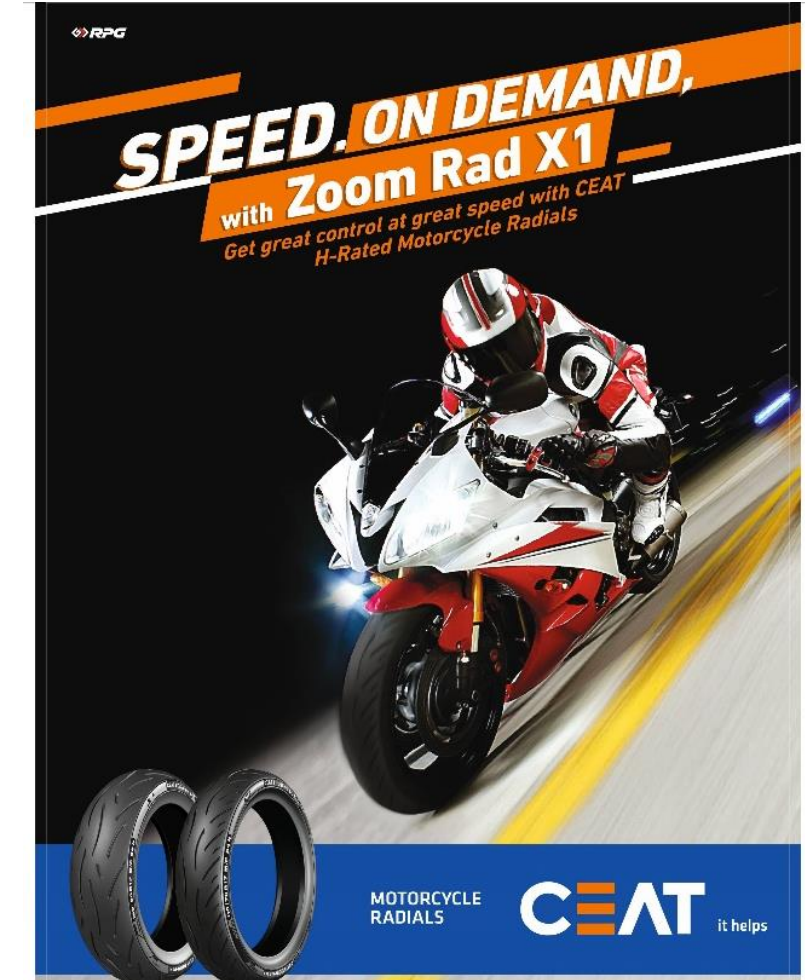




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# Section 1: RPG Group Overview

