

BALKRISHNA INDUSTRIES LTD

Investor Presentation

November '21



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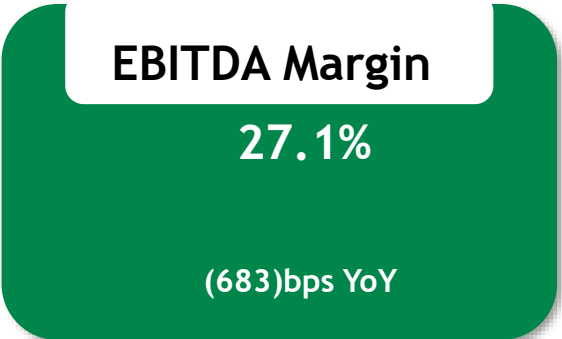
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Performance Snapshot – Q2FY22



GROWING TOGETHER



Declared 2nd Interim Dividend of Rs. 4/- per equity share

All Figures on Standalone basis

Management Commentary

Demand continues to be robust across segments and geographies. Accordingly, we clocked our highest ever quarterly sales volume and reported 72,748 MT for Q2FY22

Expect this momentum to continue and therefore revised guidance for FY22 stands at 275,000 - 285,000 MT

During October 2021, the company raised long term finance of Rs. 500cr in form of Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures having a face value of Rs. 10 Lakh per debenture. In order to, leverage the interest rate scenario and Euro receivables the company swapped the Debentures liability to Euro fixed liability thereby effective interest cost will be 0.055% p.a. The repayment of this Debenture would be in 3.5 years.

Capex at OLD Waluj Plant



The demand scenario is extremely robust & hence the Board of Directors have decided to continue operations of the OLD Waluj plant



To achieve this, there will be a capex of Rs. 350cr in form of installation of latest machineries, replacement of certain machineries, upgradation of certain systems and some portion of civil work



The advantage of this capex will be to get the much needed capacity enhancement in a short period of time. The OLD Waluj Plant post this capex will be able to produce 25,000 MT p.a. This capex will be incurred over a period of next 6-9 months. This capacity be available from Q3FY23.

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 3rd parties
- Capex cost of up to Rs. 650cr; expected completion by H1FY23

Modernization, Automation and Technology Upgradation

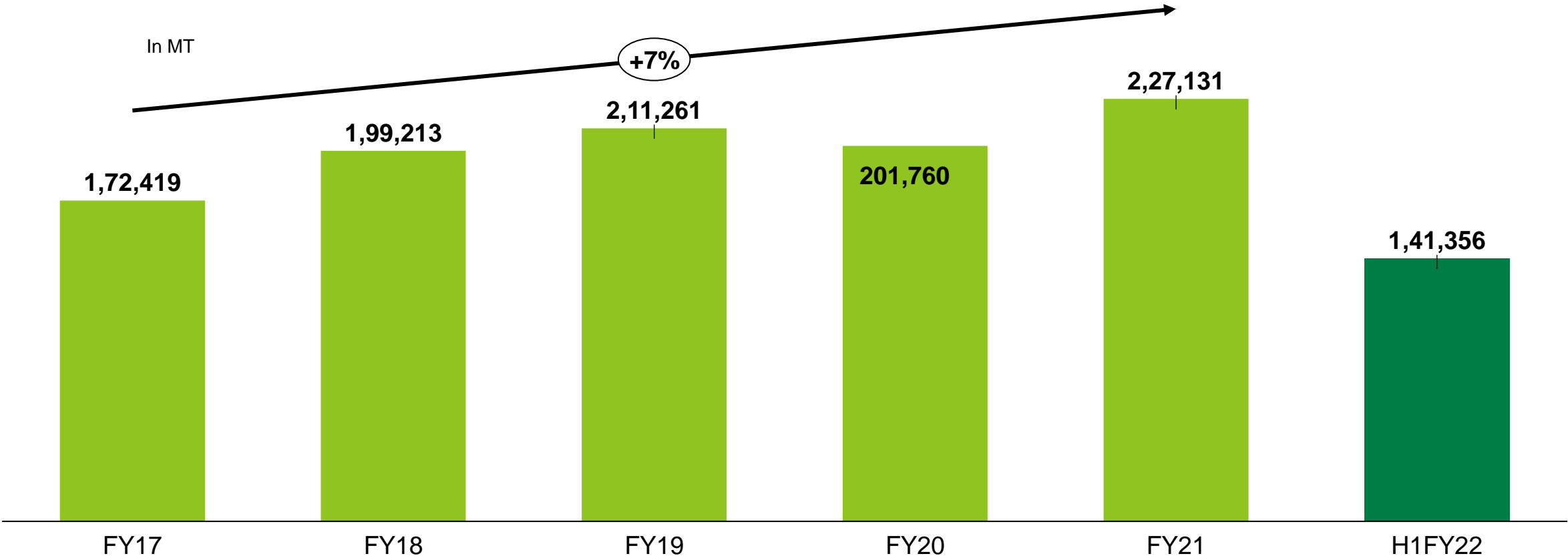
- Modernization, automation and technology upgradation of certain existing equipment and install automated material handling systems
- Capex to be undertaken at existing facilities at Rajasthan and Bhuj leading to improvement in quality and efficiency
- Capex cost of up to Rs. 450cr; expected to be completed 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 – H1FY22

