



# BALKRISHNA INDUSTRIES LTD

Investor Presentation - May 2021

# Safe Harbor

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## Performance Snapshot - Q4FY21

**68,002 MT**

Sales Volume

**+17% YOY**

**Rs. 1,750cr**

Revenue

**+26% YOY**

**Rs. 558cr**

EBITDA

**+37% YOY**

**31.9%**

EBITDA margin

**+254 bps YOY**

**Rs. 372cr**

Net Profit

**+45% YOY**

**Achieved highest ever quarterly sales volume**

# Management Commentary

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01

The demand continues to be robust in Agriculture segment across Geographies. In the other segments, demand has seen an uptick on back of increased commodity prices, infrastructure creation and pick-up in economic activity

02

During FY21, the company faced multiple challenges related to raw material prices and its availability. Supply chain issues was also a big challenge especially post Suez Canal fiasco. However, a resilient BKT has been able to withstand these challenges and emerged stronger by posting its highest ever annual sales volumes

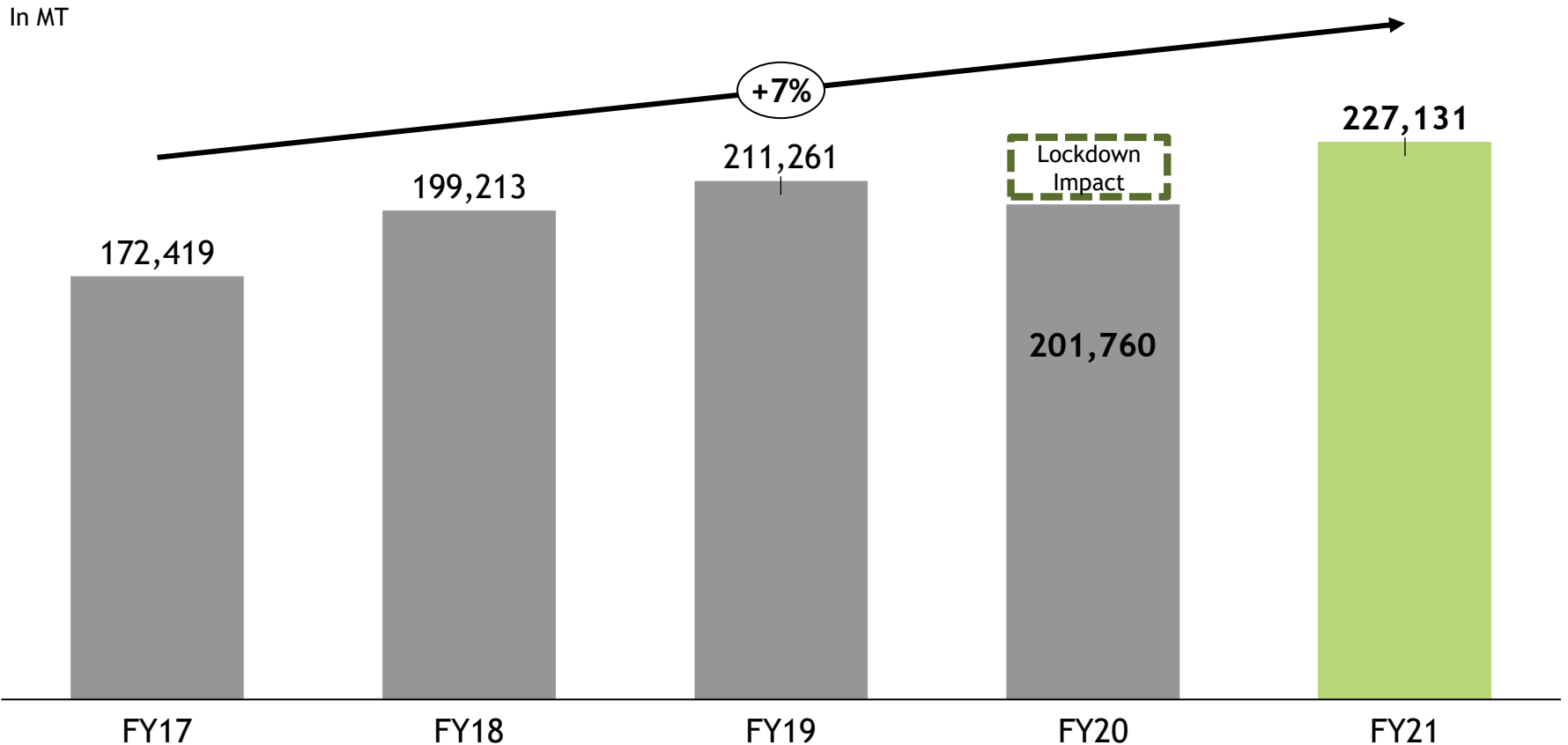
03

For FY22, the company is guiding sales volume between 250,000-265,000 MT. We strongly believe that this demand trend is likely to continue in FY22 and years to come; however, there may be covid 19 related softness in demand leading us to give a wider range for annual guidance

04

The Board of Directors have recommended a final dividend of Rs. 5 per equity share subject to shareholder approval at ensuing AGM, in addition to Rs. 12 per equity share paid for 9MFY21. The total dividend paid will be Rs. 17 per equity share i.e. 850% of FV. FY21 Dividend payout will be ~28%

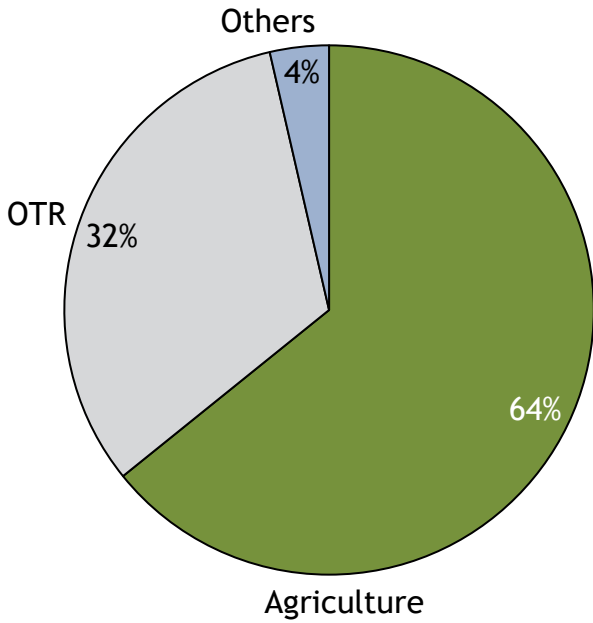
# Sales Volume Profile - FY21



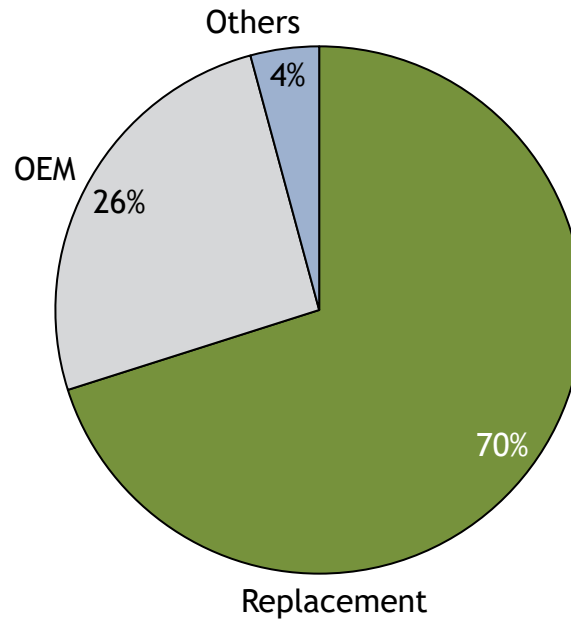
**FY22 Sales volume guidance: 250,000-265,000 MT**

