



KAJARIA CERAMICS LIMITED

Investor Update – Q1 FY21

August 7, 2020

Kajaria
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- Chairman's Message
- Financial Performance – Q1 FY21
- Balance sheet perspective
- Subsidiaries
- Income Statement
- Shareholding Pattern

The start of the Fiscal was anything but exciting as the fear of the COVID-19 gripped the nation. The slowdown in the economic activity and Supply Chain disruptions due to lockdown continued to impact the business. Although, we witnessed that in the month of June, the demand conditions improved progressively with no evidence of channel restocking.

During the quarter, we implemented necessary procedures to ensure continuity of operations with a safety-first emphasis. In that uncertain environment, our top priority is the health and safety of our people.

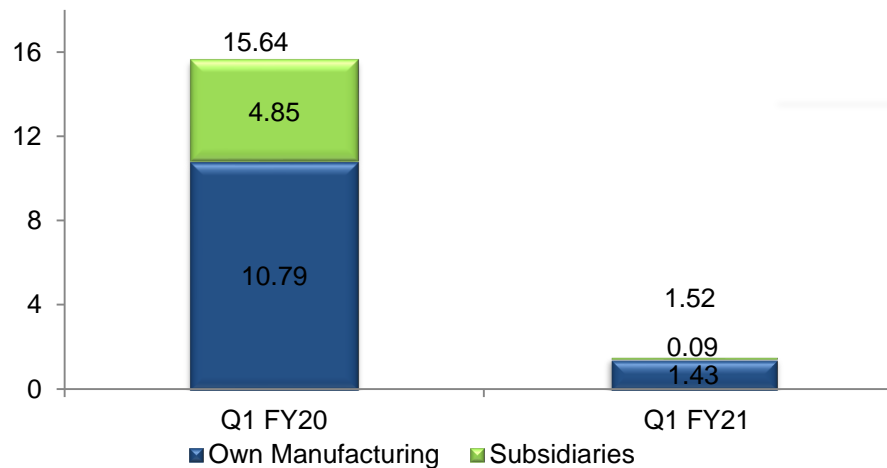
Supply chain restrictions and partially shut dealer showrooms resulting, sales volume declined by 61% as compared to corresponding quarter of the previous year. Revenue from operations for Q1FY21 was Rs. 278 crores, lower by 60% over previous year. EBITDA was lower significantly as compared to same quarter of the previous year.

However, we are satisfied as there were important positives to feel good about. Pricing discipline was maintained. Collection during the quarter was strong which showcases the strength of our network.

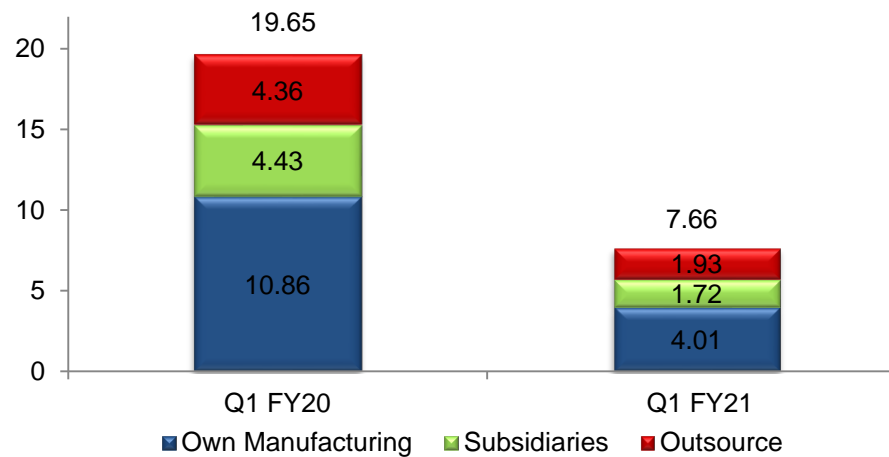
Now, when fear has given way to acceptance and confidence among the average Indian, we see the blue sky once again. Almost all of our dealer base is back in business. Our plants operated at 26% capacity utilisation in the month of June. However the capacity utilisation has improved to 78% in the month of July 2020.

