SOMANY CERAMICS LIMITED
Q1'FY15 Results Update

Key Message

Government of India has renewed focus on Infrastructure. Announcement of investments in new cities, airports, ports, highways are likely to boost the business prospects for the tiles industry.

Recent budget announcements are very encouraging and allow us to confidently repose our faith in the dynamic Indian economy in general and the tile industry in particular. Positives include –

a. Development of 100 new cities to create fresh demand for homes
b. Government focus on sanitation to boost demand for tiles and sanitary ware
c. Increase in disposable income at the hands of consumers owing to increase in income tax limits
d. Increase in tax deduction for home loan borrowers coupled with cheaper credit to housing finance companies to spurt the latent demand for homes especially in Tier 1 and Tier 2 cities
e. New Airports in Tier 1 and Tier 2 cities

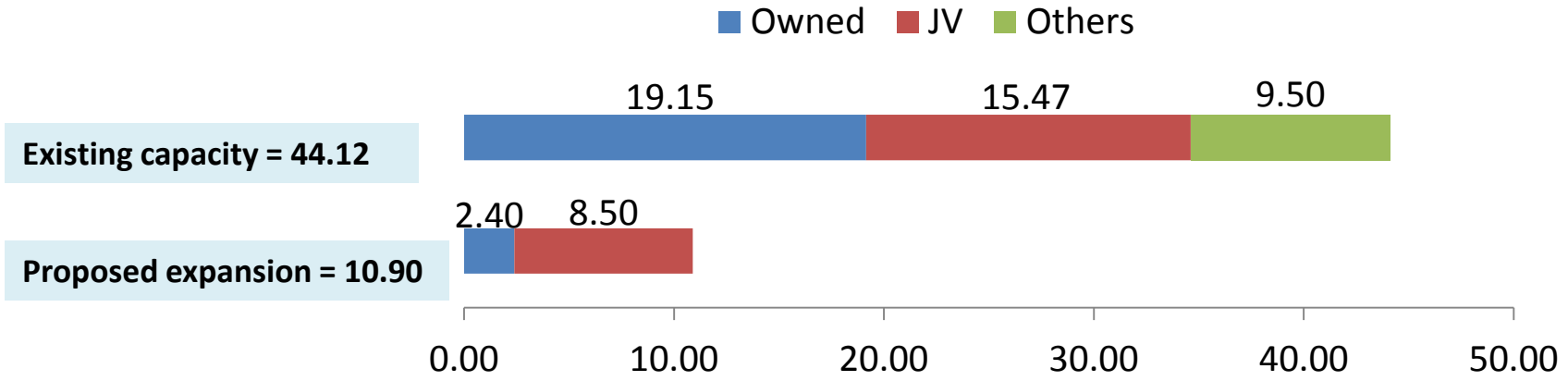
At Somany by end of FY15 we shall have access to ~55 msm of capacity This will allow us to expand our foothold in the Indian market. We have also increased our focus on exports and have doubled our revenues from this segment in the current quarter. We are also concentrating on increasing share of value added products across all product segments. Our foray in sanitary ware and bath fittings will make us a significant one stop solution for home fixture needs.

At SOMANY, All right ingredients are in place for us to capitalise on exponential growth going forward

Corporate Brief

- **Somany Ceramics Ltd**. is amongst the frontrunners in the ceramic tile industry in India.

