



# KAJARIA CERAMICS LIMITED

Investor Update – Q3 FY 17 / 9M FY17

Jan 24, 2017

**Kajaria**  
TRANSFORM YOUR WORLD

- Chairman's Message
- Financial Performance - Q3 FY 17 / 9M FY17
- Balance sheet perspective
- Joint Venture / Subsidiaries
- Income Statement
- Shareholding Pattern

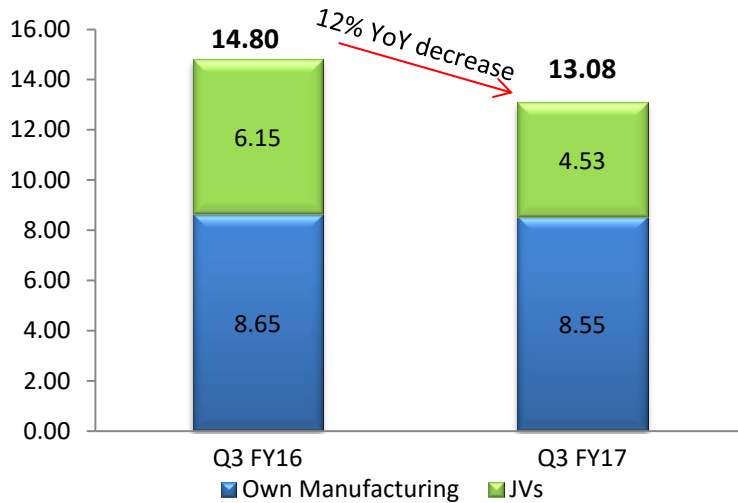
A subdued consumer sentiment consequent to liquidity issues prevailing pan-India impacted your Company's financial performance which remained at the level of the previous quarter.

Revenue in Q3/2016-17 stood at Rs 605.45 crore against Rs 596.61 crore in the same period of the previous fiscal. EBIDTA and net profit declined by 2% and 4% respectively over the same period of 2015-16.

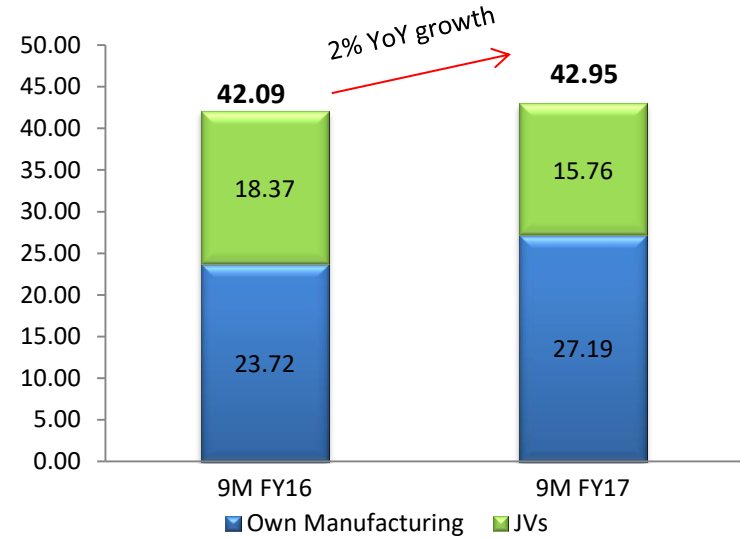
The Company launched a nation-wide TVC on-boarding celebrity Akshay Kumar as the ambassador for the Kajaria brand – cementing a strong recall in the minds of discerning consumers. This initiative, we believe, will deliver heartening returns with a rebound in consumer spending.

Going forward, business landscape appears promising. This optimism is pivoted on important realities namely as reduction/subsidization in home-loan rates, favourable policies by the Central Government.

