



Date : 1st November, 2021
Ref. : BSE/52/2021-2022.

To,
Dept. of Corporate Services,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
Company Code: 514300
Company ISIN: INE156C01018

To,
The Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051.
Company Code: PIONEEREMB
Company ISIN: INE156C01018

Dear Sir/ Madam,

Sub. : Press Release – Pioneer H1 FY22 PAT jumps 785% on improved demand & Realisation.

Dear Sir/Madam,

In terms of Regulation 30 of SEBI (LODR) Regulations, 2015, please find enclosed the Press Release on the unaudited financial results of the Company for the Quarter and Half year ended 30th September, 2021, with the title – “**Pioneer H1 FY22 PAT jumps 785% on improved demand & Realisation**”.

We request you to take the same on your records.

Thank you,

Yours faithfully,
For PIONEER EMBROIDERIES LIMITED

(AMI THAKKAR)
Company Secretary & Compliance Officer
Membership No.: FCS 9196
Encl: As Above

PIONEER EMBROIDERIES LIMITED

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CIN: L17291MH1991PLC063752



PIONEER GROUP

Pioneer H1 FY22 PAT jumps 785% on improved demand & realisation

- Revenue improves by 84% to ₹ 1,428 mn for H1 FY22
- EBITDA improves by 102% to ₹ 147 mn for H1 FY22
- EBITDA Margins improved by 90 bps to 10.3% for H1 FY22
- SPFY Volume growth by 58% to 7,955 mt for H1 FY22

Mumbai, November 01, 2021, Pioneer Embroideries Limited (PEL), one of the key players in the Specialized Polyester Filament Yarn (SPFY) and Embroidery & Laces in India, reported a strong set of numbers for its Q2 & H1 of FY22.

Key Financials at a Glance:

Particulars (₹ mn)	Q2 FY 22	Q2 FY 21	YoY Change
Total Income	765	530	↑ 44%
EBITDA	78	58	↑ 35%
EBITDA Margin	10.2%	10.9%	↓ -70 bps
Reported PAT	37	24	↑ 53%
Reported PAT Margin	4.9%	4.6%	↑ 30 bps
EPS (Diluted) (₹)	1.40	0.98	↑ 43%

Particulars (₹ mn)	H1 FY 22	H1 FY 21	YoY Change
Total Income	1,428	777	↑ 84%
EBITDA	147	73	↑ 102%
EBITDA Margin	10.3%	9.4%	↑ 90 bps
Reported PAT	68	8	↑ 785%
Reported PAT Margin	4.7%	1.0%	↑ 370 bps
EPS (Diluted) (₹)	2.55	0.31	↑ 730%

Key Financial & Operational Highlights for the Q1 FY22:

Total Income for Q1 FY22 increased by 44% to ₹ 765 mn. While SPFY business contributed ₹ 663 mn with a growth of 42% YoY, the Embroidery & Laces business contributed ₹ 102 mn with a growth of 66% YoY.

For Q2 FY22, the Company reported an EBITDA of ₹ 78 mn, a growth of 36% over Q2 FY21, in line with the Company's strategy of garnering the more profitable business. As increased logistics costs reflected in pressure on export volumes, the Company diverted its volumes in domestic market. For Q2 FY22 Domestic business grew by 65% to ₹ 662 mn which is 86% of the total revenue of the Q2 FY22. Overall exports For Q2 FY22 was consequently down by 20% to ₹ 103 mn, primarily on account of about 29% reduction on SPFY exports to ₹ 85 mn.

Overall EBITDA Margins for Q2 FY22 was at 10.2% as compared to 10.9% reported YoY, as this quarter has witnessed higher sales and raw material costs in the SPFY business in line with rising crude oil prices.

For Q2 FY22 SPFY business witnessed sales volume growth of 20% to 4,150 mt from 3,469 mt in Q2 FY21. The company is operating at very high efficiency as production of SPFY was 4,167 mt in Q2 FY22, up by 25% over corresponding previous quarter

Finance cost for the Q2 FY22 reduced to ₹ 6.5 mn from ₹ 12.1 mn from last year, which further led to improved profit margins.

