

Kajaria

Corporate Presentation

August 2019

Agenda

Global Tile Industry

Indian Tile Industry











Kajaria Ceramics – overview

Financials

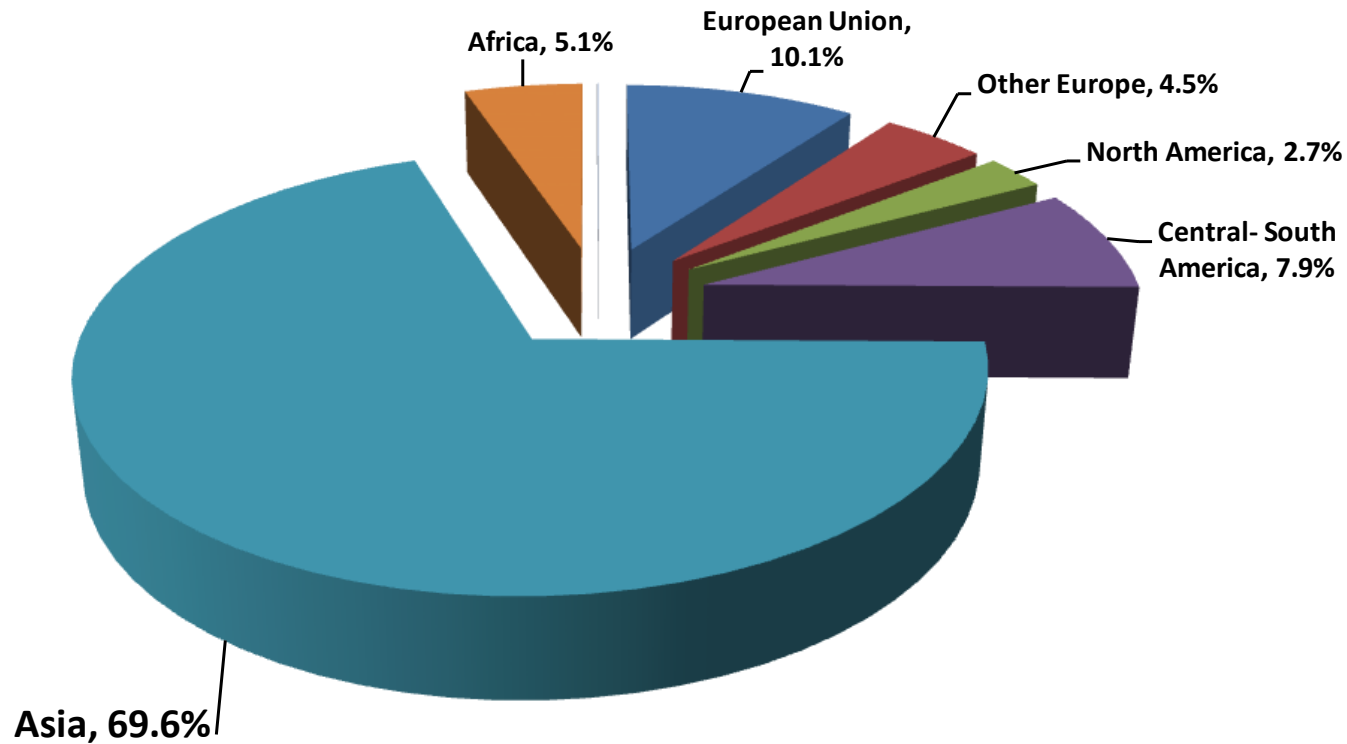
Shareholding Pattern

The production of top 10 countries...

(Million Sq Mtr)

		CY13	CY14	CY15	CY16	CY17	
	CHINA	5,700	6,000	5,970	6,495	6,400	→ 47%
	INDIA	750	825	850	955	1,080	→ 8%
	BRAZIL	871	903	899	792	790	
	VIETNAM	300	360	440	485	560	
	SPAIN	420	425	440	492	530	
	ITALY	363	382	395	416	422	
	IRAN	500	410	300	340	373	
	TURKEY	340	315	320	330	355	
	INDONESIA	390	420	370	360	307	
	EGYPT	200	220	230	250	300	
TOTAL WORLD PRODUCTION		11,980	12,428	12,460	13,255	13,552	











World production scenario (CY17)



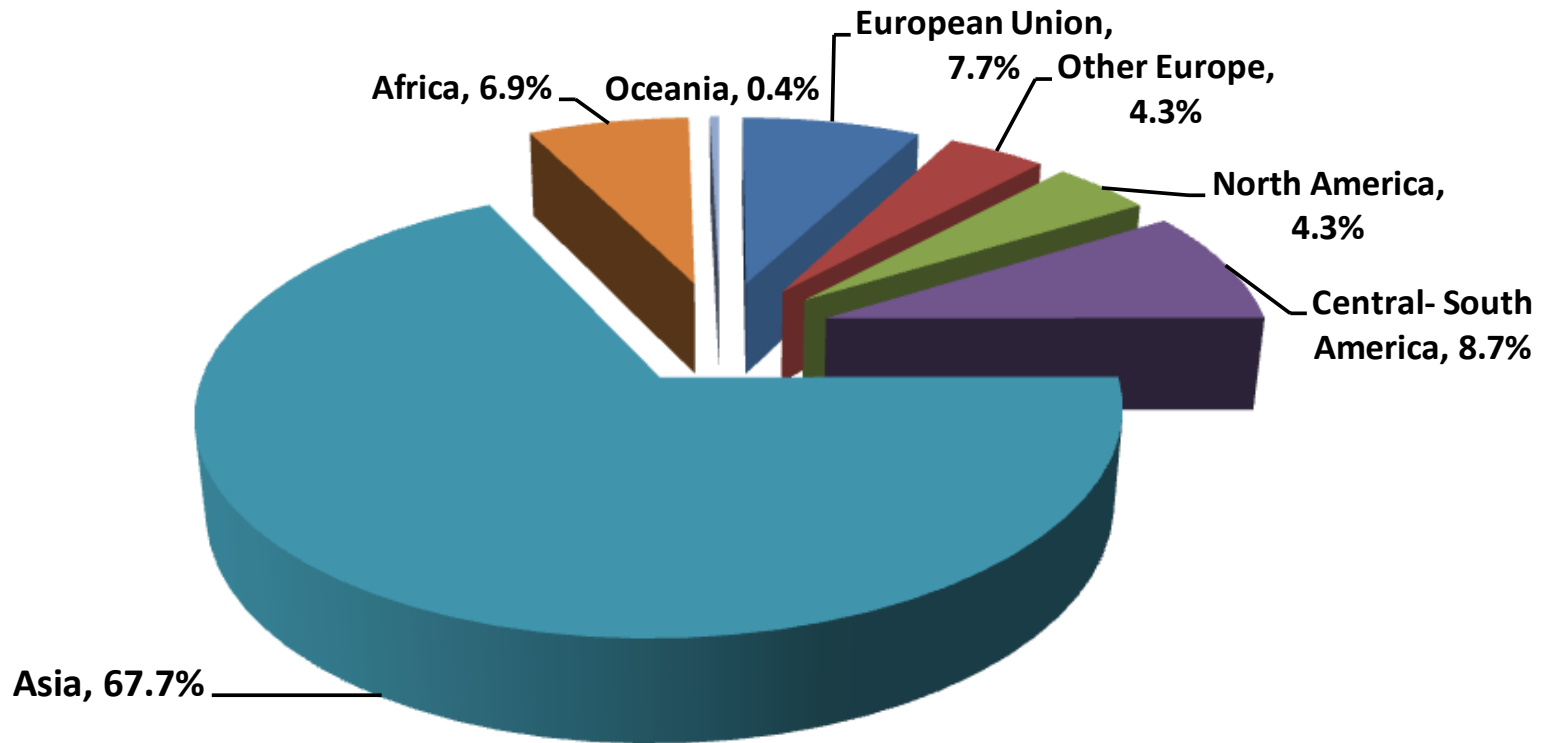
- In 2017 world tile production reached 13.55 billion sq. mtr. – up 2.2% over 2016.
- Asia produced 9,438 million sq. mtr. – up 0.1% over 2016.

