



OBL:HO:SEC:00:

New Delhi : 28.01.2021

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051

Stock Code - 530365

Stock Code: **ORIENTBELL**

SUB: INVESTOR PRESENTATION FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2020.

Dear Sir/ Madam,

In continuation of our letter dated 27.01.2021, regarding Schedule of Investor Conference call on Unaudited Financial Results for 3rd quarter and nine months ended December 31, 2020 to be held on January 29, 2021 at 3:30 PM (IST), please find attached Investor Presentation of Orient Bell Ltd. highlighting the performance of the Company during the quarter and nine months ended on 31st December, 2020

This information will be available on the Company's website i.e. www.orientbell.com. We request you to kindly take the above information on record.

Yours faithfully,

for Orient Bell Limited



Yogesh Mendiratta
Company Secretary & Head - Legal

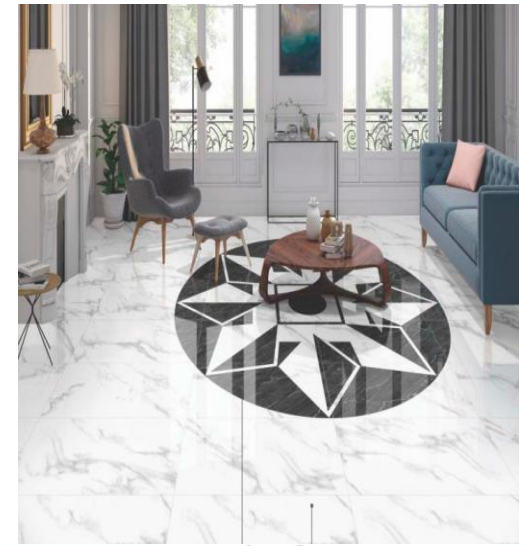
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Orient Bell Limited



**Shape Up
Scale Up**

**Investor Presentation
Q3 & 9MFY21**



Disclaimer

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Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation.

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- 02 | The journey of shaping-up
- 03 | Next phase: scaling-up
- 04 | Historical financial performance

Overview and Q3 & 9MFY21 Highlights



OrientBell Limited – a leading manufacturer of tiles



44

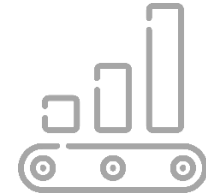
Years in
Ceramics Industry



3,000+

SKUs

- Ceramic
- Vitrified
- Double Charge
- Cool Tile
- Pavers
- Germ Free Tile

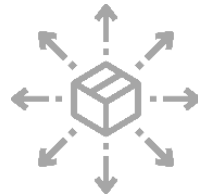


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3 State-of-the-art own Facilities
2 JV Facilities



Strong Balance sheet with
Zero Net Debt



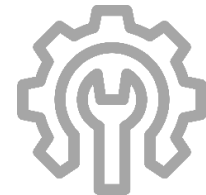
200+

Tile Boutiques
(Experience Centers)



13 Days

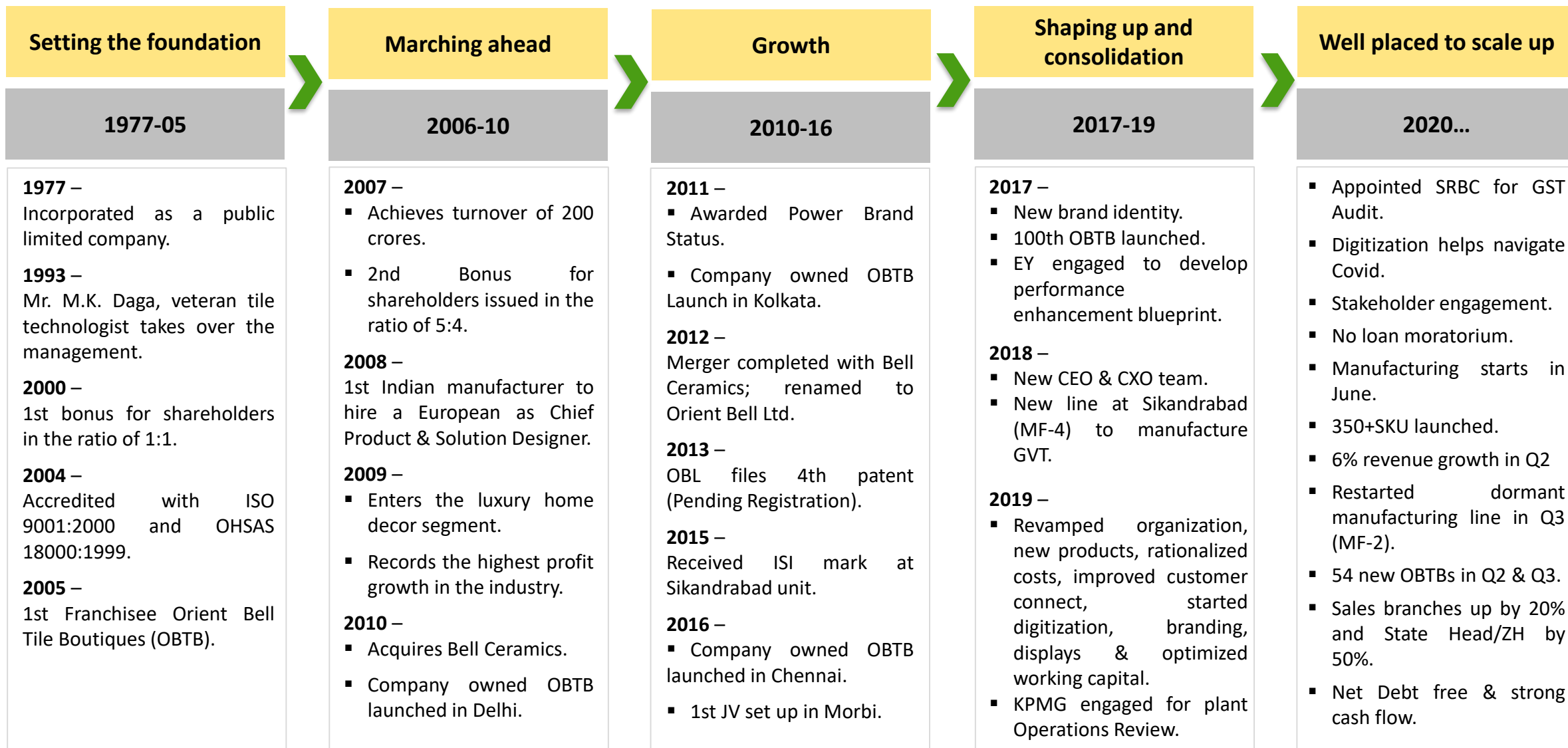
Industry Leading
Working Capital Cycle (Dec-20)



