



CEAT Limited

Q4 FY13 – Investor Presentation

May 7, 2013

CEAT Limited : Overview



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

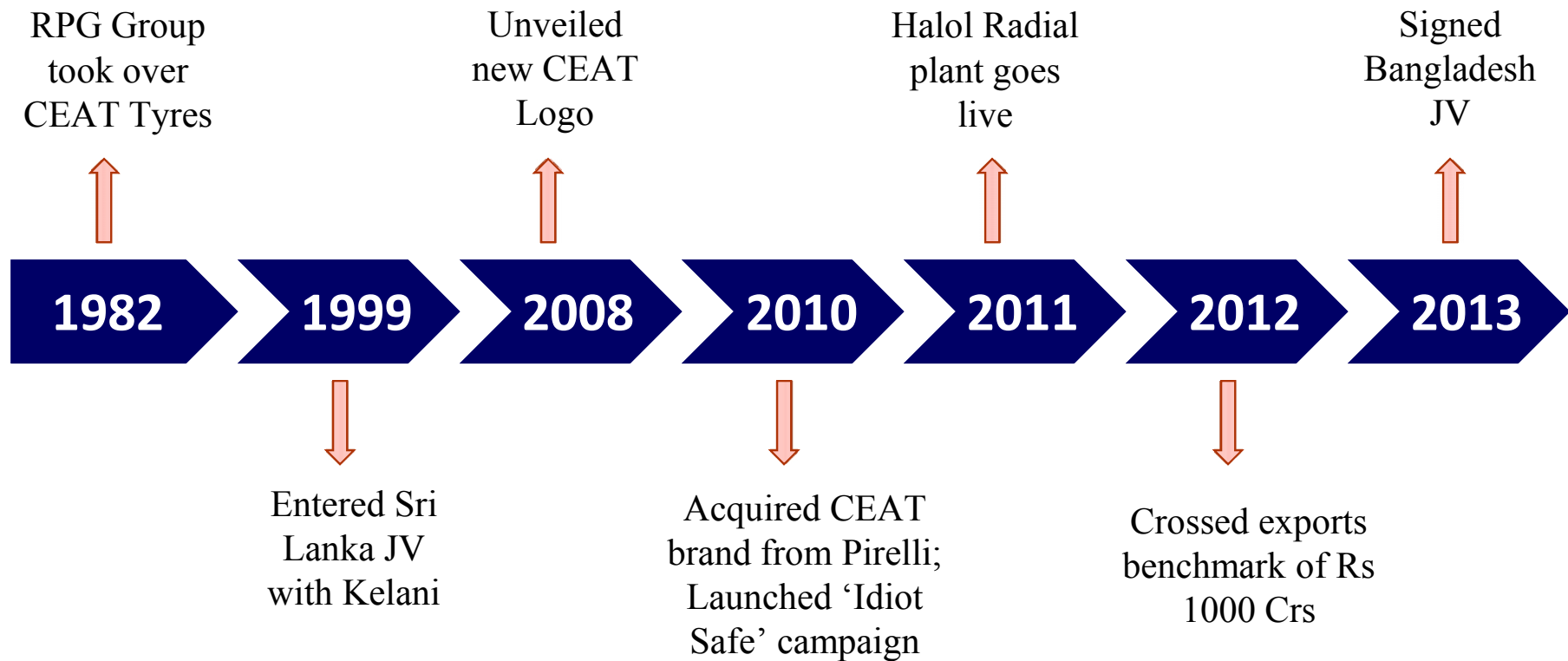
Exports to over **110+** countries

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

Distribution Network : **3500+** dealers, **300+** exclusive CEAT franchisees

3 Manufacturing plants - Mumbai, Nasik & Halol

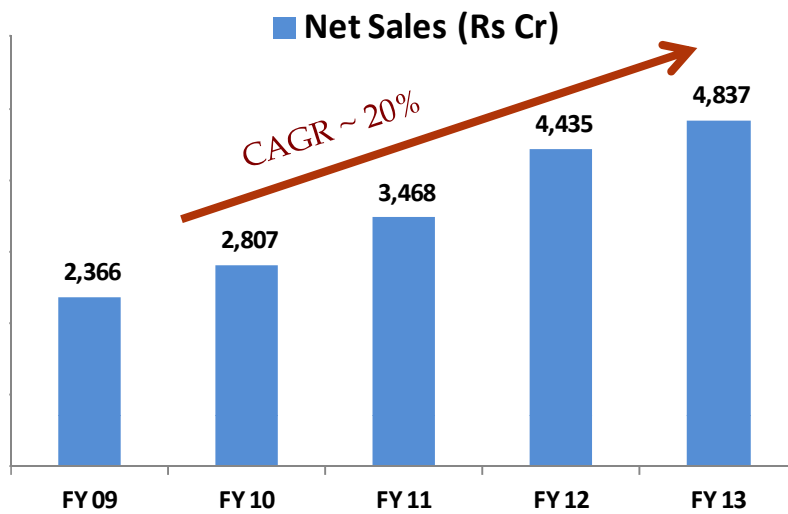
Key Milestones



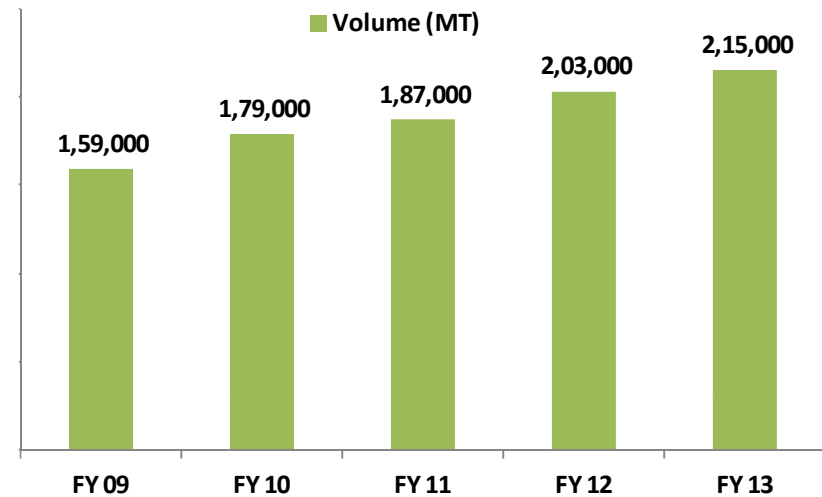
Performance Indicators



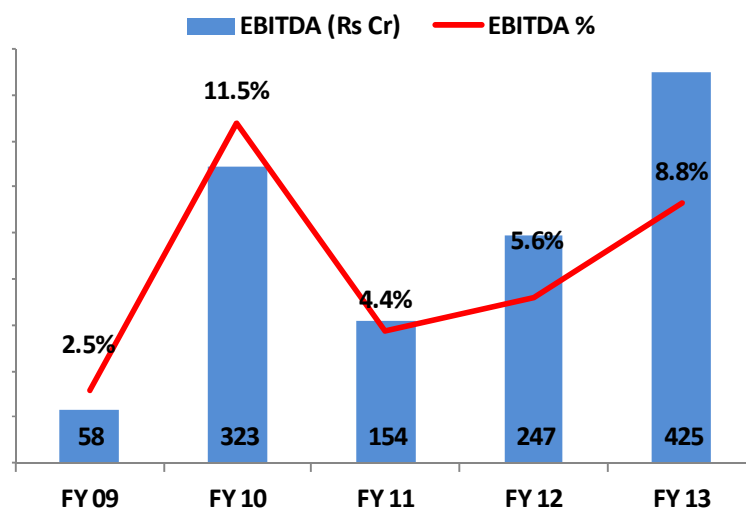
Revenue doubled in 5 years



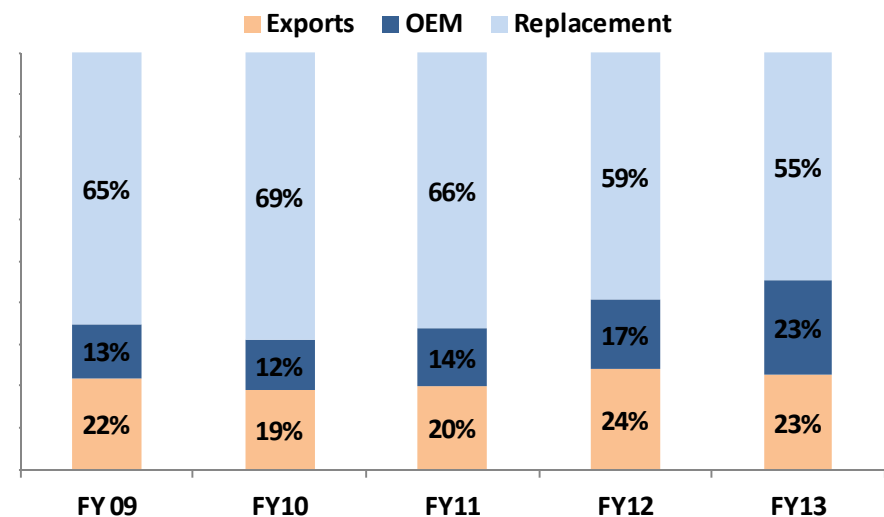
Consistent volume growth



Improved margins



Changing sales mix



FY 13 - Financial Highlights

CEAT India - Financial Highlights FY13

- Net Revenue – Up 9% at Rs 4837 cr
 - Healthy volume growth of 6% YoY
- EBITDA Margins improved 320 bps to 8.8%
- Reduced leverage : From 1.9x to 1.3x
 - Inventory & debtor days reduced from 98 days to 88 days
 - Interest cost on downward trend -Rs 45 cr in Q4 compared to Rs 53 cr in Q1
- Improved return ratios: ROE 15%, ROCE 18%
