

August 3, 2017

**BSE Limited**  
Corporate Service Department,  
1st Floor, P.J. Towers,  
Dalal Street,  
Mumbai 400 001

**The National Stock Exchange of India Limited**  
Exchange Plaza, 3<sup>rd</sup> Floor,  
Plot No. C/1, "G" Block,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai 400 051

Security Code: 500878 and 952523

Symbol: CEATLTD

**Sub: Intimation of Earnings conference call for Un-audited Financial Results for the quarter ended June 30, 2017**

In continuation to our letter dated July 26, 2017, please note the following dial-in details for the Q1 FY18 - Earnings Conference Call scheduled on Friday, August 4, 2017 at 4.00 pm IST:

Location	Number
India	0 22 3960 0611 / (city code) 3940 3977
USA	13233868721
UK	442034785524
Singapore	6531575746
Hong Kong	85230186877

You are requested to kindly take the same on records.

Thanking you

Yours faithfully,  
For CEAT Limited

  
**Shruti Joshi**  
Company Secretary

Encl: as above



[#UpTheGame](#)

## Q1 FY18 – Investor Presentation

August 3<sup>rd</sup>, 2017

# Disclaimer

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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  
TOUHLIVES  
OUTPERFORM  
AND😊**

RPG Enterprises was founded in 1979 by Shri Rama Prasad Goenka, popularly known as RP Goenka, a pioneering fifth generation business leader from the Goenka family. The Goenkas have a history of business dating back to 1820 AD in banking, textiles, jute and tea. Under RP Goenka’s dynamic leadership, 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.



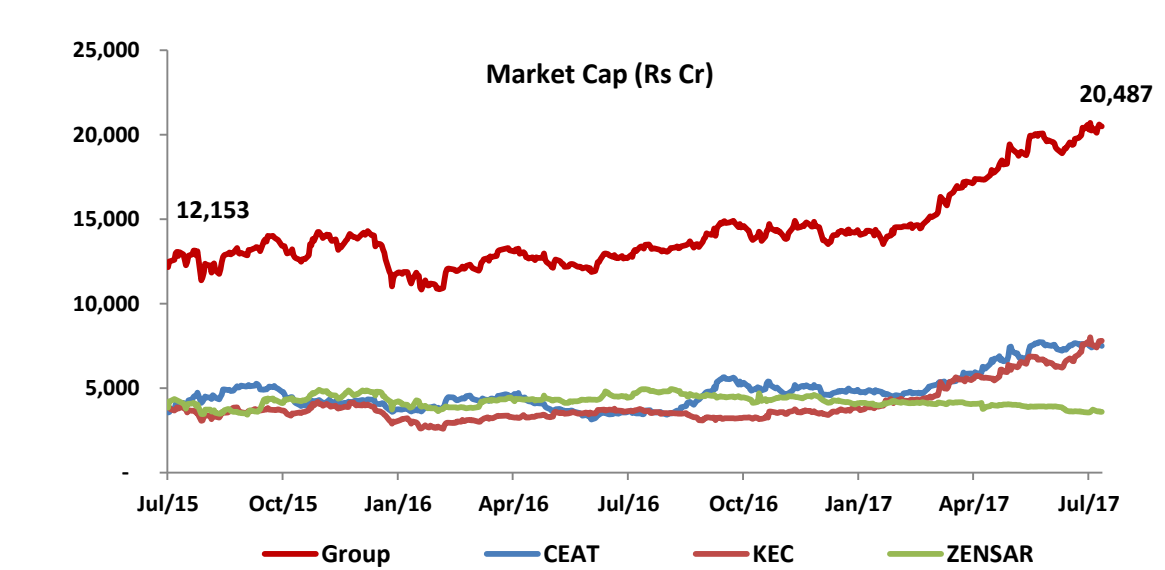
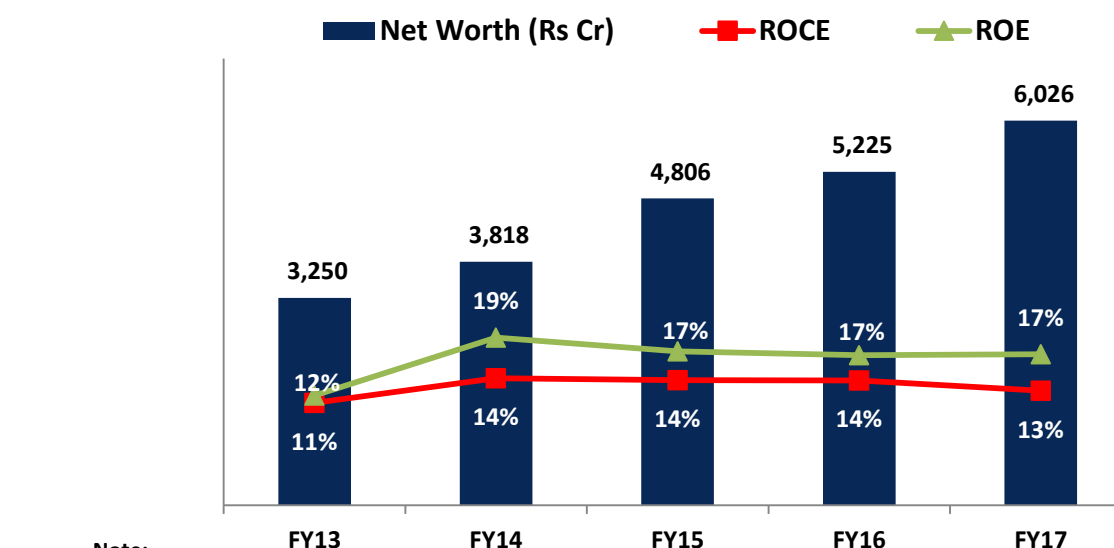
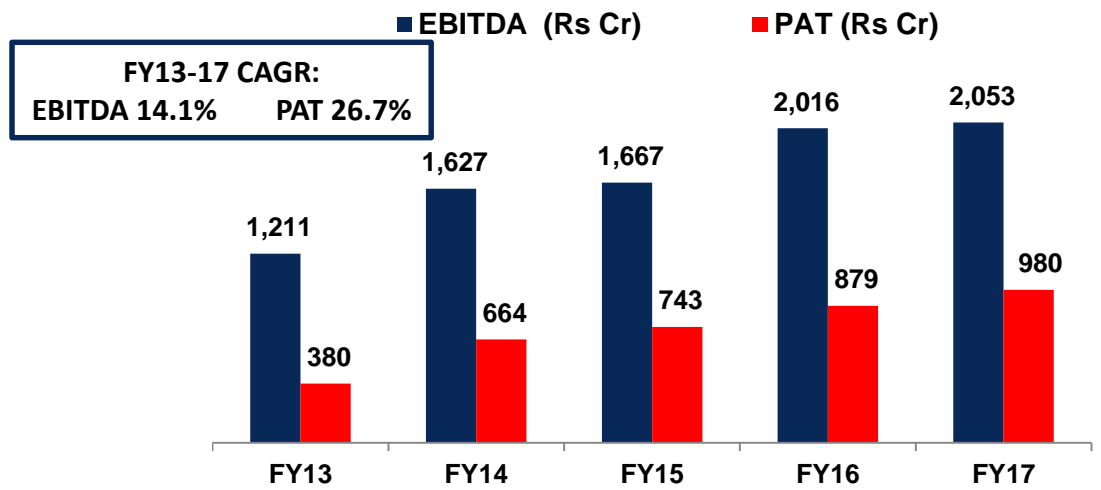
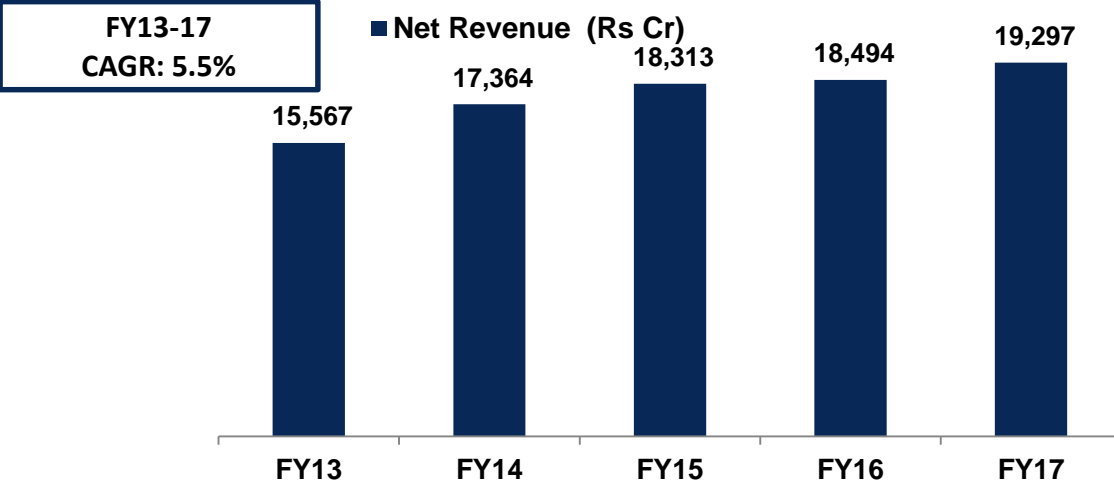
**Raychem RPG**  
  
