

# Q4 FY24 & FY24 Earnings Presentation

May 28, 2024



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# 01

- **Q4 FY24 Highlights**
- **FY24 Highlights**
- **Transformation Update**
- **Overview**
  - **Eureka Forbes**
  - **Industry**

# Q4 FY24 Highlights (Standalone Results)

	Q4 FY24	Q4 FY23	YoY
Revenue	Rs. 553.1Cr	Rs. 508.1Cr	+8.8%
Continuing Business <sup>^</sup>	-	-	+11.4%
Adj. EBITDA*	Rs. 61.9Cr	Rs. 47.4Cr	+30.6%
Adj. EBITDA Margin*	11.2%	9.3%	+186bps
Adj. PBT**	Rs. 48.6Cr	Rs. 35.0Cr	+38.9%
PAT	Rs. 21.4Cr	Rs. 16.3Cr	+31.1%

<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 + ESOP charge less other non-operating income

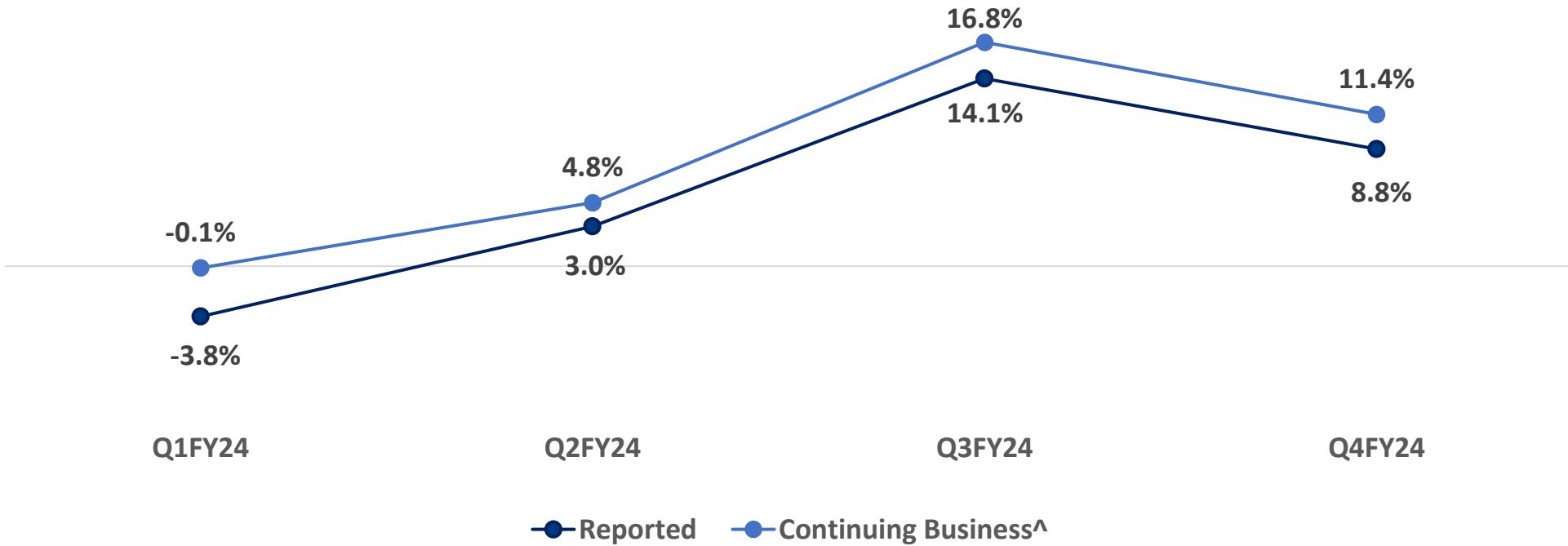
\*\* Adjusted (Adj.) PBT is defined as PBT (before exceptional items) + ESOP charge

# Q4 FY24 Standalone P&L Statement

Particulars (Rs. Cr)	Q4 FY24	Q4 FY23	YoY (%)	Q3 FY24	QoQ (%)
<b>Revenue</b>	<b>553.1</b>	<b>508.1</b>	<b>8.8%</b>	<b>538.6</b>	<b>2.7%</b>
Employee Benefit Expenses	75.1	61.6	22.0%	71.9	4.5%
Service Charges	79.6	77.1	3.1%	70.2	13.3%
Other Expenses	109.6	117.6	-6.8%	122.3	-10.5%
<b>Total Expenses</b>	<b>264.3</b>	<b>256.3</b>	<b>3.1%</b>	<b>264.4</b>	<b>-0.1%</b>
<b>Total Expenses % of Revenue</b>	<b>47.8%</b>	<b>50.4%</b>	<b>-266bps</b>	<b>49.1%</b>	<b>-132bps</b>
<b>Adj. EBITDA</b>	<b>61.9</b>	<b>47.4</b>	<b>30.6%</b>	<b>52.9</b>	<b>17.0%</b>
<b>Adj. EBITDA %</b>	<b>11.2%</b>	<b>9.3%</b>	<b>186bps</b>	<b>9.8%</b>	<b>137bps</b>
ESOP Charge	9.2	0.0	NM	10.7	-14.3%
<b>EBITDA</b>	<b>52.7</b>	<b>47.4</b>	<b>11.1%</b>	<b>42.2</b>	<b>24.9%</b>
<b>EBITDA %</b>	<b>9.5%</b>	<b>9.3%</b>	<b>20bps</b>	<b>7.8%</b>	<b>169bps</b>
Finance Cost	1.6	3.5	-53.3%	1.8	-8.8%
Depreciation	13.8	12.9	6.6%	13.2	4.7%
Other Income	2.1	4.0	-47.4%	2.9	-27.7%
<b>Adj. PBT before Exceptional items/ ESOP Charges</b>	<b>48.6</b>	<b>35.0</b>	<b>38.9%</b>	<b>40.9</b>	<b>18.9%</b>
Exceptional Items	15.1	9.1	66.1%	0.0	NM
<b>PBT after Exceptional items/ ESOP Charges</b>	<b>24.2</b>	<b>25.8</b>	<b>-6.3%</b>	<b>30.1</b>	<b>-19.5%</b>
<b>Adj. PAT (pre-ESOP Charges)</b>	<b>29.5</b>	<b>16.3</b>	<b>81.0%</b>	<b>30.7</b>	<b>-3.8%</b>
<b>PAT</b>	<b>21.4</b>	<b>16.3</b>	<b>31.1%</b>	<b>22.7</b>	<b>-5.5%</b>

