

July 21, 2021

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: INE482A14AE7,
INE482A14AF4, INE482A14AG2,
INE482A14AH0, INE482A14AI8,
INE482A14AJ6, INE482A14AK4**

Sub: Results Earnings Call Q1 FY22 - Investors Presentation.

Dear Sir/Madam,

In continuation of our letter dated July 15, 2021, please find enclosed herewith Investors Presentation for the quarter ended June 30, 2021, for the Results Earnings Call scheduled on Thursday, July 22, 2021, at 3:30 p.m. IST, dial-in details of which are reproduced below for ready reference:

Dial-in Details:

India (Universal) and Mumbai	+91 22 6280 1149 +91 22 7115 8050
Location	Toll-Free Number
USA	1 866 746 2133
UK	0 808 101 1573
Singapore	800 101 2045
Hong Kong	800 964 448

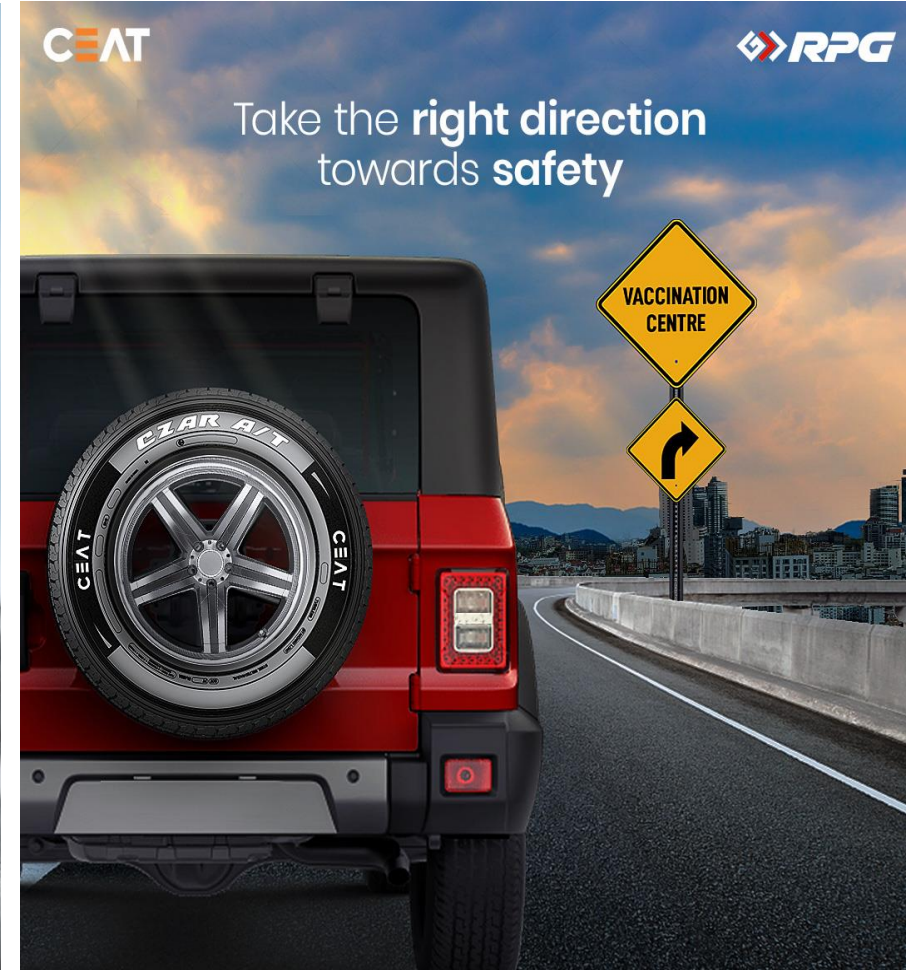
We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For **CEAT Limited**


Vallari Gupte
Company Secretary and Compliance Officer

Encl. A/a



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
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 30,000+ employees, presence in 100+ countries and annual gross revenues of ~\$4 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.

