



KAJARIA CERAMICS LIMITED

Investor Update – Q3 FY18 / 9M FY18

Jan 31, 2018

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance – Q3 FY18 / 9M FY18
- Balance sheet perspective
- Joint Venture / Subsidiaries Income
- Statement
- Shareholding Pattern

From 15th November, the Government reduced the GST rate on tiles from 28% to 18% which was much needed and a step in right direction. The retail customer, was uncomfortable in paying 28% GST as compared to 12-14% VAT he was paying earlier.

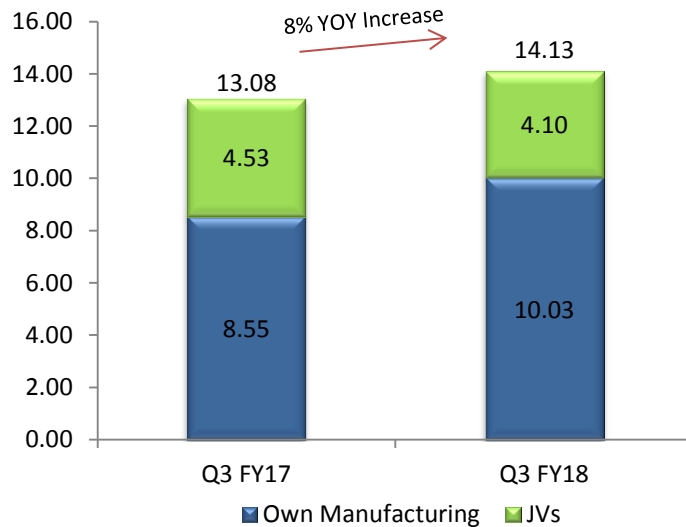
This, would not only help in the growth of the industry but also move customer and dealers towards branded tiles due to the marginalized price differential with unbranded variants - thereby increasing the proportion of the organized segment within the overall industry pie.

Aligning with the Government's mindset, we passed on the benefit of this duty reduction to our customers which should help in enlarging the offtake of tiles in the country.

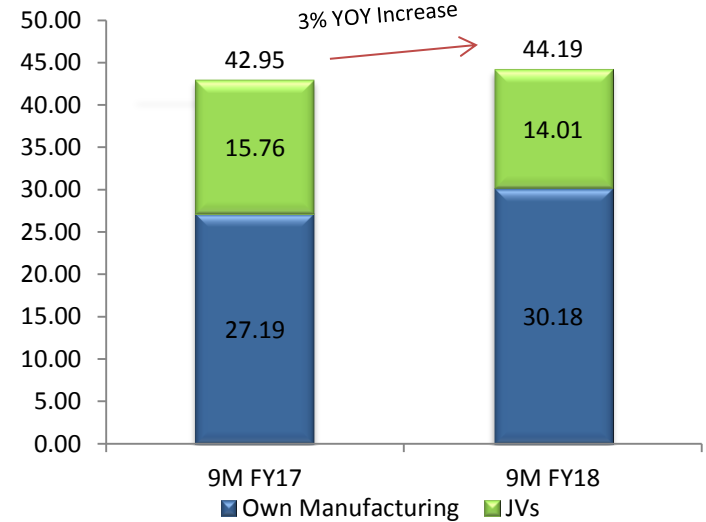
Revenue increased by about 9% in Q3/2017-18 over the corresponding period of the previous year, largely mirroring the growth in sales volumes (10%) over the same period. However the Net Profit declined marginally by 1% in Q3/2017-18 over the corresponding period of the previous year primarily due to an uptick in gas prices and manufacturing capacities operating at sub optimum level.

Going forward, we sense a positive sentiment should emerge in the housing sector after a prolonged lackadaisical environment – which would also augur well for tiles offtake..

