

APOLLO TYRES LTD
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ATL/SEC/21

June 14, 2016

| | |
|---|--|
| The Secretary, BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. | The Secretary, National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 |
|---|--|

Sub: Investor Conference – Presentation

Dear Sirs,

Pursuant to Regulation 30(6) and 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the presentation made today at “Global Investor Conference” organized by JP Morgan at Frankfurt.

The presentation is also uploaded on the website of the Company i.e www.apolloyres.com.

Submitted for your information and records.

Thanking You

Yours Sincerely
For APOLLO TYRES LTD.

A handwritten signature in black ink, appearing to read 'Seema Thapar', is written in a cursive style.

(SEEMA THAPAR)
Company Secretary



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INVESTOR PRESENTATION



June- 2016

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These materials contain statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plan,” “will,” “estimates,” “projects,” “intends,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

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Improvement in Profitability

| | FY 2015 | FY 2016 | YOY Growth (Value Basis) |
|---------------------|---------|---------|--------------------------|
| Net Sales (Rs Bn) | 127.3 | 117.1 | -8.0% |
| EBITDA [^] | 15.2% | 16.8% | 1.9% |
| EBIT ^{^^} | 12.1% | 13.2% | 0.1% |
| PAT | 7.7% | 9.3% | 11.8% |

- **Sales impacted** by Euro depreciation & restructuring of SA operations
- **Profitability has improved** on account of raw material prices softening

1 INTRODUCTION TO APOLLO TYRES



2 MACRO OVERVIEW



3 APOLLO'S POSITIONING



4 FINANCIAL OVERVIEW





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INTRODUCTION



Leading Global Tyre Company

- Presence across India, Europe & other growing economies of Asia
- US\$1.8bn¹ net sales in FY16²
- 5 year CAGR EBITDA³ is ~ 14%
- Healthy ROCE of 22%

Leading Tyre Manufacturer in India, Balanced Product Portfolio

- One of the largest radial tyre capacity in India (FY 2016)
- UHP & Winter tyres capabilities
- One of the largest player with 25% market share in truck tyre segment (which is 2/3rd of Indian tyre Industry)

Manufacturing Across 2 Continents

- Manufacturing presence in Asia & Europe
- Combined capacity of ~1,645 MT/Day⁵



Mix of Global & Regional Brands

Extensive Distribution Network

- ~4,900 retail dealers in India
- ~3,550 dealer outlets in Europe

Large Talent Pool

- ~15,500 employees^{6,7} worldwide

Notes:

(1) 1US\$ = 65.54 INR, based on average exchange rate for FY16 as per www.o&a.com

(2) Consolidated financials; FY refers to financial year ended 31 March

(3) EBITDA without other income & exceptional items

(4) As per ATMA data for 9M FY 2016

(5) Average for FY 2016 for India & Europe plants

(6) As of 31st March 2016

(7) Including contractual workers

GLOBAL PRESENCE WITH PROXIMITY TO BOTH DEVELOPED & DEVELOPING MARKETS



Sales To More Than 100 Countries World Wide



Global presence helps in balancing business growth

Notes:
 (1) Average for FY 2016
 apollotyres.com



Onkar S Kanwar
Chairman & Managing
Director



Neeraj Kanwar
Vice Chairman & Managing
Director



Sunam Sarkar
President & Chief
Business
Officer



Satish Sharma
President, APMEA



Mathias Heimann
President, EA



Robert Steinmetz
Advisor



Francesco Gori
Advisor for Strategy



K Prabhakar
Chief Projects



P K Mohamed
Chief Advisor, R&D



Peter Snel
Chief, R&D EA



Marco Paracciani
Chief Marketing Officer



Markus Korsten
Chief Manufacturing
Officer



Pedro Matos
Chief Quality Officer



Gaurav Kumar
Chief Financial Officer



Martha Desmond
Chief Human Resources
Officer

Highly experienced team with average tenure of over 10 years in Apollo Tyres

Leading Manufacturer



One of India's leading tyre manufacturers growing into a global tyre group

Diverse Portfolio



Well positioned multi-brand strategy with diverse product offering, supported by extensive International distribution network

