

# BALKRISHNA INDUSTRIES LTD.

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Investor Presentation

October'23



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# Performance Snapshot – Q2FY24



GROWING TOGETHER



**Sales Volume**  
70,585 MT




**Revenue**  
Rs. 2,247 cr




**EBITDA**  
Rs. 548 cr



**EBITDA Margin**  
24.4%



**Net Profit**  
Rs. 335 cr




**2<sup>nd</sup> Interim Dividend**  
Rs. 4 per equity share

All Figures on Standalone basis


# Performance Snapshot – H1FY24



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**Sales Volume**  
137,794 MT




**Revenue**  
Rs. 4,362 cr




**EBITDA**  
Rs. 1,035 cr



**EBITDA Margin**  
23.7%



**Net Profit**  
Rs. 648 cr



**Total Dividend (incl 2<sup>nd</sup> Interim Dividend)**  
Rs. 8 per equity share

All Figures on Standalone basis

In Q2, the Company faced challenges on account of heat waves and recessionary fears in export markets. While the inventory related challenges in international markets have normalized, the confidence levels in distribution channel is moderate, leading to a gradual and slow improvement. India markets continues to perform relatively better.

The volumes in Q2 were partly contributed by the inventory created in June 2023 but could not be shipped out, due to Biparjoy disruptions. Q2 also saw normalization of raw material cycle which is evident in the improvement in margins on a QoQ basis.

Company had estimated a capex spend of Rs. ~600cr for FY24. Out of this, routine maintenance capex was estimated to be at Rs. 250-300cr. Given the aspirations of growth and better control over quality, the Company has decided to set up a mould manufacturing capacity. This will be a standalone new project at Bhuj entailing a capex spend of Rs. 300 crores. This should get commercialized by end of Q1FY25. Therefore, the capex spends would be ~Rs. 900crores for FY24.

Overall, the Company expects stable trajectory to continue and better H2FY24. However, given the H1FY24 related challenges and volume performance, company expects FY24 volumes de-grow marginally.

