

Q4 FY23/ FY23 Earnings Presentation

May 29, 2023



 **EUREKA
FORBES**
Friends For Life

Disclaimer

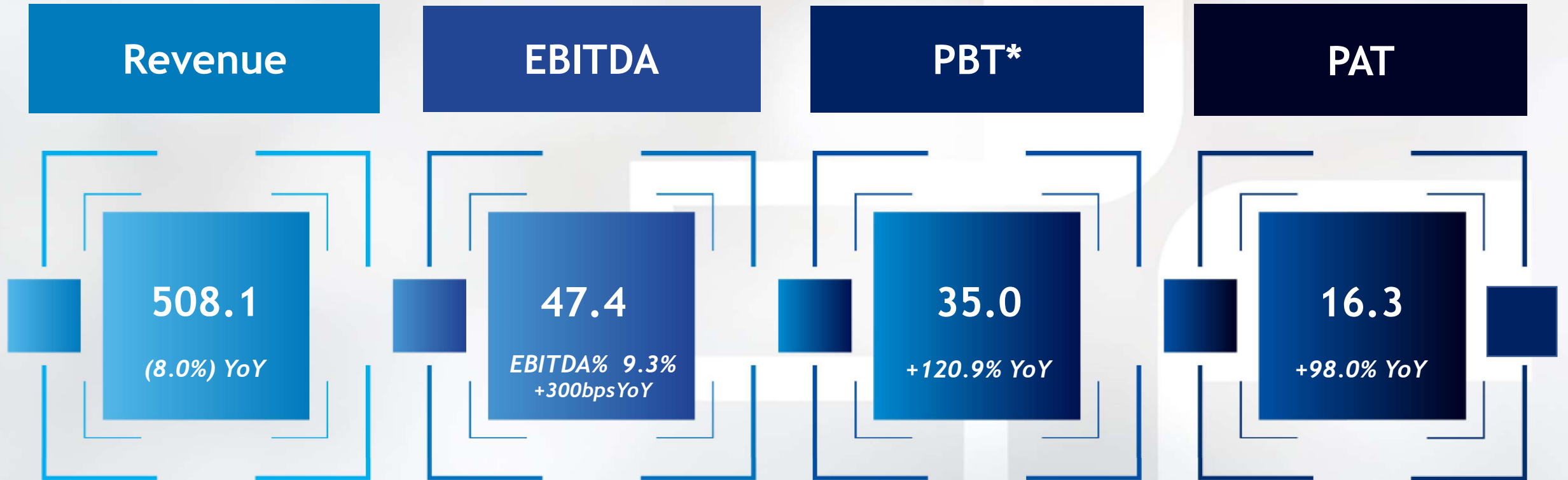
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- **Q4 FY23/ FY23 Highlights**
 - Key Focus Areas
 - Eureka Forbes - An introduction

