

BALKRISHNA INDUSTRIES LTD

Investor Presentation

May 2023



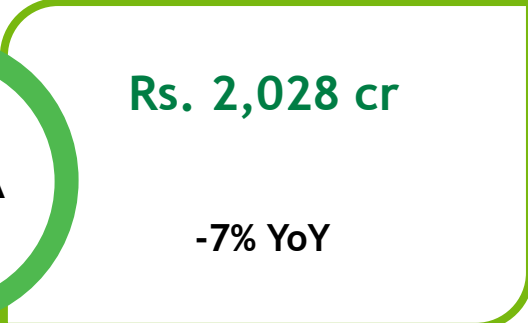
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Performance Snapshot – FY23



Declared Final Dividend of Rs. 4/- per equity share in addition 3 interim dividends amounting to Rs. 12/- per equity share paid in 9MFY23

All Figures on Standalone basis

Performance Snapshot – Q4FY23



GROWING TOGETHER

Sales Volume

72,676 MT

+9% QoQ

Revenue

Rs. 2,324 cr

+5% QoQ

EBITDA

Rs. 494 cr

+17% QoQ

EBITDA Margin

21.3%

+216bps QoQ

Net Profit

Rs. 256 cr

+ 155% QoQ

Declared Final Dividend of Rs. 4/- per equity share subject to approval of shareholders

All Figures on Standalone basis

Management Commentary



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Historically, Q4 is the best performing quarter, however, end markets, especially channel inventory situation is not completely out of the woods. The Company believes the channel inventory led issues may be resolved by June / July.

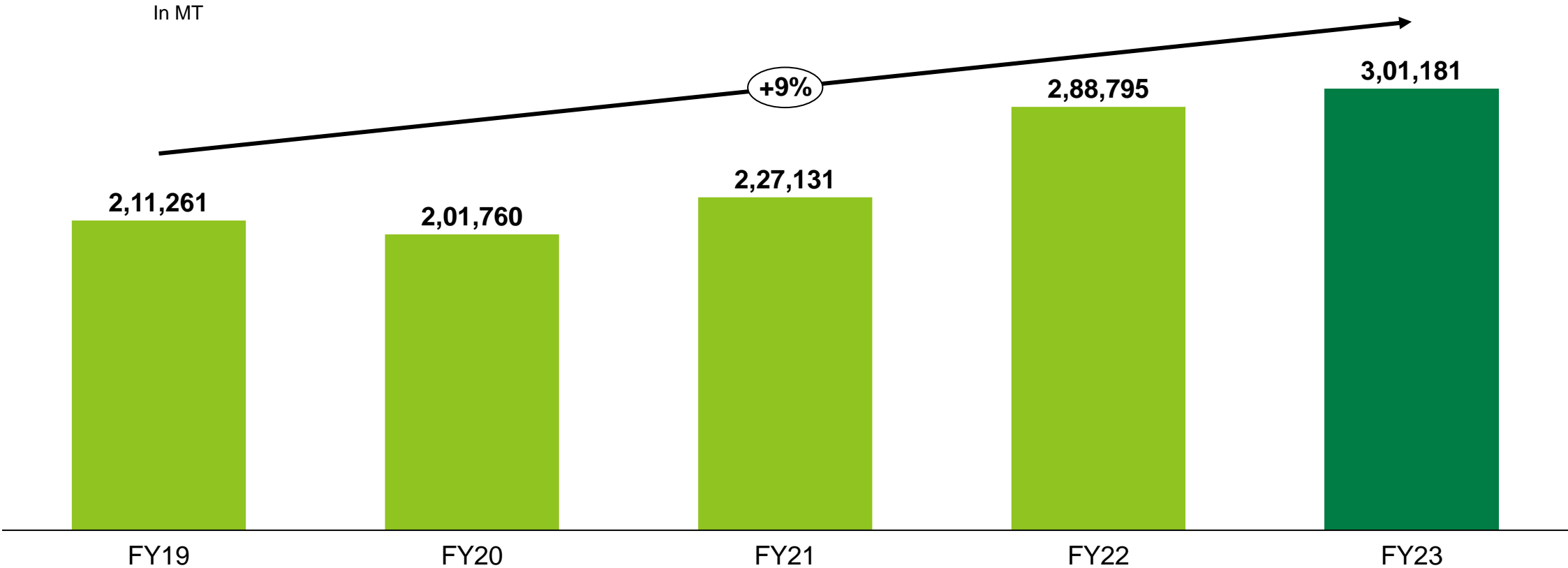
Q4FY23 has been a better quarter from a sequential standpoint. The Company witnessed uptick in volumes, better demand from its end markets, and partial clearing of our high-priced raw materials.

