



# KAJARIA CERAMICS LIMITED

## Investor Update – Q2 FY23

**November 2, 2022**

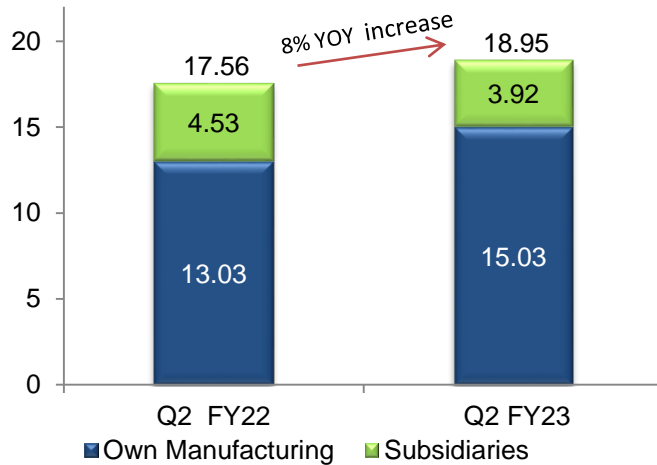
- Chairman's Message
- Financial Performance – Q2 FY23
- Subsidiaries
- Income Statement
- Shareholding Pattern

Second quarter was one of the toughest quarters in terms of the subdued demand scenario and disruptions in natural gas supply followed by unprecedented increase in gas cost. Nonetheless, recent corrections in price should have a positive impact on margins going forward.

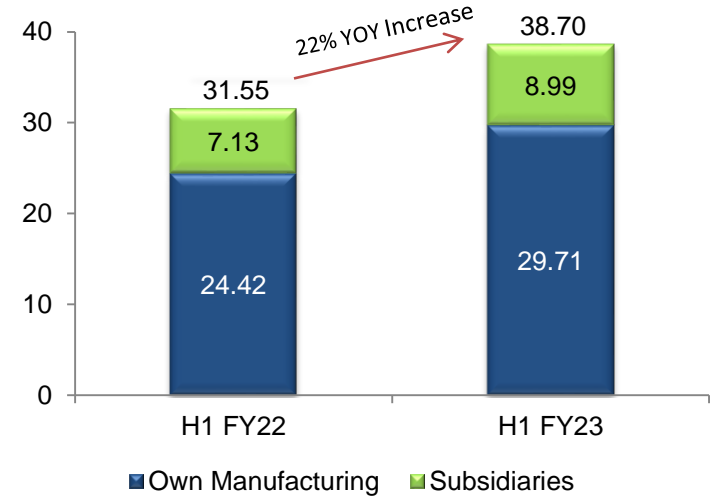
The quarter saw flattish volume growth but a decent revenue growth of 11% as compared to Q2FY22. Consolidated revenue for the quarter stood at ₹1,078 crores vis-à-vis ₹974 crores over the corresponding period of the previous year and Profit after tax was ₹70 crores compared to ₹116 crores in the to corresponding period of previous year.

The Indian economy continues to rise up to the new challenges presented by the ongoing global crisis, which continues to create a high inflationary environment and disruption in supply chain globally. The tile industry should witness gradual demand pickup post festive seasons due to continued traction in the real estate sector and government's focus on infrastructure spending in spite of high input costs and increasing interest rates.

