

# Apollo Tyres Limited

**ACCUMULATE**

Sector: Auto Components

19<sup>th</sup> June, 2026

<b>Key Changes</b>	<b>Target</b> ▼	<b>Rating</b> ●	<b>Earnings</b> ▼	<b>Target</b>	<b>Rs. 475</b>
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	APTY:IN	77,410	APOLLOTYRE	500877	12 Months
				<b>CMP</b>	<b>Rs. 428</b>
				<b>Return</b>	<b>+11%</b>

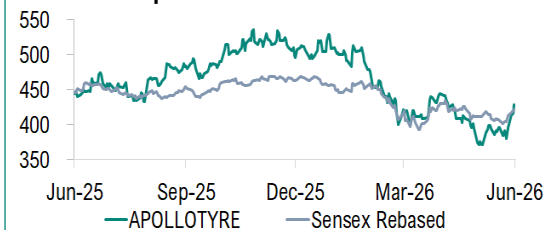
Data as of: 18-June-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	27,239
52 Week High — Low (Rs.)	540 - 365
Enterprise Value (Rs. cr)	29,818
Outstanding Shares (cr)	63.5
Free Float (%)	50.7
Dividend Yield (%)	2.0
6m average volume (cr)	0.1
Beta	1.3
Face value (Rs. )	1.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	37.0	36.9	36.9
FII's	11.9	12.3	12.2
MFs/Institutions	27.9	27.9	27.6
Public	7.7	7.2	7.7
Others	15.5	15.7	15.7
Total	100.0	100.0	100.0
Promoter Pledge/ Encumbrance	0.02	0.004	0.004

Price Performance	3 Month	6 Month	1 Year
Absolute Return	1.7%	-14.1%	-3.6%
Absolute Sensex	1.4%	-8.8%	-5.4%
Relative Return	0.2%	-5.3%	1.8%

\*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	28,471	31,261	33,449
Growth (%)	9.0	9.8	7.0
EBITDA	4,143	4,064	4,666
EBITDA Margin (%)	14.6	13.0	14.0
PAT Adjusted	2,406	1,654	2,002
Growth (%)	86.5	-31.2	21.0
Adjusted EPS	37.9	26.0	31.5
Growth (%)	86.5	-31.2	21.0
P/E	13.8	16.5	13.6
P/B	2.0	1.5	1.4
EV/EBITDA	8.7	7.3	6.3
ROE (%)	8.2	9.2	10.3
D/E	0.2	0.2	0.2

## Domestic Demand and Execution Drive Upside

**Apollo Tyres Ltd manufactures tyres for passenger cars, trucks and buses, two-wheelers, farm and off-highway vehicles under the Apollo and Vredestein brands, sold across India, Europe, the Americas, Asia-Pacific, Middle East and Africa.**

- In Q4FY26, consolidated revenue increased 14.2% YoY to Rs. 7,336cr, largely driven by robust volume growth in India across replacement and original equipment manufacturer (OEM) segments.
- In Q4FY26, the Indian business delivered 14.3% YoY growth, supported by strong underlying demand, a boost from the goods and services tax (GST) rate reduction and improved brand visibility.
- Europe revenue decreased 3.3% YoY as volume witnessed low single-digit growth.
- EBITDA grew 27.6% YoY to Rs. 1,069cr and EBITDA margin expanded 150bps YoY to 14.6% on stronger India operations and better operating leverage.
- Reported profit after tax (PAT) rose 241.8% YoY to Rs. 631cr, supported by higher topline and deferred tax gain in Q4FY26.

## Outlook & Valuation

Apollo Tyres' outlook remains constructive, supported by sustained momentum in domestic demand, continued premiumisation, and improving execution across key segments. Strong traction in replacement markets and healthy OEM growth provide clear visibility for volume expansion, while ongoing brand investments and product upgrades are enhancing realisations. The company's high capacity utilisation reflects robust demand, and its strong balance sheet positions it well to fund planned capacity additions and capitalise on market share gains. Margins are expected to remain under pressure due to higher input costs; however, management actions, including calibrated price hikes and cost efficiencies, are expected to mitigate these pressures over time. European operations are poised for gradual recovery, with restructuring initiatives likely to strengthen long-term competitiveness and improve the margin profile. Therefore, **we retain the ACCUMULATE rating on the stock with a rolled-forward target price of Rs. 475, based on 15x FY28E adjusted EPS.**

