



# KAJARIA CERAMICS LIMITED

## Investor Update – Q1 FY19

**July 24, 2018**

***Kajaria***  
TRANSFORM YOUR WORLD

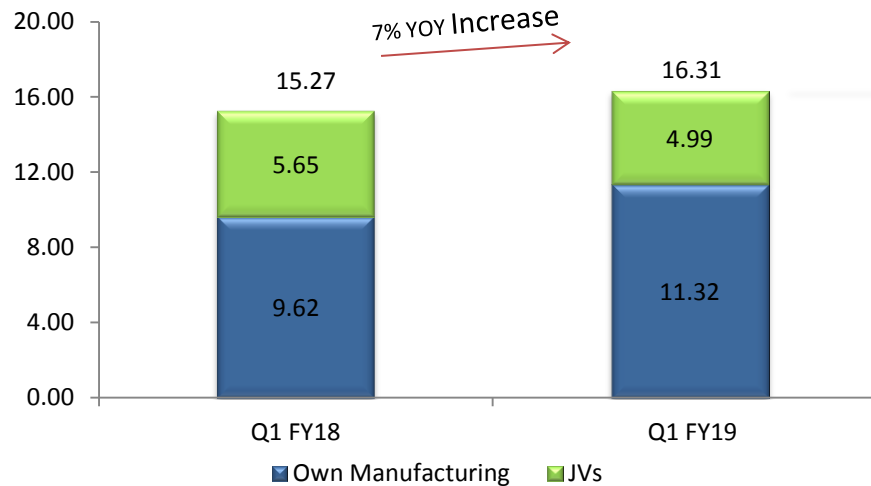
- Chairman's Message
- Financial Performance – Q1 FY19
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

The first quarter of 2018-19 appears to be a sign of better times to come as the northward movement of gas prices seems to have stabilised and the price decline in the value-added GVT product appears to be halted.

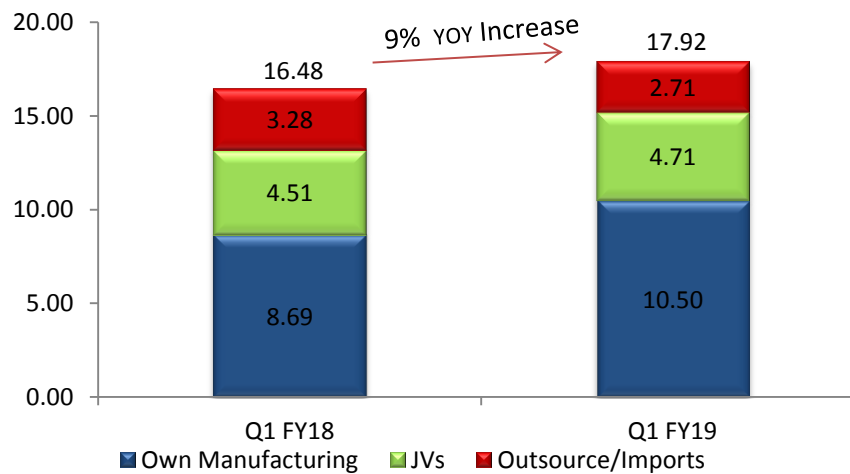
Even as these factors muted the sectoral performance, Kajaria registered a satisfactory performance in the first quarter of the 2018-19. Sales volumes grew by about 9% and revenue grew by about 5% over the corresponding period in the previous year however the net profit declined by 11% on YoY basis. Our bathware segment registered a robust revenue growth of 69% in Q1 FY19 over the corresponding previous quarter. What was indeed satisfying that we maintained our working capital cycle in the face of difficult times.

Going forward, the normal monsoon, increased income for the rural masses (owing to the significant increase in MSP for agri-produce) holds promise for increased discretionary spending and should have positive impact on demand for tiles.

