

# BHARAT FORGE

May 16, 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 Q4 of FY 2021-22**

Please find enclosed herewith Earning Update issued by the Company for Q4 of FY 2021-22.

Thanking you,

Yours faithfully,

For **Bharat Forge Limited**



**Tejaswini Chaudhari**  
**Company Secretary & Compliance**

Encl.: As above



**KALYANI**



**BHARAT FORGE**



**BHARAT FORGE LTD**  
ANALYST UPDATE – Q4FY22

## MANAGEMENT COMMENTS

### STANDALONE HIGHLIGHTS

### INDIA BUSINESS

### INTERNATIONAL BUSINESS

### CONSOLIDATED HIGHLIGHTS

### ANNEXURES

**BFL 3 Month Report:** “The company ended the year on a strong note with topline growing by 28% to Rs 16,741 million driven by pickup in both domestic & Export markets. EBITDA margins at 25.7% in Q4 FY22 were maintained as compared to Q4 FY21, despite cost inflationary pressures. PBT for the quarter at R 3,520 million was a growth of 40.3% as compared to Q4 FY21.

In FY22, the Indian operations has secured new orders worth ~ Rs 1,000 Crores across automotive & industrial application. This includes a healthy mix of existing and new customers across traditional & new products.

In the international operations, new orders worth US\$ 150 million have been secured across steel & Aluminum forging operations in North America. These orders wins from marquee OEMs provides a lot of growth visibility in the medium to long term.

The EV vertical has secured orders from a global EV OEM for supply of aluminum castings and its maiden order from an Indian OEM for supply of DC-DC converters.

At a consolidated level, we expect FY2023 to be a strong year characterized by topline growth coupled with strong cashflows, ramp up of the US Aluminium operations, revenue contribution from the newer verticals and a further diversified revenue mix. For the standalone business, we expect continued growth in the key markets across all sectors. Easing of cost pressures & supply chain tightness will provide a fillip to the end demand across geographies.”

**B.N. Kalyani,**

Chairman & Managing Director

# ESG Focus: Green operations

BHARAT FORGE



## MANAGEMENT COMMENTS



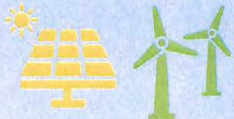

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Elements	FY2020	FY2022	% change	Remark
	1,071,132	946,997	↓ 10%	Gross Water consumption (KL)
	836	816	100% recycling	Net Waste generation (MT)
	8.8%	24.5%	N/A	Renewable energy as % of total energy
	26,268	76,484	N/A	GHG Emission avoided by use of RE (Thousand tCo2Eq)

# Standalone Financial Highlights Q4 FY22

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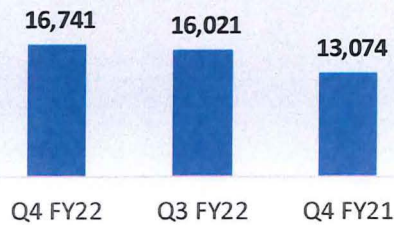
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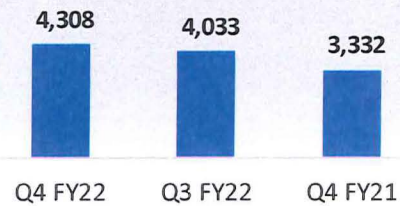
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## REVENUES



Revenues at Rs 16,741 million in Q4FY22 grew by 28.0% as compared to Q4 FY21 on back of 26.7% growth in domestic revenues and 28.5% growth in export revenues.

## EBITDA



EBITDA margins at 25.7% in Q4 FY22 improved marginally as compared to both Q3 FY22 and Q4 FY21. Absolute EBITDA has grown by healthy 29.3% in Q4 FY22 as compared to Q4 FY21.

