A large industrial engine, likely a marine diesel engine, is shown in a factory or workshop setting. The engine is mounted on a metal frame and is surrounded by various pipes, hoses, and mechanical components. Two workers wearing white hard hats and light-colored shirts are visible, working on the engine. The scene is illuminated by overhead fluorescent lights. The background shows a typical industrial environment with metal structures and equipment.

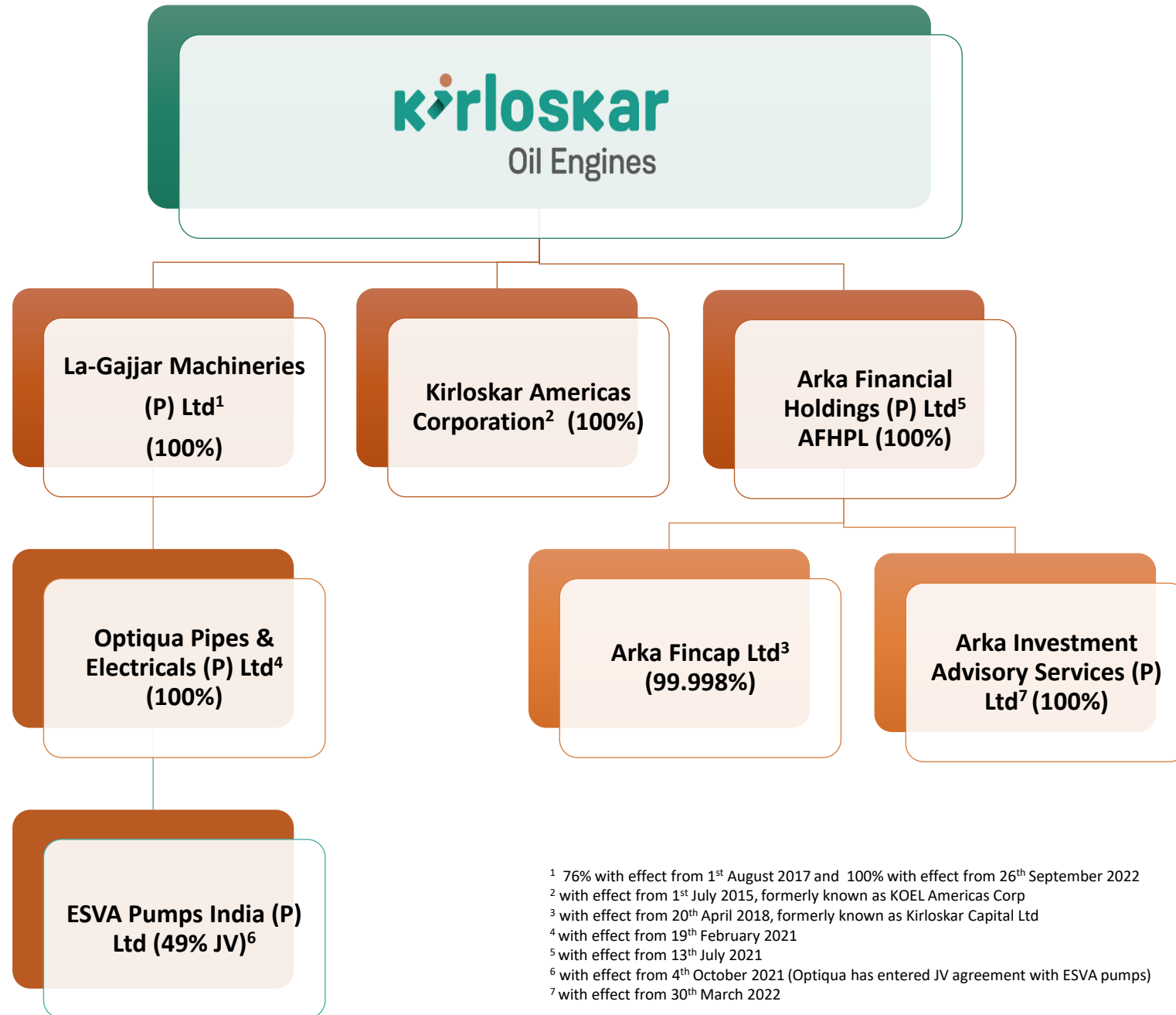
# Earnings Call Presentation Q4 FY23 19<sup>th</sup> May 2023

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<sup>1</sup> 76% with effect from 1<sup>st</sup> August 2017 and 100% with effect from 26<sup>th</sup> September 2022

<sup>2</sup> with effect from 1<sup>st</sup> July 2015, formerly known as KOEL Americas Corp

<sup>3</sup> with effect from 20<sup>th</sup> April 2018, formerly known as Kirloskar Capital Ltd

<sup>4</sup> with effect from 19<sup>th</sup> February 2021

<sup>5</sup> with effect from 13<sup>th</sup> July 2021

<sup>6</sup> with effect from 4<sup>th</sup> October 2021 (Optiqua has entered JV agreement with ESVA pumps)

