

13th February, 2023

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| The Manager Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051 Tel. No.: 022-26598100`14 Fax No.: 022-26598273-38 Scrip Code: LIBERTSHOE ISIN No. : INE 557B01019 | The Manager Listing Department Bombay Stock Exchange Ltd. Phiroza Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Tel: 022 – 22722375, 2066 Fax : 022 – 22722037, 39, 41,61 Scrip Code: 526596 ISIN No. : INE 557B01019 |
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Sub: Press announcement made at the Board Meeting for the 3rd Quarter and Nine Months ended 31st December, 2022 results

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Dear Sir/ Madam,

Please refer to our letter dated 13th February, 2023 in respect of outcome of the Board meeting of the Company held on Monday, 13th February, 2023.

In continuation thereof, please find attached herewith the Press announcement made by the Company just after the Board meeting in respect of its 3rd Quarter and Nine Months ended 31st December, 2022 results for your information & records.

Kindly upload the same on your website for the information of the investors at large.

Thanking you,
Sincerely Yours,
For **Liberty Shoes Ltd.**



CS Munish Kakra
CFO & Company Secretary
Enc.: a/a

LIBERTY

LIBERTY announced its Q3 and 9 Months ended 31st December, 2022 Unaudited Financial Results

Q3/9M FY 23 Revenue at ₹15,784/48,615 Lakh- Y-o-Y up by 4%/35%

Q3/9M FY 23 Online Sales ₹1,560/5,475 Lakh- Y-o-Y up by 33%/56%

(₹in Lakh except EPS)

| Particulars | Q3 (2022-23) | Q3 (2021-22) | Y-o-Y Growth/ (Decline) | 9M (2022-23) | 9M (2021-22) | Y-o-Y Growth/ (Decline) |
|-------------------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|-------------------------------|
| Revenue from Operations | 15,784.46 | 15,131.55 | 4% | 48,614.92 | 35,992.57 | 35% |
| EBIDTA* | 918.30 | 1,239.11 | (33%) | 3,600.12 | 2,157.93 | 67% |
| EBIDTA* Margins (%) | 5.82% | 8.19% | (237bps) | 7.41% | 6.00% | 141bps |
| PBT | 248.12 | 615.92 | 60% | 1,808.11 | 298.85 | 505% |
| PBT Margins (%) | 1.57% | 4.07% | (250bps) | 3.72% | 0.83% | 289bps |
| PAT | 185.11 | 499.69 | (51%) | 1,320.05 | 182.62 | 623% |
| PAT Margins (%) | 1.17% | 3.30% | (213bps) | 2.72% | 0.51% | 221bps |
| EPS (Not Annualised) | 1.09 | 2.93 | (51%) | 7.75 | 1.07 | 623% |

*EBIDTA has been mentioned ignoring the implication of accounting treatment of Operating Lease of the Company in accordance with newly implemented Ind AS-116 w.e.f 1st April, 2019.

Gurugram, Monday, February 13, 2023: LIBERTY, today announced its Unaudited Results of Q3 and 9 Months ended 31st December, 2022.

Highlights for Q3 FY 2022-23

- ❖ The Company has recorded Revenue from Operations during Q3 2022-23 with increase of 4% Y-o-Y at ₹15,784.46 Lakh as compared to ₹15,131.55 Lakh in Q3 2021-22. The Company has seen continued demand through online and offline stores for its products.
- ❖ EBIDTA has declined at ₹918.30 Lakh during Q3 2022-23 as compared to ₹1,362.79 Lakh during Q3 2021-22. During the Q3 Overall EBIDTA in terms of value has decreased by ₹321 Lakh in comparison to previous corresponding quarter. The said decrease in

EBITDA in particular quarter is mainly on a/c of increase in overhead cost and incurring of marketing expenses as planned to maximize customer attraction during festive seasons, results of which are yet to be materialized in the periods to come.

- ❖ Similarly during the quarter, Net Profit of the Company is for ₹ 185 Lakhs as against Net Profit of ₹ 500 Lakhs in the previous corresponding quarter.

