

BHARAT FORGE



KALYANI

INVESTOR PRESENTATION

June 2016 | Bharat Forge Ltd. | Pune

MAKING IN
INDIA
FOR THE WORLD



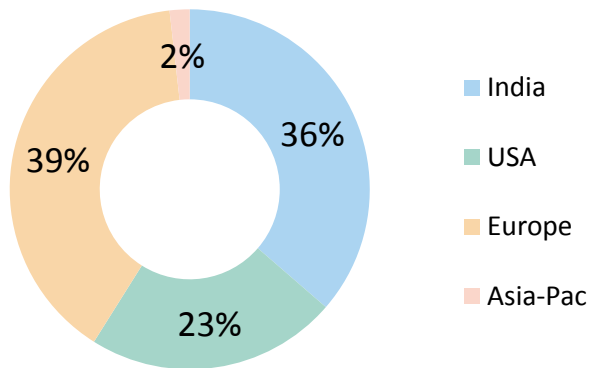
Bharat Forge Limited - A Global Industrial Conglomerate



BHARAT FORGE: PROFILE

- Consolidated Revenues: ~ US\$ 1.2 Bn
- 9 Manufacturing locations across 4 countries.
- Global Marquee Customer base of more than 35 OEM's & Tier- 1 companies across automotive & industrial applications.
- No single customer exceeds 6% of consolidated revenues.

