



BHARAT FORGE



KALYANI

BHARAT FORGE LTD Q3 FY24 ANALYST UPDATE



PLANET POSITIVE
AN INITIATIVE BY KALYANI GROUP



BHARAT FORGE



BF INDUSTRIAL
TECHNOLOGY & SOLUTIONS LIMITED
(FORMERLY SANGHVI ENGINEERING & TECHNOLOGICAL LIMITED)



KALYANI POWERTRAIN



TEVVA
MOTORS



Kalyani Strategic Systems Limited

ElectroForge



Power electronics and Micro electronics

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Management Commentary: Q3 FY24 Performance

BHARAT FORGE



BFL 3 Month Report: “During the quarter, the company delivered a strong performance with sales growing by 15.9% to Rs 2,263 Crores and EBITDA growing by 30.9% to Rs 645 Crores. EBITDA margins at 28.5% expanded by 330 bps driven by favourable product mix and focus on cost optimisation. The balance sheet continues to remain very healthy with Cash on books of ~Rs 1,000 Crores (Net of Long-Term Loans). At a consolidated level, Revenues have grown by 15% to Rs 3,867 Crores and EBITDA grew by 56% to Rs 673 Crores .

Exports from Indian manufacturing operations across components, defence & Industrial in Q3 FY24 stands at US\$ 200 million, a growth of 36% over Q3 FY23. Over time, We expect this number to grow as the new verticals scale up and we enhance our presence in the industrial space.

For 9M FY2024, standalone sales have grown by 19% to Rs 6,640 Crores and EBITDA grew by 29% to Rs 1,815 Crores. A key driver of this growth has the successful ramp-up of the defence business, in addition to the growth in the core forging business.

During the quarter, the company has secured new business worth Rs 550 Crores across Automotive, Industrial, Defence, Aerospace and Castings (Ferrous & Aluminum).

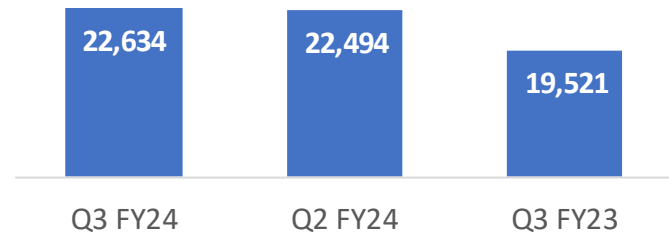
In the overseas operations, we have been able to achieve improvement in operational parameters at the Aluminum business in Europe and the same is expected in the US plant soon. We continue to work on creating a sustained path to profitability for the overseas business driven by a combination of achieving profitability in the aluminum business and product/manufacturing optimization in the steel business, all expected to materialize in the next 12 – 18 months.

Looking ahead in the Q4 & further into FY25, we expect the growth momentum to moderate in both Domestic & Export market across industries. Our endeavor will be to outperform the market driven by our diversified business mix.”

B.N. Kalyani,

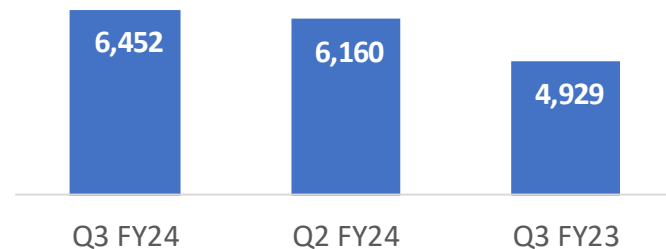
Chairman & Managing Director

Revenue



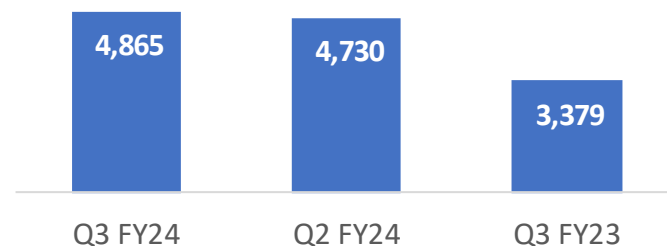
- Revenues at Rs 22,634 million in Q3FY24 grew by 16% YoY driven by 36% growth in domestic revenue. The Defence business was a major contributor to the growth in revenues while Oil & Gas sector and Agri sector saw a decline in Q3 FY24 as compared to Q3 FY23.

