SOMANY CERAMICS LIMITED

Q3/9M'FY15 – Investor Update

January, 2015

Key Industry highlights









- ✓ Improving focus on infrastructure, housing for all, Swachh Bharat Abhiyan provide ample opportunities over a long term period
- ✓ Easing Interest rates bode well for Infrastructure, Real Estate sector; Building materials sector likely to witness pickup in volumes
- ✓ Gas prices have largely remained stable resulting in overall stable price regime for raw material prices for the industry
- ✓ Value added Tiles and increased product offering is benefitting Organized players as they have a competitive edge in the industry
- ✓ GST implementation is keenly watched as it will increase business efficiency thereby giving fillip to the Organized Tile manufacturers

With capacities available, Tiles sector has a positive outlook with improving economic activity on ground

Quarterly overview









Operational Performance

- Q3'FY15 tiles sales volume at 10.18 msm vs. 8.54 msm, a growth of 19% YoY
- 9m'FY15 tiles sale volume at 29.77 msm vs. 26.02 msm, a growth of 14% YoY
- Sales in 9m'FY15 – Own manufacturing (40%), JV (38%) and Others (22%)

Financial Performance

- Net Sales increased by 31% YoY to Rs. 371.18 cr in Q3'FY15
- Q3'FY15 PBT grew by 139% to Rs. 17.01 cr with margin at 4.6%
- Q3'FY15 PAT grew by 131% to Rs. 11.02 cr with margin at 3.0%

Capacities

- Access to capacity to be at ~55 msm by March, 2015
- Amora Tiles Pvt. Ltd., a subsidiary company expanded by 2.44 msm per annum
- Acer Granito Pvt. Ltd., an associate company expanded by 3.06 msm per annum
- Expansion at Kadi plant for 2.40 msm per annum likely to commence in February, 2015

Msm - mn sq mtr

Quarterly overview









- Exports for the quarter stood at Rs. 19.24 cr up by 223%
- Geographical Sales – North (39%), South (28%), West (11%), East (17%), Exports (5%)
- Sanitaryware and bath fittings sales at Rs. 17.72 cr up by 47%

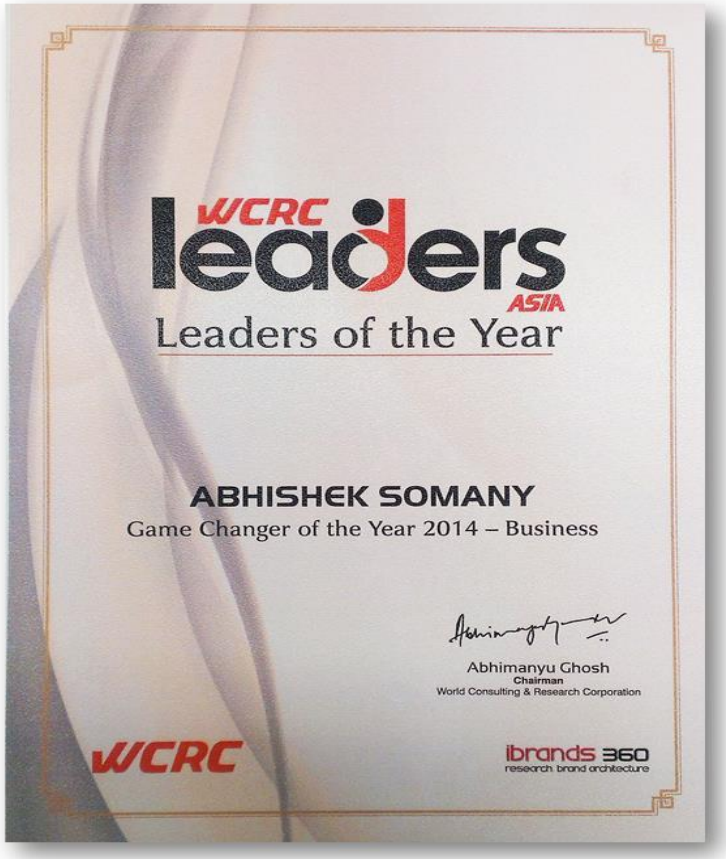
Recognition at ABLS, 2014













Asian Brand and leadership Summit (ABLS), 2014 honored our company with Asia's Most Promising Brand Award in Buildings Material Category. Our Joint Managing Director - Mr. Abhishek Somany was received award for one of Asia's Most Promising Leader.

