



November 14, 2022.

To, <b>The Secretary,</b> <b>BSE Limited,</b> P.J. Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 539542	To, <b>The Secretary,</b> <b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandera (E), Mumbai – 400 051 Symbol: LUXIND
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Dear Sir,

***Sub: Investor Release in respect of Unaudited Financial Results for the Quarter and Half Year ended 30<sup>th</sup> September, 2022.***

Enclosed please find the Investor Release in relation to the Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2022.

This is for your information and record.

Thanking You

Yours faithfully,  
**for LUX INDUSTRIES LIMITED**

**SMITA**  
**MISHRA**

Digitally signed  
by SMITA MISHRA  
Date: 2022.11.14  
18:23:42 +05'30'

**Smita Mishra**  
**(Company Secretary & Compliance Officer)**  
**M.No.: A26489**  
**Encl: As above**

## **LUX INDUSTRIES LTD**

## Investor Release

# Lux Industries reports Q2 & H1 FY23 results

### H1 FY23 Performance

- Revenue: Rs. 1,210.01 crores, growth of ~15% Y-o-Y
- EBITDA: Rs. 145.09 crores, de-growth of ~37% Y-o-Y
- PAT: Rs. 91.07 crores, de-growth of ~44% Y-o-Y

**November 14, 2022, Kolkata** - Lux Industries Limited, one of India's largest hosiery producer and exporter announced its un-audited financial results for the quarter and half year ended 30<sup>th</sup> September 2022.

### Key Consolidated Financial Highlights are as follows:

Particulars (Rs. in Cr)	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 1FY22	Y-o-Y
Income from Operations*	638.32	630.86	+1%	1,210.01	1,051.95	15%
EBITDA*	67.29	141.00	-52%	145.09	231.96	-37%
EBITDA Margin (%)	10.54%	22.35%	-1,181 bps	11.99%	22.05%	-1,006 bps
Profit After Tax	41.09	100.04	-59%	91.07	163.76	-44%
PAT Margin (%)	6.44%	15.86%	-942 bps	7.53%	15.57%	-804 bps

\*Includes Other Income

### **Commenting on the Industry Trends, Mr. Ashok Kumar Todi, Chairman said,**

"For decades, the Lux brand was synonymous with mass market innerwear products. However, in the last few years, the Company shifted the needle. The decisive shift was marked by two major initiatives; one, the Company began to enhance its exposure to outerwear products through organic initiatives and two, the Company began to market a larger proportion of value-added products. These initiatives not only represent the emergence of a new Lux but also helps the company deliver consistent growth in revenues and profitability.

Revenues in H1 FY23 were driven by improving traction of our legacy brands, particularly **Lux Cozi, Lux Venus and ONN** coupled by strong growth in the womenswear power brand **Lyra..** The Company has delivered revenue growth of 15% in H1 FY23 over the same period last year while our Economy, Mid-Premium and Premium category registered a growth 11%, 19% and 12% respectively.

After gaining strong response from our dedicated television advertisement of lingerie product range under the brand '**Lyra**', the Company has launched targeted ads for its women wear and winter wear product category. These

marketing initiatives have helped the Company gain good traction in the market and achieve good growth under these categories. This is in line with the Company's endeavor to deliver differentiated products in the market and ensure complete satisfaction and utmost comfort for every consumer.

Lux has been proactive about the changing consumer preferences and is responding by creating innovative & trendy product lines and maintaining a healthy mix between Premium, Mid-Premium and Economy Category."

**Commenting on the Results, Mr. Pradip Kumar Todi, Managing Director said,**

"Cotton and yarn prices have been quite volatile in the last few quarters leading to some pressure on margins and inventory losses. However, the prices of both cotton and yarn seems to have stabilised as the production is expected to increase offering relief to the entire cotton value chain and the hosiery industry.

Despite the challenges faced due to raw material volatility, revenue for H1 FY23 stood at **Rs. 1,210.01 crore** as compared to **Rs. 1,051.95 crore** over the same period last year. Overall volume grew by **3%**. The Company's overall ASP grew by **12%** as compared to the same period last year. As international freight and supply chain issues have largely eased, our share of export has bounce backed and returning to pre-covid levels of growth. Export revenue in H1FY22 stood at **6%** of our total revenues.

As a part of marketing initiative, the company has also roped in **Sourav Ganguly** as the brand ambassador of **Lux Cozi**. **Lux Venus** has been rebranded and relaunched with **Salman Khan** being onboarded as the brand ambassador, with tagline '**Sabko Maangta Hai**'. This targeted and dedicated collaborations and campaigns will help Brand Lux create a deeper connect with its consumers.

Going forward, we see ourselves growing at an attractive gallop with superior realisations, and extending the brand Lux from the usual inner wear to fashionable outerwear and with a deepened brand recall"

**Commenting on the results and way forward, Mr. Saurabh Bhudolia, CFO said,**

"The 15% growth in revenues in H1 FY23 over same period last year even during one of the most challenging phases in terms of raw material volatility and supply chain issues, underlines our commitment to value-creation and sustainability. We have delivered a healthy sales momentum across all our products and categories.

In H1 FY23, the Company reported at absolute EBITDA of **Rs. 145.09 crore** as compared to **Rs. 231.96 crore** over the same period last year. The EBITDA margins in H1FY23 stood at **11.99%** as compared to **22.05%** over same period last year. Margins have largely remained subdued due to impact of price volatility in cotton and yarn prices and high-cost

inventory stocking. However, with raw materials prices largely remaining stable in the month of September and October, we expect margin profile to improve in the coming quarters.

At Lux, we have always emphasised on product differentiation through branding, celebrity endorsements and enhanced quality. The Company has invested a sizable **Rs. 891 crore** in brand building in the last six years while brand investment in H1 FY23 stood at **Rs. 97 crore**. This brand investment accounts for **8%** of our revenues in H1FY23. These consistent brand building efforts have helped Lux emerge the largest mid-sized hosiery brand in India.

As on 30th September 2022, the company's working capital cycle stood at **202 days**. Increase in raw material costs and higher cost inventory stretched our working capital management as they account for almost **63%** of our working capital. However, in the coming future the Company will seeks to grow revenues without stretching working capital management and aims to address the challenges of inflation through prudent procurement and inventory management."

#### **About Lux Industries Limited**

Lux Industries Limited, incorporated in 1995 is one of the largest players in the hosiery business having a market share of ~15% of the organised industry. Products include Men's, Women's & Kids Innerwear, Winterwear, Socks & Slacks for Women in varied colours and designs. The company has ~5,000 SKUs under various Brands and Sub Brands of LUX. The Company also has a presence across the globe with exports to 46+ countries.

#### **Safe Harbor Statement**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

## For further information, please contact

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**Lux Industries Limited**

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