In Q4, the EBITDA margin is 21.3% and has improved sequentially. This has been on account of better absorption of high-cost raw material inventory the Company was carrying in the system along with lower freight costs. In view of its long-term strategy of increasing market share, the Company shall continue to invest in brand building and marketing initiatives however, the benefits of the same will accrue over time reflecting in lower percentage to sales.

The Company remains positive for FY24. On margins, multiple levers such as favourable raw material costs, better hedge rate, complete normalization of logistics costs will aid the improvement in margin profile.

In terms of end markets, the Company expects Europe to normalize later during the year while Americas and India market will continue its FY23 performance trajectory.

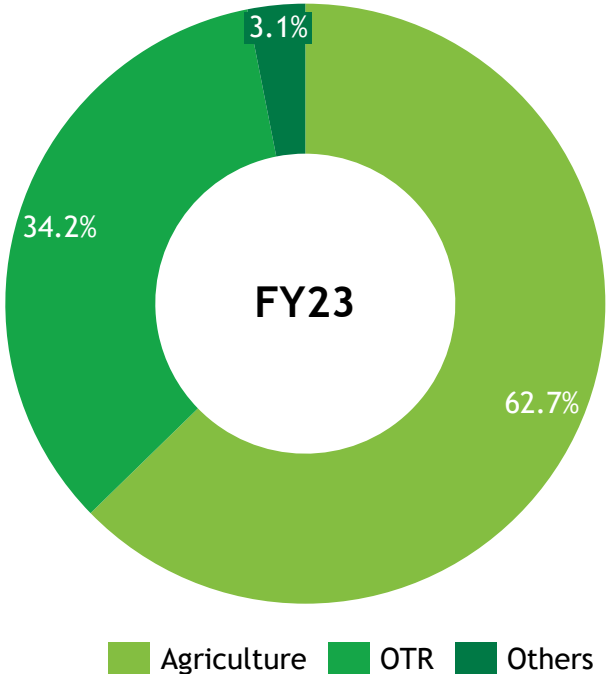
Sales Volume Profile – FY23



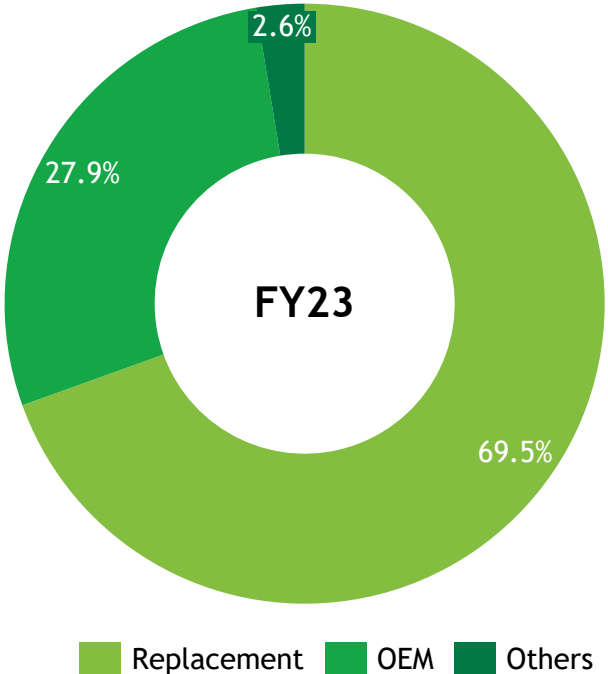
All Figures on Standalone basis

Volume Profile

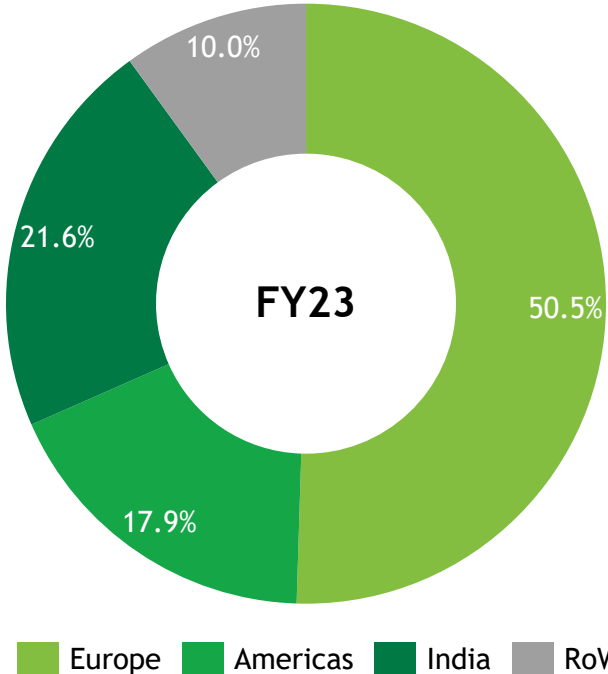
Segmental Sales



Channel Sales



Geographical Sales



All Figures on Standalone basis

Profit & Loss



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Particulars (Rs in Cr)					Standalone			
	Q4FY23	Q4FY22	YoY	Q3FY23	QoQ	FY23	FY22	YoY
Sales (MT)	72,676	77,119	-6%	66,480	9%	301,181	288,795	4%
Revenue from Operations	2,318	2,374		2,142		9,811	8,267	
Realized Gain on Foreign Exchange	7	58		73		262	152	
Total Income	2,324	2,432	-4%	2,215	5%	10,072	8,419	20%
Raw Material	1,166	1,144		1,109		4,909	4,034	
(Increase) / Decrease in Stock	14	-42		28		47	-255	
Employee Expenses	95	90		100		404	380	
Other Expenses	556	663		554		2,684	2,078	
EBITDA	494	576	-14%	423	17%	2,028	2,182	-7%
EBITDA Margin	21.3%	23.7%		19.1%		20.1%	25.9%	
Other Income	28	52		43		114	185	
Unrealized Gain / (Loss)	3	-21		-166		-88	39	
Interest & Finance Charges	25	2		14		46	8	
Depreciation	151	117		145		557	444	
Profit Before Tax	348	488	-29%	142	145%	1,451	1,954	-26%
Tax	93	115		42		372	544	
Profit After Tax	256	374	-32%	100	155%	1,079	1,411	-24%
PAT Margin	11.0%	15.4%		4.5%		10.7%	16.8%	

Net Forex Gain/(Loss)

Particulars (Rs in Cr)	Q4FY23	Q4FY22	Q3FY23	FY23	FY22
Foreign Exchange Fluctuation on Sales	7	58	73	262	152
Foreign Exchange Fluctuation on Others	17	19	6	51	55
Total Realised Gain/(Loss) - A	23	77	78	313	207
Total Unrealized Gain/(Loss) - B	3	-21	-166	-88	39
Net Forex Gain/(Loss) = A + B	26	56	-88	224	246

