

Kajaria

Corporate Presentation

February 2020

Agenda

Global Tile Industry

Indian Tile Industry











Kajaria Ceramics – overview

Financials

Shareholding Pattern

Production Trend for Top Ten Countries











(Million Sq.m)

		CY14	CY15	CY16	CY17	CY18	
	CHINA	6,000	5,970	6,495	6,400	5,683	→ 43%
	INDIA	825	850	955	1,080	1,145	→ 9%
	BRAZIL	903	899	792	790	793	
	VIETNAM	360	440	485	560	602	
	SPAIN	425	440	492	530	530	
	ITALY	382	395	416	422	416	
	INDONESIA	420	370	360	307	383	
	IRAN	410	300	340	373	383	
	TURKEY	315	320	330	355	335	
	EGYPT	220	230	250	300	300	
TOTAL WORLD PRODUCTION		12,428	12,460	13,255	13,552	13,099	

- After many years, global production witnessed de-growth of 3.6% over CY 2017 mainly due to fall in China's production.
- India has shown a positive growth of 6% (mainly driven by exports) over the previous year.

Consumption Trend for Top Ten Countries

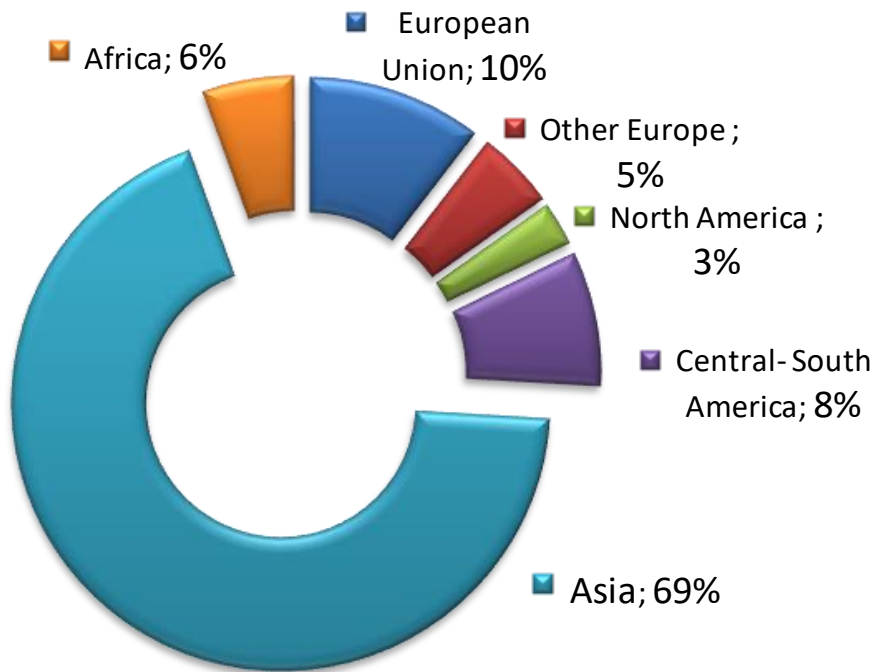
(Million Sq.m)

		CY14	CY15	CY16	CY17	CY18	
	CHINA	4,894	4,885	5,475	5,498	4,840	→ 38%
	INDIA	756	763	785	760	750	→ 6%
	BRAZIL	853	816	706	708	702	
	VIETNAM	310	400	412	580	542	
	INDONESIA	407	357	369	336	450	
	USA	231	254	274	283	289	
	EGYPT	190	190	215	252	254	
	TURKEY	215	234	241	254	239	
	MEXICO	197	218	235	242	236	
	IRAN	280	190	169	170	230	
TOTAL WORLD CONSUMPTION		12,132	12,280	12,973	13,270	12,818	

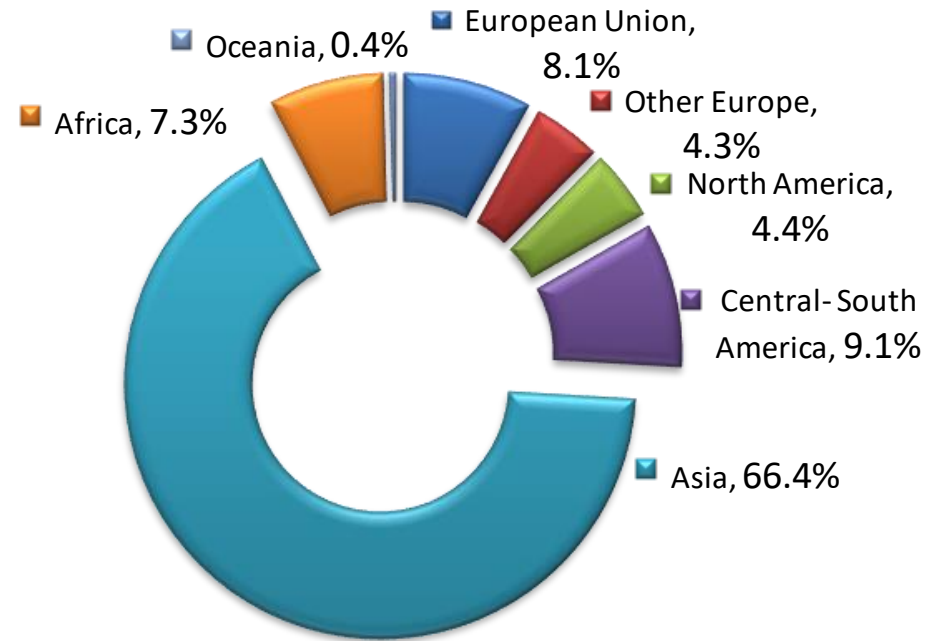
- In line with production, global consumption was also down by 3.6% over CY 2017, mainly due to fall in China's consumption, which fell by 12% in CY 2018 over the previous year.
- India's consumption was down marginally by 1.32% as compared to the previous year.

World production & Consumption

Production



Consumption



Indian Tile Industry

- Indian tile production is 1,145 million sq. mtr. as of March 2019.
- Indian tile consumption is 750 million sq. mtr. as of March 2019 -marginally down by 10 million over last year.
- However, export has grown from 228 MSM in March' 2018 to 274 MSM in March' 2019.
- Industry size is estimated to be Rs. 28,500 crore (Net Sales) as of March 2019. Out of this, domestic consumption is approx. Rs 21,000 crore and exports constitutes approx. Rs 7,500 crore.
- National brands contribute 45% of industry.
- The industry has been growing at a CAGR of 8 - 9% in the last 4-5 years, but has de-grown marginally in FY2018 and FY 2019.

