

# CERA

*IT'S A STYLEWARE, NOT SANITARYWARE*

## Cera Sanitary Limited

ANALYSTS MEET

**24.05.2016**

# CERA

A warm welcome  
to  
all the invitees

## Star SME Award from Business Standard 2016



# CERA CMD conferred Business Knights award 2015





# CERA is best mid-sized Company 2015



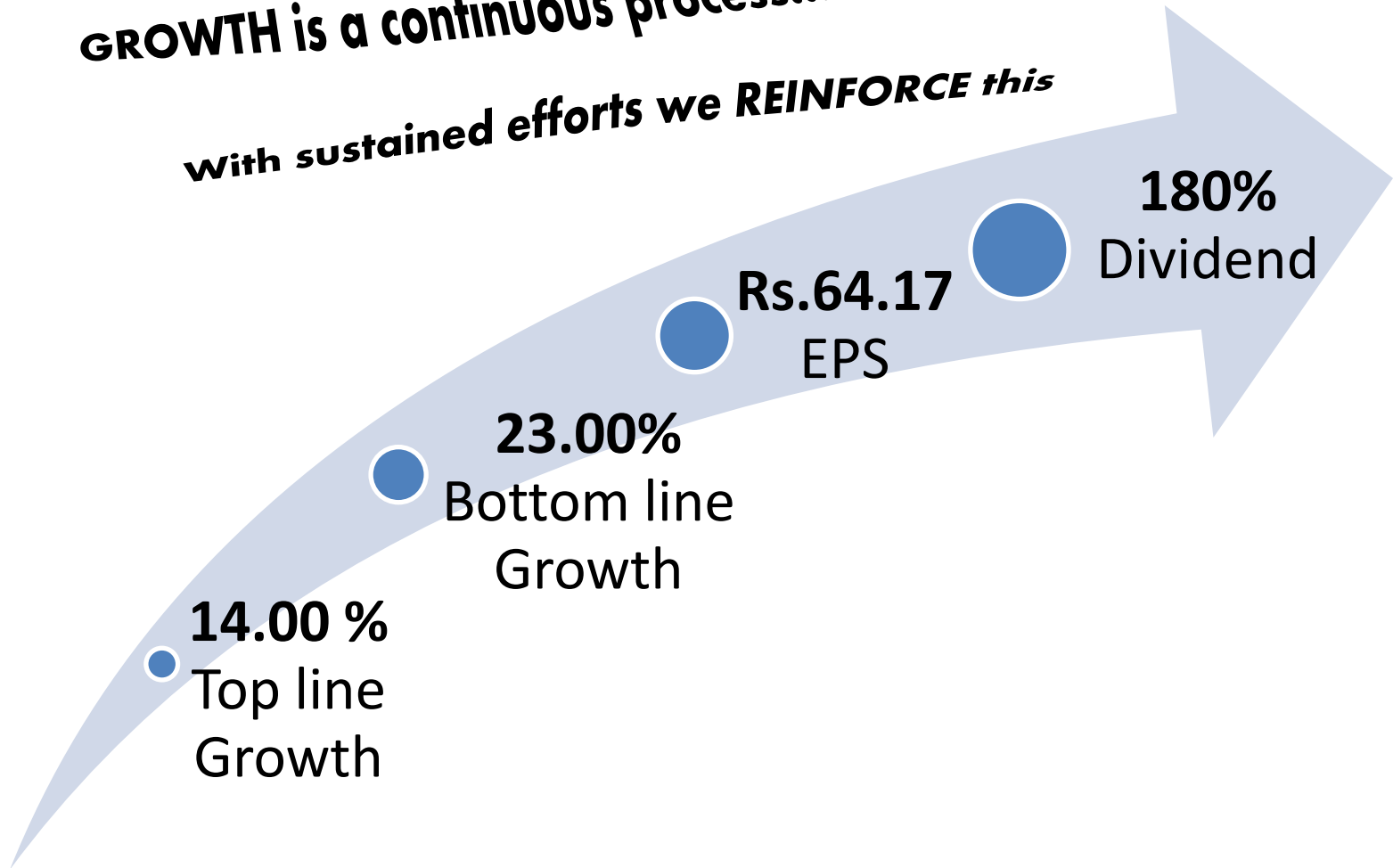


## Disclaimer

*Certain statements in this release concerning our future growth prospects are forward-looking statements within the meaning of applicable securities laws and regulations. These statements involve a number of risks and uncertainties, beyond the control of the Company, that could cause actual results to differ materially from those appearing 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, intense competition including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, political instability, managerial limitations and legal restrictions of acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. **Cera Sanitaryware Ltd.** may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company, as a sequel to or in continuation of these statements. The Company also expects the media to have access to all or parts of this release and the management's commentaries and opinions thereon, based on which the media may wish to comment and/or report on the same. Such comments and/or reporting maybe made only after taking due clearance and approval from the Company's authorized personnel. The Company does not take any responsibility for any interpretations/views/commentaries/reports which may be published or expressed by any media agency, without the prior authorization of the Company's authorized personnel.*

**GROWTH is a continuous process...**

**With sustained efforts we REINFORCE this**



**CERA**

**Introduction**

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**About Cera Sanitaryware Ltd.**



## Promoters

1

- Mr. Vikram Somany - Chairman & Managing Director
- Mrs. Deepshikha Khaitan – Vice Chairperson ( Non Executive) & Director

2

- Mr. Somany and his family owned investment companies hold promoters interest to the tune of **54.74 %**

## Management

1

- Mr. Vikram Somany - Chairman & Managing Director
- Mrs. Deepshikha Khaitan – Vice Person-( Non Executive) & Director

2

- **Key Management :-**
- Mr. S C Kothari - CEO
- Mr. Atul Sanghvi - Executive Director
- Mr. Bharat Mody – Strategic Adviser
- Mr. R B Shah – CFO

## Leadership

1

- In pure Sanitary ware; Faucet ware and bathroom solutions space, 'CERA' is India's **largest** and '**Only**' listed Company

2

- It is third largest company in the organized sector with over 24% market share

3

- Presence across Pan India with supportive service centers

**CERA**

**Business Scenario**

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**Business Highlights**



## CRISIL INDEPENDENT EQUITY RESEARCH (IER)



**CRISIL Research** has assigned

**Fundamental grade 4/5 Valuation Grade 4/5**

to Cera Sanitaryware Ltd on the back of wide appeal of the CERA brand, established position in the organized sanitary ware industry, an extensive distribution network and stable cash flows.

CRISIL expects the sanitary ware business to grow at **20% CAGR** in the next two-three years.

### Quote

“Expansion in its product suite has benefited CERA more recently as faucets and tiles powered the growth engine amidst moderation in sanitary ware.. These segments are expected to fuel growth even going forward..”





## Growth Drivers

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- Growing affinity for branded products supported by rising disposable income has led shift from unorganized to organized segments . The trend is expected to continue which augurs well for branded players.
- Govt.'s drive to improve sanitation and developing 100 smart cities in coming years is expected to boost growth. Although it is unlikely to have direct impact on organized players, it would extend the overall addressable market
- Fresh demand from housing and real estate developers . As per industry sources India is likely to add 100 mn houses during 2011-2021 driven by Govt.'s focus on affordable housing in tier II and tier III towns
- Entry into Faucets and Tiles segment which has larger addressable market is expected to grow rapidly

## *Product Range*

1

- Vitreous China Sanitary ware

2

- Faucet ware – Chrome Plated Fittings and Taps

3

- Life style Products range like Shower Panels, Bathroom Cubicles, Bath tubs, Whirlpools - Jacuzzi, Bath fittings.

