



KAJARIA CERAMICS LIMITED

Investor Update – Q2 FY15 / H1 FY15

OCT 27, 2014

Kajaria
TRANSFORM YOUR WORLD

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- Chairman's Message
- Financial Performance - Q2 FY15 / H1 FY15
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

In Q2/2014-15, we scaled new heights in terms of performance, capacity and respect.

Performance: Our topline increased by 16% over the corresponding period in the previous year. Operational efficiencies manifested in a 22% and 48% growth in the EBIDTA and net profit respectively over the same period.

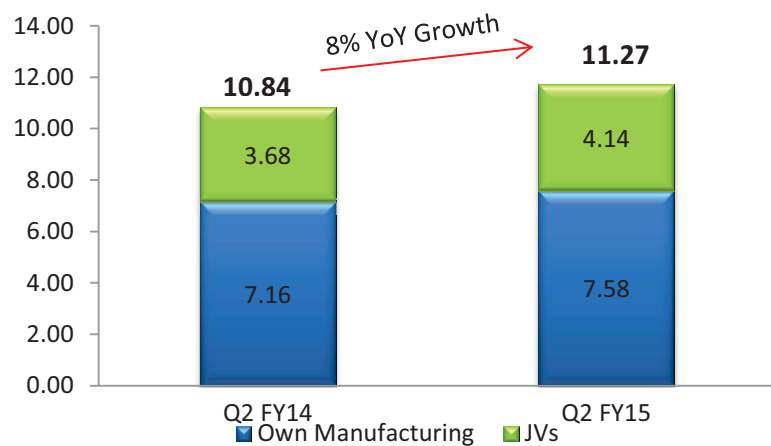
Capacity: We have successfully completed brownfield expansions for 4.50 msm of high end polished vitrified tile at Jaxx (JV) . Another JV Cosa has also commissioned 3.00 msm of polished vitrified tile (soluble salt) capacity .

Respect: We were adjudged 'Best Managed Company' *in small cap category* for the year 2014 by Asiamoney, a financial publication from Euromoney Institutional Investor Group. I am confident that this appreciation will only propel the team to win more laurels for the Company over the coming years.

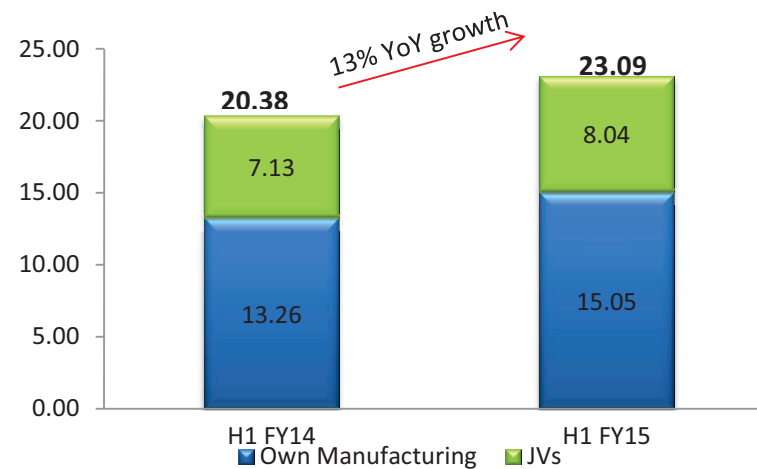
As we gaze at the horizon, we are hopeful that better days are just round the corner. Our optimism is based on an important reality – the 'Toilets for all by 2019' and 'Houses for all by 2022' targets set by hon'able PM which promise incremental offtake of our products over the medium-term. At Kajaria, we remain committed to make the Government's vision a reality.

Volume Data (consolidated)

