



IT'S A STYLEWARE, NOT SANITARYWARE

Cera Sanitary Limited

ANALYSTS MEET

19.05.2015



A warm welcome
to
all the invitees



The Management Team is
here to share;

Historical Performance of FY 2014-15
and a way forward..

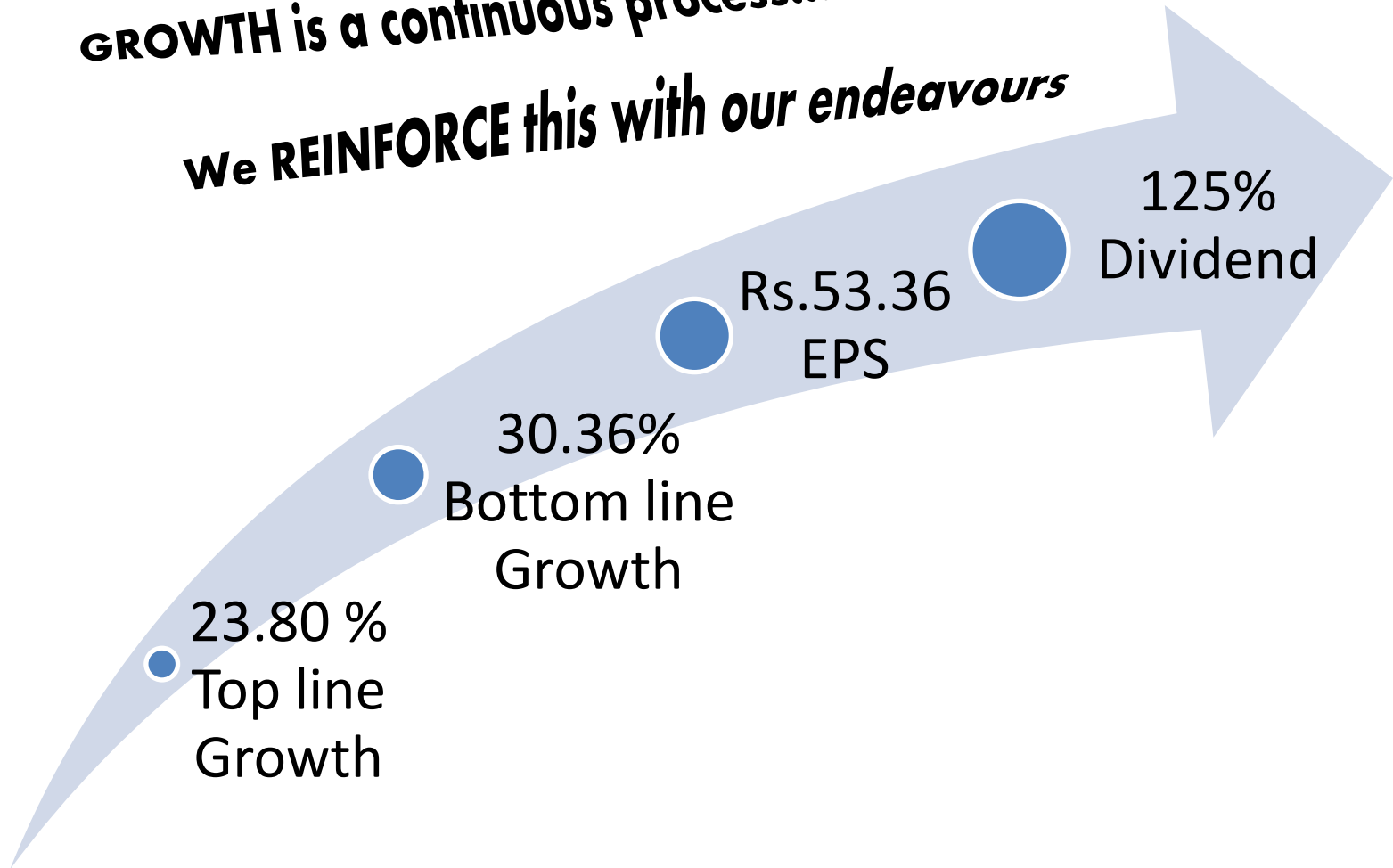


Disclaimer

*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...

We REINFORCE this with our endeavours



CERA

Introduction

About Cera Sanitaryware Ltd.

Promoters

1

- **Mr. Vikram Somany - Chairman & Managing Director**
- **Mrs. Deepshikha Khaitan - Director**

2

- Mr. Somany and his family owned investment companies hold promoters interest to the tune of **54.71 %**

Promoters

1

- **Mr. Vikram Somany - Chairman & Managing Director**
- **Mrs. Deepshikha Khaitan - Director**

2

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

Leadership

1

- In premium Sanitary-ware space, 'CERA' is India's largest and 'Only' listed Company

2

- It is third largest company in the organized sector with over 23% market share

3

- Presence across Pan India with supportive service centers



Business Scenario

Business Highlights



Business Scenario

CRISIL Research has assigned

Fundamental grade of

4/5

Valuation Grade 3/5

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

“Simultaneously, entry into faucet ware appears positive as it provides a scalable growth opportunity.. the faucet ware segment, with a larger addressable market, is expected to drive Cera’s future growth..

.. With growth in brand awareness and widening of the product portfolio, Cera’s faucet ware business is well poised to benefit from overall macroeconomic growth; we expect this segment to register 40% CAGR over FY14-16.