Indian Tile Industry – Major Players

National brands contribute 45% of the Industry

National Brands	Turnover (Rs. Cr.) as on 31.03.2019
Kajaria Ceramics	2,956
Prism Cement (TBK Division)*	1,827
Somany Ceramics	1,715
Asian Granito	1,187
Simpolo *	780
Varmora *	710
Sun Heart *	625
Nitco Tiles	596
Orient Bell Ceramics	571
RAK Ceramics *	550
Murudeshwar Ceramics	126
Others (Restile, Marbomax, ITACA, IKON, Bell Granito etc)*	857
Total	12,500

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

Kajaria Ceramics - Overview

'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 73 million sq. meters presently, distributed across eight tile plants - one at Sikandrabad (UP), one at Gailpur (Rajasthan), one at Malootana (Rajasthan), three at Morbi (Gujarat) and one in Vijaywada and one in Srikalahasti (Andhra Pradesh).

Our Journey – No 1 Ceramic Tile Company in India and 9th Largest in world

- Started production in Aug 1988 at Sikandrabad (UP) with 1 MSM p.a.
- Current Capacity 8.40 MSM p.a of glazed vitrified tiles.

- Commissioned 2nd plant in March 1998 at Gailpur (Rajasthan) with a capacity of 6 MSM p.a.
- Current Capacity is 34.30 MSM p.a of ceramic wall and floor tiles and glazed vitrified tiles.

Subsidiaries - Tiles:

- 2012: JAXX (87.37% stake), Morbi, Gujarat : 10.20 MSM p.a polished vitrified tiles.
- 2012: Vennar (51% stake), Vijayawada, Andhra Pradesh : 2.90 MSM p.a ceramic wall & floor tiles.
- 2012: Cosa (51% stake, Morbi, Gujarat: 5.70 MSM p.a of polished vitrified tiles.

- Commissioned 3rd plant in Jan 2016 at Malootana (Rajasthan) with a capacity of 6.50 MSM p.a. of polished vitrified tiles.

- Commissioned 4th Plant in Sep 2019 at Srikalahasti (Andhra Pradesh) with a capacity of 5 MSM p.a. of glazed vitrified tiles.

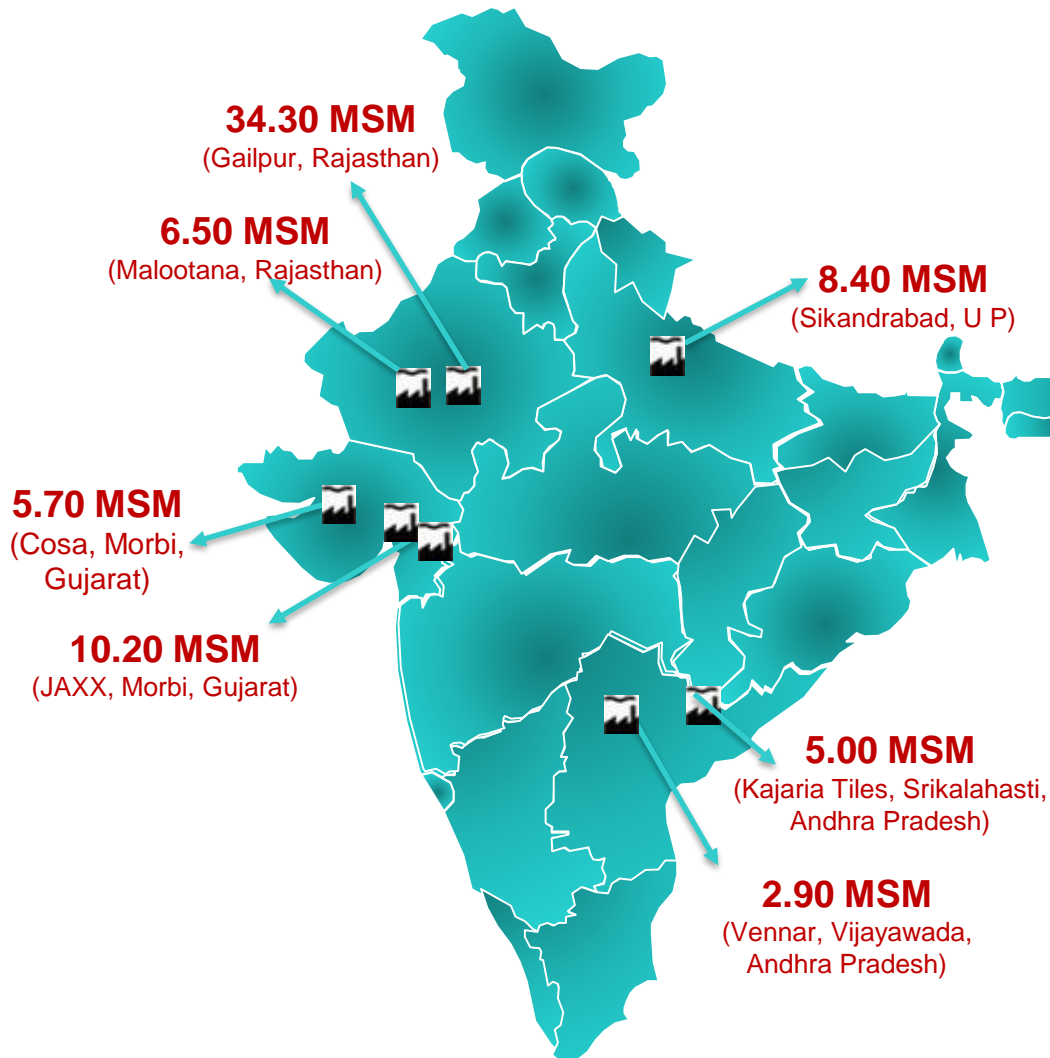
Geographical Spread of the Production Capacity

ASSET OVERVIEW

Total Capacity 73.00 MSM

8

MANUFACTURING FACILITIES



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)	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
6. Srikalahasti (AP)	-	-	5.00	5.00
Total	28.10	22.40	22.50	73.00