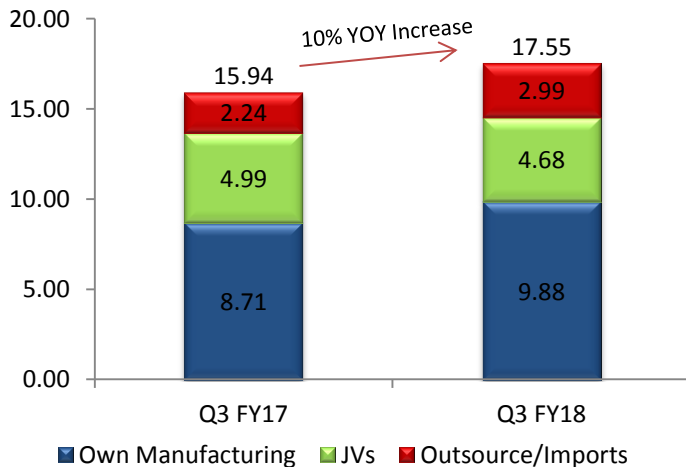
Production Growth (MSM) - Q3 FY18



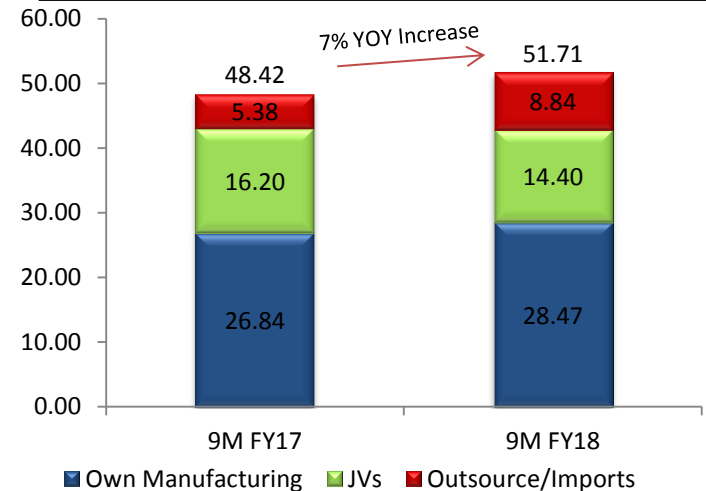