## Quarterly Finance Consolidated

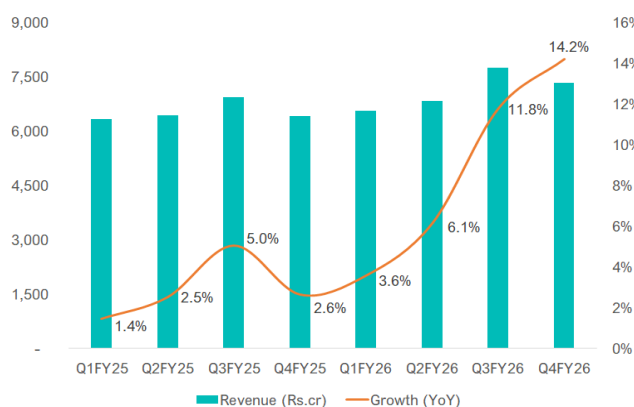
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	7,336	6,424	14.2	7,743	-5.3	28,471	26,123	9.0
EBITDA	1,069	837	27.6	1,186	-9.9	4,143	3,572	16.0
Margin (%)	14.6	13.0	160bps	15.3	-70bps	14.6	13.7	90bps
EBIT	672	460	46.0	801	-16.1	2,600	2,073	25.4
PBT	162	260	-37.8	723	-77.6	1,309	1,547	-15.4
Rep. PAT	631	185	241.8	471	34.1	1,372	1,121	22.4
Adj PAT	1,087	303	258.2	498	118.4	2,406	1,290	86.5
Adj. EPS (Rs)	17.1	4.8	258.2	7.8	118.4	37.9	20.3	86.5



## Key concall highlights

- The company has planned a capital expenditure (capex) of Rs. 35 billion for FY27, with ~80% allocated towards growth and capacity expansion, mainly in India. Capacity utilisation was ~90% across India and Europe.
- The Europe business remained mixed. Q4FY26 revenue was EUR 170 million (down 1% YoY), but EBITDA margin improved slightly to 14.6%; truck tyre sales were impacted by supply issues from India.
- In Q4FY26, the company increased its advertising and promotion (A&P) spend due to cricket sponsorship activation, which rose to around 4% of sales, higher than the usual ~2%; it should normalise near 2.5% later.
- The company's balance sheet strength continued to improve, with consolidated net debt to EBITDA reducing to 0.4x by March 2026, and improvement in FY26 ROCE.
- To offset cost inflation, the company announced price increases of 6-8% for Q1 FY27 (in tranches). Management indicated that further price hikes may still be necessary to mitigate cost pressures.

