

Kajaria Ceramics Ltd

Q1FY12 Results Update

Financial highlights

Rs in Crores

	Q1 FY12		Q1 FY 11	Growth		12M FY11		12M FY10	Growth	
	Standalone	Consolidated	Standalone	Standalone	Consolidated	Standalone	Consolidated	Standalone	Standalone	Consolidated
Gross Sales	287.26	289.00	207.05	39%	40%	1004.57	1005.13	766.75	31%	31%
Net Sales	269.76	271.31	195.11	38%	39%	952.35	952.31	735.53	29%	29%
EBIDTA	41.95	43.29	31.30	34%	38%	148.54	148.98	115.67	28%	29%
EBIDTA MARGIN	15.55%	15.96%	16.04%			15.60%	15.64%	15.73%		
Interest	8.83	9.09	7.77	14%	17%	29.86	30.08	37.52	-20%	-20%
Depreciation	8.73	9.02	7.36	19%	23%	29.50	29.68	26.71	10%	11%
Profit Before Tax	24.39	25.18	16.17	51%	56%	89.18	89.22	51.44	73%	73%
Tax	7.56	7.82	4.85	56%	61%	28.52	28.53	15.59	83%	83%
Profit After Tax	16.83	17.36	11.32	49%	53%	60.66	60.69	35.85	69%	69%
Equity	14.72	14.72	14.72			14.72	14.72	14.72		
EPS (Rs)	2.29	2.32	1.54	49%	53%	8.24	8.24	4.87	69%	69%

Production and capacity utilization

1. Ceramic glazed wall tile unit – Gailpur (Capacity 14.10 msm p.a)

The ceramic glazed wall tile unit at Gailpur has produced 3.64 msm during the quarter ended June 2011 (103% of the capacity).

2. Ceramic glazed floor tile unit – Sikandrabad (Capacity 3.20 msm pa.)

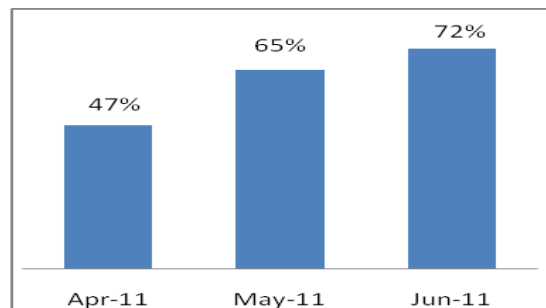
The ceramic glazed floor tile unit at Sikandrabad has produced 0.83 msm during the quarter ended June 2011 (103% of the capacity).

3. **Vitrified tiles unit – Sikandrabad (Capacity 5.00 msm p.a)**

In Sikandrabad we had put up a capacity of 2.40 msm of vitrified tiles in Feb. 2010. We had converted part of ceramic tile unit into vitrified tiles in March 2011 (2.60 msm), making the total vitrified tile capacity at 5.00 msm p.a. During Q1'12 the company has produced 1.03 msm of vitrified tiles, which is 82% of the installed capacity. The new unit had some teething trouble and did not operate at optimum capacity during first quarter of operation. Now the plant is almost stabilized and operating at 90% + capacity. We hope to achieve 95%+ capacity utilization in Q2'12.

4. **Vitrified tiles unit – Gailpur (Capacity 6.00 MSM p.a)**

We had put up this capacity to produce high end polished and glazed vitrified tiles for the first time on 28th March 2011. This unit is also under process of attaining optimum capacity utilization. During the quarter it has produced 0.93 msm tiles. The table below shows the month-wise capacity utilization:-



In June 2011 this unit has attained 72% of capacity utilization as against average of 62% for the Q1'12. We hope to achieve 90% capacity utilization by end of Q2'12.

5. Expansion at Morbi

The Board has approved the expansion proposal of Soriso Ceramic Pvt. Ltd. (subsidiary) for increasing its capacity from 2.30 msm p.a. to 4.60 msm p.a. at the existing location, at a cost of Rs. 1350 lacs. Kajaria Ceramics has 51% stake in Soriso Ceramic Pvt. Ltd.

Review of the financial performance

- *Manufacturing sales:* During Q1'12 the Company has sold 6.13 msm tiles as against 4.72 msm in corresponding quarter.
- *Trading sales:* During Q1'12 the Company has sold 2.29 msm tiles as against 1.55 msm in previous corresponding quarter.
- *Revenue:* The Company has achieved a net sales of Rs 269.76 crore in Q1'12 compare with Rs 195.11 crore in the corresponding previous quarter (up 38%). The consolidated sales was Rs 271.31 crore in Q1'12 (up 39%) .
- *EBIDTA:* The Company reported an EBIDTA of Rs. 41.95 crore in Q1'12 as compared to Rs. 31.30 crore in corresponding previous quarter . The consolidated EBIDTA was Rs 43.29 crore in Q1'12. The EBIDTA margin declined marginally due to lower capacity utilization for the new expansion and rise in fuel cost.
- *Interest:* The interest increased from Rs. 7.77 crore in Q1'11 to Rs. 8.83 crore in Q1' 12 on account of start of new production units at Sikandrabad and Gailpur. The consolidated interest was Rs. 9.09 crore in Q1' 12.
- *PAT:* The company reported post tax profit of Rs. 16.83 crore in Q1'12 as compared to Rs. 11.32 crore in corresponding previous quarter (up 49%). Consolidated Net Profit Rs 17.07 crore (up 53%)

About Kajaria Ceramics Limited

Kajaria Ceramics Limited is the largest producer of floor and wall tiles in India having an aggregate capacity of 30.60 msm* per annum. The company is providing complete tile solution to the customers by way of own production and import of tiles and bathware. Kajaria is the only Indian ceramic tile company awarded 'Superbrand' status for fifth consecutive time.

* including subsidiary capacity

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Ceramic glazed wall/floor tile is a mix of different kind of clays with coating of different kind of glaze and colours and fully stain free

\$ Vitrified / polished porcelain tile has very negligible water absorption level and has homogenous body