



**CEAT LTD.**  
RPG House  
463 Dr. Annie Besant Road,  
Worli, Mumbai 400030, India  
+91 22 24930621  
CIN: L25100MH1958PLC011041  
www.ceat.com

October 22, 2019

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

**Security Code: 500878**

**Symbol: CEATLTD**

Dear Sir/Madam,

**Sub: Intimation of Results Earnings Call for Unaudited Financial Results for the quarter and half year ended September 30, 2019**

With reference to our letter dated October 14, 2019, please note below the dial-in details for the Q2/FY20 - Results Call, scheduled on Wednesday, October 23, 2019 at 9.00 a.m. IST, together with the investor presentation for the quarter and half year ended September 30, 2019:

**Dial-in Details:**

Primary Access	+91 22 6280 1222 / 7115 8123
India (Universal)	+91 70456 71221
<b>Location</b>	<b>Toll-Free Number</b>
USA	1 866 746 2133
UK	0 808 101 1573
Singapore	800 101 2045
Hong Kong	800 964 448

You are requested to kindly take the same on record and acknowledge receipt.

Thanking you,

Sincerely,

For **CEAT Limited**

**Vallari Gupte**

**Company Secretary and Compliance Officer**

Encl: As above



# 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  
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 over \$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.

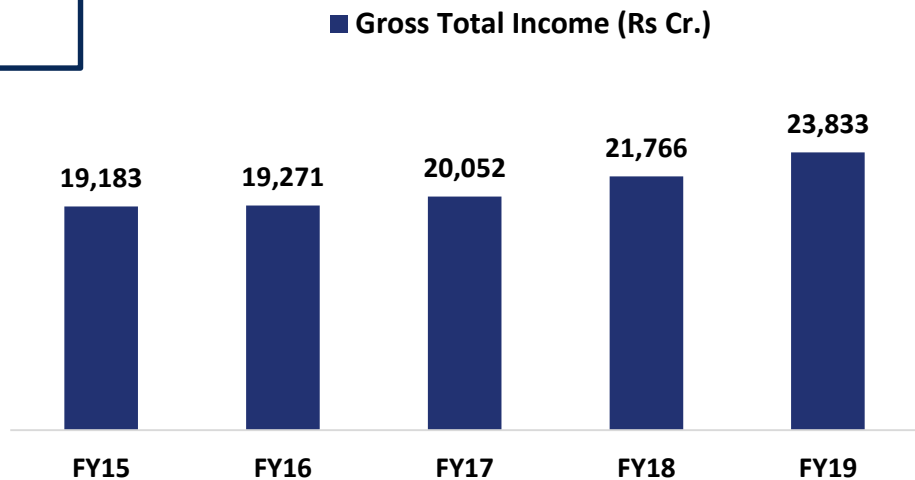


**Harrisons Malayalam**  
  
One of India's largest plantation companies with tea, rubber and other agro products.

