



Enriching Lives

Kirloskar Oil Engines Limited

Earnings Update Jun 2013

Disclaimer



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Statements in this presentation, particularly those which relate to management's views and analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations.

Actual results might differ materially from those either expressed or implied.

Financials



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All numbers in Rs. Crs	Q1 FY2014	Q1 FY2013	Δ	FY 2013
Net Sales	583	596	-2%	2,320
Other Operating Income	7	9	-19%	38
Raw Material	363	374	-3%	1,446
Employee Costs	41	41	1%	154
Other Expenses	104	102	1%	411
EBITDA	84	88	-5%	346
Non-Op.Income / (Expenses)	13	-8	-	20
Depreciation	25	24	3%	93
Interest	0	2	-81%	3
PBT (Before exceptional items)	72	73	-2%	290
PBT	72	54	33%	271
Tax	19	15	27%	72
PAT	53	39	35%	199



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Q1 FY2014 Segment Performance

All numbers in Rs. Crs	Q1 FY2014	Q1 FY2013	Δ
PowerGen - Private	228	259	-12%
PowerGen - Cellular	1	3	-45%
Agricultural	91	83	11%
Industrial	102	113	-10%
Customer Support	117	107	10%
Large Engines	43	31	39%
Total	583	596	-2%



Key Financial Metrics

	YTD FY 2014	YTD FY 2013
EBITDA %	14.3%	14.8%
Inventory (Days)	37	25
Receivables (Days)	41	41
Creditors (Days)	54	53
Fixed Asset Turns	4.1	4.3
RoCE	23.5%	23.2%
Debt	11	146
Cash & Equivalents	499	551
Cash & Equivalents (Net of Debt)	488	405

A. Power Generation (PG) Business

- Power situation improved and peak power deficit dropped by 5%. Industrial slowdown also impacted the business for higher HP engines and market demand for gensets during Q1 was estimated to have declined by 15%.
- We continue to be the most preferred supplier of Gensets, backed by strong dealer network
- The demand in MP, Bihar & Andhra Pradesh was better in Q1, while demand in Tamil Nadu and Maharashtra was significantly lower during Q1.
- Encouraging demand from Banking and Retail Sector
- Nation wide launch of fuel efficient and heavy duty versions of 125KvA Genset to address customer preferences.

Highlights



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B. Agri Business

- Petrol-Kerosene pumpset launched
- Launched AV1 XL air cooled engines in UP market
- Aggressive push for AV1XL Air cooled / water cooled engines through expansion of retail network. The Company has added 532 retailers in Q1 of 2013-14, against addition of 707 during 2012-13

C. Industrial Business

- Demand continued to be sluggish during Q1. Overall market demand is expected to be lower by 10% during Q2.
- Retained market share with its customers
- Successfully entered “20 tons” excavators and motor grader equipments
- Bazar sale of Engines through dealers continued to be good
- Improvement in sale for tractor engine application

D . Customer Support

- Industrial slowdown impacting business
- Marginal growth achieved in Q1, despite slowdown in industrial growth
- Established full fledged Customer Care Centre (24*7 Operations) with adequate resources to handle end to end enquiries as well as service requests

E. Export

- New distributor appointed in Burkina Fasso
- Received approval from Aramco in Saudi Arabia for FM engines (Fire fighting Equipment's)
- Demand for mining equipment remained sluggish in Q1 in South Africa due to labour unrest and downward trend in prices of Platinum in world markets

Highlights



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Export (Continued)

- Introduced 625 kVA Genset in Bahrain. Order received from “Ministry of Interiors”
- Received EEPC Star Performer award for FY 2011-12. This is the 5th consecutive year of receiving this award

F. Large Engines

- NPCIL order execution is on track , dispatched 3 DG Sets till now

Thank You!



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