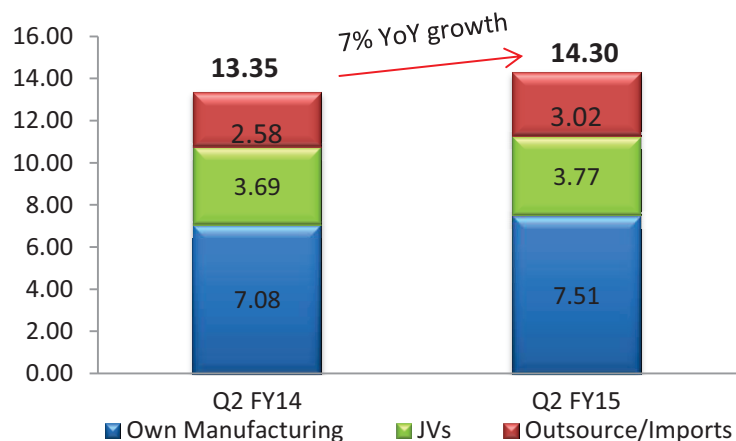
Production Growth (MSM) - Q2 FY15



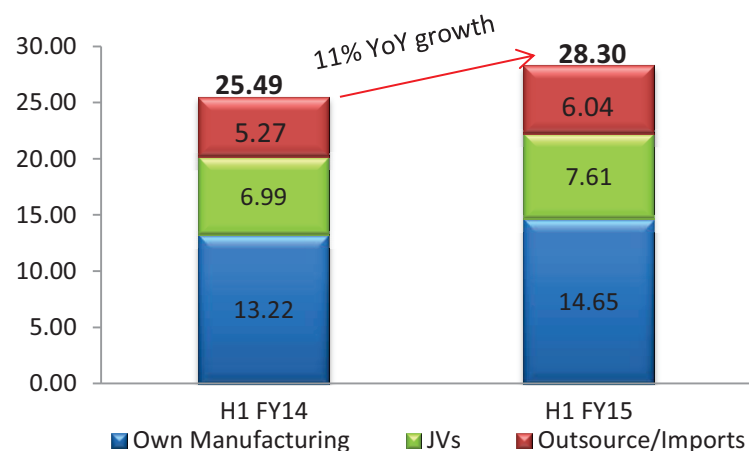
Production Growth (MSM) - H1 FY15