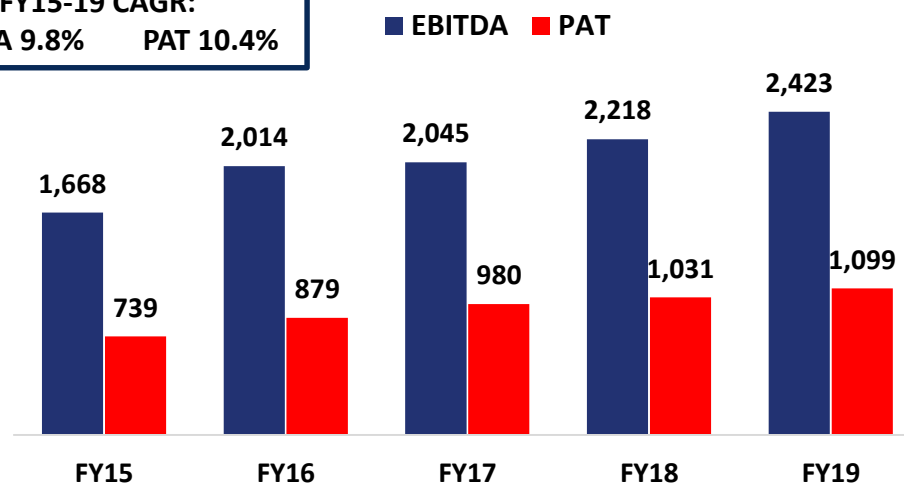


# RPG Group: Key Financials

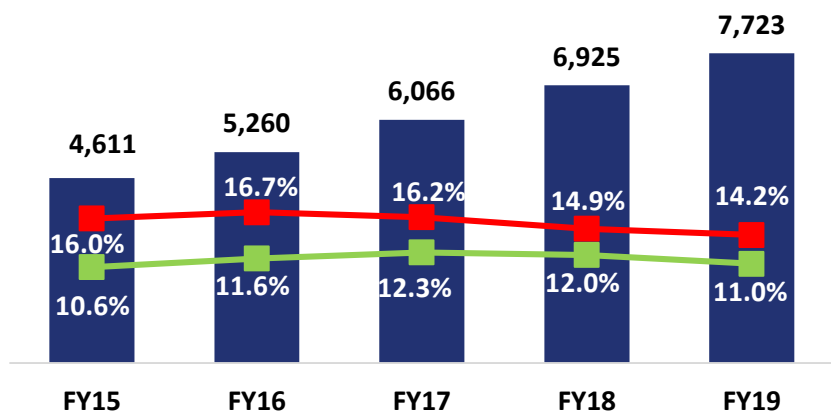
FY15-19  
CAGR: 5.6%



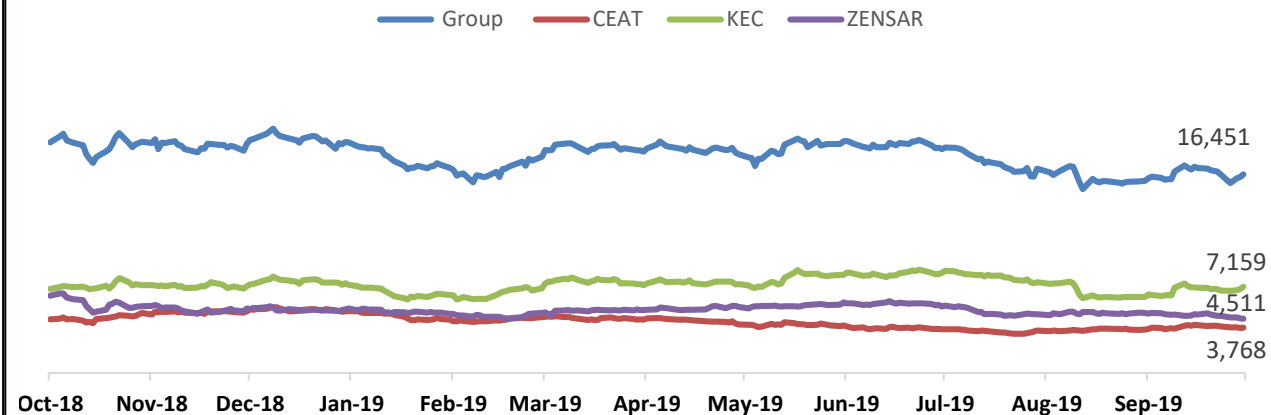
FY15-19 CAGR:  
EBITDA 9.8% PAT 10.4%



Net Worth ROE ROCE



Market Cap



**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 11<sup>th</sup> Oct 2019

# Section 2: Business Overview



# Board of Directors



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



**Anant Goenka**  
Managing Director



**Arnab Banerjee**  
COO and Whole Time Director



**Atul C. Choksey**  
Non Executive Independent Director



**Pierre E. Cohade**  
Non Executive  
Non 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



**Vinay Bansal**  
Non Executive  
Independent Director

# Leadership Team

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**Anant Goenka****Managing Director****Kumar Subbiah****Chief Financial Officer****Arnab Banerjee****Chief Operating Officer****Milind Apte****Senior Vice President  
– Human Resources****Tom Thomas****Executive Director – Projects &  
Chief Mentor Technology****Dilip Modak****Senior Vice President  
– Manufacturing****Vijay Gambhire****Managing Director – CEAT Specialty,  
Senior Vice President – QBM****Peter Becker****Senior Vice President  
– R&D and Technology**

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

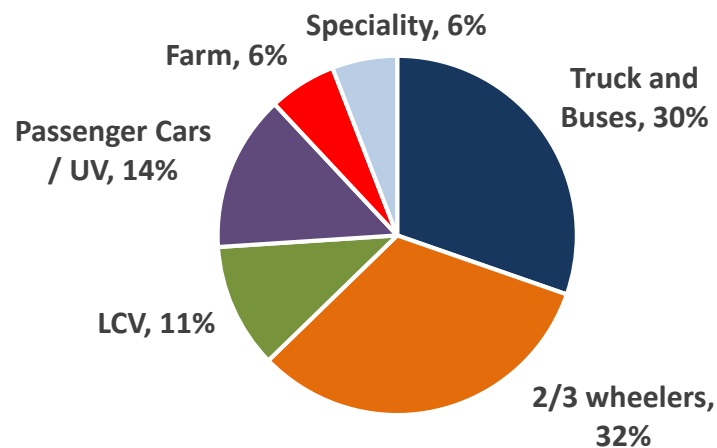
Distribution Network : **4,500+** dealers, **500+** exclusive CEAT franchisees

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

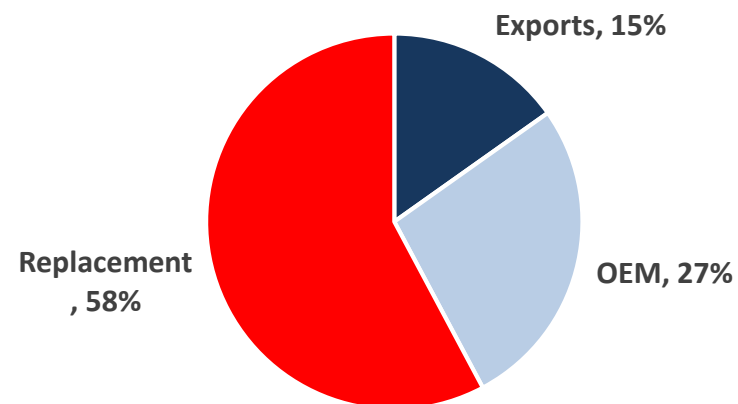
**100+** countries where products are sold with strong brand recall

