



Investor Presentation November 2014



EARTHMAX
RADIAL OTR TYRES



AGRIMAX
RADIAL TRACTOR TYRES



MULTIMAX
RADIAL MPT TYRES

Safe Harbor



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Content

	Page
A. Company Overview	4
B. Global Markets - Local Production	9
C. Key Competitive Advantages	16
D. Growth Strategies	18
E. Financial Highlights	20

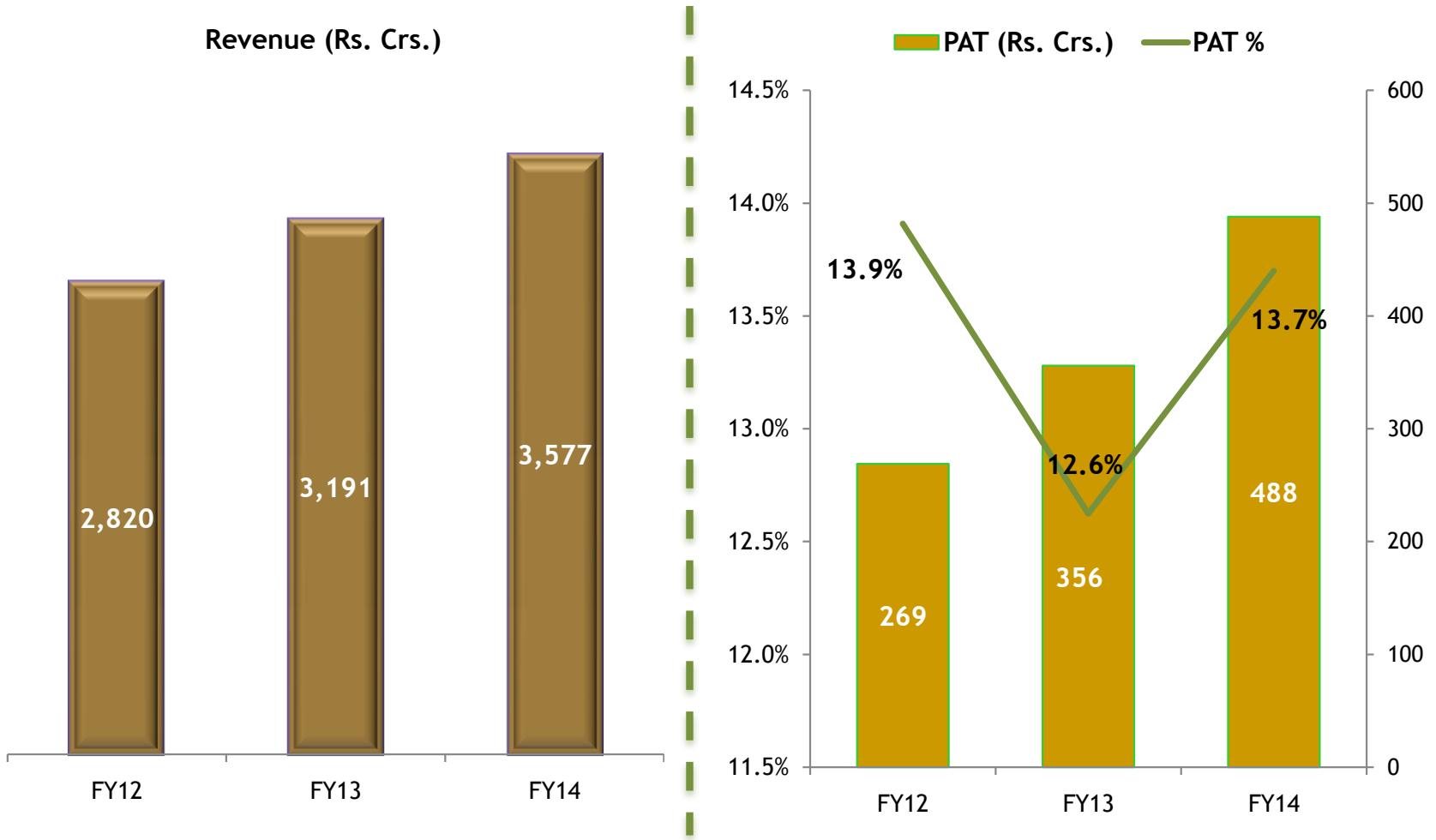
Company Overview



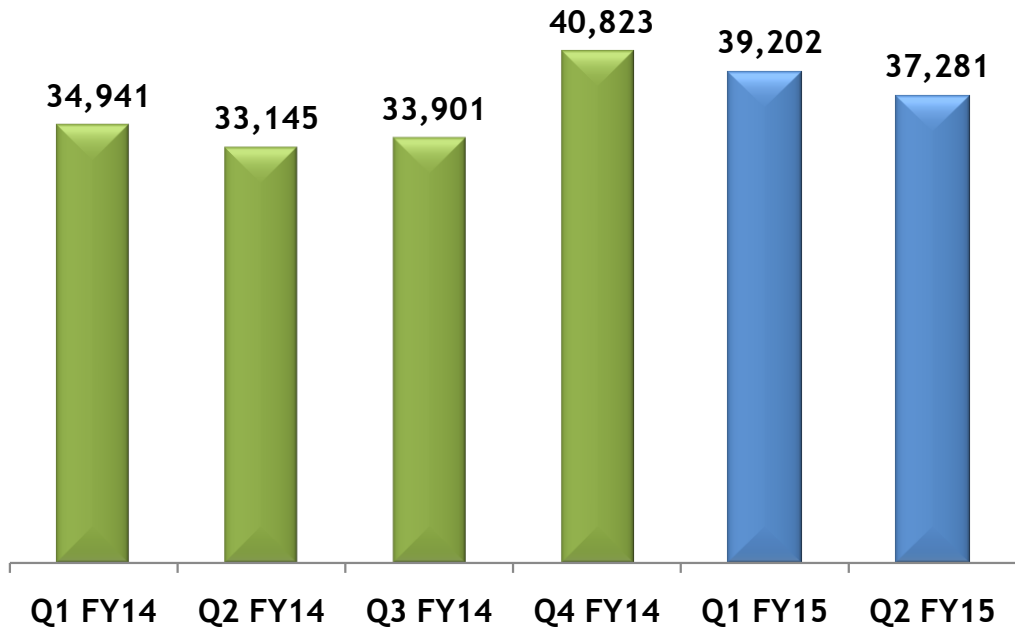
Balkrishna Industries...

- ⦿ India's leading exporter of "Off-Highway Tires"
- ⦿ Widest and comprehensive product portfolio of ~ 2,200 SKUs
- ⦿ 200,000 MTPA current achievable production capacity
 - Achievable capacity to be further enhanced to 300,000 MT by FY 2015
- ⦿ Market presence in more than 130 countries
 - Europe, America, Asia Pacific, Middle-East, ANZ etc
- ⦿ Exponential Revenue & Earning growth

Revenue & Profit Growth



Volume Trend & Guidance



In MT

FY 15 Volume Guidance of 155,000 - 160,000 MT

Under the able leadership of ...

Mr. Arvind Poddar - Chairman & Managing Director

- Promoter of the Company
- In last 6 years, Company grew exponentially with around 24% CAGR
- Commissioning of new plant at Bhuj, Gujarat with capacity creation of over 80%

