



SOMANY

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version 2.0

SOMANY CERAMICS LTD.

Investor Update - Q2/H1'FY18

November 15, 2017

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The optimism post GST shared in our last message on Q1 results, started showing in Q2 numbers reflecting top line growth of 5.2% (on like to like basis) compared to de-growth in Q1.

Profit after tax (PAT) remained marginally lower for the quarter at Rs. 21.25 crores (after exceptional expense of Rs. 1.41 crores) as compared to Rs. 23.77 crores in the corresponding quarter last year.

The modernization and upgradation plan of certain production lines as Kassar (Haryana) plant to produce value added ceramic tiles got completed and went on stream today.

We launched ***Ceramic Polished*** range in Ceramic tiles and two new product ranges namely, ***Duragres Tesoro*** and ***Duragres Artista*** in Duragres (GVT) to enrich our offerings further for customers who have penchant for interior decoration, stone work, mosaic, murals and patterns.

Towards rationalizing and providing further fillip to the industry, the GST rates on tile and sanitary wares were pruned to 18% from 28% effective November 15, 2017. This rate reduction backed by adequate enforcement would help narrow price delta between the organised and unorganised players. This would also reduce working capital cycle of the industry. This move was much awaited and Government of India deserves to be applauded for this.

As always, we continue to be very bullish for the future of our industry !!!

Sales Volume

- ✓ Q2'FY18 tiles volume stood at 12.45 MSM against 11.95 MSM in Q2'FY17

Sales Mix

- ✓ Q2'FY18 - Own manufacturing (36%), JVs (41%) & Others (23%)

Financial Snapshot

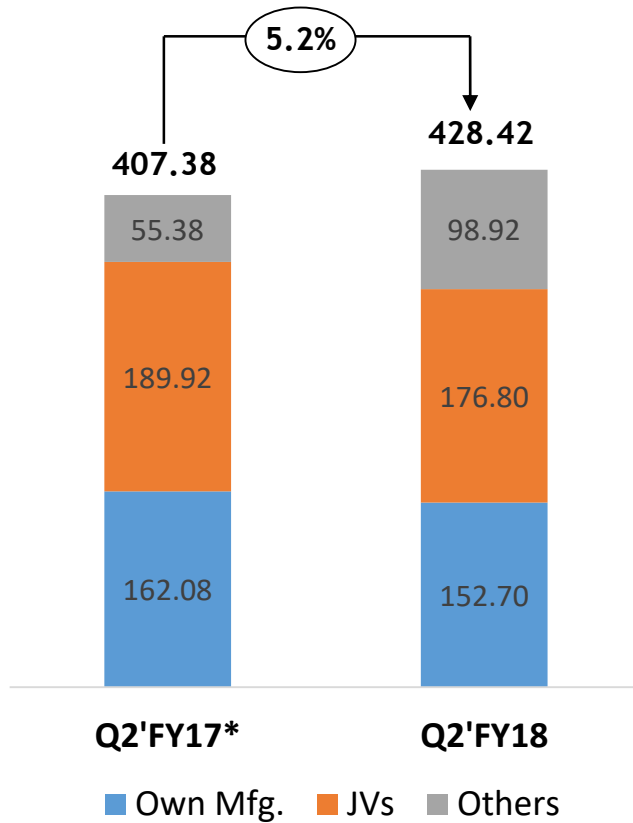
- ✓ Sales of Rs. 428.42 cr in Q2'FY18
- ✓ PBT and PAT stood at Rs. 34.17 cr and 21.25 cr respectively for Q2'FY18

Capacity

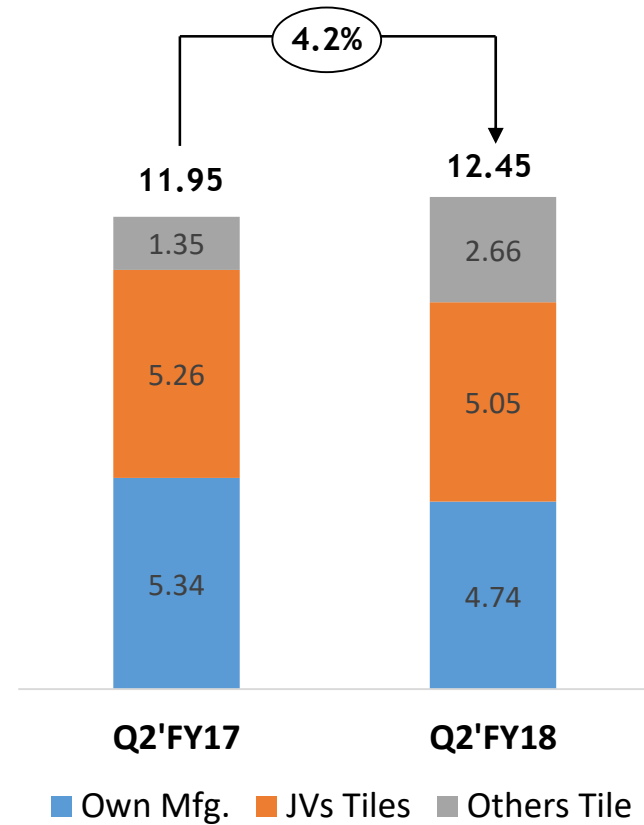
- ✓ Current Access to capacity at ~61 msm p.a.
- ✓ Overall capacity utilisation (own and JV plants) is 87% in Q2'FY18
- ✓ To add 3.8 msm ceramic wall tile capacity under JV

