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**ATL/ SEC/21**

**August 12, 2025**

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.
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**Sub: Transcript of Analyst/ Investor Conference Call**

Dear Sirs,

Pursuant to Regulation 30(6) and 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that a Conference Call for the analysts and investors to discuss the financial and operational performance of the Company for Q1 FY26 was held on August 8, 2025.

Please find attached herewith the transcript of the aforesaid call. The same has also been placed on the website of the Company <https://corporate.apollo tyres.com/investors/ir-updates/>

This is for your information and records.

Thanking you,

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

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



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**Apollo Tyres Limited**  
**Q1 FY26 Earnings Conference Call**  
**August 8, 2025**

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**Rishi Vora:** Ladies and gentlemen, good day and welcome to the Apollo Tyres Conference Call. I am Rishi Vora, analyst with the auto sector at Kotak Institutional Equities.

At the outset, I would like to thank the Apollo Tyres management for giving us an opportunity to host this call. From the management team, we have with us Mr. Neeraj Kanwar, Managing Director and Vice Chairman of Apollo Tyres; Mr. Gaurav Kumar, Chief Financial Officer and the Investor Relations team.

We will start the call with brief opening remarks from the management team and then we'll begin the Q&A session.

Over to you, Neeraj sir.

**Neeraj Kanwar:** Thank you. Good afternoon and thank you for joining us today. I welcome you all to the Apollo Tyres Q1 FY'26 results conference call. As always, I would start with a broad overview of the results followed by Gaurav. And then we would be happy to take some questions.

We closed quarter one FY'26 with a consolidated topline growth of nearly 3.6% Y-o-Y and an EBITDA margin of 13.2%. On the domestic India front, we saw growth in the OEM segment coupled with a modest growth in the replacement segment. The OEM growth however was led by pre-buying on account of the mandatory AC cabin regulation in the heavy commercial segment.

Coming to Europe, the demand environment was challenging which led to a decline in the industry volumes in key categories. While we maintained our topline on Y-o-Y basis, despite the weak demand scenario, sequential decline in revenue was registered in Europe on account of seasonality. We are keeping a close watch on the market and will continue to focus on profitable growth through new product launches, premiumization of our product mix and cost optimization.

As highlighted in my previous earnings call, we remain committed to free cash flow generation and improvement in return ratios. I am pleased to share that we reduced our consolidated net debt by over 15% in Q1 compared to quarter four of last year, which has further strengthened our balance sheet.

Looking ahead, we anticipate a stronger topline growth in both India and Europe. In India, this growth is likely to be led by the replacement

segment. Let me now talk about key pillars of our vision and as always highlight some of the work done by teams in the quarter.

Beginning with R&D, I am pleased to announce that we have recently received approvals for supplies to a prominent German passenger vehicle manufacturer in both India and Europe. This reinforces our product strengths, deepens our ties with premium automotive players, enhances our OE portfolio and further positions our brands in the premium segment.

We are excited on the launch of our ultra-high performance tyre Apollo Aspire 5 built for the premium car and SUV category. Our dual brand strategy is paying off with our premium brand Vredestein continuing to make rapid strides and once again recording highest ever volumes in Q1.

Sustainability has always been a key pillar for us. I am delighted to share that we have achieved a 35% reduction in Scope 1 and 39% reduction in Scope 2 emissions intensity surpassing our FY'26 emission reduction targets.

Apollo Tyres obtained its first ISCC certification for its facility in Hungary in May 2025. The achievement is a significant milestone for us as it will facilitate the monitoring of sustainability throughout the process and supply chain from the sourcing of raw materials to the final products. We earned a Gold Rating from EcoVadis placing Apollo Tyres in the top 5% globally in business sustainability ratings.

With this, I'll conclude my opening remarks, but let me once again emphasize that as always we are closely monitoring market trends and our core structures with a continued focus on driving sustainable and profitable growth. We are proactively preparing to navigate both the challenges and opportunities ahead, and I firmly believe we are well-positioned to capitalize on long-term opportunities across our core markets.

Thank you once again for your time and I'll hand over to Gaurav now. Thank you.

