

Kajaria

Corporate Presentation

January 2019

Agenda

Global Tile Industry

Indian Tile Industry











Kajaria Ceramics – overview

Financials

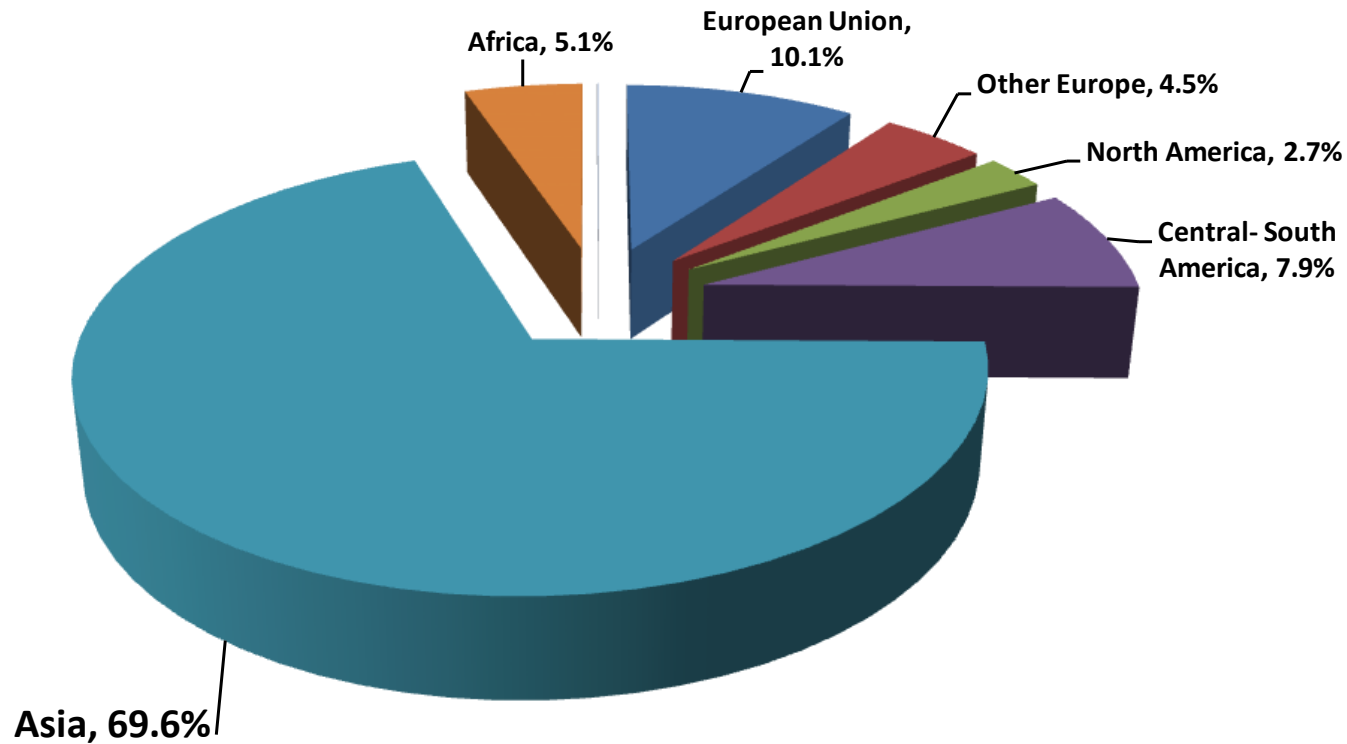
Shareholding Pattern

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)



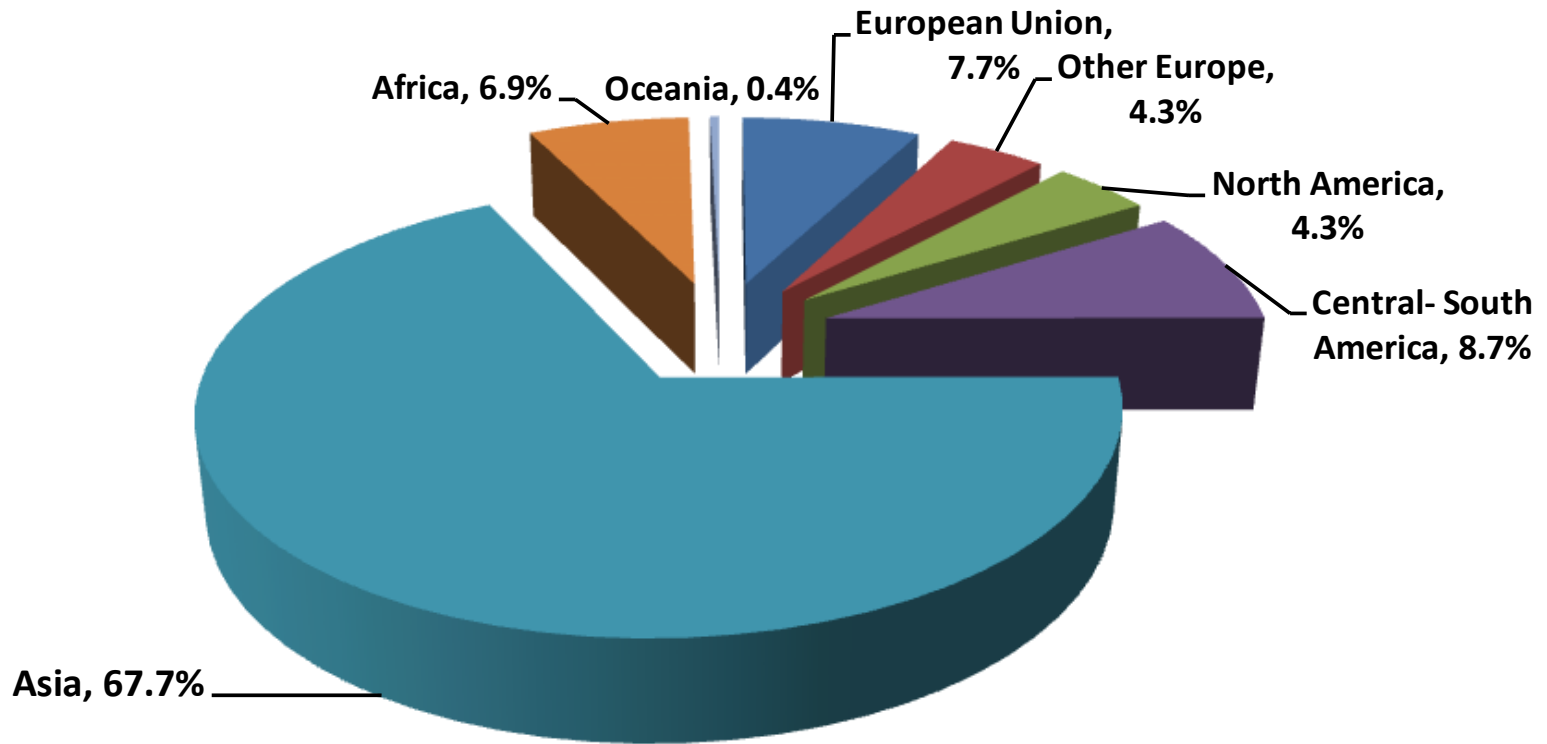
- In 2017 world tile production reached 13.55 billion sq. mtr. – up 2.2% over 2016.
- Asia produced 9,438 million sq. mtr. – up 0.1% over 2016.