Q4 FY23 Highlights

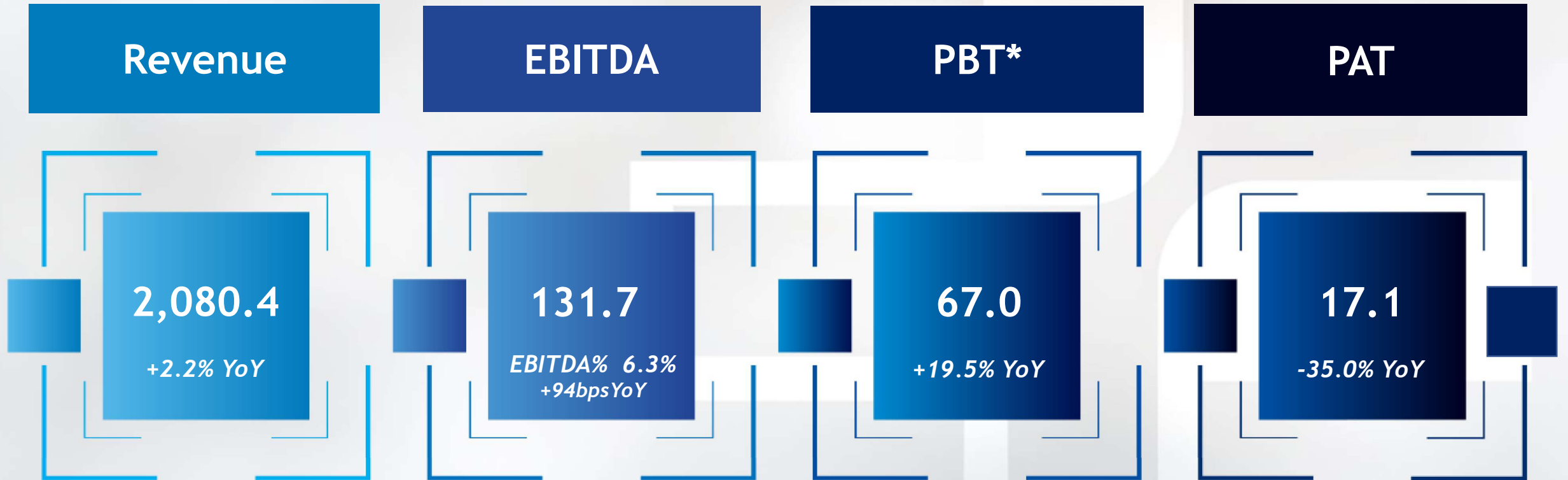
Figures in Rs Cr



- 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.

FY23 Highlights

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Q4 FY23/ FY23: Standalone P&L Statement