**Gaurav Kumar:**

Thank you, Neeraj, and good afternoon ladies and gentlemen. Continuing from where Neeraj left, let me share some further details of our operations for the last quarter.

The consolidated revenue for the quarter stood at INR 65.6 billion, a growth of 3.6% over the same quarter last year. The consolidated EBITDA for the quarter stood at INR 8.7 billion, a margin as Neeraj

mentioned of 13.2%, a slight improvement compared to the 13.0% in last quarter, but still lower than the 14.4% in the same quarter last year.

Coming to the balance sheet, we have been able to further improve our leverage ratio given the focus on cash flows and profitability. Compared to the previous quarter end, we reduced our consolidated net debt by INR 3.9 billion in the Q1, bringing it to a level of INR 21 billion. The net debt to EBITDA for the consolidated operations stood at 0.7x at the end of June'25.

In India, the revenue for the quarter was INR 47.3 billion, a growth of 3% over the same quarter last year. The EBITDA for the quarter stood at INR 6.4 billion, a margin of 13.6%, a substantial improvement compared to the 11.2% in the last quarter. Our volume growth in this quarter on a Y-o-Y basis was flattish, led by a low single-digit growth in replacement, a mid-single-digit growth in the OE volumes, which was negated by a significant decline in exports.

On the OE side, while there was good growth in the truck OEM volumes, we had a decline in the passenger car OEM volumes. The margin improvement was a result of a decline in the raw material cost, also resulting in improvement in gross margins.

Regarding the demand outlook, we expect the demand momentum to improve in the second half of the fiscal and the rebound in infrastructure and mining segments post-monsoon.

Moving on to raw material outlook, we expect the raw material cost to be slightly lower in Q2 vis-a-vis the current levels, however, with a bit of uncertainty given on the exchange rates that is currently prevailing.

Coming to the balance sheet. The large part of the debt reduction was in the standalone net debt, INR 3.8 billion, as on June'25 compared to previous quarter end. And for India operations, the net debt to EBITDA stood at 1x compared to 1.2x as of previous quarter.

For Europe operations, revenue for the quarter was EUR 146 million, flattish over the same period last year. The revenues, however, were significantly lower than the previous quarter due to a weak market, which saw negative growth in all product categories and the seasonality factor. We performed better than the market in the critical segment of passenger car replacement tyres, but were still in the negative territory.

The EBITDA for the quarter stood at EUR 16 million, with an EBITDA margin performance of 10.8% compared to 13.7% for the same quarter last year. The margins were impacted due to the impact on revenue, a negative market growth across product segments, and this had an

adverse operating leverage impact. Looking ahead, we expect an improvement in the demand momentum, but we will continue our focus on cost optimization.

Further to our announcement about the intended decision to close production and production-related activities at our Enschede plant in the summer of 2026, the matter continues under the Works Council consultation process.

In the results, you would have seen that there is an exceptional item below EBITDA level, which is related to the estimated cost of this restructuring to the tune of INR 3.7 billion, which is based on the signed social plan for payout to the employees. This payout would be in FY'27, which is the next fiscal year, but the need to take this provision right now was dictated by the accounting standards.

We continue to closely watch our capex outflow. There is no change in our capex guidance for FY'26. Profitability, free cash flow generation, and improvement in return ratios continue to be our focus areas for our strategy as we go ahead.

With this, I would conclude my opening comments. Thank you. We would be happy to take your questions now.

**Rishi Vora:** Thank you, Gaurav. We'll now open the floor for Q&A session. Anyone who wishes to ask a question can please use the Raise Hand option. Once you are done asking your question, please lower your hand. We'll wait for a couple of seconds for question queue to assemble.

First question is from Siddhartha. Siddhartha, you can unmute your line and go ahead.

**Siddhartha Bera:** Yeah. Hi, sir. Thanks for that.

**Gaurav Kumar:** Hi, Siddhartha.

**Siddhartha Bera:** Sir, my first question is on the India business. So, if you can first share for the replacement side, what is the segment-wise breakup between PCR, TBR? And going ahead, how should you think about the full year growth? I mean, last quarter, we had expected probably a better growth in this current quarter. But given the way things are on the demand side, how do you think we should expect the overall growth to be for the year?

