



BKT

GROWING TOGETHER

**Investor Presentation
May 2015**



Safe Harbor

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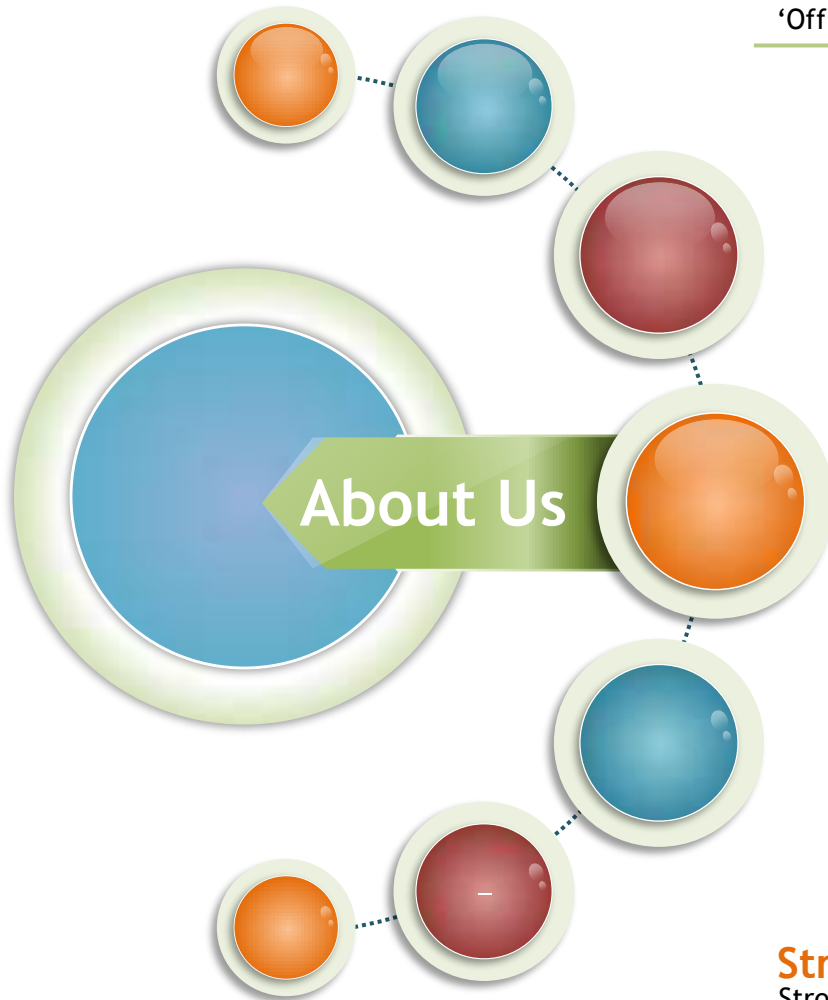
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Company Overview



Balkrishna Industries...



Leading ‘Off-Highway Tire’ Exporter

BKT is India’s Leading player in the Global industry of ‘Off Highway Tire (OHT)’ Market

Wide and comprehensive product portfolio

Deep understanding of OHT market has led to capabilities to manufacture over 2,200 SKU

Capacities

Achievable capacities of ~300,000 M.T.P.A (post Bhuj)

Global Reach

Sales to over 130 countries through Distribution network in Americas, Europe, India and Rest of the World

Experienced Management Team

Experienced Management Teams across business divisions and verticals with wide knowledge of Global OHT Market

Locational Advantage

India, as Manufacturing base gives us huge competitive advantage in the Global OHT market

Strong OEM Presence

Strong Partnerships with Global OEM’s a testimony of our Brand Acceptance & Performance

Growing Under the leadership of ...

Focused Promoters with a Global Vision...