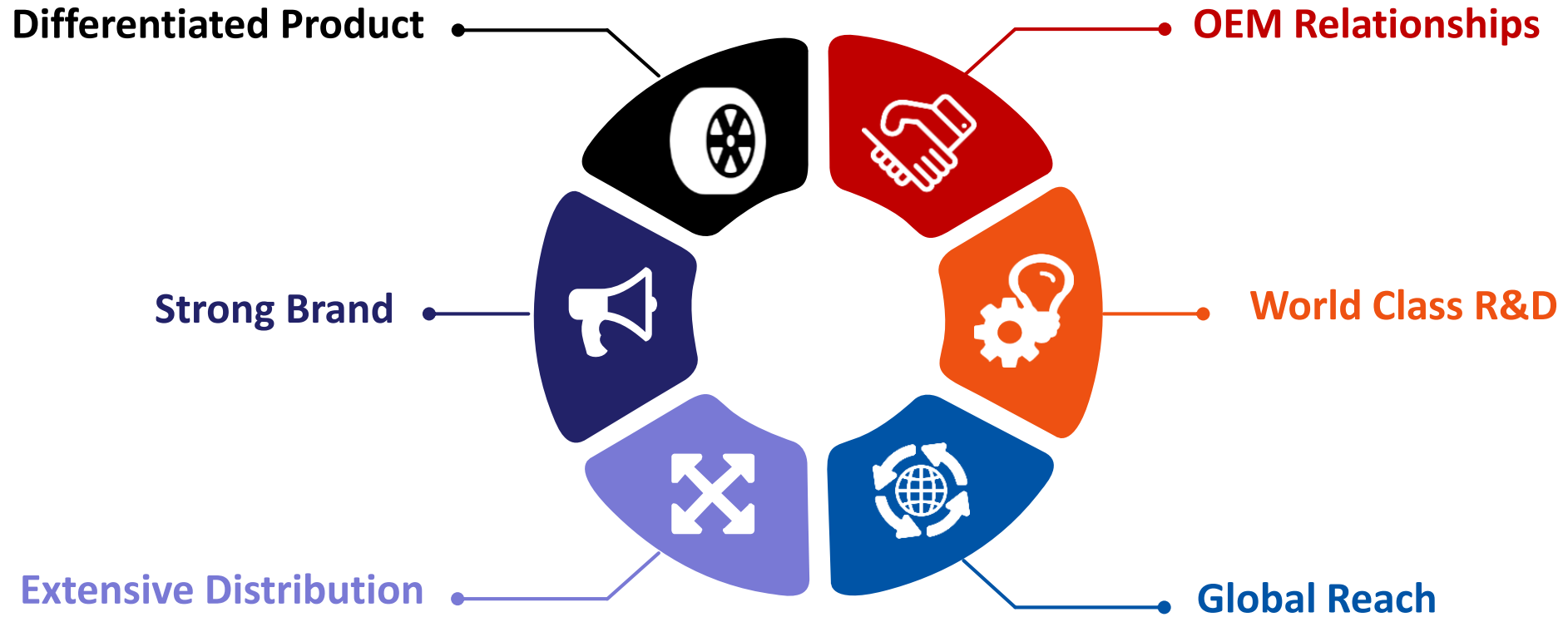
**#No 1** player in Sri Lanka in terms of market share

H1 FY20 Revenue Breakup by Product



H1 FY20 Revenue Breakup by Market







# 1 Differentiated Products

## New Entries and Supplier to OEM's



- Key developments**
- Focus on OEM, recent entries in new models** – Royal Enfield Classic ABS, Royal Enfield Bullet Trails, Okinawa i-Praise, eSpa Scooter, Maruti Suzuki New Alto, Hyundai Venue, Hero XPulse 200, **New Pulsar 125, New Suzuki Access 125, Renault Triber, Hyundai i10 Nios, Maruti S Presso, Kwid Refresh**
  - Recent entries into OEM's existing models** – Suzuki Gixxer, RE Classic, Yamaha FZ, Volvo, Mahindra Bolero Pick Up, JBM CNG Bus, Mahindra Scorpio S3, Honda Bikes till 125 CC, Yamaha FZ 150 CC, Suzuki Gixxer 150 CC
  - Platforms** like Fuelsmart, Gripp, Mileage X3, SecuraDrive etc.