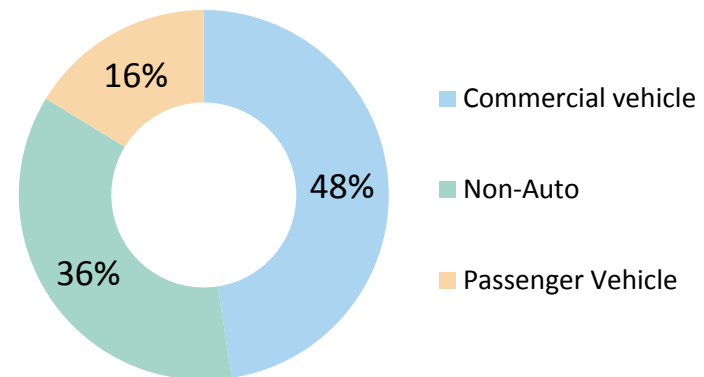
REVENUE BREAK-UP BY GEOGRAPHY – FY 2016



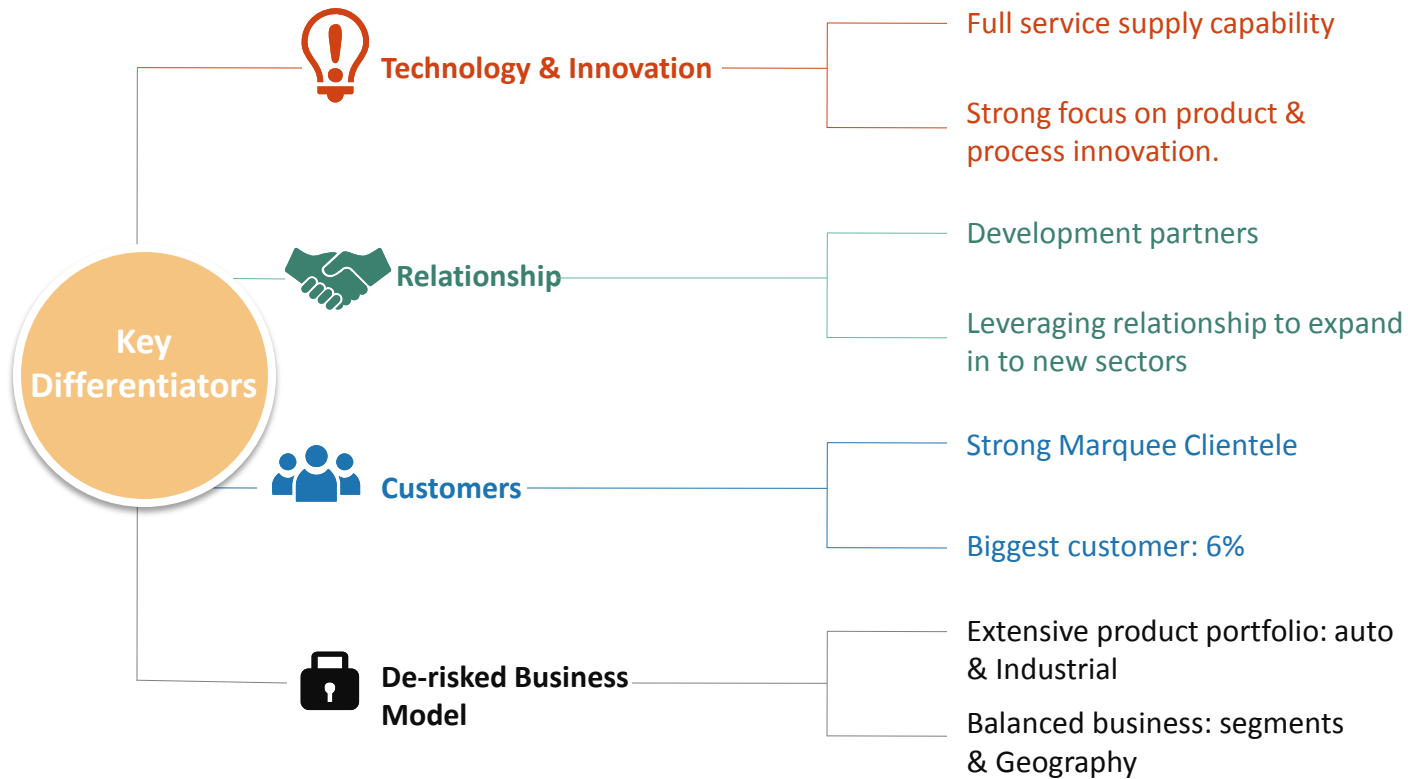
GLOBAL FORGING CONGLOMERATE

Geography	Capacity (TPA)
	403,750
	180,000
Total	583,750

REVENUE BREAK-UP BY SEGMENTS – FY 2016

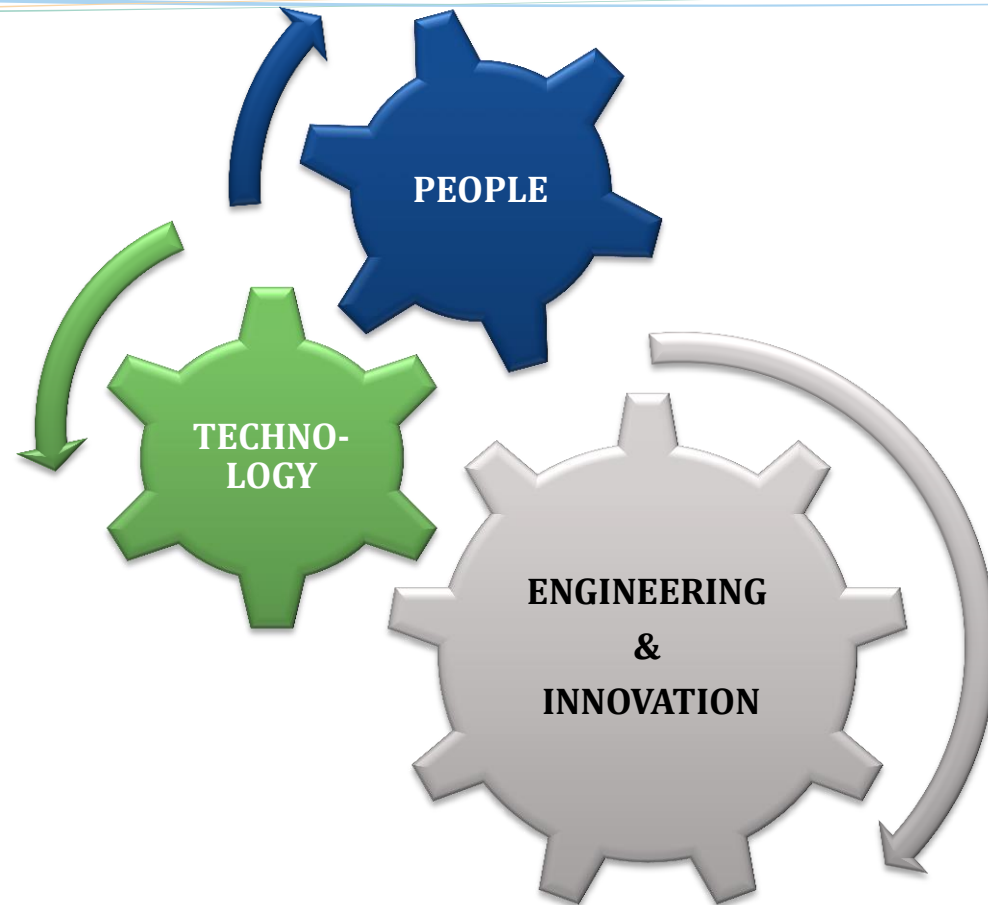


Bharat Forge Limited – Key Differentiators



Transformational Shifts around three Success Levers

1. From 'Muscle Power' to 'Brain Power'
2. Creating a 'Knowledge Workforce'
3. Modernizing 'Technology & Operations'
4. From a 'Generic Supplier' to a 'Partner of Choice'
5. From an 'Indian Company' to a 'Global Company'
6. Business Model is diversified across –
 - i. Geographies
 - ii. Industry Segments



Key Performance Indicators: FY 2016



Growth of Passenger vehicle export business
87% growth in FY 16 as compared to FY15



Net Debt free by FY 2018
Net Debt/ Equity at 0.19



EBITDA Margins to be in the range of 29 -31%
Maintained at 30%



New customers/Products
New customer addition in Domestic PV market



