

Key Industry Updates



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

Real Estate Bill - Instilling Confidence



Creation of Real Estate Regulatory Authority (RERA) will help co-ordinate the development of the sector and promote efficiency and level playing ground for all stakeholders



Mandatory public disclosure of registered properties, disclosure of pro-forma agreements, reduction in diversion of funds paid by buyers, consent for alteration of plans are key provisions that will bring increased trust & faith in the sector



RERA aims to bring clarity on a sector marred with opacity, a move that will boost domestic & foreign investment in the sector helping Government to achieve its vision of Housing for All by 2022



RERA provides for fast-track dispute resolutions through adjudicating officers (district judge) and through creation of Appellate Tribunal, providing immense comfort to common buyers

RERA (cleared by Union Cabinet) will boost the confidence of buyers, bring in enormous investments back to the sector ultimately creating a 'Game Changing Moment' for Buildings Material Players

Financial overview

Operational Performance

- Q4'FY15 tiles sales volume at 12.6 msm vs 11.9 msm, a growth of 6.1 % YoY
- FY15 tiles sale volume at 42.4 msm vs 37.9 msm, a growth of 11.8 % YoY
- Sales mix in FY15 - Own manufacturing (39%), JV (38%) and Others (23%)

Financial Performance

- Net Sales increased by 11.5% YoY to Rs. 455.6 cr in Q4'FY15 and 22% for FY'15 to Rs. 1,531.3 cr
- Q4'FY15 PBT grew by 7.2% to Rs. 19.9 cr with margin at 4.4% while for FY'15 PBT margin recorded at 4.3%
- Q4'FY15 PAT grew by 32.0 % to Rs. 14.8 cr while FY15 saw growth of 58.5% to Rs. 44.4 cr
- Board has recommended a 100% Dividend of Rs. 2/- per equity Share representing a payout of 21%

Capacities

- Current Access to capacity at ~52 msm p.a.; to increase to ~56 msm p.a. in FY16
- Expansion of 2.40 msm p.a. of ceramic tiles at Kadi plant, Gujarat was completed and production started in February, 2015
- Board has given approval for expansion of capacities at Kasar, Haryana by 4 msm p.a.

Msm - mn sq mtr

Financial overview

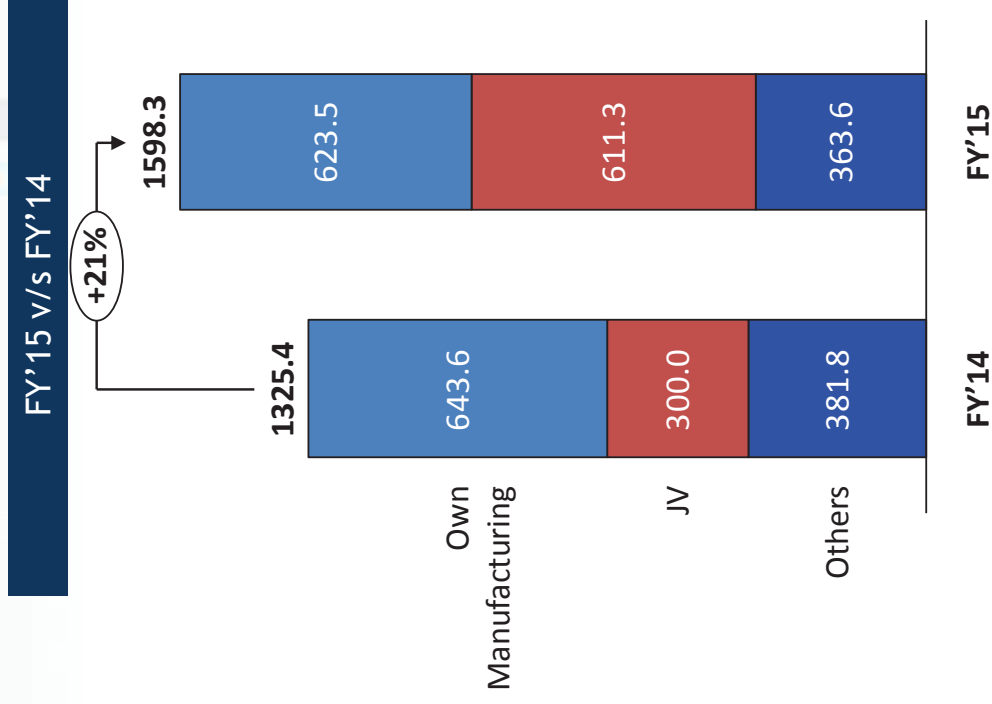
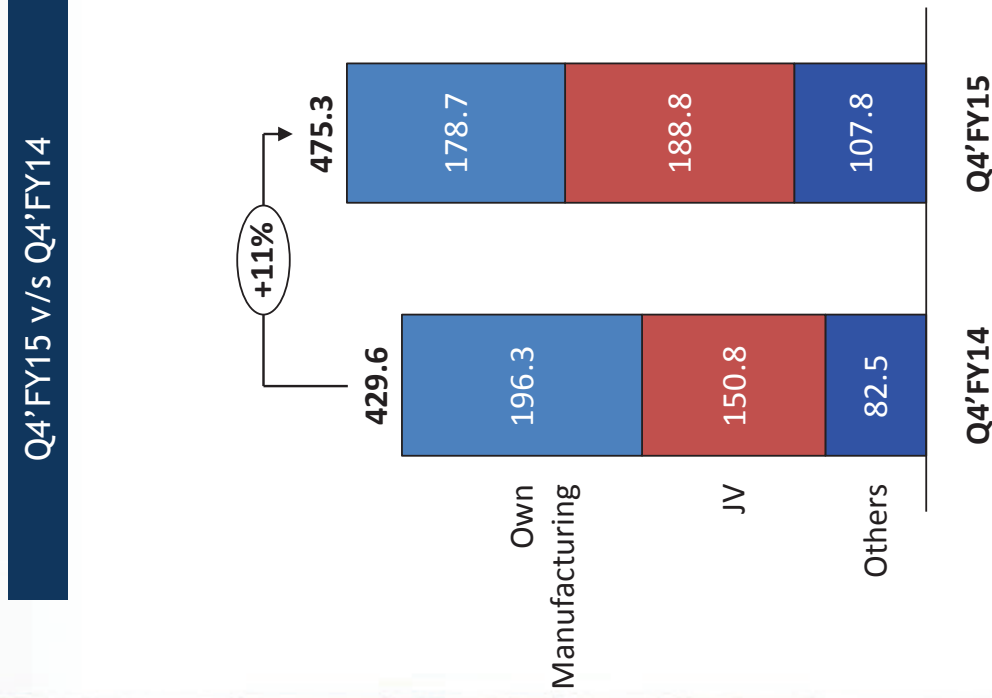
Exports stood at Rs. 13.9 cr for Q4'FY15 and Rs. 64.3 cr for FY15