The consumption of top 10 countries...

(Million Sq Mtr)

		CY13	CY14	CY15	CY16	CY17	
	CHINA	4,556	4,894	4,885	5,475	5,498	→ 41%
	INDIA	718	756	763	785	760	→ 6%
	BRAZIL	837	853	816	706	708	
	VIETNAM	251	310	400	412	580	
	INDONESIA	360	407	357	369	336	
	USA	230	231	254	274	283	
	TURKEY	226	215	234	241	254	
	EGYPT	170	190	190	215	252	
	MEXICO	187	197	218	235	242	
	SAUDI ARABIA	235	244	263	248	203	
TOTAL WORLD CONSUMPTION		11,601	12,132	12,280	12,973	13,270	

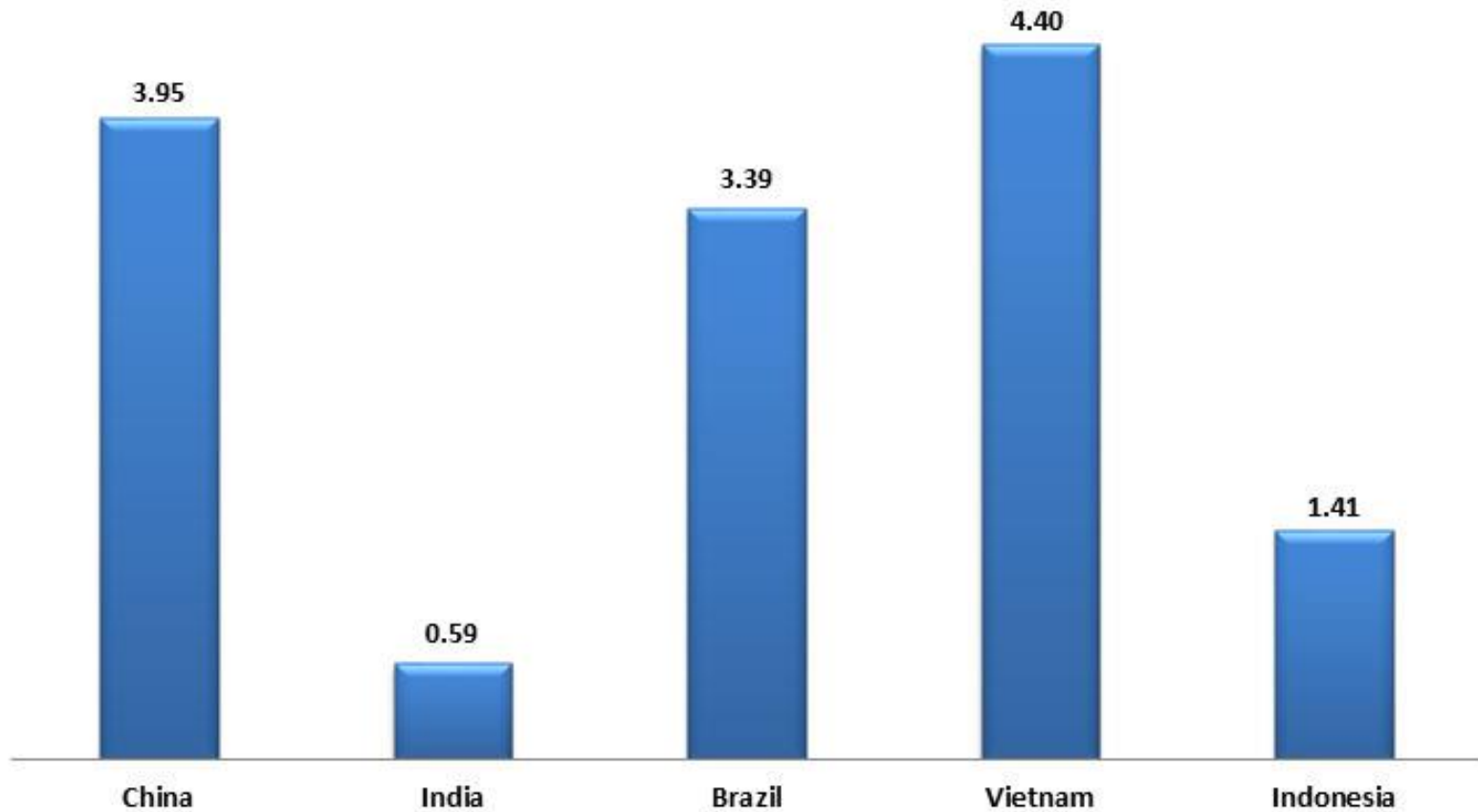
Global consumption Scenario (CY17)



- The break down in consumption by geographical area is very similar to that of production.
- Asia accounts for 68% of the world consumption.

Global Scenario ...

Per capita consumption of tile (Sq Mtr)



Indian Tile Industry

- Indian tile production is 1,080 million sq. mtr. as of March 2018
- Indian tile consumption is 760 million sq. mtr. as of March 2018.
- Indian tile export is 228 million sq. mtr. as of March 2018
- Industry size is estimated to be Rs. 27,000 crore (Net Sales) as of March 2019.
- National Brands contribute less than 50% of industry.
- The industry has been growing at a CAGR of 8 - 9% in the last 4-5 years, but has degrown marginally in FY2018 and FY 2019.

Indian Industry – Major Players

National Brands control less than 50% of the Industry

	Revenue (Net Sale) as on 31.03.2019 (Rs/Cr)
Kajaria Ceramics	2956
Somany Ceramics	1715
Prism Johnson (TBK Division)	1827
Asian Granito	1187
RAK Ceramics *	550
Simpolo *	780
Varmora *	710
Orient Bell Ceramics	571
Nitco Tiles	596
Sun Heart *	625
Murudeshwar Ceramics	126
Others (Swastik, Restile, Marbomax, ITACA, Sunshine etc)*	857
Total	12500