‘Zindagi ko chamakne do’ – Our Latest TVC











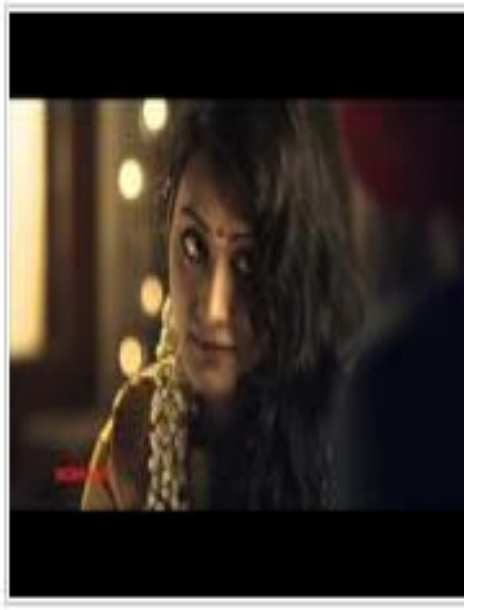
Somany tiles rangoli+Grandpa 15 Secs

Click here to view Ad



Somany tiles Heels+Bathroom 15 Secs

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Somany tiles Dance+Rangoli 15 Secs

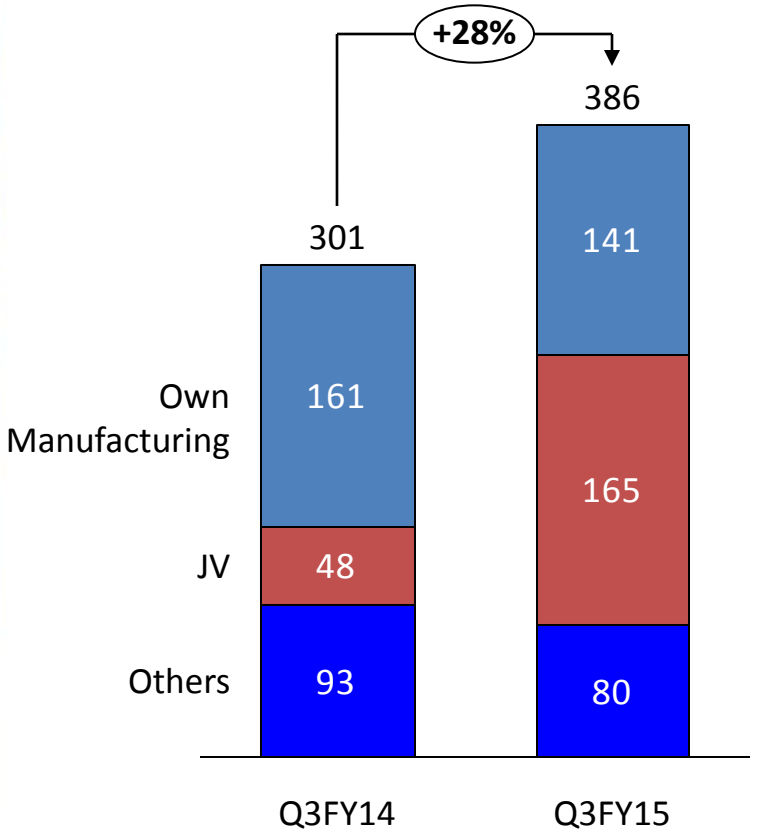
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TV Commercials to help ‘Brand Somany’ connect with consumers and improve Brand Perception

