BKT
GROWING TOGETHER

BALKRISHNA INDUSTRIES LTD

Investor Presentation
August, 2019

Safe Harbor

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Our Performance

Q1FY20 Performance

Sales Volumes	Revenue	EBITDA*	PAT
51,304 MT	Rs. 1,217 Cr	Rs. 315 Cr 25.9%	Rs. 176 Cr

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
Total Income	**1,217**	**1,414**	**-14%**	**1,354**	**-10%**	**5,335**
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
EBITDA before Incremental Branding Expenses	**315**	**411**	**-23%**	**343**	**-8%**	**1,475**
EBITDA Margin before Incremental Branding Expenses	***25.9%***	***29.1%***		***25.3%***		***27.7%***
Incremental Branding Expenses	20	-		6		46
Reported EBITDA	**296**	**411**	**-28%**	**336**	**-12%**	**1,430**
Reported EBITDA Margin	***24.3%***	***29.1%***		***24.8%***		***26.8%***
Other Income #	44	29		24		96
Interest & Finance Charges	2	3		2		10
Depreciation	84	84		82		333
Profit Before Tax	**254**	**352**	**-28%**	**276**	**-8%**	**1,183**
Tax	78	122		91		401
PAT	**176**	**230**	**-24%**	**185**	**-5%**	**782**
PAT Margin	**14.5%**	**16.3%**		**13.6%**		**14.7%**

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
Total Other Income	**72**	**82**	**214**	**336**

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
Total Realised Gain/(Loss) – A	**28**	**53**	**118**	**245**
Foreign Exchange Fluctuation on Non Derivative Items	14	20	10	18
Foreign Exchange Fluctuation on Derivate Item	-	-	-	-
Total Unrealized Gain/(Loss) - B	**14**	**20**	**10**	**18**
Net Forex Gain/(Loss) = A + B	**42**	**73**	**128**	**263**

