

# Q1 FY25 Earnings Presentation

August 08, 2024



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# 01

- **Q1 FY25 Highlights**
- **Overview**
  - **Eureka Forbes**
  - **Industry**

# Q1 FY25 Highlights (Standalone Results)

	Q1 FY25	Q1 FY24	YoY
Revenue	Rs. 552.8Cr	Rs. 505.3Cr	+9.4%
Continuing Business <sup>^</sup>	-	-	+10.8%
Adj. EBITDA*	Rs. 63.4Cr	Rs. 49.6Cr	+27.9%
Adj. EBITDA Margin*	11.5%	9.8%	+166bps
Adj. PBT**	Rs. 50.2Cr	Rs. 34.8Cr	+44.3%
PAT	Rs. 31.0Cr	Rs. 22.1Cr	+40.7%

<sup>^</sup> Excludes discontinued businesses/portfolio (Health Conditioner, Corona Guard, Safety and Security Devices, Forbes Pro Cleaning Services, Exports & Semi Finished Goods sales)

\* Adjusted (Adj.) EBITDA is defined as PBT (before exceptional items) + Finance cost + Depreciation + Amortization + ESOP charge less other non-operating income

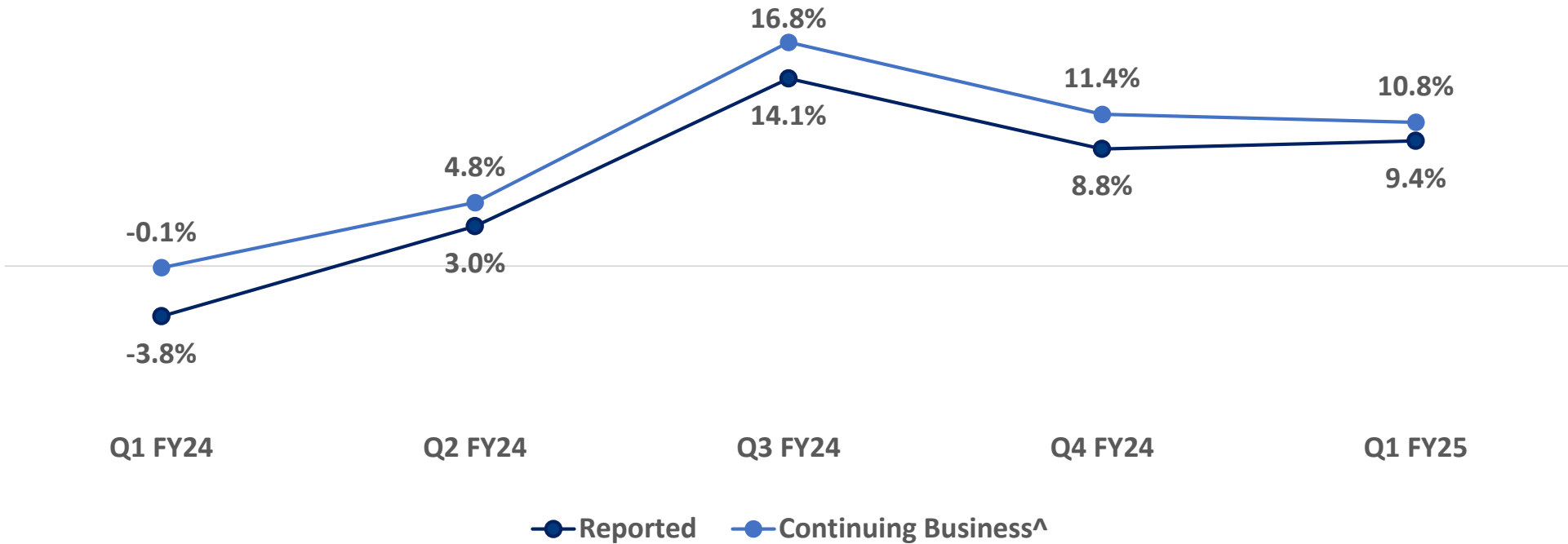
\*\* Adjusted (Adj.) PBT is defined as PBT (before exceptional items) + ESOP charge

