

# **Energizer To Cut 10 Percent Of Workforce**

The Associated Press

ST. LOUIS (AP) — Energizer plans to cut roughly 10 percent of its workforce as part of a cost-cutting overhaul.

The St. Louis-based company said Thursday that it expects to shed about 1,500 employees. When finished, the restructuring should lead to \$200 million in pretax yearly savings, Energizer said. It aims to have most of its restructuring steps finished by the end of September 2014.

The news, released along with the company's quarterly results after the close of regular trading, helped send Energizer's stock up nearly 6 percent in after-hours trading.

"These actions represent significant and necessary changes to our overall cost structure and organization," said Ward Klein, chief executive, according to a statement.

As part of the actions, Energizer will close plants in Maryville, Mo.; St. Albans, Vt.; and Tampoi, Malaysia. The company will also streamline plants in Asheboro, N.C.; Walkerton, Canada; and some lights manufacturing facilities in China, but it did not provide specifics. Energizer also said it will trim overhead spending and look for other ways to cut costs.

The maker of batteries, Schick razors and Wet Ones cleaning wipes also said it more than doubled its quarterly profits. It posted fiscal fourth-quarter net income of \$117 million, or \$1.84 per share. That's up from \$45.8 million, or 67 cents per share, in the same quarter of last year, which was weighed down by restructuring and other items.

Net sales were \$1.14 billion, a 5 percent drop from the previous year. Energizer said the slip was partially the result of weakening demand for batteries and fewer hurricanes in the U.S. The company's quarter ended Sept. 30, and Superstorm Sandy hit the Northeastern U.S. on Oct. 29.

Excluding money set aside for lawsuits and other items, adjusted earnings for Energizer Holdings, Inc. came out to \$1.76 per share.

Analysts had expected the company to post earnings of \$1.55 per share and sales of \$1.14 billion, according to the data provider FactSet.

Gross margins improved by about 60 basis points to 46.1 percent, helped by improved product costs and lower promotional spending.

Looking ahead, Energizer forecast fiscal 2013 earnings per share of \$6.75 to \$7.00,

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adjusted to include estimated cost savings from the restructuring but excluding restructuring costs. Analysts expected \$6.39 per share, on average.

In after-hours trading late Thursday, Energizer's shares were up \$4.09 to \$74.91.

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