

APOLLO TYRES LTD
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ONLINE FILING

ATL/SEC-21

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22nd February, 2016

The Secretary,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

The Secretary,
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Dear Sirs,

Sub: Investor Conference - Presentation

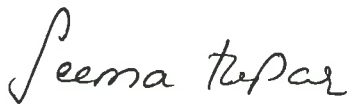
Pursuant to Regulations 30(6) and 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith presentations made today at Global Investor Conference named "Chasing Growth 2016" organised by Kotak Institutional Equities at Trident BKC, Mumbai.

The above presentation is also uploaded on the website of the Company at www.apollotyres.com.

Submitted for your information & records.

Thanking you,

Yours faithfully
For APOLLO TYRES LTD.


(SEEMA THAPAR)
COMPANY SECRETARY

Encl : as above



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INVESTOR PRESENTATION



February- 2016

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- **Continued Improvement in Profitability**

- **14.7% to 17.1%** : Operating margin* improvement on YOY basis

- **Strong cash flows leading to further lowering of Debt**

- Gross Debt lowered by 20% to Rs 11.5 Bn YOY

Notes:

* EBITDA without other income & exceptional items

Improvement in Profitability

	9M FY 2015	9M FY 2016	YOY Growth
Net Sales (Rs Bn)	95.9	87.4	-8.9%
EBITDA [^]	14.7%	17.1%	5.5%
EBIT ^{^^}	11.6%	13.6%	6.9%

- **Sales impacted** by Euro depreciation & restructuring of SA operations
- **Profitability has improved** because of softening raw material & improved internal efficiencies

1 INTRODUCTION TO APOLLO TYRES



2 FINANCIAL OVERVIEW



3 KEY COMPETITIVE STRENGTHS



4 OUTLOOK





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INTRODUCTION



Fast Growing Tyre Company Globally

- US\$2.1bn¹ net sales in FY15²
- 5 year CAGR for Net Sales is ~ 9%
- 5 year CAGR EBITDA³ is ~ 19%

Leading Tyre Manufacturer in India, Balanced Product Portfolio

- One of the largest radial tyre capacity in India (FY 2015)
- UHP & Winter tyres capabilities
- One of the largest player in truck tyre segment (with market share of 24%⁴) which is 2/3rd of the Industry

Manufacturing Across 2 Continents

- Manufacturing presence in Asia & Europe
- Combined capacity of ~1,640 MT/Day⁵



Mix of Global & Regional Brands

Extensive Distribution Network

- ~4,800 retail dealers in India
- ~3,550 dealer outlets in Europe

Large Talent Pool

- ~15,000 employees^{6,7} worldwide

Notes:

(1) 1US\$ = 61.05 INR, based on average exchange rate for FY15 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 Q1 FY 2016

