



KAJARIA CERAMICS LIMITED

Investor Update – Q4 FY23

May 16, 2023

- Chairman's Message
- Financial Performance – Q4 FY23
- Subsidiaries
- Income Statement
- Shareholding Pattern

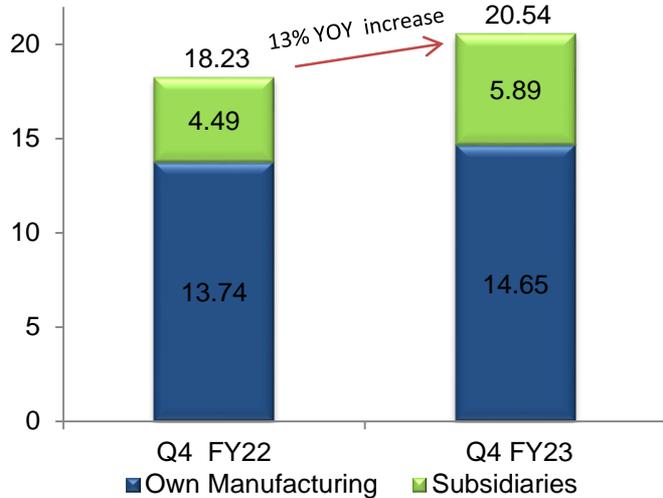
The year 2022-23 has been a year full of challenges, but despite that, we are delighted to share that our company has managed to close the year on a good note, with sustainable performance and enthusiasm for what the coming year holds.

We are happy to report that our company has achieved volume and revenue growth of 11% and 18% YOY, respectively. This growth speaks to the strength of our brand and the effectiveness of our dealer distribution network.

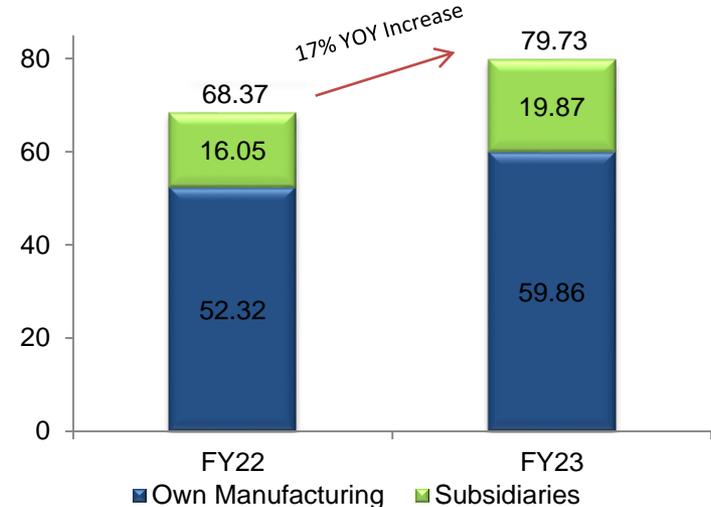
Our EBITDA margin for the quarter was 14% plus, which is sequentially high by 240 bps (QoQ). We attribute this improvement to a decline in gas prices and our consistent cost optimization initiatives. With this in mind, we are confident that we will continue to enhance our profitability going forward.

At Kajaria Ceramics, we have unwavering conviction in India's growth potential, and we remain optimistic about the demand outlook for the tile industry. Given this positive outlook, we believe that the company will continue to deliver industry-leading performance.

