

Date : 16th August, 2022
Ref. : BSE/NSE-40/2022-2023.

To,
Dept. of Corporate Services,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Company Code: 514300
Company ISIN: INE156C01018

To,
The Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051.
Company Code: PIONEEREMB
Company ISIN: INE156C01018

Sub. : Press Release - Pioneer's Q1 FY23 Revenue rises 31%; Crude prices impact profitability

Dear Sir/Madam,

In terms of Regulation 30 of SEBI (LODR) Regulations, 2015, please find enclosed the Press Release on the unaudited financial results of the Company for the Quarter ended 30th June, 2022, with the title - "Pioneer Q1 FY23 Revenue rises 31%; Crude prices impact profitability".

We request you to take the same on your records.

Thank you,

Yours faithfully,
For PIONEER EMBROIDERIES LIMITED

(AMI THAKKAR)
Company Secretary & Compliance Officer
Membership No.: FCS 9196
Encl: As Above

PIONEER EMBROIDERIES LIMITED

.... a stitch ahead of time

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Andheri (West), Mumbai - 400 058. CIN :- L17291MH1991PLC063752

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PIONEER GROUP

Pioneer Q1 FY23 Revenue rises 31%; Crude prices impact profitability

- Overall expenses outpace revenues, jump 41%
- Rise in expenses led by input costs (up 51%) and higher freight and logistics cost
- EBIDTA for the period lower by 56% to 30.3 mn

Mumbai, August 16, 2022, Pioneer Embroideries Limited (PEL), one of the key players in the Specialized Polyester Filament Yarn (SPFY) and Embroidery & Laces in India, witnessed its performance affected considerably in Q1 of FY23 on account of higher crude-linked input costs.

Key Financials at a Glance:

Particulars (₹ Mn)	Q1 FY23	Q1 FY22	YoY Change
Total Income	866	663	↑ 30.6%
EBITDA	30	69	↓ 55.9%
EBITDA Margin	3.5%	10.4%	↓ 688 bps
PAT	0.6	30	↓ 98.0%
PAT Margin	0.1%	4.6%	↓ 452 bps
EPS (Diluted) (₹)	0.02	1.15	↓ 98.0%

Key Financial & Operational Highlights for the Q1 FY23:

Income from operations for Q1 FY23 increased by 31% to ₹ 866 Mn. While SPFY business contributed ₹ 754 mn, up by 24%, the Embroidery & Laces business contributed ₹ 105 Mn to the Total Income, increasing by about 107% on a Y-o-Y basis.

Notably, the corresponding previous quarter, Q1 FY22, had witnessed a strong performance, especially in the domestic SPFY business, as demand was then high following a long, pandemic-impacted period. In the current quarter however, low demand in SPFY resulted in only a 5% increase in domestic SPFY sales ₹ 550 mn, and company had to divert sales to overseas markets, resulting in SPFY exports growth of 145% to ₹ 203 mn.

While sales volume for SPFY grew by 16% to 4,426 mt for Q1 FY23, contribution per MT was lower in the current quarter. Compared to the previous quarter, Crude Oil prices were ruling almost 50% higher in the current reporting quarter, severely impacting the profitability of the SPFY business as the rise in input costs, including that of colorants and packing material, could not be passed on to the customers on account of demand slowdown at higher price points.

In the overseas markets, geo-political scenario following the Russia-Ukraine War, and the steps taken by key Central Banks to tame inflation, has led to demand slowdown. This was more pronounced in US-Europe region, and in the non-apparel segment of SPFY. Consequently, PEL had to divert sales to less-profitable avenues such as Third-World countries and apparel segment, thereby impacting margins despite achieving higher export sales. Increased freight and logistics cost further ate into the overall profitability.

Embroidery and Laces (EL) business did offer some respite, with improved sales in both domestic and exports markets.

As a result, overall profitability and margins in Q1 FY23 were much lower than in the corresponding previous quarter. Finance cost for the period stood at ₹ 8.5 mn as against ₹ 6.7 mn from last year.

Company is confident of navigating the current tough business environment, and expects demand and profitability to improve in the coming quarters, in both overseas and domestic markets.

About Pioneer Embroideries Limited:

Established in 1991 by Mr Raj Kumar Sekhani, Pioneer Embroideries Limited ("PEL") is one of India's notable manufacturers and exporter of value-added Specialized Polyester Filament Yarn and Embroidery & Laces. It has a state-of-the-art SPFY manufacturing facility at Himachal Pradesh and three Embroidery & Laces manufacturing facilities in Gujarat and Dadra & Nagar Haveli.

Within a few years, PEL has carved a permanent niche for itself in the SPFY business worldwide, with best-in-class quality under the **SILKOLITE** brand. PEL has a yarn capacity of about 18,000 MT pa. The Company's products find application mainly in the non-apparel segment, used in carpets, bath mats, upholstery fabrics, and curtains. PEL became one of the first textile companies to create a brand in a highly commoditized yarn business.

PEL has a capacity of around 14 mm meters for laces and about 1,700 mn stitches of embroidery. PEL's products enjoy a premium in the marketplace because of better quality, design, and capacity. Owners of the heritage brand – **Hakoba** – PEL has over the years added strength to the brand by building upon an extensive library of embroidery designs, making Hakoba synonymous with high-quality embroidery across the world.

At present, the Company has two active embroidery and lace manufacturing facilities at – Naroli (UT DN&H) and Sarigam (Gujarat), along with a wide marketing presence at all the major markets.

Safe harbour 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.

SILKOLITE
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