Balance Sheet



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Particulars (Rs. Cr.)	Mar'23	Mar'22
ASSETS		
Non-current assets	8,385	7,054
Property, Plant and Equipment	5,278	3,906
Capital work-in-progress	1,392	1,258
Investment Property	71	79
Other Tangible Assets	0	0
Financial Assets		
(i) Investments	1,263	1,213
(ii) Other Financial Assets	94	83
Income Tax Assets (Net)	-	8
Other non-current assets	288	506
Current assets	3,887	3,803
Inventories	1,592	1,639
Financial Assets		
(i) Investments	775	685
(ii) Trade Receivables	1,254	1,098
(iii) Cash and cash equivalents	31	29
(iv) Bank Balances other than (iii) above	7	6
(v) Loans	4	3
(vi) Others	51	66
Other Current Assets	174	277
TOTAL	12,272	10,857

Particulars (Rs. Cr.)	Mar'23	Mar'22
EQUITY AND LIABILITIES		
EQUITY	7,589	6,925
Equity Share Capital	39	39
Other Equity	7,550	6,886
Non-Current Liabilities	1,432	807
Financial Liabilities		
(i) Borrowings	1,038	501
(i) Other Financial Liabilities	64	0
Provisions	26	24
Deferred Tax Liabilities (Net)	241	251
Other Non-Current Liabilities	63	31
Current liabilities	3,251	3,126
Financial Liabilities		
(i) Borrowings	2,216	1,942
(ii) Trade Payables	487	808
(iii) Other Financial Liabilities	218	120
Other Current Liabilities	325	251
Provisions	4	4
Tax Liabilities	1	-
TOTAL	12,272	10,857

All Figures on Standalone basis

Cash Flow

Particulars (Rs. Cr.)	FY23	FY22
Operating profit before working capital changes	1,997	2,163
Changes in working capital	-244	-825
Cash generated from operations	1,752	1,339
Direct taxes paid (net of refund) and others	-338	-457
Net Cash from Operating Activities	1,414	881
Net Cash from Investing Activities	-1772	-1,889
Net Cash from Financing Activities	359	1,003
Net Change in cash and cash equivalents	1	-5

