



KAJARIA CERAMICS LIMITED

Investor Update – Q3 FY20

February 10, 2020

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance – Q3 FY20
- Balance sheet perspective
- Subsidiaries
- Income Statement
- Shareholding Pattern

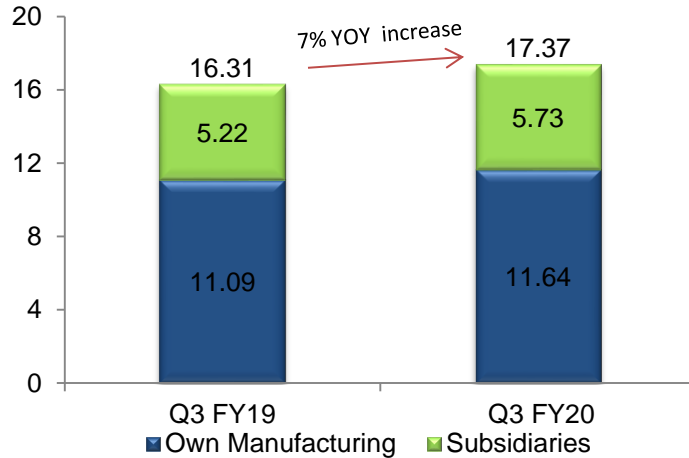
The demand environment for tiles in Q3FY20 continued to be sluggish led by sustained weakness in real estate sector and continued slowdown in the overall economy. With the liquidity concern prevailing in the market, the festive demand uptick was missing, impacting the sales volume.

For the quarter ended December 31, 2019, Volume grew by 1%. EBIDTA margin in Q3 FY20 is 15.02% against 15.93% in corresponding quarter of previous year. Profit after tax decreased by 5% as compared to the corresponding quarter in previous year.

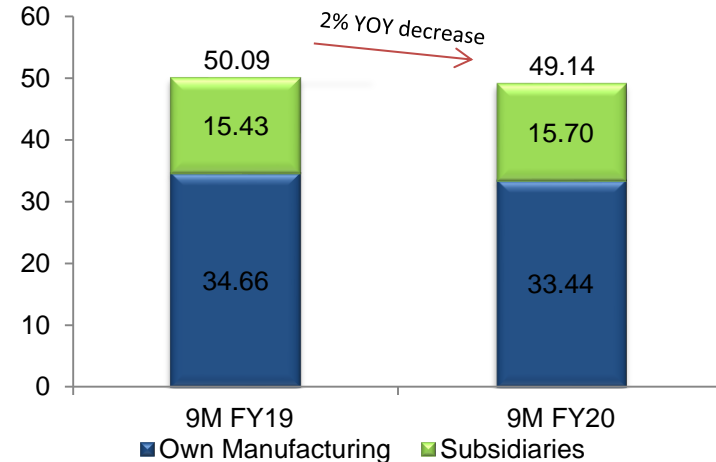
In these tough times, our major endeavor is to focus on further strengthening our brand equity through sustained branding measures and maintain our balance sheet strength with working capital discipline being a major focus area.

We expect improvement in volume off take in next fiscal due to various positive measures taken by government to boost demand with a special focus on incomplete housing projects by infusion of Rs. 25000 crore; improving liquidity by reforms in banking sector and tightening of GST compliances.