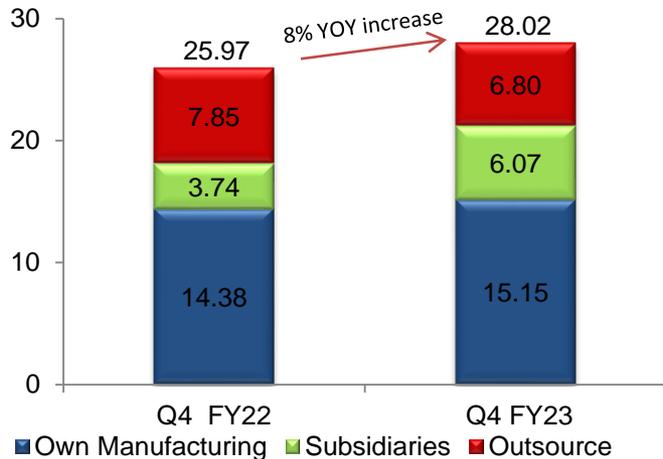
Production Growth (MSM) - Q4 FY23



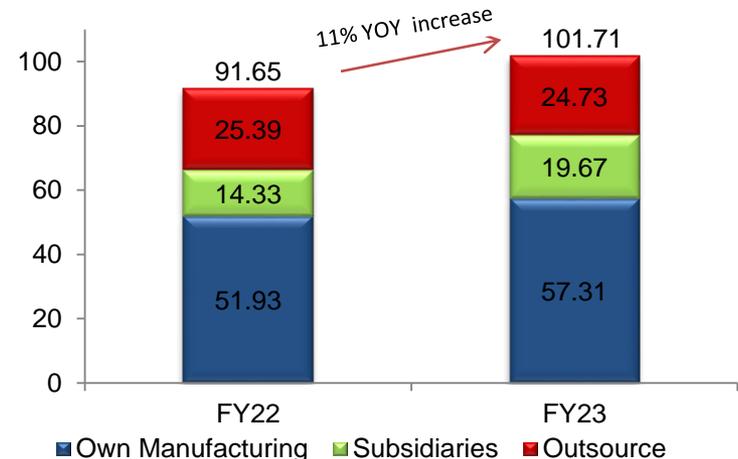
Production Growth (MSM) - FY23



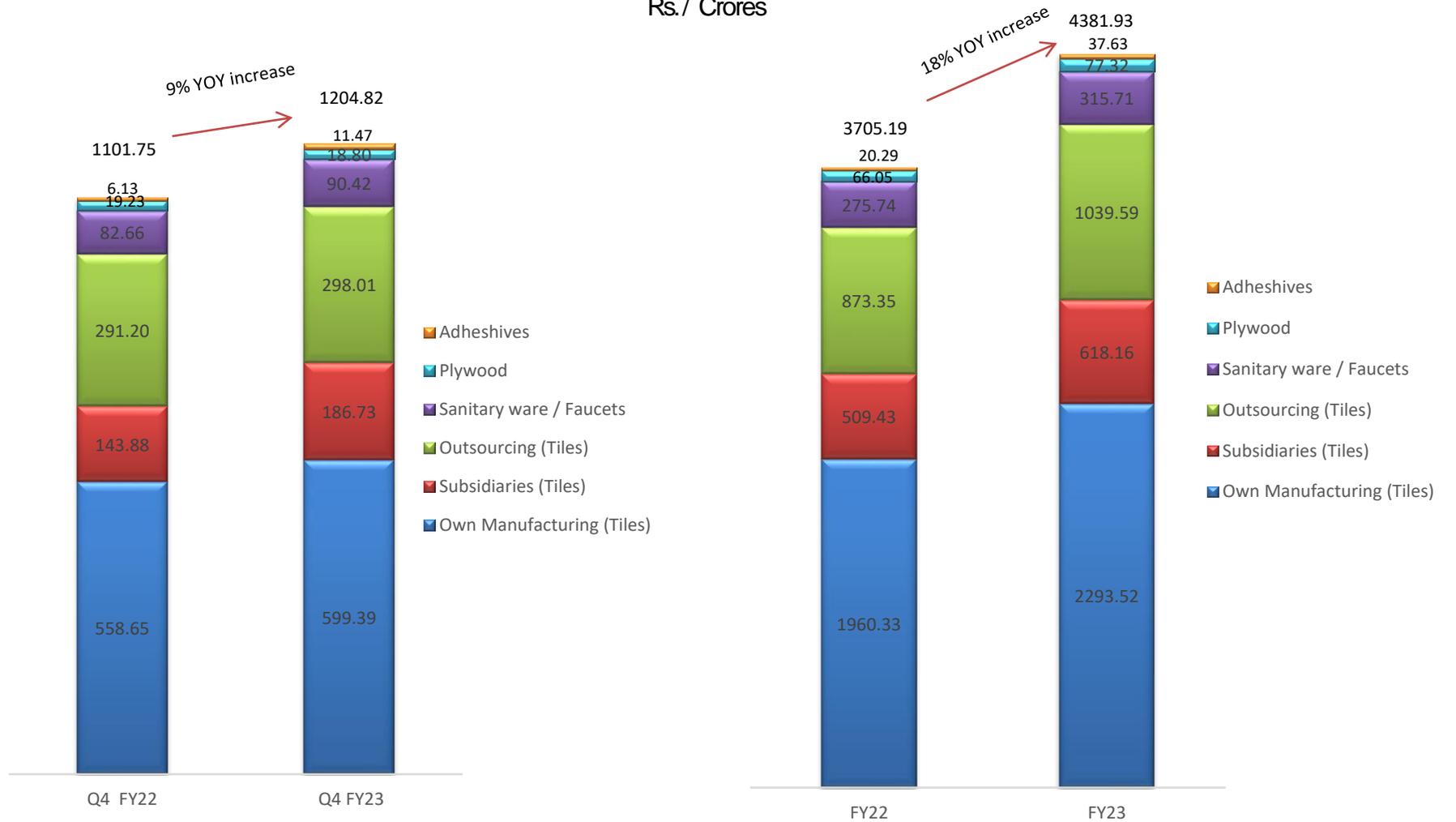
Sales Growth (MSM) - Q4 FY23



