BHARAT FORGE LTD
Q4 & FY24 ANALYST UPDATE

Management Commentary: Q4 FY24 Performance

BFL 3 Month Report: "The company ended the year on a strong note with topline growing by 16.6% to Rs 2,329 Crores while EBITDA grew by 25.1% to Rs 654 Crores resulting in EBITDA margins of 28.1% in Q4 FY24. For the full year, topline grew by 18.4% to Rs 8,969 Crores and EBITDA grew by 28.0% to Rs 2,469 Crores. A key driver of the strong performance was the fulfilment of defence export orders won by KSSL and the continued strong ramp-up of exports business across all business segments except Oil & Gas. The balance sheet continues to remain robust, with cash (Net of LTL) of Rs 815 Crores and sharp improvement in all key parameters. At a consolidated level, topline grew by 21.5% to Rs 15,682 Crores and EBITDA grew by 44.4% to Rs 2,566 Crores.

In FY24, the Indian operations have secured new orders worth Rs 1,350 Crores across automotive & industrial applications. This includes a healthy mix of existing and new customers across traditional & new products.

BFL group's defence business recorded revenues of Rs 1,561 Crores, a near 4X jump as compared to FY23. The company secured new orders worth Rs 4,494 Crores across Artillery systems, Armored vehicles and consumables. The executable order book stands at Rs 5,192 Crores as of March 31, 2024.

In FY24, the industrial casting vertical recorded a strong performance with topline growing by 28%, EBITDA growth of 57% and PBT doubling compared to FY23. The company has secured new orders worth Rs 460 Crores in FY 24. Over the past 2 years, the business has made tremendous progress in reducing its customer and sector concentration and has developed a more balanced business mix across Automotive, Construction & Mining, Hydraulics & Wind energy.

We have set up a AI/Digital manufacturing center which will catalyze the engineering/ manufacturing activities and enable improvement in productivity and shorten time to market products.

At a consolidated level, we expect FY25 to be a year of growth driven by Defence business, Industrial casting business and continued improvement in capacity utilization of the overseas business. The turnaround of the overseas business coupled with margin improvement in other business verticals should result in strong growth in profitability in FY25."

B.N. Kalyani,

Chairman & Managing Director

Standalone Financial Highlights Q4 FY24

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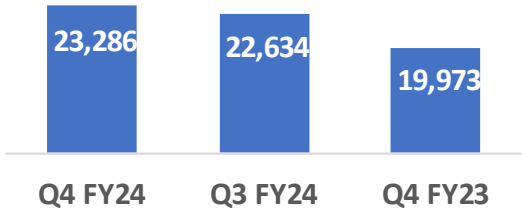
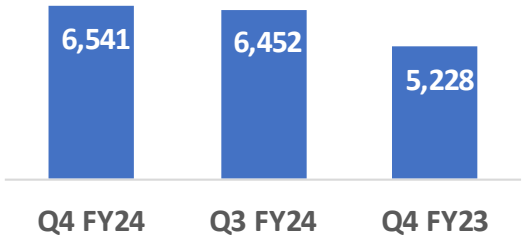
Q4 FY24