Mr. Arvind Poddar
Chairman &
Managing Director

Mr. Rajiv Poddar
Jt. Managing
Director

- Visionary with exemplary strategy and decision making capabilities
- Instrumental in 'Dreaming Big' and building an Indian MNC

...backed by Experienced Team

Mr. D M Vaidya

Head - Technical

Mr. B K Bansal

Head - Finance

Mr. K S Ray

Head - Manufacturing

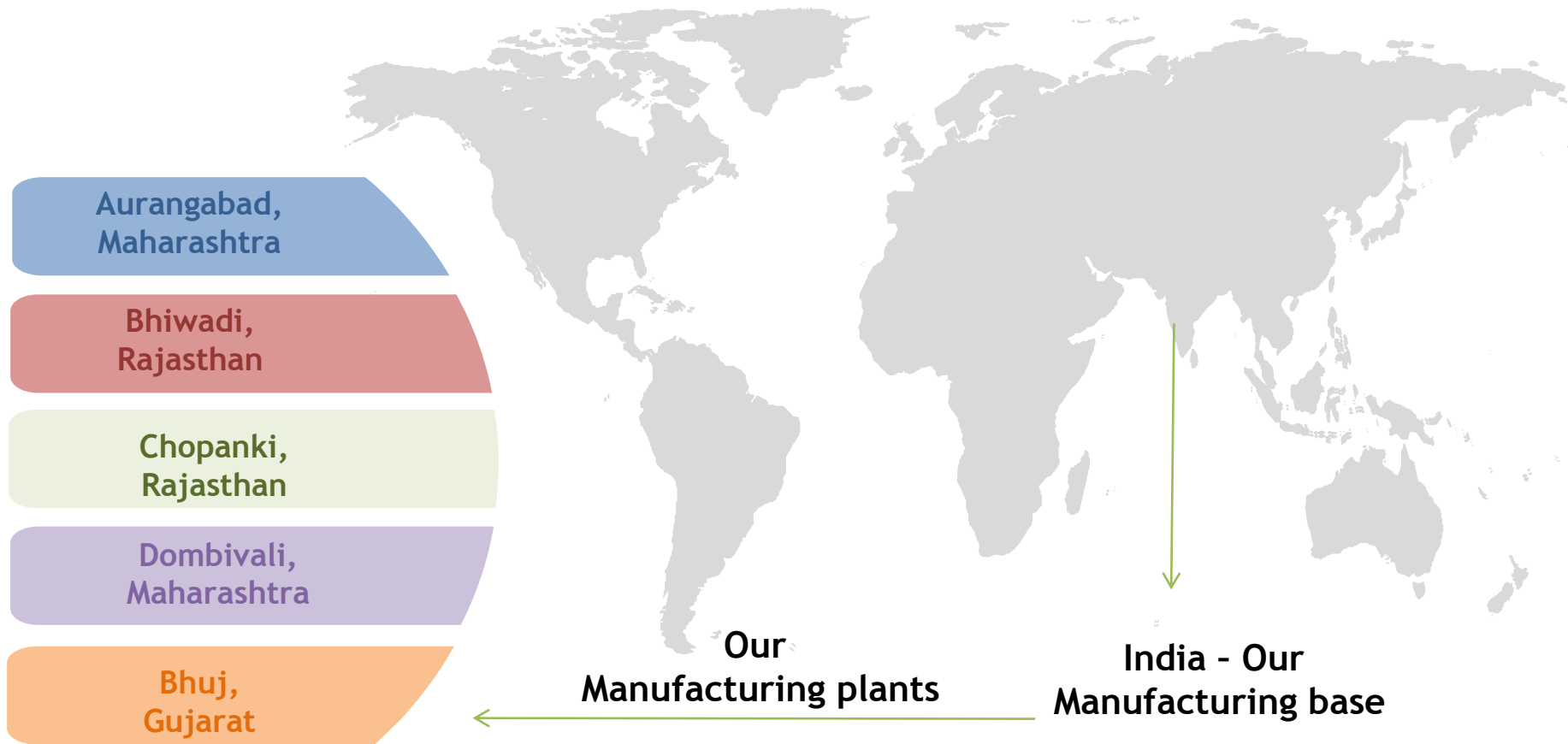
Mr. M S Bajaj

Head - Commercial

Mr. Vipul Shah

Company Secretary

India Production with Global Sales - An Indian MNC



Our 'India' Manufacturing Base is one of the Biggest Competitive Advantage

Applications of our Tires

Agriculture Tires



Cotton Pick Harvester



Tractor



Vineyard Harvester



Pivot Irrigator

Industrial Tires



Loader



Regular Dumper



Trailer

OTR Tires



Load Haul Dump



Underground Mining



Container Handler

Serving Global OEMs



Accelerating Growth - R&D & Branding efforts

