

CERA Sanitaryware Limited

Corporate Presentation

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



| | | | |
|---|--------------------------------|----|---|
|  | Company Overview | 4 | ▶ |
|  | Management team & Shareholding | 6 | ▶ |
|  | ESG, Technology and R&D | 9 | ▶ |
|  | Marketing and Customer Connect | 14 | ▶ |
|  | Financial Overview | 23 | ▶ |

Company owned experience centre

Premier Sanitaryware Company in India



Rich Legacy of
~42 years

#1
Market Leader in India for
Sanitaryware

Largest
Sanitaryware facility in
India

ZERO
Debt Company

40%
PAT Growth
(FY23 vs. FY22)

Rs.768 cr.
Cash and Cash
Equivalents*

1,000%
Rate of Dividend - FY23

~6,000
Dealer Network*

136 Sanitaryware
744 Faucetware
New products introduced since
April 2022**

Rated AA
Long Term Debt
Rated A1+
Short Term Debt
(CARE)

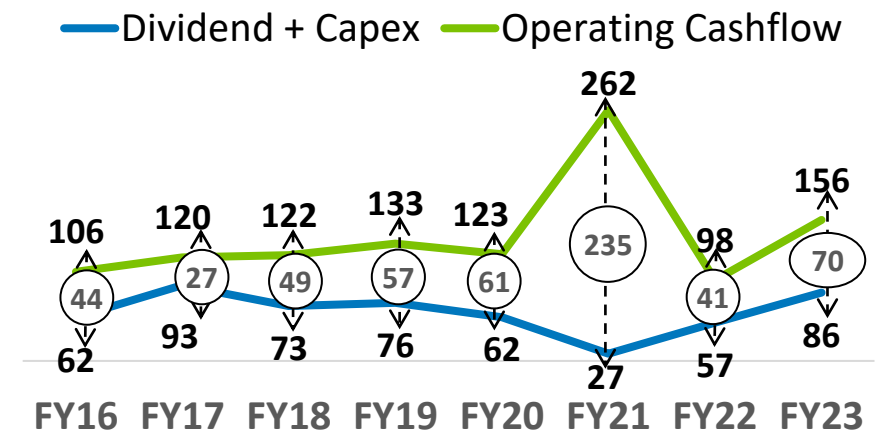
Rated AA/Stable
Long Term Debt
Rated A1+
Short Term Debt
(CRISIL)

Note:
* As on 31st December 2023
** Includes Lustre Series



Robust Financial Position and Protocols

| | |
|--|---|
| Zero Debt Company | <ul style="list-style-type: none"> • Cash and Cash Equivalents of Rs. 768 crore; primarily liquid investments • No Contingent Liabilities for Joint Ventures |
| Sharp Focus on Efficient Capital Management | <ul style="list-style-type: none"> • Fixed Asset turnover of $\sim 6.1x^1$ • Uniform organization-wide policy to monitor receivables – credit not used to drive revenues • ERP automatically shuts down fresh supplies to dealers / customers with dues in excess of 45-60 days |
| Free Cash Flow Positive with Robust Cash Position | <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 + |



Financial Discipline is Central to the growth strategy

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, Sales & Marketing.
- Driving equal focus on profitability & product development.

Leadership Team



Mr. Anupam Gupta
Executive Director (Technical)

- BE in Electrical Engineering and MBA
- Over 30 years of industry experience, - has been a part of various industries like Cement, Textiles, Chemicals and Ceramics; - spending last 17 years in Aditya Birla Group
- Responsible for all aspects of manufacturing activities at Cera



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 at Cera



Mr. Vikas Kothari
Chief Financial Officer

- Total experience 20 + years
- Responsible for overall Financial function including Financials, Banking, Commercial, Budgeting and Cost Controls.
- Has worked with French MNC BIC World-BIC Cello, Aditya Birla Group, Reliance Industries Ltd.



Mr. Rahul Jain
President – Marketing

- Extensive experience in the Sanitaryware and Faucetware industry. Previously worked in top MNC's like Roca India (RBPPL), Nippon Paint, Akzonobel and HUL.
- Responsible for the marketing function and other consumer relevant innovations that deliver measurable improvement in brand equity and market share.



Mr. Sandeep Abraham
President - Sales

- M.Com, PGDMM, Senior Management program in IIM Nagpur
- 27 years of experience
- Previously held the position of Head of Sales at Roca India (RBPPL), with prior experience in renowned companies such as Parryware Roca, EID Parry (India) Ltd., Nuchem Ltd., Hutchison Max Telecom, and Jabalpur Tractors (Maruti Zen).