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	

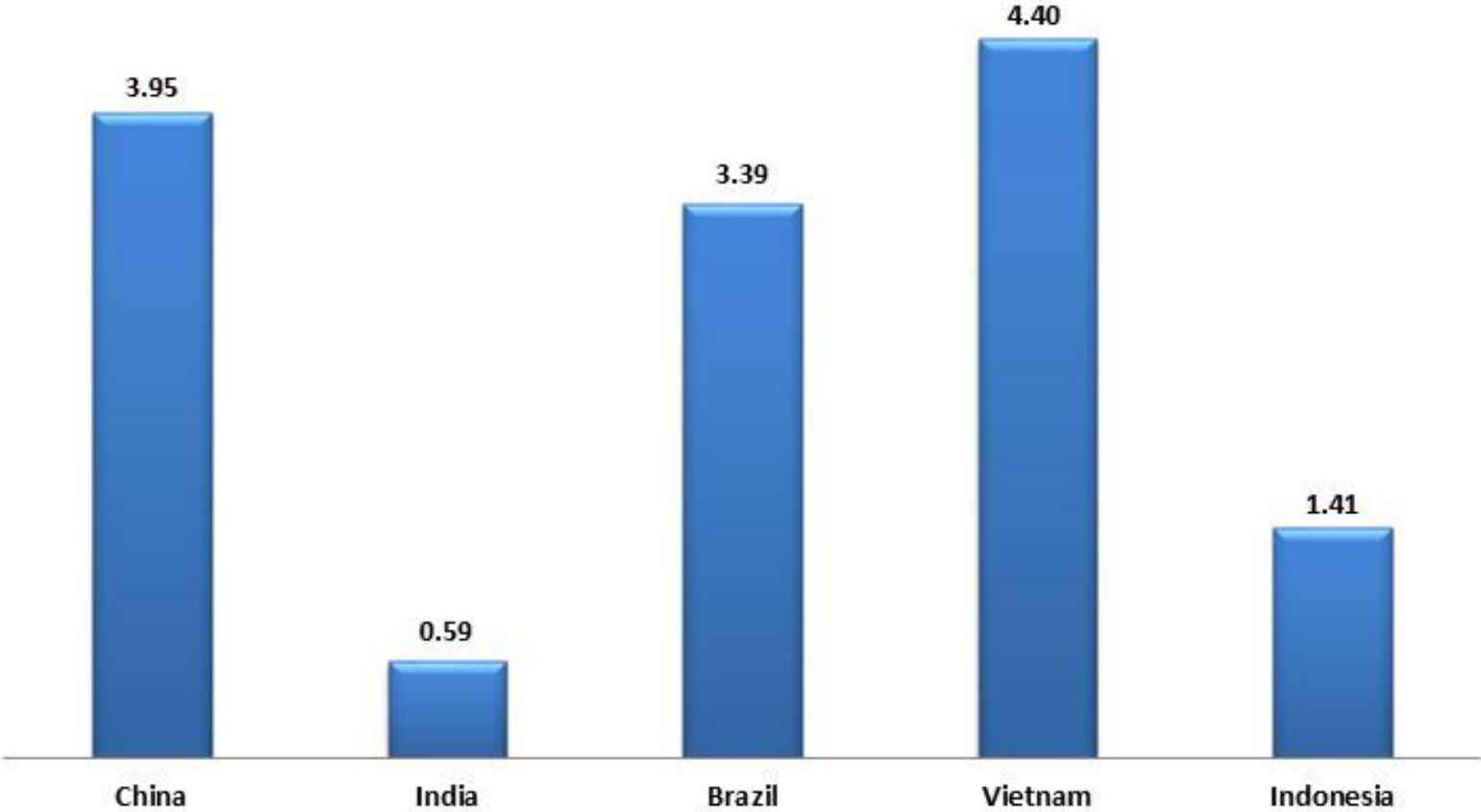
Global consumption Scenario (CY17)



- 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)



Source: Ceramic World Review

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 2018.
- National Brands contribute to 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.

Indian Industry – Major Players

National Brands control less than 50% of the Industry

	Revenue (Net Sale) as on 31.03.2018 (Rs/Cr)
Kajaria Ceramics	2711
Somany Ceramics	1713
Prism Johnson (TBK Division)	1685
Asian Granito	1156
RAK Ceramics *	750
Simpolo *	750
Varmora *	700
Orient Bell Ceramics	648
Nitco Tiles	610
Sun Heart *	600
Murudeshwar Ceramics	119
Others (Swastik, Restile, Marbomax, ITACA, Sunshine etc)*	658
Total	12100