# RPG Group: Powered by Passion, Driven by Ethics

**UNLEASHTALENT  
TOUCHLIVES  
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.

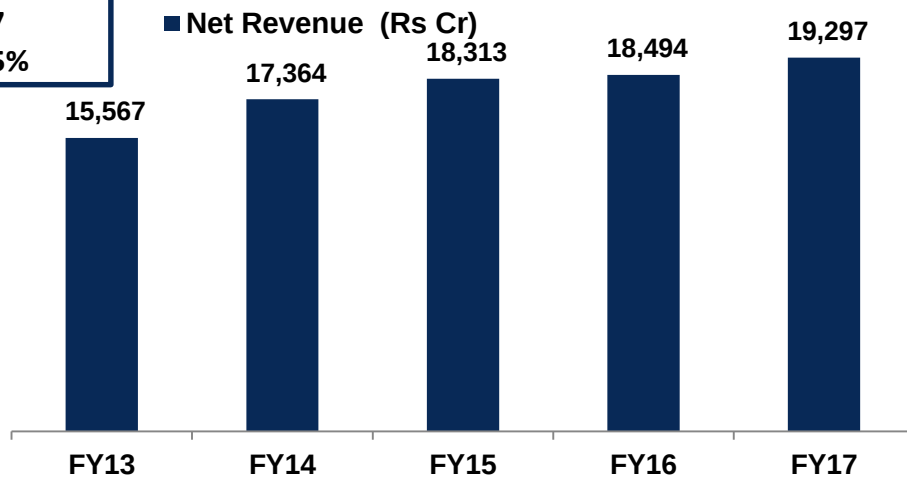


## Harrisons Malayalam

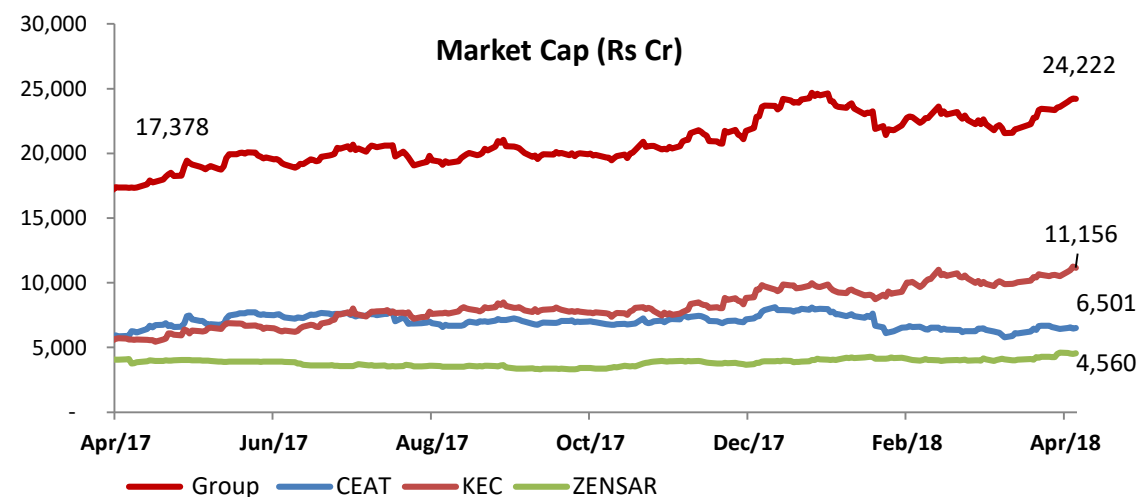
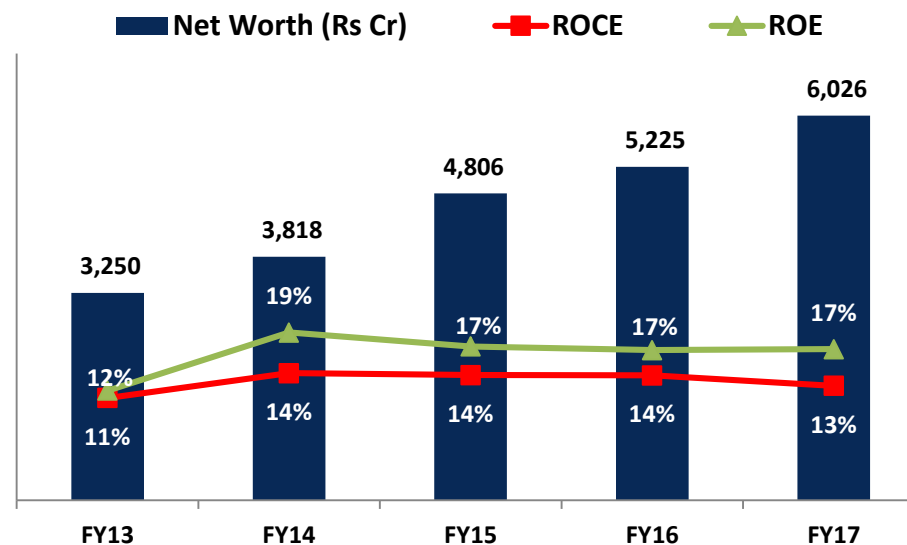
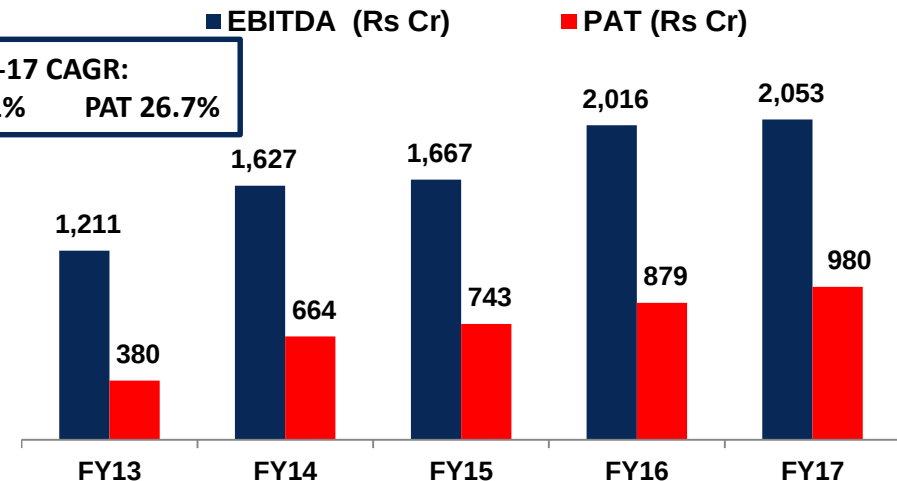
One of India's  
largest plantation  
companies with  
tea, rubber and  
other agro  
products.

# RPG Group: Key Financials

FY13-17  
CAGR: 5.5%



FY13-17 CAGR:  
EBITDA 14.1% PAT 26.7%



**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 19<sup>th</sup> April 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



**Pierre E. Cohade**  
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 &  
Chief Mentor Technology**

**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

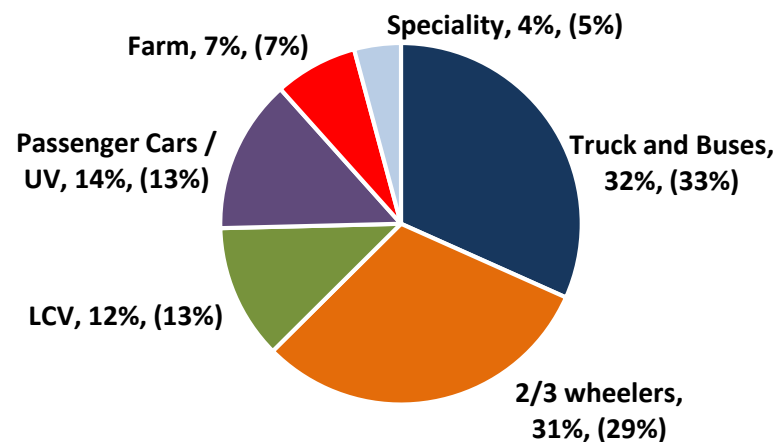
Distribution Network : **4,500+** dealers, **500+** exclusive CEAT franchisees

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

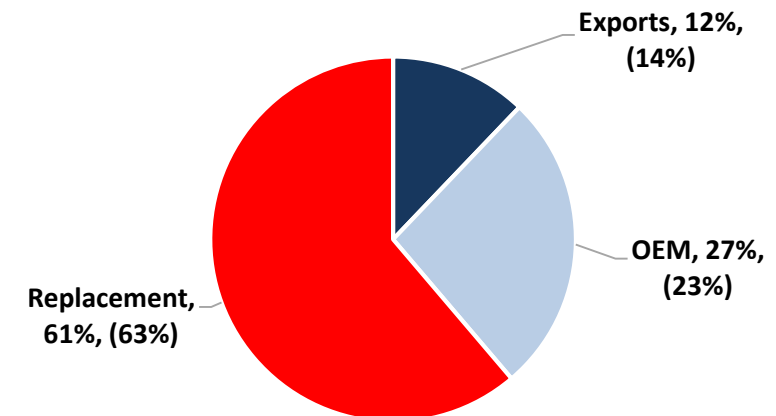
**100+** countries where products are sold with strong brand recall

