



BALKRISHNA INDUSTRIES LTD

Investor Presentation

May, 2019



Safe Harbor

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Our Performance



FY19 Performance



FY19

Sales Volumes

211,261 MT, a growth of 6% YoY

Revenues

Rs. 5,335 Cr a growth of 14% YoY

EBITDA

Rs. 1,430 Cr with a margin of 26.8%

Profit after Tax

Rs.782 Cr with a margin of 14.7%

Q4FY19

55,388 MT, a growth of 3% YoY

Rs.1,354 Cr a growth of 4% YoY

Rs.336 Cr with a margin of 24.8%

Rs.185 Cr with a margin of 13.6%

Board of Directors declared Final Dividend of Rs. 2/- per equity share for FY19 including Interim Dividend of Rs. 6/- per equity share paid for 9MFY19

Profit & Loss

Particulars (Rs.Cr)	Standalone						
	Q4FY19	Q4FY18	YoY %	Q3FY19	FY19	FY18	YoY %
Sales (MT)	55,388	54,002	3%	46,780	211,261	199,213	6%
Revenue from Operations	1,351	1,232		1,206	5,244	4,464	
Realized Gain on Foreign Exchange	3	75		-9	91	221	
Total Income	1,354	1,307	4%	1,197	5,335	4,686	14%
Raw Material	635	583		571	2,501	2193	
(Increase) / Decrease in Stock	25	-10		-18	-39	-43	
Employee Expenses	59	69		68	264	249	
Other Expenses	299	288		273	1,179	935	
EBITDA	336	376	-11%	303	1,430	1,352	6%
EBITDA Margin	24.8%	28.8%		25.3%	26.8%	28.9%	
Other Income #	24	3		-1	96	91	
Interest & Finance Charges	2	3		2	10	13	
Depreciation	82	78		83	333	311	
Profit Before Tax	276	298	-7%	217	1,183	1,118	6%
Tax	91	104		72	401	379	
PAT	185	194	-5%	145	782	739	6%
PAT Margin	13.6%	14.8%		12.1%	14.7%	15.8%	

Performance Commentary

- EBITDA margin in FY19 was impacted by lower forex rates and higher raw material prices along with higher spends on account of Branding and Advertisement expenses to strengthen the BKT Brand
- Gross Profit margin decreased on QoQ basis primarily on account of lower sales realization. Unable to enjoy full pass through of Raw Material prices owing to high cost inventory of previous quarter

Other Income and Net Forex Gain/(Loss)

Particulars (Rs. Cr)	Standalone			
	Q4FY19	Q4FY18	FY19	FY18
Exchange Difference Gain (Realized)	16	81	118	245
Exchange Difference Gain (Un-Realized)	2	-15	10	18
Others	22	18	86	73
Total Other Income	40	84	214	336

