



**CEAT Ltd.**  
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Worli, Mumbai 400030, India  
+91 22 24930621  
CIN: L25100MH1958PLC011041  
www.ceat.com

January 19, 2022

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Security Code: 500878**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400 051

**Symbol: CEATLTD**

**NCD Symbol: CL23, CL25**

**CP Listed ISIN: INE482A14AR9, INE482A14AT5,  
INE482A14AU3, INE482A14AV1, INE482A14AW9,  
INE482A14AY5**

**Sub: Results Earnings Call Q3 FY22 – Investors Presentation**

Dear Sir/Madam,

In continuation of our letter dated January 10, 2022 and January 18, 2022, please find enclosed herewith Investors Presentation for the quarter and nine months ended December 31, 2021, for the Results Earnings Call scheduled on Thursday, January 20, 2022, at 9:00 a.m. IST, dial-in details of which are reproduced below for ready reference:

**Dial-in Details:**

India (Universal) and Mumbai	+91 22 6280 1214 +91 22 7115 8115
<b>Location</b>	<b>Dial In Number</b>
USA	+1 3233868721
UK	+44 2034785524
Singapore	+65 31575746
Hong Kong	+852 30186877

We request you to kindly take the same on record and disseminate appropriately.

Thanking you,

Yours faithfully,  
For **CEAT Limited**

  
**Vallari Gupte**  
**Company Secretary & Compliance Officer**

Encl: as above

**CEAT**  
**REINVENTS THE WHEEL**

technologically  
Making mobility **^ SAFER** and **SMARTER** every day

GPS tracker

WinMile-R

Use of AI

IoT sensors

CEAT

**CEAT**

**GRIPP-XL**

**RETHINK**  
adventures with us

Q3 FY22 – Investor Presentation | 19<sup>th</sup> January 2022

# Disclaimer

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  
TOUCLIVES  
OUTPERFORM  
AND😊

RPG Enterprises was founded in 1979. The group currently operates various businesses in Infrastructure, Technology, Life Sciences, Plantations and Tyre industries . The group has business history 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 30,000+ employees, presence in 100+ countries and annual gross revenues of ~USD 4 Bn



EPC major in infrastructure segments like T&D, Railways, Civil, Oil & Gas



One of India's leading tyre manufacturers



Global technology consulting and IT services company



Integrated pharma company in formulations and synthetic APIs



Technology solutions company catering to energy and infrastructure

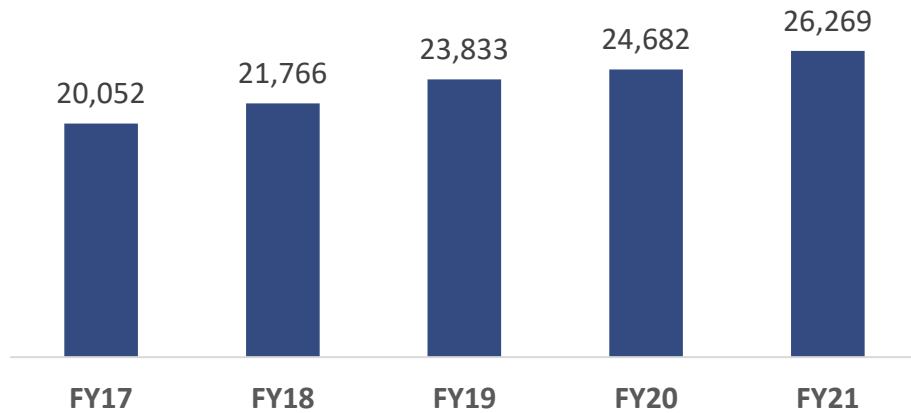


One of India's largest plantation companies producing tea, rubber, etc.

