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GST No.: 06AAACA6990Q1Z2

ATL/ SEC/21 **May 21, 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.

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 Q4 FY25 was held on May 15, 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.apollotyres.com/investors/ir-updates/

This is for your information and records.

Thanking you,

Yours faithfully,
For Apollo Tyres Ltd.
SEEMA THAPAR Digitally signed by SEEMA THAPAR Date: 2025.05.21 16:55:06 +05'30'

(Seema Thapar)
Company Secretary & Compliance Officer

Apollo Tyres Limited
Q4 FY25 Earnings Conference Call
May 15, 2025

Aniket Mhatre: Good afternoon, everyone. Welcome to the Post Results Conference Call of Apollo Tyres. 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 a 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, Aniket. Good afternoon and thank you for joining us today. I welcome you all to the Apollo Tyres post-results Q4 conference call. I would start with a broad overview of the results, followed by some key initiatives that the company has taken and then Gaurav will go into the financials. We close Q4 '25 with consolidated topline growth of 3% Y-o-Y and an EBITDA margin of 13%. This has been a very, very challenging year and honestly, our performance has not been where we aimed to be. We have underperformed vis-à-vis our expectations and peers, both in India and in Europe. That said, I maintain a strong conviction in the capability, resilience of our teams. When we operate with focus and alignment, I can assure you that we will deliver exceptional outcomes.

Inflation should propel our profitability and our revenue. Coming to regional performance, I'm happy to share that there was growth in domestic replacement segment. However, the domestic growth was partially negated by the decline in our OE segment.

Coming to Europe, we maintained our annual top line despite challenging environment. In terms of outlook for the next year, we expect recovery in operating performance helped by a better top-line momentum across both our regions. Growth in India is expected to be driven by replacement segment. Similarly, in Europe also, we expect top line momentum to recover driven by market growth and new product launches.

Let me now talk about some key pillars in the organisation. Starting with R&D, we are consistently securing additional model wins from prominent German PV manufacturers, further reaffirming the strength of our product offerings. On the Branding front, our teams remain focused and committed to reinforcing brand equity and driving premiumisation across the portfolio. In April 2025, we launched our flagship campaign targeting SUV owners, highlighting our premium tyres, reliability across city streets and rugged terrains.

We also launched multiple campaigns focused on showcasing India's evolving mobility landscape, highlighting Apollo Tyres' commitment to supporting and promoting sustainable mobility solutions. Vredestein Ultrac Pro achieved the best buy label in the Testaankoop cooperative test of summer tyres in Belgium.

Now coming to Sustainability - this too, has always been a key pillar for us. Apollo Tyres has proudly earned an Excellence in CSR award, recognising its exceptional policies, practices and remarkable outcomes in the pursuit of sustainable business excellence. Our Chennai plant has secured the first prize in the Industrial Water Use Efficiency category at the prestigious 12th edition of FICCI awards. We have achieved remarkable progress in our sustainable initiatives, evidenced by a notable increase in our S&P Global ESG score.

With this, I'd like to conclude my opening remarks. Let me reiterate, as always, we are keeping a close watch on the markets and at our overhead costs, and we continue to focus on sustainable and profitable growth. We are working diligently to ensure that we are fully prepared for the challenges and opportunities that lie ahead and I believe we are extremely well-placed to leverage long-term opportunities across our key geographies.

I'd like to thank you and I'll handover now to Gaurav. 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 EBITDA for the quarter was INR 8.4 billion, a margin of 13% compared to 13.7% in the last quarter, but a much larger fall from 16.4% in the same quarter last year. Our margins have come off from the previous year levels largely due to the steep raw material cost pressures, but also to some extent with the operating leverage impact due to lower revenue growth. The balance sheet continues to be very healthy.