# Q1 FY25 Standalone P&L Statement

Particulars (Rs. Cr)	Q1 FY25	Q1 FY24	YoY (%)	Q4 FY24	QoQ (%)
<b>Revenue</b>	<b>552.8</b>	<b>505.3</b>	<b>9.4%</b>	<b>553.1</b>	<b>0.0%</b>
Employee Benefit Expenses	76.0	71.6	6.1%	75.1	1.2%
Service Charges	69.1	69.9	-1.1%	79.6	-13.1%
Other Expenses	125.8	114.0	10.4%	109.6	14.8%
<b>Total Expenses</b>	<b>270.9</b>	<b>255.5</b>	<b>6.0%</b>	<b>264.3</b>	<b>2.5%</b>
<b>Total Expenses % of Revenue</b>	<b>49.0%</b>	<b>50.6%</b>	<b>-156bps</b>	<b>47.8%</b>	<b>123bps</b>
<b>Adj. EBITDA</b>	<b>63.4</b>	<b>49.6</b>	<b>27.9%</b>	<b>61.9</b>	<b>2.4%</b>
<b>Adj. EBITDA %</b>	<b>11.5%</b>	<b>9.8%</b>	<b>166bps</b>	<b>11.2%</b>	<b>28bps</b>
ESOP Charge	8.7	3.8	129.0%	9.2	-6.0%
<b>EBITDA</b>	<b>54.7</b>	<b>45.8</b>	<b>19.5%</b>	<b>52.7</b>	<b>3.9%</b>
<b>EBITDA %</b>	<b>9.9%</b>	<b>9.1%</b>	<b>84bps</b>	<b>9.5%</b>	<b>38bps</b>
Finance Cost	1.7	3.4	-50.7%	1.6	2.5%
Depreciation	6.9	7.0	-0.4%	7.3	-5.7%
Amortization	6.7	6.2	8.0%	6.4	4.8%
Other Income	2.2	1.8	18.7%	2.1	3.6%
<b>Adj. PBT before Exceptional items/ ESOP Charges</b>	<b>50.2</b>	<b>34.8</b>	<b>44.3%</b>	<b>48.6</b>	<b>3.4%</b>
Exceptional Items	-	-	-	15.1	-
<b>PBT after Exceptional items/ ESOP Charges</b>	<b>41.6</b>	<b>31.0</b>	<b>33.9%</b>	<b>24.2</b>	<b>71.6%</b>
<b>PAT</b>	<b>31.0</b>	<b>22.1</b>	<b>40.7%</b>	<b>21.4</b>	<b>45.2%</b>

# Revenue : Third successive quarter of double-digit growth<sup>^</sup>

## Revenue Growth

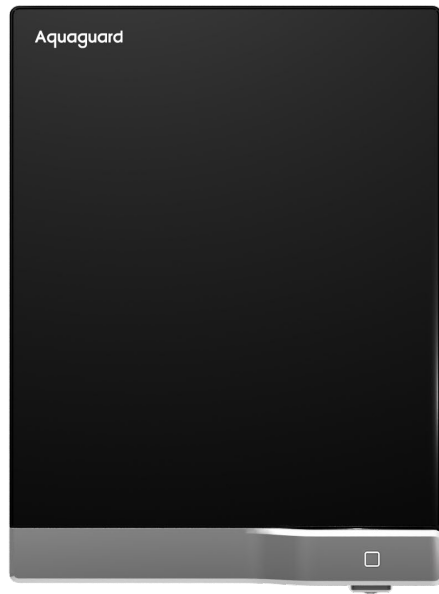


- Continuing business grows 10.8% YoY; Volume growth continues
- Sustained growth in both Water Purifiers and Vacuum Cleaners
- EWP innovations, Stainless Steel and VC Robotics were key drivers of growth

<sup>^</sup> Excludes discontinued businesses/portfolio (Health Conditioner, Corona Guard, Safety and Security Devices, Forbes Pro Cleaning Services, Exports & Semi Finished Goods sales)

# Product : Innovations across the premium portfolio

Aquaguard  
SLIMTECH



**SlimTech Glass**  
*With water quality indicator*

Aquaguard  
AURA 2X LIFE



Aquaguard  
ENHANCE NXT 2X LIFE



**Aura 2X & Enhance NXT 2X**  
*2 years filter life*

Aquaguard  
Designo NXT



**Designo NXT**  
*Under-the-Sink*

# Product : New advertising campaign for Stainless Steel category

Change to the new **Aquaguard** with Stainless Steel Tank



**Keeps Water Fresher for Longer**

- | 304 Surgical Grade Stainless Steel Tank
- | Removes 99.99% Viruses & Bacteria

AVAILABLE IN COPPER AND ALKALINE VARIANTS



**Change to the new Aquaguard**

Aquaguard is the registered trademark of Eureka Forbes Limited.  
For more details log onto [www.eurekaforbes.com](http://www.eurekaforbes.com)

