

CERA

CSL/2021-22/110
22nd June, 2021

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

Sub: Regulation 30 of the SERI (LODR) Regulations; 2015- Investor Presentation

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Corporate Presentation. The same is also available on the website of the Company.

We hope you will take the same on record.

Thanking you,
For Cera Sanitaryware Limited,



Hemal Sadiwala
Company Secretary
Encl: as above



Cera Sanitaryware Limited

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Tel: +91 79 49112222 Email: marketing@cera-india.com Web: www.cera-india.com

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

CIN: L26910GJ1998PLC034400

Cera Sanitaryware Limited

Corporate Presentation

CERA

Style. Innovation. Leadership



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CERA



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Company owned experience centre

Premier Sanitaryware Company in India



Rich Legacy of
~40 years

#1
Market Leader in India for
Sanitaryware

Largest
Sanitaryware facility in
India

ZERO
Debt Company

4%
PAT CAGR
(6 year)

Rs.479 cr
Cash and Cash
Equivalents*

260%
Rate of Dividend - FY21**

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

119 Sanitaryware

11 Faucetware

New products introduced during FY21

Rated AA
Long Term Debt

Rated A1+
Short Term Debt
(CARE)

Rated AA-
Long Term Debt

Rated A1+
Short Term Debt
(CRISIL)

Note:

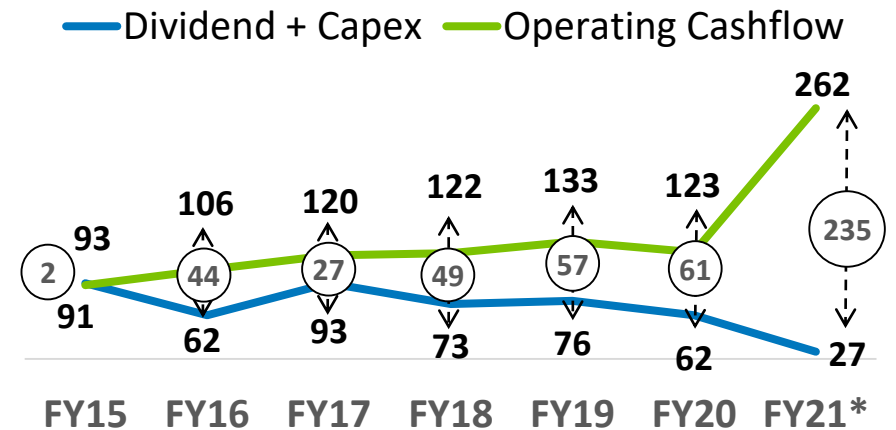
* As on 31st March 2021

** Subject to approval of shareholders in ensuing AGM



Robust Financial Position and Protocols

<p>Zero Debt Company</p>	<ul style="list-style-type: none"> • Cash and Cash Equivalents of Rs. 479 crore; primarily liquid investments • No Contingent Liabilities for Joint Ventures
<p>Sharp Focus on Efficient Capital Management</p>	<ul style="list-style-type: none"> • Industry leading RoCE – 32%¹ (without considering Cash & Cash equivalents) • Fixed Asset turnover of ~3.8x¹ • 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
<p>Free Cash Flow Positive with Robust Cash Position</p>	<ul style="list-style-type: none"> • 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 +



Note: *Subject to approval of shareholders in ensuing AGM

Financial Discipline is Central to the growth strategy



Marquee Clients

CERA

Key Institutional Clients



Key Government and PSU's Patrons



Witnessing high demand for touch-free, anti-bacterial & sensor-based products



Self cleaning closets, automatic sanitization, touch free taps and anti microbial products are expected to replace conventional products and form a bulk of future demand

Products for Post Covid-19 World:

- **Anti-microbial Products** – ensuring zero retention of bacteria
- **Sensor Products** – elevating hygiene through zero contact
- **Green Products** – ensuring conservation of water



- Nano glazed surface ensures utmost hygiene
- Stain resistant & water repellent
- Scratch resistant



- Single flush cistern with Anti-microbial knob



- Antibacterial Seat Cover



- Wall mounted sensor tap

- Deck/table mounted sensor tap



- Deck/table mounted sensor tap



Witnessing high demand for touch-free, anti-bacterial & sensor-based products

Products for Post Covid-19 World:



