STRONG GRIP
STEADY FOCUS

Q2 FY15 – Investor Presentation

October 30, 2014

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CEAT Overview & Strategic Drivers

CEAT : Overview

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

Leading Exporter with exports to **88** countries

4600+ Employees

3 Manufacturing plants - Mumbai, Nasik & Halol

15 Million+ Tyres produced *(incl outsourced)* in FY14

CEAT : Strategic Drivers

Profitable Growth

Passenger segment

- Brand recall
- Barriers to Entry

Emerging markets

- Proven model in Sri Lanka
- Replicate in Bangladesh

Exports

- Competitive Advantage
- CEAT global brand

Brand Building

Channel Expansion

Asset Light Model

Proven competitive strategies

CEAT

RPG

CEAT : Brand Investment

"Idiot Safe" campaign (for Bike Tyres)

"Superior Grip" campaign (for UVR Tyres)

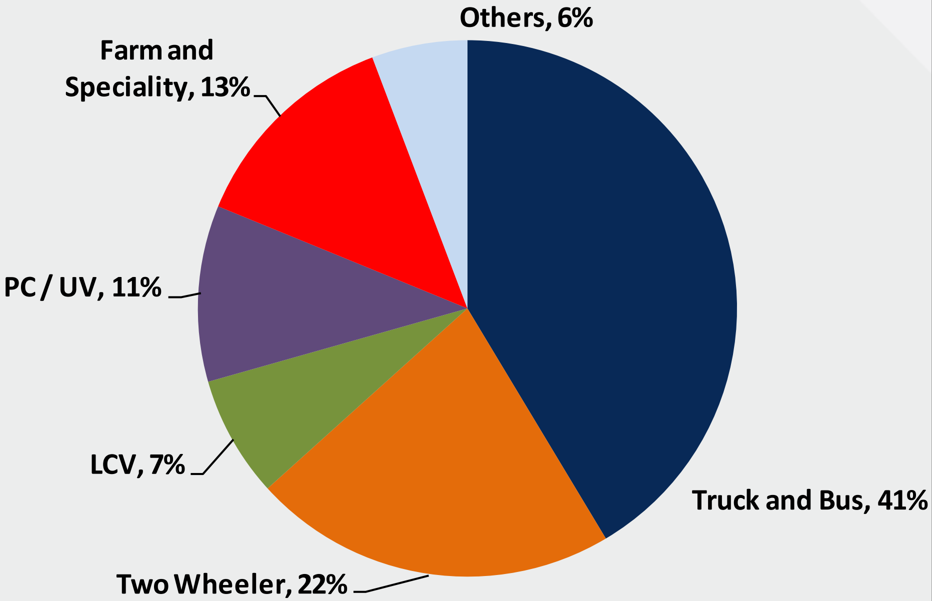
Association with KBC – A popular TV game show

"Monsoon Smart" campaign (For All Season Bike Tyre with "Superior Wet Grip")

