



# KAJARIA CERAMICS LIMITED

Investor Update – Q1 FY14

July 30, 2013

***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 - Q1 FY14
- Balance sheet perspective
- Income Statement
- Shareholding Pattern

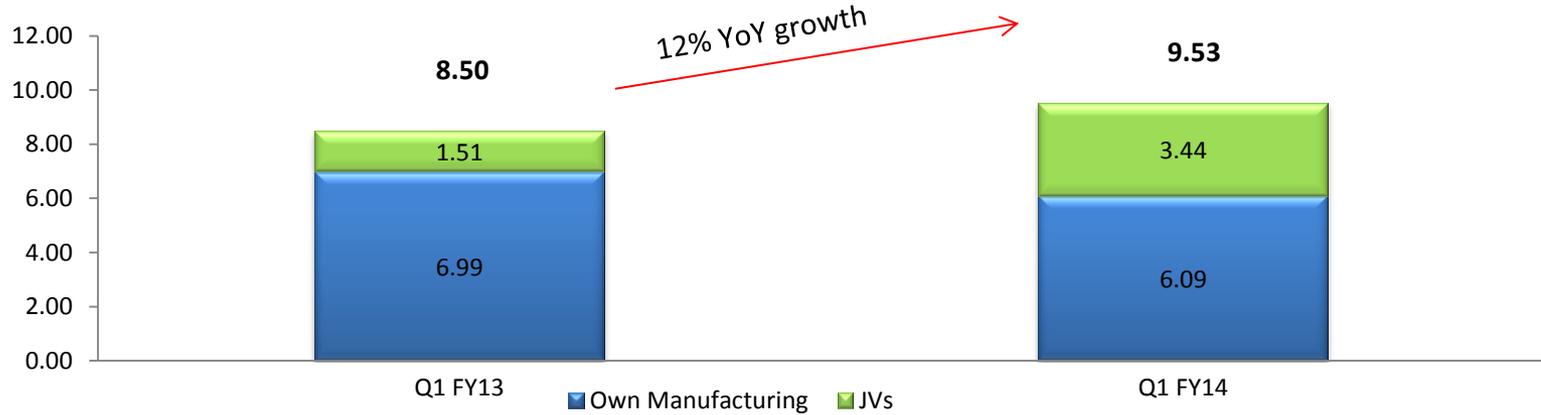
India's dismal economic situation and curtailed private consumption scarcely impacted our product offtake – a heartening reward for our team's efforts in continuously launching '*aspiration-fuelling*' products –transforming the Kajaria brand into a badge of honour for India and a symbol of sustained wealth creation.

Though the operating margin remained under pressure in the quarter due to rising fuel cost coupled with weakening of Indian currency, the company delivered satisfying results ably supported by the efficient performance of our joint ventures partners. Net sales and net profit grew 23% and 16% respectively over the corresponding Quarter of FY13.

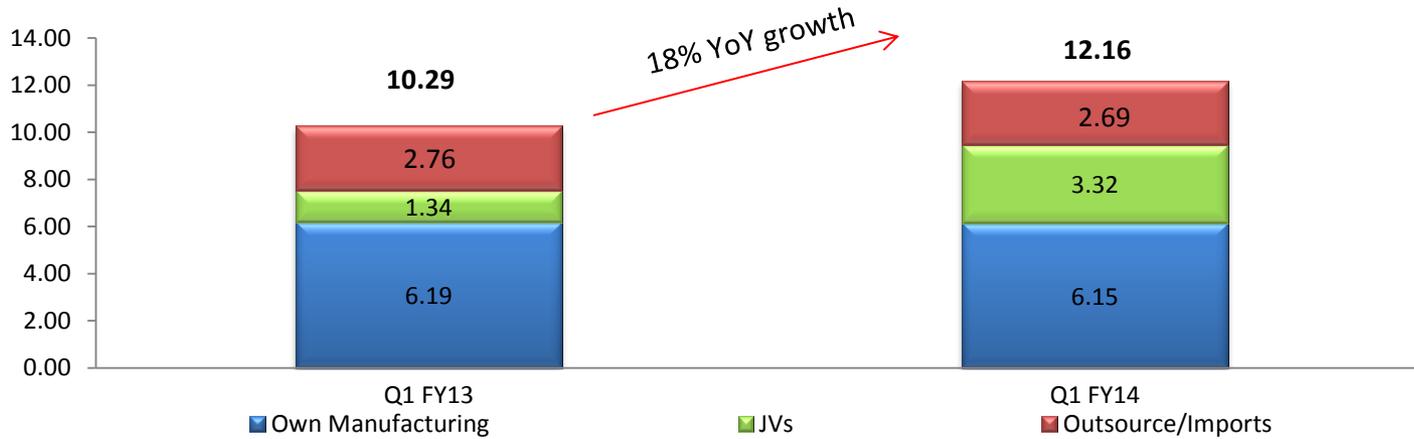
We are converting our 2.00 msm polished vitrified facility at Sikandrabad into Glazed vitrified tiles having annual capacity of 3.40 msm which is expected to be completed in the last quarter of this financial year.