# RPG Group: Key Financials

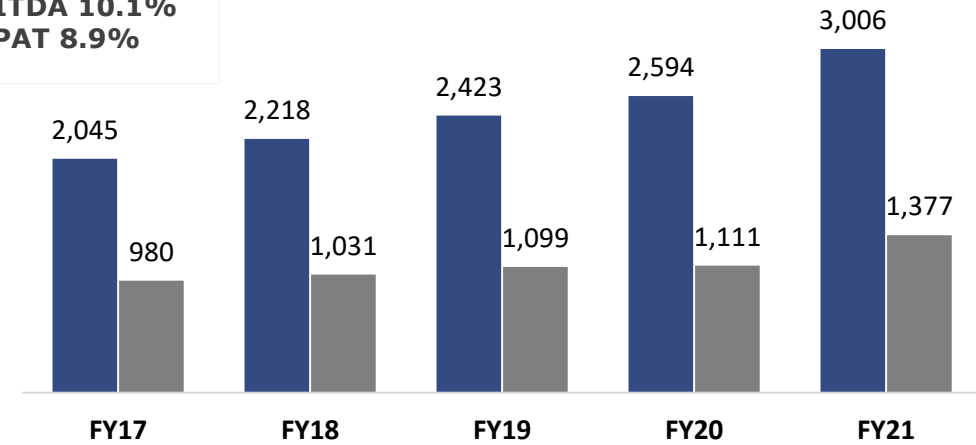
FY17-21  
CAGR: 7.0%

■ Gross Total Income (Rs Cr.)

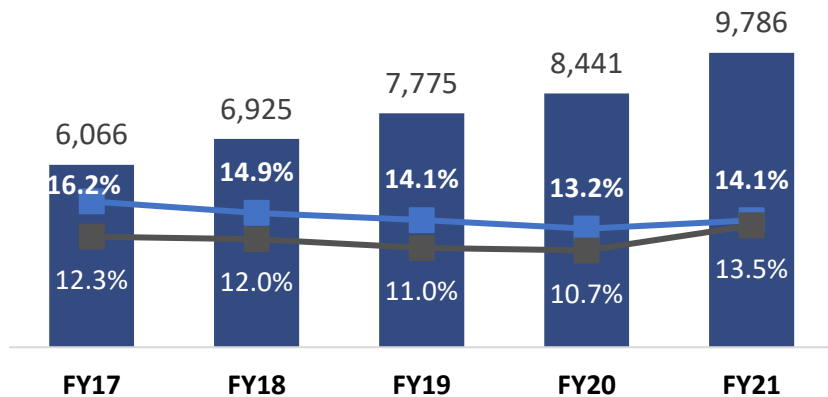


FY17-21 CAGR:  
EBITDA 10.1%  
PAT 8.9%

■ EBITDA ■ PAT

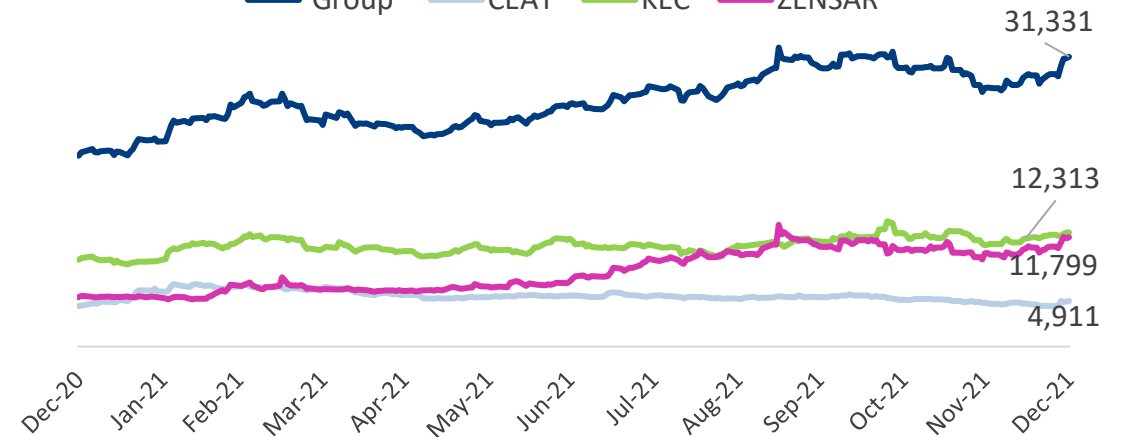


■ Net Worth ■ ROE ■ ROCE



Market Cap

— Group — CEAT — KEC — ZENSAR



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 31<sup>st</sup> December 2021