EBITDA



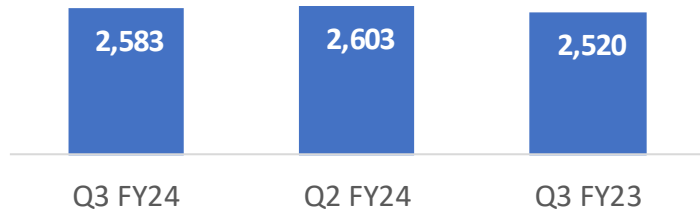
- EBITDA margin at 28.5% in Q3 FY24 was up 330 bps YoY. Improved product mix and higher capacity utilization contributed to the superior operational performance

PBT before Ex. Gain/ Loss



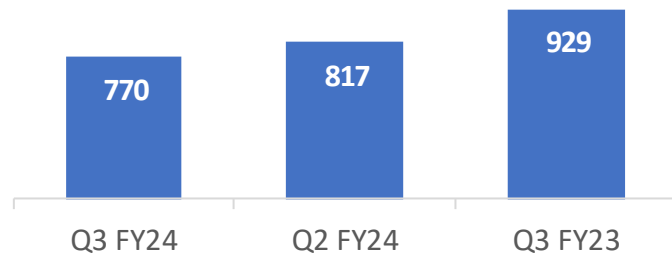
- PBT before Exchange gain/ (loss) was Rs 4,865 million in Q3 FY24 as against Rs 3,379 million in Q3 FY23.

Commercial Vehicles



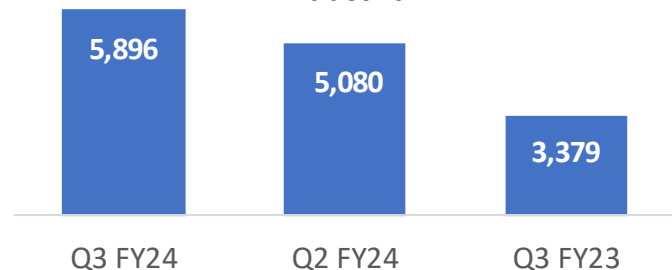
Automotive Business: The CV business registered a 9% YoY growth in 9MFY24 mirroring the overall market growth. The sector’s long term growth trajectory remains intact supported by government capex and allied infrastructure development.

Passenger Vehicles



The India PV business remains well-placed for growth driven by premiumization and the shift towards Utility Vehicle within the PV space. We expect this trend to continue supported by burgeoning middle class & higher disposable income.

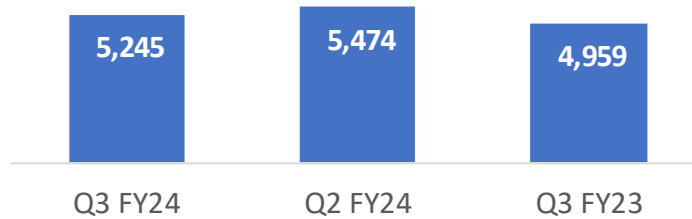
Industrial



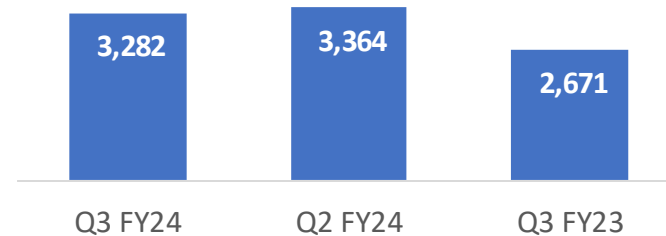
Industrials Business: The Industrial segment’s performance continued to be positive. Supply of components to KSSL drove the stellar YoY performance. The infrastructure spend and increasing private capex will continue to keep demand healthy. This quarter witnessed decline in sales to the Agri sector and the Construction & Mining space.