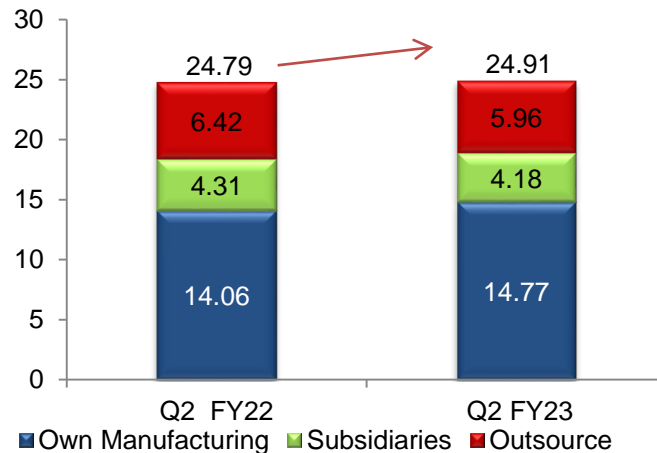
### Production Growth (MSM) - Q2 FY23



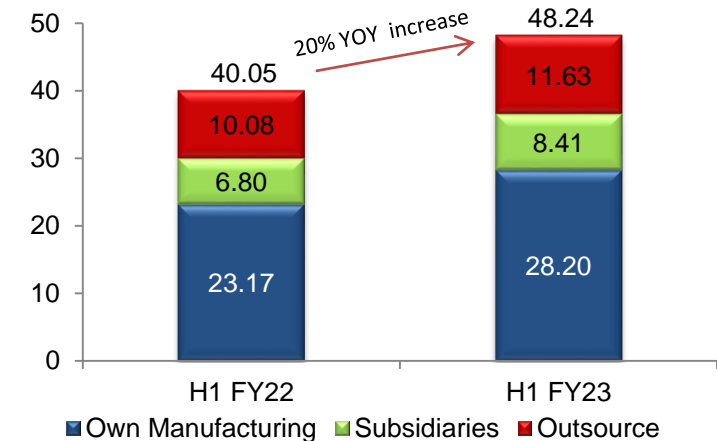
### Production Growth (MSM) - H1 FY23



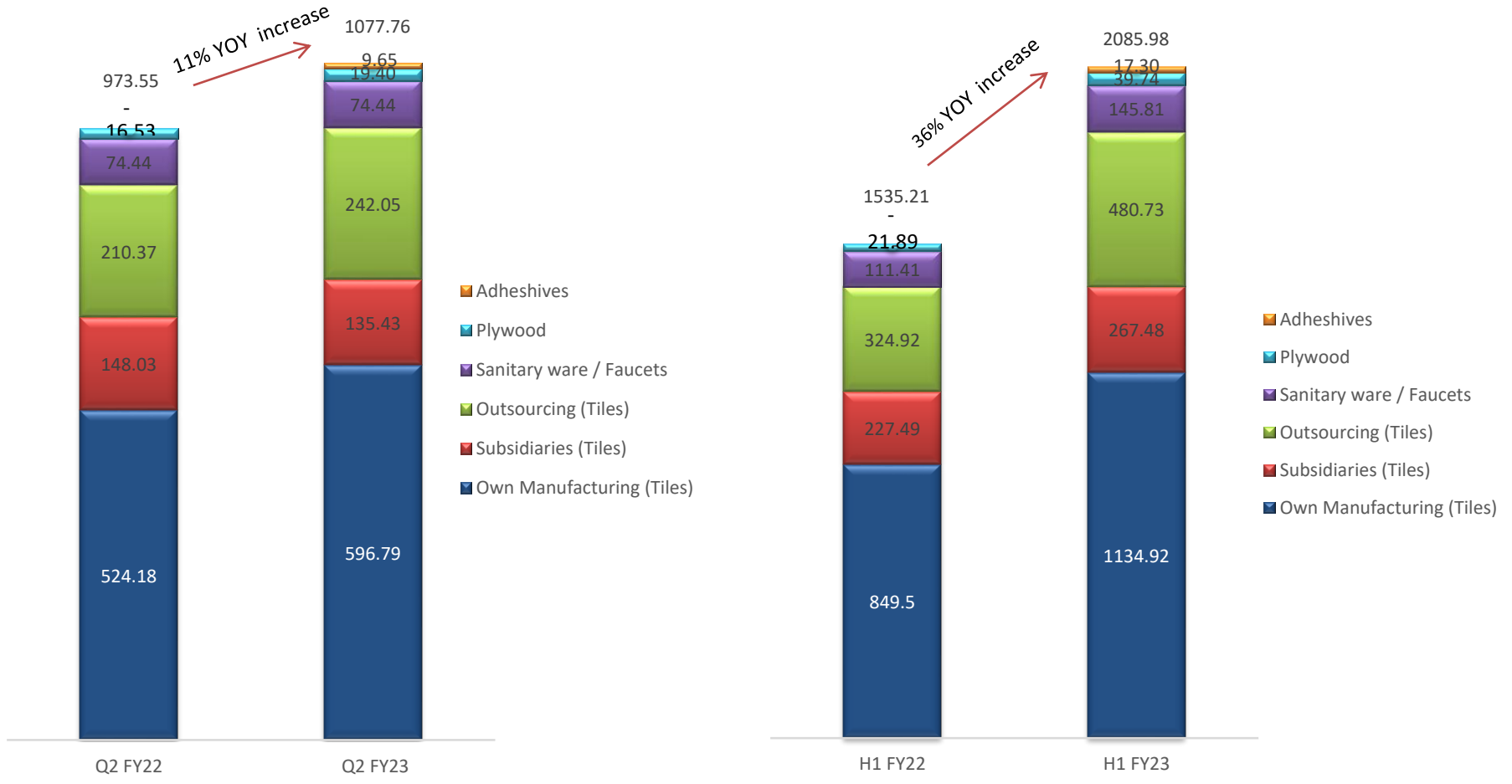
