

November 7, 2016

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

The National Stock Exchange of India Limited,
Exchange Plaza, 3rd Floor,
Plot No. C/1, "G" Block,
Bandra Kurla Complex,
Bandra East,
Mumbai 500 051

Security Code: 500878

Symbol: CEATLTD

Dear Sir/Madam,

Sub: Investor Presentation Q2 FY 2016-17

Please find enclosed herewith the Investor Presentation on the Unaudited Financial Results for quarter and half year ended September 30, 2016 for the Earnings Conference Call which is scheduled on Tuesday, November 08, 2016 from 4.00 p.m. IST to 5.00 p.m. IST.

Request you kindly take the same on record and acknowledge receipt.

Thanking you,

For **CEAT Limited**



Shruti Joshi
Company Secretary

CEAT
FUELSMART

MORE SAVINGS PER MILE

CEAT Fuelsmart tyres help you save upto ₹ 15,521,* on a running of 36,500 kms per year.

REDUCES ROLLING RESISTANCE LESS FUEL. MORE SAVING

CEAT FUELSMART

CEAT

INDIA'S 1st
PUNCTURE
SAFE
BIKE TYRE

MILANZE PUNCTURESAFE

Q2 FY17 – Investor Presentation

November 7th, 2016

BRITISH SAFETY COUNCIL

Sword of Honour



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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

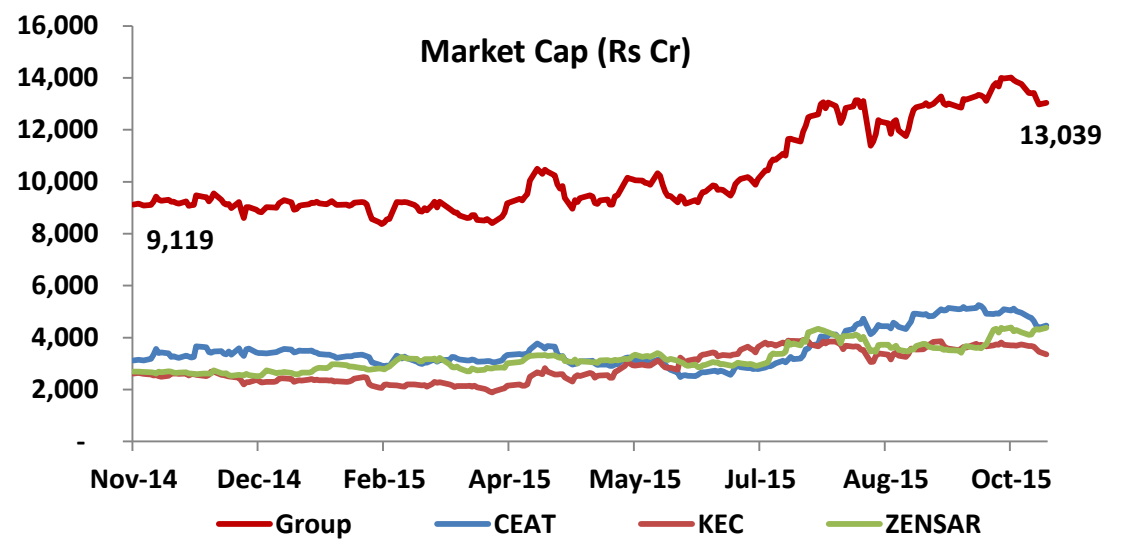
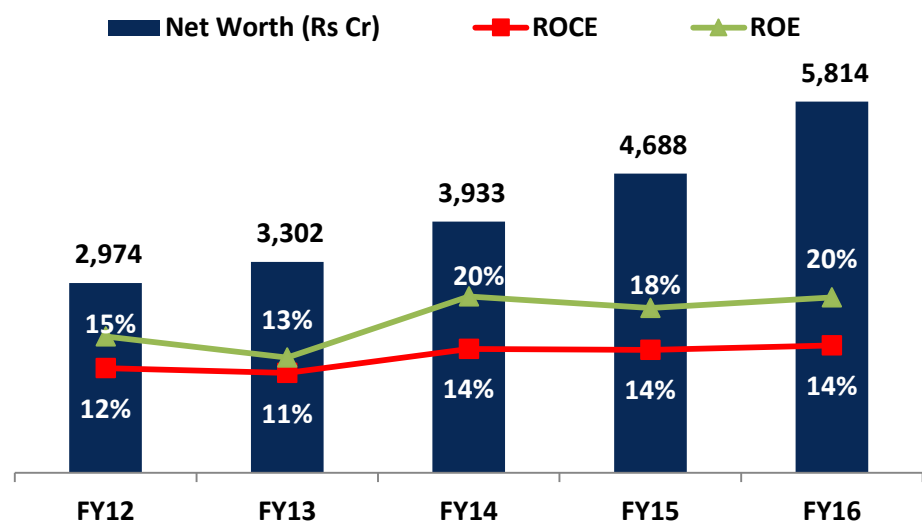
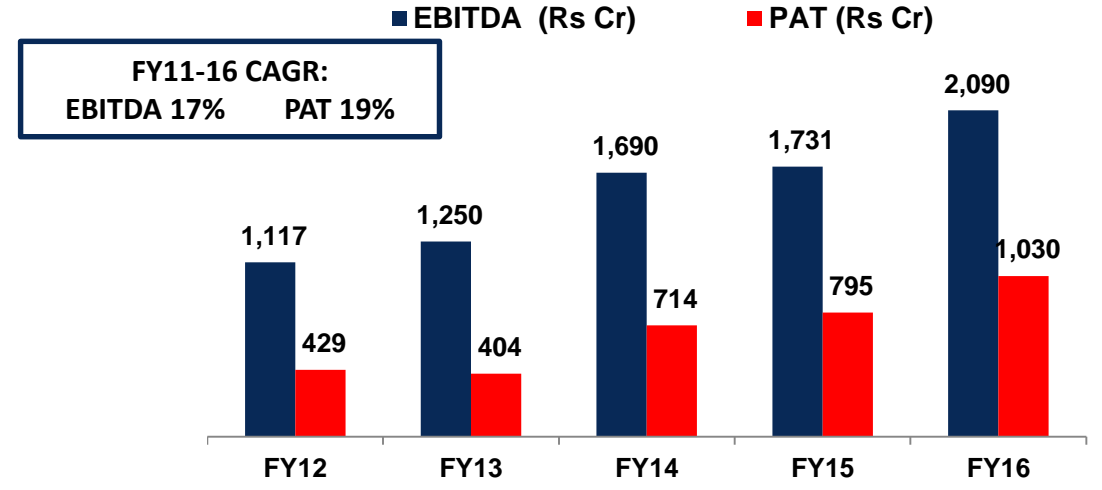
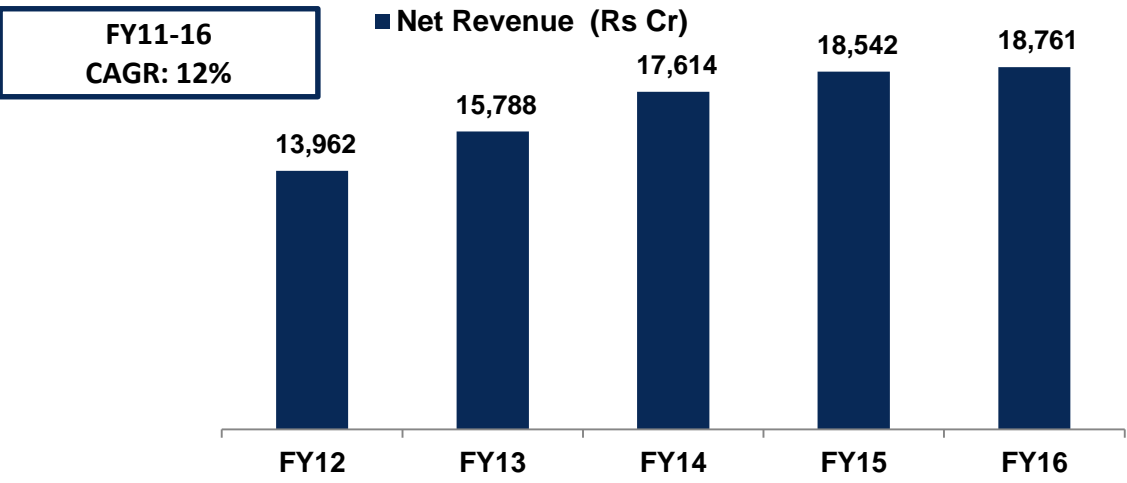
Engineering products and services catering to infrastructure segment of the economy.