# Revenue : Second consecutive quarter of double-digit growth<sup>^</sup>

## Revenue Growth

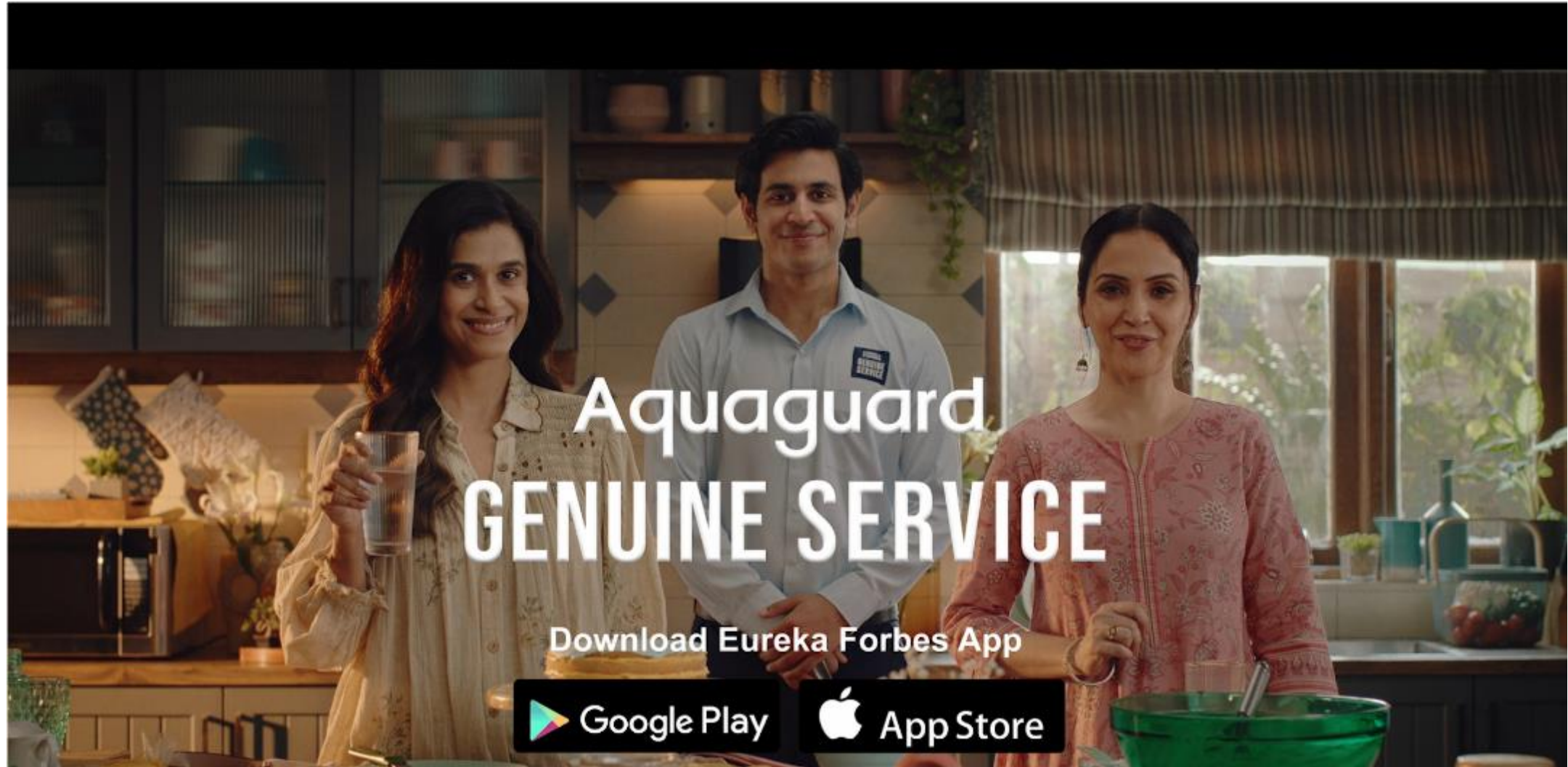


- Continuing business grows 11.4% YoY; Fourth successive quarter of volume growth
- Sustained growth in both Water Purifiers and Vacuum Cleaners
- Newer formats like EWP Stainless Steel, VC Robotics and Uprights were key drivers of growth

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



# Service : First-ever advertising campaign focused on Genuine Service



*Click on the image to view the video*

# Service : New filters allow customers to verify authenticity

## New design with QR code



## Convenient app-based authentication



## Instant verification & awareness

**Aquaguard**

Your Filter with  
SERIAL NO. 893067453423  
is Genuine.




With Aquaguard Genuine Filters, you are now  
assured of safe and healthy water.

Dr. Anil Kumar MR  
F&D, Eureka Forbes Ltd.

**EUREKA  
FORBES  
GENUINE  
SERVICE**

**FAKE & NOT RECOMMENDED  
for Installation**



**FAKE FILTER = REAL ILLNESS**

**Aquaguard**

Buy Aquaguard Genuine Filters for  
safe and healthy water.

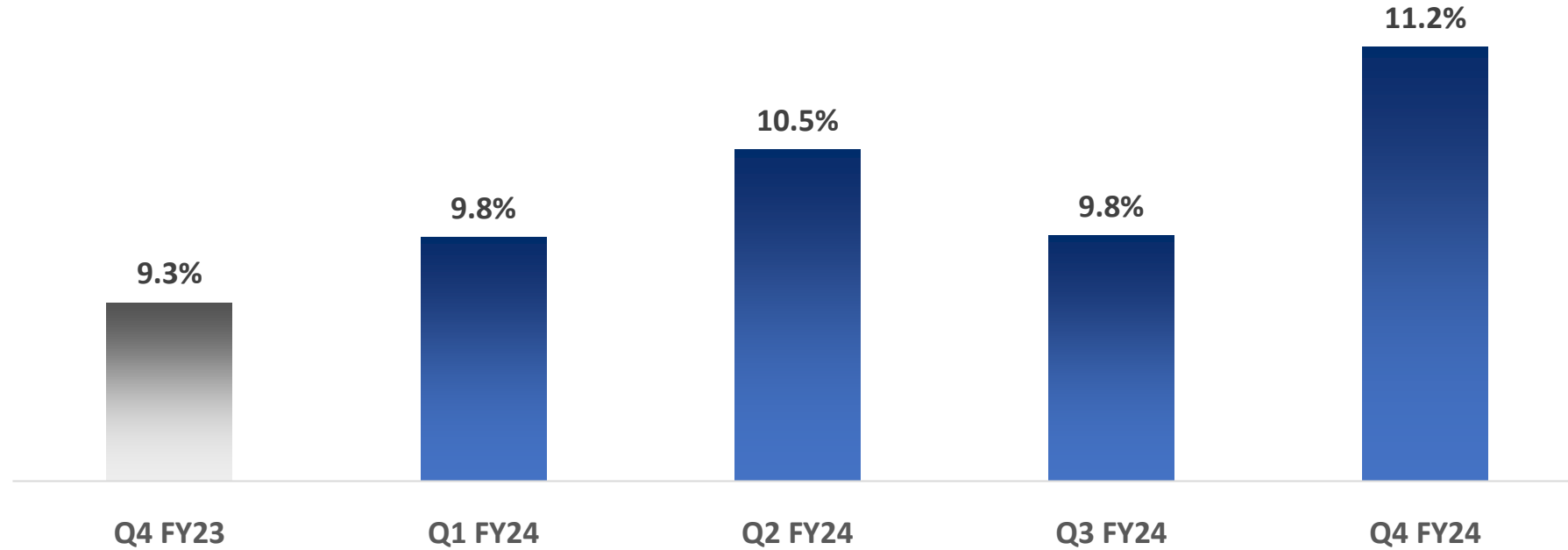
**BOOK NOW**

**EUREKA  
FORBES  
GENUINE  
SERVICE**



# Adjusted EBITDA Margin\* : Record-high of 11.2%

## Adjusted EBITDA Margin\* %



- Adjusted EBITDA Margin expanded 186bps YoY driven by operating leverage and structured cost optimization program