- **Capacity Profile (in msm) - Total Access to ~55 msm by end of FY15**

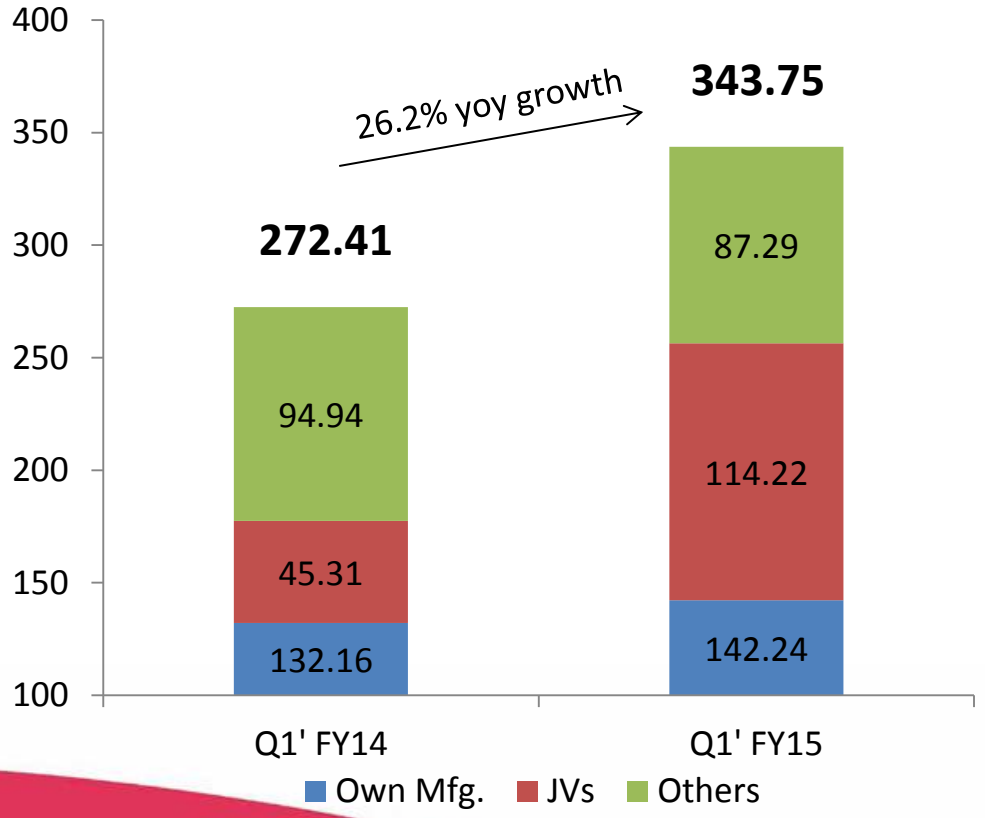


- Somany is the only company in Indian tile industry to have a **patent for its highly abrasion resistant tiles 'VC Shield'**