"Pakka Bharosa" CEAT SUV Campaign

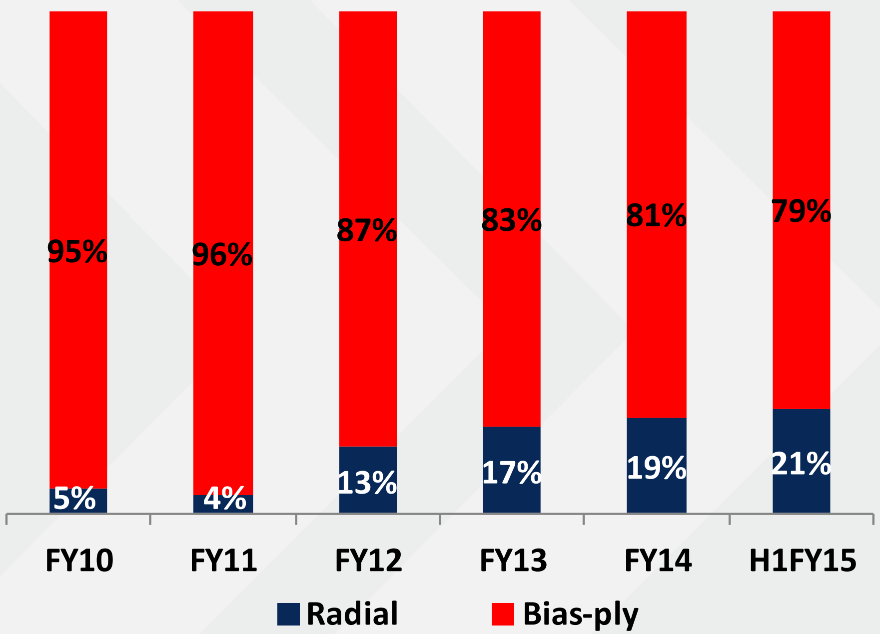
CEAT India : Product & Technology Mix

H1 FY15 Product break-up



% of Gross Sales*

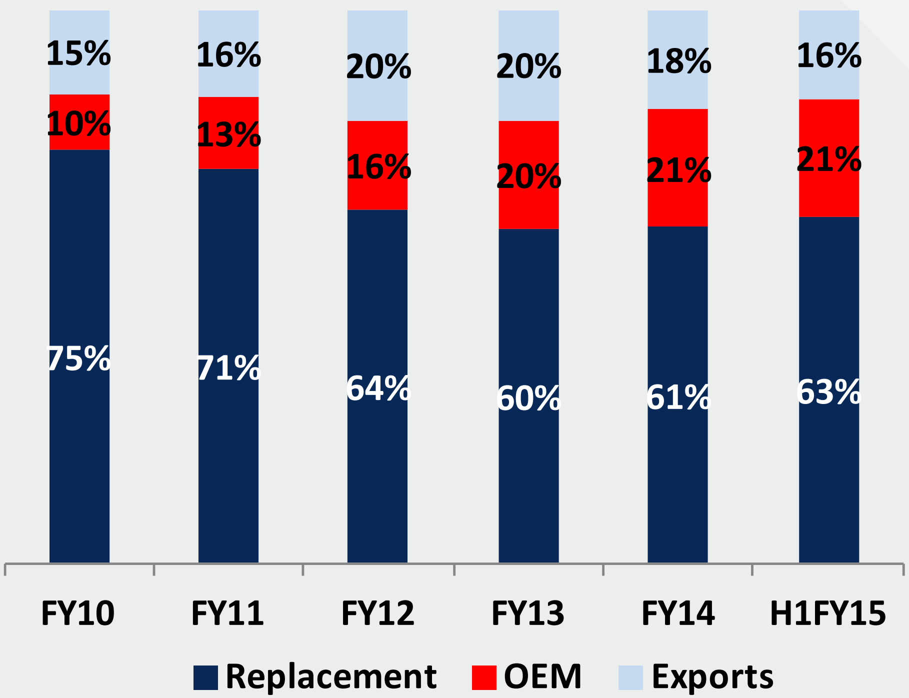
Radial & Bias-ply



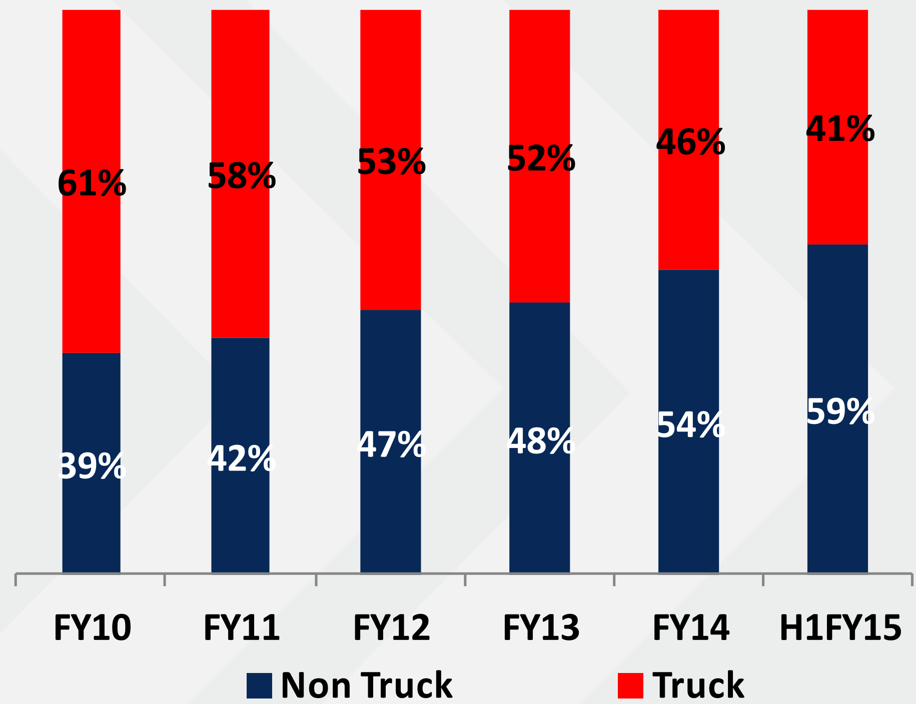
% of Gross Sales*

* Unaudited Gross Sale of Products (Including excise Duty before discount)

CEAT India : Market segments



% of Gross Sales*



% of Gross Sales*

* Unaudited Gross Sale of Products (Including excise Duty before discount)

CEAT Financials and Results Analysis

CEAT Consolidated : Q2 FY15 Key Highlights

Q2FY15 v/s Q2FY14 (Y-o-Y)

- Strong India Volume growth 9%
- EBITDA% down -101 bps at 12.3%
- Finance cost at Rs 35 cr compared to Rs 44 cr (Down by Rs 9 Cr)
- PBT stands at Rs 125 cr compared to Rs 114 cr

Q2FY15 v/s Q1FY15 (Q-o-Q)

- Volume growth -3%
- EBITDA% up 286 bps
- Finance cost at Rs 35 cr compared to Rs 39 cr (Down by Rs 4 cr)
- PBT stands at Rs 125 cr compared to Rs 80 cr

Total D/E down to 0.7x compared to 1.1x YoY

Total Debt = LT debt + ST Debt excluding Current maturities of Long Term Debt