## 2 Strong Brand

CEAT welcomed **Shreyas Iyer** to the family



CEAT's innovative **Exchange Offer** on any old bike tyres



Opening pair of India's Test Cricket team donning **CEAT bats**



CEAT is associate sponsor of **KBC**

CEAT is associate sponsor of **Big Boss Tamil**



# 3 Extensive Distribution

**CEAT Shoppe**



**Shop in Shop (SIS)**



**Multi Brand Outlet**



**CEAT Bike Shoppe**

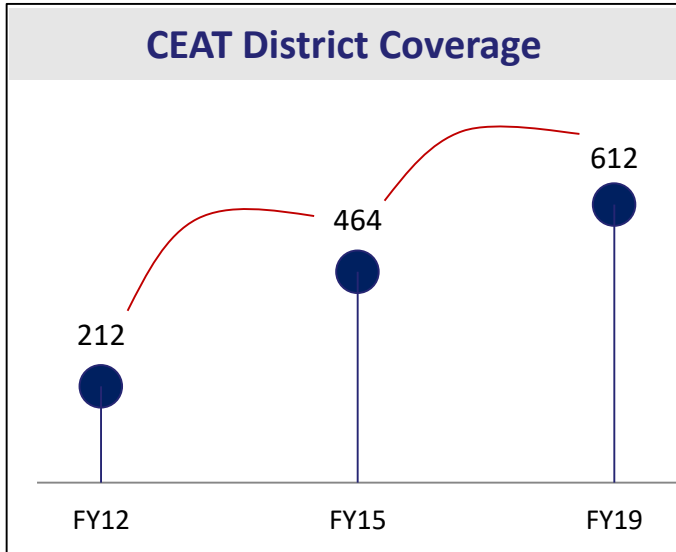


**4500+**  
Dealers

**280+**  
2W Distributors

**500+**  
CEAT Franchisees

**400+**  
MBO / SIS





# 4 Deep OEM Partnerships



TATA Motors

Ashok Leyland

VECV

Escorts

AMW

TAFE



Mahindra

Daimler

Eicher

SML Isuzu

JBM Group



Maruti Suzuki

TATA Motors

Mahindra

Renault

Hyundai

KIA



Force Motors

Datsun

Skoda

Peugeot

Volkswagen

Morris Garage



Honda

Royal Enfield

Bajaj

Yamaha

Suzuki

Hero

Hero Electric



Piaggio

LML

Tork

Tunwal

Okinawa Scooters

Kawasaki

**5** World Class R&D

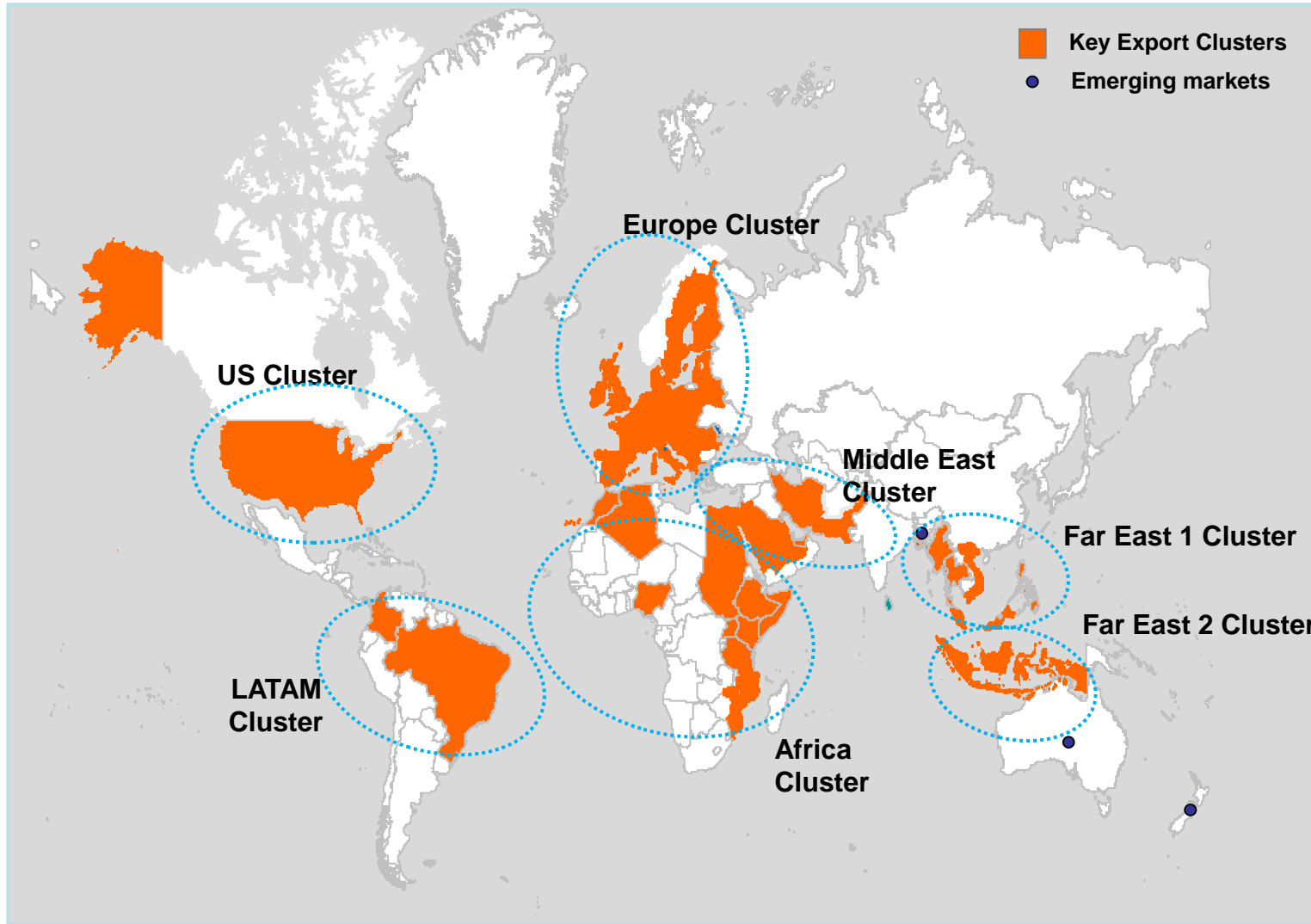
**State-of-the-Art R&D Center, Halol**



**R&D Office, Germany**

- Significant investment on tyre testing infrastructure like Anechoic Chamber, Flat Track Test Machine
- Focus on upcoming technologies like Electric Vehicle, Sustainability and Smart Tyres

