

Kajaria

3 year
mission

Table of Contents



Our Company at a Glance **2**

Benchmarking with Best Corporate Governance **3**

Our Business Segments **4**

Tiles – The Core Segment 5

- Dominant Leader **6**
- Key Business Moat **7**
- Volume Growth Enablers **8**
- Recent Initiatives to take us to Next Level **10**

Bathware – A Fast Growing Supplementary Segment 16

- Current Positioning **17**
- Growth Enablers **18**

Tile Adhesives – A Logical Extension 19

- Current Positioning **20**
- Growth Enablers **21**

Plywood – A Diversified Business 22

- Current Positioning **23**
- Growth Enablers **24**

3 Year Mission Statement **25**

EBITDA Margin Enablers **26**

Roadmap in Charts **27**

Disclaimer **28**

Thank You **29**

Our Company at a Glance



36

Years of
Existence



Presence in
building material
segments like
Tiles, Bathware,
Plywood & Tile
Adhesives



10

Manufacturing
Facilities



7,000+

Employees



₹45.8^{bn}

Consolidated
Revenue,
FY24



₹4.2^{bn}

Consolidated PAT,
FY24



USD 2.3^{bn}

Market
Capitalisation



20%

Market
Capitalization growth
over last decade

Benchmarking with Best Corporate Governance

1

Core Values

- Experienced & Diversified Professional Board
- Effective Risk Management
- Transparent and detailed Shareholder Communication
- No Equity Dilution since past 10 Years

2

Capital Allocation Strategy

- Capex met through internal accruals only
- 40-50% Dividend Payout Policy in place since last 3 years
- Invest only in products or segments which can leverage brand or existing dealer network
- Invest in products / segments which generate 20%+ RoCE on a sustainable basis

3

Healthy Balance Sheet

- Lean Balance Sheet to accommodate growth
- Sound Working Capital Management
- Net Cash Balance Sheet since past 6 Years
- Rated AA for L.T. facilities and A1+ for S.T. facilities by ICRA

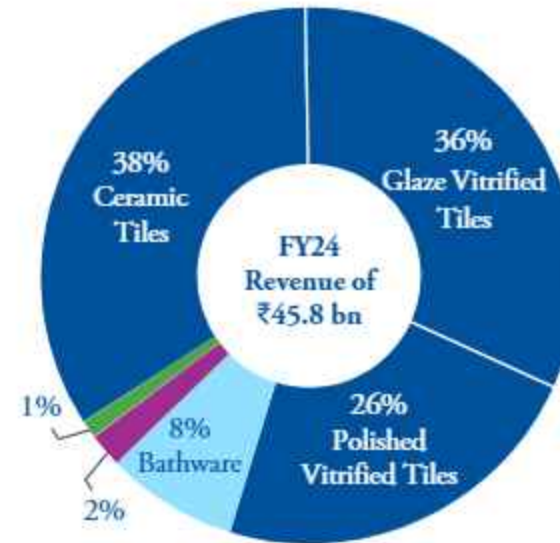
Our Business Segments



89% Tiles



1% Adhesives



8% Bathware



2% Plywood

- Over the past few years, while we have intensified our focus on tiles & bathware verticals, we have also extended our presence into plywood and tile adhesives segments
- Despite other than tile segments likely to grow faster than tiles, the latter would still account for ~85% of the total revenue by end-FY27.

A modern living room with a white marble tile floor. In the background, there is a staircase with white steps and a glass railing. To the left, a light-colored sofa is adorned with black and white patterned cushions. A low, dark coffee table holds a white vase with a green plant and a stack of books. In the center, a large blue circle contains the text 'Tiles The Core Segment' and a small square logo. To the right, a dining area with a wooden table and chairs is visible, along with a large window offering a view of a green landscape. A modern wooden armchair with a black leather seat is positioned near the window. A black floor lamp stands next to the chair.