# Volume Profile - FY21

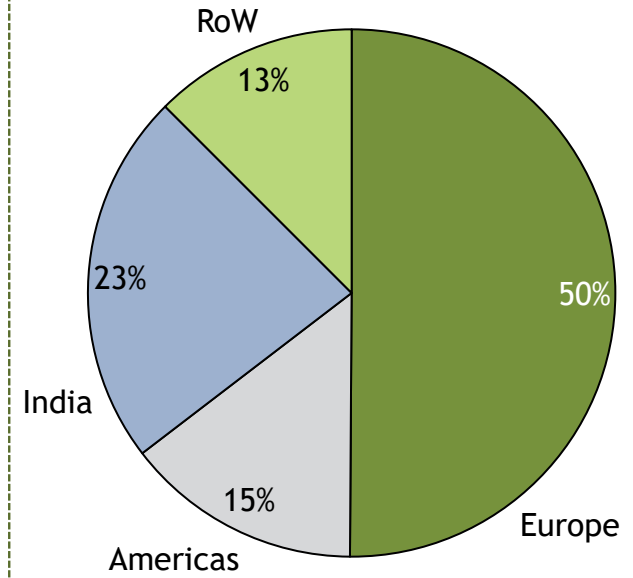
Segmental Sales



Channel Sales



Geographical Sales



# Profit & Loss

Particulars (Rs.Cr)	Standalone					
	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Sales (MT)	68,002	57,966	17%	227,131	201,760	13%
Revenue from Operations	1,746	1,357		5,758	4,782	
Realized Gain on Foreign Exchange	4	32		-18	115	
<b>Total Income</b>	<b>1,750</b>	<b>1,389</b>	<b>26%</b>	<b>5,740</b>	<b>4,898</b>	<b>17%</b>
Raw Material	776	519		2,452	2,078	
(Increase) / Decrease in Stock	-54	86		-149	49	
Employee Expenses	88	75		326	286	
Other Expenses	383	302		1,302	1,104	
<b>EBITDA</b>	<b>558</b>	<b>407</b>	<b>37%</b>	<b>1,810</b>	<b>1,381</b>	<b>31%</b>
<b>EBITDA Margin</b>	<b>31.9%</b>	<b>29.3%</b>		<b>31.5%</b>	<b>28.2%</b>	
Other Income	20	38		119	117	
Unrealized Gain / (Loss)	23	-6		18	-0	
Interest & Finance Charges	2	2		10	7	
Depreciation	103	98		406	368	
<b>Profit Before Tax</b>	<b>495</b>	<b>339</b>	<b>46%</b>	<b>1,531</b>	<b>1,123</b>	<b>36%</b>
Tax	122	81		376	178	
<b>PAT</b>	<b>372</b>	<b>257</b>	<b>45%</b>	<b>1,155</b>	<b>945</b>	<b>22%</b>
<b>PAT Margin</b>	<b>21.3%</b>	<b>18.5%</b>		<b>20.1%</b>	<b>19.3%</b>	

# Net Forex Gain/(Loss)

Particulars (Rs. Cr)	Standalone			
	Q4FY21	Q4FY20	FY21	FY20
Foreign Exchange Fluctuation on Sales	4	32	-18	115
Foreign Exchange Fluctuation on Others	12	3	42	17
<b>Total Realised Gain/(Loss) – A</b>	<b>16</b>	<b>35</b>	<b>24</b>	<b>132</b>
<b>Total Unrealized Gain/(Loss) - B</b>	<b>23</b>	<b>-6</b>	<b>18</b>	<b>-0</b>
<b>Net Forex Gain/(Loss) = A + B</b>	<b>38</b>	<b>29</b>	<b>42</b>	<b>131</b>



# Balance Sheet

Particulars (Rs. Cr.)	Mar'21	Mar'20
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>5,649</b>	<b>4,854</b>
Property, Plant and Equipment	3,247	3,189
Capital work-in-progress	856	586
Investment Property	86	86
Other Tangible Assets	1	2
Financial Assets		
(i) Investments	1,026	712
(ii) Other Financial Assets	15	13
Income Tax Assets (Net)	70	90
Other non-current assets	348	177
<b>Current assets</b>	<b>2,391</b>	<b>1,877</b>
Inventories	909	580
Financial Assets		
(i) Investments	392	351
(ii) Trade Receivables	730	649
(iii) Cash and cash equivalents	34	23
(iv) Bank Balances other than (iii) above	23	22
(v) Loans	4	4
(vi) Others	35	14
Other Current Assets	264	232
<b>TOTAL</b>	<b>8,040</b>	<b>6,731</b>