Diversifying Industrial Business from commodity oriented sectors
Gaining traction in Wind, Rail and Aerospace sector with new customer wins



Annual Sales Development
Decline in NA Trucks & Industrial business

Standalone Results – Q4 FY 2016 v/s Q3 FY 2016



(INR Million)

Particulars	Q4 FY16	Q3 FY16	% change
Shipment Tonnage	52,413	50,741	3.3%
Domestic Revenue	4,818	4,230	13.9%
Export Revenue	5,263	6,290	(16.3)%
Total Revenue	10,081	10,520	(4.2)%
EBITDA	3,045	3,301	(7.8)%
EBITDA %	30.2%	31.4%	
PBT before Ex Gain/ (loss)	2,424	2,632	(7.9)%
PAT	1,645	1,661	(1.0)%

Standalone Results – Q4 FY 2016 v/s Q4 FY 2015



(INR Million)

Particulars	Q4 FY16	Q4 FY15	% change
Shipment Tonnage	52,413	56,679	(7.5)%
Domestic Revenue	4,818	4,859	(0.8)%
Export Revenue	5,263	7,380	(28.7)%
Total Revenue	10,081	12,239	(17.6)%
EBITDA	3,045	3,675	(17.1)%
EBITDA %	30.2%	30.0%	
PBT before Ex Gain/ (loss)	2,424	3,154	(23.1)%
PAT	1,645	2,032	(19.0)%

Standalone Results – FY 2016



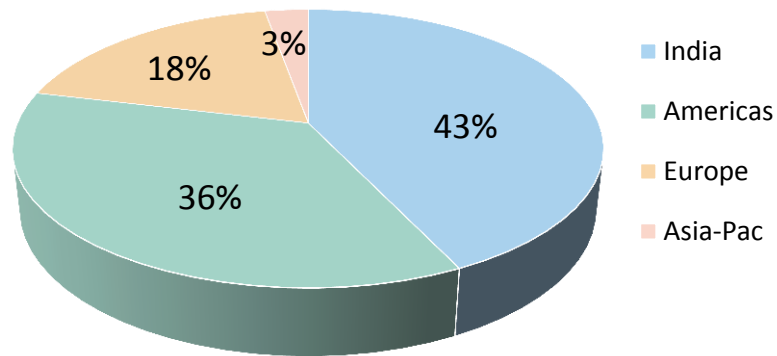
(INR Million)

