



# KAJARIA CERAMICS LIMITED

Investor Update – Q2 FY 17 / H1 FY17

Oct 20, 2016

**Kajaria**  
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance - Q2 FY 17 / H1 FY17
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

Kajaria has made its mark in the global business village.

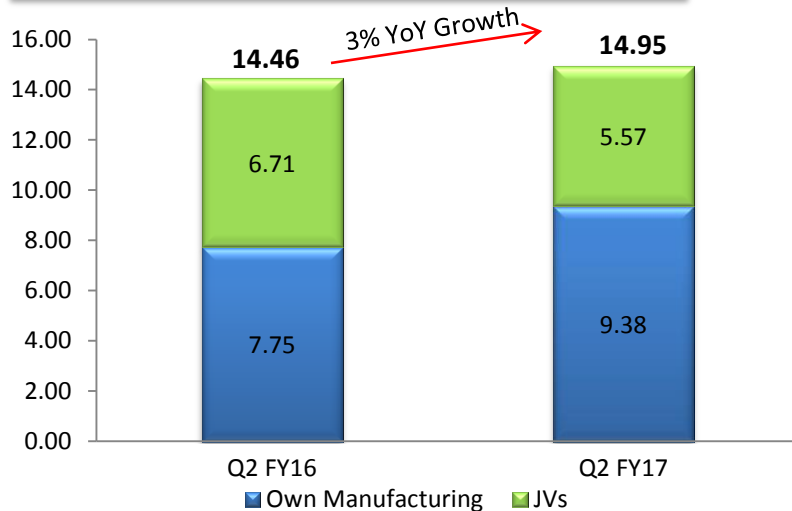
Your Company was the only Indian company to feature among the Top-10 global tile manufacturing companies\* – truly living upto the Government's 'Make in India' call – an initiative devised to transform India into a global design and manufacturing hub.

Against this satisfying achievement, the Company's financial performance ,during the quarter under review remained below the historical average. Revenue grew by 3% over the corresponding period in the previous fiscal while EBIDTA and Net Profit for the quarter grew by 7% and 8% respectively over the same period.

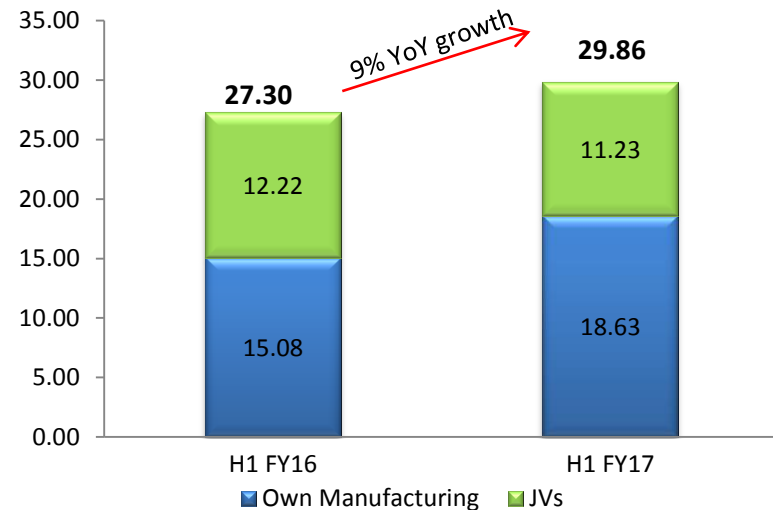
Going ahead, the business landscape appears promising because of passing of GST Bill. OROP; Normal monsoon; a 25 bps cut in interest rates by the RBI are expected to increase disposable income in the hands of the average Indian leading to increased discretionary spending.

