

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q2 - 2019 - 20

Disclaimer



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These materials may contain forward-looking statements regarding Kirloskar Brothers Ltd. (KBL), our corporate plans, future financial condition, future results of operations, future business plans and strategies. All such forward-looking statements are based on our management's assumptions and beliefs in the light of information available to them at this time. These forward-looking statements are, by their nature, subject to significant risks and uncertainties and actual results, performance and achievements may be materially different from those expressed in such statements. Factors that may cause actual results, performance or achievements to differ from expectations include, but are not limited to, regulatory changes, future levels of industry product supply, demand and pricing, weather- and weather-related impacts, wars and acts of terrorism, development and use of technology, acts of competitors and other changes to business conditions. KBL undertakes no obligation to revise any such forward-looking statements to reflect any changes in KBL's expectations with regard thereto or any change in circumstances or events after the date hereof.

Sector & Plant Highlights



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Water & Irrigation

- A Major order in hand for 109 large VT pumps

Power

- First prototype of shut down cooling application pump developed for nuclear application and dispatched the same for site testing

Marine & Defence

- Major orders received from DMDE, JSW, Kolkata Port Trust

Oil & Gas

- A Major order received for supply of 58 fire fighting pumps to various IOCL locations

Industry

- Improved Order booking from new customers
- Major orders received for process application pumps from Grasim Industries, Tata Chemicals, Nerolac including order for 16 pumps for high temperature (Thermic fluid) application

Sector & Plant Highlights



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Building and Construction

- Improved HYPN product booking over previous quarter 179 Nos (121 Nos)

Valves

- Successfully manufactured and supplied 12 nos Butterfly valves (1800 mm) for MIDC Mumbai and Naval dockyard, Visakhapatnam and also Multi Door Non Return Valve (MDNRV) (1500 mm) for Bangalore Water Supply & Sewerage Board

ESD & CSS

- There is improvement in receipt of new orders in Q2.
- Annual Rate Contract finalized with two refineries and Annual Maintenance contracts signed with four plants
- Retrofit orders received from new customers

EEC

- Commissioning of 5 nos Vertical Turbine pumps with motor of 2350 KW rating at South Bangkok Power Plant

Sector & Plant Highlights



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Small Pump Business

- Increased proportion of new product sales
- Reduction in inventory at warehouses by Rs. 30 Cr

KOV

- Volumetric growth achieved by plant - End suction pumps division (10%) Multistage pumps division (19%)
- Heavy monsoon and floods affected dispatches for August month affecting overall performance in H1
- Savings achieved through deployment of renewable energy projects such as roof top Solar System

Companywide Pending Orders

Pending Order Board as on September 2019

Sector (Rs.Crs)	Q -3 Dec-18	Q -4 Mar-19	Q - 1 Jun-19	Q - 2 Sep-19	Q -2 % of Total
Irrigation + Water Resource Mgmt	946	844	880	832	49%
Power	518	493	487	475	28%
Oil & Gas	74	66	60	68	4%
Marine & Defence	47	42	39	27	2%
Industry	79	65	74	74	4%
Building & Construction	72	87	86	89	5%
Customer Support & ESD	52	38	53	64	4%
Valves	76	60	68	52	3%
TOTAL	1,864	1,696	1,747	1,682	100%

	Dec-18	Mar-19	Jun-19	Sep-19
KBL Standalone	Q 3	Q 4	Q 1	Q 2
Orders Received	540	583	516	406

	Dec-18	Mar-19	Jun-19	Sep-19
KBL Consolidated	Q 3	Q 4	Q 1	Q 2
Orders Received	872	845	852	673
Pending Orders on Hand	2,635	2,335	2,341	2,242

* Excluding orders kept on hold Rs. 11 Cr and order for which work not commenced Rs. 270 Cr. This is after foreclosure of orders worth Rs. 251 Cr by customers

Q2- Standalone Financials Highlights



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Financial Highlights

Standalone

1. Sales for H1 FY 2019-20 are higher by 2% as compared H1 of FY 2018-19.
2. During Q2 there is reduction in composite MSR by 3.2% as compared to Q1
3. Increase in certain expenses and fall in other income has resulted in lower profit before tax at Rs 32 Cr for H-1 (PY Rs. 51 Cr)
4. In this H-1 inventory increased due to delays in commercial clearance from some customers and imbalanced receipt of brought outs. This also resulted in increased borrowing for working capital.