### Sales Growth (MSM) - Q2 FY23

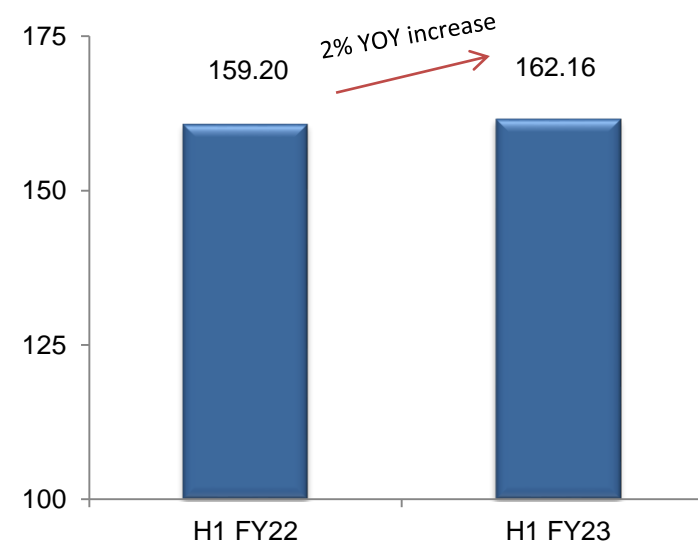
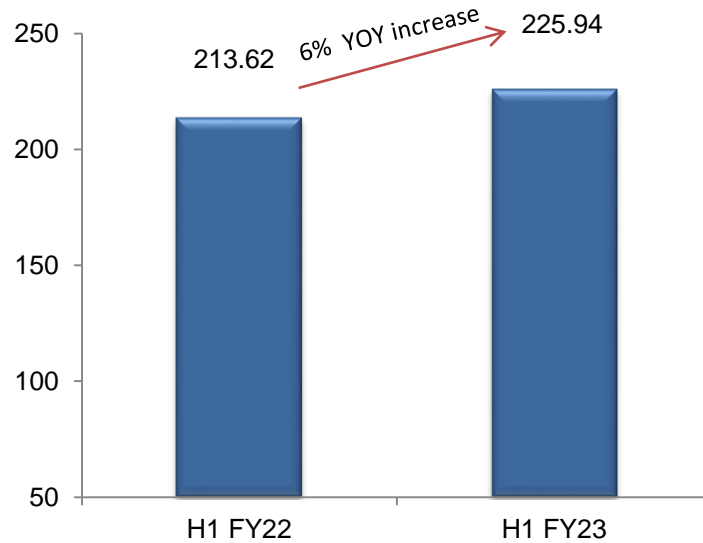
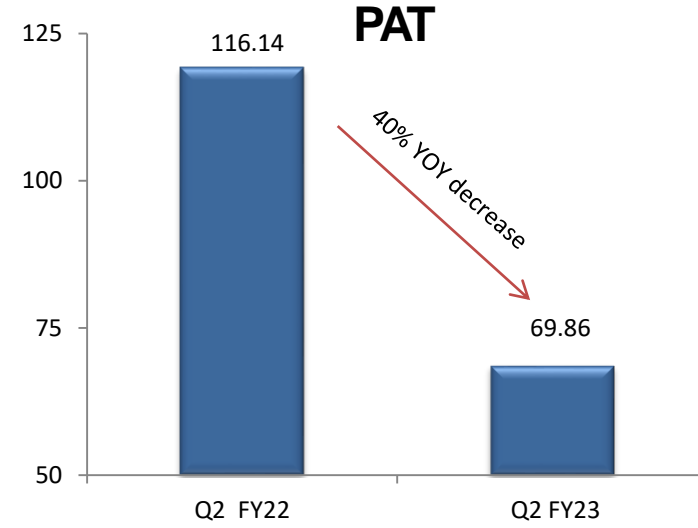
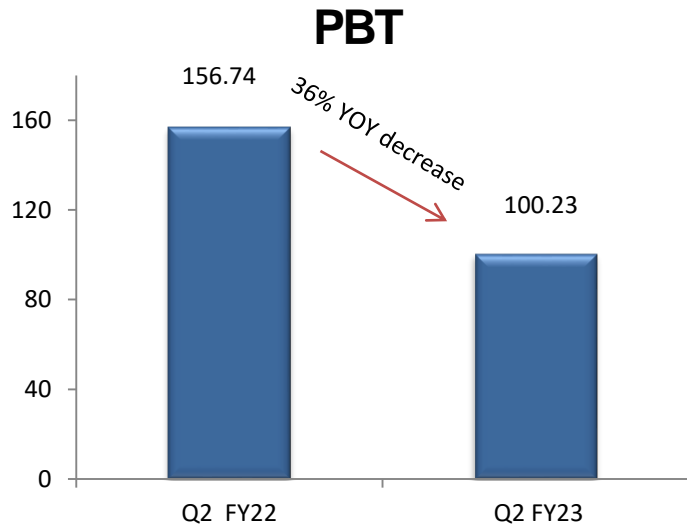