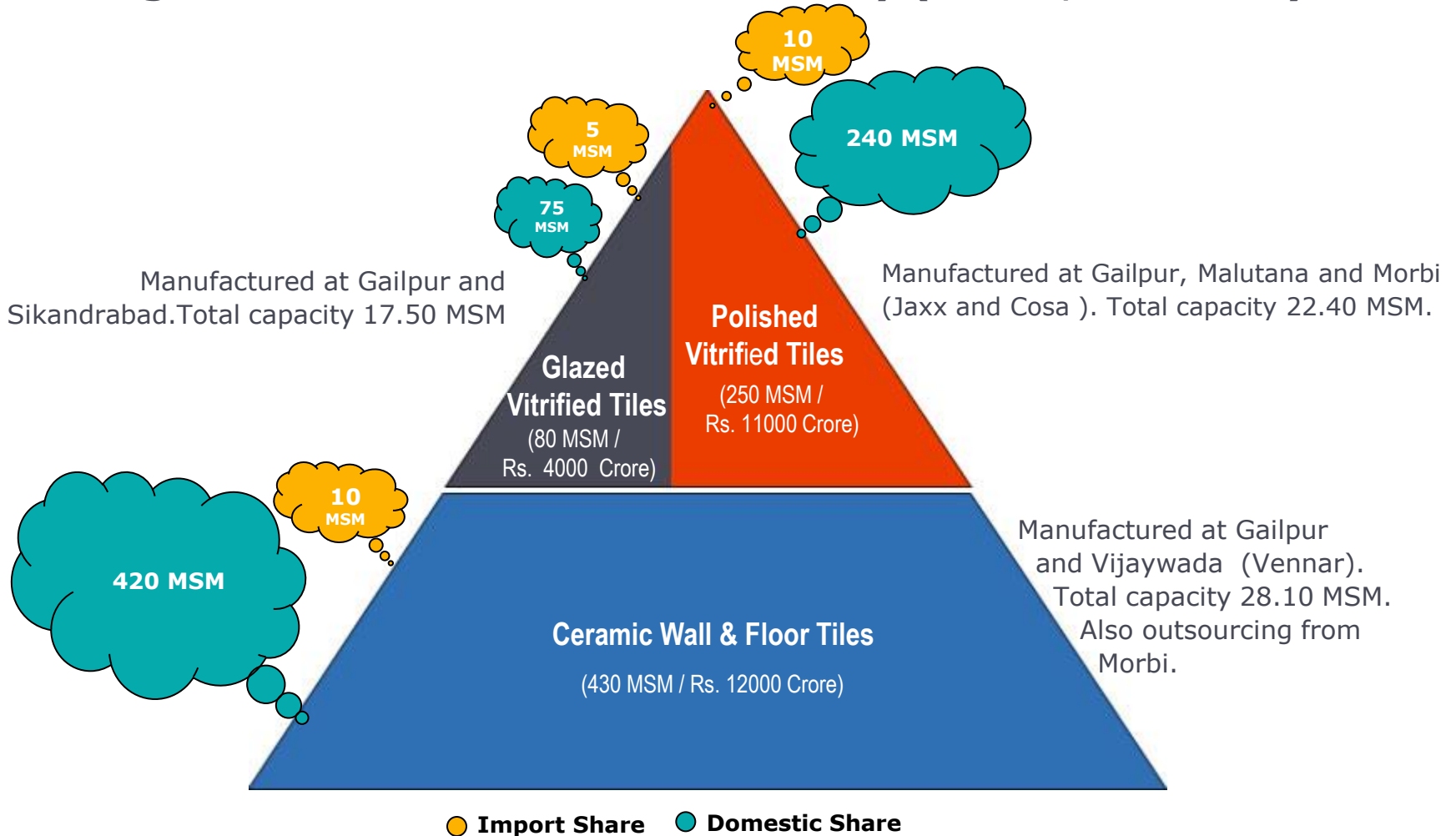
* estimated

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

Acquired 51% stake (now 82%) in Jaxx Vitrified Pvt Ltd, based in Morbi, Gujarat in February 2012, with an annual capacity of 3.10 MSM. Production commenced in March 2012. Jaxx has acquired another plant with a 2.60 MSM annual capacity of polished vitrified tile in April 2013 in Morbi making the total capacity of Jaxx to 5.70 MSM per annum. Expansion of 4.50 MSM polished vitrified tile in Sep. 2014 has increased Jaxx capacity to 10.20 MSM.

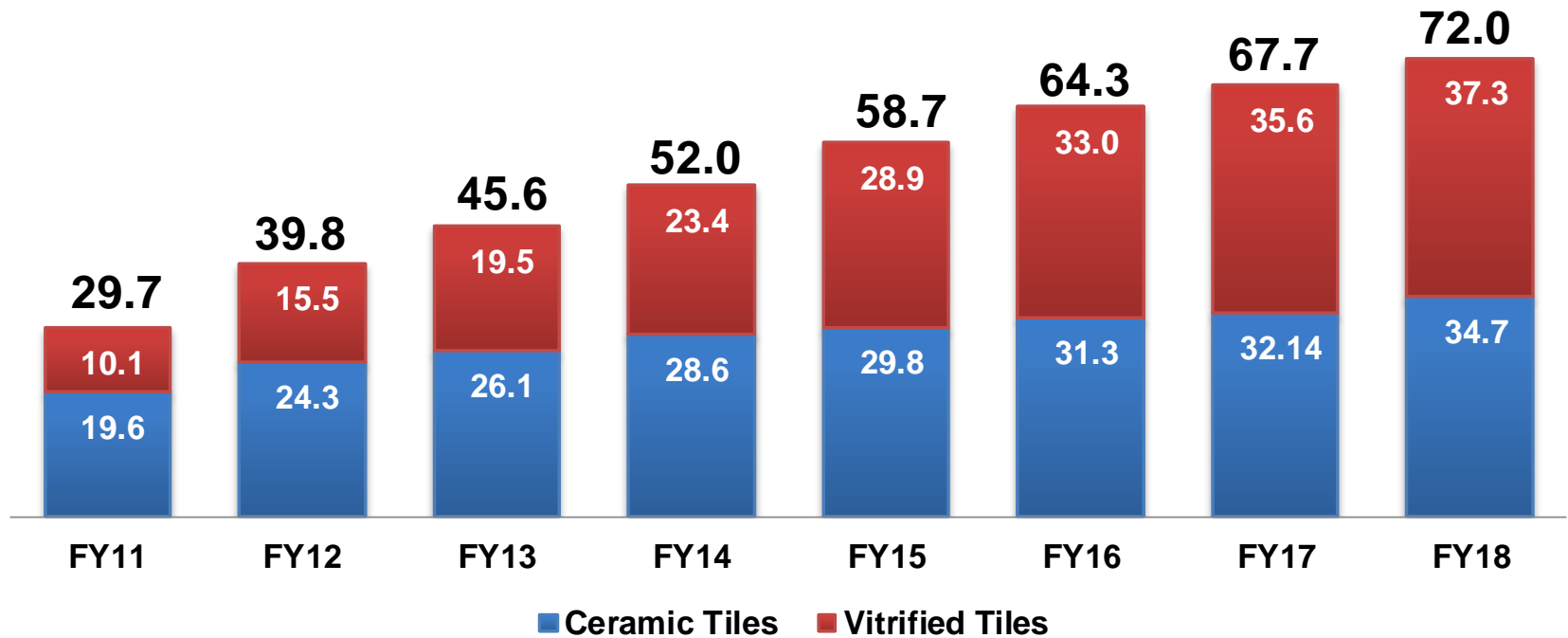
B. VENNAR CERAMICS

Acquired 51% stake in Vennar Ceramics Ltd, based in Vijayawada, Andhra Pradesh in April 2012, with an annual capacity of 2.30 MSM of high end ceramic wall tiles. Production has commenced on the 1st July, 2012. The revised capacity of Vennar works out to 2.90 MSM per annum due to change in product profile.

C. COSA CERAMICS

Acquired 51% stake in Cosa Ceramics Pvt. Ltd., based in Morbi, Gujarat – on 16th Oct.'12, with an annual production capacity of 2.70 MSM of polished vitrified tiles and further increased to 5.70 MSM in Sep. 2014.

Tile sales growth (msm per annum)



Geographical Spread of the Production Capacity

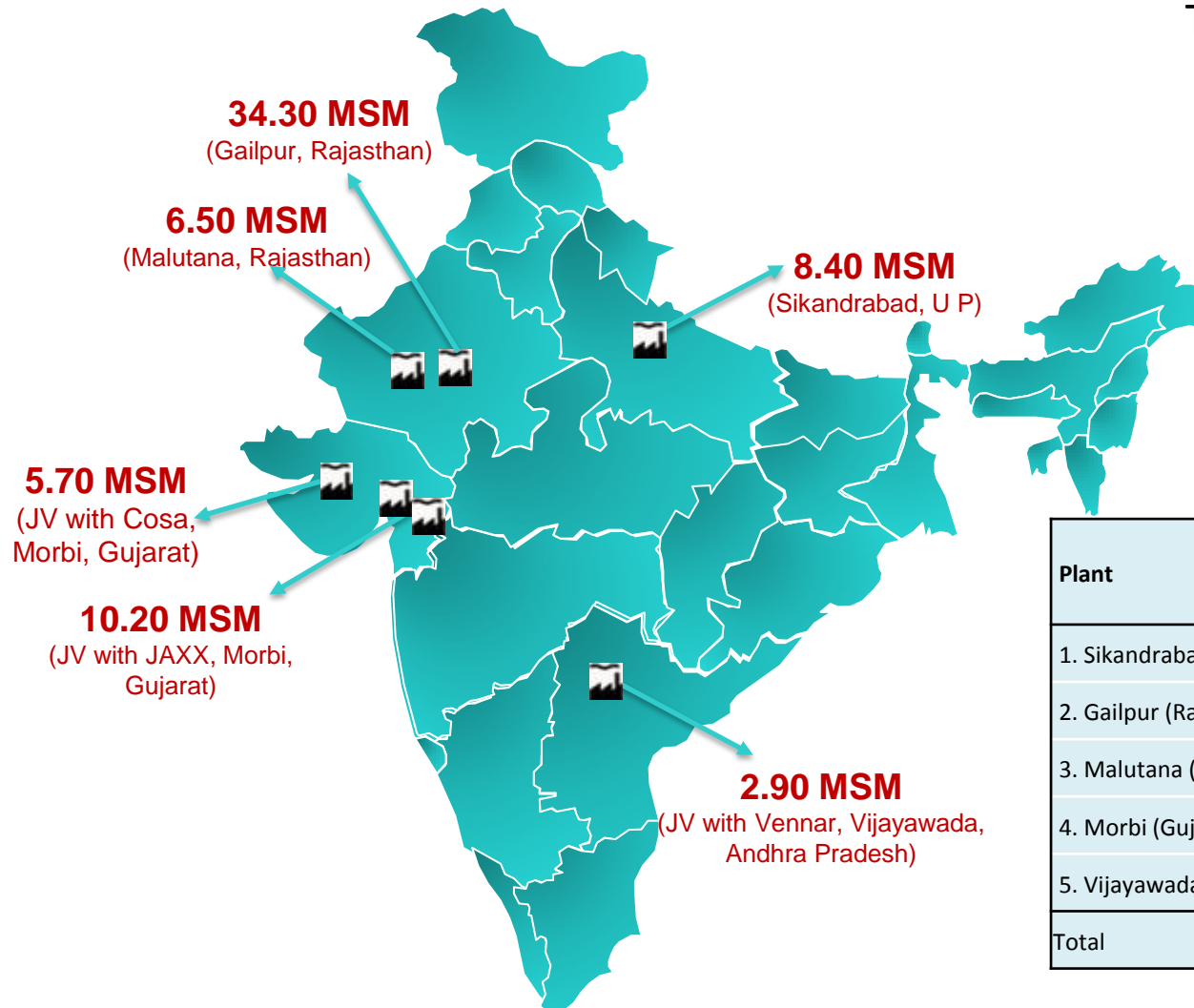
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ASSET OVERVIEW