4

- Allied Products – PVC Cisterns & Seat Covers

5

- Kitchen Sinks and Bathroom Mirror

6

- Vitrified and Ceramic floor & wall tiles

## Manufacturing Facilities

1

- Manufacturing facilities for sanitary ware as well as for faucet ware are located at Kadi, Dist. Mehsana

2

- CERA is the first sanitaryware company to use natural gas

3

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

## Premium Sanitary ware

1

- 'Cera' continually strives to upgrade technology & process parameters to optimize on in-house production of quality premium sanitaryware

2

- 'Cera' also outsources its requirements of some of the premium sanitaryware, majorly from China and also from Turkey. Efforts for developing capabilities to indigenize these

3

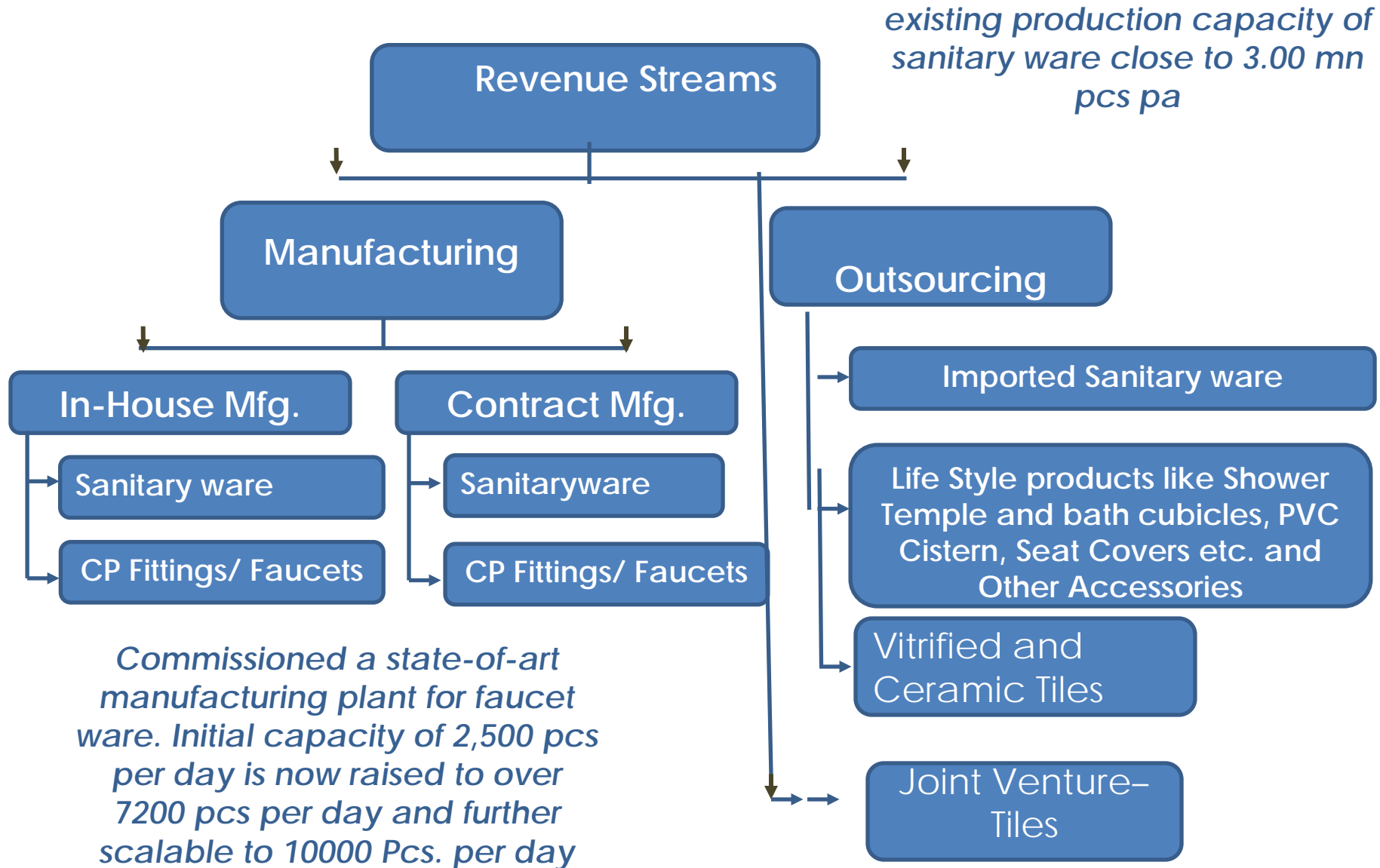
- This is to meet with customers' preferences and demand of premium and high value items.

4

- These items are manufactured, marketed and serviced under brand 'Cera'

# CERA

## Revenue Streams





# E-Commerce

The buying habits of Indian customers are changing more so in consumer goods. 'On-Line' trade has done phenomenally good these days with growing interests in quite a few product categories.

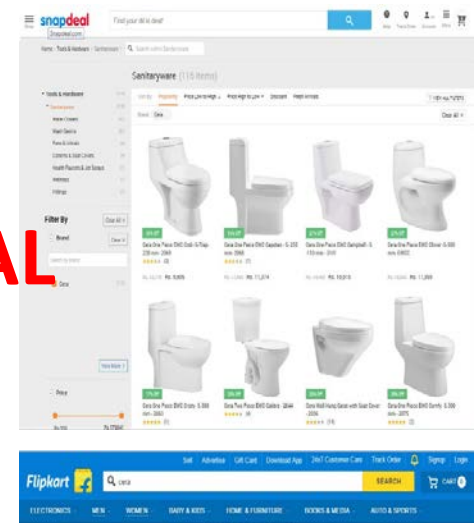
CERA's products are classified under consumer durables and fits in to the category for 'E Commerce' business platform. Serious efforts are being worked out to structure modality of providing wide range of products across overcoming geographical barriers with service supports.

CERA is the first to initiate and provide on its website 'On-line' support to a concept – 'DESIGN YOUR OWN BATHROOM' with 3-D designing concept and has found favors with many end user customers.

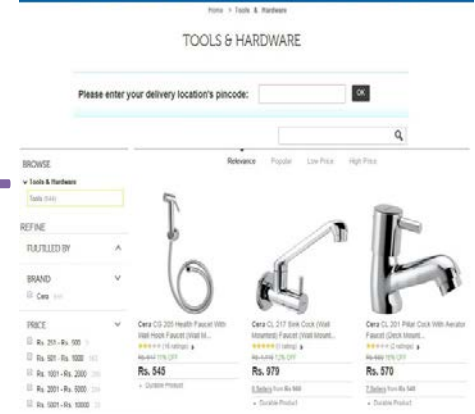
CERA is currently using the E Com platforms such as Amazon, Snap-deal and Flip-kart to sell its products.