Continuous investment in R&D

- Investment in R&D is key in complex & evolving global market
- Our R&D centre in Chopanki hosts several laboratories as well as area for rigorous tire testing developing All Steel Radial Tire Prototypes
- We aim to design, develop and produce about 100-120 SKU's every year
- R&D Division has 90 staff members including researchers, engineers, technicians working in different teams and departments across production sites

Strong focus on Branding



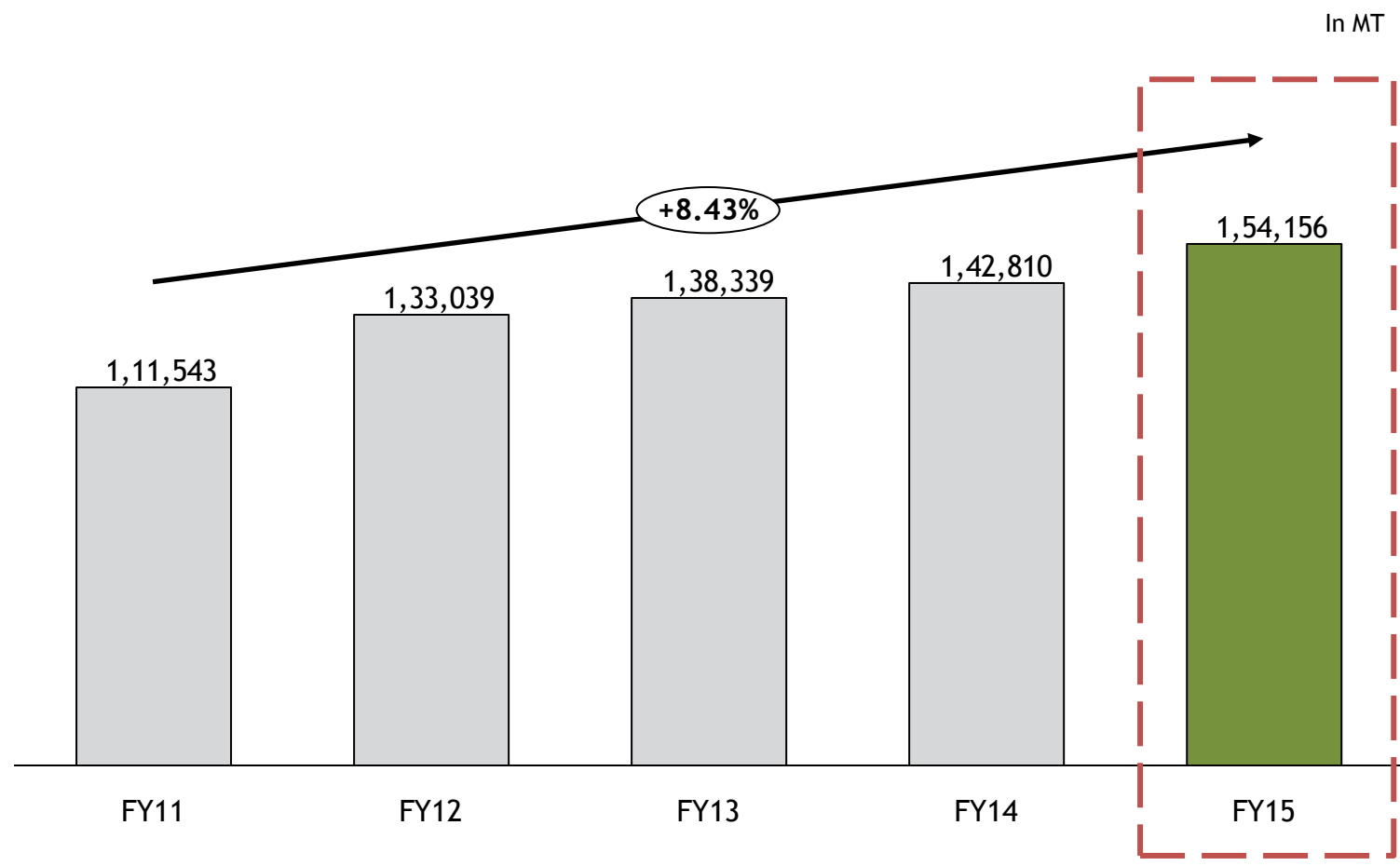
- BKT is official and exclusive tire manufacturer of Monster Jam and its fleet of Monster Trucks
- Its showcases our products & its robustness across difficult terrains
- BKT participates in global trade fairs and exhibitions in the Tire Industry
- It allows us to showcase our innovation and keep our customers/OEMS/ Distributors abreast of our products and performance



