



# BALKRISHNA INDUSTRIES LTD

Investor Presentation  
November, 2019

# Safe Harbor

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## Our Performance



# H1FY20 Performance

## H1FY20



96,473 MT  
Sales Volume



Rs. 2,325 Cr  
Revenue



Rs. 639 Cr  
EBITDA\*  
Margin : 27.5%



Rs. 467 Cr  
PAT

## Q2FY20



45,169 MT  
Sales Volume



Rs. 1,107 Cr  
Revenue



Rs. 323 Cr  
EBITDA\*  
Margin : 29.2%



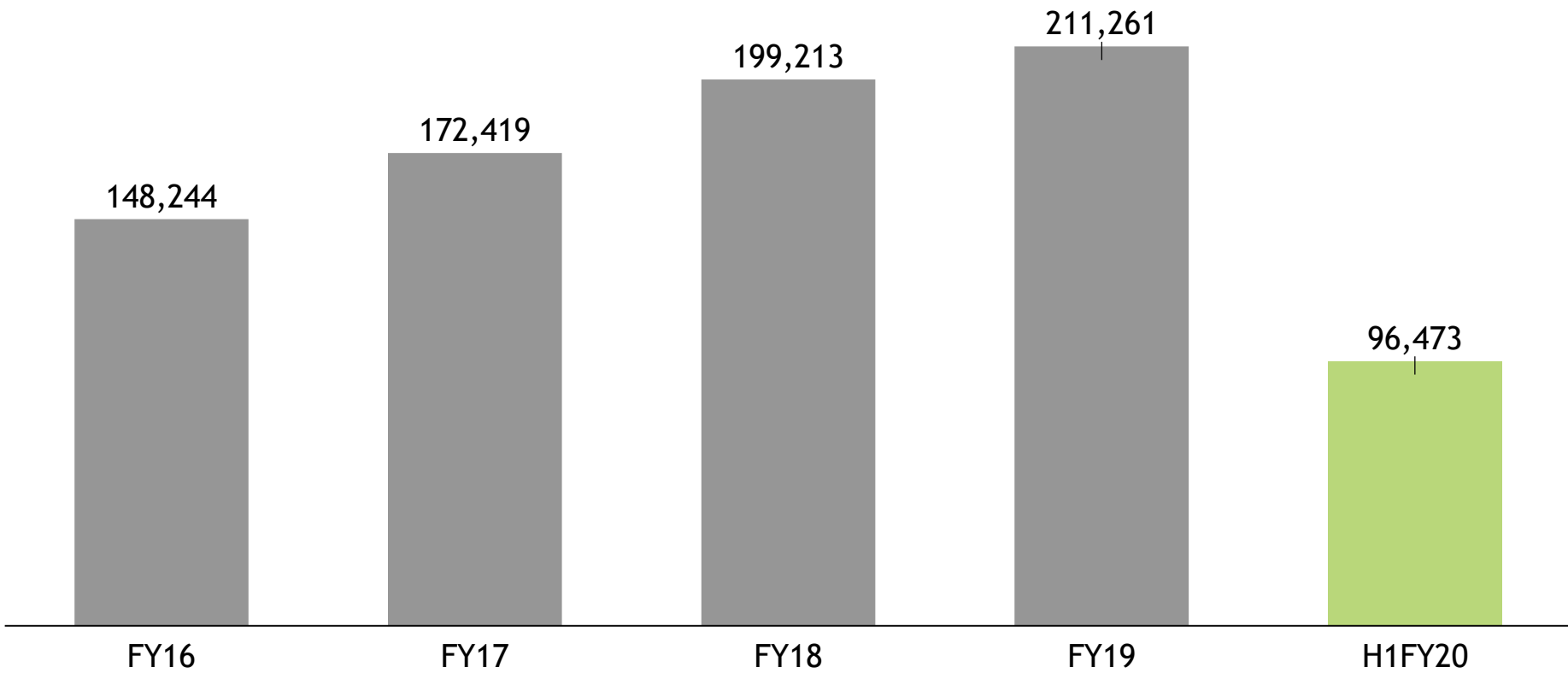
Rs. 291 Cr  
PAT

Board of Directors declared a 2<sup>nd</sup> Interim Dividend of Rs. 2/- per equity share