These platforms, more than generating sales volumes, offer good visibility to the brand

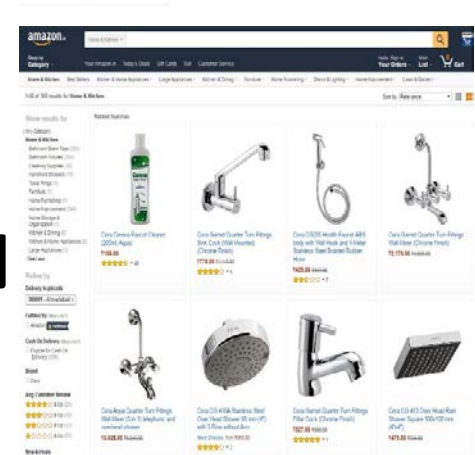
# SNAPDEAL



# FLIPKART



# AMAZON



# JOINT VENTURE WITH ANJANI TILES LTD.



CERA, as policy, has decided to ride high on its strong 'Brand' image and perceptions, more so in case of Product such as TILES where manufacturing is well supported by trusted international technology. The industry has Witnessed, for many years, a proven business model of Joint Venture 'JV' and the same is successfully practiced by industry leaders in this country. After testing the market for more than three consecutive years with encouraging growth on pure 'outsourcing' business model, the management is convinced that the base needs to be enlarged with manufacturing and capacity building under its control. 'CERA' found promoters of Anjani Tiles a perfect set of people to become 'JV' partners who possess solid experience and capability in manufacturing tiles of every category. 'CERA' has settled with controlling interest in ATL leaving operational manufacturing responsibility with the other partner as it would buy out entire production to be marketed under brand CERA thru its wide spread distribution network.

The plant is commissioned for commercial production on April 01, 2016 with initial capacity of 10,000 sq mtrs. per day and is located at Dist Nellore in Andhra Pradesh more close to Chennai as primarily it would help serving southern market with many commercial advantages.

What is more encouraging is the scalability at the same location.

# ISVEA



The rationale for a tie-up with ISVEA is to add flavor in a step towards product premiumization more so with Sanitaryware to help enhance CERA's strengths further to combat competition from global players. With the advent of several MNC brands, the luxury segment of sanitary ware was being captured by them. It was, therefore, necessary for CERA to protect its turf in the luxury arena to bring in an international brand, and thus ISVEA was brought in. ISVEA is a 55 year old Italian luxury designer sanitary ware and complements CERA perfectly by competing with other international brands. "The brand, which has successfully passed through many stages, and symbolized by the Phoenix, telling us that what we are searching for at far away distances is actually very close, inside us, and representing rejuvenation, aiming to offer a completely different bathroom experience - ISVEA.." "The Italian ISVEA has been founded in 1962, in the surroundings of Eusanio Del Sangro at a distance of 200 km to Rome. It has started production as the 7th vitrified ceramic company of Italy, which is the world leader in the field of ceramics, and has continued its activities as a typical Italian producer.

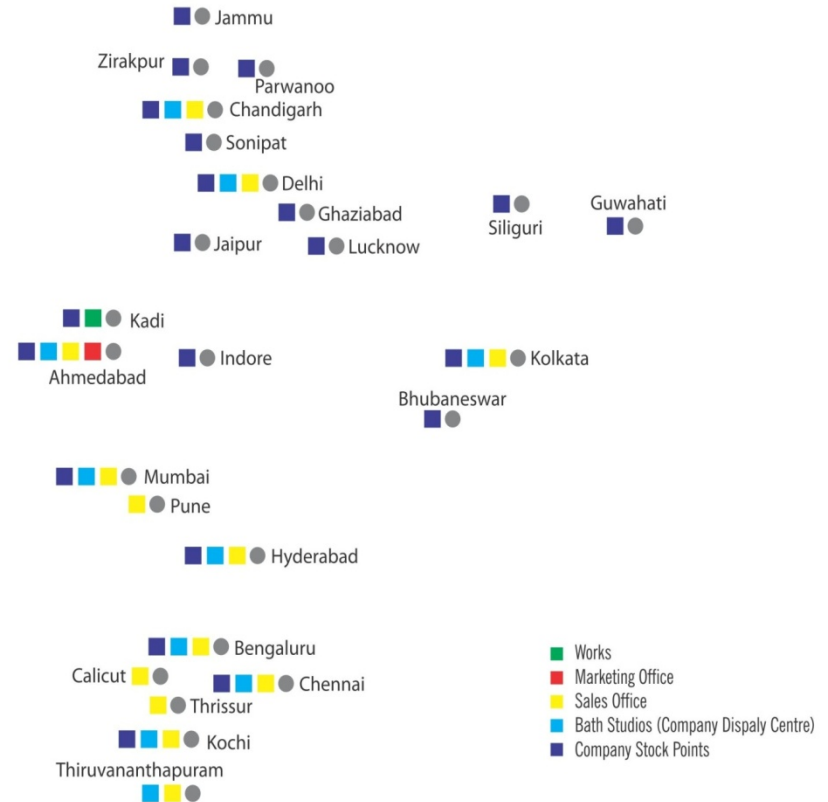
# CERA

## Strong Marketing and Distribution Network

Cera enjoys a strong distribution network with **1500 + Distributors / Dealers** (authorized stockiest) and **15000 + retailers**.

To supplement the distribution network, the company has **20 major stock points** all over India. Cera also has **19 Zonal Sales, Service Offices, 10 CERA Style Studios and over 100 CERA Style Galleries** across the country.

A major marketing exercise of expanding dealer and retailer network is in progress. The company has also been sponsoring TV programs, arranging architect, developer and plumber meets on regular intervals to build on its brand image in the market.



The strong and wide spread marketing and distribution channel has been a major contributing factor to successfully introduce new and innovative products in the market

## Cera Growth Trajectory

Capacity expansion in SW from 0.3 mn pcs p.a. in 1979-80 to 3.00 mn pcs. p.a. achieved in 2013-14

1979-80  
Incorporation as Madhusudan Ceramics a Unit of Madhusudan Industries limited consisting of Oil division and ceramic division with capacity of 300,000 pcs p.a.

1995-96  
The company established its outsourcing division with the initial turnover of ₹ 13.72 Mn. Manufacturing capacity increased to 1,250,000 pcs pa.

2001-02  
Demerger of Madhusudan Industries and transfer of business of Ceramic division to form Cera Sanitaryware Ltd.

2005-06  
Undertook expansion of Rs. 140 Mn. and started the concept of Bath Studios with the first studio at Ahmedabad.

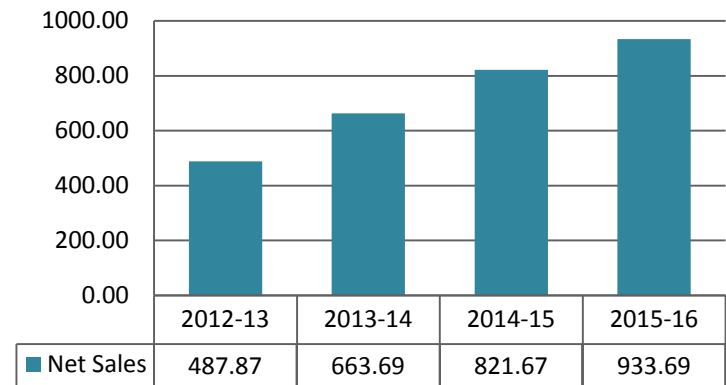
2006-07  
Undertook expansion of Rs. 127 Mn and increased capacity to 1,375,000 pcs pa.

2007-08  
Installed Captive Power Plant (gas based) at Kadi and wind-turbine generator for ₹ 312 mn and increased capacity to 2,000,000 pcs pa.