Tiles The Core Segment





Dominant Leader



No 1

Tile Player in
India



8th

Largest Tile Player
Globally



7

Manufacturing
Facilities



86.47_{MSM}

Annual Tile
Capacity



108_{MSM}

Sales Volume
in FY24



₹40.6_{bn}

Consolidated
Tile Revenue in
FY24



3,500

SKUs in
Tiles



1,800+

Dealer
Network



Key Business Moat



INHERENT STRENGTH

- Superior product mix
- Proven Track Record of Execution
- Experienced and Retained Sales Team



MANUFACTURING

- Strong Manufacturing Prowess
- Robust Supply Chain
- Unprecedented focus on Quality



DEALER NETWORK

- Widespread Dealer Network
- 415 Exclusive Showrooms
- 70% presence in Retail segment



BRAND STRENGTH

- Superior Brand Recall
- Premium Pricing vs peers
- ~10% market share in domestic tiles industry



Volume Growth Enablers

Industry Growth Enablers

1

Market Share Gains
to continue from
regional players

2

Domestic Tiles
Industry expected to
grow at 6-8% CAGR
over FY24-27.

3

Sustenance of Export Growth
Momentum for Morbi players
to limit competitive intensity in
domestic space.



Volume Growth Enablers

KCL's Key Enablers

1

Incremental Volume Growth to be met through a mix of capacity addition (brownfield and greenfield) and contract manufacturing

2

Increase dealer penetration in Tier 3 & Tier 4 cities

3

Focus on adding exclusive showrooms

4

Aggression in brand spends to continue

5

Focus to intensify on larger format tiles with upgradation of our manufacturing units in North & South India

6

Recent launch of luxury brand 'Uni Terra' to aid further premiumisation

7

Creation of Pan-India Project Team to intensify focus on Government projects

8

IT upgradation to improve business efficiency



Recent Initiatives to take us to Next Level



Premiumisation

- Recently Installed Conitnua+ presses to enable us to significantly improve our positioning in Large Format Tiles / Slabs



Manufacturing

- Upgraded our Sikandrabad & Srikalahasti Units which has now started manufacturing high quality and premium tiles
- Introduced significantly cheaper bio-gas fuel in North India units which has made manufacturing more cost efficient



Branding

- Our brand spends has stood at over ₹840 crore in last decade (More than the cumulative spends of 3 major listed players in last decade)
- A & P spends for FY24 stood at ₹131 crore
- Major spends in FY24 included spends towards creating more exclusive dealer showrooms, airport branding & sponsoring for Women's IPL RCB team



Distribution

- We have started taking concerted steps to further improve our existing distribution network (increasing our pocket share in existing dealers while removing the non-performing dealers)
- Adding more exclusive showrooms in Tier 1, Tier 2 and Tier 3 cities and towns in particular
- We currently have presence in 1,000 towns in India and aspire to expand it to 2,000 towns over the next 3 years



Digitisation

- We are also upgrading our IT related infrastructure with recent introduction of SFA (which will improve employee productivity) and DMS (which will increase business efficiency of our dealers and branches)



Key Initiatives

CONTINUA +
Presses installed in our
own manufacturing
units



Kajaria
ETERNITY
tiles forever

CONTINUA+
TECHNOLOGY



Key Initiatives

Exclusive Showrooms
opened in Tier 3 Cities



Exclusive Showroom in Kushal Nagar
in Karnataka



Exclusive Showroom in Hoshiarpur
in Punjab



Key Initiatives

Principal Sponsors
for the RCB's
Women's Team in
WPL 2023





Key Initiatives

Focus on large format tiles and slabs





Key Initiatives

Airport
Branding



A modern bathroom with light-colored marble walls and floor. On the left is a black vanity with a white sink and a chrome faucet. In the center background is a glass-enclosed shower area. To the right is a white freestanding bathtub. Further right is a tall, thin floor lamp with a white and black dome shade. On the far right, a wooden stool holds a stack of white towels. A large window on the right side of the image shows greenery outside. A large blue circle is centered in the foreground, containing white text and a small white icon of a bathtub.