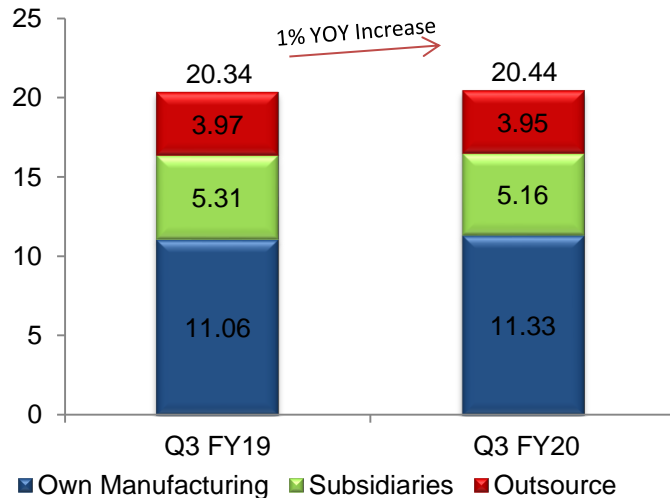
Production Growth (MSM) - Q3 FY20



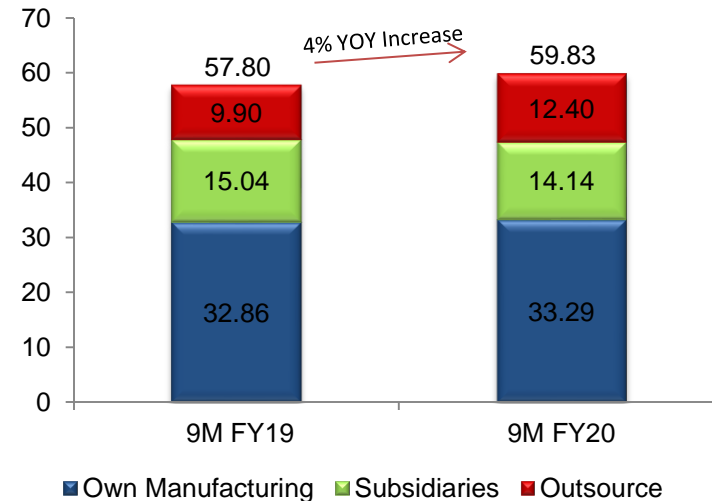
Production Growth (MSM) - 9M FY20



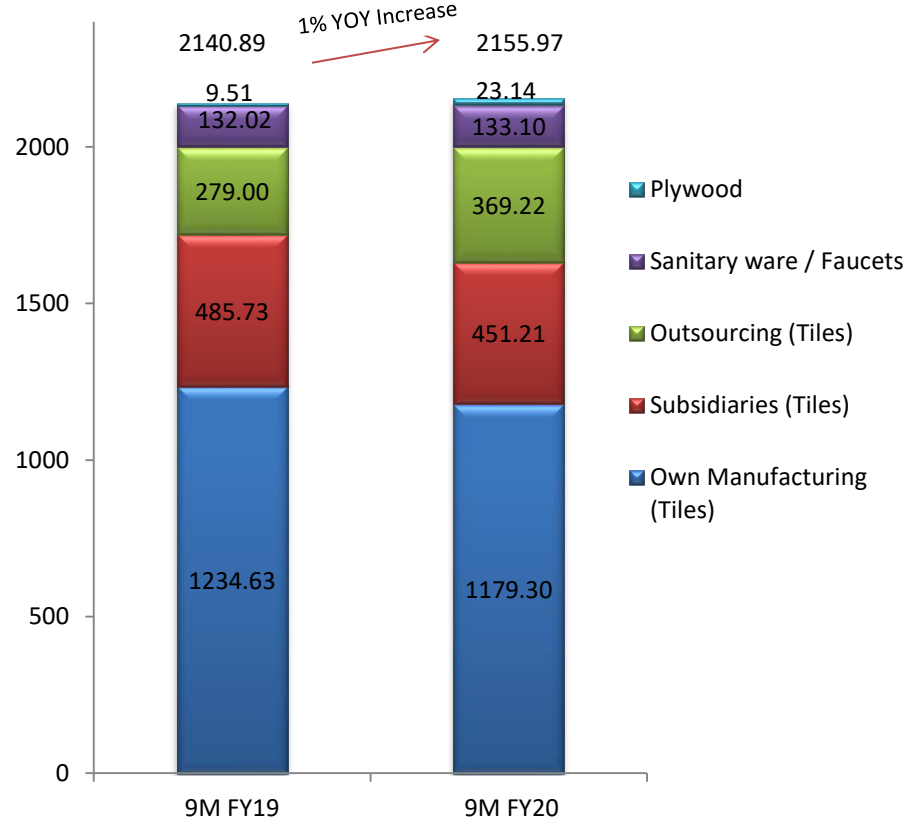
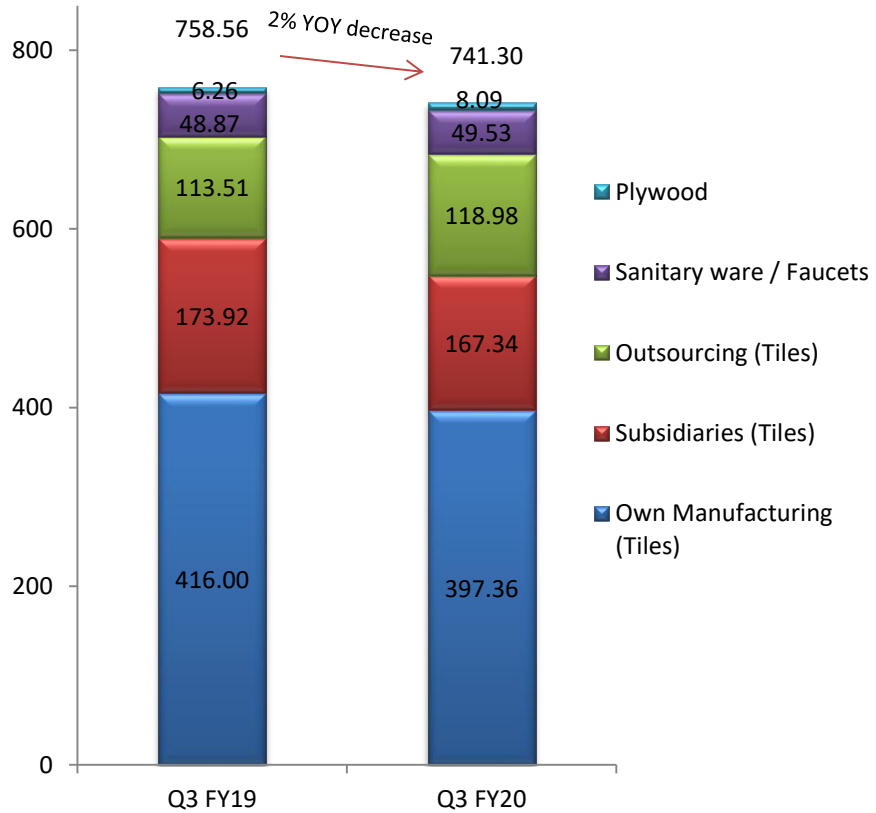
Sales Growth (MSM) - Q3 FY20



