



# Disclaimer

---

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

The information contained in these materials has not been independently verified. None of the Company, its Directors, Promoter or affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this document or its contents or otherwise in connection with this document, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this document or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The information and opinions contained in this presentation are current, and if not stated otherwise, as of the date of this presentation. The Company undertake no obligation to update or revise any information or the opinions expressed in this presentation as a result of new information, future events or otherwise. Any opinions or information expressed in this presentation are subject to change without notice.

This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of CEAT Limited (the “Company”), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefore. Any person/ party intending to provide finance / invest in the shares/businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision. This presentation is strictly confidential and may not be copied or disseminated, in whole or in part, and in any manner or for any purpose. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

# Table of Contents

---

**Section 1: RPG Group Overview**

**5-6**

**Section 2: Business Overview**

**8-19**

**Section 3: Operational & Financial Overview**

**21-28**

# Section 1: RPG Group Overview

# RPG Group: Powered by Passion, Driven by Ethics

**UNLEASHTALENT  
TOUHLIVES  
OUTPERFORM  
AND😊**

RPG Enterprises was founded in 1979. The group currently operates in various industries - Infrastructure, Technology, Life Sciences, Plantations and Tyre Manufacturing. The group has a history of business dating back to 1820 AD 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 20000+ employees, presence in 100+ countries and annual gross revenues of ~\$3 Bn.



**KEC  
International**

World leader in  
Power  
Transmission  
EPC space



**CEAT**

One of India's  
leading  
manufacturer of  
automobile tyres



**Zensar  
Technologies**

Software  
services provider  
spread across 20  
countries,  
400+ customers.



**RPG Life  
Sciences**

Pharma  
company with  
wide range  
medicines in  
global generics  
and synthetic  
APIs.



**Raychem RPG**

Engineering  
products and  
services  
catering to  
infrastructure  
segment  
of the economy.

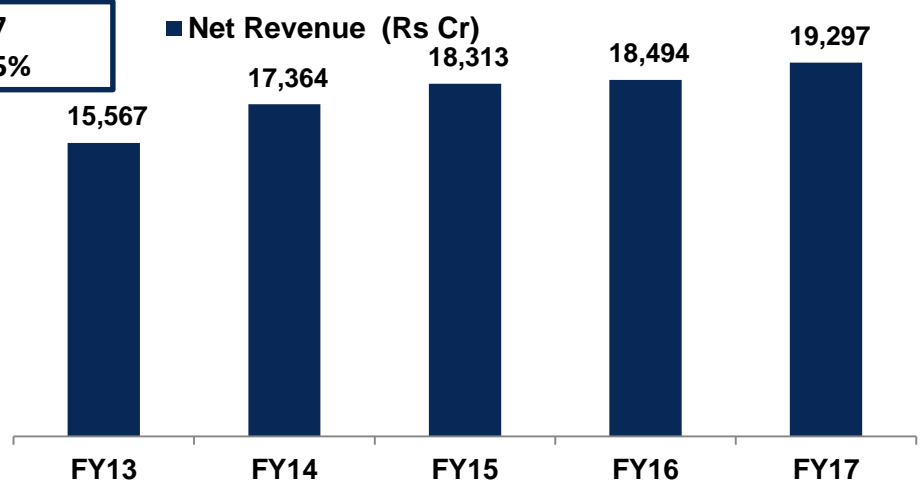


**Harrisons  
Malayalam**

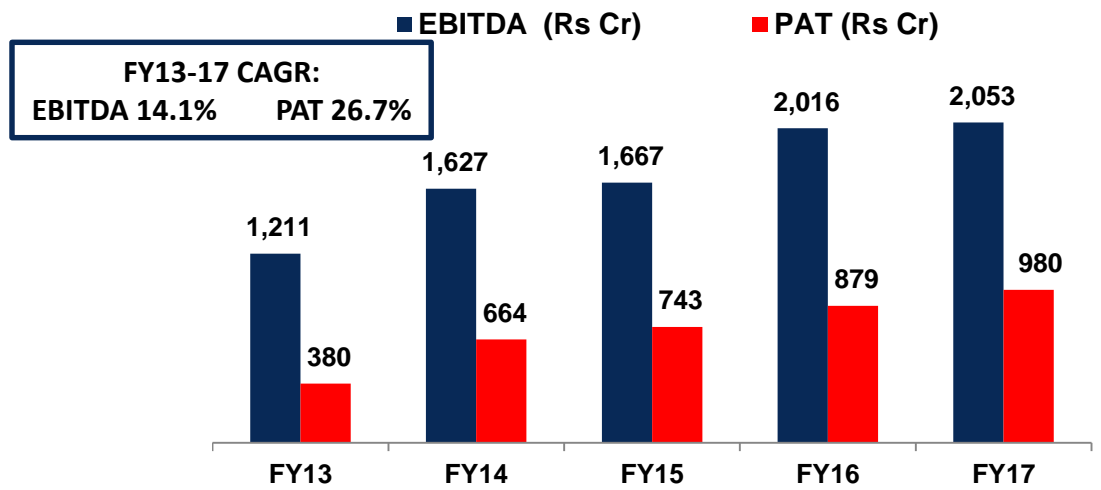
One of India's  
largest plantation  
companies with  
tea, rubber and  
other agro  
products.

