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**Relaxo Footwears Limited retains competitive pricing, despite price adjustment of select items**

**Delhi, India** – Relaxo Footwears Limited (NSE: RELAXO), India's largest footwear manufacturer in terms of volume and second-largest in terms of revenue, has decided to revise the Maximum Retail Price of select flagship products from its Flite and Bahamas collections, effective April 1, 2024. This strategic decision is in response to the significant escalation in the cost of natural rubber, a primary raw material for footwear production.

The price hike is necessitated by the global rise in the cost of natural rubber and other raw materials, impacting the entire footwear industry. Key contributing factors include reduced production in Thailand, a major rubber producer, due to weather disruptions, heightened demand from China, particularly for tire production, and supply chain disruptions caused by the ongoing pandemic.

As of Jan 2023, the price of Natural Rubber (Graded RSS4) stood at 14,220.000 INR/100 kg, witnessing an increase to 15,440.000 INR/100 kg by Dec 2023. Additionally, rising crude oil prices have affected the cost of synthetic rubber, while global supply chain disruptions and increased demand have further impacted prices. The cost of fabric, though a smaller share of total raw materials, has also risen significantly due to increasing cotton prices and supply chain changes.

The price adjustments will primarily affect running shoes under the Flite collection, with a varying increase of 17% to 23% for each article. For the Bahamas collection, offering everyday wear options, a more moderate price hike of 12% to 14% is applied. The pricing strategy for the Bahamas range has been mindful of its price-sensitive customer base and the popularity of its fast-selling products.

Rakesh Kumar Dua, Managing Director of Relaxo Footwear, emphasized the company's commitment to delivering high-quality, durable products despite the challenging market conditions. He stated, "Margin is under pressure because raw material prices are really ruling very high, but with the next financial year, the next quarter, there is some softening, and that will help the company. The margins will improve in coming times."

**Looking Ahead**

With an optimistic outlook, Relaxo is poised to introduce a new range of designs under the Flite and Bahamas brands as margins ease out. The company remains dedicated to its cost leadership and providing customers with innovative and quality footwear options.

“Over the years, Relaxo has built the trust of providing affordable, everyday wear for the regular Indian. The decision to increase prices has been driven with the sole intent to continue providing high quality footwear solutions to our customers at competitive prices.”, says Vikas Dogra, Vice President of Sales at Relaxo Footwear.

For further inquiries, please contact Kanwaljit Dsilva at k.dsilva@relaxo.com.

**About Relaxo Footwears Limited**

Relaxo Footwears Limited is India's leading and innovative footwear manufacturer, committed to delivering comfort and style across a diverse range of footwear products. With a rich legacy, Relaxo continues to set industry benchmarks in quality and customer satisfaction.

*Note: The information provided in this press release is accurate as of the date of release and is subject to change without notice.*

Rational for the above work:

* Explain reason for price hike with adequate facts
* Address all possible concerns of customers regarding quality
* Assurance to maintain current brand position and legacy
* Emphasize that price hike is not across all articles