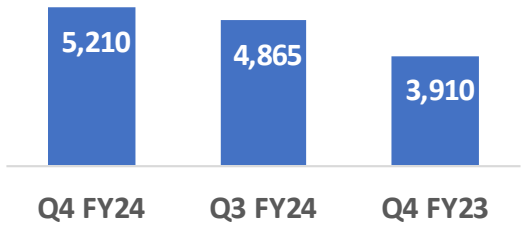
Revenue



EBITDA

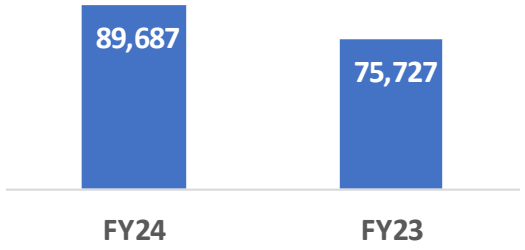


PBT before Ex. Gain/ Loss

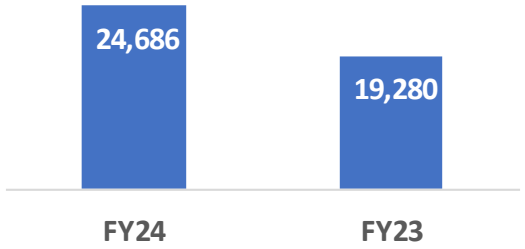


FY24

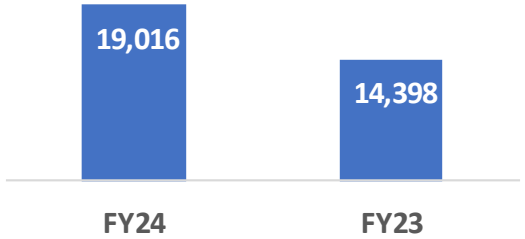
Revenue



EBITDA

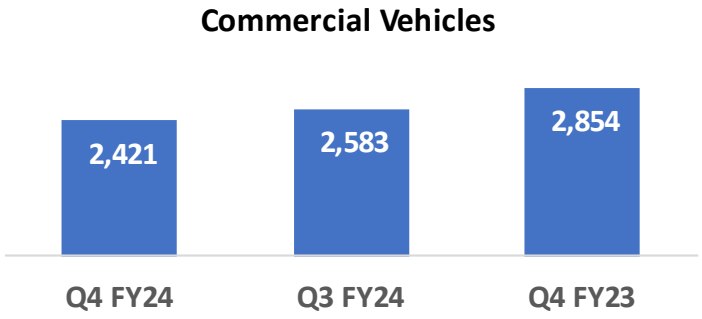


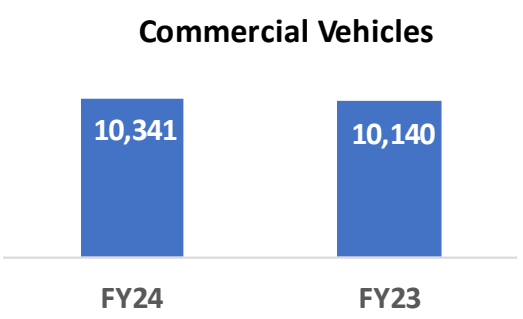
PBT before Ex. Gain/ Loss

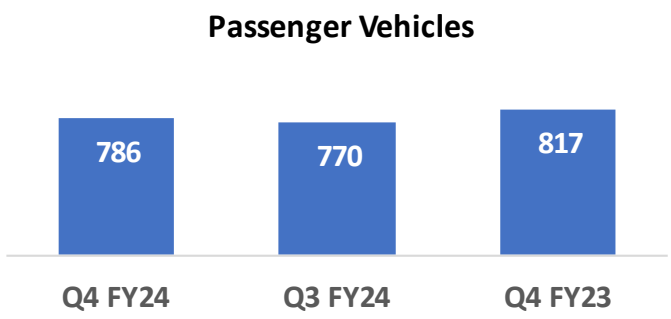


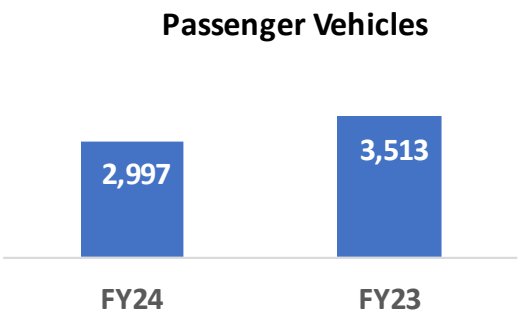
- Revenues at Rs 23,286 million in Q4FY24 grew by 16.6% as compared to Q4 FY23 driven by execution on defence export order and Passenger vehicle exports.
- EBITDA margin at 28.1% in Q4 FY24 represents a 190 bps improvement YoY driven by improved product mix. For FY24, EBBITDA margins have expanded by 200 bps to 27.5%.
- PBT before Exchange gain/ (loss) of Rs 5,210 million in Q4 FY24 as against Rs 3,910 million in Q4 FY23 reflect the operating leverage driven by strong top-line performance.

