Q1 FY25 ANALYST UPDATE

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Management Commentary: Q1 FY25 Performance

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BFL 3 Month Report: "On a consolidated basis, Revenues grew by 5.9% to Rs 4,106 Crores while EBITDA grew by 22.8% to Rs 760 Crores and PBT increased by 30.6% to Rs 470 Crores. Our standalone revenue from operations rose by 10% YoY to Rs 2,338 crore. EBITDA grew 19% YoY resulting in EBITDA margin of 28.1%. Steady execution of the Defence export orders and recovery in the Oil & Gas business sustained the operating performance.

The group secured new orders worth Rs 980 Crores across Defence, Ferrous & Aluminum castings and the core forging business.

BFL group's defence business posted revenue of Rs 642 Crore in Q1 registering a jump of 147% YoY. With order wins of Rs 775 Crores, the executable order book as of June 30th stands at Rs 5,400 Crores, with a mix of Artillery Guns, vehicles and consumables.

JS Auto continued to witness strong momentum and during the quarter recorded revenue of Rs 159 Crore and EBITDA at Rs 22 Crores and PBT of Rs 10 Crores, growth of 26%, 48% and 89% respectively vs Q1 FY24. As the company embarks on various productivity and cost improvement measures, we expect the operating profitability amply supported by organic sales growth to improve over the next 24 – 36 months.

The Overseas operations recorded sales of Rs 1,320 Crores and EBITDA of Rs 13 Crores. The weak CV demand in Europe was a spoiler in an otherwise stable quarter for the overseas operations.

Looking ahead into Q2 FY25, we expect continued positive momentum in the Indian entities across Forging, castings & Defence and for the overseas operations, we reiterate our expectation that these businesses will see an improvement in operational parameters resulting in reduction of losses in FY25."

B.N. Kalyani,
Chairman & Managing Director

Standalone Financial Highlights Q1FY25

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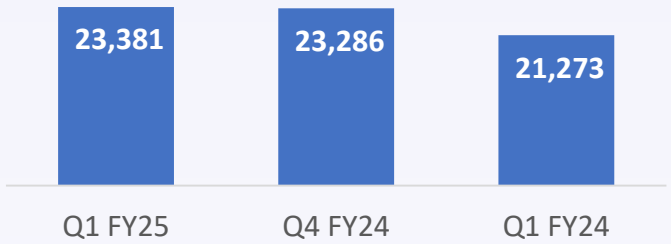
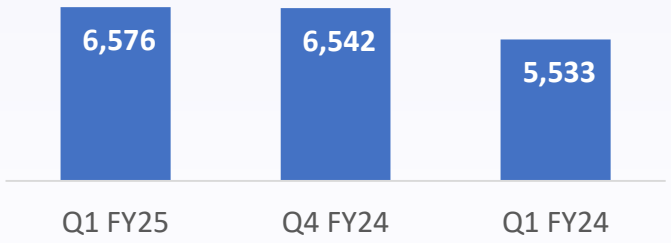
Revenue



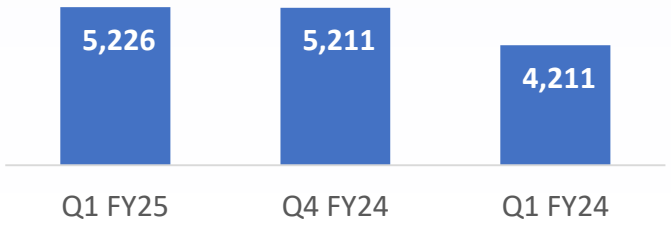
Revenues at Rs 23,381 million in Q1FY25 grew by 10% YoY driven by 26% growth in domestic business. Domestic revenues were higher as execution of defence orders picked up.

