

BHARAT FORGE

November 14, 2022

To,

BSE Limited,

1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001

BSE SCRIP CODE – 500493

National Stock Exchange of India Ltd.

'Exchange Plaza',
Bandra-Kurla Complex, Bandra (East)
Mumbai- 400 051

Symbol: **BHARATFORG**

Series: **EQ**

Dear Sirs,

Re: Earning Update for Q2 of FY 2022-23

Please find enclosed herewith Earning Update issued by the Company for Q2 of FY 2022-23.

Thanking you,

Yours faithfully,

For **Bharat Forge Limited**

Tejaswini Chaudhari
Company Secretary and Compliance Officer

Encl.: As above



KALYANI



BHARAT FORGE



KALYANI



BHARAT FORGE LTD

ANALYST UPDATE – Q2FY23

MANAGEMENT COMMENTS

STANDALONE HIGHLIGHTS

INDIA BUSINESS

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BFL 3 Month Report: “The company registered a stable performance in Q2 FY23 with a 5.9% sequential growth in revenues and 10.1% sequential growth in PAT. During the quarter, we recorded our highest exports revenues at Rs 10,664 million.

In Q2 FY23, the Indian operations secured new business worth ~ Rs 850 Crores across automotive & industrial application, driven by market share gains in the PV business and new product introduction in the Industrial space. KSSL, the defence vertical of the company secured an export order worth US\$ 155.50 million to supply Artillery Gun system to a non-conflict zone. This contract is to be executed in 3 years.

In the first quarter post acquisition, JSA has secured new orders worth ~ Rs 100 Crores, with customer additions and high value-added product development being one of the key highlights. The synergistic benefits and network effects will play out fully over the coming 12-18 months.

The performance of the European operations have been adversely impacted mainly by lower than anticipated sales volumes for the Aluminium forging business. The new Greenfield Aluminium Forging facility in North America is still in a ramp-up phase and operating at utilization levels below EBITDA break even levels. We continue to expect this business to turnaround in second half of the fiscal.

Looking ahead in to Q3 FY23, we expect stable performance across both the domestic and export markets driven by higher end market demand as compared to Q2 FY23. The European Aluminum operations performance will show gradual recovery over the next two quarters.”

B.N. Kalyani,
Chairman & Managing Director

Standalone Financial Highlights Q2 FY23

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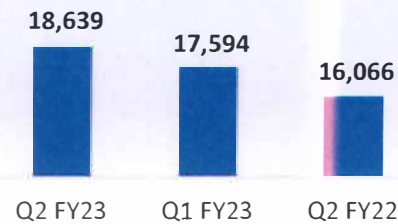
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REVENUES



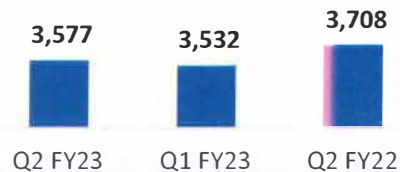
Revenues at Rs 18,639 million in Q2FY23 grew by 5.9% as compared to Q1 FY23 on back of 12.0% increase in Domestic revenues.

EBITDA



EBITDA margins at 24.3% in the current quarter as against 26.1%. The decline was on primarily on account of unfavorable product mix (including supply of Kalyani M4 vehicles to the MoD) and Raw Material pass thru suppressing margins.

PBT before Ex. Gain/ (Loss)



PBT before Exchange gain/ (loss) of Rs 3,577 million in Q2 FY23 as against Rs 3,532 million in Q1 FY23.

Review of India Business (Domestic & Exports)

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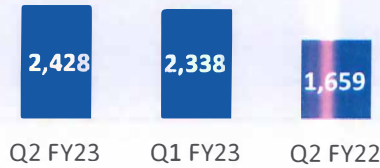
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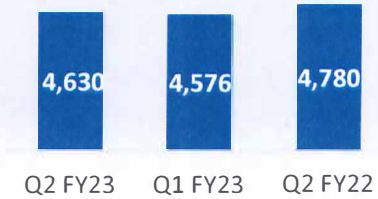
DOMESTIC

Commercial Vehicles

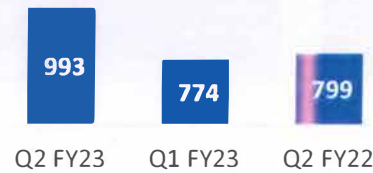


EXPORTS

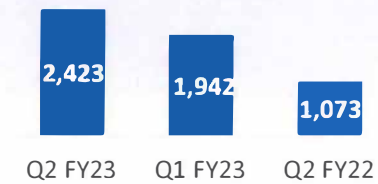
Commercial Vehicles



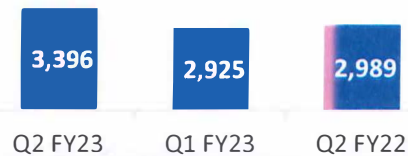
Passenger Vehicles



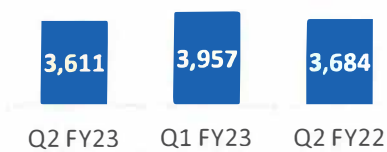
Passenger Vehicles



Industrial



Industrial



Note: Other Revenue stood at Rs 1,159 million in Q2FY23

Export Business :Geographical break-up

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Rs. Million

PARTICULARS	Q2FY23	Q1FY23	Q2FY22
Americas	7,186	7,029	6,793
Europe	2,860	3,108	2,545
Asia Pacific	618	338	199
Total	10,664	10,475	9,537

