

RIYAZ GANGJI
LIBAS

LIBAS CONSUMER PRODUCTS LIMITED

H1 FY23 Shareholders' Letter and Results

NOVEMBER 16, 2022



OUR CAPABILITIES STATEMENT

- Providing clients a signature touch for the most special occasion
- Serving our customers with wide range of consumer products touching everyday lives

GOAL

- To become one of the aspirational brand with seamless customer experience



CIN: L18101MH2004PLC149489

Registered Office: 401 Crescent Royale, Off. New Link Road, Behind Morya Estate, Andheri (West),
Mumbai-53

Q2 & H1 FY23 – Earnings Update

Revenue from Operations reported at ₹281.4 Mn in Q2 FY23 and ₹422.8 Mn for H1 FY23

EBITDA stands at ₹46.0 Mn in Q2 FY23 and ₹64.1 Mn for H1 FY23

PAT at ₹38.4 Mn in Q2 FY23 and ₹50.9 Mn for H1 FY23

Mumbai, 17th November, 2022: Libas Consumer Products Limited ("Libas"), is an India-based company established in 1995. The company is engaged in two major businesses Ethnic Fashion and Gangji Rock Salt and has a presence in the domestic as well as international market. Libas in its board meeting held on 15th November, 2022 has inter-alia considered and approved the unaudited Financial Results for the second quarter and first half year ended on 30th September 2022 as one of its agenda.

Financial Statement Highlights for Q2 FY23 v/s Q2 FY22 v/s Q1 FY23

Particulars (₹ in Mn)	Q2 FY23	Q2 FY22	YoY%	Q1 FY23
Revenue from Operations	281.4	197.0	42.8%	141.4
Other Income	0.0	0.0		0.0
Total Income	281.4	197.1		141.4
Total Expenses excluding Depreciation, Amortization & Finance Cost	235.5	159.6		123.2
EBITDA	46.0	37.4	22.8%	18.2
EBITDA Margin (%)	16.3%	19.0%		12.8%
Finance Cost	4.4	5.0		3.3
Depreciation	1.1	3.0		1.1
PBT	40.5	29.4		13.8
Tax Expenses	2.1	3.0		1.4
PAT	38.4	26.4	45.7%	12.5
PAT Margin %	13.6%	13.4%		8.8%
Other Comprehensive Income/(expense)	10.8	0.0		0.0
Net PAT	49.2	26.4		12.5
Diluted EPS	2.8	1.5		0.7

Financial Performance Comparison – Q2 FY23 v/s Q2 FY22

- Revenue from operations has increased to ₹281.4 Mn in Q2 FY23 from ₹197.0 Mn in Q2 FY22 owing to robust demand in ethnic wear led by an increase in weddings post covid and due to our recent foray into the rock salt division
- EBITDA increased by 22.8% from ₹37.4 Mn in Q2 FY22 to ₹46.0 Mn in Q2 FY23 and margins compressed from 19.0% in Q2 FY22 to 16.3% in Q2 FY23 led by an increase advertisement, brand building and promotion expenses
- PAT stood at ₹38.4 Mn in Q2 FY23, compared to ₹26.4 Mn in Q2 FY22

Financial Statement Highlights for H1 FY23 v/s H1 FY22

Particulars (₹ in Mn)	H1 FY23	H1 FY22	YoY%
Revenue from Operations	422.8	317.9	33.0%
Other Income	0.0	0.0	
Total Income	422.8	317.9	
Total Expenses excluding Depreciation, Amortization & Finance Cost	358.7	251.4	
EBITDA	64.1	66.5	-3.6%
EBITDA Margin (%)	15.2%	20.9%	
Finance Cost	7.7	9.8	
Depreciation	2.1	6.1	
PBT	54.3	50.7	
Tax Expense	3.5	5.3	
PAT	50.9	45.4	11.9%
PAT Margin %	12.0%	14.3%	
Other Comprehensive Income/(expense)	10.8	0.0	
Net PAT	61.6	45.4	
Diluted EPS	3.5	2.6	

Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Revenue from operations has increased by 33.0% from ₹317.9 Mn in H1 FY22 to ₹422.8 Mn in H1 FY23
- EBITDA increased from ₹66.5 Mn in H1 FY22 to ₹64.1 Mn in H2 FY23, margins compressed from 20.9% in H1 FY22 to 15.2% in H1 FY23
- PAT stood at ₹50.9 Mn in H1 FY23, compared to ₹45.4 Mn in H1 FY22 and margins compressed to 12.0% in H1 FY23 from 14.3% in H1 FY22

Balance Sheet and Cash Flow Statement

Particulars (₹ in Mn)	H1 FY23	H1 FY22
Net Cash Generation from operation	(47.9)	20.5
Net Cash Generated/ (Used in) investing activity	0.9	4.5
Net Cash Generated/ (Used) from Financing activity	85.8	(26.4)
Net Increase in Cash and Cash Equivalents	38.9	(1.4)

