

# CERA

CSL/2019-20/143

June 19, 2019

BSE Limited Corporate Relationship Department 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort, Mumbai - 400001.  Scrip Code : 532443 Scrip ID: CERASAN	National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai - 400051.  Scrip Code: CERA
---	---

## Sub.: Intimation of Analyst / Investor Meetings

Dear Sir

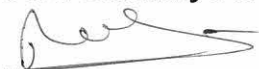
Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we would like to inform you that the management of CERA Sanitaryware Limited is scheduled to attend the Cement and Building Materials Conference hosted by HDFC Securities on June 21, 2019 in Mumbai.

Kindly find attached the Investor Presentation, which would be discussed during the meetings. The presentation is also uploaded on the Company's website.

We hope you will find the above in order and take necessary action in the matter.

Thanking you,  
Yours faithfully,

**For Cera Sanitaryware Limited,**



**Narendra N. Patel**  
President & Company Secretary  
Encl.: As above

---

### Cera Sanitaryware Limited

**Sales & Marketing Office:** 7<sup>th</sup> & 8<sup>th</sup> Floors, B Wing, Privilon, Ambli BRTS Road, Iskon Crossroad, Ahmedabad 380059, India  
Tel: +91 79 49112222 Email: marketing@cera-india.com www.cera-india.com

**Registered Office & Works:** 9, GIDC Industrial Estate, Kadi 382715, District Mehsana, North Gujarat

CIN: L26910GJ1998PLC034400

# Cera Sanitaryware Limited

## Corporate Presentation

June 2019

# CERA

Style. Innovation. Leadership



# Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Cera Sanitaryware Limited company, have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

CERA





# Contents

CERA

	Company Overview	4
	Key Differentiators	12
	Financial Overview	22

# Premier Sanitaryware Company in India



Rich Legacy of  
**~39** years

**#1**  
Market Leader in India for  
Sanitaryware

**Largest**  
Sanitaryware facility in  
India

**ZERO**  
Debt Company

**15%**  
Revenue CAGR  
(6 year)

**15%**  
EBITDA CAGR  
(6 year)

**17%**  
PAT CAGR  
(6 year)

**2,473**  
Employees with a  
Teeth-to-tail ratio of  
**0.97**

Cash and Cash  
Equivalents\* of  
**Rs. 181 cr**

**260%**  
Rate of Dividend - FY19

**Rated AA**  
(CARE)\*  
For Long Term Debt

**Rated A1+**  
(CRISIL)\*  
\*\*Short Term Debt

**Largest Market Share, Deep Customer Connect and Elevated Brand Promise**

**Largest plant for Sanitary ware in India established at legacy costs**

**Robust Financial Position**

**Wide Product Portfolio incorporating Design Excellence and Deep Technology Imprint**

**Experienced Proficient Leadership with zero attrition in Senior Management over last decade**

**Wide Distribution Network and Comprehensive Marketing Infrastructure**

# Robust Financial Position and Protocols

## Zero Debt Company

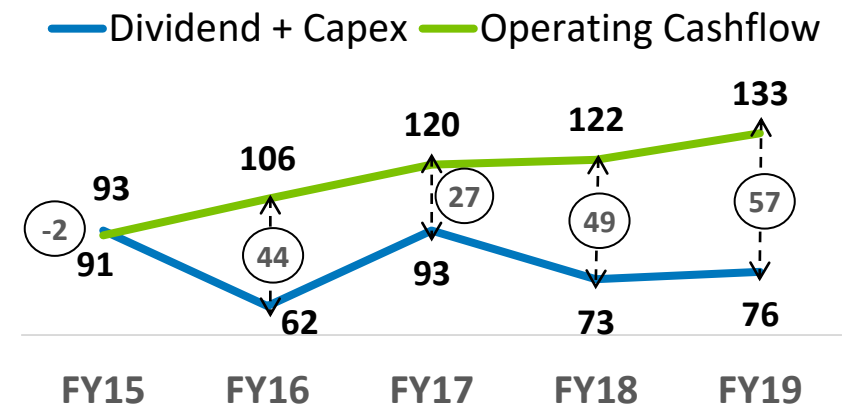
- Cash and Cash Equivalents of Rs.181 crore; primarily liquid investments
- No Contingent Liabilities for Joint Ventures