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

- Plant is 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

3

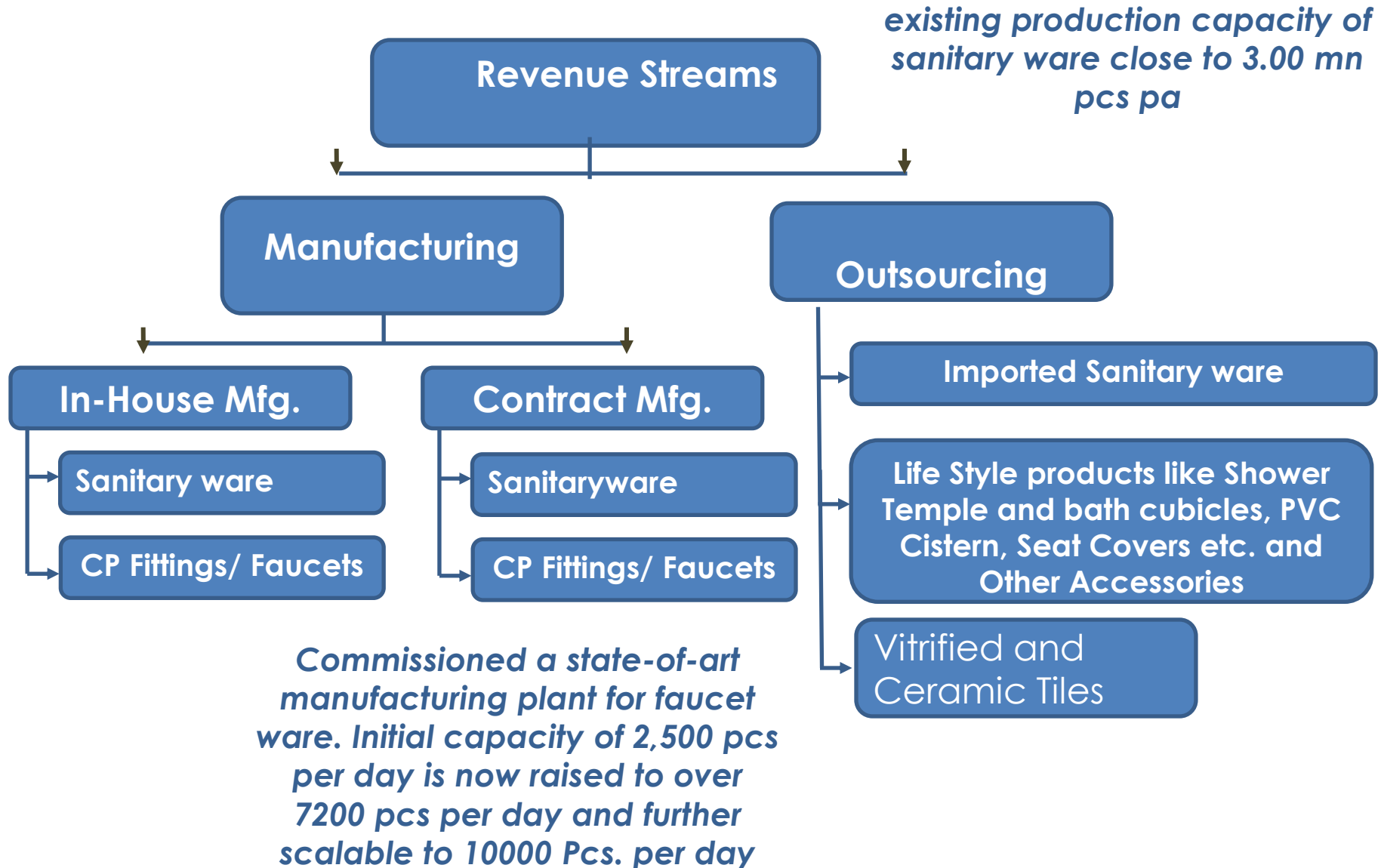
- This is to meet with customers' preferences and demand of premium and high value items.

4

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

CERA

Revenue Streams

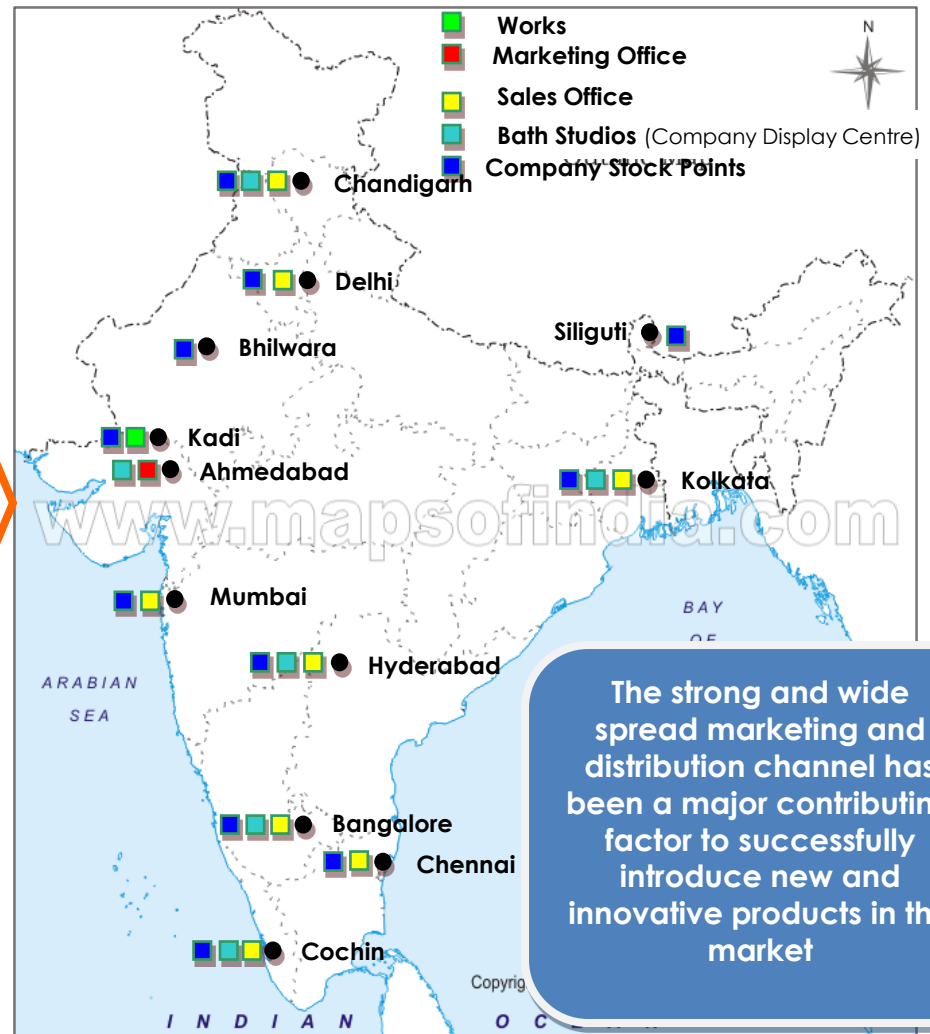


Strong Marketing and Distribution Network

Cera enjoys a strong distribution network with **1400 Distributors / Dealers** (authorized stockiest) and **14000 retailers**.

