Research Report on CEAT Ltd.

An in-depth analysis for investors and stakeholders.

Market Capitalization: ₹ 154.49 Billion

Current Market Price (CMP): ₹3824

Making Mobility Safer And Smarter Everyday

The Financial People

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CEAT Limited: A Global Tyre Manufacturing Leader

CEAT Limited(formerly,Cavi Elettrici e AffiniTorino) is an Indian multinational tyre manufacturing company owned by the RPG Group. It was established in 1924 in Turin, Italy and acquired by RPG Group in 1982. CEAT produces over 48 million tyres a year and manufactures tyres for passenger cars, two-wheelers, trucks and buses, light commercial vehicles, earth-movers, forklifts, tractors, trailers, and auto-rickshaws. The current capacity of CEAT tyres' plants is over 800 tonnes per day. The company has manufacturing plants in Halol (Gujarat), Butibori, Nagpur (Maharashtra), Bhandup, Mumbai (Maharashtra), Nashik (Maharashtra), Ambernath (Maharashtra), and Chennai (Tamilnadu).

CEAT's Journey: From Turin to Global Recognition

1924: Italian Origins

1

CEAT Ltd. began its journey in 1924 in Turin, Italy, founded by Virginio Bruni Tedeschi. Originally a European tyre brand, it made its way into the Indian market in 1958 as CEAT Tyres of India, entering through a collaboration with the Tata Group. This marked the beginning of CEAT’s long-standing presence in the Indian automotive sector.

2

1982: RPG Group Acquisition

A major turning point came in 1982, when the Indian conglomerate RPG Group acquired CEAT Tyres of India. This change in ownership brought new direction and energy to the brand. Eventually, in 1990, the company was rebranded as CEAT Ltd., symbolizing its evolution into a more modern and independent entity.

Global Expansion

3

Over the years, CEAT has expanded far beyond Indian borders. With exports to over 110 countries, the company has built a strong international footprint, establishing itself as a globally recognized tyre manufacturer.

Driving Growth Through Innovation and Sustainability

Technology & Innovation

CEAT’s growth has been poweredbyits continuousinvestmentintechnologyandinnovation.Withstate-of-the-art R&D centers in Halol (Gujarat) and Frankfurt (Germany), the company has stayed at the forefront of tyre design and performance. In recognition of its smart manufacturing initiatives, its Halol plant was honored with the <Lighthouse= designation by the World Economic Forum, a global benchmark in operational excellence and digitization.

Wide Product Range

The company today offers a wide product range, manufacturing tyres for 2- and 3-wheelers, passenger cars, utility vehicles, commercial trucks, and off-highway vehicles. Whether for everyday commuters or industrial machines, CEAT delivers quality and durability across categories.

Alongside business growth, CEAT has also focused deeply on sustainability 4 working to minimize its environmental footprint through greener processes, smarter energy use, and eco-friendly product development. Today, CEAT stands as one of India’s top tyre manufacturers, with a strong global presence, a reputation for innovation, and a commitment to quality and sustainability. From a small Italian origin to a major player in the global tyre industry, CEAT’s journey is a powerful example of evolution, resilience, and forward-thinking leadership.

Board of Directors

Thissectionprovides an overview oftheesteemedindividuals who lead CEAT Limited, guiding its strategic direction and ensuring its continued success in the global tyre industry.