Tile Manufacturing Facilities – Own Plants



Gailpur, Rajasthan



Malootana, Rajasthan



Sikandrabad, UP



Srikalahasti, AP

Tile Manufacturing Facilities – Subsidiaries Plants



Jaxx I, Gujarat



Jaxx II, Gujarat

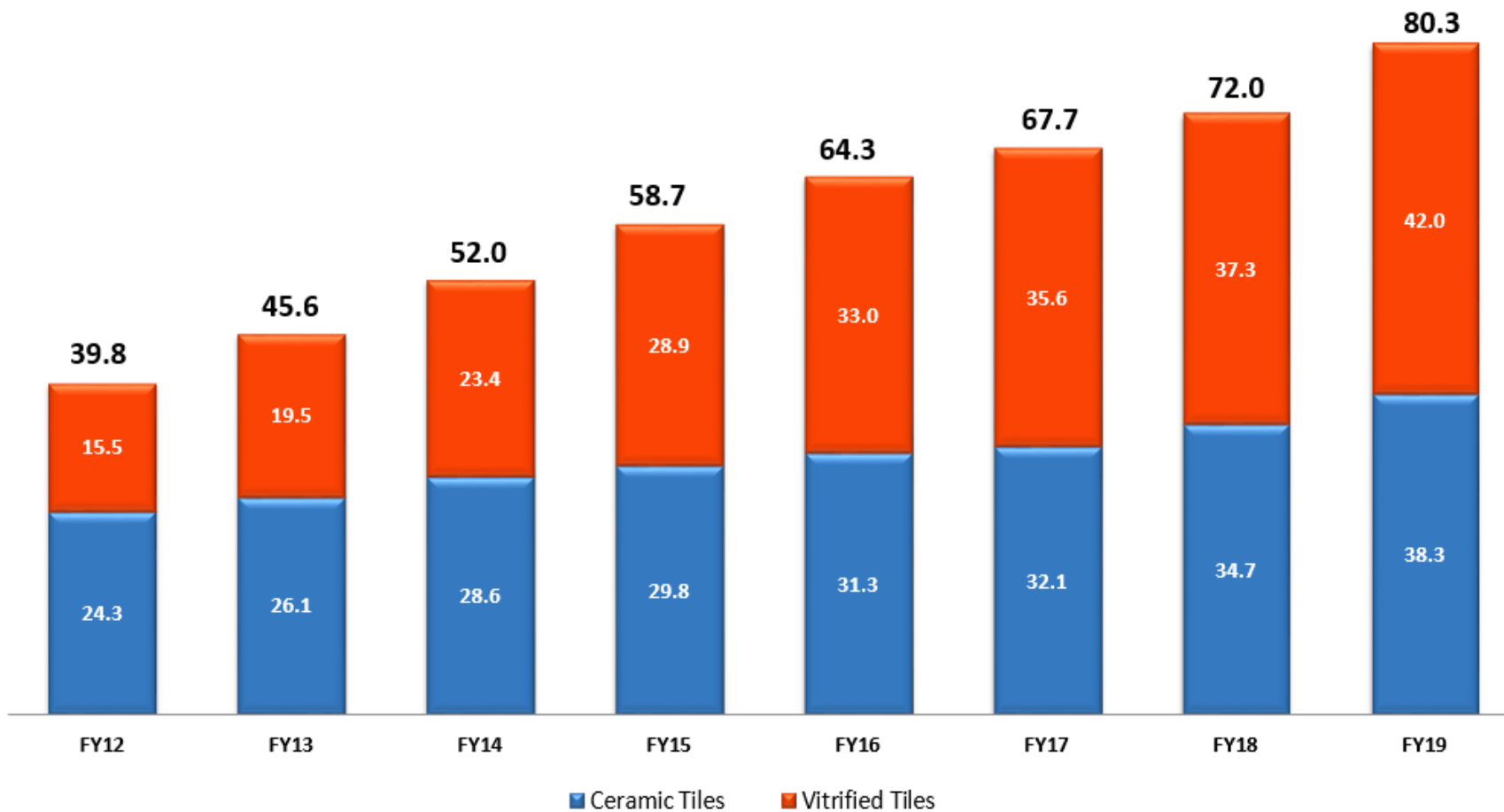


Cosa, Gujarat



Vennar, Andhra Pradesh

Tile sales growth (msm per annum)



Our Brand Ambassador Akshay Kumar



Kajaria

Advertisement - Focused and Strategic

Print Media

Kajaria

CATCH THE STORY
OF A BRAND THAT HAS EMERGED FROM
DESH KI MITTI, IS INDIA JAISA STRONG
AND DEFINES FREEDOM IN
BUSINESS STANDARD - 15th August.

Business Standard
Kajaria
DESH KI MITTI SE BANI TILE SE
DESH KO BANATE HAIN
HAPPY INDEPENDENCE DAY
INDIA'S NO. 1 TILE COMPANY

Kajaria PLY
INDIA JAISA STRONG
INDEPENDENCE DAY
Freedom to CHOOSE
Korout
FREEDOM

HAPPY INDEPENDENCE DAY

TV commercial

Kajaria

Get ready for a power packed weekend with Kajaria

Presenting Sponsor
DANCE INDIA DANCE
FINALE
22nd & 23rd Sep

Superstar Singer
FINALE
6th October

THE KAPIL SHARMA SHOW
Sat-Sun @ 9:30pm

ZEE TV HD, SONY PICTURES HD, ZEE CINEMA HD, & pictures HD, SONY PICTURES HD, इण्टी इण्टी, ZEE BUSINESS

Cinema commercial

Kajaria

*Kuch baat hai iss desh ki mitti mein,
jisse desh ka har kona juda hai. Aur hum bhi.*