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 FLOERA CERAMICS

Kajaria Floera (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 by 2nd quarter of FY20.

Diversification

KAJARIA BATHWARE (P) LIMITED*

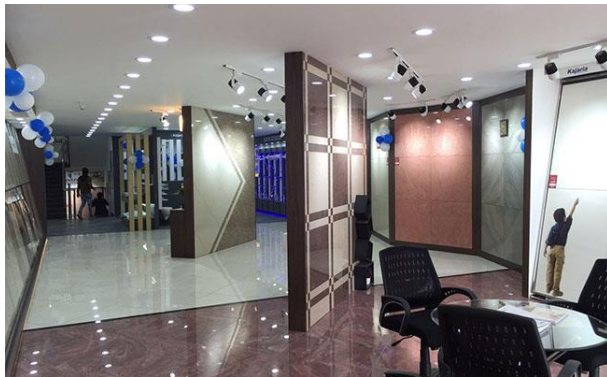


a) Sanitaryware: Kajaria Sanitaryware (P) Ltd. (KSPL), in which KBL holds 82%, has started the production of sanitaryware in April 2014, and further increased the capacity in July 2015 to 6 lac pcs p.a. (with ability to produce more value added products) which is operational from 25th July 2018. Further expansion of 1.20 lac pcs p.a. is in process which is expected to be completed in Q1 FY20.

b) Faucet: The 1.00 million pieces faucet facility at Gailpur (Rajasthan) commenced commercial production in July 2015.

*West Bridge Crossover Fund invested Rs 64 Crore in equity of KBPL for 15% stake.

Distribution Network of strong and loyal dealers all over the country

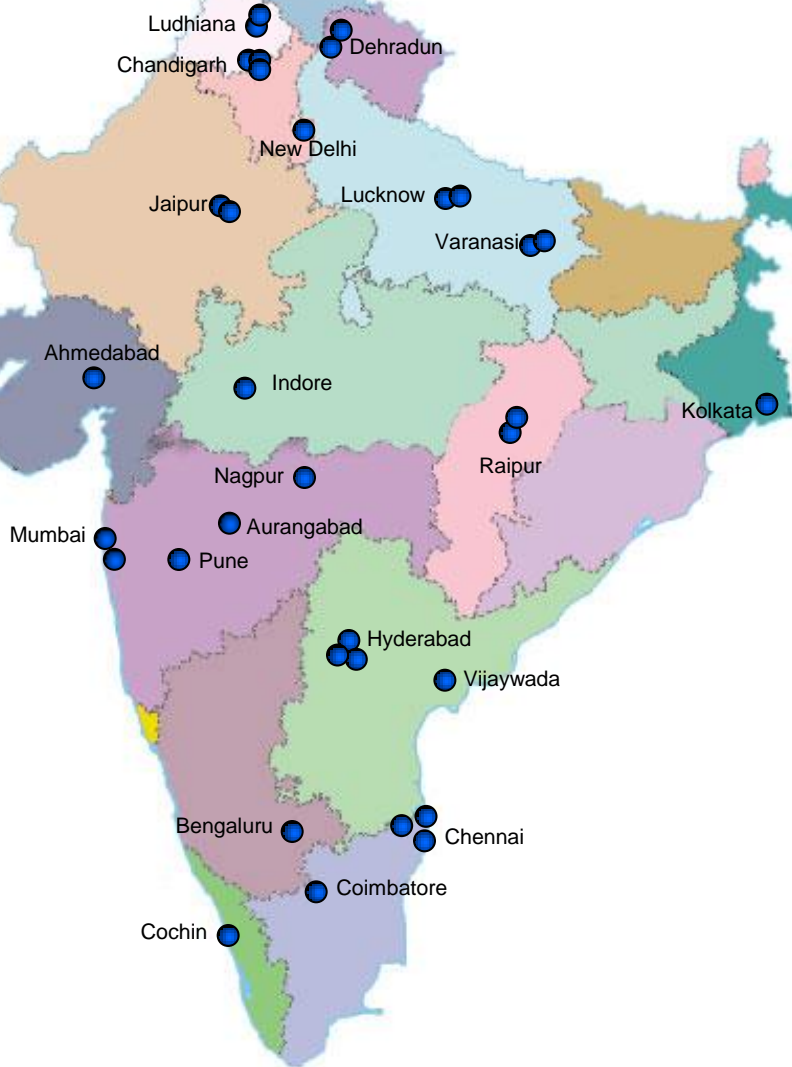


**1400
Operative
Dealers**



**200
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 Tenth consecutive time

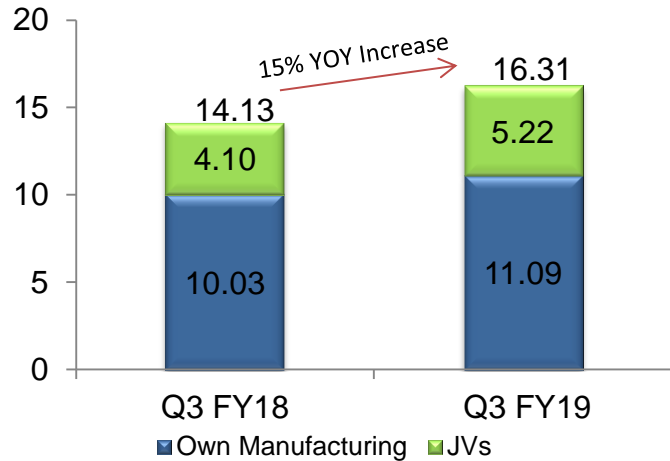


Superbrand is a concept that originated in the UK in 1993 and currently operating in 86 countries