Harrisons Malayalam

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

RPG Group: Key Financials



Note:

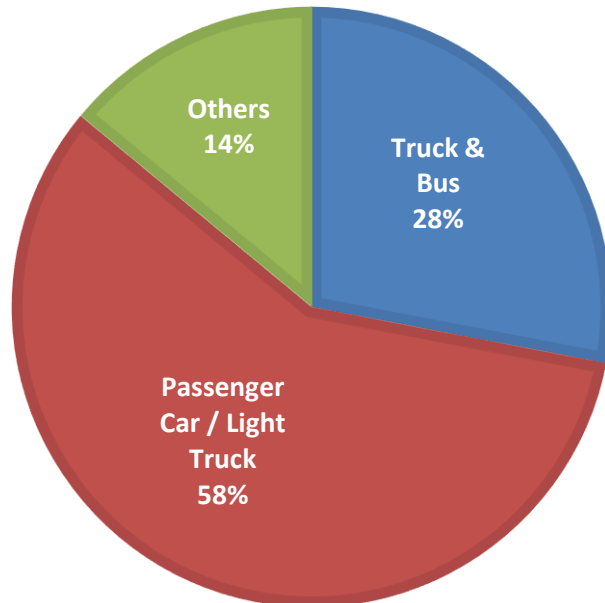
- 1) ROCE is calculated by taking EBIT multiplied by (1 minus tax rate @ 33%) divided by Average Capital Employed
- 2) ROE is calculated by taking PAT divided by Average Net-worth
- 3) Market Cap updated till 4th Nov 2016

Section 2: Industry Overview

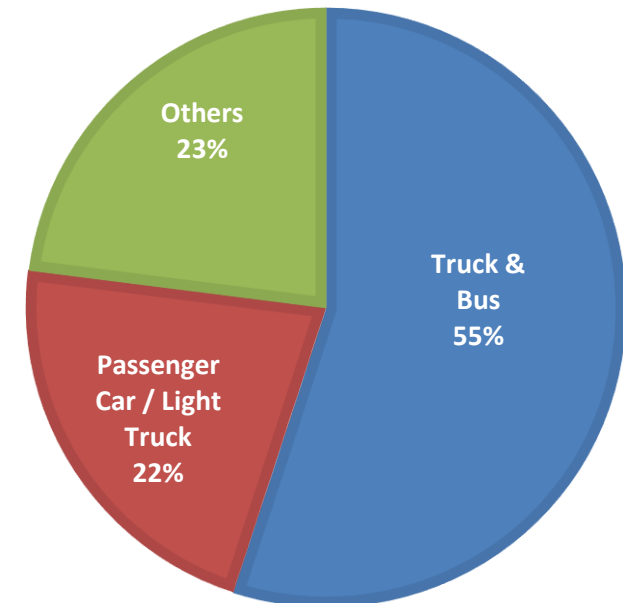
Indian Tyre Industry Overview

- ❖ Tyre Industry turnover in India is over Rs 50,000 crore
- ❖ Truck & Bus segment accounts for 55% of the industry's revenues
- ❖ India exports ~ Rs 10,500 crore worth of Tyres

Global tyre industry revenue segmentation



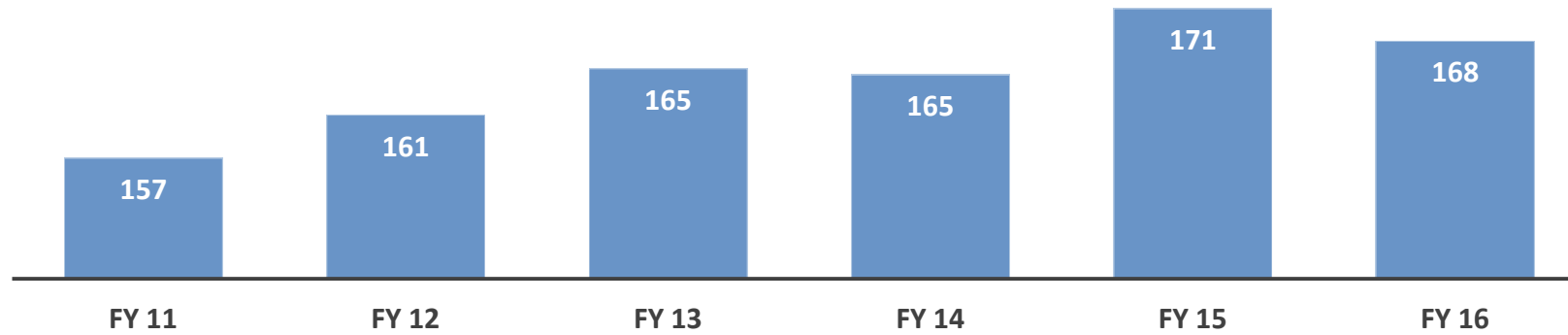
Indian tyre industry revenue segmentation



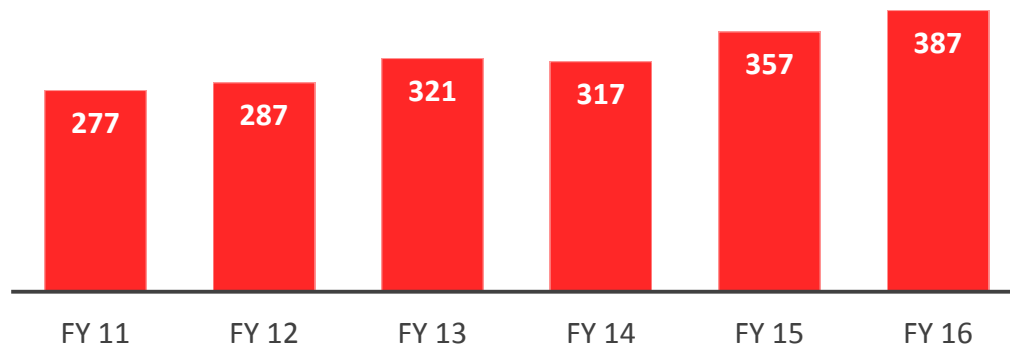
Indian Tyre Industry Overview

Total Tyre Production (Volumes in Lakhs)

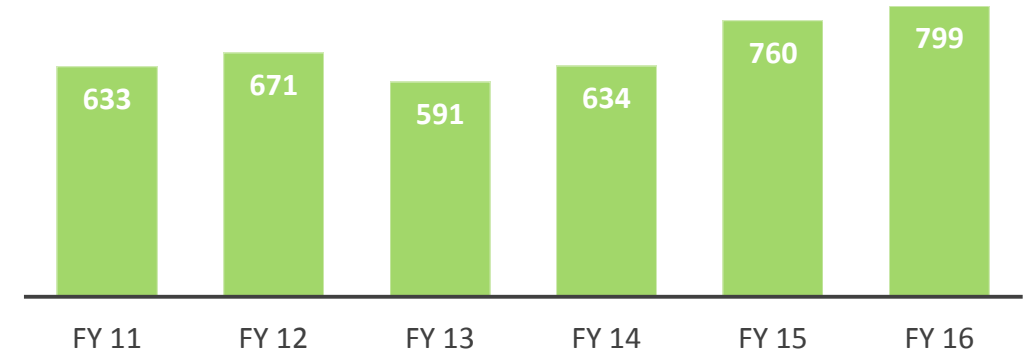
MHCV (T&B)



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



Atul C. Choksey
Non Executive
Independent Director



Haigreve Khaitan
Non Executive
Independent Director



Hari L. Mundra
Non Executive Non
Independent Director



Kantikumar R. Podar
Non Executive
Independent Director



Mahesh S. Gupta
Non Executive
Independent Director



Paras K. Chowdhary
Non Executive Non
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