The net debt to EBITDA for the consolidated operation was 0.8x as of March '25 compared to the end at previous quarter. In India, we witnessed flattish Q4 Y-o-Y volumes, which was led by single-digit growth in replacement volumes, a flattish OE volume and a decline in exports. We registered good growth in TBR replacement segment. The revenue for the quarter was INR 45.8 billion, a growth of 8.4% over the same quarter last year. The EBITDA for the quarter at INR 5.2 billion, a margin of 11.2% was just a little up compared to 11.1% in the last quarter.

We have clearly, as Neeraj mentioned, underperformed vis-à-vis our peers in terms of revenue growth and we are taking a hard look at the reasons and the corrective actions to be taken. In terms of demand outlook, we expect the demand momentum to recover in Q1. Coming to the balance sheet, we saw a reduction in the standalone debt as on March '25 compared to the previous quarter of December '24. The net debt to EBITDA for India operations was at 1.2x as of March '25.

Moving on to European Operations, the revenue for the quarter at EUR 176 million was a decline of 4% over the same period last year. The EBITDA for the quarter stood at EUR 25 million with an EBITDA margin performance of 14.3% compared to a 17.7% for the last quarter. Our top-line performance was below market growth for the last couple of quarters. The European Operations have been constrained by capacity and had to sacrifice volumes in the non-UHP category, leading to underperformance vis-à-vis the market, especially for summer tyres. And that is why the capacity expansion is underway at Hungary to cater to the market demand that we missed in the non-UHP category in the current year.

In terms of outlook, we expect the demand momentum to pick up going forward and we'll continue to focus on cost optimisation. As communicated few weeks back, we recently announced a significant development at our European Operations, the intended decision to close production and production-related activities at the Enschede plant in 2026. This is right now undergoing the necessary Works Council consultation process. And we would keep you updated on the same.

And hence, in the results the exceptional item below the EBITDA level is related to the intended decision. While the decision is still at a consultation stage, the accounting standards dictate that we make an immediate high-level assessment of fixed assets and based on that, take an impairment charge if necessary. And there has been an impairment charge of EUR 14 million on the fixed assets. We should be able to provide you much greater clarity in the next earnings call.

We continue to keenly monitor our Capex outflow. We expect our Capex for the fiscal year '26 to be INR 1,500 crores, split almost equally between growth and normal Capex. We'll continue to focus on profitability, free cash flow generation, and improvement in the return ratios as we go forward.

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

Questions-and-Answers Session

Aniket Mhatre: Thank you, Gaurav sir. We will 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 will wait for a couple of seconds for the question queue to assemble. First question is from the line of Siddhartha Bera. I have unmuted your line. You can go ahead and ask your question.

Siddhartha Bera: Yes, sir. Hope you can hear me. Thanks for that.

Neeraj Kanwar: Yes, Siddhartha.

Siddhartha Bera: Sir, first question is again on the growth outlook. We have been sort of, like you rightly said, been slightly underperforming compared to peers. So some color on what areas, and I believe you have already been taking some steps to sort of improve the growth momentum. So some more color, where are we still lagging? And is it more OE or more on the replacement? Where do you think more efforts needed to be taken? And by when should we expect some of those efforts to sort of start getting visible in the numbers? So some more clarity there will be helpful.

Neeraj Kanwar: Okay, Gaurav, I'll take that. So like I mentioned to you, yes, this year has been very, very challenging. We have underperformed, but the green light is that we have put a lot of initiatives in the field. Our replacement market has been robust. So that is one clarification I want to make. Where we have faltered is in OEMs, where we on purpose have come out of some of the sizes that we didn't want to go into. Thereby volume decline has been there.

Secondly, OE both in PCR and in truck. Truck trailer is something which is in high in demand, where we chose not to participate in because it's a low-quality product. But now we have put all emphasis and we are coming out with new products for the OEs in truck. As far as the other two channels are concerned, which is OE and exports, I've already mentioned to you about OE, Exports is also an area which we have faltered in. We have underperformed. And now our focus is there on seeing how we can increase our shares both in OEM and in the export segment.

