



BKT

GROWING TOGETHER

**Investor Presentation
November 2015**



Safe Harbor

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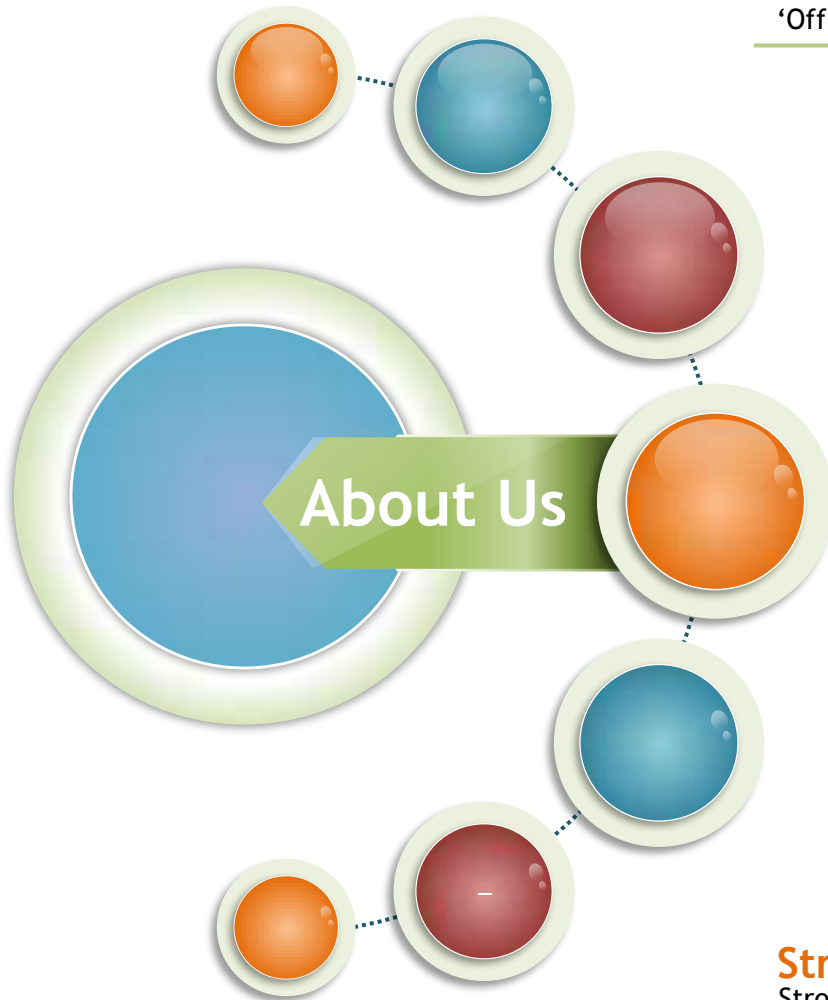
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Company Overview



Balkrishna Industries...



Leading ‘Off-Highway Tire’ Exporter

BKT is India’s Leading player in the Global industry of ‘Off Highway Tire (OHT)’ Market

Wide and comprehensive product portfolio

Deep understanding of OHT market has led to capabilities to manufacture over 2,200 SKU

Capacities

Achievable capacities of ~300,000 M.T.P.A (post Bhuj)

Global Reach

Sales to over 130 countries through Distribution network in Americas, Europe, India and Rest of the World

Experienced Management Team

Experienced Management Teams across business divisions and verticals with wide knowledge of Global OHT Market

Locational Advantage

India, as Manufacturing base gives us huge competitive advantage in the Global OHT market

Strong OEM Presence

Strong Partnerships with Global OEM’s a testimony of our Brand Acceptance & Performance

Growing Under the leadership of ...

Focused Promoters with a Global Vision...

Mr. Arvind Poddar
Chairman &
Managing Director

Mr. Rajiv Poddar
Jt. Managing
Director

- Visionary with exemplary strategy and decision making capabilities
- Instrumental in 'Dreaming Big' and building an Indian MNC

