



KAJARIA CERAMICS LIMITED

Investor Update – Q2 FY20

October 23, 2019

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance – Q2 FY20
- Balance sheet perspective
- Subsidiaries
- Income Statement
- Shareholding Pattern

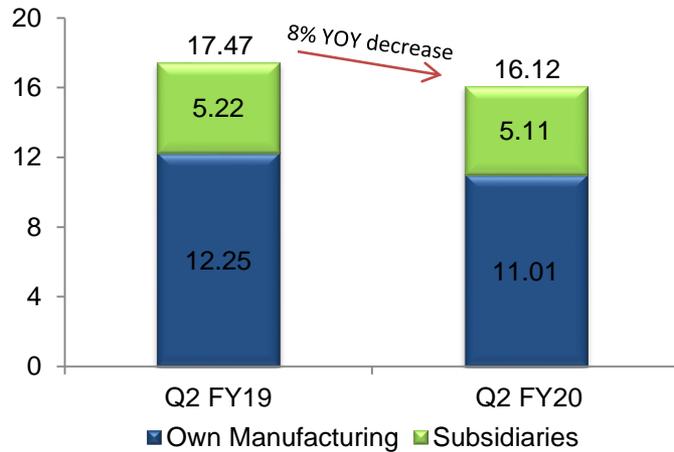
The quarter was extremely significant as the Government introduced a slew of reforms that promise to uplift the depressed economic sentiment – the most significant move was the corporate tax rate cut which has brought immense cheer to India Inc.

While we understand that these measures would take time to transform into on-ground opportunities, we continue to strive harder to sustain our business momentum.

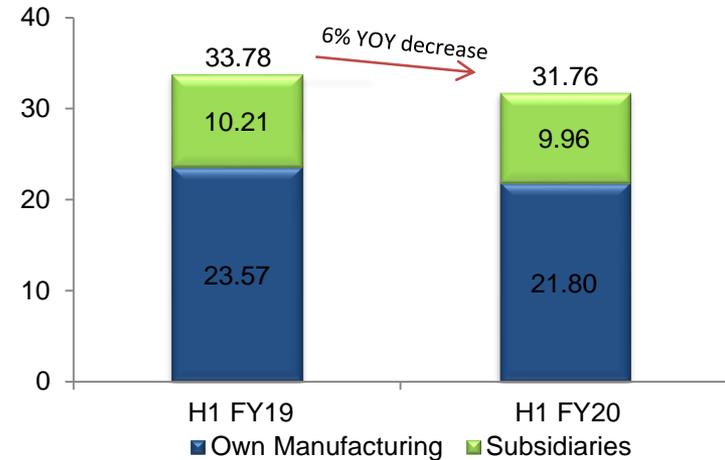
The quarter gone by has been one of the toughest in last many years due to general low consumer sentiment, tight liquidity, floods in the country and lost sale in Kashmir. The company's volume grew by 1% (YoY) with stable EBITDA margin of 14.72%. We expect rebound in growth in 2nd half of the year because of improvement in general consumer sentiments.

The 5 msm glazed vitrified tile greenfield project at Srikalahasti in Andhra Pradesh got commissioned in the month of September 2019. This will not only bring us closer to the market but will also result in improved logistics for southern market.