The Core Team Executing the Vision

Mr. Rajiv Poddar

Joint Managing Director

Mr. B K Bansal

Director - Finance

Mr. D M Vaidya

Director - Technical

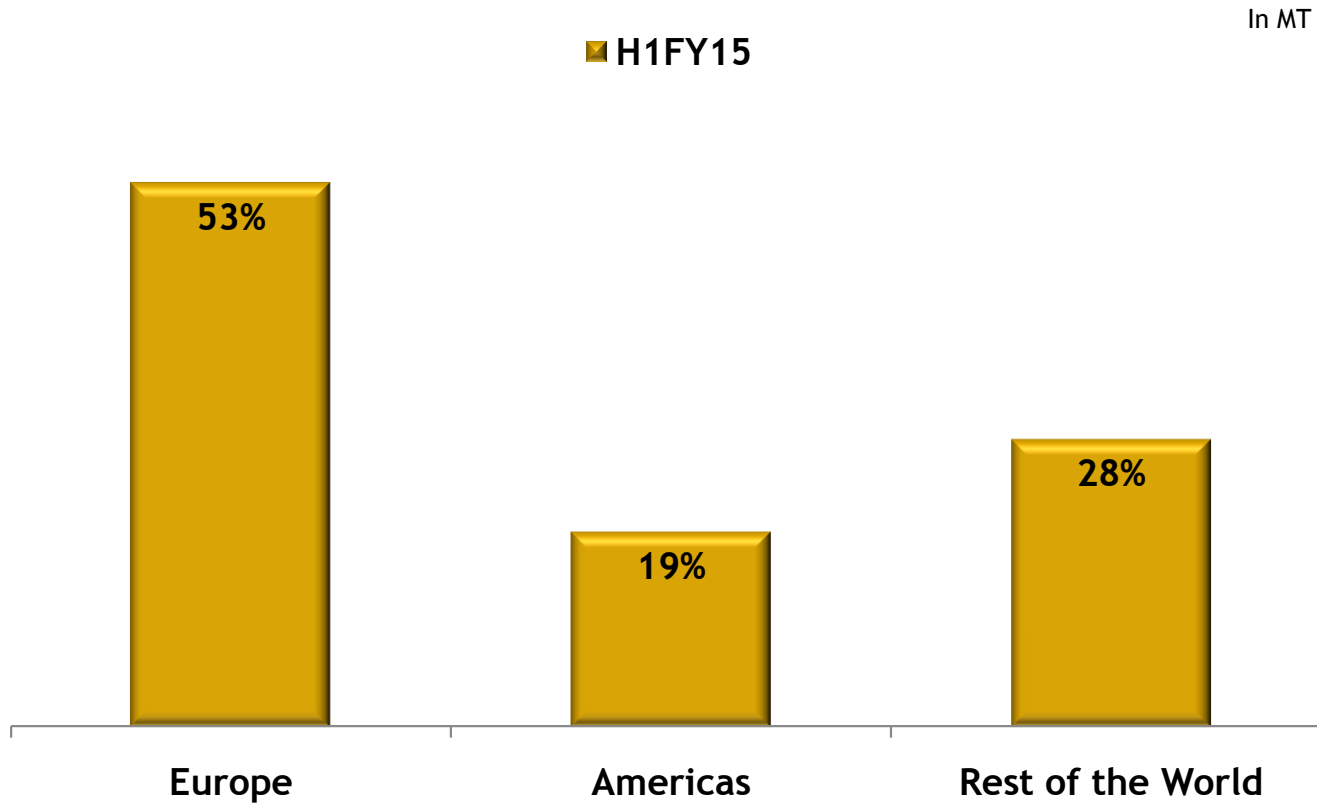
Mr. M S Bajaj

Sr. V P - Commercial

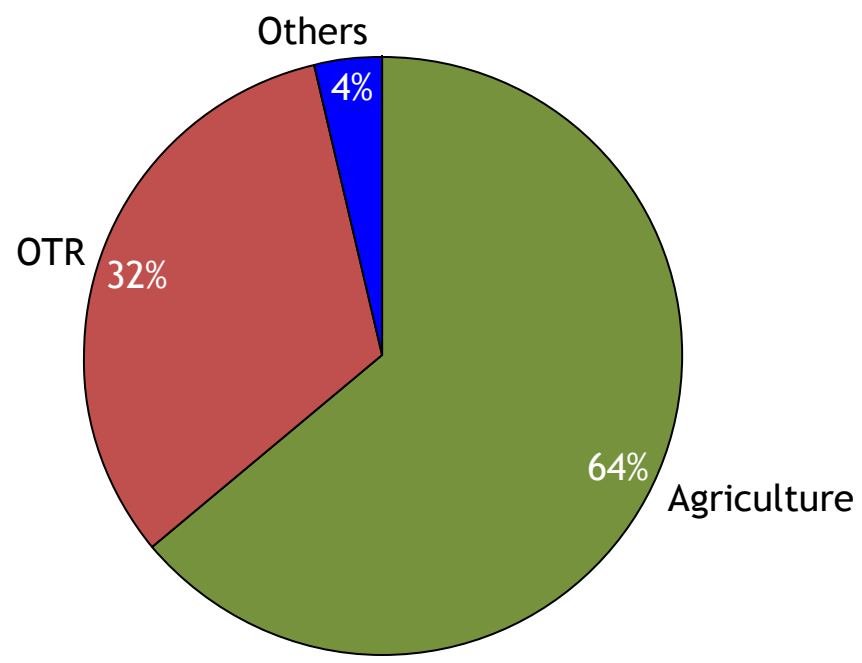
Global Markets - Local Production



Presence in over 130 countries...