**Gaurav Kumar:** Siddhartha, yes, we had expected better growth when we began the year and in our commentary of May. We believe that on the replacement side, we have performed in line with the market. OEM, as I mentioned, we've lost some bit on the passenger car side based on the accounts

that we walked away. And exports, the peers may have outperformed us. I would say the topline growth, while we would still be pushing for a double-digit, but maybe a high single-digit would be a more realistic estimate.

**Siddhartha Bera:** This is on the volume side, right?

**Gaurav Kumar:** Right now, there is hardly likely to be pricing action, given that the raw material cycle is reversed.

**Siddhartha Bera:** Got it. And second question is on the commodity. So again, I mean, on a sequential basis, actually commodities haven't actually fallen as much compared to the 4% nearly drop Q-o-Q, which we have seen per ton basis. So, any other reason why this has been so sudden and whether is this sustainable going ahead?

**Gaurav Kumar:** I'm not sure I get your question as to where you're talking about the 4%. The raw material did come down on a sequential basis.

**Siddhartha Bera:** Yeah. I was talking about per tons, RM per ton is down around 4% Q-o-Q. So, we had expected a flattish to a marginal decline probably when we started. So, is this fully reflective of the current prices or should we expect more improvement going ahead?

**Gaurav Kumar:** As I mentioned, we expect Q2 raw material unless we get significantly surprised on the USD rupee exchange rate, we expect Q2 raw material to come a little further down.

**Siddhartha Bera:** Understood, sir. Sir, lastly, on the Europe side, I mean, the margins really have come down despite on a Y-o-Y basis, revenues actually are flat. So, any other reason, I mean, operating leverage should not be the case if revenues are flat on a Y-o-Y basis, but we still have seen a correction in the margins. So, any further thing why it has happened?

**Gaurav Kumar:** See there have been inflationary pressures and as we've mentioned in the last few calls that in the last couple of years, the inflationary pressure in Europe has been higher than normal, whether it's the energy prices, salary prices, etc. And that's one of the causes which has led to our decision on the Netherlands side. So, the cost part has kept pushing up, and particularly from a sequential basis, there was a big revenue decline.

**Siddhartha Bera:** Got it. So, we have not done any pricing changes in our products. So, is that the right assumption?

**Gaurav Kumar:** Yes, there has been no pricing changes.

**Siddhartha Bera:** Okay.

**Gaurav Kumar:** There were certain price cuts taken towards last quarter, which is Q4 in line with raw materials coming down.

**Siddhartha Bera:** Okay. Understood. Thanks a lot, sir. I'll come back in the queue.

**Gaurav Kumar:** Thank you, Siddhartha.

**Amyr Pirani:** Thank you, Siddhartha. Amyr, you can unmute your line and go ahead.

**Amyr Pirani:** Hi. Am I audible?

**Gaurav Kumar:** Hi, Amyr. Yes, Amyr.

**Amyr Pirani:** Okay. So, one question was, you know, on the similar lines that Siddhartha asked on the Europe margins. So, would it be fair to say that the inflationary pressure that you're seeing in Netherlands is higher than Hungary, or is it the same? I'm just trying to understand that, you know, as we move on to Hungary as being our sole supply base, in addition to the, you know, reduction that we will see in, you know, production costs, is there a difference in the inflationary pressure also in these two geographies or is it the same?

**Gaurav Kumar:** It is, it is mostly similar, Amyr. The big pressure, Y-o-Y to again touch on the point Siddhartha asked and you've said, on a Y-o-Y basis, the raw materials were up 3% in Europe.

**Amyr Pirani:** Okay.

**Gaurav Kumar:** So that's sort of eating at the margins with the topline being flattish and then the staff cost increments, etc. further hit, if your revenue hasn't grown.

**Amyr Pirani:** Okay. Okay. And sorry if I'm repeating this, the revenue flat is flat volumes and prices or has like, what is the breakup there, if you can just help us.

**Gaurav Kumar:** Just let me see if I have the volumes. PCLT volumes are slightly up.

**Amyr Pirani:** Okay.

**Gaurav Kumar:** We have a big decline in the spacemaster tyres, which is that special category tyres, which is not market linked. It is largely linked to the fact that it's manufactured in a high cost plant and hence as contracts are ending, the customers are not renewing those contracts. So that's a big decline of almost 40%. And agri market continues to be sort of weak.

