



KAJARIA CERAMICS LIMITED

Investor Update – Q1 FY 18

Aug 10, 2017

Kajaria
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance - Q1 FY 18
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

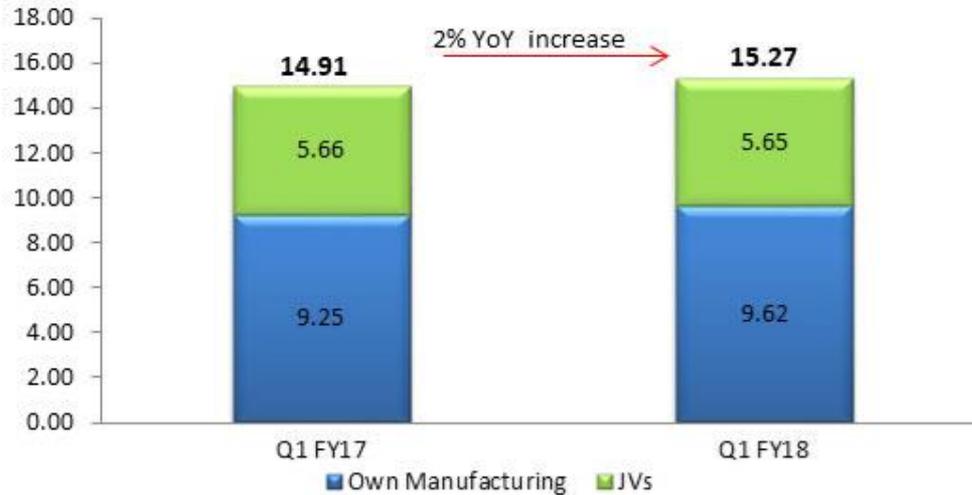
We consider ourselves fortunate to have witnessed the rollout of India's path-breaking fiscal reform that will transform India into a single marketplace against the prevailing demand pockets resident in 29 states and 7 union territories. This, in our opinion, has provided an unprecedented opportunity for the organized players across sectors to assume center stage in driving India's economic resurgence. And Kajaria is prepared for this transformation.

But for this positive change to gain a firm foothold, the business community across the Indian landmass needed to prepare its systems and processes to embrace this new environment. Hence, business in general remained subdued. And Kajaria was no exception to this trend. As a result, financial performance was largely subdued.

Revenue grew by 6% to Rs 627.58 crore in Q1/2017-18 against Rs 591.87 crore in the corresponding period in the previous year. The net profit declined by 20% from Rs 63.41 crore to Rs 50.98 crore over the same period.

The expansion to add 3.50 msm per annum capacity to manufacture high value ceramic wall and floor tiles at Gailpur (Rajasthan) plant is on schedule and expected to complete by Sept. 2017.