Sales Growth (MSM) - 9M FY20

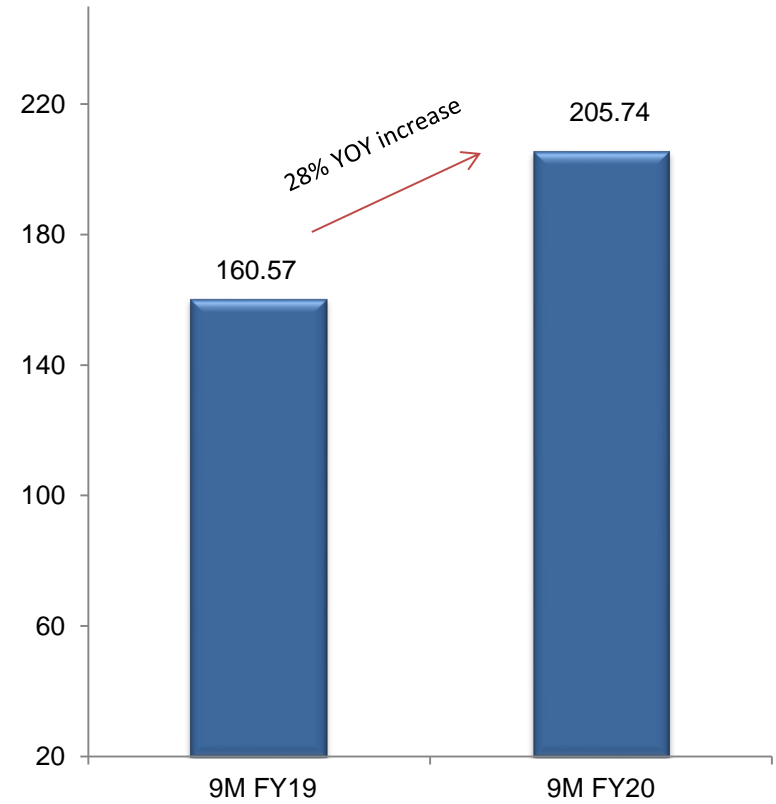
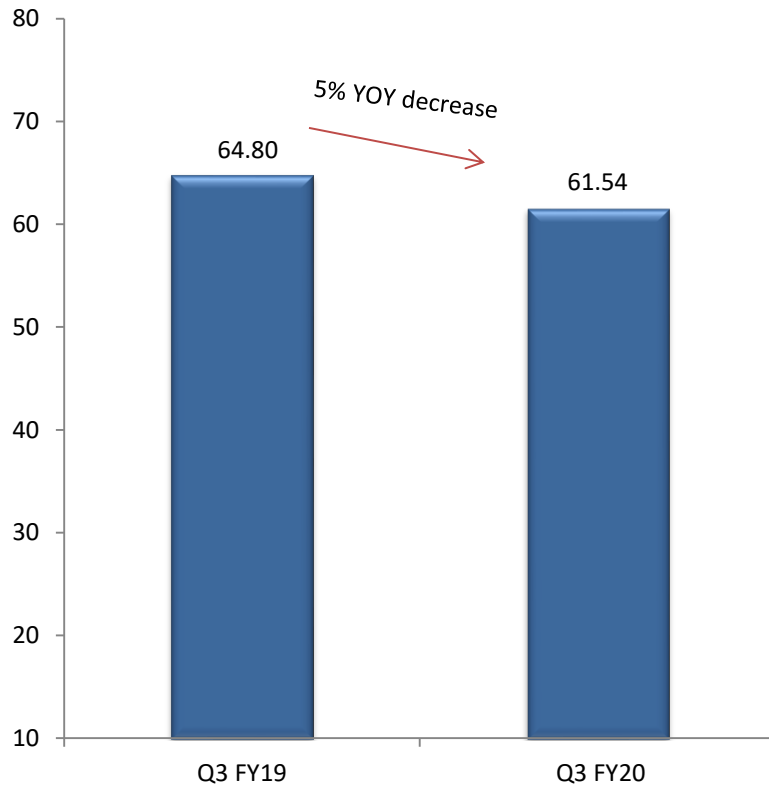


