

BHARAT FORGE



KALYANI

INVESTOR PRESENTATION

August 2016 | Bharat Forge Ltd. | Pune

MAKING IN
INDIA
FOR THE WORLD



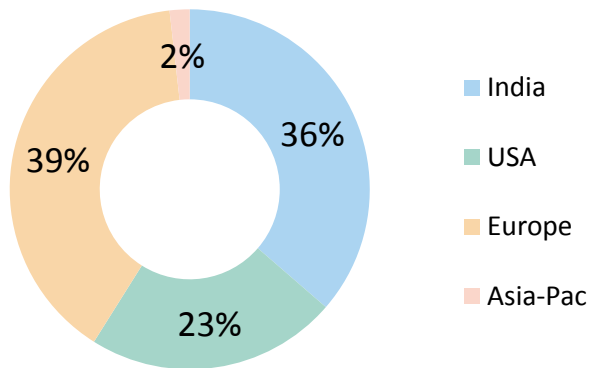
Bharat Forge Limited - A Global Industrial Conglomerate





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.

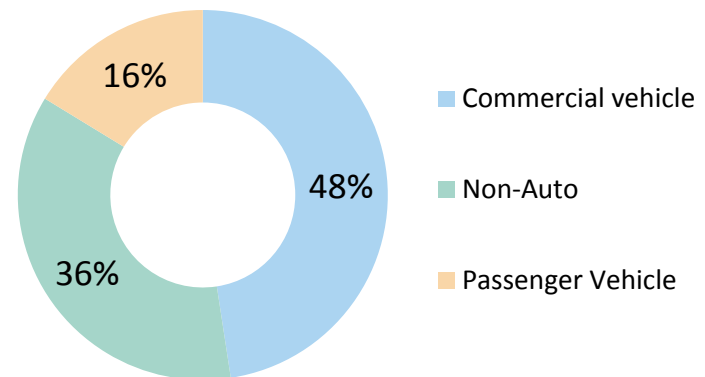
REVENUE BREAK-UP BY GEOGRAPHY – FY 2016



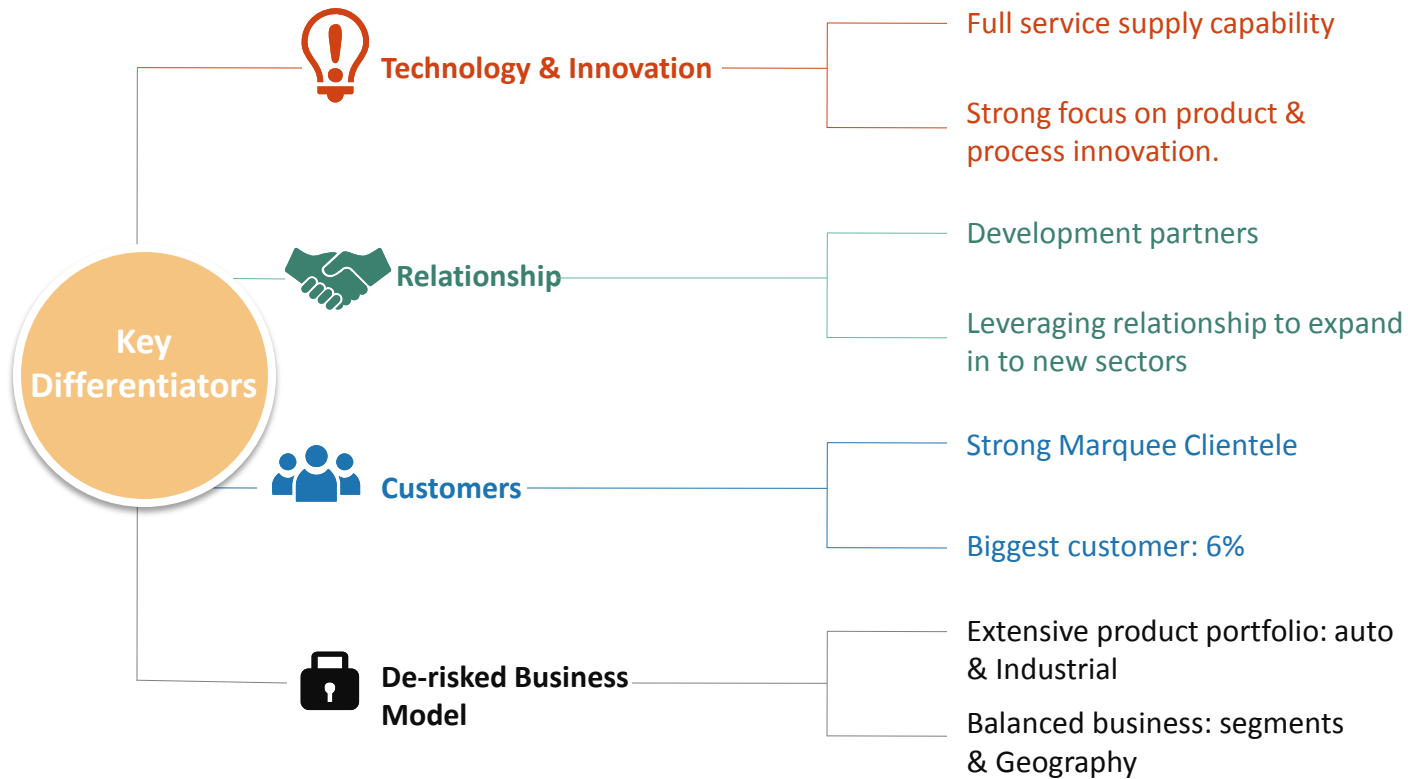
