

# Balu Forge Industries Ltd. Announces Q2FY25 Financial Results, PAT Rises 106.9% YoY to Rs. 481.4 Mn & Revenue Increases 60.1% YoY to Rs. 2,228.7 Mn

Category: Business

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Balu Forge Industries Ltd. (BFIL), a leading precision engineering and manufacturing company, approved its Audited Consolidated Financial Results for the quarter ended 30th September 2024, in the meeting of its Board of Directors held on 21st October 2024.

\*Amount in Mn

**Particulars (in Rs. Mn)**

**Q2FY25**

**Q2FY24**

**% increase**

Revenue

2,228.7

1,392.2

60.1%

PAT (Profit After Tax)

481.4

232.7

106.9%

EBITDA (Earnings before Interest, Tax, Depreciation, and Amortisation)

652.2

301.2

116.5%

Total Comprehensive Income

481.6

233.2

106.5%

### **Consolidated Financial Highlights for the Q2 FY25:**

1. BFIL registered a robust revenue growth of **60.1%** YoY and revenue from operations stood at Rs. **2,228.7** Mn in Q2FY25 compared to Rs. **1,392.2** Mn in Q2FY24 because of the constant focus on client addition and continued demand for the specialized engineering products.

2. EBITDA grew by 116.5% and margins expanded by **763 bps** from **21.6%** in Q2FY24 to **29.3%** in Q2FY25 owing to increase in scale of operations and increased demand for heavier products which tend to yield better margins.

3. PAT grew by 106.9% and PAT margins improved by 489 bps from 16.7% in Q2FY24 to 21.6% in Q2FY25.

Commenting on the performance of Q2FY25, **Mr. Trimaan Chandock, Executive Director of BFIL** stated, *"The Indian precision engineering industry is on the verge of its next significant growth phase, driven by a rapid transformation as companies*

globally embrace the China+1 strategy to mitigate supply chain risks.

This strategic shift, alongside broader industry changes, unlocks a wealth of opportunities and paves the way for long-term growth. To fully leverage this momentum, we are making substantial investments in strengthening our capabilities, positioning ourselves for strong, positive outcomes in the near future. Apart from the financial achievement, the current quarter witnessed a number of developments focused on strengthening our capabilities to navigate industry challenges and capitalize on new opportunities, ensuring its competitive edge in a rapidly evolving market:

The new unit progress at Belgaum continues in full swing. The company is on the verge of commercialising the first phase of the new manufacturing campus and it will drive the next leg of growth.

The company has a strong order book for the existing infrastructure and the planned infrastructure is expected to commercialise in the coming quarters. The 32,000 tons of machining capacity will be fully utilised in terms of the order book and the forging output from the initial commercialisation also has clear visibility to fulfil the capacity of the Mercedes Benz production line as well as the machining capacity expansion which is underway. The company also has clear visibility for 72,000 tons of forging capacity with agreements in place in highly specialised domains of Railways, Defence & Aerospace. We have acquired and introduced the first 7 Axis CNC machine in our facilities in H1FY25.

We have significantly reduced the working capital cycle from 137 Days in H1FY24 to 106 Days in H1FY25. This had a transformative impact on the company's financial health and operational efficiency. By optimizing the inventory management, enhancing receivables processes, and streamlining payables, the company has achieved a more balanced and

efficient working capital structure. Enhancing receivables management has directly improved liquidity, allowing the company to maintain a robust cash position. The reduction in debtor days means that funds are available for reinvestment, reducing the need for external financing and associated costs.

Overall, these enhancements have not only stabilized the company's financial position but also enhanced its competitive edge in the sector.

The successful reduction in debtor days from 177 Days in H1FY24 to 119 Days in H1FY25 has had a transformative impact on the company's financial health and operational efficiency. The company has significantly improved its cash flow and is a positive cash flow company as H1FY25.

The comprehensive improvements in inventory management have positioned the company for sustained success. The combination of reduced costs, improved production timelines, enhanced customer satisfaction, and a more agile supply chain has created a solid foundation for future growth.

The company aims to not only expand the team in major and key roles but also has plans to expand its workforce to over 1000 personnel in the coming financial year. The special focus will also be on Research & Development teams for new product development, new material chemistries and expansion into the sunrise sectors under the infrastructure push of our Prime Minister Shri Narendra Modi Ji under Viksit Bharat 2047.

In conclusion, the combination of reduced costs, improved production timelines, enhanced customer satisfaction, and a more agile supply chain has created a solid foundation for future growth."

### **About Balu Forge Industries Ltd.**

Balu Forge Industries Ltd. (BFIL) was incorporated in 1989 and is engaged in the manufacturing of fully finished and semi-

finished Forged Components. It has the capacity to manufacture components conforming to both New Emission Regulations & the New Energy Vehicles. The company has a fully Integrated Forging & Machining production infrastructure with a large product portfolio ranging from 1 Kg to 1000 Kgs. The Company has an 80+ global distribution networks and operates through both domestic and export segments. The customers include some of the renowned suppliers and manufacturers of light vehicles, agricultural equipment, power generation equipment, commercial vehicles, off-highway vehicles, ships, locomotives, and many others. The company also caters to the defence, oil & gas, railway, marine amongst other industries.

For more information, visit [www.baluindustries.com](http://www.baluindustries.com).