2010-11  
Successfully commissioned manufacturing plant for Faucet ware with initial capacity of 2500 pcs per day . Scalable to 10000 pcs per day

*Over the decades, the Company has progressed from a sanitaryware manufacturer to a provider of Bathroom and Kitchen solutions by Capitalizing on a strong brand image*

Net Sales (Rs. in crores)





**CERA**

**Business Scenario**

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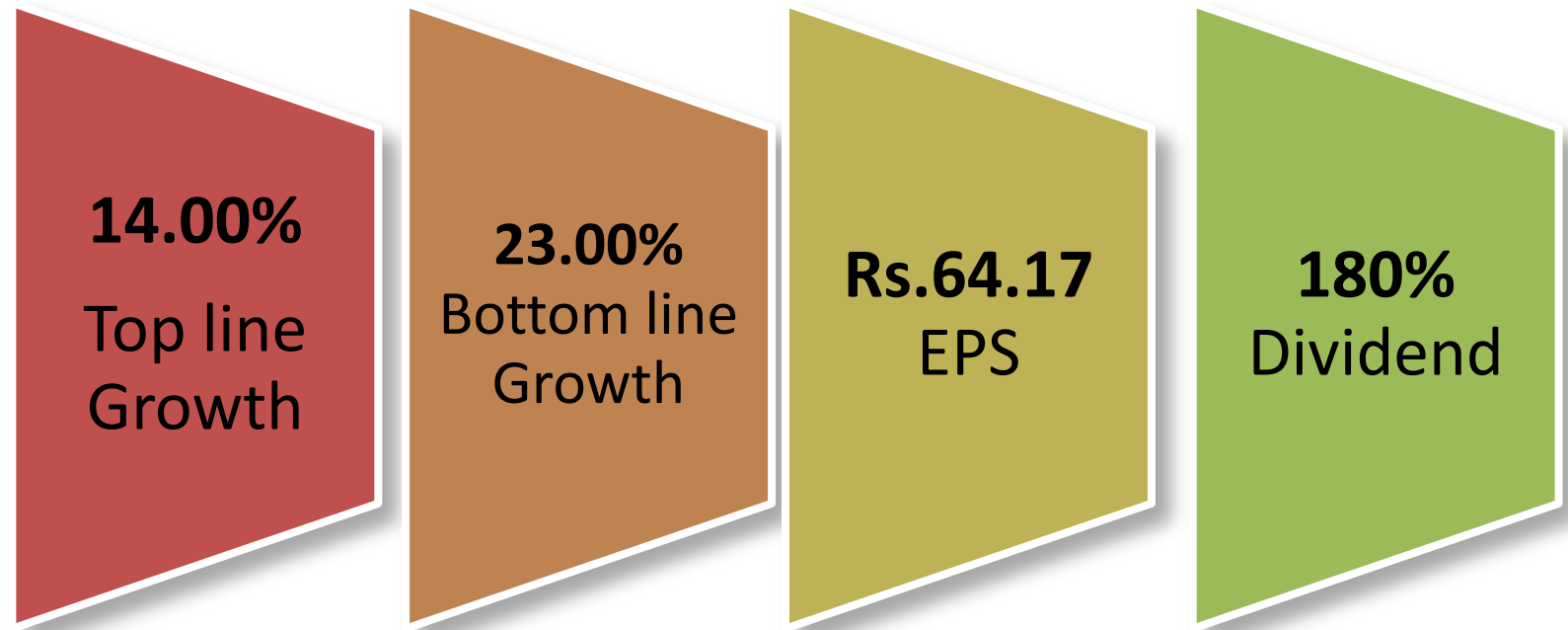
**Financial Highlights**



## Current Financials as on 31.03.2016 - Audited

<b>Particulars</b>	<b>Amt Rs. In Cr. 2014-15</b>	<b>Amt Rs. In Cr. 2015-16</b>
Total Income [Net of other Income]	<b>821.67</b>	<b>933.69</b>
EBITDA	<b>124.11</b>	<b>151.25</b>
Net Profit	<b>67.66</b>	<b>83.46</b>
Cash Profit	<b>83.12</b>	<b>106.35</b>
EPS	<b>53.36</b>	<b>64.17</b>
Cash EPS	<b>71.87</b>	<b>81.77</b>

# CERA



**GROWTH is a continuous process...**  
**We REINFORCE this with our endeavours**



# Current Financials for Q IV of FY 2015-16

Particulars	Q IV 2014-15	Q IV -2015-16
Total Income	250.44	280.59
Net Profit	22.12	29.80
Cash Profit	28.60	35.19
EPS	17.33	22.92
EBDITA	38.31	51.73

## Historical Financials

### Amount Rs. In Crores

Particulars	2012-13 Rs. In Cr	2013-14 Rs. In Cr	2014-15 Rs. In Cr	2015-16 Rs. In Cr
Share Capital	6.33	6.33	6.50	6.50
Net Worth	179.50	223.97	351.71	421.02
Gross Block	179.62	216.88	295.57	307.12
Net Sales	487.87	663.69	821.67	933.69
Total Income	496.86	669.84	828.26	943.66
EBIDTA	84.31	101.08	124.12	151.25
Post Tax Profit	46.20	51.91	67.66	83.46
Book Value (in ^)	141.84	176.98	270.42	323.71
EPS (in ^)	36.51	41.02	53.36	64.17
EBITDA (as a % of Net of Other Income)	17.28%	15.23%	15.11%	16.20%
PAT % (as a % of Total Income)	9.30%	7.75%	8.17%	8.94%
RONW % (PAT/ NW)	25.74%	23.18%	19.24%	19.82%



