Q2 FY25 ANALYST UPDATE

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Management Commentary: Q2 FY25 Performance

BFL 3 Month Report: "The company reported a consolidated revenue of Rs 3,689 Crore and EBITDA of Rs 690 Crore. Despite a YoY revenue de-growth of 2.3% driven by weakness in European automotive markets, EBITDA grew by 10.8% resulting in margin improvement by 220 bps YoY from 16.5% to 18.7%.

In the quarter, the group secured new orders worth Rs 1,207 Crores across Defence, castings (Ferrous & Aluminum) and the core forging business. The order wins for H1 FY25 amounts to Rs 2,216 Crores with 2/3 coming from Defence & 1/3 from components business.

BFL group's defence business posted revenue of Rs 509 Crore in Q2 registering a jump of 67% YoY. With order wins of Rs 642 Crores in Q2, the executable order book as of September 30th stands at Rs 5,905 Crores. The order book does not include any potential orders from domestic or export market.

JS Auto continues to register impressive operating performance during the quarter with revenue growth of 32% to Rs 165 Crore and EBITDA growth of 60% at Rs 20 Crores compared to Q2 FY24. in H1 FY25, JSA won orders worth Rs 173 crores and is clearly benefitting from the shift of manufacturing supply chain to India. We expect this business to continue to register strong performance in the foreseeable future.

The Overseas operations recorded sales of Rs 1,145 Crores and EBITDA of Rs 16 Crores. The sluggish economic condition in Europe and its impact on the automotive industry is delaying the recovery in the overseas business.

Looking ahead into H2 FY25, we expect the performance to be stable as compared to H1 FY25 as we continue to focus on revenue growth & profitability improvement in our subsidiaries (Indian & Overseas)."

B.N. Kalyani,
Chairman & Managing Director

Standalone Financial Highlights Q2FY25

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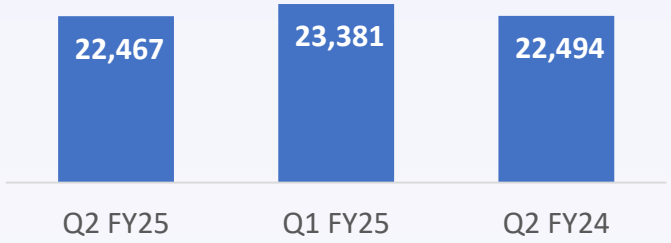
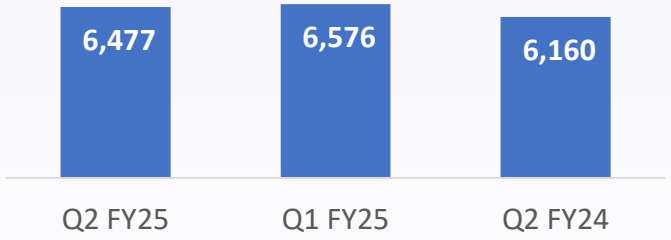
Revenue



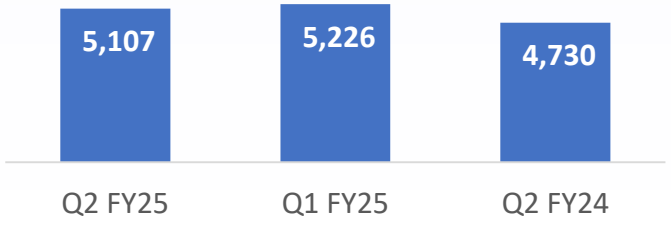
Revenues at Rs 22,467 million in Q2FY25 was flat YoY. While domestic revenues were up 12%, export revenues were down 9% primarily led by weakness in European CVs.

