

BHARAT FORGE



KALYANI

INVESTOR PRESENTATION

MAY 2019

Bharat Forge Overview



ROBUST FINANCIALS

Consolidated Revenue
US\$ 1.6 B



GLOBAL MANUFACTURING

10 locations across
5 countries -
US, Germany, Sweden,
France and India



VERTICALLY INTEGRATED

With end-to-end
capabilities



GLOBAL LEADERSHIP

In Powertrain
& chassis
components



MARQUEE CUSTOMERS

Leading Automotive
OEMs & Tier-1 Suppliers

Leading Industrial
Organizations



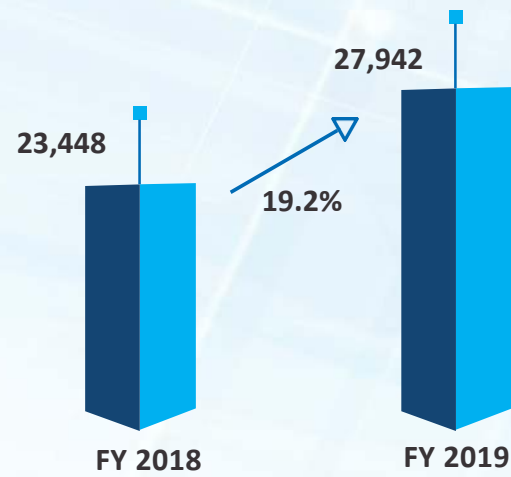
LARGEST

single location
forging capacity
in the world

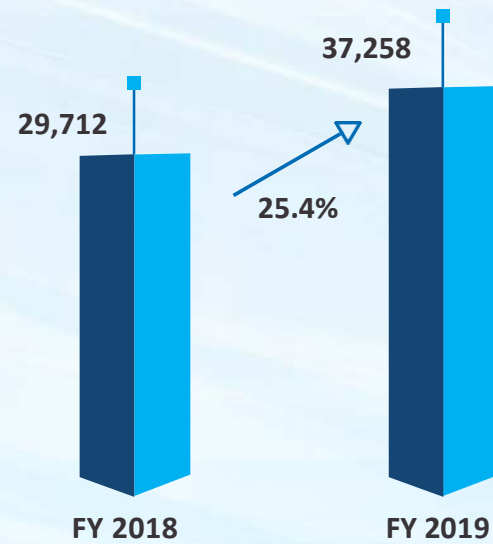
Standalone Numbers – FY 2019

(INR Million)

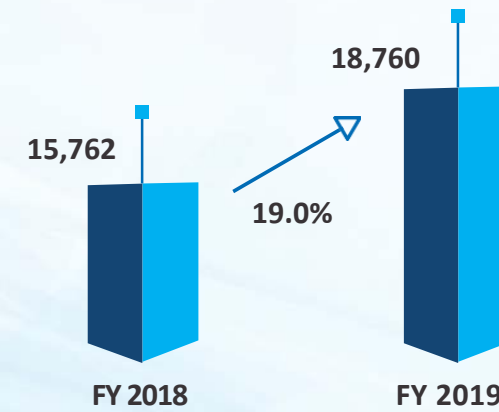
Domestic Sales



Export Sales

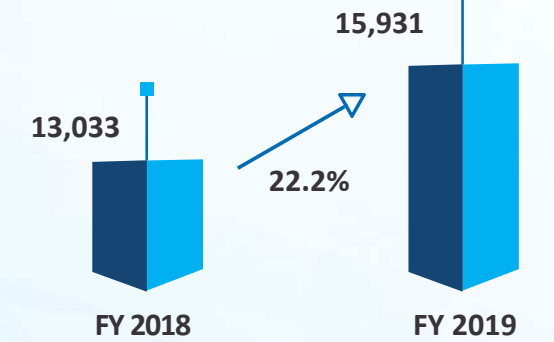


EBITDA



Profit Before Tax

Before Exchange Gain/ Loss



Strong Balance Sheet

(INR Million)

Particulars	March 31, 2019	March 31, 2018
Long Term Debt	15,722	13,462
WC & Bill Discounting	16,220	11,666
Equity	53,982	46,143
Cash	17,252	16,028
D/E	0.59	0.54
D/E (Net)	0.27	0.20
Long Term D/E (Net)	(0.03)	(0.06)
ROCE (Net of Cash)	24.7%	22.5%
RONW	19.8%	17.7%