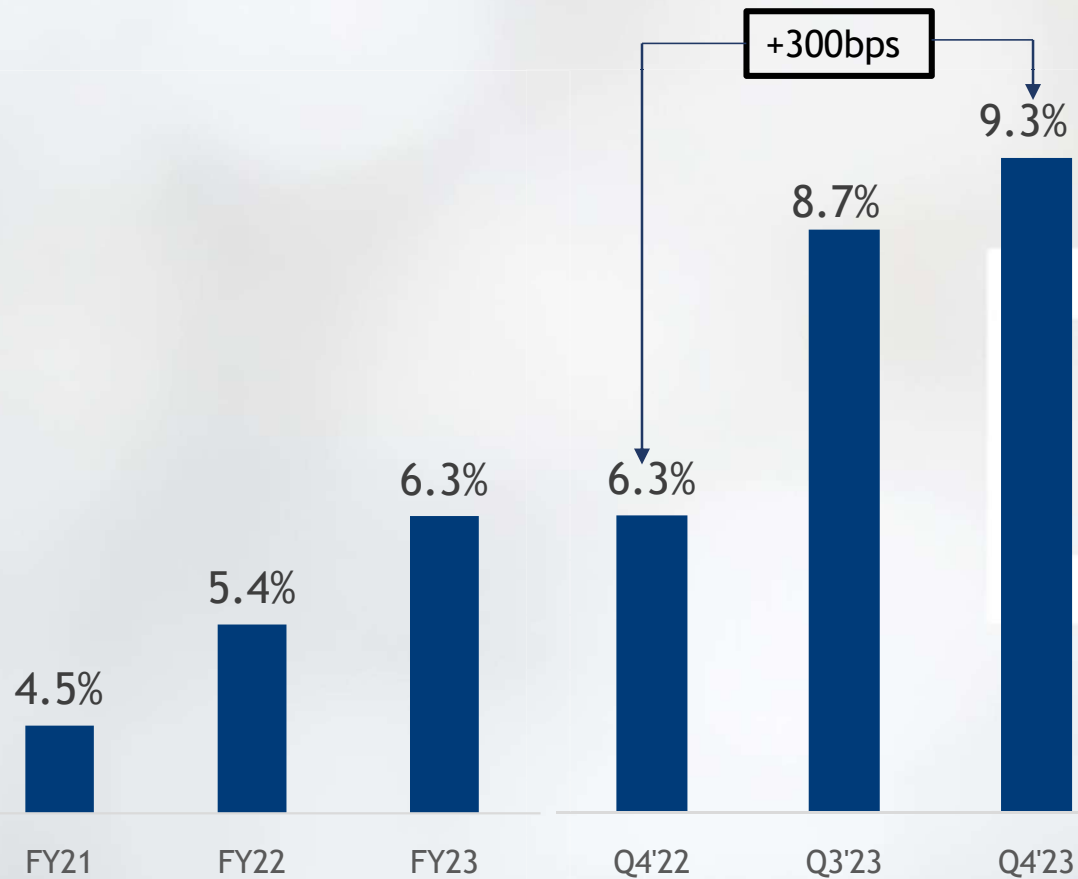
Particulars (Rs. Cr)	Q4FY23	Q4FY22*	YoY (%)	FY23	FY22*	YoY (%)
Revenue	508.1	552.3	-8.0%	2,080.4	2,036.0	2.2%
Employee Benefit Expenses	-61.6	-74.4	-17.2%	-300.6	-295.9	1.6%
Service Charges	-77.1	-89.3	-13.7%	-297.6	-317.7	-6.3%
Other Expenses	-117.6	-119.5	-1.6%	-505.3	-476.5	6.0%
Total Expenses	-256.3	-283.2	-9.5%	-1,103.4	-1,090.1	1.2%
Total Expenses % of Revenue	-50.4%	-51.3%	85	-53.0%	-53.5%	51
EBITDA	47.4	35.0	35.6%	131.7	109.7	20.0%
EBITDA %	9.3%	6.3%	300	6.3%	5.4%	94
Finance Cost	-3.5	-6.7	-47.9%	-19.9	-26.1	-24.0%
Depreciation	-12.9	-11.1	16.6%	-55.3	-31.0	78.3%
Other Income	4.0	-1.4	394.6%	10.4	3.5	201.5%
PBT Before Exceptional items	35.0	15.8	120.9%	67.0	56.0	19.5%
Exceptional Items	-9.1	0.0	n.m	-40.0	-10.3	286.9%
PBT after Exceptional items	25.8	15.8	63.3%	26.9	45.7	-41.0%
PAT	16.3	8.2	98.0%	17.1	26.3	-35.0%

- FY23 revenue up 2.2%; Q4FY23 revenue decline owing to weak market conditions
- Q4FY23 EBITDA margin expanded by +300bps; EBITDA grew +35.6% YoY
- PBT pre-exceptional items (EI) charge grew +120.9% YoY
- Cost rationalization projects implemented across several areas
- Lower finance costs enabled by continuing reduction in borrowings
- Exceptional items include one-time costs related to portfolio rationalization

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Step-up in EBITDA margin profile

