

A large, stylized graphic on the left side of the slide, composed of numerous triangles in various shades of red and pink, arranged in a complex, diamond-like pattern.

# SOMANY CERAMICS LIMITED Q2/H1'FY16 - Investor Update

26<sup>th</sup> October, 2015

We continue to witness positive **trajectory on Volume growth and market share gain** despite seasonally lower first half and challenging demand environment. Our strong Brand has helped us maintain Business momentum.

**Growth Drivers for H2'FY16 are aplenty.** Pay commission and One Rank One Pension (OROP) are likely to boost demand. CSR activities of Corporate India will pick up further steam than in the previous years helping overall industry growth. Exports continue to offer growth opportunities. The recent cut in mortgage rates is likely to spur demand for Real Estate benefiting Buildings Material industry immensely.

**Anti Dumping Investigation** was initiated by Ministry of Commerce on October 13, 2015 on a category of Vitrified Tiles originating from China. This is a very positive step for Tiles Industry.

**Government machinery is moving at a healthy clipping** and will improve sentiments and demand prospects for the Buildings Material Industry.

We are honoured with **Brands Academy Icon of the Year Award** recently.



# Execution Phase begins

## Identified Levers of Growth

### An 'Era of High Focus'

Growth Drivers

Execution of Governments Vision

Ease of doing Business

Improving Regulatory Framework

## Introduction of REITS

Will allow for improvement in liquidity in Real Estate Sector providing a funding mechanism for Developers

## Smart Cities & Make in India

Framework laid for Smart Cities & Make in India programs; to lead to enormous investments and improve the quality of living in India

Machinery moving in all directions

## Competitiveness Ranking

India has moved up 16 places to be ranked 55 out of 140 in Global competitiveness rankings issued by World Economic Forum

## Cheaper Home Loans

Relative Strength in Economy has allowed for cut in Interest rates leading to lower Home loan rates in nearly 4 years

## Swachh Bharat Abhiyan

80 Lakh Toilets built under the Swachh Bharat Abhiyan. Huge sums allocated by Corporate India under CSR

India has begun its Phase of Execution; will steadily benefit Buildings Material Industry





## Operational Performance

- Q2'FY16 tiles sales volume at 10.78 msm vs 10.20 msm for Q2'FY15, a growth of 5.7% YoY while for H1'FY16 volume growth was 9.7% to 21.49 msm
- Sales mix in Q2'FY16 was Own manufacturing (35%), JV (41%) and Others (24%) while for H1'FY16 sales mix was Own manufacturing (36%), JV (41%) and Others (23%)




## Financial Performance

- Net Sales increased by 8.4% YoY to Rs. 403.33 cr in Q2'FY16 and 13.2% to Rs. 794.79 cr in H1'FY16
- Q2'FY16 PBT before Exceptional Item grew by 24.0% to Rs. 20.28 cr, a margin of 5.0%. In H1'FY16 PBT before Exceptional Item grew by 27.3% to Rs. 36.36 cr, a margin of 4.6%
- Q2'FY16 PAT grew marginally to Rs. 10.65 cr and 13.8% to Rs. 21.14 cr for H1'FY16