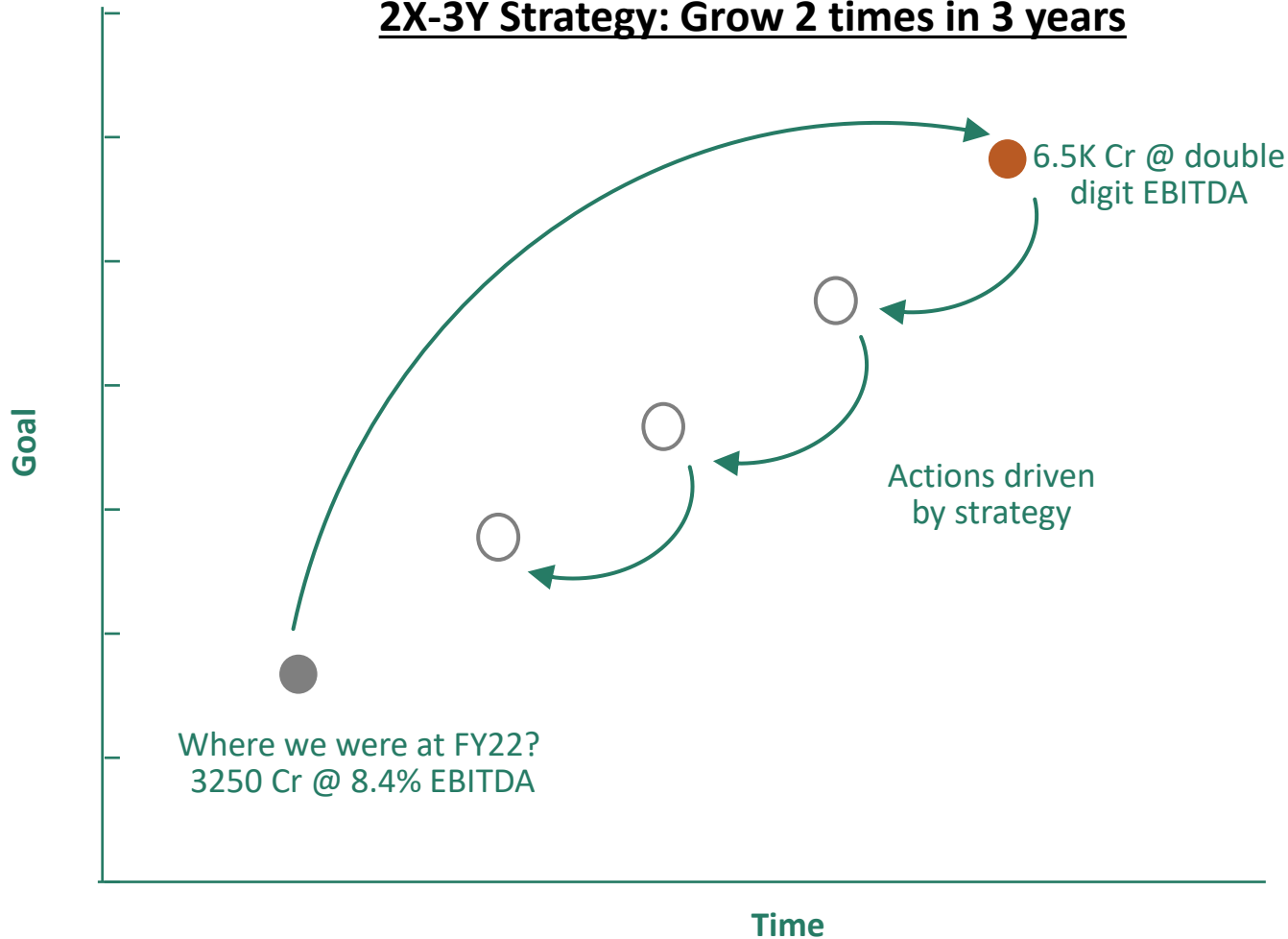
<sup>7</sup> with effect from 30<sup>th</sup> March 2022

# CONTENT

- **STRATEGY**
- BUSINESS OVERVIEW
- FINANCIAL OVERVIEW

# Our 2X-3Y Strategy: Looking to drive exponential growth over the next 3 years

## 2X-3Y Strategy: Grow 2 times in 3 years



## 2X-3Y Strategy Pillars



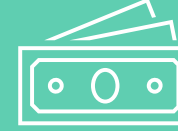
# WE ARE PROGRESSING WELL

We have made a strong beginning



**25%**

Top line growth (FY 23 YOY)