Engineering products and services catering to infrastructure segment of the economy.



**Harrisons Malayalam**  
  
One of India’s largest plantation companies with tea, rubber and other agro products.



# RPG Group: Key Financials



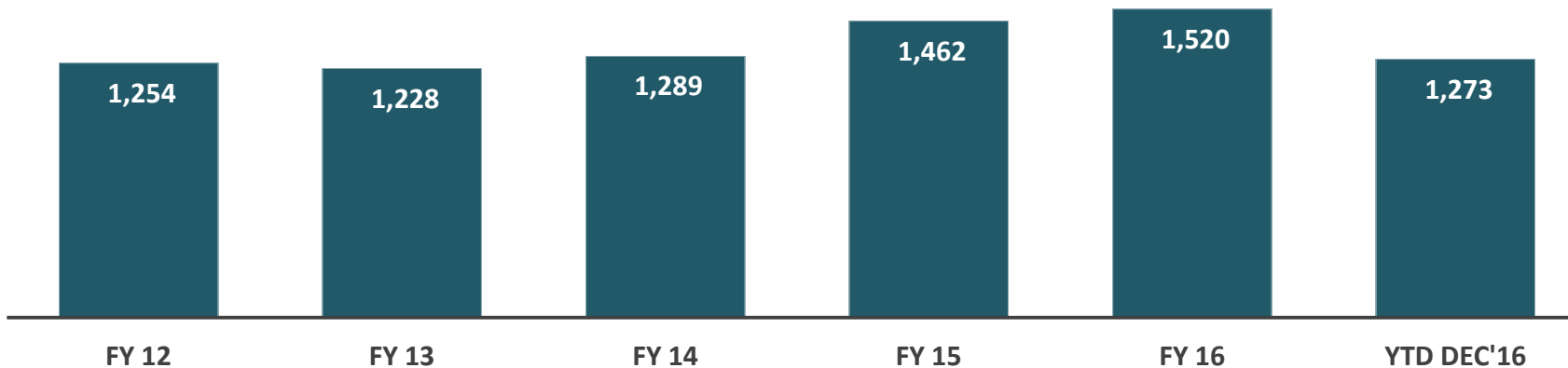
**Note:**  
 1) ROCE is calculated by taking EBIT divided by Average Capital Employed  
 2) ROE is calculated by taking PAT divided by Average Net-worth  
 3) Market Cap updated till 28<sup>th</sup> July 2017

## Section 2: Industry Overview

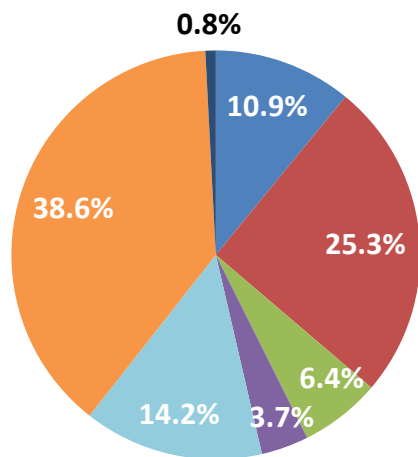


# Indian Tyre Industry

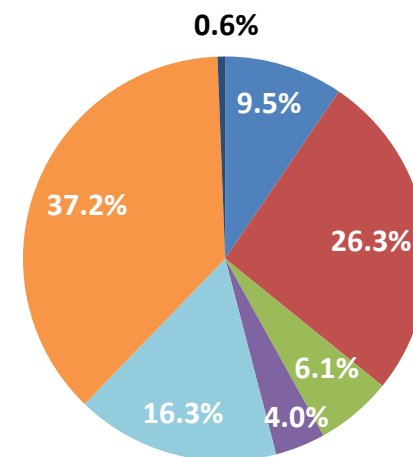
Total Tyre Production in India (Numbers in Lakhs)



April-December FY16



April-December FY17



M&HCV (T&B)

Passenger Car/Jeep

Light Truck (LCV)/SCV

Tractor

Scooter

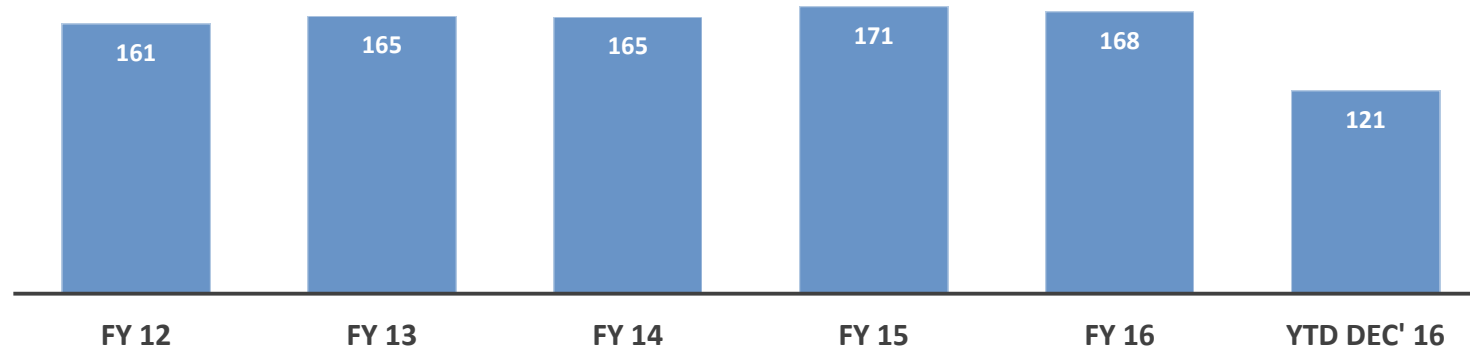
Motorcycle & Moped

Others (OTR, Industrial & ADV)