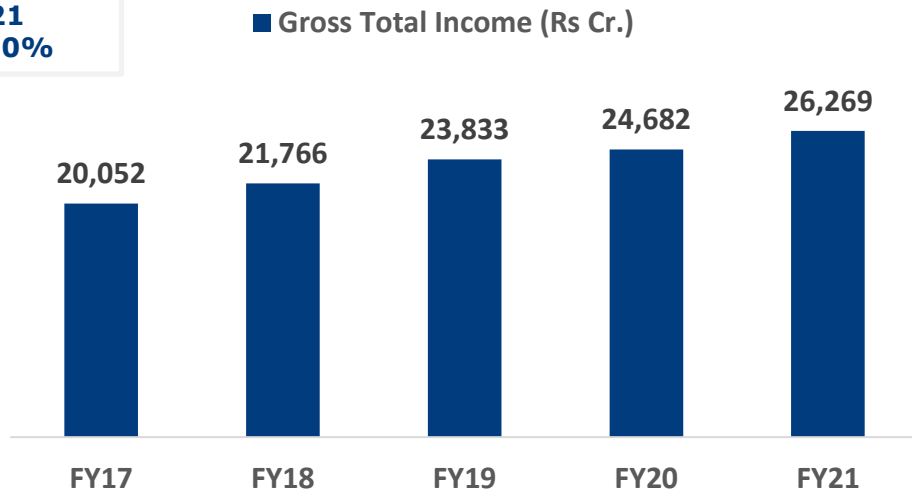


**Harrisons
Malayalam**

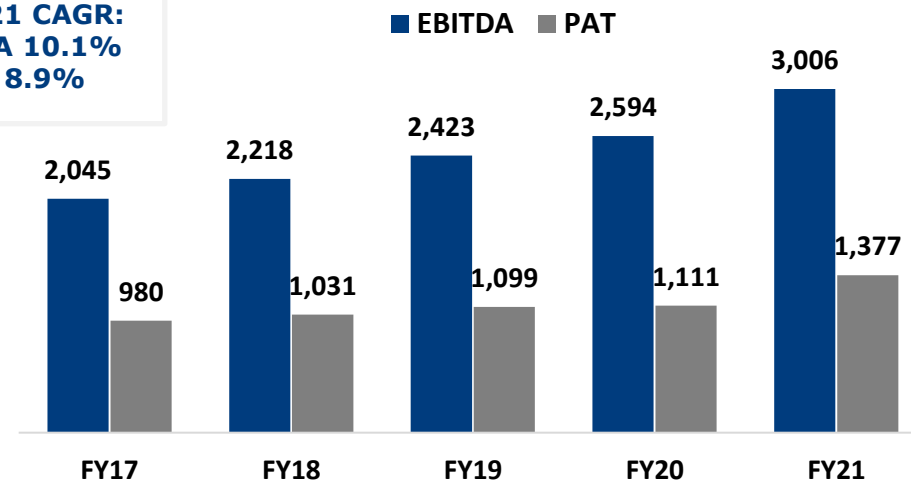
One of India's
largest plantation
companies with
tea, rubber and
other agro
products.