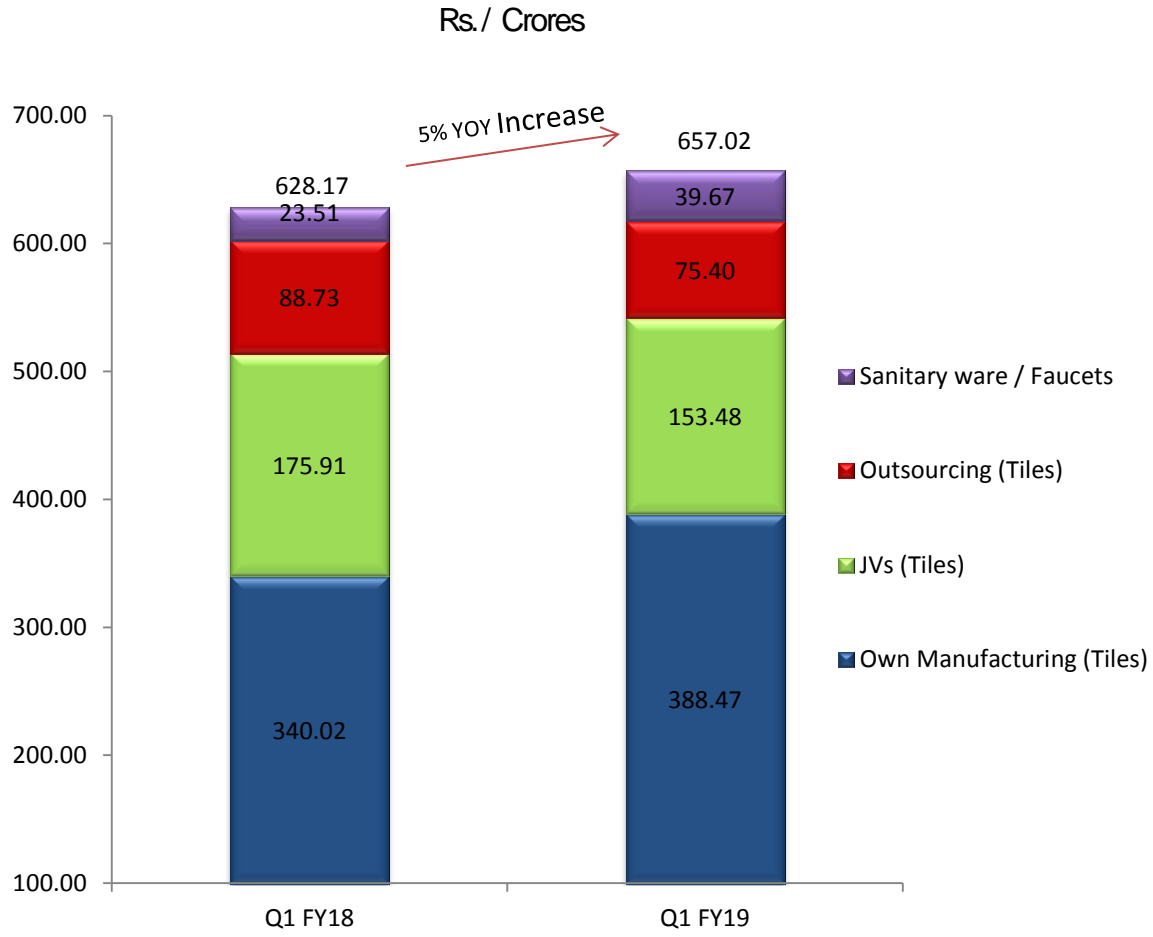
## Production Growth (MSM) - Q1 FY19



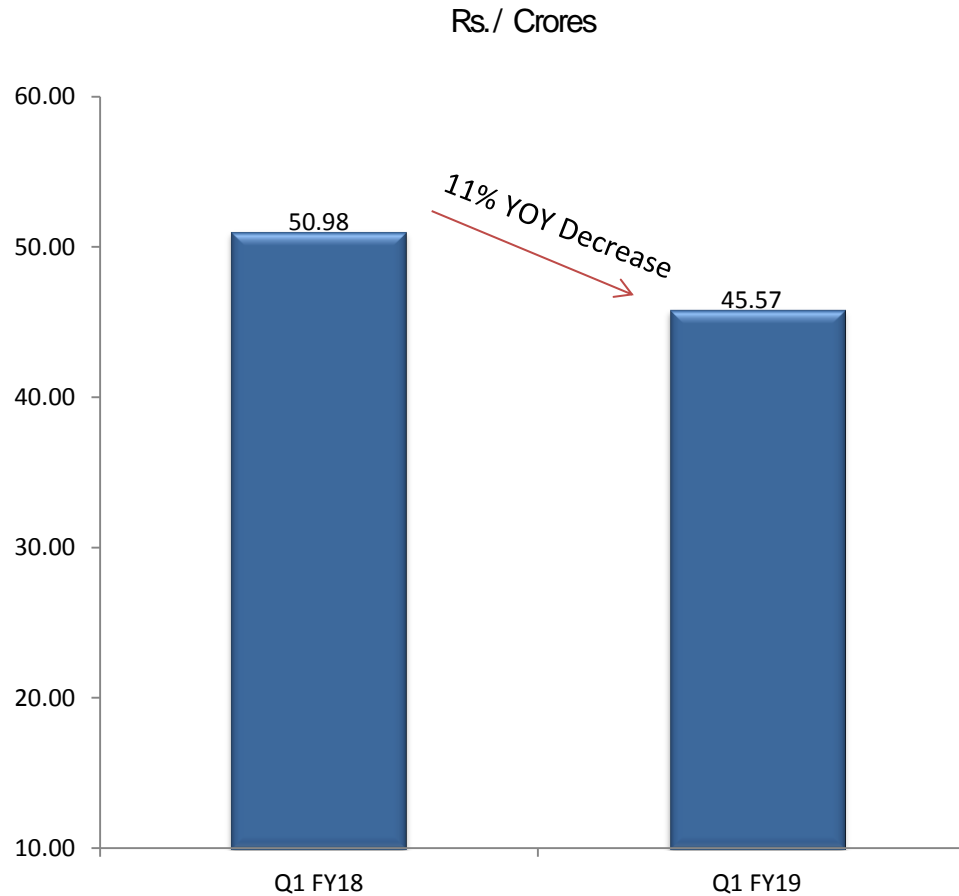