R&D Focus



Strong focus on R&D & testing capabilities

Global Presence

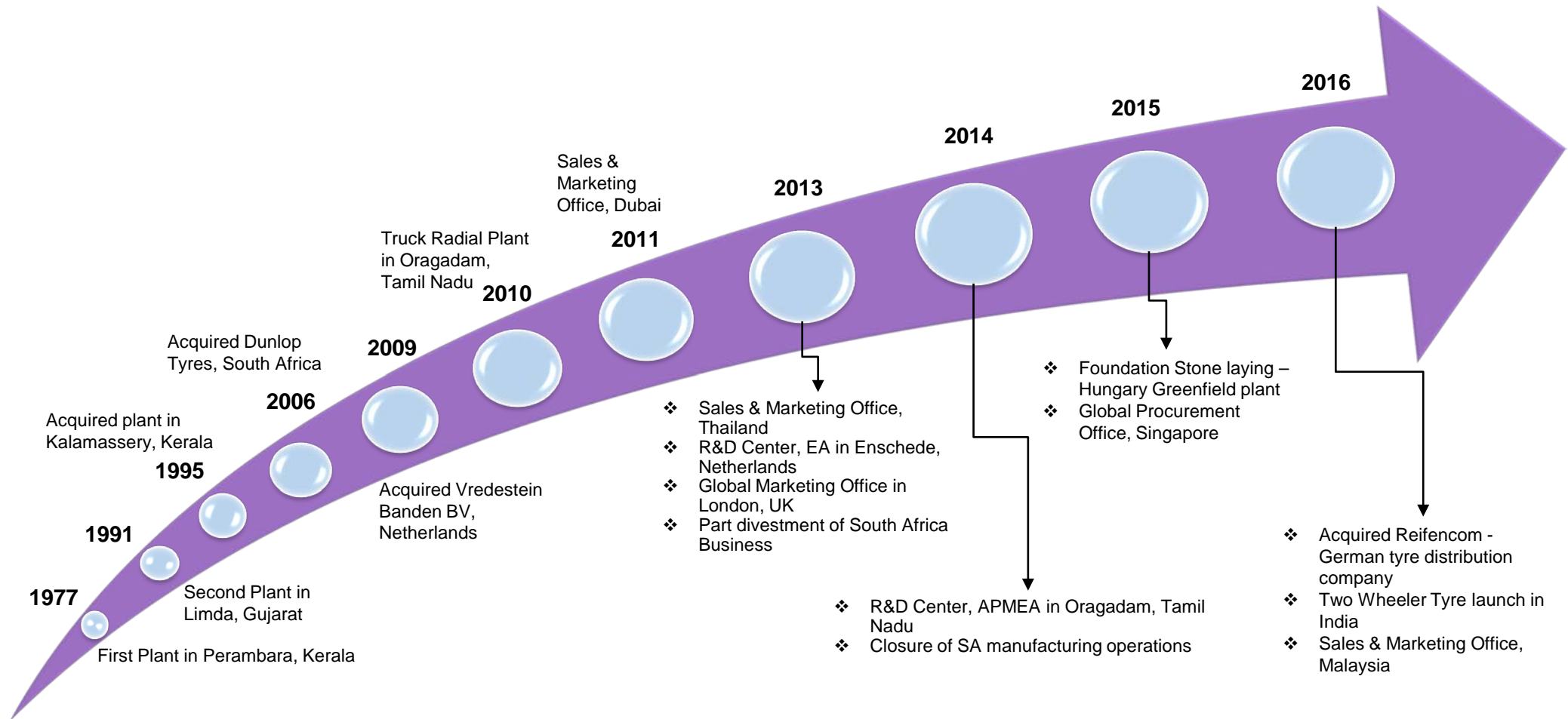


Global presence with proximity to growth & profit pool markets

Proven Success

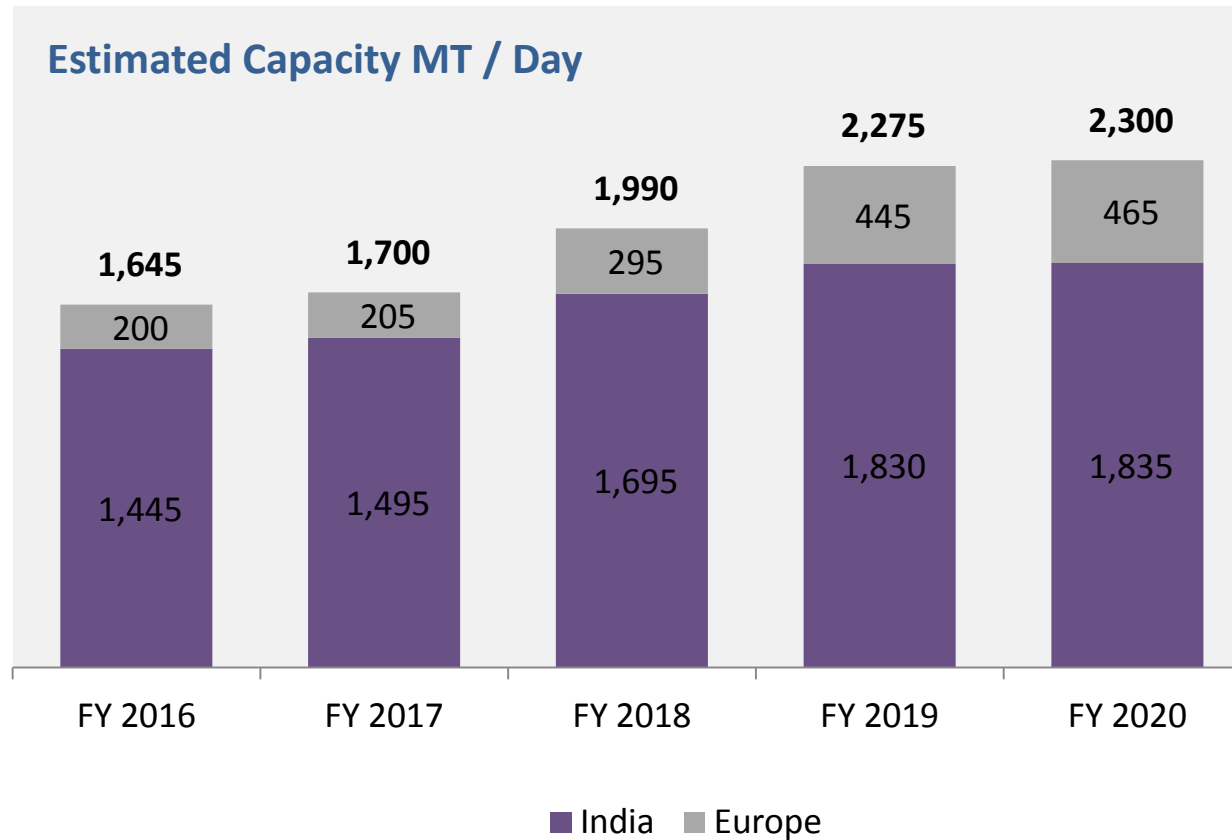


Proven success in pursuing strategic growth



Apollo's growth is driven by a well thought strategy of organic and inorganic initiatives

Enhancing capacities through greenfield and brownfield expansions to cater to rising demand globally



- ❑ Focus on New Product Development to Grow Market Share
- ❑ Research of new transportation solutions with lowest possible impact on environment
- ❑ Partnered with various technical bodies, universities & OEM partners across the world

Commercial Vehicle (CV) R&D Centre, Chennai, India

- Developed market leading brands in truck radial & cross-ply categories for India
- Developed superior compounds for Mileage, Rolling Resistance & cut chip resistance
- Launched the new XMR with LiveBond Steer mile technology in India: We believe it offers customers lower cost of ownership & more total tyre life



Passenger Vehicle (PV) R&D Centre, Enschede, Netherlands

- Proven history of manufacturing expertise & innovation
- Developed 'Spacemaster', a collapsible spare tyre for high end cars
- Launched the variable front spoiler made with a specially developed EPDM rubber for the European market that we believe helps in improving high speed handling & fuel efficiency
- Focus on sustainable material research: Development of the production chain of natural rubber & Inulin from Russian dandelions & use of reprocessed material as a replacement for natural rubber



Track Record Of Launching Innovative Products

Apollo "Vorbildlich" in winter tyre test 2015



apollo *Alnac 4G winter*

High performance winter tyre.
215/65 R 16

"Very good on snow with the best lateral cornering properties."

"Good grip on wet and dry roads."

"Favourable price."

Apollo Nr 2 in all season tyre test 2015



apollo *Alnac 4G All Season*

High performance all season tyre.
215/65 R 16

"Good performance on snow."

"Good cornering capabilities on dry roads."

"Very balanced all round performance."

"Low rolling resistance."