*Click on the image to view the video*



# EWP : Enhanced Retail visibility

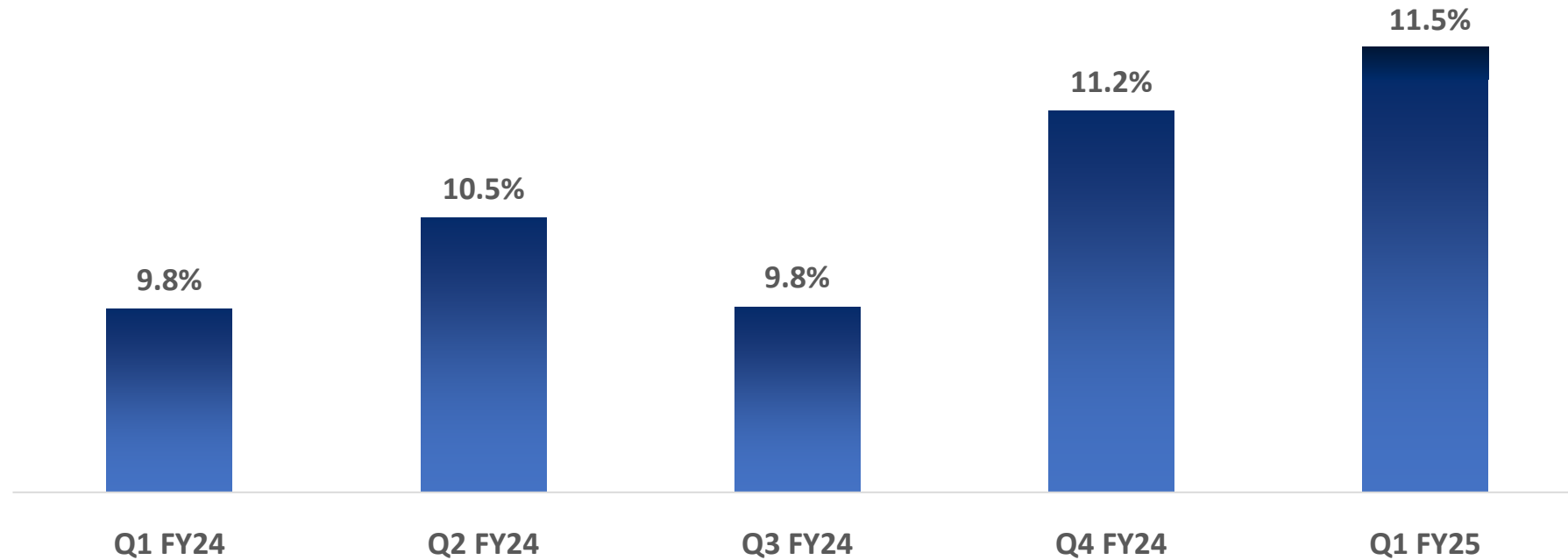


# VC : Category building initiatives for Convenient Cleaning



# Adjusted EBITDA Margin\* : Record-high of 11.5%

## Adjusted EBITDA Margin\* %

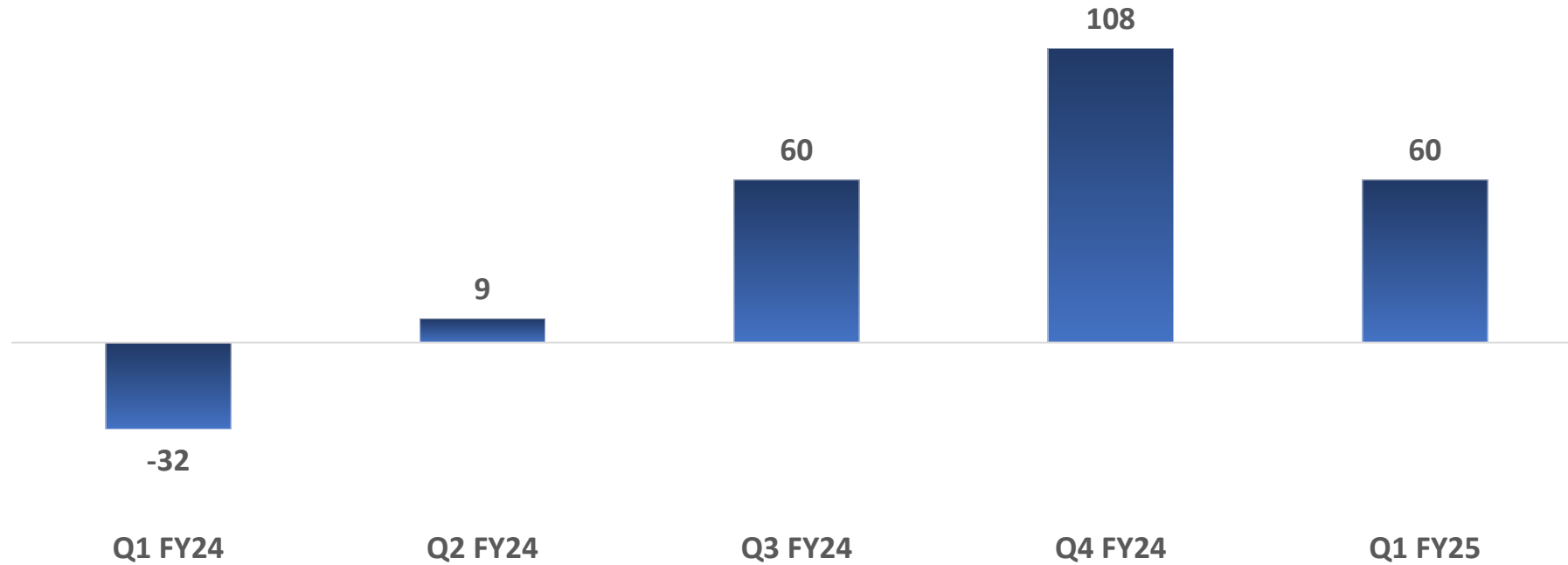


- Adjusted EBITDA Margin expanded 166bps YoY driven by operating leverage and structured cost optimization program

\* Pre-ESOP charges

# Net Debt : Stable cash position

Net Surplus / (Debt) (Rs Cr)



- Credit rating : CARE A+ Stable

# Management Views

Mr. Pratik Pota  
MD & CEO



“Despite a muted demand environment, we are pleased to report the third successive quarter of double-digit growth in our continuing business which grew by 10.8% in Q1.

Growth was broad-based across both Water Purifier and Vacuum Cleaner categories and the service business, with our premium products across both Water and VCs being the engines of growth.

