



RAK
CERAMICS

Close to you worldwide

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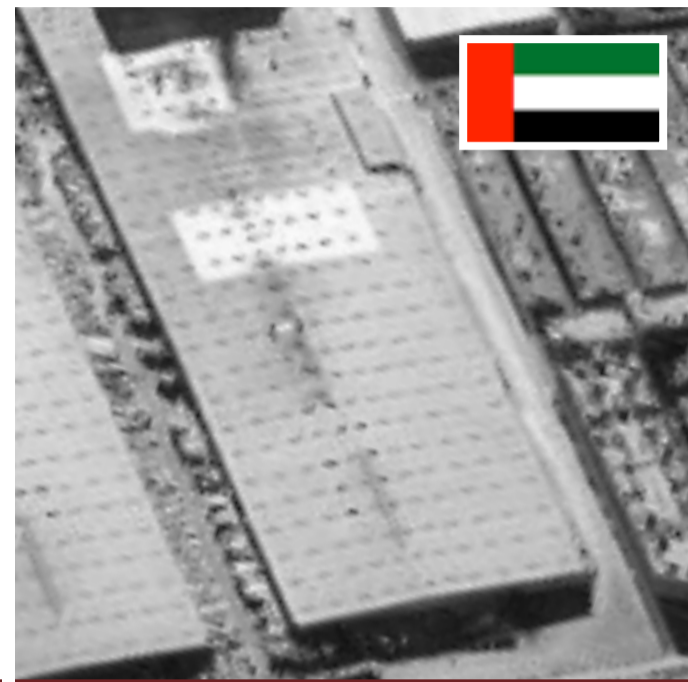

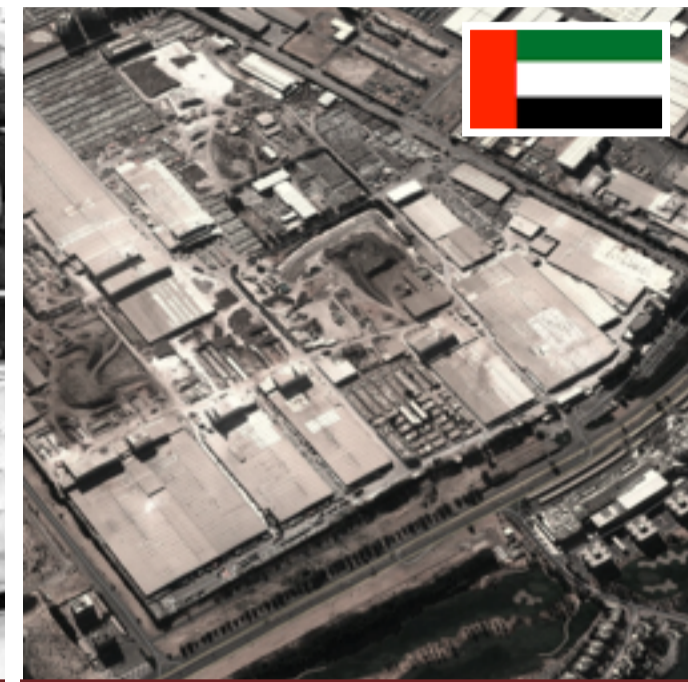
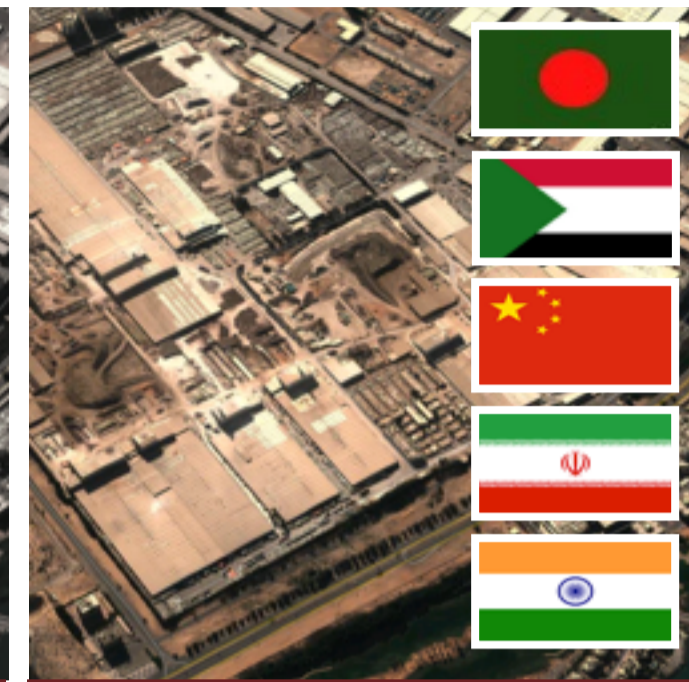

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OUR BUSINESS

BRIEF CORPORATE HISTORY

					
<p>1989</p>	<p>1991</p>	<p>1993</p>	<p>1995-2009</p>	<p>2000-2006</p>	<p>2004-2008</p>

Founded by H.H. Sheikh Saud Bin Saqr Al Qasimi, present Ruler of Ras Al Khaimah

First tiles plant started in Ras Al Khaimah with daily output of **5,000 sq. meters**

First sanitaryware plant started in Ras Al Khaimah, with daily output of **350,000 pieces per annum**

A further 9 tile plants were started in UAE adding **227,000 sq. meters per day** the production capacity.

Plants in Bangladesh, China, Sudan, Iran and India add tile capacity of **65,000 sq. meters per day**

Additional sanitaryware plants in UAE, Bangladesh and India provide a total output of **4.5 million pieces per annum.**

				
<p>2006</p>	<p>2007</p>	<p>2010</p>	<p>2013</p>	<p>2014</p>

RAK Porcelain launched in RAK with daily output of **40,000 pieces per day**

Kludi-RAK launched in RAK with daily output of **1000 pieces per day**

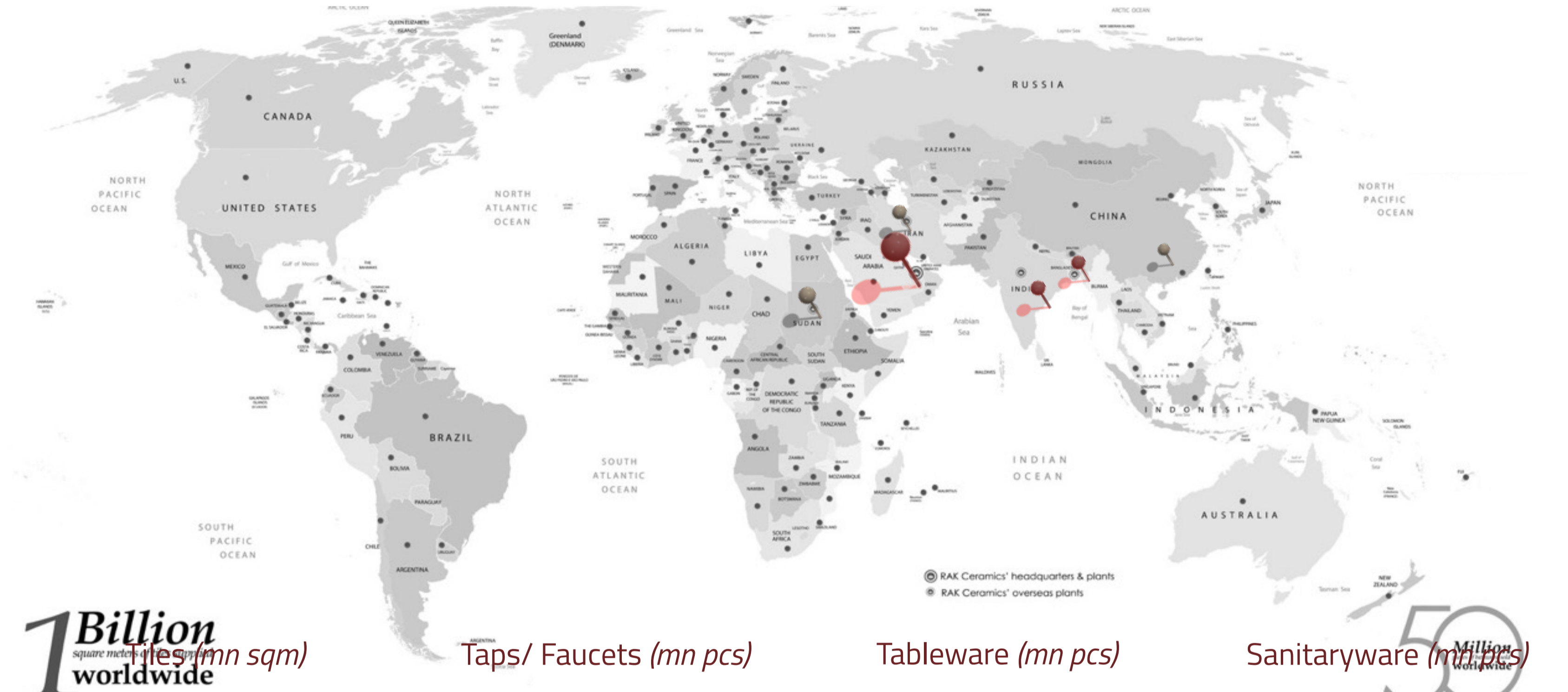
Worlds largest ceramics manufacturer with **115 million sq. meter annual output**

SAMENA Consortium Acquires **30.6%** of RAK Ceramics

Expansion of tiles and sanitaryware capacity in **Bangladesh** and sanitaryware in **UAE**

OUR CAPACITY BY PRODUCT & LOCATION

3rd in Ceramic Tiles & 13th in Sanitaryware, in terms of production



1 Billion
square meters of tiles
worldwide

	Tiles (mn sqm)
UAE	81.9
Bangladesh	8.0
India	8.0
Iran	6.0
China	-
Total	103.9
Sudan*	7.9

*Exiting investment

Taps/ Faucets (mn pcs)

UAE	0.6
Total	0.6

Tableware (mn pcs)

UAE	24
Total	24

Sanitaryware (mn pcs)

UAE	2.7
Bangladesh	1.6
India	0.7
Total	5.0

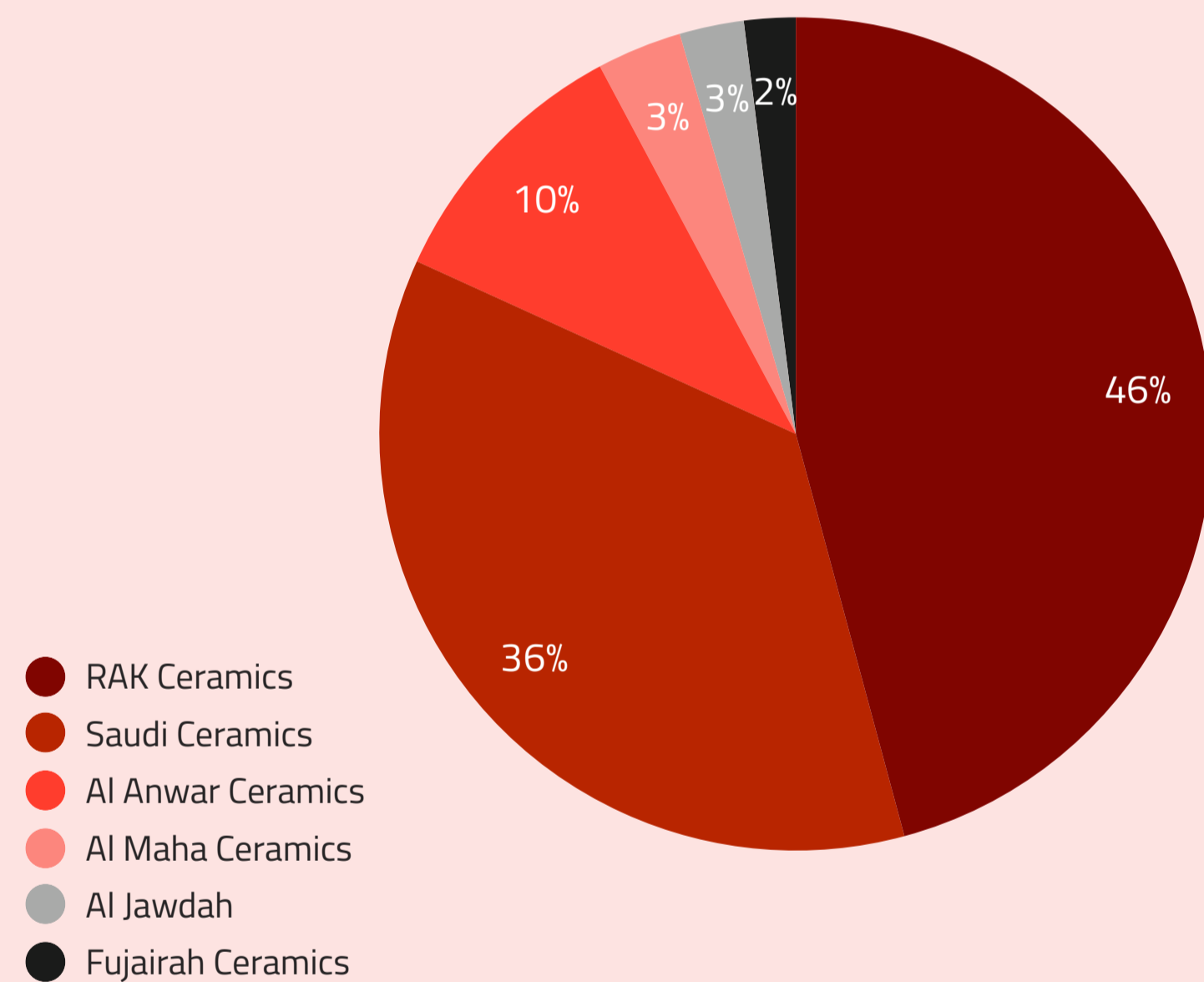
Distributed to more than 150 countries

UNDISPUTED REGIONAL LEADER

RAK Ceramics is the market leader in the GCC region and Bangladesh and ranks within the top 5 producers in India. The company is well positioned to benefit from recovering construction activity in Saudi Arabia, as well as the high prospects in India and Bangladesh following the positive outcome of recent elections.

GCC Tiles Market Share by Capacity, Top 6 (2013)

Total Capacity of Top 6 Players - 177mn sqm



- ▶ The 3 largest producers in the GCC contribute c.85% of the region's total capacity.
- ▶ RAK Ceramics contributes 46% of the top 6 player's GCC's capacity, followed by Saudi Ceramics which contributes 36%.
- ▶ Approx. 25% of production in the GCC region is exported