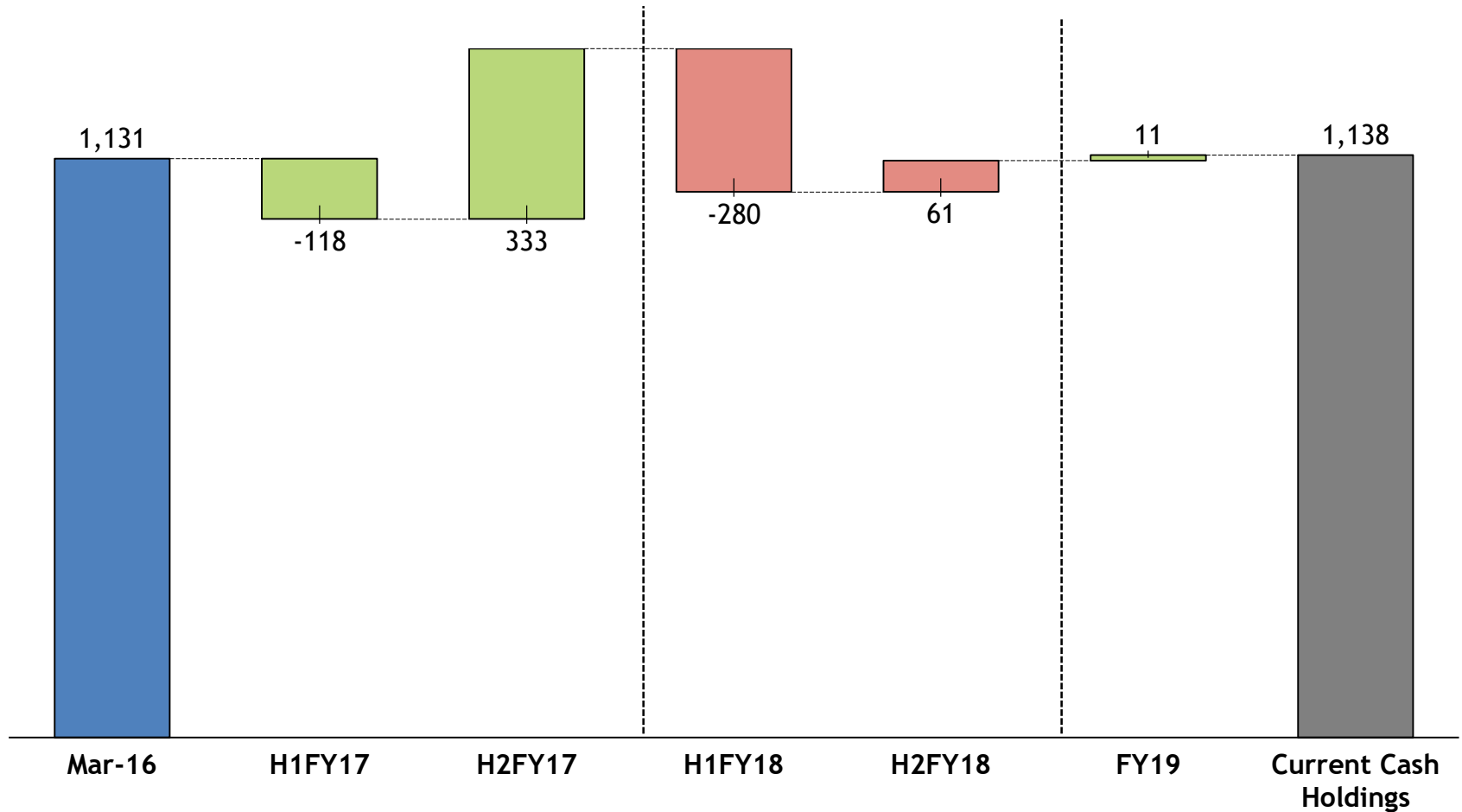
Particulars (Rs. Cr)	Standalone			
	Q4FY19	Q4FY18	FY19	FY18
Foreign Exchange Fluctuation on Sales	3	75	91	221
Foreign Exchange Fluctuation on Others	13	6	27	24
Total Realised Gain/(Loss) – A	16	81	118	245
Foreign Exchange Fluctuation on Non Derivative Items	2	-15	10	18
Foreign Exchange Fluctuation on Derivate Item	-	-	-	-
Total Unrealized Gain/(Loss) - B	2	-15	10	18
Net Forex Gain/(Loss) = A + B	18	66	128	263

Balance Sheet

Particulars (Rs. Cr.)	Mar'19	Mar'18
ASSETS		
Non-current assets	4,428	3,861
Property, Plant and Equipment	2,707	2,767
Capital work-in-progress	585	118
Investment Property	77	78
Other Tangible Assets	2	3
Financial Assets		
(i) Investments	753	620
(ii) Other Financial Assets	10	8
Income Tax Assets (Net)	96	81
Other non-current assets	197	185
Current assets	2,002	1,983
Inventories	713	594
Financial Assets		
(i) Investments	330	483
(ii) Trade Receivables	568	502
(iii) Cash and cash equivalents	36	18
(iv) Bank Balances other than (iii) above	19	7
(v) Loans	5	14
(vi) Others	57	88
Other Current Assets	273	277
TOTAL	6,430	5,845

Particulars (Rs. Cr.)	Mar'19	Mar'18
EQUITY AND LIABILITIES		
EQUITY	4,679	4,095
Equity Share Capital	39	39
Other Equity	4,640	4,057
Non-Current Liabilities	369	361
Financial Liabilities		
(i) Borrowings	2	2
(i) Other Financial Liabilities	7	7
Provisions	17	13
Deferred Tax Liabilities (Net)	326	329
Other Non-Current Liabilities	16	9
Current liabilities	1,382	1,388
Financial Liabilities		
(i) Borrowings	827	616
(ii) Trade Payables	356	397
(iii) Other Financial Liabilities	56	268
Other Current Liabilities	135	100
Provisions	8	7
TOTAL	6,430	5,845