Manoj Jaiswal



Chief Financial Officer

Arnab Banerjee



**Executive Director
- Operations**

Tom Thomas



**Executive Director
- Technology & Products**

Dilip Modak



**Senior Vice President
- Manufacturing**

Chandrashekhhar Ajgaonkar



**Senior Vice President
- Quality Based Management**

Subbiah Kumar



**Senior Vice President
- Materials & Outsourcing**

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

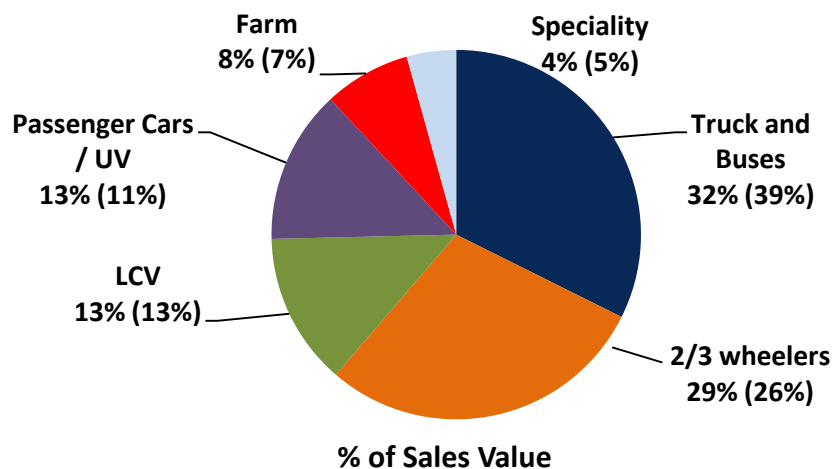
Distribution Network : **4,500+** dealers, **400+** exclusive CEAT franchisees

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

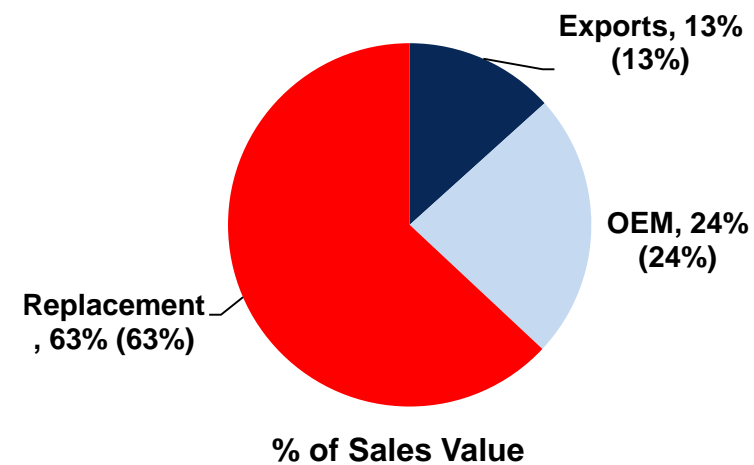
100+ countries where products are sold with strong brand recall

