



KAJARIA CERAMICS LIMITED

Investor Update – Q2 FY 18 / H1 FY 18

Oct 30, 2017

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance - Q2 FY 18 / H1 FY18
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

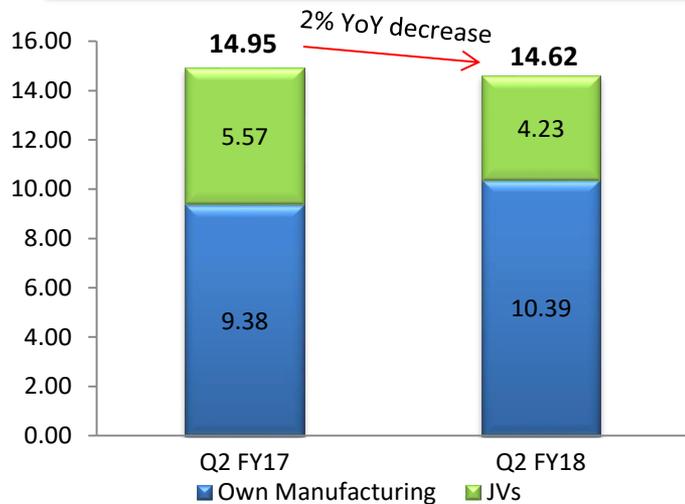
Change is good, but transformation is better.

And India is at the threshold of executing transformational fiscal reform that promise to alter business models henceforth. But these strong tailwinds that assure an economic propulsion over the long-term, have raised some dust in the present that have somewhat dampened market sentiment over the near-term.

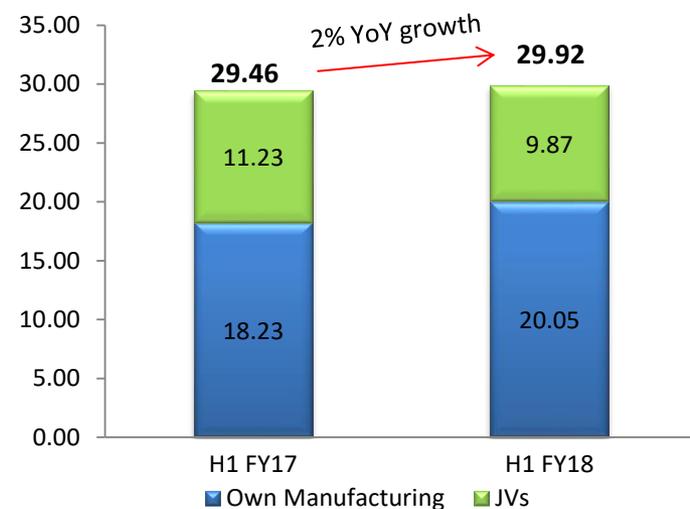
Kajaria too faced headwinds of this transformation. In Q2 FY18 tile volume grew by 5% and revenue increased by 7% over the corresponding period in the previous year. Net profit remain flat at Rs. 63.70 crore.

The expansion of 3.50 msm per annum capacity to manufacture high value ceramic floor tiles at Gailpur (Rajasthan) plant has commenced operation in Sept. 2017.

