



PRESS RELEASE

Mumbai, 14th November 2022

Financial Results for Q2 FY23

Eureka Forbes Limited reports 9.5% sequential growth and 2.8% year on year revenue decline; One-off charges and rise in expenses impact Profit after Tax

Company sees credit rating upgrade & Board and Management additions

Eureka Forbes Limited, one of India's largest health and hygiene companies, today announced its financial results for the quarter ended September 30th, 2022.

As per the standalone results for Q2 FY23, revenue from operations at Rs 575.1 Cr grew 9.5% on a sequential basis and declined 2.8% on a year-on-year basis. Revenues for the period Apr-Sep'22 (H1 FY23) grew year-on-year at 13.9%. The Company reported a loss of Rs 26.8 Cr. due to one-off charges and rise in expenses.

During the quarter, Eureka Forbes also witnessed a credit rating upgrade from CARE BBB- to CARE A. Key factors leading to the change include market leadership in the domestic health and hygiene segment, acquisition by Advent International and a stable business profile.

The Company recently announced additions to its Board and management team. Shashank Shankar Samant joined as a non-executive independent director on its Board. Post his retirement as President and CEO on September 30th, 2022, Shashank is currently the Chairman of GlobalLogic. It also announced the appointment of Gaurav Khandelwal as Chief Financial Officer and Shubham Srivastava as the Chief Product and Technology Officer.

Commenting on the Q2FY23 performance, Mr. Pratik Pota, MD, and CEO, Eureka Forbes Limited said, "In the backdrop of an inflationary environment, our revenues increased sequentially by 9.5% and declined 2.8% year-on-year. Results for the quarter were impacted by certain one-off charges arising from portfolio choices and other related actions.

During the quarter, we also kicked off the initial work on transformation. Eureka Forbes has legacy brand strengths and a wide service network. In a world where customers are increasingly conscious of health and hygiene, we will augment these with a re-imagined Digital-First business model and reengineered cost structures, to drive sustained and profitable growth in the future."

About Eureka Forbes:

Eureka Forbes Limited is India's leading health and hygiene brand. With over four decades of existence, it is today a multi-product and an omni-channel organization. Eureka Forbes' product portfolio encompasses water purification, vacuum cleaning & air purification. It has direct, retail, e-commerce and institutional sales channels, an inventive business partner network and one of the most expansive service networks across India.

Q2 FY23 Earnings Presentation

14th November 2022



Disclaimer

The statements contained in this document speak only as at the date as of which they are made and certain statements made in this presentation relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and actual results may differ from such expectations, projections etc., whether express or implied. These forward-looking statements are based on various assumptions, expectations and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, competitive intensity, pricing environment in the market, economic conditions affecting demand and supply, change in input costs, ability to maintain and manage key customer relationships and supply chain sources, new or changed priorities of trade, significant changes in political stability in India and globally, government regulations and taxation, climatic conditions, natural calamity, commodity price fluctuations, currency rate fluctuations, litigation among others over which the Company does not have any direct control. These factors may affect our ability to successfully implement our business strategy.—The Company, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein and the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based.—You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the management of the Company on future events. Further, no part of this document should be considered as a recommendation that any investor should subscribe to or purchase securities of the Company and should not form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

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- **Eureka Forbes - an introduction**
 - Q2 FY23 highlights
 - Key focus areas

A close-up photograph of two hands, one larger and one smaller, holding a circular frame of light. The hands are positioned to create a ring of light in the center, which is set against a background of a bright blue sky with scattered white clouds. The lighting is soft and natural, highlighting the texture of the skin and the details of the fingers.

+ A World of Trust

+ A World of Relationships

+ A World of Leadership

+ A World of Opportunity



**EUREKA
FORBES**
Friends For Life

Eureka Forbes : an introduction



Pioneers & Leaders

Vacuum cleaners



Water purifiers



Direct selling



Diversified portfolio

Market leaders in water purifiers and vacuum cleaners

Wide range of products with state-of-the-art technology

Product portfolio catering to both B2C and B2B customers

Diversified revenue streams across product and service



Brand strength

Strong association of brand Aquaguard with product category

High brand health scores

Top of mind recall > 65%



Omni channel presence

Direct sales

General trade

Modern retail

Ecommerce

B2B

Canteen Stores (CSD)



