



May 30, 2023.

To, The Secretary, BSE Limited, P.J. Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 539542	To, The Secretary, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandera (E), Mumbai – 400 051 Symbol: LUXIND
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Dear Sir,

Sub: Investor Release in respect of Audited Financial Results for the Quarter and Year ended 31st March, 2023.

Enclosed please find the Investor Release in relation to the Audited Financial Results for the Quarter and Year ended 31st March, 2023.

This is for your information and record.

Thanking You

Yours faithfully,
for LUX INDUSTRIES LIMITED

Smita Mishra
(Company Secretary & Compliance Officer)
M.No.: A26489

LUX INDUSTRIES LTD

Investor Release

Lux Industries reports FY23 results

- Revenue: Rs. 2,398 crore
- EBITDA: Rs. 233 crore
- PAT: Rs. 138 crore
- Recommended Final Dividend of Rs. 5 (250% of FV) per Equity Share

May 30, 2023, Kolkata - Lux Industries Limited, one of India's largest hosiery producer and exporter announced its audited financial results for the quarter and full year ended 31st March 2023.

Key Consolidated Financial Highlights are as follows:

Particulars (Rs. in Cr)	Q4 FY23	Q4 FY22	Y-o-Y	FY23	FY22	Y-o-Y
Income from Operations*	725	593	+22%	2,398	2,313	4%
EBITDA*	52	113	-54%	233	490	-52%
<i>EBITDA Margin (%)</i>	<i>7.2%</i>	<i>19.1%</i>	-	<i>9.7%</i>	<i>21.2%</i>	-
Profit After Tax	30	73	-59%	137	338	-59%
PAT Margin (%)	4.1%	12.3%	-	5.7%	14.6%	-

*Includes Other Income

Commenting on the Industry Trends, Mr. Ashok Kumar Todi, Chairman said,

"We would like to welcome Mr. Ajay Nagar who has joined the Company as Chief Financial Officer. Mr. Ajay has joined us from VIP Industries Limited, (Bangladesh). He has held various leadership positions with companies like Essar Group (Mauritius), Videocon Industries Ltd. (Europe & India) amongst a few more. He has been instrumental in the growth path of these companies by establishing strong business and financial models well supported by operational excellency.

FY23 proved to be a roller coaster year, marked by significant volatility in raw material prices which could not be easily or immediately passed on to consumers. This increase in raw material costs stretched working capital at an overall industry level. Moreover, the slowdown in winter wear offtake added to the inventory and carrying costs. Despite the challenges, the Company has successfully bolstered its overall market share through its enduring and power brands. To achieve the same, the company has undertaken several strategic measures to revitalize these brands, including impactful repositioning efforts and targeted advertising campaigns.

This decisive shift was further supported by two significant initiatives. Firstly, an expansion of the outerwear product portfolio was undertaken, broadening the company's offerings in this segment. Secondly, a greater emphasis was placed on marketing a larger proportion of value-added products, enhancing the company's competitive edge in the market.

As a result, the company experienced a pleasant surprise as majority of its customers chose to upgrade their purchases, seeking higher quality premium and outerwear products and displaying a willingness to pay a premium price for them. The premium segment revenues within the company grew **13%** while the mid-premium segment grew 3.5%, validating the company's decision to invest further in this category.

Additionally, for the first time, a men's hosiery brand has engaged with a women celebrity Jacqueline Fernandez for promoting its products under the brand '**Lux Cozi**'. This innovative and consumer-driven strategy has helped the Company to take the brand to newer heights and create a deeper connection with its discerning consumers.

Moving forward, the Company is determined to further enhance the visibility through modern trade and online channels. Recognizing the potential of these platforms, the Company aims to establish a stronger presence and capture the attention of consumers seeking high-quality products. Additionally, the Company plans to leverage a combination of exports, celebrity endorsements, and state-of-the-art manufacturing technologies to further augment revenues, strengthening business sustainability."

Commenting on the Results, Mr. Pradip Kumar Todi, Managing Director said,

"I am happy to inform that the Board has recommended a final dividend of **Rs. 5 (250% of FV)** per equity share for the year 2022-23 subject to the approval of shareholders. The dividend recommended amounts to **~11%** of the net profit of the Company in FY23.

FY23 has been a challenging year for the innerwear industry, the company during the period reported revenue growth of 4%, which stood at **Rs. 2,398 crore** as compared to **Rs. 2,313 crore** same period last year. For the year ended, '**ONN**' has reported a net sale of Rs. 142 crores, a growth of 18.5%. Revenues from the brand '**Lyra**' stood at Rs. 362 crores, a growth of 20%. These power brands contribute approximately 20% to the topline of the Company.

The Company's absolute EBITDA stood of **Rs. 233 crore** as compared to **Rs. 490 crore** over the same period last year. The EBITDA margins in FY23 stood at **9.7%** as compared to **21.2%** over same period last year.

The EBITDA margins were negatively affected by the combined impact of volatile raw material prices and high-cost inventory stocking both with the company and the distribution channel. However, with the raw material prices stabilising, the Company’s objective will be to moderate the quantum of products lying in the distributor network, replenish the sold material with speed, generate higher inventory turns to enhance our margin profile. The Company reported a PAT of **Rs. 137 crore** while PAT margins for FY23 stood at **5.7%**.

As on 31st March 2023, the company’s working capital cycle stood at **176 days as against 188 days in FY22**. The company is continuously monitoring and managing all levers to optimise its working capital cycle, with intentions to reduce working capital days in the coming quarters. As of the closing date, the company gross cash and cash equivalent reserves stood at **Rs. 134 crores**.

Looking ahead in FY24, we are dedicated to maintaining flexibility in the medium to long term, enabling us to effectively navigate challenges and achieve a consistent, competitive, and cash accretive growth trajectory. Our commitment lies in adapting to evolving market conditions, identifying opportunities for innovation, and ensuring healthy financial performance.”

About Lux Industries Limited

Lux Industries Limited, incorporated in 1995 is one of the largest players in the hosiery business having a market share of ~15% of the organised industry. Products include Men’s, Women’s & Kids Innerwear, Winterwear, Socks & Slacks for Women in varied colours and designs. The company has ~5,000 SKUs under various Brands and Sub Brands of LUX. The Company also has a presence across the globe with exports to 46+ countries.

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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Lux Industries Limited

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Investor Relations Advisors:

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