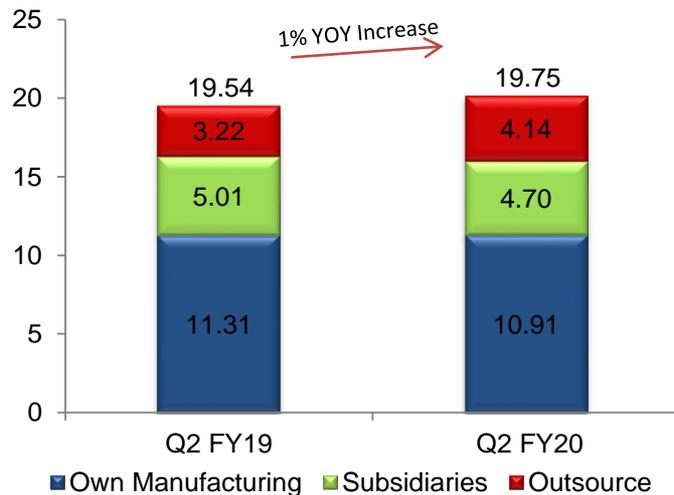
Production Growth (MSM) - Q2 FY20



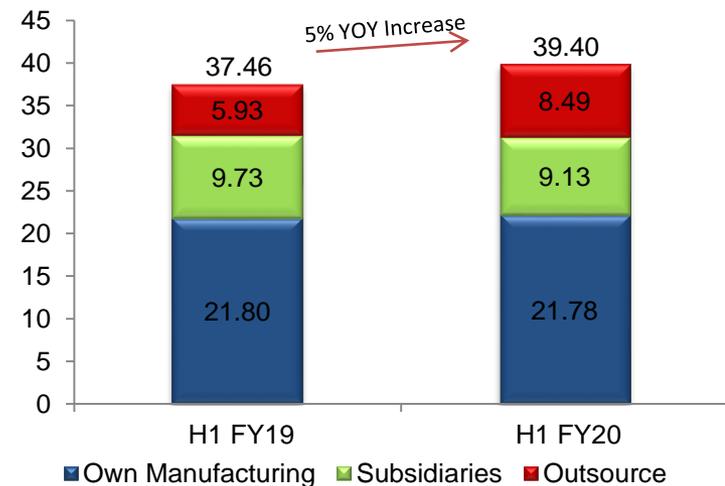