Production Growth (MSM) - 9M FY18



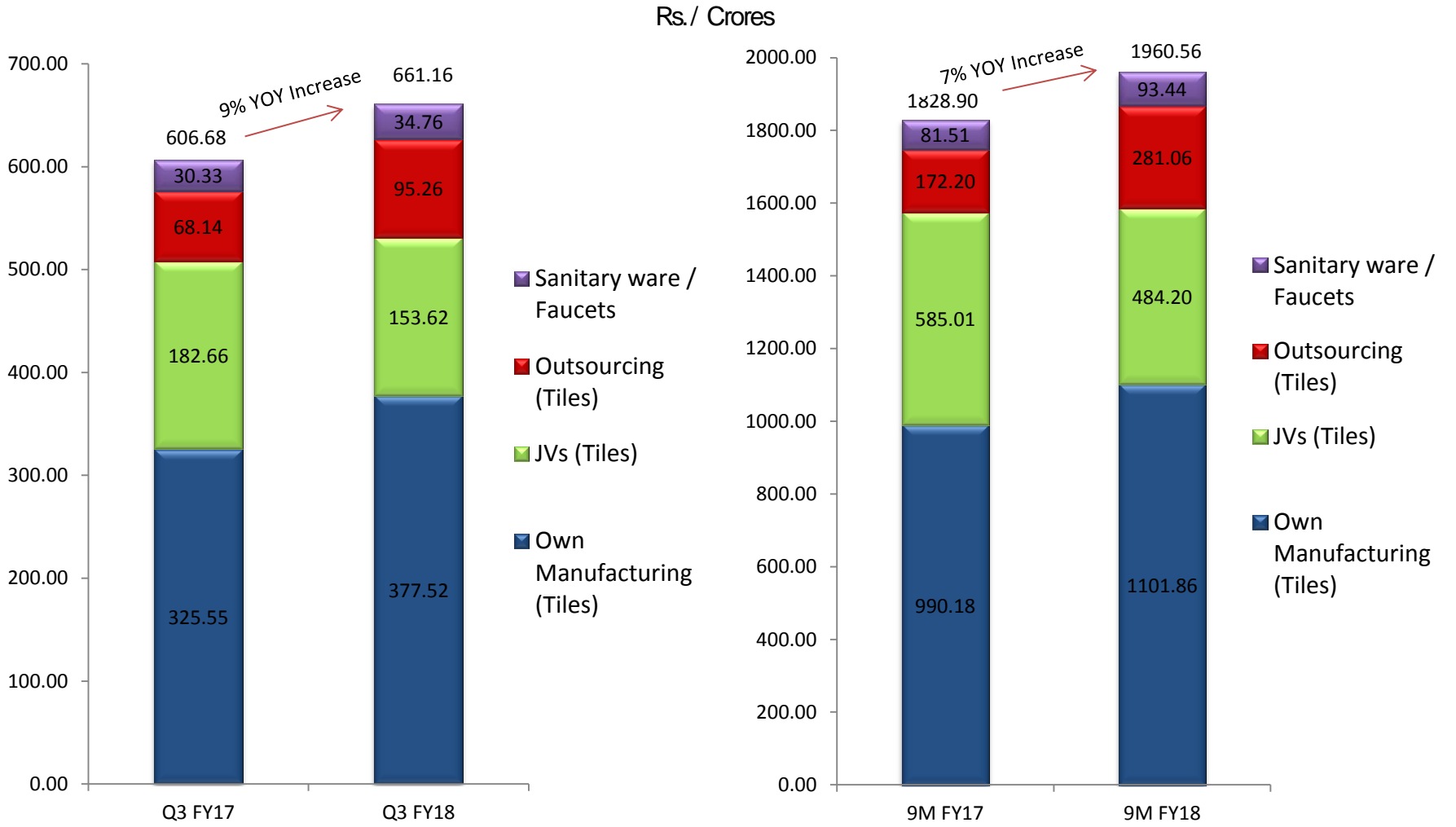
Sales Growth (MSM) - Q3 FY18