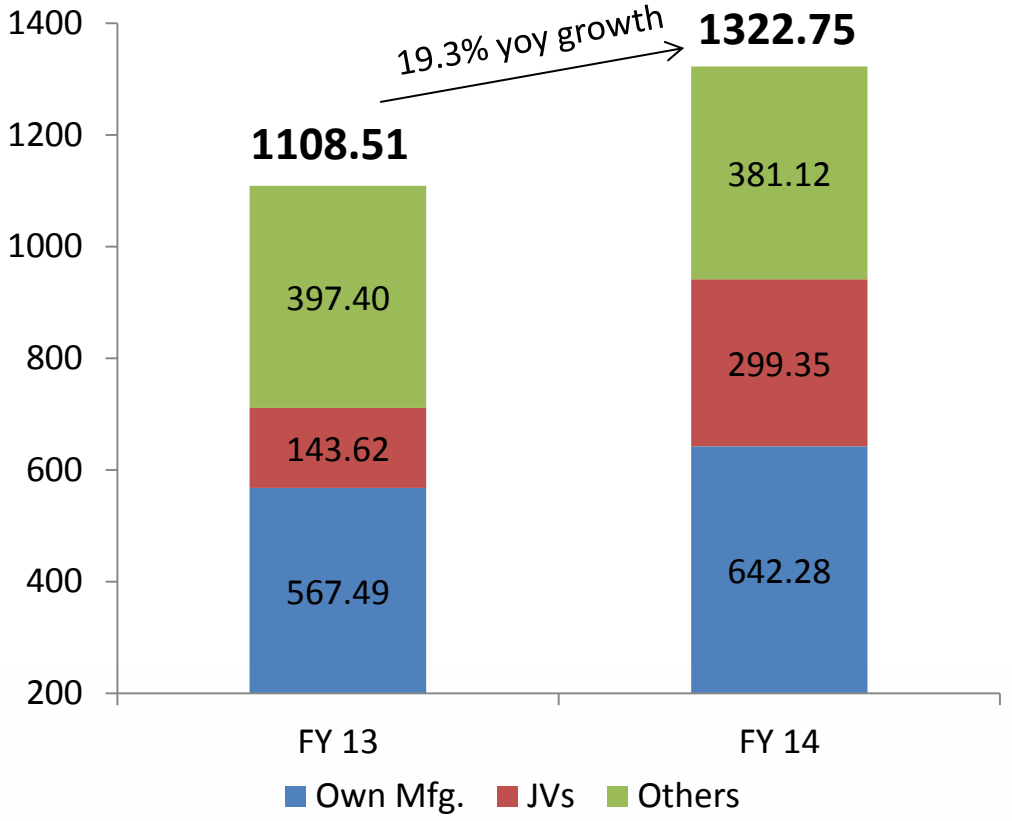
- Brand 'SOMANY' has **pan India presence** with
  - 6,500 + touch points through dealers and sub-dealers
  - 233 franchise showrooms/display centres

