

BALKRISHNA INDUSTRIES LTD

Investor Presentation

August'22



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YEARS OF GROWTH



Performance Snapshot – Q1FY23



GROWING TOGETHER

Sales Volume

83,153 MT

Revenue

Rs 2,726 cr

EBITDA

Rs 547 cr

EBITDA Margin

20.1%

Net Profit

Rs. 320 cr

Declared 1st Interim Dividend of Rs. 4/- per equity share

All Figures on Standalone basis

Management Commentary

Raw Material prices have remained at elevated levels.

In the current quarter, Raw material costs have come at 46.6% of sales versus 42.8% in Q1FY22 and 45.3% in Q4FY22.

We expect some relief to come in Q4FY23

We continue to grapple with high logistics costs.

In the current quarter, the logistics costs have come at 14.2% of sales versus 7.1% in Q1FY22 and 13.8% in Q4FY22.

We expect relief in logistics costs towards the end of Q3/early Q4

We continue to see a sustained uptick in demand for BKT tires. However, in Q2 we expect sluggish demand given macro challenges in Europe coupled with Heatwaves and inflationary trends in USA

Our continued focus on customer servicing especially in the last 2 years, since the start of the pandemic, gives us the confidence to outperform the competition

Sales Volume guidance for FY23 stands at 320,000 - 330,000 MT

Capex Status



Brownfield Tire Plant at Bhuj

- Commissioned the 50,000 MTPA brownfield tire plant at Bhuj
- Expect complete ramp-up in production in H2FY23
- Project Capex Cost - Rs. 800cr



Carbon Black and Captive Power Plant

- Expect commissioning for 55,000 MTPA Carbon Black capacity along with Power Plant during Q3FY23
- The Project of advanced carbon material for 30,000 MTPA will be commissioned in Q4FY23
- Project Capex cost - Rs. 650cr