# Sales Profile

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In MT



# Management Commentary

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01

The markets continue to remain challenging due to environmental conditions in Europe and unfavorable macro-economic situation across the globe

02

At the start of the year we had guided for 3% to 5% volume growth for the current financial year. The first half of the year has been challenging and our volume on half yearly basis have seen 12% de-growth from 109,093 MT in H1FY19 to 96,473 MT in H1FY20

03

We believe the second half should be better, however, it would be difficult to recover fully the lost ground of first half based on the current run-rate, therefore we expect to end the current year with minor de-growth

# Profit & Loss

Particulars (Rs. Cr)	Standalone						
	Q2FY20	Q2FY19	YoY %	H1FY20	H1FY19	YoY %	FY19
Sales (MT)	45,169	52,339	-14%	96,473	109,093	-12%	211,261
Revenue from Operations	1,071	1,325		2,265	2,688		5,244
Realized Gain on Foreign Exchange	36	45		60	96		91
<b>Total Income</b>	<b>1,107</b>	<b>1,370</b>	<b>-19%</b>	<b>2,325</b>	<b>2,784</b>	<b>-16%</b>	<b>5,335</b>
Raw Material	507	647		1,059	1,296		2,501
(Increase) / Decrease in Stock	-39	-35		-16	-45		-39
Employee Expenses	70	68		140	136		264
Other Expenses	246	310		503	607		1,133
<b>EBITDA before Incremental Branding Expenses</b>	<b>323</b>	<b>380</b>	<b>-15%</b>	<b>639</b>	<b>790</b>	<b>-19%</b>	<b>1,475</b>
<b>EBITDA Margin before Incremental Branding Expenses</b>	<b>29.2%</b>	<b>27.7%</b>		<b>27.5%</b>	<b>28.4%</b>		<b>27.7%</b>
Incremental Branding Expenses	15	-		35	-		46
<b>Reported EBITDA</b>	<b>309</b>	<b>380</b>	<b>-19%</b>	<b>604</b>	<b>790</b>	<b>-24%</b>	<b>1,430</b>
<b>Reported EBITDA Margin</b>	<b>27.9%</b>	<b>27.7%</b>		<b>26.0%</b>	<b>28.4%</b>		<b>26.8%</b>
Other Income #	40	44		83	73		96
Interest & Finance Charges	2	2		4	6		10
Depreciation	91	83		175	167		333
<b>Profit Before Tax</b>	<b>256</b>	<b>338</b>	<b>-24%</b>	<b>509</b>	<b>691</b>	<b>-26%</b>	<b>1,183</b>
Tax	-35	116		42	238		401
<b>PAT</b>	<b>291</b>	<b>222</b>	<b>31%</b>	<b>467</b>	<b>453</b>	<b>3%</b>	<b>782</b>
<b>PAT Margin</b>	<b>26.3%</b>	<b>16.2%</b>		<b>20.1%</b>	<b>16.3%</b>		<b>14.7%</b>

# Includes Investment Income and Unrealized Gain/(Loss)

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

Particulars (Rs. Cr)	Standalone			
	Q2FY20	Q2FY19	H1FY20	H1FY19
Exchange Difference Gain (Realized)	41	47	69	100
Exchange Difference Gain (Un-Realized)	14	22	28	42
Others	26	21	55	31
<b>Total Other Income</b>	<b>81</b>	<b>91</b>	<b>152</b>	<b>173</b>

Particulars (Rs. Cr)	Standalone			
	Q2FY20	Q2FY19	H1FY20	H1FY19
Foreign Exchange Fluctuation on Sales	36	45	60	96
Foreign Exchange Fluctuation on Others	5	2	9	6
<b>Total Realised Gain/(Loss) – A</b>	<b>41</b>	<b>47</b>	<b>69</b>	<b>100</b>
Foreign Exchange Fluctuation on Non Derivative Items	14	22	28	42
Foreign Exchange Fluctuation on Derivate Item	-	-	-	-
<b>Total Unrealized Gain/(Loss) - B</b>	<b>14</b>	<b>22</b>	<b>28</b>	<b>42</b>
<b>Net Forex Gain/(Loss) = A + B</b>	<b>55</b>	<b>70</b>	<b>97</b>	<b>142</b>



