

Electric Goods

Havells India	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	4,859	4,426	4,128	10%	18%	16,911	13,938	21%
Gross Profit	1,696	1,660	1,364	2%	24%	5,206	4,516	15%
Gross Margin(%)	35%	38%	33%			31%	32%	
EBITDA	574	564	464	2%	24%	1,799	1,934	-7%
EBITDA Margin (%)	12%	13%	11%			11%	14%	
PBT	487	474	381	3%	28%	1,447	1,607	-10%
PBT Margin (%)	10%	11%	9%			9%	12%	
PAT	358	352	284	2%	26%	1,072	1,196	-10%
PAT Margin(%)	7%	8%	7%			6%	9%	

Growth in segments YoY - Switchgear 27%, Cables 5%, Lighting 3%, Consumer Durables 14%, Others 12%, Lloyd 32%

Operating leverage in switchgears led to margin expansion in Q4, vibrant construction has benefited switchgear segment

Fall in LED price impacted lighting revenue while favourable product mix in lighting enabled better margins. Revenue from fans was impacted due to higher channel stocking owing to rating change in Q3 FY23.

Frequent commodity price fluctuations led to lower channel inventory in cables segment.

Continued its focus in brand building and distribution channel for Lloyd business. Lloyd maintained growth momentum, production started at its new plant in Sri city during the Q4, has doubled its capacity to manufacture 2 million AC per year. Investing towards expanding washing machines & refrigerator categories, to offer comprehensive rang2, RAC is 70% of Lloyd Consumer revenue

5-7% price hike in fans in Q4 due to the transition of BEE (Bureau of Energy Efficiency) rating change.

B2B contributed 30% to revenue with rest from B2C in Q4; this is excluding Lloyd's business

Export revenue for FY23 stood at ₹550 crore, which remained flat on a YoY basis

The overall capex in FY23 includes ₹404 crore for Lloyd AC plant in Sri City, Andhra Pradesh & washing machine plant in Ghiloth

Guided for a capex of ₹600 crore in FY24 and this will be funded via internal accruals; net cash at 2,200 Cr. Tumkur plant will see 300 Cr capex for cables & wires coming up by FY25 beginning

Witnessing delayed summer, which may impact summer products sale for this season

Operating margin bottomed out in Q2 & Q3, mean reversion to 13% can drive earnings trajectory higher over the next 12-18 months

"Subdued consumer demand but strong infrastructure, industrial & housing demand. B2B segment continues to do well"

KEI Industries	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1,955	1,792	1,784	9%	10%	6,912	5,727	21%
Gross Profit	512	448	440	14%	17%	1,740	1,527	14%
Gross Margin(%)	26%	25%	25%			25%	27%	
EBITDA	209	180	196	16%	7%	734	603	22%
EBITDA Margin (%)	11%	10%	11%			11%	11%	
PBT	184	156	174	18%	6%	642	508	26%
PBT Margin (%)	9%	9%	10%			9%	9%	
PAT	138	116	129	19%	7%	477	376	27%
PAT Margin(%)	7%	6%	7%			7%	7%	

Volume growth in Q4 was ~13% across wires and cables, 20% for FY23, to maintain 15% volume growth in FY24

Decrease in copper price by ~10% in Q4 led to lower realization. A&P spend of ~₹35-₹38 crore every year

Sales through dealer/ distribution market increased by ~14.5% YoY in Q4 and constituted ~42% of overall sales in Q4. Targets the same to contribute ~48-50% towards sales in FY24. In FY23, the dealer expansion was ~6%, addition pace to sustain in FY24

EPC % in FY23 reduced from 6.6% to 5.9%, EHV (EPC) revenue was ₹147 crore in FY23

Pending order book at ~₹3,568 Cr - ₹946 Cr from EPC, ₹850 Cr from EHV segment; ~₹1,440 Cr from domestic cable (institutional) segment, ~₹332 Cr from exports (cables) segment

Capacity utilisation during FY23 was 91% in cables, 79% in house wire and 87% in stainless steel wire

Some products (low tension power cables, high tension power cables, solar cables) got approvals from US markets, started supplying to clients from January. Exports to rise to 12% in FY24

Spent ~₹98 Cr on capex, brownfield capex of ₹45 Cr in Silvassa plant in FY24 that can generate revenue of ~₹500 Cr

₹250-₹300 Cr greenfield capex for wires & cables in Gujarat, production for the same will start in 18 months

To spend ₹250-₹300 Cr every year in next three years to maintain sales CAGR of 17-18% p.a.

Total metal (aluminum & copper) consumed was ~81,800 MT (metric tonne) in FY23 v/s ~67,900 MT in FY22.