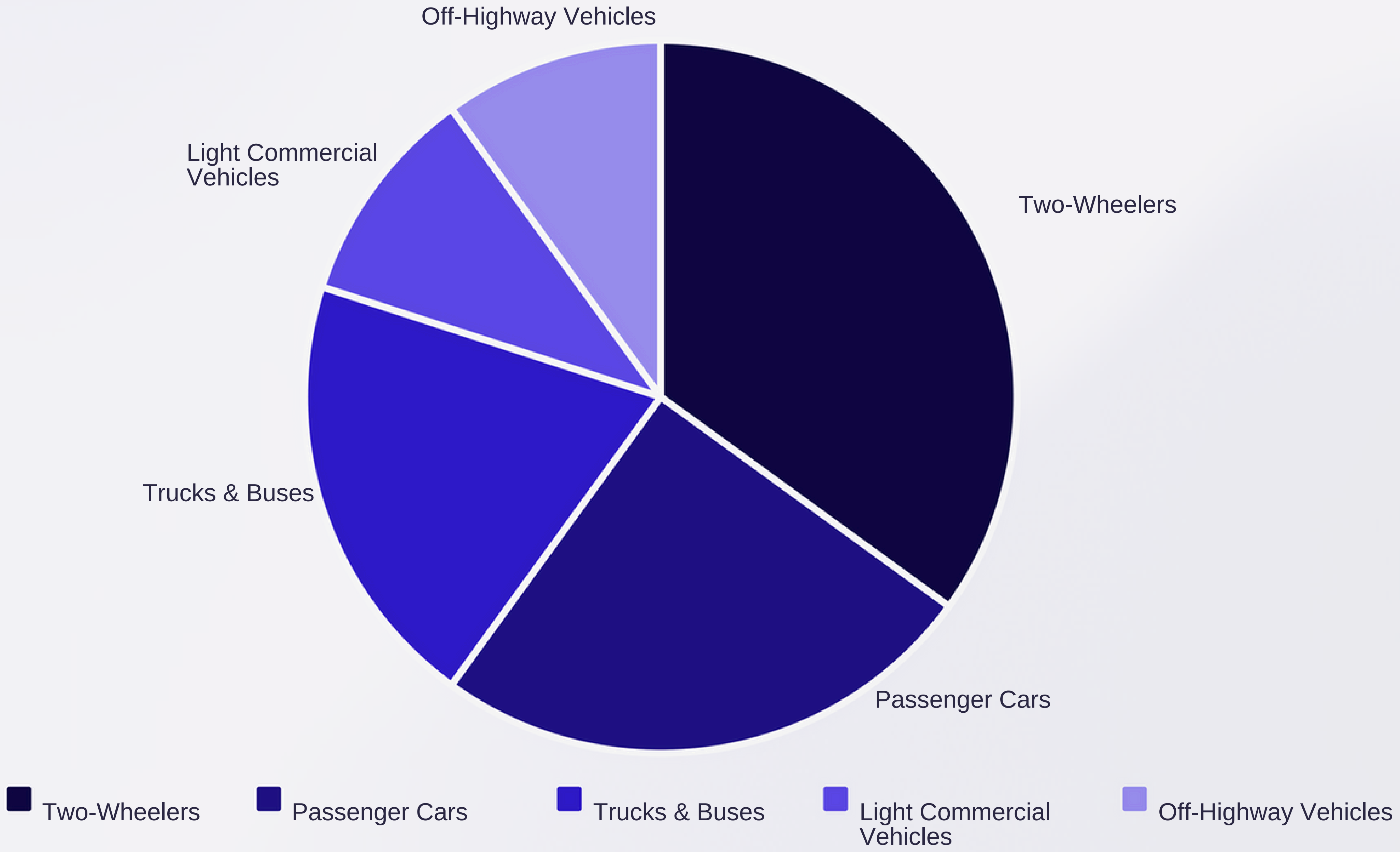
- Mr. Harsh Goenka - Chairman
- Mr. Anant Goenka - Managing Director
- Mr. Arnab Banerjee - Chief Executive Officer
- Mr. Vinod Kumar - Chief Operating Officer
- Mr. Kumar Subbiah - Chief Financial Officer
- Ms. Punita Sinha - Independent Director
- Mr. Mahendra Kumar Sharma - Independent Director
- Mr. R. P. Singh - Independent Director

Flagship Products of CEAT

CEAT offers a diverse range of flagship products designed to meet the varied needs of different vehicle segments, ensuring performance, durability, and safety.

- **Milaze X3:** Known for its long-lasting performance and fuel efficiency, ideal for passenger cars.
- **Zoom Rad X1:** A radial tyre designed for high-performance motorcycles, offering superior grip and control.
- **Winmile D:** A robust tyre for trucks and buses, built for heavy loads and long hauls.
- **Farmax R80:** An agricultural tyre providing excellent traction and stability for tractors in various terrains.

Market Share Overview



The pie chart illustrates CEAT's market share across various vehicle segments. The company holds a significant share in the two-wheeler segment, followed by passenger cars and trucks & buses, demonstrating its strong presence across the automotive industry.

CEAT’s Future Plans (2024 & 25 and Beyond)

CEAT is strategically positioning itself for future growth and sustainability,focusing on global expansion,technological advancements, and environmental responsibility.

Strategic Pillars for Future Growth

Global Expansion

- CEAT is expanding into the U.S. tyre market in 2025, the world's largest.
- Entered 12 new countries in FY24, now present in 110+ countries.
- Strengthening global distribution via Platinum Distributors' Conference.