# RPG Group: Key Financials

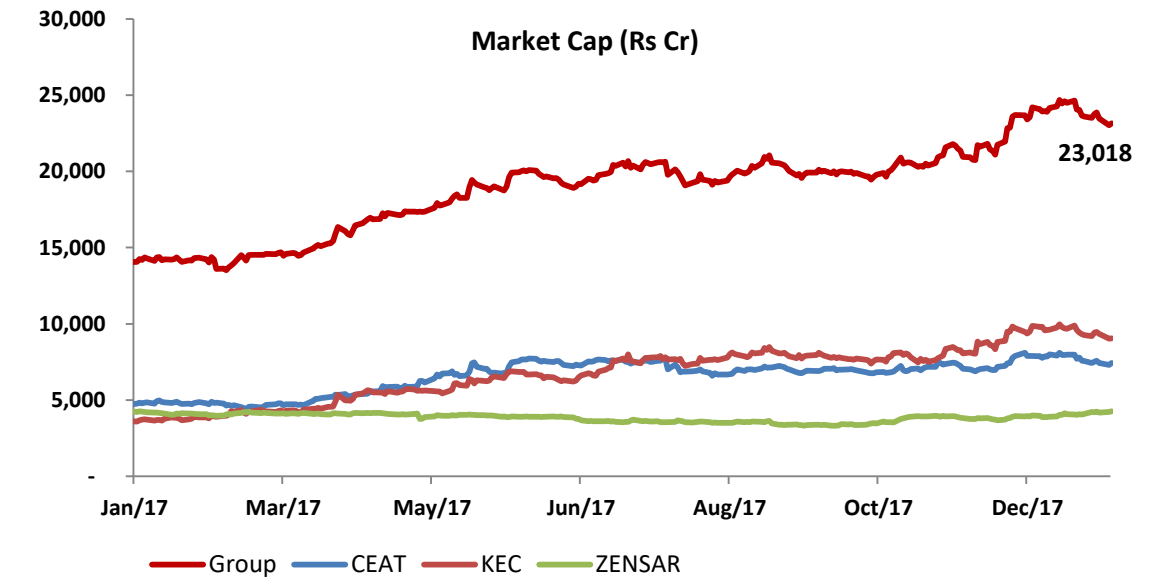
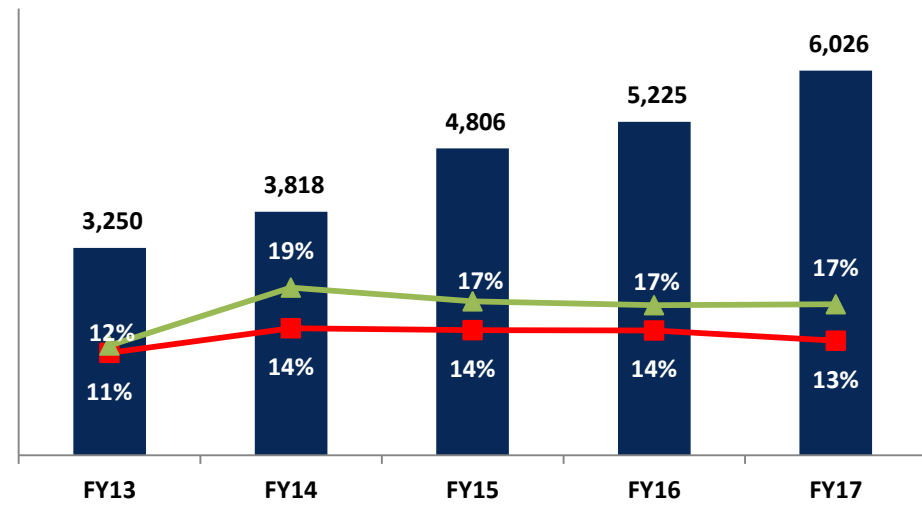
FY13-17  
CAGR: 5.5%



FY13-17 CAGR:  
EBITDA 14.1% PAT 26.7%



Net Worth (Rs Cr) ROCE ROE



Note:

- 1) ROCE is calculated by taking EBIT divided by Average Capital Employed
- 2) ROE is calculated by taking PAT divided by Average Net-worth
- 3) Market Cap updated till 29<sup>th</sup> Jan 2018

# Section 2: Business Overview



# Board of Directors



**Harsh Vardhan Goenka**  
Chairman, Non Executive Director



**Anant Vardhan Goenka**  
Managing Director



**Arnab Banerjee**  
Whole -Time Director



**Hari L. Mundra**  
Non Executive  
Non Independent Director



**Atul C. Choksey**  
Non Executive  
Independent Director



**Haigreve Khaitan**  
Non Executive  
Independent Director



**Mahesh S. Gupta**  
Non Executive  
Independent Director



**Paras K. Chowdhary**  
Non Executive  
Independent Director



**Punita Lal**  
Non Executive  
Independent Director



**Ranjit Pandit**  
Non Executive  
Independent Director



**S. Doreswamy**  
Non Executive  
Independent Director



**Vinay Bansal**  
Non Executive  
Independent Director



# Leadership Team

---

**Anant Goenka**



**Managing Director**

**Kumar Subbiah**



**Chief Financial Officer**

**Arnab Banerjee**



**Executive Director  
- Operations**

**Milind Apte**



**Senior Vice President  
- Human Resources**

**Tom Thomas**



**Executive Director  
- Projects**

**Dilip Modak**



**Senior Vice President  
- Manufacturing**

**Chandrashekhar Ajgaonkar**



**Senior Vice President  
- Quality Based Management**

**Peter Becker**



**Senior Vice President  
- R&D and Technology**

India's leading tyre company with over **50** yrs of presence

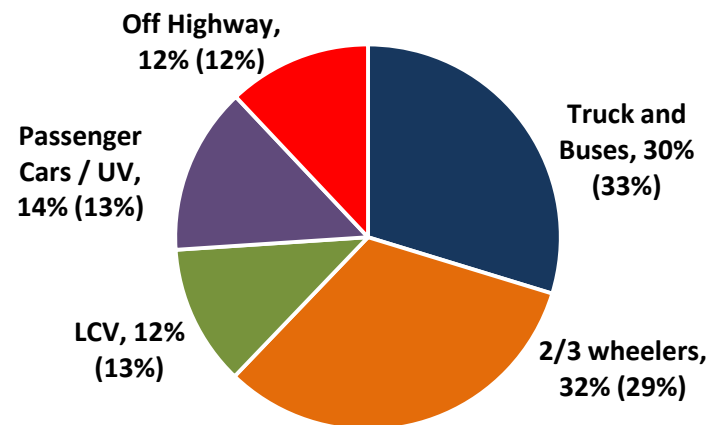
Distribution Network : **4,500+** dealers, **500+** exclusive CEAT franchisees

**6** Manufacturing facilities - Bhandup, Nasik, Halol, Nagpur, Ambernath & Sri Lanka

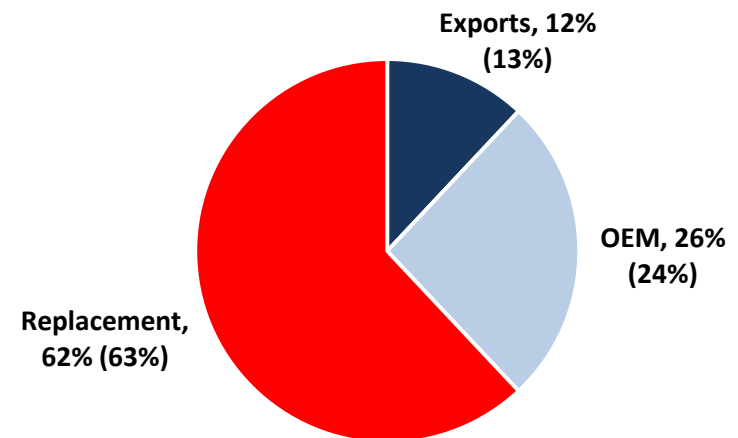
**100+** countries where products are sold with strong brand recall