Our Performance



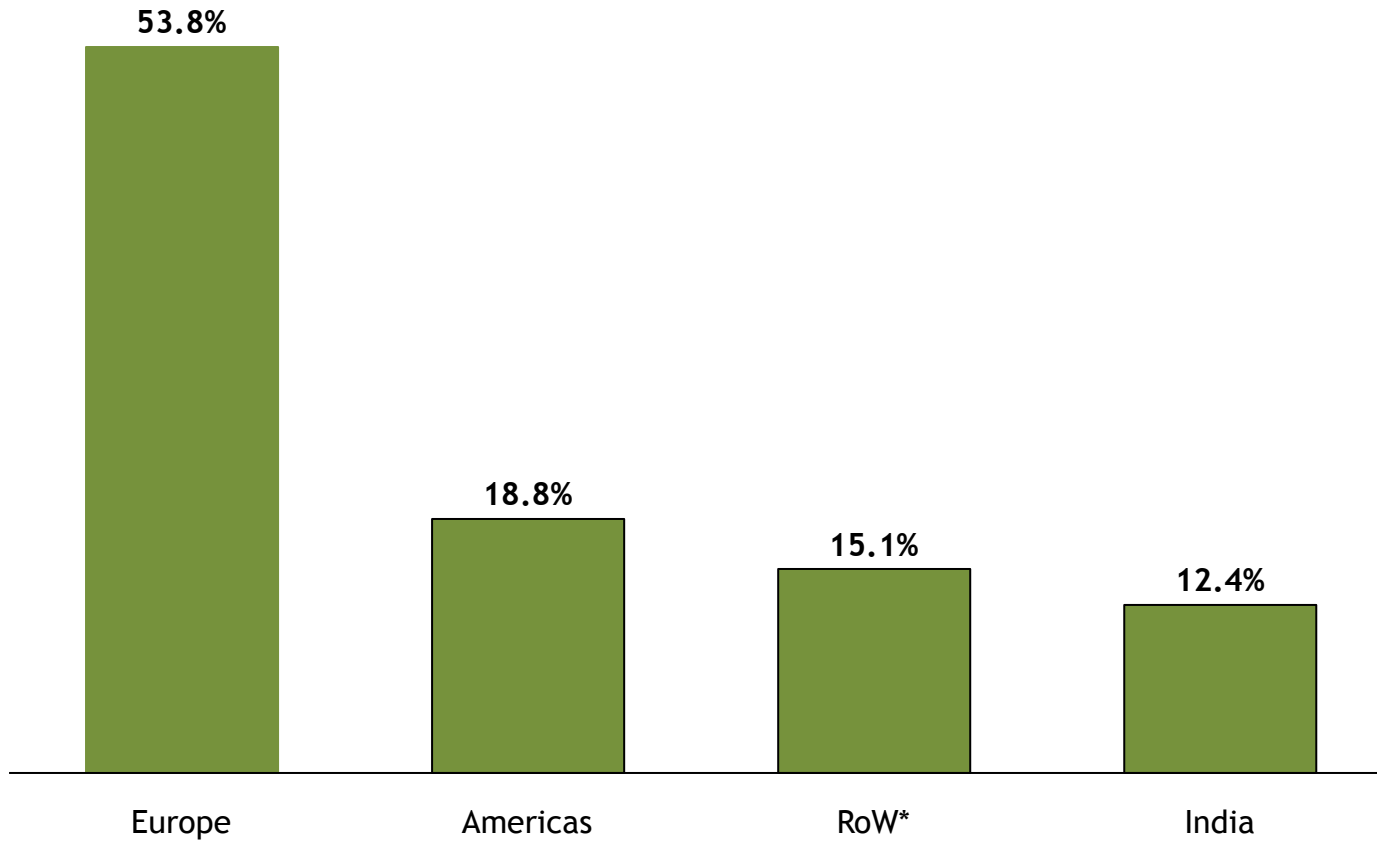
Increasing Sales...



