



# BALKRISHNA INDUSTRIES LTD

Investor Presentation  
August, 2019

# Safe Harbor

---

*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.*

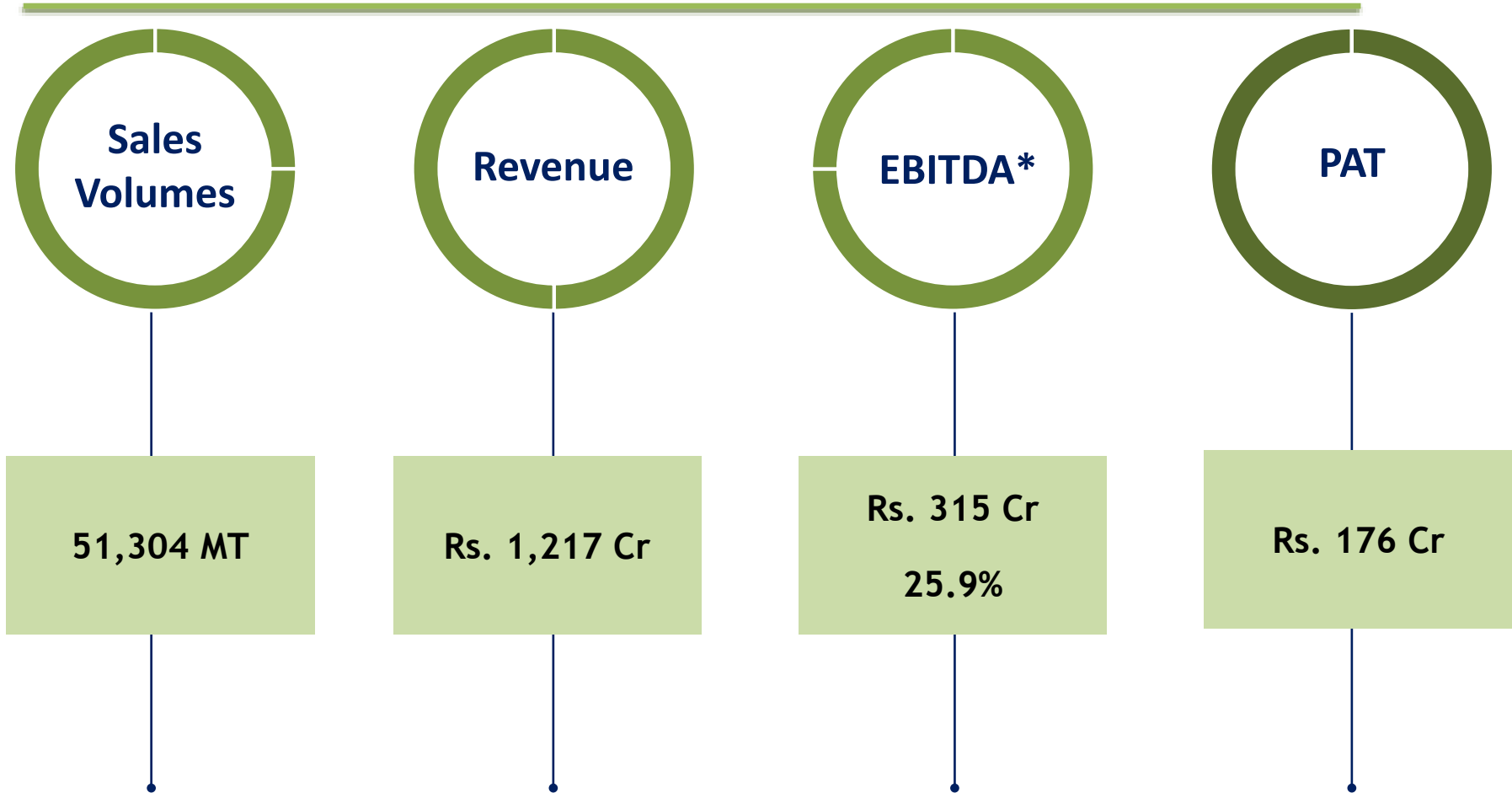
*This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness 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.*

