

BHARAT FORGE



# INVESTOR PRESENTATION

June 2017 | Bharat Forge Ltd. | Pune

MAKING IN  
**INDIA**  
FOR THE WORLD



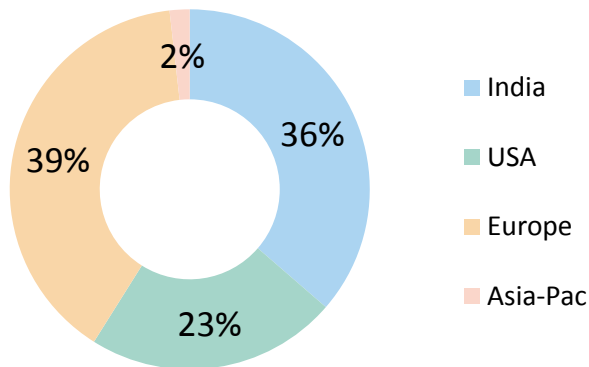
# Bharat Forge Limited - A Global Industrial Conglomerate



## BHARAT FORGE: PROFILE

- Consolidated Revenues: ~ US\$ 1 Bn
- 10 Manufacturing locations across 5 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.

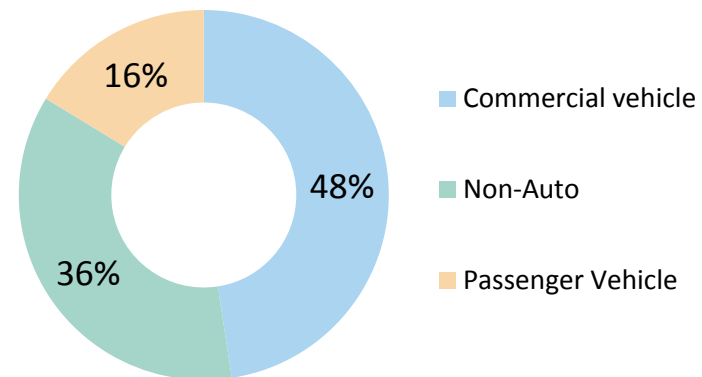
## REVENUE BREAK-UP BY GEOGRAPHY – FY 2016