Sales Mix – Q2

Sales Value (Rs. in crores)



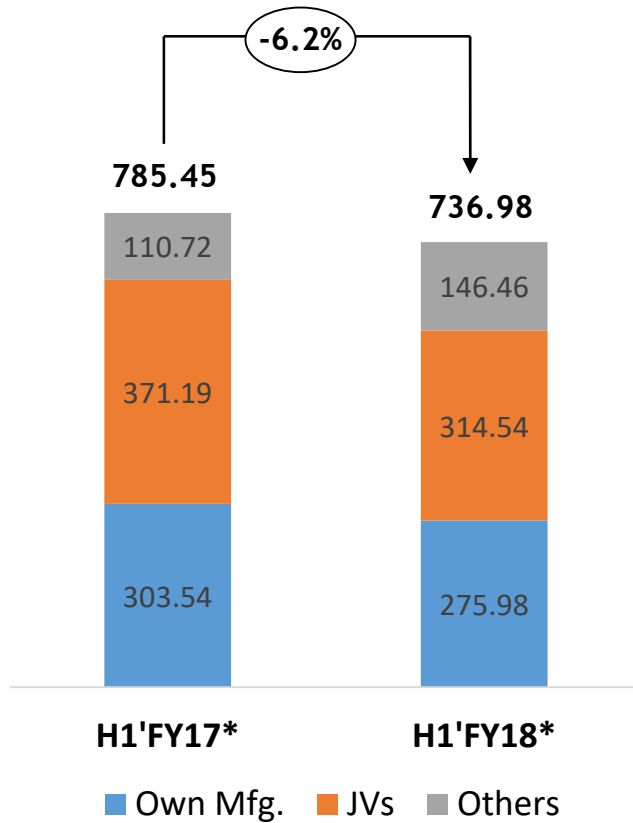
Tiles Volume (in msm)



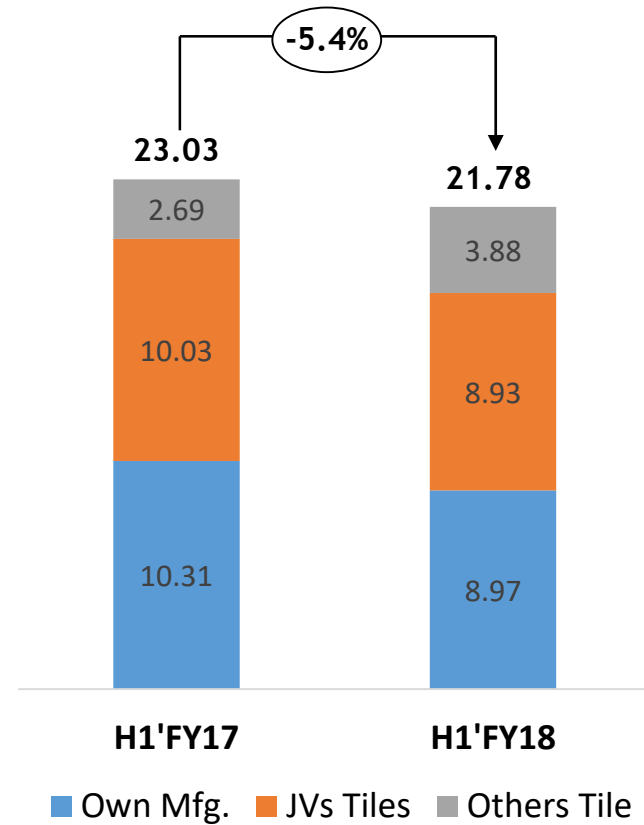
** Recomputed for like to like comparison*

