Q2 FY26 ANALYST UPDATE

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Management Commentary: Q2 FY26 Performance

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BFL 3 Month Report: "The quarterly performance was impacted by the sharp decline in the North American truck production and the resulting inventory destocking. Standalone Revenues declined by 7.5% sequentially to Rs 1,947 crores, impacted by 16% drop in revenues to North America. CV exports to North America declined by 48% sequentially and 63% on a YoY basis. Because of the constant endeavor towards de-risking the business, the impact was minimized with EBITDA coming in at Rs 545 Crores (EBITDA margins of 28%) and PBT of Rs 432 crores.

Consolidated revenue & EBITDA in Q2 came in at Rs 4,032 Crore and Rs 715 crores respectively. The balance sheet remains robust with Cash of Rs 2,309 crores and ROCE (net) of 15.5%. Indian manufacturing, a key focus area and growth driver for the company registered revenues of Rs 2,746 Crores and EBITDA of RS 676 crores.

The company secured new orders worth Rs 1,582 Crores including Rs 559 crores in Defence in H1 FY26. As of H1FY26, the defence order book stood at Rs 9,467 crores. We have transferred all the Defence dedicated assets of Bharat Forge to our wholly owned subsidiary KSSL. On the business front we expect to conclude more order wins for platforms/ projects we have participated in.

The US & European operations saw weakness driven by seasonality and prevailing sentiments. Review of the European steel manufacturing footprint is on track, and we expect to have concrete measures in place by the end of this fiscal.

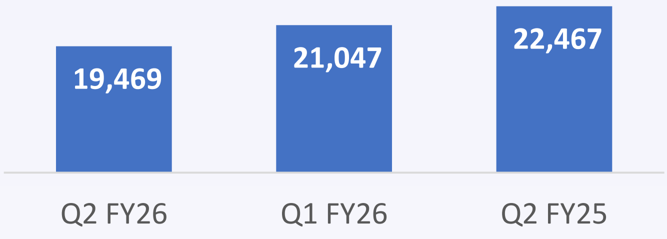
Given the challenging demand conditions in North America, we are witnessing exports into that region declining further in H2 FY26. However, we expect the industrial business across India, exports to non-US geographies and ramp up in defence business to more than offset the weakness in US exports. Our India manufacturing operations focusing on capturing opportunities in Defence, Aerospace, Castings and Aggregates across markets continue to make steady progress in their journey."

B.N. Kalyani,
Chairman & Managing Director

Standalone Financial Highlights Q2 FY26

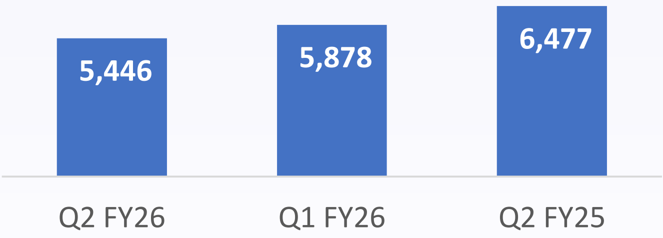
Rs million

Revenue



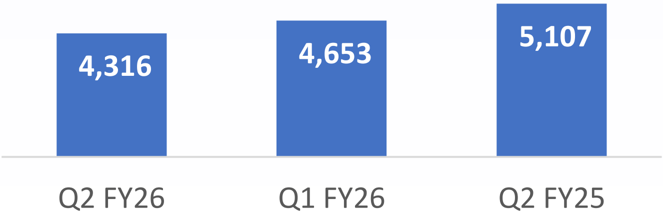
Q2 FY26 Revenues at Rs 19,469 million were lower QoQ due to sharp drop in the North American CV demand.

EBITDA



EBITDA margin at 28% in Q2FY26, was up 10 bps QoQ, driven by favorable product mix.

PBT before Ex. Gain/ Loss



PBT before Exchange gain/ (loss) coming in at Rs 4,316 million for Q2 FY26 down 7.2% QoQ driven by weaker sales.