RPG Group: Key Financials

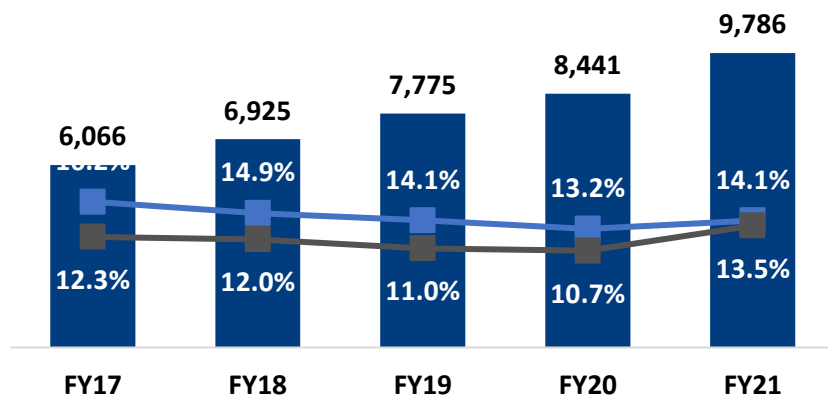
FY17-21
CAGR: 7.0%



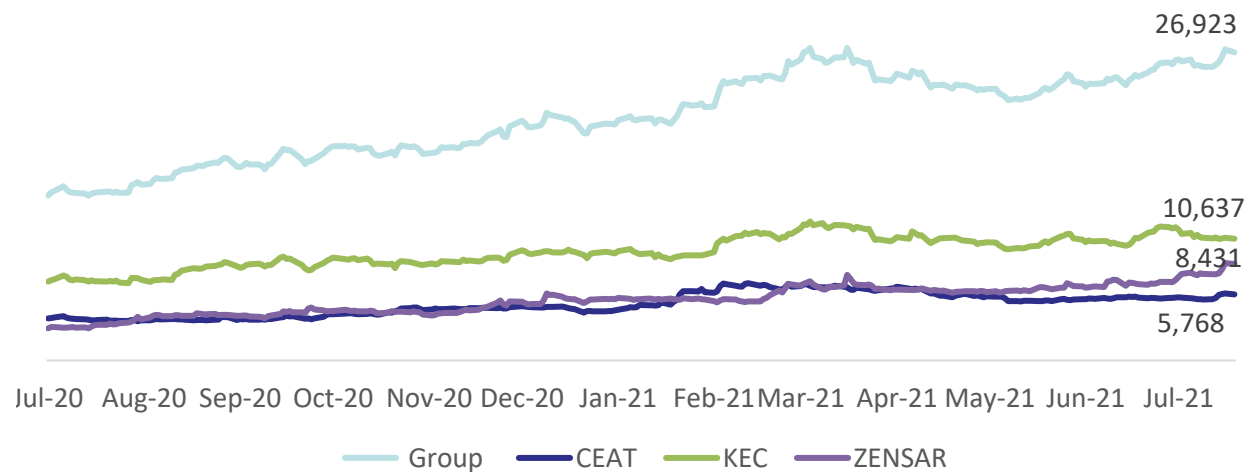
FY17-21 CAGR:
EBITDA 10.1%
PAT 8.9%



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 19th July 2021

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



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



Chief Financial Officer

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**

Peter Becker



**Senior Vice President
– R&D and Technology**

India's leading tyre company with over **60** yrs of presence

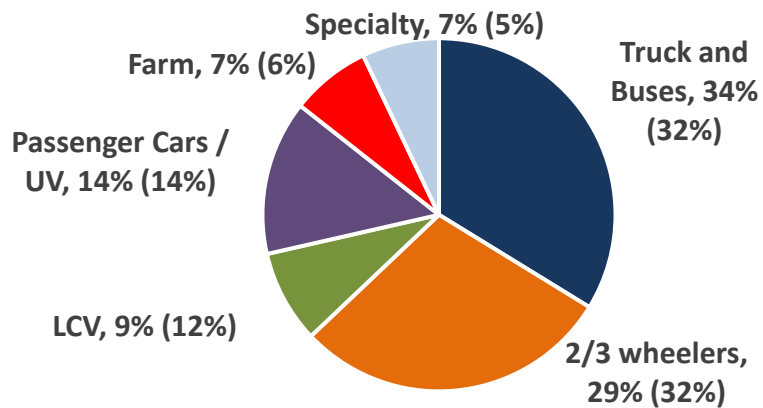
Distribution Network : **4,100+** dealers, **300+** exclusive CEAT franchisees

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

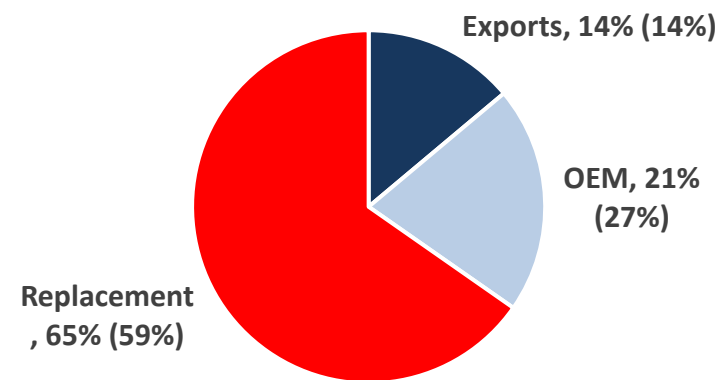
100+ countries where products are sold with strong brand recall

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

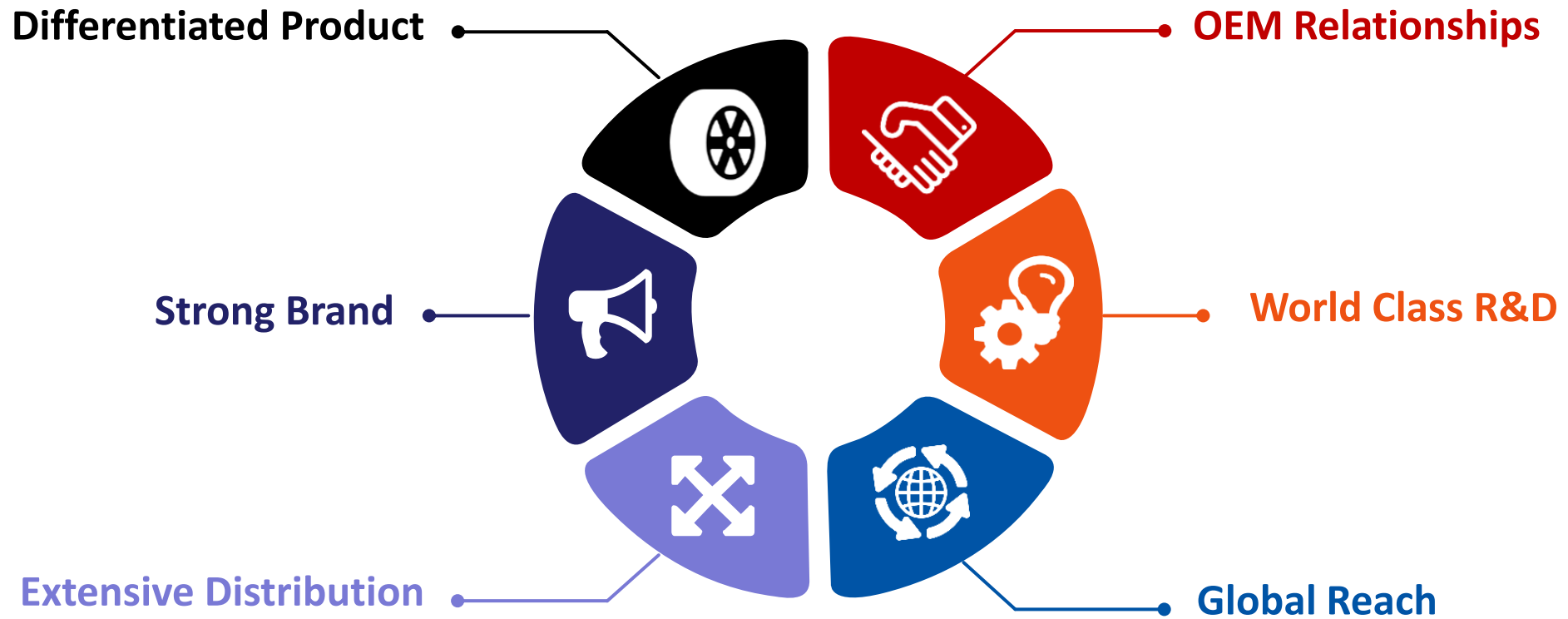
FY21 Revenue Breakup by Product



FY21 Revenue Breakup by Market



1. Consolidated revenue breakup
2. Corresponding figures in investor presentations till Q4 FY19 had standalone revenue break-up
3. Figures in parenthesis denote FY20 consolidated Revenue (post CSTL merger) break-up



