



**CEAT Ltd.**  
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+91 22 24930621  
CIN: L25100MH1958PLC011041  
www.ceat.com

July 20, 2022

**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: CL23, CL25**

**CP Listed ISIN: INE482A14BD7, INE482A14BE5**

**Sub: Results Earnings Call Q1 FY23 – Investors Presentation**

Dear Sir/Madam,

Pursuant to Regulation 30 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investors Presentation for the quarter ended June 30, 2022, for the Results Earnings Call scheduled on Thursday, July 21, 2022 at 4:00 p.m. IST, dial-in details of which are reproduced below for ready reference:

**Dial-in Details:**

India (Universal) and Mumbai	+91 22 6280 1146 +91 22 7115 8047
<b>Location</b>	<b>Dial In Number</b>
USA	1866 746 2133
UK	0 808 101 1573
Singapore	800 101 2045
Hong Kong	800 964 448

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



Q1 FY23– Investor Presentation | 20<sup>th</sup> July 2022

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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.

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# Section 1: RPG Group 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 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 30,000+ employees, presence in 100+ countries and annual gross revenues of ~USD 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



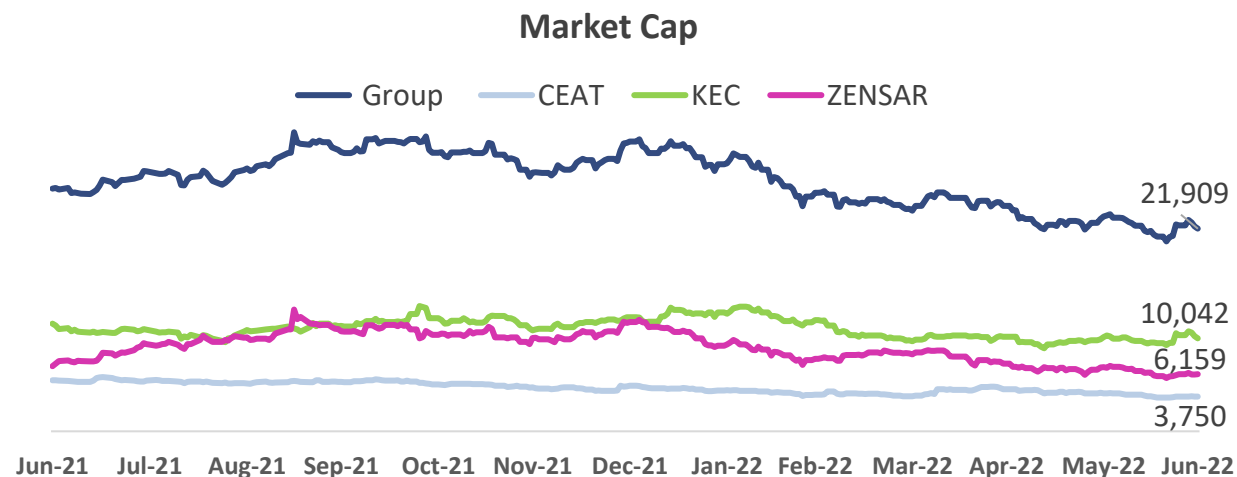
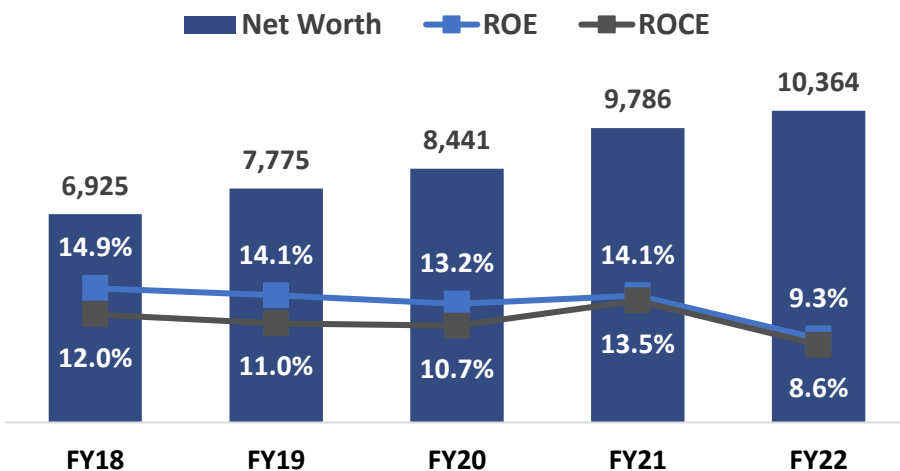
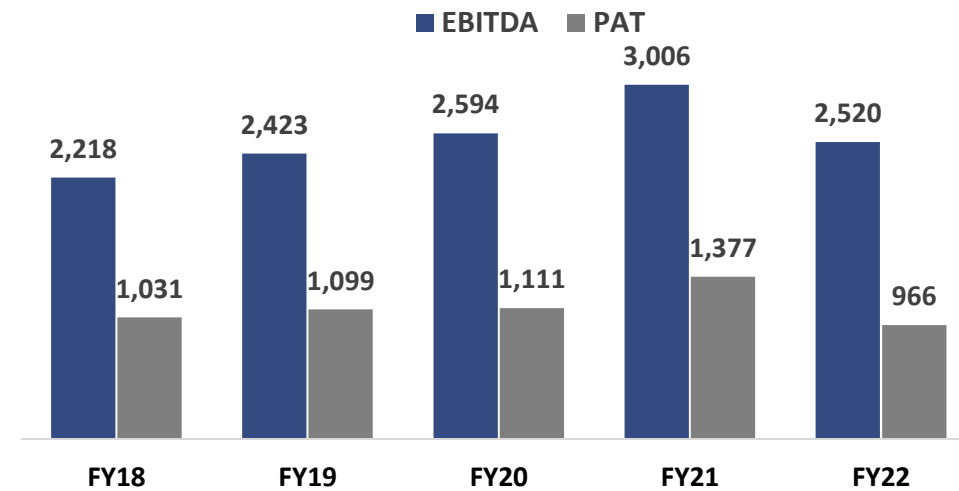
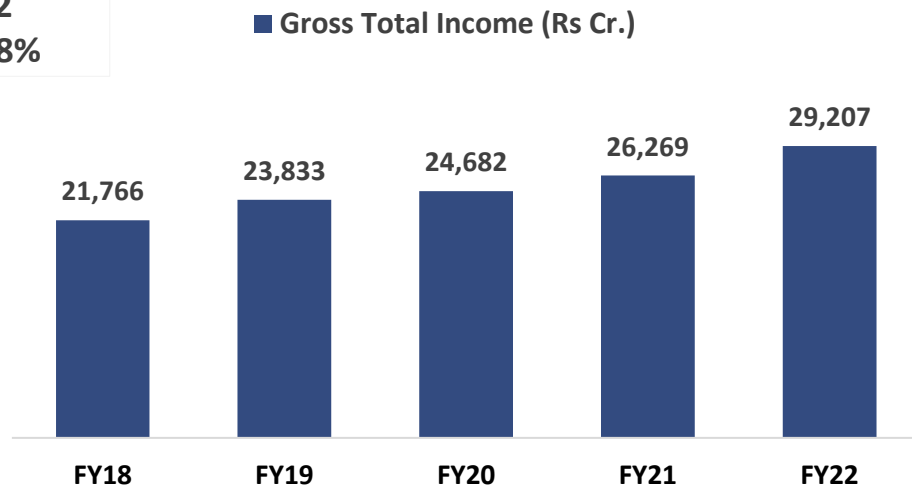
Technology solutions company catering to energy and infrastructure