 - Improved profitability: PBT at Rs 146 cr (after exceptional expense of Rs 27.7 cr) from Rs 10 cr, PAT at Rs 106 cr from Rs 7.5 cr last year

CEAT Sri Lanka – FY13



- Net Revenue – Up 4% at Rs 384 cr
 - Driven by better realization as volumes were flat
- EBITDA - Up 39% at Rs 64 cr
 - Margins improved by 420 bps to 17%
- PAT – Up 46% to Rs 39 cr from Rs 27 cr



CEAT Limited Consolidated - FY13

- Net Revenue – Up 8.6% at Rs 5009 cr
- EBITDA - Up 66% at Rs 455 cr
 - Margins improved by 320 bps from 5.9% to 9.1%
- Debt – Reduced by Rs 273 cr to Rs 1038 cr
 - D/E at 1.3x compared to 1.9x
- PBT – up at Rs 166 cr from Rs 24 cr
- PAT – up at Rs 120 cr from Rs 18 cr
- Dividend declared at 40%, Rs 4/- per share

FY 13 – Performance Highlights

CEAT India – Growth Drivers

- **Increased Replacement Market Share** : Motorcycle, Scooter, UV Radials, Last Mile
- **Halol**: Production stabilized at 80% + capacity utilization
- **New Product Development**: ‘CZAR’ premium range of SUV radial tyres launched; 100+ product launches planned in FY14
- **Brand Equity**: Continued thrust on Motorcycle and SUV tyre advertisement campaigns
- **OEM Collaborations**: New partnerships with Royal Enfield, Volvo-Eicher, Bajaj Auto