**₹ 4,116 Cr**

FY23 Revenue



**10.4%**

FY23 EBITDA Margin



**74%**

FY23 PAT\* YoY



**₹ 210 Cr**

Strong net cash position



**59%**

FY23 EBITDA YoY



**3**

consecutive quarters of over ₹ 1000 Cr revenue from operations

\* Excluding one-time gain on sale of ARKA shares

Please note that the above numbers represent standalone performance



# Deploying the 2X-3Y strategy to deliver value to all stakeholders

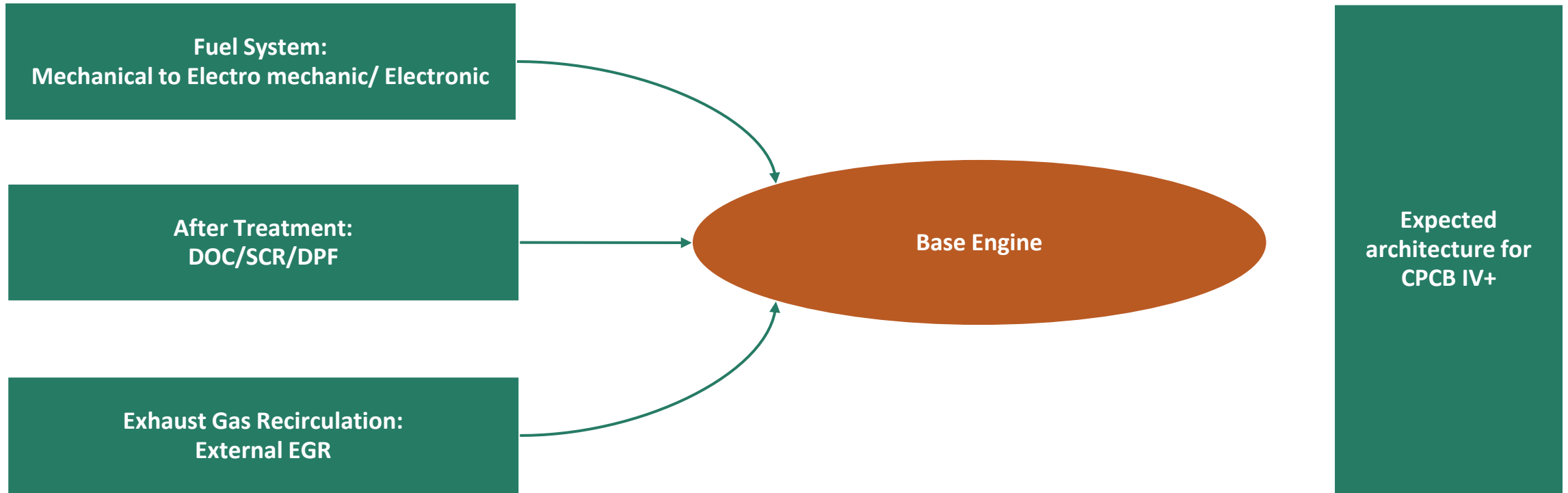
6.5K @  
double-  
digit  
EBITDA

Customer  
Delight

Employer  
of Choice



# CPCB IV+ : Significant system level changes have been identified to meet the stringent mission norms for <1000 kVA nodes



DOC: Diesel Oxidation Catalyst  
DPF: Diesel Particulate Filter  
SCR: Selective Catalytic Reduction  
EGR: Exhaust Gas Recirculation  
PFF: Partial Flow Filter  
POC: Partial Oxidation Catalyst