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

# RPG Group: Key Financials

FY18-22  
CAGR: 7.8%



Note:

- 1) ROCE is calculated by taking EBIT\*(1-ETR) divided by Capital Employed
- 2) ROE is calculated by taking PAT divided by Net-worth
- 3) Market Cap updated till 30 June 2022

## Section 2: Business Overview



# Overview

India's leading tyre company for **60+** years

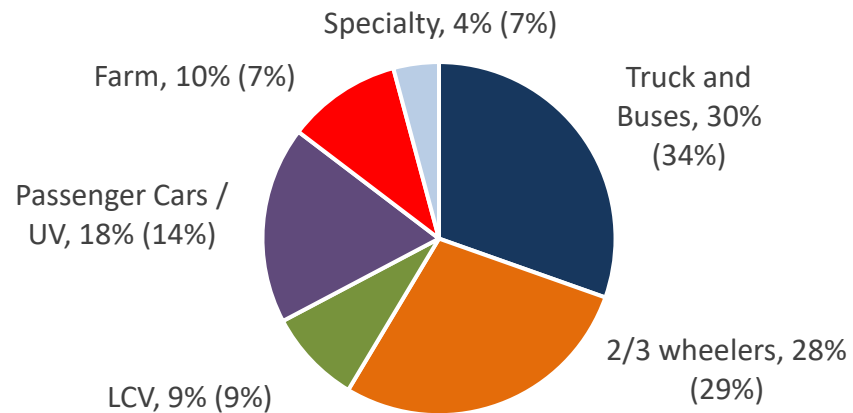
**4,700+** dealers, **650+** CEAT special channels