Sales Growth (MSM) - 9M FY18

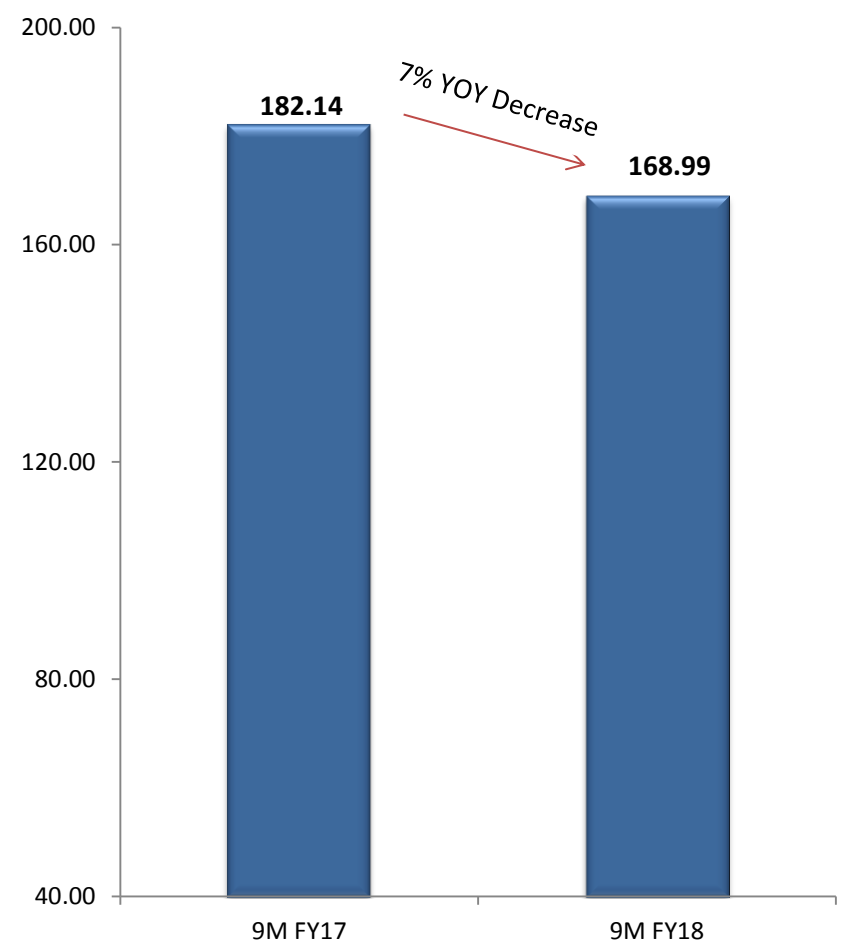
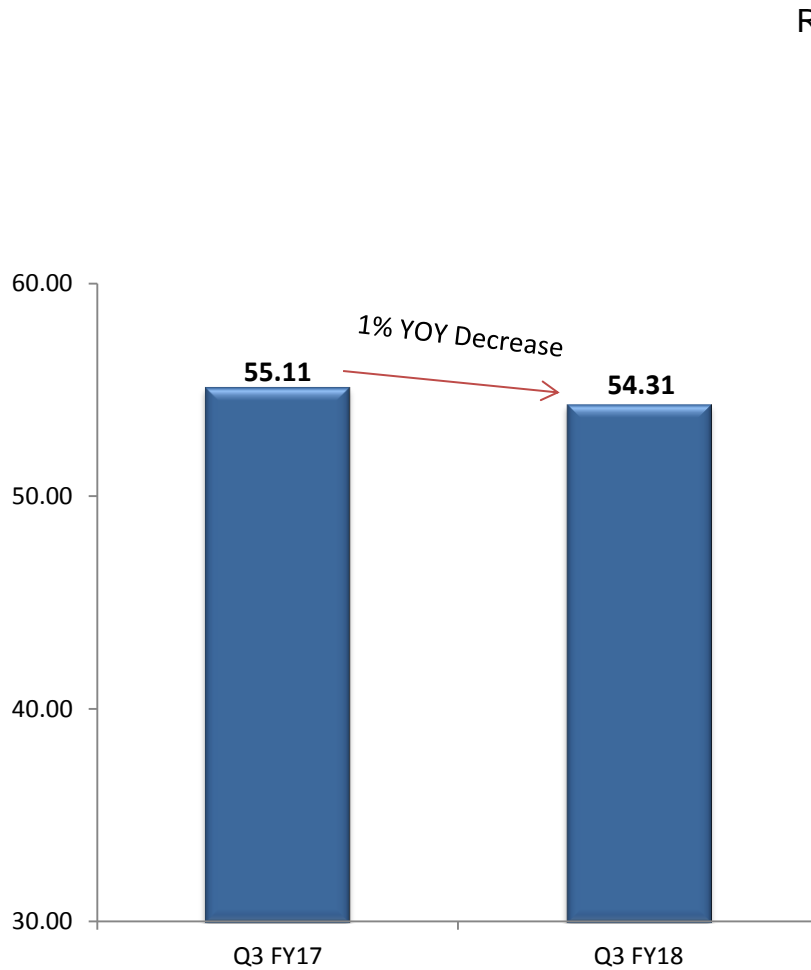