Note: Other Revenue stood at Rs 1,249 million in Q3FY24

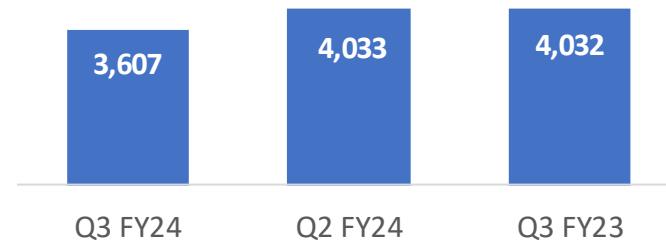
Commercial Vehicles



Passenger Vehicles



Industrial



Automotive Business: North American CV business continued to be marginally positive. Class 8 build rates, inventory levels and sales remain steady. European CV performance was subdued as economic recovery remained patchy. Our CV business trajectory continues to revolve around market share gains and addition of new geographies. For the quarter, the decline primarily came from the European markets while the US CV revenues saw an uptick.

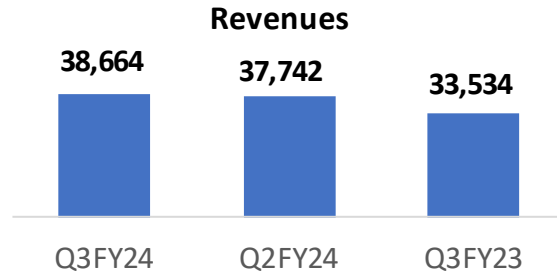
The PV business continued its formidable run with a 34% YoY growth in 9MFY24. We remain committed towards tapping new customers and enhancing engagement with the existing ones in multiple geographies.

Industrials Business: Industrial business continues to benefit from new products and expanded engagements with existing clients. Industrials ex – Oil & Gas grew 35% YoY for 9MFY24 largely supported by Mining & Construction, and Aerospace. These new verticals hold good promise, and we continue to actively source newer markets and customers to build on the industrial's success story. We remain focused on building new relationships within the Industrial space targeted at Construction & Mining, Railways, Agri equipment, Aerospace etc.

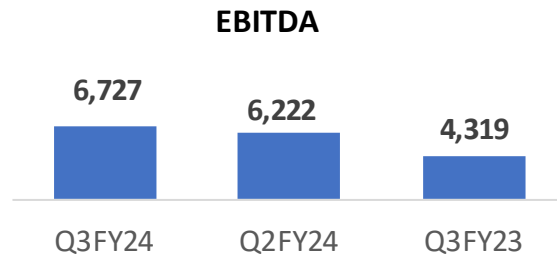
Rs. Million

Particulars	Q3 FY24	Q2 FY24	Q3 FY23
Americas	8,076	8,151	8,135
Europe	2,821	3,327	2,832
Asia	1,238	1,393	696
Total	12,135	12,871	11,663

Consolidated Financial Highlights Q3 FY24

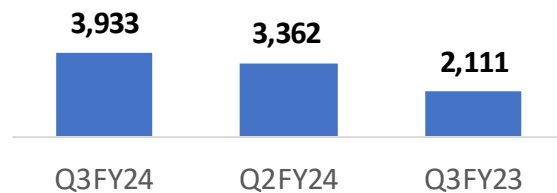


Revenues have increased by 15% on a YoY basis driven by contribution from all businesses.



EBITDA margins have improved by 450 bps driven by initial signs of turnaround in the international businesses. Absolute EBITDA grew by 56%.

PBT post Forex & Exceptional impact



PBT has increased by 85% on a YoY basis driven by improvement in performance at KSSL and reduction in losses in the international business.

Rs. Million

Particulars	December 31, 2023	March 31, 2023
Long Term Debt	19,542	24,436
WC & Bill Discounting	51,793	43,534
Equity	72,635	67,416
Cash	31,167	31,405
D/E	0.98	1.01
D/E (Net)	0.55	0.54