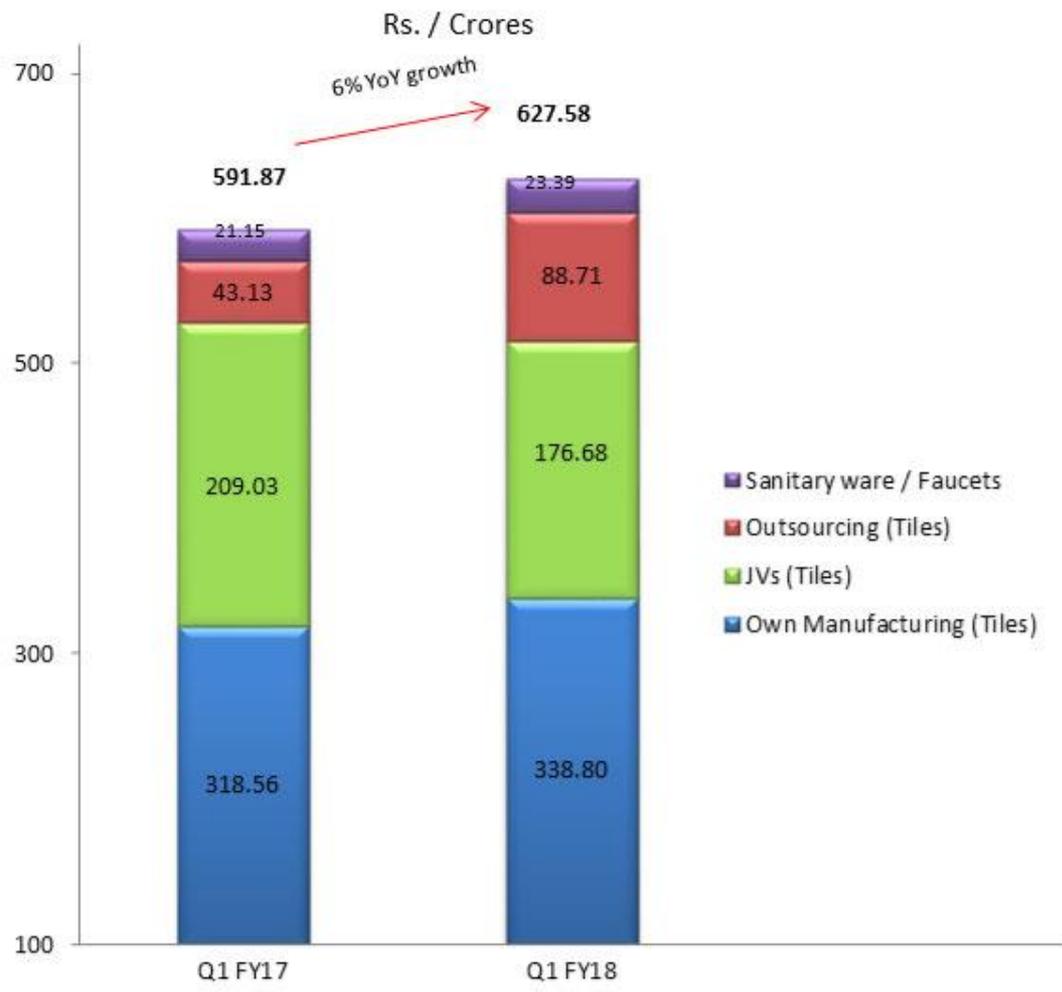
Production Growth (MSM) - Q1 FY18



Sales Growth (MSM) – Q1 FY18

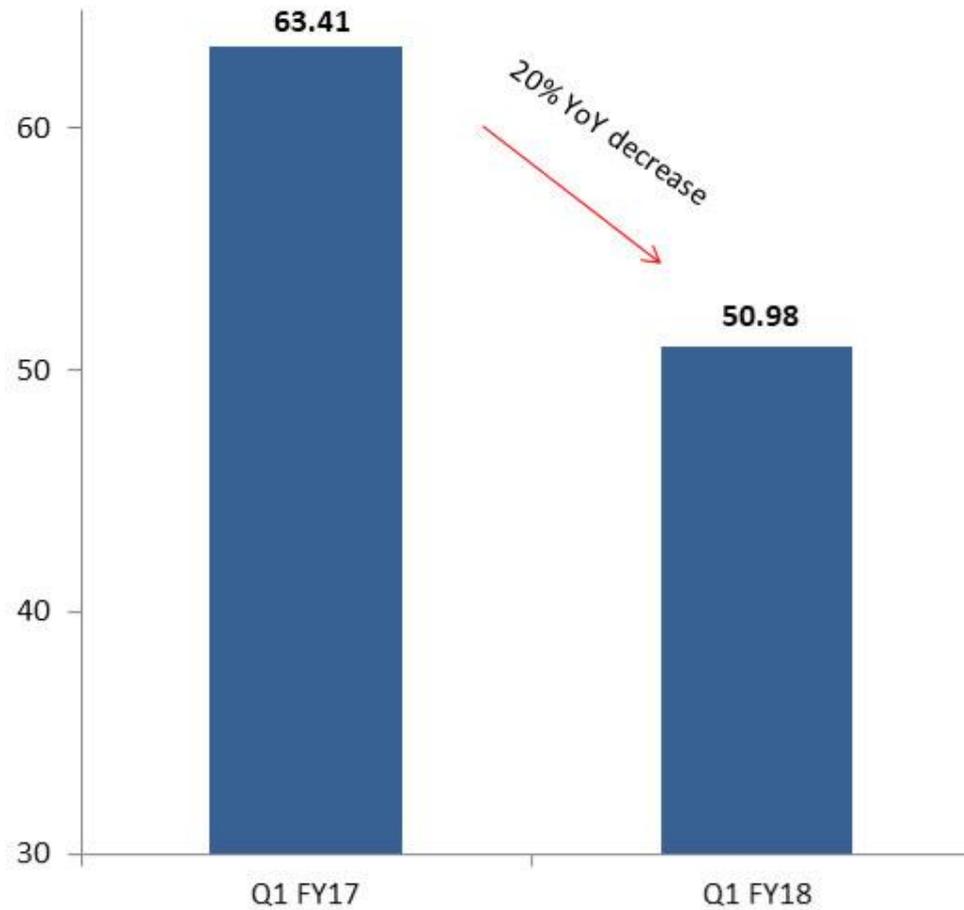