...backed by Experienced Team

Mr. D M Vaidya

Head - Technical

Mr. B K Bansal

Head - Finance

Mr. K S Ray

Head - Manufacturing

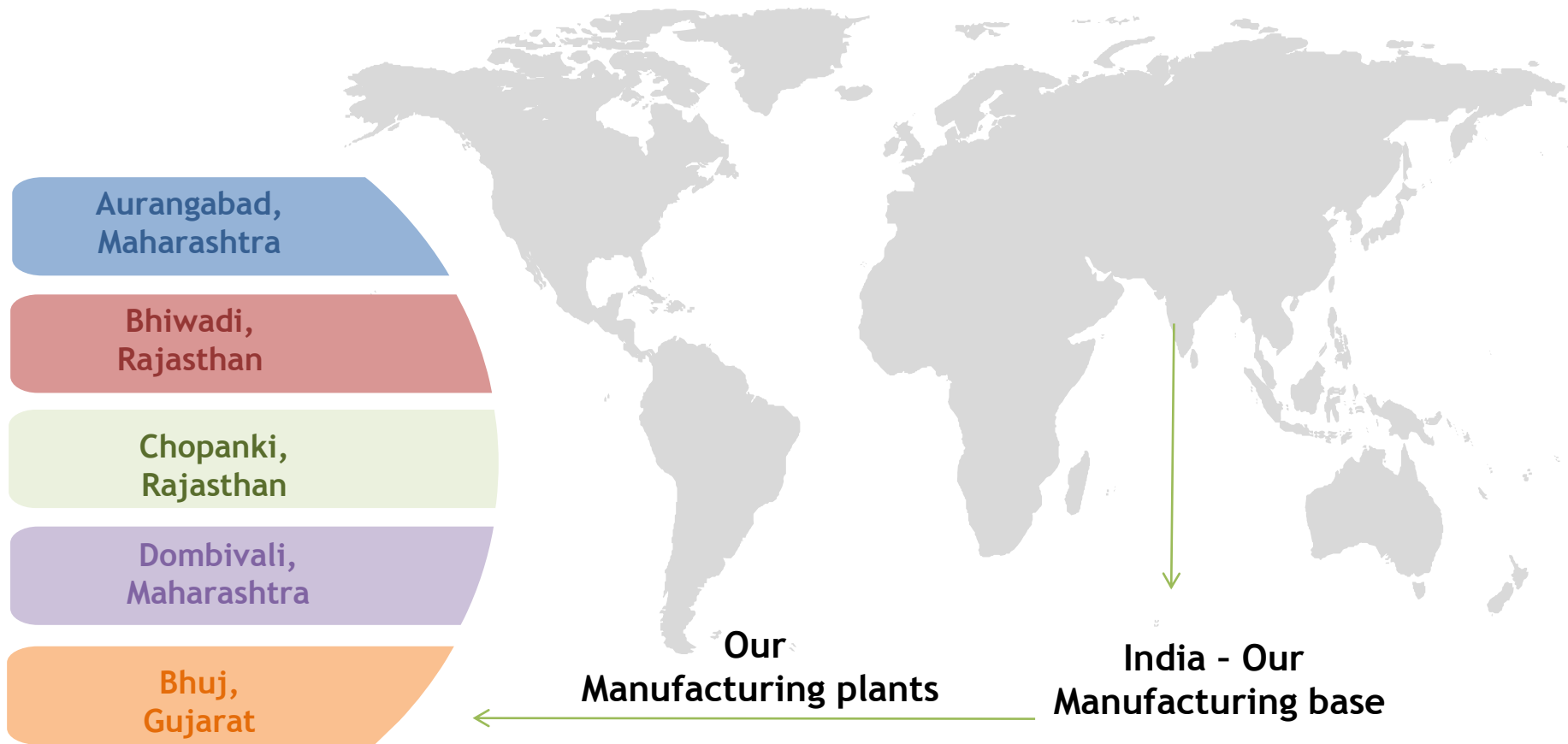
Mr. M S Bajaj

Head - Commercial

Mr. Vipul Shah

Company Secretary

India Production with Global Sales - An Indian MNC



Our 'India' Manufacturing Base is one of the Biggest Competitive Advantage

Applications of our Tires

Agriculture Tires



Cotton Pick Harvester



Tractor



Vineyard Harvester



Pivot Irrigator

Industrial Tires



Loader



Regular Dumper



Trailer

OTR Tires



Load Haul Dump



Underground Mining



Container Handler

Serving Global OEMs



Accelerating Growth - R&D & Branding efforts

Continuous investment in R&D

- Investment in R&D is key in complex & evolving global market
- Our R&D centre in Chopanki hosts several laboratories as well as area for rigorous tire testing developing All Steel Radial Tire Prototypes
- We aim to design, develop and produce about 100-120 SKU's every year
- R&D Division has 90 staff members including researchers, engineers, technicians working in different teams and departments across production sites

Strong focus on Branding



- BKT is official and exclusive tire manufacturer of Monster Jam and its fleet of Monster Trucks
- Its showcases our products & its robustness across difficult terrains
- BKT participates in global trade fairs and exhibitions in the Tire Industry
- It allows us to showcase our innovation and keep our customers/OEMs/ Distributors abreast of our products and performance