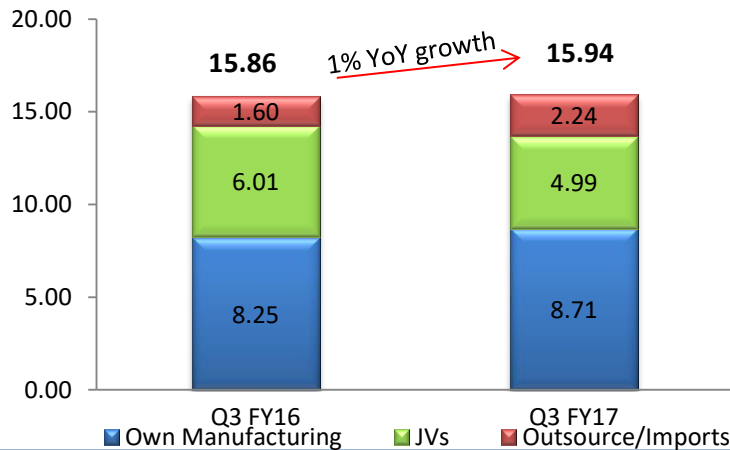
### Production Growth (MSM) - Q3 FY17



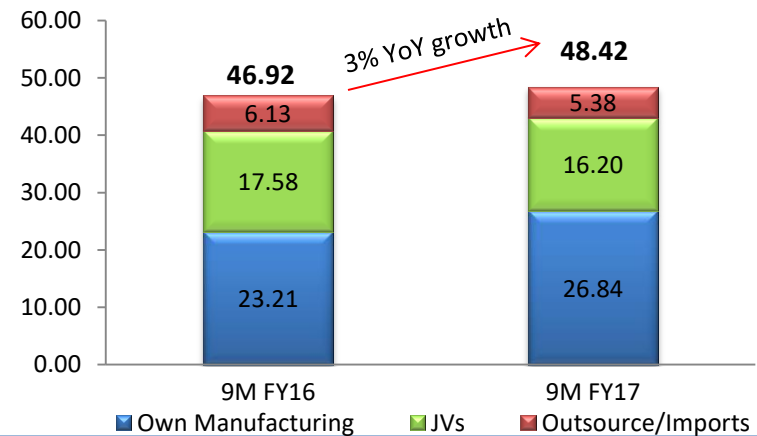