Key features of the Vredestein Ultrac Satin:



- ❖ Superior braking power: 3.3-meter shorter braking distance at 80 km/h and above*
- ❖ Comfortable, precise and controlled steering performance
- ❖ Low rolling resistance = lower fuel consumption & reduced CO₂ emissions
- ❖ 100% A-label for braking distance on wet surfaces, rolling resistance (C/B) and low exterior noise level (71 dB)

High ratings for Apollo Alnac 4G All Season



- ❖ Outstanding results in the test conducted by the German magazine Auto Bild Allrad taking pole position in the mass premium category
- ❖ 'Good performance on snow, excellent cornering on dry roads and a very low rolling resistance'
- ❖ The low weight of the tyre, along with its low rolling resistance, reduces fuel consumption and, therefore, CO₂ emissions

Latest test results

TEST WINNER!

SPORTRAC 5

| | |
|--|--|
| <p>ADAC Motorwelt 03/2016 16 Sommerreifen im Test</p> <p>VREDESTEIN Sportrac 5 Dimension 225/45 R17 88H Referenz-Lieferant</p> <p>ADAC</p> <p>gut (2,1) Test</p> | <p>"Very balanced summer tyre, best tyre for wet roads."</p> |
| <p>Vredestein Sportrac 5 225/45 R17 88H</p> <p>sehr empfehlenswert</p> <p>Sommerreifen-test www.test24.ch 02/2016</p> | <p>"A very balanced tyre."</p> |
| <p>DAMTC TEST Sommerreifen 2016</p> <p>SEHR EMPFEHLENSWERT</p> <p>225/45 R17 88 H Vredestein Sportrac 5 Auto Testing 01/2016</p> | <p>"Best tyre on wet, very good on dry roads."</p> |

HIGHLY RECOMMENDED!

ULTRAC VORTI

| | |
|--|---|
| <p>ADAC Motorwelt 03/2016 16 Sommerreifen im Test</p> <p>VREDESTEIN Ultrac Vorti Dimension 225/45 R17 88H Referenz-Lieferant</p> <p>ADAC</p> <p>gut (2,3) Test</p> | <p>"Very balanced summer tyre, very good on dry roads."</p> |
| <p>Vredestein Ultrac Vorti 225/45 R17 94Y</p> <p>sehr empfehlenswert</p> <p>Sommerreifen-test www.test24.ch 02/2016</p> | <p>"Very good performance on dry and wet roads."</p> |
| <p>DAMTC TEST Sommerreifen 2016</p> <p>SEHR EMPFEHLENSWERT</p> <p>225/45 R17 84 Y Vredestein Ultrac Vorti Auto Testing 02/2016</p> | <p>"Very good on dry roads."</p> |

BUSINESS



RAW MATERIAL



TESTING FACILITIES



Strong relationships with market leading OEMs, raw material suppliers and testing facilities result in better terms of business

WIDE DISTRIBUTION NETWORK ACROSS INDIA AND EUROPE



India



Extensive Distribution Network in India

- ❖ ~4,900 (incl. ~1,700 exclusive retail dealers*)
- ❖ 150 sales offices including regional & area offices
- ❖ 17 Regional distribution centers servicing 150 stocking points
- ❖ Wide specialist network*: Apollo Super Zone, Apollo Zone, Apollo CV Zone, Apollo Point

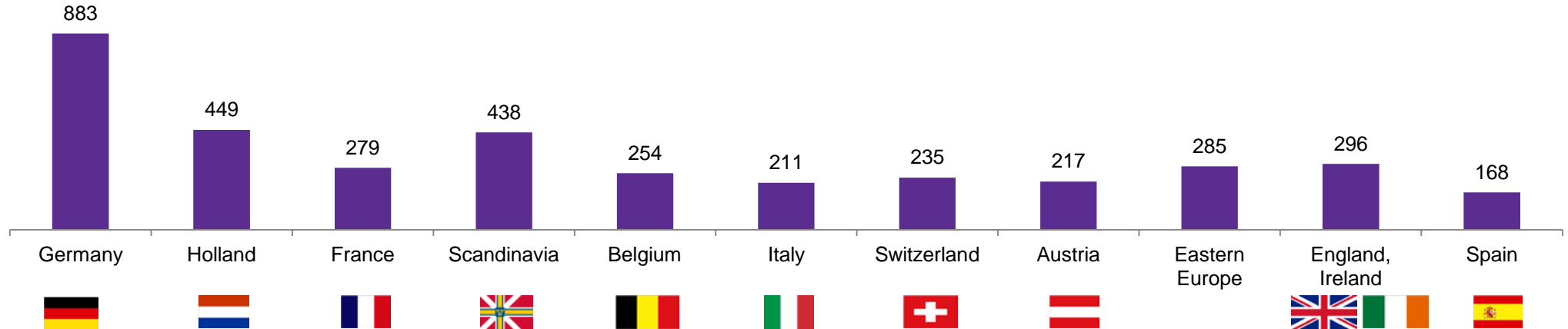
Europe



Distribution network across Europe

- ❖ ~3,550 third party dealers in Europe
- ❖ 13 European National Sales Offices with sales personnel & warehouses
- ❖ Further enhanced presence through acquisition of Reifencom which operates across 6 countries in Europe & has 37 stores in Germany

Vredestein Distribution Network: Ability To Deliver Within 90% Of Europe Within 24 Hours



Longstanding relationship with the dealers is a key growth driver for Apollo

* Not company owned



Feb 2013
Ernst & Young 'Entrepreneur of the Year Award – Manufacturing'
For the year 2012

For the year 2012
Ernst & Young 'Entrepreneur of the Year Award – Manufacturing'



**2014
Rubber Asia
'Rubber Man of the Year 2014'**



**2014
Manufacturing Today
'Next Generation Leader'**



**2015
Asian CSR Awards for
Health Enhancement Category**

Health Enhancement Category
Asian CSR Awards for



**ICSI National Award 2015
Excellence in Corporate Governance**

Excellence in Corporate Governance



2013
SAP ACE Award for Innovation



Feb 2013
'Tire Manufacturer of the Year' by Tire Technology International for 2012



2013
Cannes: Silver Lion for 'Adopt a Pothole'



Jul 2014
'Best Company to Work For' by Great Place to Work Institute's in the Indian and Asian Auto Component industry



2014
Asia Responsible Entrepreneurship Award for HIV-AIDS initiative
Global Sustainability Leadership Awards



2014
'Investor of the Year'
Largest Greenfield investment of the Year by Hungarian Investment Promotion Agency (HIPA) and the Ministry of Foreign Affairs and Trade