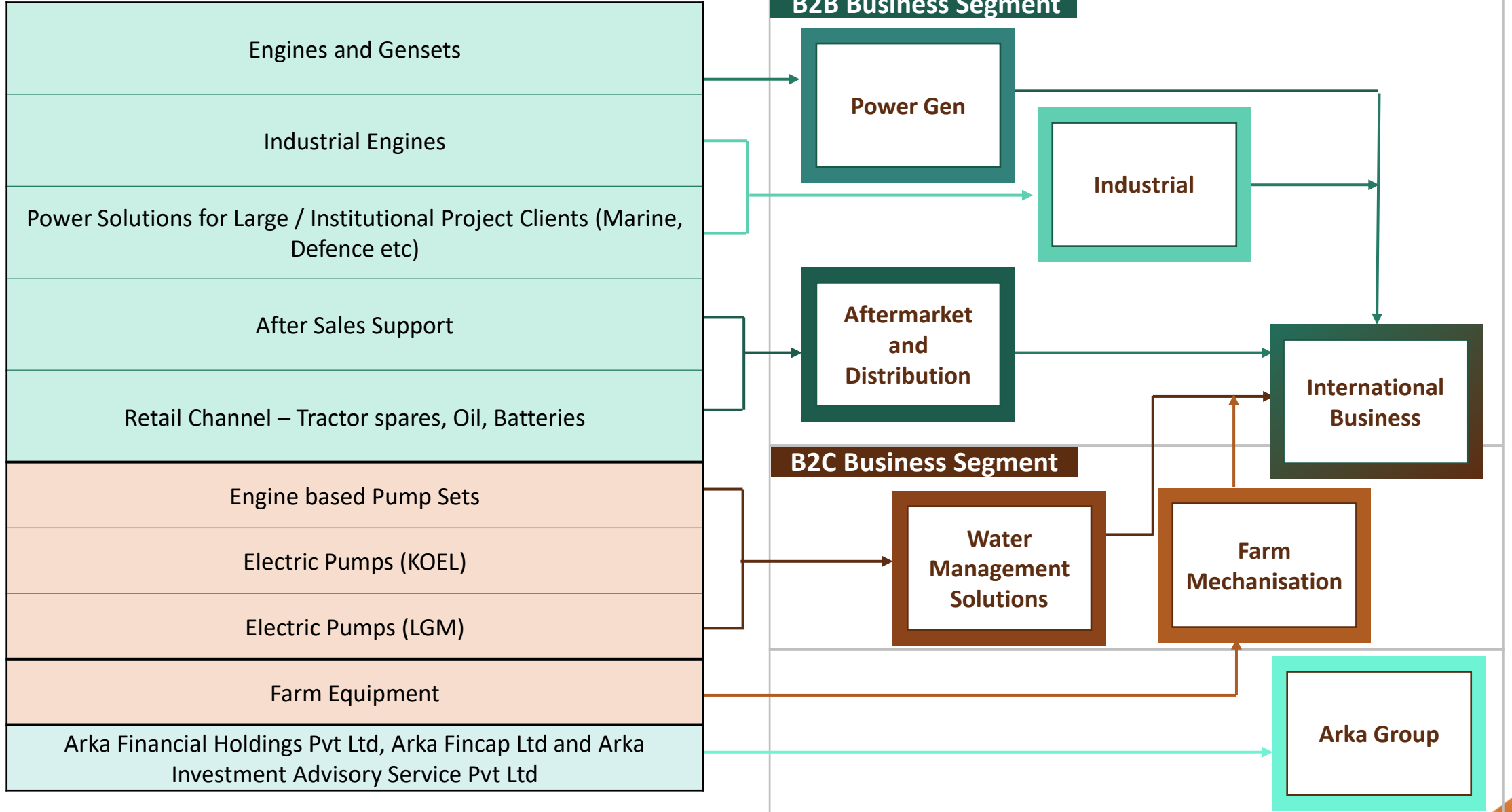




# CONTENT

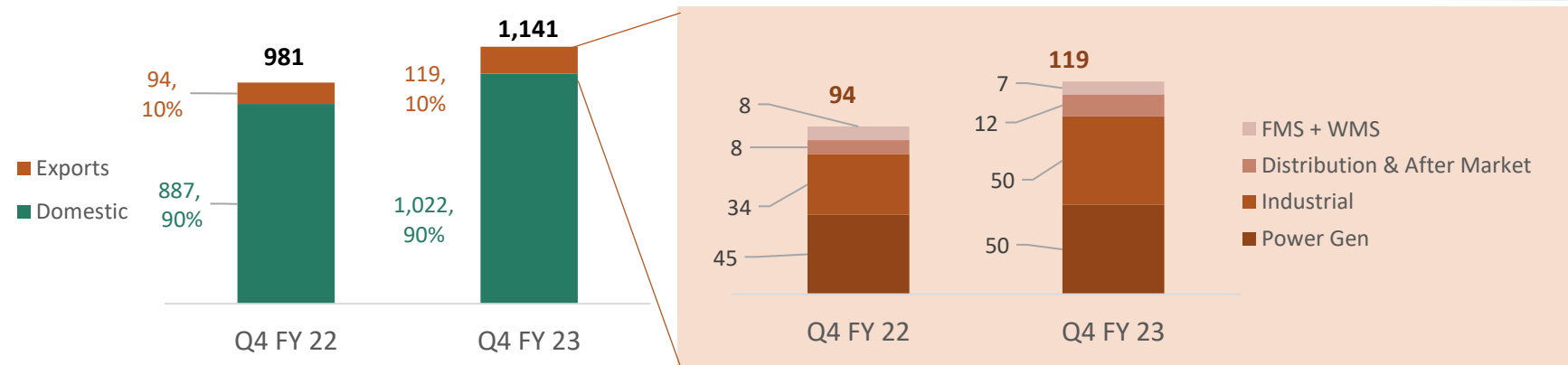
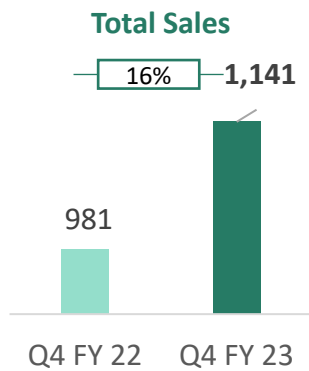
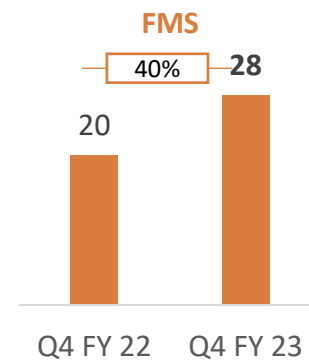
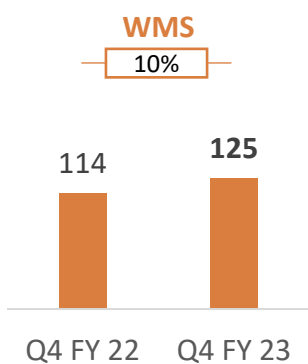
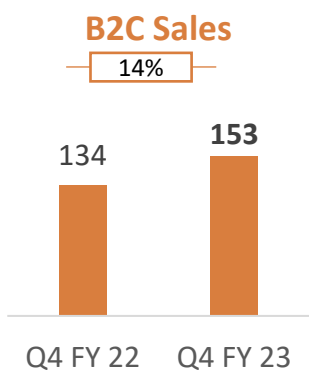
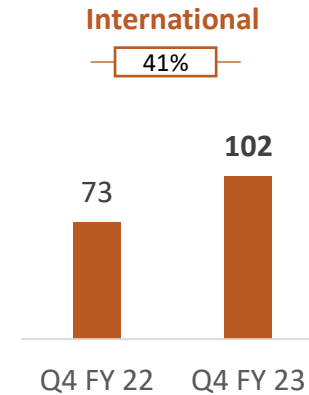
