

EVEREADY >>>

INDUSTRIES INDIA LTD.

1, MIDDLETON STREET, KOLKATA - 700 071

PHONE : 2288-2147, 2288-3950

FAX : (033) 2288-4059

E-mail : contactus@eveready.co.in

Website : www.evereadyindia.com

November 12, 2019

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 the Operational Highlights for the quarter ended September 30, 2019, 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

OPERATIONAL HIGHLIGHTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

Eveready Industries India Ltd. (Eveready) today declared its financial results for the quarter ended September 30, 2019. Highlights of the standalone results are the following.

Item	Q2 19-20	Q2 18-19	Gain/ (Loss) %	YTD 19-20	YTD 18-19	Gain/ (Loss) %	FY 18-19
Operating Income (Rs cr)	348.28	383.49	(9)	669.31	776.83	(14)	1457.73
Gross Margin (Rs cr)	137.31	140.2	(2)	261.03	282.28	(8)	526.69
Gross Margin (%)	39.4%	36.6%		39.0%	36.3%		36.1%
Operating EBIDTA (Rs cr)	31.59	41.14	(23)	56.30	75.98	(26)	122.77
Operating EBIDTA (%)	9.1%	10.7%		8.4%	9.8%		8.4%
Other Income (Rs cr)	16.60	9.25		24.03	12.96		35.41
Reported EBIDTA (Rs cr)	48.19	50.39	(4)	80.33	88.94	(10)	158.18
PBT excluding exceptional item (Rs cr)	21.09	32.06	(34)	30.16	55.66	(46)	82.36
Less : Chennai plant VRS (Rs Cr)	-	-		-	-		23.25
PBT after exceptional item (Rs cr)	21.09	32.06	(34)	30.16	55.66	(46)	59.10
Net Profit (Rs cr)	18.38	24.66	(25)	25.24	43.01	(41)	47.26

Operational Highlights

- The turnover for the quarter was lower than that in the previous year as weak consumption demand continued to plague the economy – especially in the segments of Lighting and Appliances. Turnover was furthermore impacted by the discontinuance of the packet tea segment. However the core categories of batteries and flashlights did not degrow during the quarter. The segment of Lighting and Appliances was significantly impacted by supply constraints and price corrections which had to be undertaken to augment demand. In addition, it should be noted that the corresponding quarter of last year had a windfall credit of Rs 4.7 crores towards reversals for labour wage provisions of the closed Chennai manufacturing unit– not so in the current quarter. As a result, despite superior performance in the battery and flashlight segments, the overall profitability of the company was inferior to that of the corresponding quarter of last year.
- Beating recent trends, battery and flashlights volume did not degrow during the quarter, despite a somewhat delayed monsoon. The battery market witnessed a reduction in dumped imports from China during the quarter for the first time, post implementation of quality standards issued by Bureau of Indian Standards (BIS). While the effect of such reduced imports will be felt during the subsequent quarters, initial signs are encouraging for the domestic industry. Due to the above, EBIDTA margin for the segment was a healthy 21.0% during the quarter, despite adverse impact of a depreciating rupee. The segment of flashlight also had a robust margin of 17.8% during the quarter. The battery segment is expected to show better volume growth from the subsequent quarters once full effect of implementation of the BIS standards comes into force.



- Turnover for the lighting segment for the quarter was at Rs 63.0 crores- down by around 20%, mainly due to supply constraints as well as unit price decrease in bulbs. We expect to improve the situation from the third quarter of the current year as new suppliers are developed. This has resulted in negative segment EBIDTA due to reduction of economies of scale.
- Turnover for the Appliance segment was at Rs. 15.5 crores for the current quarter (Rs. 26.4 crores in the corresponding quarter of last year). As mentioned earlier, this dip was due to supply constraints for key products, consolidation of the entire portfolio, rationalizing the channels for distribution and price decrease. Lack of government orders during the quarter also impacted the turnover. However, as the consolidation in the segment takes full effect, revenues should start matching the cost structure in the forthcoming quarters and should result in positive impact on the financials.

Background

Eveready is the country's market leader of batteries and flashlights - selling more than 1.2 billion batteries and nearly 25 million flashlights. Apart from these, Eveready offers a basket of other products - LED, LED based Luminaires, GLS lamps & other lighting products and appliances. Eveready has an extensive distribution network of 4000 distributors reaching all the way down to 5000 population towns.

November 12, 2019