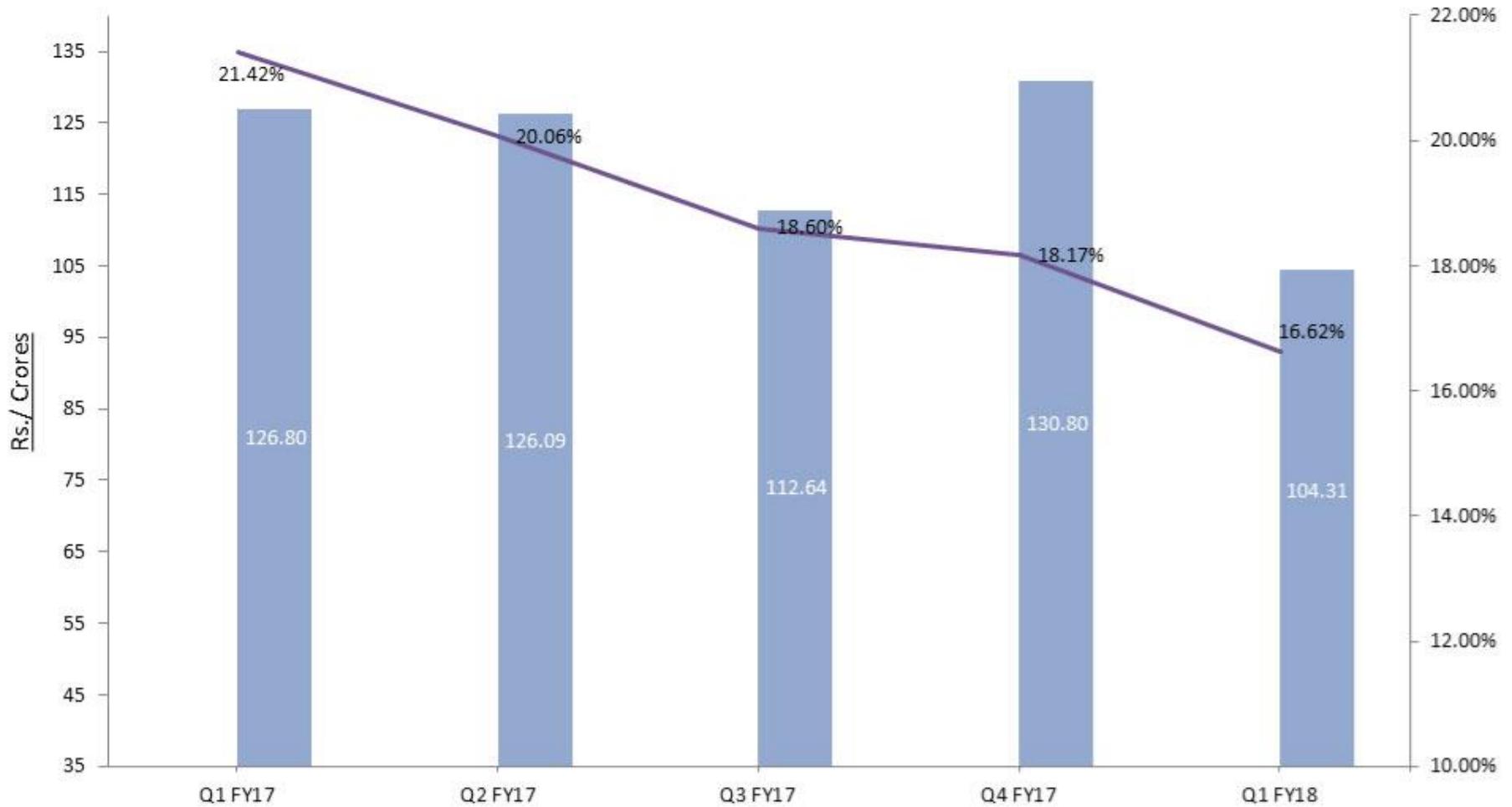
Revenue Growth - Consolidated



PAT Growth - Consolidated