To supplement the distribution network, the company has **20 major stock points** all over India. Cera also has **10 Zonal Sales, Service offices**, & **10 Bath studios** 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 and plumber meets on regular intervals etc. to create 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.

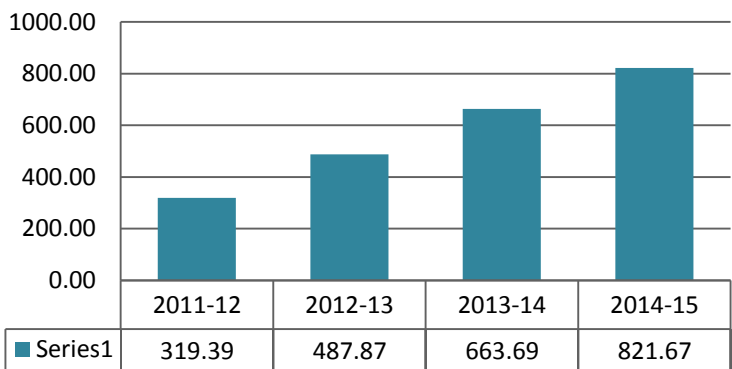
2006-07
Undertook expansion of Rs. 127 Mn and increased capacity to 1,375,000 pcs pa.

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)





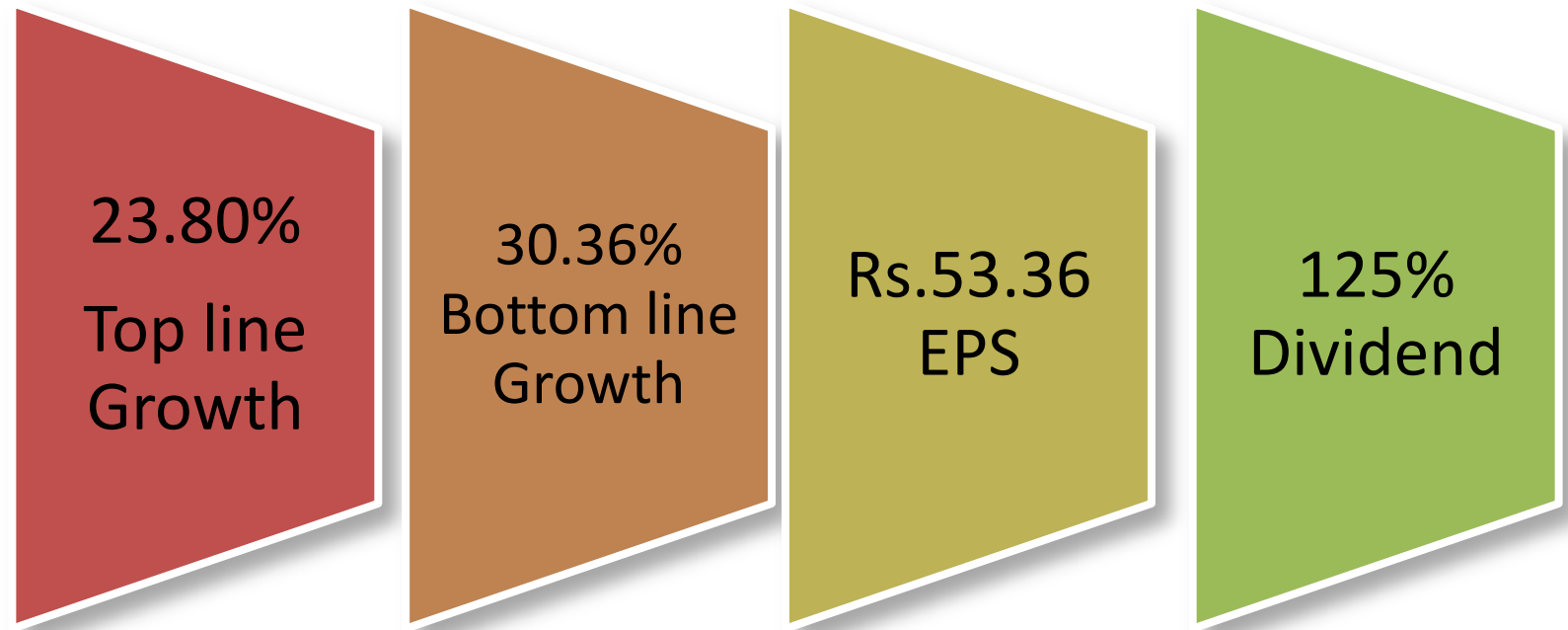
Business Scenario

Financial Highlights



Current Financials as on 31.03.2015 - Audited

Particulars	Amt Rs. In Cr. 2013-14	Amt Rs. In Cr. 2014-15
Total Income [Net of other Income]	663.69	821.67
Net Profit	51.91	67.66
Cash Profit	64.15	83.12
EPS	41.02	53.36
Cash EPS	53.84	71.87



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We REINFORCE this with our endeavours



Current Financials for Q IV of FY 2014-15

Particulars	Q IV 2013-14	Q IV -2014-15
Total Income	218.19	250.44
Net Profit	19.34	22.12
Cash Profit	24.71	28.60
EPS	15.28	17.33
EBDITA	37.09	38.31

Historical Financials

Amount Rs. In Crores

Particulars	2011-12 Rs. In Cr	2012-13 Rs. In Cr	2013-14 Rs. In Cr	2014-15 Rs. In Cr
Share Capital	6.33	6.33	6.33	6.50
Net Worth	139.18	179.50	223.97	351.71
Gross Block	143.35	179.62	216.88	295.57
Net Sales	319.39	487.87	663.69	821.67
Total Income	326.24	496.86	669.84	828.26
EBIDTA	60.20	84.31	101.08	124.12
Post Tax Profit	32.04	46.20	51.91	67.66
Book Value (in $\hat{\text{}}$) [For 2010-11 – After Bonus issue of Share at 1:1 in Sept.-2010]	109.98	141.84	176.98	270.42
EPS (in $\hat{\text{}}$)	25.32	36.51	41.02	53.36
Adjusted EPS (in $\hat{\text{}}$) Post Bonus Issue	25.32	36.51	41.02	53.36
EBITDA (as a % of Net of Other Income)	18.85%	17.28%	15.23%	15.11%
PAT % (as a % of Total Income)	9.82%	9.30%	7.75%	8.17%
RONW % (PAT/ NW)	23.02%	25.74%	23.18%	19.24%



