BHARAT FORGE

August 11, 2025

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BSE Limited Corporate Relations Department

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Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra, India

Scrip Code: 500493 Symbol: BHARATFORG

Sub.: Transcript of the Analyst / Investor Conference Call on Unaudited Financial

Results (Standalone and Consolidated) for the quarter ended June 30, 2025.

Ref.: Regulation 30 and 46 (2) of the of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ('Listing Regulations').

Dear Sir / Madam,

Please find enclosed herewith the transcript of the Analyst / Investor Conference call, which took place on Wednesday, August 06, 2025, after announcement of the Unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2025.

The same is also available on the website of the Company at: https://www.bharatforge.com/investors/reports/analyst-conference-calls

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Bharat Forge Limited

Tejaswini Chaudhari Company Secretary and Compliance Officer Membership No.: A18907

Encl: As above





"Bharat Forge Limited Q1 & FY'26 Earnings Conference Call"

August 06, 2025

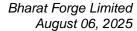




MANAGEMENT: MR. AMIT KALYANI – VICE CHAIRMAN & JOINT MANAGING DIRECTOR, BHARAT FORGE LIMITED

MR. SUBODH TANDALE – EXECUTIVE DIRECTOR
BHARAT FORGE LIMITED

MR. KEDAR DIXIT – SVP & CFO BHARAT FORGE
LIMITED





Moderator:

Ladies and gentlemen, welcome to the Q1 FY'26 Earnings Conference Call hosted by Bharat Forge Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Kalyani – Vice-Chairman & Joint Managing Director, Bharat Forge Limited. Thank you and over to you, sir.

Amit Kalyani:

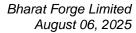
Good evening, ladies and gentlemen, and thank you for joining our Quarter 1 Analyst and Investor Call. We are definitely in very interesting times. Given the undercurrents, I would take you through first the numbers and then our team will take your Q&A. I have with me our Finance and Investor Relations Teams.

Q1 revenue for Bharat Forge on a standalone was Rs. 2,105 crores, which is about down by 2.7%. The uncertainties around the whole tariffs have created a lot of disruption in the global outlook for automotive global in the U.S. and worldwide. The pause in the emission norms have pushed out the pre-buying effect, which was anticipated, and some amount of seasonality in the aerospace business has also contributed to topline weakness.

Standalone EBITDA in Q1 was Rs. 588 crores, which is about 6.5% lower due to low utilization and a different product mix. We have absorbed about Rs. 14 crores worth of tariff-related expense in Q1. At a consolidated level, Q1 revenue was Rs. 3,909 crores, which is 1.5% higher quarter-on-quarter. EBITDA moved up to Rs. 682 crores, which is a margin of 17.4%, and the consolidated performance showed an improvement on the back of better profitability in the overseas business and reduction of losses in the Kalyani Powertrain. During the quarter, we have secured new business worth about Rs. 850 crores, which is Bharat Forge 429, Defense 269, and JSA about 149.

On the overseas subsidiaries, our EU aluminum operations were stable. Utilization levels are at about 70%, and we had EBITDA of about Rs. 33 crores.

The U.S. aluminum business had a fairly decent quarter driven by operational efficiencies and better utilization, with a second consecutive quarter of positive EBITDA with margins of 6.1% in Q1 and current utilization levels for the aluminum business is also about 70% of Phase-1 volumes. We will continue to evaluate the restructuring options for the European steel business, and we will update you on the progress in due course. I think we put up a fairly decent show given the current circumstances, which continue to evolve as we speak. Tariff-related uncertainty is definitely something that nobody





has ever experienced before, and it's something that we are engaged with our customers in finding a resolution to.

I just want to highlight to you that one-third of our exports from our Indian manufacturing, that is Bharat Forge Standalone, that is India manufacturing, which is BFL plus industrial plus defense, etc., were to the United States in Q1. Our overseas aluminum operations have turned a corner driven by high utilization rates and better operating metrics. In India, a wide portfolio across steel forging, ferrous, and aluminum casting is helping us increase our content per customer across sectors and geographies.

In the medium to longer term, you will see the center of gravity shift back to our India operations as manufacturing in India becomes larger and more lucrative, and we are already seeing opportunities emerge for machine tools supply to emerging sectors in the domestic market as well. Our acquisition of the American Axle India CV Assets is another step to build upon our India bet and to add more value-added products in our lineup. This gives us access to the thriving light commercial vehicle and SUV segments as well. In addition to manufacturing facilities, these assets provide us with vital engineering know-how to design axles.