Segmental Breakup - Standalone

(INR Million)

Commercial Vehicles

44%

of total revenues



FY 2019: 26,900

FY 2018: 23,419

+14.9%

Passenger Vehicles

12%

of total revenues



FY 2019: 7,247

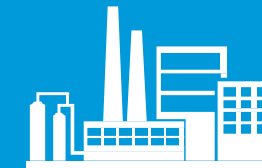
FY 2018: 5,105

+42.0%

Industrials

44%

of total revenues



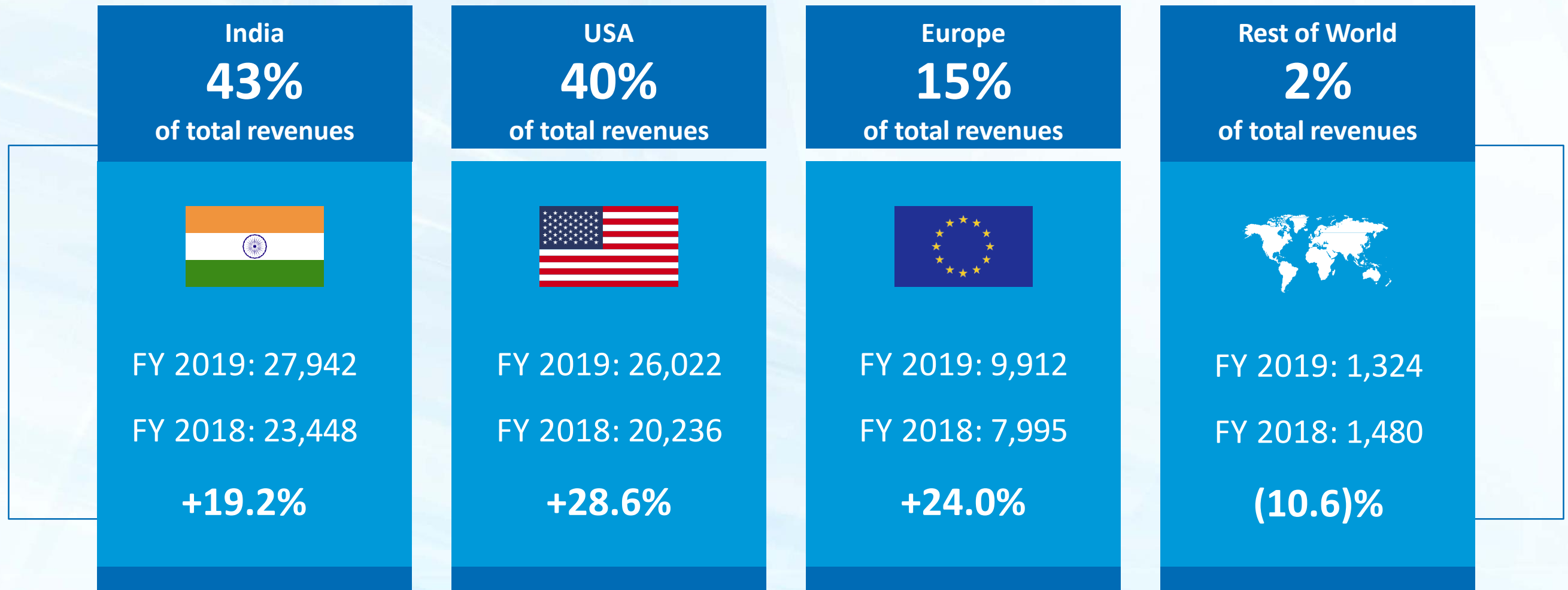
FY 2019: 26,566

FY 2018: 21,505

+23.5%

Geographical Breakup - Standalone

(INR Million)



International Operations

(INR Million)

Particulars	CY 2018	CY 2017
Total Income	32,321	26,807
EBITDA	2,123	1,753
EBITDA %	6.6%	6.5%
PBT before Exceptional Item	559	291

- Strong growth in revenue, exceeding the underlying market
- Continue to focus on margin improvement
- Working towards improving product mix by increasing share of AI forgings and new product development

Consolidated Numbers – FY 2019

(INR Million)

