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GST No.: 06AAACA6990Q1Z2

ATL/SEC/21 **August 11, 2026**

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 Q1 FY27 was held on August 7, 2026.

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: 2026.08.11 17:04:23 +05'30'

(Seema Thapar)
Company Secretary & Compliance Officer

Apollo Tyres Limited
Q1 FY27 Earnings Conference Call
August 07, 2026

Aniket Mhatre: Good afternoon, everyone. On behalf of Motilal Oswal Securities, I welcome you all for the Q1 FY '27 Results Conference Call of Apollo Tyres Limited. From the management side, we have with us today Mr Gaurav Kumar, Chief Financial Officer.

I would now like to hand over the call to Mr Gaurav Kumar for his opening remarks, post which we will begin the question-and-answer session. Over to you, sir.

Gaurav Kumar: Good afternoon, ladies and gentlemen, and thank you for joining us today. There's some glitch in my video, so I'll have to do through audio only. I welcome you all to the Apollo Tyres post results conference call. Neeraj is not able to join this call because of an urgent commitment. I'm pleased to share an update on our performance for the quarter, along with our outlook.

But let me first begin with the announcement concerning myself. I had been thinking for some time to take up a new challenge and decided now that it is the appropriate time, having completed the Enschede project, which I was an integral part of over the last 18 plus months. It was an emotional decision to leave Apollo Tyres after 22 plus years career here.

And as of now, I'm not sure what the future holds for me. I will figure that out over the next couple of months or so. But let's move on to the business performance and the outlook. The Q1 FY '27 proved to be a challenging quarter given the macro environment. However, we delivered a strong consolidated top line growth of 12.8% Y-o-Y, while on a sequential basis, the growth was muted.

The consolidated revenue for the quarter stood at INR 74 billion with an EBITDA margin of 11.7%, down about 150 basis points year-on-year, primarily on account of RM cost pressures. On the domestic operations, I am pleased to share that we delivered our strongest year-on-year quarterly growth in the last 14 quarters.

The India Operations recorded their highest ever revenue. We delivered a double-digit growth across all segments compared to the same period last year, positioning us in line with and in many segments ahead of the market performance. The revenue for the quarter was INR 54.6 billion, representing a healthy growth of 15.6% Y-o-Y and 4.3% sequentially.

The growth was largely volume led. The EBITDA for the quarter stood at INR 6.5 billion, a margin of 12% compared to 13.6% in the corresponding period last year. Looking ahead, demand remains healthy across categories and channels. July already delivered a strong start, providing confidence that the momentum will carry into Q2.

Raw material costs escalated sharply during Q1 by the magnitude of nearly 17%. Despite this, we largely successfully defended margins through a combination of calibrated price increases and disciplined cost control. Commodity prices are likely to remain volatile until the geopolitical situation in West Asia stabilises. Based on the current outlook, we expect raw material inflation of about 8% sequentially into Q2.

In Europe, we delivered low single-digit volume growth on a Y-on-Y basis. Revenue for the quarter was EUR147 million, up 0.5% Y-o-Y. The EBITDA for the quarter stood at EUR13 million, a margin of 8.9%, lower than the previous year 10.8%. To a certain extent, there are overlap of costs as we do the Enschede closure and transition, which will go away with time.

The PCR replacement segment continues to deliver healthy growth and the positive momentum is expected to sustain through the coming quarters. Some revenue was impacted as a result of Enschede plant closure transition. The Netherlands plant stopped production as planned in June 2026, and we expect the financial and operational benefits of the restructuring to start materialising from H2 of the current fiscal year.

The geopolitical situation in West Asia continued to create headwinds in select international markets, leading to heightened uncertainty and cost volatility across raw materials, energy and logistics costs. We remain focused on adapting to changing market conditions while exercising prudent cost management.

While the broader macroeconomic environment remains challenging, we are well positioned to sustain momentum and further accelerate growth across our India and Europe Operations. At the same time, we have maintained a strong balance sheet and continue to improve our leverage profile in spite of the current circumstances.

Let me now briefly touch upon some of the strategic initiatives and key achievements delivered by the teams during the quarter. Starting with R&D,

we continue to make good progress across product development and technology during the quarter.

Alongside securing several OEM approvals and nominations, including for multiple EV platforms, we expanded our replacement portfolio and delivered tangible improvements in product quality and cost optimisation. We also advanced our Sustainability agenda with increased recycled material usage and process innovations.

