Q1 FY27 ANALYST UPDATE

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Automotive | Renewable Energy | Oil & Gas | Defence | Aerospace | Marine | Construction & Mining | Rail

Management Commentary: Q1 FY27 Performance

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BFL 3 Month Report: "Despite spiraling energy prices and geopolitical uncertainty, the standalone business recorded sharp YoY topline growth of 11.5% with EBITDA margins at a healthy 26.2% despite the cost pressure. EBITDA margins normalized for input cost increase were at 28%. Consolidated revenue for the quarter was up 18.7% YoY to reach Rs 4,640 crore while EBITDA was up 10.2% YoY at Rs 752 Crore resulting in EBITDA margin of 16.2%.

Our Indian operations won new orders worth Rs 1,352 Crore in Q1FY27, including Rs 681 Crore from Defence. The outstanding orderbook for Defence was Rs 11,196 Crore as of 30th June 2026. A highlight for the quarter was the signing of our largest order on the Naval side for 12 Marine Gas Turbine Generator sets with the Ministry of Defence.

In the **Indian manufacturing business** portfolio within BFL , with new sectors such as Defence, Aerospace, Data Centers & semiconductors starting to contribute to the revenue mix, we are in the process of setting up dedicated forging & machining capabilities with an investment outlay of around Rs 1,800 Crores over 12-18 months for various sunrise sectors including the energetics plant in Andhra Pradesh. These investments are expected to generate incremental revenues in the coming years post commissioning.

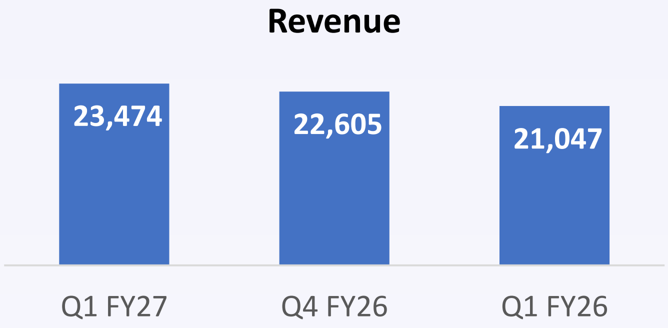
The board has approved subject to Shareholder approval, fund raise of up to Rs 2,500 Crores through issuance of Equity shares, Convertible securities or any other securities via qualified institutional placement, preferential allotment or any other method as approved under the shareholder approval in accordance with applicable law.

For FY27, we continue to maintain our growth outlook of 20-25% for the Indian manufacturing business which will be more pronounced in the 2nd half of this fiscal. With the recent restructuring action on our EV business and the German Forging business, we continue to re-evaluate our current global manufacturing footprint for the other parts of the business where the medium-term focus of achieving profitability may continue to be challenging."

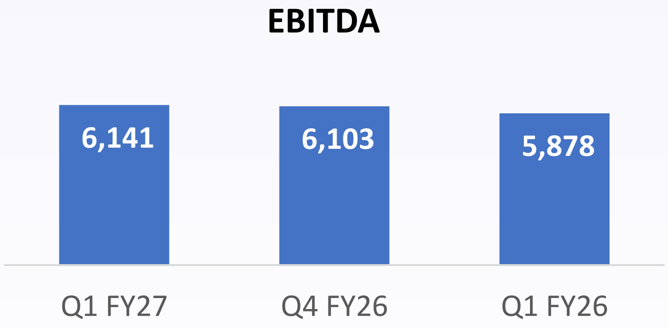
B.N. Kalyani,
Chairman & Managing Director

Standalone Financial Highlights Q1 FY27

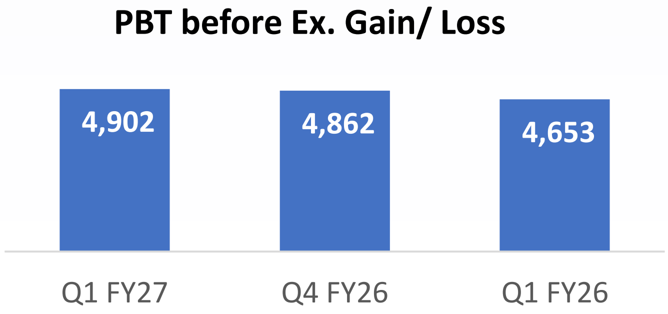
Rs million



Q1 FY27 Revenues at Rs 23,474 million saw YoY improvement driven by broad-based performance in exports. Industrial exports saw sharp growth as HHP Engines and Aerospace saw strong execution momentum.