Mr. Ajay Jain
Vice President (Faucetware Division)

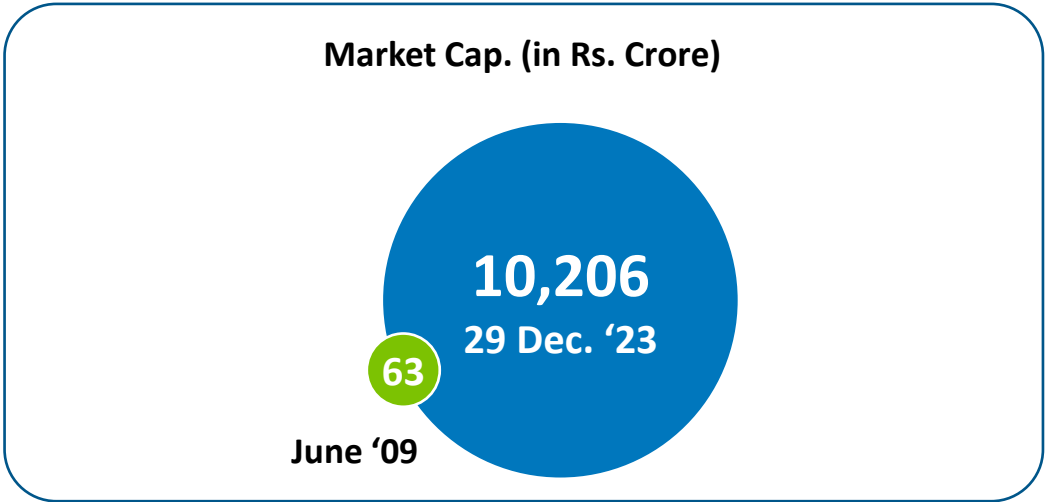
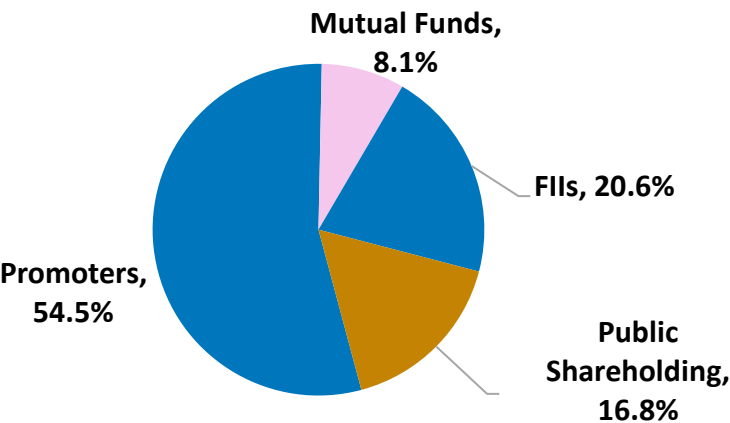
- BE Mechanical Engineering
- Experience of 23 years; - has been a part of companies like HSIL, Kohler India and Hindalco in the past
- Responsible for all aspects of Faucetware manufacturing at Cera



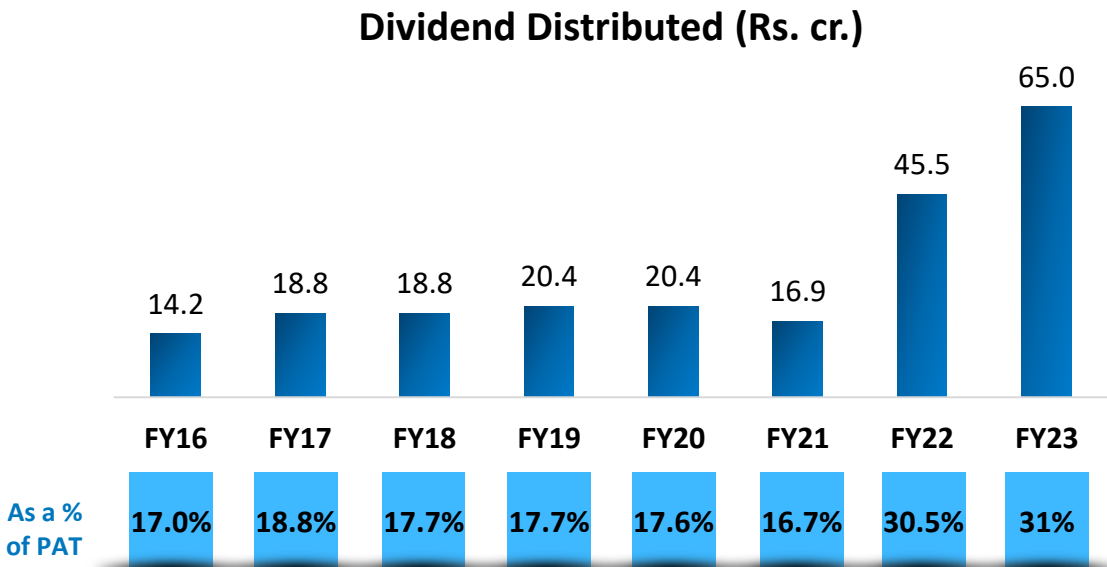
Mr. Vivek Andankar
Asst. Vice President Production – Sanitaryware