1 Differentiated Products

Strengthening OEM Relationships



Key developments

- Focus on OEM, recent entries in new models** – Ashok Leyland Ecomet, Okaya EV Scooter, Hero MotoCorp Splendor iSmart (BSVI), Hero MotoCorp HF Deluxe (BSVI), Hero Glamour Refresh, Mahindra Jeeto Z Series, Nissan Magnite, Renault Kiger, Mahindra Perak, Mahindra Thar
- Recent entries into OEM's existing models** – Honda Bikes till 125 CC, Yamaha FZ 150 CC, Suzuki Gixxer 150 CC, Ashok Leyland Truck 1618, Daimler BSVI Trucks, Piaggio Aprilia 150 CC, Hyundai i20
- Platforms** like Fuelsmart, Gripp, Mileage X3, SecuraDrive, Vardhan etc.

2 Strong Brand

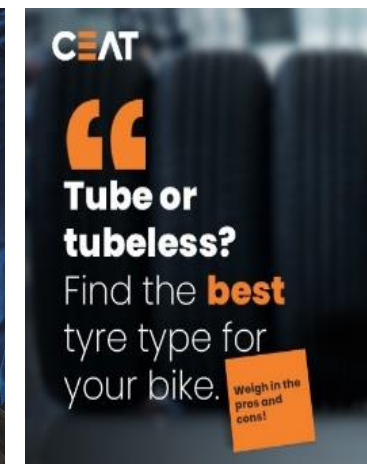
Launch of New Range of Tyres for Compact SUVs



Warranty Extension in wake of Covid 2nd wave / lockdowns



CEAT Blog – Tyre Tips and Advice



Monsoon Campaigns



3 Extensive Distribution

CEAT Shoppe



Shop in Shop (SIS)



CEAT Bike Shoppe



CEAT Truck Service Hub



4,100+
Dealers &
Channel Partners

290+
Distributors

580+
Districts

300+
CEAT Shoppes

40,000+
Sub-dealers

180+
Shop In Shops

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
- Nissan
- Force Motors
- Datsun
- Skoda
- Peugeot
- Volkswagen
- Morris Garage



- Honda
- Royal Enfield
- Bajaj
- Yamaha
- Suzuki
- Hero
- Hero Electric
- Piaggio
- LML
- Tork
- Tunwal
- Okinawa Scooters
- Kawasaki