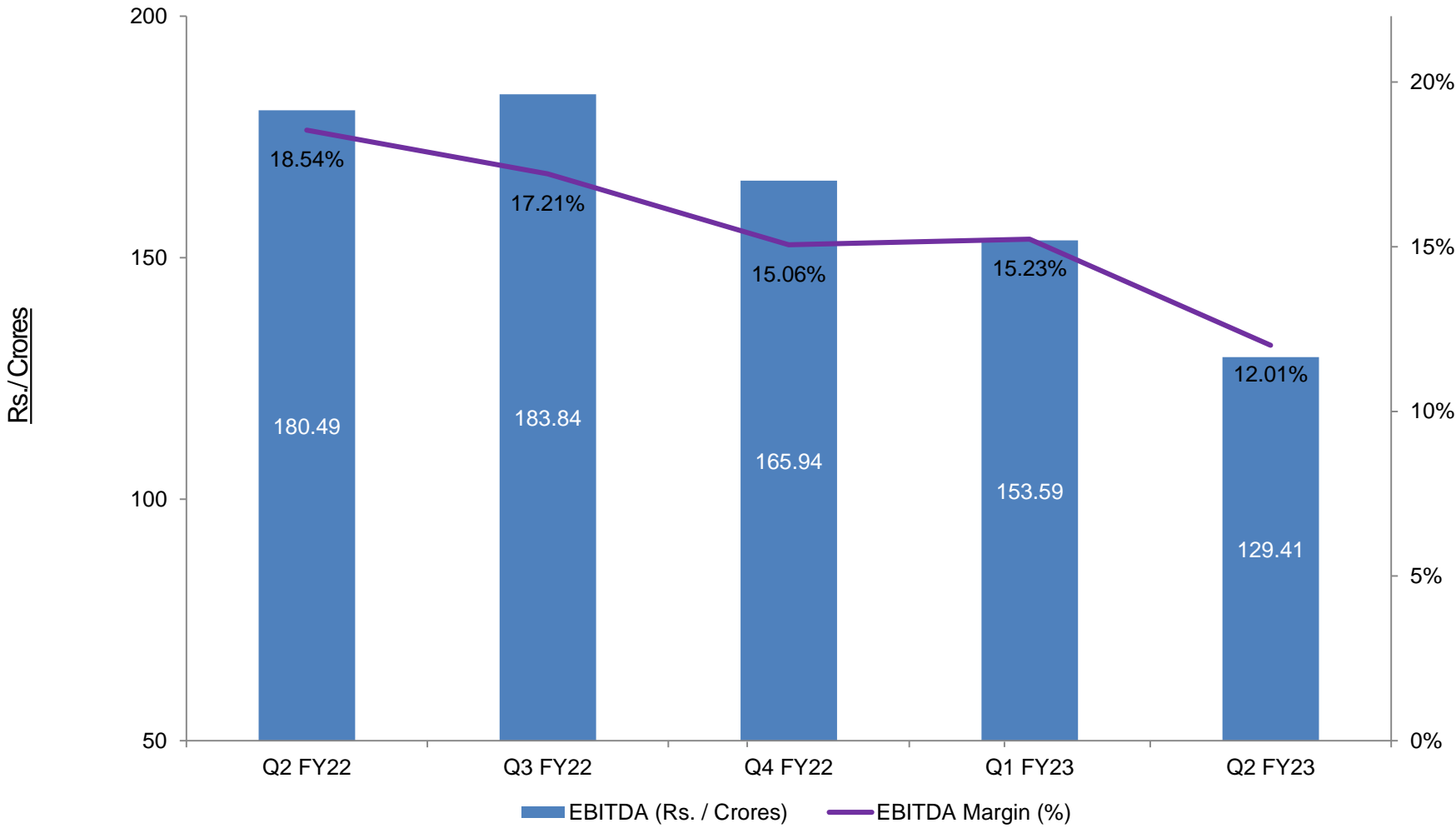
### Sales Growth (MSM) - H1 FY23



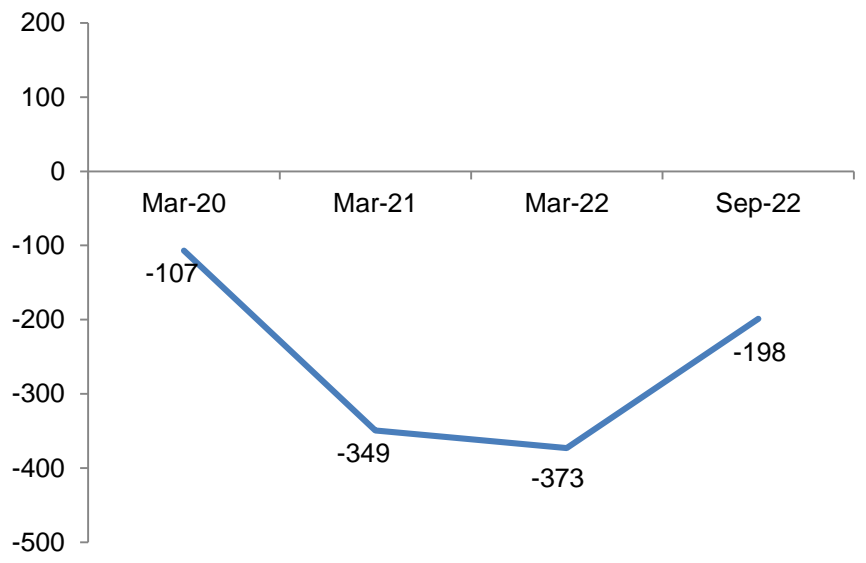
Rs./ Crores



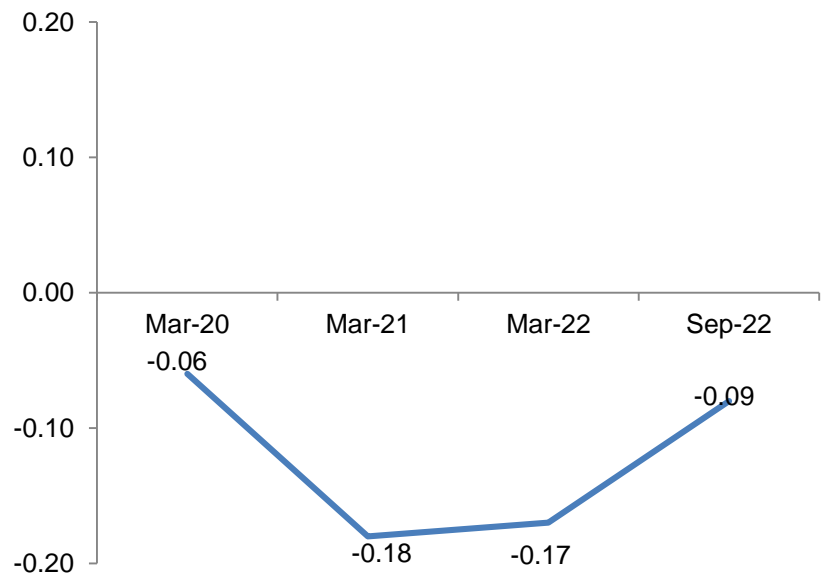




### Net Debt (Rs. Crore) \*



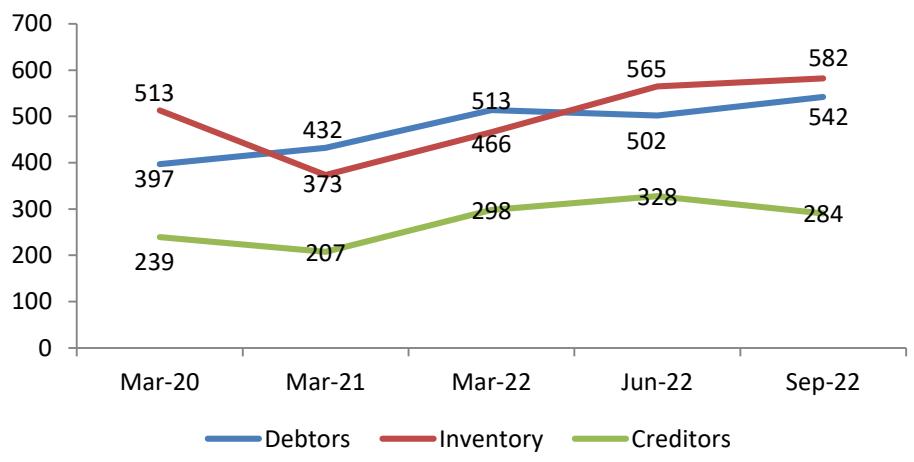
### Net Debt Equity (X) \*



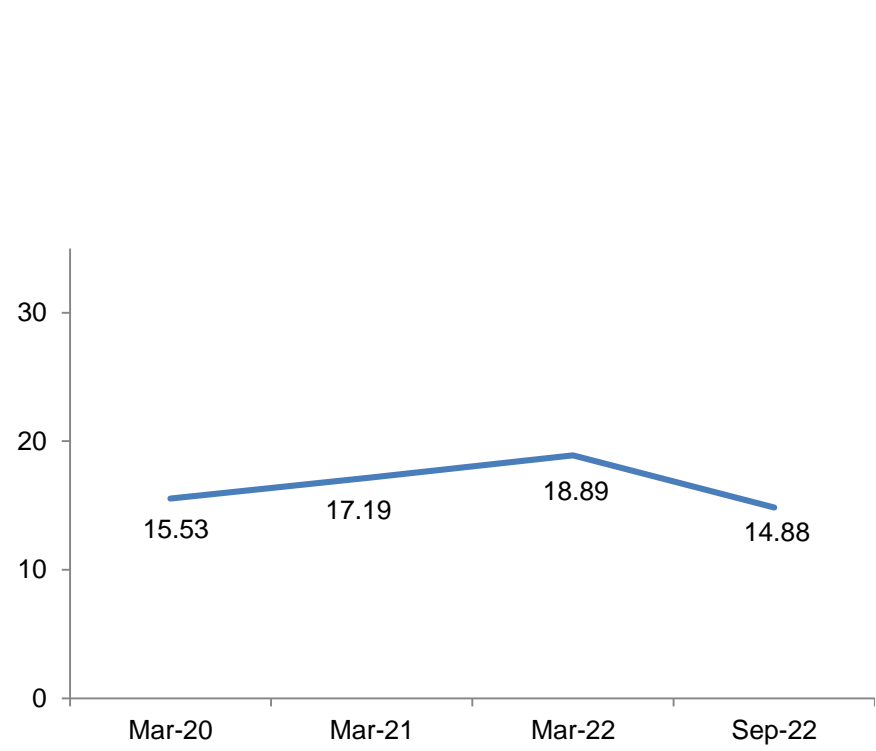
\* Net of cash and cash equivalents



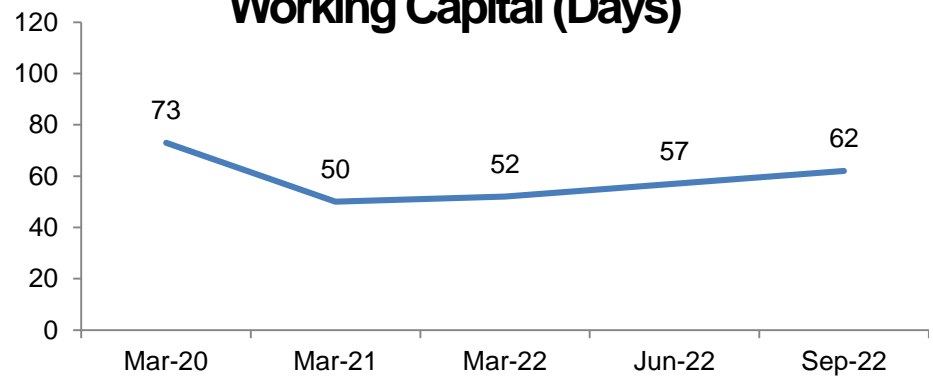
## Working Capital (Rs. Crore)



## Return on Equity (Avg.)



## Working Capital (Days)



- ROE as on 30<sup>th</sup> Sep. 22 taken at average of net worth as on 31<sup>st</sup> Mar.22 & 30<sup>th</sup> Sep. 22 and on H1 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 commissioned 4.40 MSM new capacity of polished vitrified tiles at the same site in April 2022. The company has shut and sold one unit having 3.10 MSM capacity leading to reduction in annual production capacity to 8.90 MSM. The Company has operated at 84% capacity during Q2 FY23.

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 optimum capacity during Q2 FY23.

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

Kajaria Infinity Pvt. Ltd. is based in Morbi (Gujarat). Kajaria Ceramics had 51% stake in the same. Kajaria Ceramics board has approved acquisition of further 26% stake in Kajaria Infinity, making the total stake to 77%. Kajaria Infinity has annual capacity of 5.70 MSM of polished / glazed vitrified tiles and operated at 72% capacity during Q2 FY23. The company is in the process of converting its full capacity from polished vitrified to Glazed vitrified tiles.