\*Source: Ceramic World Review

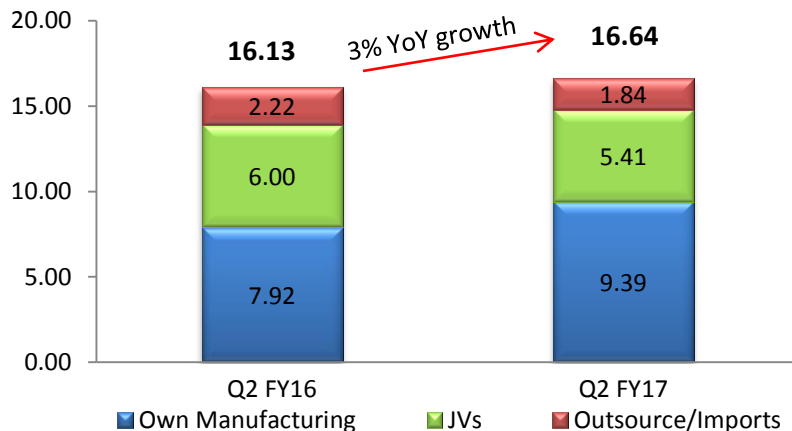
### Production Growth (MSM) - Q2 FY17



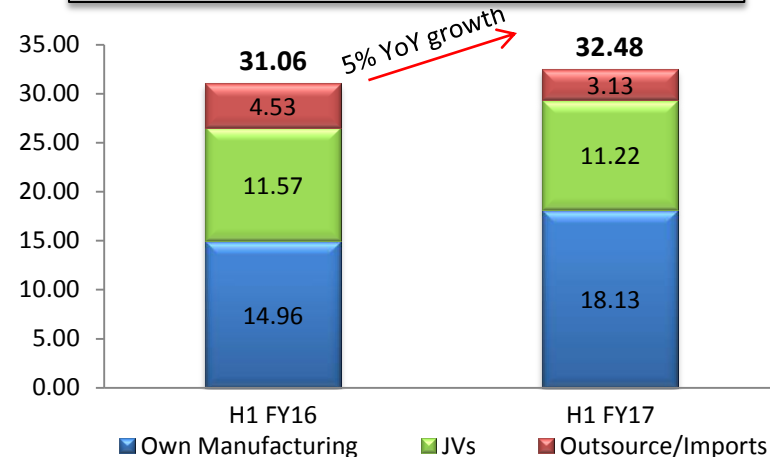