## PBT before Ex. Gain/ (Loss)



PBT before Exchange gain/ (loss) of Rs 3,520 million in Q4 FY22 as against Rs 2,509 million in Q4 FY21, a growth of 40.3%

# Standalone Financial Highlights FY22

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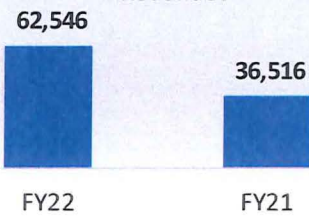
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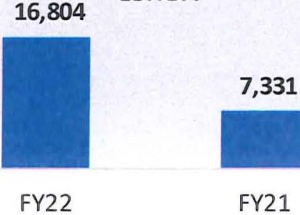
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## Revenues



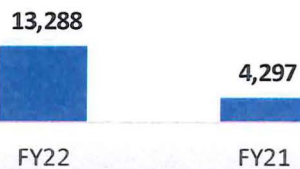
Robust revenue growth of 71.3% on back of sharp recovery in Domestic & Export markets and pass thru impact of raw material inflation.

## EBITDA



EBITDA in FY22 has more than doubled as compared to FY21 benefitting from a sharp increase in utilization and favorable product mix. EBITDA margins at 26.9% in FY22 as compared to 20.1% in FY21.

## PBT before Ex. Gain/ (Loss)



PBT of Rs 13,288 million in FY22 has witnessed a sharp growth of 209.2% as compared to FY21.

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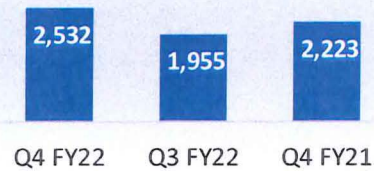
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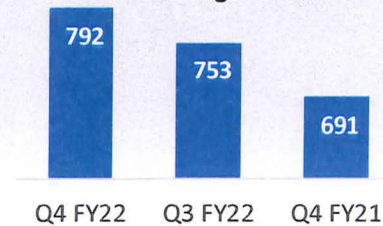
### Commercial Vehicles



**Automotive Business:** The Automotive industries performance in FY22 has been very encouraging despite unabated challenges the industry has had to weather ranging from supply chain related issues, increased cost of ownership due to regulatory challenges, high input cost inflation etc.

All segments of the industry have shown double digit growth ranging from 20% for PVs to 50% for MHCVs. Outlook for MHCV sector looks promising driven by healthy freight rates, improving fleet operators' profitability and the strong focus of the government on infrastructure development. The company's revenue growth from the CV segment has been inline with the underlying market growth.

### Passenger Vehicles



The stark performance between the PV segment which grew by 4% and the Utility Vehicle segment which grew by 43% is a clear signal about the leaning towards product premiumization in the domestic car market. BFL's presence in the PV/UV segment has been strengthened over the past few year with both new product and customer addition. As against the industry growth of 19%, the company's revenue has grown by 36%.

### Industrial



**Industrials Business:** The Industrial segment in FY22 has grown by 57% to Rs 11,666 Million including revenues of Rs 2,209 Million attributable to a one-time supply of Medical Oxygen Cylinders. The domestic industrial segment is going to be a big growth area over the medium term as we focus our attention towards addressing areas which has 100% dependency on imports and areas which will see exponential growth driven by AtmaNirbharta and the Governments stimulus with an aim to make manufacturing >20% of GDP from the current ~15%.

**Note: Others Revenue stood at Rs 947 million in Q4FY22**

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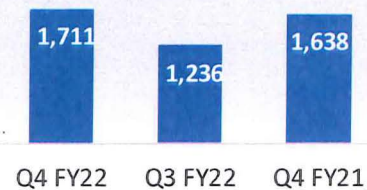
Commercial Vehicles



**Automotive Business:** The Automotive revenues across EU & North America and across Passenger Vehicles and Commercial Vehicles witnessed moderate recovery in the Jan – March period. CV revenues grew by 5.3% sequentially while the PV revenues grew by 38.5% sequentially. For the year, CV revenues has witnessed growth of 79% while PV revenues grew by 26%.

While the demand outlook for the industry is quite robust with fundamentals such as strong order backlog, low cancellation rates etc. Supply chain issues continue to be widespread not restricted to semi conductors. Additionally, local lockdowns/ geo-political situation in certain geographies is negatively impacting internationally sourced materials and overall causing high inflation.

