



BALKRISHNA INDUSTRIES LTD

Investor Presentation - August 2020

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Q1FY21 Performance Snapshot



Sales Volumes

38,096 MT
for Q1FY21



Revenue

Rs. 942 Cr for
Q1FY21



EBITDA

Rs. 251 Cr
EBITDA in Q1FY21
with margin of
26.7%



PAT

Rs. 122 Cr for
Q1FY21 with a
margin of 12.9%

Board of Directors have declared an Interim Dividend of Rs. 3 per equity share

Management Commentary

01

Inspite of the impact of Covid-19, our Q1FY21 has been a good quarter for us. The pick-up in sales volumes in May and June led to a total sales volume of 38,096 MT in Q1FY21. The monthly run rate is gaining momentum and is very visible in July and August

02

The demand is strong in Agriculture segment across Geographies reinforcing our belief on the potential of this segment as well as the brand positioning of BKT in end markets which is continuously helping us to gain market share

03

The Non-Agriculture segment is moving slow, on-account of low commodity prices and end user demand however, we expect gradual uptick as economic activity increases across the globe

Operating with increased Safety Measures



Employee Safety

- ✓ Encouraging employees to adopt to general principles of social distancing, health and safety of self and society at large
- ✓ Launched interactive sessions for the wellbeing of employees



Liquidity Management

- ✓ Financial prudence
- ✓ Each Cost Line item reviewed and actioned to optimize cost & resource utilization



Engagement with stakeholders

- ✓ Continuous engagement with internal and external stakeholders through online meetings
- ✓ Facilitated Work From Home (WFH) to all employees except blue collar and field force teams