Rs./ Crores

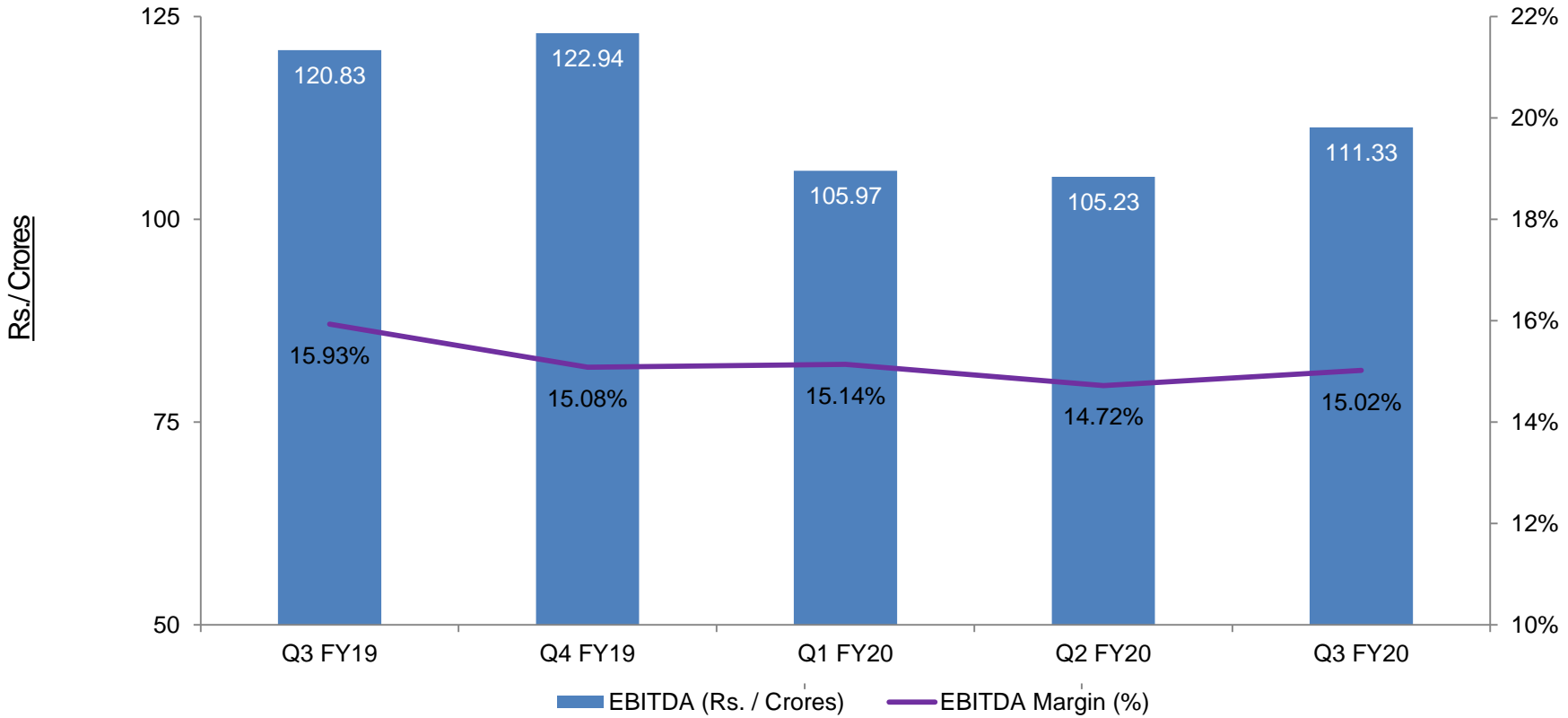


Refer Slide 12 for detailed Income Statement

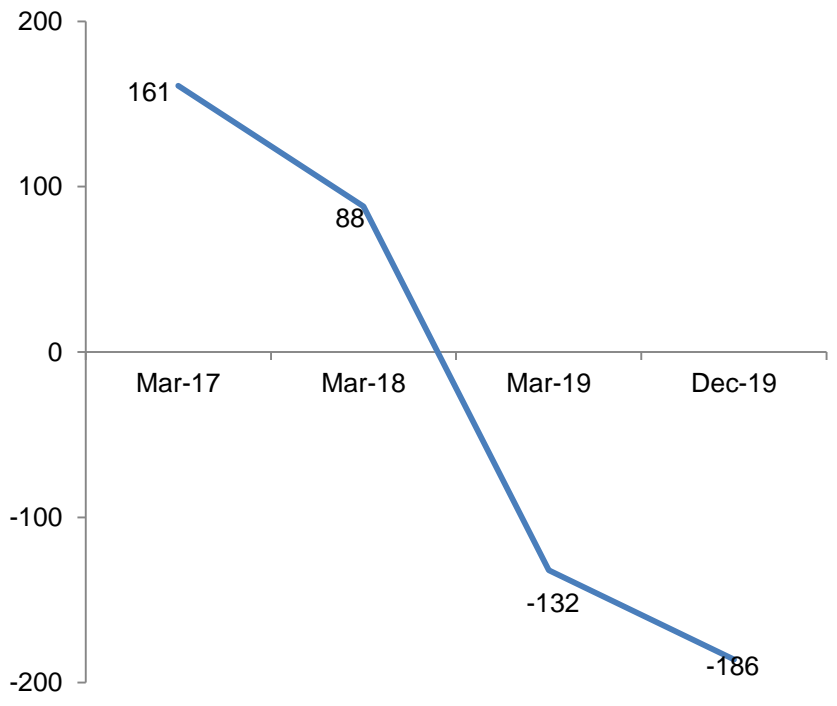