Resilient Business Model



Gross Cash and Cash equivalents of Rs.2,075 Cr as on 31st March, 2023



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



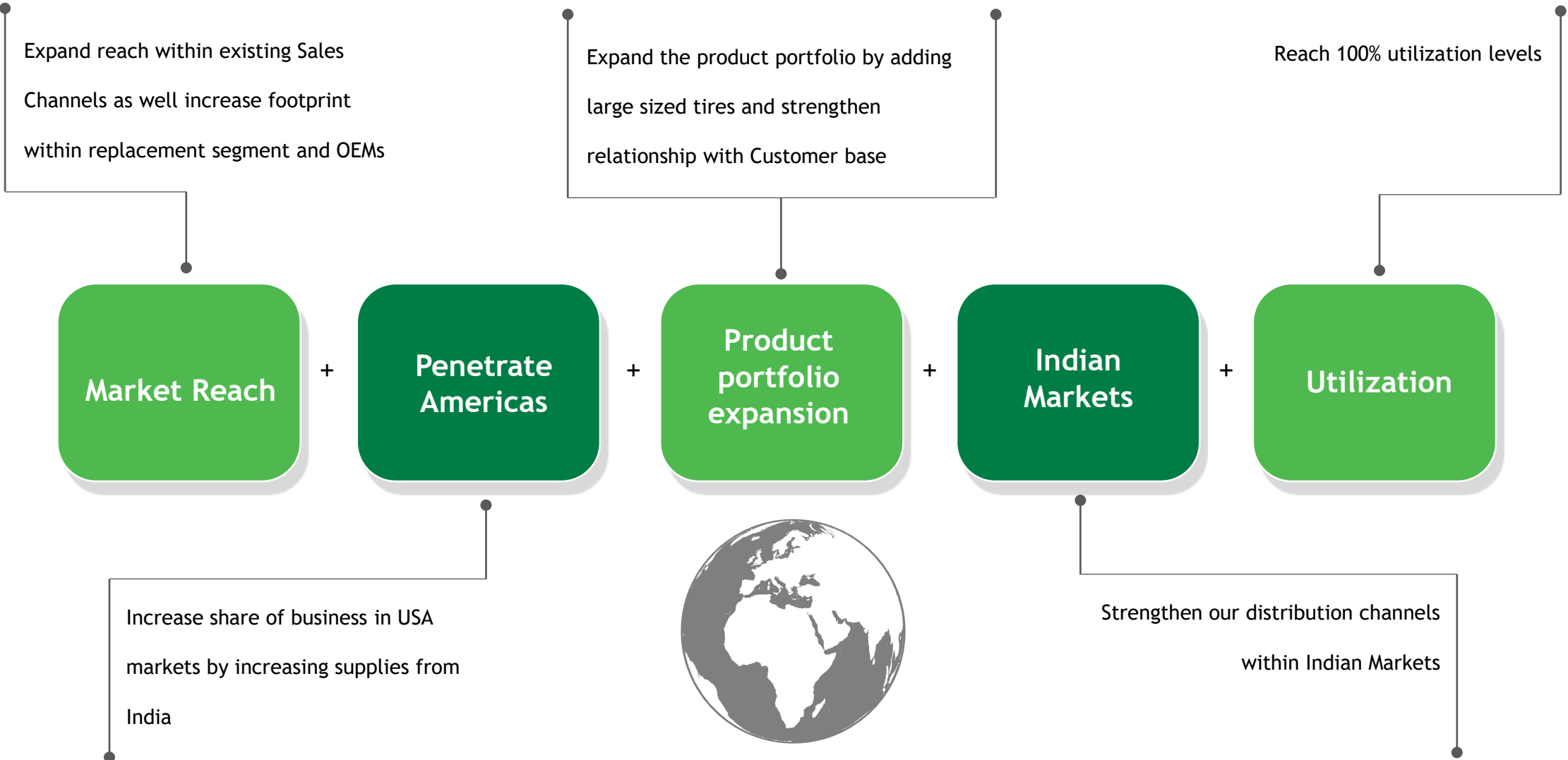
All Tire building Capex programs completed

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



Our Focus Area



To Serve Global OEMs...



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With India Production and Global Sales