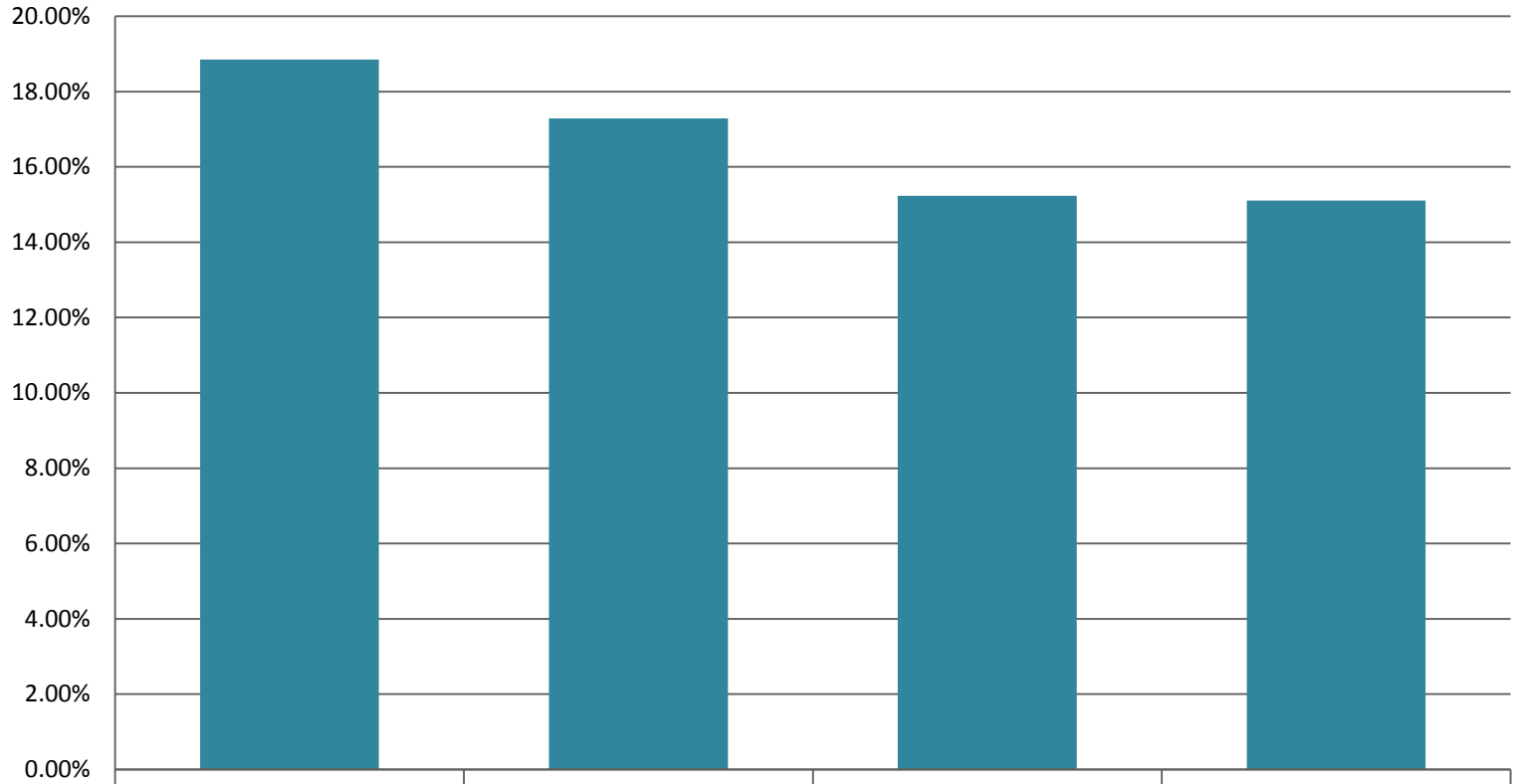
Some Financial Important Ratios

Amount - Rs. Crore.

Sr. No	Particulars	F Y 2012-13	F Y 2013-14	F Y 2014-15
1	Gross Revenue	487.87	663.69	821.67
2	Book Value of Assets	141.85	176.98	270.42
3	Working Capital	70.39	136.70	219.29
4	Long Term Debt	20.99	14.89	23.14
5	Net worth / Share Holders' Fund	179.50	223.97	351.71
6	Asset T/O Ratio	3.77	4.23	3.70
7	Working Capital T/O	6.93	4.86	3.75
8	Equity to debt Ratio	1:0.12	1:0.07	1:0.07



EBDITA Margin (in %)



■ EBDITA Margin (in %)