Particulars	FY 2016	FY 2015	Growth %
Shipment Tonnage	209,697	211,668	(0.9)%
Domestic Revenue	18,452	18,274	1.0%
Export Revenue	24,602	27,207	(9.6)%
Total Revenue	43,054	45,481	(5.3)%
EBITDA	13,298	13,563	(2.0)%
EBITDA %	30.9%	29.8%	
PBT before Ex Gain/ (loss)	10,821	10,872	(0.5)%
PAT	7,011	7,190	(2.5)%

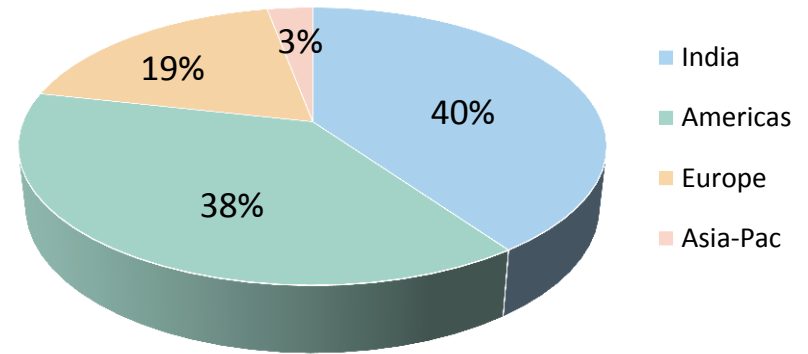
Geographical Breakup - Standalone



FY 2016



FY 2015

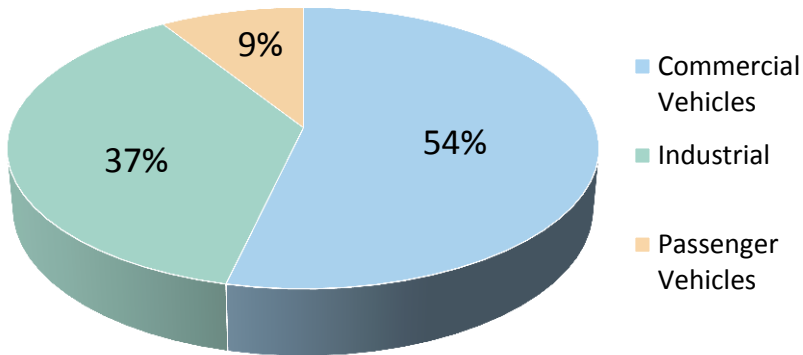


Particulars (INR Million)	FY 2016	FY 2015	% Change
India	18,452	18,274	1.0
Americas	15,443	17,413	(11.3)
Europe	7,938	8,447	(6.0)
Asia Pacific	1,221	1,347	(9.4)

