




SOMANY CERAMICS LIMITED

Q2/HY1'FY15 - Investor Update

October 2014

Key Industry highlights



- ✓ Industry very gung-ho on the scope of opportunities presented by the Government through the 'Swachh Abhiyan' scheme

- ✓ Creation of smart cities and improving infrastructure focus to keep the sector buoyant

- ✓ Contracting Gas prices YoY with a stable outlook to augur well for industry

- ✓ Sales & Distribution channels coupled with Marketing & Advertising likely to play a big role in influencing consumer preferences thereby benefitting Branded players

- ✓ Levy of anti-dumping on Chinese Tiles by European countries along with favorable currency rates make exports a lucrative opportunity

Buildings Material industry and Tiles sector in particular in a sweet spot owing to various Government initiatives and expected economic upturn likely to be witnessed in India

Government Initiatives to augur well

Infrastructure development is the DNA of Modi Govt.

- 1 Swachh Bharat Abhiyan (SBA)- to make Rural areas “open defecation free”- ODF by enabling construction of individual, cluster & community toilets
- 2 Development of 100 smart cities as satellite towns of larger cities
- 3 Development of Industrial corridors
- 4 Housing for all by 2022
- 5 Rural housing fund under National Housing Board (NHB)

Corporate India committed to SBA...

- Coal India to spend Rs. 2.35bn on building toilets and improving sanitation
- Bharti foundation to spend Rs. 1bn for building toilets over the next 3 years
- TCS has pledged Rs. 1bn towards sanitation facilities for girl students
- HUL plans to construct 24,000 toilets by 2015
- ITC plans to construct 10,000 toilets
- Vedanta group announced to build 10,000 more toilets
- Aditya Birla Center plans to build 10,000 toilets in MP, UP, TN and Gujarat
- L&T committed to build 5,000 toilets under L&T Public Charitable Trust
- GAIL to spend Rs. 270mn for building toilets
- Dabur & NBCC plans to build 100 toilet each in rural areas & for girls students respectively

Focus of the Modi Government on Infrastructure to create exponential business opportunities for companies in the Tiles and Sanitary Ware Industry

Quarterly overview



Operational Performance

- Q2'FY15 tile sale volume at 10.20 msm vs 9.39 msm, a growth of 8.6% YoY
- H1'FY15 tiles sale volume at 19.59 msm vs 17.48 msm, a growth of 12.1% YoY
- Sales in HY1'FY15 - Own Manufacturing (41%), JV (35%) and Outsource/Others (24%)

Financial Performance

- Net Sales increased by 21.9% YoY to Rs. 370.24 crores in Q2'FY15
- Q2'FY15 PBT grew by 72.8% to Rs. 16.35 crores with margin at 4.4% (3.1% in Q2'FY14)
- Q2'FY15 PAT grew by 68% to Rs. 10.50 crores with margin at 2.8% (2.1% in Q2'FY14)

Plans

- Access to ~55 msm capacity by March 2015
- To increase stake in Sonec Sanitary Ware Pvt. Ltd. to 51%, expansion of existing sanitary ware capacity on cards

Quarterly overview



Added 40 dealers and 10 showrooms/display centers during the quarter

Exports for the quarter almost doubled to Rs. 17.79 crores

Geographical Sales - North (39%), South (29%), West (11%), East (17%), Exports (4%)