And then similarly, the TBR also has had a negative market growth. So that's why the overall, since the PCR part, which was still positive, and we outperformed the market, the other segments pulled it down.

**Amyr Pirani:** And I'm guessing that PCR has a better realization, that's why your revenue has ended up still being flat Y-o-Y?

**Gaurav Kumar:** That's correct. And there is further improvement in the mix, which we continue to drive, which is the UHP proportion is now in the high 40s.

**Amyr Pirani:** Okay. Okay. And secondly, just on the commodity comment that you made, now we saw natural rubber ease off a bit, and then I think it has stabilized and maybe slightly moved up. But the benefit from crude falling, which has happened in the last three months, the crude-related derivatives, are you still to see the benefit or this comment for 2Q incorporates some benefits that you're seeing in the crude derivatives also?

**Gaurav Kumar:** So Amyr, some of the benefits is incorporated because the contracts are signed ahead of time. So, we expect that benefit to come through and hence the only element of risk there is the exchange rate because that will hit us on a spot basis. Your comment on natural rubber is absolutely right because even on a sequential basis, natural rubber actually was up 3%. We saw a reduction in synthetic rubber and nylon fabric.

**Amyr Pirani:** Okay. Thank you. And just lastly, slightly more, you know, a question on the medium-term. So, you know, when you had put out that FY'26 plans, obviously you had some ROCE targets as well as margin targets. You had actually achieved the ROCE targets, you know, before time, in, you know, sometime in FY23-24 itself, but obviously the market has changed. So, how should we think about that 15% number in the context of where you are right now? And realistically, you know, based on whatever assumptions you can make, you know, in the best of your knowledge, when can we see that return to 15%?

**Gaurav Kumar:** So, if the current market conditions, Amyr, were to continue, which is let's say raw material tailing off a little bit more, we should be returning to that. Right now, in fact, in the current quarter, it is the Europe operations with market challenges, which have pulled down the overall returns. So, I would say while we are not there in near-term, but medium-term, definitely return to that 15% is possible. And as we get back on the table to look at our targets and vision for the next 5-year period, starting from next fiscal year, we will see whether the target should remain at 15% or higher as we go forward with a very different manufacturing mix.



**Neeraj Kanwar:** Plus, I think in Q2, Aryn, you will see a much better performance on Europe side. Things are looking better than before, unless there's a geopolitical issue with the US. But things are looking better. And I can see Q2 results on revenue side being much better.

**Aryn Pirani:** Okay. Great. That's good to know. I'll come back in the queue.

**Gaurav Kumar:** Thank you, Aryn.

**Rishi Vora:** Next question is from Raghunandhan. Raghunandhan, you can unmute your line and go ahead.

**Raghunandhan N.L:** Thank you for the opportunity.

**Gaurav Kumar:** Hi, Raghu.

**Raghunandhan N.L:** Hi sir. Sir, on Europe side, you know, you have highlighted focus on sales mix improvement, cost optimization, and Q2 is also expected to be better. How do you see the broad range for EBIT margin for FY'26? Can it be flattish on a full-year basis compared to last year? And also, your thoughts on the restructuring efforts, how do you see -- what would be the timeline when they will reflect in the margins? And if you can give some quantification of the benefits we can expect, say in FY'27 or '28?

**Gaurav Kumar:** So, Raghu, yeah, as we stated repeatedly, we do not give out margin guidance. So, on the first question, I'll have to say that we will not comment on that.

On the second one, we expect to finalize the consultation process with the Works Council within the current quarter. This is also a period when there's 3-weeks of annual maintenance leave when people also go on holiday. So, the consultation process will resume towards the end of August, and we would hope to complete the same within this quarter.

The intended decision of closure, which will get finalized as part of this consultation process, is towards the summer of next year. So, it is still a significant period away. The expected benefits, etc. still too early to quantify, but yes, they will start flowing in from FY'27. Nothing in FY'26.

**Raghunandhan N.L:** Got it, Gaurav. Thank you. My second question was on India replacement. How has been the TBR-PCR performance, and how do you see the outlook ahead? Replacement, you indicated that you've broadly performed in-line with the market. How is it between the categories?