EBITDA margin at 26.2% for the quarter was impacted by higher energy and input costs.



PBT before Exchange gain/ (loss) at Rs 4,902 million for Q1 FY27 was up 5.4% YoY, driven by improvement in operational performance, partially offset by lower Other Income.

Review of Export Business – Q1 FY27

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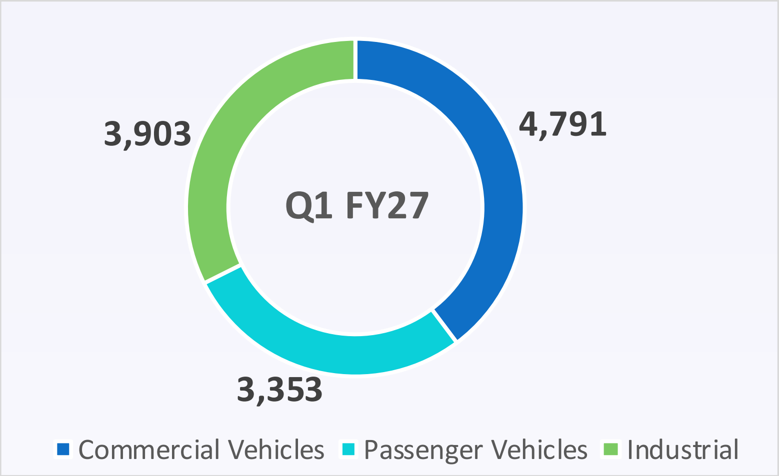
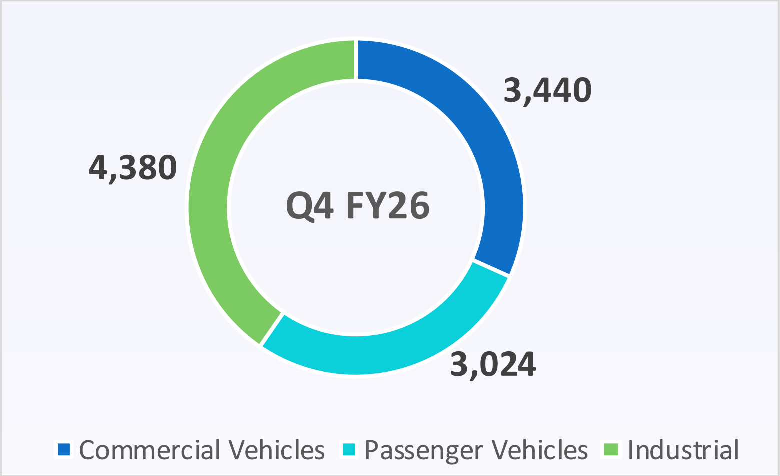
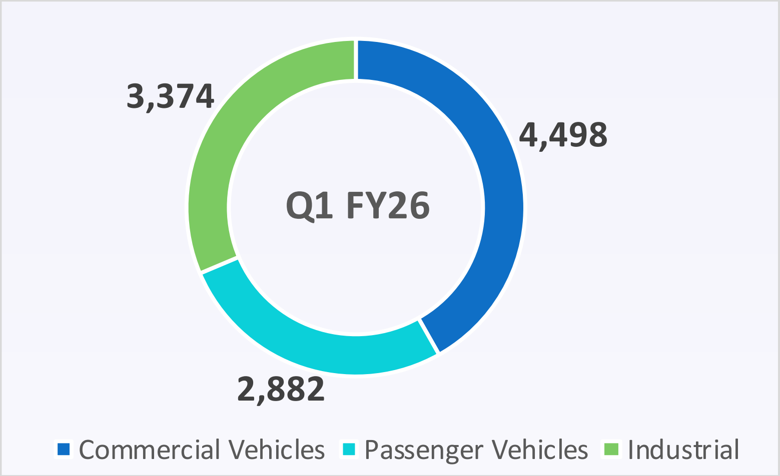
Rs million