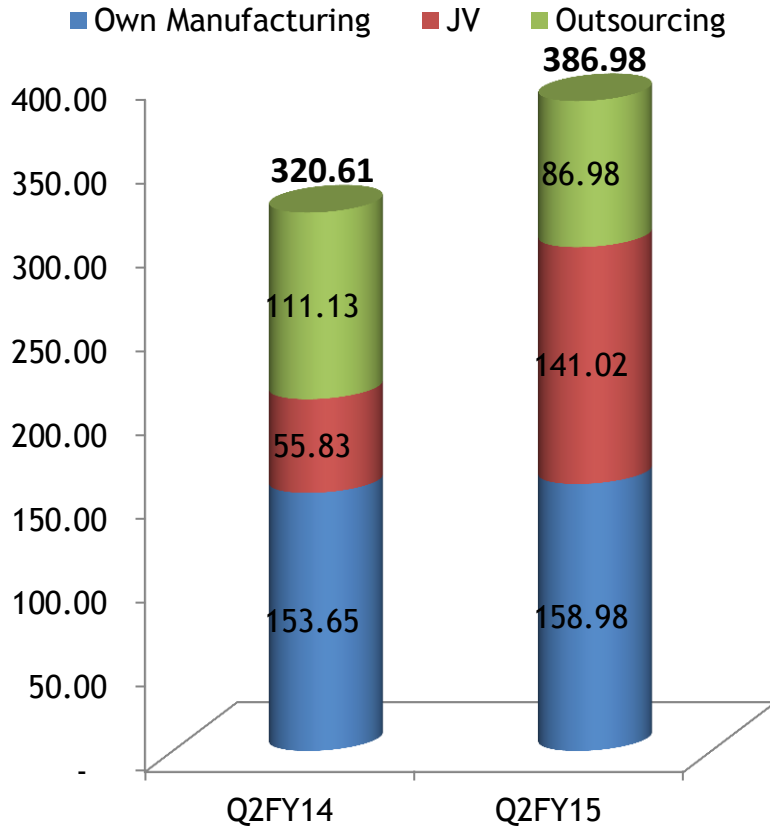
Sanitaryware and bath fittings sales grew by 83% to Rs. 35.84 crores

Strategy to expand through the JV Model has helped us keep our Balance Sheet lean and expand our revenues and profitability faster