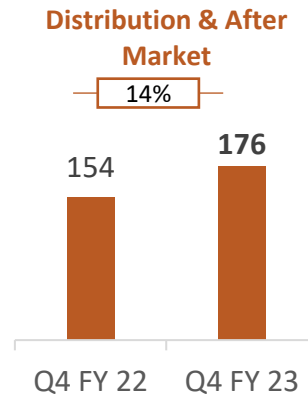
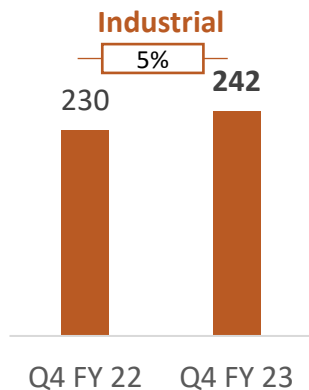
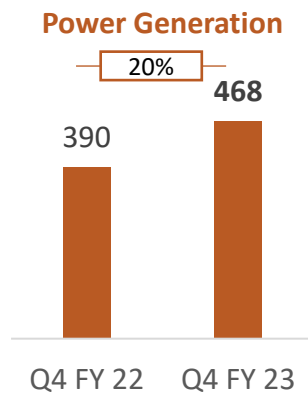
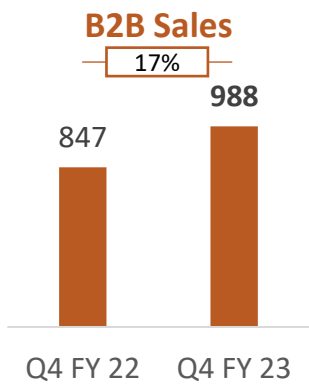
- STRATEGY
- **BUSINESS OVERVIEW**
  - STANDALONE
    - SALES HIGHLIGHTS
  - CONSOLIDATED
    - SEGMENT OVERVIEW
- FINANCIAL OVERVIEW

