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Management Commentary: Q1 FY26 Performance

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BFL 3 Month Report: “During the quarter, the company faced challenging market conditions in our export markets caused by tariff & regulatory uncertainties. Standalone Revenues declined by 2.7% sequentially to Rs 2,105 Crores, impacted by 12.7% drop in Exports revenues. For the quarter, EBITDA came in at Rs 588 Crores (EBITDA margins of 27.9%) and PBT of Rs 465 crores. Consolidated revenue was Rs 3,909 Crore and Consol EBITDA margin was 17.5%.

During the quarter, the company secured new orders worth Rs 847 Crores including Rs 269 Crores in Defence. As of Q1FY26, the defence order book stood at Rs 9,463 Crores.

For the defence vertical, based on the project / platforms we have participated in, we expect to secure new orders in this fiscal year generating more revenue visibility for the future years.

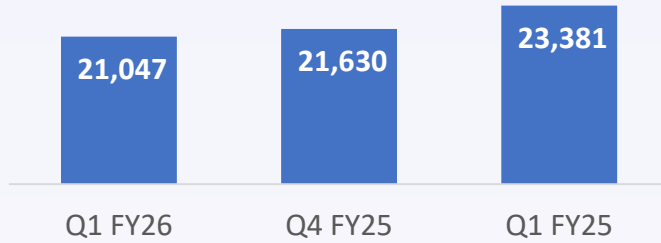
The US & European operations witnessed meaningful improvement in financial performance in the Apr – Jun quarter and are generating cash profit. Review of the European steel manufacturing footprint is on track, and we expect to have concrete steps in place by the end of this year.

Given the recent tariff announcement by the US government and changes to emission regulation in North America, we are cautious on the outlook for the US export business for the remainder of the fiscal. FY26 is likely to be a challenging period, given where we are in the overall cycle and our geographical exposure. Our focus is on capturing opportunities in businesses & geographies which are relatively unaffected and work simultaneously on cost optimization to minimize impact of operating deleverage.”

B.N. Kalyani,
Chairman & Managing Director

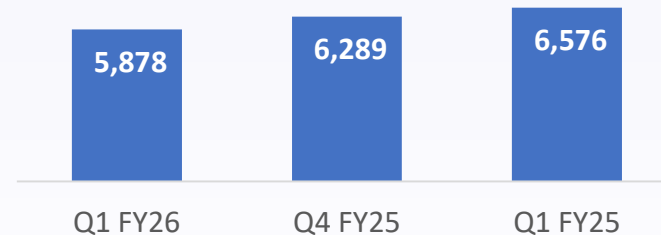
Rs million

Revenue



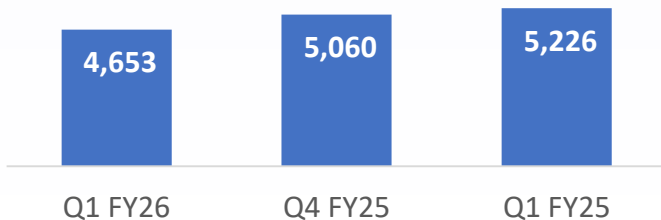
Q1 FY26 Revenues at Rs 21,047 million were lower QoQ due to challenges arising from the tariff policy, roll back of emission norms change for Heavy trucks in US and seasonality in the Aerospace business.

EBITDA



EBITDA margin at 27.9% in Q1FY26, 120 bps lower QoQ, driven by tariff costs and unfavorable product mix.