Growth – Gross Sales

Quarterly Performance



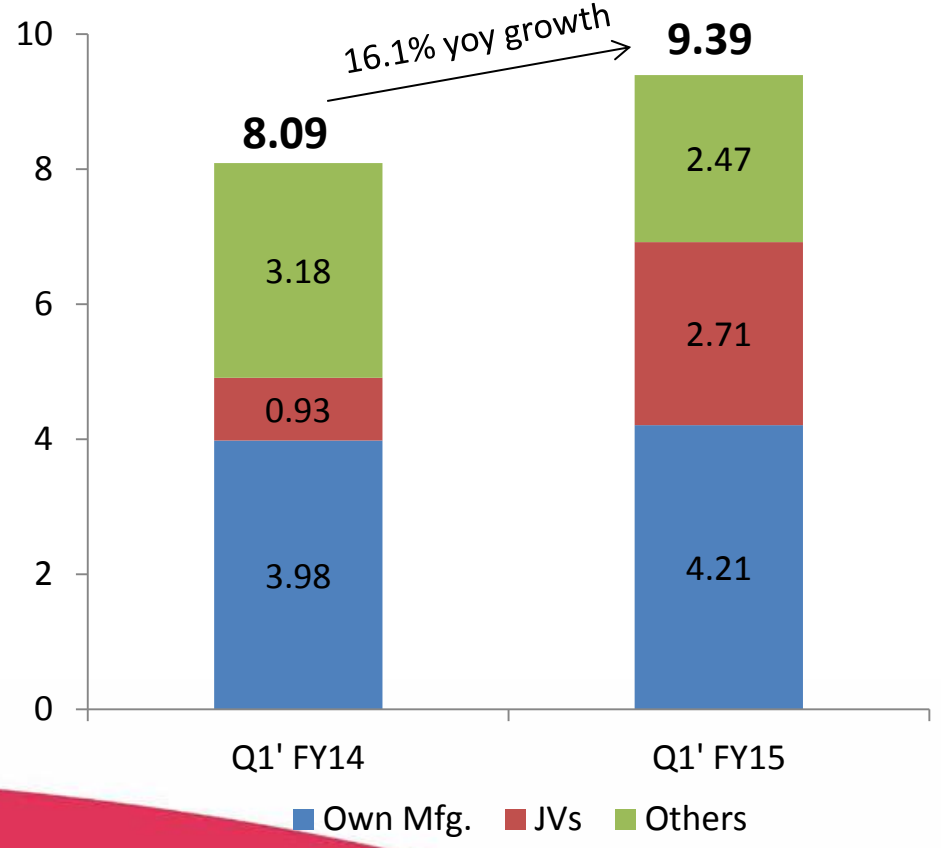
Annual Performance



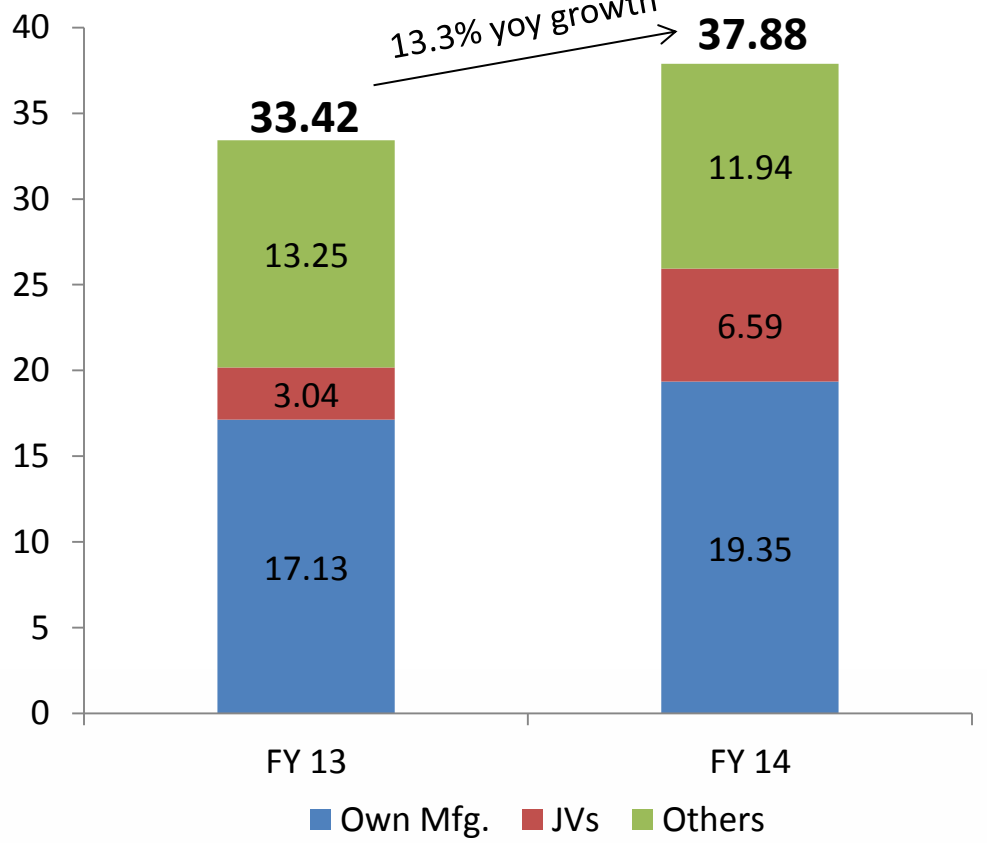
Standalone figures in Rs./ Crores

Growth – Sales Volume (Tiles)