Sales Mix – H1

Sales Value (Rs. in crores)



Tiles Volume (in msm)



** Recomputed for like to like comparison*

Access to Capacity

| Own Plants (Tiles) | Location | Capacity (MSM p.a.) | Capacity Utilization in H1'FY18 | |
|--|--------------|------------------------|---------------------------------|--|
| Kassar | Haryana | 17.13 | 75% | Owned capacity of 23.78 MSM p.a. |
| Kadi | Gujarat | 6.65 | 89% | |
| Subsidiary / Associates Plants (Tiles) | Equity Stake | Capacity (MSM p.a.) | Capacity Utilization in H1'FY18 | |
| Amora Tiles Pvt. Ltd. | 51% | 4.58 | 86% | Associates' / Subsidiary's plants current capacity at 25.71 MSM p.a. |
| Somany Fine Vitrified Pvt. Ltd. | 51% | 4.29 | 116% | |
| Vintage Tiles Pvt. Ltd. | 50% | 4.80 | 76% | |
| Acer Granito Pvt. Ltd. | 26% | 3.30 | 85% | |
| Commander Vitrified Pvt. Ltd. | 26% | 4.76 | 79% | |
| Vicon Ceramic Pvt. Ltd. | 26% | 3.98 | 98% | |
| Outsourced capacity with no equity stake ~9.00 MSM | | | | Outsourced capacity of ~9.00 MSM p.a. |
| Subsidiary Plant (Sanitaryware) | Equity Stake | Capacity (mn pcs p.a.) | Capacity Utilization in H1'FY18 | |
| Somany Sanitary Ware Pvt. Ltd. | 51% | 1.15 | 48% | Sanitaryware capacity of 1.15 mn pcs p.a. |

MSM - million square metres

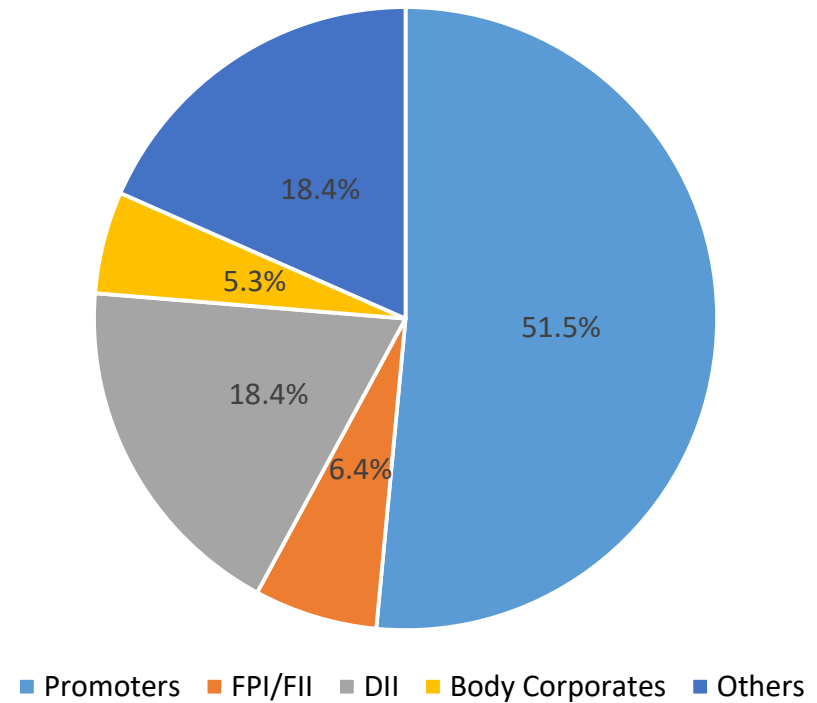
Profit & Loss – Q2/H1'FY17

| Particulars | Q2'FY18 | Q2'FY17 | Growth | H1'FY18 | H1'FY17 | Growth |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales (as published) | 428.42 | 458.30 | - | 775.53 | 883.63 | - |
| Net Sales (Recomputed)* | 428.42 | 407.36 | 5.2% | 736.97 | 785.43 | -6.2% |
| EBIDTA | 45.12 | 45.35 | -0.5% | 65.72 | 82.24 | -20.1% |
| Depreciation | 6.41 | 4.90 | 30.8% | 12.01 | 9.71 | 23.7% |
| Finance cost | 4.54 | 3.78 | 20.1% | 8.53 | 8.12 | 5.0% |
| Profit Before Tax | 34.17 | 36.67 | -6.8% | 45.18 | 64.41 | -29.9% |
| Exceptional Item | 1.41 | 0.00 | - | 3.11 | 0.00 | - |
| PBT after Exceptional Item | 32.76 | 36.67 | -10.7% | 42.07 | 64.41 | -34.7% |
| Tax expenses | 11.51 | 12.90 | -10.8% | 14.81 | 22.50 | -34.2% |
| Profit after tax | 21.25 | 23.77 | -10.6% | 27.26 | 41.91 | -35.0% |
| EPS (Rs.) | 5.01 | 5.61 | -10.7% | 6.43 | 9.88 | -34.9% |