Particulars	FY 2019	FY 2018
Total Income	101,457	83,577
EBITDA	20,284	17,787
EBITDA %	20.0%	21.3%
PBT before Exceptional Item	15,831	13,472
PAT	10,322	7,625

Particulars	March 31, 2019	March 31, 2018
Long Term Debt	19,350	16,721
Equity	54,059	46,811
Cash	18,352	17,246
Long Term D/E	0.36	0.36
Long Term D/E (Net)	0.02	(0.01)

EMPLOYEES: Strength of our past and present and the key to our future

Skill Upgradation



BITS Pilani

700+ Graduates -
Since 2001

UNDER GRADUATE STUDIES

IIT Bombay

200+ Post Grads -
Since 2007



POST GRADUATE STUDIES



Management Development



Warwick University

- Developing Future
Business Leaders
- 25+ Graduates
every year

POST GRADUATE STUDIES



Technology Development



Two PhD/yr



TECHNOLOGY SPECIFIC PROGRAMS



Materials | Manufacturing Processes |
Advanced Products

Advanced Technical Skills



INDUSTRY 4.0

Accelerated Training Programs

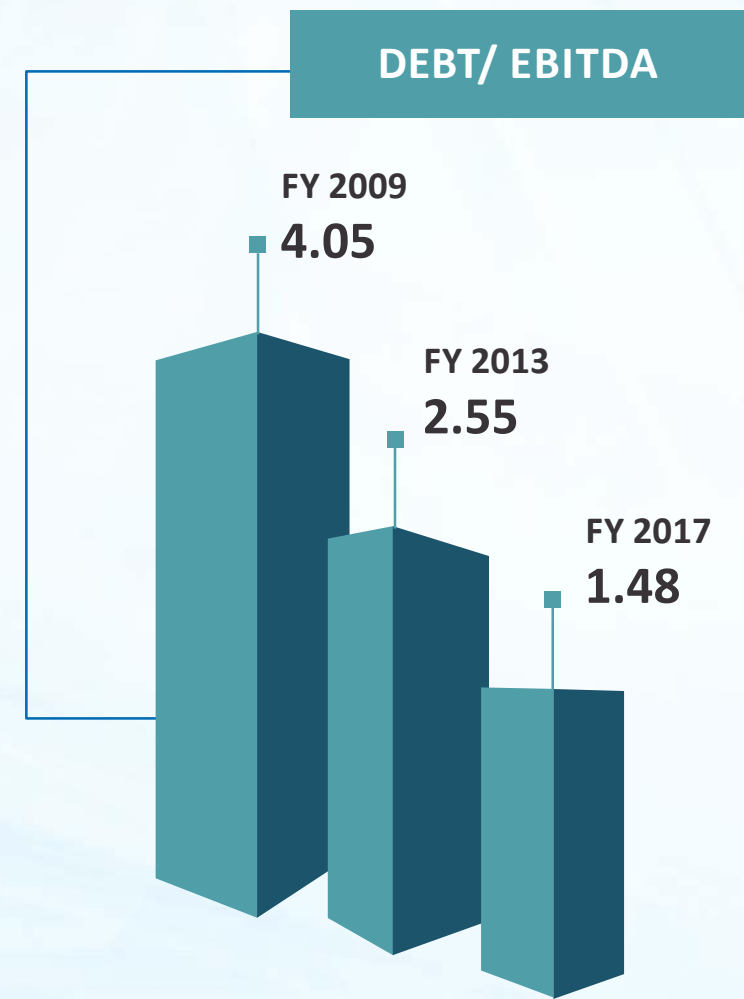
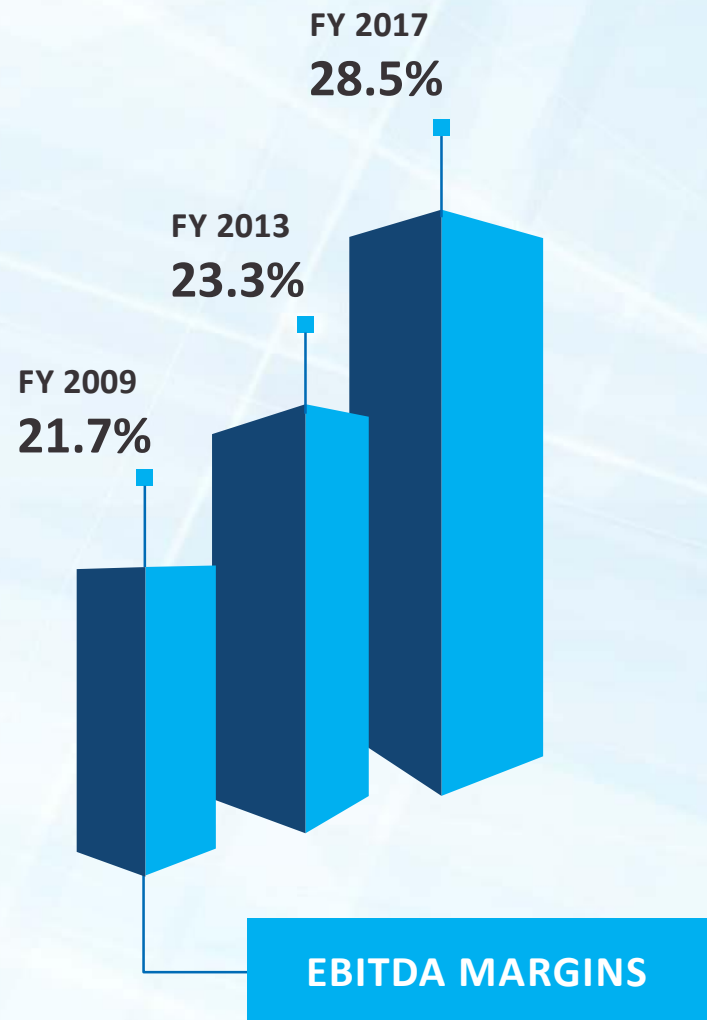
Hydraulics	PLC&Control Wiring
Pneumatics	Mechatronics
Sensor Technology	AR&VR
Human Machine Interface	Big Data Analytics
	IOT