Quarterly Performance



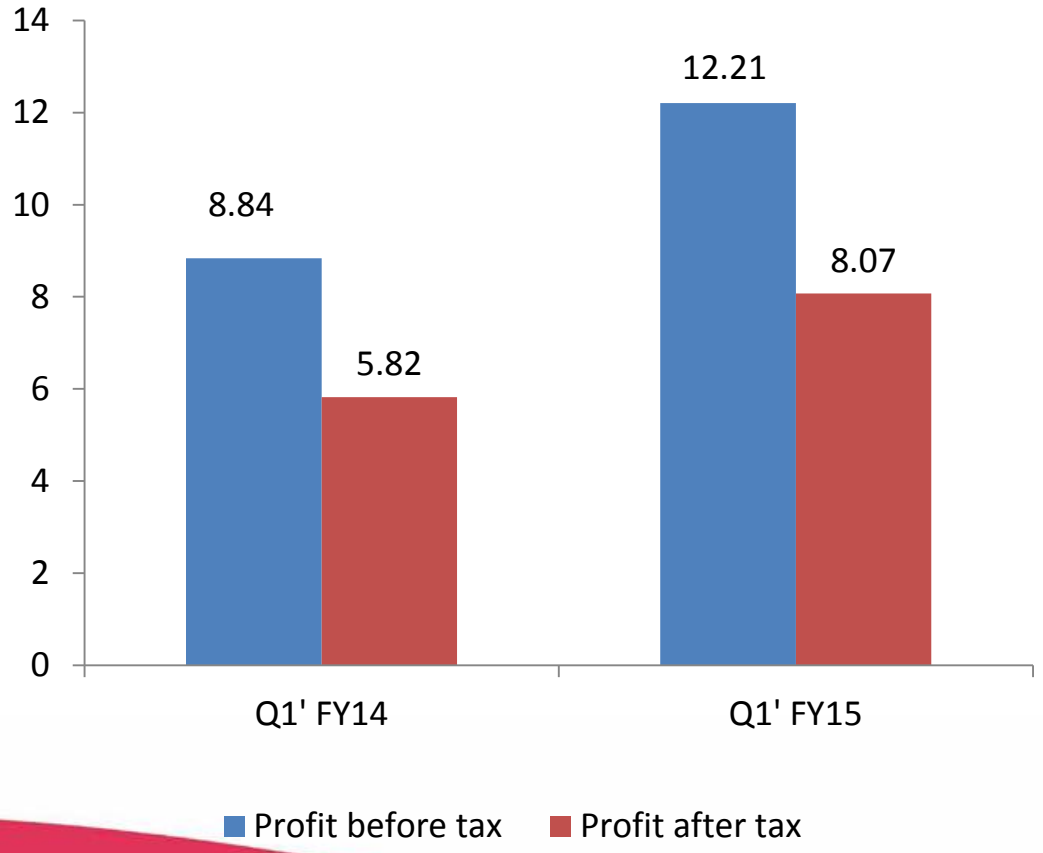
Annual Performance



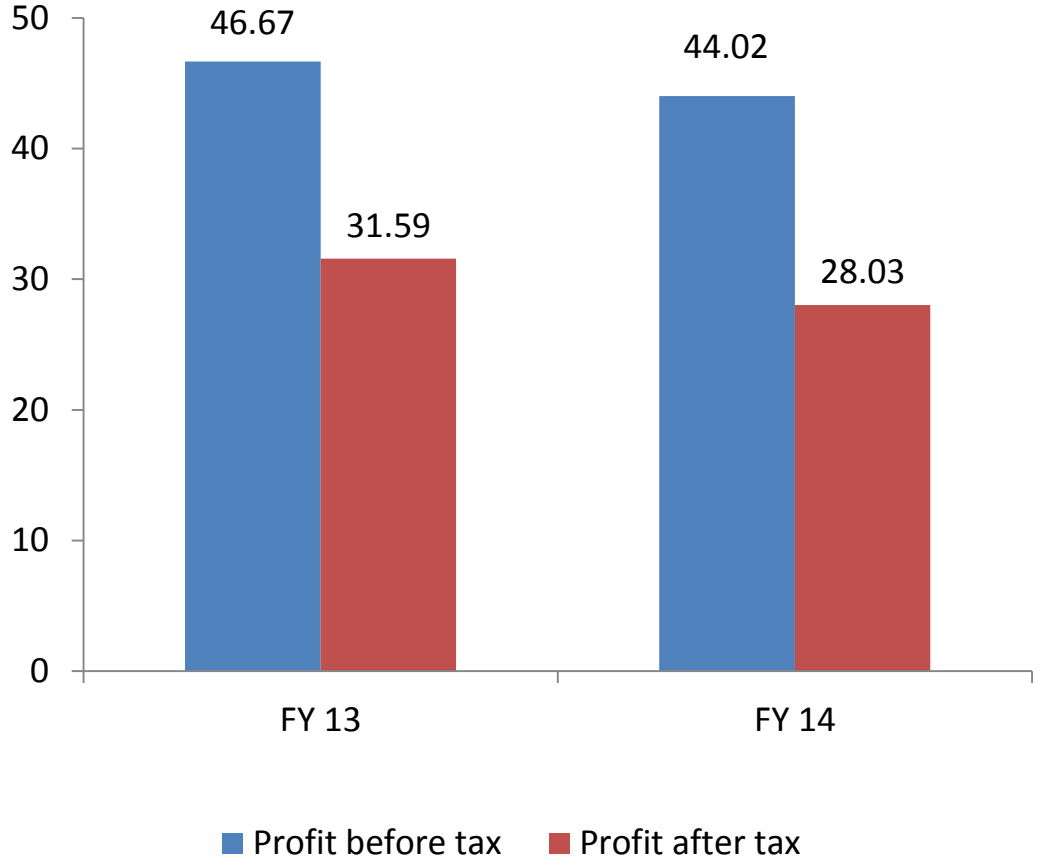
Standalone figures in msm

Financial Performance

Quarterly Performance



Annual Performance



Standalone figures in Rs./ Crores

Financial Performance - Q1FY15 Highlights

Particulars	Q1FY 2014	Q1 FY 2015	YoY – Growth	FY 13	FY 14
Net Sales	257.97	328.30	27%	1046.24	1252.96
EBIDTA	18.10	19.45	7%	87.05	84.38
Depreciation	5.26	5.13	-2%	20.40	22.06
Finance cost	4.48	3.71	-17%	19.98	18.30
Profit before tax	8.84	12.21	38%	46.67	44.02
Tax expenses	3.02	4.14	37%	15.08	15.99
Profit after tax	5.82	8.07	39%	31.59	28.03
Basic EPS (Rs.)	1.69	2.08	23%	9.16	8.01

Standalone figures in Rs./ Crores

Asset Light Strategy…

- **Vintage Tiles Private Ltd.**
  - Acquired 26% equity stake adding capacity of ~2.55 msm per annum of polished vitrified tiles; Commenced production in January, 2012

- **Commander Vitrified Private Ltd.**
  - Acquired 26% equity stake adding capacity of ~2.04 msm per annum of glazed vitrified tiles; Commenced production in June, 2012
  - Capacity expansion to produce additional ~2.72 msm of polished vitrified tiles completed; Commenced production in December, 2013

- **Vicon Ceramic Private Ltd.**
  - Acquired 26% stake in equity adding capacity of ~1.84 msm per annum of industrial vitrified tiles and ~2.14 msm per annum of ceramic wall tiles; Commenced production in March, 2014