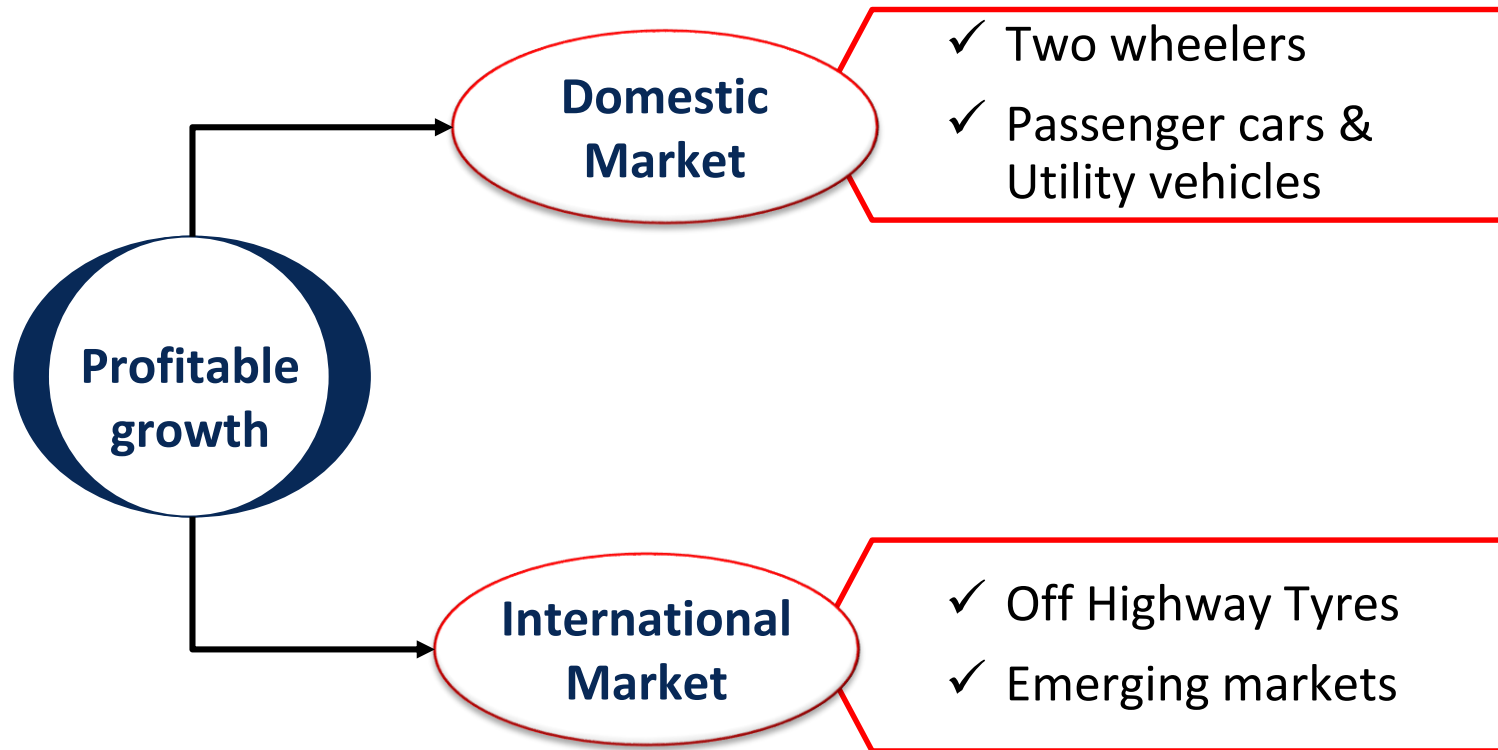
**#No 1** player in Sri Lanka in terms of market share

H1 FY18 Revenue Breakup by Product



H1 FY18 Revenue Breakup by Market





**1** Differentiated Products

**2** Strong Brand

**3** Extensive Distribution

**4** Deep OEM Partnerships

**5** World Class R&D

**6** Expanding Global Reach

# 1 Differentiated Products

## New Entries and Primary Supplier to OEM's



### Key developments

- **Focus on OEM, recent entries in new models** – Honda Grazia, Hyundai New Verna, Ashok Leyland Dost, Mahindra E Alpha, Bajaj New Platina, Honda Cliq, Ashok Leyland Stag and Partner, Tork T6X, Hero Motocorp Achiever 150, Renault Kwid, M&M TUV 300, RE Himalayan etc.
- **Recent entries into OEM's existing models** – Bajaj Pulsor 160, Tata Motors TBR, AL Partner LCV, Escort Tractors, Wagon R, Zylor, Daimler Truck Radials, Suzuki Gixxer, RE Classic, Yamaha FZ, Volvo etc.
- **Platforms** like Fuelsmart, Gripp, Mileage X3, SecuraDrive etc.



## 2 Strong Brand



Association with yet another spectacular cricketer - Harmanpreet Kaur

Launch of “CEAT Safety Scooter Handle Grip” with concealed Pepper Spray. [Click here](#)



CEAT’s Association with Mahindra Adventures



“Authentic Bhutan” expedition



“Authentic North-East” expedition

# 3 Extensive Distribution

Shoppe



Shop in Shop (SIS)



Distribution Network

- 4,500+ dealers
- 500+ CEAT Franchisees (Shoppes + Hubs)
- 270+ two-wheeler distributors
- Developed Multi Brand Outlet / Shop in Shop model over last 2 years. Over 400 outlets so far
- Launched CEAT Bike Shoppes in Bangalore and Kolkata

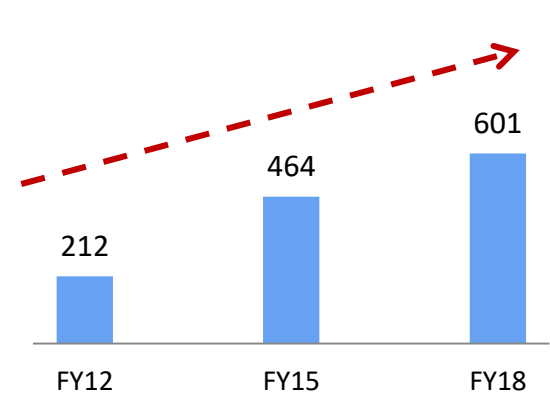
Multi Brand Outlet (MBO)



