

Q3 FY23 Earnings Presentation

14th February 2023



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- **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



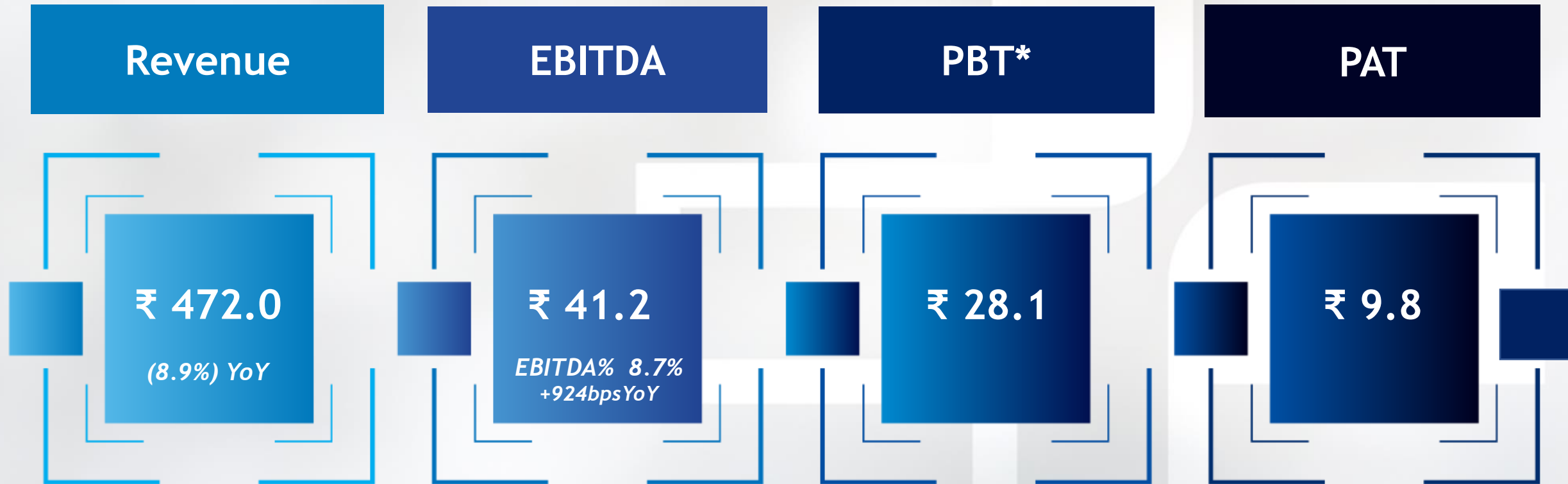
Aquaguard SUPERIO
with Active Copper Technology and
Stainless-Steel Tank



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

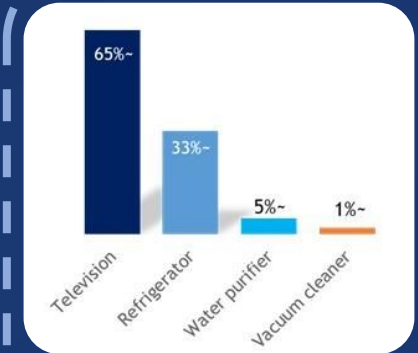
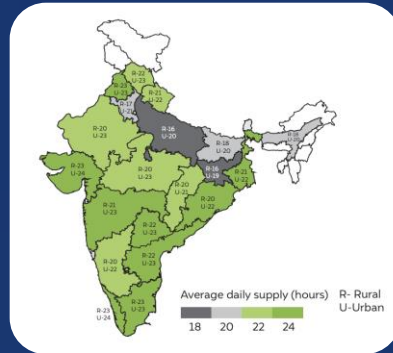
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Macro environment supportive of growth



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

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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

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



Management Views



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.

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

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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