### Production Growth (MSM) - H1 FY17



### Sales Growth (MSM) - Q2 FY17

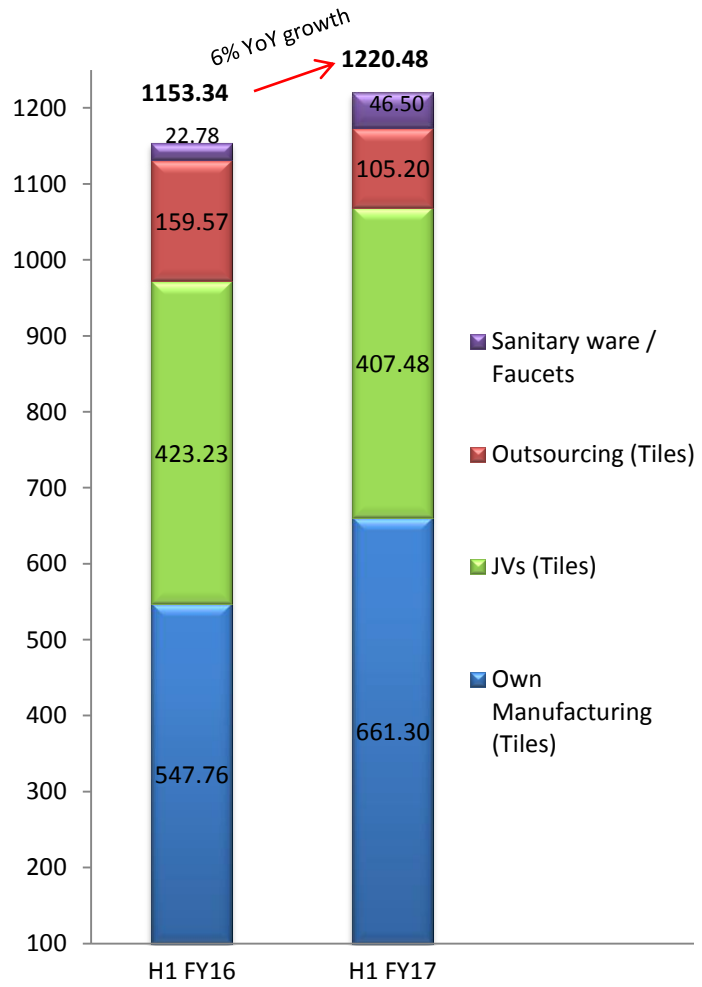
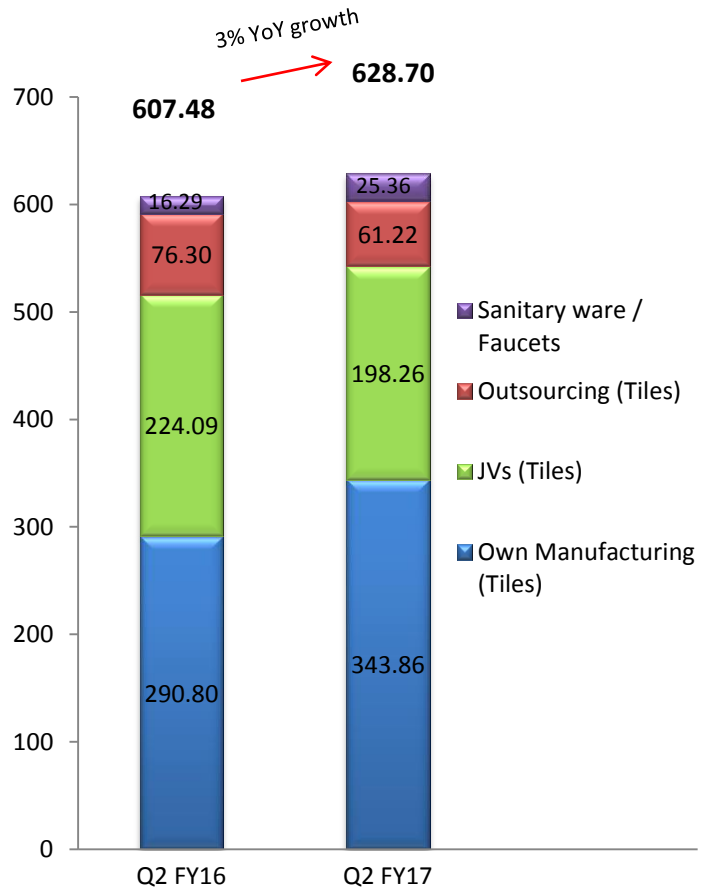


