

Pokarna Limited

June, 01, 2019

Department of Corporate Services,
B.S.E Limited,
Phiroze Jeebhoy Towers,
Dalal Street,
Mumbai – 400001.

Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.

Dear Sir,

Ref: Scrip no / Symbol. 532486 / POKARNA

Sub: Results presentation.

Please find the enclosed FY19 Results Presentation.

This is for your record and dissemination.

Regards:

For Pokarna Limited




Mahesh Inani
Company Secretary



FY19

Results Presentation

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POKARNA LIMITED

India's No. 1 granite company

Financial Highlights

Business and Financial Highlights – Consolidated

Granite business – Reported steady performance amidst challenging environment. Expect the business environment to remain similar during FY20 as well

Quartz business – Stellar performance on the back of strong demand and better product mix

Granite business – EBITDA margins of ~24% for the year, driven by steady top line growth and better cost containment

Quartz business – EBITDA growth of 91% for the fiscal, driven by solid revenue growth of 74% & better product mix

Apparel Business - Despite continuous efforts, no attractive restructuring solution could be identified for the business, therefore the Board of Directors have decided no longer to pursue a restructuring solution for the business.

Working towards cost rationalization and productivity improvement

Work on new Quartz plant progressing smoothly; expect completion by Q1 CY 2020

Consolidated Financials Rs. In Cr

Particulars	FY19	FY18	%
Revenues	462.22	337.47	37
EBITDA	152.15	99.61	53
<i>Margins (%)</i>	32.93	29.55	+338 bps
Depreciation	25.54	19.88	28
Interest	25.38	28.59	(11)
PAT	80.68	42.24	91
<i>Margins (%)</i>	17.46	12.53	+493 bps





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Segmental Performance

Segmental Performance

Rs. Crore

Revenue	FY19	FY18	Shift %
Granite	139	148	6
Quartz Surfaces	316	181	75



Rs. Crore

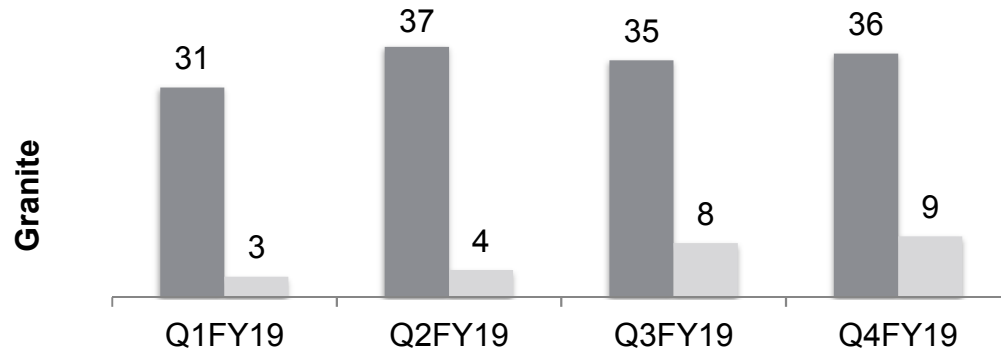
EBITDA	FY19	FY18	Shift %
Granite	33	39	15
Quartz Surfaces	122	64	91



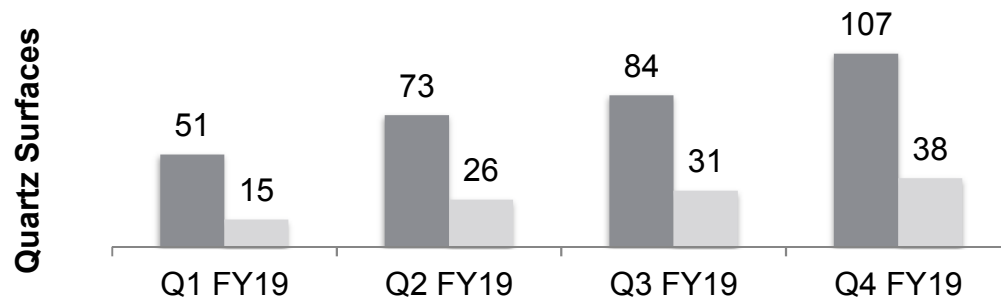
Rs. Crore

Capital Employed	FY19	FY18	Shift %
Granite	88	101	13
Quartz Surfaces	323	239	35

Segmental Performance



Steady performance amidst gradually improving business environment. Better product mix – ‘customized products’ along with better cost management to help sustain the challenging environment



Stellar performance – Robust revenue growth of 74% for the year – driven by strong demand and better product mix. EBITDA margins of 38% for the year.