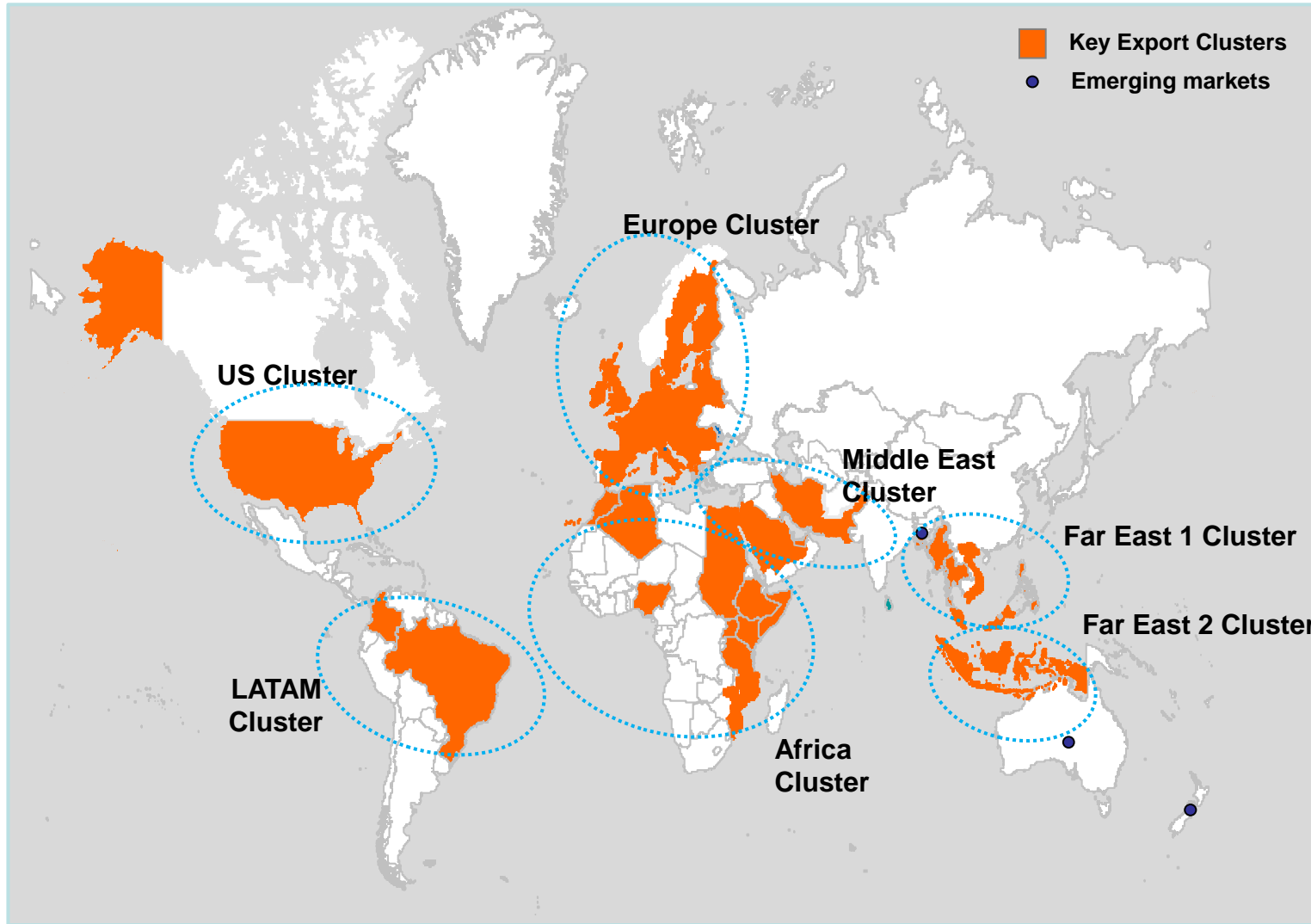
State-of-the-Art R&D Center, Halol



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
- 100+ patent filings till date

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

Q1 FY22 Operational Highlights

New Initiatives

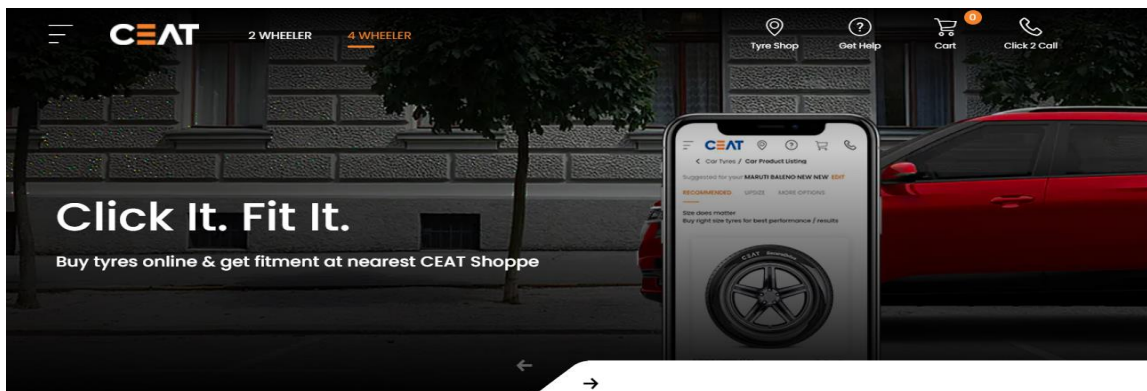
Tyre Stop, a premium and futuristic retail format for Tier 2&3 cities



Approval for Olectra EV Bus



Revamped website with new features - Pick up at store, Home delivery, AI based warranty registration, Cricket Accessories



Awards and Recognition

Mint Business Transformation Award for CEAT Fleet Solutions



Recognized among India's top 35 best companies to work for by GPTW institute



Consolidated: Q1 FY22 Financial Highlights

Q1 FY22 v/s Q4 FY21 (Q-o-Q)

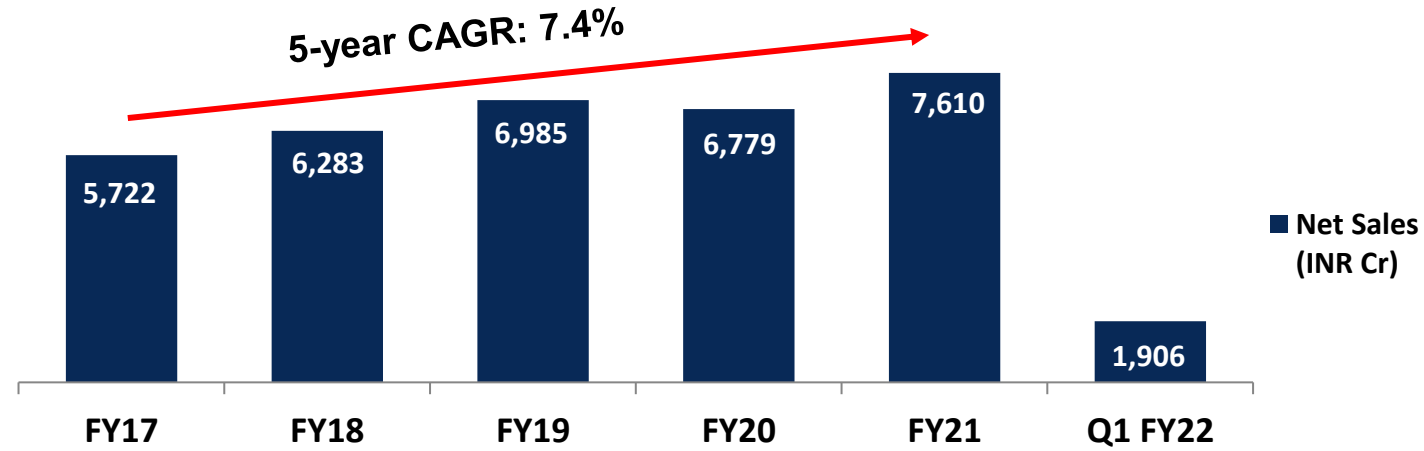
- Net revenue from declined by 16.7% to INR 1,906 Crs from INR 2,290 Crs
- Gross margin contracted to 38.9% from 42.0%
- EBITDA stood at INR 173 Crs compared to INR 269 Crs; margins at 9.1% from 11.7%
- PAT stood at INR 23 Crs compared to INR 153 Crs
- Debt / equity at 0.53x compared to 0.42x