30

Million sqmt Annual
Capacity (including JV)

A Time tested pedigree



Q3FY21 consolidated financial highlights

Volumes

+22%
Y-o-Y

Revenue

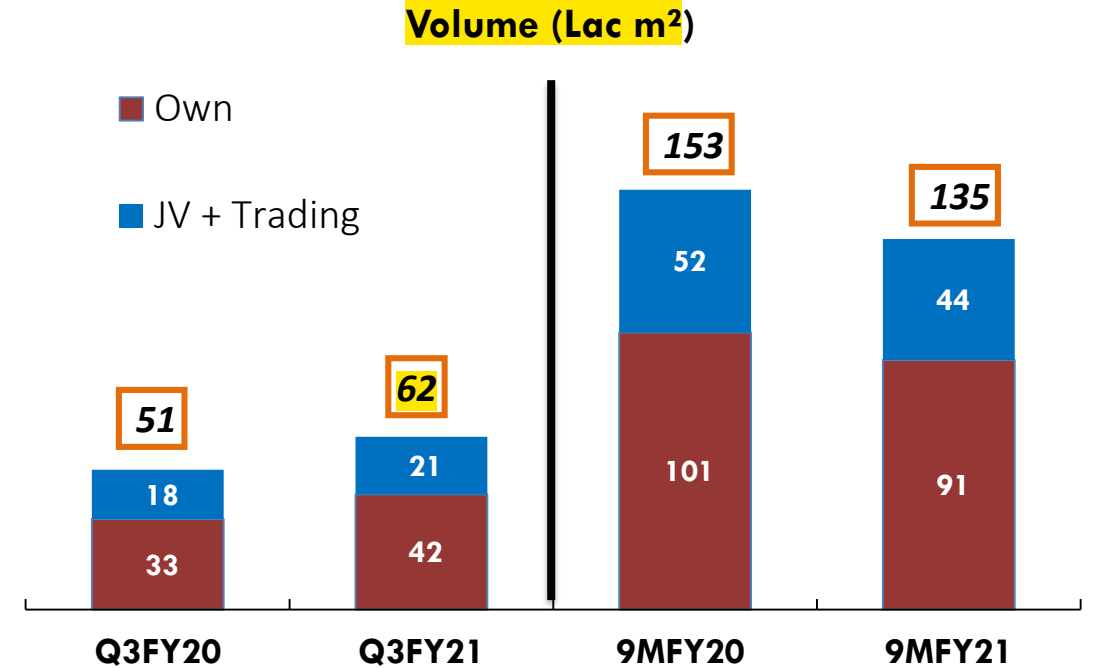
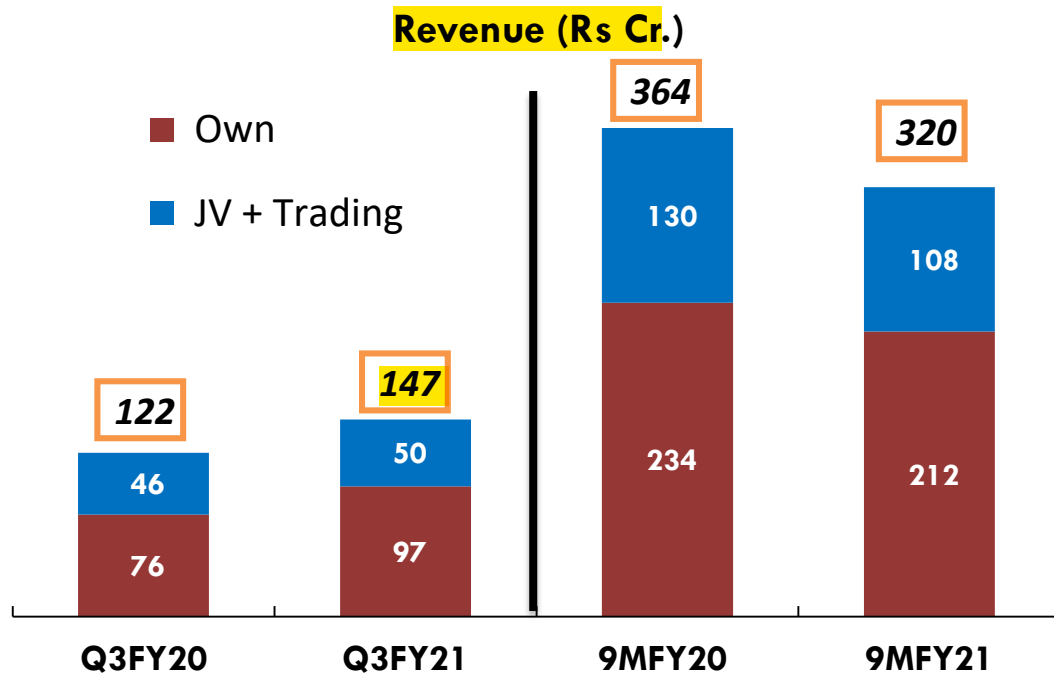
+21%
Y-o-Y

