

**APOLLO TYRES LTD**

7 Institutional Area
Sector 32
Gurgaon 122001, India

T: +91 124 2383002

F: +91 124 2383021

apollo tyres.com

GST No.: 06AAACA6990Q1Z2

ATL/SEC/21

August 5, 2021

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
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Sub: Investor Presentation – Q1 FY22

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 5, 2021.

The presentation is also available on the website of the Company i.e www.apollo tyres.com.

This is for your information and records.

Thanking You

Yours Faithfully,

For Apollo Tyres Ltd.

(Seema Thapar)

Company Secretary & Compliance Officer



Registered Office: Apollo Tyres Ltd. 3rd Floor, Areekal Mansion, Panampilly Nagar, Kochi 682036, India

CIN: L25111KL1972PLC002449, Tel No. + 91 484 4012046, Fax No. +91 484 4012048, Email: info.apollo@apollo tyres.com

Investor Presentation

Q1 FY22

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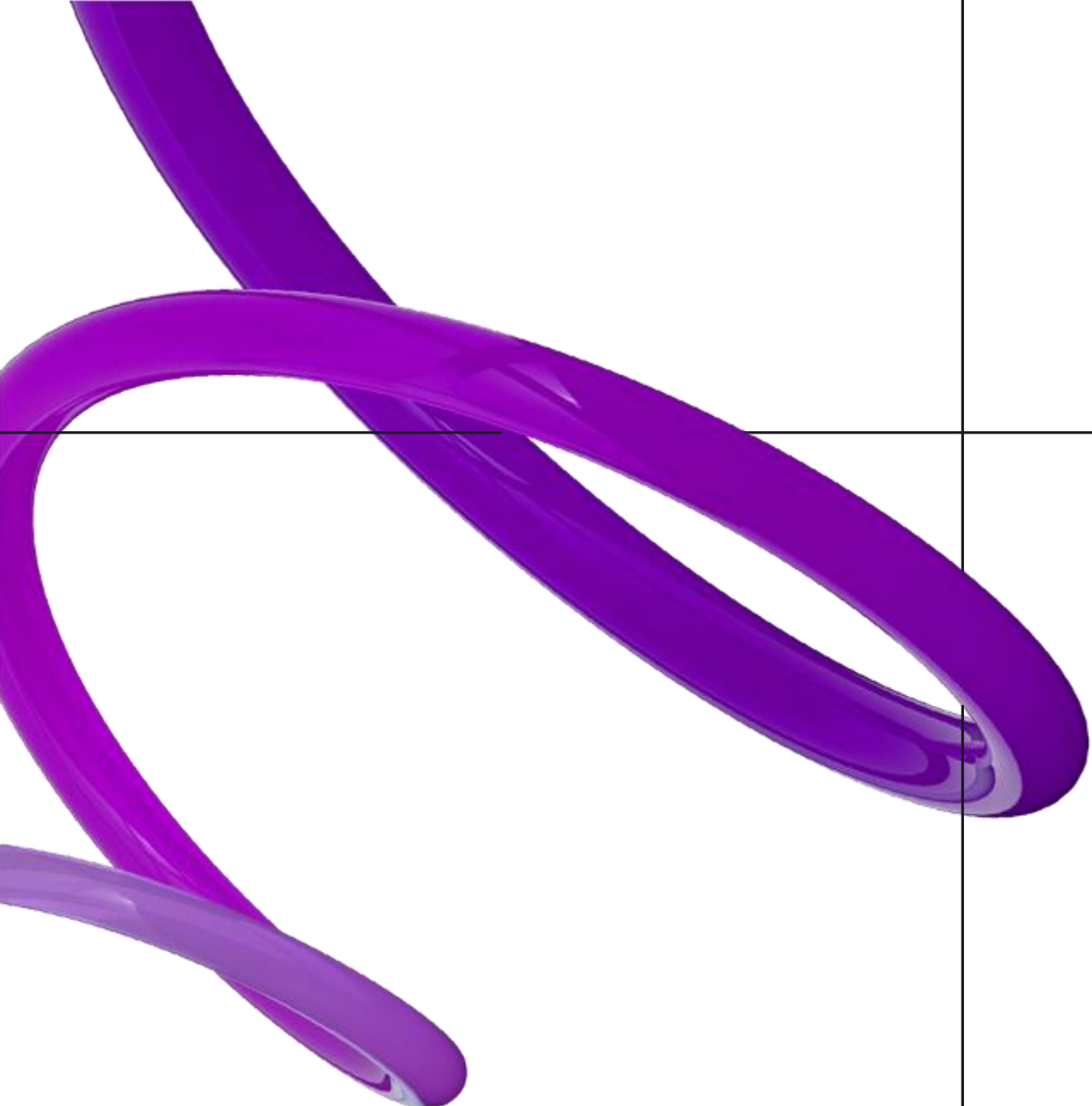
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Content

- Company Overview & Highlights
- Vision FY2026
- Recent Performance Update
- Key Near-Term Areas of Focus
- Quarter Update (Q1 FY22)
- Key Financials

Company Overview & Highlights

Leading Indian Tyre Player with Global Footprint



Large scale & sustained profitability profile

- ❖ Consolidated Revenue of ~₹174 Bn in FY21
- ❖ Consolidated EBITDA of ~₹28 Bn (16%) in FY21



Strong brands with leading market positions

- ❖ India¹: #1 in Truck & Bus and Passenger vehicles
- ❖ Europe: Premium market position in fast-growing segments
- ❖ Global presence across Truck & Bus, Passenger Vehicles, Farm / Off-Highway and 2 Wheelers



Robust manufacturing and R&D footprint

- ❖ 7 Manufacturing Plants (India: 5, Europe: 2)
- ❖ 2 R&D centres (Asia/Europe) and 1 Satellite centre



Deep distribution network built over time

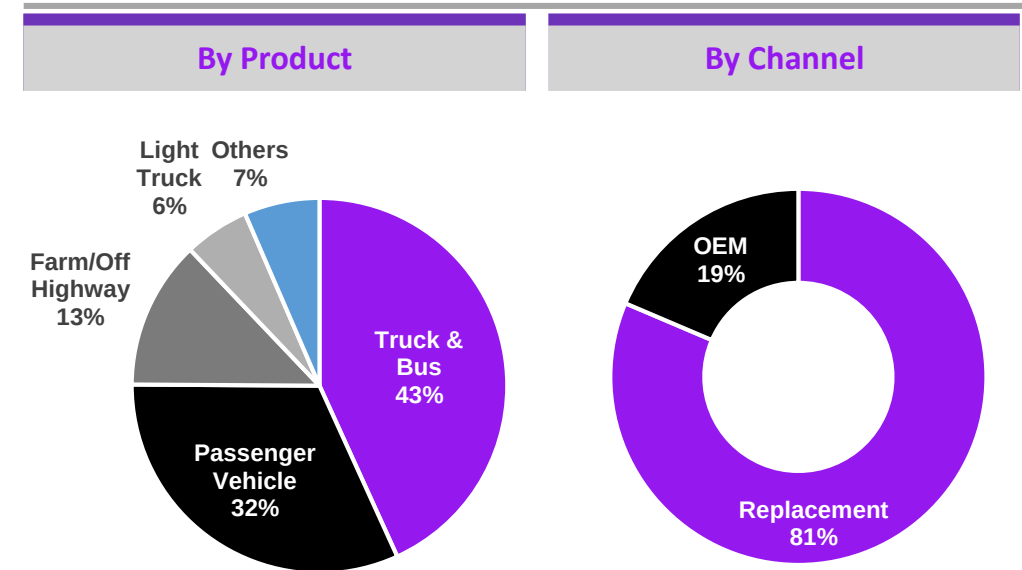
- ❖ ~7,000 dealers in India; ~+200 dealers in Q1 FY22
- ❖ ~7,100 dealers in Europe; ~+100 dealers in Q1 FY22