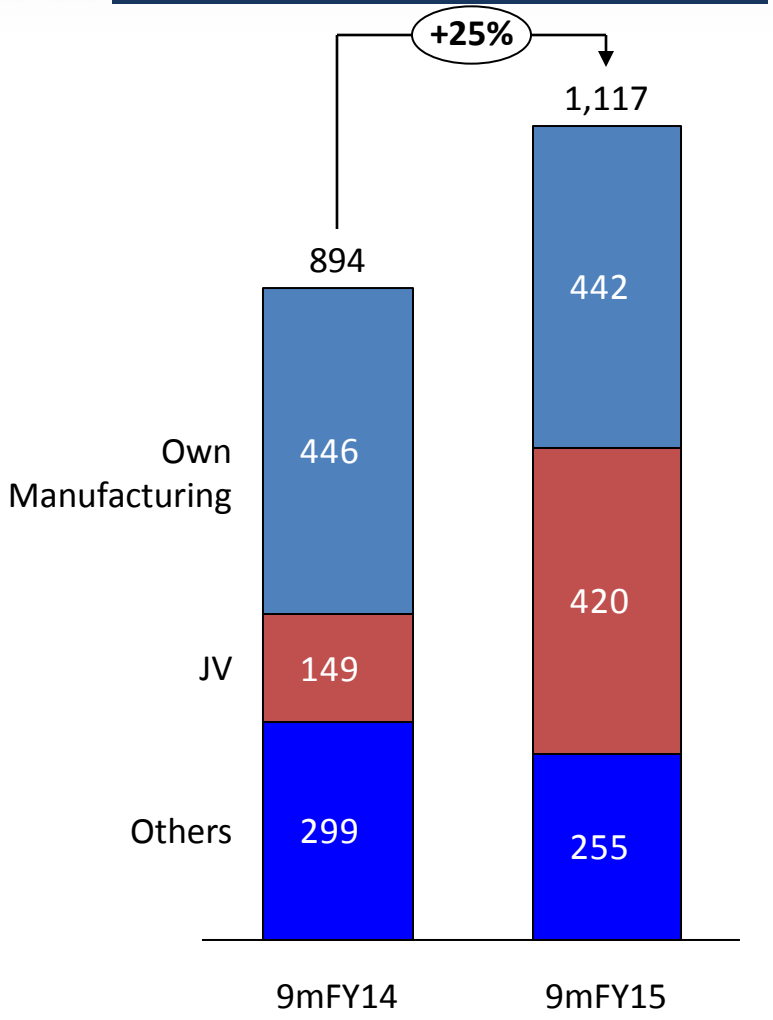
Sales Performance (Gross)