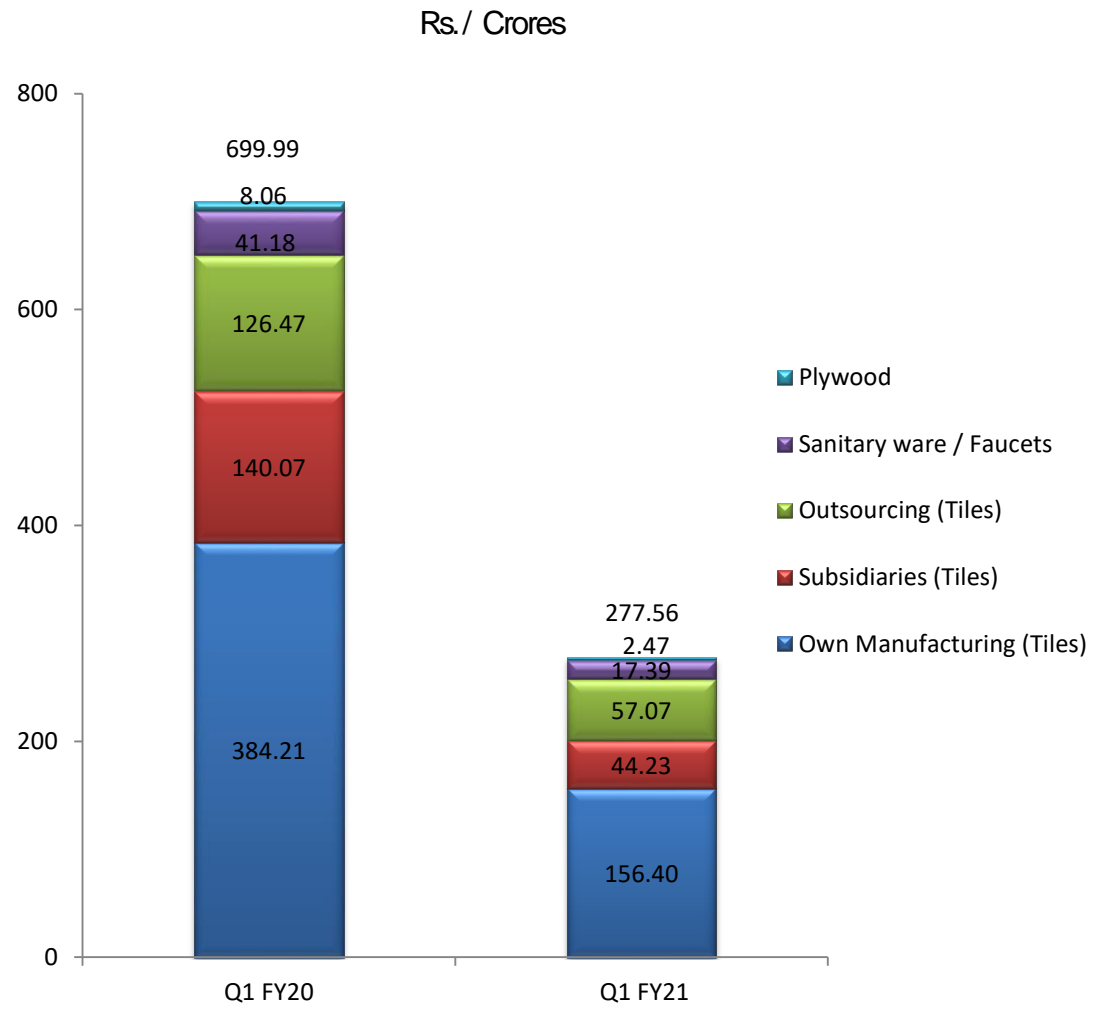
At this time, we believe that we have the necessary resources and the right strategy to weather the storm and we are positioned to take advantage of opportunities as they emerge.