Geographical Sales for FY15 came in at - North (39%), South (29%), West (12%), East (16%) and Exports (4%)

Sanitaryware and bath fittings sales at Rs. 25.4 cr for Q4'FY15 and Rs. 79.3 cr for FY15



Sales Performance (Gross)

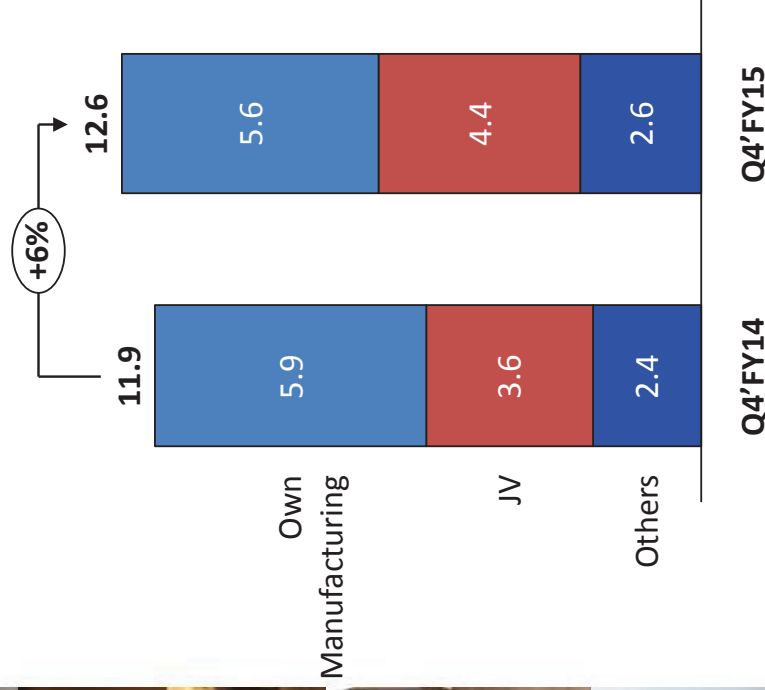


Figures in Rs. cr

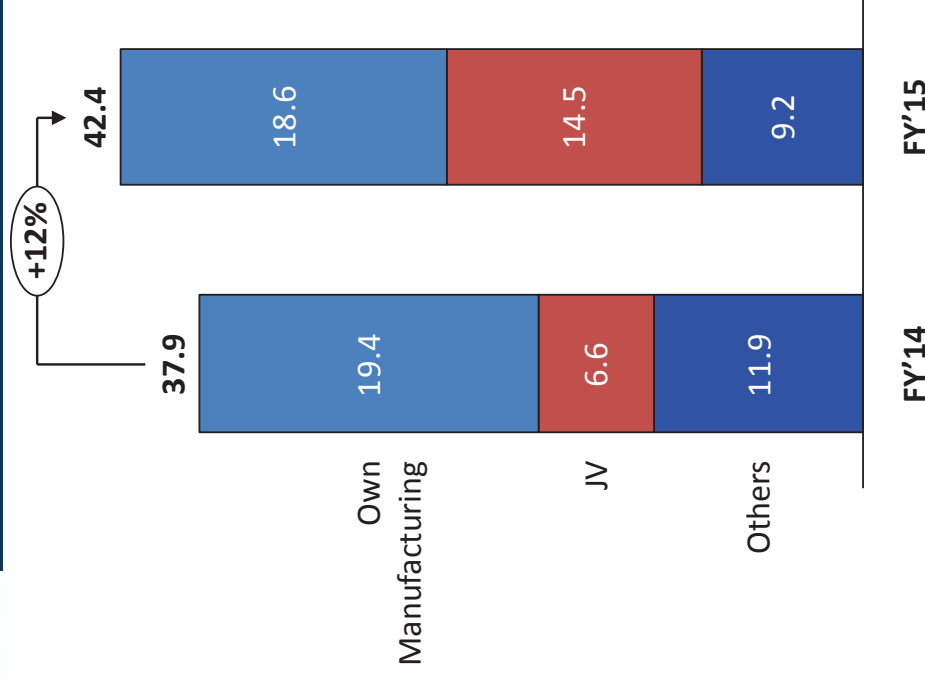
Volume Performance



Q4'FY15 v/s Q4'FY14



FY'15 v/s FY'14



Figures in mn sq mtr

Q4'FY15/FY'15 Profit & Loss

Particulars	Q4'FY15	Q4'FY14	Growth	FY 15	FY 14	Growth
Net Sales	455.6	408.5	11.5%	1531.3	1255.6	22.0%
EBIDTA	30.7	28.7	6.9%	104.1	84.4	23.3%
Depreciation	6.0	5.6	6.6%	22.3	22.1	0.8%
Finance cost	4.8	4.5	6.5%	16.3	18.3	(10.9%)