### Production Growth (MSM) - 9M FY17



### Sales Growth (MSM) - Q3 FY17

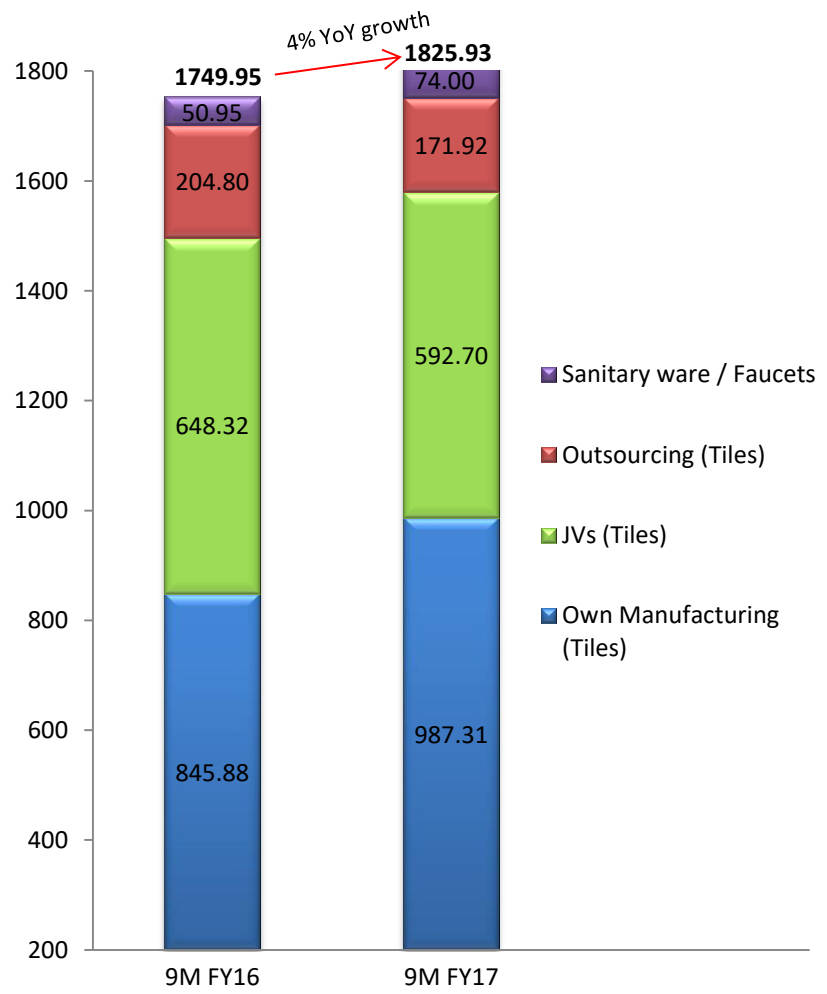
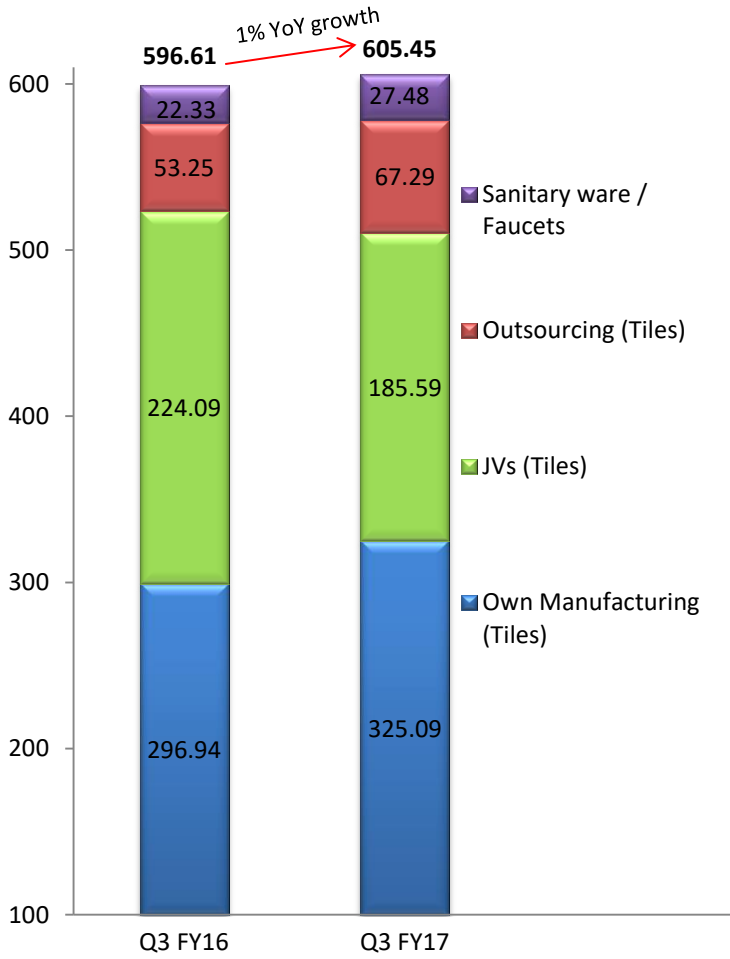


