

Date: 03rd February, 2024

To,
General Manager,
Department of Corporate Services,
BSE Limited.,
P J Towers, Dalal Street,
Mumbai- 400 001.

Sub: - Earnings Release for the Quarter and Nine Months period ended 31st December, 2023.

Ref: BSE Scrip Code: 531112.

Dear Sir/Madam,

Kindly find enclosed herewith the Earnings Release for the Quarter and Nine Months period ended 31st December, 2023.

Request you to kindly take the above information on your records.

Thanking You,

Yours faithfully,

For Balu Forge Industries Limited

TABASSUM Digitally signed by
TABASSUM BEGUM
BEGUM Date: 2024.02.03
14:17:40 +05'30'

Tabassum Begum
Company Secretary & Compliance Officer
Membership No.: - A58602



BALU FORGE INDUSTRIES LTD

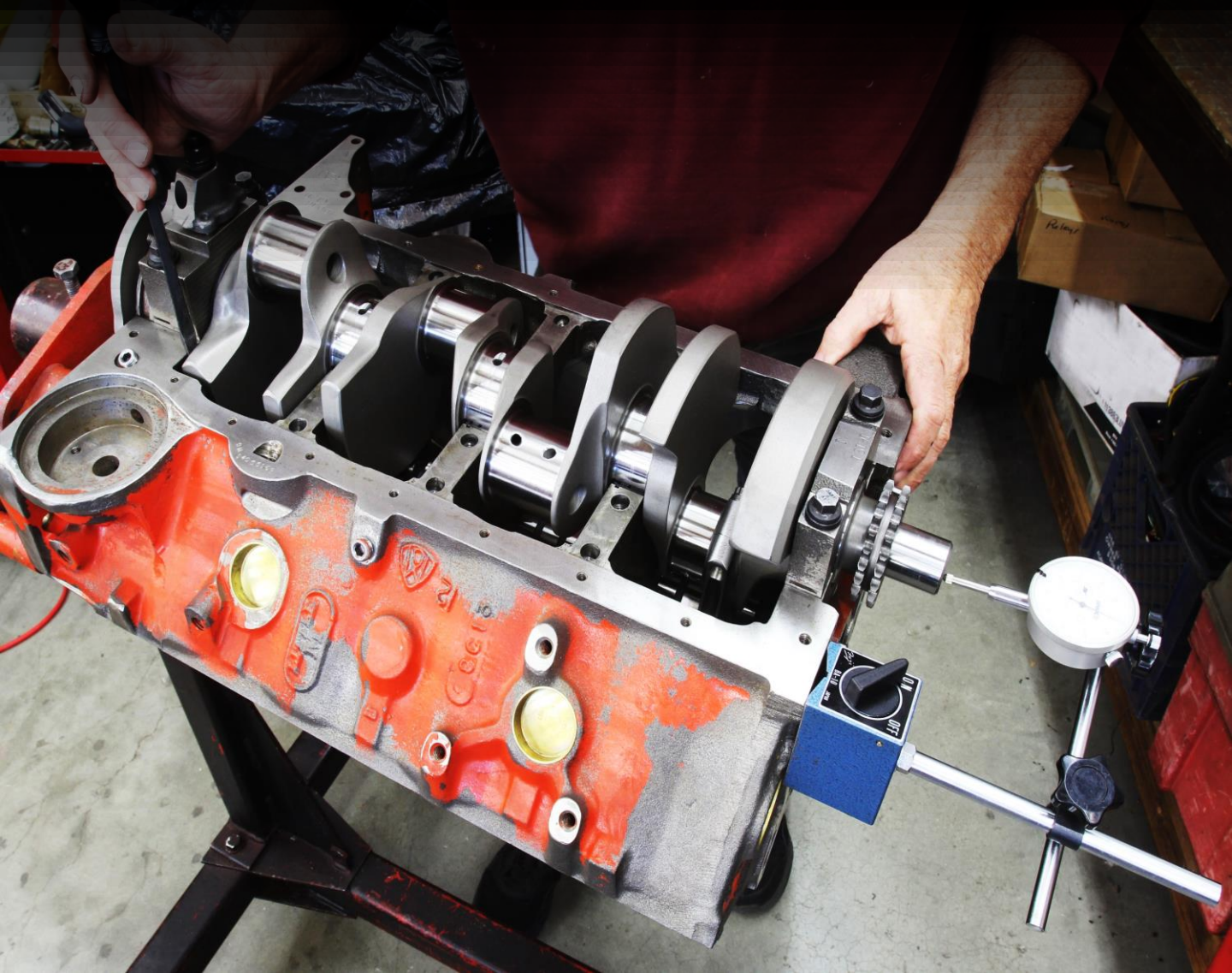
CIN: L29100MH1989PLC255933

506, Imperial Palace, 45 Tolly Park Road, Andheri East, Mumbai – 400 069, India
M: 8655075578 E: sales@baluindustries.com/ compliance@baluindustries.com W: www.baluindustries.com