I can only assure you that replacement we are doing as well as previously, we'll continue to grow. And I believe that quarter one of this year, which already we are into mid-May, I'm seeing better results coming out. So hopefully quarter one will be a much, much better performance, even when I compare to our peers. I hope I've answered that.

Siddhartha Bera: Yeah. Just a follow up in that, at least at the OE level, I think what we remember last quarter, we had declined in double digits. So from there, we have come to flat. So probably there's been a bit improvement. So should we build in that now, given this trend, we should start expecting some growth.

Neeraj Kanwar: You will see growth. Like I said, you will see growth both in OEM and in our export channels.

Siddhartha Bera: Got it. Second question is on this restructuring, what we are doing there. So some sense, what is the contribution of revenues from the Netherlands plant as of now? And given that, if we close it, what happens to this production there? Because in Hungary, we already have a capacity constraint. And do we plan to ship that to Hungary? And if so, when does the new capacity in Hungary comes on stream? So some sense there.

Neeraj Kanwar: Okay, we'll throw color on that. Gaurav, you want to take this on?

Gaurav Kumar: Yeah. So Siddharth, currently the Enschede plant was producing 0.5 million PCR tyres when we are selling 6 million plus tyres in Europe. So let's say it's a proportion which is under 10%. That can be absorbed between the existing capacities in India and Hungary. As mentioned, we had to sacrifice the non-UHP category sales in the current year in Europe, which led to both underperformance on revenue and also, to a certain extent, that plays into margins. So, the Hungary capacity would be available by the end of this current year.

Siddhartha Bera: Got it. So sir, I'll come back in the queue.

Neeraj Kanwar: Thank you, Siddharth.

Aniket Mhatre: Thank you. Next question is from the line of Amyn Pirani. Amyn, please go ahead.

Amyn Pirani: Yes. Hi, thanks for the opportunity. Just some clarification again on this European performance in the quarter. So did we already start reducing capacity at Enschede? Because if I look at absolute revenues, it is still lower than last quarter as well as last year. So was there a specific capacity constraint or have we run out of capacity? Because if that were the case, at least we should have had some operating leverage benefits. So if you can just explain that, some more color, that would be helpful.

Gaurav Kumar: No, Amyn, there was no production or capacity reduction at Enschede already in Q4. The decision or the intended decision has just been announced. There is no implementation till we reach the end of the consultation process with Works Council and the ATNL, which is subject to company supervisory board approval. When the operations focused on its demand for the UHP and the UUHP tyres, those tyres take up higher capacity. So to a certain extent, one tyre of UHP or UUHP takes more than the normal non-UHP tyre. And that is what the conscious decision taken was to sacrifice a bit of growth on the summer tyres.

Now, obviously, the market growth in Europe was higher than expected. Also, as you go into OE business, that also eats into a certain amount of capacity, but that's committed. And all of those factors, finally, including sometimes logistical challenges , resulted in the sales losses. Nothing to do with Enschede.

Amyn Pirani: Okay, thanks for that. And you mentioned the INR 1,500 crores Capex. So any specific brownfield expansion that you can highlight that we could see either in India or in Europe, or does this Hungary new capacity is also part of this 1500 crores, or is it already being done? If you can share some color.

Gaurav Kumar: It is already in action. The INR 1,500 crores includes a 4,000 tyres per day PCR expansion in Hungary. It also includes a PCR 4,000 tyres per day expansion in the AP plant. As we have mentioned through the year, we are seeing good growth. And while there has been underperformance in India on the OE side, we've continued to see good growth on the replacement side. So both these projects will be sort of preparing us for the future.

Amyn Pirani: Okay, that's helpful. And just if I can just ask one last question. I think some part of your India PCR capacity is also used for exporting into Europe. Can you just remind us what is the import duty right now? Because if there is going to be any benefit from India EU deal, if it were to be signed like the India UK deal?

Gaurav Kumar: I don't have the immediate import duty figure. I mean, we can come back to you, but it is marginal.