Particulars (Rs. Cr.)	Mar'21	Mar'19
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>6,007</b>	<b>5,028</b>
Equity Share Capital	39	39
Other Equity	5,969	4,989
<b>Non-Current Liabilities</b>	<b>262</b>	<b>238</b>
Financial Liabilities		
(i) Borrowings	1	2
(i) Other Financial Liabilities	0	0
Provisions	25	24
Deferred Tax Liabilities (Net)	204	178
Other Non-Current Liabilities	33	34
<b>Current liabilities</b>	<b>1,771</b>	<b>1,465</b>
Financial Liabilities		
(i) Borrowings	892	859
(ii) Trade Payables	633	361
(iii) Other Financial Liabilities	75	165
Other Current Liabilities	165	75
Provisions	5	4
<b>TOTAL</b>	<b>8,040</b>	<b>6,731</b>

# Cash Flow

Particulars (Rs. Cr.)	FY21	FY20
Operating profit before working capital changes	1,798	1,402
Changes in working capital	-80	57
Cash generated from operations	1,719	1,459
Direct taxes paid (net of refund) and others	-356	-295
<b>Net Cash from Operating Activities</b>	<b>1,363</b>	<b>1,164</b>
<b>Net Cash from Investing Activities</b>	<b>-1,159</b>	<b>-656</b>
<b>Net Cash from Financing Activities</b>	<b>-194</b>	<b>-521</b>
<b>Net Change in cash and cash equivalents</b>	<b>10</b>	<b>-13</b>

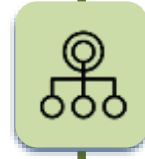
# Resilient Business Model



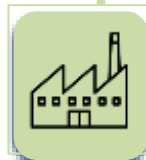
Long Term Debt Free with Cash and Cash equivalents of Rs. 1,475 Cr as on 31<sup>st</sup> March 2021



Diversified Product Portfolio, spread across Agriculture, Industrial, Construction, Earthmoving, Mining, Port, Lawn and Garden and ATV tires



Self Reliant in Carbon Black along with Multiple sourcing arrangements for other Raw Materials



New Capex planned

**BKT has built a resilient business model and is confident to withstand the near term challenges to emerge stronger with a higher global market share**

# Capex Program of Rs. 1,900cr

## Brownfield Tire Plant

- Debottlenecking and Brownfield expansion along with addition of balancing and ancillary equipment at Bhuj
- Expansion to add ~50,000 MTPA capacity; expected completion by H2FY23
- Capex cost of up to Rs. 800cr

## Carbon Black and Captive Power Plant

- Current achievable capacity at 115,000 MTPA. With successful addition of new customers, carbon black capacity is planned to be increased to 200,000 MTPA including 30,000 MTPA of high value advanced carbon material and Power Plant
- Facility will allow larger control over supply chain while fulfilling internal demand on expanded capacity of Tires and meeting increased demand from 3<sup>rd</sup> parties
- Capex cost of up to Rs. 650cr; expected completion by H1FY23

## Modernization, Automation and Technology Upgradation

- Modernization, automation and technology upgradation of certain existing equipment and install automated material handling systems
- Capex to be undertaken at existing facilities at Rajasthan and Bhuj leading to improvement in quality and efficiency
- Capex cost of up to Rs. 450cr; expected to be completed by H1FY23