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

H1 FY17 Revenue Breakup by Product



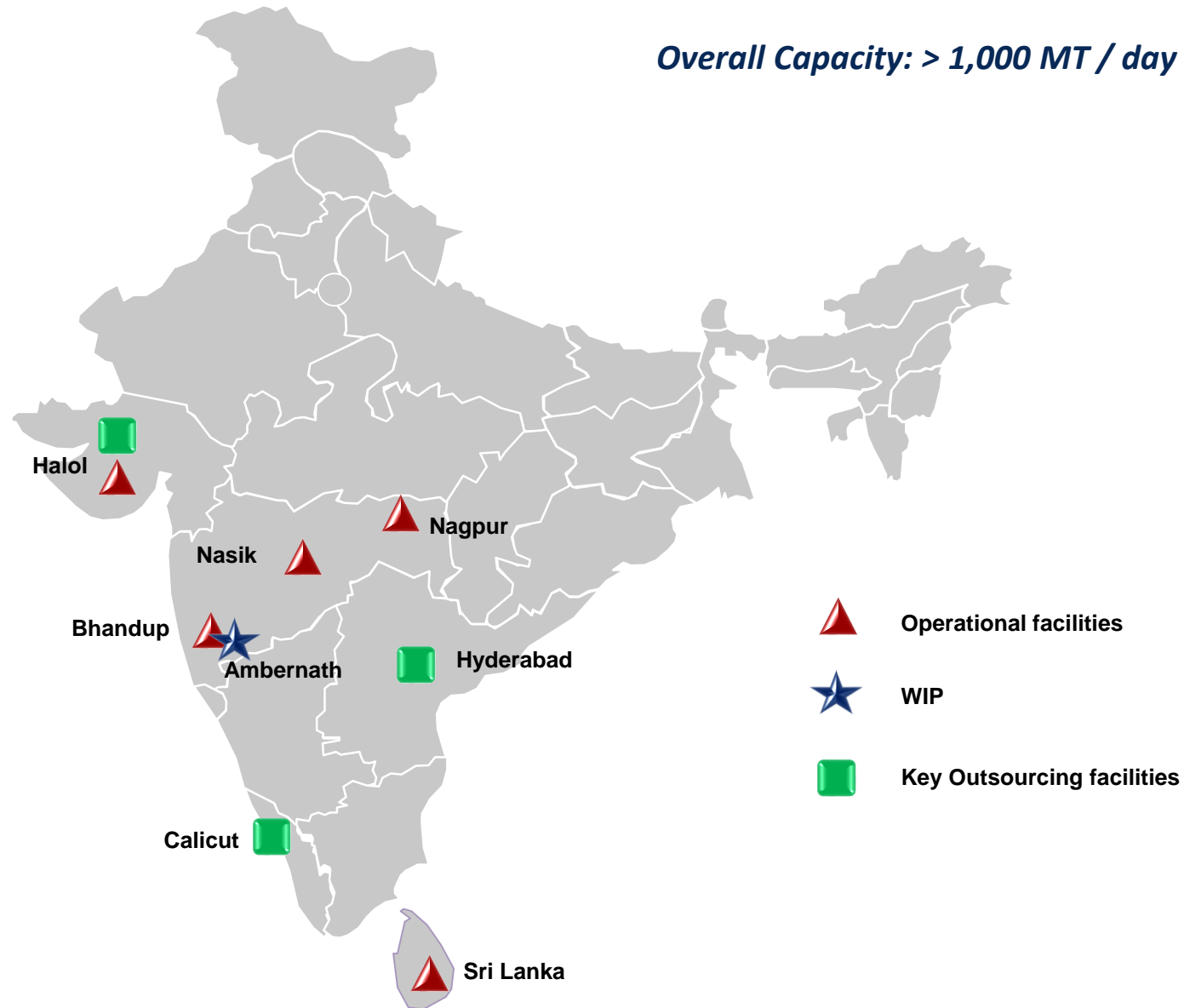
H1 FY17 Revenue Breakup by Market

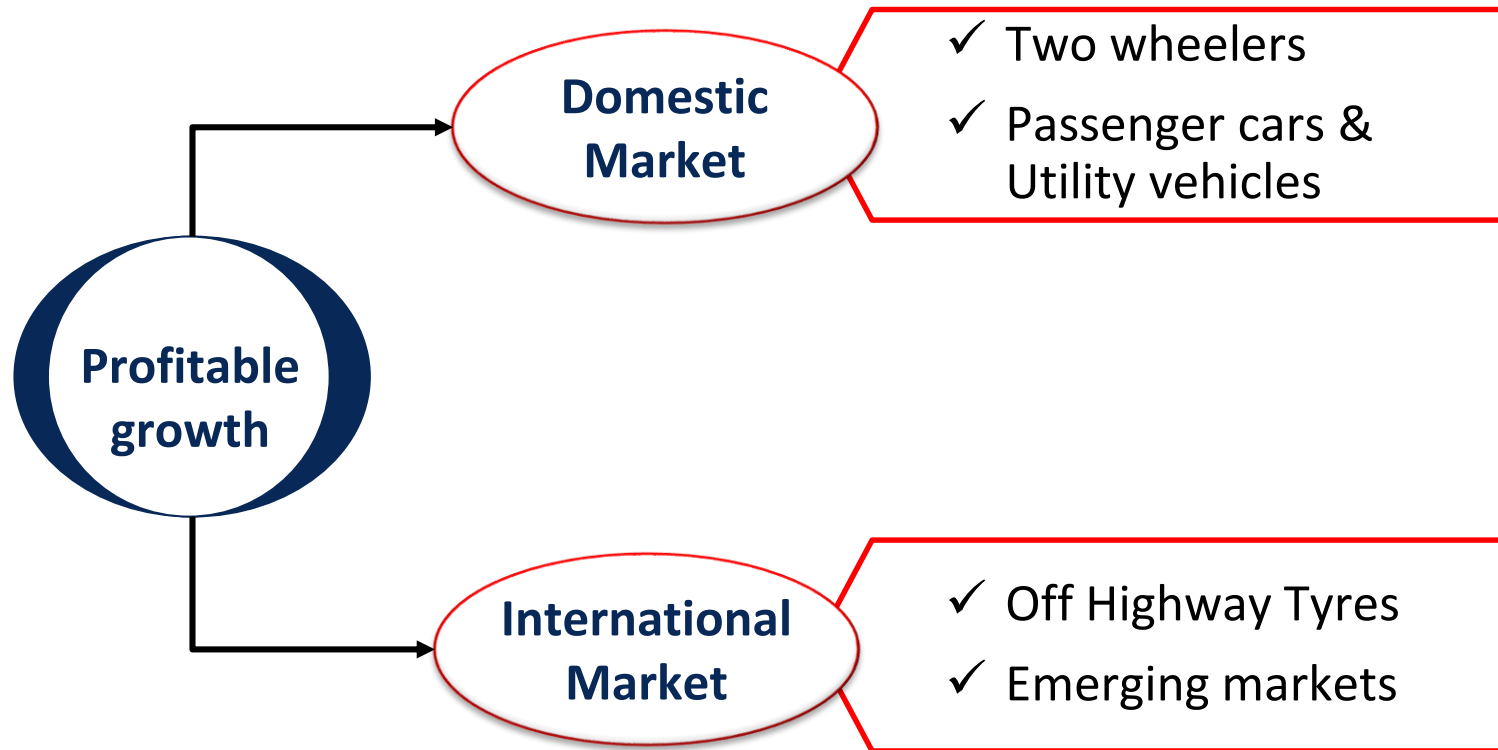


Note : Figures in parenthesis denote H1 FY16

Manufacturing Facilities

Overall Capacity: > 1,000 MT / day





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 as primary supplier for OEM launches-** 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 –** Daimler Truck Radials, Suzuki Gixxer, RE Classic, Yamaha FZ, Volvo Eicher Commercial Radial etc.
- **Platforms** like Fuelsmart, Gripp, Mileage etc.

2 Strong Brand

- Adding Ajinkya Rahane to the stellar list of cricketers associated with CEAT bat like Rohit Sharma & Suresh Raina



- Installed breath analyzers along with Mumbai Police - making mobility safer



- Collaborated with Mahindra Adventure for seven of the most challenging expeditions of the country



3 Extensive Distribution

Shoppe



Shop in Shop (SIS)



Distribution Network

- 4,500+ dealers
- 400+ CEAT Franchisees (Shoppes + Hubs)
- 250+ two-wheeler distributors
- Developed Multi Brand Outlet / Shop in Shop model over last 2 years
- Over 300+ outlets so far
- Launched CEAT Bike Shoppes

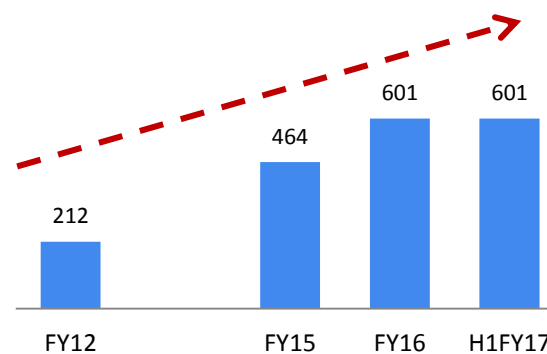
Multi Brand Outlet (MBO)



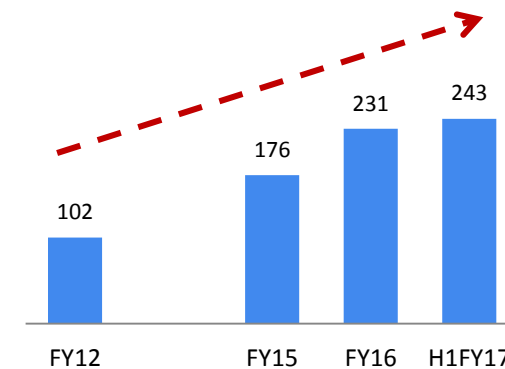
Bike Shoppe



District coverage



No. of CEAT Shoppes



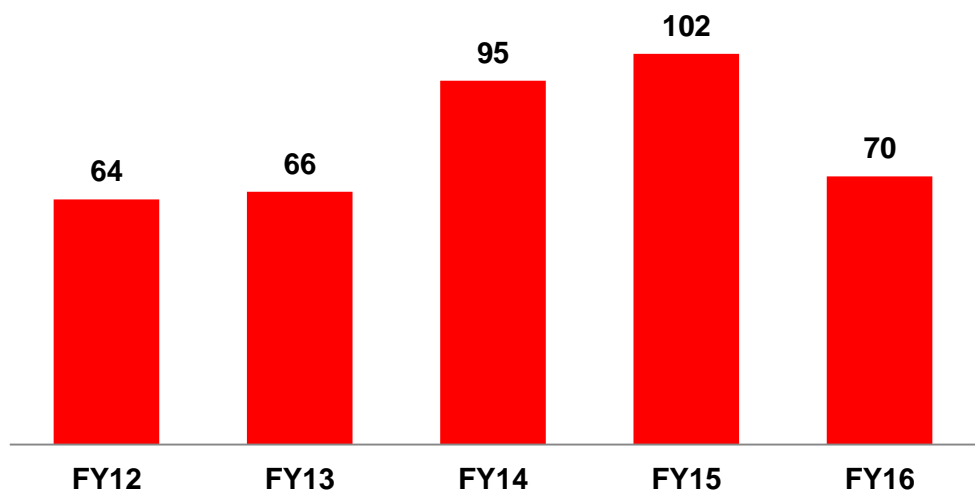
4 Deep OEM Partnerships



5 World Class R&D

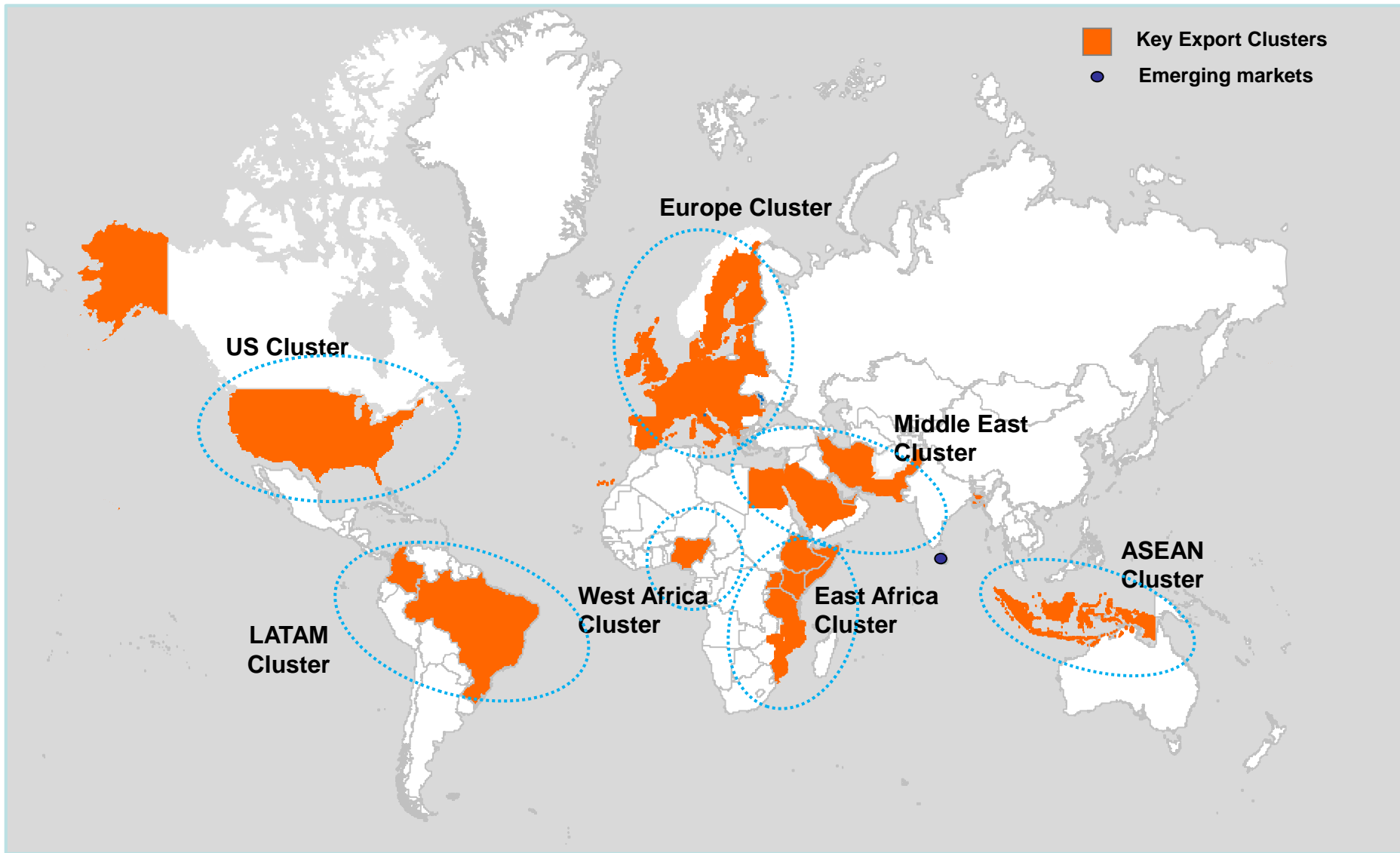


New Products Developed



- 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
- Increased allocation towards R&D

