



KAJARIA CERAMICS LIMITED

Investor Update – Q2 FY19

October 25, 2018

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance – Q2 FY19
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

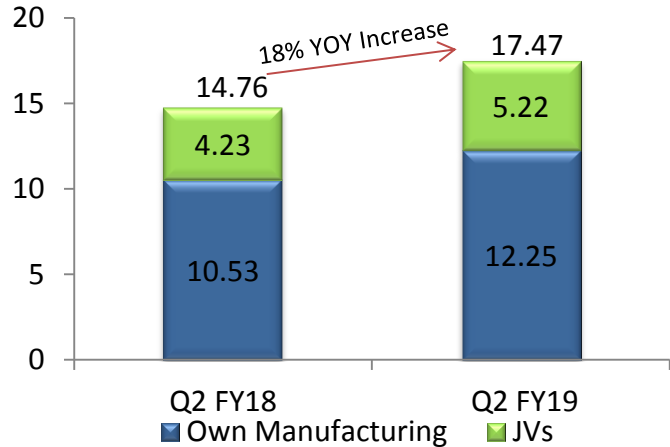
During the quarter, India witnessed significant increase in oil prices coupled with rupee depreciation. Then Kerala happened – the magnitude of losses owing to this natural disaster impacted tile sector also.

Despite these disruptions experienced during the quarter, Kajaria's volume grew by 11% and revenue grew by 8% over the corresponding period in the previous year. EBITDA margin for the quarter was 15% and net profit* declined by 21%

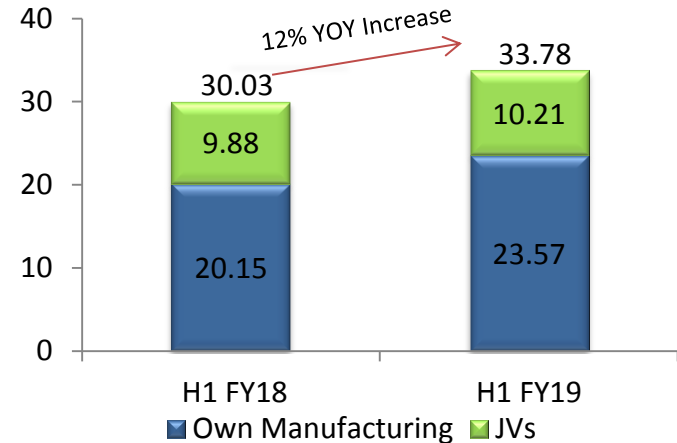
We are hopeful that we will be able to sustain our growth momentum despite all the headwinds, going forward.

*Includes one-off loss of Rs.3.41 crore due to recognition of loss for sale of stake in Soriso Ceramics.