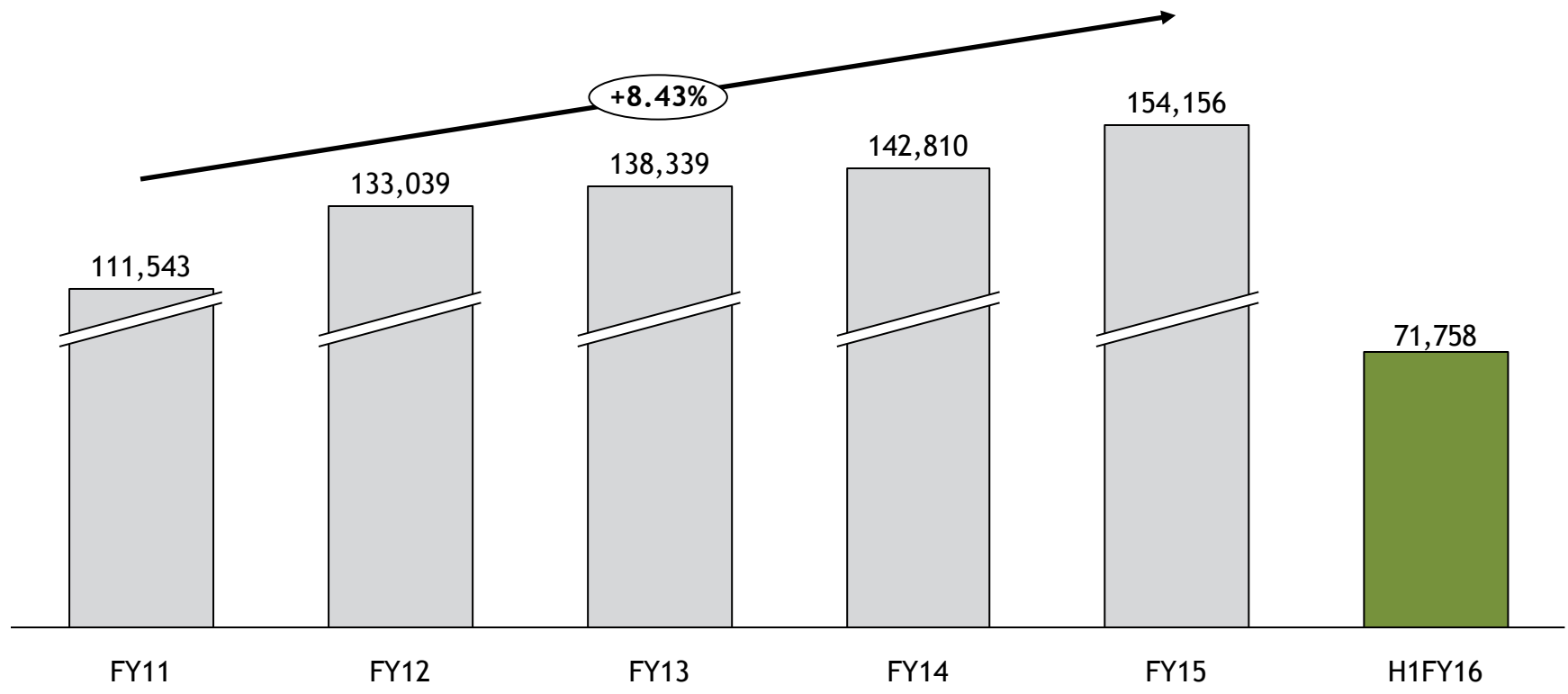


Our Performance



Increasing Sales...

