



Ref: D/2024-25/041

Date: 23.10.2024

To,
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Symbol: SBC

To,
Listing Department
BSE Limited
P.J. Towers, Dalal Street
Mumbai-400001
Scrip Code: 542725

Subject: Press Release- SBC Q2 FY 2024-25 Earnings Update

Ref.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find attached the press release issued by the Company regarding Earnings Update on Q2 FY 2024-25.

This is for the information of the Exchange and the members

Thanking You

For SBC Exports Limited.

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by HARI OM
SHARMA
Date: 2024.10.23
08:49:04 +05'30'

(Hariom Sharma)
Company Secretary and Compliance Officer
M. No. A41738

Encl:a/a

CIN: L18100UP2011PLC043209

Corp. Office : 49/95, Site-IV, Sahibabad Industrial Area, Ghaziabad, Uttar Pradesh - 201010

Head Office : House No. 20, Lohiya Talab, Choti Basahi, P.O. Vindhyachal Mirzapur, Uttar Pradesh - 231307

Tel. : 0120-2895246, Customer Care : +8303-300-100, E-mail : info@sbcexportslimited.com, Web. : www.sbcexportslimited.com



CIN: L18100UP2011PLC043209

Registered Office: 9, Lohiya Talab, Chhoti Basahi, P.O.: Vindhyachal, Mirzapur, U.P. - 231307

Standalone Revenue from Operations reported at ₹ 4849.55 Lacs in Q2FY25 and ₹ 10555.13 Lacs for 6MFY25 (H1FY25)

EBITDA stands at ₹ 550.00 Lacs in Q2FY25 and ₹1142.00 Lacs for H1FY25

Q2 and H1 FY25 – Earnings Update

Ghaziabad, 23rd October 2024: SBC Exports Limited (SBC) is an established player in readymade garment industry (mainly hosiery garments) manufacturing T-Shirts, Lowers, Capris, Bermudas, Athleisure-wears, lounge-wears, innerwear etc. under the brand name **F-Route**.

SBC in its Board Meeting held on 22.10.2024 has inter-alia considered and approved the Unaudited Financial Results for **Second Quarter (Q2)** and half-year (H1) ended on 30th September, 2024 as one of its agenda.

Standalone Financial Statement Highlights for Q2FY25 v/s Q2 FY24 v/s Q1 FY24

Particulars (₹ in Lacs)	Q2FY25	Q2FY24	YoY%	Q1FY25
Revenue from operations	4849.55	3097.92	56.54	5705.58
EBITDA (excluding other income)	550.00	366.36	50.13	593.04
EBITDA Margin (%)	11.34%	11.81%	-3.98%	10.39%
Net PAT	315.00	193.00	63.21	381.00
Net PAT Margin %	6.50%	6.23%	4.33%	6.68%
Diluted EPS	0.16	0.10	0.06	60.00

Standalone Financial Statement Highlights for H1FY25 v/s H1FY24

Particulars (₹ in Lacs)	H1FY25	H1FY24	YoY%
Revenue from operations	10555.13	8059.01	30.97%
EBITDA (excluding other income)	1142.00	556.00	105.40%
EBITDA Margin (%)	10.82%	6.90%	56.81%
Net PAT	696.00	232.00	200.00%
Net PAT Margin %	6.59	2.88	128.82%
Diluted EPS	0.33**	0.32	3.13%

** on Expanded Equity

Consolidated Financial Statement Highlights for Q2FY25 v/s Q2 FY24 v/s Q1 FY24

Particulars (₹ in Lacs)	Q2FY25	Q2FY24	YoY%	Q1FY25	H1FY25	H1FY24
Revenue from operations	6598.36	3522.13	87.34%	6572.34	13170.70	8808.12
EBITDA (excluding other income)	573.71	372.97	53.62%	605.83	1170.52	895.15
EBITDA Margin (%)	8.68%	10.59%	-18.04%	9.21%	8.89%	10.16%
PAT	536.93	217.17	73.20%	531.58	1068.49	676.42
PAT Margin %	5.09%	5.51%	-7.62%	5.96%	8.11%	7.68%
Diluted EPS	0.17	0.10	70%	0.17	0.34	0.32

Segment-wise analysis of Revenues

Particulars (₹ in Lacs)	Q2FY25	Q2FY24	YoY%	H1FY25	H1FY24	YoY%
Revenue from operations						
Garments	2569.45	1581.12	988.33	62.51	6625.28	5312.57
IT Services	2280.11	1531.97	748.14	48.84	3929.86	2761.61
Travel	1795.52	461.93	1333.59	288.70	2717.54	786.83
EBITDA (excluding other income)						
Garments	537.21	186.19	351.02	188.53	1157.03	755.61
IT Services	136.32	262.92	-126.60	-48.15	235.39	294.87
Travel	22.79	2.86	19.93	696.85	34.63	4.14
EBITDA Margin (%)						
Garments	20.91	11.78	9.13	77.55	17.46	14.22
IT Services	5.98	17.16	-11.18	-65.16	5.99	10.68
Travel	1.27	0.62	0.65	105.00	1.27	0.53

Management Discussion and Analysis

SBC has delivered a robust set of operating results for the Q2FY25 and also for H1FY25 ended on 30.09.2024 both on standalone basis as well as consolidated basis.