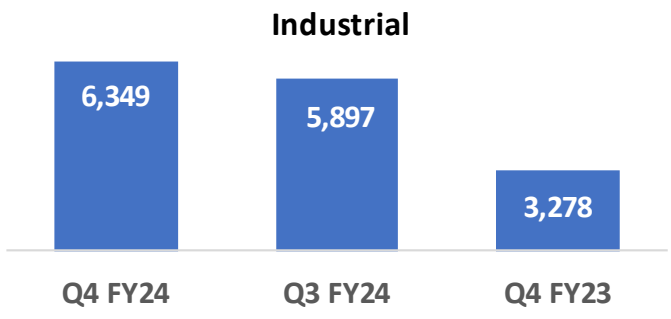
Review of India business

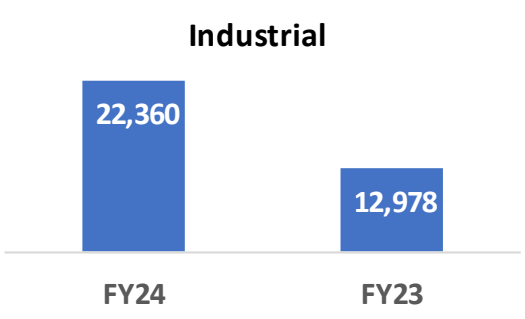












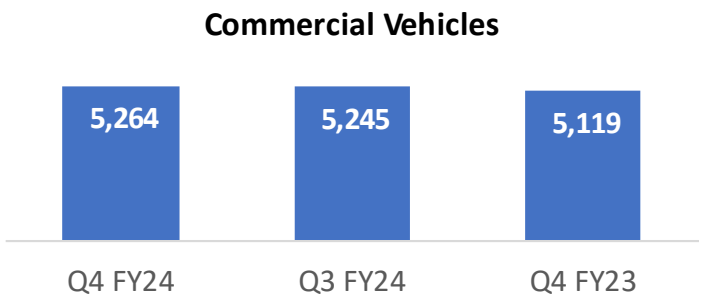
Automotive Business: FY24 was an year of consolidation for the MHCV industry in India after two years of spectacular growth. BFL too saw mild revenue accretion in its CV business. We continue to aim for growth which is in-line with the market. The market is likely to see more activity as the election process concludes and Capex spend accelerates.

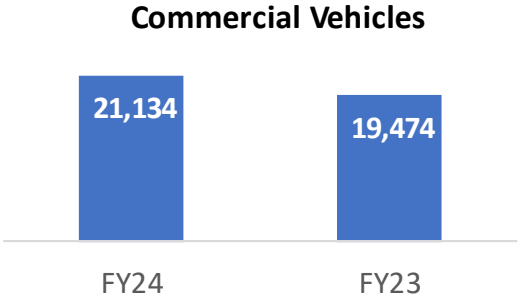
The premiumization trend in the PV segment continues, with Utility vehicles now accounting for more than 50% of the sales. Growing disposable income is likely to keep the overall premiumisation trend intact.

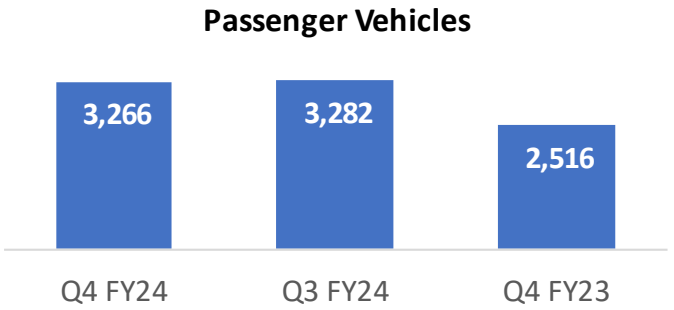
Industrials Business: The Industrial segment saw its revenue rise 72% in FY24. The sharp rise was driven by supply of components & products for defence application. Apart from defence, green shoots in private capex around Sugar, Cement and Steel continue to aid demand for the industrials vertical.