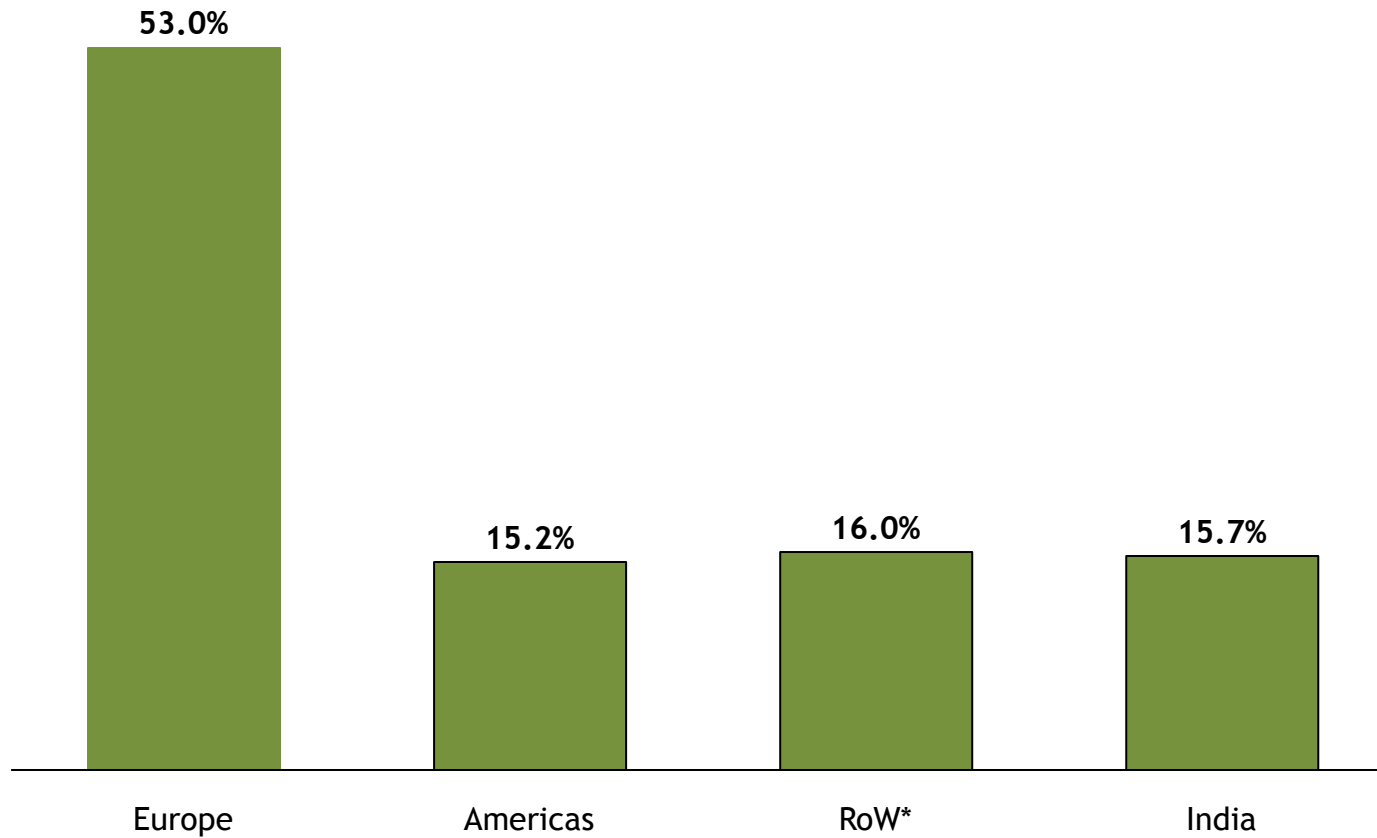
In MT



Achieved sustainable sales growth despite challenging Global environment

...with Global Presence...

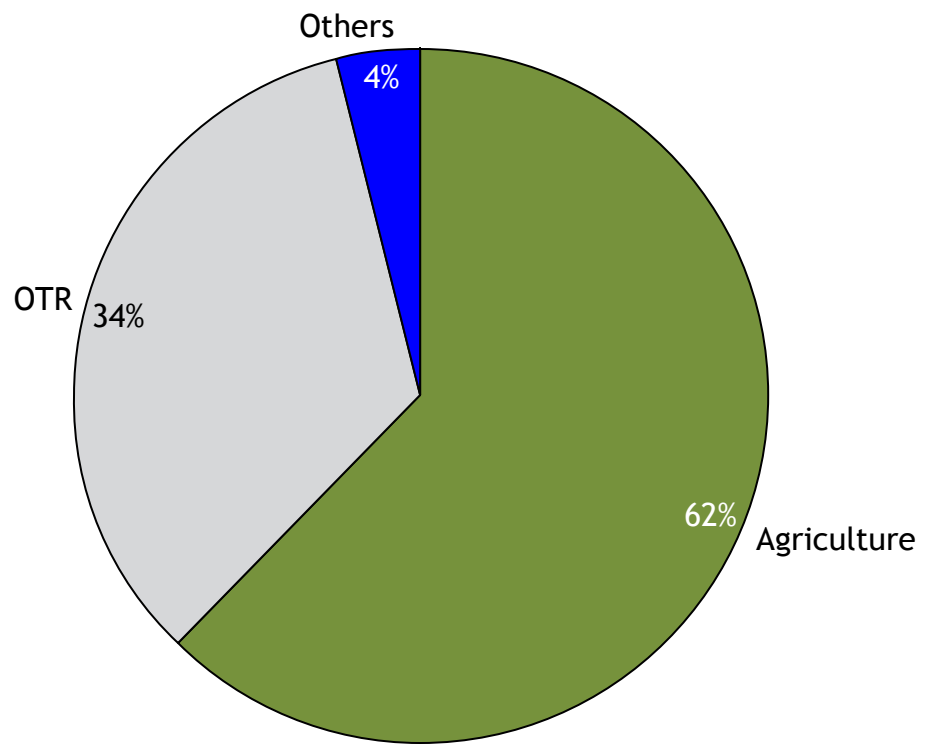
Geographical Sales - H1FY16



* RoW - Rest of the World includes Middle East, Asia (excl India), Africa, Australia & New Zealand

...across segments...