- Total experience of 24 Years
- Responsible for all aspects of Sanitaryware manufacturing at Cera
- Has worked with Kohler, LG Electronics, Electrolux

Ownership and stakeholder value creation



| Key Institutional Shareholders | As on 31 st December, 2023 |
|---|---------------------------------------|
| Nalanda India Equity Fund Ltd. | 10.0% |
| HSBC Small Cap Fund | 2.3% |
| Government of Singapore & Monetary Authority of Singapore | 2.1% |
| Tata MF | 1.9% |
| Canara Robeco MF | 1.8% |
| Vanguard MF | 1.7% |
| HDFC Life Insurance Company Ltd. | 1.2% |
| Grandeur Peak | 0.8% |
| Schroder International | 0.8% |
| Emerging Markets | 0.7% |
| UTI Small Cap Fund | 0.7% |
| IMCO Emerging Markets Public Equity | 0.3% |
| BNP Paribas | 0.3% |
| Edelweiss | 0.3% |
| Union Small Cap Fund | 0.2% |
| PNB Metlife | 0.2% |
| Other Institutional Shareholders | 4.8% |
| Total | 30.1% |



Large-Scale and Optimized Manufacturing

CERA

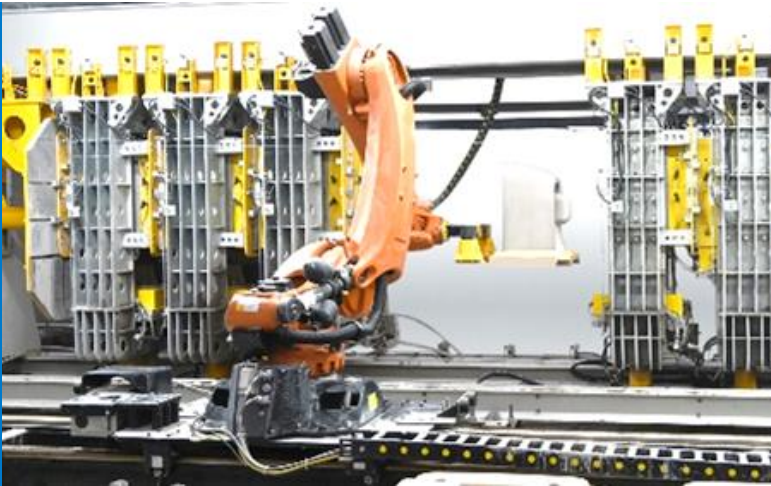


Quality Control and Process Excellence.. 1

CERA

Rapid Technology Adoption –Robotics for Sanitaryware and Faucet Finishing

Sanitaryware
Robotic
Pressure
Casting:



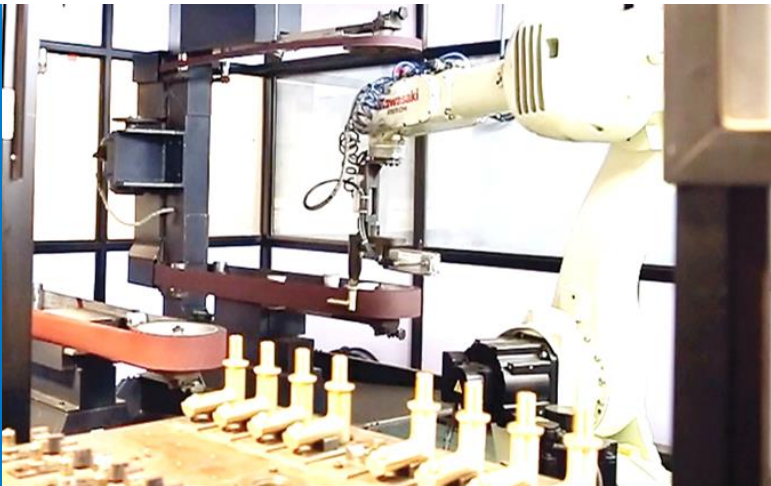
For
producing
high end
sanitaryware
in large
quantities