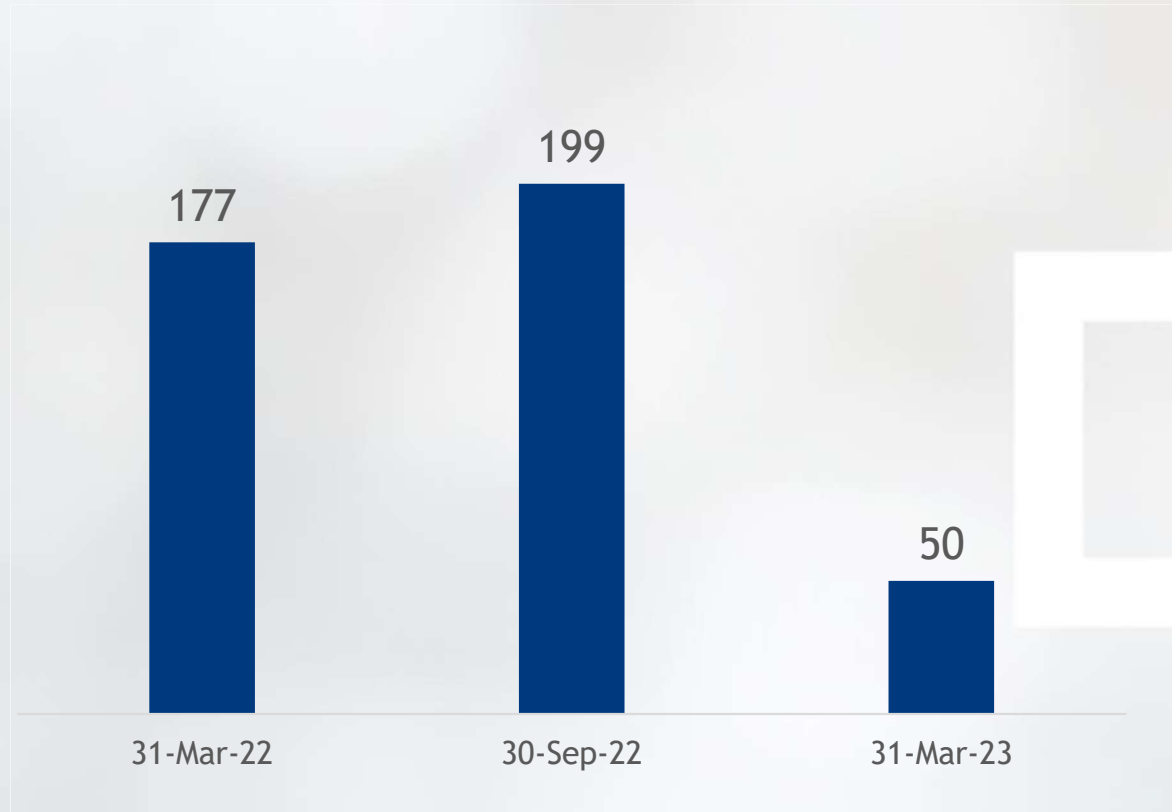
EBITDA margin



- Step-up in EBITDA margin profile; Q4'23 EBITDA margin expanded +300bps YoY and +61bps QoQ
- Execution of several profitability initiatives ongoing through structured programs
- Non-core product lines exited

Improved debt position creating headroom for growth investments

Net debt – INR Cr



- ✓ Improvement in net debt position driven by operating efficiencies
- ✓ Process initiatives in inventory management and debtors' collections leading to improved cash flows; headroom for growth investments

*Net debt is calculated as short term and long-term borrowings, including lease liabilities less cash and liquid funds

Driving Category through Affordable Pricing and Consumer Communication

नल से कपड़ा हटेगा तो सर से कपड़ा हटेगा



सिर्फ ₹6499/- में ऐक्वागार्ड लाओ.

एडवांस्ड RO+UV प्योरिफिकेशन 99.99% अनदेखे कीटाणुओं को निकाले

7 लिटर का स्टोरेज टैंक Zn दे पानी का कुदरती मीठा स्वाद और भरपूर मिनरल्स

पानी साफ़ तो हम सेफ़



New Product Launches

Aquaguard SUPERIO UV+UF
with Active Copper Technology and
Stainless-Steel Tank



Aquaguard Blaze UV+UF
With Dual Dispense of Hot & Ambient
Water along with Active Copper
Technology & Stainless-Steel Tank



Forbes Robotic Vacuum Cleaners
Latest series with Dual dry vacuum &
wet mopping, enhanced suction power,
long lasting battery



Aquaguard Eden UV
With Active Copper Technology &
Stainless-Steel Tank. Equipped with
an inbuilt Tray. DIY Cartridges to
make servicing easier