Production Growth (MSM) - Q1 FY21

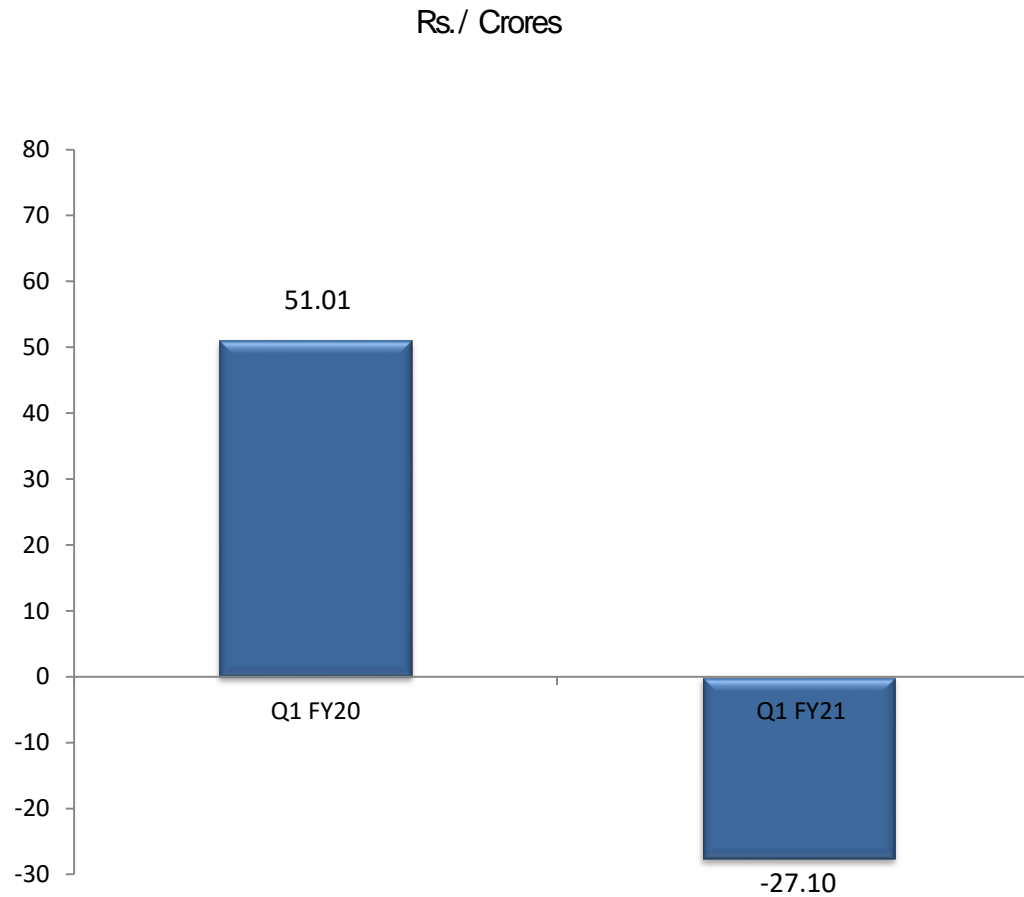


Sales Growth (MSM) - Q1 FY21