(5) Average for FY 2015 for India & Europe plants

(6) As of 31st March 2015

(7) Including contractual workers



Onkar S Kanwar
Chairman & Managing Director



Neeraj Kanwar
Vice Chairman & Managing Director



Sunam Sarkar
Director



Satish Sharma
President, APMEA



Mathias Heimann
President, EA



Robert Steinmetz
Director



P K Mohamed
Chief Advisor, R&D



Francesco Gori
Director



Dr. Seshu Bhagavathula
Chief Technology Officer



Markus Korsten
Chief Manufacturing Officer



Marco Paracciani
Chief Marketing Officer



Peter Snel
Chief, R&D PV



Pedro Matos
Chief Quality Officer



Martha Desmond
Chief Human Resources Officer

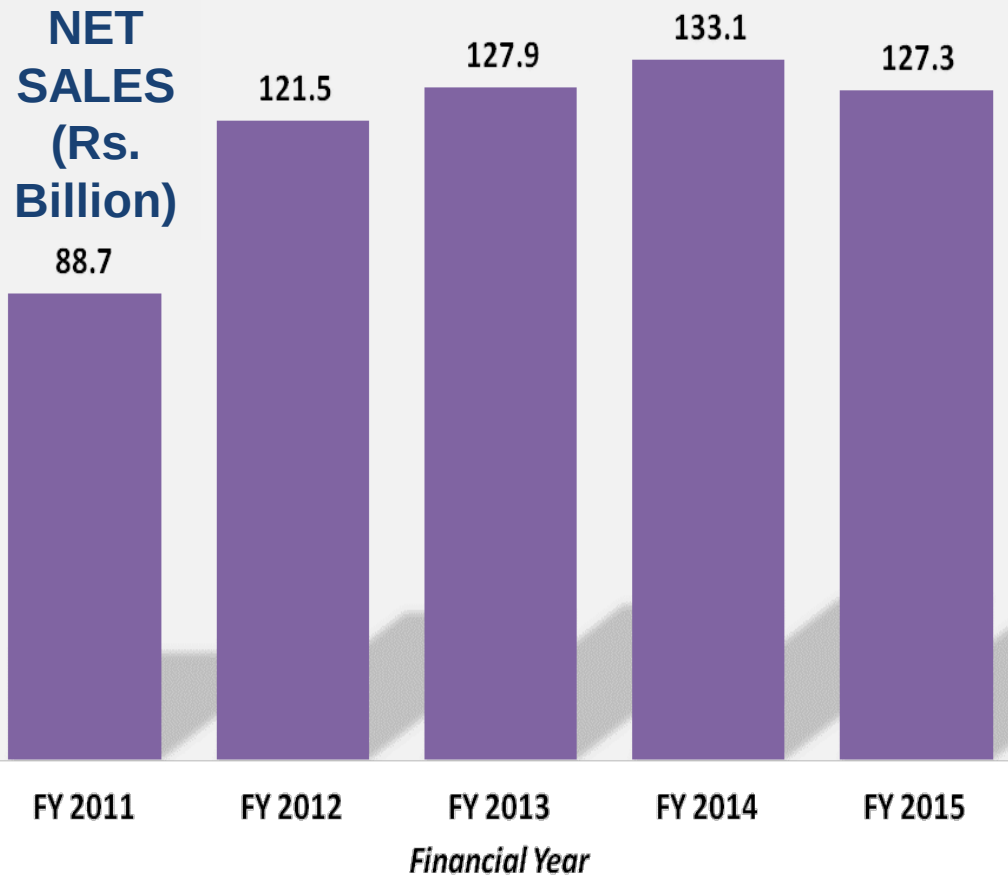


K Prabhakar
Chief Projects

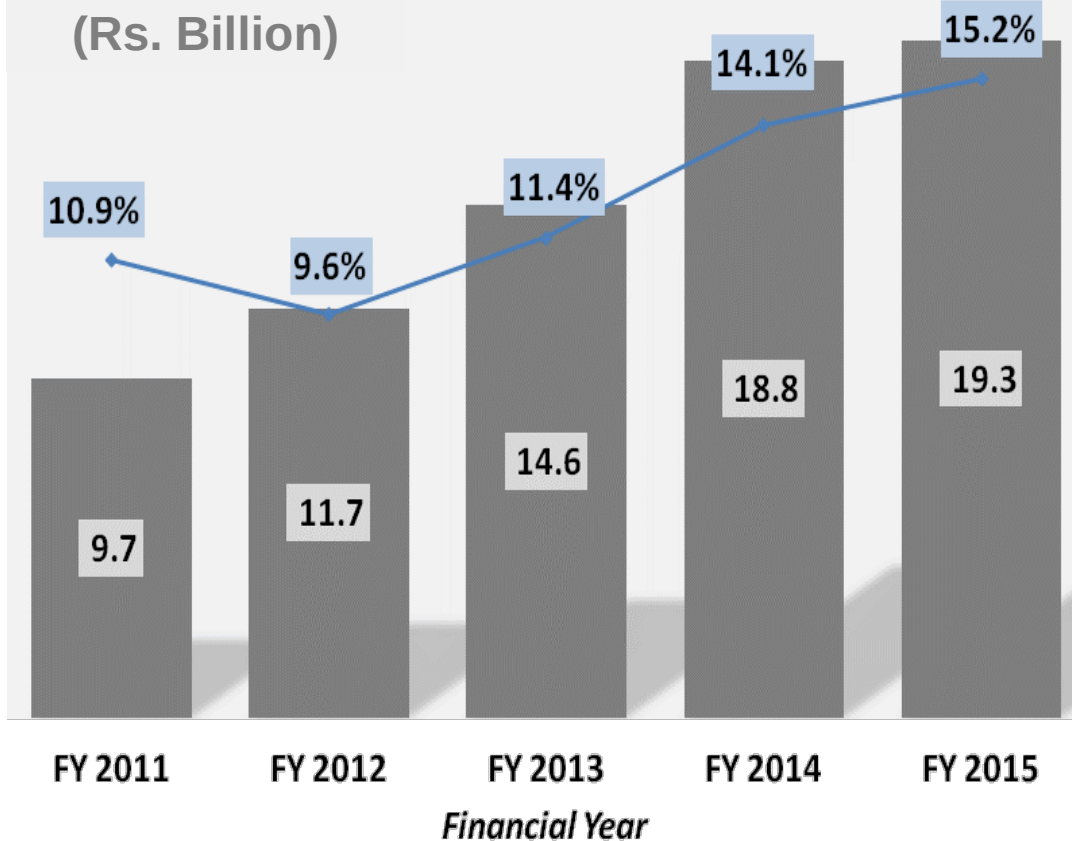


Gaurav Kumar
Chief Financial Officer

NET SALES (Rs. Billion)



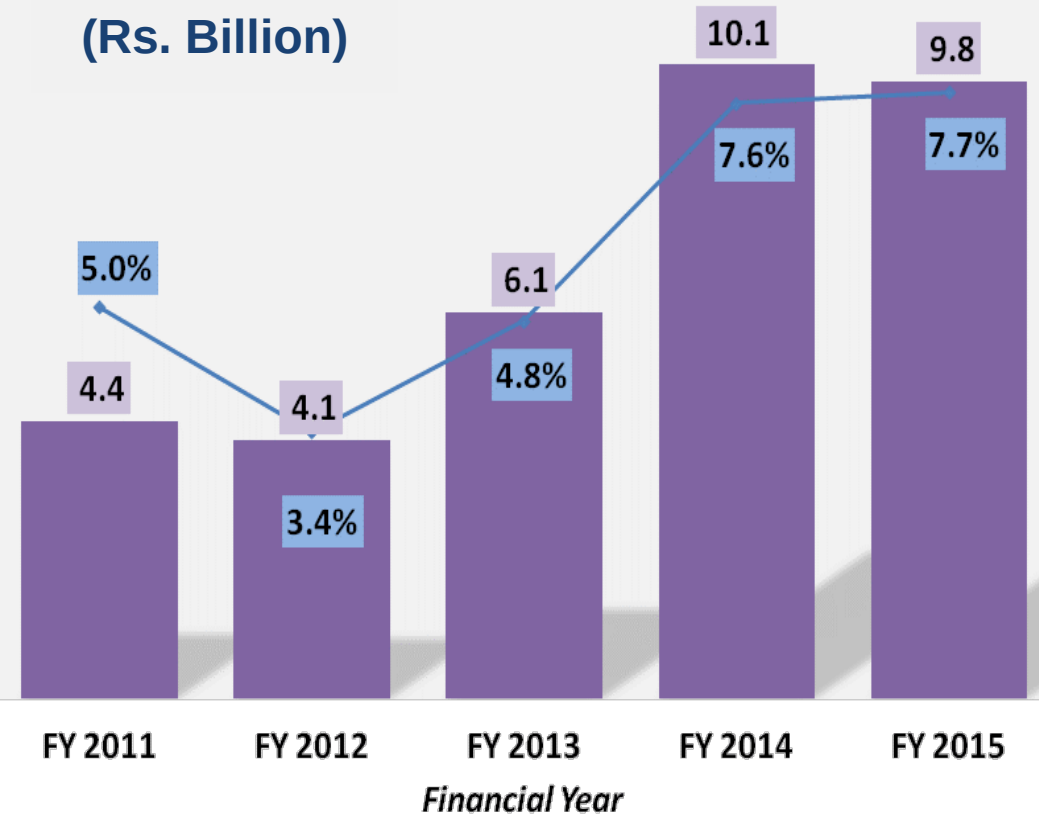
EBITDA[^] (Rs. Billion)



Net Sales has shown a CAGR of 9%

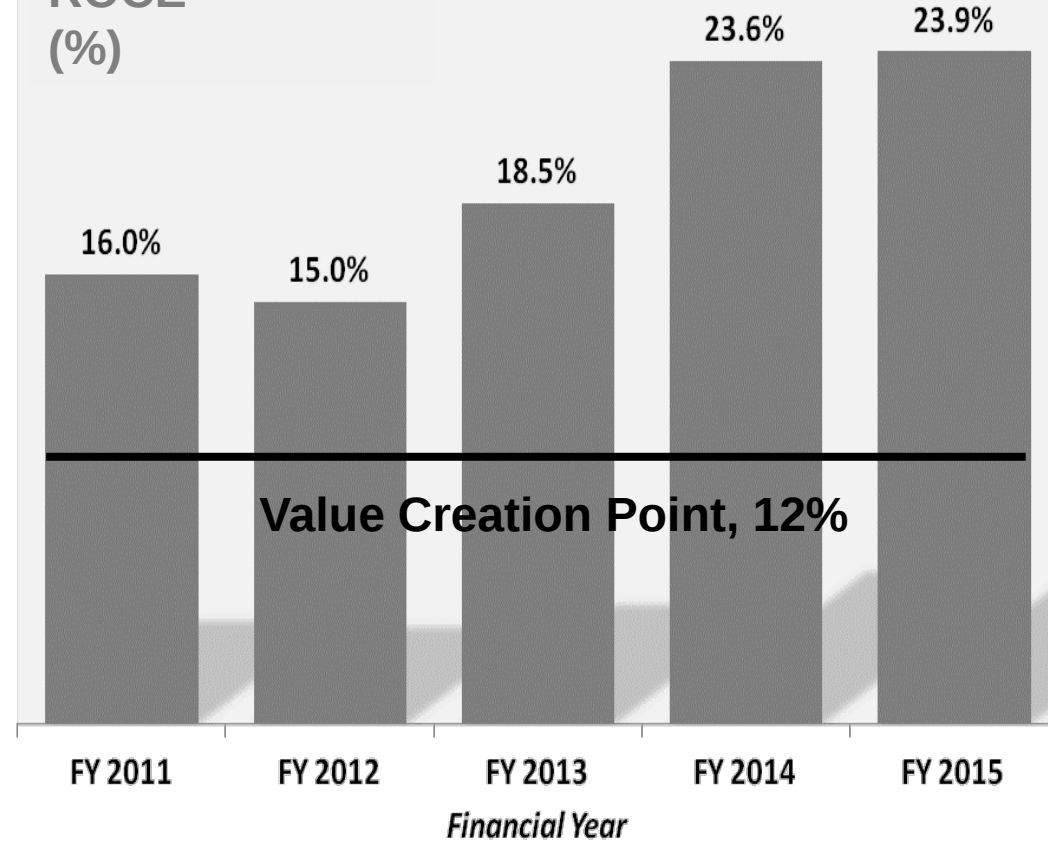
Median EBITDA[^] of 11.4%

NET PROFIT (Rs. Billion)