EV (Electric Vehicle) Tyre Segment

- Focused on becoming a leading EV tyre supplier, especially for: 2- & 3-wheelers, Truck and Bus Radials (TBR).
- Developed India's first dedicated EV tyre range.
- R&D and manufacturing capacity is being expanded to meet EV demand.

Premiumisation Strategy

- Launched premium products like SPORTRAD and CROSSRAD for high-performance bikes.
- New brand philosophy: <Crafted for the Curious=, targets thrill-seekers & off-roaders.
- Strong branding via IPL, WPL, Indian Supercross League, and racing ambassador Geoffrey Emmanuel.

Sustainability Goals

- Reduce carbon footprint by 50% by 2030.
- Increased renewable energy usage to 36% (from 30% YoY).
- Emphasis on green materials, now 28.4% of raw materials.
- Installed solar power, planted 25,000 trees in FY24.

Digitisation and Innovation

- Pushing Industry 4.0 technologies 4AI, ML, and smart factory systems.
- Expanded digital tools for supply chain, R&D, and forex management.
- Filed 171 patents, with 46 granted, making it an innovation leader among Indian tyre companies.

Strong OEM Focus

- Partnering with top vehicle manufacturers to supply custom tyres.
- Strong presence in EV OEM segment.
- Plans to develop country-specific products with deep customer insights.

Capital Expenditure (CAPEX) Plans

- FY25 CAPEX budget:Rs. 1,000 crore:Rs. 750 Cr: Growth CAPEX for Chennai plant (TBR, PCR) and Ambernath (agriculture radials). 250 Cr: Maintenance CAPEX.
- FY24 CAPEX was 867 Cr, entirely self-funded.

Product Strategy

- Over 2,000 SKUs,launched 150+ new products in FY24.
- Advanced tyre types: low rolling resistance, high load, and silent tyres.
- Improved R&D tech: noise testing, virtual simulation, flat tracks, etc.

Subsidiaries & Businesses Overview

Core Business:

- Manufacturing tyres for:
- 2/3 wheelers
- Passenger cars
- Trucks and buses
- Off-highway vehicles (OTR)
- Agriculture & industrial tyres

Subsidiary Presence(Indirect via JV or expansion):

- CEAT Kelani Holdings (Sri Lanka) 3 Dominant market position through JV since 1992.
- International Distributors 3 Network expanded aggressively across continents.

Global Presence:

- Operations in Europe, Americas, Africa, Middle East, South-East Asia.
- R&D Centres in:
- Halol, India
- Frankfurt, Germany

Key Financials at a Glance (FY24)

₹ 11,893Cr

Revenue
5.6% YoY growth

₹ 654Cr

PAT
217%YoY increase

13.9%

EBITDA Margin

Up from 8.7%

48+Million

Tyres Produced

₹173Cr

R&D Spend

₹1724Cr

Cash Flow from Ops

₹30/share

Dividend

300%

SWOT Analysis

Strengths

100-year legacy, known for safety and quality. First global tyre firm to win the Deming Grand Prize.

Strong R&D (171 patents), innovation in EV/premium tyres, smart factories, and solid financials.

Weaknesses

Smaller scale than top competitors, higher costs affect profits.

Low premium OEM share, and vulnerability to input price volatility.

Opportunities

Global expansion (esp. US), rural India growth.

Digital transformation (AI/Industry 4.0), EV/premium tyre demand, and local supply chain development.

Threats

Heavy competition, raw material/freight cost swings.

Currency/trade risks, economic/regulatory uncertainty, and geopolitical disruptions.

Ceat Ltd.

ceat.com **BSE:500878** **NSE: CEATLTD**

Market Cap	₹13,586 Cr.
Stock P/E	29.6
ROCE	15%
Sales	₹13,554 Cr.
EPS	₹107
PAT Qtr	₹115 Cr.
Return on Equity	11.70%
Qtr Sales Var	10.50%
Debt	₹2,136 Cr.