Consolidated Financial Highlights Q2 FY23

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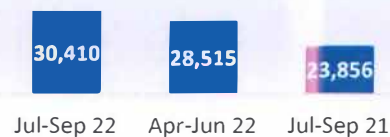
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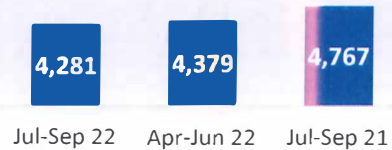
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FINANCIAL ANNEXURES

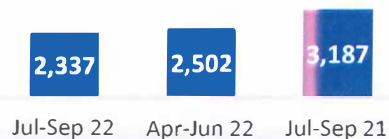
Revenues



EBITDA



PBT before Ex Gain/(loss)



Rs. Million

Particulars	Sept 30, 2022	March 31, 2022
Long Term Debt	25,102	23,151
WC & Bill Discounting	36,847	33,394
Equity	66,062	66,267
Cash	20,813	27,334
D/E	0.94	0.85
D/E (Net)	0.62	0.44

FINANCIAL ANNEXURES

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Standalone P&L Highlights Q2 FY23

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Rs. Million

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STANDALONE FINANCIALS	Q2FY23 (TBU)	Q1FY23	QoQ%	Q2FY22	YoY%
Shipment Tonnage	61,149	57,915	5.6	57,094	7.1
Domestic Revenue	7,723	6,895	12.0	6,197	24.6
Export Revenue	10,664	10,475	1.8	9,537	11.8
Other Operating Income	252	224		332	
Total Revenue	18,639	17,594	5.9	16,066	16.0
EBITDA	4,523	4,600	(1.7)	4,553	(0.7)
EBITDA%	24.3%	26.1%		28.3%	
Other Income	477	259		322	
Profit Before Tax	3,577	3,532	1.3	3,708	(3.5)
PBT %	19.2%	20.1%		23.1%	
Exchange Gain / (Loss)	8	(250)		300	
Exceptional Item	(6)	(30)		-	
Profit Before Tax	3,579	3,252	10.1	4,008	(10.7)
Profit After Tax	2,682	2,436	10.1	3,117	(14.0)

Standalone Balance Sheet Highlights as on September 30, 2022

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Rs. Million

Particulars (Standalone)	September 30, 2022	March 31, 2022
Long Term Debt	19,745	17,834
Working Capital & Bill Discounting	23,532	21,215
Equity	72,934	71,098
Cash	20,040	24,818
ROCE (Net of Cash)	15.0%	17.2%
RONW	14.4%	14.9%
D/E (Net)	0.32	0.20

Overseas Subsidiary Financials

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Rs. Million

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Overseas Mfg. Ops	Jul - Sep 2022	Apr - Jun 2022	Jul - Sep 2021
Total Revenue	9,470	10,490	8,533
EBITDA	(341)	495	925
EBITDA %	(3.6)%	4.7%	10.8%
PBT before Ex Gain/(Loss)	(1,157)	(221)	246
EBITDA (ex of US- Alu)*	(141)	792	925
EBITDA %	(1.7)%	7.7%	10.8%

* US Aluminium operations have just commenced recently and are operating at very low utilization levels.

Overseas Ops Sales	Jul - Sep 2022	Apr - Jun 2022	Apr - Jun 2021
Steel Forgings	6,818 (72%)	7,552 (72%)	6,644 (78%)
EU AI Forgings	2,652 (28%)	2,938 (28%)	1,889 (22%)
Total	9,470	10,490	8,533

Subsidiary Financials

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Rs. Million

Indian Subsidiaries	Jul – Sep 2022	Apr – Jun 2022	Jul – Sep 2021
Total Revenue	1,686	364	373
EBITDA	(43)	(83)	(14)
PBT Before Exchange Gain/(Loss)	(219)	(160)	(51)

Rs. Million

BF Industrial Solutions	Jul – Sep 2022	Apr – Jun 2022	Jul – Sep 2021
Total Revenue	1,241	180	135
EBITDA	143	32	22
EBITDA %	11.5%	17.8%	16.3%
PBT Before Exchange Gain/(Loss)	66	26	9

Rs. Million

BFL + BIFL (Trading Subsidiary)	Jul – Sep 2022	Apr – Jun 2022	Jul – Sep 2021
Total Revenue	19,607	17,661	14,950
EBITDA	4,666	3,967	3,856
EBITDA%	23.8%	22.5%	25.8%
PBT Before Exchange Gain/(Loss)	3,710	2,883	2,992

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DISCLAIMER

This presentation contains certain forward looking statements concerning Bharat Forge's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition

(both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions with respect to investments, fiscal deficits, regulations, interest rates and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company. No part of this presentation shall be reproduced, copied, forwarded to any third party either in print or in electronic form without prior express consent of the company.

THANK YOU

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