## Sharp Focus on Efficient Capital Management

- Industry leading RoCE - 26%
- Fixed Asset turnover of ~4.4x (As on 31 March 2019)
- Uniform organization-wide policy to monitor receivables – credit not used to drive revenues
- ERP automatically shuts down fresh supplies to vendors with dues in excess of 45-60 days

## Free Cash Flow Positive with Robust Cash Position

- Consistent cash generation each year
- Annual Capex requirement < Free Cash flow generation
- Increasing gap between annual cash flow generation less dividend outflow and capex
- Regularly paid dividends for the last 30 years +



*Financial Discipline is Central to the growth strategy*

# Promoters



**Mr. Vikram Somany**  
**Founder and CMD**

- Founded the business in 1980
- Deep industry knowledge and experience
- Hands on involvement
- Initiation and execution of strategy
- Drives High Governance Standards



**Mrs. Deepshikha Khaitan**  
**Vice Chairperson**

- B.Sc. (Economics), LLB
- Actively associated with CERA for over 7 years
- Involved in Design Innovation, Product, R&D, Channel Outreach and Sales
- Equal focus on profitability , product development



# Leadership Team



**Mr. Atul Sanghvi**  
**CEO & Executive Director**

- MBA in Marketing; experience of 34 years
- Part of CERA leadership for over 20 years
- In charge of all aspects of manufacturing, marketing and corporate affairs



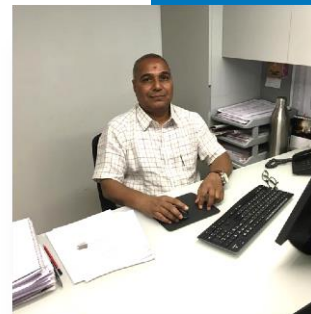
**Mr. Rajesh B Shah**  
**CFO / COO (Fin. & Comm.)**

- B.Com & ACA; experience of 33 years
- 33 Years with CERA
- Leads Finance, commercial, banking, budgeting and cost control functions



**Mr. Ayush Bagla**  
**Executive Director**

- B.A (Business) from Franklin & Marshall College, USA
- 24 year experience in Fund Management and Investment Banking
- Managing Investor Relations & Strategic Planning initiatives



**Mr. Narendra N. Patel**  
**President & Company Secretary**

- B. Com, LLB, FCS, ACIS (London); experience of 30 years
- 30 years with CERA
- Leads the secretarial, legal and compliance functions

**Zero Attrition in the Senior Management Team over the last decade**

# Leadership Team



**Mr. P. K. Shashidharan**  
Senior VP – Marketing

- M.A. (English); experience of 38 years
- 27 years with CERA
- Brand custodian of CERA
- Devising media, marketing and positioning strategies and their execution



**Mr. Abbey Rodrigues**  
Senior VP – Sales

- B. Com, PGDMSM ; experience of 24 years
- 22 years with CERA
- Manages the pan India sales team
- Leads the sales function, dealer interactions, market feedback, CRM



**Mr. Inderjit J Singh**  
Vice President Production

- A mechanical engineer, founded Faucetware manufacturing for CERA
- 12 years with CERA
- A 42 year veteran in the faucets industry
- Responsible for production and development activities of faucets
- He has been a part of developing polymer plant