Segmental Sales - H1FY16



Agriculture

Tractors, Trailers, Farm equipments

OTR

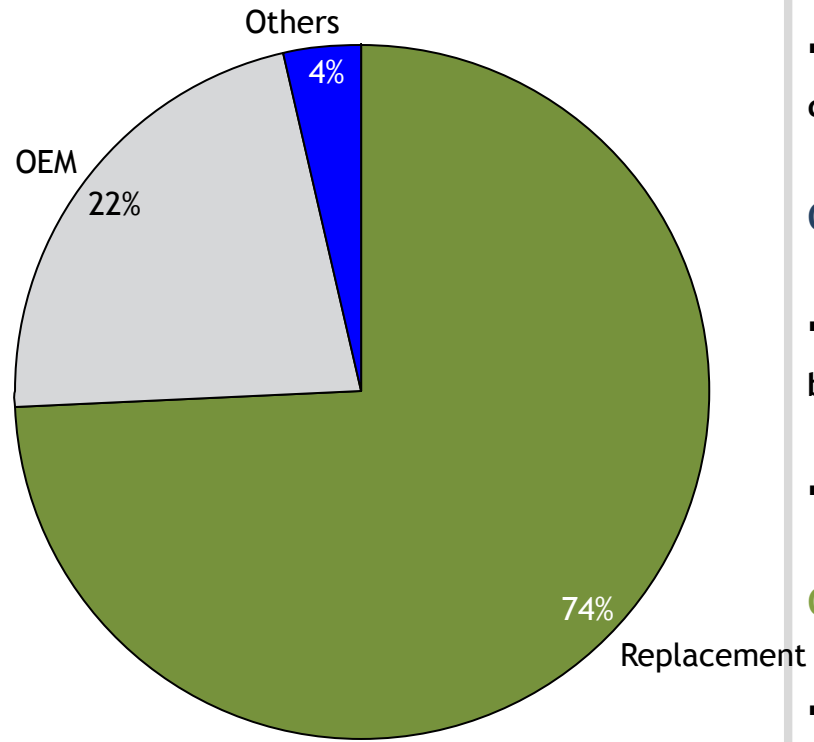
Industrial, Construction & Earth Moving equipments