\* Pre-ESOP charges

# 02

- Q4 FY24 Highlights
- **FY24 Highlights**
- Transformation Update
- Overview
  - Eureka Forbes
  - Industry

# FY24 Highlights (Standalone Results)

	FY24	FY23	YoY
Revenue	Rs. 2,189.2Cr	Rs. 2,080.4Cr	+5.2%
Continuing Business <sup>^</sup>	-	-	+7.9%
Adj. EBITDA*	Rs. 226.3Cr	Rs. 131.7Cr	+71.9%
Adj. EBITDA Margin*	10.3%	6.3%	+401bps
Adj. PBT**	Rs. 172.0Cr	Rs. 67.0Cr	+156.8%
PAT	Rs. 91.5Cr	Rs. 17.1Cr	+435.5%

<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 + ESOP charge less other non-operating income

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

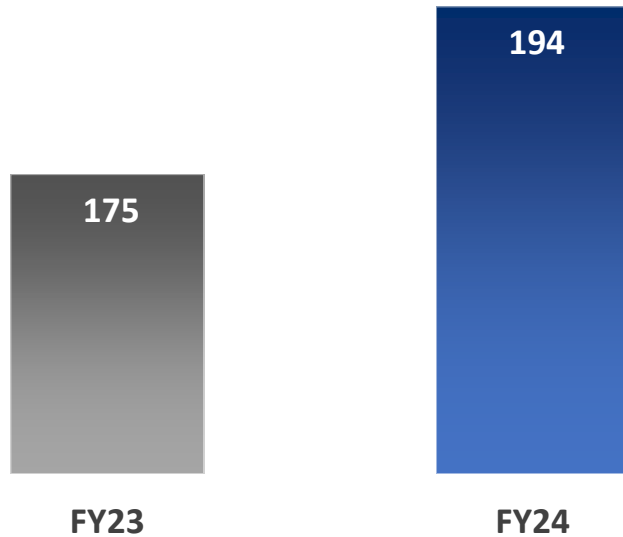
# FY24 Standalone P&L Statement

Particulars (Rs. Cr)	FY24	FY23	YoY (%)
<b>Revenue</b>	<b>2,189.2</b>	<b>2,080.4</b>	<b>5.2%</b>
Employee Benefit Expenses	293.3	300.5	-2.4%
Service Charges	301.6	297.6	1.4%
Other Expenses	467.0	505.3	-7.6%
<b>Total Expenses</b>	<b>1,062.0</b>	<b>1,103.4</b>	<b>-3.8%</b>
<b>Total Expenses % of Revenue</b>	<b>48.5%</b>	<b>53.0%</b>	<b>-453bps</b>
<b>Adj. EBITDA</b>	<b>226.3</b>	<b>131.7</b>	<b>71.9%</b>
<b>Adj. EBITDA %</b>	<b>10.3%</b>	<b>6.3%</b>	<b>401bps</b>
ESOP Charge	34.5	0.0	NM
<b>EBITDA</b>	<b>191.8</b>	<b>131.7</b>	<b>45.7%</b>
<b>EBITDA %</b>	<b>8.8%</b>	<b>6.3%</b>	<b>243bps</b>
Finance Cost	9.7	19.9	-51.1%
Depreciation	53.1	55.3	-3.9%
Other Income	8.5	10.4	-18.2%
<b>Adj. PBT Before Exceptional items/ ESOP Charges</b>	<b>172.0</b>	<b>67.0</b>	<b>156.8%</b>
Exceptional Items	15.1	40.0	-62.1%
<b>PBT after Exceptional items/ ESOP Charges</b>	<b>122.4</b>	<b>27.0</b>	<b>354.1%</b>
<b>Adj. PAT (pre-ESOP Charges)</b>	<b>118.0</b>	<b>17.1</b>	<b>590.3%</b>
<b>PAT</b>	<b>91.5</b>	<b>17.1</b>	<b>435.5%</b>

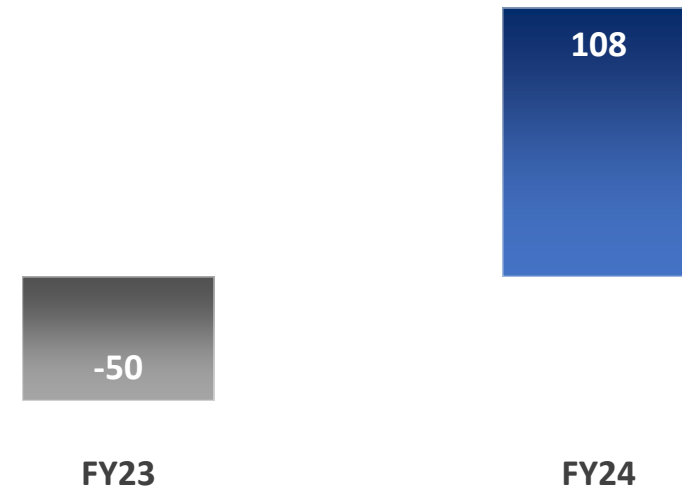


# Cash Flow : Efficient cash management leading to net surplus

## Cash generated from operations (Rs Cr)



## Net Surplus / (Debt) (Rs Cr)



- Improved profitability and credit control were key drivers of cash flow generation
- Credit rating upgrade from CARE A Stable to CARE A+ Stable

# 03

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# EFL's key strategic priorities for profitable growth

01

## Grow the Water Purifier Business

- Innovation and new product development
- Jump shift in distribution

04

## Go Digital First

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

02

## Expand Portfolio

- Nurture and grow cleaning category
- Smart devices

05

## Drive Lean Cost Structures

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

03

## Transform Customer Experience

- Deliver reimagined service standards
- Leverage insights for customised solutions