Dec 2014
Cannes: Golden Dolphin for Marketing Communication for 2013

| | |
|------------------------------|----------------|
| AutoVision Award | |
| Silver OttoCar Trophy | |
| Frankfurt | September 2015 |

| | |
|--|---------------|
| National Productivity Competition 2015 | |
| Indian Institute of Industrial Engineering (IIIE) | |
| Gujarat | December 2015 |

| | |
|---|---------------|
| Indian Green Building Congress Awards 2015 | |
| Leadership in Energy and Environmental Design (LEED) India New Construction (NC) Green Building Congress 2015 | |
| Gujarat | December 2015 |

| | |
|--|---------------|
| Global Green Future Leadership Awards 2016 | |
| Best Waste Management World CSR Congress | |
| Mumbai | February 2016 |

| | |
|--|------------|
| Design and Development Award 2016 | |
| Maruti Suzuki | |
| Bangkok | April 2016 |

| | |
|-------------------------------------|------------|
| Best New Supplier Award 2016 | |
| Toyota | |
| Bengaluru | April 2016 |



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MACRO OVERVIEW

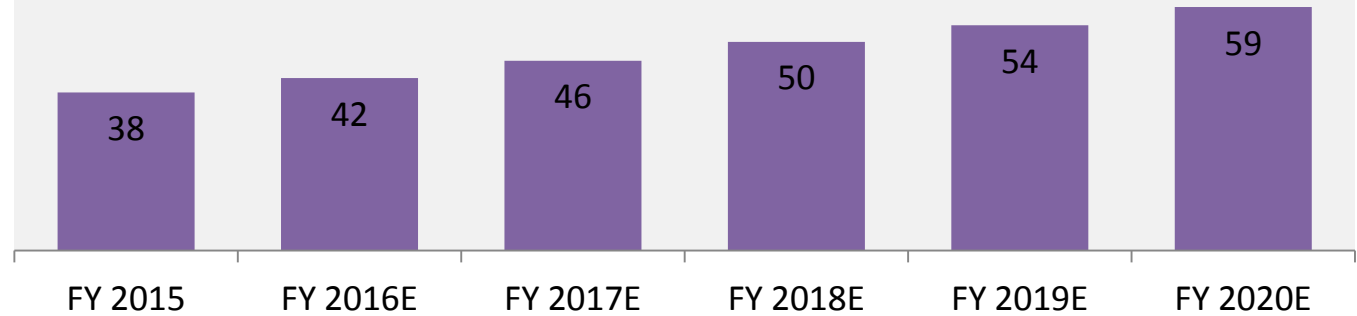


Key Drivers and Trends

- ❖ GDP growth is on course to increase to over 7.5% by 2016, making India one of the fastest growing large economies
- ❖ Strong demand revival expected in both medium and heavy commercial vehicle segments driven by
 - Investment revival in infrastructure and manufacturing and an overall economic upturn
- ❖ Radialisation in truck segment to pick up for better mileage, durability, infrastructure and high returns

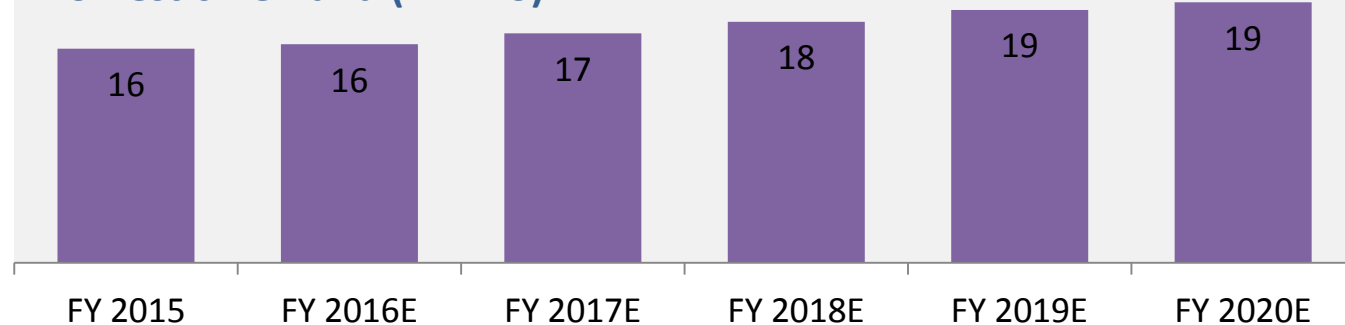
PCR segment: Equally spread between OEM and Replacement ¹ (CAGR 9.0%)

Domestic Demand (Mn No)



Truck segment: Demand dominated by Replacement market ¹ (CAGR 4.2%)

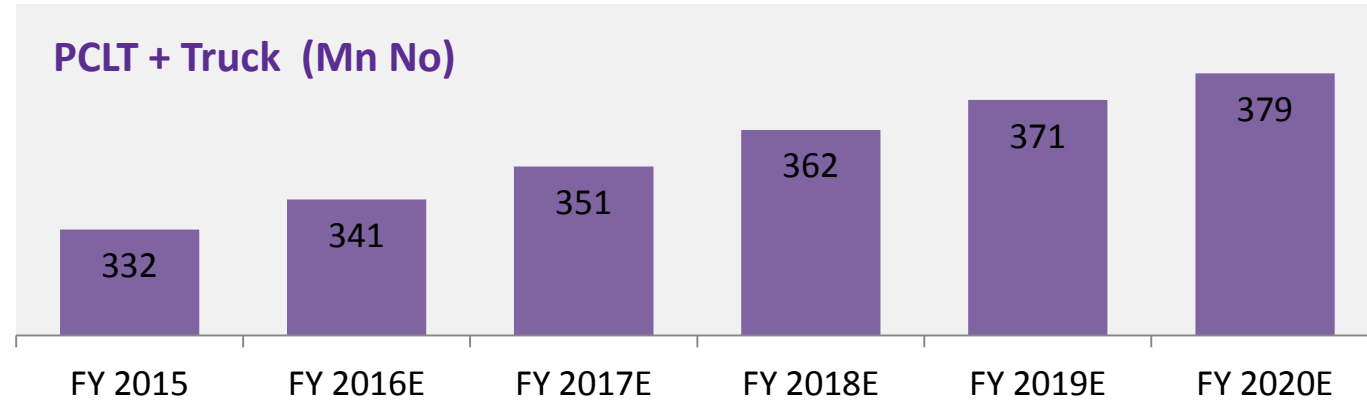
Domestic Demand (Mn No)