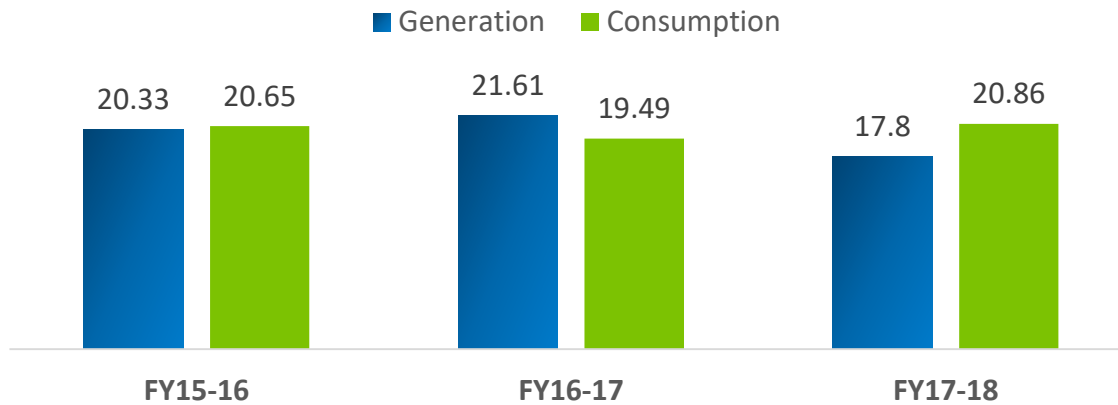
**Mr. Ramachandra Padhi**  
Vice President Works - Sanitarywares

- Diploma in Ceramic Tech; experience of 34 years
- 17 years with CERA
- Kadi plant in charge for Sanitaryware

**Zero Attrition in the Senior Management Team over the last decade**

# Concerted Focus on ESG... 1

Annual Green Energy Generation & Consumption Mill KWH



## Environment

- Sustainability is at the heart of CERA's being. Amongst various initiatives:
  - Non-Conventional Energy generation via wind and solar was initiated in the year 1995
  - Capacity of Non-Conventional Energy generation of the company is 10.325 M.W
  - Sanitaryware and Faucetware plants in Gujarat meet 90% of the energy needs through non conventional captive generation
  - 100% of Sanitaryware production energy needs met through natural gas
  - Natural gas being procured at open market pricing and isolated wells at substantially lower prices
- Appreciated and acknowledged by customers as a completely sustainable and 'green' Vendor