Future-ready organization : Strengthened Leadership team



Pratik Pota
MD & CEO

30+ yrs/< 1 yr
Jubilant FoodWorks,
PepsiCo, Airtel, HUL



Ajit Dheer
Chief Operating Officer

26+ yrs/< 1 yr
HT Media,
Pepsico, Spencers
Retail, Reckitt
Benckiser, Cargill,
Dabur



Anurag Kumar
Chief Growth Officer

25+ years/<1 yr
Unilever, Tata
Play, ICI Paints



Gaurav Khandelwal
Chief Financial Officer

21+ yrs/< 1 yr
HUL, Airtel,
Oyo Hotels &
Homes



Mahnaz Shaikh
Chief Human Resources Officer

19+ yrs/< 1 yr
Udaan, Godrej
Consumer
Products Limited,
P&G



Shubham Srivastava
Chief Product & Technology Officer

17+ yrs/< 1 yr
Makemytrip,
iTrust, Aricent



Nithyanand Shankar
Chief Digital Business Officer

16+ yrs/< 1 yr
Amazon, P&G



Suresh Redhu
Chief Technical Officer

33+ yrs/11 yrs
Bluestar,
Aquamall



Satish Satyarthi
Chief Innovation & R&D Officer

23+ yrs/< 1 yr
Bajaj Electricals,
Philips, Buhler,
Applied Materials,
Bluestar, Cummins

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



Management Views



Mr. Pratik Pota
Managing Director and CEO

“Faced with an ongoing soft demand environment, we continued to move ahead on our strategic priorities in Q4 FY23 and on improving the financial health of the business. We launched a new advertising campaign in Q4 targeted at non-users of the category, and we also introduced several key innovations in the market.

Execution of specific transformation initiatives helped improve our EBITDA margin to 9.3%, up by 300bps YoY and by 61bps sequentially. This combined with a 72% YoY reduction in our net debt will allow us the headroom to invest for growth. Looking ahead to the future, we are confident of driving sustained performance on the back of differentiated innovations, an elevated customer experience & a more efficient business model.”



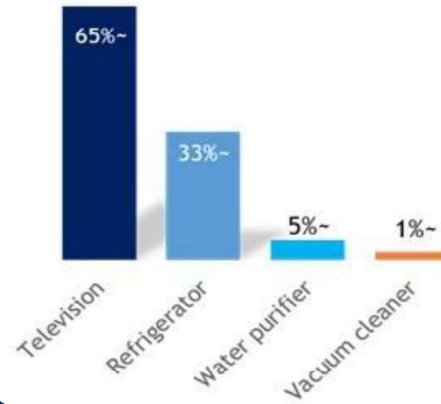
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Macro environment supportive of growth



**Growing
consciousness on
health & hygiene**

especially post Covid



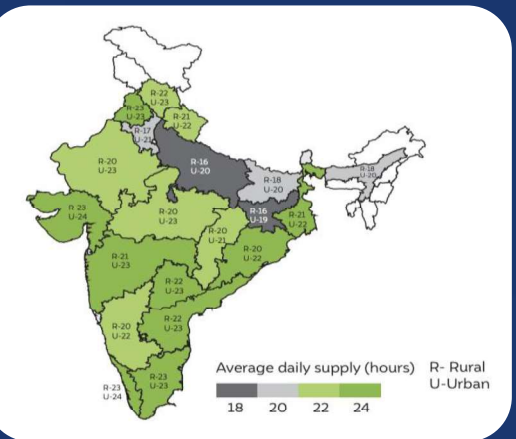
**Low Category
Penetration of the
core categories**