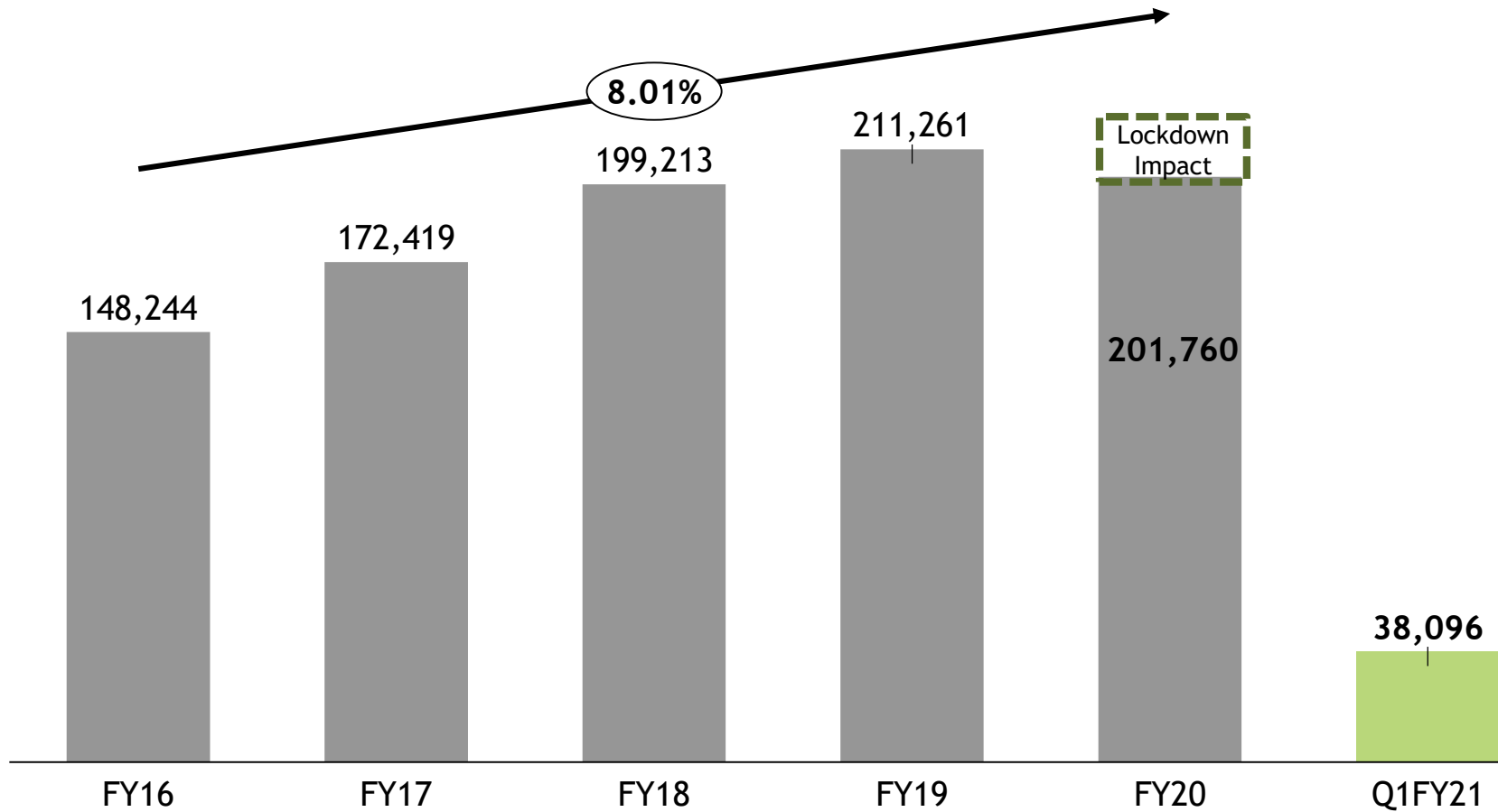


Customer Management

- ✓ Enhancing customer relationships through regular interactions
- ✓ Closely monitoring business impact

Sales Volume Profile

In MT



Despite low production and Sales Volume in April 2020, we remain confident to achieve similar Sales volumes in FY21 as we achieved in FY20

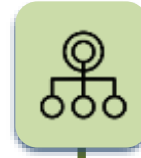
Resilient Business Model



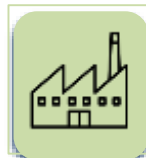
Long Term Debt Free with Cash and Cash equivalents of Rs. 1,175 crs as 30th June 2020



Diversified Product Portfolio, spread across Agriculture, Industrial, Construction and mining tires



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



Capex ready

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

Profit & Loss

Particulars (Rs.Cr)	Standalone			
	Q1FY21	Q1FY20	FY20	FY19
Sales (MT)	38,096	51,304	201,760	211,261
Revenue from Operations	929	1,193	4,782	5,245
Realized Gain on Foreign Exchange	13	24	115	91
Total Income	942	1,217	4,898	5,335
Raw Material	420	552	2,078	2,501
(Increase) / Decrease in Stock	-53	23	49	-39
Employee Expenses	70	70	286	264
Other Expenses	254	277	1,104	1,179
EBITDA	251	296	1,381	1,430
EBITDA Margin	26.7%	24.3%	28.2%	26.8%
Other Income #	13	44	117	96
Interest & Finance Charges	2	2	7	10
Depreciation	100	84	368	333
Profit Before Tax	162	254	1,123	1,183
Tax	40	78	178	401
PAT	122	176	945	782
PAT Margin	12.9%	14.5%	19.3%	14.7%

Includes Investment Income and Unrealized Gain/(Loss)

Other Income and Net Forex Gain/(Loss)

Particulars (Rs. Cr)	Standalone			
	Q1FY21	Q1FY20	FY20	FY19
Exchange Difference Gain (Realized)	21	28	132	118
Exchange Difference Gain (Un-Realized)	-29	14	-0	10
Others	41	29	117	86
Total Other Income	33	72	249	214