Rs. / Crores



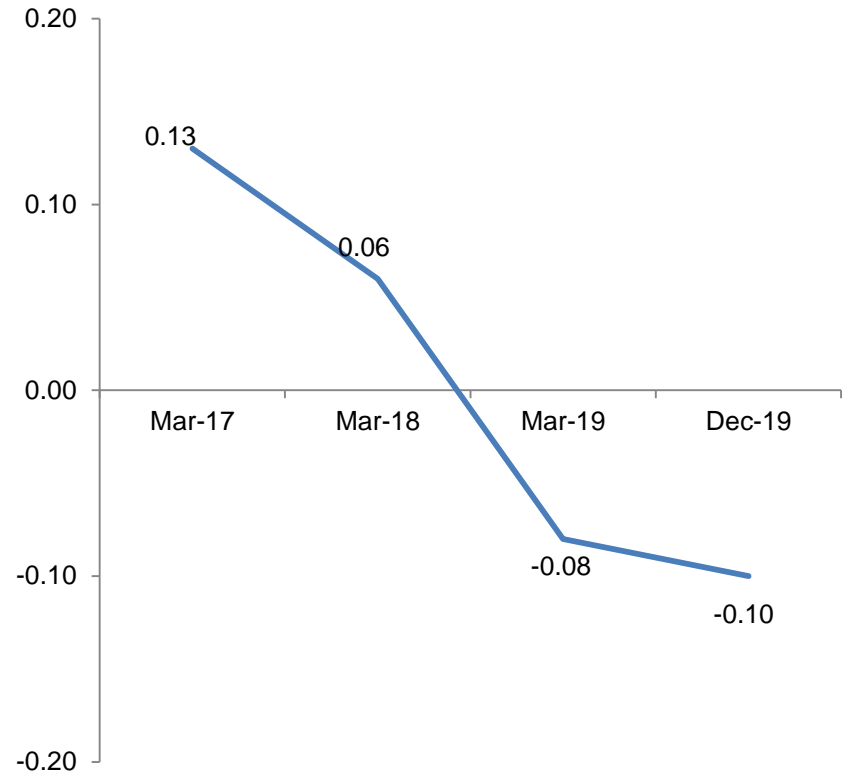
Refer Slide 12 for detailed Income Statement