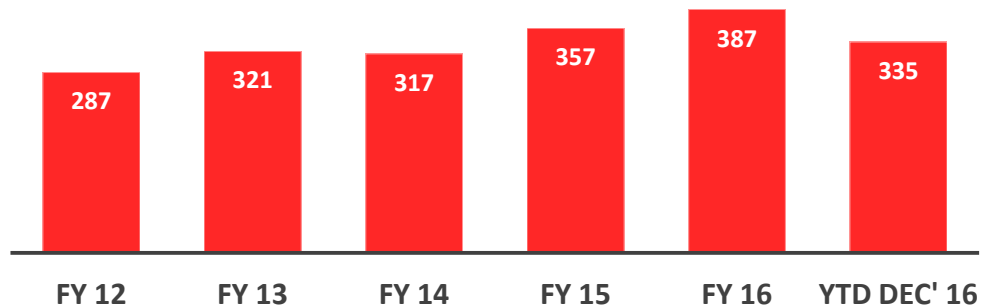
# Indian Tyre Industry

## Tyre Production in India (Numbers in Lakhs)

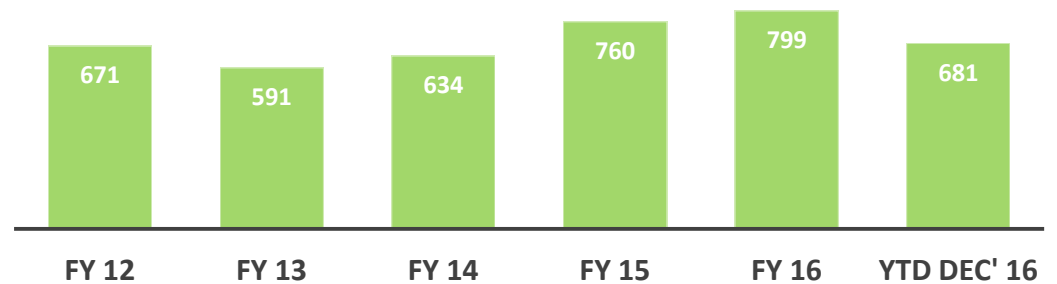
### MHCV (T&B)



### Passenger Car / Jeep



### 2 / 3 wheeler



# Section 3: 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

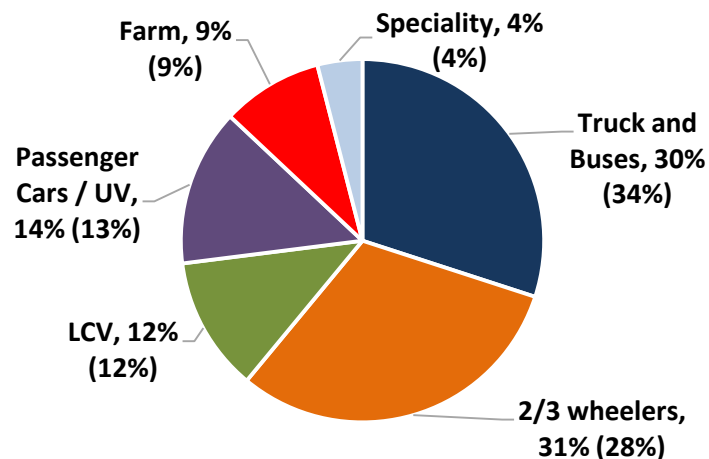
Distribution Network : **4,500+** dealers, **450+** exclusive CEAT franchisees

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

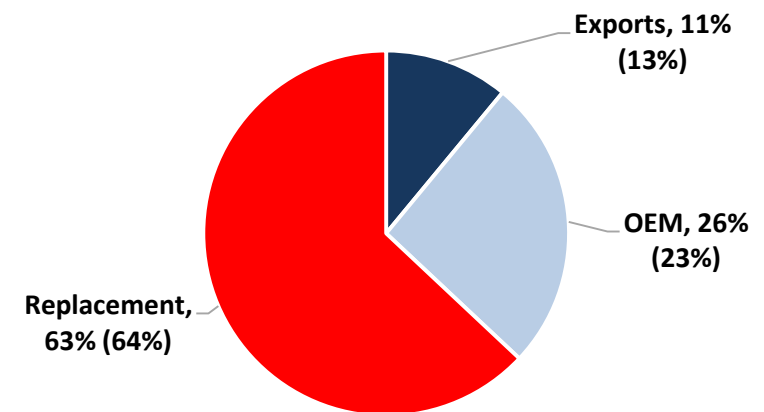
**100+** countries where products are sold with strong brand recall

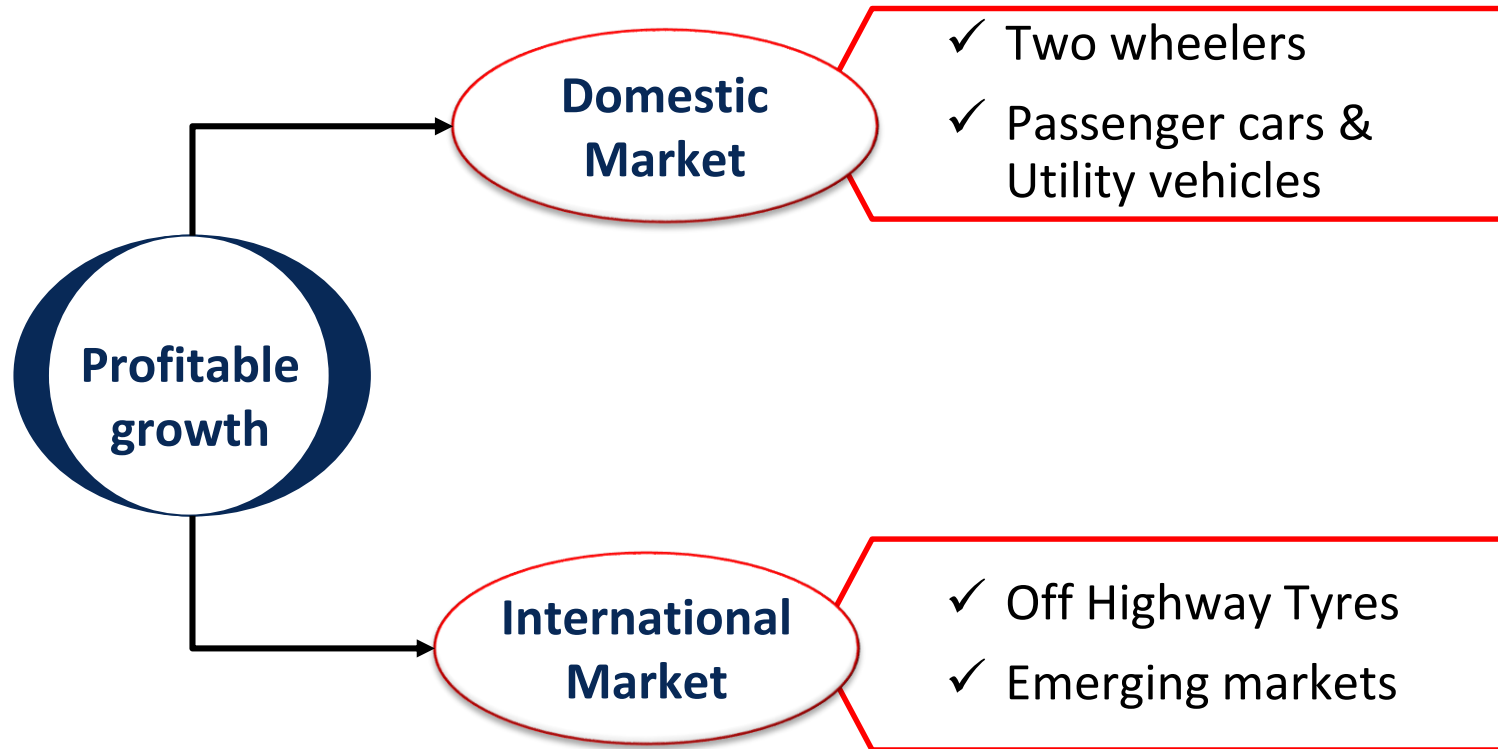
**#No 1** player in Sri Lanka in terms of market share

Q1 FY 18 Revenue Breakup by Product



Q1 FY 18 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 Cliq, Ashok Leyland Stag and Partner, Tork T6X, Hero Motocorp Achiever 150, Renault Kwid, M&M TUV 300, RE Himalayan, Honda Navi, Bajaj Vikrant V15, Hero Splendor iSmart 110, Datsun Redigo, Suzuki Access 125 etc.
- Recent entries into OEM's existing models** – AL Partner LCV, Escort Tractors, Wagon R, Zyllo, Daimler Truck Radials, Suzuki Gixxer, RE Classic, Yamaha FZ, Volvo Eicher Commercial Radial etc.
- Platforms** like Fuelsmart, Gripp, Mileage etc.



