Q3 FY25 ANALYST UPDATE

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Management Commentary: Q3 FY25 Performance

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BFL 3 Month Report: "The company reported a consolidated revenue of Rs 3,476 Crore and EBITDA of Rs 638 Crore, a degrowth of 10% and 5% respectively. The primary factor for decline in performance is the anaemic economic condition in EU which impacted the performance of the European operations and exports into Europe. The lumpy nature of the defence business also impacted the performance of the company in the quarter.

Bharat Forge group secured new orders worth Rs 830 Crores across various business verticals in Q3FY25.

BFL group's defence business posted revenue of Rs 337 Crore in Q3. With order wins of Rs 97 Crores in Q3, the executable order book as of December 31st stands at Rs 5,706 Crores.

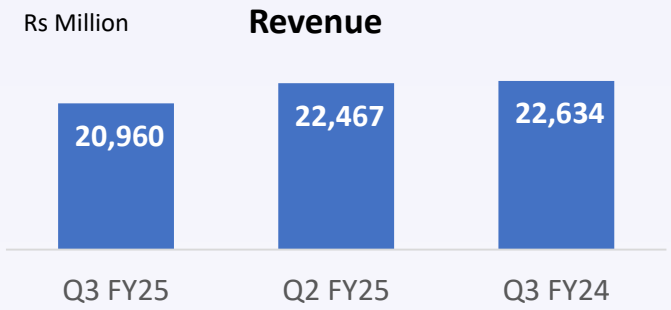
For the Aerospace business, we have approved an investment for setting up a dedicated state of the art machining line for landing gears components and a ring mill for manufacturing high precision forging to address the growing demands for jet engine components from the global aerospace industry. The capacities will come online in FY2027. We expect the aerospace business to witness strong growth over the coming 3 - 4 years.

JS Auto continued registering strong performance during the quarter with revenue growing by 20% to Rs 166 Crore and EBITDA growth of 24% at Rs 23 Crores as compared to Q3 FY24. During 9M FY25, JSA won orders worth Rs 183 crores benefiting from the positive momentum built around Indian manufacturing. We expect this business to surpass the Rs 1,000 Crs revenue milestone in the next 2-3 years.

Looking ahead into Q4 FY25 & FY26, we expect the consolidated performance to be stable, as pockets of strength emerge from the newer businesses to offset the slowdown in the automotive sector globally. We will undertake a thorough review of our manufacturing footprint of our overseas business with an endeavor to achieve operational stability in this challenging environment."

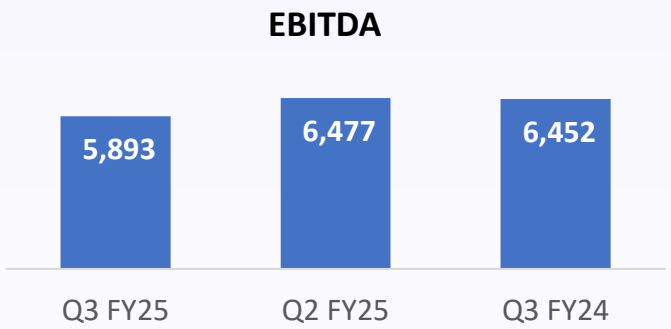
B.N. Kalyani,
Chairman & Managing Director

Standalone Financial Highlights Q3FY25

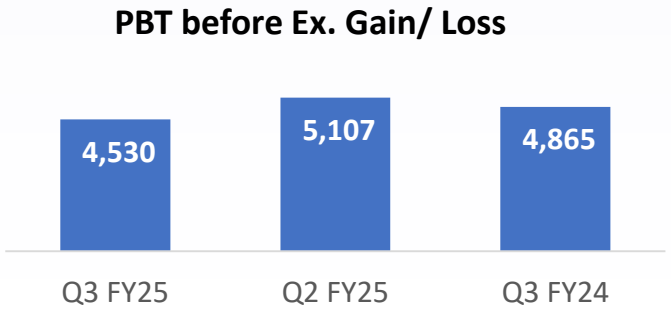


Revenues at Rs 20,959 million in Q3FY25 were lower on account of two key factors

- Weak demand conditions in EU impacting exports.
- Lower sales of defence products on QoQ & YoY basis.



