

Date: November 7, 2023

To,
BSE LIMITED
25th Floor, P J Towers,
Dalal Street,
Mumbai-400001, MH

Scrip Code: 532829

Subject: Press Release for the Quarter and Half Year ended September 30, 2023.

Dear Sir/Madam,

Please find enclosed copy of Press Release on the un-audited financial results of the Company for the quarter and half year ended September 30, 2023.

We request you to take the same on record.

Thanking You

Yours faithfully,
for **Lehar Footwears Limited**

RITIKA PODDAR
COMPANY SECRETARY & COMPLIANCE OFFICER
ICSI NO. A65615



LEHAR FOOTWEARS LIMITED

A-243(A), Road No.6, V.K.I. Area, Jaipur (INDIA)
Phone : +91-141-4157777

W.- www.leharfootwear.com, E.-info@leharfootwear.com •
CIN No. : L19201RJ1994PLC008196

ISO 9001 (QMS)
ISO 14001 (EMS)
ISO 18001 (OHSAS)
REGISTERED FIRM



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Stepping the right foot forward

Robust H1FY24 performance

- ✓ Revenue increased ~4%
- ✓ EBITDA margin improved ~350 bps to 8.7%
- ✓ PAT increased 85% to Rs.4.3 crores
- ✓ CFO of Rs.13 crores

November 07, 2023, Jaipur: Lehar Footwears Limited ('Lehar'), announced its result for quarter and half year ended 30th September 2023 in its Board Meeting held on Monday, November 06, 2023.

Financial Performance:

(Rs. Crores)

Particulars	Q2FY24	Q2FY23	Q1FY23	H1FY24	H1FY23	FY23
Revenue	55.6	79.6	64.7	120.3	116.1	202.2
Operating Ebitda	5.2	4.6	5.3	10.5	6.7	13.9
Operating Margin	9.3%	5.7%	8.2%	8.7%	5.8%	6.9%
Finance Cost	1.6	1.2	1.4	3.0	2.3	5.0
Depreciation	1.1	0.9	1.0	2.1	1.7	3.5
Other Income	0.2	0.3	0.2	0.4	0.5	1.1
PBT	2.7	2.8	3.0	5.7	3.1	6.5
Income Tax	0.7	0.7	0.8	1.4	0.8	1.4
PAT	2.0	2.0	2.3	4.3	2.3	5.1

Declaring the quarter results, Mr. Raj Kumar Agarwal, Chairman & Managing Director of Lehar Footwears Limited commented: "We are delighted to report that we have concluded first half of financial year 2024 on strong foothold with new milestones on operational & financial fronts. In a challenging environment faced by the overall retail industry, Lehar has displayed resilience by focussing on operational efficiencies and costs management.

The company is actively evaluating its strategies to adapt to evolving market dynamics by focussing on exports, brand building, development of new designs and embracing upcoming industry standards. The company is consistently evolving with the shift in consumer behaviour & trends.

We take pride in our team's ability to remain closely connected to evolving consumer preferences fortifying the position in the footwear sector. To align with this trend and enhance customer outreach, we have already launched new marketing & brand-building initiatives under "Chalti Chale Lehar" campaign.

We wish to convey our heartfelt appreciation to our valued stakeholders who have steadfastly supported and shared in our vision. Our unwavering dedication continues in our pursuit of sustainable growth & value for all and Lehar is committed to emerge as a stronger and more consumer-centric company in the ever-evolving footwear industry."



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Business Highlights

H1 performance

The sales growth during the six months was 4%, which was in-line with the industry performance that was impacted by climatic disruption, cyclones, inflation, shift in festival season, etc. Exports, though at a low base, has shown significant growth at 73% which has opened new business growth avenues for the company. We expect a higher growth in second half of the year as we come out of the challenges faced by low ticket consumption trends in rural & semi urban regions. In midst of the given challenges, we have focussed on increasing our profitability & cash flows by continued efforts towards productivity improvement & operational efficiency.

Q2 performance

Sales were lower as compared to previous quarter and same period last year due to lower offtake of institutional sales under to Government schemes, which was exceptionally high in Q2FY23. However, our retail & export business witnessed consistent growth during the quarter. We expect healthy growth going forward with kick-off of our brand campaign & other sales promotion initiatives. We wish to highlight continued strength of our export business with growing traction particularly in African & Middle Eastern markets. We have healthy pipeline of institutional sales with multiple tenders under process, which provides us with growth visibility in H2 of the current FY.

Bureau of Indian Standards (BIS) Certification

We obtained the prestigious BIS license under IS 10702:2023 for two categories of Hawaii Chappal which are (a) Hawaii Chappal, Bottom-Polymer (Others- EVA, etc.), Strap-Solid, Size-Adult (1-13), and (b) Hawaii Chappal, Bottom-Polymer (Others- EVA, etc.), Strap-Solid, Size-Children (6-13). This certification is a significant step towards our commitment to be ahead of the market in complying with the upcoming quality guidelines as outlined by the BIS.

One Star Export House Recognition

Lehar has received the "One Star Export House Recognition Certificate" from the Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry. This recognition, valid for a five-year period, is in compliance with the provisions of the Foreign Trade Policy, 2023. It opens the door to privileges and benefits outlined in the Foreign Trade Policy, subject to the conditions set forth in the DGFT Hand Book of Procedures (2023).

Receipts of Grant

The Company was sanctioned financial assistance of Rs. 3.6 crores, which was received in October'23, from GoI under Publicity Campaign and Brand Promotion. The above grant is received out of the overall financial assistance of Rs. 9 crores, to be received by the Company over 3 years, as per the guidelines under the 'Brand Promotion of Indian Brands in Footwear and Leather Sector' sub-scheme of Indian Footwear and Leather Development Programme (IFLDP).



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Branding initiatives

We have begun to promote our product range with new advertisements and packaging with our brand ambassadors 'Govinda', 'Mahima Chaudhary' and 'Charu Asopa' on electronic media, outdoor marketing, print media, social media, trade shows along with our new logo and new website <https://www.leharfootwear.com/>.

Our new website



Our new packaging



Marketing campaigns



Hindustan Lucknow



Hindustan Patna



Hindustan Delhi

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Outlook:

- With the steady increase in disposable income, favourable demographics and migration towards organized retail and e-commerce, and the ongoing shift from unbranded to branded quality products, collectively contribute to the anticipated mid to long-term resurgence in demand.
- While the unpredictability in raw material prices, particularly in EVA and rubber, has been a concern, we expect that this volatility will stabilize in the upcoming quarters. We are committed to proactively safeguarding our business model from raw material cost fluctuations by taking necessary actions as and when required.
- Our strategic focus remains on the expansion of our Stock Keeping Unit (SKU) range and the strengthening of our distribution network. This approach enables us to remain agile and responsive to market dynamics while maximizing our operational efficiency.

About Lehar Footwears Ltd.:

Lehar Footwears Ltd. is one of the leading regional mass-footwear manufacturer of high quality and stylish non-leather footwears since 1995. Company is selling its products under 'Lehar' brand through trade distribution channel, retail multi brand outlets, export markets, government schemes and ecommerce marketplaces. The Company has 4 manufacturing plants situated at Jaipur and Kaladera (Chomu).

Disclaimer:

Certain statements in this press release may be forward-looking statements and/or based on management's current expectations and beliefs concerning future developments and their potential effects upon Lehar Footwears Limited. The forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and there are important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward-looking statements. Lehar Footwears Limited does not intend, and is under no obligation, to update any forward-looking statement contained in this press release.



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