Review of Export Business – Q2 FY26

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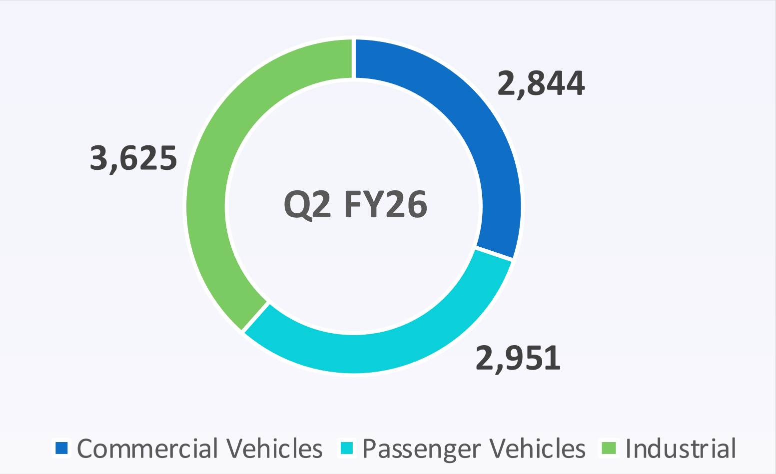
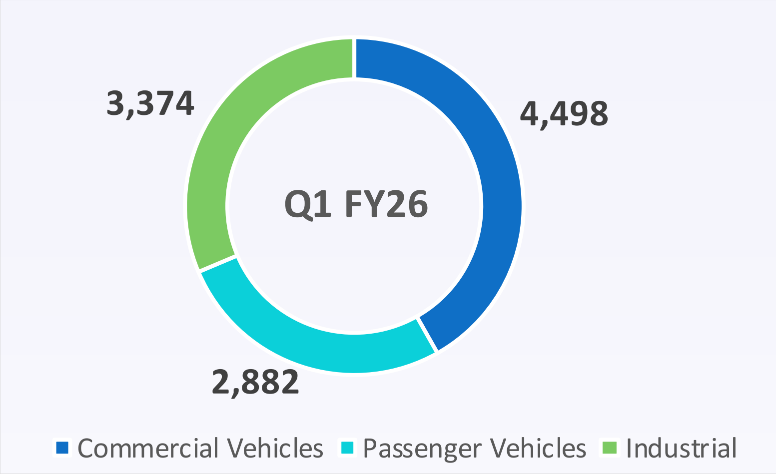
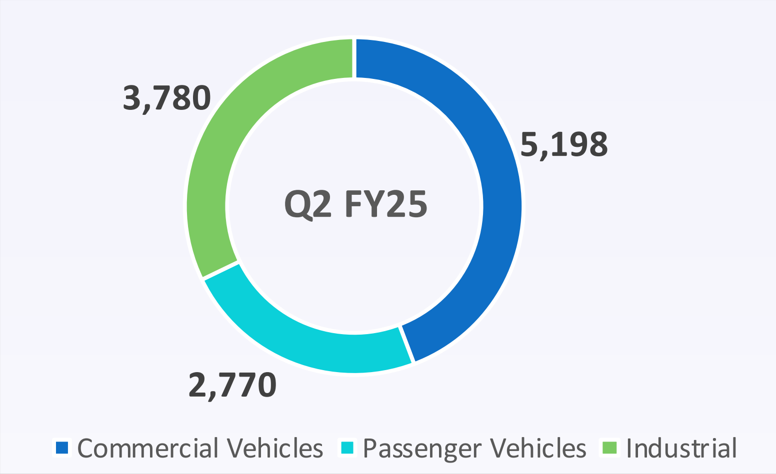
Rs million



Revenue – Rs 9,420 million



Revenue – Rs 10,753 million



Revenue – Rs 11,749 million

- A combination of slow freight growth, weak sentiment and tariff uncertainty weighed on CV demand in North America. We expect the current sluggish scenario to persist over to the remainder of the fiscal given the policy uncertainty in the US.
- Despite demand challenges in the US, Passenger Car exports registered a flattish performance driven in part by our diversification efforts across geographies and products. However, an extended period of demand uncertainty could impact discretionary spending and thereby Passenger car offtake.
- Industrial segment saw mixed performance; Construction Mining and Aerospace showed resilience, however, Oil & Gas was a spoiler given the weak crude prices.