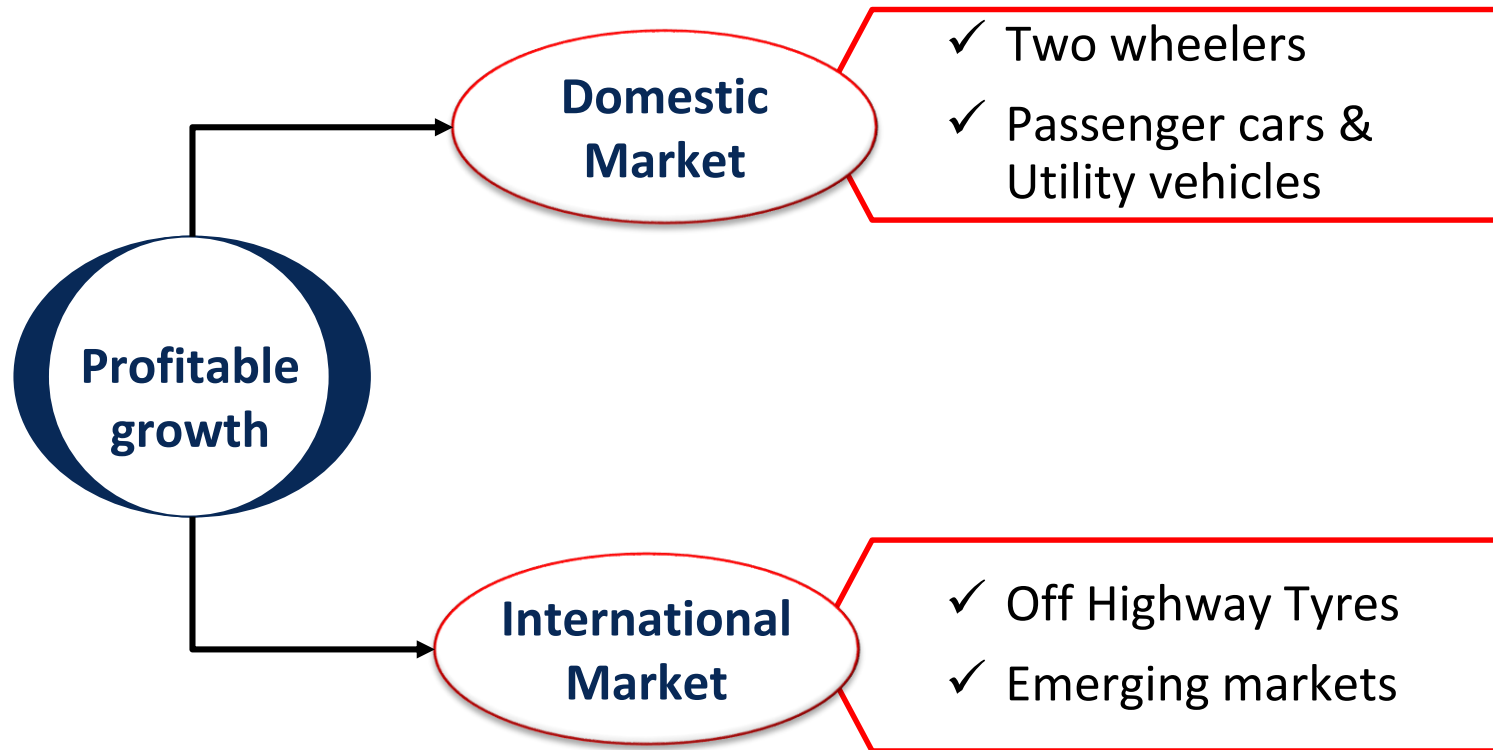
**#No 1** player in Sri Lanka in terms of market share

FY18 Revenue Breakup by Product



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 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.
- **Recent entries into OEM's existing models** – Bajaj Pulsar 150, Honda (Livo, Shine and Dream Yuga), Bajaj Pulsar 160, Tata Motors TBR, AL Partner LCV, Escort Tractors, Wagon R, Zylo, Daimler Truck Radials, Suzuki Gixxer, RE Classic, Yamaha FZ, Volvo etc.
- **Platforms** like Fuelsmart, Gripp, Mileage X3, SecuraDrive etc.

## 2 Strong Brand

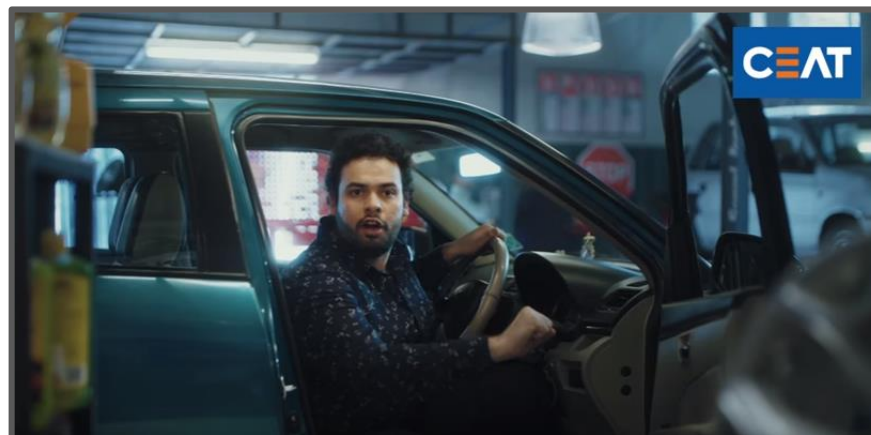


Yet another exceptional cricketer associated with **CEAT** – **Shubman Gill**, Player of the Tournament in Under-19 Cricket World Cup

IPL's official Strategic Time Out partner



CEAT's long lasting tyre range, Milaze, TVC



# 3 Extensive Distribution

Shoppe



Shop in Shop (SIS)



Distribution Network

- 4,500+ dealers
- 500+ CEAT Franchisees (Shoppes + Hubs)
- 280+ 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

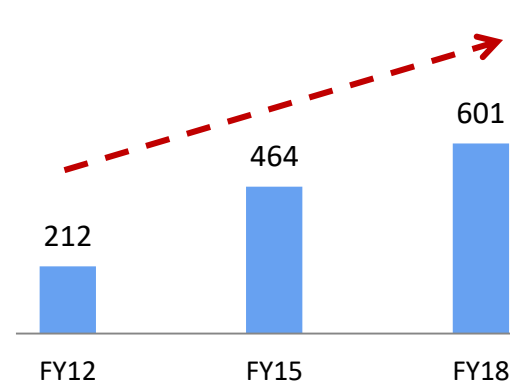
Multi Brand Outlet (MBO)



