



November 2, 2022

BSE Ltd. Corporate Relationship Department 1st Floor New Trading Rotunda Building, P J Towers Dalal Street Fort, Mumbai-400001	National Stock Exchange of India Ltd. Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051
Scrip Code – 530517	Scrip Code – RELAXO

Sub: Press Release on Un-Audited Financial Results for the quarter and half year ended on September 30, 2022

Dear Sir,

Please find enclosed Press Release on Un-Audited Financial Results of the company for the quarter and half year ended on September 30, 2022.

The same is for your information and record.

Thanking You,
Yours Sincerely,

For **Relaxo Footwears Limited**,

Vikas Kumar Tak
Company Secretary and Compliance Officer
Membership No.: FCS 6618

Encl : as above

RELAXO FOOTWEARS LIMITED

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RELAXO FOOTWEARS LIMITED

Q2 FY23 Financial Performance

Q2 FY23 Revenue at Rs. 670 crores

Q2 FY23 EBITDA stood at Rs. 59 crores; Margins at 8.9%

Q2 FY23 Profit After Tax stood at Rs. 22 crores; Margins at 3.3%

Particulars (Rs. Cr)	Q2 FY23	Q2 FY22	Y-o-Y	H1 FY23	H1 FY22	Y-o-Y
Revenue from Operations	670	714	(6.3%)	1,337	1,212	10.3%
EBITDA	59	117	(49.1%)	146	183	(20.5%)
EBITDA Margins* (%)	8.9%	16.4%	(748 bps)	10.9%	15.1%	(421 bps)
Profit After Tax	22	69	(67.4%)	61	100	(38.7%)
PAT Margins (%)	3.3%	9.6%	(626 bps)	4.6%	8.2%	(365 bps)

*EBITDA as a % of Revenue from Operations (excluding other income)

02nd November 2022, New Delhi: Relaxo Footwears Limited, India's largest Footwear manufacturing company, declared its Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2022.

Highlights for Q2 FY23

- **Revenue at Rs. 670 crores** as compared to Rs. 714 crores in Q2FY22. This was a result of decline in volumes of the categories serving the mass segment who were under inflationary pressures with reduced affordability.
- **EBITDA is at Rs. 59 crores** as compared to Rs. 117 crores in the corresponding period of the previous year. EBITDA was under pressure due to high raw material prices. EBITDA margin declined by 748 bps to 8.9% in Q2FY23 from 16.4% in Q2FY22.
- **Profit at Rs. 22 crores** declined by 67.4% YoY as compared to Rs. 69 crores in Q2 FY22.

Highlights for H1 FY23

- **Revenue at Rs. 1,337 crores** in H1 FY23 as compared to Rs. 1,212 crores in H1 FY22
- **EBITDA at Rs. 146 crores** in H1 FY23 as compared to Rs. 183 crores in H1 FY22
- **Profit after Tax at Rs. 61 crores** as compared to Rs.100 crores in the corresponding period of the previous year

Commenting on the results and performance, Mr. Ramesh Kumar Dua, Managing Director said:

The Company's performance in the quarter is subdued due to a decline in the volume of categories serving the masses. The consumers were facing inflationary pressures which affected their affordability and they had started moving to cheaper alternatives even at the cost of quality. Hence, the Company took an aggressive price correction in September 2022, to be competitive in the market.

In addition to this, we have been witnessing a very high volatility and unpredictability in the raw material prices, most of which are imported. Due to the long supply-chain, the Company maintains sufficient inventory to ensure there are no disruptions in the manufacturing process. Hence, there is a time lag for the costs to influence the pricing. While this is beneficial during the increasing trends of the material prices, it affects negatively when the trend reverses and prices start falling. In the last few months, there was a sudden fall in a few of the key raw material prices, So the Company took corrective price revisions, further impacting the margins. This price rationalization approach has been welcomed by trade and consumers which would help us to clear high-value inventory in Q3FY23, ultimately improving our volume numbers.

The company's efforts towards cost optimization by focusing more on in-house manufacturing and product premiumization with the launch of new products & ranges and e-commerce initiatives will aid us in capturing the increasing close footwear demand. This quarter has performed well in the other higher value categories, both in values as well as volumes. The Company would continue to focus on these categories. Further, the management is keeping a close watch on the pricing trends to ensure timely corrective actions.

With our strong fundamentals aided by a wide distribution reach, strong brand recall, a wide variety of SKUs, in-house manufacturing, and better sourcing capabilities, we are optimistic that the company will overcome this temporary phase and help deliver steady revenue growth in both domestic and export markets in the future.

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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