



Kajaria Ceramics Limited

Investor Update – Q2FY24

October 20, 2023

Kajaria

- Chairman's Message
- Financial Performance – Q2FY24
- Subsidiaries
- Income Statement
- Shareholding Pattern

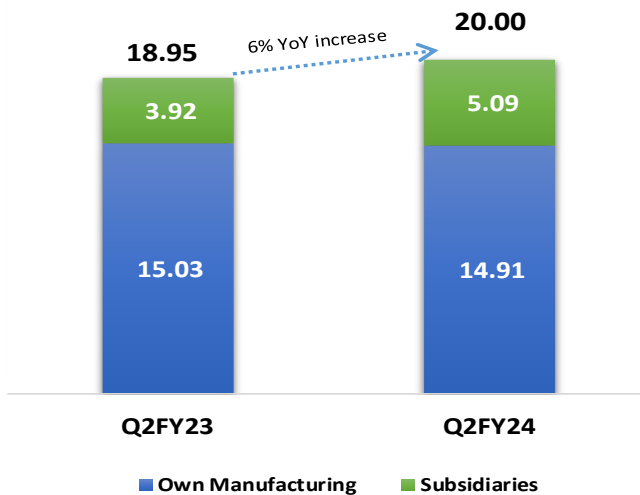
Sustained weakness in domestic demand for tiles has impacted our Q2FY24 volumes which grew by 6% YoY to 26.47 MSM. The consolidated revenue for the quarter amounted to ₹1122 crores, reflecting a 4% increase compared to the same period last year. Our EBITDA margin improved to 16%, compared to 12% in Q2FY23 mainly on the back of a reduction in power and fuel costs.

While H1FY24 witnessed weaker than anticipated demand, gradual pick-up in volumes since September and expected improvement in demand environment emanating from rub-off of strong growth in real estate sector is expected to drive better volume growth in H2FY24.

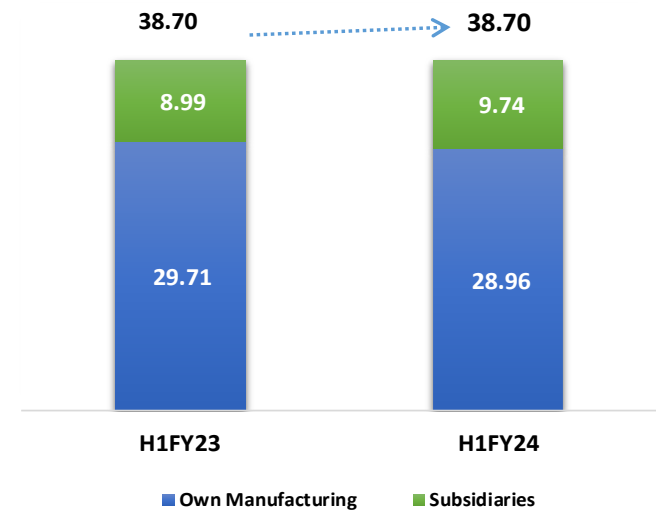
The recent commissioning of the Sikandrabad and Gailpur modernization/expansion projects augurs well for our future growth.

Looking forward, we remain steadfast in our commitment to our growth strategy. This strategy entails a continued emphasis on expanding our reach in smaller towns and introducing innovative products. We are confident that our strong foundation and unwavering commitment to excellence will sustain our success in the quarters to come.

