



KAJARIA CERAMICS LIMITED

Investor Update – Q2 FY16 / H1 FY16

Oct 20, 2015

Kajaria
TRANSFORM YOUR WORLD

Certain Statements in this document may be forward-looking within the meaning of applicable laws and regulations. And actual results might differ substantially from those expressed or implied. Such statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors could cause our actual results to differ. Kajaria Ceramics Limited will not be in any way responsible for any action taken based on such statements.

- Chairman's Message
- Financial Performance - Q2 FY16 / H1 FY16
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

We continued on our growth path in the second quarter of 2015-16. Revenue grew by 13% over the corresponding period in the previous year. EBIDTA and Net Profit grew by 46% and 48% respectively during the same period.

The Ministry of Commerce has recently (13th Oct. 2015) initiated Anti-dumping investigation concerning imports of Vitrified tiles*, originating in or exported from China PR, which was a much awaited step by the Indian tile industry.

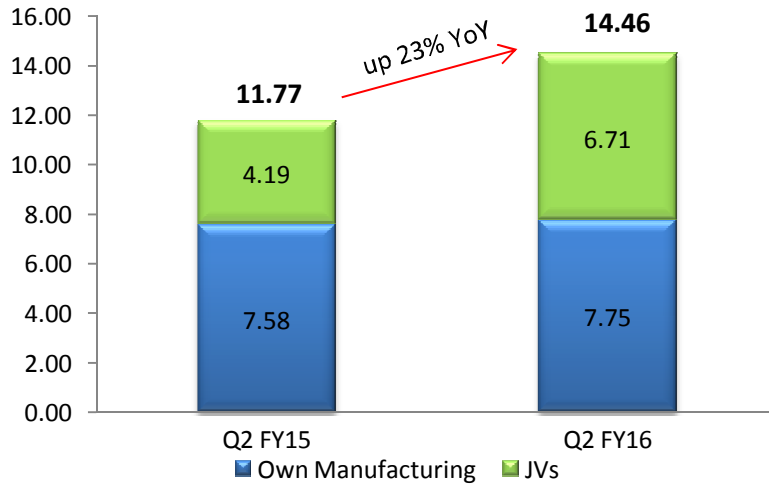
Going forward, we feel that the business environment will become increasingly positive with several reformative steps being outlined by the Government. The recent rate-cut by the RBI by 50 bps amidst stable inflation indicators, augers well for steady economic growth and should act as a catalyst to revive sentiments in the real estate sector.

* "Glazed /Unglazed Porcelain in polished or unpolished finish with less than 3% water absorption"

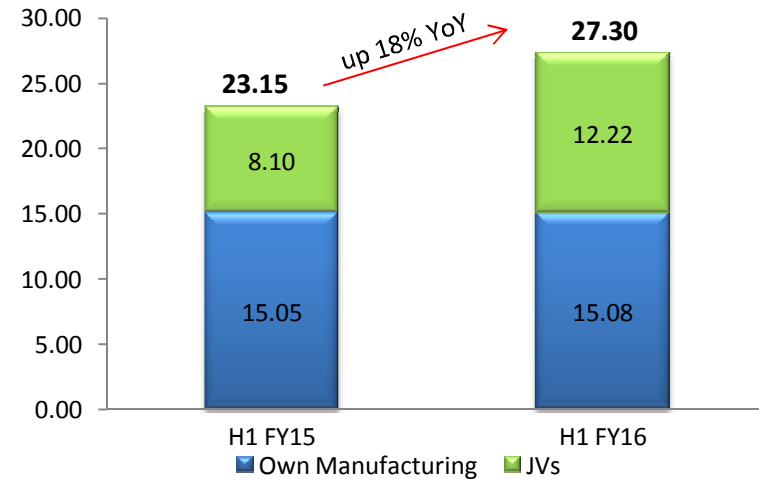
Tile Volume Data (consolidated)



