



KAJARIA CERAMICS LIMITED

Investor Update – Q1 FY17

Aug 3, 2016

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance - Q1 FY17
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

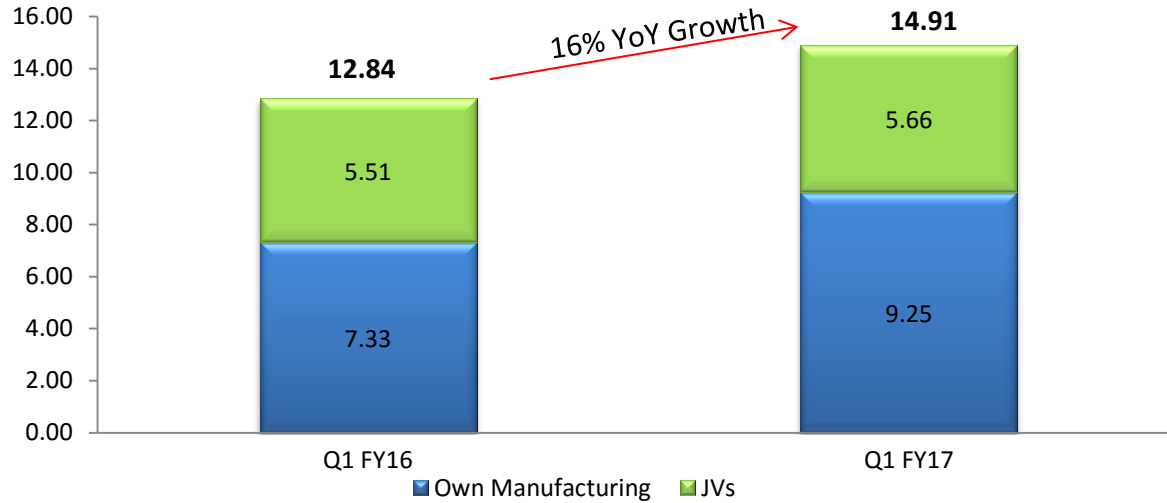
Kajaria continued to strengthen its competitive advantage in the Indian tile sector with satisfying results. The Company has been sustaining business growth in every quarter over the corresponding previous period.

In Q1/2016-17, Revenue grew by 8% over the corresponding period in the previous year while EBITDA and net profit increased by 38% and 36% respectively over the same period.

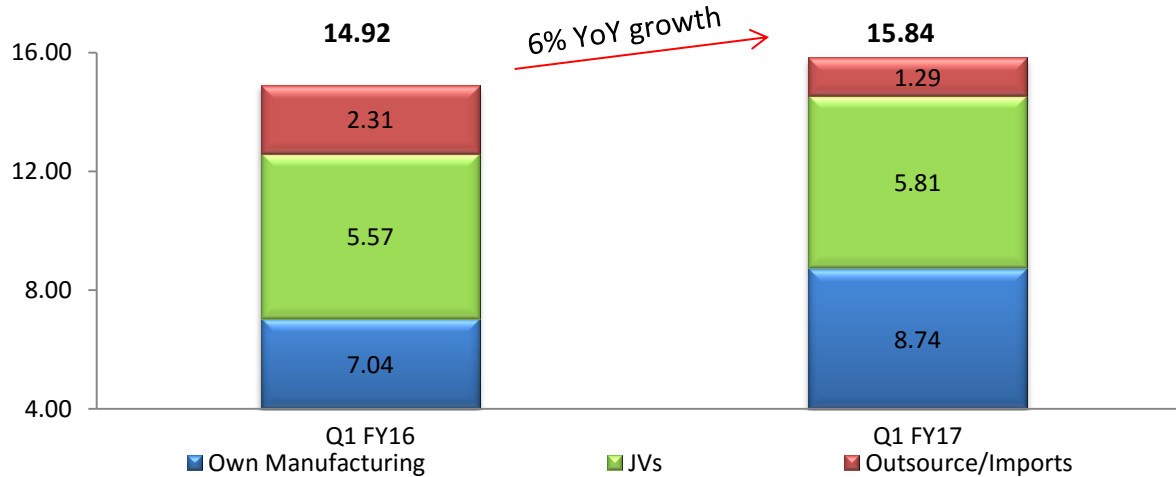
The Company is working towards securing the shelf and mind space of the aspiring Indian with a special focus on strengthening its presence in Tier II and III cities and towns.