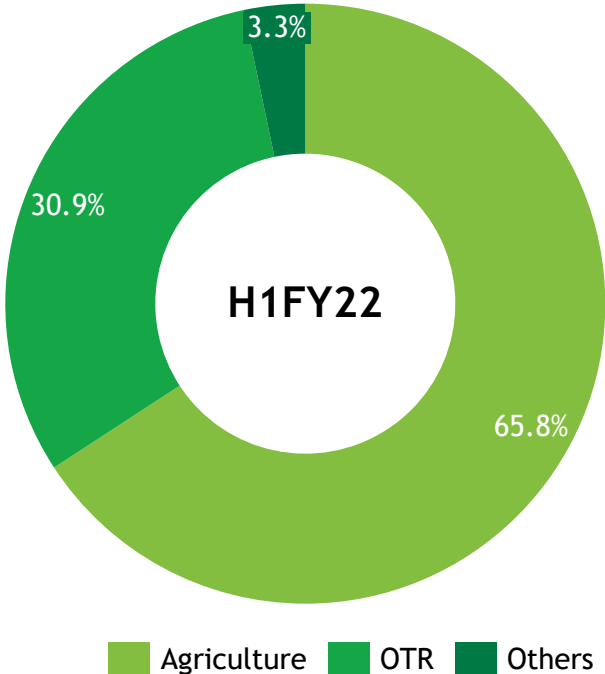


Highest ever Quarterly Sales Volume in Q2FY22
Revised Guidance : 275,000 - 285,000 MT