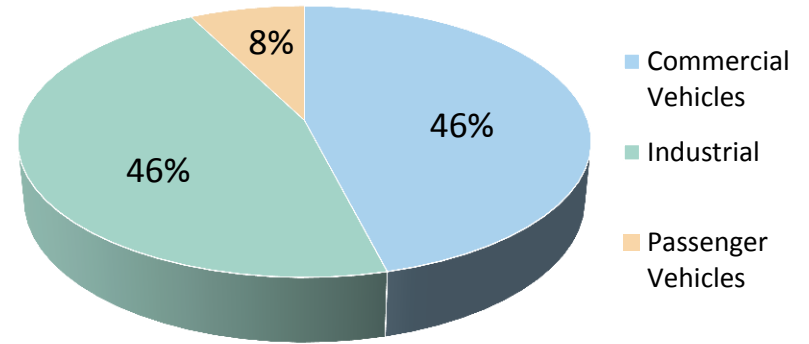
Segmental Breakup - Standalone



FY 2016

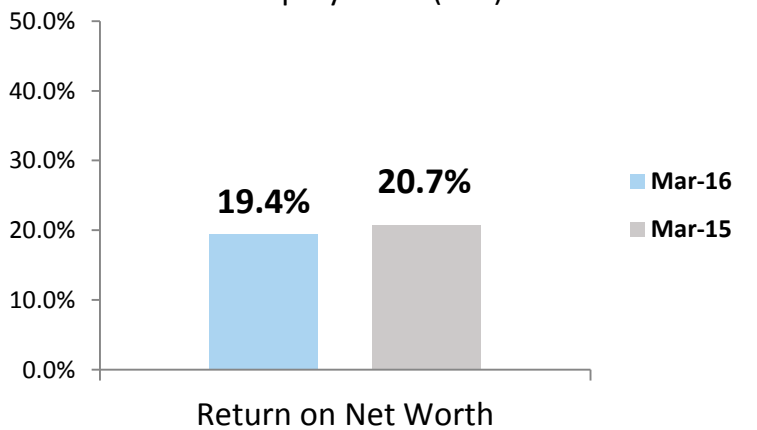
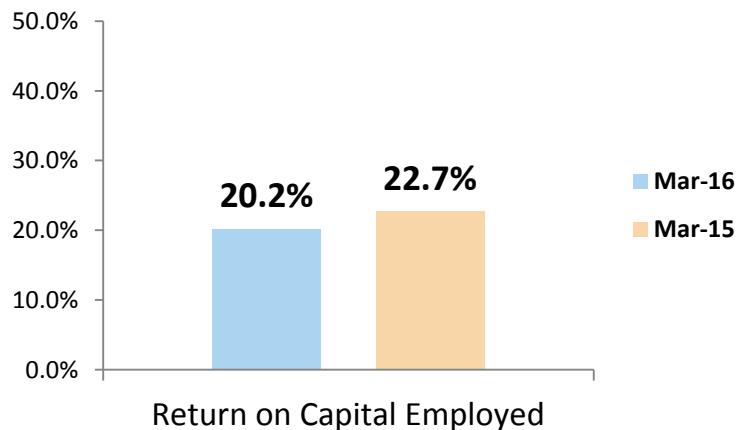
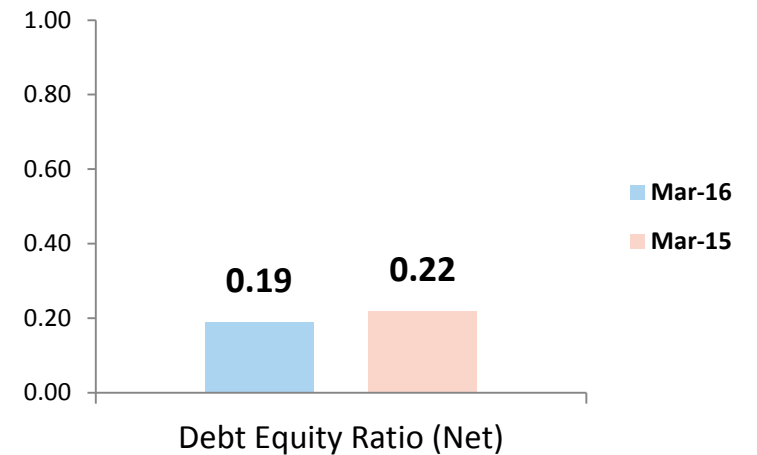


FY 2015



Particulars (INR Million)	FY 2016	FY 2015	% Change
Commercial Vehicles	21,448	19,277	11.3
Industrial	14,929	19,461	(23.3)
Passenger Vehicles	3,610	3,157	14.3

Standalone Financial Ratios



Industrial Segment – Focus on New Sectors

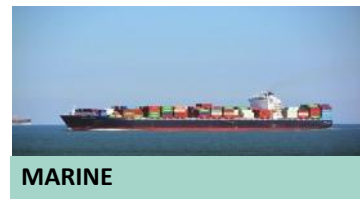


INDUSTRIAL BUSINESS

ENERGY



TRANSPORTATION



CONSTRUCTION & MINING



INFRASTRUCTURE SUPPLY BUSINESS

Industrial Segment – Outlook on commodity related & allied sectors



Construction/Agri/Mining/Power Gen



	Construction / Agricultural	Mining	Power Gen
CATERPILLAR	Flat	Weak	Weak
VOLVO	Flat	Weak	-
Cummins	Flat	Weak	Weak
CNH INDUSTRIAL	Flat	Weak	-

For mining and construction, India growth story likely to be the only bright spot!

