

**BHARAT FORGE**



**KALYANI**



# **BHARAT FORGE LTD**

**ANALYST UPDATE – Q2FY23**



## MANAGEMENT COMMENTS

## STANDALONE HIGHLIGHTS

## INDIA BUSINESS

## INTERNATIONAL BUSINESS

## CONSOLIDATED HIGHLIGHTS

## ANNEXURES

**BFL 3 Month Report:** “The company registered a stable performance in Q2 FY23 with a 5.9% sequential growth in revenues and 10.1% sequential growth in PAT. During the quarter, we recorded our highest exports revenues at Rs 10,664 million.

In Q2 FY23, the Indian operations secured new business worth ~ Rs 850 Crores across automotive & industrial application, driven by market share gains in the PV business and new product introduction in the Industrial space. KSSL, the defence vertical of the company secured an export order worth US\$ 155.50 million to supply Artillery Gun system to a non-conflict zone. This contract is to be executed in 3 years.

In the first quarter post acquisition, JSA has secured new orders worth ~ Rs 100 Crores, with customer additions and high value-added product development being one of the key highlights. The synergistic benefits and network effects will play out fully over the coming 12-18 months.

The performance of the European operations have been adversely impacted mainly by lower than anticipated sales volumes for the Aluminium forging business. The new Greenfield Aluminium Forging facility in North America is still in a ramp-up phase and operating at utilization levels below EBITDA break even levels. We continue to expect this business to turnaround in second half of the fiscal.

Looking ahead in to Q3 FY23, we expect stable performance across both the domestic and export markets driven by higher end market demand as compared to Q2 FY23. The European Aluminum operations performance will show gradual recovery over the next two quarters.”

**B.N. Kalyani,**

Chairman & Managing Director



MANAGEMENT COMMENTS

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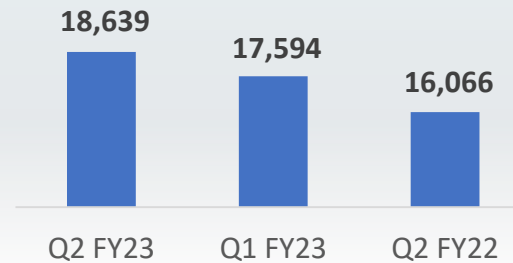
INDIA BUSINESS

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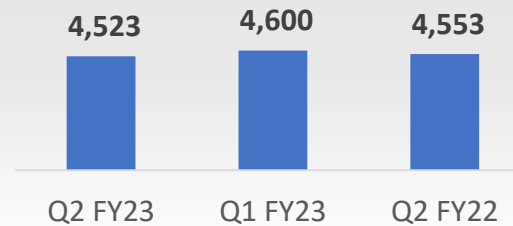
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## REVENUES



Revenues at Rs 18,639 million in Q2FY23 grew by 5.9% as compared to Q1 FY23 on back of 12.0% increase in Domestic revenues.

## EBITDA



EBITDA margins at 24.3% in the current quarter as against 26.1%. The decline was on primarily on account of unfavorable product mix (including supply of Kalyani M4 vehicles to the MoD) and Raw Material pass thru suppressing margins.

## PBT before Ex. Gain/ (Loss)



PBT before Exchange gain/ (loss) of Rs 3,577 million in Q2 FY23 as against Rs 3,532 million in Q1 FY23.



# Review of India Business ( Domestic & Exports)

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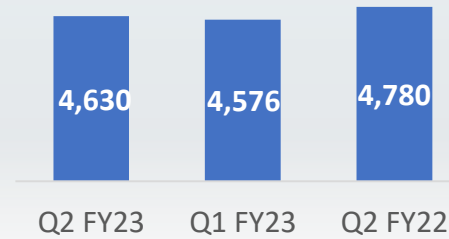
## DOMESTIC

### Commercial Vehicles

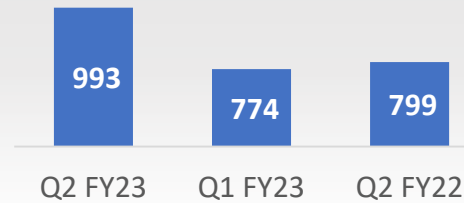


## EXPORTS

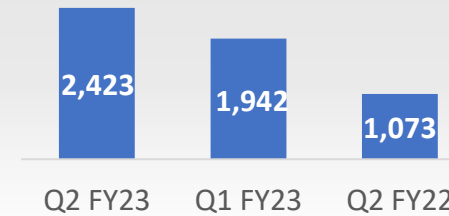
### Commercial Vehicles



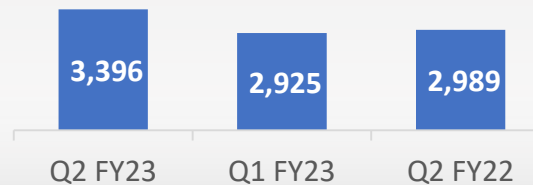
### Passenger Vehicles



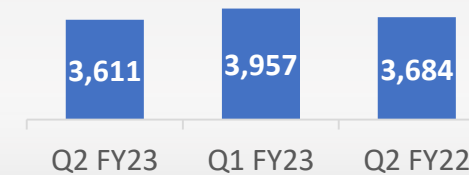
### Passenger Vehicles



### Industrial



### Industrial



Note: Other Operating Revenue stood at Rs 1,159 million in Q2FY23



# Export Business :Geographical break-up

Rs. Million

PARTICULARS	Q2FY23	Q1FY23	Q2FY22
Americas	7,186	7,029	6,793
Europe	2,860	3,108	2,545
Asia Pacific	618	338	199
<b>Total</b>	<b>10,664</b>	<b>10,475</b>	<b>9,537</b>