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



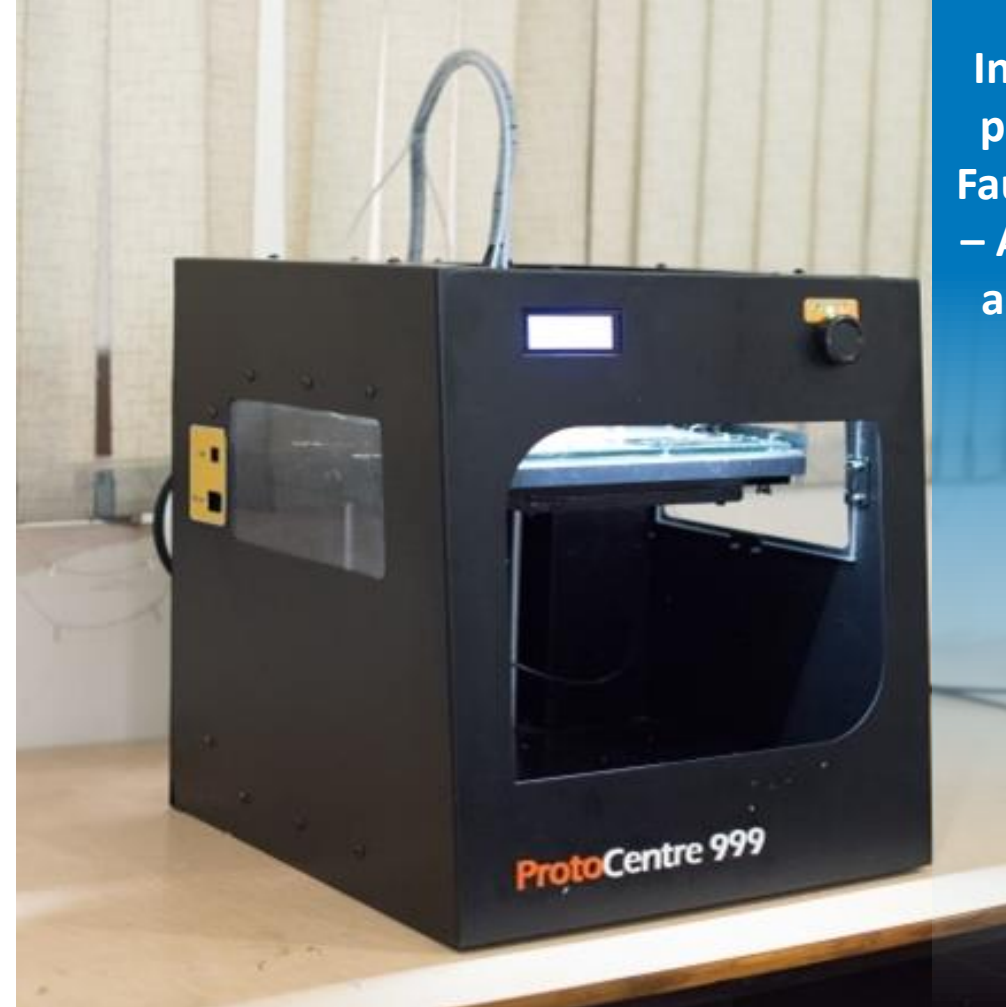
Design Excellence and deep technology imprint

CERA

First Sanitaryware Company to design and install 3D printers



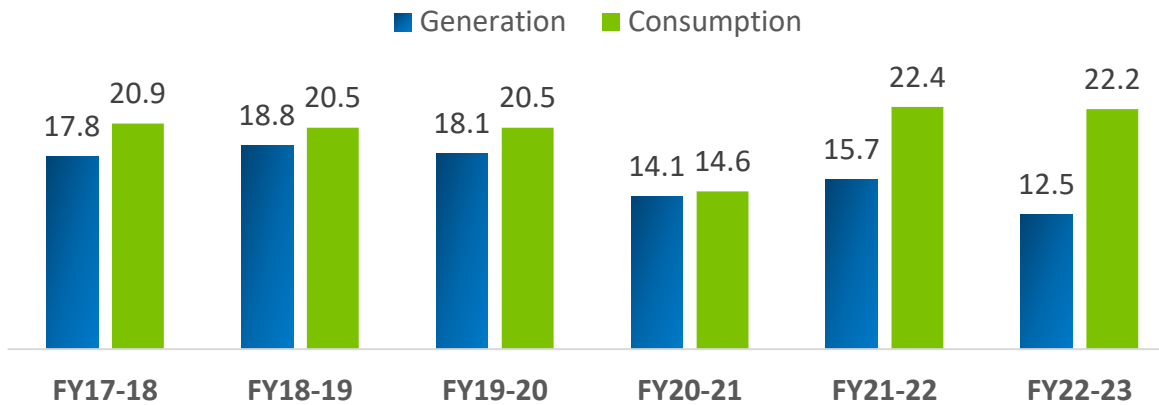
Installed 3D printers for Faucet design – A complete automated design process



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



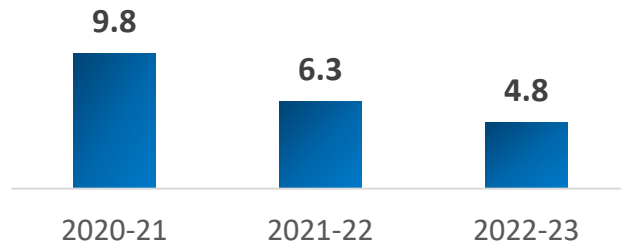
Environment

- 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 9.5 M.W
 - Sanitaryware and Faucetware plants in Gujarat met more than 80% of the energy needs through non conventional captive generation during 9MFY24
 - 100% of Sanitaryware production energy needs met through natural gas
 - Natural gas being procured below open market pricing from isolated wells
- Appreciated and acknowledged by customers as a completely sustainable and 'green' Vendor