### Sales Growth (MSM) - H1 FY17



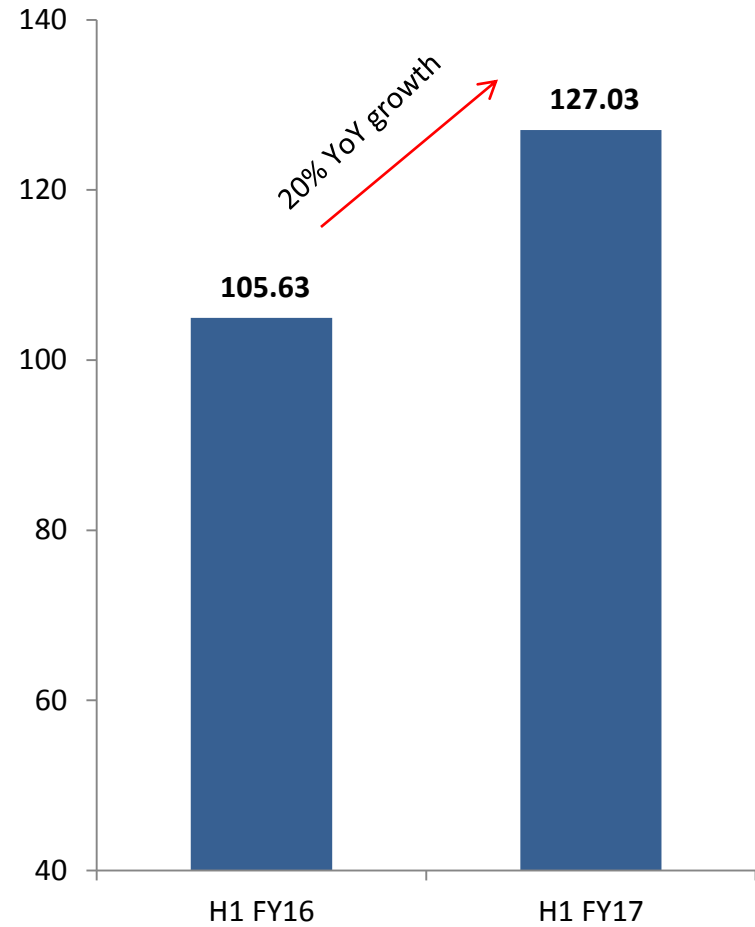
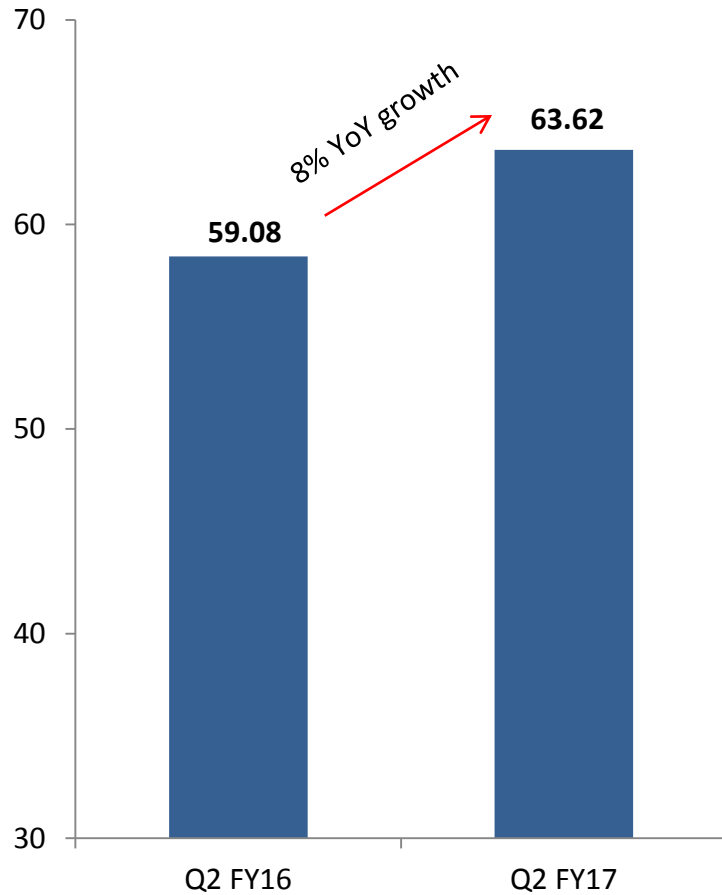
## Revenue Growth - Consolidated