Sales Growth (MSM) – Q2 FY15



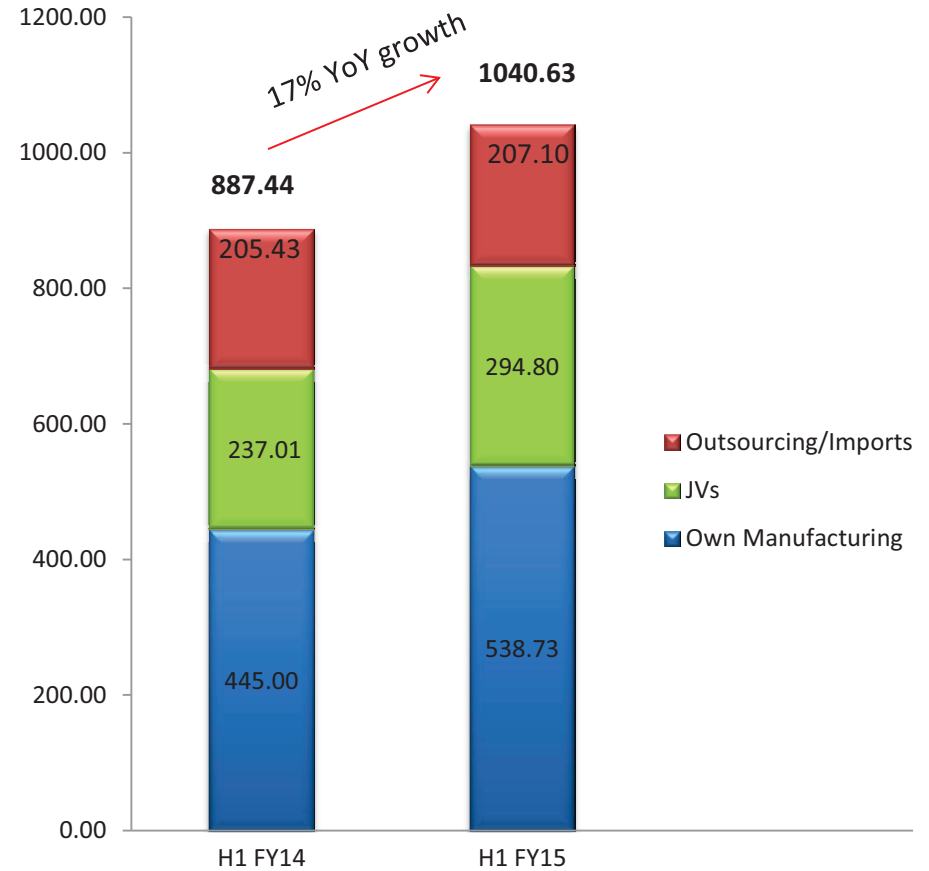
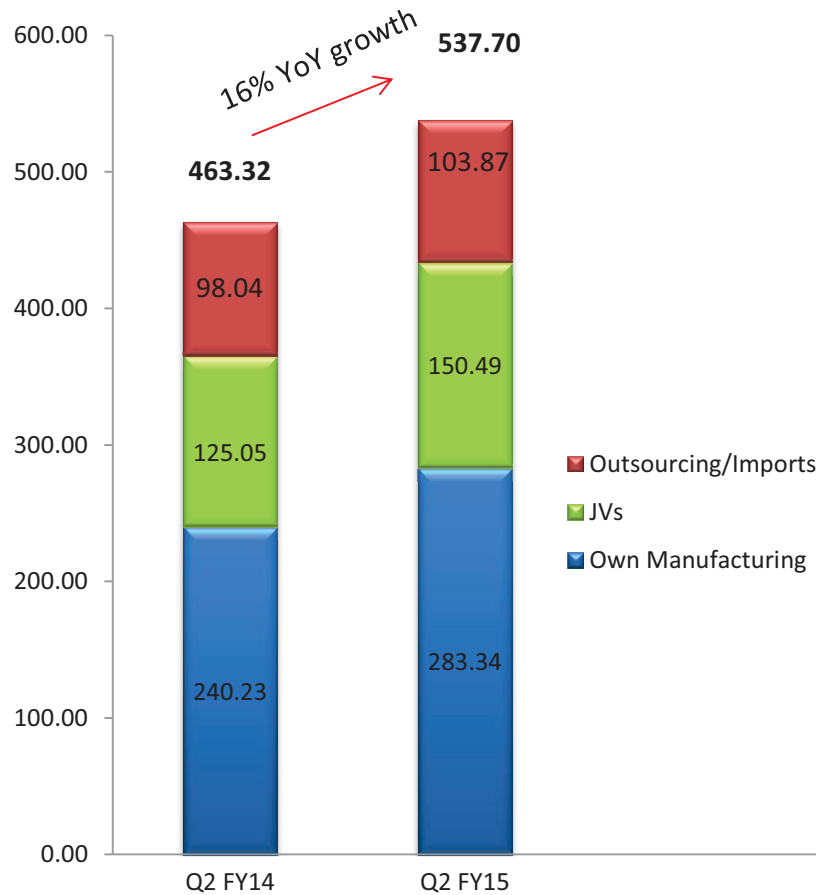
Sales Growth (MSM) – H1 FY15