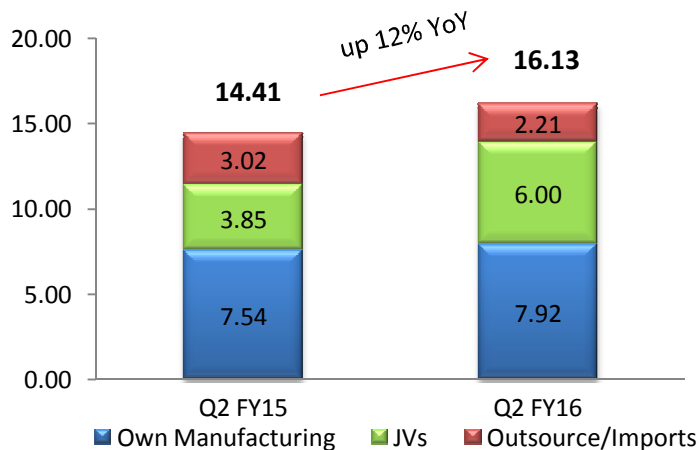
Production Growth (MSM) - Q2 FY16



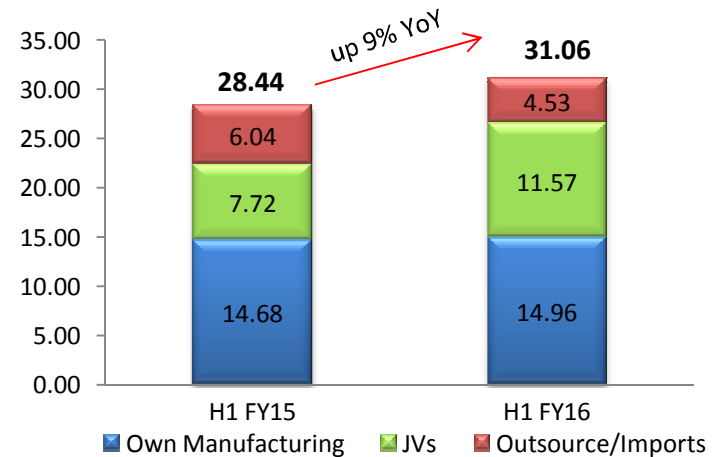
Production Growth (MSM) - H1 FY16