## Section 2: Business Overview



# Overview

India's leading tyre company for **60+** years

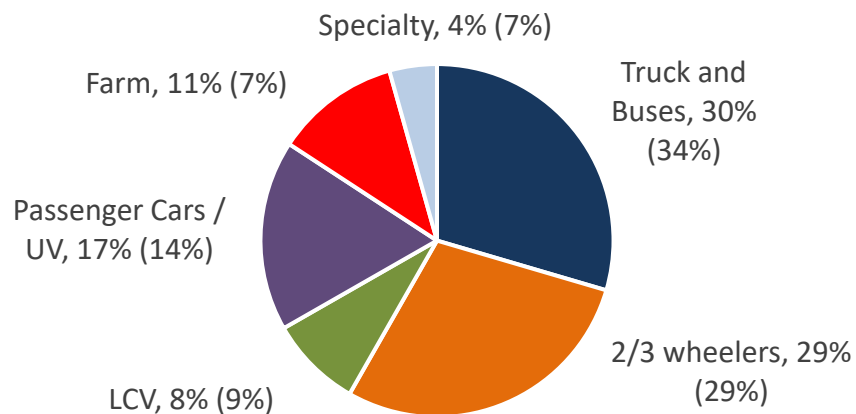
**4,500+** dealers, **550+** CEAT special channels

Presence in **100+** countries, with strong brand recall

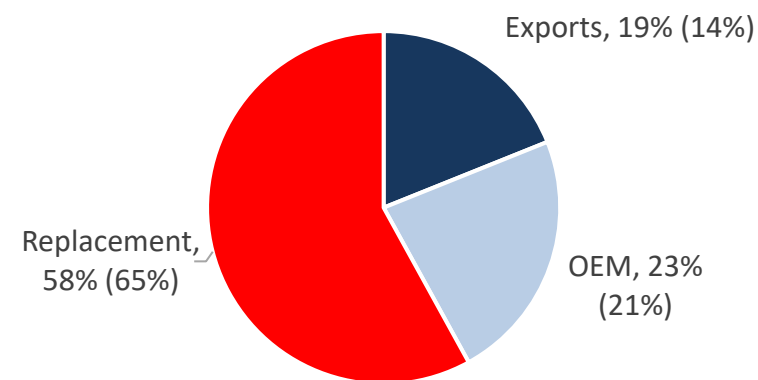
**#No 1** player in Sri Lanka in terms of market share

**7** Manufacturing facilities - Mumbai, Nasik, Halol, Nagpur, Ambernath, Chennai & Sri Lanka

### H1 FY22 Revenue Breakup by Product



### H1 FY22 Revenue Breakup by Market



1. Standalone revenue breakup
2. Figures in parenthesis denote FY21 standalone revenue break-up (post CSTL merger)
3. Farm exports reclassified from Specialty to Farm in FY22

# Board of Directors



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



**Anant Goenka**  
Managing Director



**Arnab Banerjee**  
COO and Whole Time Director



**Pierre E. Cohade**  
Non Executive, Non Independent Director



**Paras K. Chowdhary**  
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



**Ranjit Pandit**  
Non Executive, Independent Director



**Vinay Bansal**  
Non Executive, Independent Director



**Priya Nair**  
Non Executive, Independent Director

# Leadership Team



**Anant Goenka**  
Managing Director



**Kumar Subbiah**  
Executive Director, Finance & CFO



**Arnab Banerjee**  
Chief Operating Officer



**Milind Apte**  
Senior Vice President, Human Resources



**Dilip Modak**  
Senior Vice President, Manufacturing



**Saurav Mukherjee**  
Senior Vice President, Global Sales & Supply Chain



**Peter Becker**  
Senior Vice President, R&D and Technology

# Growth Strategy



# Extensive Distribution

*FMCG style distribution, industry leading number of touch-points*

*Continuously expanding footprint and enriching customer experience*

**4,500+** **↑ 400**

Dealers & Channel Partners

**600+** **↑ 100**

CEAT Special Channels  
(Shoppe / SIS)