Sustainable sales growth despite challenging Global environment

...with Global Presence...

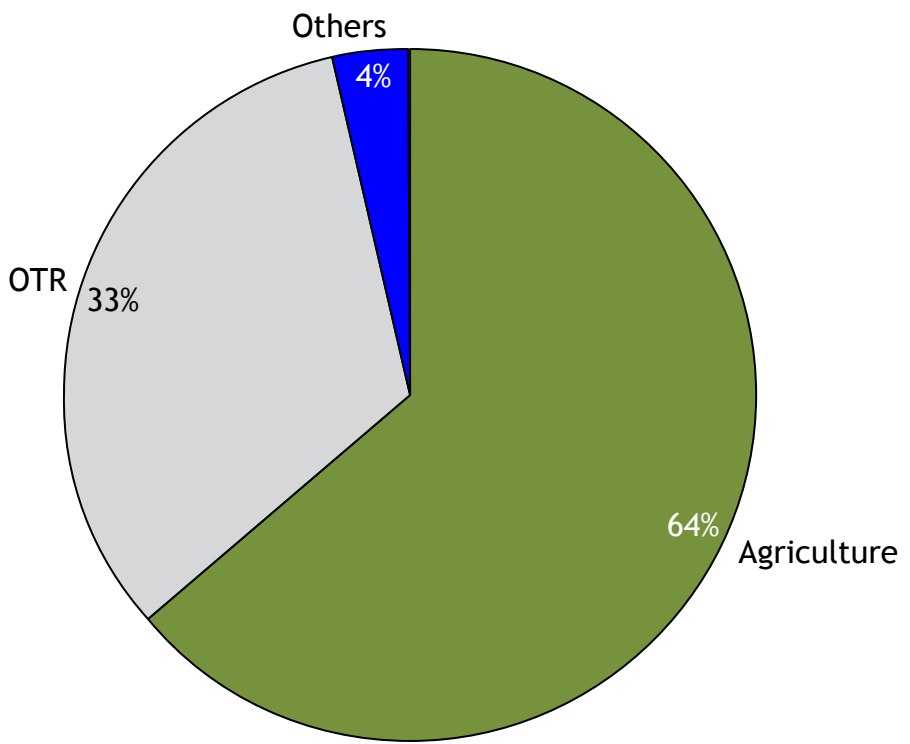
Geographical Sales - FY15



* RoW - Rest of the World includes Middle East, Asia (excl India), Africa, Australia & New Zealand

...across segments...