Sales Growth (MSM) – Q2 FY16



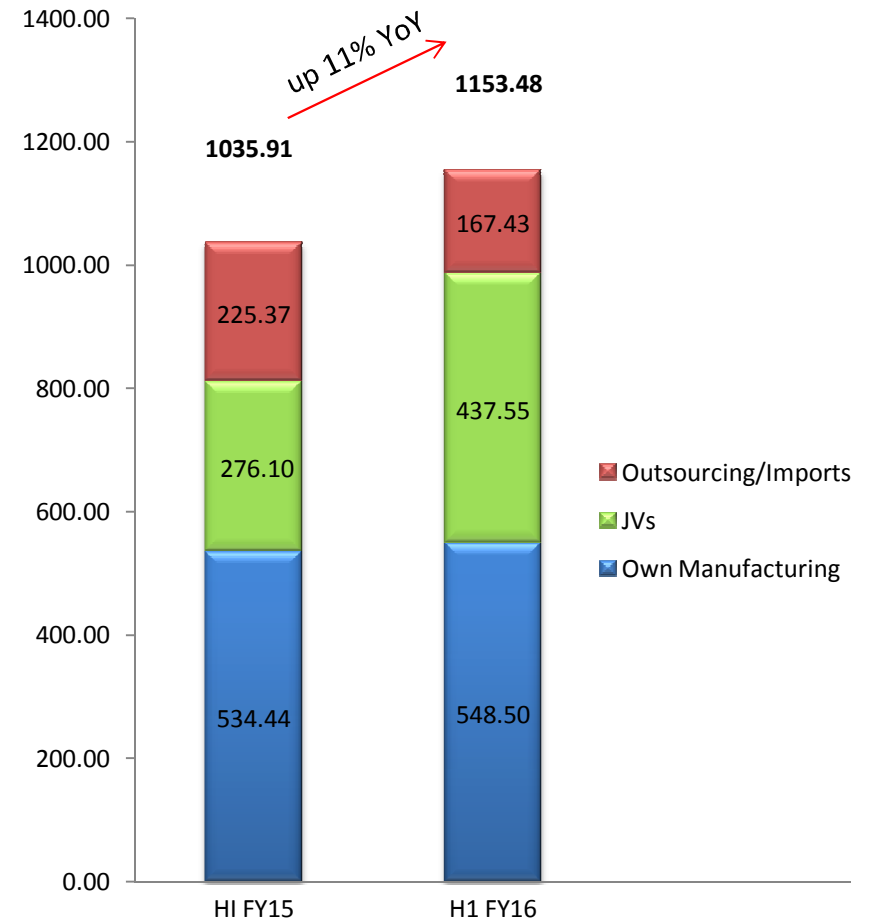
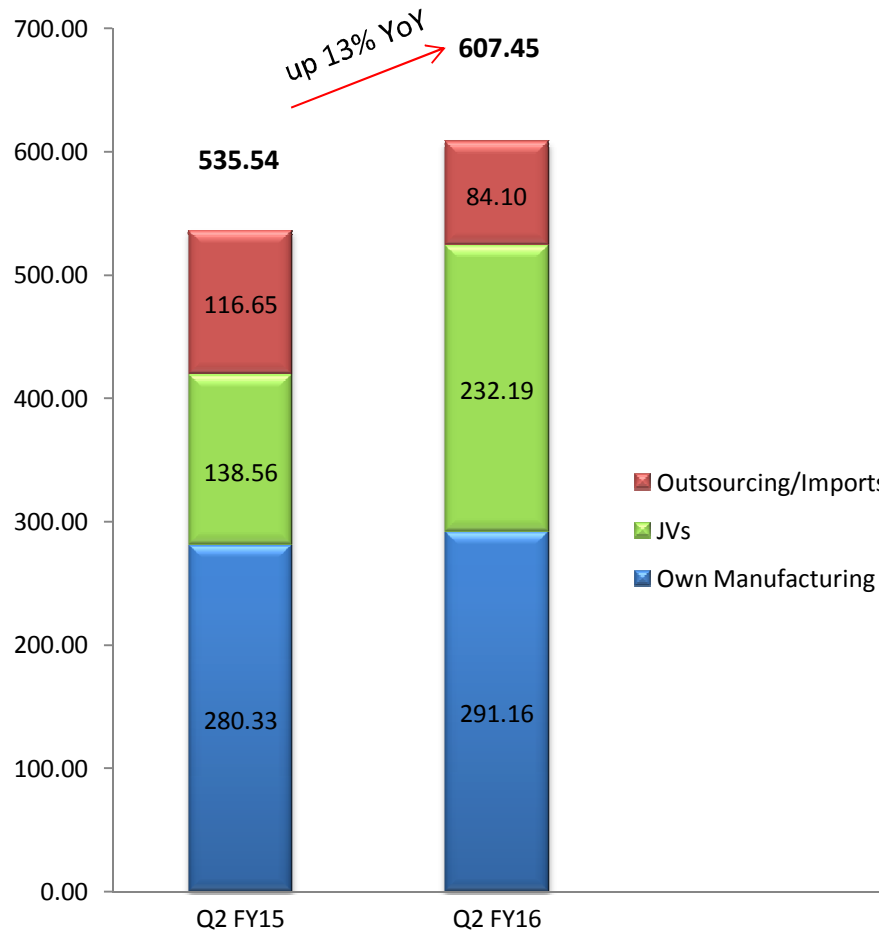
Sales Growth (MSM) – H1 FY16