Bathware

A Fast Growing Supplementary Segment





Current Positioning



10 Years
of Existence



KEROVIT
Bathrooms you desire

Brand Name



Sanitaryware
& Faucet capacity
of 1.2 mn &
1.6 mn pieces,
respectively



500+
Dealers including
85
Premium
Outlets



₹3.6^{bn}

Bathware Revenue
in FY24



7.4%

EBITDA Margin
in FY24



2%

Market
Share



15%

Equity held by
Westbridge
Crossover Fund



Growth Enablers

Industry Growth Enablers

1

Increasing number of bathrooms in residential real estate segment

2

Bathware Industry to continue to grow in Double-Digits over FY24-27

3

Higher penetration of premium products

KCL's Key Enablers

1

Recently commissioned state-of-art Sanitaryware unit in Morbi to drive volumes & premiumisation

2

Expanding the existing distribution network

3

Focus on aggressively adding exclusive showrooms

4

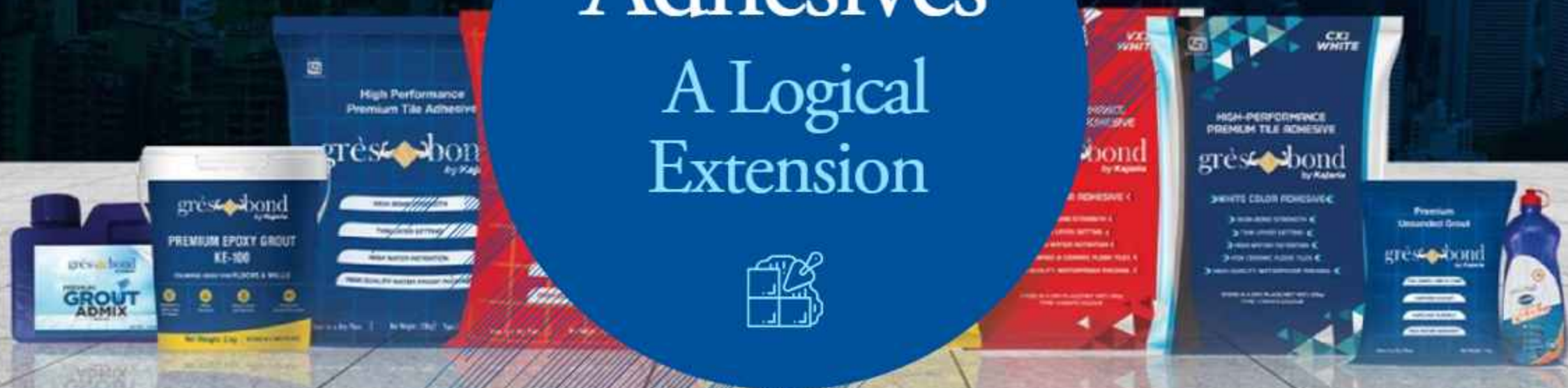
Brand spends to gain further traction

grèsbond

by **Kajaria**

Tile Adhesives

A Logical Extension





Current Positioning



3 Years
of Existence



Presence in
Tile Adhesives,
Grouts & Tile
Cleaners



Gresbond
Brand Name



Currently
on Outsourcing
Model



₹ 50_{cr}
Revenue in
FY24



Growth Enablers

Industry Growth Enablers

1

Market Share Gains over unorganised players to continue

2

Tile Adhesive Industry to continue to grow at 12-15% CAGR over FY24-27

3

Increasing acceptance of large format tiles & slabs

KCL's Key Enablers

1

Significant scope to leverage KCL's tile dealer network

2

1st Manufacturing Plant to be set up in Gailpur, Rajasthan by Q2 FY25

3

Outsourcing to continue for East, West & South markets



Plywood

A Diversified
Business Segment





Current Positioning



7
Years
of Existence



Presence
into plywood,
blockboards,
shuttering ply and
laminates



Kajaria
Brand Name



Currently
on Outsourcing
Model



₹ 104^{cr}
Revenue in
FY24



Growth Enablers

1

Plywood Industry to grow at 5% CAGR over FY24-27

2

Market Share Gains over unorganised players to continue on gradual basis

3

Plywood industry however is currently grappling with rising timber prices, which is likely to ease over next 12-18 months