With a good RFQ pipeline in the defense business, we expect to see some orders getting finalized additionally in this fiscal. Q2 looks a little weaker driven by U.S. exports and hopefully marks a low for this cycle. Second half should be better than the first half. Talking about the rest of the year, we expect that aerospace should continue its 20% plus growth annually YOY. This business has limited exposure to the U.S. market. American Axles should add Rs. 1,000 crores to the consolidated topline for the year. We will see it consolidate from Q2 FY26.

Our Steel Europe, as I mentioned, in 6 months we will have a roadmap in place which will outline the entire process that we will undertake for this. Q1 in JSA is a seasonally weak quarter aggravated by tariff uncertainty and some amount of slowdown in the renewable energy sector due to the pullback on renewables in the United States.

I think to sum it up from where we are today, we should see positive momentum in news flows and performance, especially in the second half. Like the past, we will use this period to pivot and come out stronger than before.

Thank you very much. I will now have my team answer your questions.

Thank you, sir. We will now begin the question-and-answer session. The first question is from the line of Mr. Kapil Singh from Nomura. Please go ahead, sir.

Moderator:



Kapil Singh: Good evening, sir. Indeed, a tough quarter, but I would say a good performance considering the

circumstances. Just wanted to ask you regarding the tariffs. Firstly, a more fundamental question. Who bears the tariffs? Is it distributed across the entire chain of customers, OEMs, and suppliers?

Does Bharat Forge need to bear more? Just your perspective on this thing.

Subodh Tandale: So, you are asking essentially how is the tariff compensated?

Kapil Singh: Yes.

Subodh Tandale: Right now, irrespective of who pays the tariff, whether we pay the tariff or the customer pays the

tariff, at the end of the day, it is compensated in price. And usually what happens is customers work with us to find such solutions because obviously these are extraordinary circumstances. And given the fact that we provide critical products, all customers are working with us to find suitable solutions

because that is the need of the hour right now.

Kapil Singh: Okay. And, sir, this Rs. 14 crores impact that we borne, was that for the full quarter or was that for

part period?

Subodh Tandale: No. That was for full quarter.

Kapil Singh: Okay. So, were tariffs applicable for full quarter?

Subodh Tandale: Yes.

Kapil Singh: Okay. The second question is, with the tariffs currently at 25%, how is the competitiveness of Indian

exports? And which are the geographies from which we are facing competition for products like

crankshafts and front axles?

Amit Kalyani: So, let me just, I will answer this in a very simple way. All the countries that produce these parts

have the same tariffs. I mean, either we are the lowest or we are equal to what anybody else is. Nobody is lower than India. The other two geographies are China plus another one, both of which

are at higher levels.

Kapil Singh: Okay. And is there a case that you need to think about setting up manufacturing for some of these

products in US? And if the tariff uncertainty is affecting any order inflow from the customers as well,

that could be the last question for me.

Amit Kalyani: We are not looking at setting up any other facilities right now, anywhere outside India. On order

inflows, I think I will let Subodh answer that.



Subodh Tandale: At this point, there is no impact on order inflows because typically, for the products that we are

engaged with, it takes anywhere between 2 to 4, 3 years to complete the whole approval and validation cycle, even if we have to move it anywhere, ourselves. So, it's a very complex process. So,

currently, there is no impact on the order flow because of this reason.

Kapil Singh: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Gunjan from Bank of America. Please go ahead.

Gunjan: Yes, hi. Thanks for taking my questions. Just one quick follow-up on tariff and then get to the rest of

the business. You mentioned in the prior call that the tariff was different for industrial and autos, right? Is there any change to that with the recent 25% imposition? Does the industrial also get, you know, has the same tariff now that that CV part of the business also gets impacted and you see 25%

implication on that?

Subodh Tandale: Currently, that is the scenario and that is under evaluation by the US government as well.

Gunjan: And this 14 crore, again, you know, what Kapil was asking, the tariff is applicable only when the

shipment reaches US, in which case, the tariff would have been applicable only maybe, towards June or something. So, is it fair to assume that we will see more impact of tariff going into the second

quarter?