# Balance Sheet

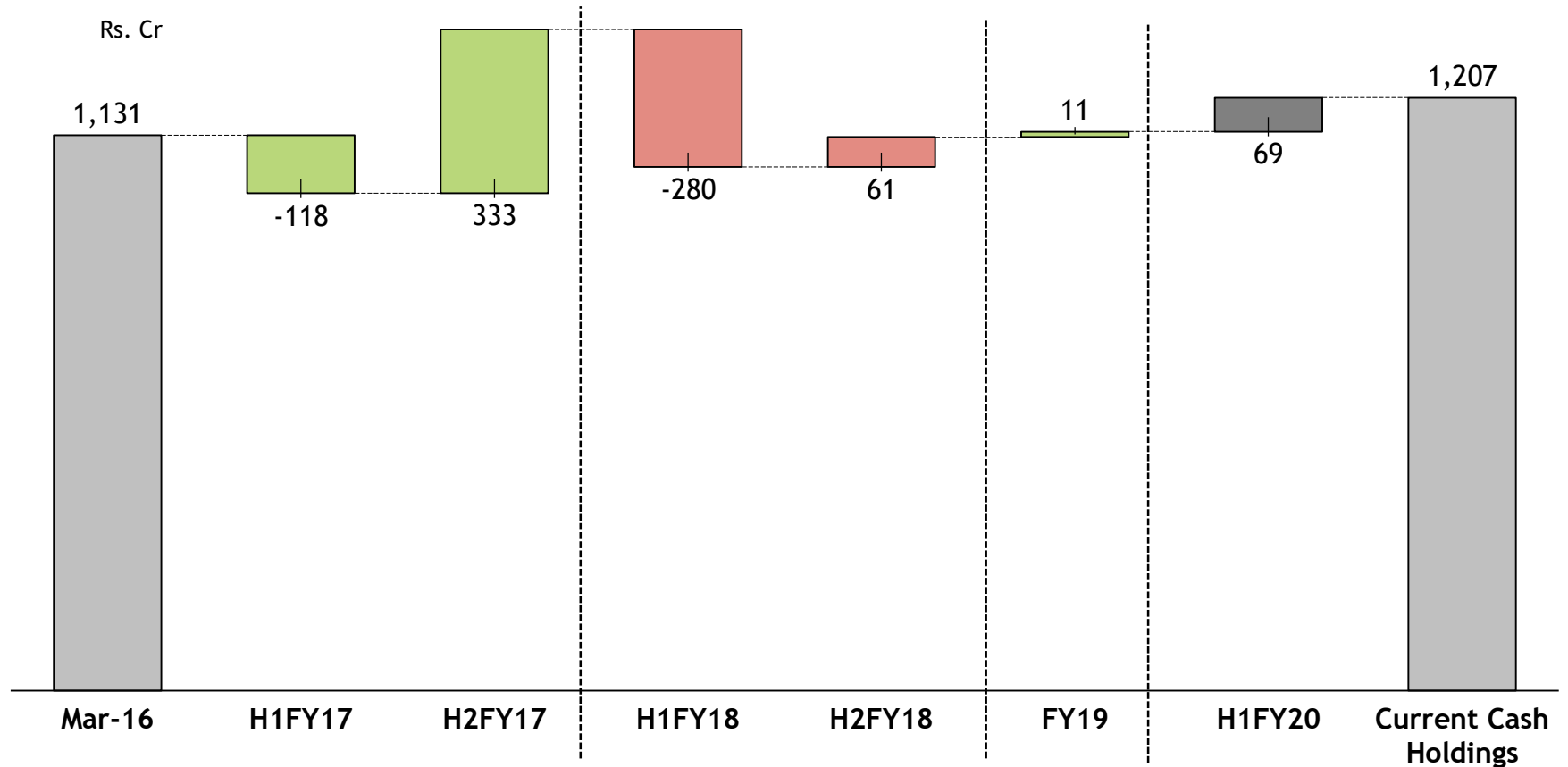
Particulars (Rs. Cr.)	Sep'19	Mar'19
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>4,430</b>	<b>3,994</b>
Property, Plant and Equipment	2,983	2,707
Capital work-in-progress	506	585
Investment Property	87	77
Other Tangible Assets	3	2
Financial Assets		
(i) Investments	495	320
(ii) Other Financial Assets	13	10
Income Tax Assets (Net)	98	96
Other non-current assets	247	197
<b>Current assets</b>	<b>2,063</b>	<b>2,435</b>
Inventories	641	713
Financial Assets		
(i) Investments	660	763
(ii) Trade Receivables	509	568
(iii) Cash and cash equivalents	26	36
(iv) Bank Balances other than (iii) above	19	19
(v) Loans	5	5
(vi) Others	28	57
Other Current Assets	174	273
<b>TOTAL</b>	<b>6,493</b>	<b>6,430</b>