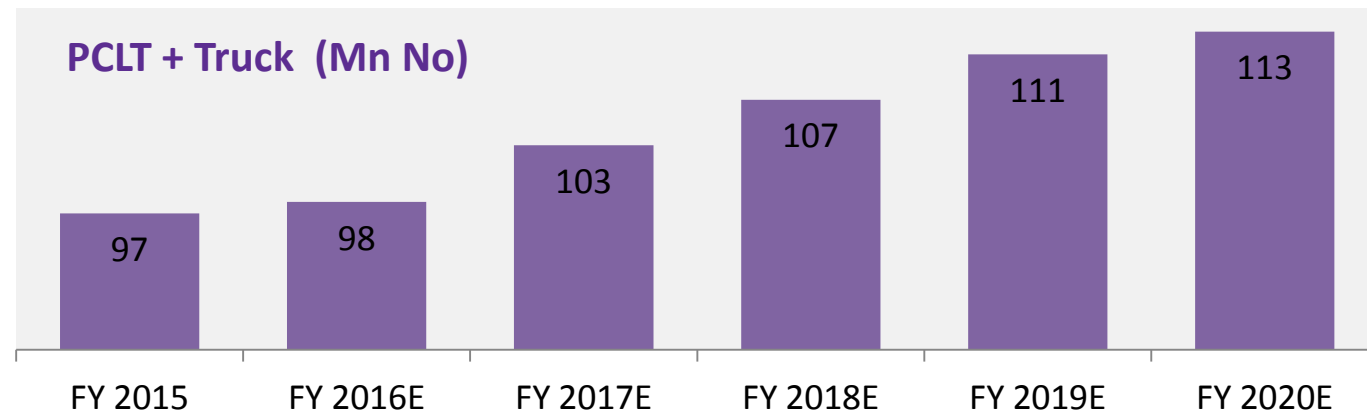
Key Drivers and Trends

- ❖ Focussed on high performance tyres
 - Quality Conscious customer
 - Demand of premium tyres results in higher margins
- ❖ Market on track to recovery
 - Revival in major markets like Germany
 - Pick up in both Truck & Car tyres
- ❖ Changing market dynamics /concentration
 - High production cost resulted in shift from Western to Central/Eastern Europe

Replacement Demand¹ : Key driver for growth in the Europe region (CAGR 2.7%)



OEM demand¹: Dominated by large European OEMs (CAGR 3.2%)





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POSITIONING



WELL POSITIONED MULTI-BRAND STRATEGY ACROSS DIFFERENT SEGMENTS

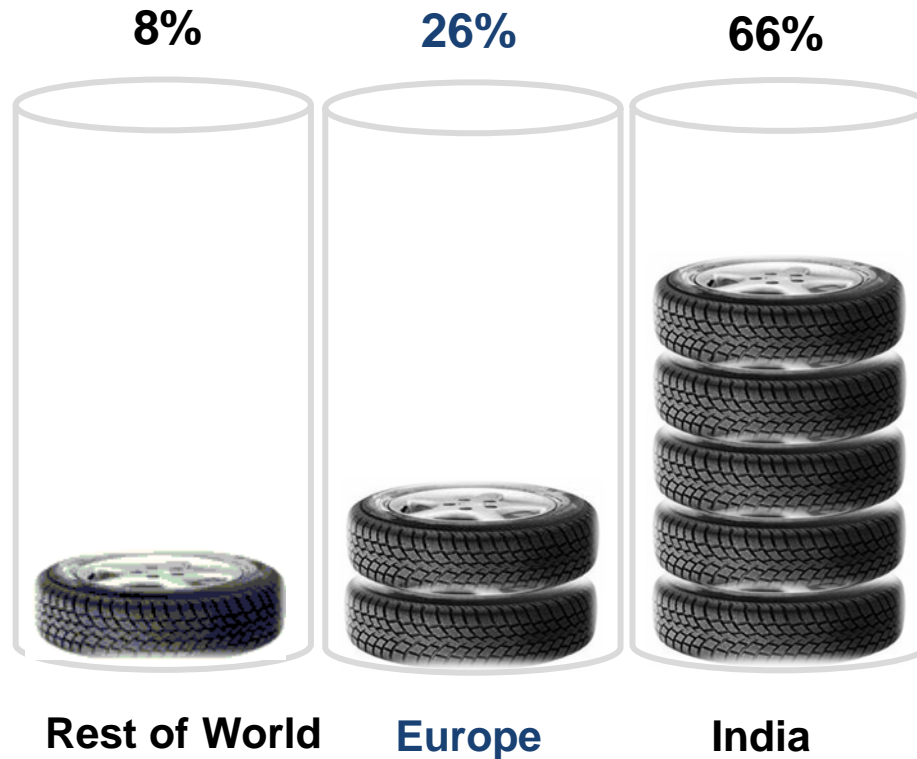


| Pricing segment | Brand | Brand Positioning | UHP & Winter Tyres | Passenger vehicles Tyres | Commercial vehicles Tyres | Farm vehicle Tyres | Off highway Tyres | Two Wheeler Tyres | Bicycle Tyre |
|-----------------|-------|----------------------|--------------------|--------------------------|---------------------------|--------------------|-------------------|-------------------|--------------|
| Top | | Global Niche Premium | ✓ | ✓ | | ✓ | ✓ | | ✓ |
| Medium | | Global | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Others | | Global Challenger | | ✓ | ✓ | | | | |
| | | Global Challenger | | | ✓ | | | | |

The ideology behind our brands is 'Reliability' & 'Customer Safety'

Diversified business across India, Europe & Rest of World, More than 3/4th in Replacement market