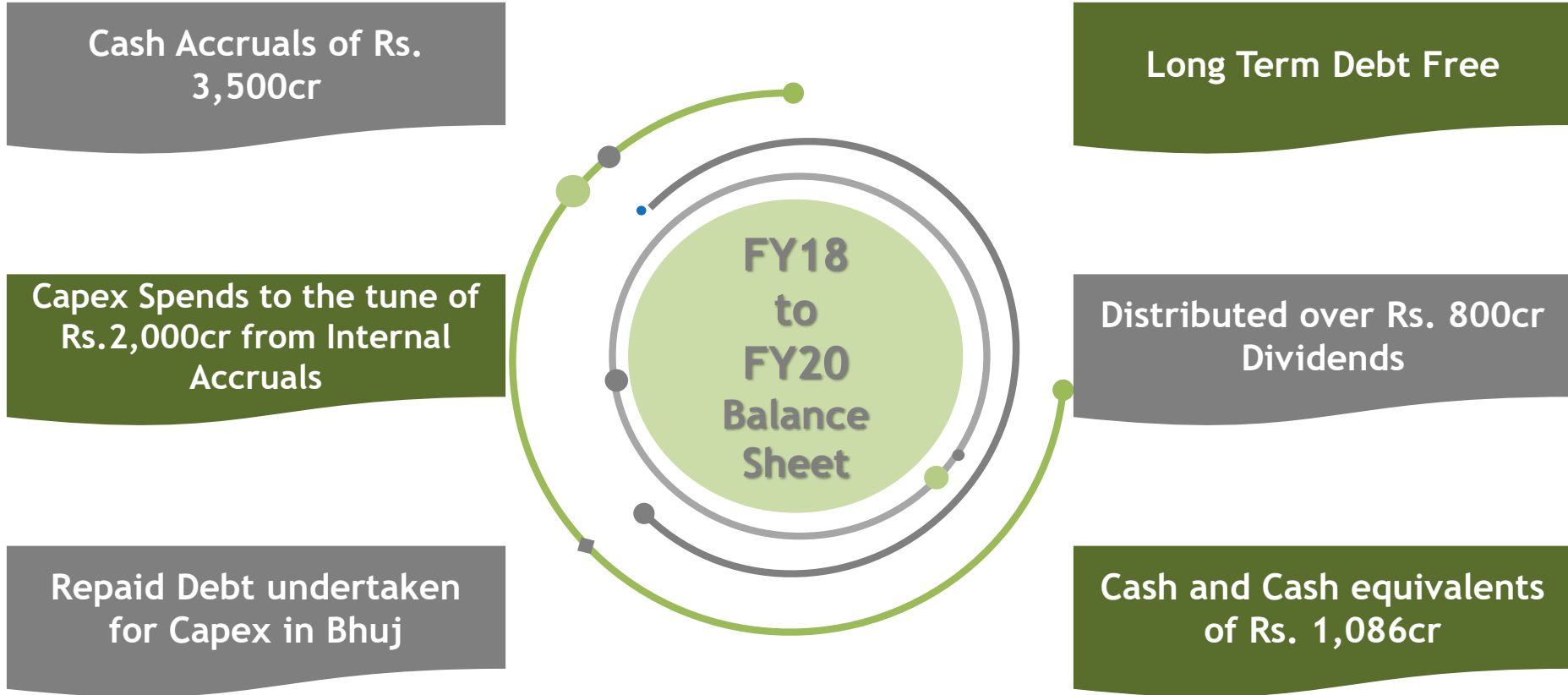
Particulars (Rs. Cr)	Standalone			
	Q1FY21	Q1FY20	FY20	FY19
Foreign Exchange Fluctuation on Sales	13	24	115	91
Foreign Exchange Fluctuation on Others	8	4	17	27
Total Realised Gain/(Loss) – A	21	28	132	118
Foreign Exchange Fluctuation on Non Derivative Items	-29	14	-0	10
Total Unrealized Gain/(Loss) - B	-29	14	-0	10
Net Forex Gain/(Loss) = A + B	-8	42	131	128