CARLTON RIMLESS

- Trap glazed – Better hygiene and improved flushing
- Rimless – easy to clean, better hygiene
- Saves upto 35% water (3.9/2.3 LPF)



CARNIVAL RIMLESS



CUTINA

- Trap glazed – Better hygiene and improved flushing
- Clean rim – Prevents splashing, easy to clean and hygiene

CERA



CONVENTIONAL RIMLESS

- Better hygiene for every home



Promoters



Mr. Vikram Somany
Founder and CMD

- B.Sc., FCMI (U.K.)
- 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
Joint Managing Director

- B.Sc. Hons. (Economics), LLB
- Actively associated with CERA for over 8 years
- Involved in Design Innovation, Product, R&D, Channel Outreach and Sales
- Driving equal focus on profitability & product development

Leadership Team

Mr. Atul Sanghvi
CEO & Executive Director

- MBA in Marketing; experience of 35 years
- Part of CERA leadership for over 21 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 34 years
- 34 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 Private Equity
- Managing Investor Relations & Strategic Planning initiatives



Mr. V Krishnamurthy
President – Marketing

- Over 25 years of industry experience
- Was conferred with the “Most Influential Global Marketing Leader” award in Nov. 2019 by the World Marketing Congress
- Responsible for devising and execution of media, marketing and positioning strategies at Cera



Mr. Abbey Rodrigues
President – Sales

- B. Com, PGDMSM ; experience of 25 years
- 23 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

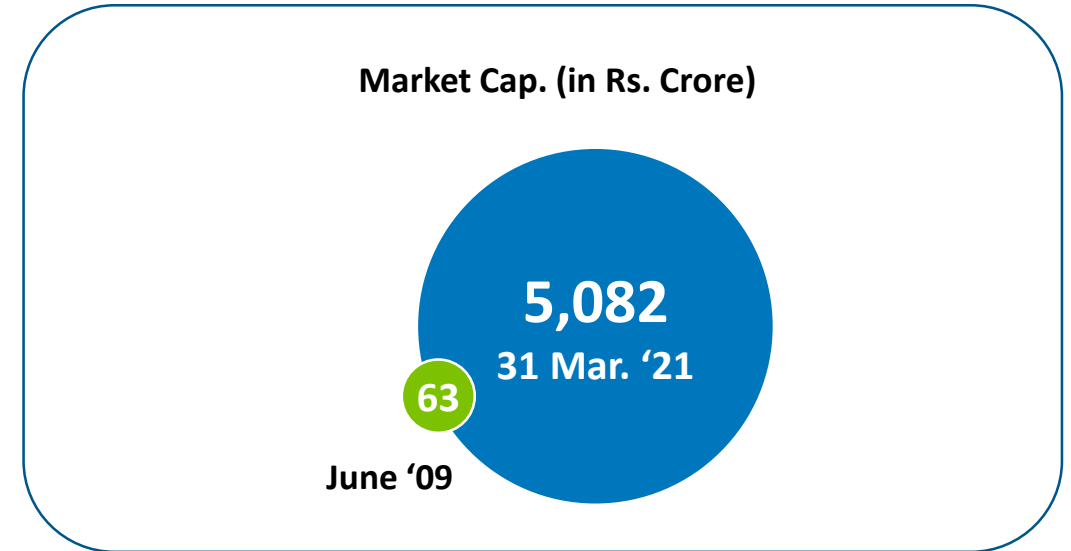
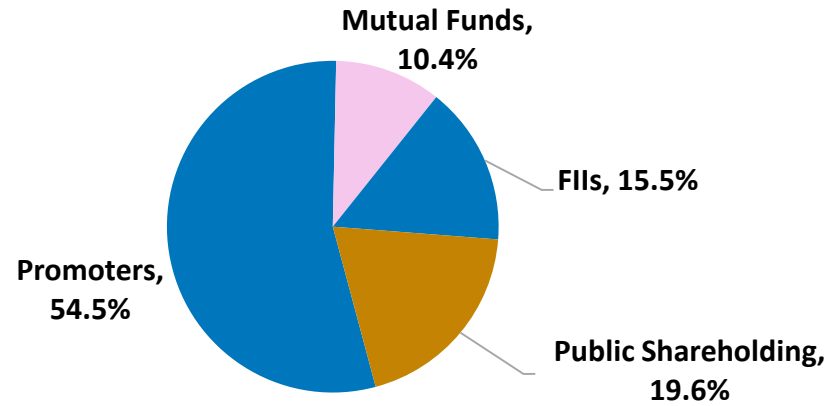
- A mechanical engineer, founded Faucetware manufacturing for CERA
- 13 years with CERA
- A 43 year veteran in the faucets industry
- Responsible for production and development activities of faucets
- He has been a part of developing polymer plant



