CEAT

MAKING MOBILITY SAFER AND SMARTER. EVERYDAY.

Overview

One of India's **leading** tyre companies

4,000+ dealers, **390+** exclusive CEAT franchisees

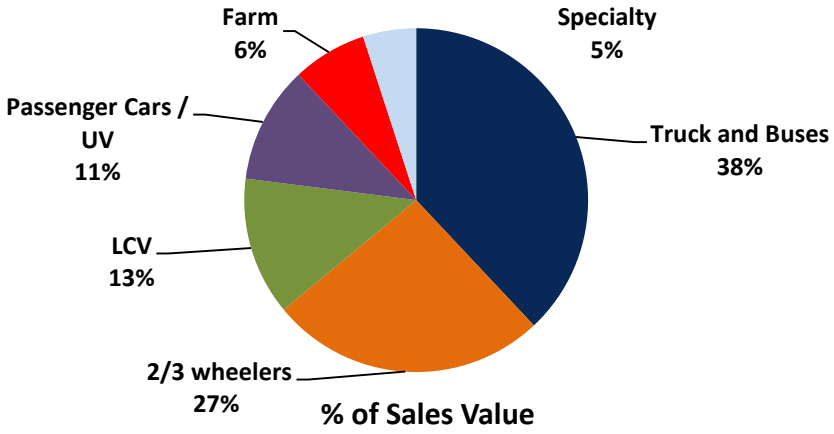
6 manufacturing facilities: Bhandup, Nasik, Halol, Nagpur, Ambernath* & Sri Lanka

100+ countries where products are sold

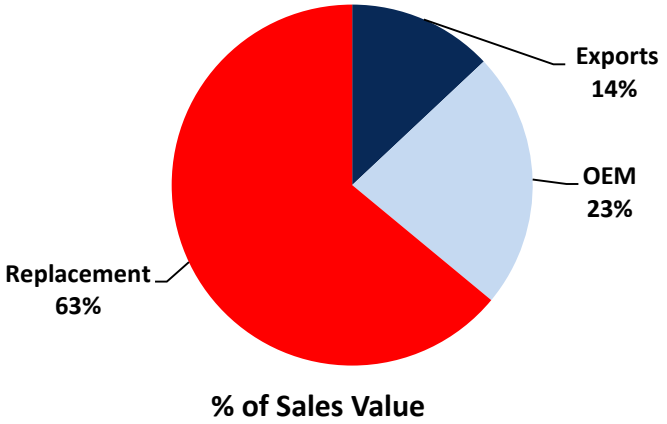
#No 1 player in Sri Lanka

* Under commissioning

FY16 Revenue Breakup by Product



FY16 Revenue Breakup by Market



Key Updates

Financials

- Gross margins have expanded from 38.1% to 44.2%
- EBITDA rose by 21% YoY to Rs. 822 crs (14.5%)
- Significant reduction in interest cost
- PAT for FY16 stood at Rs 446 Crs, a growth of 41%
- Debt / equity has come down to 0.3 from 0.5 and our rating has been upgraded to AA –

Business

- Growth of over 20% in PCR and 2 wheeler segment
- Strategic expansion in :
  - ✓ Halol Phase II for Passenger cars & Utility Vehicles – 120 MT for Rs 650 Crs
  - ✓ Nagpur for 2/3 Wheelers – 120 MT for Rs 420 Crs
  - ✓ Entry into a new niche – Off Highway Tyres segment
- Recipient of prestigious five-star rating from the British Safety Council for Halol Plant

Strategy

Profitable growth

Domestic Market

- ✓ Two wheelers
- ✓ Passenger cars & Utility vehicles

International Market

- ✓ Off Highway Tyres
- ✓ Emerging markets

1. Differentiated Products
2. Strong Brand
3. Extensive Distribution
4. Deep OEM Partnerships
5. World Class R&D
6. Expanding Global Reach

1 Differentiated Product

New entries and Primary supplier to OEM's

Key developments

- **New entries into OEMs -** Honda Motorcycle, Renault, Suzuki Motorcycle etc
- **Primary supplier for OEM launches -** Renault Kwid, M&M TUV 300, RE Himalayan, Honda Navi etc
- **Entry into existing models –** Daimler Truck Radials, Suzuki Gixxer, RE Classic, Yamaha FZ etc
- **New platforms** like Fuelsmart, Gripp, Mileage etc

2 Strong Brand

CEAT Tubeless Bike Tyre Campaign

IPL Strategic Timeout Partner

CEAT SUV Tyres Campaign - "Our Grip Your Stories"