Amyn Pirani: Okay. Thank you. I'll come back.

Gaurav Kumar: Thank you. Amyn.

Aniket Mhatre: Thank you. We'll take the next question from Raghunandan. Raghunandan, you may go ahead.

Raghunandan N.L.: Thank you, sir, for the opportunity. Sir, on the Netherlands business, if you can give an idea, because of the restructuring, what can be the improvement in the cost structure for the Europe business? Can the Europe level margins improve on a sustainable basis by 100 basis points 200 basis points? How do you see the benefit of it over a two three year period?

Gaurav Kumar: Sure. Raghu, as I mentioned earlier, it is fairly early on in the process. It is still under a consultation process. We believe margins will expand definitely and we could, as an example, point you to the restructuring, which was done five years earlier, back in 2020, when the European Operations took a significant uplift in margins because of the manufacturing shift.

At a very rough level, the conversion cost, raw material being equal, Hungary versus the Netherlands, Hungary would be almost one third of Netherlands. And definitely, this would lead or result in a margin uplift. Quantification would be difficult at this stage.

Raghunandan N.L.: Got it, sir. Thanks. Thanks for that.

Gaurav Kumar: Thank you.

Raghunandan N.L.: Sir, coming to the standalone operation, you have a gross margin expansion on a Q-o-Q basis in Q4. What has driven this? And what would be your expectation for raw material basket in Q1 and Q2?

Gaurav Kumar: So, the gross margin expansion is a direct result of raw material at least beginning to come off the high levels. There's been a few percentage points reduction in raw material Q4 over Q3. The expectation was that this trend would continue. But as of now, for Q1, we see a flattish raw material trend vis-a-vis Q4.

Raghunandan N.L.: So, the decrease in the global rubber prices and the recent fall in the crude derivatives, would that translate into benefit in Q2, sir?

Gaurav Kumar: Could possibly. This is also we are entering into the lean season now shortly. So, the natural rubber prices may not come down to that extent because of also the lean season on production. But at least the crude side of things seem to be reasonably favorable.

Raghunandan N.L.: Got it, sir. And sales mix and cost optimisation efforts in Europe, you have called out in the press release. So, how do you see the benefits? And by when can we start seeing the benefits of that?

Gaurav Kumar: So, the sales mix, we have continued to focus on, Raghu. The premium mix in the passenger car businesses is now beyond mid 40s. This number used to be in early 40s over the last couple of years. And six years back, this number was in the 20s. So, we've continued to move up on the sales mix improvement, which is largely the PCR side of the business. Cost optimisation, again, one part of it is the announced intended decision. And we will continue to look sharply at all other costs in terms of driving margins even better for the European operations.

Raghunandan N.L.: Got it, sir. And generally, you share the commodity prices, natural rubber, synthetic rubber, would it be possible to share that? And lastly, on the tax side, when are we shifting to the new regime? That's all from my end.

Gaurav Kumar: So, let me take the new regime question. That's a constant evaluation that is done every year, based on how much of past MAT credit is available, the Capex plans. Regarding the commodity prices, natural rubber was in the region of INR 200 plus, synthetic rubber at INR 190, carbon black around INR 115, and steel cord at INR 160 plus.

Raghunandan N.L.: And the blended average, sir?

Gaurav Kumar: The blended average was around INR 170 per kg.

Raghunandan N.L.: Thank you, sir. Thank you very much. Wishing all the best and I'll fall back to the queue.

Gaurav Kumar: Thank you. Raghu.

Aniket Mhatre: Thank you. Request the participants to limit the questions to two per participant. We'll take the next question from Amar Kant. Please go ahead.

Amar Kant Gaur: Yeah. Hi. Good evening, team. And thanks for taking my question. I just had one question. You also alluded to it in your opening remarks that the growth has been relatively lower than what peers have kind of delivered.