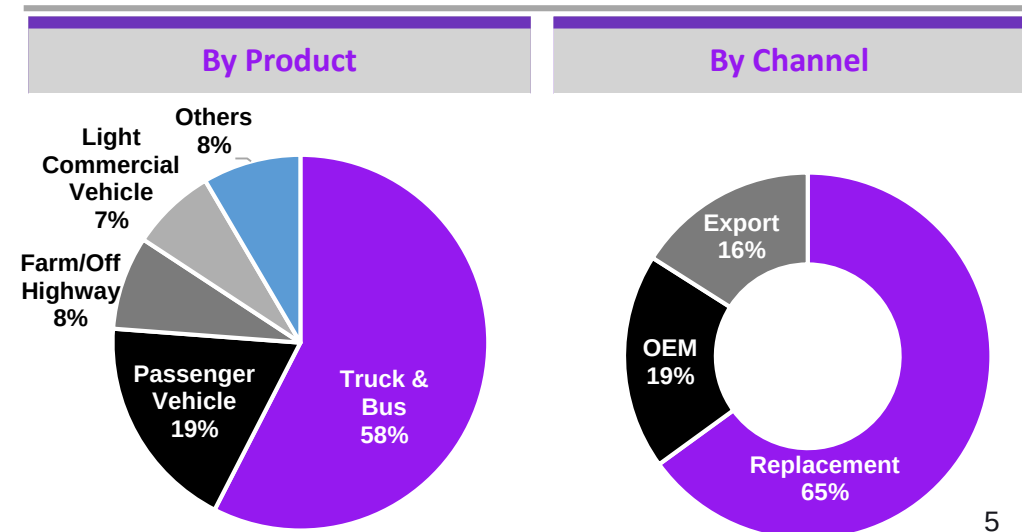
Strong supportive ecosystem of talent

- ❖ >19,000 employees

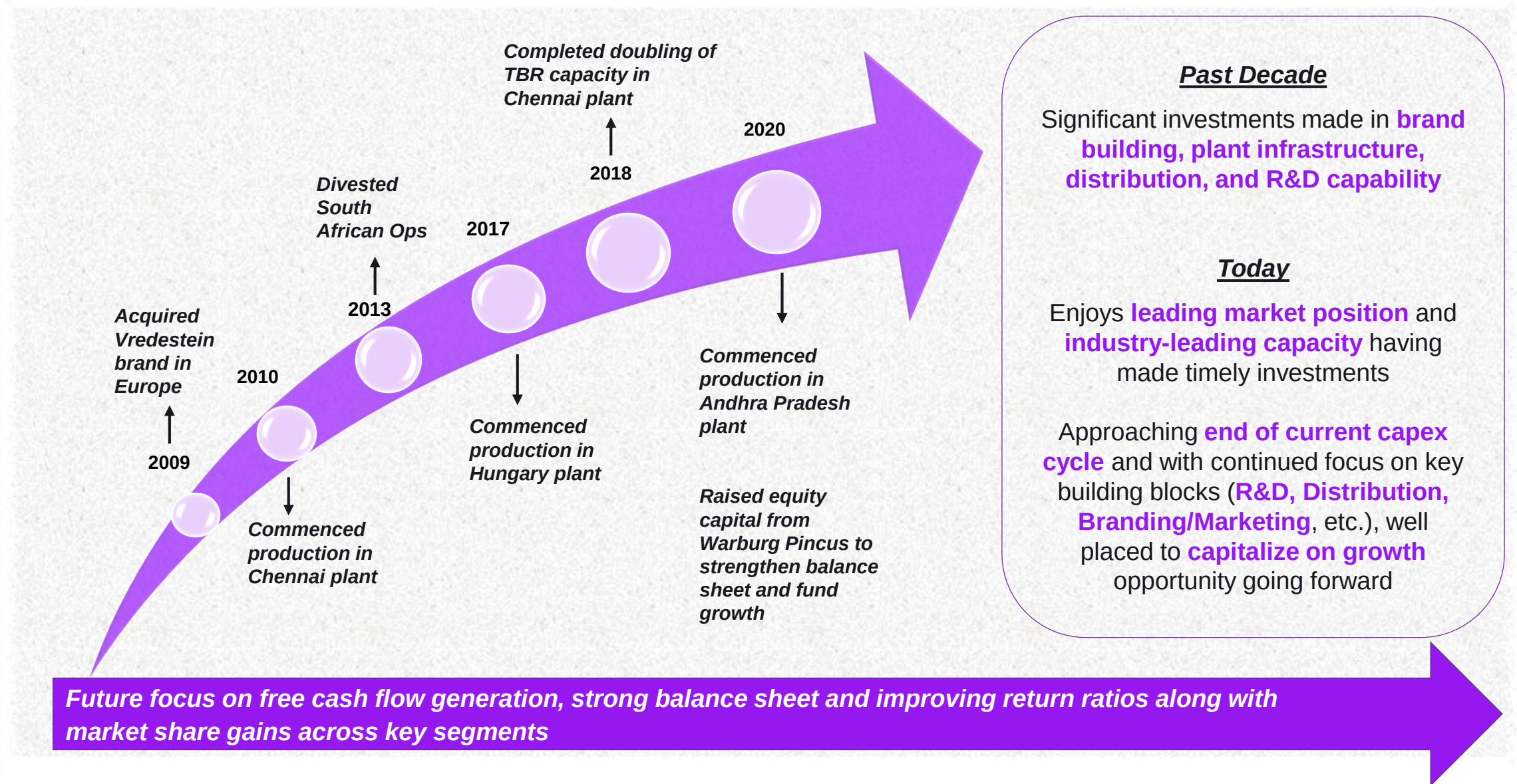
Revenue Mix Consolidated – Q1 FY22



Revenue Mix Standalone – Q1 FY22



Well Set to Leverage Attractive Market Opportunity



Strong Management Team with Deep Experience



Onkar Kanwar
Chairman &
Managing Director



Neeraj Kanwar
Vice Chairman &
Managing Director



Hizmy Hassen
Digitalisation & IT

Years with Apollo: 1



Gaurav Kumar
Finance & Legal

Years with Apollo: 17



Daniele Lorenzetti
Research & Technology

Years with Apollo: 5



Pedro Matos
Global Programme
Management and
European OE Business

Years with Apollo: 7



PK Mohamed
(Advisor) Technology

Years with Apollo: 45



K Prabhakar
Projects

Years with Apollo: 32



Benoit Rivallant
European Operations

Years with Apollo: 7



Sunam Sarkar
Sustainability, Human
Resources, Corporate
Communications,
Procurement and Supply
Chain

Years with Apollo: 22



Yoichi Sato
Quality, Health, Safety &
Environment

Years with Apollo: 2



Satish Sharma
Asia Pacific, Middle East
&
Africa Operations

Years with Apollo: 24

Eminent Board of Directors with Wide Ranging Expertise



Onkar Kanwar

Chairman &
Managing Director



Neeraj Kanwar

Vice Chairman &
Managing Director



Anjali Bansal

Former Global Partner
and MD
TPG Private Equity
Independent Director



Akshay Chudasama

Regional Managing
Partner
Shardul Amarchand
Mangaladas & Co
Independent Director



Francesco Crispino

Co-Founder
Greater Pacific Capital
Independent Director



Francesco Gori

Former-CEO
Pirelli
Non Independent
Director



Vishal Mahadevia

MD, Head of
Warburg Pincus India
Non Independent
Director



Vikram S Mehta

Former Chairman
Shell Group of
companies
Independent Director



Vinod Rai

Former Comptroller and
Auditor General of India
Independent Director



Sunam Sarkar

President & Chief
Business
Officer, Apollo Tyres
Holdings
(Singapore) Pte Ltd
Non Independent
Director



Satish Sharma

President – APMEA
& Whole-time Director,
Apollo Tyres
Non Independent
Director



Pallavi Shroff

Regional Managing
Partner
Shardul Amarchand
Mangaladas & Co
Independent Director



**Gen. Bikram Singh
(Retd.)**

Former Chief of Indian
Army
Independent Director



Robert Steinmetz

Former Chief of
International Business
Continental AG
Non Independent
Director

Investment Highlights

Strong Leadership Team & Board, and Backed by Long-Term PE Investor

- Experienced leadership team with significant tenure and track record
- Backed by long-term private equity investor

State of art production facilities and continued focus on R&D

- Consistent focus on investments in R&D and product excellence for the long-term
- State-of-the-art facilities with focus on automation have helped achieve manufacturing excellence
- Podium positions garnered in European PCLT test results

Better placed to face pandemic uncertainties on the back of actions taken

- Improved competitive positioning in both markets based on strategic actions taken
- Strengthened balance sheet with well timed fund raise and positive free cash flow generation

Positive Industry Dynamics in India

- Attractive market size & structure. Consolidating around strong, domestic brands
- India still in phase of radialization – strong underlying growth profile
- Robust demand momentum across product segments
- Import restrictions further add to market attractiveness for domestic producers