## Capacities

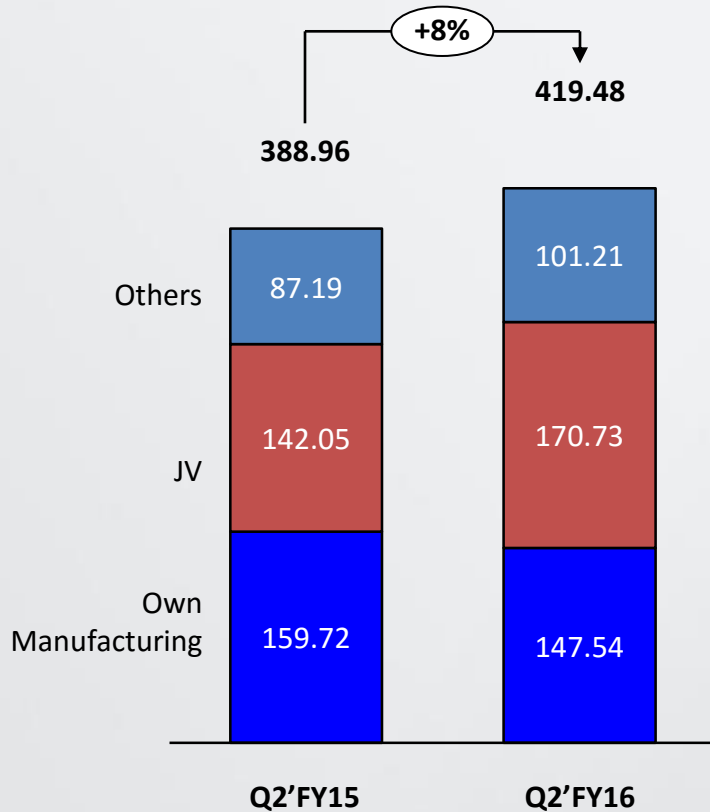
- Somany Fine Vitrified Private Limited, a subsidiary company, commenced production of 4.3 msm p.a. of Polished Vitrified Tiles during October, 2015
- Capacity Expansion for 4.0 msm p.a. of glazed vitrified tiles at Kassar plant, Haryana is on course and expected to be completed in Q1'FY17
- Current Access to capacity at ~56 msm p.a.; to increase to ~60 msm p.a. in Q1'FY17