Consolidated

1. KEPL a joint venture company has order board of Rs. 168 Cr as on 30th Sept 2019.
2. KPML a domestic subsidiary continues to maintain growth in sales and profitability.
3. Overseas companies have reported improvement in performance in H-1. H-1 Sales are higher by Rs. 53 Cr (12%) and losses are lower by Rs. 23 Cr than PY same period.
4. TKSL and KCPL our domestic subsidiaries have reported lower losses. Steps are being taken to enlarge customer base (TKSL) and new applications for its products (KCPL)

Q2 Key Financials - Standalone



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Rs. Crs

Particulars	Half Year Ending		Quarter Ending		Quarter Ending		Year Ended Mar 31, 2019
	Sep-19	Sep-18	Sep-19	Sep-18	Jun-19	Jun-18	
KEY FINANCIALS							
Revenue from Operations	955	944	482	488	473	456	2,223
P B D I T	66	80	43	42	23	38	187
P B T	32	51	25	27	7	25	124
P A T	16	39	10	20	6	18	87
CASH PROFIT	36	56	20	29	17	27	124
KEY FINANCIAL RATIOS							
P B I D T % AGE	6.9%	8.5%	9.0%	8.6%	4.9%	8.4%	8.4%
P B T % AGE	3.3%	5.5%	5.2%	5.5%	1.4%	5.5%	5.6%

Q2 Key Financials - Consolidated



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Rs. Crs

Particulars	Half Year Ending		Quarter Ending		Quarter Ending		Year Ended Mar 31, 2019 **
	Sep-19	Sep-18	Sep-19	Sep-18	Jun-19	Jun-18	
KEY FINANCIALS							
Revenue from Operations	1,454	1,368	721	674	733	694	3,373
P B D I T	62	60	36	23	26	37	151
P B T	5	10	8	(3)	(4)	14	41
P A T	(14)	(5)	(8)	(10)	(6)	5	3
CASH PROFIT	16	25	7	5	10	20	67
KEY FINANCIAL RATIOS							
P B I D T % AGE	4.3%	4.4%	5.1%	3.4%	3.5%	5.3%	4.5%
P B T % AGE	0.3%	0.8%	1.2%	-0.5%	-0.5%	1.9%	1.2%

Q2 Key Financials – Subsidiaries performance



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Rs. Crs							
Sales	Half Year Ending		Quarter Ending		Quarter ended		Year ended (**)
	Sep-19	Sep-18	Sep-19	Sep-18	30 June 2019	30 June 2018	31 March 2019
KBL	955	944	482	488	473	456	2,223
KPML	150	136	53	63	98	73	325
KCPL	10	15	6	8	4	7	28
TKSL	20	14	11	7	9	8	36
KBIBV consol	501	448	230	212	271	236	1,203
Subtotal	1,637	1,557	782	778	855	779	3,816
Intragroup transactions elimination	(183)	(189)	(62)	(104)	(121)	(85)	(467)
Total	1,454	1,368	720	674	733	694	3,349

Q2 Key Financials – Subsidiaries performance



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Rs. Crs

PBT	Half Year Ending		Quarter Ending		Quarter ended		Year ended (**)
	Sep-19	Sep-18	Sep-19	Sep-18	30 June 2019	30 June 2018	31 March 2019
KBL	32	51	25	27	7	25	124
KPML	8	7	1	2	7	5	24
KCPL	(0)	0	0	0	(1)	(0)	(1)
TKSL	(5)	(6)	(2)	(3)	(3)	(3)	(8)
KBIBV consol	(20)	(43)	(6)	(27)	(14)	(16)	(99)
Subtotal	15	10	19	(0)	(4)	11	41
Intragroup transactions elimination	(11)	(0)	(11)	(3)	1	3	(0)
Total	5	10	8	(3)	(3)	14	41

** Column year ended 31 March 2019, includes results of 15 months for foreign subsidiaries from January 2018 to March 2019

Thank You