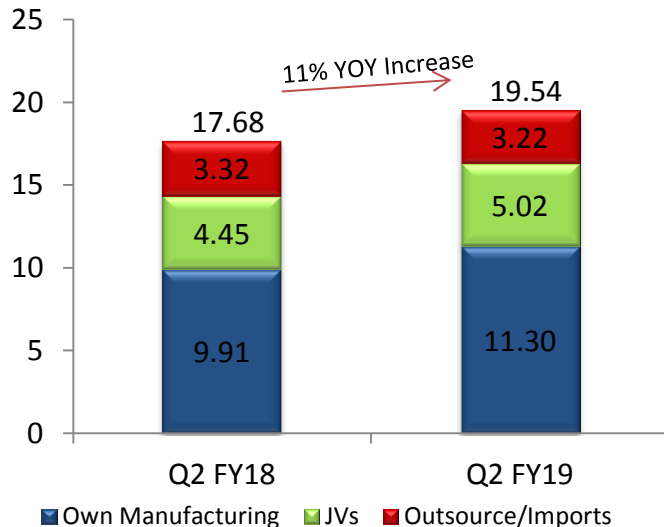
Production Growth (MSM) - Q2 FY19



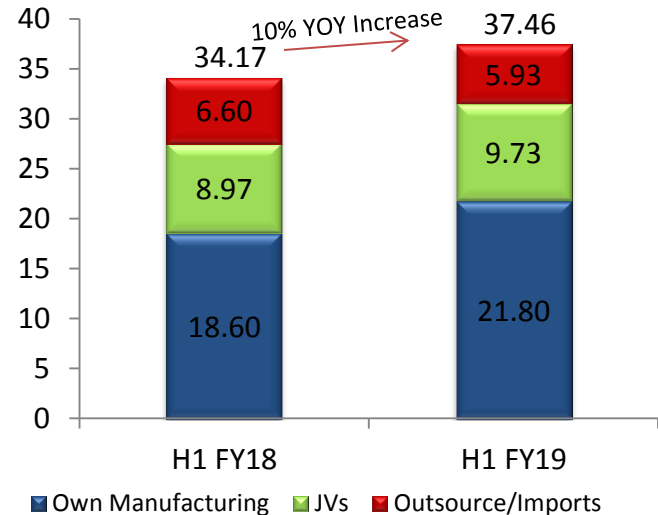