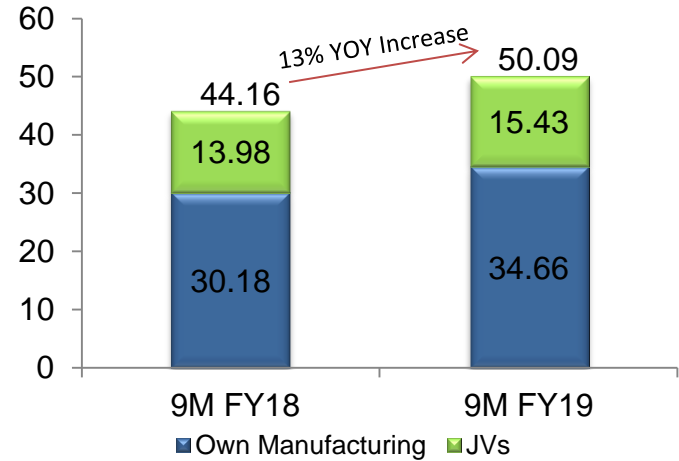


Volume Data (tiles) – Quarterly and 9 months

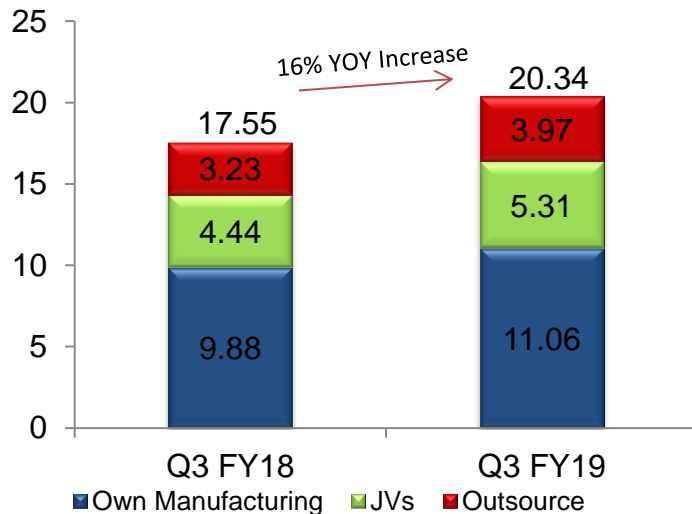
Production Growth (MSM) - Q3 FY19



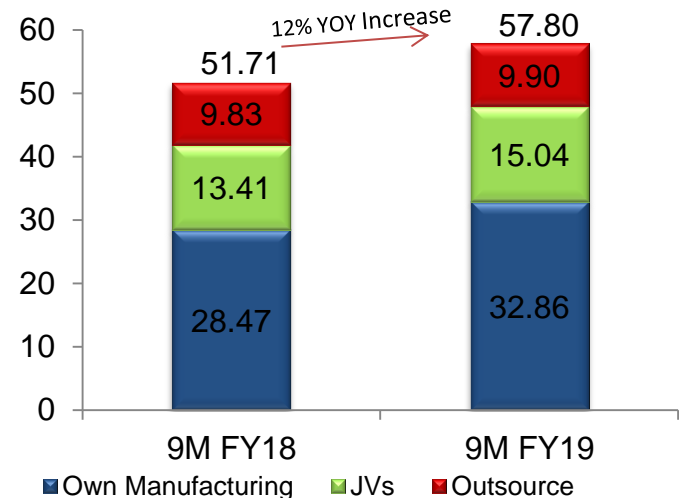
Production Growth (MSM) - 9M FY19



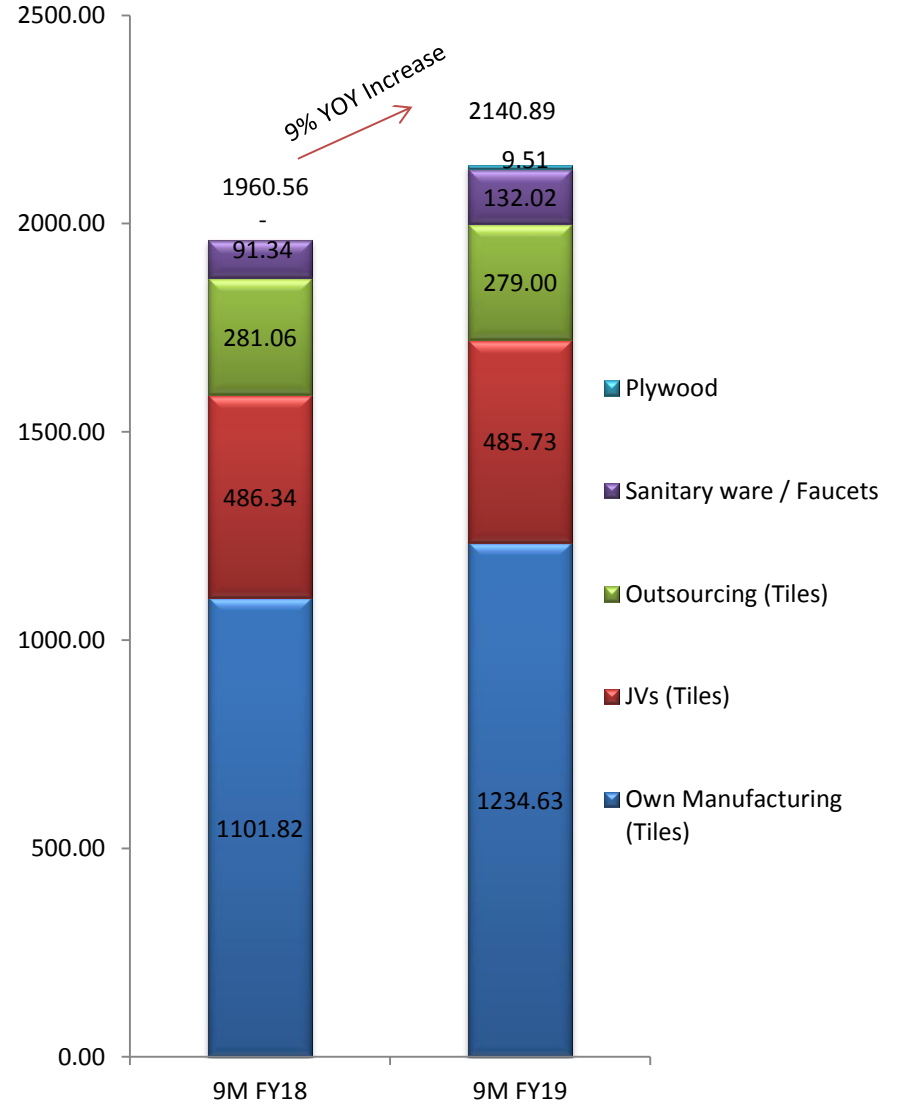
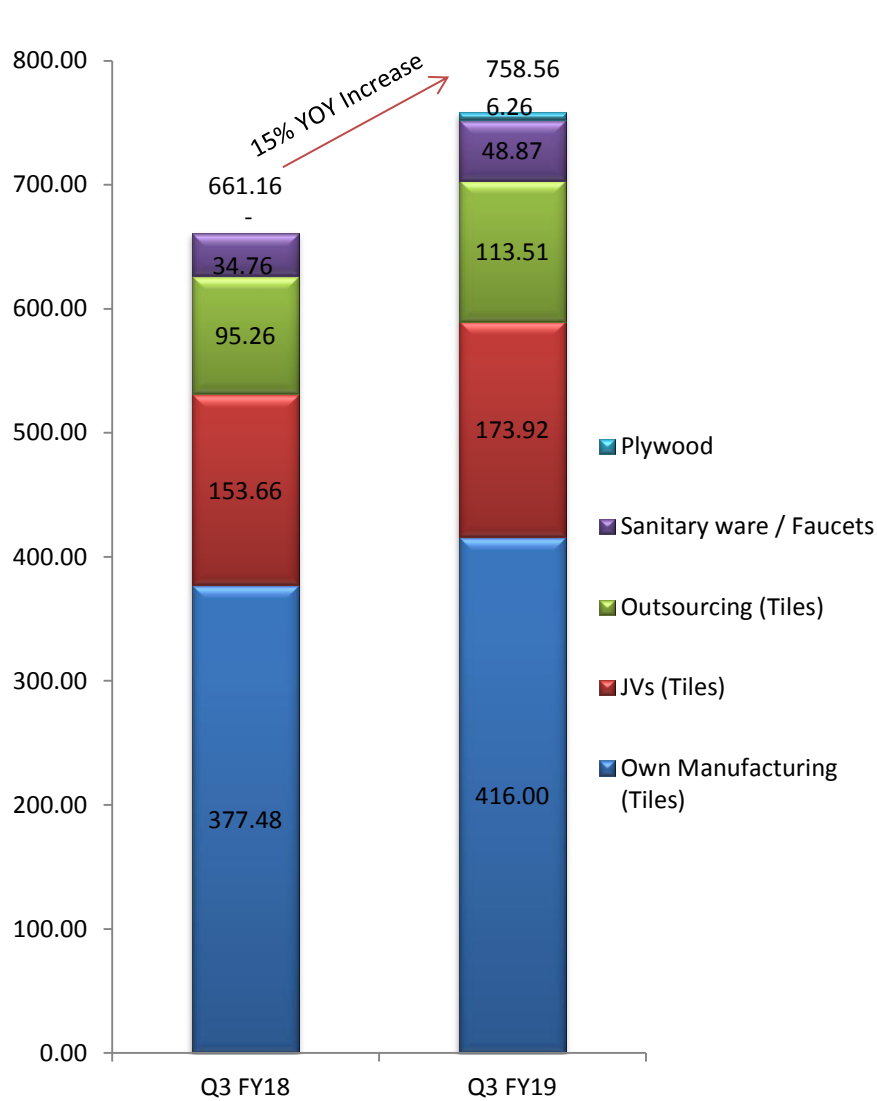
Sales Growth (MSM) – Q3 FY19