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Waluj,
Maharashtra

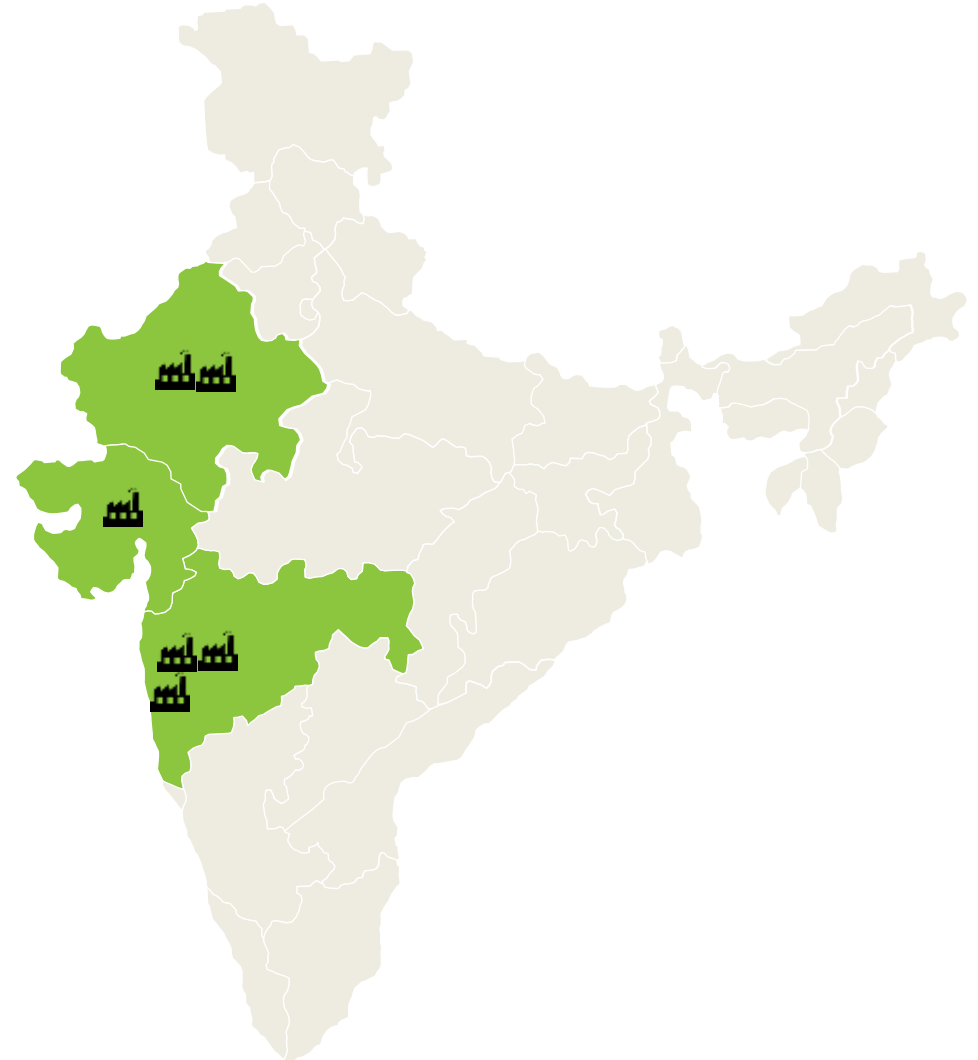
Bhiwadi,
Rajasthan

Chopanki,
Rajasthan

Bhuj,
Gujarat