On the Digitalisation front, we continue to advance our transformation through the global S/4HANA programme and scale deployment of AI across manufacturing, where multiple use cases are now delivering tangible productivity, energy efficiency and cost benefits. On the Brand side, we continue to strengthen customer engagement across our key markets through integrated campaigns and trade initiatives.

In India, our ICC Women's T20 World Cup campaign generated over 220 million consumer reach and 500 million views across digital and broadcast platforms, while dealer-led activations further enhance the market connect.

Finally, Sustainability remains a key pillar of our long-term strategy.

We exceeded our FY '26 environmental commitments and further strengthened our FY '30 sustainability roadmap with our continued progress earning Apollo Tyres recognition amongst India's top 30 most sustainable companies. With this, I will conclude my opening comments. Thank you all for your time.

We would be happy to take your questions.

Aniket Mhatre: Thank you, sir. Let's start the Q&A session. Participants who have a question, please use the raise hand icon to ask a question. The first question is from the line of Raghunandan. Raghu, please unmute your line and ask your question.

Raghunandhan NL: Thank you, Aniket. Thank you, Gaurav sir, for the opportunity best wishes for future and sincerely appreciating your efforts at Apollo.

Gaurav Kumar: Thank you, Raghu. Good afternoon.

Raghunandhan NL: Good afternoon, sir. Starting with the questions for the India business, if you can share the growth -- volume growth, total OEM, replacement and exports. And if you can also talk about the outlook for each of the segments?

Gaurav Kumar: Sure. So the volume growth across these three channels was fairly stable. Replacement was 13% OEM was 10% and exports was 15%. So fairly in a narrow range, but all in double digits. And similarly, even across product categories, barring TBB, it was all double-digit growth. The outlook remains strong. Replacement momentum is strong. Given the rains, this is a seasonally weaker quarter, but we should be delivering good growth Y-on-Y.

Raghunandhan NL: Got it, sir. And in Europe, two questions. First is, recently, there was an announcement of anti-dumping duty on Chinese tyres. How will it benefit Apollo, both for exports from India and second, for the production from Hungary? And on back of this, do you think there can be a double-digit growth for our Europe business?

Gaurav Kumar: Sure. So we expect this to be positive. Clearly, Chinese were taking a certain amount of share at the lower end, which would feed into the Apollo brand volumes. The Vredestein brand of PCR does not compete with the Chinese tyres. But overall, it will definitely benefit the domestic players. Even in this quarter, Raghu, the PCR replacement growth was in double digit, well ahead of the market.

The reason why you see a muted top line growth is on account of agri tyres where the transition resulted in a certain amount of revenue loss, which we knew. And similarly, even the shifting of the truck radial capacity from Hungary to India and the market in Europe and in India boomed, we had the capacity in transition and that resulted into certain revenue loss resulting into a muted top line growth at Europe. So we definitely expect Europe Operations to pick up growth as we move forward.

Raghunandhan NL: Thank you, sir. And on the capacity shifting side from Netherlands towards Hungary or India and even this truck radial shifting from Hungary to India, if you can talk about when the production will start off and how the ramp-up will happen?

Gaurav Kumar: So it's a mix of shifting from the Netherlands capacity, which was manufacturing about 750,000 tyres in terms of what our sale was last year. A large part of that would shift to Hungary. And some bit of Hungary capacity in terms of the lower-end tyres, the 14-inch, the 15-inch tyres would be transferred to India. That process had been started, Raghu, as soon as we got the Works Council of Netherlands clearance, which was in September of 2025. It's a fairly intense process.

We anticipated about 12 months, and it would be completed in September, October of 2026. Similarly, another product category, which was Spacemaster spare tyre. Post the clearance, that capacity has been set up in our Baroda plant. We have already got OEM clearances. And going forward, the supplies would be there from our Baroda plant.

The only place where we did not have an equivalent capacity was in the high-end agri tyres, and we didn't even have a space for setting up that capacity. That is where we are resorting to offtake of a certain quantum.

Raghunandhan NL: Noted, sir. And just a last question. On the commodity side, if you can indicate how much price hike in India and in Europe has been taken so far? I think in India, the requirement is about 15% to 16% kind of price hike if you have to cover the entire commodity inflation. So how much has been taken so far? And how is the market accepting these price hikes? How much is competition taking? And similarly, what is the requirement in Europe and there, how much has been taken?