EBITDA



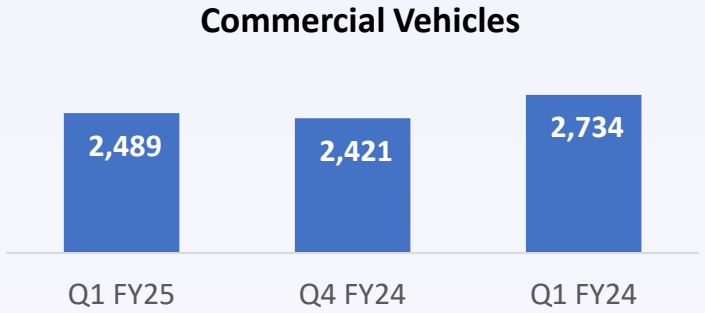
EBITDA margin at 28.1% in Q1 FY25 was up 210 bps vs Q1FY24 due to pick up in Defence and growth in Oil & Gas.

PBT before Ex. Gain/ Loss

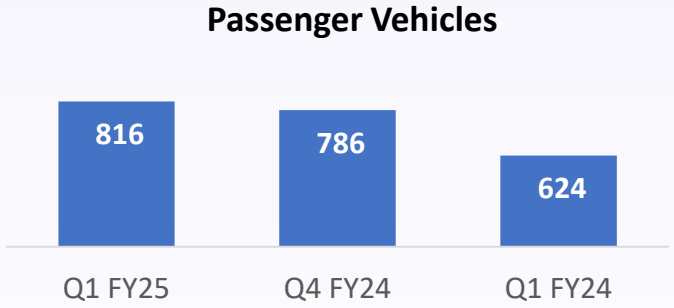


Superior operational performance drove PBT before Exchange gain/ (loss) to Rs 5,222 million in Q1 FY25.

Review of India Business



Automotive Business: The CV business remained soft YoY as domestic demand remained tepid due to elections. The long term outlook for the sector remains promising driven by the government focus on expanding the Road network and higher public capex. BFL's growth in this sector will be driven by a combination of underlying market growth coupled with growth driven by content increase.



Domestic PVs recouped slightly on a YoY basis. As we attempt to forge newer partnerships we hope to benefit from long term structural market growth and premiumization of the sector.

Industrials Business: The Industrial segment grew by 45% YoY to Rs 7,290 million. Execution of defence orders drove the stellar performance. The outlook for the business is very promising on back of strong spend on power infrastructure and new capacity additions in the pipeline in India.

Note: Other Revenue stood at Rs 1,084 million in Q1FY25

Review of Export Business

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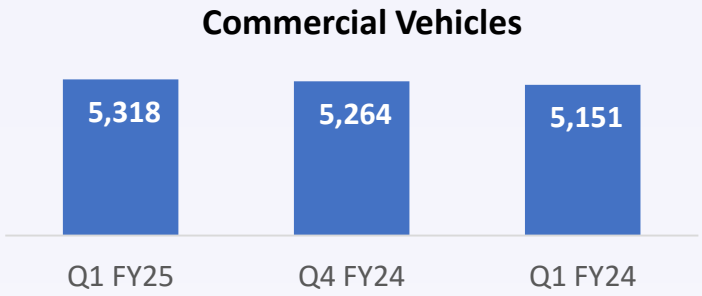
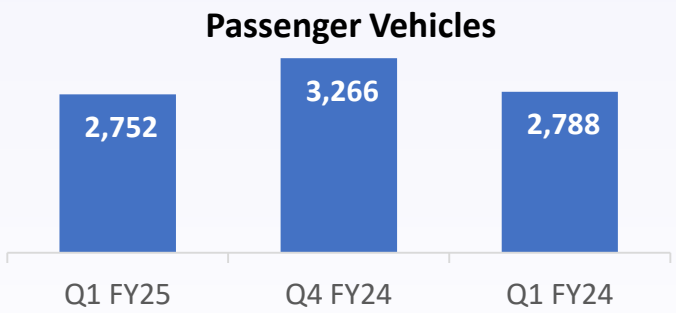


Automotive Business: Export CV business continued to remain steady. Inventory levels in the supply chain remain reasonable while sales momentum sustains**.** European CV sales remain muted as recovery remains anaemic. For the Full Year, CV exports are likely to be stable with a moderately negative bias



PV export business remains on course to consolidate its gains over the last three years. We continue to focus on increasing our market share and increase our content per vehicle.

