

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

13<sup>th</sup> November, 2019

## Nilkamal Limited – Press Release on Q2 FY20 Results

Nilkamal Limited today reported its financial performance for the quarter and half year ended 30<sup>th</sup> September, 2019.

### Financial Highlights:

- ❖ Records EBIDT at ₹ 74.43 crores, up by 39 % on q-o-q basis.
- ❖ Achieved PBT of ₹ 46.24 crores and PAT of ₹ 43.14 Crores, up by 25 % and 73 % respectively on q-o-q basis.
- ❖ @home – the retail business achieves turnover of ₹ 58.19 crores, EBIDT of ₹ 5.48 crores and PBT of ₹ 0.28 crores.
- ❖ Announces Interim dividend of 50%.
- ❖ Spurt in E- Commerce sales of ₹ 24.18 Crore, q-o-q growth of 86 %.

(₹ in Crores)

Particulars	Q2		H1		FY 2019
	FY 2020	FY 2019	FY 2020	FY 2019	
Total Income	544.47	618.29	1072..13	1191.61	2321.28
EBIDTA	74.43	53.63	147.19	110.35	224.12
PBT	46.24	36.98	92.39	78.38	158.68
PAT	43.14	24.89	73.16	55.60	111.23
Basic EPS	28.91	16.68	49.03	37.26	74.54
Cash EPS	43.77	24.82	77.63	53.49	107.81

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The Company has adopted Ind AS 116 – “Leases”, with effect from 1<sup>st</sup> April, 2019, using the modified retrospective method. Consequently, lease rental paid is now recognized as depreciation for the right of use assets and finance costs for interest accrued on lease liability. The adoption of this standard did not have any material impact on the profit for the period.

Reconciliation for the above effect on statement of profit and loss for the current period 30<sup>th</sup> September, 2019 as follows:-

(₹ in Crores)

Adjustment to increase / (decrease) in net profit	Quarter ended 30/09/2019			Half year ended 30/09/2019		
	Comparable Basis amount	Changes due to IND AS 116 Increase /(decrease)	Amount as reported	Comparable Basis amount	Changes due to IND AS 116 Increase /(decrease)	Amount as reported
Other expenses	134.57	(9.97)	124.60	256.81	(18.92)	237.89
Finance costs	2.96	3.05	6.01	5.84	6.08	11.92
Depreciation	14.22	7.95	22.17	27.96	14.91	42.88
Profit before tax	47.28	(1.04)	46.24	94.46	(2.07)	92.39

### Standalone results

The Company posted net sales of ₹ 1,067.21 crores vis-à-vis ₹ 1,185.45 crores in H1FY19, a decrease of 10 %, whereas EBIDT for the period stood at ₹ 147.19 crores in H1FY20 as against ₹ 110.36 crores in H1FY19, up by 33%. The Company posted PBT of ₹ 92.39 crores during H1FY20 as against ₹ 78.38 crores during H1FY19, up by 18% and PAT of ₹ 73.16 crores during H1FY20 as against ₹ 55.60 crores for H1FY19, up by 32%. The plastics division of the Company achieved volume and value degrowth of 13% for H1FY20.



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During Q2FY20, Company's business continued to face headwinds. The Net sales decreased from ₹ 613.67 crores for Q2FY19 to ₹ 541.55 crores for Q2FY20 a fall of 12%. The Company's plastic business has suffered a volume and value de-growth of 12% and 15% respectively, the reason for the same being absence of one time order during Q2FY20 as compared to the corresponding period of the previous year and overall slowdown in the Industrial demand. However due to the Company's ability to retain its selling price, inspite of fall in the raw material prices helped the Company to achieve PBT of ₹ 46.24 Crore as against ₹ 36.98 Crore of the Q2 FY19, up by 25%, whereas the PAT for the period stood at ₹ 43.14 Crore as against ₹ 24.89 Crore for the corresponding quarter of previous year, up by 73%.

Further, the Company has incurred a capital expenditure of ₹ 17.78 crores during Q2FY20, thus totaling to ₹ 45.75 crores upto H1FY20.

'@home' - the retail business of the Company recorded turnover of ₹ 58.19 crores for Q2FY20, as compared to ₹ 55.51 crores of the corresponding quarter of the previous year. The said business posted EBIDTA of ₹ 5.48 crores for Q2FY20 vis-à-vis ₹ 1.89 crores of Q2FY19. The e-commerce sales of the Company for the said business grew consistently, thus exhibiting 95% growth on a q-o-q basis, which was a result of the Company's persistent efforts. During the quarter under review, the @home store at Chennai under the franchisee arrangement became operational, with this the total operational stores are 22, including 4 stores operating under franchise arrangement.

The mattress business of the Company achieved a sales of ₹ 15.86 crores, while the bubble guard business achieved sales of ₹ 3.76 crores.

The Board of Directors has approved a payment of an interim dividend of 50% i.e. ₹ 5.00 per equity share of ₹ 10 each, which shall be paid to all the members whose names appear on the register of members as on 21<sup>st</sup> November, 2019.

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During the quarter under review, the Company has completed the acquisition of balance stake of 50% in Nilkamal Storage Systems Private Limited (NSSPL) (formerly known as Nilkamal Bito Storage Systems Private Limited (NBSSPL)), a Company into metal racking business on 22<sup>nd</sup> August, 2019, consequent to which NSSPL has become the wholly owned subsidiary of the Company.

The Company has undertaken an expansion of its racking business by putting up a manufacturing facility at its existing injection moulding plant at Sinnar. The approximate cost for setting up of the said manufacturing facility is ₹ 20 Crores. The Company proposes to commence the production during the financial year 2020-2021.

### **Consolidated results**

[Including results of (a) Company's subsidiary Nilkamal Storage Systems Private Limited (formerly known as Nilkamal Storage Systems Private Limited), Nilkamal Eswaran Plastics Private Limited & Nilkamal Eswaran Marketing Private Limited at Sri Lanka and Nilkamal Crates and Bins FZE at Ajman and Nilkamal Foundation (a Section 8 Company) at India; (b) Cambro Nilkamal Private Limited at India , Joint Venture Company]

Nilkamal Storage Systems Private Limited - the Company's subsidiary recorded turnover of ₹ 51.96 crores for Q2FY20 vis-à-vis ₹ 59.65 crores for Q2 FY19. The Company's subsidiary Company at Sri Lanka showed satisfactory performance as anticipated by the Company whereas the other subsidiary at Ajman, UAE displayed a subdued performance. Cambro Nilkamal Limited- the Company's US Joint Venture has recorded a turnover of ₹ 13.95 crores during Q2FY20 vis-à-vis ₹ 13.71 for Q2FY19. However, the business of the said joint venture and subsidiary companies is negligible as compared to the standalone business of the Company.

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For the Q2FY20, on consolidation of accounts of the subsidiaries and associates of Nilkamal- Net Sales achieved stood at ₹ 575.96 Crore vis-à-vis ₹ 628.35 Crore of corresponding quarter of previous year, down by 8%. PAT after minority interest stood at ₹ 49.01 Crore as against ₹ 24.01 Crore, increase by 104 % for the corresponding quarter of previous year.

## 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.

## 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.

With warmest regards,  
Yours sincerely,  
**For NILKAMAL LIMITED**



**PRITI DAVE**  
**(COMPANY SECRETARY)**