### Sales Growth (MSM) - 9M FY17



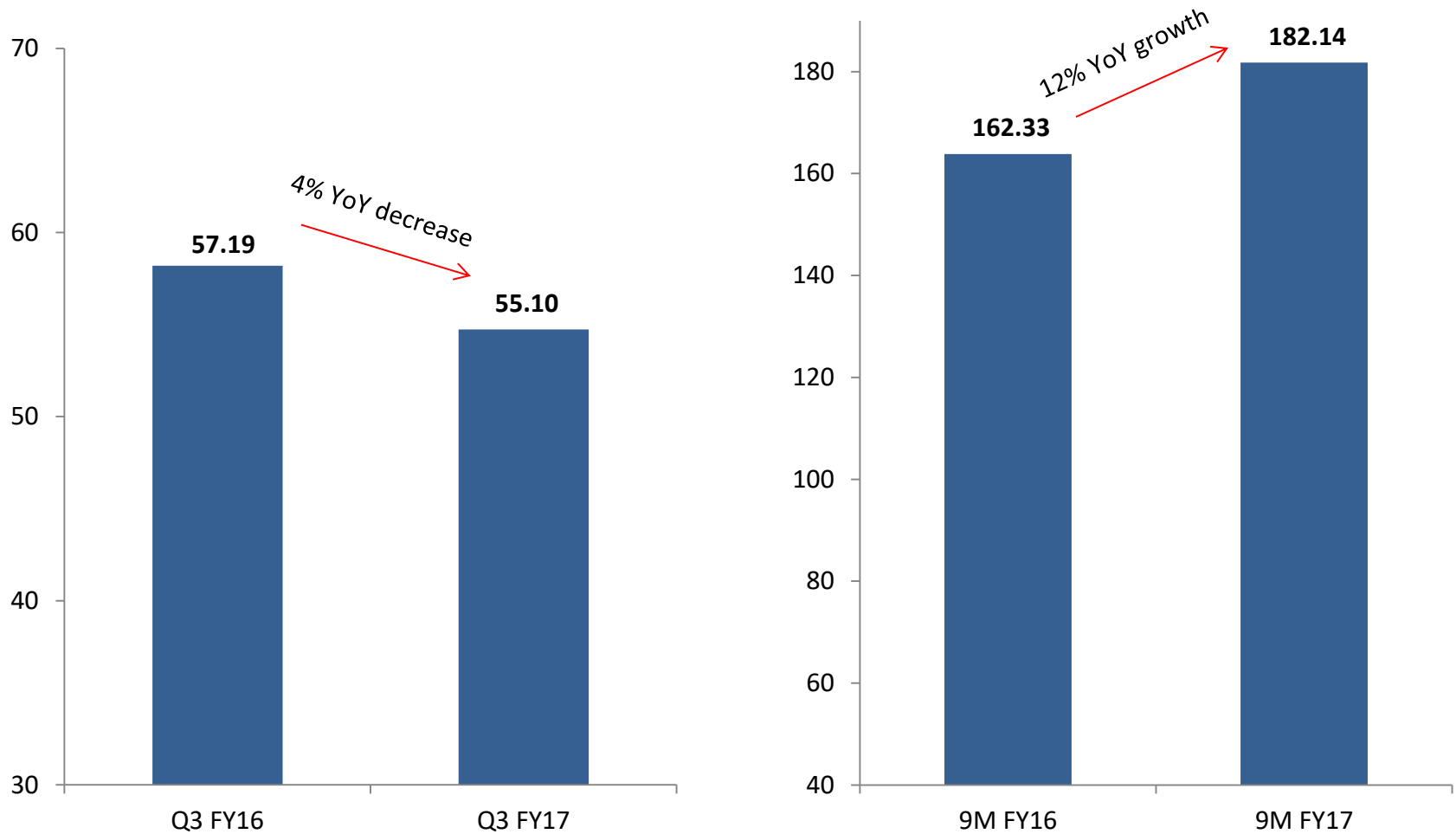
## Revenue Growth - Consolidated

Rs. / Crores