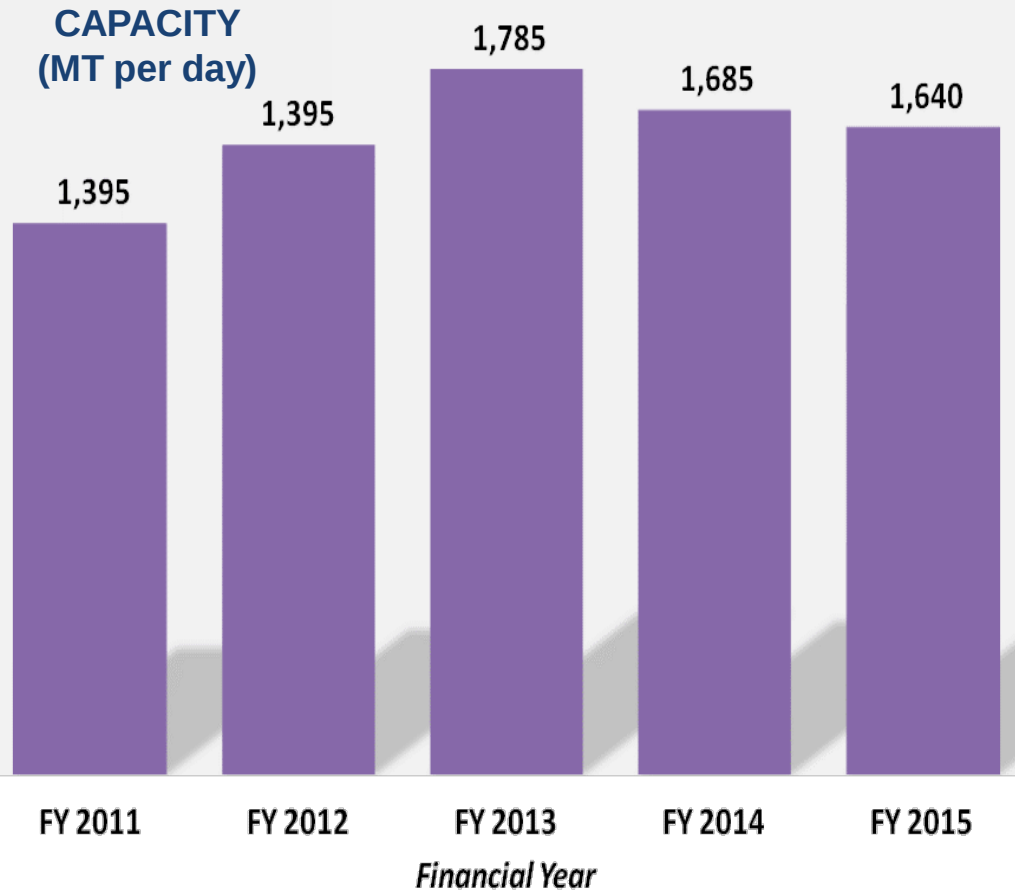
Median Net Profit of 5.0%

ROCE (%)