EBITDA

+63%
Y-o-Y

PAT

+931%
Y-o-Y



Q3FY21 consolidated financial highlights

Volumes

+22%
Y-o-Y

Revenue

+21%
Y-o-Y

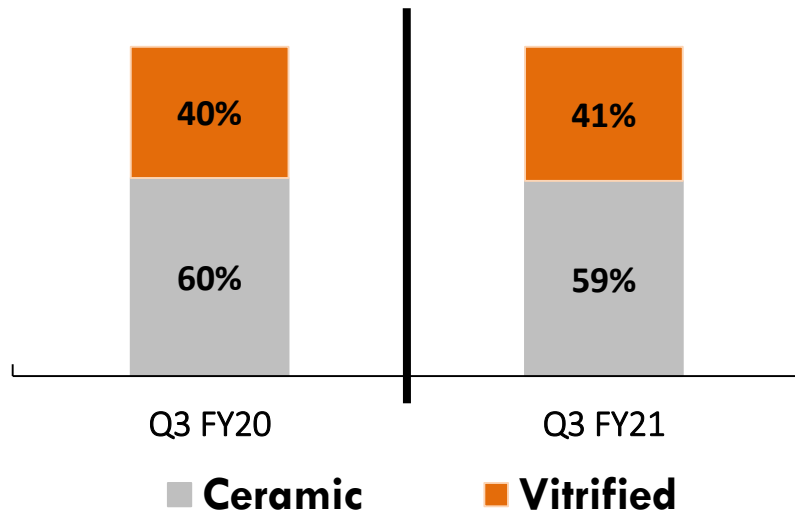
EBITDA

+63%
Y-o-Y

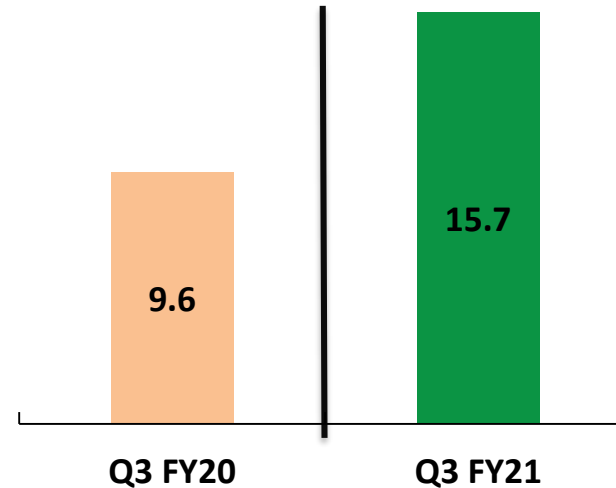
PAT

+931%
Y-o-Y

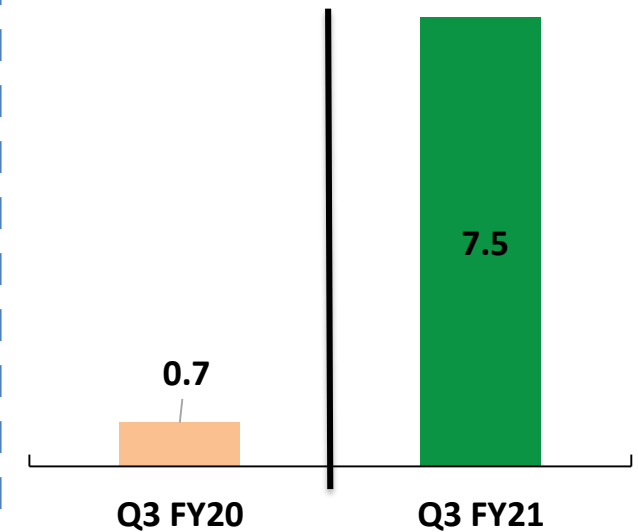
Product Wise Salience Revenue Mix (Rs Cr)



EBITDA (Rs Cr.)



PAT (Rs Cr.)



Operational highlights of Q3

People	▪ Sales force increased by 10%. Teeth to tail ratio improves to 2.3 : 1. ▪ 3 virtual Townhalls, 2 R&R & 2 Digital Events- YTD. ▪ Close to 11000 People Hours spent in L&D- YTD. ▪ Salary cuts rescinded from October. ▪ Zero accidents.
Product	▪ Identifying and filling up profitable portfolio gaps. ▪ 350+ SKUs launched in Q2 found increasing acceptance with CPs. ▪ Front-line sales force incentives, Display efforts, Marketing Efforts ensured wide distribution.
Brand Building	▪ Brand investments increased : +2% of topline (~1.8X of Q2FY21 spend). ▪ New Campaigns Launched - #Karon Rishton Ko Renovate AND #Bye Bye 2020 with ~3.5+ million views. ▪ New online series “Icons of Creativity” - 5 episodes and 2 million views (YTD).
Manufacturing	▪ Rebalancing & debottlenecking of lines continues. ▪ Customer Delight initiatives on Quality & service levels launched. ▪ Tight focus on costs.
Process	▪ Adoption of Digital tools by employees and Channel partners speeding up. ▪ New versions of Channel partner App and Sales executive app launched. ▪ Transport management system launched at Sikandrabad unit.
Customer	▪ Building focus on Architect & Influencer segments with 29 new OBTB launched in Q3. ▪ Displays in existing OBTB refreshed.

Consolidated Abridged Income statement

(Rs. Crores)	Quarter Ended			Nine Month Ended		
	Q3 FY20	Q3 FY21	Y-o-Y	9M FY20	9M FY21	Y-o-Y
Revenue from Operations	122.0	147.9	21.2%	365.5	321.0	-12.2%
Other Income	1.1	0.5	-57.0%	3.0	1.3	-56.7%
Operating Expenses	113.5	132.6	16.8%	344.2	304.7	-11.5%
EBITDA*	9.6	15.7	63.5%	24.3	17.5	-27.9%
EBITDA Margin%*	7.9%	10.7%	2.9%	6.7%	5.5%	-1.2%
Depreciation and Amortisation	6.3	5.1	-18.7%	15.3	15.2	-0.8%
EBIT	3.4	10.6	216.0%	8.9	2.3	-74.5%
Interest and Financial Charges	2.6	1.2	-51.9%	6.6	4.5	-31.4%
Share of profit/(loss) of Associates	0.3	0.4	21.7%	0.6	0.4	-29.6%
Profit Before Tax(PBT)	1.1	9.8	759.7%	2.9	(1.8)	-162.2%
PBT Margin %	0.9%	6.6%		0.8%	-0.6%	-1.4%
Tax Expenses	0.4	2.3	461.0%	1.0	(1.2)	-231.4%
Profit After Tax(PAT)	0.7	7.5	931.0%	2.0	(0.6)	-129.1%
PAT Margin %	0.6%	5.1%	4.5%	0.5%	-0.2%	-0.7%

- Topline Growth +21% y-o-y on back of successful implementation of strategic initiatives.
- EBITDA Margin of 10.7% aided by higher volumes, lower fuel costs & cost control.
- Excluding the impact of one-time adoption of IND AS 116 "Lease Accounting" in Q3FY20, on a L-f-L basis EBITDA margin improved by 4% - from 6.7% in Q3FY20 to 10.7% in Q3FY21.

