Q3 FY26 ANALYST UPDATE

BHARAT FORGE

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Management Commentary: Q3 FY26 Performance

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BFL 3 Month Report: "The quarterly performance continued to be impacted by the de-stocking in the North American CV market. Standalone Revenues was up 7.0% sequentially to Rs 2,084 crores and EBITDA at Rs 569 Crore was up 4.6% QoQ translating in an EBITDA margin of 27.3%. The performance was aided by the strong growth in the Domestic automotive business and execution of defence orderbook. Export revenues witnessed a 3% sequential decline with auto sector down 13% and industrials showing a 11% increase.

In Q3, the company secured new orders worth Rs 2,388 Crores including Rs 1,878 crores in Defence. As of Dec 31st 2025, the defence order book stood at Rs 11,130 crores. We signed the CQB Carbine contract with the Ministry of Defence for supply of more than 250,000 units to the Indian armed forces. This order unlocks significant growth opportunities for our Small Arms vertical within the Defence business.

In the quarter gone by, JS Autocast (JSA) recorded revenue of Rs 203 Crore and EBITDA of Rs 32 Crore (15.7% EBITDA margin) representing a 22% and 39% YoY jump respectively. K-Drive mobility, a supplier of axle assembly across segments witnessed a muted topline but a sharp jump in their profitability with EBITDA margins moving up from 3.1% in Q2 FY26 to 5.1% in this quarter. We expect the margin profile to continue to improve over a 3-year time frame.

The US & European operations reported modest operating profits despite seasonal weakness in the PV market. 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.

Looking ahead into Q4 FY26 and FY27, it is fair to say that the worst is behind us and things are starting to look up. With both domestic and exports markets looking strong across sectors, and the commencement of ATAGS execution in H2 FY27, we expect high double digit top line growth and commensurate impact on profitability."

B.N. Kalyani,
Chairman & Managing Director

Standalone Financial Highlights Q3 FY26

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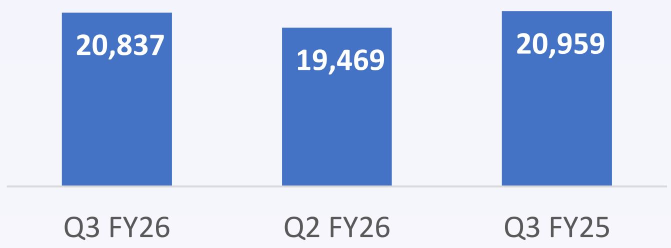
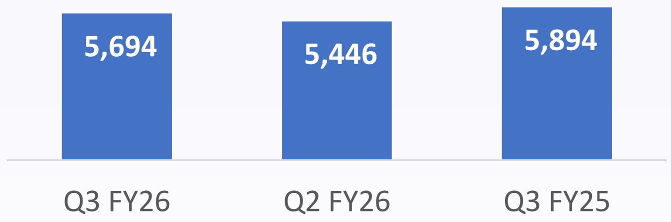
Rs million

EBITDA



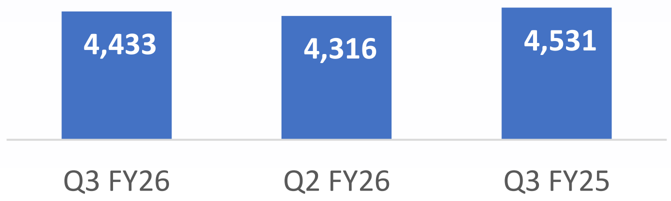
Q3 FY26 Revenues at Rs 20,837 million saw QoQ improvement supported by higher Domestic Auto revenues and improved Defence execution.

EBITDA



EBITDA margin at 27.3% in Q3FY26 down 70bps QoQ, was impacted by product mix changes and increase in tariff cost.

PBT before Ex. Gain/ Loss



PBT before Exchange gain/ (loss) came in at Rs 4,433 million for Q3 FY26 up 2.7% QoQ as better topline performance drove profitability.