Balance Sheet

Particulars (Rs. Cr.)	Mar'20	Mar'19
ASSETS		
Non-current assets	4,854	3,994
Property, Plant and Equipment	3,189	2,707
Capital work-in-progress	586	585
Investment Property	86	77
Other Tangible Assets	1	2
Financial Assets		
(i) Investments	712	320
(ii) Other Financial Assets	13	10
Income Tax Assets (Net)	90	96
Other non-current assets	178	197
Current assets	1,877	2,435
Inventories	580	713
Financial Assets		
(i) Investments	351	763
(ii) Trade Receivables	649	568
(iii) Cash and cash equivalents	23	36
(iv) Bank Balances other than (iii) above	22	19
(v) Loans	4	5
(vi) Others	14	57
Other Current Assets	232	273
TOTAL	6,731	6,430

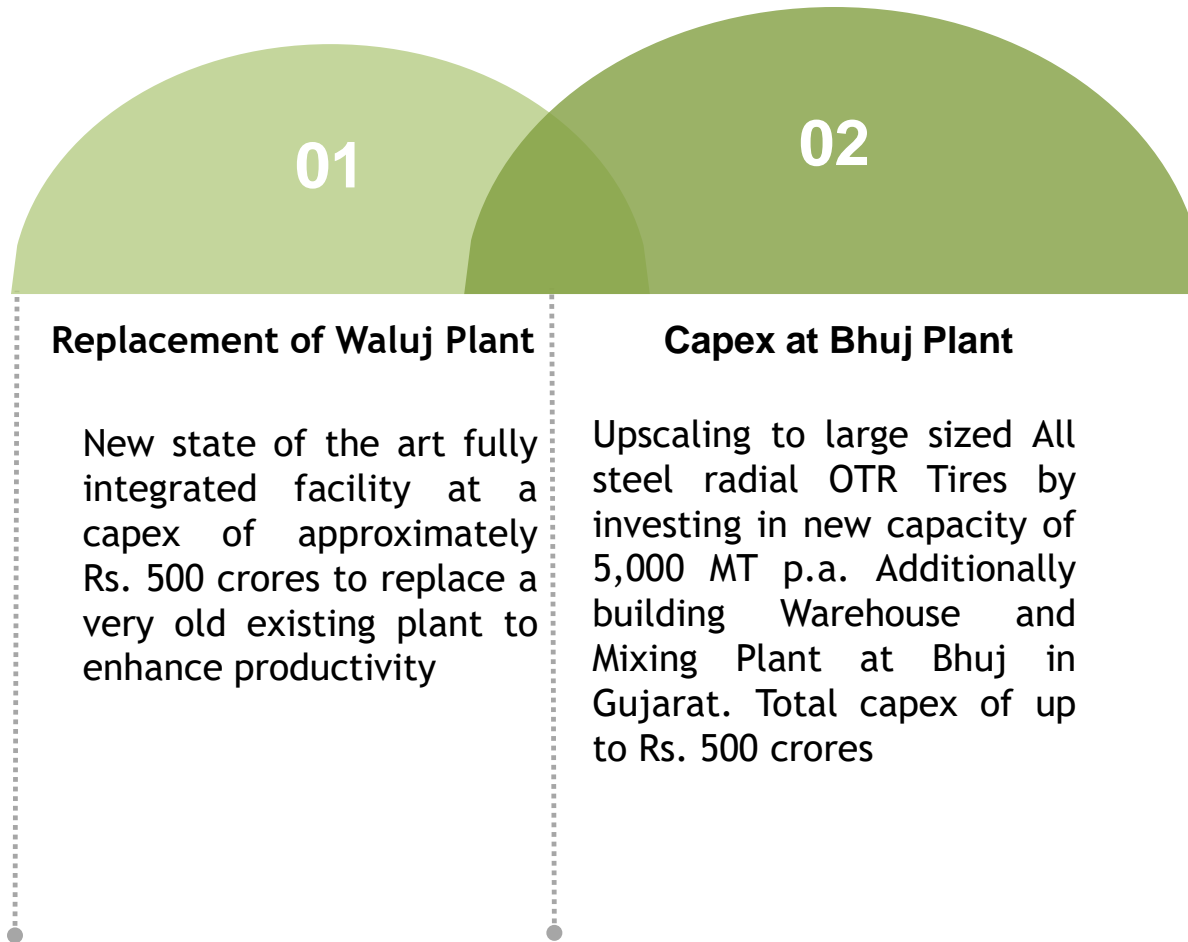
Particulars (Rs. Cr.)	Mar'20	Mar'19
EQUITY AND LIABILITIES		
EQUITY	5,028	4,679
Equity Share Capital	39	39
Other Equity	4,989	4,640
Non-Current Liabilities	476	369
Financial Liabilities		
(i) Borrowings	2	2
(i) Other Financial Liabilities	0	7
Provisions	24	17
Deferred Tax Liabilities (Net)	178	326
Other Non-Current Liabilities	34	16
Current liabilities	1,465	1,382
Financial Liabilities		
(i) Borrowings	859	827
(ii) Trade Payables	361	356
(iii) Other Financial Liabilities	165	56
Other Current Liabilities	75	135
Provisions	4	8
TOTAL	6,731	6,430