Having tested the market with outsourced sanitaryware products, the company has decided to put up a greenfield facility at Morbi (Gujarat) for production of 7 lac pieces of sanitaryware. A new company has been formed for this purpose – Kajaria Sanitaryware private limited, in which Kajaria Ceramic will own 64% of equity and the 36% will be owned by the local partners who shall be responsible for the day today operation of the Company. The total project cost is estimated to be Rs. 34 crores.

**Production Growth**

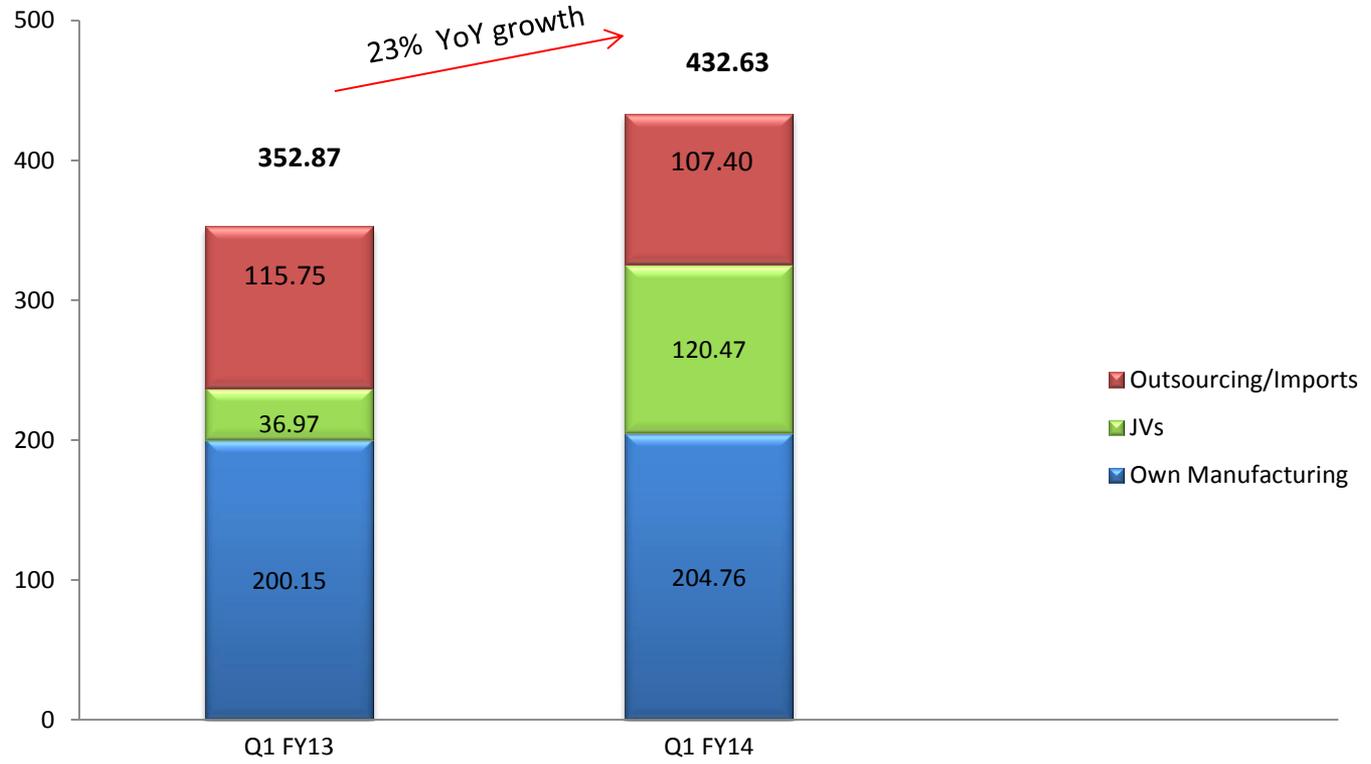


**Sales Growth**



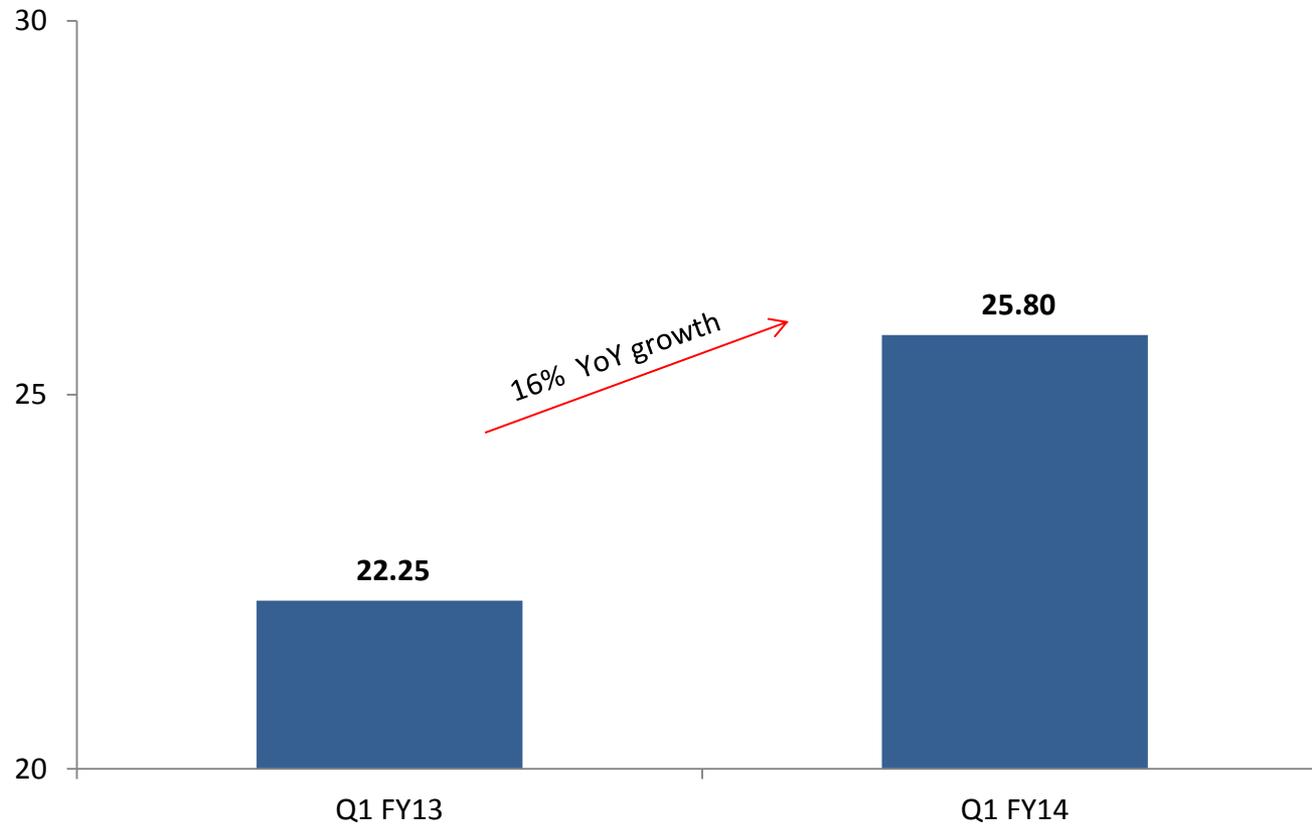
All figures are on consolidated basis and in million sq. mtr. (MSM) of tiles unless mentioned