Highlights for 9Months FY 2022-23

- ❖ The Company has recorded Revenue from Operations during 9 Months 2022-23 with increase of 35% Y-o-Y at ₹48,614.92 Lakh as compared to ₹35,992.57 Lakh in 9 Months 2021-22.
- ❖ Lifestyle Segment (Perfume) has also started contributing to top line and bottom line as against previous period/year.
- ❖ Highest ever EBIDTA touching to ₹3600 Lakh in 9 Months being more than ₹1400 Lakh of corresponding 9 months and more than ₹800 Cr of last full year of 2021-22. The EBIDTA margins have shown improvements during this period at 7.41% as against 6% during corresponding 9 Months of last year. The increase in EBIDTA in particular quarter is mainly on account of increase in sales with better mix yielding higher ASP and non-increase of cost of inputs as well other fixed expenses in proportionate manner.
- ❖ Exceptional ever operating PBT of ₹1800 Lakh in 9 months only as against full year operations of any previous year(s) even before COVID period(s).
- ❖ PAT of the Company has been recorded at ₹1,320.05 Lakh during this 9 Months as compared to profit of ₹182.62 Lakh during corresponding 9 Months of last year. For the period under consideration, the Company has created the provision for Income Tax for ₹ 488.06 Lakh.
- ❖ Operational control & coordinated working has yielded improved efficiency at all level as a result of which the Company has touched milestone EBIDTA and PBT in 9 months.
- ❖ Cooling off of RM prices during the current quarters and current period of 9 months as compared to last year/period have resulted in to improved gross margin or lower COGS to accommodate other fixed overheads of the Company.
- ❖ The newly launched brand LEAP7X with robust marketing plan (Engaging RAKULPREET SINGH and AYUSHMAN KHURANA) has seen acceptance from the targeted consumer and its sales performance is improving.
- ❖ The Company has incurred highest ever Business Promotion Expenses after year 2012-13 and spent close to ₹1600 Lakh on marketing plan for LEAP7X and with other

Advertising expenses, total expense under this head has been at ₹2600 Lakh for 9 months. The above EBIDTA/PBT is after considering this expense.

Commenting on the development in the Footwear Sector, the Company's Management said:

- The footwear sector is undergoing a transformative phase wherein addition to design and comfort features on aspects related to functionality are also gaining prominence in the mind of the consumer.
- With the focus of Government on manufacturing sector, the future potential of the footwear industry is promising, particularly for established and organized brands. The PLI scheme to be announced from Government for footwear sector also will open up new avenues of enlarging manufacturing base in India to compete with China. The on – going changes in lifestyle and purchase habits have influenced the footwear industry as well.
- Rising discretionary income, improvement in living standards, increased brand consciousness, growing work force has resulted in shift from the unorganized sector to the organized sector market in India. The demand for high fashion products is pushing revenues, higher trade volumes and increased employment avenues.
- The Company has been re-enforcing and supporting its e-commerce platform with investment in building an online presence in the market and the investment has started giving results as evident from the confidence and trust reposed by the consumers wherein the Company's online Sales for all brands including Safety shoes and newly launched perfume have been showing upward trend in contribution to total Sales of the Company during the period under consideration.
- The other Channel in the form of Franchisees, Distributor and Company Owned Retail Stores is also witnessing growth and Liberty is committed to increase its Sales presence with expansion program to keep growth trajectory.
- The Company has strength of its manufacturing of safety shoes whereby its grabs major institutional orders from the government and also big private sectors. The Company has focus on neighboring country for this product to increase its export.
- The Company's management is committed to leverage its infrastructure by increasing manufacturing and corresponding sales to beat the Pre- Covid numbers in terms of Revenue & profitability. The performance of current financial year till now has shown improvement at all front including profits and the Company is hopeful to continue with this trends.

- Liberty has been known for its innovative introduction in the domestic market. PU sole shoes and the EVA technology were runaway successes in India. Our safety shoe brand WARRIOR is brand leader in the segment because of its technological advancement. The new focus at Liberty is to prioritize the sales of the brands owned by the company. These are Leap7x, Healers, Aha & Lucy & Luke.
- Brand is also looking at sports/athleisure category as a big area to play in coming time. Leap7x is introducing a range of sneakers with 'NitPRO' technology, which makes a shoe lighter in weight and significantly cushioning and flexible at the bottom. This range will be a game changer for users who are gym goers or sports enthusiasts.
- Another technology is being introduced as 'EasyGO' , in this range shoes are ergonomically designed, which allows the user to have an easy shoe wearing experience, simply slide in and you are ready to go.
- After covid, it was the first school season last year, and the brand has seen tremendous response in the category. This season brand has come up with an innovative 'Non-Marking School Shoes' which can be used in the sport courts like tennis and badminton, and the same shoe can be used in the regular school activities.

For more information, please contact:

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