Mould plant,
Dombivali

India
Our Manufacturing Base



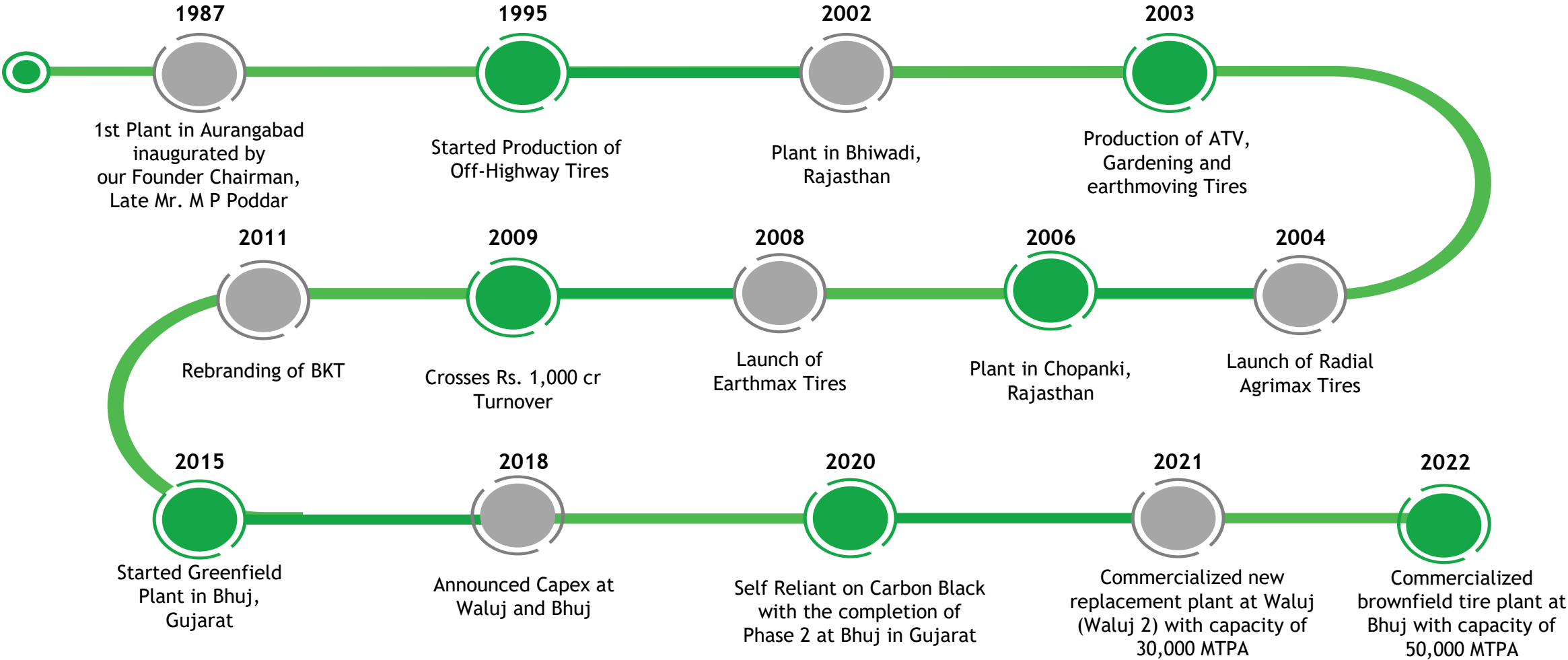
Note – Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness

