



KAJARIA CERAMICS LIMITED

Investor Update – Q3 FY19

January 18, 2019

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance – Q3 FY19
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

This quarter of festivities and celebrations ended on a positive note as business registered healthy growth.

While sales volumes increased by 16% IN Q3 FY19 over the corresponding quarter in the previous year, revenue grew by 15% during the same period.

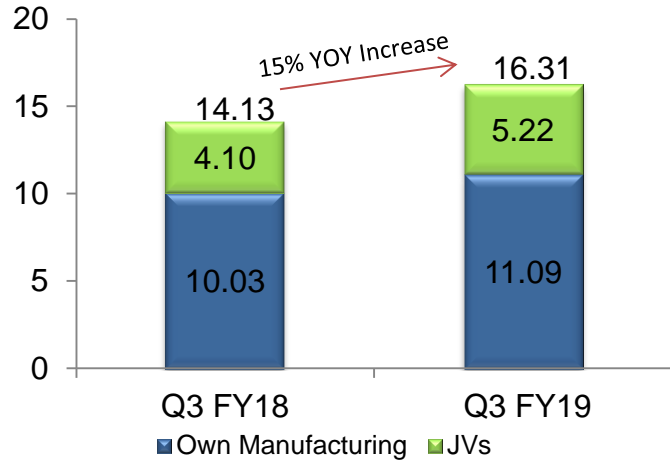
Satisfyingly, profitability gained momentum. While EBITDA and Net Profit moved up by 10% and 19% respectively in Q3 FY19 over the corresponding quarter in the previous year, EBITDA margin for the quarter was at around 16%.

During the quarter, sanitaryware has attained optimum capacity utilisation. The capacity utilisation of faucet plant increased to 73% in Q3 FY19 as compared to 48% in FY 2017-18.

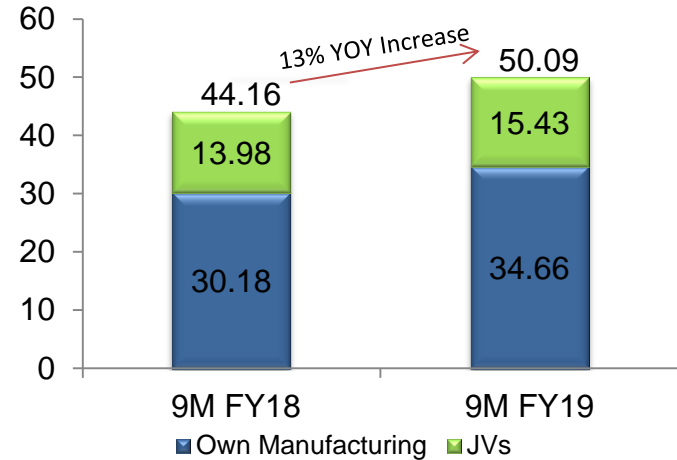
Furthermore, 2019 has started on a brighter note. Decline in crude oil price coupled with Government sops for the MSME sector, a big consuming market for Kajaria, suggest healthy growth in business, going forward.

As I sign off, I wish you and your family a Happy and Healthy 2019.