Zero Attrition in the Senior Management Team over the last decade

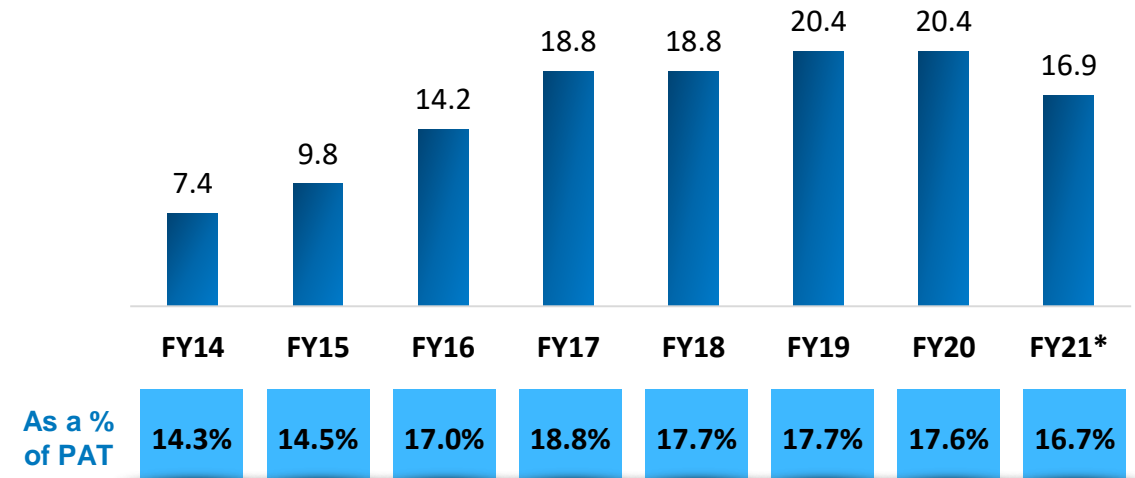


Ownership and stakeholder value creation



Key Institutional Shareholders	As on 31 March, 2021
Nalanda India Equity Fund Ltd.	9.9%
UTI	3.7%
DSP Small Cap Fund	3.7%
India 2020 II Ltd.	3.6%
L&T MF	2.1%
HDFC Life Insurance Company Ltd.	1.8%
Vijay Kedia	1.0%
Old Well Emerging Markets Master Fund	0.8%
Emerging Markets Core Equity Of Dfa Investment Dimensions	0.7%
Motilal Oswal	0.5%
Reliance Equity Opportunities AIF Scheme	0.3%
Shinsei UTI	0.3%
Canara Robeco	0.2%
Invesco	0.2%
Union Small Cap. Fund	0.2%
IDFC Emerging Businesses Fund	0.2%
Singular India Growth Fund	0.1%
BOI AXA	0.1%
Other Institutional shareholders	1.9%
Total	31.3%

Dividend Distributed (Rs. cr.)