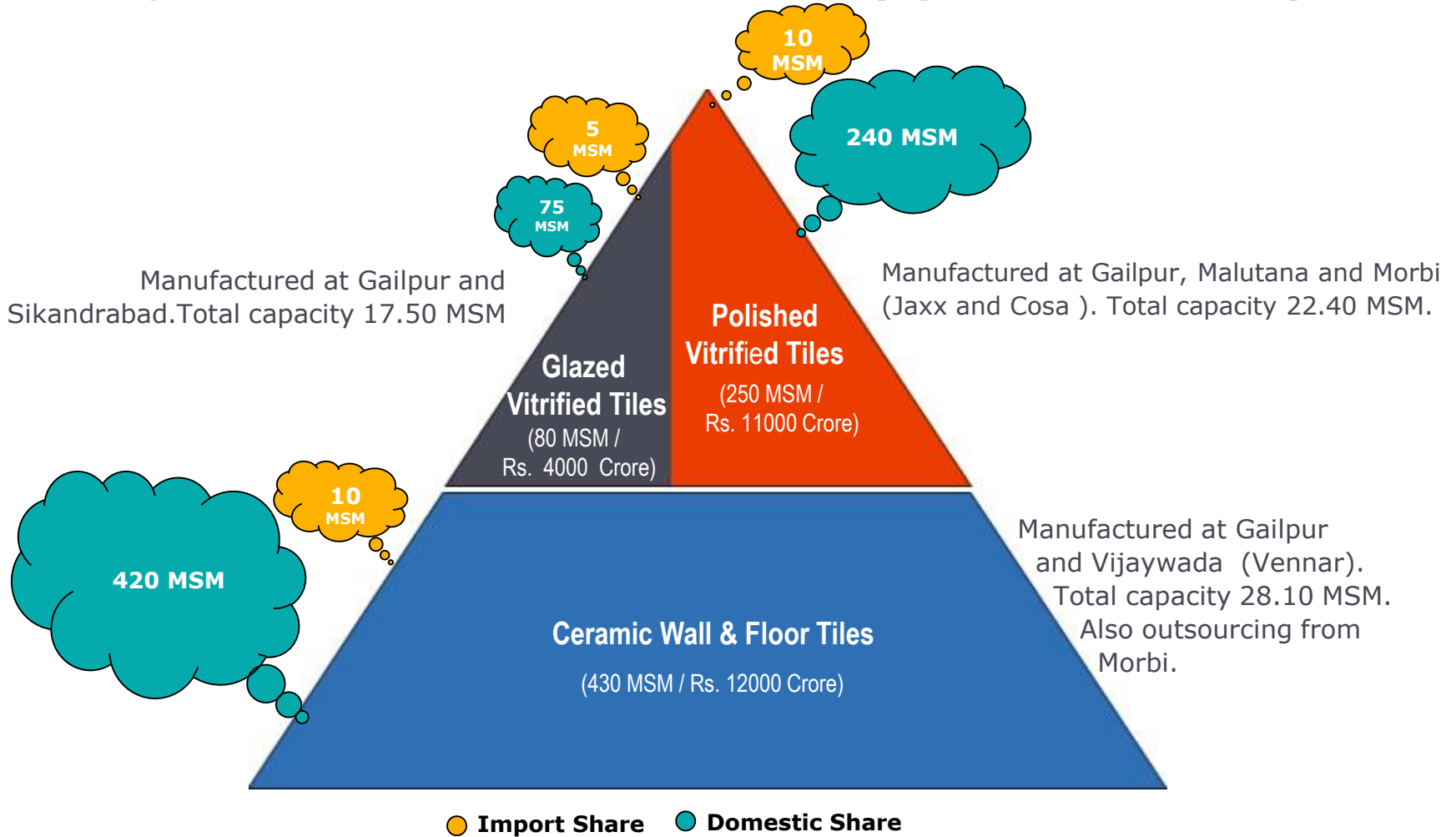
* estimated

Balance of the industry is represented by other regional brands/unbranded players present in Morbi/ Himmatnagar (Gujarat).

‘Kajaria’ is the largest manufacturer of ceramic/vitrified tiles in India and the 9th largest in the world. It has an annual manufacturing capacity of 68 million sq. meters presently, distributed across seven tile plants - one at Sikandrabad (UP), one at Gailpur (Rajasthan), one at Malutana (Rajasthan), three at Morbi (Gujarat) and one at Vijaywada (AP).

Indian Industry – Segmentation

How Kajaria is Catering to all the segment of the 760 MSM tile Industry (Rs. 27,000 Crore)



Manufacturing – Own Plants

- **Kajaria started production in August 1988 at Sikandrabad (UP) with 1 million sq. mtr. per annum.**
- **Current Capacity of Sikandrabad plant is 8.40 million sq. mtr. of glazed vitrified tiles.**



Manufacturing – Own Plants

Commissioned 2nd Plant in March 1998 at Gailpur (Rajasthan) with a capacity of 6 million sq mtr p.a. and further increased the capacity in phased manner. The present capacity of Gailpur plant is 34.30 millions sq. mtr. per annum of ceramic wall & floor tiles and vitrified tiles.



Manufacturing – Own Plants

Commissioned 3rd Plant in January 2016 at Malutana (Rajasthan) with a capacity of 6.50 million sq mtr p.a. of polished vitrified tiles.



Tile Manufacturing – Through Joint Ventures

A. JAXX VITRIFIED

Jaxx Vitrified is based in Morbi (Gujarat). Kajaria has 82% stake in the same. Jaxx has combined annual capacity of 10.20 MSM of polished vitrified tiles comprising 2 plants. Jaxx has operated at full capacity during Q1 FY20.

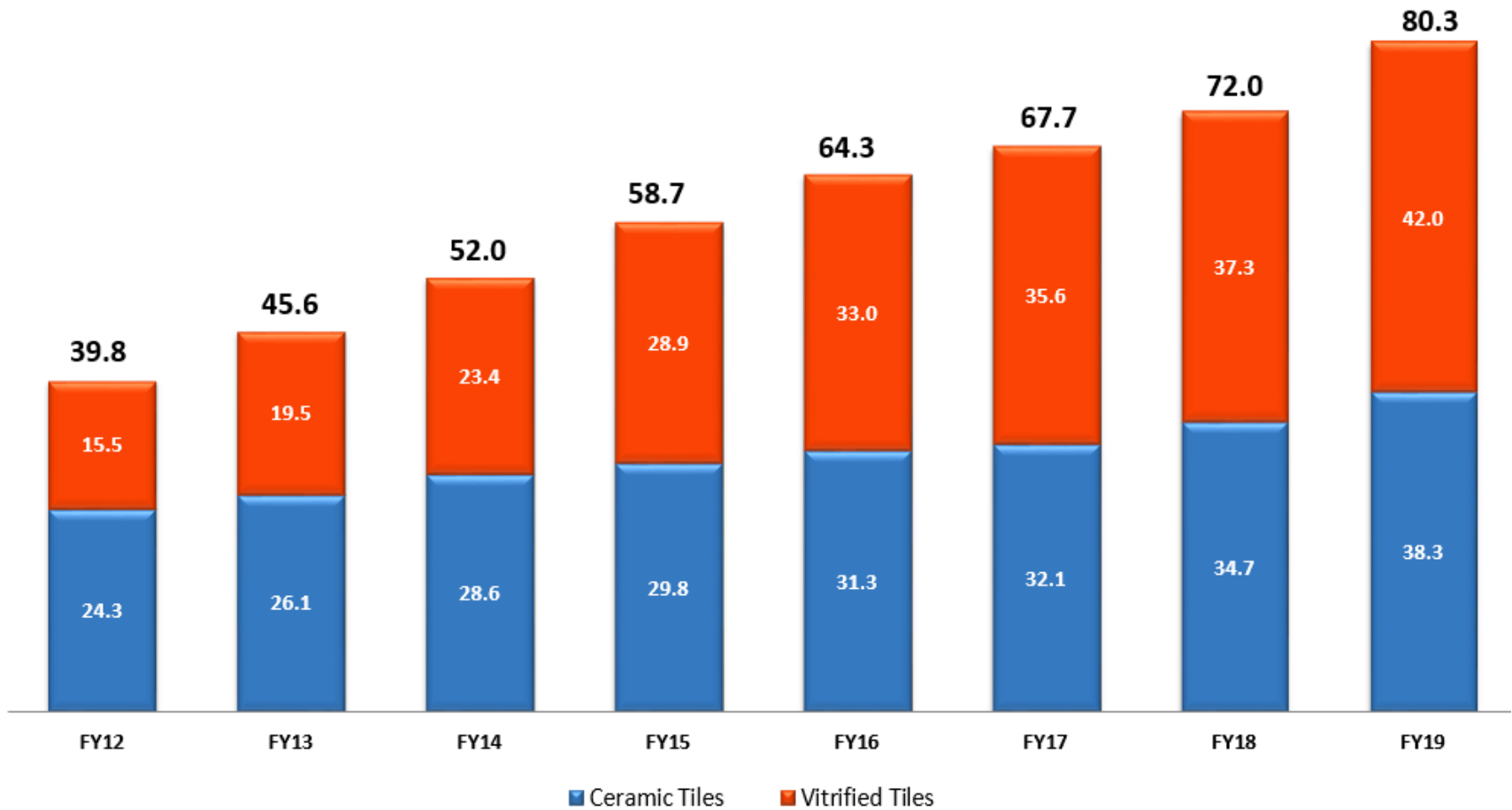
B. VENNAR CERAMICS

Vennar is based in Vijayawada (Andhra Pradesh). Kajaria has 51% stake in the same. Vennar has annual capacity of 2.90 MSM of high end ceramic wall tiles. Vennar has operated at full capacity during Q1 FY20.

C. COSA CERAMICS

Cosa is based in Morbi (Gujarat). Kajaria has 51% stake in the same. Cosa has annual capacity of 5.70 MSM of polished vitrified tiles. Cosa has operated at 85% capacity utilisation during Q1 FY20.

