

NIFTY 50
17822.95
▲ 276.30 (1.57%)

NIFTY Midcap 100
30380.85
▲ 446.95 (1.49%)

NIFTY ▼

Power Grid Corp 178.20 (0.82%)

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The screenshot shows a CNBC TV18 broadcast. At the top, a call for L&T is displayed with a 'BUY' recommendation from Shrikant Chouhan. The price is 1504.05, with a target of 1560 and a stop loss of 1480. Below this, the CEAT stock price is shown as 1345.80, down 10.35 (0.76%) from the previous session. A line chart shows the stock's performance on Thursday, with prices ranging from 1342 to 1363. On the right, a news segment titled 'COVID IN INDIA' reports that the total active cases are at 6,27,057. The anchor is Motilal Oswal.



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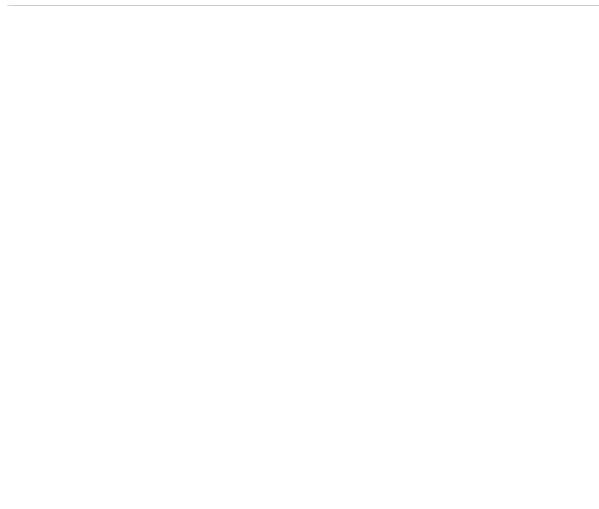
AUTO | JUNE 25, 2021, 12:52 PM IST

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Strong revenues from SUV, compact SUV segments to sustain: CEAT

The growth momentum is expected to continue in the SUV segment. Currently, the SUV and CSUV business contributes 15-18 percent of our revenues and the ambition is to take it to 25-30 percent, said Amit Tolani, CMO, CEAT.

CEAT at its analysts meet laid down some ambitious targets, aiming for a leadership position in two-wheelers and passenger car radial tyres over the next five years. The company also launched some new tyres called the SecuraDrive.



Amit Tolani, CMO, CEAT, said the company has seen demand buoyancy in the after-market segment in June across segments. The second wave of COVID-19 hit April and May demand, but as people are afraid to use public transport, they are going in for personal vehicles and that augurs well for the industry, especially in the two-wheeler and passenger vehicle segments.



The commercial space also saw a slowdown, but the economy depends on goods being transferred from one place to another so that segment too has seen a strong revival in June after-market, said Tolani, adding that the OEM space has been subdued so far. However, indications for July are strong.

Meanwhile, the international market continues to be robust and buoyant, he said in an interview with CNBC-TV18.

On the price front, he said, "In the first quarter, raw material prices went up by 7-10 percent and they managed to pass on the price hike of about 4 percent. They have plans to pass on a couple of percentage points by end of June, and would go as per the competitive intensity."

Talking about the compact SUV (CSUV) segment, he said, "It has been growing more than 50 percent CAGR in the last three years. The growth momentum is expected to continue, going forward. Currently, the SUV and CSUV business contributes 15-18 percent of our revenues and the ambition is to take it to 25-30 percent."

According to him, volume gain is a long-term game, so from a capacity perspective, the company is set up for good growth. "We have demonstrated good growth in the past, we are ambitious, and we want to take leadership position in the PCUV space. We are already leaders in the three-wheeler space," he said.

When asked about the addition of new clients, he said that in the SUV space, they have Volkswagen, Skoda. The company is also doing some critical projects with all leading OEMs like Kia, Hyundai, and Maruti. In the OE space of two-wheelers and electric space, the company has tied up with all leading OEMs.

"There are ambitions to foray into different continents, in different segments. We initiated our passenger car launch in Europe two years ago. We will continue to get into these developed countries. We are confident of growth in international markets," said Tolani.

For full management commentary, watch the video.

(Edited by : Dipika)

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