

Project 'Sirius'

Strategic Alliance: An Invitation

About Project Sirius ('Sirius' or 'Company'):

Established in 2005, the Company is a luxury homeware company with various product offerings in cutlery and holloware segment. The Company operates under 2 brands, to best cater to their different target customers and grow at a quicker rate. With distribution network of more than 5,000 distributors, they are one of the leaders in the both economy and luxury segment, and an established brand leader for luxury cutlery in India.

Project Sirius has a state of art manufacturing unit near New Delhi with latest technology for making flatware. It can manufacture flatware upto 10 mm thickness and has current capacity of 1 million pcs per month. The factory specializes in medium and high end flatware. It also has inhouse decoration techniques like gold plating and sand blasting.

Sirius has presence in over 9 countries besides India. It comprises of 5 middle east countries, 3 African countries and 2 countries in the Indian subcontinent.

Sales model:

The company sells its products through the following channels

- Traditional sales channel
- Hospitality (food services) channel
- International business
- Modern trade channel
- Institutional sales channel
- E-commerce

Market assessment:

At present, the Indian market is dominated by unorganized players which generally sell inferior quality goods at a cheaper price point which is expected to change gradually with rise in purchase power and lifestyle

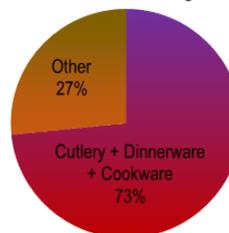
The total market size of the Indian homeware market for 2018 was US\$ 2.43 Bn of which US\$ 0.81 Bn attributes to cutlery and dinnerware. The cookware market stood at US\$ 0.98 Bn

The homeware industry has been growing at a healthy pace of 9.7% CAGR during 2013-2018. According to a report by Euromonitor the actual and expected growth rates are as follows:

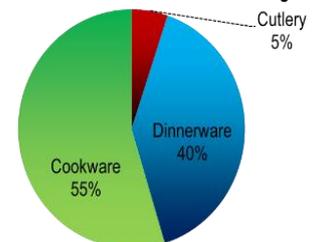
Product	Market size as of 2018 (in US\$ million)	Actual 2013- 2018 CAGR	Expected 2018- 2023 CAGR
Cutlery	90.41	10.7%	7.9%
Dinnerware	703.74	11.0%	9.1%
Cookware	960.34	8.4%	7.5%

*exchange rate as on 31st Dec 2018: INR69.57/US\$

Homeware market segment



Cutlery + Dinnerware + Cookware market segment



Plans:

Project Sirius is looking to expand on multi-dimensions, including creating a manufacturing and supply base for your global network; like to leverage its premium brand recognition and well established distribution channels. Expand into newer product lines such as high-end porcelain tableware, cast iron cookware and high quality stainless steel cookware products. The Company has already completed the technical & feasibility study of the proposed new product lines.

Suggested areas of partnerships include:

1. Project Sirius to be the original equipment manufacturer (OEM) and supply base for sourcing high-quality products at securing a cost-effective supply-chain (alternative to existing suppliers).
2. Joint R&D for product customization suiting Indian customs, traditions, processes, etc.
3. Company to catalyze its well-spread out marketing and distribution channels for your products.
4. Your company to market Project Sirius' products into newer geographies, segments
5. Any other mutually beneficial strategic alliance.

Rationale for the way forward:

Consumers' growing affluence, aspiration for better lifestyles, increasing homeware-products awareness, quality consciousness, willingness to spend are key drivers for launching premium tableware & cookware.

Potential market analysis:

The company is planning to launch Porcelain tableware, Cast Iron cookware and High end Stainless cookware in the near future.

Porcelain Tableware: Porcelain tableware is only 5% to the Indian tableware market. Because of the products durability, practicality, and beauty, it can grow at a rapid pace in India. The market value of the global ceramic tableware market as on 2018 was US\$62.03 Bn. In India, porcelain accounts for only 13% of the market share of ceramic tableware products.

Cast-Iron Cookware: According to Zion market research, global cast-iron cookware market is set to register a CAGR of 3.8% between 2020 and 2026 primarily because of an increased number of consumers becoming more health conscious. This cookware is known for its health benefits, safety, and for being chemical free.

Stainless Steel Cookware: As on FY-2018, Stainless Steel kitchenware has an approximate market size of US\$ 3.07 Bn. It is best known for its durability, cooking performance, and its low maintenance. As on 2019, the global market for stainless steel was US\$111.4 Bn and kitchenware constitutes ~60% of the total

Project Sirius - Financial Snapshot:

Particulars (in INR '000)	FY2018A (Audited)	FY2019A (Audited)	FY2020 (Estimated)#
Revenue	444,730	518,314	482,345
Business EBITDA	40,573	45,975	35,077
Margin	9.13%	9.01%	
PAT	11,176	12,256	4,898
Margin	2.51%	2.40%	

Impact of Covid-19.

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