Note: *Subject to approval of shareholders in ensuing AGM



Large-Scale and Optimized Manufacturing

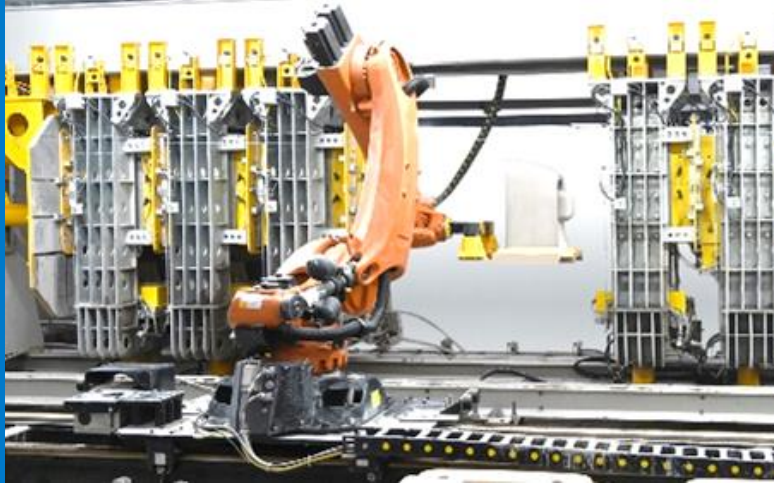
CERA



Quality Control and Process Excellence.. 1

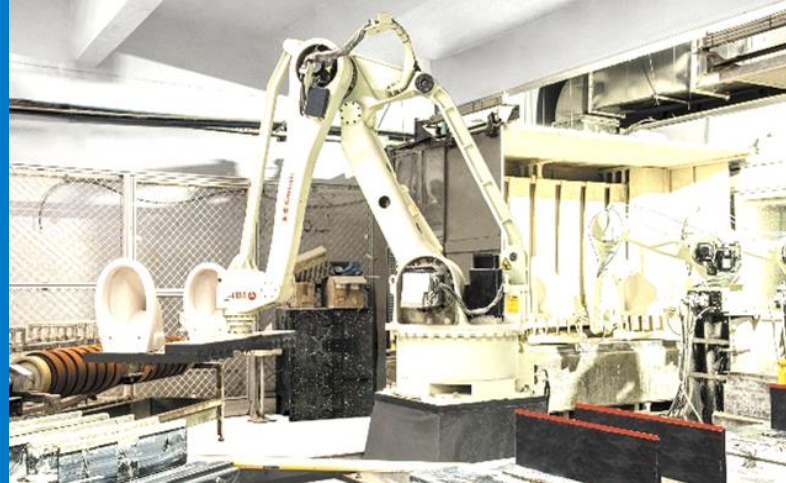
Rapid Technology Adoption –Robotics for Sanitaryware and Faucet Finishing

Sanitaryware
Robotic
Pressure
Casting:



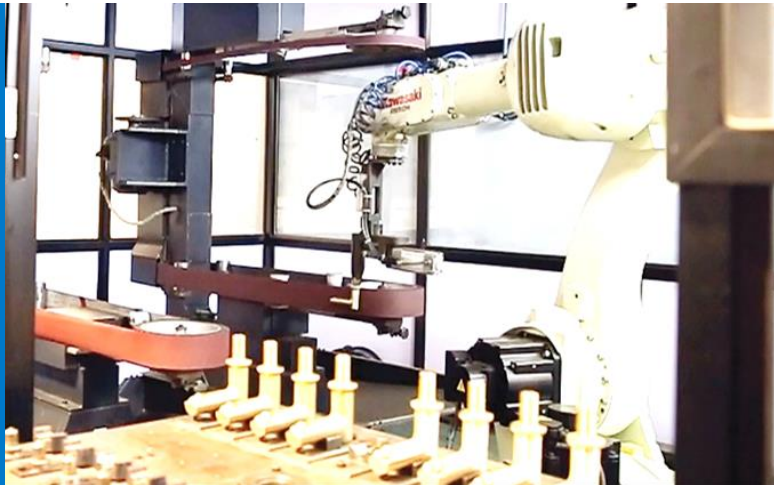
For
producing
high end
sanitaryware
in large
quantities

Sanitaryware
Robotic
Glazing:



For uniform
and faster
glazing
ensuring
smooth
surface with
minimum
wastage

Faucet
Robotic
Surface
Grinding:



Helps in
uniform coat
of
chromium
plating that
will lead to
surface
endurance

Faucet
Peeling
Machine:



For
impeccable
body finish

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

Quality Control and Process Excellence.. 2

R&D Facilities lead to better ergonomics designs

Latest R&D Centre and QC Lab (Approved by IAPMO)