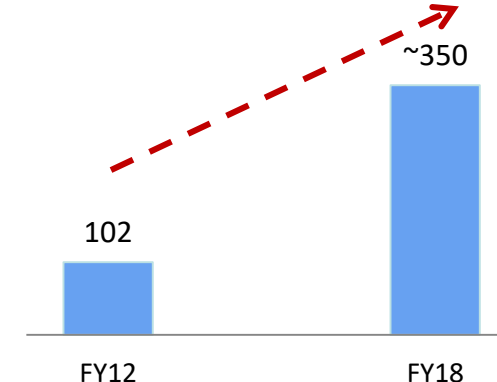
Bike Shoppe



District coverage



No. of CEAT Shoppes



# 4 Deep OEM Partnerships



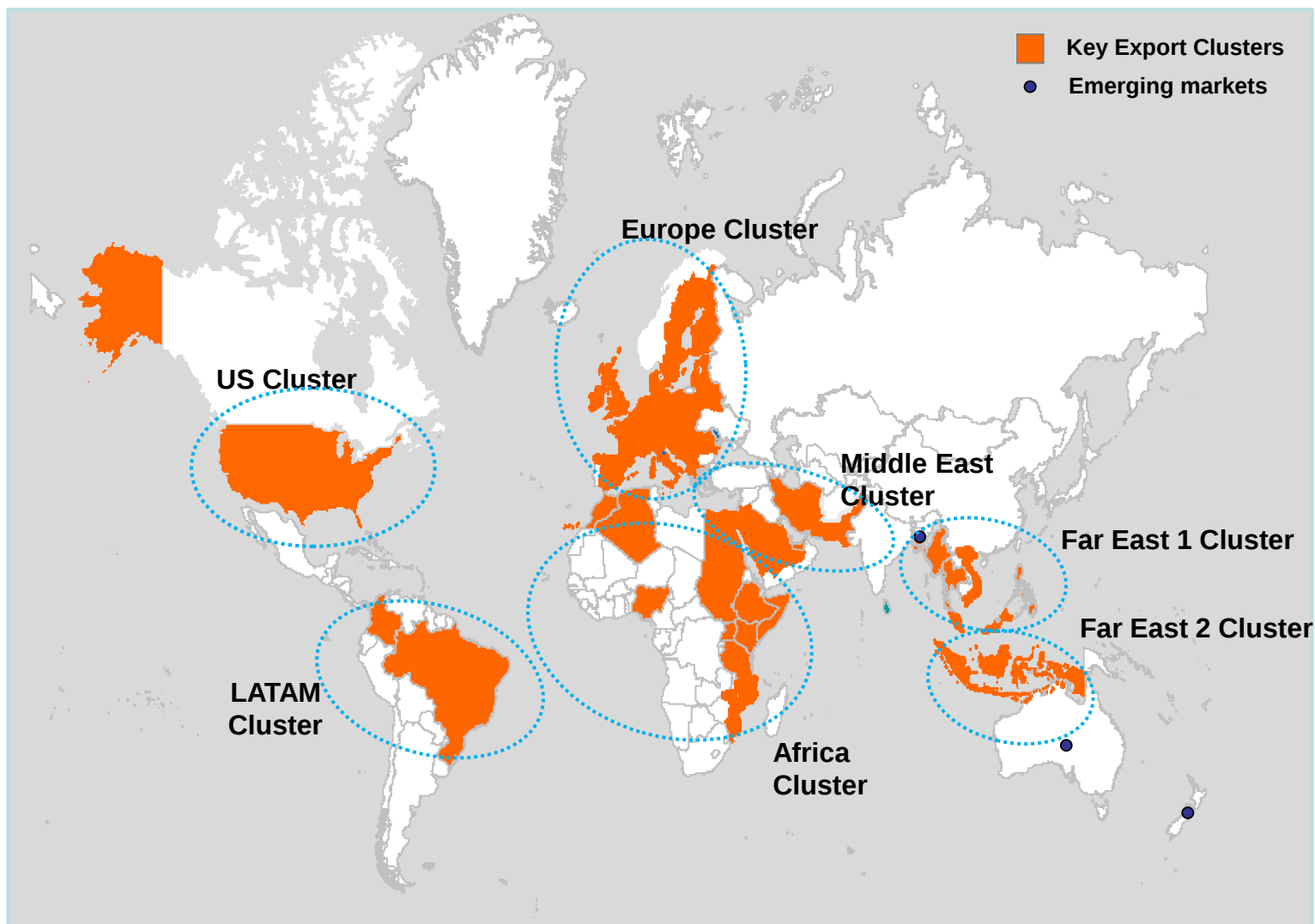


- State of the art R&D facility at Halol plant
- R&D focussed on development of breakthrough products, alternate materials, green tyres & smart tyres
- Partnerships with global institutes and technology partners

### 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

## Expanding Global Reach



- **Exports to 90+ Countries** in 7 clusters
- **Sri Lanka:** Manufacturing facility and Leadership position in the market and with 50+% market share
- Focused product and distribution strategy for select clusters and countries

