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ATL/ SEC-21

August 16, 2022

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

**Sub: Investor Presentation-Q1 FY23**

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 to be shared at the Investors Conference Call scheduled to be held today i.e. August 16, 2022.

The presentation is also available on the website of the Company i.e. [www.apollotyres.com](http://www.apollotyres.com).

This is for your information and records.

Thanking you,

Yours faithfully,  
**For Apollo Tyres Ltd.**

**(Seema Thapar)**  
**Company Secretary & Compliance Officer**





Earnings Presentation | Q1 FY23

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# Consolidated Financial Snapshot

## Q1 FY23 Financial Performance

|                      |                     |                 |
|----------------------|---------------------|-----------------|
| Revenue              | EBITDA              | EBITDA Margins  |
| <b>INR 59,420 Mn</b> | <b>INR 6,898 Mn</b> | <b>11.6%</b>    |
| Y-o-Y                | Y-o-Y               | Y-o-Y           |
| <b>+30%</b>          | <b>+22%</b>         | <b>-75 Bps</b>  |
| Net Profit           | Net Profit Margins  | Diluted EPS     |
| <b>INR 1,907 Mn</b>  | <b>3.2%</b>         | <b>INR 3.00</b> |
|                      | Y-o-Y               |                 |
|                      | <b>-42 Bps</b>      |                 |

## FY22 Financial Performance

|                       |                      |                 |
|-----------------------|----------------------|-----------------|
| Revenue               | EBITDA               | EBITDA Margins  |
| <b>INR 209,476 Mn</b> | <b>INR 25,741 Mn</b> | <b>12.3%</b>    |
| Y-o-Y                 | Y-o-Y                | Y-o-Y           |
| <b>20.4%</b>          | <b>-8.0%</b>         | <b>-379 Bps</b> |
| Net Profit            | Net Profit Margins   | Diluted EPS     |
| <b>INR 6,386 Mn</b>   | <b>3.0%</b>          | <b>INR 10.1</b> |
|                       | Y-o-Y                |                 |
|                       | <b>104 Bps</b>       |                 |

## Q1 FY23 Operational Highlights

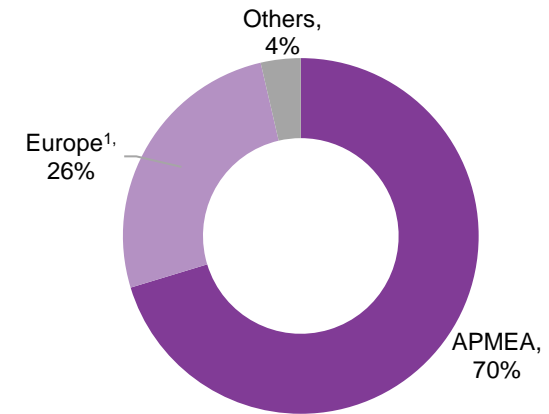
- Both India and Europe reported strong double-digit growth in top line (YoY) helped by volume growth and price increases
- Operating performance impacted by steep increase in RM and other costs (energy and freight).
- Despite cost push, reported improvement in standalone operating performance (sequentially) and healthy operating performance in Europe.
- Consolidated EBITDA margin at 11.6% was down 75 bps YoY and up 38bps QoQ

# Performance Summary – YTD FY23

|   |   |
|---|---|
| Consolidated Revenue of<br><b>~₹59 Bn</b> | Consolidated EBITDA of<br><b>~₹7 Bn (11.6%)</b> |
| Capacity Utilization                      |   |
| India<br><b>81%</b>                       | Europe<br><b>88%</b>                            |

## Revenue Mix Consolidated– YTD FY23

### By Region

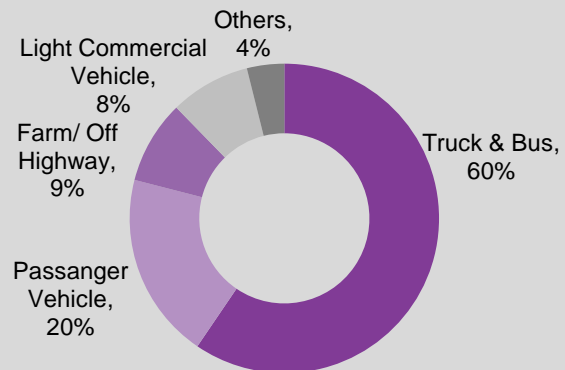


Note:

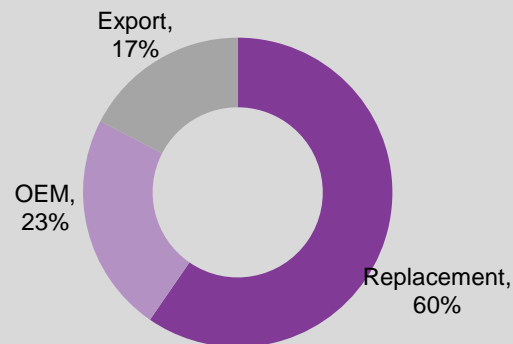
1. Europe Includes operations of ReifenCom

## Revenue Mix Standalone – YTD FY23

### By Product

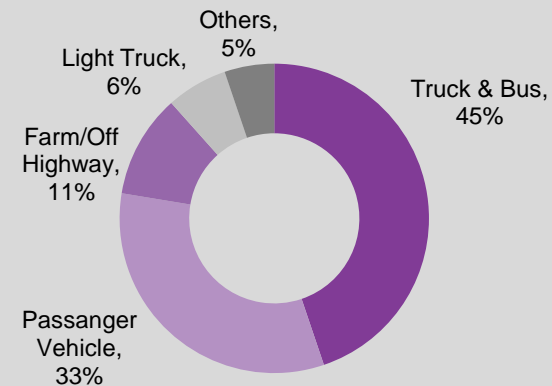


### By Channel

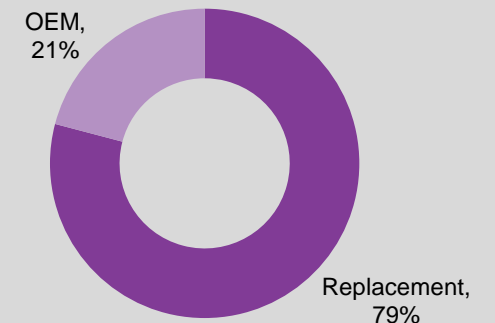


## Revenue Mix Consolidated – YTD FY23

### By Product



### By Channel

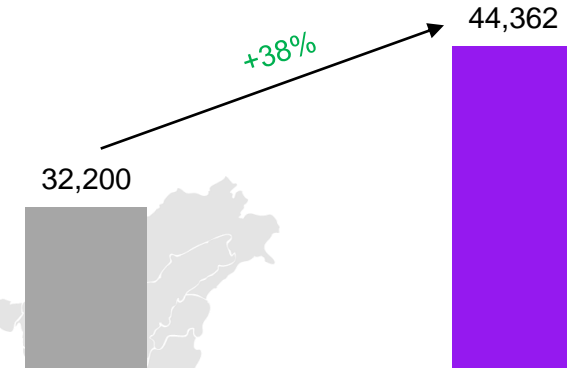


# Operating Highlights – India

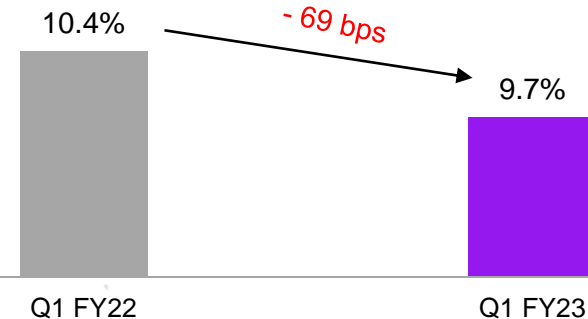
## Q1 FY23

- Quarter was marked by continued cost inflation and well-timed price actions across categories.
- Despite adverse environment, reported 38% YoY / 11% QoQ increase in revenues and sequential improvement in EBITDA margin.
- Pricing environment remained stable and we undertook price increase up to ~ 8% in replacement segment. Will continue to take well timed pricing actions to reach our intended margin range
- In terms of demand outlook, growth momentum expected to be subdued, impacted by inflationary pressures and seasonality.