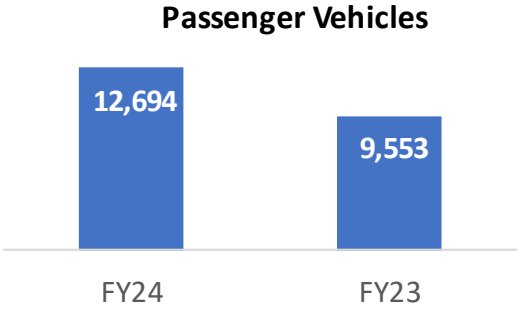
Note: Other Revenue stood at Rs 1,242 million in Q4FY24

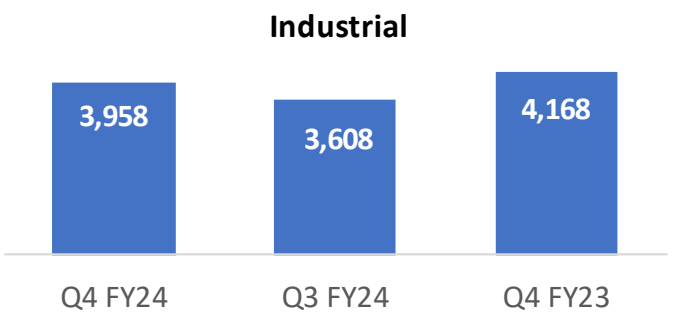
Review of Export business

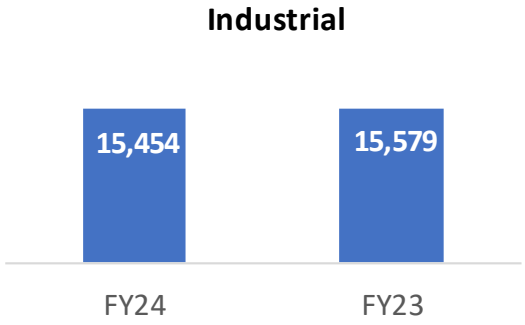












Automotive Business: Export CV business remained steady in FY24 with revenue up 8.5% YoY. Order backlog, inventory and cancellation rates remain at reasonable levels. Going ahead, North America Class 8 production is likely to remain flat with a moderately negative bias in CY24. Though inflationary pressures have abated in Europe, sustainable recovery remains elusive. BFL remains well placed to outperform the overall market.

PV export revenues in FY24 at Rs 12,694 million have grown by 33% YoY. Market share gains, increased geographical foot-print and value-addition continued to drive the stellar performance. BFL continues to deepen its client portfolio and diversify across geographies.

Industrials Business: FY23 industrial revenue at Rs 15,454 million was flat YoY. Our strategy at diversifying the basket to minimize sectoral volatility has yielded the desired benefit. Revenue ex Oil & Gas was up 35% YoY primarily due to strong performance in construction & Mining, Aerospace, Defence and Railways

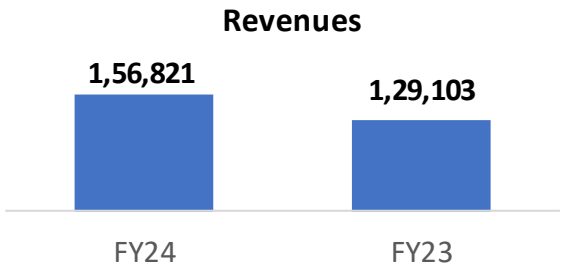
We continue to focus on building new relationships within the Industrial space targeted at Construction & Mining, Railways, Aerospace etc.