And also, in terms of margin, the gap between you and your peers has kind of grown over the last three, four quarters, which was in your favor earlier. So, and I just wanted to understand a little bit that you talked about, maybe a couple of quarters back regarding some internal reorganisation that you were taking up. If that has had some impact on the business in the near term and how that would play out, probably favorably going ahead, would there be any link with that? If you can shed some light on that.

Neeraj Kanwar: Yeah. So we have restructured in the month of May, June, where we went from being a regional company to more global. And it has taken us time. And that's why maybe one of the reasons for the underperformance is there. But I can assure you now everything is stable. We are working as one global team. All our focus is on how we can take advantage of our end user, our customer across the globe.

So, all manufacturing, supply chain, raw material is working towards the commercial department to try and see how we can give them better products at the right time. So, there's a lot of emphasis going on digital initiatives in the supply chain area to try and see how we can get tyres closer to the customer.

So, it has taken time, that is my net conclusion. But now we are away from that. We have gone a long journey of six to eight months where we needed to do the cleaning up. That's all behind us. And now this year, fiscal '26, we hope that we are able to come back to ourselves as flying colors and being leaders in India.

Amar Kant Gaur: Yes. So, some of that, thanks for that. And something was also, some of that probably reflected in your finances as well. There was a decline in employee costs and we also understand that there have been some senior level exits at your firm. So, again, from that perspective only, how do you maybe cope with that and going ahead, is that going to be a challenge or that, I mean, you talked about it, that it is largely sorted and you are geared up for the future. Maybe some thoughts on that as well.

Neeraj Kanwar: So, yes, you are right in what you are saying. We did have a few exits, but we also hired a few more. So, we have hired recently a chief supply chain officer. He is Indian, coming from a very large German company. We have recently hired Rajeev Kumar Sinha, who has come as a chief of manufacturing, who comes with an expertise of Cipla for the past nine years.

So, these are the two new joinees that have come in. And with that, it does take time for people to settle in and to start performance. So, like I said in my earlier answer, Q1 is going to be our quarter. Hopefully, we will come back with double digit growth.

Amar Kant Gaur: Thank you. Thanks for taking my questions. All the best.

Neeraj Kanwar: Pleasure.

Gaurav Kumar: Thank you. Amar.

Aniket Mhatre: Thank you. Next question is from Sushrut. Please go ahead.

Sushrut Ghalsahi: My question, I had one question, one question on the European business. So in March, we saw Nokian had restarted facility in Romania. Any initial comments on their changing competitive intensity over here? How should we think about that?

Gaurav Kumar: It's still a start of the plant and in early stages. And I think they churned out the first commercial tyre earlier than that, somewhere around September or October of 24. They obviously took a heavy hit with the Russian plant going away. Their results are still way below their historical levels also reflected that the market expectations have come down. And in a greenfield plant, as per our experience, it does take some time for things to stabilise and come up.

So one would tend to think that it will still take a few quarters, but they continue to remain a peer, which has always been a leader in profitability. And hence, we have nothing but great respect for them.

Sushrut Ghalsahi: Got it, sir. Thank you so much.

Gaurav Kumar: Thank you, Sushrut.

Aniket Mhatre: Thank you. We'll take the next question from Basudeb. Over to you, Basudeb.

Basudeb Banerjee: Hi, Gaurav.

Gaurav Kumar: Hi, Basu.

Basudeb Banerjee: Just a few things on the Capex part. I remember last quarter, you mentioned FY'26 Capex outlook of INR 2000 crore. So it's down to INR 1500 crore. So 10% enhancement in PCR capacity, including Andhra and Hungary and maintenance Capex. So what changed this INR 500 crore reduction?

Gaurav Kumar: So given the volatility, Basu, we've sort of gone slow as over the last few years, we continue to be judicious on the Capex. And we had a few months where things were uncertain. And so to a certain extent, we wanted to see how things were panning out before continuing the press button on these Capexes. And that's resulted in a few hundred crores of the growth Capex sort of rolling off into the future years. And that can always be adjusted through the year as we see how markets and the situation is. What I'm giving you is the current estimate.