GLOBAL FORGING CONGLOMERATE

Geography	Capacity (TPA)
	403,750
	185,000
Total	588,750

REVENUE BREAK-UP BY SEGMENTS – FY 2016

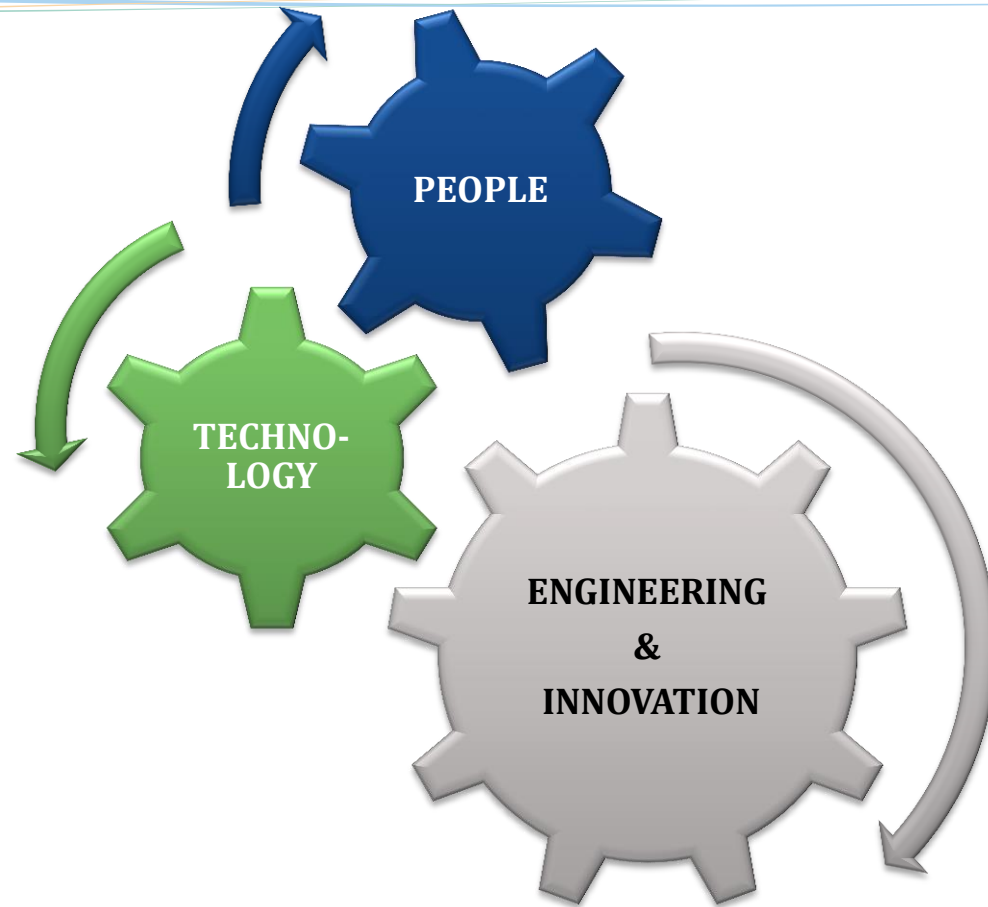


Bharat Forge Limited – Key Differentiators




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



Highlights : Q1 FY2017



Strong growth in the domestic market - both Industrial and Auto segment witnessed double digit growth on a y-o-y basis.