Tile sales growth (msm per annum)



Geographical Spread of the Production Capacity

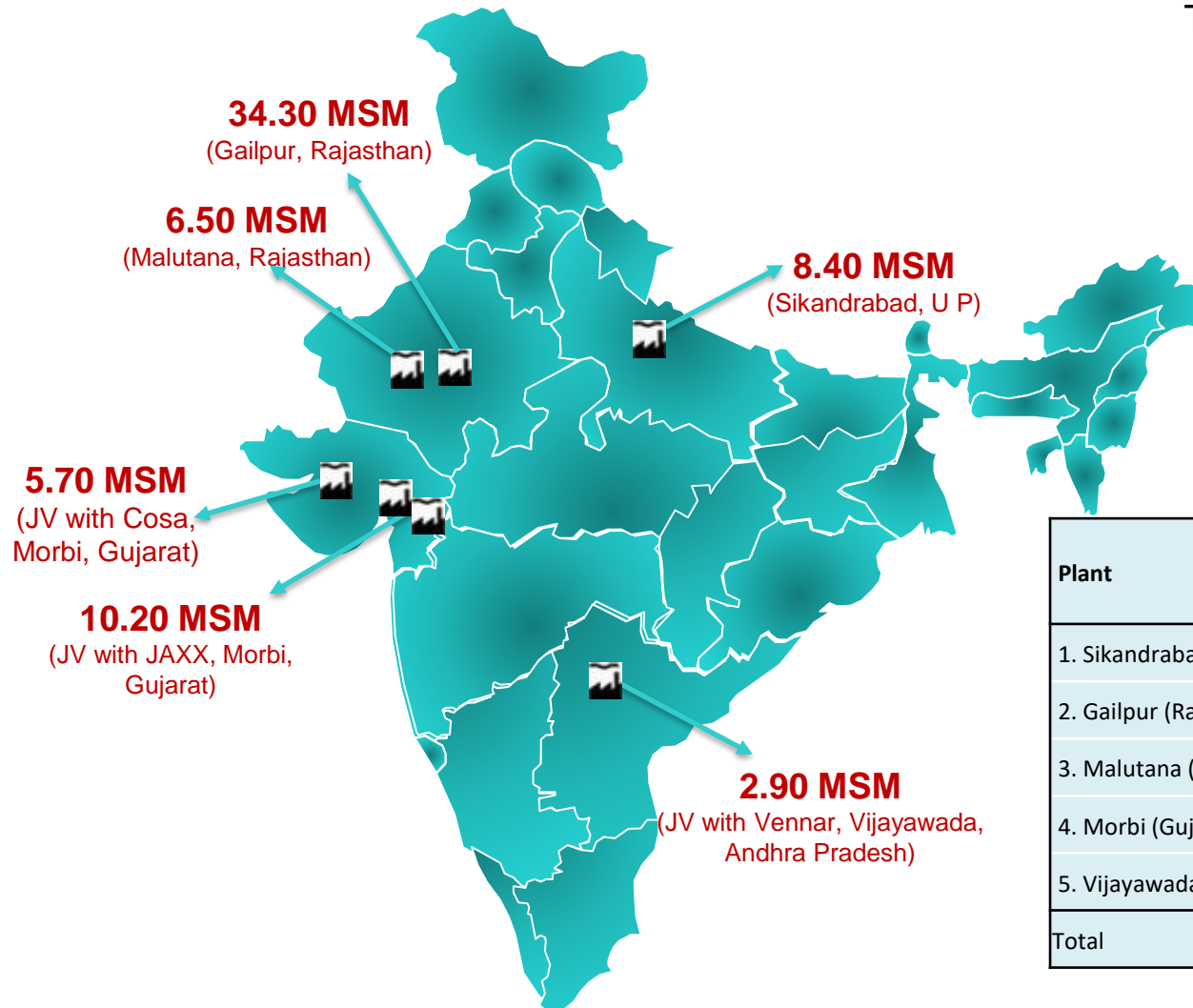
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ASSET OVERVIEW

Total Capacity 68.00 MSM

MANUFACTURING FACILITIES

Tile plants **7**, Faucets plant **1**,
Sanitary ware plant **1**



Plant	MSM			Total
	Ceramic Wall & Floor Tiles	Polished Vitrified Tiles	Glazed Vitrified Tiles	
1. Sikandrabad (UP)	-	-	8.40	8.40
2. Gailpur (Rajasthan)	25.20	-	9.10	34.30
3. Malutana (Rajasthan)	-	6.50	-	6.50
4. Morbi (Gujarat)	-	15.90	-	15.90
5. Vijayawada (AP)	2.90	-	-	2.90
Total	28.10	22.40	17.50	68.00

Ongoing Expansions /Acquisitions

KAJARIA TILES PRIVATE LIMITED*

Kajaria Tiles (a wholly owned subsidiary) is putting up a manufacturing facility of glazed vitrified tiles with a capacity of 5.00 MSM p.a. in Andhra Pradesh. The Plant is expected to be commissioned in September 2019.

* (formerly known as Kajaria Floera Ceramics Pvt. Ltd.)

Diversification

KAJARIA BATHWARE (P) LIMITED

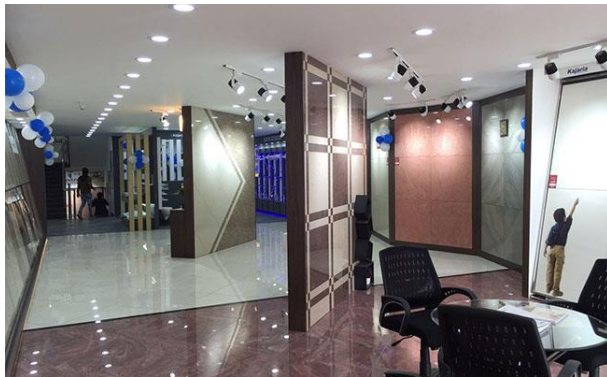


Kajaria Bathware is a subsidiary of Kajaria Ceramics Ltd, in which Kajaria owns 85% and Aravali Investment Holdings, Mauritius, a wholly-owned subsidiary of WestBridge Crossover Fund, LLC owns 15% stake.



- a) Sanitaryware: The Sanitaryware plant is situated in Morbi (Gujarat) having production capacity of 6.00 lac pcs p.a. The plant is nearing optimum capacity utilization. The unit is in the process to expand further by 1.50 lac pcs p.a., which is expected to be completed in September 2019.
- b) Faucet: This facility is situated at Gailpur (Rajasthan) having 1.00 million pcs p.a. The plant has operated at 72% capacity in Q1 FY20 and expected to attain a 90% capacity utilization in FY20.