Presence in **100+** countries, with strong brand recall

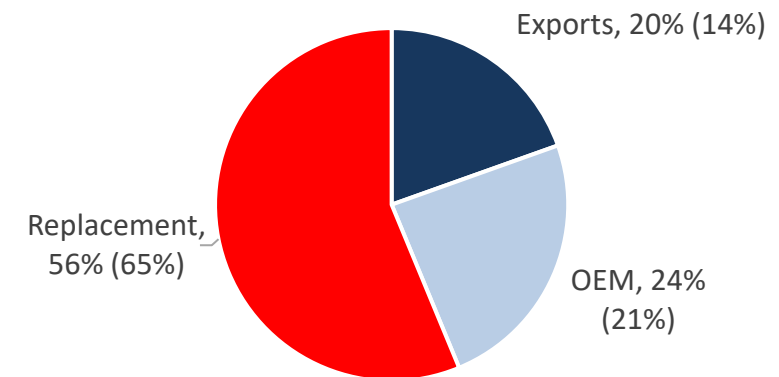
**#No 1** player in Sri Lanka in terms of market share

**7** Manufacturing facilities - Mumbai, Nasik, Halol, Nagpur, Ambernath, Chennai & Sri Lanka

### FY22 Revenue Breakup by Product



### FY22 Revenue Breakup by Market



# Board of Directors



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



**Anant Goenka**  
Managing Director & CEO



**Arnab Banerjee**  
COO and Whole Time Director



**Pierre E. Cohade**  
Non Executive, Non Independent Director



**Paras K. Chowdhary**  
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



**Ranjit Pandit**  
Non Executive, Independent Director



**Vinay Bansal**  
Non Executive, Independent Director



**Priya Nair**  
Non Executive, Independent Director

# Leadership Team



**Anant Goenka**  
Managing Director & CEO



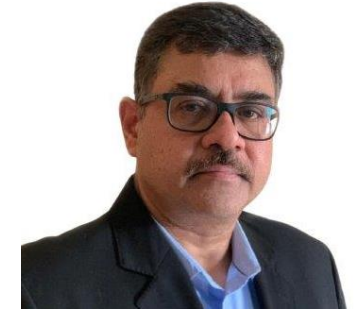
**Kumar Subbiah**  
Executive Director, Finance & CFO