Q1 FY22 v/s Q1 FY21 (Y-o-Y)

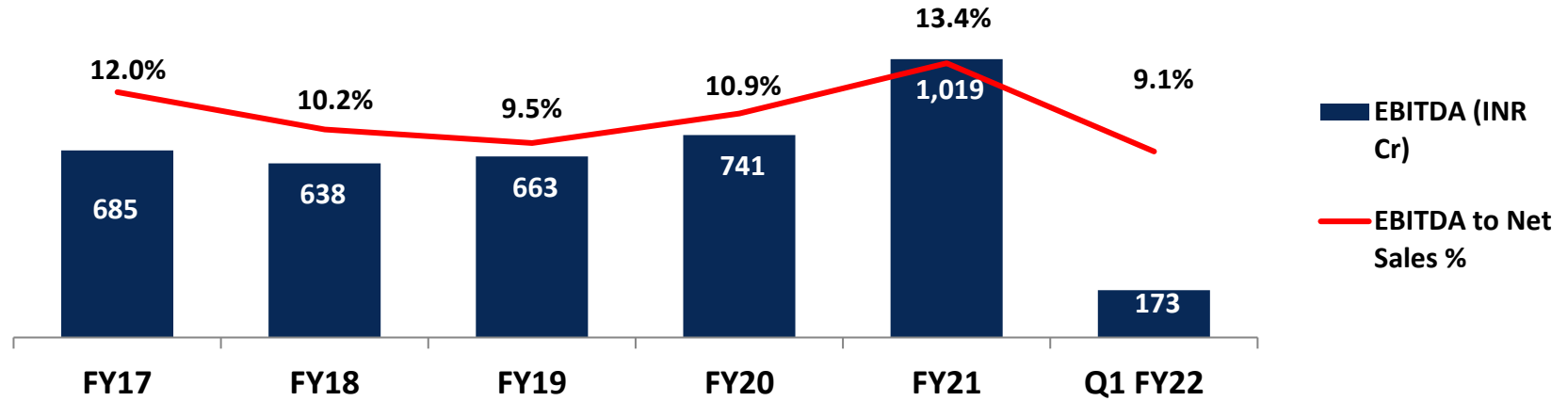
- Net revenue from operations grew by 70.2% to INR 1,906 Crs from INR 1,120 Crs
- Gross margin contracted to 38.9% from 40.3%
- EBITDA stood at INR 173 Crs compared to INR 105 Crs; margins at 9.1% from 9.4%
- PAT stood at INR 23 Crs compared to -ve INR 35 Crs
- Debt / equity at 0.53x compared to 0.69x

Consolidated: Financial Trends

Revenue growth



Margin trends



Note

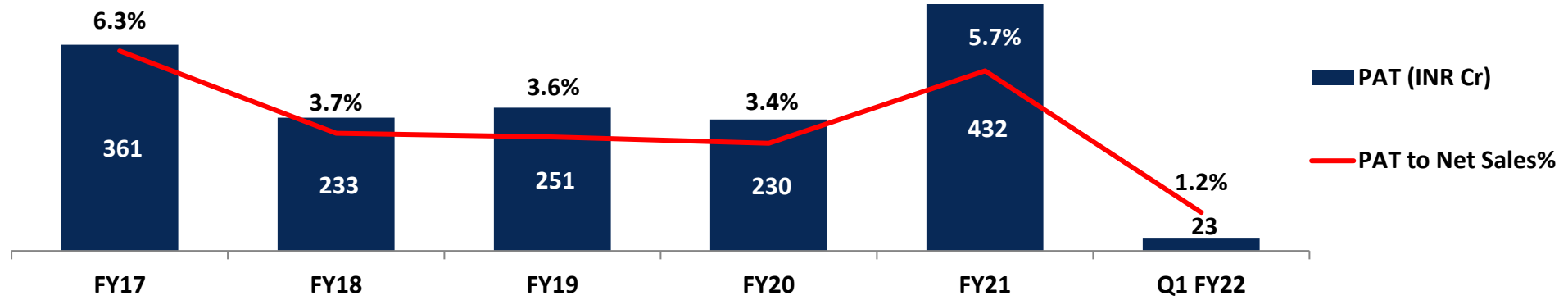
All figures are per IND AS

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

Consolidated: Financial Trends

PAT trends



Notes

All figures are per IND AS

Consolidated: Q1 FY22 Financials

Parameter	Q1 FY21	Q4 FY21	Q1 FY22	QoQ	YoY
Net Revenue from operations	1,120.2	2,289.7	1,906.4	-17%	70%
Raw Material	669.3	1,328.3	1,164.3	-12%	74%
Gross margin	450.9	961.5	742.1	-23%	65%
Gross margin %	40.3%	42.0%	38.9%	(306) bps	(132) bps
Employee Cost	151.3	182.6	177.9	-3%	18%
Other Expenses	197.6	518.0	398.1	-23%	101%
EBITDA	105.5	268.7	173.2	-36%	64%
EBITDA %	9.4%	11.7%	9.1%	(265) bps	(33) bps
Finance Cost	48.8	39.9	46.0	15%	-6%
Depreciation	78.5	89.9	96.5	7%	23%
Operating PBT	(21.8)	138.9	30.7	-78%	NA
Exceptional expense	21.8	-	-	NA	-100%
Non-Operating income	2.8	3.2	3.9	23%	38%
PBT	(40.8)	142.1	34.6	-76%	NA
PAT	(35.2)	153.0	23.1	-85%	NA