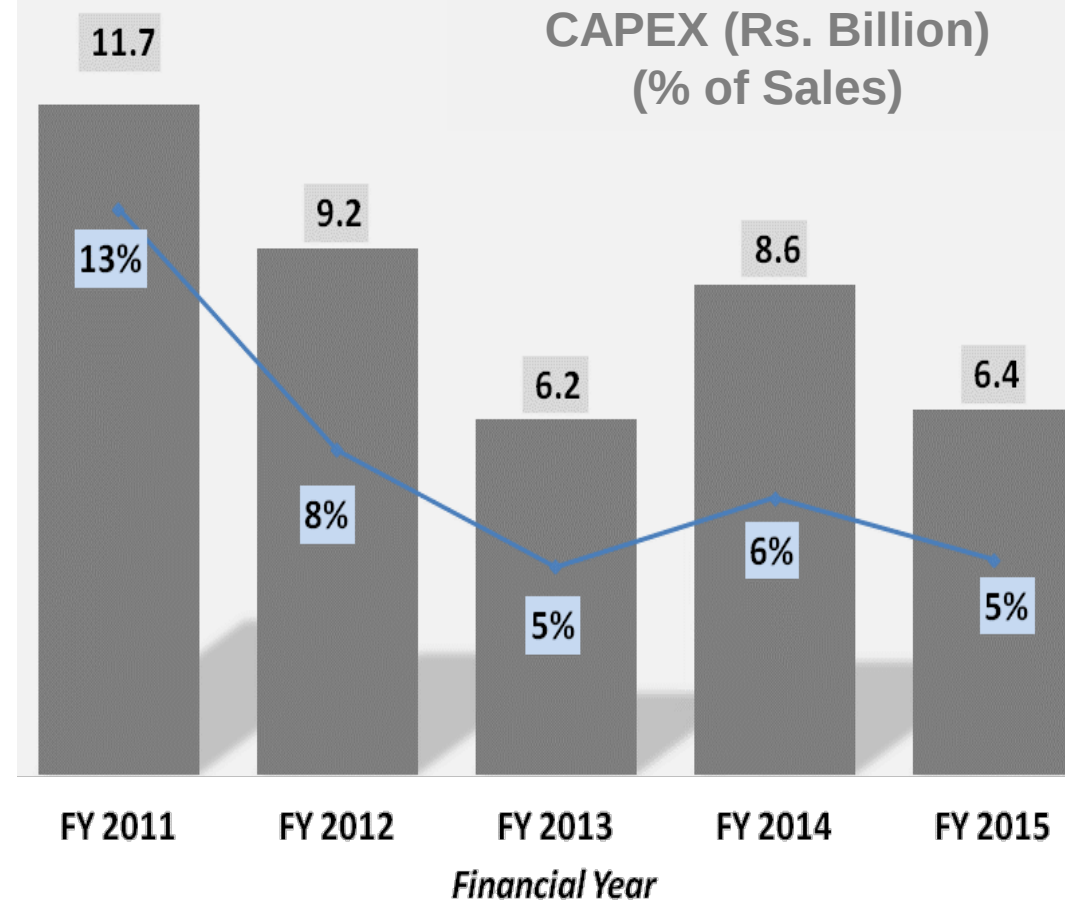


Consistent Value Creation for Shareholders

**CAPACITY
(MT per day)**

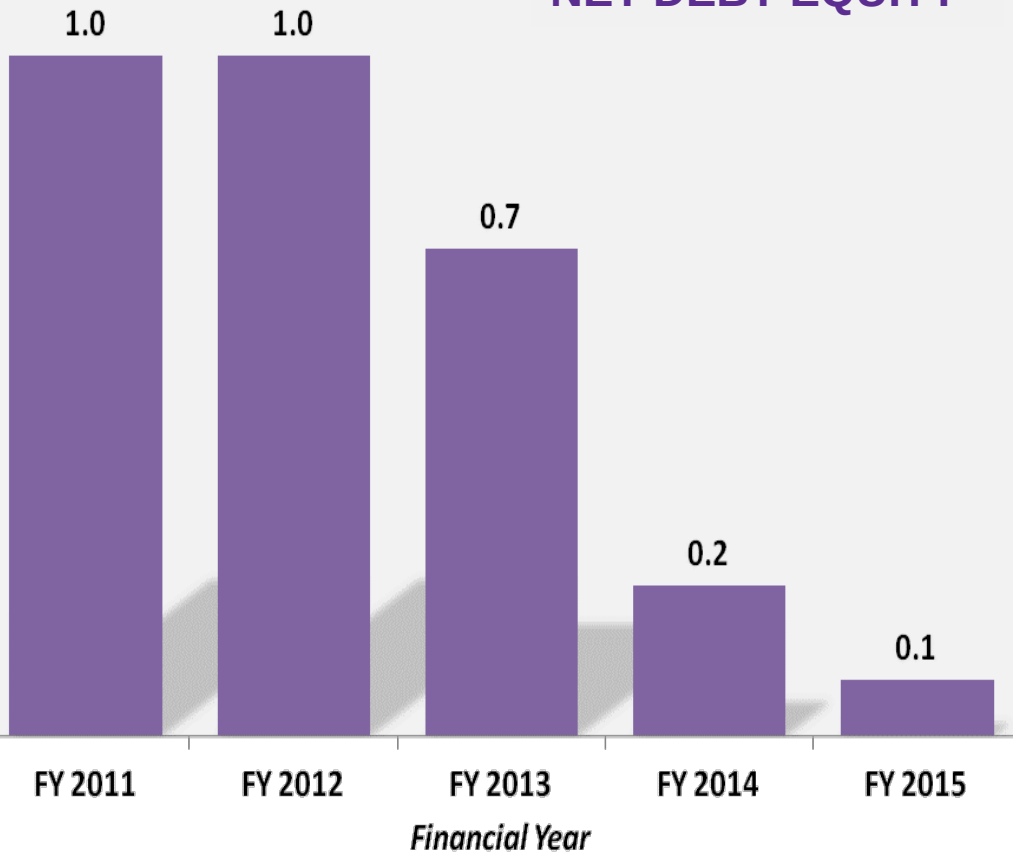


**CAPEX (Rs. Billion)
(% of Sales)**

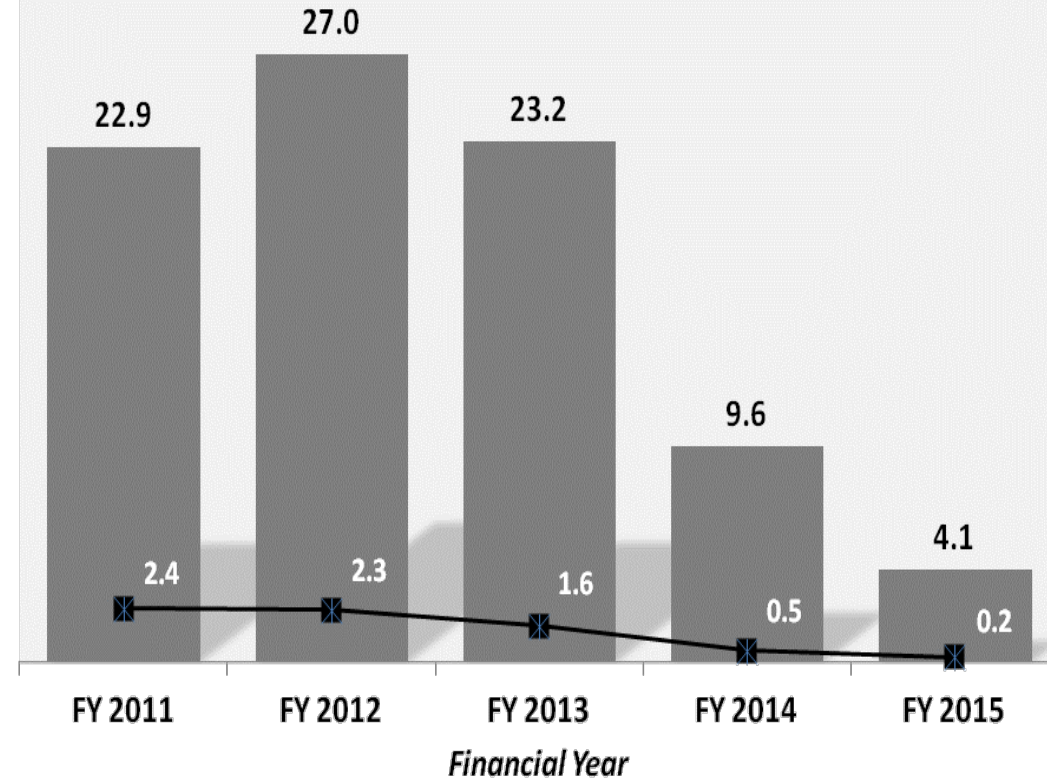


Consistent capital investments to augment capacity & capitalize on market growth

NET DEBT-EQUITY



NET DEBT (Rs. Billion) NET DEBT- EBITDA[^]



Strong Balance Sheet position

Consistently maintained conservative leveraging to position for future growth

KEY RELATIONSHIPS WITH GLOBAL BRANDS



Strong relationships with market leading OEMs, raw material suppliers & testing facilities

BUSINESS



RAW MATERIAL



TESTING FACILITIES





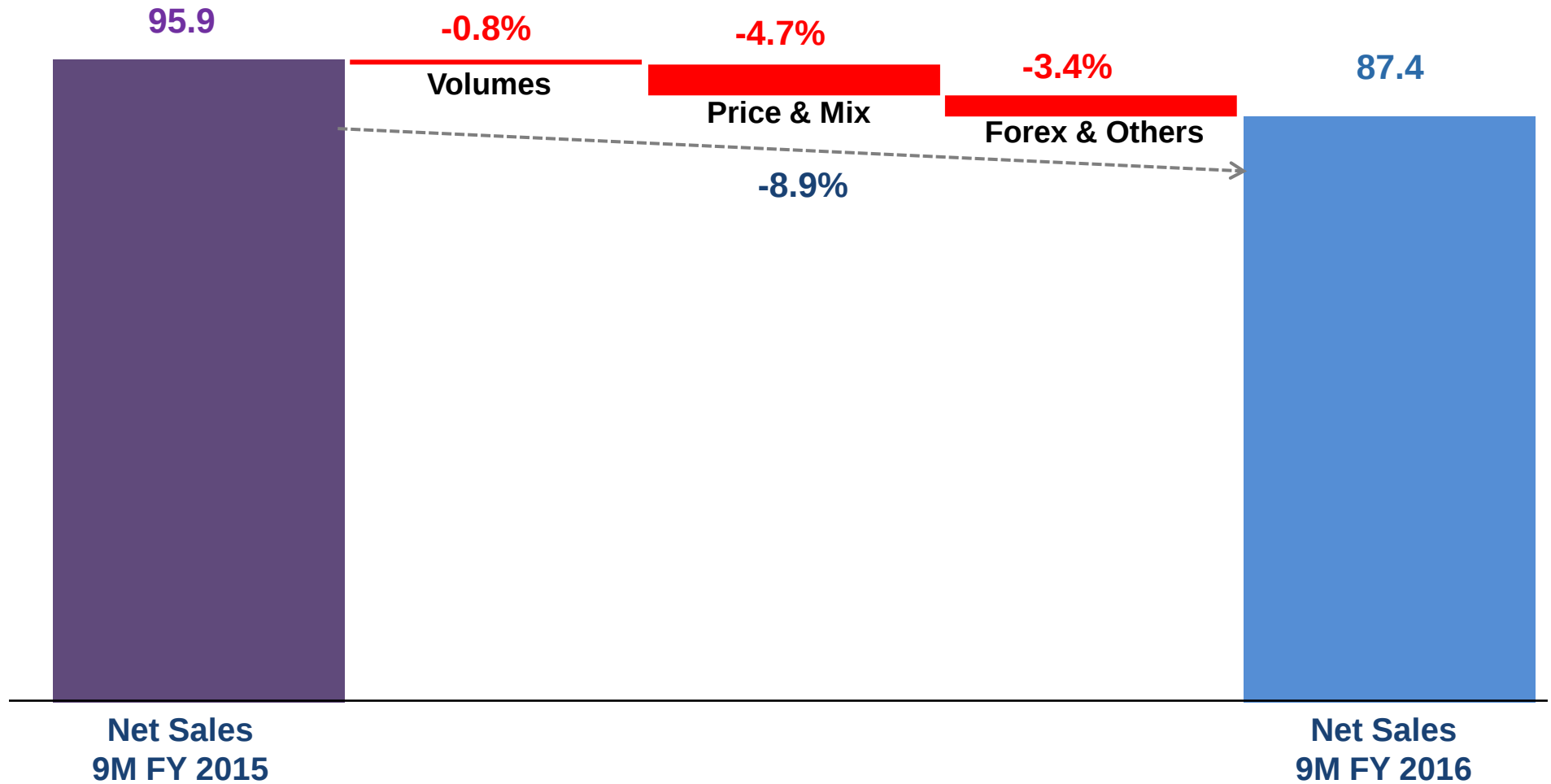
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FINANCIAL OVERVIEW