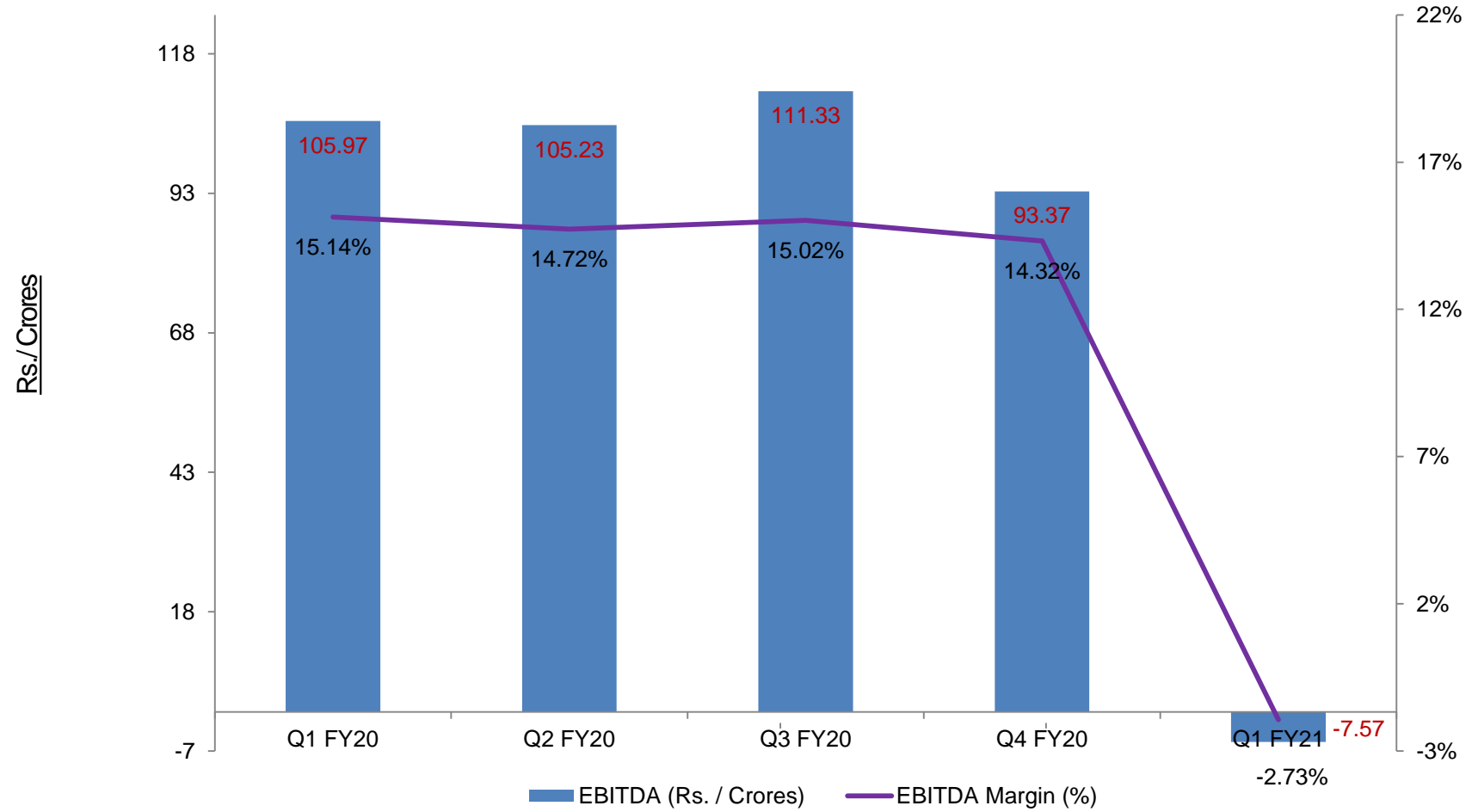




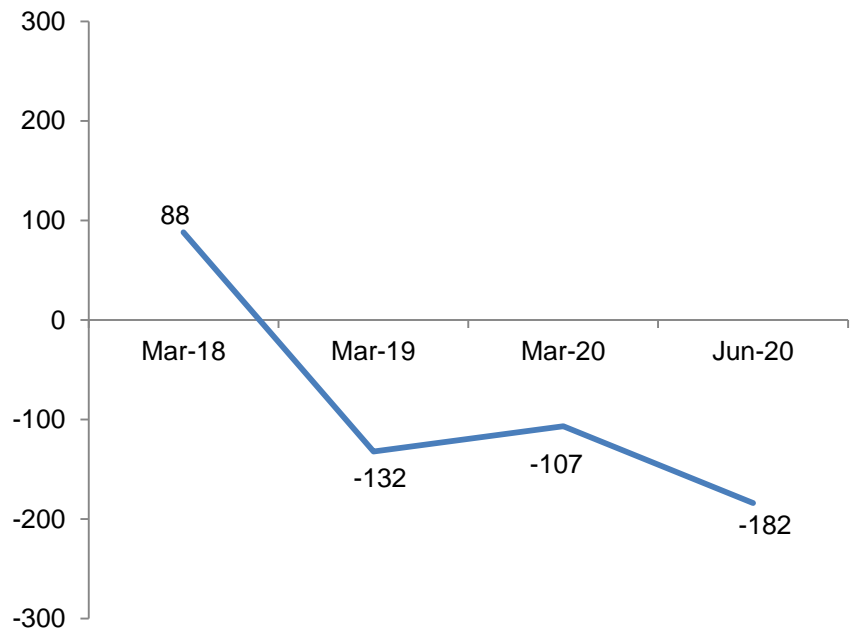
Refer Slide 12 for detailed