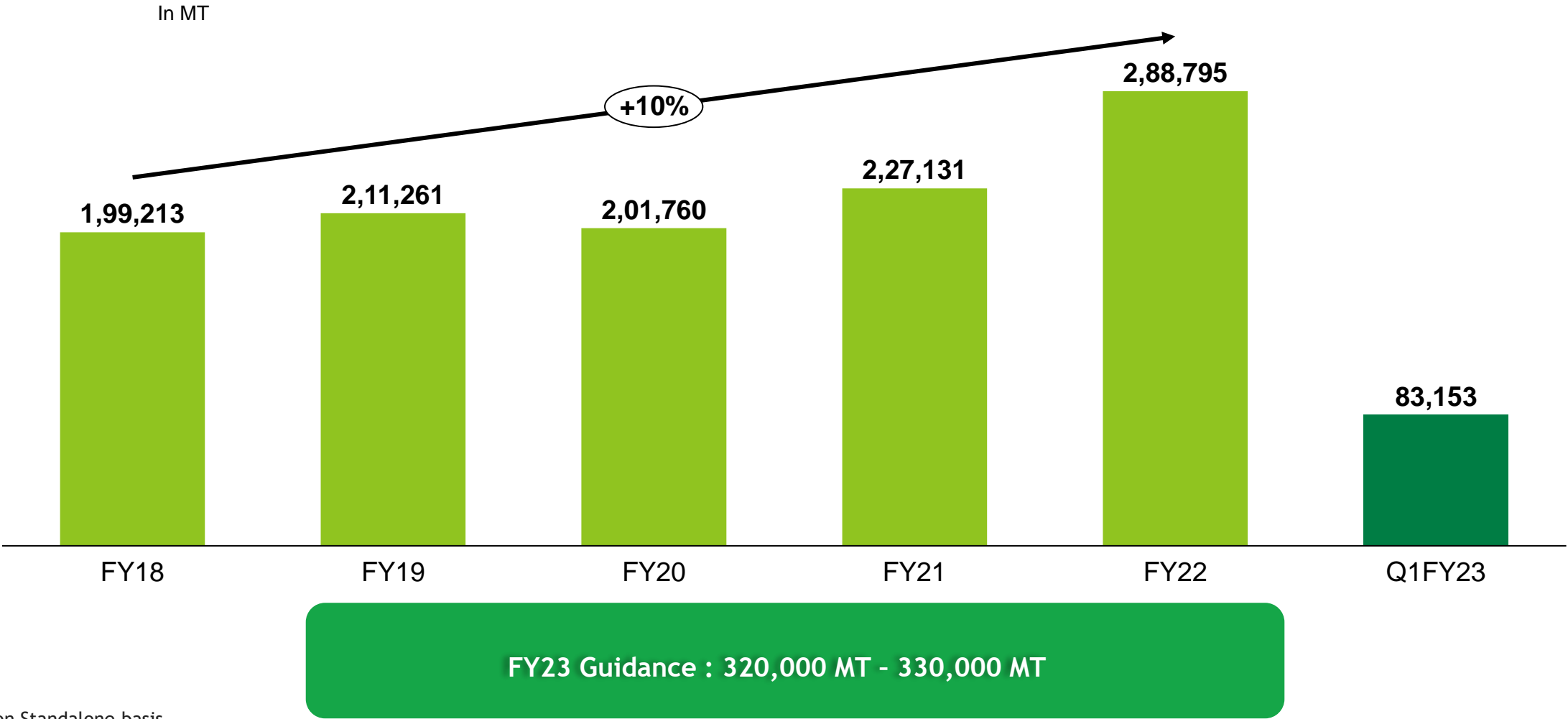


Modernization, Automation and Technology Upgradation

- Capex on Track
- Expect completion by end H1FY23
- Project Capex cost - Rs. 450cr