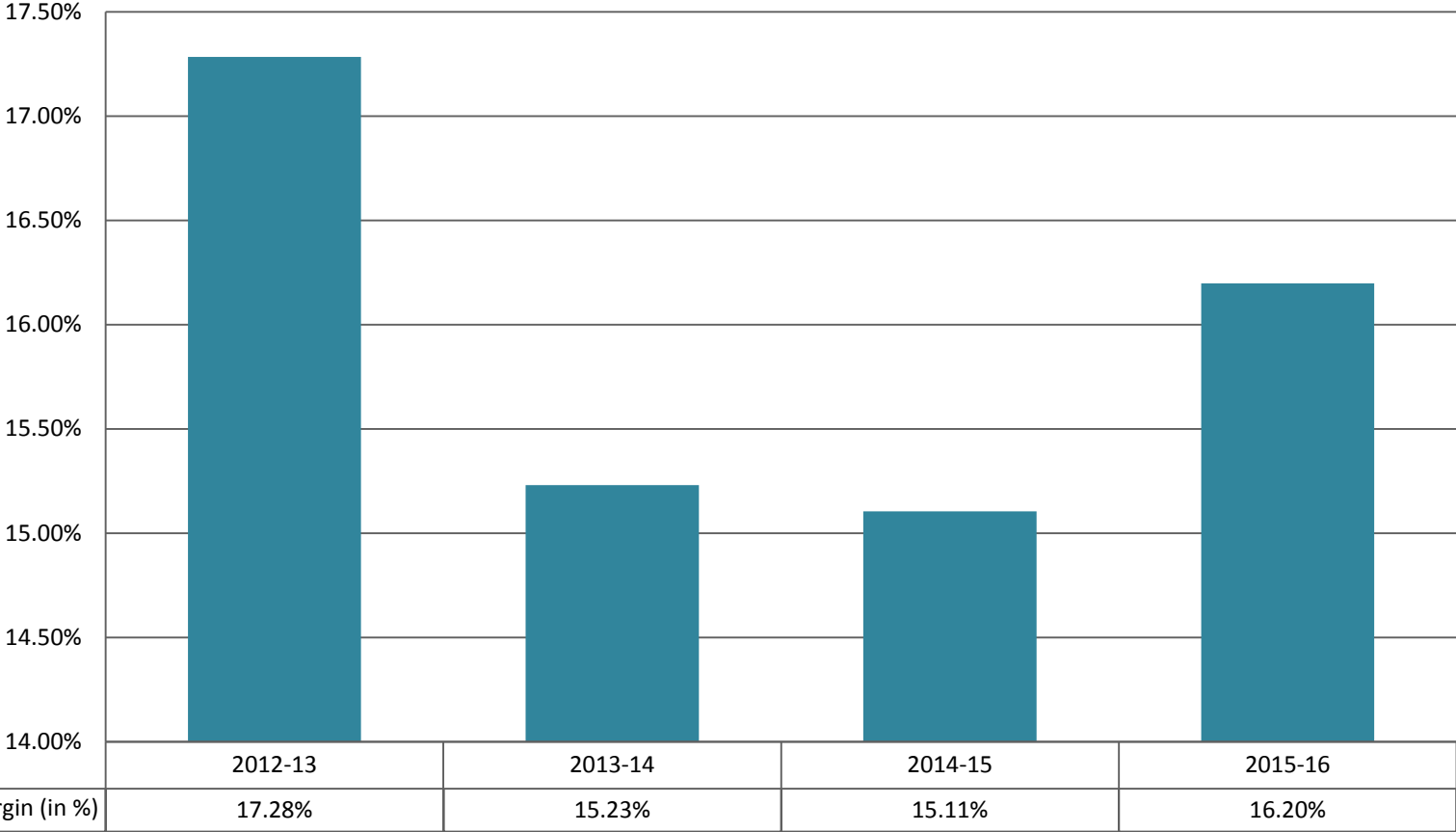
# Some Financial Important Ratios

Amount - Rs. Crore.

Sr. No	Particulars	F Y 2013-14	F Y 2014-15	F Y 2015-16
1	Gross Revenue	663.69	821.67	933.69
2	Book Value of Assets	176.98	270.42	323.71
3	Working Capital	136.70	219.29	288.29
4	Long Term Debt	14.89	23.14	14.24
5	Net worth / Share Holders' Fund	223.97	351.71	421.02
6	Asset T/O Ratio	4.23	3.70	5.06
7	Working Capital T/O	4.86	3.75	3.24
8	Equity to debt Ratio	1:0.07	1:0.07	1:0.03



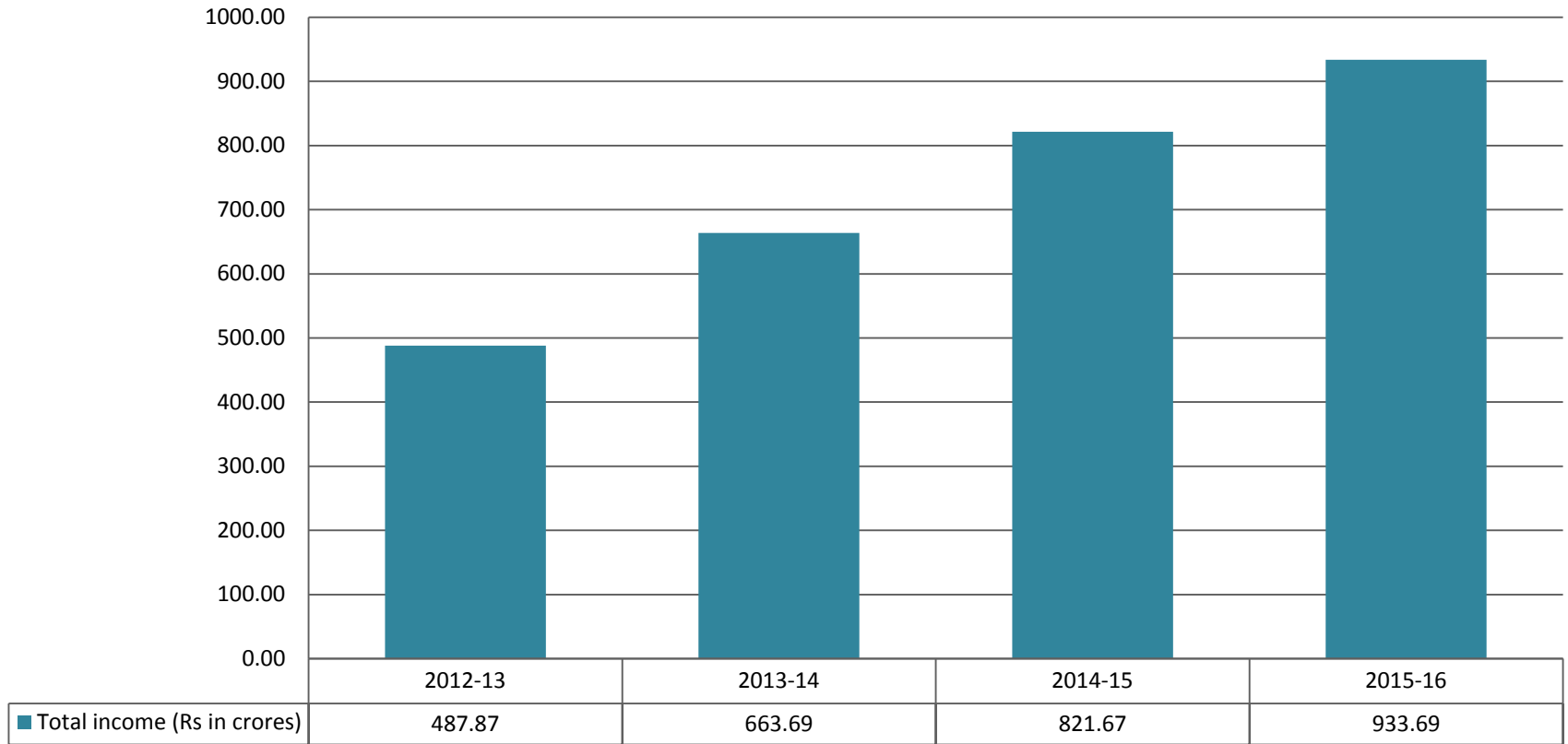
### EBDITA Margin (in %)