Financials Annexures

Standalone P&L Highlights Q3 FY24

Rs. Million

Standalone Financials	Q3 FY24	Q2 FY24	QoQ	Q3 FY23	YoY
Shipment Tonnage	67,232	70,459	-4.6%	62,755	7.1%
Domestic Revenue	10,210	9,310	9.7%	7,589	34.5%
Export Revenue	12,135	12,871	-5.7%	11,663	4.0%
Other Operating Income	289	313		269	
Total Revenue	22,634	22,494	0.6%	19,521	15.9%
EBITDA	6,452	6,160	4.7%	4,929	30.9%
EBITDA%	28.5%	27.4%		25.2%	
Other Income	346	424		378	
Profit Before Tax	4,865	4,730	2.9%	3,001	44.0%
PBT %	21.5%	21.0%		17.3%	
Exchange Gain / (Loss)	179	(93)		422	
Exceptional Item	-	(21)		43	
Profit Before Tax	5,044	4,616	9.3%	3,844	31.2%
Profit After Tax	3,778	3,460	9.2%	2,892	30.6%

Rs. Million

Particulars (Standalone)	December 31, 2023	March 31, 2023
Long Term Debt	13,054	17,661
Working Capital & Bill Discounting	27,873	26,386
Equity	85,227	77,000
Cash	22,582	22,067
ROCE (Net of Cash)	19.5%	16.2%
RONW	16.2%	13.6%
D/E (Net)	0.22	0.29
Net Debt/ EBITDA	0.76	1.14

Consolidated Financial Reconciliation

Rs. Million

Q3 FY2024	BFL + BFIL + Indian Subs	Overseas Subs	Total
Total Revenue	25,565	13,099	38,664
EBITDA	6,509	218	6,727
EBITDA %	25.5%	2.1%	17.4%
PBT	4,783	(1,100)	3,683
Exchange Gain/(loss)	196	54	250
Exceptional Items	-	-	-
PBT after Exchange Gain/ (Loss)	4,979	(1,046)	3,933

Q3 FY2023	BFL + BFIL + Indian Subs	Overseas Subs	Total
Total Revenue	22,808	10,726	33,534
EBITDA	4,945	(626)	4,319
EBITDA %	21.7%	-	12.9%
PBT	3,251	(1,514)	1,737
Exchange Gain/(loss)	402	(28)	374
Exceptional Items	-	-	-
PBT after Exchange Gain/ (Loss)	3,653	(1,542)	2,111

Overseas Subsidiary Financials – Q3 FY24

Rs. Million

Overseas Mfg. Ops	Oct – Dec 2023	Jul – Sep 2023	Oct – Dec 2022
Total Revenue	13,099	12,053	10,726
EBITDA	218	90	(626)
EBITDA %	1.7%	0.7%	-
PBT Before Ex Gain/(Loss)	(1,100)	(1,156)	(1,514)
EBITDA - European Operations	218	353	(269)
EBITDA %	2.1%	3.5%	-

Overseas Mfg. Ops	Oct –Dec 2023	Jul – Sep 2023	Oct –Dec 2022
Steel Forgings	8,219 (63%)	7,160 (59%)	8,304 (75%)
AI Forgings	4,880 (37%)	4,893 (41%)	2,692 (25%)
Total	13,099	12,053	10,726

KSSL	Oct –Dec 2023	Jul – Sep 2023	Oct –Dec 2022
Total Revenue	4,349	2,962	486
EBITDA	272	169	14
EBITDA%	6.3%	5.7%	2.9%
PBT Before Exchange Gain/(Loss)	378	311	52

KPTL	Oct –Dec 2023	Jul – Sep 2023	Oct –Dec 2022
Total Revenue	21	99	104
EBITDA	(349)	(299)	(213)
EBITDA%	-	-	-
PBT Before Exchange Gain/(Loss)	(429)	(399)	(278)

BFISL	Oct –Dec 2023	Jul – Sep 2023	Oct –Dec 2022
Total Revenue	1,666	1,516	1,492
EBITDA	235	173	167
EBITDA%	14.1%	11.4%	11.2%
PBT Before Exchange Gain/(Loss)	122	43	93

BFL + BFIL (Trading subsidiary)	Oct –Dec 2023	Jul – Sep 2023	Oct –Dec 2022
Total Revenue	22,696	23,125	20,596
EBITDA	6,352	6,089	4,930
EBITDA%	28.0%	26.3%	23.9%
PBT Before Exchange Gain/(Loss)	4,712	4,590	3,368

Thank You

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