Review of Export Business – Q3 FY26

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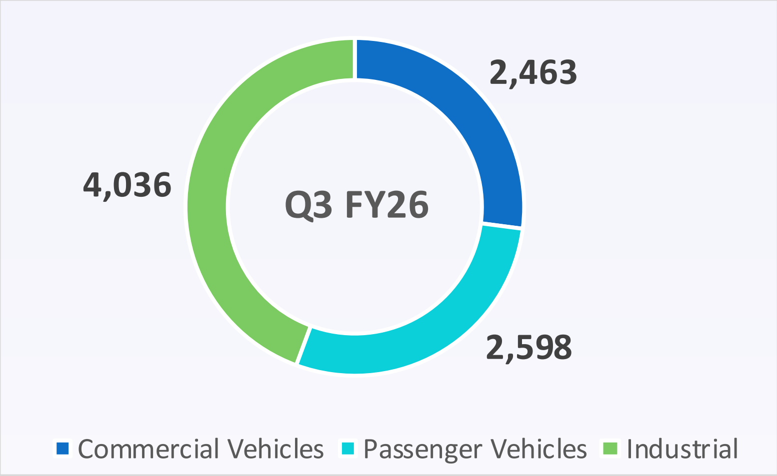
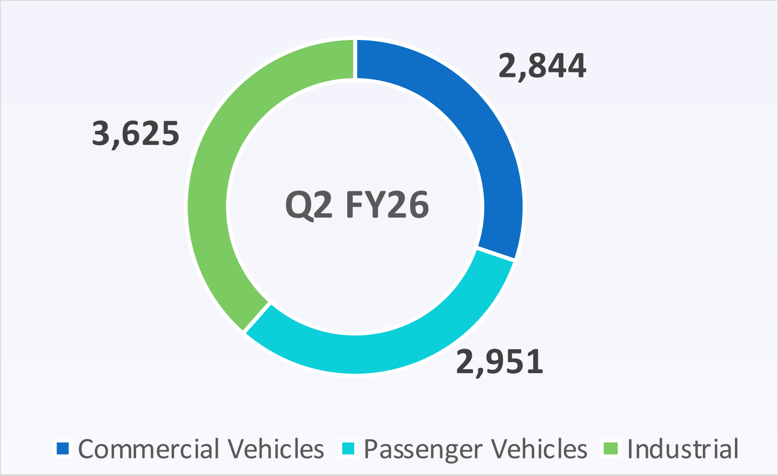
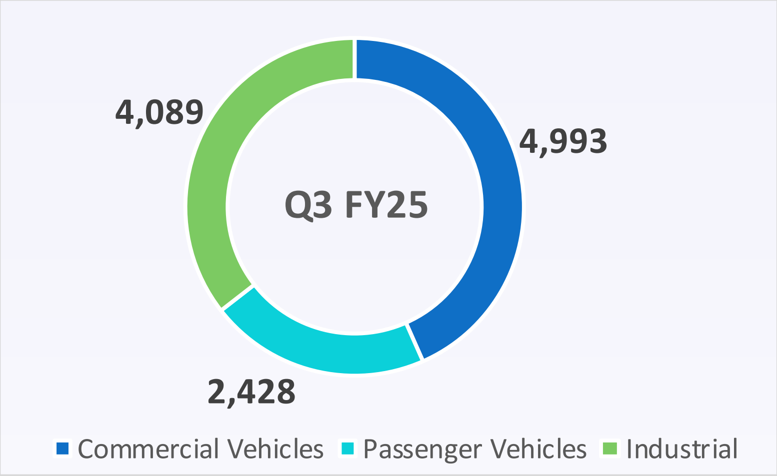
Rs million