## D. 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 61% in Q2 FY23.

b) Faucet: This facility is situated at Gailpur (Rajasthan) having 1.00 million pcs p.a. Plant has operated at optimum capacity in Q2 FY23.

## E. 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.

## F. SOUTH ASIAN CERAMICS TILES PVT. LTD.

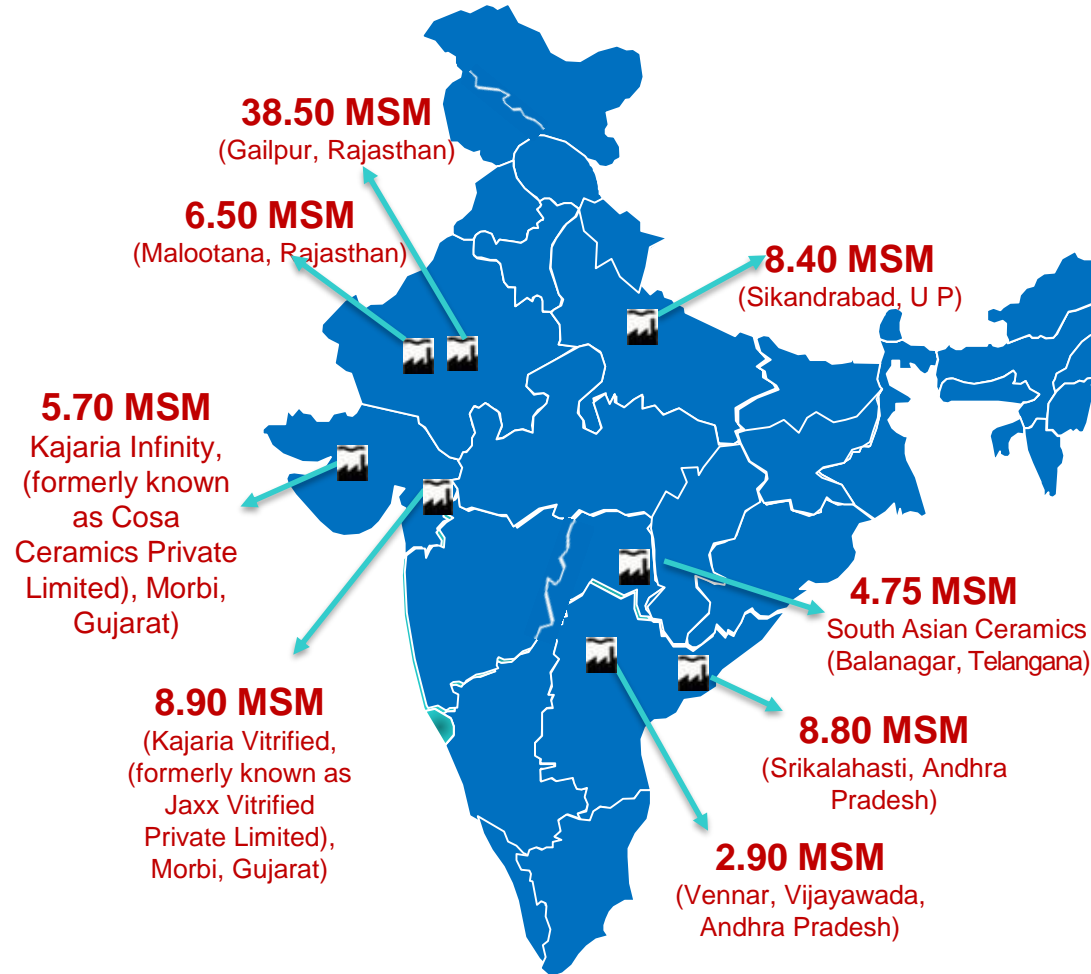
Kajaria Ceramics has acquired 51% stake in South Asian Ceramics Tiles Pvt. Ltd., Telangana by making investment of Rs. 24.50 crore. The Annual production capacity of South Asian Ceramics is 4.75 MSM ceramic floor tiles.

## G. KAJARIA INTERNATIONAL DMCC

During the quarter, the company has subscribed 100% equity shares of Kajaria International DMCC, Dubai for AED 50000 (Rs. 10,87,500) making it a wholly-owned subsidiary of the company. 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)	-	14.60	-	14.60
5. Vijaywada (AP)	2.90	-	-	2.90
6. Srikalahasti (AP)	-	-	8.80	8.80
7. Balanagar (Telangana)	4.75	-	-	4.75
<b>Total</b>	<b>37.05</b>	<b>21.10</b>	<b>26.30</b>	<b>84.45</b>

## **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 commenced in November 2022.

## **B. Kerovit Global Pvt. Ltd. (Gujarat)**

The Board in its meeting held on 21<sup>st</sup> 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 3<sup>rd</sup> 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 capacity of 3 MSM p.a. with latest continua technology at Sikandrabad plant, which will increase the total capacity of the plant from 8.4 MSM to 11.4 MSM p.a.