Tiles Market – Sales 2014E

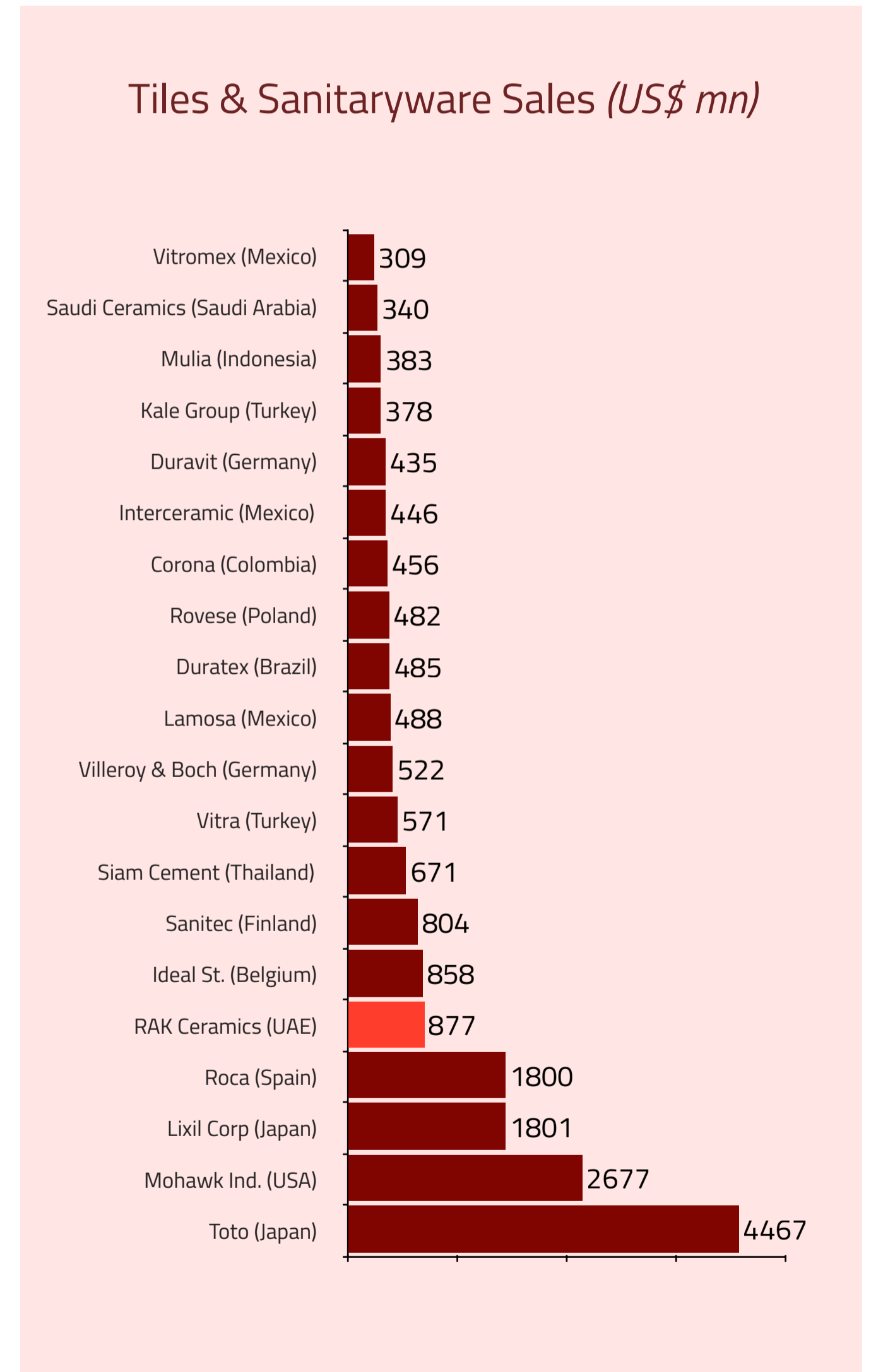
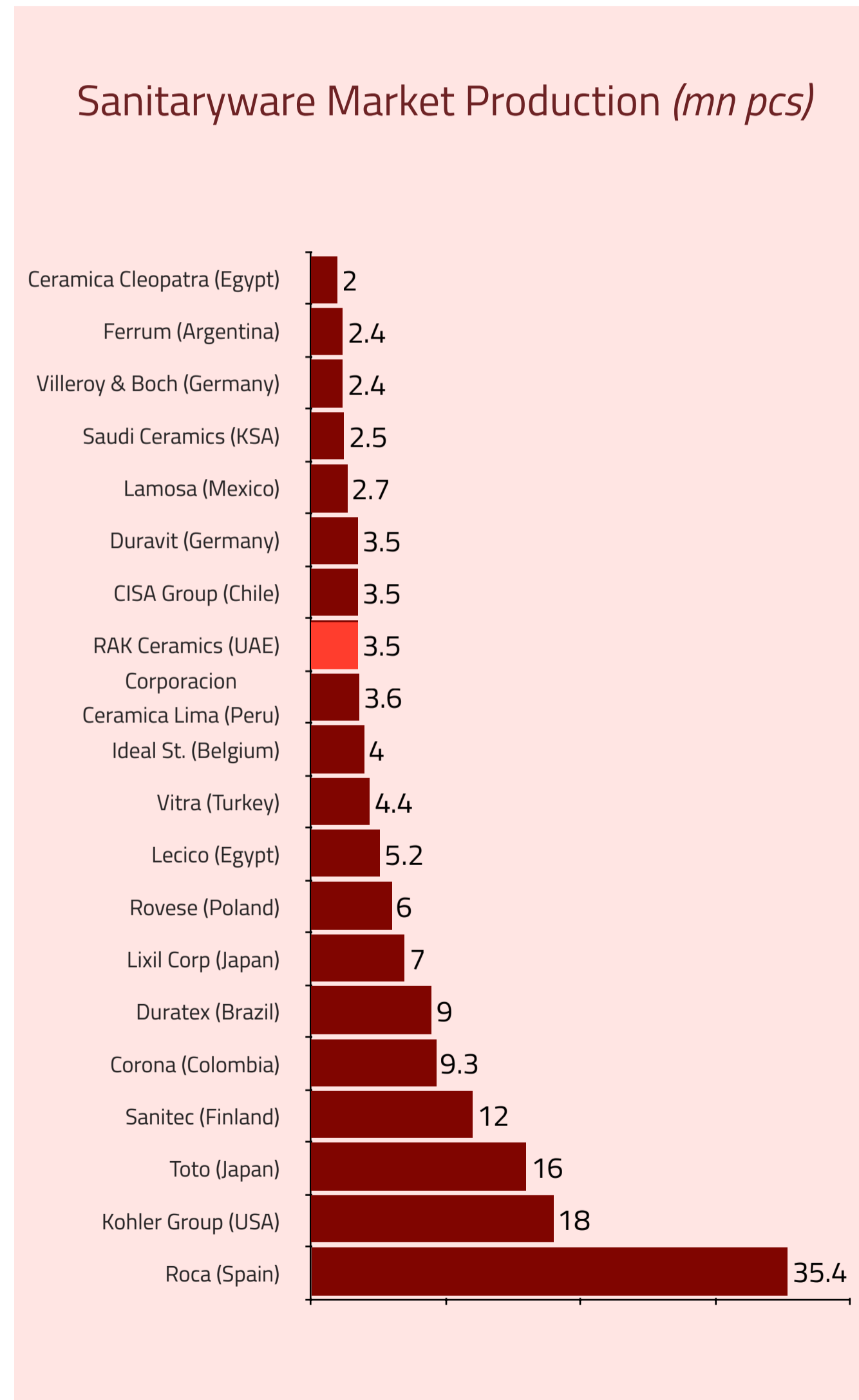
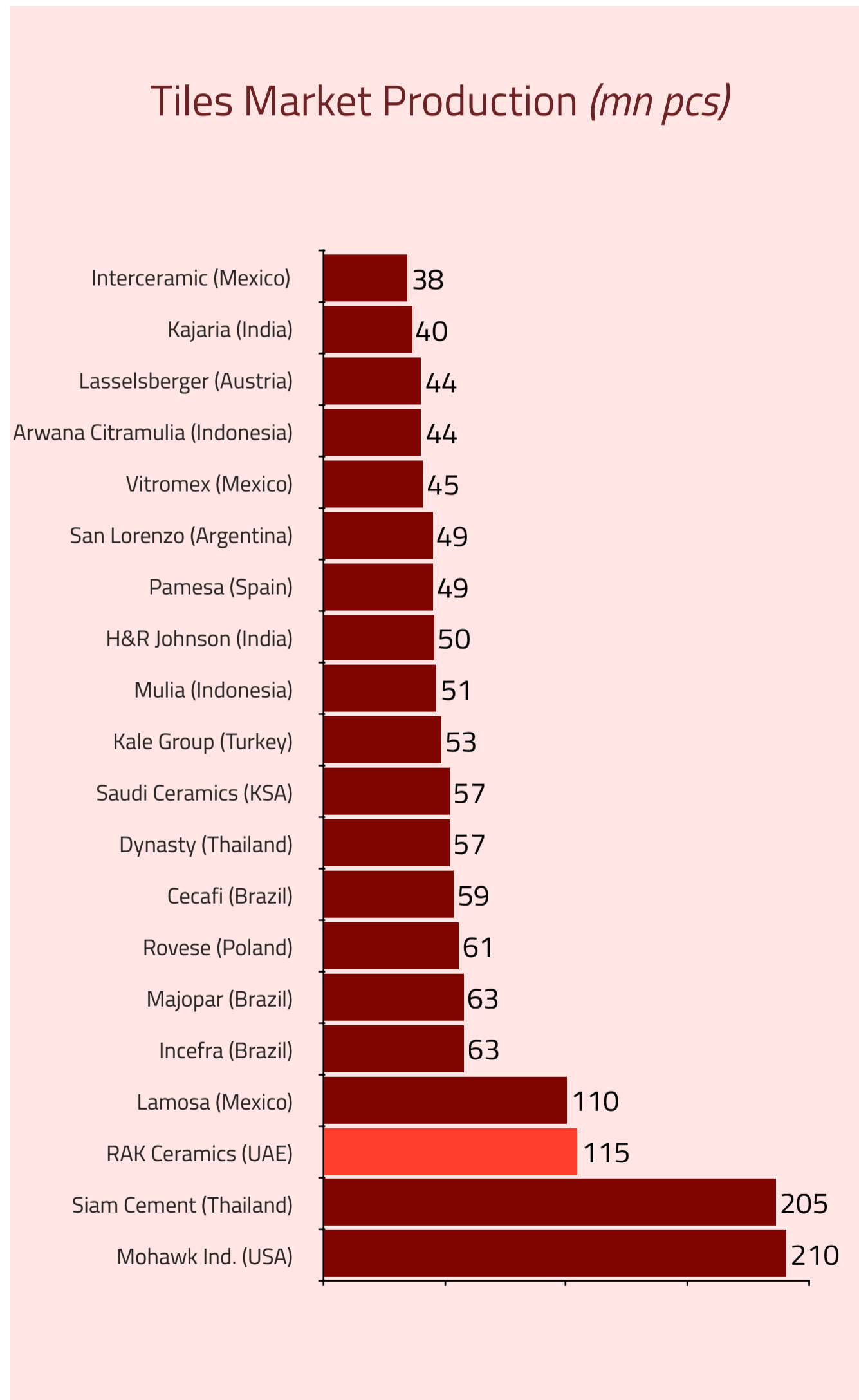
	UAE	Saudi Arabia	India	Bangladesh
Market Size (US\$m)	860	938	735	168
RAK Market Position	#1	#2	#4	#1
RAK Market Share	13%	12%	2%	22%

Sanitaryware Market – Production 2014E

	UAE	Saudi Arabia	India	Bangladesh
Market Size (US\$m)	432	194	1,478	35
RAK Market Position	#1	Top 5	Top 10	#1
RAK Market Share	14%	4%	1%	65%

AND A MAJOR GLOBAL PLAYER

RAK Ceramics is the 3rd largest producer of ceramic tiles globally and the 13th largest tiles & sanitary ware business; in terms of sales we are 5th largest player globally. The company is focussed on increasing its market share in both existing and new markets globally, and aspires to achieve a global leadership position across all ceramics lifestyle solutions.



Source: Ceramic World Review 2014, company filings.

INTERNATIONALLY RENOWNED TRACK RECORD



BURJ KHALIFA DUBAI



ATLANTIS HOTEL DUBAI



DUBAI INTERNATIONAL AIRPORT DUBAI



FERRARI WORLD ABU DHABI



AL JAWHARAH TOWER SAUDI ARABIA



O2 ARENA UK



HEATHROW AIRPORT UK



WEMBLEY STADIUM UK



MERCEDES BENZ SHOWROOMS
GERMANY



OLYMPIC STADIUM ATHENS



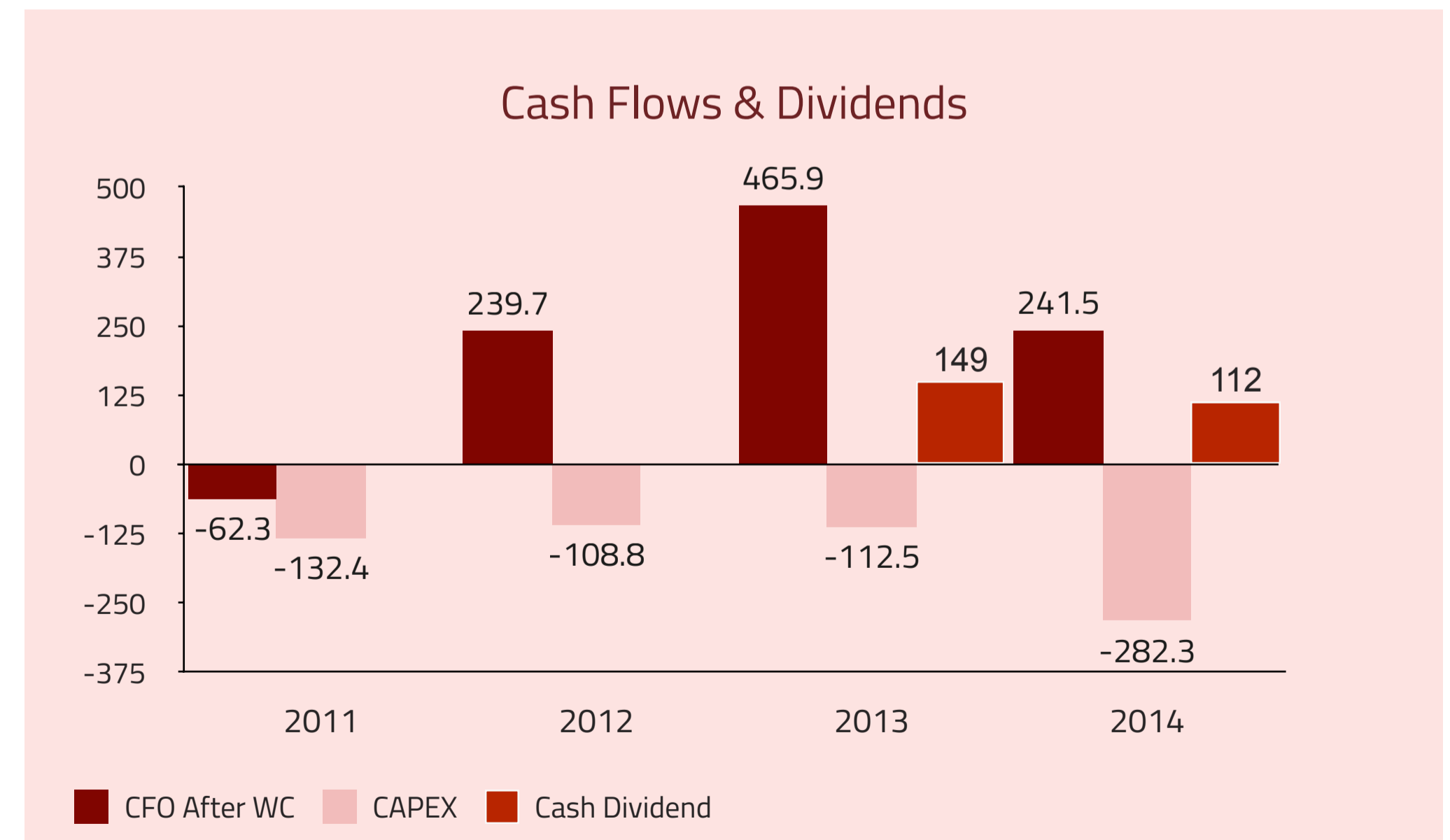
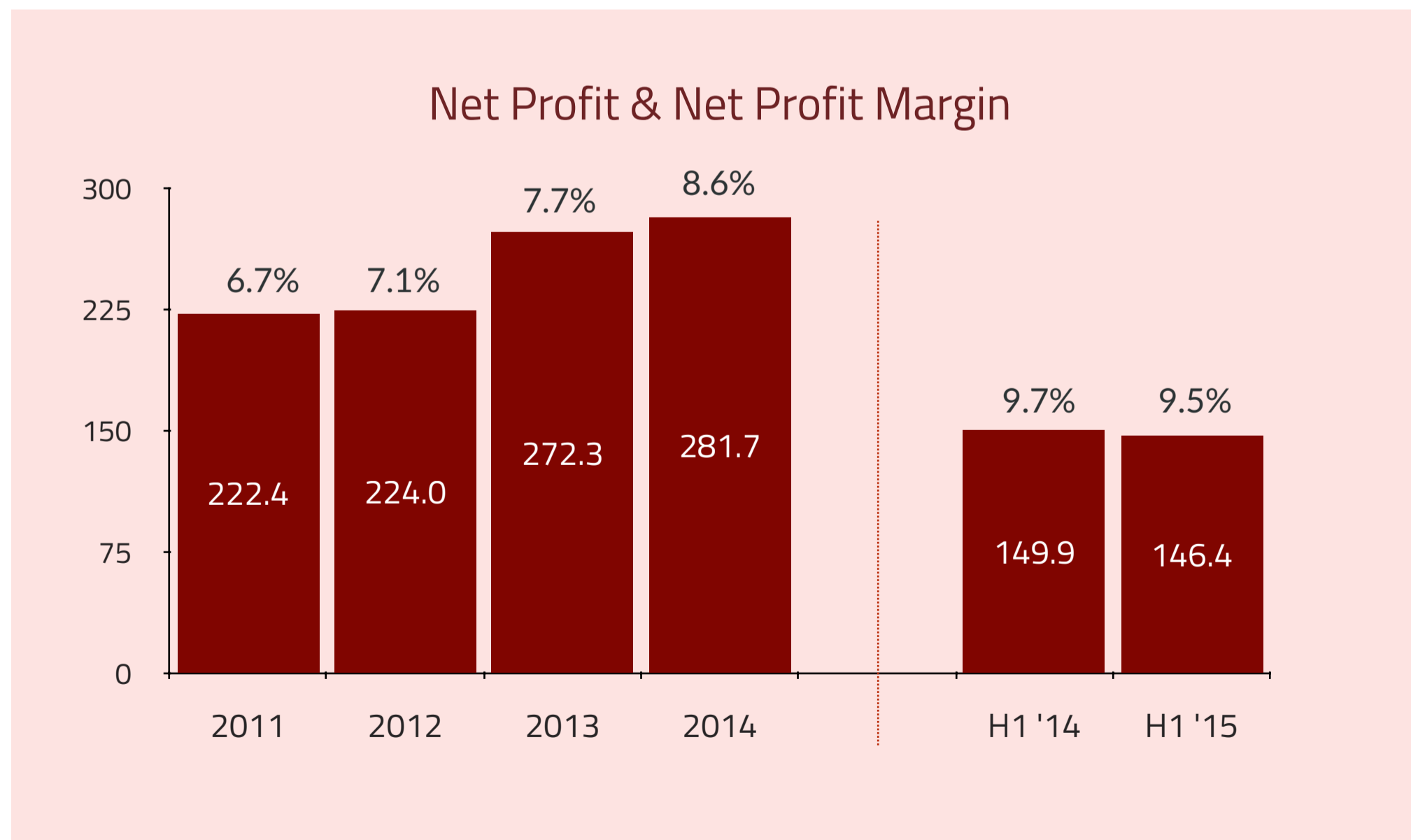
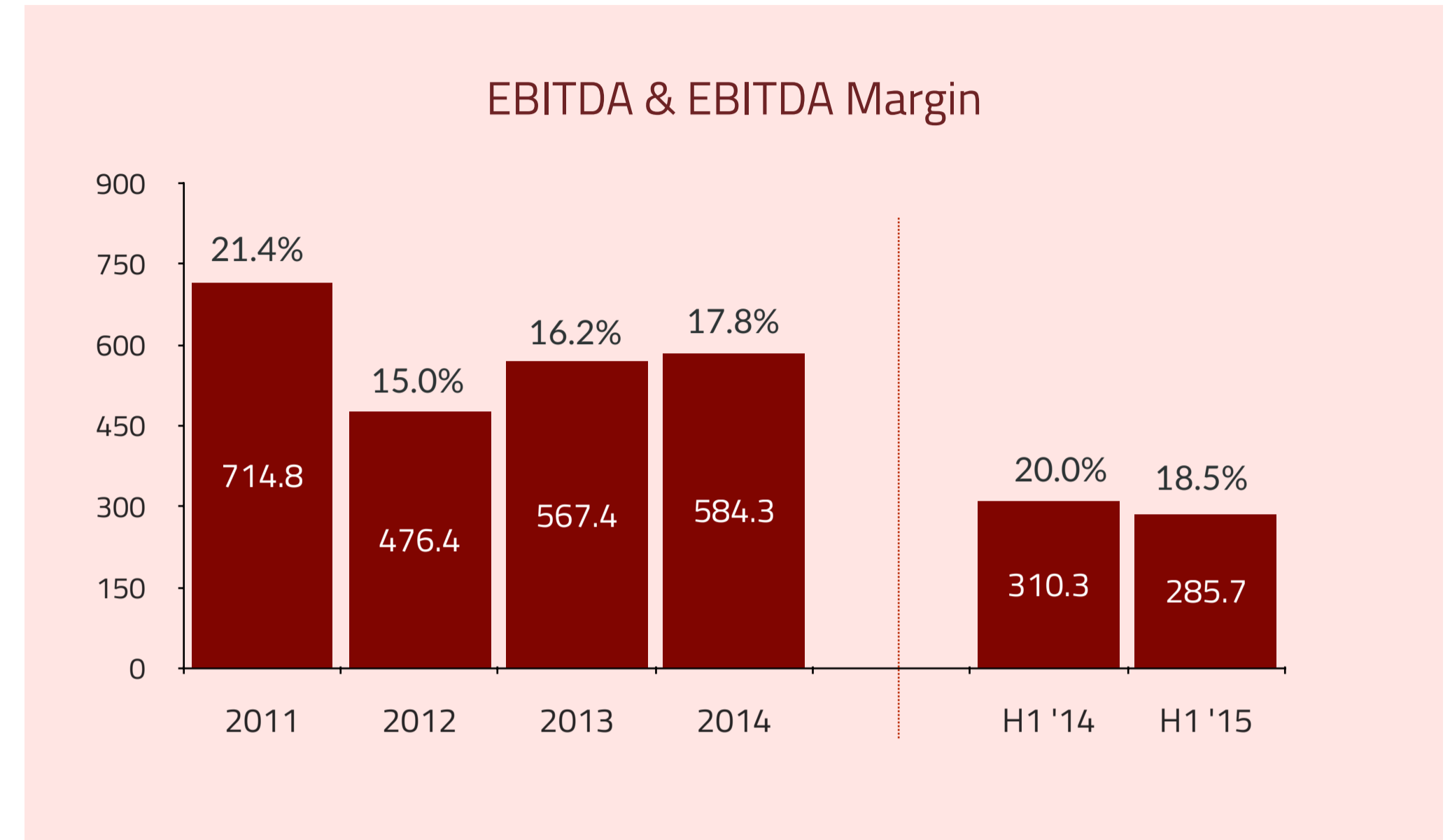
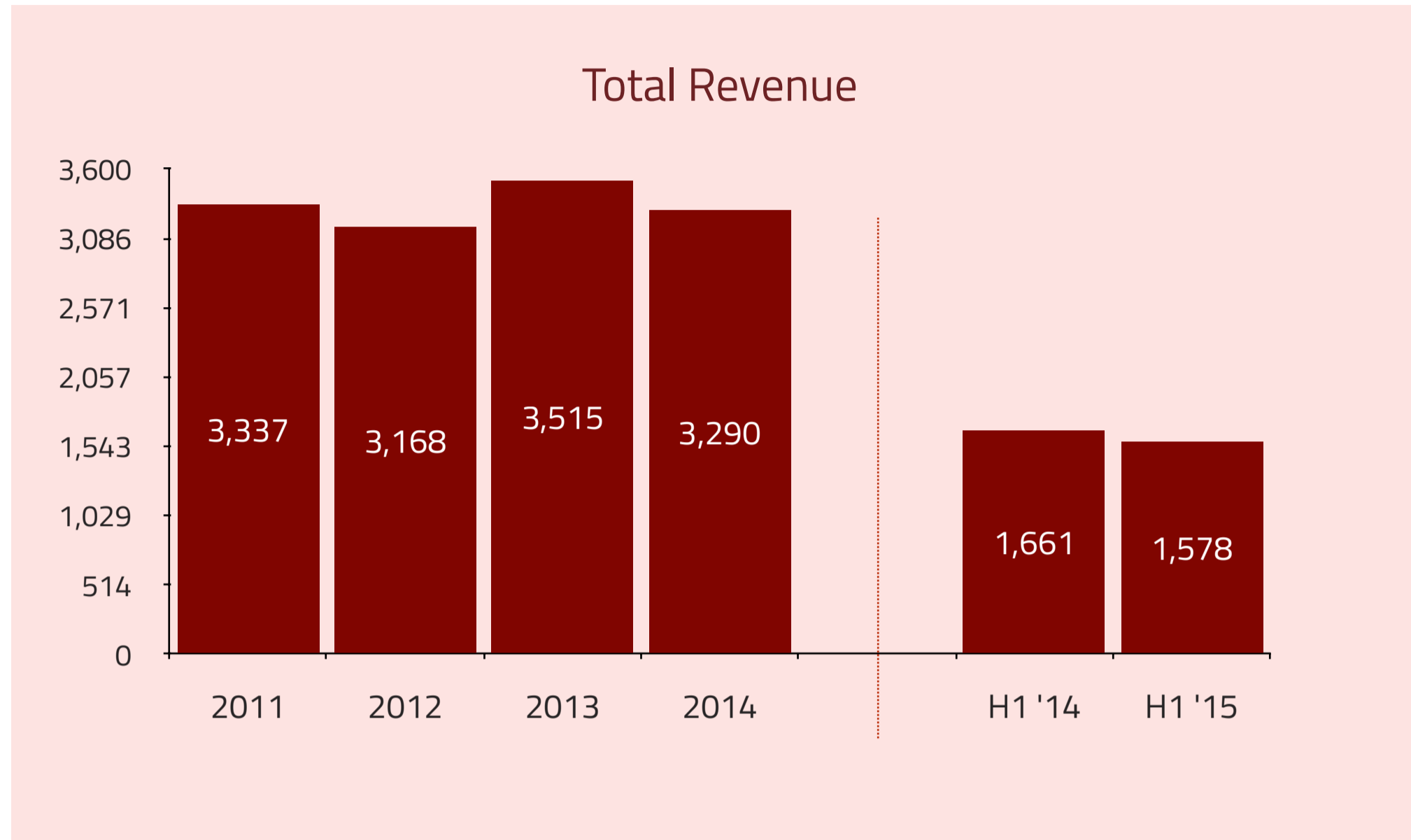
PARLIAMENT OF OMAN OMAN