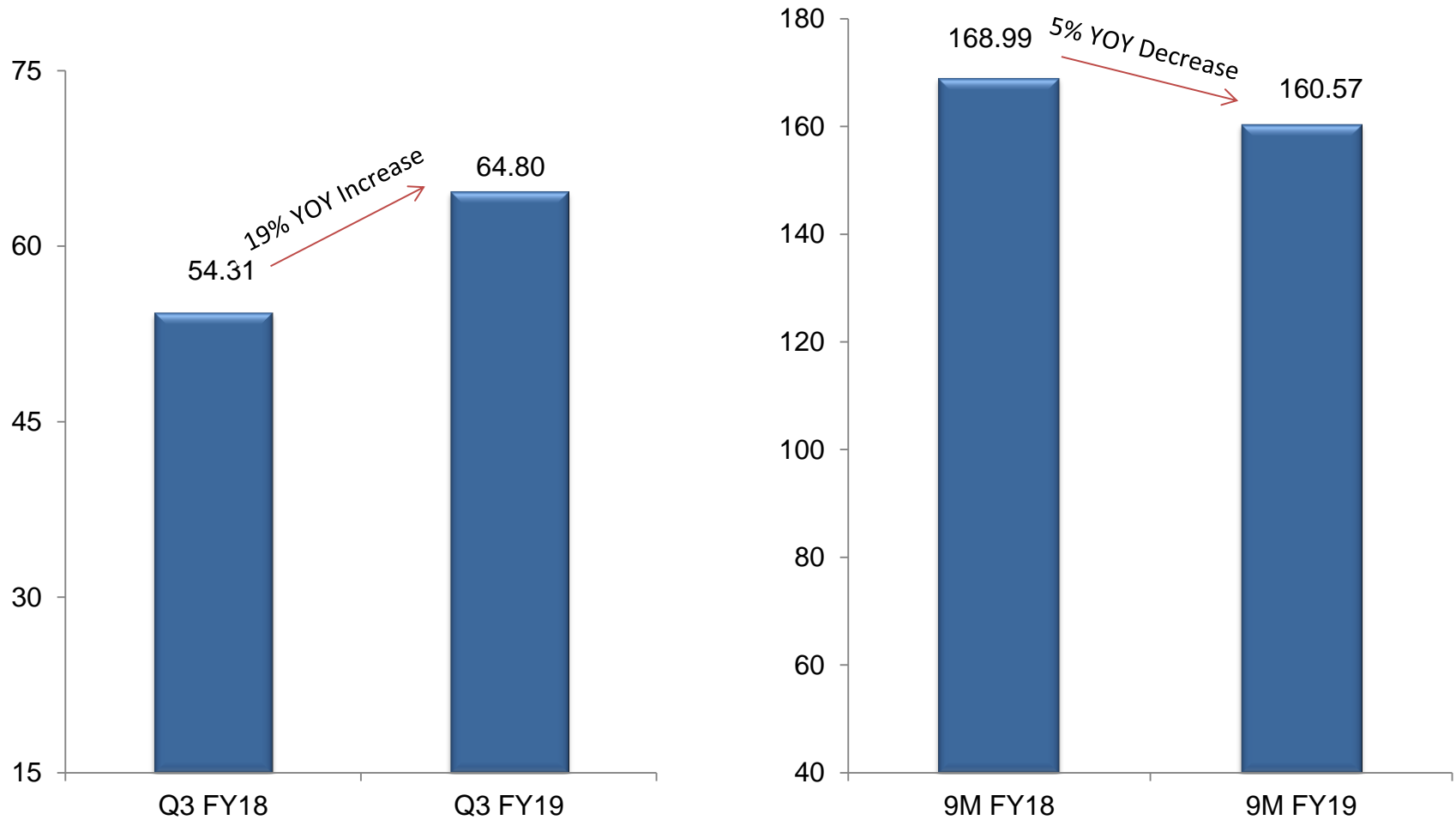
Sales Growth (MSM) – 9M FY19



Revenue Growth – Quarterly and 9 months

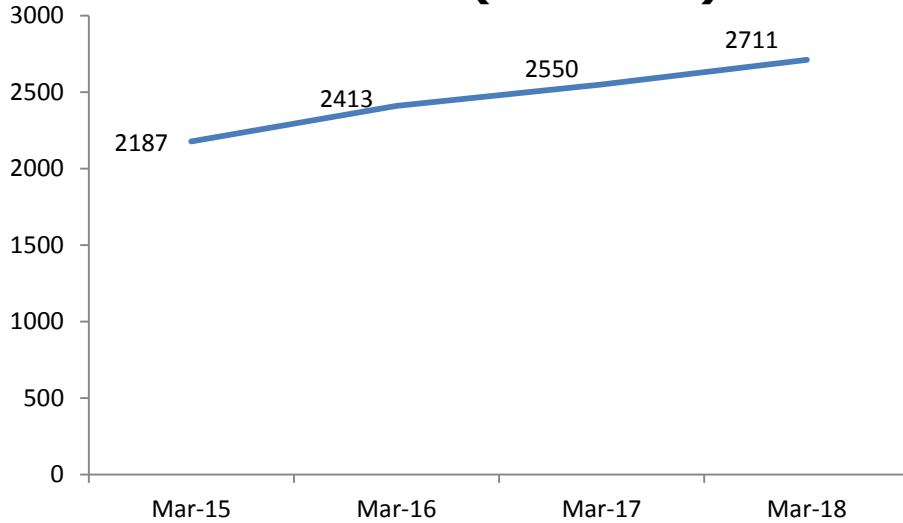


PAT – Quarterly and 9 months

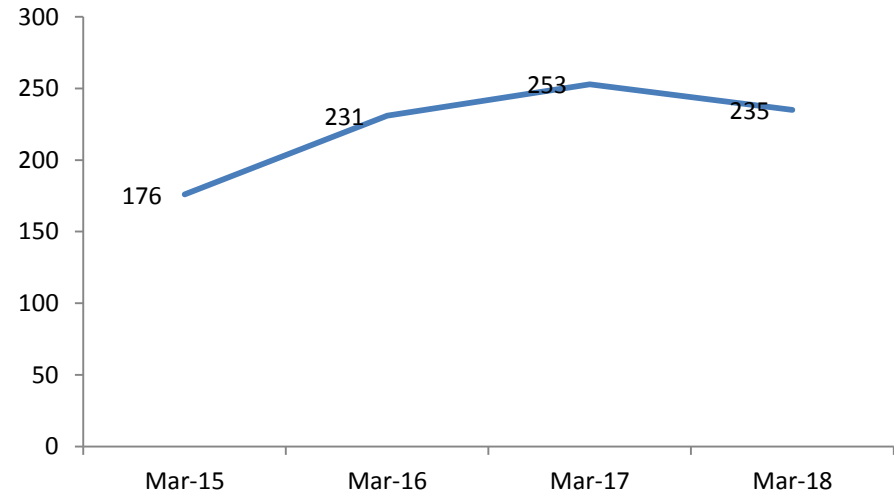


Historical Data

