

BALKRISHNA INDUSTRIES LTD.

Investor Presentation

Aug'23



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Performance Snapshot – Q1FY24



Sales Volume

67,209

-19% YoY



Revenue

Rs. 2,115 cr

-22% YoY



EBITDA

Rs. 487 cr

-11% YoY



EBITDA Margin

23.0%

+295bps YoY



Net Profit

Rs. 312 cr

-2% YoY



Dividend

Rs. 4 per equity share

All Figures on Standalone basis

Management Commentary



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Towards the end of June, the Company faced disruptions on account of Biparjoy cyclone in the state of Gujarat. The operations of the Bhuj plant were suspended from late evening of 13th June and while operations resumed on 19th June 2023, it led to a loss of ~5 days of production. However, the dispatches were affected for all the plants till June end due to disruptions at Mundra Port. This resulted in lower export volumes in Q1.

The overall sales volumes in Q1 stood at 67,209 MT.

Domestic sales stood 21,012 MT which saw a healthy 19% growth YoY.

In Q2, there are challenges due to heat waves and recessionary fears in export markets.

On a positive note, the channel inventory related challenges across the globe is unwinding.

However, momentum in Domestic markets continues.

Capex spend is estimated at Rs. 550-600cr for FY24. Out of this, routine maintenance capex will be Rs. 250-300cr. The balance will be spent towards new product development like rubber tracks, giant solid tires to widen product basket in end markets along with higher investments in brand building and marketing efforts which is required to reach market share goal of 10%.

This market share aspiration will be reached in 3-4 years post next round of capex getting commercialized.

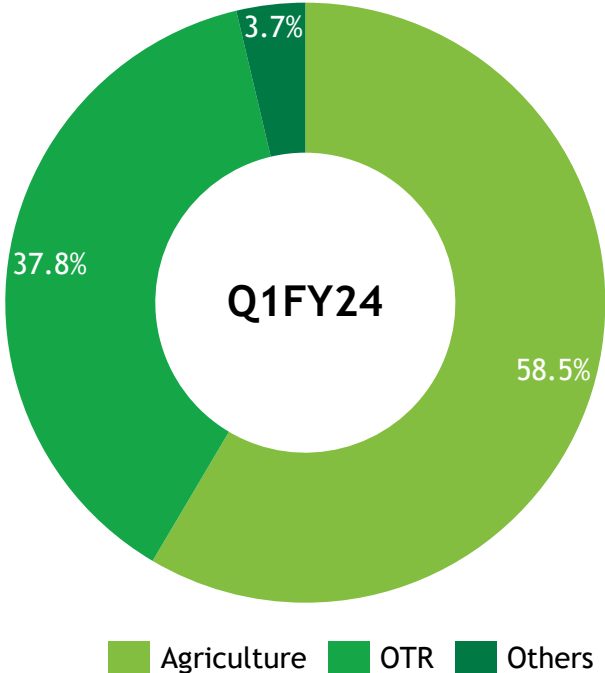
Sales Volume Profile



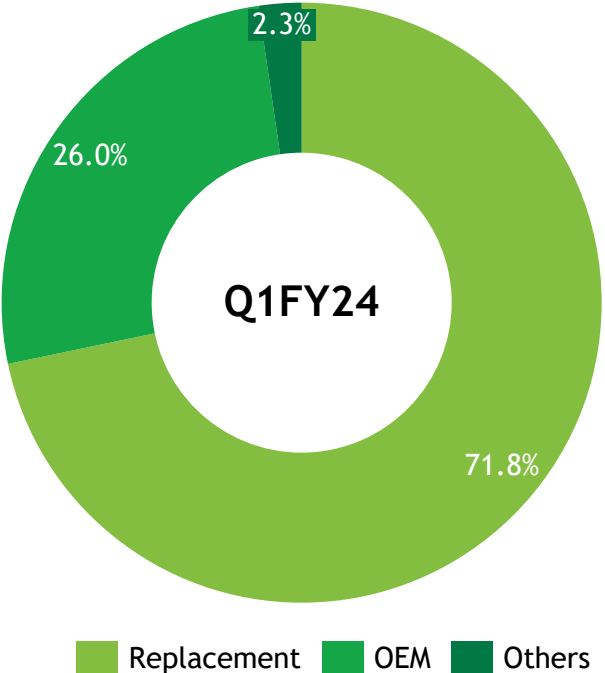
Sales volumes in MT
All Figures on Standalone basis