The achievable capacity by end of FY23 will be 360,000 MT p.a

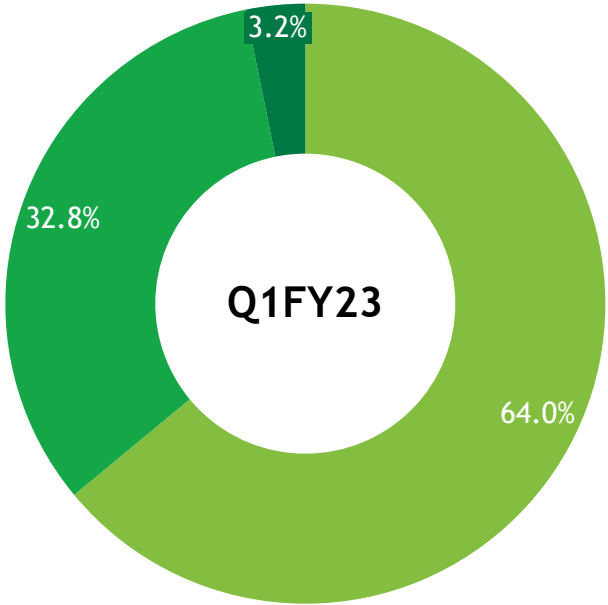
Sales Volume Profile – Q1FY23



All Figures on Standalone basis

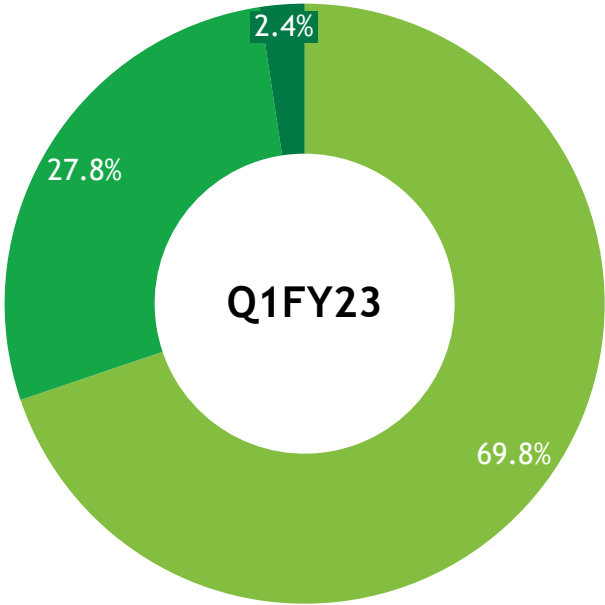
Volume Profile

Segmental Sales



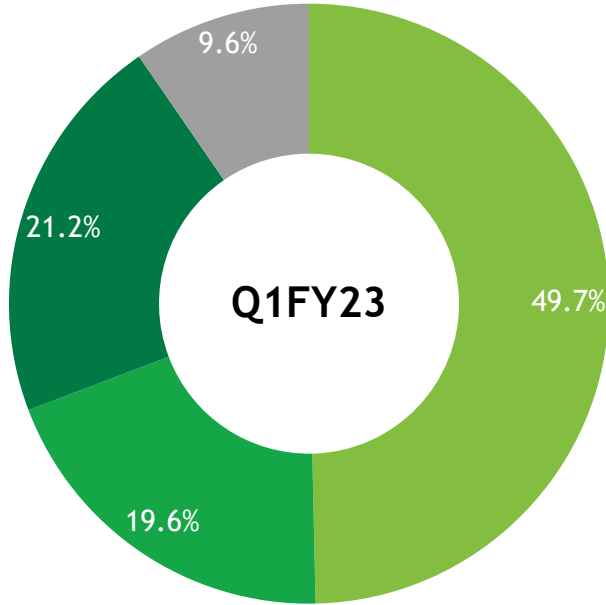
Agriculture OTR Others

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					
	Q1FY23	Q1FY22	YoY	Q4FY22	YoY	FY22
Sales (MT)	83,153	68,606	21%	77,119	8%	288,795
Revenue from Operations	2,646	1,813		2,374		8,267
Realized Gain on Foreign Exchange	80	15		58		152
Total Income	2,726	1,828	49%	2,432	12%	8,419
Raw Material	1,400	880		1,144		4,034
(Increase) / Decrease in Stock	-131	-98		-42		-255
Employee Expenses	107	94		90		380
Other Expenses	803	417		663		2,078
EBITDA	547	535	2%	576	-5%	2,182
EBITDA Margin	20.1%	29.2%		23.7%		25.9%
Other Income	-15	40		52		185
Unrealized Gain / (Loss)	26	17		-21		39
Interest & Finance Charges	3	2		2		8
Depreciation	126	104		117		444
Profit Before Tax	429	485	-12%	488	-12%	1,954
Tax	109	153		115		544
Profit After Tax	320	331	-3%	374	-14%	1,411
PAT Margin	11.7%	18.1%		15.4%		16.8%

All Figures on Standalone basis

Net Forex Gain/(Loss)

Particulars (Rs in Cr)	Q1FY23	Q1FY22	FY22	FY21
Foreign Exchange Fluctuation on Sales	80	15	152	-18
Foreign Exchange Fluctuation on Others	11	7	55	42
Total Realised Gain/(Loss) - A	91	22	207	24
Total Unrealized Gain/(Loss) - B	26	17	39	18
Net Forex Gain/(Loss) = A + B	117	38	246	42

Balance Sheet



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Particulars (Rs. Cr.)	Mar'22	Mar'21
ASSETS		
Non-current assets	7,054	5,652
Property, Plant and Equipment	3,906	3,247
Capital work-in-progress	1,258	856
Investment Property	79	86
Other Tangible Assets	0	1
Financial Assets		
(i) Investments	1,213	1,026
(ii) Other Financial Assets	83	18
Income Tax Assets (Net)	8	70
Other non-current assets	506	348
Current assets	3,803	2,389
Inventories	1,639	909
Financial Assets		
(i) Investments	685	392
(ii) Trade Receivables	1,098	730
(iii) Cash and cash equivalents	29	34
(iv) Bank Balances other than (iii) above	6	20
(v) Loans	3	4
(vi) Others	65	35
Other Current Assets	277	264
TOTAL	10,857	8,040