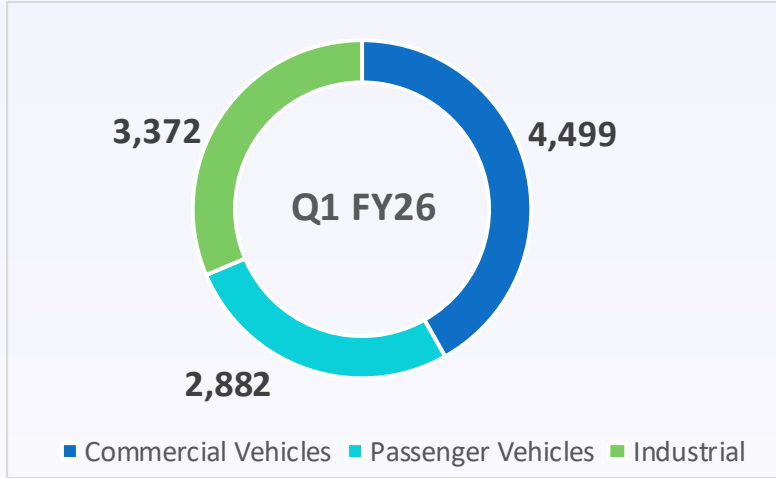
PBT before Ex. Gain/ Loss



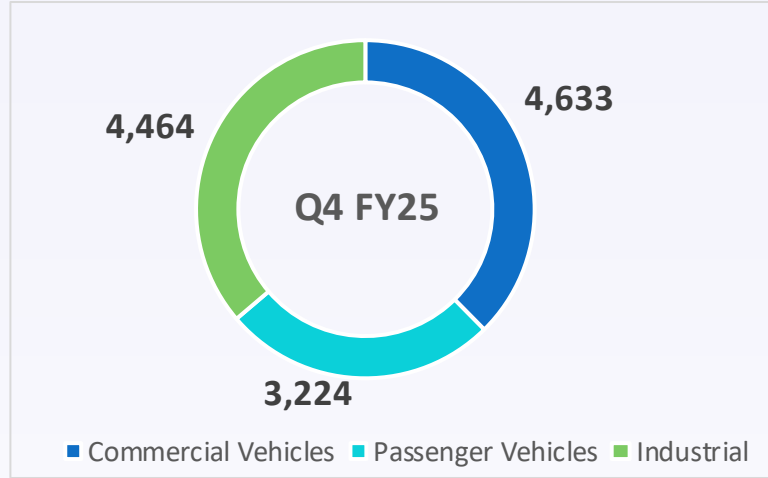
Operational performance had a bearing on PBT, with PBT before Exchange gain/ (loss) coming in at Rs 4,653 million for Q1 FY26, 8% and 11% lower than Q4 FY25 & Q1 FY25 respectively.