**Arnab Banerjee**  
Chief Operating Officer



**Milind Apte**  
Senior Vice President, Human  
Resources



**Saurav Mukherjee**  
Senior Vice President, Global Sales  
& Supply Chain



**Peter Becker**  
Senior Vice President and Global  
Head, R&D and Technology



**Renji Isaac**  
Senior Vice President, R&D and  
Technology

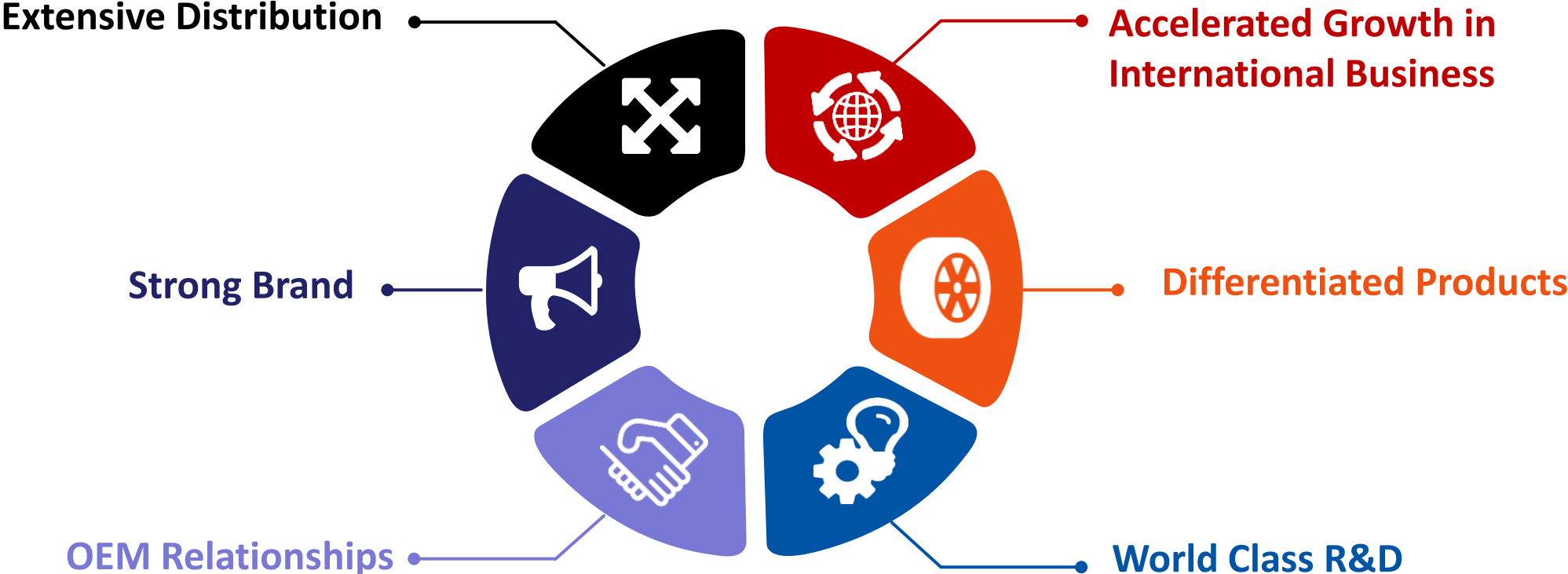


**Jayasankar Kuruppal**  
Senior Vice President,  
Manufacturing



**Amit Tolani**  
Chief Executive, CEAT Specialty

# Growth Strategy



# Extensive Distribution

*FMCG style distribution, industry leading number of touch-points*

*Continuously expanding footprint and enriching customer experience*

**4,700+** ↑ 150

Dealers & Channel Partners

**650+** ↑ 30

CEAT Special Channels  
(Shoppe / SIS)