Revenue – Rs 9,097 million



Revenue – Rs 9,420 million

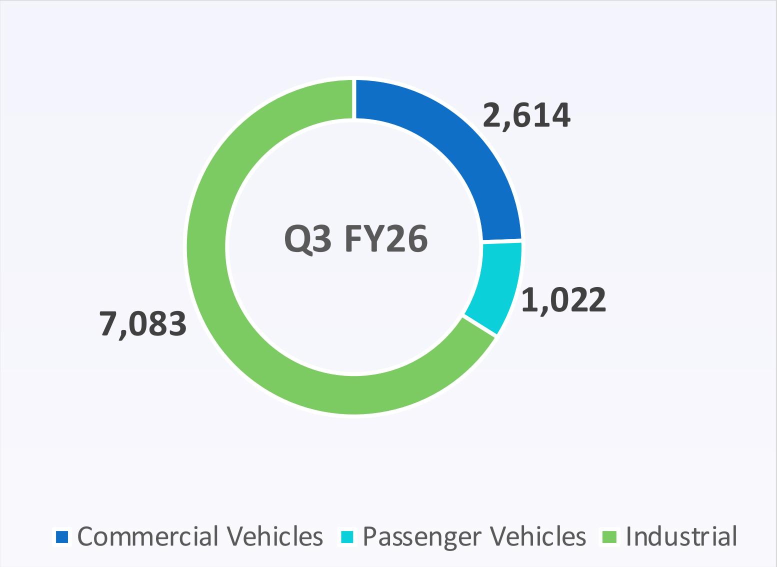


Revenue – Rs 11,510 million

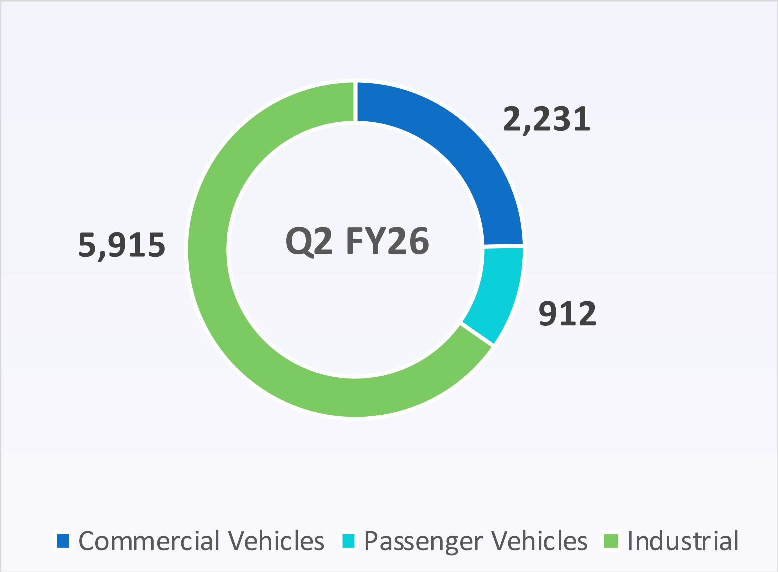
- Lower production and inventory de-stocking impacted the CV exports into North America sharply. NA truck revenues declined by 51% in Q3 FY26 vis-à-vis Q3 FY25. Early indicators such as net orders and increasing order backlog give comfort that the worst may be over for the trucking sector.
- Passenger car export performed well in a seasonally weak quarter. As trade disputes subside, we anticipate a recovery in consumer confidence leading to higher personal mobility spend
- Industrial segment saw mixed performance; HHP engines and Aerospace saw better performance driven by improved execution; while Oil & Gas continued to suffer from weak crude prices.

Review of Domestic Business – Q3 FY26

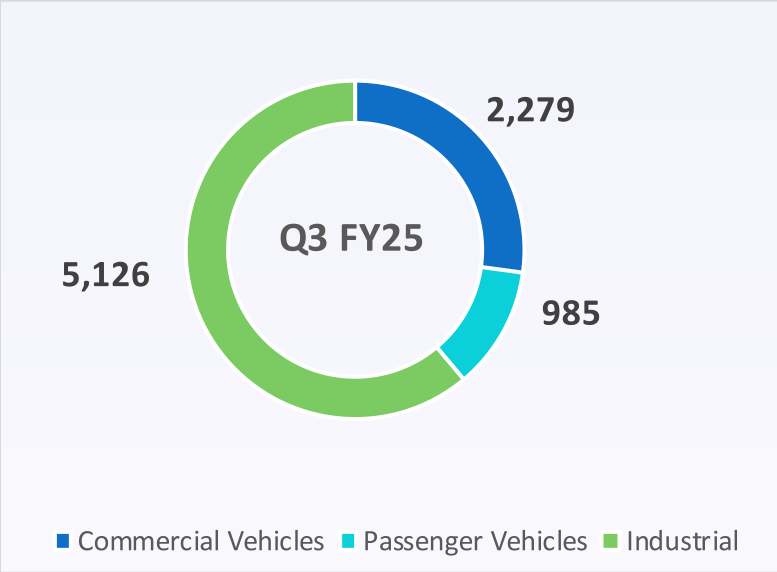
Rs million



Revenue – Rs 10,719 million



Revenue – Rs 9,058 million



Revenue – Rs 8,391 million

- CV business performance was driven by higher production volumes in Q3 across OEMs as benefits of GST rates cuts percolated in lower TCO to the end-users.
- Passenger Car segment saw GST related benefits result in higher demand. We expect these tailwinds to support demand in the near term. In the longer term the expanding per capita car ownership will drive meaningful growth in this sector.
- Domestic Industrial business saw strong performance driven by better execution in Defence and good traction for Heavy Horse-power engines