Strong customer connect



Large active database of customers

~ **8 MILLION CUSTOMERS**



Extensive service network

In home service in over

~ **10500** **+ PIN CODES**



Introduction to the Board

Name	Experience	Audit committee	Risk management committee	Nomination & remuneration committee	Stakeholders' relationship committee	Corporate social responsibility
Mr. Arvind Uppal (Board Chairman)	President Asia Pacific - Whirlpool Corporation India Limited. Worked in leadership positions in Nestle across India, Switzerland, China, Southeast Asia		✓		✓ C	
Mr. Sahil D. Dalal	Presently MD of Advent India. Associate with JLL Partners. Spent 3 years with Bear Stearns, New York as an analyst in the investment banking division	✓	✓	✓		
Mr. Pratik R. Pota (MD & CEO)	CEO at Jubilant Foodworks Ltd. Led turnaround and digital transformation. Held leadership positions at PepsiCo, Airtel, HUL in a career spanning over 30 years				✓	✓
Mr. Vinod Rao	35 years of work experience across 3 global blue-chip multinationals - Diageo, PepsiCo and ICI. Strong background in finance, strategy and operations	✓ C	✓ C	✓	✓	✓
Mrs. Gurveen Singh	Retired as CHRO of FTSE 20 company Reckitt Benckiser. 42 years work experience in various leadership and HR positions spanning talent development, HR solutions etc.	✓	✓	✓ C	✓	✓ C
Mr. Homi A. Katgara	Past president of Air Cargo Club of Bombay. Youngest of the 4 th generation of the founding family which established Jeena and Co.			✓		✓
Mr. Shashank A Samant	Retired as President and CEO Globallogic. President of Ness Technologies. Leader of product engineering for HP Verifone line of business. Worked at IBM					

Introduction to the management



Pratik Pota
MD and CEO
30+ yrs/< 1 yr
Jubilant FoodWorks, PepsiCo, Airtel, HUL



Vikram Surendran
President
30+ yrs/8yrs
HUL



Gaurav Khandelwal
Chief Financial Officer
21+ yrs/< 1 yr
HUL, Airtel, Oyo Hotels & Homes



Binaifer Khanna
Chief People Officer
30+ yrs/7 yrs
Tata Power, Cynthesis



Shubham Shrivastava
Chief Product & Technology Officer
17+ yrs/< 1 yr
Makemytrip, iTrust, Aricent



Suresh Redhu
Chief Technical Officer - R&D & Manufacturing
33+ yrs/11 yrs
Bluestar, Aquamall

Name
Designation
Experience: (overall)/(Eureka Forbes)
Previous organization(s)



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- Eureka Forbes - an introduction
- **Q2 FY23 highlights**
- Key focus areas

Q2 FY23: New product launches

Robotic & Upright Vacuum Cleaners with 3D laser mapping & rechargeable battery



Robo NXT

Kordfree NXT

Electric Water Purifiers launches in newer segments "Hot & Steel"



Blaze

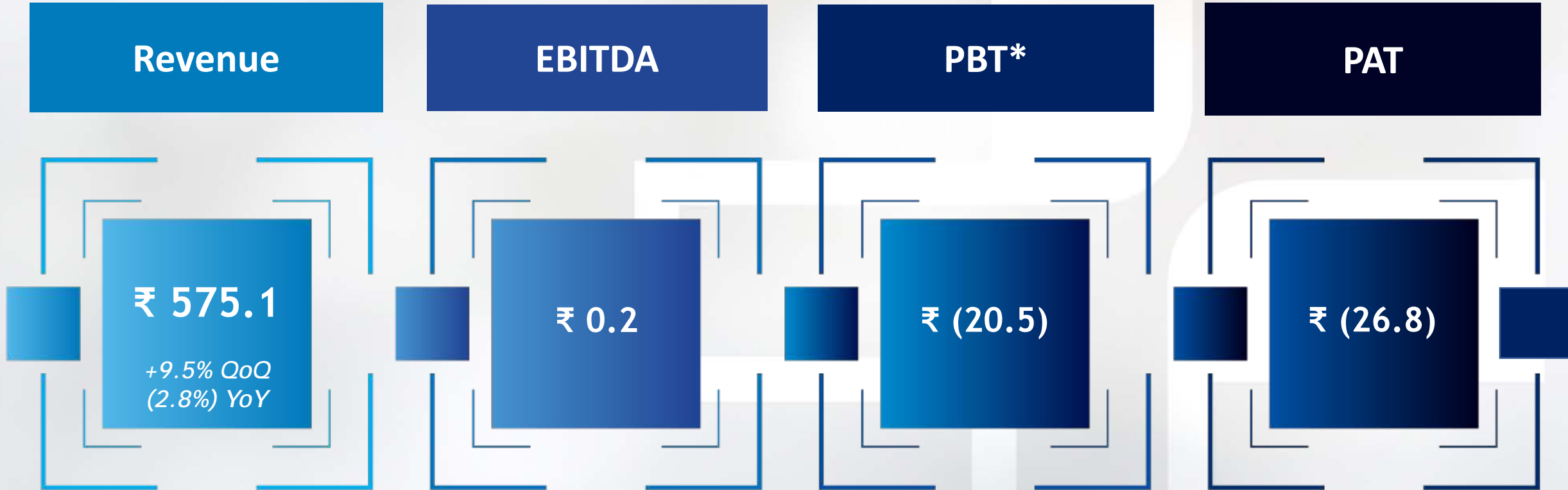
Rapid

Champ

Marvel NXT

Launches at newer price points

Q2 FY23 key numbers : Standalone Results



Figures in Rs Cr

The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022. Previous year numbers are on a proforma basis to depict the results of the combined entity (erstwhile EFL and FESL) had the acquisition of the business occurred as on 01 April 2021.