Revenue Growth - Consolidated

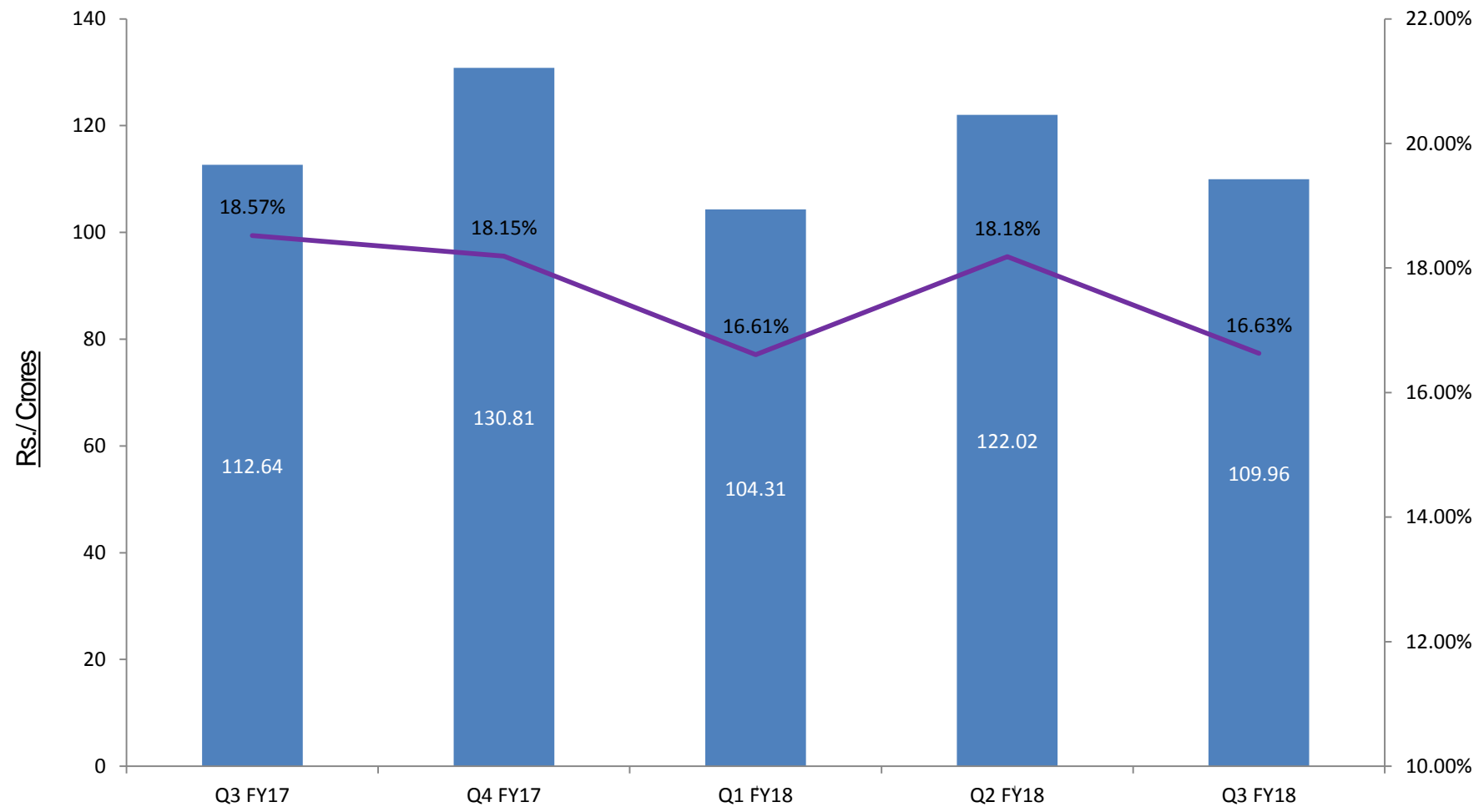


Refer Slide 13 for detailed Income Statement

PAT Growth - Consolidated