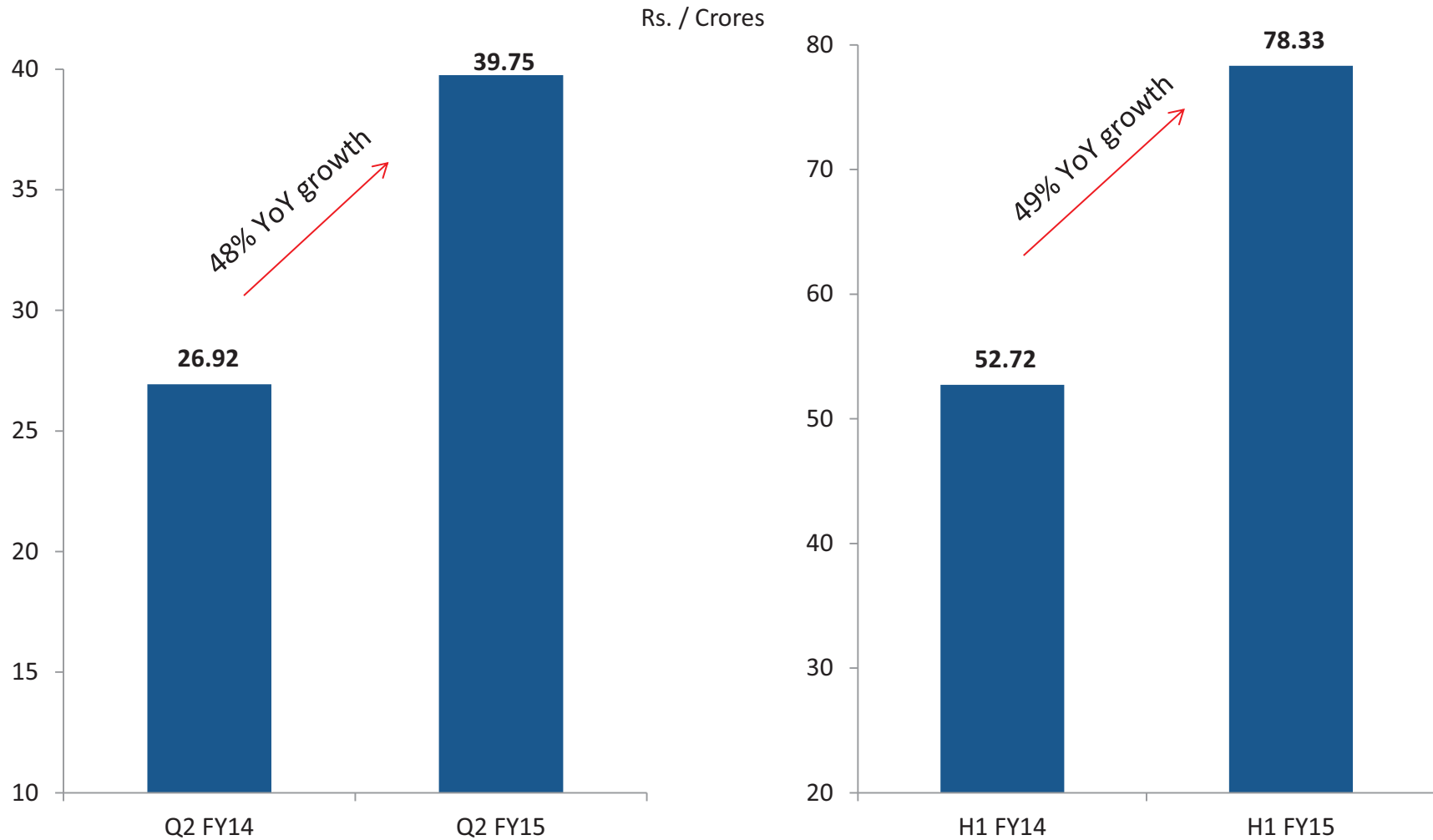
Revenue Growth

Revenue Growth - Consolidated

Rs. / Crores



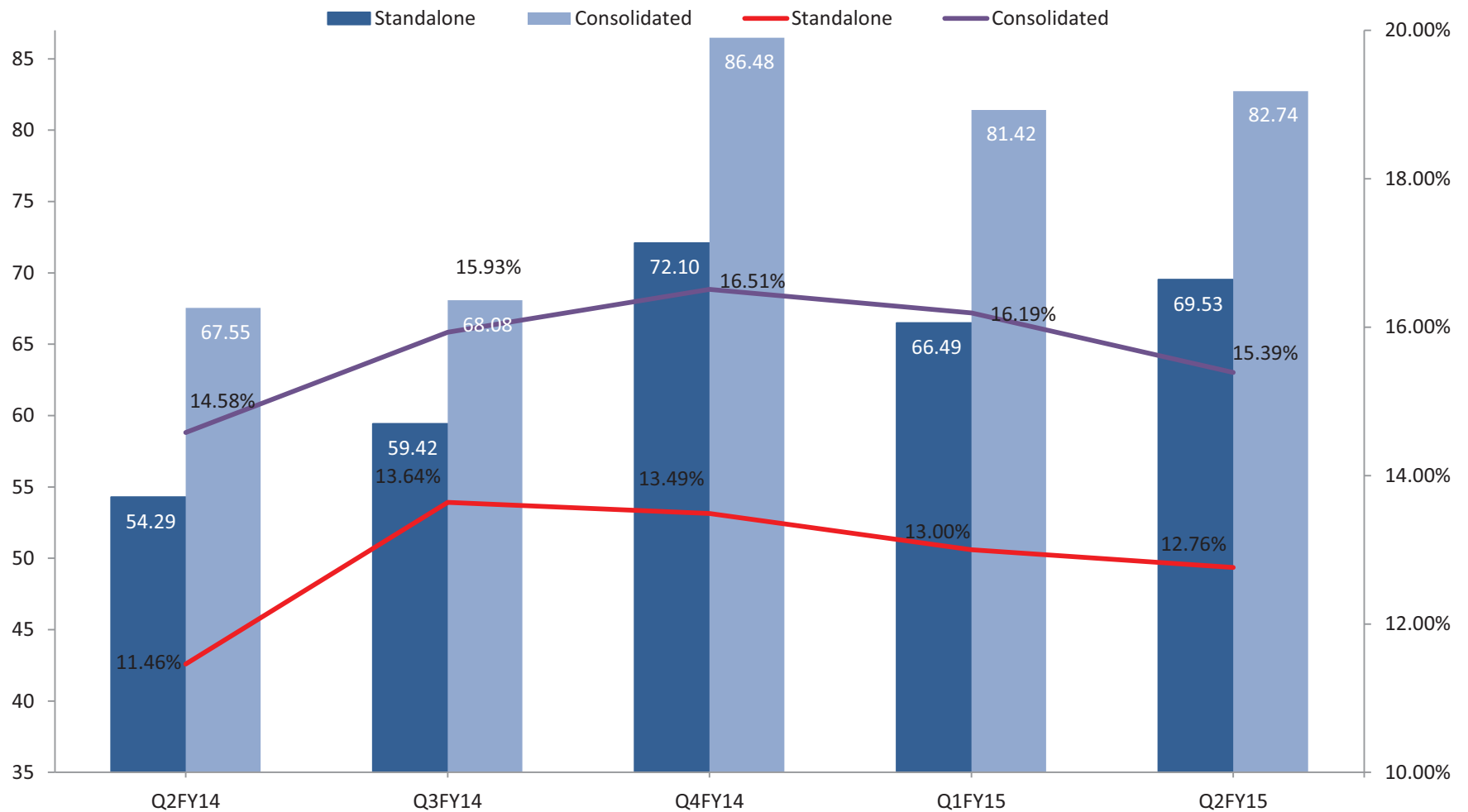