## Revenue Growth



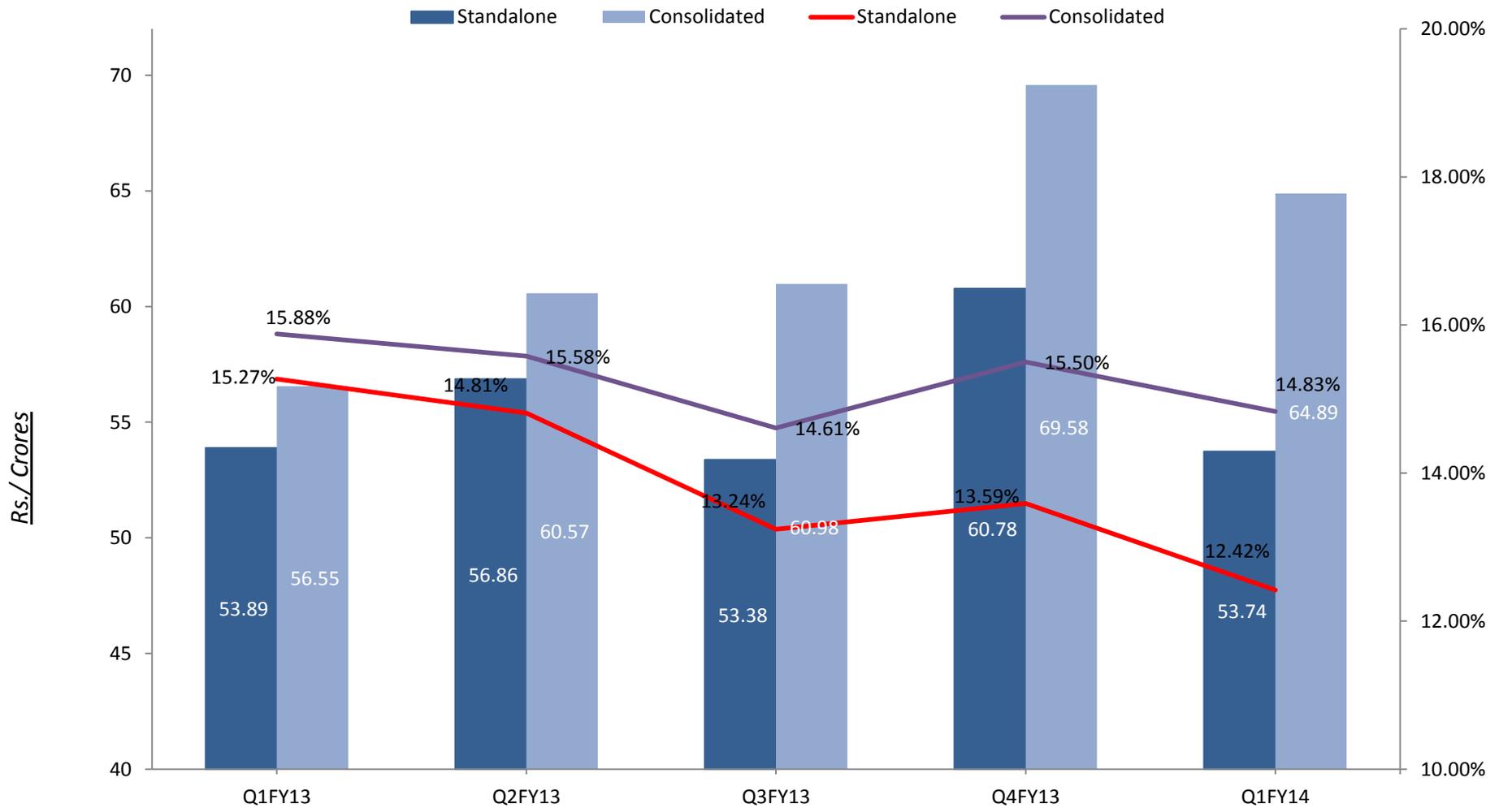
All figures are on consolidated basis and are in Rs. crores, unless mentioned.