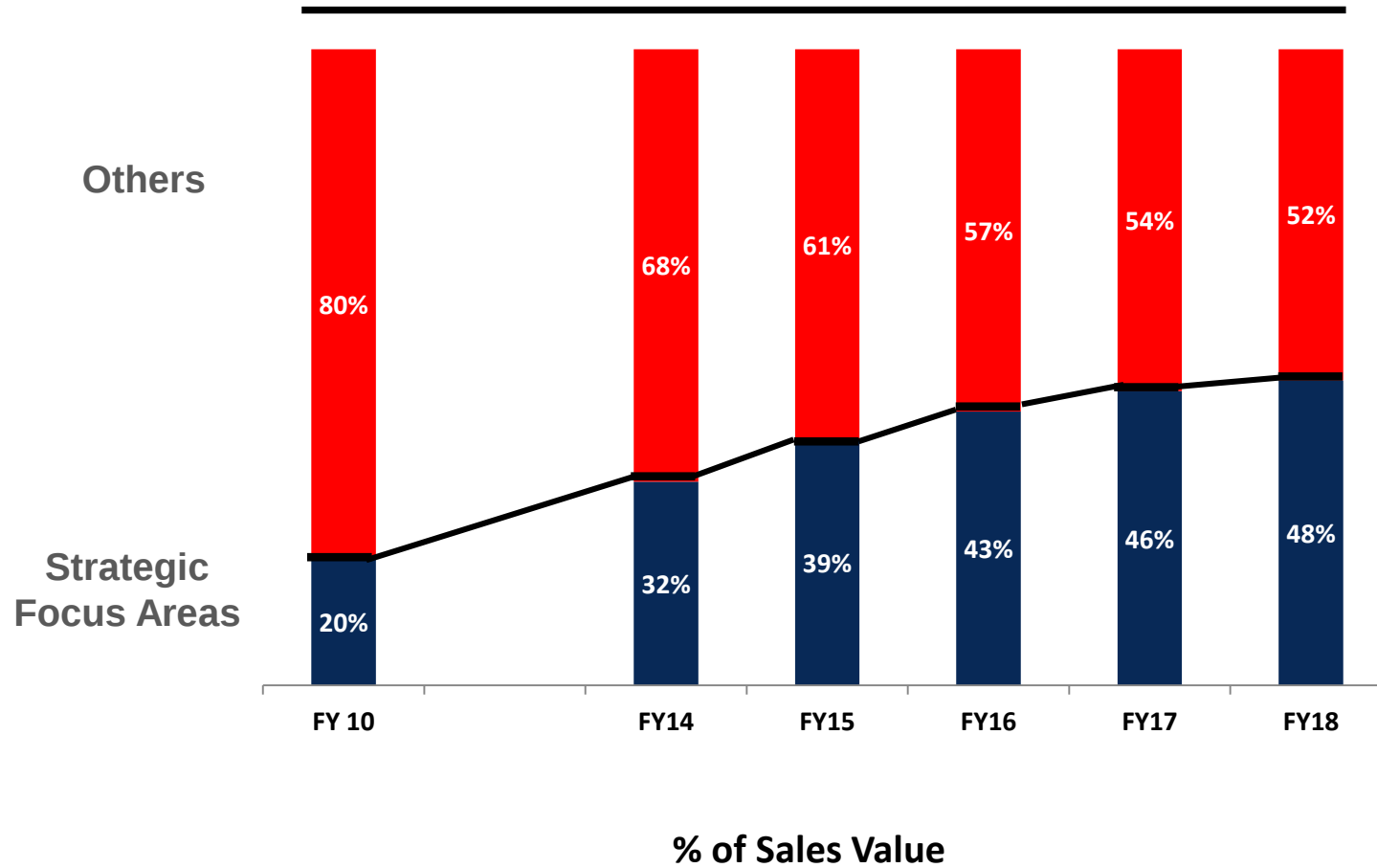
# Off Highway Tyres



## Status Update

- Greenfield OHT (Off Highway Tyres) radial plant in Ambernath
- 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 23%
- Substantial contribution towards increasing profitability
- Market share growing

# Section 3: Operational & Financial Overview

# Q4 FY18 Operational Highlights

## Product Launch



**Zoom Rad X1**  
Premium Motorcycle Radial tyres

## OEM Model Entry



**Honda Livo**



**Honda Yuga**



**Honda Shine**



**Bajaj Pulsar 150cc**

# Consolidated: Q4 FY18 Financial Highlights

## Q4 FY18 v/s Q3 FY18 (Q-o-Q)

- Net revenue from operations increased by 6.3% at INR 1,674 Crs from INR 1,574 Crs
- Gross margins contracted to 39.7% from 41.8%
- EBITDA stood at INR 203 Crs compared to INR 195 Crs; margins at 12.1% from 12.4%
- PAT stood at INR 77 Crs compared to INR 82 Crs
- Debt / equity at similar levels at 0.3x

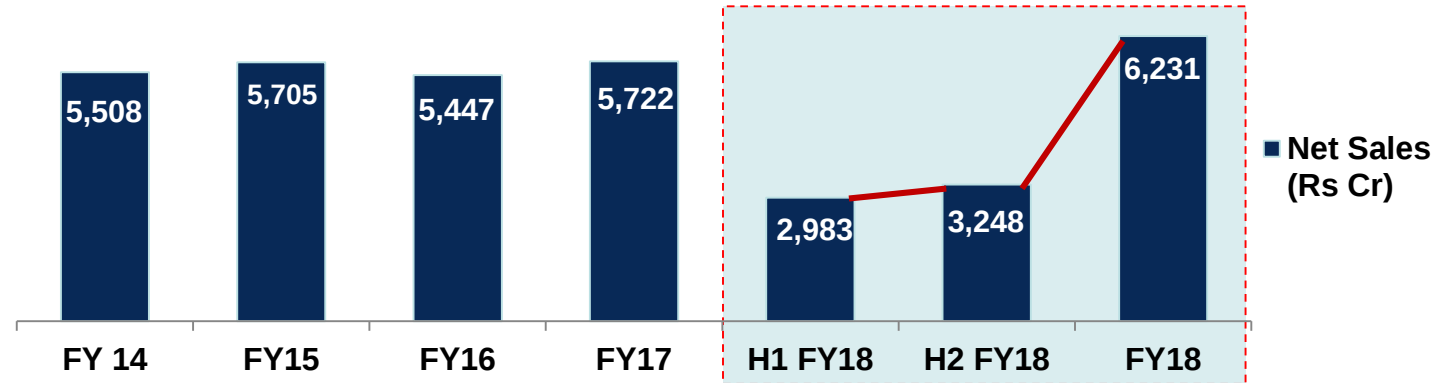
## Q4 FY18 v/s Q4 FY17 (Y-o-Y)

- Net revenue from operations increased by 13.7% at INR 1,674 Crs from INR 1,472 Crs
- Gross margins have expanded to 39.7% from 37.1%
- EBITDA stood at INR 203 Crs compared to INR 137 Crs; margins at 12.1% from 9.3%
- PAT stood at INR 77 Crs compared to INR 66 Crs
- Debt / equity at 0.3x compared to 0.4x

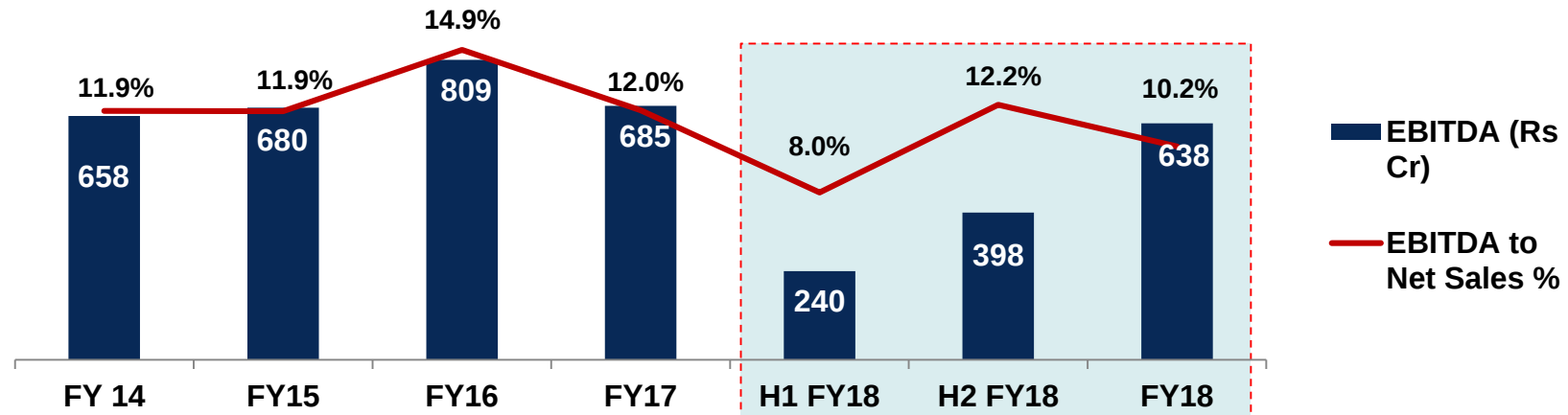
# Consolidated: Financial Trends

4 yr CAGR 3.1%

Revenue growth



Margin trends



## Note

Blue area denotes FY ending 31<sup>st</sup> March, 2018

FY16 onwards the figures are per IND AS; Other financial figures are as per IGAAP as published in previous periods