PRINCESS NOURA BINT ABDUL RAHMAN
UNIVERSITY SAUDI ARABIA

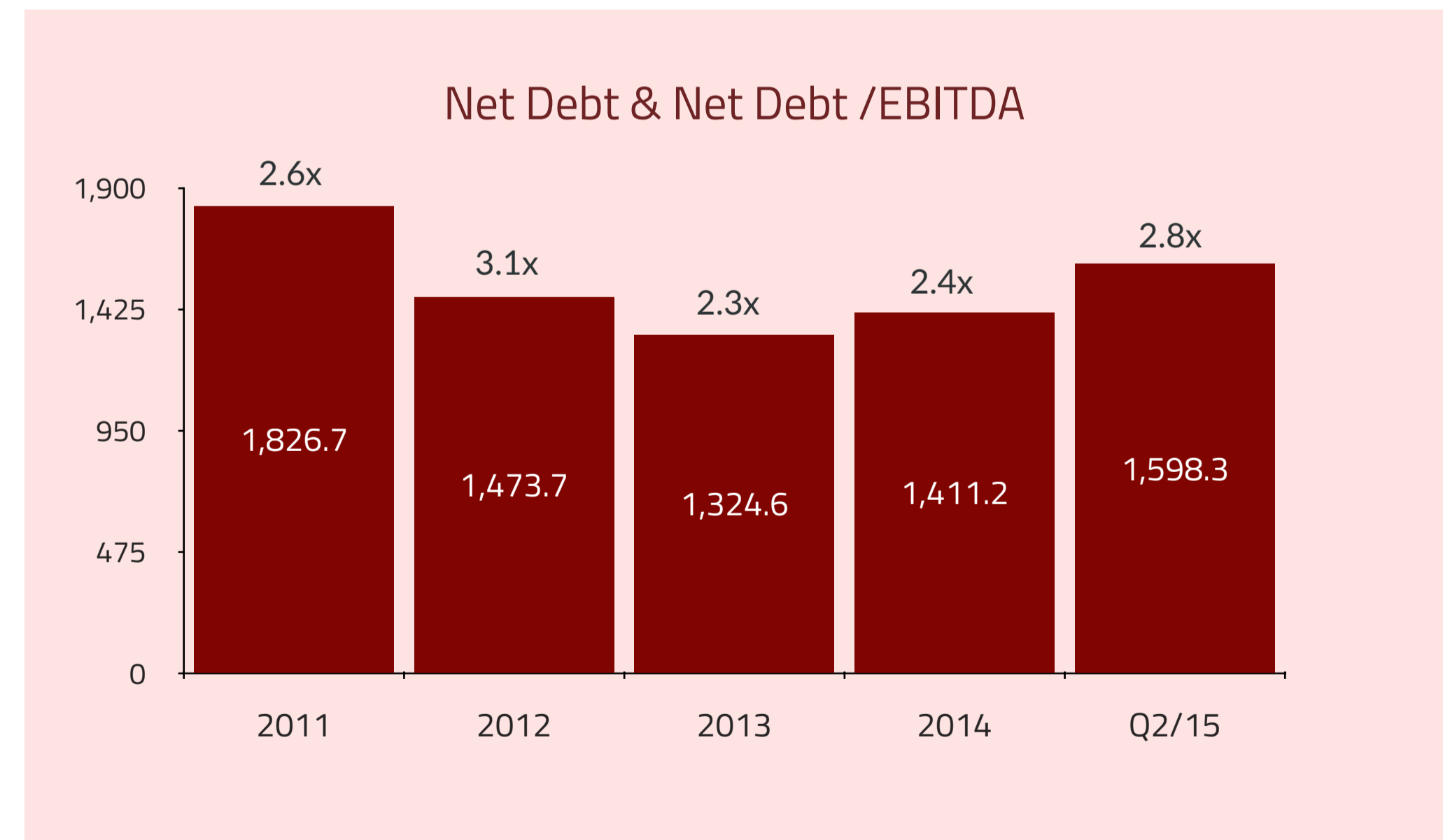
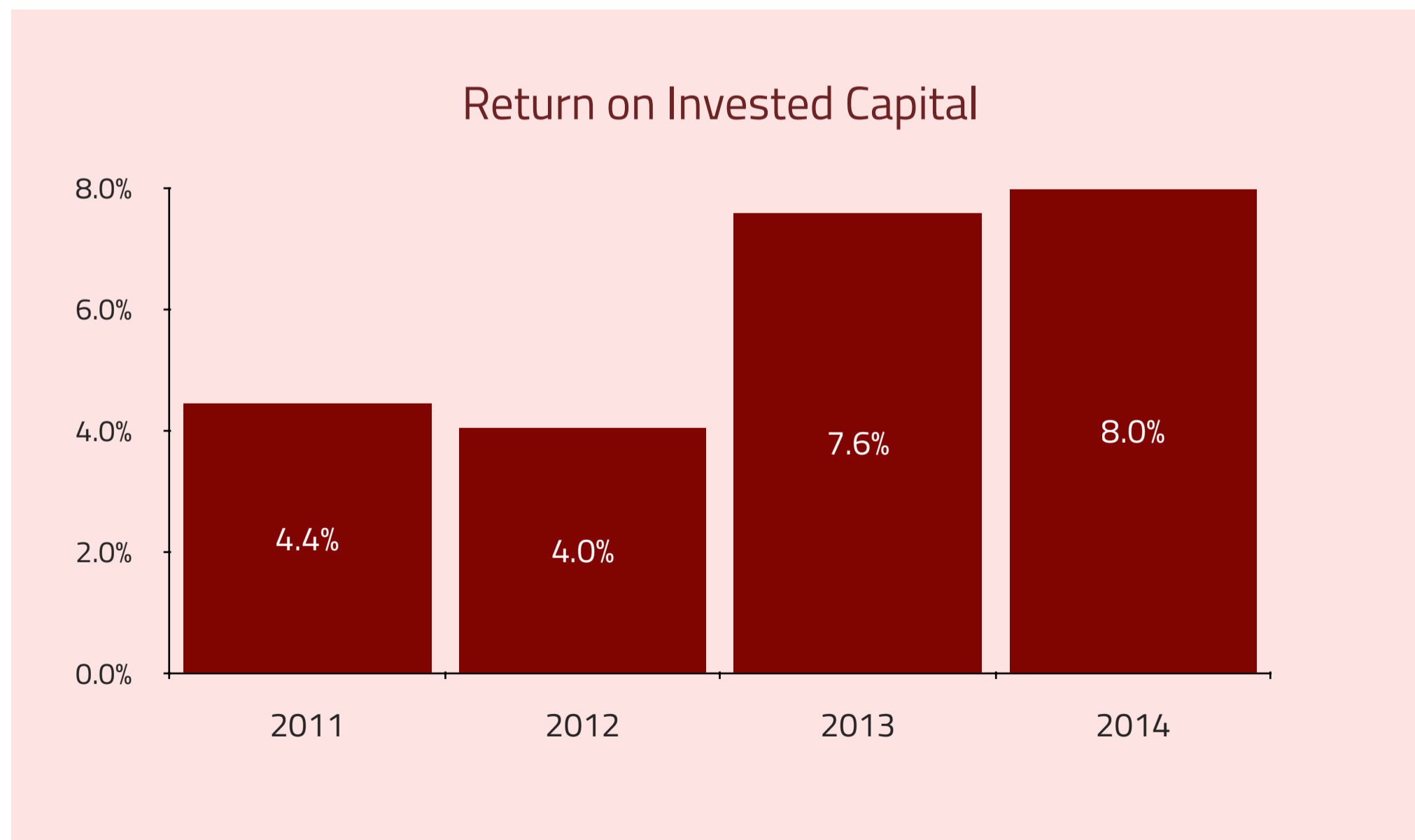
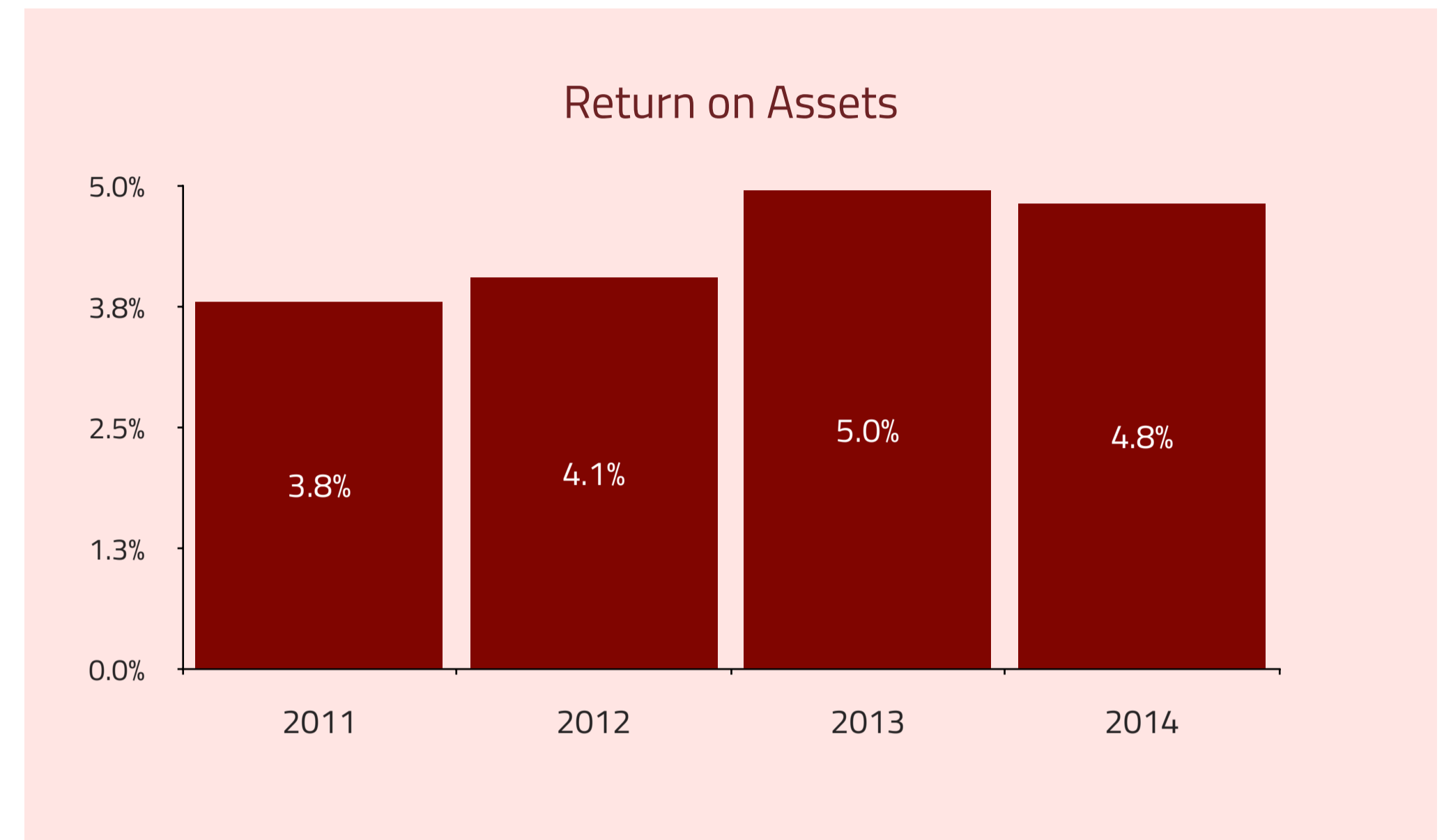
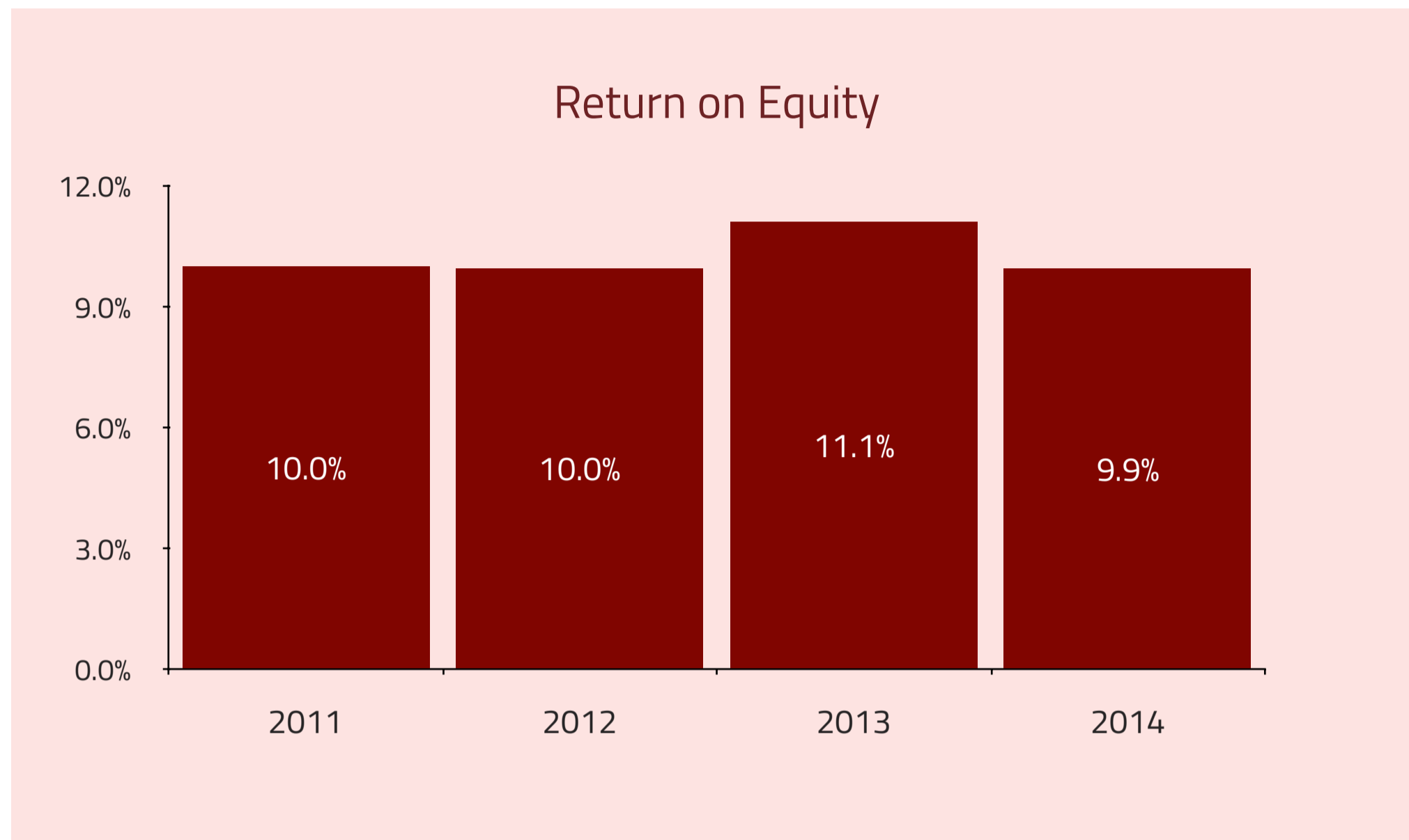
STABLE HISTORY OF RESULTS

Show in United Arab Emirates Dirhams (AED) Millions



ATTRACTIVE RETURNS WITH REASONABLE LEVERAGE

Show in United Arab Emirates Dirhams (AED) Millions



2014 ONWARDS – REFOCUSED STRATEGY

2014 – CHANGE OF CONTROL + NEW VISION

In July 2014, a consortium led by SAMENA Capital acquired 30.6% of the shares of RAK Ceramics from the then controlling shareholder. As part of the purchase agreement, SAMENA directors and consortium partners acquired three seats (of seven) on the board of directors. The Board of Directors approved a Value Creation Plan (VCP) and revised governance structure. Major initiatives that ensued include:

1

Establishment of an Executive Committee to oversee execution of VCP initiatives and all major decisions.