Region Wise

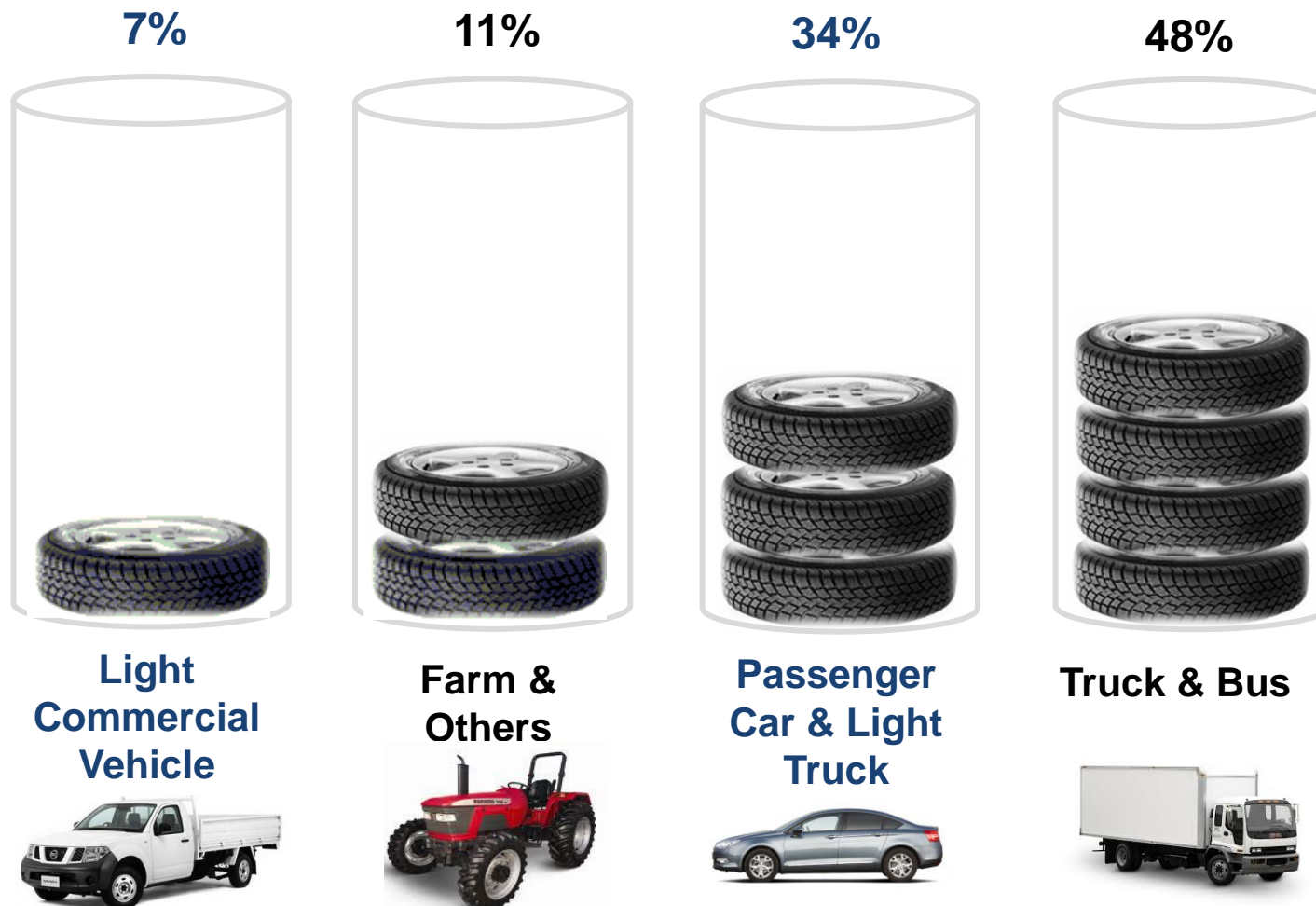


Market Wise



More than 80% of the revenues are contributed by PCLT & Truck & Bus Tyres

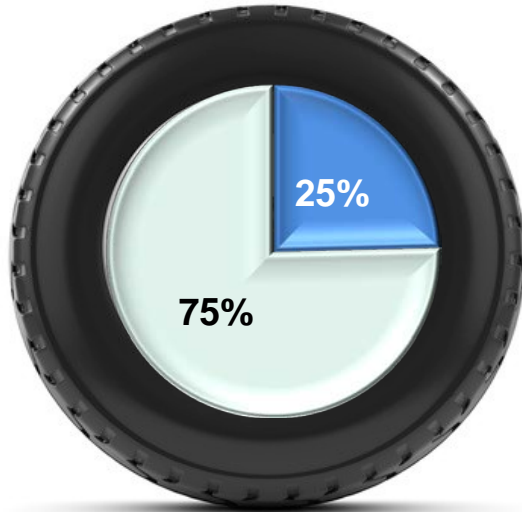
Product Category Wise Revenue Segmentation



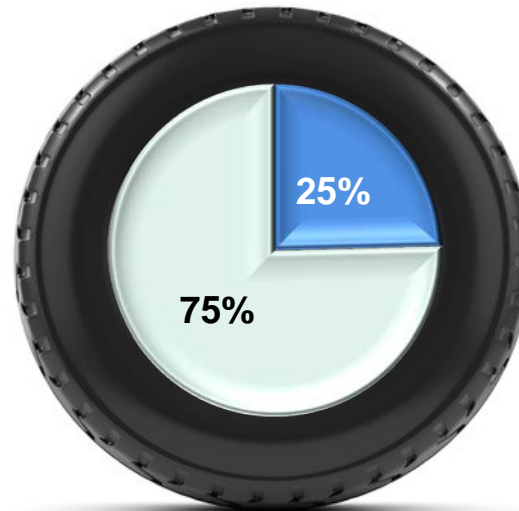
Leading player in India with significant market share across product categories

MARKET SHARES

TBR[^]



TBB[^]



PCR[^]