Strong Execution in a Challenging Market

- Healthy revenue / operating performance
- Market share gains across segments in India
- Efficient working capital management
- Extensively leveraging IT and digitalization to reduce /optimize costs and become future ready
- Despite COVID-19 headwinds, timely commercialization & ramp up of AP plant



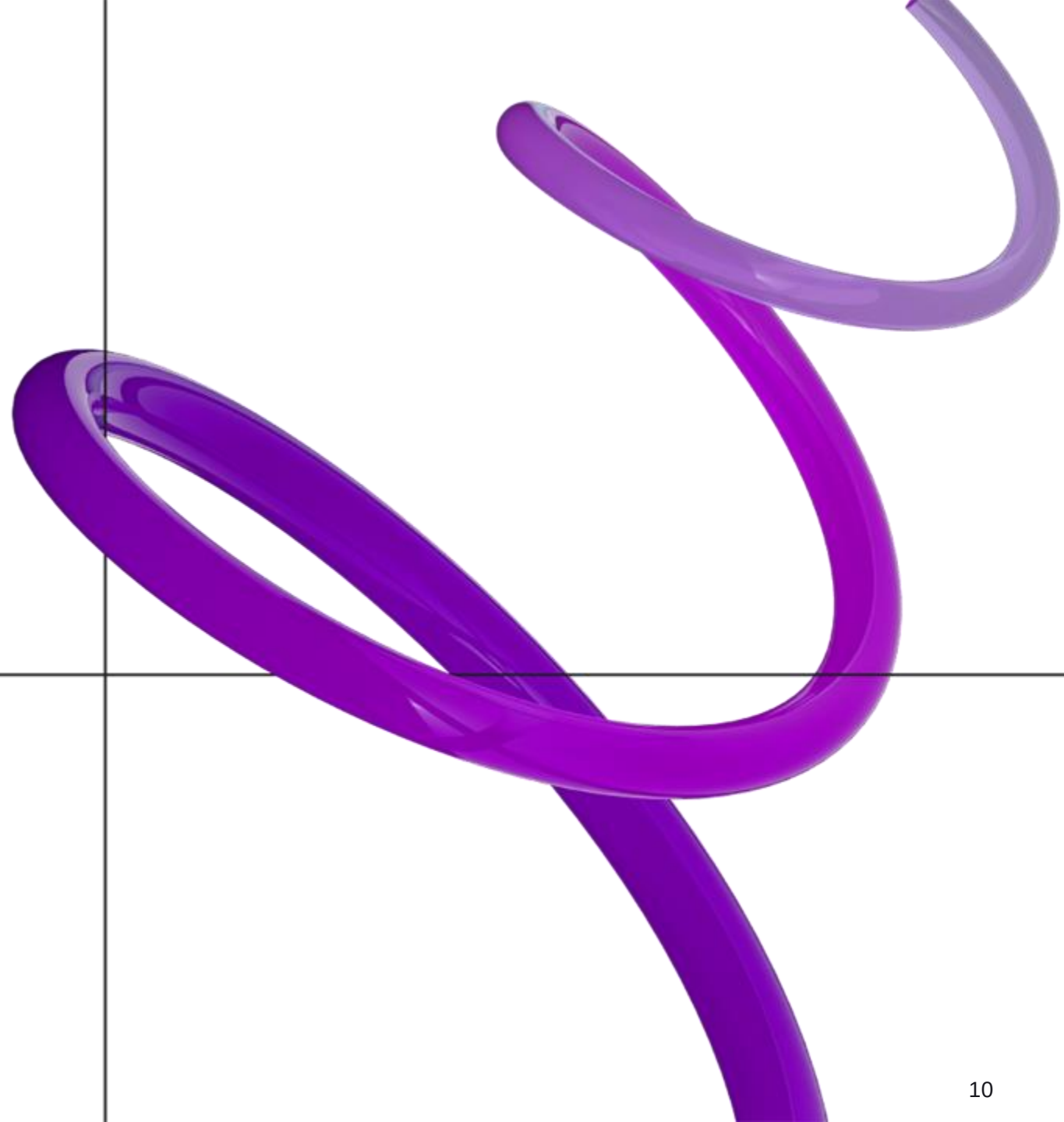
Strong Portfolio of Leading Brands

- Leadership position in Truck & Bus, the largest market segment in India
- #1 player in Passenger Vehicle segment in India
- Gaining market share in other segments and in multiple geographies (e.g. Vredestein in Passenger Vehicles and Apollo in Truck & Bus)

Focused on Key Niches in Europe with Clear Roadmap to Healthy Profitability

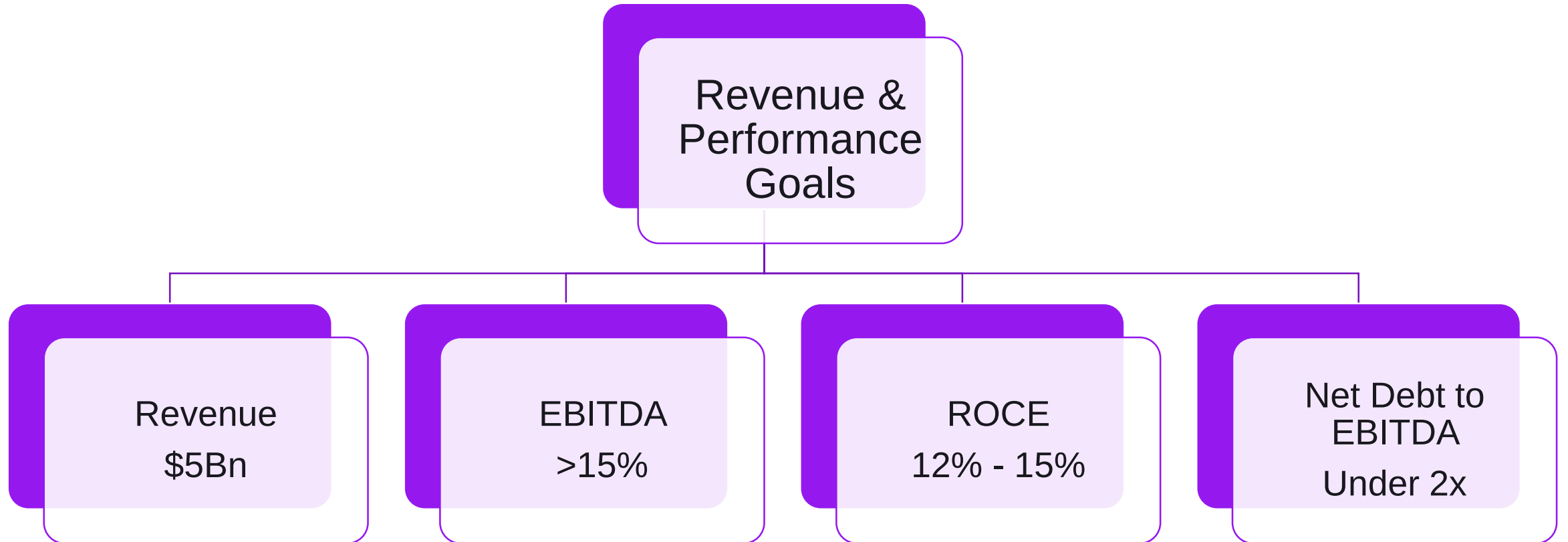
- Gaining share in focused categories (UHP/UUHP PCR, TBR, Agri)
- Improvement in product mix in Passenger Vehicle segment
- Specialization of Dutch plant has led to significant uptick in cost competitiveness and improvement in margin profile