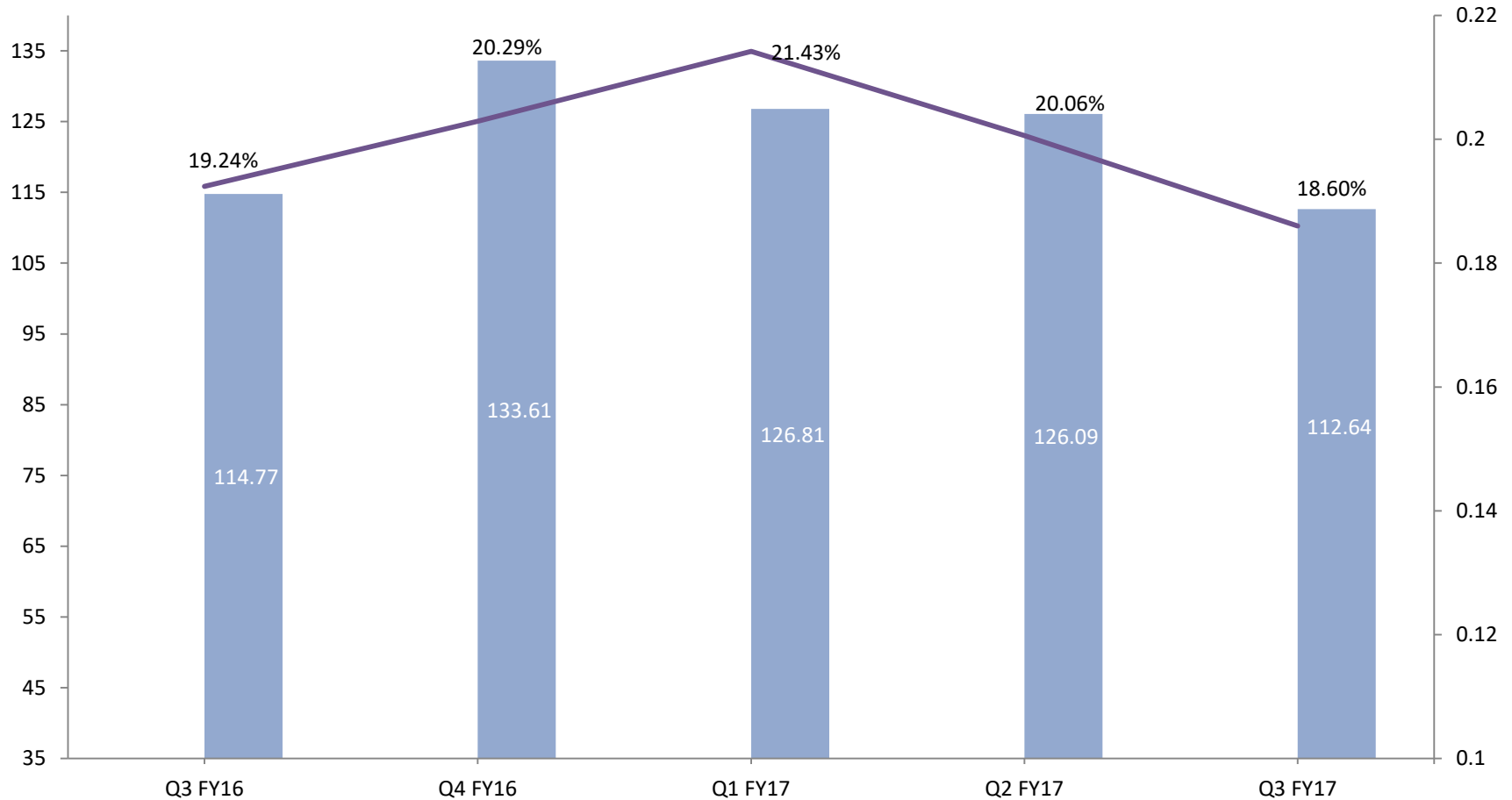


## PAT Growth - Consolidated

Rs. / Crores

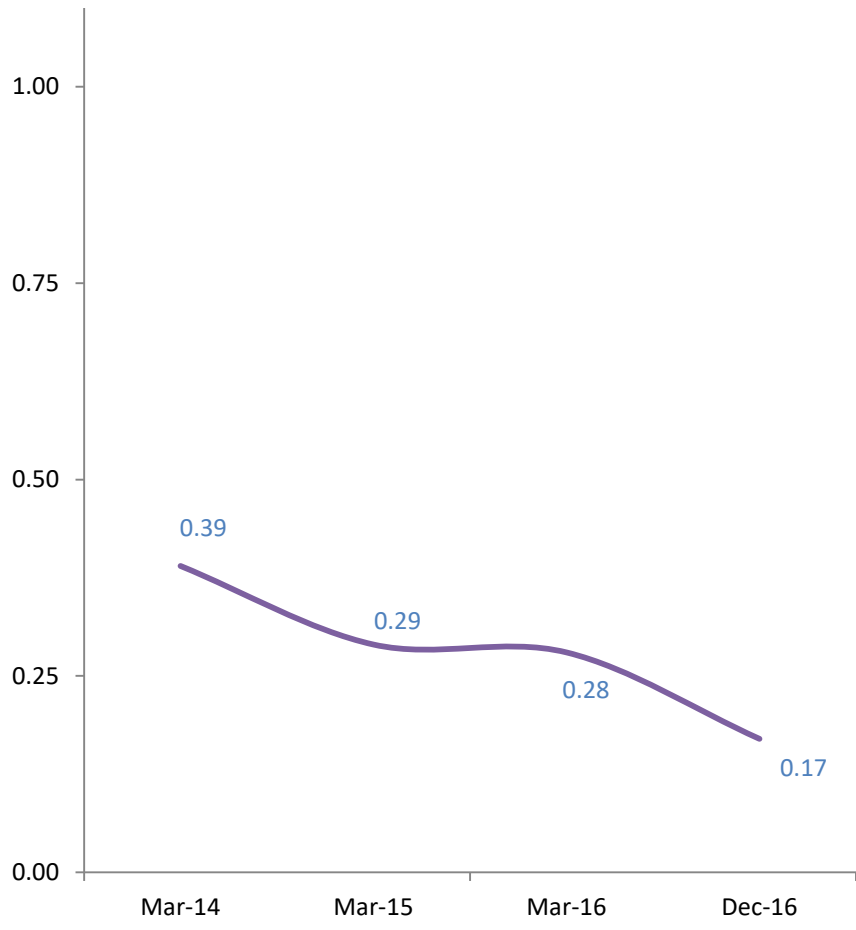


Rs./ Crores