Going ahead, the prospects appear promising for important reasons – normal rainfall, improved prospects of the manufacturing sector and implementation of the 7th Pay Commission announcement. Also, the passing of GST appears to emerge as a reality in the near future. This is expected to benefit the industry as a whole, more so the organized players.

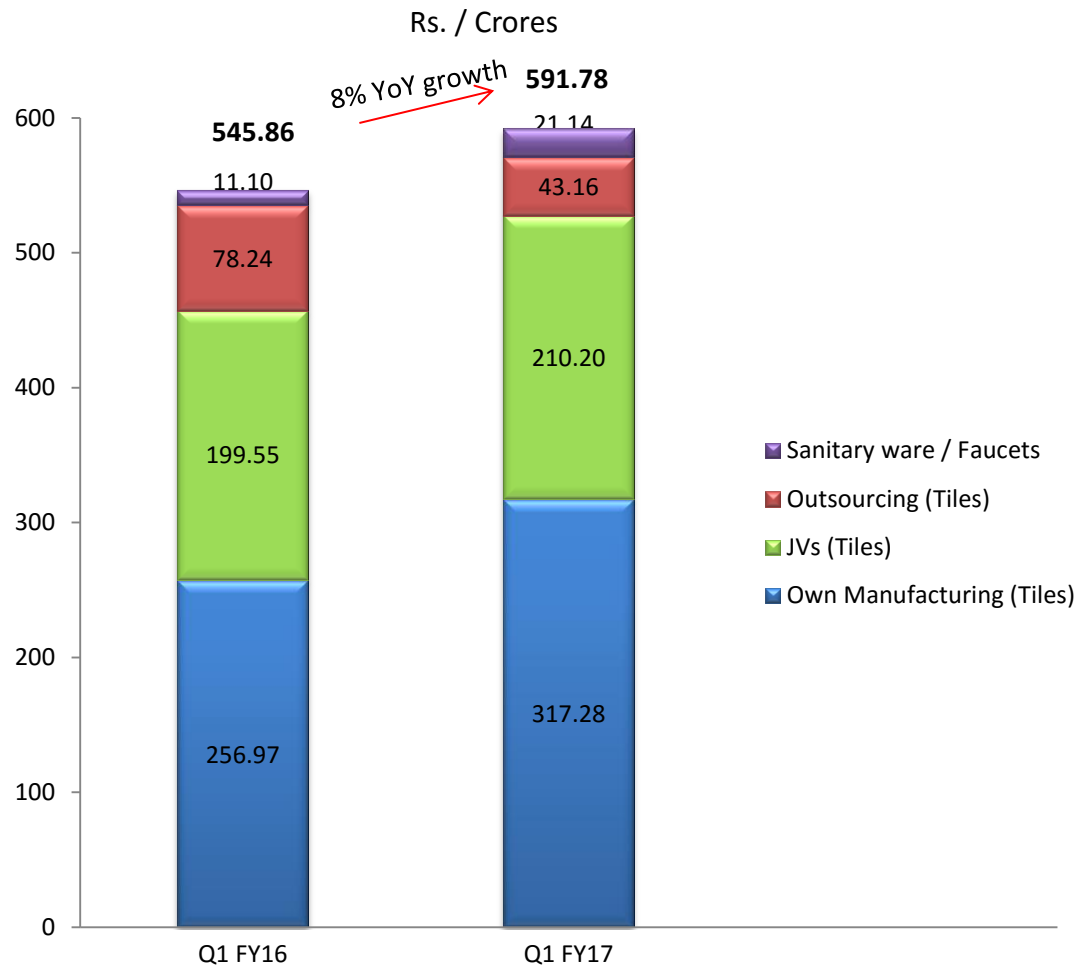