Sales Growth (MSM) - FY23



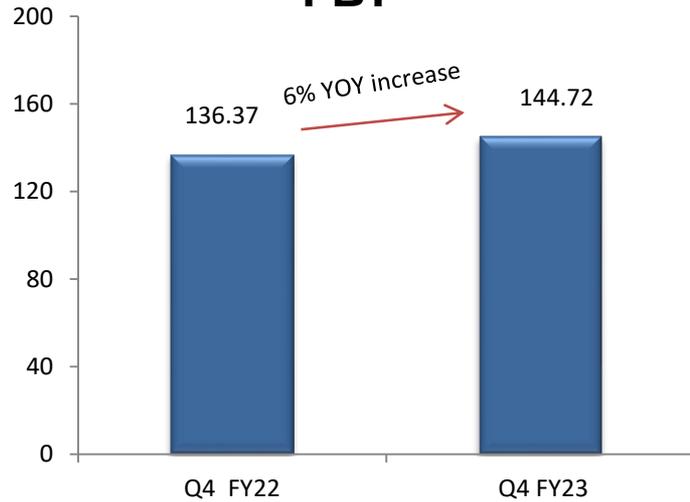
Rs./ Crores



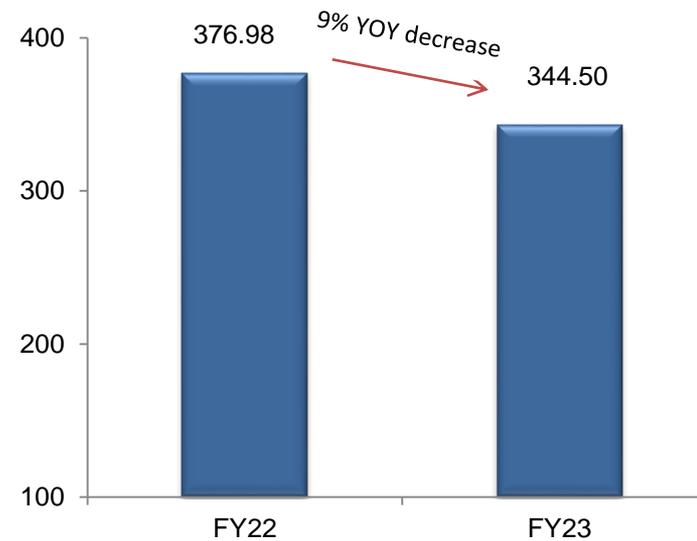
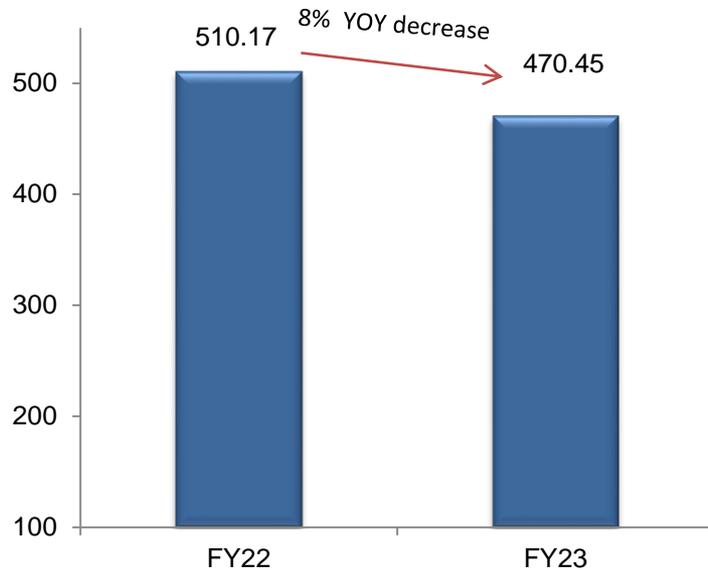
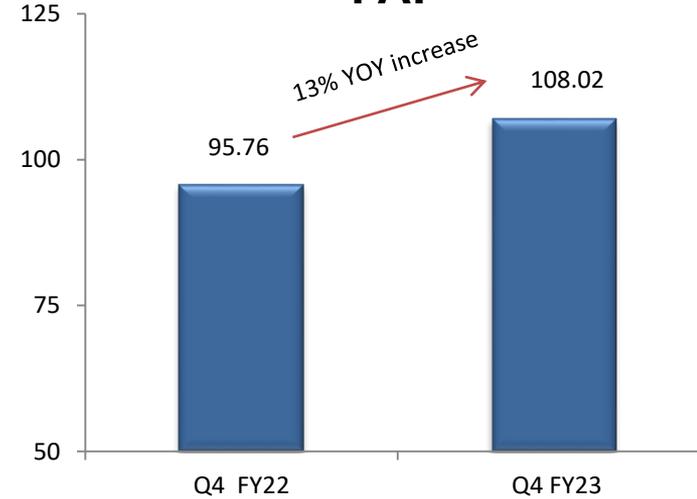
Refer Slide 15 for detailed Income Statement