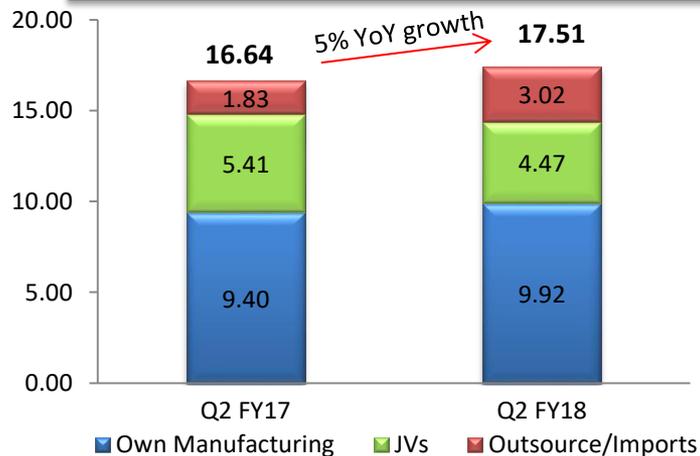
Production Growth (MSM) - Q2 FY18



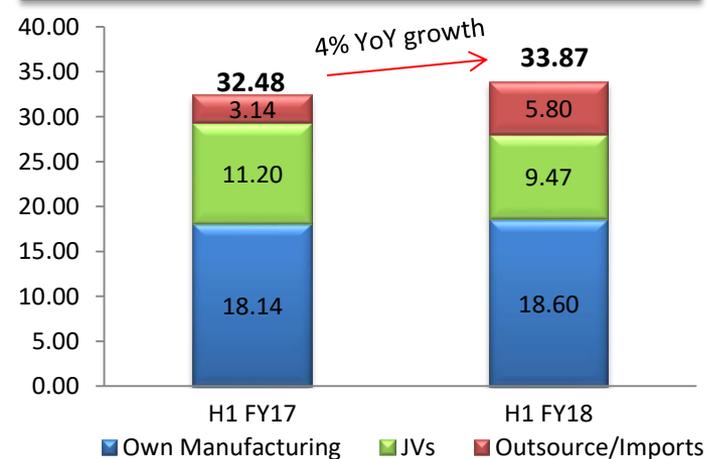
Production Growth (MSM) - H1 FY18



Sales Growth (MSM) - Q2 FY18

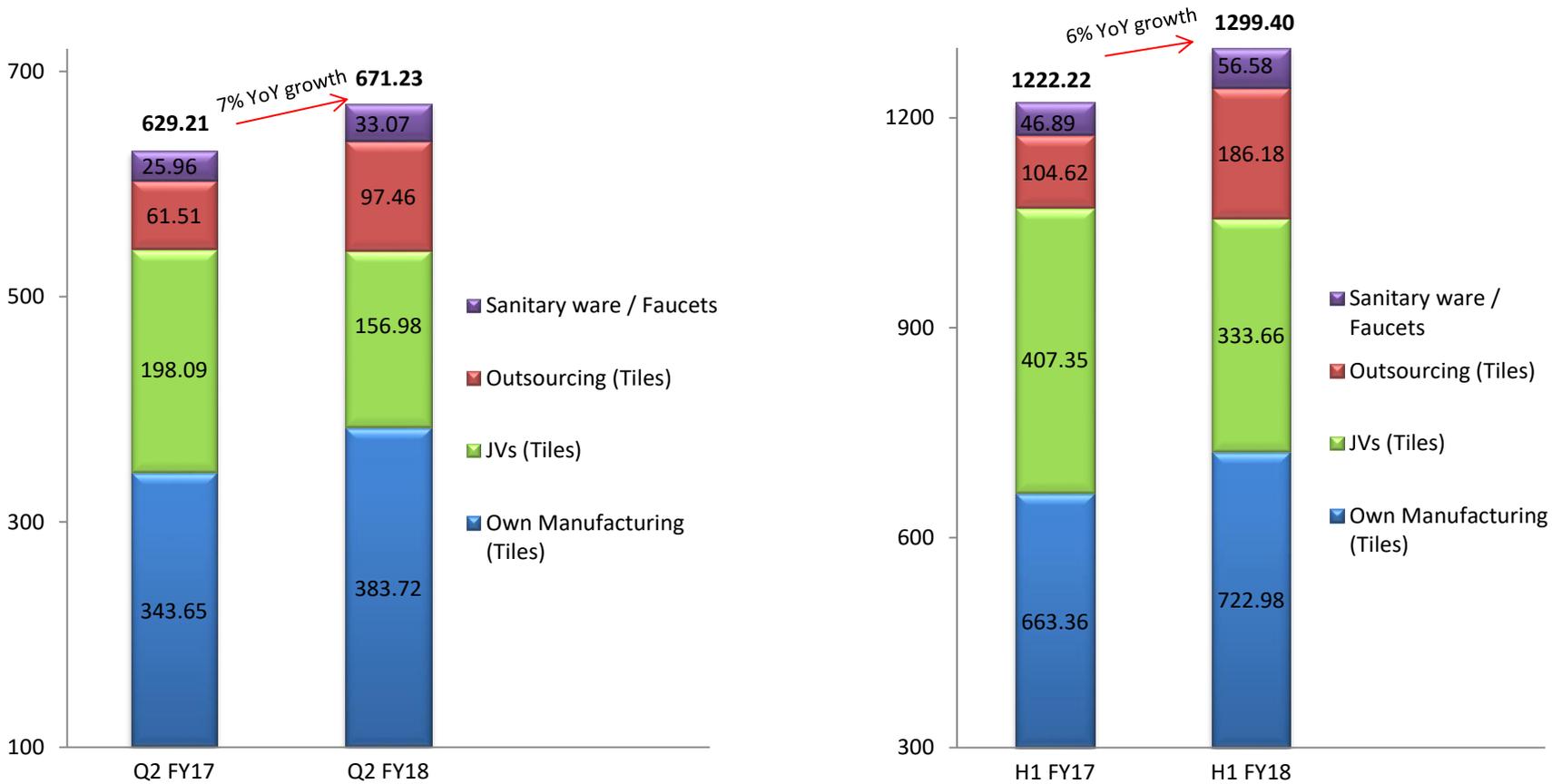