Production Growth (MSM) - Q1 FY17



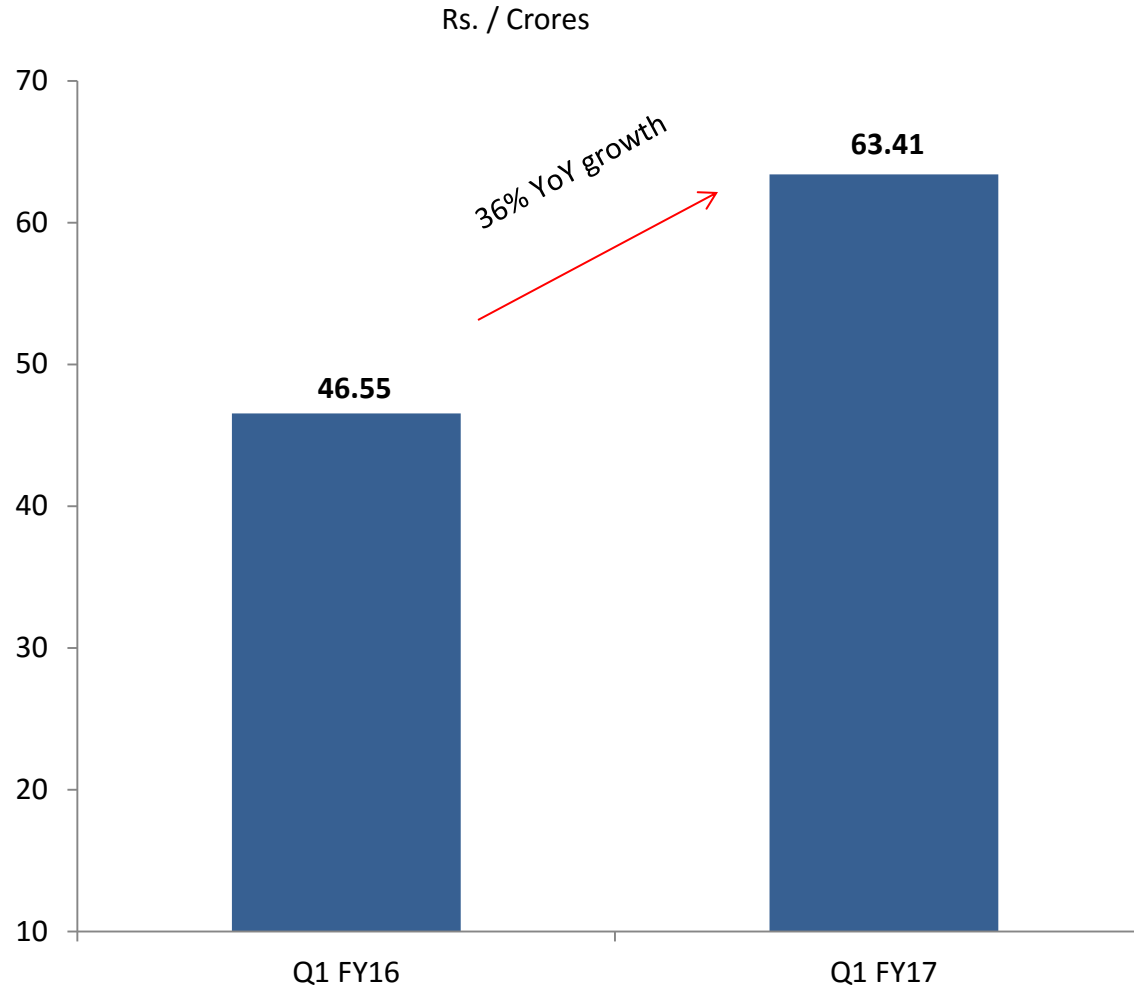
Sales Growth (MSM) – Q1 FY17



Revenue Growth - Consolidated



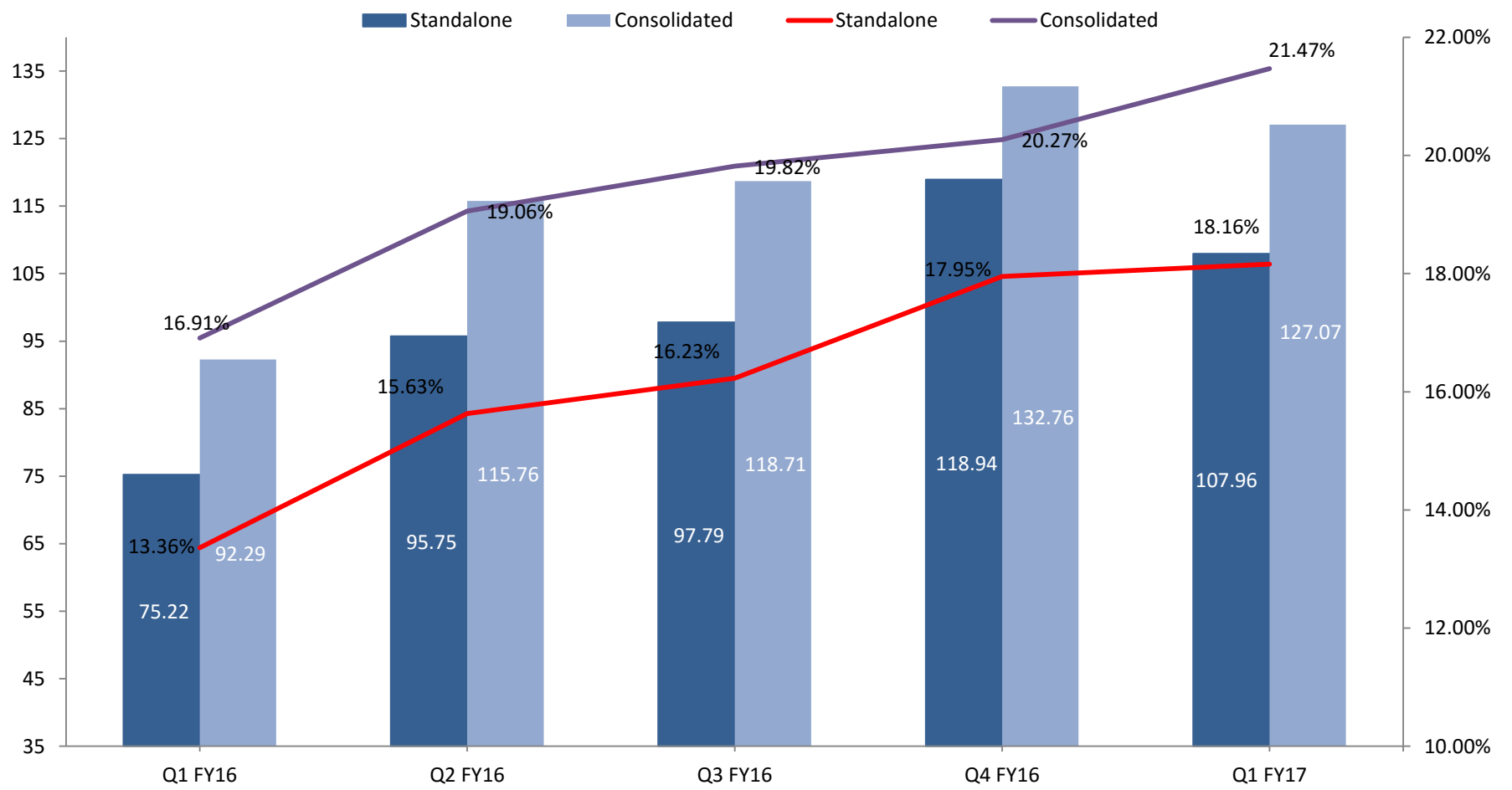