CEAT Sri Lanka - Highlights



- Market leadership consolidated further
 - Key categories Truck, passenger car & 2/3 wheelers
 - More than 50% overall market share
- New Products launched in PCR & Truck categories
- Increased focus on Exports

CEAT Bangladesh - Update



- **Goal:** To achieve a 40% market share by 2016
 - Plant to be operational by latter half of FY 2014-15; Target categories are Truck, Light Truck, Two wheeler and Last Mile
- **Key statistics:**
 - Total Investment = Rs. 275 Cr, Peak Sales = Rs. 650 Cr,
 - Operating Profit Margin at peak sales = 18%
 - Phase I capacity = 65 TPD , Phase II capacity = 110 TPD
- **Key Highlights: FY 2012-13**
 - JV agreement signed with the A K Khan Group
 - Land (area of 27.5 acres) acquisition completed
 - Sales operations commenced



CEAT Limited: Consolidated financials

Parameter	Rs cr	
	FY12	FY13
Net Sales	4,613.7	5,009.0
Growth (%)		8.6%
EBITDA	273.7	454.7
Growth (%)		66.1%
EBITDA (%)	5.9%	9.1%
PAT	18.2	120.2
EPS (Rs.) (Basic)	5.3	35.1
Net Worth	678	801
Debt	1,311	1,038
D/E (x)	1.9	1.3
No of shares (cr)	3.42	3.42
B/V (Rs.)	198	234
ROE	2.7%	15.0%