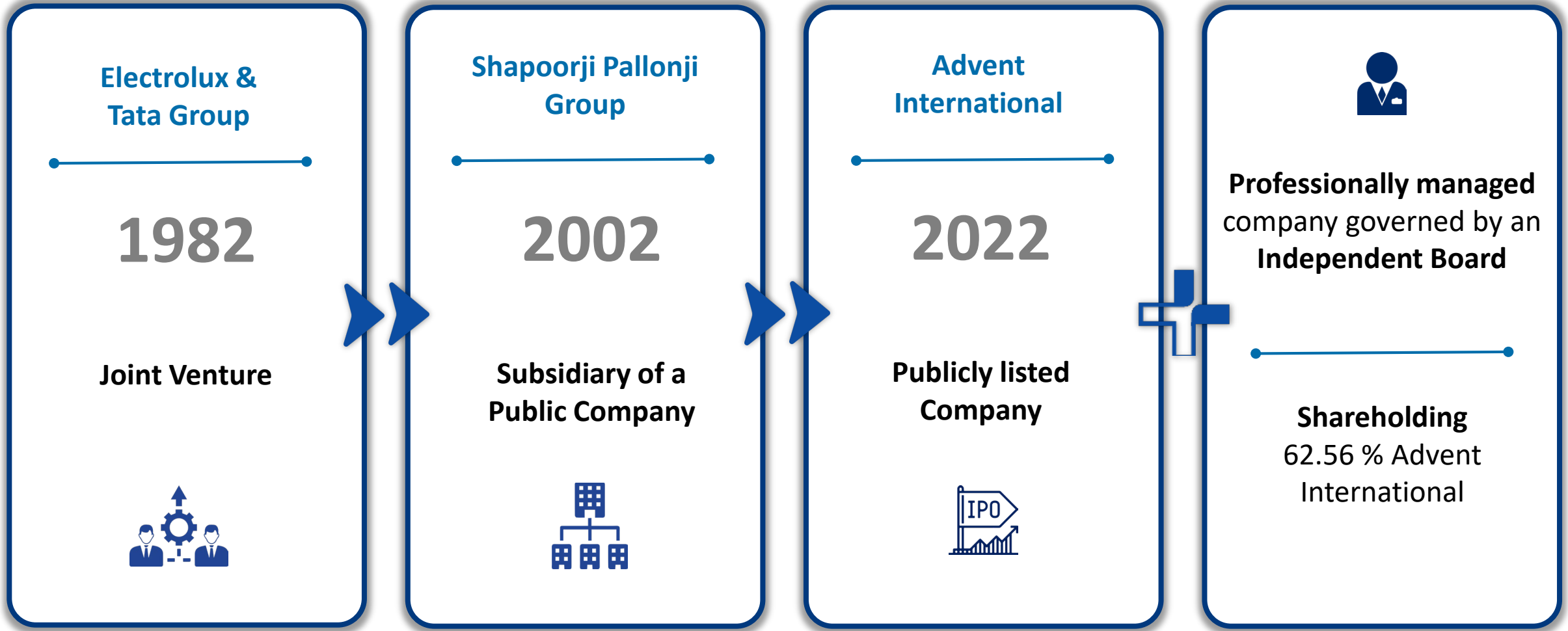
We made progress on the profitability front too with EBITDA margins for Q1 reaching a lifetime high of 11.5%, an improvement of 166bps year on year.

Looking ahead, we have strong conviction in our strategy and believe that we have the right set of plans to drive sustained and profitable growth in the future.”

# 02

- Q1 FY25 Highlights
- Overview
  - Eureka Forbes
  - Industry

# Eureka Forbes: Overview



# 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



# Aquaguard®: One of the strongest consumer brands in India

**Universal Brand Awareness and Consideration  
40 Years of Unconditional Trust and Acceptance**

*Click on the image to view the video*

# Omni Channel Presence



- Direct Sales
- General Trade
- Modern Retail
- Ecommerce
- D2C
- B2B
- Canteen Stores (CSD)

# Extensive Service network and strong customer connect

In home service in over

**19,500** + PIN CODES



Large first party database of customers

**~14 MILLION CUSTOMERS**



# 02

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# Macro factors supportive of growth



## Growing incomes

Middle class fastest growing segment of the population;  
1 Billion by 2047<sup>1</sup>



## Urbanization

By 2036, 40% of Indians will live in towns and cities, up from 31% in 2011<sup>2</sup>



## Working Women

Female Labour Force Participation Rate increased to from 33% in 2022 to 37% in 2023<sup>3</sup>