Strong Balance Sheet performance in FY18 to FY20... Future Ready



In Current unprecedented times, a Strong Balance Sheet helps substantially reduce any negative impact on Business

BKT 2.0: Continuing the next Phase of Growth



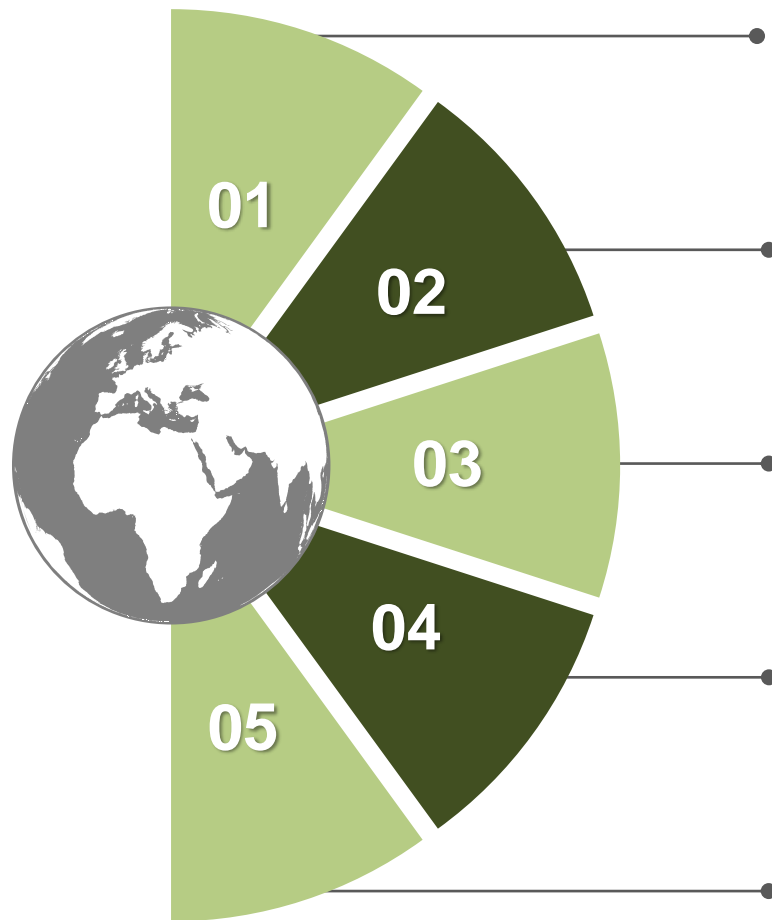
Capex programs of the company are broadly on track, however the completion will depend on the COVID-19 situation which is changing rapidly

Strategy at BKT



Snow Ride

Our Focus Area



Market Reach

Expand reach within existing Sales Channels as well increase footprint within replacement segment and OEMs