All figures in INR Cr

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)

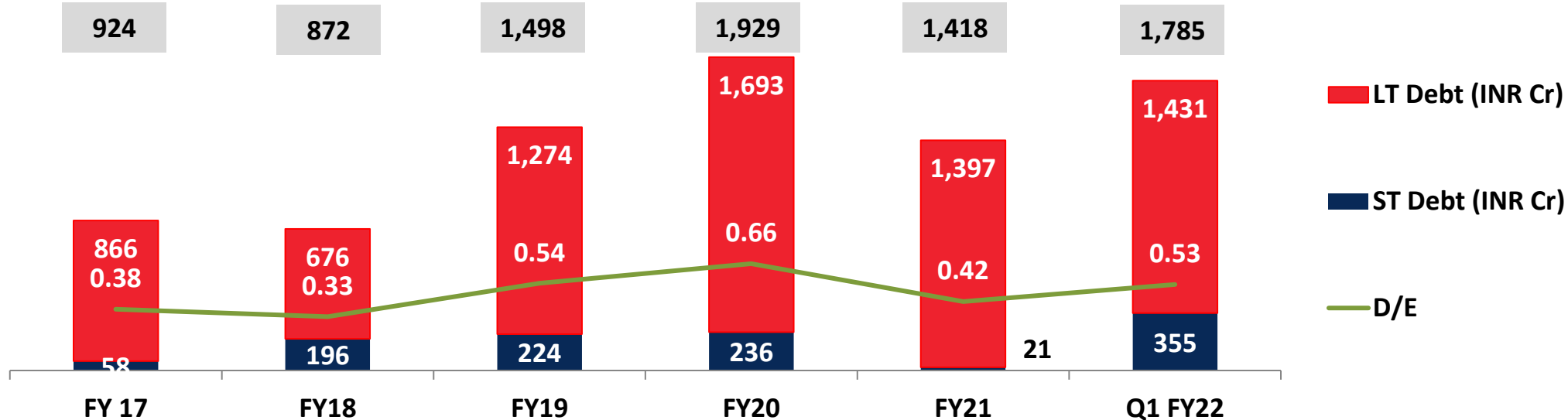
EBITDA includes profit from Sri Lanka JV

EBITDA does not include Non-operating income

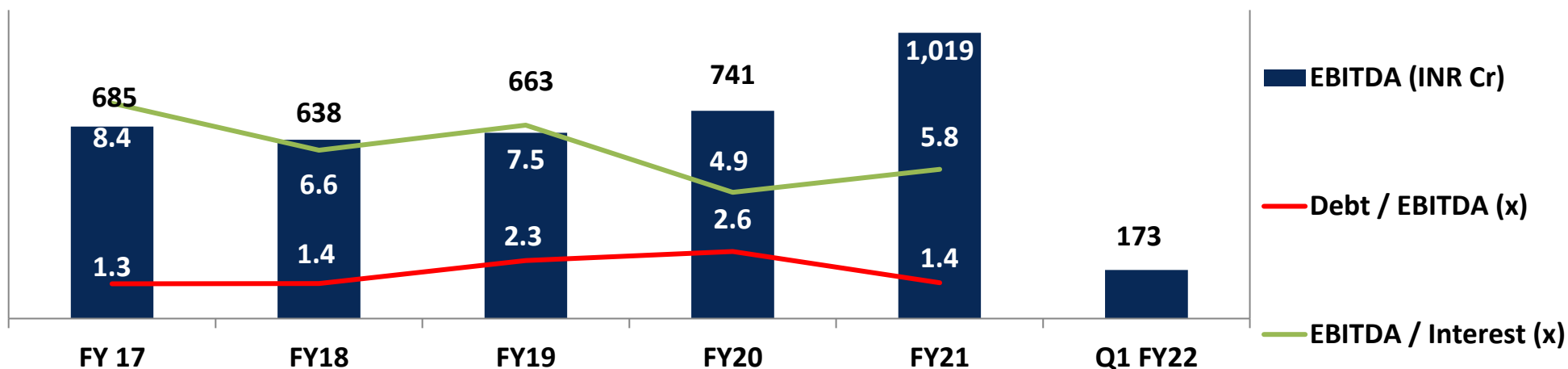
Consolidated: Leverage / coverage Profile

Total Debt (INR Cr)

Debt breakup



Leverage ratios



Note

All figures are per IND AS
 Debt numbers are on Gross basis
 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
 Long Term debt also includes the 'Current Maturities' component of the long-term debt