# Macro factors supportive of growth (cont.)



## Piped Water

Went up from **16.8%** in 2019 to **77.2%** Households in 2024<sup>1</sup>



## Electrification

**96.7%** Households<sup>2</sup>



## Unpredictable Domestic Help

Need For Convenient Back Up

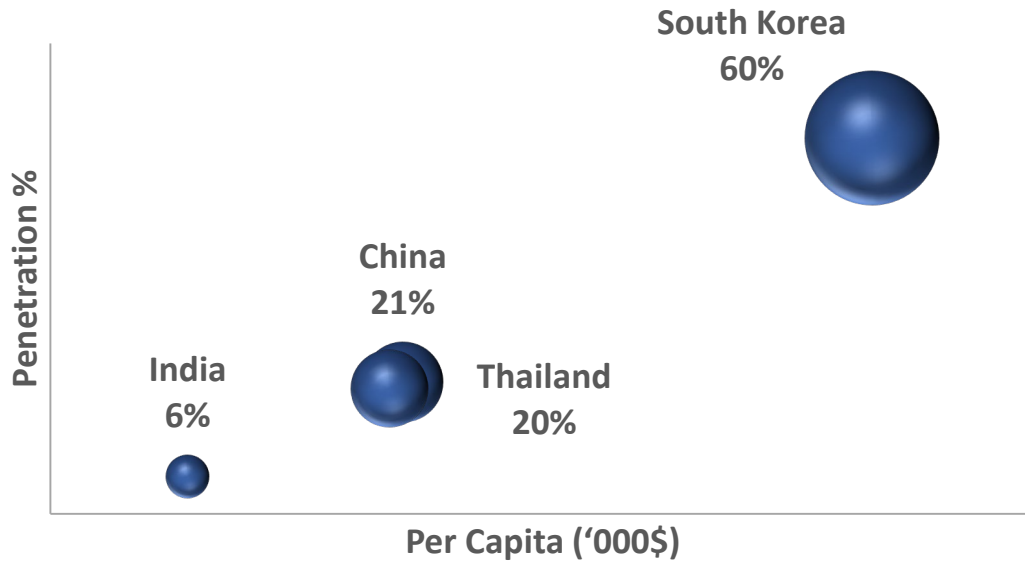


## Increasing Importance Given To Health & Hygiene

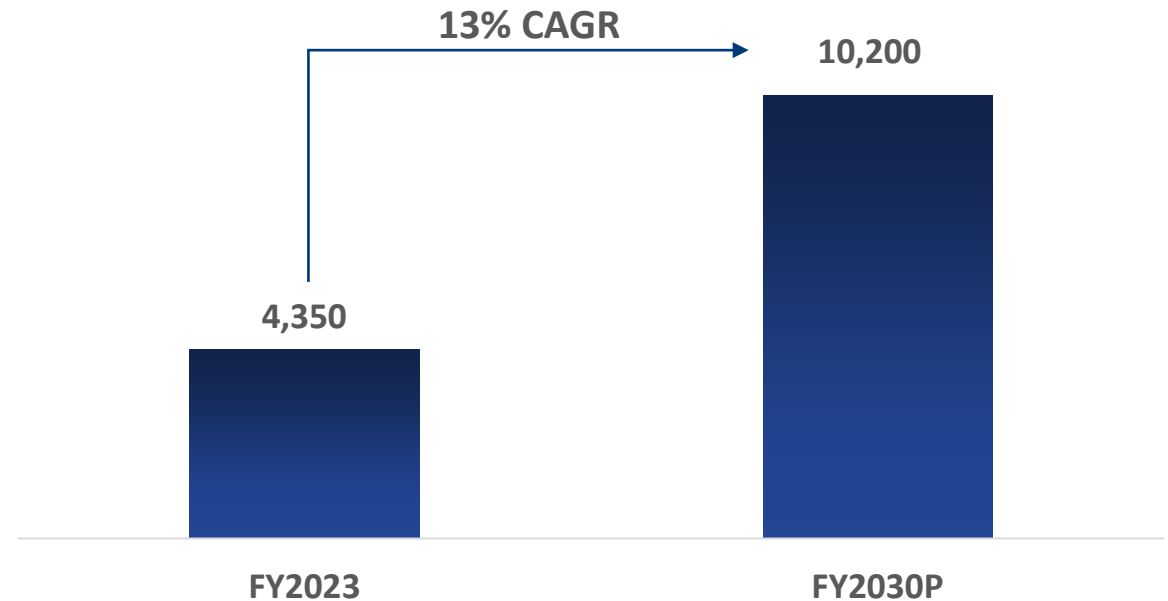
Increased Frequency Of Cleaning Homes Post Covid