Sales Performance

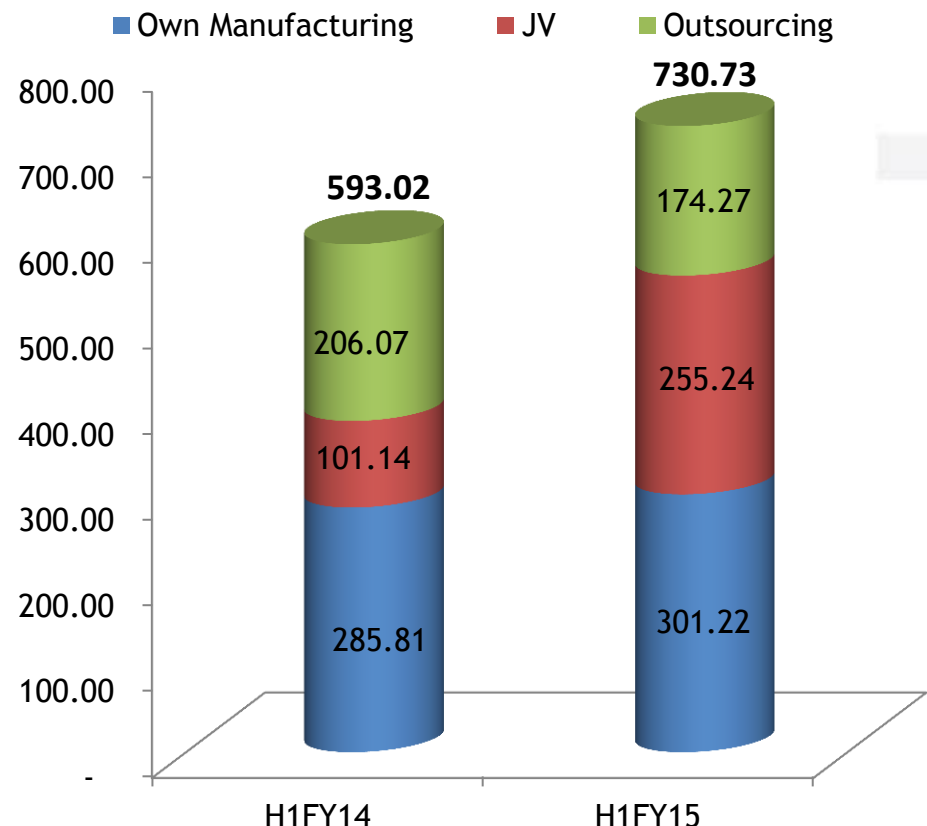


Q2'FY15 vs Q2'FY14



Achieved growth of 20.7% YoY

H1'FY15 vs H1'FY14



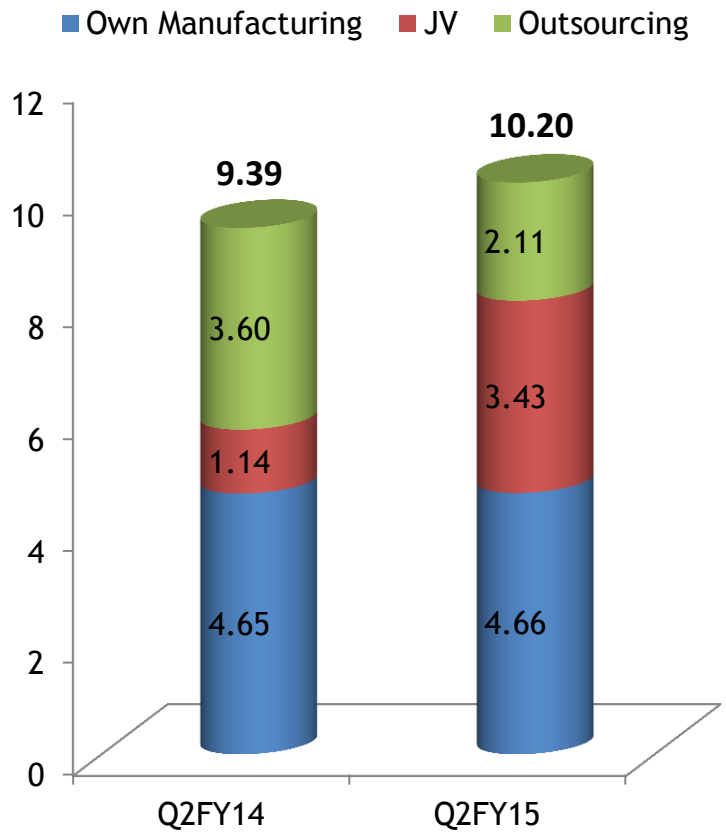
Achieved growth of 23.2% YoY

Standalone figures in Rs. crores

Volume Performance (Tiles)

