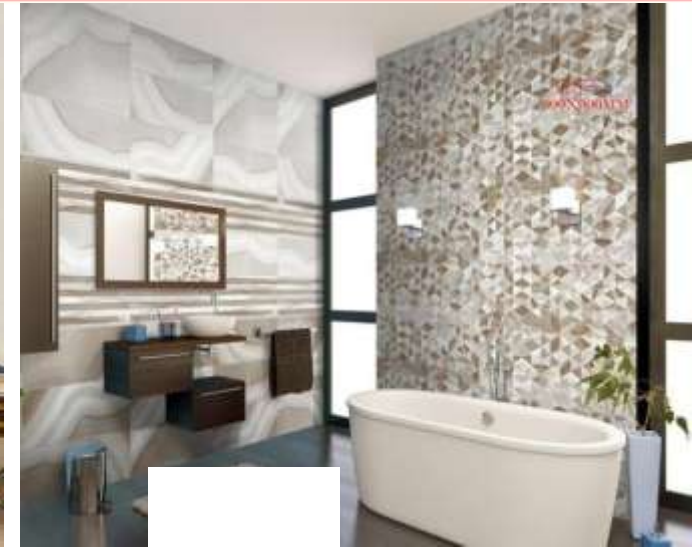


SOMANY®

SOMANY CERAMICS LIMITED

Corporate Presentation
AUGUST 2015



Contents



Industry Overview

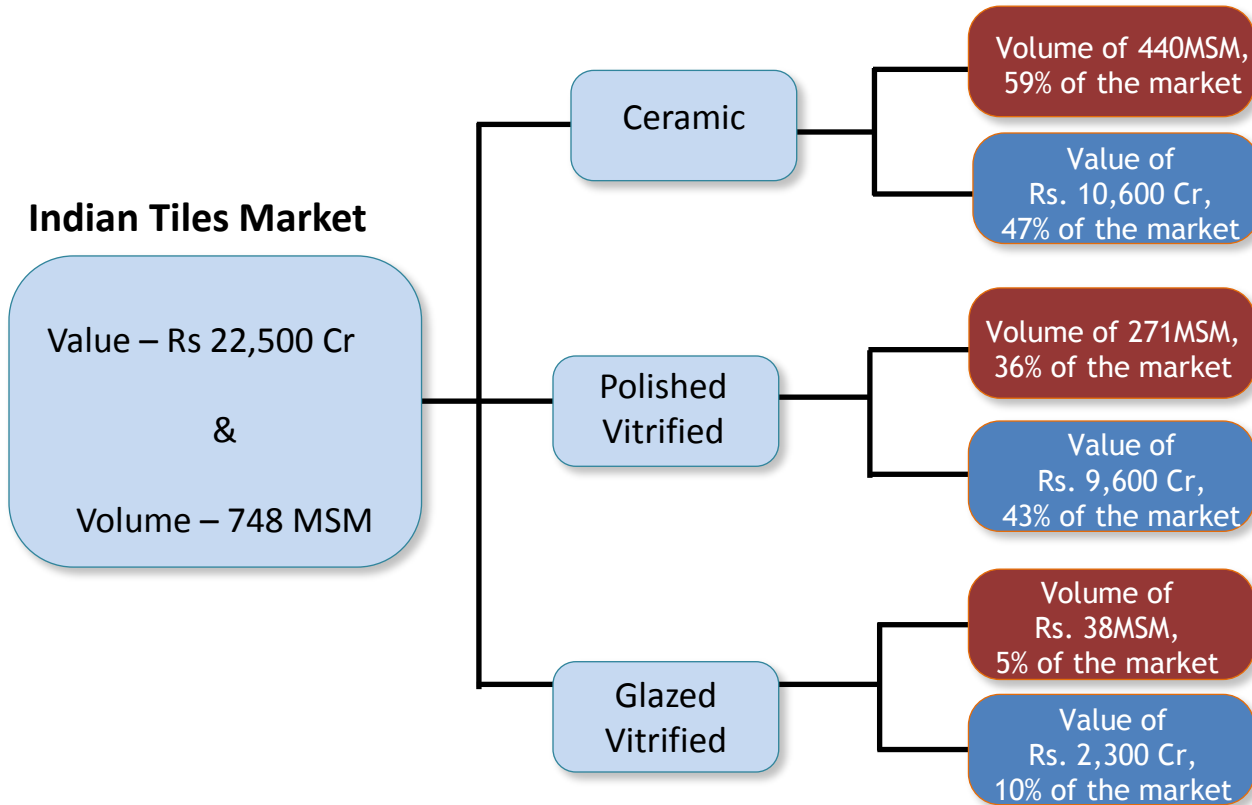
Global Tiles Market



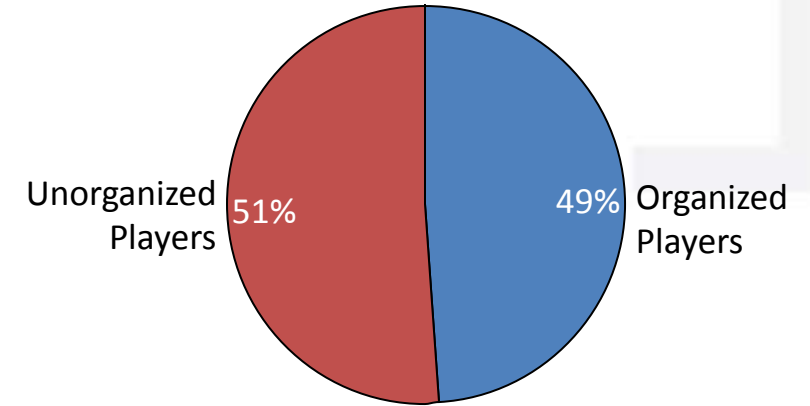
Source: Ceramic World Review, Industry. MSM - million square metres
Data pertains to CY2013

Indian Tiles Market

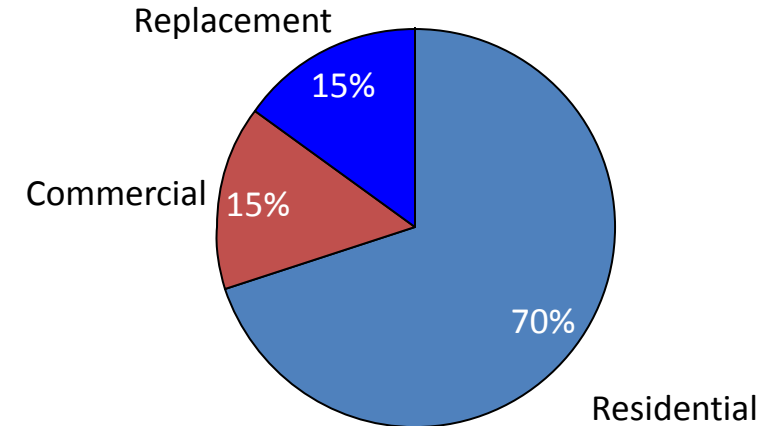
Ceramic tiles - market segmentation in CY13