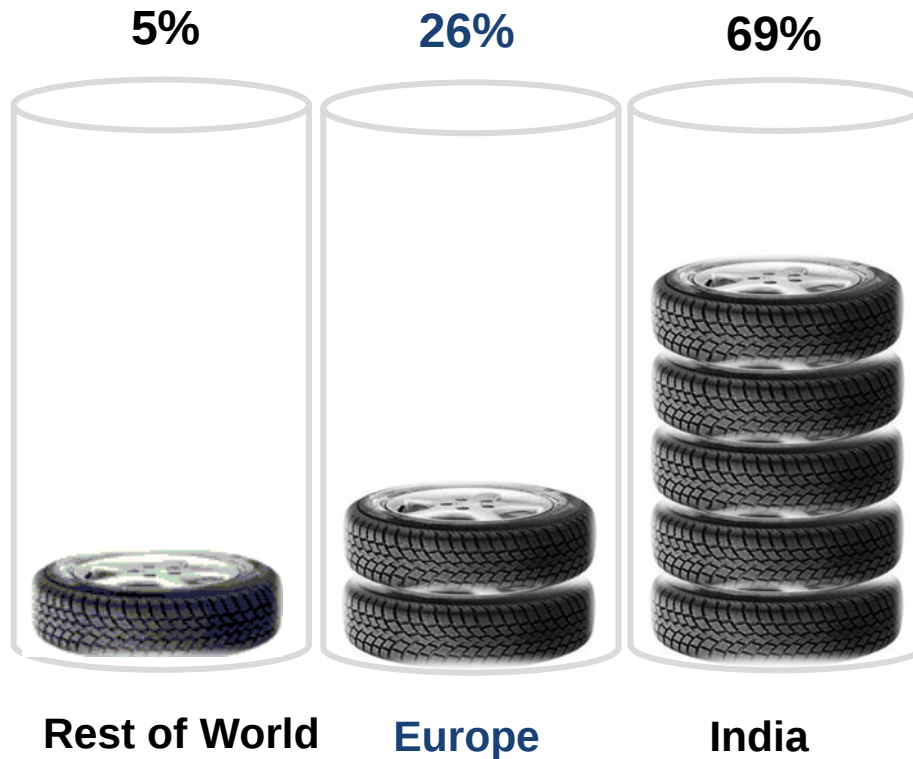
De growth in sales primarily because of SA Restructuring and Adverse Forex impact

YOY Change
(Rs Bn)