Amongst the lowest
in consumer durables
segment



**Availability &
Access to piped
water**

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



EFL's key strategic priorities for profitable growth

01

Grow the water purifiers business

- Innovation and new product development
- Jump shift in distribution

04

Drive Lean Cost Structures

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

02

Expand Portfolio

- Nurture and grow cleaning category
- Smart devices

05

Go 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

Build 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

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

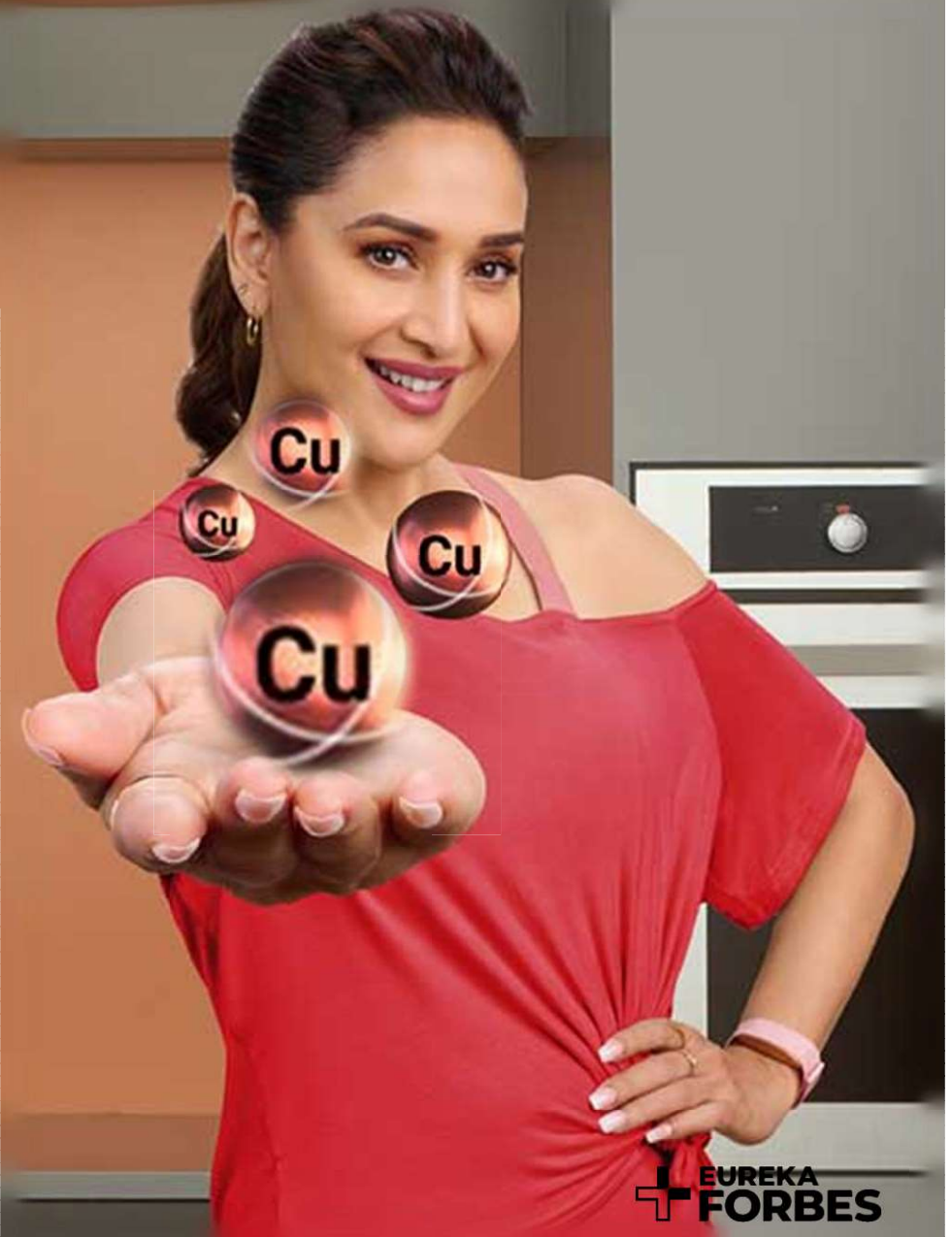


Brand strength

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



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8 **MILLION**
CUSTOMERS

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EFL BSE Scrip Code : 543482

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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

Thank you