Watch the latest TV Commercial at your nearest **PVR** CINEMAS

Airport Branding

More than 30 Airports Pan INDIA

Delhi Airport



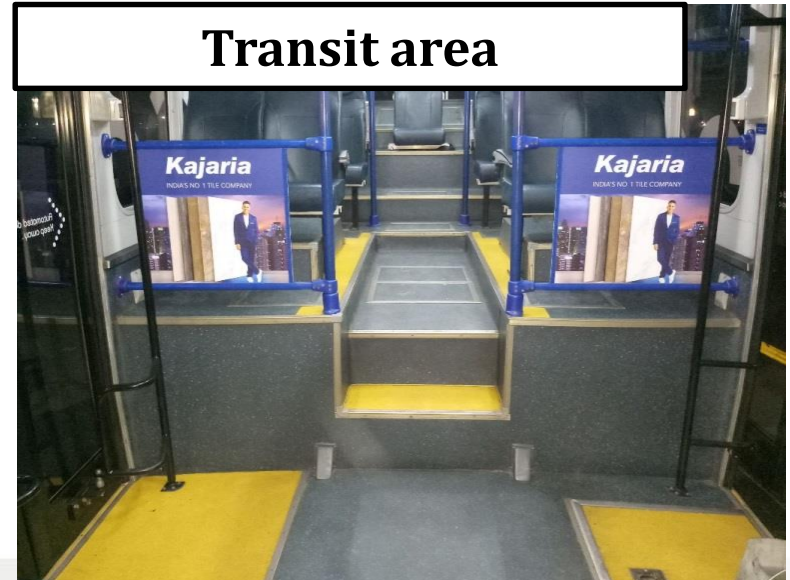
Mumbai Airport



Trays at airport checkpoints



Transit area



Branding In Cricket Stadium

India Vs Bangladesh



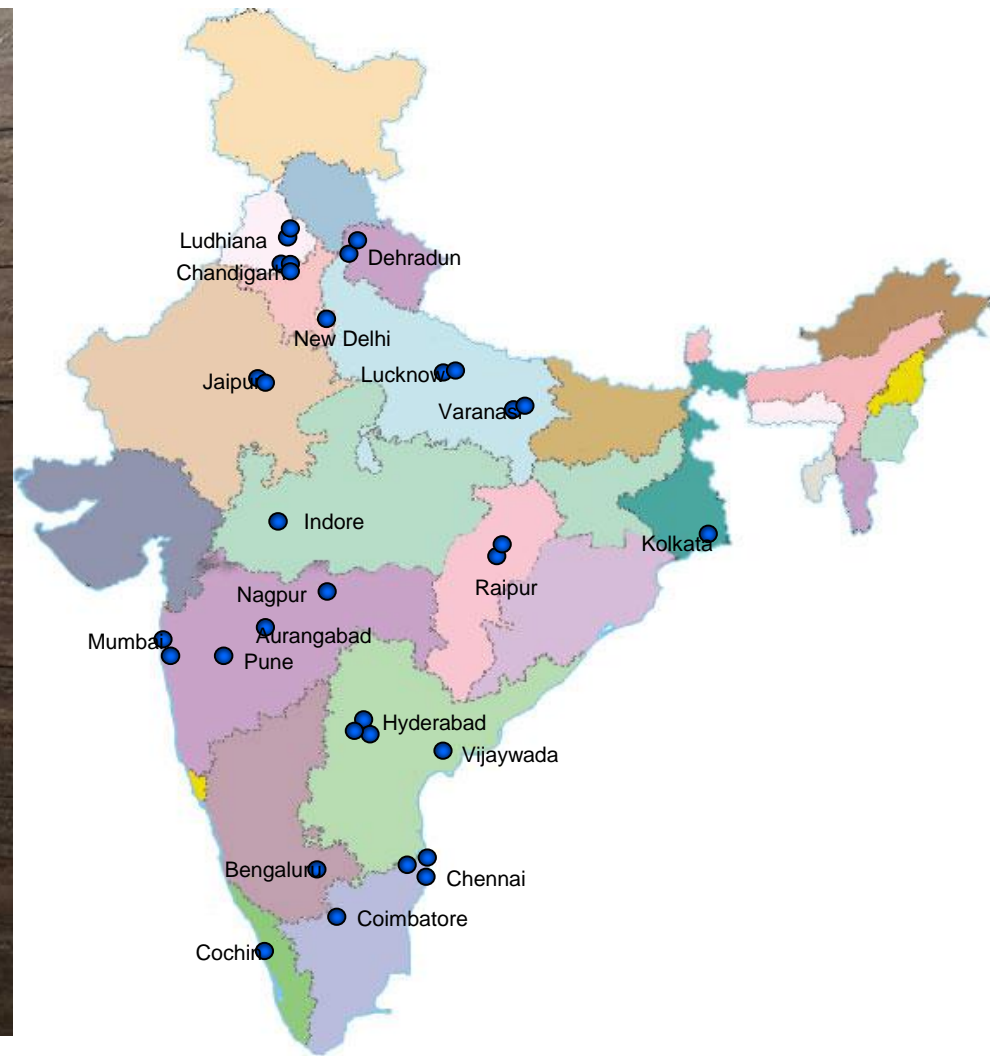
India Vs South Africa



India Vs Westindies



Experience centers across India

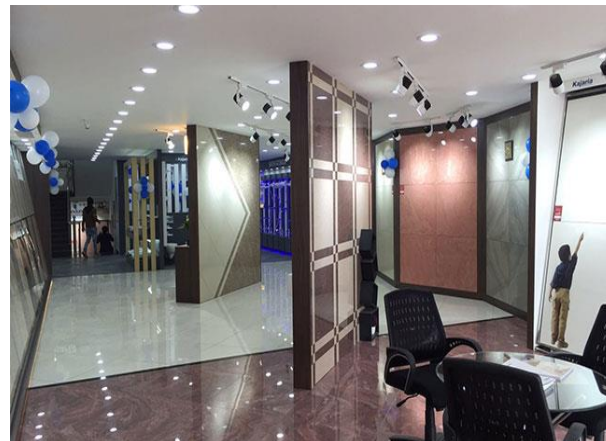


Distribution Network of strong and loyal dealers all over the country



**1500
Operative
Dealers**

Tiles display at dealers' showrooms



Diversification – Bathware

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

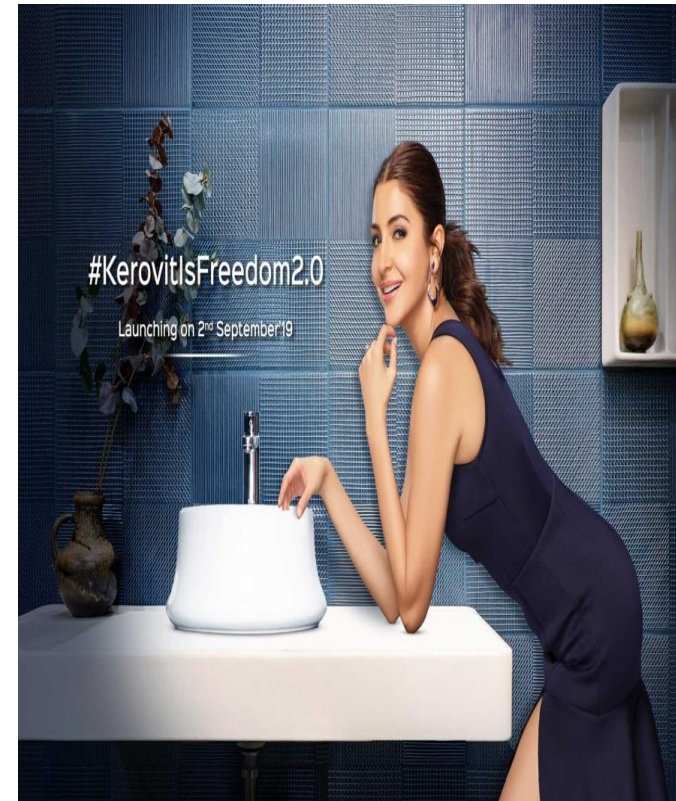


Sanitaryware : The plant is situated in Morbi (Gujarat) with production capacity of 7.50 lac pcs p.a.



Faucet: This facility is situated at Gailpur (Rajasthan) with production capacity of 1.00 million pcs p.a.

**'Kerovit' Brand Ambassador
Anushka Sharma**



Manufacturing Facilities – Bathware Plants



Sanitaryware, Gujarat



Faucet Plant, Rajasthan

Diversification - Plywood

Kajaria Plywood Pvt. Ltd - a subsidiary company offering wood panel products under the brand of Kajaria PLY



PLYWOOD: This product is manufactured using selective hardwood species (incl. Gurjan) along with Glued Core Protection technology in both BWP & MR grades.