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

Region Wise

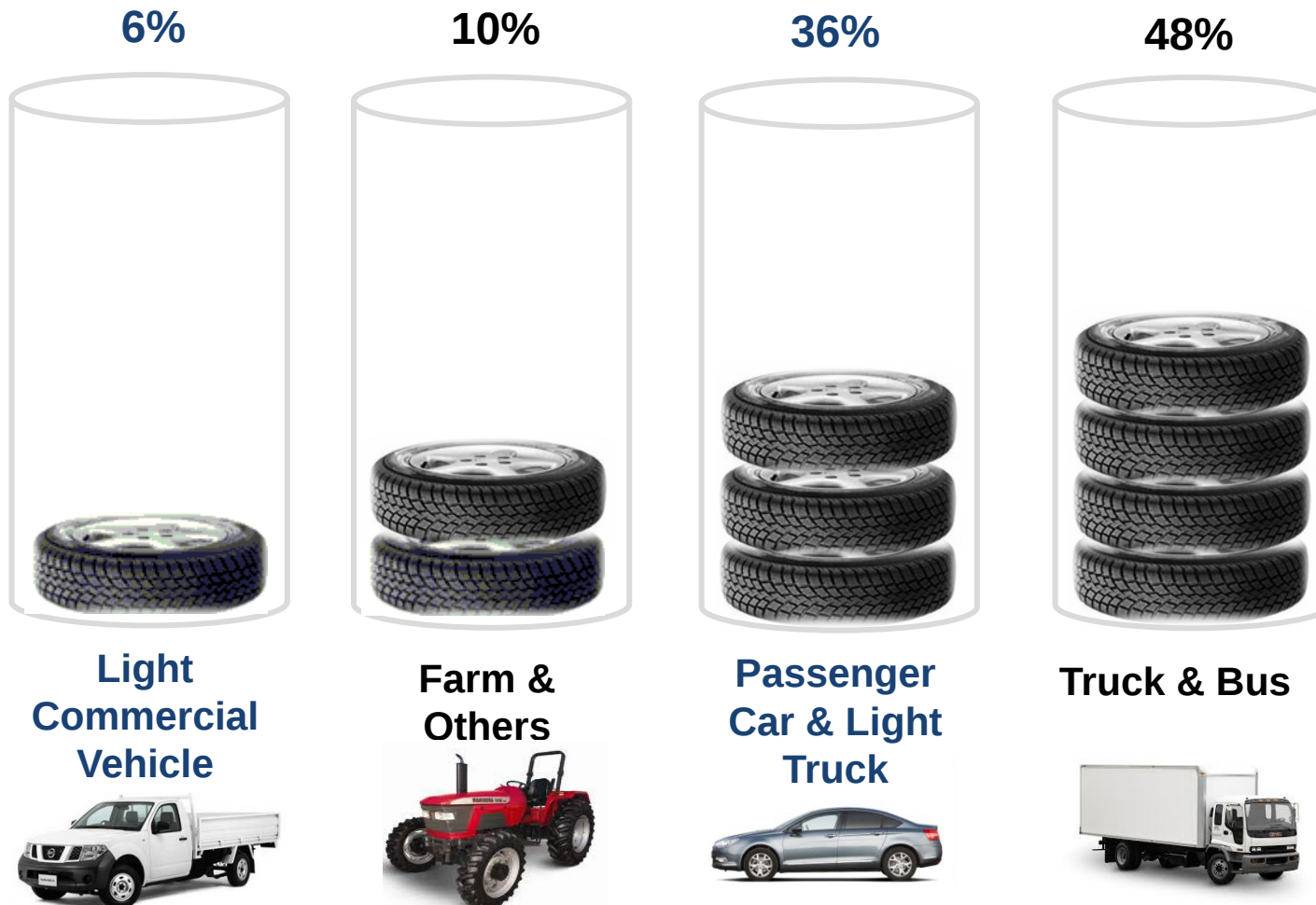


Market Wise



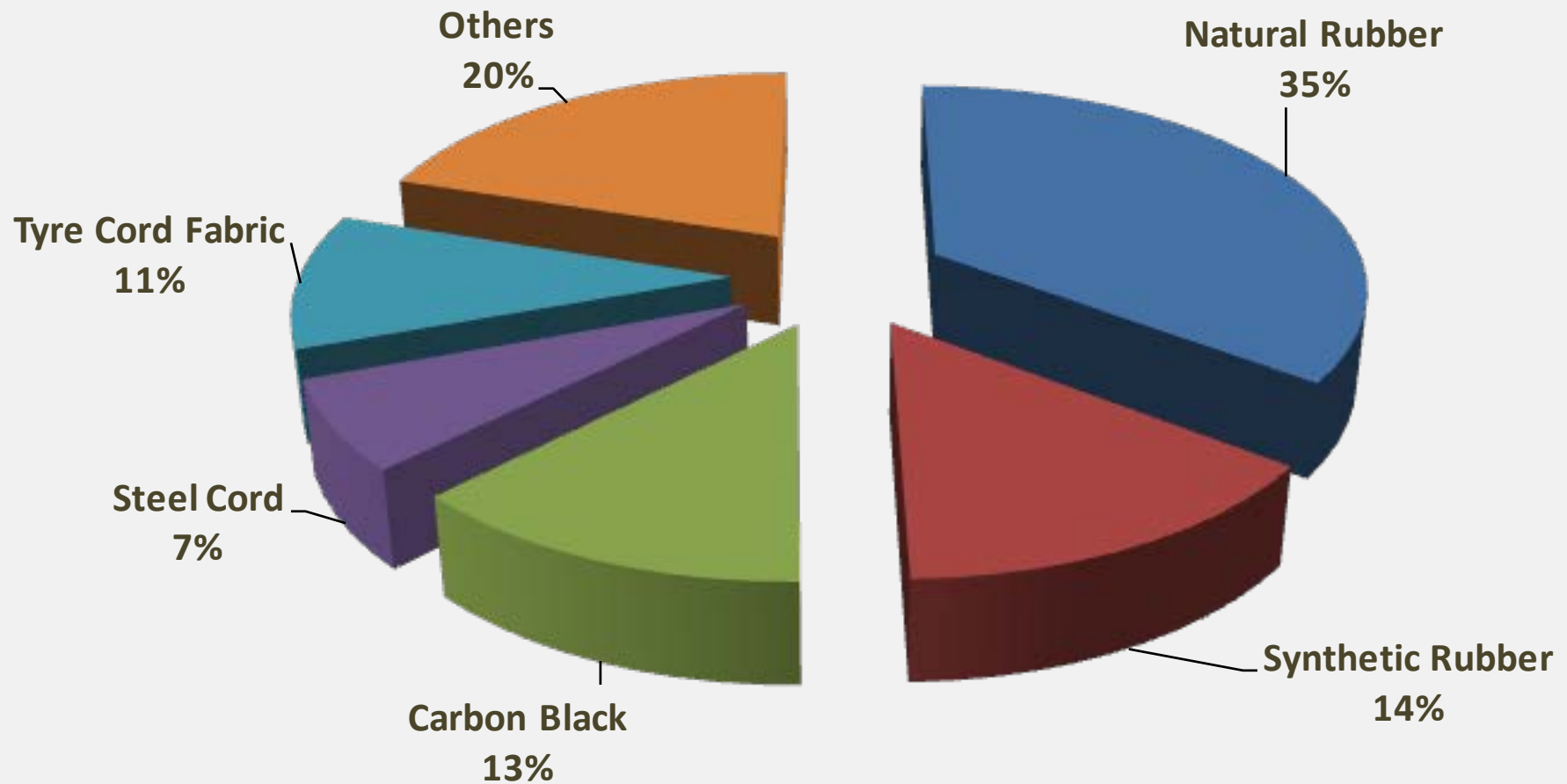
More than 80% of the revenues are contributed by PCLT & Truck & Bus Tyres

Product Category Wise Revenue Segmentation



Raw materials generally account for ~50% of Total Sales

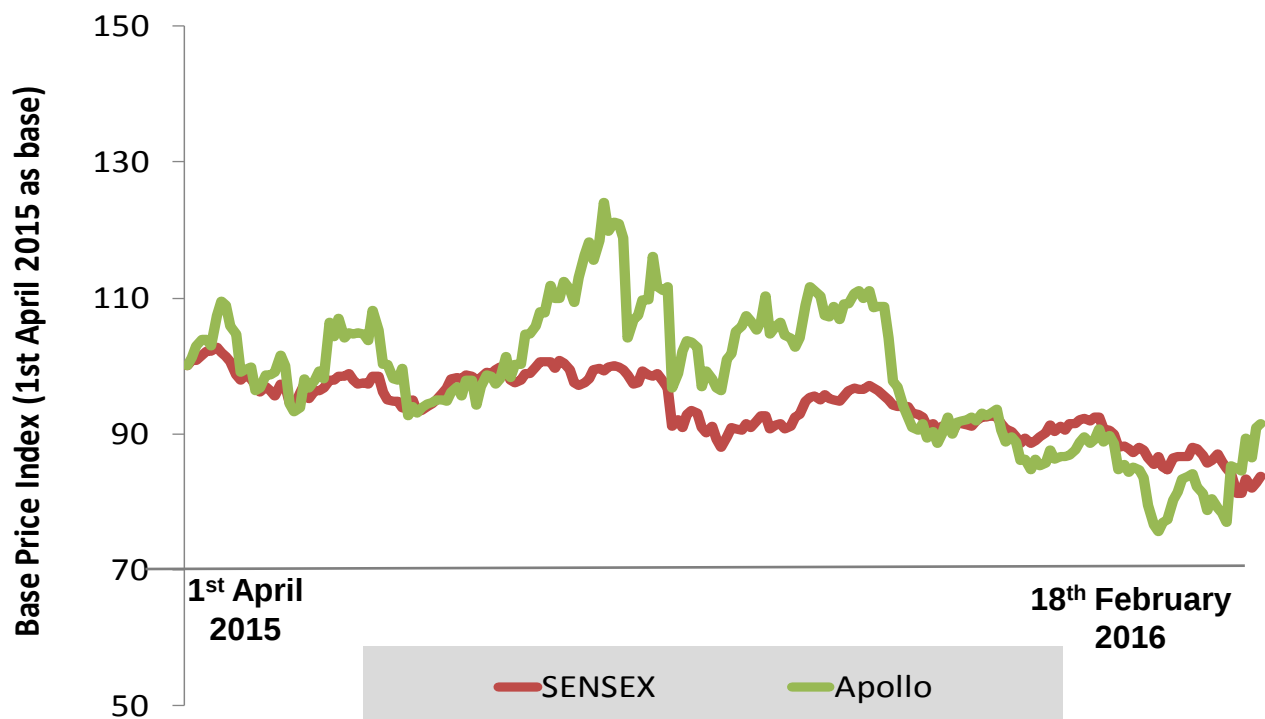
CONSOLIDATED OPERATIONS



Valuation Ratios	Value
Price to Earnings [^]	6.4
EV [^] / EBITDA [*]	3.7
EPS ^{^^}	22.7

