

## Investor Release

### Lux Industries reports very strong Q2; profit crosses Rs. 100 Crore Mark

#### Q2FY22 Performance Highlights

- Revenue of Rs. 630.86 Crores, Y-o-Y growth of 25%
- EBITDA of Rs. 141.00 Crores, Y-o-Y growth of 44%
- PAT of Rs. 100.04 Crores, Y-o-Y growth of 50%

**November 1, 2021, Kolkata** - Lux Industries Limited, one of India's largest hosiery producer and exporter announced its unaudited financial results for the quarter and half year ended 30<sup>th</sup> September 2021.

#### Key Consolidated Financial Highlights are as follows:

Particulars (Rs. in Cr) *	Q2 FY22	Q2 FY21	Y-o-Y	H1FY22	H1FY21	Y-o-Y
Income from Operations	630.86	504.51	25%	1,051.95	823.76	28%
EBITDA	141.00	97.67	44%	231.96	154.71	50%
EBITDA Margin (%)	22.35%	19.36%	299 bps	22.05%	18.78%	327 bps
Profit After Tax	100.04	66.72	50%	163.76	103.54	58%
PAT Margin (%)	15.86%	13.22%	264 bps	15.57%	12.57%	300 bps

\*Includes Other Income

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

“Over the years the innerwear industry has graduated from a functional category to a fashionable one. Consumers now have personal preferences in colour, design, and style while choosing innerwear products. The innerwear industry which was largely been a part of the unorganised sector; is now shifting towards the organised branded players. This shift has especially accelerated after the pandemic as many of the unorganised players got affected due to operational, liquidity, and supply chain related issues.

Similarly, Lux being one of the leading organised players in the industry has enhanced its operating efficiencies and was well poised to grab the market share across the product categories. Even during these challenging situations, we had a fill rate of 95% against an industry average of 80% which is a testament to our well penetrated distribution network and strategic relationships.



During the quarter gone by we have also witnessed significant green shoots in demand due to the lifting of lockdown restrictions in most states, accelerated vaccination drives, growth in e-commerce, and resumption in the global supply chain.

Going ahead, we will stay focused on our capacity enhancement along with several other strategic initiatives to increase operational efficiencies, which will help us deliver differentiated products in the market and ensure complete satisfaction and utmost comfort for every consumer by creating top notch products.”

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

“We have reported a strong performance in the first half of FY22 with our revenues growing by 28% year on year driven by healthy demand traction across all our product categories. The rising adoption of branded innerwear products across our customer base has led to our revenue from economy and mid-premium categories increasing by 16% & 25% respectively as compared to the same period last year. Our Premium category is also witnessing strong growth in demand and has reported a revenue of Rs. 144 crores, a stellar growth of 83% year on year.

Our broad-based growth was accompanied by a rise in our EBITDA & PAT margins at 22.05% and 15.57% respectively which is one of the highest in the industry. Our plan to incur a capital expenditure of Rs. 110 crores is on track. We will continue the journey of investing in innovation and capability building which will yield us gains in market share and operating model efficiency.

With our differentiated domain expertise along with the waning pandemic and improvements in supply chain conditions, we believe all three categories, Economy, Mid-Premium and Premium, are well-positioned for sustained growth in H2FY22.”

**Commenting on the results and way forward, Mr. Saurabh Bhudolia, CFO said,**

“Over the years the Company has invested in a basket of 16 brands; which enjoy unaided brand recall for comfort, innovation, and a superior value proposition. This brand strength has translated into growing margins and a net cash surplus position.

We expect to maintain net cash positive status even after incurring the Capex. As on 30th September 2021, the company’s gross cash and cash equivalent balance stood at Rs.166 crores while the debt-equity ratio stood at 0.14 as against 0.16 in 30<sup>th</sup> September 2020 which signifies our constant endeavour to deleverage the balance sheet and create strong liquidity buffers.



The Board of Directors at its meeting held has declared payment of interim dividend of 600% i.e. Rs. 12/- per equity share. This is in line with our constant endeavour to reward equity shareholders of the Company.

Going forward, we expect positive momentum in our revenues to continue and will continue to adhere to the highest of ethical standards and transparency in all business dealings and transactions.”

#### **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 SKU's under various Brands and Sub Brands of LUX. The Company also has 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.

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