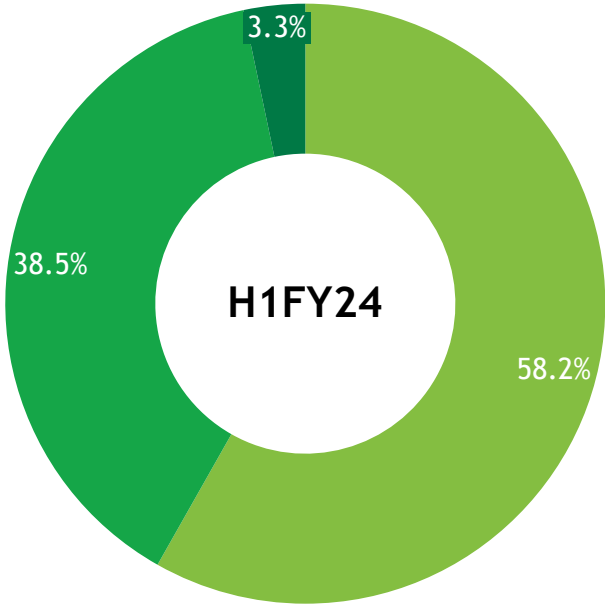
# Sales Volume Profile



Sales volumes in MT  
All Figures on Standalone basis

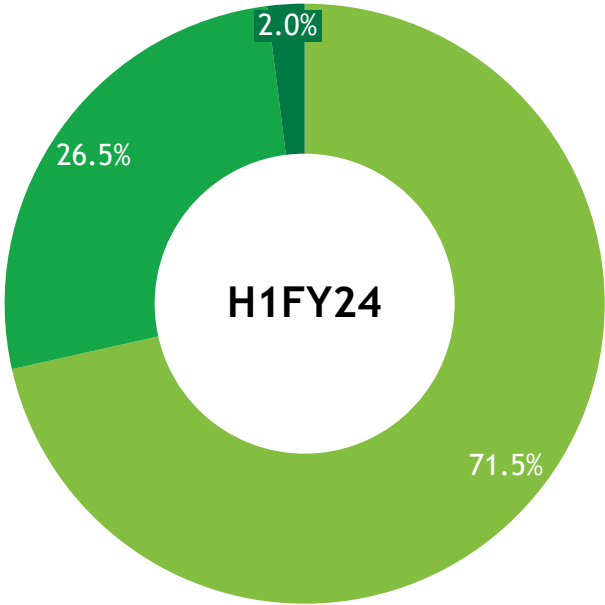
# Volume Profile

Segmental Sales



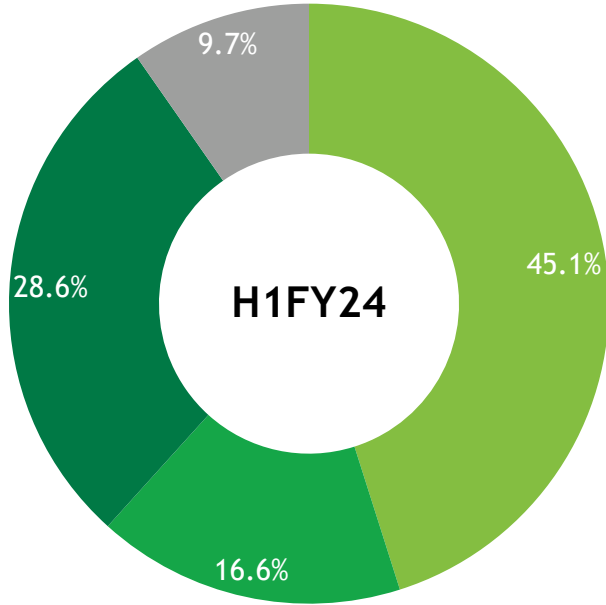
Agriculture OTR Others

Channel Sales



Replacement OEM Others

Geographical Sales



Europe Americas India RoW

All Figures on Standalone basis

# Profit & Loss



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Particulars (Rs in Cr)	Standalone					
	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ	FY23
<b>Sales (MT)</b>	<b>70,585</b>	<b>78,872</b>	<b>-11%</b>	<b>67,209</b>	<b>5%</b>	<b>3,01,181</b>
Revenue from Operations	2,226	2,704		2,120		9,811
Realized Gain on Foreign Exchange	21	102		-5		262
<b>Total Income</b>	<b>2,247</b>	<b>2,806</b>	<b>-20%</b>	<b>2,115</b>	<b>6%</b>	<b>10,072</b>
Raw Material	1,097	1,233		1,058		4,909
(Increase) / Decrease in Stock	-16	136		-36		47
Employee Expenses	111	102		105		404
Other Expenses	506	771		501		2,684
<b>EBITDA</b>	<b>548</b>	<b>564</b>	<b>-3%</b>	<b>487</b>	<b>13%</b>	<b>2,028</b>
<b>EBITDA Margin</b>	<b>24.4%</b>	<b>20.1%</b>		<b>23.0%</b>		<b>20.1%</b>
Other Income	52	58		66		114
Unrealized Gain / (Loss)	25	49		33		-88
Interest & Finance Charges	23	4		21		46
Depreciation	159	134		154		557
<b>Profit Before Tax</b>	<b>444</b>	<b>532</b>	<b>-17%</b>	<b>411</b>	<b>8%</b>	<b>1,451</b>
Tax	108	128		98		372
<b>Profit After Tax</b>	<b>335</b>	<b>404</b>	<b>-17%</b>	<b>312</b>	<b>7%</b>	<b>1,079</b>
<b>PAT Margin</b>	<b>14.9%</b>	<b>14.4%</b>		<b>14.8%</b>		<b>10.7%</b>



# Net Forex Gain/(Loss)

Particulars (Rs in Cr)	Q2FY24	Q2FY23	Q1FY24	FY23
Foreign Exchange Fluctuation on Sales	21	102	-5	262
Foreign Exchange Fluctuation on Others	8	18	10	51
<b>Total Realised Gain/(Loss) - A</b>	<b>30</b>	<b>120</b>	<b>5</b>	<b>313</b>
<b>Total Unrealized Gain/(Loss) - B</b>	<b>25</b>	<b>49</b>	<b>33</b>	<b>-88</b>
<b>Net Forex Gain/(Loss) = A + B</b>	<b>55</b>	<b>168</b>	<b>38</b>	<b>224</b>

