have long-term thinking rather than quarter-to-quarter thinking.

Pulkit – GS: Secondly, we have about 4,000 crores of capital now deployed in Lloyd, which is currently generating low profitability. Over the next 2–3 years, what is the strategy to get higher returns? Is brand building the continued focus, or is it utilizing capacity at the two factories?

Management: For any brand-oriented business, you cannot simply lower your price to utilize capacity. It requires long-term investment. Our focus in Lloyd will continue to be bringing better products through innovation and improving the image through brand building for better margins. We will utilize the capacity created for better operating leverage. Profits will come from higher sales, capacity utilization, brand building, and improved margins. It has to come together over time.

Pulkit – GS: Useful, thank you so much.

Operator: The next question comes from the line of Achal with Nirmal Bang Equities. Please go ahead.

Achal – Nirmal Bang Equities: Thank you for the opportunity. Could you give us some sense of full-year growth for fans, wires, and water heaters to understand if we have gained or lost market share?

Management: We generally do not give product-wise growth rates, but in fans, we have degrown over the entire year. Fans, ACs, and coolers have degrown. Talking about market share, we believe we have been able to at least retain if not gain.

Achal – Nirmal Bang Equities: Any category where you think you could have lost market share?

Management: I do not believe so.

Achal – Nirmal Bang Equities: Would it be possible to get a sense of the economy, mass premium, and premium mix? Are we under-indexed in the volume segment where growth might be better?

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Management: The strategy of the company is about how long-term strategies are drawn out. Looking at a very short-term lens, we cannot decide about brand positioning. We have Reo and we have Havells. We will play in those segmentations. Just because there could be volumes in the lower end of the market, we don't know if that's the best path; the data does not necessarily support that. A brand position is painstakingly built over decades. We will continue to support the brand ethos and not alter it purely based on quarterly considerations.

Achal – Nirmal Bang Equities: In the past calls, you highlighted a possibility of over two percentage point improvement in margins over the medium term. Given the renewed investments in R&D and advertising, is there a change in that thought?

Management: No, that remains as is. We are wanting to be more efficient and get operating leverage out of better volumes. The investment behind innovation and brand building is to put more innovative products at a premium to the consumer and get better margins. There may be some short-term pain, but the idea is to have better growth and profitability. Operating leverage will come through growth.

Achal – Nirmal Bang Equities: Understood. Thank you.

Operator: Thank you. The next question comes from the line of Natasha Jain with Phillip Capital. Please go ahead.

Natasha Jain – Phillip Capital: Thank you for the follow-up. In terms of cables, you said volume growth was 6% and value growth was 14%. Does that mean only an 8% price hike was taken? Copper and aluminum have increased substantially year-over-year.

Management: There was a dip in copper in the month of February. The entire increase you see is post the war. So for the quarter, overall cable and wire saw 6% volume growth and 14% value growth.

Natasha Jain – Phillip Capital: Thank you so much.

Operator: The next question comes from the line of Ashish Gurnani with Citi. Please go ahead.

Ashish Gurnani – Citi: Thank you for the opportunity. Regarding fixed costs, excluding cables and wires, they were broadly flat in FY26. For FY27, do you see fixed costs increasing mostly in cables and wires due to capacity additions, or could there be a bump-up across all segments?

Management: There will be some investment across all segments. We will maintain a balanced approach. However, as we said last year, we will try to get more operating leverage. Revenue growth should outpace expense growth, except in advertising and promotions where we are taking cautious decisions to increase our spend.

Management: Thank you very much, everyone, for joining the call for Havells India Limited. And thank you, Umang, for organizing this.

Operator: Thank you. On behalf of Havells India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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