



Investor Release

Lux Industries reports Q1 FY20 Results

August 6, 2019, Kolkata - Lux Industries Limited, one of India's largest hosiery producer and exporter announced its Unaudited Financial Results for the Quarter ended 30th June 2019.

Key Standalone Financial Highlights are as follows:

Particulars (Rs. Crs.)	Q1 FY20	Q1 FY19	Y-o-Y
Income from Operations	262.7	262.4	-
EBITDA	36.4	37.6	-3%
<i>EBITDA Margin (%)</i>	<i>13.8%</i>	<i>14.3%</i>	
Profit After Tax	20.0	17.9	11%
PAT Margin (%)	7.6%	6.8%	

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

“Overall, the economy is facing a lot of headwinds with tight liquidity and reduced consumption. We have seen businesses across segments fighting to maintain their market share. There has been a lot of disruption among rural households that are struggling because of drought situating in many villages along with delayed monsoons.

The consumers are slowly realising the importance of product quality and giving preferences to companies who deliver the same without any compromise. This is leading to a major shift for the innerwear space and the organised players and benefiting immensely from this consumer shift where there is less preference for unorganised players. Moreover, the surge in demand due to the e-commerce channel has also contributed significantly to this consumer shift.

We continuously engage with our consumers through various marketing campaigns and promotions to educate them with our brands and to make them aware about the quality and comfort that they are getting at competitive prices. Consumers also look for unique products that make them stand out in terms of style and looks. Lux being one of few companies having strong brands, an innovative edge and market reach are benefitting the most out of this shift.”



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

“The overall performance for the first quarter of the new financial year 2019-20 started on a positive note. Despite of the difficult market conditions we have maintained our Revenue which stood at Rs. 263 Crores. EBITDA for the quarter stood at Rs. 36 Crores at a margin of 13.8%. PAT showed healthy growth of 11% YoY to Rs. 20 Crores.

During the last quarter we had launched the India’s first scented vest range under our brand Lux Cozi, and I am very pleased to inform you that we have witnessed an overwhelming response for the same during Q1FY20. We have a very strong track record for launching innovative products over the last few years and we will continue to strive harder to find more success in this area for the coming years. We intend to launch many more products in the coming months that will add to our market leadership.

Our effort to improve operating efficiencies is slowly but surely giving us results and it can be seen by the improvement in profitability over the previous year. This along with changing product mix, optimum capacity utilisation and focussed marketing and brand building initiatives are yielding results. We have also been working on improving our working capital cycle by continuously monitoring all levers to control the same which has led to reduced working capital for this quarter. We expect our working capital to reduce further during the year. This will further give impetus to our return ratios and cash flows by the end of this financial year.

Our premium brand ONN has seen a very good pickup in volumes during the last quarter. This has been possible due to our focused marketing initiatives. We expect this brand to attain good growth in the coming quarter as well which will help us in expanding our premium products portfolio. We have an agreement with CSE Consultancy LLP, licence owner of brand One8 to manufacture and market its products globally. During the current quarter, we have seen good traction for One8 products.

On the merger front, we are in the process of evaluating various options to complete the merger of J.M. Hosiery & Co. Ltd. and Ebell Fashions Pvt. Ltd. with Lux Industries Limited and expect it to be completed as soon as possible after meeting all the regulatory requirements and processes.”



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 ~20% of the organised industry. Products include Men's, Women's & Kids Innerwear, Winterwear, Socks & Slacks for Women in varied colors and designs. The company has ~5,000 SKU's under various Brands and Sub Brands of LUX. With focus on growing exclusive retail outlets and in providing customers with a seamless buying experience, the company's products are available in ~4,50,000 retail points spread across India. LUX has a presence across the globe with exports to 47 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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