Q3'FY15 vs Q3'FY14



9m'FY15 vs 9m'FY14

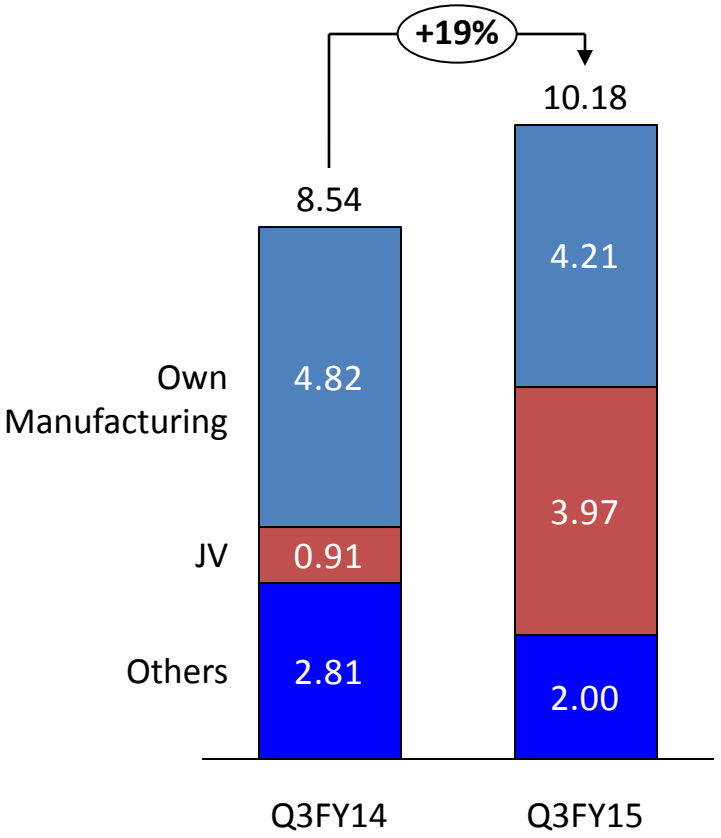


Figures in Rs. cr

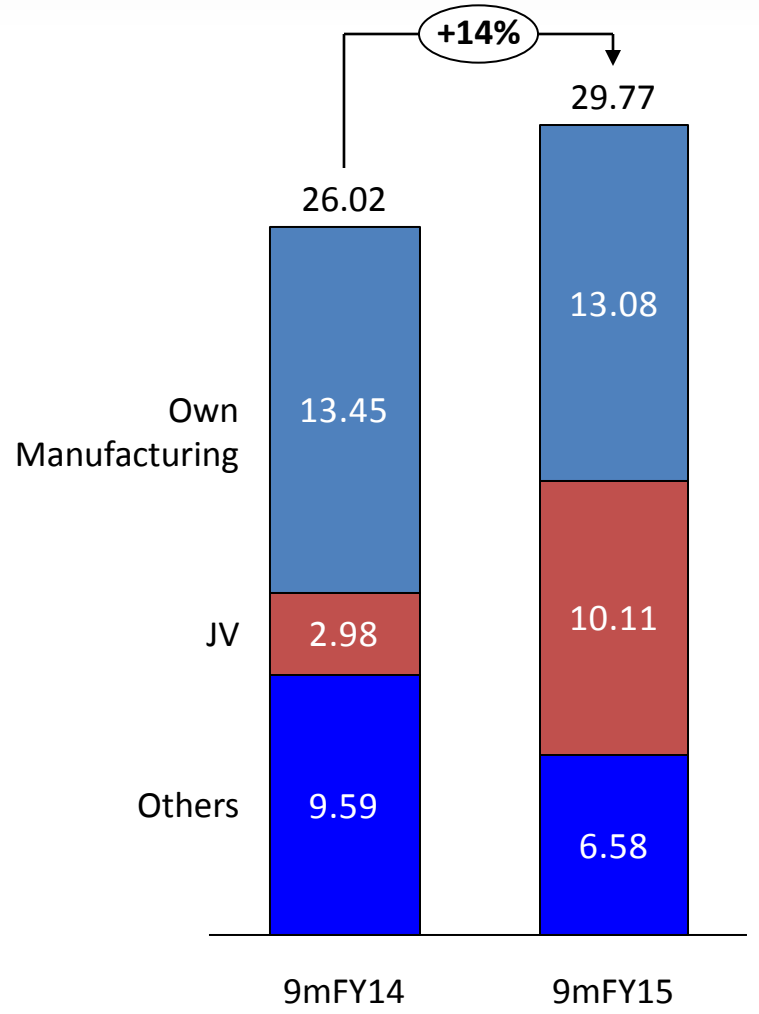
Volume Performance (Tiles)



Q3'FY15 vs Q3'FY14



9m'FY15 vs 9m'FY14



Figures in mn sq mtr

Q3/9M'FY15 Profit & Loss






Particulars	Q3'FY15	Q3'FY14	Growth	9m'FY 15	9m'FY 14	Growth
Net Sales	**371.18**	**283.54**	30.9%	1069.72	**845.33**	26.5%
EBIDTA	26.77	17.43	53.6%	73.41	55.70	31.8%
Depreciation	5.64	5.73	-1.6%	16.29	16.45	-1.0%
Finance cost	4.12	4.58	-10.0%	11.55	13.83	-16.5%
Profit before tax	**17.01**	**7.12**	138.9%	**45.57**	**25.42**	79.3%
Tax expenses	5.99	2.34	156.0%	15.98	8.57	86.5%
Profit after tax	**11.02**	**4.78**	130.5%	**29.59**	**16.85**	75.6%
Basic EPS (Rs.)	2.84	1.38	105.8%	7.62	4.88	56.1%