# 6 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

# Section 3: Operational & Financial Overview



# Q2 FY20 Operational Highlights

## Product Launch and Customer Day

CEAT launched **X3 Truck tyres** range across India



CEAT celebrated its pan India **Customer Day**



## OEM Model Entry



New Pulsar 125



New Suzuki Access 125



Renault Triber



Hyundai Grand i10 Nios

# Consolidated: Q2 FY20 Financial Highlights

## Q2 FY20 v/s Q1 FY20 (Q-o-Q)

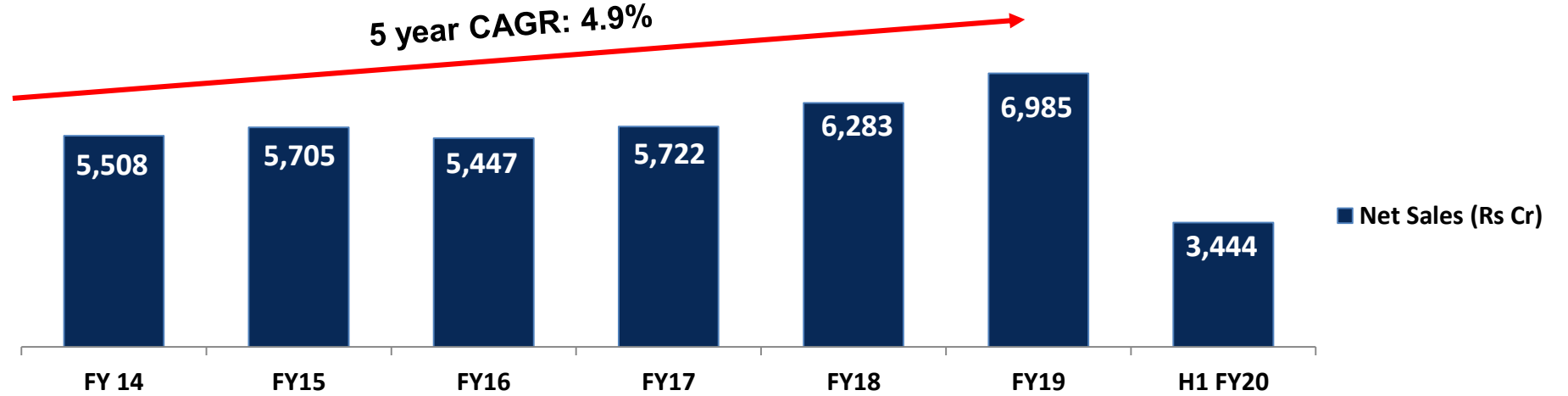
- Net revenue from operations declined by 3.5% at INR 1,692 Crs from INR 1,752 Crs
- Gross margin expanded to 41.1% from 39.5%
- EBITDA stood at INR 175 Crs compared to INR 172 Crs; margins at 10.4% from 9.8%
- PAT stood at INR 44 Crs compared to INR 82 Crs
- Debt / equity at 0.64x compared to 0.57x

## Q1 FY20 v/s Q1 FY19 (Y-o-Y)

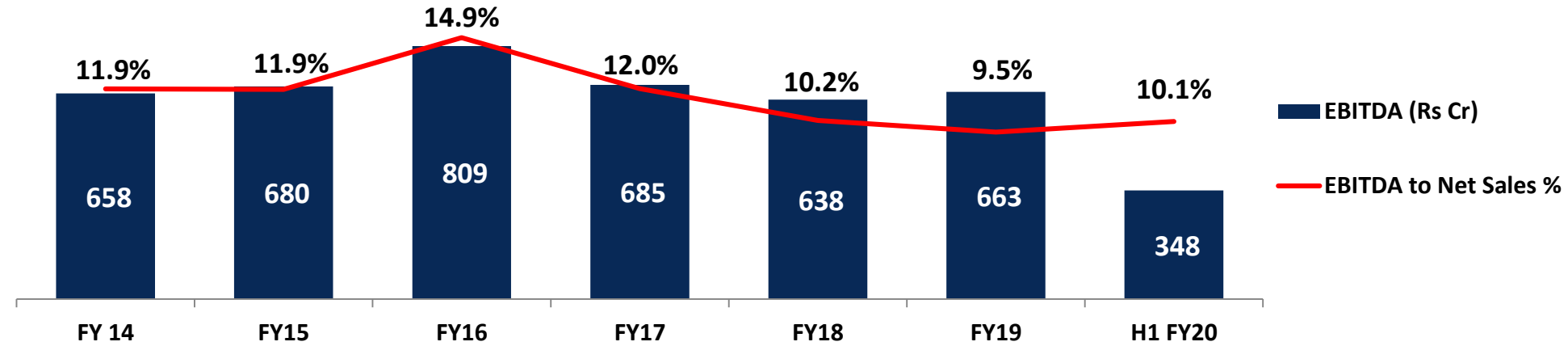
- Net revenue from operations declined by 4.6% at INR 1,692 Crs from INR 1,772 Crs
- Gross margin expanded to 41.1% from 39.9%
- EBITDA stood at INR 175 Crs compared to INR 165 Crs; margins at 10.4% from 9.3%
- PAT stood at INR 44 Crs compared to INR 63 Crs
- Debt / equity at 0.64x compared to 0.34x