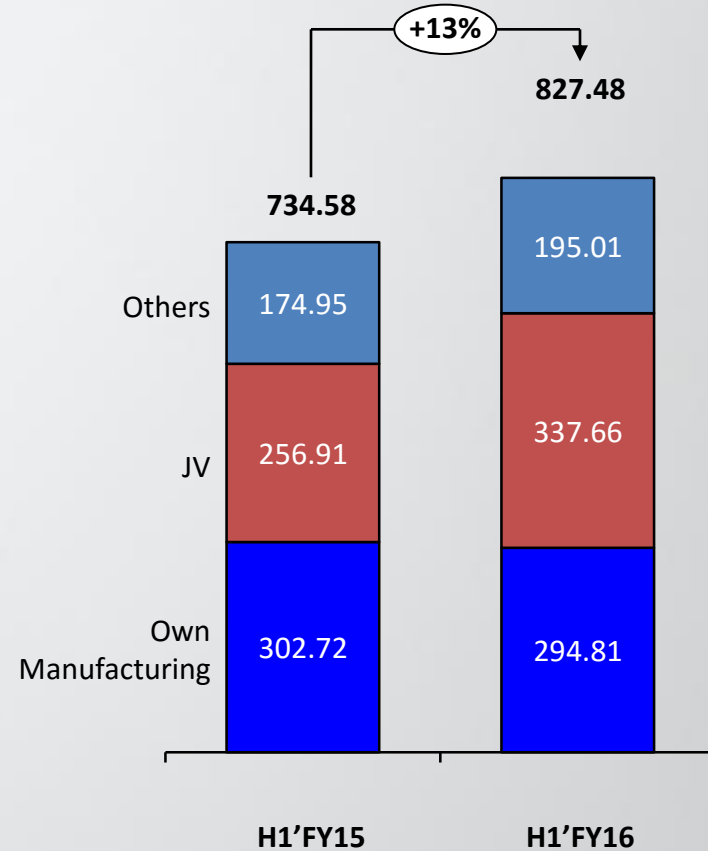
*msm - million square meter*

# Sales Performance (Gross)

Q2'FY16 v/s Q2'FY15



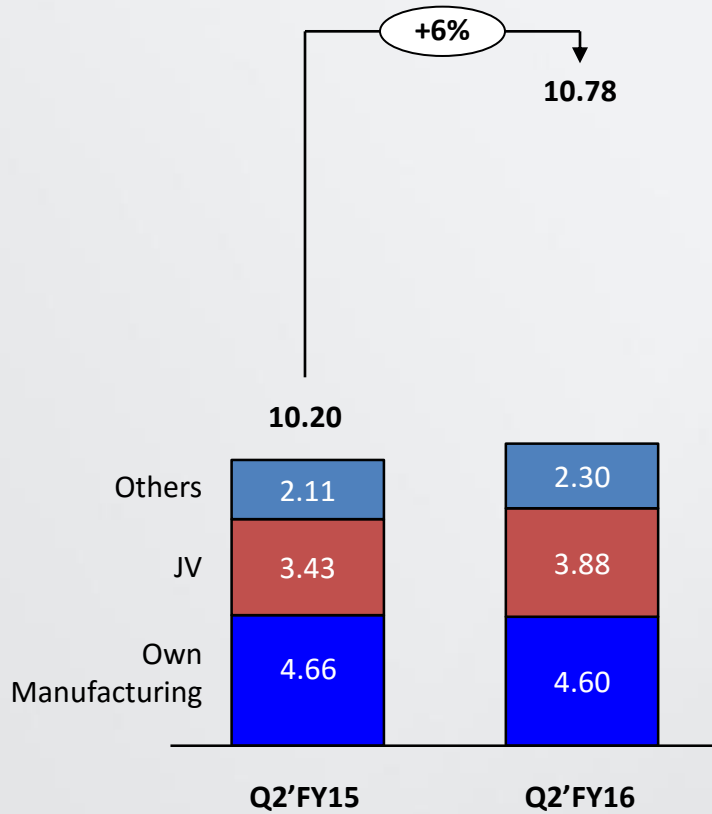
H1'FY16 v/s H1'FY15



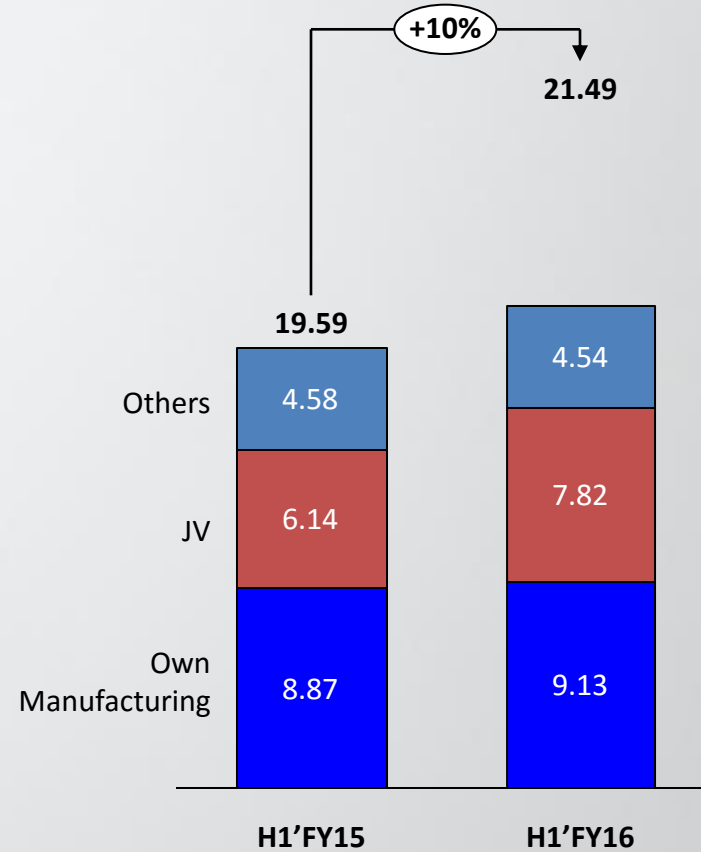
Figures in Rs.cr

# Volume Performance (Tiles)

Q2'FY16 v/s Q2'FY15



H1'FY16 v/s H1'FY15



Figures in million square meter

# Access to Capacities

Own Plants (Tiles)	Location	Original Capacity (MSM p.a.)	Current Capacity (MSM p.a.)	Capacity Utilization in H1'FY16
Kassar	Haryana	0.52	13.13	91%
Kadi	Gujarat	0.58	8.42	82%

*Owned capacity of 21.55 MSM p.a.*

Associates/ Subsidiary Plants (Tiles)	Equity Stake	Original Capacity (MSM p.a.)	Current Capacity (MSM p.a.)	Capacity Utilization in H1'FY16
Vintage Tiles Pvt. Ltd.	26%	2.55	2.99	88%
Commander Vitrified Pvt. Ltd.	26%	2.04	4.76	94%
Vicon Ceramic Pvt. Ltd.	26%	3.98	3.98	92%
Amora Tiles Pvt. Ltd.	51%	2.14	4.58	75%
Acer Granito Pvt. Ltd.	26%	2.04	5.10	85%
Somany Fine Vitrified Pvt. Ltd.	51%	4.29	4.29	Started in Oct.