Standalone figures in Rs.cr

Debt Management

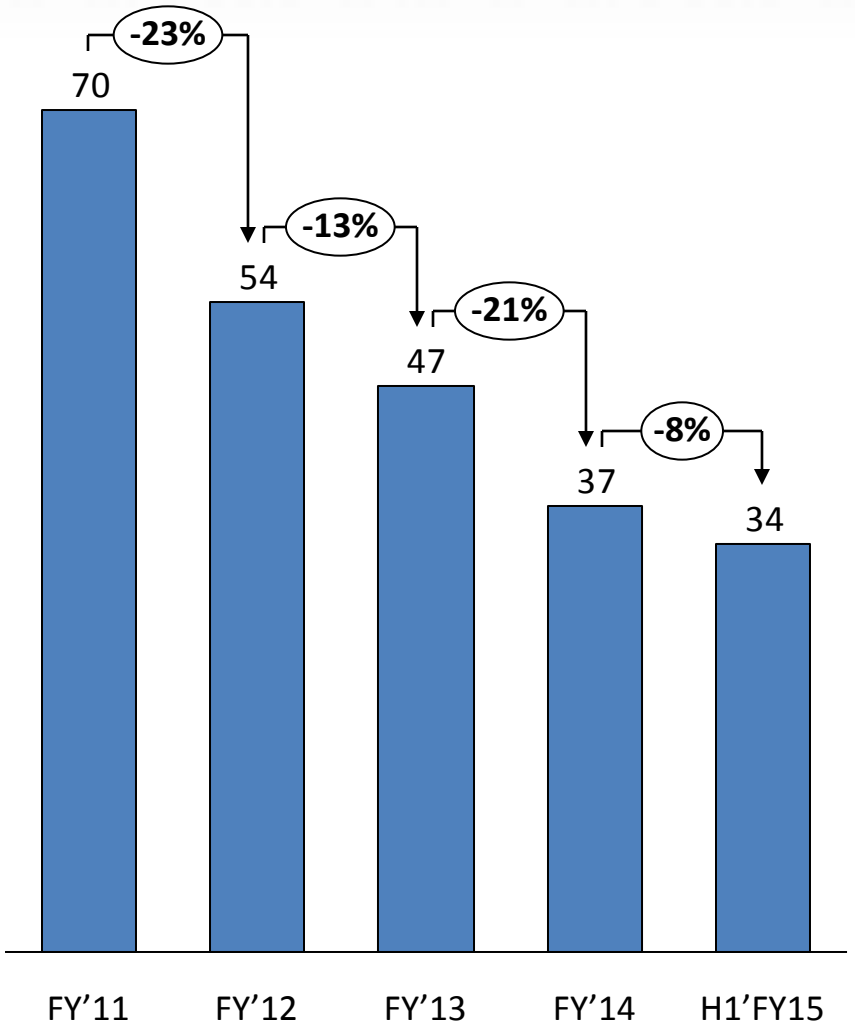




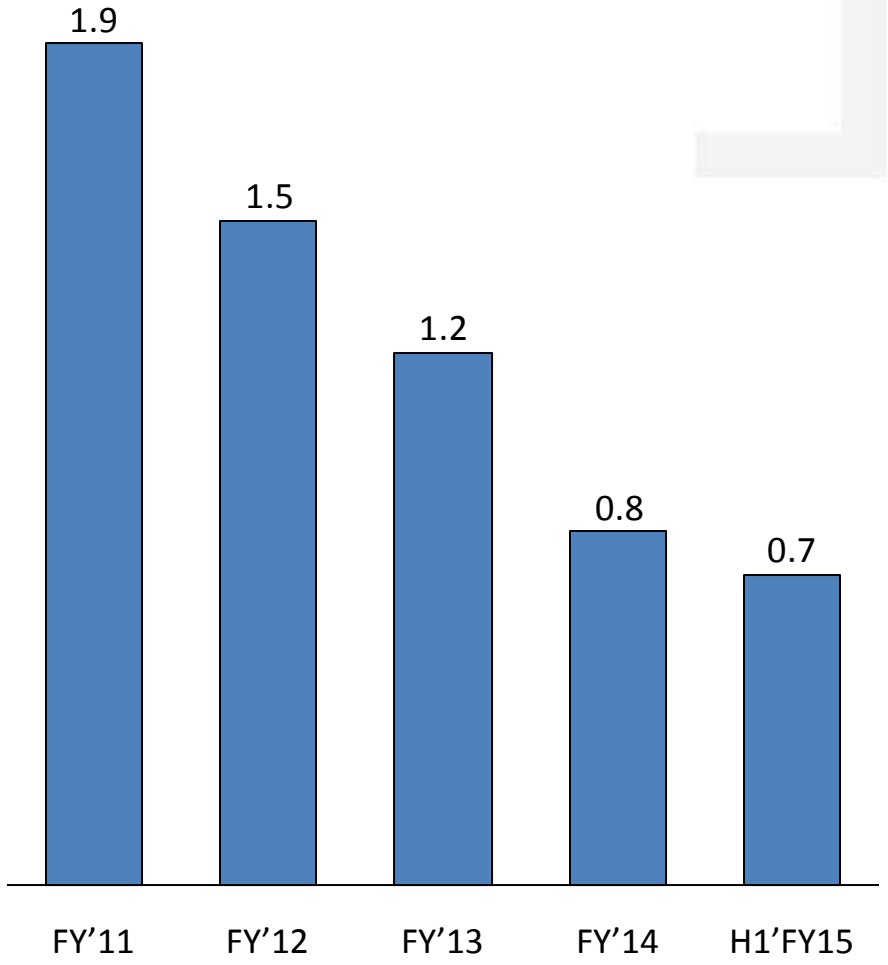




Working Capital Days*



Leverage Ratio



excludes Current Investment of Rs. 37 cr in F'Y14 and Rs. 34.78 cr in H1'FY15

Historical Profit & Loss Statement






Particulars	FY'11	FY'12	FY'13	FY'14
Net Sales	708	870	1,046	1,253
EBIDTA	68	75	87	84
Depreciation	17	18	20	22
Finance cost	17	21	20	18
Profit before tax	34	36	47	44
Tax expenses	10	11	15	16
Profit after tax	23	25	32	28
Cash Profit	43	43	53	51
EPS (Rs.)	6.79	7.17	9.16	8.01

Standalone figures in Rs.cr

Historical Balance Sheet






Particulars	FY'11	FY'12	FY'13	FY'14	H1'FY15
Equity Share Capital	7	7	7	8	8
Reserves & Surplus	96	117	144	213	230
Net Worth	*102*	*124*	*151*	*221*	*238*
Total Debt	191	181	176	170	166
Net Block	176	194	209	219	226
Investments	2	6	9	22	22
Net Current Assets	137	128	133	165	165

Standalone figures in Rs.cr

Key Strengths









- Committed to value enhancement by adopting asset light model and increasing share of value add products
- 1st in the Indian Tile industry to have Government recognized R&D facilities, thereby giving credibility to 'Brand **Somany**'
- Long term firm contract with GAIL, GSPC and IOC for supply of natural gas
- High credibility & reputation for 'Brand **Somany**' and its Promoters amongst dealers, suppliers and financial institutions

- Pan India distribution and marketing network creating stronger Brand Somany
- Around 10,000 touch points which include dealer, retailer, showrooms/display centers
- Strong brand recall in retail segment which contributes ~65% of overall sales
- Formidable association with large institutional clients comprising of Governments, Corporates and Private Builders