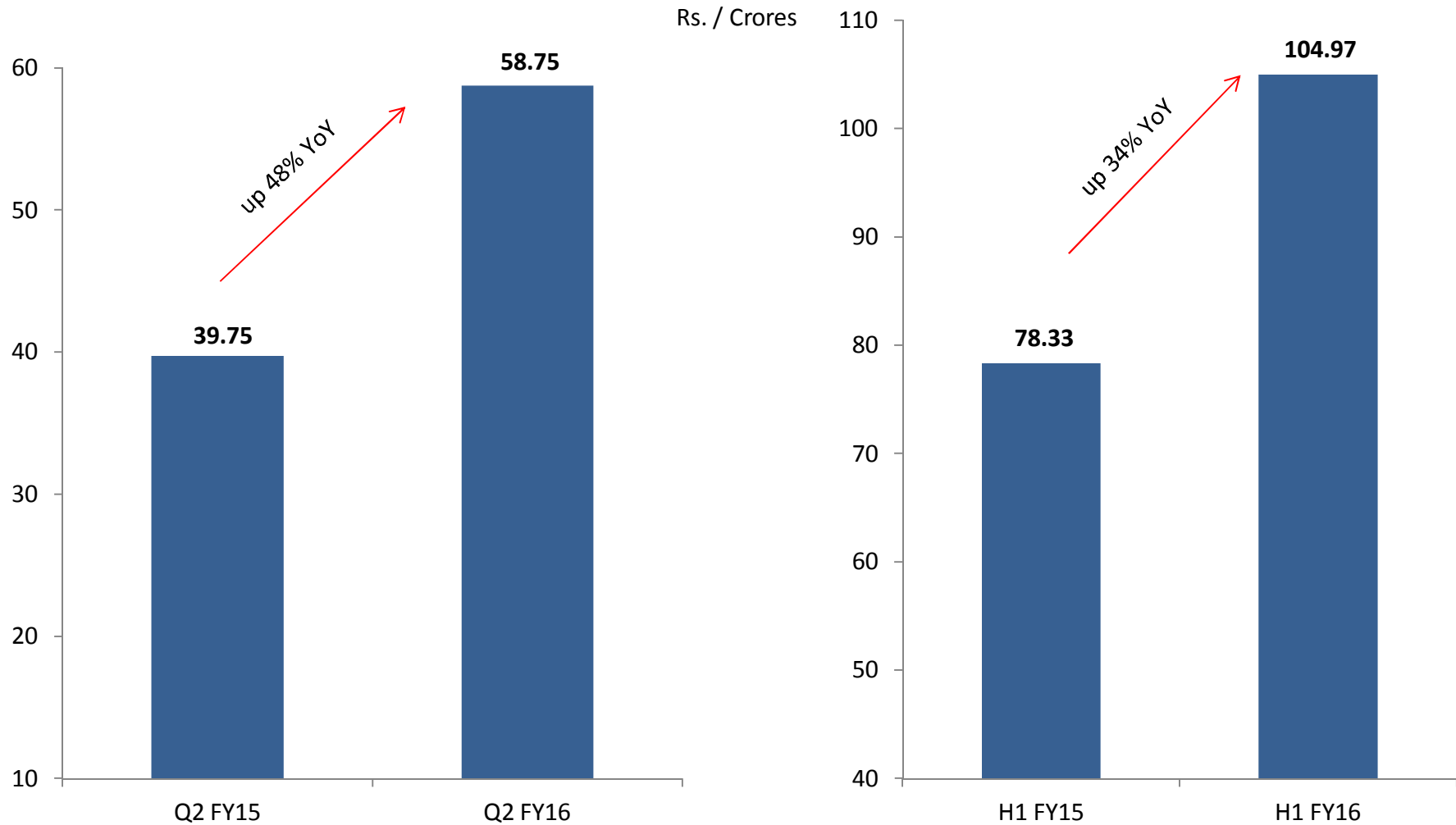
Revenue Growth

Revenue Growth - Consolidated

Rs. / Crores

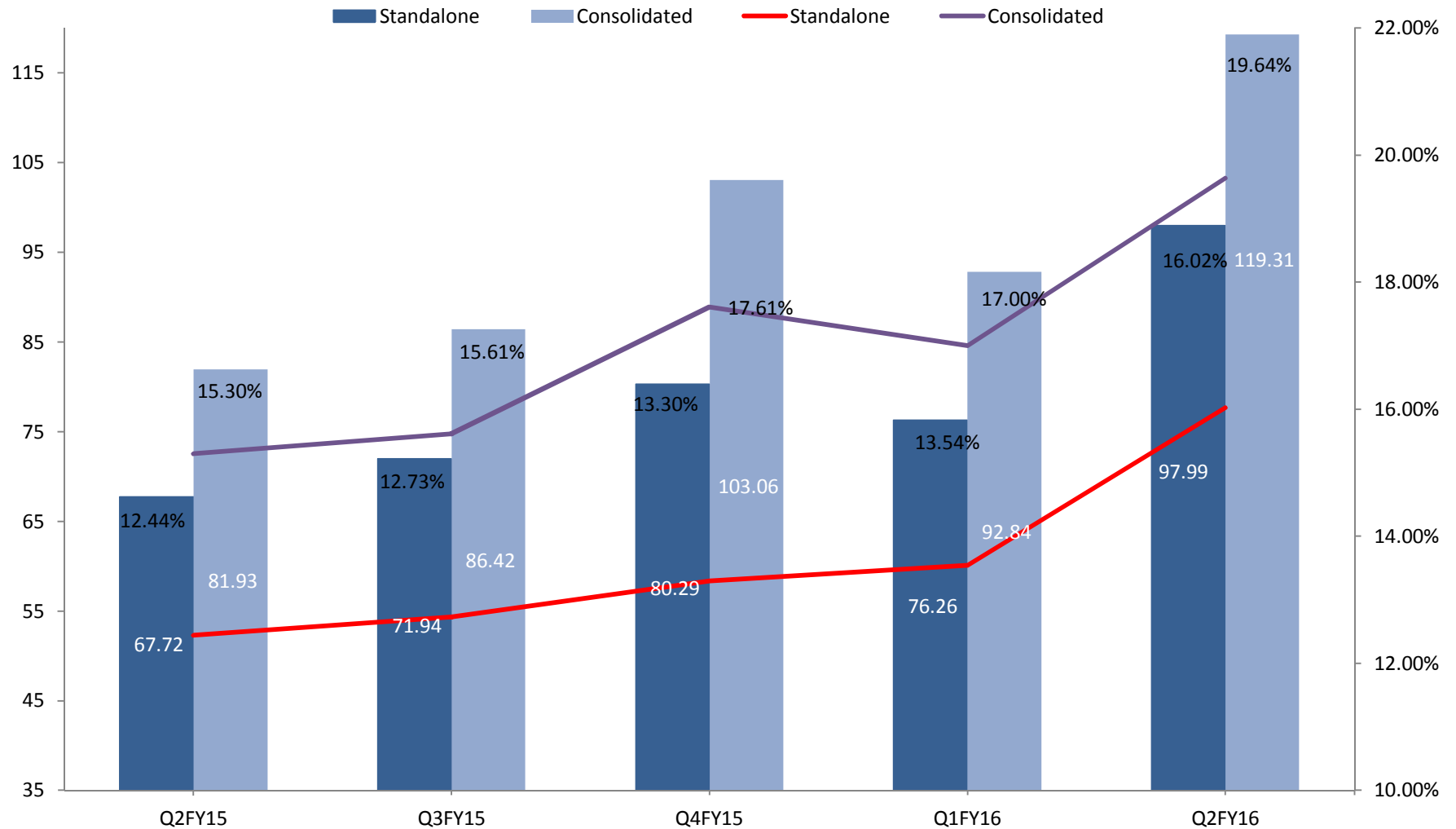