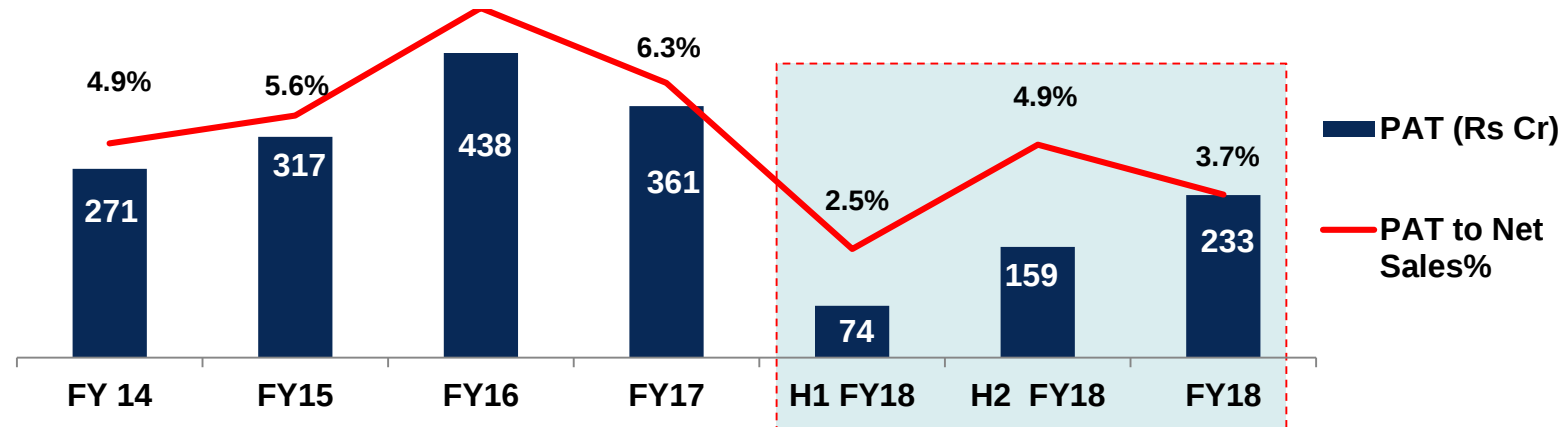
FY16 onwards the Company's investment in Sri Lanka JV is accounted using Equity method under IND AS which was earlier consolidated using proportionate consolidation method

FY16 onwards the EBITDA includes profit from Sri Lanka JV

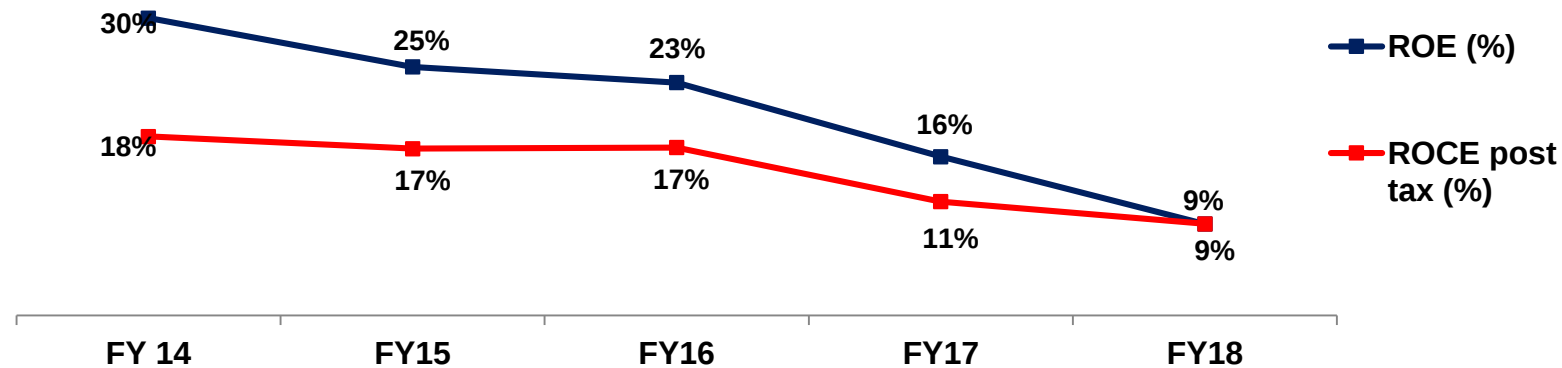
EBITDA does not include Non- operating income

# Consolidated: Financial Trends

## PAT trends



## Return Ratios



### Notes

Blue area denotes FY ending 31<sup>st</sup> March, 2018

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: Q4 FY18 Financials

| Parameter                          | Q4 FY17      | Q3 FY18      | Q4 FY18      | QoQ             | YoY            | INR Cr       |              | YoY             |
|------------------------------------|--------------|--------------|--------------|-----------------|----------------|--------------|--------------|-----------------|
|                                    |              |              |              |                 |                | FY17         | FY18         |                 |
| <b>Net Revenue from operations</b> | <b>1,472</b> | <b>1,574</b> | <b>1,674</b> | <b>6%</b>       | <b>14%</b>     | <b>5,767</b> | <b>6,231</b> | <b>8%</b>       |
| Raw Material                       | 925          | 916          | 1,010        | 10%             | 9%             | 3,400        | 3,810        | 12%             |
| <b>Gross margin</b>                | <b>547</b>   | <b>658</b>   | <b>664</b>   | <b>1%</b>       | <b>21%</b>     | <b>2,367</b> | <b>2,421</b> | <b>2%</b>       |
| <b>Gross margin %</b>              | <b>37.1%</b> | <b>41.8%</b> | <b>39.7%</b> | <b>-214 bps</b> | <b>252 bps</b> | <b>41.0%</b> | <b>38.9%</b> | <b>-219 bps</b> |
| Employee                           | 105          | 112          | 115          | 3%              | 10%            | 406          | 438          | 8%              |
| Other Expenses                     | 310          | 359          | 351          | -2%             | 13%            | 1,304        | 1,368        | 5%              |
| <b>EBITDA</b>                      | <b>137</b>   | <b>195</b>   | <b>203</b>   | <b>4%</b>       | <b>48%</b>     | <b>685</b>   | <b>638</b>   | <b>-7%</b>      |
| <b>EBITDA %</b>                    | <b>9.3%</b>  | <b>12.4%</b> | <b>12.1%</b> | <b>-25 bps</b>  | <b>278 bps</b> | <b>11.9%</b> | <b>10.2%</b> | <b>-165 bps</b> |
| Finance Cost                       | 21           | 27           | 24           | -13%            | 12%            | 82           | 97           | 19%             |
| Depreciation                       | 46           | 43           | 45           | 3%              | -3%            | 143          | 169          | 18%             |
| <b>Operating PBT</b>               | <b>70</b>    | <b>124</b>   | <b>134</b>   | <b>8%</b>       | <b>91%</b>     | <b>460</b>   | <b>372</b>   | <b>-19%</b>     |
| Exceptional expense                | 12           | 1            | 25           | 2371%           | 98%            | 13           | 34           | 155%            |
| Non-Operating income               | 4            | 7            | 7            | 5%              | 93%            | 19           | 29           | 58%             |
| <b>PBT</b>                         | <b>61</b>    | <b>130</b>   | <b>117</b>   | <b>-10%</b>     | <b>90%</b>     | <b>466</b>   | <b>367</b>   | <b>-21%</b>     |
| <b>PAT</b>                         | <b>66</b>    | <b>82</b>    | <b>77</b>    | <b>-6%</b>      | <b>17%</b>     | <b>359</b>   | <b>233</b>   | <b>-35%</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