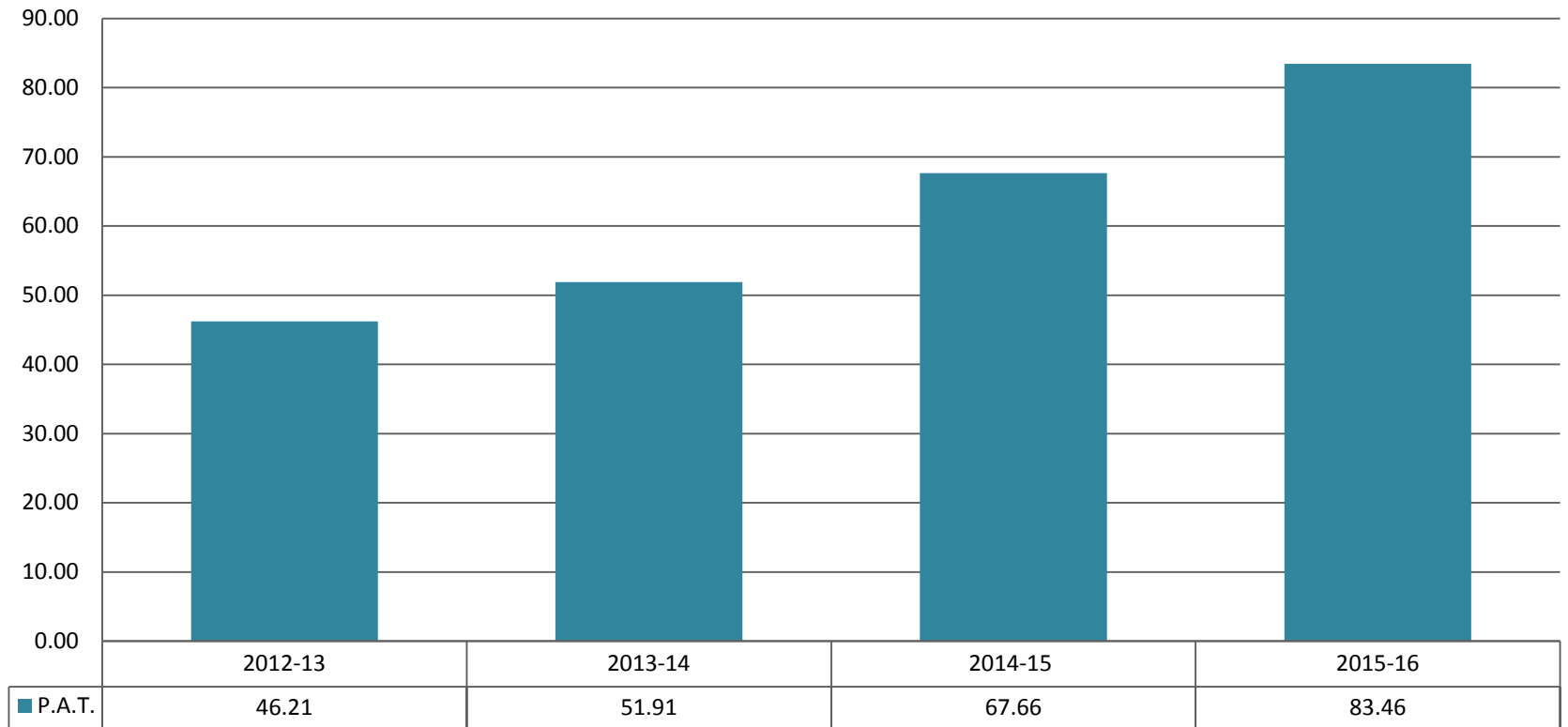


## Total Income (Rs. in Crores)



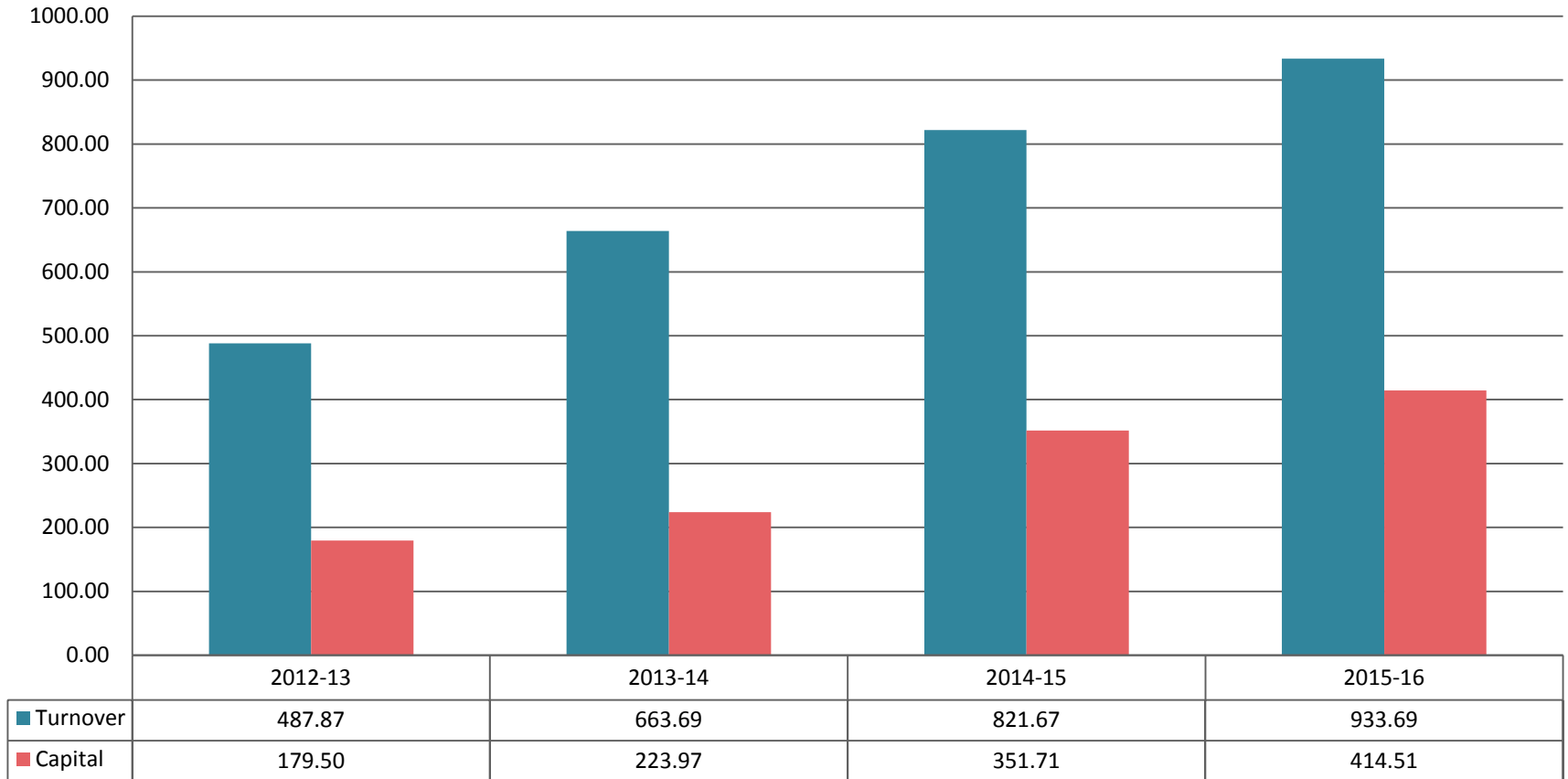


## Profit after tax (Rs. in crores)

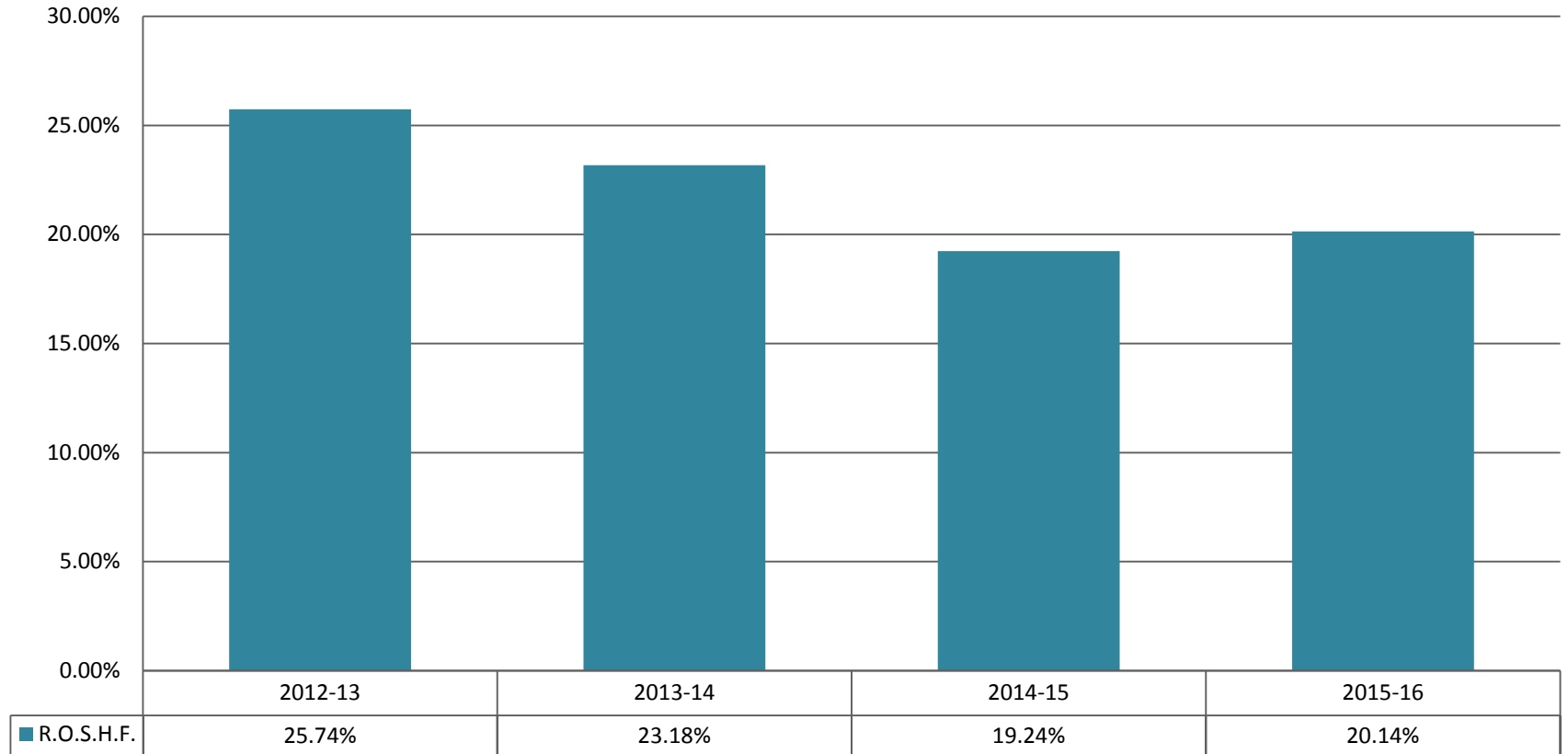




## Capital and Turnover [Rs. In Cr.]

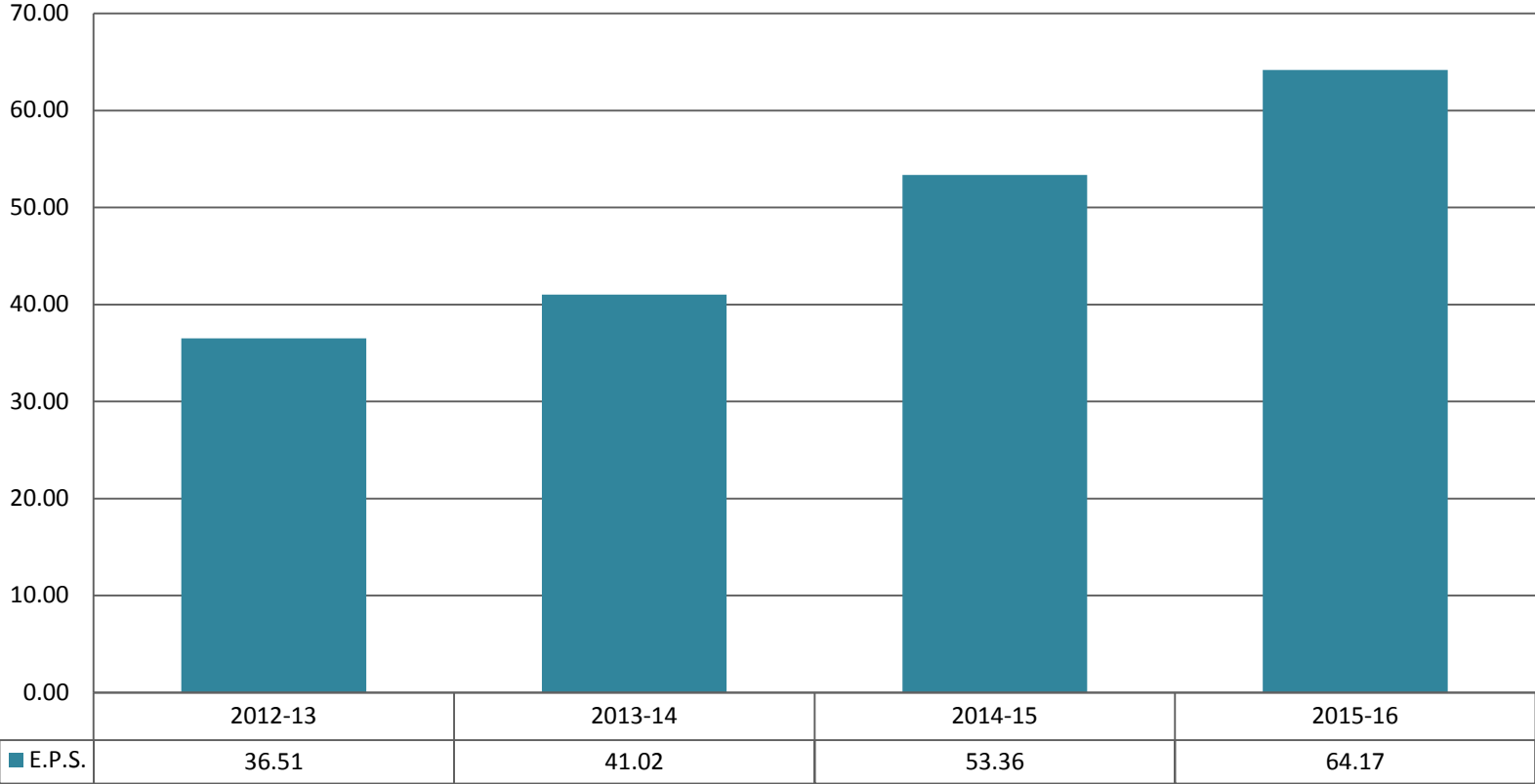


## Return on share holders fund (in %)



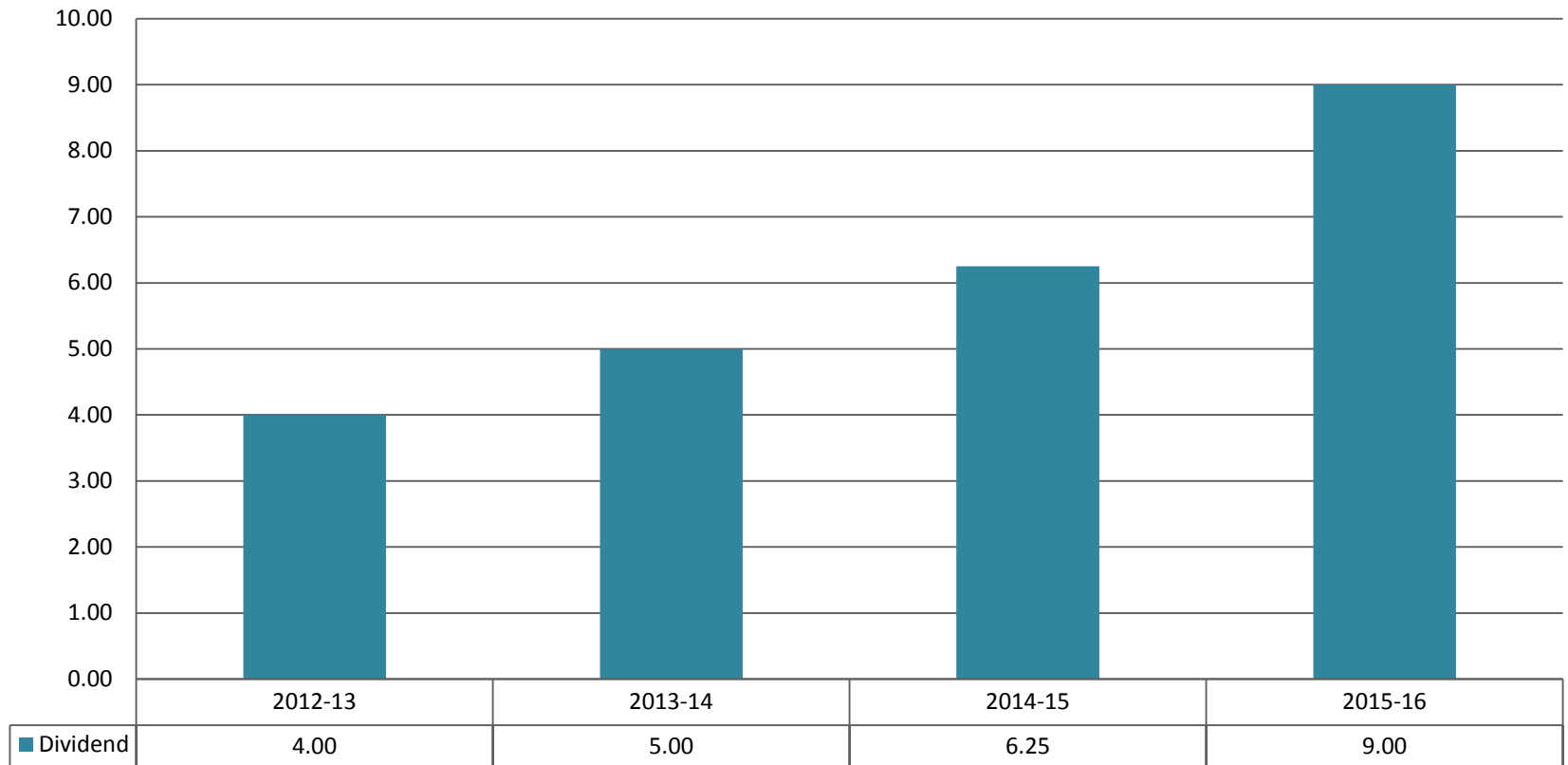


# Earnings Per Share





## Dividend Per Share



**Dividend for the year 2015-16 as recommended  
by BOD of 180 % is subject to approval of  
Share Holders in the ensuing AGM**

**CERA**

**Business Scenario**

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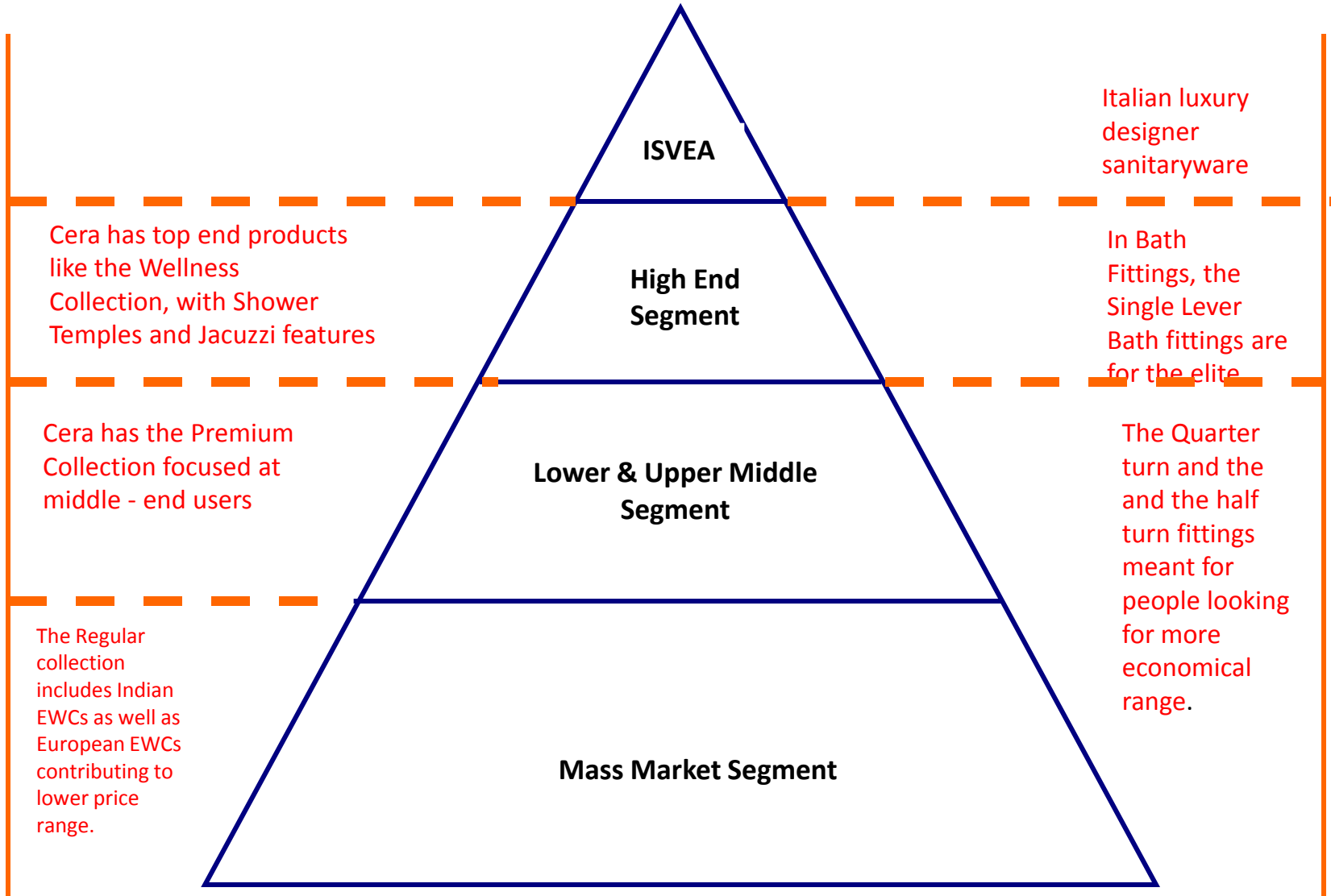