**300+** **↑ 10**

Distributors

**580+**

Districts

*Approximate number as on 31 Dec  
and additions in 9M FY22*

*CEAT Shoppe*



*Shop in Shop (SIS)*



*CEAT Tyre Stop*



*New look illustrations*

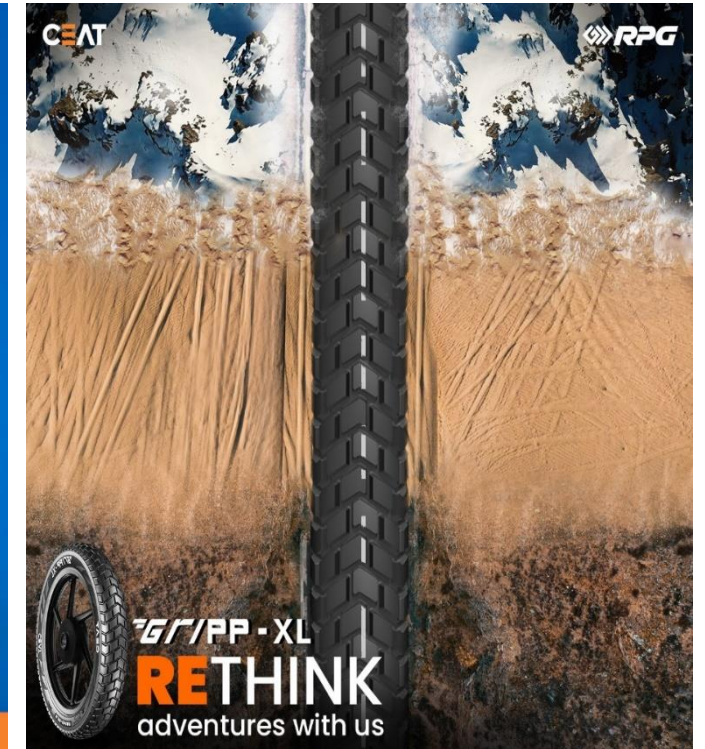
# Strong Brand

*Focused campaigns around umbrella theme of Safer & Smarter Mobility*



“Best Product Launch Campaign” Smarties India 2021

“Best Brand Promotion on OTT & Video Streaming” Brand Equity Media Strategy Awards 2021



Select digital campaigns for Q3 FY22

# Deep OEM Partnerships



Honda

Royal Enfield

Bajaj

Yamaha

Suzuki

Hero

Hero Electric



Piaggio

LML

Tork

Tunwal

Okinawa Scooters

Kawasaki



Maruti Suzuki

TATA Motors

Mahindra

Renault

Hyundai

KIA

Nissan



Force Motors

Datsun

Skoda

Peugeot

Volkswagen

Morris Garage



TATA Motors

Ashok Leyland

VECV

Escorts

AMW

TAFE



Mahindra

Daimler

Eicher

SML Isuzu

JBM Group

# World Class R&D

- Consistently churning variants across vehicle platforms and geographies
- Focus on upcoming technologies like Electric Vehicle, Smart Tyres and Sustainability
- Significant investment on tyre testing infrastructure like Anechoic Chamber, Flat Track Test Machine
- 100+ patent filings till date