Subodh Tandale: Even for this tariff that is applicable now, the effective date of implementation will be 7th of October

or something like that. So, we will have some time for whatever is being shipped post 7th August.

Gunjan: Okay, got it. Let me move on to some other parts. I think maybe, it will be good to hear from you on

the defense bit. You do mention that there is a pipeline, you referred to some pipeline and strong visibility on that. Can you talk a little bit around it? What is it we are seeing? Is it on exports? And

is it still, you know...?

Amit Kalyani: Look, as you know, we have announced that we had a pipeline of Rs. 9,000 crores. After which we

have one more tender which has to get converted into a signed order. Once that happens, that will

add another Rs. 1,400 odd crores to our order book.

Gunjan: And that is domestic?

Amit Kalyani: That is a combination. This last order that I am talking about is domestic.

Moderator: Thank you. The next question is from the line of Mr. Pramod Kumar from UBS. Please go ahead,

sir.



Pramod Kumar: Thanks a lot for the opportunity. Amit, I just wanted to understand, you said every country which is

exporting into US is either paying tariff as low as India or higher.

Amit Kalyani: I said for the countries which are producing the same parts.

Pramod Kumar: Yes. So, but is there no onshore US plant for forging by ThyssenKrupp or anyone?

Amit Kalyani: There are forging plants, but not for machining.

Pramod Kumar: Not machining. So, on the forging side, there could be some competition or cannibalization with

the...?

Amit Kalyani: Not really. I don't think there's any capacity.

Pramod Kumar: Oh, they don't have capacity?

Amit Kalyani: No additional capacity as far as we understand.

Pramod Kumar: Fair enough, sir. And you did talk about second half being better than first half. Just trying to

understand the reasoning behind that. And also, within the first half, how should then one look at 2Q versus 1Q, sir, if you can just help us. It will help us navigate this uncertainty in a much better way.

versus 1Q, sit, it you can just neip us. It will neip us havigate this uncertainty in a much better way.

Amit Kalyani: Honestly, look, the tariffs were announced three days ago. Okay. So, I think we have to wait to

understand the overall situation and then come back to you. This is the basis what we are hearing

from our customers.

Pramod Kumar: Okay. Second half assessment is based on what you are picking up from customers, basically.

Amit Kalyani: Yes.

Pramod Kumar: Fair enough, sir. And on the defense side, last one, we've seen that recent orders, the entire situation

is what we had in India, even the Israel Iran, increasing war theatre, the action is moving towards airbased system, drones, missiles, anti-drones. So, what is the group strategy because you have very

deep roots on the land side?

Amit Kalyani: We have a presence in every sector. As you are aware, we signed an agreement with a company

 $called\ Turg is\ Gaillard\ for\ MALE\ drones.\ We\ have\ a\ solution\ right\ from\ MALE\ to\ Super\ Light\ drones.$

So, we have an entire range of airborne unmanned aircraft. We have for land-based unmanned products and for water-based unmanned products.



Pramod Kumar: And if you can just help us understand out of the defense, out of backlog, including the Rs. 1,400

crores what you are talking about, how much will be the component of non-land systems because it acts as normally what everyone associates Bharat Forge with and even the carbines. So, if you can

just help us understand that.

Amit Kalyani: Land, when you say, it includes specialty vehicles, it includes artillery systems, it includes a lot of

things. So, artillery itself is about 4,000 drones.

Pramod Kumar: Artillery alone?

Amit Kalyani: Yes. So, it's less than half.

Pramod Kumar: And carbines and other stuff? I mean, carbines is a recent order, right?

Amit Kalyani: It's not yet included in that.

Pramod Kumar: It's not included in that? Because if I am not wrong, media reports suggest that you are L1 already

on that.

Amit Kalyani: Yes, we are L1, but the contract is not yet signed.

Pramod Kumar: And how big that could that opportunity be, sir? Because that's part of a large one.

Amit Kalyani: I already discussed that. That is 1,400 crores.

Pramod Kumar: Okay, that's 1,400 crores. And is the market much larger for such carbines? Because I believe there

are procurement of the...

Amit Kalyani: It's huge.

Pramod Kumar: It's huge. State government level...

Amit Kalyani: That's only 200,000.