Production Growth (MSM) - H1 FY19



Sales Growth (MSM) – Q2 FY19

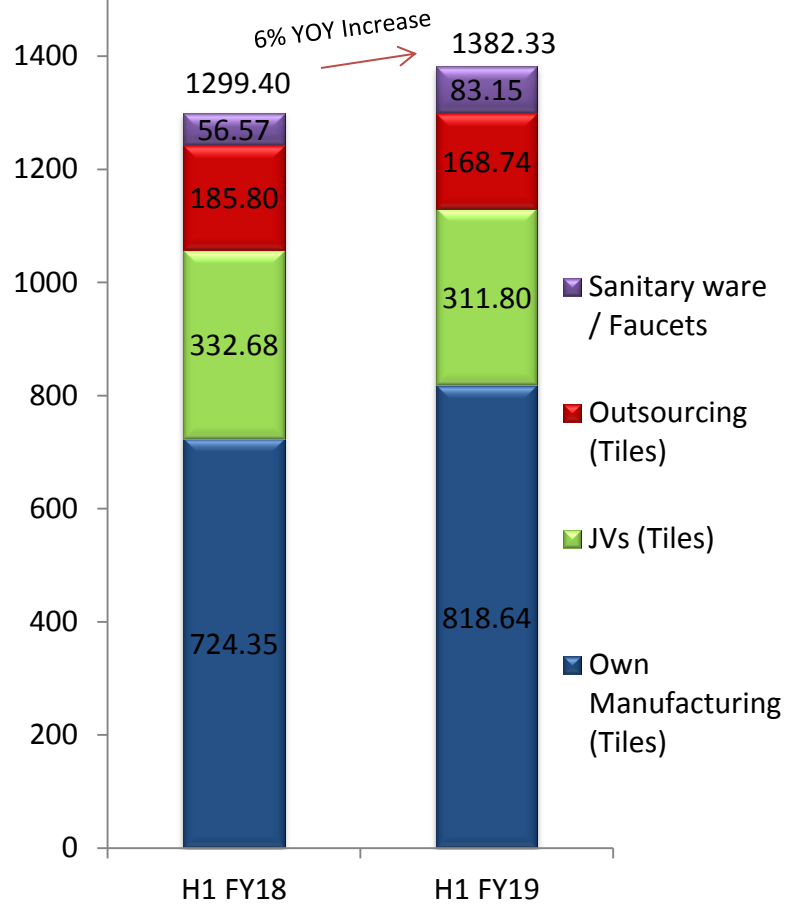
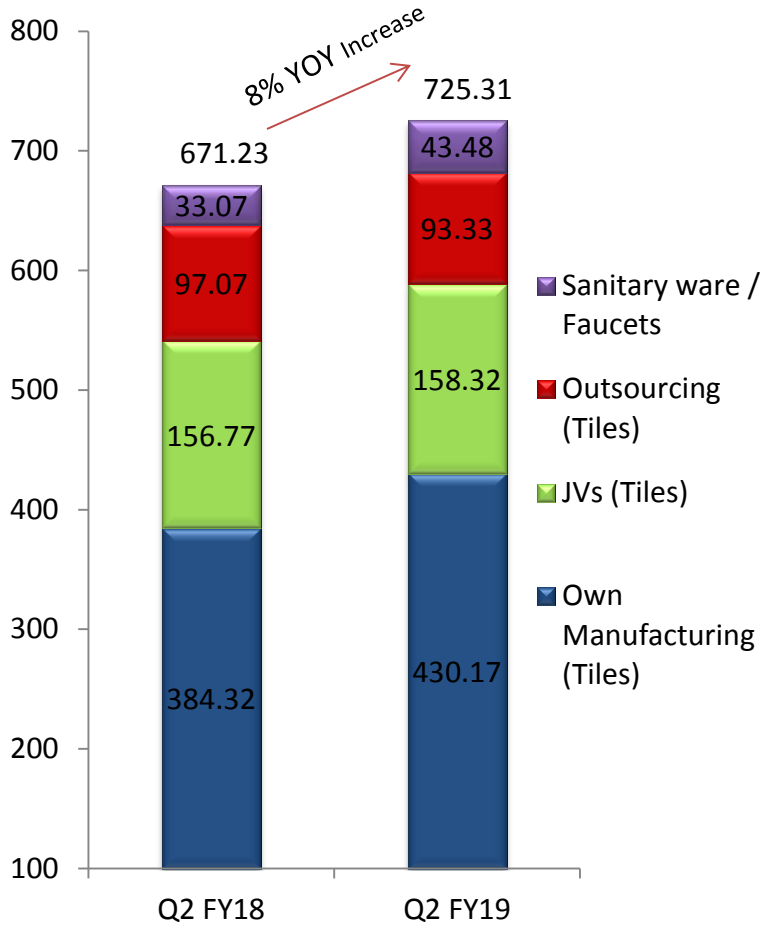