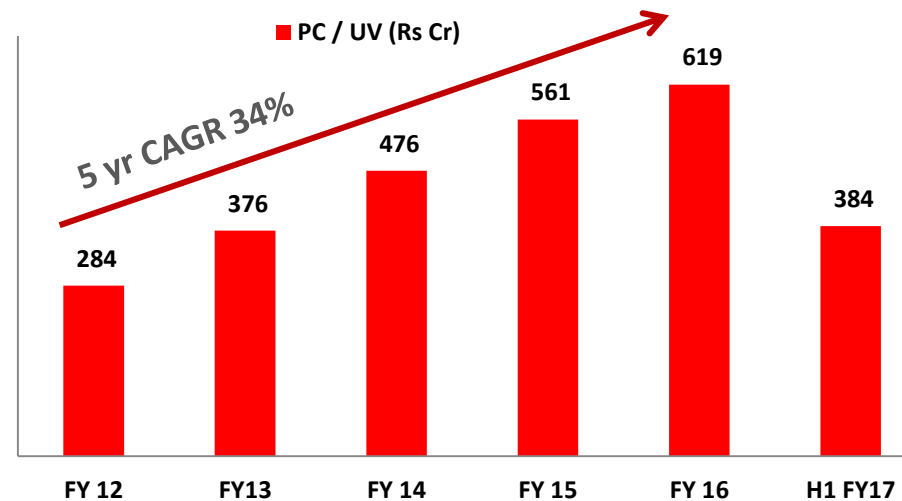
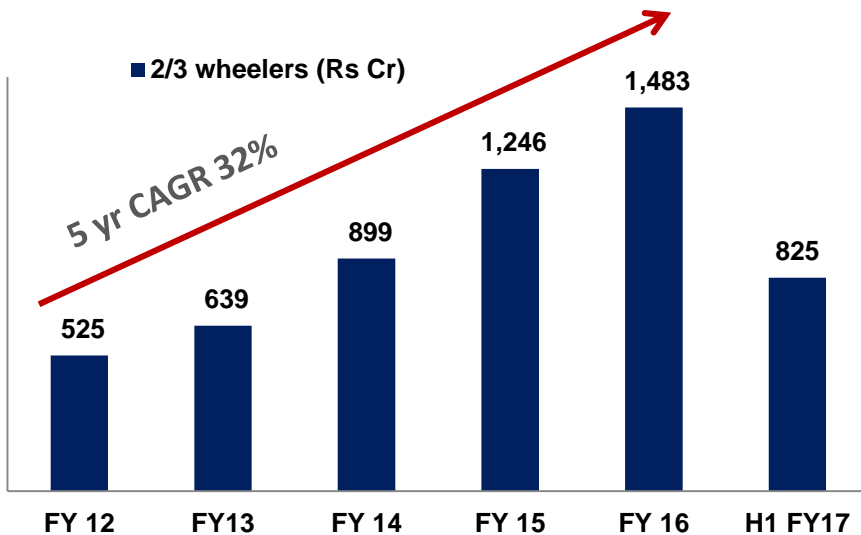
6 Expanding Global Reach



- **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 32 MT/day capacity as of September 2016; total capacity of 120 MT/day
- Halol Phase II plant commissioned 69 MT/day as of September 2016; total capacity of 120 MT/day
- H1FY17/ H1FY16 volume growth: 2 wheelers (+30%), PC/UV (+30%)

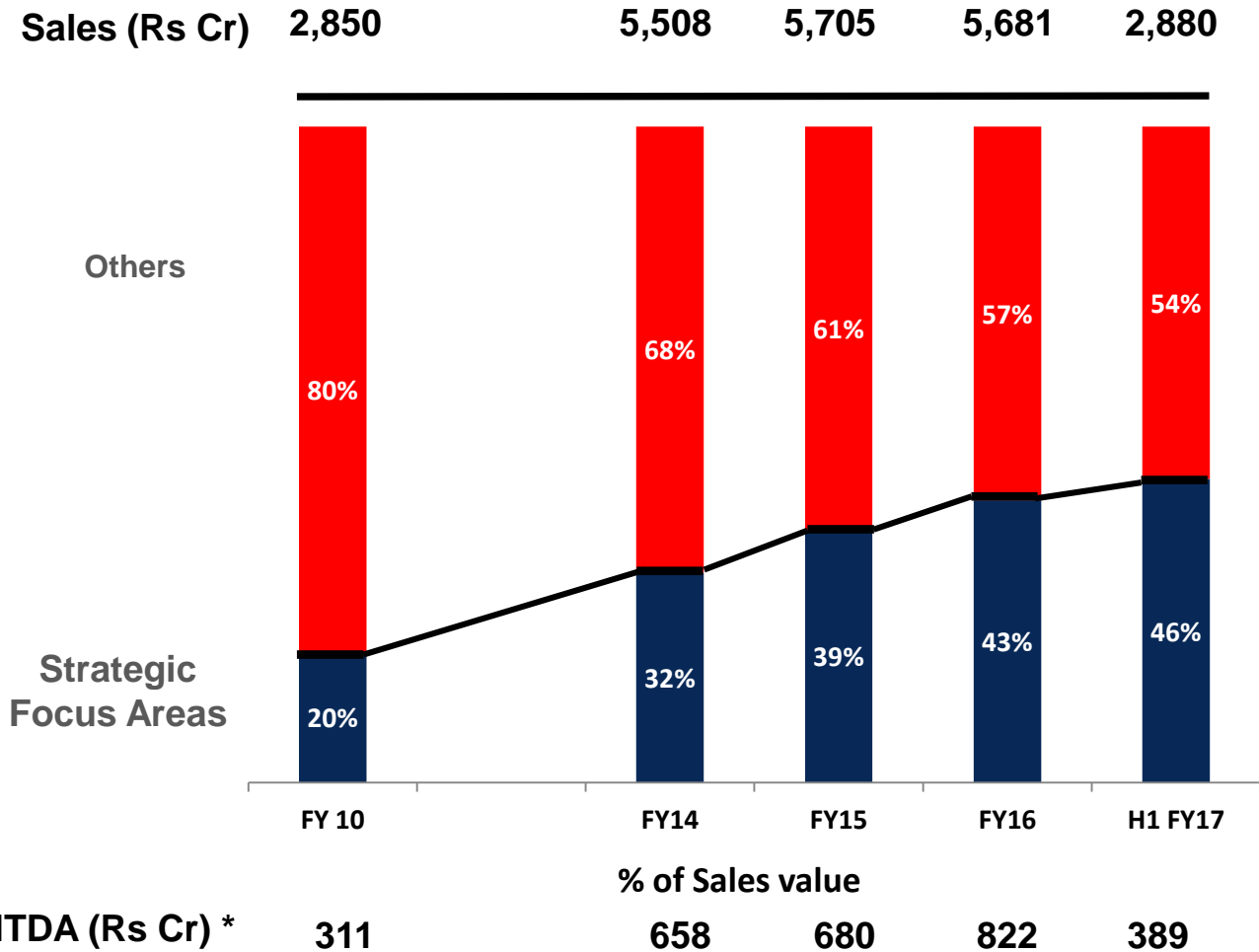
Off Highway Tyres



Status Update

- Greenfield OHT (Off Highway Tyres) radial plant in Ambernath
- Investing Rs 330 Crs for a Phase 1 capacity of 40 MT/day which will be further ramped up to 100 MT/day
- Production is expected to commence by Q4 FY17

Strategic Focus Areas – Continued Momentum



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

- CAGR of 27%
- 4.3x growth from Rs.570 (FY10) to Rs. 2,450 crs (FY16)
- Substantial contribution towards increasing profitability
- Market share growing