Products rigorously tested for quality before they reach markets



Sanitaryware Mould Making



Mould are crafted with design and technology in mind by mould designers



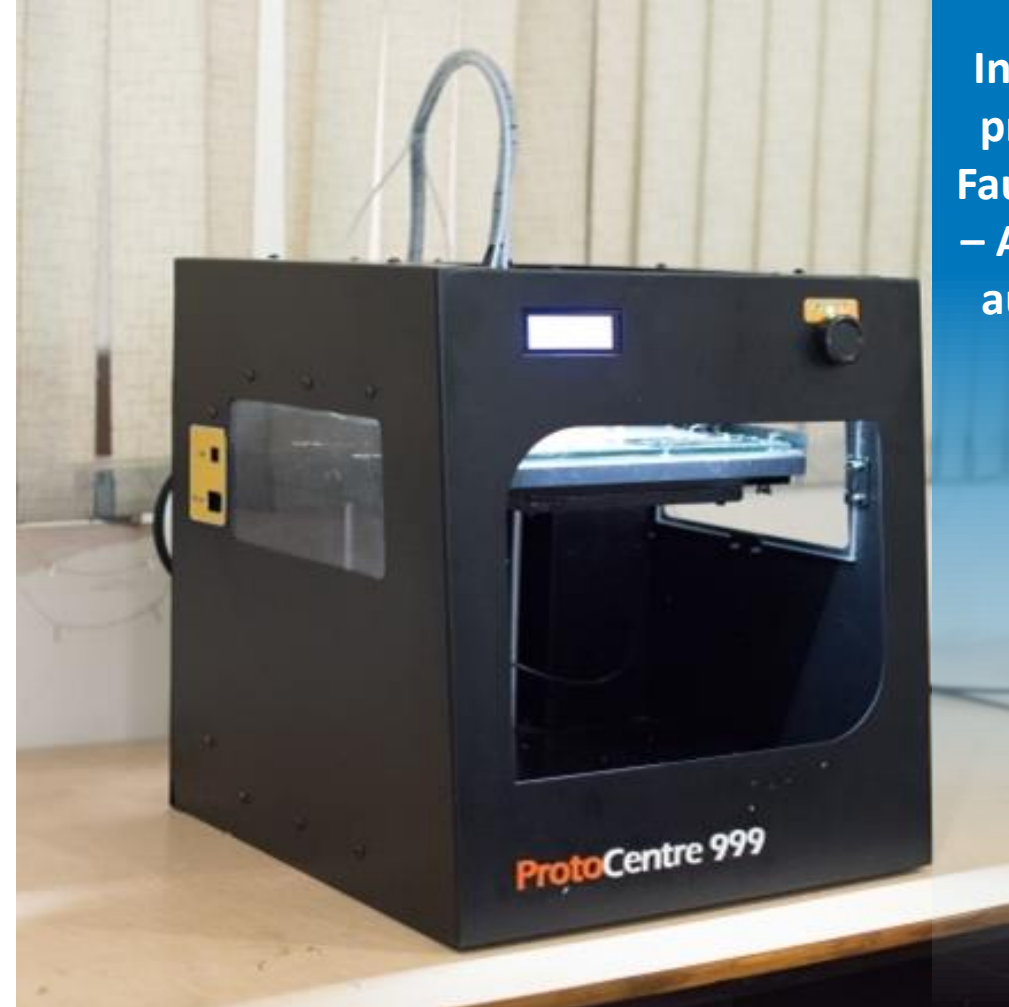
Design Excellence and deep technology imprint

CERA

First Sanitaryware Company to design and install 3D printers



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



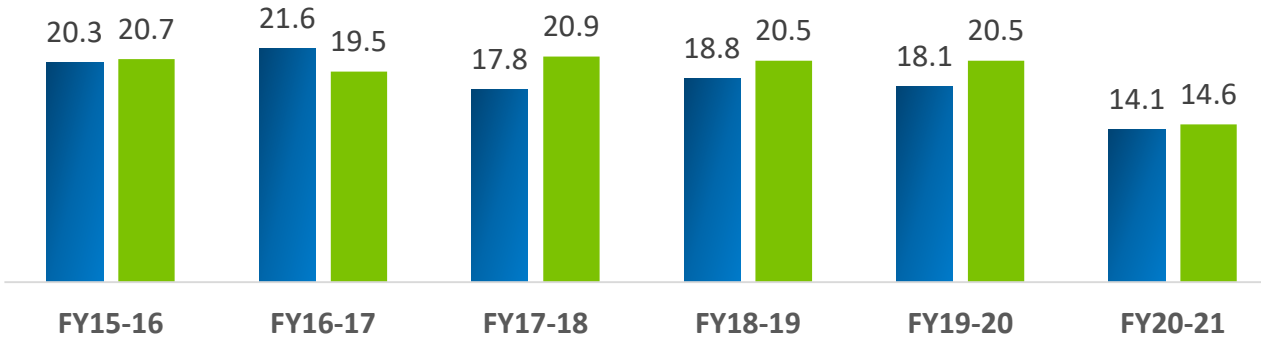
Successfully installed 3D printers which has considerably shortened the duration for conversion of concept into launch for new designs



