

June 06, 2022

To,

Corporate Service Dept. BSE Limited Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Script code: 532722	The Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Script code: NITCO
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Dear Sir/Madam,

Sub: NITCO Limited - Update on Financial Results for Q4 and Financial year ended March 31, 2022

Please find enclosed herewith further update on the Financial Results of NITCO Limited for Q4 and Financial year ended March 31, 2022.

We request you to take note of the same.

Yours faithfully,
For **NITCO Limited**

Vivek Talwar
Managing Director

NITCO Limited – Business update F.Y. 2021-22

NITCO Limited declares fourth quarter results

Consolidated revenue from operations increased by 26%

Mumbai, May 26, 2022: NITCO Limited (NITCO), India's most venerable tile brand, announced the financial results for the fourth quarter and year ended on March 31, 2022, as approved by its Board of Directors.

NITCO's consolidated revenue from operations increased by 26% in FY 2022 to INR 410.61 Cr from INR 326.95 Cr in FY 2021, as the economic activities picked up post the COVID induced lockdown. During FY 2022, the sales volume increased by 18% and 23% for the tiles and the marble business, respectively, over FY 2021. The sales volume for tiles in March 2022 was the highest for the financial year. The sales volume for the tiles business in H2FY2022 was higher by 32% over H1FY2022 volumes. NITCO's consolidated revenue from the sale of products for FY 2022 stood at INR 405.39 crore, growing 25% over FY 2021. The consolidated Profit before Interest, Tax, and Depreciation for the Company stood at a negative INR 31.80 crore in FY 2022 as compared to a negative INR 45.54 crore in FY 2021.

NITCO has managed its cost structure and brought in operating efficiencies that have enabled it to curtail operating losses in FY2022 over FY2021. These cost control measures, along with a focus on driving retail expansion, will enable the Company to achieve positive operating EBIDTA in the future.

NITCO has upgraded its ERP SAP from the ECC version to S/4 HANA in Q4 FY 2022. During the year, the Company launched several initiatives, including the development of a dealer portal to enable its dealers to place sales orders, make digital payments, track their outstanding, view inventory, and view NITCO's versatile product offerings. The Company is also implementing several digital initiatives to improve customer engagement.

FY2022: Challenges for the Tiles industry

Tile industry faced significant challenges during the year, mainly due to the increase in input costs and the availability of gas. As a result, several vendors at Morbi undertook temporary shutdowns over FY 2022, impacting the availability of products. The increase in container freight rates also severely impacted exports.

NITCO is agile in such a challenging business environment:

Domestic Business

NITCO added 180 new dealers to its total tally of 1000+ dealer networks during the year. More than half of these new dealer appointments were made in the North Zone, where the focus has been on increasing the retail footprint. A total of 39 franchisees have been on boarded and inaugurated within-store in store elements.

In line with global trends, NITCO e-launched an industry-first premium collection, "GIBRALTAR" comprising 11 pastel shades of "Pop Up" colours (600 cm X1200 cm) across its dealerships. The full-body matte porcelain Technical Tiles are suitable for the floor as well as wall applications and have been appreciated in the architectural community. NITCO also launched 16 new designs in a new segment of 400mm X400mm Exterior Floor Tiles under the brand "Kratos." This was a unique size introduction in this category for NITCO, and it has received a good response from the market. NITCO has refreshed the portfolio of 300X300 Exterior Floor tiles with 12 new designs.

The new launches will be available at franchises, dealerships, and retail outlets across the country and are expected to drive volumes in the future.

International Business

NITCO's international business is spread across North America, South America, Europe, Asia, Africa, and Australia. Our international business continues to remain robust despite the complex geopolitical situation.

Other initiatives

NITCO had participated in the following exhibitions this year:-

CERSAI 2021 – Italy

NITCO participated in CERSAI 2021 event in Bologna, Italy. NITCO was adjudged the best Indian stall at CERSAI 2019, and we carried the same legacy forward in CERSAI 2021. Our booth displayed product designs in various finishes, including Carvings, Sugar Lapato, etc. and was appreciated by the visitors. NITCO also exhibited unique products, including Handmade Tiles, Press Porcelain Mosaics and designs in large format tiles.

This International Exhibition of Ceramic Tile and Bathroom Furnishings takes place in Italy every year. The 5-day event hosts leading surface solutions companies worldwide to present a preview of trends in surfaces, bathroom furnishings, and finishes for architectural design to the contracting, retailing, and architect, and give textures real estate community.

Coverings 2021 – USA

NITCO participated in the Coverings 2021 event in Orlando, USA. The participation allowed NITCO to showcase its designs and products to customers across LATAM & US. The NITCO stall was appreciated by the Chairman of TCNA (Tile Council of North America).

Coverings are the largest tile and natural stone event in North America, featuring exhibitors from more than 40 countries and attracting thousands of distributors, retailers, fabricators, contractors, specifiers, architectural and design professionals, and builder's real estate developers. Coverings offer custom tile and stone solutions to architects and designers on the show floor and beyond. Further, updated and latest trends and design inspirations across the world of ceramic space can be seen at Coverings.

NITCO also conducted roadshows with various architects during the year.

About NITCO Limited:

NITCO Limited (NSE: NITCO, BSE: 532722), established in 1953 by the Late Mr. Prannath Talwar, is India's prominent floor and wall solutions company. NITCO, one of the most widely recognised brands, is the only company in the world with a presence on all three surfaces: namely, tiles, marble, and mosaic, with a comprehensive product range in each category. The prime mission of the Company is to always offer cutting-edge designs and products that are the choice of discerning architects and consumers. The Company differentiates itself by being a creative surface partner to its clients, by suggesting the most appropriate functional designs and product solutions that match specific applications. The Company also prides itself as the provider of the best natural marble slabs in the industry, with unique capabilities for processing natural marble to optimise form factor and costs. Headquartered in Mumbai, NITCO's pan-India presence is facilitated through display centres, franchisees, and the retail network spread across the country. NITCO enjoys a sizeable client base overseas and exports to over 40 countries. For more information, please visit www.NITCO.in.

Disclaimer:

Some of the statements in this communication may be forward-looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in the political and economic environment in India, tax laws, litigation and labour relations.

For further information, please contact:

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