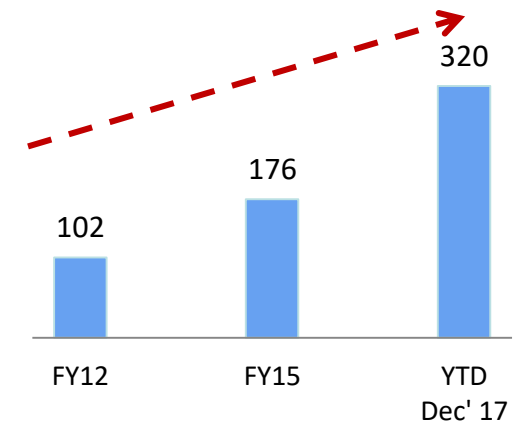
Bike Shoppe



District coverage



No. of CEAT Shoppes





# 4 Deep OEM Partnerships


## 5 World Class R&D

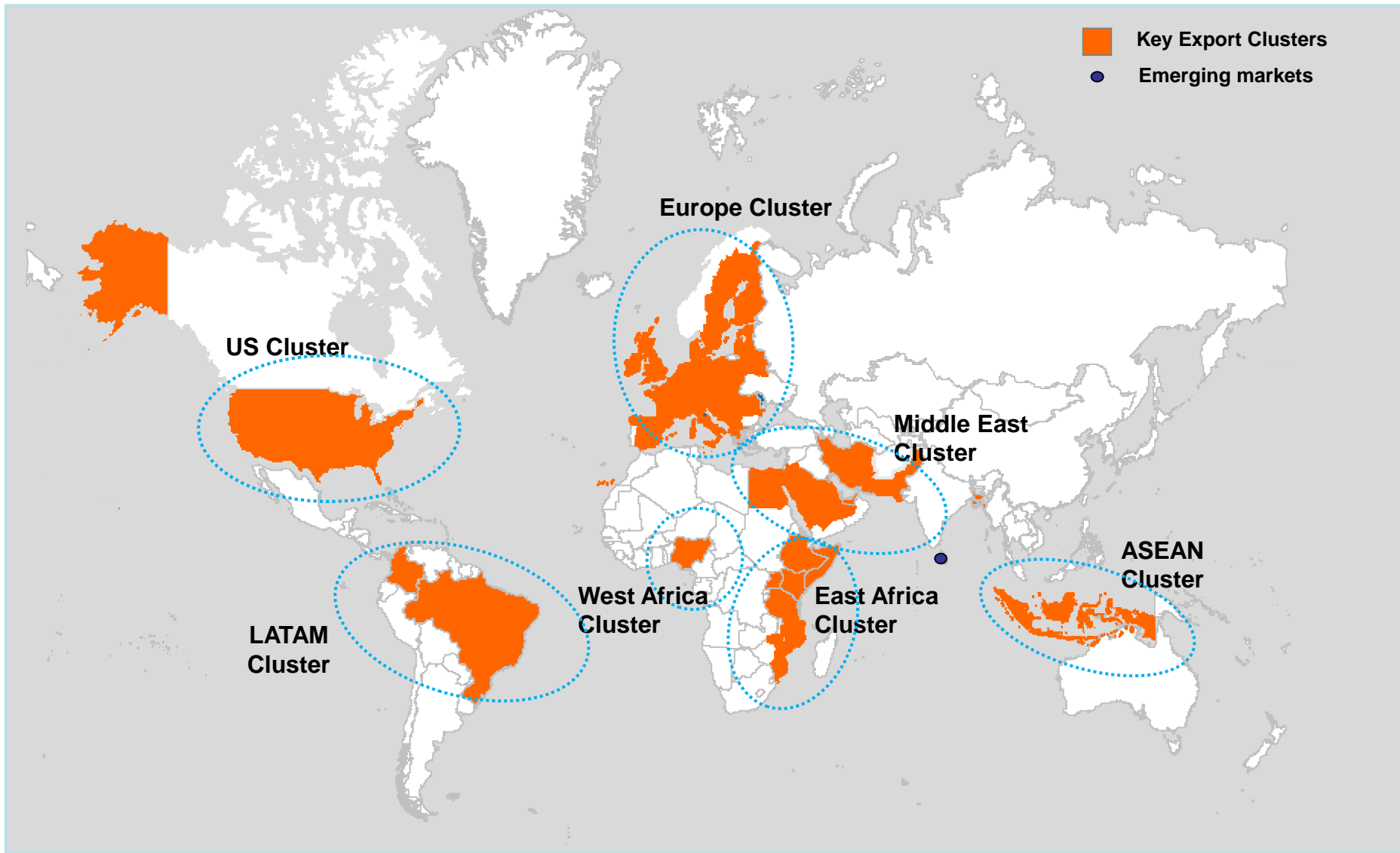


- State of the art R&D facility at Halol plant
- R&D focussed on development of breakthrough products, alternate materials, green tyres & smart tyres
- Partnerships with global institutes and technology partners

### Breakthrough Products

- “Puncture Safe” tyres for Two Wheelers – India’s 1st Self Sealing tyre
- “FuelSmarrt Tyres” for Passenger Cars – Reduced rolling resistance, less fuel consumption and more savings
- “Milaze Tyres” for SUV segment– Higher mileage up to 1,00,000 kilometers

# 6 Expanding Global Reach



- **Sri Lanka:**  
Leadership position with 50+% market share
- Focused product and distribution strategy for select clusters