**Gaurav Kumar:** Sure. So, on TBR replacement, Raghu, we grew mid-single digits. Passenger car replacement was low-single digits. We might have been

slightly behind market on the passenger car replacement, but TBR slightly ahead. And that's why I said over the two main categories, we were in-line with the market growth.

**Raghunandhan N.L:** Got it. And the share of Vredestein, however, given that you highlighted that it is the highest ever volume, so how should we look at it? Within PCR, how would be the share of Vredestein?

**Gaurav Kumar:** It is still quite low. I don't have the exact figures here, but the percentage proportion would be, I think, still in single-digits.

**Raghunandhan N.L:** Got it. Just the last one. Can you share the commodity prices for the quarter?

**Gaurav Kumar:** Sure, Raghu, just a minute. Natural rubber was around 210, synthetic rubber 180, carbon black 120, and steel cord 160.

**Raghunandhan N.L:** And the blended RM basket?

**Gaurav Kumar:** Blended RM basket would have been around somewhere 166.

**Raghunandhan N.L:** Got it. Thanks so much, Gaurav. Wishing all the best.

**Gaurav Kumar:** Thank you, Raghu.

**Rishi Vora:** Next question is from Mumuksh. Mumuksh, you can unmute your line and go ahead.

**Mumuksh :** Yeah, thank you, sir, for the opportunity. Sir, I just wanted to understand, firstly, on the Europe restructuring costs, we have done around INR 500 crore of cost over the last two quarters. So, I just want to understand, is this now the cost complete or there could be more further cost in the coming quarters, sir?

**Gaurav Kumar:** So, Mumuksh, what we took in March was based on a desktop study of asset impairment, which is a non-cash charge. And again, while from a business perspective, we would have said that it should be taken all in one go once we have clarity, our auditors and accounting standards dictated that we make an assessment immediately. The second one, which has come in the current quarter of about INR 370 crores, is the actual cash payout that will happen if all the employees that are currently there are paid as per the signed social plan.

Now, if an employee leaves in between, then that cost will not be incurred. We will still have to do a more thorough assessment on the asset side of things. We will send in our team to go through the entire

asset list in detail, including a physical examination. So, there might be something more on the asset impairment side.

**Mumuksh:** Got it. Got it. And sir, anything on the land sale, sir? Will there involve any land sale which can give a cash in, and can receive some cash for the land, sir, other plant?

**Gaurav Kumar:** Too early to say, Mumuksh, because we want to first concentrate on the entire consultation process with the Works Council. It is a tough emotional decision to take care of the employees and then come to the other aspects of this decision. So, too early to say on that.

**Mumuksh:** Got it, sir. So, secondly, I just want to understand, how do you see the new competition which is planning to come build in India for TBR and PCR segment? And just want to understand, how do you see if any impact on the talent for your team or the retention of the network, sir?

**Gaurav Kumar:** We will have more competition. The competition will take time to make not just an entry, but establish themselves. Both TBR and PCR are technology products, and apart from technology, establishing a vast distribution network. But yes, it will add to the competitive intensity and it will add to the fight for talent.

**Mumuksh:** Right, right. And also, any challenge on network side, sir, to hold on to dealers or there could be -- is there a challenge around network also, sir?

**Neeraj Kanwar:** Gaurav, let me answer that. So, I don't think -- I mean, it depends on the product and the brand. Today, Apollo has a very good brand equity in India, both in TBR and PCR. As you know, we are leaders in PCR and TBR. So, we'll continue to come out with new product launches, which serve the dealer network. Yes, there is attrition, but there is also add-on. Every month we are adding dealers. We are also going into the rural market. And so, expansion of distribution is the core strategy for Apollo going forward. And especially in the rural markets, that's where the growth is going to come. And on your keeping the talent, you would have seen in our balance sheet that we've also come out with the ESOP scheme recently. So, to the top tier of the management, Tier 2, Tier 3, Tier 1, we've given ESOPs across the board. So those are the talent retention tools that we are introducing into the company.

