



# Research Report

## Apollo Tyres Ltd

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# About

Apollo, established in 1972, manufactures automatic bias and radial tyres, and tubes. It has plants in Kochi, Vadodara, Pune, and Chennai. The product profile includes prominent tyre brands in the T&B, light truck, passenger car, and farm vehicle segments in India, catering to both original equipment manufacturers, and the replacement market.

## Business segments

The Company is the owner of 2 brands of tyres, Apollo & Vredestein. Apollo brand primarily manufactures tyres for the Indian Sub-continent. The Vredestein brand operates in Europe and is over 110 years old & has achieved premium brand premium brand status in the industry.

### Revenue Mix H1FY24

- Trucks & Buses - 42%
- Passenger vehicles - 37%
- Farm/Off highway - 9%
- Light truck - 6%
- Others - 5%

## Synopsis of Financials

- **APTY posted a weak FY25 with EBITDA margin down to 13.7% (vs. 17.5% in FY24) and Q4 margins at 13.0%, missing estimates. EPS fell 35% YoY to ₹17.66 due to input cost pressures and one-offs.**
- **OEM demand remained soft, but replacement demand stayed strong in both India and Europe. Despite near-term weakness, APTY offers a solid mix of earnings rebound, balance sheet strength (Net Debt/EBITDA: 0.8x), and cheap valuations—making it a strong FY26 recovery candidate.**

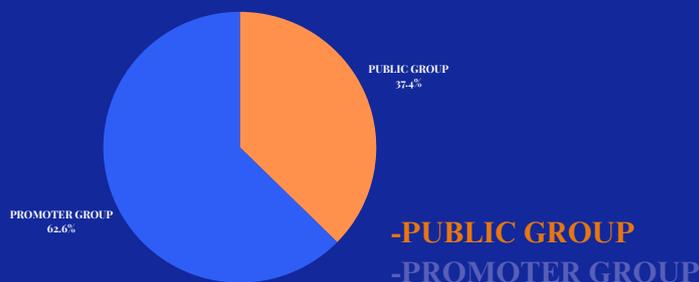
## Stock data (as 1<sup>st</sup> July 2025)

Nifty Price	: 25,543.60
52 week High (in Rs.)	: 584.65
52 week Low (in Rs.)	: 368.00
Market Cap. (in Crore)	: 28,369.96
NSE Code	: INE438A01022

## Stock data



## Shareholding Pattern (March 2024)



## Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	24,568	25,378	26,123
Sales Growth %	17.28%	3.30%	2.94%
Expenses	21,235	20,909	22,552
Operating Profit	3,333	4,468	3,572
OPM %	14%	18%	14%
Net Profit	1,046	1,722	1,121
EPS in Rs	16.47	27.11	17.66

# Quarterly Results



Particular	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	6,280	6,595	6,258	6,335	6,437	6,928	6,424
Expenses	5,120	5,387	5,230	5,426	5,559	5,981	5,586
Operating Profit	1,160	1,208	1,028	909	878	947	837
OPM %	18%	18%	16%	14%	14%	14%	13%
Other Income	13	3	38	-10	17	4	-91
Interest	133	123	115	107	120	111	109
Depreciation	360	368	388	370	376	376	377
Profit before tax	680	721	563	423	399	465	260
Tax %	30%	31%	37%	29%	25%	27%	29%
Net Profit	474	497	354	302	297	337	185

Source: Screener

## Key Ratios

	March 31, 2024	March 31, 2023	Variance	Reasons
Current ratio (in times) (Current assets / Current liabilities)	1.13	0.95	18.85%	
Debt equity ratio (in times) [Total debt / equity]	0.30	0.42	(28.20%)	Due to repayment of existing debts during the year
Debt service coverage ratio (in times) # [(Profit after tax + interest expense + depreciation & amortisation expense + exceptional items + loss/(gain) on sale of fixed assets) / (Gross interest + lease payment + repayment of non-current borrowings excluding pre-payments)]	1.98	1.59	24.03%	
Return on equity (ROE) (Net Profits after taxes - Preference Dividend (if any)/ Average Shareholder's Equity)	11.52%	5.51%	109.08%	Lower expenses and higher profitability led to increase in return on equity.
Inventory turnover (in times) # [Revenue from operations / Average inventory]	7.63	7.30	4.49%	