Oil & Gas



- All Oil majors & tiered companies making substantial losses
- Rig counts have decreased drastically (70% lower)
- Drilling activity at lower levels
- Capex on hold / cancelled by major O&G companies
- Geo-Political factors negative for oil prices (Iran, Iraq, Saudi Arabia, Russia)
- No signs of revival in the near term.

Diversifying Industrial sector business



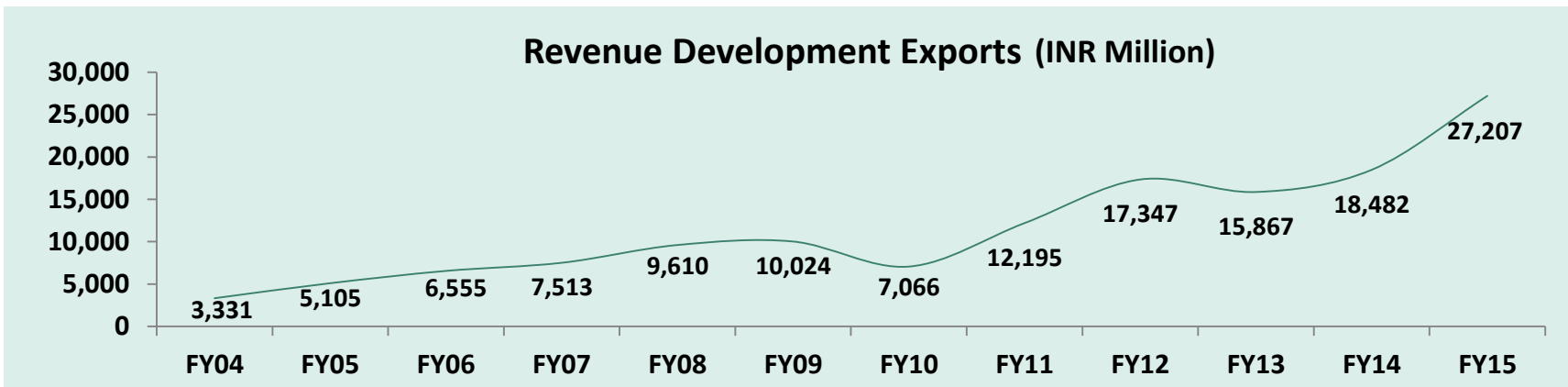
- Focusing on increasing presence in non- commodity & allied sectors.
- Broaden scope of product offering with industrial customers.
- Initiated actions to break into new customers
- Continue focus on transportation sector (Aerospace & Railways): Steady progress underway
- Starting to witness initial sign of improvement in domestic market.
 - 25% QoQ growth in Domestic Industrial business
- Working on new products to increase presence & content per equipment in all major sectors.