Distribution Network of strong and loyal dealers all over the country

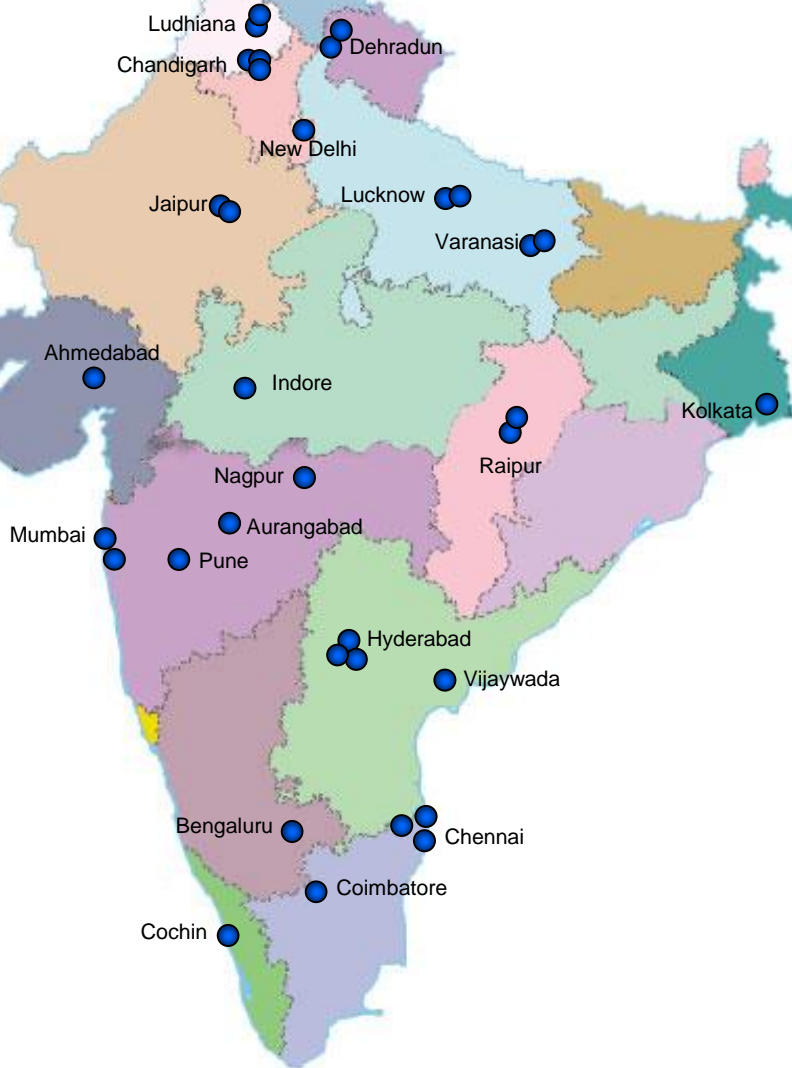


**1500
Operative
Dealers**



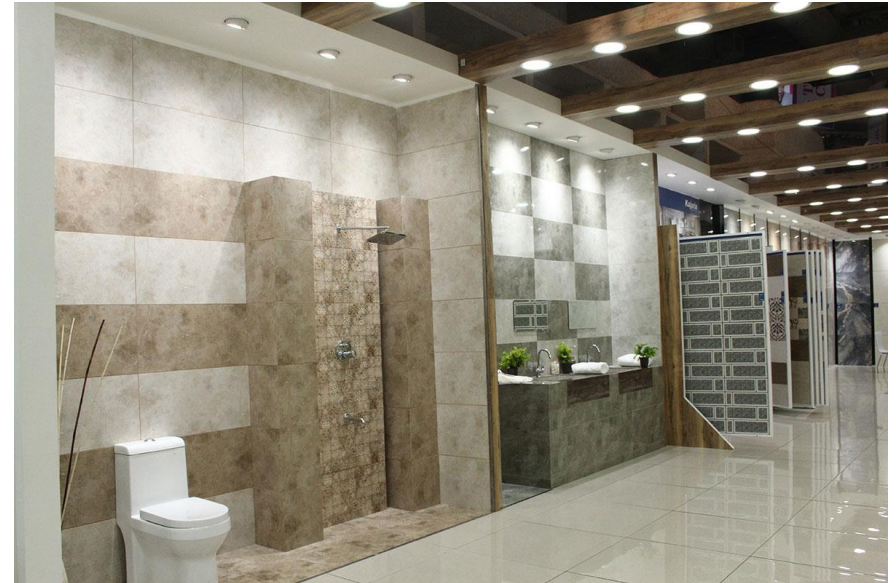
**270
Exclusive
Dealers**
(Only Kajaria)

34 Corporate Offices / Display Centers across the country



Customers / Architects come to select the tiles, then buy from their nearest dealer.

TAKING PART IN EXHIBITIONS ACROSS THE COUNTRY





Only Ceramic Tile Company in India conferred with “**Superbrand**” for Eleventh consecutive time

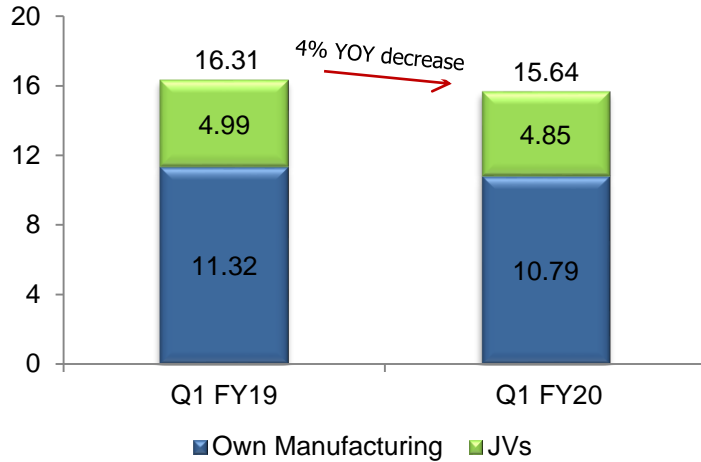


Superbrand is a concept that originated in the UK in 1993 and currently operating in 86 countries