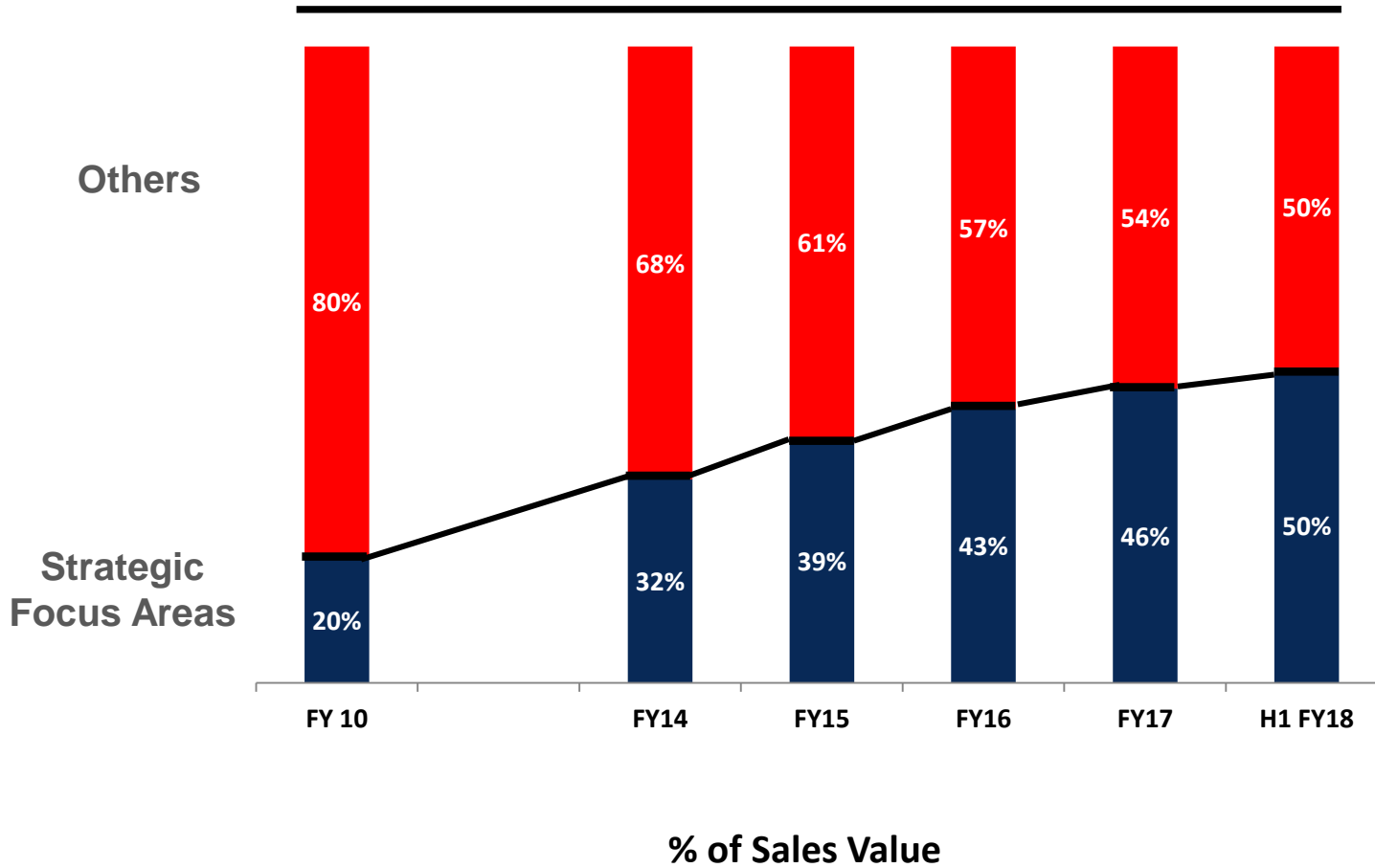
# Off Highway Tyres



## Status Update

- Greenfield OHT (Off Highway Tyres) radial plant in Ambernath
- Invested INR 330 Crs for a Phase 1 capacity of 40 MT/day which will be further ramped up to 100 MT/day
- Plant is now live and commercial sales have begun across all key markets

# Strategic Focus Areas – Continued Momentum



**Strategic Focus Areas**  
(Passenger Segment, Specialty Exports & Emerging Markets)

- CAGR of 25%
- Substantial contribution towards increasing profitability
- Market share growing

# Section 3: Operational & Financial Overview



# Q3 FY18 Operational Highlights

## Product Launch



Launch of premium motorcycle radial tyres - 'Zoom Rad X1' at the 'India Bike Week'

## OEM Entry



Honda Grazia

# Consolidated: Q3 FY18 Financial Highlights

## Q3 FY18 v/s Q2 FY18 (Q-o-Q)

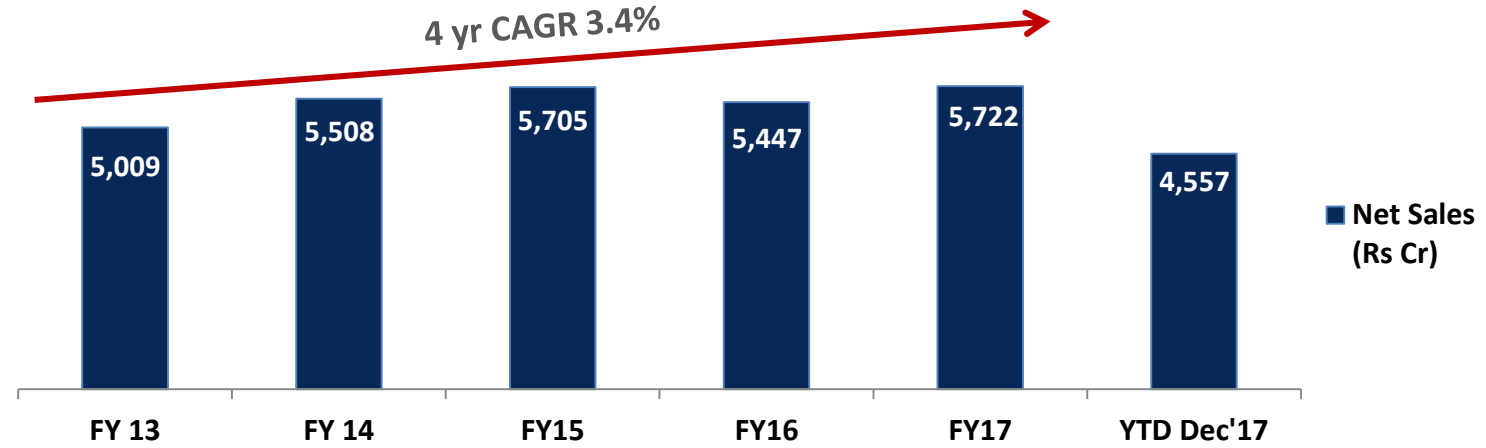
- Net revenue from operations increased by 3.4% at INR 1,574 Crs from INR 1,532 Crs
- Gross margins have expanded to 41.8% from 39.4%
- EBITDA stood at INR 195 crs compared to INR 181 Crs; margins at 12.4% from 11.9%
- PAT stood at INR 82 Crs compared to INR 73 Cr
- Debt / equity at 0.3x compared to 0.4x