2

Refocus on core business of tiles, sanitaryware and tableware with view to exit non-core and non profitable businesses.

3

Commitment to expand sanitaryware capacity in UAE, Bangladesh and India by 53%, 30% and 34% respectively over next two years.

4

Adoption of new sales and distribution strategy for KSA and Europe with commitment to grow B2B and direct sales globally.

5

Upskilling and recruitment of senior management team.

OUR VISION

Management's vision for RAK Ceramics is for the company to achieve global leadership in ceramics lifestyle solutions, with a focus on profitability and sustainability.

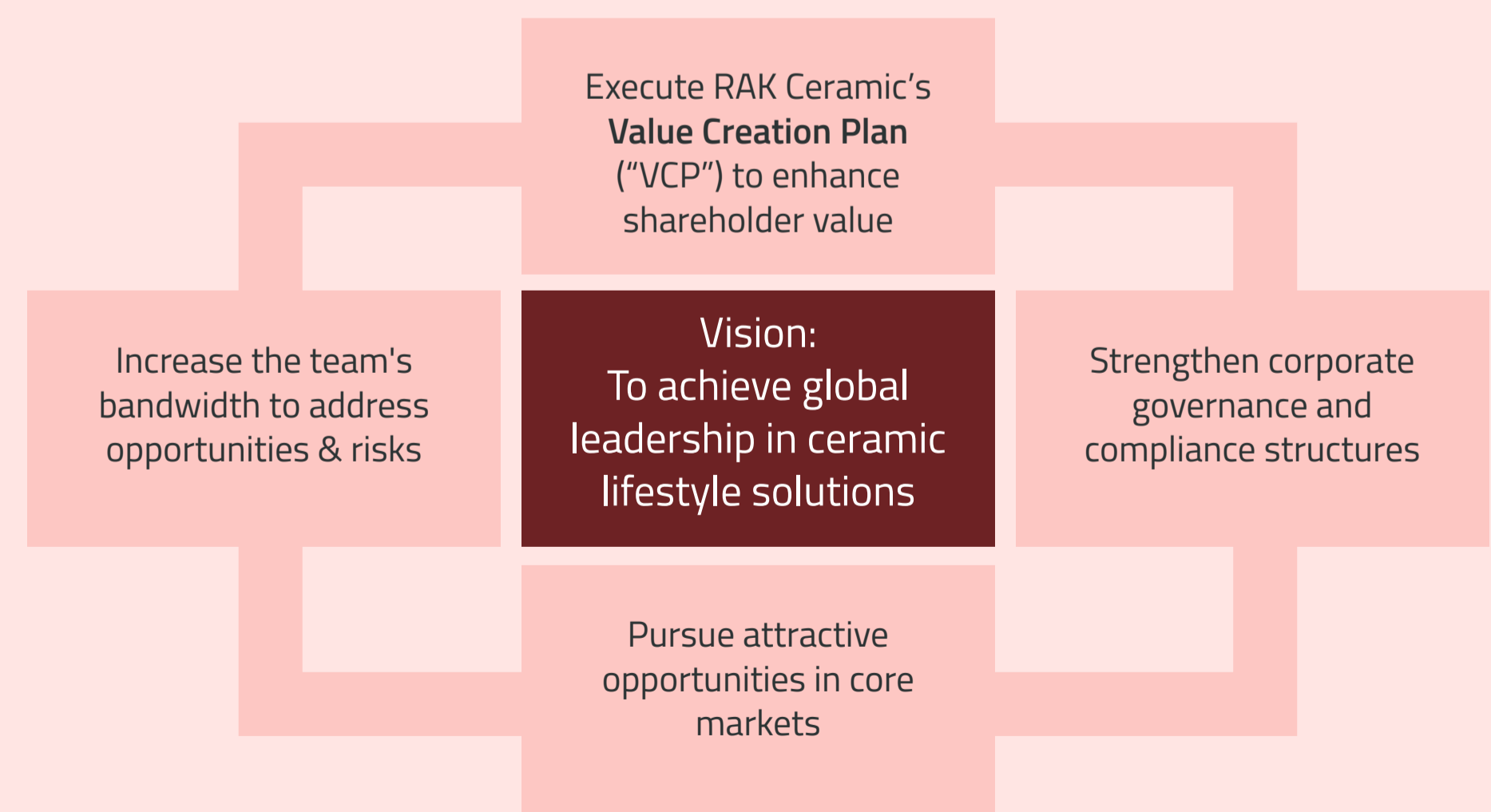
Our Vision

To become the premium consumer brand in emerging markets for ceramics lifestyle solutions.

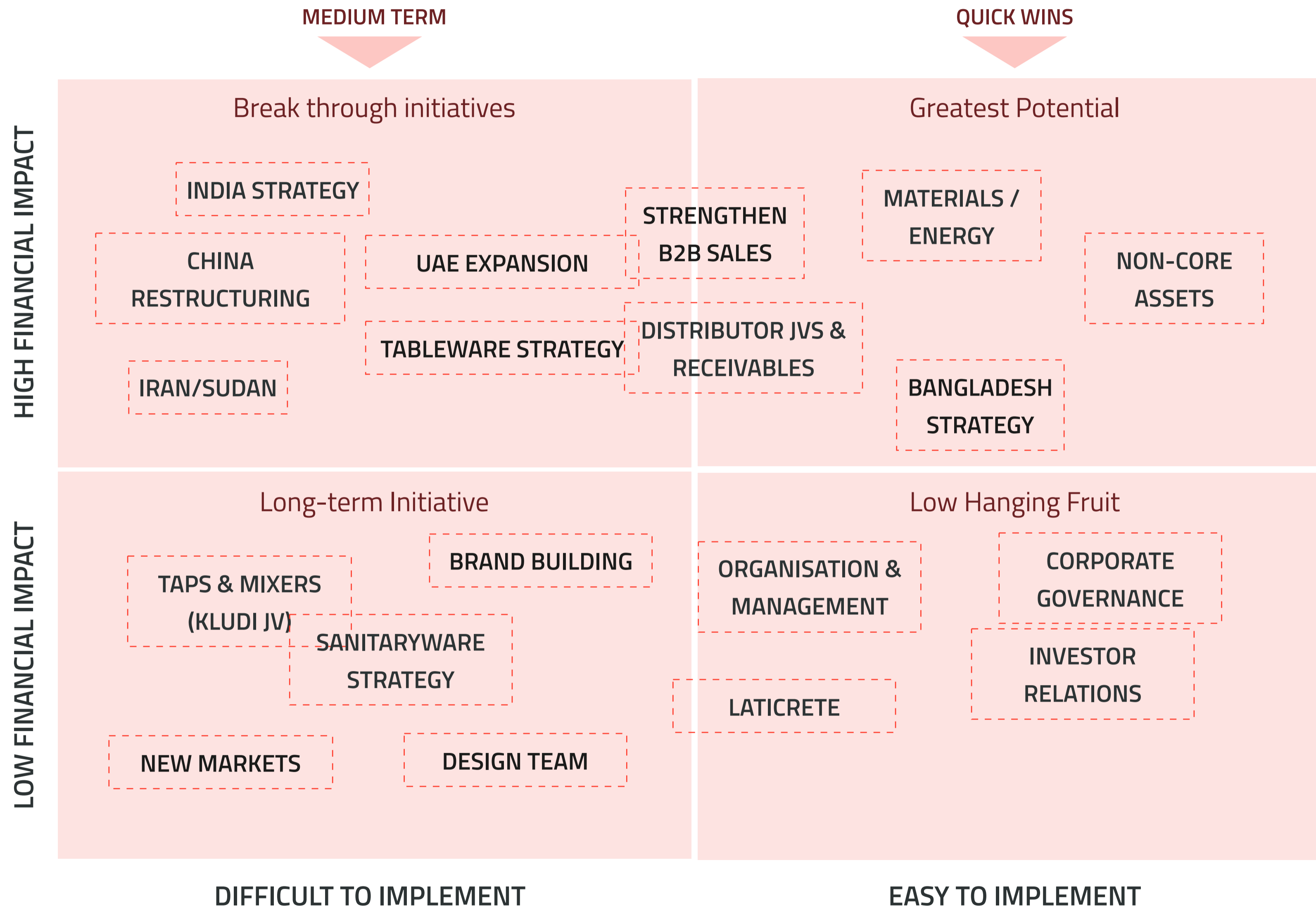
This vision is built around four key pillars:

- ▶ To become the dominant emerging market player;
- ▶ To become a complete-solutions provider;
- ▶ To become best in class through quality and innovation;
- ▶ To become a premium global brand.

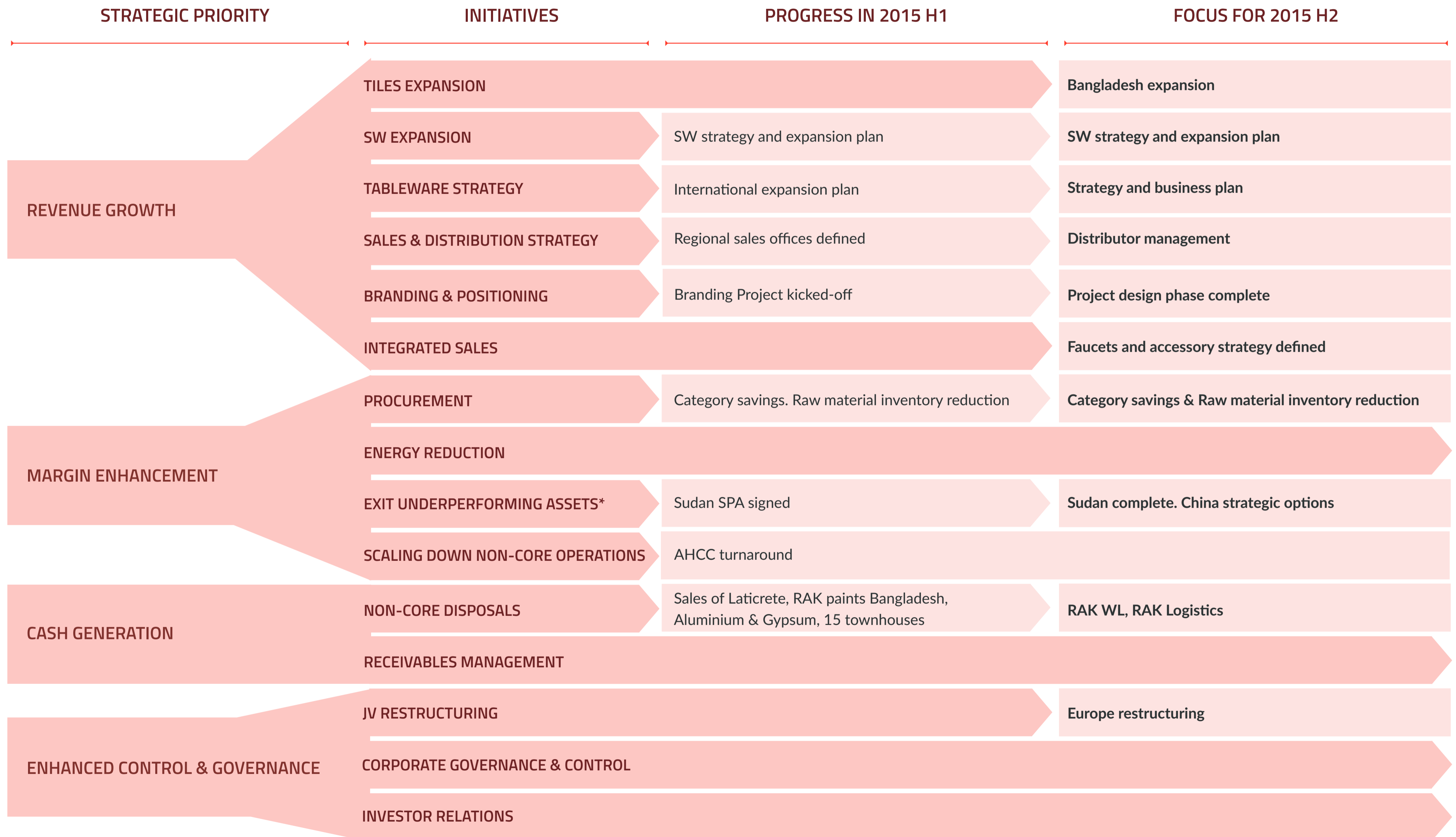
Management have developed a framework around this vision, identifying key contributors to its implementation:



VALUE CREATION PLAN - OVERVIEW OF INITIATIVES



VALUE CREATION PLAN – H1/15 REVIEW AND H2/15 FOCUS



*Sudan & China Plants.

UPSIDE POTENTIAL OF IRAN PRESENCE

Changes in Iran

Nuclear Agreement and Lifting of Sanctions. Acquired 20% of RAK Iran we did not own.

History

We first invested in Iran in 2003. Presently company has 3 production lines with total installed production capacity of 9mn square meters annually. We began to cut production in Iran in 2012 and currently our production is zero and we are incurring operational losses as well as losses from hyperinflation accounting. In 2010 and 2011, i.e., before we scaled back capacity, we sold 7mn sqm of tiles in Iran each of those years.

Operational Timelines and Costs

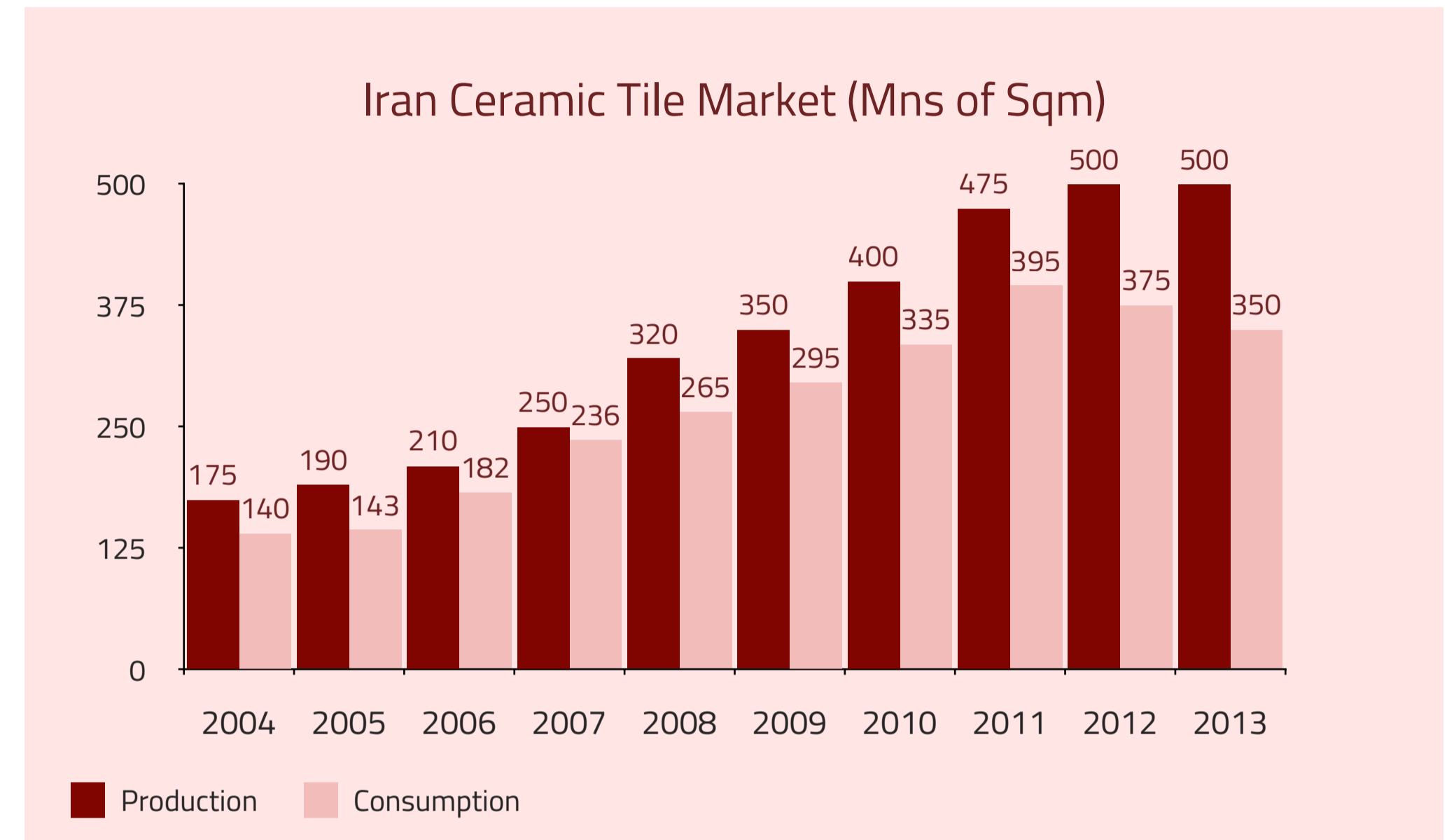
We estimate we need 3 months + \$2mn for digital printing equipment to get plant operational

Why is Iran significant?