Profit before tax	19.9	18.6	7.2%	65.5	44.0	48.9%
Tax expenses	5.2	7.4	(30.4%)	21.1	16.0	32.1%
Profit after tax	14.8	11.2	32.0%	44.4	28.0	58.5%
Basic EPS (Rs.)	3.8	3.1	24.2%	11.4	8.0	42.7%

Standalone figures in Rs. cr

Balance Sheet



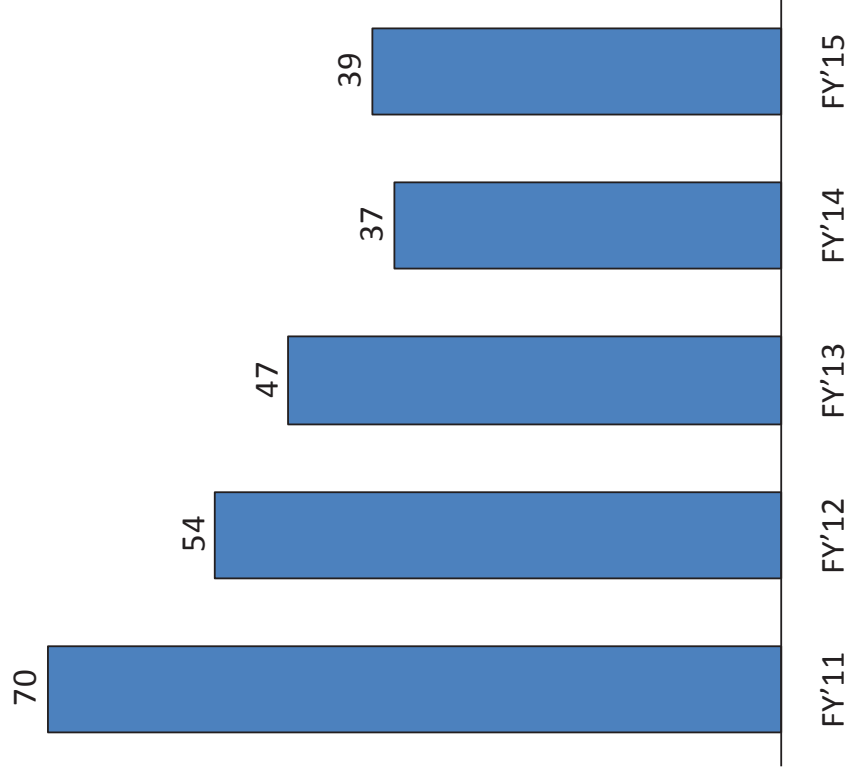
Particulars	Mar-15	Mar-14	Particulars	Mar-15	Mar-14
Shareholder's Fund	254.0	220.5	Non-Current Assets	284.3	256.1
Share capital	7.8	7.8	Fixed assets	236.7	218.5
Reserves & Surplus	246.2	212.7	Long-term loans and advances	21.0	15.9
Non-current liabilities	111.2	104.9	Other non-current assets	26.6	21.7
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