Review of Domestic Business – Q2 FY26

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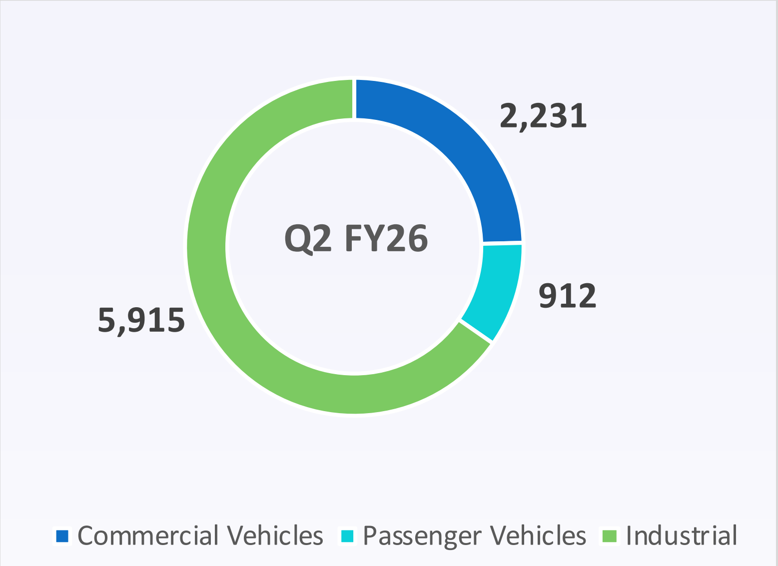
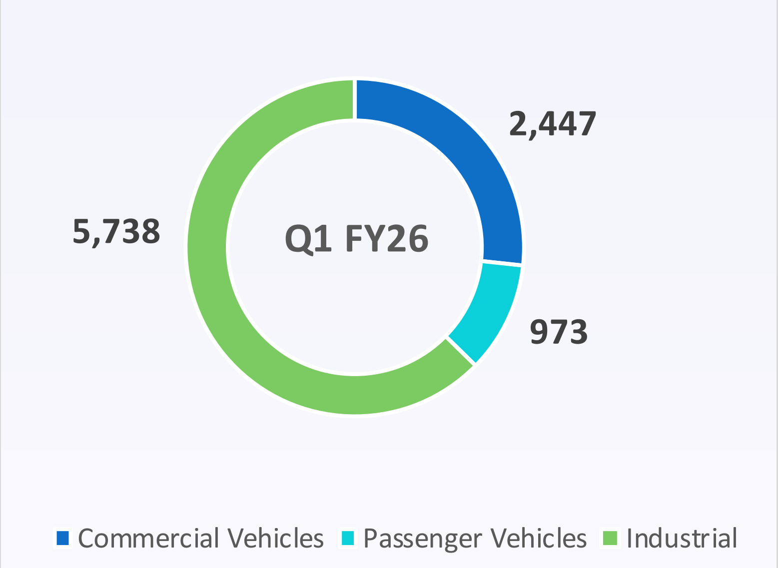
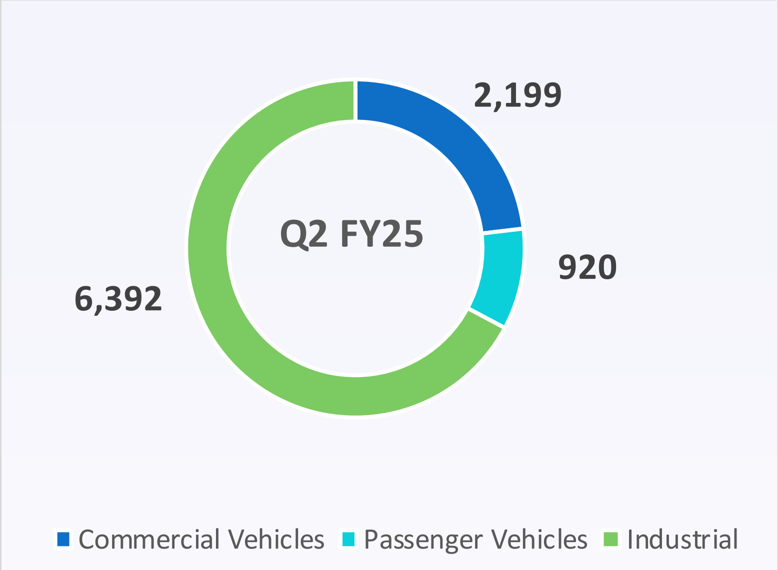
Rs million