PAT Growth - Consolidated



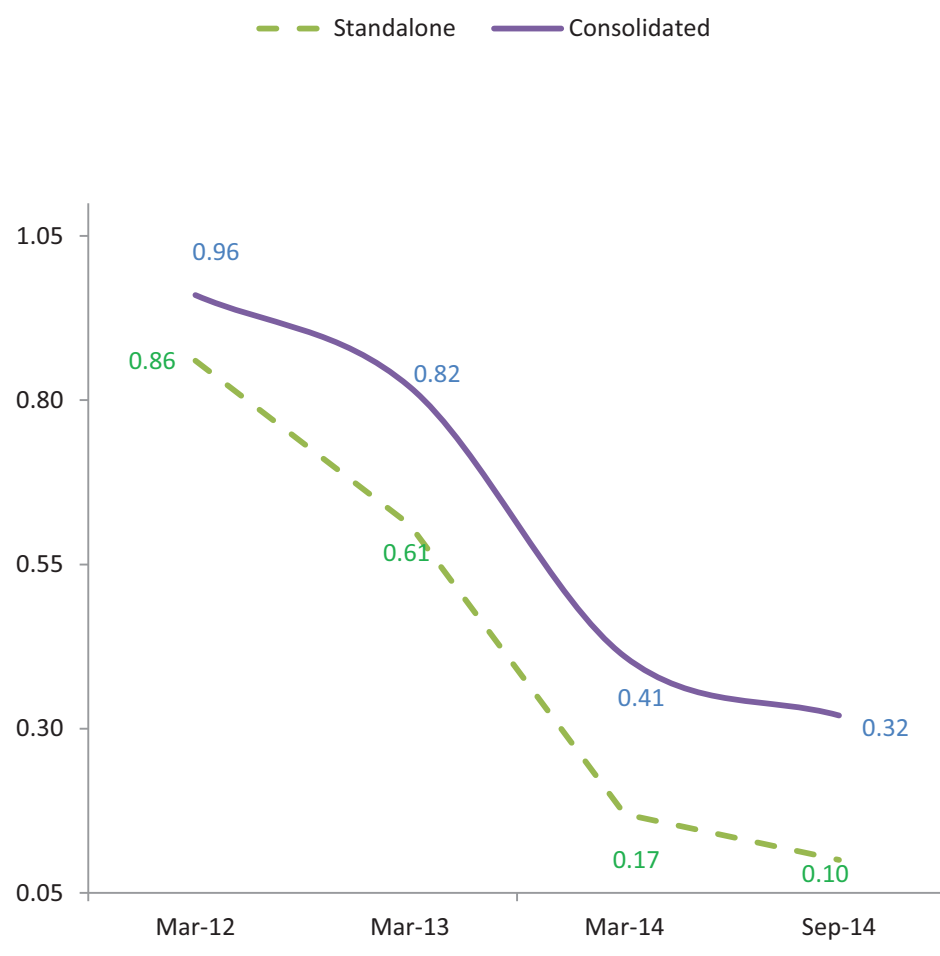
EBIDTA / EBIDTA Margin – quarterly progression