## Sales Growth (MSM) – Q1 FY19



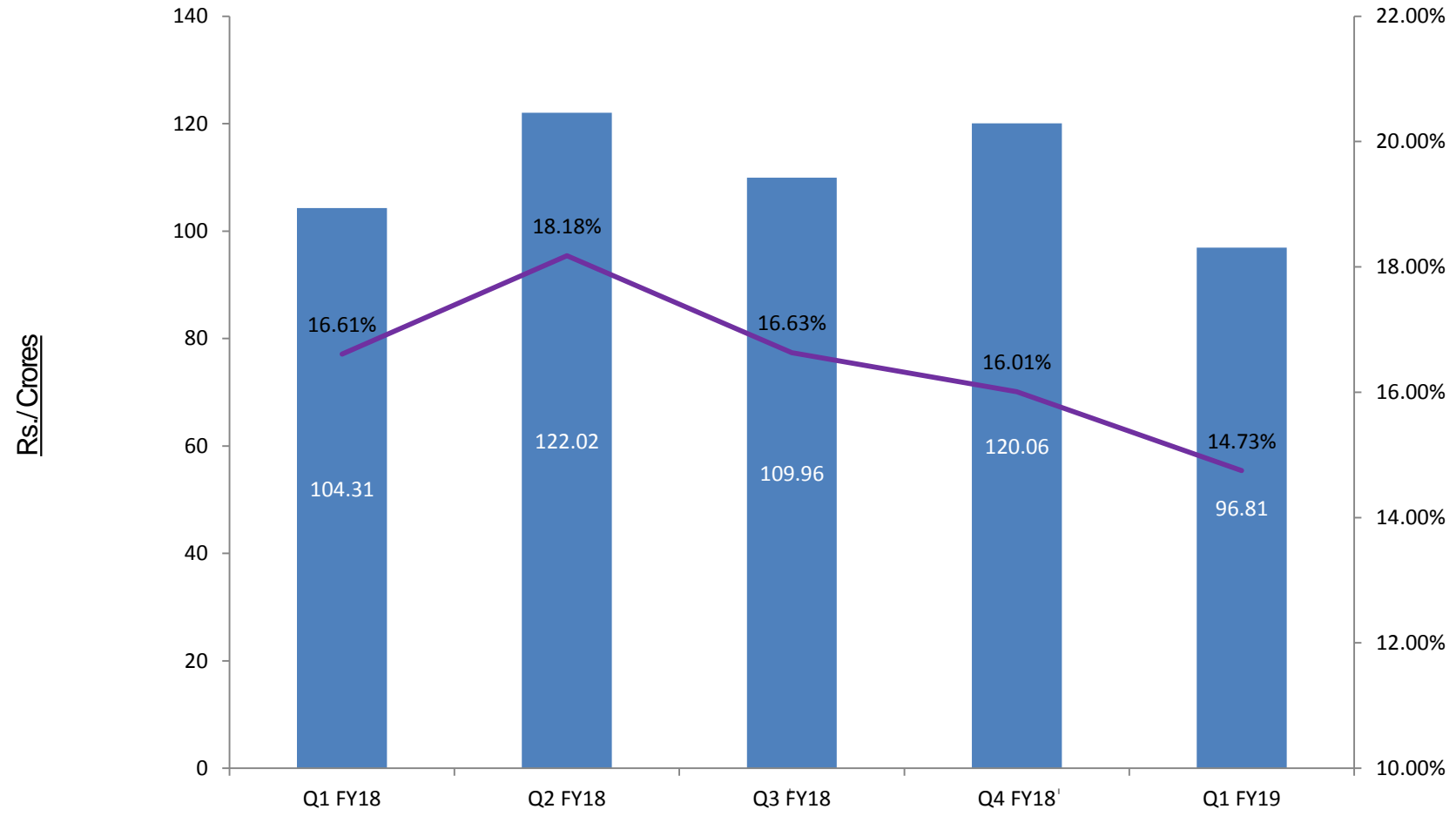
## Revenue Growth - Consolidated



## PAT Growth - Consolidated

