



KAJARIA CERAMICS LIMITED

Investor Update – Q3 FY23

January 28, 2023

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance – Q3 FY23
- Subsidiaries
- Income Statement
- Shareholding Pattern

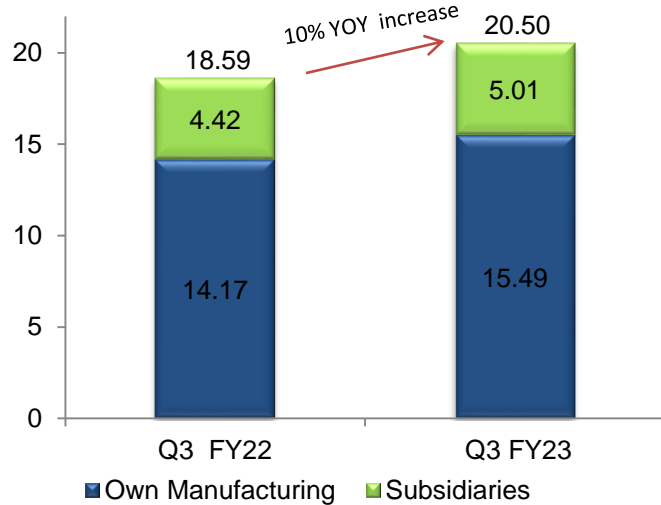
This quarter has been challenging in terms of performance. The overall volumes were impacted by the prolonged monsoon season and the festive period in the month of October 2022. However, there has been some recovery in demand during November and December, indicating a positive trend going forward.

The consolidated revenue for the quarter stood at ₹1091 crores, compared to ₹1068 crores from the corresponding period of the previous year, representing a 2% growth.

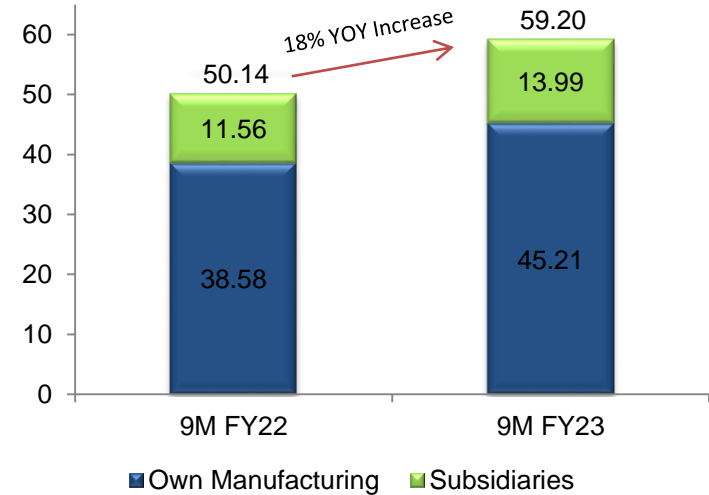
The EBITDA margin for Q3FY23 was 12.20%, a decline of 500 basis points compared to the same period in the previous year. The primary cause of this decline was disruption in natural gas supply and an unprecedented increase in gas prices. However, fuel cost has started to come down since December 2022, primarily due to the increased use of alternative fuels and some fall in gas prices. The full impact of these changes is expected to be visible by March 2023.

Overall, the company has seen decent growth in the first nine months, with a 12% increase in volume and a 22% increase in revenue. The company is dedicated to its growth strategy, which includes expanding market share and increasing the number of dealers across India, particularly in unrepresented territories. The company is confident that its strong foundation and commitment to excellence will continue to drive its success in the upcoming quarters, both in terms of sales and profitability.