Vision FY2026



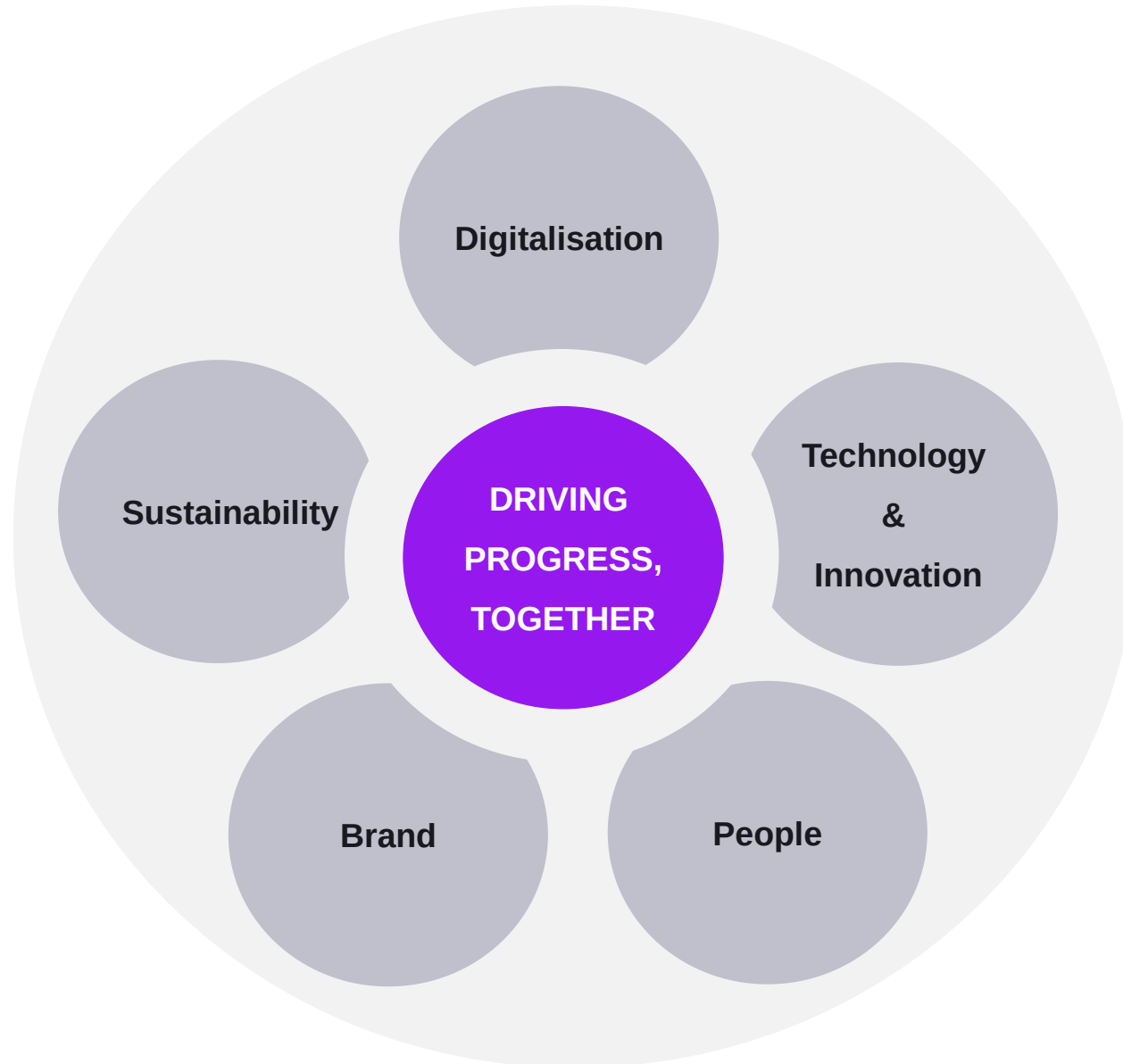
Vision FY2026

Medium-Long Term Targets

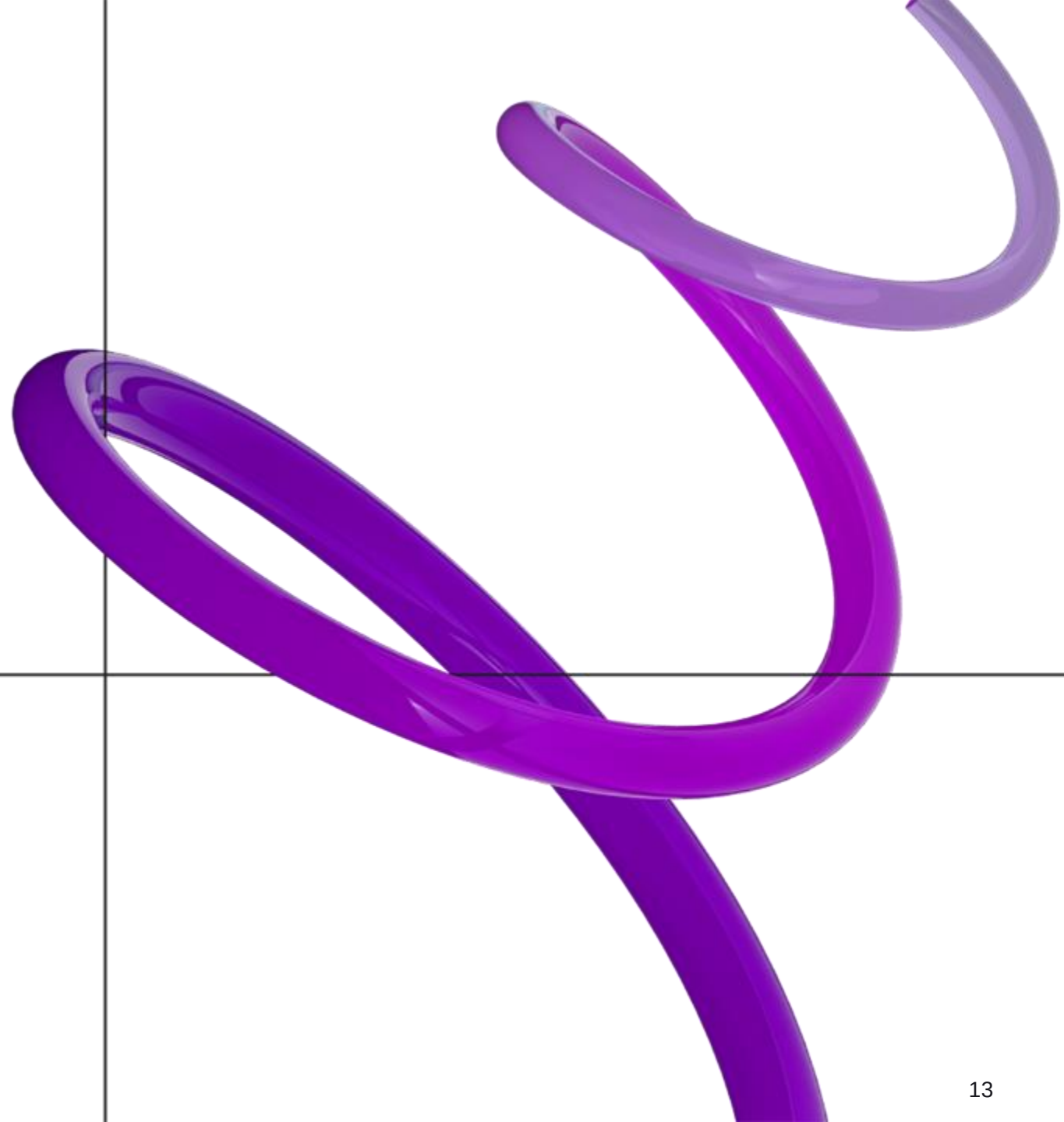


Vision FY2026

Enabling Excellence – 5 Key Enablers



Recent Performance Update



Recent Performance - Operations

India

- ❖ Post Covid wave 2nd we have witnessed healthy demand momentum across key segments / key channels driven by growing preference for personal mobility, government spend on infra, import restrictions etc
 - ❖ Increased prices in replacement segment by ~6-9% in last 7 months across product segments, highlighting stable pricing environment
- ❖ In FY21 gained ~350bps market share in Agri, ~330 bps market share in Passenger Vehicle segments and ~150bps market share in Truck & Bus (radial) segment (as per internal estimates)
- ❖ Expanded distribution footprint (+750 dealers in last 15 months). Touch points in Rural India increased by more than 5 times

Europe

- ❖ Despite adverse market conditions, expanded customer base (added +400 customers in last 15 months)
- ❖ Market share gains in focus product segments
 - ❖ Improvement in sales mix - UHP / UUHP accounted for ~38% of PCLT sales in volume terms in 1QFY22
- ❖ Successfully completed Dutch plant specialisation, which lead to significant improvement in cost competitiveness and helped report strong operating performance

Recent Performance – Financial

Cash flows

- ❖ Negative free cash flow (consolidated) of ₹ 6bn in 1Q FY22, impacted by
 - ❖ Subdued operating performance in India
 - ❖ Covid 2nd wave impacting business
- ❖ Generated free cash flow (consolidated) of ₹ 7bn during FY21

Fund mobilization

- ❖ Raised ₹ 10.8bn from a top private equity Investor in FY21
- ❖ Raised debt in early part of FY21 at competitive rates to adequately strengthen the liquidity position
- ❖ Realised significant interest cost savings on the back of reduction in debt & reduced interest rates