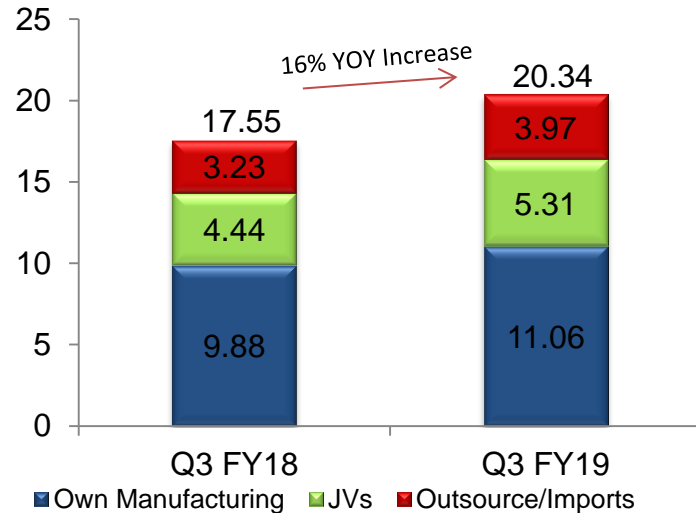
Production Growth (MSM) - Q3 FY19



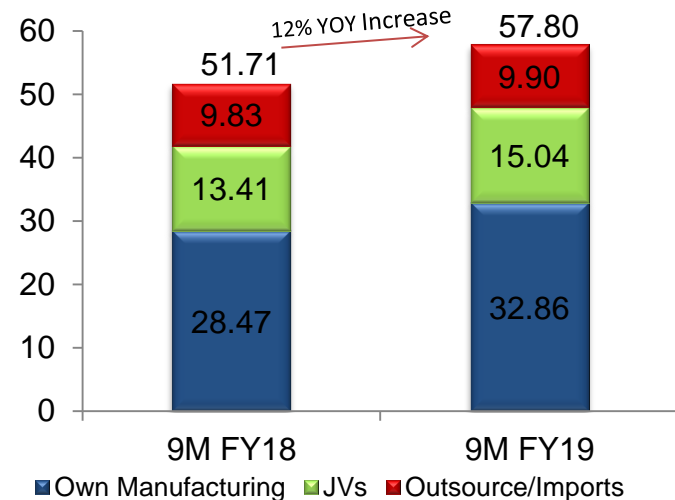
Production Growth (MSM) - 9M FY19



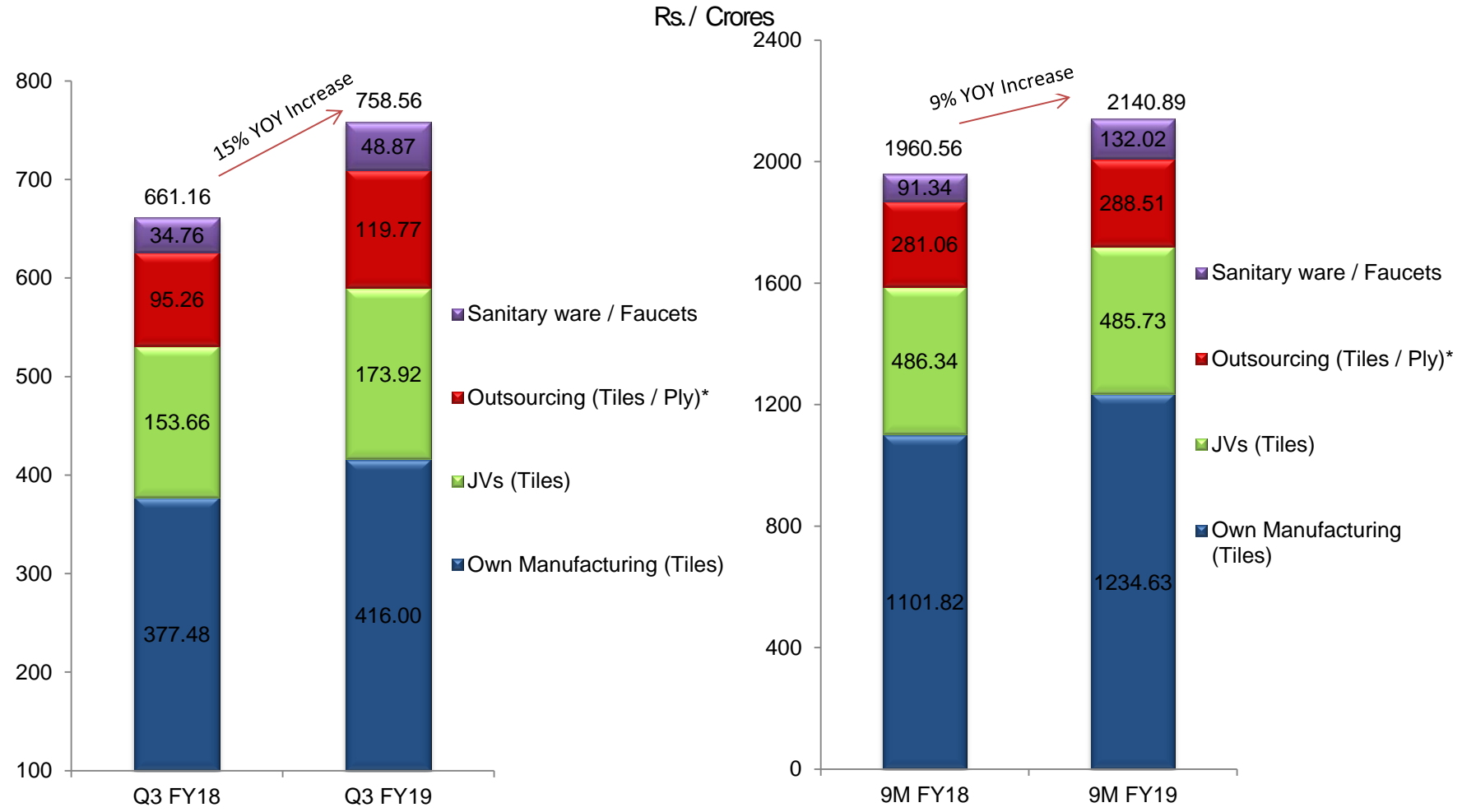
