

# BALKRISHNA INDUSTRIES LTD

---

Investor Presentation

February '22



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Balkrishna Industries Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the tire industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

# Performance Snapshot – Q3FY22



GROWING TOGETHER



**Declared 3<sup>rd</sup> Interim Dividend of Rs. 4/- per equity share**  
**Declared special dividend of Rs.12/- per equity share**

All Figures on Standalone basis

# Management Commentary

Across Geographies, we continue to see strong demand for our products

The macro challenges continue to be in terms of raw material costs and logistics cost along with the availability of containers. Higher marketing spends and Power & Fuels expenses impacted our profitability in Q3FY22. We continue to maintain 28-30% EBITDA margin on a long-term sustainable basis

All capex plans are on-track and we expect to take benefit of this strong demand via the capacity additions at Waluj and Bhuj plants

Sales Volume guidance for FY22 stands at 275,000 - 285,000 MT

# Cumulative Capex of Rs. 2,250cr

## Brownfield Tire Plant at Bhuj

- Debottlenecking and Brownfield expansion along with addition of balancing and ancillary equipment at Bhuj
- Expansion to add ~50,000 MTPA capacity; expected completion by H2FY23
- Capex cost of up to Rs. 800cr

## Carbon Black and Captive Power Plant

- Current achievable capacity at 115,000 MTPA. With successful addition of new customers, carbon black capacity is planned to be increased to 200,000 MTPA including 30,000 MTPA of high value advanced carbon material and Power Plant
- Facility will allow larger control over supply chain while fulfilling internal demand on expanded capacity of Tires and meeting increased demand from 3<sup>rd</sup> parties
- Capex cost of up to Rs. 650cr; expected completion by H1FY23

## Modernization, Automation and Technology Upgradation

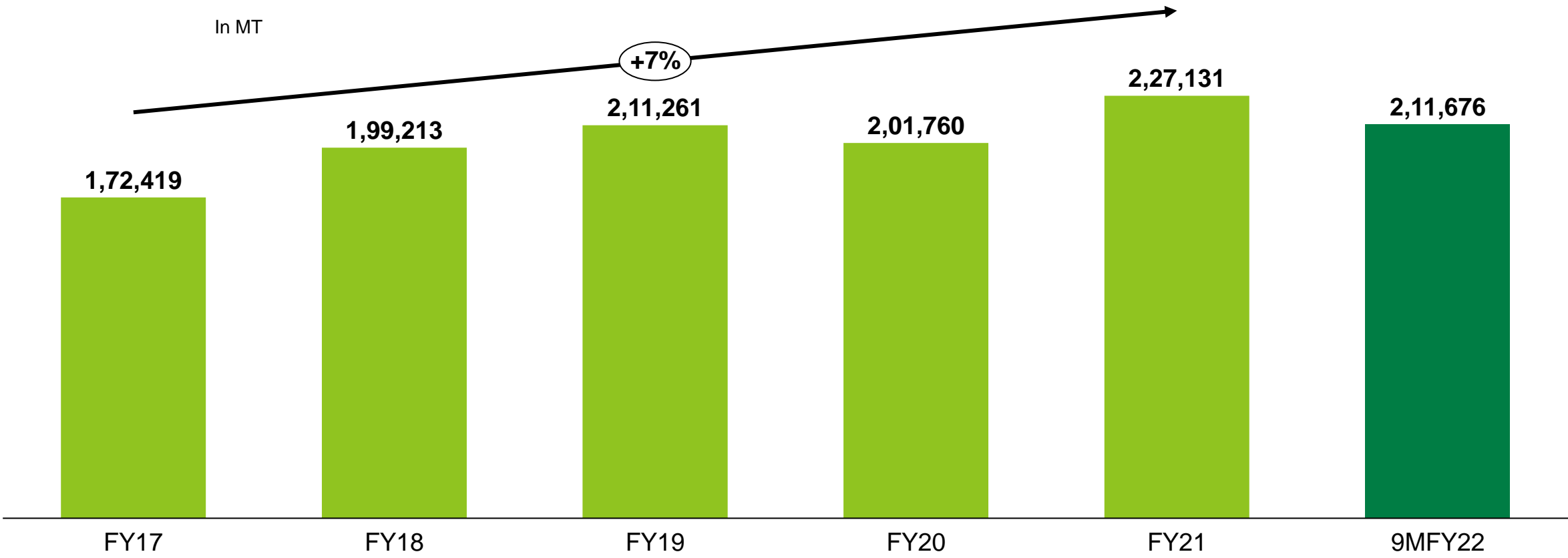
- Modernization, automation and technology upgradation of certain existing equipment and install automated material handling systems
- Capex to be undertaken at existing facilities at Rajasthan and Bhuj leading to improvement in quality and efficiency
- Capex cost of up to Rs. 450cr; expected to be completed by H1FY23