Balance sheet deleveraging

- ❖ Marginally increase in net debt from ₹ 42bn (Mar '21) to ₹ 48bn (Jun '21); Significant decrease from ₹ 60bn (Mar '20)
- ❖ Net Debt/ EBITDA (TTM) stands at 1.6x as on 30 Jun'21 (3.2x – Mar '20)

Dealing with COVID-19 – Employee Initiatives



- ❖ **Ex Gratia:** Supporting families of deceased employees through continuing CTC for a defined period
- ❖ **Education Support:** Organisation to cover children's education cost till graduation

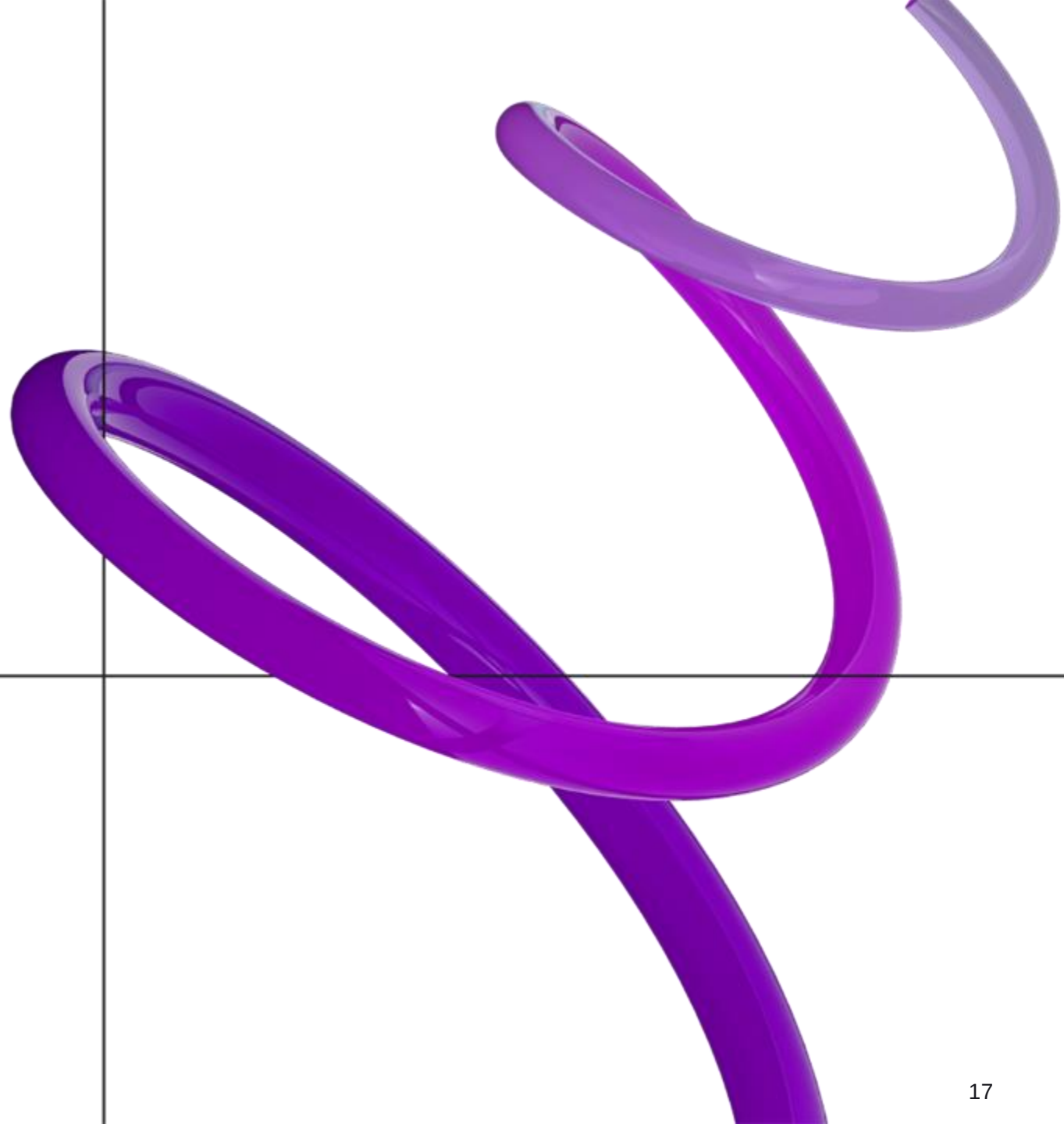


- ❖ **Hospital Tie ups:** Tie ups with leading hospitals for beds, oxygen concentrators, and other critical medical facilities
- ❖ **Vaccination:** Procuring vaccines for staff and bearing the cost of vaccination for all staff and family members along with vaccination camps for truck drivers and dealers



- ❖ **Medical Helpline:** Covid helpline service providing online doctor assistance for Covid related issues and general health advisory assistance
- ❖ **Mental Wellness Initiatives:** Employee Assistance Program directed at employees' mental health - 24x7 helpline with expert counsellors, Yoga sessions and mental wellness sessions etc.

Key Near-Term Areas of Focus



Key Near-Term Areas of Focus

❖ Strong focus on business fundamentals

- ❖ Consolidating position in India with 3R strategy
 - ❖ Range – A formidable portfolio that allows leadership position in India and a wider footprint in export markets
 - ❖ Rural – New distribution formats facilitating access to untapped markets
 - ❖ Retail – Focus on Branded Retail Format
- ❖ Focus on premium (UHP / UUHP PCLT) segments in Europe
- ❖ Continued investments in brand building and R&D
- ❖ Ramp up of Andhra Pradesh Plant

❖ Cost control & rationalisation

- ❖ Focus on fixed cost reduction and higher profitability
- ❖ Supply chain initiatives like network re-design etc. to help reduce costs while optimizing working capital
- ❖ Cost competitiveness from specialisation of Dutch plant

Focus on improving return on capital profile, maintaining leverage ratios and generation of positive free cash

Key Near-Term Areas of Focus

❖ Thrust on Digitalization

- ❖ Focus areas - Process digitalization, Business Model Innovation and Social media use in media mix
- ❖ Multiple digital product launches across regions

❖ Focus on raw materials

- ❖ R&D focus on new recipes to a) boost performance and b) reduce input costs
- ❖ De-risking business model from a) single source suppliers and b) dependence on specific countries for certain inputs
- ❖ Focus on strategic tie ups for RM sourcing

❖ Focus on capex and balance sheet

- ❖ Control over capex and capital allocation
- ❖ Focus on higher utilization/ sweating assets, generating positive free cash flows and improving RoCE
- ❖ Maintaining healthy balance sheet will continue to be a key focus area

Focus on improving return on capital profile, maintaining leverage ratios and generation of positive free cash