Sales Growth (MSM) - Q3 FY19



Sales Growth (MSM) - 9M FY19



Revenue Growth - Consolidated

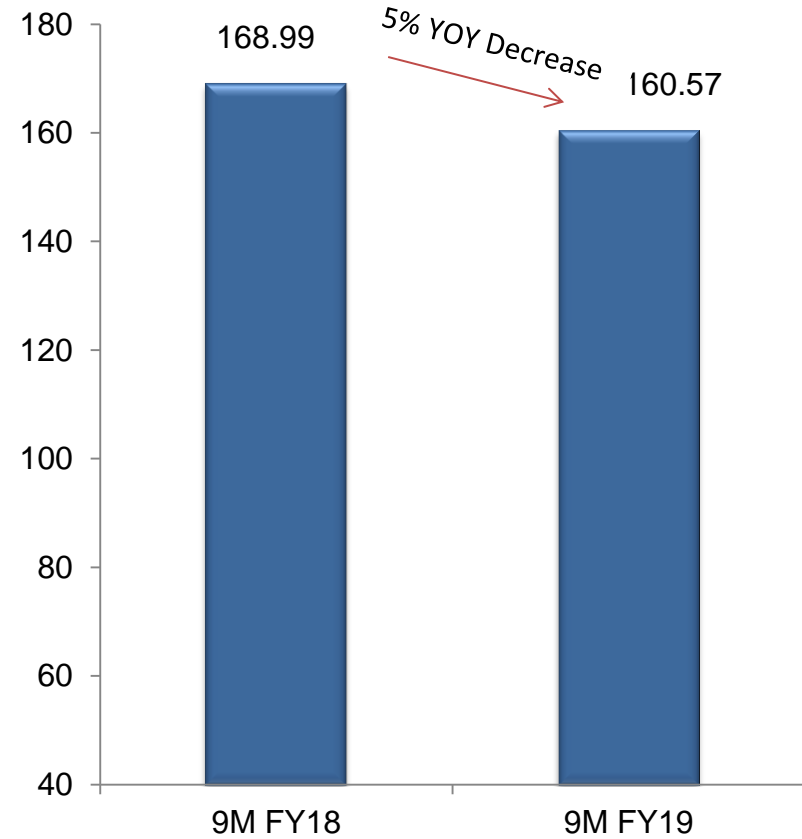
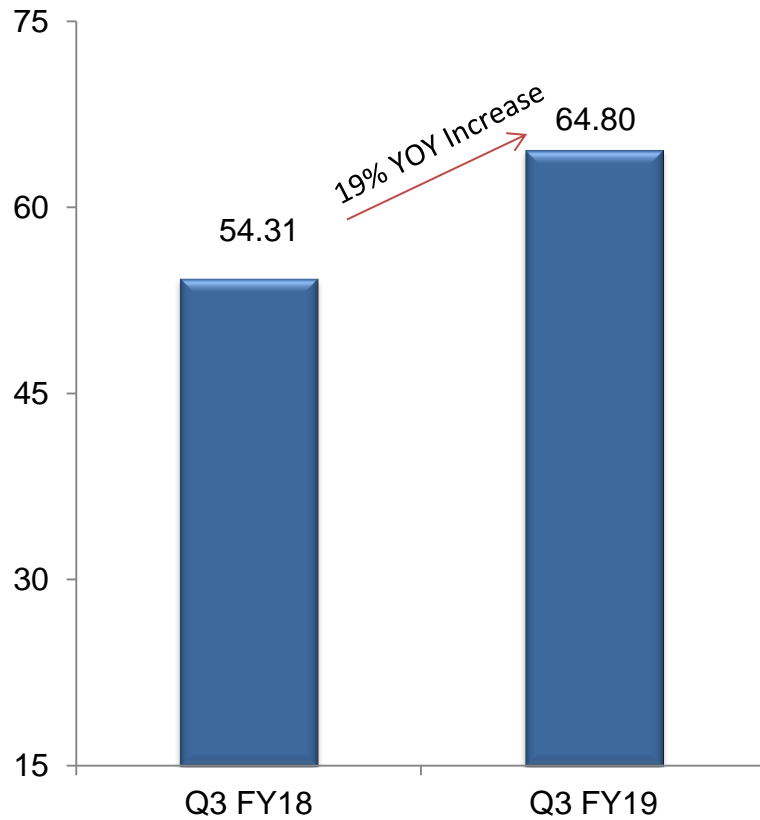