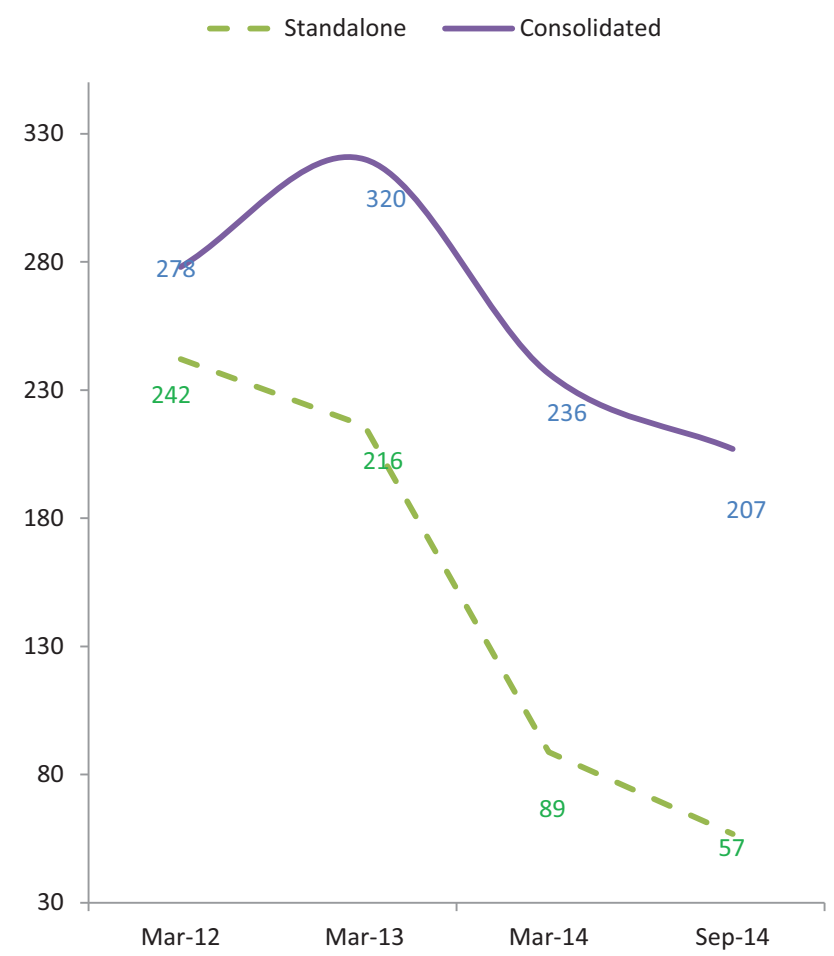
Rs./ Crores



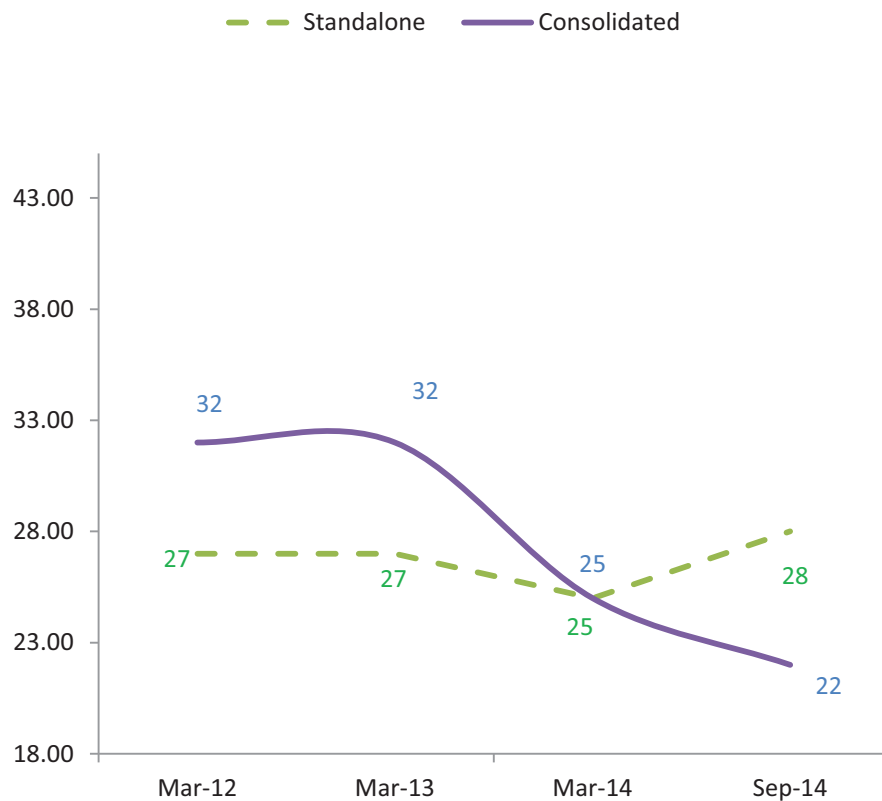
Debt Equity (X)