Particulars (Rs. Cr.)	Sep'19	Mar'19
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>5,017</b>	<b>4,679</b>
Equity Share Capital	39	39
Other Equity	4,979	4,640
<b>Non-Current Liabilities</b>	<b>278</b>	<b>369</b>
Financial Liabilities		
(i) Borrowings	2	2
(i) Other Financial Liabilities	8	7
Provisions	22	17
Deferred Tax Liabilities (Net)	217	326
Other Non-Current Liabilities	30	16
<b>Current liabilities</b>	<b>1,197</b>	<b>1,382</b>
Financial Liabilities		
(i) Borrowings	669	827
(ii) Trade Payables	327	357
(iii) Other Financial Liabilities	78	56
Other Current Liabilities	116	135
Provisions	8	8
<b>TOTAL</b>	<b>6,493</b>	<b>6,430</b>

# Cash Flow

Particulars (Rs. Cr.)	Sep'19	Mar'19
Operating profit before working capital changes	612	1,438
Changes in working capital	181	-212
<b>Cash generated from operations</b>	<b>793</b>	<b>1,227</b>
Direct taxes paid & Others (net of refund)	-139	-414
<b>Net Cash from Operating Activities</b>	<b>654</b>	<b>813</b>
<b>Net Cash from Investing Activities</b>	<b>-434</b>	<b>-621</b>
<b>Net Cash from Financing Activities</b>	<b>-230</b>	<b>-173</b>
<b>Net Change in cash and cash equivalents</b>	<b>-10</b>	<b>19</b>