## 2 Strong Brand

### PAISE BACHANE HAI?

First-of-its-kind digital advertising campaign. [Ad1](#) | [Ad2](#) | [Ad3](#)



Title sponsor for Ultimate Table Tennis



Association with Renault Gang of Dusters (G.O.D)



CEAT's new TVC 'Nehlau' – [TVC Video Link](#)



# 3 Extensive Distribution

Shoppe



Shop in Shop (SIS)



Distribution Network

- 4,500+ dealers
- 450+ CEAT Franchisees (Shoppes + Hubs)
- 250+ two-wheeler distributors
- Developed Multi Brand Outlet / Shop in Shop model over last 2 years. Over 350+ outlets so far
- Launched CEAT Bike Shoppes in Bangalore and Kolkata

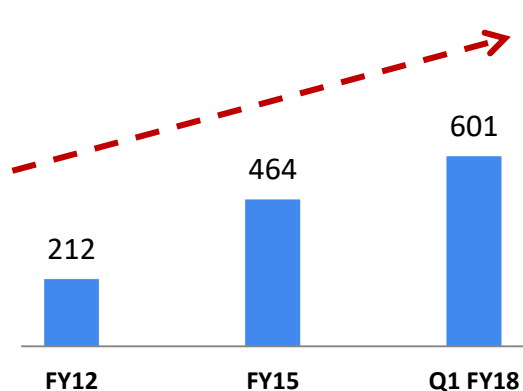
Multi Brand Outlet (MBO)



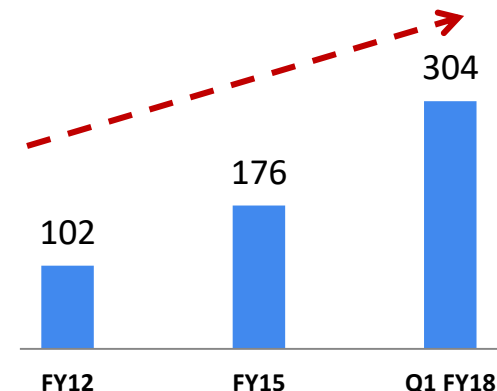
Bike Shoppe



District coverage



No. of CEAT Shoppes



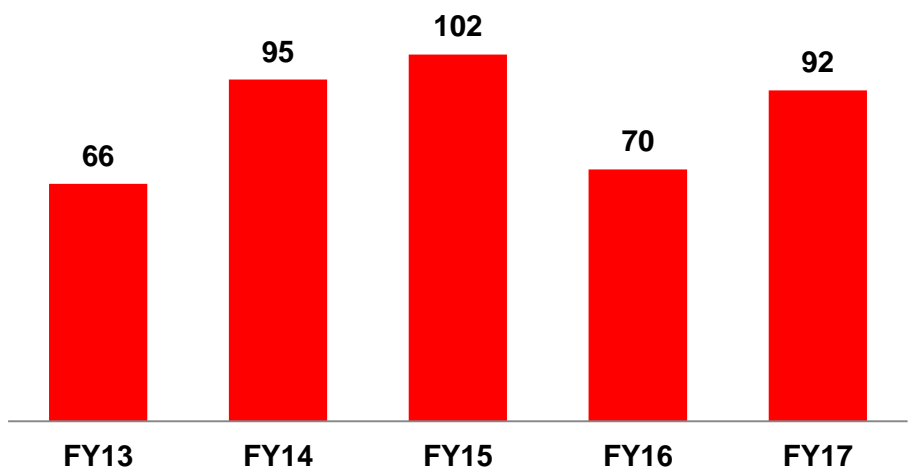


# 4 Deep OEM Partnerships


# 5 World Class R&D

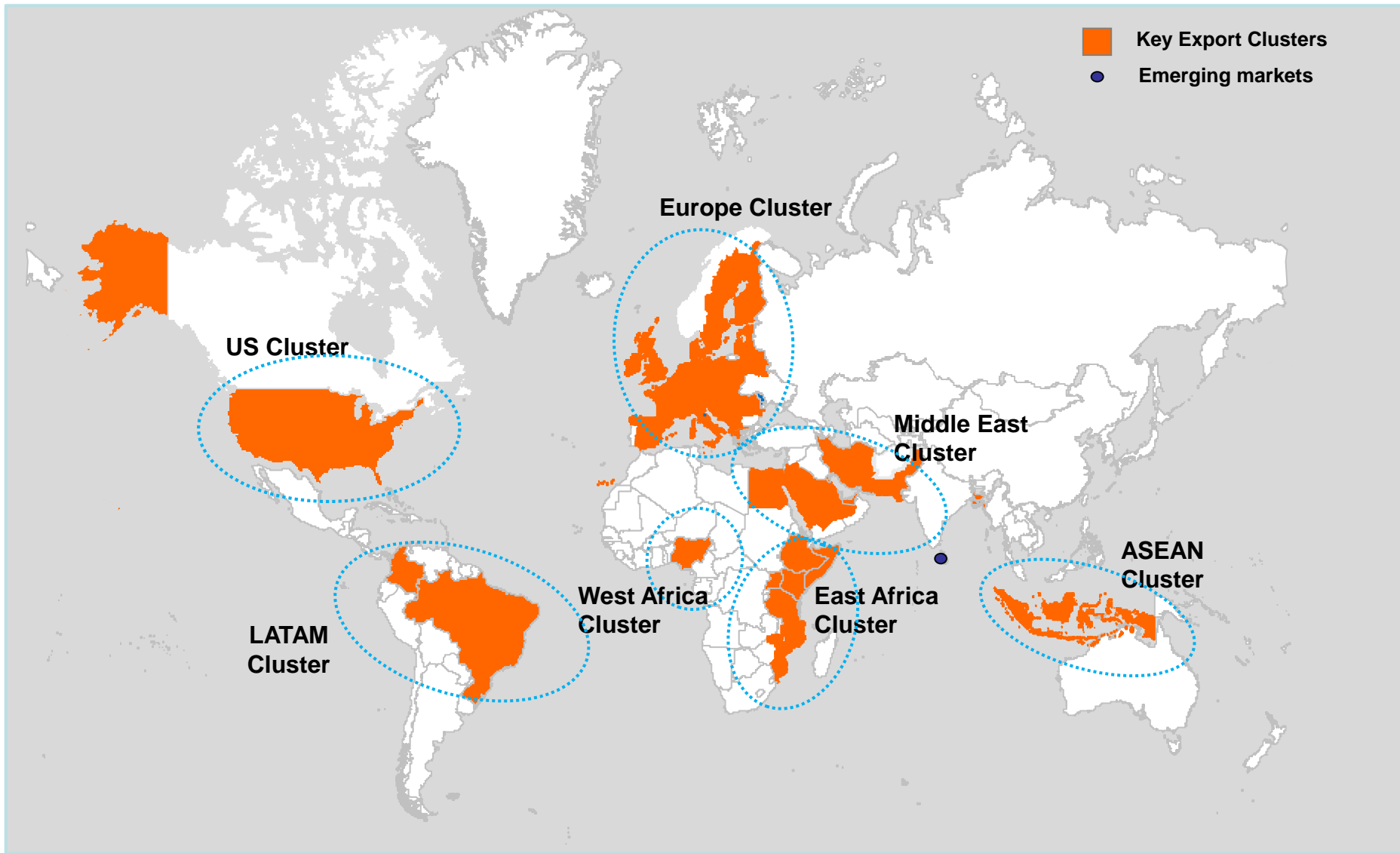


New Products Developed



- 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
- Increased allocation towards R&D