EBITDA



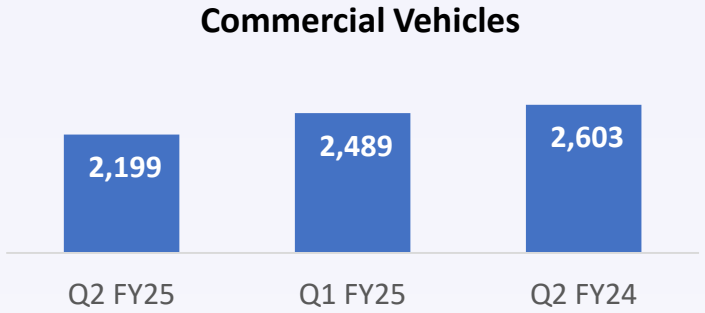
EBITDA margin at 28.8% in Q2 FY25 was up 140 bps vs Q2FY24 due to steady execution in Defence and recovery in Oil & Gas from the trough seen in FY24.

PBT before Ex. Gain/ Loss

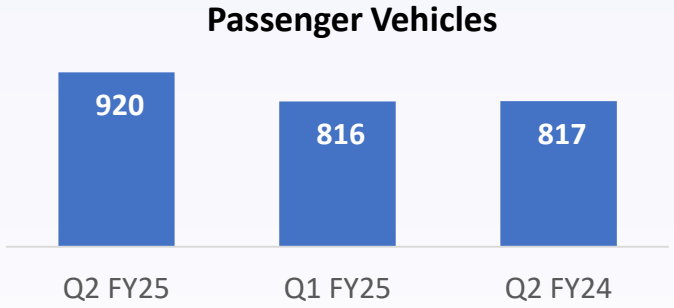


Superior operational performance drove PBT before Exchange gain/ (loss) to Rs 5,107 million in Q2 FY25

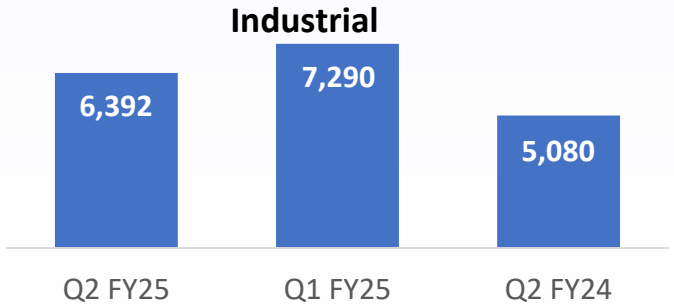
Review of India Business



Automotive Business: The CV business remained soft YoY as domestic demand remained sluggish. The sector has seen stupendous growth over the last 2-3 years. The government's capex push, increased construction & manufacturing activity in the private sector augurs well for longer-term prospects of CV sector growth in India.



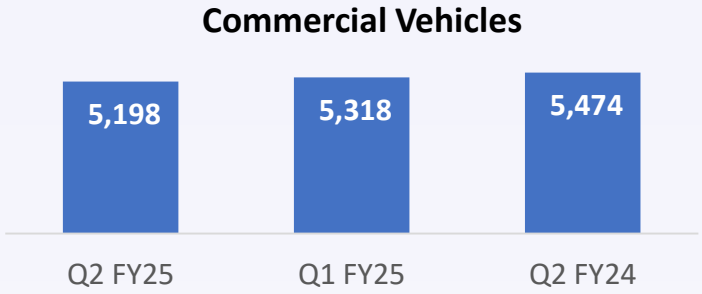
Domestic PVs recouped slightly on a YoY basis. Our focus towards building new partnerships, longer term growth in personal mobility and changing customer preferences towards more premium and safer vehicles augurs well for us.



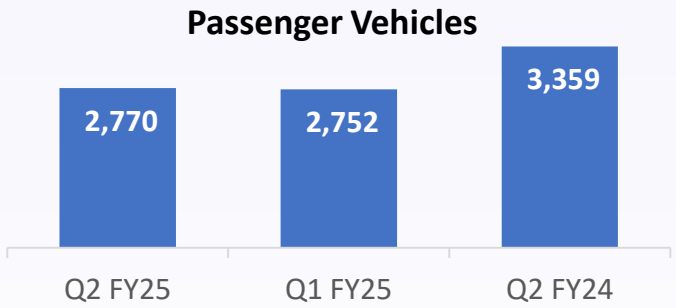
Industrials Business: The Industrial segment grew by 26% YoY to Rs 6,392 million. Execution of defence orders drove the stellar performance. The growth was also supported by a good show in Construction-Mining/ Power generation. The outlook for the business remains promising driven by strong spend on power infrastructure and new capacity additions in the pipeline in India.