PAT Growth - Consolidated



EBITDA / EBITDA Margin* – quarterly progression

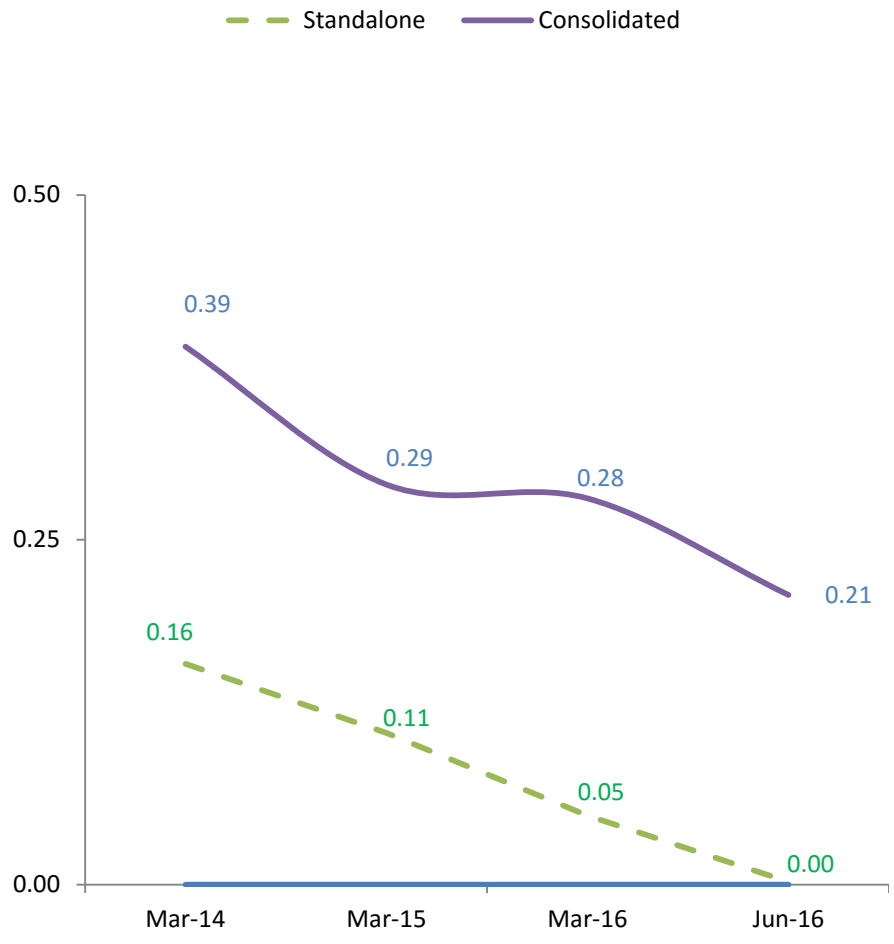


Rs./ Crores



* Recomputed as per IND - AS

Debt Equity (X)