Revenues

Revenues from operations on standalone basis for Q2FY25 increase by 56.54% to ₹ 4849.55 Lacs from ₹ 3097.92 Lacs in Q2FY24.

Revenues on standalone basis for H1FY25 increased by 30.97 % to ₹ 10555.13 Lacs from ₹ 8059.01 Lacs in H1FY24.

The growth was led by:

- *Improvement in sales & distribution network;*
- *Brand visibility (New brand ambassador of SBC is Mr. Saurabh Raaj Jain, a popular TV Celebrity);*
- *Addition in product offerings;*
- *Buying pattern shift towards organized players;*
- *Growth in overall garment market;*
- *Geographical shift as SBC has received export orders of ₹50 Crs. for FY25 & started revenues.*
- *Increasing urbanization and growing consumer demand*

Profitability

EBDITA

- EBITDA increased by 50.13% to ₹550.00 Lacs in Q2FY25 from ₹366.36 Lacs in Q2FY24
- Margins Slightly declined to 11.34% in Q2FY25 from 11.81% in Q2FY24
 - *Lead by increase in scale of operations*
 - *Increase in the working capital cycle which will get rationalised in the Q3 due to seasonality and other factor.*

PBT

- PBT increased by 63.21% to ₹ 315.00 Lacs in Q2FY25 from ₹193 Lacs in Q2FY24

Financial Ratios

- Company's key financial ratios have improved significantly,

Consolidated

Revenues

Revenues from operations on consolidated basis for Q2FY25 increase by 87.34% to ₹6598.36 Lacs from ₹3522.13 Lacs in Q2FY24 and for H1FY25 it increased by 49.52% to ₹ 13170.70 Lacs from ₹8808.12 Lacs in H1FY24.

EBDITA

- EBITDA increased by 53.62% to ₹573 Lacs in Q2FY25 from ₹373Lacs in Q2FY24
- Margins Slightly declined to 8.89% in Q2FY25 from 10.59% in Q2FY24

PBT

- PBT increased by 73.20% to ₹336 Lacs in Q2FY25 from ₹194 Lacs in Q2FY24

SBC is now looking to increase its operations and improvement in all-round profitability

SBC has established its brand in the Garment Division and is catering to the fashion and aspirational need of Men's, Women's, Kids and Younger generations and largely focused on high growth category of Hosiery Wear (T Shirts, Lowers, Uppers, Bermudas and Capris), innerwear and Athleisure Sector.

SBC is continuously expanding its capacities and product offering and has already have an existing portfolio of ~150+ SKUs across various product categories and is expanding the same on regularly and continuous basis.

Branding is the key aspect and it has taken on board Mr. Saurabh Raaj Jain (a well know TV celebrity of "DEVON KE DEV MAHADEV" Fame) as its new brand ambassador (erstwhile was Mr. Gurmeet Choudhary). Other Verticals of the SBC as also performing well and will keep the momentum going in the future as management is putting all efforts to increase overall revenues and profitability of the Company as a whole. Company has also declared dividend of 0.05% for the FY2024 and expect to continue rewarding its shareholders regularly.

Expansion

SBC is now pursuing increase in capacity of its Garment Division by setting up a ultra-modern garmenting unit at Ghaziabad for which it has already acquire land admeasuring 3502.38 Sq. Mtrs.

The new facility will be largely catering to international market where SBC is getting large inquiries but has capacity constraints currently.

The new facility will have a State-of-Art stitching, printing & packaging unit besides having a world-class display center, warehousing and administrative area.

SBC has already in the planning stage of project implementation and will be implementing the project in phased manner and will execute the entire project in next 18 months.

Fund raising by SBC

SBC is also proposing to raise upto ₹ 5000 Lacs by way of issuance of equity shares on Rights basis to its existing shareholders for which the resolution has been passed in Board Meeting as an agenda item.

The funds will be utilized to part finance the expansion project, incremental working capital requirement and other corporate purposes.

Strategy for Growth

- SBC is at the inflexion point where it proposes to achieve large scale growth across all its verticals.