## PAT Growth - Consolidated



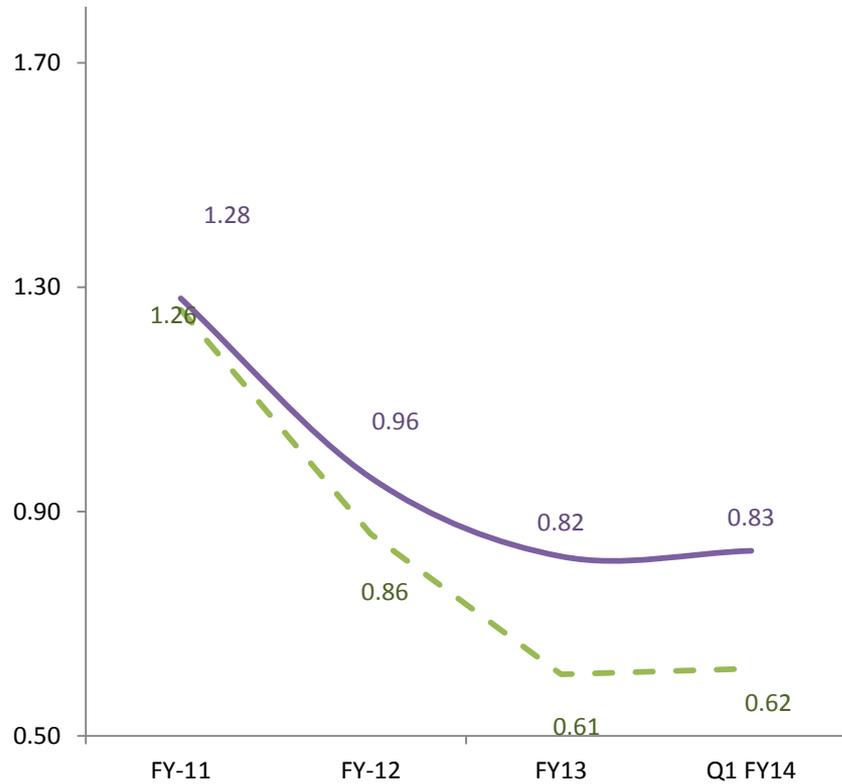
*All figures are on consolidated basis and are in Rs. crores, unless mentioned.*

# EBIDTA / EBIDTA Margin (consolidated) – quarterly progression



### Debt Equity (X)

Standalone Consolidated



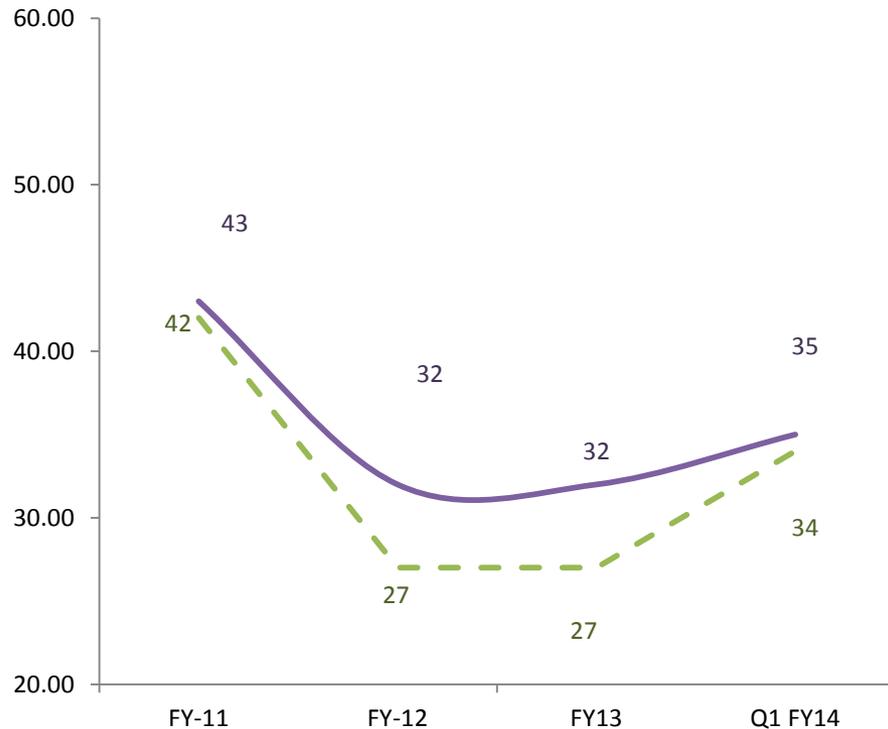
### Debt (Rs. Crore)