PAT Growth - Consolidated



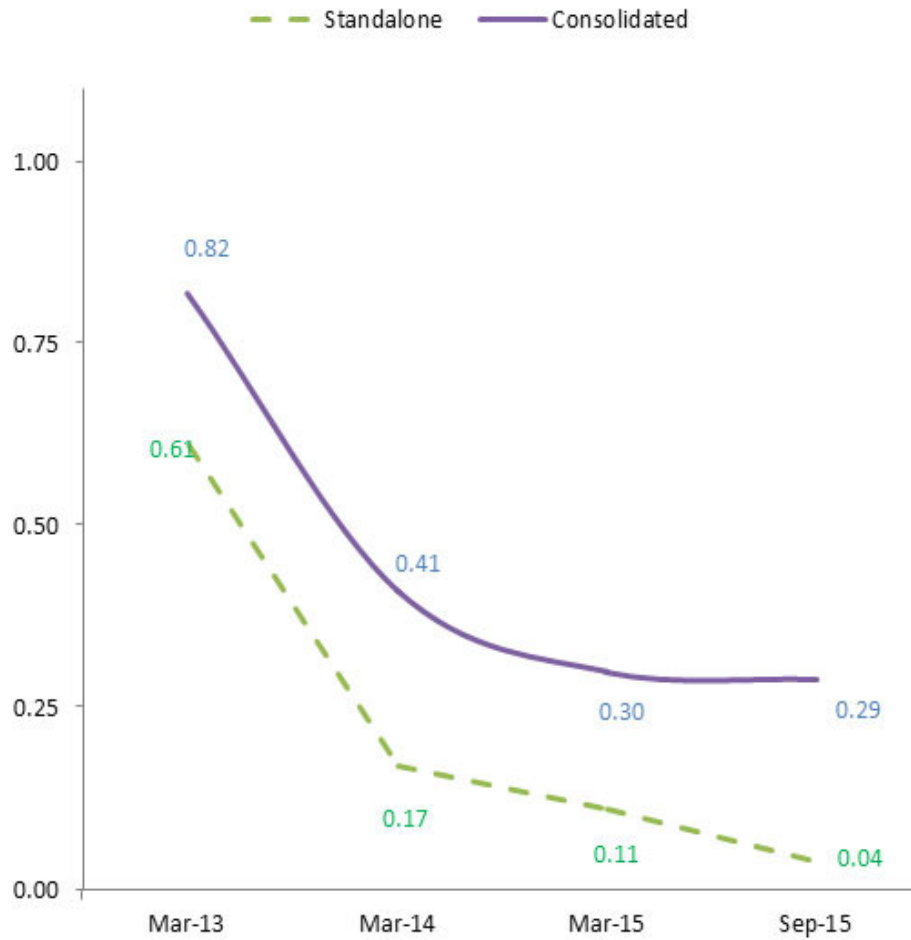
EBIDTA / EBIDTA Margin – quarterly progression