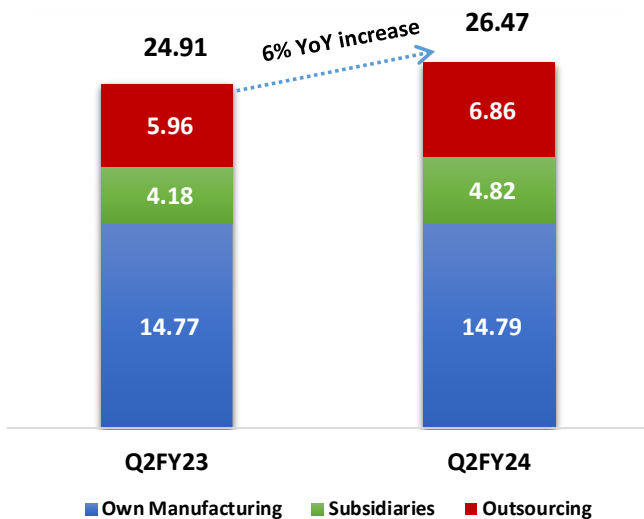
Production (MSM) – Q2FY24



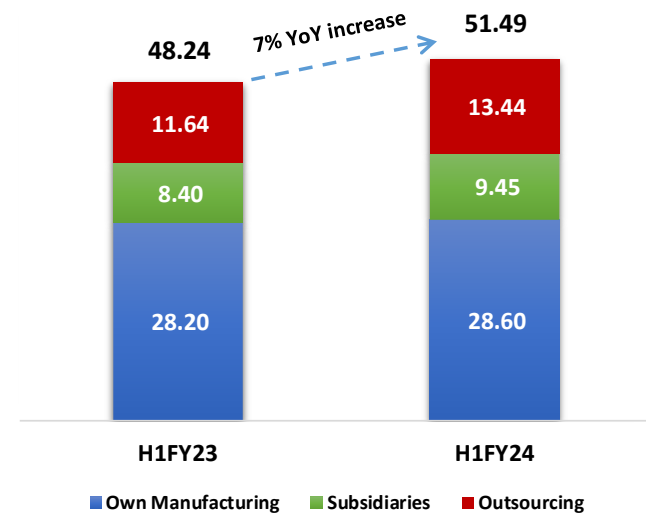
Production (MSM) – H1FY23



Sales (MSM) – Q2FY24



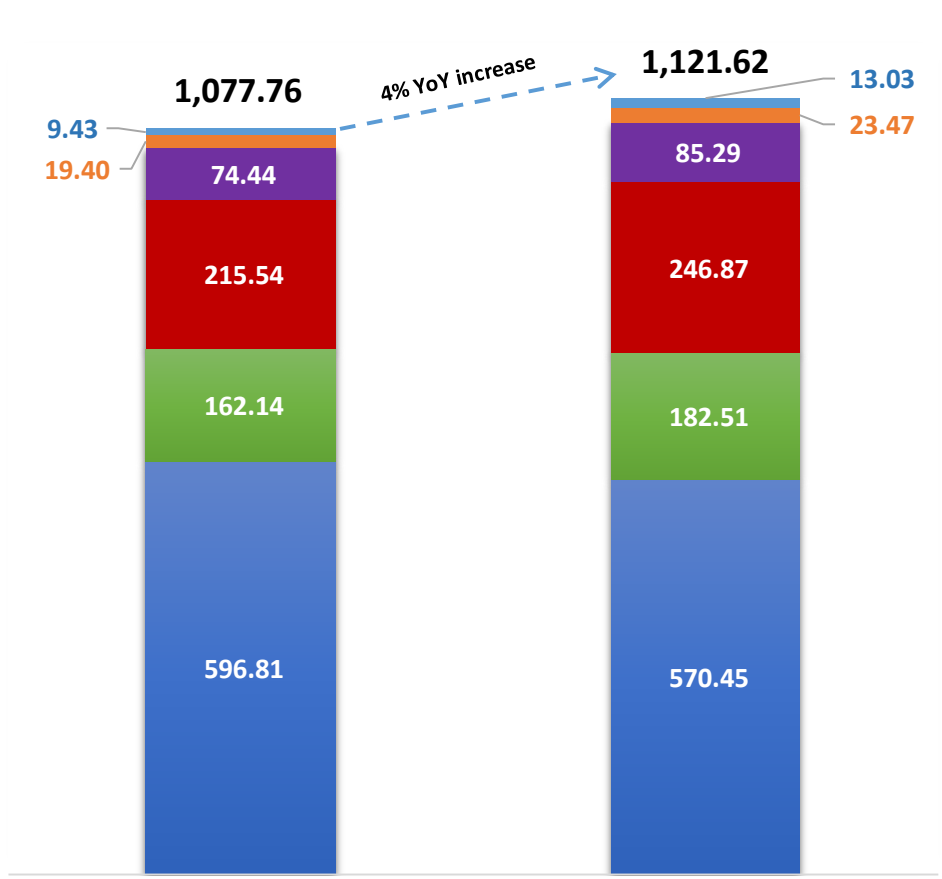
Sales (MSM) – H1FY24



Revenue Growth (Consolidated)