■ Revenues (Rs cr) ■ EBIT (Rs cr)



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Key Developments

Key Developments

New greenfield Engineered Stone Facility – progressing on track

- Completes regulatory approval for purchase of 39 acres of land
- Construction and other Infrastructure work in progress
- Land is strategically situated at ~ 25 kms from the Rajiv Gandhi International airport; also at close proximity to inland container depot, Thimmapur, Hyderabad and well connected by roads/rail to key domestic ports.
- The facility will cater to international as well as domestic markets both of which are witnessing encouraging demand trends
- Similar to existing unit, this plant will be set up using Breton stone technology.
- Total investment towards new facility estimated at ~Rs. 330 crore
 - Funding mix: Debt of Rs. 250 cr; Internal accruals of Rs. 80 cr
- Expect completion by Q1 CY2020

FY20 – Key Priorities

Build strong & innovative product pipeline

Improve operational efficiencies

Focus on branding

Widen reach and presence



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Going Forward

Going Forward

Quartz

- New equipment and process improvement initiation to produce innovative and better margin products

Granite

- Focusing on improving the operational efficiencies at quarries
- Aiming towards improving capacity utilization and increasing share of cut to size products
- Sustained challenge from Brazilian and Indian players on price front – Fine tuning strategy and product mix to achieve revenue and profitability goals



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Key Strengths & Capabilities

Key Strengths & Capabilities

Quartz

- World class manufacturing, Research & Product development facility
- Comprehensively serving through private label products and Quantra brand
- Laser-focused on operational excellence
- Presence in high growth quartz surfaces segment

Granite

- Vertically integrated with captive quarries and state of the art mining and processing infrastructure
- Broad, diverse presence by geography, for last 25 years
- Experienced management team.



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Company Overview

Granite

- **Backward Integrated** – Sourcing majority of raw material from captive quarries.
- **Captive quarries rich in resources** – Home to some of the most sought after colors.

Black Galaxy	Steel Grey	Tan Brown
Silver Waves	Arizona brown	Dragon Red
Hail Storm	Flash Blue	Vizag Blue
Golden Dream	Pokarna green	Tan Brown Classic
Coffee brown	Black Coffee	Cream Cashmere
Sapphire Brown		

- **Diverse / Rich offerings** - Company's **color palette** includes over **75 varieties** of granite sourced from India, Ukraine, Madagascar and Norway.
- **Deep entrenched relationship** with dealers across key regions of operations.

State-of-the-art Manufacturing Facilities

- Fully automated production line – Cutting edge technology armed with fully computer-controlled high speed polishing lines transforms granite from its crude form to final product unmatched in quality.



- **Factories:**

Unit – I

Survey No.123, Tooprantpet (Village), Choutuppal (Mandal), Yadadri Bhuvanagiri (District), Telangana.

Unit - II

Survey No. 563, 568 & 574, Aliabad Village, Shameerpet, (Mandal), R.R. District, Telangana.

Quartz Surfaces



- Pokarna Engineered Stone Limited (PESL) – wholly owned subsidiary of Pokarna Ltd., is India’s largest manufacturer and exporter of engineered stone surfaces.
- **Global Demand** – Products exported across various geographies.
- **Diverse Product offering** – Color Palette of 64+ with multiple shades and textures of around 350 colors catering to best of every market across all spectrums.
- **Availability of abundant Raw material:** The States of Telangana and Andhra Pradesh are found to be home to some of the best quality quartz.
- In addition to private label manufacturing, distributed and supplied across the globe under the brand name “**Quantra® Natural Quartz Surfaces from Pokarna**”.

State-of-the-art Manufacturing Facilities

- Fully automated production line.
- Best in business technology - **Bretonstone® System of Breton S.p.A, Italy. Pokarna is** the only Company to use this technology in India.
- **Advantages of Bretonstone® Technology**
 - Final product guarantees an optimum “indoor life quality”.
 - “Eco-friendly” manufacturing process.
 - Ultra-compact finished product, homogenous and free from micro porosities.
 - Finished product can assume the aesthetic appearance of the most precious natural marbles/Granites.
 - Scratch resistant finished product.

Factory:

Plot. No: 45, APSEZ, Achutapuram, Rambilli Mandal, Vishakapatnam District, Andhra Pradesh.

Investor Contacts

For more information about us, please visit www.pokarna.com or contact:

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