

Market Cap.
Rs. 2,411 Cr.
52 Week H/L
Rs. 442/287
CMP
Rs.332
Target Price
Rs.447
FMCG
STOCK DATA
BUY

Reuters Code	ERDY.BO
Bloomberg Code	EVRIN IN
BSE Code	531508
NSE Symbol	EVEREADY

Face Value	Rs.5	
Shares Outstanding	7.3 Cr.	
Avg. Daily Volume (6m)	2,16,356 Shares	
Price Performance (%)		
1M	3M	6M
1	(6)	(5)
200 days EMA Rs.348		

SHARE HOLDING (%)

Promoters	43.2
FII	3.6
FI / MF	2.6
Govt. Holding	-
Bodies Corporate	22.3
Public & Others	28.4

RESEARCH ASSOCIATE

Yash Dalal | +91 22 4093 4077

yash.dalal@sushilfinance.com
SALES:

Devang Shah | +91 22 4093 6060/61

devang.shah@sushilfinance.com

Eveready Industries India Ltd has recently announced its performance for the quarter ended March 31, 2024 and financial year ended FY24. Following are the key financial highlights:

Particulars	Q4FY24	Q4FY23	YoY	Q3FY24	QoQ
Net Sales	280.9	286.3	(1.8%)	305.2	(7.9%)
EBITDA	25.5	1.0	2450%	25.0	2%
EBITDA Margin	9.1%	0.4%	870 bps	8.2%	90 bps
Profit before Tax	8.8	(26.6)	N.A	10.3	14.5%
Profit (loss) after Tax	8.1	(21.9)	N.A	8.4	3.5%
PAT Margin	2.9%	(7.7%)	N.A	2.7%	20 bps
EPS	1.1	(3.01)	N.A	1.2	8.3%

Highlights from the Quarter (Q4FY24):

Eveready Industries India Ltd (EIIIL) reported a flat quarterly net revenue of Rs. 280.9 cr for Q4FY24, marginally down 1.8% YoY and 7.9% on a QoQ basis. This is primarily attributed towards weak rural demand affecting offtakes of batteries and flashlights, and industry-wide price deflation in the lighting segment due to players passing on manufacturing efficiencies to the market.

EIIIL reported an improved EBITDA of Rs.25.5 cr for the quarter vs Rs.1.0 cr for the same quarter in the previous year, and Rs.25.0 cr in the preceding quarter (up 2.0% QoQ). Due to favourable raw material pricing and cost conservation efforts, the company reported an EBITDA margin of 9.1% for the quarter, up 90 bps from the previous quarter. The company delivered a net profit of Rs.8.1 cr for Q4FY24 at a net margin of 2.9%.

On a full year basis, EIIIL reported a robust growth of 27% and 232% in EBITDA and PAT respectively. The management has attributed this to their active initiatives to drive premiumisation and cost efficiencies. Following the launch of the new Eveready Ultima premium batteries, the company's alkaline battery segment gradually expanded through the course of the year. The company's traditional battery segment continues to hold 53% market share as on the end of the year.

Another key development was the company's collaboration with Neeraj Chopra (Olympic Gold Medal in Javelin) as its new brand ambassador of Ultima. This is a strategic initiative by the company to gain traction among the youth especially, with the Olympic games expected to commence in July this year.

OUTLOOK AND VALUATION

Eveready Industries India Ltd posted a flat quarter in terms of revenue growth, however, EBITDA and PAT numbers grew significantly on a YoY basis. We expect FY26E revenue at Rs.1688.1 cr, EBITDA of Rs.255.1 cr at an EBITDA margin of 15.1% and PAT of Rs.147.7 cr. We estimate FY26E EPS at Rs.22.4, and assign a PE multiple of 22x, maintaining the target price of Rs.447 (upside ~34.7%) from the current market price of Rs.332. We maintain our BUY Rating for Eveready Industries Ltd over an investment horizon of 24-30 months.

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY23	1,336.3	118.7	8.9%	27.6	2.1%	3.8	87.4	1.8	7.6
FY24	1,317.1	143.2	10.9%	66.7	5.1%	9.2	36.2	1.8	6.3
FY25 E	1,495.0	204.8	13.7%	107.0	7.2%	14.7	22.6	1.6	4.9
FY26 E	1,688.1	255.1	15.1%	147.7	8.8%	20.3	16.3	1.4	3.8



Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
18-Jan-24	Initiating Coverage	Buy	345	447

PROFIT & LOSS STATEMENT

(Rs.Cr.)