Particulars (₹ in Mn)	As at 30th Sep 22	As at 30th Sep 21	Particulars (₹ in Mn)	As at 30th Sep 22	As at 30th Sep 21
Liabilities			Assets		
Shareholders Fund			Non-Current Assets		
Share Capital	176.4	176.4	Property Plant & Equipment	12.8	15.3
Other Equity	349.3	244.1	Right-of-use assets	0.0	13.4
Total Shareholders fund	525.7	420.5	Financial Assets		
Non-Current Liabilities			Investments	3.5	3.4
Financial Liabilities			Other Financial Assets	5.6	6.3
Long term Borrowing	30.0	13.5	Other non - current assets	146.8	64.6
Other financial liabilities	13.4	19.3	Total Non-Current assets	168.6	103.0
Provisions	10.6	1.8			
Deferred Tax Liabilities	1.5	0.7			
Total Non-current liabilities	55.5	35.3			
Current Liabilities			Current Assets		
Financial Liabilities			Inventories	326.5	284.3
Borrowings	153.4	151.3	Financial Assets		
Trade payables	86.4	24.5	Trade receivables	222.8	185.9
Other financial liabilities	9.1	5.9	Cash and cash equivalents	71.3	61.7
Provisions	0.2	13.3	Other Financial assets	41.0	16.0
Total Current Liabilities	249.2	195.0	Total Current Assets	661.6	547.9
TOTAL LIABILITIES	830.3	650.8	TOTAL ASSETS	830.3	650.8

Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Current Asset stood at ₹661.6 Mn in H1 FY23, compared to ₹547.9 Mn in H1 FY22
- Debt Equity ratio has remained stable at 0.4x in H1 FY23 compared to 0.3x in H1 FY22
- Inventory Days decreased to 180 days in H1 FY23, compared to 214.7 days in H1 FY22
- Cash flow from operations stands at -₹47.9 Mn

Business Updates

- Operations at the Bhiwandi unit were impacted due to floods in August 2022, however, necessary steps are taken to mitigate the loss of the company
- The company declared right issue of shares at an issue price of ₹21.00 per share with a ratio of 1:2

Management Comments

Commenting on the performance of Q2 and H1 FY23, the management team of the company stated that, "We are happy to share our financial and business performance for Q2 and H1 FY23, our revenue from operations witnessed a stellar growth of 42.8% to ₹281.4 Mn in Q2 FY23 and 33.0% to ₹422.8 Mn in H1 FY23 led by robust demand in the ethnic segment owing to our renowned brand name and strong recovery in the number of weddings post-Covid. Further, our foray into rock salt business with multiple SKU's were well accepted by the consumers as showcased by healthy numbers in the segment.

We have evolved into a one-stop destination with diverse product offering for the entire family. Libas specializes in wedding wear, ethnic wear and easy to wear clothing for all festive occasion across price points. Our designs capabilities are backed by trend analysis which has aided us to curate trendy designs for our clients. We would also like to highlight that today we have a manufacturing capacity of 35,000 to 40,000 pieces in the ethnic division and we are a preferred label amongst stars in the Indian Film Industry and has been endorsed by celebrities like Amitabh Bachchan, Salman Khan, Jacqueline Fernandes amongst others.

Additionally, we are happy to share that we have completed over 25+ years in the clothing industry and as a part of our evolution backed by our expertise, we recently forayed into the innerwear segment which is a multi-billion-dollar industry. Libas aims to provide one of a kind, bamboo-based, comfortable, anti-bacterial, anti-allergic and trendy innerwear which is suited to meet the demand of price sensitive yet quality-oriented customers. We believe this segment comes with a lot of opportunity and to establish our foothold in both ethnic and innerwear division, we entered into a JV agreement with Goat33, a company incorporated by Flex Wheeler, an International Award Winner Athlete, to manufacture, distribute and sell our products fitted for individuals with athletic personality.

Further, we ventured into FMCG segment with our first consumer product 'rock salt' whereby we manufacture and trade in different types of rock salt under the brand name "Gangji" and supply to the top salt companies in India from our ultra-modern manufacturing unit at Bharuch. We have a manufacturing capacity of 3,000 mt/month and tie up with top 15,000 organic farmers to produce top notch quality products. On the industry front, the global rock salt market is expected to account for \$1.96 Bn by 2029 and will be mainly driven by food sector.

We would like to express our gratitude to our employees for their ongoing efforts and our investors/ stakeholders for their support and encouragement as we go forward in capturing the growth prospects that lay ahead of us.”

Management Guidance

- Revenue is expected to double by FY23 led by robust demand for ethnic wear and rock salt division
- EBITDA margins are expected to be in the corridor of 12%-13%

About Libas Consumer Products Limited

Libas Consumer Products is an India based company established in 1995. The company is engaged in two major businesses Ethnic Fashion and Gangji Rock Salt. Libas Fashion manufactures ready wear and customized family’s ethnic wear at its Mumbai production facility which has a capacity of 35,000 to 40,000 pieces. The company is also into manufacturing of men's innerwear under the brand name KNG which focuses on Organic innerwear made up of bamboo. Libas ventured into FMCG sector where it will be manufacturing and selling different types of rock salt under the brand name Gangji. It manufactures 3000 mt/month of rock salt and has a tie-up with top 15000 organic farmers to produce and package flourishing organic products for export and local market.

For further information on the Company, please visit www.libasdesignsltd.com

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