Lower cost base than UAE, cost per sqm of tile similar to Bangladesh

Options for Iran

Domestic market may improve but Export Market holds greater potential Short Term

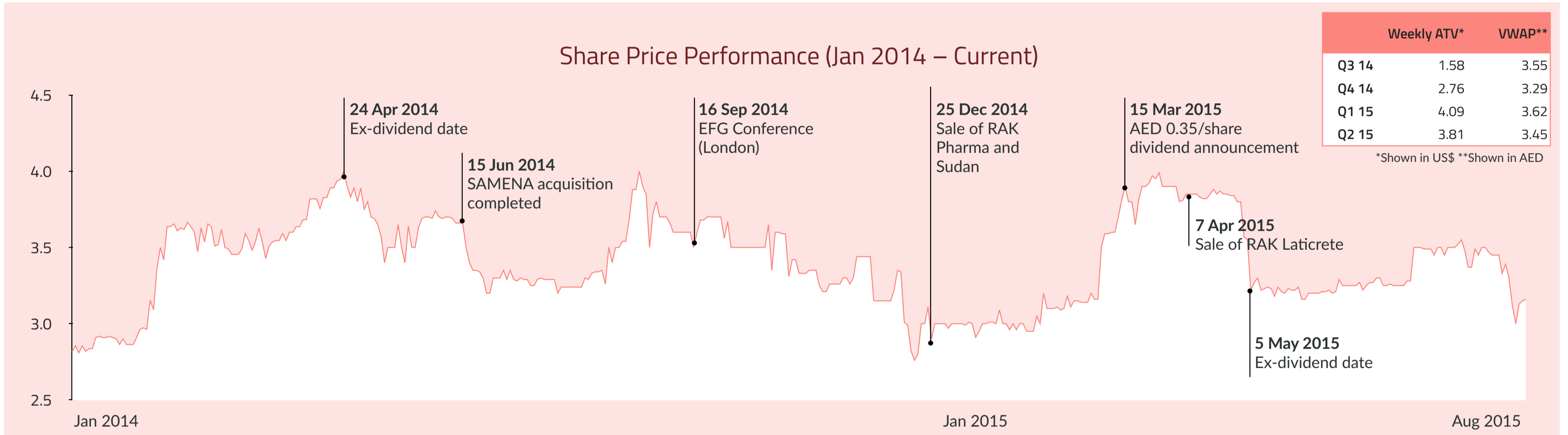


SOURCE: ACIMAC - World Production and Consumption of Ceramic Tiles

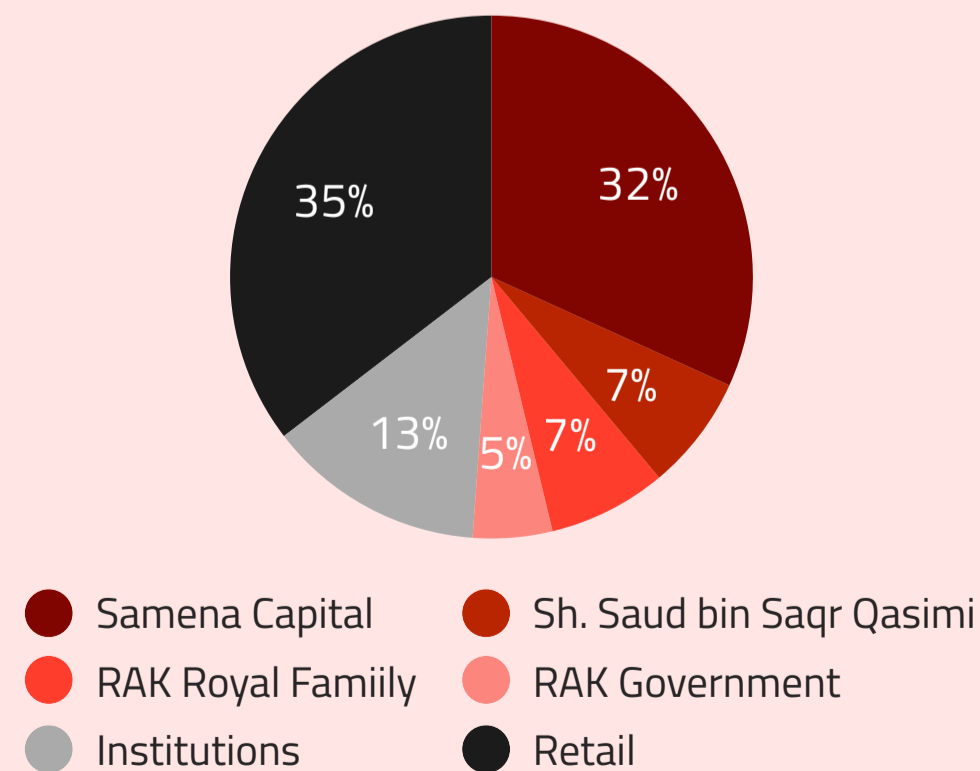
STOCK PROFILE

STOCK PROFILE

Weekly average traded value has increased from c.USD 1.5mn to c.USD4.1mn in Q1 2015, on the back of investor relations efforts locally and abroad. RAKC is currently trading at 0.9x P/B, and 7.8x EV/EBITDA and 9.3x P/E on LTM financials



Current Shareholder Structure



Investor Relations Activities

Conferences

- ✓ 5 Sep 2014 HSBC - London
- ✓ 15 Sep 2014 EFG Hermes - London
- ✓ 2 Mar 2015 EFG Hermes - Dubai
- ✓ Sep 2015 EFG Hermes - London
- Sep 2015 Arqaam - Abu Dhabi
- Nov 2015 BAML - Dubai
- Nov 2015 HSBC - Dubai
- Feb 2016 HSBC - Dubai
- Feb 2016 MS - New York
- Mar 2016 EFG Hermes - Dubai
- May 2016 GS - Dubai

Analyst Coverage Initiated (Date: Broker - Target Price)

- 26 Nov 2014 NBAD - AED 3.98/share
- 9 Dec 2014 CI Capital - AED 4.60/share, update on 13 Jul AED 4.40 / share
- 25 Jun 2015 EFG Hermes - AED 4.30/share
- Upcoming initiation reports - Arqaam, SICO and HSBC

In-House Investor Relations Initiatives

- Quarterly earnings presentations & earnings calls launched as of Q2 2014
- Proactive and targeted PR campaign
- Hired Philippe Habeichi as new Head of Investor Relations

VALUATION BENCHMARKING

(All figures in US\$ mn except share price)

	Share Price			M Cap	EV	EV / Sales			EV / EBITDA			P / E			Net Debt /
	(Local)	(USD)				LTM	2015E	2016E	LTM	2015E	2016E	LTM	2015E	2016E	LTM EBITDA
Ras Al Khaimah Ceramics PSC	<i>AED</i>	3.2	0.9	704	1,191	1.3x	1.3x	1.2x	7.8x	7.6x	6.8x	9.3x	8.8x	7.5x	2.8x
Ceramics Producers															
RAK Ceramics (Bangladesh) Limited	<i>BDT</i>	71.4	0.9	309	309	5.1x	na	na	32.3x	na	na	35.0x	na	na	NM
The Siam Cement Public Company	<i>THB</i>	486.0	13.5	16,243	18,693	1.6x	1.7x	1.6x	11.8x	11.3x	10.4x	14.0x	14.0x	13.0x	2.5x
Mohawk Industries Inc.	<i>USD</i>	197.6	197.6	14,605	17,937	2.2x	2.1x	1.9x	14.4x	13.0x	11.0x	28.8x	19.7x	16.6x	2.7x
Grupo Lamosa, SAB de CV	<i>MXN</i>	29.8	1.9	719	962	1.5x	na	na	7.6x	na	na	31.3x	na	na	1.9x
Saudi Ceramic Company	<i>SAR</i>	60.5	16.1	806	999	2.2x	2.2x	2.0x	8.5x	7.9x	7.8x	9.9x	10.4x	9.9x	1.7x
Kajaria Ceramics Limited	<i>INR</i>	683.4	10.3	820	863	2.5x	2.3x	1.9x	15.9x	14.2x	11.5x	29.6x	25.0x	21.0x	0.6x
Dynasty Ceramic Public Company	<i>THB</i>	3.7	0.1	665	682	3.4x	3.2x	3.0x	11.9x	11.7x	10.6x	17.0x	16.8x	15.3x	0.2x
Al Anwar Ceramic Tiles Company SAOG	<i>OMR</i>	0.4	1.0	236	213	2.9x	3.0x	2.6x	8.1x	8.8x	7.3x	9.7x	11.4x	10.1x	NM
Eternit S.A.	<i>BRL</i>	2.1	0.6	106	137	0.5x	0.4x	0.4x	2.7x	2.5x	2.5x	4.7x	3.7x	3.5x	0.6x
Mean						2.1x	2.1x	1.9x	10.1x	9.9x	8.7x	18.1x	14.4x	12.8x	1.4x
Median						2.2x	2.2x	1.9x	10.2x	11.3x	10.4x	15.5x	14.0x	13.0x	1.7x
RAKCEC/Median Tile Producer									-23%	-32%	-35%	-40%	-37%	-42%	
Sanitary Ware Producers															
LIXIL Group Corporation	<i>JPY</i>	2,502.0	20.7	5,921	10,970	0.8x	0.7x	0.7x	12.9x	12.1x	9.4x	nm	nm	16.2x	5.4x
Toto Ltd.	<i>JPY</i>	1,788.0	14.8	4,972	4,318	1.0x	0.9x	0.9x	10.0x	9.4x	8.4x	22.4x	19.2x	16.9x	NM
Villeroy & Boch AG	<i>EUR</i>	13.5	15.2	401	635	0.4x	0.4x	0.4x	5.8x	5.2x	5.0x	13.3x	14.3x	13.1x	0.3x
Rovese Spolka Akcyjna	<i>PLN</i>	1.2	0.3	248	448	0.9x	na	na	7.7x	na	na	na	na	na	3.4x
Lecico Egypt S.A.E.	<i>EGP</i>	5.6	0.7	59	135	0.7x	0.7x	0.7x	4.5x	4.7x	3.7x	7.6x	17.2x	8.5x	2.8x
Mean						0.8x	0.7x	0.7x	8.2x	7.8x	6.6x	14.4x	16.9x	13.7x	3.0x
Median						0.8x	0.7x	0.7x	7.7x	7.3x	6.7x	13.3x	17.2x	14.7x	3.1x
RAKCEC/Median SW Producer									2%	4%	2%	-30%	-49%	-49%	
All Producers															
Mean						1.6x	1.6x	1.5x	9.4x	9.2x	8.0x	17.1x	15.2x	13.1x	2.0x
Median						1.5x	1.7x	1.6x	8.5x	9.4x	8.4x	14.0x	15.5x	13.1x	1.9x
RAKCEC/Median SW Producer									-8%	-19%	-19%	-34%	-43%	-42%	

Source: Capital INformai

OPERATIONAL BENCHMARKING

			Revenue Growth (%)			EBITDA Margin (%)			Net Income Margin (%)		
	ROC (%)	ROE (%)	CAGR			Avg			Avg		
			(2010 -	2015E	2016E	(2010 -	2015E	2016E	(2010 -	2015E	2016E
Ras Al Khaimah Ceramics PSC	4.4%	11.3%	(1.6%)	5.4%	11.1%	15.1%	17.5%	17.6%	7.7%	8.9%	9.4%
Ceramics Producers											
RAK Ceramics (Bangladesh) Limited	5.2%	14.8%	5.9%	na	na	27.3%	na	na	13.9%	na	na
The Siam Cement Public Company Limited	7.2%	22.7%	12.8%	(6.7%)	7.0%	11.0%	15.3%	15.5%	8.2%	9.2%	9.2%
Mohawk Industries Inc.	7.4%	10.9%	10.1%	5.9%	10.7%	12.5%	16.7%	17.8%	4.5%	9.0%	9.6%
Grupo Lamosa, SAB de CV	9.2%	9.5%	0.6%	na	na	20.3%	na	na	5.9%	na	na
Saudi Ceramic Company	6.7%	18.1%	10.7%	4.8%	6.3%	28.6%	28.1%	26.8%	19.0%	17.1%	16.8%
Kajaria Ceramics Limited	20.9%	--	24.4%	14.7%	21.7%	15.6%	16.5%	16.8%	6.6%	8.9%	8.7%
Dynasty Ceramic Public Company Limited	29.7%	48.0%	2.7%	5.2%	5.3%	27.0%	27.6%	28.9%	17.3%	18.9%	19.6%
Al Anwar Ceramic Tiles Company SAOG	13.9%	24.8%	14.0%	0.8%	13.8%	38.5%	34.5%	36.4%	31.0%	27.6%	27.3%
Eternit S.A.	14.7%	15.5%	6.6%	6.5%	6.0%	19.1%	18.8%	18.4%	11.4%	9.9%	9.7%
Mean			10.2%	4.4%	10.1%	21.6%	22.5%	22.9%	13.0%	14.4%	14.4%
Median			10.4%	5.2%	7.0%	19.7%	18.8%	18.4%	9.8%	9.9%	9.7%
Sanitaryware Producers											
LIXIL Group Corporation	2.4%	(1.7%)	10.0%	6.7%	9.9%	6.1%	6.3%	7.4%	1.0%	na	na
Toto Ltd.	8.4%	10.8%	6.3%	5.6%	3.9%	9.0%	10.4%	11.3%	3.8%	na	na
Villeroy & Boch AG	12.8%	18.2%	1.8%	3.5%	3.4%	6.6%	9.2%	9.3%	0.4%	3.2%	3.3%
Rovese Spolka Akcyjna	1.4%	(9.7%)	3.6%	na	na	13.0%	na	na	(1.4%)	na	na
Lecico Egypt S.A.E.	5.0%	7.0%	11.5%	(5.6%)	11.0%	19.2%	16.6%	19.0%	3.3%	1.8%	3.2%
Mean			6.6%	2.6%	7.1%	10.8%	10.6%	11.7%	1.4%	2.5%	3.3%
Median			6.3%	4.5%	6.9%	9.0%	9.8%	10.3%	1.0%	2.5%	3.3%
All Producers											
Mean			8.8%	3.8%	9.0%	17.4%	18.2%	18.9%	8.5%	11.7%	12.0%
Median			10.0%	5.2%	7.0%	15.6%	16.6%	17.8%	5.9%	9.2%	9.6%

Source: Capital IQ

FACTORS TO CONSIDER WHEN VALUING RAKCEC

RAK BANGLADESH

- ▶ RAK Ceramics own **72.4%** of RAK Bangladesh, a publicly listed company on the Dhaka stock exchange.
- ▶ The Market cap of RAK Bangladesh is **US\$309mn (AED1.13bn)** whereas our market cap is **US\$704mn (AED2.6bn)**.
- ▶ RAK Bangladesh however only contributes **10%** of our net profit

LAND PLOT

- ▶ In 2014, we received a **270,000** sq. meter plot of land in lieu of receivables.
- ▶ This plot of land has been independently valued by two land surveyors at **AED900mn**
- ▶ This land currently sits on our books and provides no income

**THESE TWO
ASSETS
COMBINED
ACCOUNT FOR
AED2.11 PER
RAKCEC
SHARE OR
66% OF OUR
MARKET CAP**

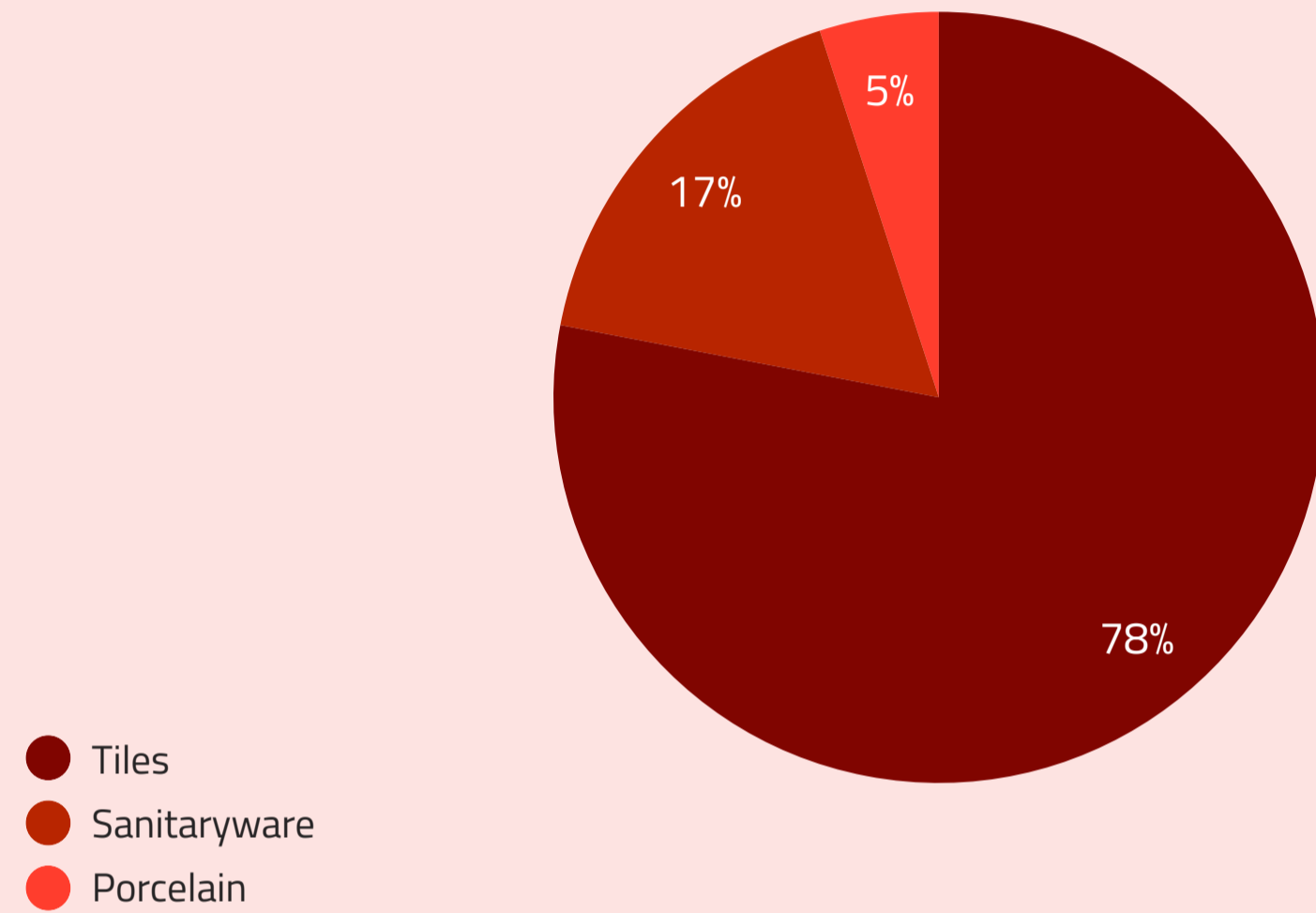
ADJUSTED EARNINGS

- ▶ In 2014, we reported net profit of **AED282mn**.
- ▶ During that year, our operations in China, Sudan (now discontinued) and Iran collectively contributed losses of **-AED108.7mn** including FX and hyperinflation losses.

