

EVEREADY >>>

INDUSTRIES INDIA LTD.

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November 10, 2021

BSE Limited
P.J. Towers,
Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange
of India Ltd
Exchange Plaza, C-1,
Block – G,
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

The Calcutta Stock Exchange
Limited
7, Lyons Range
Kolkata - 700 001

Dear Sirs,

We are enclosing herewith an Information Update released today by the Company.

The above is for your information and records.

Thanking you,

Enclo : As Above.

Very truly yours,
EVEREADY INDUSTRIES INDIA LTD.



(T. PUNWANI)
VICE PRESIDENT - LEGAL
& COMPANY SECRETARY

INFORMATION UPDATE FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Eveready Industries India Ltd. declared its financial results today for the quarter ended September 30, 2021. Highlights of the standalone results are as follows:.

Item	Q2 21-22	Q2 20-21	Gain/ (Loss)%	YTD 21-22	YTD 20-21	Gain/ (Loss)%	FY 20-21
Operating Income (Rs.cr)	357.49	372.63	(4)	639.63	636.07	1	1248.99
Gross Margin (Rs.cr)	141.34	173.46	(19)	272.42	293.93	(7)	559.35
Gross Margin (%)	40%	47%		43%	46%		45%
Operating EBIDTA (Rs.cr)	56.28	75.77	(26)	115.32	115.33	-	224.72
Operating EBIDTA (%)	16%	20%		18.0%	18.0%		18.0%
Profit before exceptional items & tax (Rs.cr)	38.18	65.21	(41)	77.05	95.50	(19)	149.64
(Less)/Add : Exceptional Items (Rs.cr)	-	-		-	-		(629.70)
Net Profit/(Loss) (Rs.cr)	30.97	58.02	(47)	62.17	81.64	(24)	(309.13)

Operational Highlights

- The result of the quarter under review was weaker compared to the same quarter of last year. Turnover was lower by 4% and Gross margin and EBIDTA percentages came down by 7% and 4% respectively. The reasons are discussed below.
- Consumption reduced significantly in the COVID related medical devices consuming higher margin batteries, with the situation related to the pandemic improving significantly in the country. Battery turnover was thus lower by 6%.
- Similar soft trend also prevailed in the flashlights business, the market being disturbed by high volume of low cost dumped products from China.
- Higher cost of inputs, led by overall increases in commodity prices, could not be entirely passed on to the market resulting in lower margins.
- The competitive scenario in the battery market was quite severe leading to higher cost of market inputs.
- While there was a healthy growth of 17% in the turnover of the Lighting & Electrical segment, that was insufficient in making up for the losses in the core battery & flashlight segments.

Outlook

- As mentioned, both batteries and flashlights were under pressure as demand remained muted. Given the otherwise fortunate situation of the pandemic related issues significantly improving, the consumption of high-margin batteries in medical devices is not likely to repeat and as such the performance of last year may be seen as a one off.
- In this scenario, efforts will be concentrated to optimize product mix to deliver higher margins. It is expected that the market will stabilize from the ups and downs caused by the pandemic and the opening of markets will help the Company in reaching full potential in a more stable environment through its strong brand and distribution push.
- The Company will explore countermeasures against the large-scale dumped flashlights from China.
- Lighting segment will continue to grow and efforts are currently on to improve margins by judicious change of mix in the product portfolio.
- As mentioned, it is unlikely that the last year's performance will be repeated. However, the Company will go on the path of stable and predictable profitability.

Background

The Company is the country's market leader of batteries and flashlights - selling more than 1.3 billion batteries and nearly 21 million flashlights. Apart from these, it offers a basket of other products - LED, LED based Luminaires, GLS lamps & other lighting products. Key success factors for the Company are its brand "Eveready" and an extensive distribution network reaching all the way down to 5000 population towns.

November 10, 2021
Kolkata