Rs./ Crores

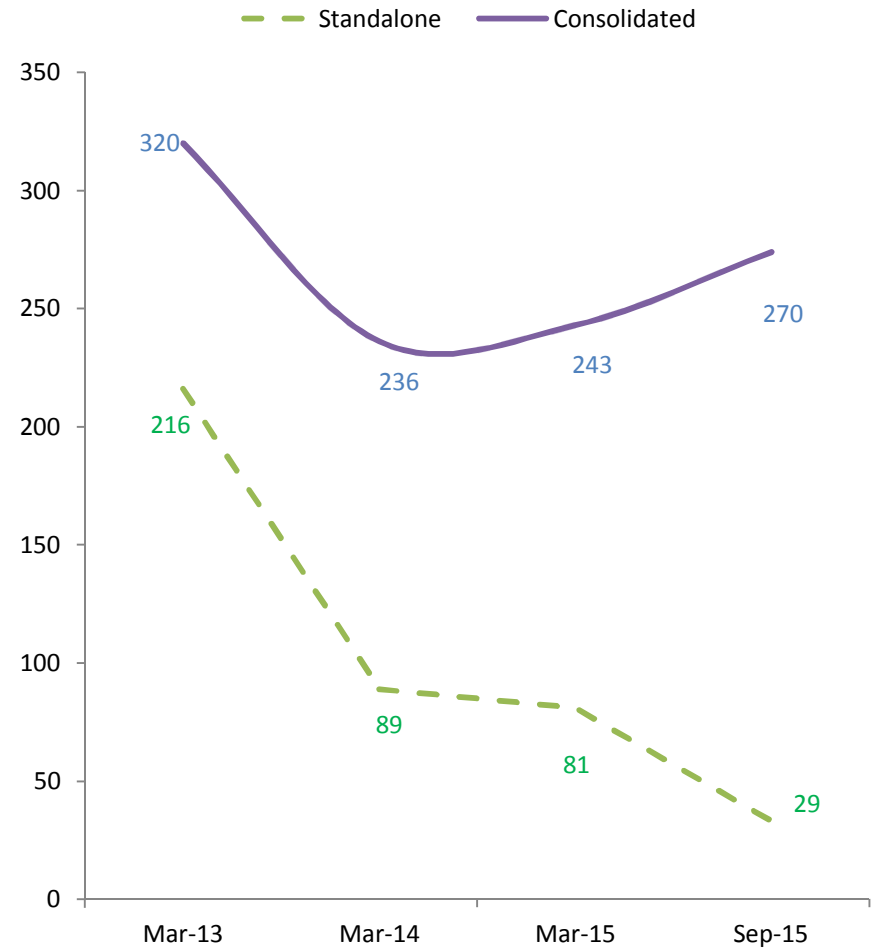


Note: Other Income has not been considered while calculating EBIDTA Margin.

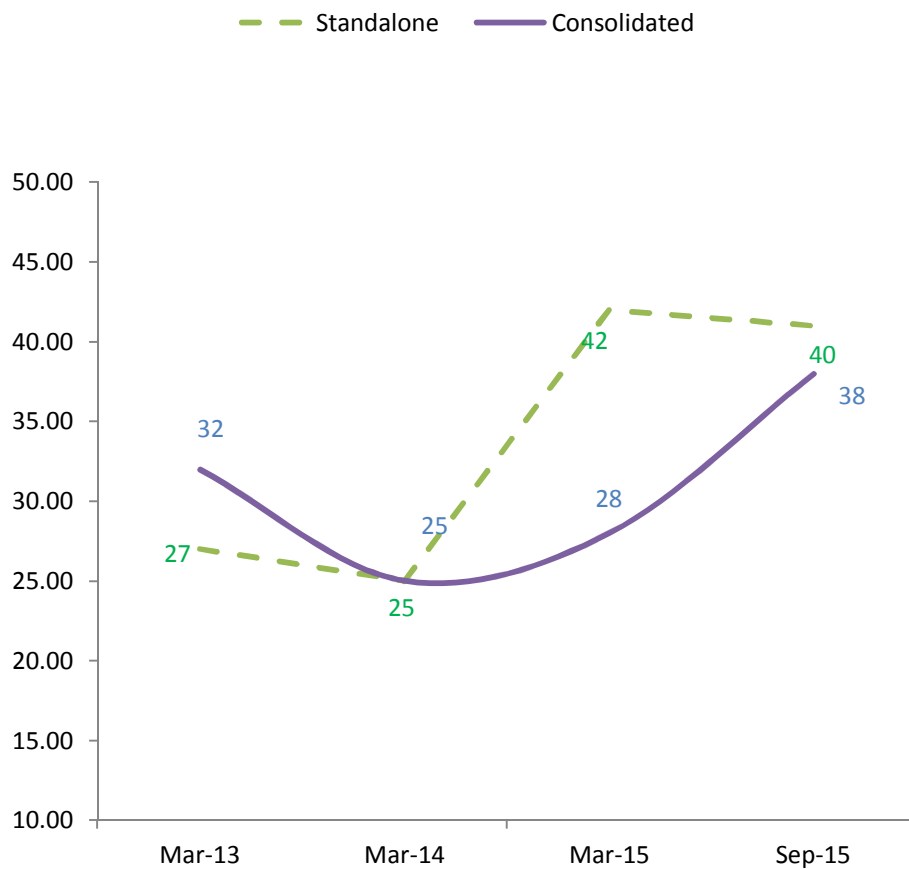
Debt Equity (X)