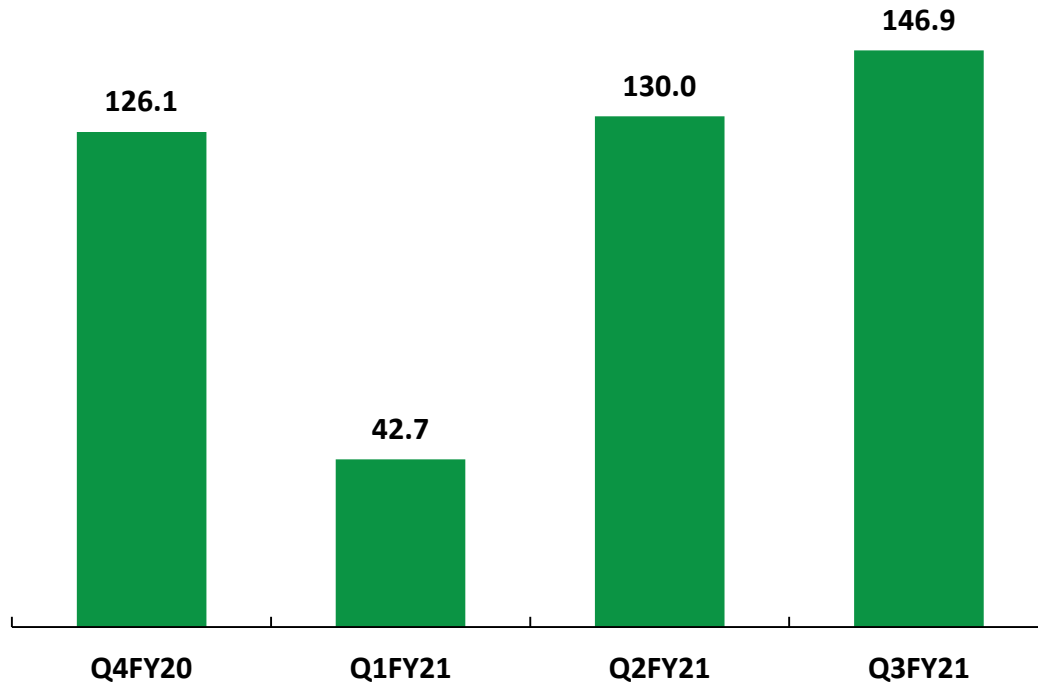
*Q4FY20 & Q1FY21 impacted due to lockdown post COVID.

Journey of shaping-up

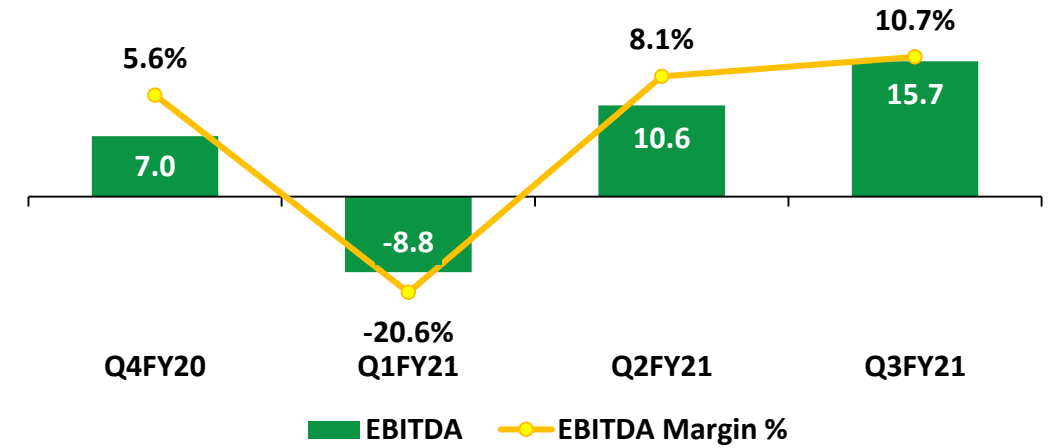


Consolidated Financial comparison for last 4 quarters

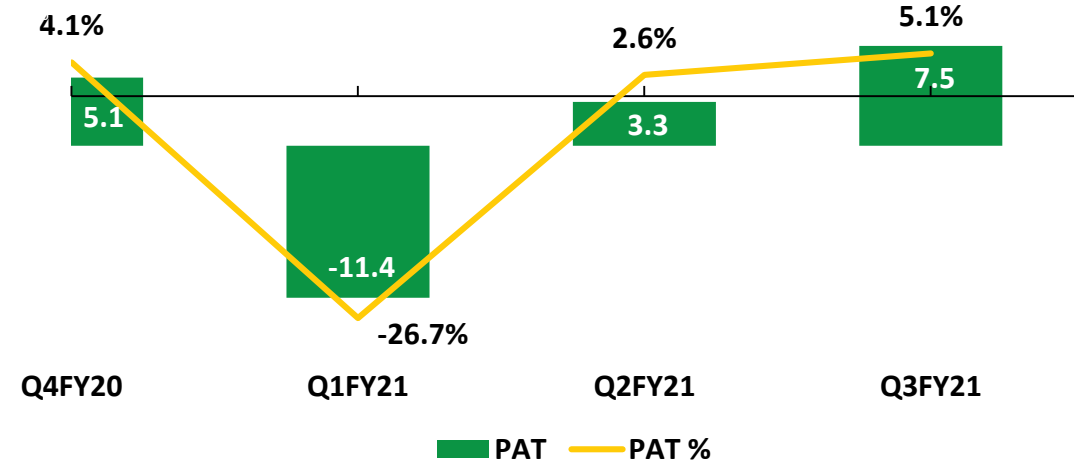
Total Revenue (Rs. Crores)