# Marquee Clients

CERA

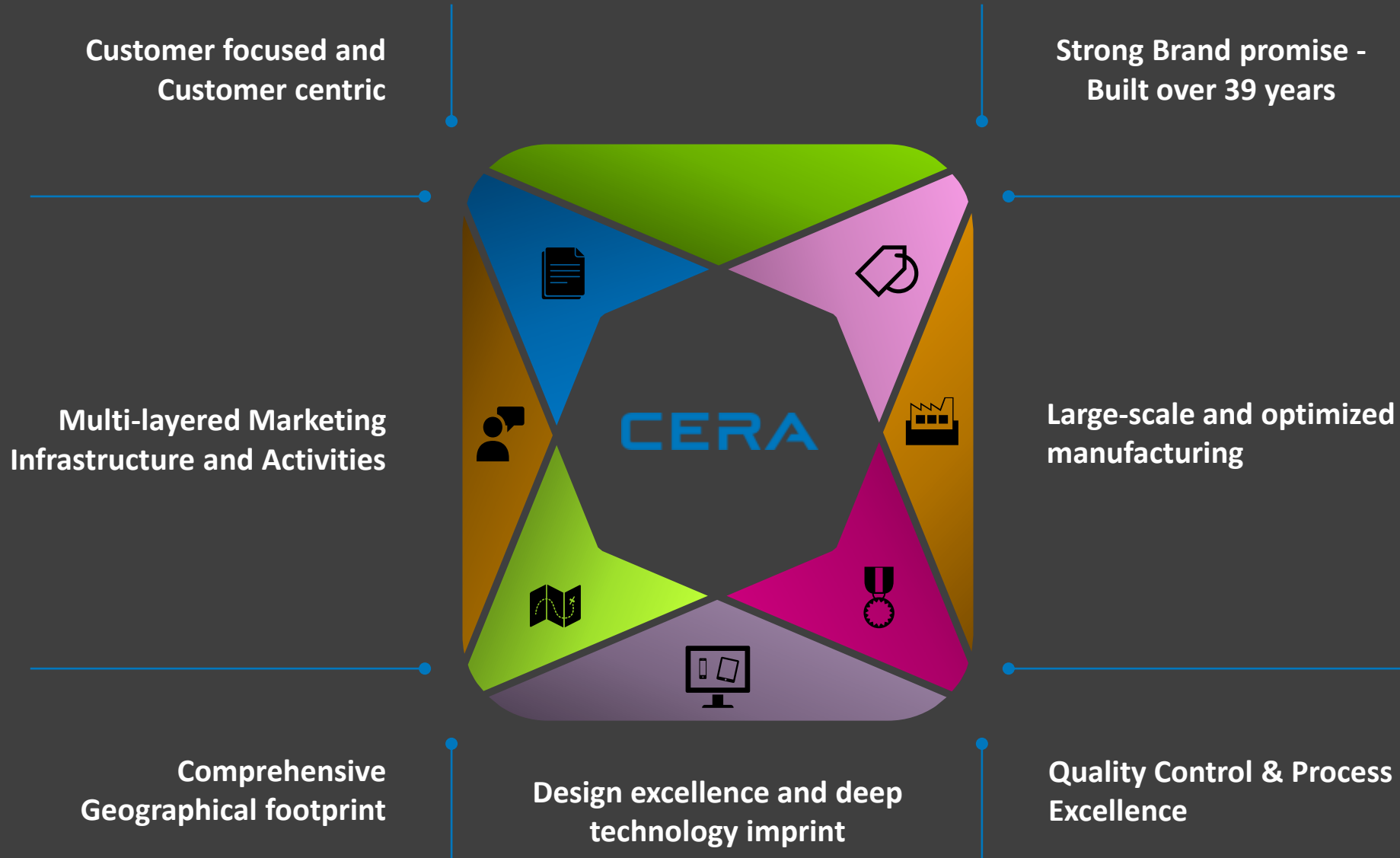
## Key Institutional Clients



## Key Government and PSU's Patrons



# Key Differentiators



# Strong Brand Promise

CERA

- CERA's product portfolio encompasses every aspect of the price and design matrix

- Niche brands for deeper engagement with varied customer and market segments



*Brand Promise carefully cultivated over 35 years by consistently delivering on quality, value, expectations*

# Large-Scale and Optimized Manufacturing

CERA



# Quality Control and Process Excellence

CERA

Advanced  
Quality  
Control  
Systems



Rapid  
Technology  
Adoption –  
Robotics for  
Sanitaryware  
Finishing



Plant is equipped with **Robotic Glazing machines** which provide shine and colour to the product and faster turnaround time

Latest R&D  
Center  
(Approved  
by IAPMO)



Sanitaryware  
MouldMaking



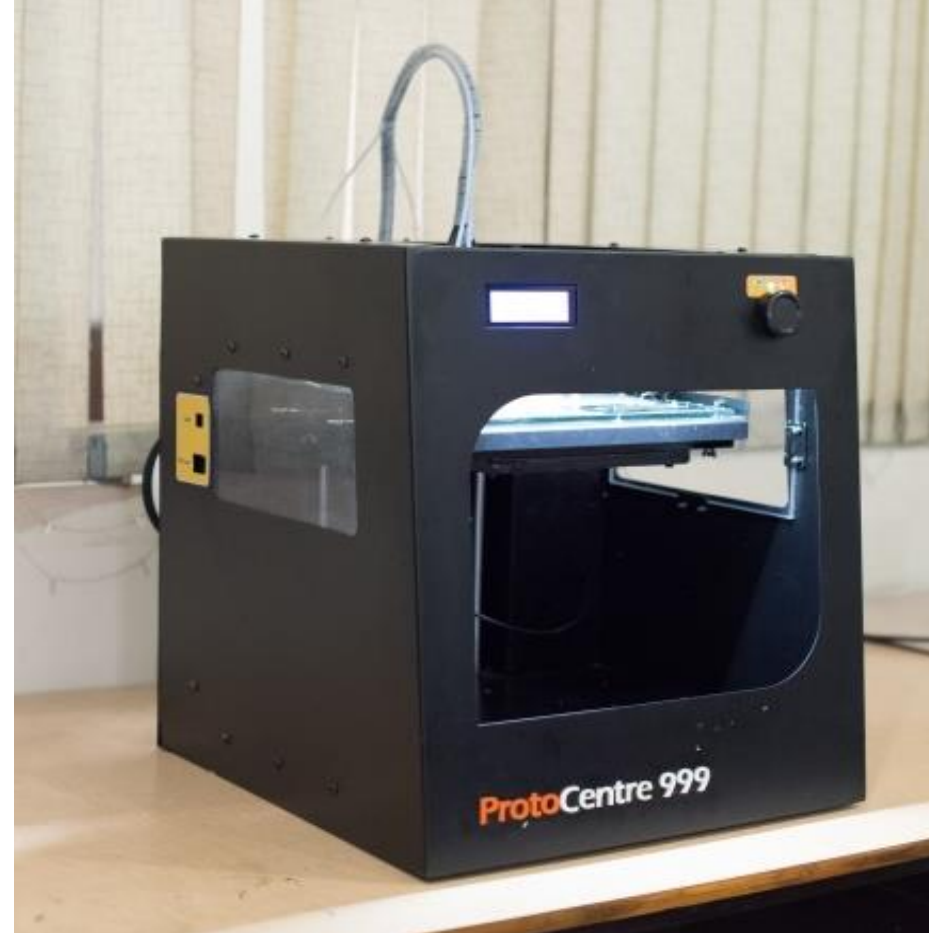
First Indian sanitaryware company to implement ISO 9002 and ISO 14001 certifications for Quality Management Systems and Environment-friendly Manufacturing Systems