Organized vs. Unorganized market - Equally split in value terms

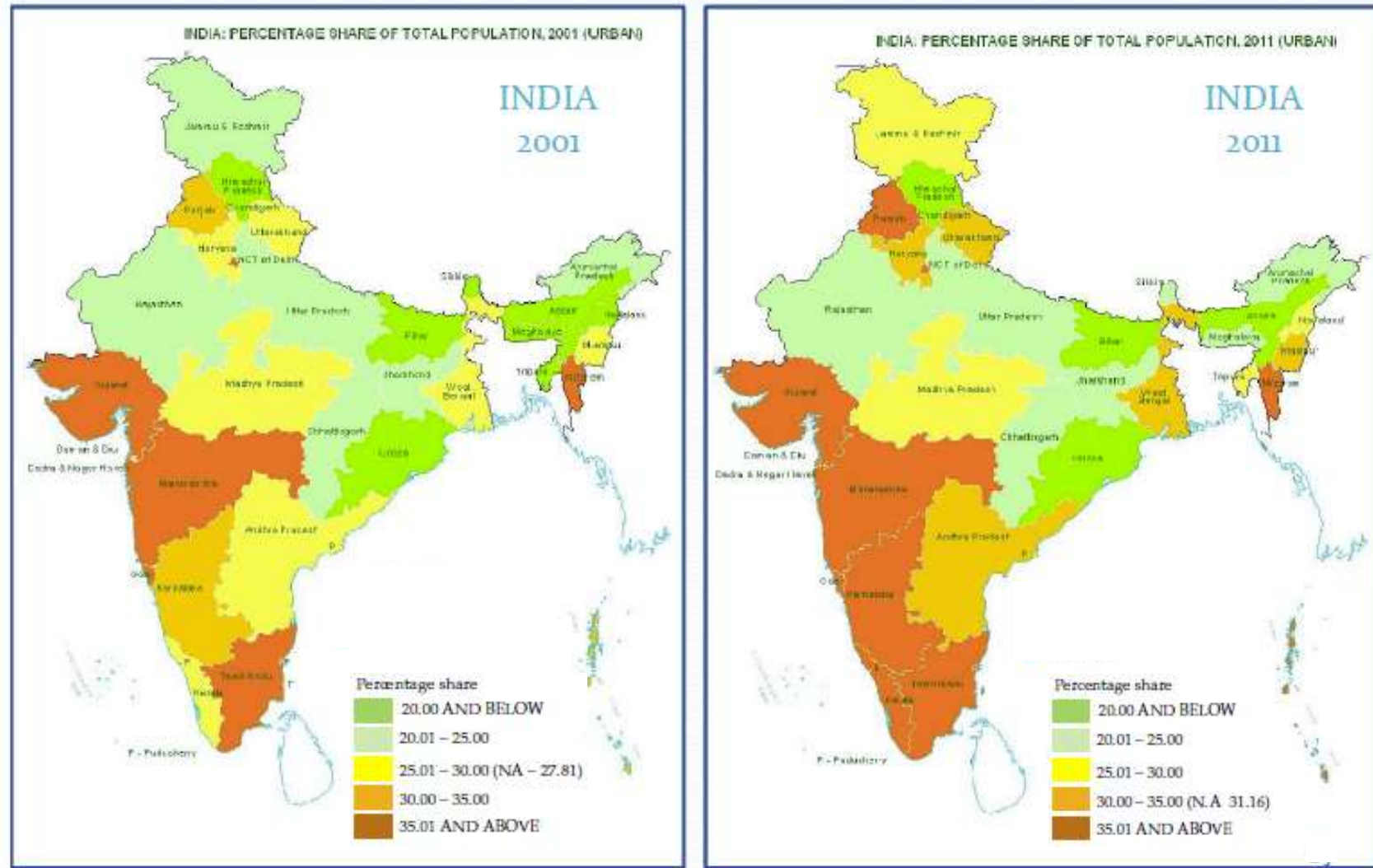


Break up of tiles demand - Residential consumes 70% of demand



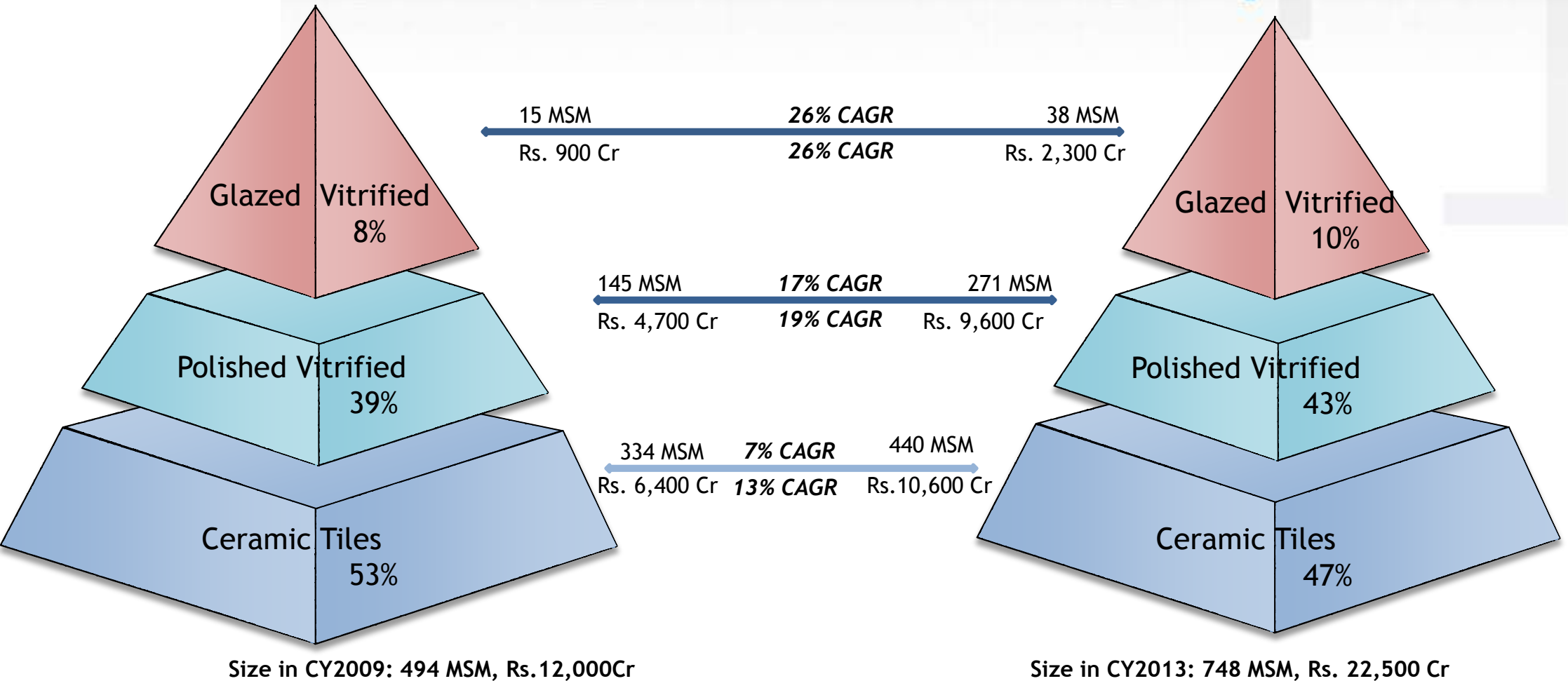
MSM - million square metres

Urbanization led growth to continue



Increased Urbanisation is the key driving factor of the Indian Tiles Market

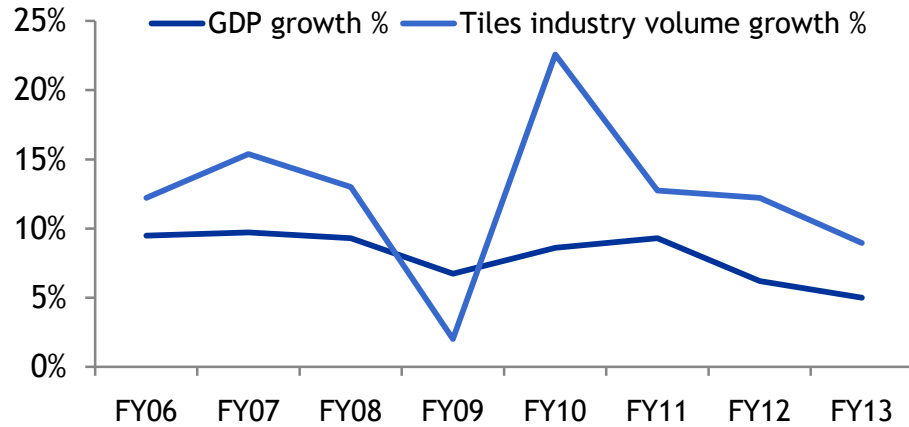
Evolution in Indian Tiles Market



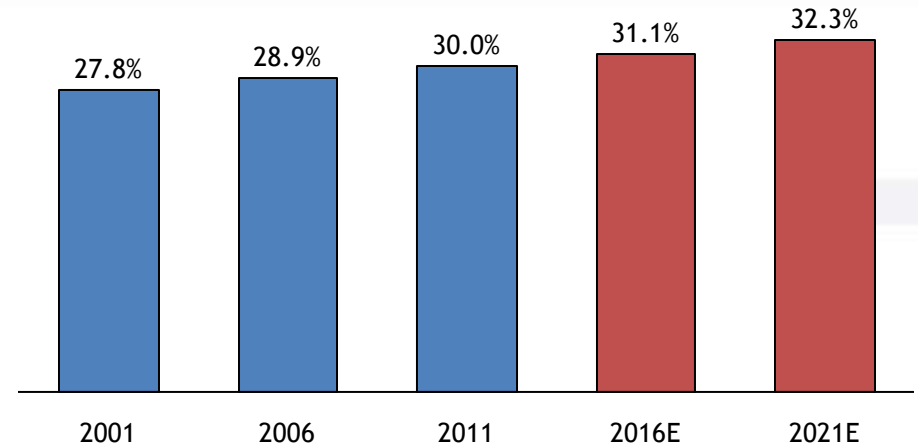
Structural shift in consumer preference to better value proposition vitrified tiles to drive profitability improvement especially for branded players