Gaurav Kumar: Sure. So in Q1, RM went up, Raghu, roughly by 17%. So applying a thumb rule of two thirds, we needed about at a very broad level, let's say, 11% - 12% price increase. What was implemented and that also in a staggered manner through the quarter was about 7% to 9%. Further price increases into Q2 have already been announced.

So the current quantum of price increase is about 9% in TBR and 11% in other categories. The raw material is still going up in Q2. So overall, what we need is about a 15% to 16% price increase, whereas we are currently at the 11%-plus zone. So at least one to two more price increases are needed.

Raghunandhan NL: Got it, sir. And in Europe?

Gaurav Kumar: Europe, the impact immediately was smaller because the first hike up was on account of natural rubber. So in this quarter, Europe raw material basket went up by 8%, but they are getting the hit in the second quarter. Europe, the price increases total for Q1, Q2 needed is about 10-odd percent. As of now, only 3% - 4% has been implemented.

Raghunandhan NL: Got it, sir. Thank you, thank you very much, and call back to queue, sir.

Gaurav Kumar: Thank you, Raghu.

Aniket Mhatre: Our next question is from the line of Amyn Pirani. Amyn, please unmute your line and join.

Amyn Pirani: Can you hear me now?

Gaurav Kumar: Yes, Amyn.

Amyn Pirani: Hi, Gaurav. Thanks for the opportunity. And wishing you all the best for your future endeavors.

Gaurav Kumar: Thank you.

Amyn Pirani: Okay. So coming back to the Europe business, you mentioned that there were quite a few overlapping of cost between Netherlands and Hungary. So I don't know if it's possible to quantify, but say if there were no overlap of cost. What is the kind of margin that you would have had? Or maybe another way, once we move entirely to Hungary after all this is done, what is the kind of margins that you are aspiring for in the European Operations?

Gaurav Kumar: Sure. So I mean, at a very high level, I would have access to those figures quickly, but I would say if those overlaps were not there, we would have been at about 11% odd margin levels, okay? In terms of your second part of your question, on a full year basis in Europe, with this change, we would look to deliver high teens EBITDA.

And that was the goal we had set for ourselves saying that if we get this manufacturing footprint right for this brand and these categories, that is the potential of the European Operations.

Amyn Pirani: Okay. That's good to know. Secondly, you mentioned that on the high-end agri tyres, right now, you are having to do some offtake. But what is the medium-term plan? Because I am guessing that these were made in Netherlands and these were relatively higher price and potentially higher-margin products. So what is the medium-term plan for this one?

Gaurav Kumar: So I mean, we are still thinking through because one of the constraints is that our OHT capacity was only there in Kalamassery, which is now in the part of the city in Kochi. So that capacity has limitations in terms of how much it can be expanded. Setting up a new plant somewhere else has its own challenges because it would not be an economic sized capacity if we were to set up a 10 - 15 tonnes capacity because Enschede agri capacity was all of 20 metric tons per day.

So right now, we have identified an offtake partner. And I would say for midterm, we would be with this offtake partner and even selecting and certifying that partner took time because we are talking about a high-end production. So as of now, the midterm plan is to continue with the offtake because setting up a small 10 tons capacity in a new location in India would not have economic scale and then would not make sense.

Amyn Pirani: Okay. And this offtake partner is in India or in Europe?

Gaurav Kumar: It is at the cusp of Asia and Europe.

Amyn Pirani: Okay. And just a broader question. You have moved quite a few things to India. I think this process had started even before the European FTA things. Does all of this get benefits from the India-Europe FTA or it's not even material to think about that?

Gaurav Kumar: It's not much -- it's not material. And for us, it made sense. So India would continue to have bulk of the capacity with Hungary always expanding strategically. Like even now, if you see the Hungary capacity is being expanded by 4,000 passenger car tyres per day, whereas our plant in AP is expanding double that capacity.

And frankly, while I think the financial market had thought that some of our expansion plans are aggressive, but the kind of demand that we've seen in India, this entire FY '27, we will continue to be very tight on capacity. We are currently running into the 90s. I would only say in hindsight that it's a beneficial thing that we took those decisions. If anything, we are a quarter late than early.

Amyn Pirani: Okay. And that brings me to the last question. Your net debt has continued to come down or actually be stable in this quarter. Is it fair to say that the main CapEx because you had guided for more than INR 3,000 crores of CapEx this year. Is the CapEx outflow not started yet? Or is it despite that, that you've maintained the net debt? Any color there would be helpful.