Bat Endorsement Deal

3 Extensive Distribution

Shoppe

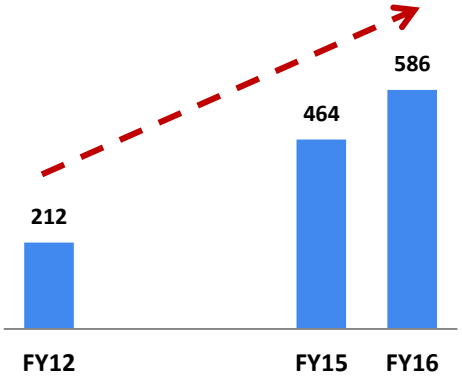
Shop in Shop (SIS)

Distribution Network

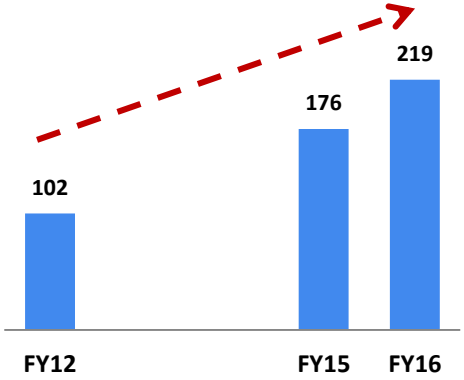
- 4,000+ dealers
- 390+ CEAT Franchisees (Shoppes + Hubs)
- 270+ two-wheeler distributors
- Developed Multi Brand Outlet / Shop in Shop model over last 2 years
- Over 290 outlets so far

Multi Brand Outlet (MBO)