# Design Excellence and deep technology imprint

CERA

First Sanitaryware Company to design and install 3D printers



Installed 3D printers for Faucet design – A complete automated design process

*Successfully installed 3D printers which has considerably shortened the duration for conversion of concept into launch for new designs*

# Comprehensive geographical footprint



- Main Plant
- Tile Mfg. plants
- 9 CERA Style Studios

136 CERA Style Galleries  
14,000 + Trade Partners

Gearing up with increase in sales and trade	
Network as on March 2019	
	Total*
Dealer	2,841
Retailer	11,306
<b>Total</b>	<b>14,147</b>

After sales team strength - March 2019	
	250

\*Total may differ as there are common dealers who would have taken up one or more product ranges

# Multi layered Marketing Infrastructure.. 1

CERA

**CERA Style Studio**  
Company Display Centre

- 9 CSS: Ahmedabad/Bangalore/Chennai/Mumbai
- Kolkata/Chennai/Thiruvananthapuram/Cochin/Chandigarh
- Discerning customers including influencer's can touch and feel products
- No sales orientation/pressure
- The average size these company owned showroom are approx. 7,000 sq.ft.
- With more than 14,000 sq.ft. of display, Hyderabad CSS is the largest company showroom in this industry
- Hyderabad, Cochin recently opened



# Multi layered Marketing Infrastructure.. 2

CERA

**CERA Style Gallery**  
Exclusive CERA Display Centre

- 139 CSGs : Covering pan India (Dealer Owned)
- Complement/Substitute CSS
- Filters include showroom location, size of display area allocated, sales turnover history and commitment of the dealer
- Exclusive display in a marked area that will highlight products
- Trained sales team helping purchase decisions of customers
- Minimum size of showroom averages 1,000 sq. ft
- Saraswathi Enterprises - Kerala is the largest showroom amongst CSGs with an area of 7,700 sq.ft.



# Multi layered Marketing Infrastructure.. 3

CERA

**CERA Style Centre**  
Exclusive CERA Retailer

- Enhances retail experiences, retailer owned
- Currently 2,700 Style Centre operational
- Over 600 CSCs planned in the next 2 financial years
- Retailer does not have to pay for display products



# Customer Focused and Customer Centric

## After Sales Servicing Team – On Company's Books

- 13 service offices
- 25 officers attending technicians
- 140 technicians to attend complaints spread across every state
- Periodical training on products for better quality service