Basudeb Banerjee: Understood. Basically, slight curtailment in the growth Capex from earlier estimate.

Gaurav Kumar: Just the pace of it. Not the quantum per se, because it will still take what it takes to put up that capacity.

Basudeb Banerjee: Sure. And what's the TBR utilisation now in India?

Gaurav Kumar: Just one minute. The TBR utilisation is right now at 82%.

Basudeb Banerjee: And when do you see requirement of any brownfield TBR from Andhra addition next?

Gaurav Kumar: Unless there is a sudden big boom in OE, I would say the requirement of capacity would be three years away.

Basudeb Banerjee: Okay. And what's the current rate of Capex per TPD in radials, be it TBR or PCR, which used to be INR 9 crore - INR 10 crore pre-COVID?

Gaurav Kumar: It may have gone up with inflation and particularly the inflation in Europe has been high.

Basudeb Banerjee: Great. And what was the Reifen revenue for fiscal '25?

Gaurav Kumar: Just one minute. For fiscal '25, the Reifen revenue was EUR 222 million.

Basudeb Banerjee: EUR 222 million. That's great. And last question, if I can chip in, is Kerala rubber prices hasn't corrected compared to if we look at international natural rubber prices or even crude carbon black, etc. And as you said, we are entering lean season very soon. So what kind of flexibility you are looking to, say, be flexible in terms of importing rubber, whether importing plus logistics plus duties still not worth substituting Kerala sourcing? How to look at that? Because with the kind of raw material...

Neeraj Kanwar: This is an ongoing dynamic situation and we keep taking strategic calls depending on what sources of rubber we are getting, whether it's Kerala or imports. So there's no definitive strategy there. But we obviously look at the floor pricing and then plan accordingly. Our rubber inventories are really at 7 to 12 days in India.

Gaurav Kumar: Yeah. So two weeks plus is typical.

Neeraj Kanwar: Yeah. So it is very important for us to be out there in the market on a dynamic basis and keep on buying wherever we see obviously cheaper sources.

Basudeb Banerjee: Sure. And as Gaurav initially said, raw material basket would roughly be flattish in Q1 over Q4. So benefit of recent crude price, you're saying the lag is not going to get reflected in June results.

Gaurav Kumar: Yeah. So on an overall basis, it is still flattish.

Basudeb Banerjee: Sure. Thanks. That's all from me.

Gaurav Kumar: Thank you, Basu.

Aniket Mhatre: Thank you. Next question is fr.om the line of Pramod Amthe. Please go ahead.

Pramod Amthe: Yeah. Hi. Thanks for taking my question.

Gaurav Kumar: Hi, Pramod.

Pramod Amthe: Yeah. Hi. If I look at your standalone balance sheet, the working capital seems to be continuously going up for last three years. Now it's almost like 17% of sales, even though you have reduced the capital intensity of the business. What is this leading? Is it indicative of the characteristics of the business changing? Or is it more unique to you why it has happened? And how are you looking at it next to your point of view to reduce this going forward?

Gaurav Kumar: So Pramod, one of the results has been that the volatility and the erraticness of the supply chains have forced businesses to sometimes carry high inventory. There have also been times when due to lack of availability we have lost sales, because of taking a little aggressive stance on inventory. We've seen that. So that's been compensated for, which you see in terms of the higher working capital.

We believe it is not unique to us. It is more a result of the elements that are very usual for various businesses. That being said, as Neeraj said earlier, we are taking a hard look at the entire supply chain footprint, not just in India, but also Europe, to make sure that it is adequate, the cost part of it, but most importantly also for how to service the customers in a manner which propels growth.

Pramod Amthe: Thanks. And the second question is with regard to the global tariff situation and FTAs being signed, how are you looking at the demand supply situation from U.S. tariff? Does it make a difference for European tyre makers? You had your own ambition to feed the U.S. market through Europe. Does it change in any way how you look at the global tyre industry?