Sales Growth (MSM) – H1 FY19



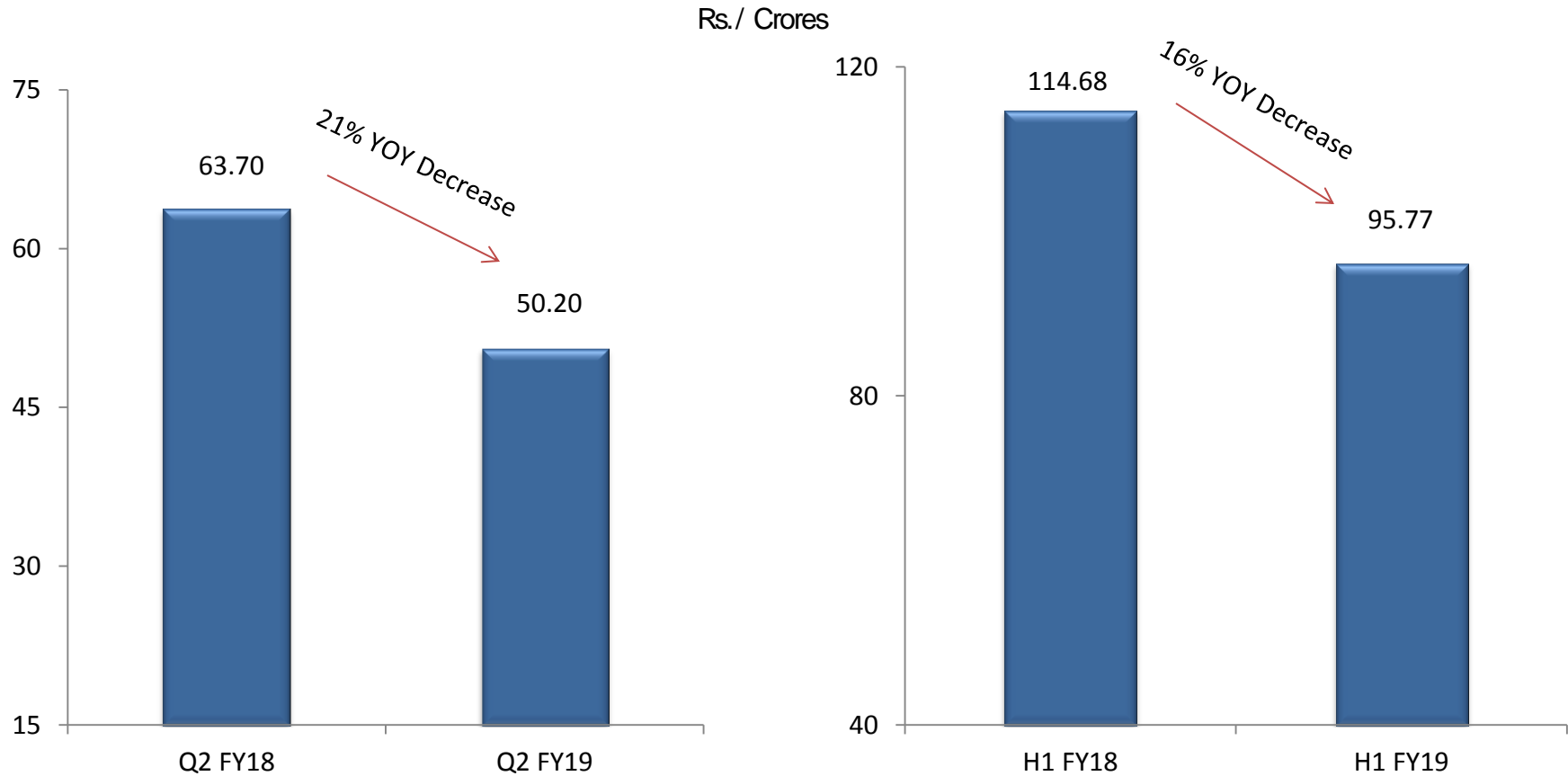
Revenue Growth - Consolidated

Rs./ Crores