Key Trends in Indian Tile Industry

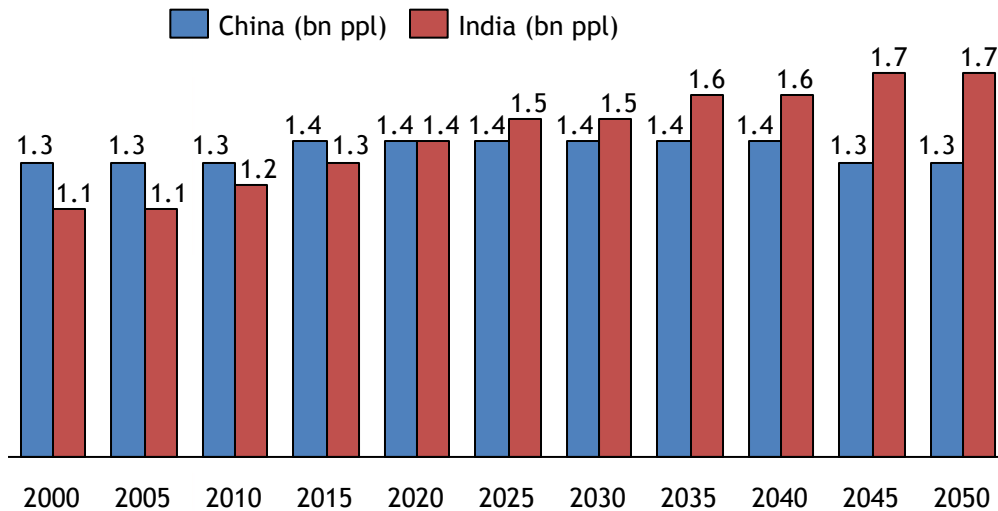
GDP and tiles growth - Avg multiplier is 1.5x with a range of (1.3x-2.6x)



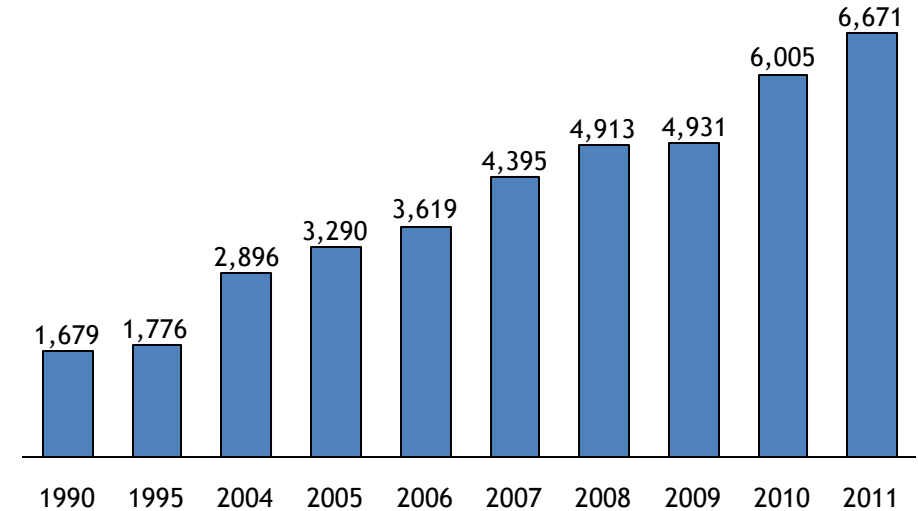
Increasing urbanization trend is expected to continue



India population to be higher than China from 2020



12.7% CAGR increase in disposable household income (US \$)



Morbi in Gujarat - Mecca of Indian Tile Industry

Mecca of the Indian Tile Industry

- Home to >600 manufacturers out of 700 in India
- Represents almost 100% of the Unorganized Tile market in India
- Manufactures ~60% of India's Total Tile production

Competitively placed

- Capability to manufacture vitrified tiles, floor tiles, quartz stone, sanitary ware, roofing tiles and mosaic tiles
- Exports to markets such as Middle East, Africa, Sri-Lanka and Bangladesh along with supplying significant quantities to the Indian branded players
- Proximity to ports make it a low cost transport hub

Proximity to Raw Materials

- Proximity to key raw materials in Gujarat and Rajasthan
- Clay, red and black soil, minerals including calcite and wallastonite, frits and glazes are abundantly available locally or from neighboring region of Rajasthan
- Dedicated Gas lines available

Financially beneficial

- Branded players tie up with manufacturers in Morbi and underwrite a large part of their production
- Allows all partners to focus on their core strengths
- Highly capital efficient model



Tiles sector in 2015-16

Increasing Customer Focus

Increasing focus on customers leading to better quality, R&D investment and increasing share of Branded players

Stable Raw Material

Stable Currency & Gas prices bode well for Industry

An 'Era of High Focus'

Growth Drivers to play out in 2015-16

Execution of Governments Vision

Ease of doing Business

Improving Regulatory Framework

Cheaper Home Loans

Cost of borrowing moving below 10% p.a. signals a new & positive era for Real Estate home buyers thus boosting demand prospects

Infrastructure

Clearances of large infrastructure projects, setting up large warehouses by E-commerce companies and a cautious positive mood to give a fillip to Buildings Material sector

Key Growth Drivers

GDP uptick

- Improved Economy to lead to increased demand for residential units and commercial office spaces

Smart Cities

- Offers opportunities through varied measures such as Increased Infrastructure in terms of roads, houses, green spaces, education institutions, improved services to citizens
- Aims to improve quality of life

Dedicated Freight Corridor

- Will result in creation of multiple towns and cities along the corridor
- Lead to reduction in transportation time between states thereby lowering working capital requirement

Swachh Bharat Abhiyan

- Government's pet project which aims to improve the sanitation facility in the country
- Aims to make India Open Defecation Free (ODF) and will drive demand for Tiles & Sanitaryware
- Large corporate investments as part of CSR to strengthen the initiative and boost demand prospects

Housing for All

- Government aims to provide housing for all by 2022
- Will require an investment of USD 2 trillion in providing ~11 crore houses
- Will catapult the demand for Building materials

Contents



About Somany Ceramics

Strong Promoter Pedigree



Mr. Hira Lall Somany - Chairman Emeritus

- Patriarch of Somany Family which promoted leading companies in Ceramics space in India such as HSIL Limited (Sanitaryware), Hindusthan National Glass & Industries Limited (Container Glass) and Somany Ceramics Limited (Tiles)
- Held key positions in reputed industry associations such as ASSOCHAM, PHDCC, FICCI, Capexil etc.



Mr. Shreekant Somany - Chairman and Managing Director

- Science Graduate from Kolkata University
- Over 40 years of hand on experience in Ceramics and Glass industry
- Currently Deputy Chairman of CII Northern India
- Held key positions in ASSOCHAM, PHDCC and ICCTAS



Mr. Abhishek Somany - Managing Director

- Graduate in Business Administration from Richmond University, UK
- Received specialized intensive training at Pilkington Tiles, UK
- 19 years of experience in the Ceramic Industry
- Member of Executive Committee of FICCI

Company Overview

SOMANY'S JOURNEY SO FAR

1970



In technical collaboration with Pilkington's Tile Holding (U.K.), Somany Pilkington's Ltd. established a manufacturing unit in Kassar, Bahadurgarh (Haryana) and started its first commercial production in 1970

1973 : Somany Pilkington Ltd. got listed on Calcutta Stock Exchange and made a right and public issue.

1978: Total production capacity at Kassar was 6000 sq. mt. per day.

1980



1981: Second manufacturing unit set up in Kadi (Gujarat) taking total production capacity to 7500 sq. mt. per day.

1990



1992 : A new production line added at Kassar floor plant with manufacturing capacity of 3500 sq. mt. per day.

1995 : Floor tiles manufacturing capacity enhanced in Kassar by 3500 sq. mt. per day.

1996 : Wall tile DFF plant set up in Kadi with manufacturing capacity of 6000 sq. mt. per day.