Garment Division

- Core aspects of the SBC's strategy of growth of Garment Division are as under:
 - Expansion of manufacturing capacity;
 - Expand current sales network, set-up franchise network to increase its sale footprint both in domestic and export market.
 - Setting up signature stores (Exclusive Brand Outlets) at key locations selectively to improve the revenues and visibility of its products.
 - Improving and continuously expanding product portfolio and emphasis on Branding
 - Investing in human capital in marketing, designing and production.
 - SBC's emphasis on exploiting huge and expanding potential in the innerwear & athleisure market

Industry at a glance

The textiles and apparel industry in India is highly diversified with strengths across entire value chain, with wide range of segments and also deploys world-class technology for mass production. India's textile market size is growing at a CAGR of 14.59% from US\$ 172.3 billion in 2022 and is expected to reach US\$ 387.3 billion by 2028. Industry is one of the biggest contributors to the economy with 2.3% contribution to GDP. It is also the second largest employer after agriculture, providing direct and indirect employment of ~150 million (Textile, apparels and allied sectors). Other important factor of the industry are:

- *India is the 6th largest exporter of textiles and apparel products in the world.*
- *Share of textile industry in the overall export of India was 8% with exports of US\$ 36 Billion in FY22-24 and India is aiming to achieve US\$ 100 Billion in exports by 2030.*
- *Domestic textile & apparel market was valued at \$110 billion in 2023 & slated to reach US\$ 250 billion by 2031 and Apparels accounts for 80% of the same.*

Growth Drivers for the Industry

India presents a phenomenal growth platform for Textile & Garment industry due to the following factors:

- *Presence of world class infrastructure and Increased focus on value addition*
- *Presence of entire value chains and large and growing domestic market*
- *Competitive manufacturing costs and organized retail landscape & e-Commerce*
- *Rising per capita income, higher disposable incomes*
- *Increasing demand in domestic market due to changing taste and preferences for brands*
- *Government Support and Industry friendly policy initiatives*

IT Division

SBC expects to post a reasonable growth in its IT Division as it has already obtained few orders and current deliverable order book is more than ₹8000 Lacs Till FY2025-26. The process of bidding and getting new order is continuous and it is expected to get few more orders in this sector.

Mauji Trip Limited (100% Subsidiary of SBC Exports Limited)

Travel and its allied business are growing in India and Mauji Trip (100% subsidiary of SBC) is also experiencing high growth in the operations. The Company has been profitable ever since it started its operations and FY2025 will see a large-scale expansion in its revenues as well as profitability.

Management Comment:

“The management of SBC realizes the necessity to adopt to changing market dynamic where SBC is operating which includes market conditions, aspirations of the customers, changing demand patterns of products and quality requirement irrespective of areas of operations be it domestic (urban, semi urban and rural markets) and exports markets.

Management is full committed and focused on improving capacities, streamlining processes, improving efficiency and leveraging technology to drive growth and improve customer satisfaction.

Expansion of its operational capabilities i.e. manufacturing as well as marketing is the key to create growth oriented organization and Management is committed to increase its all-round capabilities and from humble beginning, SBC has 4 manufacturing facilities and already in the expansion mode for which it has acquired the necessary land.

SBC’s aim is to create an innovative & receptive organization which is equipped to adopt quickly to the changing market conditions and seizing the opportunities so as to improve the overall value of the organization.

We are fully committed to achieving overall improvement and confident that steps taken will position SBC for long-term success and growth, and we look forward to working with our team to make this vision a reality.

We would like to thank our all our stakeholders i.e., employees for their efforts and our investors/stakeholders and bankers for their continued support and encouragement.”

Management Guidance

- Management expects the revenue to grow by 30% in Q3FY25, mainly on account of higher brand visibility, festival season, large product offering and increase in consumer spending
- Revenue contribution from the exports is expected to be in the corridor of 40%
- EBITDA margins are expected to be in the range of 10-13% due to increase scale of operations and cost controlling measures

About SBC Exports Limited

SBC was incorporated in 2011 as a trader of handmade carpets & other handicraft items in the Mirzapur, Uttar Pradesh. SBC began diversification from 2015 onwards and currently has two main business verticals i.e. (a) manufacturing of readymade garments, mainly hosiery; (b) IT & IT Support Services (including manpower supply). SBC is continuously expanding its Garment Division and currently has 4 manufacturing units comprising of integrated operations viz. fabric manufacturing, dyeing, printing, garmenting. SBC is proposing to expand its capacities by setting up new state-of-art facility to cater to export markets and has already acquired land.

SBC has ~450 distributors mainly focusing on Tier2 and Tier3 cities covering ~15000 retail touch points will continue growing further in forthcoming quarters to come due to focused approach, strategic planning and increased focus on profitability which will enable SBC to emerge stronger and better.

Besides IT & Garmenting, SBC diversified in fast growing Travels Services by setting up a wholly owned subsidiary viz. M/s Mauji Trip Limited.

SBC's IT Support Services vertical works with various private & government organization for smoothening and enhancing the digitization process of their activities.

SBC has diversified in fast growing Travels Services by setting up a wholly owned subsidiary viz. M/s Mauji Trip Limited which is growing its business at a robust pace.

Hariom Sharma (Company Secretary)

SBC Exports Limited

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