Focus on Brand Building

Global brands with a legacy of performance, quality, trust and reliability



Onboarded “God of Cricket” as Apollo Tyres’ Brand Ambassador



Focus on Brand Building

Customer engagement activities

Bad Road Buddies 2.0



Apterra Cross Product Launch



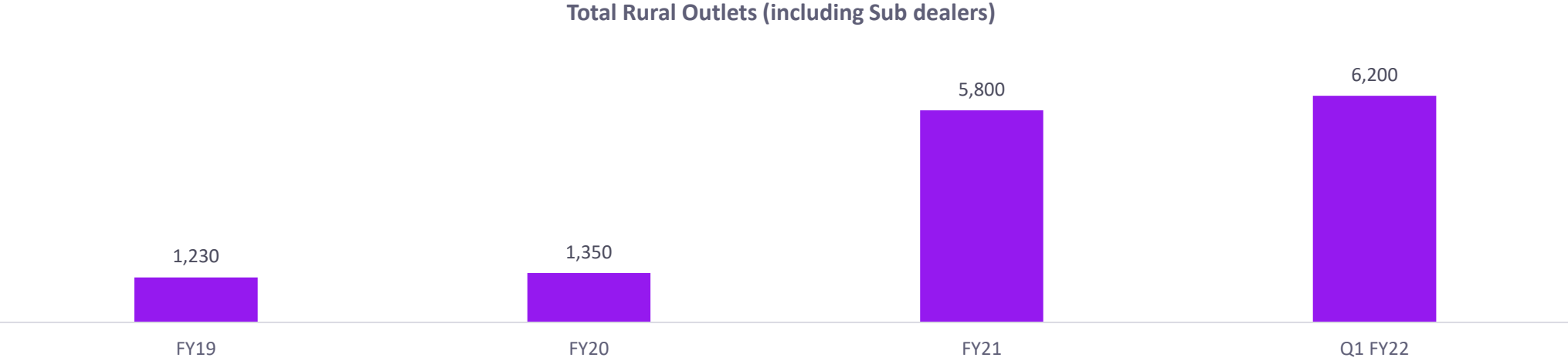
Abhimanyu Product Launch



BOFO e-commerce Portal Launch



Expanding Footprint in Rural India



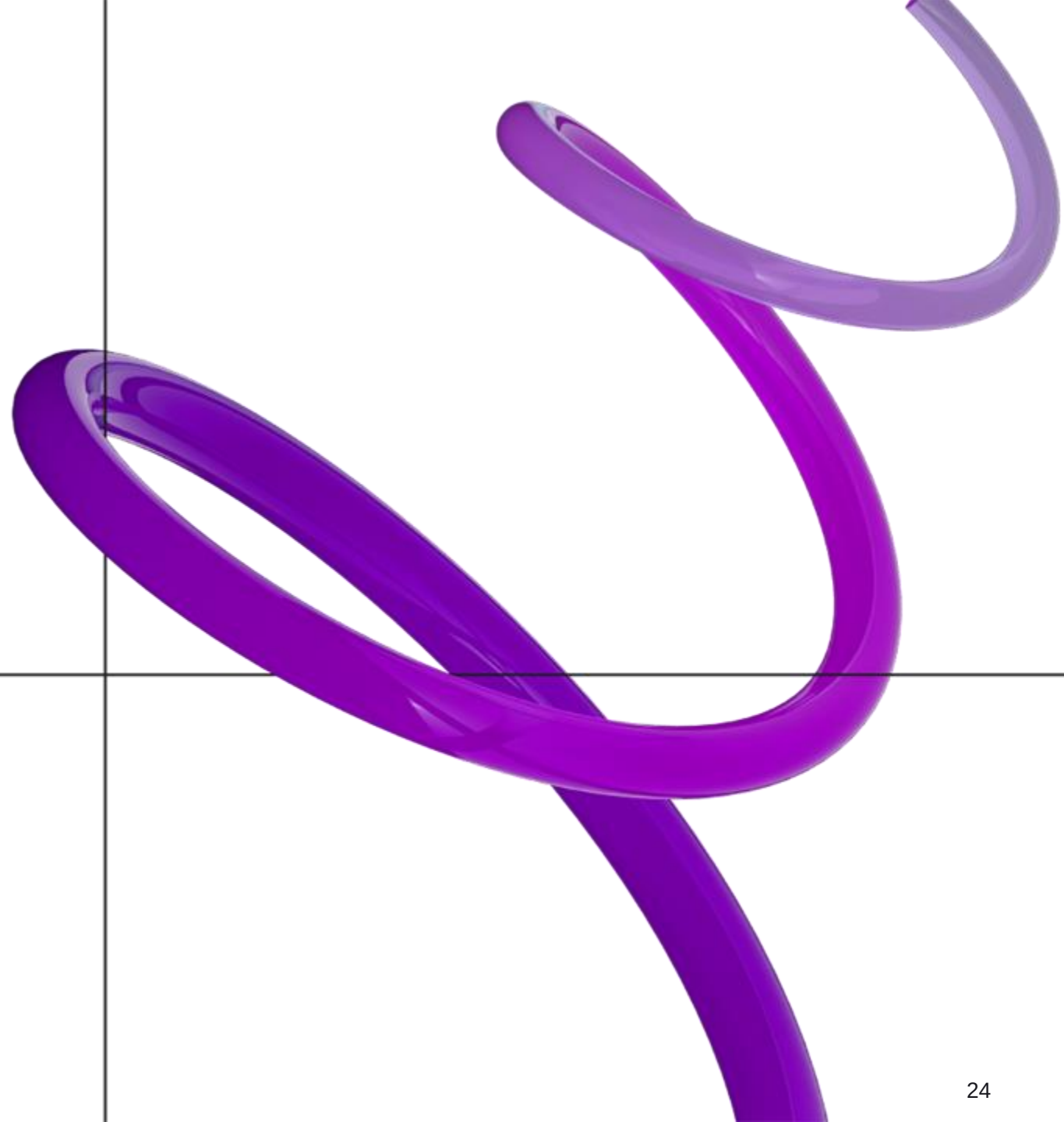
Podium Positions in Europe

Podium positions are key driver of improvement in market share, price positioning and profitability



Date	Test Agency	Recommendation	Position	Tyre Model
Apr-20	ADAC	Recommendable	4th	Vredestein Vorti
Apr-20	AutoBild Top 50	Exemplary	4th+5th	Vorti and Aspire XP
Apr-20	AutoBild Allrad	Exemplary	3rd	Vredestein Ultrac Satin
Apr-20	AutoBild Sportscars	Good	4th	Vredestein Vorti
Apr-20	AutoMotorSport	Good	4th	Vredestein Vorti
Sep-20	Consumer Reports	Recommendable	2nd	Vredestein Hitrac
Sep-20	Consumer Reports	Recommendable	3rd	Vredestein Pinza AT
Sep-20	ADAC	Recommendable	3rd	Vredestein Wintrac Pro
Sep-20	AutoMotorSport	Exemplary	3rd	Vredestein Wintrac Pro
Sep-20	AutoBild Top 32	Exemplary	2nd	Vredestein Quatrac
Oct-20	AutoBild Allrad	Exemplary	3rd	Vredestein Wintrac Pro
Oct-20	AutoBild Sportscars	Exemplary	4th	Vredestein Wintrac Pro
Nov-20	AutoBild Allrad	WINNER	1st	Vredestein Quatrac
Feb-21	Gutefahrt	Good	4th	Vredestein Ultrac Satin
Mar-21	AutoBild Sportscars	Good	4th	Vredestein Vorti R
Mar-21	AutoBild	Good	5th	Vredestein Vorti

Quarter Update (Q1 FY22)



Key Marketing Initiatives and Customer Wins

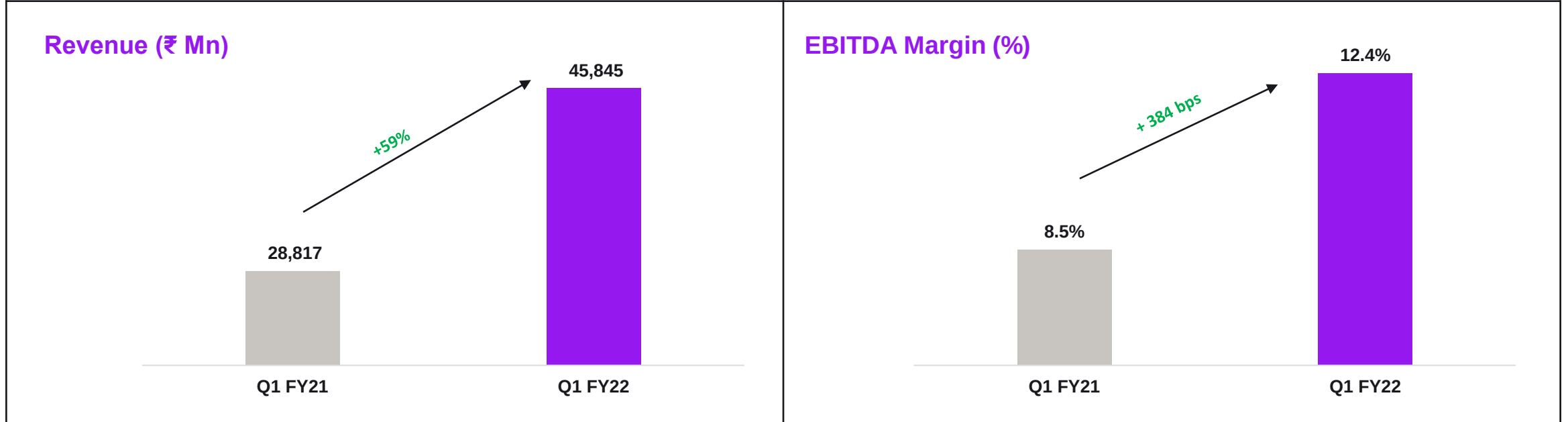
India

- ❖ Continued focus on gaining new customers and deepening ties with existing customers in the OEM segment
- ❖ New model wins in PCR OE segment during the quarter - Hyundai Alcazar, Skoda Kushaq & Tata Safari
- ❖ Increased focus on export markets to mitigate impact of Covid 2nd wave. Registered highest ever export turnover during Q1 FY22
- ❖ Took price increase of ~3-4% in Q1 FY22 (replacement segment)