- Wide product range covering Ceramic, Vitrified Tiles, Sanitaryware & Bath fittings
- India's largest in-house designing team dedicated to developing designs, products and concepts in collaboration with Spanish and Italian design houses
- Asset model allows company to respond faster to changing trends and market dynamics

Strategically building a sustainable growth path



Sustainable Business Growth

1 ***Increase market share***

- Increase coverage through distributors and franchise stores

2 ***Faster access to capacity***

- Build access to capacity through JV, outsourcing model

3 ***Innovation***

- Increase R&D efforts to introduce new & innovative products to the market

4 ***Improvement in Product Mix***

- Focus on high value added segments

5 ***Increase Branding and marketing efforts***

- Improving recall of **'Brand Somany'**
- Increase spend to 2-2.5% of Sales

6 ***Export Markets***

- Increase exports to newer geographies

Future Growth Strategies

Disclaimer









The information contained herein has been prepared to assist prospective investors in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all of the information a prospective or existing investor may desire.

This Information may include certain statements and estimates provided by the Company with respect to the projected future performance of the Company. Such statements, estimates and projections reflect various assumptions by management concerning possible anticipated results, which assumptions may or may not be correct.

Prospective investors will be expected to have conducted their own due diligence investigation regarding these and all other matters pertinent to investment in the Company.

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SOMANY

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