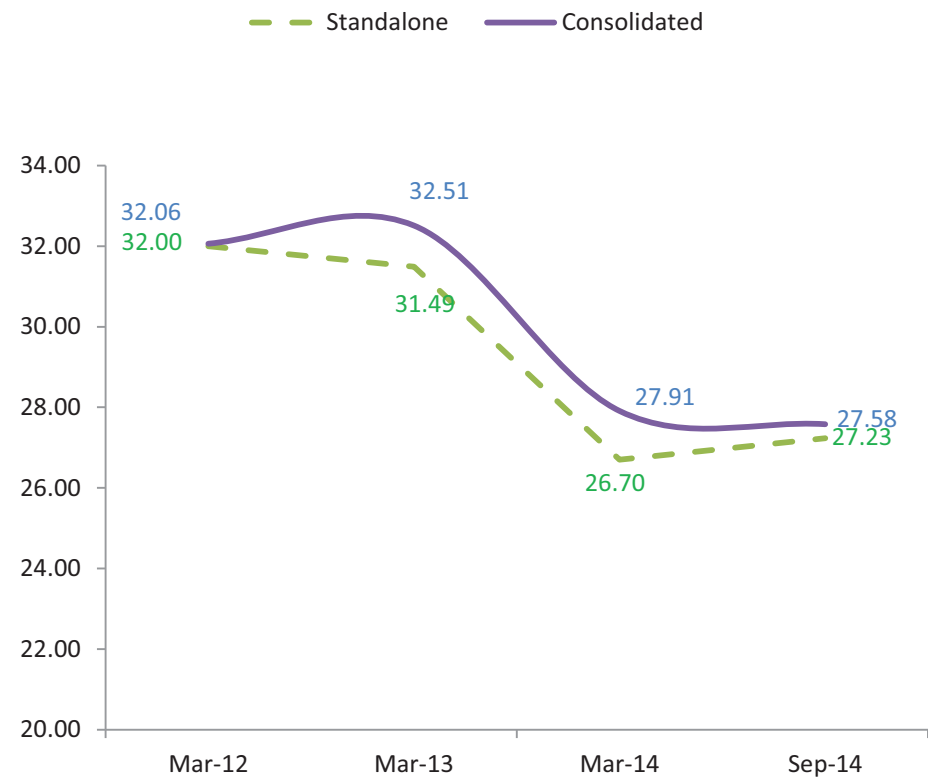
Debt (Rs. Crore)



Working Capital Cycle (days)



Return on Equity (Avg.)



Capex creditors not considered in working capital cycle.

* ROE for as on 30th Sep. 14 taken at average net worth as on 31st Mar. 14 and 30th Sep. 14 and Q2 FY15 PAT.

A. Greenfield Project (Rajasthan)

In the Board Meeting dated 7th May 2014 the company decided to put up 5 MSM annual capacity of polished vitrified tiles at a new location in Rajasthan. The project is expected to be completed by June 2015.

B. Brownfield Project (Rajasthan)

Also, the company, in the Board Meeting dated 1st August 2014 decided to put a brownfield facility at its existing location in Rajasthan for production of 3 MSM Capacity of ceramic wall tiles. The production is expected to commence by March 2015.

A. SORISO CERAMICS

Acquired 51% stake in Soriso Ceramic Pvt Ltd, based in Morbi, Gujarat in February 2011 with an annual capacity of 2.30 MSM of ceramic floor tiles. Further expanded the capacity to 4.60 MSM. Production for enhanced capacity started in March 2012. Soriso has operated at 96% capacity in Q2FY15.

B. JAXX VITRIFIED

Acquired 51% stake (now 61%) in Jaxx Vitrified Pvt Ltd, based in Morbi, Gujarat in February 2012, with an annual capacity of 3.10 MSM. Production has commenced in March 2012. Jaxx has acquired another plant with a 2.6 MSM annual capacity of polished vitrified tile in April 2013 in Morbi making the total capacity of Jaxx to 5.70 MSM per annum. Jaxx has operated at full capacity. The commercial production in respect of brown field expansion of 4.50 MSM polished vitrified tile capacity has commenced production on 6th Sep. 2014. We expect this plant to attain full capacity utilisation during the next quarter.

C. VENNAR CERAMICS

Acquired 51% stake in Vennar Ceramics Ltd, based in Vijayawada, Andhra Pradesh in April 2012, with an annual capacity of 2.30 MSM of high end ceramic wall tiles. Production has commenced on the 1st July, 2012. Vennar has operated at full capacity in Q2FY15.

D. COSA CERAMICS

Acquired 51% stake in Cosa Ceramics Pvt. Ltd., based in Morbi, Gujarat – on 16th Oct.'12, with an annual production capacity of 2.70 MSM of polished vitrified tiles. COSA has operated at full capacity in Q2FY15. The commercial production in respect of brown field expansion of 3.00 MSM polished vitrified tile capacity has commenced production on 29th Sep. 2014 which is expected to attain full capacity utilisation during the next quarter.

E. TAURUS TILES

The Company has entered into another JV, Taurus Tiles Pvt. Ltd., Which is putting up an 5 MSM polished vitrified tile capacity at Morbi (Gujarat). Kajaria owns 51% equity in Taurus. The production is expected to commence by Q4FY15.