# Balance Sheet



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Particulars (Rs. Cr.)	Sep'23	Mar'23
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>8,768</b>	<b>8,385</b>
Property, Plant and Equipment	5,628	5,278
Capital work-in-progress	1,318	1,392
Investment Property	66	71
Other Tangible Assets	1	0
Financial Assets		
(i) Investments	1,310	1,263
(ii) Other Financial Assets	162	94
Income Tax Assets (Net)	-	-
Other non-current assets	283	288
<b>Current assets</b>	<b>3,710</b>	<b>3,887</b>
Inventories	1,338	1,592
Financial Assets		
(i) Investments	933	775
(ii) Trade Receivables	1,056	1,254
(iii) Cash and cash equivalents	29	31
(iv) Bank Balances other than (iii) above	10	7
(v) Loans	6	4
(vi) Others	70	51
Other Current Assets	267	174
<b>TOTAL</b>	<b>12,478</b>	<b>12,272</b>

Particulars (Rs. Cr.)	Sep'23	Mar'23
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>8,229</b>	<b>7,589</b>
Equity Share Capital	39	39
Other Equity	8,191	7,550
<b>Non-Current Liabilities</b>	<b>1,284</b>	<b>1,432</b>
Financial Liabilities		
(i) Borrowings	853	1,038
(ii) Other Financial Liabilities	12	64
Provisions	28	26
Deferred Tax Liabilities (Net)	307	241
Other Non-Current Liabilities	84	63
<b>Current liabilities</b>	<b>2,965</b>	<b>3,251</b>
Financial Liabilities		
(i) Borrowings	1,980	2,216
(ii) Trade Payables	489	487
(iii) Other Financial Liabilities	131	218
Other Current Liabilities	328	325
Provisions	7	4
Tax Liabilities	30	1
<b>TOTAL</b>	<b>12,478</b>	<b>12,272</b>

All Figures on Standalone basis

# Cash Flow

Particulars (Rs. Cr.)	Sep'23	Mar'23
<b>Operating profit before working capital changes</b>	<b>1,039</b>	<b>1,997</b>
Changes in working capital	344	-244
<b>Cash generated from operations</b>	<b>1,383</b>	<b>1,752</b>
Direct taxes paid (net of refund) and others	-162	-338
<b>Net Cash from Operating Activities</b>	<b>1,221</b>	<b>1,414</b>
<b>Net Cash from Investing Activities</b>	<b>-689</b>	<b>-1772</b>
<b>Net Cash from Financing Activities</b>	<b>-533</b>	<b>359</b>
<b>Net Change in cash and cash equivalents</b>	<b>-1</b>	<b>1</b>

# Resilient Business Model



Gross Cash and Cash equivalents of Rs. 2,283 Cr as on 30<sup>th</sup> September'23



Diversified Product Portfolio, spread across Agriculture, Industrial, Construction, Earthmoving, Mining, Port, Lawn and Garden and ATV tires



Self Reliant in Carbon Black along with Multiple sourcing arrangements for other Raw Materials



All Tire building Capex programs completed

**BKT has built a resilient business model and is confident to withstand the near-term challenges to emerge stronger with a higher global market share**

# Strategy at BKT





# Balkrishna Industries – A Snapshot



- 01** **Leading ‘Off-Highway Tire” Exporter**  
BKT is India’s Leading player in the Global ‘Off Highway Tire (OHT)’ Market
- 02** **Wide and comprehensive product portfolio**  
Deep understanding of OHT market has led to capabilities to manufacture over 3,200 SKUs
- 03** **Capacities**  
The current achievable capacity is 360,000 MTPA post commissioning of the waluj brownfield project
- 04** **Global reach**  
Sales to over 160 countries through Distribution network in Americas, Europe, India and Rest of the World
- 05** **Strong OEM Presence**  
Strong Partnerships with Global OEM’s a testimony of our Brand Acceptance & Performance
- 06** **Experienced Management Team**  
Experienced Management Teams across business divisions and verticals