1997: Floor Tile Plant capacity at Kassar further expanded by 5000 sq. mt. per day.

Company Overview...Contd.

STAYING AHEAD
OF THE
GROWTH CURVE

2000



2001: A new floor tiles manufacturing plant set up in Kadi with a capacity of 6000 sq. mt. per day.

2002 : Wall tiles SFF (Single Fast Firing) plant with a capacity of 6000 sq. mt. per day set up at Kassar (Haryana).

2004: FTP at Kadi setup with manufacturing capacity of 6000 sq. mt. per day.

2007: MTP at Kassar setup with a capacity of 7500 sq. mt. per day.

2009: Somany Ceramics earned the PATENT for its invention of a "HIGH ABRASION RESISTANT GLAZE COMPOSITION", which is known as VC SHIELD HARD-COAT technology.

2010



2010 : A new production plant of GVT (Glazed Vitrified Tiles) installed at Kassar with a capacity of 7000 sq. mt. per day.

2012 : Acquired 26 percent equity stake in 2 JVs with an aggregate annual capacity of 5.30 mn sqm. Entered into the sanitary ware business.

2013 : Got the CE Certification for exports in European Union. Forayed into Bath Fittings. Launched Slip Shield tiles taking a lead in innovations in the Indian Ceramic Industry. Added 3 more JVs.

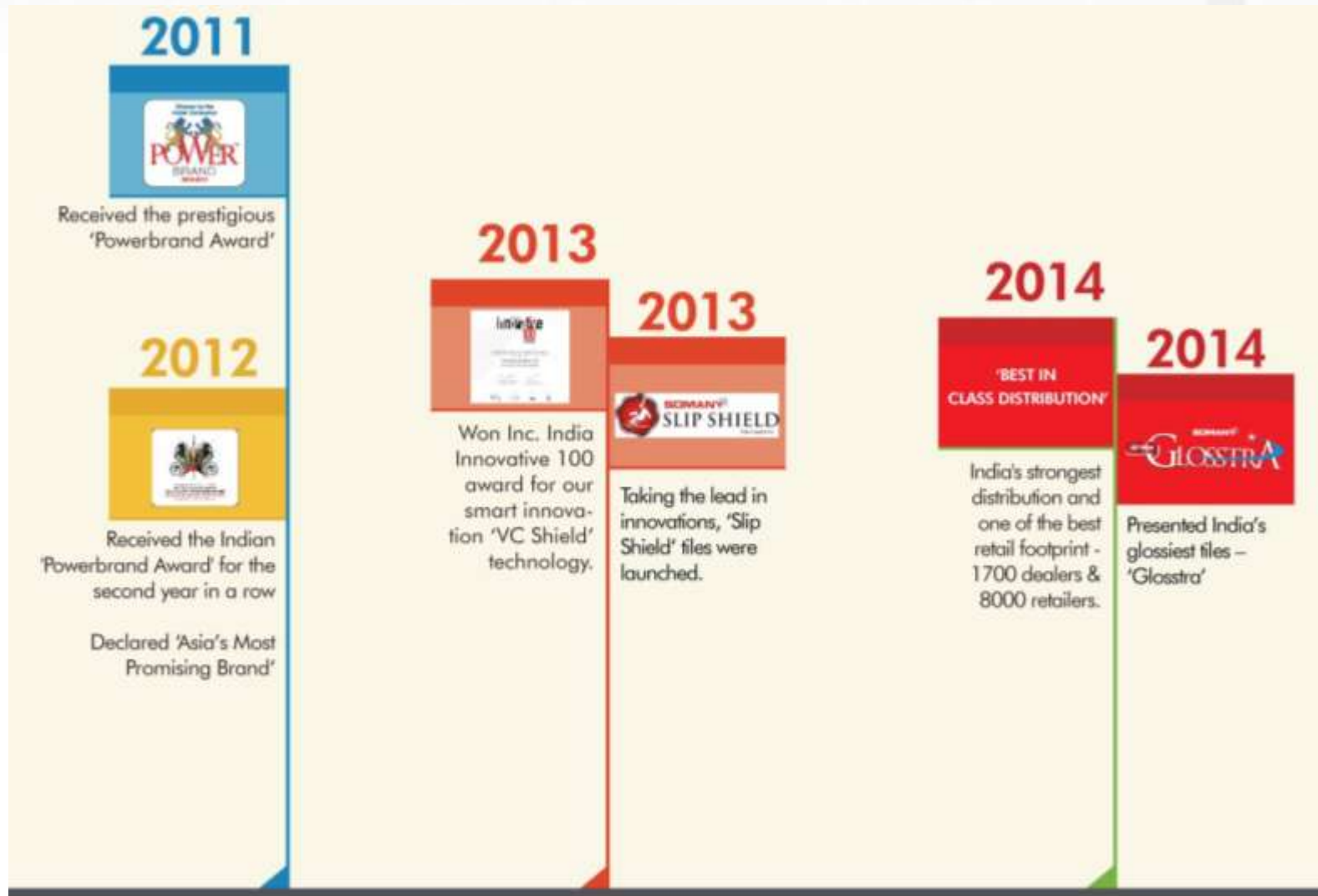
2014: JV for Sanitaryware production.



Evolution of the Brand



Evolution of the Brand...Contd.



Accreditations & Recognitions

Global Communications Award



Power Brand Award 2010-11



Ceramics Brand of the Year 2012-13



ISOQAR, UK accreditation



Asia Brand and leadership Summit (ABLS) 2014 Award



Institutional Customers

Developers



Corporates/Banks



Institutional Customers

PSU



दिल्ली मेट्रो रेल कॉर्पोरेशन लिमिटेड
DELHI METRO RAIL CORPORATION LTD.

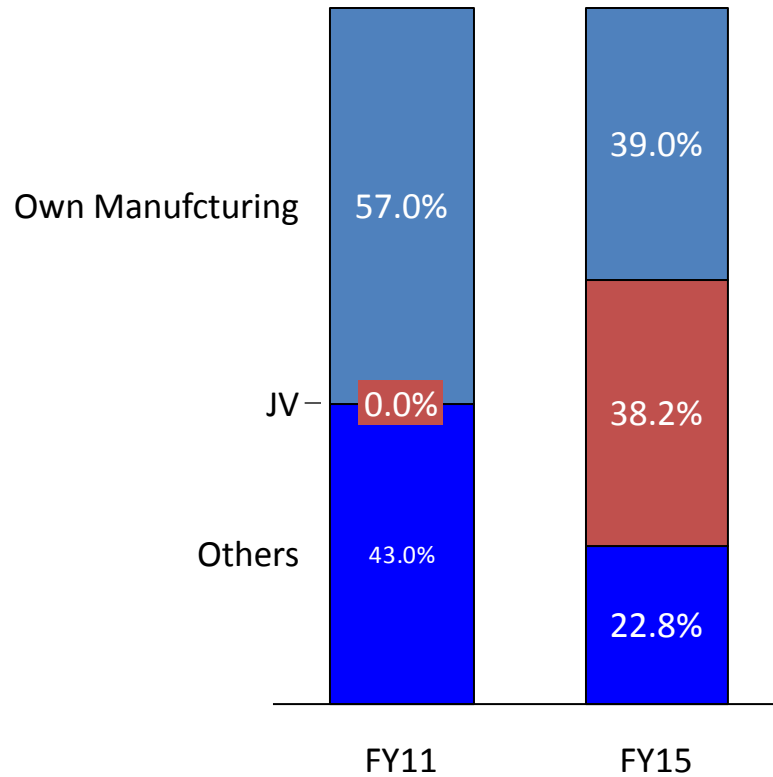


Retailers/Hospitals/Hospitality

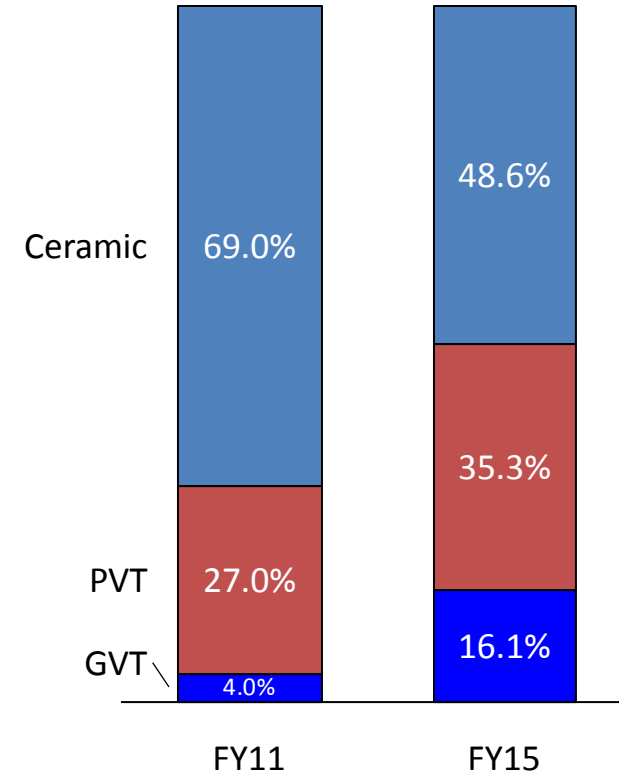


Strategically moving up the value chain...

