

Pokarna Limited

January, 31, 2019

Department of Corporate Services,
Bombay Stock Exchange 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 Q3 FY19 Results Presentation.

This is for your record and dissemination.

Regards:

For Pokarna Limited


Mahesh Inani
Company Secretary





POKARNA LIMITED
India's No. 1 granite company

Q3 & 9M FY19

Results Presentation

Table of Content

Financial Highlights

3

Segmental Performance

6

Key Developments

9

Going Forward

12

Key Strengths & Capabilities

14

Company Overview

16

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POKARNA LIMITED

India's No. 1 granite company

Financial Highlights

Business and Financial Highlights – Consolidated

Granite business – Steady performance in a challenging macro environment
Quartz business – Strong demand & better product mix contributed to the growth in the quarter

Granite business – Margin improvement on the back of cost rationalization measures and favorable currency tailwinds
Quartz business – Better product mix helped, new design offerings in maintaining steady margins

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	9M FY19	9M FY18	%
Revenues	312	240	29.82
EBITDA	103	78	32.06
<i>Margins (%)</i>	32.89	32.33	+56 bps
Depreciation	16	15	5.06
Interest	20	20	-
PAT**	57	33	72.23
<i>Margins (%)</i>	18.16	13.69	+447 bps



*Excluding Discontinued operations of Apparel division.

** PAT from Continued Operation



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Segmental Performance

Segmental Performance

Rs. Crore

Revenue	9MFY19	9MFY18	Shift %
Granite	103	109	(5.49)
Quartz Surfaces	209	131	59.28



Rs. Crore

EBITDA	9MFY19	9MFY18	Shift %
Granite	22	30	(25.83)
Quartz Surfaces	80	48	68.97

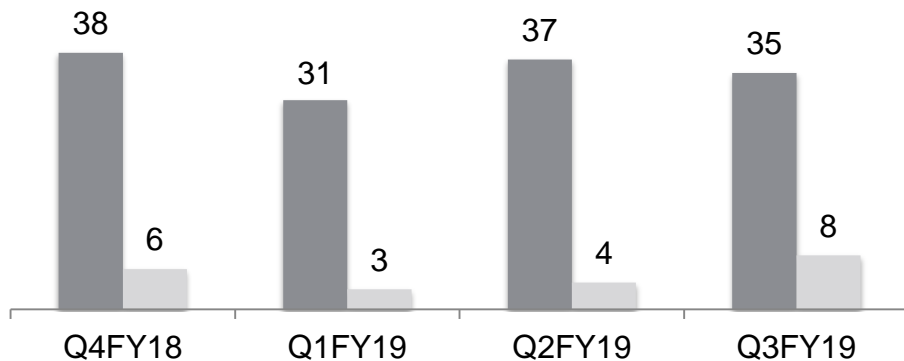


Rs. Crore

Capital Employed	9MFY19	9MFY18	Shift %
Granite	86	109	(21.20)
Quartz Surfaces	283	240	18.00

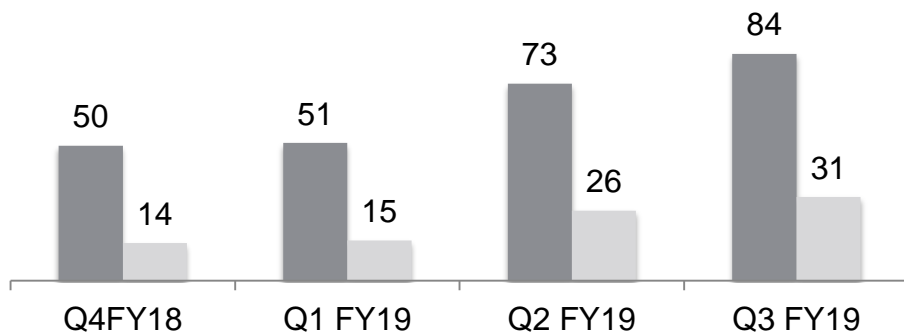
Segmental Performance

Granite



Business environment remains steady – gradually increasing focus on cut to size offerings

Quartz Surfaces



Strong demand, better product mix resulted in delivering sequential revenue growth of 15% despite higher base. Q3 FY19 EBITDA margins stood at 40%. Expect business momentum to continue going ahead



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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
- 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

FY19 – 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



Natural quartz surfaces from Pokarna

- 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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The logo for Quantra features the word "Quantra" in a bold, gold-colored sans-serif font. A red rectangular tag with the word "bretton" in white and "INSIDE" in smaller white letters is positioned above the letter "a". A registered trademark symbol (®) is located to the right of the word.

Natural quartz surfaces from Pokarna

The logo for STANZA consists of the word "STANZA" in a large, white, serif font on a black rectangular background. Below it, the tagline "Sameness Deleted" is written in a smaller, white, sans-serif font.

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CIN: L14102TG1991PLC013299