Note

H1 FY17 figures are per IND AS; Other financial figures are as per IGAAP as published in previous periods
 For H1 FY17, Company's investment in Sri Lanka JV is accounted using Equity method under IND AS which was earlier consolidated using proportionate consolidation method
 For H1 FY17, EBITDA includes profit from Sri Lanka JV (after tax)
 EBITDA includes Other operating income; does not include Non-operating income

Section 4: Operational & Financial Overview

Q2 FY17 Operational Highlights

OEM approvals & entries



Hero Hunk 150cc
new version



Hero Glamour
new version



Bajaj Vikrant
125cc new version



Bajaj Pulsar 150cc
new version



VECV BUS- 10.00R20
PRO R10



M&M 4WD
small tractor

Credit Rating

CEAT's Long term credit rating is upgraded to 'AA (Double A)' from 'AA- (Double A minus)' by CARE Ratings

Awards

Halol plant conferred with "Sword of Honour Award" by British Safety Council

Products

Fuelsmarrt tyres
"Tyres that pay for themselves over their life"



Launch of Puncture Safe Tyres
for 2 Wheelers



"Win" Series for Truck & Bus
Radial tyres



Consolidated: Q2 FY17 Financial Highlights

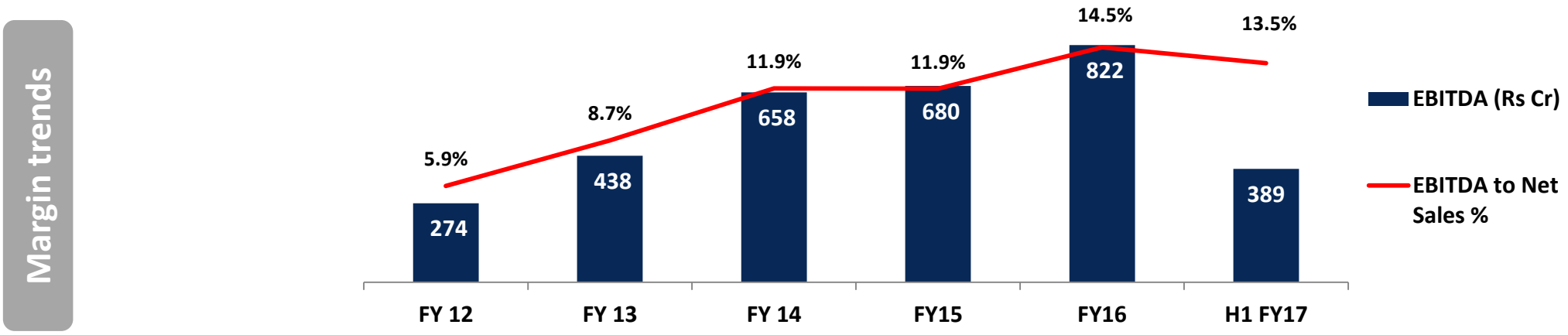
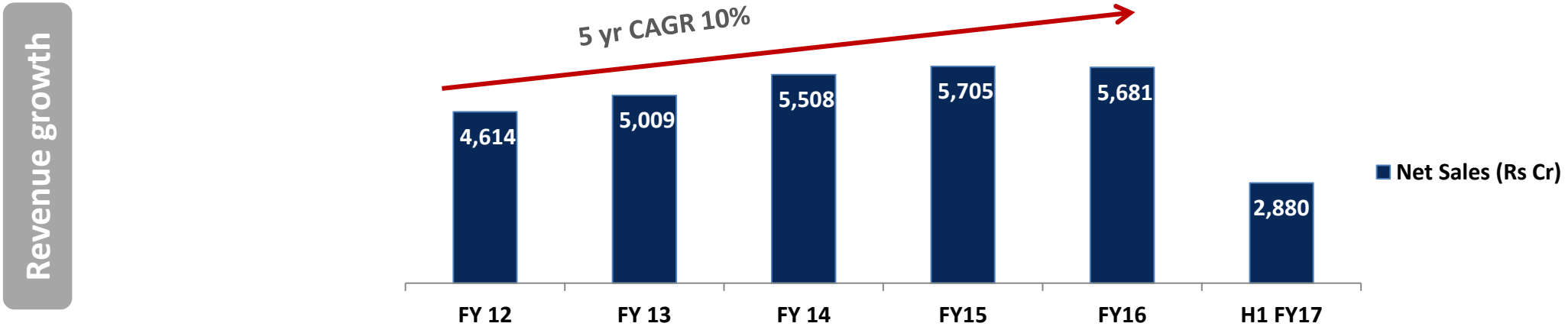
Q2 FY17 v/s Q1 FY17 (Q-o-Q)

- Sales down by 2.9% at Rs 1,419 Crs from Rs 1,461 Crs; volume decline of 2.5%
- Gross margins have contracted to 42.3% from 42.8%
- EBITDA stood at Rs. 194 crs compared to Rs 196Crs; margins at 13.7% from 13.4%
- PAT stood at Rs 107 Crs compared to Rs 104 Crs
- Debt / equity at 0.3x ; same as for Q1 FY17
- Debt / EBITDA stood at 1.0x from 0.9x
- ROE at 20%; same as for Q1 FY17
- ROCE at 14% from 15%

Q2 FY17 v/s Q2 FY16 (Y-o-Y)

- Sales up by 5.7% at Rs 1,419 Crs from Rs 1,342 Crs; volume growth of 13.2%
- Gross margins have contracted to 42.3% from 43.6%
- EBITDA stood at Rs. 194 crs compared to Rs 192 Crs; margins at 13.7% from 14.3%
- PAT stood at Rs 107 Crs compared to Rs 105 Crs
- Debt / equity at 0.3x ; same as for Q2 FY16
- Debt / EBITDA stood at 1.0x from 0.9x
- ROE at 20% from 23%
- ROCE at 14% from 17%