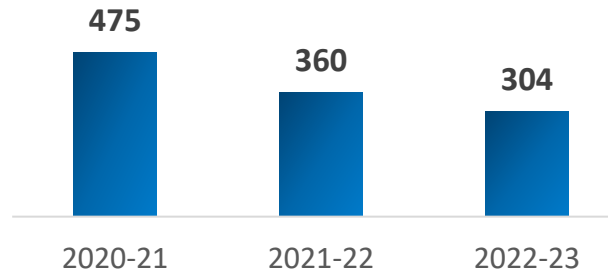
Sustainability ... 2

Year on year downward trend in specific consumption of utilities.

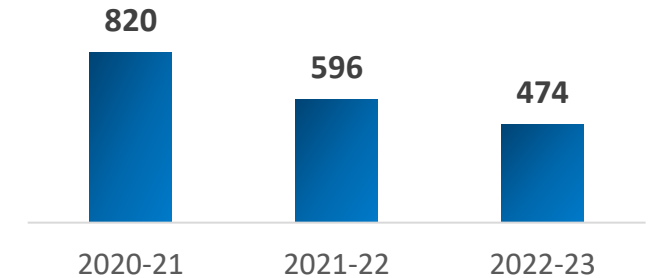
Water Consumption wrt sent to warehouse (KL/MT)



Gas Consumption wrt sent to warehouse (SCM/MT)



Power Consumption wrt sent to warehouse (KWhr/MT)



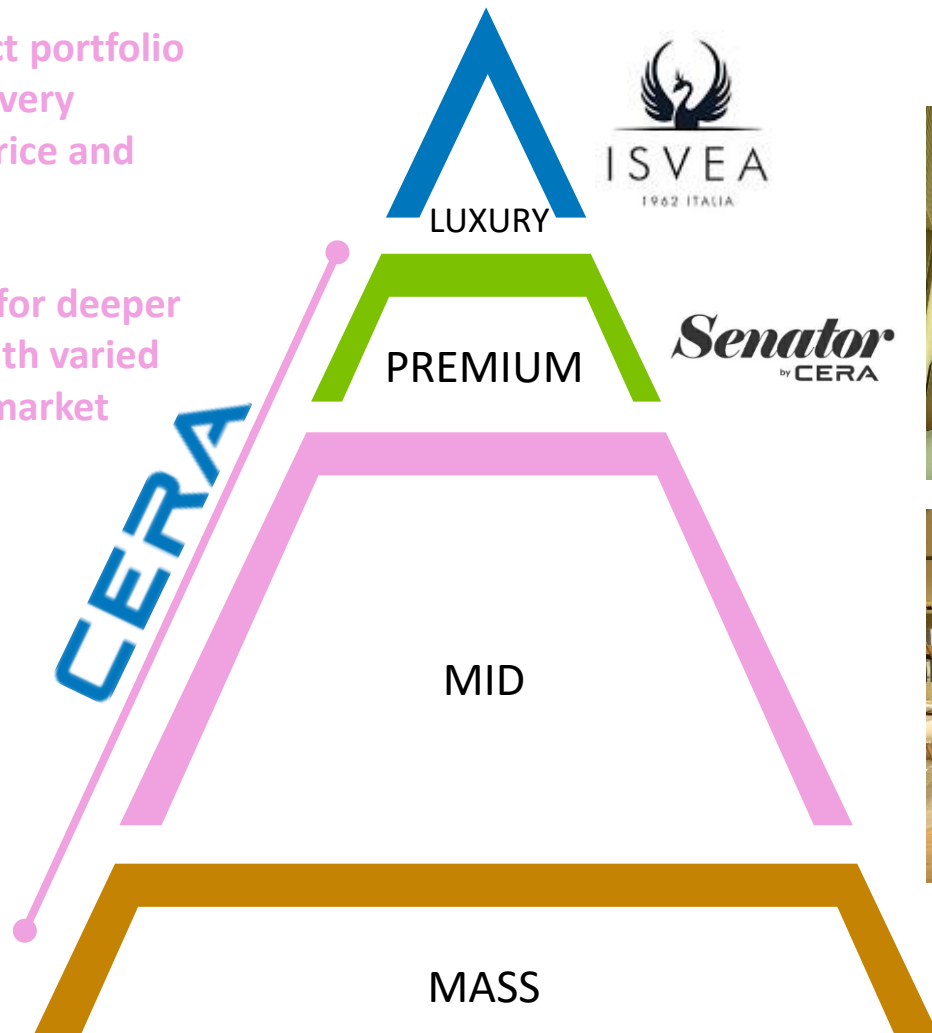
Upgradation of Zero Liquid Discharge (ZLD) plant