Sales Growth (MSM) - H1 FY18



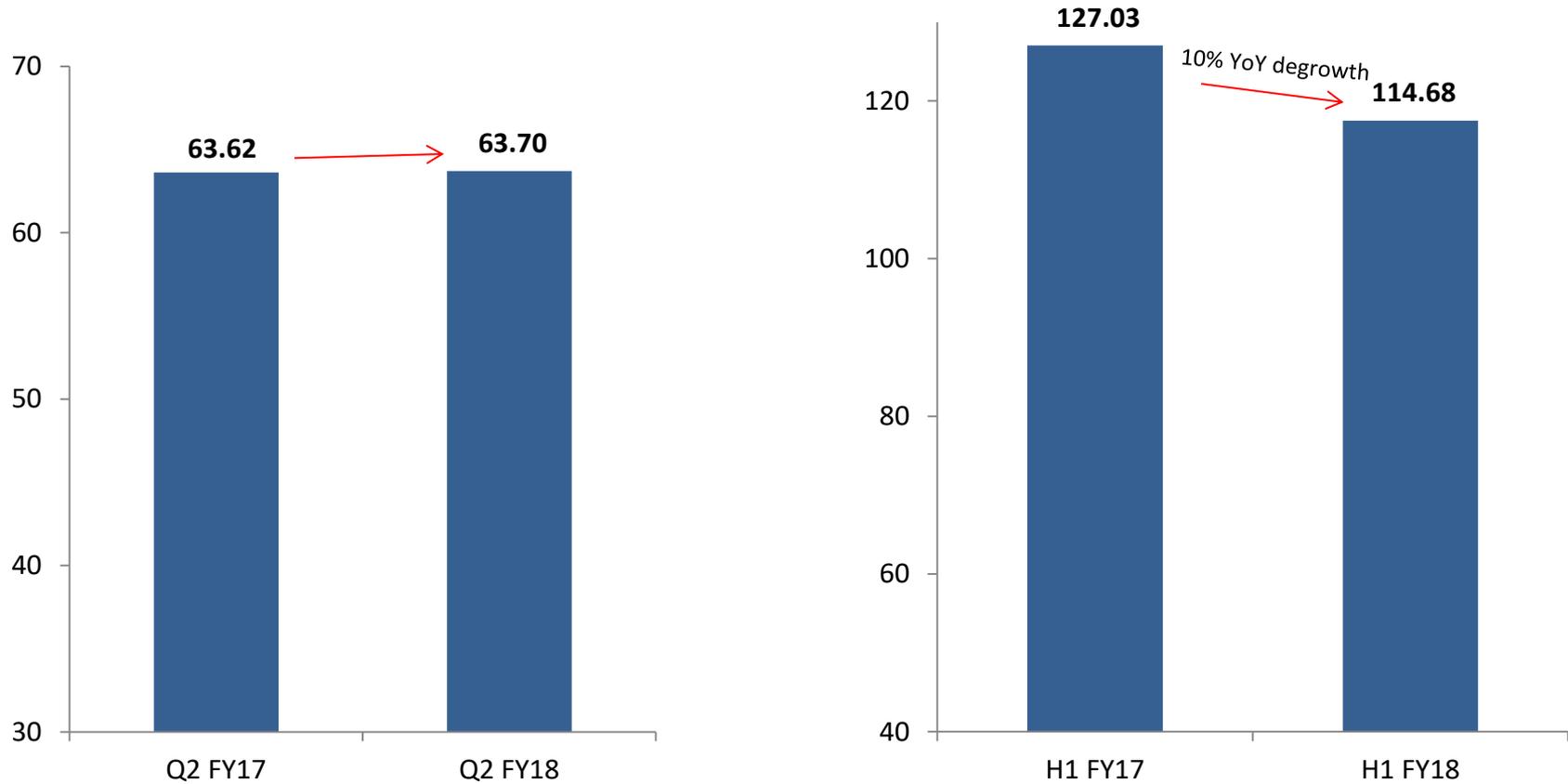
Revenue Growth - Consolidated

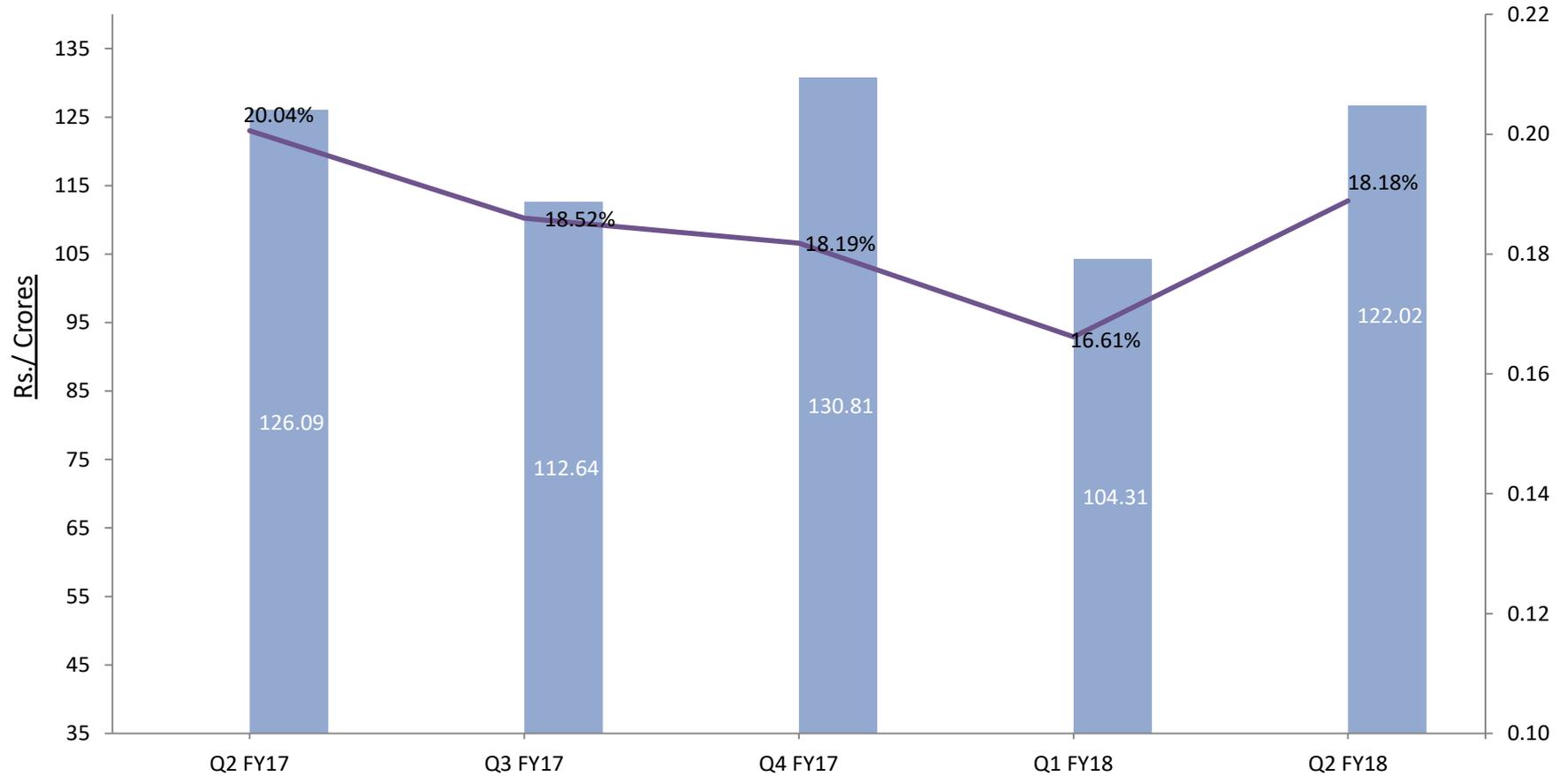
Rs. / Crores



PAT Growth - Consolidated

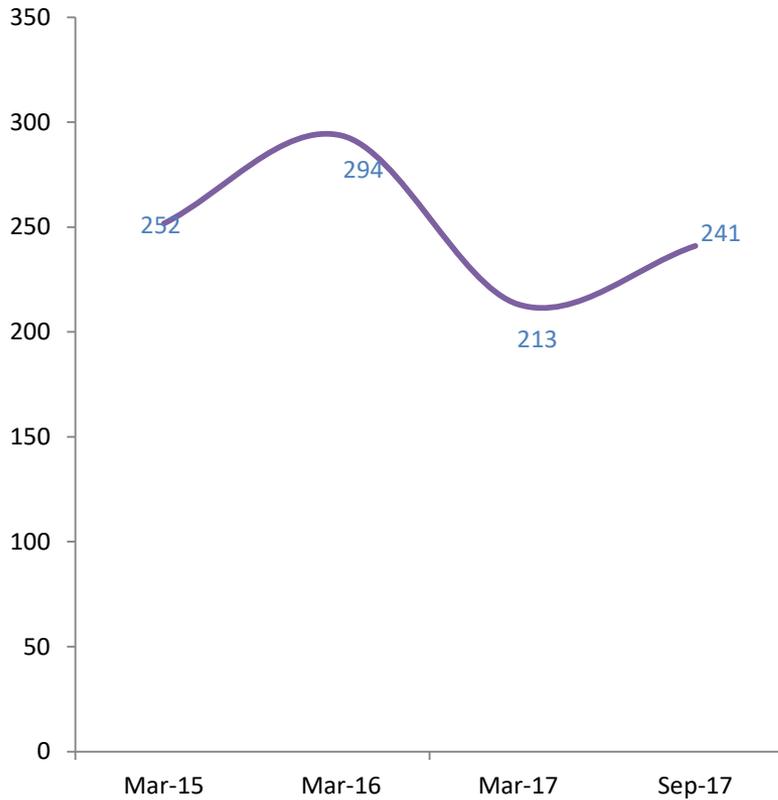
Rs. / Crores