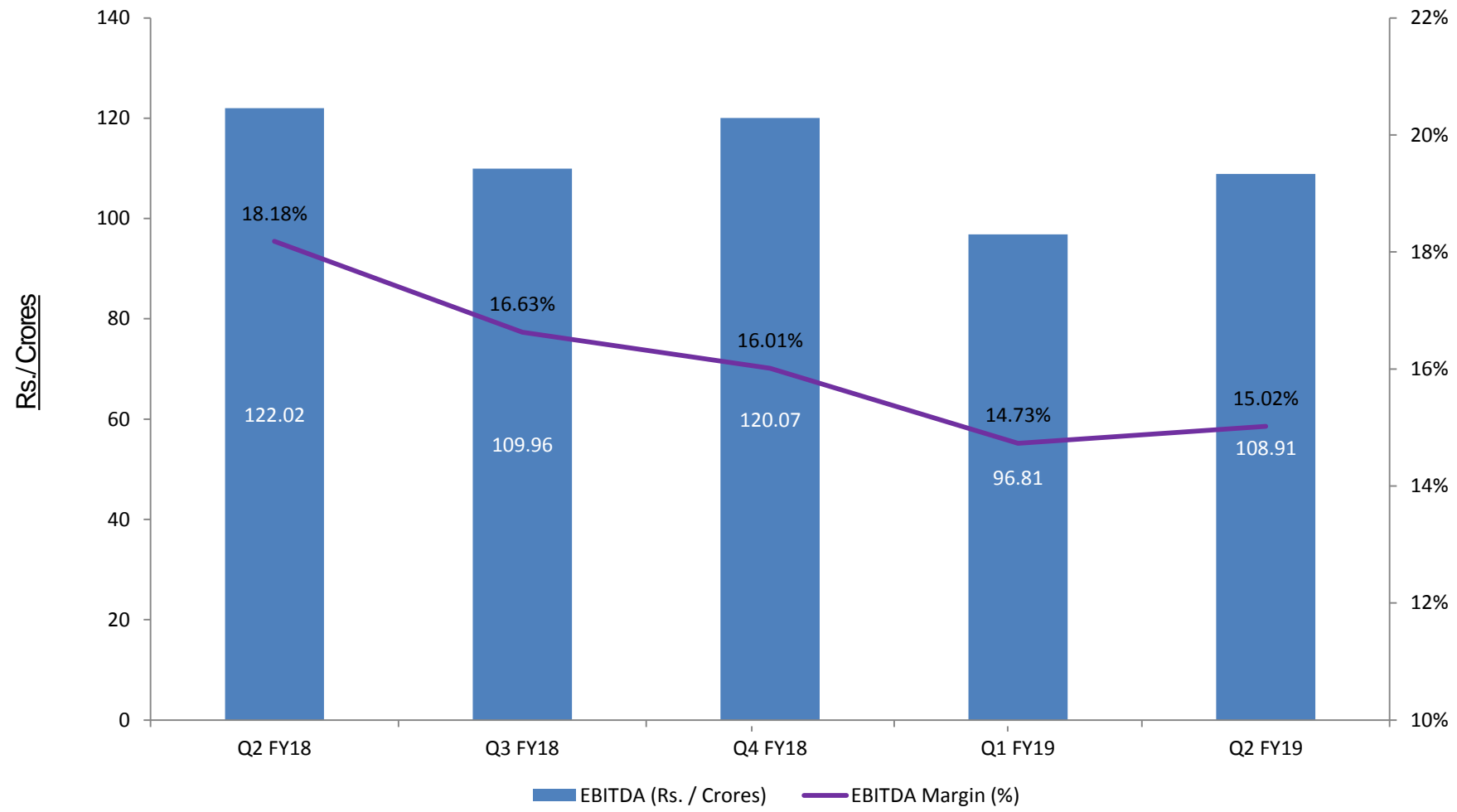


Refer Slide 12 for detailed Income Statement

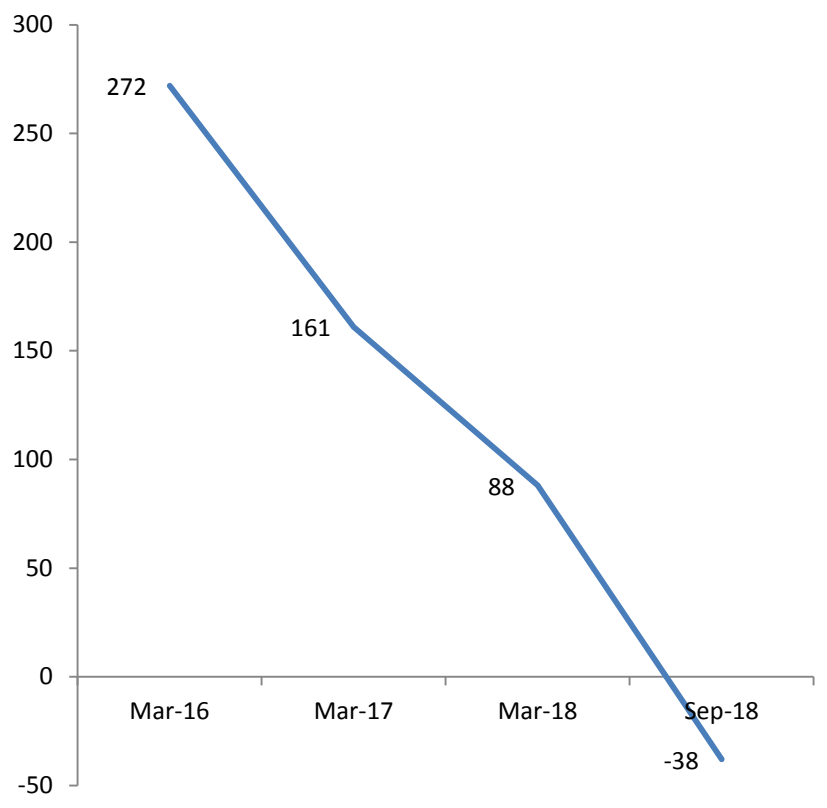