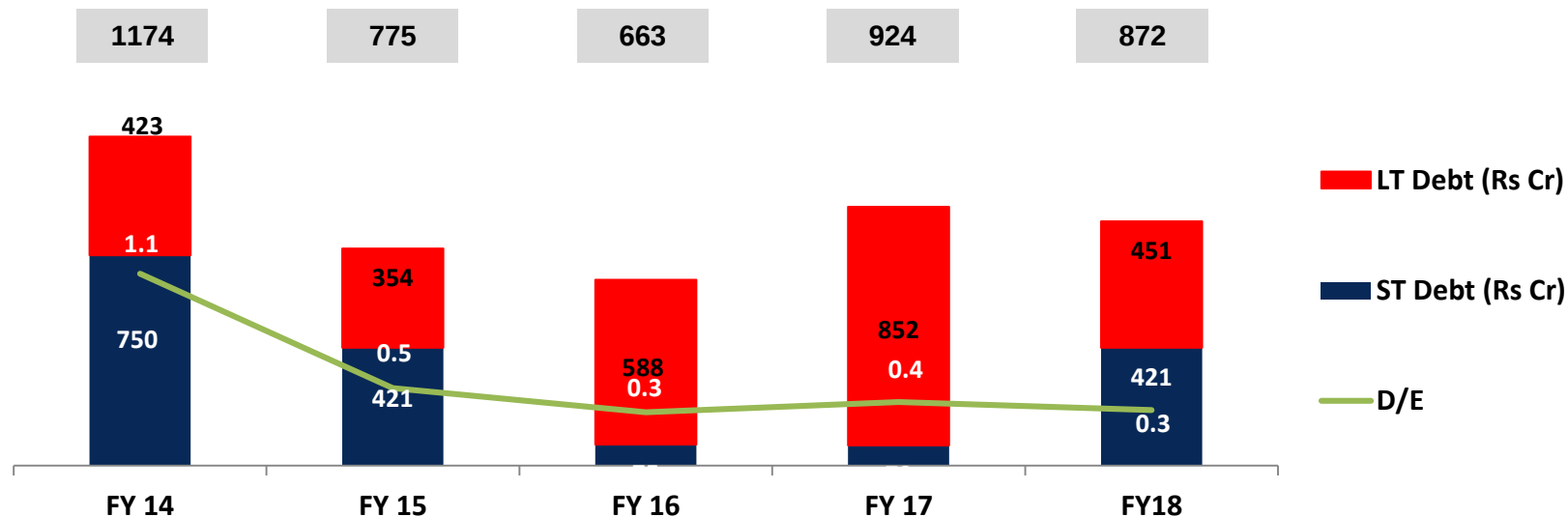
EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non- operating income

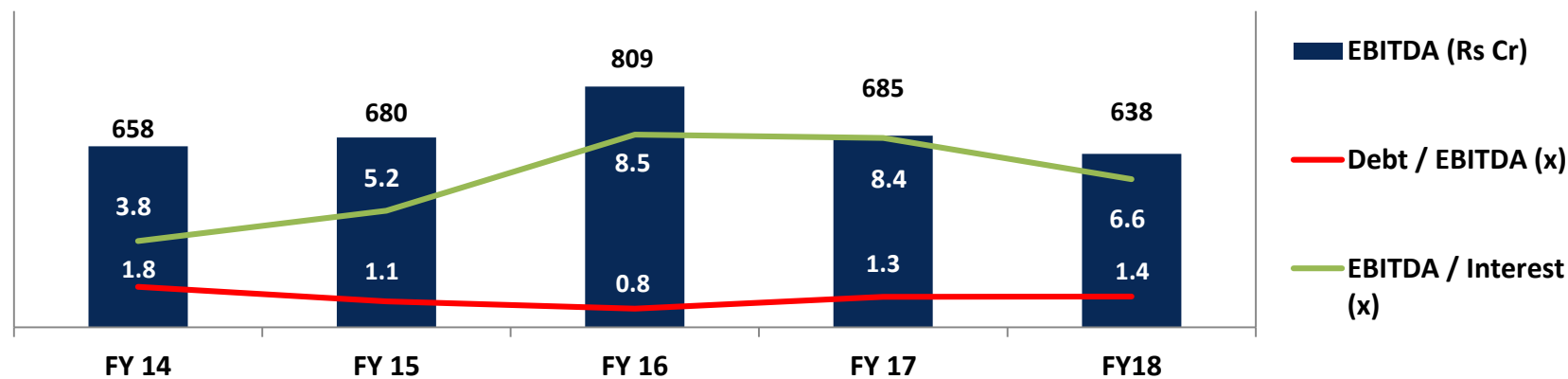
# Consolidated: Leverage / coverage Profile