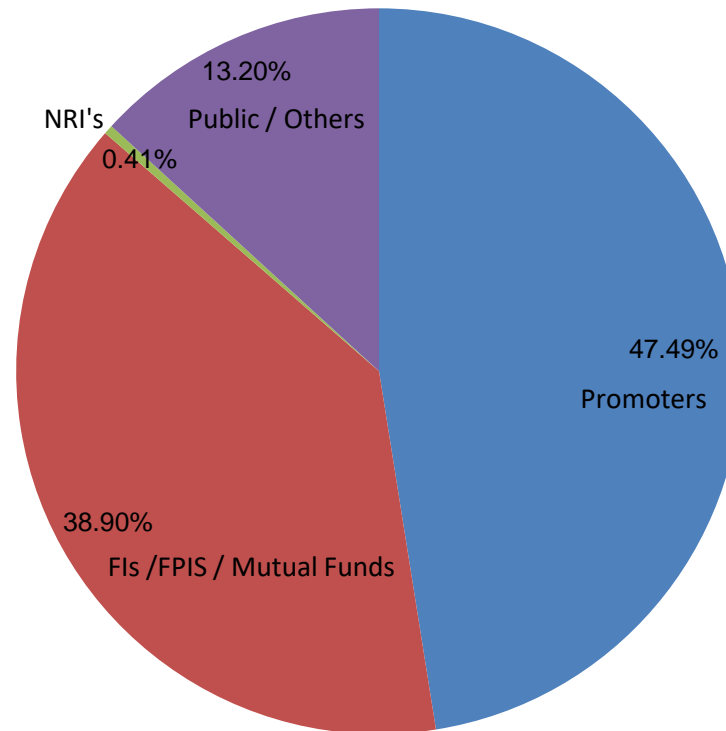
## Financial highlights

(Rs / Crores)

	Q2 FY23		Q2 FY22		Growth		H1 FY23		H1 FY22		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	979.63	1077.76	862.22	973.55	14%	11%	1893.58	2085.98	1361.89	1535.21	39%	36%
EBITDA	118.19	129.41	154.17	180.49	-23%	-28%	254.98	283.00	227.60	260.91	12%	8%
EBITDA MARGIN	12.06%	12.01%	17.88%	18.54%			13.47%	13.57%	16.71%	17.00%		
Depreciation	22.99	33.65	21.56	28.15	7%	20%	44.49	66.01	41.61	54.67	7%	21%
Other Income	12.29	7.63	11.32	7.12	9%	7%	24.56	15.72	20.84	13.12	18%	20%
Interest	0.86	3.16	1.11	2.72	-23%	16%	2.91	6.77	2.46	5.74	18%	18%
Profit Before Tax	106.63	100.23	142.82	156.74	-25%	-36%	232.14	225.94	204.37	213.62	14%	6%
Exceptional Items - loss (gain)		3.66						3.66				
Tax Expense	27.47	27.68	36.77	37.42	-25%	-26%	59.63	60.43	52.45	52.84	14%	14%
Minority Interest		-0.97		3.18				-0.31		1.58		
Profit After Tax	79.16	69.86	106.05	116.14	-25%	-40%	172.51	162.16	151.92	159.20	14%	2%
Cash Profit	102.15	107.17	127.61	144.29	-20%	-26%	217.00	231.83	193.53	213.87	12%	8%
Equity Share Capital	15.92	15.92	15.92	15.92			15.92	15.92	15.92	15.92		
EPS (Basic) (Rs.)	4.97	4.39	6.67	7.31	-25%	-40%	10.83	10.18	9.56	10.02	13%	2%

**As on 30<sup>th</sup> Sep. 2022**

**Equity Shares Outstanding – 159.23 millions**





Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 8<sup>th</sup>\* 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](http://www.kajariaceramics.com) or contact:

**Mr. Sanjeev Agarwal**, CFO

+91 11 26946409 (Board),

+91 11 41064110 (Direct)

Email: [sanjeev@kajariaceramics.com](mailto:sanjeev@kajariaceramics.com)

**Mrs. Pallavi Bhalla**, GM Investor Relations

+91 11 26946409 (Board),

+91 11 40946552 (Direct)

Email: [pallavibhalla@kajariaceramics.com](mailto:pallavibhalla@kajariaceramics.com)

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\* As per Ceramic World Review