Concerted Focus on ESG... 1

Annual Green Energy Generation & Consumption Mill KWH

■ Generation ■ Consumption



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

Concerted Focus on ESG... 2

Social

- CERA is involved in various social welfare activities and has always considered social contribution a primary objective
- Encouraging of diversity of religion and gender in the organisation
- Regularly undertakes Education Programmes, Health Programmes, Skill Development classes and distribution of scholarships under its CSR programme



Governance

- Adhering to Best Corporate Governance Practices since inception
- High Ethical standards followed in dealings with all stakeholders
- Clean Balance Sheet: No major qualification by Auditors in the Company's history



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



Comprehensive geographical footprint



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

152 CERA Style Galleries
14,000 + Trade Partners

Gearing up with increase in sales and trade	
Network as on Mar. 2021	
	Total*
Dealer	3,985
Retailer	11,306
Total	15,291

After-sales team strength – Mar. 2021	
357	

**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

- **10 CSS:** Ahmedabad/Bangalore/Chennai/Mumbai/Kolkata/Morbi/Thiruvananthapuram/Chandigarh/Hyderabad/Cochin
- 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

- **152 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 430 Style Centre operational
- Over 600 CSCs planned in the next 2 financial years
- Retailer does not have to pay for display furniture



Multi layered Marketing Activities.. 4

CERA

Consistent investments in several Branding and promotional activities to enhance overall market potential by:

- Creating a strong brand recall in consumers minds

CERA celebrates homes with 'Kuch Pal Ghar Ke Naam' campaign



- The recent multimedia campaigns have been featured in TV commercials, press, outdoor pieces and digital
- The three film ad campaigns beautifully showcases CERA's range of Tiles, Faucets and Sanitaryware

Multi layered Marketing Activities.. 5

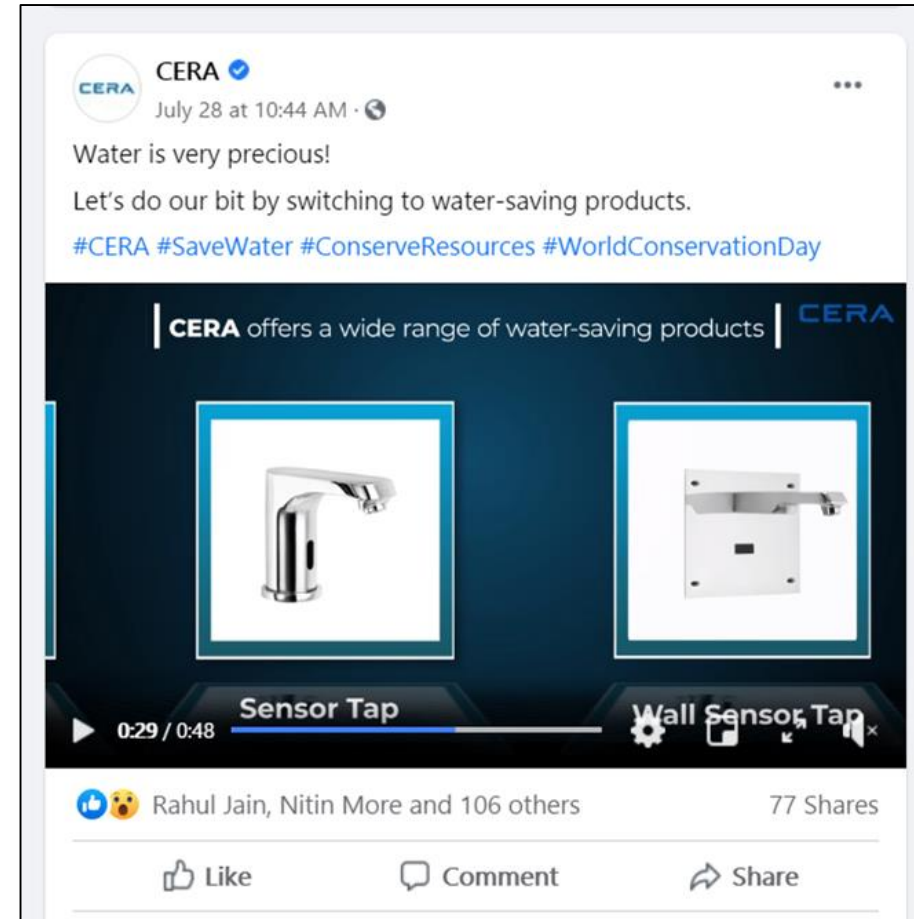
Cera's recent digital campaigns are based on products with future ready technology and communications aligned with current trends