₹ in crores

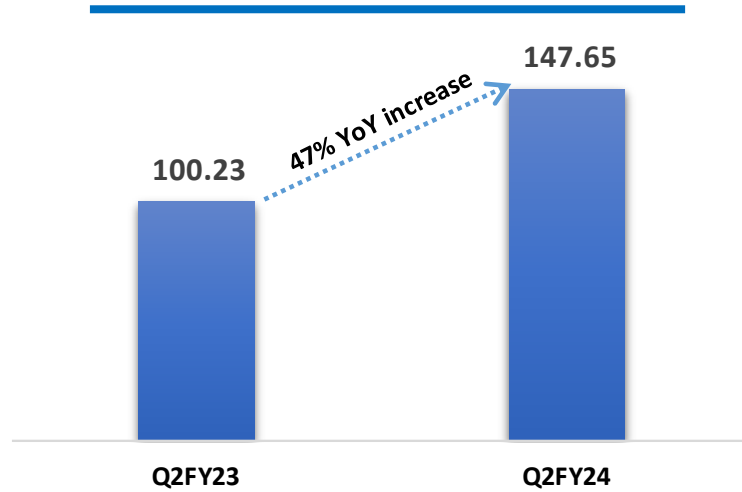


- Own Manufacturing (Tiles)
- Subsidiaries (Tiles)
- Outsourcing (Tiles)
- Sanitaryware / Faucets
- Plywood
- Adhesive

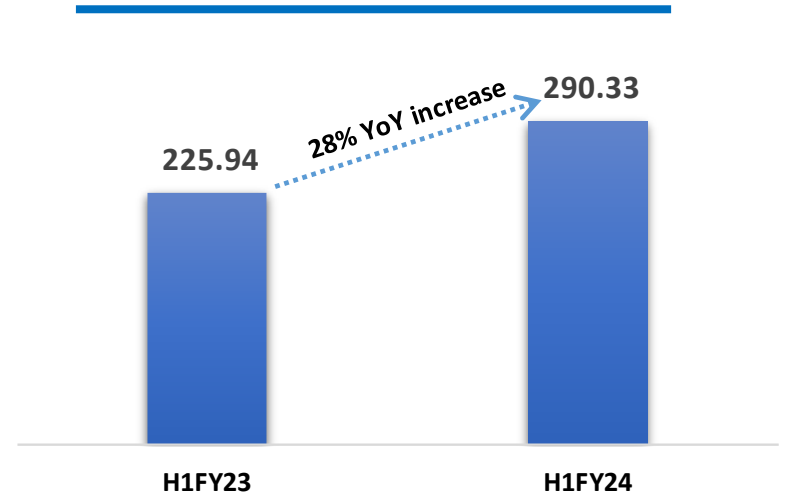
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₹ in crores