Rs. / Crores

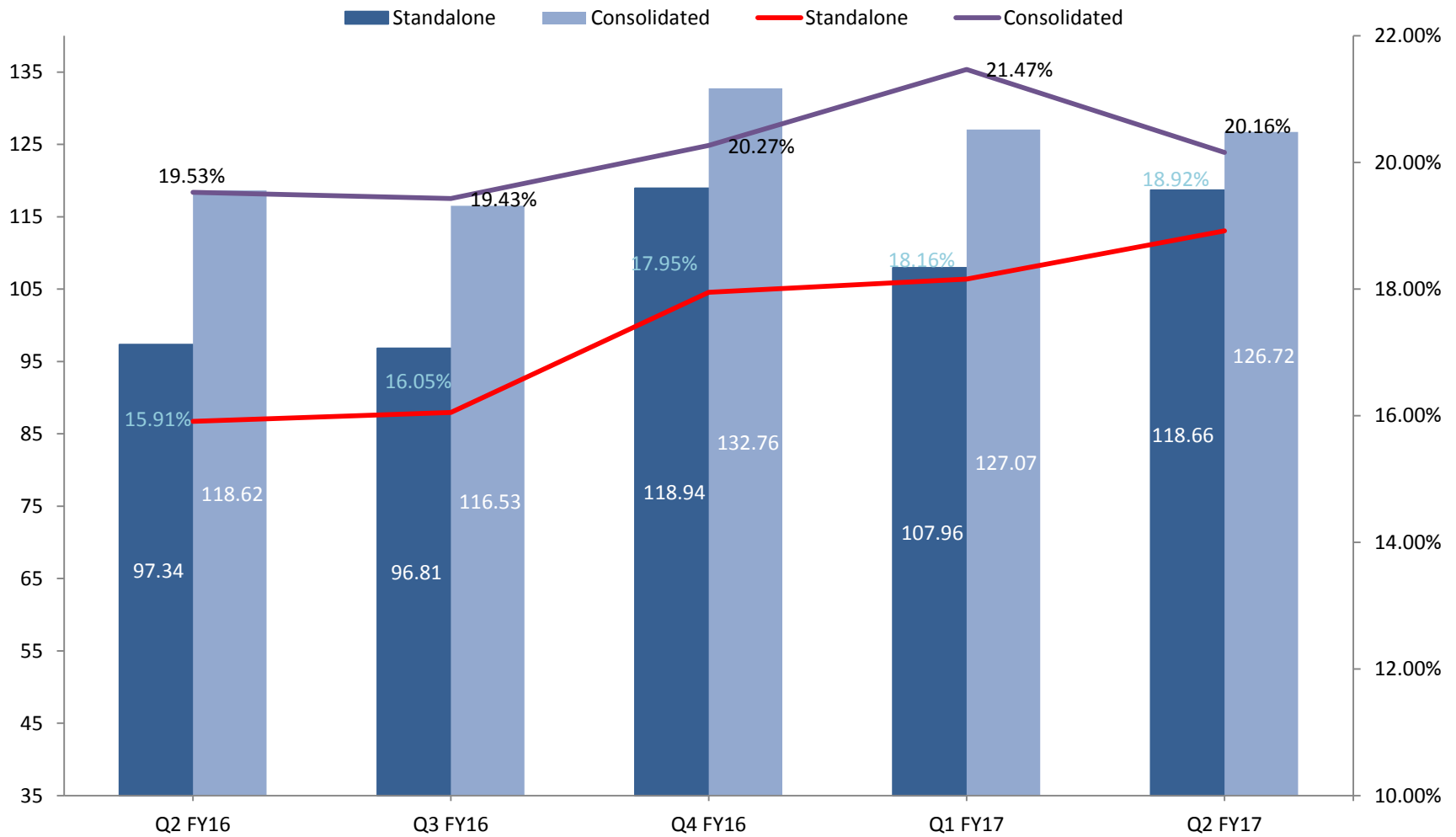


## PAT Growth - Consolidated

Rs. / Crores



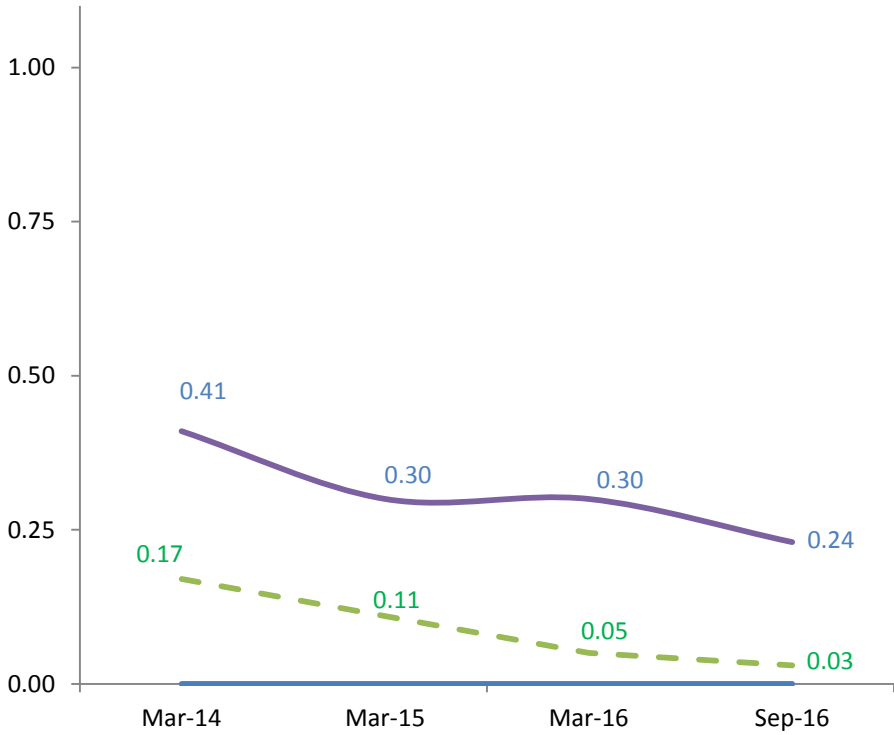