Maintaining a healthy balance sheet by generating free cash. On target to be net debt free by 2018.

New order win from existing customer in the export PV market. Outperformed the domestic CV market volume growth.

Witnessing good progress in the aerospace sector. "Make in India" initiative yielding good results in the form of increased traction from Government agencies.



Export markets affected by the continued demand volatility in the Industrial segment and a lower demand in the North America heavy truck market.

EBITDA margins affected due to low value add product mix .

North America Class 8 truck market continues to be affected by low average equipment utilization and an increase in the truck dealer inventory levels.

Depressed commodity prices continue to affect the O&G sector and allied activities of mining and construction.

Standalone Results - Q1 FY 2017



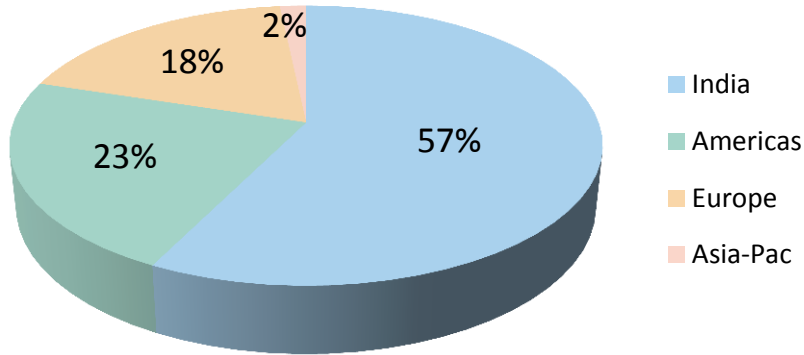
(INR Million)

Particulars	Q1 FY17	Q1 FY16	% change
Shipment Tonnage	49,098	51,984	(5.6)
Domestic Revenue	5,492	5,066	8.4
Export Revenue	4,079	6,795	(40.0)
Total Revenue	9,571	11,861	(19.3)
EBITDA	2,537	3,692	(31.3)
EBITDA %	26.5%	31.1%	
PBT before Ex Gain/ (loss)	1,882	3,030	(37.9)
PAT	1,221	1,960	(37.7)

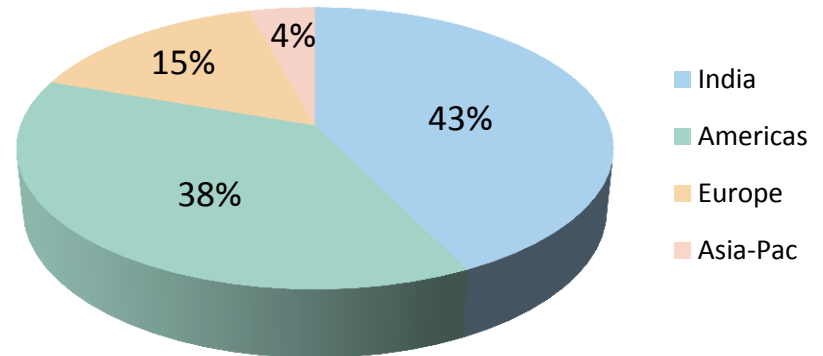
Geographical Breakup - Standalone



Q1 FY 2017



Q1 FY 2016

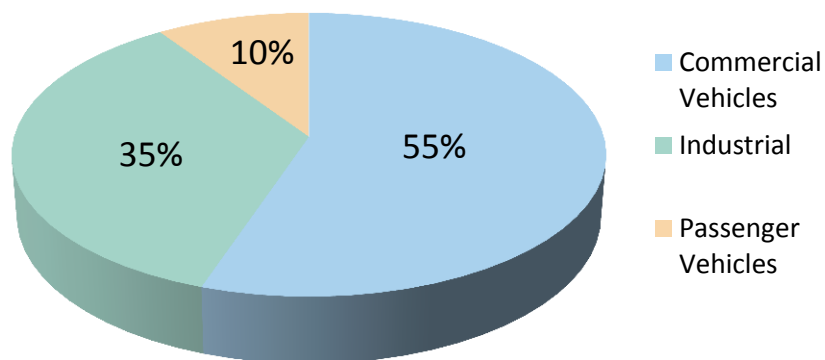


Particulars (INR Million)	Q1 FY 2017	Q1 FY 2016	% Change
India	5,492	5,066	8.4
Americas	2,149	4,467	(51.9)
Europe	1,769	1,830	(3.3)
Asia Pacific	161	499	(67.7)