Standalone Consolidated



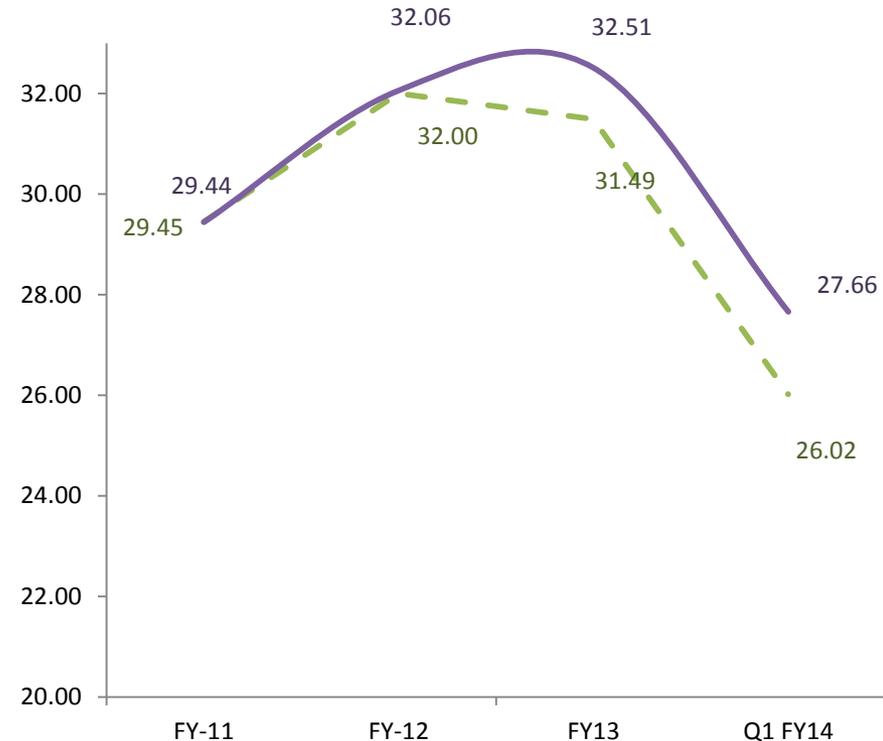
## Working Capital Cycle (days)

— Standalone — Consolidated



## Return on Equity (Avg.)

— Standalone — Consolidated



# Capex creditors not considered in working capital cycle.

\* ROE for 3 months taken at average net worth as on 31<sup>st</sup> Mar. 13 and 30<sup>th</sup> June, 13 and annualised Q1 FY14PAT

## 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. Production for enhanced capacity started in March 2012. Soriso has operated at 96% in Q1FY14.

## B. JAXX VITRIFIED

Acquired 51% stake in Jaxx Vitrified Pvt Ltd, based in Morbi, Gujarat in February 2012, with an annual capacity of 3.10 MSM. Production has commenced in March 2012. Jaxx has operated at 87% in FY13. Jaxx has acquired another plant with a 2.6 MSM annual capacity of polished vitrified tile in April 2013 in Morbi making the total capacity of Jaxx to 5.70 MSM per annum. JAXX has operated at 98% in respect of first plant having capacity of 3.10 MSM and operated at 69% in respect of second plant (acquired in April 2013) having capacity of 2.60 MSM in Q1FY14.