Segmental Sales - FY15



Agriculture

Tractors, Trailers, Farm equipments

OTR

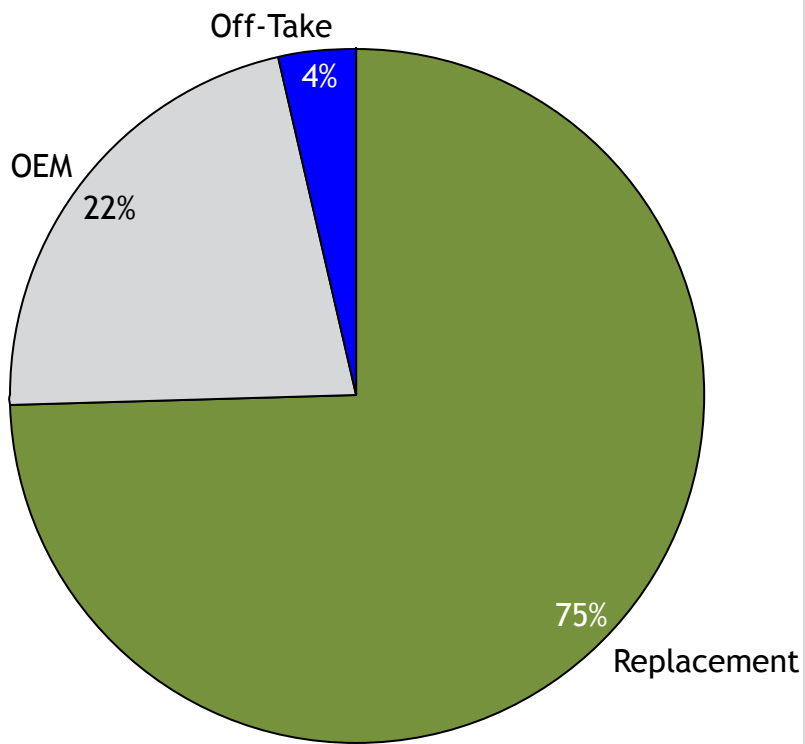
Industrial, Construction & Earth Moving equipments

Others

All Terrain Vehicles, Lawn & Garden vehicles

...through Multi-channel Sales

Sales Channel - FY15



Distributors

- Caters to replacement market
- Strong global network through a well diversified distributor network

OEM's

- Penetrating deeper in increasing share of business with existing OEM's
- Forging new relationships to expand OEM base

Others

- Taking advantage of our large SKU strength

Advantage Bhuj, Gujarat



BHUJ Plant... Our new Growth Engine

Product Mix

Optimal mix of Agriculture
Tires v/s Industrial and OTR
Tires to focus on the Larger
OTR Market

Operating Efficiency

Proximity to Port & 20 MW
Captive power plant will result
in cost savings & lead to higher
operating efficiency

Double Global Market Share

Bhuj Plant can lead
to potentially
doubling our Global
Market Share



Radialization

Higher Mix of Radialisation
to boost margin profile

Large Sized Tires

Foray in Large sized Mining
Tires with shorter
replacement cycles to boost
margin profile

Growth Strategies



Key Competitive Advantages

Low Operating cost vis-a-vis Global Peers

- ✓ Labor intensive business, however India manufacturing leads to considerably low labor cost compared to global peers
- ✓ Lower selling & distributing expenses due to sales by distributor network