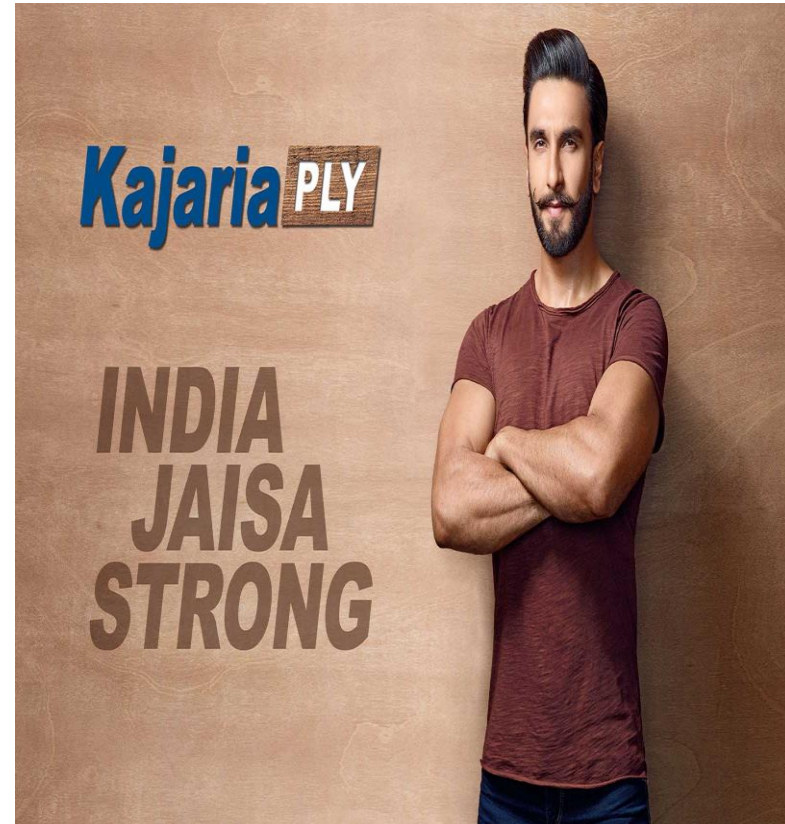


BLOCKBOARD: This product comes with pinewood construction and hardwood veneers along with Glued Core Protection technology in both BWP & MR grades.



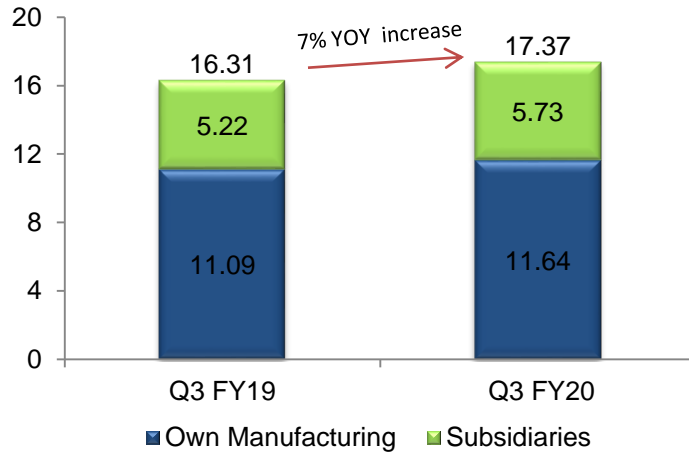
FLUSH DOOR: This product is available in both Pinewood & Hardwood construction and comes with unmatched industry-first warranty coverage.