PAT Growth - Consolidated



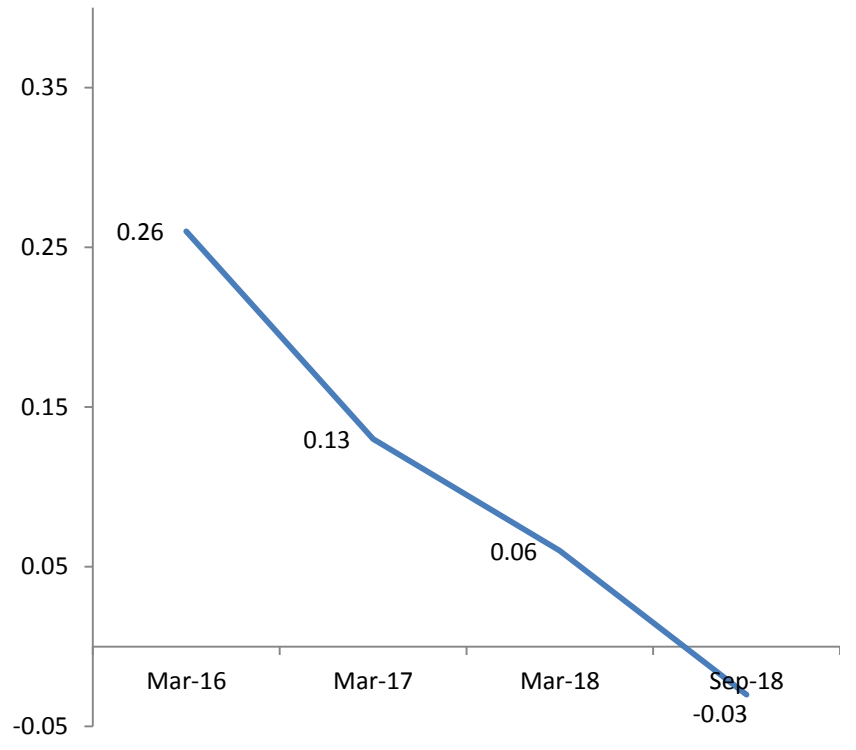
Refer Slide 12 for detailed Income Statement