Revenue - Rs 12,047 million



Revenue - Rs 10,844 million

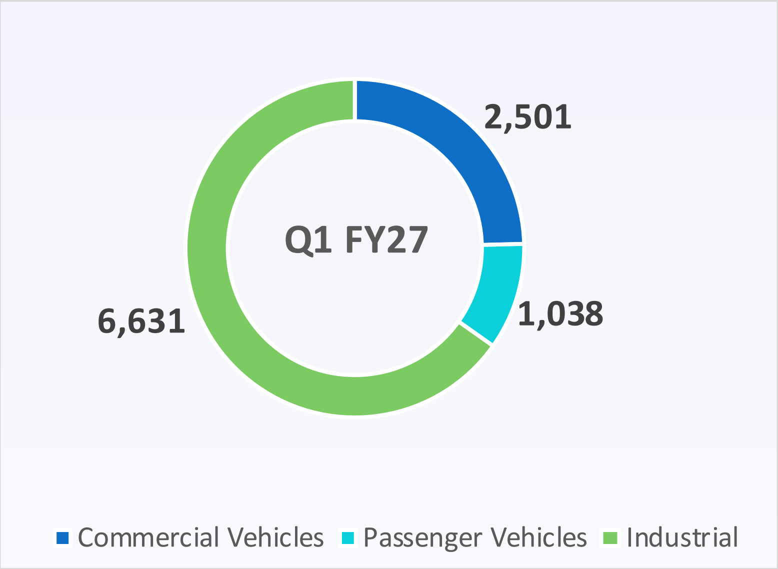


Revenue - Rs 10,753 million

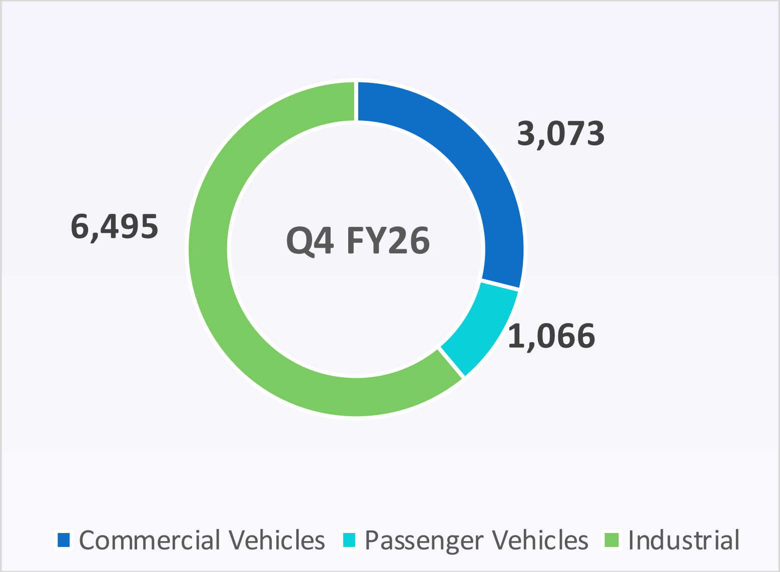
- Q1 performance was driven by a combination of inventory restocking, rebound in NA truck production volumes driven by cycle recovery.
- Passenger car exports had a strong quarter YoY driven by broad-based growth across North America and Europe.
- Barring a weak quarter in the Oil & Gas, Industrial segment delivered a solid YoY performance driven by strong traction in HHP Engines, Aerospace. We expect the momentum in the HHP segment to pick up in H2FY27. Aerospace too will see material improvement in YoY performance as recent orders wins gradually enter production.