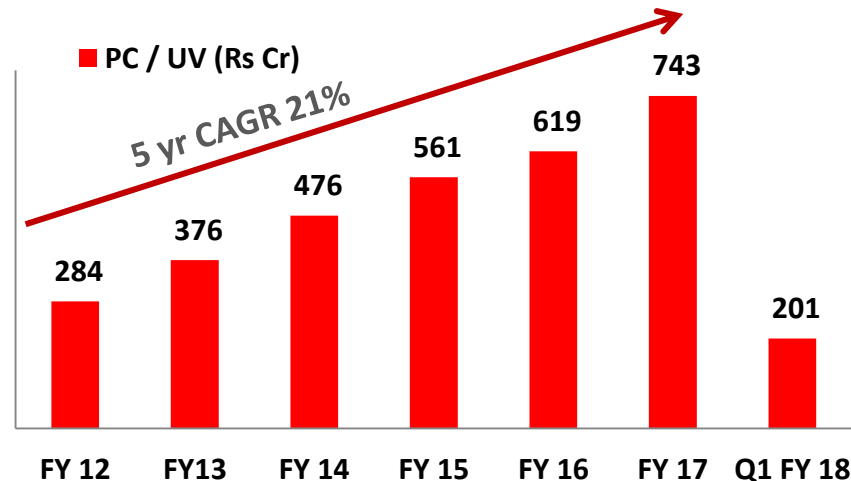
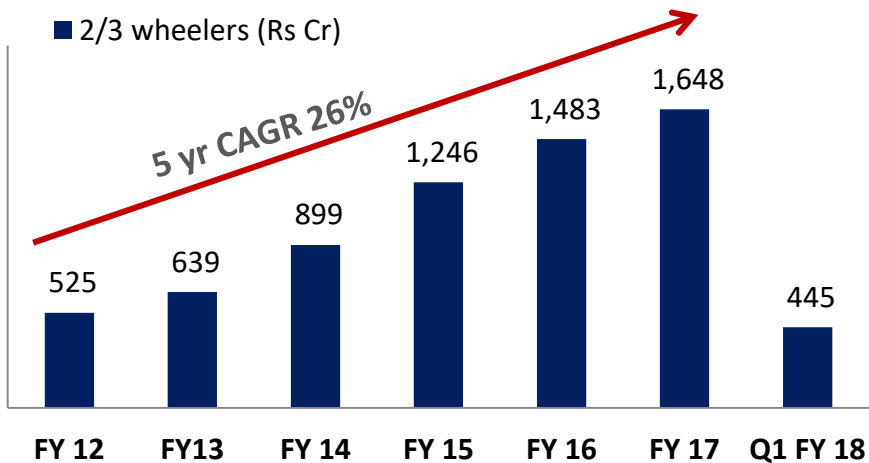
# 6 Expanding Global Reach



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

# Passenger Segment Trends

Revenue



## Expanding Capacities

- Nagpur plant commissioned 67 MT/day capacity as of June 2017; total capacity of 120 MT/day
- Halol Phase II plant commissioned 76 MT/day as of June 2017; total capacity of 120 MT/day
- Q1 FY18/ Q1 FY17 volume growth for 2 wheelers and PC/UV was less than 5%



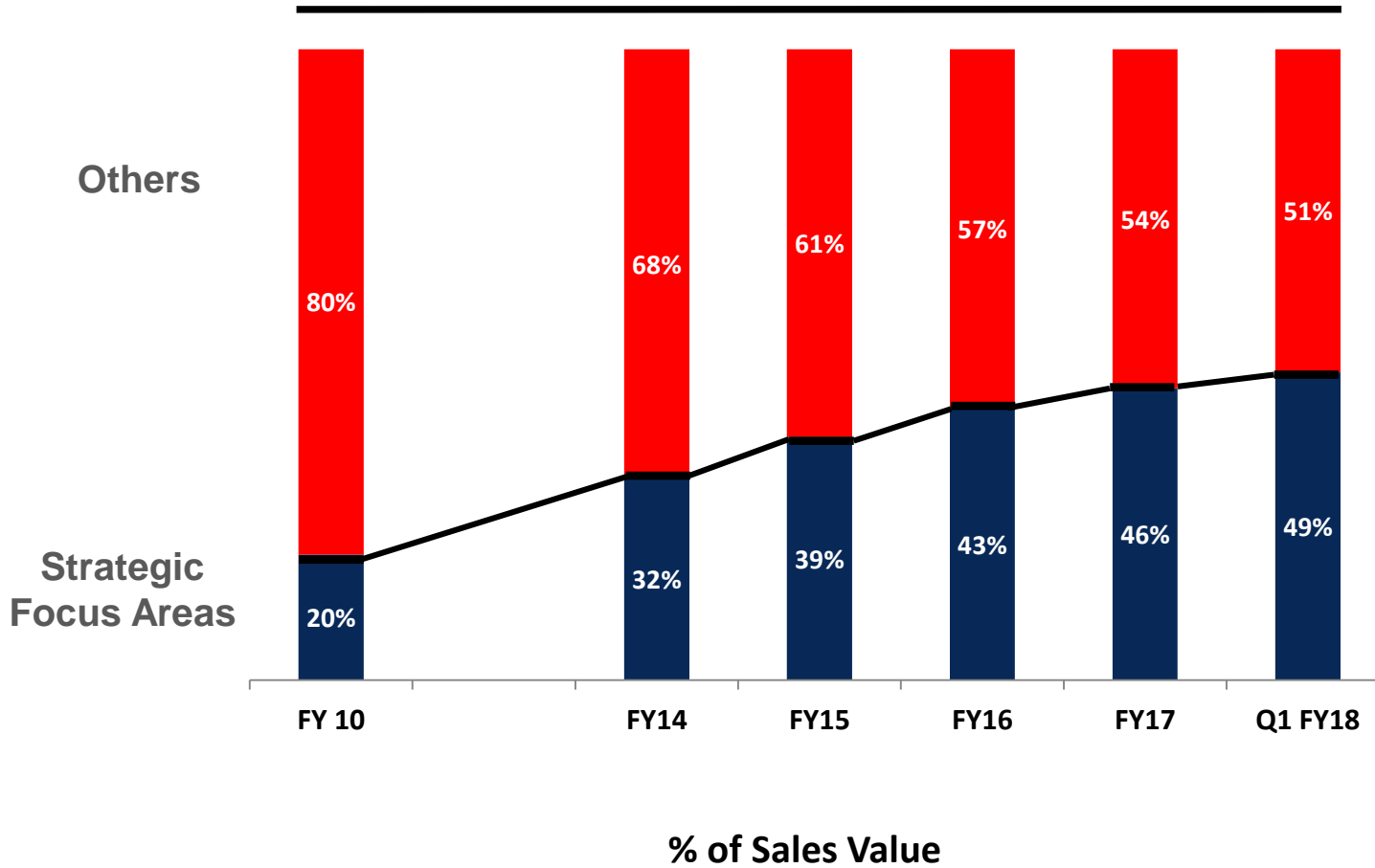
# Off Highway Tyres



## Status Update

- Greenfield OHT (Off Highway Tyres) radial plant in Ambernath
- Investing 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 tyres are being tested across multiple global 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 4: Operational & Financial Overview