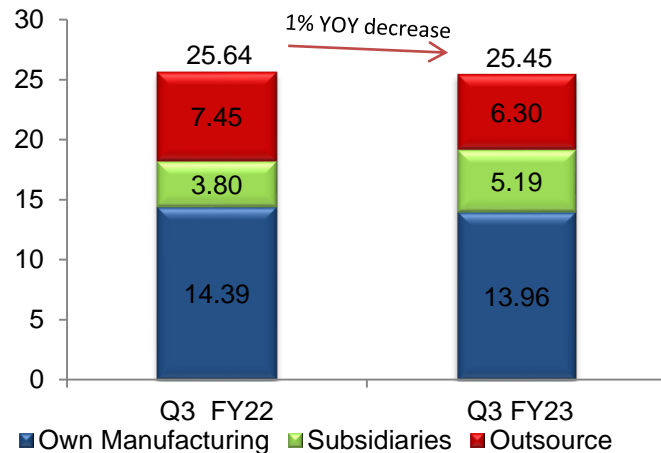
Production Growth (MSM) - Q3 FY23



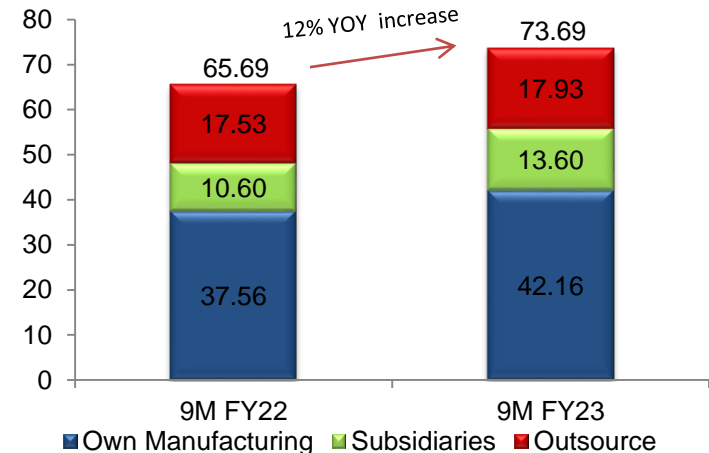
Production Growth (MSM) - 9M FY23



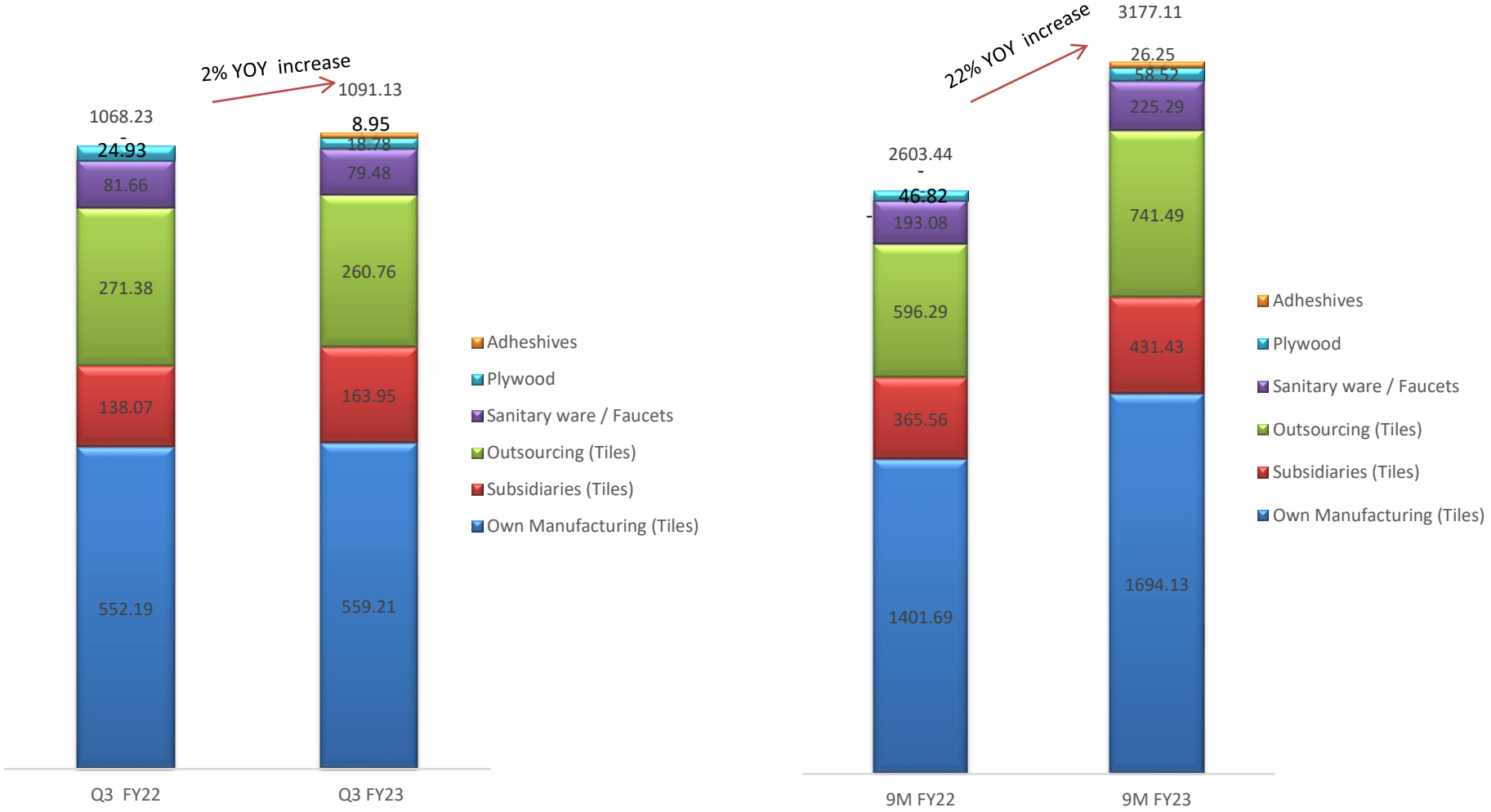
Sales Growth (MSM) – Q3 FY23



