



## PRESS RELEASE

Mumbai, 14<sup>th</sup> February 2023

### Financial Results for Q3 FY23 & 9M FY23

Q3 EBITDA Margins expand 924bps YoY, Q3 revenue impacted largely by soft consumer demand, 9M revenue up 6% YoY

Eureka Forbes Limited, one of India's largest health and hygiene companies, today announced its financial results for the quarter & nine months ended December 31<sup>st</sup>, 2022.

#### Highlights of the period ended December 31, 2022 -

- For Q3 FY23, revenue from operations stood at Rs 472.0 Cr, down 8.9% on a year-on-year basis
- For Q3 FY23, EBITDA stood at Rs. 41.2 Cr as against Rs. (2.7) Cr for Q3 FY22. The benefits of improved productivity and cost optimization measures led to margin expansion of 924 bps YoY
- For Q3 FY23, Profit After Tax stood at Rs. 9.8 Cr as against a Loss After Tax of Rs. 9.7 Cr in Q3 FY22
- As per the standalone results for 9M FY23, revenue from operations stood at Rs. 1,572.3 Cr, up 6.0% on a year-on-year basis
- During the quarter, Eureka Forbes launched new products in the premium segment for vacuum cleaners & water purifier categories

Commenting on the Q3 FY23 performance, Mr. Pratik Pota, MD, and CEO, Eureka Forbes Limited said, "Q3 witnessed a softening of demand owing largely to inflationary pressures and a pull-back by consumers on category spending.

In this challenging environment, our focus remained on executing our key strategic priorities and driving efficiencies in the business model. We executed a set of specific cost initiatives that helped improve our operating margins by 924bps year-on-year. While we are conscious that more work remains to be done here, the early margin improvement will allow us the headroom to invest for growth.

We are in the early phase of an exciting transformation agenda. Looking ahead, we are confident that our strong brand and innovation capabilities, our omni-channel GTM and our nation-wide service network are foundational strengths that will help us drive sustained, profitable growth and create long term value for our shareholders."

**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.

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**Safe Harbor Statement:**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors

# Q3 FY23 Earnings Presentation

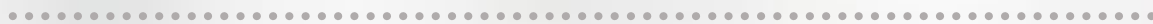
14th February 2023



# Disclaimer

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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.



- **Q3 FY23 Highlights**
- Key Focus Areas
- Eureka Forbes - Introduction

# Q3 FY23: New Product Launches

Forbes Bagless Pro  
Cyclonic Bagless  
Vacuum Cleaner



Forbes Robotic Vacuum Cleaners  
Latest series with enhanced  
suction power and battery life  
with Laser and Gyro Navigation



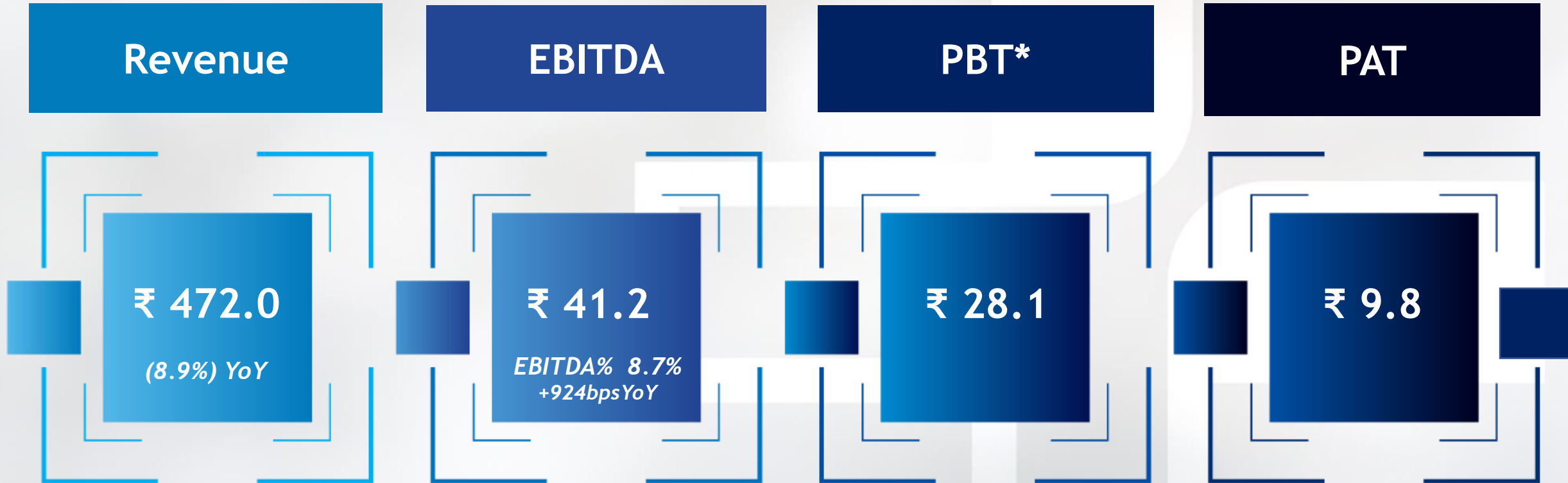
Aquaguard SUPERIO  
with Active Copper Technology and  
Stainless-Steel Tank