Volume Profile

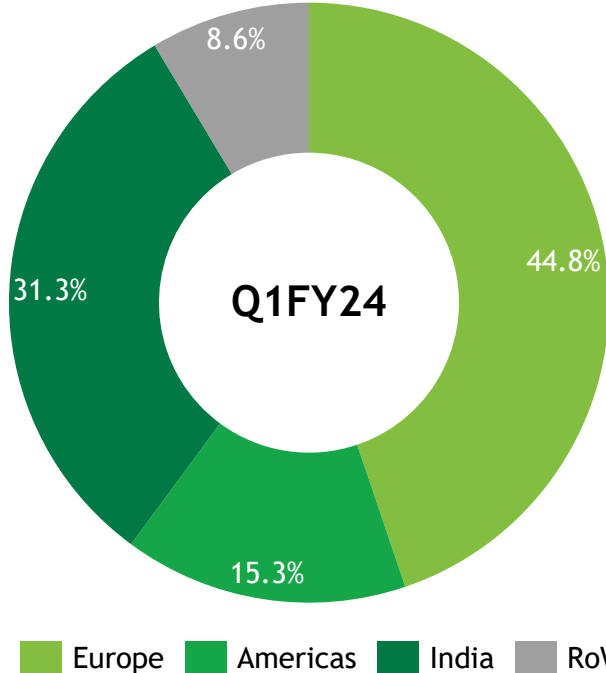
Segmental Sales



Channel Sales



Geographical Sales



All Figures on Standalone basis

Profit & Loss



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Particulars (Rs in Cr)	Standalone			
	Q1FY24	Q1FY23	YoY	FY23
Sales (MT)	67,209	83,153	-19%	301,181
Revenue from Operations	2,120	2,646		9,811
Realized Gain on Foreign Exchange	-5	80		262
Total Income	2,115	2,726	-22%	10,072
Raw Material	1,058	1,400		4,909
(Increase) / Decrease in Stock	-36	-131		47
Employee Expenses	105	107		404
Other Expenses	501	803		2,684
EBITDA	487	547	-11%	2,028
EBITDA Margin	23.0%	20.1%		20.1%
Other Income	66	-15		114
Unrealized Gain / (Loss)	33	26		-88
Interest & Finance Charges	21	3		46
Depreciation	154	126		557
Profit Before Tax	411	429	-4%	1,451
Tax	98	109		372
Profit After Tax	312	320	-2%	1,079
PAT Margin	14.8%	11.7%		10.7%

Net Forex Gain/(Loss)

Particulars (Rs in Cr)	Q1FY24	Q1FY23	FY23
Foreign Exchange Fluctuation on Sales	-5	80	262
Foreign Exchange Fluctuation on Others	10	11	51
Total Realised Gain/(Loss) - A	5	91	313
Total Unrealized Gain/(Loss) - B	33	26	-88
Net Forex Gain/(Loss) = A + B	38	117	224

Resilient Business Model



Gross Cash and Cash equivalents of Rs. 2,245 Cr as on 30th June, 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