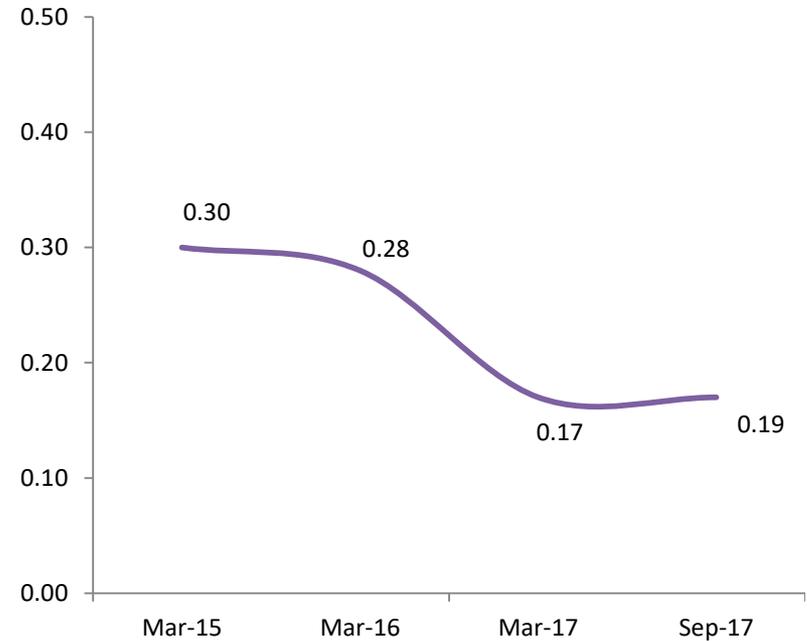


* Recomputed as per IND - AS

Debt (Rs. Crore)

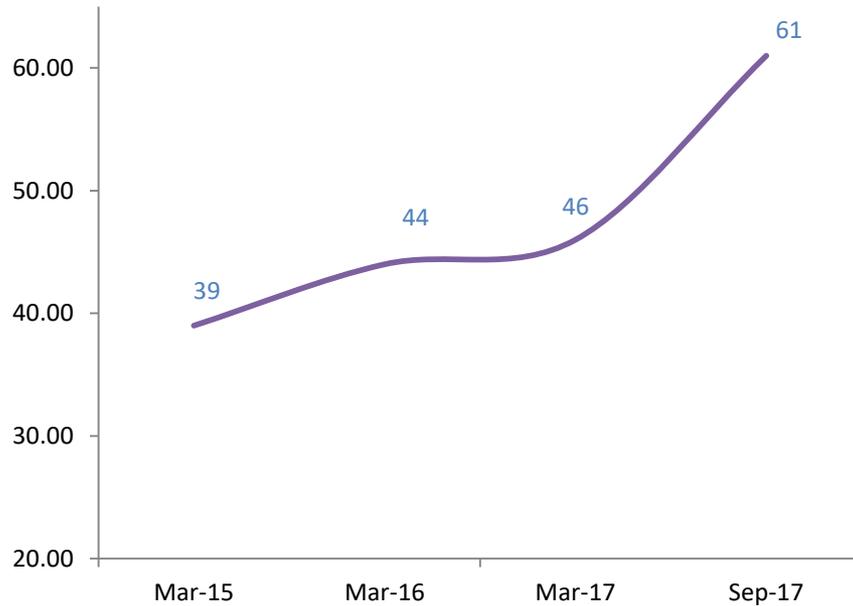


Debt Equity (X)



*Recomputed as per IND - AS

Working Capital Cycle (days)



Return on Equity (Avg.) *



*Recomputed as per IND - AS

Working capital excludes capex creditors and cash & Bank balances .

ROE as on 30th Sep. 17 taken at average of net worth as on 31st Mar 17 & 30th Sep. 17 and Q2 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 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.

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 the 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 December 2017.

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.