# 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

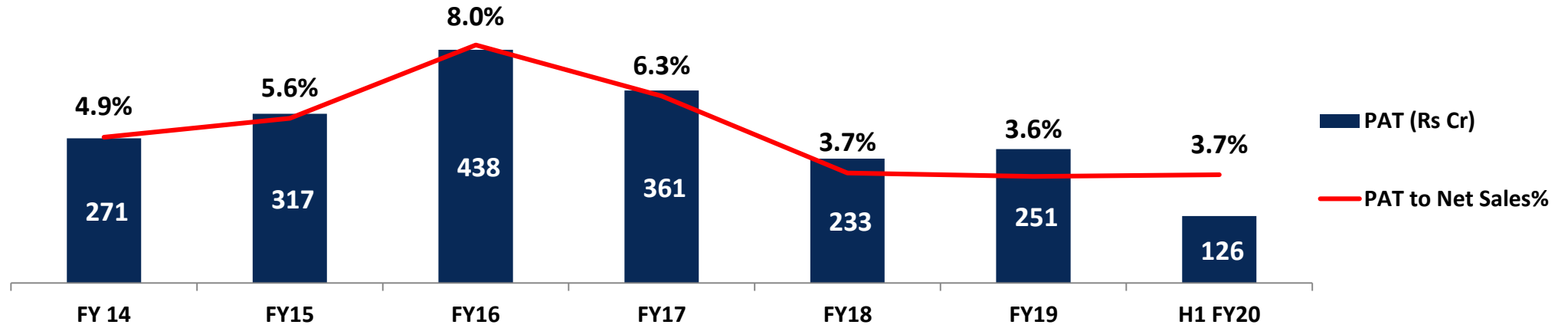
FY16 onwards the EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non- operating income



# Consolidated: Financial Trends

PAT trends



**Notes**

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

# Consolidated: Q2 FY20 Financials

All figures in INR Cr

Parameter	Q2 FY19	Q1 FY20	Q2 FY20	QoQ	YoY	H1 FY19	H1 FY20	YoY
<b>Net Revenue from operations</b>	<b>1,772</b>	<b>1,752</b>	<b>1,692</b>	<b>-3.5%</b>	<b>-4.6%</b>	<b>3,494</b>	<b>3,444</b>	<b>-1.4%</b>
Raw Material	1,065	1,060	996	-6.0%	-6.5%	2,100	2,055	-2.1%
<b>Gross margin</b>	<b>707</b>	<b>693</b>	<b>696</b>	<b>0.5%</b>	<b>-1.6%</b>	<b>1,394</b>	<b>1,388</b>	<b>-0.4%</b>
<b>Gross margin %</b>	<b>39.9%</b>	<b>39.5%</b>	<b>41.1%</b>	<b>162 bps</b>	<b>122 bps</b>	<b>39.9%</b>	<b>40.3%</b>	<b>41 bps</b>
Employee Cost	142	134	121	-9.7%	-14.3%	261	256	-1.9%
Other Expenses	407	391	404	3.4%	-0.6%	799	795	-0.4%
<b>EBITDA</b>	<b>165</b>	<b>172</b>	<b>175</b>	<b>1.6%</b>	<b>6.1%</b>	<b>346</b>	<b>348</b>	<b>0.5%</b>
<b>EBITDA %</b>	<b>9.3%</b>	<b>9.8%</b>	<b>10.4%</b>	<b>52 bps</b>	<b>104 bps</b>	<b>9.9%</b>	<b>10.1%</b>	<b>20 bps</b>
Finance Cost	19	35	37	7.2%	101.3%	39	72	85.6%
Depreciation	48	64	67	4.1%	40.7%	94	131	40.4%
<b>Operating PBT</b>	<b>99</b>	<b>73</b>	<b>71</b>	<b>-3.2%</b>	<b>-28.5%</b>	<b>213</b>	<b>144</b>	<b>-32.5%</b>
Exceptional expense	2	1	1	35.2%	-59.1%	4	1	-67.0%
Non-Operating income	3	12	4	-64.5%	30.0%	7	16	133.6%
<b>PBT</b>	<b>100</b>	<b>84</b>	<b>74</b>	<b>-12.2%</b>	<b>-25.9%</b>	<b>216</b>	<b>159</b>	<b>-26.5%</b>
<b>PAT</b>	<b>63</b>	<b>82</b>	<b>44</b>	<b>-46.9%</b>	<b>-30.9%</b>	<b>135</b>	<b>126</b>	<b>-6.5%</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