*Includes plywood sale of Rs. 6.26 crore in Q3 FY19 and Rs. 9.51 crore in 9M FY19

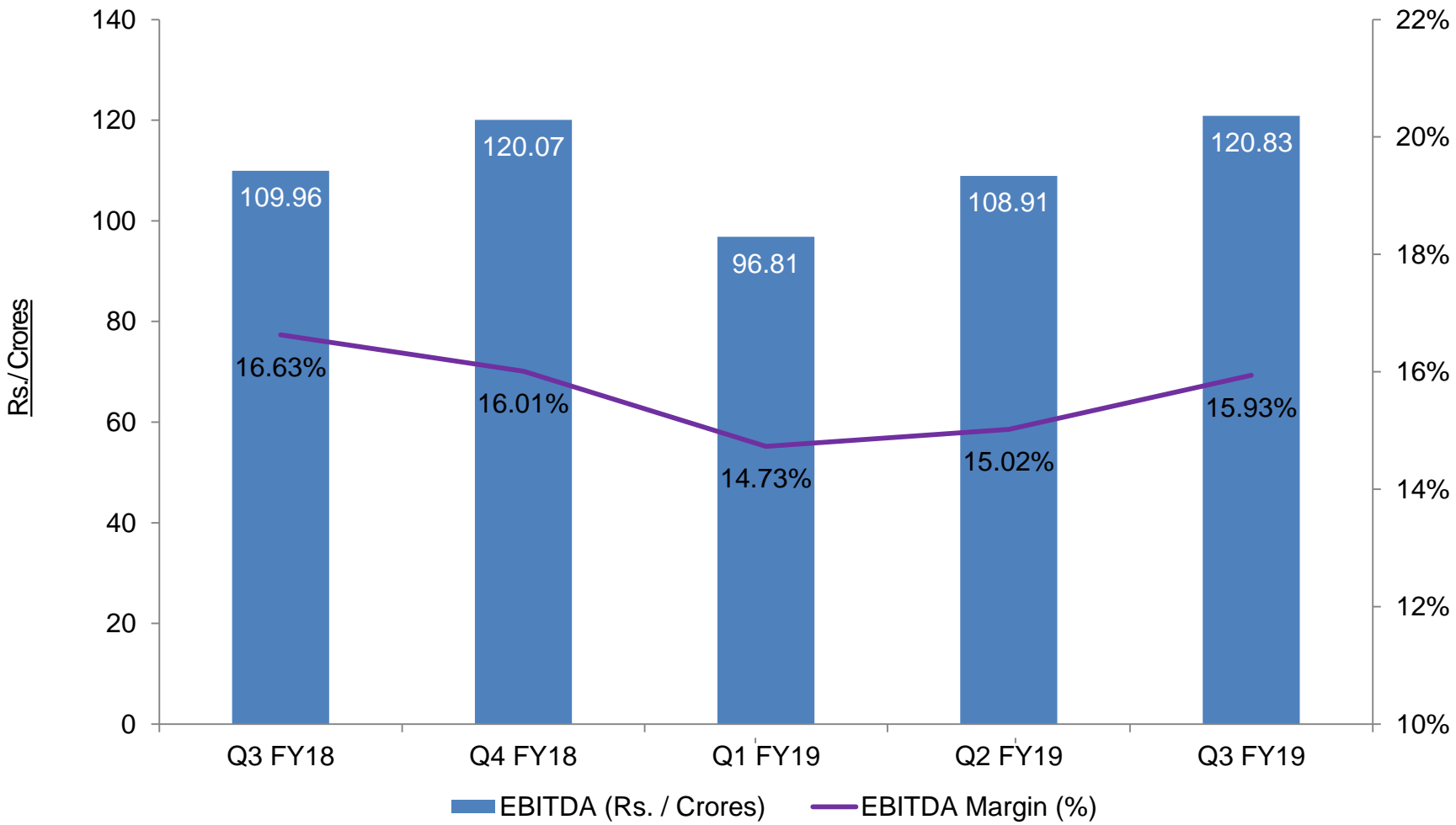
Refer Slide 12 for detailed Income Statement