EBITDA is defined as PBT + Finance cost + Depreciation less other non operating income

* PBT is before exceptional items

Q2 FY23 : Standalone Financial Results

Rs Cr	Sep Qtr'22	Pre Qtr'21*	H1'22	H1'21*
Revenue	575.1	591.9	1100.3	965.7
<i>Employee benefit</i>	<i>103.1</i>	<i>75.2</i>	<i>171.5</i>	<i>137.7</i>
<i>Service charges</i>	<i>73.6</i>	<i>90.0</i>	<i>151.0</i>	<i>141.1</i>
<i>Other Expenses</i>	<i>159.3</i>	<i>119.3</i>	<i>287.1</i>	<i>223.7</i>
Total expenses	336.0	284.5	609.6	502.5
EBITDA	0.2	56.8	43.0	77.4
<i>EBITDA %</i>	<i>0.0%</i>	<i>9.6%</i>	<i>3.9%</i>	<i>8.0%</i>
PBT pre exceptional items	-20.5	45.5	3.8	53.3
Exceptional Items	15.9	10.3	15.9	10.3
PBT after exceptional items	-36.4	35.1	-12.1	43.0
Profit after Tax	-26.8	22.0	-9.1	27.7

Key highlights

- **Revenue**

- 9.5% quarter on quarter growth
- 2.8% year on year decline
- H1 year on year growth at 13.9%

- **Expenses**

- Expenses growth of 18.1% in Q2 FY23
- Aggressive cost management program kicked off to drive synergies

- **Exceptional items**

- Q2 FY23 includes inventory provisions related to discontinued products

* The erstwhile Eureka Forbes Limited's (EFL) health, hygiene, safety products and services undertaking was demerged into Forbes Enviro Solutions Limited (FESL) with prospective effect from 1st February 2022. Previous year numbers are on a proforma basis to depict the results of the combined entity (erstwhile EFL and FESL) had the acquisition of the business occurred as on 01 April 2021.

Q2 FY23: Credit rating upgrade

Credit Rating



Market leadership in domestic health and hygiene segment



Acquisition by Advent International



Stable business profile



Lean operating cycle



CARE A



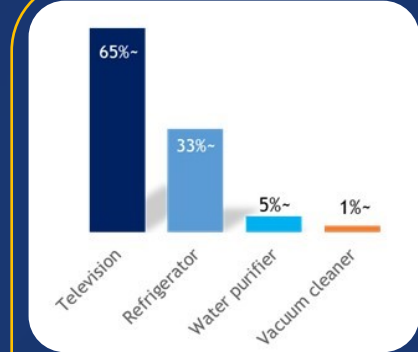
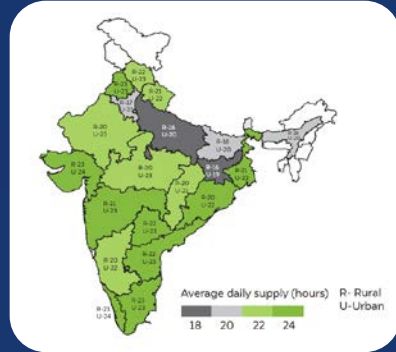
CARE BBB-



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- Eureka Forbes - an introduction
- Q2 FY23 highlights
- **Key strategic priorities**

Macro environment supportive of growth



Availability & Access to piped water¹

Jal Jeevan Mission now covers over 40 Mn. households



Growth in Electrification

96.7% of Indian households now connected to the grid and receive 20.6 hrs. of power supply²



Growing consciousness on health & hygiene

especially post Covid



Rising Per capita income

With growing economy



Low Category Penetration of the core categories

Amongst the lowest in consumer durables segment



Key strategic priorities for profitable growth

01

Grow the water purifiers business

- Innovation and new product development
- Jump shift in distribution

04

Lean and Frugal Cost Structures

- Productivity unlocks
- “Zero based” approach to all costs

02

Expand Portfolio

- Nurture and grow cleaning category
- Smart devices

05

Digital First

- Give customers control and visibility
- Digital enablement of value chain

03

Transform Customer Experience

- Deliver reimagined service standards
- Leverage insights for customised solutions

06

Future Ready Organisation

- Invest in capabilities of the future
- Agile and customer centric

Management Views



“In the backdrop of an inflationary environment, our revenues increased sequentially by 9.5% and declined 2.8% year-on-year. Results for the quarter were impacted by certain one-off charges arising from portfolio choices and other related actions.

During the quarter, we also kicked off the initial work on transformation. Eureka Forbes has legacy brand strengths and a wide service network. In a world where customers are increasingly conscious of health and hygiene, we will augment these with a re-imagined Digital-First business model and reengineered cost structures, to drive sustained and profitable growth in the future.”

About Eureka Forbes

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EFL BSE Scrip Code : 543482

EFL BSE Scrip ID : EUREKAFORBE

Note: 1. All financial data in this presentation is derived from reviewed standalone IND-AS financial statements

2. Due to rounding-off, the financial figures may not recalculate exactly

Thank You

