

October 19, 2025

Q2FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,653		1,653	
Sales (Rs. m)	2,64,926	3,01,593	2,64,926	3,01,593
% Chng.	-	-	-	-
EBITDA (Rs. m)	27,261	30,681	27,261	30,681
% Chng.	-	-	-	-
EPS (Rs.)	29.7	34.1	29.7	34.1
% Chng.	-	-	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	2,17,781	2,31,595	2,64,926	3,01,593
EBITDA (Rs. m)	21,309	22,757	27,261	30,681
Margin (%)	9.8	9.8	10.3	10.2
PAT (Rs. m)	14,702	15,494	18,645	21,373
EPS (Rs.)	23.5	24.7	29.7	34.1
Gr. (%)	15.7	5.4	20.3	14.6
DPS (Rs.)	10.0	11.0	11.0	11.0
Yield (%)	0.7	0.7	0.7	0.7
RoE (%)	18.6	17.4	18.6	18.8
RoCE (%)	25.8	23.8	25.3	25.7
EV/Sales (x)	4.1	3.9	3.4	2.9
EV/EBITDA (x)	42.2	39.2	32.6	28.5
PE (x)	63.4	60.2	50.0	43.6
P/BV (x)	11.2	9.9	8.8	7.7

Key Data

HVEL.BO | HAVL IN

52-W High / Low	Rs.1,946 / Rs.1,360
Sensex / Nifty	83,952 / 25,710
Market Cap	Rs.933bn / \$ 10,604m
Shares Outstanding	627m
3M Avg. Daily Value	Rs.1512.25m

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	(6.7)	(9.2)	(17.6)
Relative	(8.1)	(15.1)	(20.5)

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Weak ECD & Lloyd with inventory liquidation risk

Quick Pointers:

- W&C revenue grew 12.4% YoY with steady growth in cables
- Lloyd declined 18.2% YoY & reported EBIT loss of Rs 1.1bn

Havells reported moderate growth in Q2FY26, primarily impacted by declines in the Lloyd and ECD portfolios, which were affected by ACs, fans, and air coolers. Elevated inventory levels in cables and Lloyd led to higher working capital. Inventory is expected to be largely liquidated by Q3FY26, while working capital is expected to normalize by Q4FY26. Wires registered mid double-digit growth, while cables delivered strong growth and LED pricing stabilization supported lighting segment revenue. Company has introduced consumer offers to support secondary sales of RAC owing to a weak summer, which have been withdrawn following GST changes. Growth momentum is expected to pick up in the solar portfolio and W&C segment, supported by recent capacity expansions. Contribution margins, currently impacted by underutilization, high fixed overheads, and elevated inventory levels, are expected to stabilize and improve in the coming quarters. We estimate revenue/EBITDA/PAT CAGR of 11.5% / 12.9% / 13.3% with ECD/Cables/Lloyd revenue CAGR of 8.4%/17.4%/6.0% over FY25-28E and EBITDA margin of 10.2% by FY28E (+40bps). Maintain 'ACCUMULATE', with TP of Rs1,653 (same as earlier), based on DCF, which implies 52x FY28E earnings.

Revenue grew by 5.3%, PAT grew by 18.8% YoY: Revenues grew by 5.3% YoY to Rs47.8bn (PL: Rs 47.6bn). ECD revenues declined by 1.7% YoY to Rs8.4bn. Lloyd revenues declined by 18.2% YoY to Rs4.8bn. W&C revenues grew by 12.4% YoY to Rs20.3bn. EBITDA grew by 16.9% YoY to Rs4.4bn (PL: Rs4.3bn). EBITDA Margin expanded by 90bps YoY to 9.2% (PL: 9.0%). Advertising & sales promotion spends stood at 2.8% of sales. In terms of segmental EBIT margin, Cables came in at 13.7% (+510bps), Lighting at 12.7% (margins were flat YoY), ECD at 5.6% (-190bps), Switchgear at 22.3% (+140bps YoY), and Lloyd at -22.0% in Q2FY26 (-1,790bps). PBT grew by 14.1% YoY to Rs4.1bn. PAT grew by 18.9% YoY to Rs3.2bn (PL: Rs2.9bn).