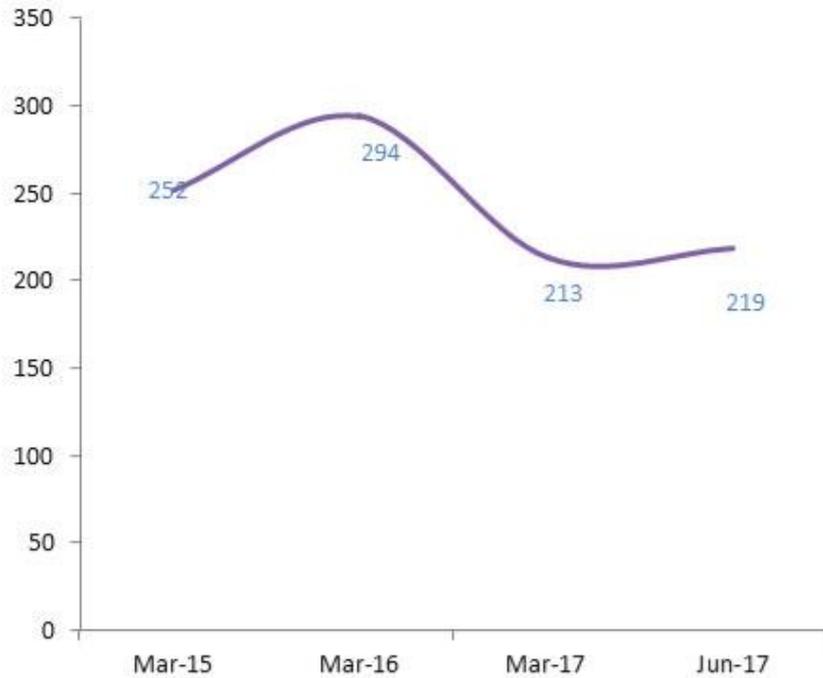
Rs. / Crores



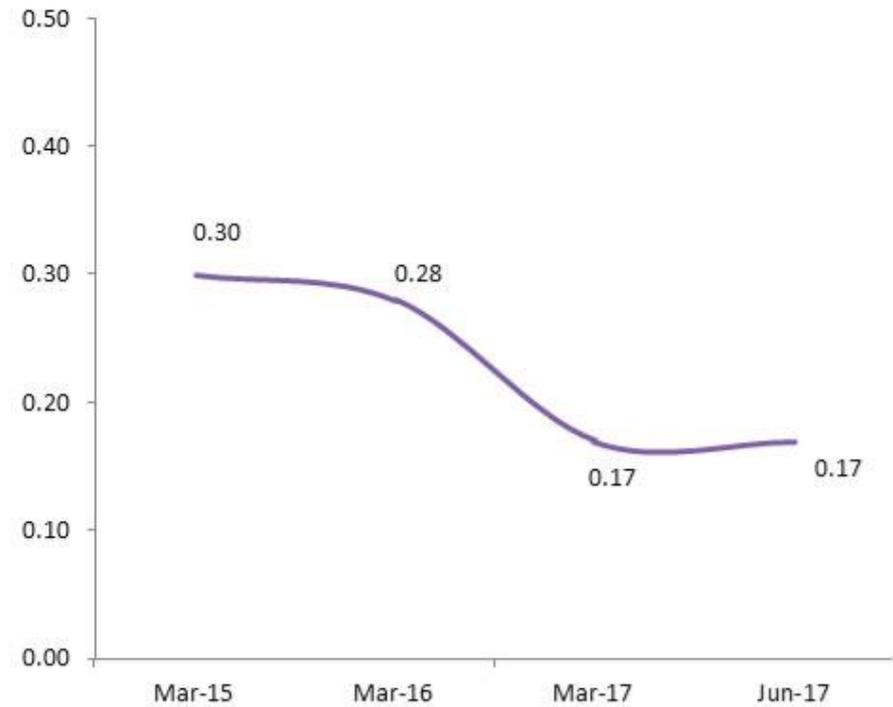


* Recomputed as per IND - AS

Debt (Rs. Crore)