Gaurav Kumar: So the US market, particularly let's talk about passenger car, which is the bigger part of business. In terms of the demand, only one third of the capacity exists domestically in U.S. So irrespective of the tariff structure, it needs very large quantities of imports. Now, once the dust settles and there is clarity as to what are the tariffs on different geographies, there may be a shift in the competitiveness of the imports coming in from different geographies. Still early days and in a way we would say we are fortunate that currently the quantum of U.S. business for us is about $100 million in a $3 billion revenue. And of that about 40% comes from Europe.

So if the competitiveness of Europe changes, there is an impact. But in an overall sense, it's a much smaller impact for us. And right now we are not making any moves till we have clarity on this as a reaction to all of this. Also, if it's applicable on large parts of the world, what will happen is pricing will move up.

Pramod Amthe: And is there any collateral damage? Because if Europe is supplying it to U.S. and if they are unable to push through the volume, will there be more excessive supply in Europe versus required? Or you don't think that scenario playing out in the short term?

Gaurav Kumar: Again, with some caution, I would say there is not a very large proportion of imports into U.S. from Europe. It comes largely from Asia, South America, maybe or Mexico, etc. So, would it suddenly result in a big demand capacity imbalance in Europe? Unlikely.

Pramod Amthe: Thanks a lot.

Gaurav Kumar: Thank you, Pramod.

Aniket Mhatre: Thank you. We'll take the next question from Joseph. Please go ahead.

Joseph George: Hi, thank you for the opportunity. So, the question that I had is on the Opex line of your standalone P&L. I noticed that it's shot up substantially, I think you briefly referred to it in your opening remarks as well. So, when I look at the Opex line, it's gone up from about 14% levels a couple of years back to almost 17%. I know there are a couple of factors which all of us know, one is the EPR provisions and second is the fact that growth has been lowered. But are there other cost lines which are sort of which you can think you can bring it back and maybe bring this Opex line lower?

Gaurav Kumar: Joseph, part of your question was not clear. But what I understood you're talking about the Opex line increasing over the last few years.

Joseph George: That's correct.

Gaurav Kumar: Yes. So, some of it is, I would say one off and could be curtailed. As a result of the changed structure and that settling in, there was higher travel cost given the initial alignment requirement. That is something that we are looking at and could come under control. There was also higher freight cost, which is directly a result of how the whole supply chain part of the business has worked.

And more and more, we are coming to the conclusion that while we will work very hard on efficiencies and all of that, but fundamentally, costs have moved up. Like, for example, as a parallel example in Europe, while there's been some correction on the energy prices, but fundamentally, it's gone up from what used to be prevailing four five years back. So, there are some one offs which will come off, and there are some fundamental reasons for costs moving up.

Joseph George: I have a couple of housekeeping questions. One is, you mentioned the Reifen EBITDA for the quarter or for the full year?

Gaurav Kumar: The Reifen EBITDA for the full year was just below 5%.

Joseph George: Okay. And lastly, you mentioned, I mean, there was a question on the tax rate, when you move to 25%. For some reason, my screen froze and I couldn't hear. If you don't mind, can you please repeat your response to that question?

Gaurav Kumar: Sure. So, that is evaluated every year, Joseph, as to whether we should move to the new tax regime, etc. What I understand from our tax team is that there is still a certain amount of MAT credit available. And that evaluation is done every year, but we may be a couple of years away.

Joseph George: Thank you.

Gaurav Kumar: Thank you, Joseph.

Aniket Mhatre: We'll take the next question from Mumuksh. Please go ahead.

Mumuksh Mandlesha: Yeah. Hi. Thank you so much for the opportunity. So, firstly, on the Dutch plant restructuring, will there be any one-time cost? And what could be the cost broadly, sir?