Penetrate Americas

Increase share of business in USA markets by increasing supplies from India

Product portfolio expansion

Expand the product portfolio by adding large sized tires and strengthen relationship with Customer base

Indian Markets

Strengthen our distribution channels within Indian Markets

Utilization

Reach 100% utilization levels at Bhuj Plant in the next few years

‘Atmanirbhar’ BKT - Our Pledge

**FROM INDIA
FOR INDIA**

BE INDIAN... BUY INDIAN



VOCAL FOR LOCAL

BKT

GROWING TOGETHER



We pledge to fulfil the vision of self-reliance by continuing to manufacture in India for domestic consumption and global markets



Our focus will be on improving our product portfolio, sustaining the consistent product quality and efficient service levels, thus enhancing the brand recognition with end customers



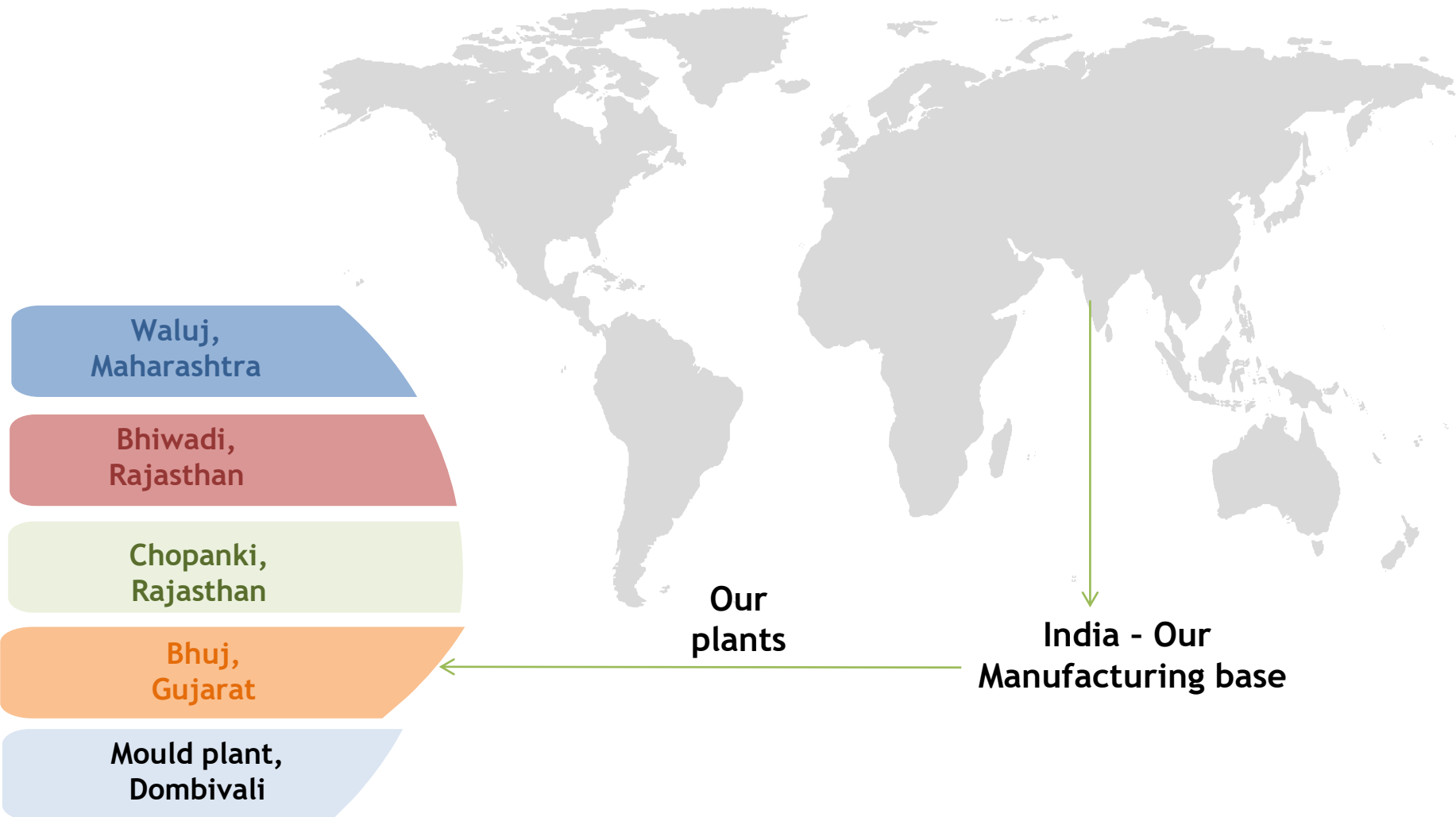
Make in India is going to provide an impetus to the self-reliant India serving the local and global markets thereby, enhancing the Brand equity of Indian Manufacturers