**Mumuksh:** Got it, sir. Thank you so much for the answer. And sir, lastly, sir, I just want to understand, in terms of the volume growth, sir, when do you see our volume growth catching up with the overall industry growth, sir? There's been last one year of underperformance. Just want to

understand, based on your customer order wins, how do you see that growth coming back to the normal level, sir?

**Neeraj Kanwar:** So, you know, in India, we have been growing at the market rate. Competition has obviously grown in 2-3 wheeler, where Apollo is not a significant player. And therefore, when you see the revenue numbers, there are double-digit numbers coming off competition, which is primarily driven by 2-3 wheeler. But as far as truck and PCR is concerned, we are putting in all efforts to try and see that we achieve a double-digit growth. And you'll see that in Q2.

**Mumuksh:** Got it, sir. Thank you so much for the opportunity.

**Neeraj Kanwar:** Thank you.

**Gaurav Kumar:** Thank you.

**Rishi Vora:** Next question is from Arvind. Arvind, you can unmute your line and go ahead.

**Arvind Sharma:** Hi. Good evening, sir.

**Neeraj Kanwar:** Hi, Arvind.

**Arvind Sharma:** Hi. Hi. Good evening, sir. Thank you for taking my question. Sir, first question would be more on the accounting part. There was a big exception around INR 3.7 billion, but versus that when we look at your taxation that seems a little different. So, two parts of it, first of all what should be the tax rate going forward? And secondly, if one was to see the post-tax implication of this exception what would that be?

**Gaurav Kumar:** So, the tax rate for our Europe operations usually if I remember correctly, Arvind, is around high-teens which is a mix of Netherlands tax rate and Hungary tax rate and then smaller component in other geographies. So that will continue as a normalized thing. We will get the tax benefit of this significant exceptional items, including if there are carry forward losses. So, to that extent we get the tax shield on the cash out.

**Arvind Sharma:** Got it, sir. Yeah, I was talking from that perspective only. If we look at the PBT around INR 4 billion and then INR 3.7 billion of exceptional. So, on that taxable profit, the actual tax of INR 255 million seems a little on the higher side. So just how should one look at the blended consolidated tax rate going ahead?

**Gaurav Kumar:** So, if you take out the exceptional item that's what I said about the high-teens is the tax rate for the European operations. Difficult to give

you a simple picture because Hungary is high-single digits. There are other geographies because we have subsidiaries in other European entities and each of them have their different tax rates based on the profits made, whether it's Germany, France etc. The largest one which is Netherlands, our tax rate is about 20%.

**Arvind Sharma:** Got it. Thanks. Thanks so much for this. Just one more of a clarification. The blended replacement demand you said was volumes were up low-single digit and OEM was up mid-single digit, was that because the presentation had low-to-mid for both of them.

**Gaurav Kumar:** Yeah. Replacement was low-single digit OEM was mid-single digits.

**Arvind Sharma:** Got it. Thank you so much sir for taking my question. That's all from my side. Thanks.

**Gaurav Kumar:** Thank you, Arvind.

**Rishi Vora:** Next question is from Joseph. Joseph you can unmute your line and go ahead.

**Joseph George:** Thank you. I had three questions. I'll take one by one. The first one is on the European operations. So, when I look at the last 3 years typical seasonality that I see is that the average revenues in say 2Q, 3Q, 4Q in Euro terms is typically about 20% higher compared to 1Q, a typical seasonality that we have seen everywhere. So, when you said that this year also the subsequent quarters would be better, are you referring to better Y-o-Y trends or are you talking about sequential improvement which happens every year?

**Gaurav Kumar:** So Q2, Joseph, we are talking about more the seasonality factor. The market as of now is still negative. So, the improvement in the topline that I'm talking about is more a seasonal factor, but at least it provides a better operating leverage coverage, which should then impact the margins that Neeraj talked about. The expectations of growth coming back to a positive territory is still a little away, we would hope that in Q3.

**Joseph George:** Understood. Thanks. The second question that I had was on the Indian operations opex line. So last year, you were averaging about INR 800 crores per quarter in terms of opex and I recall very clearly that you had mentioned we will try and cut that down with lower travel costs etc., etc. This quarter we have seen a good result. There is a good sequential drop in opex. So, are these efforts to bring down opex bearing fruit and hence this kind of run rate sustainable or is there a risk of it jumping back to the old INR 800 crores odd?