ConCall Takeaways: **1)** ECD segment declined primarily due to weak demand for fans (mid-single-digit degrowth) and air coolers, while water heaters and other consumer appliances recorded healthy growth. **2)** Lloyd faced a decline due to a shorter summer and high inventory levels. **3)** Elevated inventory levels of RAC and cables increased working capital, which in turn impacted cash balances. **4)** Wires grew in mid-double digits, while cables delivered strong growth. Notably, wires' volume growth was lower than value growth. **5)** Company has planned capex of ~Rs14bn for FY26 and Rs10bn for FY27. **6)** Solar products recorded modest growth in Q2FY26, with strong volume expansion expected in Q3FY26 and Q4FY26. **7)** Company continues to invest in BLDC fans, with most of the current portfolio now consisting of BLDC fans due to the shift in demand. **8)** Price hikes and GST benefits will largely be passed on to customers. **9)** Company rolled out consumer offers to boost secondary sales of RAC during a weak summer, but these have now been withdrawn.

Exhibit 1: Q2FY26 Result Overview (Rs mn)

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var.	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Net Sales	47,793	45,393	5.3	47,629	0.3	54,554	(12.4)	102,347	103,455	(1.1)
Gross Profit	16,715	15,319	9.1	15,718	6.3	18,243	(8.4)	34,958	33,816	3.4
% of N S	35.0	33.7	1.2	33.0		33.4	1.53	34.2	32.7	1.5
Other Expenses	12,331	11,568	6.6	11,431	7.9	13,086	(5.8)	25,417	24,342	4.4
% of N S	25.8	25.5	0.3	24.0		24.0	1.81	24.8	23.5	1.3
EBITDA	4,384	3,751	16.9	4,287	2.3	5,157	(15.0)	9,541	9,473	0.7
Margin (%)	9.2	8.3	0.9	9.0		9.5	-0.28	9.3	9.2	0.2
Depreciation	1,058	946	11.8	1,079	(2.0)	1,057	0.0	2,115	1,866	13.3
Interest	91	101	(9.3)	103	(11.3)	94	(2.4)	185	186	(0.7)
Other income	911	929	(1.9)	830	9.7	692	31.7	1,603	1,702	(5.9)
PBT	4,146	3,633	14.1	3,935	5.4	4,698	(11.7)	8,844	9,123	(3.1)
Tax	963	955	0.9	1,000	(3.7)	1,222	(21.2)	2,185	2,370	(7.8)
ETR (%)	23.2	26.3	-3.1	25.4		26.0	-2.79	24.7	26.0	-1.3
Adj. PAT	3,183	2,678	18.9	2,934	8.5	3,475	(8.4)	6,658	6,753	(1.4)

Source: Company, PL

Exhibit 2: Segmental Breakup (Rs mn)

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Revenues								
Switchgears	5,955	5,513	8.0	6,298	-5.4	12,254	11,281	8.6
Cables	20,282	18,052	12.4	19,332	4.9	39,615	33,264	19.1
Lighting & Fixtures	4,284	3,951	8.4	3,802	12.7	8,086	7,826	3.3
Electrical Consumer Durables	8,418	8,564	-1.7	9,073	-7.2	17,492	19,118	-8.5
Others	4,032	3,418	17.9	3,337	20.8	7,369	6,783	8.6
Core Revenues	42,972	39,497	8.8	41,842	2.7	84,814	78,272	8.4
Lloyd	4,822	5,896	-18.2	12,711	-62.1	17,533	25,183	-30.4
Total Revenues	47,793	45,393	5.3	54,554	-12.4	102,347	103,455	-1.1
EBIT								
Switchgears	1,328	1,150	16	1,476	-10	2,804	2,572	9
EBIT margin (%)	22.3	20.9	1.4	23.4	-1.1	22.9	22.8	0.1
Cables	2,782	1,548	80	2,426	15	5,209	3,259	60
EBIT margin (%)	13.7	8.6	5.1	12.6	1.2	13.1	9.8	3.4
Lighting & Fixtures	546	501	9	455	20	1,001	1,131	-11
EBIT margin (%)	12.7	12.7	0.1	12.0	0.8	12.4	14.4	-2.1
Electrical Consumer Durables	475	643	-26	788	-40	1,263	1,790	-29
EBIT margin (%)	5.6	7.5	-1.9	8.7	-3.1	7.2	9.4	-2.1
Others	117	66	79	162	-27	279	176	59
EBIT margin (%)	2.9	1.9	1.0	4.8	-1.9	3.8	2.6	1.2
Core EBIT	5,248	3,907	34	5,307	-1	10,555	8,926	18
EBIT margin (%)	12.2	9.9	2.3	12.7	-0.5	12.4	11.4	1.0
Lloyd	-1,060	-243	NA	-209	NA	-1,269	393	NA
EBIT margin (%)	-22.0	-4.1	-17.8	-1.6	-20.3	-7.2	1.6	-8.8
Total EBIT	4,188	3,664	14	5,098	-18	9,286	9,319	0
EBIT margin (%)	8.8	8.1	0.7	9.3	-0.6	9.1	9.0	0.1