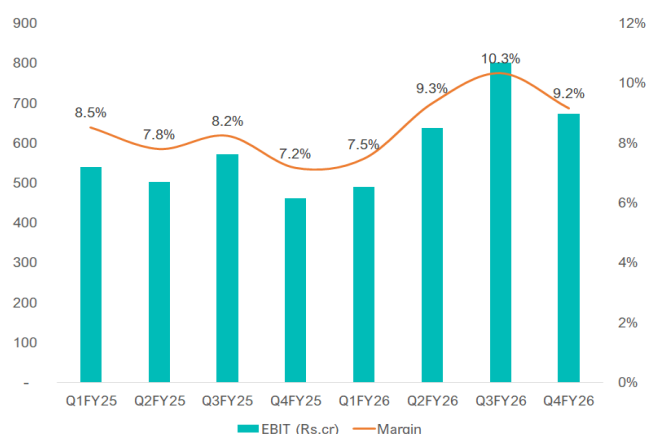
### Revenue



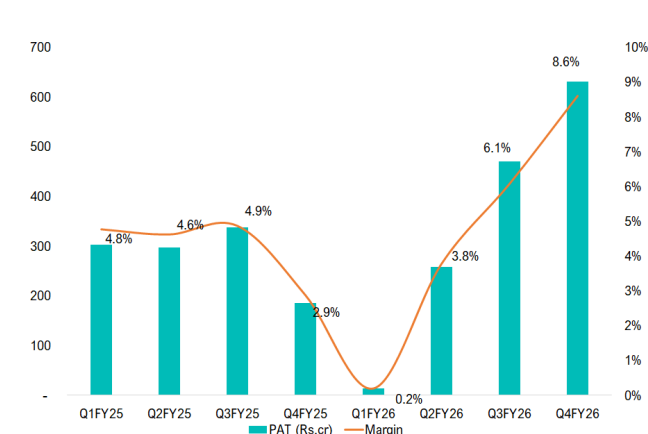
### EBITDA



### EBIT



### PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	30,021	-	31,261	33,449	4.1	-
EBITDA	4,713	-	4,064	4,666	-13.8	-
Margins (%)	15.7	-	13.0	14.0	-10bps	-
Adj. PAT	2,107	-	1,654	2,002	-21.5	-
EPS	33.2	-	26.0	31.5	-21.5	-



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Sales</b>	<b>25,378</b>	<b>26,123</b>	<b>28,471</b>	<b>31,261</b>	<b>33,449</b>
% change	3.3	2.9	9.0	9.8	7.0
<b>EBITDA</b>	<b>4,447</b>	<b>3,572</b>	<b>4,143</b>	<b>4,064</b>	<b>4,666</b>
% change	34.2	-19.7	16.0	-1.9	14.8
Depreciation	1,478	1,498	1,543	1,642	1,830
<b>EBIT</b>	<b>2,970</b>	<b>2,073</b>	<b>2,600</b>	<b>2,422</b>	<b>2,836</b>
Interest	506	447	391	388	384
Other Income	77	-80	-900	101	131
<b>PBT</b>	<b>2,540</b>	<b>1,547</b>	<b>1,309</b>	<b>2,135</b>	<b>2,583</b>
% change	78.0	-39.1	-15.4	63.1	21.0
Tax	818	425	-63	480	581
Tax Rate (%)	32.2	27.5	-4.8	22.5	22.5
<b>Reported PAT</b>	<b>1,722</b>	<b>1,121</b>	<b>1,372</b>	<b>1,654</b>	<b>2,002</b>
<b>PAT att. to common shareholder-</b>	<b>1,722</b>	<b>1,121</b>	<b>1,372</b>	<b>1,654</b>	<b>2,002</b>
Adj.	77	169	1,034	-	-
<b>Adj. PAT</b>	<b>1,799</b>	<b>1,290</b>	<b>2,406</b>	<b>1,654</b>	<b>2,002</b>
% change	75.8	-28.3	86.5	-31.2	21.0
No. of shares (cr)	63.5	63.5	63.5	63.5	63.5
<b>Adj EPS (Rs.)</b>	<b>28.3</b>	<b>20.3</b>	<b>37.9</b>	<b>26.0</b>	<b>31.5</b>
% change	75.8	-28.3	86.5	-31.2	21.0
DPS (Rs.)	6.0	5.0	6.0	6.5	7.5

### Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Net inc. + Depn.</b>	<b>3,200</b>	<b>2,620</b>	<b>2,915</b>	<b>3,297</b>	<b>3,832</b>
Non-cash adj.	645	371	692	936	-383
Other adjustments	-	-	-	-	-
Changes in W.C	-405	-1,168	60	230	-191
<b>C.F. Operation</b>	<b>3,440</b>	<b>1,823</b>	<b>3,667</b>	<b>4,463</b>	<b>3,258</b>
Capital exp.	-674	-731	-1,355	-3,631	-1,828
Change in inv.	-72	497	-9	-	-
Other invest.CF	35	31	23	-	-
<b>C.F - Investment</b>	<b>-711</b>	<b>-202</b>	<b>-1,341</b>	<b>-3,631</b>	<b>-1,828</b>
Issue of equity	-	-	-	-	-
Issue/repay debt	-1,848	-794	-1,103	-	-
Dividends paid	-286	-381	-539	-413	-476
Other finance.CF	-525	-472	-536	-388	-384
<b>C.F - Finance</b>	<b>-2,659</b>	<b>-1,647</b>	<b>-2,177</b>	<b>-800</b>	<b>-860</b>
Chg. in cash	70	-26	149	31	570
<b>Closing Cash</b>	<b>922</b>	<b>898</b>	<b>1,044</b>	<b>1,075</b>	<b>1,645</b>