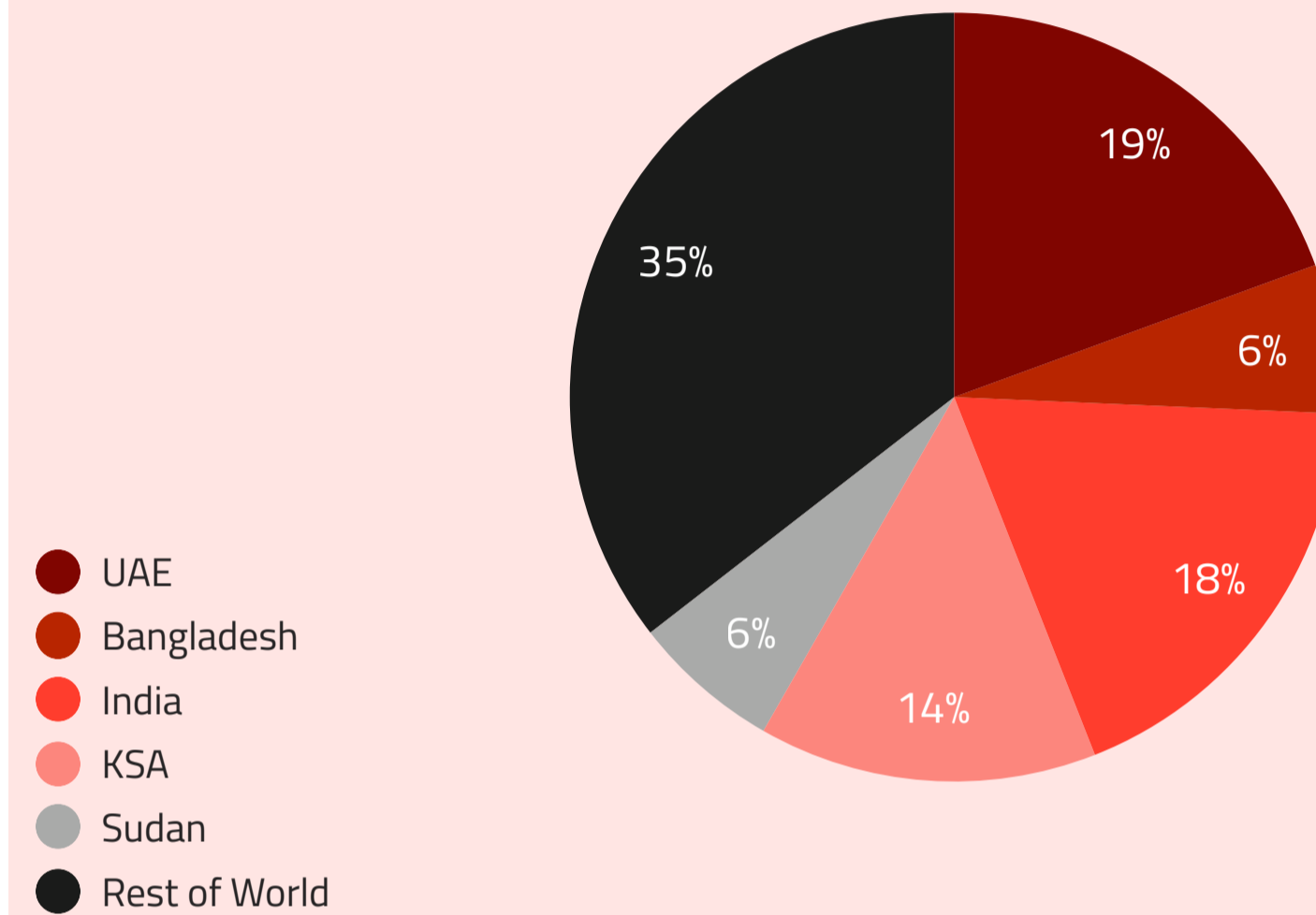
APPENDIX

2014 SALES BREAKDOWN BY PRODUCT AND GEOGRAPHY

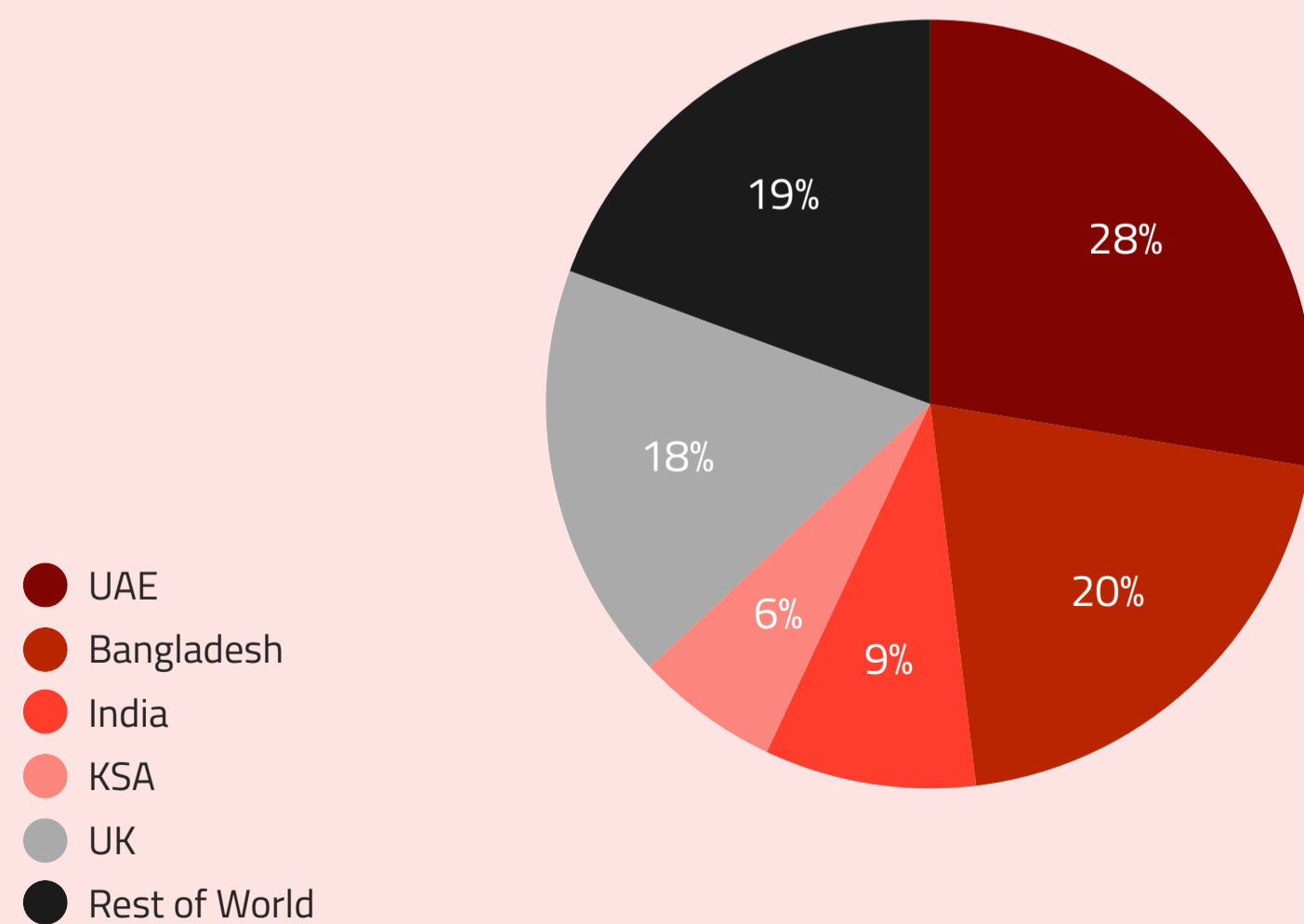
Sales by Product



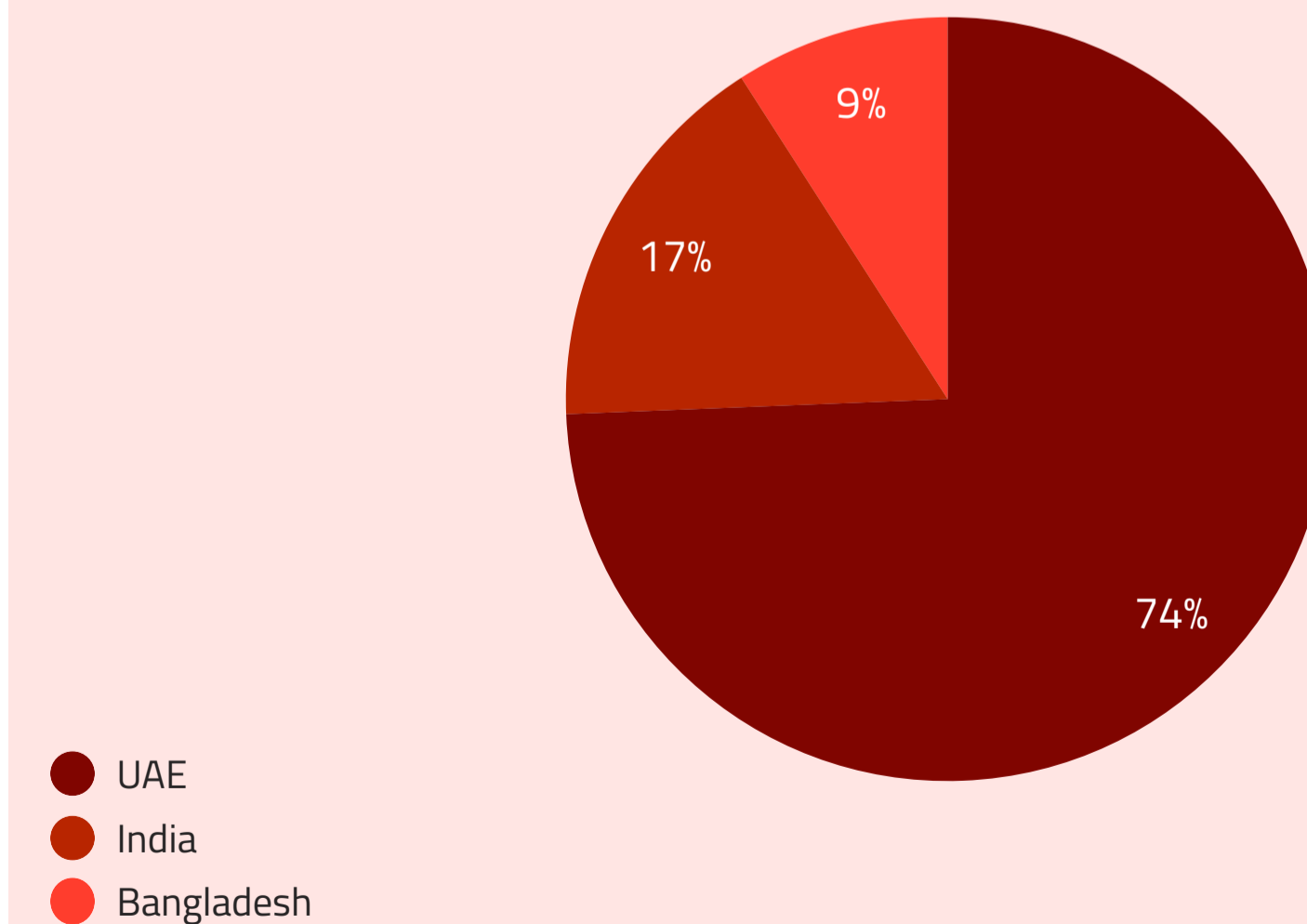
Tile Sales by End Market



Sanitaryware Sales by End Market



Sales by Country of Production

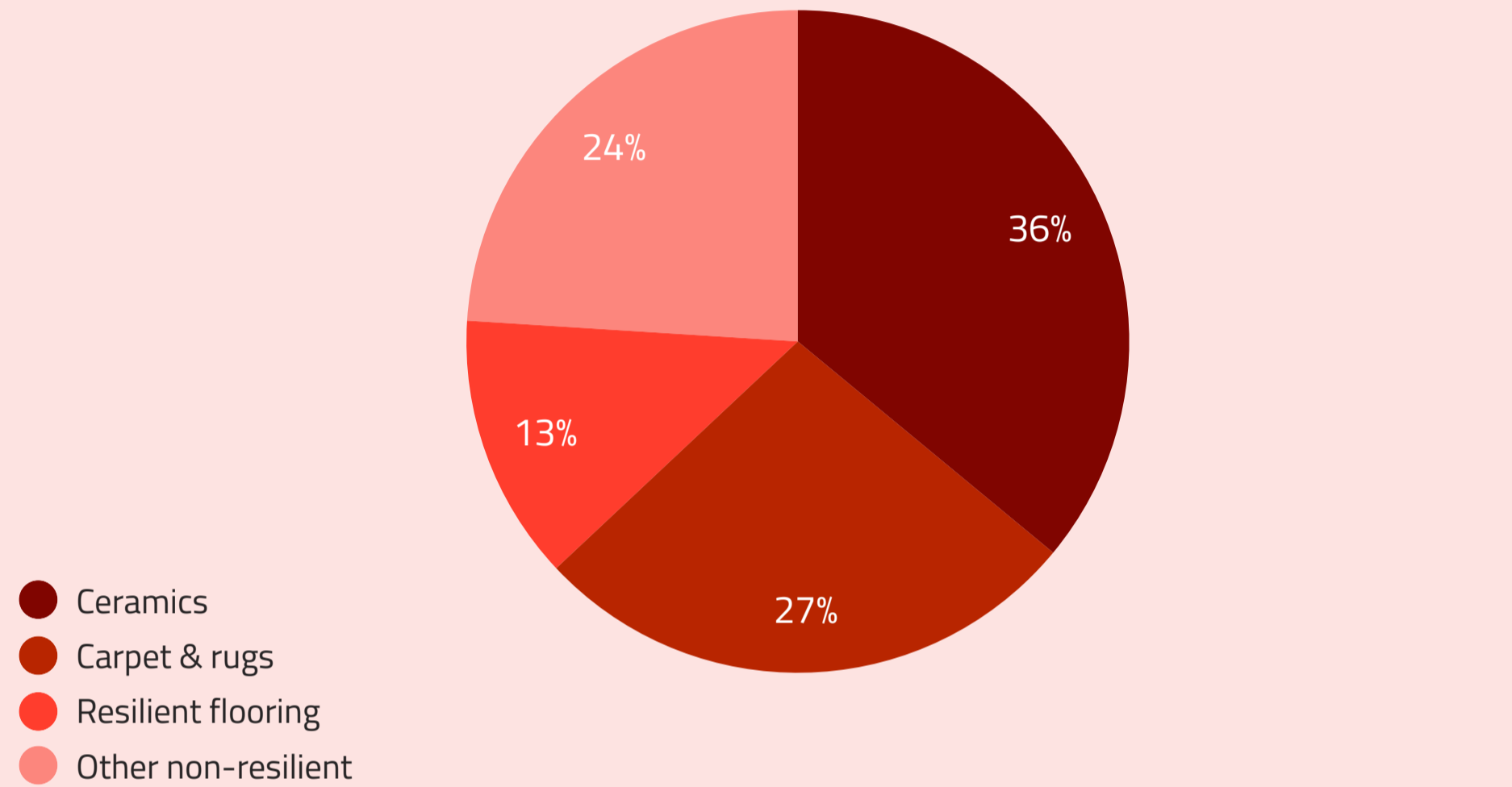


Source: Ceramic World Review, Frost & Sullivan.

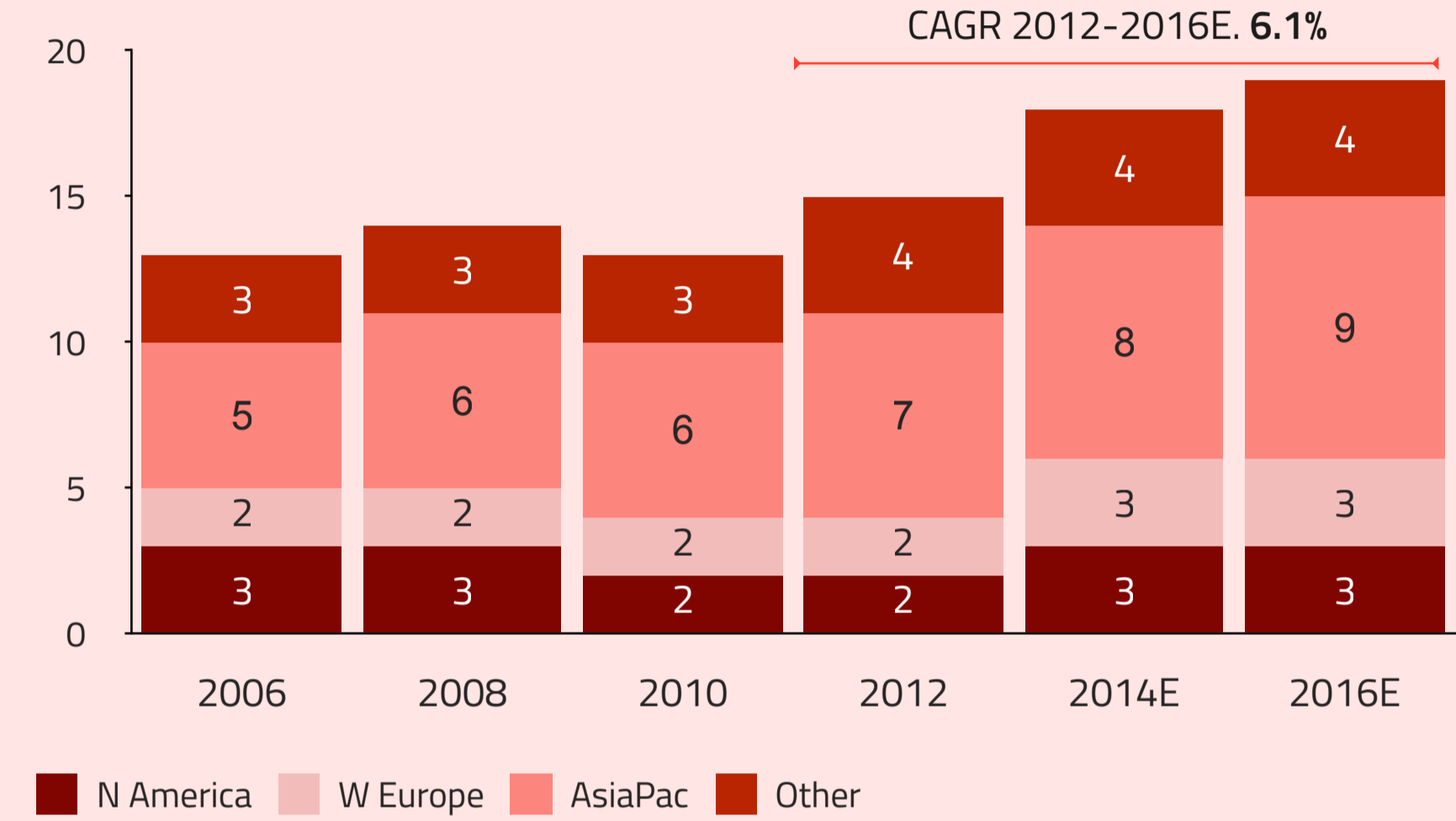
Private & Confidential. RAK Ceramics. Copyright 2015.

