

Pokarna Limited

November, 13, 2018

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.
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Dear Sir,

Ref: Scrip no / Symbol. 532486 / POKARNA

Sub: Results presentation.

Please find the enclosed Q2 FY19 Results Presentation.

This is for your record and dissemination.

Regards:

For Pokarna Limited



Mahesh Inani
Company Secretary

CIN: L14102TG1991PLC013299

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POKARNA LIMITED
India's No. 1 granite company

Q2 & H1 FY19

Results Presentation

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POKARNA LIMITED

India's No. 1 granite company

Financial Highlights

Business and Financial Highlights – Consolidated

Granite business – Moderation in competitive intensity resulted in sequential revenue growth of 19%

Quartz business – Strong demand & favorable currency movement aiding revenue growth

Lower margins for Granite business owing to negative impact of currency movement

Better margins for Quartz business owing to better product mix and positive currency movement

Continue to work towards improving product mix to boost profitability

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

Consolidated Financials*

Rs. In Cr

Particulars	H1 FY19	H1 FY18	%
Revenues	192.41	152.43	26.23%
EBITDA	58.05	46.31	25.35%
<i>Margins (%)</i>	30.17	30.38	-21 bps
Depreciation	10.23	9.90	3.33%
Interest	13.19	12.74	3.53%
PAT**	29.56	18.39	60.74%
<i>Margins (%)</i>	15.36	12.06	+330 bps



*Excluding Discontinued operations of Apparel division.

** PAT from Continued Operation



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Segmental Performance

Segmental Performance

Rs. Crore

Revenue	H1FY19	H1FY18	Shift %
Granite	68	68	-
Quartz Surfaces	124	84	48%



Rs. Crore

EBITDA	H1FY19	H1FY18	Shift %
Granite	12	18	-33%
Quartz Surfaces	46	28	64%

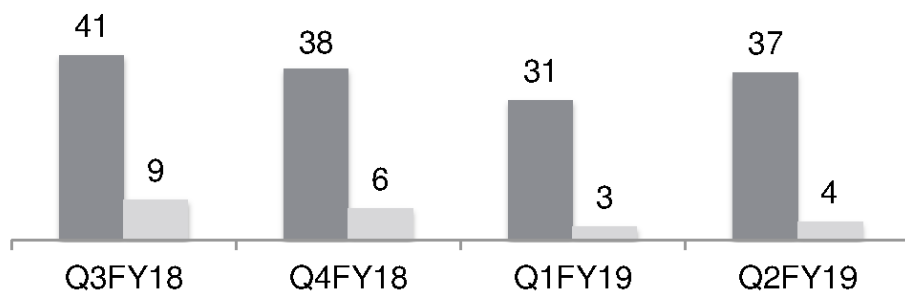


Rs. Crore

Capital Employed	H1FY19	H1FY18	Shift %
Granite	85	106	-20%
Quartz Surfaces	257	231	11%

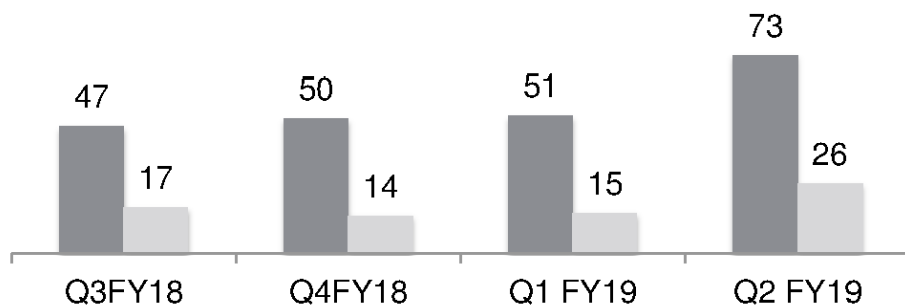
Segmental Performance

Granite



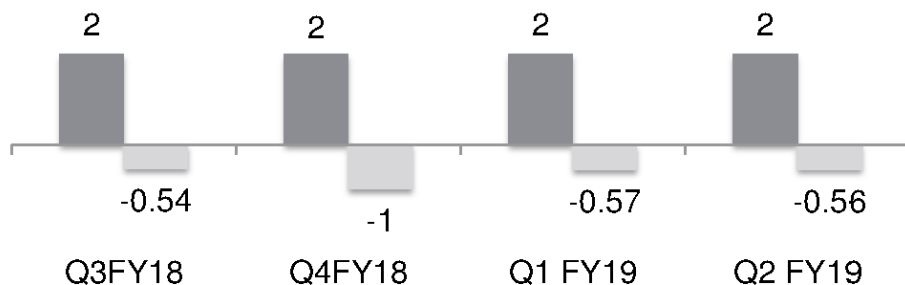
Gradual improvement in business environment - Competitive intensity moderated marginally. Better product mix and realizations resulted in sequential revenue growth of 19%. Continue to work towards improving product mix and cost rationalization.

Quartz Surfaces



Strong demand coupled with positive currency movement resulted in revenue growth of 43%. Margin expansion on the back of improved product mix and favorable currency movement. Q2 FY19 EBITDA margins stood at 40%

Apparel*



Lower utilization levels resulting in muted performance. Efforts directed towards containing losses.

*Discontinued operations

■ 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
- 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



- 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.

Apparel

- **Launched in 2004**, Stanza focuses on premium product / lifestyle brand category for men & children.
- **Reach –**
 - 8 exclusive outlets
 - Other retail outlets



Factory:

Survey No: 33,39,50,51,55,68 & 69, Apparels Export Park, Gundla Pochampally, Village, Medchal Mandal, R.R. District, Telangana.

Investor Contacts

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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 "bretan" in white and "INSIDE" in smaller white letters is positioned above the "a" in "Quantra". 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, set against a black rectangular background. Below the word, the tagline "Sameness Deleted" is written in a smaller, white, sans-serif font. A registered trademark symbol (®) is located to the right of the word.

BSE : 532486 NSE: POKARNA
CIN: L14102TG1991PLC013299