Rs./ Crores



\* Recomputed as per IND - AS

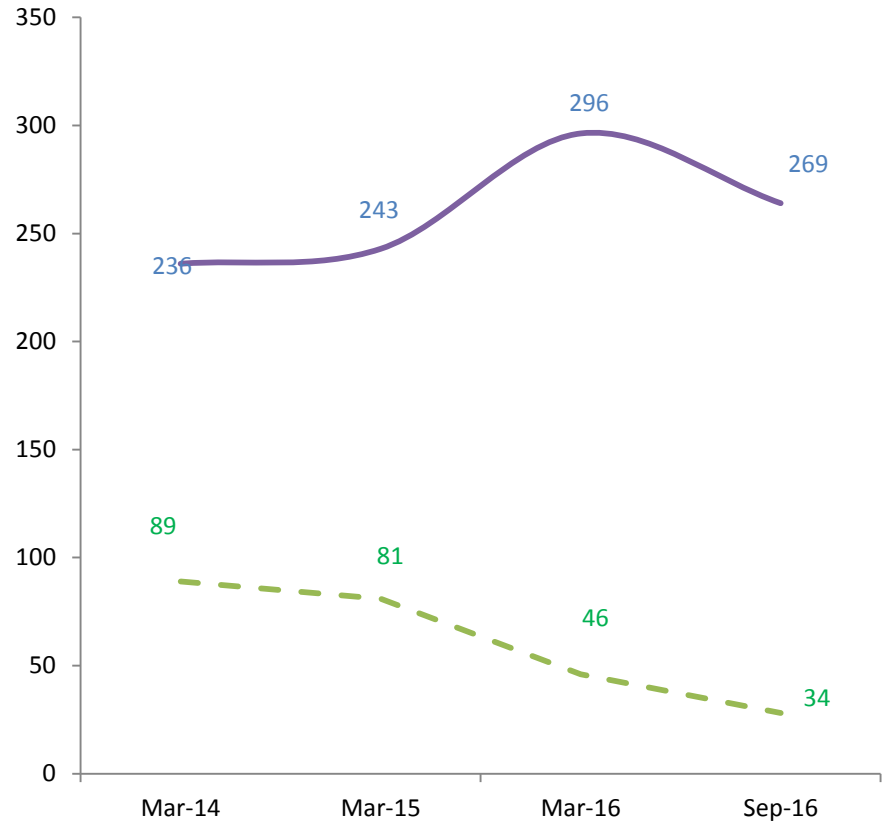
### Debt Equity (X)

