

EVEREADY 

INDUSTRIES INDIA LTD.

2, RAINEY PARK, KOLKATA-700 019

FAX : (91) 033-2486-4673, PH. : 2486-4961

E-mail : contactus@eveready.co.in

Website : www.evereadyindia.com

February 04, 2022

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,

Very truly yours,
EVEREADY INDUSTRIES INDIA LTD.



(T. PUNWANI)

**VICE PRESIDENT – LEGAL
& COMPANY SECRETARY**

Enclo : As Above.

INFORMATION UPDATE FOR THE QUARTER ENDED DECEMBER 31, 2021

Eveready Industries India Ltd. declared its financial results today for the quarter ended December 31, 2021. Highlights of the standalone results are as follows:

Item	Q3 21-22	Q3 20-21	Gain/ (Loss)%	YTD 21-22	YTD 20-21	Gain/ (Loss)%	FY 20-21
Operating Income (Rs.cr)	325.89	340.28	(4)	965.52	976.35	(1)	1248.99
Gross Margin (Rs.cr)	118.72	149.75	(21)	391.15	443.27	(12)	559.35
Gross Margin (%)	36%	44%		41%	45%		45%
Operating EBIDTA (Rs.cr)	40.57	68.40	(41)	155.89	183.73	(15)	224.72
Operating EBIDTA (%)	13%	20%		16%	19%		18%
Profit before exceptional items & tax (Rs.cr)	24.59	61.14	(60)	101.64	156.64	(35)	149.64
(Less)/Add : Exceptional Items (Rs.cr)	-	-		-	-		(629.70)
Net Profit/(Loss) (Rs.cr)	23.71	50.43	(53)	85.88	132.06	(35)	(309.13)

Operational Highlights

- The current quarter experienced strong headwinds in all categories of the Company's businesses.
- The battery category saw an unprecedented cost push exceeding 20% in the quarter (scaling up to 30% in Quarter 4), necessitating increase of prices to the market, resulting in market resistance. Also, high level of inflation and lower usage of COVID related home devices resulted in lower consumption.
- The flashlights category continued to suffer on account of dumped imports from China.
- The Lighting & Electrical category could not scale up to the level planned. Measures to reach such growth – in correcting earlier supply chain issues & marketing initiatives took longer than expected time. Also, the Company stopped selling all unremunerative and low margin appliances which resulted in a drop in turnover.
- As a result of the above, turnover during the quarter was lower by 4% and Gross margin and EBIDTA percentages came down by 8% and 7% respectively.

Measures Initiated

- The entire adverse cost impact in battery raw materials has now been passed on to the market.
- The Company has now been able to design products for the flashlights market to reasonably compete against dumped imported products. At the same time, the Company will continue to pursue action against such dumping through available legal means.
- Most of the supply chain and marketing issues of the Lighting & Electrical category have been debottlenecked. Additionally, as already mentioned, all unremunerative appliance products have been discontinued with.
- Effective consumer communication has been made a key focus point and work on this has already been set afoot, beneficial effect of the same should be seen shortly.
- Apart from these operational measures, the reputed consultants Bain & Company have been engaged from January 2022 to help the Company identify profitable business strategy and execution of the same.

Outlook

- The battery category will revert to its earlier level of profitability now that all adverse costs have been passed on. Similarly, the flashlights category will be on a stronger pitch with augmentation of its range with competitive products. The lighting & electrical category will commence its growth trajectory in a profitable way as the range and supply chain has been made efficient.
- With the above, the Company is expected to turn in stronger performance within a short period of time. However, these benefits may not quite accrue within Quarter 4 and the performance during the quarter is likely to be subdued prior to transition to a stronger next fiscal.

February 04, 2022
Kolkata