Others

All Terrain Vehicles, Lawn & Garden vehicles

...through Multi-channel Sales

Sales Channel - H1FY16

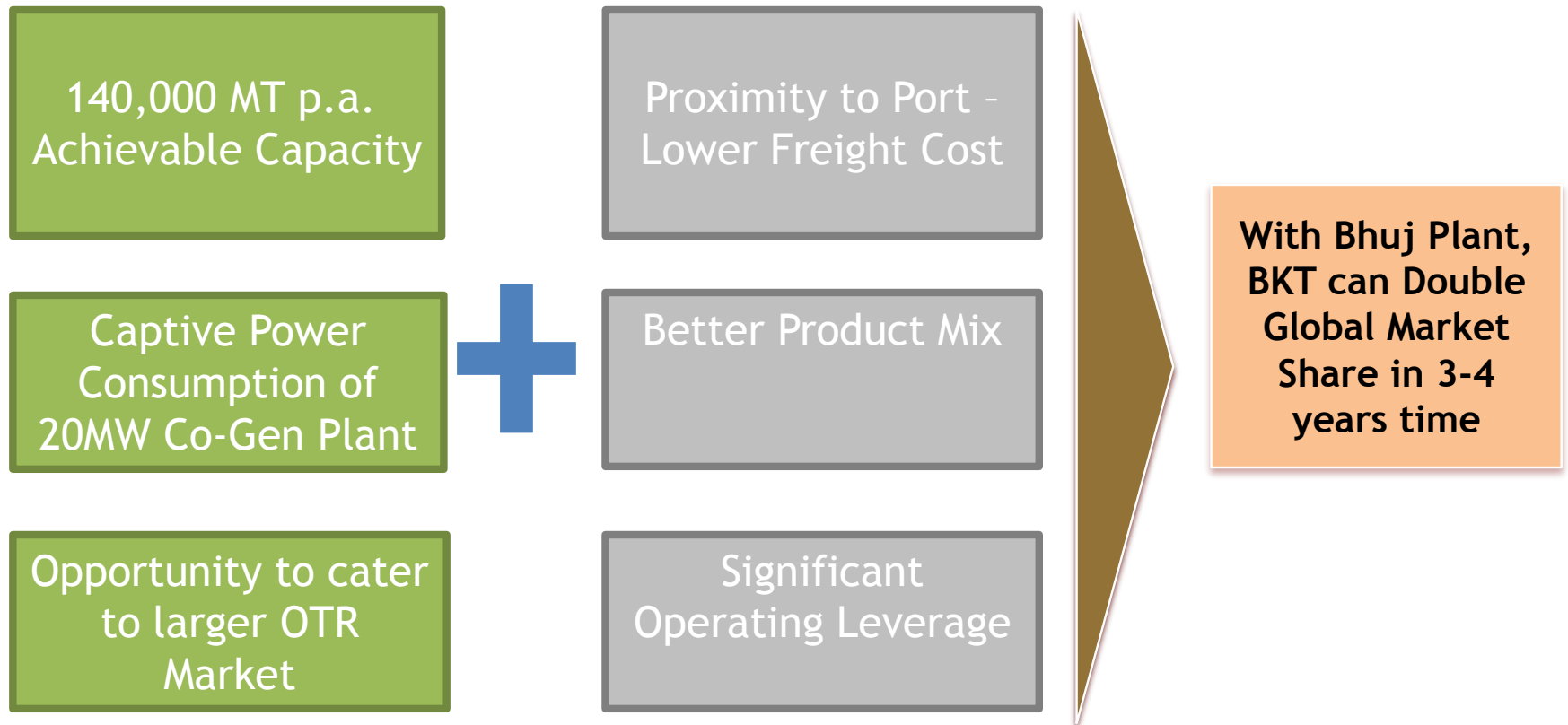


- Distributors**
 - Caters to replacement market
 - Strong global network through a well diversified distributor network
- OEM's**
 - Penetrating deeper in increasing share of business with existing OEM's
 - Forging new relationships to expand OEM base
- Others**
 - Taking advantage of our large SKU strength

Advantage Bhuj, Gujarat



Bhuj Plant - Capacity Ready



With Bhuj commercialization, BKT has 300,000 MT p.a. achievable capacity over 4 locations in India

Bhuj - Game Changer



At 20-25% Capacity Utilization, Bhuj Plant will be breakeven at EBITDA Level

Growth Strategies



Key Competitive Advantages

Low Operating cost vis-a-vis Global Peers

- ✓ Labor intensive business, however India manufacturing leads to considerably low labor cost compared to global peers
- ✓ Lower selling & distributing expenses due to sales by distributor network