PBT – Q2FY24

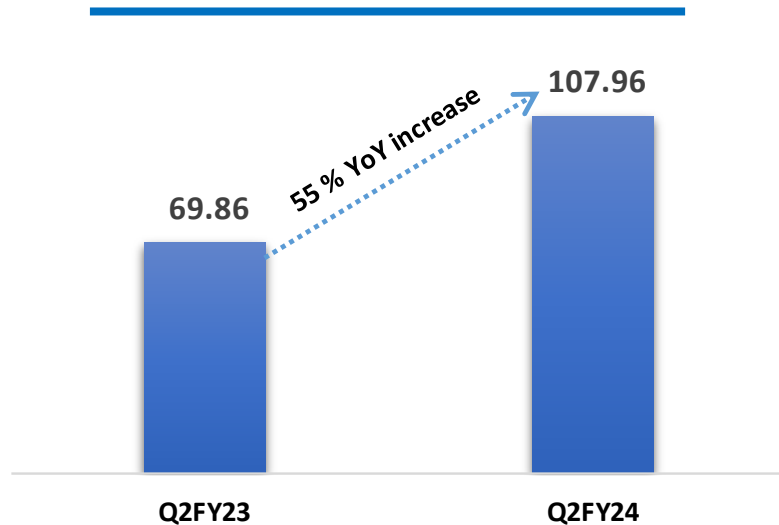


PBT – H1FY23

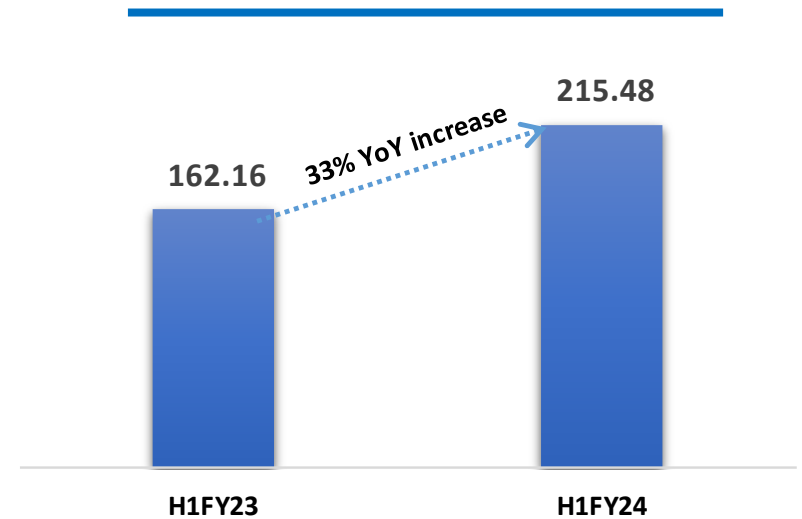


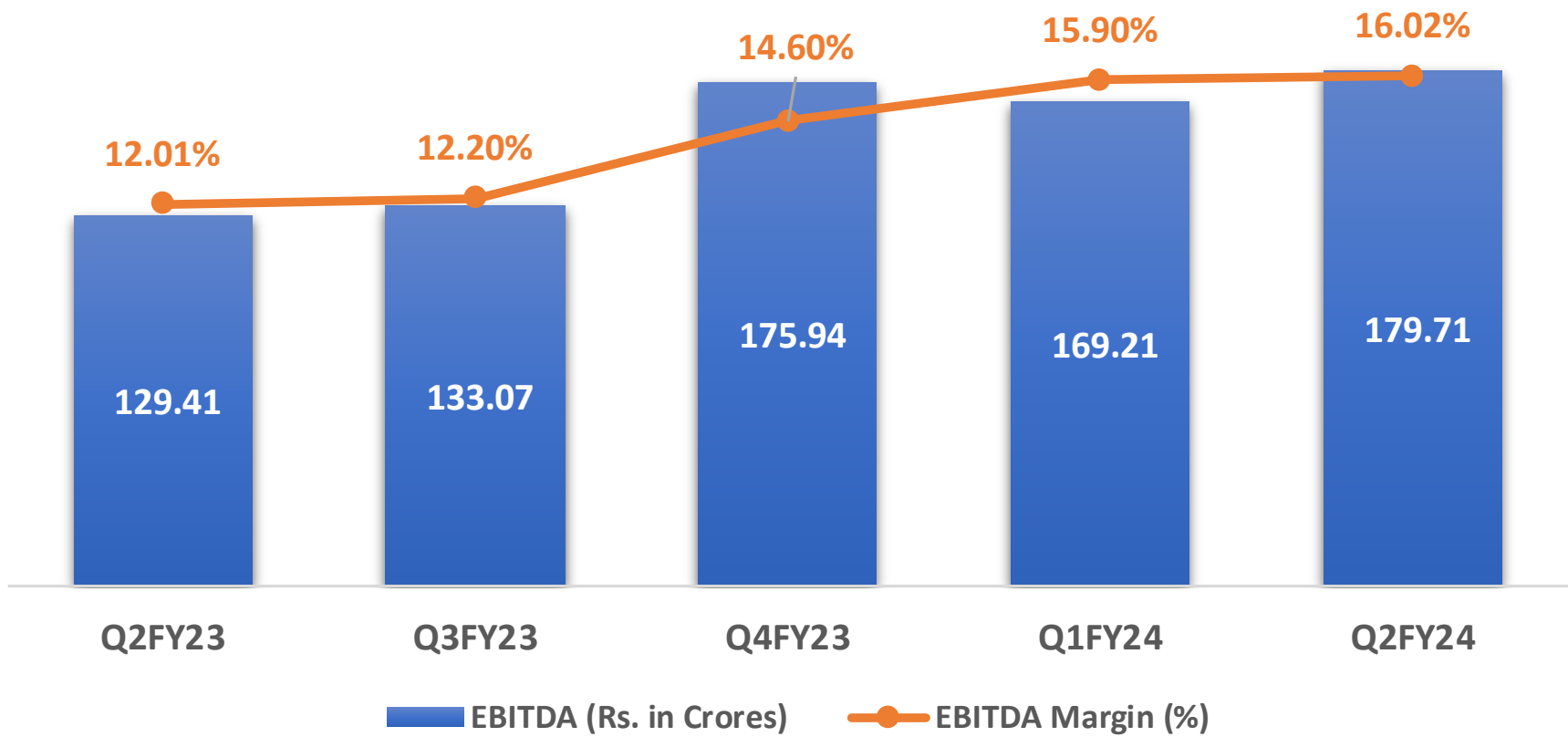
Profit before Share of loss from JV, exceptional items, and Tax