**475+** ↑ 20

Distributors

**600+**

Districts

*Approximate number as on 30 June '22 and additions in Q1FY23*

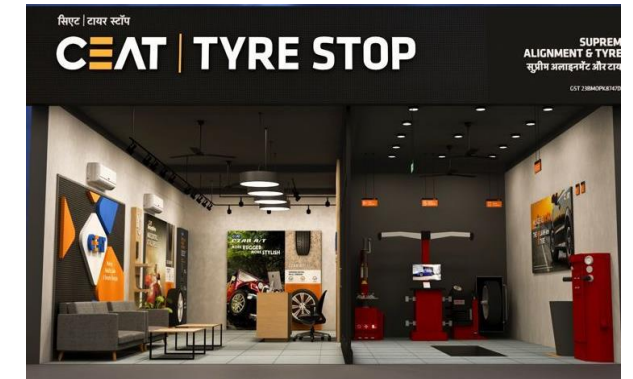
*CEAT Shoppe*



*Shop in Shop (SIS)*



*CEAT Tyre Stop*

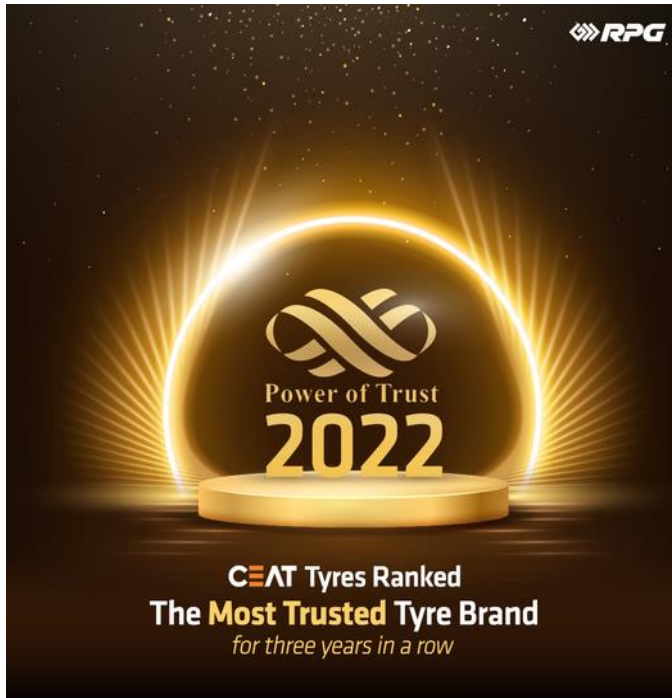


*New look illustrations*

# Strong Brand

*Focused campaigns around umbrella theme of Safer & Smarter Mobility*

*Most Trusted Tyre Brand*



*As adjudged by TRA Research*

*Strategic Timeout Partner for  
Women's T20 Challenge*



*Select digital campaigns*

*Father's Day Campaign*



*WinterDrive Sport launch -  
Germany*



# Deep OEM Partnerships



Honda

Royal Enfield

Bajaj

Yamaha

Suzuki

Hero

Hero Electric



Piaggio

LML

Tork

Tunwal

Okinawa Scooters

Kawasaki



Maruti Suzuki

TATA Motors

Mahindra

Renault

Hyundai

KIA

Nissan



Force Motors

Datsun

Skoda

Peugeot

Volkswagen

Morris Garage



TATA Motors

Ashok Leyland

VECV

Escorts

AMW

TAFE



Mahindra

Daimler

Eicher

SML Isuzu

JBM Group

# World Class R&D

- Consistently churning variants across vehicle platforms and geographies
- Focus on upcoming technologies like Electric Vehicle, Smart Tyres and Sustainability
- Significant investment on tyre testing infrastructure like Anechoic Chamber, Flat Track Test Machine
- 120+ patent filings till date