EARNINGS RELEASE

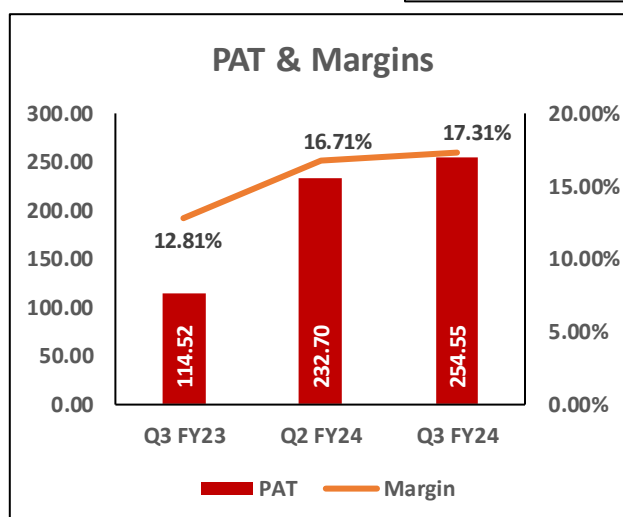
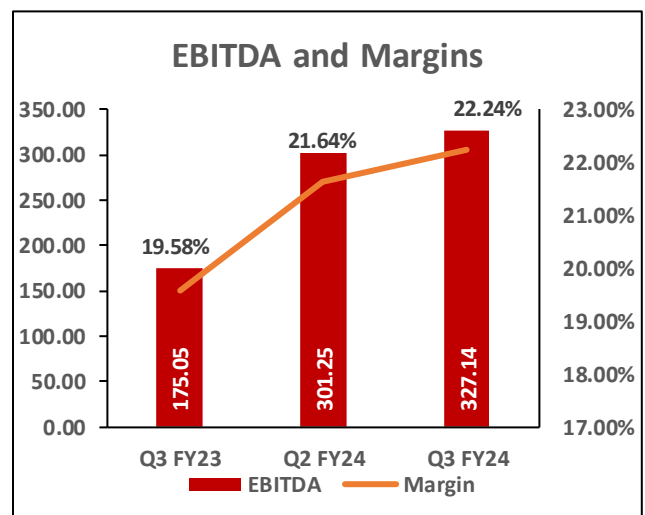
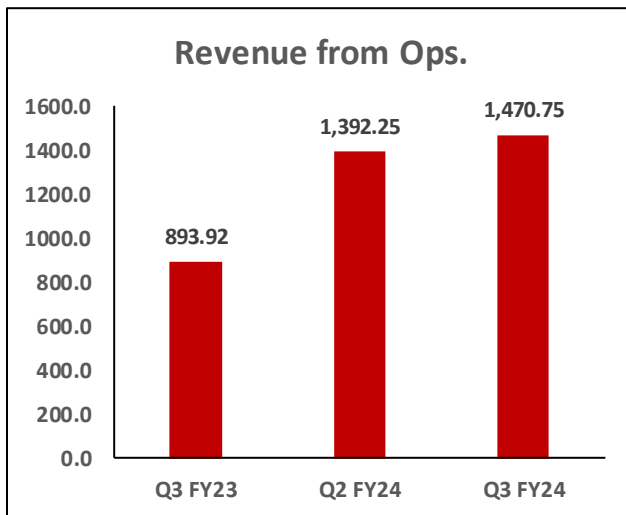
Q3 FY24 | February 3, 2024



About Balu Forge Industries Ltd (“BFIL” or the “Company”):

- Balu Forge Industries Ltd is one of the prominent companies in India for producing precision machined components.
 - It is engaged in the manufacturing of finished and semi-finished crankshafts and various other forged components and has a strong clientele comprising of 25+ OEM’s.
- The Company boasts of a precision machining unit with a comprehensive product range which caters to customers across various industries such as **automobiles, ships, locomotives, aerospace, defence, oil and gas, railway, marine, prototypes and others.**
- BFIL facility is located in Belgaum, Karnataka and has an existing capacity to produce 18,000 tonnes forged components per annum which will be expanded to ~32,000 tonnes in the coming quarters.
 - Further, the company has **R&D team comprising of ~45 people**
- BFIL through its subsidiaries has distribution network in over **80+** countries and operates in export and domestic markets.

Key Performing Metrics (₹ in Mn)