Particulars (Rs. Cr.)	Mar'22	Mar'21
EQUITY AND LIABILITIES		
EQUITY	6,925	6,007
Equity Share Capital	39	39
Other Equity	6,886	5,969
Non-Current Liabilities	807	262
Financial Liabilities		
(i) Borrowings	501	1
(i) Other Financial Liabilities	0	0
Provisions	24	25
Deferred Tax Liabilities (Net)	251	204
Other Non-Current Liabilities	31	33
Current liabilities	3,126	1,771
Financial Liabilities		
(i) Borrowings	1,942	893
(ii) Trade Payables	808	633
(iii) Other Financial Liabilities	120	74
Other Current Liabilities	251	165
Provisions	4	5
TOTAL	10,857	8,040

All Figures on Standalone basis

Resilient Business Model



Gross Cash and Cash equivalents of Rs. 1,972 Cr as on 30th June, 2022



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



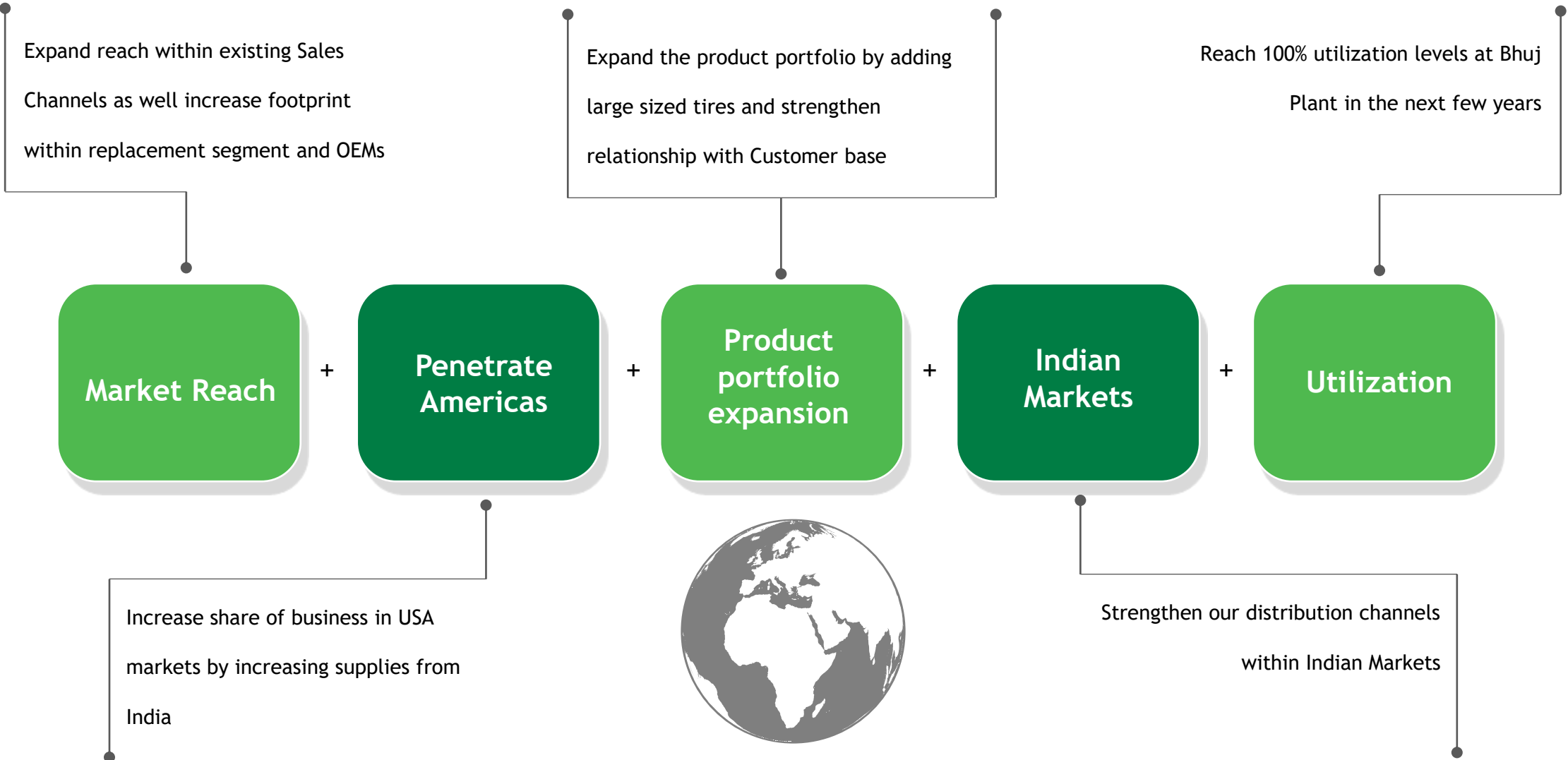