Review of Export Business – Q1 FY26

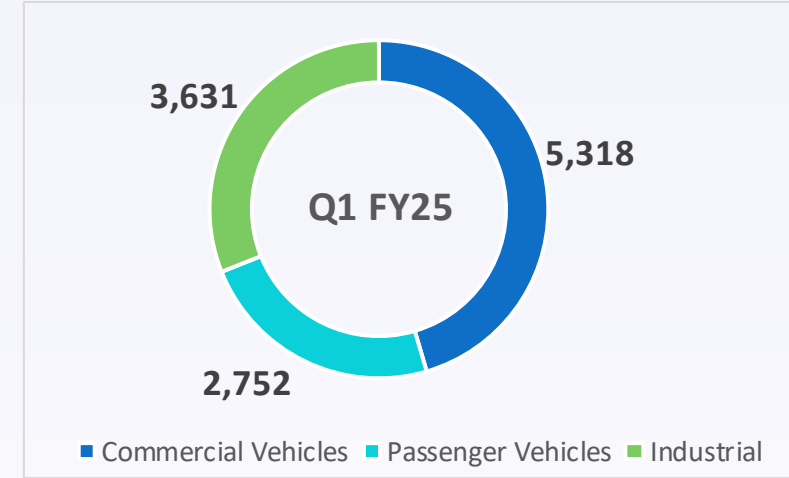
Rs million



Revenue – Rs 10,753 million



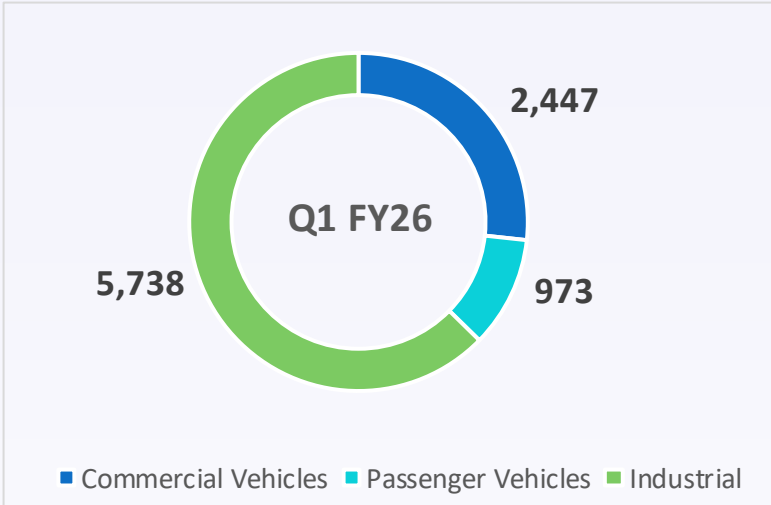
Revenue – Rs 12,321 million



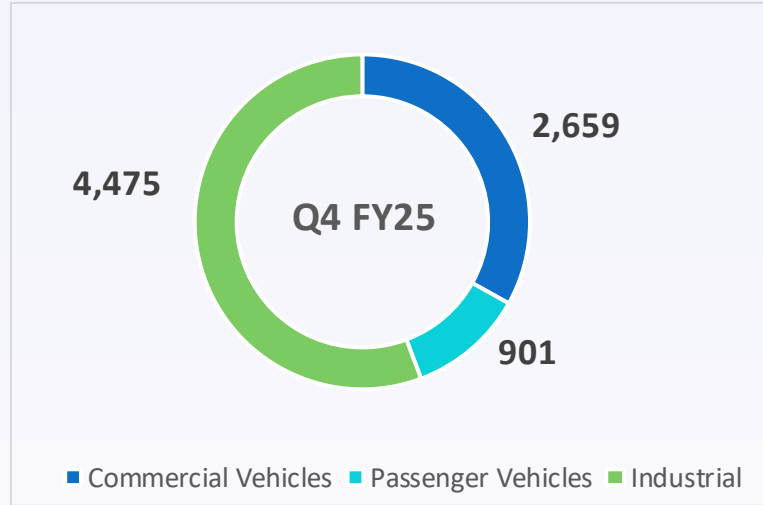
Revenue – Rs 11,702 million

- CV exports to Europe saw some revival post the lows seen last year while North American CV revenues saw a decline due to a pause to the emission norm change and the ongoing trade policy flux in US.
- Passenger Car exports had a benign performance driven partly by our diversification efforts beyond North America.
- Industrial segment saw weak performance driven by slower growth in HHP Engines, construction Mining and seasonality impact in the Aerospace business.