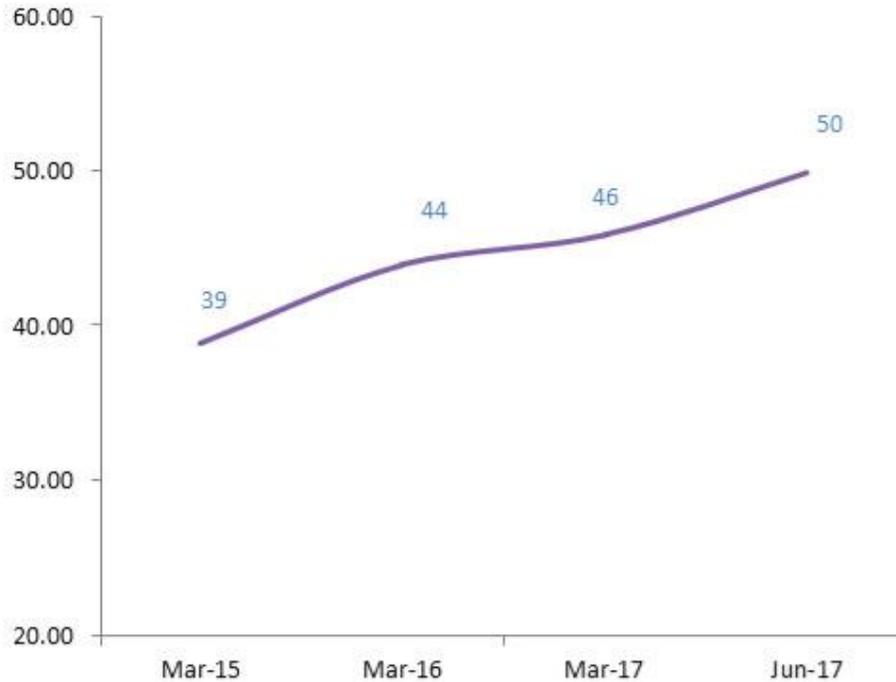


Debt Equity (X)

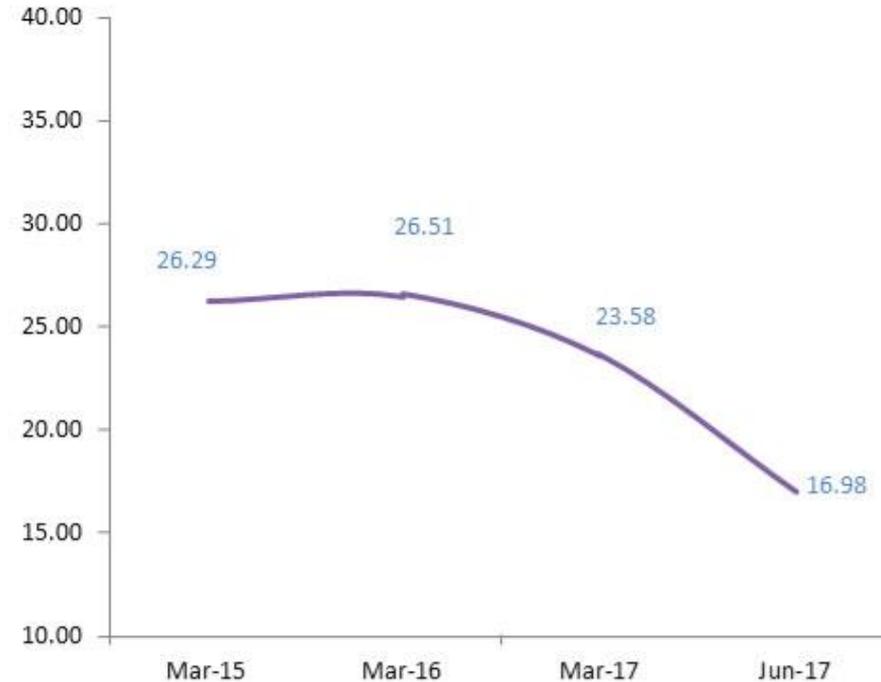


*Recomputed as per IND - AS

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 Jun. 17 taken at average of net worth as on 31st Mar 17 & 30th Jun. 17 and Q1FY18 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 3.60 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. TAURUS TILES

The Company 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 commenced on 27 June 2015. Taurus has ceased to be a subsidiary of the Company as Kajaria has divested 46% stake in Taurus on 30th June 2017.

F. FLOERA CERAMICS

The Company has acquired 51% stake (increased to 70%) in 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 will is expected to be commissioned by September 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.