Net Debt (Rs. Crore) *

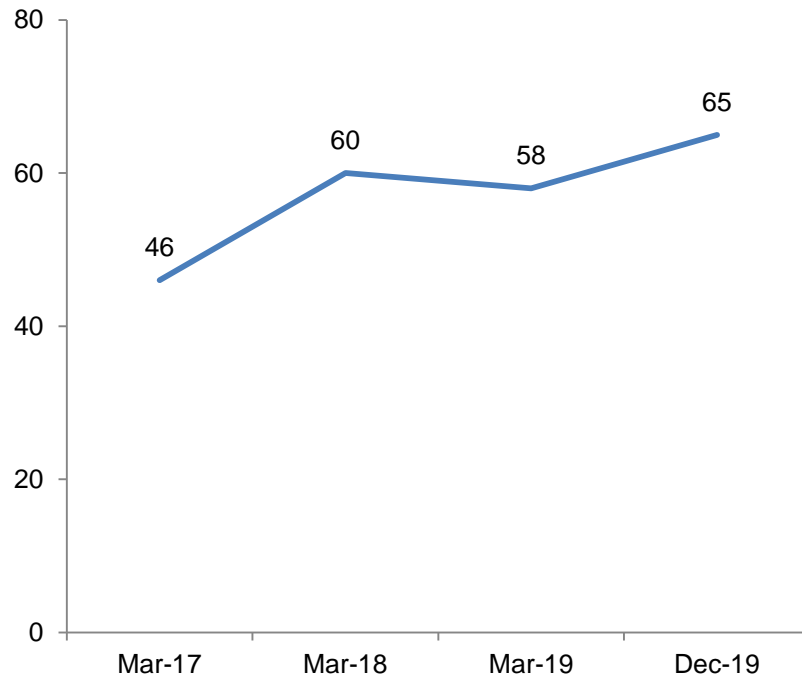


Net Debt Equity (X) *

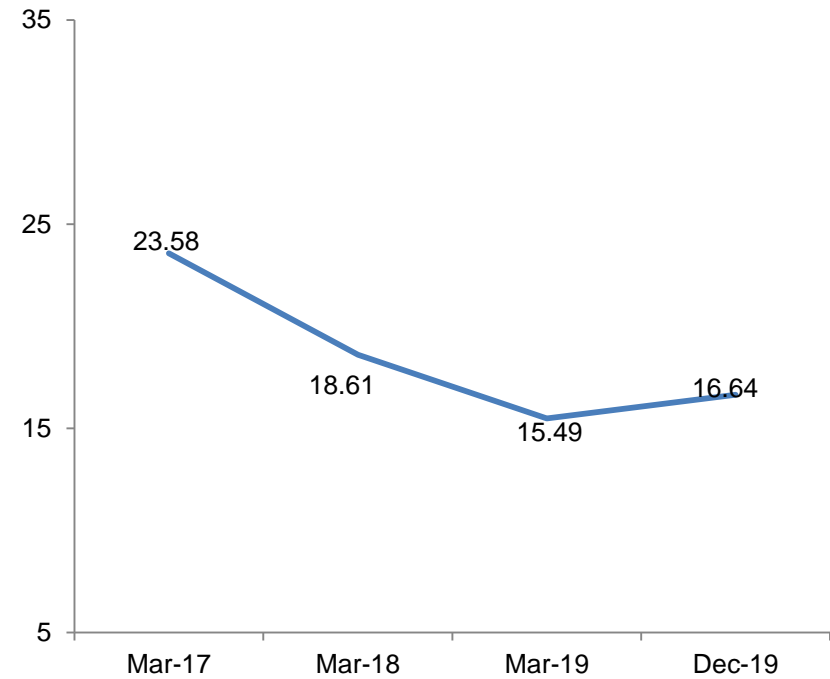


* Net of cash and cash equivalents

Working Capital Cycle (days)



Return on Equity (Avg.)