**'Kajaria Ply' Brand Ambassador
Ranveer Singh**

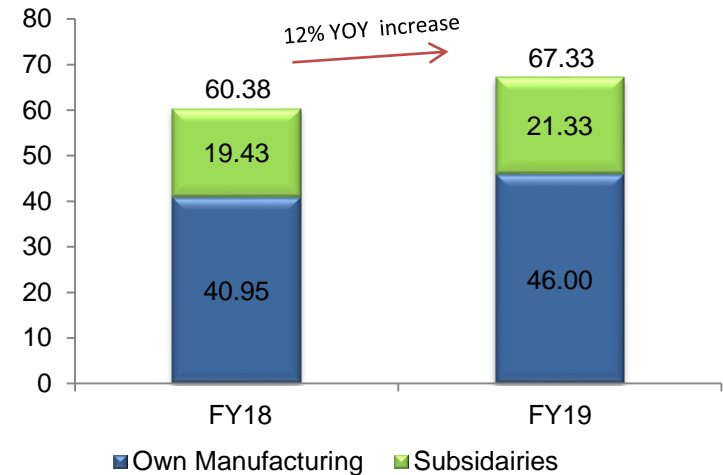


Volume Data (tiles) – Quarterly and Yearly

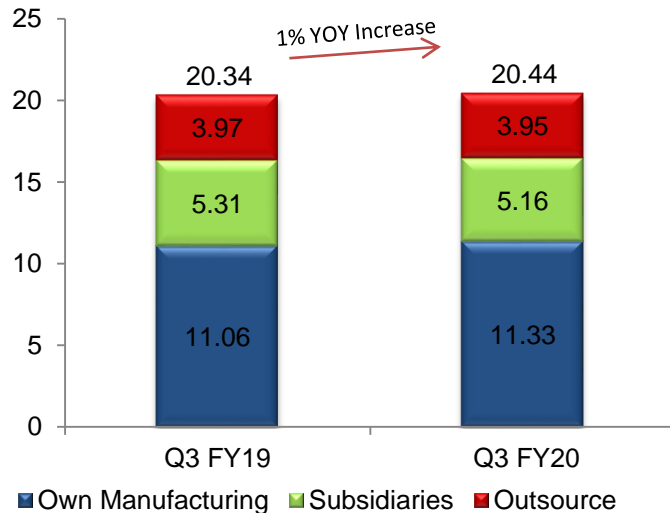
Production Growth (MSM) - Q3 FY20



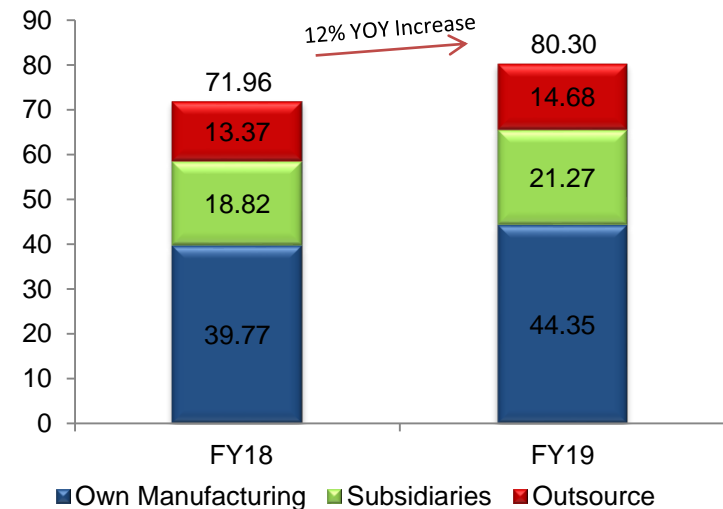
Production Growth (MSM) - FY19



Sales Growth (MSM) - Q3 FY20

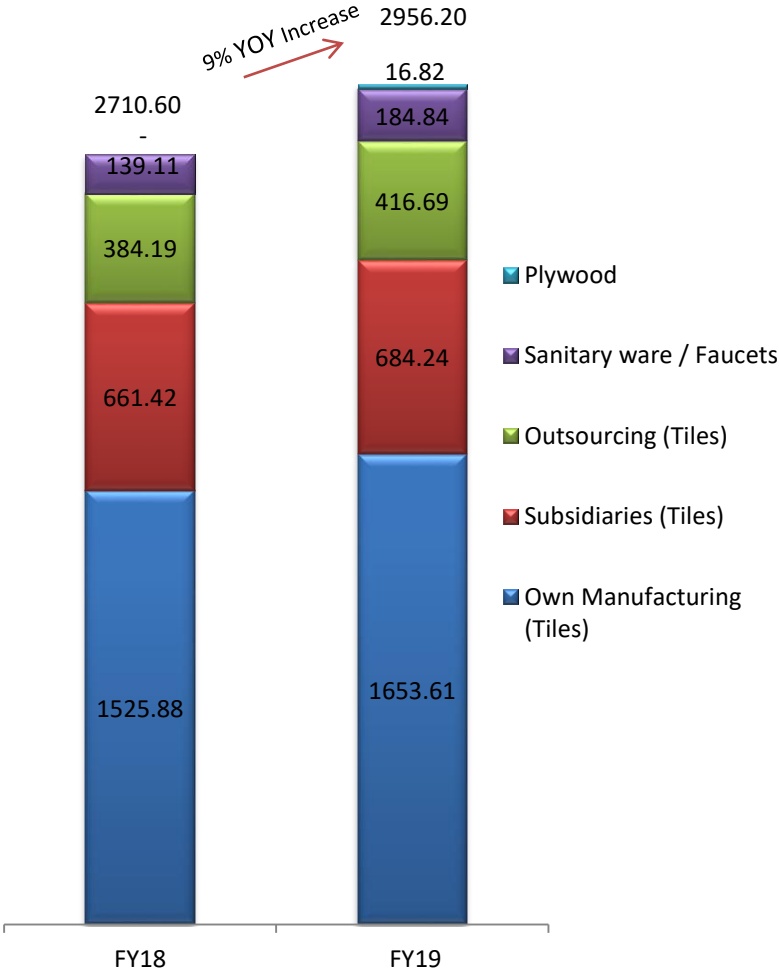
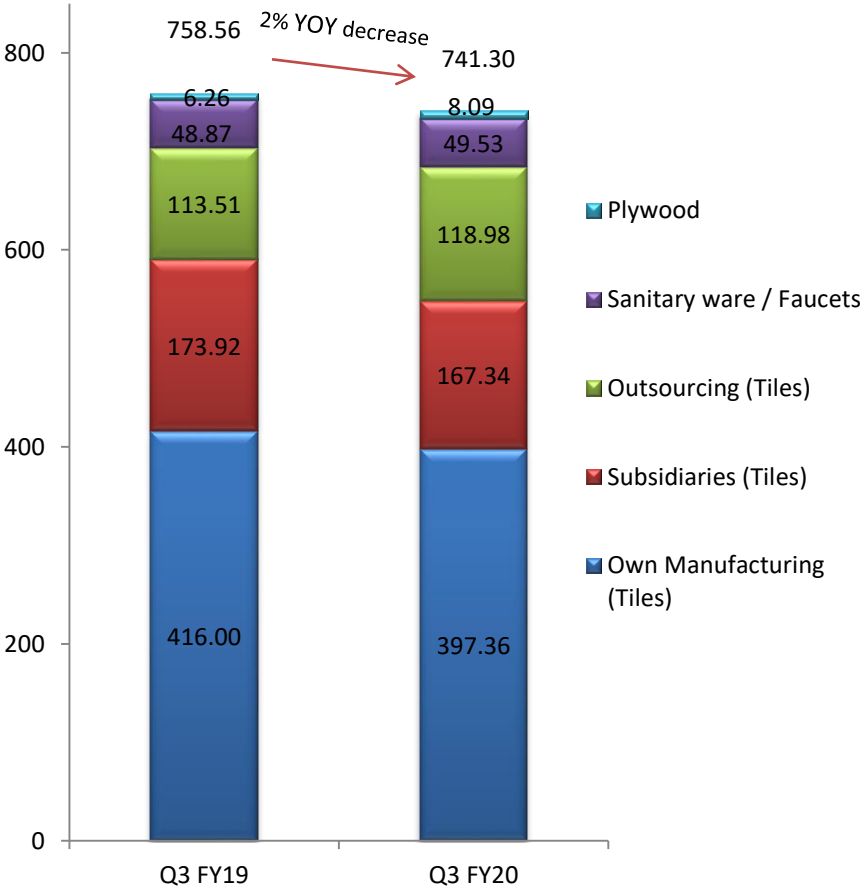


Sales Growth (MSM) - FY19



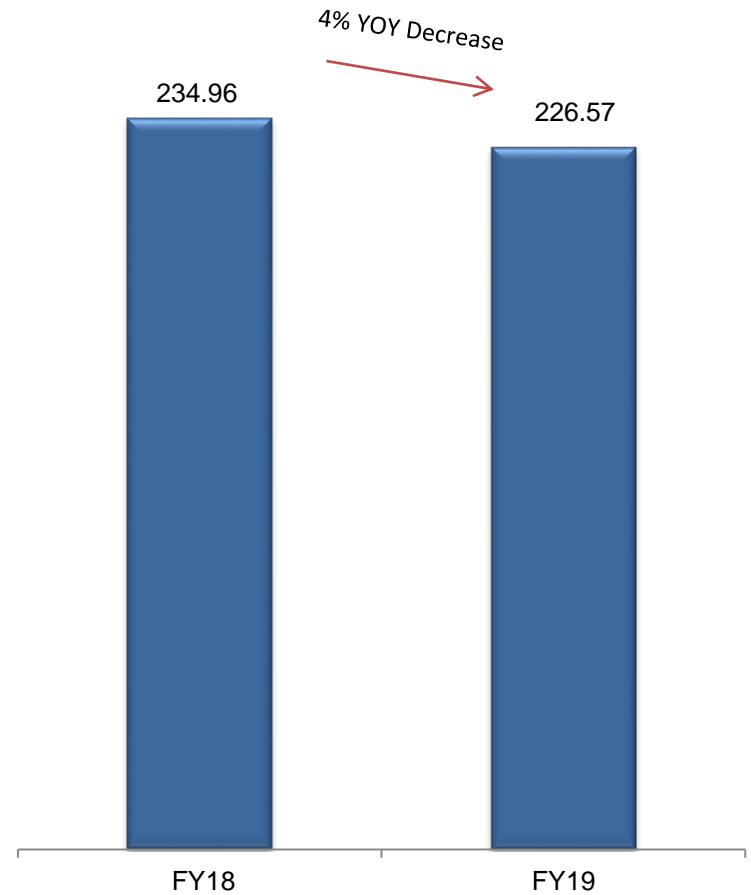
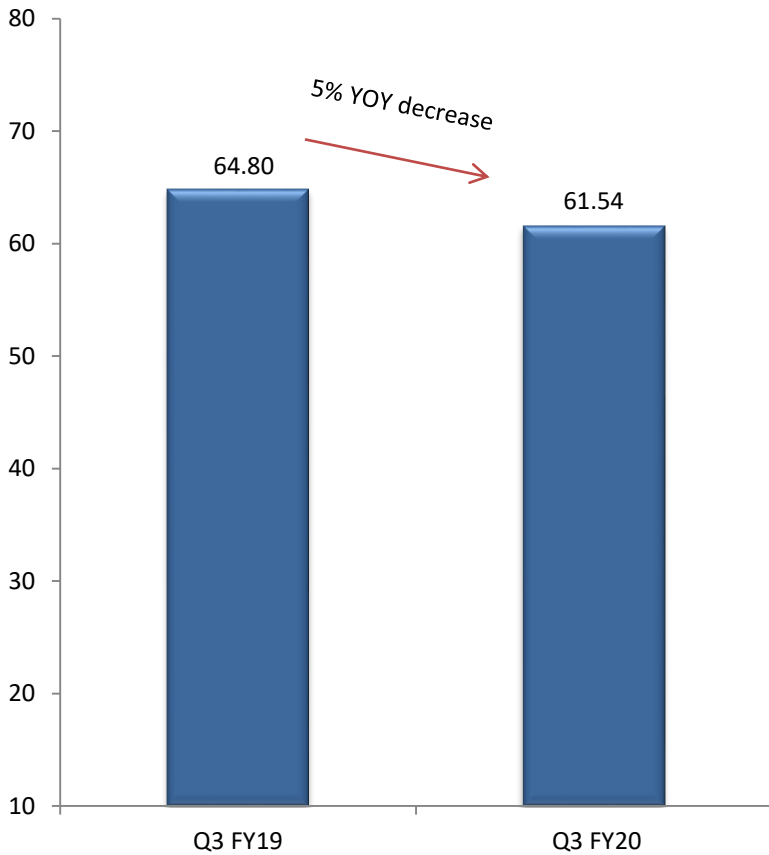
Revenue Growth – Quarterly and Yearly

