



KAMDHENU LIMITED

STRONG Q2 & H1 FY23 FINANCIAL PERFORMANCE

Investor Release : 11th November 2022, Gurugram

Kamdhenu Limited, India's largest manufacturer and seller of branded TMT Bars, in the retail segment, has declared its Unaudited Financial Results for the Quarter & Half year ended 30th September 2022

Particulars (Steel Business) Rs. Cr	Q2 FY23	Q2 FY22	YoY	H1 FY23	H1 FY22	YoY
Total Revenue	191.3	152.7	25%	382.5	265.4	44%
EBITDA	12.2	10.7	14%	27.6	25.1	10%
Profit Before Tax	10.9	10.1	7%	24.4	23.5	4%

Particulars (Steel Business)	Q2 FY23	Q2 FY22	YoY	H1 FY23	H1 FY22	YoY
Revenue from Own Facilities (Rs. Cr.)	155.8	125.5	24%	308.4	213.5	44%
Revenue from Royalty Income (Rs. Cr.)	26.2	22.5	16%	53.8	44.1	22%
Franchise Volumes (In Lakh MT)	6.8	6.0	13%	14.1	11.7	21%

- RoE stood at 25.4% as on 30th September 2022
- RoCE stood at 31.1% as on 30th September 2022

Update on Scheme of Arrangement for Demerger of Paints Business

We wish inform that the Kamdhenu Ventures Limited has received an in-principle approval from BSE & NSE on 3rd November 2022 and 7th November 2022 respectively, for listing of Equity shares pursuant to the Scheme of Arrangement.

Particulars (Paint Business)	Q2 FY23	Q2 FY22	YoY	H1 FY23	H1 FY22	YoY
Volumes (In KL)	8,519	8,351	2%	15,601	13,443	16%
Total Revenue (Rs. Cr.)	64.4	62.9	2%	119.1	96.0	24%
EBITDA (Rs. Cr.)	-0.7	3.1	-	-0.5	0.3	-
Profit Before Tax (Rs. Cr.)	-1.9	0.3	-	-5.7	-5.5	-



Update on Fund Raising:

The Board of Directors of the Company and subject to the approval of shareholders in their general meeting, has considered and approved to create, offer, issue and allot Convertible Warrants on preferential basis, in one or more tranches, up to maximum of 50,00,000 Warrants entitling the Proposed Allottees to exercise option to convert and get allotted one Equity Share of face value of Rs. 10/- each fully paid-up against each warrant, within 18 months from the date of allotment of warrants at a price of Rs. 141/-.

Objectives of the Fund Raising:

- Acquiring stake strategically in some of the franchisee units so as to re-modeling of franchisee business of the company
- Enhancing the brand position and corporate image to leverage the overall brand premium in the steel market so as to generate the higher royalty income
- Reduction in debt in order to make the company debt free
- Other general corporate purposes

Commenting on the results and performance, Mr. Satish Kumar Agarwal, Chairman & Managing Director said:

“We are pleased to inform that Q2 & H1 FY23 demonstrated strong performance despite high commodity prices. Our company has reported revenue growth of 25% YoY to Rs. 191 crores, EBITDA growth of 14% YoY to Rs. 12.2 crores and PBT growth of 7% YoY TO Rs. 10.9 crores for Q2 FY23. For H1 FY23 the Company reported revenue growth of 44% YoY to Rs. 382 crores, EBITDA growth of 10% YoY to Rs. 27.6 crores and PBT growth of 4% YoY to Rs. 24.4 crores.

Steel Industry is poised towards growth on the back of construction sector which is going to be a PAN-India driver of steel demand in the country. This would be driven by strong government thrust for infrastructure development and housing for all. Further support to development of the steel industry is expected to come through the ‘Make in India initiative.

We are delighted to inform that we have raised funds to the tune of ~ Rs. 70 Crores. This will help to reduce our debt and make us debt free. This will also help create a better brand position in the industry.

For our paints business, our revenues increased by 2% YoY to Rs. 64.4 crores for Q2 FY23. For H1 FY23 our revenues increased by 24% YoY to Rs. 119.2 Crores.

Demand for decorative paints has been witnessing strong traction over past few quarters and we expect this momentum to continue on the back of shortening of repainting cycle, housing demand and consumer preference to build pucca houses. We are poised towards growth by focusing on the premiumization of portfolio.

We command a dominant market share in the organized retail segment of steel and paint industry. We have an increased focus on own manufacturing & franchisee business. With our strong brand, new product categories in decorative paints, marketing and distribution network and unique asset light model, we are well placed to capture any opportunities in future.



About Kamdhenu Limited

Kamdhenu Limited was founded in 1994 with a vision to provide Best Quality TMT Bars at Best Price. Today, led by Mr. Satish Kumar Agarwal, the company is the market leader in branded TMT Bars and 'Kamdhenu TMT Bar' is the largest selling TMT Bar in India, in the retail segment with brand sales turnover of ~Rs. 16,000 crores. Kamdhenu follows franchisee business model to bring more transparency and dynamism to the operations of the company. Kamdhenu has committed chain of over 12,000 dealers and distributors in India out of which 8,000 are exclusive for steel business. Kamdhenu being TMT expert has also launched earthquake resistant 'Kamdhenu PAS10000 Steel' and 'Kamdhenu Nxt TMT Bar'. It has been conferred with India Power Brand 2016 & 2019-20, Asia's Most Promising Brand – 2016, World's Best Brand 2015 and 2017-18 among Asia & GCC for Steel as well as Paints. Kamdhenu Ltd. is a ISO 9001:2015 certified company, it is listed on NSE & BSE.

Pursuant to the Scheme of Arrangement became effective, the Paint Business (Demerged Business) of Kamdhenu Limited have been transferred to and vested with Kamdhenu Colour and Coatings Limited with effect from 1st April 2022, being the Appointed Date.

Kamdhenu Paints is credited for offering best-in-class paint products conforming to global standards. Its product portfolio under the brand KAMDHENU PAINTS-COLOUR DREAMZ includes Exterior Emulsions, Interior Emulsions, Acrylic Distempers, Enamel Paints, Cement Paints, Wall Primers & Putty, and Texture & Designer Finishes, Stainers, P.U. Wood Finishes and Metallic Finishes. Kamdhenu Paints has 4,000 dealers and distributors spread across the country.

For further information, please contact

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