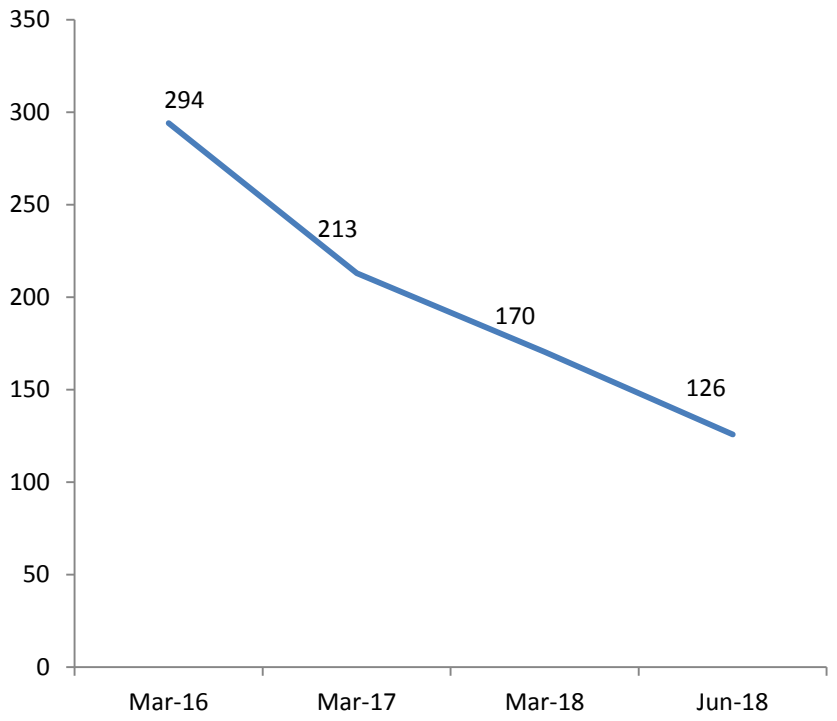


Refer Slide 12 for detailed Income Statement

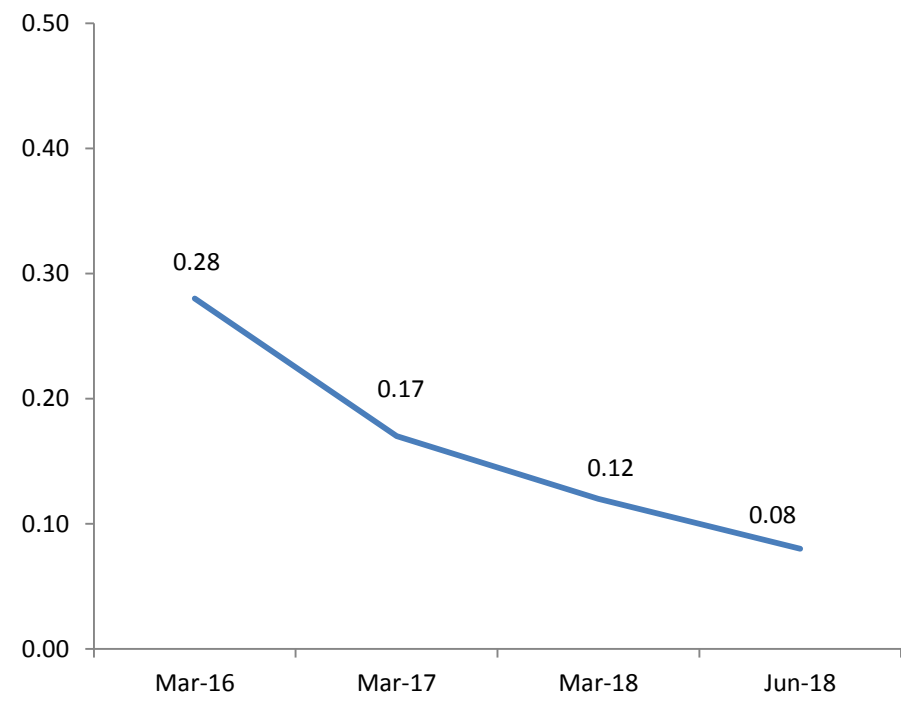