## Our Performance



# Q1FY20 Performance



**Board of Directors declared an Interim Dividend of Rs. 2/- per equity share**

\*EBITDA is before Incremental Branding Expenses

# Profit & Loss

Particulars (Rs.Cr)	Standalone					
	Q1FY20	Q1FY19	YoY %	Q4FY19	QoQ %	FY19
Sales (MT)	51,304	56,754	-10%	55,388	-7%	211,261
Revenue from Operations	1,193	1,362		1,351		5,244
Realized Gain on Foreign Exchange	24	51		3		91
<b>Total Income</b>	<b>1,217</b>	<b>1,414</b>	<b>-14%</b>	<b>1,354</b>	<b>-10%</b>	<b>5,335</b>
Raw Material	552	649		635		2,501
(Increase) / Decrease in Stock	23	-11		25		-39
Employee Expenses	70	68		59		264
Other Expenses	257	297		293		1,133
<b>EBITDA before Incremental Branding Expenses</b>	<b>315</b>	<b>411</b>	<b>-23%</b>	<b>343</b>	<b>-8%</b>	<b>1,475</b>
<b>EBITDA Margin before Incremental Branding Expenses</b>	<b>25.9%</b>	<b>29.1%</b>		<b>25.3%</b>		<b>27.7%</b>
Incremental Branding Expenses	20	-		6		46
<b>Reported EBITDA</b>	<b>296</b>	<b>411</b>	<b>-28%</b>	<b>336</b>	<b>-12%</b>	<b>1,430</b>
<b>Reported EBITDA Margin</b>	<b>24.3%</b>	<b>29.1%</b>		<b>24.8%</b>		<b>26.8%</b>
Other Income #	44	29		24		96
Interest & Finance Charges	2	3		2		10
Depreciation	84	84		82		333
<b>Profit Before Tax</b>	<b>254</b>	<b>352</b>	<b>-28%</b>	<b>276</b>	<b>-8%</b>	<b>1,183</b>
Tax	78	122		91		401
<b>PAT</b>	<b>176</b>	<b>230</b>	<b>-24%</b>	<b>185</b>	<b>-5%</b>	<b>782</b>
<b>PAT Margin</b>	<b>14.5%</b>	<b>16.3%</b>		<b>13.6%</b>		<b>14.7%</b>

# Includes Investment Income and Unrealized Gain/(Loss)

## Other Income and Net Forex Gain/(Loss)

Particulars (Rs. Cr)	Standalone			
	Q1FY20	Q1FY19	FY19	FY18
Exchange Difference Gain (Realized)	28	53	118	245
Exchange Difference Gain (Un-Realized)	14	20	10	18
Others	29	9	86	73
<b>Total Other Income</b>	<b>72</b>	<b>82</b>	<b>214</b>	<b>336</b>