PAT Growth - Consolidated

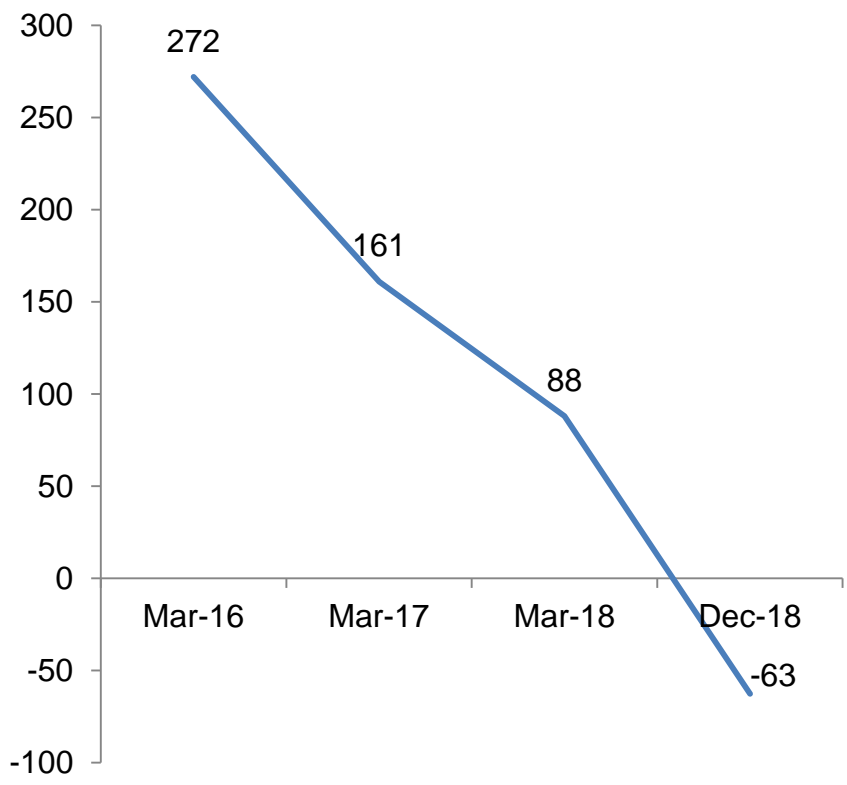
Rs./ Crores



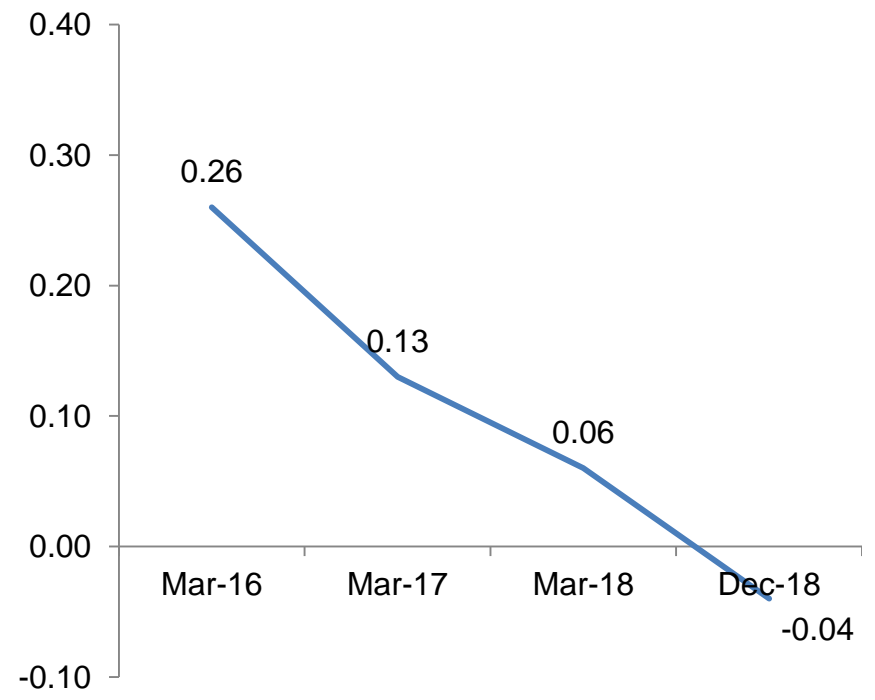
Refer Slide 12 for detailed Income Statement