## Revenue (₹ Mn)



## EBITDA Margin (%)

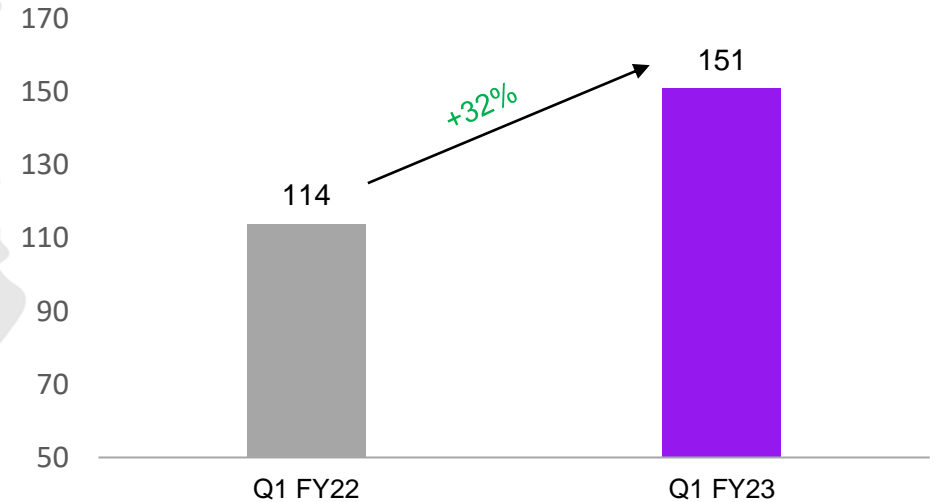


# Operating Highlights – Europe<sup>1</sup>

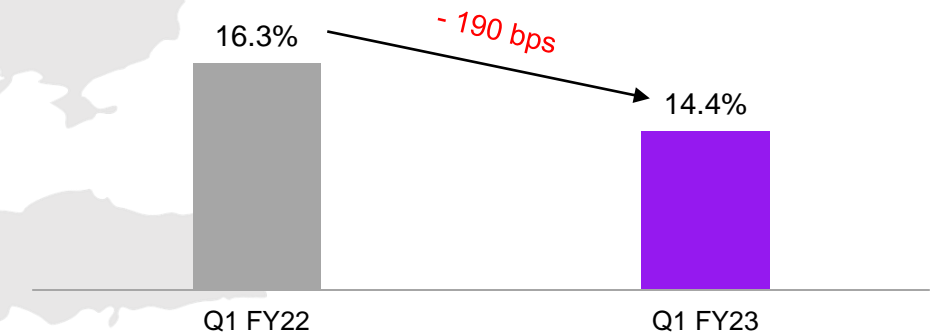
## Q1 FY23

- PCLT market grew in mid single digits, in line with historical trends. All season continued to outgrow overall market with strong double-digit growth.
- Undertook price hikes to the extent of 6% - 9% during the quarter (PCR, TBR and OHT).
- Continued improvement in sales mix - UHP / UUHP accounted for ~41% of PCLT sales (volumes) in Q1 FY23 (~38% in Q1 FY22).
- Gained market share in PCLT, TBR and OHT segment. More importantly, continue to gain market share in PCLT UHP segment
- Despite costs push, in terms of both RM and energy, reported healthy operating performance.
- Expect demand momentum to remain strong going forward, although commodity inflation could weigh on operating performance. Cognizant of recessionary risks, keeping a close eye on the markets

## Revenue (€ Mn)



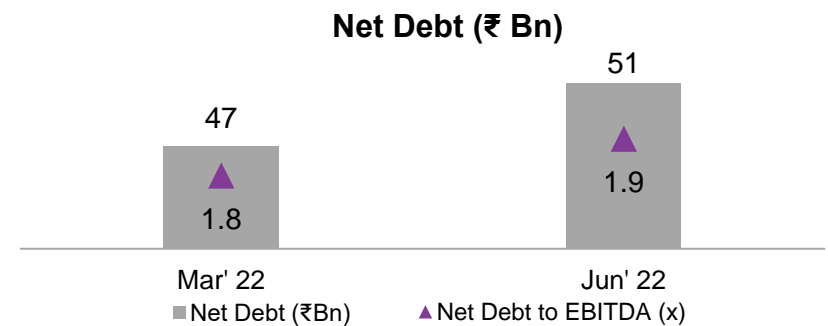
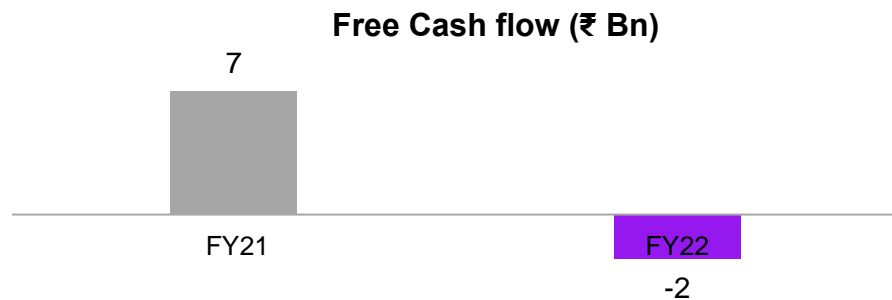
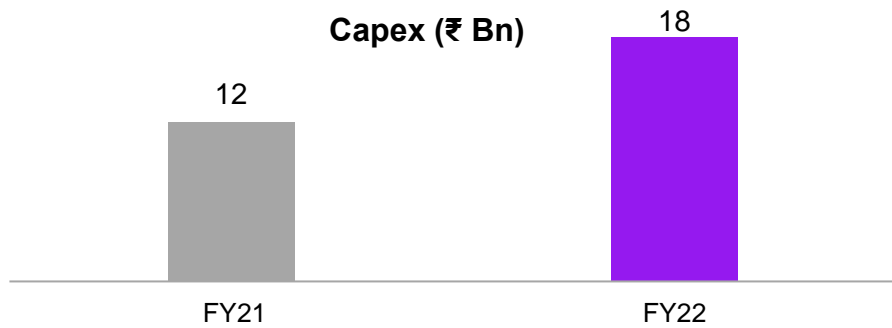
## EBITDA Margin (%)