Gaurav Kumar: So the CapEx definitely has started. It's not -- so even India, for example, the quarter CapEx was INR 500 crores. So which is higher than what it has been in the recent past, where our annual CapEx has used to be for India, INR 1200 - 1300 crores. Yes, it will go further up in Q2, Q3. So to a certain extent, you are right that it's not exactly one fourth, but the CapEx is onward and we anticipate that our net debt-to-EBITDA ratio will go up slightly in the current year. We will be a net borrower.

Amyn Pirani: Okay. Fair enough. Thanks a lot for this, I will come back. Thanks

Aniket Mhatre: Thank you. Just a quick reminder to participants if you wish to ask a question, please use the raise hand icon to ask the question. Our next question is from line of Siddhartha. Siddharth, please unmute and ask your question.

Siddhartha Bera: Hi, sir. Thanks for the opportunity. Sir, you mentioned that we had taken about a 7% to 9% price hike over the quarter. But you also indicated that a large part of the revenue growth is volume-led. So why have we not seen any benefit on the realisations? And has there been any offsetting factor in the ASPs in the quarter? So if you can just help us with that first.

Gaurav Kumar: Sure. So Siddharth, if you look at the 15.6-odd percent growth, about 12% is coming from volume, which is why I made the statement largely volume-led because the price increases were taken, I think, in three lots through the quarter. So when I talk about the 7% to 9%, what is flowing into the revenue would only be the 3% to 4% because they were taken staggered through the quarter. And the full effect is what will now flow into Q2.

Siddhartha Bera: Okay. Got it. And will this full impact be taken in the current quarter? Or do you think you will also space it out and maybe take more towards the end? So then probably in the next two quarters, we should see a benefit on the realizations?

Gaurav Kumar: Sure. So as I mentioned, because the raw material continues to go up in Q2, we expect a sequential 8% increase for India Operations. So we need about a couple of price increases more. One has been announced in July, and I think we would look to take one in August as well. But yes, you are right. If that is where the raw material situation stabilises, the full impact of the 5-odd price increases will flow into H2 of revenues.

Also take into account that in some cases with the OEMs, where there is formula-led pricing that's with a quarter delay. So we will get the price increases in Q2 based on the RM increase of Q1.

Siddhartha Bera: Right, right. Got it. And on the capacities, can you remind us when does the first phase start for you in terms of production and volumes are visible?

Gaurav Kumar: So the Hungary one is almost about to start and in H2, we'll start producing and ramping up. So Hungary would go up from about 17,000 car tyres to 21,000. India was started later, just a minute. The India capacity will probably, I think, start coming on stream towards the end of this year and then ramp up through FY '28.

Siddhartha Bera: Okay. Got it. And lastly, if you can share the net debt -- consol net debt level and the CapEx done for till quarter 1?

Gaurav Kumar: At a consol level?

Siddhartha Bera: Yes

Gaurav Kumar: So the full CapEx for Q1 was INR 650 crores at a consol level. The net debt to EBITDA at the consol level was 0.4.

Siddhartha Bera: And sir, the absolute net debt will be?

Gaurav Kumar: Absolute net debt just a minute. was about INR 1,700 plus crores.

Siddhartha Bera: INR 1,700 crores. Understood. Sir, last question is on the exports. I mean, we have started seeing good pickup there. Can you help us understand the geographies where this is primarily going into? Is it largely Europe or you are also looking at more geographies to broaden the outlook?

Gaurav Kumar: We are looking at more geographies. But in the current quarter, it has been largely Europe. The West Asia geographies have been impacted by the war. So they are behind budget. Even U.S. with the kind of inflation it was facing has had issues in terms of dealers' inventory not going off the shelf and hence, them not buying additional tyres.

So U.S., which is a focused geography, has not performed as per expectations with a tougher market. West Asia, et cetera, has been impacted. So there are small other pockets, but it's been largely on the back of Europe.

Siddhartha Bera: Okay, got it. Thanks a lot. I will come back.

Gaurav Kumar: Thank you, Siddhartha.

Aniket Mhatre: Next, we have a question from Vijay Pandey. Vijay, please go ahead

Vijay Pandey: Hi, sir. Thank you for taking my questions. And all the best for your future endeavors.

Gaurav Kumar: Thank you, Vijay.