Net Debt (Rs. Crore) *

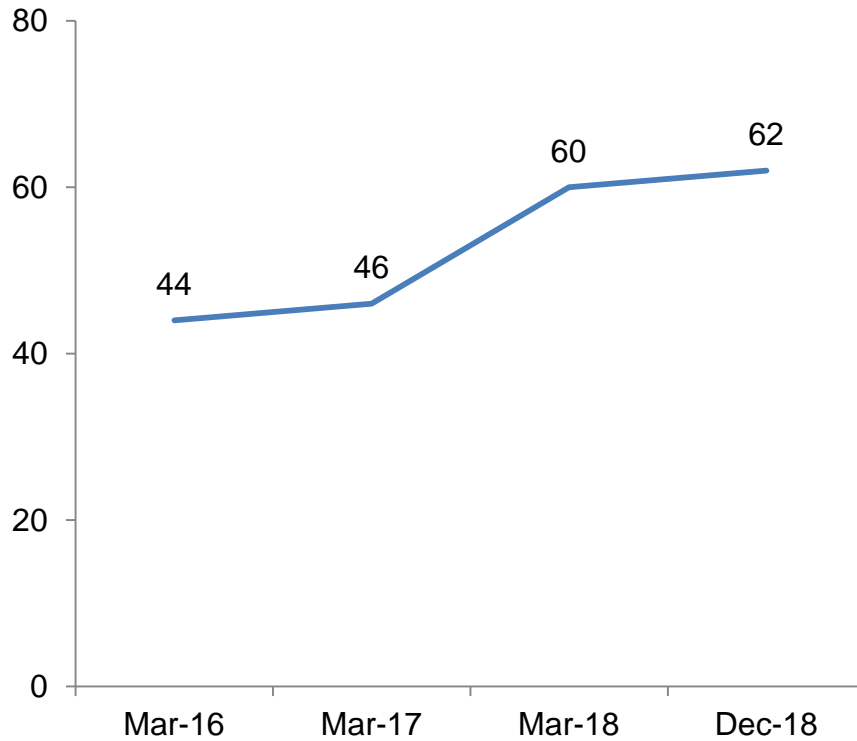


Net Debt Equity (X) *

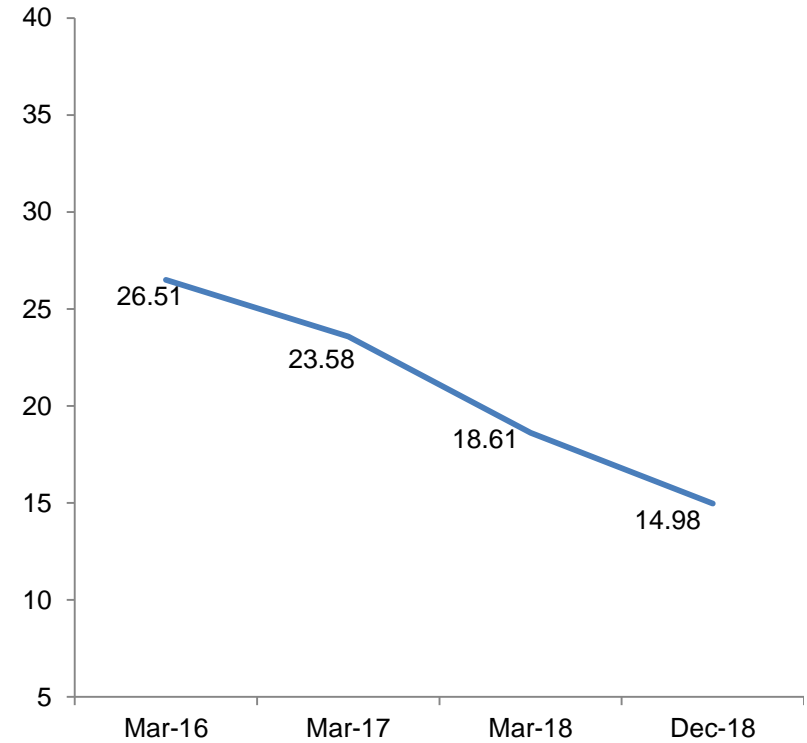


* Net of cash and cash equivalents

Working Capital Cycle (days)



Return on Equity (Avg.)



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 FY19 PAT.

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.

D. 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 1st quarter of FY20.

E. KAJARIA BATHWARE (P) LTD. (KBL)

a)Sanitaryware: Kajaria Sanitaryware (P) Ltd. (KSPL), in which KBL holds 82%, has started the production of sanitaryware in April 2014. KSPL has increased the capacity at the existing location from 5.40 lac pcs p.a. to 6.00 lac pcs p.a. (with ability to produce more value added products), which is operational from 25th July 2018. The plant has achieved optimum capacity utilisation in Q3 FY19. 