One-stop shop for off highway tires - H1FY15



Agriculture

Tractors, Trailers & other Farm equipments

OTR

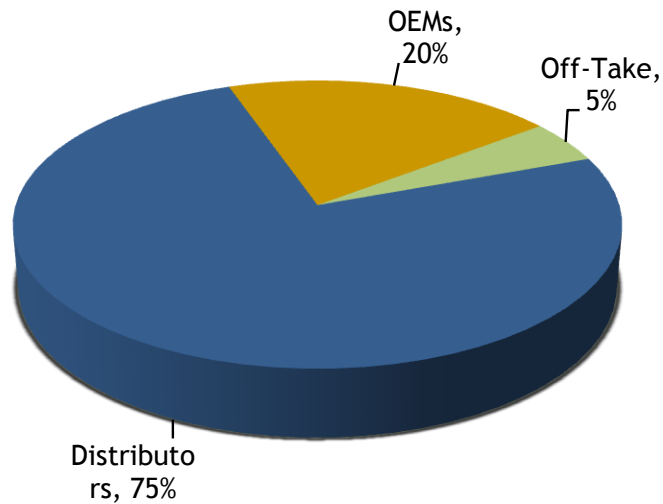
Industrial, Construction, Earth Moving & Mining equipments

Others

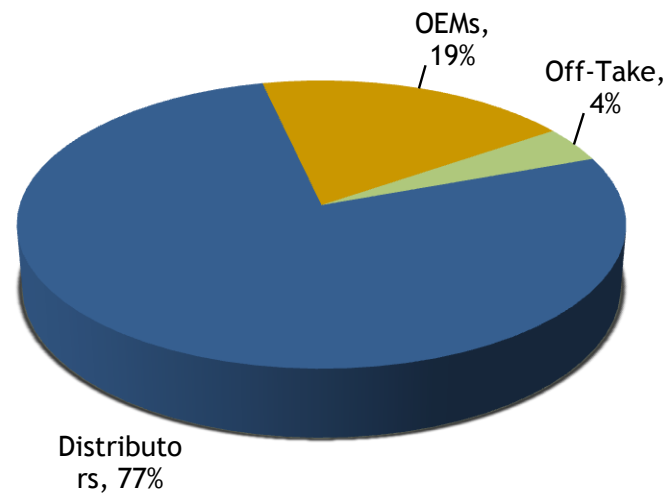
All Terrain Vehicles, Lawn & Garden vehicles

Presence in various sales channels

Sales Volume Breakup H1 FY2015



Sales Volume Breakup FY2014



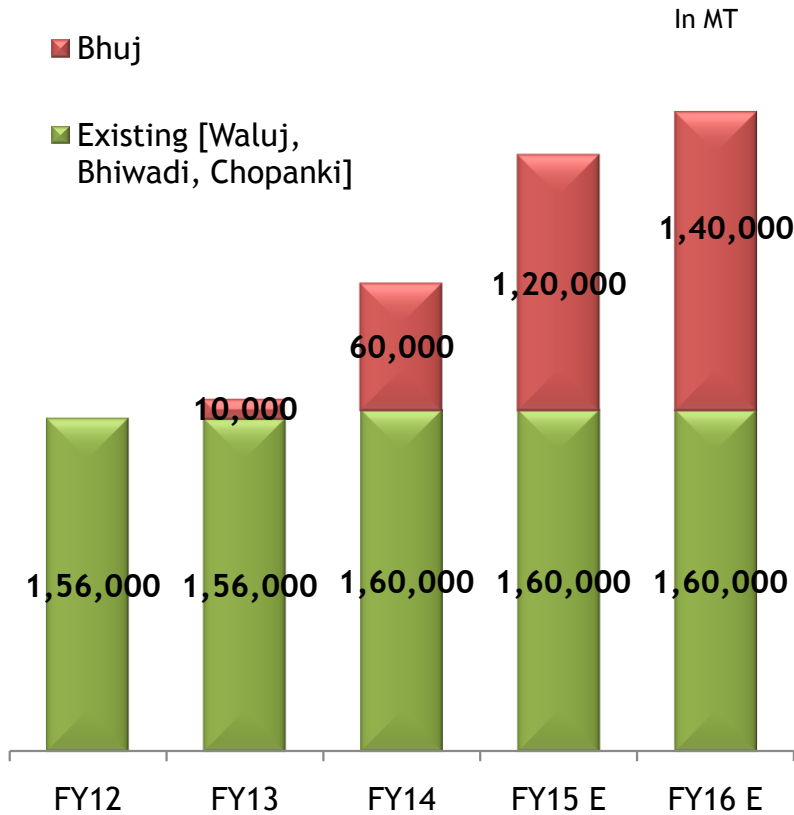
Distributors

- Caters to replacement market
- Strong global network
 - Well diversified global distributor network
- Expanding market reach
 - Increasing penetration of existing distributors
 - Adding new distributors