Increasing Share of Outsourced & JV Sales in Overall Sales



Increasing Share of Vitrified Tiles in Overall Sales



Moving up the value chain likely to improve profitability margins going forward and provide operational flexibility

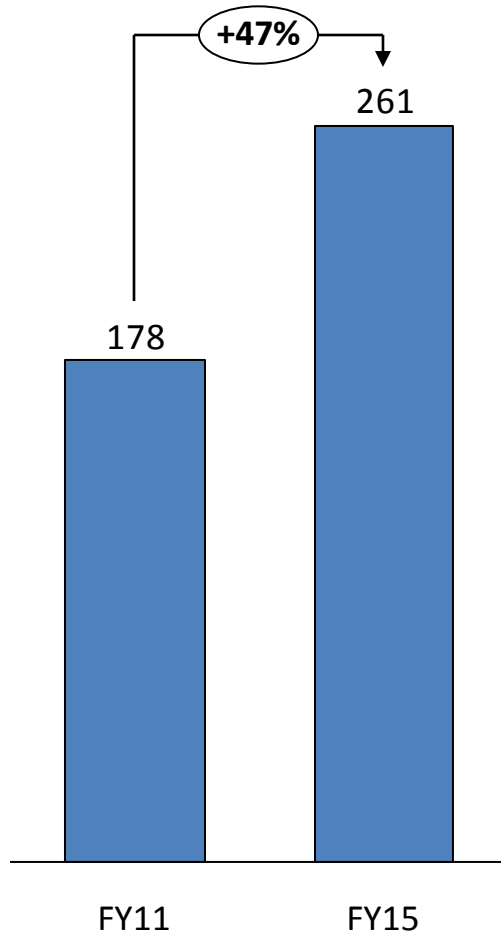
... to gain faster market share



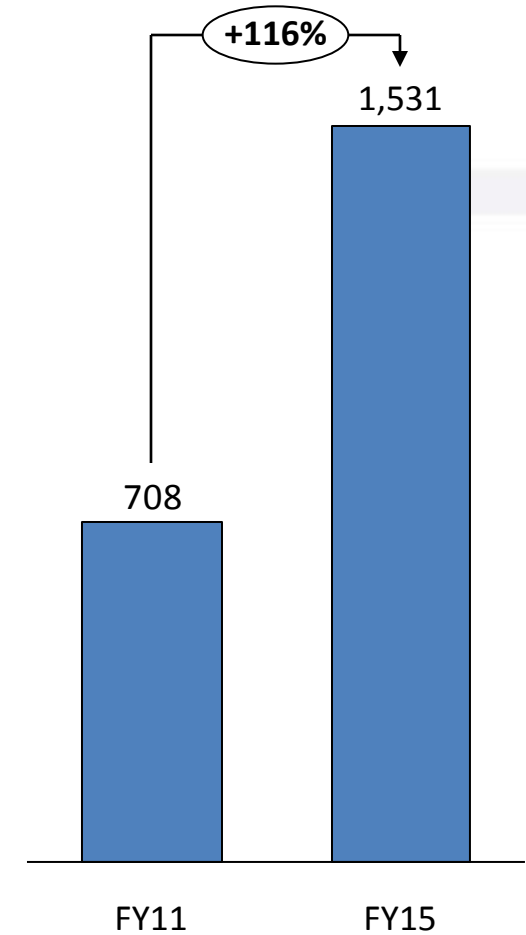
MSM - million square metres

Outsourcing - An asset light model...

Net Block + CWIP + Investments (Rs. Cr)



Net Sales (Rs. Cr)



Lean
Balance
Sheet
approach
without
sacrificing
growth

Higher asset turnover will lead to faster gain of market share ultimately strengthening Brand Somany

Access to Capacities

Own Plants (Tiles)	Location	Original Capacity (MSM p.a.)	Current Capacity (MSM p.a.)	Capacity Utilization
Kassar	Haryana	0.52	13.13	95%
Kadi	Gujarat	0.58	8.42	88%
Associates/Subsidiary Plants (Tiles)	Equity Stake	Original Capacity (MSM p.a.)	Current Capacity (MSM p.a.)	Capacity Utilization
Vintage Tiles Pvt. Ltd.	26%	2.55	2.99	91%
Commander Vitrified Pvt. Ltd.	26%	2.04	4.76	96%
Vicon Ceramic Pvt. Ltd.	26%	3.98	3.98	92%
Amora Tiles Pvt. Ltd.	51%	2.14	4.58	79%
Acer Granito Pvt. Ltd.	26%	2.04	5.10	82%
Outsourced capacity with no equity stake - 9.00 MSM				
Associate Plant (Sanitary ware)	Equity Stake	Original Capacity (pieces p.a.)	Current Capacity (pieces p.a.)	Capacity Utilization
Somany Sanitary Ware Pvt. Ltd.	51%	303,000	303,000	88%

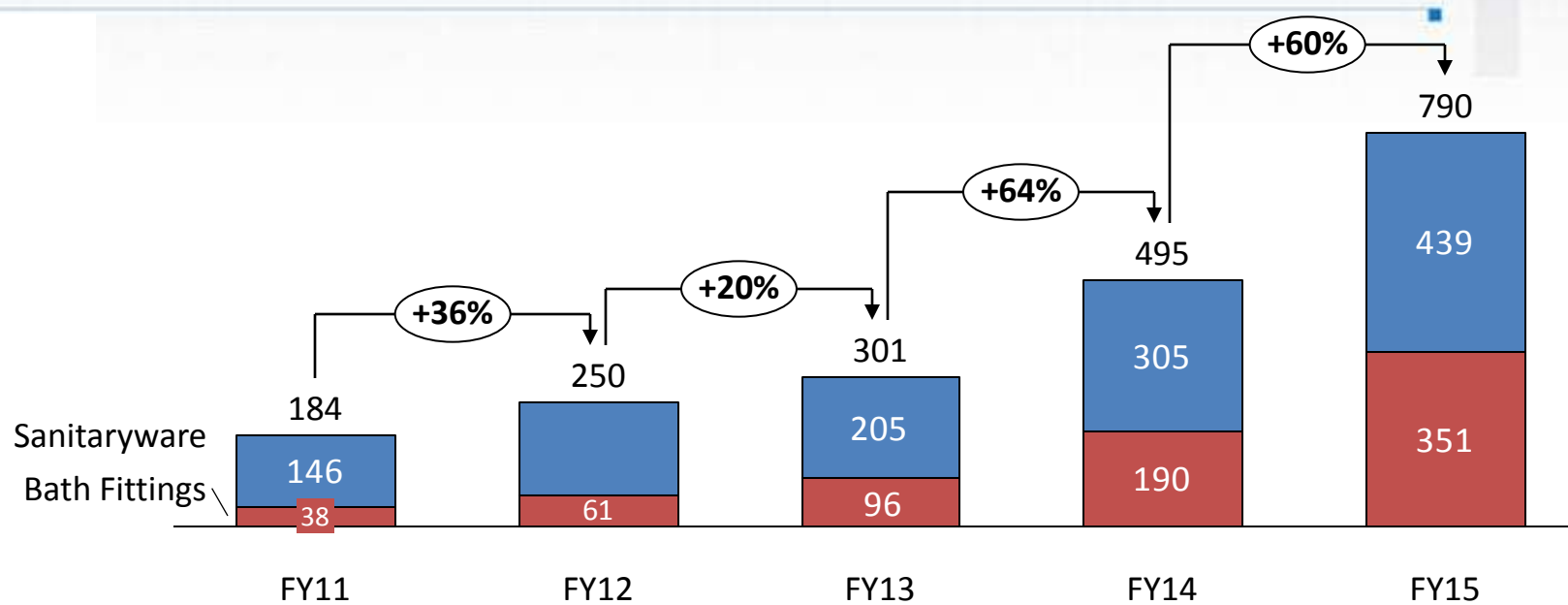
Owned capacity of 21.55 MSM p.a.