Passenger Vehicles



**Industrials Business:** In FY22, the industrial business registered revenues of Rs. 13,906 million , growth of 150.3% over FY21. This growth was primarily led by recovery in Shale gas drilling in the North American market. O&G revenues grew from Rs 1,360 million in FY21 to Rs 7,227 million in FY22.

While high crude prices are supportive of the drilling activities, this time around, the key players are being more financially disciplined and focusing on profitability. This coupled with the enhanced productivity of the components supplied by BFL, we expect O&G revenues to remain stable going ahead.

Industrial



The other sectors within Industrial have also done well on back of strong activity across Construction & Mining space. We continue to focus on building new relationships within the Industrial space targeted at Construction & Mining, Railways, Agri equipment's, Aerospace etc.



# Review of International Business

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Rs. Million

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PARTICULARS	Q4FY22	Q3FY22	Q4FY21	FY2022	FY2021
Americas	6,290	5,775	4,380	25,092	11,174
Europe	2,778	2,656	2,670	10,631	7,423
Asia Pacific	323	187	259	980	1,045
<b>Total</b>	<b>9,392</b>	<b>8,618</b>	<b>7,312</b>	<b>36,703</b>	<b>19,642</b>



# Consolidated Financial Highlights FY22

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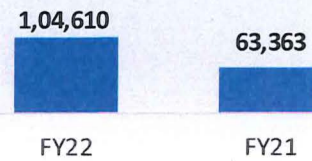
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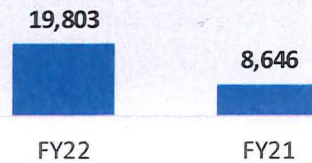
**CONSOLIDATED HIGHLIGHTS**

FINANCIAL ANNEXURES

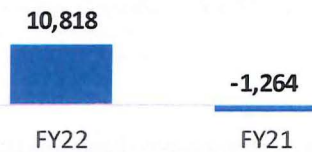
## Revenues



## EBITDA



## PAT after MI



Rs. Million

Particulars	March 31, 2022	March 31, 2021
Long Term Debt	23,151	26,328
WC & Bill Discounting	33,394	23,626
Equity	66,267	54,468
Cash	27,334	28,755
D/E	0.85	0.92
D/E (Net)	0.44	0.39

# FINANCIAL ANNEXURES

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# Standalone P&L Highlights Q4 FY22

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Rs. Million

STANDALONE FINANCIALS	Q4FY22	Q3FY22	QoQ%	Q4FY21	YoY%	FY22	FY21	% Change
<b>Shipment Tonnage</b>	<b>57,543</b>	<b>53,365</b>	<b>7.8</b>	<b>55,837</b>	<b>3.1</b>	<b>221,514</b>	<b>165,396</b>	<b>33.9</b>
Domestic Revenue	7,161	7,221	(0.8)	5,653	26.7	24,997	16,388	52.5
Export Revenue	9,392	8,617	9.0	7,310	28.5	36,702	19,642	86.9
Other Operating Income	188	183		111		847	486	
<b>Total Revenue</b>	<b>16,741</b>	<b>16,021</b>	<b>4.5</b>	<b>13,074</b>	<b>28.0</b>	<b>62,546</b>	<b>36,516</b>	<b>71.3</b>
EBITDA	4,308	4,033	6.8	3,332	29.3	16,804	7,331	129.2
<b>EBITDA%</b>	<b>25.7%</b>	<b>25.2%</b>		<b>25.5%</b>		<b>26.9%</b>	<b>20.1%</b>	
Other Income	662	358		320		1,675	1,406	
Profit Before Tax	3,520	3,242	8.6	2,509	40.3	13,288	4,297	209.2
<b>PBT %</b>	<b>21.0%</b>	<b>20.2%</b>		<b>19.2%</b>		<b>21.2%</b>	<b>11.8%</b>	
Exchange Gain / (Loss)	4	45		259		353	(56)	
Exceptional Item	(25)	959		(8)		318	(92)	
Profit Before Tax	3,499	4,246		2,760	21.1	13,959	4,149	236.4
Profit After Tax	2,619	3,374	(22.4)	2,055	15.7	10,778	3,121	245.3