To Serve Global OEMs...



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

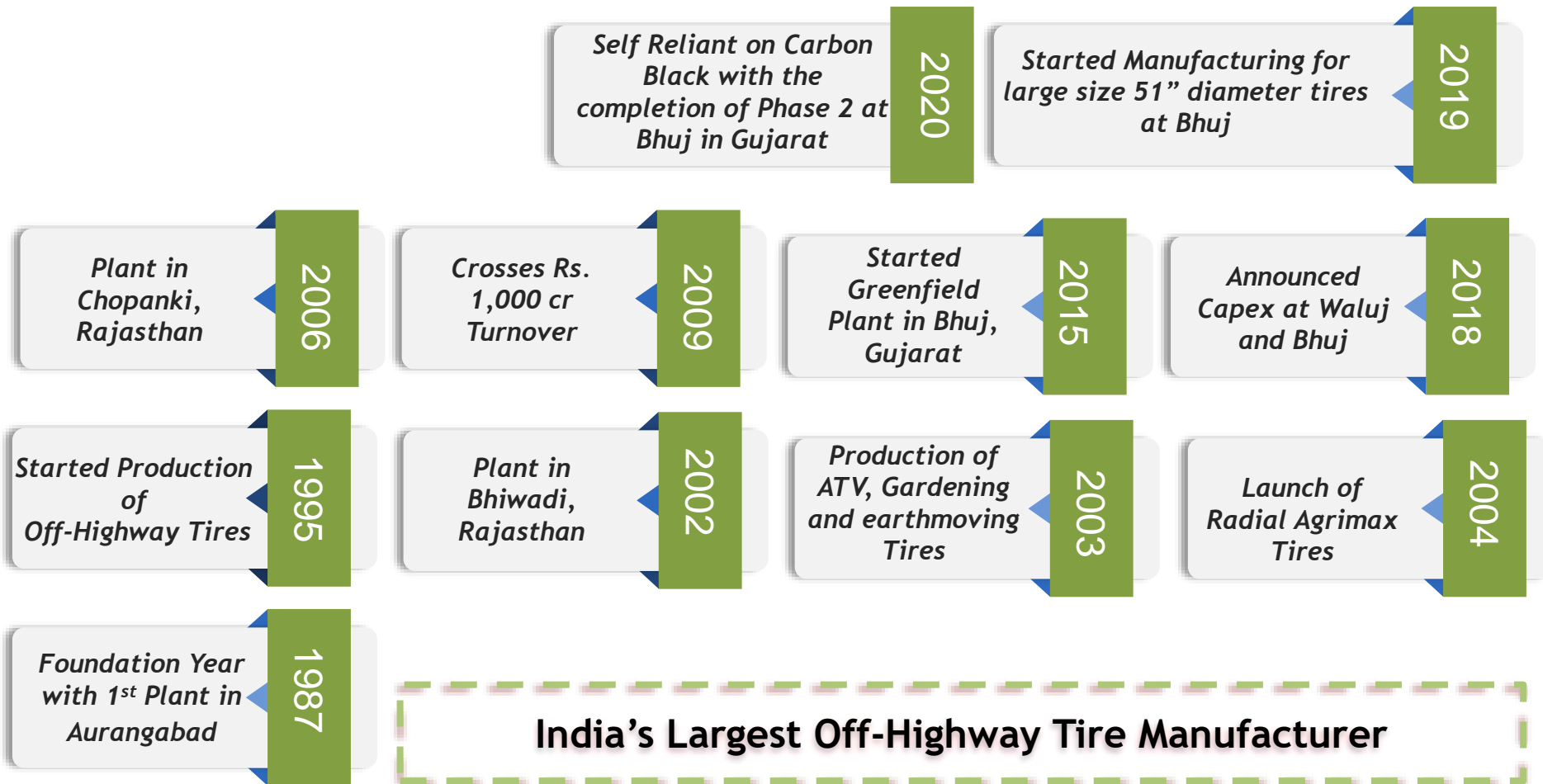
With India Production and Global Sales



Balkrishna Industries - A Snapshot



Our Strong Evolution



Awards and Accolades



BKT Earthmax SR 45 M has been awarded the best OTR tire at Hevea Awards for the Tyre Industry, 2019 at Motortec Automechanika, Spain

BKT received award from John Deere Enterprise Supply Management for achieving Excellence (Partner Level Performance)

Application of our Tires

Agriculture Tires



Cotton Pick Harvester



Tractor



Vineyard Tractor



Pivot Irrigator

Industrial Tires



Loader



Telehandler



Mobile Crane

OTR Tires



Load Haul Dump



Underground Mining



Container Handler

BKT - A Strong Indian Brand



Strengthening BKT Brand : USA



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



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

Strengthening BKT Brand : Italy, Europe



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

Strengthening BKT Brand : Spain, Europe



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

Strengthening BKT Brand : France, Europe



**BKT is the New TITLE Sponsor for the FRENCH Football League
“COUPE DE LA LIGUE BKT”**

Strengthening BKT Brand : Australia



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

Strengthening BKT Brand : India



Supporting Kabbadi by becoming the official Tire Partner for 8 marquee Teams in Pro Kabbadi League

Strengthening BKT Brand : India

क्रिकेट के अनेक रंग,
BKT टायर जोड़े सबको संग