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	2,17,781	2,31,595	2,64,926	3,01,593
YoY gr. (%)	17.1	6.3	14.4	13.8
Cost of Goods Sold	1,46,084	1,54,933	1,77,527	2,03,204
Gross Profit	71,697	76,663	87,399	98,388
Margin (%)	32.9	33.1	33.0	32.6
Employee Cost	18,700	19,222	21,856	24,731
Other Expenses	16,166	16,030	18,015	20,508
EBITDA	21,309	22,757	27,261	30,681
YoY gr. (%)	15.6	6.8	19.8	12.5
Margin (%)	9.8	9.8	10.3	10.2
Depreciation and Amortization	4,004	4,352	5,073	5,562
EBIT	17,305	18,405	22,188	25,119
Margin (%)	7.9	7.9	8.4	8.3
Net Interest	432	424	470	506
Other Income	3,033	2,794	3,282	4,045
Profit Before Tax	19,905	20,775	25,000	28,658
Margin (%)	9.1	9.0	9.4	9.5
Total Tax	5,203	5,281	6,355	7,285
Effective tax rate (%)	26.1	25.4	25.4	25.4
Profit after tax	14,702	15,494	18,645	21,373
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	14,702	15,494	18,645	21,373
YoY gr. (%)	15.7	5.4	20.3	14.6
Margin (%)	6.8	6.7	7.0	7.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	14,702	15,494	18,645	21,373
YoY gr. (%)	15.7	5.4	20.3	14.6
Margin (%)	6.8	6.7	7.0	7.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	14,702	15,494	18,645	21,373
Equity Shares O/s (m)	627	627	627	627
EPS (Rs)	23.5	24.7	29.7	34.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	63,771	74,526	85,959	91,526
Tangibles	50,827	61,336	72,669	78,136
Intangibles	12,944	13,190	13,290	13,390
Acc: Dep / Amortization	20,356	24,708	29,781	35,343
Tangibles	18,305	22,461	27,335	32,697
Intangibles	2,051	2,247	2,446	2,646
Net fixed assets	43,414	49,817	56,178	56,183
Tangibles	32,521	38,874	45,334	45,438
Intangibles	10,893	10,943	10,844	10,744
Capital Work In Progress	1,182	1,017	1,017	1,017
Goodwill	3,105	3,105	3,105	3,105
Non-Current Investments	474	475	494	513
Net Deferred tax assets	(3,753)	(3,338)	(3,275)	(3,204)
Other Non-Current Assets	1,214	1,833	2,007	2,198
Current Assets				
Investments	-	-	-	-
Inventories	40,469	43,036	49,229	56,043
Trade receivables	12,583	12,690	14,517	16,526
Cash & Bank Balance	33,781	39,373	44,125	58,072
Other Current Assets	1,668	2,316	2,649	3,016
Total Assets	1,38,094	1,54,289	1,74,035	1,97,481
Equity				
Equity Share Capital	627	627	627	627
Other Equity	82,611	94,008	1,05,756	1,20,233
Total Network	83,238	94,635	1,06,383	1,20,860
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	547	775	888	1,016
Other non current liabilities	101	189	216	246
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	30,470	32,684	37,451	42,868
Other current liabilities	17,278	19,649	22,366	25,355
Total Equity & Liabilities	1,38,094	1,54,289	1,74,035	1,97,481

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	19,905	20,775	25,000	28,658
Add. Depreciation	4,004	4,352	5,073	5,562
Add. Interest	432	424	470	506
Less Financial Other Income	3,033	2,794	3,282	4,045
Add. Other	(1,696)	(176)	329	365
Op. profit before WC changes	22,646	25,375	30,872	35,090
Net Changes-WC	(2,438)	769	(965)	(890)
Direct tax	(5,055)	(5,281)	(6,355)	(7,285)
Net cash from Op. activities	15,153	20,863	23,552	26,916
Capital expenditures	(7,538)	(10,578)	(11,433)	(5,567)
Interest / Dividend Income	2,391	-	-	-
Others	2,131	(3,000)	(7,000)	(7,000)
Net Cash from Invst. activities	(3,016)	(13,578)	(18,433)	(12,567)
Issue of share cap. / premium	616	-	-	-
Debt changes	(679)	-	-	-
Dividend paid	(6,268)	(3,762)	(6,896)	(6,896)
Interest paid	(394)	(424)	(470)	(506)
Others	-	-	-	-
Net cash from Fin. activities	(6,726)	(4,186)	(7,367)	(7,402)
Net change in cash	5,412	3,099	(2,248)	6,947
Free Cash Flow	8,036	10,025	11,319	20,478

