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CIN: L25100MH1958PLC011041

January 24, 2024

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Security Code: 500878**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400 051

**Symbol: CEATLTD**

**NCD Symbol: CL25, CL26**

**CP Listed ISIN: INE482A14BX5, INE482A14BZ0,  
INE482A14CA1**

**Sub: Results Earnings Call Q3 FY24 – Investors Presentation**

Dear Sir/Madam,

In continuation of our letters dated January 10, 2024, pursuant to Regulation 30 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investors Presentation for the Results Earnings Call for the quarter and nine months ended December 31, 2023 scheduled on Thursday, January 25, 2024 at 4:00 p.m. IST, dial-in details of which are reproduced below for ready reference:

**Dial-in Details:**

Indian (Universal) and Mumbai	+91 22 6280 1325 / +91 22 7115 8226
<b>Location</b>	<b>Dial In Number</b>
USA	18667462133
UK	08081011573
Singapore	8001012045
Hong Kong	800964448

We request you to kindly take the same on record and disseminate appropriately.

Thanking you,

Yours faithfully,  
For **CEAT Limited**

**Vallari Gupte**

**Company Secretary & Compliance Officer**

Encl: as above



Q3 FY24 | Investor Presentation | 24<sup>th</sup> January 2024

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# Section 1: RPG Group and CEAT Overview

# RPG Group: Powered by Passion, Driven by Ethics

UNLEASHTALENT  
TOUCLIVES  
OUTPERFORM  
AND😊

RPG Enterprises was founded in 1979. The group currently operates various businesses in Infrastructure, Technology, Life Sciences, Plantations and Tyre industries . The group has business history dating back to 1820 in banking, textiles, jute and tea. The Group grew in size and strength with several acquisitions in the 1980s and 1990s. CEAT became a part of the RPG Group in 1982, which is now one of India's fastest growing conglomerates with 30,000+ employees, presence in 110+ countries and annual gross revenues of ~USD 4.4 Bn



EPC major in infrastructure segments like T&D, Railways, Civil, Oil & Gas



One of India's leading tyre manufacturers



Global technology consulting and IT services company



Integrated pharma company in formulations and synthetic APIs



Technology solutions company catering to energy and infrastructure



One of India's largest plantation companies producing tea, rubber, etc.

# CEAT Overview

**55,000+** touchpoints

**Highest**

brand **connect** with “grip”  
and “safety”



**1<sup>st</sup> Deming Grand** prize winner  
and  
**1<sup>st</sup> Lighthouse** recognised facility  
in **tyre industry globally**

**165+**

Patent filings

**Rs. 11,315 cr**

revenue (FY23)

**8.7%**

EBITDA (FY23)



**50+**  
OEM relationships

**0.6x**

debt to equity

**AA**

credit rating

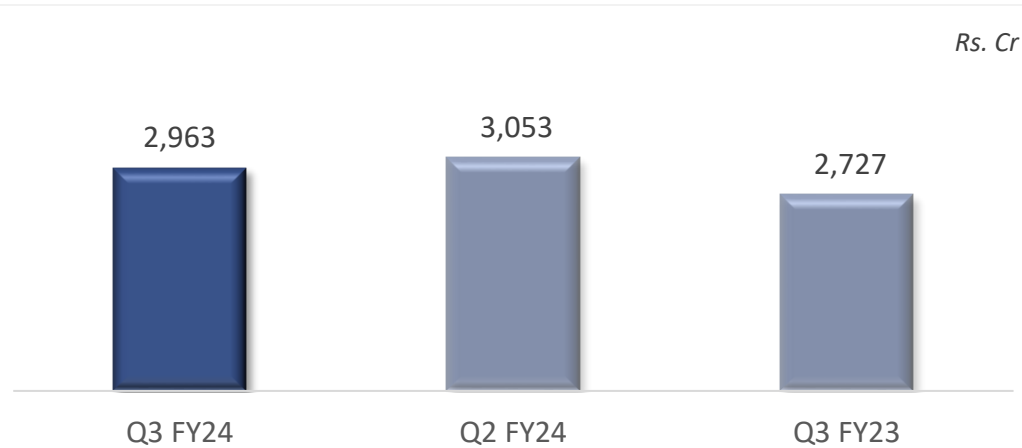
**8,500+**

Permanent employees

## Section 2: Q3 FY24 Performance

# Consolidated Financial Performance (1/2)

Revenue Rs. 2,963 Cr, -3.0% QoQ, +8.7% YoY



- On YoY basis, healthy volume growth across replacement and OEM segments. Exports also continue to recover
- Seasonally weak quarter v/s Q2, led by decline in OEM volumes
- Price adjustments in OEM and exports impacted realizations vis-à-vis last year