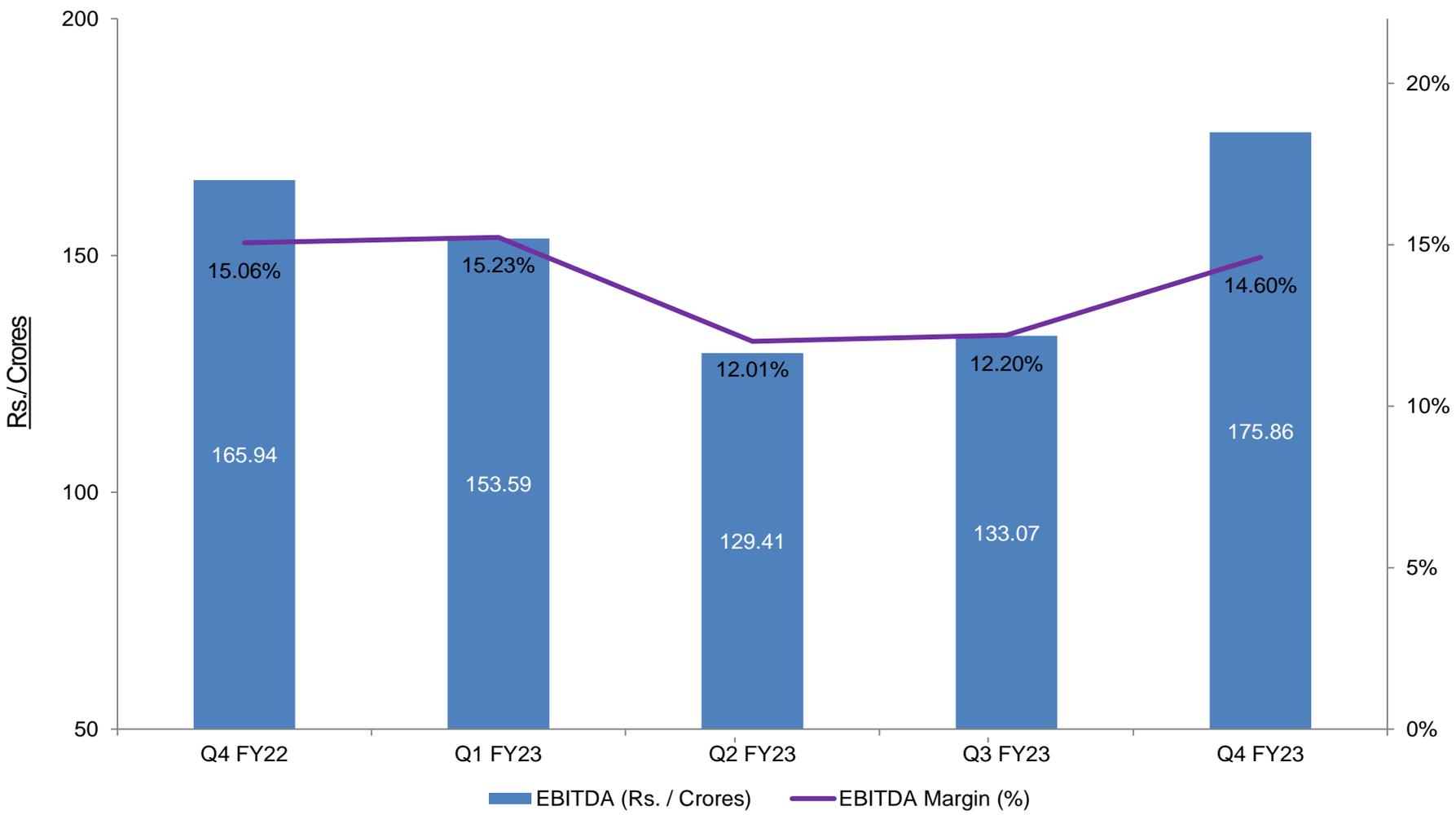
PBT

Rs./ Crores

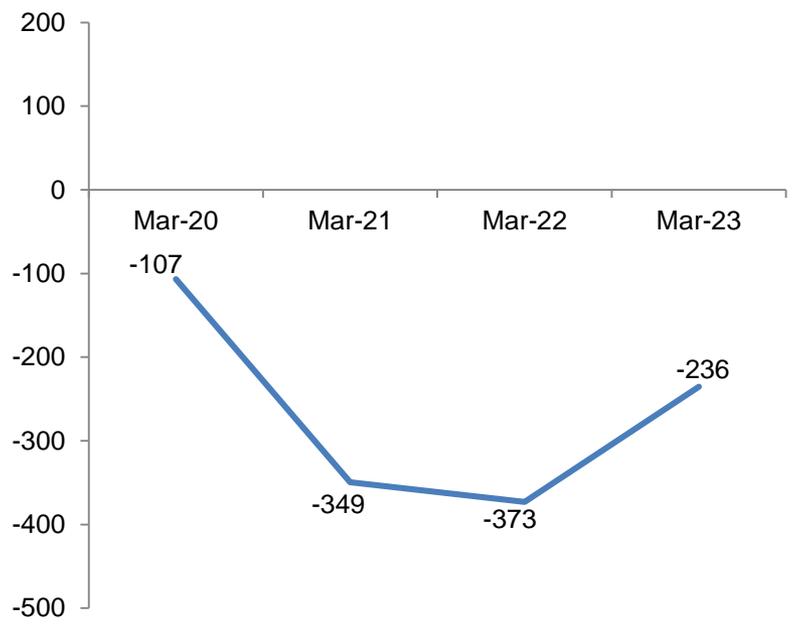


PAT

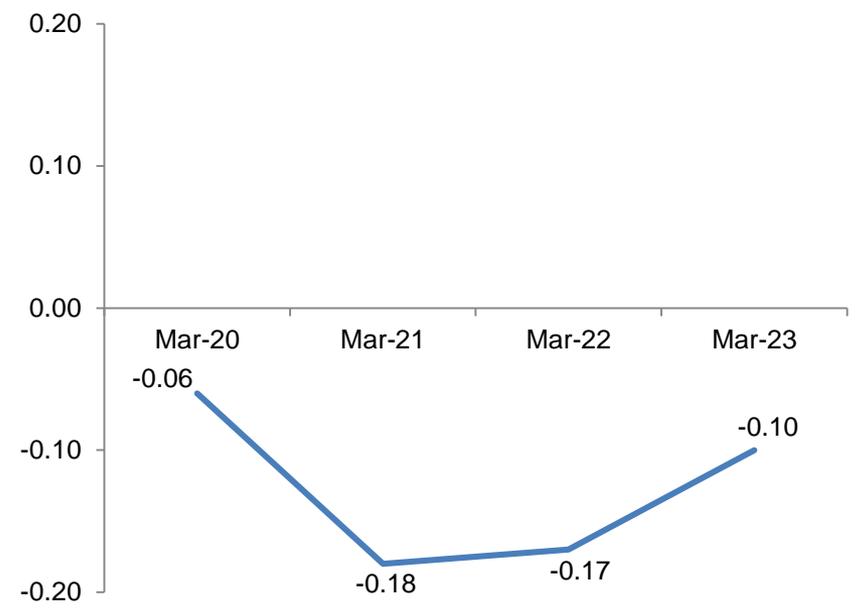




Net Debt (Rs. Crore) *

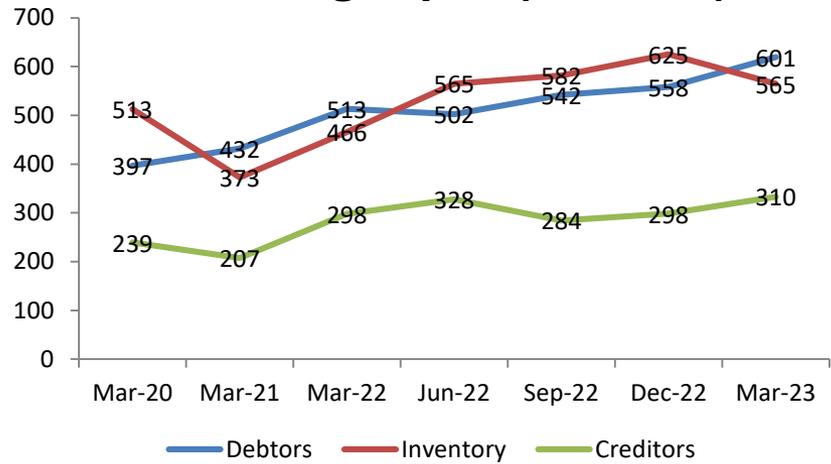


Net Debt Equity (X) *

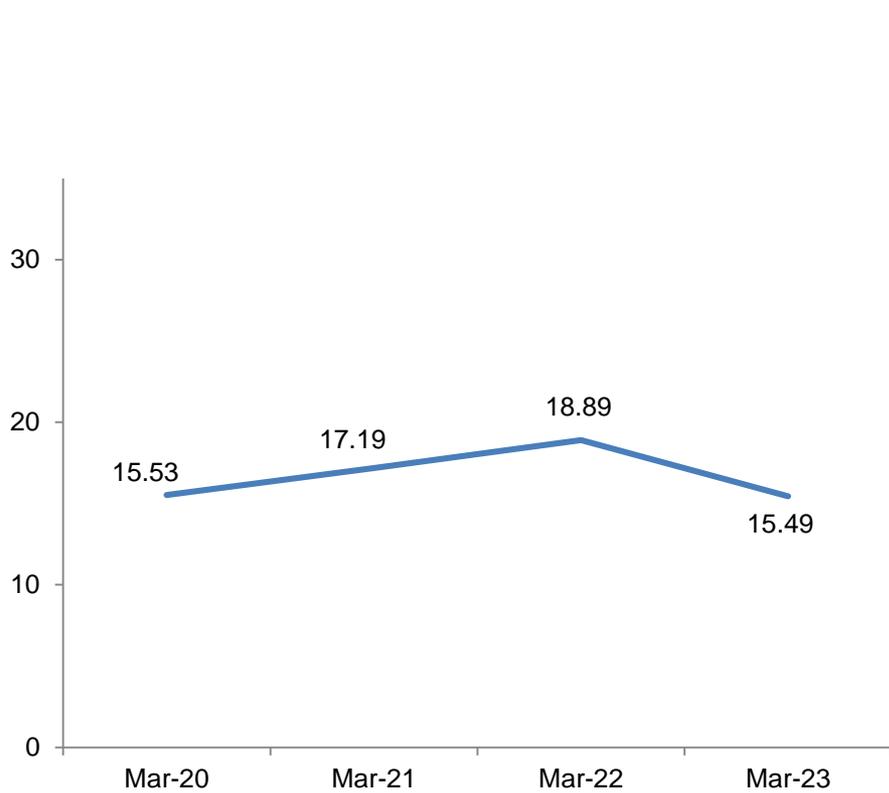


* Net of cash and cash equivalents

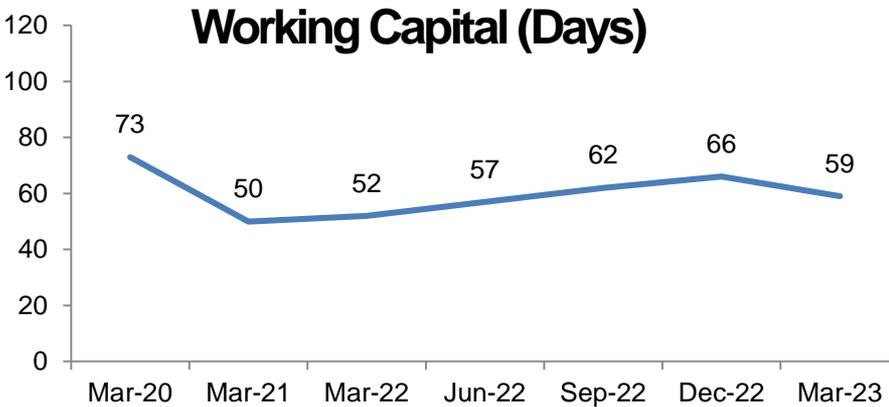
Working Capital (Rs. Crore)



Return on Equity (Avg.)



Working Capital (Days)



- ROE as on 31st Mar. 23 taken at average of net worth as on 31st Mar.22 & 31st Mar. 23 and on FY23 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 (Formerly known as Jaxx Vitrified Pvt. Ltd.)

Kajaria Vitrified 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 Q4 FY23.