Production Growth (MSM) - H1 FY20



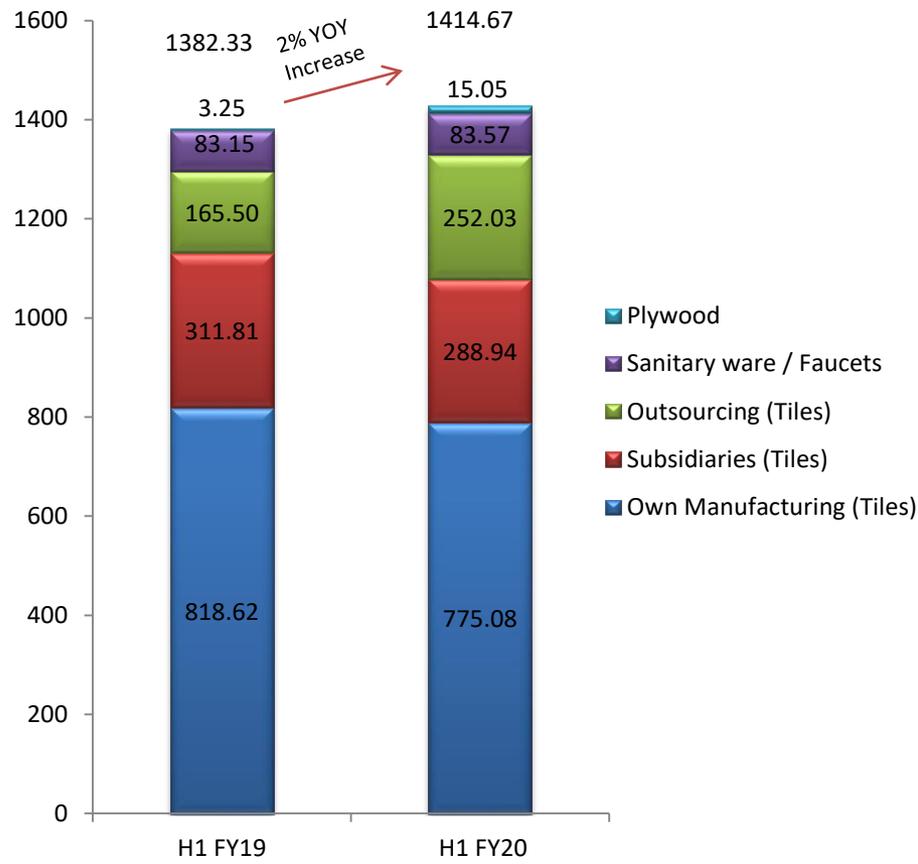
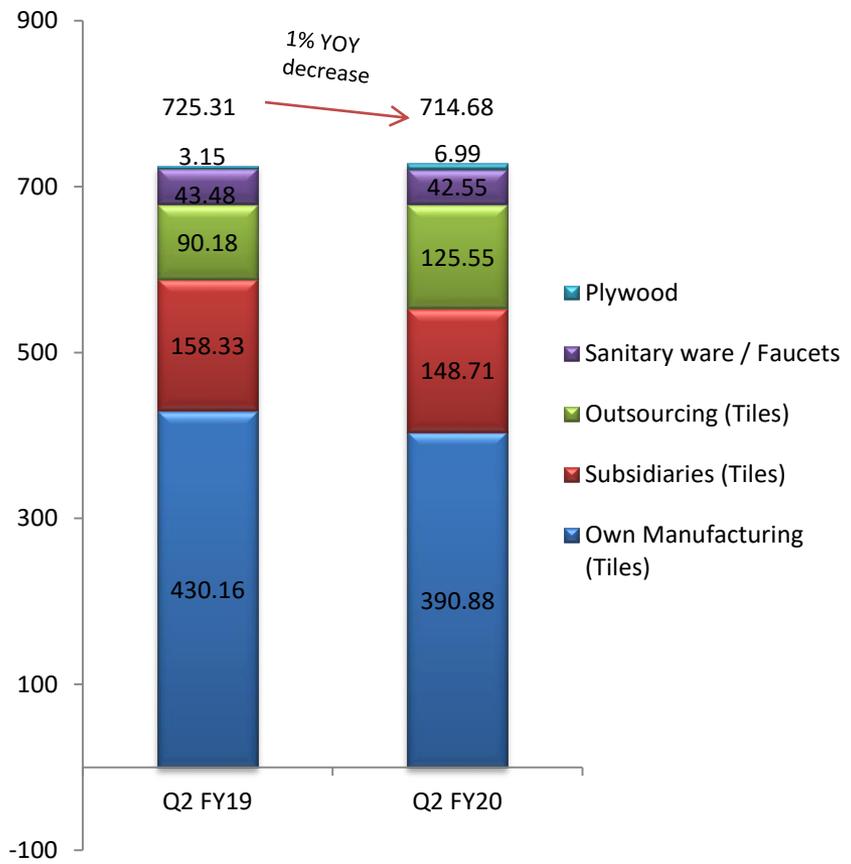
Sales Growth (MSM) - Q2 FY20