# India Production and Global Sales

Waluj,  
Maharashtra

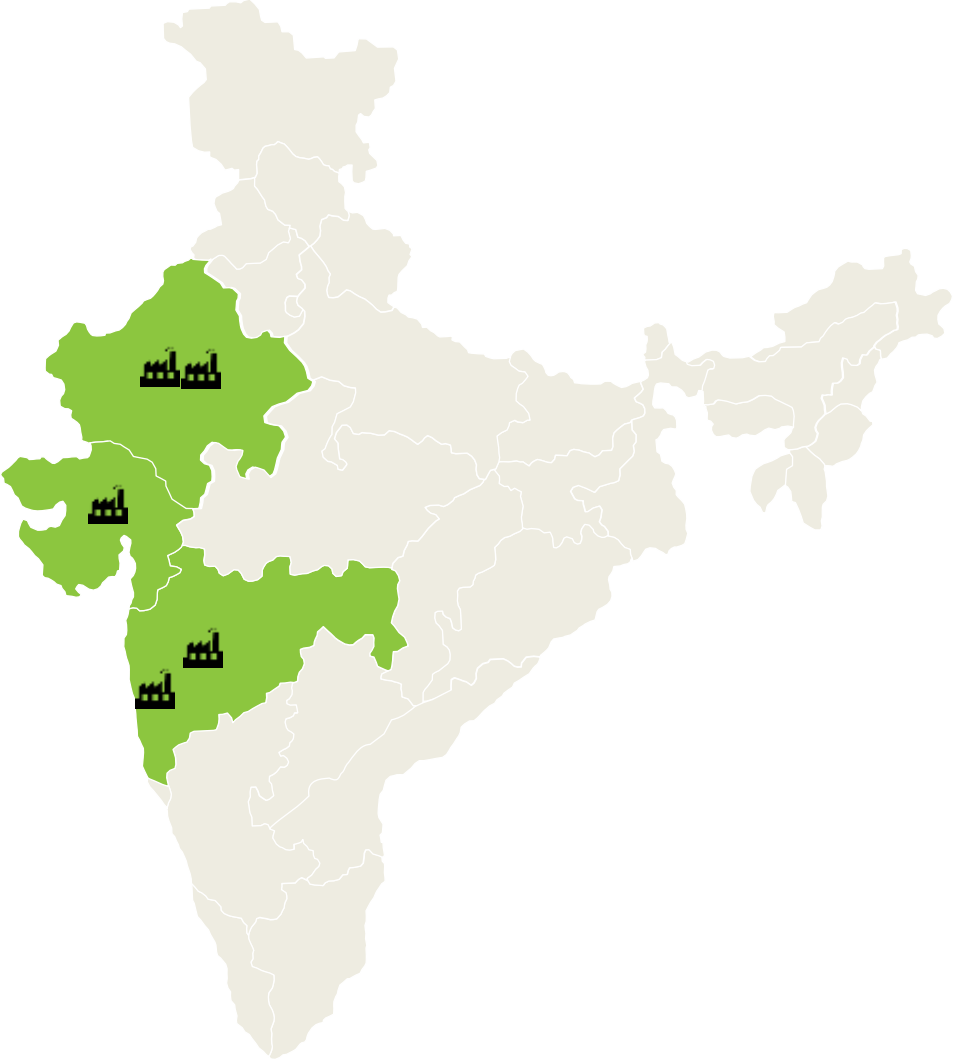
Bhiwadi,  
Rajasthan

Chopanki,  
Rajasthan

Bhuj,  
Gujarat

Mould plant,  
Dombivali

**India**  
Our Manufacturing Base



Note – Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness

# Serving Global OEMs...



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# Business Practices Driving Long-Term Sustainability



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## Energy Efficiency



- To ensure energy efficiency Initiated use of 'Green Energy' – installing 5MW windmills and 2 MW solar power plants for our greenfield projects
- 40MW Captive Power Plant Capacity
- Installed 66TPH tail gas boiler received from carbon black plant thus recycling waste gases & reducing coal consumption
- Installation of power management system to increase power generation from turbine set

## Environment



- Controlled emissions through electrostatic precipitators in boilers and discharge through appropriate effluent treatment plants
- Planted approximately 1,00,000 trees in and around Bhuj plant

## Waste Management



- Implemented disciplined waste management system for systematic collection of scrap and safe storage/disposal and re-use of wastes
- Promoted industrial recycling of waste like reclaim rubber, crumb powder and rubberised friction compound
- Usage of Jumbo plastic bags replaced by mobile silos for carbon black transfer from carbon plant to Tire plants
- Foldable container usage started for carbon transfer from bhuj carbon plant to other tire plants

# Promoting Education, Health & Rural Development



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Our Endeavour is to improve the lives of children and adults, and our mission is to ensure health with dignity to every underprivileged children and adult



# BKT – A Strong Global Brand from INDIA



*GROWING TOGETHER*



# Strengthening BKT Brand : Americas



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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



# Strengthening BKT Brand : Canada



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**BKT Continental Cup - Curling: BKT is the Title Sponsor of Continental Cup**