Income Statement



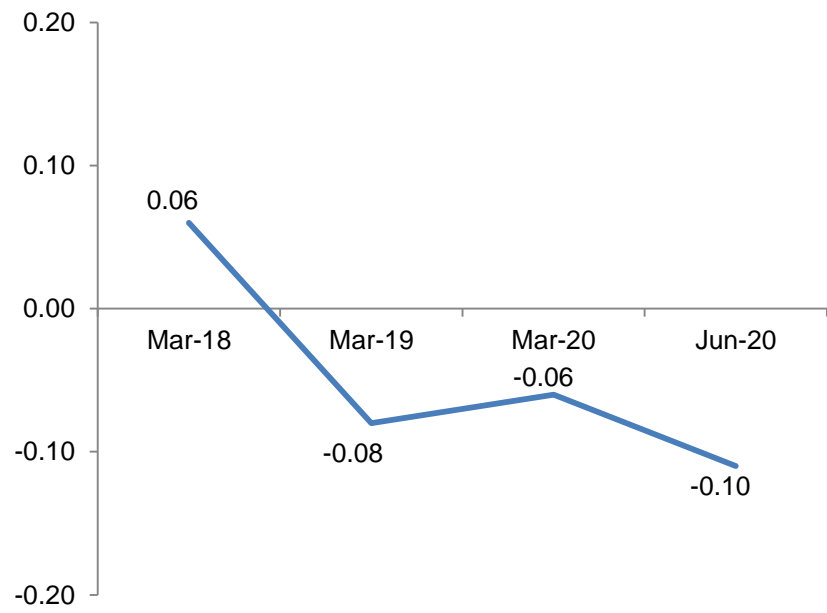
Refer Slide 12 for detailed Income Statement