# Products to Business Segments...

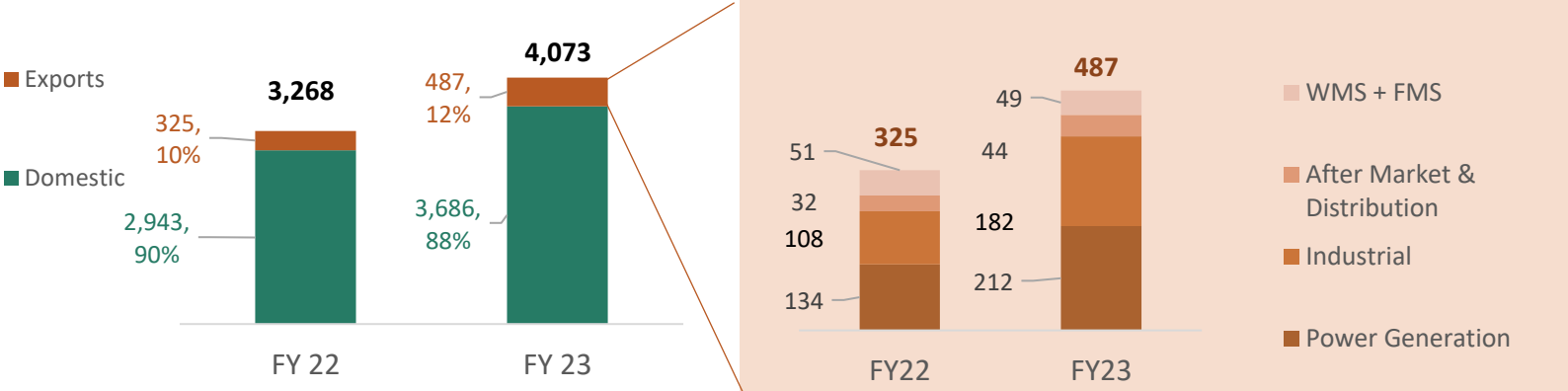
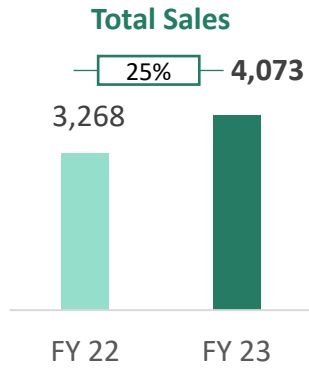
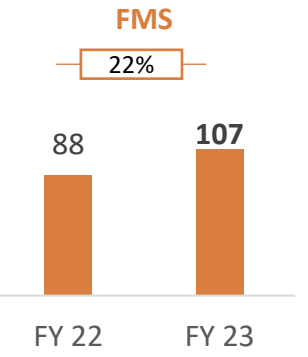
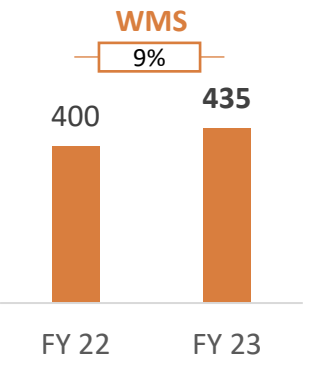
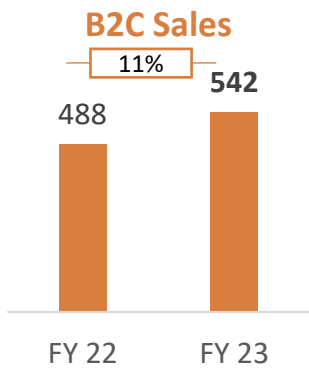
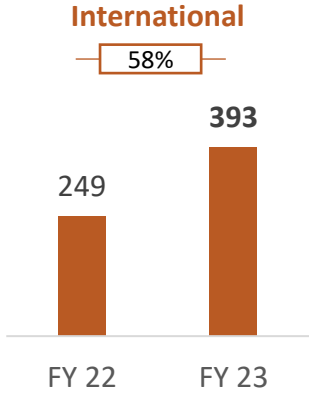
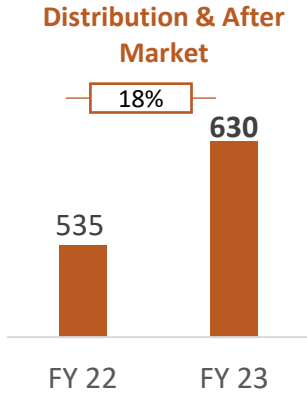
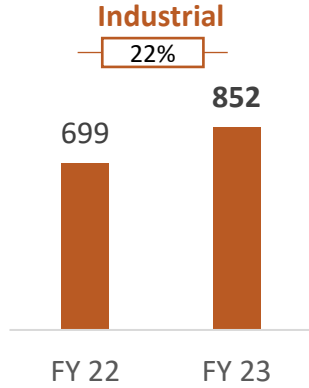
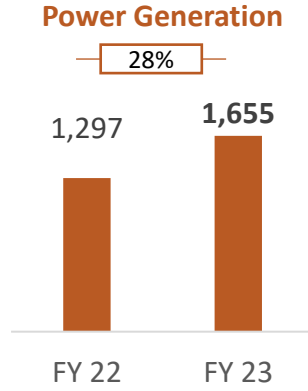
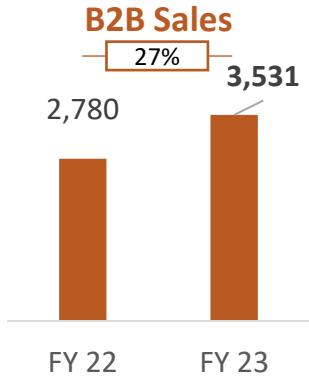


KOEL- Earnings Call – Q4 FY23 – Business Overview

# STANDALONE SALES HIGHLIGHTS – Q4 FY23 Y-o-Y



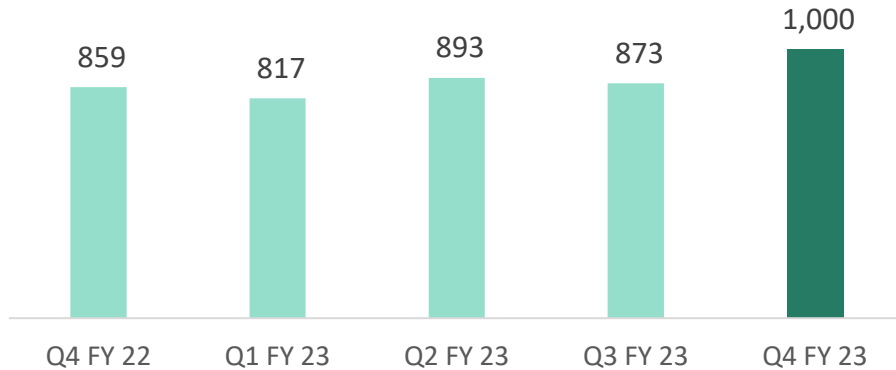
# STANDALONE SALES HIGHLIGHTS – FY23 Y-o-Y