## Capex at OLD Waluj Plant

- Capex in form of installation of latest machineries, replacement of certain machineries, upgradation of certain systems and some portion of civil work
- Capacity will reach 25,000 MT p.a.
- Capex cost of up to Rs. 350cr; capacity be available from Q3FY23

- ✓ The current achievable capacity is 285,000 MT p.a. including the NEW Waluj plant that commenced operations in September 2021
- ✓ The Brownfield capex at Bhuj will add 50,000 MT p.a.
- ✓ The OLD Waluj revamped plant will add 25,000 MT p.a.
- ✓ **The achievable capacity by end of FY23 will be 360,000 MT p.a**

# Sales Volume Profile – 9MFY22

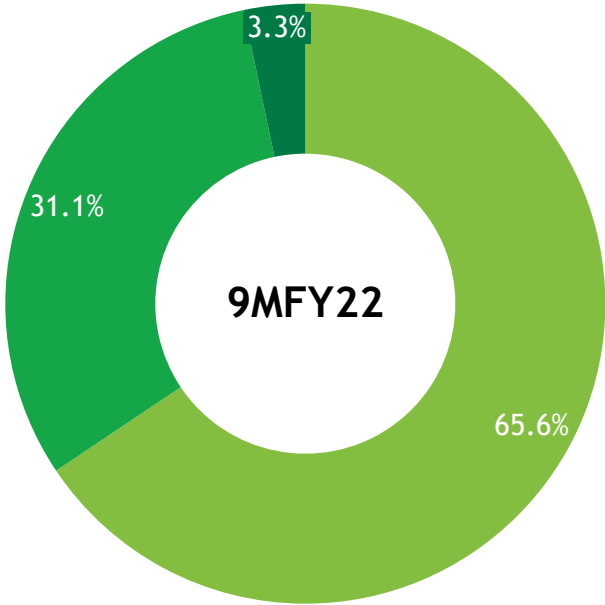


**FY22 Guidance : 275,000 MT - 285,000 MT**

All Figures on Standalone basis

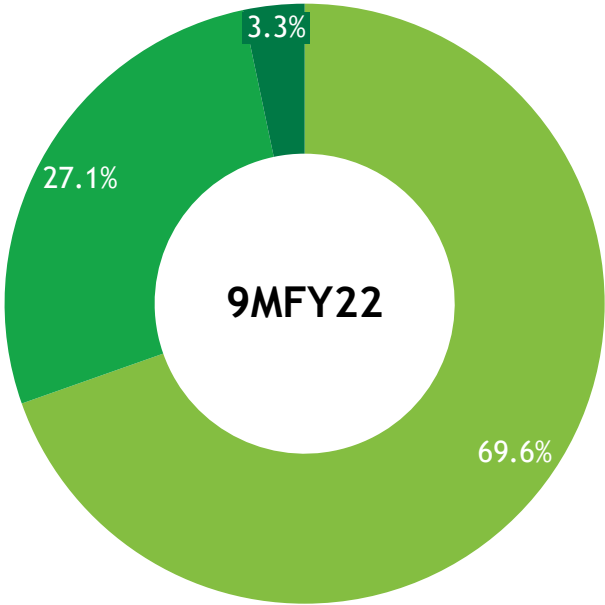
# Volume Profile

Segmental Sales



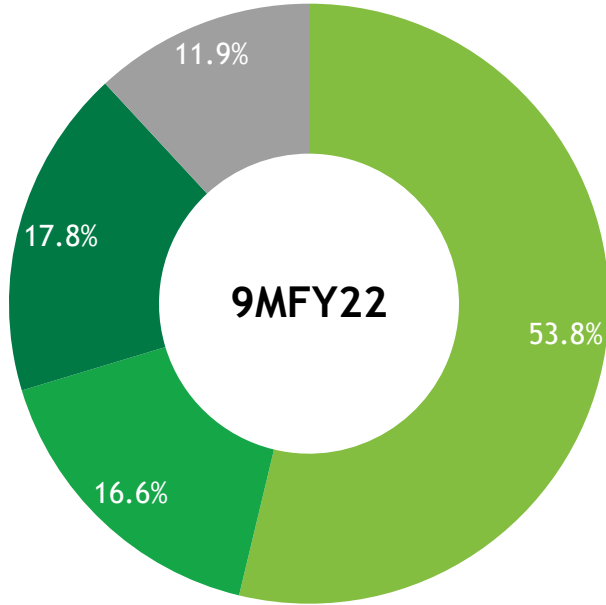
Agriculture OTR Others

Channel Sales



Replacement OEM Others

Geographical Sales



Europe Americas India RoW

All Figures on Standalone basis

# Profit & Loss



GROWING TOGETHER

Particulars (Rs in Cr)	Q3FY22	Q3FY21	YoY	Q2FY22	9MFY22	9MFY21	YoY	FY21
<b>Sales (MT)</b>	<b>70,320</b>	<b>59,810</b>	<b>18%</b>	<b>72,748</b>	<b>211,676</b>	<b>1,59,129</b>	<b>33%</b>	<b>2,27,131</b>