District Coverage



No. of CEAT Shoppes



4 Deep OEM Partnerships

TATA MOTORS

Ashok Leyland

Mahindra

DAIMLER

EICHER

VE COMMERCIAL VEHICLES
A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE

ESCORTS

AMW
BUILT TO WIN

TAFE

MARUTI SUZUKI

TATA MOTORS

Mahindra

FORCE MOTORS

HYUNDAI

RENAULT

Hero

ROYAL ENFIELD

LML

YAMAHA

PIAGGIO

HONDA

SUZUKI

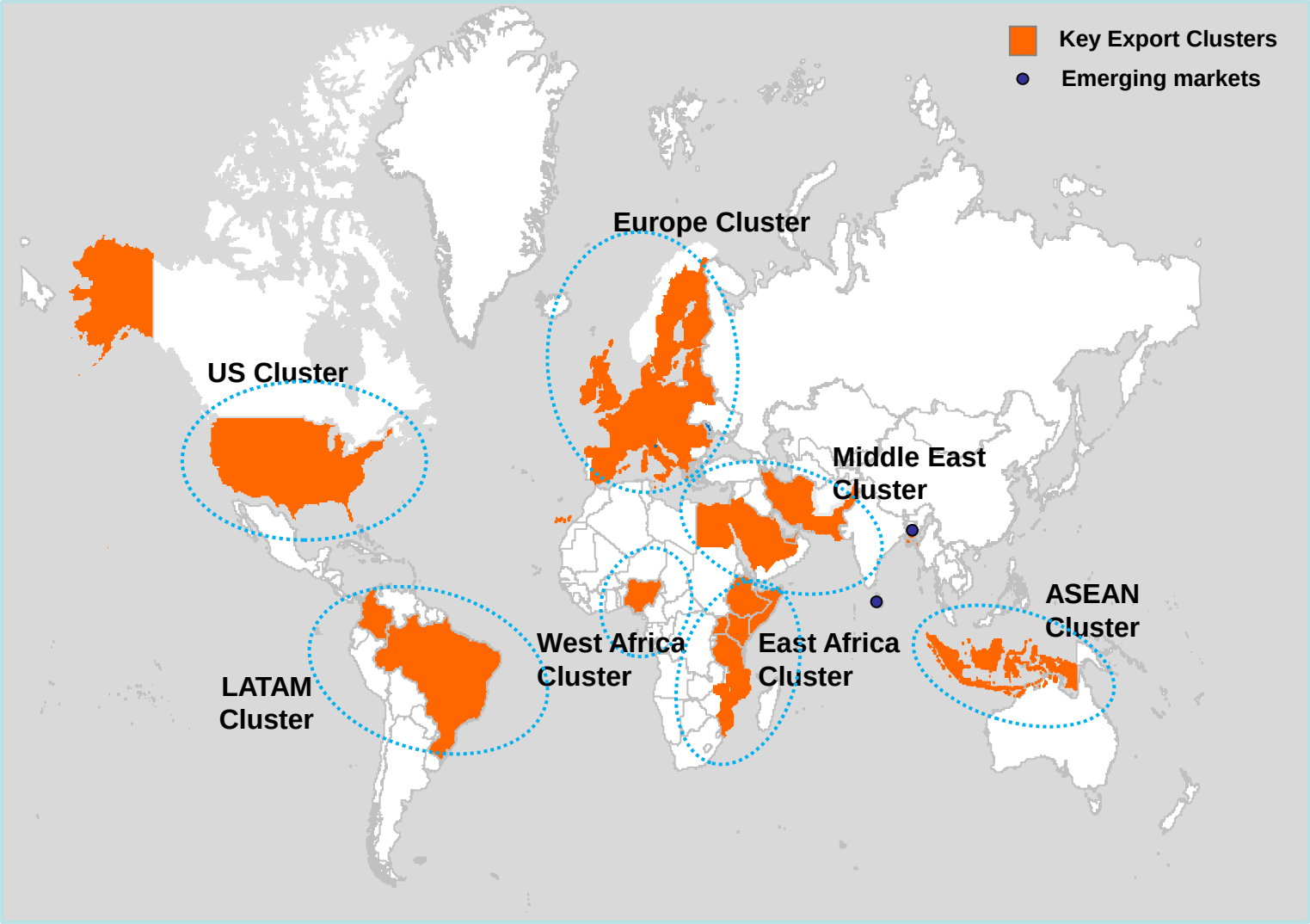
BAJAJ

Mahindra

5 World Class R&D

- State of the art R&D facility at Halol plant
- R&D focussed on development of breakthrough products, alternate materials, green tyres, smart tyres
- Partnerships with global institutes
- Increased allocation towards R&D

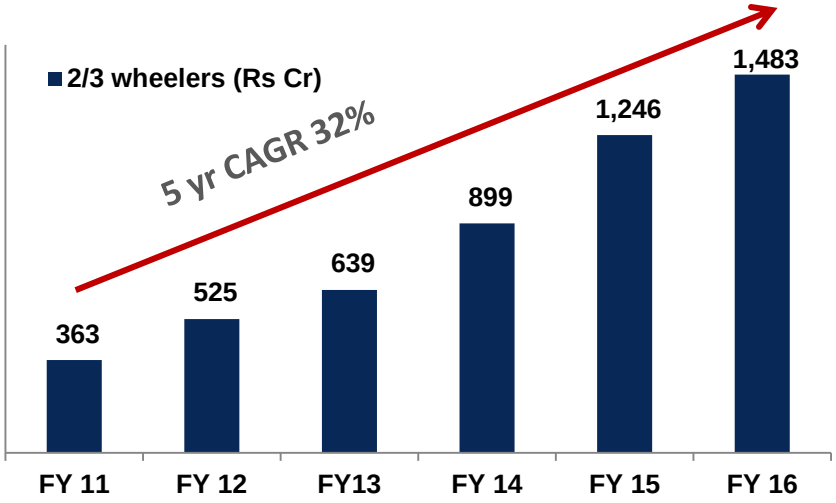
6 Expanding Global Reach

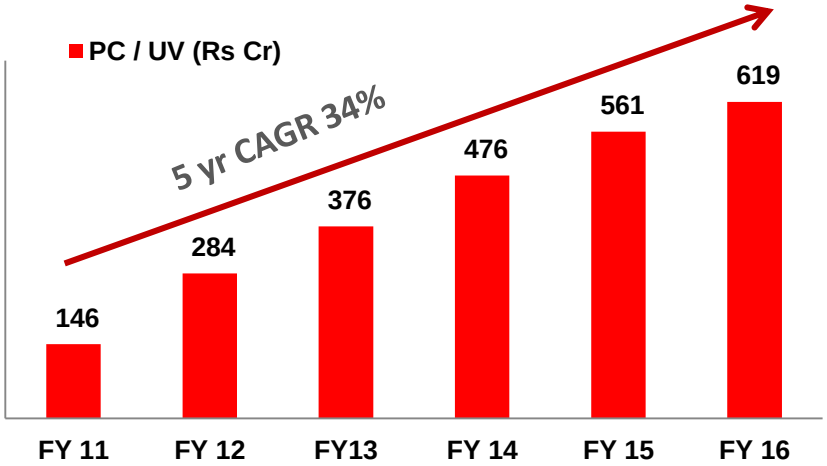


- **Sri Lanka:** Leadership position with 50+% market share
- **Bangladesh**: Planned manufacturing facility
- Focused product and distribution strategy for select clusters