SALES BREAKDOWN BY PRODUCT AND GEOGRAPHY

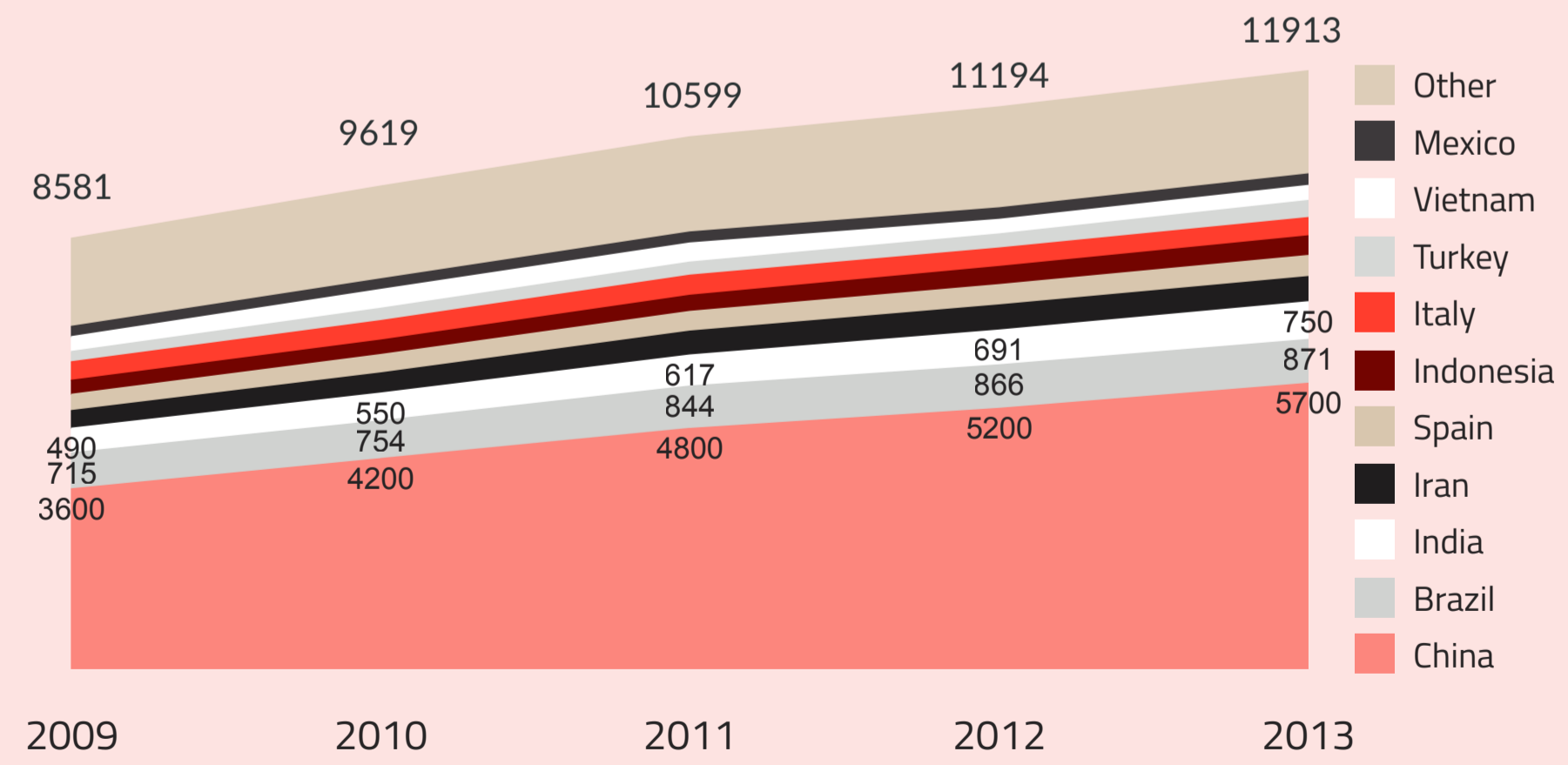
Global Flooring Demand by Material (2013)



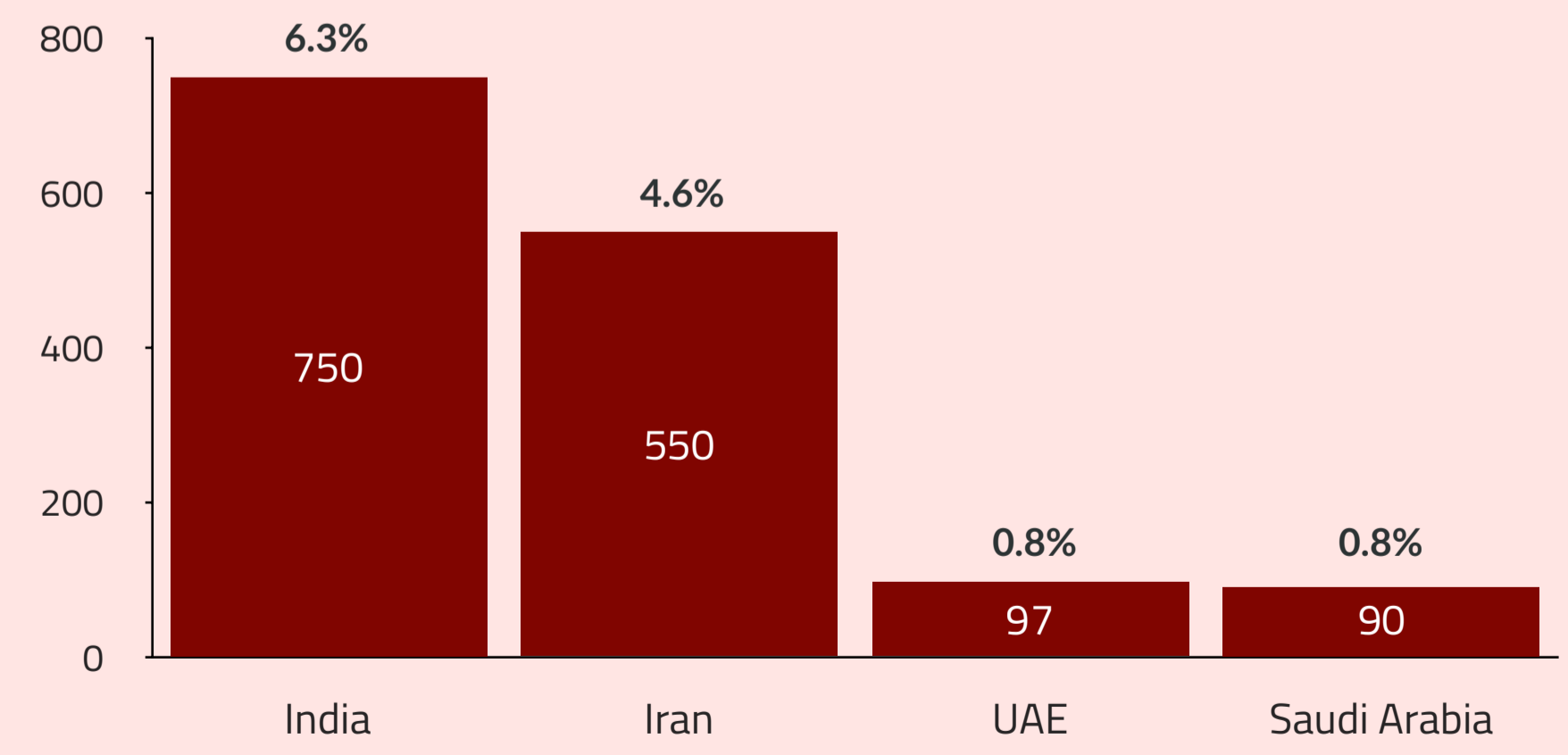
Global Flooring Demand by Region (2013)



Global Ceramics Tiles Production (2013)



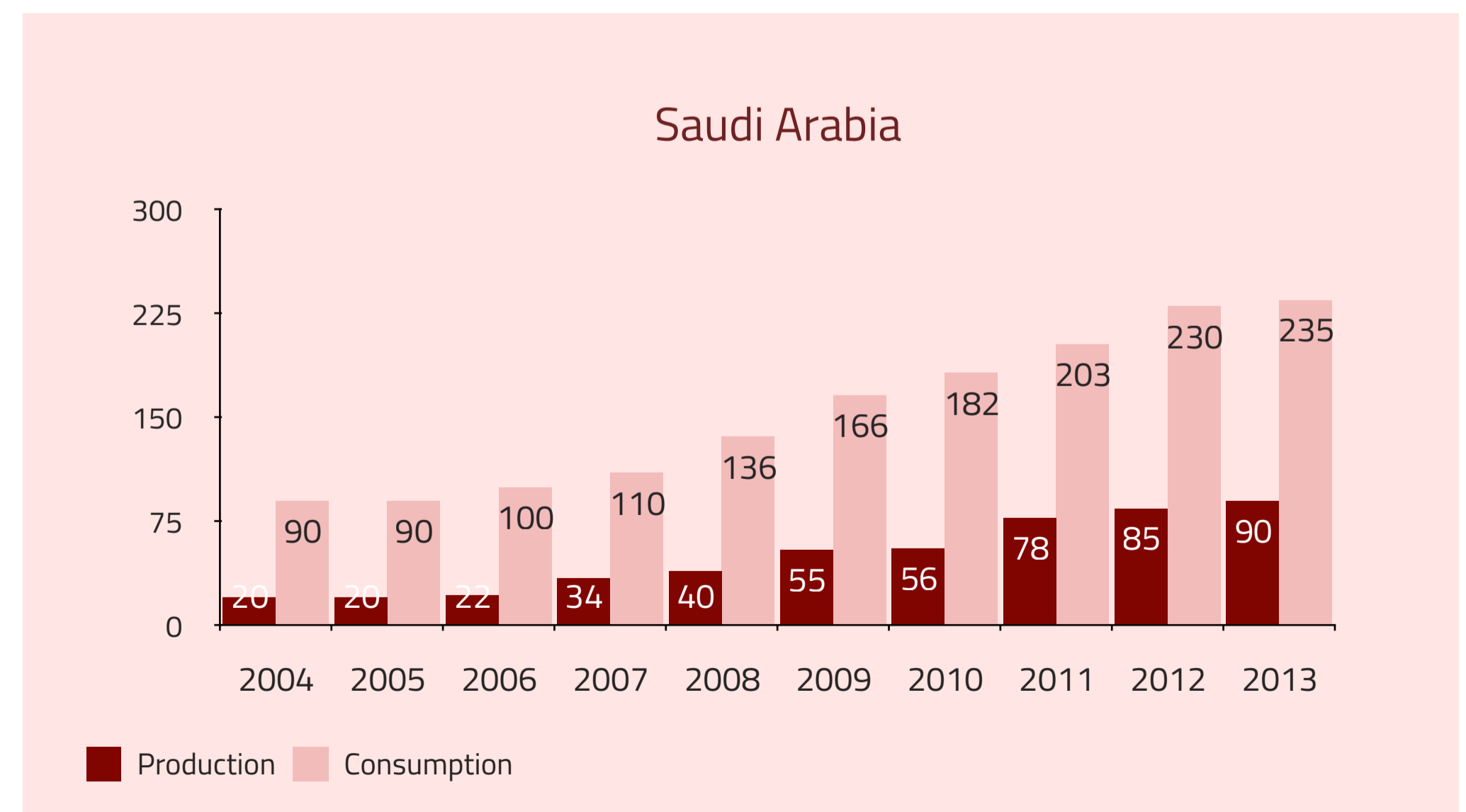
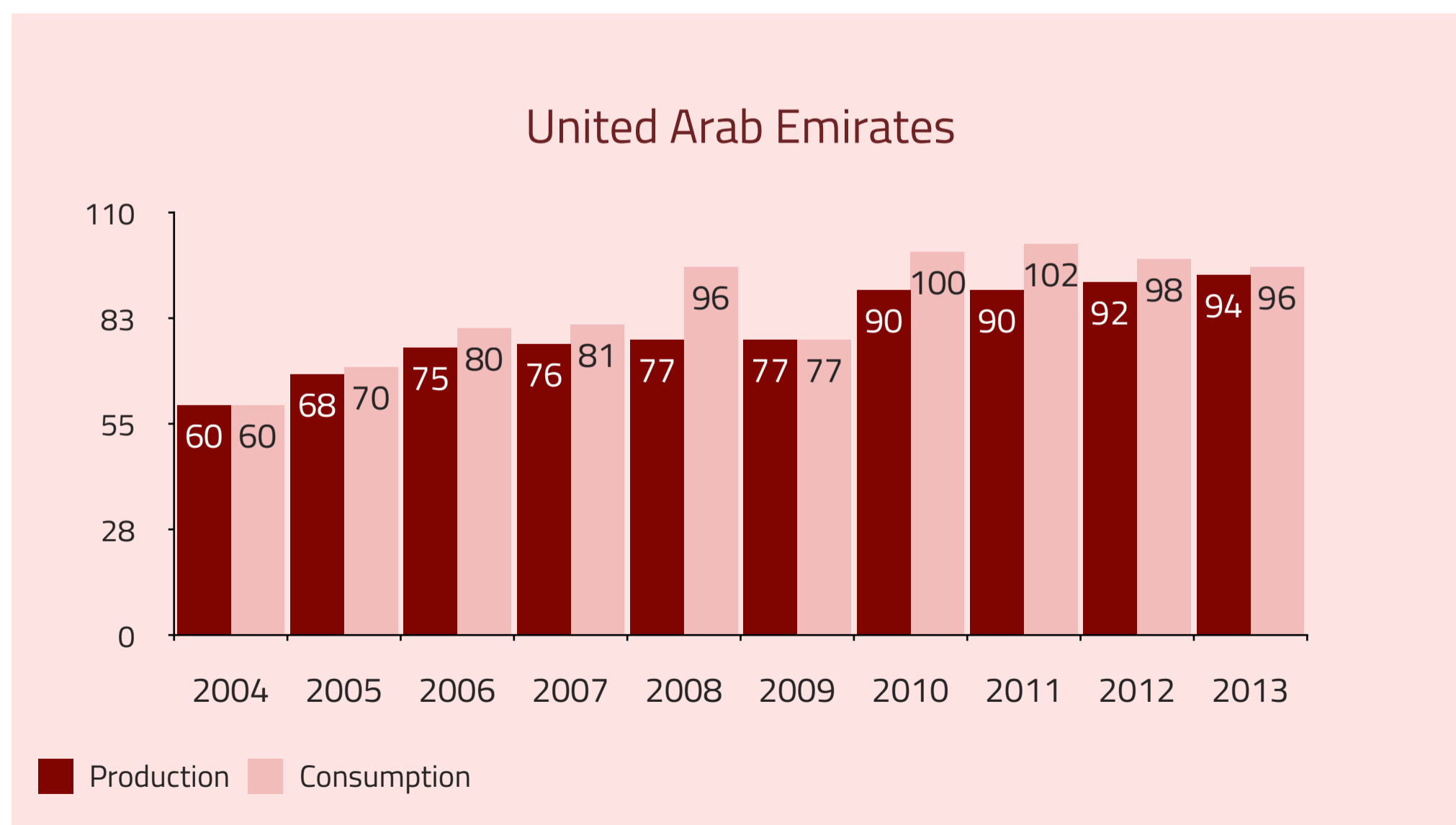
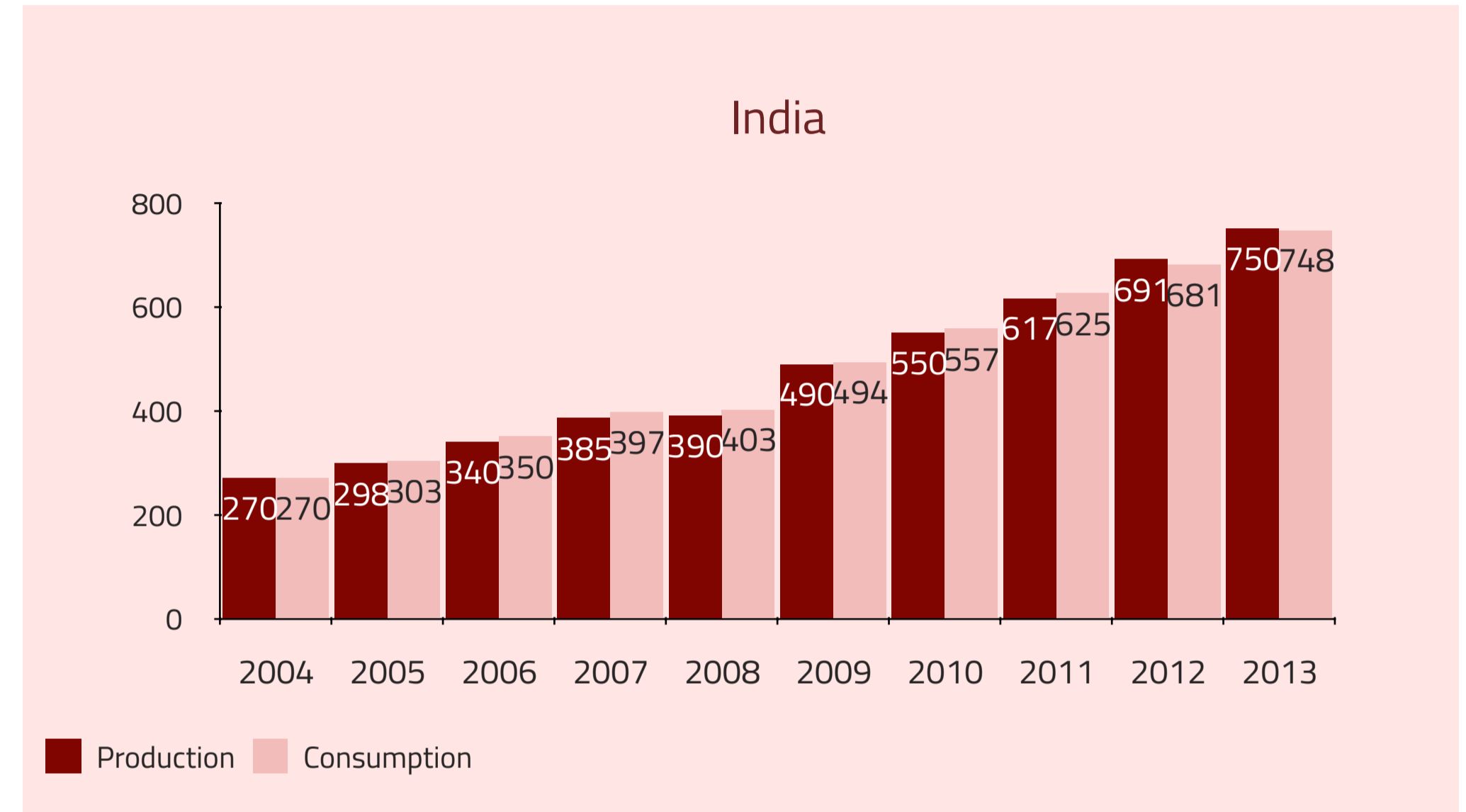
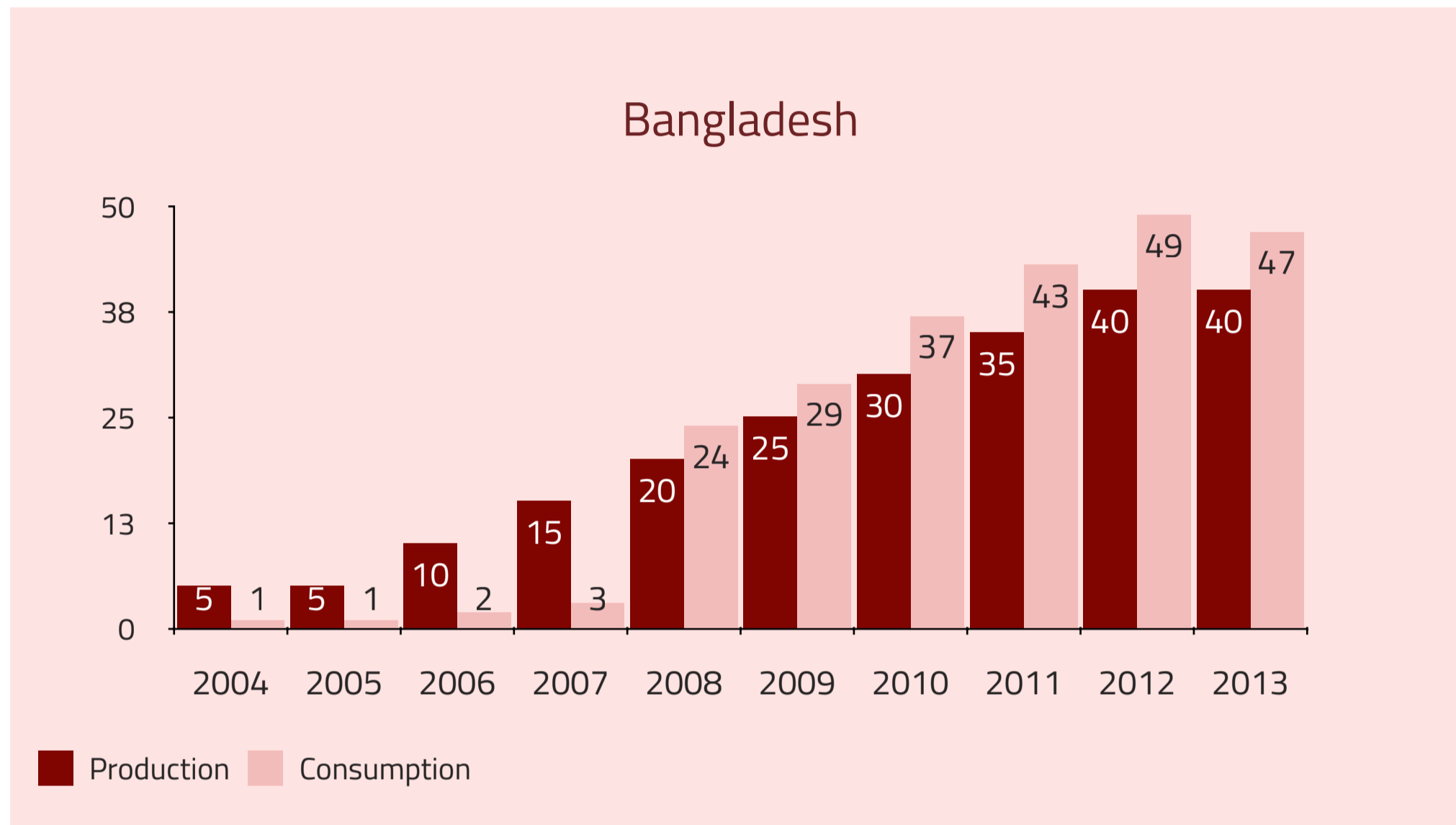
Global Ceramics Tiles Production (2013)