Consolidated: Financial Trends

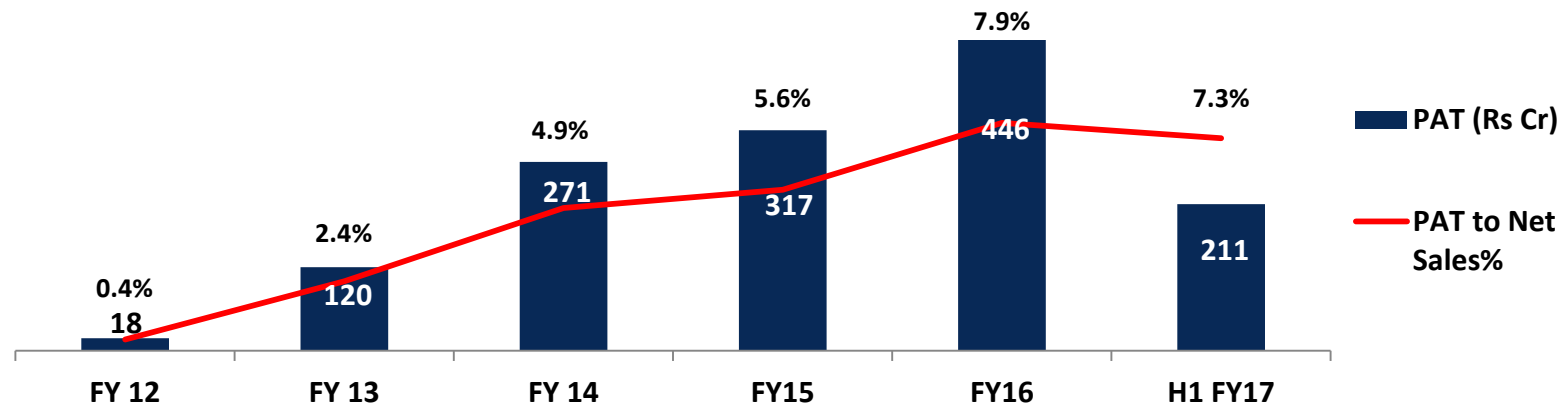


Notes

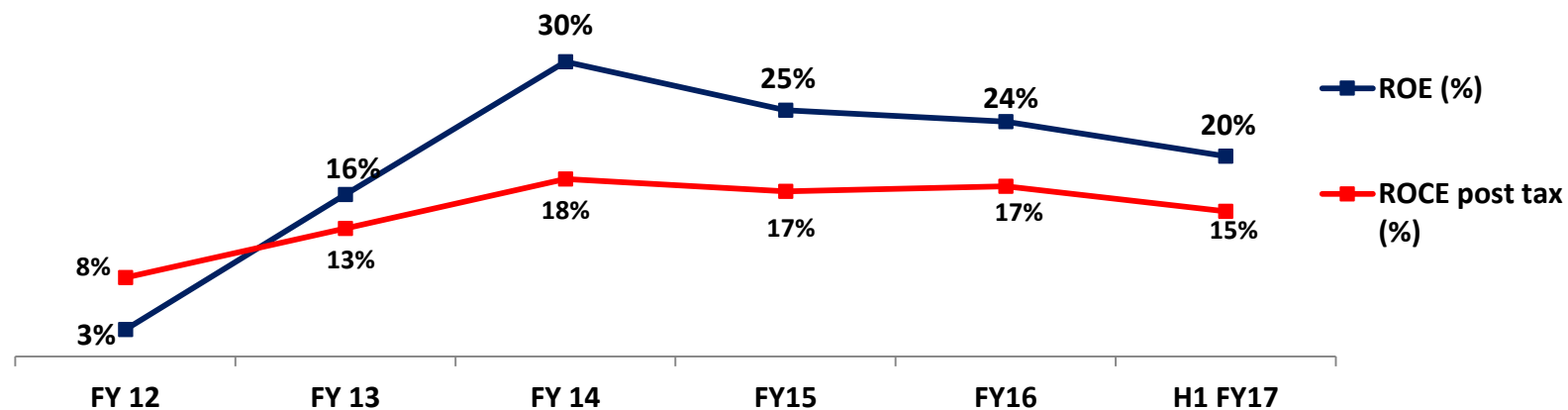
H1 FY17 financials is per IND AS; Other financial figures are as per IGAAP as published in previous periods
 Company's investment in Sri Lanka JV is accounted using Equity method under IND AS which was earlier consolidated using proportionate consolidation method
 For H1 FY17, EBITDA includes profit 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

H1 FY17 financials are per IND AS; Other financial figures are as per IGAAP as published in previous periods

QIP proceeds considered for part of the year for 2015

ROCE is based on PBIT *(1-tax rate) and average capital employed has been considered for calculations

Consolidated: Q2 FY17 Financials

Parameter	Rs cr			
	Q2FY16	Q2FY17	H1FY16	H1FY17
Net Sales	1,342	1,419	2,747	2,880
Growth (YoY)	-	5.7%	-	4.8%
Growth (QoQ)	-	-2.9%	-	-
EBITDA	192	194	416	389
Growth (YoY)	-	0.9%	-	-6.4%
Growth (QoQ)	-	-0.9%	-	-
EBITDA (%)	14.3%	13.7%	15.1%	13.5%
PAT	105	107	227	211
EPS (Rs.) (Basic)	25.9	26.3	55.9	51.9
Net Worth	1,903	2,252	1,903	2,252
Debt	654	770	654	770
D/E (x)	0.3	0.3	0.3	0.3
No of shares (cr)	4.0	4.0	4.0	4.0
B/V (Rs.)	470	557	470	557

Notes

FY17 figures are as per IND AS and FY16 figures are as per I GAAP

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)

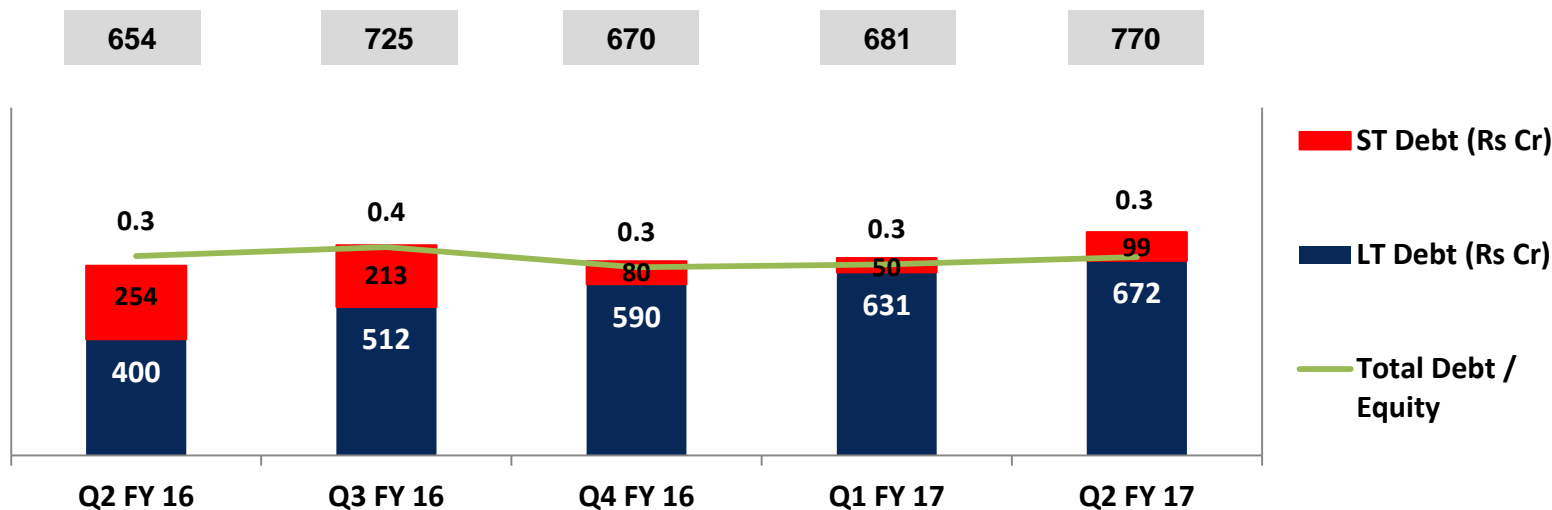
EBITDA includes Other operating income; does not include Non- operating income

Debt includes current maturity of long term debt

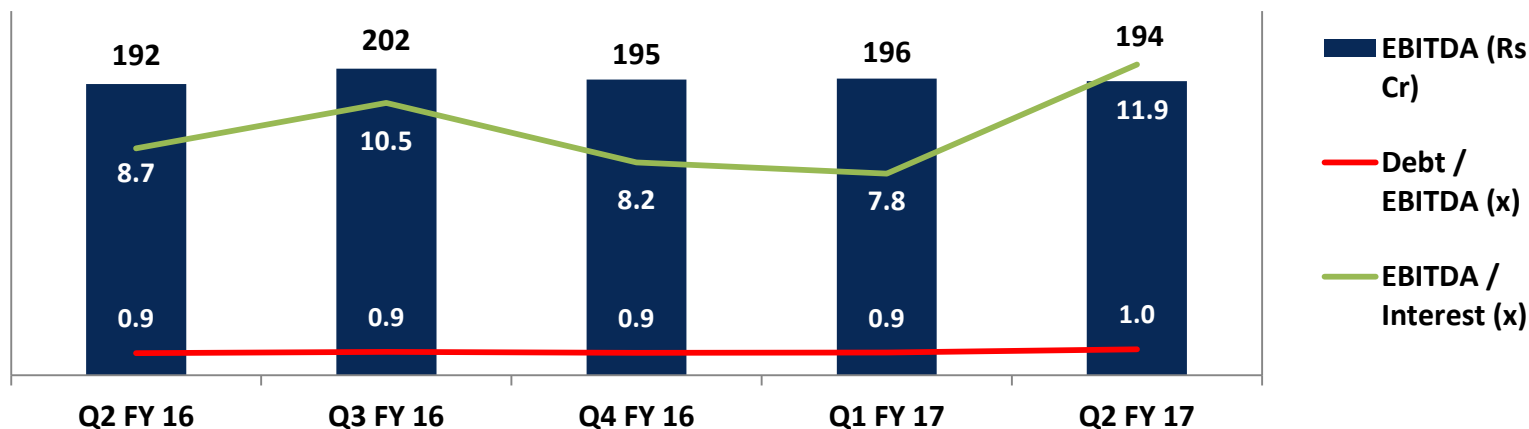
Consolidated: Leverage / coverage Profile

Total Debt
(Rs Cr)

Debt breakup



Leverage ratios



Notes

For Income statement figures - Q2 FY16, Q1 FY17 and Q2 FY17 figures are as per IND AS; other figures are as per IGAAP

For Balance Sheet figures - Q2 FY17 figures are as per IND AS; other figures are as per IGAAP

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

Q2 FY16, Q1 FY17 and Q2 FY17 EBITDA includes profit from Sri Lanka JV (after tax)