Sales Growth (MSM) - H1 FY20

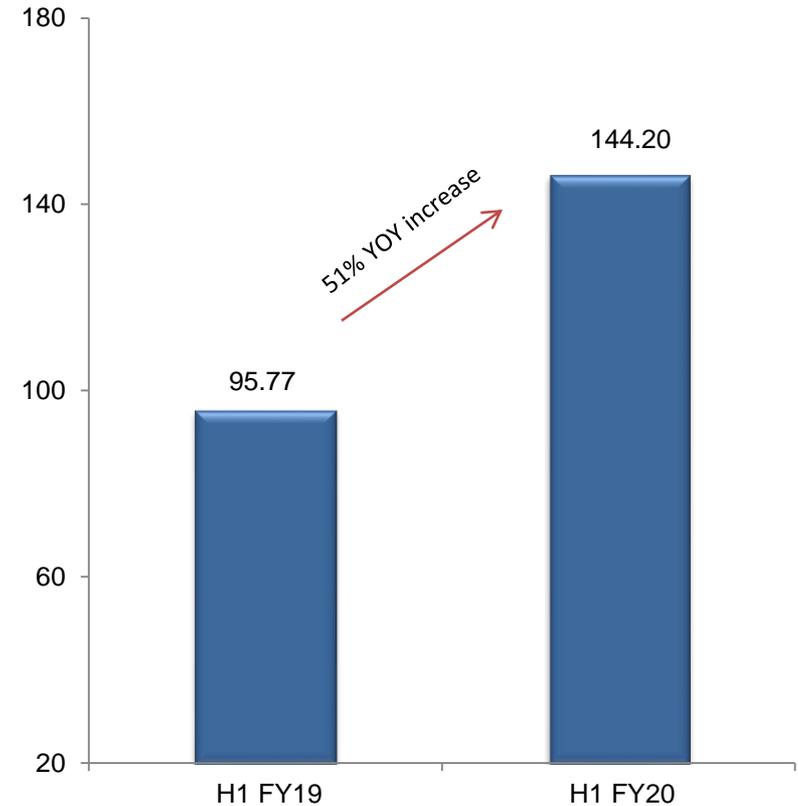
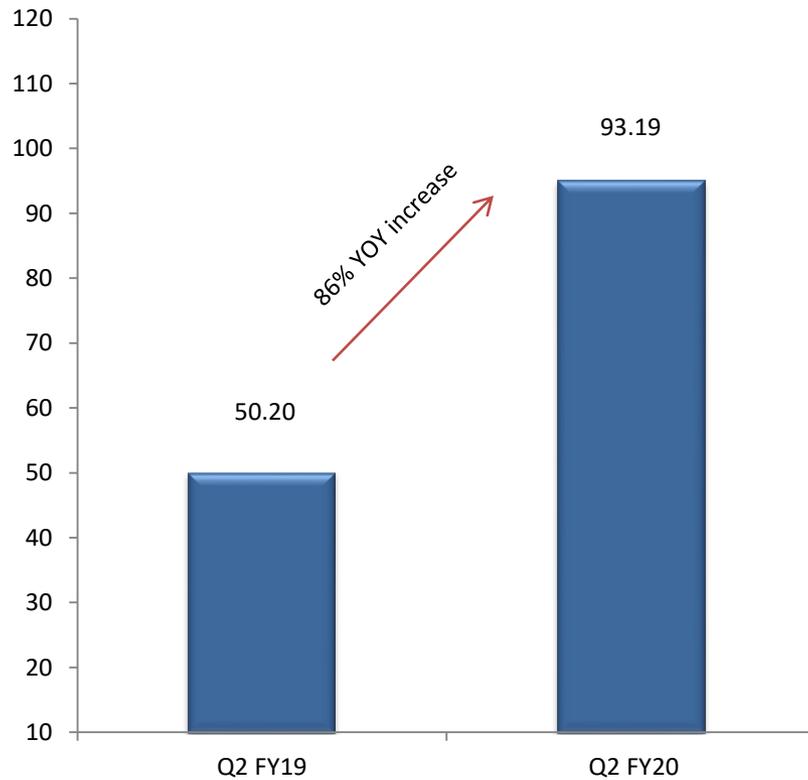