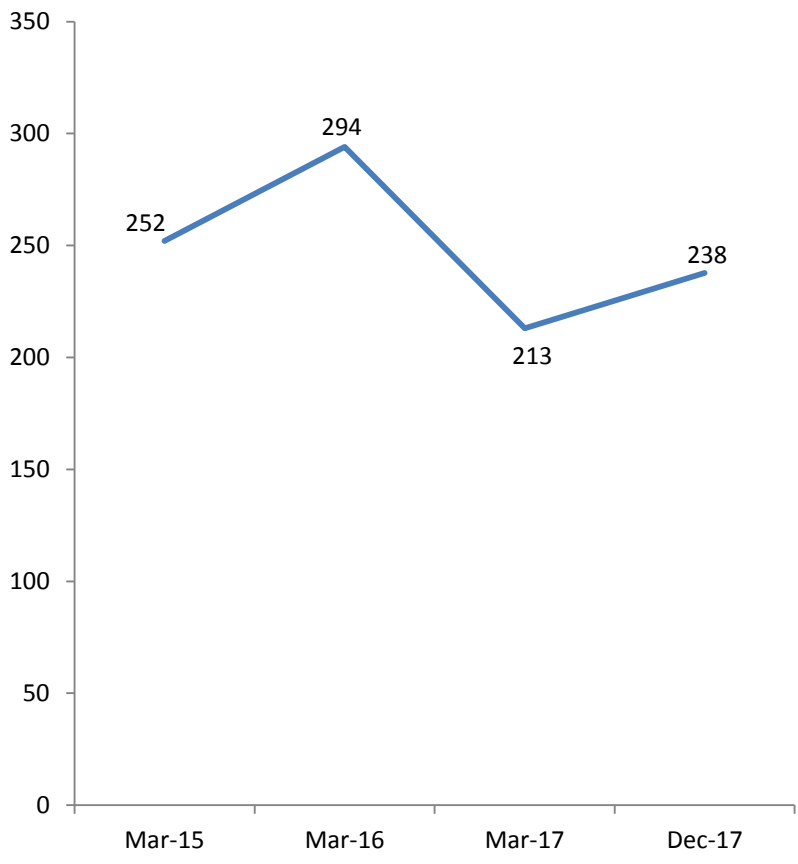


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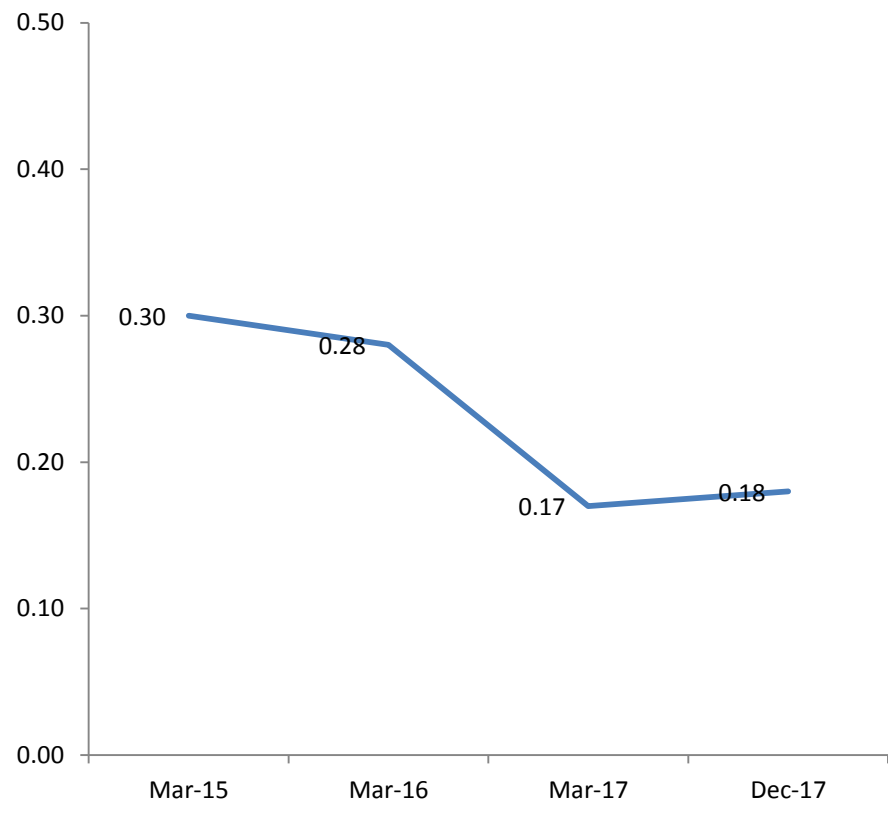


* Recomputed as per IND - AS

Debt (Rs. Crore)