State of Markets / BFL Engagement

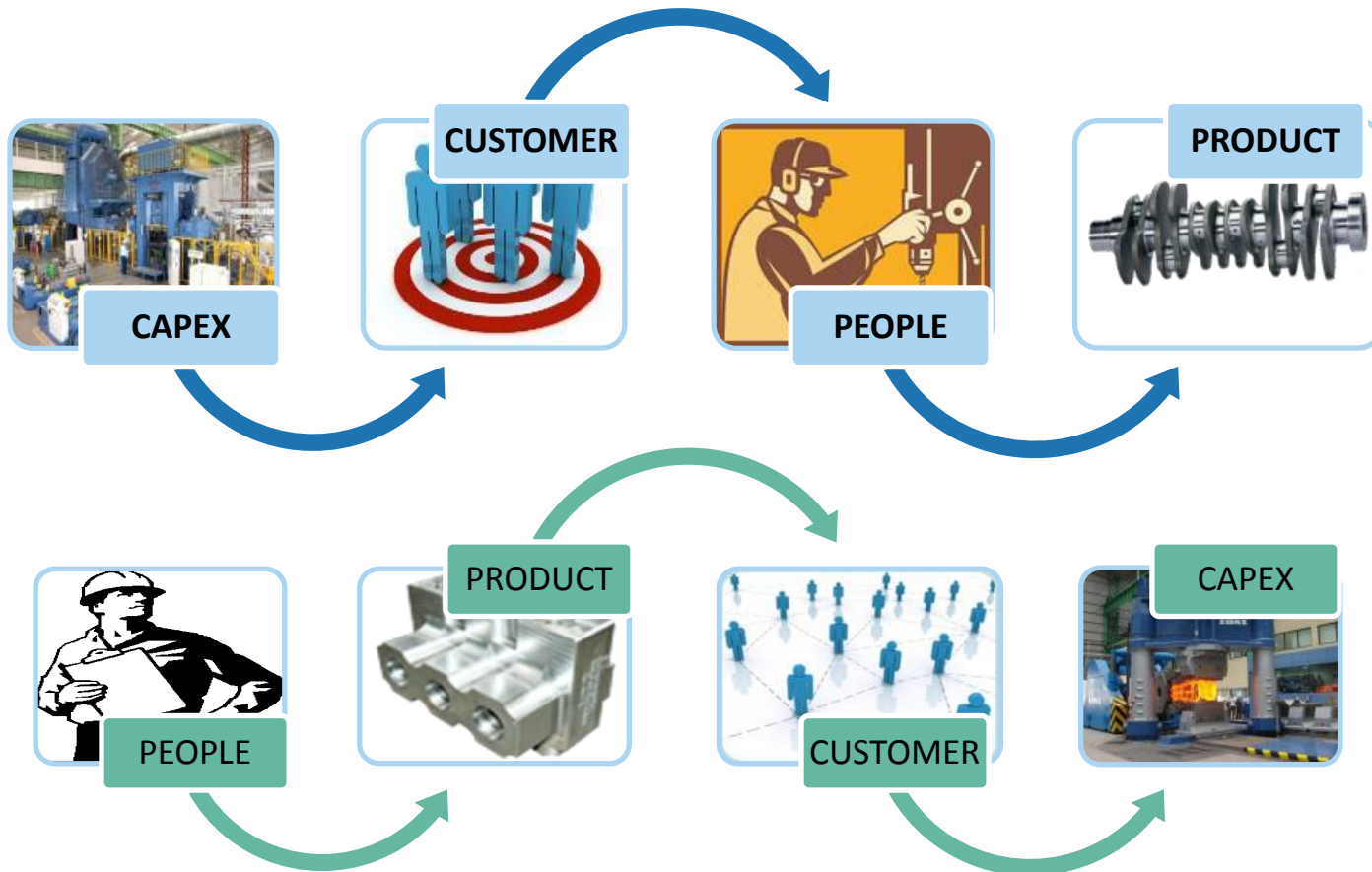


SECTOR	YEAR 2001	YEAR 2004	YEAR 2012	YEAR 2015	YEAR 2017
TRUCK	●	●	●	●	●
PASSENGER CAR		●		●	●
CONSTRUCTION			●	●	●
MINING			●	●	●
AGRICULTURE			●	●	●
OIL & GAS			●	●	●
AEROSPACE				●	●

DE RISKED BUSINESS MODEL	
GEOGRAPHICAL DIVERSIFICATION	●
SECTOR DIVERSIFICATION	●
PRODUCT EXPANSION	●



Asset Light Capex: Changing the Approach



State of Markets



Particulars	INDIA	NORTH AMERICA	EUROPE
Commercial Vehicles			
Passenger Vehicles – High End	—		
Passenger Vehicles – Mass Market			
Oil & Gas	—		
Construction			
Mining			
Aerospace	—		
Power (Renewable & Thermal)		—	

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KALYANI

THANK YOU