EBITDA and EBITDA Margin

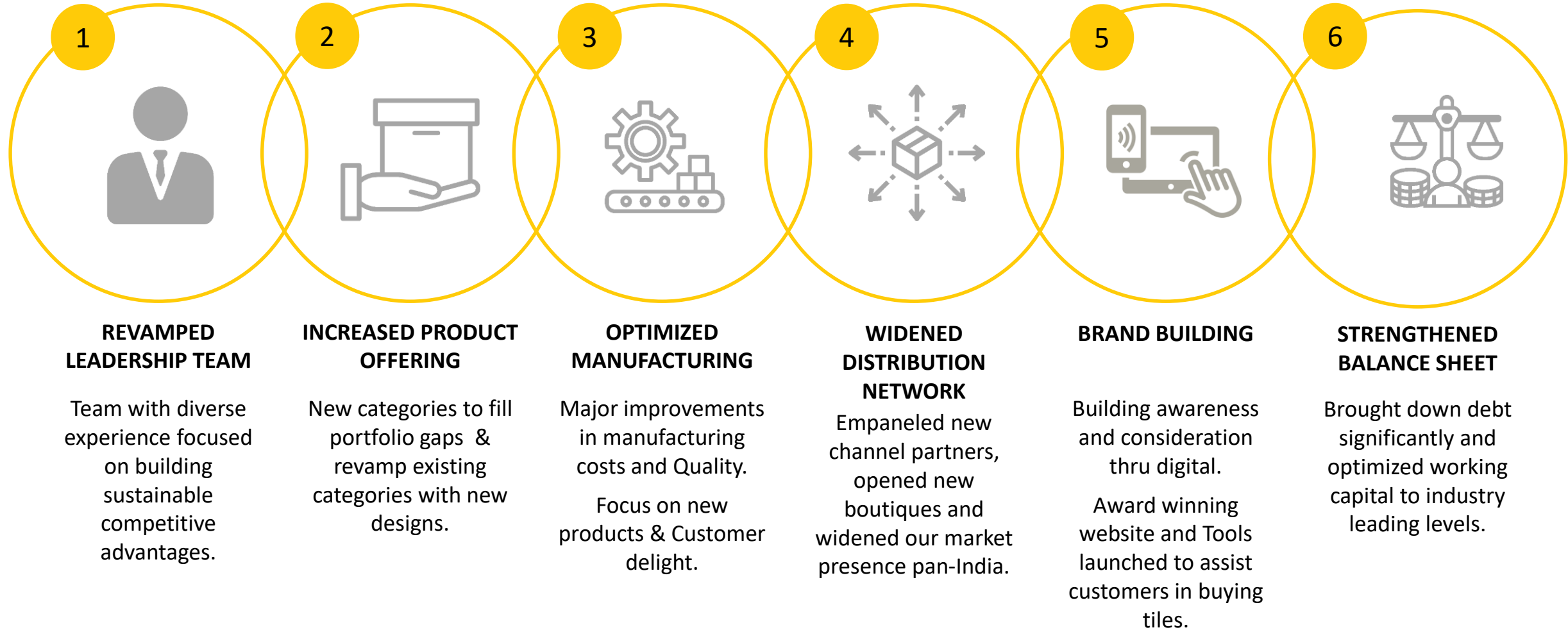


PAT & PAT Margin (%)



- Net Debt reduced from Rs. 48 crs. to Rs. (-) 2.5 Crs. Over the last 9 months.
- Consistent improvement in topline and bottom-line results Q-o-Q.
- *Q4FY20 & Q1FY21 impacted due to COVID related lockdown.

Key Strategies driving “Shaping Up”



Revamped leadership team with diverse experience

Reorganization of top-level management poised to lead the company into new phase of sustainable growth
Leaders with a mix of strategic focus, deep customer understanding and ability to execute.

Aditya Gupta

Chief Executive Officer

30 years of multi- functional experience in industry leading companies, Previously worked with UB Spirits, Bharti Airtel, Reliance Communications & TATA Group.

Joined
in March
2018

Joined In
April
2004

Anil Agarwal

Chief Operations Officer

34+ years of experience in the ceramics industry
Has been a part of the OBL team for 16+ years, previously worked with Somany Ceramics & Vrundavan Ceramics.

Himanshu Jindal

Chief Financial Officer

18+ years of experience in leading finance roles
Previously worked with Heidelberg cement, Cipla, Cargill, Pfizer and most recently, as the CFO at Den Networks.

Joined
in December
2018

Joined
In July
2018

Alok Agarwal

Chief Marketing Officer

23+ years of experience in leading marketing roles
Previously worked with Unilever, GSK Consumer Healthcare, SaraLee and Ebay India.

Ajay Srivastava

Chief Human Resources Officer

26+ years of experience in human resource management
Previously worked with PepsiCo, ITC Limited, Dainik Jagran, and most recently as Head of HR at Baxter.

Joined
in June
2019

Joined
in August
2018

Pinaki Nandy

Chief Sales Officer

25+ years of experience in leading sales roles
Previously worked with Vodafone and Cadbury and, as Business Head – Philippines and Bangladesh at AkzoNobel.



Hired 160+
During Covid-19



Invested in Employee
Training



Reduced Employee
Attrition

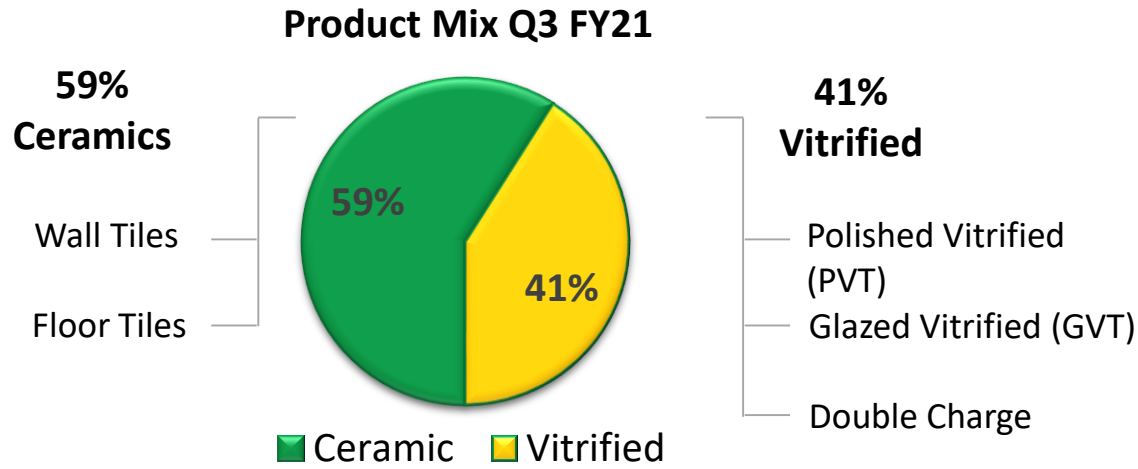


Performance Linked
Reward Recognition



Employees Stock
Options (ESOP)

Product Portfolio- A Structured Approach



CERAMIC



VITRIFIED

- ✓ 8 New Product Ranges in last 2 years– 12% + of sales.
- ✓ Market research to select designs.
- ✓ Solution based strategy – Germfree tiles 5% of sales.
- ✓ Focus on High Value.
- ✓ Innovative Tiles (patent pending).
 - **Germ-free tiles:** specially formulated glaze with antimicrobial treatment.
 - **Anti-viral Tiles:** These tiles restrict the spread of viruses on the surface and kill more than 99% of the viruses in 2 hours.
 - **Anti-Static Conductive Tiles:** Specifically designed for data centres and other places with sensitive electronic equipment, these tiles conduct static electricity preventing potentially dangerous electric sparks.
 - **Forever tiles:** High abrasion, scratch and stain resistant.
 - **Cool tiles:** Lowers building temperature.

Revamping manufacturing to improve competitive advantage

3 own manufacturing plants + 2 JV plants with a capacity of 30 million sq meters p.a spread across India.