# Q1 FY18 Operational Highlights

## Products

Launch of “Aayushman Plus” range of puncture protected tractor tyres



## OEM entries



Honda Cliq



VE Commercial Vehicles



Escort Tractor



# Consolidated: Q1 FY18 Financial Highlights

## Q1 FY18 v/s Q4 FY17 (Q-o-Q)

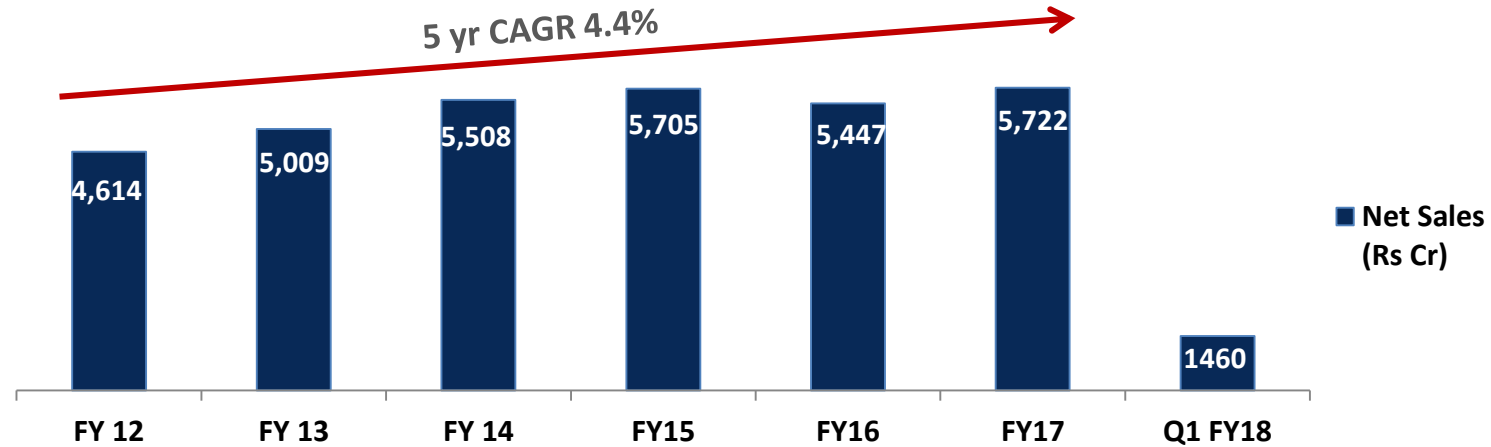
- Net revenue from operations declined by 0.8% at INR 1,460 Crs from INR 1,472 Crs
- Gross margins have contracted to 34.2% from 37.1%
- EBITDA stood at INR 58 crs compared to INR 137 Crs; margins at 4.0% from 9.3%
- PAT stood at INR 1 Cr compared to INR 66 Crs
- Debt / equity at 0.4x; same as for Q4 FY17
- Debt / EBITDA stood at 4.4x from 1.7x

## Q1 FY18 v/s Q1 FY17 (Y-o-Y)

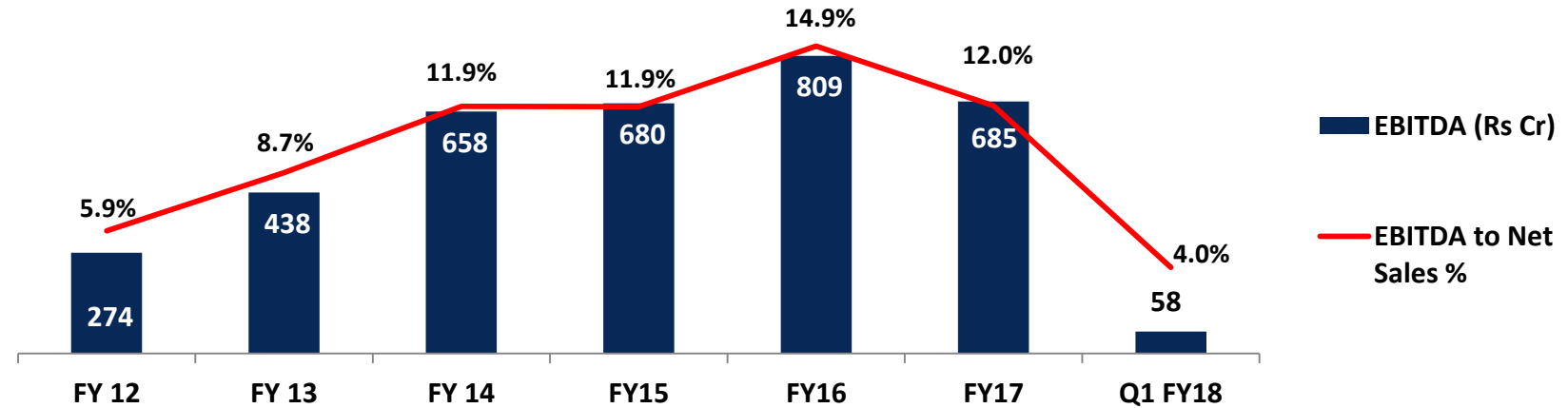
- Net revenue from operations declined by 0.7% at INR 1,460 Crs from INR 1,470 Crs
- Gross margins have contracted to 34.2% from 43.1%
- EBITDA stood at INR 58 Crs compared to INR 196 Crs; margins at 4.0% from 13.3%
- PAT stood at INR 1 Cr compared to INR 103 Crs
- Debt / equity at 0.4x compared to 0.3x
- Debt / EBITDA stood at 4.4x from 0.9x