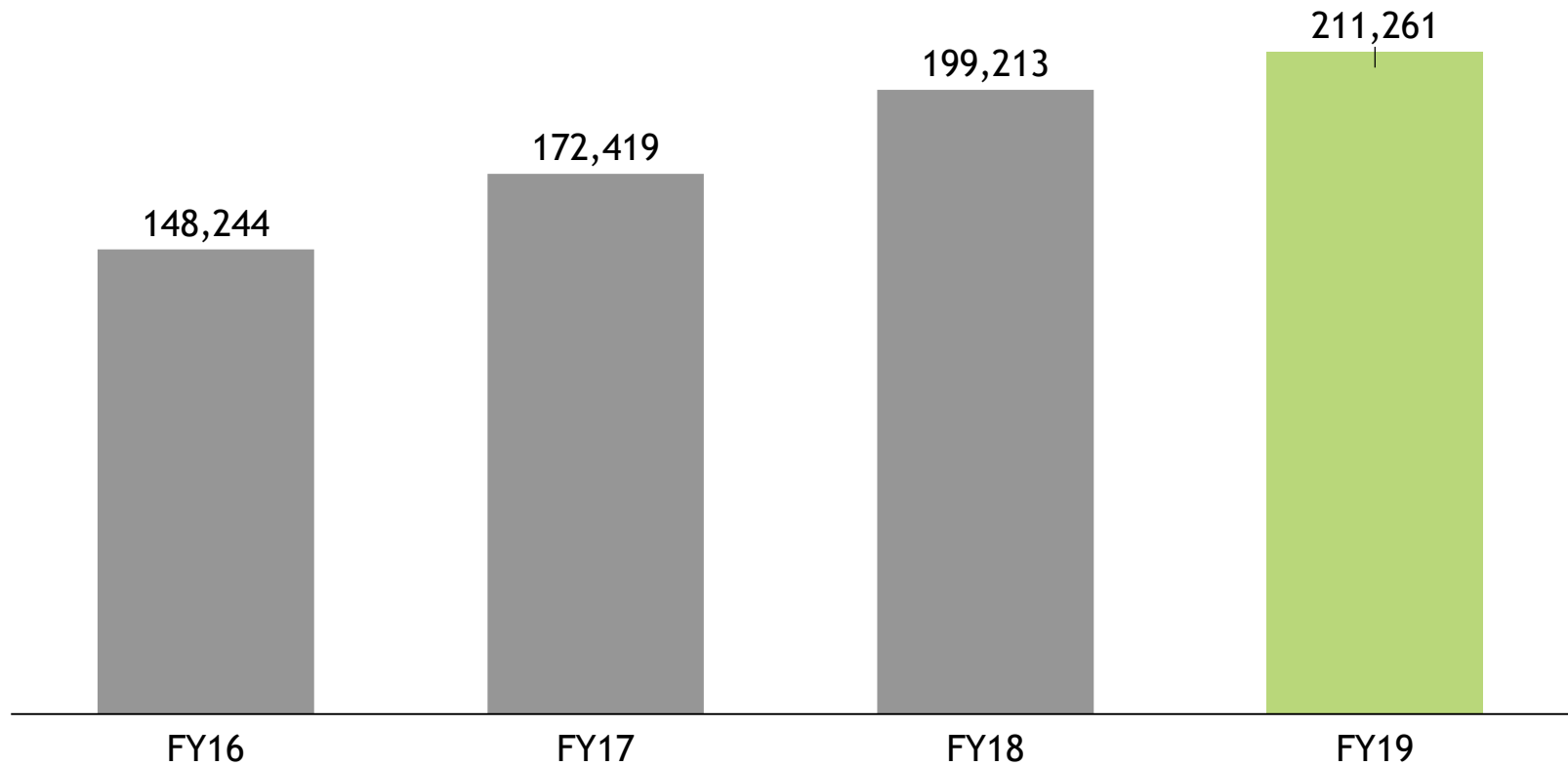
Healthy Cash holdings



Zero Long Term Debt

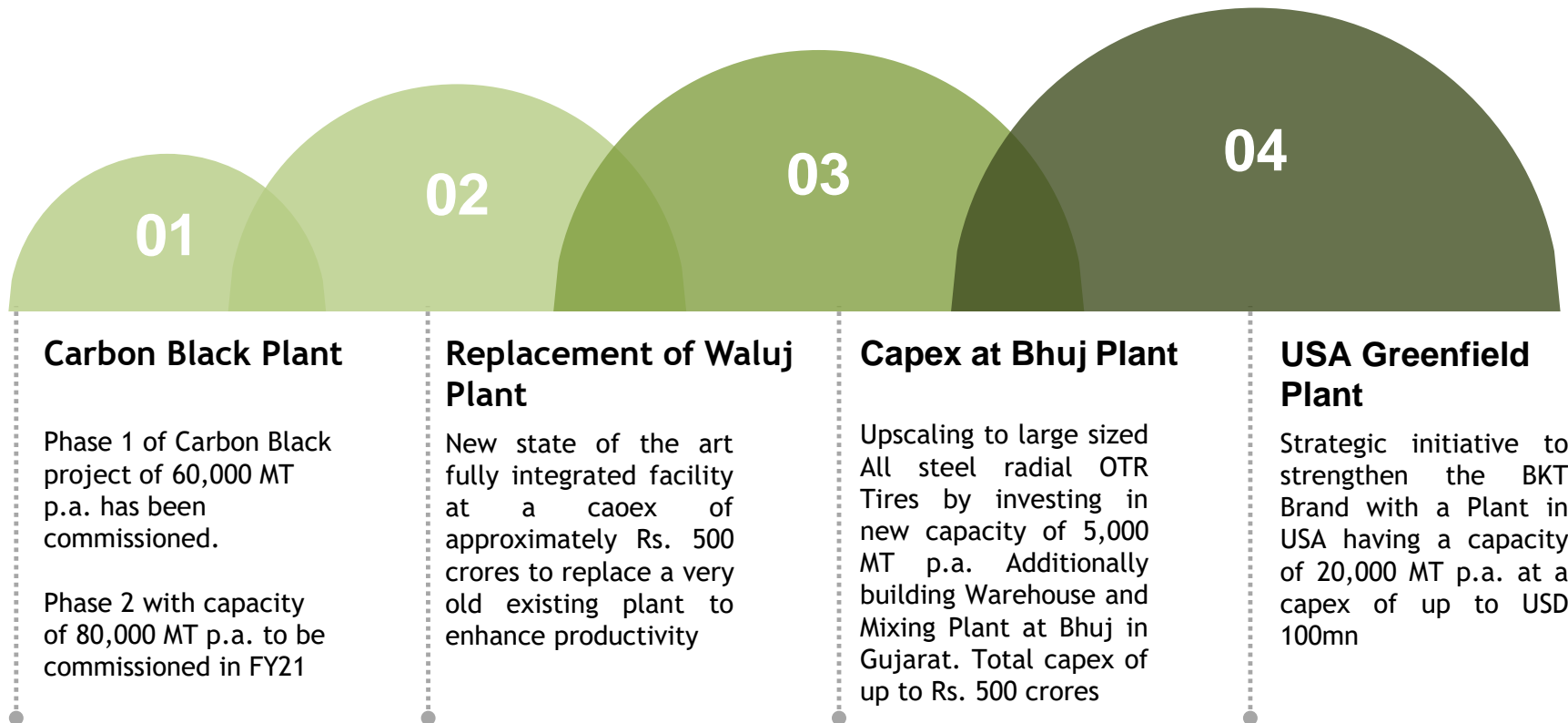
Sales Profile

In MT



FY20 Sales Volume guidance: 3% to 5%

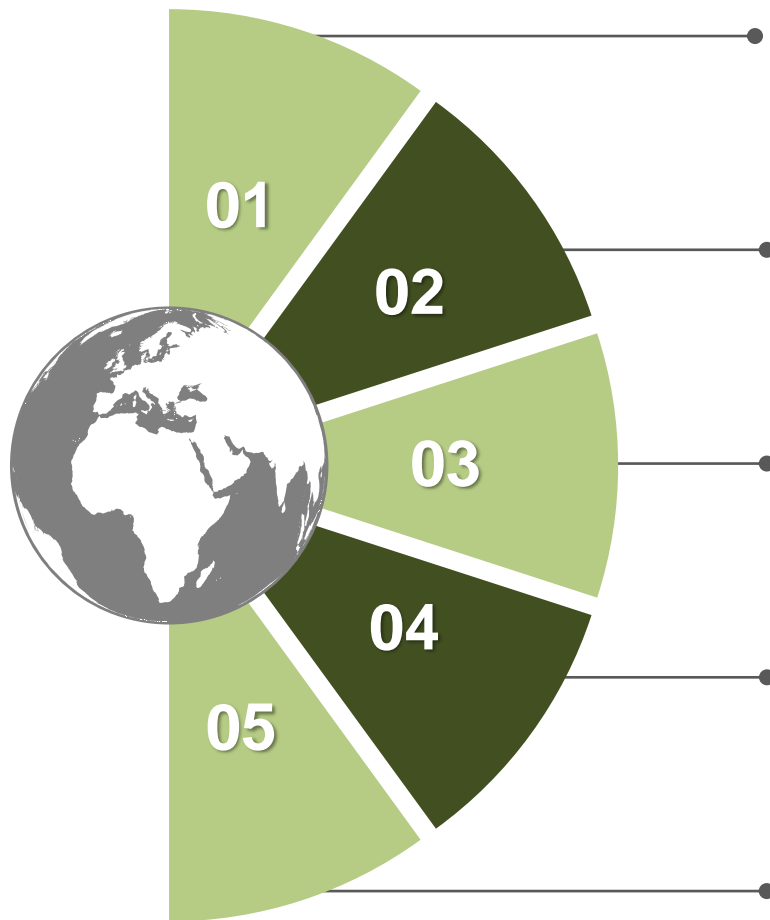
BKT 2.0: Embarking on next Phase of Growth



Strategy at BKT



Our Focus Area



Market Reach

Expand reach within existing Sales Channels as well increase footprint within replacement segment and OEMs

Penetrate Americas

Increase share of business in USA markets by increasing supplies from India and manufacturing from USA Plant

Product portfolio expansion

Expand the product portfolio by adding large sized tires and strengthen relationship with Customer base

Indian Markets

Strengthen our distribution channels within Indian Markets

Utilization

Reach 100% utilization levels at Bhuj Plant in the next 2-3 years

To Serve Global OEMs...