Sales Growth (MSM) – 9M FY23

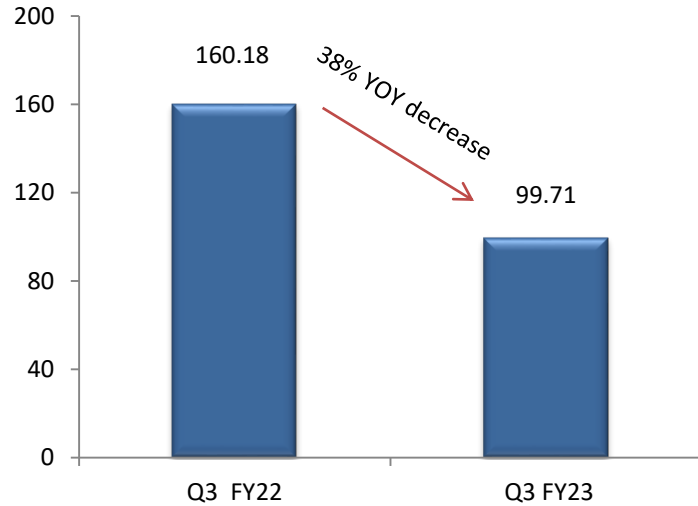


Rs./ Crores

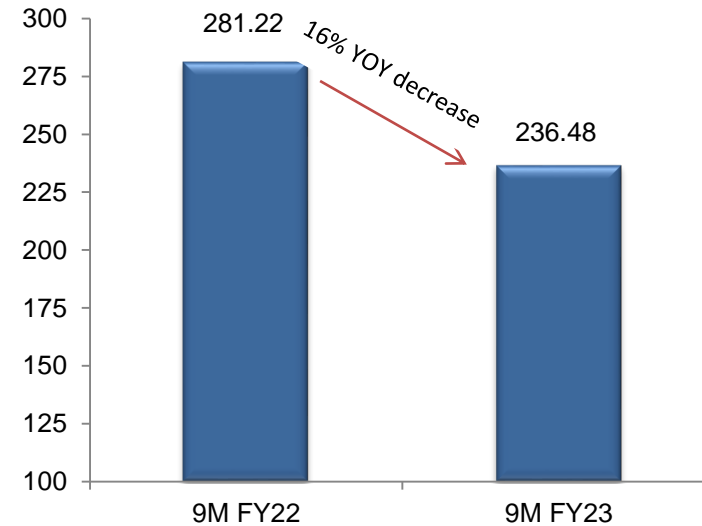
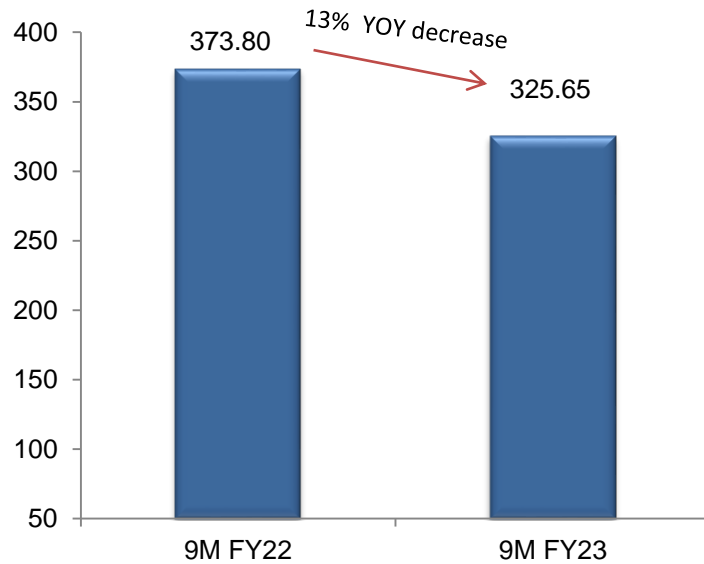
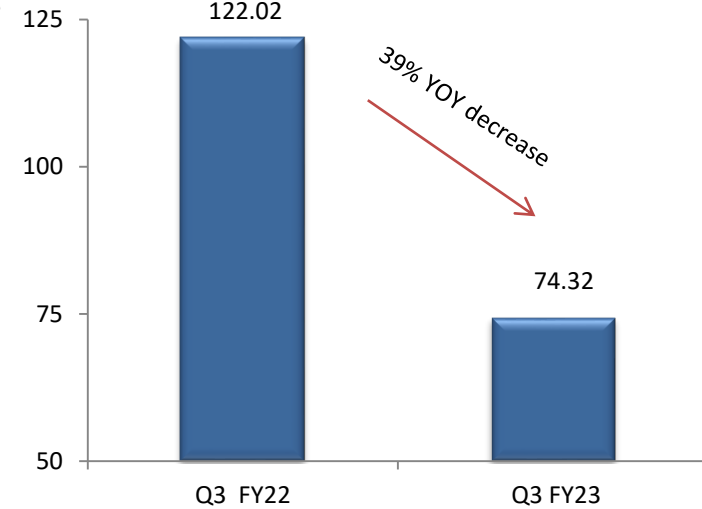