06

## Build a Future Ready Organisation

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

Launch of affordable water purifier supported by advertising campaign



**Aquaguard Sure Water Purifier**  
*Launched in Entry-level Segment*



**Category Creating Campaign**  
*Targeted at Non-users of Water Purifiers*

**Double-digit volume growth in FY24**



Several category-first innovations launched

## Aquaguard Nova



**Aquaguard**  
MARVEL NXT

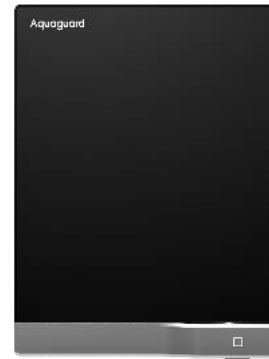


**Water Plus**

*Alkaline and Stainless-Steel Range*

Aquaguard  
**SLIMTECH**

Latest **5<sup>th</sup>** Gen UV LED



**Form and Technology**

*Slimtech UV Range*

**Aquaguard**  
BLAZE INSTA



**Functionality**

*Instant Hot and Ambient*

Best-in-class innovations launched



**Convenient and Cordless Cleaning**  
*Uprights to Robotics*



**Differentiated Portfolio**  
*Forbes Buddy Pet Grooming Kit*



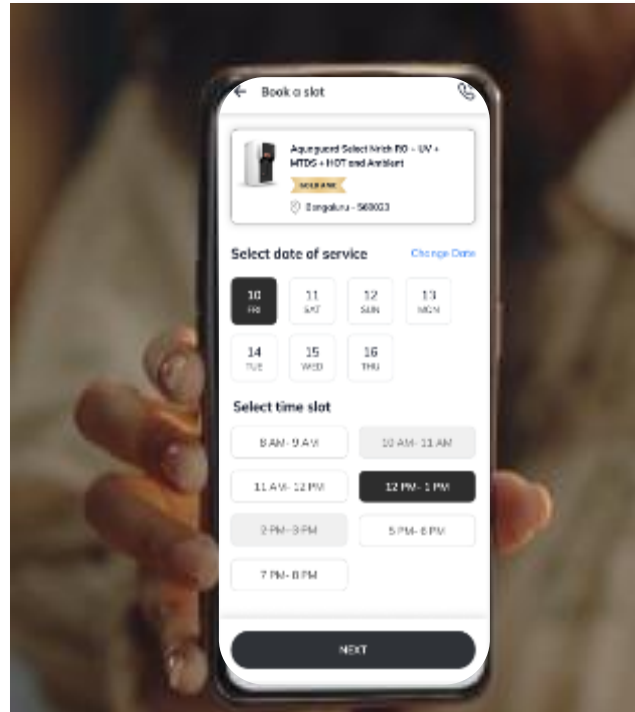
**Affordable Premium Products**  
*Surround 360 Range of Air Purifiers*

**Strong growth in new segments**

360° intervention to drive customer experience and address service opportunity



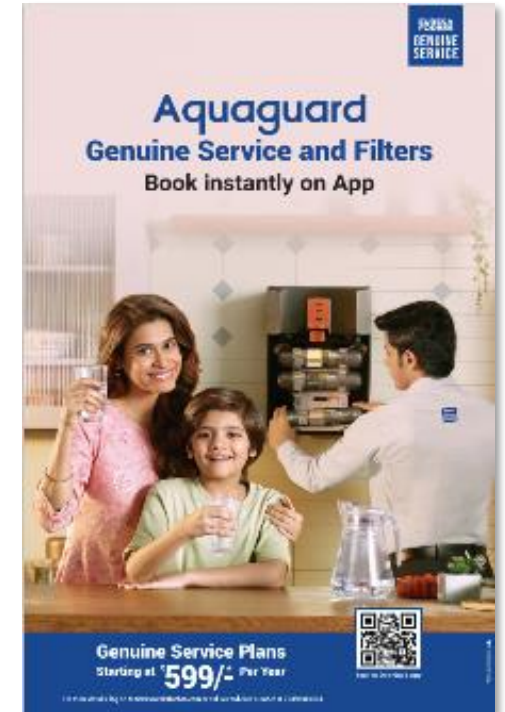
Enhanced Customer Experience



New Service Booking Experience  
on Web and App



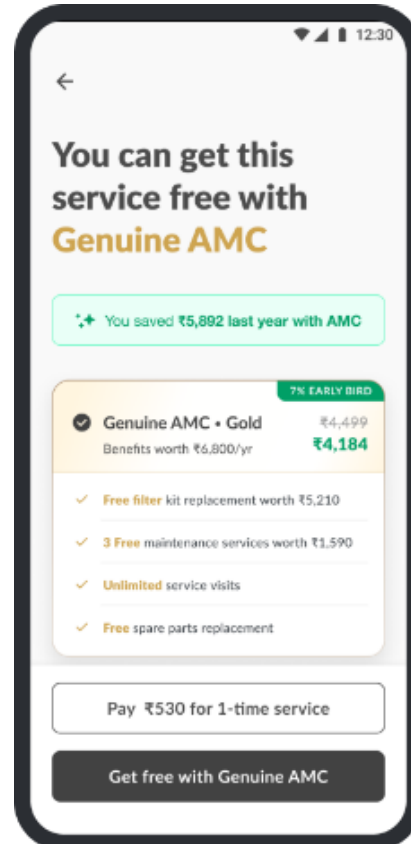
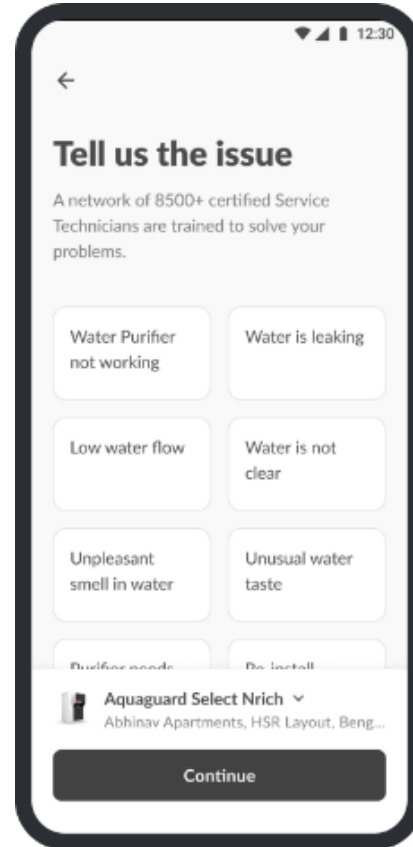
Segmented AMC Offerings



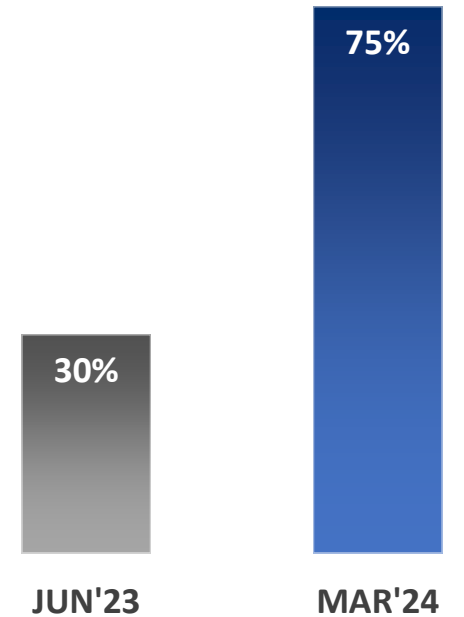
Service Campaign  
on TV, Print and Digital

*Service metrics at an all-time high*

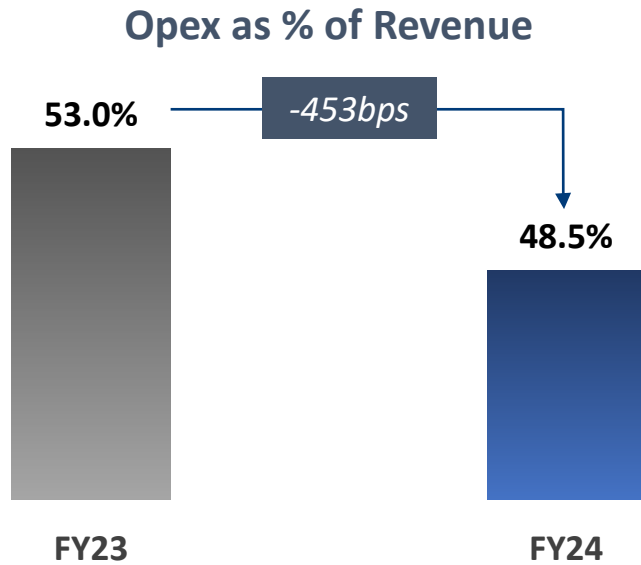
New UI/UX on App and Website to drive customer connect, convenience & commerce