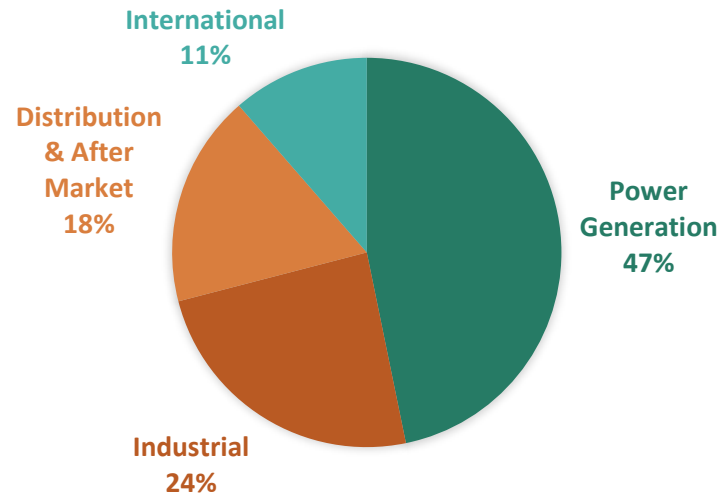
# CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2B

## Segment Revenue Trend

All amounts are in “₹ Crore”



## Segment Revenue Composition For Current Quarter



## Performance Updates

### Power Generation Business Unit

- Powergen continues to grow at ~20% over Q4'PY backed by robust demand, crossing 460 Cr in Q4 FY23
- Increased traction in Telecom segment
- New products launched: 2.8KVA 3000 RPM range inverter technology portable generator

### Industrial Business Unit

- Q4 FY23 sales growth of 5%, closing the full-year sales at 22% over PY
- Significant growth from the Construction and Agri segments
- Higher provisioning for receivables due to delayed recovery of aged overdue receivable

### Distribution & Aftermarket Business Unit

- Strong growth in asset utilization drove the Aftermarket business: Double-digit growth in both Parts & Oil
- New products launched in Distribution: Retrofit dual fuel kits & emission control devices
- Product portfolio expanded in retail channel

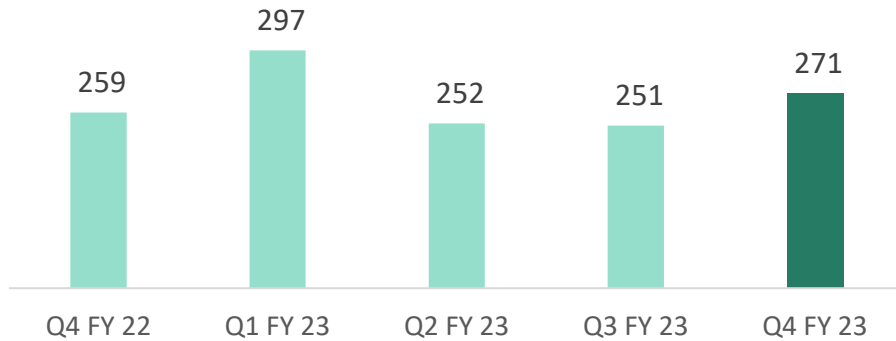
### International Business Unit

- Q4 FY 23 sales growth of 41%, full-year sales growth of 58%
- Pilot batches of R550 engines shipped to select markets
- Launched 2 new models of ULFM engines -175 hp & 300 hp @ 3000 rpm

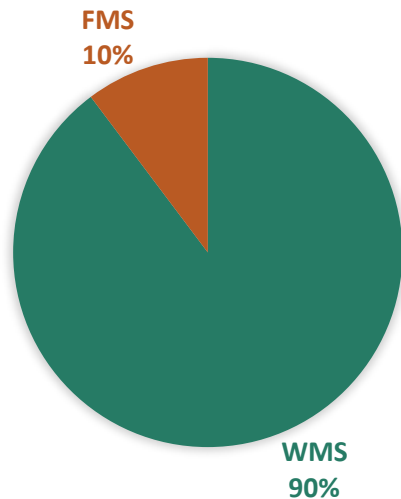
# CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2C

## Segment Revenue Trend

All amounts are in “₹ Crore”



## Segment Revenue Composition For Current Quarter



## Performance Updates

### WMS - La-Gajjar Machinerics (P) Ltd (“LGM”)\*

- New plant MOU signed with Gujarat Industrial Development Corporation
- Highest exports sales achieved for the year
- EBITDA Margins have improved and turned positive

### WMS –Standalone (KOEL)

- Continued focus on deepening and widening strategy, established a strong foundation with 80 Distributors in phase 1 and 2
- New products: Pipes, 3 Phase electric motors, and Pressure booster pumps were introduced

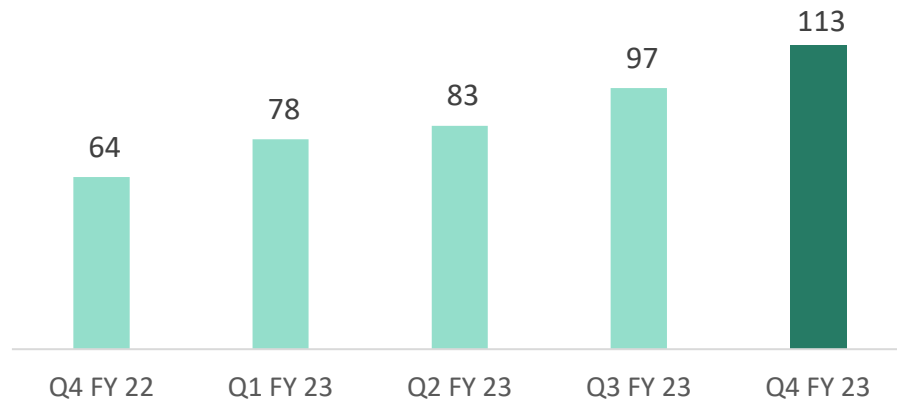
### FMS

- Q4 FY23 sales growth of 40%, full-year sales growth at 22% over PY
- Channel expansion continues and yielding sales growth
- Good growth in export business