- Increase Plantation
- 90% Water Recovery
- Treatment Optimization
- Reuse of Waste Chemicals
- Reduction of Solid Waste

Strong Brand Promise

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

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



CERA



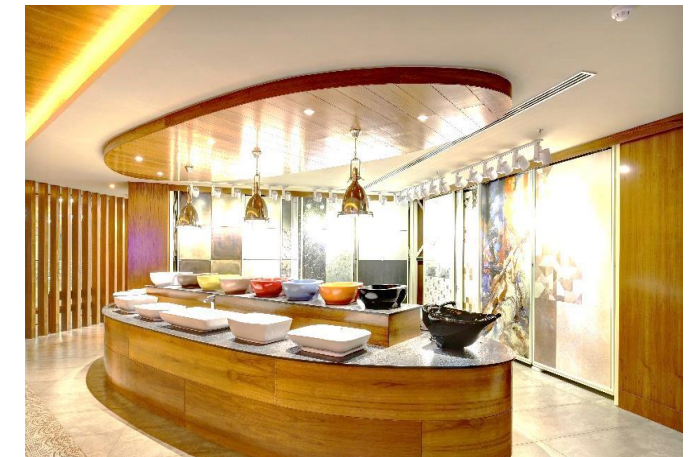
Brand Promise carefully cultivated over 40 years by consistently delivering on quality, value, expectations

Multi layered Marketing Infrastructure.. 1

CERA



- 9 CSS:
Ahmedabad/Mohali (Upcoming)/Hyderabad/Chennai/
Cochin/Kolkata/Morbi/Trivendrum/Bangalore
- 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



Multi layered Marketing Infrastructure.. 2

CERA

CERA Style Gallery

- **276 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 ranges above 1,000 sq. ft.

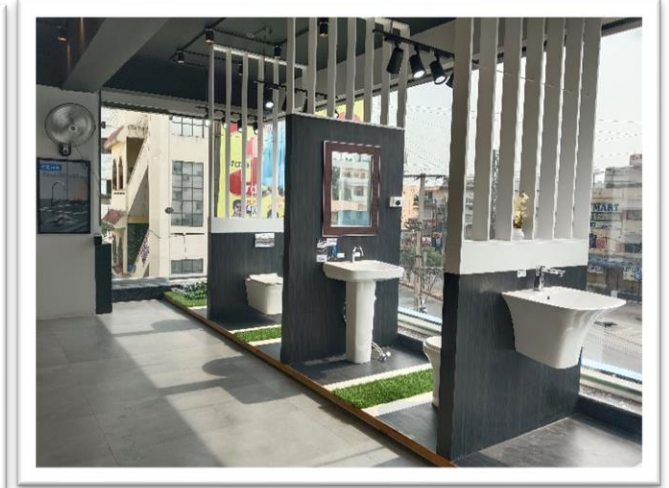


Multi layered Marketing Infrastructure.. 3

CERA

CERA Style Hub

- **154 CSH:** Covering pan India (Dealer Owned)
- Expanding the brand presence in B & C Cat. towns
- Exclusive display in a marked area that will highlight products
- Minimum size of showroom ranges between 200 sq. ft. - 800 sq. ft.



Multi layered Marketing Infrastructure.. 4

CERA

CERA Style Centre

- Enhances retail experiences, retailer owned
- Currently 1,088 Style Centre operational
- Over 1,400 CSCs planned in the next 3-4 years
- Minimum size of showroom ranges between 100 sq. ft. - 200 sq. ft.



Multi layered Marketing Activities.. 5

CERA

CERA, onboards Kiara Advani and Vijay Deverakonda as brand ambassadors.

Consistent investments across consumer touch points to enhance the overall market potential

➤ Creating a strong brand recall in consumers minds

New Brand Campaign launched

'CERA.
This is your
space,
Play it your
way'



- The new brand communication has been unveiled in TV, Digital, OTT and other platforms.
- The campaign features CERA's wide range of sanitaryware, faucets, and tiles with the latest styles and technology showcasing the versatility of the collection, that it has something for everyone.

Multi layered Marketing Activities.. 6

CERA

CERA Superstar retailer loyalty program is specially curated to win bundles of exclusive rewards, benefits and privileges at every level of performance.