New CRM module

Mobile app for customers to register complaints

Mobile app for trade as well to register complaints of their clients

Complaints closed within 1 to 2 working days



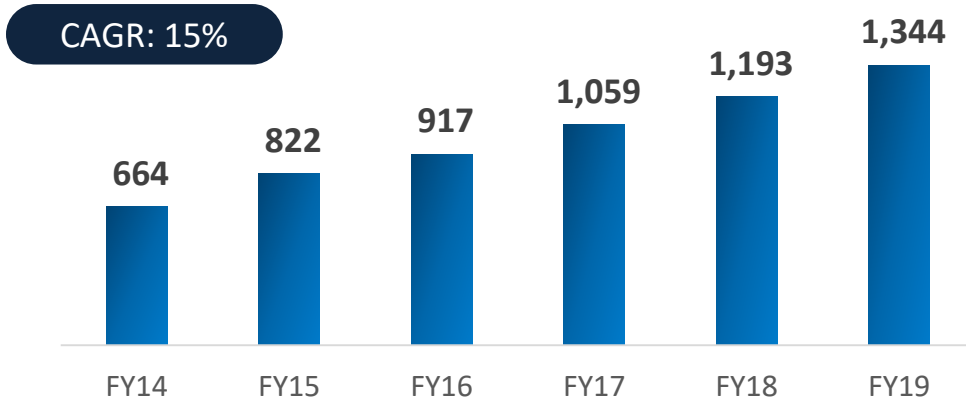
Customer App



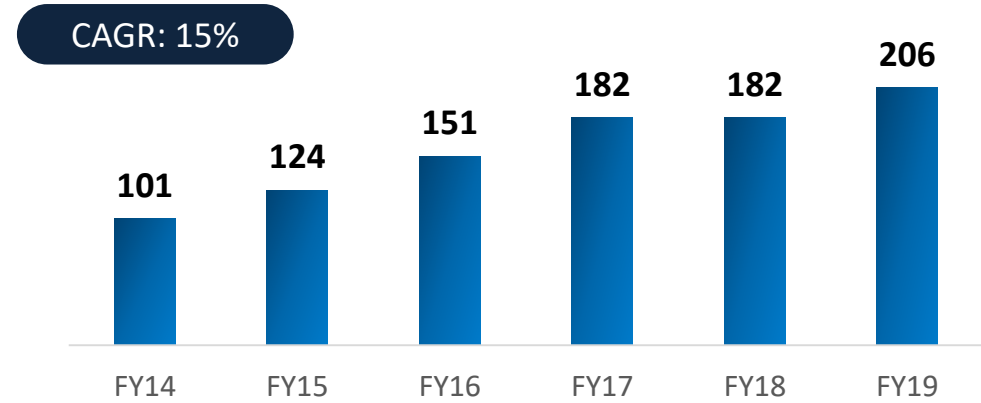
Dealer App

# Financial Overview

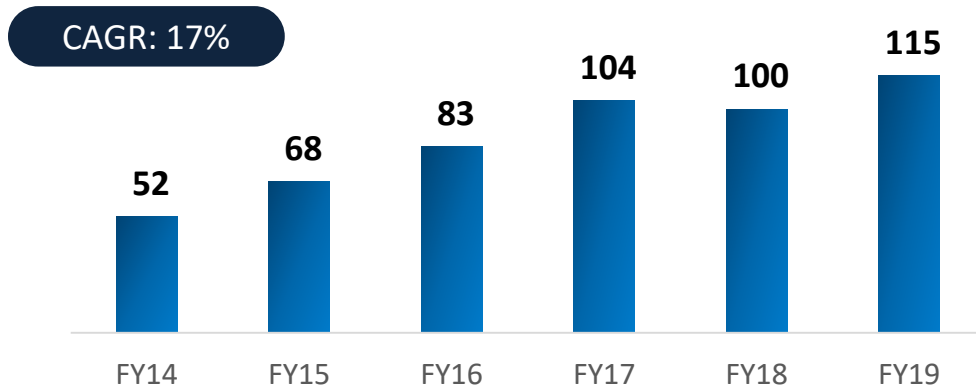