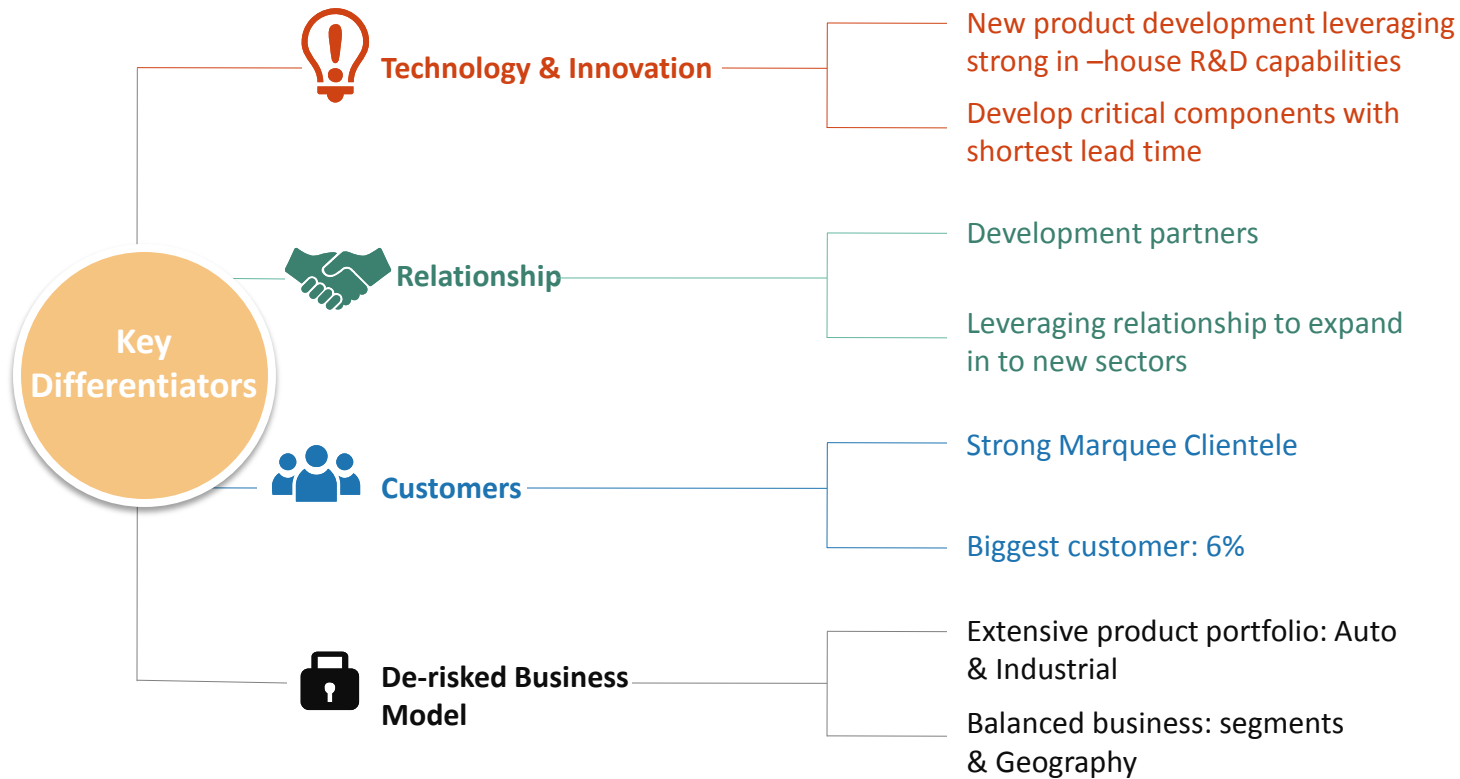
## GLOBAL FORGING CONGLOMERATE

Geography	Capacity (TPA)
	<b>403,750</b>
	<b>185,000</b>
	<b>30,000</b>

## REVENUE BREAK-UP BY SEGMENTS – FY 2016



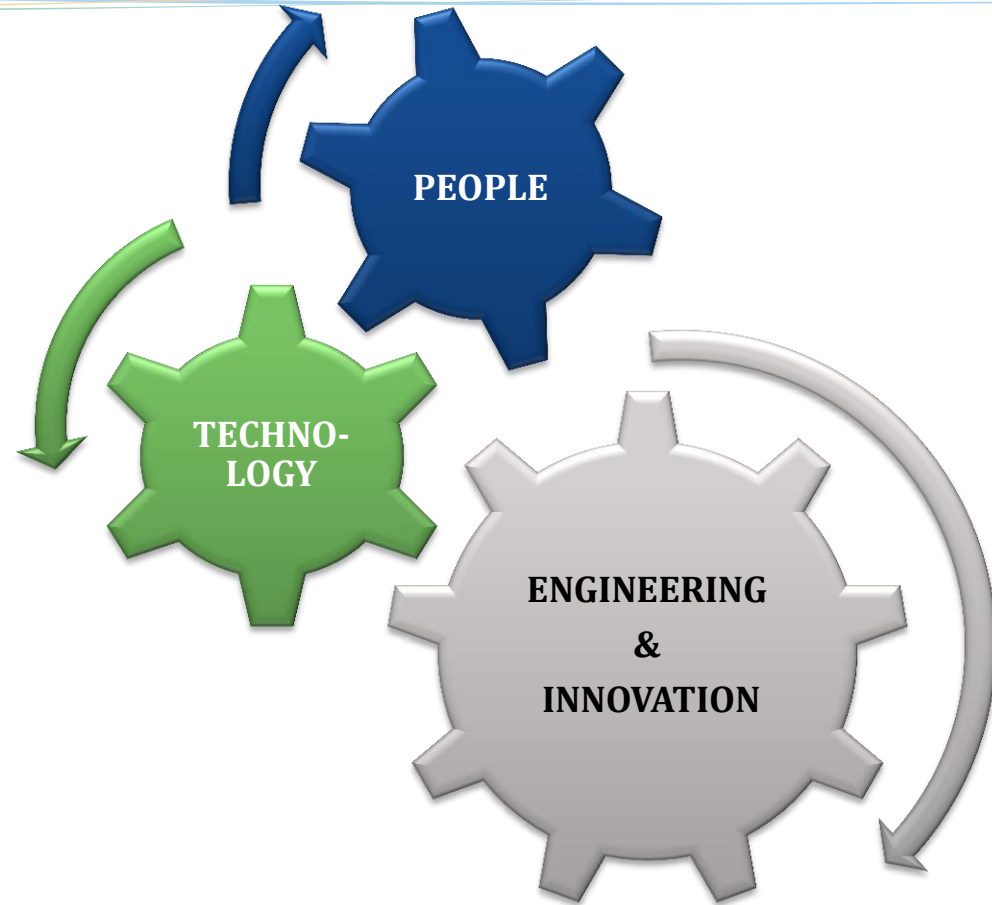
# Bharat Forge Limited – Key Differentiators



# 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. Steadfast 'Focus on R&D' to develop new capabilities and sustain competitive edge.