2011-12

2012-13

2013-14

2014-15

18.85%

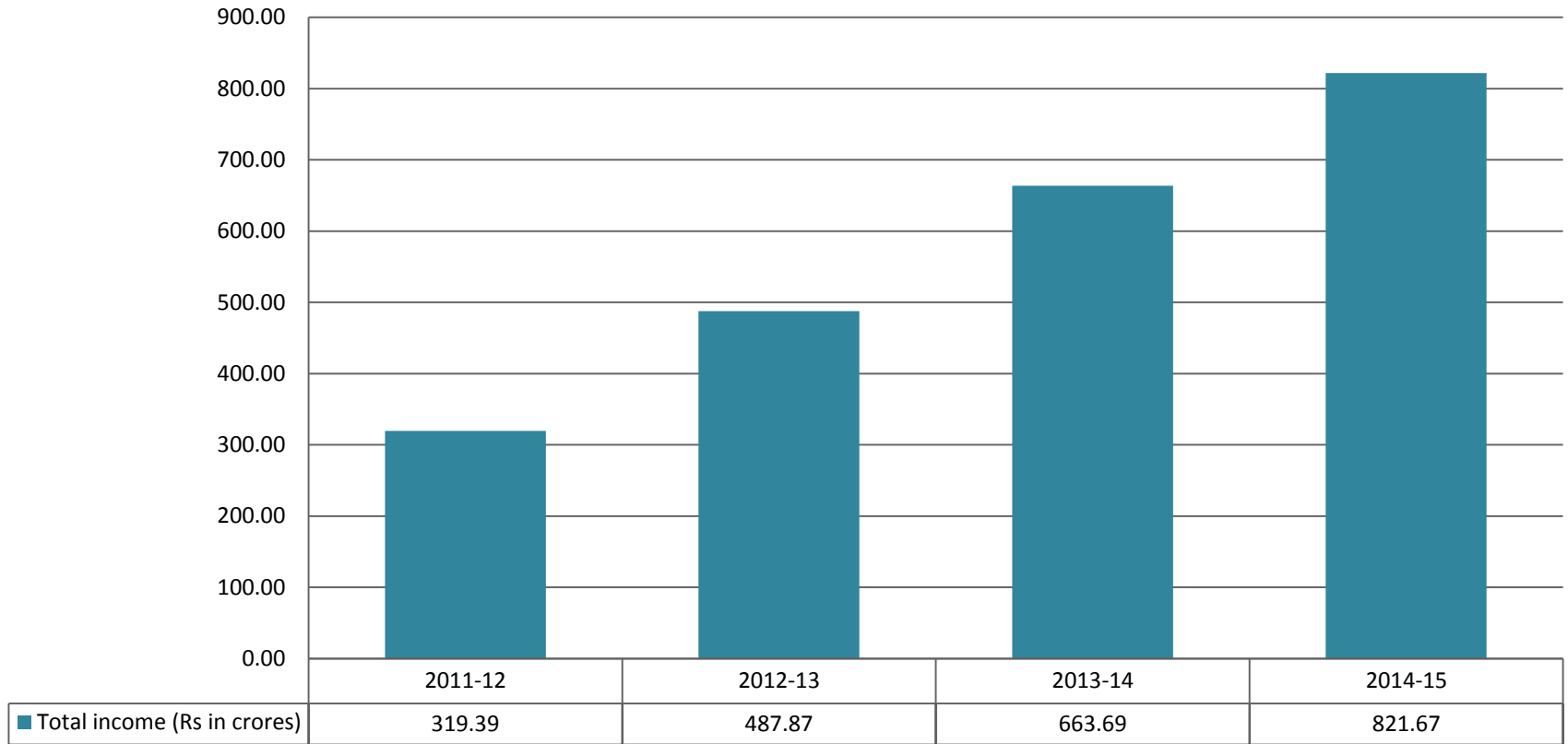
17.28%

15.23%

15.11%

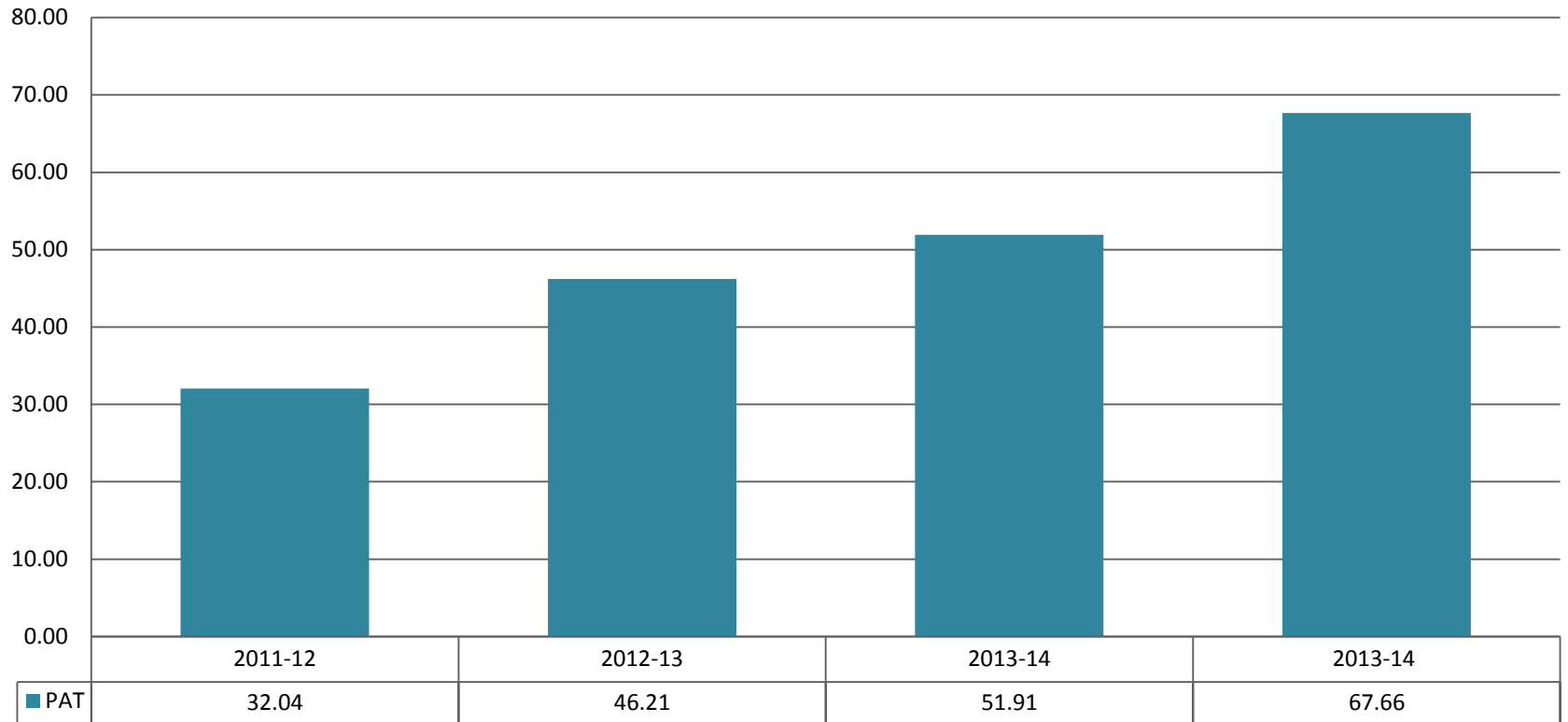


Total Income (Rs. in Crores)