Net Debt (Rs. Crore) *

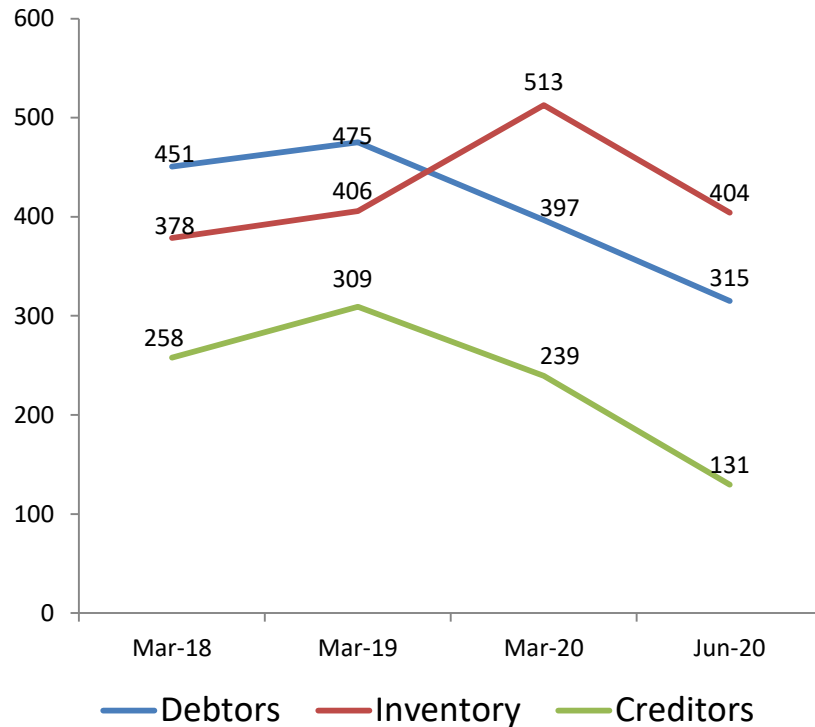


Net Debt Equity (X) *

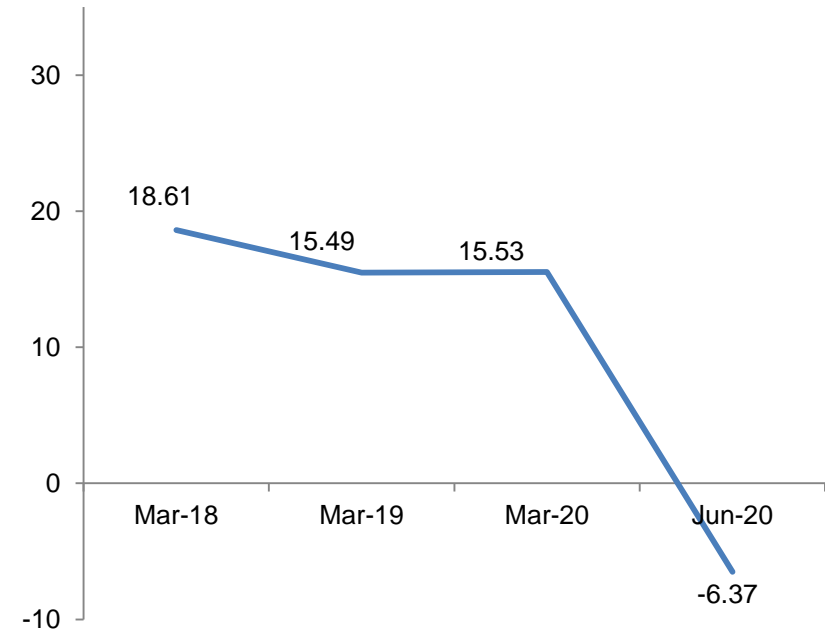


* Net of cash and cash equivalents

Working Capital (Rs. Crore)



Return on Equity (Avg.)



• ROE as on 31st Mar. 20 taken at average of net worth as on 31st Mar. 19 & 31st Mar. 20 and on FY20 PAT.

A. JAXX VITRIFIED

Jaxx Vitrified is based in Morbi (Gujarat). Kajaria has 87.37% stake in the same. Jaxx had combined annual capacity of 10.20 MSM of polished vitrified tiles. Jaxx unit II having 2.60 msm capacity was permanently shut in Q1 FY21 and being sold as operationally becoming unviable. Now revised capacity of Jaxx is 7.60 MSM. Production of the same has started in June 2020.

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. Production in Vennar was shut in Q1 FY21 due to lock down.

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. Production in Cosa was shut in Q1 FY21 due to lockdown.

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. Production in Kajaria Tiles was shut in Q1 FY21 due to lockdown.