Source: Ceramic World Review, Frost & Sullivan.

TILE SUPPLY/DEMAND IN OUR FOCUS MARKETS

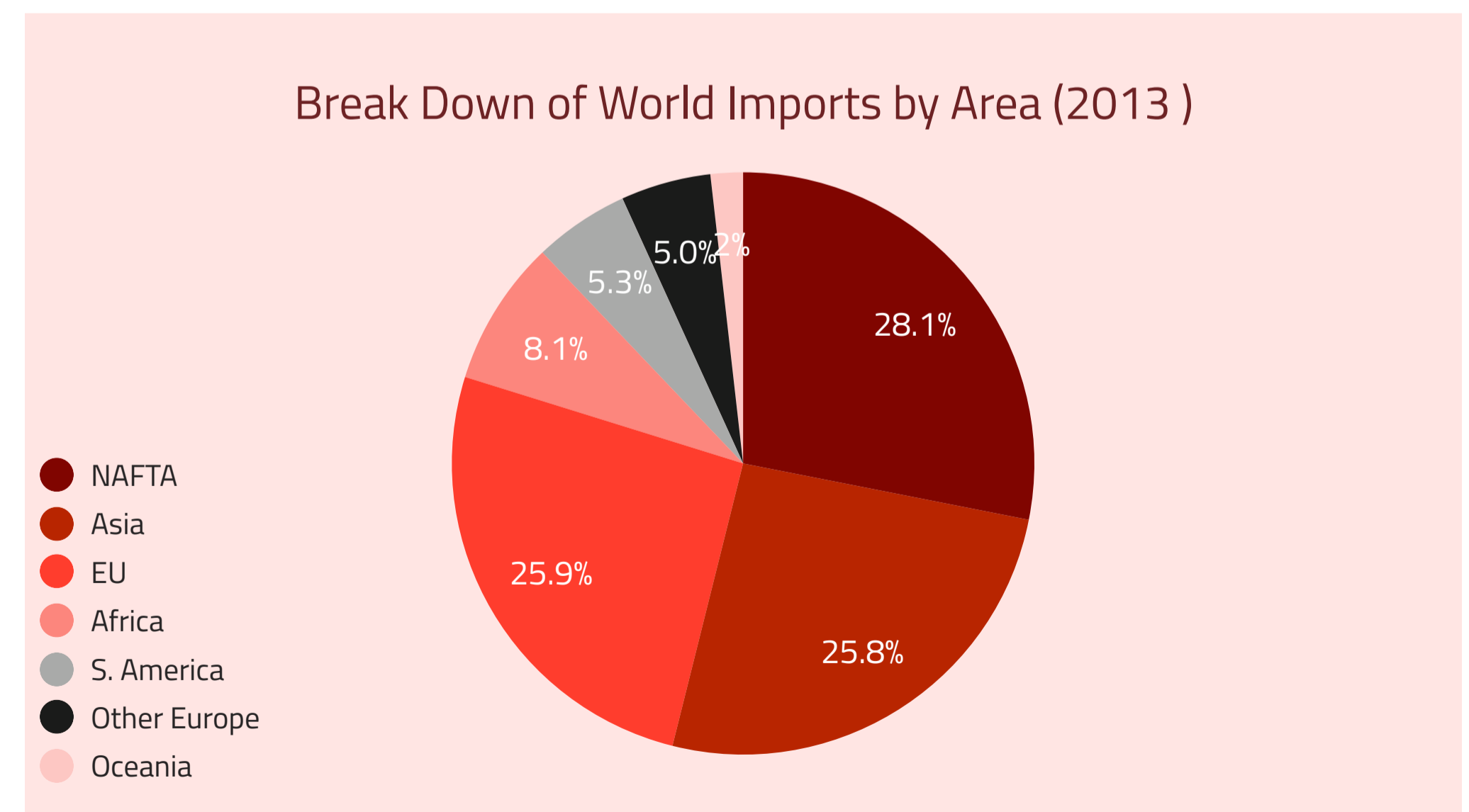
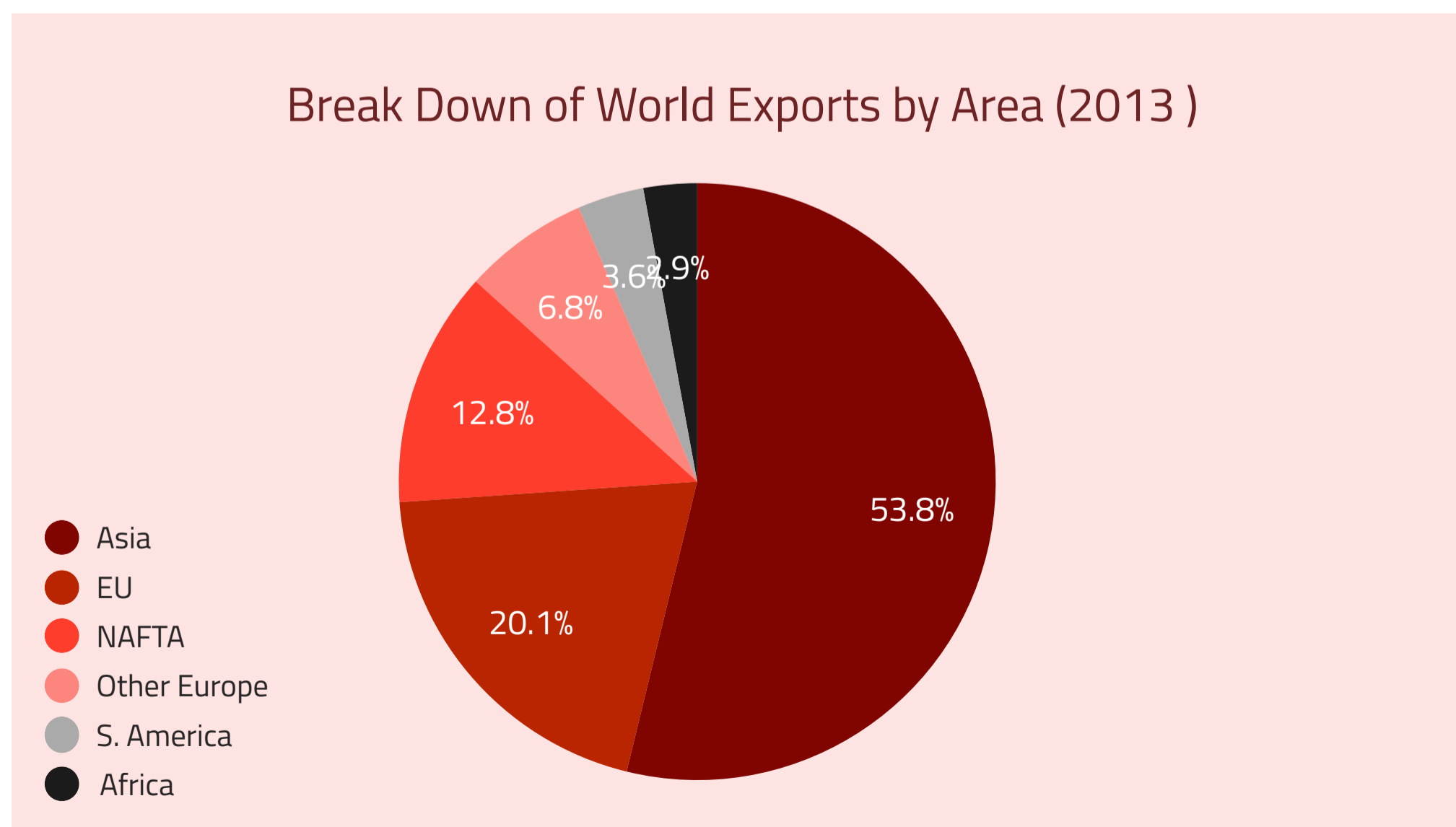
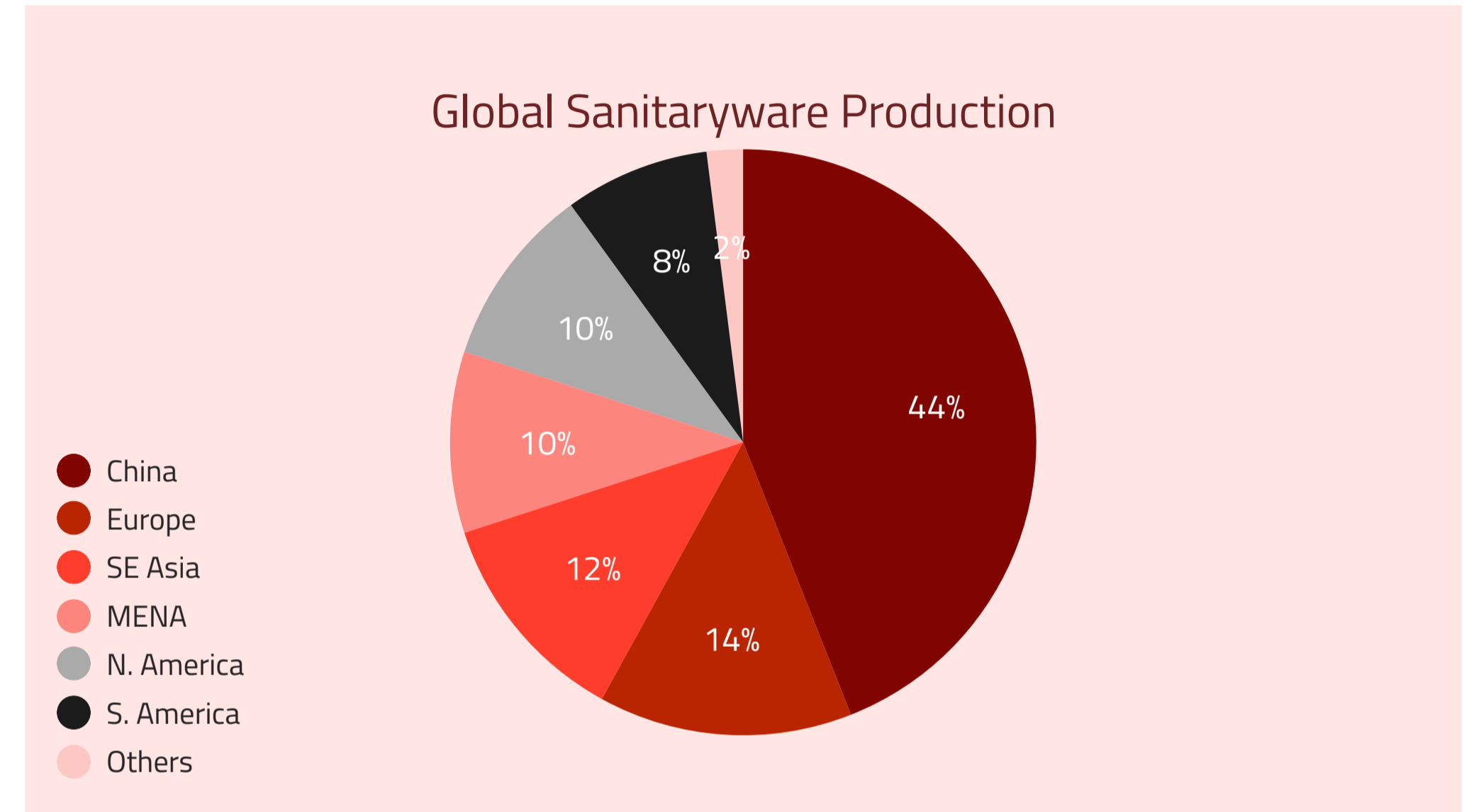
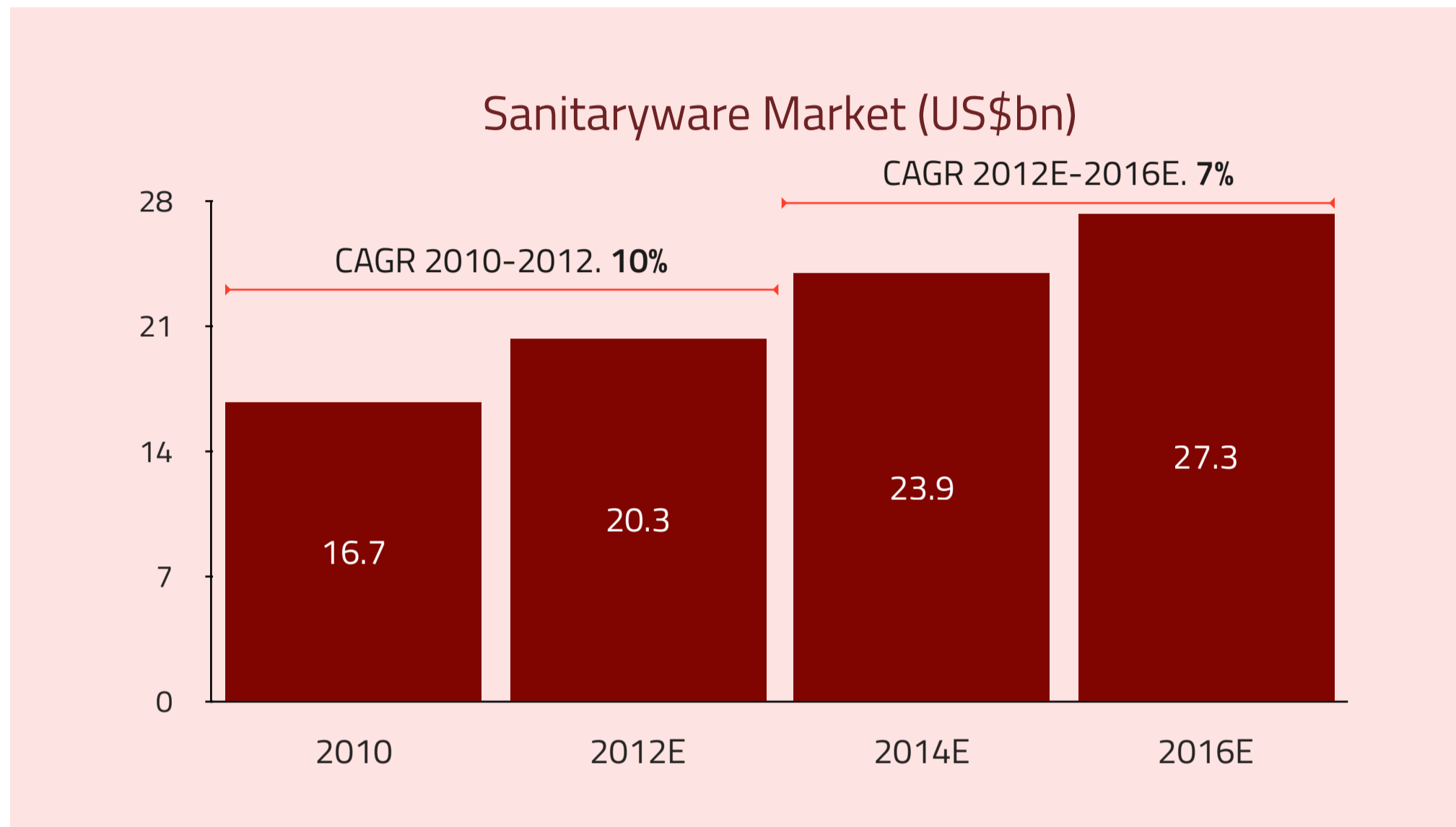
Between 2004 and 2013, Global tile production and consumption has grown at a CAGR of 7%. In our four focus markets of the UAE, KSA, Bangladesh and India, production and consumption grew by 12% during the same period.



Source: Ceramic World Review, Frost & Sullivan.

GLOBAL SANITARYWARE MARKET

The global Sanitary Ware market was \$22bn in size in 2013 and is expected to reach \$27.3bn by 2016, growing at an expected CAGR of 7% from 2012 to 2016.



Source: Ceramic World Review, Frost & Sullivan.

REFERENCE AND CONTACT INFORMATION

Further information:

The Company's website provides www.rakceramics.com detailed information on the history, products and network of the company

The 2014 Sustainability report is available www.rakceramics.com/csr/csr2014/index.html

The most recent earnings presentation of the Company is available at

www.rakceramics.com/Investors_Center/investor-presentation/RAKCeramics_Q2_2015_Earnings_Presentation.pdf

Investor Relations Contact:

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