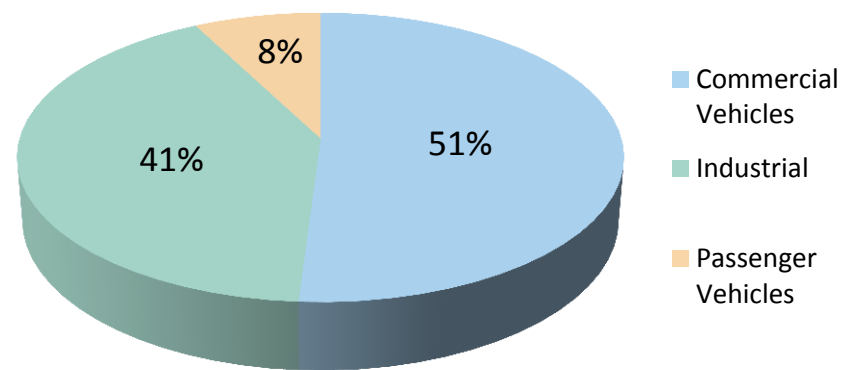
Segmental Breakup - Standalone



Q1 FY 2017



Q1 FY 2016



Particulars (INR Million)	Q1 FY 2017	Q1 FY 2016	% Change
Commercial Vehicles	4,688	5,435	(13.7)
Industrial	3,003	4,399	(31.7)
Passenger Vehicles	802	817	(1.8)

Performance of International Operations

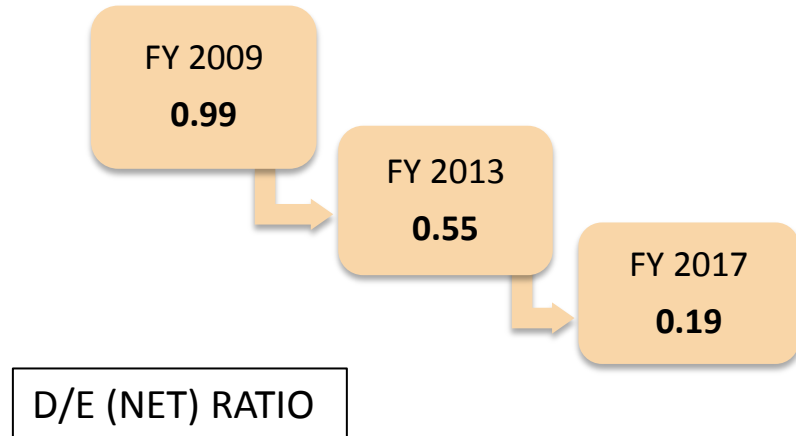
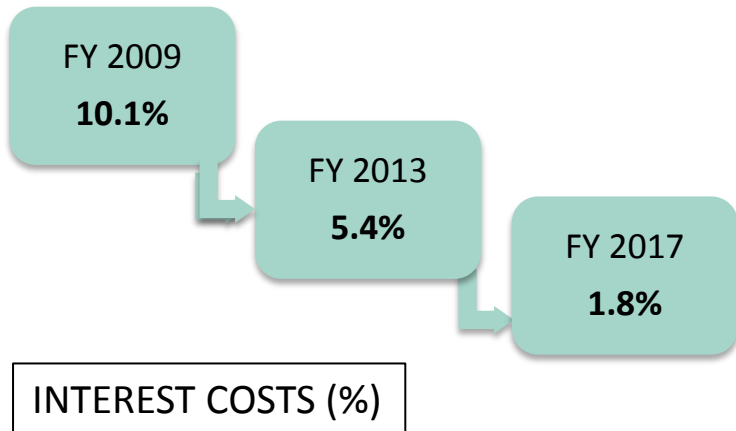
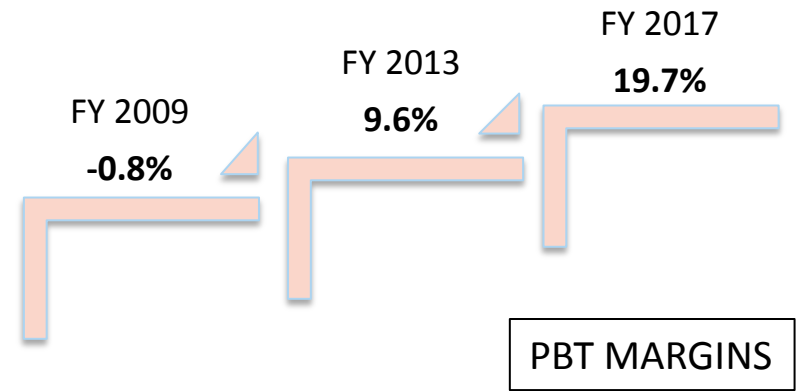
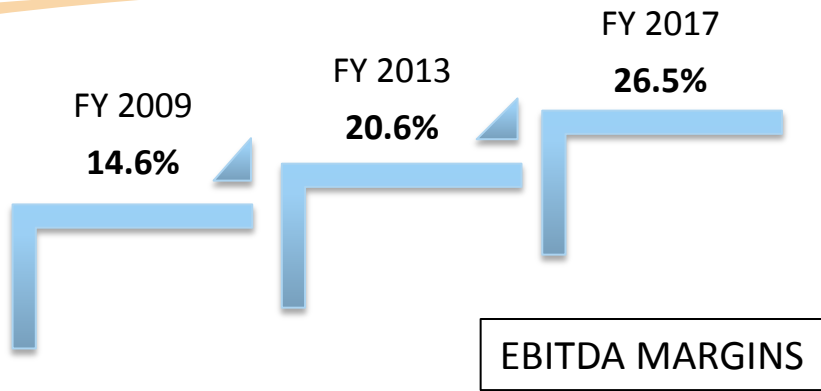