\* Recomputed as per IND - AS

### Debt (Rs. Crore)



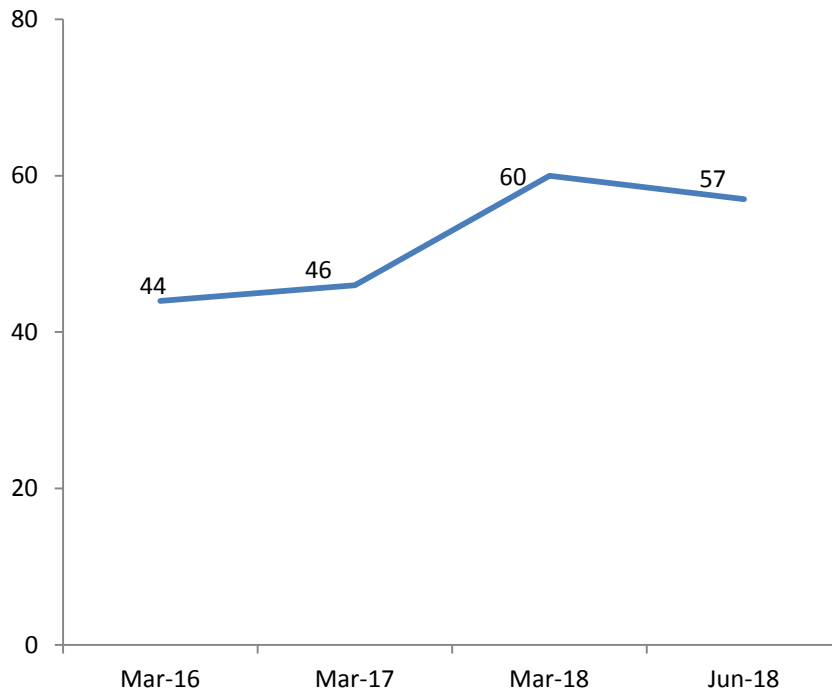
### Debt Equity (X)