Pramod Kumar: Yes, sounds good. Thanks a lot, sir. Wish you all the best. Thank you.

Amit Kalyani: Thank you.

Moderator: Thank you. The next question is from the line of Amyn Pirani from JP Morgan. Please go ahead, sir.



Amyn Pirani: Yes, hi. Thanks for the opportunity. Two questions. First of all, on the U.S. aluminum profitability,

does this business get any benefit because the U.S. has imposed tariffs on a lot of things? So that if you can give some bit on the profitability side, or if you can highlight what is causing the staff

improvement and profitability here?

Amit Kalyani: Well, one factor is that our operating metrics in terms of volume capacity utilization have improved.

So that's really fueling this improvement. And, I am hoping that having a comparative source make in the U.S. will help other U.S. OEMs maintain their MCA requirements. So managing MCA

requirements is an important factor. So that should help us with securing new business.

Amyn Pirani: Understood. I think till last quarter, you were also mentioning that there was some delay in getting

the price increases from the customer on the aluminum business. Is now that behind us now?

Subodh Tandale: No, it's not yet done.

Amyn Pirani: Okay. Thanks. I will come back in the queue.

Amit Kalyani: Yes, thanks.

Moderator: Thank you. The next question is from the line of Mr. Pramod Amthe from InCred Capital. Please go

ahead.

Pramod Amthe: Yes. Thanks for the opportunity. So, Amit, considering that this static overhang has been there for

some time in the system, is there any pre-buying by the clients which has happened in the last couple

of months?

Amit Kalyani: No.

Pramod Amthe: Nothing of that sort, which you are seeing?

Amit Kalyani: No.

Pramod Amthe: Okay. Thanks. And second, with regard to the US Aluminum Forging, what is the plan now with

regard to the second line of capacity? Are you advancing that? Looking at the constant...

Amit Kalyani: No, that's already under implementation. Under installation and trial. I mean, it's under installation.

Pramod Amthe: Okay. And there also capacities have been booked or how is the scenario?



Amit Kalyani: Little bit, not all of it. We have some empty capacity. We have deliberately kept some capacity empty

because we thought that, if there is some positive development on the demand in the US and made

in the US, that will give us some, leverage in the future.

Pramod Amthe: Sure. And the last one is with regard to defense. Considering the recent conflict, how are you looking

at addressing or adding up more addressable segments to your defense target for next three to five

years?

Amit Kalyani: So, we are working on. We are working on right from, as I mentioned earlier, drones, right from air,

land and sea, to air defense, to naval guns, to lots of other advanced systems. And within all these

systems, we will have high domestic content. So, that's our, that's our goal to have a broad based

business.

Pramod Amthe: Sure. Thanks in advance.

Amit Kalyani: Thank you.

Moderator: Thank you. The next question is from the line of Mr. Kapil Singh from Nomura. Please go ahead, sir.

Kapil Singh: Yes, sir. Thanks. Just one follow up on KSSL revenue. They have come off over the last four quarters.

Just some, understanding as to what is happening over there?

Amit Kalyani: KSSL's revenue, don't look at it on a quarterly basis, look at it on an annual basis. Because there are

a lot of, let's say lumpiness in this business. So, I would look at it on an annualized basis. And we

will see a recovery in Q3 and Q4.

Kapil Singh: Okay. So, on an annual basis, there should be growth in the revenue?

Amit Kalyani: Yes, that is what we, that is what we are projecting.

Kapil Singh: Okay. And what percentage of these revenues, what percentage of the supplies go from domestic for

this?

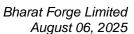
Amit Kalyani: Sorry, everything is from here.

Kapil Singh: So, from the standalone operations, like what is the overlap between the revenues?

Amit Kalyani: See, the thing is that old orders that have been taken in Bharat Forge will continue to be, let's say,

completed from Bharat Forge. New orders will all come, will be from KSSL. It doesn't make a

difference because KSSL is a 100% subsidiary of BFL as well.





Kapil Singh: Okay. And what about the ATAGS done? Where will that be accounted for?

Amit Kalyani: It will be BFL.

Subodh Tandale: But as Amit sir has also mentioned, we should look at it on a consolidated basis because it's a 100%

subsidiary of the company.

Kapil Singh: Yes, I understand that. Thank you.

Moderator: Thank you. The next question is from the line of Mr. Balasubramanian from Arihant Capital. Please

go ahead, sir.