Net Debt (Rs. Crore) *

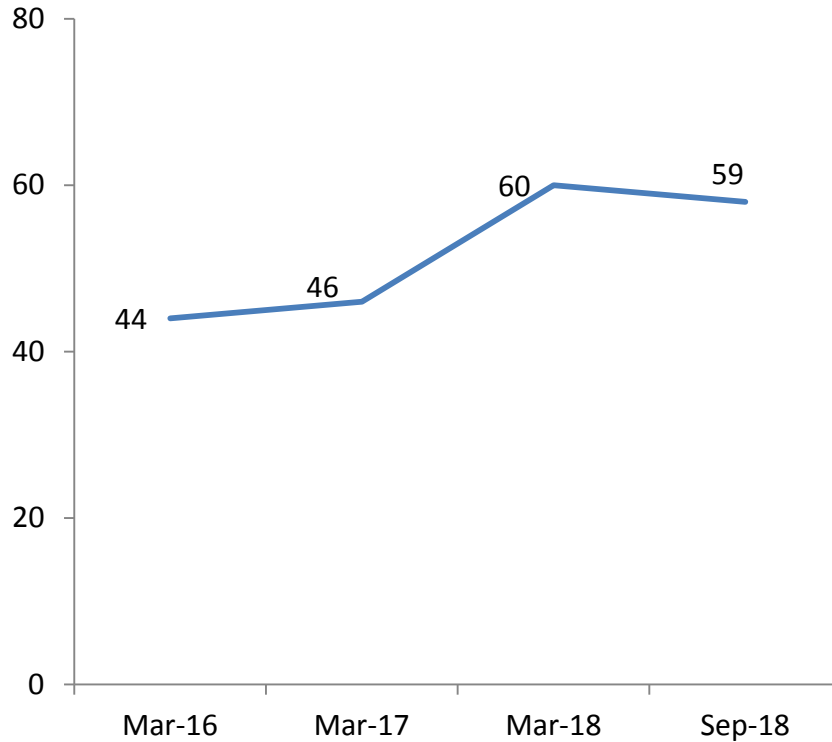


Net Debt Equity (X) *

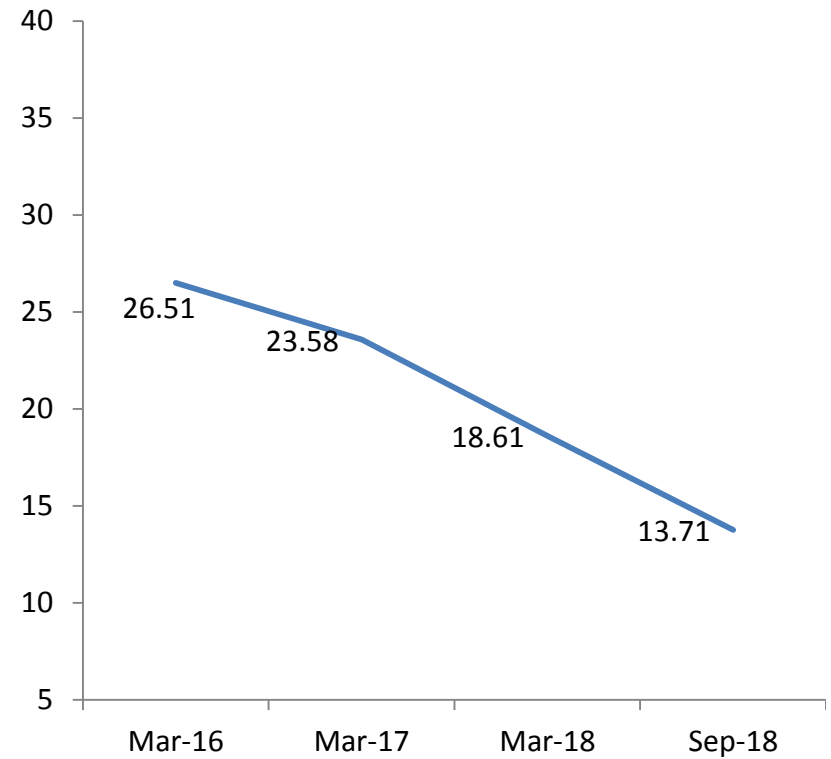


* Net of cash and cash equivalents

Working Capital Cycle (days)



Return on Equity (Avg.) *



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

ROE as on 30th Sep. 18 taken at average of net worth as on 31st Mar 18 & 30th Sep. 18 and on H1FY 19 PAT.

A. 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.

B. 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 1st July, 2012. The revised capacity of Vennar works out to 2.90 MSM per annum due to change in product profile.

C. COSA CERAMICS

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

D. KAJARIA FLOERA CERAMICS

The company has acquired additional 30% stake from Kajaria Floera in September 2018 making it wholly owned subsidiary. Kajaria Floera is putting up a manufacturing facility of glazed vitrified tiles with a capacity of 5.00 MSM p.a. in Andhra Pradesh. The Plant is expected to be commissioned by 1st quarter of FY20.

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

a)Sanitaryware: Kajaria Sanitaryware (P) Ltd. (KSPL), in which KBL holds 82%, has started the production of sanitaryware in April 2014. KSPL has increased 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), which is operational from 25th 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 67% of its capacity in Q2 FY19. We hope to achieve 75% capacity utilisation by end of this year.

Note: The company has disposed off investment in Soriso Ceramics in July 2018, hence it has ceased to be subsidiary now.