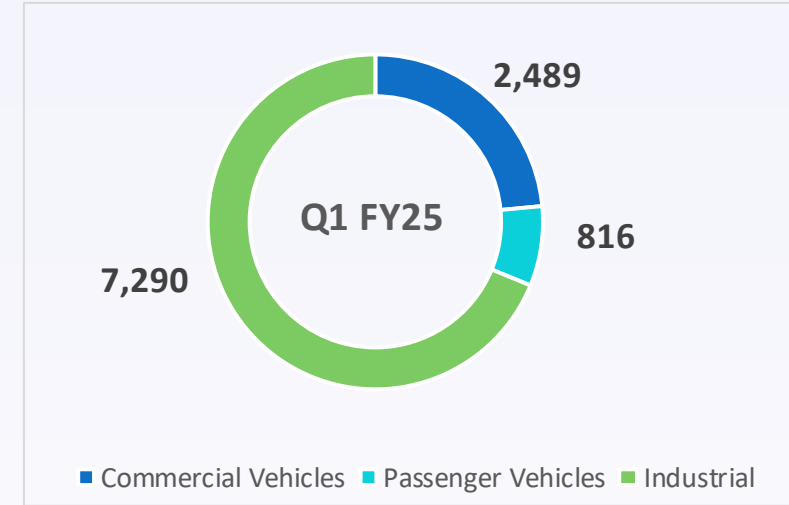
Rs million



Revenue – Rs 9,157 million



Revenue – Rs 8,034 million



Revenue – Rs 10,595 million

- CV business movement was attributed largely to market softness & seasonality seen at the beginning of the financial year.
- Passenger Car business saw robust performance. The buoyancy was a combination of new business wins and higher volumes at some of our Key OEM customers.
- Domestic Industrial business had a strong quarter driven by better execution in Defence and small one-time orders for Machine tools

Other Revenue was Rs 1,137 million in Q1 FY26

Export Break up by Geography

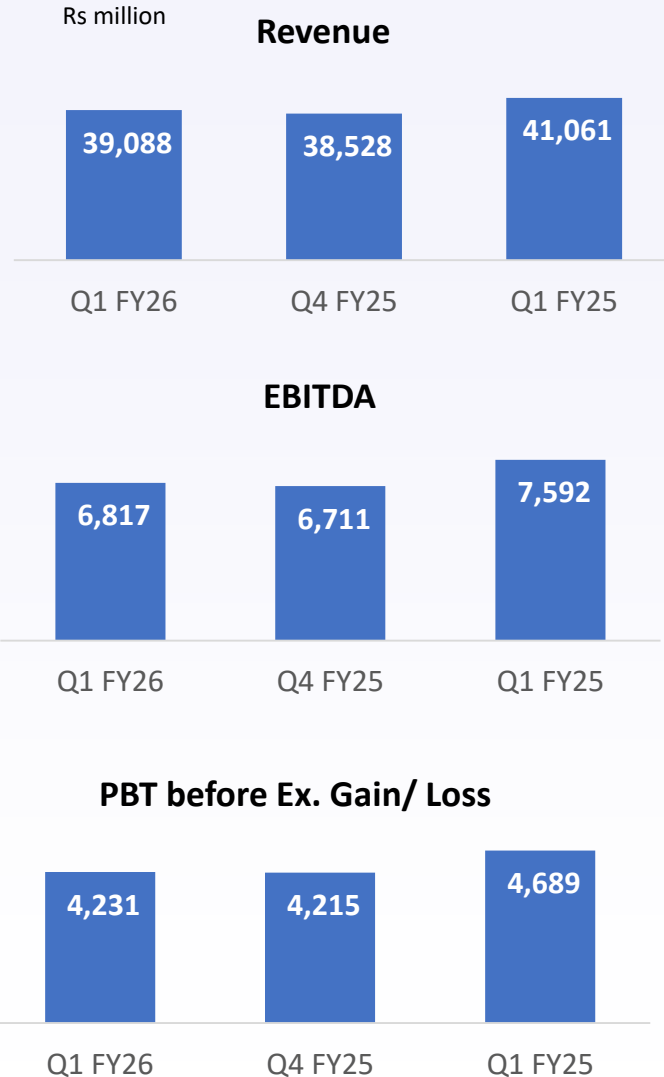
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In Rs million	Q1 FY26	Q4 FY25	Q1 FY25
Americas	6,933	8,161	7,912
Europe	2,937	3,204	3,175
Asia Pacific	884	956	615
Total	10,753	12,321	11,702

Consolidated Financial Highlights – Q1 FY26

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In Rs million	Q1 FY26	FY25
Long term Debt	18,769	19,839
WC Loans & Bill Discounting	44,169	43,044
Equity	94,030	92,206
Cash	31,692	30,952
RoCE (Net)	15.6%	15.4%
Debt/ Equity (Net)	0.33	0.35

- Improving execution in our Overseas Aluminium operations and reduction in losses at KPTL drove the QoQ EBITDA performance

The background image is a dark, semi-transparent overlay of a desk scene. It features a laptop on the right, a calculator in the foreground, and several sheets of paper with various financial charts and graphs. A blue pen lies across one of the papers. The overall aesthetic is professional and data-oriented.