## Diversified Product Mix <sup>1</sup>

Truck & Bus



31% (30%)

PC/UV



20% (20%)

LCV



7% (8%)

2/3W



28% (26%)

Off Highway



14% (16%)

## Balanced Market Mix <sup>1</sup>

Replacement



54% (53%)

OEM



28% (29%)

Exports

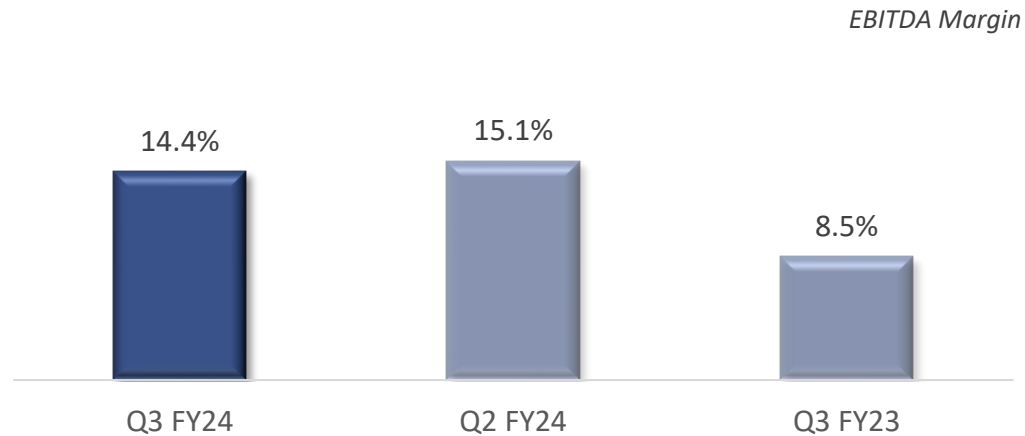


18% (18%)



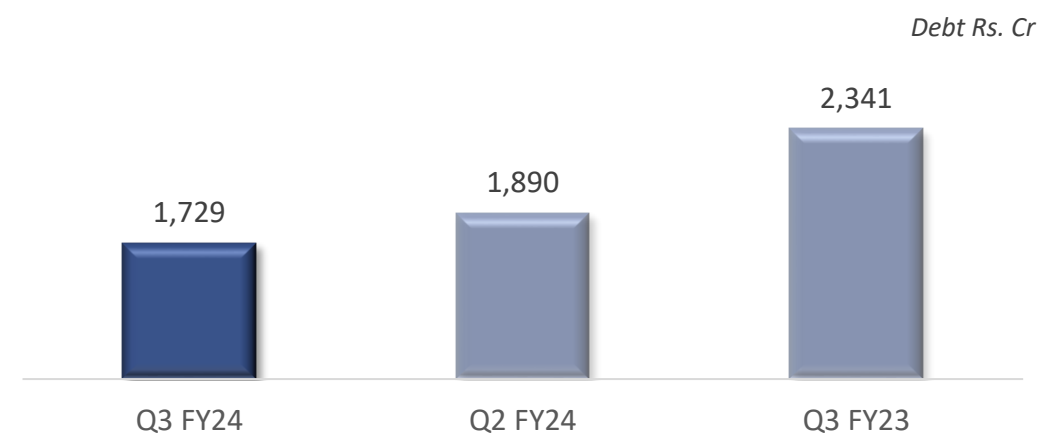
# Consolidated Financial Performance (2/2)

**EBITDA margin 14.4%, -76 bps QoQ, +588 bps YoY**



- Gross margins impacted by increase in RM cost and mix impact
- Lower advertisement expenses and cost optimisation measures reduced the impact of gross margin contraction
- YoY margin improvement led by RM cost reduction and operational efficiencies