Despite a lower topline, EBITDA margin at 28.1% was sustained due to a favorable product mix in Q3FY25.



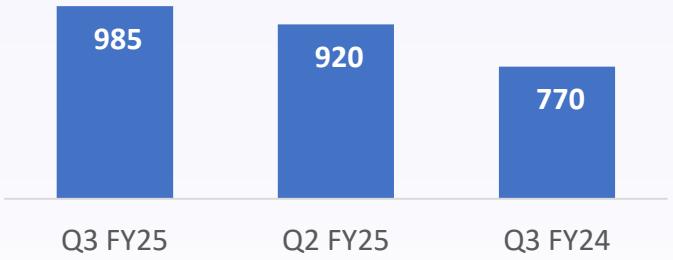
Operational performance weighed in as PBT before Exchange gain/ (loss) came in at Rs 4,530 million in Q3 FY25,down 11.3% compared to the previous quarter.

Review of India Business

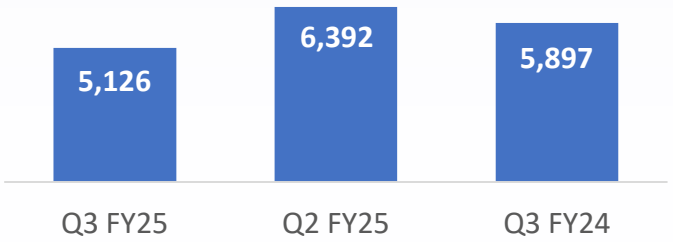
Rs Million

Commercial Vehicles

Passenger Vehicles



Industrial



Note: Other Revenue stood at Rs 1,059 million in Q3FY25

Automotive Business: The India CV sector has seen good growth over the last 3-4 years in terms of both absolute number and tonnage growth. However, for 9M FY25, a large base effect coupled with a cool-off in capex growth has resulted in tepid demand for the sector and for our CV business. The long term outlook for the industry is positive and we continue to evaluate organic & inorganic opportunities to further enhance our presence in the CV space.

Domestic PVs has recovered sharply on a YoY basis driven by greater penetration. Our focus is towards building new partnerships to capture the longer term growth potential in personal mobility and changing customer preferences towards more premium and safer vehicles.

Industrials Business: The Industrial segment posted revenues of Rs 5,126 million. The decline on sequential & annual basis is primarily a function of lower defence sales during the quarter.

Despite capex momentum slowing down and its potential impact on our Industrials business in the near term, we believe that sectors such as nuclear, space provide ample opportunity in the medium to long term to grow our industrial revenues.

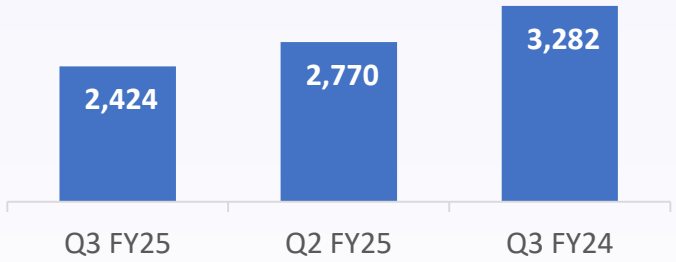
Review of Export Business

Rs Million

Commercial Vehicles

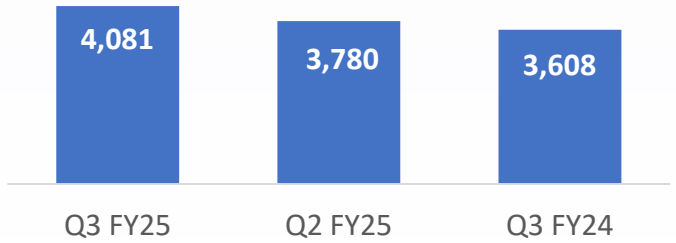
Automotive Business: Export CV business continued to be steady. While North America remained stable, weakness in Europe and slower growth in select Asian markets drove revenue lower. Going ahead we expect the market conditions in North America to improve while a gloomy economic outlook in Europe is likely to weigh on sentiment.