B. VENNAR CERAMICS

Vennar is based in Vijayawada (Andhra Pradesh). Vennar has annual capacity of 2.90 MSM of ceramic wall tiles. Vennar has operated at 98% capacity during Q4 FY23. The Board has approved disinvestment of entire stake of Kajaria to other shareholders in phased manner at an aggregate consideration of Rs. 18.25 crores. Accordingly, 24,48,000 equity shares of Vennar have been disposed off and remaining holding of Kajaria is to be disposed off by March 2024. Vennar has ceased to be a subsidiary of Kajaria Ceramics now.

C. KAJARIA INFINITY (Formerly known as Cosa Ceramics 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 Q4 FY23.

D. 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 78% capacity during Q4 FY23.

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

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 7.50 lac pcs p.a. The Plant has been producing more value added products and operated at 78% in Q4 FY23.

b) Faucet: This facility is situated at Gailpur (Rajasthan) having 1.00 million pcs p.a. Plant has operated at optimum capacity in Q4 FY23. Capacity has been increased to 1.60 million pcs p.a. w.e.f. from 25th March. 23.

F. 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 of KajariaPLY.

G. KAJARIA INTERNATIONAL DMCC (wholly owned subsidiary)

During Q2 FY23, the company had subscribed 100% equity shares (50 shares of AED 1000 each) of Kajaria International DMCC, Dubai for AED 50000 (Rs. 10,87,500).