# Strengthening BKT Brand: Spain, Europe



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BKT is the Official Global Partner for the Spanish Football League "La Liga"

# Strengthening BKT Brand: Italy, Europe



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



# Strengthening BKT Brand: France, Europe



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BKT is the Sponsor for the “LIGUE de Football Professionel (LFP)” in France



# Strengthening BKT Brand: France, Europe



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**BKT Is Official Tire Supplier for Rugby World Cup France 2023**

# Strengthening BKT Brand: EUROPE



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BKT is associated with United Rugby Championship



# Strengthening BKT Brand : EUROPE



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Premium Partner of EUROLEAGUE BASKETBALL

# Strengthening BKT Brand : Tractor of the year (TotY) - EUROPE



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Team of expert journalists in agricultural mechanization, assign the Tractor of the Year (TotY) award to the 'Best European Tractor'

# Strengthening BKT Brand : Australia



**KFC**

**BBL**

**BKT**  
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OFFICIAL OFF-HIGHWAY  
TIRE PARTNER OF THE KFC BBL

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



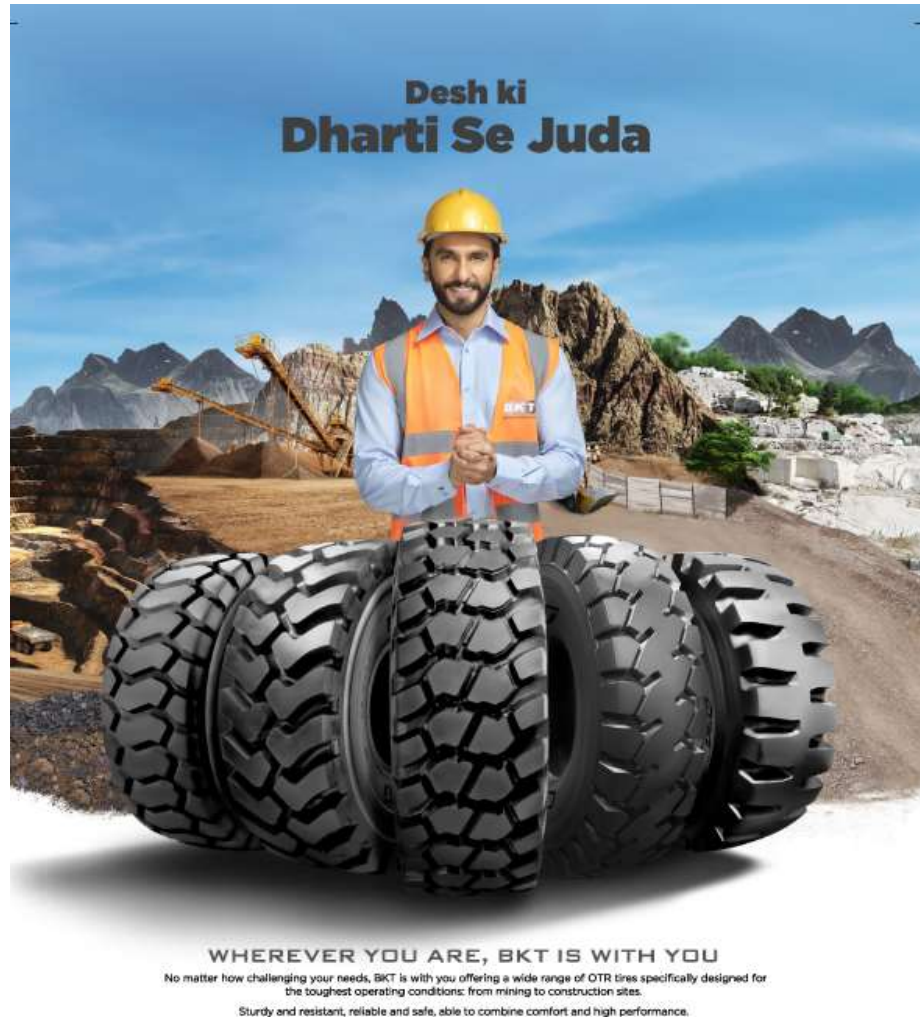
# Strengthening BKT Brand : India



Official Partner of Teams in the Cricket T20 League for Season 16

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# Strengthening BKT Brand : India



[Click here for the BKT Video](#)

Ranveer Singh is the Brand Ambassador of BKT



# Thank You

## Company



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