- Working capital days' excludes capex creditors and cash, cash equivalent & bank balance.
- ROE as on 31st Dec. 19 taken at average of net worth as on 31st Dec. 19 & 31st Mar. 19 and on 9M 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 Q3 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 Q3 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 74% capacity during Q3 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. The plant has operated at 87% capacity in Q3 FY20.

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. The plant has operated at 77% capacity in Q3 FY20.

b) Faucet: This facility is situated at Gailpur (Rajasthan) having 1.00 million pcs p.a. The plant has operated at 72% capacity in Q3 FY20.

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

Financial highlights

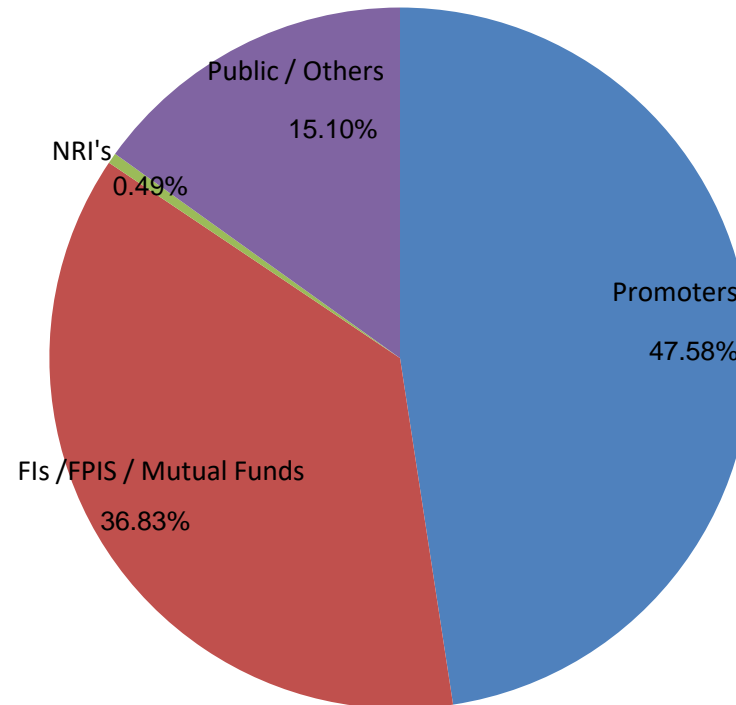
(Rs / Crores)

	Q3 FY20		Q3 FY19		Growth		9M FY20		9M FY19		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	677.64	741.30	700.20	758.56	-3%	-2%	1968.74	2155.97	1991.80	2140.89	-1%	1%
EBITDA	98.19	111.33	106.28	120.83	-8%	-8%	293.25	322.53	291.35	326.55	1%	-1%
EBITDA MARGIN	14.49%	15.02%	15.18%	15.93%			14.90%	14.96%	14.63%	15.25%		
Depreciation	19.59	27.78	15.84	22.18	24%	25%	58.75	79.75	47.93	67.38	23%	18%
Other Income	12.38	5.13	8.85	4.53	40%	13%	36.08	17.23	23.89	11.50	51%	50%
Interest	1.86	4.84	0.64	3.63	191%	33%	6.06	14.58	3.16	12.32	92%	18%
Exceptional Items - loss (gain)									-4.78	3.41		
Profit Before Tax	89.12	83.84	98.65	99.55	-10%	-16%	264.52	245.43	268.93	254.94	-2%	-4%
Tax Expense	23.07	22.58	33.07	33.66	-30%	-33%	41.09	40.72	91.35	93.05	-55%	-56%
Minority Interest		-0.28		1.09				-1.03		1.32		
Profit After Tax	66.05	61.54	65.58	64.80	1%	-5%	223.43	205.74	177.58	160.57	26%	28%
Cash Profit	85.64	89.32	81.42	86.98	5%	3%	282.18	285.49	225.51	227.95	25%	25%
Equity Share Capital	15.90	15.90	15.90	15.90			15.90	15.90	15.90	15.90		
EPS (Basic) (Rs.)	4.16	3.87	4.13	4.08	1%	-5%	14.06	12.94	11.17	10.10	26%	28%

As on 31st Dec. 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.

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