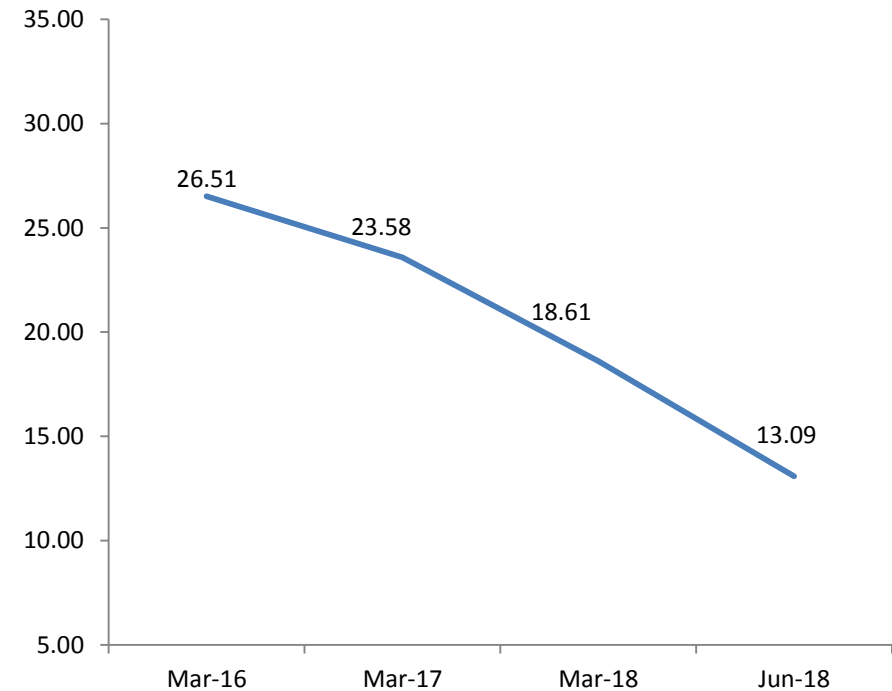
\*Recomputed as per IND - AS



## Working Capital Cycle (days)



## Return on Equity (Avg.) \*



\*Recomputed as per IND - AS

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

## ROE as on 30<sup>th</sup> Jun 18 taken at average of net worth as on 31<sup>st</sup> Mar 18 & 30<sup>th</sup> Jun. 18 and Q1FY 19 PAT.

A. SORISO CERAMICS

Acquired 51% stake in Soriso Ceramic Pvt Ltd. based in Morbi, Gujarat in February 2011 with an annual capacity of 2.30 MSM of ceramic floor tiles. Further expanded the capacity to 4.60 MSM in March 2012. The revised capacity of Soriso works out to 3.67 MSM per annum due to change in product profile.

B. 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. Further expansion of 4.50 MSM polished vitrified tile has increased Jaxx capacity to 10.20 MSM.

C. 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 1<sup>st</sup> July, 2012. The revised capacity of Vennar works out to 2.90 MSM per annum due to change in product profile.

D. COSA CERAMICS

Acquired 51% stake in Cosa Ceramics Pvt. Ltd., based in Morbi, Gujarat – on 16<sup>th</sup> 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.

E. KAJARIA FLOERA CERAMICS

Kajaria Floera Ceramics Pvt. Ltd, is putting up a manufacturing facility of glazed vitrified tiles with a capacity of 5.00 MSM p.a. (earlier planned 5.70 msm p.a. of polished vitrified tiles) in Andhra Pradesh. The land has already been acquired. The plant is expected to be commissioned by end of this fiscal.

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

a)Sanitaryware: Kajaria Sanitaryware (P) Ltd. (KSPL), in which KBL was holding 64% shares (82% Now), has started the production of sanitaryware in April 2014. KSPL is in the process of increasing 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). The same shall be operational by end of July 2018.

b)Faucet: The 1.00 million pieces faucet facility at Gailpur (Rajasthan) commenced commercial production in July 2015. The plant has operated at 60% of its capacity in Q1 FY19. We hope to achieve 75% capacity utilisation by end of this year.