PAT – Q2FY24

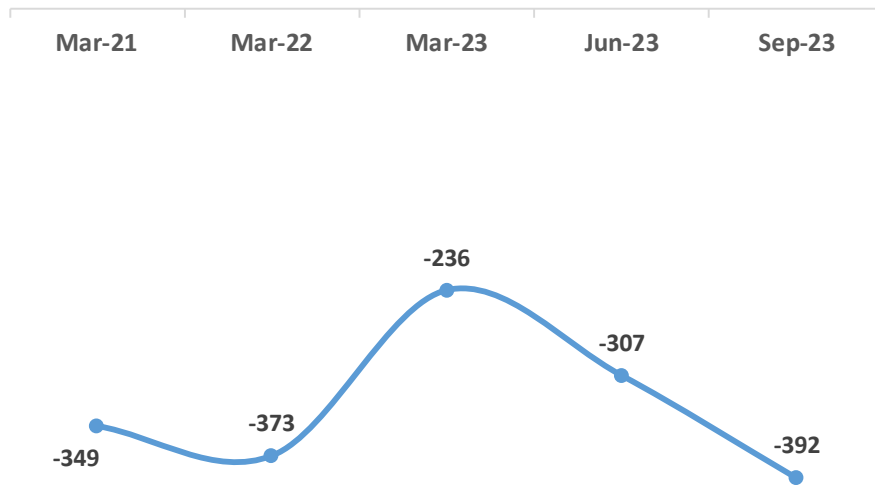


PAT – H1FY24

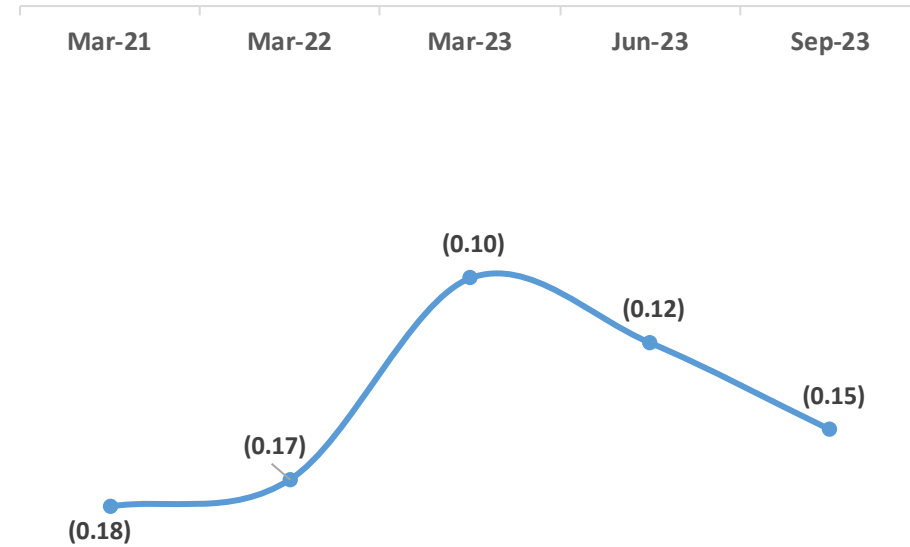




Net Debt (Rs. in Crores)



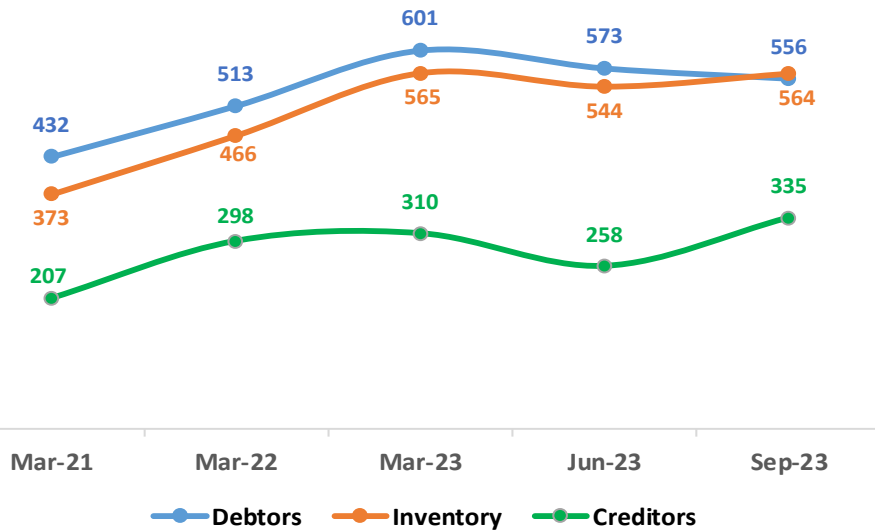
Net Debt to Equity (x)