Shareholding Pattern as on 05.02.2016

Classification	% of Shares
Promoters	44.1%
Financial Institutions/ Banks/ Mutual Funds	10.7%
FPIs/FIIs/NRIs/OCB's	29.5%
Government of Kerala/ Travancore/ Titanium Products Ltd.	2.0%
Public	13.7%



Notes:

[^] Based on average share price from 19th January – 18th February -2016

^{*} EBITDA is without other income & exceptional items for LTM Q3 FY 2016

^{^^} For LTM Q3 FY 2016



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KEY COMPETITIVE STRENGTHS



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

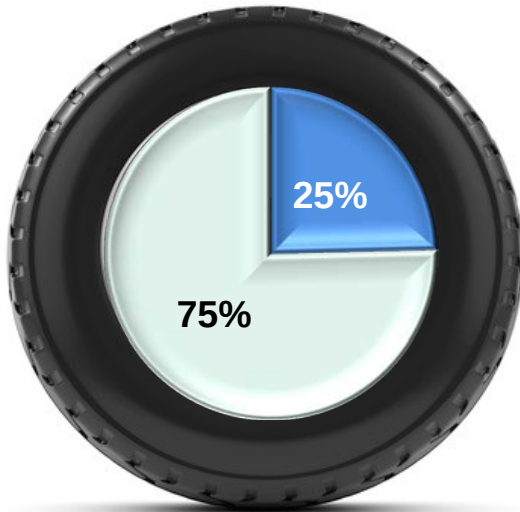


Proven success in pursuing strategic growth

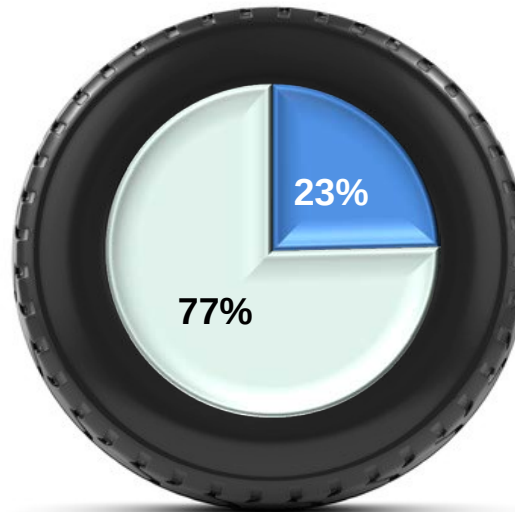
Leading player in India with significant market share across product categories

MARKET SHARES

TBR[^]



TBB[^]



PCR[^]



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

Well positioned multi-brand strategy across different segments



Vredestein commands a premium position in passenger car tyres

Pricing segment	Brand	Brand Positioning	UHP & Winter tyres	Passenger vehicles tyres	Commercial vehicles tyres	Farm vehicle tyres	Off highway tyres	Bicycle	Peers
Top		Global Niche Premium	✓	✓		✓	✓	✓	   
Medium		Global	✓	✓	✓	✓	✓		   
Others		Global Challenger		✓	✓				
		Global Challenger			✓				

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

Brand Tie-up with Manchester United



Leverage the partnership with Manchester United to raise Apollo Brand's awareness among potential customers, business partners & consumer audiences in key markets



Apollo Tyres is Manchester United's Official Global Tyre Partner

Well positioned to support sale of its regional brands

India



Extensive distribution network in India

- ~4,800 (incl. ~1,600 exclusive) retail dealers*
- 150 sales offices including regional & area offices
- 16 Regional distribution centers servicing 150 stocking points
- Wide specialist network*: Apollo Super Zone, Apollo Zone, Apollo CV Zone, Apollo Point

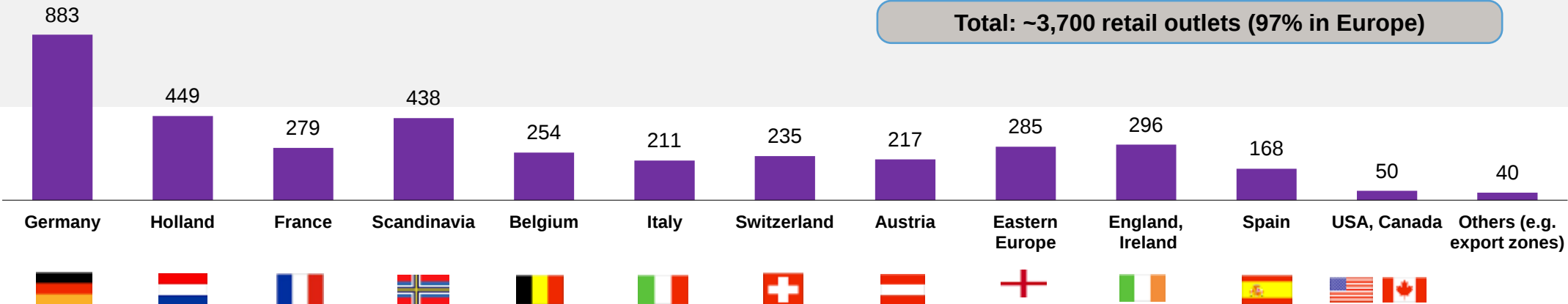
Europe



Distribution network across Europe

- ~3,550 third party dealers in Europe
- 13 European National Sales Offices with outdoor salesmen & 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



Total: ~3,700 retail outlets (97% in Europe)