# Water Purifier Industry to grow at ~13% CAGR during FY23-FY30P

## Water Purifier Penetration (CY2022)



## Water Purifier Industry – Products (Rs Cr)



## Key tailwinds



Growing awareness and consciousness on Health and Hygiene



Piped water coverage increased to 70% as of October 2023 from ~17% in 2019

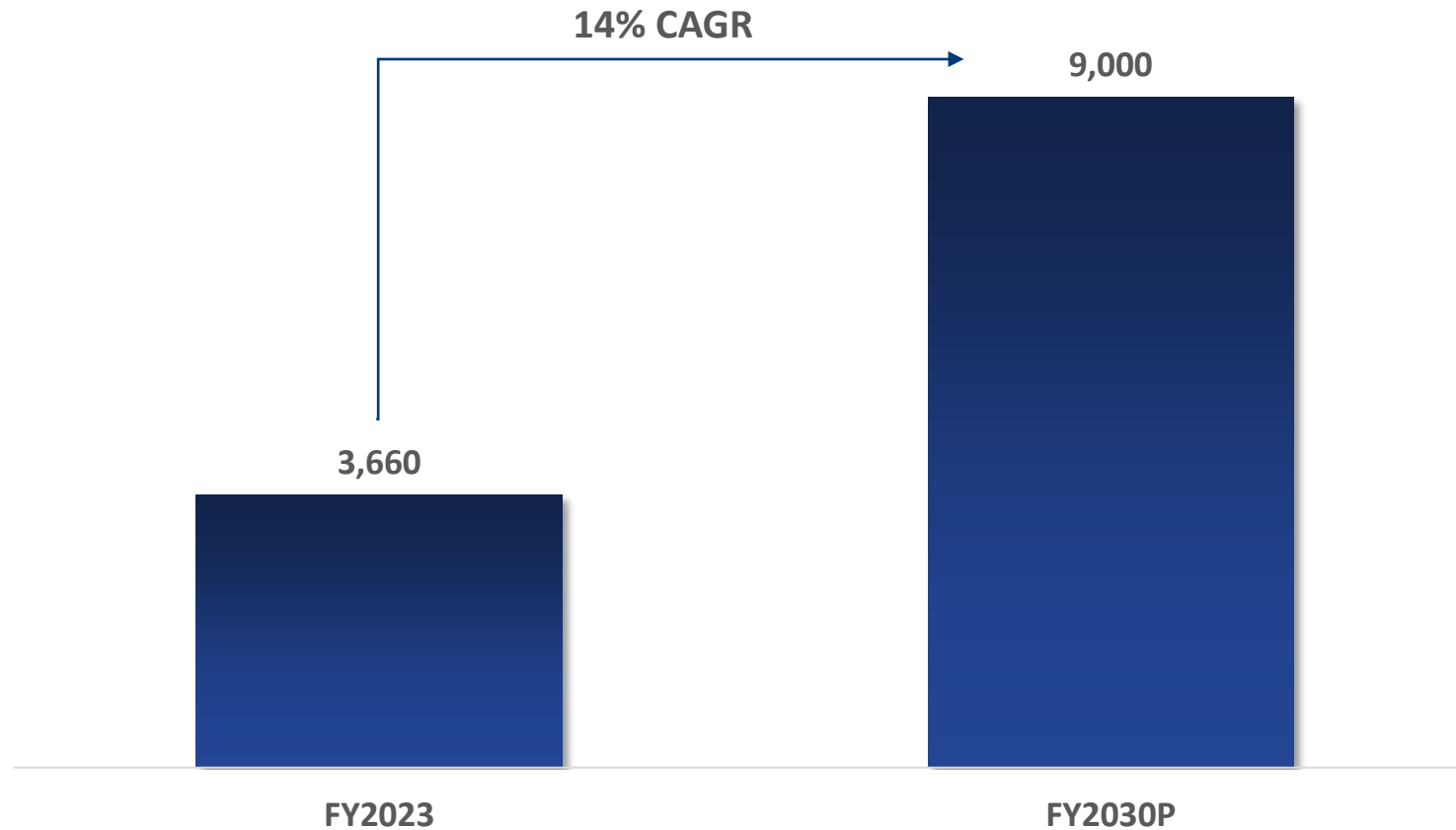


Uninterrupted access to electricity for wider section of population



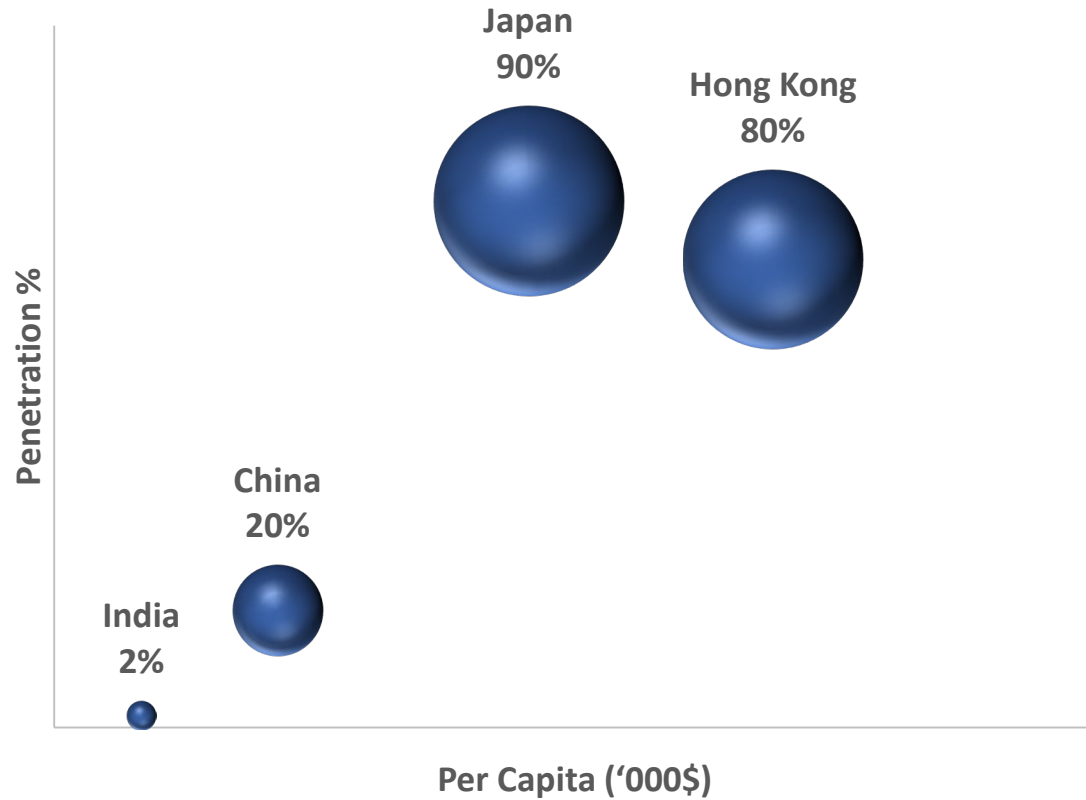
# Water Purifier Services to become a Rs 9,000 Cr market by FY30P