App and Web based interactions (%)







% Revenue	FY24	FY23	▲ Change
Employee expenses	13.4%	14.4%	-105bps
Service charges	13.8%	14.3%	-53bps
Other expenses	21.3%	24.3%	-295bps

1. Reduction across all key spend lines; YoY decline of 3.8%
2. Key cost management initiatives:
  - **Employee Expenses:** Process automation and digitization led optimization
  - **Service Charge:** Increase in app-based complaint redressal, partner charges optimization
  - **Other Expenses:** Reduction in discretionary spends



**Getting Closer to Customers and Partners –  
Decentralized Regional Organization Structure**



**Building Alignment and Ownership –  
Industry-first ESOP Plan for all Managers**

**Building New Capabilities –  
R&D : Design & IoT  
Digital : Product Management & Engineering  
Data Science**

# Management Views

**Mr. Pratik Pota**  
**MD & CEO**



“As we exit the first full year of our transformation program Udaan, I am pleased to report progress on multiple fronts.

Continuing businesses grew by 11.4% in Q4 and by 7.9% for the year with H2 growth of 14.0%.

Driven by operating efficiencies and leverage, EBITDA margins for Q4 reached a lifetime high of 11.2% - an improvement of 186bps year on year.

For the FY, EBITDA margins expanded by 401bps to 10.3% in FY24 with a full year operational cash flow generation of Rs 194Cr.

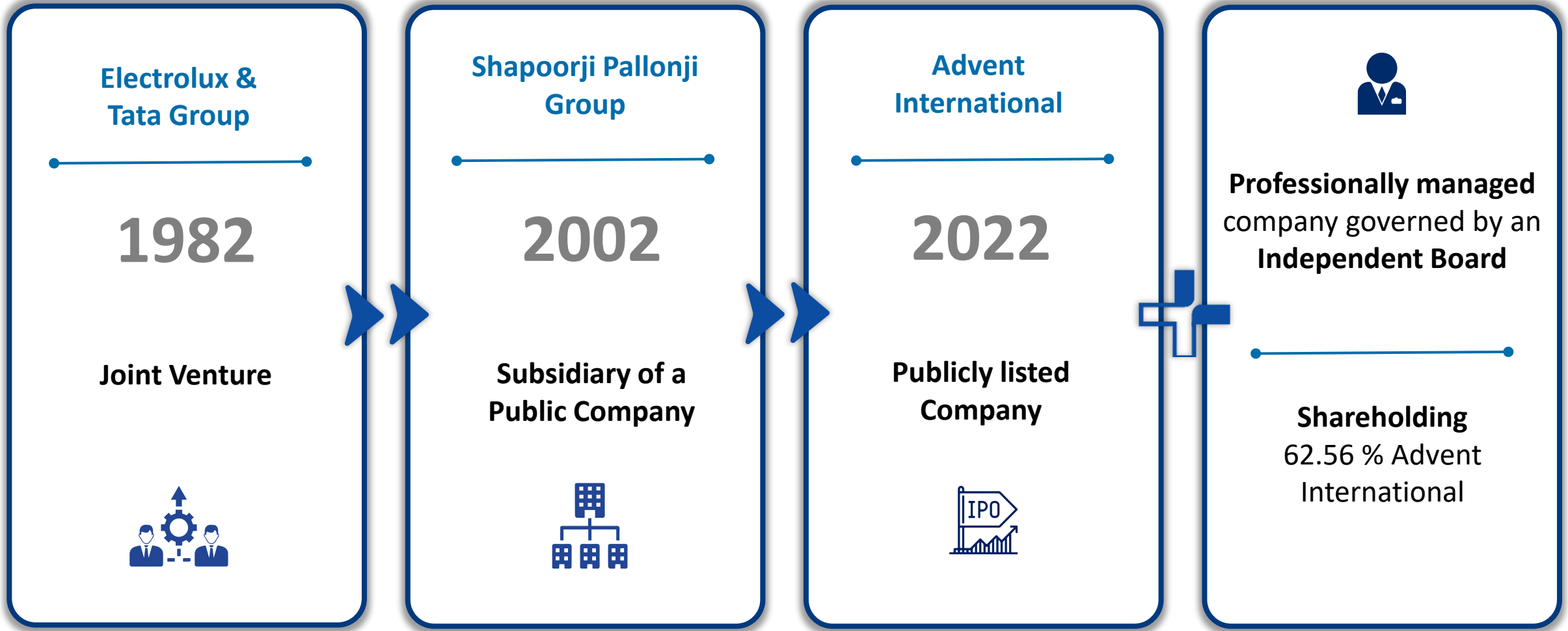
Transformation initiatives gathered momentum with the most visible impact in the areas of product innovations and consumer campaigns. Several new and industry first products were launched in all 3 categories of Electric Water Purifiers, Vacuum Cleaners and Air Purifiers. New launches were backed with advertising campaigns focused on driving penetration and category adoption.

The progress we have achieved in the first year of our transformation and with momentum of a double-digit H2 growth and lifetime high margins in Q4 give us the confidence and the energy as we enter the next stage in this journey of transforming this iconic brand and Company to its rightful place.”

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# 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**



# EFL Management Team



**Pratik Pota**  
Managing Director & CEO

30+ years @  
Jubilant FoodWorks,  
PepsiCo, Airtel, HUL



**Ajit Dheer**  
Chief Operating Officer

26+ years @  
HT Media, PepsiCo,  
Spencer's Retail, Reckitt  
Benckiser, Cargill, Dabur



**Gaurav Khandelwal**  
Chief Financial Officer

21+ years @  
HUL, Airtel, Oyo  
Hotels & Homes



**Mahnaz Shaikh**  
Chief Human Resources  
Officer

19+ years @  
Udaan, Godrej Consumer  
Products Limited, P&G



**Anurag Kumar**  
Chief Growth Officer

25+ years @  
Unilever, Tata Play, ICI  
Paints



**Anirudha Karnataki**  
Head, Supply Chain &  
Procurement

26+ years @  
CEAT, Asian Paints,  
Thermax



**Suresh Redhu**  
Chief Technical Officer

33+ years @  
Bluestar, Aquamall



**Satish Satyarthi**  
Chief Innovation & R&D  
Officer

23+ years @  
Bajaj Electricals, Philips,  
Buhler, Applied Materials,  
Bluestar, Cummins



**Nithyanand Shankar**  
Chief Digital Business  
Officer

16+ years @  
Amazon, P&G



**Vikas Jayna**  
Chief Product & Technology  
Officer

20+ years @  
Swiggy, Times Internet,  
Amazon, Infoedge

# 04

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# Macro factors supportive of growth