Associates'/ Subsidiary's plants current capacity at 21.41 MSM p.a.

Outsourced capacity of 9.00 MSM p.a.

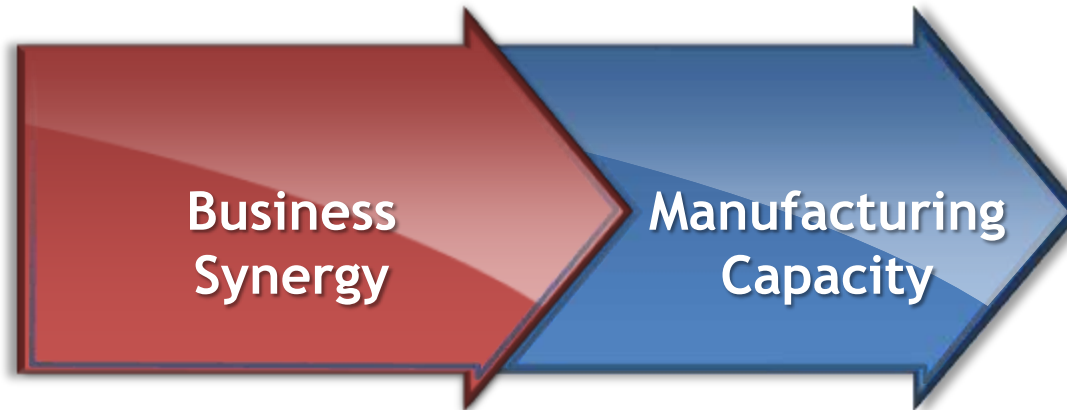
Current capacity of 303,000 pieces p.a.

Sanitaryware & Bath fittings - Profile



Business Synergy

- Products are sold mostly through the same dealer as Tiles
- Surrogate advertising due to higher brand visibility
- Lower outward freight
Higher margins



Manufacturing Capacity

- Acquired 51% equity stake in Somany Sanitary Ware Pvt. Ltd.
- To produce 303,000 pieces of sanitaryware per annum
- Exploring opportunities (Joint Venture/Greenfield) for bath fittings

Increasing Global Footprints

**Exports gaining
pace &
strengthening
Brand**

Global Presence

- Currently present in over 40 countries
- Exclusive showrooms in 6-7 countries with Galleries in 4 continents

Creating a Global Brand Image

- 1st Indian company to participate in Italy - CERSAI since last 3 years
- 1st Indian company to participate in Mosbuild, Russia

Exports Strategy

- Establish Global office & warehouse
- Work out International Business Division as an SBU

Exports higher from Rs. 8cr in 2010-11 to Rs. 64cr in 2014-15 and growing...

Innovation is key to stay ahead

1st mover advantage

Innovation as part DNA helps us to stay ahead of the competition and improve our realizations



India's 1st Patent in Tiles

- VC Shield is India's 1st Process & Product patent in Ceramics Tiles Industry
- Filed Patent for Slid Shield with The Controller of Patents & Design (India Patent office)



VC Shield & Slip Shield

- VC Shield are abrasion resistance tiles
- Slip shield provides anti skid property to ceramics tiles



**Abrasion-Resistant.
Against the
World's Most
Dangerous
Stilettoes.**



SOMANY
SLIP SHIELD



Innovation strategy has helped create a Rs. ~2 billion blockbuster brand (VC Shield) for Somany

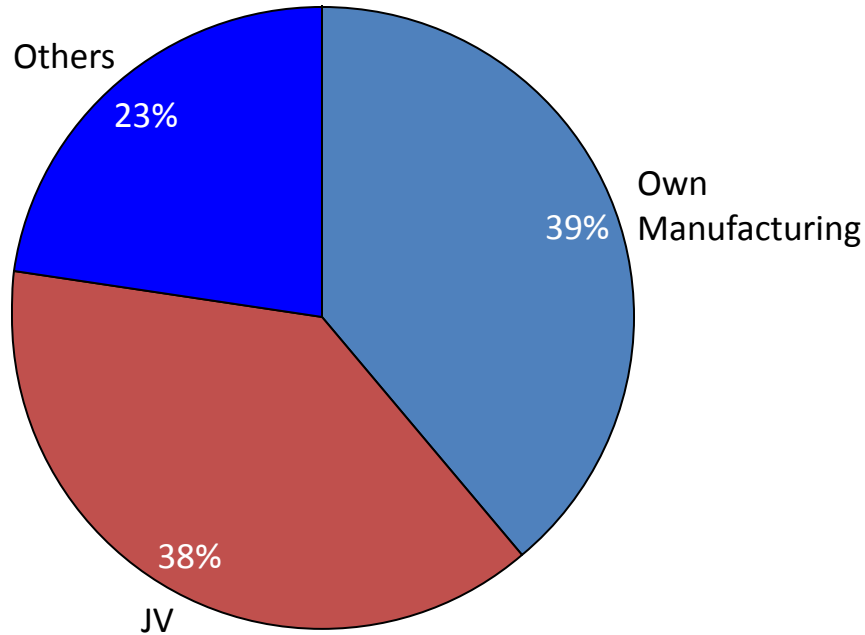
Contents



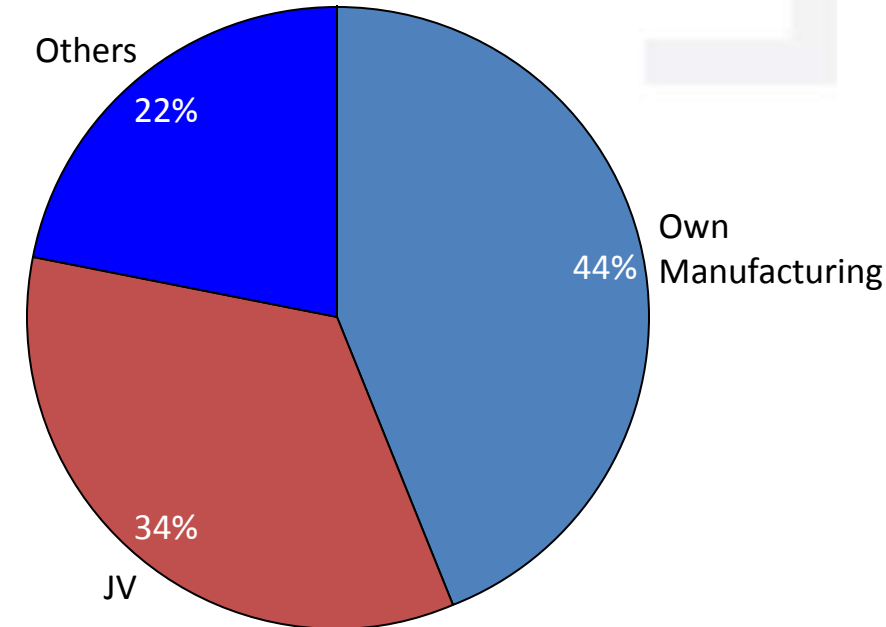
Financial Performance

FY15 Operating Performance

Gross Sales - Rs. 1,598 cr



Volume - 42.35 MSM



Strategy to move to higher sales from Outsourced and JV's segment and push up sales of Value added products. Strategy to reflect in higher PBT margins over 3-5 year period

FY15 Financial Highlights

Particulars	FY 15	FY 14	Growth
Net Sales	1531.3	1255.6	22.0%
EBIDTA	104.1	84.4	23.3%
Depreciation	22.3	22.1	0.8%
Finance cost	16.3	18.3	(10.9%)
Profit before tax	65.5	44.0	48.9%
Tax expenses	21.1	16.0	32.1%
Profit after tax	44.4	28.0	58.5%
Basic EPS (Rs.)	11.4	8.0	42.7%