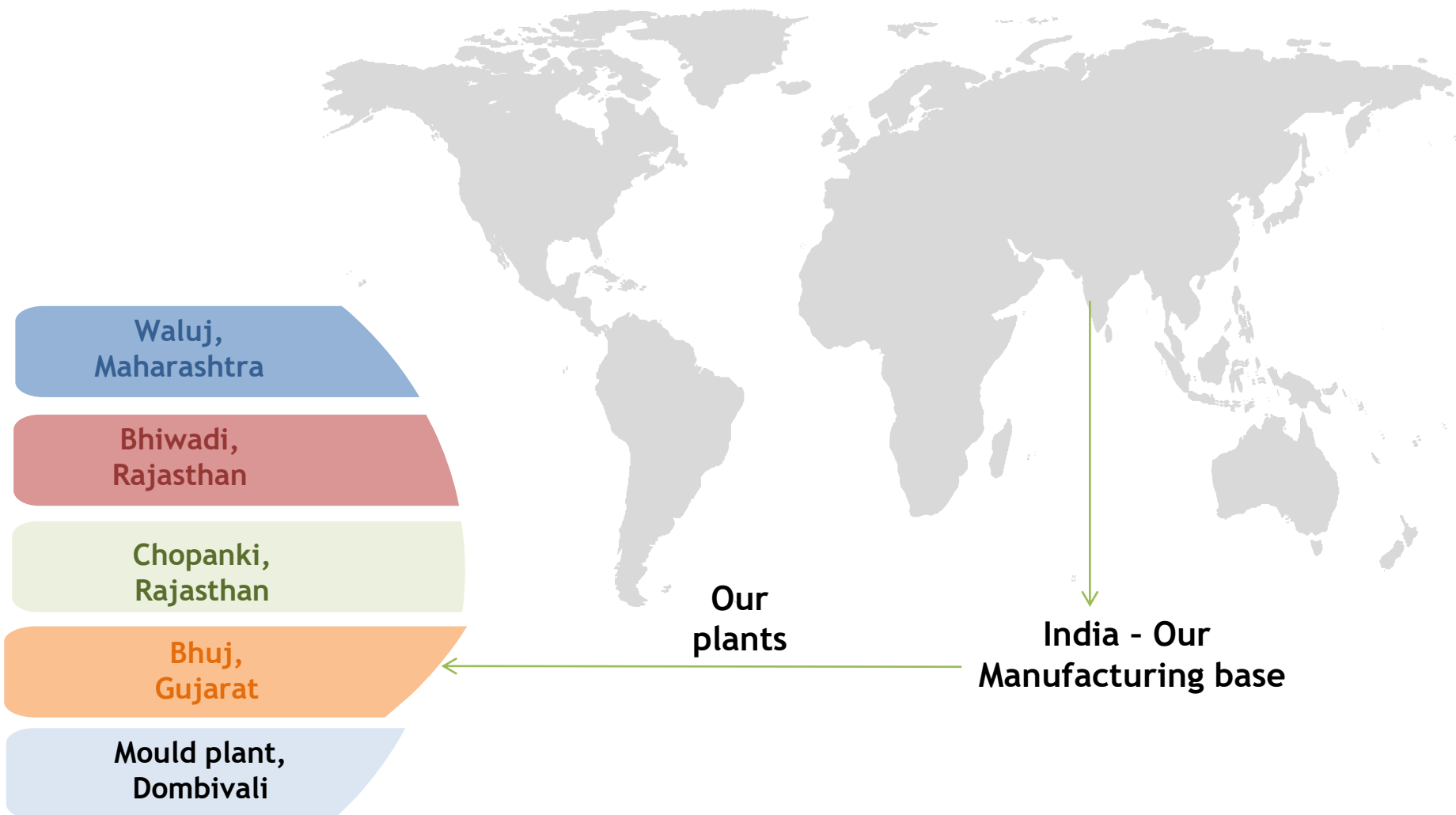


CLAAS

Türk Traktör



With India Production and Global Sales



BKT - A Strong Indian Brand

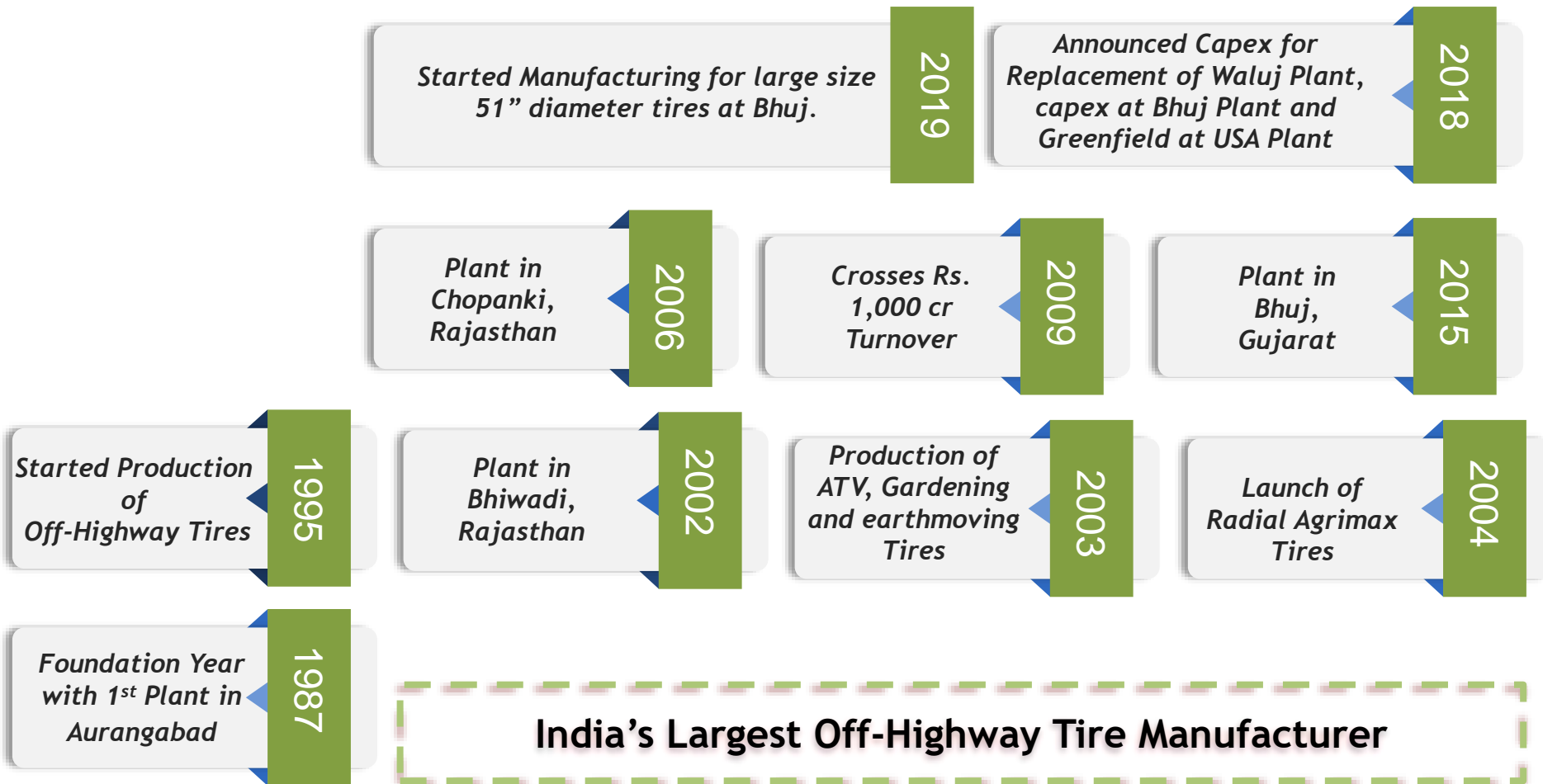


[Click here](#) for BKT Corporate Video

Balkrishna Industries - A Snapshot



Our Strong Evolution



Application of our Tires

Agriculture Tires



Cotton Pick Harvester



Tractor



Vineyard Tractor



Pivot Irrigator

Industrial Tires



Loader



Telehandler



Mobile Crane

OTR Tires



Load Haul Dump

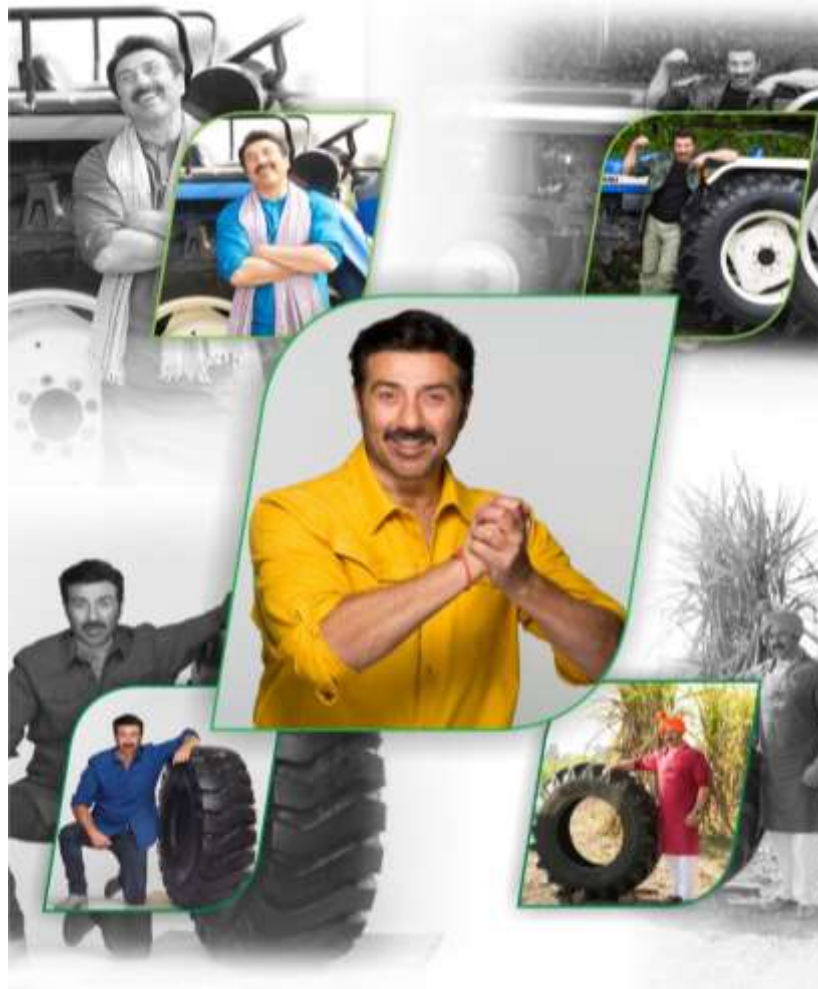


Underground Mining



Container Handler