Rs./ Crores



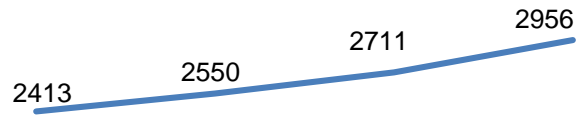
PAT – Quarterly and Yearly

Rs./ Crores

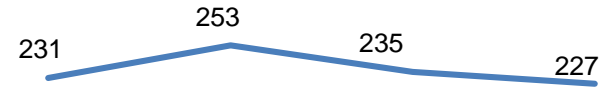


Historical Data

Net Sales (Rs. Crore)



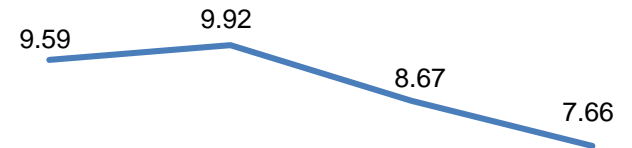
PAT (Rs. Crore)



EBDITA MARGIN (%)

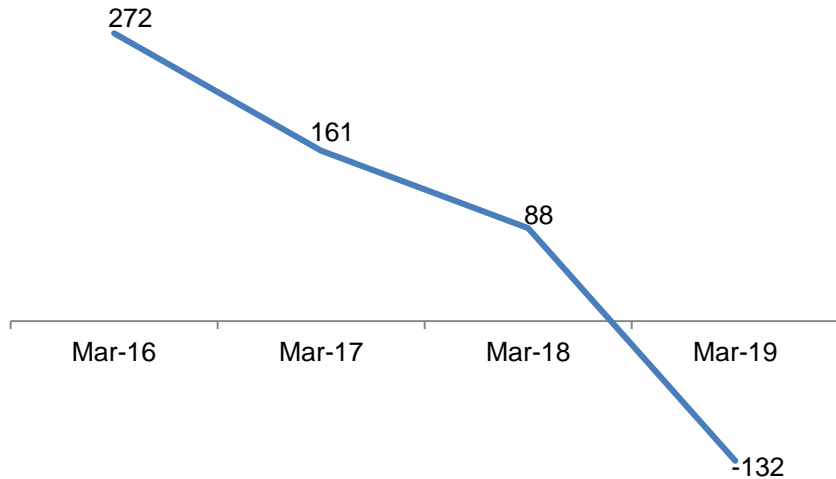


PAT MARGIN (%)

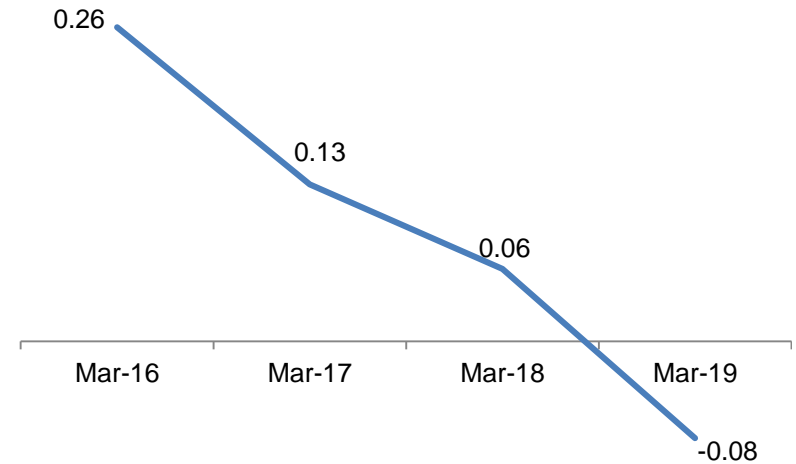


Historical Data

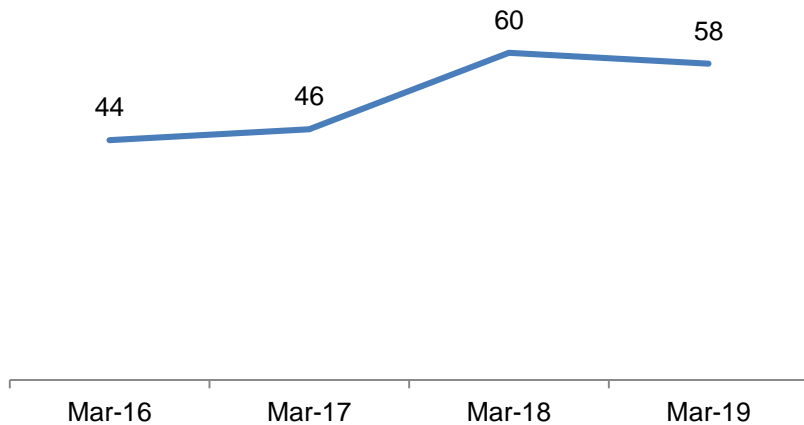
Net Debt (Rs. Crore)*



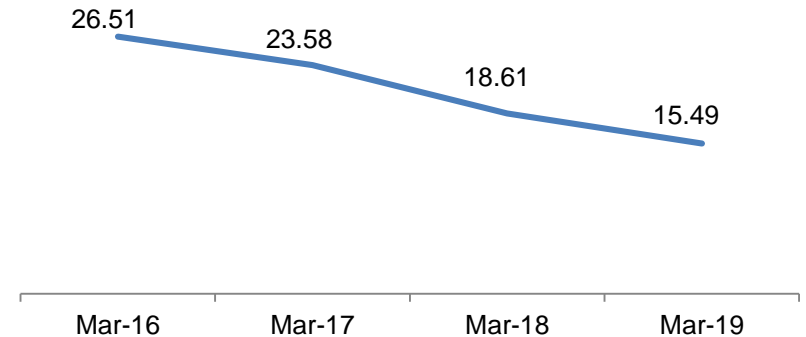
Net Debt Equity (X)