Passenger Segment Trends

Revenue





Expanding Capacities

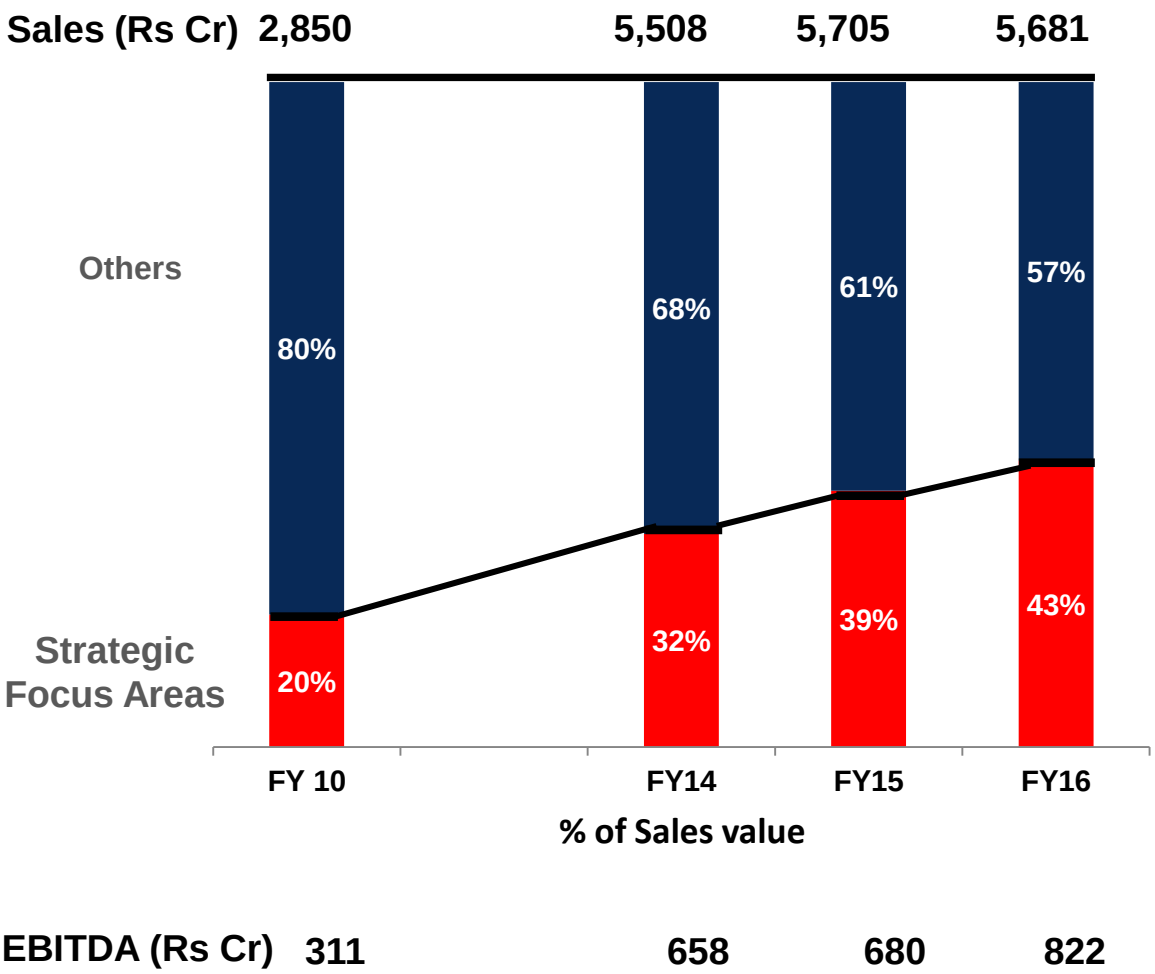
- Nagpur plant commissioned in March 2016; Capacity of 120 MT/day by Q2 FY18
- Halol Phase II plant commissioned in September 2015; Capacity of 120 MT/day by Q1 FY18

Off Highway Tyres

Status Update

- Greenfield OHT (Off Highway Tyres) radial plant in Ambernath
- Investing Rs 330 Crs for a Phase 1 capacity of 40 MT/day which will be further ramped up to 100 MT/day
- Production will commence by Q4 FY17

Strategic Focus Areas – Continued Momentum



Strategic Focus Areas
(Passenger Segment, Specialty Exports & Emerging Markets)

- CAGR of 27%
- 4.3x growth from Rs.570 to Rs. 2,450 crs
- Substantial contribution towards increasing profitability
- Market share growing

Note :
50% of CEAT Sri Lanka sales are considered

THANK YOU