Strengthening BKT Brand : Sunny Deol our Brand Ambassador



Popular Bollywood Icon Sunny Deol is the Brand Ambassador of BKT

Strengthening BKT Brand : India



Supporting Kabbadi by becoming the official Tire Partner for 8 marquee Teams in Pro Kabbadi League

Strengthening BKT Brand : France, Europe



**BKT is the New TITLE Sponsor for the FRENCH Football League
“COUPE DE LA LIGUE BKT”**

Strengthening BKT Brand : Italy, Europe



BKT is the new Title Sponsor for the ITALIAN SERIE 'B' FOOTBALL CHAMPIONSHIP - THE NEWBORN - "SERIE BKT"

Strengthening BKT Brand : Australia



**BKT is the Official “OFF-HIGHWAY TIRE PARTNER” for
KFC BIG BASH LEAGUE (THE AUSTRALIAN CRICKET LEAGUE)**

Strengthening BKT Brand : USA



BKT is the Official and Exclusive Tire manufacturer of MONSTER JAM and its fleet of Monster Trucks - Monster Jam is a top sporting event in America

Mr. Arvind Poddar inducted in TIA Hall of Fame



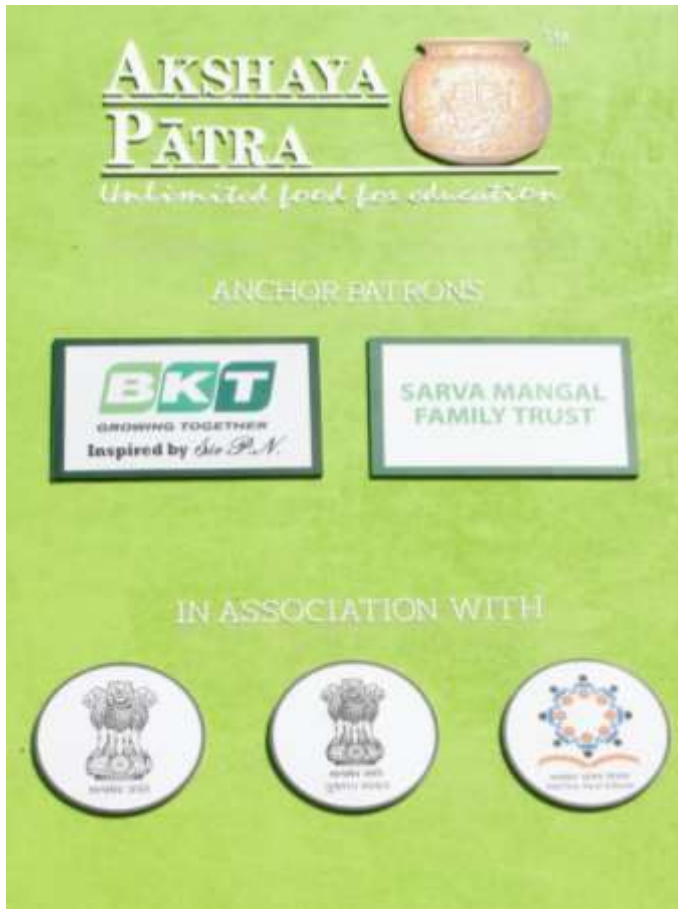
Mr. Arvind Poddar, CMD, was inducted in the Tire Industry Association (TIA) Hall of Fame at the SEMA Show in Las Vegas, USA in October 2018

The Hall of Fame award is TIA's highest honor and is one of the most prestigious accolades of the tire industry at a global level

This award attests to the BKT Group's development and commitment to excellence over the past few years thus transforming BKT into one which has put in considerable efforts to achieve innovation and sustainability goals

BKT now sets benchmarks in the global Off-Highway tire market and has one of the most extensive product portfolios in the segment.

CSR Initiatives: Growing Together



Inaugurated Community Kitchen in Bhuj, Gujarat; to provide food to over 50,000 students at local schools



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