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



R&D Office, Germany



Summer and Winter Track Testing





# Differentiated Products – Platforms & Recent OEM Launches

*Performance based platforms*



Select platforms

*Stronger OEM relationships, better traction for replacement cycle*



Skoda Slavia



Mahindra Bolero Neo



Nissan Magnite



Okaya EV Scooter



Hero HF Deluxe



Suzuki Gixxer



Olectra EV Bus

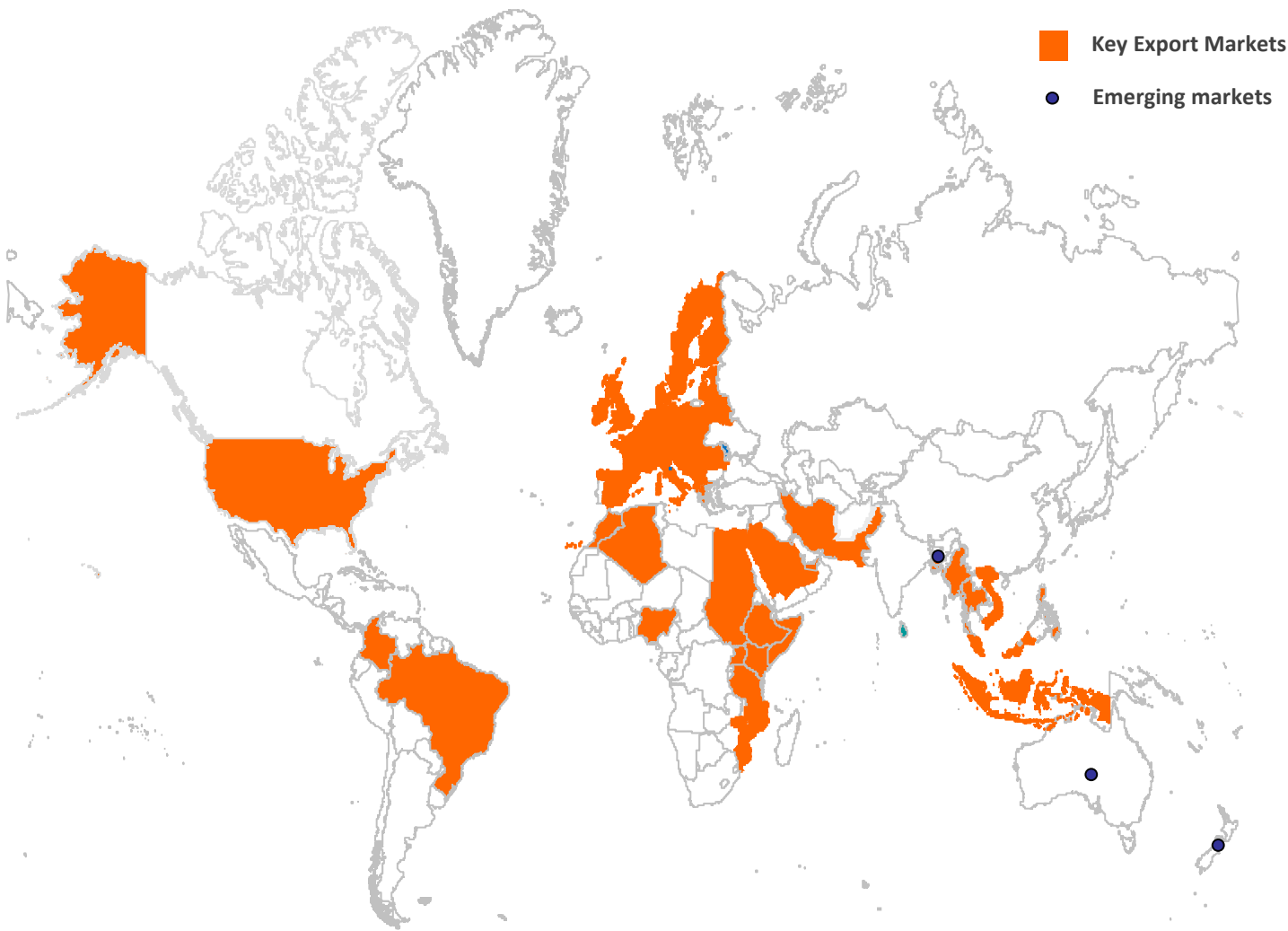


Ashok Leyland Ecomet



Tata Motors BS VI

# Accelerated Growth In International Business



**45%**  
 YoY Growth in Export Revenue

**100+ ↑ 12**  
 Countries Present  
*EU and Americas new focus areas. Business driven by local insights and marketing*

**680+ ↑ 68**  
 SKUs in Off-Highway Tyres

# Section 3: Financial Performance

# Consolidated: Q3 FY22 Financial Highlights

## Q3 FY22 v/s Q3 FY21 (YoY)

- Net revenue INR 2,413 Crs **increased 8.6%**
- Gross margin 34.0 % **contracted by 1,156 bps**
- EBITDA margin 5.9% **contracted by 935 bps**
- PAT (-ve) INR 20 Crs v/s INR 132 Crs
- Debt / equity at 0.7x compared to 0.5x

## Q3 v/s Q2 FY22 (QoQ)

- Net revenue INR 2,413 Crs **declined 1.6%**
- Gross margin 34.0 % **contracted by 292 bps**
- EBITDA margin 5.9% **contracted by 327 bps**
- PAT (-ve) INR 20 Crs v/s INR 42 cr
- Debt / equity at 0.7x compared to 0.6x