* On account of GST adjustment for like to like comparison
Standalone figures in Rs. crores

Shareholding as on 30th Sep. 2017

| Particulars | 30 th Sep'2017 | 30 th June'2017 |
|----------------------|---------------------------|----------------------------|
| Promoters | 51.5% | 51.5% |
| FPI/FII | 6.4% | 6.3% |
| DII | 18.4% | 17.5% |
| Bodies Corporate | 5.3% | 5.7% |
| Others | 18.4% | 19.0% |
| Equity Shares | 42,379,426 | 42,379,426 |



5 Year P&L - Standalone

| Particulars | FY'13 | FY'14 | FY'15 | FY'16 | FY'17 |
|-------------------|-------|-------|-------|-------|-------|
| Net Sales | 1,046 | 1,256 | 1,531 | 1,721 | 1,828 |
| EBIDTA | 87 | 84 | 104 | 132 | 179 |
| Depreciation | 20 | 22 | 22 | 21 | 25 |
| Finance cost | 20 | 18 | 16 | 16 | 17 |
| Profit before tax | 47 | 44 | 66 | 91* | 133* |
| Tax expenses | 15 | 16 | 22 | 30 | 47 |
| Profit after tax | 32 | 28 | 44 | 61 | 86 |
| Cash profits | 53 | 51 | 67 | 86 | 115 |
| EPS (Rs.) | 9.16 | 8.01 | 11.43 | 15.33 | 20.31 |

*Figures in Rs. crores
after exceptional item

5 Year Balance Sheet - Standalone

| Particulars | Mar'13 | Mar'14 | Mar'15 | Mar'16 | Mar'17 |
|----------------------|--------|--------|--------|--------|--------|
| Equity Share Capital | 7 | 8 | 8 | 8 | 8 |
| Reserves & Surplus | 144 | 213 | 246 | 412 | 498 |
| Net Worth | 151 | 221 | 254 | 420 | 506 |
| Total Debt | 176 | 170 | 188 | 209 | 234 |
| Net Block | 209 | 219 | 237 | 312 | 319 |
| Investments | 9 | 22 | 24 | 36 | 51 |
| Net Current Assets | 133 | 165 | 188 | 292 | 386 |

Figures in Rs. crores

5 Year P&L - Consolidated

| Particulars | FY'13 | FY'14 | FY'15 | FY'16 | FY'17 |
|-------------------|-------|-------|-------|-------|-------|
| Net Sales | 1,050 | 1,261 | 1,535 | 1,704 | 1,795 |
| EBIDTA | 88 | 84 | 115 | 152 | 207 |
| Depreciation | 20 | 21 | 26 | 28 | 35 |
| Finance cost | 20 | 19 | 21 | 22 | 34 |
| Profit before tax | 48 | 44 | 68 | 97* | 144* |
| Tax expenses | 16 | 15 | 22 | 31 | 50 |
| Profit after tax | 32 | 29 | 46 | 65 | 93 |
| Cash Profit | 53 | 53 | 74 | 97 | 132 |
| EPS (Rs.) | 9.28 | 8.25 | 11.94 | 16.25 | 21.96 |

Figures in Rs. crores
**after exceptional item*

5 Year Balance Sheet - Consolidated

| Particulars | Mar'13 | Mar'14 | Mar'15 | Mar'16 | Mar'17 |
|----------------------|--------|--------|--------|--------|--------|
| Equity Share Capital | 7 | 8 | 8 | 8 | 8 |
| Reserves & Surplus | 146 | 215 | 250 | 420 | 505 |
| Net Worth | 153 | 223 | 258 | 428 | 513 |
| Minority Interest | - | 4 | 5 | 20 | 27 |
| Total Debt | 177 | 189 | 210 | 264 | 291 |
| Net Block | 209 | 243 | 265 | 387 | 411 |
| Investments | 9 | 18 | 20 | 20 | 34 |
| Net Current Assets | 136 | 171 | 201 | 321 | 417 |

Figures in Rs. crores

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