Financial Annexures

Standalone P&L Highlights – Q1 FY26

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In Rs million	Q1 FY26	Q4 FY25	QoQ (%)	Q1 FY25	YoY (%)
Sale Tonnage	61,857	67,309	-8.1%	67,501	-8.4%
Domestic	10,294	9,309	10.6%	11,679	-11.9%
Export	10,753	12,321	-12.7%	11,702	-8.1%
Revenue from Operations	21,047	21,630	-2.7%	23,381	-10.0%
EBITDA	5,878	6,289	-6.5%	6,576	-10.6%
EBITDA (%)	27.9%	29.1%		28.1%	
PBT before Exceptional Items	4,493	4,937	-9.0%	5,165	-13.0%
Exceptional Items	-	(203)		(1,457)	
PBT	4,493	4,734		3,708	
Tax	1,107	1,279		1,014	
PAT	3,386	3,455		2,694	

In Rs million	Q1 FY26	FY25
Long term Debt	10,470	12,865
WC Loans & Bill Discounting	26,926	26,770
Equity	1,11,859	1,09,643
Cash	26,413	26,228
RoCE (Net)	15.0%	18.1%
Debt/ Equity (Net)	0.15	0.17

Consolidated Financials Reconciliation

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Rs million

Q1 FY26	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	24,153	14,299	636	39,088
EBITDA	6,317	558	-58	6,817
EBITDA (%)	26.2%	3.9%	-	17.4%
PBT (incl Other Income)	4,979	-656	-92	4,231
Exchange Gain / (Loss)	27	-115	-	-88
Exceptional Items	-	-	-	-
PBT after Exceptional Items	5,006	-772	-92	4,143

Q1 FY25	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	27,831	13,200	30	41,061
EBITDA	7,643	135	-186	7,592
EBITDA (%)	27.5%	1.0%	-	18.5%
PBT (incl Other Income)	6,155	-1,169	-297	4,689
Exchange Gain / (Loss)	-122	-60	-	-182
Exceptional Items	-	-	-1,518	-1,518
PBT after Exceptional Items	6,033	-1,229	-1,815	2,989

Overseas Financial Highlights – Q1 FY26

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Rs million

European Mfg Operations	Q1 FY26	Q4 FY25	Q1 FY25
Revenue from Operations	10,520	9,075	10,609
EBITDA	328	111	370
EBITDA (%)	3.1%	1.2%	3.5%
PBT before Exchange Gain/ (Loss)	-490	-711	-529
US Mfg Operations	Q1 FY26	Q4 FY25	Q1 FY25
Revenue from Operations	3,779	3,168	2,591
EBITDA	230	42	-235
EBITDA (%)	6.1%	1.3%	-
PBT before Exchange Gain/ (Loss)	-166	-278	-640
Overseas Mfg Operations	Q1 FY26	Q4 FY25	Q1 FY25
Steel Forgings	7,994 (56%)	7,195 (59%)	7,333 (56%)
AI Forgings	6,305 (44%)	5,048 (41%)	5,867 (44%)
Total	14,299	12,243	13,200

Rs million

KSSL	Q1 FY26	Q4 FY25	Q1 FY25
Revenue from Operations	2,470	2,757	5,035
EBITDA	170	140	331
EBITDA (%)	6.9%	5.1%	6.6%
PBT before Exchange Gain/ (Loss)	159	187	388

KPTL	Q1 FY26	Q4 FY25	Q1 FY25
Revenue from Operations	636	32	30
EBITDA	-58	-224	-186
EBITDA (%)	-	-	-
PBT before Exchange Gain/ (Loss)	-92	-273	-297

BFISL	Q1 FY26	Q4 FY25	Q1 FY25
Revenue from Operations	1,806	2,367	1,855
EBITDA	213	400	230
EBITDA (%)	11.8%	16.9%	12.4%
PBT before Exchange Gain/ (Loss)	92	275	97

Thank You

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