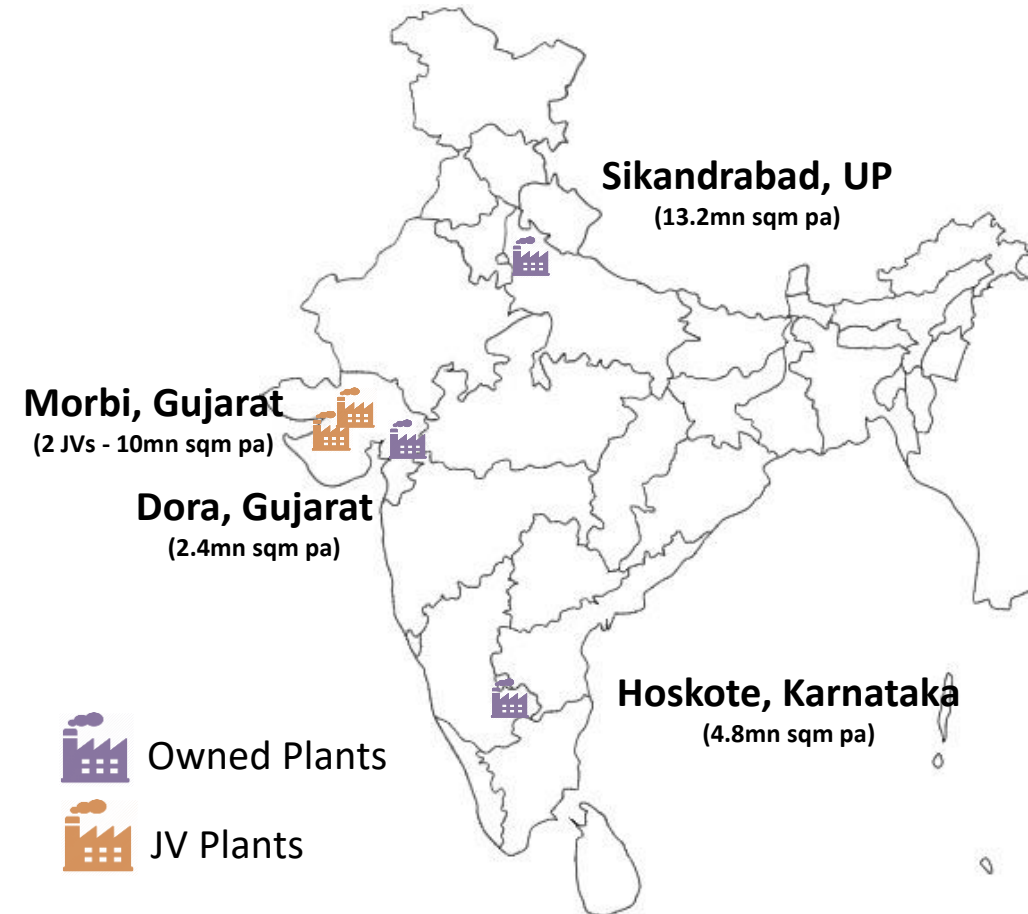
Enhanced productivity through process improvement, reduced wastage, quality checks & automation

Saved energy cost through energy management and captive solar consumption

Installed a new manufacturing line (MF4) at Sikandrabad in FY19 to manufacture GVT

Restarted another manufacturing floor line (MF2) at Sikandrabad that was closed for a couple of years – 1MSM capacity

Achieved own manufacturing capacity utilization of 86%+ in Q3FY21



Modernization of wall line at Sikandrabad (MP1) announced by Board in Jan-21 – total capex <Rs. 10 Crores increasing from 2.1 MSM to 2.8 MSM from mid-FY22

Enhancing Distribution Reach & Effectiveness

3,000+
SKUs

2,000+
Channel Partners

217

**Orient Bell Tile
Boutiques**



Improved Distribution & Channel engagement

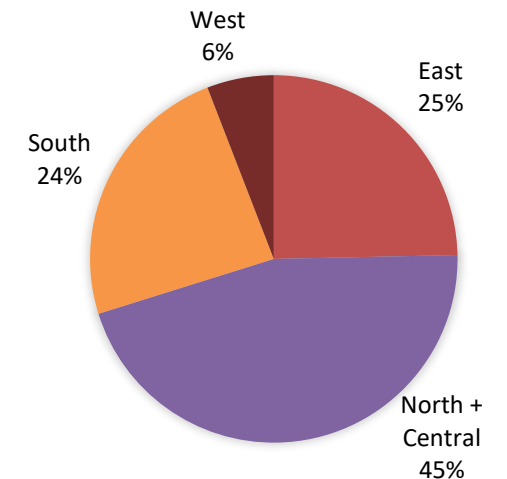
- ◆ CXO led meetings with channel partners to establish connect, resolve issues and identify growth opportunities.
- ◆ Project to add new Channel Partners – 12.5% of sales in FY21.
- ◆ Empowered channel partners with digital tools to track SKU wise stock, Order status & Invoice details for ease of business.
- ◆ Working on connect with architects & Interior designers with a unique solution-based approach.

Focus on displays

- ◆ Launched 3 partnership models to strengthen chain of signature showrooms (OBTB).
- ◆ 54 Orientbell Tile Boutiques (OBTB) added in FY21- more to come.
- ◆ Refreshed existing OBTB displays with New category & HVP focus.
- ◆ OBTB focused digital tools to enhance customer experience.
- ◆ Increased depth in the market, including tier 2 & 3 cities.
- ◆ Digital lead generation model to increase OBTB footfalls.



SALES BREAKUP - REGION WISE Q3FY21



Build Brand awareness and Preference

✓ Consumers today spend more time on their mobiles than on TV. Our brand-building approach is to meet consumers where they are with content that they can engage with.



Build Brand awareness and Preference

By making buying a tile easier

Now Shop Tiles While Staying Indoors

Shop what you look.

Finding similar tiles is just a picture away



Search by Photo
Search by Image



Developed various tools to simplify the tiles buying process and address typical friction-points.

Now Shop Tiles While Staying Indoors

Now try out tiles before you buy.

Upload photo of any room & try various Orientbell floor tiles virtually



TriaLook



UPLOAD MY ROOM

Your room
with
Orientbell Tiles



2020: Recognition of our Approach

Best Website of the Year



Awarded By: Realty+

Best omni-channel Model



Awarded By: Future of Retail (3rd Edition)

Google Case Study

making an example out of our best practice

Case Study

Utilizing Frequency Booster to build Re-engagement sufficiency for Orientbell Tiles



Orientbell Tiles
www.orientbell.com



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The challenge

The brand identified Impression frequency as one the major pillars of driving awareness across their target markets, for which Trueview Instream campaigns were able to deliver an average of 3.9. Their studies indicated that a minimum Impression Frequency of 8 was needed in order to achieve Recall efficiencies for their TG

The approach

Creating an A/B test, the brand compared performance from Remarketing campaigns and Ad sequencing campaigns, to campaigns enabled with the Frequency Booster feature to understand which delivered a better frequency/user, alongside driving better VTR and engagement. The brand also looked to understand the impact this had on the Search behaviour of their TGs in specific markets vs their control group.