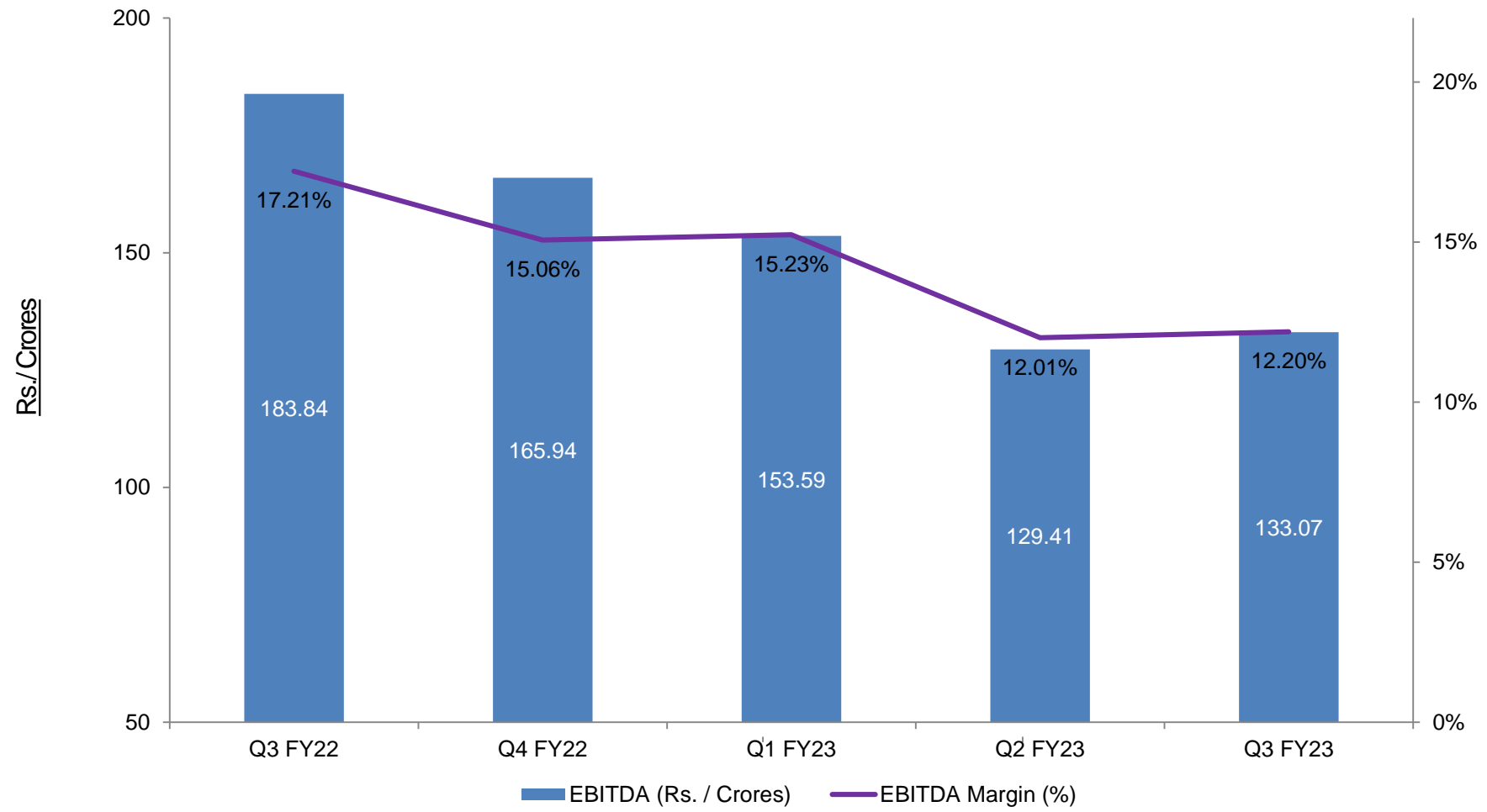
Refer Slide 15 for detailed Income Statement