Passenger Vehicles



Some OEM specific weakness, as well as a frail economic recovery in Europe affected PV Exports. New order wins have come in from the PV segment which will support growth over the medium term.

Industrial



Industrials Business: Industrial business continued to benefit from the diversification strategy. The sanguine YoY performance was across-the-board with all verticals registering growth. Aerospace is a sector which should finally see strong traction in the coming few years.

Export Break up by Geography

Rs. Million

Particulars	Q3FY25	Q2FY25	Q3FY24
Americas	8,540	8,555	8,076
Europe	2,333	2,651	2,820
Asia	637	543	1,238
Total	**11,510**	**11,749**	**12,135**

Consolidated Financial Highlights – Q3FY25

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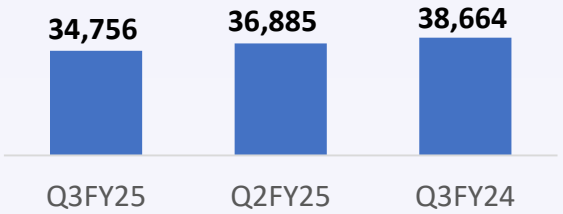
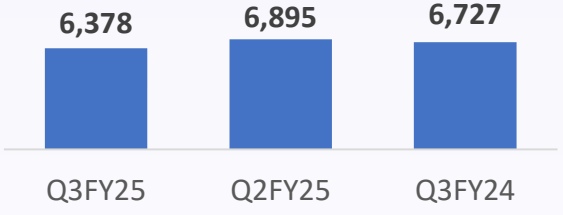
Revenues



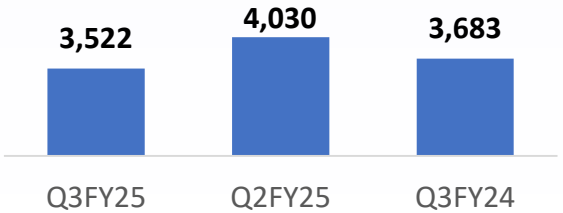
10% decline in revenues primarily driven by weakness in the European markets.

EBITDA



EBITDA margins have improved by 100 bps YoY driven by improvement in performance of Indian entities

PBT before Forex & Exceptional item



PBT decline of ~4% YoY is primarily on account of losses in the overseas business.

Rs. Million

Particulars	December 31, 2024	March 31, 2024
Long Term Debt	20,013	24,605
WC & Bill Discounting	43,325	50,616
Equity	90,785	71,653
Cash	30,905	31,799
D/E	**0.70**	**1.05**
D/E (Net)	**0.36**	**0.61**
RoCE (Net)	**16.5%**	**16.3%**

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Financials Annexures

Standalone P&L Highlights – Q3 FY25 & 9M FY25

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Rs. Million

Standalone Financials	Q3 FY25	Q2 FY25	QoQ	Q3 FY24	YoY		9M FY25	9M FY24	YoY
Shipment Tonnage	**61,507**	**64,098**	***(4.0)%***	**67,477**	**(8.8)%**		**193,106**	**206,014**	***(6.3)***
Domestic Revenue	9,187	10,443	*(12.0)%*	10,210	(10.0)%		31,037	28,730	*8.0%*
Export Revenue	11,510	11,749	*(2.0)%*	12,135	(5.2)%		34,961	36,795	*(5.0)%*
Other Operating Income	263	275		289			810	876	
Total Revenue	**20,960**	**22,467**	***(6.7)%***	**22,634**	**(7.4)%**		**66,808**	**66,401**	***0.6%***
EBITDA	5,893	6,477	*(9.0)%*	6,452	(8.7)%		18,946	18,145	*4.4%*
EBITDA%	28.1%	28.8%		28.5%			28.4%	27.3%	
Other Income	314	348		346			1,108	1,242	
Profit Before Tax	4,530	5,107	*(11.3)%*	4,865	(6.9)%		14,863	13,806	*7.7%*
PBT %	21.6%	22.7%		21.5%			22.2%	20.8%	
Exchange Gain / (Loss)	205	(223)		179			(79)	39	
Exceptional Item	(9)	135		-			(1,331)	(21)	
Profit Before Tax	4,726	5,019		5,044			13,453	13,824	
Profit After Tax	3,460	3,612	*(4.2)%*	3,778	(8.4)%		9,766	10,352	*(5.7)%*

