

Date : 31st January, 2022  
Ref. : BSE/67/2021-2022.

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 reports 49% increased revenues for 9M FY22.

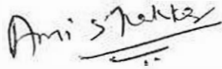
Dear Sir/Madam,

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 Third Quarter and Nine Month ended on 31<sup>st</sup> December, 2021, with the title – “Pioneer reports 49% increased revenues for 9M FY22”.

We request you to take the same on your records.

Thanking 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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Tel.: 022-4223 2323 • Fax : 022-4223 2313 • E-mail : mumbai@pelhakoba.com • Website : www.pelhakoba.com

Regd. Off.: 101-B, Abhishek Premises, Plot No. C 5-6, Dalia Industrial Estate, Off New Link Rd., Andheri (W), Mumbai - 400 058.

CIN No : L17291MH1991PLC063752



Embroidery beyond *your* imagination



## Pioneer reports 49% increased revenues for 9M FY22

- EBITDA improves by 18% for 9M FY22
- Reported PBT and PAT improve by 53% and 12% for 9M FY22
- SPFY Volume growth by 26% to 11,955 mt for 9M FY22

**Mumbai, January 31, 2022, Pioneer Embroideries Limited (PEL)**, one of the key players in the Specialized Polyester Filament Yarn (SPFY) and Embroidery & Laces in India, reported a mixed set of numbers for its Q3 & 9M of FY22.

### Key Financials at a Glance:

Particulars (₹ mn.)	9M FY 22	9M FY 21	YoY Change
Total Income	2,189	1,473	↑ 49%
EBITDA	216	184	↑ 18%
EBITDA Margin	9.9%	12.5%	↓ -260 bps
Reported PAT	98	88	↑ 12%
Reported PAT Margin	4.5%	6.0%	↓ -150 bps
EPS (Diluted) (₹)	3.66	3.51	↑ 4%

### Key Financial & Operational Highlights for the 9M FY22:

Total Income for 9M FY22 increased by 49% to ₹ 2,189 mn. While SPFY business contributed ₹ 1,908 mn, with a growth of 46% YoY, the Embroidery & Laces business contributed ₹ 280 mn, clocking an increase of 68% YoY.

For 9M FY22, the Domestic business of SPFY grew by 69% to ₹ 1,661 mn and accounted for about 87% of the sales, as the share of Exports came down from 23% to 13% on a comparative basis. Despite weaker margins and higher tax outgo in the current quarter, PEL's EBITDA was 18% higher, and PAT was 12% higher over the corresponding previous 9M period.

Finance cost for the 9M FY22 was reduced to ₹ 21 mn from ₹ 35 mn YoY.

### Key Financial & Operational Highlights for the Q3 FY22:

Total Income for Q3 FY22, at about ₹ 760 mn, remained unchanged over Q2 FY22. While SPFY business contributed ₹ 629 mn (Q2: ₹ 663 mn), Embroidery & Laces business contributed ₹ 131 mn (Q2: ₹ 102 mn). While overall exports remained unchanged at about ₹ 102 mn, the share of SPFY in overall exports was lower as compared to Q2 FY22.

The EBITDA for Q3 FY22 was at ₹ 69 mn (Q2: ₹ 78 mn), as margins came down from 10.2% to 9.1% during the quarter under reporting. As a result, Profit Before Tax for Q3 FY22 was lower by about 21% at ₹ 41 mn (Q2: ₹ 51 mn).

The impact on margins in Q3 FY22 was primarily on account of higher raw material prices in the dominant SPFY business of the Company. The average crude price was around US\$ 80, mainly following the geopolitical developments such as the Russian-Ukraine tensions, and this led to an increase in the raw material cost in Q3 FY22. SPFY exports also experienced a slowdown in the current quarter, as the Covid resurgence in overseas markets affected demand. Though the domestic demand in SPFY did help in essentially maintaining turnover levels, the margins remained lower due to higher raw material and logistics costs.

**Providing more insights into the Company's performance, Mr Harsh Vardhan Bassi, Managing Director, Pioneer Embroideries Limited, said,**

*"Higher crude prices and lower export demand did play spoilsport, and the numbers appear more affected, since the corresponding previous quarter, Q3 FY2021, had witnessed an extraordinary performance. In that particular quarter, there was a noticeable pent-up demand in both exports and domestic markets post-Covid initial wave, and raw material price movement were benign, resulting in almost 16% EBIDTA margins.*

*We are confident that our continued focus on maximising EBIDTA levels even in a challenging environment will hold us in good stead and would positively enhance our performance as the disrupting factors even out in the coming quarters."*

#### **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, Dadra & Nagar Haveli and Tamil Nadu.

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. As a result, PEL became one of the first textile companies to create a brand in a highly commoditised 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, designing, 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 three embroidery and lace manufacturing facilities at – Coimbatore (Tamil Naidu), Naroli (UT DN&H) and Sarigam (Gujarat), along with a vast marketing presence at all the major markets. Its Coimbatore facility is certified as per GOTS (Global Organic Textile Standard), an internationally recognised standard.

**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. Therefore, 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 corporate communication advisor:**



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**SILKOLITE**  
Scale to Value....

**hakoba**  
Embroidery beyond your imagination