The Result

Post implementing frequency booster Orientbell saw a 4x increase in Impression frequency and a 20% improvement in brand search queries in targeted locations

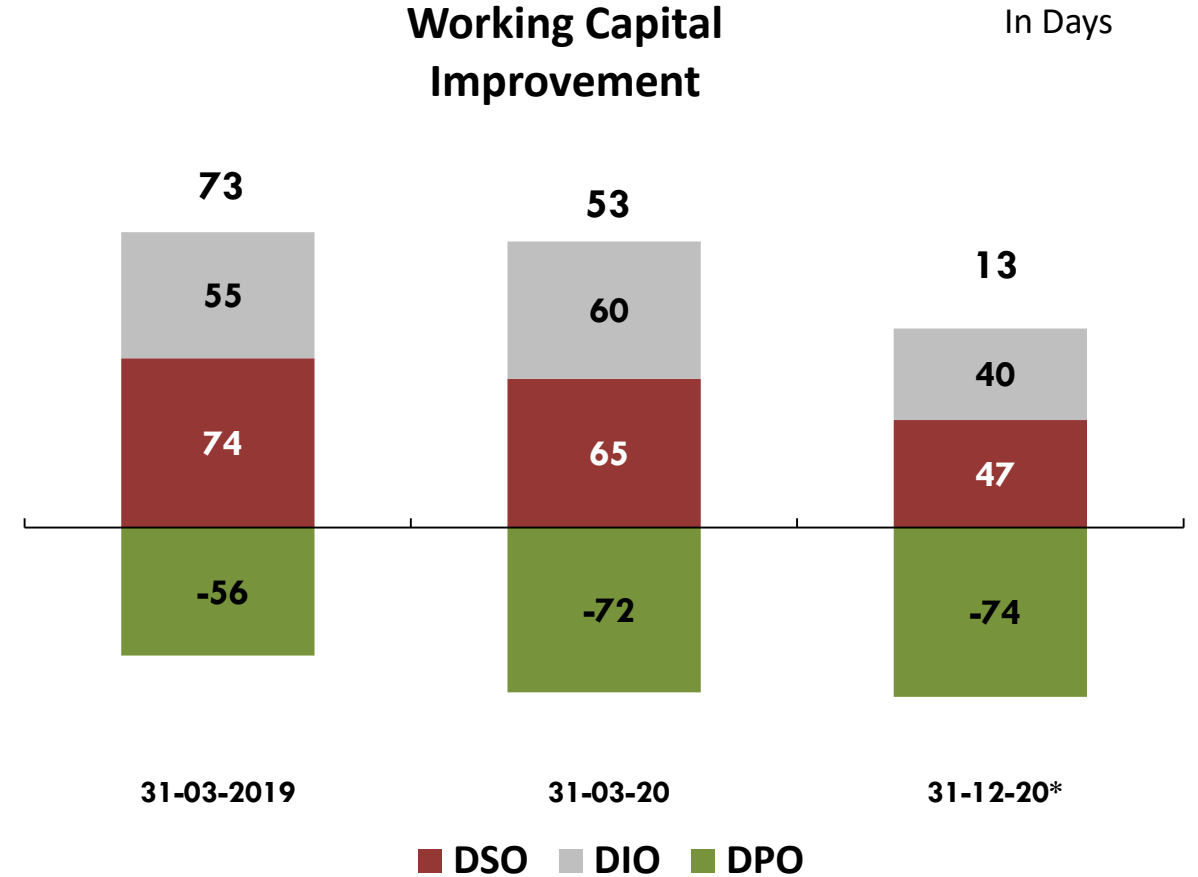
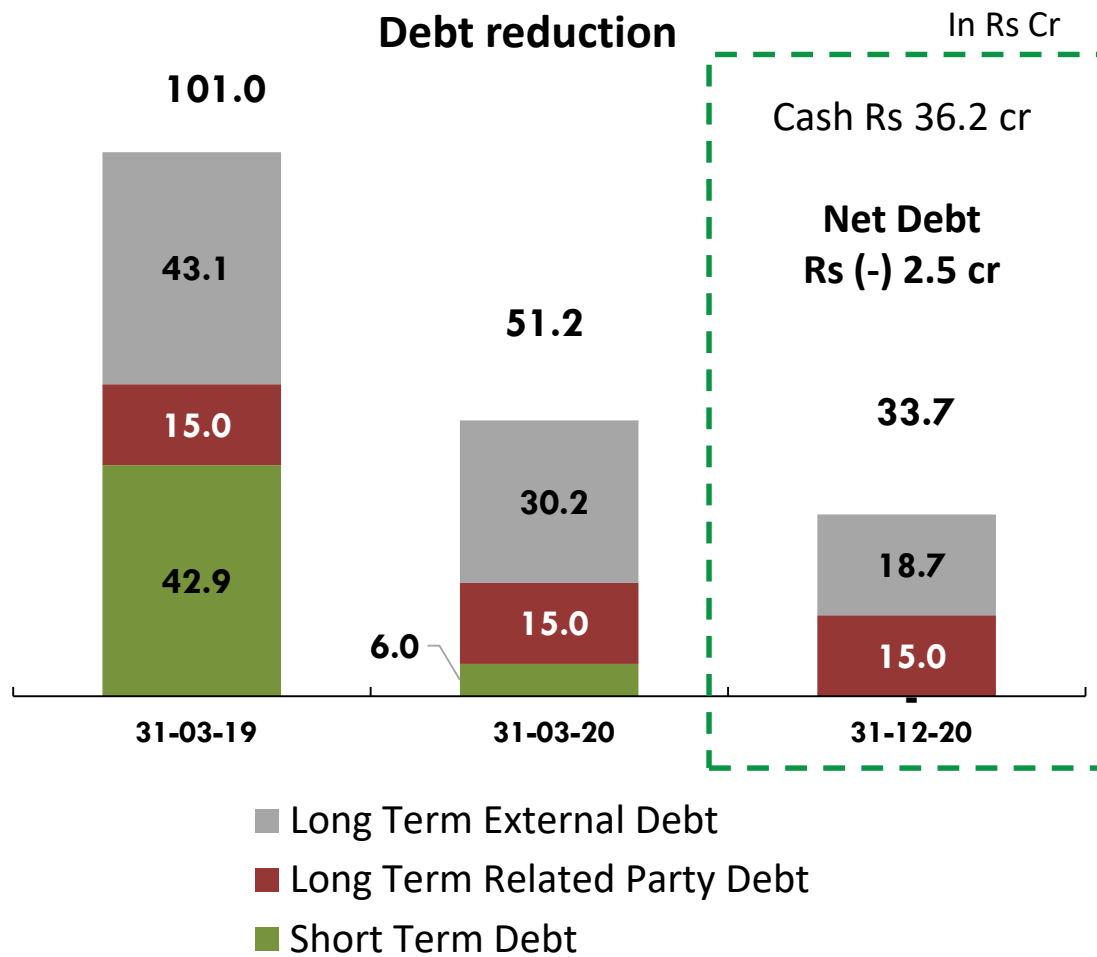
4x	2x	20%
Increase in impression frequency	Increase in View Frequency	Increase in Brand Searches

"Ad sequencing & Frequency Booster feature has helped us in driving both brand awareness and consideration – even among semi-urban & rural markets."