Forbes Upright Vacuum Cleaners  
2 in 1 NXT - Easily converts from  
Upright to Handheld  
Forbes WD Premia - Sweep, Spray  
and Mop in One Go



# Q3 FY23 Snapshot



Figures in Rs Cr

- All numbers are on standalone basis
- EBITDA is defined as PBT + Finance cost + Depreciation less other non operating income
- \*PBT is before exceptional items
- 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.

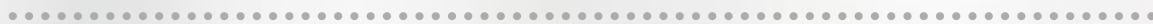
# Q3 FY23: Standalone P&L Statement

Particulars (Rs. Cr)	Q3FY23	Q3FY22*	YoY (%)	9M FY23	9M FY22*	YoY (%)
Revenue	472.0	518.0	-8.9%	1,572.3	1,483.7	6.0%
Employee Benefit Expenses	67.6	83.8	-19.3%	239.1	221.5	7.9%
Service Charges	69.4	87.2	-20.4%	220.4	228.3	-3.5%
Other Expenses	100.6	133.4	-24.6%	387.7	357.1	8.6%
Total Expenses	237.6	304.4	-21.9%	847.2	806.9	5.0%
Total Expenses % of Revenue	50.3%	58.8%	-843 bps	53.9%	54.4%	-50 bps
EBITDA	41.2	-2.7	-	84.2	74.7	12.6%
EBITDA %	8.7%	-0.5%	924 bps	5.4%	5.0%	32 bps
Finance Cost	4.4	6.3	-29.6%	16.4	19.4	-15.7%
Depreciation	13.4	7.7	73.9%	42.4	19.9	112.7%
Other Income	4.7	3.6	31.7%	6.4	4.8	34.1%
PBT Before Exceptional items	28.1	-13.1	-	31.9	40.2	-20.7%
Exceptional Items	15.0	-	-	30.9	10.3	198.7%
PBT after Exceptional items	13.1	-13.1	-	1.0	29.9	-96.7%
PAT	9.8	-9.7	-	0.8	18.1	-95.6%

- Revenue declined 8.9% YoY impacted largely by weak consumer demand
- EBITDA margin expanded 924bps led by reduction in costs
- Cost rationalization projects implemented in several areas
- Reduction in employee costs led by productivity improvements & non-employee costs through stronger control on discretionary spends
- Exceptional items include stamp duty charges related to transfer of property rights from the erstwhile entity to the new entity

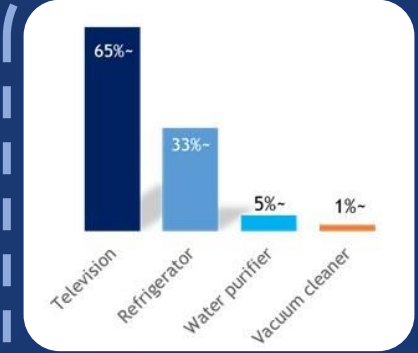
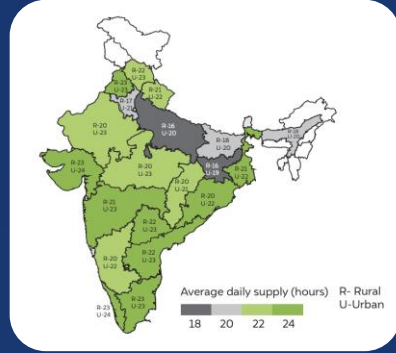
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- Q3FY23 Highlights
- **Key Focus Areas**
- Eureka Forbes - An introduction

# Macro environment supportive of growth



**Availability & Access to piped water<sup>1</sup>**

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 supply<sup>2</sup>



**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



Source : 1.mygov.in/all-infographics/page/3/drinking-water | 2. Insights from the India Residential Energy consumption Survey (IRES) 2020. New Delhi: Council on Energy, Environment and Water | 4. Indian Readership Survey (IRS) 2021

# Key strategic priorities for profitable growth

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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

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# Eureka Forbes: Introduction



# Pioneers & Leaders

Vacuum cleaners



Water purifiers



Direct selling



# Diversified portfolio

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**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)



# Extensive service network and strong customer connect

In home service in over

**10500** + PIN CODES



Large active database of customers



~ **8** **MILLION**  
**CUSTOMERS**

# Management Views

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Mr. Pratik Pota  
Managing Director and CEO

“Q3 witnessed a softening of demand owing largely to inflationary pressures and a pull-back by consumers on category spending.

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# About Eureka Forbes

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**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