5 & 7 AXIS MACHINING - DEVELOPMENT



At any given point of time, 10% of our employee group are under intensive academic or training programs

Resilient Operating Model...



FY 19 KEY PARAMETERS

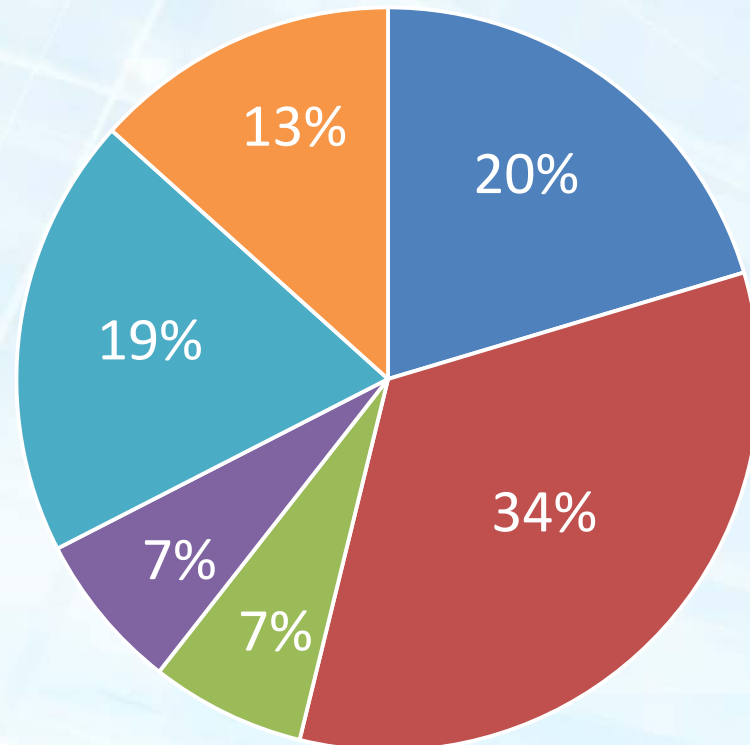
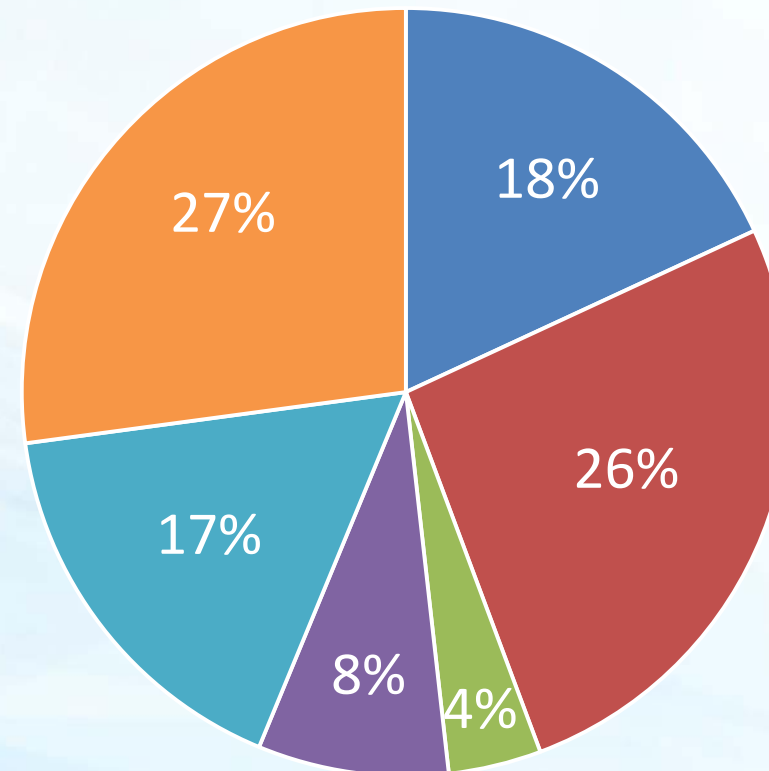
■ EBITDA %: 28.8% PBT %: 24.4% Debt/ EBITDA: 0.84