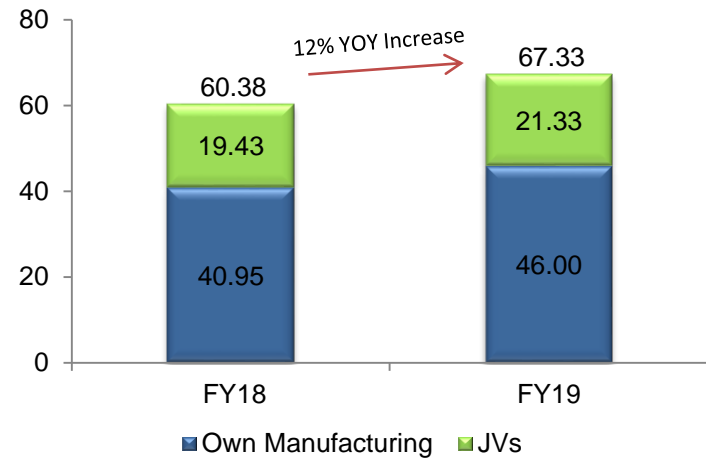


Volume Data (tiles) – Quarterly and Yearly

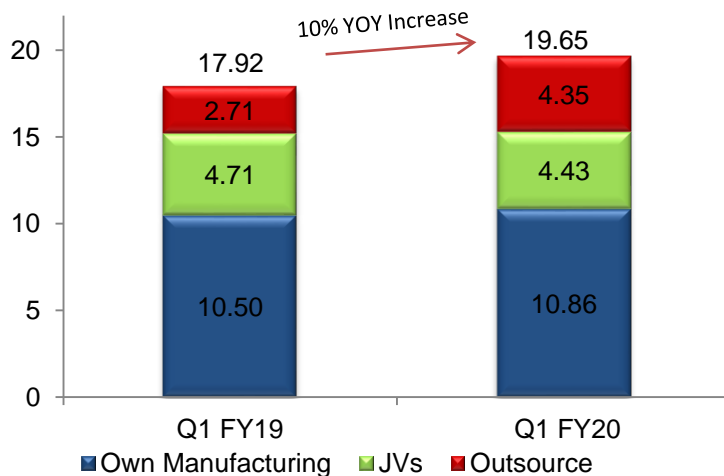
Production Growth (MSM) - Q1 FY20



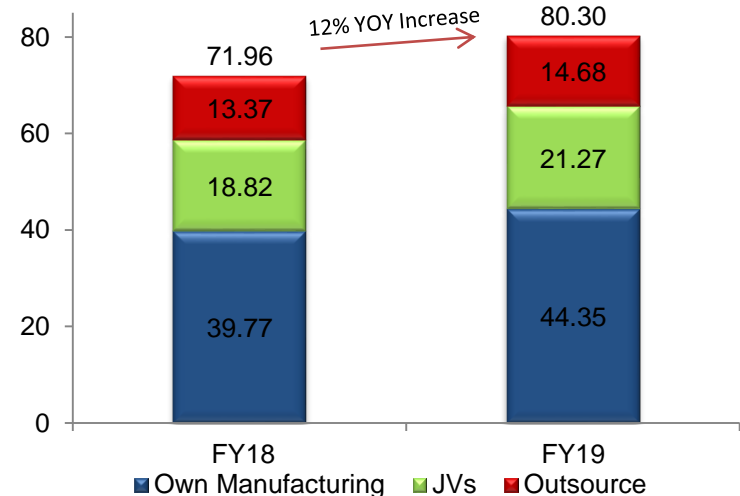
Production Growth (MSM) - FY19



Sales Growth (MSM) – Q1 FY20

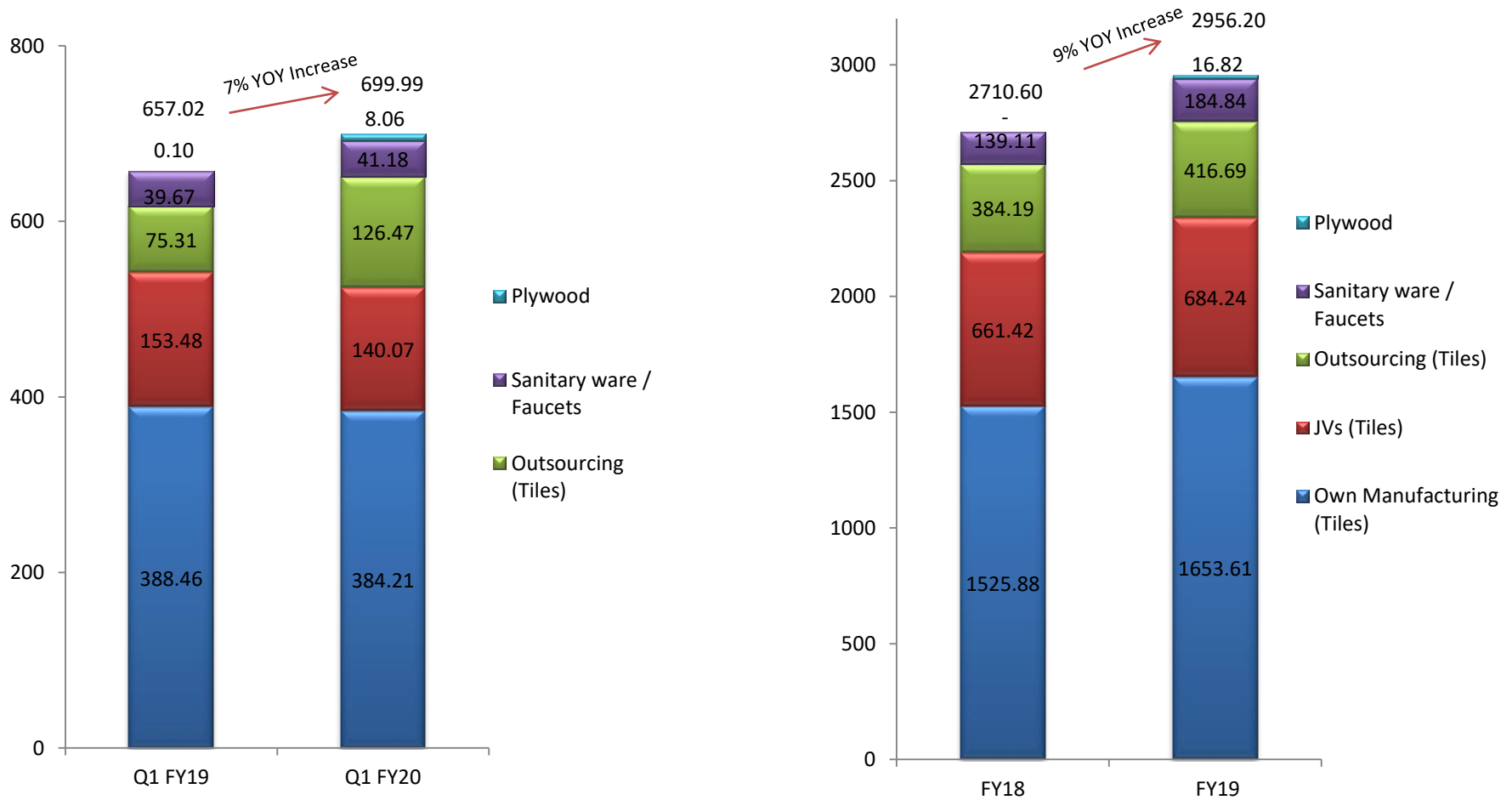


Sales Growth (MSM) – FY19



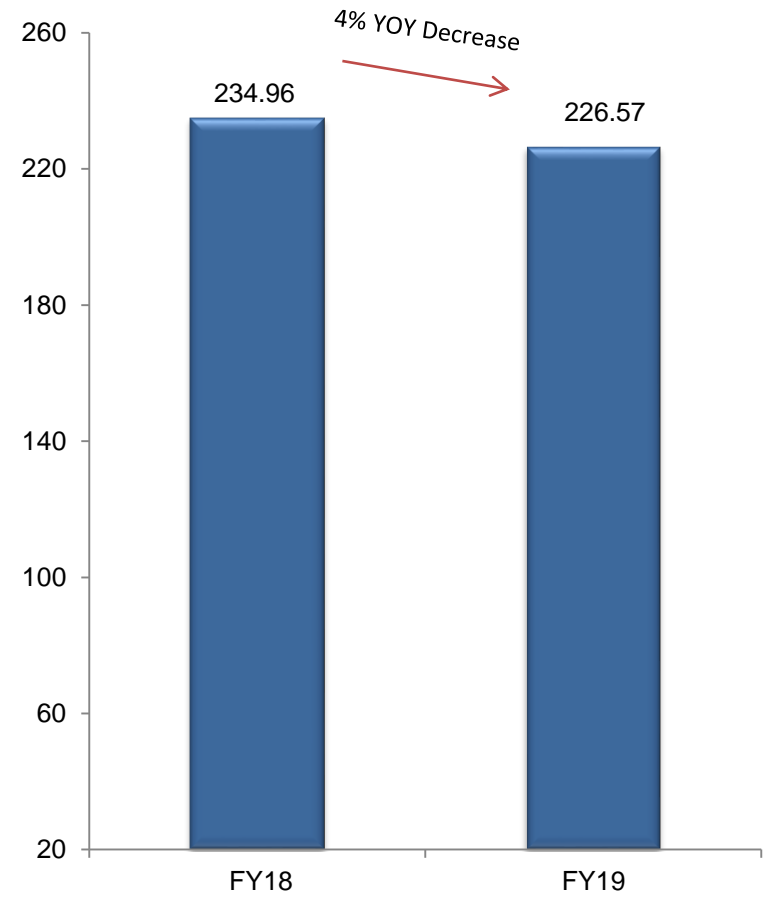
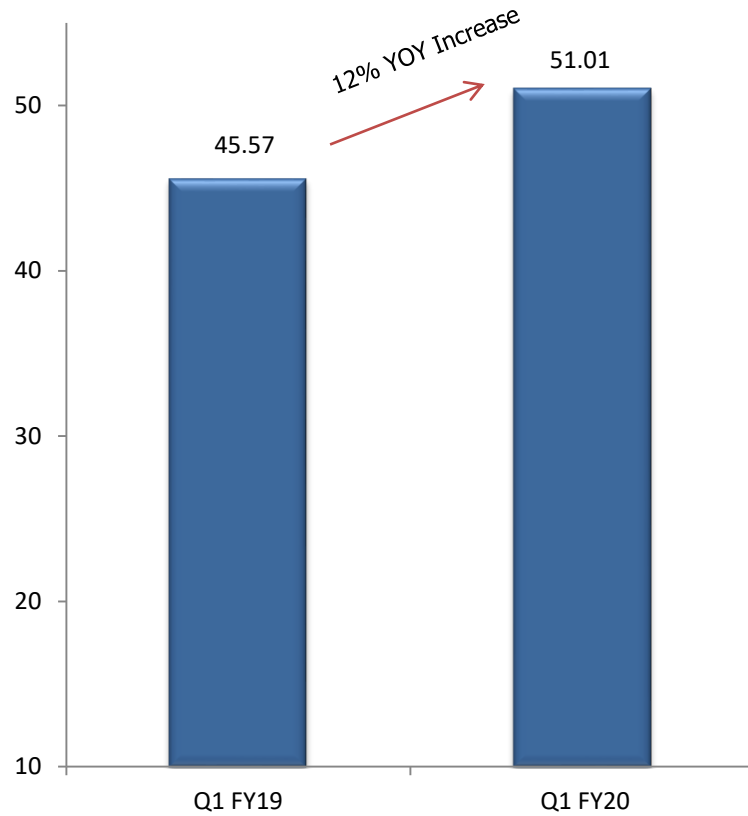
Revenue Growth – Quarterly and Yearly