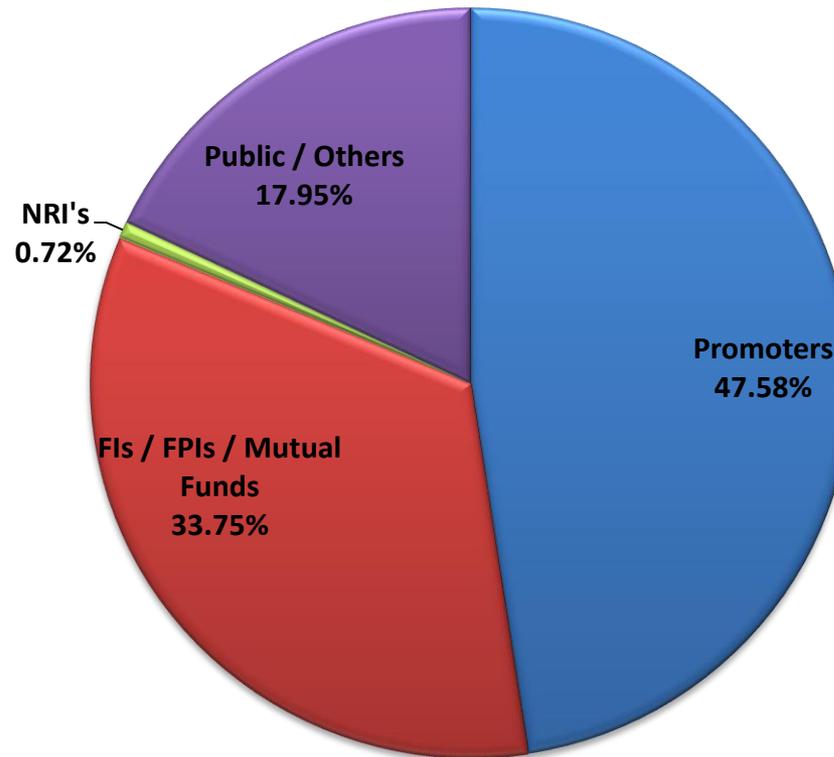
Financial highlights

(Rs / Crores)

	Q2FY18		Q2FY17		Growth		H1 FY18		H1 FY17		Growth	
	Standalone	Consolidated										
Net Sales	633.84	671.23	627.49	629.21	1%	7%	1255.27	1299.40	1222.71	1222.22	3%	6%
EBIDTA	125.30	122.02	118.58	126.09	6%	-3%	219.35	226.33	226.24	252.89	-3%	-11%
EBIDTA MARGIN	19.77%	18.18%	18.90%	20.04%			17.47%	17.42%	18.50%	20.69%		
Depreciation	15.12	21.57	13.24	20.36	14%	6%	29.85	43.41	26.17	40.28	14%	8%
Other Income	4.12	1.13	6.91	3.78	-40%	-70%	9.44	3.93	12.12	5.51	-22%	-29%
Interest	1.54	6.39	1.06	8.93	45%	-28%	2.52	14.19	2.19	17.91	15%	-21%
Exceptional Items							3.61	-0.75				
Profit Before Tax	112.76	95.19	111.19	100.58	1%	-5%	192.81	173.41	210.00	200.21	-8%	-13%
Tax Expense	37.84	38.24	37.37	38.48	1%	-1%	65.75	67.55	70.74	73.53	-7%	-8%
Minority Interest		-6.75		-1.52				-8.82		-0.35		
Cash Profit	90.04	85.27	87.06	83.98	3%	2%	156.91	158.09	165.43	167.31	-5%	-6%
Profit After Tax	74.92	63.70	73.82	63.62	1%	0%	127.06	114.68	139.26	127.03	-9%	-10%
Equity Share Capital	15.89	15.89	15.89	15.89			15.89	15.89	15.89	15.89		
EPS (Basic) (Rs)	4.71	4.01	4.64	4.00	2%	0%	7.99	7.22	8.76	7.99	-9%	-10%

As on 30th Sep 2017

Equity Shares Outstanding – 158.94 millions



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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