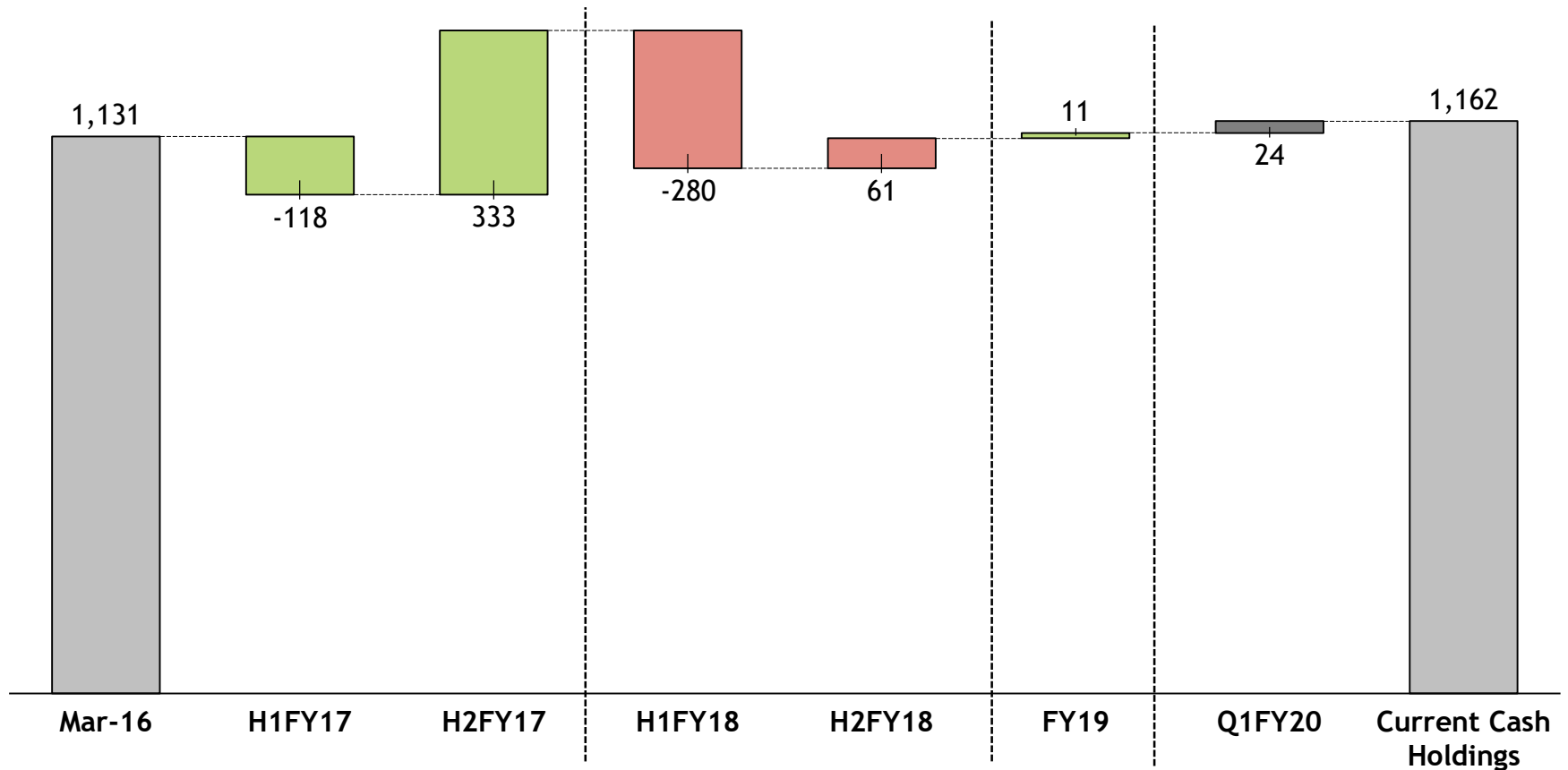
Particulars (Rs. Cr)	Standalone			
	Q1FY20	Q1FY19	FY19	FY18
Foreign Exchange Fluctuation on Sales	24	51	91	221
Foreign Exchange Fluctuation on Others	4	2	27	24
<b>Total Realised Gain/(Loss) – A</b>	<b>28</b>	<b>53</b>	<b>118</b>	<b>245</b>
Foreign Exchange Fluctuation on Non Derivative Items	14	20	10	18
Foreign Exchange Fluctuation on Derivate Item	-	-	-	-
<b>Total Unrealized Gain/(Loss) - B</b>	<b>14</b>	<b>20</b>	<b>10</b>	<b>18</b>
<b>Net Forex Gain/(Loss) = A + B</b>	<b>42</b>	<b>73</b>	<b>128</b>	<b>263</b>

# Balance Sheet

Particulars (Rs. Cr.)	Mar'19	Mar'18
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>4,428</b>	<b>3,861</b>
Property, Plant and Equipment	2,707	2,767
Capital work-in-progress	585	118
Investment Property	77	78
Other Tangible Assets	2	3
Financial Assets		
(i) Investments	753	620
(ii) Other Financial Assets	10	8
Income Tax Assets (Net)	96	81
Other non-current assets	197	185
<b>Current assets</b>	<b>2,002</b>	<b>1,983</b>
Inventories	713	594
Financial Assets		
(i) Investments	330	483
(ii) Trade Receivables	568	502
(iii) Cash and cash equivalents	36	18
(iv) Bank Balances other than (iii) above	19	7
(v) Loans	5	14
(vi) Others	57	88
Other Current Assets	273	277
<b>TOTAL</b>	<b>6,430</b>	<b>5,845</b>

Particulars (Rs. Cr.)	Mar'19	Mar'18
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>4,679</b>	<b>4,095</b>
Equity Share Capital	39	39
Other Equity	4,640	4,057
<b>Non-Current Liabilities</b>	<b>369</b>	<b>361</b>
Financial Liabilities		
(i) Borrowings	2	2
(i) Other Financial Liabilities	7	7
Provisions	17	13
Deferred Tax Liabilities (Net)	326	329
Other Non-Current Liabilities	16	9
<b>Current liabilities</b>	<b>1,382</b>	<b>1,388</b>
Financial Liabilities		
(i) Borrowings	827	616
(ii) Trade Payables	356	397
(iii) Other Financial Liabilities	56	268
Other Current Liabilities	135	100
Provisions	8	7
<b>TOTAL</b>	<b>6,430</b>	<b>5,845</b>