Supplier to leading OEMs



Manufacturing Capacity



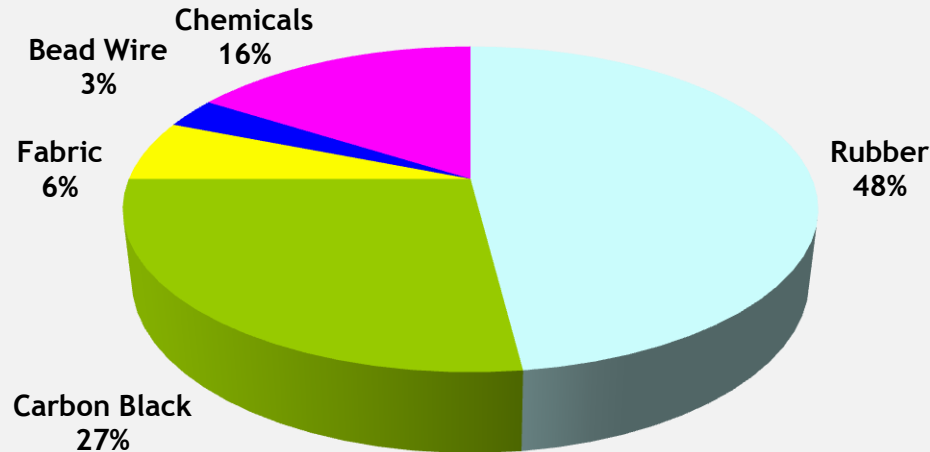
On-going Expansion at Bhuj

- Ramp up to take place in a phased manner until FY2016
- Rs. 2,466 Crs incurred till September 2014
- Rs. 1,808 Crs Capitalized till September 2014

Total Achievable Capacity to reach at 300,000 MT post Bhuj expansion

Key Raw materials*

Raw material composition



In Volume

- **Rubber sourced from**
 - India, Indonesia, Malaysia & Thailand - Major Rubber Producing countries
- **Closer to Rubber producing countries gives edge over global peers**
 - Lower logistic expenses
- **Flexibility in sourcing from India or Import**
 - No impact of Import Duty being major exporter
- **Other materials - Synthetic Rubber, Carbon Black, Fabric & Chemicals**
 - Derivatives of Crude Oil

* For FY2014

Key Competitive Advantages



Key Competitive Advantages

Low Operating Cost ... v/s ... 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 Time to Market Product Roll-out

- Strong R&D Team for product development
- In-house mould facility leads to faster conversion

Flexible Plant Operation

- Maximize utilization of entire basket of more than 2,200 SKUs
- Ensures timely execution of customer's order

Inter- Changeability of production amongst various plants

- Helps production planning to achieve optimum output
- Facilitates container dispatch of varied tires

The Radial Advantage

- Largest manufacturer of full range of Radial Tractor Tires located in a low-cost region
- Globally few manufacturers with concentration in USA & Europe
- Addition of capacity makes it a preferred global partner for radial tires

Growth Strategies



Roadmap for future growth

Sustainable Business Growth



1

Sustain market share

- Increase coverage through distributors

2

Emerging market growth

- High growth potential from emerging markets viz., Russia, CIS & India

3

New Product Introduction

- All steel radial mining tyres
- Special Puncture proof defense tyres
- Solid Tyres