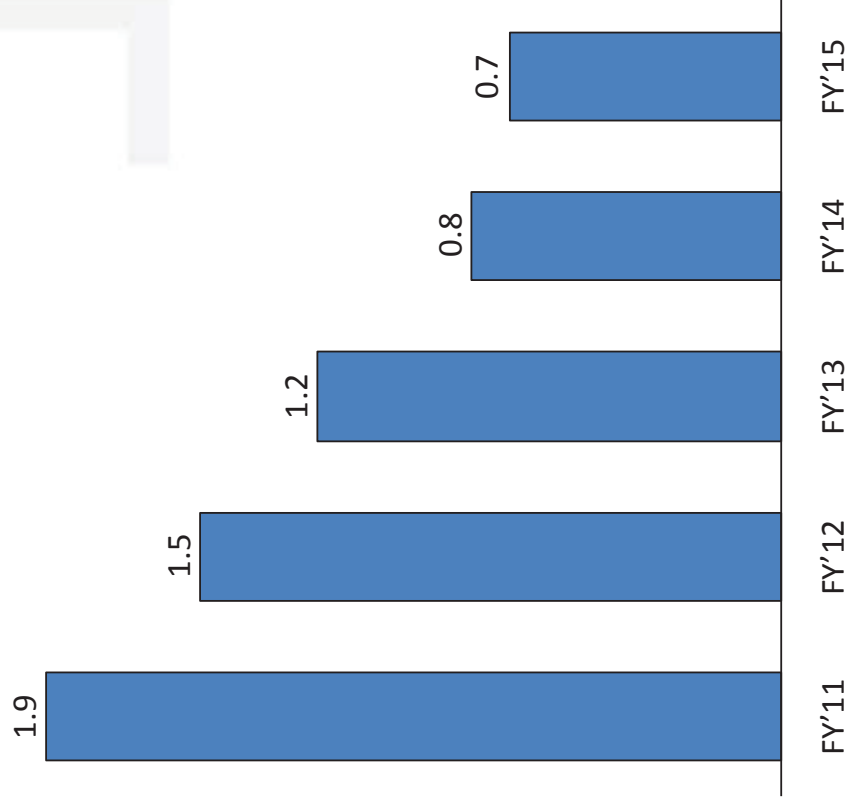
Debt Management



Working Capital Days*



Leverage Ratio (x)



*excludes Current Investment Standalone Figures

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



- Committed to value enhancement by adopting asset light model and increasing share of value add products
- 1st in the Indian Tile industry to have Government recognized R&D facilities, thereby giving credibility to 'Brand Somany'
- High credibility & reputation for 'Brand Somany' and its Promoters amongst dealers, suppliers and financial institutions

- Pan India distribution and marketing network creating stronger Brand Somany
- Around 10,000 touch points including active dealers, retailers and franchise showrooms/display centers
- Strong brand recall in retail segment which contributes ~65% of overall sales
- Formidable association with large institutional clients comprising of Governments, Corporates and Private Builders

- Wide product range covering Ceramic, Vitrified Tiles, Sanitaryware & Bath fittings
- India's largest in-house designing team dedicated to developing designs, products and concepts in collaboration with Spanish and Italian design houses
- Asset model allows company to respond faster to changing trends and market dynamics

Strategically building a sustainable growth path



Sustainable Business Growth



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Export Markets

- Increase exports to newer geographies

5
Increase Branding and marketing efforts

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

4

Improvement in Product Mix

- Focus on high value added segments

3

Innovation

- Increase R&D efforts to introduce new & innovative products to the market

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Faster access to capacity

- Build access to capacity through JV, outsourcing model

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Increase market share

- Increase coverage through distributors and franchise stores

Future Growth Strategies

Disclaimer

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