Notes:

1. Includes only sales and manufacturing operations , excl. Reifencom GmbH (Distribution business)

# Consolidated Cash Flow & Balance Sheet Highlights



## Key Highlights

- Capex in line with guidance.
- Marginal increase in net debt from ₹ 47bn (Mar '22) to ₹ 51bn (Jun '22).
- Net Debt increase on account of lower cash & cash equivalents. The gross debt during the period has come down from ₹ 62bn (Mar '22) to ₹ 59bn (Jun '22).





**Financial Statements**

# Profit & Loss (Quarterly) – Consolidated

| Particulars (₹ Mn)        | Q1 FY23      | Q1 FY22      | Q4 FY22      | % Change - YoY | % Change - QoQ |
|---------------------------|--------------|--------------|--------------|----------------|----------------|
| <b>Revenues</b>           | 59,420       | 45,845       | 55,783       | 30%            | 7%             |
| Raw Material <sup>1</sup> | 34,005       | 23,563       | 31,107       |                |                |
| Staff Cost                | 6,453        | 6,536        | 6,383        |                |                |
| Other Costs               | 10,229       | 7,396        | 9,528        |                |                |
| <b>EBITDA</b>             | <b>6,898</b> | <b>5,668</b> | <b>6,264</b> | 22%            | 10%            |
| <b>EBITDA Margin (%)</b>  | 11.6%        | 12.4%        | 11.2%        |                |                |
| Depreciation              | 3,437        | 3,404        | 3,754        |                |                |
| Other Income              | 106          | 405          | 372          |                |                |
| <b>EBIT</b>               | <b>3,567</b> | <b>2,669</b> | <b>2,881</b> |                |                |
| <b>EBIT Margin</b>        | 6.0%         | 5.8%         | 5.2%         |                |                |
| Interest                  | 1,182        | 1,046        | 1,279        |                |                |
| Tax                       | 478          | 336          | 467          |                |                |
| Exceptional Items         | -            | 9            | 0            |                |                |
| <b>PAT</b>                | <b>1,907</b> | <b>1,278</b> | <b>1,135</b> |                |                |
| <b>PAT Margin (%)</b>     | 3.2%         | 2.8%         | 2.0%         |                |                |

# Profit & Loss (Quarterly) – Standalone

| Particulars (₹ Mn)        | Q1 FY23       | Q1 FY22       | Q4 FY22       | % Change - YoY | % Change - QoQ |
|---------------------------|---------------|---------------|---------------|----------------|----------------|
| <b>Revenues</b>           | <b>44,362</b> | <b>32,200</b> | <b>39,880</b> | 38%            | 11%            |
| Raw Material <sup>1</sup> | 29,883        | 20,692        | 26,910        |                |                |
| Staff Cost                | 2,604         | 2,623         | 2,462         |                |                |
| Other Costs               | 6,259         | 5,049         | 5,986         |                |                |
| <b>EBITDA</b>             | <b>4,288</b>  | <b>3,336</b>  | <b>3,761</b>  | 29%            | 14%            |
| <b>EBITDA Margin (%)</b>  | <b>9.7%</b>   | <b>10.4%</b>  | <b>9.4%</b>   |                |                |
| Depreciation              | 2,155         | 1,924         | 2,338         |                |                |
| Other Income              | 289           | 378           | 383           |                |                |
| <b>EBIT</b>               | <b>2,421</b>  | <b>1,790</b>  | <b>1,806</b>  |                |                |
| <b>EBIT Margin</b>        | <b>5.5%</b>   | <b>5.6%</b>   | <b>4.5%</b>   |                |                |
| Interest                  | 1,058         | 893           | 1,081         |                |                |
| Tax                       | 320           | 210           | 182           |                |                |
| Exceptional Items         | -             | 8             | -             |                |                |
| <b>PAT</b>                | <b>1,043</b>  | <b>679</b>    | <b>543</b>    |                |                |
| <b>PAT Margin (%)</b>     | <b>2.4%</b>   | <b>2.1%</b>   | <b>1.4%</b>   |                |                |



For further details please feel free to get in touch with the IR team

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# Thank you