# Healthy Cash holdings

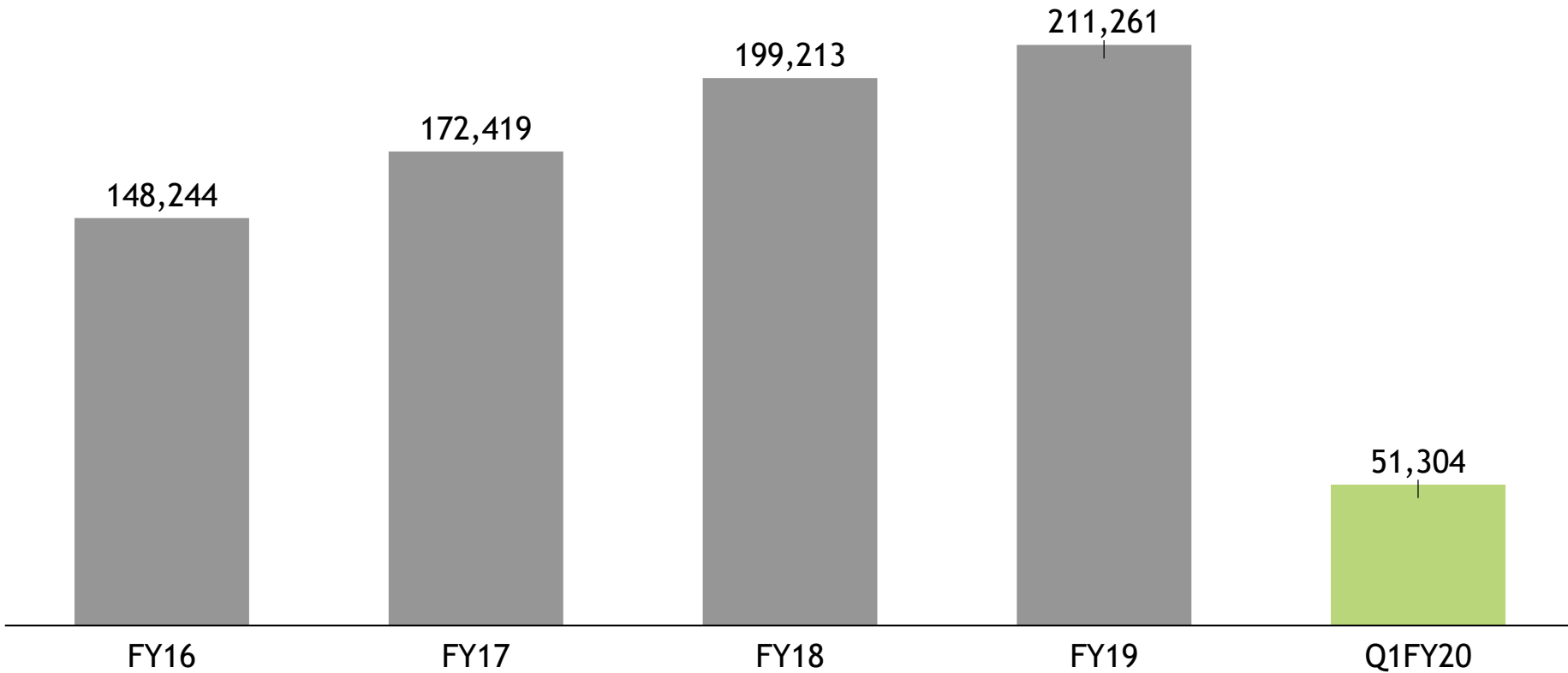


Zero Long Term Debt



# Sales Profile

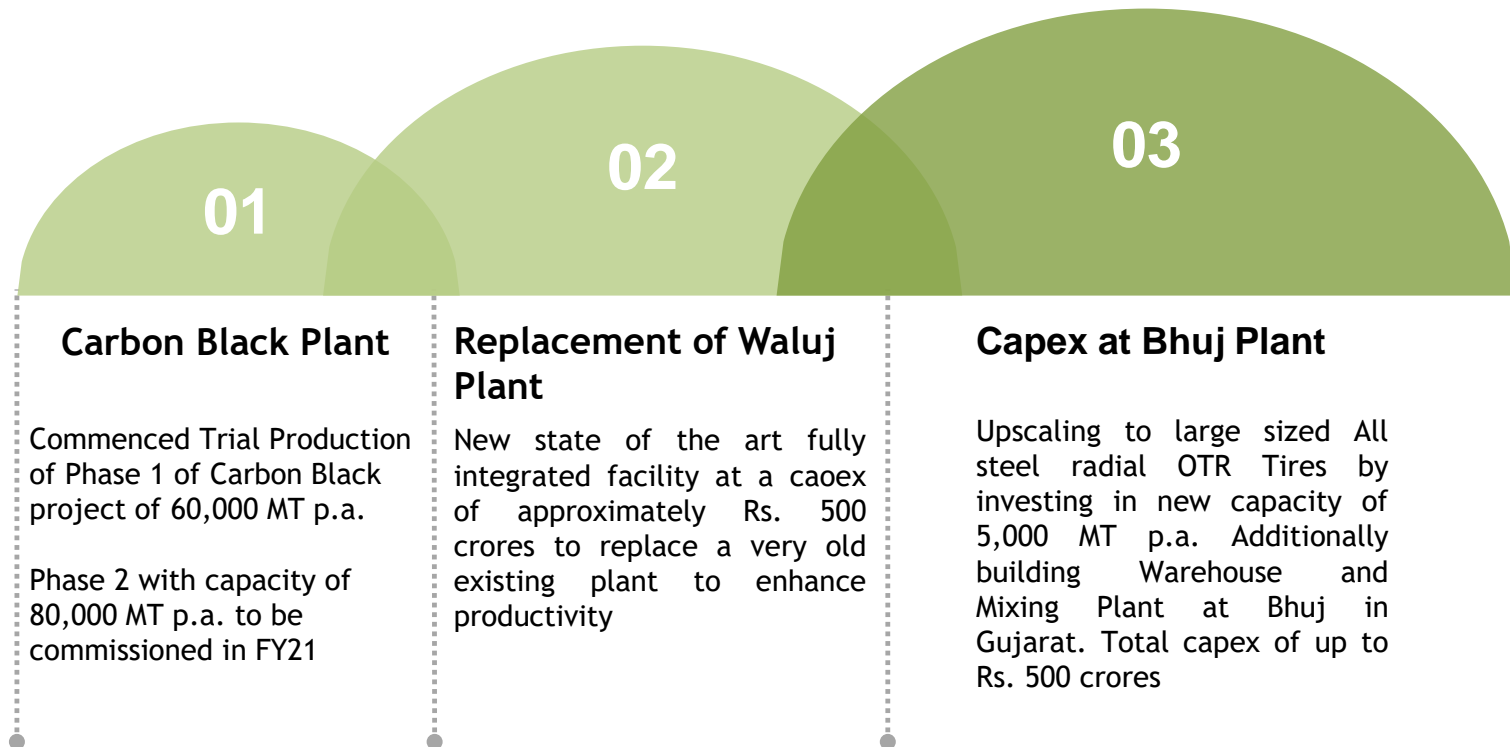
In MT



**FY20 Sales Volume guidance: 3% to 5%**

# BKT 2.0: Embarking