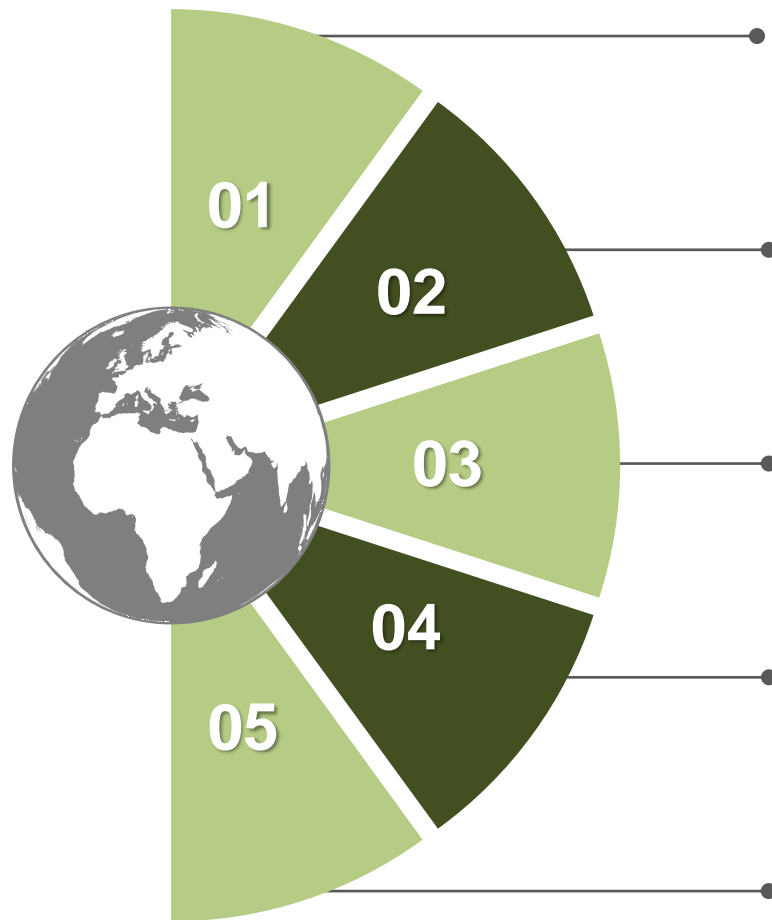
- ✓ Rs. 1,900cr Capex to be funded by Internal Accrual and Debt, if required
- ✓ Post Brownfield capex achievable capacity of Tire Plant will stand at 335,000 MTPA
- ✓ Embarking on new capex in Carbon Black on back of Proven quality of product coupled with strong demand for captive consumption and 3<sup>rd</sup> parties.
- ✓ Modernization capex to lead to better efficiency

## Strategy at BKT



# Our Focus Area

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## **Market Reach**