Revenue from Operations	2,030	1,505		2,050	5,893	4,012		5,758
Realized Gain on Forex	49	-8		30	94	-22		-18
<b>Total Income</b>	<b>2,079</b>	<b>1,497</b>	<b>39%</b>	<b>2,080</b>	<b>5,987</b>	<b>3,990</b>	<b>50%</b>	<b>5,740</b>
Raw Material	1,015	642		994	2,890	1,676		2,452
(Inc) / Dec in Stock	-49	-39		-67	-214	-95		-149
Employee Expenses	97	83		99	291	238		326
Other Expenses	510	333		488	1,415	919		1,302
<b>EBITDA</b>	<b>507</b>	<b>477</b>	<b>6%</b>	<b>564</b>	<b>1,606</b>	<b>1,256</b>	<b>28%</b>	<b>1,810</b>
<b>EBITDA Margin</b>	<b>24.4%</b>	<b>31.9%</b>		<b>27.1%</b>	<b>26.8%</b>	<b>31.4%</b>		<b>31.5%</b>
Other Income	31	36		62	133	99		119
Unrealized Gain / (Loss)	17	15		27	60	-5		18
Interest & Finance	2	2		2	6	8		10
Depreciation	115	102		108	327	303		406
<b>Profit Before Tax</b>	<b>439</b>	<b>424</b>	<b>3%</b>	<b>543</b>	<b>1,466</b>	<b>1,036</b>	<b>41%</b>	<b>1,531</b>
Tax	110	102		165	429	253		376
<b>Profit After Tax</b>	<b>329</b>	<b>322</b>	<b>2%</b>	<b>377</b>	<b>1,037</b>	<b>783</b>	<b>32%</b>	<b>1,155</b>
<b>PAT Margin</b>	<b>15.8%</b>	<b>21.5%</b>		<b>18.1%</b>	<b>17.3%</b>	<b>19.6%</b>		<b>20.1%</b>