State-of-the-Art R&D  
Center, Halol



R&D Office, Germany

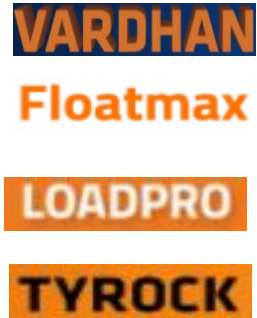


Summer and Winter Track Testing



# Differentiated Products: Platforms & Recent OEM Entries

*Performance based platforms*



Select platforms

*Stronger OEM relationships, better traction for replacement cycle*



Volkswagen Virtus



Mahindra Thar



Nissan Magnite



Ola EV Scooter



Yezdi Adventure



Okaya EV Scooter



Tata ACE EV

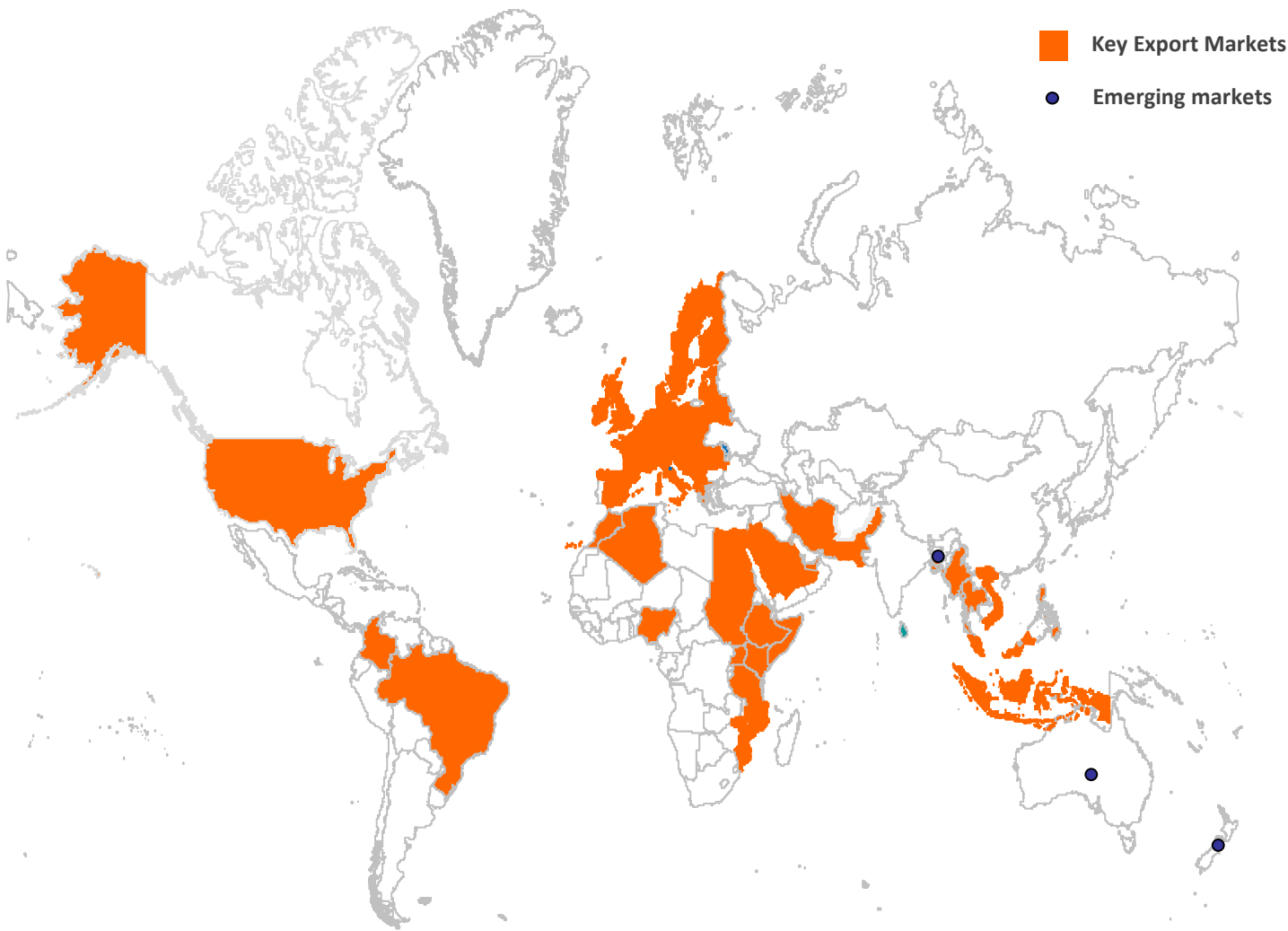


Olectra EV Bus



Ashok Leyland Ecomet

# Accelerated Growth In International Business



**~36%**  
YoY Growth in Export Revenue

**110+**  
Countries Present  
*EU and Americas new focus areas. Business driven by local insights and marketing*

**760+ ↑ 18**  
SKUs in Off-Highway Tyres

# Section 3: Financial Performance

# Consolidated: Q1 FY23 Financial Highlights

## Q1 FY23 v/s Q1 FY22 (YoY)

- Net revenue INR 2,818 Crs **increased 47.8%**
- Gross margin 31.7 % **contracted by 723 bps**
- EBITDA margin 6.1% **contracted by 300 bps**
- PAT INR 9 Crs v/s INR 23 Crs
- Debt / equity at 0.7x compared to 0.5x

## Q1 FY23 v/s Q4 FY22 (QoQ)

- Net revenue INR 2,818 Crs **increased 8.7%**
- Gross margin 31.7 % **contracted by 182 bps**
- EBITDA margin 6.1% **contracted by 145 bps**
- PAT INR 9 Crs v/s INR 25 Crs
- Debt / equity at 0.7x compared to 0.6x

# Consolidated: Q1 FY23

All figures in INR Crs

Parameter	Q1 FY22	Q4 FY22	Q1 FY23	QoQ	YoY
<b>Net Revenue from operations</b>	<b>1,906.4</b>	<b>2,592.0</b>	<b>2,818.4</b>	<b>9%</b>	<b>48%</b>
Raw Material	1,164.3	1,723.1	1,925.0	12%	65%
<b>Gross margin</b>	<b>742.1</b>	<b>868.9</b>	<b>893.4</b>	<b>3%</b>	<b>20%</b>
<b>Gross margin %</b>	<b>38.9%</b>	<b>33.5%</b>	<b>31.7%</b>	<b>(182) bps</b>	<b>(723) bps</b>
Employee Cost	177.9	171.9	172.7	0%	-3%
Other Expenses	398.1	509.4	555.5	9%	40%
<b>EBITDA</b>	<b>173.2</b>	<b>195.2</b>	<b>171.3</b>	<b>-12%</b>	<b>-1%</b>
<b>EBITDA %</b>	<b>9.1%</b>	<b>7.5%</b>	<b>6.1%</b>	<b>(145) bps</b>	<b>(300) bps</b>
Finance Cost	46.0	56.6	52.1	-8%	13%
Depreciation	96.5	109.6	111.4	2%	15%
<b>Operating PBT</b>	<b>30.7</b>	<b>29.0</b>	<b>7.8</b>	<b>-73%</b>	<b>-75%</b>
Exceptional expense	0.0	5.9	0.7	-88%	NA
Non-Operating income	3.9	3.3	2.8	-16%	-29%
<b>PBT</b>	<b>34.6</b>	<b>26.4</b>	<b>9.9</b>	<b>-63%</b>	<b>-72%</b>
<b>PAT</b>	<b>23.1</b>	<b>25.4</b>	<b>8.7</b>	<b>-66%</b>	<b>-62%</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)