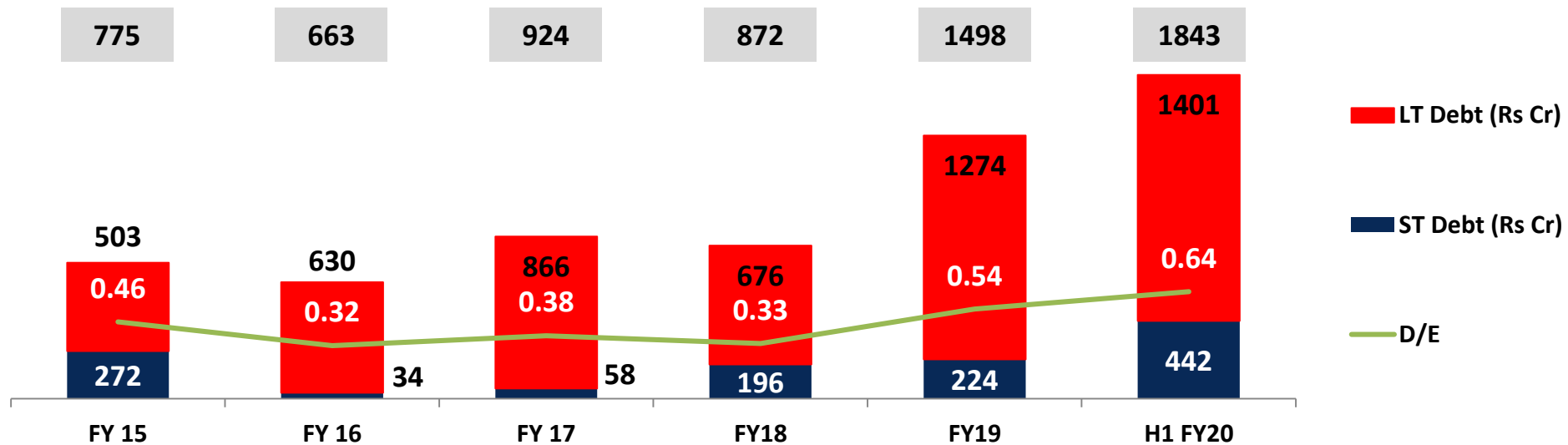
EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non- operating income

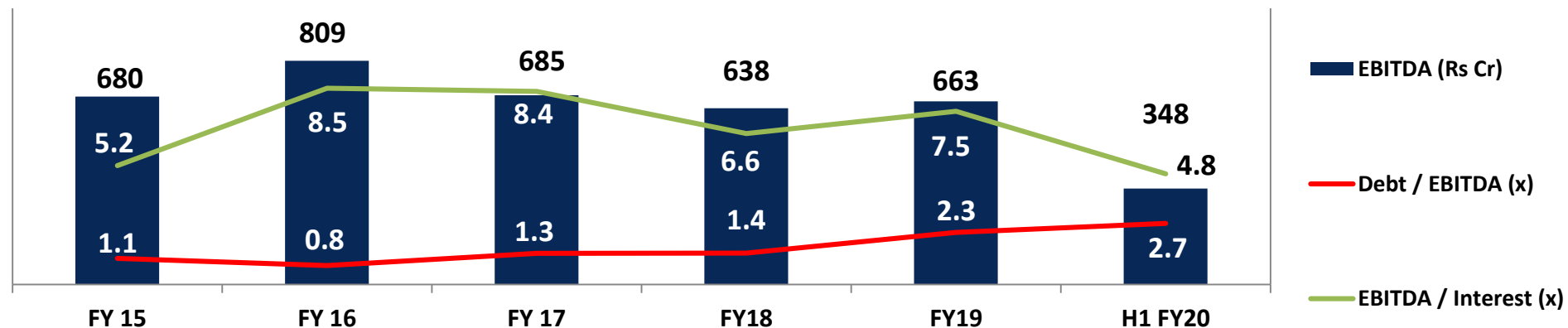
# Consolidated: Leverage / coverage Profile

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

For debt break-up, we have reclassified Current Maturities of Long Term Debt under Long Term debt