Industrials Business: Industrial business continued to benefit from the diversifications strategy. Q1FY25 saw a Oil & Gas recover from the lows of last year. With the appropriate capacity mix and offerings across multiple sectors we hope to benefit from superior operating leverage. The demand environment (ex-Europe) remains sanguine as spend on infrastructure is a key focus area globally.

Export Break up by Geography

Rs. Million

Particulars	Q1FY25	Q4FY24	Q1FY24
Americas	7,912	7,883	7,645
Europe	3,175	3,734	3,404
Asia	615	871	740
Total	**11,702**	**12,488**	**11,789**

Consolidated Financial Highlights – Q1FY25

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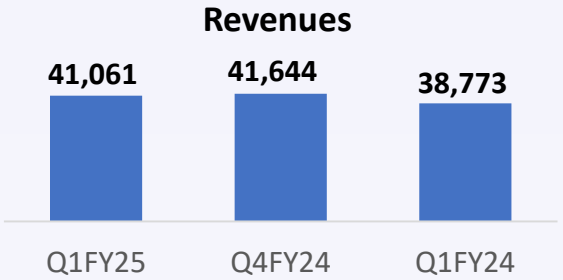
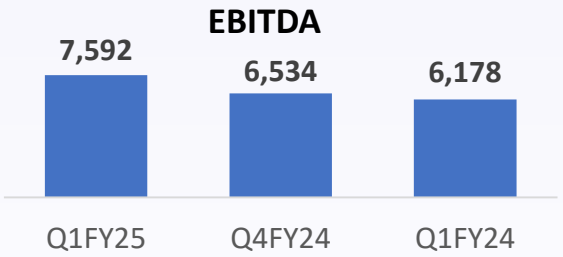
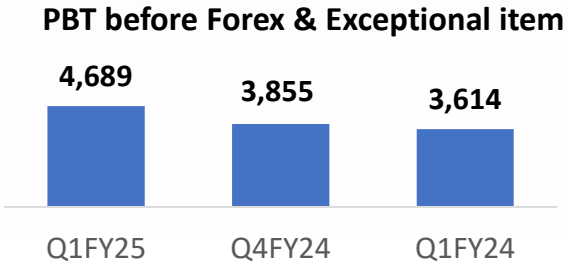


Revenues have increased by 6% on a YoY basis driven by contribution from all businesses.



EBITDA margins have improved by 260 bps YoY driven by improvement in capacity utilization. EBITDA has increased by 23%



PBT has increased by 30% on a YoY basis driven by improvement in performance in KSSL.

Rs. Million

Particulars	June 30, 2024	March 31, 2024
Long Term Debt	21.482	24,605
WC & Bill Discounting	51,966	50,616
Equity	73,749	71,653
Cash	28,191	31,799
D/E	**1.00**	**1.05**
D/E (Net)	**0.61**	**0.61**
RoCE (Net)	**18.4%**	**16.3%**

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Financials Annexures

Standalone P&L Highlights – Q1 FY25

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Rs. Million

Standalone Financials	Q1 FY25	Q4 FY24	QoQ	Q1 FY24	YoY
Shipment Tonnage	**67,501**	**66,619**	***1.3%***	**68,028**	**(0.8)%**
Domestic Revenue	11,407	10,514	*8.5%*	9,210	23.9%
Export Revenue	11,702	12,488	*(6.3)%*	11,789	(0.7)%
Other Operating Income	272	284		274	
Total Revenue	**23,381**	**23,286**	***0.4%***	**21,273**	**9.9%**
EBITDA	6,576	6,542	*0.5%*	5,533	18.9%
EBITDA%	28.1%	28.1%		26.0%	
Other Income	446	382		472	
Profit Before Tax	5,226	5,211	*0.3%*	4,211	24.1%
PBT %	22.4%	22.4%		19.8%	
Exchange Gain / (Loss)	(61)	51		(47)	
Exceptional Item	(1,457)	(134)		-	
Profit Before Tax	3,708	5,128		4,164	
Profit After Tax	2,694	3,897	*(30.9)%*	3,114	(13.5)%