# FY 2017 Highlights : Good progress in a tough environment



Growth of Passenger vehicle export business  
**Growth of 14% in FY 2017 as compared to FY 2016**

Net Long Term Debt free by FY 2018  
**Achieved year ahead of schedule**

EBITDA Margins to be in the range of 27 -30%  
**Stable margins in spite of inflationary pressure in raw material, energy and manpower cost**

Increase customer base  
**New customer additions in both the Auto and Industrial sector**

Expand product portfolio and diversify business  
**Developed high technology products to increase content per equipment – across Auto & Industrial sector**

Annual Sales Development  
**Sales affected by volatility in global markets, strong recovery in last two quarters lead by Industrial Sector**

# Standalone Results – Q4 FY 2017 v/s Q3 FY 2017



(INR Million)

Particulars	Q4 FY17	Q3 FY17	% change
Shipment Tonnage	55,189	47,083	17.2%
Domestic Revenue	5,860	5,048	16.1%
Export Revenue	5,972	4,852	23.1%
Total Revenue	11,832	9,900	19.5%
EBITDA	3,240	2,719	19.2%
<b>EBITDA %</b>	<b>27.4%</b>	<b>27.5%</b>	
PBT before Ex Gain/ (loss)	2,533	2,005	26.3%
PAT	2,075	1,286	61.4%

# Standalone Results – Q4 FY 2017 v/s Q4 FY 2016



(INR Million)

Particulars	Q4 FY17	Q4 FY16	% change
Shipment Tonnage	55,189	52,413	5.3%
Domestic Revenue	5,860	4,782	22.5%
Export Revenue	5,972	5,330	12.0%
Total Revenue	11,832	10,600	11.6%
EBITDA	3,240	3,124	3.7%
<b>EBITDA %</b>	<b>27.4%</b>	<b>29.5%</b>	
PBT before Ex Gain/ (loss)	2,533	2,412	5.0%
PAT	2,075	1,655	25.4%

## Standalone Results – FY 2017

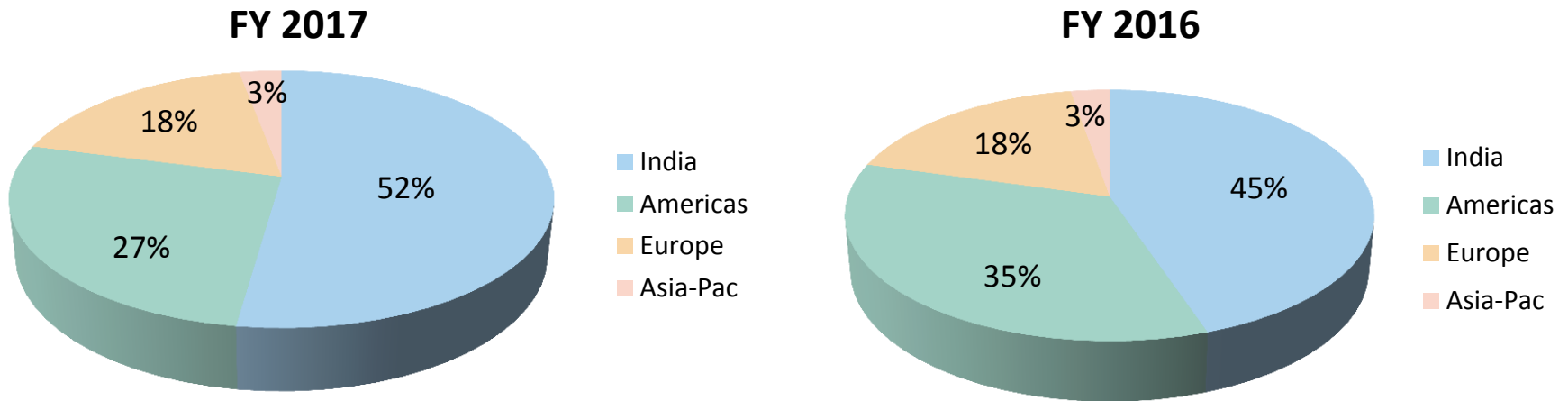


(INR Million)