Robin Samuel Shelton
Head – Digital Marketing, Orientbell Limited



6 Strengthened Balance Sheet



*based on Q3 FY21 Sales/COGS as applicable

**Next phase:
scaling-up**



Scaling-up strategy for accretive value creation

Focus on 4 pillars to build customer preference for OBL

People

- ◆ Retention of key talent.
- ◆ Performance linked incentives for KMPs.
- ◆ Learning and development.
- ◆ Strengthening sales force – new branches & augmenting frontline team.
- ◆ Safety and health measures.
- ◆ Company wide Reward & recognition program.
- ◆ Employee Engagement.
- ◆ Develop tools to enhance productivity.

Distribution & Display

- ◆ Add Orient Bell tile boutiques in focus geographies.
- ◆ Enhance distribution reach- New Channel partners and Category penetration in existing Channel.
- ◆ Enhance penetration with leading Builders.
- ◆ Build preference for OBL in the Architect & Interior Designer community with state of art tools.
- ◆ Target weak markets.

Product & Service

- ◆ Capture customer feedback and changing trends to differentiate portfolio.
- ◆ Increase categories from own manufacturing to provide a one stop shop for Channel.
- ◆ Premiumization of portfolio, increase in vitrified %.
- ◆ Relentless Quality focus.
- ◆ Ensure ease of doing business with OBL by improving service levels and transparency.

Digitally enabled Brand

- ◆ Aggressive brand building investments with focus on Digital to track ROI of efforts.
- ◆ Engage customers with an award-winning website that enables Tile discovery & selection.
- ◆ Integrate online Lead generation with offline sales channel to build secondary sales.
- ◆ Project tracking tools to ensure systematic follow ups.
- ◆ Strengthen adoption of tools for Tile visualization & presentation.

We are focusing on building relationships with Retail & Institutional stakeholders aided with tools to remove friction in the buying process.

Recent sector trends to support growth

Improving domestic demand

- ◆ Positive impact of falling home loan rates and reduction in trust deficit.
- ◆ Covid-19 has increased demand for home improvements & preference for bigger homes.
- ◆ Trend of governments providing relief to realty sector.

Morbi manufacturers focused on exports

- ◆ Global customers are looking at countries besides China.
- ◆ GCC exports continue unabated despite ADD imposition in Jun'20 largely attributed to Morbi's growing competitiveness, particularly in the ceramic wall and lower format GVT segment.
- ◆ US imposition of ADD on China (~200%+); US has now become the second largest export destination for Morbi after GCC. Exports to UK and Europe also gaining strong traction.

Organized players gaining share in domestic market

- ◆ Channel partners prefer large branded players due to assured and faster supplies.
- ◆ Reduced discounting.
- ◆ Better compliance on GST improving competitiveness of branded players.
- ◆ Increase in Gujarat gas pricing has reduced price gap between Morbi and branded players.
- ◆ OBL dependence on Morbi is the lowest amongst branded players.

Ensure sustainable and responsible growth

Protecting environment

Reduced water consumption by rainwater harvesting.



Zero Waste and water discharge manufacturing facilities



Solar PPA executed for Hoskote Location.

Planted **1500+** trees YTD FY21

Won the "Certificate of Merit" in National Energy Conservation Award' 2016 organized by Ministry of Power for saving Power and Fuel Consumption, Member of Indian Green Building Council, GRIHA



ISO 14001:2015 Certified, global Recognition for environment friendly industrial company

Contributing to society

Sponsored 175+ number of Schools to support education through our CSR programmed



Responsible governance

Experienced Board of directors.

Empowered senior leadership team that have oversight and head dedicated departments



Organization wide Code of Conduct that reflects the company's principles

Continuous stakeholder engagement promoting transparency – Shareholder communications/ Employee townhalls, transparent Vendor ecosystems



Historical Financial performance



Historical consolidated profit & loss statement

(Rs. Crores)	FY18	FY19	FY20
Revenue from operation	648.0	571.1	492.3
Cost of Goods Sold	287.7	256.7	236.3
Employee Benefit Expense	76.1	75.7	73.6
Other Expenses	237.1	201.8	156.4
Total Operating Expenses	600.8	534.1	466.2
EBITDA	47.2	37.0	26.1
<i>EBITDA margin</i>	7.3%	6.5%	5.3%
Other Income	2.4	1.9	5.3
Interest	7.3	8.7	8.1
Depreciation	15.0	16.5	20.6
Share of profit/(loss) of Associates	-0.2	0.4	0.3
Exceptional Item	20.3	-	-
PBT	47.3	14.1	2.9
Tax Expenses (Credits)	7.3	4.8	-4.2
PAT	40.0	9.3	7.1
<i>PAT Margin</i>	6.2%	1.6%	1.4%

Consolidated balance sheet

(Rs. Crores)	Sep'20	Mar'20
Share Capital	14.3	14.3
Reserves	218.1	225.3
Shareholders' Funds	232.4	239.6
Long Term Borrowings	28.1	33.4
Lease Liabilities	7.0	7.9
Other Long Term Financial liabilities	10.9	10.5
Deferred Tax Liabilities	18.5	22.0
Long Term Provisions	1.6	1.5
Total Non-Current Liabilities	66.1	75.2
Trade Payables	82.7	77.3
Lease Liabilities	2.0	2.2
Other Current Liabilities	16.1	19.4
Short Term Provisions	0.5	0.4
Short Term Borrowings	-	6.0
Total Current Liabilities	101.2	105.3
Total Liabilities	399.8	420.2

(Rs. Crores)	Sep'20	Mar'20
Fixed Assets incl. CWIP	218.1	225.5
Right-of-use assets	7.0	7.9
Non-Current Investments	7.0	7.0
Other Non Current Assets	4.5	4.0
Total Non-Current Assets	236.5	244.4
Inventories	59.4	80.6
Trade Receivables	67.8	86.9
Cash and Bank	32.5	3.0
Other Current Assets	3.6	5.3
Total Current Assets	163.2	175.8
Total Assets	399.8	420.2

Thank You

Orient Bell Limited

Mr. Himanshu Jindal – CFO

Mr. Ashish Kapur – AGM Treasury, Investor Relations & Corporate Finance

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