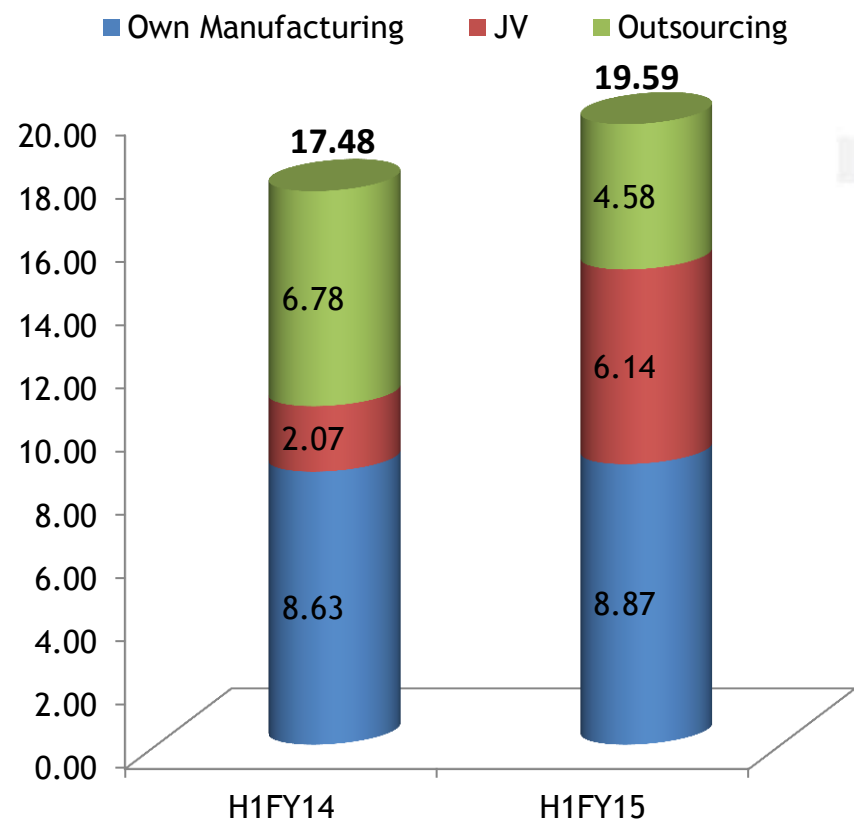


Q2'FY15 vs Q2'FY14



Achieved growth of 8.6% YoY

H1'FY15 vs H1'FY14



Achieved growth of 12.1% YoY

Standalone figures in Rs. crores

Q2/HY1'FY15 Profit & Loss

Particulars	Q2'FY15	Q2'FY14	Growth %	H1'FY 15	H1'FY14	Growth %
Net Sales	370.24	303.82	21.9%	698.54	561.79	24.3%
EBIDTA	25.59	19.69	30.0%	46.64	38.27	21.9%
Depreciation	5.52	5.46	1.1%	10.65	10.72	-0.7%
Finance cost	3.72	4.77	-22.0%	7.43	9.25	-19.7%
Profit before tax	16.35	9.46	72.8%	28.56	18.30	56.1%
Tax expenses	5.85	3.21	82.2%	9.99	6.23	60.4%
Profit after tax	10.50	6.25	68.0%	18.57	12.07	53.9%
Basic EPS (Rs.)	2.70	1.81	49.2%	4.78	3.50	36.6%

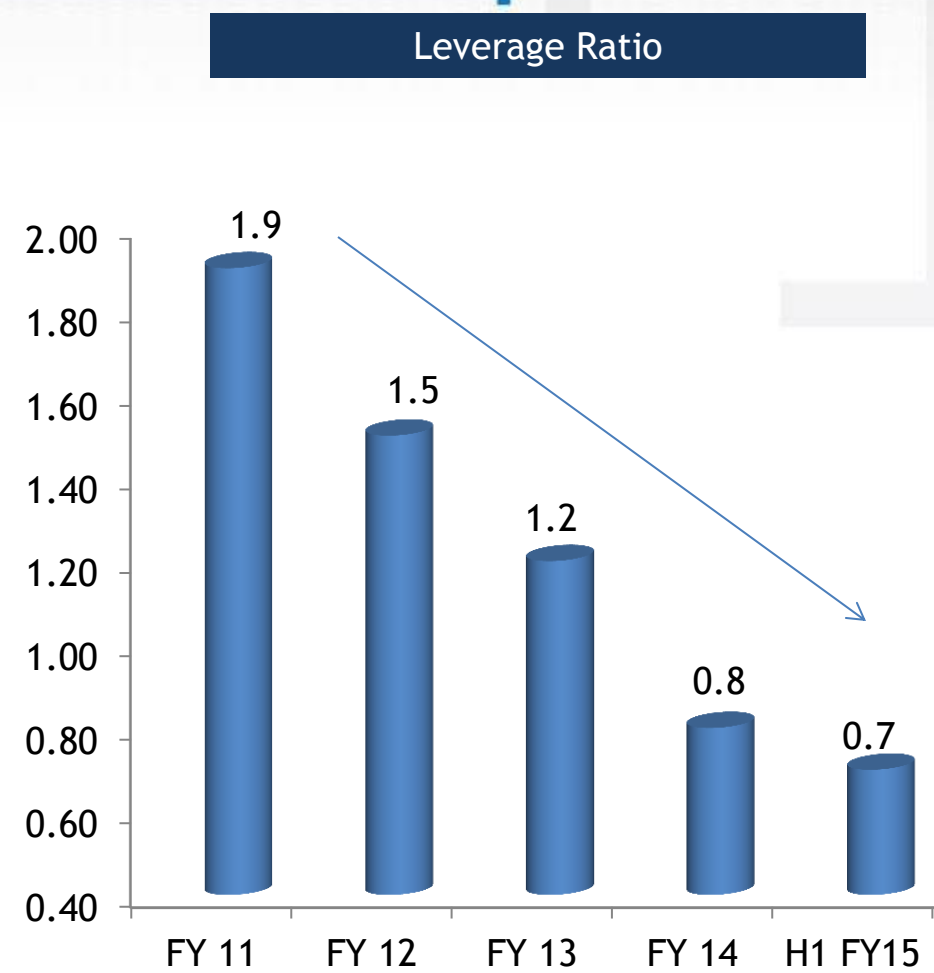
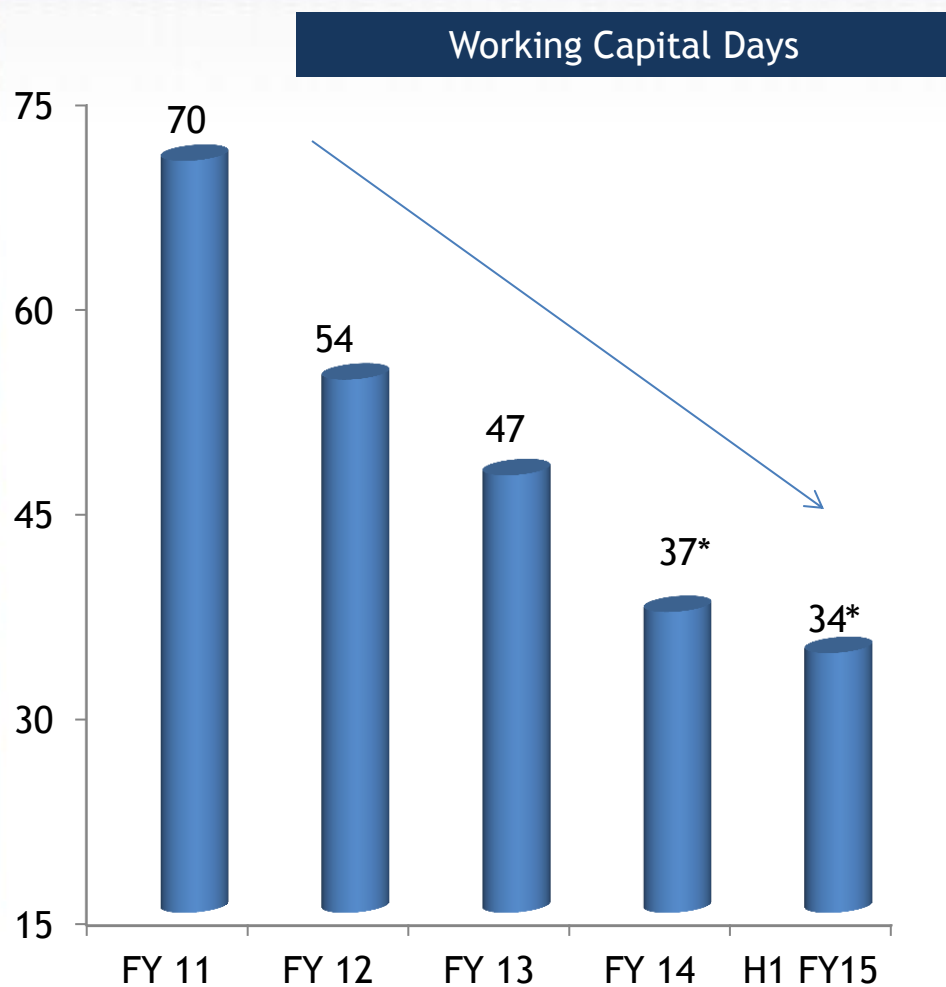
Standalone figures in Rs. crores