Rs./ Crores



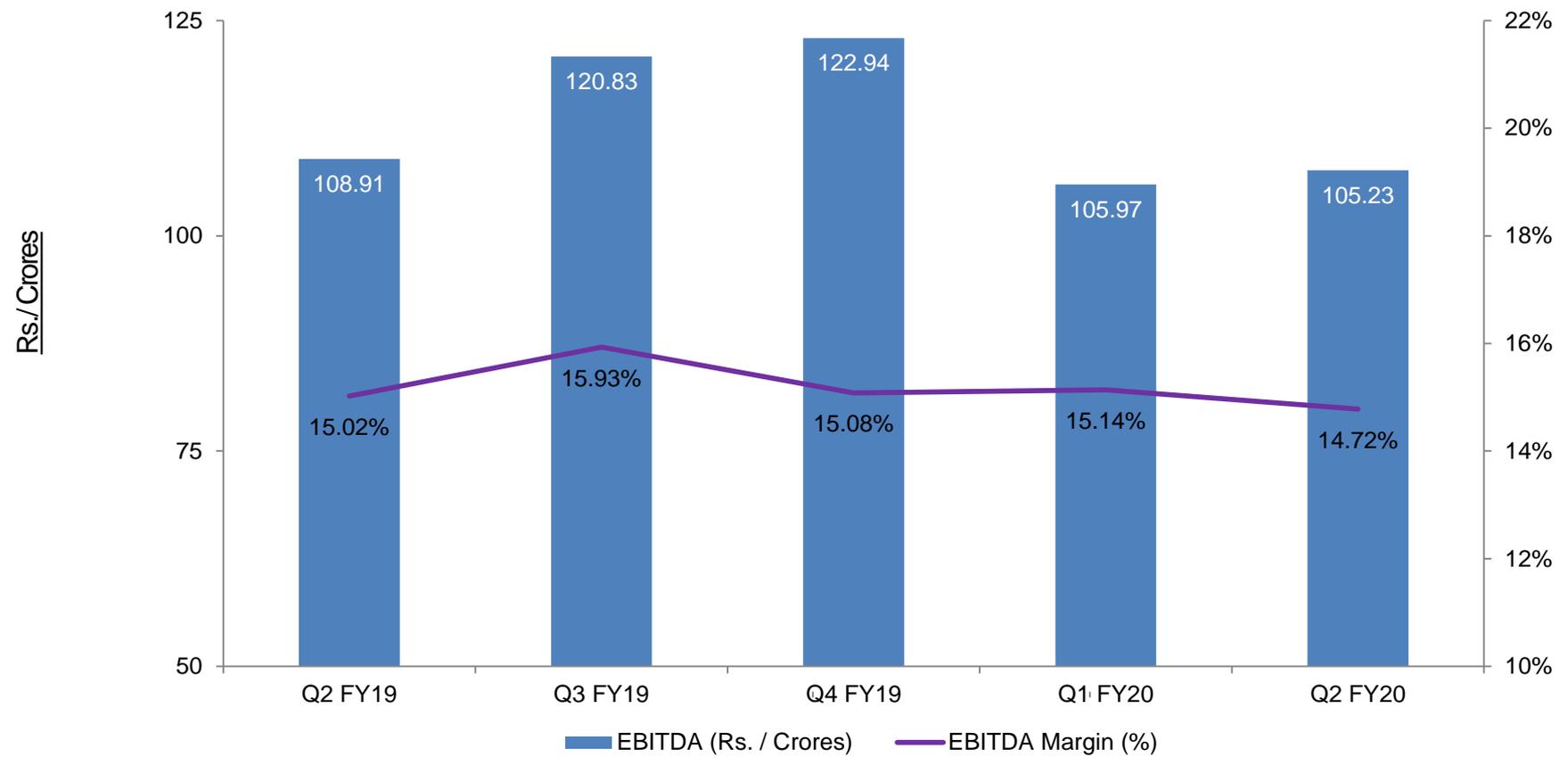
Refer Slide 12 for detailed Income Statement

Rs./ Crores

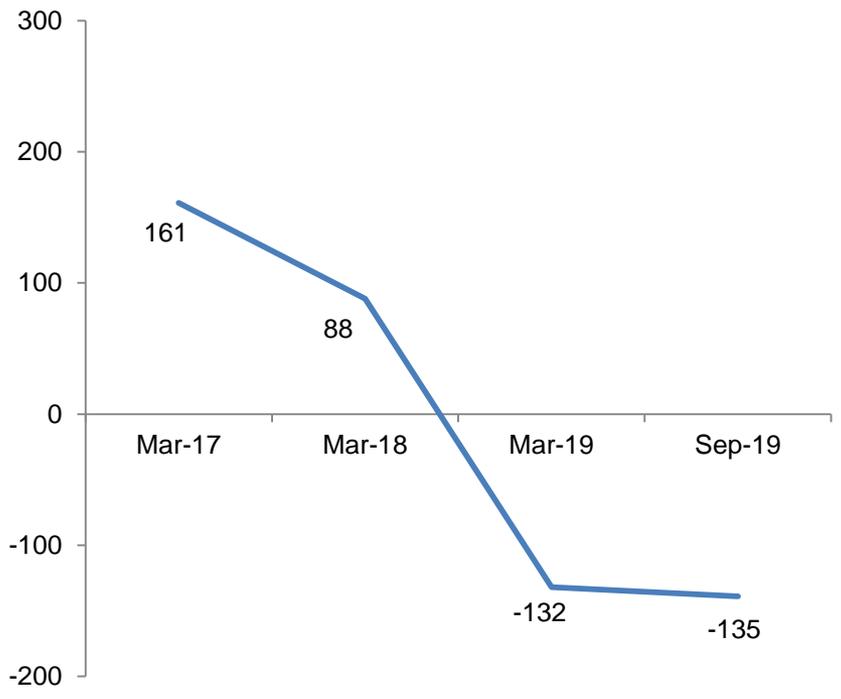


The PAT is higher in Q2 FY20 and H1 FY20 due to revised Income Tax rates and reversal of net deferred tax liability.

