

# Chairman's Message

**Dear Shareholders,**

As I look back of the year gone by, I reminded of the wise words of Khalil Gibran who said "Progress is not in enhancing what is, but in advancing toward what will be."

FY22 was about focusing on 'progress' for Apollo Tyres. After much deliberation and feedback from our diverse stakeholders including employees, community members, partners, etc, we started FY22 with the launch of our Vision 2026 – Driving Progress, Together. It is not only about Apollo Tyres but progress for all our stakeholders. We strongly believe that vision is nothing without local knowledge, so we continued to bring our multi-cultural and diverse stakeholders together to foster an inclusive culture. By doing so, we continued to power innovation that has the potential to transport both our business and society forward.

Further, we articulated our growth pillars, and you will read more about the progress that we made in these areas in the letter from Neeraj Kanwar, your Vice Chairman & Managing Director.

Our Indian operations closed the year on a positive note, across our key categories – commercial and passenger vehicles. Importantly, we saw growth across OEMs and the replacement market segments. In Europe, we saw good traction in both these segments for the commercial vehicles category. However, it was strong demand from the replacement segment in the passenger vehicles category which lifted the overall performance of our European operations.

We closed the year with consolidated revenues of Rs 20,948 crores, a strong growth of around 20%. The growth was led by our India operations which grew by a robust 25% for the fiscal. We saw a healthy growth of 18% in our Europe business – a notable achievement in a developed market like Europe. I know that the focus on progress is neither swift nor easy, but it does pay dividends sooner or later. Our focus on the Europe region with our 'premiumisation' strategy necessitated the specialization process which entailed focus on profitable products like agricultural tires and high value - niche segment passenger car tires. It is heartening to note that this strategy has brought in results as the region crossed an important milestone of EUR 100 million mark as EBIDTA during the year. This is the highest ever EBITDA for the European Operations over the last 13 years.

Looking ahead and as we get back to normal mode, I think we will see strong growth coming back to key economies across the globe. We will continue to make steady progress in all our growth pillars and, I remain confident that Apollo Tyres is on a firm growth trajectory. On our part, we will continue to build on our successes around cost control, improving process efficiency and leveraging technology. We will continue to invest in our people and make progress in further improving the brand salience of Apollo and Vredestein.

Importantly, I remain confident that we will continue to move on an upward path due to the trust continuously reposed by each one of you, our valuable shareholders. Further, I would also like to thank our bankers, various financial institutions and the various State and National Governments where we operate, network partners and business partners which have allowed us to make progress and surpass the goals we had set for ourselves.

Of course, the progress in any area cannot happen without our most valuable asset – our people. It is with pride that I talk about the strong culture in the company where our individual accomplishments are directed towards achieving the Company milestones and marching together to fulfil our Vision 2026. On behalf of the Board of Directors, I would like to acknowledge every single employee for actively contributed to our success.

Regards,

A handwritten signature in black ink that reads "Onkar Kanwar". The signature is written in a cursive style and is underlined with a single horizontal stroke.

**Onkar Kanwar**

CHAIRMAN & MANAGING DIRECTOR