Gaurav Kumar: Yeah, there is a one-time cost with such decisions. There is an agreed social plan which has been signed with the company. Again, Mumuksh, it is still too early. That involves a fairly detailed calculation involving person-by-person detail to work out the cost. As I mentioned earlier, we should have greater clarity for all of you by the next earnings call.

Mumuksh Mandlesha: Got it, sir. Sir, on this quarter, standalone numbers, the other expenses was up almost 9% Q-o-Q. Isn't it because last quarter it was a low pace or how do you see the run rate going ahead, sir?

Gaurav Kumar: As I mentioned, there are certain one-offs, consultancy charges, higher freight, travel costs. Some of it will come down. Some of it is fundamental to the business.

Mumuksh Mandlesha: Got it, sir. And, sir, can you share how was the volume growth across the replacement segments in the PCR, TBR and overall growth for each of the segments, sir?

Gaurav Kumar: So, the truck overall for the quarter was flattish with replacement growing at 9% negated by the other. Similarly, passenger car, while the replacement growth was mid-single digits, the OEM was a double digit negative which resulted in again negating all of that growth.

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

Gaurav Kumar: Thank you.

Aniket Mhatre: Thank you. We will take the next question from Raghunandhan. Please go ahead.

Raghunandan N.L.: Thank you, sir, for the opportunity again. On the Netherlands business for FY25, would it be possible to share how are the financials, revenue, cost, gross block, anything you can share at this point?

Gaurav Kumar: Raghu, I won't have that readily because we really look at the European business as a whole what I am reporting into you. I will have to go back and seek some of this information.

Raghunandan N.L.: Sure, sir. And in the current quarter for the Europe Operations, the reduction in margins on a Y-o-Y and Q-o-Q basis apart from the input cost impact, were there any one-offs because margins are on the lower side compared to the regular levels?

Gaurav Kumar: Absolutely. So, the RM in Europe was up 8%. First, that is what played into the margins. And the second factor, there were no one- offs because they are below the EBITDA level. We lost out on the operating leverage.

Raghunandan N.L.: Got it, sir. And just a last question for the India business, what is your sense on the FY25 market share for PCR and TBR?

Gaurav Kumar: The market share, Raghu, is now difficult because the industry data is not being published. But I would say, looking at the results of the peers, we would have lost a little bit of a ground in the replacement, not so much. TBR probably matching them, PCR replacement, we would have lost some ground, but we would have lost market share in the OE side of things.

Raghunandan N.L.: Got it, sir. Thanks for the opportunity again.

Gaurav Kumar: Thank you, Raghu.

Aniket Mhatre: Thank you. We'll take the next question from Naveen. Please go ahead.

Naveen Baid: Thank you for the opportunity, sir. I'm not sure if this question has been answered, but just wanted to check what was the overall volume growth at the consol level for the quarter?

Gaurav Kumar: Just a minute, Naveen. So, the volume growth in India was flattish. And in Europe...

Naveen Baid: Hello. Hello.

Gaurav Kumar: In Europe, it was a negative...

Neeraj Kanwar: Gaurav, your line is unclear, Gaurav. It's skipping, your Wi-Fi.

Gaurav Kumar: I'll just switch off the video.

Neeraj Kanwar: Better.

Gaurav Kumar: So, in India, the volume growth was flattish for the quarter and in Europe, it was negative mid-single digits.

Naveen Baid: Thank you. That's helpful. Thank you.

Neeraj Kanwar: Okay. Thank you. Aniket, can we have the last question, please?

Aniket Mhatre: We'll take the last question from Joseph. Please go ahead.

Joseph George: I have already had my chance. Thank you.

Neeraj Kanwar: Okay. Thank you.

Gaurav Kumar: Thank you, Joseph.

Neeraj Kanwar: Okay. I would like to thank each one of you for listening to us patiently. I can only assure you that Apollo will be back in a full swing in quarter one and FY'26 also. So, good luck to all of us and thank you for joining us. All the best. Thank you.

Gaurav Kumar: Thank you.