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

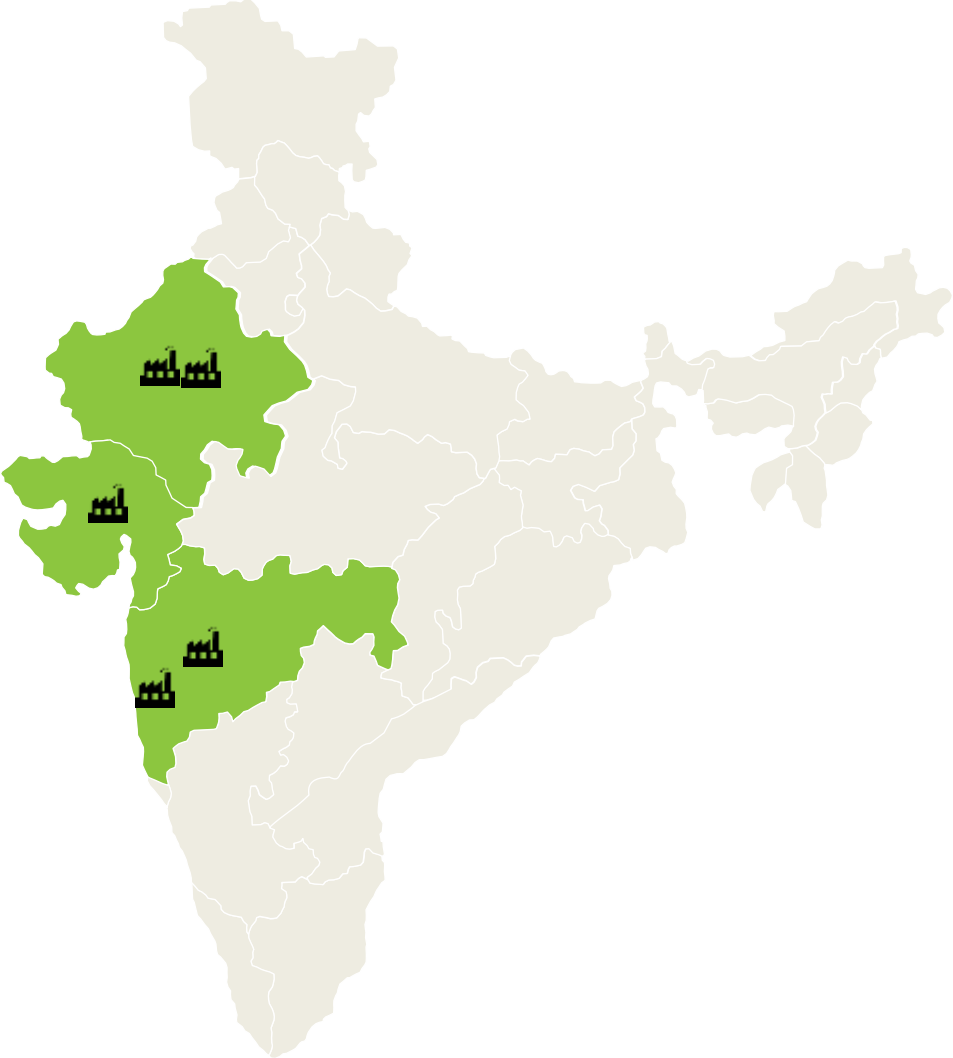
Bhiwadi,
Rajasthan

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



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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)

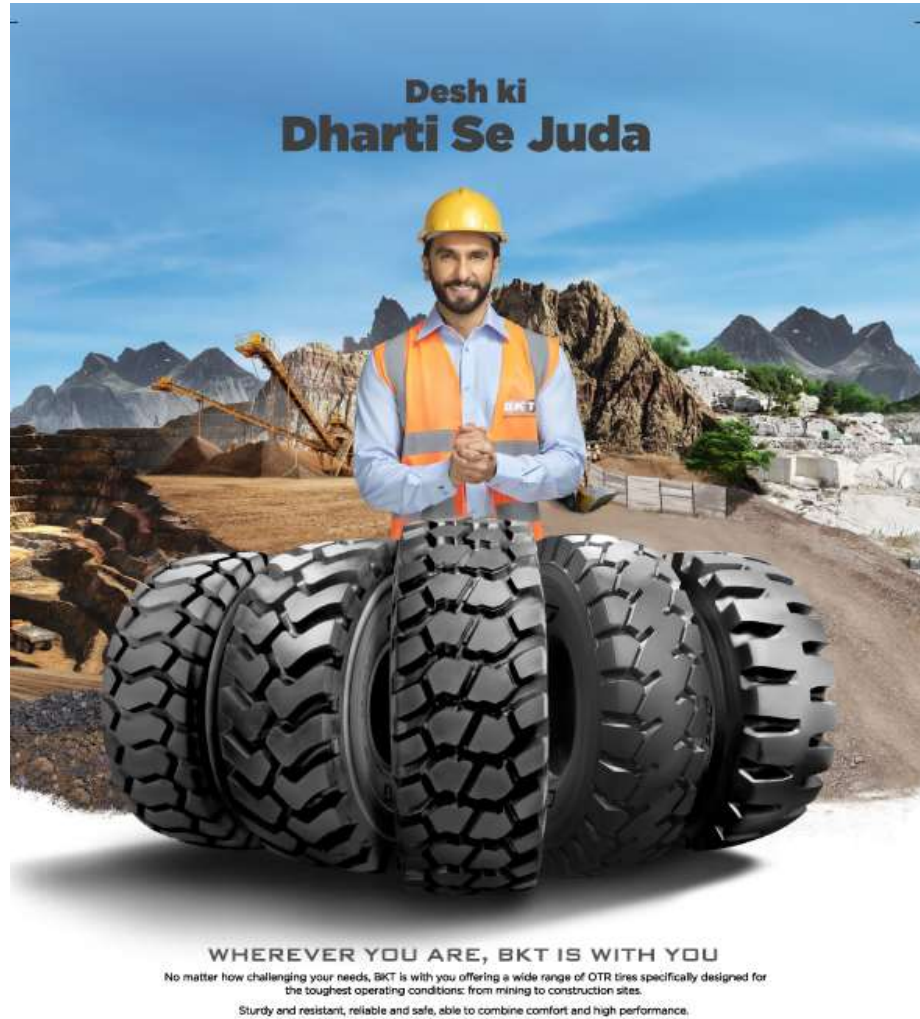
Strengthening BKT Brand : India



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

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