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

Standalone: Q2 FY17 Financials

Parameter	Rs Cr							
	Q2FY16	Q1FY17	Q2FY17	QoQ	YoY	H1FY16	H1FY17	YoY
Net Sales	1,339	1,447	1,405	-2.9%	4.9%	2,736	2,851	4.2%
Raw Material	759	834	816	-2.1%	7.5%	1,571	1,650	5.0%
Gross margin	580	613	588	-4.0%	1.4%	1,166	1,201	3.1%
Gross margin %	43.3%	42.4%	41.9%	-50 bps	-140 bps	42.6%	42.1%	-50 bps
Employee	97	90	95	4.8%	-2.3%	189	185	-2.0%
Other Expenses	306	346	317	-8.4%	3.9%	590	664	12.4%
EBITDA	186	185	185	-0.1%	-0.2%	406	371	-8.7%
EBITDA %	13.9%	12.8%	13.2%	-40 bps	-70 bps	14.8%	13.0%	-180 bps
Finance Cost	22	25	16	-36.5%	-30.1%	49	40	-17.3%
Depreciation	23	30	31	4.9%	37.9%	46	61	33.7%
Operating PBT	141	131	139	6.4%	-0.9%	313	270	-13.5%
Exceptional expense	1	1	(0)	-100.3%	-100.2%	1	1	-17.0%
Non-Operating income	21	7	5	-23.3%	-74.9%	29	12	-58.2%
PBT	161	137	144	4.8%	-10.6%	340	281	-17.4%
PAT	112	96	102	5.5%	-9.3%	232	198	-14.4%
Volumes (mt)	65,500	75,800	73,700	-2.8%	12.5%	1,32,300	1,49,400	13.0%

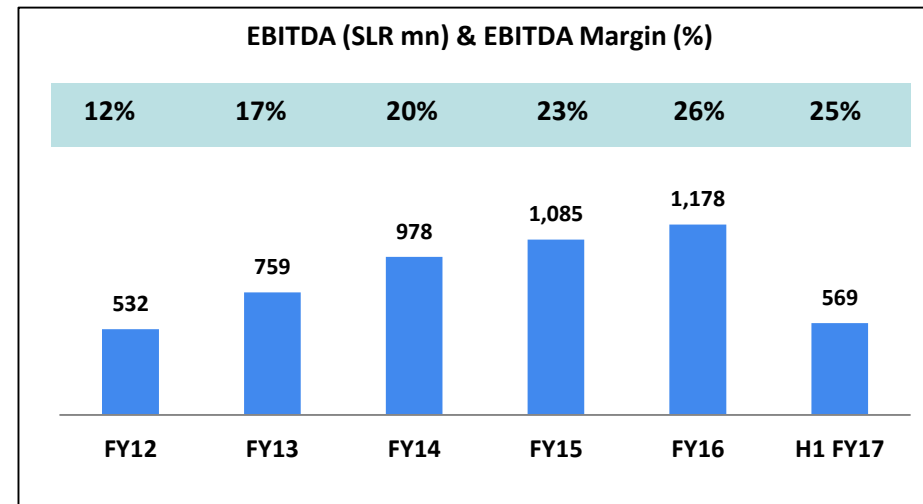
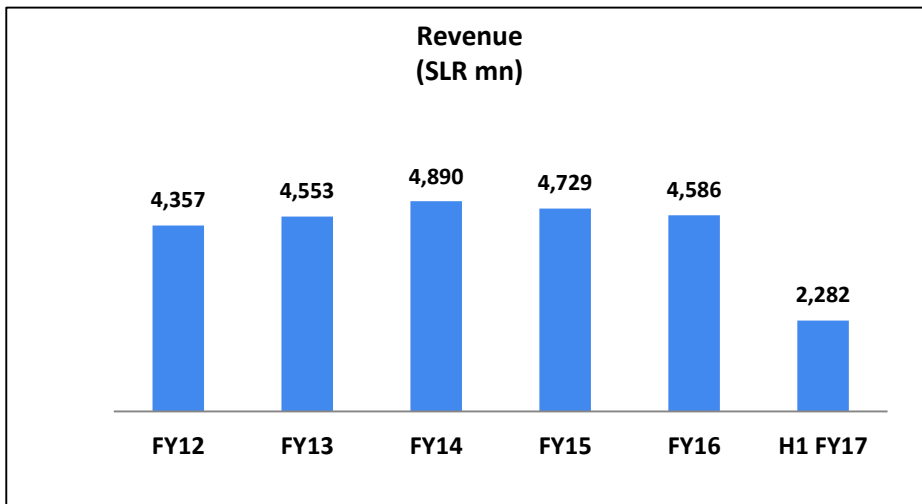
Notes

Financials are as per IND AS

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

Emerging Markets Trends

Sri Lanka



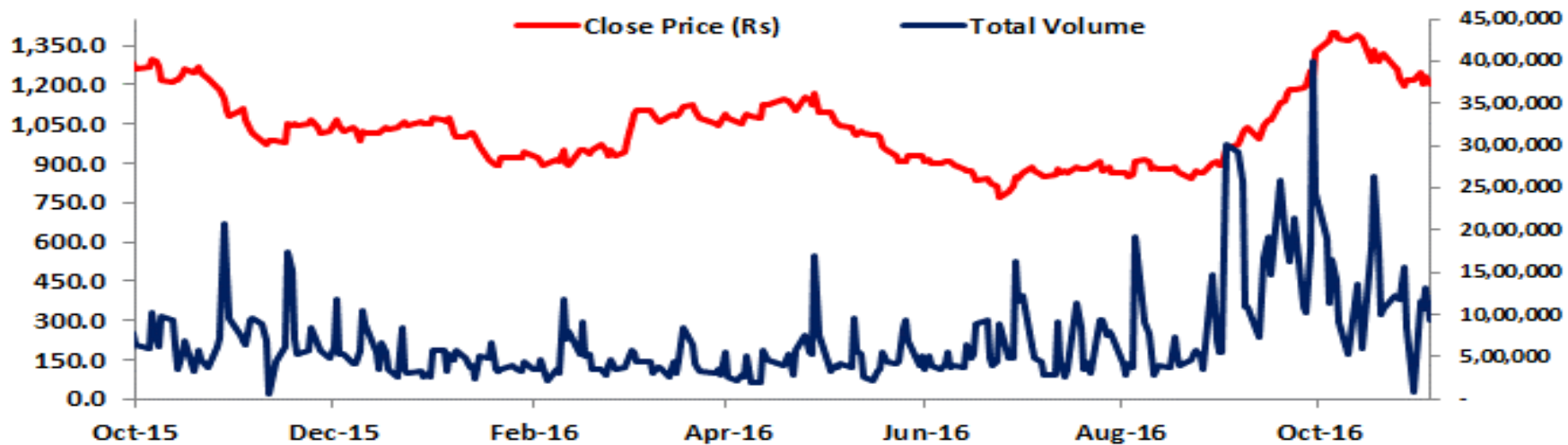
- 50% JV with Kelani Tyres Ltd
- Strong presence in the truck, light truck, 2 / 3 wheeler and radial tyre segments
- Two manufacturing facilities with total capacity of 61 MT/day
- Only company with local presence supported by brand, network & strong after sales service
- Q2 FY17 Volume stood at 4,240 MT

Notes

EBITDA = Profit before taxation + Depreciation and Amortization Exps + Finance Costs (EBITDA includes non-operating income)

Capacity refers to achievable capacity

Equity Shareholding & Price trends

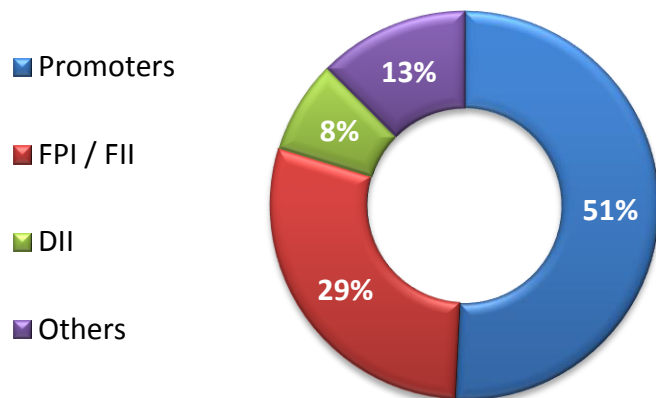


Returns since Oct' 15

- CEAT: -5%
- Sensex: 4%

Source : Capitaline
Data is updated till 4th Nov 2016

Shareholding Pattern as on September 30, 2016



Market Information

- Market Price (Nov 4): Rs 1,200/share
- Face Value : Rs 10/share
- Market Cap (Nov 4): Rs 4,855 Cr
- Net Worth: Rs. 2,252 Cr

THANK YOU