Rs./ Crores



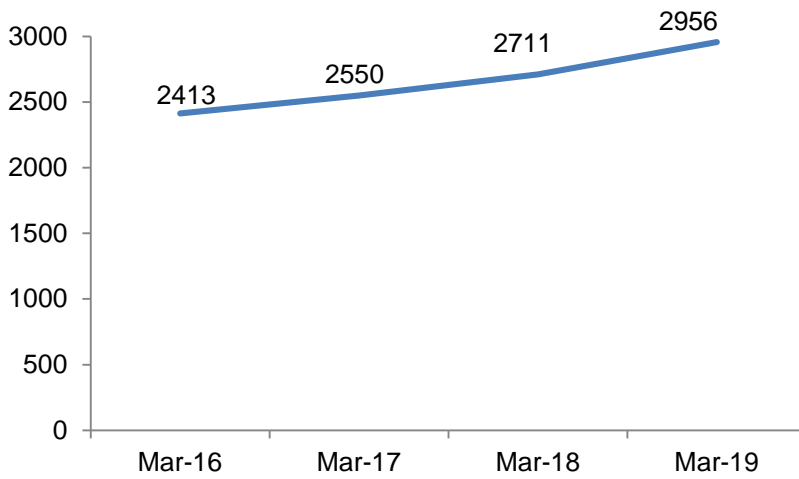
PAT – Quarterly and Yearly

Rs. / Crores

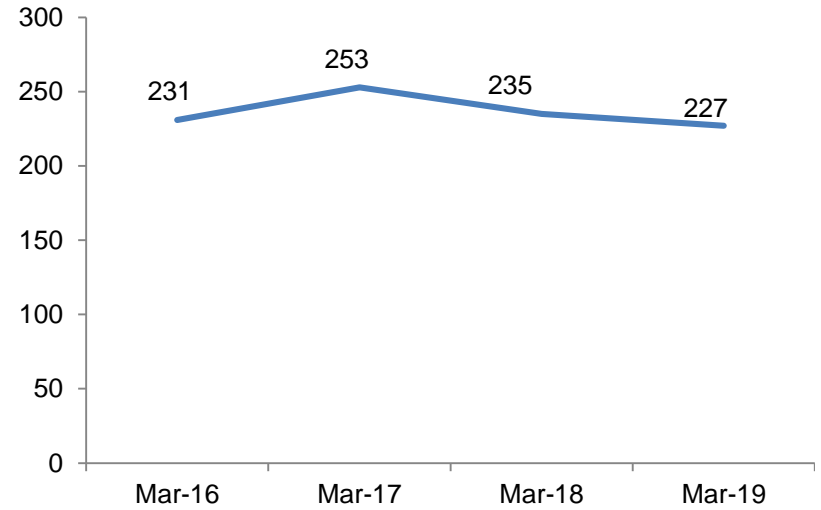


Historical Data

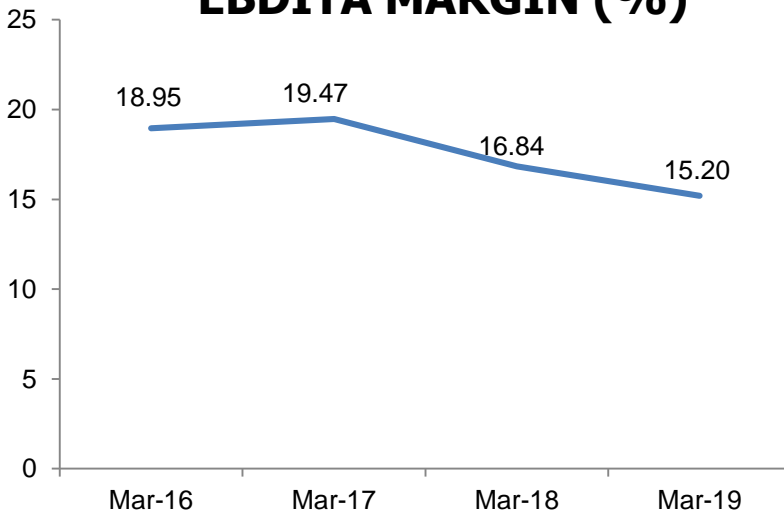
Net Sales (Rs. Crore)



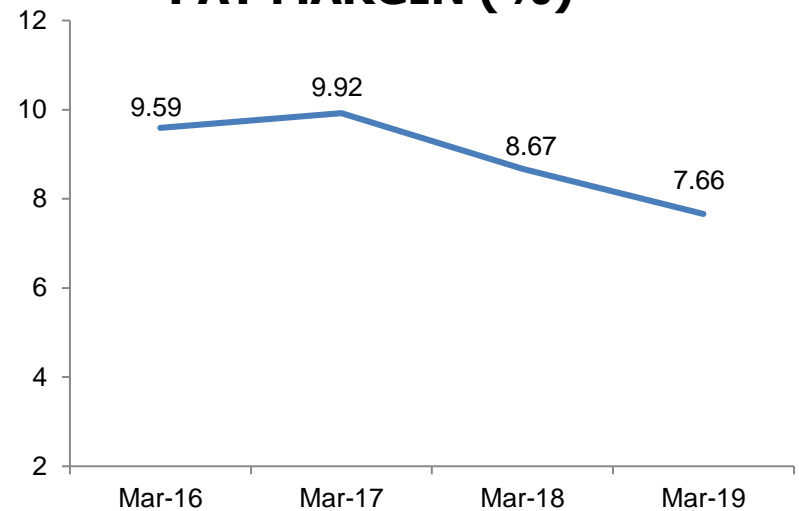
PAT (Rs. Crore)



EBDITA MARGIN (%)

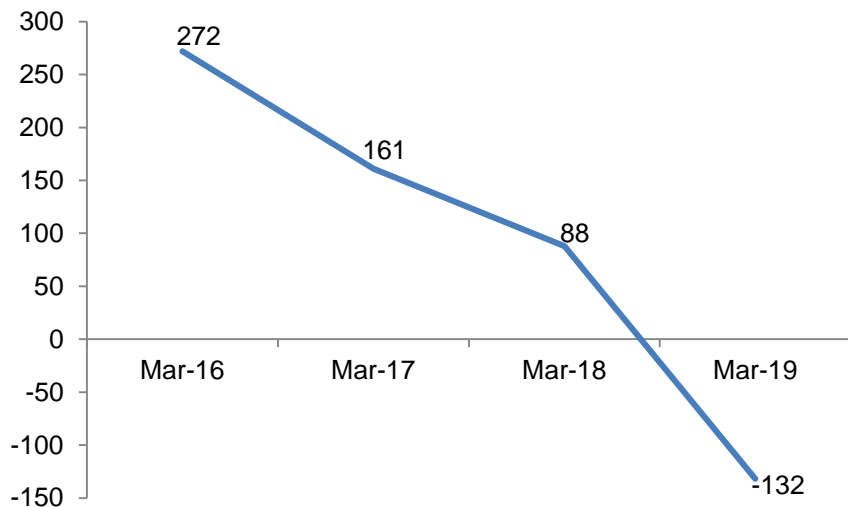


PAT MARGIN (%)

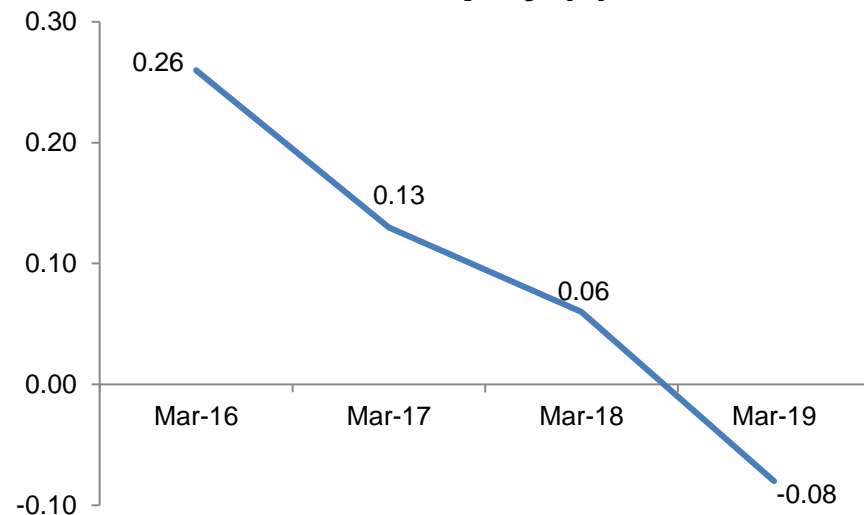


Historical Data continued.....