**Growing consciousness on health & hygiene**

Especially post Covid



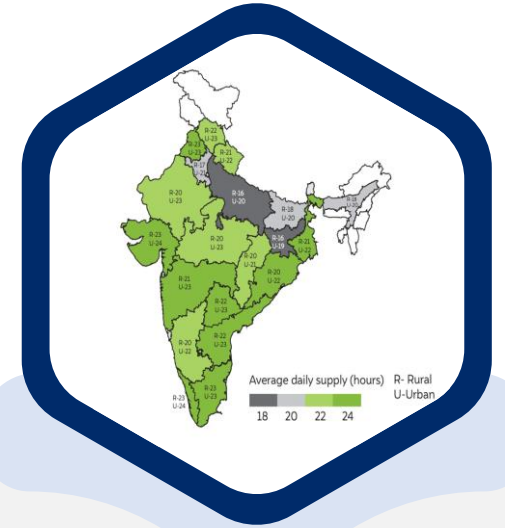
**Low Category Penetration of the core categories**

Amongst the lowest in consumer durables segment



**Availability & Access to piped water**

Jal Jeevan Mission now covers over 148 Mn. rural households



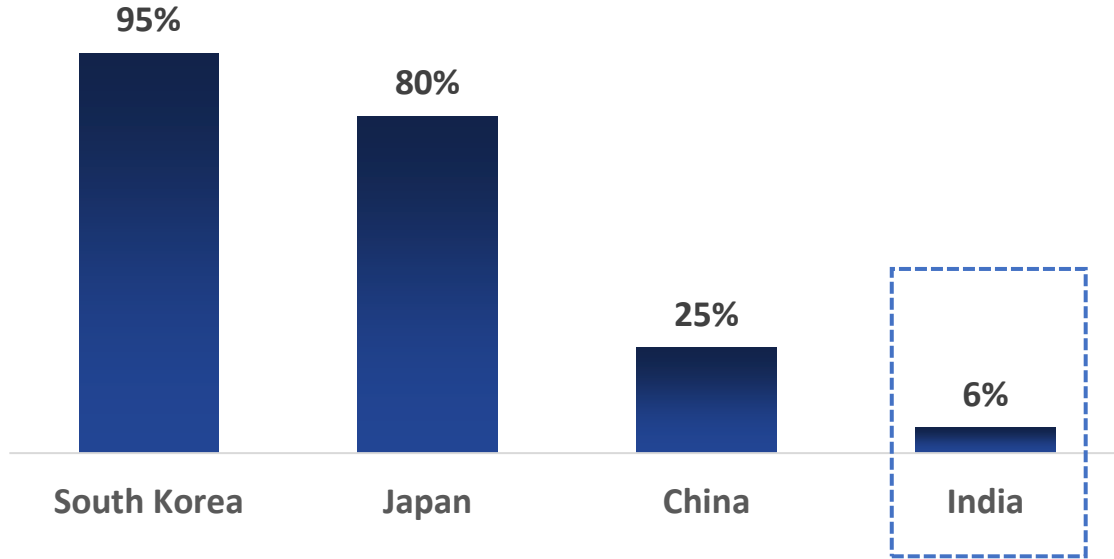
**Growth in Electrification**

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

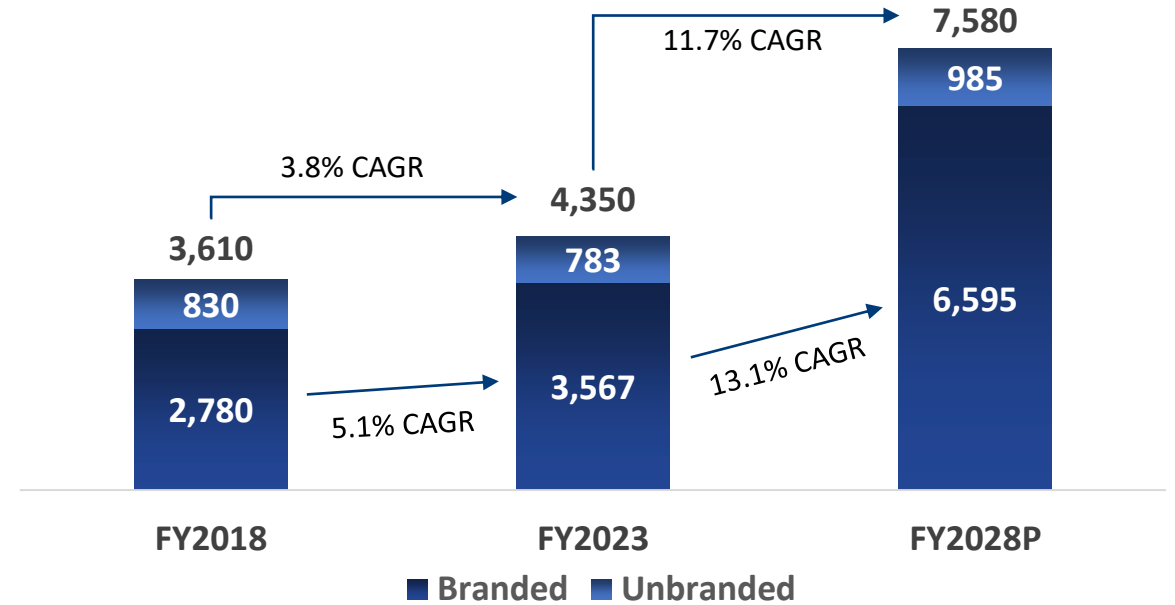