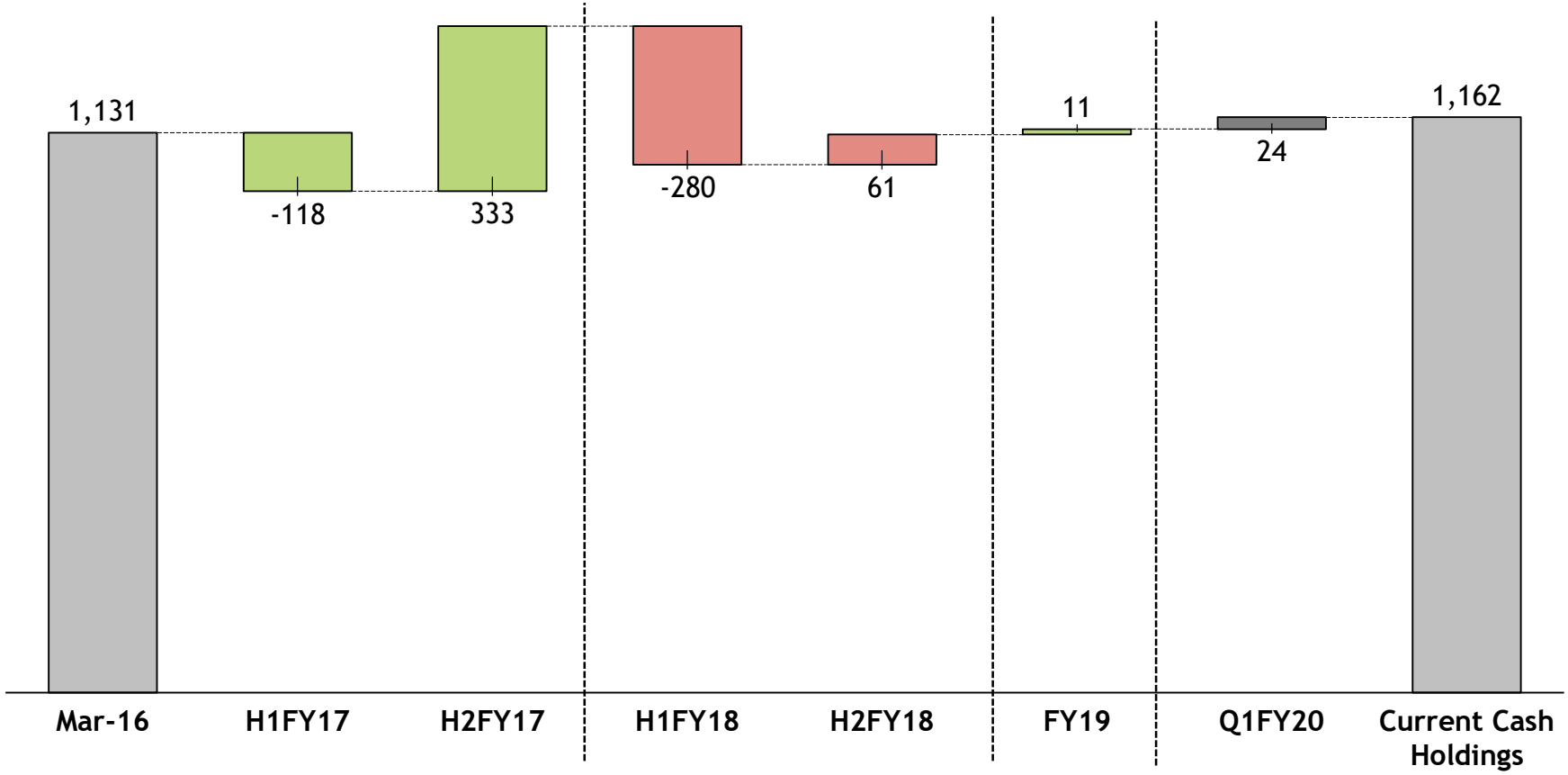
Balance Sheet

Particulars (Rs. Cr.)	Mar'19	Mar'18
ASSETS		
Non-current assets	**4,428**	**3,861**
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
Current assets	**2,002**	**1,983**
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
TOTAL	**6,430**	**5,845**

Particulars (Rs. Cr.)	Mar'19	Mar'18
EQUITY AND LIABILITIES		
EQUITY	4,679	4,095
Equity Share Capital	39	39
Other Equity	4,640	4,057
Non-Current Liabilities	**369**	**361**
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
Current liabilities	**1,382**	**1,388**
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
TOTAL	**6,430**	**5,845**