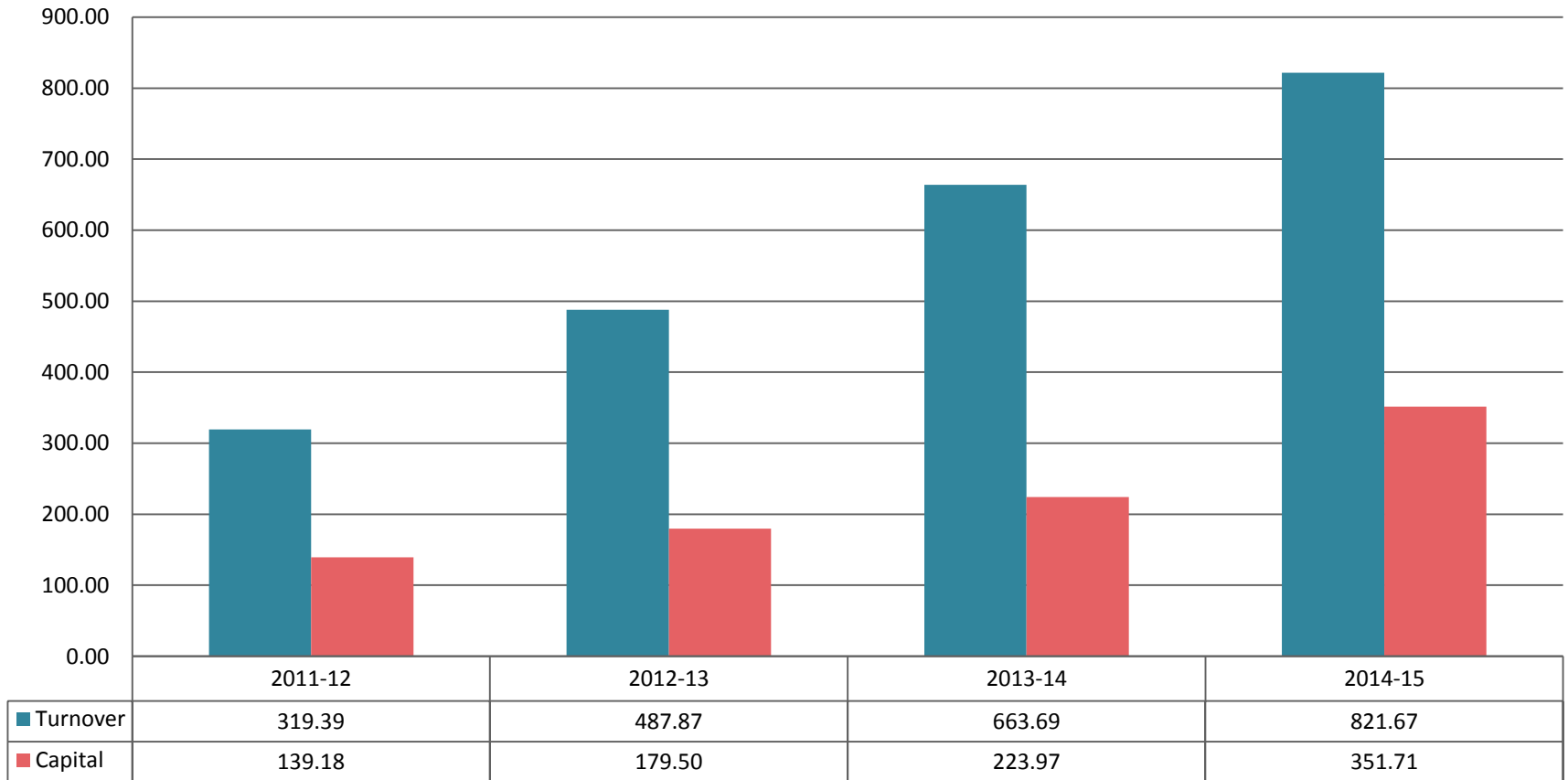


Profit after tax (Rs. in crores)