Review of Domestic Business – Q1 FY27

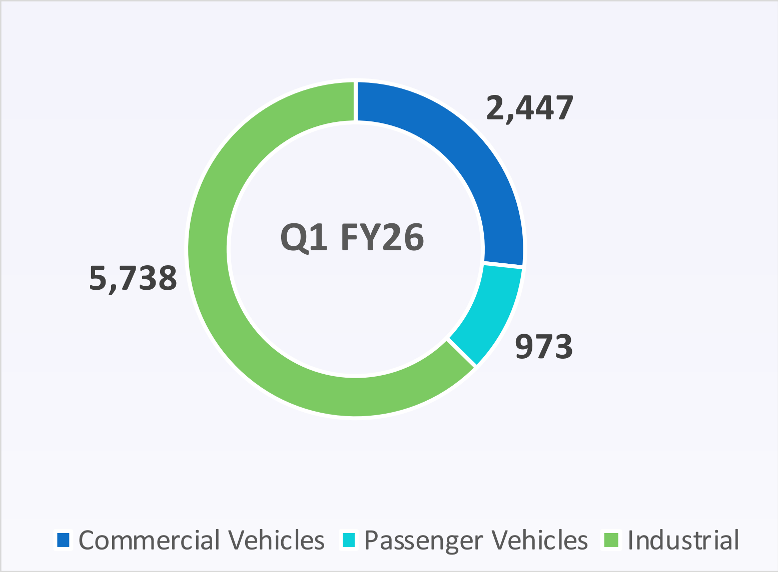
Rs million



Revenue - Rs 10,170 million



Revenue - Rs 10,634 million



Revenue - Rs 9,157 million

- CV business registered a steady quarter. The lukewarm performance was a function of low growth in select models the company supplies into.
- Passenger Cars registered stable performance despite mixed outcome in the industry.
- Sustained execution momentum in Defence drove the robust YoY growth in the Industrial business.

Other Operating Revenue was Rs 1,257 million in Q1FY27

Export Break up by Geography

In Rs million	Q1 FY27	Q4 FY26	Q1 FY26
Americas	7,972	6,784	6,933
Europe	3,047	3,236	2,937
Asia Pacific	1,028	824	884
Total	**12,047**	**10,844**	**10,753**

Consolidated Financial Highlights – Q1 FY27

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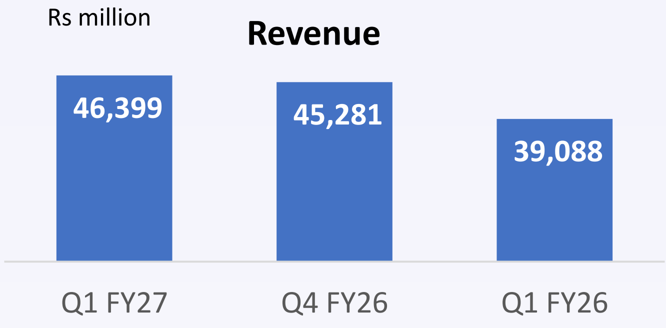

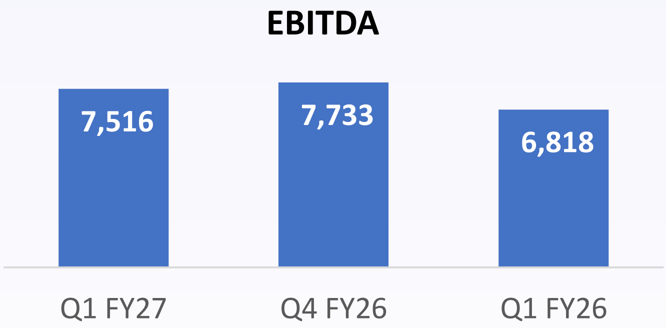

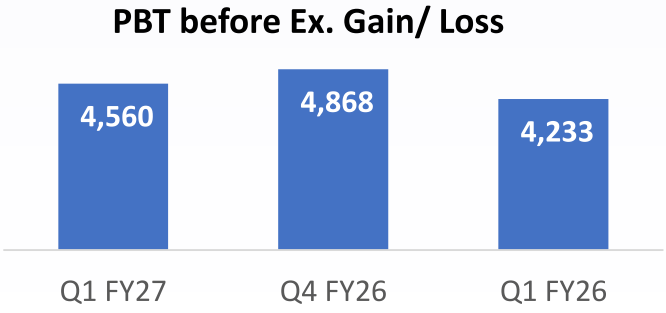

In Rs million	Q1 FY27	FY26
Long term Debt	21,516	21,116
WC Loans & Bill Discounting	48,451	47,630
Equity	95,191	95,568
Cash	27,298	29,307
RoCE (Net)	15.2%	15.6%
Debt/ Equity (Net)	0.45	0.41
Net Debt/ EBITDA	1.42	1.35

- Standalone exports and Defence drove bulk of the YoY improvement. Margin improvement in KSSL is largely due to better realizations and product mix.
  Q1FY26 result does not include K-Drive and hence YoY results are not comparable