Expand reach within existing Sales Channels as well increase footprint within replacement segment and OEMs

## **Penetrate Americas**

Increase share of business in USA markets by increasing supplies from India

## **Product portfolio expansion**

Expand the product portfolio by adding large sized tires and strengthen relationship with Customer base

## **Indian Markets**

Strengthen our distribution channels within Indian Markets

## **Utilization**

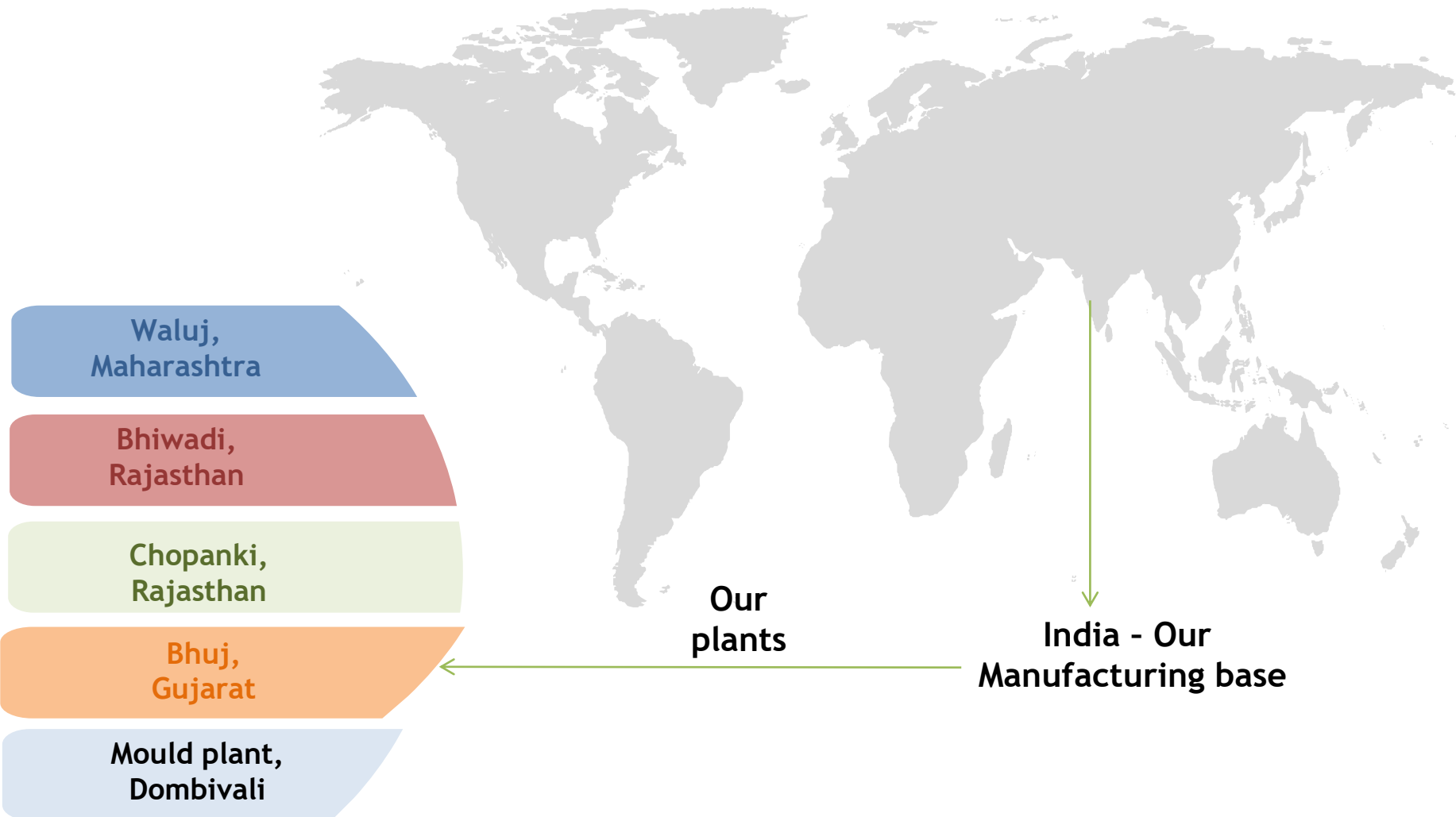
Reach 100% utilization levels at Bhuj Plant in the next few years