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	23.5	24.7	29.7	34.1
CEPS	29.8	31.7	37.8	43.0
BVPS	132.8	150.9	169.7	192.8
FCF	12.8	16.0	18.1	32.7
DPS	10.0	11.0	11.0	11.0
Return Ratio(%)				
RoCE	25.8	23.8	25.3	25.7
ROIC	28.4	27.7	29.3	33.7
RoE	18.6	17.4	18.6	18.8
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.4)	(0.5)
Net Working Capital (Days)	38	36	36	36
Valuation(x)				
PER	63.4	60.2	50.0	43.6
P/B	11.2	9.9	8.8	7.7
P/CEPS	49.8	47.0	39.3	34.6
EV/EBITDA	42.2	39.2	32.6	28.5
EV/Sales	4.1	3.9	3.4	2.9
Dividend Yield (%)	0.7	0.7	0.7	0.7

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	48,890	65,436	54,554	47,793
YoY gr. (%)	10.8	20.2	(6.0)	5.3
Raw Material Expenses	32,055	44,389	36,311	31,078
Gross Profit	16,835	21,046	18,243	16,715
Margin (%)	34.4	32.2	33.4	35.0
EBITDA	4,265	7,571	5,157	4,384
YoY gr. (%)	(1.4)	19.3	(9.9)	16.9
Margin (%)	8.7	11.6	9.5	9.2
Depreciation / Depletion	1,041	1,097	1,057	1,058
EBIT	3,224	6,474	4,099	3,327
Margin (%)	6.6	9.9	7.5	7.0
Net Interest	94	152	94	91
Other Income	643	687	692	911
Profit before Tax	3,773	7,009	4,698	4,146
Margin (%)	7.7	10.7	8.6	8.7
Total Tax	994	1,839	1,222	963
Effective tax rate (%)	26.3	26.2	26.0	23.2
Profit after Tax	2,780	5,170	3,475	3,183
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	2,780	5,170	3,475	3,183
YoY gr. (%)	(3.5)	15.7	(14.7)	18.9
Margin (%)	5.7	7.9	6.4	6.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,780	5,170	3,475	3,183
YoY gr. (%)	(15.1)	15.7	(14.7)	18.9
Margin (%)	5.7	7.9	6.4	6.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,780	5,170	3,475	3,183
Avg. Shares O/s (m)	627	627	627	627
EPS (Rs)	4.4	8.2	5.5	5.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Oct-25	Accumulate	1,653	1,485
2	22-Jul-25	Accumulate	1,645	1,532
3	04-Jul-25	Accumulate	1,718	1,573
4	23-Apr-25	Hold	1,717	1,665
5	03-Apr-25	BUY	1,750	1,513
6	17-Jan-25	BUY	1,890	1,578
7	08-Jan-25	Accumulate	2,036	1,636
8	20-Oct-24	Accumulate	2,036	1,845

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	9,889	8,418
2	Astral Ltd.	BUY	1,727	1,384
3	Avalon Technologies	Hold	1,083	1,253
4	Bajaj Electricals	BUY	664	549
5	Cello World	BUY	686	575
6	Century Plyboard (I)	Hold	818	808
7	Cera Sanitaryware	BUY	7,424	6,149
8	Crompton Greaves Consumer Electricals	BUY	391	293
9	Cyient DLM	Accumulate	478	441
10	Finolex Industries	Accumulate	240	206
11	Greenpanel Industries	BUY	410	299
12	Havells India	Accumulate	1,653	1,485
13	Kajaria Ceramics	Hold	1,281	1,208
14	Kaynes Technology India	Hold	7,427	7,593
15	KEI Industries	BUY	4,926	4,173
16	LG Electronics India	BUY	1,780	1,688
17	Polycab India	BUY	8,718	7,351
18	R R Kabel	BUY	1,615	1,268
19	Supreme Industries	Accumulate	4,758	4,200
20	Syrma SGS Technology	Accumulate	870	852
21	Voltas	Hold	1,440	1,354

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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