*Associates' / Subsidiaries' plants current capacity at 25.70 MSM p.a.*

**Outsourced capacity with no equity stake - 9.00 MSM**

*Outsourced capacity of 9.00 MSM p.a.*

Associate Plant (Sanitary ware)	Equity Stake	Original Capacity (pcs p.a.)	Current Capacity (pcs p.a.)	Capacity Utilization in H1'FY16
Somany Sanitary Ware Pvt. Ltd.	51%	303000	303000	81%

*Current capacity of 303000 pcs p.a.*

# Profit & Loss – Q2/H1'FY16

Particulars	Q2'FY16	Q2'FY15	Growth	H1'FY16	H1'FY15	Growth
Net Sales	403.33	372.23	8.4%	794.79	702.39	13.2%
EBIDTA	29.60	25.59	15.7%	54.88	46.64	17.7%
Depreciation	4.81	5.52	-12.9%	9.64	10.65	-9.5%
Finance cost	4.51	3.72	21.2%	8.88	7.43	19.5%
PBT before Exceptional Item	20.28	16.35	24.0%	36.36	28.56	27.3%
Exceptional Item*	3.83	-	-	3.83	-	-
Profit before tax (PBT)	16.45	16.35	0.6%	32.53	28.56	13.9%
Tax expenses	5.80	5.85	-0.9%	11.39	9.99	14.0%
Profit after tax	10.65	10.50	1.4%	21.14	18.57	13.8%
Cash Profit	15.88	15.66	1.4%	30.80	27.79	10.8%
EPS (Rs.)	2.74	2.70	1.5%	5.44	4.78	13.8%



\*Payment to GAIL India Limited towards one time settlement of 'Pay For If Not Taken Obligation' for CY14  
Standalone figures in Rs.cr



# Balance Sheet (Abstract)

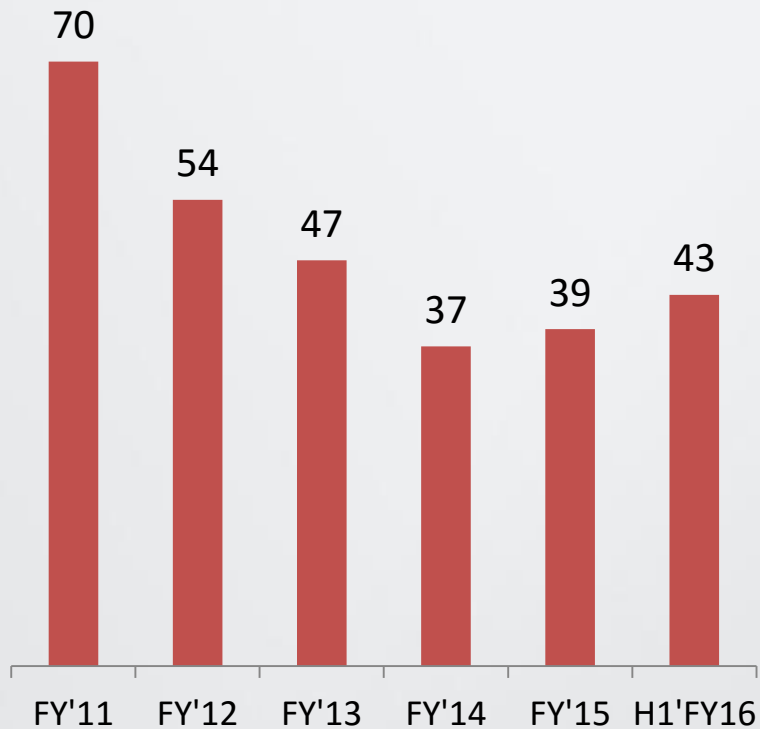
Particulars	Sept' 15	Mar' 15
Equity Share Capital	7.77	7.77
Reserves & Surplus	267.38	246.23
Net Worth	275.15	254.00
Total Debt	199.60	187.76
Net Block	235.16	236.71
Investments	34.60	24.06
Net Current Assets	207.24	188.20