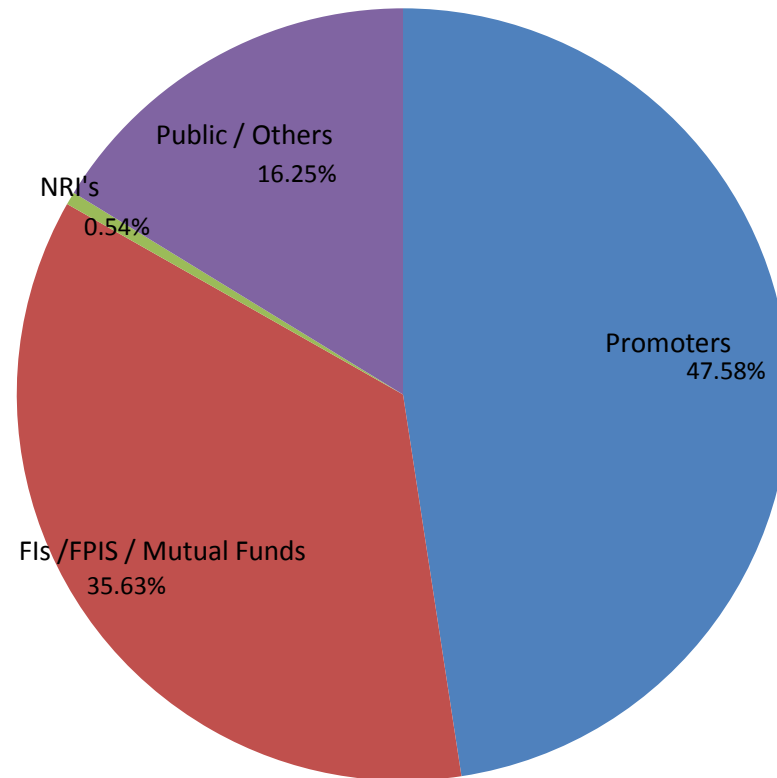
## Financial highlights

(Rs / Crores)

	Q1 FY19		Q1 FY18		Growth		FY18		FY17		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	614.11	657.02	621.43	628.17	-1%	5%	2580.68	2710.60	2527.96	2549.63	2%	6%
EBIDTA	87.71	96.81	94.05	104.31	-7%	-7%	427.89	456.36	438.66	496.33	-2%	-8%
EBIDTA MARGIN	14.28%	14.73%	15.13%	16.61%			16.58%	16.84%	17.35%	19.47%		
Depreciation	16.01	22.67	14.73	21.84	9%	4%	61.76	88.53	53.20	81.39	16%	9%
Other Income	6.68	2.38	5.32	2.80	26%	-15%	23.51	10.84	25.34	15.36	-7%	-29%
Interest	1.04	4.17	0.98	7.80	6%	-47%	4.48	24.10	3.54	34.00	27%	-29%
Exceptional Items			3.61	-0.75			3.61	-0.75				
Profit Before Tax	77.34	72.35	80.05	78.22	-3%	-8%	381.55	355.32	407.26	396.30	-6%	-10%
Tax Expense	26.87	26.98	27.91	29.31	-4%	-8%	129.23	126.72	137.10	142.49	-6%	-11%
Minority Interest		-0.20		-2.07				-6.36		1.00		
Cash Profit	66.48	68.24	66.87	72.82	-1%	-6%	314.08	323.49	323.36	334.20	-3%	-3%
Profit After Tax	50.47	45.57	52.14	50.98	-3%	-10%	252.32	234.96	270.16	252.81	-7%	-7%
Equity Share Capital	15.90	15.90	15.89	15.89			15.90	15.90	15.89	15.89		
EPS (Basic) (Rs.)	3.18	2.87	3.28	3.21	-3%	-10%	15.88	14.78	17.00	15.91	-7%	-7%

**Ason 30<sup>th</sup> Jun 2018**

*Equity Shares Outstanding - 158.95 millions*



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 9<sup>th</sup> largest in the world. It has an annual capacity of 68.37 mn. sq. meters presently, distributed across eight plants - one in Sikandrabad (UP), one in Gailpur (Rajasthan), One in Malutana (Rajasthan), four in Morbi (Gujarat) and one in Vijaywada (AP).

For further information, please visit [www.kajariaceramics.com](http://www.kajariaceramics.com) or contact:

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