

Head Office : Nilkamal House, 77/78, Road No. 13/14, M.I.D.C., Andheri (East), Mumbai - 400 093, INDIA. Tel. : (91-22) 4235 8888

Material Handling Division : Fax : (91-22) 2836 1923 ● E-mail : marketing@nilkamal.com

Furniture Division : Fax : (91-22) 2835 3556 ● E-mail : furniture@nilkamal.com

@home Division : Fax : (91-22) 2837 2787 ● E-mail : connect@at-home.co.in ● Visit us at : www.nilkamal.com ● Visit us at : www.at-home.co.in

25<sup>th</sup> January, 2019

## Nilkamal Limited – Press Release on Q3 FY19 Results

Nilkamal Limited today reported its financial performance for the third quarter and nine months ended 31<sup>st</sup> December, 2018.

### Financial Highlights:

(₹ in Crores)

| Particulars  | Q3      |         | 9M      |         | Q2 FY 2019 | FY 2018 |
|--------------|---------|---------|---------|---------|------------|---------|
|              | FY 2019 | FY 2018 | FY 2019 | FY 2018 |            |         |
| Total Income | 565.93  | 523.09  | 1757.54 | 1517.69 | 618.29     | 2115.69 |
| EBIDTA       | 52.17   | 66.58   | 162.52  | 172.46  | 53.63      | 239.72  |
| PBT          | 35.68   | 50.38   | 114.06  | 126.16  | 36.98      | 178.76  |
| PAT          | 27.50   | 33.08   | 83.09   | 83.28   | 24.89      | 117.11  |
| Basic EPS    | 18.43   | 22.17   | 55.68   | 55.81   | 16.68      | 78.48   |
| Cash EPS     | 26.75   | 30.53   | 80.25   | 80.76   | 24.82      | 111.06  |

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## Performance of the Company

During Q3 FY19, the Company posted total income of ₹ 565.93 crores vis-à-vis ₹ 618.29 crores of Q2 FY19, thus depicting a volume and value degrowth of 14% and 10% respectively. In spite of the said volume and value degrowth in the Sales, the Company could maintain its PBT & PAT at almost the same levels which stood at ₹ 35.68 crores and ₹ 27.50 crores vis-à-vis ₹ 36.98 crores and ₹ 24.89 crores of Q2 FY19 respectively with a marginal drop in the EBIDTA from ₹ 52.17 crores as against ₹ 53.63 crores of Q2 FY19. The major factors contributing to maintain the said levels of performance were, improved selling prices and the Company's initiative to manage its expenses in a better manner. This drive of cost efficiency will also help the Company to perk up its operational performance during the forthcoming quarters. Going forward, the Company envisages to attain a volume growth of around 10% and value growth of around 13%-15% during the current financial year.

Further on comparing the Q3 FY19 to Q3 FY18, the Company recorded a total income ₹ 565.93 crores vis-à-vis ₹ 522.81 crores, with a value growth of 8% while the volume remained flat. The EBIDT for the period stood at ₹ 52.17 crores as against ₹ 66.58 crores on a y-o-y basis. The Company posted PBT of ₹ 35.68 crores as against ₹ 50.38 crores on a y-o-y basis, down by 29.17%; whereas the PAT for the period stood at ₹ 27.50 crores vis-à-vis ₹ 33.08 crores. In spite of softening of raw material prices during Q3 FY19 by 4%, the overall raw material prices were up by 16% between Q3 FY19 vis-à-vis Q3 FY18, this along with the inability of the Company to pass on such rise in the raw material prices, impacted adversely the operating margins of the Company.

'@home' - the retail business of the Company recorded turnover of ₹ 57.95 crores for Q3FY19, as compared to ₹ 56.11 crores of the corresponding quarter of the previous year. The said business posted EBIDTA of ₹ 2.56 crores for Q3FY19 vis-à-vis ₹ 4.37 crores of Q3FY18, whereas the profits for said period stood at ₹ 1.70 crores as compared to ₹ 3.02 crores of the corresponding quarter of the previous year. All the @home stores except one (including two stores under franchisee arrangement) were profitable for the quarter under review.

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Company's E- Commerce business is spurring though its 'E'- Commerce sales and stands at ₹ 14.20 Crores for Q3FY19 as compared to ₹ 5.92 crores in Q3FY18 whereas, the sales for 9MFY19 stood at ₹ 35.13 crores as against ₹ 19.89 crores for 9MFY18.

The mattress business of the Company exhibited a sales growth of ₹ 17.67 crores for the quarter under review from ₹ 15.13 crores on y-o-y basis, up by 16.79%, whereas the sales for 9MFY19 stood ₹ 51.34 crores as compared to ₹ 42.04 crores of 9MFY18. While the bubble guard business of the Company achieved sales of ₹ 3.62 crores as against ₹ 1.46 crores on y-o-y basis.

Capex spends of the Company for Q3 FY19 stood at ₹ 27.43 crores, totaling to ₹ 86.11 crores for nine months ended 31<sup>st</sup> December, 2018. The same was expended towards Moulds, Plant & Machineries, Factory building, Furniture & Fixtures, Electrical Installation etc.

During the current quarter the Company has installed 4 injection moulding machines at its Hosur plant thus increasing the total installed capacity of 4,440- M.T.P.A. Further during Q4FY19 the Company will start the manufacturing of sheet metal furniture products at its Hosur plant and shall widen its products range.

The Company has received reaffirmation of its credit ratings at same levels i.e. "Care AA" for its long term bank facilities (fund based & term loan) and "Care A1+" for its short term bank facilities (non-fund based) from CARE.

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### Joint Venture and subsidiaries

Nilkamal Bito Storage Systems Private Limited - the Company's Indo-German Joint Venture recorded turnover of ₹ 43.78 crores for Q3FY19 vis-à-vis ₹ 31.70 crores for Q3FY18, whereas its Indo - US Joint Venture viz. Cambro Nilkamal Private Limited has maintained its growth trajectory and posted turnover of ₹ 15.60 crores up from ₹ 10.72 on y-o-y basis

The Company's subsidiary Company at Ajman, UAE and at Sri Lanka displayed a subdued performance. However, the business of the said joint venture and subsidiary companies is negligible compared to the standalone business of the Company.

### About Nilkamal

Nilkamal Limited is an industry pioneer in the manufacturing business of moulded furniture and material handling products with diversified product profile across various segments along with a diversified customer base including household customers, industrial customers and retail buyers. It is also having its presence in the retail business of lifestyle furniture, furnishings and accessories under its brand '@home' & Nilkamal Mattresses.

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### **Cautionary Statement**

Some of the statements in this communication that are not historical facts are forward looking statements. These statements are based on the present business environment and regulatory framework. Developments that could affect the Company's operations include significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relations. We assume no responsibility for any action taken based on the said information, or to update the same as circumstances change.

Thanking you,  
Yours faithfully,  
**For Nilkamal Limited**



**Priti Dave**  
**(Company Secretary)**  
Encl: a.a.