H1'FY15 Balance Sheet

Particulars	September 2014	March 2014	September 2013
Equity Share Capital	7.77	7.77	6.90
Reserves & Surplus	229.77	212.74	155.93
Net Worth	237.54	220.51	162.83
Total Debt	165.71	169.75	188.71
Net Block	226.46	218.52	218.96
Investments	21.67	21.67	9.20
Net Current Assets	164.92	164.74	140.59

Standalone figures in Rs. crores

Debt Management



**excludes Current Investment of Rs. 37 crores in FY14 and Rs. 34.78 crores in HY1'FY15*

Historical Profit & Loss Statement

Particulars	FY 11	FY 12	FY 13	FY 14
Net Sales	708.34	870.37	1046.23	1252.96
EBIDTA	68.10	74.56	87.05	84.38
Depreciation	17.27	18.22	20.40	22.06
Finance cost	17.12	20.65	19.98	18.30
Profit before tax	33.71	35.69	46.67	44.02
Tax expenses	10.28	10.94	15.08	15.99
Profit after tax	23.43	24.75	31.59	28.03
Cash Profit	43.16	42.66	52.82	51.41
EPS (Rs.)	6.79	7.17	9.16	8.01

Standalone figures in Rs. crores

Historical Balance Sheet

Particulars	FY 11	FY 12	FY 13	FY 14
Equity Share Capital	6.90	6.90	6.90	7.77
Reserves & Surplus	95.57	117.11	143.86	212.74
Net Worth	102.47	124.01	150.76	220.51
Total Debt	191.22	180.97	176.08	169.75
Net Block	175.92	193.97	208.91	218.52
Investments	1.72	5.95	9.20	21.67
Net Current Assets	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 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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