# Consolidated: Financial Trends

Revenue growth



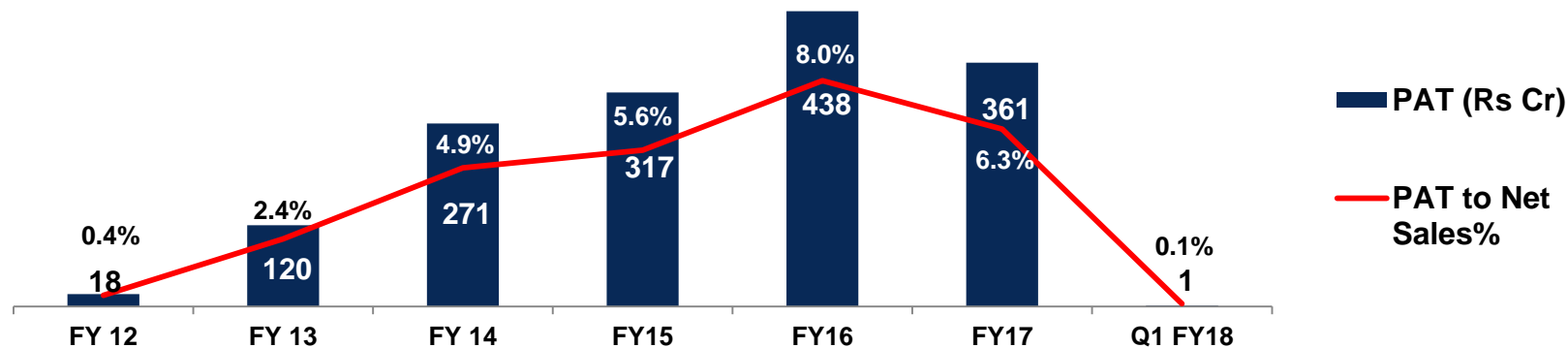
Margin trends



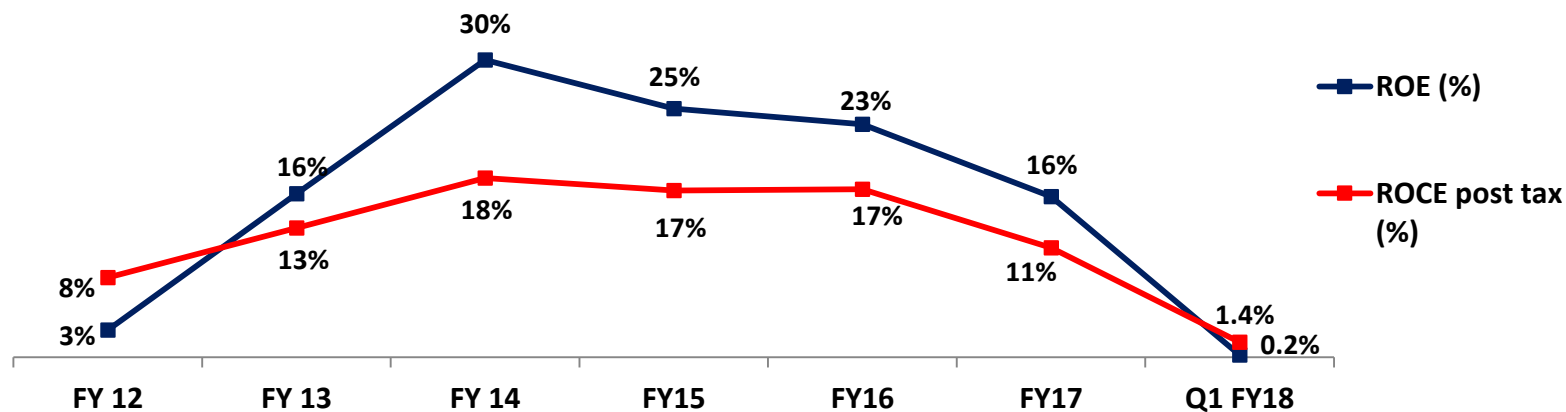
**Note**  
 FY16 onwards the figures are per IND AS; Other financial figures are as per IGAAP as published in previous periods  
 FY16 onwards the Company's investment in Sri Lanka JV is accounted using Equity method under IND AS which was earlier consolidated using proportionate consolidation method  
 FY16 onwards the EBITDA includes profit from Sri Lanka JV (after tax)  
 EBITDA includes Other operating income; 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: Q1 FY18 Financials

Parameter	INR Cr				
	Q1FY17	Q4FY17	Q1FY18	QoQ	YoY
<b>Net Revenue from operations</b>	<b>1,470</b>	<b>1,472</b>	<b>1,460</b>	<b>-0.8%</b>	<b>-0.7%</b>
Raw Material	836	925	961	3.9%	14.9%
<b>Gross margin</b>	<b>634</b>	<b>547</b>	<b>499</b>	<b>-8.7%</b>	<b>-21.3%</b>
<b>Gross margin %</b>	<b>43.1%</b>	<b>37.1%</b>	<b>34.2%</b>	<b>-290 bps</b>	<b>-890 bps</b>
Employee	96	105	100	-4.2%	4.5%
Other Expenses	353	310	344	11.1%	-2.6%
<b>EBITDA</b>	<b>196</b>	<b>137</b>	<b>58</b>	<b>-57.6%</b>	<b>-70.2%</b>
<b>EBITDA %</b>	<b>13.3%</b>	<b>9.3%</b>	<b>4.0%</b>	<b>-530 bps</b>	<b>-930 bps</b>
Finance Cost	25	21	23	6.4%	-10.5%
Depreciation	30	46	40	-14.0%	31.0%
<b>Operating PBT</b>	<b>140</b>	<b>70</b>	<b>(4)</b>	<b>-105.5%</b>	<b>-102.7%</b>
Exceptional expense	1	12	0	-97.2%	-60.0%
Non-Operating income	6	4	10	186.7%	82.3%
<b>PBT</b>	<b>145</b>	<b>61</b>	<b>6</b>	<b>-90.0%</b>	<b>-95.8%</b>
<b>PAT</b>	<b>103</b>	<b>66</b>	<b>1</b>	<b>-97.9%</b>	<b>-98.7%</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

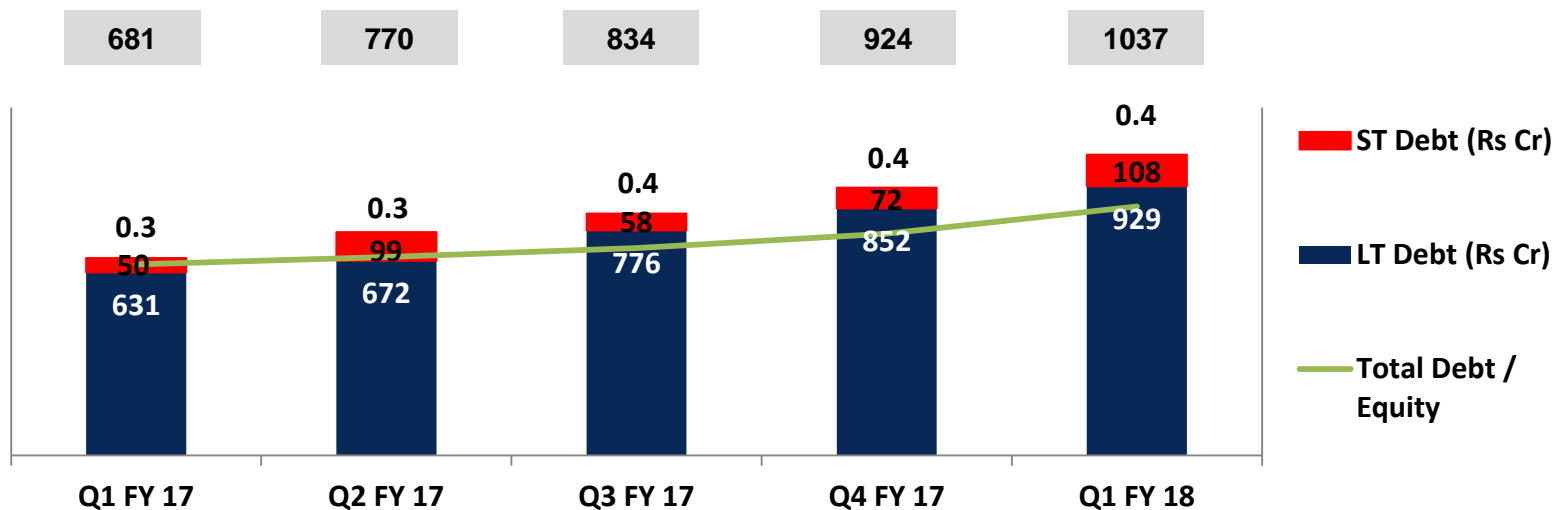
EBITDA includes profit from Sri Lanka JV (after tax)