## Q3 FY18 v/s Q3 FY17 (Y-o-Y)

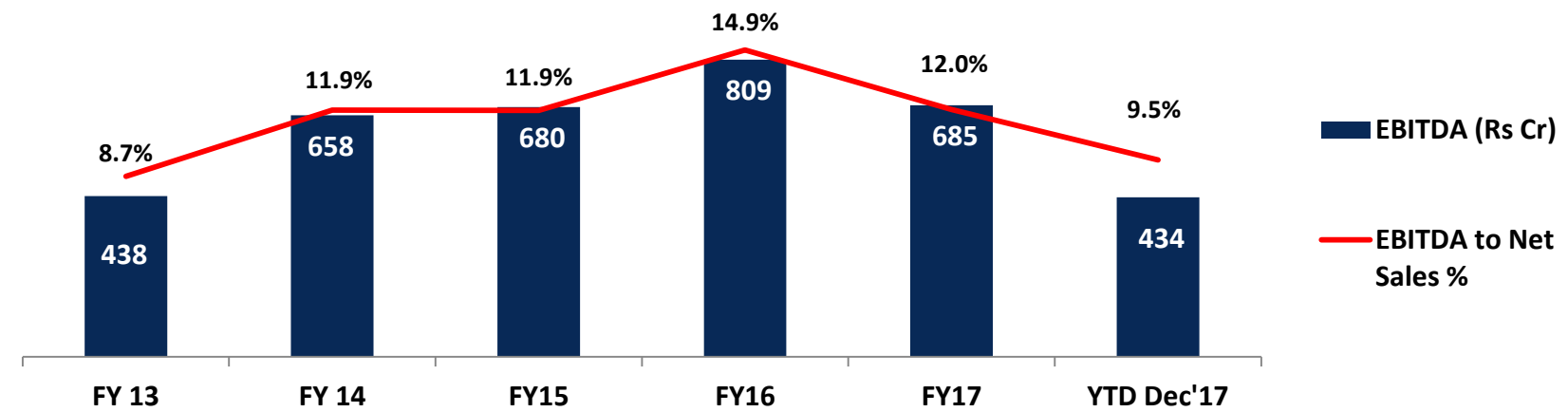
- Net revenue from operations increased by 12.6% at INR 1,574 Crs from INR 1,398 Crs
- Gross margins have expanded to 41.8% from 41.3%
- EBITDA stood at INR 195 crs compared to INR 158 Crs; margins at 12.4% from 11.3%
- PAT stood at INR 82 Crs compared to INR 84 Crs
- Debt / equity at 0.3x compared to 0.4x

# Consolidated: Financial Trends

Revenue growth



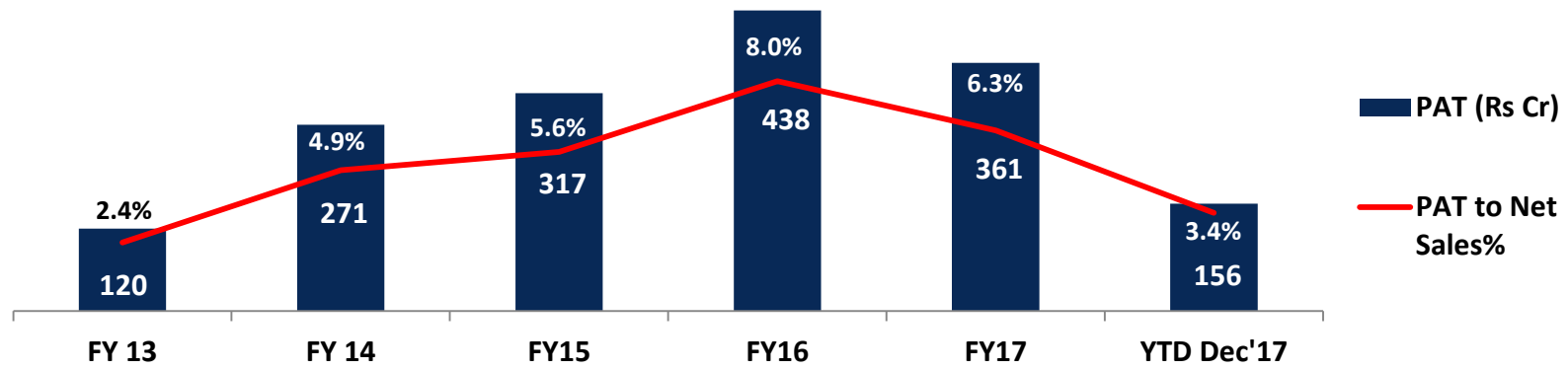
Margin trends



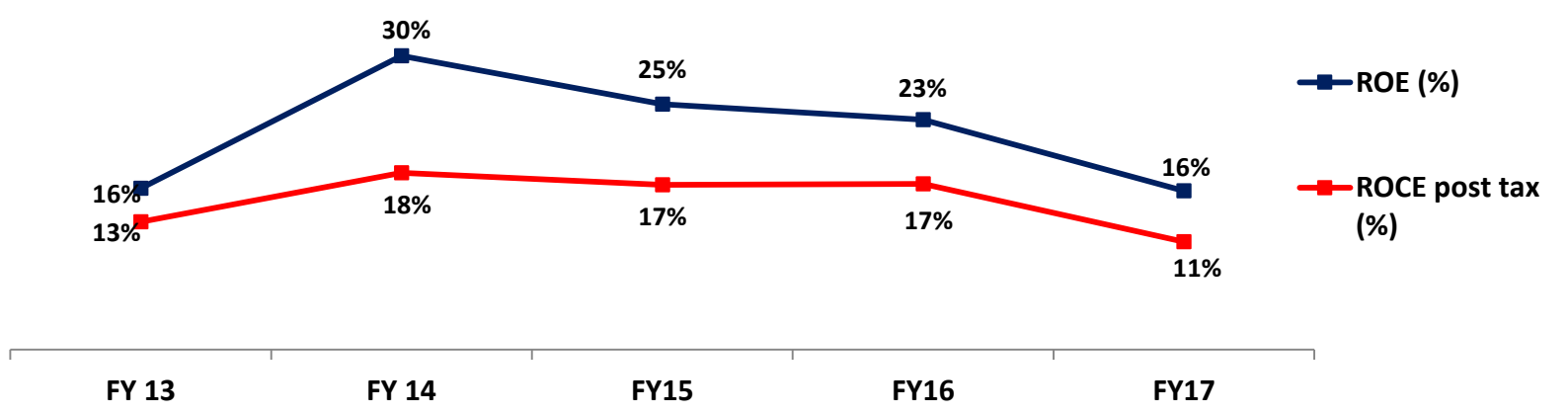
**Note**  
 FY16 onwards the figures are per IND AS; Other financial figures are as per IGAAP as published in previous periods  
 FY16 onwards the Company's investment in Sri Lanka JV is accounted using Equity method under IND AS which was earlier consolidated using proportionate consolidation method  
 FY16 onwards the EBITDA includes profit from Sri Lanka JV  
 EBITDA does not include Non- operating income

# Consolidated: Financial Trends

PAT trends



Return Ratios



**Notes**

FY16 onwards the figures are per IND AS; Other financial figures are as per IGAAP as published in previous periods  
 ROCE is based on PBIT \*(1-tax rate) and average capital employed has been considered for calculations