(INR Million)

Particulars	April – June 2016	April – June 2015	% change
Total Revenue	6,318	6,006	5.2
EBITDA	492	376	30.9
EBITDA %	7.8%	6.3%	
PBT before Ex Gain/ (loss)	101	3	

- The subsidiaries continue to register strong performance with a 5% growth in topline driven by robustness in end market demand. Implementation of various cost control initiatives helped to improve EBITDA margins.

Increasing resilience with diversification



Industrial sector business



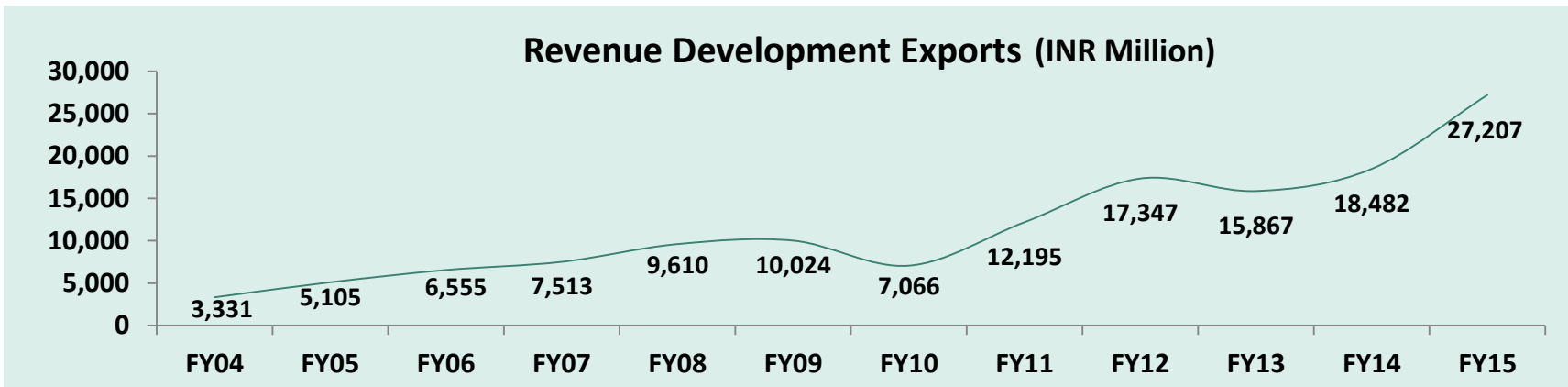
- Focusing on further diversifying the industrial business and increase presence in the non-commodity related sectors.
- Broaden scope of product offering to sectors which are have a long business cycle.
- Redeploying the assets, both human and capital which are fully fungible to address demand in Aerospace and Power sector (renewable & conventional).
- Starting to witness some traction in domestic market specially in Agri related, Government agencies and Railways.