Standalone figures in Rs. Cr

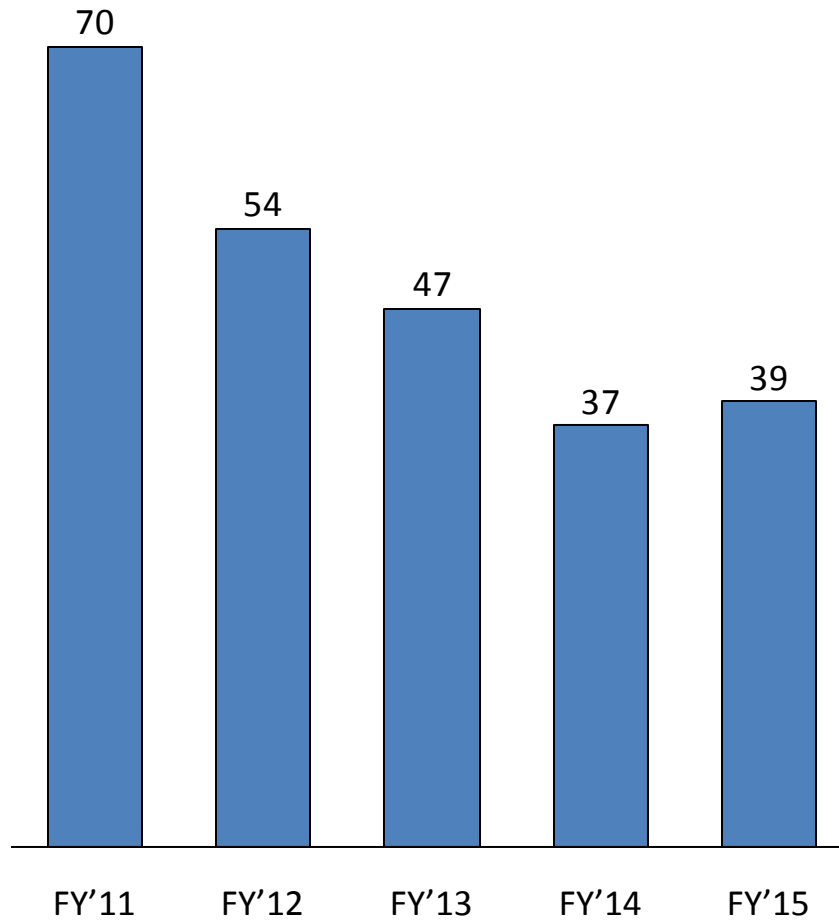
Balance Sheet

Particulars	Mar-15	Mar-14	Particulars	Mar-15	Mar-14
Shareholder's Fund	254.0	220.5	Non-Current Assets	284.3	256.1
Share capital	7.8	7.8	Fixed assets	236.7	218.5
Reserves & Surplus	246.2	212.7	Long-term loans and advances	21.0	15.9
Non-current liabilities	111.2	104.9	Other non-current assets	26.6	21.7
Long term borrowings	61.3	56.6	Current assets	541.2	459.5
Deferred Tax liabilities (Net)	27.4	27.5	Current Investment	26.7	37.1
Other Long Term liabilities	22.4	20.8	Inventories	127.3	85.8
Current liabilities	460.3	390.1	Trade receivables	253.5	213.0
Short term borrowings	79.5	72.8	Cash and bank balances	14.6	32.7
Trade Payables	203.1	174.9	Short-term loans and advances	116.6	88.9
Other Current liabilities	177.7	142.4	Other Current assets	2.6	2.1
Total Liabilities	825.5	715.5	Total Assets	825.5	715.5