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: Q4 FY18 Financials

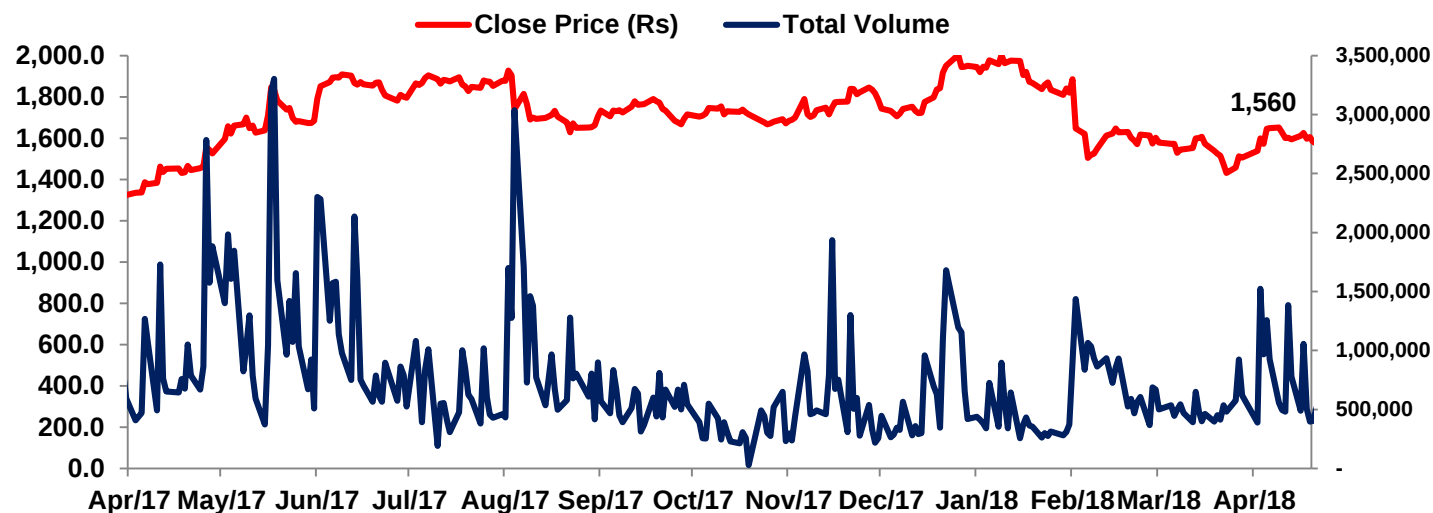
| Parameter                          | Q4 FY17      | Q3 FY18      | Q4 FY18      | QoQ             | YoY            | INR Cr       |              |                 |
|------------------------------------|--------------|--------------|--------------|-----------------|----------------|--------------|--------------|-----------------|
|                                    |              |              |              |                 |                | FY17         | FY18         | YoY             |
| <b>Net Revenue from operations</b> | <b>1,451</b> | <b>1,550</b> | <b>1,649</b> | <b>6.4%</b>     | <b>13.6%</b>   | <b>5,702</b> | <b>6,161</b> | <b>8%</b>       |
| Raw Material                       | 912          | 910          | 1,008        | 10.7%           | 10.6%          | 3,375        | 3,804        | 13%             |
| <b>Gross margin</b>                | <b>539</b>   | <b>640</b>   | <b>640</b>   | <b>0.1%</b>     | <b>18.9%</b>   | <b>2,326</b> | <b>2,358</b> | <b>1%</b>       |
| <b>Gross margin %</b>              | <b>37.1%</b> | <b>41.3%</b> | <b>38.8%</b> | <b>-242 bps</b> | <b>171 bps</b> | <b>40.8%</b> | <b>38.3%</b> | <b>-253 bps</b> |
| Employee                           | 99           | 106          | 106          | 0.7%            | 7.5%           | 384          | 413          | 8%              |
| Other Expenses                     | 301          | 342          | 335          | -2.2%           | 11.1%          | 1,283        | 1,317        | 3%              |
| <b>EBITDA</b>                      | <b>139</b>   | <b>192</b>   | <b>199</b>   | <b>4.0%</b>     | <b>43.8%</b>   | <b>660</b>   | <b>627</b>   | <b>-5%</b>      |
| <b>EBITDA %</b>                    | <b>9.6%</b>  | <b>12.4%</b> | <b>12.1%</b> | <b>-27 bps</b>  | <b>254 bps</b> | <b>11.6%</b> | <b>10.2%</b> | <b>-140 bps</b> |
| Finance Cost                       | 20           | 22           | 19           | -11.3%          | -5.4%          | 79           | 86           | 9%              |
| Depreciation                       | 46           | 41           | 41           | 1.7%            | -10.0%         | 142          | 162          | 14%             |
| <b>Operating PBT</b>               | <b>73</b>    | <b>130</b>   | <b>139</b>   | <b>7.3%</b>     | <b>91.6%</b>   | <b>439</b>   | <b>379</b>   | <b>-14%</b>     |
| Exceptional expense                | 12           | 1            | 25           | 2798.5%         | 97.7%          | 13           | 26           | 98%             |
| Non-Operating income               | 5            | 9            | 9            | 6.6%            | 84.5%          | 41           | 57           | 37%             |
| <b>PBT</b>                         | <b>65</b>    | <b>137</b>   | <b>124</b>   | <b>-10.0%</b>   | <b>89.9%</b>   | <b>467</b>   | <b>410</b>   | <b>-12%</b>     |
| <b>PAT</b>                         | <b>70</b>    | <b>91</b>    | <b>85</b>    | <b>-6.4%</b>    | <b>21.3%</b>   | <b>363</b>   | <b>279</b>   | <b>-23%</b>     |

## Notes

Financials are as per IND AS

EBITDA does not include Non- operating income

# Equity Shareholding & Price trends

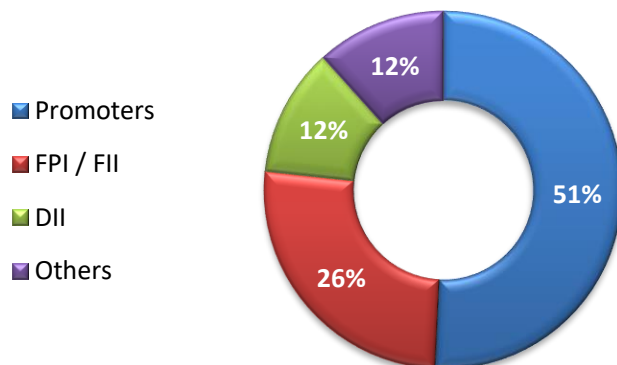


## Returns since April '17

- CEAT: 17%
- NIFTY: 16%

Source : Capitaline. The above data is updated till 27<sup>th</sup> April 2018

## Shareholding Pattern as on March 31, 2018



## Market Information

- Market Price (April 27): INR 1,560/share
- Face Value : INR 10/share
- Market Cap (April 27): INR 6,310 Cr

THANK YOU