CEAT India: Standalone Financials

Parameter	Rs cr		
	FY12	FY13	YoY
Net Sales	4,435.3	4,836.7	9.0%
EBIDTA	246.8	424.5	72.0%
Finance Cost	192.2	194.4	1.2%
Depreciation	70.5	78.2	10.9%
Operating PBT	(15.8)	152.0	-
Exceptional expense	3.2	27.7	-
Non-Operating income	28.7	21.5	-
PBT	9.7	145.7	-
PAT	7.5	106.3	-
EBITDA %	5.6%	8.8%	+320 bps
Volumes (mt)	~203000	~215000	6.0%

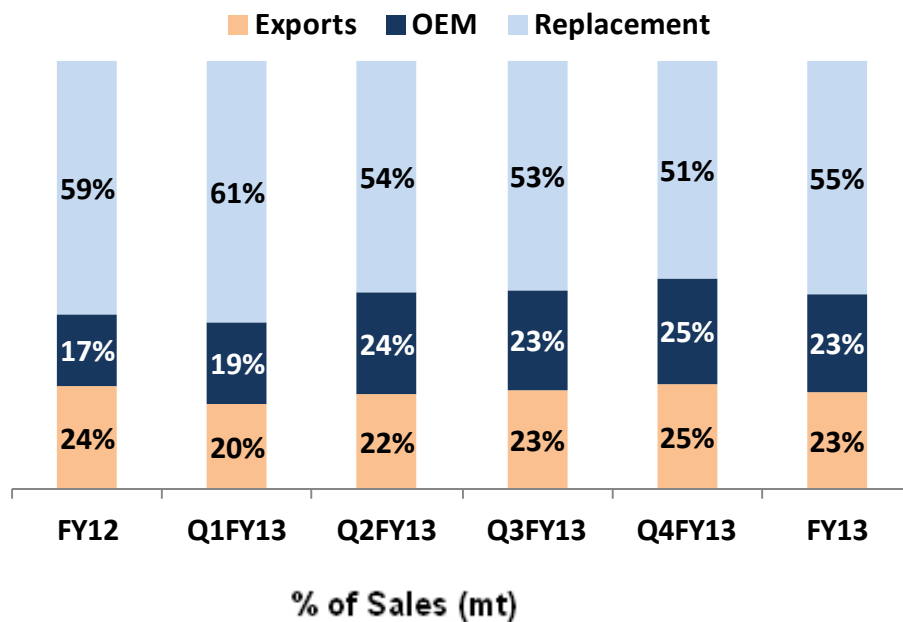


CEAT India: Quarterly Performance

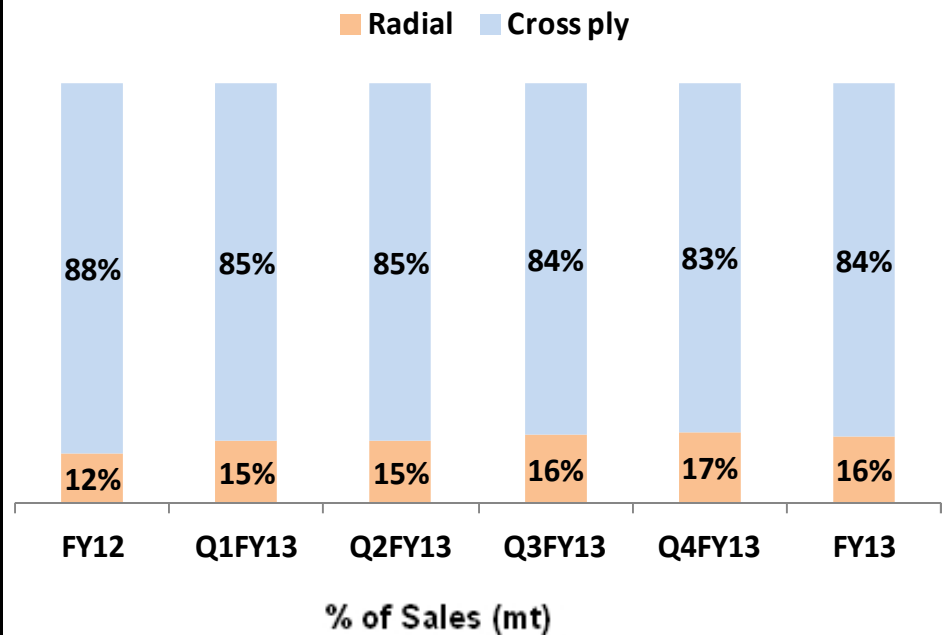
Parameter	Rs cr				
	Q4FY13	Q3FY13	QoQ	Q4FY12	YoY
Net Sales	1,298.0	1,195.1	8.6%	1,214.4	6.9%
EBIDTA	139.3	101.9	36.8%	126.7	9.9%
Finance Cost	45.3	46.5	-2.6%	54.0	-16.1%
Depreciation	19.5	19.9	-2.1%	18.7	4.2%
Operating PBT	74.5	35.4	110.2%	54.0	38.0%
Exceptional expense	-	13.7	-	-	-
Non-Operating income	4.0	3.3	20.6%	5.9	-32.4%
PBT	78.5	25.1	213.0%	59.9	31.1%
PAT	60.9	16.9	259.7%	41.4	47.1%
EBITDA %	10.7%	8.5%	+ 220 bps	10.4%	+30 bps
Volumes (mt)	59,000	53,000	11.1%	54,000	8.5%