**Product Positioning**



## Product Mix

Sanitaryware

Bath Fittings



*Cera has a product mix that caters to all Segments of Market*



**CERA**

## New Snow White Ad featuring Sonam

Sonam Kapoor and CERA find a common connection with the brand's core value, Style.

“My favourite fashion recommendation for the season? Snow White! Inspired by my Cera Snow White.”

**CERA**  
Reflects my style

[www.cera-india.com](http://www.cera-india.com)

**CERA**

“My favourite metallic jewellery...  
is inspired by my stylish Cera Faucets”

## New Faucets Ad featuring Sonam

Sonam is the perfect brand fit for CERA as she is extremely talented, sophisticated and a style inspiration for everyone in the country.

**CERA**  
Reflects my style

[www.cera-india.com](http://www.cera-india.com)



**CERA**  
Wall & Floor Tiles

What do your tiles say about you?

That you know your colours and shades?  
And that you have a style all your own?



*CERA reflects my style.*

*Sonam Kapoor*

www.cera-india.com

Cera's range of tiles for your home speaks volumes about you and your discernment. While you could be left speechless at their stunning beauty, the tiles, be rest assured, will say a lot about you.

adkriti/cera/tiles/AD

**CERA**

## New Tiles Ad featuring Sonam

# CERA

For any further interaction please contact  
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**THANK YOU!**