# Standalone Balance Sheet Highlights as on Mar 31, 2022

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Particulars (Standalone)	March 31,2022	March 31, 2021
Long Term Debt	17,834	20,643
Working Capital & Bill Discounting	21,215	15,560
Equity	71,098	59,486
Cash	24,818	26,809
ROCE (Net of Cash)	17.2%	5.3%
RONW	14.9%	5.2%
D/E (Net)	0.20	0.16
Net Debt/ EBITDA	0.85	1.28

# Consolidated Financial reconciliation

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Rs. Million

FY 2022 – 15 months	BFL + BFIL	WOS	Indian Subs	Total
Total Revenue	62,225	40,641	1,745	1,04,611
EBITDA	15,994	3,947	(138)	19,803
PBT	12,308	793	(245)	12,856
Exchange Gain/(loss)	409	(53)	-	356
Exceptional Items	759	(106)	271	924
Associate/JV Profit/ (Loss)	-	-	-	(283)
PAT	10,419	672	10	10,818

FY 2021	BFL + BFIL	WOS	Indian Subs	Total
Total Revenue	38,997	23,361	1,005	63,363
EBITDA	7,415	1,221	10	8,646
PBT	4,311	(1,104)	(71)	3,136
Exchange Gain/(loss)	(143)	146	(5)	(2)
Exceptional Items	(119)	(2,970)	-	(3,089)
Associate/JV Profit/ (Loss)	-	-	-	(294)
PAT	3,046	(3,994)	(72)	(1,264)

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# Subsidiary Financials

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Overseas Mfg. Ops	Jan – Mar 2022	Oct – Dec 2021	Jan – Mar 2021	CY 2021	15 Months	CY 2020
Total Revenue	9,083	8,073	8,100	31,558	40,641	23,361
EBITDA	746	702	951	3,201	3,947	1,221
<b>EBITDA %</b>	<b>8.2%</b>	<b>8.7%</b>	<b>11.7%</b>	<b>10.1%</b>	<b>9.7%</b>	<b>5.2%</b>
PBT Before Ex Gain/(Loss)	147	188	309	646	793	(1,104)
EBITDA (ex of US- Alu)*	807	791	951	3,477	4,284	1,221
<b>EBITDA %</b>	<b>8.9%</b>	<b>9.8%</b>	<b>11.7%</b>	<b>11.0%</b>	<b>10.5%</b>	<b>5.2%</b>

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

Overseas Ops Sales	Jan – Mar 2022	Oct – Dec 2021	Jan – Mar 2021	CY 2021	15 Months	CY 2020
Steel Forgings	6,893 (76%)	5,651 (70%)	6,283 (78%)	23,712 (75%)	31,096 (75%)	18,602 (80%)
AI Forgings	2,190 (24%)	2,422 (30%)	1,817 (22%)	7,846 (25%)	10,036 (25%)	4,759 (20%)
<b>Total</b>	<b>9,083</b>	<b>8,073</b>	<b>8,100</b>	<b>31,558</b>	<b>40,641</b>	<b>23,361</b>

# Overseas Operations & Subsidiary Financials

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Rs. Million

Indian Subsidiaries	Jan – Mar 2022	Oct – Dec 2021	Jan – Mar 2021	FY2022	FY2021
Total Revenue	772	473	491	1,745	1,005
EBITDA	(136)	36	68	(138)	10
<b>EBITDA%</b>	<b>(17.6)%</b>	<b>7.6%</b>	<b>13.8%</b>	<b>(7.9)%</b>	<b>1.0%</b>
PBT Before Exchange Gain/(Loss)	(133)	(15)	45	(245)	(71)

Rs. Million

BFL + BIFL (Trading Subsidiary)	Jan – Mar 2022	Oct – Dec 2021	Jan – Mar 2021	FY2022	FY2021
Total Revenue	17,804	16,621	10,838	62,225	38,997
EBITDA	4,199	4,322	2,568	15,994	7,415
<b>EBITDA%</b>	<b>23.6%</b>	<b>26.0%</b>	<b>23.7%</b>	<b>25.7%</b>	<b>19.0%</b>
PBT Before Exchange Gain/(Loss)	3,375	3,420	1,671	12,308	4,311

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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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**BHARAT FORGE**



**KALYANI**