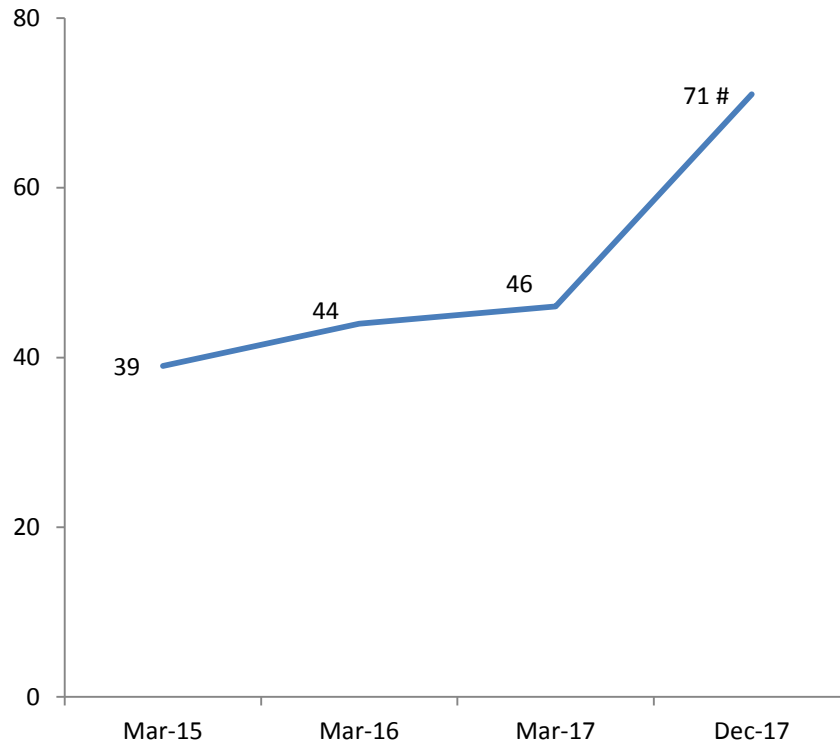


Debt Equity (X)

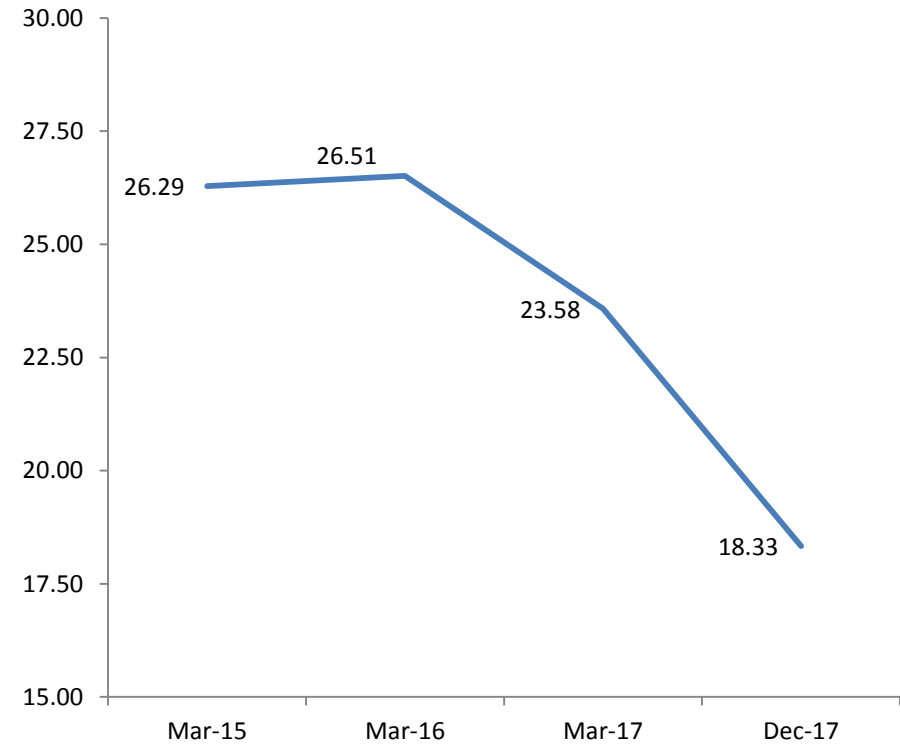


*Recomputed as per IND - AS

Working Capital Cycle (days)



Return on Equity (Avg.) *



*Recomputed as per IND - AS

Working capital days'excludes capex creditors and cash & Bank balance and not comparable with previous periods due to GST.

ROE as on 31st Dec. 17 taken at average of net worth as on 31st Mar 17 & 31st Dec. 17 and Q3 FY18 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. The revised capacity of Soriso works out to 3.67 MSM per annum due to change in product profile.

B. JAXX VITRIFIED

Acquired 51% stake (now 82%) 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.

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. The revised capacity of Vennar works out to 2.90 MSM per annum due to change in product profile.

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.

E. FLOERA CERAMICS

The Company has acquired 51% stake (increased to 70%) in Kajaria Floera Ceramics Pvt. Ltd, which is putting up a manufacturing facility of glazed vitrified tiles with a capacity of 5.00 MSM p.a. (earlier planned 5.70 msm p.a. of polished vitrified tiles) in Andhra Pradesh. The land has already been acquired. The plant is expected to be commissioned in 2nd half of FY 2018-19.

F. 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. KBL is in the process of increasing the capacity at the existing location from 5.40 lac pcs p.a. to 7.20 pcs p.a.. The same will be completed by March 2018.

