



CEAT acquires Camso brand Off-Highway Tyres and Tracks Business from Michelin

Mumbai, India, 6th December, 2024: CEAT, an RPG company and Michelin, the global leader in tyres, announced today that they have entered into a definitive agreement for CEAT to acquire Camso brand's Off-Highway construction equipment bias tyre and tracks business from Michelin in an all-cash deal valued at about \$225 Mn. The transaction will include the business with revenues of around \$213 Mn for CY 2023 and global ownership of the Camso brand along with two state-of-the-art manufacturing facilities.

Camso is a premium brand in construction equipment tyre and tracks with strong equity and market position in EU and North American aftermarket and OE segments. The Camso brand will be permanently assigned to CEAT across categories after a 3-year licensing period. This will expand CEAT's product portfolio in the high margin Off-Highway Tyres (OHT) and tracks segments, which includes agriculture tyres and tracks, harvester tyres and tracks, power sports tracks and material handling tyres. Michelin will thus exit from the activities related to Compact Line bias tyres and Construction tracks.

The acquisition is a significant milestone for CEAT in its ambition to become a leading global player in the high margin OHT segment. Over the last decade, CEAT has been focusing on building its OHT business, which now consists of 900+ product offerings and covers around 84% of the range requirement in the agricultural segment. Camso will give CEAT the ability to widen its product base into tracks and construction tyres. More importantly, it will give CEAT access to a global customer base including over 40 international OEMs and premium international OHT Distributors. CEAT brings in the ability for Camso to expand to other segments such as agriculture tyres. Both brands are highly complementary in their positioning and capabilities.

Both CEAT and Michelin are committed to a coordinated and smooth transition for customers, suppliers and all employees. The manufacturing facilities being acquired are located in Sri Lanka.

The transaction will be subject to regulatory approvals from relevant authorities.

Anant Goenka, Vice Chairman, RPG Enterprises, said: *"This acquisition has significant strategic consequence for CEAT as it catalyzes the company's journey towards being a leading tyre maker globally. Camso is an industry leading brand in the Off-Highway Tyre market built through many years of investment in creating product superiority and manufacturing excellence, nurtured through the Michelin parentage. Most importantly, we found a great cultural alignment between Camso and CEAT because of our TQM way of working."*

Arnab Banerjee, MD & CEO, CEAT, said: *"The Camso brand is an excellent fit with the growth strategy of CEAT's Off-Highway Tyre business, thereby improving our margin profile. Access to the most premium customers, a high-quality brand and a qualified global workforce is what excites us the most about this acquisition. The track segment is a technologically superior segment with a limited number of global players. We also found high synergies between the two brands, CEAT and Camso, and are confident that both will benefit tremendously from their complementary capabilities and positioning."*

Nour Bouhassoun, Senior Vice President, Beyond Road Business Line at Michelin, said: *“Michelin firmly believes that CEAT is the right fit to carry on our bias tyres and tracks for compact construction equipment business. Both our companies are fully committed to ensuring a smooth transition for our employees and business continuity for our customers and suppliers. With this operation, Michelin is continuing to reshape its Beyond Road business, in line with the Group's sustainable growth strategy.”*

About CEAT (www.ceat.com)

CEAT, an RPG Company, is one of India’s leading tyre companies making passenger car, two-wheeler, truck and bus, light commercial and off highway tyres. It caters to leading OEMs as well as domestic and international markets, exporting to 110+ countries. CEAT is the first tyre brand globally and one amongst only 33 companies in the world ever to be awarded the Deming Grand Prize for its contribution to Total Quality Management. CEAT is also the first tyre brand globally to be accorded ‘Lighthouse Designation’ for adoption of Industry 4.0 technologies by the World Economic Forum.

About RPG Enterprises (www.rpggroup.com)

RPG Enterprises is one of India’s fastest-growing business groups with a market capitalization of over USD 8 billion. The group has diverse business interests in Infrastructure, Tyres, Pharma, IT, Specialty, and innovation-led technology businesses. RPG Group companies include KEC International, CEAT, Zensar Technologies, RPG Life Sciences, Harrisons Malayalam, Raychem RPG, and Spencer International Hotels.

Khaitan & Co. are the legal advisors to CEAT Ltd. on this transaction.

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