# Consolidated: Q3 and 9M FY22 Financials

All figures in INR Crs

Parameter	Q3 FY21	Q2 FY22	Q3 FY22	QoQ	YoY	9M FY21	9M FY22	YoY
<b>Net Revenue from operations</b>	<b>2,221.3</b>	<b>2,451.8</b>	<b>2,413.3</b>	<b>-2%</b>	<b>9%</b>	<b>5,319.9</b>	<b>6,771.4</b>	<b>27%</b>
Raw Material	1,209.6	1,547.0	1,593.2	3%	32%	2,938.0	4,304.5	47%
<b>Gross margin</b>	<b>1,011.7</b>	<b>904.8</b>	<b>820.1</b>	<b>-9%</b>	<b>-19%</b>	<b>2,381.9</b>	<b>2,467.0</b>	<b>4%</b>
<b>Gross margin %</b>	<b>45.5%</b>	<b>36.9%</b>	<b>34.0%</b>	<b>(292) bps</b>	<b>(1,156) bps</b>	<b>44.8%</b>	<b>36.4%</b>	<b>(834) bps</b>
Employee Cost	180.6	171.9	172.1	0%	-5%	492.8	521.9	6%
Other Expenses	503.4	512.6	513.9	0%	2%	1,166.9	1,422.8	22%
<b>EBITDA</b>	<b>339.4</b>	<b>225.5</b>	<b>143.0</b>	<b>-37%</b>	<b>-58%</b>	<b>750.6</b>	<b>543.4</b>	<b>-28%</b>
<b>EBITDA %</b>	<b>15.3%</b>	<b>9.2%</b>	<b>5.9%</b>	<b>(327) bps</b>	<b>(935) bps</b>	<b>14.1%</b>	<b>8.0%</b>	<b>(609) bps</b>
Finance Cost	41.9	49.6	54.8	10%	31%	135.6	150.3	11%
Depreciation	87.3	120.6	108.6	-10%	24%	249.8	325.6	30%
<b>Operating PBT</b>	<b>210.2</b>	<b>55.3</b>	<b>-20.3</b>	<b>NM</b>	<b>NM</b>	<b>365.3</b>	<b>67.4</b>	<b>-82%</b>
Exceptional expense	12.3	0.5	6.5	NM	-47%	34.1	7.0	-79%
Non-Operating income	4.1	2.8	3.2	15%	-22%	10.6	8.1	-24%
<b>PBT</b>	<b>202.0</b>	<b>57.6</b>	<b>-23.7</b>	<b>NM</b>	<b>NM</b>	<b>341.8</b>	<b>68.5</b>	<b>-80%</b>
<b>PAT</b>	<b>132.3</b>	<b>42.3</b>	<b>-20.2</b>	<b>NM</b>	<b>NM</b>	<b>279.3</b>	<b>45.2</b>	<b>-84%</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

Gross margin includes impact of non-material cost movement of inventory (FG + SFG)

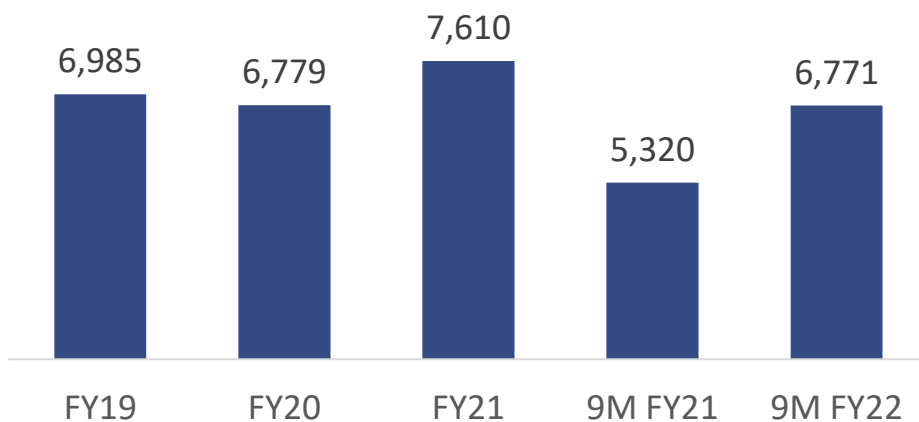
EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non-operating income