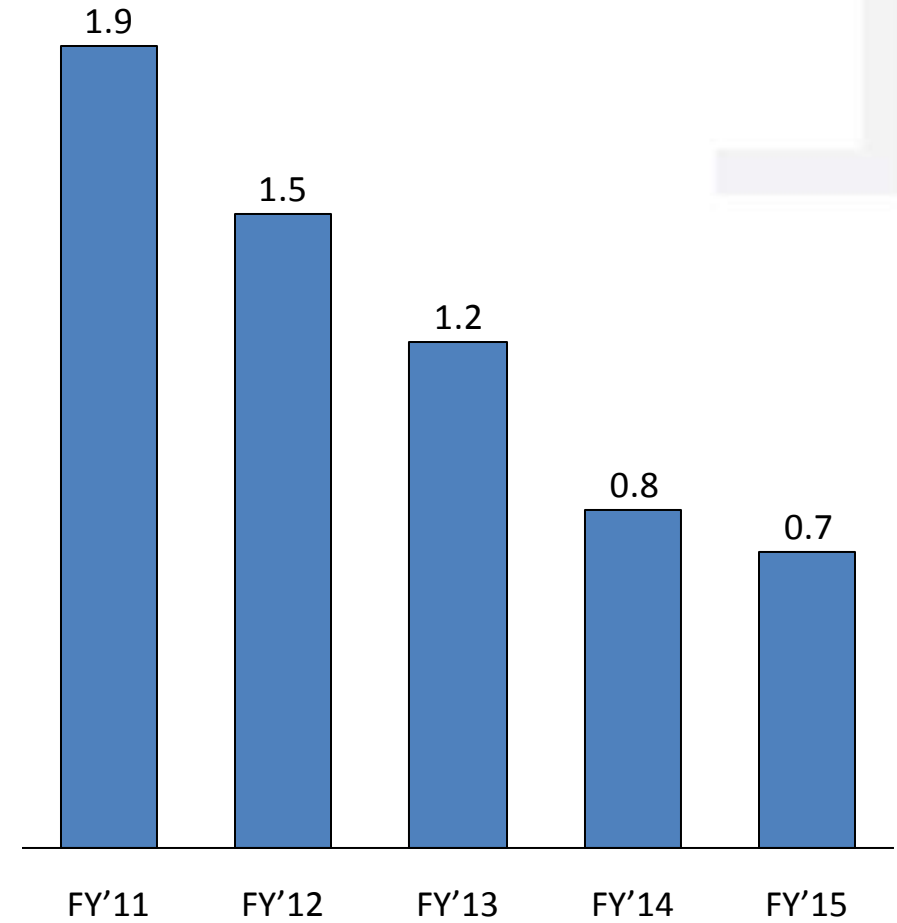
Standalone figures in Rs. Cr

Debt Management

Working Capital Days*

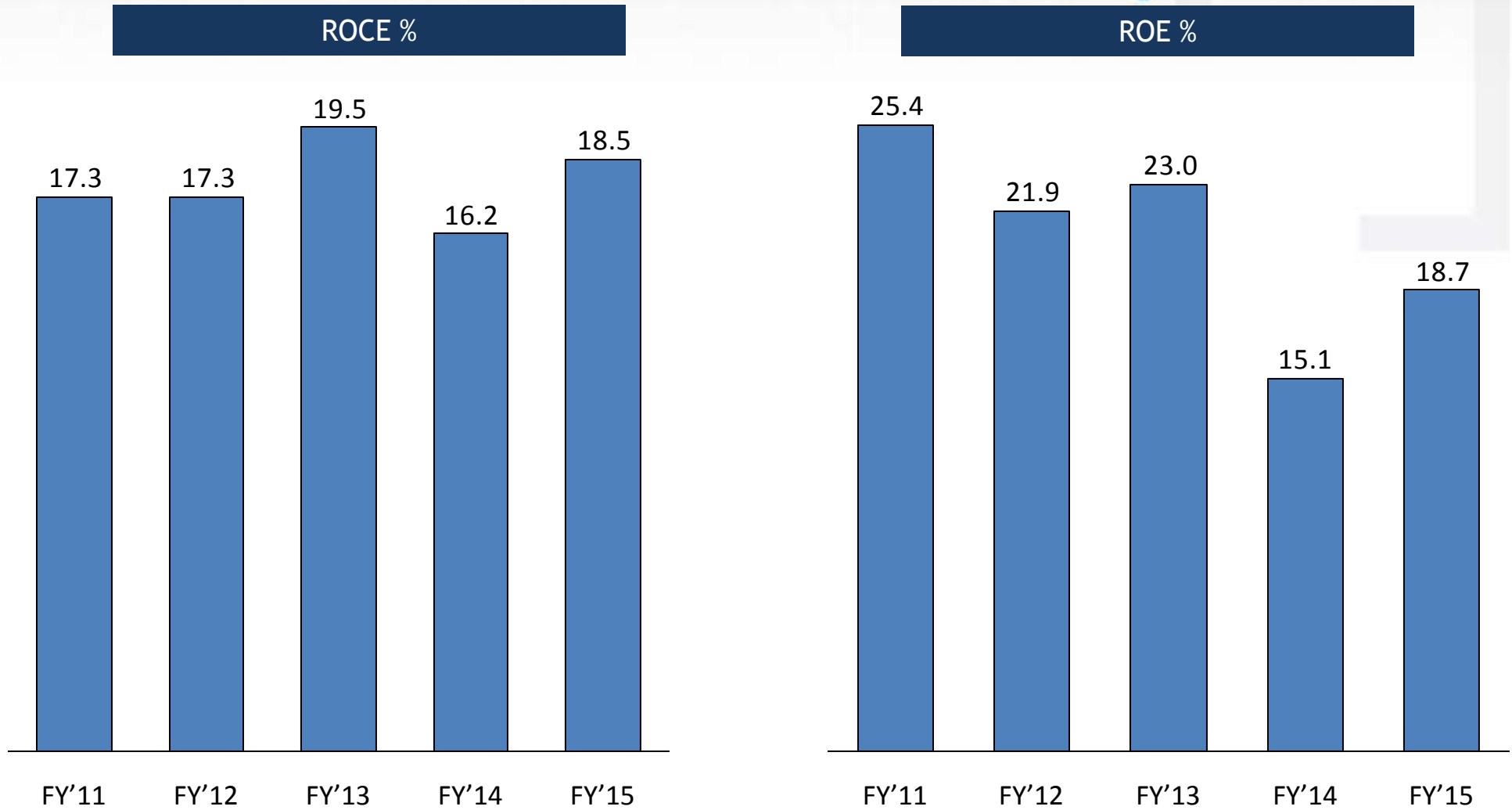


Leverage Ratio (x)



**excludes Current Investment
Standalone Figures*

Return Ratios



Standalone Figures

5 Year Profit & Loss - Standalone

Particulars	FY'11	FY'12	FY'13	FY'14	FY'15
Net Sales	708	870	1,046	1,256	1,531
EBIDTA	68	75	87	84	104
Depreciation	17	18	20	22	22
Finance cost	17	21	20	18	16
Profit before tax	34	36	47	44	66
Tax expenses	10	11	15	16	21
Profit after tax	23	25	32	28	44
Cash Profit	43	43	53	51	67
EPS (Rs.)	6.79	7.17	9.16	8.01	11.4

Figures in Rs.cr

5 Year Balance Sheet - Standalone

Particulars	Mar'11	Mar'12	Mar'13	Mar'14	Mar'15
Equity Share Capital	7	7	7	8	8
Reserves & Surplus	96	117	144	213	246
Net Worth	102	124	151	221	254
Total Debt	191	181	176	170	188
Net Block	176	194	209	219	237
Investments	2	6	9	22	24
Net Current Assets	137	128	133	165	188

Figures in Rs.cr

5 Year Profit & Loss - Consolidated

Particulars	FY'11	FY'12	FY'13	FY'14	FY'15
Net Sales	716	876	1,050	1,261	1,535
EBIDTA	70	75	88	84	115
Depreciation	18	18	20	21	26
Finance cost	18	21	20	19	21
Profit before tax	34	36	48	44	68
Tax expenses	10	11	16	15	22
Profit after tax	24	25	32	29	46
Cash Profit	44	43	53	53	74
EPS (Rs.)	6.92	7.28	9.28	8.25	11.94

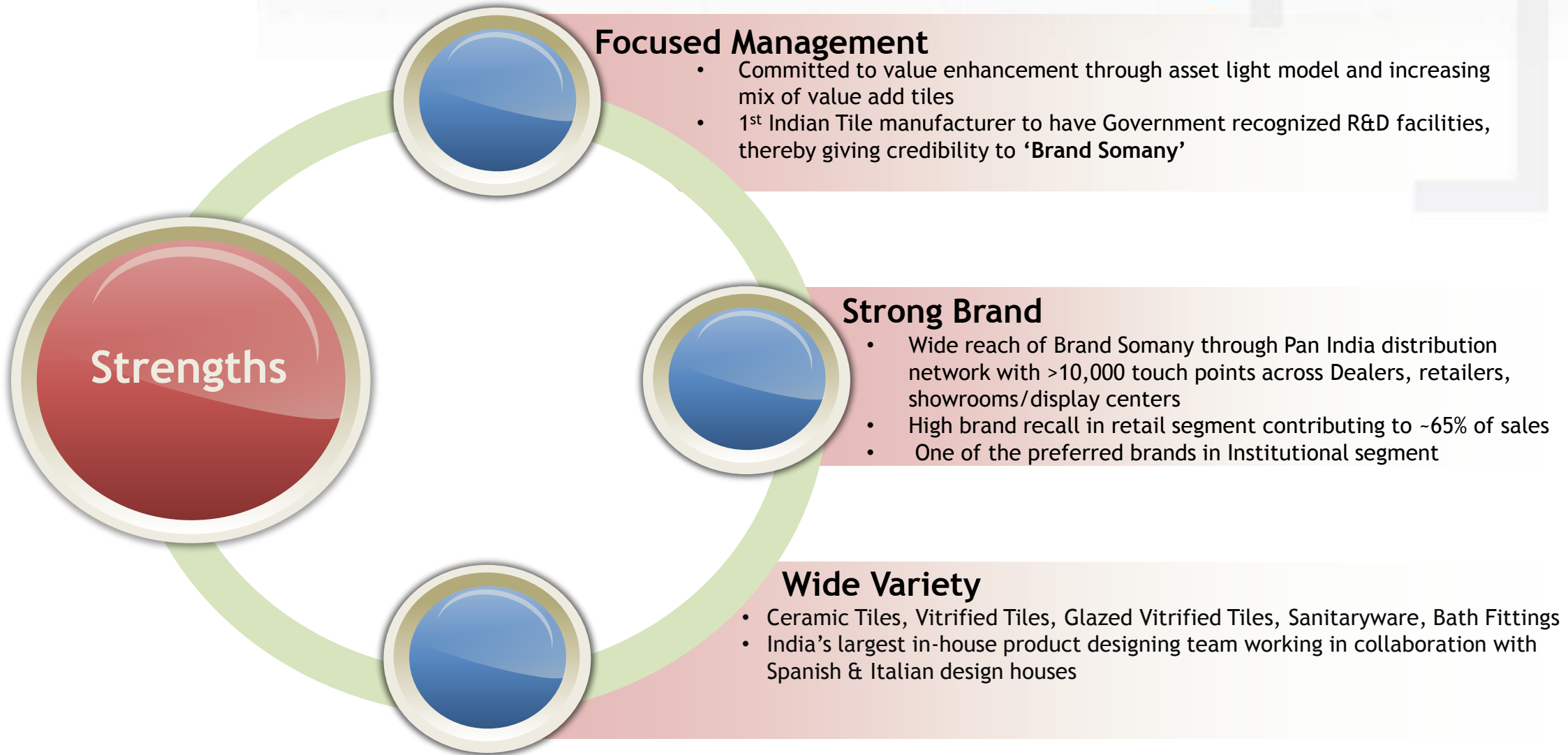
Figures in Rs.cr

5 Year Balance Sheet - Consolidated

Particulars	Mar'11	Mar'12	Mar'13	Mar'14	Mar'15
Equity Share Capital	7	7	7	8	8
Reserves & Surplus	97	121	146	215	250
Net Worth	104	126	153	223	258
Total Debt	194	181	177	189	210
Net Block	177	194	209	243	265
Investments	1	5	9	18	20
Net Current Assets	146	130	136	171	201

Figures in Rs.cr

Key Strengths



Strategically building a sustainable growth path

Increase Market Share

- Increase coverage through distributors and franchise stores
- Increase reach in Tier 2 & 3 cities

Faster Access to capacity

- Build access to capacity through JV, outsourcing model
- Thereby, improve on financial return matrix

Innovation

- Increase R&D efforts to introduce new & innovative products to the market
- Create sizeable opportunities through innovation as with VC shield Tiles

Improvement in Product mix

- Focus on high value added segments
- Increasing exposure to Sanitaryware & Bath fittings which have higher brand visibility

Increase Branding & Marketing efforts

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

Focus on Exports

- Increase exports to newer geographies
- Create a strong brand image in Export markets as a 'Quality focused Innovator'

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.

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.

SOMANY

For further information, please contact:

Company :

Somany Ceramics Ltd.
CIN - L40200DL1968PLC005169
Mr. R. K. Lakhotia, VP – Finance
fin@somanytiles.co.in

www.somanyceramics.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285
Mr. Shogun Jain/Ms. Sanjita Ghosh
jshogun@sgapl.net / gsanjita@sgapl.net
+91 7738377756 / +91 7738359389

www.sgapl.net