## Q3FY22 v/s Q2FY22

Continued Price rise in Raw materials impacted the Gross margins in Q3FY22. Margins were lower by -190bps versus Q2FY22

EBITDA margin was impacted on account of higher Raw Material costs, increased power and fuel costs and marketing spends



# Net Forex Gain/(Loss)

Particulars (Rs in Cr)	Q3FY22	Q3FY21	9MFY22	9MFY21
Foreign Exchange Fluctuation on Sales	49	-8	94	-22
Foreign Exchange Fluctuation on Others	14	8	36	30
<b>Total Realised Gain/(Loss) - A</b>	<b>64</b>	<b>1</b>	<b>130</b>	<b>8</b>
<b>Total Unrealized Gain/(Loss) - B</b>	<b>17</b>	<b>15</b>	<b>60</b>	<b>-5</b>
<b>Net Forex Gain/(Loss) = A + B</b>	<b>80</b>	<b>15</b>	<b>190</b>	<b>4</b>

# Balance Sheet



GROWING TOGETHER

Particulars (Rs. Cr.)	Sep'21	Mar'21
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>6,289</b>	<b>5,649</b>
Property, Plant and Equipment	3,566	3,247
Capital work-in-progress	893	856
Investment Property	84	86
Other Tangible Assets	0	1
Financial Assets		
(i) Investments	1,114	1,026
(ii) Other Financial Assets	15	15
Income Tax Assets (Net)	0	70
Other non-current assets	616	348
<b>Current assets</b>	<b>3,080</b>	<b>2,391</b>
Inventories	1,227	909
Financial Assets		
(i) Investments	491	392
(ii) Trade Receivables	876	730
(iii) Cash and cash equivalents	31	34
(iv) Bank Balances other than (iii) above	23	23
(v) Loans	3	4
(vi) Others	41	35
Other Current Assets	387	264
<b>TOTAL</b>	<b>9,369</b>	<b>8,040</b>

Particulars (Rs. Cr.)	Sep'21	Mar'21
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>6,538</b>	<b>6,007</b>
Equity Share Capital	39	39
Other Equity	6,499	5,969
<b>Non-Current Liabilities</b>	<b>285</b>	<b>262</b>
Financial Liabilities		
(i) Borrowings	1	1
(i) Other Financial Liabilities	0	0
Provisions	27	25
Deferred Tax Liabilities (Net)	213	204
Other Non-Current Liabilities	44	33
<b>Current liabilities</b>	<b>2,546</b>	<b>1,771</b>
Financial Liabilities		
(i) Borrowings	1,442	892
(ii) Trade Payables	763	633
(iii) Other Financial Liabilities	109	75
Other Current Liabilities	206	165
Provisions	5	5
Current Tax Liabilities (Net)	22	0
<b>TOTAL</b>	<b>9,369</b>	<b>8,040</b>

All Figures on Standalone basis

# Cash Flow

Particulars (Rs. Cr.)	H1FY22	FY21
<b>Operating profit before working capital changes</b>	<b>1,109</b>	<b>1,798</b>
Changes in working capital	-411	-80
Cash generated from operations	698	1,719
Direct taxes paid (net of refund) and others	-220	-356
<b>Net Cash from Operating Activities</b>	<b>478</b>	<b>1,363</b>
<b>Net Cash from Investing Activities</b>	<b>-889</b>	<b>-1,159</b>
<b>Net Cash from Financing Activities</b>	<b>407</b>	<b>-194</b>
<b>Net Change in cash and cash equivalents</b>	<b>-3</b>	<b>10</b>

# Resilient Business Model



Long Term Debt Free  
Cash and Cash equivalents of Rs. 1,927 Cr as on  
31<sup>st</sup> December, 2021