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. The plant has operated at 73% of its capacity in Q3 FY19. We hope to achieve optimum capacity utilisation in FY 2019-20.

Financial highlights

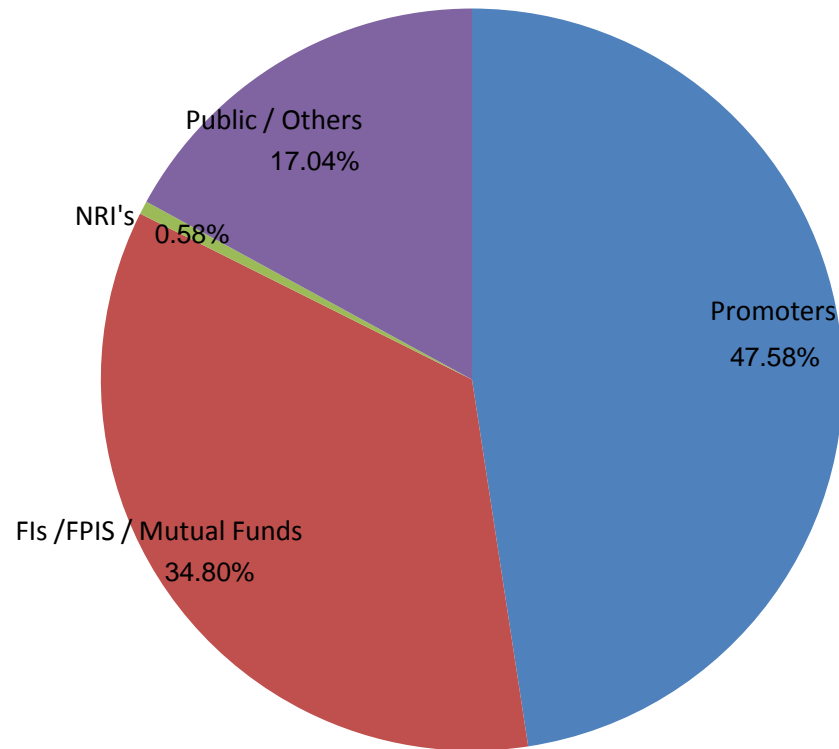
(Rs / Crores)

	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%

Ason 31st Dec. 2018

Equity Shares Outstanding – 158.95 millions

Shareholding



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 9th largest in the world. It has an annual capacity of 68.00 mn. sq. meters presently, distributed across seven plants - one in Sikandrabad (UP), one in Gailpur (Rajasthan), One in Malutana (Rajasthan), three in Morbi (Gujarat) and one in Vijaywada (AP).

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