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.

The Board has approved expansion of capacity of polished vitrified tiles at existing location at Malutana, Rajasthan by 5.60 msm per annum making total to 12.10 msm per annum. The plant is expected to be commissioned in FY 2018-19.

Financial highlights

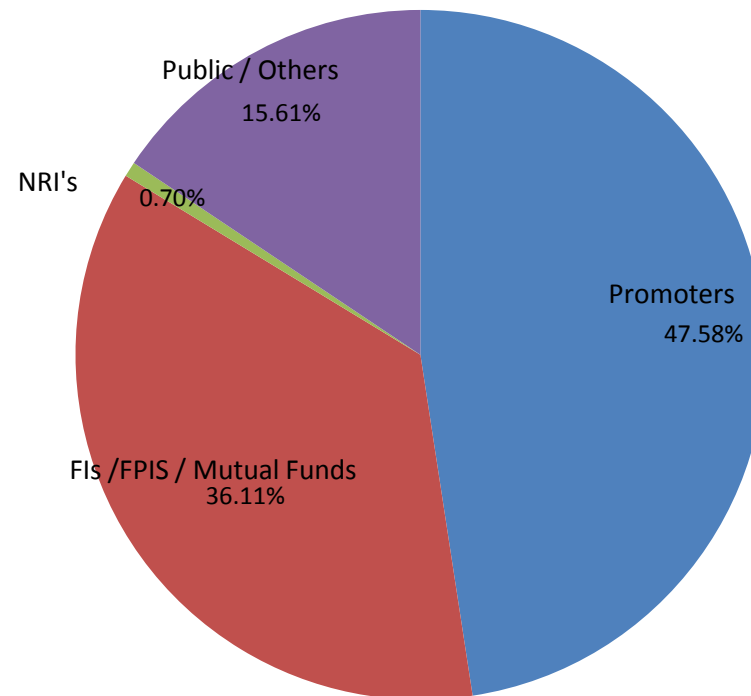
(Rs / Crores)

	Q3 FY18		Q3 FY17		Growth		9M FY18		9M FY17		Growth	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	624.05	661.16	601.06	606.68	4%	9%	1879.32	1960.56	1823.77	1828.90	3%	7%
EBIDTA	102.17	109.96	98.11	112.64	4%	-2%	321.52	336.29	324.35	365.53	-1%	-8%
EBIDTA MARGIN	16.37%	16.63%	16.32%	18.57%			17.11%	17.15%	17.78%	19.99%		
Depreciation	15.76	22.26	13.41	20.62	18%	8%	45.61	65.67	39.58	60.90	15%	8%
Other Income	5.16	1.77	5.86	2.10	-12%	-16%	14.60	5.70	17.98	7.61	-19%	-25%
Interest	1.12	5.22	0.72	8.27	56%	-37%	3.64	19.41	2.91	26.18	25%	-26%
Exceptional Items							3.61	-0.75				
Profit Before Tax	90.45	84.25	89.84	85.85	1%	-2%	283.26	257.66	299.84	286.06	-6%	-10%
Tax Expense	30.87	31.14	29.33	30.89	5%	1%	96.62	98.69	100.07	104.42	-3%	-5%
Minority Interest		-1.20		-0.15				-10.02		-0.50		
Cash Profit	75.34	76.57	73.92	75.73	2%	1%	232.25	234.66	239.35	243.04	-3%	-3%
Profit After Tax	59.58	54.31	60.51	55.11	-2%	-1%	186.64	168.99	199.77	182.14	-7%	-7%
Equity Share Capital	15.89	15.89	15.89	15.89			15.89	15.89	15.89	15.89		
EPS (Basic) (Rs.)	3.75	3.42	3.81	3.47	-2%	-1%	11.74	10.63	12.57	11.46	-7%	-7%

Ason 31st Dec 2017

Equity Shares Outstanding - 158.94 millions

Shareholding



Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India and the 9th largest in the world. It has an annual capacity of 68.37 mn. sq. meters presently, distributed across eight plants - one in Sikandrabad (UP), one in Gailpur (Rajasthan), One in Malutana (Rajasthan), four in Morbi (Gujarat) and one in Vijaywada (AP).

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

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