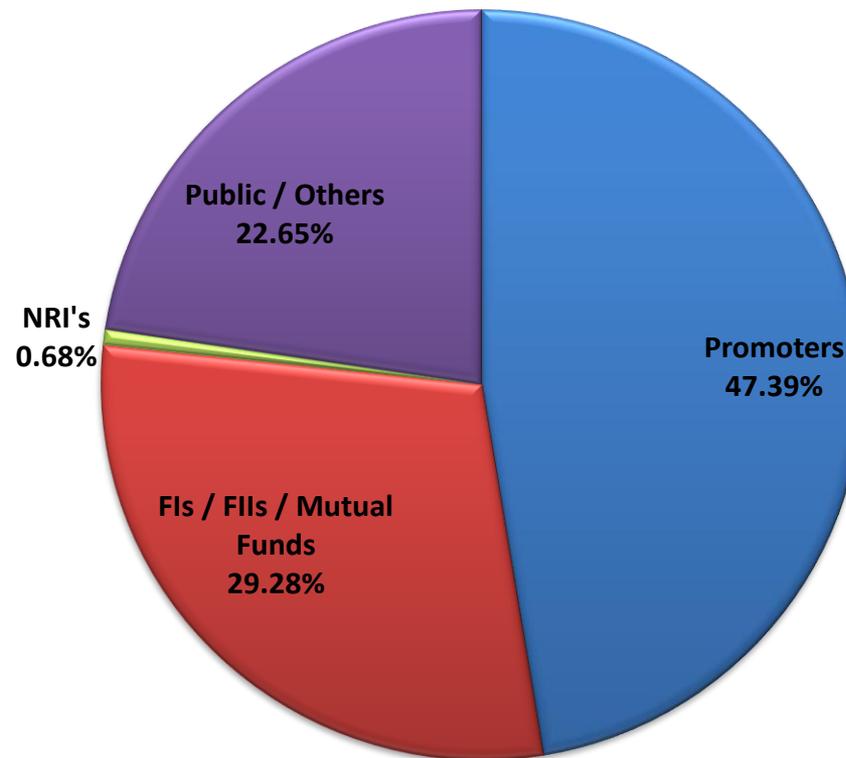
Financial highlights

(Rs / Crores)

	Q1FY18		Q1FY17		Growth		FY17		FY16		Growth	
	Standalone	Consolidated										
Gross Sales	668.53	699.53	640.10	666.05	4%	5%	2717.98	2850.50	2607.34	2695.65	4%	6%
Net Sales	620.96	627.58	594.80	591.87	4%	6%	2525.83	2545.62	2440.93	2408.52	3%	6%
EBIDTA	94.05	104.31	107.66	126.80	-13%	-18%	438.66	496.33	384.12	457.46	14%	8%
EBIDTA MARGIN	15.15%	16.62%	18.10%	21.42%			17.37%	19.50%	15.74%	18.99%		
Depreciation	14.73	21.84	12.93	19.92	14%	10%	53.20	81.39	47.20	72.61	13%	12%
Other Income	5.32	2.80	5.21	1.73	2%	62%	25.34	15.36	25.82	10.43	-2%	47%
Interest	0.98	7.80	1.13	8.98	-13%	-13%	3.54	34.00	6.72	34.46	-47%	-1%
Exceptional Items	3.61	-0.75							1.51			
Profit Before Tax	80.05	78.22	98.81	99.63	-19%	-21%	407.26	396.30	354.51	360.82	15%	10%
Tax Expense	27.91	29.31	33.37	35.05	-16%	-16%	137.10	142.49	117.51	124.72	17%	14%
Minority Interest		-2.07		1.17				0.97		4.78		
Cash Profit	66.87	72.82	78.37	83.33	-15%	-13%	323.36	334.23	284.20	303.94	14%	10%
Profit After Tax	52.14	50.98	65.44	63.41	-20%	-20%	270.16	252.84	237.00	231.33	14%	9%
Equity Share Capital	15.89	15.89	15.89	15.89			15.89	15.89	15.89	15.89		
EPS (Basic) (Rs)	3.25	3.18	4.12	3.99	-21%	-20%	16.96	15.86	14.87	14.51	14%	9%

As on 30th June 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 63.90 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:

Mr. Sanjeev Agarwal

CFO

+91 11 26946409 (Board), +91 11 41064110 (Direct)

Email: sanjeev@kajariaceramics.com

Disclaimer: 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.