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 163 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

Our Strong Evolution



India's Largest Off-Highway Tire Manufacturer

Business Practices Driving our 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

Outcomes of our Sustainability Process



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Key Performance

High-yield ratio between material input & output with 99% efficiency leading to minimal process

1:1

Proportion of recyclable raw materials wrt the total raw materials used

2.5%

Waste reduction over the past three years

14.9%

Reduction in consumption of natural resources like water and coal over the last four years

12-18%

Future Targets

- Zero Liquid Discharge (ZLD)
- Green House Gas (GHG) emissions
- Waste reduction
- Consumptions reduction
- Green energy

Recognitions

- BKT plants have been achieving 'Energy Conservation Award' by both the State & Central Government every year
- BKT-Bhuj has been awarded 'National Water Excellence Management Award' by CII

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



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Strengthening BKT Brand : Americas



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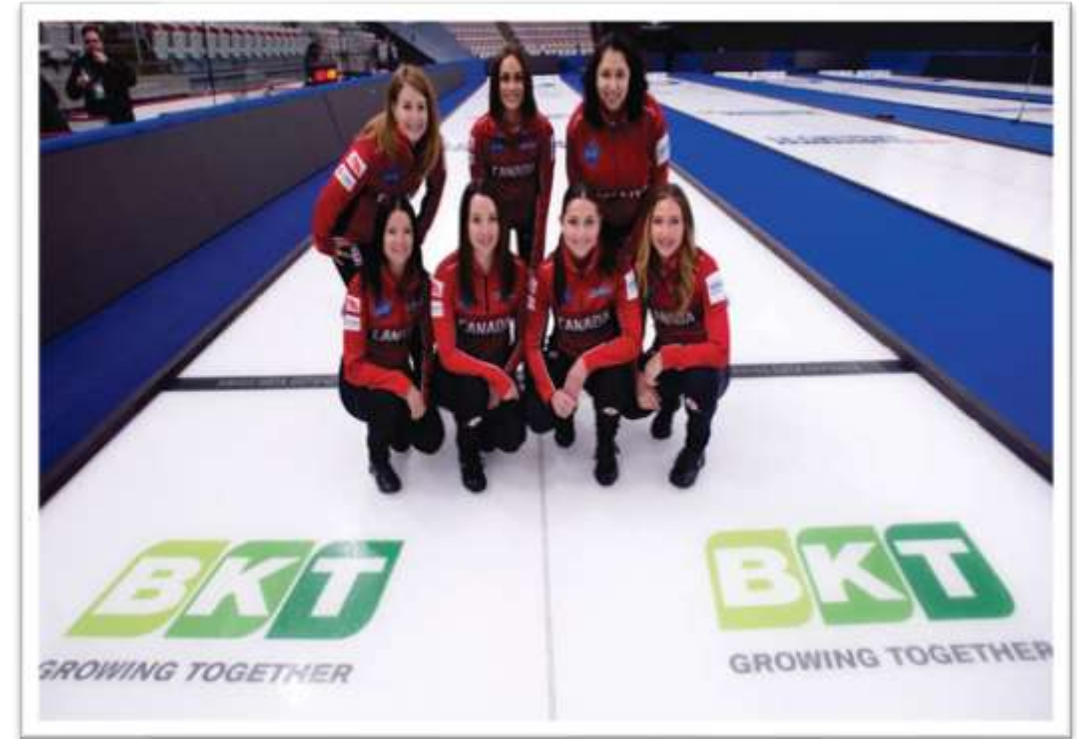