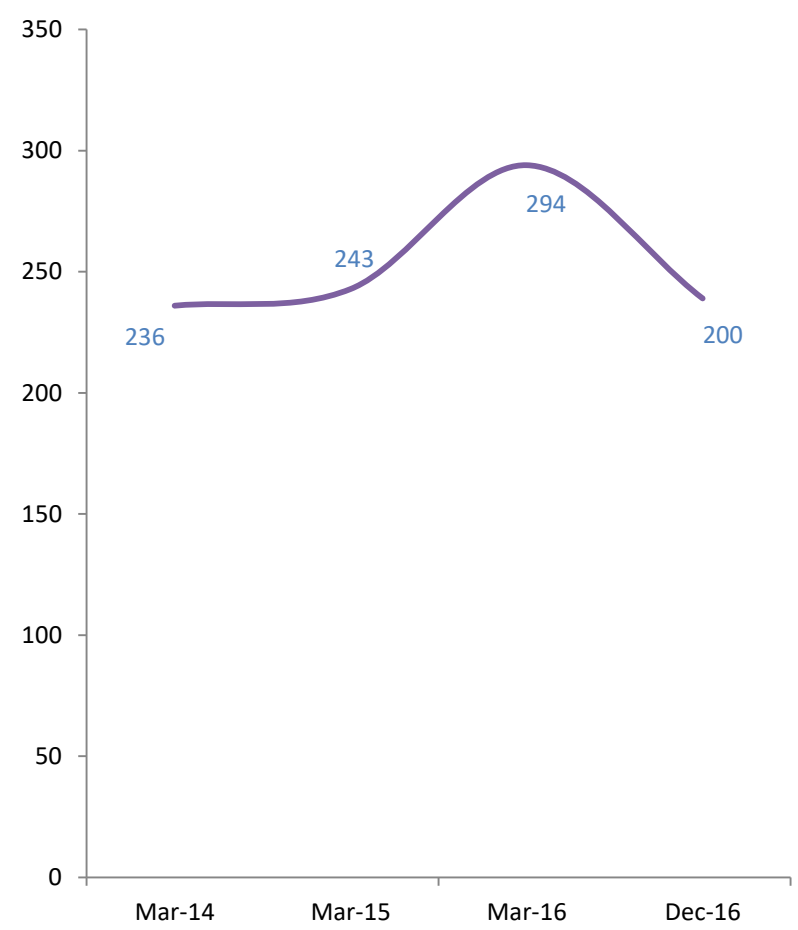


\* Recomputed as per IND - AS

### Debt Equity (X)



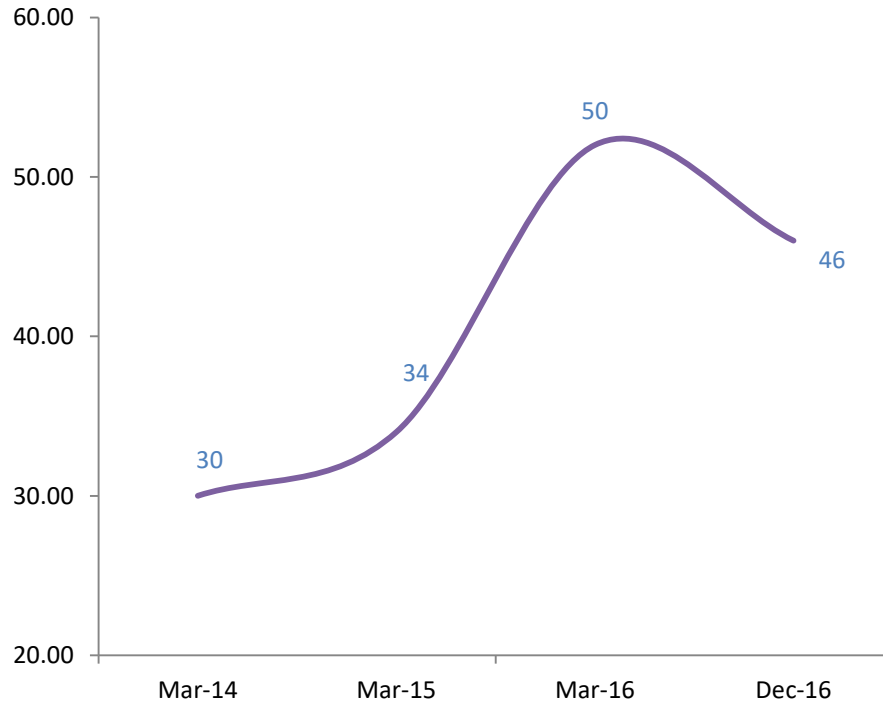
### Debt (Rs. Crore)