Standalone: Q1 FY22 Financials

Parameter	Q1 FY21	Q4 FY21	Q1 FY22	QoQ	YoY
Net Revenue from operations	1,116.2	2,279.0	1,897.8	-17%	70%
Raw Material	669.6	1,325.9	1,163.8	-12%	74%
Gross margin	446.5	953.1	733.9	-23%	64%
Gross margin %	40.0%	41.8%	38.7%	(315) bps	(133) bps
Employee Cost	149.2	180.6	175.3	-3%	17%
Other Expenses	195.6	517.2	393.2	-24%	101%
EBITDA	101.7	255.3	165.5	-35%	63%
EBITDA %	9.1%	11.2%	8.7%	(248) bps	(39) bps
Finance Cost	48.3	39.2	45.3	15%	-6%
Depreciation	78.5	89.9	96.5	7%	23%
Operating PBT	(25.1)	126.2	23.8	-81%	NA
Exceptional expense	21.8	-	-	NA	NA
Non-Operating income	14.9	3.1	3.9	23%	-74%
PBT	(32.0)	129.4	27.7	-79%	NA
PAT	(25.9)	141.8	20.0	-86%	NA

All figures in INR Cr

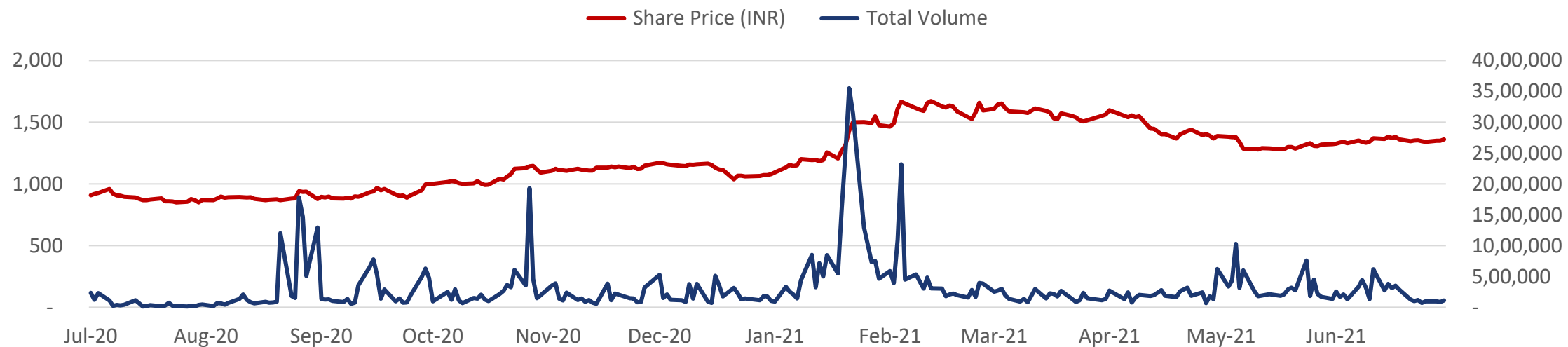
Notes

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

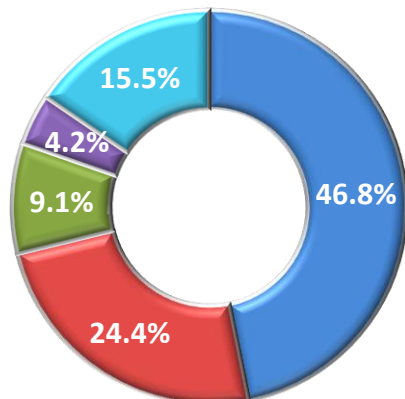
Equity Shareholding & Price trends



Source : Stock Exchange. The above data is updated till 31st December 2020

Shareholding Pattern as on June 30, 2021

- Promoters
- FII/FPI
- Mutual Funds
- Ins., Fin. Inst. & Other Corp.
- Public/Others



Market Information

- Market Price (20 July, 2021): INR 1,399.70/share
- Face Value : INR 10/share
- Market Cap (20 July, 2021): INR 5,662 Cr

Section 4: Environment, Social, Governance (ESG) Overview

CEAT's Sustainability Goal

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

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

- Transportation**
- ✓ Network optimization

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

- End of Life**
- ✓ High recycling and recovery rates

- Product Use**
- ✓ Light weight tyres
 - ✓ Low rolling resistance
 - ✓ Increased retreadability

Commitment to Environment



- ✓ Rooftop solar commissioned at Nagpur and Ambernath factories
- ✓ IGBC (Indian Green Building Council) Green Building Platinum Certification received for Nagpur and Chennai plant buildings
- ✓ Tied-up with TATA Power to set-up a 10 MW solar plant in Maharashtra for our Bhandup plant energy requirement

Diversity and Inclusion



- ✓ Promoting diversity and inclusion across roles and demographics
- ✓ 28% female workforce at Chennai facility. Target to reach 40%
- ✓ CEAT Swayam program for training Women Drivers

Commitment to Society



- ✓ Donated 8 Fever Clinics (fully functional cabins with consultation, testing/collection, medicine dispensing facilities) across Rural and Semi Urban Maharashtra. Overall, 25 Fever clinics planned
- ✓ Several other initiatives around supply of oxygen tanks, concentrators and other healthcare equipment

T H A N K Y O U