Ongoing Capex

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

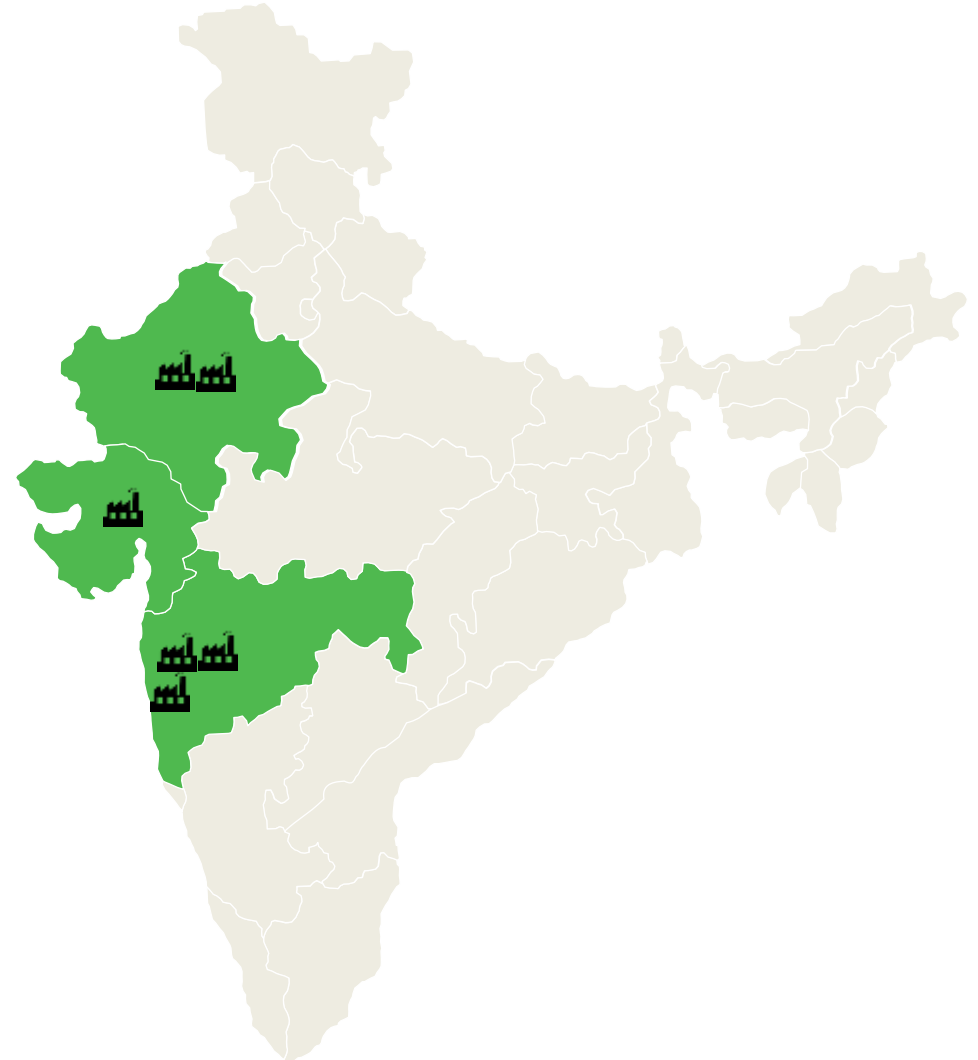
Bhiwadi,
Rajasthan

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

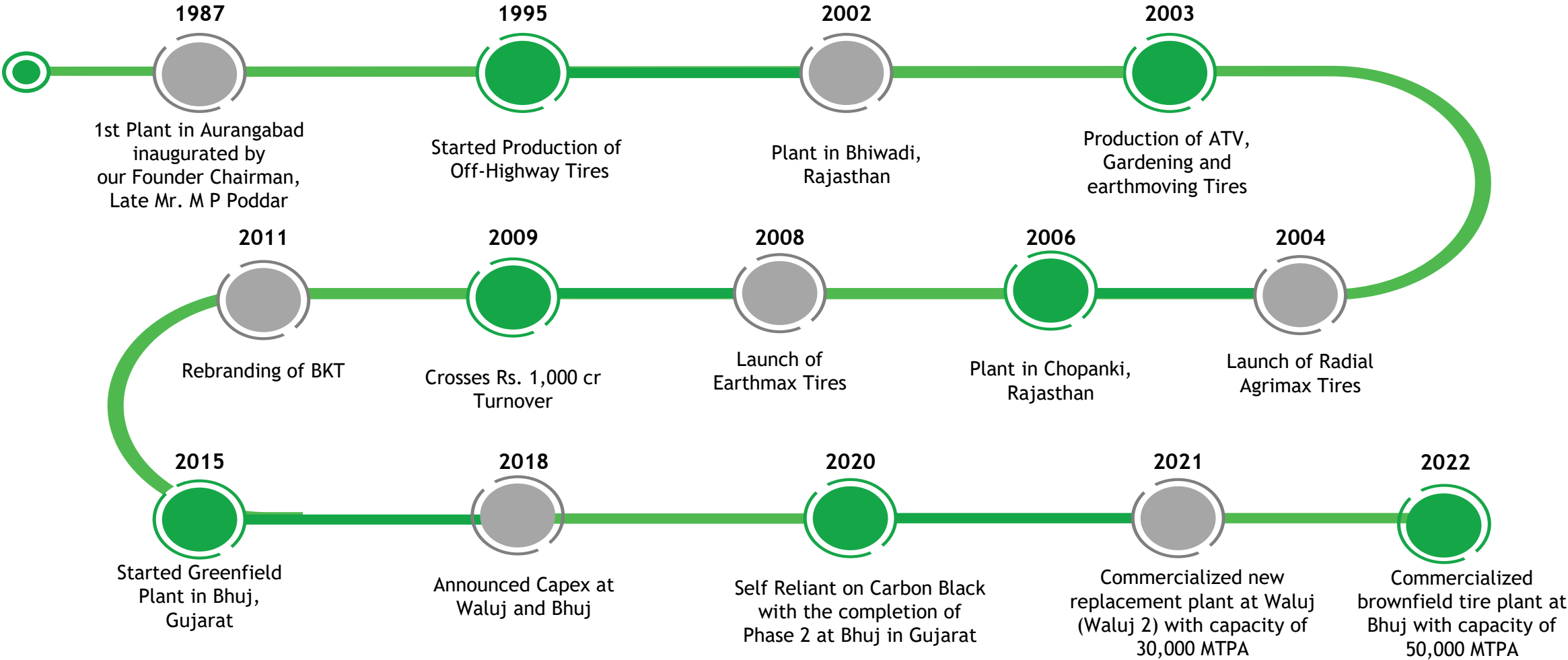


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- 01** **Leading ‘Off-Highway Tire’ Exporter**
BKT is India’s Leading player in the Global ‘Off Highway Tire (OHT)’ Market
- 02** **Wide and comprehensive product portfolio**
Deep understanding of OHT market has led to capabilities to manufacture over 3,200 SKUs
- 03** **Capacities**
Achievable Capacity at end of FY23 will be 360,000 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

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

Environment



- Controlled emissions through electrostatic precipitators in boilers and discharge through appropriate effluent treatment plants
- Replacing existing coal fired boilers with 'gas fired boilers
- 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

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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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
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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 14

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Strengthening BKT Brand : India



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Ranveer Singh is now the Brand Ambassador of BKT



Thank You

Company



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