Europe

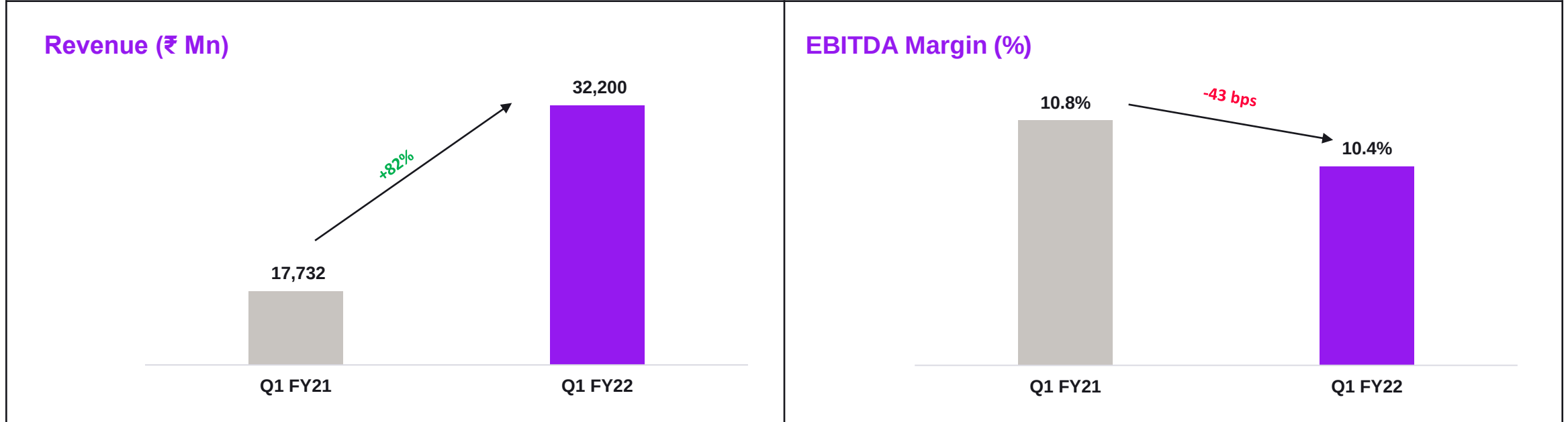
- ❖ Gaining traction in targeted premium OEM's, which would further support brand building and journey towards premiumization
- ❖ Improved price positioning over key competitors
- ❖ Continued focus on UHP resulting in improvement in sales mix (~38% of PCLT sales volumes accounted by UHP/ UUHP segment in Q1 FY22)
- ❖ Market share gains in TBR and OHT segments.
- ❖ Took price increase of ~2% (PCLT) and ~4% (Agri) segments in Q1 FY22 (replacement segment)

Operating Highlights – Consolidated



- ❖ YoY topline growth driven by lower base in Q1 FY21
- ❖ Consolidated operating performance supported by healthy operating performance in Europe
- ❖ Pricing environment was stable both in India and Europe

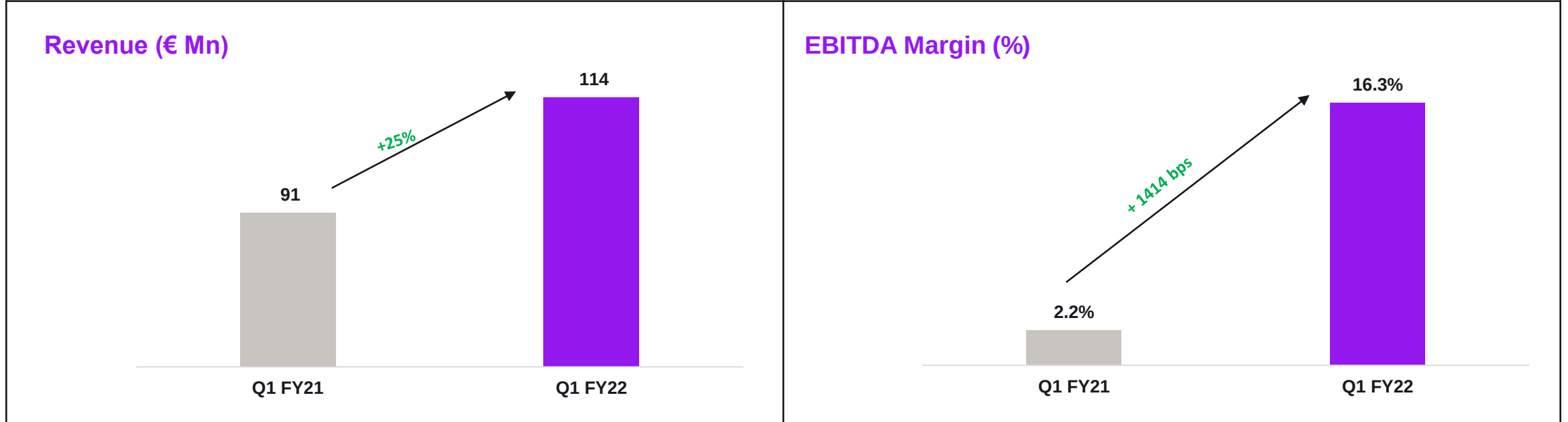
Operating Highlights – India



❖ Volume

- ❖ The quarter got impacted by Covid 2nd wave. YoY growth driven by lower base in 1Q FY21
- ❖ While we saw the maximum impact of 2nd wave in May 2021, June 2021 witnessed steady improvement in demand momentum
- ❖ Registered highest ever export turnover during the quarter
- ❖ Pricing environment remains stable with industry participants successfully undertaking price hikes in replacement segment
- ❖ Operating performance was subdued, impacted by steep RM inflation (+11% QoQ)

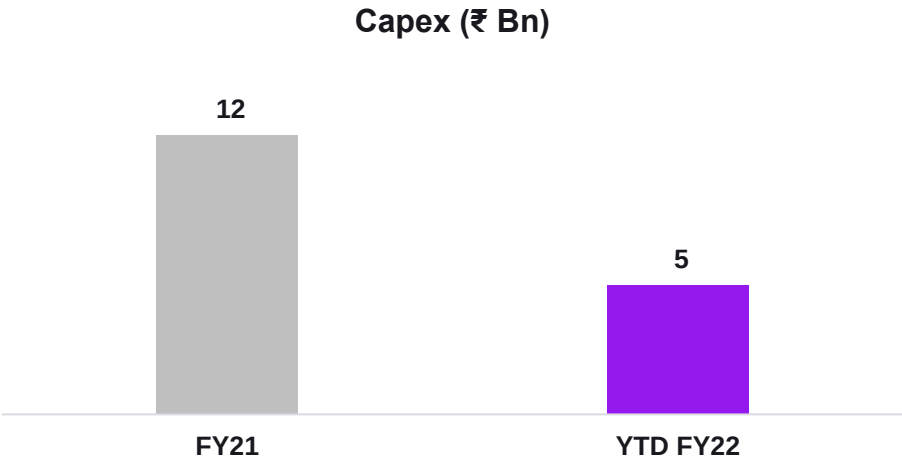
Operating Highlights – Europe¹



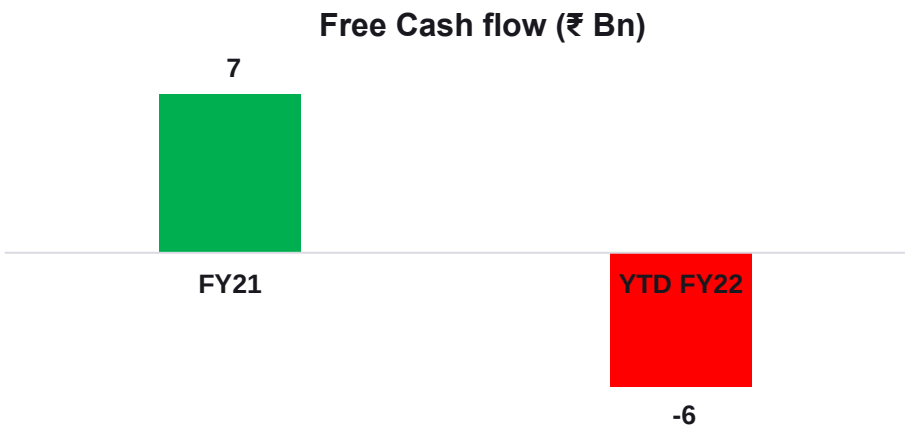
- ❖ Witnessed demand momentum in industry volumes
- ❖ Gained market share in TBR and OHT segments
- ❖ Improvement in sales mix - UHP/ UUHP accounted for ~38% of PCLT sales in volume terms (Q1 FY22)
- ❖ Successful execution of Enschede plant specialization drove healthy operating performance with EBITDA margin of 16%, despite steep RM inflation