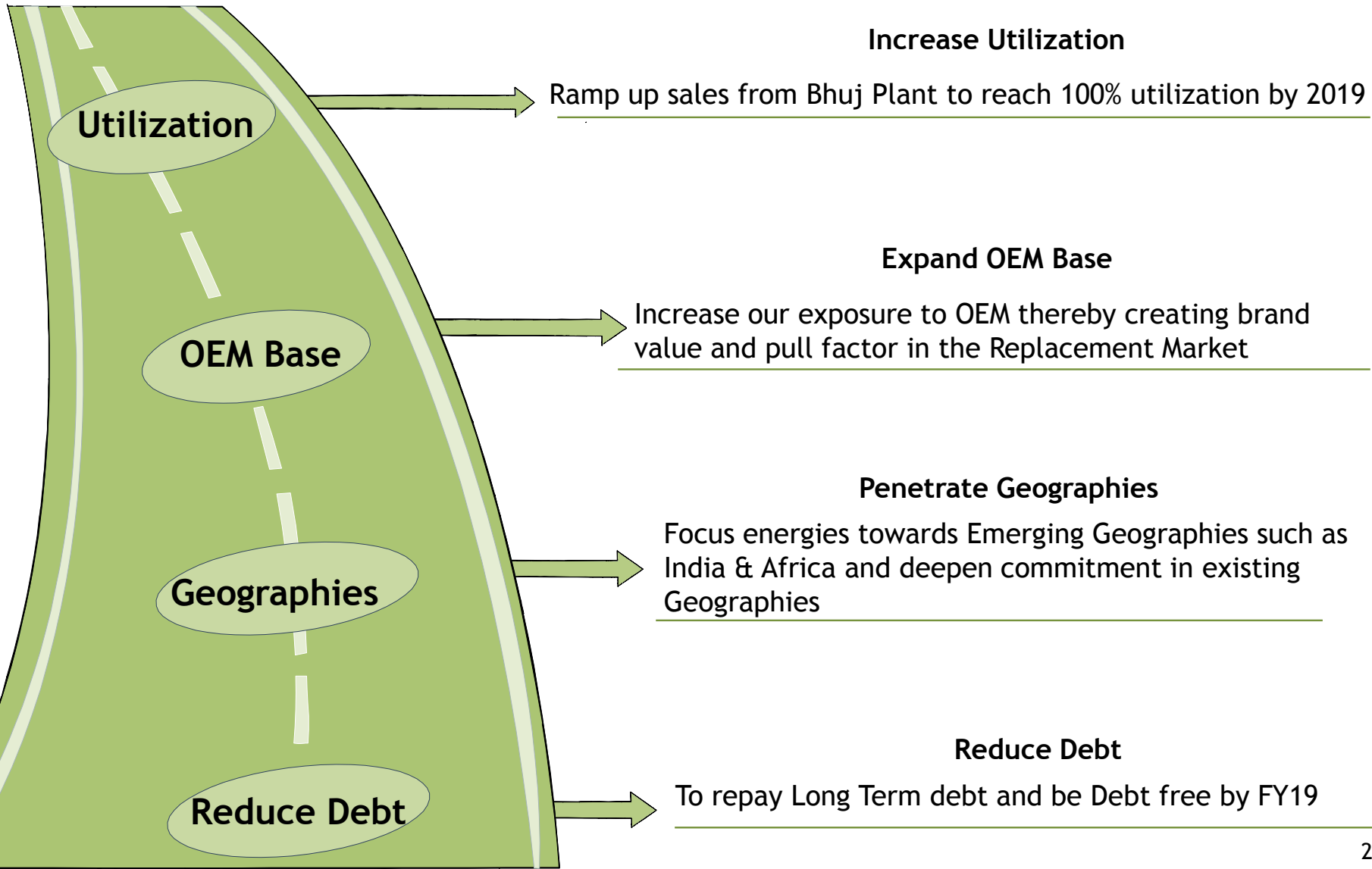
Faster Mind to Market Product Roll-out

- ✓ Strong R&D Team for product development
- ✓ Continuous R&D spend to gain strong foothold in end markets
- ✓ In-house mould facility leads to faster conversion

Flexible Plant Operation & Location

- ✓ Maximize utilization of entire basket of more than 2,200 SKUs
- ✓ Ensures timely execution of customer's order
- ✓ Proximity of Bhuj Facility to Port coupled with captive power consumption ensures cost efficiency

Roadmap for future growth



Financial Highlights



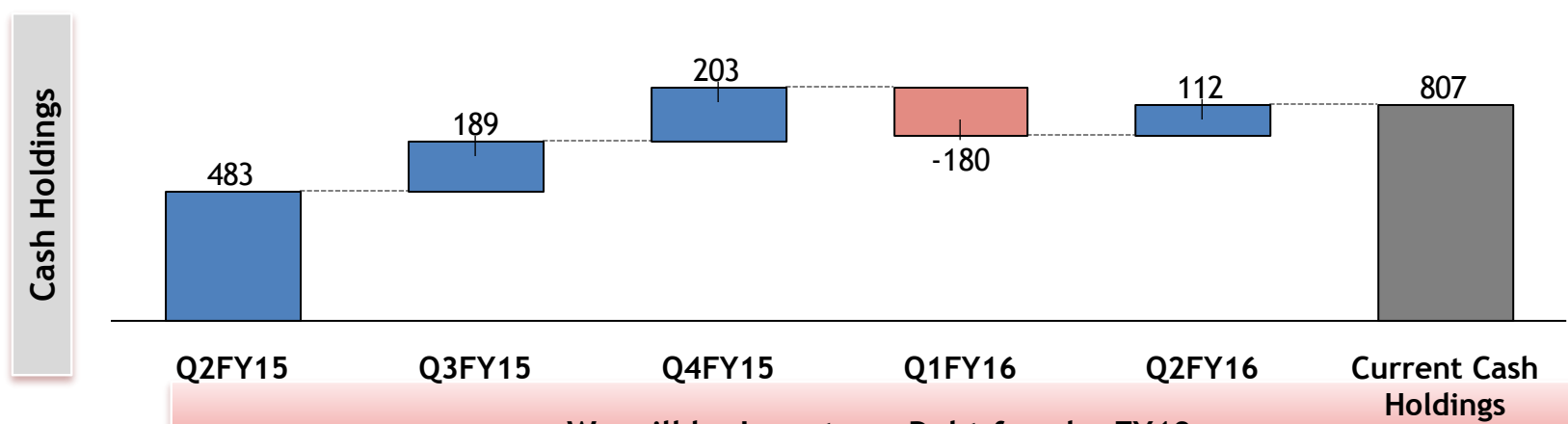
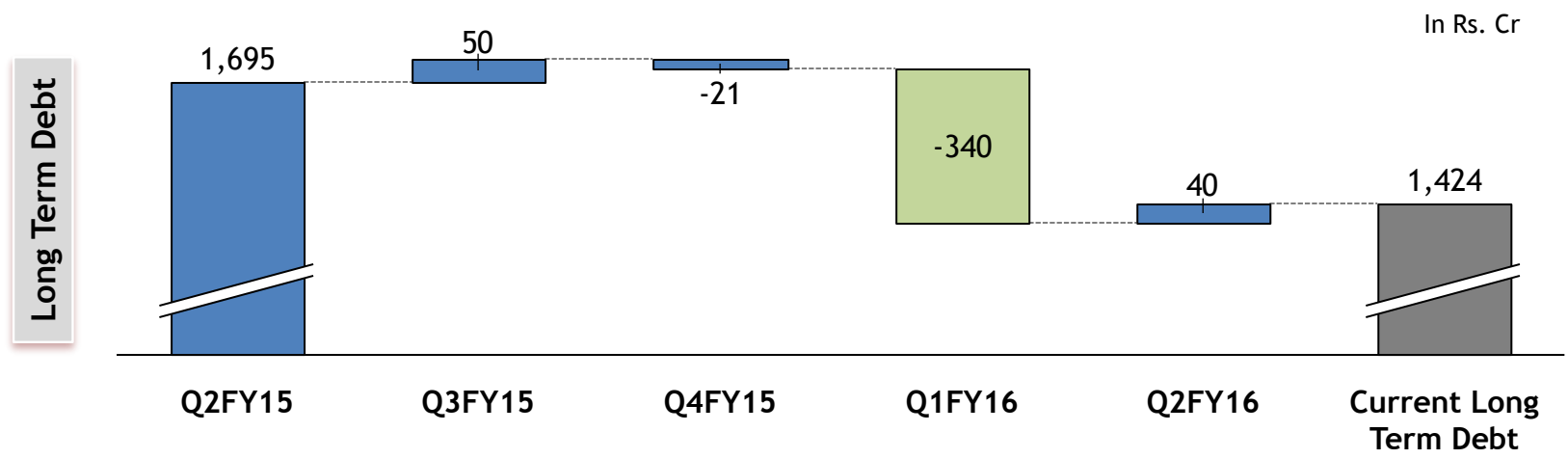
Financial Highlights - H1FY16