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



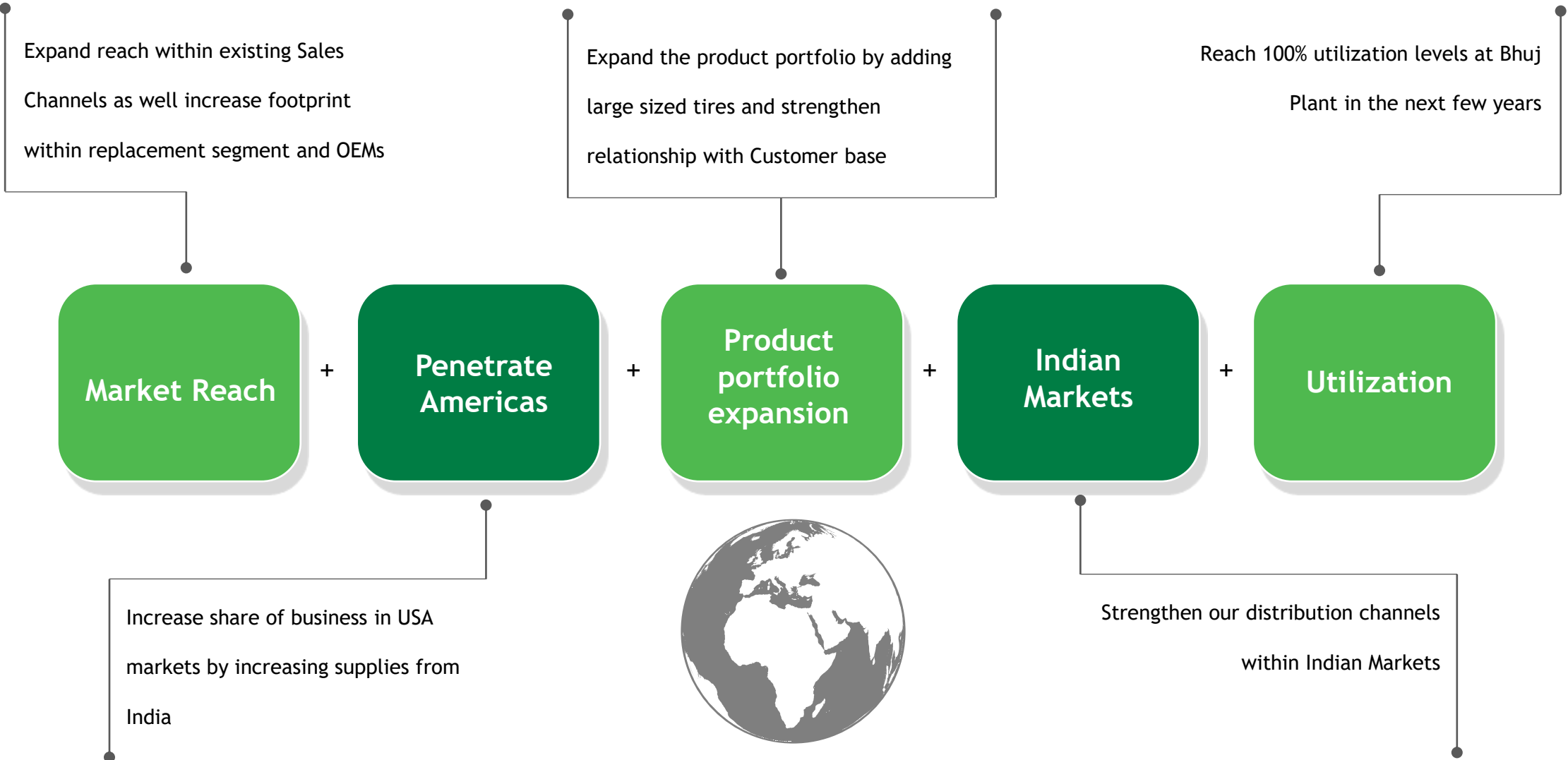
New Capex planned

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...