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)

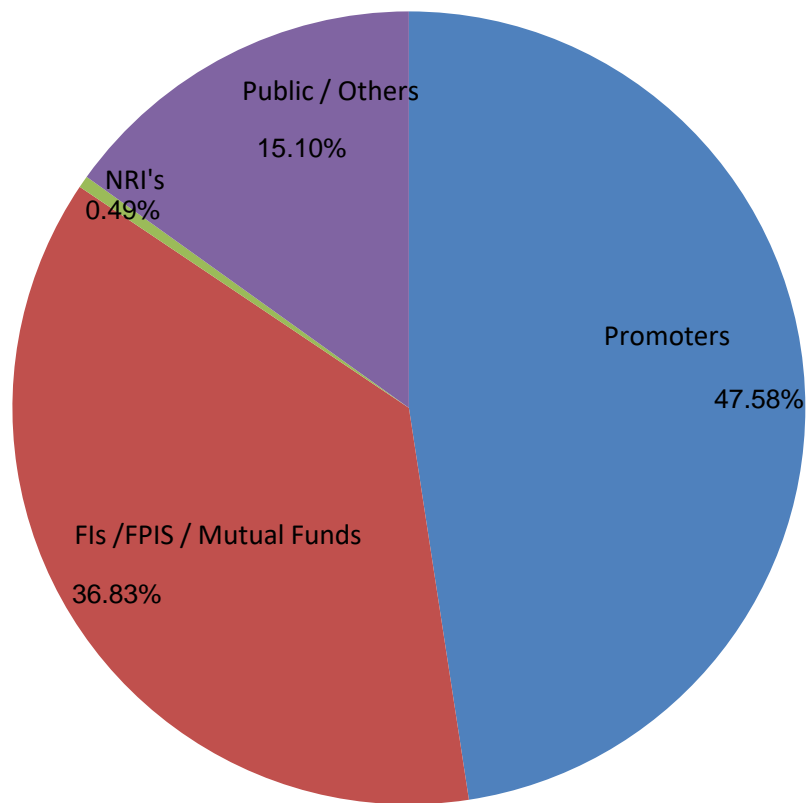
	Q3 FY20		Q3 FY19		Growth		9M FY20		9M FY19		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	677.64	741.30	700.20	758.56	-3%	-2%	1968.74	2155.97	1991.80	2140.89	-1%	1%
EBITDA	98.19	111.33	106.28	120.83	-8%	-8%	293.25	322.53	291.35	326.55	1%	-1%
EBITDA MARGIN	14.49%	15.02%	15.18%	15.93%			14.90%	14.96%	14.63%	15.25%		
Depreciation	19.59	27.78	15.84	22.18	24%	25%	58.75	79.75	47.93	67.38	23%	18%
Other Income	12.38	5.13	8.85	4.53	40%	13%	36.08	17.23	23.89	11.50	51%	50%
Interest	1.86	4.84	0.64	3.63	191%	33%	6.06	14.58	3.16	12.32	92%	18%
Exceptional Items - loss (gain)									-4.78	3.41		
Profit Before Tax	89.12	83.84	98.65	99.55	-10%	-16%	264.52	245.43	268.93	254.94	-2%	-4%
Tax Expense	23.07	22.58	33.07	33.66	-30%	-33%	41.09	40.72	91.35	93.05	-55%	-56%
Minority Interest		-0.28		1.09				-1.03		1.32		
Profit After Tax	66.05	61.54	65.58	64.80	1%	-5%	223.43	205.74	177.58	160.57	26%	28%
Cash Profit	85.64	89.32	81.42	86.98	5%	3%	282.18	285.49	225.51	227.95	25%	25%
Equity Share Capital	15.90	15.90	15.90	15.90			15.90	15.90	15.90	15.90		
EPS (Basic) (Rs.)	4.16	3.87	4.13	4.08	1%	-5%	14.06	12.94	11.17	10.10	26%	28%

Shareholding Pattern

Equity Shares Outstanding – 158.95 millions

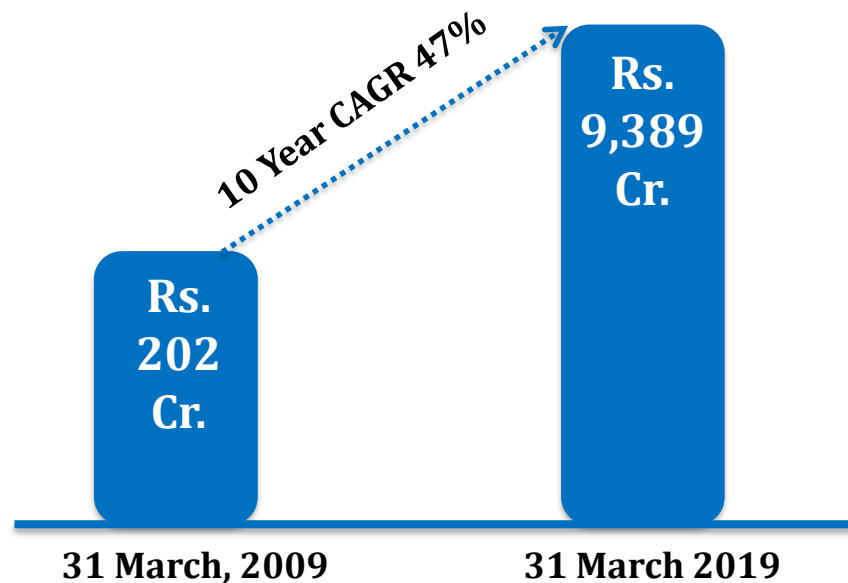
As on 31st Dec. 2019

Shareholding



Value Creation

Market capitalization



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 73.00 mn. sq. meters presently, distributed across eight plants - one in Sikandrabad in Uttar Pradesh, one in Gailpur and one in Malootana in Rajasthan, three in Morbi in Gujarat and one in Vijaywada and one in Srikalahasti in Andhra Pradesh.

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