Financial highlights

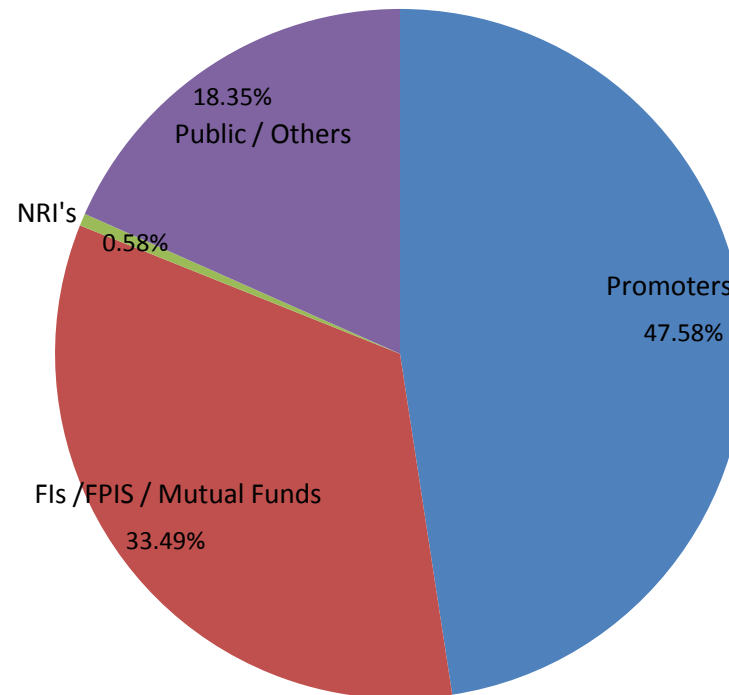
(Rs / Crores)

	Q2 FY19		Q2 FY18		Growth		H1FY19		H1FY18		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	677.49	725.31	633.84	671.23	7%	8%	1291.60	1382.33	1255.27	1299.40	3%	6%
EBITDA	97.36	108.91	125.30	122.02	-22%	-11%	185.07	205.72	219.35	226.33	-16%	-9%
EBITDA MARGIN	14.37%	15.02%	19.77%	18.18%			14.33%	14.88%	17.47%	17.42%		
Depreciation	16.08	22.53	15.12	21.57	6%	4%	32.09	45.20	29.85	43.41	8%	4%
Other Income	8.36	4.59	4.12	1.13	103%	306%	15.04	6.97	9.44	3.93	59%	77%
Interest	1.48	4.52	1.54	6.39	-4%	-29%	2.52	8.69	2.52	14.19	0%	-39%
Exceptional Items	-4.78	3.41					-4.78	3.41	3.61	-0.75	-2.3241	
Profit Before Tax	92.94	83.04	112.76	95.19	-18%	-13%	170.28	155.39	192.81	173.41	-12%	-10%
Tax Expense	31.41	32.41	37.84	38.24	-17%	-15%	58.28	59.39	65.75	67.55	-11%	-12%
Minority Interest		0.43		-6.75				0.23		-8.82		
Profit After Tax	61.53	50.20	74.92	63.70	-18%	-21%	112.00	95.77	127.06	114.68	-12%	-16%
Cash Profit	77.61	72.73	90.04	85.27	-14%	-15%	144.09	140.97	156.91	158.09	-8%	-11%
Equity Share Capital	15.90	15.90	15.89	15.89			15.90	15.90	15.89	15.89		
EPS (Basic) (Rs.)	3.87	3.16	4.71	4.01	-18%	-21%	7.05	6.03	7.99	7.22	-12%	-16%

Ason 30th Sep. 2018

Equity Shares Outstanding - 158.95 millions

Shareholding



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 68.00 mn. sq. meters presently, distributed across seven plants - one in Sikandrabad (UP), one in Gailpur (Rajasthan), One in Malutana (Rajasthan), three in Morbi (Gujarat) and one in Vijaywada (AP).

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