Other Revenue was Rs 1,021 million in Q3FY26

Export Break up by Geography

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In Rs million	Q3 FY26	Q2 FY26	Q3 FY25	9M FY26	9M FY25
Americas	5,355	5,800	8,540	18,088	25,007
Europe	2,988	2,867	2,333	8,791	8,159
Asia Pacific	754	753	637	2,391	1,795
Total	**9,097**	**9,420**	**11,510**	**29,270**	**34,960**

Consolidated Financial Highlights – Q3 FY26

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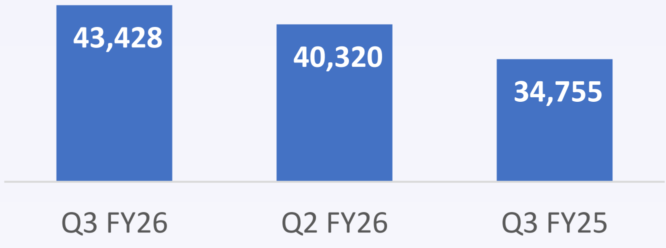
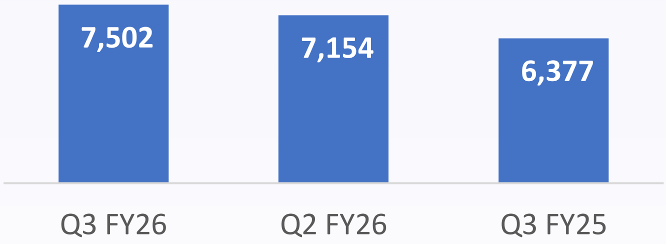
Rs million

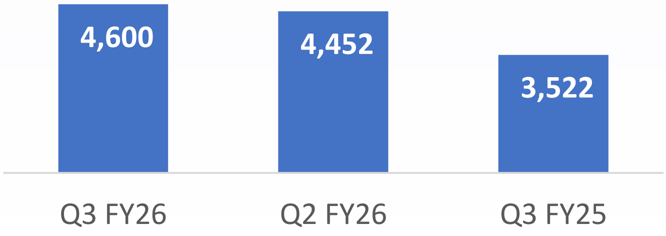
Revenue



EBITDA



PBT before Ex. Gain/ Loss



In Rs million	Q3 FY26	FY25
Long term Debt	13,616	19,839
WC Loans & Bill Discounting	46,622	43,044
Equity	96,292	92,206
Cash	20,566	30,952
RoCE (Net)	15.5%	15.4%
Debt/ Equity (Net)	0.41	0.35
Net Debt/ EBITDA	1.39	1.16

- QoQ Revenue saw growth driven by Defence. YoY Revenue and EBITDA was impacted by consolidation of K-Drive Mobility (erstwhile AAM India Mfg Corp's CV business)

Financials Annexures

Standalone P&L Highlights – Q3 & 9MFY26

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In Rs million	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	9M FY26	9M FY25	YoY (%)
Sale Tonnage (TBU)	57,859	56,458	2.5%	61,507	-5.9%	1,76,174	1,93,106	-8.8%
Domestic	11,740	10,049	16.8%	9,450	24.2%	32,083	31,847	0.7%
Export	9,097	9,420	-3.4%	11,510	-21.0%	29,270	34,960	-16.3%
Revenue from Operations	20,837	19,469	7.0%	20,959	-0.6%	61,353	66,808	-8.2%
EBITDA	5,694	5,446	4.6%	5,894	-3.4%	17,018	18,947	-10.2%
EBITDA (%)	**27.3%**	**28.0%**		**28.1%**		**27.7%**	**28.4%**	
PBT before Exceptional Items	4,433	4,316	2.7%	4,531	-2.2%	13,402	14,864	-9.8%
Exceptional Items	(487)	(79)		(9)		(566)	(1,331)	
Exchange Gain/ (Loss)	(29)	64		205		(125)	(79)	
PBT	3,917	4,301		4,727		12,711	13,454	
Tax	1,035	1,202		1,266		3,344	3,687	
PAT	2,881	3,099		3,461		9,366	9,767	