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. And also commissioned additional capacity of 1.50 lac pcs p.a. in September 2019. Production was shut from 22nd March 2020 due to lockdown but started in the month of June 2020.

b) Faucet: This facility is situated at Gailpur (Rajasthan) having 1.00 million pcs p.a. Production was shut from 22nd March 2020 due to lockdown but started in the month of June 2020.

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

Financial highlights

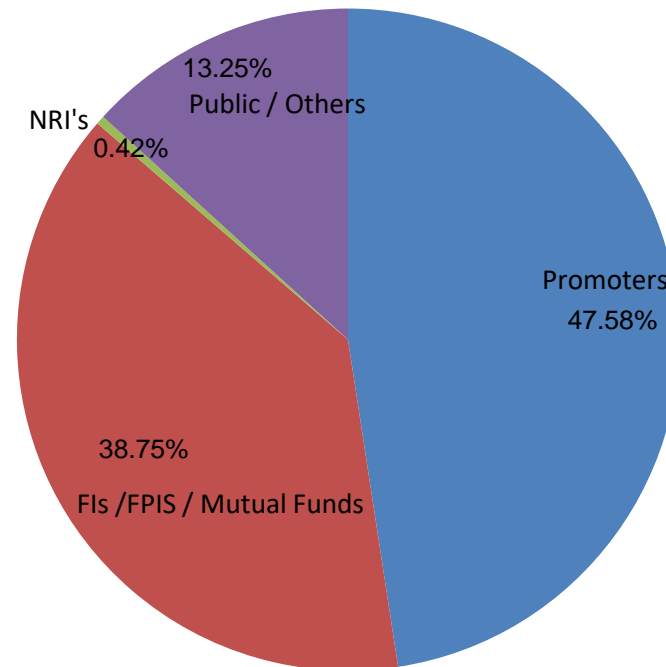
(Rs / Crores)

	Q1 FY21		Q1 FY20		Growth		FY20		FY19		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	257.53	277.56	639.70	699.99	-60%	-60%	2571.80	2808.01	2726.07	2956.20	-6%	-5%
EBITDA	9.41	-7.57	97.92	105.97	-90%	-107%	376.15	415.90	400.36	449.49	-6%	-7%
EBITDA MARGIN	3.65%	-2.73%	15.31%	15.14%			14.63%	14.81%	14.69%	15.20%		
Depreciation	17.02	25.22	19.49	25.82	-13%	-2%	78.85	108.09	63.45	89.06	24%	21%
Other Income	9.76	2.62	10.79	5.28	-10%	-50%	50.56	24.15	34.81	18.03	45%	34%
Interest	1.41	3.38	1.74	4.52	-19%	-25%	8.53	19.51	3.39	15.59	152%	25%
Exceptional Items - loss (gain)									-4.78	4.84		
Profit Before Tax	0.74	-33.55	87.48	80.91	-99%	-141%	339.33	312.45	373.11	358.03	-9%	-13%
Tax Expense	0.19	-0.61	30.50	30.53	-99%	-102%	60.53	58.92	127.21	129.28	-52%	-54%
Minority Interest		-5.84		-0.63				-1.80		2.18		
Profit After Tax	0.55	-27.10	56.98	51.01	-99%	-153%	278.80	255.33	245.90	226.57	13%	13%
Cash Profit	17.57	-1.88	76.47	76.83	-77%	-102%	357.65	363.42	309.35	315.63	16%	15%
Equity Share Capital	15.90	15.90	15.90	15.90			15.90	15.90	15.90	15.90		
EPS (Basic) (Rs.)	0.03	-1.70	3.58	3.21	-99%	-153%	17.54	16.06	15.47	14.25	13%	13%

As on 30th Jun 2020

Equity Shares Outstanding – 158.96 millions

Shareholding



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 9th largest in the world. It has present annual capacity of 70.40 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 Vijayawada and one in SriKalahasti in Andhra Pradesh.

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