State of Markets / BFL Engagement

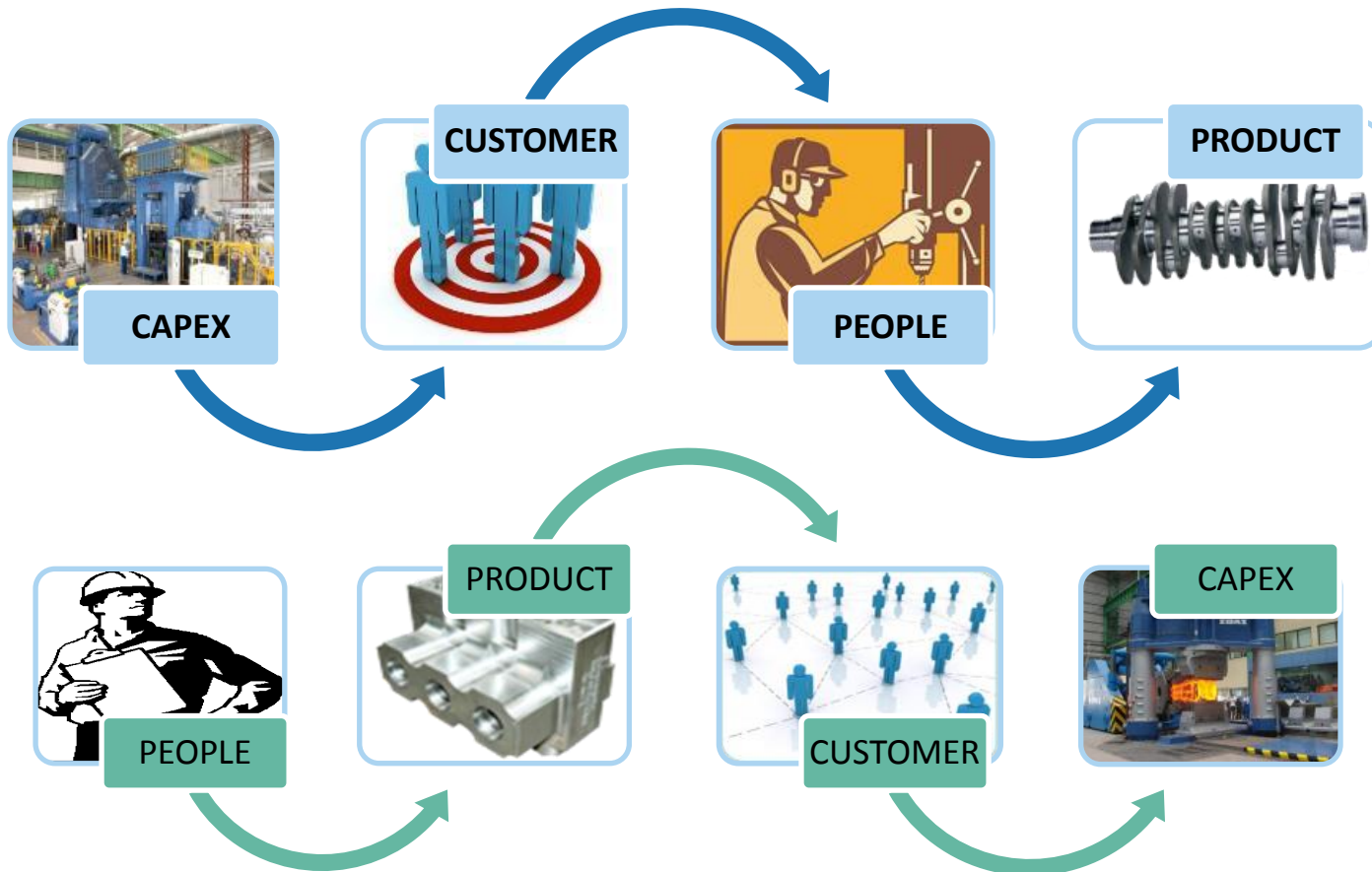


SECTOR	YEAR 2001	YEAR 2004	YEAR 2012	YEAR 2015	YEAR 2017
TRUCK	●	●	●	●	●
PASSENGER CAR		●		●	●
CONSTRUCTION			●	●	●
MINING			●	●	●
AGRICULTURE			●	●	●
OIL & GAS			●	●	●
AEROSPACE				●	●

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)		—	

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

