

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

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@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

11<sup>th</sup> May, 2018

## Nilkamal Limited – Press Release on FY18 Results

Nilkamal Limited reports its financial performance for the fourth quarter and year ended 31<sup>st</sup> March, 2018.

### Financial Highlights:

- ❖ Net Revenues up by 12% and 6% on q-o-q and y-o-y basis respectively.
- ❖ Plastics business registered volume and value growth of 9% and 15% on q-o-q basis and 2% and 8% on y-o-y basis respectively.
- ❖ Records EBIDT of ₹ 67 crores, up by 12% on q-o-q basis and EBIDT of ₹ 240 crores for FY18, up by 4.5% on y-o-y basis.
- ❖ Achieved PBT of ₹ 179 crores and PAT of ₹ 117 crores for FY18.
- ❖ @home- the retail business of the Company recorded sales of ₹ 215 crores as against ₹ 233 crores and posted PBT of ₹ 4.40 crores as against ₹ 3.19 crores on y-o-y basis.
- ❖ Recommends final dividend of ₹ 9 per equity share of ₹ 10 each.
- ❖ Company plans to venture into Foam manufacturing business during FY19.

(₹ in Crore)

PARTICULARS	FINANCIAL HIGHLIGHTS					
	STANDALONE				CONSOLIDATED	
	Annual		Q4		Annual	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Net Sales	2,071	1,957	596	532	2,124	2,023
PAT	117	118	34	32	123	123
Basic EPS (₹)	79	79	23	22	83	82
Cash EPS (₹)	111	112	30	30	117	116
Book Value	534	467			569	497

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## Performance of the Company for Q4 FY18

Comparing on a q-o-q basis, the net sales of the Company increased by 15%, from ₹ 532 crores to ₹ 596 crores. Profit before tax was higher by 14.25% at ₹ 52.60 crores against ₹ 46.04 crores; and the profits after tax grew by 5% from ₹ 32.21 crores for Q4 FY17 to ₹ 33.82 crores for Q4 FY18. Volume and value growth of 9% and 15% was achieved during Q4 FY18.

## Performance of the Company for FY18

The financial year 2017-2018 was a challenging for the Company on account of the GST implementation during its first half. During the year FY18, the Company had achieved net sales of ₹ 2,071 crores as against ₹ 1,956 crores for FY17; whereas EBIDTA for FY18 stood at ₹ 240 crores against ₹ 229 crores of previous financial year. Profit before tax was ₹ 179 crores vis-à-vis ₹ 169 crores of the previous year, a growth of 6%; however, profit after tax dipped by 1% on a y-o-y basis from ₹ 118 crores to ₹ 117 crores, due to increased tax expenses as the Company falls under the Maximum Marginal Tax rate. The plastics business of the Company recorded a volume growth of 2% whereas value growth was 8%.

Borrowings for the current year stood at ₹ 92 crores resulting in a Debt-Equity ratio of 0.12 as at 31<sup>st</sup> March, 2018.

During the year under review, the Company has spent ₹ 13.55 crores towards TV commercials and sponsorship vis-a-vis ₹ 11.86 crores for previous year. With visibility equation established, the Company proposes to continue investing in the said expenses, to deepen the dealer-distribution channel.

FY18 saw an introduction of several new products by the Company in order to stay ahead of the curve in the constantly evolving industry, with an objective of providing innovative products that would enhance the offerings and also improve the top and bottom line of the Company. Further, with the use of the data analytics, the Company is in a position to identify new markets and broaden its customer base.

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For the FY19, the Company is geared up to improve the indigenization initiative through commissioning of franchise stores across geographies, which would showcase products from across various verticals of the Company.

The roll out of GST was a challenge for the Company which had brought initial slowdown. However, the Company is optimistic about the positive impact of the said reform on a sustainable basis, on account of diminution of the unorganized sectors in the long run.

The Company has paid an interim dividend of ₹ 4 per equity share of ₹ 10 each for FY18. The Board has further recommended a final dividend of ₹ 9 per equity share of ₹ 10 each, thus making an aggregate dividend of ₹ 13 per equity share for FY18.

### Performance of the retail and other businesses

For the second consecutive year, the Company's retail business under the brand name '@home' made a profit at corporate level. The business achieved sales of ₹ 215 crores against ₹ 233 crores of last year, a drop of 8%; however, same stores sale witnessed a growth of 2% on a y-o-y basis. EBIDT of ₹ 10 crores achieved as against ₹ 10.08 crores for FY17. Profit before tax stood at ₹ 4.40 crores, an increase by 38% from ₹ 3.19 crores of the previous year.

The Company's bubble-guard business had achieved sales of ₹ 4 crores in its maiden year of operation.

During FY18, the turnover achieved by the Company's mattress business increased from ₹ 41 crores of the previous year to ₹ 59 crores of current year, thus registering a growth of 45%. Further, FY18 also saw the presence of the said business in all four regions of the country with the commencement of manufacturing units in the northern, eastern and western regions, which increased its installed capacity and production, thus putting this business on a growth trajectory.

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## Upcoming developments

With the current momentum in the Company's mattress business and contemplating its strategic future growth, the Company plans to fortify the mattress and allied business by entering into Foam manufacturing business and leveraging the distribution platform for the same. The Company shall establish a foam manufacturing plant in the southern region of the country and anticipates commencement of the operations thereat by the end of the current financial year.

## Capex

The capital expenditure of the Company for FY18 stood at ₹ 96 crores, which was towards moulds, plant and machinery, factory equipment etc. Further, during FY19, the Company envisages an aggregate capex of approximately ₹ 150 crores at all its plants towards enhancement of manufacturing capacity of injection and roto-moulding process, manufacturing of metal and MDF furniture, manufacturing of foam, introduction of differentiated range of products in its plastics business etc. Further, the said capex also includes capex of ₹ 35 crores allocated for the foam manufacturing plant.

## Joint Ventures and subsidiaries

Both the Company's overseas subsidiary companies had displayed a subdued performance for FY18. Further, the Company's German Joint Venture Company has displayed a topline growth of 22% and showed a satisfactory performance; whereas the US Joint Venture Company has displayed a strong performance, thus achieving topline growth, which was up by 20%, alongwith healthy profits.

## Awards and Certifications

During the year under review, the Company's Sinnar unit was awarded the "Energy Efficient Plant" by The Confederation of Indian Industry (CII) at its 18<sup>th</sup> National Award for Excellence in Energy Management 2017. Further, the Company was also awarded "Clean award" by Economic Times for the Company's waste Management products.

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@home®

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The Company has also received various certifications such as ISO 9001:2015 for Quality Management Systems, ISO 14001:2004 for Environment Management Systems, OHSAS 18001:2007, BIFMA Compliance Certification and "SEDEX Members Ethical Trade Audit (SMETA)" compliance certification from prestigious institutions.

### **About Nilkamal**

Nilkamal Limited is an industry pioneer in the manufacturing business of 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'.

### **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.

For NILKAMAL LIMITED

  
PRIYA DAVE

COMPANY SECRETARY