Standalone Consolidated



### Debt (Rs. Crore)

Standalone Consolidated

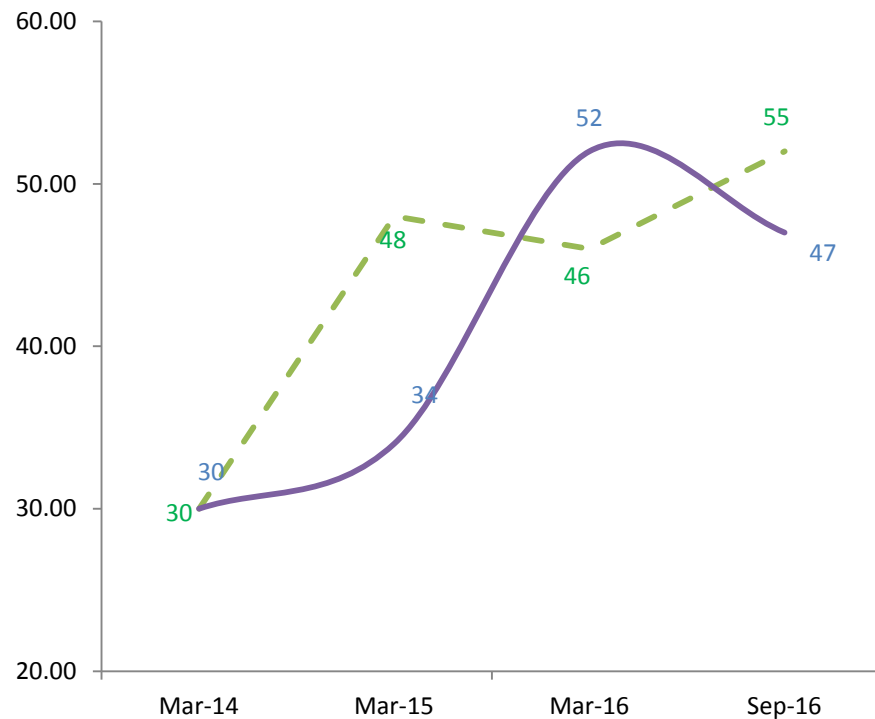


\*Recomputed as per IND - AS



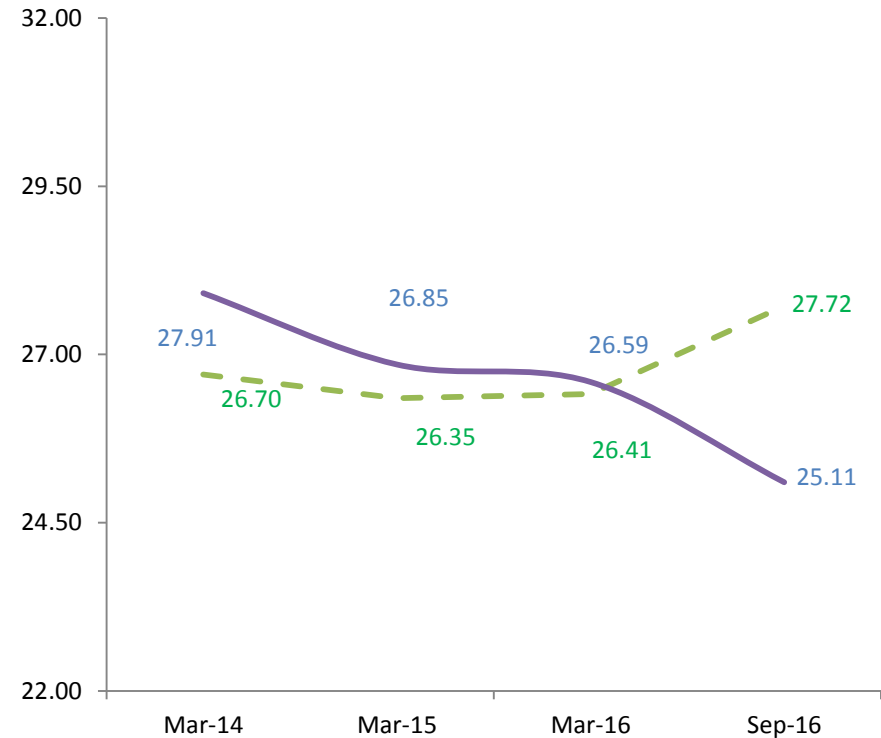
## Working Capital Cycle (days) #

— Standalone — Consolidated



## Return on Equity (Avg.) \*

— Standalone — Consolidated



\*Recomputed as per IND - AS

# Working capital excludes capex creditors and includes cash & bank balance. .

## ROE as on 30<sup>th</sup> Sep. 16 taken at average of net worth as on 31<sup>st</sup> Mar. 16 & 30<sup>th</sup> Sep 16 and Q2 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 77% in Q2 FY17.

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 79% in Q2 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 1<sup>st</sup> July, 2012. Vennar operated at full capacity in Q2 FY17.

D. COSA CERAMICS

Acquired 51% stake in Cosa Ceramics Pvt. Ltd., based in Morbi, Gujarat – on 16<sup>th</sup> 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 91% capacity in Q2 FY17.

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 60% capacity in Q2 FY17. We expect utilisation to improve 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.