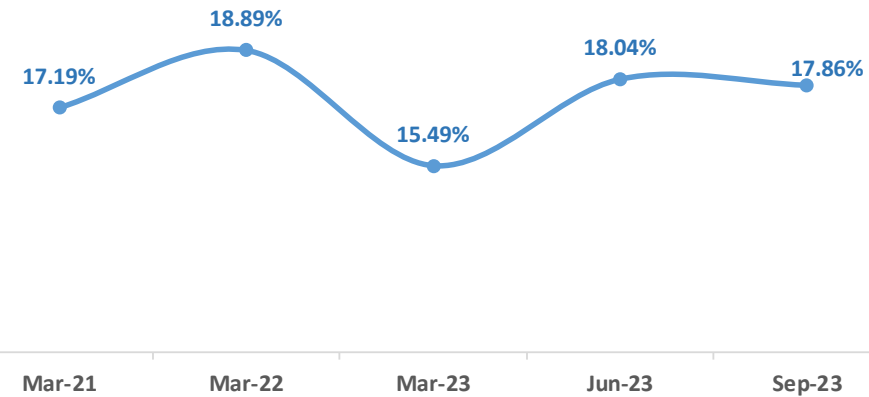
* Net of cash and cash equivalents

Key Ratios (Consolidated)

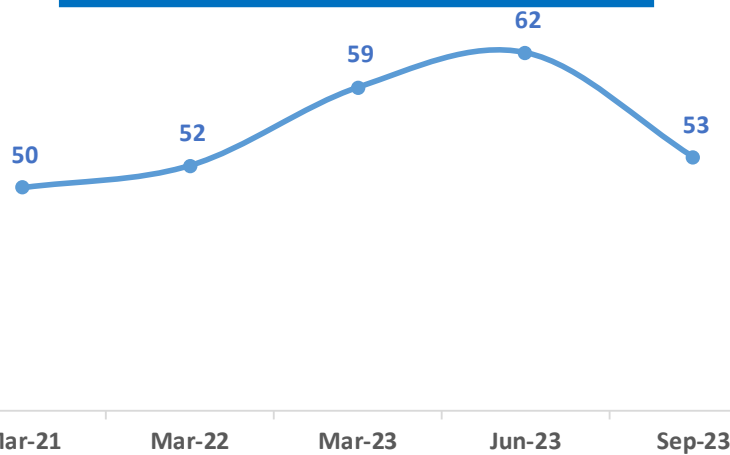
Working Capital (Rs. in Crores)



Return on Equity (avg.)



Working Capital (Days)



- ROE as on 30th Sep 23 taken at average of net worth as on 31st March 23 & 30th Sep 23 and on H1 FY24 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 PVT. LTD.

Kajaria Vittrified Pvt. Ltd. is based in Morbi (Gujarat). Kajaria has 95% stake in the same. The company has annual capacity of 8.90 MSM of polished vitrified tiles. The Company has operated at optimum capacity during Q2 FY24.

B. KAJARIA INFINITY 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 Q2 FY24.

C. 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 88% capacity during Q2 FY24.

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

Kajaria Bathware is a subsidiary of Kajaria Ceramics Ltd, in which Kajaria owns 85% (on diluted basis), and Aravali Investment Holdings, Mauritius, a wholly-owned subsidiary of WestBridge Crossover Fund, LLC, owns a 15% stake.

- a) **Sanitaryware:** The Sanitaryware plant is situated in Morbi, Gujarat, with a production capacity of 7.50 lakh pieces per annum. The plant has been producing more value-added products and operated at 69% of the capacity in Q2FY24.
- b) **Faucet:** This facility is situated in Gailpur, Rajasthan, with a production capacity of 1.60 million pieces per annum. The plant operated at 68% of the capacity in Q2FY24.

E. KAJARIA PLYWOOD PVT. LTD. (KPPL)

Kajaria Plywood Pvt. Ltd., a wholly-owned subsidiary of Kajaria Ceramics Ltd.