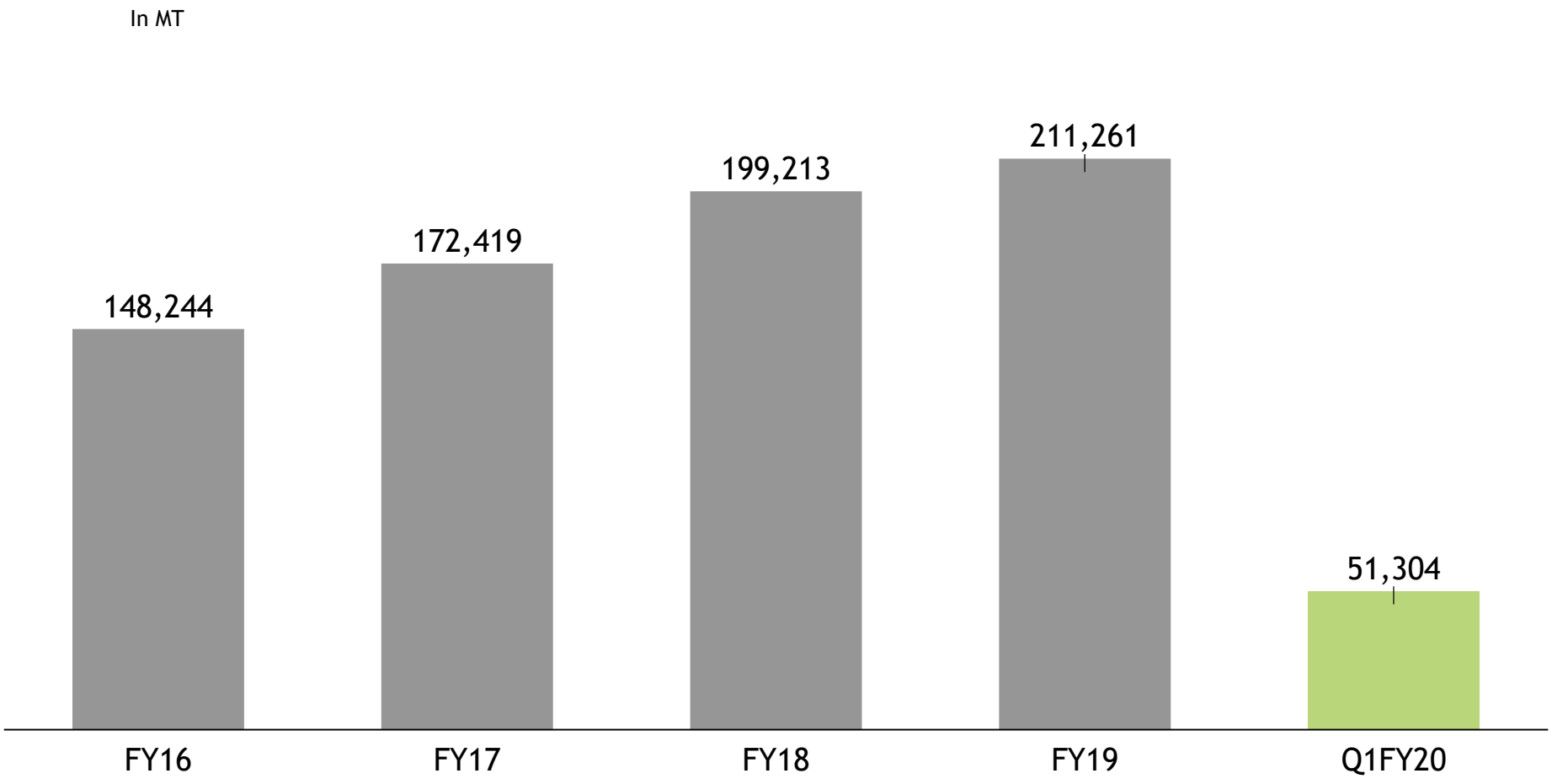
All figures on Standalone basis

Healthy Cash holdings



Zero Long Term Debt

Sales Profile



FY20 Sales Volume guidance: 3% to 5%

BKT 2.0: Embarking on next Phase of Growth

01

Carbon Black Plant

Commenced Trial Production of Phase 1 of Carbon Black project of 60,000 MT p.a.

Phase 2 with capacity of 80,000 MT p.a. to be commissioned in FY21

02

Replacement of Waluj Plant

New state of the art fully integrated facility at a caoex of approximately Rs. 500 crores to replace a very old existing plant to enhance productivity

03

Capex at Bhuj Plant

Upscaling to large sized All steel radial OTR Tires by investing in new capacity of 5,000 MT p.a. Additionally building Warehouse and Mixing Plant at Bhuj in Gujarat. Total capex of up to Rs. 500 crores

USA Capex Update

Difficult Macro - Economics

+

Volatile Climate Conditions

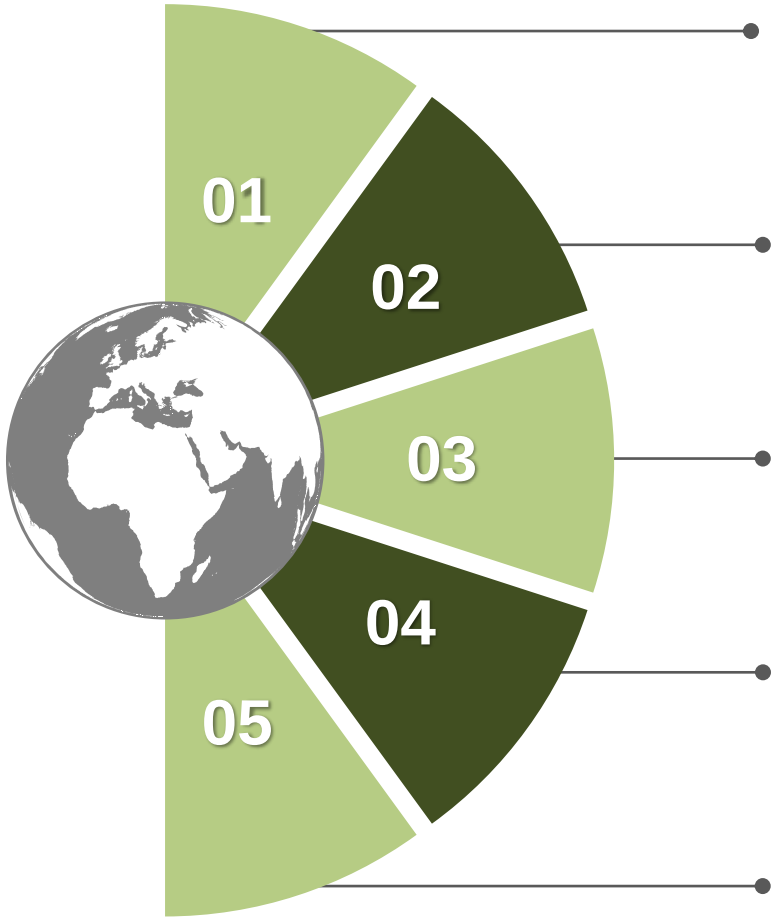
→ Business Uncertainties

↓

Board of Directors have decided to put the Project in abeyance

Strategy at BKT

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 and manufacturing from USA Plant