The Brand Names mentioned are the property of their respective owners and are used here for identification purposes only

# With India Production and Global Sales



*GROWING TOGETHER*

Waluj,  
Maharashtra

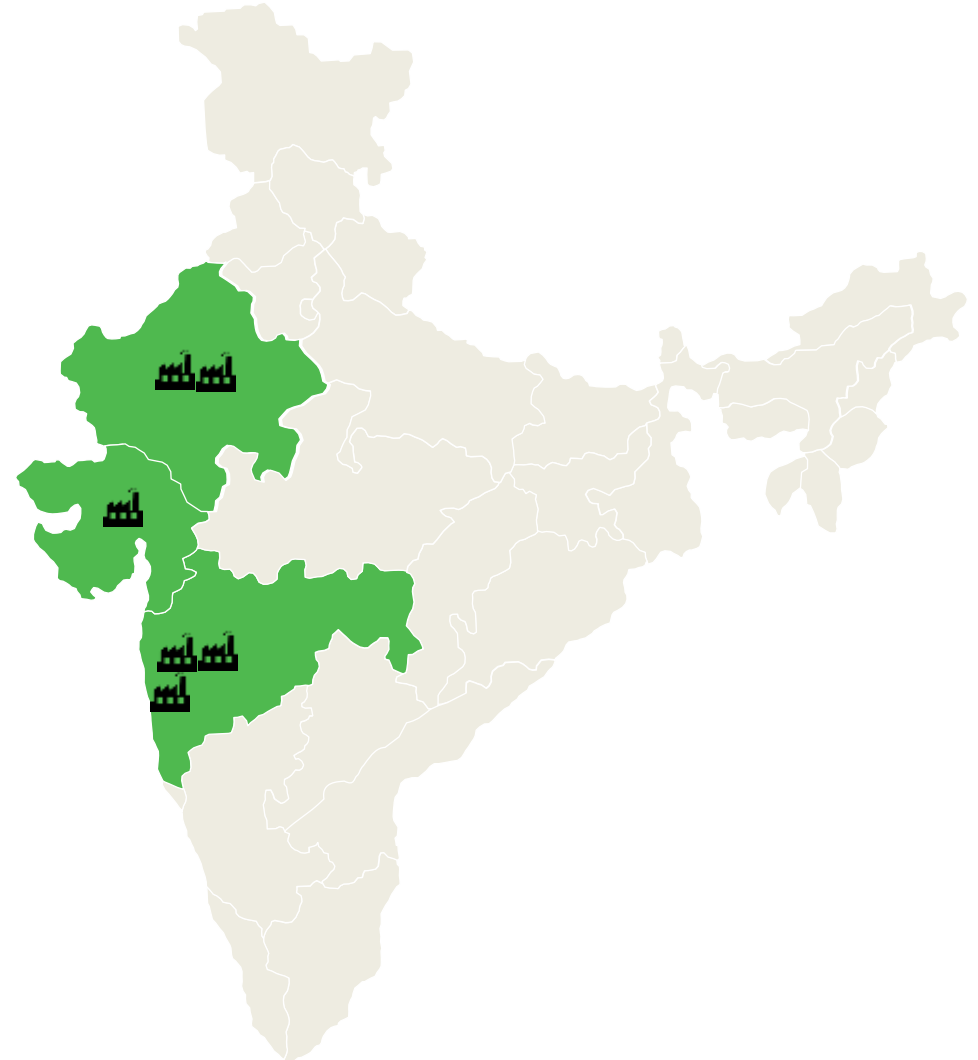
Bhiwadi,  
Rajasthan

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

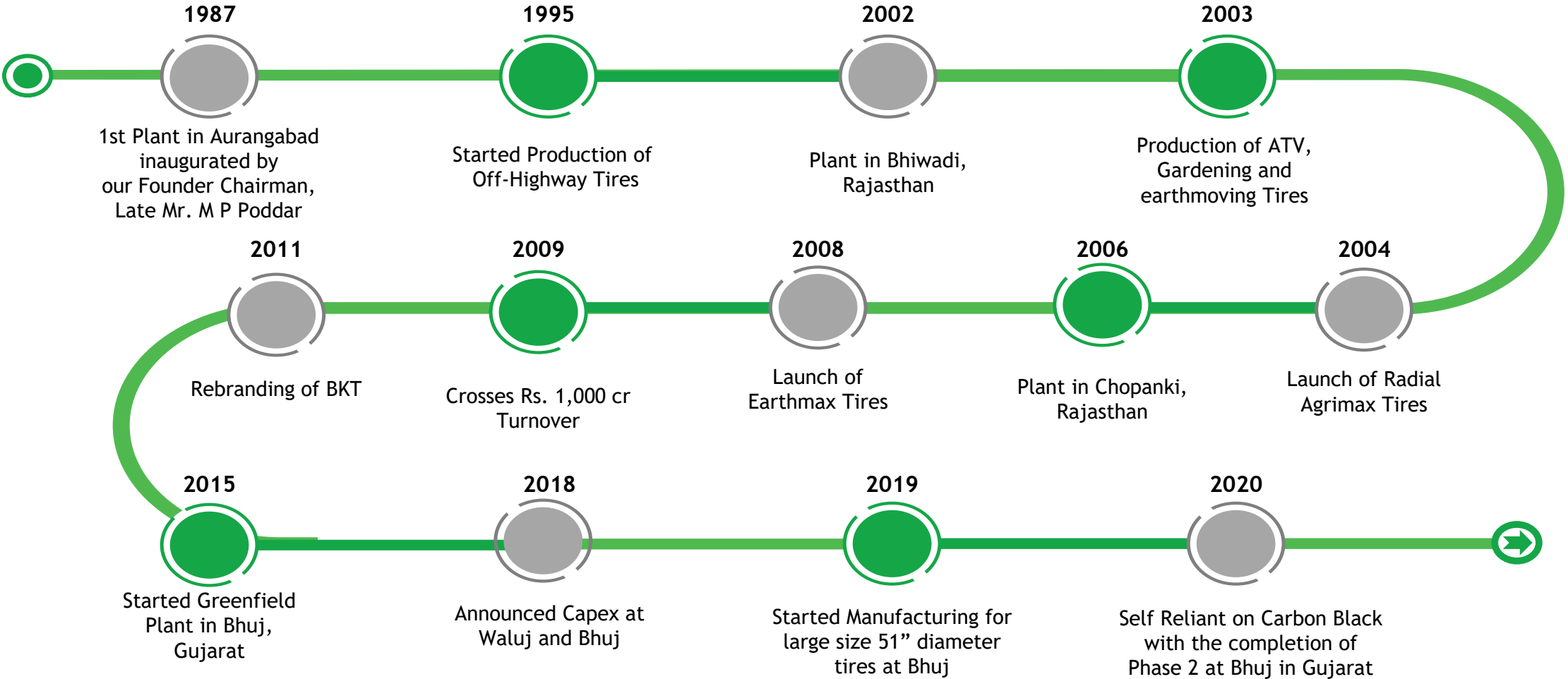


# Balkrishna Industries – A Snapshot



- 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 2,700 SKUs
- 03** **Capacities**  
Achievable capacities of ~285,000 M.T.P.A
- 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

# Our Strong Evolution



**India's Largest Off-Highway Tire Manufacturer**

- ✓ Part of electricity needs of the North India plants are being met by green energy generated through our own wind and solar projects
- ✓ In Bhuj, the Company's largest production site, the company has
  - ✓ Planted over 100,000 trees
  - ✓ Created two large water reservoirs and
  - ✓ Set up a co-generation plant for self-efficiency