The advertisement features a group of cricketers in various poses, some holding bats and a red cricket ball. The background is a warm, golden-brown color. At the bottom, there is a row of logos for various cricket teams, including Chennai Super Kings, Mumbai Indians, and others. The BKT logo and tagline 'GROWING TOGETHER' are prominently displayed at the bottom right of the ad.

BKT
GROWING TOGETHER

OFF-HIGHWAY TIRE PARTNER
FOR THE 'TAMIL NADU
PREMIER LEAGUE' (TNPL) FOR
T-20 CRICKET

Strengthening BKT Brand : Sunny Deol our Brand Ambassador



Popular Bollywood Icon Sunny Deol is the Brand Ambassador of BKT

Acting Together... Doing our Part

Protecting Employees



At plants

Standard Operating Procedures (SOP) introduced to support partial re-opening and safe working environment.

Sanitization of all work places including transportation vehicles



At Offices

Standard Operating Procedures (SOP) introduced to support partial re-opening and safe working environment

Supporting Communities



60,000+ food grains packages which would suffice a family of 4 for 15 days distributed in various regions of India



5 lacs+ meals distributed in India in collaboration with NGO Akshaya Patra and other organizations



4 lacs+ masks distributed under the #BKTTakeAStepChallenge project



3,000+ counter shields distributed to tire dealers



Support for the NGOs CESVI in Italy and Samaritan's Purse in the USA

Supporting Medical staff



55,000+ personal protection equipment (PPE) distributed to medical staff



12 hemodynamic monitors donated to the Tata Memorial Hospital in Mumbai



15,000+ Doctor Scrub Suits distributed to various hospitals



1 lac+ disposable bed sheets distributed to various hospitals

BKT stands for... Growing Together



[CSR Film](#): BKT supports Society in its bid to fight Covid-19



People are our most valuable asset.
#staysafe

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