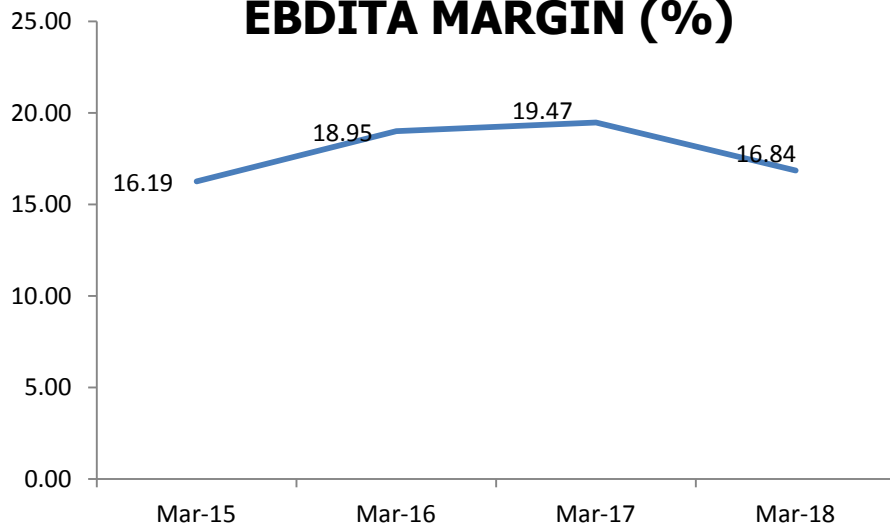
Net Sales (Rs. Crore)



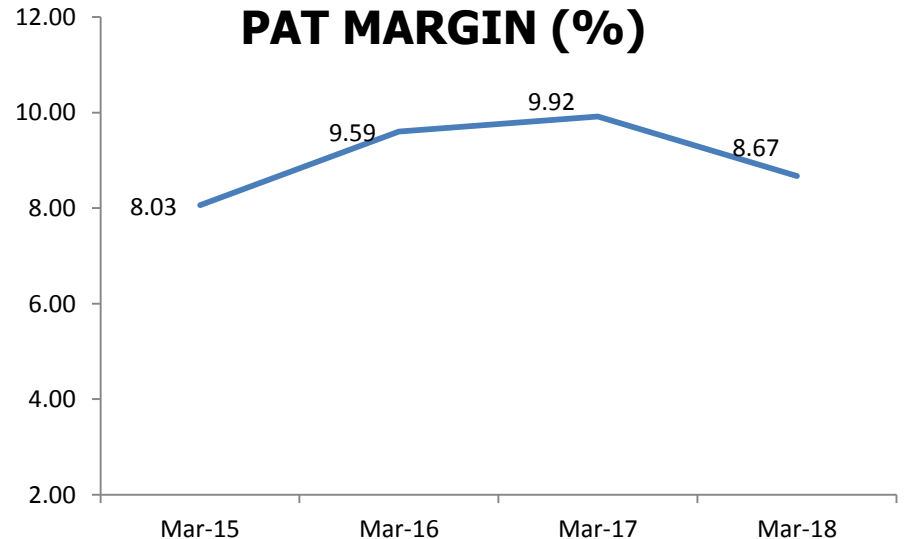
PAT (Rs. Crore)



EBDITA MARGIN (%)

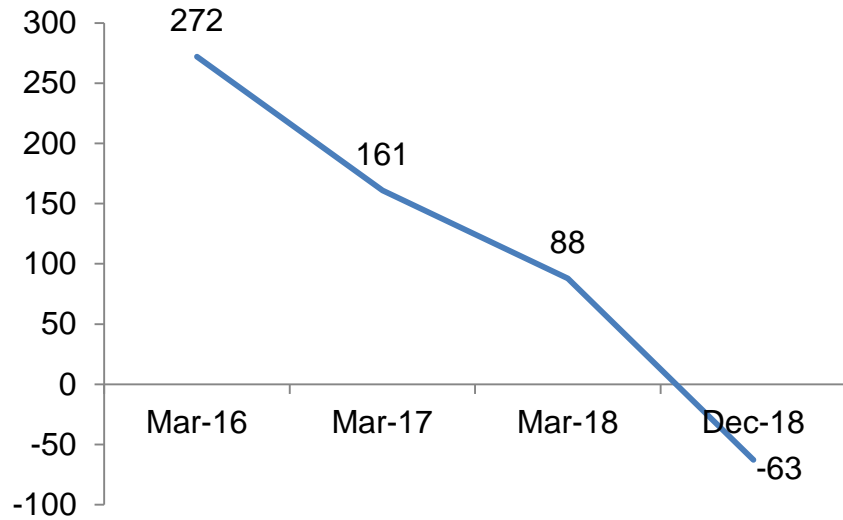


PAT MARGIN (%)

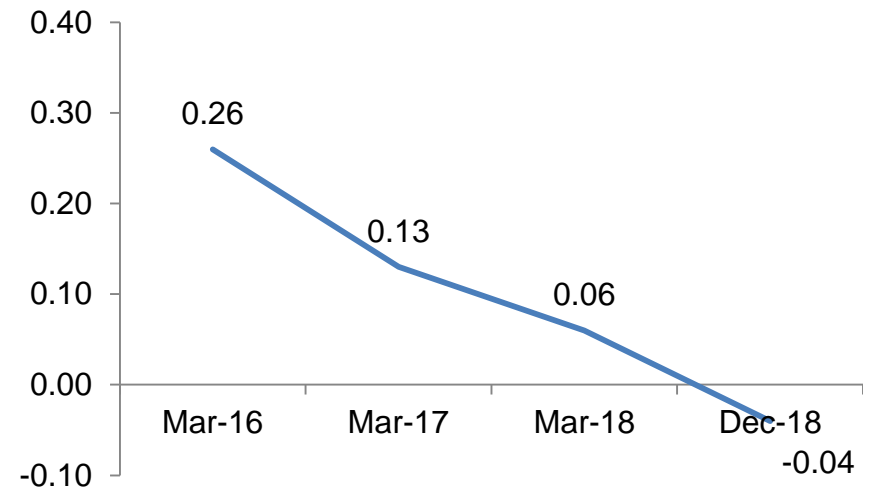


Historical Data continued.....