Current Price	₹3,357 Cr.
Book Value	1,080 Cr.
ROE	11.70%
Sales Qtr	₹3,529 Cr.
Promoter Holding	47.20%
Price to Earning	29.6
Change in Prom Hold	0.00%
Price to Boon Value	3.11
Pledged Percentage	0.00%

High/Low	₹4,049/2,322
Dividend Yield	0.90%
Face Value	₹10.0
Qtr Profit Var	-22.80%
Profit after Tax	₹459 Cr.
Returns on Assets	4.65%
Mar Cap	₹13,586 Cr.
Debt to equity	0.49
ROCE	15%

Peer Comparison

Compare Fundamentals of Ceat Ltd. with Peers					
Ratio / Stock	CEATLTD	BALKRISIND	APOLLOTYRE	JKTYRE	JBMA
PE	32.79	32.2	25.46	19.3	74.25
P/B	3.33	5.68	2.01	2	11.92
ROA	3.99	11.49	4.12	3.42	3.89
ROE	10.17	17.65	7.88	10.66	16.41
Debt To Equity	0.458	0.314	0.245	0.996	1.93
Revenue	132178 M	104469 M	261234 M	146929 M	54723.30 M
	10.67%	11.51%	2.94%	2.06%	9.24%
Net Income	4726.40 M	16549.60 M	11213.20 M	4950.40 M	2019.10 M
	26.45%	12.47%	34.88%	37.04%	12.91%

Profit and Loss

			CEAT LTD							
Narration	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	**5,483.55**	**5,766.36**	**6,282.48**	**6,984.51**	**6,778.83**	**7,609.60**	**9,363.41**	**11,314.88**	**11,943.48**	**13,217.87**
Expenses	4,694.09	5,096.19	5,652.14	6,332.33	6,052.00	6,616.88	8,642.90	10,341.07	10,290.96	11,743.73
Operating Profit	**789.46**	**670.17**	**630.34**	**652.18**	**726.83**	**992.72**	**720.51**	**973.81**	**1,652.52**	**1,474.14**
Other Income	6.54	28.12	9.22	9.60	7.89	9.56	16.52	-8.26	-17.93	-12.06
Depreciation	107.72	143.08	168.61	192.71	276.51	339.63	435.20	469.31	508.83	562.69
Interest	101.40	89.56	103.63	92.87	153.92	178.76	206.95	242.10	269.06	277.79
Profit before tax	586.88	465.65	367.32	376.20	304.29	483.89	94.88	254.14	856.70	621.60
Tax	187.34	106.42	134.03	125.12	74.23	51.59	24.30	71.75	221.42	172.03
Net profit	**437.54**	**361.15**	**237.98**	**252.22**	**231.25**	**432.04**	**71.20**	**186.17**	**642.65**	**472.64**
EPS	108.03	89.17	58.76	62.28	57.10	106.68	17.58	45.97	158.68	116.70
Price to earning	10.06	14.86	25.63	17.98	13.89	14.59	53.02	31.56	16.90	24.67
Price	**1,086.65**	**1,324.85**	**1,506.30**	**1,119.90**	**792.95**	**1,556.55**	**932.15**	**1,450.55**	**2,682.40**	**2,879.50**
RATIOS:										
Dividend Payout	10.63%	12.88%	19.55%	19.25%	20.99%	16.85%	17.05%	26.07%	18.88%	25.67%
OPM	14.40%	11.62%	10.03%	9.34%	10.72%	13.05%	7.69%	8.61%	13.84%	11.15%
						TRENDS:	10 YEARS	7 YEARS	5 YEARS	3 YEARS
						Sales Growth	10.27%	11.21%	14.29%	12.18%
						OPM	10.95%	10.70%	10.88%	11.24%
						Price to Earning	22.32	24.66	28.15	24.38

Quarters

CEAT LTD										
Narration	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**	**Jun-25**
Sales	**2,874. 82**	**2,935. 17**	**3,053. 32**	**2,963. 14**	**2,991. 85**	**3,192. 82**	**3,304. 53**	**3,299.90**	**3,420.62**	**3,529. 41**
Expenses	2,507.01	2,548.07	2,597.20	2,545.64	2,600.34	2,809.94	2,942.25	2,959.00	3,032.54	3,141.68
Operating Profit	**367. 81**	**387. 10**	**456. 12**	**417. 50**	**391. 51**	**382. 88**	**362. 28**	**340.90**	**388.08**	**387. 73**
Other Income	-6.17	3.25	10.47	2.94	-55.10	13.61	3.42	3.43	-32.52	1.44
Depreciation	125.30	120.94	124.49	127.34	136.06	131.77	137.11	141.49	152.32	151.37
Interest	66.57	70.13	71.72	65.55	61.66	61.85	66.45	75.09	74.40	82.05
Profit before tax	169.77	199.28	270.38	227.55	138.69	202.87	162.14	127.75	128.84	155.75
Tax	45.04	52.87	68.29	54.44	45.82	53.98	46.31	36.14	35.60	41.92
Net profit	**133. 70**	**144. 61**	**208. 00**	**181. 48**	**108. 56**	**154. 16**	**121. 88**	**97.11**	**99.49**	**112. 45**
OPM	**13%**	**13%**	**15%**	**14%**	**13%**	**12%**	**11%**	**10%**	**11%**	**11%**