PBT

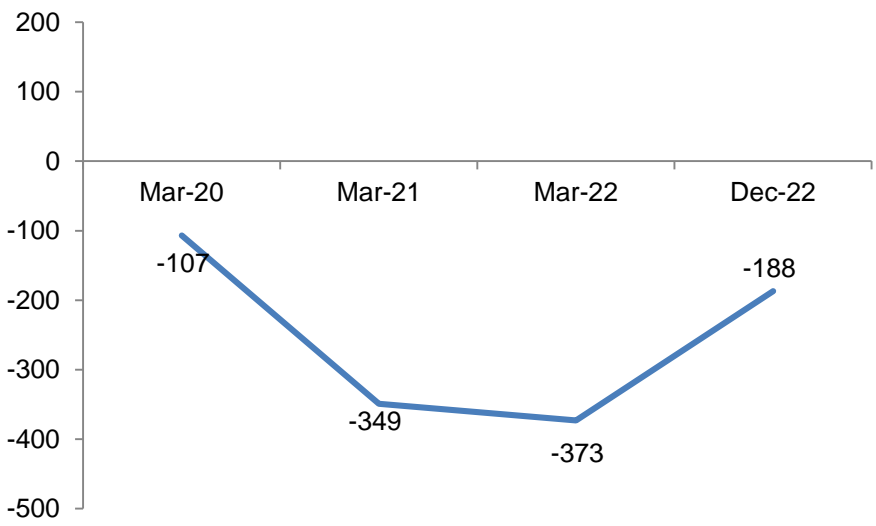


PAT

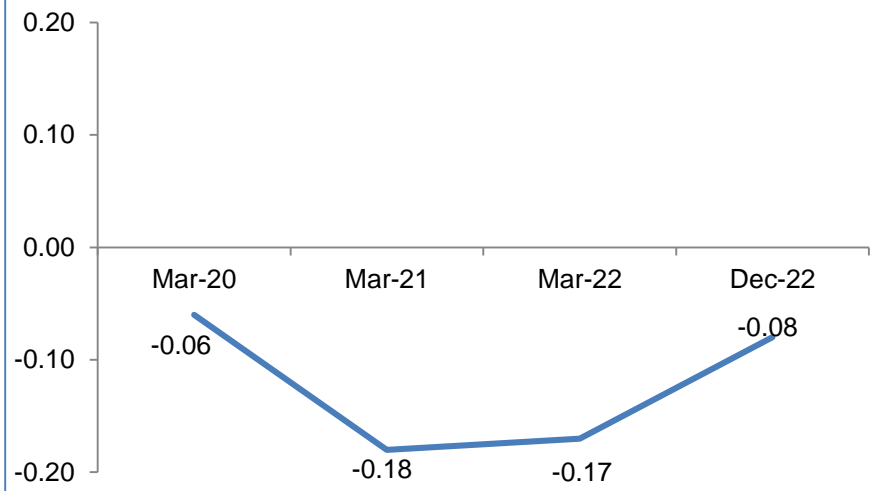




Net Debt (Rs. Crore) *

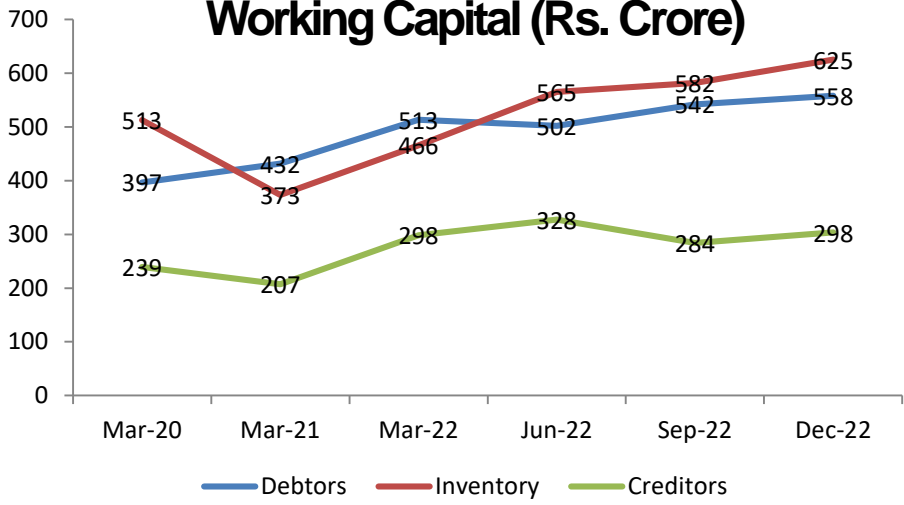


Net Debt Equity (X) *

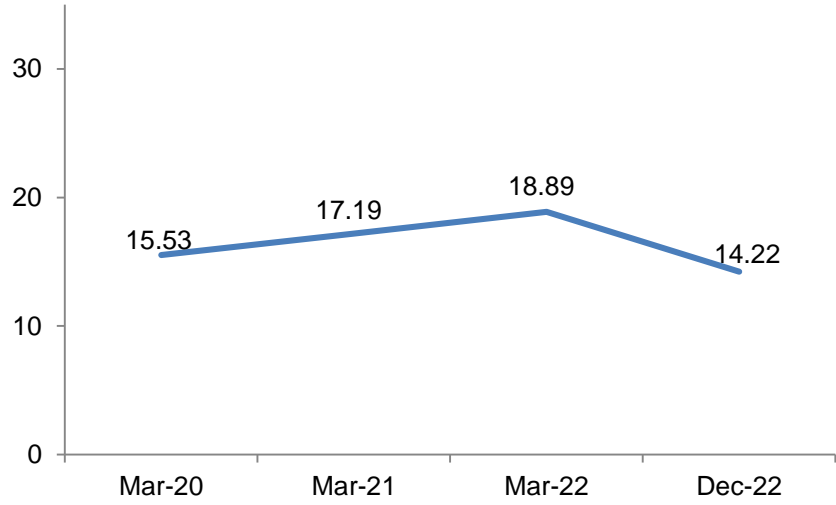


* Net of cash and cash equivalents

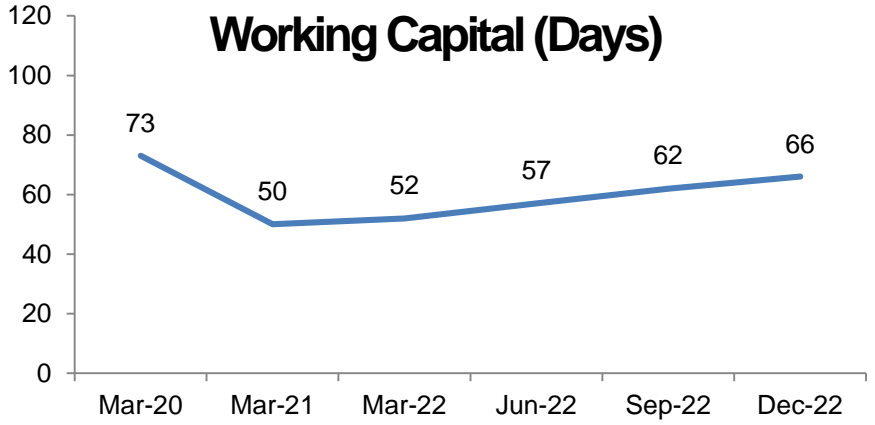
Working Capital (Rs. Crore)



Return on Equity (Avg.)



Working Capital (Days)



- ROE as on 31st Dec. 22 taken at average of net worth as on 31st Mar.22 & 31st Dec. 22 and on 9M FY23 PAT.
- Working capital days excludes capex creditors, capital advances and cash, cash equivalent & bank balance.
- For calculation of Mar-21 working capital days, only Q2 ,Q3 and Q4 FY21 sale has been considered.

A. KAJARIA VITRIFIED (Formerly known as Jaxx Vitrified Pvt. Ltd.)

Kajaria Vitrified Pvt. Ltd. is based in Morbi (Gujarat). Kajaria has 87.37% stake in the same. The company has annual capacity of 8.90 MSM of polished vitrified tiles. The Company has operated at 95% capacity during Q3 FY23. The Board has further approved acquisition of upto 11,40,968 equity shares at a consideration of Rs. 1.80 crores, which will increase the total stake of Kajaria to 95%.