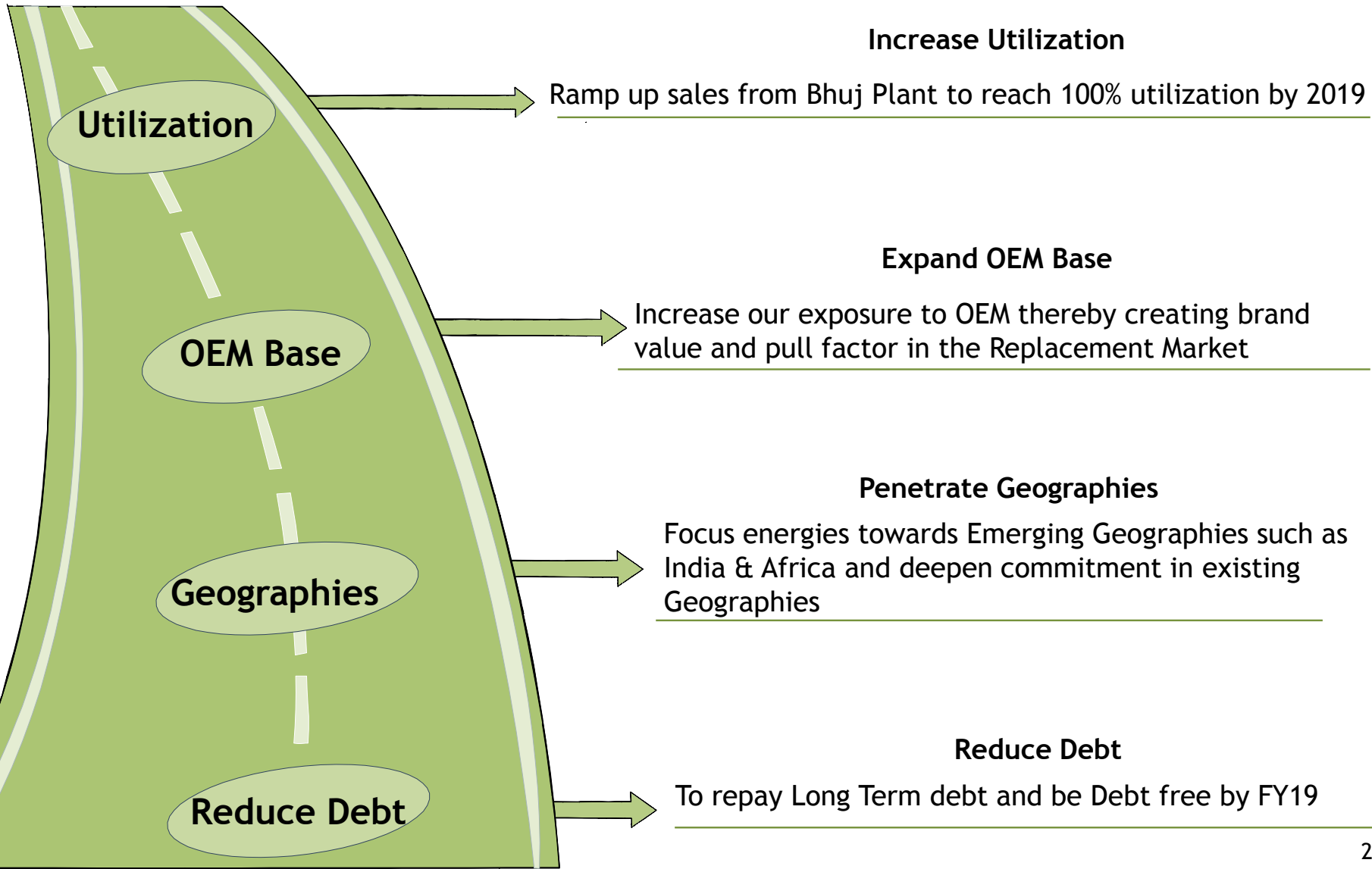
Faster Mind to Market Product Roll-out

- ✓ Strong R&D Team for product development
- ✓ Continuous R&D spend to gain strong foothold in end markets
- ✓ In-house mould facility leads to faster conversion

Flexible Plant Operation & Location

- ✓ Maximize utilization of entire basket of more than 2,200 SKUs
- ✓ Ensures timely execution of customer's order
- ✓ Proximity of Bhuj Facility to Port coupled with captive power consumption ensures cost efficiency