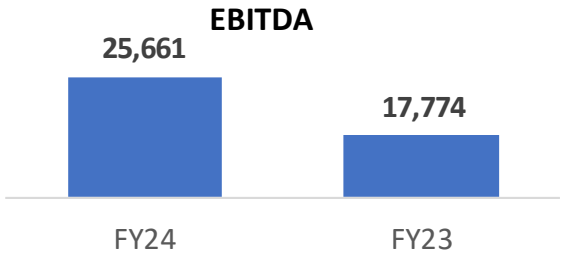
Review of Export Revenue by Geography

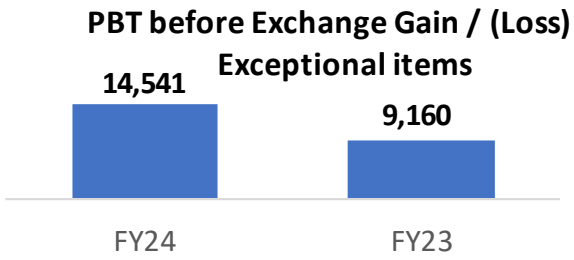
Rs. Million

Particulars	Q4FY24	Q3FY24	Q4FY23	FY24	FY23
Americas	7,883	8,076	8,108	31,755	30,459
Europe	3,734	2,820	3,072	13,286	11,871
Asia Pacific	871	1,238	623	4,242	2,275
Total	**12,488**	**12,135**	**11,803**	**49,283**	**44,605**

Consolidated Financial Highlights FY24







Rs. Million

Particulars	March 31, 2024	March 31, 2023
Long Term Debt	24,605	24,436
WC & Bill Discounting	50,616	43,534
Equity	71,653	67,416
Cash	**31,799**	**31,405**
D/E	**1.05**	**1.01**
D/E (Net)	**0.61**	**0.54**
ROCE (Net)	**16.3%**	**10.2%**

Deliveries of export orders in defence and ramp-up of overseas Aluminium business drove top-line growth. EBITDA improvement driven by reduction of losses in Europe.

Financials Annexures

Standalone P&L Highlights Q4 FY24

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Rs. Million

Standalone Financials	Q4FY24	Q3FY23	QoQ%	Q4FY23	YoY%	FY24	FY23	% Change
Shipment Tonnage	**66,619**	**67,477**	***(1.3)***	**64,648**	***3.0***	**272,631**	**246,467**	***10.6***
Domestic Revenue	10,514	10,210	*3.0*	7,876	*33.5*	39,244	30,083	*30.5*
Export Revenue	12,488	12,135	*2.9*	11,803	*5.8*	49,283	44,605	*10.5*
Other Operating Income	284	289		294		1,160	1,039	
Total Revenue	**23,286**	**22,634**	***2.9***	**19,973**	***16.6***	**89,687**	**75,727**	***18.4***
EBITDA	6,541	6,452	*1.4*	5,228	*25.1*	24,686	19,280	*28.0*
EBITDA%	28.1%	28.5%		26.2%		27.5%	25.5%	
Other Income	382	346		391		1,624	1,505	
Profit Before Tax	5,210	4,865	*7.1*	3,910	*33.2*	19,016	14,398	*32.1*
PBT %	22.4%	21.5%		19.6%		21.2%	19.0%	
Exchange Gain / (Loss)	51	179		(348)		90	(168)	
Exceptional Item	(134)	-		(408)		(155)	(402)	
Profit Before Tax	5,128	5,044		3,154		18,952	13,828	
Profit After Tax	3,897	3,778	*3.1*	2,446	*59.3*	14,249	10,455	*36.3*

Standalone Financial Highlights FY24

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Rs. Million

Particulars (Standalone)	March 31, 2024	March 31, 2023
Long Term Debt	17,107	17,661
Working Capital & Bill Discounting	26,892	26,386
Equity	85,688	77,000
Cash	**25,250**	**22,067**
ROCE (Net of Cash)	**20.0%**	**16.2%**
RONW	**16.6%**	**13.6%**
D/E (Net)	**0.22**	**0.29**
Net Debt/ EBITDA	**0.76**	**1.14**