Revenue – Rs 9,058 million



Revenue – Rs 9,157 million



Revenue – Rs 9,511 million

- CV business performance was driven by lower production volumes in Q2 across OEMs in anticipation of the GST rate changes
- Passenger Car segment consolidated the gains seen over the last year. We expect this business continue to grow in the medium term.
- Domestic Industrial business had a steady performance driven by better execution in Defence and good traction for Heavy Horse-power engines

Other Revenue was Rs 991 million in Q2 FY26

Export Break up by Geography

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In Rs million	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Americas	5,800	6,933	8,555	12,732	16,467
Europe	2,867	2,937	2,651	5,803	5,826
Asia Pacific	753	884	543	1,637	1,158
Total	**9,420**	**10,753**	**11,749**	**20,173**	**23,450**

Consolidated Financial Highlights – Q2 FY26

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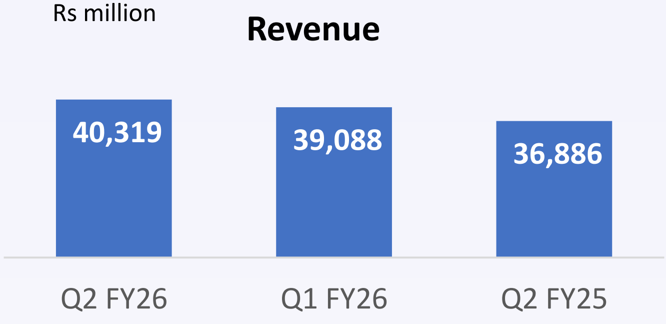
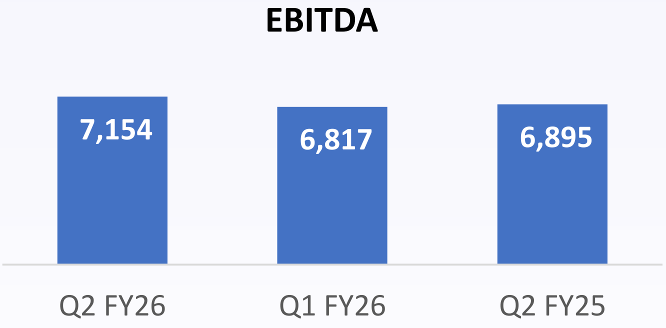
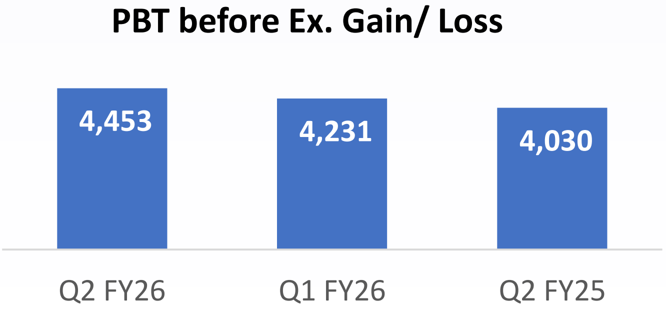
Rs million







In Rs million	Q2 FY26	FY25
Long term Debt	15,944	19,839
WC Loans & Bill Discounting	46,147	43,044
Equity	93,302	92,206
Cash	23,092	30,952
RoCE (Net)	15.5%	15.4%
Debt/ Equity (Net)	0.42	0.35
Net Debt/ EBITDA	1.40	1.16

- Outside of Standalone business, QoQ Revenue and EBITDA was impacted by first-time consolidation of K-Drive Mobility (erstwhile AAM India Mfg Corp's CV business) and improved execution in the Defence business

Financials Annexures

Standalone P&L Highlights – Q2 & H1FY26

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In Rs million	Q2 FY26	Q1 FY26	QoQ (%)	Q2 FY25	YoY (%)	H1 FY26	H1 FY25	YoY (%)
Sale Tonnage (TBU)	56,457	61,857	-8.7%	64,098	-11.9%	1,18,314	1,31,599	-10.1%
Domestic	10,049	10,294	-2.4%	10,718	-6.2%	20,343	22,397	-9.2%
Export	9,420	10,753	-12.4%	11,749	-19.8%	20,173	23,451	-14.0%
Revenue from Operations	19,469	21,047	-7.5%	22,467	-13.3%	40,516	45,848	-11.6%
EBITDA	5,446	5,878	-7.3%	6,477	-15.9%	11,324	13,053	-13.2%
EBITDA (%)	**28.0%**	**27.9%**		**28.8%**		**27.9%**	**28.5%**	
PBT before Exceptional Items	4,316	4,653	-7.2%	5,107	-15.5%	8,969	10,333	-13.2%
Exceptional Items	(79)	-		135		(79)	(1,322)	
Exchange Gain/ (Loss)	64	(160)		(223)		(96)	(284)	
PBT	4,301	4,493		5,019		8,794	8,727	
Tax	1,202	1,107		1,407		2,309	2,421	
PAT	3,099	3,386		3,612		6,485	6,306	