Particulars in Rs.Crs	Q2 FY16	Q2 FY15	YoY %	H1 FY16	H1 FY15	YoY%	FY15
Sales (MT)	34,333	37,281	-8%	71,758	76,483	-6%	1,54,156
Net Sales	778	875		1599	1822		3,606
Other Operating Income	9	6		13	19		33
Crystallised Exchange (Loss)/Gain related to Sales	9	46		53	47		253
Total Sales Revenue	796	927	-14%	1,666	1,887	-12%	3,893
Raw Material	303	485		707	965		1,860
(Increase) / Decrease in Stock	24	-25		7	-24		16
Employee Expenses	50	45		100	92		187
Power & Fuel	29	33		64	66		132
Other Expenses	143	183		294	342		694
EBITDA	248	207	20%	494	446	11%	1,004
EBITDA Margin	31.2%	22.4%		29.6%	23.6%		25.8%
Other Income	11	1		63	2		11
Interest & Finance Charges	8	13		17	25		42
Net (Gain)/Loss on Foreign Currency Transactions & Translation	0	2		0	2		3
Depreciation	70	60		134	116		238
PBT	181	134		405	306		732
Tax	56	44		128	100		234
PAT	125	90	39%	277	206	35%	498
PAT Margin	15.7%	9.7%		16.6%	14.0%		12.8%
Cash PAT	195	150	30%	411	322		736
Cash PAT Margin	24.5%	16.1%		24.7%	17.1%		18.9%

Balance-Sheet as on 30th September 2015

Rs. Crs.	Sep-15	Mar-15	Rs. Crs.	Sep-15	Mar-15
Shareholder's Fund	2,568	2,292	Non-current assets	3,283	3,275
Share capital	19	19	Fixed assets	3,127	3,049
Reserves & Surplus	2,549	2,273	Long-term loans and advances	148	168
Non-current liabilities	1,041	1,549	Non-current investments	8	58
Long term borrowings	825	1,359	Current assets	1,874	2,040
Deferred Tax Liabilities (net)	214	189	Current Investments	778	387
Other non-current liabilities	2	1	Inventories	428	392
Current liabilities	1,548	1,474	Trade receivables	403	602
Short term borrowings	578	633	Cash and bank balances	25	431
Trade Payables	283	380	Short-term loans and advances	239	227
Other current liabilities	687	461	Other current assets	1	1
Total Liabilities	5,157	5,315	Total Assets	5,157	5,315

Net Long Term Debt to Equity at 0.24x



We will be Long term Debt free by FY19

For further information, please contact:

Company :

Balkrishna Industries Ltd.
CIN - L99999MH1961PLC012185
Mr. B K Bansal, Director - Finance
bkbansal@bkt-tires.com

www.bkt-tires.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285
Mr. Shogun Jain / Ms. Sanjita Ghosh
jshogun@sgapl.net / gsanjita@sgapl.net
+91 77383 77756 / +91 77383 59389

www.sgapl.net