'Sustainable Business Operations' is core to our Business ethos

# BKT – A Strong Global Brand from INDIA



*GROWING TOGETHER*





# Strengthening BKT Brand : Americas



*GROWING TOGETHER*

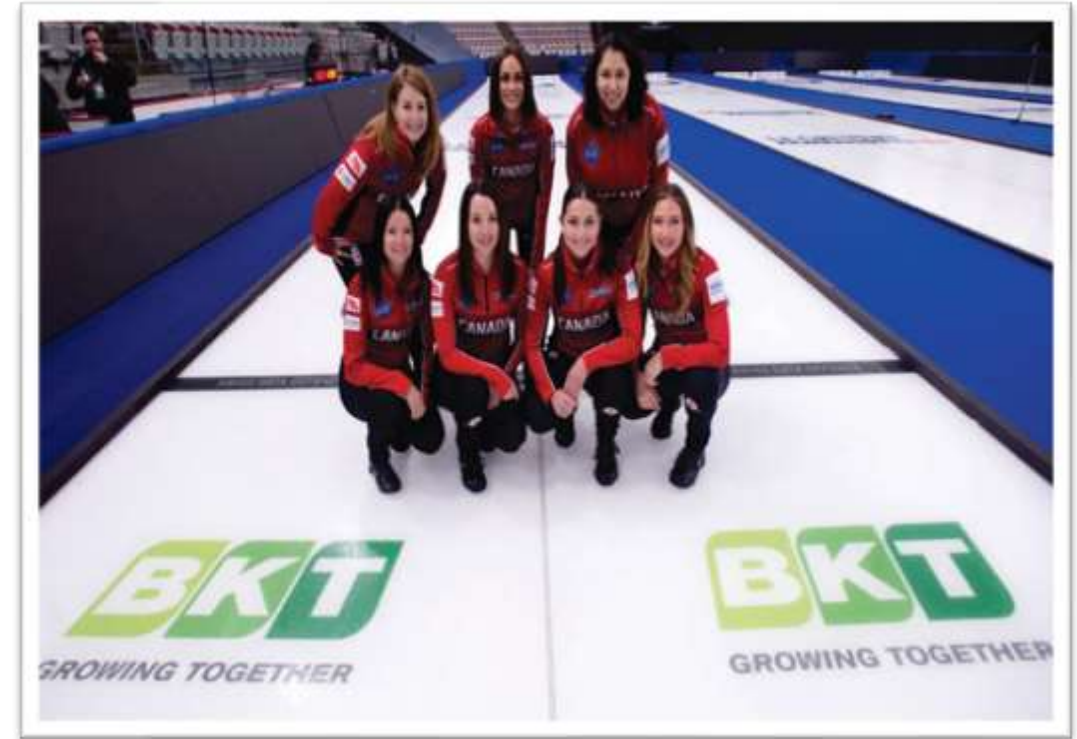


BKT is the Official and Exclusive Tire manufacturer of MONSTER JAM and its fleet of Monster Trucks -  
Monster Jam is a top sporting event in America

# Strengthening BKT Brand : Canada



*GROWING TOGETHER*



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



# Strengthening BKT Brand: Spain



GROWING TOGETHER



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

# Strengthening BKT Brand: Italy



GROWING TOGETHER



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



# Strengthening BKT Brand: France, Europe



*GROWING TOGETHER*



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

# Strengthening BKT Brand: France, Europe



*GROWING TOGETHER*



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



# Strengthening BKT Brand : EUROPE



GROWING TOGETHER



Premium Partner of EUROLEAGUE BASKETBALL

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



SPONSORED BY



Team of 26 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**  
GROWING TOGETHER

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



GROWING TOGETHER



Official Partner of Teams in the Cricket T20 League for Season 13

# Strengthening BKT Brand : India



*GROWING TOGETHER*



Partnership with Teams in the Indian Football League



# Thank You

## Company



Balkrishna Industries Ltd.  
CIN - L99999MH1961PLC012185  
Mr. M S Bajaj  
President (Commercial) & CFO  
[msbajaj@bkt-tires.com](mailto:msbajaj@bkt-tires.com)  
[www.bkt-tires.com](http://www.bkt-tires.com)

## Investor Relations Advisor



Strategic Growth Advisors Pvt. Ltd.  
CIN - U74140MH2010PTC204285  
Mr. Shogun Jain  
[shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net)  
+91 77383 77756  
[www.sgapl.net](http://www.sgapl.net)