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 ceramic wall tiles. Vennar has operated at 79% capacity during Q3 FY23. The Board has approved disinvestment of entire stake of Kajaria to other shareholders in phased manner at an aggregate consideration of Rs. 18.25 crores.

C. KAJARIA INFINITY (Formerly known as Cosa Ceramics Pvt. Ltd.)

Kajaria Infinity Pvt. Ltd. is based in Morbi (Gujarat). Kajaria Ceramics has 77% stake in the same. Kajaria Infinity has annual capacity of 5.70 MSM of glazed vitrified tiles and operated at optimum capacity during Q3 FY23.

D. SOUTH ASIAN CERAMICS TILES PVT. LTD.

Kajaria Ceramics has 51% stake in South Asian Ceramics Tiles Pvt. Ltd., Telangana. The Annual production capacity of South Asian Ceramics is 4.75 MSM ceramic floor tiles. The Company has operated at 75% capacity during Q3 FY23.

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

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 7.50 lac pcs p.a. And Plant has been producing more value added products and operated at 86% in Q3 FY23.

b) Faucet: This facility is situated at Gailpur (Rajasthan) having 1.00 million pcs p.a. Plant has operated at optimum capacity in Q3 FY23.

F. KAJARIA PLYWOOD PVT. LTD. (KPPL)

Kajaria Plywood Pvt. Ltd, a wholly owned subsidiary of Kajaria Ceramics Ltd. KPPL is offering plywood and laminate products under the brand of KajariaPLY.