Another Set of Robust Financial Performance

Revenue for 9M FY24 increased by 96.5% over 9MFY23

PAT for 9M FY24 increased by 176.2% over 9MFY23 and exceeded full year FY23 PAT

Consolidated P&L Statement

Particulars (Rs. Mn)	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	9M FY24	9M FY23	YoY%
Revenue from Operations	1,470.75	893.92	55.7%	1,392.25	3,986.85	2,028.58	96.5%
Other Income	18.64	26.23		40.61	60.32	120.97	
Total Income	1,489.39	920.15	55.7%	1,432.86	4,047.17	2,149.55	88.3%
Total Expenses excl. D&A & Finance Cost	1,143.61	718.86		1,090.99	3,139.49	1,737.50	
EBITDA (Excluding Other Income)	327.14	175.05	72.1%	301.25	847.36	291.08	191.1%
EBITDA Margin (%)	22.24%	19.58%		21.64%	21.25%	14.35%	
Depreciation & Amortization	5.13	3.16		4.59	14.32	8.91	
Finance Cost	38.63	27.56		37.65	101.07	70.16	
PBT before Exceptional Item	302.01	170.56		299.62	792.29	332.98	
Exceptional Items	-	-		-	-	-	
PBT	302.01	170.56		299.62	792.29	332.98	
Tax	47.47	56.04		66.92	138.35	96.24	
PAT	254.55	114.52	103.2%	232.70	653.95	236.74	176.2%
PAT Margin %	17.31%	12.81%		16.71%	16.40%	11.67%	
Other comprehensive (profit)/loss	-0.34	-0.16		0.57	0.28	0.524	
Net PAT	254.21	114.36		233.27	654.22	237.27	
Diluted EPS (In Rs.)	2.57	1.37		2.47	6.61	2.84	

Management Commentary:

Commenting on the performance of Q3 FY24, Mr. Trimaan Chandock, Executive Director of BFIL stated:

“We are happy to share our financial and business performance for Q3 FY24, we witnessed healthy revenue growth of 55.7% and revenue from operations stood at ₹1,470.75 Mn in Q3 FY24 compared to ₹893.92 Mn in Q3 FY23. This growth was led by our constant focus on client addition and continued demand for our products in the existing and new industries like railways, defense and heavy commercial vehicles. EBITDA grew by 72.1% and margins improved from 19.58% in Q3 FY23 to 22.24% in Q3 FY24 owing to increase in scale of operations and increased demand for heavier products which tend to yield better margins. PAT margins improved from 12.81% in Q3 FY23 to 17.31% in Q3 FY24.

In terms of 9M performance, revenue from operations increased by 96.5% and stood at ₹3,986.85 Mn in 9M FY24 compared to ₹2,028.58 Mn in 9M FY23. EBITDA increased by 191.1% from ₹291.08 Mn in 9M FY23 to ₹847.36 Mn in 9M FY24, and margins improved to 21.25% from 14.35%. PAT increased by 176.2% and stood at ₹653.95 Mn in 9M FY24 compared to ₹236.74 Mn in 9M FY23, margins improved from 11.67% to 16.40% during the same period.






BFIL's dedication to prioritizing customers and fostering growth has not only bolstered our market position but has also led to the cultivation of strong relationships with clients, positioning us as partner of choice for supplying critical components. A testimony of our client centricity is evident in our recent additions of 3 new OEM clients.

Further, the development of our newly acquired Mercedes Benz unit is also progressing well on expected timelines and the full fledged operations are expected to commence from Q4 FY24. This unit will enable us to produce heavier and more complex components having better realizations and margins. Currently the same is partly operational and is aiding us in achieving good revenue growth along with superior margins.

On the industry front, we are seeing immense opportunity in various sectors like defense, railway, sustainable green energy components, and commercial vehicles. To seize these opportunities, we are leveraging our strong inhouse R&D capabilities to expand our product offerings and the testimony to same is depicted by our broad product range. Furthermore, we are spearheading investments to transform into a more integrated company. These investments will enable to us to acquire new clients, expand our presence in untapped regions and enhance our product portfolio.

In summary, our readiness for the future is characterized by a comprehensive strategy that harmoniously blends different facets. This encompasses ongoing expansion of our capacities to meet anticipated demand, alongside the implementation of new technologies to improve operational efficiency and cost-effectiveness. Furthermore, our dedication to pioneering innovation and careful cost management assures us to increase our prominence in the competitive landscape, paving the way for sustained revenue growth and enhanced profitability.

Strategic vision of BFIL can be summarized through the below commitment to innovation, customer-centricity, and sustainable growth

				
<p>Capacity Expansion</p>	<p>Product Expansion</p>	<p>Higher Market Share</p>	<p>Customer Addition</p>	<p>Geographic Expansion</p>
<p>The Mercedes-Benz unit is partially operational currently and is anticipated to achieve full commercialization by Q1 FY25</p>	<p>Diversifying our product portfolio with focus on : defense, railway, and hydrogen compressor related offerings which yields better margins owing to complexity</p>	<p>Aiming to expand market presence in the commercial vehicle (CV) and defense sector.</p> <p>Continually evaluating inorganic opportunity in allied business</p>	<p>Focused on adding 2-3 new OEM partnership annually across the globe</p>	<p>Expanding our reach with a concentrated effort on key engineering hubs like Far East Asia, the USA, and Germany.</p>

Management Guidance:

- Revenue is expected to conservatively grow in the range of **40.0%-45.0%** in FY24 over FY23, led by new customer addition in sectors like railway and defence.
- EBITDA margins are expected to be in the corridor of **23.0%-24.0%** in the upcoming quarter on the back of increasing scale of operations and efficiencies thereon

Disclaimer:

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Balu Forge Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Contact Details:

Tabassum Begum (*Company Secretary*)

Balu Forge Industries Limited

Contact: +91 8655075578

Email: compliance@baluindustries.com

Krunal Shah/Naman Maheshwari

Captive IR Strategic Advisors Pvt. Ltd.

Contact: +919372467194

Email: krunal@cap-ir.com/ naman@cap-ir.com