Y/E Mar.	FY23	FY24	FY25E	FY26E
Revenue	1,336	1,317	1,495	1,688
Raw Material Cost	827	746	852	938
Employee Cost	147	160	171	193
Other Expenses	244	267	267	302
EBITDA	119	143	205	255
<i>EBITDA Margin (%)</i>	<i>8.9%</i>	<i>10.9%</i>	<i>13.7%</i>	<i>15.1%</i>
Depreciation	27	30	28	28
EBIT	91	113	177	227
<i>EBIT Margin (%)</i>	<i>6.8%</i>	<i>8.6%</i>	<i>11.8%</i>	<i>13.5%</i>
Finance Costs	57	32	34	30
Other Income	0	0	0	0
Profit before Tax	35	81	143	197
Tax Expense	7	14	36	49
Net Profit	28	67	107	148
<i>Net Margin (%)</i>	<i>2.1%</i>	<i>5.1%</i>	<i>7.2%</i>	<i>8.8%</i>
EPS	3.8	9.2	14.7	20.3

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY23	FY24	FY25E	FY26E
<u>Growth (%)</u>				
Revenue	10.3%	-1.4%	13.5%	12.9%
EBITDA	-5.3%	20.6%	43.0%	24.6%
Net Profit	-40.6%	141.6%	60.3%	38.1%
<u>Profitability (%)</u>				
EBITDA Margin	8.9%	10.9%	13.7%	15.1%
Net Profit Margin	2.1%	5.1%	7.2%	8.8%
ROCE	13.9%	17.8%	24.6%	27.7%
ROE	8.6%	17.4%	21.8%	23.1%
<u>Per Share Data (Rs.)</u>				
EPS	3.8	9.2	14.7	20.3
BVPS	43.9	52.8	67.5	87.8
CEPS	7.6	13.3	18.6	24.2
<u>Valuation (x)</u>				
P/E	87.4	36.2	22.6	16.3
P/BV	7.6	6.3	4.9	3.8
EV/EBITDA	23.5	19.4	13.6	10.9
P/Sales	1.8	1.8	1.6	1.4
<u>Turnover</u>				
Inventory days	115	122	112	115
Debtor days	28	31	34	34
Creditor days	74	82	73	69
<u>Gearing (x)</u>				
D/E	1.2	0.7	0.5	0.3

Source: Company, Sushil Finance Research

BALANCE SHEET
(Rs.Cr.)

Y/E Mar.	FY23	FY24	FY25E	FY26E
PP&E (incl. CWIP+intangibles)	311	301	333	372
Right of Use Assets / Investment Property	-	-	-	-
Other Non-Current	209	201	206	211
Inventories	260	250	261	295
Trade Receivables	102	113	139	157
Cash and Bank Balances	3	2	29	38
Other Current Assets	94	92	79	89
Total Assets	983	960	1,052	1,168
Equity Share Capital	36	36	36	36
Reserves & Surplus	283	347	454	602
Borrowings (LT)	208	144	138	113
Other Non-Current Liabilities	33	36	48	50
Trade Payables	167	169	170	177
Other Financial Liabilities	16	16	15	17
Current Borrowings	166	142	127	104
Other Current Tax Liab & Provisions	74	71	63	69
Total Liabilities	983	960	1,052	1,168

CASH FLOW STATEMENT
(Rs.Cr.)

Y/E Mar.	FY23	FY24	FY25E	FY26E
PBT	35	81	143	197
Depreciation	27	30	28	28
Interest	57	32	34	30
CFO before Working Cap chg	119	143	205	255
Chg in Inventories	(19)	9	(11)	(34)
Chg in Trade Receivables	(67)	(11)	(26)	(18)
Chg in Trade Payables	6	1	2	7
Chg in Current Assets & Liabilities				
Income Taxes Paid	(7)	(14)	(36)	(49)
Cash Flow from Operations	32	129	134	161
Interest Paid	(57)	(32)	(34)	(30)
Dividend Paid	-	-	-	-
Other Adjustments	12	(69)	(27)	(48)
Cash Flow from Financing	(45)	(101)	(61)	(79)
Capital Expenditure	(29)	(19)	(60)	(68)
Other Adjustments	(2)	(8)	14	(5)
Cash Flow from Investing	(31)	(27)	(46)	(73)
Opening Cash	45	1	2	29
Total Cash Flow	76	1	27	10
Closing Cash	1	2	29	38

Source: Company, Sushil Finance Research

Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)

BUY : Over 12%

HOLD : -12% to 12%

SELL : Below -12%

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Member : BSE / NSE - SEBI Regn. No. INZ000165135

Research Analyst – SEBI Registration No. INH000000867

Compliance officer / Grievance Officer :

Mr. Suresh Nemani – Phone : +91 22-40935000 |

Email : suresh.nemani@sushilfinance.com |

Grievance Email - compliance@sushilfinance.com

Regd. Office : 12, Homji Street, Fort, Mumbai 400 001.

Phone: +91 22 40936000 Fax: +91 22 22665758 |

Email : info@sushilfinance.com

Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	Yes
Sushil Financial Services Pvt. Ltd and Group Directors Holding	No
Broking Relationship with the company covered	No