Standalone B/S Highlights – Q1 FY25

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Rs. Million

Particulars (Standalone)	June 30, 2024	March 31, 2024
Long Term Debt	14,332	17,107
Working Capital Loan & Bill Discounting	27,999	26,892
Equity	88,710	85,688
Cash	**21,388**	**25,250**
ROCE (Net of Cash)	**20.5%**	**20.0%**
RONW	**17.1%**	**16.6%**
D/E (Net)	**0.24**	**0.22**
Net Debt/ EBITDA	**0.80**	**0.76**

Consolidated Financials Reconciliation

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Rs. Million

Q1 FY25	Indian Operations	Overseas Operations	Consolidated
Total Revenue	27,861	13,200	41,061
EBITDA	7,457	135	7,592
EBITDA %	26.8%	1.0%	18.5%
PBT	5,858	(1,169)	4,689
Exchange Gain/(loss)	(122)	(60)	(182)
Exceptional Items	(1,518)	-	(1,518)
PBT after Exchange Gain/ (Loss)	4,218	(1,229)	2,989

Q4 FY24	Indian Operations	Overseas Operations	Consolidated
Total Revenue	27,972	13,672	41,644
EBITDA	6,543	(9)	6,534
EBITDA %	23.4%	-	15.7%
PBT	5,150	(1,295)	3,855
Exchange Gain/(loss)	(10)	(90)	(100)
Exceptional Items	(102)	-	(102)
PBT after Exchange Gain/ (Loss)	5,038	(1,385)	3,653

Overseas Financial Highlights - Q1 FY25

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Rs. Million

European Mfg. Ops	Q1 FY25	Q4 FY24	Q1 FY24
Total Revenue	10,609	11,377	11,563
EBITDA	370	332	507
EBITDA %	3.5%	2.9%	4.4%
PBT Before Ex Gain/(Loss)	(529)	(539)	(244)

US Mfg. Ops	Q1 FY25	Q4 FY24	Q1 FY24
Total Revenue	2,591	2,295	1,773
EBITDA	(235)	(341)	(349)
EBITDA %	-	-	-
PBT Before Ex Gain/(Loss)	(640)	(756)	(686)

Overseas Mfg. Ops	Q1 FY25	Q4 FY24	Q1 FY24
Steel Forgings	7,333 (56%)	8,341 (61%)	8,702 (65%)
AI Forgings	5,867 (44%)	5,331 (39%)	4,634 (35%)
Total	**13,200**	**13,672**	**13,336**

Indian Subsidiary Financials - Q1 FY25

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Rs. Million

KSSL	Q1 FY25	Q4 FY24	Q1 FY24
Total Revenue	5,035	4,654	2,255
EBITDA	331	113	109
EBITDA%	6.6%	2.4%	4.8%
PBT Before Exchange Gain/(Loss)	388	256	241

KPTL	Q1 FY25	Q4 FY24	Q1 FY24
Total Revenue	30	10	261
EBITDA	(186)	(383)	(345)
EBITDA%	-	-	-
PBT Before Exchange Gain/(Loss)	(297)	(488)	(444)

BFISL	Q1 FY25	Q4 FY24	Q1 FY24
Total Revenue	1,855	2,119	1,492
EBITDA	230	319	169
EBITDA%	12.4%	15.0%	11.3%
PBT Before Exchange Gain/(Loss)	97	160	65

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Thank You

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