Demand from data centres and 5G network set up remains strong

Borrowing for channel finance at 135 Cr, cash on books net of acceptances & channel finance at 183 Cr

"Witnessing strong demand across infra, construction, housing segments. Solar energy demand robust, power distribution being strengthened due to various initiatives, private capex set to show strong demand"

V-Guard Industries	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1,140	1,059	981	8%	16%	4,126	3,498	18%
Gross Profit	357	309	290	15%	23%	1,242	1,084	15%
Gross Margin(%)	31%	29%	30%			30%	31%	
EBITDA	102	115	72	-11%	42%	336	351	-4%
EBITDA Margin (%)	9%	11%	7%			8%	10%	
PBT	72	100	53	-28%	36%	256	294	-13%
PBT Margin (%)	6%	9%	5%			6%	8%	
PAT	53	90	39	-41%	36%	189	228	-17%
PAT Margin(%)	5%	8%	4%			5%	7%	

Revenue growth was driven by ~16% growth in the consumer durables segment led by consolidation of Sunflame business
Gross margin up ~2% YoY due to lower raw material cost and normalisation of high cost inventory in the consumer durables segment
EBITDA margin declined 2% YoY to 9% due to weak operating leverage and increased ad spends
PAT fell ~42% YoY due to lower EBITDA margin, higher interest outgo (up ~6x YoY) due to debt raised for acquisition of Sunflame, 10 Cr one time cost of Sunflame acquisition booked in Q4. Sunflame revenue for Q4 was 57 Cr
Region wise, South region (contributes ~54% to overall revenue) reported a decline in revenue by ~3.3% YoY to 588 crore. Revenues from non-south regions increased ~10% to 495 crore, supported by dealer expansion and launch of new products
According to the management, the company has gained market share in fans & water heaters in FY23.
Demand in core business weak due to weak consumer sentiment amid high inflation, expect a revival in demand from Q2FY24 onwards
Expects ~14-16% growth in FY24 (ex Sunflame) driven by consumer durables & electronics and electricals
Strong growth in stabilisers, expects growth in pumps to be better in FY24 compared to FY23 supported by improved demand
South market is mature for V-Guard and the company is focusing on organic growth in the region through new product launches.
Currently has ~50,000 retailers and aims to grow its retail base by ~5-10% annually i.e. by adding 3000-5000 retailers each year
Expects revenue from Sunflame to be in the range of ~400-425 crore in FY24, to run Sunflame separately as cost structure and GTM approach is different. South contributes ~15-20% of Sunflame's revenue, has a low presence in e-commerce and modern trade
EBITDA margin of Sunflame was at ~16% in Q4FY23. However, the management expects margins of Sunflame to be in the range of ~12-13% due to increased ad spend going forward
Capex of 100 crore for FY24 across all segments, ad spend to normalize over the next 12-18 months at 3%

Finolex Cables	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1224	1,187	1150	3%	6%	4,481	3,768	19%
Gross Profit	261	227	202	15%	29%	936	802	17%
Gross Margin(%)	21%	19%	18%			21%	21%	
EBITDA	244	297	200	-18%	22%	697	826	-16%
EBITDA Margin (%)	20%	25%	17%			16%	22%	
PBT	228	287	189	-21%	21%	649	787	-18%
PBT Margin (%)	19%	24%	16%			14%	21%	
PAT	175	224	154	-22%	14%	504	599	-16%
PAT Margin(%)	14%	19%	13%			11%	16%	

Other income increased substantially in FY23 due to increase in treasury income and dividend received from its associates.
In Q4 revenue from electric cables was ₹1,032 Cr, an increase of 0.6% YoY and 9% QoQ; was led by increase in volumes of wires at 7% QoQ and 16% YoY. Segment EBIT in Q4 was ₹132 Cr up 11% YoY. In this segment, automobile and industrial applications performed exceptionally well, construction wires contributed ~60% towards the segment's revenue
Communication Cables revenue in Q4 was ₹140 Cr up 35% YoY. Expansion of distribution network and big orders from OEM customers in LAN cables, volume up 25% for FY23. EBIT for the quarter was ₹3 Cr up 137% YoY. In FY23, it was positive ₹13 Cr v/s negative ₹13 Cr in FY22. Expect margin here to mean revert to 9-10% from negative margin seen in FY22 and FY23
FMEG revenue was 200 Cr in FY23, target of 500 Cr in 3 years. Consumer sentiment has been muted in this segment
Coppers price fell to ~\$8,000/MT in March 2023 from ~\$10,000/ MT in March 2022. Consumer spending continued to be weak even though headline inflation had started to decline. Channel destocking and overall growth impacted by changes to energy efficiency norms
In the last two months, the company has taken two pricing actions i.e., it reduced the prices by ~2-4% in line with input costs
Capacity utilization for FY23 was ~67%, doing capex towards backward integrations which would help them expand their margins
The order book for Finolex J Power Systems Limited is ~₹270-280 Cr currently. In Q4 FY23, the company was profitable
Anticipating growth coming from 5G segment, communication cables is a large business segment for the company at 600 Cr revenue.
Expect double digits volume growth in electric wires, housing demand has been healthy
Gross margins may be volatile in line with copper price over the upcoming two to three quarters
Spending ~₹300 Cr over the next 18-20 months in setting up the plant at Pune, ₹250 crore in FY24. Capacity moves to to ~8 million fibre Km and in FY25 plan to invest ₹75-100 Cr plus an additional ₹25 crore for replacement and maintenance capex
Revenue to reach ₹11,000 crore in the next five years, at 12-13% growth p.a. from here