**Debt Rs. 1,729 Cr, D/E 0.4x, Debt/EBITDA 1.05x**



- Capex for the quarter was Rs. ~ 215 Cr
- Working capital remained at similar levels as Q2 FY24
- Healthy cash generation led to a further debt reduction of ~Rs. 160 Cr sequentially
- Leverage ratios improved QoQ as well as YoY

# Operational Highlights

India's Most Trusted Tyre Brand 2023  
as adjudged by TRA Research



Among India's Best Managed  
Companies for 2023 as adjudged by  
Deloitte India



Value Engineering Efforts  
Recognized by Tata Motors



# Consolidated: Summary P&L

All figures in Rs. Cr

Parameter	Q3 FY24	Q2 FY24	Q3 FY23	QoQ	YoY	9M FY24	9M FY23	YoY
<b>Net Revenue from operations</b>	<b>2,963.1</b>	<b>3,053.3</b>	<b>2,727.2</b>	<b>-3.0%</b>	<b>8.7%</b>	<b>8,951.6</b>	<b>8,440.1</b>	<b>6.1%</b>
Raw Material	1,738.5	1,729.8	1,785.2	0.5%	-2.6%	5,197.9	5,663.5	-8.2%
<b>Gross margin</b>	<b>1,224.6</b>	<b>1,323.6</b>	<b>942.1</b>	<b>-7.5%</b>	<b>30.0%</b>	<b>3,753.8</b>	<b>2,776.6</b>	<b>35.2%</b>
<b>Gross margin %</b>	<b>41.3%</b>	<b>43.3%</b>	<b>34.5%</b>	<b>(202) bps</b>	<b>679 bps</b>	<b>41.9%</b>	<b>32.9%</b>	<b>904 bps</b>
Employee Cost	217.2	217.7	181.8	-0.2%	19.4%	630.4	521.4	20.9%
Other Expenses	589.9	649.8	522.6	-9.2%	12.9%	1,862.7	1,649.2	12.9%
<b>EBITDA</b>	<b>425.7</b>	<b>461.8</b>	<b>231.4</b>	<b>-7.8%</b>	<b>83.9%</b>	<b>1,272.1</b>	<b>606.5</b>	<b>109.7%</b>
<b>EBITDA %</b>	<b>14.4%</b>	<b>15.1%</b>	<b>8.5%</b>	<b>(76) bps</b>	<b>588 bps</b>	<b>14.2%</b>	<b>7.2%</b>	<b>702 bps</b>
Finance Cost	65.6	71.7	65.7	-8.6%	-0.2%	207.4	175.5	18.2%
Depreciation	127.3	124.5	117.5	2.3%	8.4%	372.8	344.0	8.4%
<b>Operating PBT</b>	<b>232.8</b>	<b>265.5</b>	<b>48.2</b>	<b>-12.3%</b>	<b>382.4%</b>	<b>691.9</b>	<b>87.0</b>	<b>695.4%</b>
Exceptional expense	0.0	0.0	0.5	NM	NM	0.0	24.9	NM
Non-Operating income	2.9	10.5	2.0	-71.9%	45.5%	16.7	14.6	14.5%
<b>PBT</b>	<b>235.7</b>	<b>276.0</b>	<b>49.8</b>	<b>-14.6%</b>	<b>373.1%</b>	<b>708.6</b>	<b>76.7</b>	<b>824.1%</b>
<b>PAT</b>	<b>181.3</b>	<b>207.7</b>	<b>34.8</b>	<b>-12.7%</b>	<b>420.2%</b>	<b>533.0</b>	<b>50.0</b>	<b>966.7%</b>

## Notes

Figures are as per IND AS

Company's investment in Sri Lanka JV is accounted using Equity method under IND AS which was earlier consolidated using proportionate consolidation method

Gross margin includes impact of non-material cost movement of inventory (FG + SFG)

EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non-operating income

# Standalone: Summary P&L

All figures in Rs. Cr

Parameter	Q3 FY24	Q2 FY24	Q3 FY23	QoQ	YoY	9M FY24	9M FY23	YoY
<b>Net Revenue from operations</b>	<b>2,949.0</b>	<b>3,043.2</b>	<b>2,711.1</b>	<b>-3.1%</b>	<b>8.8%</b>	<b>8,913.4</b>	<b>8,400.5</b>	<b>6.1%</b>
Raw Material	1,730.6	1,724.8	1,773.4	0.3%	-2.4%	5,177.0	5,641.0	-8.2%
<b>Gross margin</b>	<b>1,218.4</b>	<b>1,318.4</b>	<b>937.7</b>	<b>-7.6%</b>	<b>29.9%</b>	<b>3,736.4</b>	<b>2,759.5</b>	<b>35.4%</b>
<b>Gross margin %</b>	<b>41.3%</b>	<b>43.3%</b>	<b>34.6%</b>	<b>(201) bps</b>	<b>673 bps</b>	<b>41.9%</b>	<b>32.8%</b>	<b>907 bps</b>
Employee Cost	213.9	215.5	180.7	-0.7%	18.3%	622.7	514.1	21.1%
Other Expenses	587.5	645.6	520.4	-9.0%	12.9%	1,852.8	1,638.8	13.1%
<b>EBITDA</b>	<b>417.1</b>	<b>457.4</b>	<b>236.6</b>	<b>-8.8%</b>	<b>76.3%</b>	<b>1,260.9</b>	<b>606.7</b>	<b>107.8%</b>
<b>EBITDA %</b>	<b>14.1%</b>	<b>15.0%</b>	<b>8.7%</b>	<b>(89) bps</b>	<b>542 bps</b>	<b>14.1%</b>	<b>7.2%</b>	<b>692 bps</b>
Finance Cost	64.8	71.0	65.0	-8.7%	-0.2%	205.3	173.2	18.6%
Depreciation	127.3	124.5	117.5	2.3%	8.4%	372.7	344.0	8.4%
<b>Operating PBT</b>	<b>224.9</b>	<b>261.9</b>	<b>54.2</b>	<b>-14.1%</b>	<b>315.3%</b>	<b>682.9</b>	<b>89.6</b>	<b>662.4%</b>
Exceptional expense	0.0	0.0	0.5	NM	NM	0.0	24.9	NM
Non-Operating income	3.5	3.7	2.9	-6.8%	17.7%	23.3	36.4	-36.0%
<b>PBT</b>	<b>228.4</b>	<b>265.6</b>	<b>56.6</b>	<b>-14.0%</b>	<b>303.2%</b>	<b>706.2</b>	<b>101.1</b>	<b>598.3%</b>
<b>PAT</b>	<b>176.7</b>	<b>199.1</b>	<b>41.8</b>	<b>-11.3%</b>	<b>322.5%</b>	<b>535.2</b>	<b>74.27</b>	<b>620.7%</b>

## Notes

Financials are as per IND AS

Gross margin includes impact of non-material cost movement of inventory (FG + SFG)

EBITDA does not include Non-operating income

## Section 3: ESG Highlights

# ESG Highlights

## Sustainability Vision: Reduce carbon footprint by 50% by 2030



~13% reduction in overall tCO2e per MT of production <sup>1</sup>



~35% plant power through renewable sources <sup>2</sup>



~5.5% reduction in water consumption per MT of production <sup>3</sup>



~24% natural rubber sourced via alternate transport (lower footprint) <sup>4</sup>



Upto 10% reduction in rolling resistance in select SKUs <sup>3</sup>

## Key Social Initiatives

500+ farmers trained in organic and regenerative cultivation <sup>2</sup>



Prepared and distributed 29,000+ seed balls for tree plantation <sup>2</sup>



5,500+ teachers impacted through teachers' training programmes <sup>2</sup>



~3.8 lac availed services via rural health clinics <sup>2</sup>

1. Scope 1, 2 and select scope 3 reduction Apr - Dec FY24 v/s Apr - Dec FY23. Also contributed by revision in thermal emission factor  
2. As on end of Q3 FY24

3. Apr - Dec FY24 v/s Apr - Dec FY23  
4. For Apr - Dec FY24

THANK YOU