# Consolidated: Q3 FY18 Financials

Parameter	Q3FY17	Q2FY18	Q3FY18	QoQ	YoY	YTD Dec'17	YTD Dec'18	INR Cr
								YoY
<b>Net Revenue from operations</b>	<b>1,398</b>	<b>1,523</b>	<b>1,574</b>	<b>3%</b>	<b>13%</b>	<b>4,295</b>	<b>4,557</b>	<b>6%</b>
Raw Material	820	923	916	-1%	12%	2,475	2,800	13%
<b>Gross margin</b>	<b>578</b>	<b>600</b>	<b>658</b>	<b>10%</b>	<b>14%</b>	<b>1,820</b>	<b>1,757</b>	<b>-3%</b>
<b>Gross margin %</b>	<b>41.3%</b>	<b>39.4%</b>	<b>41.8%</b>	<b>240 bps</b>	<b>50 bps</b>	<b>42.4%</b>	<b>38.6%</b>	<b>-400 bps</b>
Employee	106	111	112	1%	6%	302	323	7%
Other Expenses	319	314	359	14%	13%	994	1,017	2%
<b>EBITDA</b>	<b>158</b>	<b>181</b>	<b>195</b>	<b>7%</b>	<b>23%</b>	<b>548</b>	<b>434</b>	<b>-21%</b>
<b>EBITDA %</b>	<b>11.3%</b>	<b>11.9%</b>	<b>12.4%</b>	<b>50 bps</b>	<b>100 bps</b>	<b>12.8%</b>	<b>9.5%</b>	<b>-300 bps</b>
Finance Cost	19	24	27	15%	43%	61	74	22%
Depreciation	35	41	43	6%	23%	97	124	28%
<b>Operating PBT</b>	<b>104</b>	<b>117</b>	<b>124</b>	<b>na</b>	<b>19%</b>	<b>390</b>	<b>237</b>	<b>-39%</b>
Exceptional expense	-	8	1	na	na	1	9	972%
Non-Operating income	6	6	7	3%	16%	15	23	56%
<b>PBT</b>	<b>110</b>	<b>115</b>	<b>130</b>	<b>13%</b>	<b>18%</b>	<b>404</b>	<b>251</b>	<b>-38%</b>
<b>PAT</b>	<b>84</b>	<b>73</b>	<b>82</b>	<b>13%</b>	<b>-2%</b>	<b>293</b>	<b>156</b>	<b>-47%</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

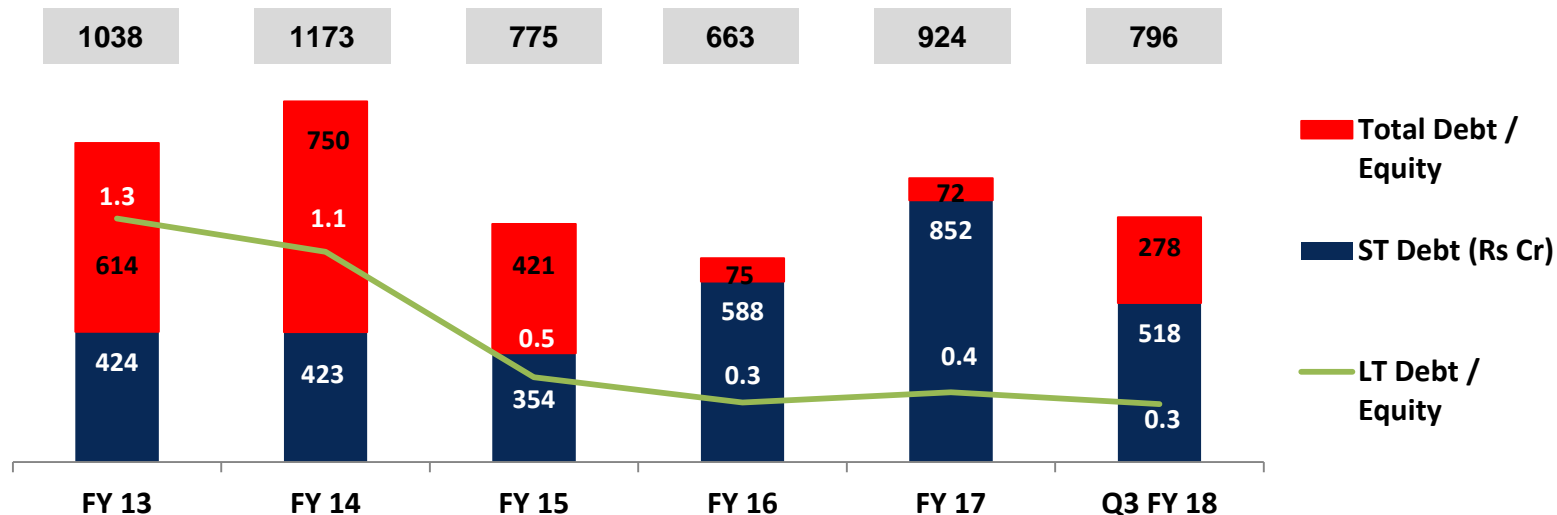
EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non- operating income

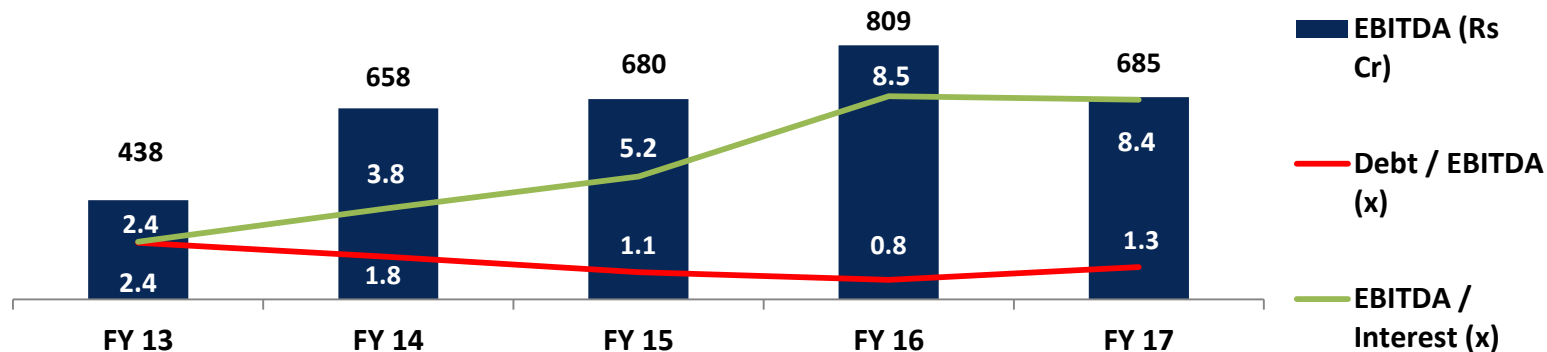
# Consolidated: Leverage / coverage Profile

Total Debt  
(INR Cr)