TTK Prestige	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	611	698	695	-12%	-12%	2,777	2,722	2%
Gross Profit	238	282	281	-16%	-16%	1,116	1,127	-1%
Gross Margin(%)	39%	40%	40%			40%	41%	
EBITDA	97	122	93	-20%	4%	405	462	-12%
EBITDA Margin (%)	16%	17%	13%			15%	17%	
PBT	78	110	78	-29%	0%	343	411	-17%
PBT Margin (%)	13%	16%	11%			12%	15%	
PAT	58	80	58	-28%	0%	253	305	-17%
PAT Margin(%)	9%	11%	8%			9%	11%	

Domestic sales was ₹550 Cr in Q4 lower by 10.8% YoY, export sales was ₹15 Cr. FY23 domestic sales grew 5% YoY to ₹2,556 Cr
 In Q4 FY23, cookers, cookware, appliances and others segment fell by 19.9%, 13.1%, 7.8% and 5.7%, resp YoY
 In FY23 revenue from cookers, cookware, appliances and others was grew 5.3%, 0.3%, 4.1% and 0.9%, resp YoY
 Introduced 9 new SKUs (stock keeping units) during this quarter across all categories. Growth in the online sales was flattish during FY23.
 Gained market share in mixer grinders, lost share in rice cookers. Gas stove segment has been performing well for the company
 In FY24, exports expected to normalise, dip in exports YoY due to pre-stocking by the dealers as there were supply chain issues in FY22
 Growth is expected to revive from H2 FY24, flattish in H1 FY24. Raw material price continues to be stable, lower YoY
 Rebranded Judge brand to Judge by Prestige; expanding distribution. Revenue from Judge brand in India was ~₹50 Cr in FY23
 On track to achieve sales guidance of ₹3,500-4,000 Cr by FY26, capex of ~₹50-75 crore each year for the next 2-3 years
 Looking for inorganic expansion and that would be funded via internal accruals. Target of 3,500 Cr organic revenue in 2 years, 500 Cr from export and another 1,000 Cr from acquisitions is the aspirational target
 No price hike across its product categories in FY23. Going forward, EBITDA margin should be in the range of 14.5-16%. FY23 saw inventory obsolescence of 1.15% of revenue

Polycab India	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	4,324	3,970	3,715	9%	16%	14,108	12,204	16%
Gross Profit	1,128	912	999	24%	13%	3,732	2,850	31%
Gross Margin(%)	26%	23%	27%			26%	23%	
EBITDA	655	493	543	33%	21%	1,976	1,425	39%
EBITDA Margin %	15%	12%	15%			14%	12%	
PBT	573	430	481	33%	19%	1,707	1,188	44%
PBT Margin %	13%	11%	13%			12%	10%	
PAT	428	325	361	32%	19%	1,282	909	41%
PAT Margin	10%	8%	10%			9%	7%	

Expects double digit revenue growth in FY24, capacity utilisation for wires and cable stands at ~70%. Capex of ~₹600-700 crore in CY23
 Company's market share in the organised wires & cables industry stood at 22-24% in FY23
 Wires and cables revenue (~89% of revenue) for FY23 grew 17% YoY to ₹12,536 Cr from ₹10,696 Cr YoY due to healthy volume growth.
 Channel finance penetration at 83% from 75% YoY. Q4 Wires and cables revenue up 12% YoY, strong traction in international business
 In FY23 domestic distribution business grew 17% YoY due to benefits realized through the merger of HDC (high density cable) and LDC (low density) vertical last year. Cables grew faster than wires, special purpose cables business gained momentum with sales growth of 1.7x YoY driven by the railway & defence segment
 In FY23, revenue from international business grew 50% YoY to 1,380 Cr. Growth in Q4 FY23 was 125% YoY, contributing to 12.5% of the consolidated revenue. Expanded its global footprint to 70 countries, US is 50% of exports. EBIT margin expanded by ~340 bps in FY23 and stood at 13.1%, led by price revisions. In Q4 it increased by 300 bps on a YoY basis to 14.6%
 Demand environment continues to remain strong supported by government measures and revival in private capex
 Cables constitute ~70% of revenue & wires comprise the balance ~30%. Cable margin of 10-11%, wire margin at ~14-15%
 FMEG business had a soft year and its revenue (accounted for 9% of overall sales) de-grew by 0.3% YoY to ₹1,251 crore in FY23. The sluggishness was due to distribution channel rejig & challenging environment due to inflation. Revenue fell 20% YoY in Q4 to ₹303 Cr. New fan manufacturing plant in Halol now operational, adding an annual capacity to produce 6 million units. Switches grew 1.5x YoY and 1.9x QoQ, all manufacturing for this segment is in house
 Higher A&P spends and input costs kept FMEG EBIT negative for FY23. A&P spend for FY23 was 125 Cr up 51% YoY
 Expects to achieve 50:50 sales mix within cables & wires across B2B and B2C segments