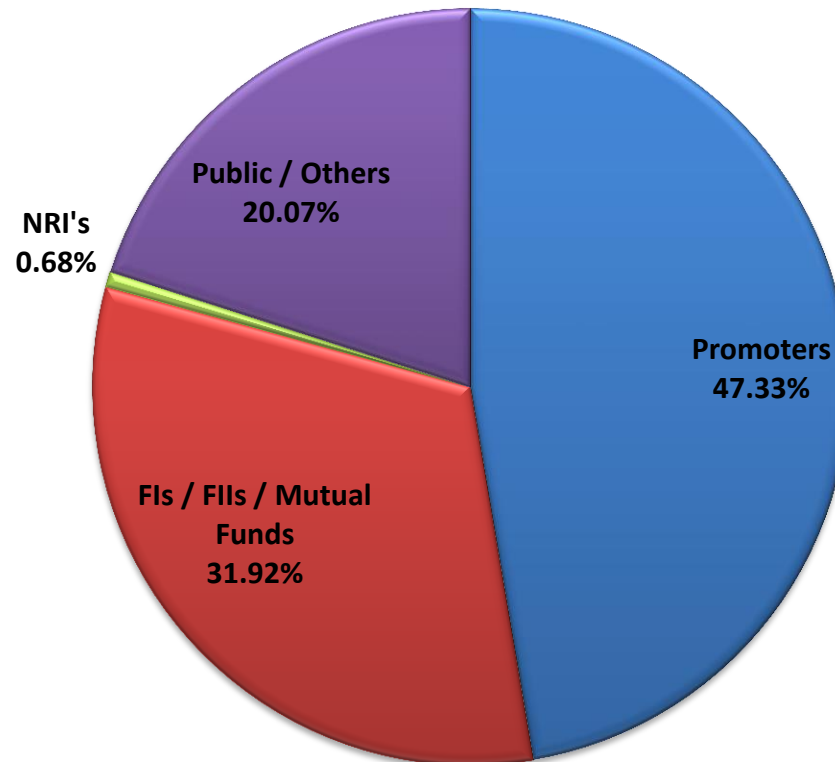
## Financial highlights

(Rs / Crore)

	Q2FY17		Q2FY16		Growth		H1FY17		H1FY16		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross Sales	675.57	705.46	651.93	677.37	4%	4%	1315.40	1371.42	1251.87	1286.79	5%	7%
Net Sales	627.05	628.70	611.87	607.48	2%	3%	1221.58	1220.48	1174.76	1153.34	4%	6%
EBIDTA	118.66	126.72	97.34	118.62	22%	7%	226.62	253.79	172.56	210.91	31%	20%
EBIDTA MARGIN	18.92%	20.16%	15.91%	19.53%			18.55%	20.79%	14.69%	18.29%		
Depreciation	13.24	20.36	11.33	17.80	17%	14%	26.17	40.28	22.44	34.27	17%	18%
Other Income	5.81	2.10	6.05	1.89	-4%	11%	10.99	3.82	11.74	3.24	-6%	18%
Interest	0.04	7.88	1.73	9.62	-98%	-18%	1.44	17.12	4.00	16.24	-64%	5%
Exceptional Items												
Profit Before Tax	111.19	100.58	90.33	93.09	23%	8%	210.00	200.21	157.86	163.64	33%	22%
Tax	37.37	38.48	30.17	31.96	24%	20%	70.74	73.53	51.00	53.83	39%	37%
Minority Interest		-1.52		2.05				-0.35		4.18		
Cash Profit	87.06	83.98	71.49	76.88	22%	9%	165.43	167.31	129.30	139.90	28%	20%
Profit After Tax	73.82	63.62	60.16	59.08	23%	8%	139.26	127.03	106.86	105.63	30%	20%
Equity	15.89	15.89	15.89	15.89			15.89	15.89	15.89	15.89		
EPS (Basic) (Rs)	9.29	8.01	7.57	7.43	23%	8%	17.52	15.98	13.45	13.29	30%	20%

As on 30<sup>th</sup> Sep 2016

Equity Shares Outstanding – 79.47 millions



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 9<sup>th</sup> 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.

**For further information, please visit [www.kajariaceramics.com](http://www.kajariaceramics.com) or contact:**

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