■ Apollo

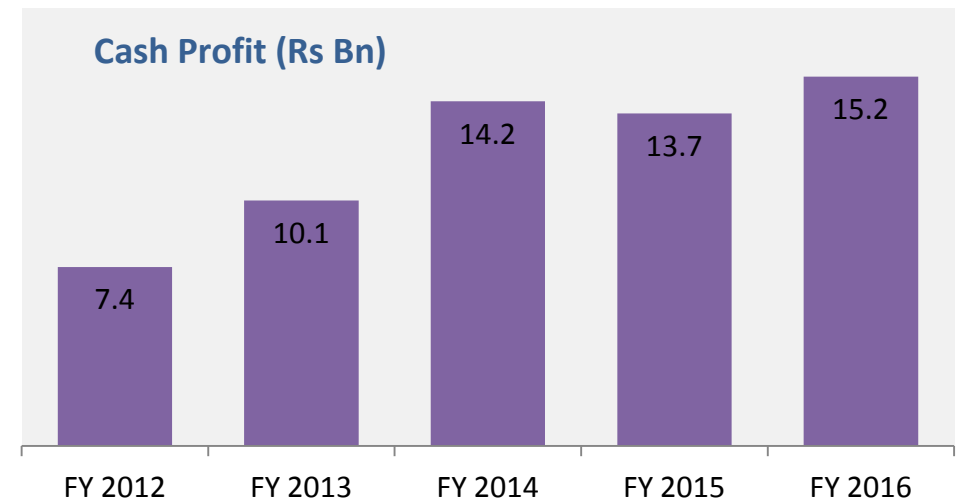
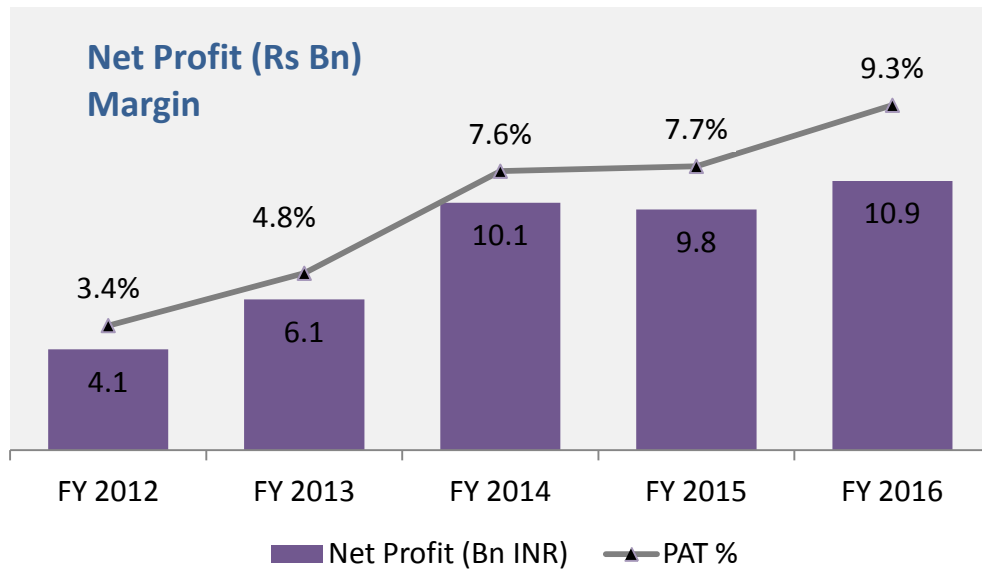
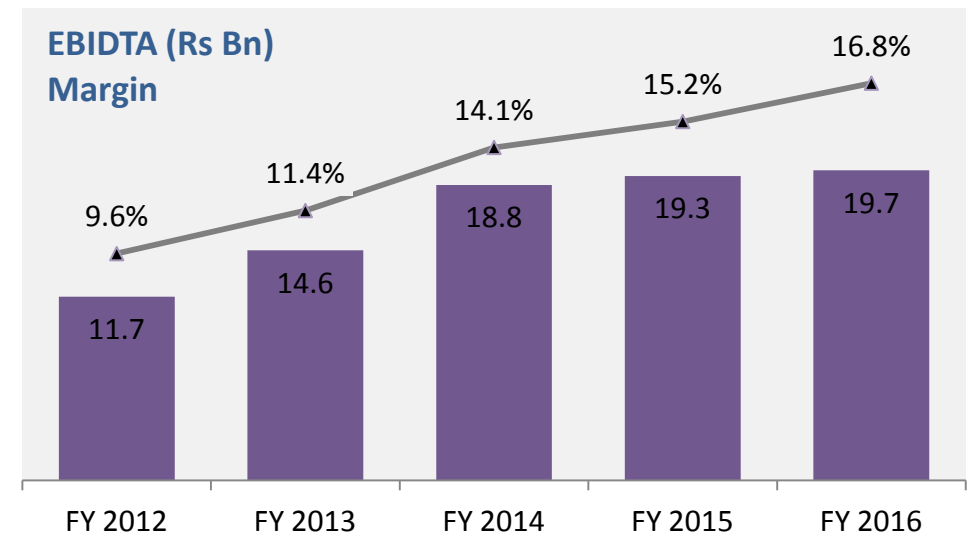
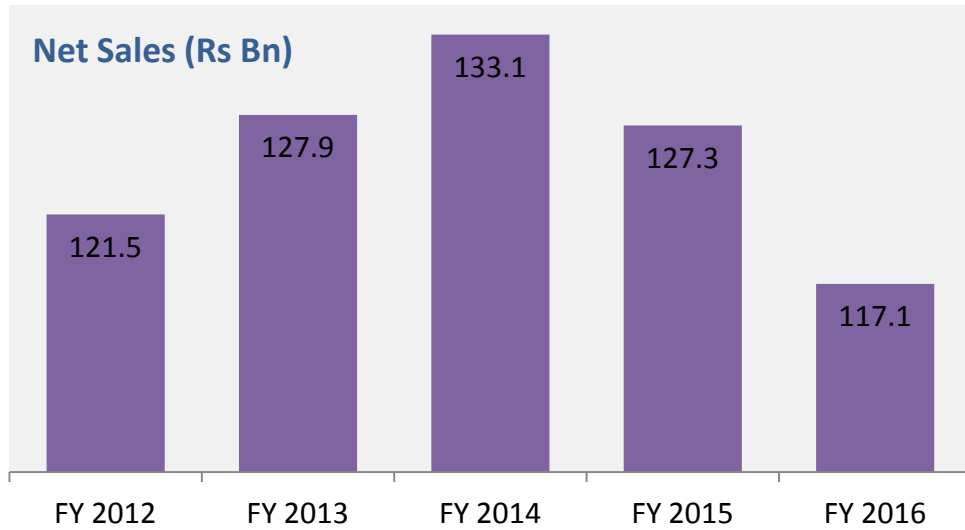
One of the key players in the Truck & Passenger Car Tyres category