Source: Annual Report

# Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	64	64	64
Reserves	12,515	13,839	14,702
Borrowings	6,421	4,905	4,410
Other Liabilities	8,282	8,068	8,130
Total Liabilities	27,281	26,875	27,306
Fixed Assets	17,653	17,006	16,521
CWIP	253	348	325
Investments	436	532	45
Other Assets	8,940	8,989	10,414
Total Assets	27,281	26,875	27,306

# Synopsis Quarter Results

## Concall Notes - Feb-2025: Key Highlights

### Financial Performance:

Apollo Tyres reported modest revenue growth in FY25, with consolidated sales rising to ₹26,123 crore. However, net profit declined to ₹1,121 crore (vs ₹1,722 crore in FY24), and EBITDA margin dropped to 13.7% due to raw material inflation, export weakness, and restructuring costs. In India (APMEA), strong replacement demand and TBR performance supported growth, while OE volumes declined due to strategic exits from low-margin segments. European operations faced capacity constraints, especially in non-UHP tyres, impacting volumes and margins. Enschede plant closure (Netherlands) is planned for FY26, with capacity shifting to cost-efficient Hungary. Capex for FY26 is pegged at ₹1,500 crore, with key investments in Hungary and Andhra Pradesh. Despite cost pressures, Apollo maintained a healthy balance sheet with net debt/EBITDA at 0.8x.

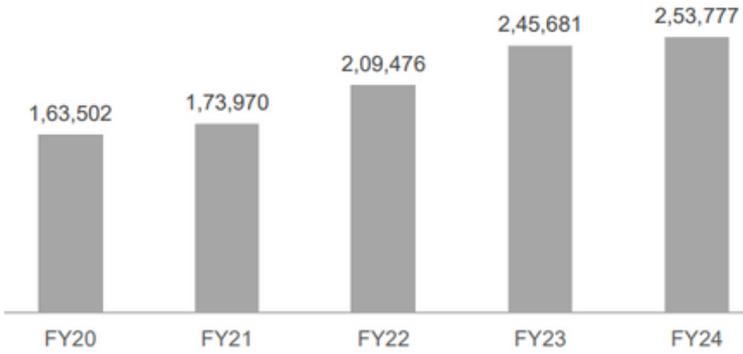
- Revenue: ₹26,123 crore (↑ 3% YoY)
- Net Profit: ₹1,121 crore (↓ 35% YoY)
- EBITDA Margin: 13.7% (↓ from 17.5% in FY24)
- Net Profit Margin: 4.3% (↓ from 6.8% in FY24)
- Operating Cash Flow: ₹1,823 crore (↓ from ₹3,440 crore in FY24)
- Capex Spend: ₹768 crore
- Net Debt/EBITDA: 0.8x (stable and manageable)
- EPS: ₹17.66 (↓ from ₹27.11 in FY24)

Strategic focus remains on premiumisation, global cost optimisation, and expanding PCR capacity. Management is optimistic about FY26, expecting a margin recovery and stronger performance starting Q1.