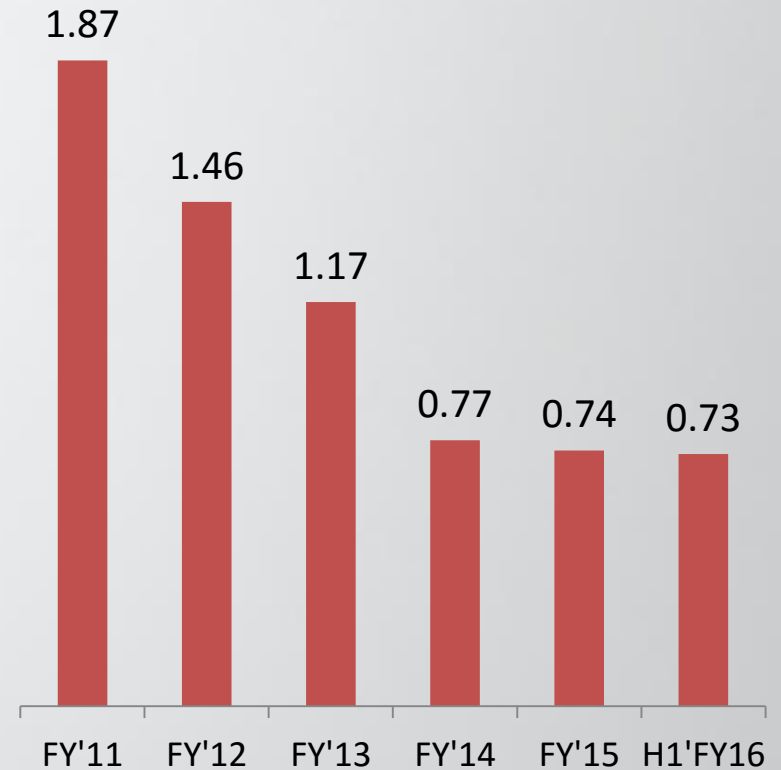
*Standalone figures in Rs.cr*

# Debt Management

### Working Capital Days\*



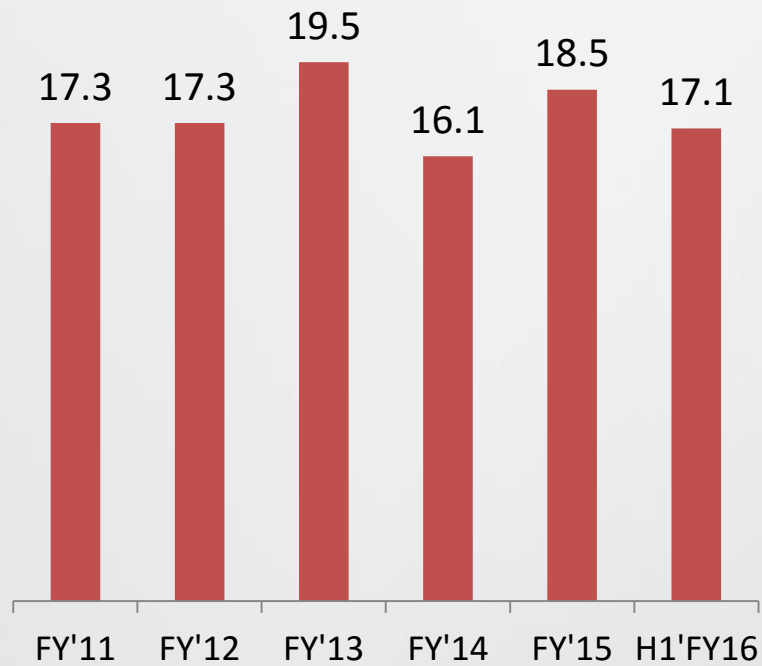
### Leverage Ratio (x)