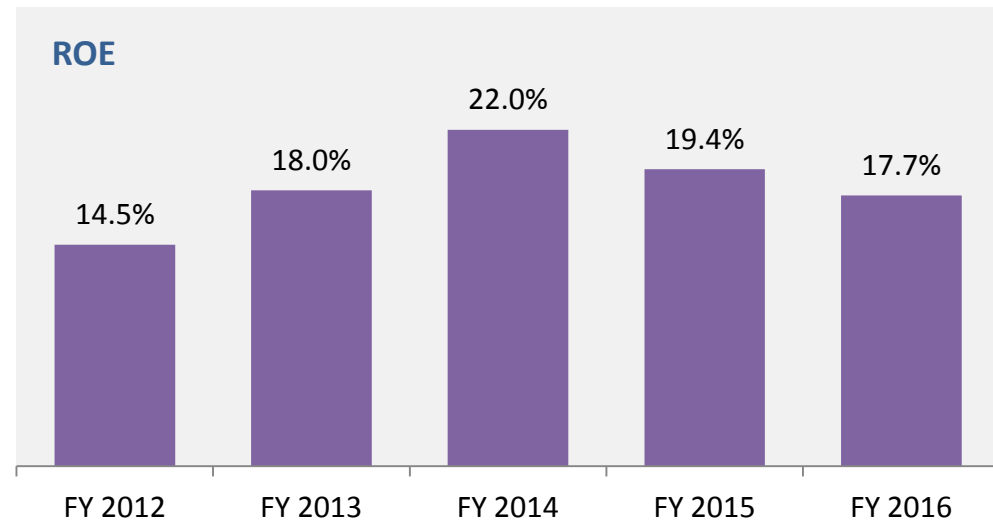
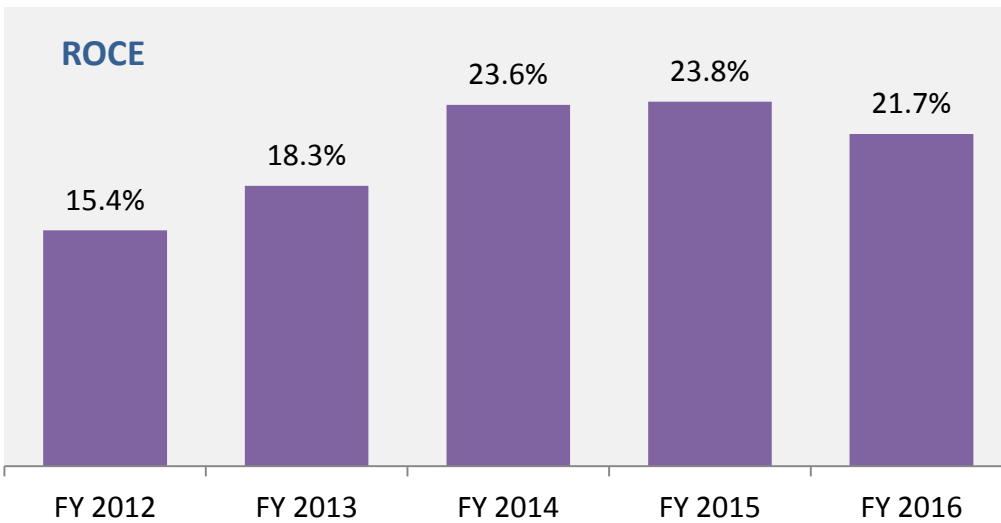
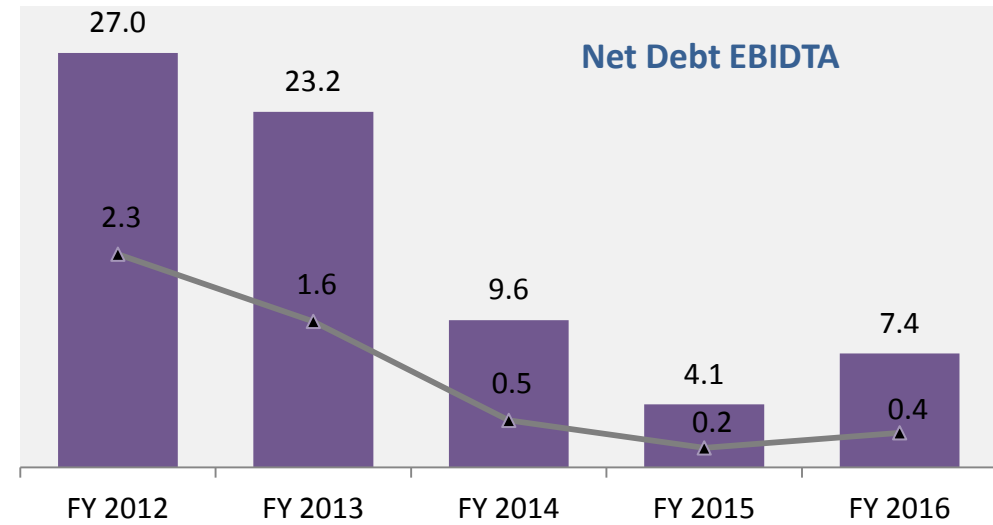
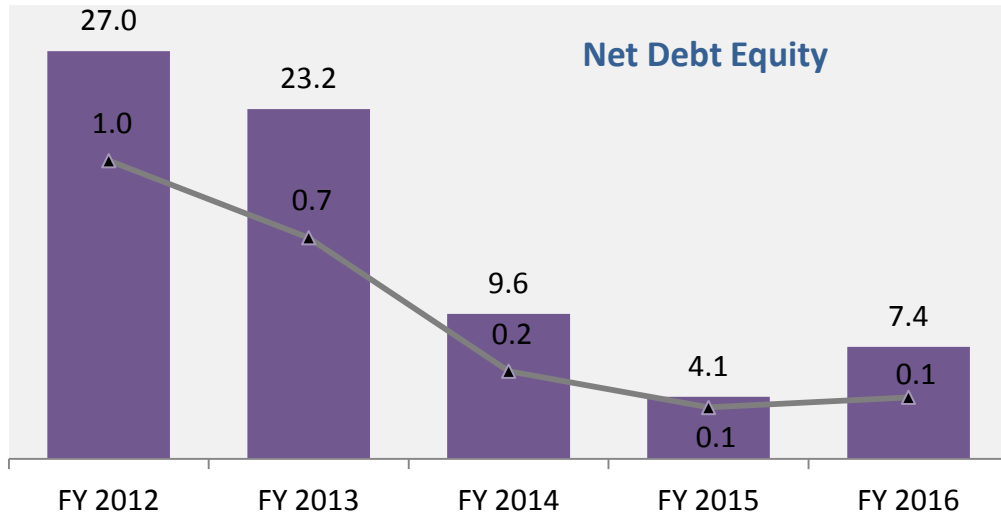
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FINANCIAL OVERVIEW





Notes:
 ^EBITDA shown above is excluding other income & exceptional items
 Cash profit = Net Profit + Depreciation



Notes:
 ^EBITDA considered above is excluding other income & exceptional items

| Valuation Ratios | Value |
|---------------------------------------|-------|
| Price to Earnings [^] | 7.2 |
| EV [^] / EBITDA [*] | 4.4 |
| EPS ^{^^} | 21.5 |

Shareholding Pattern as on 06.05.2016

| Classification | % of Shares |
|---------------------------------|-------------|
| Promoters | 44.1% |
| Domestic Institutions | 6.6% |
| Foreign Institutional Investors | 33.7% |
| Rest | 15.6% |



Notes:
[^] Based on average share price from 1st May – 31st May -2016
^{*} EBITDA is without other income & exceptional items for FY 2016
^{^^} For FY 2016

Thanks



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