Revenue breakup (1/2)

Key customer segments



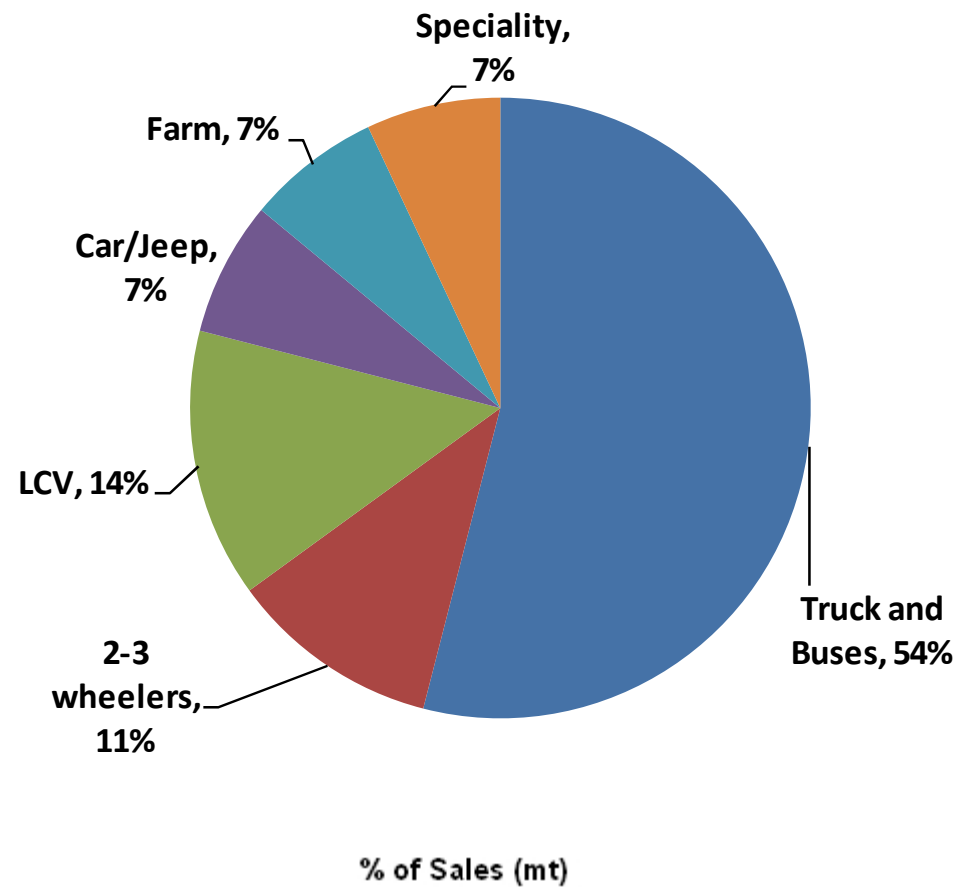
Radial & cross ply



Revenue breakup (2/2)



Product break-up FY13



CEAT Sri Lanka: FY13 Performance



Parameter	Rs cr		
	FY12	FY13	YoY
Net Sales	371	384	4%
EBIDTA	46	64	39%
Finance Cost	6	6	4%
Depreciation	5	5	3%
Operating PBT	35	53	49%
Exceptional expense	1	-	-
PBT	35	53	52%
PAT	27	39	46%
EBITDA %	12%	17%	+420 bps
Volumes (mt)	~15,000	~15,000	1%



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Thank You

Investor Relations contact:

Amit Gala

Tel: +91 22 2496 5690

amit@rpg.in

<http://www.ceat.in/>