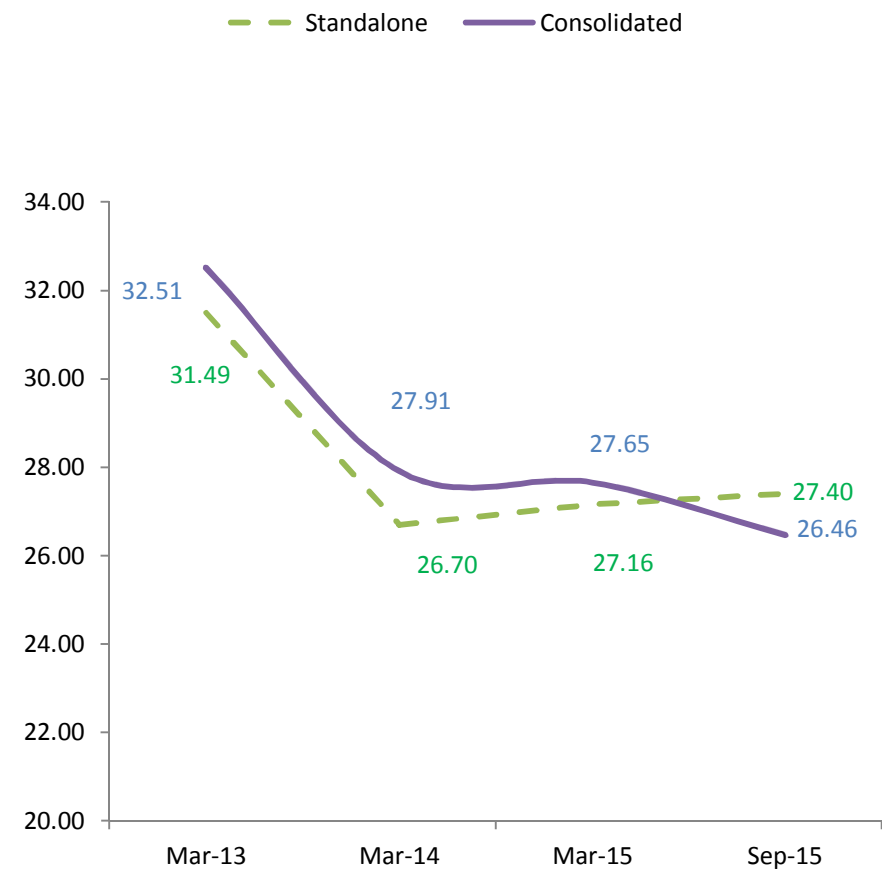
Debt (Rs. Crore)



Working Capital Cycle (days)



Return on Equity (Avg.)



Capex creditors not considered in working capital cycle.

* ROE as on 30th Sep. 15 taken at average of net worth as on 31st Mar. 15 & 30st Sep. 15 and H1FY16 PAT.

Ongoing Expansion (Standalone)



A. Greenfield Project (Rajasthan)

The 6.50 MSM Greenfield facility of polished vitrified tiles is progressing well, we expect the plant to commence operation in Q416, as scheduled.

B. Brownfield Project (Rajasthan)

The 3 MSM ceramic floor tile facility at its existing location in Gailpur has commenced full production in September 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 in March 2012. Soriso has operated at full capacity in Q2FY16.

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 commenced in March 2012. Jaxx has acquired another plant with a 2.60 MSM annual capacity of polished vitrified tile in April 2013 in Morbi making the total capacity of Jaxx to 5.70 MSM per annum which has operated at optimum capacity in Q2FY16.

The brownfield expansion of 4.50 MSM polished vitrified tile plant has operated at 77% capacity in Q2FY16 as against 57% in Q116. We expect capacity utilisation of this plant to improve further in Q3 FY16.

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 operated at Full capacity in Q1FY16.

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 operated at full capacity in Q1FY16. The commercial production in respect of brownfield expansion of 3.00 MSM polished vitrified tile capacity has commenced production on 29th Sep. 2014 which also operated at full capacity in Q2FY16.

E. TAURUS TILES

The Company has entered into another JV, Taurus Tiles Pvt. Ltd., which has put up 5 MSM polished vitrified tile capacity at Morbi (Gujarat). Kajaria owns 51% equity in Taurus. The commercial Production has commenced on 27 June 2015. The Plant has operated at 74% utilisation in Q2 FY16. We expect this plant to operate at full capacity in Q3 FY16.

F. FLOERA CERAMICS

The Company has acquired 51% stake in Floera Ceramics Pvt. Ltd, which is putting up a manufacturing facility of polished vitrified tiles with a capacity of 5.70 MSM p.a. in Andhra Pradesh. The land has already been acquired. We hope the plant to be commissioned by end of FY17.

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

a) Sanitaryware: Kajaria Sanitaryware (P) Ltd., in which KBL was holding 64% shares (82% Now), has started the production of sanitaryware on 6th April 2014. However, the production will achieve optimum level during the year. The company has sold sanitaryware worth Rs. 11 crore in Q2 FY16.

b) Faucet: The 1.00 million pieces faucet facility at Gailpur (Rajasthan) commenced commercial production on 17th July 2015. the product quality has come out well, the Company has sold faucet worth Rs. 5 crore in Q2 FY16.