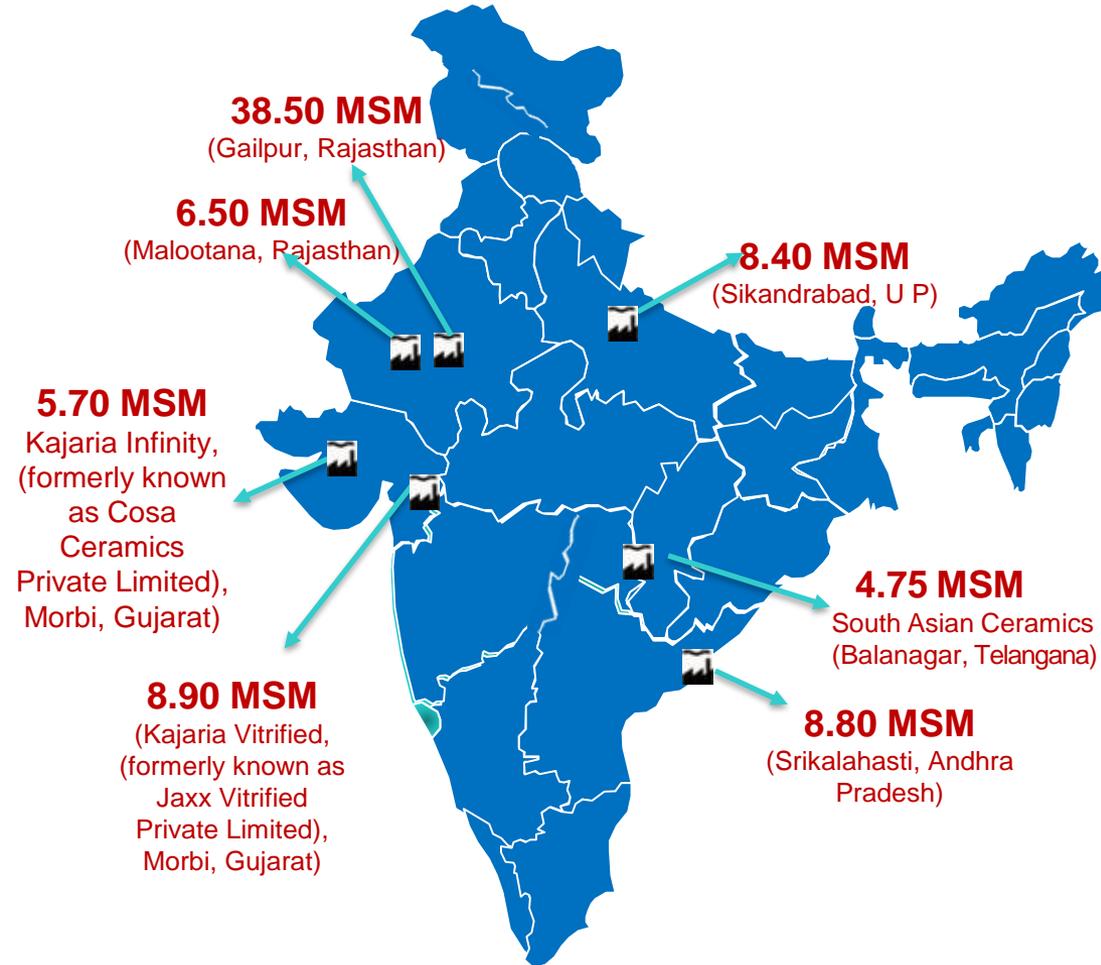
During Q3 FY23, the company has further subscribed 950 shares (of AED 1000 each) of Kajaria International DMCC, Dubai for AED 950000 (Rs. 2,13,65,500), which makes the total investment of Kajaria Ceramics Limited in Kajaria International DMCC, Dubai to AED 1000000 (Rs. 2,24,53,000).

Kajaria International DMCC was formed to increase the footprint in international market.

KAJARIA INTERNATIONAL DMCC, has invested AED 9 lakh in KAJARIA RMF TRADING LLC , Dubai, making it a JV Partner.

ASSET OVERVIEW

Total Tile Capacity 81.55 MSM at present



Plant	Production Capacity (MSM) #			
	Ceramic Wall & Floor Tiles	Polished Vitrified Tiles	Glazed Vitrified Tiles	Total
1. Sikandrabad (UP)	-	-	8.40	8.40
2. Gailpur (Rajasthan)	29.40	-	9.10	38.50
3. Malootana (Rajasthan)	-	6.50	-	6.50
4. Morbi (Gujarat)	-	8.90	5.70	14.60
5. Srikalahasti (AP)	-	-	8.80	8.80
6. Balanagar (Telangana)	4.75	-	-	4.75
Total	34.15	15.40	32.00	81.55

As on 31st March 2023, the total capacity of the company was 84.45 msm (including Venaar).

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 Rs 80 crores in Kerovit 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 3rd October, 2022, had approved proposal to make investments upto Rs. 125 crores (i.e. 50% of project cost of Rs. 250 crores) in a company to be incorporated in Nepal, by way of equity and/or loan, for establishing a tile manufacturing facility in Nepal, with annual capacity of 8 MSM p.a., on joint venture basis between the Company and various individuals affiliated with Ramesh Corp, Nepal. However, upon conducting a market study and considering other business factors, the project cost is revised to Rs. 181.49 crores with annual capacity of 5.1 MSM tiles per annum.