Debt breakup



Leverage ratios



**Note**  
 FY16 onwards the figures are per IND AS; Other financial figures are as per IGAAP as published in previous periods  
 Company's investment in Sri Lanka JV is accounted using Equity method under IND AS which was earlier consolidated using proportionate consolidation method  
 EBITDA includes profit from Sri Lanka JV  
 EBITDA does not include Non- operating income



# Standalone: Q3 FY18 Financials

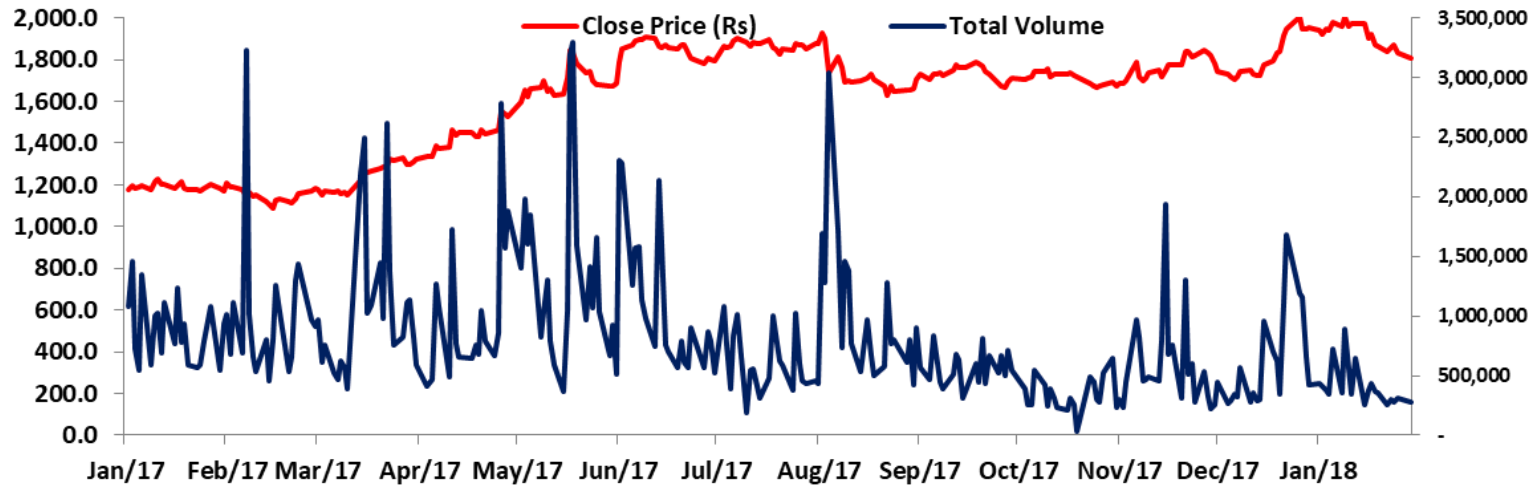
Parameter	Q3FY17	Q2FY18	Q3FY18	QoQ	YoY	YTD Dec'17	YTD Dec'18	INR Cr
								YoY
<b>Net Revenue from operations</b>	<b>1,382</b>	<b>1,512</b>	<b>1,550</b>	<b>3%</b>	<b>12%</b>	<b>4,251</b>	<b>4,513</b>	<b>6%</b>
Raw Material	813	920	910	-1%	12%	2,463	2,795	13%
<b>Gross margin</b>	<b>569</b>	<b>592</b>	<b>640</b>	<b>8%</b>	<b>12%</b>	<b>1,788</b>	<b>1,717</b>	<b>-4%</b>
<b>Gross margin %</b>	<b>41.2%</b>	<b>39.2%</b>	<b>41.3%</b>	<b>200 bps</b>	<b>10 bps</b>	<b>42.1%</b>	<b>38.1%</b>	<b>-400 bps</b>
Employee	100	105	106	0.4%	6%	285	307	8%
Other Expenses	319	306	342	12%	7%	981	984	0%
<b>EBITDA</b>	<b>151</b>	<b>182</b>	<b>192</b>	<b>5%</b>	<b>27%</b>	<b>522</b>	<b>427</b>	<b>-18%</b>
<b>EBITDA %</b>	<b>10.9%</b>	<b>12.1%</b>	<b>12.4%</b>	<b>50 bps</b>	<b>-200 bps</b>	<b>12.3%</b>	<b>9.5%</b>	<b>-300 bps</b>
Finance Cost	19	23	22	-7%	17%	59	67	14%
Depreciation	35	41	41	-0.2%	16%	96	120	25%
<b>Operating PBT</b>	<b>97</b>	<b>118</b>	<b>130</b>	<b>9%</b>	<b>33%</b>	<b>367</b>	<b>239</b>	<b>-35%</b>
Exceptional expense	-	0.6	0.9	53%	na	1	2	103%
Non-Operating income	24	8	9	3%	-64%	36	48	33%
<b>PBT</b>	<b>121</b>	<b>125</b>	<b>137</b>	<b>10%</b>	<b>14%</b>	<b>402</b>	<b>286</b>	<b>-29%</b>
<b>PAT</b>	<b>94</b>	<b>83</b>	<b>91</b>	<b>9%</b>	<b>-3%</b>	<b>293</b>	<b>194</b>	<b>-34%</b>

## Notes

Financials are as per IND AS

EBITDA does not include Non- operating income

# Equity Shareholding & Price trends

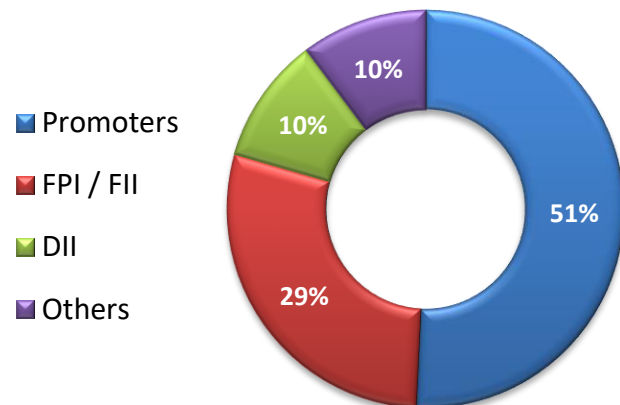


## Returns since January '17

- CEAT: 53%
- NIFTY: 36%

Source : Capitaline. The above data is updated till 29<sup>h</sup> Jan 2018

### Shareholding Pattern as on December 31, 2017



### Market Information

- Market Price (Jan 29): INR 1,809/share
- Face Value : INR 10/share
- Market Cap (Jan 29): INR 7,319 Cr

THANK YOU