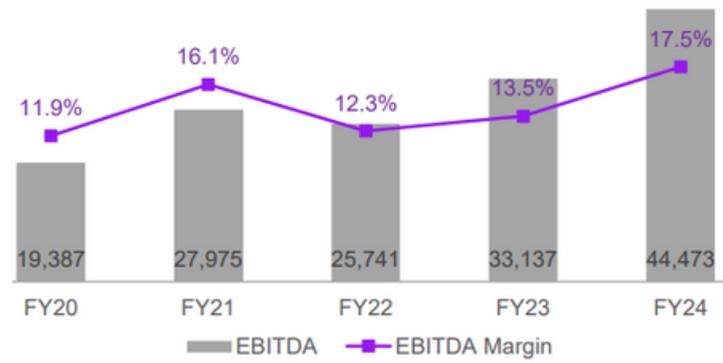
# Highlights



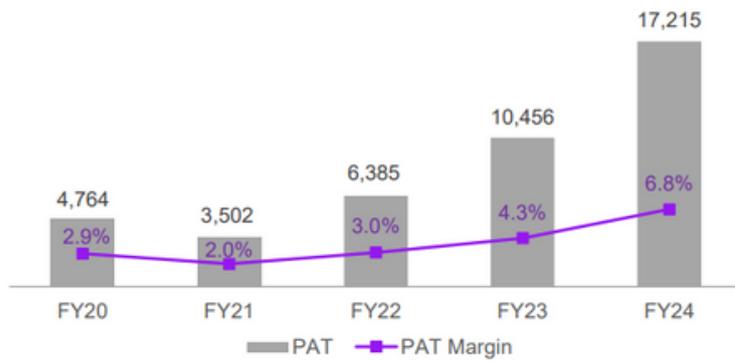
Revenue (INR Mn)



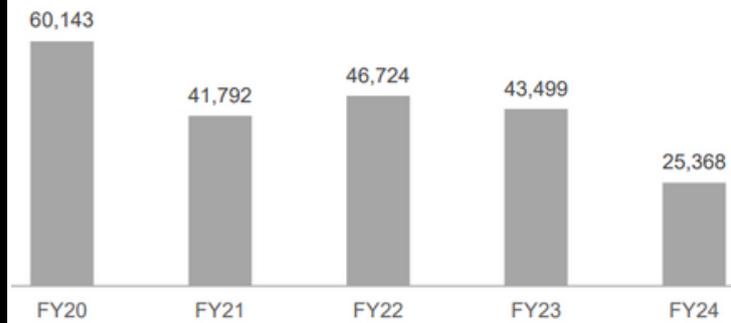
EBITDA (INR Mn) and EBITDA Margin (%)



PAT (INR Mn) & PAT Margin (%)



Net Debt (INR Mn)



# Peer Comparison



## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
MRF	142240.00	32.29	60326.03	0.14	512.11	29.29	7074.82	11.43	13.59
Balkrishna Inds	2460.70	28.70	47569.53	0.65	368.55	-24.28	2752.38	2.63	18.09
Apollo Tyres	446.55	22.80	28360.37	1.11	184.62	-30.09	6423.59	2.64	11.38
CEAT	3681.40	30.28	14891.31	0.81	98.71	-11.12	3420.62	14.33	15.04
JK Tyre & Indust	355.80	18.87	9749.63	1.26	98.66	-46.94	3758.60	1.63	12.78

Source: Screener

# Final Outlook

**LTIM: HOLD | LTP: 446.70**

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In India (APMEA), strong replacement demand and TBR performance supported growth, while OE volumes declined due to strategic exits from low-margin segments. European operations faced capacity constraints, especially in non-UHP tyres, impacting volumes and margins. Enschede plant closure (Netherlands) is planned for FY26, with capacity shifting to cost-efficient Hungary.

## Financial Snapshot & Leverage

- EBITDA margin declined to 13.67% in FY25 (vs 17.52% in FY24).
- Net profit margin fell to 4.29% (vs 6.78% in FY24).
- Standalone debt fell sequentially; consolidated net debt/EBITDA stood at 0.8x.
- Opex increased to 17% of sales (up from 14% over two years) due to energy costs, freight, and restructuring-linked one-offs.
- Working capital reached 17% of sales, largely due to inventory buffers.

Strategic focus remains on premiumisation, global cost optimisation, and expanding PCR capacity. Management is optimistic about FY26, expecting a margin recovery and stronger performance starting Q1.

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