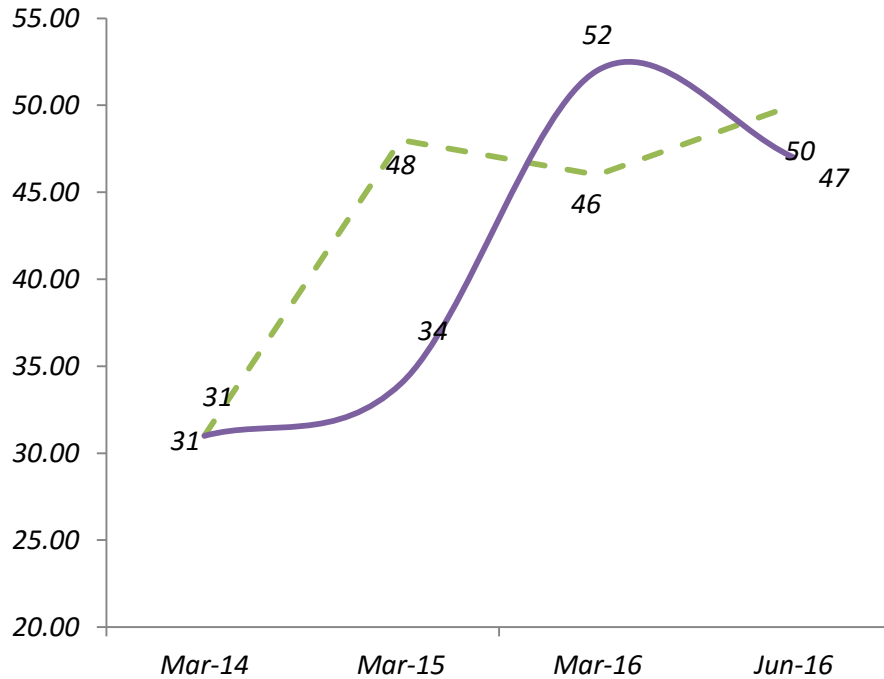
*Recomputed as per IND - AS

Debt (Rs. Crore)



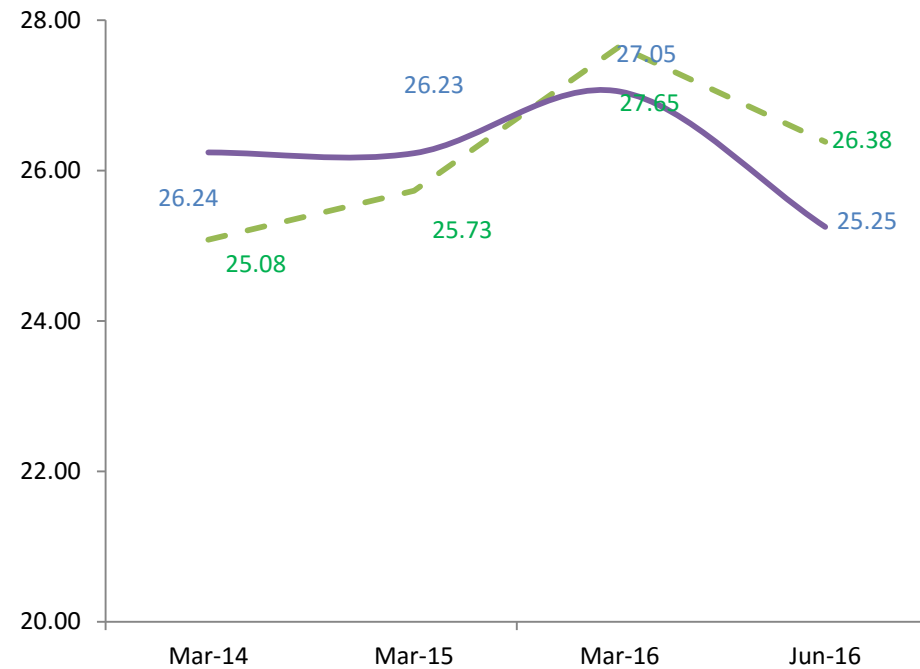
Working Capital Cycle (days)

--- Standalone — Consolidated



Return on Equity (Avg.) *

--- Standalone — Consolidated



*Recomputed as per IND - AS

Working capital excludes capex creditors and includes cash & bank balance. Working capital cycle showing higher no. of days mainly due to excluding dividend as current liability as per IND - AS.

ROE as on 30th Jun 16 taken at average of net worth as on 31st Mar. 16 & 30th Jun 16 and Q1 FY17 PAT.

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 51% in Q1 FY17 due to capacity realignment. Expect Soriso to operate at full capacity, going forward.

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. Further expansion of 4.50 MSM polished vitrified tile has increased Jaxx capacity to 10.20 MSM. Jaxx has operated at 93% in Q1 FY17.

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 Q1 FY17.

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 and further increased to 5.70 MSM in Sep. 2014. Cosa has operated at 82% capacity in Q1 FY17 due to maintenance shutdown in Q1 FY17. We expect Cosa to operate at full capacity going forward.

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 65% capacity in Q1 FY17 due to maintenance shutdown in Q1 FY17. We expect Taurus to operate at full capacity going forward

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. The plant will be commissioned in FY 17-18.