4

Focus on expanding the distribution network

3 Year Mission Statement



~150^{MSM}
Tile Volume



₹5,500^{cr}
Tile Revenue



₹1,000^{cr}
Other than
Tiles segment
Revenue



15-17%
EBITDA Margin
trajectory

EBITDA Margin Enablers

1

Benefits of Operating
Leverage

2

Realisations across tile categories
seem to have bottomed out

3

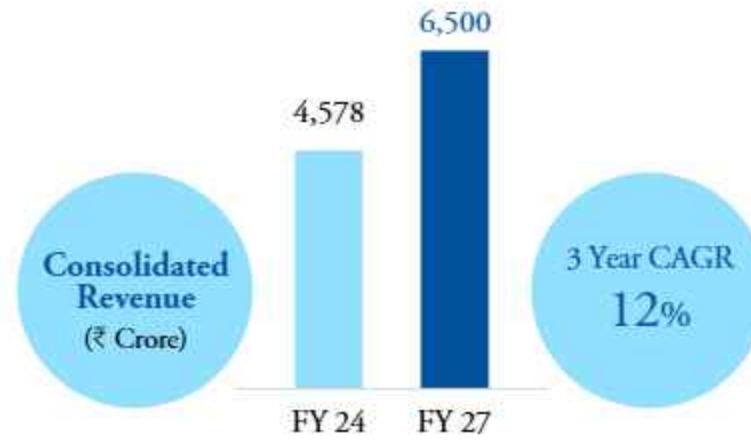
Cost Rationalisation across
the value chain

4

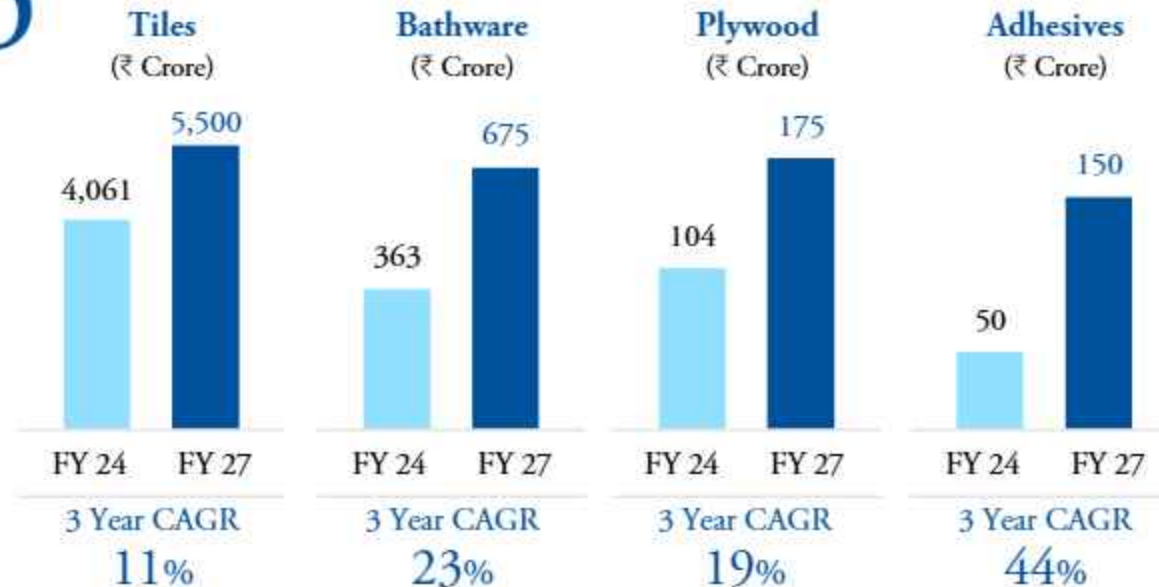
Scaling up in adjacencies to be
margin accretive

EBITDA Margin trajectory likely to sustain at **15-17%** range
(Baring the impact of steep gas price volatility)

3 Year Roadmap



Catalysts



Disclaimer



This information may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/ shareholders/public are hence cautioned not to place undue reliance on these statements/details and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.



Kajaria

Thank You