F. KAJARIA BATHWARE (P) LTD. (KBL)

a) Sanitaryware: Kajaria Sanitaryware (P) Ltd., in which KBL holds majority shares, has started the production of sanitaryware on 6th April 2014. However, the production has started momentum in October 2014. We hope to achieve full production in Q4FY15.

b) Faucet:The Company has initiated putting up a faucet plant of 1.50 million pieces facility at Gailpur (Rajasthan) at a cost of Rs. 50 crore. The civil work is in progress. The project is expected to commence operation in Q1FY16.

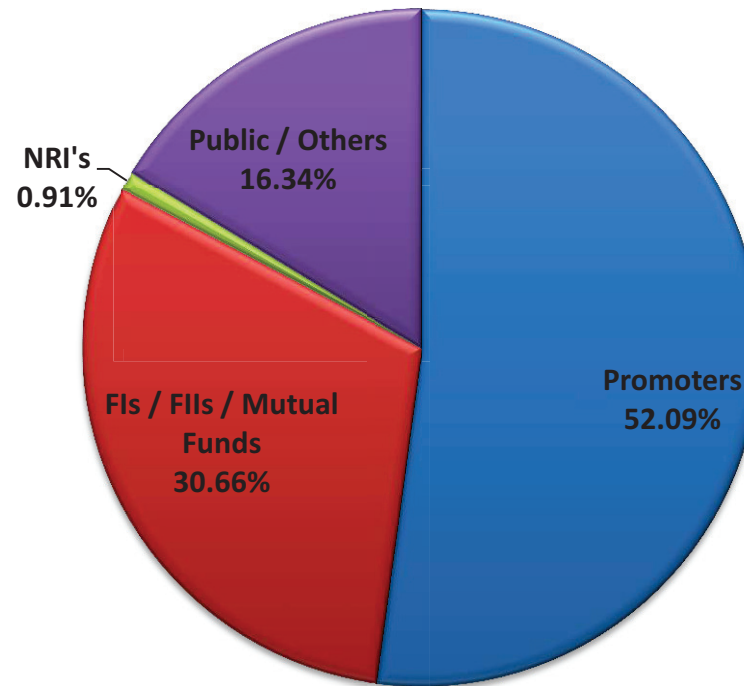
Financial highlights

(Rs in Crore)

	Q2FY15		Q2FY14		Growth		H1FY15		H1FY14		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Sales	582.37	591.40	505.19	509.81	15%	16%	1128.08	1145.42	964.65	974.60	17%	18%
Net Sales	544.80	537.70	473.93	463.32	15%	16%	1056.36	1040.63	906.56	887.44	17%	17%
EBIDTA	69.53	82.74	54.29	67.55	28%	22%	136.02	164.17	108.03	132.44	26%	24%
EBIDTA MARGIN	12.76%	15.39%	11.46%	14.58%			12.88%	15.78%	11.92%	14.92%		
Interest	2.42	8.41	7.80	11.40	-69%	-26%	4.81	15.97	16.21	23.14	-70%	-31%
Depreciation	10.27	13.54	9.10	11.74	13%	15%	20.13	26.21	18.08	23.23	11%	13%
Profit Before Tax	56.84	60.79	37.39	44.41	52%	37%	111.08	121.99	73.74	86.07	51%	42%
Tax	17.62	19.29	12.81	15.25	38%	27%	35.52	39.79	25.17	29.41	41%	35%
Minority Interest	-	1.75	-	2.24	-	-	-	3.87	-	3.94	-	-
Cash Profit	49.49	53.29	33.68	38.66	47%	38%	95.69	104.54	66.65	75.95	44%	38%
Profit After Tax	39.22	39.75	24.58	26.92	60%	48%	75.56	78.33	48.57	52.72	56%	49%
Equity	15.12	15.12	14.72	14.72			15.12	15.12	14.72	14.72		
EPS (Basic) (Rs)	5.19	5.26	3.34	3.66	55%	44%	10.00	10.36	6.60	7.16	52%	45%

As on 30th Sep 2014

Equity Shares Outstanding – 75.58 millions



The Board in its meeting held on 27th October 2014 has allotted 3885420 equity shares of Rs 2/- each @ Rs. 257.37 per equity shares (including premium of Rs. 255.37 per shares) on preferential basis to WestBridge Crossover Fund.

Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India. It has an annual capacity of 54.10 mn. sq. meters presently, distributed across seven plants - one in Sikandrabad (UP), one in Gailpur (Raj.), four in Morbi (Guj.) and one in Vijaywada (AP).

Kajaria is the only Indian ceramic tile company awarded with ‘Superbrand’ status for seventh consecutive time.

For further information, please visit www.kajariaceramics.com or contact:

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