### Revenue



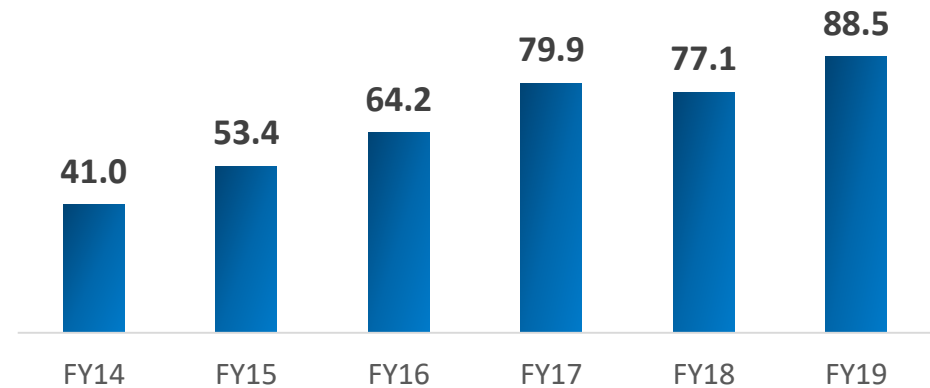
### EBITDA (Rs. in crore)



### PAT (Rs. in crore)

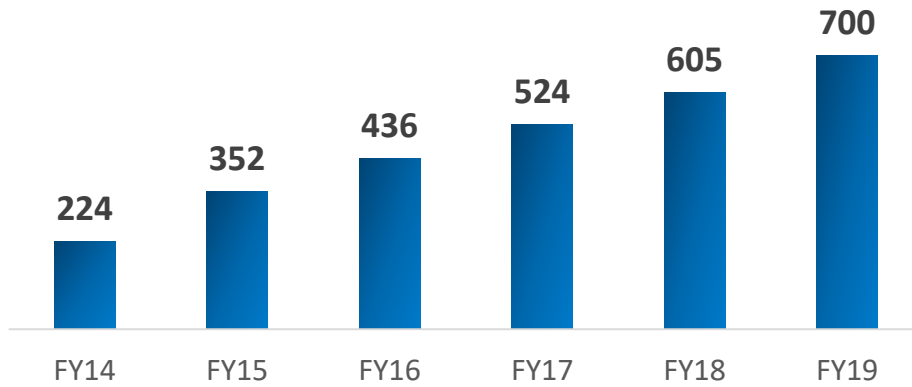


### EPS (In Rs.)

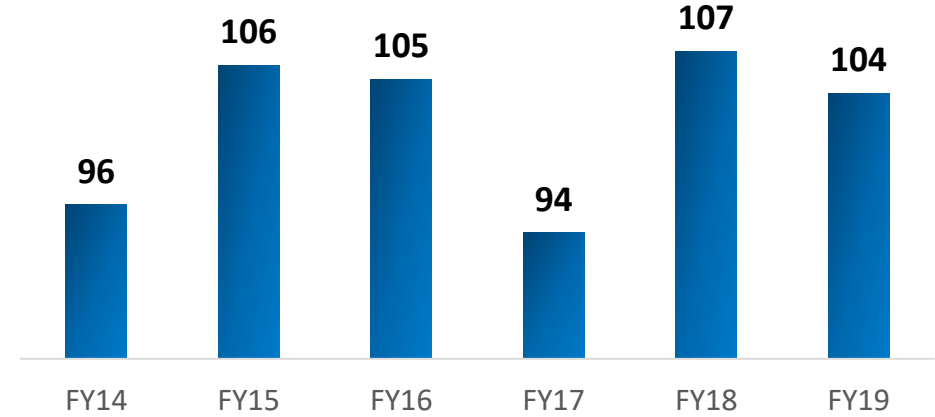


# Financial Overview

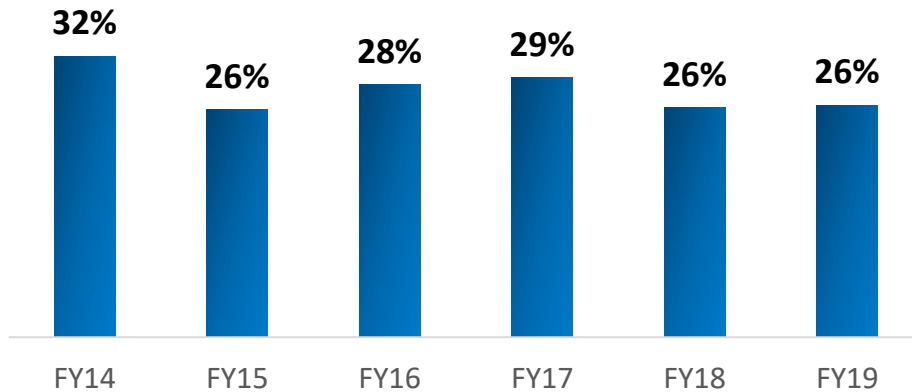
### Networth (in crore)