Vijay Pandey: One, I wanted to understand about the other expenses. So that has come down quarter-on-quarter. It was expected, but can you guide us how it is going to look going forward? And should we expect this level? Or is there potential to come down further?

Gaurav Kumar: So one of the major reductions was on the advertisement and sales promotion. And that was reduced by almost 50%. That was keeping in mind the tough scenario, keeping in mind the overall environment. It will go through its little bit of ups and downs because it's also dependent with the BCCI sponsorship on the match schedules, et cetera. So -- to your question, would we expect a further reduction?

I would say no. There will be quarters where we will press our foot on the pedal on the advertisement and sales promotion. But clearly, I would say, as we look back, the demand boost from GST reduction and even the kind of demand pull that we are seeing as a result of the jersey sponsorship is justifying those spends because we've seen our growth, particularly in the consumer tyre categories of passenger car, two wheelers, et cetera, accelerating significantly over the last three quarters.

Vijay Pandey: Okay. Secondly, sir, in Europe, so if you can help us understand what will be the agri business that we like currently are offtaking from other players? And what is the growth outlook look like? Because some of our peers have guided that there was some level of pre-buying. So just want to understand in both in PCR and agri business in Europe.

Gaurav Kumar: So agri business in Europe, sequentially, to give you an example, we had a decline by high teens, partially our results. Year-on-year was, of course, a small single-digit decline. At this stage, in terms of how much we are offtaking, I would say about 20% to 25% of our agri business would be through offtake. It's not just with one player. There is -- there are two partners from which we are offtaking depending on which category of tyre.

That business, the team has to sort of go through its changes, stabilise with customers because -- it's not a simple product that you just go to a partner and start picking up. The tyres are customised specifically with your specifications, et cetera. So we are now in the process of just about starting that process.

I would say we would need at least a couple of quarters to reach some sort of stable situation on that. Whereas on the other product categories, the transition has been done, and we are already in a stable state.

Vijay Pandey: And sir, on pre-buy?

Gaurav Kumar: I have not heard from my people. So I would admit to you that we'll have to get back to you. I can't give you a conclusive answer if there's been a pre-buy.

Vijay Pandey: Okay. And sir, if you can just help us understand how much price hike we have taken in the second quarter in July and in August, what are we planning to do? How much price hike we anticipate?

Gaurav Kumar: So what we have announced in July is about 1% to 2%. And as I mentioned, in August, typically, the price increases announced have been in the quantum of this 2 odd percent range. So I don't have information of what is being planned, but I would expect a similar quantum in August.

Vijay Pandey: Okay. And lastly, sir, if I see stand-alone quarter-on-quarter staff costs, so generally, it goes up in Q1 as compared to Q4 sequentially over last two years. But this time, it is broadly at similar level. So is this -- is there going to be an increase coming like some part of it will come in Q2? Or are the increments not done?

Gaurav Kumar: Only a minor Increments are done. So there would -- we have a very defined cycle. June 1 is the annual cycle. So you would see some increase because that increase is only effective for one month in Q1 and starts sort of being fully baked in from Q2, but not a further increment on where it is currently...

Vijay Pandey: Okay. Thank you, sir. I'll fall back in the queue.

Gaurav Kumar: Thank you, Vijay.

Aniket Mhatre: Next we have a question from Yash. Yash, you can unmute and ask your question.

Yash Agarwal: Hi sir, thank you for the opportunity. I just wanted to understand that the price hike that we have taken. So as compared to replacement market, is there any lag of passing off price to OEMs? And what's the difference and how much time it takes, what's the lag?

Gaurav Kumar: See, Yash, with some OEMs, we have a price formula, which would mean that the price increases flow in with a quarter lag. With some of the OEMs, particularly on the truck side, it's a negotiated figure. And while -- in Q1, we opened up the dialogues. We are beginning to get the price increases still from Q2 because these dialogues are never easy.

OEMs are facing their own pressures, not just from tyres, but all sorts of components. So the price increases which are required will -- from the OEMs will start rolling in from Q2 and then also Q3 because Q2, the RM is still going up. So you will start seeing that impact also into the P&L from the current quarter onwards.

Yash Agrawal: Also like with the potential impact of El Nino coming nearby and with the high base of second half, do you see demand moderating in replacement market for trucks and buses and farm segment?