Roadmap for future growth



Financial Highlights



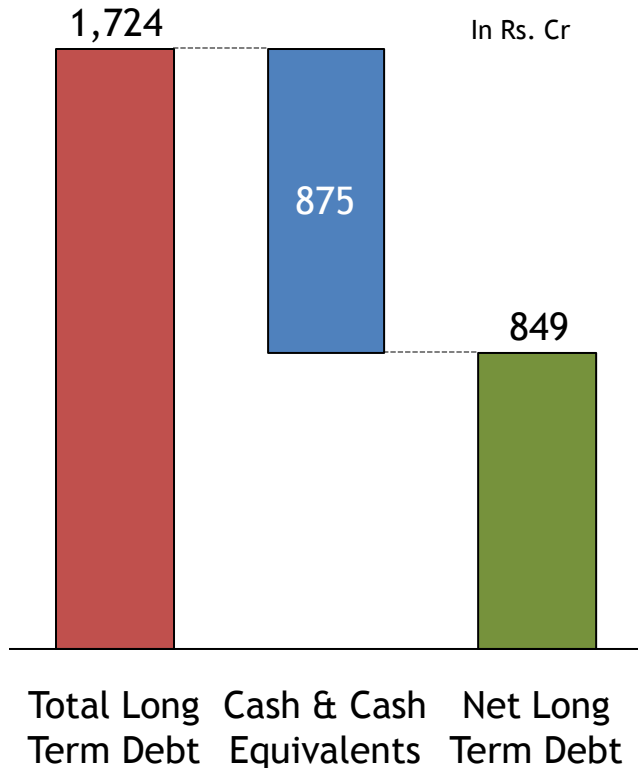
Financial Highlights - FY15*

Particulars in Rs.Crs	Q4 FY15	Q4 FY14	YoY %	FY15	FY14	YoY%
Sales (MT)	39,290	40,825	-4%	1,54,156	1,42,810	8%
Net Sales	872	1,031		3,606	3,536	
Other Operating Income	5	6		33	41	
Crystallised Exchange (Loss)/Gain related to Sales	148	-41		253	-97	
Total Sales Revenue	1,025	996	3%	3,893	3,480	12%
Raw Material	443	501		1,860	1,718	
(Increase) / Decrease in Stock	30	-17		16	3	
Employee Expenses	47	41		187	139	
Power & Fuel	33	33		132	117	
Other Expenses	179	170		694	609	
EBITDA	293	268	9%	1,004	894	12%
EBITDA Margin	28.6%	26.9%		25.8%	25.7%	
Other Income	5	3		11	14	
Interest & Finance Charges	8	10		42	25	
Net (Gain)/Loss on Foreign Currency transactions & translation	0	-2		3	0	
Depreciation	57	48		238	165	
PBT	234	215		732	717	
Tax	72	61		234	229	
PAT	161	154	5%	498	488	2%
PAT Margin	15.7%	15.4%		12.8%	14.0%	
Cash PAT	218	202		736	653	
Cash PAT Margin	21.3%	20.2%		18.9%	18.8%	

Balance-Sheet FY15*

Rs. Crs.	Mar-15	Sep-14	Rs. Crs.	Mar-15	Sep-14
Shareholder's Fund	2,292	2,087	Non-current assets	3,275	3,274
Share capital	19	19	Fixed assets	3,049	2,941
Reserves & Surplus	2,273	2,068	Long-term loans and advances	168	117
Non-current liabilities	1,549	1,568	Non-current investments	58	216
Long term borrowings	1,359	1,338	Current assets	2,040	1,869
Deferred Tax Liabilities (net)	189	182	Current Investments	387	389
Other non-current liabilities	1	48	Inventories	392	594
Current liabilities	1,474	1,488	Trade receivables	602	572
Short term borrowings	633	694	Cash and bank balances	431	40
Trade Payables	380	387	Short-term loans and advances	227	274
Other current liabilities	461	407	Other current assets	1	0
Total Liabilities	5,315	5,143	Total Assets	5,315	5,143

Debt Management*



- Long Term loans are dollar denominated and Net Long Term Debt to Equity is at 0.37x times as on March 2015
- USD 58mn repayment is due in Q1-FY16
- Company has cash & cash equivalents of Rs.875cr invested in Debt Mutual Funds & Bank Fixed Deposits

BKT will be Long term Debt free by FY19

For further information, please contact:

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