# Water Purifier Industry to grow at ~12% CAGR during FY23-FY28P

## Water Purifier Penetration (CY2022)



## Water Purifier Industry – Products (Rs Cr)



## Key tailwinds



Growing awareness and consciousness on Health and Hygiene



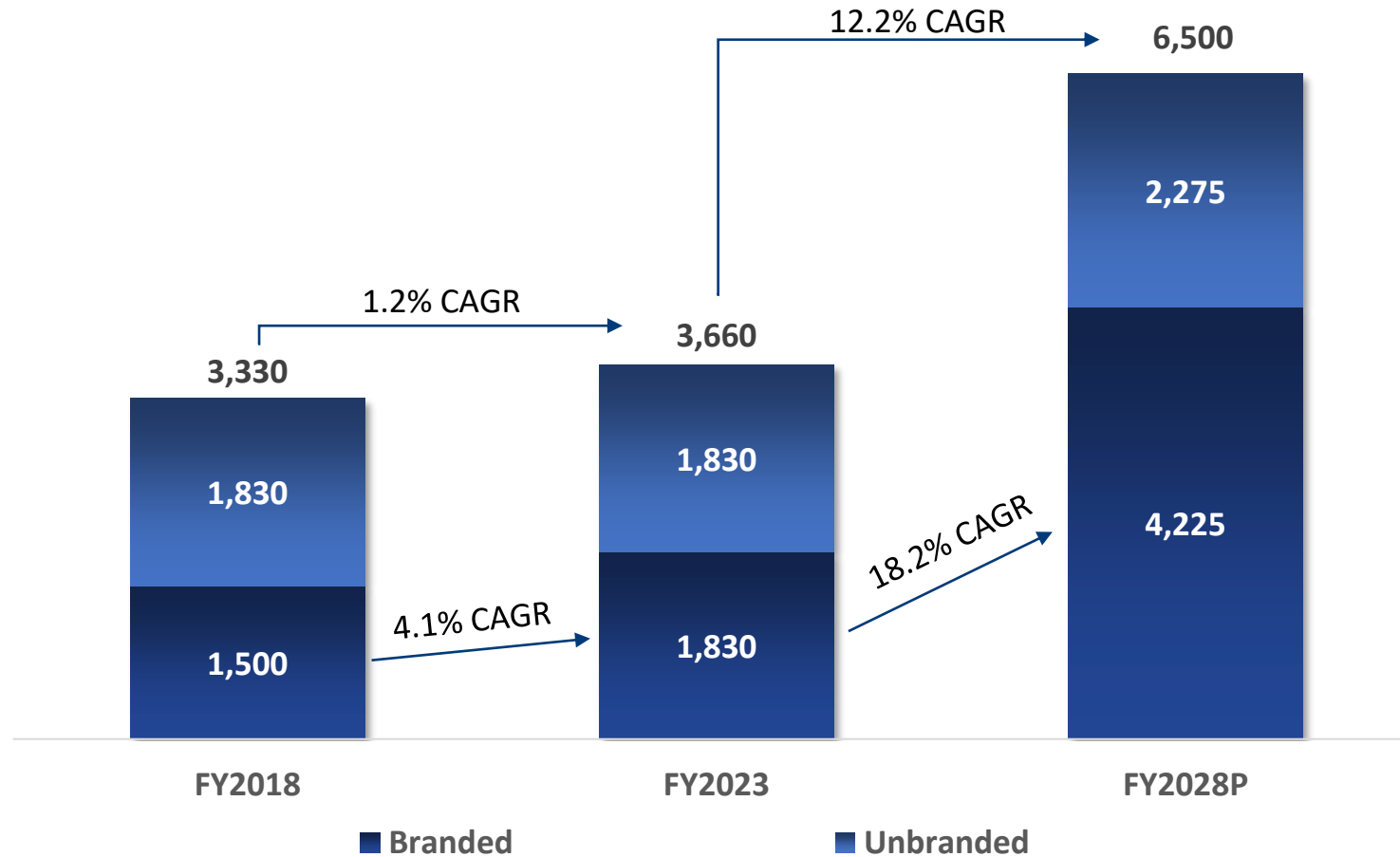
Coverage increased to 70% as of October 2023 from ~17% in 2019



Uninterrupted access to electricity for wider section of population

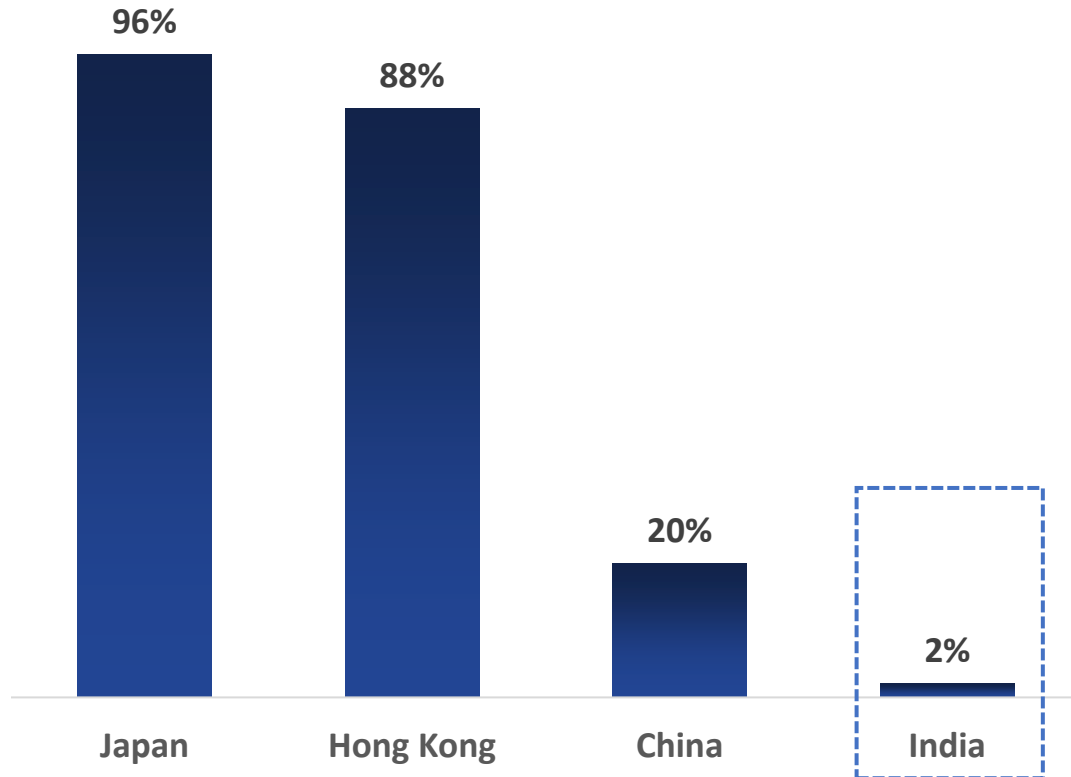
# Water Purifier Services to become a Rs 6,500 Cr market by FY28P