Gaurav Kumar: Always possible. But at this stage, frankly, I would say one has been surprised with the quantum of demand that we have been seeing for a sustained period. And as I said, even into July, the demand outlook, the volume -- sales volume increase year-on-year continues to be very strong. So while sequentially, it may be muted or less. But year-on-year because Q2 is always seasonally a weaker quarter, but we are still seeing a strong year-on-year growth.

Yash Agrawal: Okay. And sir, just one last question on the Europe segment. So what was the UHP mix of overall revenue? Has it remained same or increased versus last quarter?

Gaurav Kumar: I think it's remained the same, but just let me check. I immediately don't have the data, Yash, but I think it's remained in the similar levels of 40s.

Yash Agrawal: Okay, sir. Thank you. That's it from me.

Gaurav Kumar: Thank you.

Aniket Mhatre: Quick reminder, participants who would like to ask the question, please use the raise hand icon to ask a question. We have our next question from Basudev Banerjee. Basu, please unmute your line and go ahead.

Basudev Banerjee: Thanks, Aniket. Hi, Gaurav. All the best for your future.

Gaurav Kumar: Thanks, Basudev.

Basudev Banerjee: So out of the total 25% increase in raw mat basket, how much one can assign for local currency move?

Gaurav Kumar: I would say the depreciation of the rupee, Basudev, if I take from about INR 88 was the starting point?

Basudev Banerjee: Yeah, INR 88, INR 90.

Gaurav Kumar: Yeah, so about 7-8% would be the rupee devaluation and the rest of it is...

Basudev Banerjee: No, but obviously all of the raw mat basket is not imported or import price parity. So from that perspective, how much one can...

Gaurav Kumar: So about 50% of RM is imported, but very large part of domestic RM in a global world very quickly aligns to a ladder, which is landed cost of imports. So domestic rubber, for example, says those guys say that they would be INR 5 cheaper than the landed cost of imports on a very direct basis, yes, they are not impacted by rupee devaluation, but it does play a price because they would jack up the prices if the imported rubber is becoming costlier due to rupee devaluation.

Basudev Banerjee: And many of you on local natural rubber moving up all the way to INR 270, INR 280 levels, post-monsoon as seasonally rainy season is an adverse period. What's your view post that you see pulling off because the increase has been super sharp, almost 40% plus?

Gaurav Kumar: Yes. And rubber is actually not impacted at all by the whole West Asia crisis. So we definitely expect rubber to start cooling down from Q3 onwards as the seasonal impact goes off.

Basudev Banerjee: So in that perspective, like maybe in last 10, 15 years, I have never seen a 15%, 16% retail price increase in replacement market. As per your experience, after any such sharp price increase in a small-time frame, if commodity deflation starts happening, your experience is what it will fully trickle down to margin hyperinflation or you believe there can be pass-ons?

Gaurav Kumar: See, Basudev, as you rightly said, we've always recorded our best margins when the raw material cycle starts coming down and definitely near term. And in a current demand scenario, that should play very favorably into our margins. Unfortunately, I will not get the credit of that and be talking to you people on that. But definitely, if this was to play out, it would play very favorably into the margins.

Basudev Banerjee: Sure. Understood. And that would be very crucial from a cash flow perspective because CapEx is on the higher side currently. Do share the RM prices which you usually do.

Gaurav Kumar: Sure. So rubber this quarter was at INR 225, synthetic rubber, INR 250, carbon black, INR 125 and steel cord, INR 165.

Basudev Banerjee: And broadly 8% further RMB inflation over these rates in Q2?

Gaurav Kumar: That's correct. And as you would take it that it's largely natural rubber led from the average of INR 225 in the current quarter, we are talking of an average upwards of INR 260-odd.

Basudev Banerjee: And last question, with Brent falling from the highs of $110 to $80, $85, is BR spot rates for you has come down?

Gaurav Kumar: So typically, the crude basket is -- the pricing is at least a quarter lag minimum. So that benefit also will start coming in. But yes, on the crude basket side, including synthetic rubber, there's been less of a cost push into the current quarter. And hopefully, if the situation stabilises on that front also in West Asia, that would be a further boost from the RM decline into Q3.

Aniket Mhatre: The next question is from the line of Joseph George. Joseph, please unmute your line and go ahead.

Joseph George: Thank you. I have a couple of questions. One is that this time around, the quantum of price hikes that we have seen from the tyre makers is pretty steep and the kind of pricing discipline that we have seen. Of course, it's coming with a lag, but still coming in. Is there a difference in the industry structure now compared to in the previous cycle, maybe because the demand is very strong, maybe because capacity utilisation of all the players is very high. So Gaurav, I just wanted to get your read on this.