### Balance Sheet

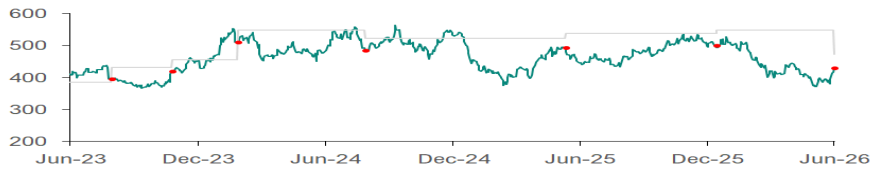
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	922	898	1,044	1,075	1,645
Accts. Receivable	2,665	3,062	3,191	3,220	3,378
Inventories	4,246	5,131	5,452	5,995	6,306
Other Cur. Assets	1,195	725	1,011	1,066	1,239
Investments	38	45	62	63	64
<b>Gross Fixed Assets</b>	<b>30,181</b>	<b>30,778</b>	<b>32,133</b>	<b>35,764</b>	<b>37,592</b>
Net Fixed Assets	16,055	15,551	15,522	17,472	17,430
CWIP	283	325	918	936	955
Intangible Assets	1,016	970	1,124	1,144	1,166
Def. Tax -Net	82	79	206	208	218
Other Assets	455	520	709	696	845
<b>Total Assets</b>	<b>26,957</b>	<b>27,306</b>	<b>29,240</b>	<b>31,876</b>	<b>33,247</b>
Current Liabilities	5,525	5,567	6,680	8,114	7,855
Provisions	137	151	170	173	177
Debt Funds	4,905	4,410	3,675	3,647	3,620
Other Liabilities	2,488	2,413	1,999	1,985	2,113
Equity Capital	64	64	64	64	64
Res. & Surplus	13,839	14,702	16,652	17,893	19,419
<b>Shareholder Funds</b>	<b>13,902</b>	<b>14,766</b>	<b>16,715</b>	<b>17,957</b>	<b>19,482</b>
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>26,957</b>	<b>27,306</b>	<b>29,240</b>	<b>31,876</b>	<b>33,247</b>
BVPS	219	232	263	283	307

### Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	17.5	13.7	14.6	13.0	14.0
EBIT margin (%)	11.7	7.9	9.1	7.7	8.5
Net profit mgn.(%)	6.8	4.3	4.8	5.3	6.0
ROE (%)	12.4	7.6	8.2	9.2	10.3
ROCE (%)	15.8	10.8	12.8	11.2	12.3
<b>W.C &amp; Liquidity</b>					
Receivables (days)	38.3	42.8	40.9	37.6	36.9
Inventory (days)	113.4	127.5	127.9	122.3	121.4
Payables (days)	79.6	71.4	75.7	82.1	82.9
Current ratio (x)	1.3	1.3	1.3	1.2	1.4
Quick ratio (x)	0.6	0.5	0.5	0.5	0.5
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	0.8	0.9	0.9	0.9	0.9
Total asset T.O (x)	0.9	1.0	1.0	1.0	1.0
Int. covge. ratio (x)	5.9	4.6	6.6	6.2	7.4
Adj. debt/equity (x)	0.4	0.3	0.2	0.2	0.2
<b>Valuation</b>					
EV/Sales (x)	1.3	1.1	1.3	1.0	0.9
EV/EBITDA (x)	7.6	8.3	8.7	7.3	6.3
P/E (x)	16.5	20.3	13.8	16.5	13.6
P/BV (x)	2.1	1.8	2.0	1.5	1.4



## Recommendation Summary (Last 3 years)



Dates	Rating	Target
15-May-23	HOLD	386
16-Aug-23	HOLD	432
10-Nov-23	HOLD	455
13-Feb-24	HOLD	549
13-Aug-24	HOLD	523
28-May-25	HOLD	538
31-Dec-25	ACCUMULATE	548
19-June-26	ACCUMULATE	475

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
<b>Buy</b>	<b>Upside is above 10%</b>	<b>Upside is above 15%</b>	<b>Upside is above 20%</b>
<b>Accumulate</b>	-	<b>Upside is between 10%-15%</b>	<b>Upside is between 10%-20%</b>
<b>Hold</b>	<b>Upside is between 0% - 10%</b>	<b>Upside is between 0%-10%</b>	<b>Upside is between 0%-10%</b>
<b>Reduce/sell</b>	<b>Downside is more than 0%</b>	<b>Downside is more than 0%</b>	<b>Downside is more than 0%</b>


### Not rated/Neutral


#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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