Particulars	FY 2017	FY 2016	Growth %
Shipment Tonnage	197,573	209,697	(5.8)%
Domestic Revenue	21,244	20,271	4.8%
Export Revenue	19,418	24,985	(22.3)%
Total Revenue	40,662	45,256	(10.2)%
EBITDA	11,024	13,645	(19.2)%
<b>EBITDA %</b>	<b>27.1%</b>	<b>30.2%</b>	
PBT before Ex Gain/ (loss)	8,343	10,764	(22.5)%
PAT	5,851	6,976	(16.1)%



# Geographical Breakup - Standalone

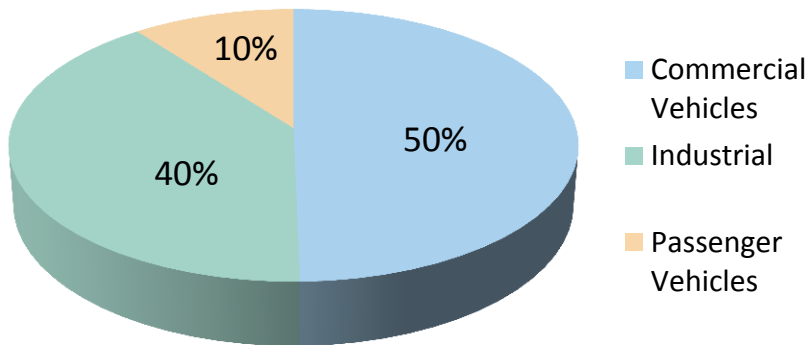


Particulars (INR Million)	FY 2017	FY 2016	% Change
India	21,244	20,271	4.8
Americas	10,904	15,644	(30.3)
Europe	7,299	8,090	(9.8)
Asia Pacific	1,214	1,250	(2.9)

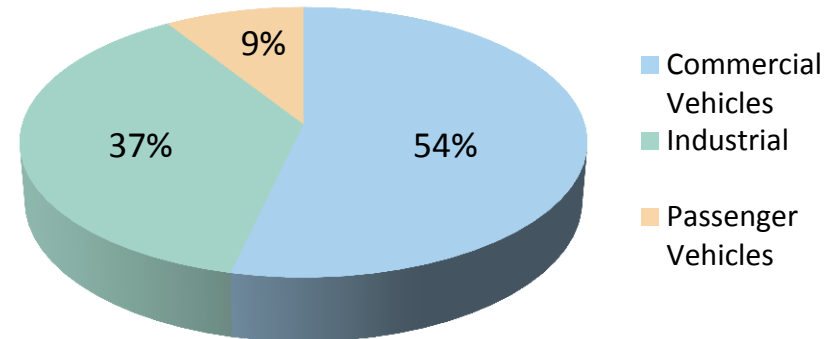
# Segmental Breakup - Standalone



**FY 2017**



**FY 2016**



Particulars (INR Million)	FY 2017	FY 2016	% Change
Commercial Vehicles	17,928	21,667	(17.3)
Industrial	14,402	15,082	(4.5)
Passenger Vehicles	3,760	3,654	2.9