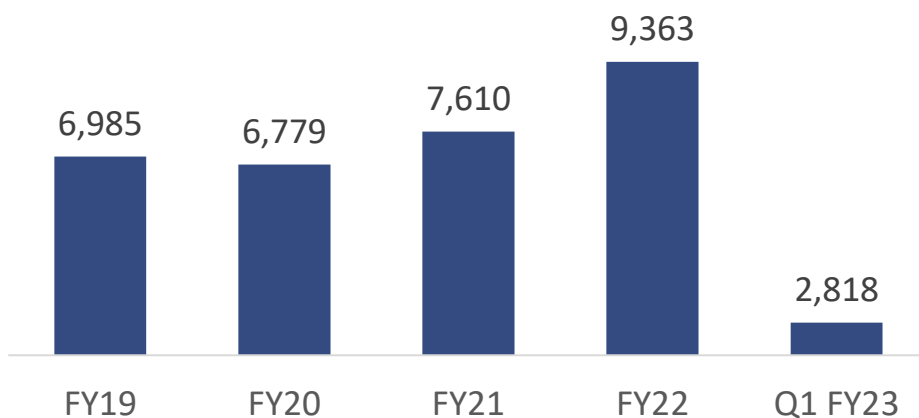
EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non-operating income

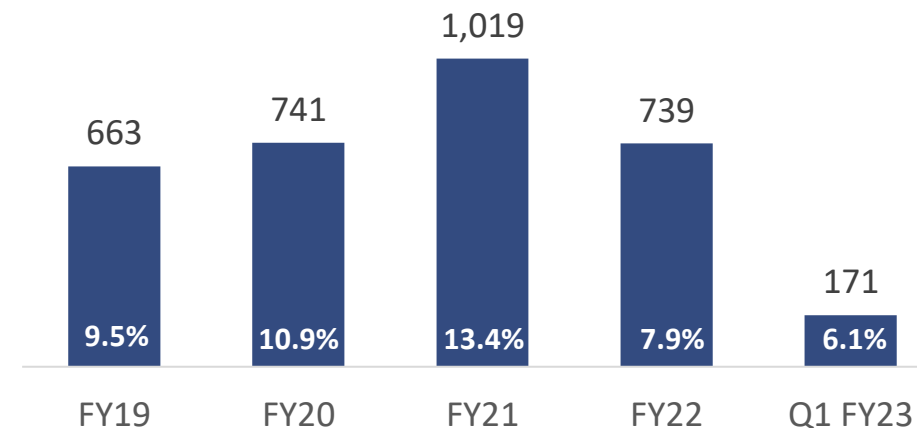
# Consolidated: Financial Trends

All figures in INR Crs

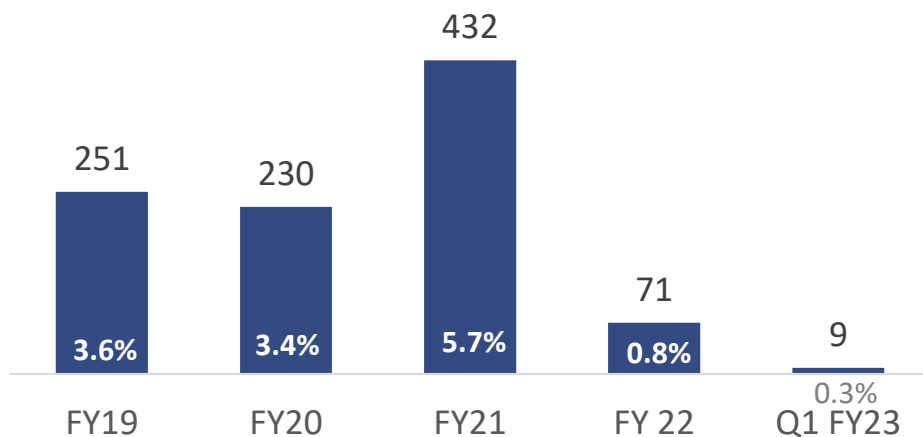
## Revenue



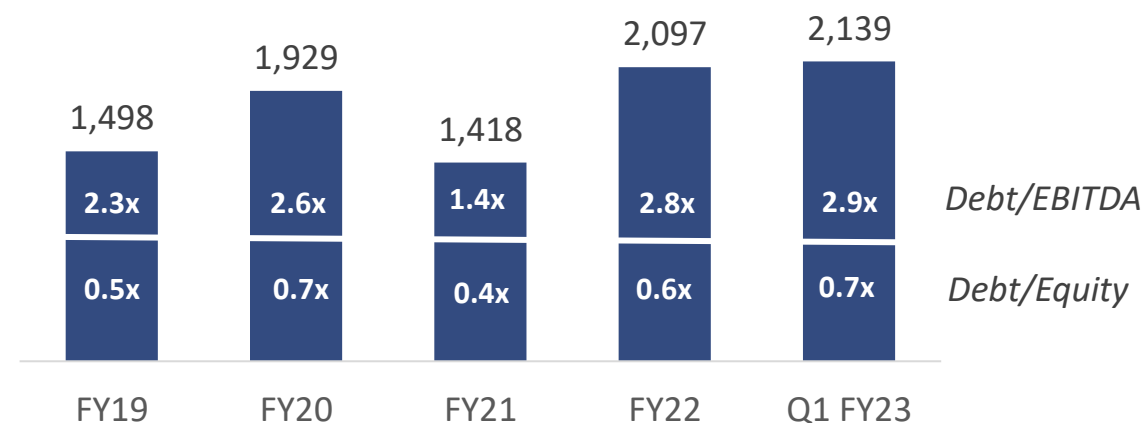
## EBITDA and Margin



## PAT and Margin



## Debt and Leverage Ratios



### Note

All figures are per IND AS

Company's investment in Sri Lanka JV is accounted using Equity method

EBITDA includes profit from Sri Lanka JV; EBITDA does not include Non-operating income

# Standalone: Q1 FY23

All figures in INR Crs

Parameter	Q1 FY22	Q4 FY22	Q1 FY23	QoQ	YoY
<b>Net Revenue from operations</b>	<b>1,897.8</b>	<b>2,576.4</b>	<b>2,803.1</b>	<b>9%</b>	<b>48%</b>
Raw Material	1,163.8	1,720.6	1,916.5	11%	65%
<b>Gross margin</b>	<b>733.9</b>	<b>855.9</b>	<b>886.6</b>	<b>4%</b>	<b>21%</b>
<b>Gross margin %</b>	<b>38.7%</b>	<b>33.2%</b>	<b>31.6%</b>	<b>(159) bps</b>	<b>(704) bps</b>
Employee Cost	175.3	169.0	169.6	0%	-3%
Other Expenses	393.2	501.6	552.8	10%	41%
<b>EBITDA</b>	<b>165.5</b>	<b>185.3</b>	<b>164.2</b>	<b>-11%</b>	<b>-1%</b>
<b>EBITDA %</b>	<b>8.7%</b>	<b>7.2%</b>	<b>5.9%</b>	<b>(133) bps</b>	<b>(286) bps</b>
Finance Cost	45.3	56.0	51.4	-8%	14%
Depreciation	96.5	109.5	111.4	2%	15%
<b>Operating PBT</b>	<b>23.8</b>	<b>19.8</b>	<b>1.4</b>	<b>-93%</b>	<b>-94%</b>
Exceptional expense	0.0	5.9	0.7	-88%	NA
Non-Operating income	3.9	4.6	2.8	-40%	-28%
<b>PBT</b>	<b>27.7</b>	<b>18.5</b>	<b>3.5</b>	<b>-81%</b>	<b>-87%</b>