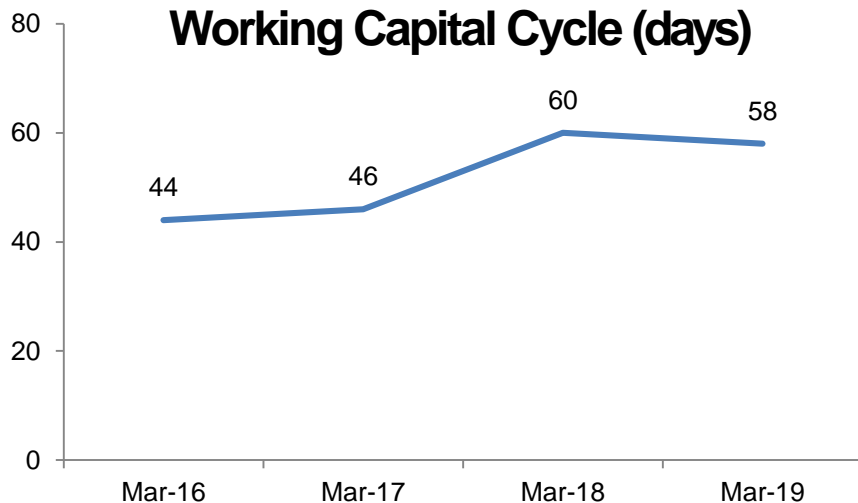
Net Debt (Rs. Crore)*



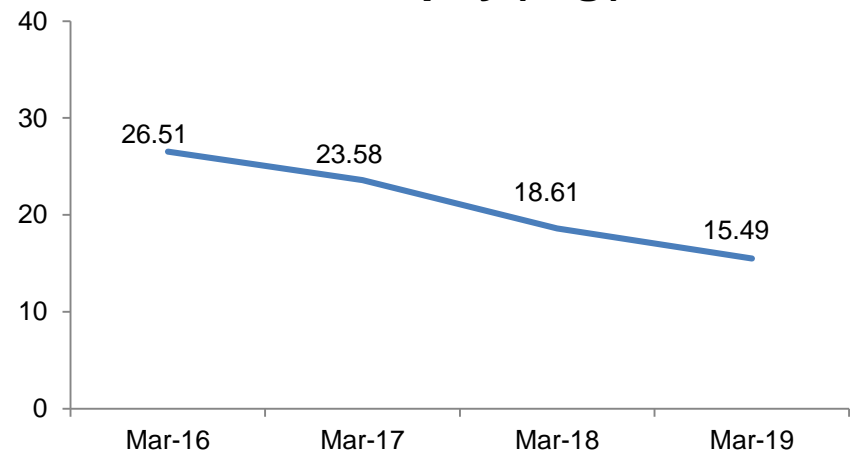
Net Debt Equity (X)



Working Capital Cycle (days)



Return on Equity (Avg.)



* Net of cash and cash equivalents

Working capital days' excludes capex creditors and cash & Bank balance and not comparable with previous periods due to GST.

ROE as on 31st Mar. 19 taken at average of net worth as on 31st Mar. 19 & 31st Mar. 18 and on FY19 PAT.

Financial Highlights

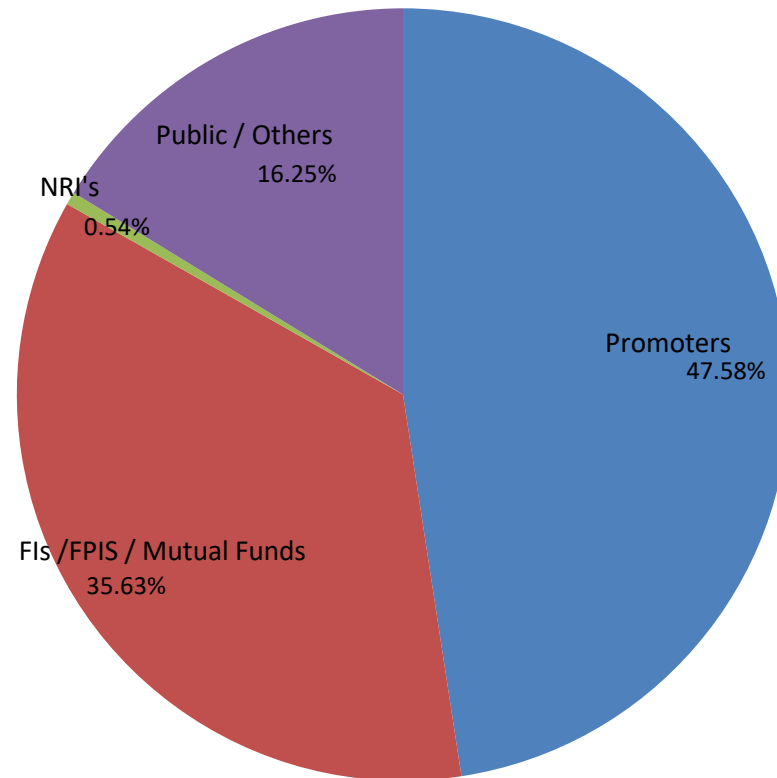
(Rs in Crore)

	Q1 FY20		Q1 FY19		Growth		FY19		FY18		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	639.70	699.99	614.11	657.02	4%	7%	2726.07	2956.20	2580.68	2710.60	6%	9%
EBITDA	97.92	105.97	87.71	96.81	12%	9%	400.36	449.49	427.89	456.36	-6%	-2%
EBITDA MARGIN	15.31%	15.14%	14.28%	14.73%			14.69%	15.20%	16.58%	16.84%		
Depreciation	19.49	25.82	16.01	22.67	22%	14%	63.45	89.06	61.76	88.53	3%	1%
Other Income	10.79	5.28	6.68	2.38	62%	122%	34.81	18.03	23.51	10.84	48%	66%
Interest	1.74	4.52	1.04	4.17	67%	8%	3.39	15.59	4.48	24.10	-24%	-35%
Exceptional Items - loss (gain)							-4.78	4.84	3.61	-0.75		
Profit Before Tax	87.48	80.91	77.34	72.35	13%	12%	373.11	358.03	381.55	355.32	-2%	1%
Tax Expense	30.50	30.53	26.87	26.98	14%	13%	127.21	129.28	129.23	126.72	-2%	2%
Minority Interest		-0.63		-0.20				2.18		-6.36		
Profit After Tax	56.98	51.01	50.47	45.57	13%	12%	245.90	226.57	252.32	234.96	-3%	-4%
Cash Profit	76.47	76.83	66.48	68.24	15%	13%	309.35	315.63	314.08	323.49	-2%	-2%
Equity Share Capital	15.90	15.90	15.90	15.90			15.90	15.90	15.90	15.90		
EPS (Basic) (Rs.)	3.59	3.21	3.18	2.87	13%	12%	15.47	14.25	15.88	14.78	-3%	-4%

Shareholding Pattern

As on 30th Jun. 2019

Equity Shares Outstanding – 158.95 millions



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For further information, please visit www.kajariaceramics.com or contact:

Mr. Sanjeev Agarwal, CFO

+91 11 26946409 (Board),

+91 11 41064110 (Direct)

Email: sanjeev@kajariaceramics.com

Mrs. Pallavi Bhalla, DGM Investor Relations

+91 11 26946409 (Board),

+91 11 40946552 (Direct)

Email: pallavibhalla@kajariaceramics.com

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