BKT is the Official and Exclusive Tire manufacturer of MONSTER JAM and its fleet of Monster Trucks -
Monster Jam is a top sporting event in America

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)

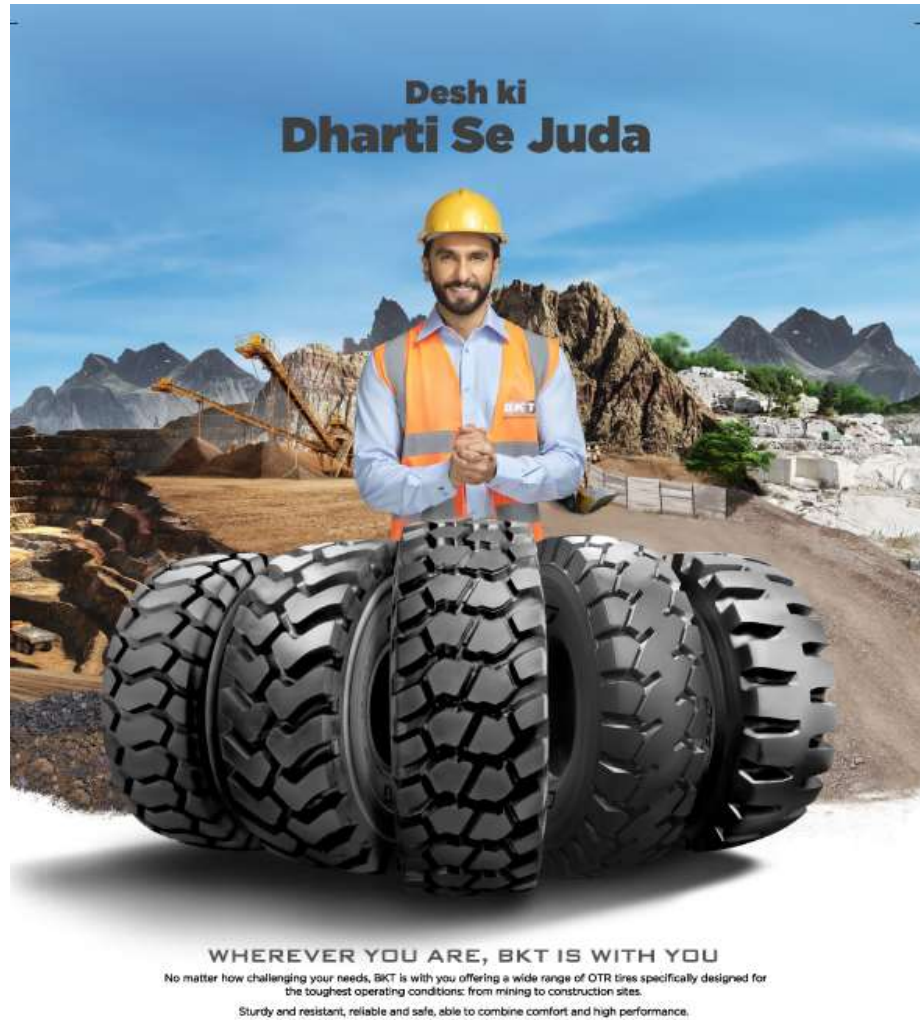
Strengthening BKT Brand : India



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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