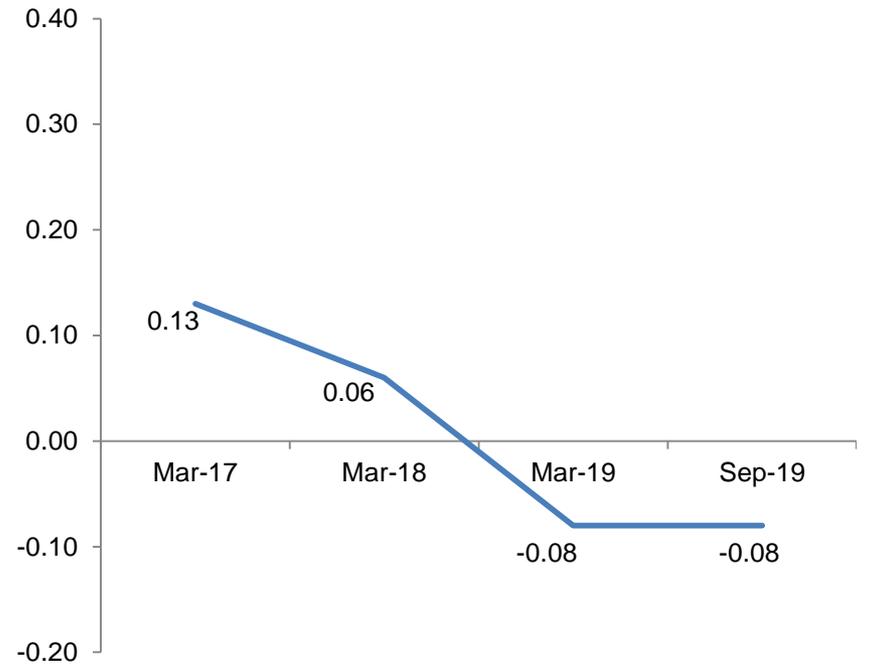
Refer Slide 12 for detailed Income Statement