For H1 FY20 Debt/EBITDA calculation, EBITDA has been annualized

# Standalone: Q2 FY20 Financials

All figures in INR Cr

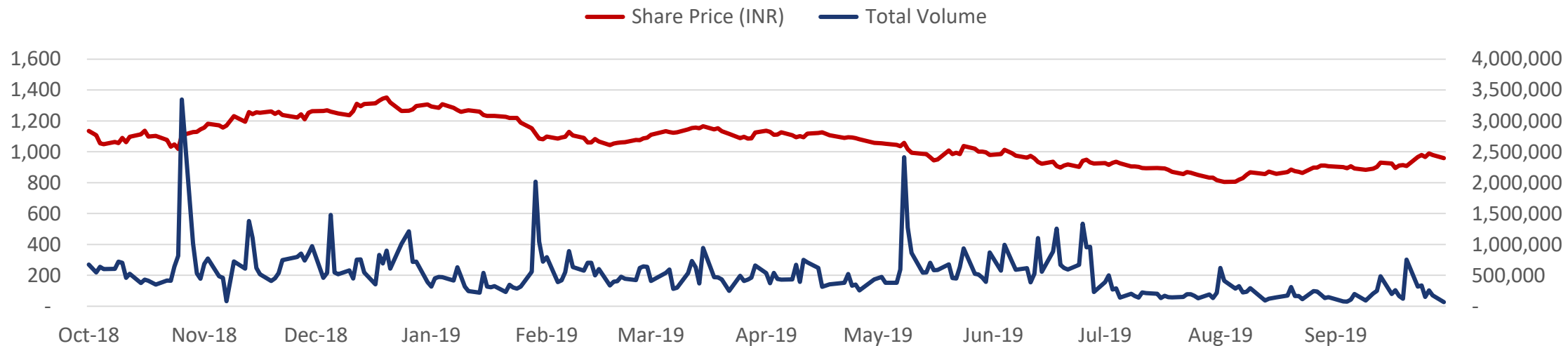
Parameter	Q2 FY19	Q1 FY20	Q2 FY20	QoQ	YoY	H1 FY19	H2 FY20	YoY
<b>Net Revenue from operations</b>	<b>1,736</b>	<b>1,704</b>	<b>1,645</b>	<b>-3%</b>	<b>-5%</b>	<b>3,425</b>	<b>3,349</b>	<b>-2%</b>
Raw Material	1,058	1,047	976	-7%	-8%	2,086	2,023	-3%
<b>Gross margin</b>	<b>678</b>	<b>656</b>	<b>670</b>	<b>2%</b>	<b>-1%</b>	<b>1,339</b>	<b>1,326</b>	<b>-1%</b>
<b>Gross margin %</b>	<b>39.1%</b>	<b>38.5%</b>	<b>40.7%</b>	<b>220 bps</b>	<b>164 bps</b>	<b>39.1%</b>	<b>39.6%</b>	<b>50 bps</b>
Employee Cost	132	124	112	-10%	-15%	242	236	-2%
Other Expenses	390	371	387	4%	-1%	766	758	-1%
<b>EBITDA</b>	<b>157</b>	<b>161</b>	<b>171</b>	<b>6%</b>	<b>9%</b>	<b>331</b>	<b>332</b>	<b>0%</b>
<b>EBITDA %</b>	<b>9.0%</b>	<b>9.4%</b>	<b>10.4%</b>	<b>95 bps</b>	<b>135 bps</b>	<b>9.7%</b>	<b>9.9%</b>	<b>24 bps</b>
Finance Cost	13	30	30	0%	132%	28	59	113%
Depreciation	44	59	62	4%	42%	85	121	43%
<b>Operating PBT</b>	<b>101</b>	<b>72</b>	<b>79</b>	<b>11%</b>	<b>-21%</b>	<b>218</b>	<b>151</b>	<b>-31%</b>
Exceptional expense	2	1	1	35%	-59%	4	1	-67%
Non-Operating income	12	15	17	15%	40%	18	32	79%
<b>PBT</b>	<b>111</b>	<b>86</b>	<b>96</b>	<b>11%</b>	<b>-14%</b>	<b>232</b>	<b>182</b>	<b>-22%</b>
<b>PAT</b>	<b>75</b>	<b>87</b>	<b>66</b>	<b>-24%</b>	<b>-13%</b>	<b>153</b>	<b>153</b>	<b>0%</b>

## Notes

Financials are as per IND AS

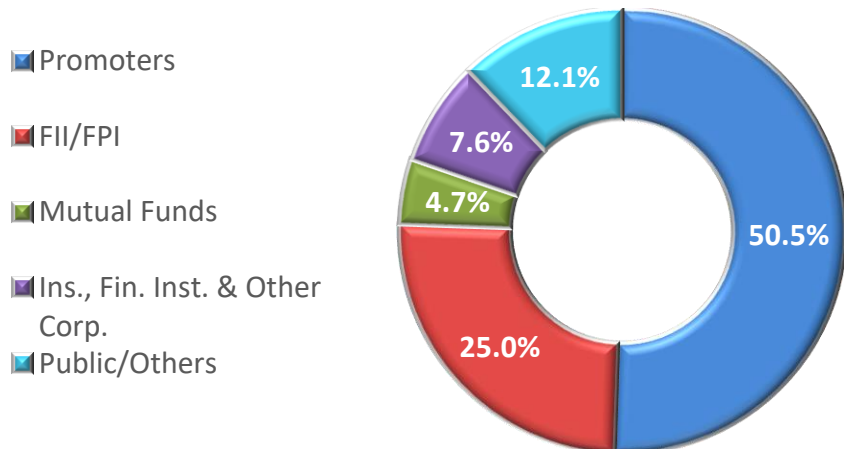
EBITDA does not include Non- operating income

# Equity Shareholding & Price trends



Source : Capitaline. The above data is updated till 30<sup>th</sup> September 2019

## Shareholding Pattern as on Sep 30, 2019



## Market Information

- Market Price (Oct 11<sup>th</sup>, 2019): INR 931.4/share
- Face Value : INR 10/share
- Market Cap (Oct 11<sup>th</sup>, 2019): INR 3,768 Cr

**T H A N K Y O U**