

Head Office : Nilkamal House, 77/88, 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

11th May, 2019

Nilkamal Limited – Press Release on FY19 Results

The Nilkamal Limited announces Audited Standalone & Consolidated Financial Results for the quarter and year ended 31st March, 2019.

Financial Highlights:

- ❖ Net Revenues up by 11 % on y-o-y basis.
- ❖ Plastics business registered volume and value growth of 7% and 13% on y-o-y basis.
- ❖ Records EBIDT of ₹ 224 crores for FY19, down by 7% and PAT of ₹ 111 down by 5% on y-o-y basis.
- ❖ @home- the retail business of the Company recorded sales of ₹ 211 crores and posted PBT of ₹ 1.26 crores on y-o-y basis.
- ❖ Recommends final dividend of ₹ 9 per equity share of ₹ 10 each.

(₹ in Crore)

PARTICULARS	FINANCIAL HIGHLIGHTS					
	STANDALONE				CONSOLIDATED	
	Annual		Q4		Annual	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Net Sales	2,304	2,071	555	596	2362	2,161
PAT	111	117	28	34	117	123
Basic EPS (₹)	75	79	19	23	79	83
Cash EPS (₹)	108	111	28	30	113	117
Book Value	593	534			631	569

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The market condition continued to remain challenging with uncertainty in the macro economic environment and witnessed a slowdown, with no exception to the manufacturing sector. The stability in crude prices and strengthening of our currency would be the aiding factors for short and medium term growth.

Performance of the Company for Q4 FY19

Due to the sluggish economy, the Company's plastic business has suffered a volume and value de-growth of 9% and 8% respectively, whereas the @ home business of the Company dove by 3% which overall resulted in 7% drop in revenue of the Company from ₹ 596 crores in Q4 FY18 to ₹ 555 crores in Q4 FY19. Further the lower sales volume together with inability to pass on cost of increased raw material prices resulted in lower EBIDTA which stood at ₹ 61.60 crores as compared to ₹ 67.26 crores for Q4FY18. This alongwith the increased depreciation charges and interest cost resulted in lower profit after tax of ₹ 28.14 crores during Q4FY19 as against ₹ 33.82 crores of the Q4 FY18.

Performance of the Company for FY19

Inspite of the subdued performance during the Q4FY19, the Company had achieved 11% growth in its net sales for the FY19 which stood at ₹ 2,304 crores as against ₹ 2,071 crores for FY18. Further the firming up of the raw material prices alongwith the inability to pass on such increase in price on immediate basis led to reduction in EBIDTA by 6.5% i.e. ₹ 224 crores for the FY19 as against ₹ 240 crores of FY18, thus resulting a dip of 5% in Profit after Tax on a y-o-y basis from ₹ 117 crores to ₹ 111 crores. The plastics business of the Company recorded a volume growth of 7% whereas value growth was 13% during FY19.

Borrowings for the FY19 stood at ₹ 59 crores resulting in a Debt-Equity ratio of 0.07. The average cost of funds during the FY19 increased from 7.77% to 8.17%, resulting into increased financial cost.

The Company has paid an interim dividend of ₹ 4 per equity share of ₹ 10 each for FY19. 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 FY19.

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Performance of the retail and other businesses

The Company's retail business under the brand name '@home' achieved sales of ₹ 211 crores against ₹ 215 crores of last year, a minor drop of 1.8%, however the said division continues to be profitable at corporate level by achieving a profit before tax of ₹ 1.26 crores.

During the FY19, the said business has without employing any additional capital, entered into a new arrangement of franchise model and the Shop-In-Shop (SIS) concept. The initial Franchise stores opened at Indore and Rajkot have proven profitable. The said business has also exhibited a robust digital presence through its own website and through all other prominent marketplaces and has achieved sales of ₹ 25.28 crores during FY19 against ₹ 11.34 crores in FY18.

The mattress division of the Company is growing at a steady pace as anticipated by the Company. During FY19, the turnover achieved by the said business increased from ₹ 59 crores of the previous year to ₹ 69 crores of current year, thus registering a growth of 17%. The Company has put up production facilities for the mattress business in all the 4 zones of the country and have introduced a range of new products in the medium and premium segments and is also enhancing the depth and spread of its customers around the nation.

Further, during the FY19, the Company's bubble-guard business had achieved a double digit top line growth of 210% thus achieving sales of ₹ 12.63 crores as against sales of ₹ 4.07 crores in the FY18. The Company has recently introduced PalletGUARD as a returnable space-saving solution and all our products are engineered for reusability and recyclability.

Capital Expenditure

During FY19, the Company has incurred Capex of ₹ 114.32 crores which has been majorly utilized towards setting up of solar system across 4 plants of the Company, addition of injection and rotational moulding machines, thus increasing the capacity by 9552 MT p.a., purchase of various moulds, factory building, office and factory equipment, furniture and fixtures, electrical installations etc. Further, during FY20, the Company envisages an aggregate capex in the range of ₹ 100 crores to ₹ 125 crores at all its plants. This expenditure shall be majorly towards its Material Handling business by introducing new product range making our offering a complete one stop solution for intralogistics Material Handling requirements and for its furniture business by augmenting a range of differentiated products in the chair and storage segment.

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Joint Ventures and subsidiaries

The Company's subsidiary Company viz Nilkamal Crates and Bins FZE at Ajman, UAE has performed satisfactorily while the other subsidiary Eswaran Plastics Private Limited at Sri Lanka has exhibited subdued performance.

Further, the Company's German Joint Venture Company has displayed a topline growth of 29% inspite of subdued profits; whereas the US Joint Venture Company has maintained its growth trajectory and has displayed a strong performance, thus achieving topline growth, which was up by 52%, alongwith healthy profits.

Awards and Certifications

During the year under review, the Company's Sinar unit was awarded the "Energy Efficient Plant" by The Confederation of Indian Industry (CII) at its 19th National Award for Excellence in Energy Management 2018. Further, continuing the Company's record of adopting the right practices for optimizing the use of scarce resources and energy conservation, this year too the Company has bagged the Gold prize at the National Energy Conservation Award for Plastics Sector 2018 from Bureau of Energy Efficiency (BEE) set up by Government of India for its Kharadpada unit in Silvassa. The Company has also received India Manufacturing Excellence Award issued from "Frost and Sullivans" for its Silvassa Plant, which certifies the enhanced Manufacturing and supply chain Excellence. The Company has also been awarded the ISO 8611-1:2011 certification for its Pallets AP & SP series from TUV NORD for its Sinar Unit in recognition of the constant efforts of the Company towards quality improvement.

Further Mr. Vamanrai V. Parekh, Chairman and Mr. Sharad V. Parekh, Managing Director of the Company were honored with the Life Time Achievement Award for their immense contribution towards the plastic industry by The Economic Times in their Polymers Awards 2019 – Excellence in Plastics.

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'.

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@home[®]

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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.