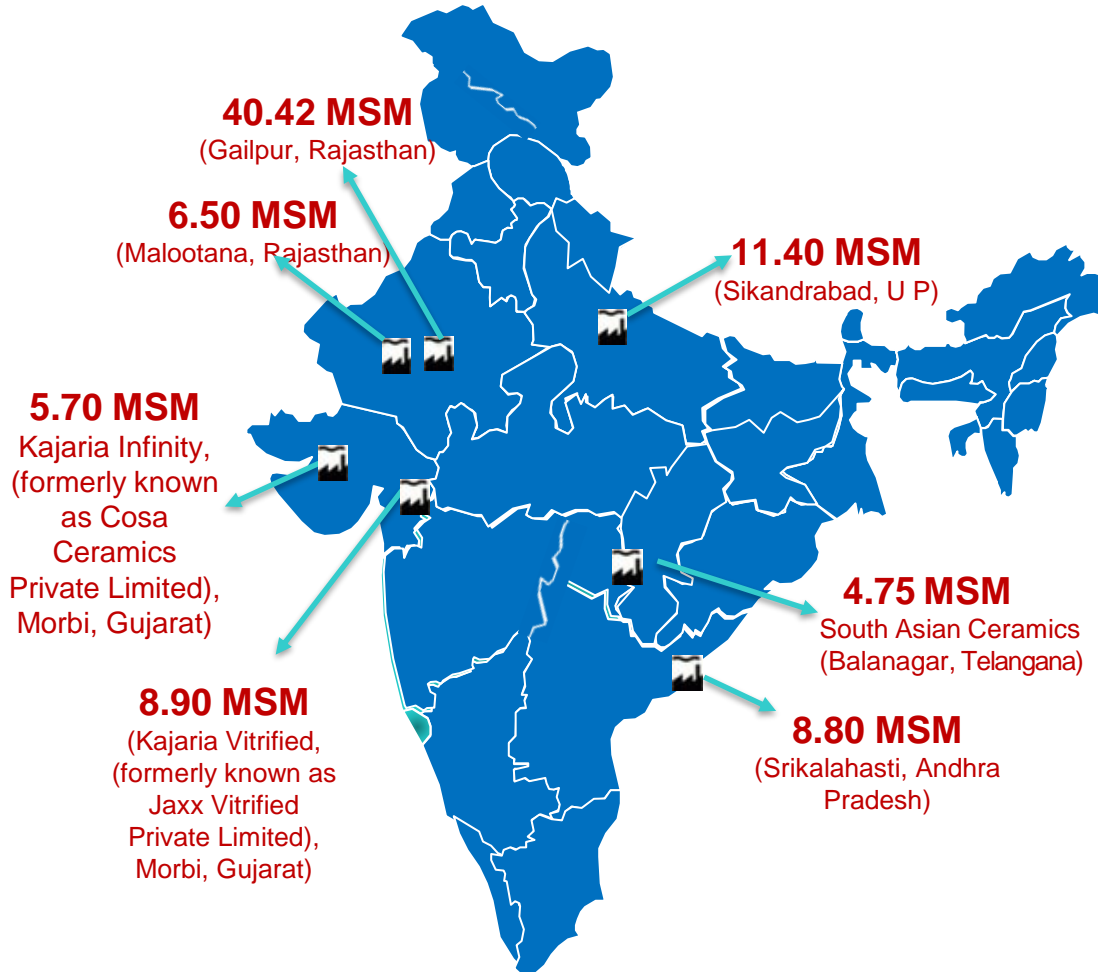
KPPL is offering plywood and laminate products under the brand name KajariaPLY.

F. KAJARIA INTERNATIONAL DMCC (wholly owned subsidiary)

- Kajaria International DMCC was established to expand its presence in the international market. The company has undertaken two joint ventures – one in the UAE and the other recently incorporated in the UK.

ASSET OVERVIEW

Total Tile Capacity 86.47 MSM at present



Plant	Production Capacity (MSM)			
	Ceramic Wall & Floor Tiles	Polished Vitrified Tiles	Glazed Vitrified Tiles	Total
1. Sikandrabad (UP)	-	-	11.40	11.40
2. Gailpur (Rajasthan)	31.32	-	9.10	40.42
3. Malootana (Rajasthan)	-	6.50	-	6.50
4. Morbi (Gujarat)	-	8.90	5.70	14.60
5. Srikalahasti (AP)	-	-	8.80	8.80
6. Balanagr (Telangana)	4.75	-	-	4.75
Total	36.07	15.40	35.00	86.47

A. Kerrovit Global Pvt. Ltd. (Gujarat)

The Board in its meeting held on 21st January 2022, had considered that Kajaria Bathware Pvt Ltd (KBPL) to invest upto ₹80 crores in Kerrovit Global Pvt Ltd (KGPL) to make it a WoS 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 March 2024.

B. Investment in Nepal.

The Board in its meeting held on 25th March, 2023, had approved putting up a 5.1 MSM capacity plant at a project cost of ₹ 181.49 crore in Nepal, on joint venture basis between the Company and various individuals affiliated with Ramesh Corp, Nepal.