Standalone B/S Highlights – Q3 FY26

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In Rs million	Q3 FY26	FY25
Long term Debt	6,597	12,865
WC Loans & Bill Discounting	24,325	26,770
Equity	1,13,427	1,09,643
Cash	13,973	20,728
RoCE (Net)	14.5%	18.1%
Debt/ Equity (Net)	0.15	0.17
Net Debt/ EBITDA	0.75	0.75

Consolidated Financials Reconciliation

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Q3 FY26	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	30,452	12,912	64	43,428
EBITDA	7,109	491	-98	7,502
EBITDA (%)	**23.3%**	**3.8%**	**-**	**17.3%**
PBT (incl Other Income)	5,650	-917	-132	4,600
Exchange Gain / (Loss)	-18	84	-	66
Exceptional Items	-553	-	-4	-557
PBT after Exceptional Items	5,080	-834	-136	4,110

Q3 FY25	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	23,770	10,979	6	34,755
EBITDA	6,463	35	-120	6,377
EBITDA (%)	**27.2%**	**0.3%**	**-**	**18.3%**
PBT (incl Other Income)	5,029	-1,343	-164	3,522
Exchange Gain / (Loss)	100	-137	2	-36
Exceptional Items	-	-	0	0
PBT after Exceptional Items	5,129	-1,480	-162	3,487

Q3FY26 Indian Operations includes Revenue and EBITDA impact of Rs 2,941 million and Rs 147 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 – Q3 & 9MFY26

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European Mfg Operations	Q3 FY26	Q2 FY26	Q3 FY25	9M FY26	9M FY25
Revenue from Operations	9,078	8,865	8,889	28,462	29,027
EBITDA	386	322	98	1,037	844
EBITDA (%)	**4.3%**	**3.6%**	**1.1%**	**3.6%**	**2.9%**
PBT before Exchange Gain/ (Loss)	-539	-526	-916	-1,555	-1,972

US Mfg Operations	Q3 FY26	Q2 FY26	Q3 FY25	9M FY26	9M FY25
Revenue from Operations	3,834	3,812	2,090	11,425	6,599
EBITDA	105	159	-63	493	-514
EBITDA (%)	**2.7%**	**4.2%**	**-**	**4.3%**	**-**
PBT before Exchange Gain/ (Loss)	-379	-289	-427	-833	-1,676

Overseas Mfg Operations	Q3 FY26	Q2 FY26	Q3 FY25	9M FY26	9M FY25
Steel Forgings	7,499 (58%)	7,010 (55%)	6,301 (57%)	22,502 (56%)	19,844 (56%)
Al Forgings	5,413 (42%)	5,667 (45%)	4,678 (43%)	17,385 (44%)	15,782 (44%)
Total	**12,912**	**12,677**	**10,979**	**39,887**	**35,626**

Indian Subsidiary Financials – Q3 & 9MFY26

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KSSL	Q3 FY26	Q2 FY26	Q3 FY25	9M FY26	9M FY25
Revenue from Operations	5,472	3,990	3,195	11,932	12,912
EBITDA	636	427	184	1,233	847
EBITDA (%)	**11.6%**	**10.7%**	**5.7%**	**10.3%**	**6.6%**
PBT before Exchange Gain/ (Loss)	604	398	241	1,162	1,006

KPTL	Q3 FY26	Q2 FY26	Q3 FY25	9M FY26	9M FY25
Revenue from Operations	64	185	6	885	65
EBITDA	-98	-85	-120	-241	-441
EBITDA (%)	**-**	**-**	**-**	**-**	**-**
PBT before Exchange Gain/ (Loss)	-132	-113	-164	-337	-485

BFISL	Q3 FY26	Q2 FY26	Q3 FY25	9M FY26	9M FY25
Revenue from Operations	2,354	2,213	1,915	6,373	5,690
EBITDA	351	304	250	867	708
EBITDA (%)	**14.9%**	**13.7%**	**13.0%**	**13.6%**	**12.4%**
PBT before Exchange Gain/ (Loss)	224	180	122	496	325

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Thank You

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