18,000+ enrolments



Multi layered Marketing Activities.. 7

CERA

CERA Plumber Loyalty Program: A reward program successfully launched by the Company for plumbers

In this program:

- Plumbers receive rewards for recommending and facilitating the sale of Cera products
- The program communications include Program posters at retailers, and dealer counters
- Additionally, this program includes a mix of communication channels which includes SMS, Phone calls, Program creatives, and in-person meetings by the sales and marketing team



Plumber
Loyalty
Program



Customer Focused and Customer Centric

CERA

After Sales Servicing Team – On Company's Books

- 13 service offices
- 44 officers attending technicians
- 426 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



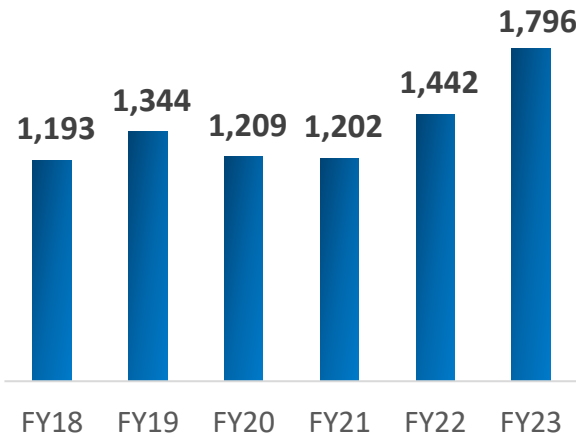
Dealer App



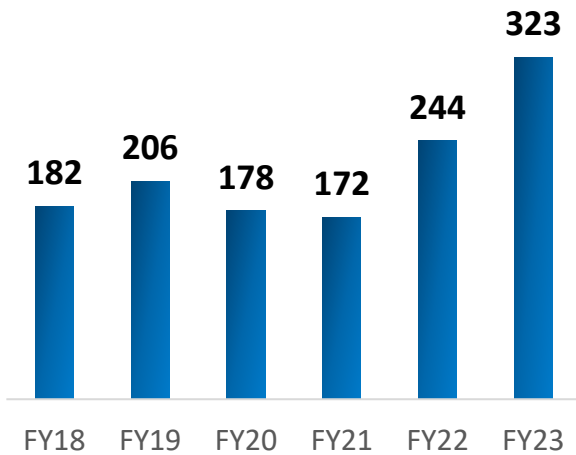
Financial Overview



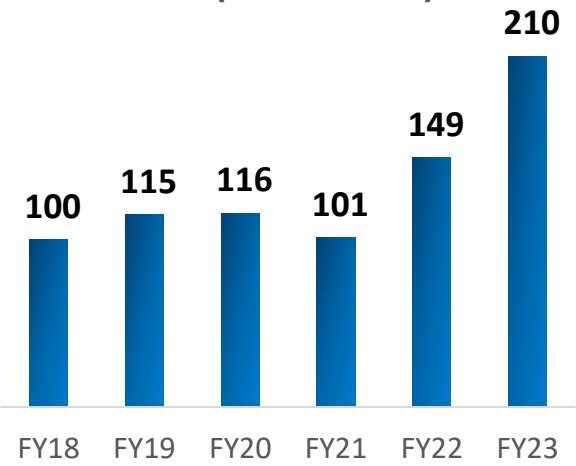
Revenue (Rs. in crore)



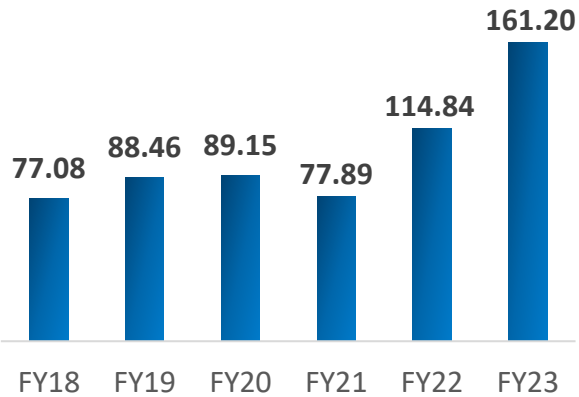
EBITDA (Rs. in crore)



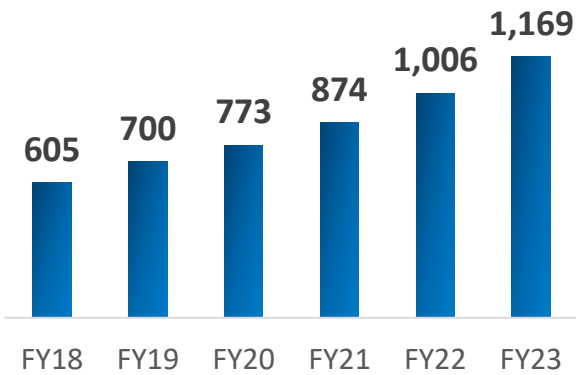
PAT (Rs. in crore)



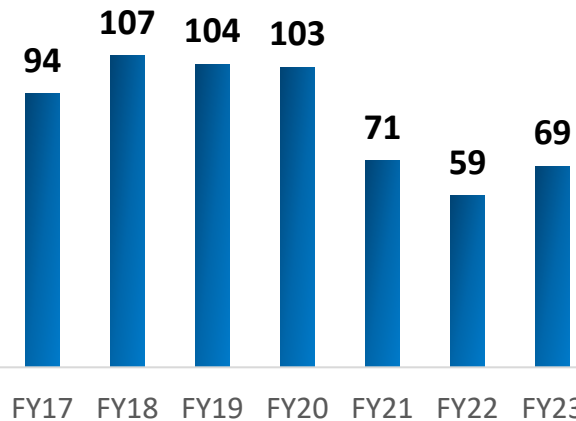
EPS (in Rs.)