CEAT Consolidated : Q2FY15 Analysis

Rs cr

Parameter	Q2FY14	Q1FY15	Q2FY15	FY14
Net Sales	1,319	1,453	1,426	5,508
Growth (%)	8.1% (YoY)	-1.9% (QoQ)		
EBITDA	176	137	175	658
Growth (%)	-0.1% (YoY)	27.8% (QoQ)		
EBITDA (%)	13.3%	9.4%	12.3%	11.9%
PAT	77	52	82	271
EPS (Rs.) (Basic)	21.6	14.4	22.9	76.6

* Quarterly figures are unaudited

CEAT India : Q2FY15 YoY Analysis

Rs Cr

Parameter	Q2FY14	Q2FY15	YoY	Remarks
Net Sales	**1,263**	**1,369**	**8.4%**	Strong volume growth of 9%
Raw Material	808	852	5.4%	Driven by volumes and lower RMC
Employee	75	83	11.1%	Wage revision & increments
Other Expenses	236	284	20.2%	Higher volumes, conversion costs & ad spends
EBITDA	**162**	**162**	**0.3%**	
EBITDA %	**12.8%**	**11.8%**	**-95 bps**	**Higher volumes, lower RMC & higher employee costs & opex**
Finance Cost	43	35	-19.9%	Reduction in borrowings & lower rates
Depreciation	20	21	6.9%	
Operating PBT	**98**	**106**	**7.9%**	
Exceptional expense	-	-	-	
Non-Operating income	11	16	38.7%	
PBT	**110**	**122**	**11.0%**	
PAT	**76**	**82**	**8.1%**	
Volumes (mt)	**56,427**	**61,651**	**9.3%**	