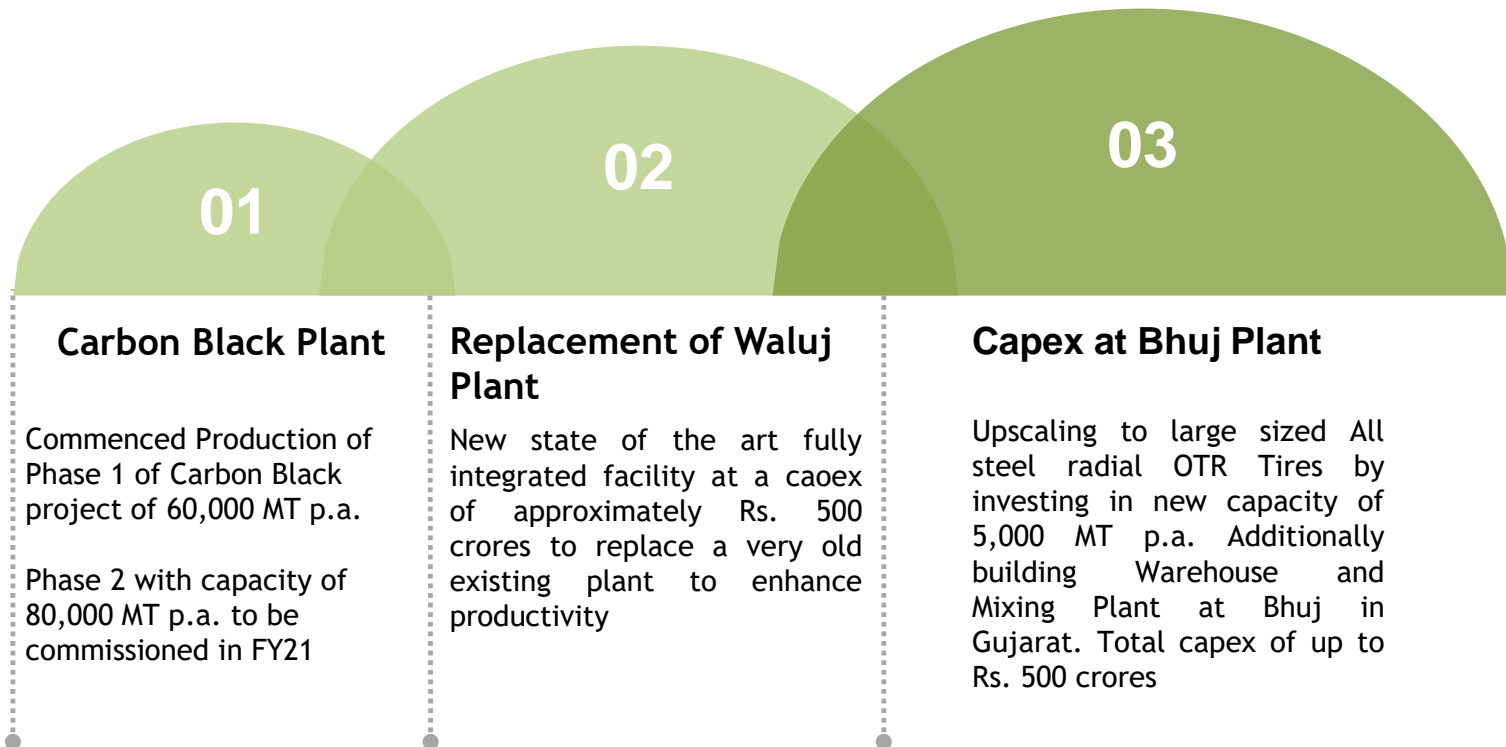
# Healthy Cash holdings



**Zero Long Term Debt**

# BKT 2.0: Embarking on next Phase of Growth

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**India Capex Plan is progressing as per schedule**

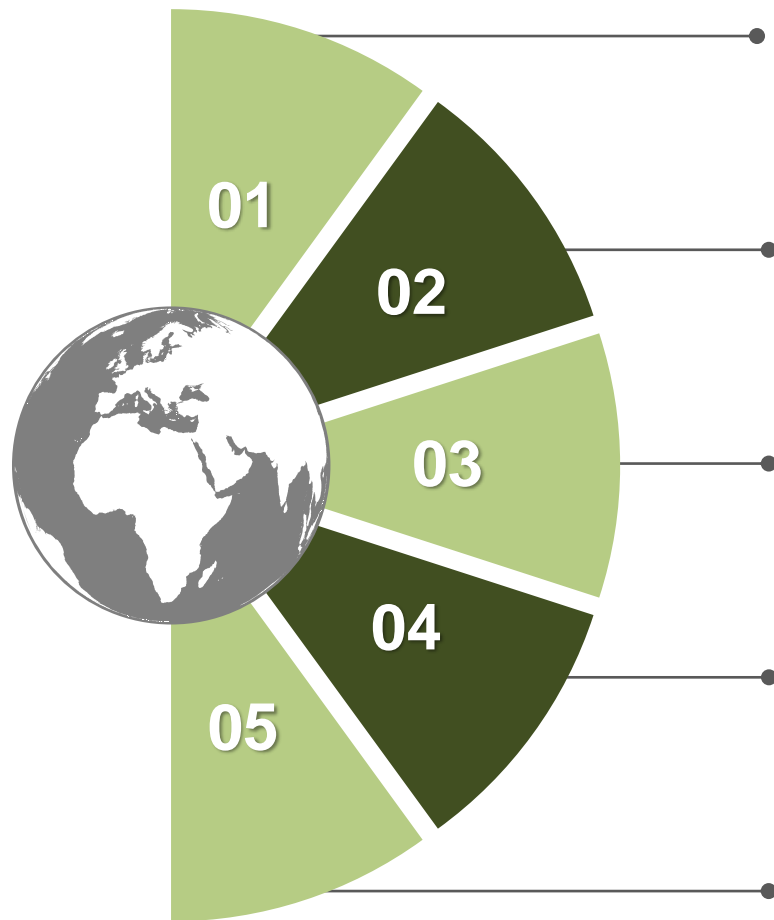
## Strategy at BKT



Snow Ride

# Our Focus Area

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## **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**