...Driven by Segmental Diversification

SECTOR	YEAR 2001	YEAR 2004	YEAR 2012	YEAR 2015	YEAR 2017	FOCUS ON A DE- RISKED BUSINESS MODEL	
TRUCK	●	●	●	●	●	GEOGRAPHICAL DIVERSIFICATION	✓
PASSENGER CAR		●	●	●	●		
CONSTRUCTION & MINING			●	●	●	SECTOR DIVERSIFICATION	✓
AGRICULTURE			●	●	●		
OIL & GAS			●	●	●	PRODUCT EXPANSION	✓
AEROSPACE			●	●	●		

De-risking and Growing

- Reduced dependence on Auto sector
- Diversified Industrials business across geographies
- Strong growth in Export Industrials and Passenger Vehicles

FY 2009

Revenues
FY 2009 : INR 20,586 million
FY 2019

Revenues
FY 2019 : INR 65,200 million

- Domestic CV
- Export CV
- Domestic PV
- Export PV
- Domestic Industrials
- Export Industrials

New Strategic Business

1 Light Weighting Center



2 E-Mobility



3 Transmissions



4 New Technologies



Addressing E-Mobility Opportunity

Develop solutions across the entire spectrum of EV's from low voltage powertrains in personal mobility to high voltage applications for commercial vehicles



TORK
MOTORCYCLES

- Strategic investment in EV start-up
- Gain technical expertise on EV powertrain development
- Access technologies in personal E-mobility space

TEVVA
MOTORS

- Strategic investment in EV company operating from UK
- Access to electric powertrain solutions for Commercial Vehicles & Buses in the 7.5 -14 T weight category
- License for commercialization of Tevva technology within India

MIRA
A HORIBA COMPANY

- R&D facility in UK for powertrain solutions of Electric Vehicles
- Technical Training
- Complementing capabilities and knowledge of KCTI & KCM I
- Benchmarking activities

Leveraging our strengths



Capacity

State of the art advanced manufacturing facilities with fungible assets to address multiple industries.

People

A strong knowledge workforce

Customer Relationship

Adding new customers and increasing share with existing customers

Technology & Innovation

Steadfast focus on new product development and emerging technologies

Financials

Improved free cash flow and a strong balance sheet

Future Growth

We are leveraging all our strengths to drive our next leg of growth

Disclaimer

This presentation contains certain forward looking statements concerning Bharat Forge's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, interest rates and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company. No part of this presentation shall be reproduced, copied, forwarded to any third party either in print or in electronic form without prior express consent of the company.

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Thank You