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 in April 2014.

b) Faucet: The 1.00 million pieces faucet facility at Gailpur (Rajasthan) commenced commercial production in July 2015. The product quality has come out well.

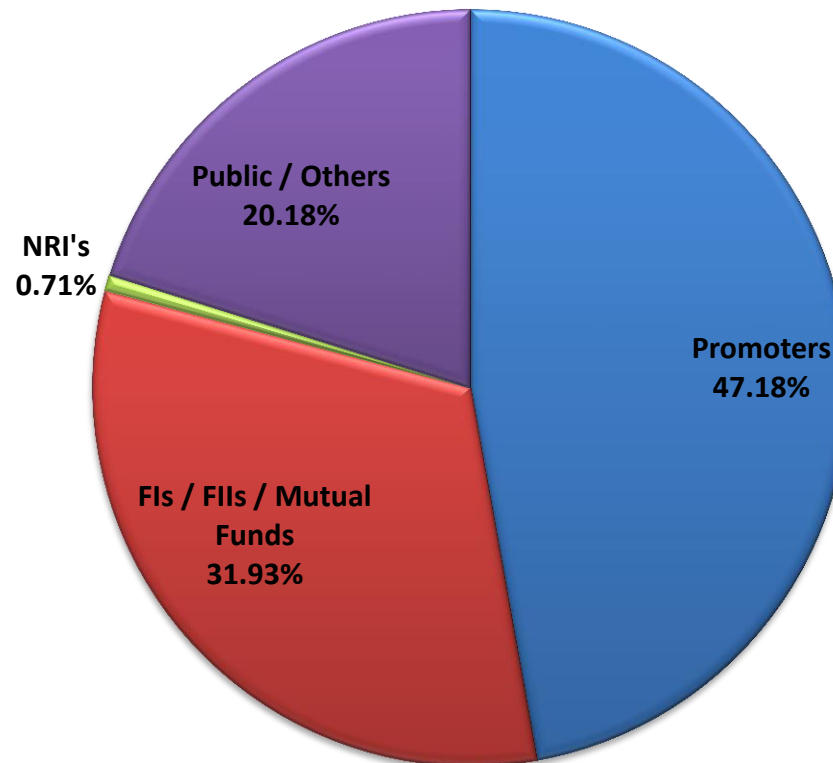
Financial highlights

(Rs / Crore)

	Q1 FY17		Q1 FY16		Growth		FY16	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Sales	639.83	665.96	599.94	609.42	7%	9%	2607.01	2695.32
Net Sales	594.53	591.78	562.89	545.86	6%	8%	2440.60	2408.19
EBIDTA	107.96	127.07	75.22	92.29	44%	38%	387.69	459.54
EBIDTA MARGIN	18.16%	21.47%	13.36%	16.91%			15.89%	19.08%
Depreciation	12.93	19.92	11.11	16.47	16%	21%	47.20	72.62
Other Income	5.18	1.72	5.69	1.35	-9%	27%	25.23	9.48
Interest	1.40	9.24	2.27	6.62	-38%	40%	9.32	35.23
Exceptional Items							1.51	
Profit Before Tax	98.81	99.63	67.53	70.55	46%	41%	354.89	361.17
Tax	33.37	35.05	20.83	21.87	60%	60%	117.17	124.37
Minority Interest		1.17		2.13				4.78
Cash Profit	78.37	83.33	57.81	63.02	36%	32%	284.92	304.64
Profit After Tax	65.44	63.41	46.70	46.55	40%	36%	237.72	232.02
Equity	15.89	15.89	15.89	15.89			15.89	15.89
EPS (Basic) (Rs)	8.23	7.98	5.88	5.86	40%	36%	29.91	29.20

As on 30th Jun 2016

Equity Shares Outstanding – 79.47 millions



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 14th largest in the world. It has an annual capacity of 68.60 mn. sq. meters presently, distributed across nine plants - one in Sikandrabad (UP), one in Gailpur (Rajasthan), One in Malutana (Rajasthan), five in Morbi (Gujarat) 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.

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