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

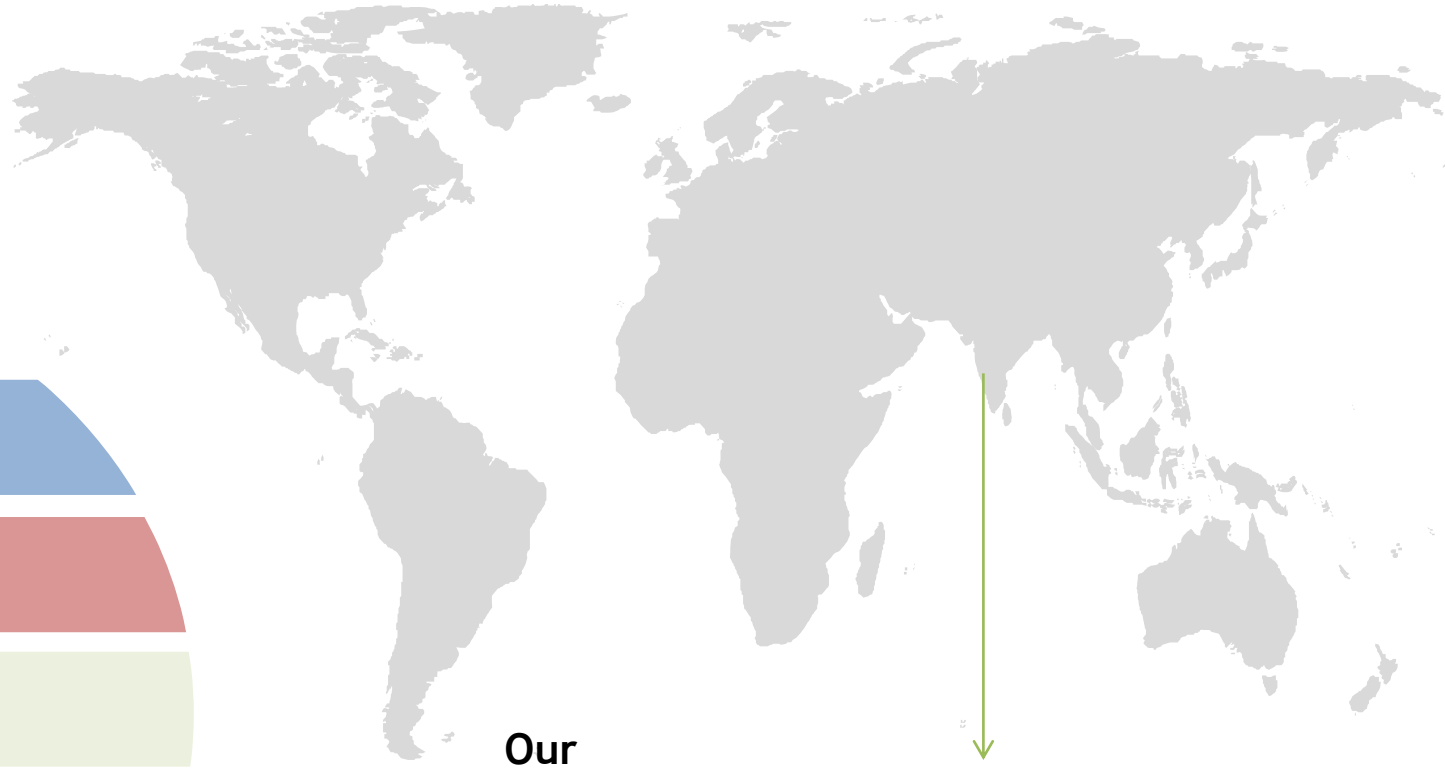
Indian Markets
Strengthen our distribution channels within Indian Markets