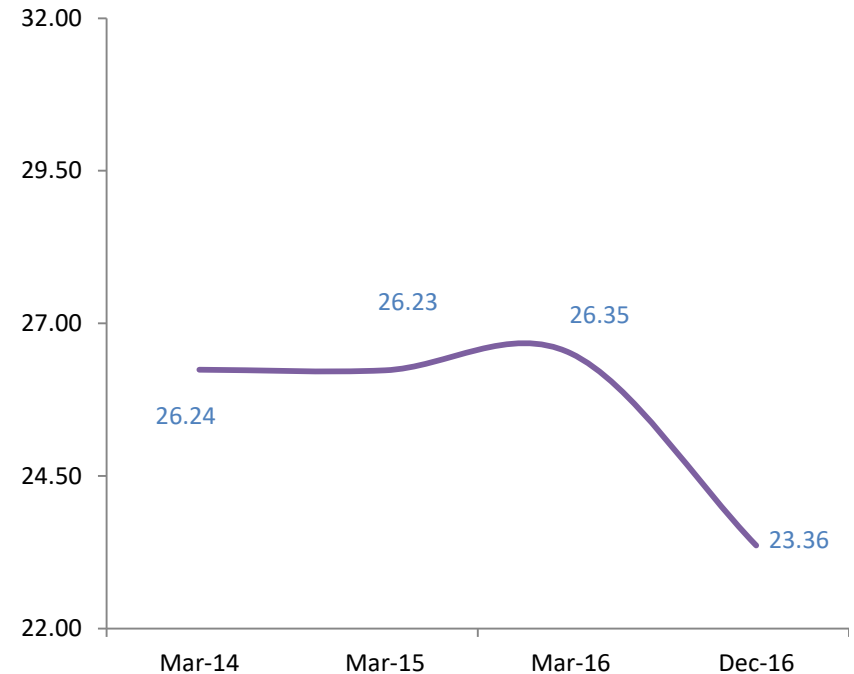
\*Recomputed as per IND - AS



## Working Capital Cycle (days) #



## Return on Equity (Avg.) \*



\*Recomputed as per IND - AS

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

## ROE as on 31<sup>st</sup> Dec. 16 taken at average of net worth as on 31<sup>st</sup> Mar. 16 & 31<sup>st</sup> Dec 16 and Q3 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 40% in Q3 FY17 due to lack of demand.

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 87% in Q3 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 Q3 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 operated at 79% capacity in Q3 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 was shut down in Q3 FY17 due to lack of demand.

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 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.