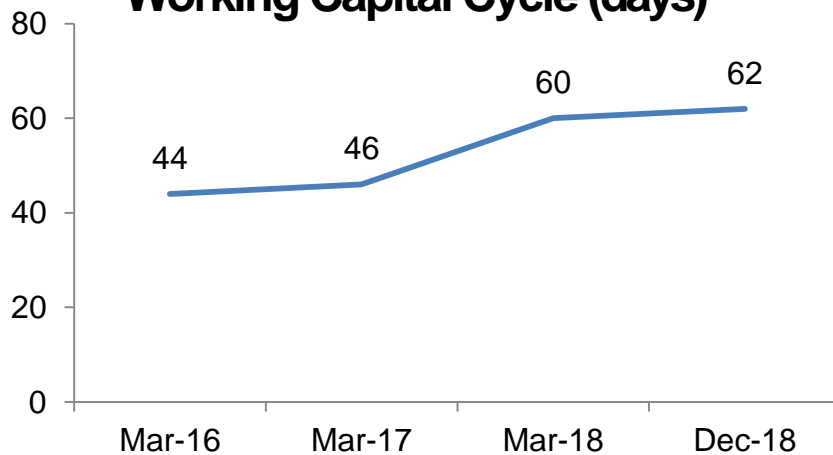
Net Debt (Rs. Crore)*



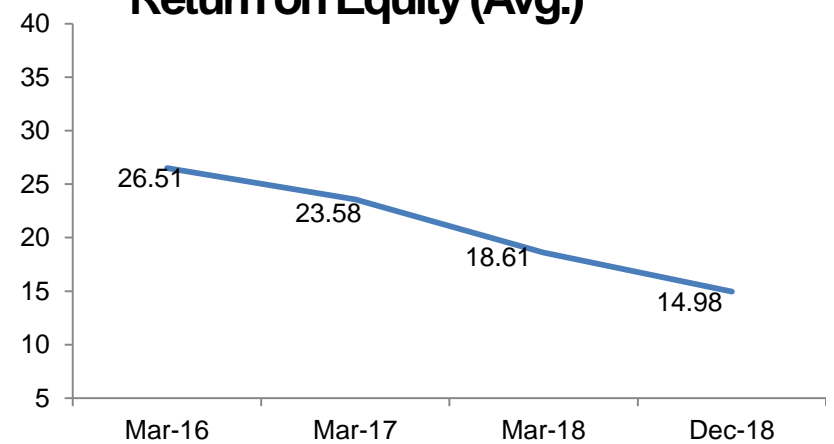
Net Debt Equity (X)



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 Dec. 18 taken at average of net worth as on 31st Mar 18 & 31st Dec. 18 and on 9M FY 19 PAT.

Financial Highlights

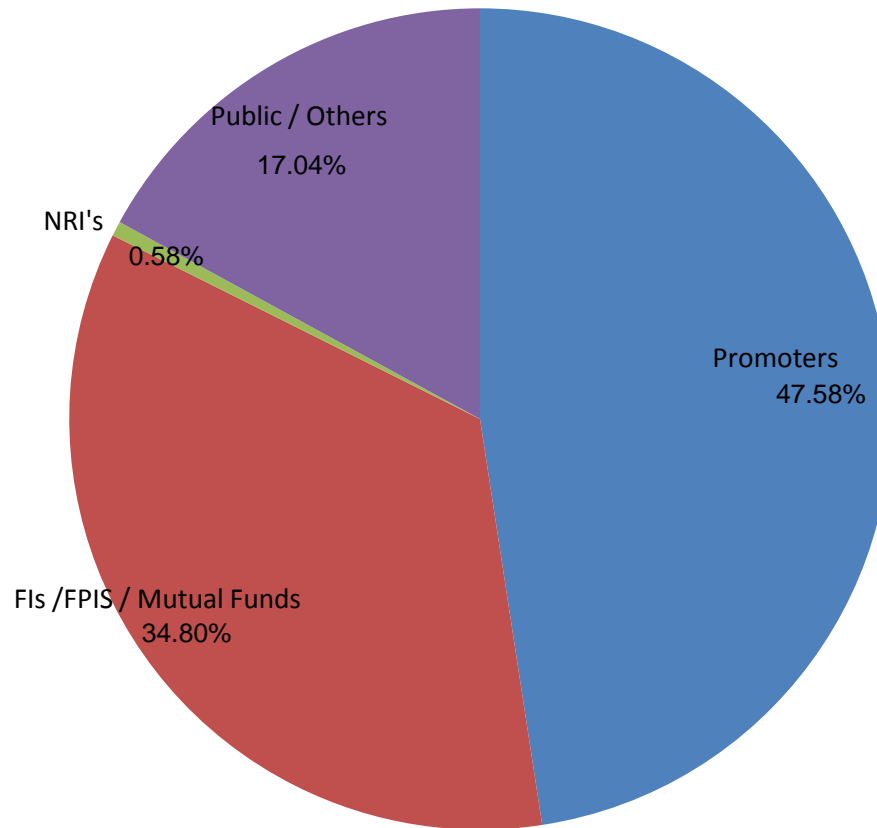
(Rs in Crore)

	Q3 FY19		Q3 FY18		Growth		9MFY19		9MFY18		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	700.20	758.56	624.05	661.16	12%	15%	1991.80	2140.89	1879.32	1960.56	6%	9%
EBITDA	106.28	120.83	102.17	109.96	4%	10%	291.35	326.55	321.52	336.29	-9%	-3%
EBITDA MARGIN	15.18%	15.93%	16.37%	16.63%			14.63%	15.25%	17.11%	17.15%		
Depreciation	15.84	22.18	15.76	22.26	1%	0%	47.93	67.38	45.61	65.67	5%	3%
Other Income	8.85	4.53	5.16	1.77	72%	156%	23.89	11.50	14.60	5.70	64%	102%
Interest	0.64	3.63	1.12	5.22	-43%	-30%	3.16	12.32	3.64	19.41	-13%	-37%
Exceptional Items – loss (gain)							(4.78)	3.41	3.61	(0.75)		
Profit Before Tax	98.65	99.55	90.45	84.25	9%	18%	268.93	254.94	283.26	257.66	-5%	-1%
Tax Expense	33.07	33.66	30.87	31.14	7%	8%	91.35	93.05	96.62	98.69	-5%	-6%
Minority Interest		1.09		-1.20				1.32		-10.02		
Profit After Tax	65.58	64.80	59.58	54.31	10%	19%	177.58	160.57	186.64	168.99	-5%	-5%
Cash Profit	81.42	86.98	75.34	76.57	8%	14%	225.51	227.95	232.25	234.66	-3%	-3%
Equity Share Capital	15.90	15.90	15.89	15.89			15.90	15.90	15.89	15.89		
EPS (Basic) (Rs.)	4.13	4.08	3.75	3.42	10%	19%	11.17	10.10	11.74	10.63	-5%	-5%

Shareholding Pattern

As on 31st Dec. 2018

Equity Shares Outstanding – 158.95 millions



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