EBITDA includes Other operating income; does not include Non- operating income

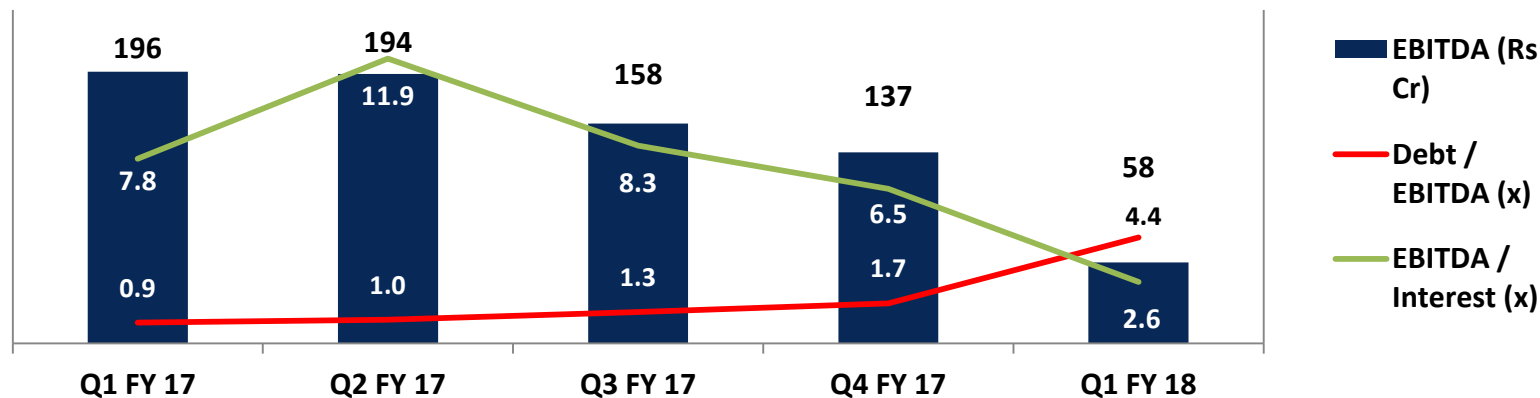
# Consolidated: Leverage / coverage Profile

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

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 (after tax)

EBITDA includes Other operating income; does not include Non- operating income

# Standalone: Q1 FY18 Financials

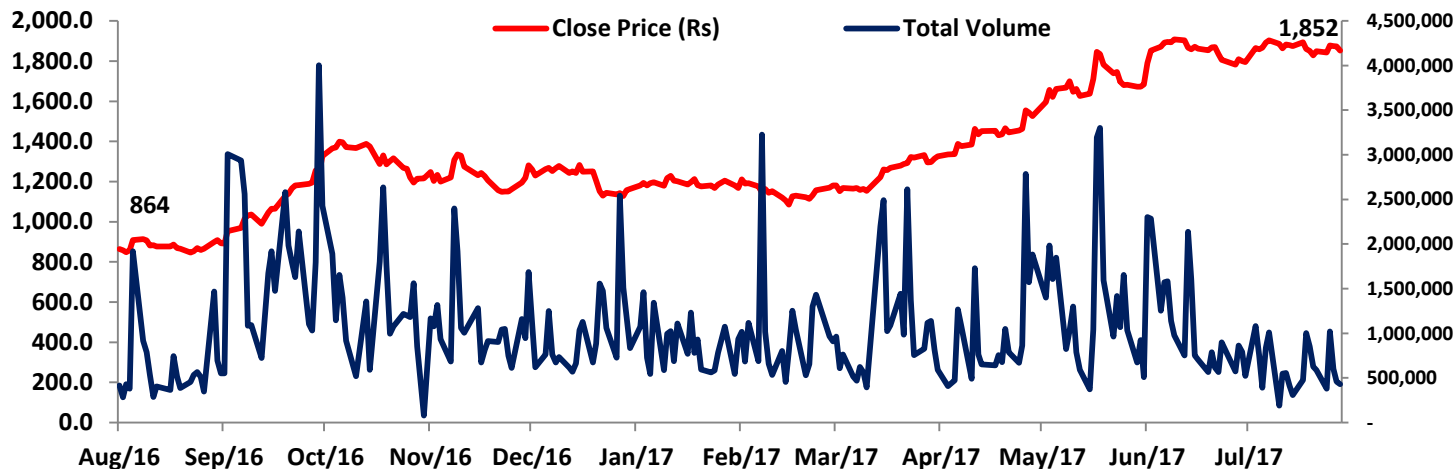
Parameter	INR Cr				
	Q1FY17	Q4FY17	Q1FY18	QoQ	YoY
<b>Net Revenue from operations</b>	<b>1,456</b>	<b>1,451</b>	<b>1,451</b>	<b>0.0%</b>	<b>-0.3%</b>
Raw Material	834	912	965	5.8%	15.8%
<b>Gross margin</b>	<b>622</b>	<b>539</b>	<b>486</b>	<b>-9.8%</b>	<b>-21.9%</b>
<b>Gross margin %</b>	<b>42.7%</b>	<b>37.1%</b>	<b>33.5%</b>	<b>-360 bps</b>	<b>-920 bps</b>
Employee	90	99	96	-2.7%	6.3%
Other Expenses	346	301	336	11.5%	-3.0%
<b>EBITDA</b>	<b>185</b>	<b>139</b>	<b>54</b>	<b>-61.1%</b>	<b>-70.9%</b>
<b>EBITDA %</b>	<b>12.7%</b>	<b>9.6%</b>	<b>3.7%</b>	<b>-590 bps</b>	<b>-900 bps</b>
Finance Cost	25	20	22	8.7%	-9.7%
Depreciation	30	46	39	-14.0%	31.3%
<b>Operating PBT</b>	<b>131</b>	<b>73</b>	<b>(8)</b>	<b>-110.4%</b>	<b>-105.8%</b>
Exceptional expense	1	12	0	-97.2%	-59.9%
Non-Operating income	7	5	31	528.5%	356.1%
<b>PBT</b>	<b>137</b>	<b>65</b>	<b>24</b>	<b>-63.8%</b>	<b>-82.8%</b>
<b>PAT</b>	<b>96</b>	<b>70</b>	<b>19</b>	<b>-72.7%</b>	<b>-80.2%</b>

## Notes

Financials are as per IND AS

EBITDA includes Other operating income; does not include Non- operating income

# Equity Shareholding & Price trends

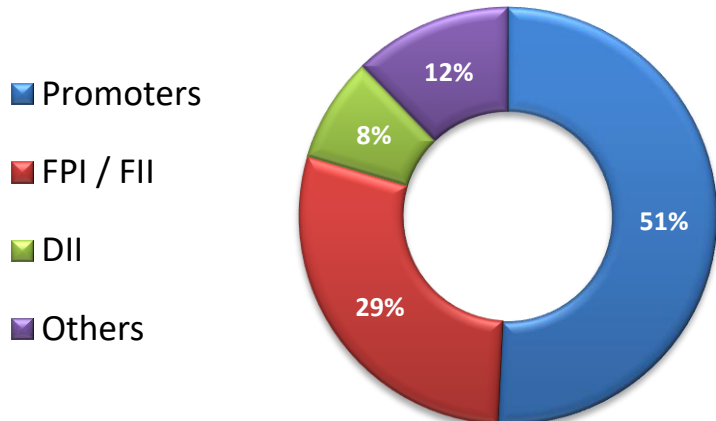


## Returns since August' 16

- CEAT: 114%
- NIFTY: 16%

Source : Capitaline. The above data is updated till 28<sup>th</sup> July 2017

### Shareholding Pattern as on June 30, 2017



### Market Information

- Market Price (July 28): INR 1,852/share
- Face Value : INR 10/share
- Market Cap (July 28): INR 7,492 Cr

THANK YOU