#VocalAboutLocal



'Cera Live' - an initiative in which buyers can see products through video call



Products with future ready technology

'Cera' brand active on multiple Social Media platforms

Customer Focused and Customer Centric

After Sales Servicing Team – On Company's Books

- 13 service offices
- 41 officers attending technicians
- 316 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

Nationwide Toll free number
1800 258 5500



Customer App

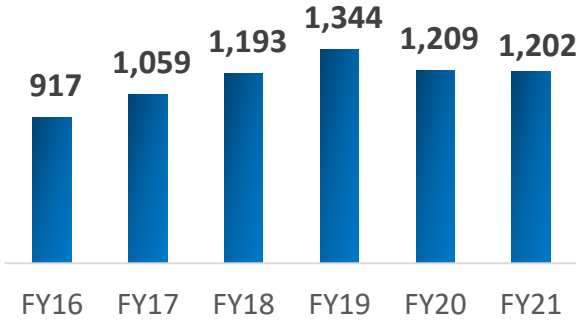


Dealer App

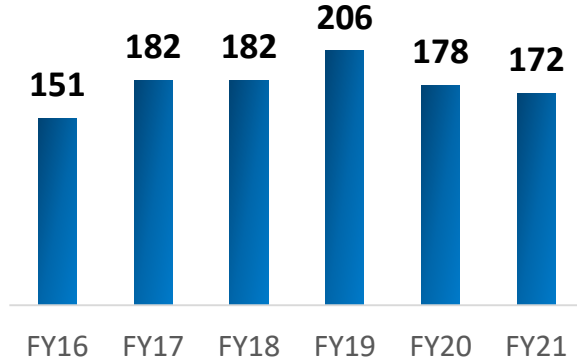
Financial Overview



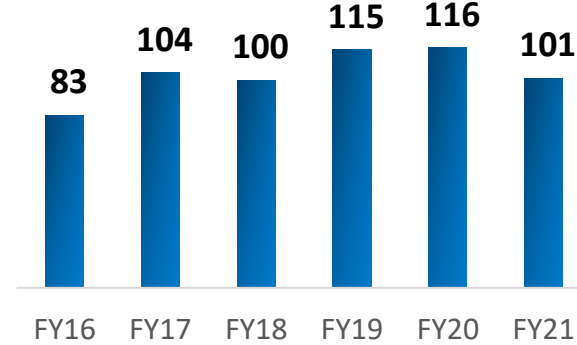
Revenue (Rs. in crore)



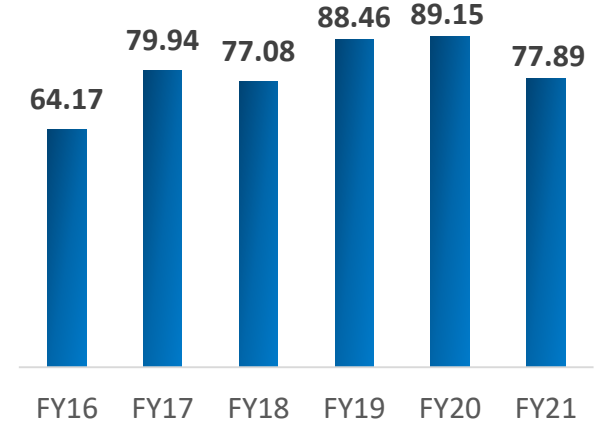
EBITDA (Rs. in crore)



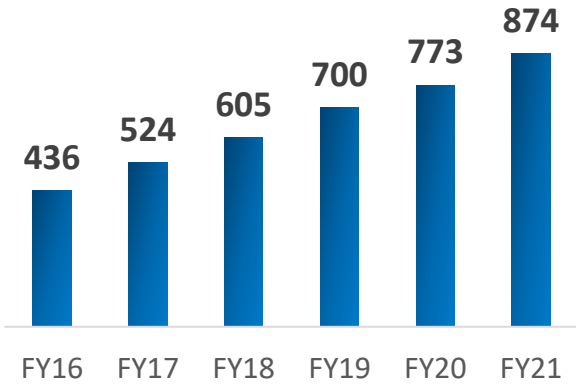
PAT (Rs. in crore)