Gaurav Kumar: Joseph, absolutely right observation. So yes, one factor itself is that the cost push itself is unprecedented. And apart from raw material, which is obviously in the spotlight, there are challenges of logistics cost, et cetera. So clearly, the situation was something which required a drastic response. And yes, all the players would have been in a fairly dire straits if we hadn't taken price increases.

So yes, given this situation, I guess, the urgency or the need to take steeper price increases than our historical evidence exists suggests was very much there. And yes, the other factor, which you yourself said, the fact that demand was very strong. We are talking about mid- to high-teens growth in the key product categories, meant that you could take those price increases.

Joseph George: Okay. Got it. The second thing I wanted to check was if you can share the revenue and the EBITDA numbers for Reifen.

Gaurav Kumar: Just a minute, so Reifen was EUR 43 million revenue in Q1, and about 3% EBITDA.

Joseph George: Okay. Okay, Gaurav. Thank you. And we wish you the very best for the future.

Gaurav Kumar: Thank you, Joseph.

Aniket Mhatre: We'll take the next question from Vijay Pandey. Vijay, please go ahead.

Vijay Pandey: Hi, sir. Thanks for allowing a follow-up. Sir, one concern that we have is once we move in the second half, you're also saying that there may be raw material prices may come down. And the demand is also because of the higher base effect may lag. So have you previously seen any impact? Like do you expect the industry to maintain the pricing discipline? Or there may be some ASP correction also to happen probably in the quarter four onwards. Do you expect that? Or in your historical...

Gaurav Kumar: See difficult to predict, Vijay. It will also depend on the magnitude of the RM drop. Typically, the industry has always recorded and reported its best margins in a falling raw material scenario. But if the raw material prices were to come down significantly, vis-a-vis the demand situation. There may be some price correction downwards in Q4. But at this stage, as I said, it will depend on the demand scenario and the magnitude of the RM decline.

Vijay Pandey: And secondly, sir, if we see natural -- for the natural rubber, our domestic rubber prices are very highly elevated despite normalisation of West Asia war. So any particular reason because international rubber prices are starting to cool down, but domestic rubber prices are still at very elevated level. And what is your expectation on this? And what will be our breakup between domestic and international rubber?

Gaurav Kumar: So we are almost at about 50-50 between domestic and international and have the ability to switch either side to a certain proportion, not completely in a very short term. As international prices cool down, the domestic rubber invariably will have to start coming down because there's a certain price parity, which is always maintained. And in a global market, a significant disparity between the landed cost of imported rubber versus domestic rubber will not sustain.

Vijay Pandey: Okay. Thank you, sir.

Gaurav Kumar: Thank you, Vijay.

Aniket Mhatre: Sir, just before we conclude, I just have a couple of questions. From a competition angle, sir. ………and in this particular segment you are seeing very high competition ratio, I think.

Gaurav Kumar: Aniket, your voice is breaking. I couldn't get the question. I understood there was something about competition, pricing, but I was not sure what was the question.

Aniket Mhatre: Yeah. Sorry, I was asking you, given that you indicated, you outperformed the industry, yet took sizable price increases, is it fair to assume that competition has also followed these price increases, and in specific segment where you are seeing heightened competitive pressure?

Gaurav Kumar: No. So competition has also taken price increases, could be a little up or down, there could be some timing differences. But in general, the competition has followed through with pricing increases, and let's say similar magnitude.

Aniket Mhatre: And just one final bit, if you have it handy, could you help us put your market share as it stands today in the replacement category?

Gaurav Kumar: Those are our internal estimates, because we don't get the industry data, but I would believe that in TBR replacement, we would be now upwards of 30%. And in passenger car replacement, we would be 21% plus.

Aniket Mhatre: So basically, that means TBR, we are back to where we were sometime back.

Gaurav Kumar: That's correct. We've regained some of the share that we had lost.

Aniket Mhatre: Perfect. Great. Due to time constraints, we will take that as the last question for the day. On behalf of Motilal Oswal Securities, I would like to thank the management for giving us an opportunity to host this call. Thank you to all the participants for being there on the call. With that, we conclude today's call. Thank you, everyone.

Gaurav Kumar: Thank you, Aniket. Thank you, everyone.