Note: Other Revenue stood at Rs 1,207 million in Q2FY25

Review of Export Business



Automotive Business: Export CV business continued to show growth. Europe remained a pain point as growth continues to languish. Ex of Europe our CV export business reported a 14% YoY improvement indicating resilience in underlying demand from North America. We remain cautiously optimistic going ahead.



PV export business remains on course to consolidate its gains over the last three years. Despite a slack demand environment in Europe and slower momentum in North America our business delivered steady QoQ performance

Industrials Business: Industrial business continued to benefit from the diversifications strategy. 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	Q2FY25	Q1FY25	Q2FY24
Americas	8,555	7,912	8,151
Europe	2,651	3,175	3,327
Asia	543	615	1,393
Total	**11,749**	**11,702**	**12,871**

Consolidated Financial Highlights – Q2FY25

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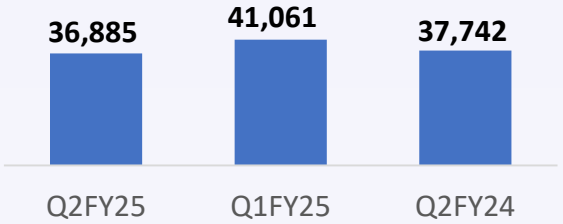
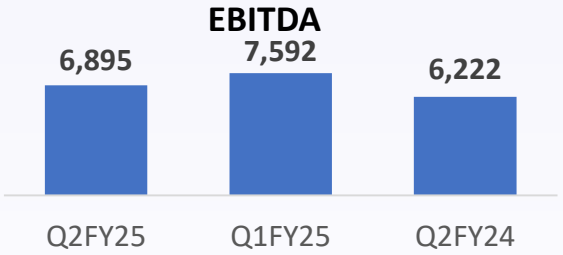
Revenues



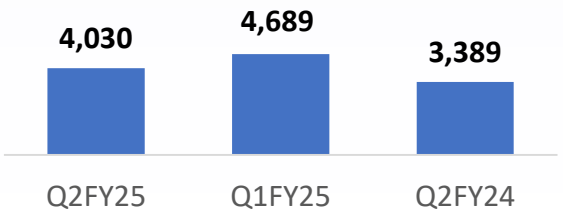
2.3% decline in revenues primarily driven by weakness in the European markets.

EBITDA



EBITDA margins have improved by 220 bps YoY driven by improvement in capacity utilization and product mix in India.

PBT before Forex & Exceptional item



PBT has increased by 18.9% on a YoY driven by improvement in performance at KSSL and halving of losses in the E-Mobility business.

Rs. Million

Particulars	September 30, 2024	March 31, 2024
Long Term Debt	23,948	24,605
WC & Bill Discounting	49,173	50,616
Equity	72,433	71,653
Cash	25,493	31,799
D/E	**1.01**	**1.05**
D/E (Net)	**0.66**	**0.61**
RoCE (Net)	**17.7%**	**16.3%**

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Financials Annexures

Standalone P&L Highlights – Q2 FY25 & H1 FY25

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Rs. Million

Standalone Financials	Q2 FY25	Q1 FY25	QoQ	Q2 FY24	YoY		H1 FY25	H1 FY24	YoY
Shipment Tonnage	**64,098**	**67,501**	***(5.0)%***	**70,509**	**(9.1)%**		**131,599**	**138,537**	***(5.0)***
Domestic Revenue	10,443	11,407	*(8.5)%*	9,310	12.2%		21,850	18,520	*18.0%*
Export Revenue	11,749	11,702	*0.4%*	12,871	(8.7)%		23,451	24,660	*(4.9)%*
Other Operating Income	275	272		313			547	587	
Total Revenue	**22,467**	**23,381**	***(3.9)%***	**22,494**	**(0.1)%**		**45,848**	**43,767**	***4.8%***
EBITDA	6,477	6,576	*(1.5)%*	6,160	5.1%		13,053	11,693	*11.6%*
EBITDA%	28.8%	28.1%		27.4%			28.5%	26.7%	
Other Income	348	446		424			794	896	
Profit Before Tax	5,107	5,226	*(2.3)%*	4,730	8.0%		10,333	8,941	*15.6%*
PBT %	22.7%	22.4%		21.0%			22.5%	20.4%	
Exchange Gain / (Loss)	(223)	(59)		(93)			(282)	(140)	
Exceptional Item	135	(1,457)		-			(1,322)	(21)	
Profit Before Tax	5,019	3,710		4,616			8,729	8,780	
Profit After Tax	3,612	2,696	*34.0%*	3,460	4.4%		6,308	6,574	*(4.0)%*