**Gaurav Kumar:** Currently, we would say Joseph, these levels are sustainable. We did, apart from the cut on travel and various other costs, the only one which was cut also very sharply was the advertisement and promotion spend. At some stage that will have to be released back for the sales growth. Other than that, the other costs are very much which should continue at the current levels.

**Joseph George:** Understood. And Gaurav, the last question that I had was Vredestein – sorry, Reifencor, if you can share the revenue and margins for the quarter.

**Gaurav Kumar:** Yes, Joseph, just a minute. Reifencor did EUR 53 million in revenues, about 5% up year-on-year and an EBITDA margin of about 4%.

**Joseph George:** Great. Thank you. That's all I had.

**Gaurav Kumar:** Thank you, Joseph.

**Rishi Vora:** Next question is from Basudeb. Basudeb, you can unmute your line and go ahead.

**Basudeb Banerjee:** Hi, thanks.

**Gaurav Kumar:** Hi, Basudeb.

**Basudeb Banerjee:** Yeah. I have a few questions. What was overall India volume growth Y-o-Y or standalone?

**Gaurav Kumar:** Overall, India volume growth was flattish, Basudeb.

**Basudeb Banerjee:** Okay. And as you earlier said to Raghu's question that raw-mat basket overall was INR 166 rupees a kg, how much it was down sequentially?

**Gaurav Kumar:** Sequentially it was down about 2%.

**Basudeb Banerjee:** 2%. And third question is in current raw-mat basket overall, how much is the import content percentage?

**Gaurav Kumar:** I won't have the exact number Basudeb, but in general about half of it is imported. We can get back to you with a more precise number.

**Basudeb Banerjee:** And as we discussed last time, now any plans of increasing natural rubber import content with domestic prices still remaining high and global prices being lower?

**Gaurav Kumar:** That's a constant call being taken by the procurement team based on the equation. I will have to check with them and we can get back to you, but, is there some very dramatic shift? - unlikely, because there's a certain fine balance, a little bit movement in terms of the mix between domestic and imports can be done, but it will not be as if a 50-50 will be changed to 80-20 either way.

**Basudeb Banerjee:** Understood. And last question, in today's call you mentioned Hungary sustainable tax rate is high-single digit?

**Gaurav Kumar:** That's correct, because the tax rate in Hungary is 9%.

**Basudeb Banerjee:** So once operations shift fully to Hungary from Netherlands, so other than operational benefits, will it be right to assume European tax rate will also come down from high-teens to high single digit or maybe 10%, 12%?

**Gaurav Kumar:** There may be only a slight impact because our headquarters of European operations remain at Netherlands. So, the headquarters, which is the Apollo Tyres Europe entities buys products from all the plants, be it Hungary, be it the Dutch plant or India plant, for example, and then they sell to the customers. So, the central entity will continue to be Netherlands.

**Basudeb Banerjee:** Understood. Yeah. Thanks all the best.

**Gaurav Kumar:** Thank you, Basudeb.

**Rishi Vora:** Thank you. I request the participants to raise hand if they have any questions for the management. We have a follow-up question from Arvind. Arvind, you can unmute your line and go ahead.

**Arvind Sharma:** Hi, thanks so much sir, for taking my question again. Good to hear your optimism on the India demand going forward. If you could just elucidate what are the key drivers for demand going ahead over the remaining part of the year? That would be the first question.

**Gaurav Kumar:** So, one, post-monsoon, which is typically a little low vis-a-vis season. We see demand pick up in Q3 and then Q4. Also, there is expected better demand from the mining segment, etc.

**Arvind Sharma:** What about PCR?

**Gaurav Kumar:** Expectation is there, car sales improve post this season, but there's nothing like to say that we have some concrete orders to say our numbers will go up by a certain quantum. It's based on a judgment call on what our teams are feeling from the market.

**Arvind Sharma:** Right. And it's difficult to find out the exact market share, but this assumes market share to be stable, right?

**Gaurav Kumar:** As of now, this assumes market share to be stable. Our estimates, our market share in PCR is about 20% and in TBR replacement is 30%.