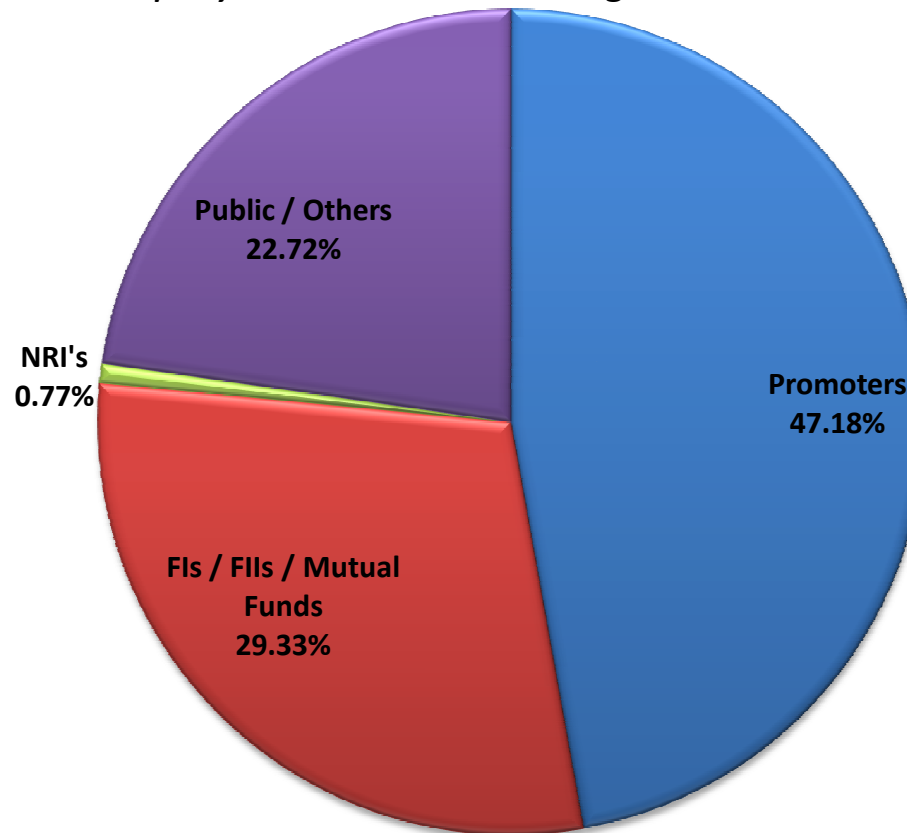
Financial highlights

(Rs in Crore)

	Q2FY16		Q2FY15		Growth		H1FY16		H1FY15		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Sales	651.90	677.34	581.95	589.24	12%	15%	1252.01	1286.93	1127.38	1140.70	11%	13%
Net Sales	611.84	607.45	544.38	535.54	12%	13%	1174.90	1153.48	1055.66	1035.91	11%	11%
EBIDTA	97.99	119.31	67.72	81.93	45%	46%	174.25	212.15	133.82	162.91	30%	30%
EBIDTA MARGIN	16.02%	19.64%	12.44%	15.30%			14.83%	18.39%	12.68%	15.73%		
Depreciation	11.34	17.80	10.27	13.54	10%	31%	22.45	34.27	20.13	26.21	12%	31%
Other Income	5.09	0.85	1.81	0.81	181%	5%	9.41	2.06	2.20	1.26	328%	63%
Interest	1.74	9.60	2.42	8.41	-28%	14%	4.01	16.96	4.81	15.97	-17%	6%
Exceptional Items												
Profit Before Tax	90.00	92.76	56.84	60.79	58%	53%	157.20	162.98	111.08	121.99	42%	34%
Tax	30.17	31.96	17.62	19.29	71%	66%	51.00	53.83	35.52	39.79	44%	35%
Minority Interest		2.05		1.75				4.18		3.87		
Cash Profit	71.17	76.55	49.49	53.29	44%	44%	128.65	139.24	95.69	104.54	34%	33%
Profit After Tax	59.83	58.75	39.22	39.75	53%	48%	106.20	104.97	75.56	78.33	41%	34%
Equity	15.89	15.89	15.12	15.12			15.89	15.89	15.12	15.12		
EPS (Basic) (Rs)	7.53	7.39	5.98	5.26	26%	40%	13.36	13.21	10.00	10.36	34%	28%

As on 30th September 2015

Equity Shares Outstanding – 79.47 millions



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India. It has an annual capacity of 62.10 mn. sq. meters presently, distributed across eight plants - one in Sikandrabad (UP), one in Gailpur (Raj.), five in Morbi (Guj.) and one in Vijaywada (AP).

Adjudged as the “Best Managed Company” in the small-cap category for the year 2014 by Asia Money, a financial Institutional Investor Group.

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

Mr. Sanjeev Agarwal

CFO

+91 11 26946409 (Board), +91 11 26972936 (Direct)

Email: sanjeev@kajariaceramics.com