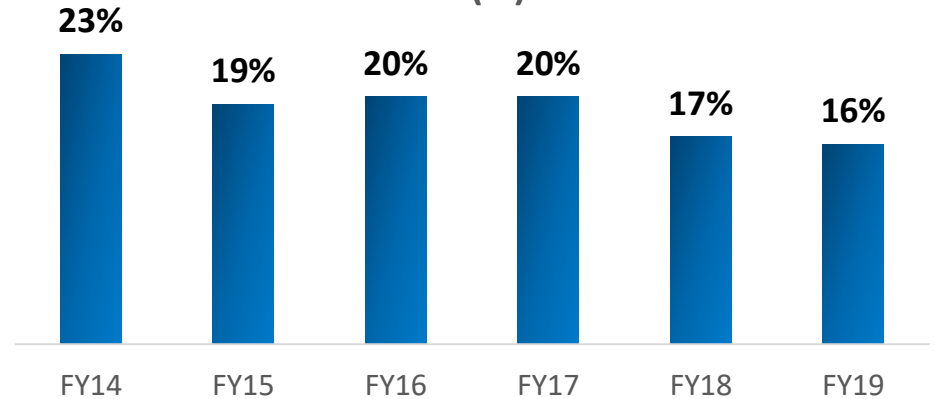
### Working Capital Days (Net)



### ROCE (%)



### ROE (%)





# Abridged P&L – Standalone – Period ending 31 Mar 2019



Particulars (Rs. crore)	Q4 FY18	Q4 FY19	Y-o-Y Shift	FY18	FY19	Y-o-Y Shift
Revenue from Operations	361	413	14%	1,182	1,344	14%
Other Income	5	6	21%	11	16	39%
<b>Total Income From Operations (Net)</b>	<b>366</b>	<b>419</b>	<b>15%</b>	<b>1,204</b>	<b>1,359</b>	<b>13%</b>
<b>Total Expenditure</b>						
Raw Material expenses (costs of material consumed)	174	207	19%	563	646	15%
Employee benefits expense	38	39	2%	140	156	12%
Other expenses	98	103	5%	308	351	14%
<b>EBITDA (includes Other Income)</b>	<b>56</b>	<b>69</b>	<b>25%</b>	<b>182</b>	<b>206</b>	<b>13%</b>
<b>EBITDA margin (%)</b>	<b>15.4%</b>	<b>16.8%</b>	<b>140 bps</b>	<b>15.4%</b>	<b>15.4%</b>	<b>-</b>
Finance Costs	2	1	-23%	5	3	-38%
Depreciation and Amortization	7	7	1%	22	23	2%
<b>PBT</b>	<b>47</b>	<b>61</b>	<b>30%</b>	<b>154</b>	<b>180</b>	<b>17%</b>
Tax expense	17	23	37%	54	65	20%
<b>PAT</b>	<b>30</b>	<b>38</b>	<b>27%</b>	<b>100</b>	<b>115</b>	<b>15%</b>
<b>PAT margin (%)</b>	<b>8.3%</b>	<b>9.2%</b>	<b>70 bps</b>	<b>8.5%</b>	<b>8.6%</b>	<b>10 bps</b>

# Thank You

For further information, please contact:

 Siddharth Patel / Ayush Bagla  
 CERA Sanitaryware Limited  
 Phone : +02764 243000 / 022 4295 8370  
 Email: [siddharth@cera-india.com](mailto:siddharth@cera-india.com)  
[ayushbagla@cera-india.com](mailto:ayushbagla@cera-india.com)

 Mayank Vaswani / Devrishi Singh  
 CDR, India  
 Phone : +91 22 6645 1230 / 1222  
 Email: [mayank@cdr-india.com](mailto:mayank@cdr-india.com)  
[devrishi@cdr-india.com](mailto:devrishi@cdr-india.com)