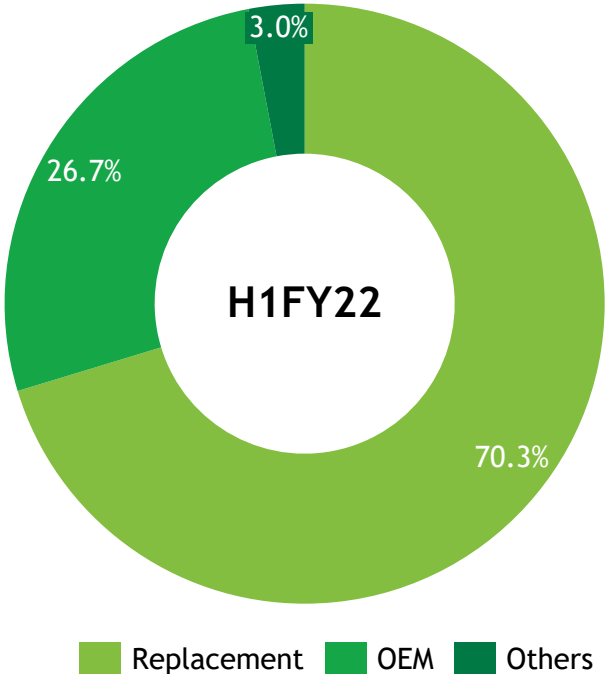
All Figures on Standalone basis

Volume Profile

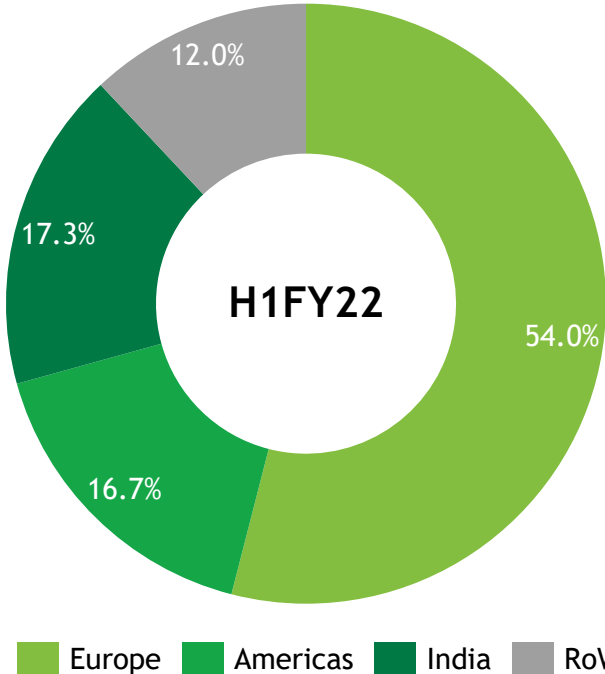
Segmental Sales



Channel Sales



Geographical Sales



All Figures on Standalone basis

Profit & Loss



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| Particulars (Rs in Cr) | Q2FY22 | Q2FY21 | YoY | H1FY22 | H1FY21 | YoY | FY21 |
|-----------------------------------|---------------|---------------|------------|----------------|---------------|------------|-----------------|
| Sales (MT) | 72,748 | 61,224 | 19% | 141,356 | 99,230 | 42% | 2,27,131 |
| Revenue from Operations | 2,050 | 1,579 | | 3,863 | 2,507 | | 5,758 |
| Realized Gain on Foreign Exchange | 30 | -27 | | 45 | -14 | | -18 |
| Total Income | 2,080 | 1,551 | 34% | 3,908 | 2,493 | 57% | 5,740 |
| Raw Material | 994 | 614 | | 1,875 | 1,034 | | 2,452 |
| (Increase) / Decrease in Stock | -67 | -3 | | -165 | -56 | | -149 |
| Employee Expenses | 99 | 84 | | 194 | 155 | | 326 |
| Other Expenses | 488 | 328 | | 905 | 574 | | 1,302 |
| EBITDA | 564 | 527 | 7% | 1,099 | 786 | 40% | 1,810 |
| EBITDA Margin | 27.1% | 34.0% | | 28.1% | 31.6% | | 31.5% |
| Other Income | 62 | 18 | | 102 | 52 | | 119 |
| Unrealized Gain / (Loss) | 27 | 10 | | 43 | -19 | | 18 |
| Interest & Finance Charges | 2 | 3 | | 4 | 6 | | 10 |
| Depreciation | 108 | 101 | | 213 | 201 | | 406 |
| Profit Before Tax | 543 | 451 | 20% | 1,027 | 612 | 68% | 1,531 |
| Tax | 165 | 111 | | 319 | 151 | | 376 |
| Profit After Tax | 377 | 339 | 11% | 708 | 461 | 54% | 1,155 |
| PAT Margin | 18.1% | 21.9% | | 18.1% | 18.5% | | 20.1% |

All Figures on Standalone basis

Net Forex Gain/(Loss)

| Particulars (Rs in Cr) | Q2FY22 | Q2FY21 | H1FY22 | H1FY21 |
|---|-----------|------------|------------|------------|
| Foreign Exchange Fluctuation on Sales | 30 | -27 | 45 | -14 |
| Foreign Exchange Fluctuation on Others | 15 | 14 | 22 | 22 |
| Total Realised Gain/(Loss) - A | 44 | -14 | 66 | 8 |
| Total Unrealized Gain/(Loss) - B | 27 | 10 | 43 | -19 |
| Net Forex Gain/(Loss) = A + B | 71 | -4 | 110 | -11 |