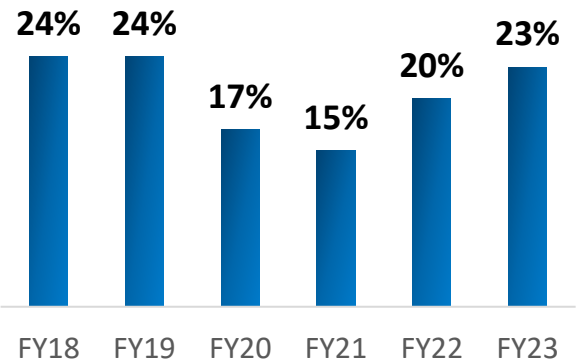
Networth (in crore)



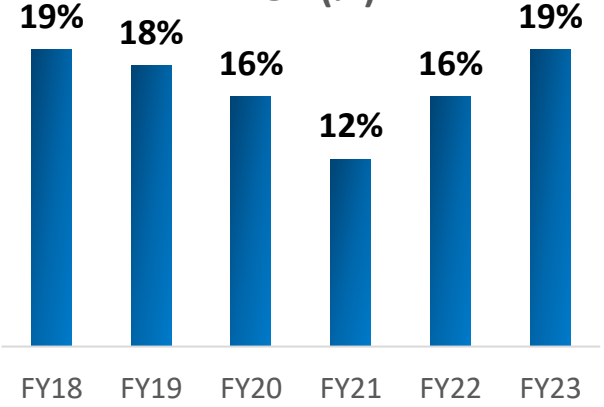
Working Capital Days (net)



ROCE (%)



ROE (%)



Abridged P&L – Standalone – Period ending 31 December 2023

| Particulars (Rs. crore) | Q3 FY23 | Q3 FY24 | Y-o-Y Shift | 9M FY23 | 9M FY24 | Y-o-Y Shift |
|--|---------------|---------------|-----------------|-----------------|-----------------|---------------|
| Revenue from Operations | 455.74 | 436.72 | (4%) | 1265.61 | 1324.60 | 5% |
| Other Income | 13.70 | 15.99 | na | 24.38 | 44.70 | 83% |
| Total Income From Operations (Net) | 469.43 | 452.71 | (4%) | 1,290.00 | 1,369.30 | 6% |
| Total Expenditure: | 382.88 | 377.30 | (1%) | 1,065.56 | 1,122.41 | 5% |
| Raw Material expenses (costs of material consumed) | 207.44 | 200.02 | (4%) | 573.84 | 611.75 | 7% |
| Employee benefits expense | 53.07 | 55.81 | 5% | 156.75 | 170.26 | 9% |
| Other expenses | 122.37 | 121.47 | (1%) | 334.98 | 340.39 | 2% |
| EBITDA (includes Other Income) | 86.55 | 75.41 | (13%) | 224.44 | 246.90 | 10% |
| EBITDA margin (%) | 18.4% | 16.7% | -170 bps | 17.4% | 18.0% | 60 bps |
| Finance Costs | 1.29 | 1.45 | 12% | 3.50 | 3.87 | 11% |
| Depreciation and Amortization | 7.96 | 9.12 | 14.5% | 22.65 | 25.22 | 11% |
| Profit Before Exceptional Items | 77.30 | 64.85 | -16% | 198.28 | 217.81 | 10% |
| Exceptional Items | 0.00 | 0.00 | na | 0.00 | -1.56 | na |
| PBT | 77.30 | 64.85 | -16% | 198.28 | 216.25 | 9% |
| Tax expense | 20.93 | 13.97 | (33%) | 51.56 | 52.11 | 1% |
| PAT | 56.37 | 50.88 | (10%) | 146.72 | 164.14 | 12% |
| PAT margin (%) | 12.0% | 11.2% | -80 bps | 11.4% | 12.0% | 60 bps |

Thank You

For further information, please contact:

👤 Mr. Vikas Kothari (Chief Financial Officer) / Mr. Deepak Chaudhary (General Manager, Finance & Audit)

🏢 CERA Sanitaryware Limited

📞 Phone : + 02764-243000 / 033 24484222

✉ Email: vikas.kothari@cera-india.com
deepak.chaudhary@cera-india.com

👤 Mayank Vaswani / Devrishi Singh

🏢 CDR India

📞 Phone : +91 98209 40953 / 98205 30918

✉ Email: mayank@cdr-india.com
devrishi@cdr-india.com