Notes:
*Not Company owned

- ❑ 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

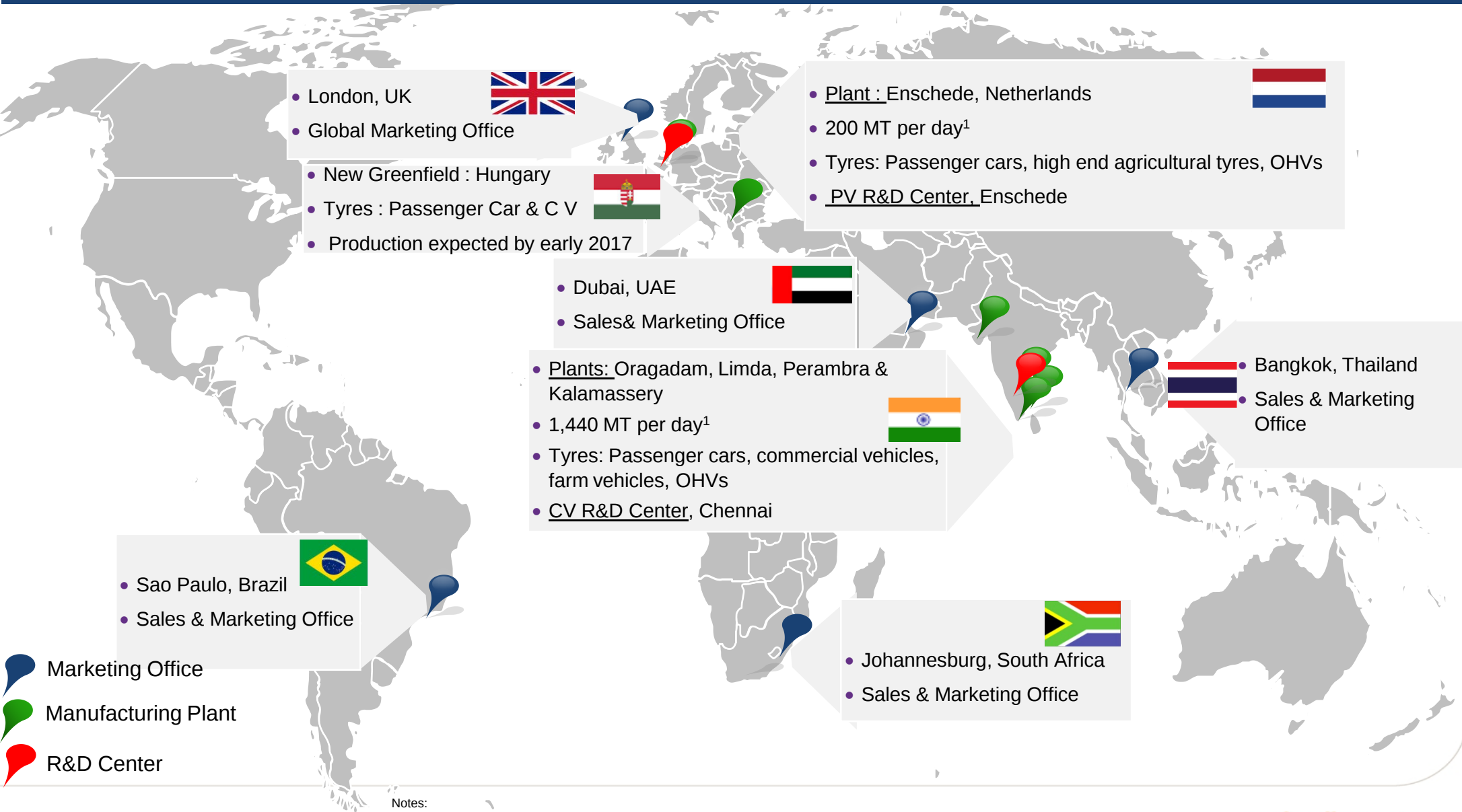
- Proven history of manufacturing expertise & innovation
- Developed 'Spacemaster', a collapsible spare tyre for high end cars
- Launched the variable front spoiler made with a specially developed EPDM rubber for the European market that we believe helps in improving high speed handling & fuel efficiency
- 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



Global Presence With Proximity to Growth & Profit Pool Markets



Sales to more than 100 countries world wide

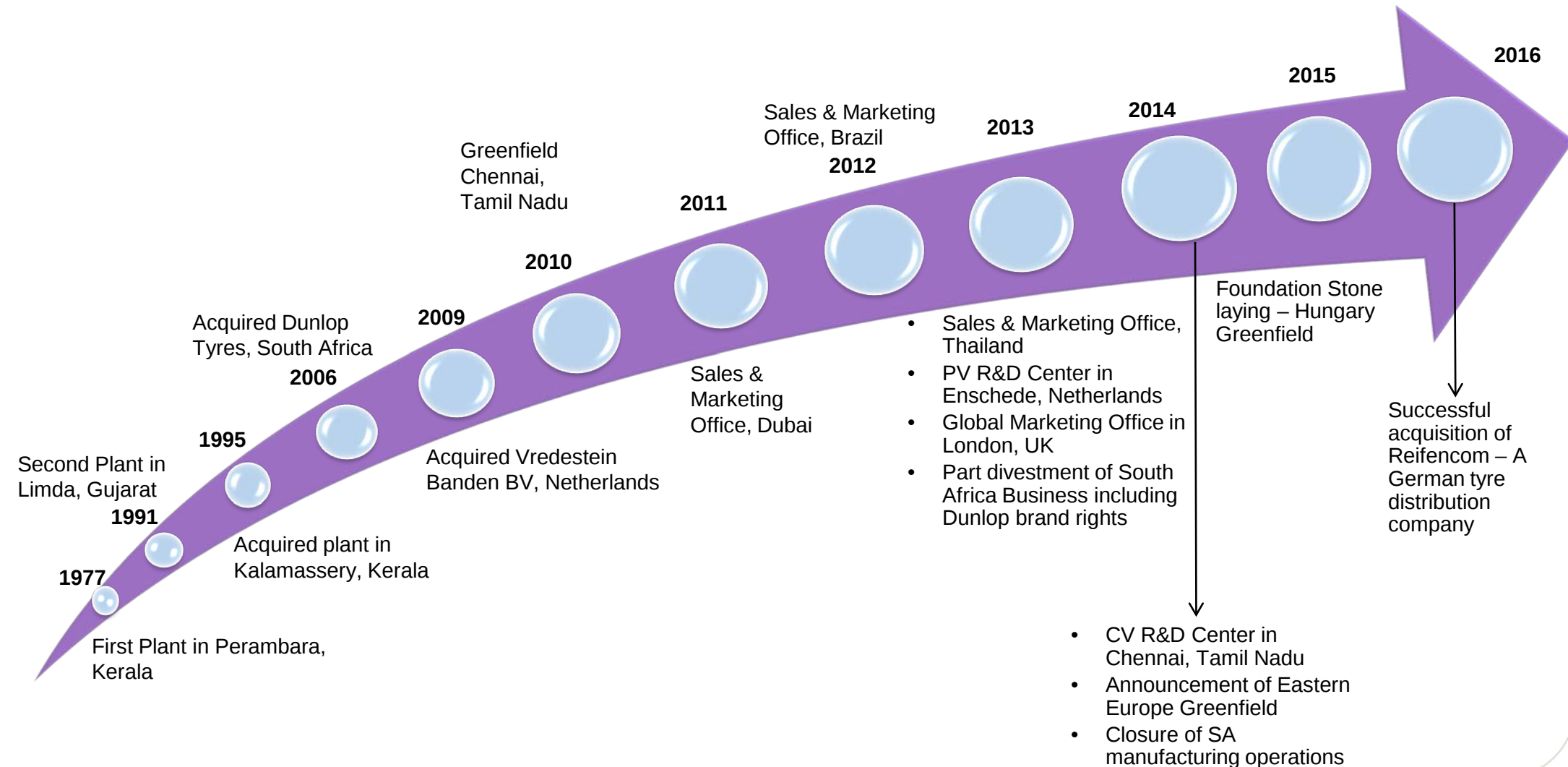


Notes:
(1) Average for FY 2015 for India & Europe plants

PROVEN SUCCESS IN STRATEGIC GROWTH



History of establishing manufacturing plants, international sales offices & acquiring global assets to become a truly international player





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OUTLOOK





- **Growth in Replacement & OEM** will continue in both Passenger Car & Truck segments in FY 2017
- **European market** expected to remain flat in FY 2017
- **Favorable Raw Material** scenario to continue in FY 2017 with a small increase towards the second half
- **Hungary Greenfield** progressing as per schedule – Start of production expected by the end of FY 2017
- **Doubling Truck Radial** capacity at Chennai plant – First tyre rollout from enhanced capacity by Q3 FY 2017

Thanks



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