on next Phase of Growth

---



# USA Capex Update

---

Difficult Macro - Economics



Volatile Climate Conditions



Business Uncertainties



Board of Directors have decided to put the Project in abeyance

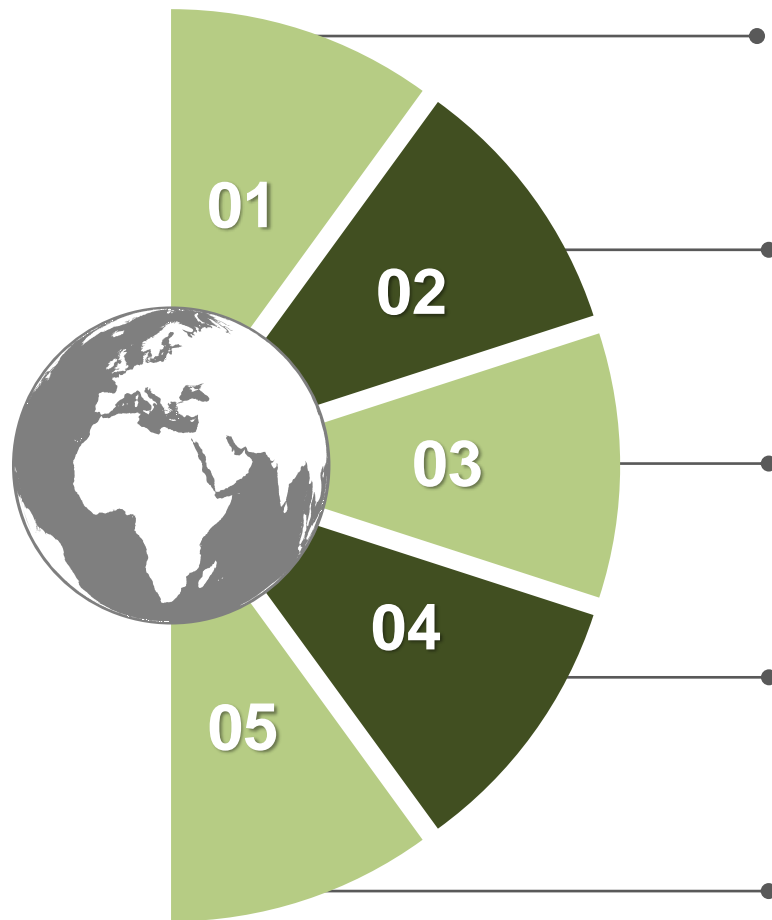
## Strategy at BKT



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**

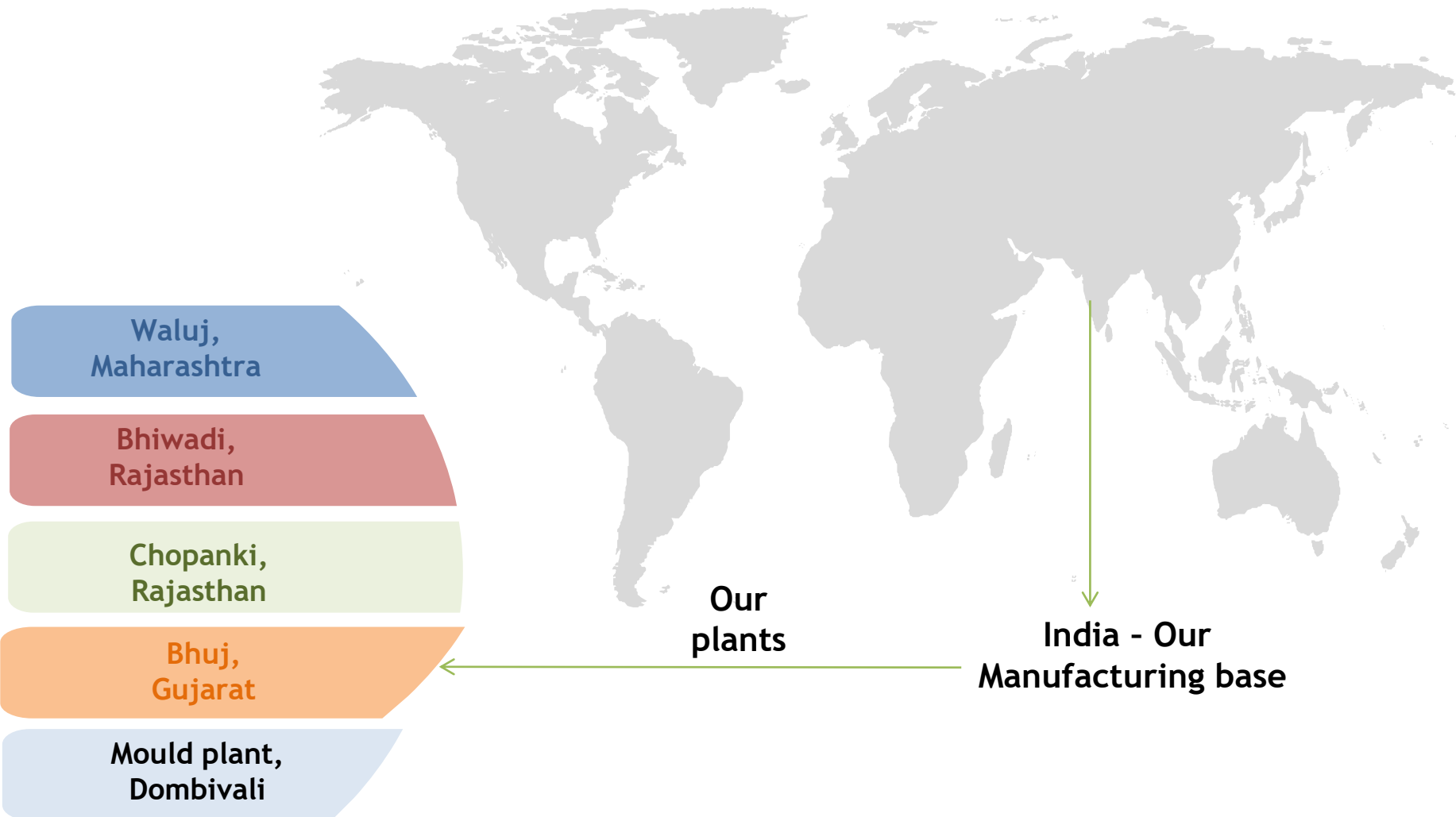
Reach 100% utilization levels at Bhuj Plant in the next few years