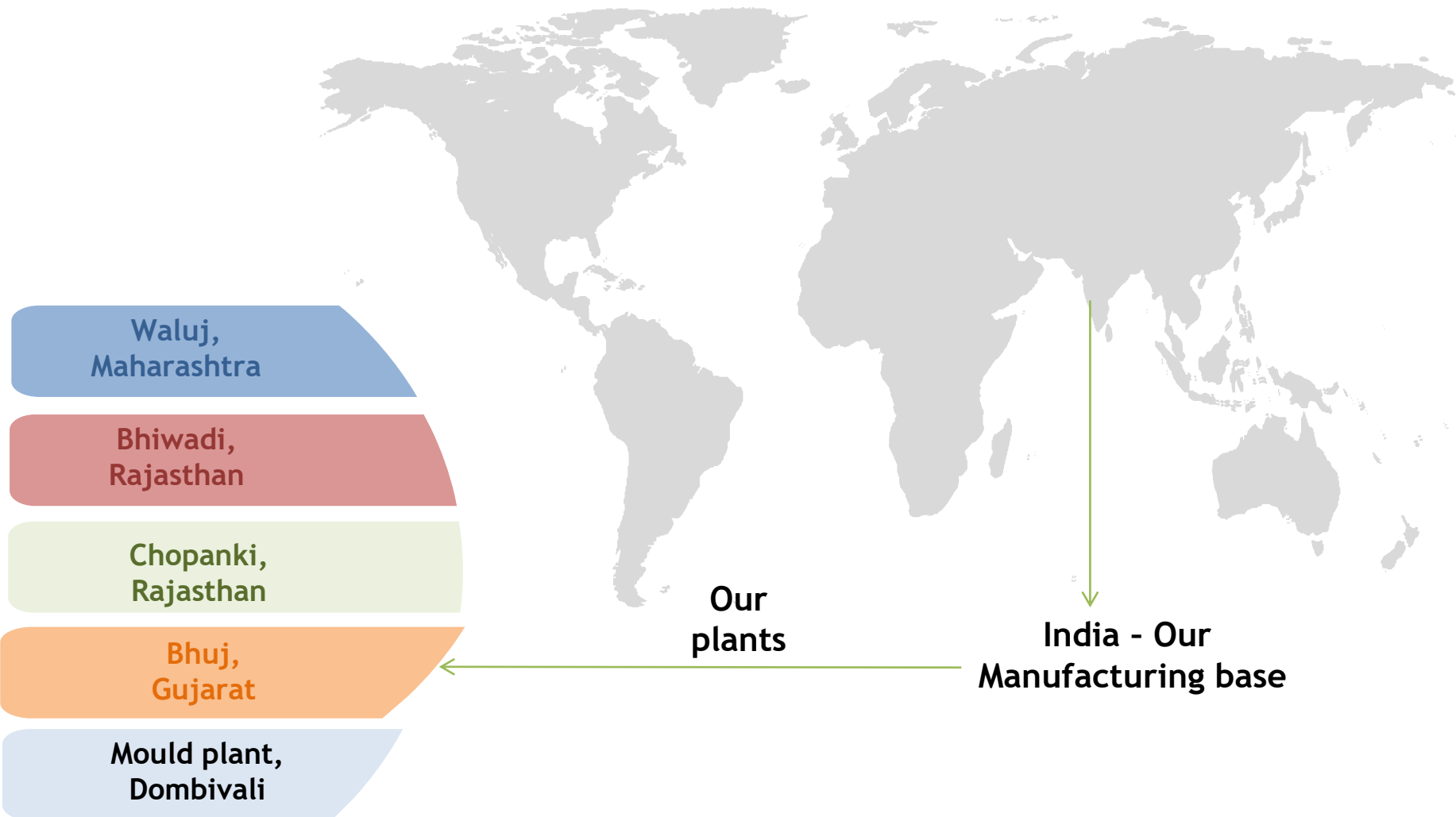
Reach 100% utilization levels at Bhuj Plant in the next few years