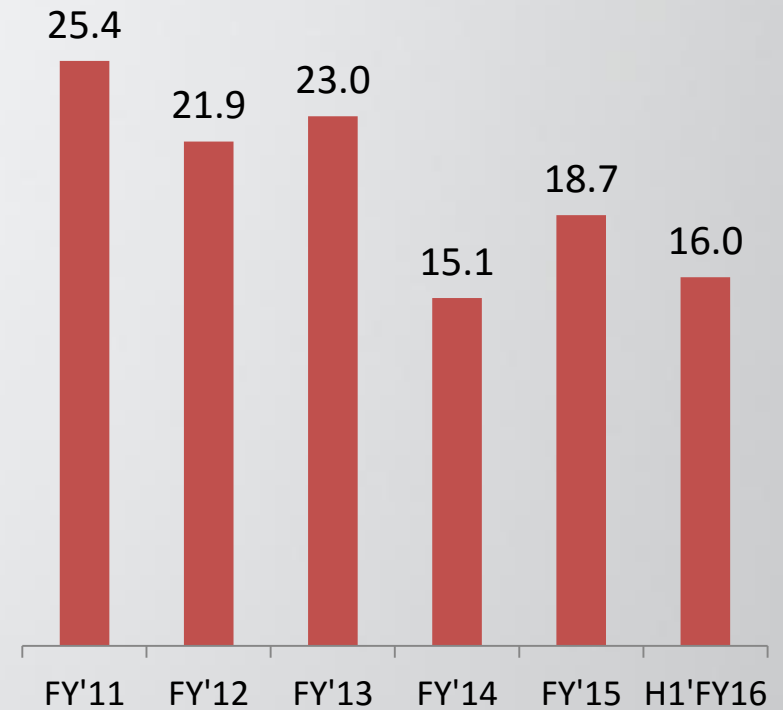
*\*excludes Current Investment Standalone Figures*

# Return Ratios

ROCE %



ROE %



*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	11.43



*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*

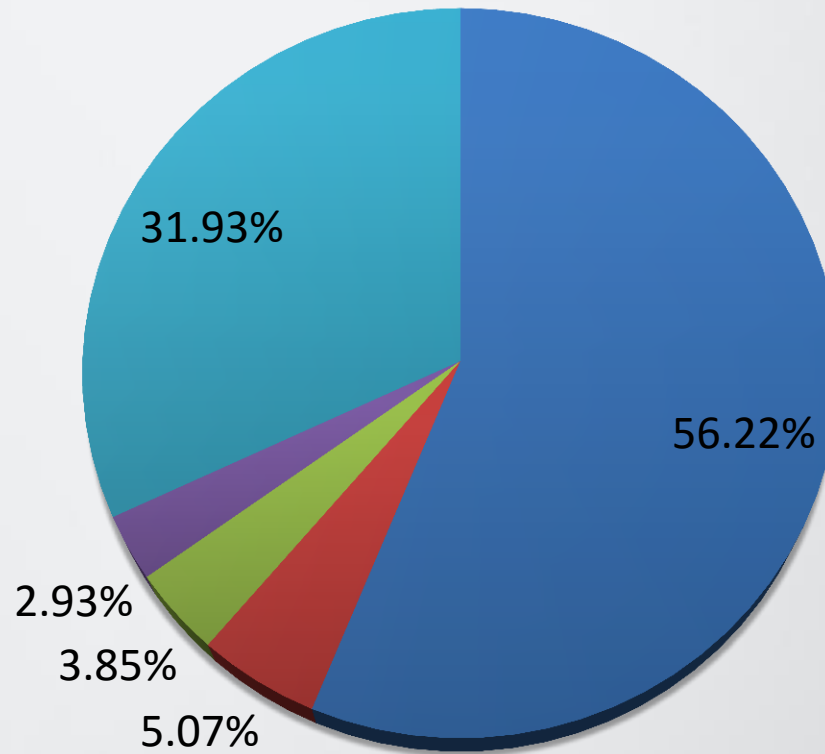
# 5 Year Balance Sheet - Consolidated

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*

# Shareholding as on 30<sup>th</sup> Sept. 2015



■ Promoters ■ FII ■ DII ■ Body Corporates ■ Others



*Total number of 38,844,826 Equity Shares of Rs. 2/- each*



# 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.



**For further information, please contact:**

**Company :**

Somany Ceramics Ltd.  
CIN - L40200DL1968PLC005169  
Mr. R. K. Lakhotia, VP – Finance  
[fin@somanytiles.co.in](mailto:fin@somanytiles.co.in)

[www.somanyceramics.com](http://www.somanyceramics.com)

**Investor Relations Advisors :**

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

[www.sgapl.net](http://www.sgapl.net)