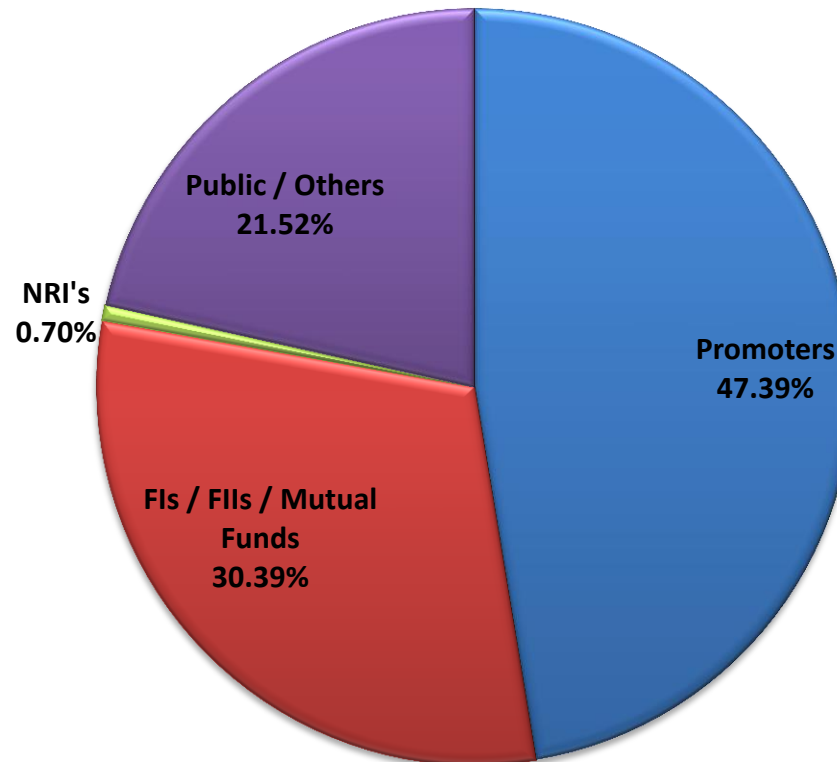
## Financial highlights

(Rs / Crore)

|                   | Q3FY17     |              | Q3FY16     |              | Growth     |              | 9MFY17     |              | 9MFY16     |              | Growth     |              |
|-------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
|                   | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| Gross Sales       | 644.87     | 675.85       | 641.72     | 668.35       | 0%         | 1%           | 1960.27    | 2047.27      | 1893.59    | 1955.13      | 4%         | 5%           |
| Net Sales         | 600.53     | 605.45       | 600.07     | 596.61       | 0%         | 1%           | 1822.12    | 1825.93      | 1774.83    | 1749.95      | 3%         | 4%           |
| EBIDTA            | 98.11      | 112.64       | 95.80      | 114.77       | 2%         | -2%          | 324.34     | 365.53       | 266.61     | 323.13       | 22%        | 13%          |
| EBIDTA MARGIN     | 16.34%     | 18.60%       | 15.96%     | 19.24%       |            |              | 17.80%     | 20.02%       | 15.02%     | 18.47%       |            |              |
| Depreciation      | 13.42      | 20.63        | 11.59      | 18.42        | 16%        | 12%          | 39.58      | 60.90        | 34.04      | 52.69        | 16%        | 16%          |
| Other Income      | 5.86       | 2.10         | 5.47       | 1.59         | 7%         | 32%          | 17.98      | 7.61         | 17.73      | 5.76         | 1%         | 32%          |
| Interest          | 0.72       | 8.27         | 1.54       | 8.95         | -53%       | -8%          | 2.91       | 26.18        | 4.78       | 24.06        | -39%       | 9%           |
| Exceptional Items |            |              |            |              |            |              |            |              |            |              |            |              |
| Profit Before Tax | 89.83      | 85.84        | 88.14      | 88.99        | 2%         | -4%          | 299.84     | 286.06       | 245.52     | 252.14       | 22%        | 13%          |
| Tax               | 29.33      | 30.89        | 30.00      | 31.11        | -2%        | -1%          | 100.07     | 104.42       | 81.00      | 84.94        | 24%        | 23%          |
| Minority Interest |            | -0.15        |            | 0.69         |            |              |            | -0.50        |            | 4.87         |            |              |
| Cash Profit       | 73.92      | 75.73        | 69.73      | 75.61        | 6%         | 0%           | 239.35     | 243.03       | 198.56     | 215.02       | 21%        | 13%          |
| Profit After Tax  | 60.50      | 55.10        | 58.14      | 57.19        | 4%         | -4%          | 199.77     | 182.14       | 164.52     | 162.33       | 21%        | 12%          |
| Equity            | 15.89      | 15.89        | 15.89      | 15.89        |            |              | 15.89      | 15.89        | 15.89      | 15.89        |            |              |
| EPS (Basic) (Rs)  | 3.81       | 3.47         | 3.66       | 3.60         | 4%         | -4%          | 12.57      | 11.46        | 10.35      | 10.21        | 21%        | 12%          |

As on 31<sup>st</sup> Dec 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).

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

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