G. KAJARIA INTERNATIONAL DMCC (wholly owned subsidiary)

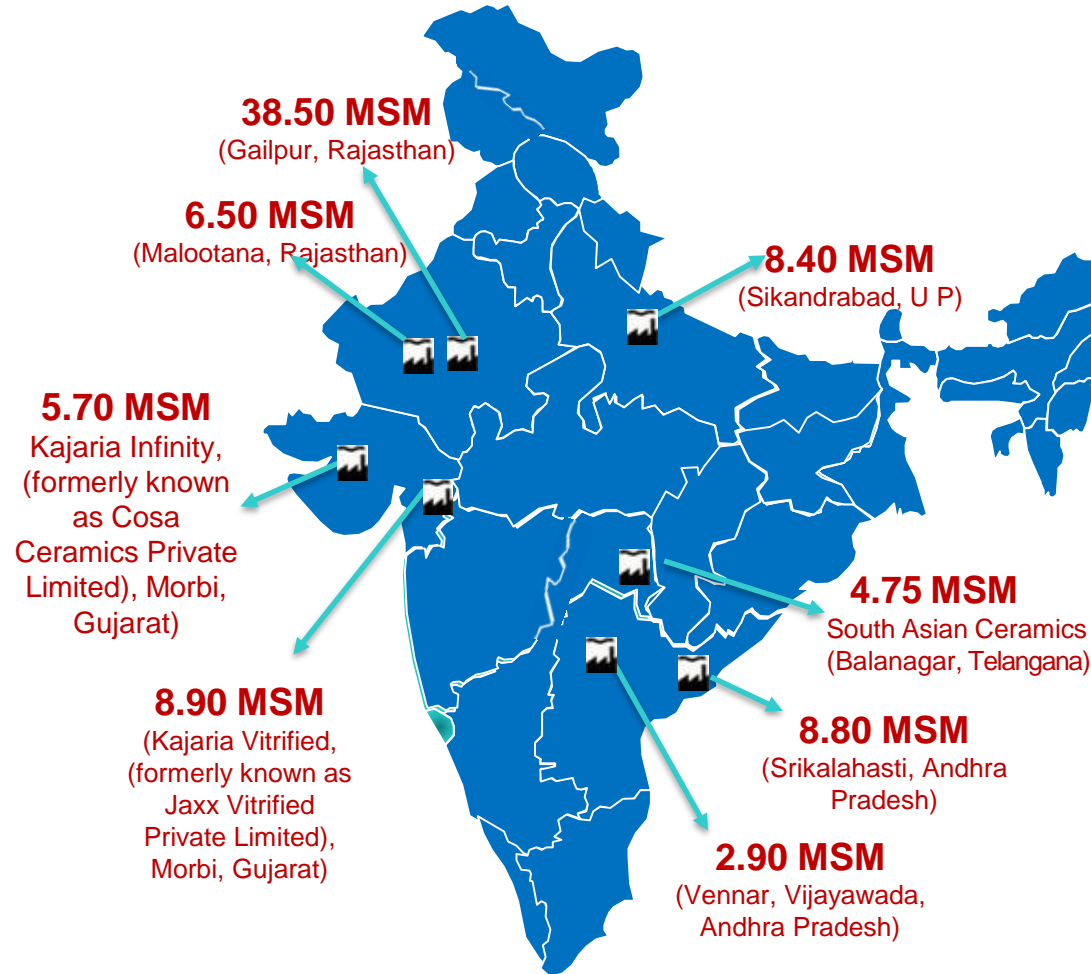
During Q2 FY23, the company had subscribed 100% equity shares (50 shares of AED 1000 each) of Kajaria International DMCC, Dubai for AED 50000 (Rs. 10,87,500).

During Q3 FY23, the company has further subscribed 950 shares (of AED 1000 each) of Kajaria International DMCC, Dubai for AED 950000 (Rs. 2,13,65,500), which makes the total investment of Kajaria Ceramics Limited in Kajaria International DMCC, Dubai to AED 1000000 (Rs. 2,24,53,000).

Kajaria International DMCC was formed to increase the footprint in international market.

ASSET OVERVIEW

Total Tile Capacity 84.45 MSM



Plant	Production Capacity (MSM)			
	Ceramic Wall & Floor Tiles	Polished Vitrified Tiles	Glazed Vitrified Tiles	Total
1. Sikandrabad (UP)	-	-	8.40	8.40
2. Gailpur (Rajasthan)	29.40	-	9.10	38.50
3. Malootana (Rajasthan)	-	6.50	-	6.50
4. Morbi (Gujarat)	-	8.90	5.70	14.60
5. Vijaywada (AP)	2.90	-	-	2.90
6. Srikalahasti (AP)	-	-	8.80	8.80
7. Balanagar (Telangana)	4.75	-	-	4.75
Total	37.05	15.40	32.00	84.45

A. Kajaria Bathware (Rajasthan)

In our faucet plant at Gailpur, we are adding new capacity of 6 lakh pieces per annum, which will take the total the capacity to 16 lakh pieces per annum. Estimated cost for this expansion is Rs. 5 crore approx. This expansion is expected to be completed by March 2023.

B. Kerovit Global Pvt. Ltd. (Gujarat)

The Board in its meeting held on 21st January, 2022, had considered that Kajaria Bathware Pvt Ltd (KBPL), wholly owned subsidiary (WoS) to invest upto to Rs 70 crores in Kerovit Global Pvt Ltd (KGPL) to make KGPL as a WoS of KBPL and to set up a sanitaryware manufacturing facility having production capacity of 6 lacs pcs p.a. in the state of Gujarat. This expansion is expected to be completed by December 2023.

C. Investment in Nepal

The Board in its meeting held on 3rd October, 2022, had approved proposal to make investments upto Rs. 125 crores (i.e. 50% of project cost of Rs. 250 crores) in a company to be incorporated in Nepal, by way of equity and/or loan, for establishing a tile manufacturing facility in Nepal, with annual capacity of 8 MSM p.a., on joint venture basis between the Company and various individuals affiliated with Ramesh Corp, Nepal.