Asset Light Strategy

❖ **Amora Tiles Private Ltd.**

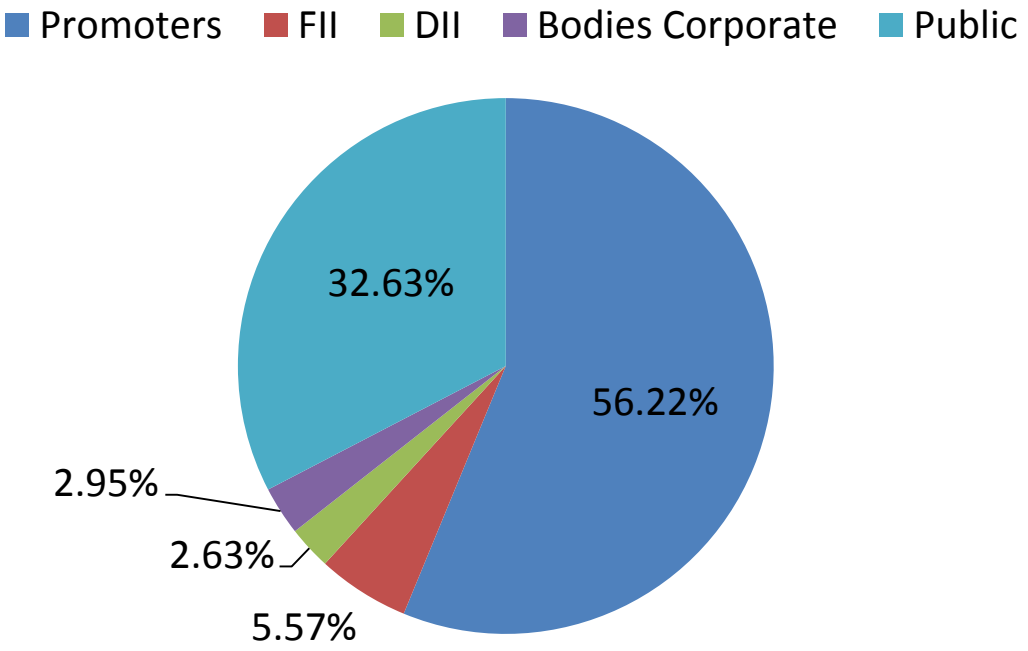
- Acquired 51% stake in equity stake adding capacity of ~2.14 msm per annum of ceramic wall tiles; Commenced production in March, 2014
- Proposed capacity expansion of ~2.44 msm per annum of ceramic wall tiles, commissioning expected by October, 2014

❖ **Acer Granito Private Ltd.**

- Acquired 26% stake in equity adding capacity of ~2.04 msm per annum of polished vitrified tiles
- Proposed capacity expansion of ~3.06 msm per annum of polished vitrified tiles, commissioning expected by September, 2014

Asset Light Strategy to ensure leaner balance sheet, faster capacity addition & cost savings ultimately leading to higher ROCE's and faster gain of market share

Shareholding as at 30th June, 2014



Particulars	Q1 FY15	Q4 FY14	QoQ change
Promoter	56.22%	56.22%	-
FII	5.57%	5.35%	+0.22%
DII	2.63%	1.78%	+0.85%
Bodies Corporate	2.95%	3.28%	-0.33%
Public	32.63%	33.37%	-0.74%
No. of Shareholders	4,160	4,004	+3.9%

Historical Financials – P&L

Particulars	FY 10	FY 11	FY 12	FY 13	FY 14
Net Sales	536.94	708.34	870.36	1,046.24	1,252.96
EBIDTA	58.32	68.10	74.56	87.05	84.38
Depreciation	14.47	17.27	18.22	20.40	22.06
Finance cost	13.29	17.12	20.65	19.98	18.30
Profit before tax	30.56	33.71	35.69	46.67	44.02
Tax expenses	10.10	10.28	10.94	15.08	15.99
Profit after tax	20.46	23.43	24.75	31.59	28.03
EPS (Rs.)	5.93	6.79	7.17	9.16	8.01

Standalone figures in Rs./ Crores

Historical Financials – Balance Sheet

Particulars	FY 10	FY 11	FY 12	FY 13	FY 14
Equity Share Capital	6.90	6.90	6.90	6.90	7.77
Reserves & Surplus	74.95	95.57	117.11	143.86	212.74
Net Worth	*81.85*	*102.47*	*124.01*	*150.76*	*220.51*
Total Debt	162.23	191.22	180.97	176.08	169.75
Net Block	153.84	175.92	193.97	208.91	218.52
Investments	1.73	1.72	5.95	9.20	21.67
Net Current Assets	111.71	136.77	128.12	133.32	164.74

Standalone figures in Rs./ Crores

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 includes 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.

This presentation may contain statements that are “forward looking statements.” The company’s actual future results may differ materially from those suggested by such statements, depending on various factors for which the company and its management does not take any responsibility.

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