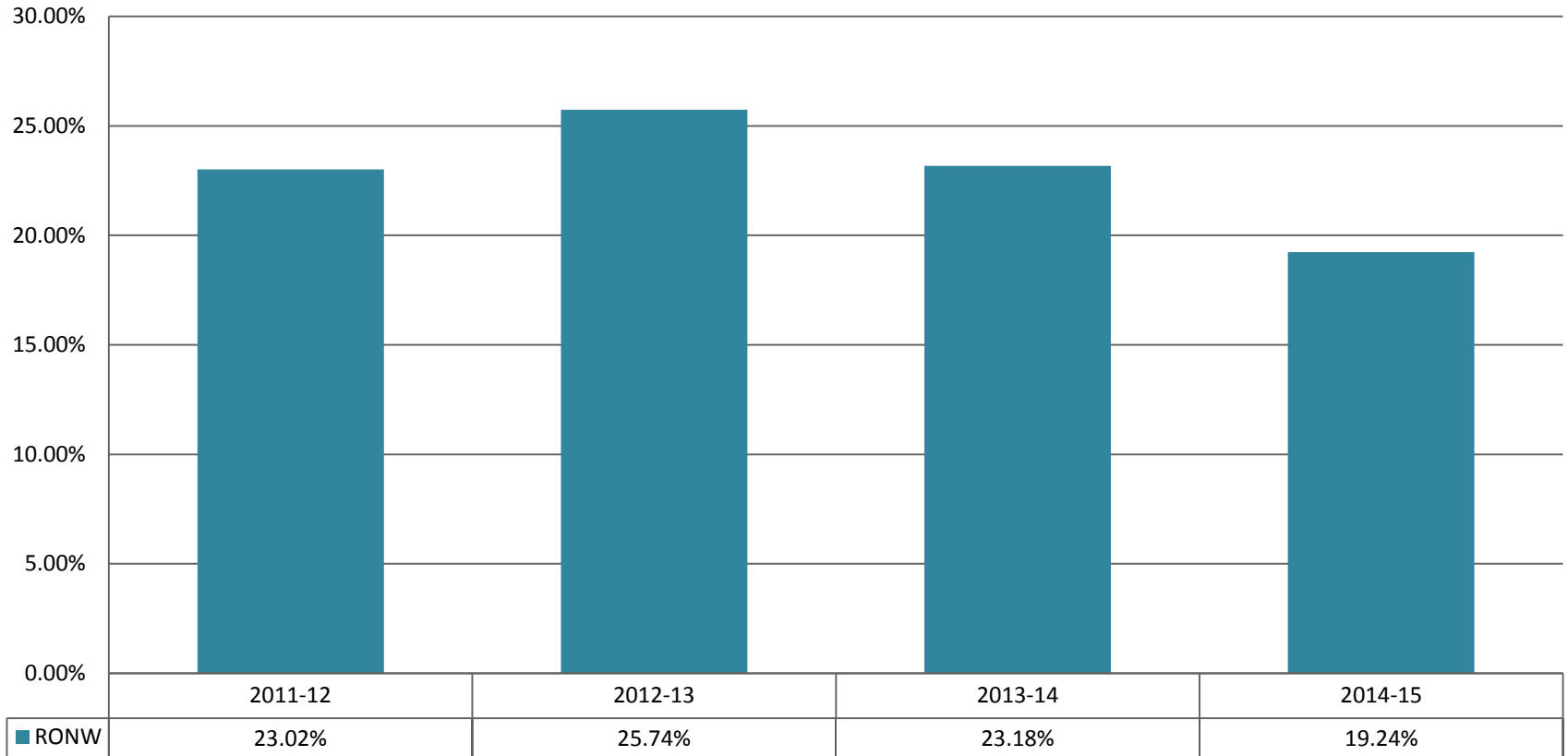


Capital and Turnover [Rs. In Cr.]





Return on share holders fund (in %)

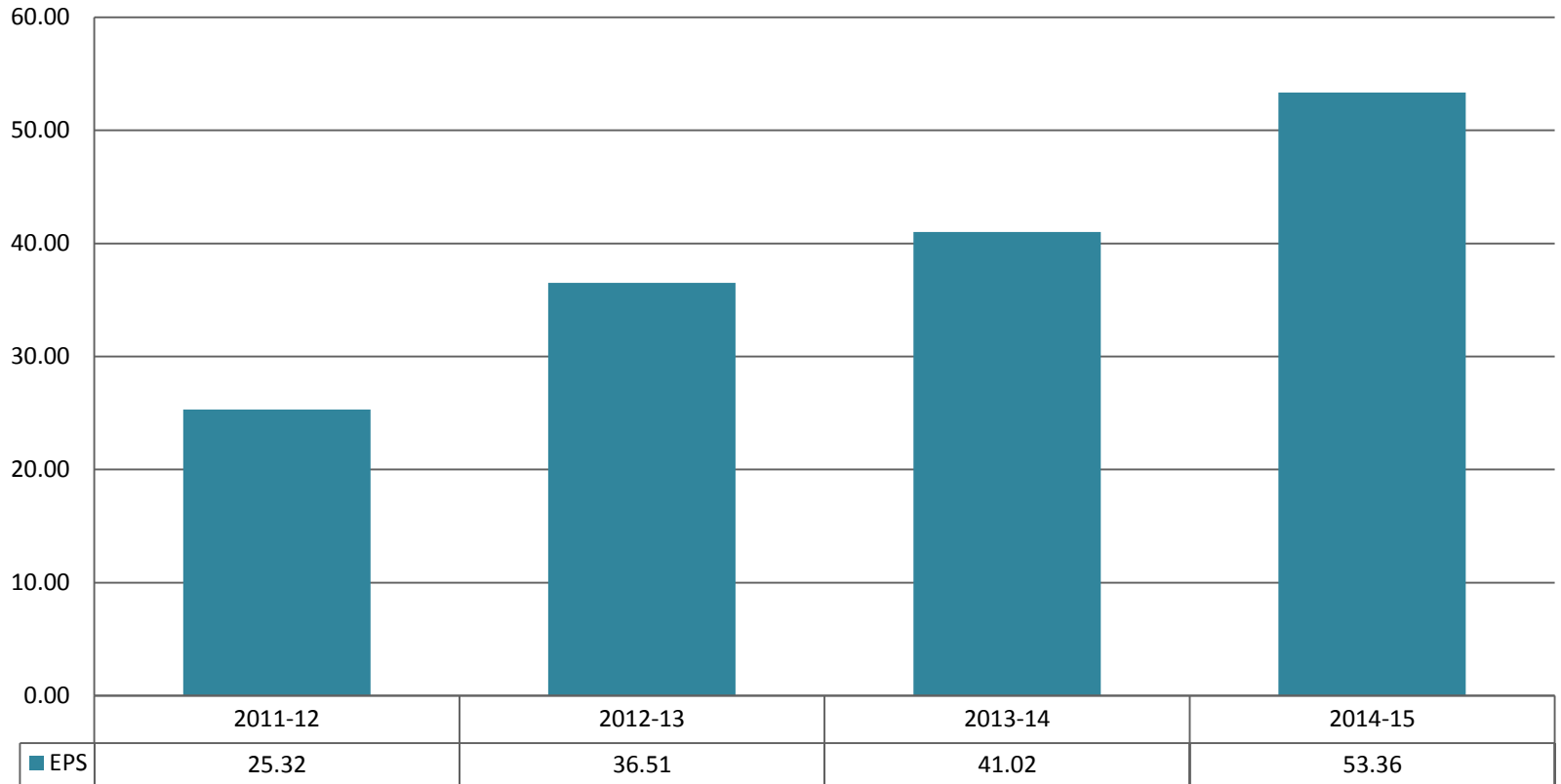


The % return on Share Holders Fund has slightly declined in 2014-15. This is because of fresh funds infused in March 2015 which remained unused as at 31st March 2015.