# 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



## BKT - A Strong Indian Brand



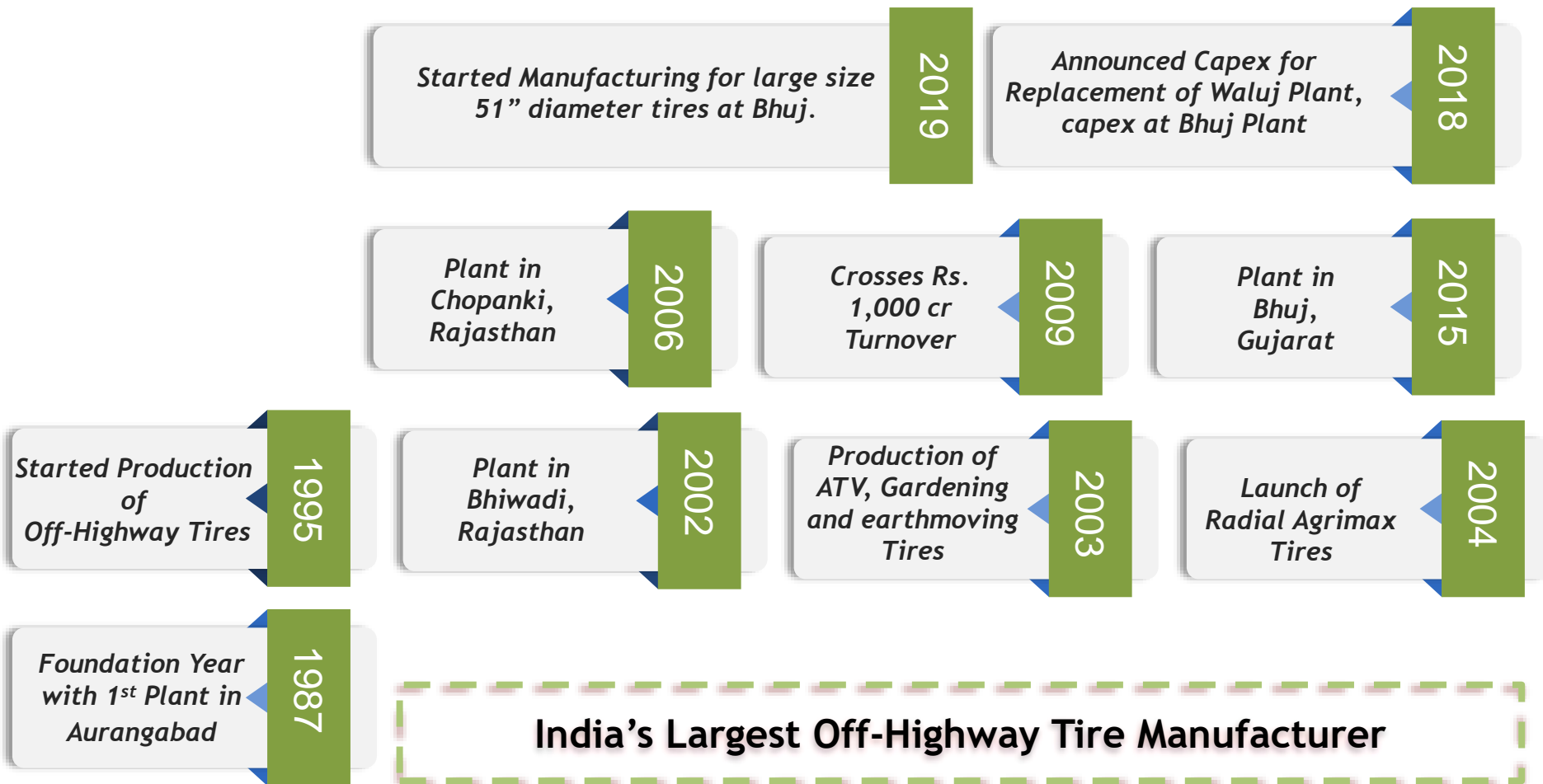
[Click here](#) for BKT Corporate Video



# Balkrishna Industries - A Snapshot



# Our Strong Evolution



# 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

## 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 : Italy, Europe



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

# 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



asianpaints

**BSL**  
BHARAT SUPER LEAGUE

POWERED BY  
**BKT**

WAY OF LIFE PARTNER      BIKING PARTNER      BANKING PARTNER

MARUTI SUZUKI      Hero      HDFC BANK

Supporting Kabbadi in the Indian Heart Land



# Strengthening BKT Brand : India



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

# Strengthening BKT Brand : India

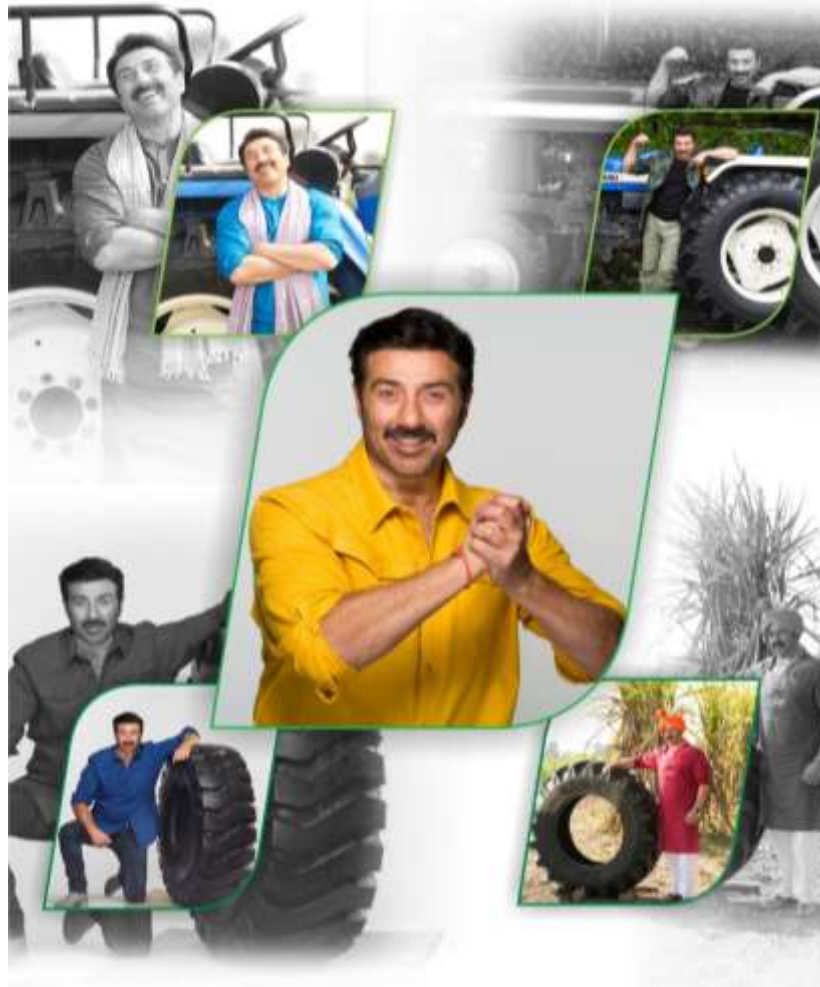
क्रिकेट के अनेक रंग,  
**BKT** टायर जोड़े सबको संग

OFF-HIGHWAY TIRE PARTNER **BKT** GROWING TOGETHER

Logos for TNPL, SANKAR CEMENT, and various cricket teams are visible at the bottom of the advertisement.

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



For further information, please contact:

**Company :**

Balkrishna Industries Ltd.  
CIN - L99999MH1961PLC012185  
Mr. B K Bansal, Director - Finance  
[bkbansal@bkt-tires.com](mailto:bkbansal@bkt-tires.com)

[www.bkt-tires.com](http://www.bkt-tires.com)

**Investor Relations Advisors :**

Strategic Growth Advisors Pvt. Ltd.  
CIN - U74140MH2010PTC204285  
Mr. Shogun Jain / Ms. Payal Dave  
[shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net) / [payal.dave@sgapl.net](mailto:payal.dave@sgapl.net)  
+91 77383 77756 / +91 98199 16314  
[www.sgapl.net](http://www.sgapl.net)