**Arvind Sharma:** Got it. Thanks. And just one more accounting question. The staff cost in the standalone business saw a sharp uptick on a quarter-on-quarter basis. Is this seasonality because last year also first quarter was high or is it something which will sustain going forward?

**Gaurav Kumar:** The seasonality factor is only the increment part. So, there is always a jump in the Q1 based on the increments given. Where you see a slightly larger increase this year is also the reason that last year the variable pay, which gets concluded in the last quarter, the payout was lower given the financial results. So that sort of depressed that figure from the normal levels and you see a bigger jump.

**Neeraj Kanwar:** Plus Gaurav, there have been new talent that we've taken at senior management level, both in supply chain and manufacturing. And that would have also come in staff cost.

**Gaurav Kumar:** Yes.

**Arvind Sharma:** All right, sir. Very clear. Thank you again for taking my questions.

**Neeraj Kanwar:** Thank you, Arvind.

**Rishi Vora:** Next question is from Amar. Amar, you can unmute your line and go ahead.

**Amar Kant Gaur:** Yeah, good afternoon, sirs. And thanks for taking my question. I had two questions. One was on the restructuring happening in Europe. Has that plant ceased operations? So, we will not be getting any revenues from that plant or till what period will that be operational and what kind of revenues can we expect from there?

**Gaurav Kumar:** So, Amar, the plant continues to be operational. Right now, in fact, the exact shape and how we will go about the restructuring is not even finalized because the consultation process is on. And even in the intended decision, the intention was to close production there at that plant in the summer of 2026. So, at a bare minimum, we are talking about continuing the plant operations till June of 2026.



**Amar Kant Gaur:** Okay. Okay. Thanks. Thanks for that. My next question is on the export side. We have seen our share of exports from India decline quite rapidly since the time that we had shifted some of the capacities that we have rationalized in Europe to India, and our exports had gone up to maybe 17%, 18%, and now it is down to 11%, 12% as a share of overall revenues, whereas we see share of exports for our peers continues to go up. So, is there something that probably you guys are looking at maybe strategically or anything to kind of address that?

**Gaurav Kumar:** Yeah, it is being looked at. Some of them was a result of let's say the whole supply chain disruptions which have been fairly frequent. Supplies particularly to far off places like South America were impacted. Also, a significant portion of our exports to Europe and US were impacted by the market scenario itself from last year resulting in the drop of share that you've talked about from about 17% to the 12% odd and it is being looked at.

**Amar Kant Gaur:** Okay. Any kind of outlook you can provide on that? Any targets internally that you have where do you want to see that number?

**Gaurav Kumar:** Even now, while there are steps being taken in short-term given as Amyn mentioned earlier in the call, we are getting back onto the table for our next 5-year plan and targets would be set as part of that.

**Amar Kant Gaur:** All right. Thanks, and all the best.

**Gaurav Kumar:** Thank you, Amar.

**Rishi Vora:** Thank you. We have next question from Ajox. Ajox, you can unmute your line and go ahead.

**Ajox Frederick:** Hi, sir. Thanks for the opportunity.

**Gaurav Kumar:** Hi.

**Ajox Frederick:** Hi, sir. Hi. One data keeping question. The India volume Q-o-Q, how much that has grown?

**Gaurav Kumar:** Sequentially, the volumes were up 4%.

**Ajox Frederick:** Okay. Got it. And sir, second is on the outlook. In your comments, you mentioned that CV, there was some pre-buying due to AC cabin. So, do you expect a softness in the near-term because of this pre-buying demand getting absorbed in the system?

**Gaurav Kumar:** So, we did see some softness coming in June. I'll have to check as to how the current quarter is panning out. We've had a good July, but we'll have to check that and get back to you.

**Ajox Frederick:** Okay, sir. Those were my questions. Thank you.

**Gaurav Kumar:** Thank you.

**Rishi Vora:** Thank you. That was the last question for the session. I'll hand it over to the management for their closing remarks.

**Neeraj Kanwar:** Well, we'd like to thank everyone for attending our call and hope we are able to do better results next quarter. Till then, see you. Thank you.

**Gaurav Kumar:** Thank you.