CEAT

* Quarterly figures are unaudited

RPG

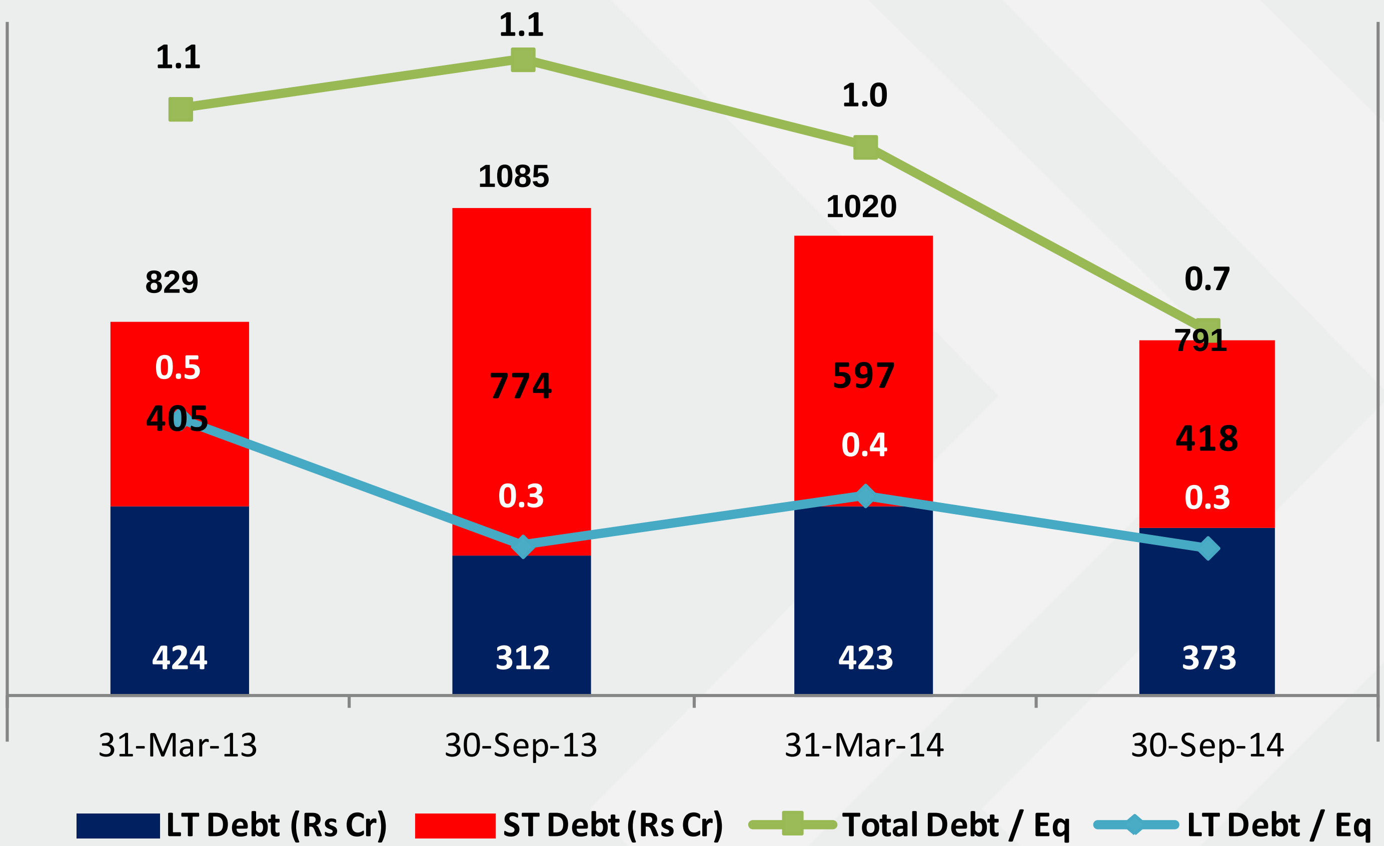
CEAT India : Q2FY15 QoQ Analysis

Rs Cr

Parameter	Q1FY15	Q2FY15	QoQ	Remarks
Net Sales	**1,401**	**1,369**	**-2.3%**	Volume growth -3%
Raw Material	925	852	-7.9%	Lower RMC
Employee	80	83	3.9%	Wage increments
Other Expenses	277	284	2.4%	Higher conversion costs
EBITDA	**128**	**162**	**26.7%**	
EBITDA %	**9.1%**	**11.8%**	**270 bps**	**Lower RMC**
Finance Cost	39	35	-11.2%	Reduction in borrowings
Depreciation	21	21	1.9%	
Operating PBT	**68**	**106**	**56.1%**	
Exceptional expense	-	-	-	
Non-Operating income	3	16	461.6%	
PBT	**71**	**122**	**72.1%**	
PAT	**47**	**82**	**75.4%**	
Volumes (mt)	**63,396**	**61,651**	**-2.8%**	

* Quarterly figures are unaudited

CEAT Consolidated Debt Trends



Total Debt = LT debt + ST Debt excluding Current maturities of Long Term Debt

THANK YOU

Investor Relations contact:

Amit Gala
amit.gala@ceat.in
http://www.ceat.in/