The same when put to productive use is expected to help restoring modest return on Share holders Funds in coming years

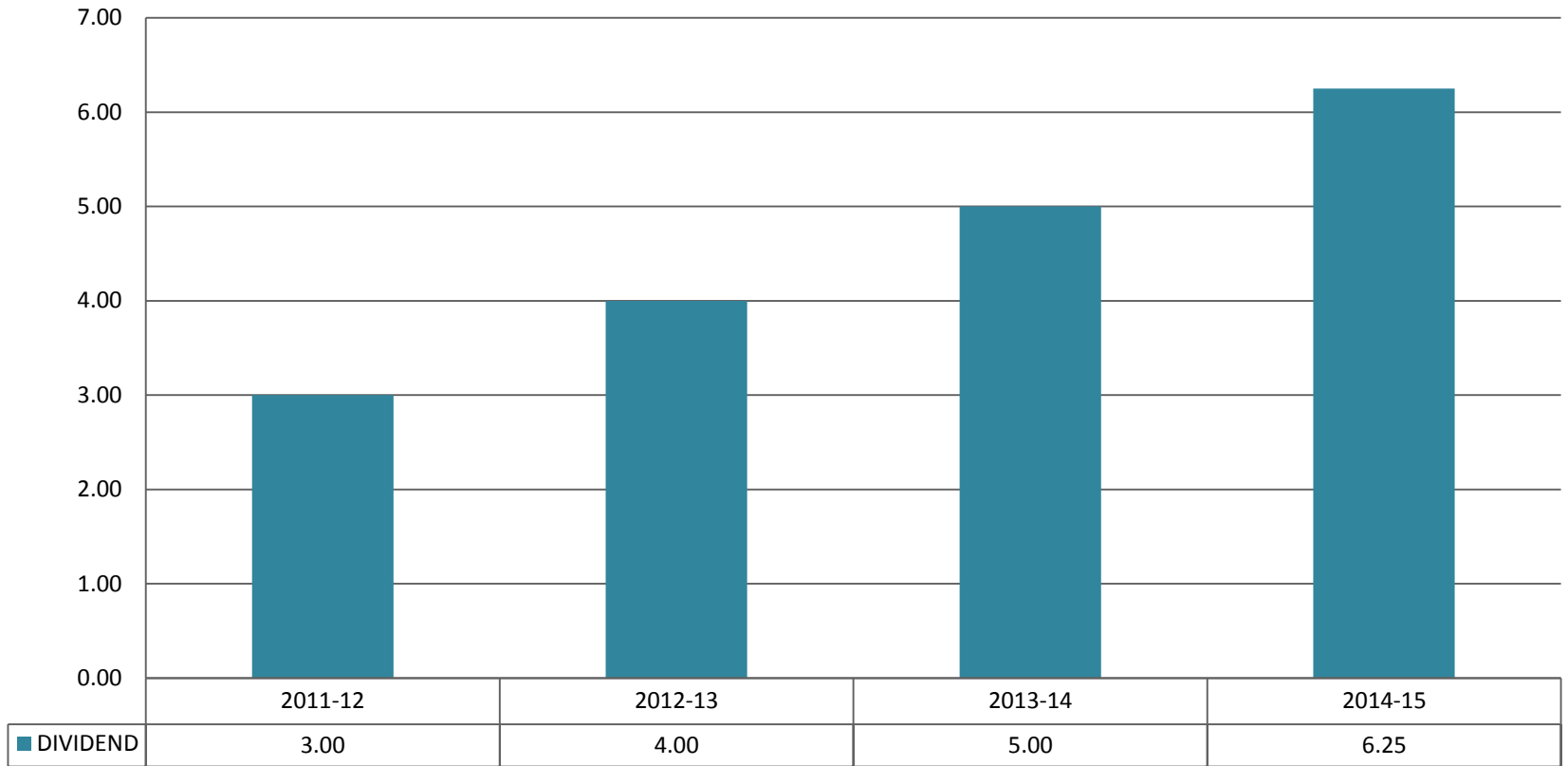


Earnings Per Share





Dividend Per Share



**Dividend for the year 2014-15 as recommended
by BOD of 125 % is subject to approval of
Share Holders in the ensuing AGM**

CERA

Business Scenario

Product Positioning

Product Mix

Sanitaryware

Bath Fittings

Cera has top end products like the Senator Collection, with Shower Temples and Jacuzzi features

In Bath Fittings, the Single Lever Bath fittings are for the elite.

High End Segment

Cera has the Premium Collection focused at middle - end users

The Quarter turn and the and the half turn fittings meant for people looking for more economical range.

Lower & Upper Middle Segment

The Regular collection includes Indian EWCs as well as European EWCs contributing to lower price range.

Mass Market Segment

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

CERA

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

CERA
Reflects my style

www.cera-india.com

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.

CERTIFICATE OF REGISTRATION



ISOQAR

This is to certify that the Management System of:

Cera Sanitaryware Limited

**Works : 9, GIDC Industrial Estate, Kadi – 382 715,
District Mehsana, Gujarat, India**

has been approved by ISOQAR



8578

BS OHSAS 18001: 2007

Scope of Activities

Manufacture and sale of vitreous china sanitary ware

Initial Registration Date: **21 February 2012**

Expiry Date: **21 February 2015**

Signed:
(on behalf of ISOQAR)

This certificate will remain current subject to the company maintaining its system to the required standard. This will be monitored regularly by ISOQAR. Further clarification regarding the scope of this certificate and the applicability of the relevant standards' requirements may be obtained by consulting ISOQAR Ltd.

OHSAS 18001:2007 certification

Occupational Health & Safety
Management Programs

CERTIFICATE OF REGISTRATION



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ISO 9001

For Quality Systems



Preferred partner of CREDAI

(Confederation of Real Estate
Developers' Associations of India)



Preferred Member IIID

(Institute of Indian Interior Designers)



Indian Green Building Council
M E M B E R

Member IGBC

(Indian Green Building Council)



Member IPA

(Indian Plumbing Association)



Product of the Year

For Snow White “Whiter than the Whitest”

Winner **Sanitaryware** Category
Survey among 30000 people by Nielsen



Product of the Year

For Nano Technology on select products



**Consumer Survey of
Product Innovation**

Sanitaryware & Bathroom Fittings

Cera Single Lever Faucet

2013

Product of the Year

For Sanitaryware, Bathroom fittings, and Single lever Faucets



Power Brand

For the year 2011-12



Power Brand

For the year 2012-13



CONSUMER AND PRODUCT SURVEY BY **ibrands**
WORLD CONSULTING & RESEARCH CORPORATION
ASIA'S MOST PROMISING BRAND
THE MOST ADMIRE BRAND OF THE YEAR
INDUSTRY : SANITARY WARE, CHOSEN FROM INDIA
Process Advisors & Evaluators KPMG in India

Asia's Most Promising Brand

For the year 2012-13

CERA

THANK YOU!