Net Debt (Rs. Crore) *

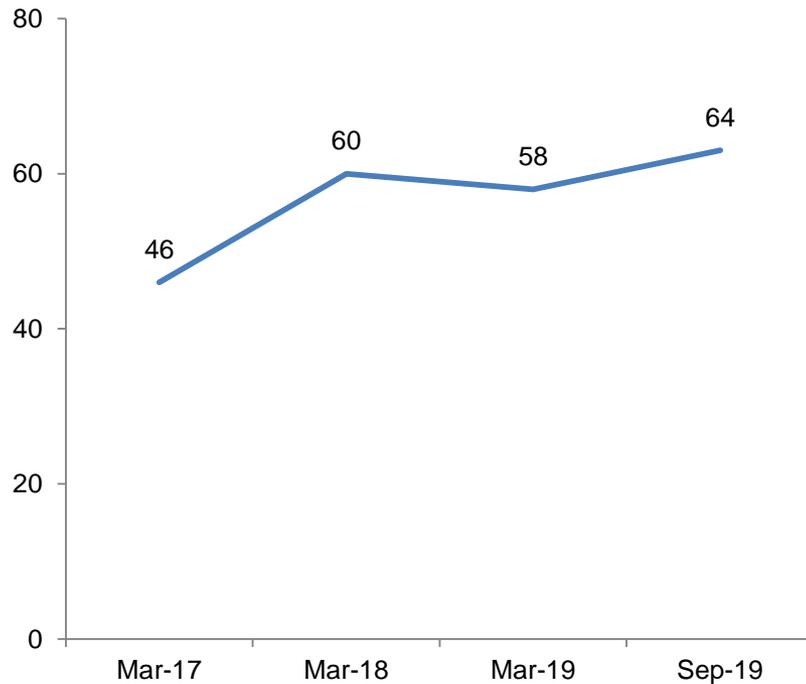


Net Debt Equity (X) *

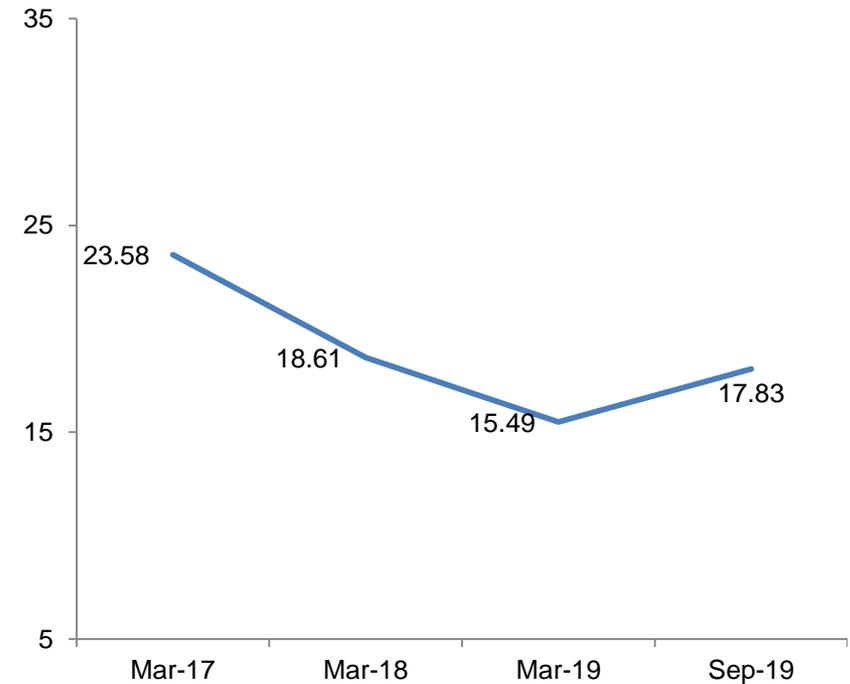


* Net of cash and cash equivalents

Working Capital Cycle (days)



Return on Equity (Avg.)



- Working capital days' excludes capex creditors and cash & Bank balance.
- Working capital days' as on 30th September, 2019, increased by around 3 days due to reduction in deferred tax liability.
- ROE as on 30th Sep. 19 taken at average of net worth as on 30th Sep. 19 & 31st Mar. 19 and on H1 FY20 PAT.

A. JAXX VITRIFIED

Jaxx Vitrified is based in Morbi (Gujarat). Kajaria has 87.37% stake in the same. Jaxx has combined annual capacity of 10.20 MSM of polished vitrified tiles comprising 2 plants. Jaxx has operated at full capacity during Q2 FY20.

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 high end ceramic wall tiles. Vennar has operated at full capacity during Q2 FY20.

C. COSA CERAMICS

Cosa is based in Morbi (Gujarat). Kajaria has 51% stake in the same. Cosa has annual capacity of 5.70 MSM of polished vitrified tiles. Cosa has operated at full capacity during Q2 FY20.

D. KAJARIA TILES PRIVATE LIMITED*

Kajaria Tiles (a wholly owned subsidiary) has commissioned a manufacturing facility of glazed vitrified tiles with a capacity of 5.00 MSM p.a. in Andhra Pradesh and started commercial production in September 2019.

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

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 6.00 lac pcs p.a. The plant has operated at 66% in Q2 FY20. And also commissioned additional capacity of 1.50 lac pcs p.a. in September 2019.

b) Faucet: This facility is situated at Gailpur (Rajasthan) having 1.00 million pcs p.a. The plant has operated at 64% in Q2 FY20.

*(Formerly known as Kajaria Floera Ceramics Pvt. Ltd.)