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



Waluj,
Maharashtra

Bhiwadi,
Rajasthan

Chopanki,
Rajasthan

Bhuj,
Gujarat

Mould plant,
Dombivali

Our
plants

India - Our
Manufacturing base

BKT – A Strong Indian Brand

Click here for BKT Corporate Video

Balkrishna Industries – A Snapshot

Leading 'Off-Highway Tire" Exporter

BKT is India's Leading player in **the Global 'Off Highway Tire (OHT)' Market**

Wide and comprehensive product portfolio

Deep understanding of OHT market has led to capabilities to manufacture **over 2,700 SKU**

Capacities

Achievable capacities of **~300,000 M.T.P.A**

Global reach

Sales to over 160 countries through Distribution network in Americas, Europe, India and Rest of the World

Strong OEM Presence

Strong Partnerships with Global OEM's a testimony of our Brand Acceptance & Performance

Experienced Management Team

Experienced Management Teams across business divisions and verticals

Our Strong Evolution

2019 — *Started Manufacturing for large size 51" diameter tires at Bhuj.*

2018 — *Announced Capex for Replacement of Waluj Plant, capex at Bhuj Plant*

2006 — *Plant in Chopanki, Rajasthan*

2009 — *Crosses Rs. 1,000 cr Turnover*

2015 — *Plant in Bhuj, Gujarat*

1995 — *Started Production of Off-Highway Tires*

2002 — *Plant in Bhiwadi, Rajasthan*

2003 — *Production of ATV, Gardening and earthmoving Tires*

2004 — *Launch of Radial Agrimax Tires*

1987 — *Foundation Year with 1st Plant in Aurangabad*

India's Largest Off-Highway Tire Manufacturer

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

Supporting Kabbadi in the Indian Heart Land

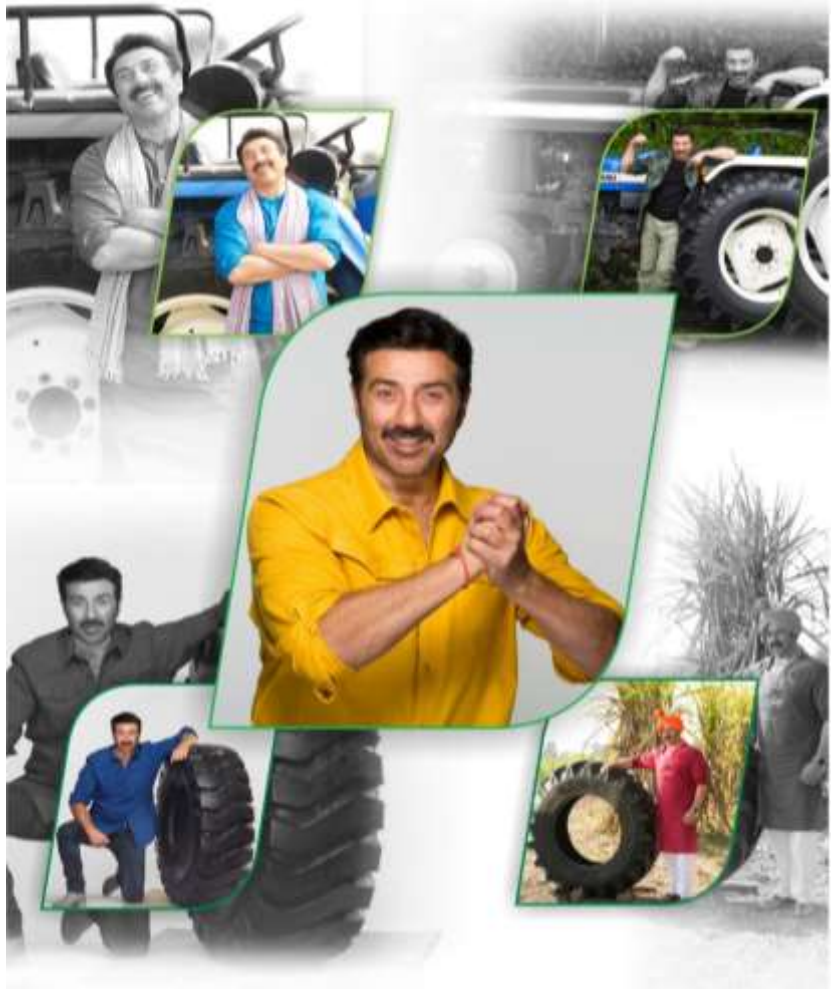
Strengthening BKT Brand : India

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

Strengthening BKT Brand : India

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:

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