Standalone B/S Highlights – Q2 FY26

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In Rs million	Q2 FY26	FY25
Long term Debt	8,018	12,865
WC Loans & Bill Discounting	25,031	26,770
Equity	1,10,593	1,09,643
Cash	16,139	20,728
RoCE (Net)	14.7%	18.1%
Debt/ Equity (Net)	0.15	0.17
Net Debt/ EBITDA	0.75	0.75

Consolidated Financials Reconciliation

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Rs million

Q2 FY26	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	27,459	12,675	185	40,319
EBITDA	6,757	482	-85	7,154
EBITDA (%)	**24.6%**	**3.8%**	**-**	**17.7%**
PBT (incl Other Income)	5,381	-815	-113	4,453
Exchange Gain / (Loss)	133	-4	-	129
Exceptional Items	-	-	-	-
PBT after Exceptional Items	5,514	-819	-113	4,582

Q2 FY25	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	25,409	11,447	29	36,886
EBITDA	6,870	160	-135	6,895
EBITDA (%)	**27.0%**	**1.4%**	**-**	**18.7%**
PBT (incl Other Income)	5,365	-1,136	-199	4,030
Exchange Gain / (Loss)	-178	3	2	-173
Exceptional Items	-	-	0	0
PBT after Exceptional Items	5,188	-1,134	-196	3,857

Q2FY26 Indian Operations includes Revenue and EBITDA impact of Rs 2,965 million and Rs 92 million from K-Drive Mobility (erstwhile AAM Indian Mfg Corp's CV assets). K Drive Mobility is a wholly owned subsidiary of Bharat Forge w.e.f 1st July 2025

Overseas Financial Highlights – Q2 & H1FY26

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European Mfg Operations	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Revenue from Operations	8,864	10,520	9,529	19,384	20,138
EBITDA	322	328	376	650	746
EBITDA (%)	**3.6%**	**3.1%**	**3.9%**	**3.4%**	**3.7%**
PBT before Exchange Gain/ (Loss)	-526	-490	-527	-1,016	-1,056

US Mfg Operations	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Revenue from Operations	3,811	3,779	1,918	7,590	4,509
EBITDA	160	230	-216	390	-451
EBITDA (%)	**4.2%**	**6.1%**	**-**	**5.1%**	**-**
PBT before Exchange Gain/ (Loss)	-289	-166	-609	-455	-1,249

Overseas Mfg Operations	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Steel Forgings	7,008 (55%)	7,994 (56%)	6,210 (54%)	15,002 (56%)	13,543 (55%)
Al Forgings	5,667 (45%)	6,305 (44%)	5,237 (46%)	11,972 (44%)	11,104 (45%)
Total	**12,675**	**14,299**	**11,447**	**26,974**	**24,647**

Indian Subsidiary Financials – Q2 & H1FY26

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KSSL	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Revenue from Operations	3,990	2,470	4,682	6,460	9,717
EBITDA	427	170	333	597	663
EBITDA (%)	**10.7%**	**6.9%**	**7.1%**	**9.2%**	**6.8%**
PBT before Exchange Gain/ (Loss)	398	159	376	558	765

KPTL	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Revenue from Operations	185	636	29	821	59
EBITDA	-85	-58	-135	-143	-321
EBITDA (%)	**-**	**-**	**-**	**-**	**-**
PBT before Exchange Gain/ (Loss)	-113	-92	-199	-205	-321

BFISL	Q2 FY26	Q1 FY26	Q2 FY25	H1 FY26	H1 FY25
Revenue from Operations	2,213	1,806	1,920	4,019	3,775
EBITDA	304	213	228	516	458
EBITDA (%)	**13.7%**	**11.8%**	**11.9%**	**12.8%**	**12.1%**
PBT before Exchange Gain/ (Loss)	180	92	106	272	203

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Thank You

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