Financial highlights

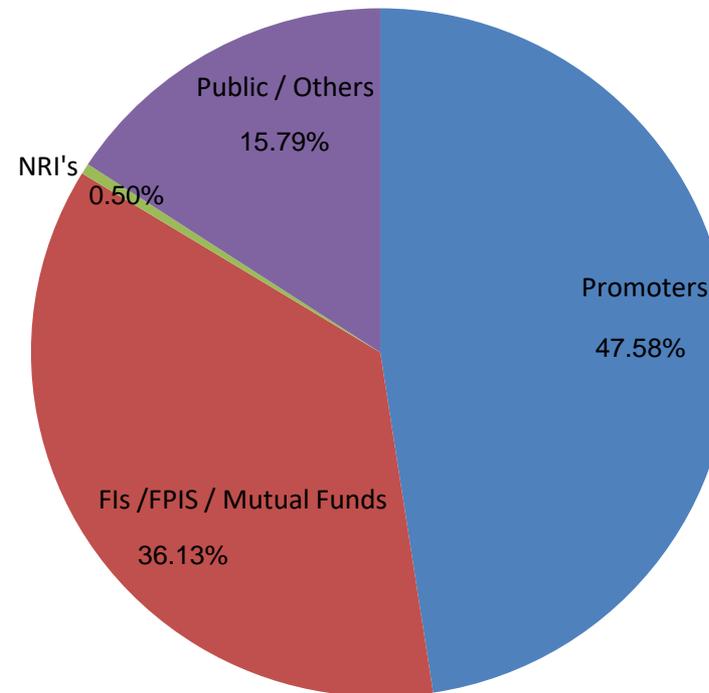
(Rs / Crores)

	Q2 FY20		Q2 FY19		Growth		H1 FY20		H2 FY19		Growth	
	Standalone	Consolidated										
Net Sales	651.40	714.68	677.49	725.31	-4%	-1%	1291.10	1414.67	1291.60	1382.33	0%	2%
EBITDA	97.14	105.23	97.36	108.91	0%	-3%	195.06	211.20	185.07	205.72	5%	3%
EBITDA MARGIN	14.91%	14.72%	14.37%	15.02%			15.11%	14.93%	14.33%	14.88%		
Depreciation	19.67	26.15	16.08	22.53	22%	16%	39.16	51.97	32.09	45.20	22%	15%
Other Income	12.91	6.82	8.36	4.59	54%	49%	23.70	12.10	15.04	6.97	58%	74%
Interest	2.46	5.22	1.48	4.52	66%	15%	4.20	9.74	2.52	8.69	67%	12%
Exceptional Items - loss (gain)			-4.78	3.41					-4.78	3.41		
Profit Before Tax	87.92	80.68	92.94	83.04	-5%	-3%	175.40	161.59	170.28	155.39	3%	4%
Tax Expense	-12.48	-12.39	31.41	32.41	-140%	-138%	18.02	18.14	58.28	59.39	-69%	-69%
Minority Interest		-0.12		0.43				-0.75		0.23		
Profit After Tax	100.40	93.19	61.53	50.20	63%	86%	157.38	144.20	112.00	95.77	41%	51%
Cash Profit	120.07	119.34	77.61	72.73	55%	64%	196.54	196.17	144.09	140.97	36%	39%
Equity Share Capital	15.90	15.90	15.90	15.90			15.90	15.90	15.90	15.90		
EPS (Basic) (Rs.)	6.32	5.86	3.87	3.16	63%	85%	9.90	9.07	7.05	6.03	40%	50%

As on 30th Sep. 2019

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 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.

For further information, please visit www.kajariaceramics.com or contact:

Mr. Sanjeev Agarwal, CFO

+91 11 26946409 (Board),

+91 11 41064110 (Direct)

Email: sanjeev@kajariaceramics.com

Mrs. Pallavi Bhalla, DGM Investor Relations

+91 11 26946409 (Board),

+91 11 40946552 (Direct)

Email: pallavibhalla@kajariaceramics.com

Disclaimer: Certain Statements in this document may be forward-looking within the meaning of applicable laws and regulations. And actual results might differ substantially from those expressed or implied. Such statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors could cause our actual results to differ. Kajaria Ceramics Limited will not be in any way responsible for any action taken based on such statements.