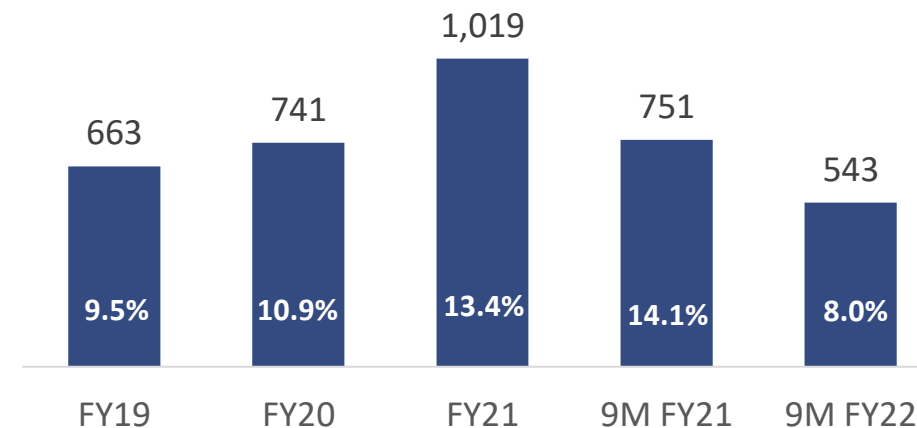
# Consolidated: Financial Trends

All figures in INR Crs

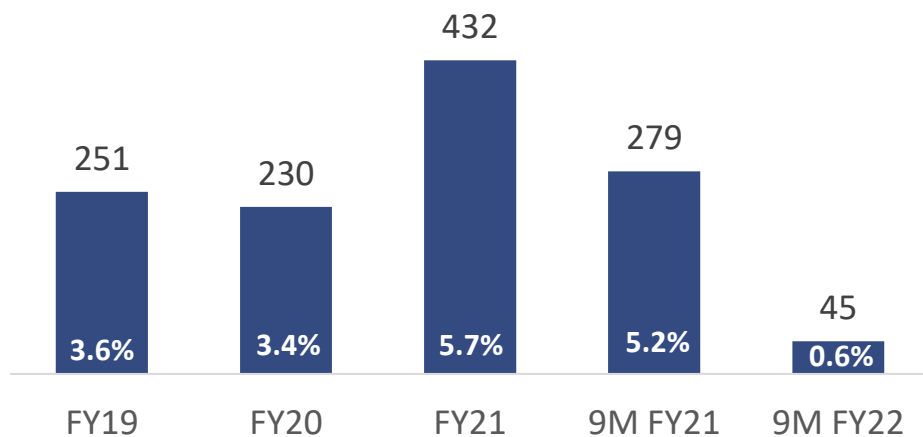
## Revenue



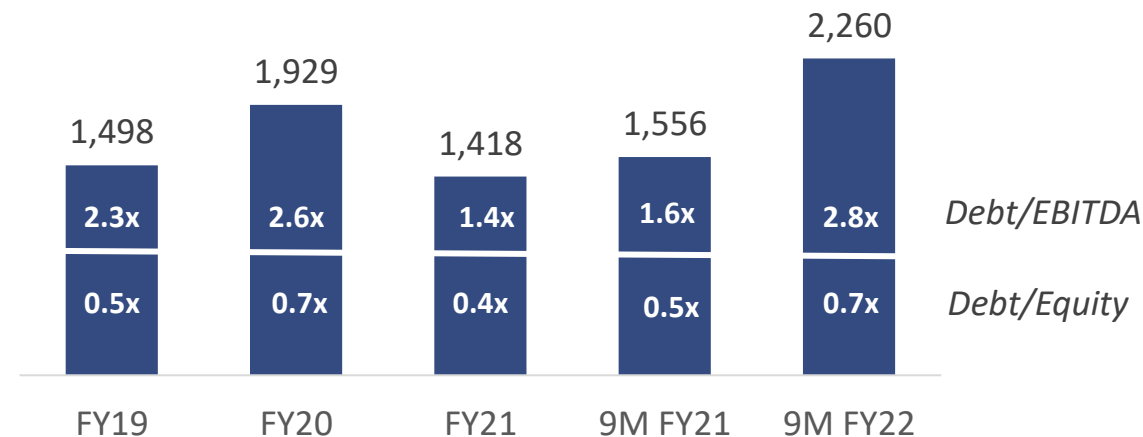
## EBITDA and Margin



## PAT and Margin



## Debt and Leverage Ratios



### Note

All figures are per IND AS

Company's investment in Sri Lanka JV is accounted using Equity method

EBITDA includes profit from Sri Lanka JV; EBITDA does not include Non-operating income