Financials Annexures

Standalone P&L Highlights – Q1 FY27

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In Rs million	Q1 FY27	Q4 FY26	QoQ (%)	Q1 FY26	YoY (%)
Sale Tonnage	66,787	62,201	7.4%	61,857	8.0%
Domestic	11,427	11,761	-2.8%	10,294	11.0%
Export	12,047	10,844	11.1%	10,753	12.0%
Revenue from Operations	23,474	22,605	3.8%	21,047	11.5%
EBITDA	6,141	6,103	0.6%	5,878	4.5%
EBITDA (%)	**26.2%**	**27.0%**		**27.9%**	
PBT before Exceptional Items	4,902	4,862	0.8%	4,653	5.4%
Exceptional Items	(245)	(4,930)		-	
Exchange Gain/ (Loss)	(285)	70		(160)	
PBT	4,373	2		4,493	
Tax	1,159	1,180		1,107	
PAT	3,214	-1,178		3,386	

Standalone B/S Highlights – Q1 FY27

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In Rs million	Q1FY27	FY26
Long term Debt	13,602	13,124
WC Loans & Bill Discounting	25,217	24,515
Equity	1,13,875	1,09,882
Cash	17,857	17,762
RoCE (Net)	15.6%	14.9%
Debt/ Equity (Net)	0.18	0.18
Net Debt/ EBITDA	0.85	0.86

Consolidated Financials Reconciliation

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Rs million

Q1 FY27	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	30,570	15,352	477	46,399
EBITDA	7,286	262	-32	7,516
EBITDA (%)	**23.8%**	**1.7%**	**-**	**16.2%**
PBT (incl Other Income)	5,826	-1,200	-66	4,560
Exchange Gain / (Loss)	-381	-42	-	-423
Exceptional Items	-245	-3,335	-	-3,580
PBT after Exceptional Items	5,201	-4,577	-66	557

Q1 FY26	Indian Operations	Overseas Operations	E-Mobility	Consolidated
Revenue from Operations	24,153	14,298	636	39,088
EBITDA	6,317	558	-58	6,818
EBITDA (%)	**26.2%**	**3.9%**	**-**	**17.4%**
PBT (incl Other Income)	4,981	-656	-92	4,233
Exchange Gain / (Loss)	27	-115	-	-88
Exceptional Items				-
PBT after Exceptional Items	5,008	-771	-92	4,145

K Drive Mobility is consolidated within Indian Operation w.e.f 1st July 2025. YoY Indian Operations results for Q1FY27 are not comparable

Indian Subsidiary Financials – Q1 FY27

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Rs million

KSSL	Q1 FY27	Q4 FY26	Q1 FY26
Revenue from Operations	4,229	3,690	2,470
EBITDA	729	337	171
EBITDA (%)	**17.2%**	**9.1%**	**6.9%**
PBT before Exchange Gain/ (Loss)	682	333	160

K Drive Mobility	Q1 FY27	Q4 FY26	Q1 FY26*
Revenue from Operations	3,103	3,672	-
EBITDA	100	179	-
EBITDA (%)	**3.2%**	**4.9%**	
PBT before Exchange Gain/ (Loss)	65	152	-

BFISL	Q1 FY27	Q4 FY26	Q1 FY26
Revenue from Operations	2,221	2,443	1,806
EBITDA	243	324	213
EBITDA (%)	**10.9%**	**13.3%**	**11.8%**
PBT before Exchange Gain/ (Loss)	154	199	92

* Consolidated as Bharat Forge subsidiary w.e.f 1st July 2025

Overseas Subsidiary Financials – Q1 FY27

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European Mfg Operations	Q1 FY27	Q4 FY26	Q1 FY26
Revenue from Operations	10,738	10,183	10,519
EBITDA	301	475	329
EBITDA (%)	**2.8%**	**4.7%**	**3.1%**
PBT before Exchange Gain/ (Loss)	-441	-391	-490

US Mfg Operations	Q1 FY27	Q4 FY26	Q1 FY26
Revenue from Operations	4,615	3,911	3,779
EBITDA	-39	43	230
EBITDA (%)	**-0.8%**	**1.1%**	**6.1%**
PBT before Exchange Gain/ (Loss)	-760	-497	-166

Overseas Mfg Operations	Q1 FY27	Q4 FY26	Q1 FY26
Steel Forgings	8,189 (53%)	7,906 (56%)	7,994 (56%)
Al Forgings	7,163 (47%)	6,187 (44%)	6,304 (44%)
Total	**15,352**	**14,093**	**14,298**

Thank You

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