D. Sikandrabad Facility (Uttar Pradesh)

The Board has approved expansion cum modernisation for bigger size Glazed Vitrified Tiles with latest continua technology at Sikandrabad plant, which will increase the total capacity of the plant from 8.4 MSM to 10.20 MSM p.a. This expansion is expected to be completed by Sep. 2023.

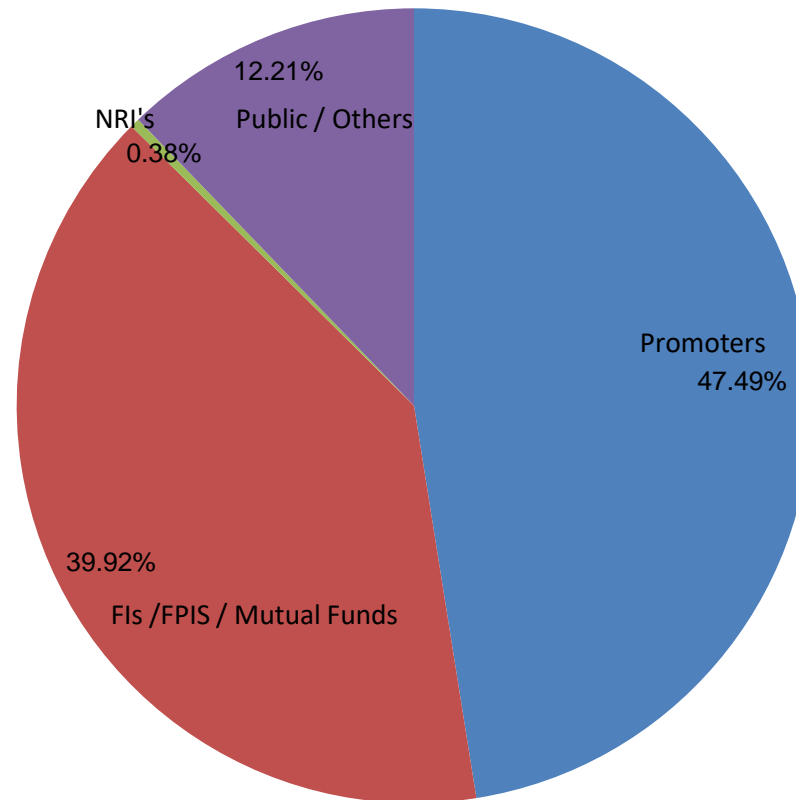
Financial highlights

(Rs / Crores)

	Q3 FY23		Q3 FY22		Growth		9M FY23		9M FY22		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	986.47	1091.13	950.49	1068.23	4%	2%	2880.05	3177.11	2312.38	2603.44	25%	22%
EBITDA	116.84	133.07	159.00	183.84	-27%	-28%	371.82	416.07	386.60	444.75	-4%	-6%
EBITDA MARGIN	11.84%	12.20%	16.73%	17.21%			12.91%	13.10%	16.72%	17.08%		
Depreciation	23.39	32.53	21.41	28.07	9%	16%	67.88	98.54	63.02	82.74	8%	19%
Other Income	12.69	7.48	11.56	7.42	10%	1%	37.25	23.20	32.40	20.54	15%	13%
Interest	4.45	8.31	1.49	3.01	199%	176%	7.36	15.08	3.95	8.75	86%	72%
Exceptional Items - loss (gain)								3.66				
Profit Before Tax	101.69	99.71	147.66	160.18	-31%	-38%	333.83	321.99	352.03	373.80	-5%	-14%
Tax Expense	26.05	26.05	34.91	35.45	-25%	-27%	85.68	86.48	87.36	88.29	-2%	-2%
Minority Interest		-0.66		2.71				-0.97		4.29		
Profit After Tax	75.64	74.32	112.75	122.02	-33%	-39%	248.15	236.48	264.67	281.22	-6%	-16%
Cash Profit	99.03	106.85	134.16	150.09	-26%	-29%	316.03	335.02	327.69	363.96	-4%	-8%
Equity Share Capital	15.92	15.92	15.92	15.92			15.92	15.92	15.92	15.92		
EPS (Basic) (Rs.)	4.75	4.67	7.09	7.68	-33%	-39%	15.58	14.85	16.65	17.69	-6%	-16%

As on 31th Dec. 2022

Equity Shares Outstanding – 159.23 millions



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 8th* largest in the world. It has present annual capacity of 84.45 mn. sq. meters presently, distributed across eight plants - one at Sikandrabad in Uttar Pradesh, one at Gailpur, one at Malootana in Rajasthan, two at Morbi in Gujarat, one at Vijayawada, one at Srikalahasti in Andhra Pradesh and one at Balanagar in Telangana.

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, GM Investor Relations

+91 11 26946409 (Board),

+91 11 40946552 (Direct)

Email: pallavibhalla@kajariaceramics.com

Disclaimer: Certain Statements in this document may be forward-looking within the meaning of applicable laws and regulations. And actual results might differ substantially from those expressed or implied. Such statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors could cause our actual results to differ. Kajaria Ceramics Limited will not be in any way responsible for any action taken based on such statements.

* As per Ceramic World Review