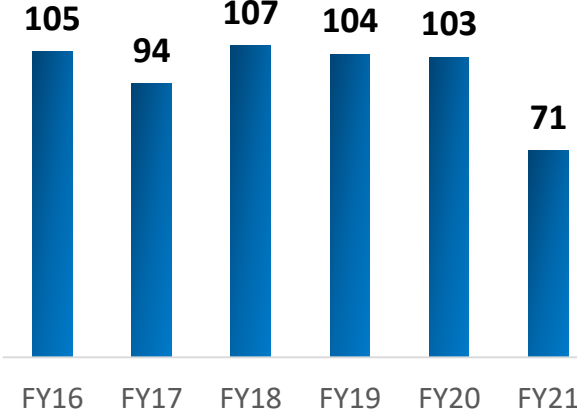
EPS (in Rs.)



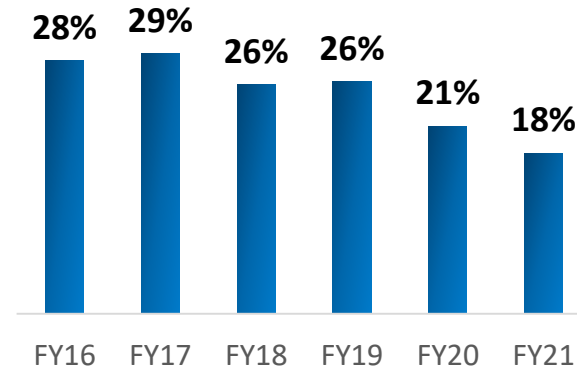
Networth (in crore)



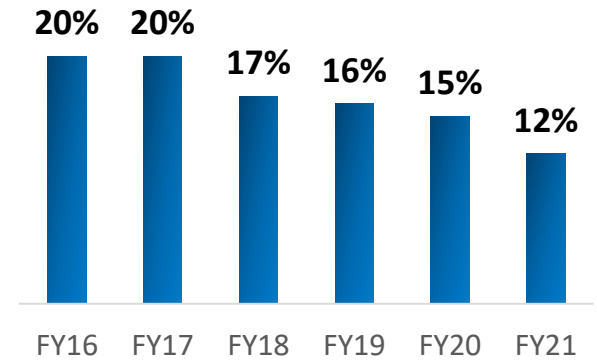
Working Capital Days (net)



ROCE (%)



ROE (%)



Abridged P&L – Standalone – Period ending 31 March 2021

Particulars (Rs. crore)	Q4 FY20	Q4 FY21	Y-o-Y Shift	FY20	FY21	Y-o-Y Shift
Revenue from Operations	293.24	431.37	47%	1209.16	1201.71	(1%)
Other Income	4.25	2.47	(42%)	15.56	21.79	40%
Total Income From Operations (Net)	297.49	433.84	46%	1224.72	1223.50	(0.1%)
Total Expenditure:	250.84	368.23	47%	1047.04	1051.75	0.5%
Raw Material expenses (costs of material consumed)	139.09	227.77	64%	585.18	647.30	11%
Employee benefits expense	38.68	42.84	11%	160.40	144.33	(10%)
Other expenses	73.07	97.61	34%	301.45	260.12	(14%)
EBITDA (includes Other Income)	46.65	65.62	41%	177.68	171.74	(3%)
EBITDA margin (%)	15.7%	15.1%	(60 bps)	14.5%	14.0%	(50 bps)
Finance Costs	1.16	1.38	19%	4.40	4.27	(3%)
Depreciation and Amortization	9.05	8.39	(7%)	32.67	33.23	2%
PBT	36.44	55.84	53%	140.61	134.24	(5%)
Tax expense	-2.03	12.83	(732%)	24.67	32.94	34%
PAT	38.47	43.02	12%	115.94	101.30	(13%)
PAT margin (%)	12.9%	9.9%	(300 bps)	9.5%	8.3%	(120 bps)

Note: Due to Implementation of Ind AS 116 on Leases there has been an increase in EBITDA and Depreciation. Net Impact on PAT is negative in the initial years. Results are not strictly comparable with the prior period.

Thank You

For further information, please contact:

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