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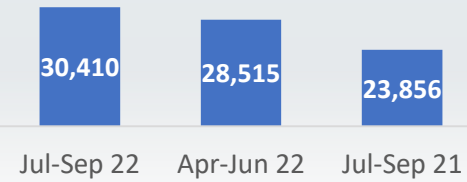
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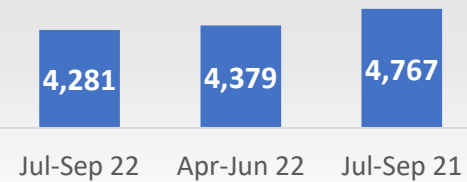
FINANCIAL ANNEXURES

## Revenues



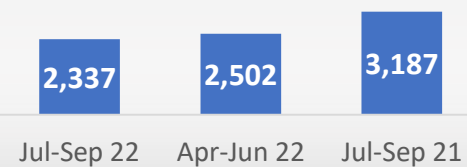
Rs. Million

## EBITDA



Particulars	Sept 30, 2022	March 31, 2022
<b>Long Term Debt</b>	25,102	23,151
<b>WC &amp; Bill Discounting</b>	36,847	33,394
<b>Equity</b>	66,062	66,267
<b>Cash</b>	<b>20,813</b>	<b>27,334</b>
<b>D/E</b>	<b>0.94</b>	<b>0.85</b>
<b>D/E (Net)</b>	<b>0.62</b>	<b>0.44</b>

## PBT before Ex Gain/(loss)



# FINANCIAL ANNEXURES

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# Standalone P&L Highlights Q2 FY23

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Rs. Million

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STANDALONE FINANCIALS	Q2FY23 (TBU)	Q1FY23	QoQ%	Q2FY22	YoY%
<b>Shipment Tonnage</b>	<b>61,149</b>	<b>57,915</b>	<b>5.6</b>	<b>57,094</b>	<b>7.1</b>
Domestic Revenue	7,723	6,895	12.0	6,197	24.6
Export Revenue	10,664	10,475	1.8	9,537	11.8
Other Operating Income	252	224		332	
<b>Total Revenue</b>	<b>18,639</b>	<b>17,594</b>	<b>5.9</b>	<b>16,066</b>	<b>16.0</b>
EBITDA	4,523	4,600	(1.7)	4,553	(0.7)
<b>EBITDA%</b>	<b>24.3%</b>	<b>26.1%</b>		<b>28.3%</b>	
Other Income	477	259		322	
Profit Before Tax	3,577	3,532	1.3	3,708	(3.5)
<b>PBT %</b>	<b>19.2%</b>	<b>20.1%</b>		<b>23.1%</b>	
Exchange Gain / (Loss)	8	(250)		300	
Exceptional Item	(6)	(30)		-	
Profit Before Tax	3,579	3,252	10.1	4,008	(10.7)
Profit After Tax	2,682	2,436	10.1	3,117	(14.0)





# Standalone Balance Sheet Highlights as on September 30, 2022

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Rs. Million

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Particulars (Standalone)	September 30, 2022	March 31, 2022
Long Term Debt	19,745	17,834
Working Capital & Bill Discounting	23,532	21,215
Equity	72,934	71,098
Cash	<b>20,040</b>	<b>24,818</b>
ROCE (Net of Cash)	<b>15.0%</b>	<b>17.2%</b>
RONW	<b>14.4%</b>	<b>14.9%</b>
D/E (Net)	<b>0.32</b>	<b>0.20</b>



Rs. Million

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Overseas Mfg. Ops	Jul - Sep 2022	Apr – Jun 2022	Jul – Sep 2021
Total Revenue	9,470	10,490	8,533
EBITDA	(341)	495	925
<b>EBITDA %</b>	<b>(3.6)%</b>	<b>4.7%</b>	<b>10.8%</b>
PBT before Ex Gain/(Loss)	(1,157)	(221)	246
EBITDA (ex of US- Alu)*	(141)	792	925
<b>EBITDA %</b>	<b>(1.7)%</b>	<b>7.7%</b>	<b>10.8%</b>

\* US Aluminium operations have just commenced recently and are operating at very low utilization levels.

Overseas Ops Sales	Jul - Sep 2022	Apr - Jun 2022	Apr – Jun 2021
Steel Forgings	6,818 (72%)	7,552 (72%)	6,644 (78%)
EU Al Forgings	2,652 (28%)	2,938 (28%)	1,889 (22%)
<b>Total</b>	<b>9,470</b>	<b>10,490</b>	<b>8,533</b>



Rs. Million

Indian Subsidiaries	Jul – Sep 2022	Apr – Jun 2022	Jul – Sep 2021
Total Revenue	1,686	364	373
EBITDA	(43)	(83)	(14)
PBT Before Exchange Gain/(Loss)	(219)	(160)	(51)

Rs. Million

BF Industrial Solutions	Jul – Sep 2022	Apr – Jun 2022	Jul – Sep 2021
Total Revenue	1,241	180	135
EBITDA	143	32	22
<b>EBITDA %</b>	<b>11.5%</b>	<b>17.8%</b>	<b>16.3%</b>
PBT Before Exchange Gain/(Loss)	63	26	9

Rs. Million

BFL + BIFL (Trading Subsidiary)	Jul – Sep 2022	Apr – Jun 2022	Jul – Sep 2021
Total Revenue	19,607	17,661	14,950
EBITDA	4,666	3,967	3,856
<b>EBITDA%</b>	<b>23.8%</b>	<b>22.5%</b>	<b>25.8%</b>
PBT Before Exchange Gain/(Loss)	3,710	2,883	2,992

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# THANK YOU

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