Income Statement - Financial highlights

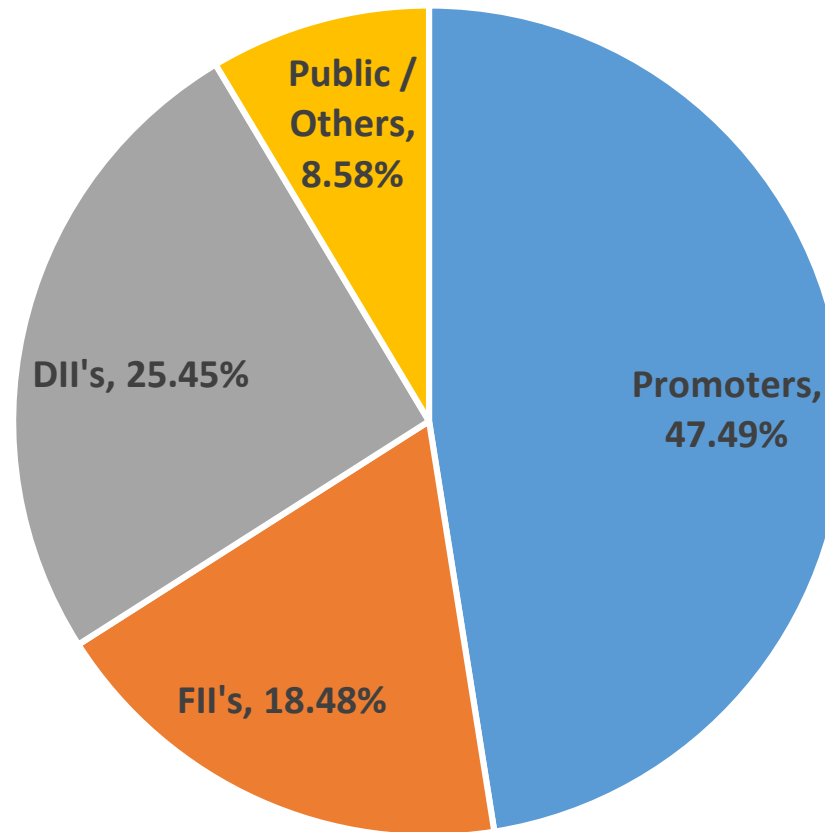
Kajaria

₹ in crores

	Q2 FY24		Q2 FY23		Growth		H1 FY24		H1FY23		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	1,010.22	1,121.62	979.63	1,077.76	3%	4%	1,974.64	2,185.85	1,893.58	2,085.98	4%	5%
EBITDA	146.07	179.71	118.19	129.41	24%	39%	282.60	348.92	254.98	283.00	11%	23%
EBITDA MARGIN	14.46%	16.02%	12.06%	12.01%			14.31%	15.96%	13.47%	13.57%		
Other Income	13.87	8.27	12.29	7.63	13%	8%	27.79	17.53	24.56	15.72	13%	12%
Depreciation	27.25	36.07	22.99	33.65	19%	7%	49.07	66.59	44.49	66.01	10%	1%
Interest	1.41	4.26	0.86	3.16	64%	35%	3.95	9.53	2.91	6.77	36%	41%
Profit before Share of loss from JV, exceptional items, and Tax	131.28	147.65	106.63	100.23	23%	47%	257.37	290.33	232.14	225.94	11%	28%
Share of loss from Joint Venture	-	(0.22)	-	-			-	(0.20)	-	-		
PBT before Exceptional	131.28	147.43	106.63	100.23	23%	47%	257.37	290.13	232.14	225.94	11%	28%
Exceptional Items - loss (gain)	-	-	-	-			-	-	-	-		
PBT	131.28	147.43	106.63	100.23	23%	47%	257.37	290.13	232.14	225.94	11%	28%
Tax Expense	33.68	36.61	27.47	27.68	23%	32%	66.11	70.20	59.63	60.43	11%	16%
PAT before Minority	97.60	110.82	79.16	72.55	23%	53%	191.26	219.93	172.51	165.51	11%	33%
Minority Interest	-	2.86	-	(0.97)			-	4.45	-	(0.31)		
PAT after Minority	97.60	107.96	79.16	73.52	23%	47%	191.26	215.48	172.51	165.82	11%	30%
Cash Profit	124.85	144.03	102.15	107.17	22%	34%	240.33	282.07	217.00	231.83	11%	22%
Equity Share Capital	15.93	15.93	15.92	15.92			15.93	15.93	15.92	15.92		
EPS (Basic) (Rs.)	6.13	6.78	4.97	4.39	23%	55%	12.01	13.53	10.83	10.18	11%	33%

As on September 30, 2023

Equity Shares Outstanding – 159.26 millions



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 8th* largest in the world. It has annual capacity of 86.47 mn. sq. meters presently, distributed across seven plants - one at Sikandrabad in Uttar Pradesh, one at Gailpur, one at Malootana in Rajasthan, two at Morbi in Gujarat, one at Srikalahasti in Andhra Pradesh and one at Balanagar in Telangana.

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* As per Ceramic World Review