Consolidated Financial Reconciliation

Rs. Million

FY 2024	Indian Operations	Overseas Operations	Total
Total Revenue	104,661	52,610	**1,56,821**
EBITDA	25,204	457	**25,661**
PBT	19,021	(4,480)	**14,541**
Exchange Gain/(loss)	24	(105)	**(81)**
Exceptional Items	(123)	-	**(123)**
PBT after Exchange Gain/ (loss) & Exceptional items	18,922	(4,585)	**14,377**

FY 2023	Indian Operations	Overseas Operations	Total
Total Revenue	86,318	42,785	**1,29,103**
EBITDA	18,735	(961)	**17,774**
PBT	13,393	(4,233)	**9,160**
Exchange Gain/(loss)	(34)	(65)	**(99)**
Exceptional Items	(441)	(16)	**(457)**
PBT after Exchange Gain/ (loss) & Exceptional items	12,918	(4,314)	**8,604**

Overseas Subsidiary Financials - FY24

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Rs. Million

European Mfg. Ops	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
Total Revenue	11,377	10,534	10,532	43,596	37,871
EBITDA	332	218	(141)	1,410	208
EBITDA %	2.9%	2.1%	(1.3)%	3.2%	0.5%
PBT Before Ex Gain/(Loss)	(539)	(739)	(684)	(2,065)	(2,183)

US Mfg. Ops	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
Total Revenue	2,295	2,565	1,567	8,564	4,914
EBITDA	(341)	-	(348)	(953)	(1,169)
EBITDA %	(14.9)%	(0.0)%	(22.2)%	(11.1)%	(23.8)%
PBT Before Ex Gain/(Loss)	(756)	(361)	(657)	(2,415)	(2,050)

Rs. Million

Overseas Mfg. Ops	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
Steel Forgings	8,341 (61%)	8,219 (63%)	8,349 (69%)	32,422 (62%)	30,389 (71%)
Al Forgings	5,331 (39%)	4,880 (37%)	3,750 (31%)	19,738 (38%)	12,396 (29%)
Total	**13,672**	**13,099**	**12,099**	**52,160**	**42,785**

Indian Subsidiary Financials

Rs. Million

KSSL	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
Total Revenue	4,654	4,349	814	14,220	1,654
EBITDA	113	272	18	662	(16)
EBITDA%	2.4%	6.2%	2.2%	4.7%	-
PBT Before Exchange Gain/(Loss)	256	378	159	1,186	137

KPTL	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
Total Revenue	10	21	87	391	264
EBITDA	(383)	(349)	(397)	(1,375)	(933)
EBITDA%	-	-	-	-	-
PBT Before Exchange Gain/(Loss)	(488)	(429)	(464)	(1,759)	(1,165)

BFISL	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
Total Revenue	2,119	1,666	1,533	6,794	4,446
EBITDA	319	235	177	896	519
EBITDA%	15.1%	14.1%	11.6%	13.2%	11.7%
PBT Before Exchange Gain/(Loss)	160	122	117	390	298

2023-24 – Metrics update - Environment

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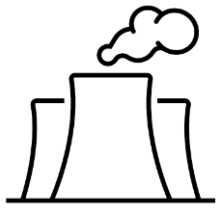
• Scope 1 & Scope-2 (50%) lesser emissions	2030
• Scope-3 (30%) lesser emissions	2030
• Carbon Neutral	2040

• 60% reduction in Energy Intensity	2030
• 80 % Renewable Energy	2030

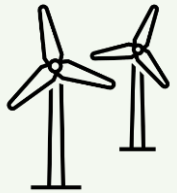
• 40% lesser freshwater	2030
• 60% Recycled Water	2030

• Zero Waste to Landfill	2030
• 50% Waste Intensity	2030
• 50% Secondary RM	2030



Scope-1- & Scope-2 – 23% lesser emissions

21% of energy intensity reduction



40% of RE
(153 Million Units)

1,08,913 tCO2e of emissions avoided

33% of recycled water used in the operations

25% reduction in Water Intensity

99.7% of waste recycled

8% reduction in Waste Intensity

* (vs 2019 BL)

Thank You

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