# Performance of International Operations

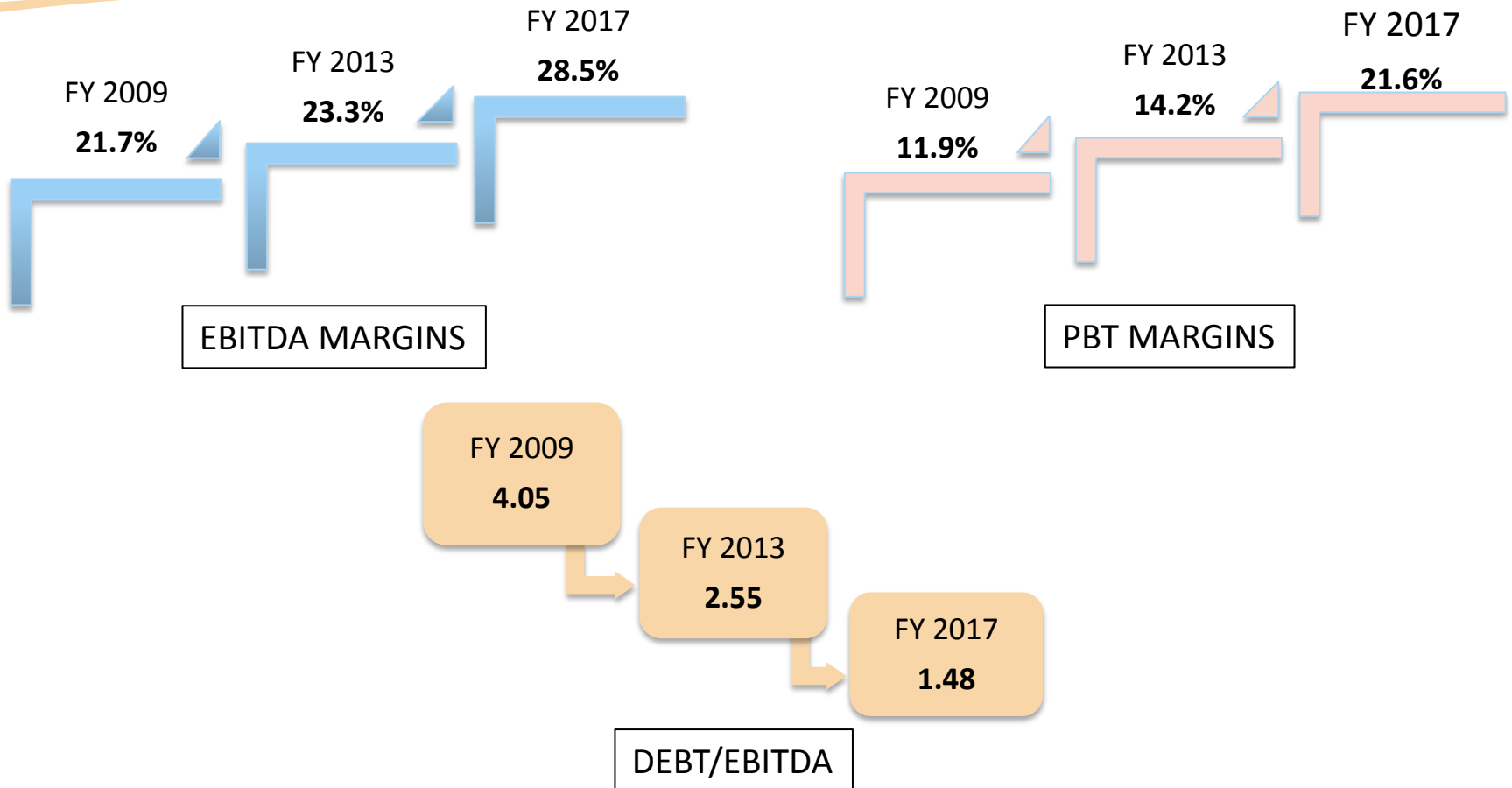


*(INR Million)*

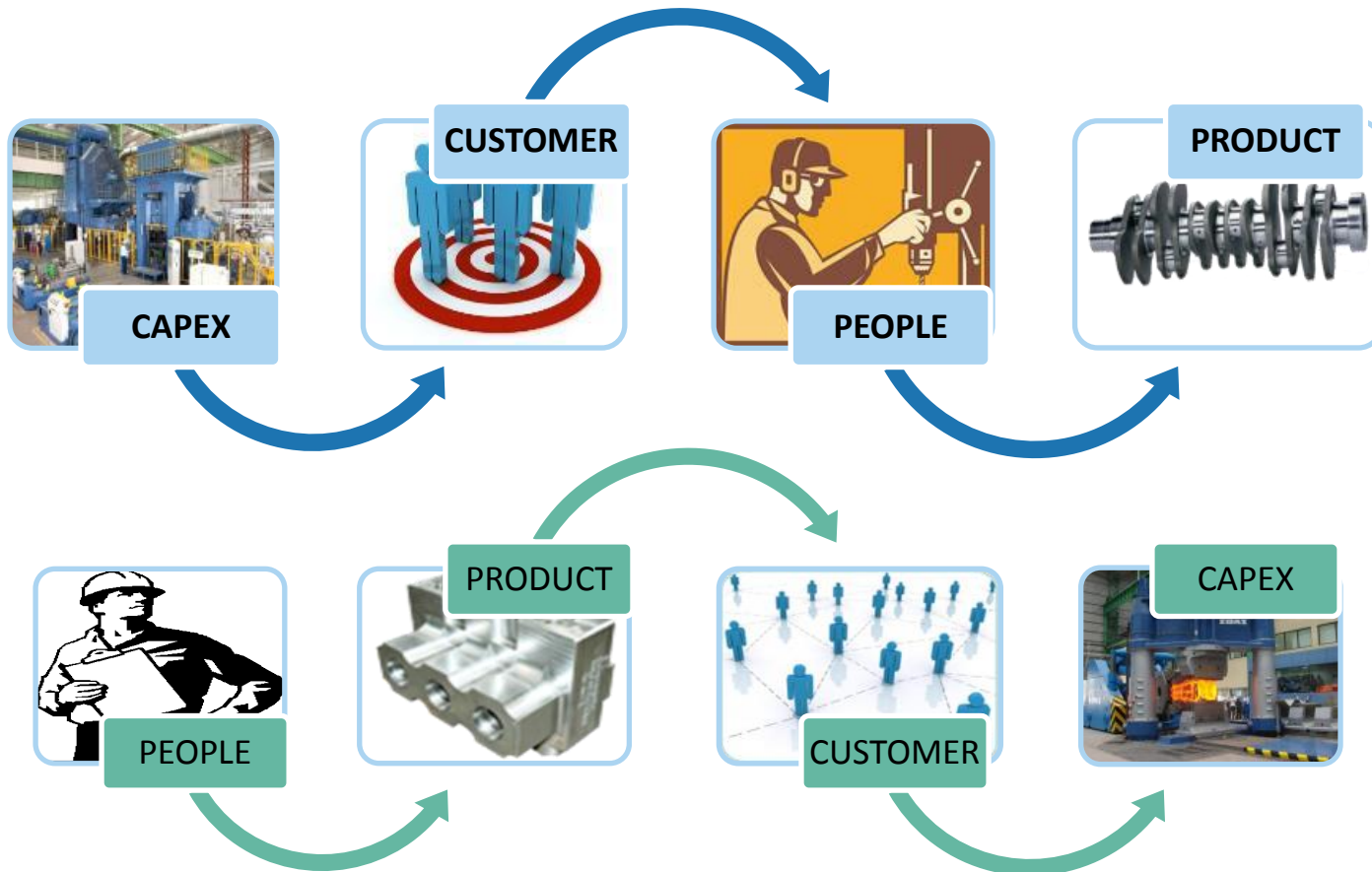
Particulars	CY 2016	CY 2015
Total Income	32,796	33,287
EBITDA	1,876	1,034
<b>EBITDA %</b>	<b>5.7%</b>	<b>3.1%</b>
PBT before Exceptional Item	294	(292)
Profit After Tax	469	(117)

- Strong focus on productivity improvement and cost control has yielded good results in spite of slight reduction in revenues.
- Improved product mix, new material technology application and light weight forgings will aid profitability going forward .

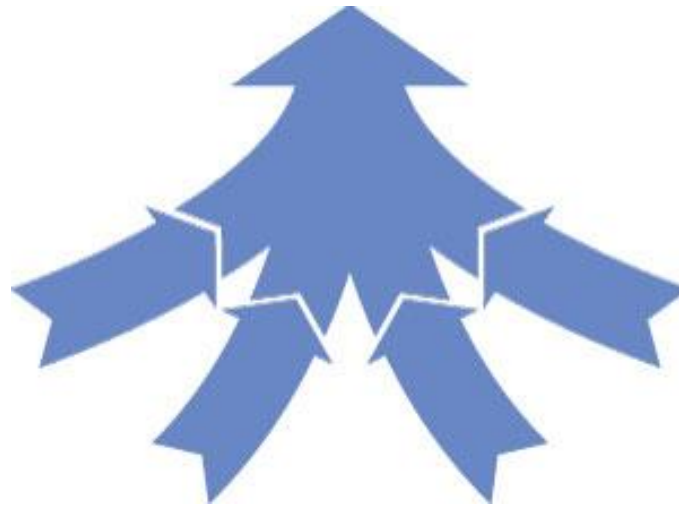
# Increasing resilience in every trough



# Asset Light Capex: Changing the Approach



# Way forward .....



## De-risk

Focus on increasing share of counter-cyclical sectors.

## Deleverage

Continue to focus on asset light model & lean balance sheet.

## Develop

New product development to increase content per equipment.  
New products to lead growth over the next 5-7 years.

## Demonstrate

Focus on assimilation & implementation of new technologies & processes to increase stickiness with customers.

# 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.*

**BHARAT FORGE**



**KALYANI**

**THANK YOU**