# 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

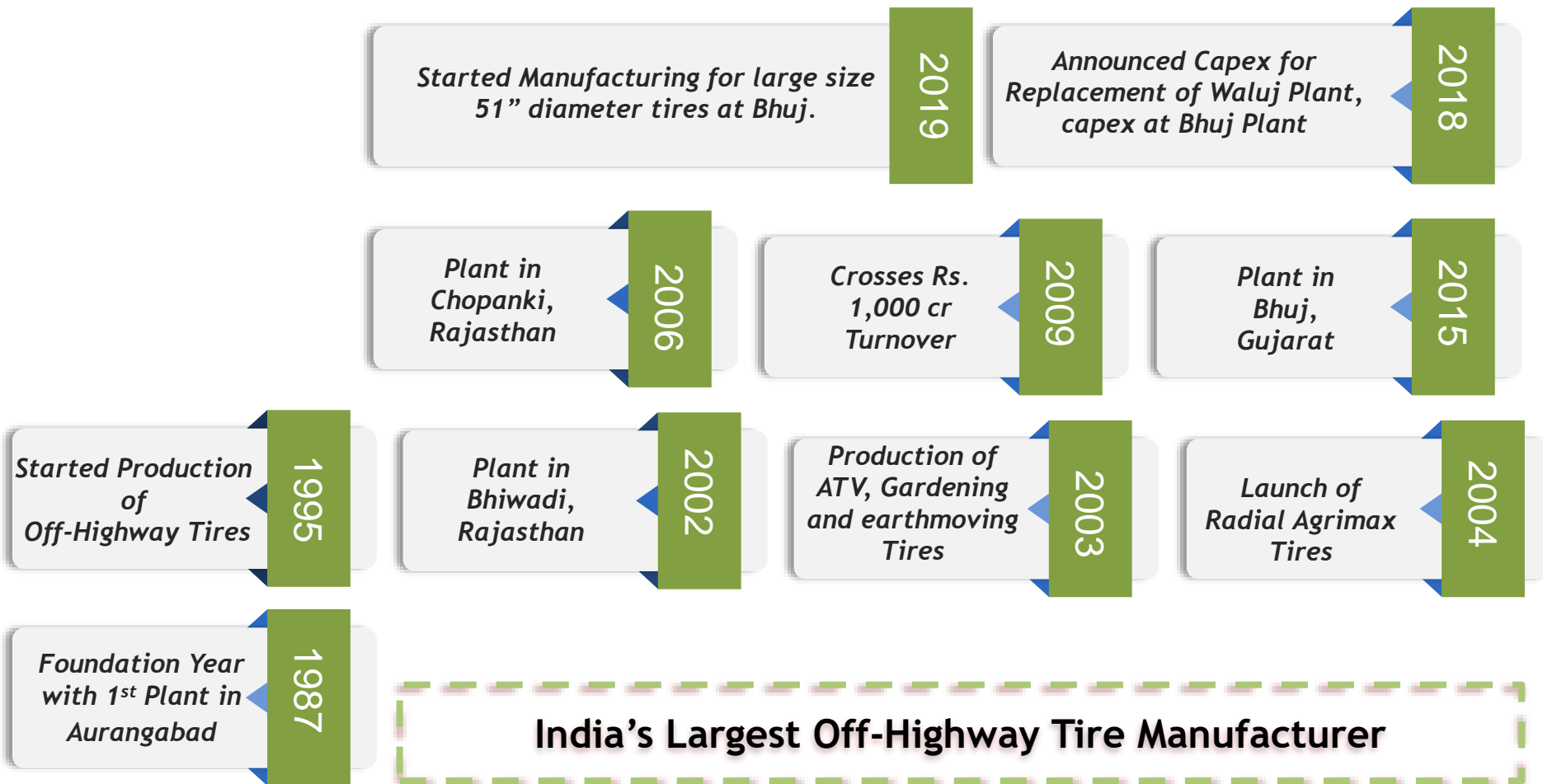


[Click here](#) for BKT Corporate Video

# 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



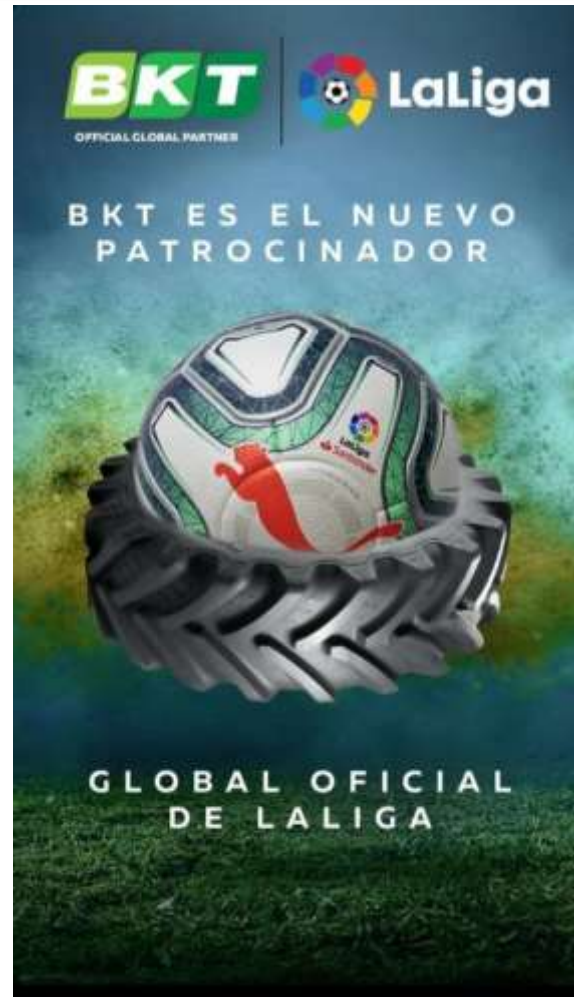
**BKT is the Official and Exclusive Tire manufacturer of MONSTER JAM and its fleet of Monster Trucks - Monster Jam is a top sporting event in America**

# 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 : 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

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

## Strengthening BKT Brand : India

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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

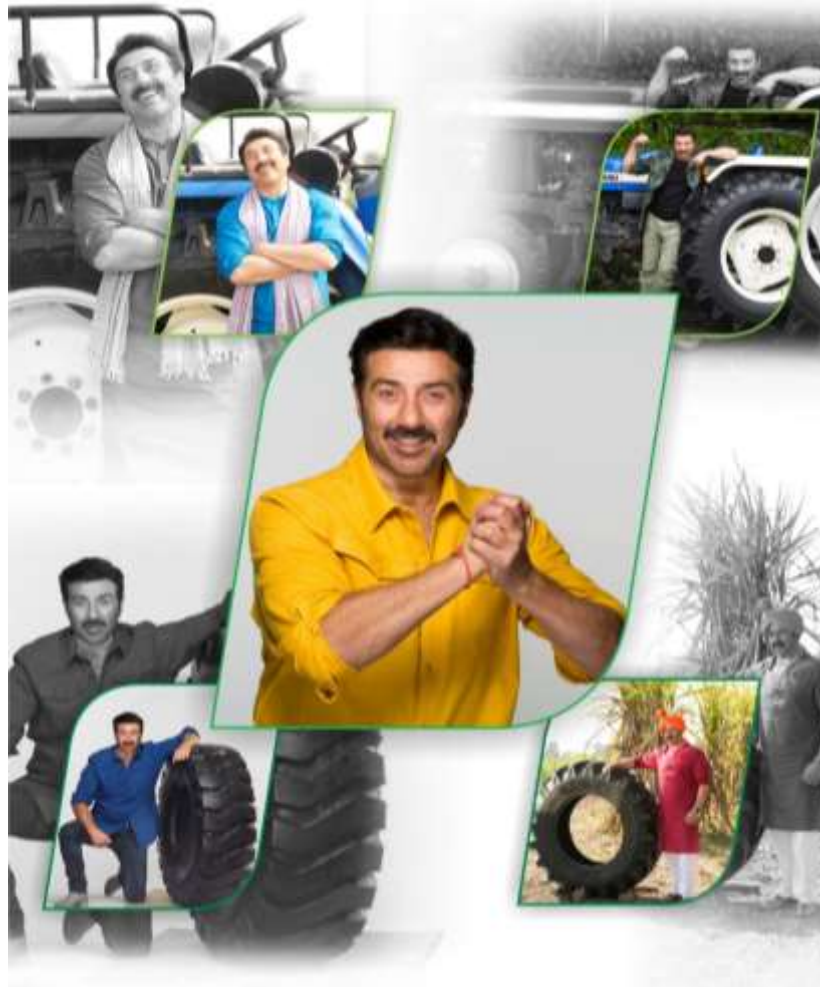
OFF-HIGHWAY TIRE PARTNER

**BKT**  
GROWING TOGETHER

Logos for TNPL 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)