## 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 has operated at 93% in Q1FY14.

## C. COSA CERAMICS

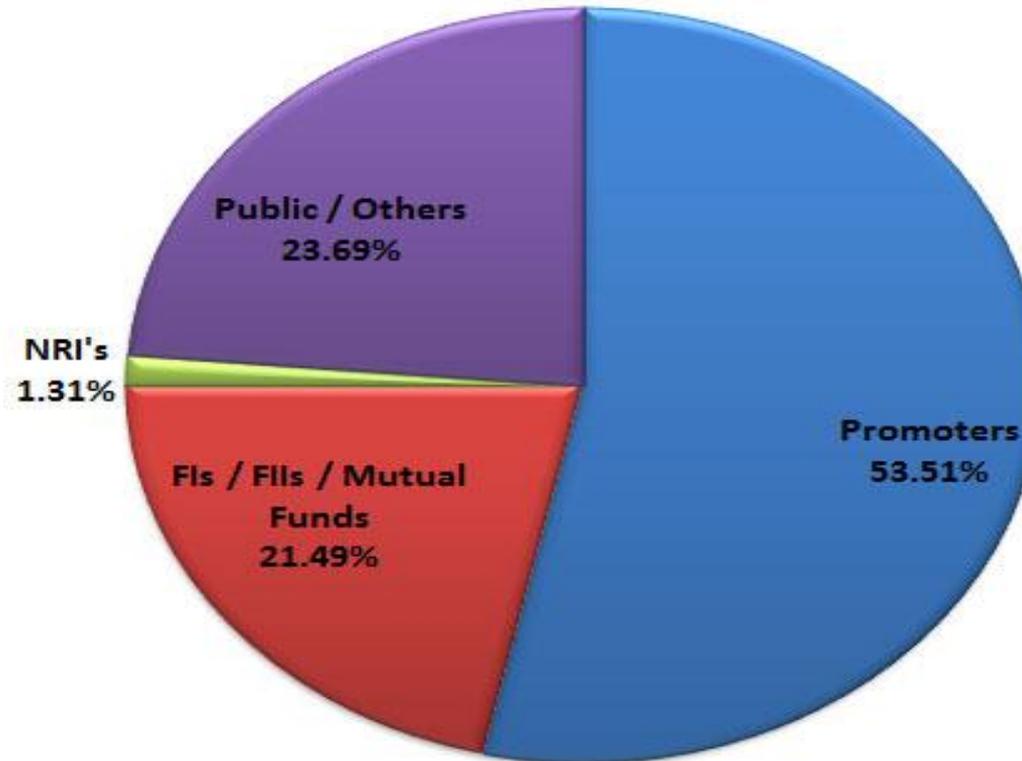
Acquired 51% stake in Cosa Ceramics Pvt. Ltd., based in Morbi, Gujarat – on 16th Oct.'12, with an annual production capacity of 2.70 MSM of polished vitrified tiles. COSA has operated at optimum level in Q1FY14.

## Financial highlights

(Rs in Crores)

	Q1FY14		Q1FY13		Growth		FY13		FY12		Growth	
	Standalone	Consolidated										
Gross Sales	459.46	464.79	381.14	384.72	21%	21%	1,706.17	1,733.58	1,400.32	1,407.21	22%	23%
Net Sales	432.63	437.42	352.87	356.04	23%	23%	1,587.11	1,610.88	1,311.35	1,311.53	21%	23%
EBIDTA	53.74	64.89	53.89	56.55	0%	15%	224.90	247.68	201.58	207.67	12%	19%
EBIDTA MARGIN	12.42%	14.83%	15.27%	15.88%			14.17%	15.38%	15.37%	15.83%		
Interest	8.41	11.74	12.06	13.44	-30%	-13%	35.48	45.35	46.98	48.51	-24%	-7%
Depreciation	8.98	11.49	9.67	10.69	-7%	7%	38.36	44.62	37.08	39.26	3%	14%
Exceptional Items	-	-	-	-			3.03	-	-	-		
Profit Before Tax	36.35	41.66	32.16	32.42	13%	29%	148.03	157.71	117.52	119.90	26%	32%
Tax	12.36	14.16	9.97	10.09	24%	40%	47.49	49.88	36.80	38.05	29%	31%
Minority Interest	-	1.70	-	0.08	-	-	-	3.32	-	0.97	-	-
Cash Profit	32.97	37.29	31.86	32.94	3%	13%	138.90	149.13	117.80	120.14	18%	24%
Profit After Tax	23.99	25.80	22.19	22.25	8%	16%	100.54	104.51	80.72	80.88	25%	29%
Equity	14.72	14.72	14.72	14.72			14.72	14.72	14.72	14.72		
EPS (Rs)	3.26	3.51	3.02	3.02	8%	16%	13.66	14.20	10.97	10.99	25%	29%

As on 30<sup>st</sup> Jun. 2013



*Equity Shares Outstanding – 73.58 millions*

Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India. It has an annual capacity of 43.60 mn. sq. meters, distributed across seven plants - one in Sikandrabad (UP), one in Gailpur (Raj.), four in Morbi (Guj.) and one in Vijaywada (AP).

Kajaria is the most certified ceramic tile company and the only Indian ceramic tile company awarded 'Superbrand' status for sixth consecutive time.

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

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