Balance Sheet



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| Particulars (Rs. Cr.) | Sep'21 | Mar'21 |
|---|--------------|--------------|
| ASSETS | | |
| Non-current assets | 6,289 | 5,649 |
| 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 |
| Current assets | 3,080 | 2,391 |
| 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 |
| TOTAL | 9,369 | 8,040 |

| Particulars (Rs. Cr.) | Sep'21 | Mar'21 |
|-----------------------------------|--------------|--------------|
| EQUITY AND LIABILITIES | | |
| EQUITY | 6,538 | 6,007 |
| Equity Share Capital | 39 | 39 |
| Other Equity | 6,499 | 5,969 |
| Non-Current Liabilities | 285 | 262 |
| 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 |
| Current liabilities | 2,546 | 1,771 |
| 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 |
| TOTAL | 9,369 | 8,040 |

All Figures on Standalone basis

Cash Flow

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

Resilient Business Model



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Long Term Debt Free
Cash and Cash equivalents of Rs. 1,659 Cr as on
30th September 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



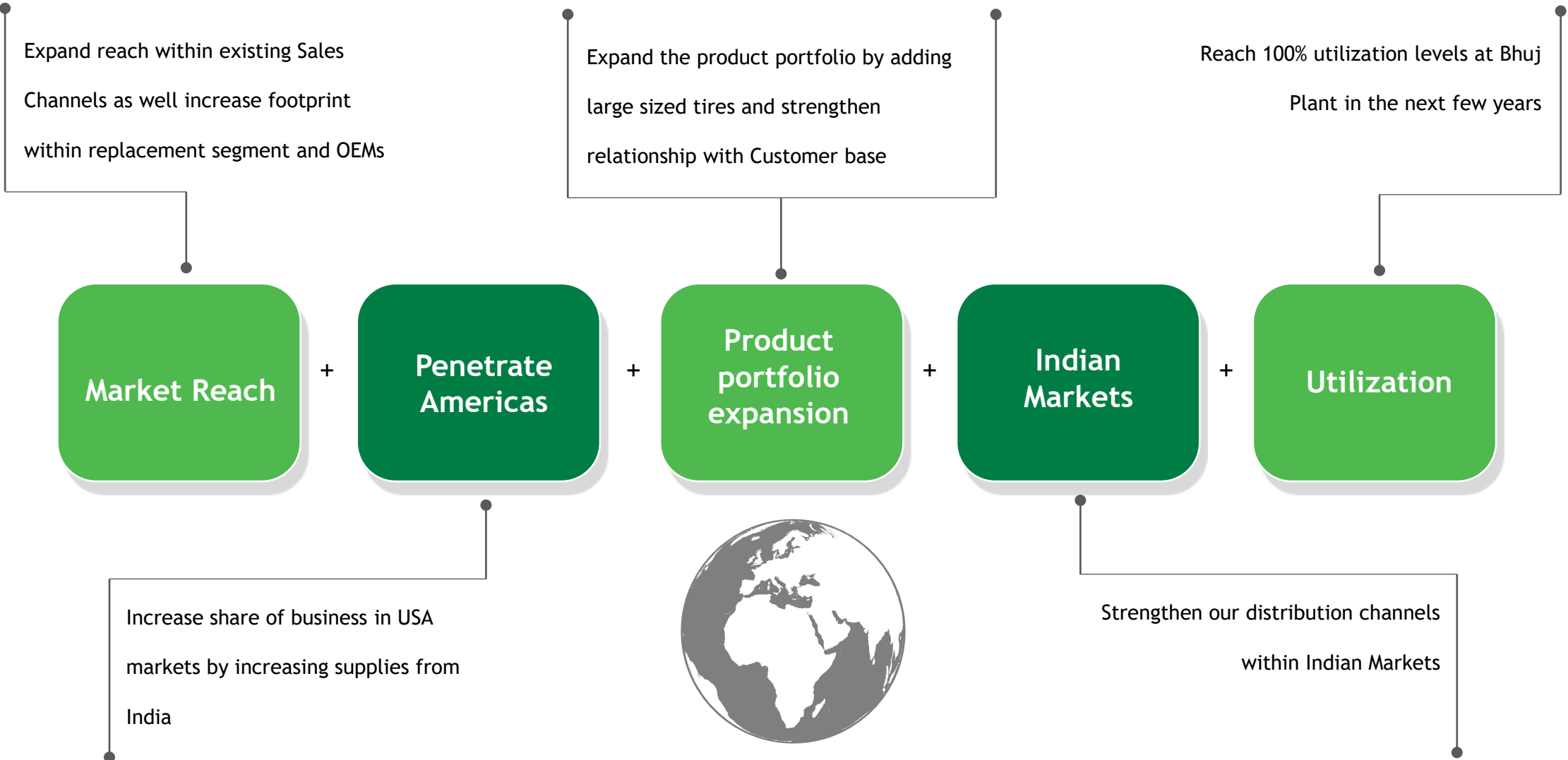
New Capex planned

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



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Waluj,
Maharashtra

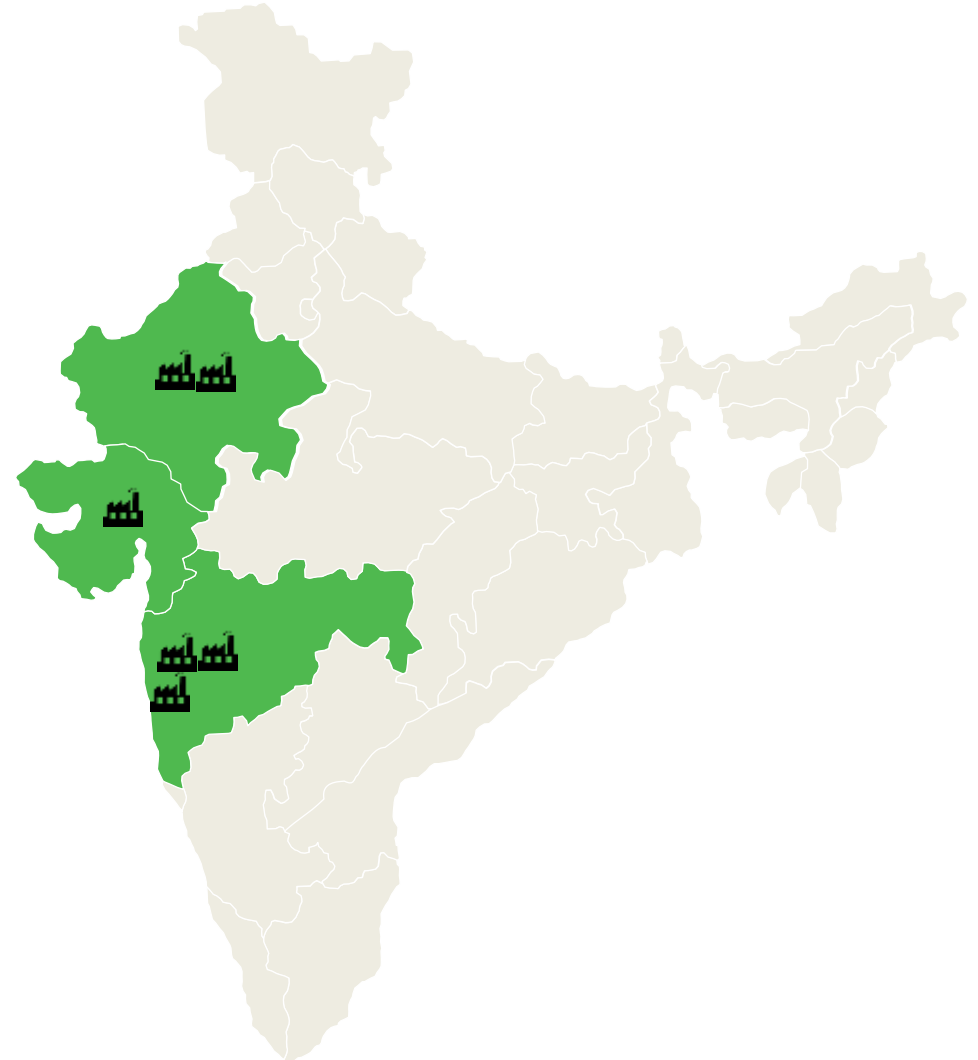
Bhiwadi,
Rajasthan

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

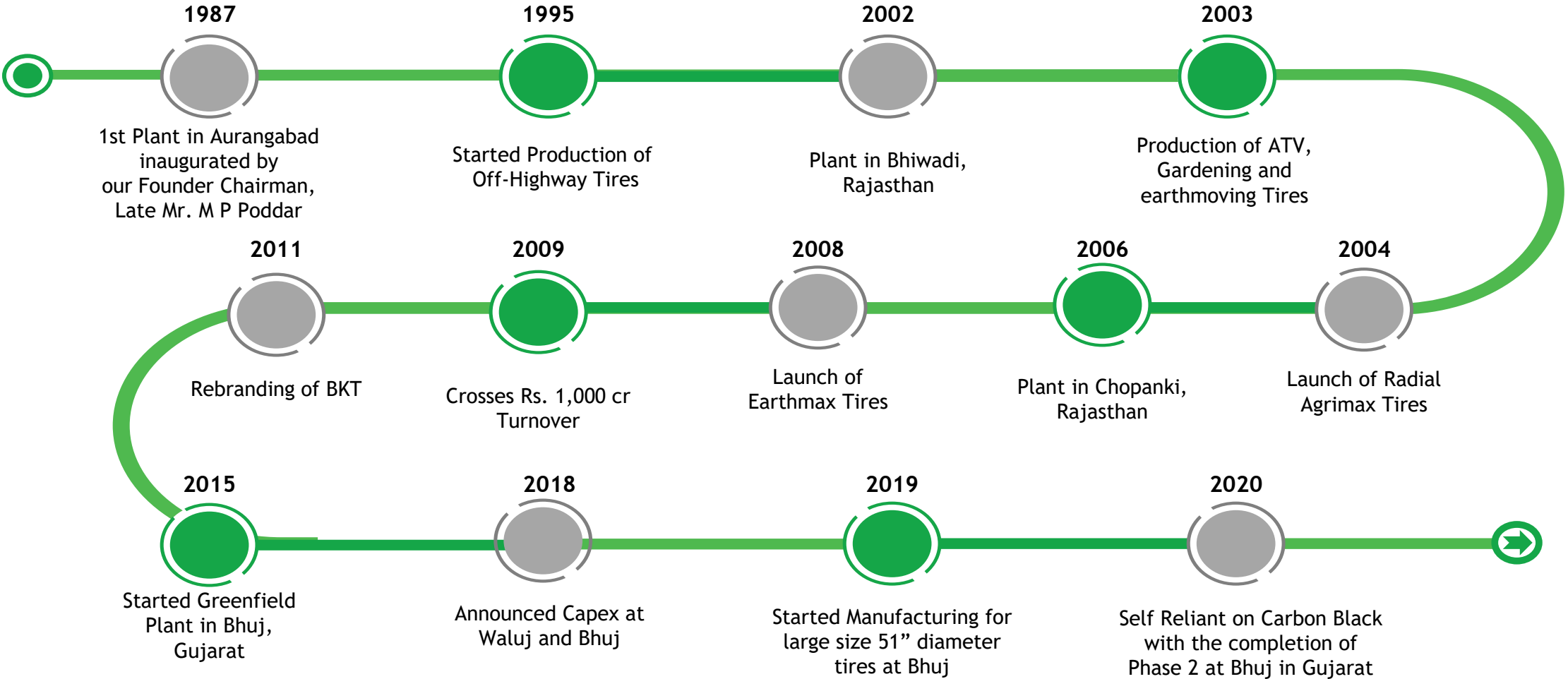


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- 01** **Leading ‘Off-Highway Tire’ Exporter**
BKT is India’s Leading player in the Global ‘Off Highway Tire (OHT)’ Market
- 02** **Wide and comprehensive product portfolio**
Deep understanding of OHT market has led to capabilities to manufacture over 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



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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



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

Strengthening BKT Brand: Italy



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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



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



GROWING TOGETHER

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

Strengthening BKT Brand : India



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Partnership with Teams in the Indian Football League



Thank You

Company



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