4

Improvement in Operating Efficiency

- Focus on cost management

5

Increase exposure with OEMs

- Expanding OEM Base

6

Increase in production capability

- Expansion of production capacities



Future Growth Strategies

Financial Highlights



Financial Highlights - Q2 FY2015

Rs.Crs	Q2 FY15	Q2 FY14	YoY %	H1 FY15	H1 FY14	YoY%	FY14
Sales (MT)	37,281	33,145	12%	76,483	68,086	12%	142,810
Net Sales	875	830		1,822	1,638		3,536
Other Operating Income	6	9		19	18		41
Revenue	881	840	5%	1,841	1,655	11%	3,577
Raw Material	486	401		973	816		1,718
(Increase) / Decrease in Stock	-25	(1)		-24	11		3
Employee Expenses	45	30		92	62		139
Power & Fuel	33	28		66	55		117
Net Exchange Difference Loss/(Gain)	-51	32		-57	16		91
Other Expenses	185	147		344	298		615
EBITDA	208	202	3%	447	397	13%	894
<i>EBITDA Margin</i>	23.6%	24.1%		24.3%	24.0%		25.0%
Other Income	1	4		2	6		14
Interest & Finance Charges	13	5		25	9		25
Net (Gain)/Loss on Foreign Currency transactions & translation	2	1		2	2		0
Depreciation	60	39		116	75		165
PBT	134	162		306	317		718
Tax	44	54		100	106		229
PAT	90	108	-17%	206	210	-2%	488
<i>PAT Margin</i>	10.2%	12.9%		11.2%	12.7%		13.7%
Cash PAT	150	147	2%	322	285	13%	653
Cash PAT Margin	17.0%	17.5%		17.5%	17.2%		18.2%

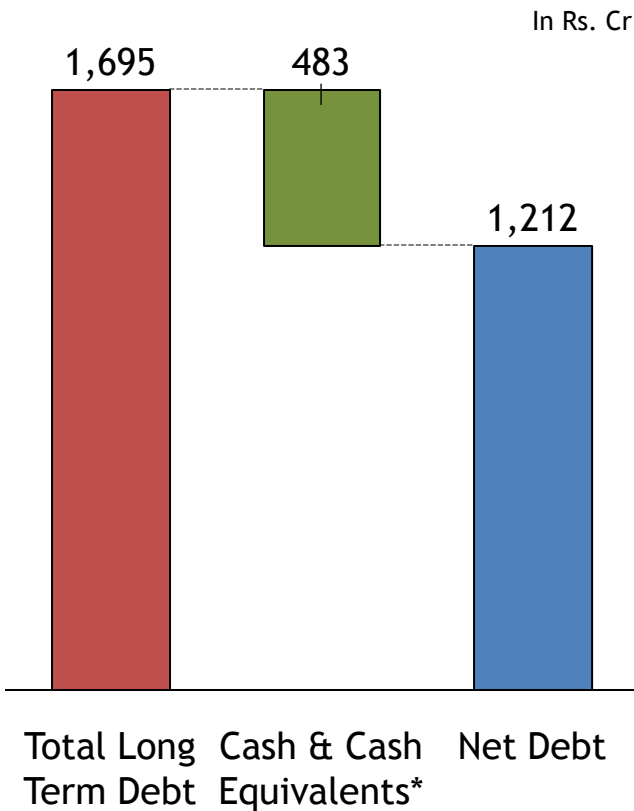
Previous period figures have been regrouped/reclassified as per revised Schedule VI, wherever necessary

Balance Sheet - Q2 FY2015

Rs. Crs.	Sep-14	Mar-14	Rs. Crs.	Sep-14	Mar-14
Shareholder's Fund			Non-current assets		
Share capital	19	19	Fixed assets	2,941	2,806
Reserves & Surplus	2,068	1,865	Non-current investments	117	427
Non-current liabilities			Other Non Current Assets	216	210
Long term borrowings	1,338	1,656	Current assets		
Deferred Tax Liabilities (net)	182	172	Current Investments	389	-
Other non-current liabilities	48	40	Inventories	594	529
Current liabilities			Trade receivables	572	618
Short term borrowings	694	688	Cash and bank balances	40	10
Trade Payables	387	373	Short-term loans and advances	274	274
Other current liabilities	407	59	Other current assets	0	0
Total Liabilities	5,144	4,874	Total Assets	5,144	4,874

Previous period figures have been regrouped/ reclassified as per revised Schedule VI, wherever necessary

Debt Management - September 2014



- Long Term loans are dollar denominated and Net Long Term Debt to Equity is at 0.58x as on September 2014
- USD 58mn repayment is due in FY16
- Company has invested Rs. 483cr in Debt MF*

Sufficient funds available to meet Debt repayment obligations and Interest payments

* Includes monies invested in Debt Mutual Funds classified as Non Current Investments & Current Investments

For further information, please contact:

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