# Standalone: Q3 and 9M FY22 Financials

All figures in INR Crs

Parameter	Q3 FY21	Q2 FY22	Q3 FY22	QoQ	YoY	9M FY21	9M FY22	YoY
<b>Net Revenue from operations</b>	<b>2,212.5</b>	<b>2,432.3</b>	<b>2,406.1</b>	<b>-1%</b>	<b>9%</b>	<b>5,293.8</b>	<b>6,736.2</b>	<b>27%</b>
Raw Material	1,206.5	1,535.9	1,591.9	4%	32%	2,925.4	4,291.6	47%
<b>Gross margin</b>	<b>1,006.0</b>	<b>896.5</b>	<b>814.3</b>	<b>-9%</b>	<b>-19%</b>	<b>2,368.4</b>	<b>2,444.6</b>	<b>3%</b>
<b>Gross margin %</b>	<b>45.5%</b>	<b>36.9%</b>	<b>33.8%</b>	<b>(302) bps</b>	<b>(1,163) bps</b>	<b>44.7%</b>	<b>36.3%</b>	<b>(845) bps</b>
Employee Cost	178.5	170.0	170.1	0%	-5%	486.6	515.3	6%
Other Expenses	501.7	510.2	512.0	0%	2%	1,163.4	1,413.6	22%
<b>EBITDA</b>	<b>325.8</b>	<b>216.3</b>	<b>132.2</b>	<b>-39%</b>	<b>-59%</b>	<b>718.5</b>	<b>515.8</b>	<b>-28%</b>
<b>EBITDA %</b>	<b>14.7%</b>	<b>8.9%</b>	<b>5.5%</b>	<b>(340) bps</b>	<b>(923) bps</b>	<b>13.6%</b>	<b>7.7%</b>	<b>(592) bps</b>
Finance Cost	41.2	48.7	54.1	11%	31%	133.8	148.0	11%
Depreciation	87.3	120.6	108.6	-10%	24%	249.7	325.6	30%
<b>Operating PBT</b>	<b>197.4</b>	<b>47.0</b>	<b>-30.4</b>	<b>NM</b>	<b>NM</b>	<b>334.9</b>	<b>42.1</b>	<b>-87%</b>
Exceptional expense	12.3	0.5	6.5	NM	-47%	34.1	7.0	-79%
Non-Operating income	10.0	2.6	18.9	623%	89%	28.7	23.6	-18%
<b>PBT</b>	<b>195.1</b>	<b>49.1</b>	<b>-18.0</b>	<b>NM</b>	<b>NM</b>	<b>329.5</b>	<b>58.7</b>	<b>-82%</b>
<b>PAT</b>	<b>127.6</b>	<b>36.0</b>	<b>-14.9</b>	<b>NM</b>	<b>NM</b>	<b>271.8</b>	<b>41.0</b>	<b>-85%</b>

## Notes

Financials are as per IND AS

Gross margin includes impact of non-material cost movement of inventory (FG + SFG)

EBITDA does not include Non-operating income

# Section 4: ESG Highlights



# Sustainability Goals

## Manufacturing

- ✓ Plant electricity through rooftop / captive solar plants
- ✓ Using briquette as fuel

## Materials

- ✓ Greener raw materials; recycled crumb rubber
- ✓ ESG compliant vendors

**Reduce Carbon Footprint by 50%  
by 2030**

## Transportation

- ✓ Network optimization
- ✓ Alternate Mode of Transport

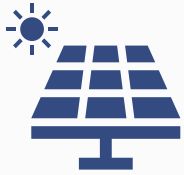
## End of Life

- ✓ High recycling and recovery rates

## Product Use

- ✓ Light weight tyres
- ✓ Low rolling resistance
- ✓ Increased retreadability

# Select Environment & Society Initiatives



26% plant power through solar roof top



5-10% reduction in rolling resistance for select SKUs (YoY)



Nasik, Bhandup and Nagpur plant certified for energy management system



Halol, Nasik, Nagpur, Chennai and Ambernath ZLD plants



Nagpur, Chennai platinum and Halol plant gold certified Green Building



Gender diversity in hirings at 32% for 9M FY22, transgender recruitment



Internship for women wanting to return to corporate world & specially abled



Training programmes for functional skills



Functional English for school children and teacher empowerment programmes



Installation of fever clinics, oxygen tanks, concentrators

THANK YOU