Balasubramanian: Good evening, sir. Thank you so much for the opportunities. Sir, servers and SMT lines are new

ventures and what kind of business opportunities we are having in coming years? How does this align

with the government incentives?

Amit Kalyani: On SMT, we have electronics as a part of our business in defense and in EV and other electronics

businesses. So, we see an opportunity to make electronics components, systems and also some end products as an opportunity for the Indian market and also as a backward integration for our defense and EV business. So, that is why we have set that up and we are already generating revenue from this

and we have applied for the PLI for this and hopefully that should come soon.

Balasubramanian: Okay, sir. Sir, especially in construction, mining and aerospace, those areas witnessed weak

performance. Is this a demand side issue or execution related and when we can expect the recovery? And secondly, this KPTL E-Mobility subsidiary, when we can expect a breakeven, whether it is in

H2 or beyond that?

Amit Kalyani: So, first of all, aerospace, we will have strong growth in the year. Again, you have to look at it on a

YOY basis. We should see upwards of 20% growth, maybe even higher than that. Construction and mining, there has been a dip but hopefully that will also improve in the second half. What we are seeing is a growth in construction and mining in India as the whole infrastructure development in

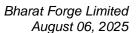
India is taking off. Any other questions?

Balasubramanian: Sir, KPTL?

Amit Kalyani: KPTL, we have working on a few. Look, first of all, we have reduced our costs and we have reduced

our losses. But for the profit, I think it depends on getting a couple of big contracts going, which we are working on. Let us see. Right now, there are challenges in EV for everyone because of the whole,

no magnets available and things like that. So, let us see.





Balasubramanian: Thank you.

Moderator: Thank you. The next question is from the line of Mr. Viraj from SiMPL. Please go ahead.

Viraj: Yes, most of the questions have been answered. Just few questions on AAM, I think we will start

consolidating from Q2. So, if you look at the past performance, last three years, we have seen a very good healthy growth in that target company. So, what is driving that? And what is our play going forward? Because I think we also go on stake in automotive access. So, is there any more compete

or any color you can give? How are we approaching this going forward in our plans?

Amit Kalyani: We see a large opportunity in India in a variety of sectors, not only on highway, but also off highway

and in new sectors to get into. So, we will continue to pursue growth opportunities in India and grow

our business and grow our profitability. That is what we are after.

Viraj: And is there any more competitor with automotive axle? I mean, eventually, can we also participate

in MHCV or we will be restricted to LCV and CV?

Amit Kalyani: So, we are an axle manufacturer. So, we will make axles.

Viraj: Okay. Thank you.

Moderator: Thank you. The last question for this session is from Mr. Mithun Aswath from Kiva Advisors. Please

go ahead.

Mithun Aswath: There was some partnership with Compal Electronics to manufacture servers in India. Could you

highlight in terms of how large these opportunities that you are getting into could be in the next few

years?

Amit Kalyani: Yes. So, there are three sectors of servers that we are targeting in India. There is one sector where

servers have to be made in India. There is a second sector where you have AI-based servers and the third is just data servers. So, we are targeting all three. And I believe that there is a large market for servers, something in the order of 20,000 a year going up to 75,000 a year. And these are large servers. These are not the small servers. So, this is a big market and we want to see how we can be a competitive player in this market and a local player. So, right now, we are starting small, but we will build the capability to do much more development and much more value addition in our servers for

our customer base over here, especially the niche and specialty customer base.

Mithun Aswath: Thank you.



Moderator: Thank you. I would now like to hand the conference over to Mr. Amit Kalyani for closing comments.

Please go ahead, sir.

Amit Kalyani: Yes. So, thank you very much, ladies and gentlemen, for your comments and questions. As you know,

we are facing unprecedented times, but this company has weathered a lot of downturns and a lot of uncertainty in the past and we've come out stronger because we've always looked at our capabilities and expanded into new areas and we've worked internally to make ourselves more competitive. And that's the same thing that we will do this time around also. And I am quite confident that we will come out stronger and better at the end of this. So, thank you very much for your time and interest

and I wish you all a very happy evening. Thank you and good evening.

Moderator: Thank you. On behalf of Bharat Forge, that concludes this conference. Thank you for joining us and

you may now disconnect your lines.