C. Sikandrabad Facility (Uttar Pradesh)

The Board has approved expansion cum modernisation for bigger size Glazed Vitrified Tiles with latest continua technology at Sikandrabad plant, which will increase the total capacity of the plant from 8.4 MSM to 10.20 MSM p.a. This expansion is expected to be completed by July 2023.

D. Gailpur Facility (Rajasthan)

The Board has also approved the modernisation of the manufacturing facility at Gailpur (Rajasthan) for ceramic tiles by replacing the existing kilns with latest model of kilns having capacity for production of bigger size of ceramic tiles including other latest equipment, as may be required. This modernisation will cost Rs. 51 crores and is expected to be completed by July 2023.

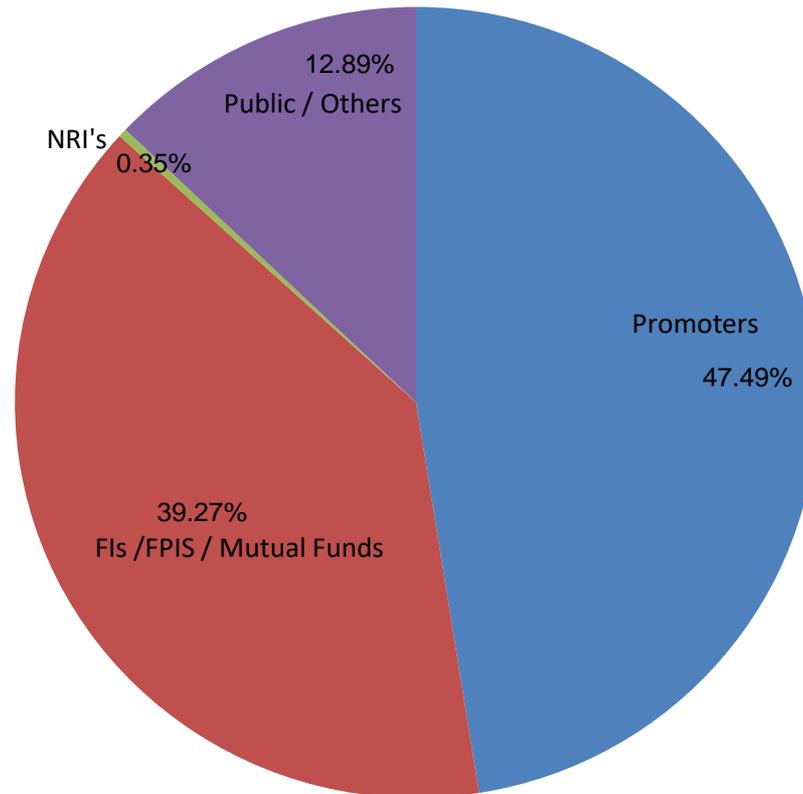
Financial highlights

(Rs / Crores)

	Q4 FY23		Q4 FY22		Growth		FY 23		FY 22		Growth	
	Standalone	Consolidated										
Net Sales	1090.70	1204.82	987.00	1101.75	11%	9%	3970.75	4381.93	3299.38	3705.19	20%	18%
EBITDA	142.59	175.86	144.96	165.94	-2%	6%	514.41	591.93	531.56	610.69	-3%	-3%
EBITDA MARGIN	13.07%	14.60%	14.69%	15.06%			12.95%	13.51%	16.11%	16.48%		
Depreciation	23.03	34.32	21.14	32.62	9%	5%	90.91	132.86	84.16	115.36	8%	15%
Other Income	13.46	10.42	11.37	7.03	18%	48%	50.71	33.62	43.77	27.57	16%	22%
Interest	3.44	7.24	2.17	3.98	59%	82%	10.80	22.32	6.12	12.73	76%	75%
Exceptional Items - loss (gain)		4.25						7.91				
Profit Before Tax	129.58	140.47	133.02	136.37	-3%	3%	463.41	462.46	485.05	510.17	-4%	-9%
Tax Expense	33.34	29.78	35.35	39.14	-6%	-24%	119.02	116.26	122.71	127.43	-3%	-9%
Minority Interest		2.67		1.47				1.7		5.76		
Profit After Tax	96.24	108.02	97.67	95.76	-1%	13%	344.39	344.50	362.34	376.98	-5%	-9%
Cash Profit	119.27	142.34	118.81	128.38	0%	11%	435.30	477.36	446.50	492.34	-3%	-3%
Equity Share Capital	15.92	15.92	15.92	15.92			15.92	15.92	15.92	15.92		
EPS (Basic) (Rs.)	6.04	6.78	6.14	6.02	-2%	13%	21.63	21.64	22.77	23.69	-5%	-9%

As on 31st Mar. 2023

Equity Shares Outstanding – 159.23 millions



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 7th* largest in the world. It has annual capacity of 81.55 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