Standalone B/S Highlights – Q2 FY25

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Rs. Million

Particulars (Standalone)	September 30, 2024	March 31, 2024
Long Term Debt	12,839	17,107
Working Capital Loan & Bill Discounting	27,584	26,892
Equity	88,243	85,688
Cash	**19,372**	**25,250**
ROCE (Net of Cash)	**20.5%**	**20.0%**
RONW	**15.8%**	**16.6%**
D/E (Net)	**0.24**	**0.22**
Net Debt/ EBITDA	**0.81**	**0.76**

Consolidated Financials Reconciliation

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Rs. Million

Q2 FY25	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Total Revenue	25,409	11,447	29	36,885
EBITDA	6,870	160	(135)	6,895
EBITDA %	27.0%	1.4%	-	18.7%
PBT	5,365	(1,136)	(199)	4,030
Exchange Gain/(loss)	(178)	3	2	(173)
Exceptional Items	-	-	-	-
PBT after Exchange Gain/ (Loss)	5,187	(1,133)	(197)	3,857

Q2 FY24	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Total Revenue	25,591	12,053	98	37,742
EBITDA	6,431	90	(299)	6,222
EBITDA %	25.1%	0.7%	-	16.5%
PBT	4,943	(1,156)	(398)	3,389
Exchange Gain/(loss)	(91)	76	9	(6)
Exceptional Items	(21)	-	-	(21)
PBT after Exchange Gain/ (Loss)	4,831	(1,080)	(389)	3,362

Overseas Financial Highlights – Q2 FY25

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Rs. Million

European Mfg. Ops	Q2 FY25	Q1 FY25	Q2 FY24
Total Revenue	9,529	10,609	10,122
EBITDA	376	370	353
EBITDA %	3.9%	3.5%	3.5%
PBT Before Ex Gain/(Loss)	(527)	(529)	(544)

US Mfg. Ops	Q2 FY25	Q1 FY25	Q2 FY24
Total Revenue	1,918	2,591	1,931
EBITDA	(216)	(235)	(263)
EBITDA %	-	-	-
PBT Before Ex Gain/(Loss)	(609)	(640)	(612)

Overseas Mfg. Ops	Q2 FY25	Q1 FY25	Q2 FY24
Steel Forgings	5,976 (52%)	7,333 (56%)	7,160 (59%)
Al Forgings	5,471 (48%)	5,867 (44%)	4,893 (41%)
Total	**11,447**	**13,200**	**12,053**

Indian Subsidiary Financials – Q2 FY25

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Rs. Million

KSSL	Q2 FY25	Q1 FY25	Q2 FY24
Total Revenue	4,682	5,035	2,962
EBITDA	333	331	169
EBITDA%	7.1%	6.6%	5.7%
PBT Before Exchange Gain/(Loss)	376	388	311

KPTL	Q2 FY25	Q1 FY25	Q2 FY24
Total Revenue	29	30	99
EBITDA	(135)	(186)	(299)
EBITDA%	-	-	-
PBT Before Exchange Gain/(Loss)	(199)	(297)	(399)

BFISL	Q2 FY25	Q1 FY25	Q2 FY24
Total Revenue	1,920	1,855	1,516
EBITDA	228	230	173
EBITDA%	11.9%	12.4%	11.4%
PBT Before Exchange Gain/(Loss)	106	97	43

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Thank You

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