# To Serve Global OEMs...



The Brand Names mentioned are the property of their respective owners and are used here for identification purposes only

# With India Production and Global Sales

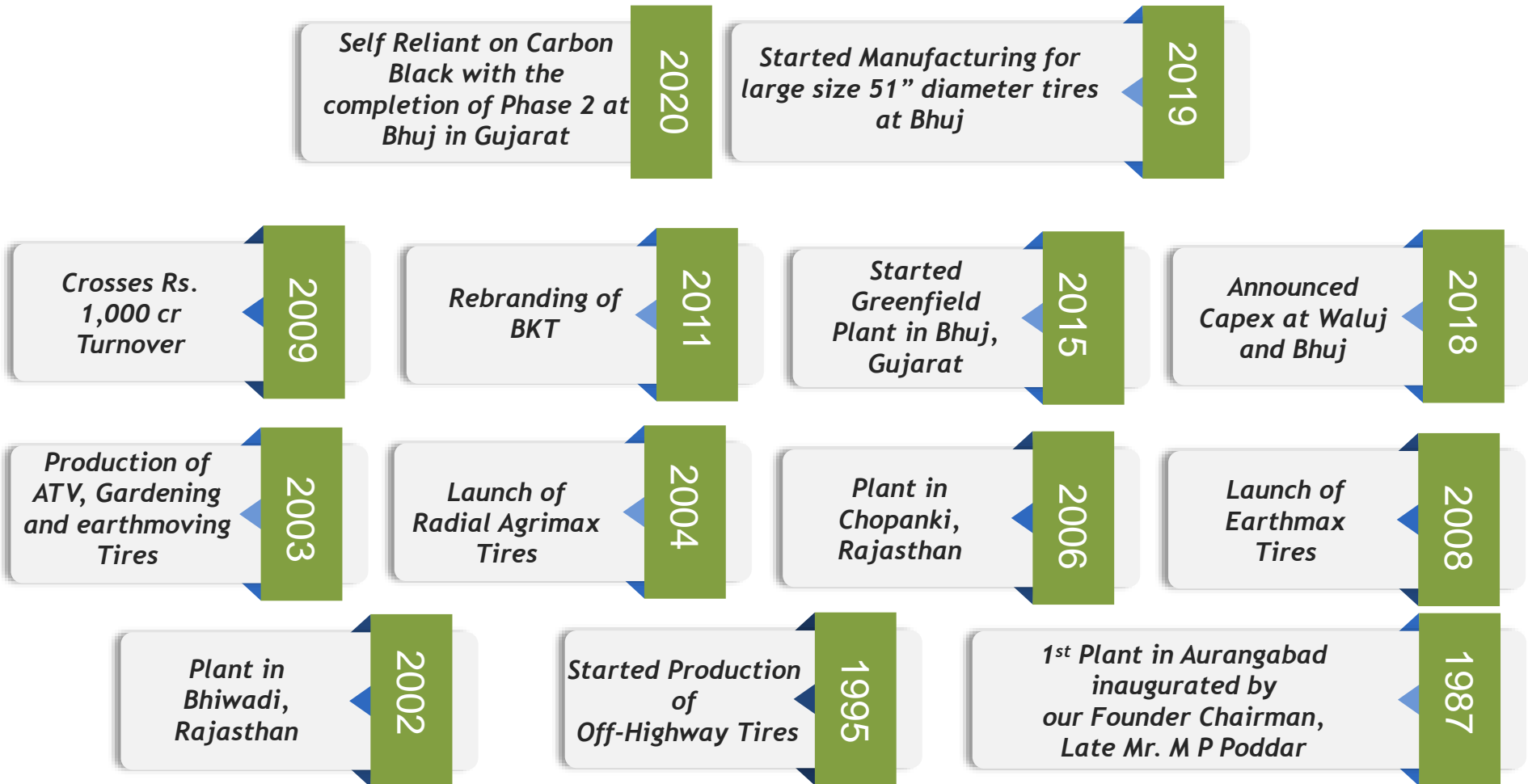




# Balkrishna Industries - A Snapshot



# Our Strong Evolution



**India's Largest Off-Highway Tire Manufacturer**

## BKT... at the forefront of Sustainability

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- Part of electricity needs of the North India plants are being met by green energy generated through our own wind and solar projects
- In Bhuj, the Company's largest production site, the company has
  - Planted over 100,000 trees
  - Created two large water reservoirs and
  - Set up a co-generation plant for self-efficiency

**'Sustainable Business Operations' is core to our Business ethos**

# Application of our Tires

## Agriculture Tires



Cotton Pick Harvester



Tractor



Vineyard Tractor



Pivot Irrigator

## Industrial Tires



Loader



Telehandler



Mobile Crane

## OTR Tires



Load Haul Dump



Underground Mining



Container Handler

## BKT - A Strong Global Brand from INDIA



# Strengthening BKT Brand : Americas



**BKT is the Official and Exclusive Tire manufacturer of MONSTER JAM and its fleet of Monster Trucks - Monster Jam is a top sporting event in America**

# Strengthening BKT Brand : Canada



**BKT Continental Cup - Curling: BKT is the Title Sponsor of Continental Cup**

# Strengthening BKT Brand : Italy, Europe



BKT is the Title Sponsor for the ITALIAN SERIE 'B' FOOTBALL CHAMPIONSHIP - THE NEWBORN - "SERIE BKT"



## Strengthening BKT Brand : Spain, Europe



BKT is the Official Global Partner for the Spanish Football League “La Liga”

# Strengthening BKT Brand : France, Europe

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BKT is the Sponsor for the “LIGUE de Football Professionel (LFP)” in France

# Strengthening BKT Brand : Europe



Premium Partner of EUROLEAGUE BASKETBALL

# Strengthening BKT Brand : Tractor of the year (TotY) - EUROPE

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SPONSORED BY



Team of 26 expert journalists in agricultural mechanization, assign the Tractor of the Year (TotY) award to the 'Best European Tractor'

## Strengthening BKT Brand : Australia

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OFFICIAL OFF-HIGHWAY  
TIRE PARTNER OF THE KFC BBL

**BKT is the Official “OFF-HIGHWAY TIRE PARTNER” for  
KFC BIG BASH LEAGUE (THE AUSTRALIAN CRICKET LEAGUE)**

# Strengthening BKT Brand : India



Official Partner of Teams in the Cricket T20 League



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