

August 4, 2017

Apollo Tyres first quarter revenue closes at Rs 3258 crore

Margins under pressure due to steep increase in raw material prices

The Board of Directors of Apollo Tyres Ltd today approved the company's unaudited results for the 1st quarter of the financial year 2017-18.

For the quarter ended June 30, 2017, Apollo Tyres Ltd, on a consolidated level, reported a profit of **Rs 88 crores** on the net sales of **Rs 3258 crores**. While Indian Operations' grew marginally to close at Rs 2284 crores, European Operations clocked a revenue of Rs 1016 crores on the back of good volume growth in the passenger vehicle segment. The first quarter revenue, in India, was subdued because of the pre-GST destocking by the company's business partners, and due to the confusion over switchover from BS III to BS IV emission norms in commercial vehicles.

Quarter 1 Consolidated Performance Highlights

Q1 FY2017-18 (April - June) vs Q1 FY2016-17

- Net sales reported was **Rs 32.58 billion (Rs 3258 crore)** as compared to Rs 32.92 billion (Rs 3292 crore)
- Operating profit closed at **Rs 2.82 billion (Rs 282 crore)** as against Rs 5.67 billion (Rs 567 crore)
- Net profit stood at **Rs 88.3 crore** as compared to Rs 315 crore in the previous fiscal

Commenting on the results, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd** said, "The results reflect the impact of the rising raw material prices on our Operations. Raw material prices as a basket has jumped more than 30% in the first quarter, as compared to the same period last year, and has negatively impacted our margins. While, rubber prices have softened to some extent, other raw materials are still on a higher side, which is likely to put our margins under pressure going forward as well. Considering this, we may need to take price corrections."

Added **Mr Kanwar**, "The silver lining for us, is the robust demand from the OEMs and the growing vehicle sales in India, both passenger and commercial, post GST implementation. The recommendation by the Directorate General of Anti Dumping (DGAD) in India to impose anti dumping duty on truck-bus radials from China, has vindicated our stand on the same, and which, once implemented, would be a boost for us in India. In Europe, the increased sales reported by most of the vehicle manufacturers in the first half of the calendar year, would also prove to be a positive for us going forward."

Cross Currency Reference Chart for Key Financials:

Q1 FY2017-18	Rs Billion	US\$ Million	Euro Million
Net Sales	32.58	512.07	458.35
Operating Profit	2.82	44.32	39.67
Net Profit	0.88	13.88	12.42

(ends)

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About Apollo Tyres Ltd

Apollo Tyres Ltd is an international tyre manufacturer and the leading tyre brand in India. The company has multiple manufacturing units in India and a unit each in The Netherlands and Hungary. The company markets its products under its two global brands – Apollo and Vredestein, and its products are available in over 100 countries through a vast network of branded, exclusive and multi-product outlets.

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