Consolidated Cash Flow & Balance Sheet Highlights

Capex level in line with guidance

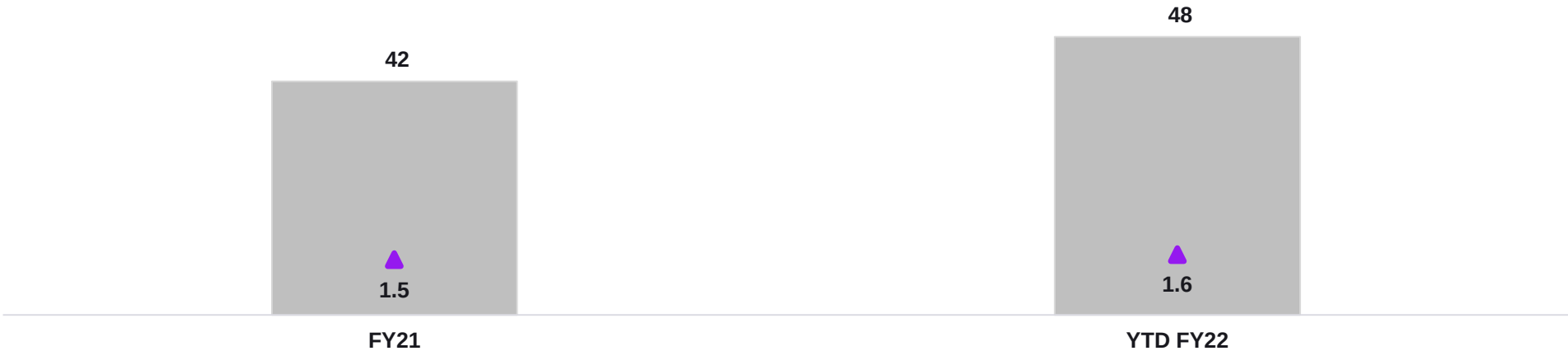


Subdued environment impacted free cash flow generation

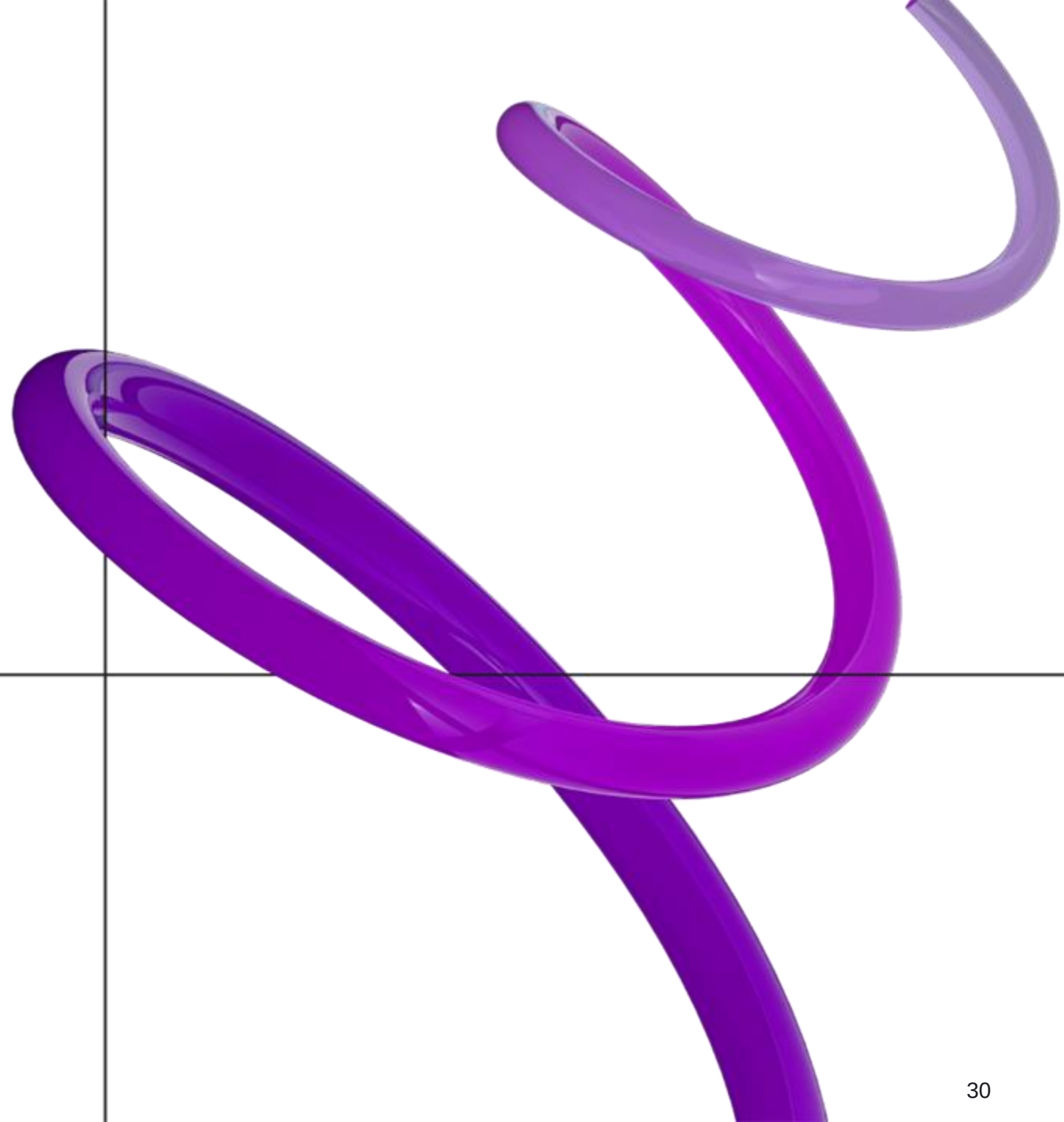


Notes:
1. Free Cash Flow: Cash from operating activities less capex, interest and lease payments

Resulting in marginal increase in Net Debt



Key Financials



Profit & Loss (Quarterly) – Consolidated

Particulars (₹ Mn)	Q1 FY22	Q1 FY21	Q4 FY21	% Change - YoY	% Change - QoQ
Revenues	45,845	28,817	50,257	59%	-9%
Raw Material ¹	26,245	16,308	27,585	61%	-5%
Staff Cost	6,536	5,370	6,704	22%	-3%
Other Costs	7,396	4,684	7,821	58%	-5%
EBITDA	5,668	2,456	8,147	131%	-30%
EBITDA Margin (%)	12.4%	8.5%	16.2%		
Depreciation	3,404	3,091	3,477		
Other Income	405	185	619		
EBIT	2,669	-450	5,288		-50%
EBIT Margin	5.8%	-1.6%	10.5%		
Interest	1,046	1,172	1,042		
Tax	336	-276	1,361		
Exceptional Items	9	-	13		
PAT	1,278	-1,346	2,873		
PAT Margin (%)	2.8%	-4.7%	5.7%		

Profit & Loss (Quarterly) – Standalone

Particulars (₹ Mn)	Q1 FY22	Q1 FY21	Q4 FY21	% Change - YoY	% Change - QoQ
Revenues	32,200	17,732	36,296	82%	-11%
Raw Material ¹	21,192	10,901	22,273	94%	-5%
Staff Cost	2,623	1,957	2,724	34%	-4%
Other Costs	5,049	2,961	5,693	71%	-11%
EBITDA	3,336	1,913	5,606	74%	-41%
EBITDA Margin (%)	10.4%	10.8%	15.4%		
Depreciation	1,924	1,715	1,907		
Other Income	378	145	559		
EBIT	1,790	344	4,258		-58%
EBIT Margin	5.6%	1.9%	11.7%		
Interest	893	1,028	855		
Tax	210	-148	1,148		
Exceptional Items	8	-	6		
PAT	679	-536	2,248		
PAT Margin (%)	2.1%	-3.0%	6.2%		



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

Ravi Shingari
Group Head - Accounts and Taxation
ravi.shingari@apolloytyres.com

Himanshu Sharma
Head – IR & Budgeting
himanshu.sharma1@apolloytyres.com

Thank you

