Energizer Plans To Cut Jobs, Lower Spending

The Associated Press

ST. LOUIS (AP) — Energizer Holdings Inc., which makes batteries, flashlights, and other consumer products, plans to cut jobs and lower its overhead spending as part of its efforts to reduce costs and improve its financials.

The St. Louis company's stock rose $6.40, or 9.4 percent, to $74.32 in morning trading on Tuesday. The shares have traded in a 52-week range of $62.98 to $80.36.

Energizer said that it has completed an initial review of its cost structure and operating model. It laid out a series of actions it plans to take, which includes the job cuts. It did not specify how many positions will be eliminated.

The company said its plans also include savings on procurement costs and overhead spending, changes to its go-to-market strategies and manufacturing plant changes in its household products unit.

Energizer anticipates its efforts will result in $175 million to $200 million in gross annual cost savings. The company expects 70 percent to 80 percent of the savings will improve profitability, with the rest reinvested into the business.

The company said charges related to the moves should be small.

Energizer expects most of the actions will be completed by Sept. 30, 2014 — the end of its fiscal year — and that modest benefits from the initiatives will start to accrue during fiscal 2013's second half, or between April and September of next year.

The company maintained its forecast for fiscal 2012 earnings in a range of $6 to $6.20 per share and reaffirmed that it still expects fourth-quarter earnings per share to come in higher than that of the prior-year period. A year ago it reported earnings of 67 cents per share and adjusted earnings of $1.10 per share.

Analysts, on average, expect full-year earnings of $5.97 per share, and fourth-quarter earnings of $1.52 per share.

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