## Water Purifier Industry – Service (Rs Cr)

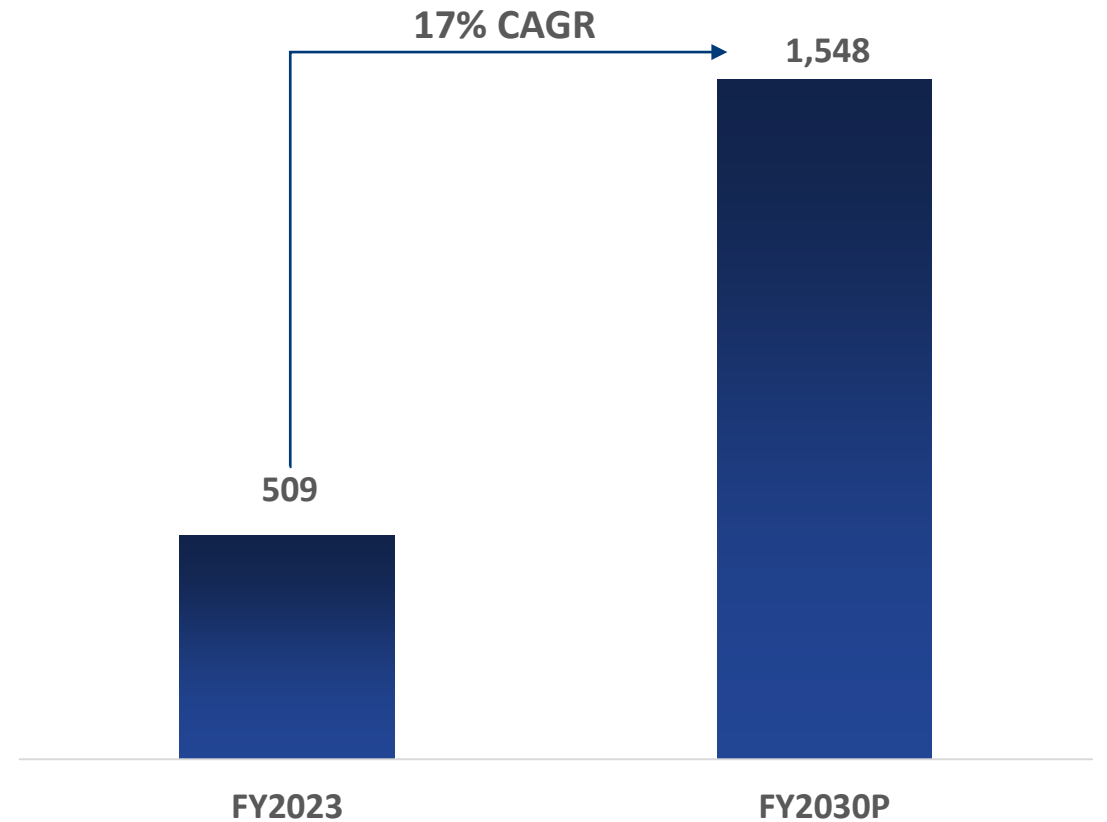


# Vacuum Cleaner Market to triple by FY30P

## Vacuum Cleaner Penetration



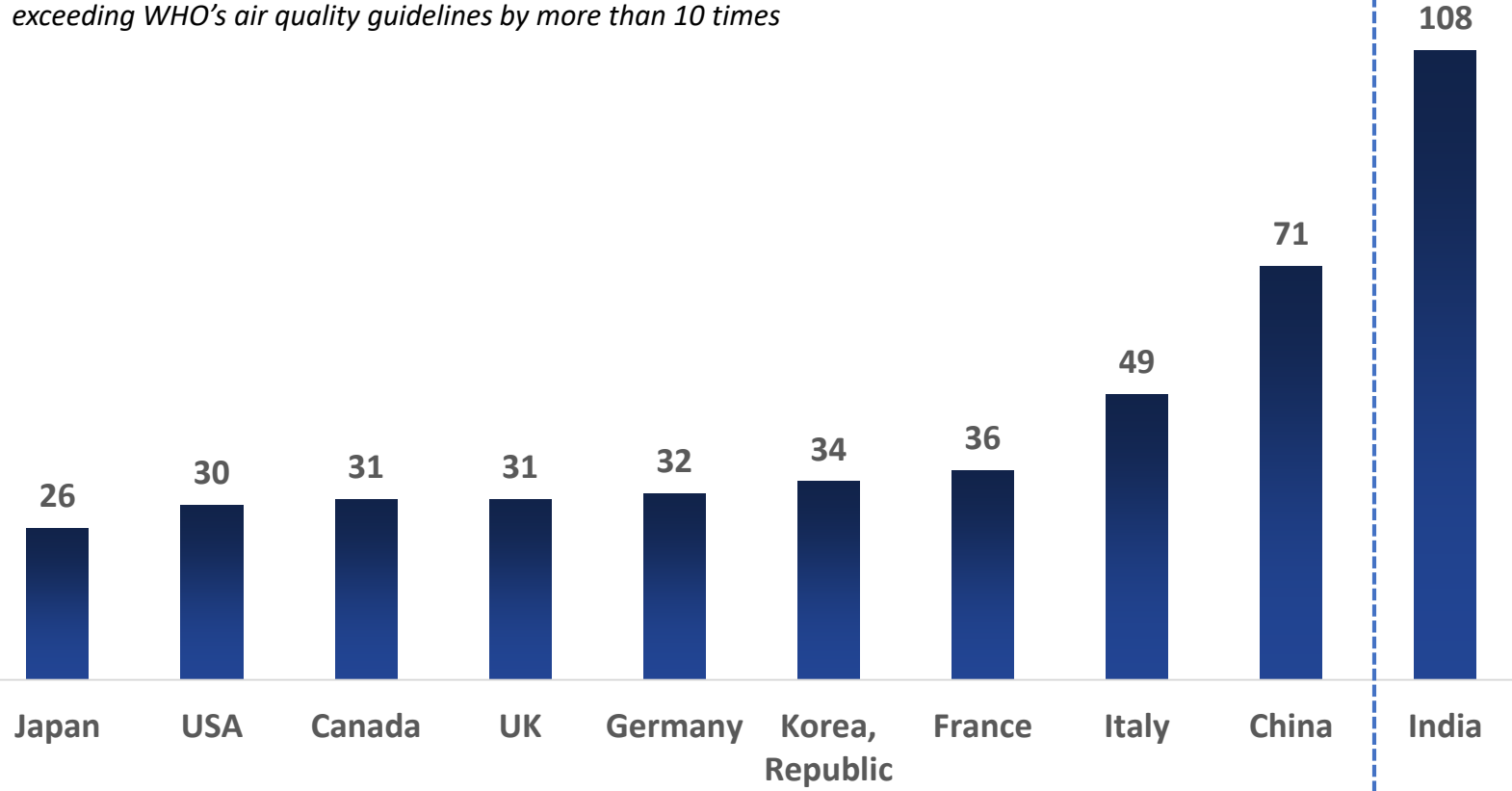
## Vacuum Cleaner Industry (Rs Cr)



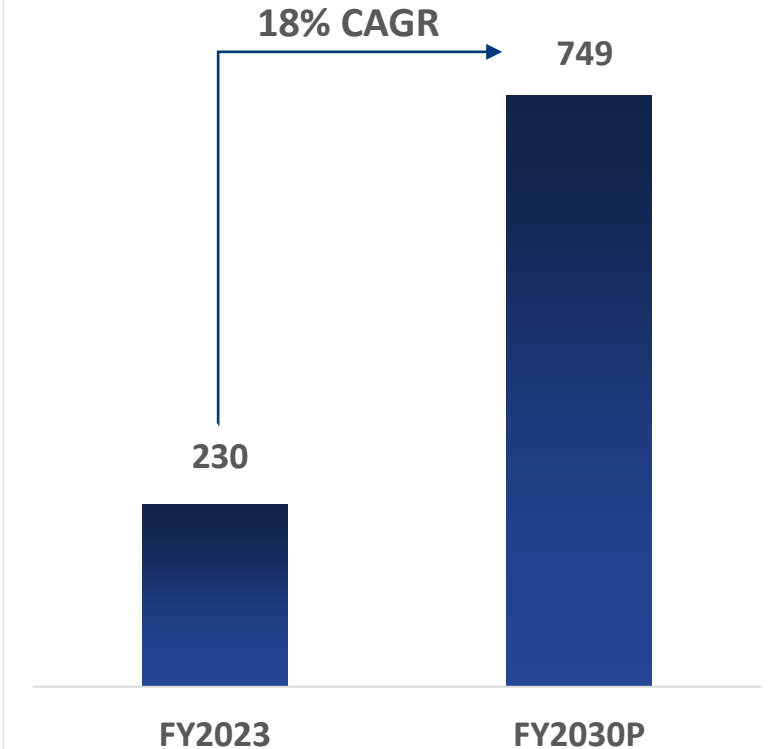
# Rising demand for Air Purifiers amid deteriorating air quality

## Global Air Quality Index (AQI\*) (CY2022)

<sup>^</sup> 83 out of 100 most polluted cities globally are in India, exceeding WHO's air quality guidelines by more than 10 times



## Air Purifier Industry (Rs Cr)



Source: Consumer Market Purification Devices in India – A Whitepaper by Technopak (reproduced with permission)

<sup>^</sup> Source for the news [Link](#)

\*The AQI is a standardized measurement that quantifies the air quality of a given location considering various pollutants such as particulate matter (PM2.5 and PM10), nitrogen dioxide (NO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>), carbon monoxide (CO), and ozone (O<sub>3</sub>). A lower AQI score indicates better air quality, while a higher score signifies worse air quality.

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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
3. ^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.

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THANK YOU