For Q2 FY22 PBT was ₹ 51 mn against ₹ 24 mn in Q2 FY21.

Key Financial & Operational Highlights for the H1 FY22:

Total Income for H1 FY22 increased by 84% to ₹ 1,428 mn. While SPFY business contributed ₹ 1,275 mn with a growth of 83% YoY, the Embroidery & Laces business contributed ₹ 153 mn with a growth of 91% YoY.

For H1 FY22 Domestic business grew by 115% to ₹ 1,238 mn which is 87% of the total revenue of the H1 FY22. Overall exports For H1 FY22 was consequently down by 6% to ₹ 190 mn, primarily on account of about 12% reduction on SPFY exports to ₹ 168 mn.

Finance cost for the H1 FY22 reduced to ₹ 13.2 mn from ₹ 24.2 mn from last year, which further led to improved profit margins.

For H1 FY22 PBT was ₹ 93 mn against ₹ 7.7 mn in H1 FY21.

For the period ended H1 FY22 the company has recorded operating cash flow of ₹ 87 mn.

In the current quarter, raw material costs have risen in line with strong crude prices, and other inputs have also risen, though the Company has been largely able to pass on the maximum part of the rise to its customers. While higher logistics costs have impacted export volumes, these have also aided in enhancing demand for Company's products in the domestic segment as imports have simultaneously become less viable.

The coal supply crisis also has not impacted the Company's operations as our plant is located in Himachal Pradesh, where most of the power is hydel-based and hence the Company has not faced much challenge in power cuts or power cost rise.

Commenting upon the good performance shown by the company, Mr. Harsh Vardhan Bassi, Managing Director, Pioneer Embroideries Limited said,

"We are pleased to see that our strategy of being nimble and focussing at the more lucrative market segments has helped us in face of rising global logistics costs. Our domestic business has increased substantially, our capacity utilization is maintained at good levels, and hence our objective of profit maximisation is achieved. "

In the SPFY business, the growth achieved in the first half has come more from the apparel segment, while the demand in the home textile segment has been stable on account of a higher base achieved last year. We are almost on track to match the absolute EBITDA overall for the full year, unless there is some major spoilsport in terms of the third wave or extreme drop in demand due to further upswing in prices."

About Pioneer Embroideries Limited:

Established in 1991 by Mr Raj Kumar Sekhani, Pioneer Embroideries Limited ("PEL") is one of India's notable manufacturer and exporter of value-added Specialized Polyester Filament Yarn and Embroidery & Laces. It has a state-of-the-art SPFY manufacturing facility at Himachal Pradesh, and three Embroidery & Laces manufacturing facilities in Gujarat, Dadra & Nagar Haveli and Tamil Nadu.

Within a few years, PEL has carved a permanent niche for itself in the SPFY business worldwide, with best-in-class quality under the **SILKOLITE** brand. PEL has a yarn capacity of about 18,000 MT pa. The Company's products find application mainly in the non-apparel segment, used in carpets, bath mats, upholstery fabrics, and curtains. PEL became one of the first textile company to create a brand in a highly commoditized yarn business.

PEL has a capacity of around 14 mm meters for laces and about 1,700 mn stitches of embroidery. PEL's products enjoy premium in the marketplace because of better quality, designing, and capacity. Owners of the heritage brand – **Hakoba** – PEL has over the years added strength to the brand by building upon an extensive library of embroidery designs, making Hakoba synonymous to high-quality embroidery across the world.

At present, the Company has three embroidery and lace manufacturing facilities at – Coimbatore (Tamil Naidu), Naroli (UT DN&H) and Sarigam (Gujarat), along with a wide marketing presence at all the major markets. Its Coimbatore facility is also certified as per GOTS (Global Organic Textile Standard), an internationally recognized standard.

Safe harbour 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 corporate communication advisor:



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