<b>PAT</b>	<b>20.0</b>	<b>13.3</b>	<b>2.5</b>	<b>-81%</b>	<b>-87%</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 4: ESG Highlights



# Sustainability Goals

## Manufacturing

- ✓ Plant electricity through rooftop / captive solar & wind power
- ✓ Using biofuel

## Materials

- ✓ Greener raw materials; recycled crumb rubber
- ✓ Plastic reduction in packaging
- ✓ ESG compliant vendors

**Reduce Carbon Footprint by 50%  
by 2030**

## Transportation

- ✓ Network optimization
- ✓ Alternate mode of transport

## End of Life

- ✓ Recycling and recovery

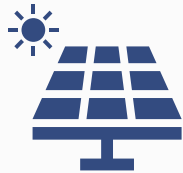
## Product Use

- ✓ Low rolling resistance
- ✓ Light weight / longer life tyres
- ✓ Increased retreadability

# Select Environment & Society Initiatives



Four plants enabled for biofuel for boiler operation



26% plant power through renewable sources



~29% reduction in water consumption per MT, and 70% reduction in wastewater discharge (FY22)



5-10% reduction in rolling resistance for select SKUs (FY22)



Nagpur, Chennai platinum and Halol plant gold certified Green Building



51,141 GJ energy saving. 2,236 tCO2e emissions avoided through energy saving (FY22)



Gender diversity in hirings at ~32% for FY22, transgender recruitment



Training programmes for vocational skills



Functional English for school children and teacher empowerment programmes



Installation of rural health clinics and other medical equipment

Contribution to Sustainable Development Goals



THANK YOU