## Water Purifier Industry – Service (Rs Cr)

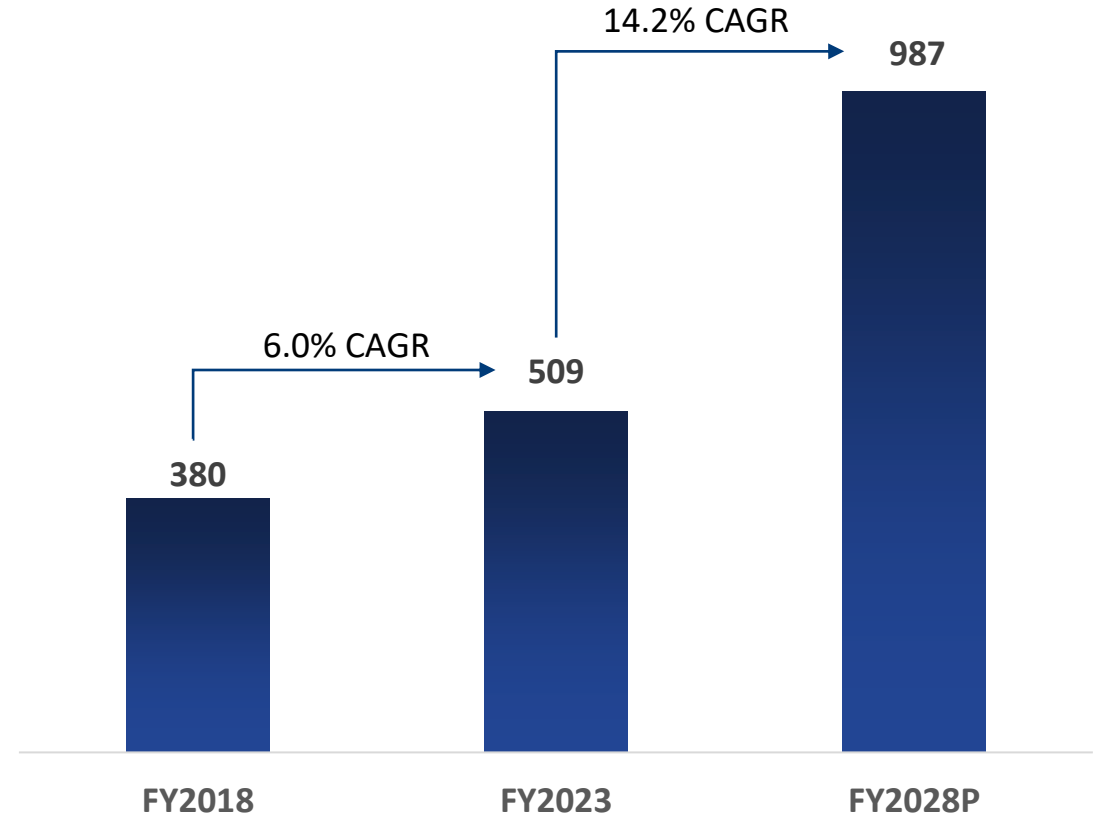


# Vacuum Cleaner Market to nearly double by FY28P

## Vacuum Cleaner Penetration



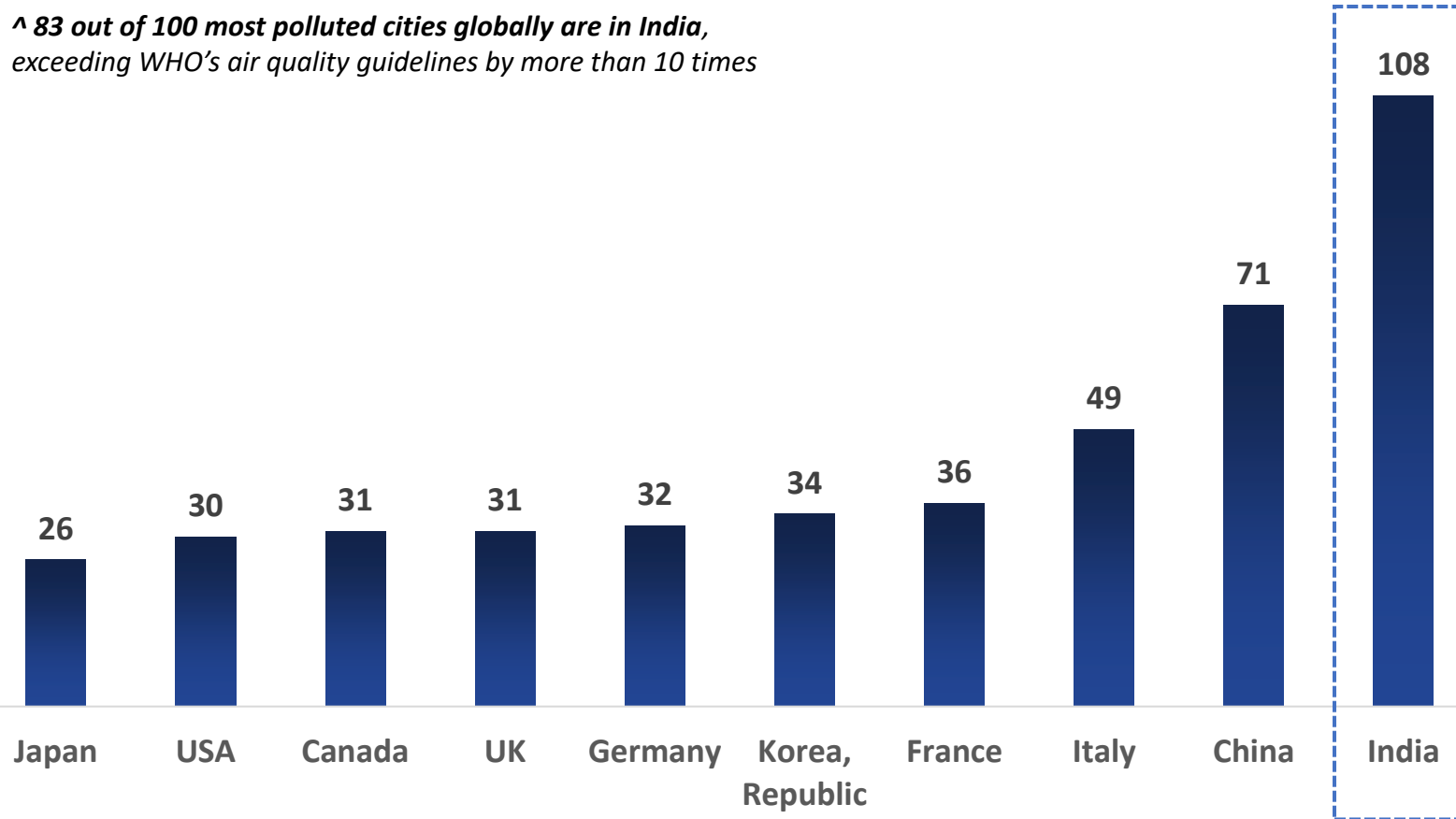
## Vacuum Cleaner Industry (Rs Cr)



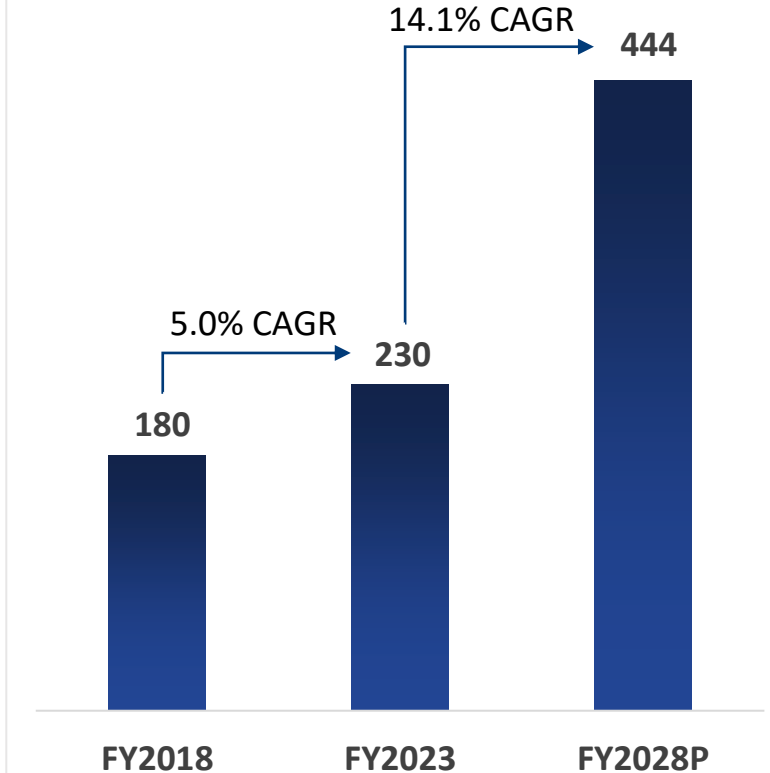
# Rising demand for Air Purifiers amid deteriorating air quality

## 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.

# Contact Us

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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
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.



THANK YOU