Balance Sheet

CEAT LTD

Narration	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Share Capital	40.45	40.45	40.45	40.45	40.45	40.45	40.45	40.45	4 0.45	40.45
Reserves	2,014.29	2,374.50	2,565.64	2,725.66	2,867.47	3,275.84	3,232.36	3,399.19	4,002.16	4,328.08
Borrowings	663.18	924.00	871.67	1,498.02	2,035.04	1,532.53	2,228.87	2,295.47	1,791.50	2,136.38
Other Liabilities	1,390.03	1,577.99	1,668.68	2,140.20	2,422.56	3,284.35	3,657.86	3,891.45	4,160.39	4,707.48
Total	**4,107.95**	**4,916.94**	**5,146.44**	**6,404.33**	**7,365.52**	**8,133.17**	**9,159.54**	**9,626.56**	**9,994.50**	**11,212.39**
Net Block	2,032.07	2,452.53	2,709.24	3,179.53	4,159.79	4,763.43	5,329.18	6,096.11	6,271.08	7,015.23
Capital Work in Progress	299.08	326.26	309.96	832.91	1,068.54	792.86	875.88	596.07	6 83.53	5 06.61
Investments	195.49	231.60	213.52	181.42	183.65	210.09	179.15	169.57	1 82.09	1 89.84
Other Assets	1,581.31	1,906.55	1,913.72	2,210.47	1,953.54	2,366.79	2,775.33	2,764.81	2,857.80	3,500.71
Total	4,107.95	4,916.94	5,146.44	6,404.33	7,365.52	8,133.17	9,159.54	9,626.56	9,994.50	11,212.39
Working Capital	191.28	328.56	245.04	70.27	-469.02	-917.56	-882.53	-1,126.64	-1,302.59	-1,206.77
Debtors	593.51	613.80	747.23	706.38	674.35	921.56	1,154.32	1,307.03	1,283.22	1,653.31
Inventory	639.71	943.48	784.61	1,005.60	938.96	1,132.19	1,309.56	1,137.78	1,150.49	1,411.53
Debtor Days	39.51	38.85	43.41	36.91	36.31	44.20	45.00	42.16	39.22	45.65
Inventory Turnover	8.57	6.11	8.01	6.95	7.22	6.72	7.15	9.94	10.38	9.36
Return on Equity	**21%**	**15%**	**9%**	**9%**	**8%**	**13%**	**2%**	**5%**	**16%**	**11%**
Return on Capital Emp		**18%**	**14%**	**12%**	**10%**	**14%**	**6%**	**9%**	**19%**	**15%**

Cash Flow

CEAT LTD										
Narration	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Cash from Operating Activity	**702.05**	**334.66**	**672.39**	**561.40**	**956.33**	**1,357.66**	**618.89**	**1,205.49**	**1,719.26**	**1,091.96**
Cash from Investing Activity	-432.61	-543.43	-411.75	-1,060.47	-1,075.50	-618.06	-944.37	-849.11	-853.70	-922.44
Cash from Financing Activity	-326.36	219.12	-202.47	484.44	79.02	-730.91	313.16	-319.53	-871.02	-176.74
Net Cash Flow	**-56.92**	**10.35**	**58.17**	**-14.63**	**-40.15**	**8.69**	**-12.32**	**36.85**	**-5.46**	**-7.22**

CEAT Ltd: Positive Outlook & Growth Trajectory

Industry Leadership

CEAT is a well-established leader in India's tyre industry, with a growing global footprint.

Strategic Growth Drivers

Revenue growth fueled by volume gains and premiumisation efforts. Strong focus on EV tyres and OEM partnerships.

Financial Resilience

Expected margin recovery, resilient to raw material volatility, and improving profitability.

Future Prospects

Positive outlook with robust capex plans, market share gains, and projected 30%+ EPS CAGR (FY25-27).