Standalone B/S Highlights – Q3 FY25

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Rs. Million

Particulars (Standalone)	December 31, 2024	March 31, 2024
Long Term Debt	12,868	17,107
Working Capital Loan & Bill Discounting	27,525	26,892
Equity	107,646	85,688
Cash	**24,717**	**25,250**
ROCE (Net of Cash)	**18.0%**	**20.0%**
RONW	**12.5%**	**16.6%**
D/E (Net)	**0.2**	**0.22**
Net Debt/ EBITDA	**0.87**	**0.76**

Consolidated Financials Reconciliation

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Rs. Million

Q3 FY25	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Total Revenue	23,771	10,979	6	34,756
EBITDA	6,459	38	(120)	6,378
EBITDA %	27.2%	0.3%	-	18.4%
PBT	5,030	(1,344)	(164)	3,522
Exchange Gain/(loss)	100	(137)	2	(36)
Exceptional Items	-	-	-	-
PBT after Exchange Gain/ (Loss)	5,130	(1,481)	(162)	3,486

Q3 FY24	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Total Revenue	25,544	13,099	21	38,664
EBITDA	6,858	218	(349)	6,727
EBITDA %	26.8%	1.7%	-	17.4%
PBT	5,212	(1,100)	(429)	3,683
Exchange Gain/(loss)	192	54	4	250
Exceptional Items	-	-	-	-
PBT after Exchange Gain/ (Loss)	5,404	(1,046)	(425)	3,933

Overseas Financial Highlights – Q3 FY25

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Rs. Million

European Mfg. Ops	Q3 FY25	Q2 FY25	Q3 FY24
Total Revenue	8,889	9,529	10,534
EBITDA	100	376	218
EBITDA %	1.1%	3.9%	2.1%
PBT Before Ex Gain/(Loss)	(917)	(527)	(739)

US Mfg. Ops	Q3 FY25	Q2 FY25	Q3 FY24
Total Revenue	2,090	1,918	2,565
EBITDA	(62)	(216)	-
EBITDA %	-	-	-
PBT Before Ex Gain/(Loss)	(427)	(609)	(361)

Overseas Mfg. Ops	Q3 FY25	Q2 FY25	Q3 FY24
Steel Forgings	6,536 (60%)	5,976 (52%)	8,219 (63%)
Al Forgings	4,444 (40%)	5,471 (48%)	4,880 (37%)
Total	**10,979**	**11,447**	**13,099**

Indian Subsidiary Financials – Q3 FY25

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Rs. Million

KSSL	Q3 FY25	Q2 FY25	Q3 FY24
Total Revenue	3,195	4,682	4,349
EBITDA	184	333	272
EBITDA%	5.8%	7.1%	6.3%
PBT Before Exchange Gain/(Loss)	241	376	378

KPTL	Q3 FY25	Q2 FY25	Q3 FY24
Total Revenue	6	29	21
EBITDA	(120)	(135)	(349)
EBITDA%	-	-	-
PBT Before Exchange Gain/(Loss)	(164)	(199)	(429)

BFISL	Q3 FY25	Q2 FY25	Q3 FY24
Total Revenue	1,915	1,920	1,666
EBITDA	250	228	235
EBITDA%	13.1%	11.9%	14.1%
PBT Before Exchange Gain/(Loss)	122	106	122

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Thank You

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