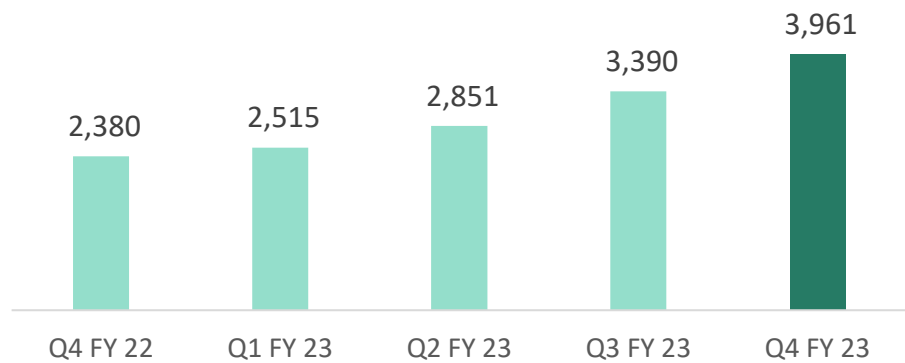
# SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

## Segment Revenue Trend

All amounts are in "₹ Crore"



## AUM\*\*Trend



## Performance Updates

- AFHPL revenue from operations stood at 113 Cr in Q4 FY23; a growth of 75% YoY
- AFHPL PAT stood at 12.2 Cr in Q4 FY23; growth of 233% YoY
- Total Debt as on 31st Mar 23 stood at 3,116 Cr
- Debt to Equity Ratio:
  - 31st Mar 23 - 3.1
  - 31st Dec 22 - 2.4
  - 30th Sep 22 - 2.2
  - 31st Mar 22 - 2.1
- Total AUM\* as on 31st Mar 23 at INR 3,961 Cr
- No asset-liability mismatch
- In Mar'22, AFHPL floated another subsidiary Arka investment Advisory Services Pvt Ltd to act as investment manager for Arka Credit Fund. The Fund was launched and 1<sup>st</sup> closure has been done in Q4 FY'23

\* Consolidated

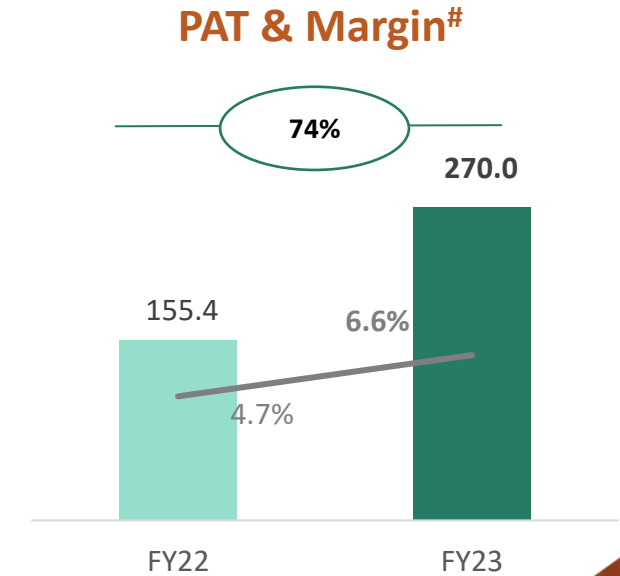
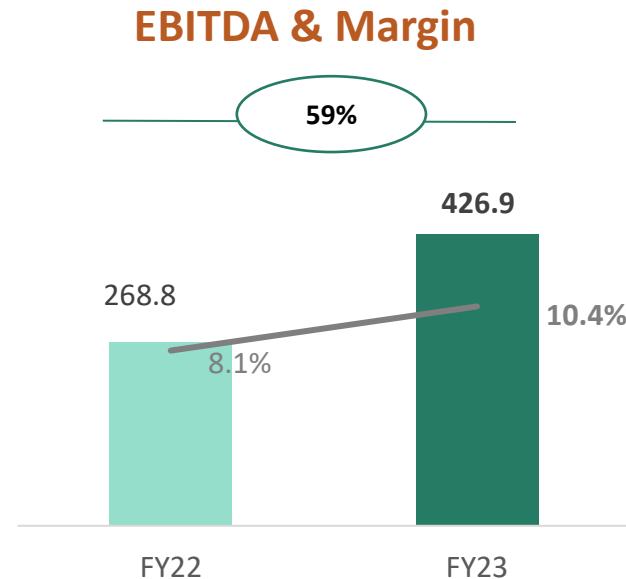
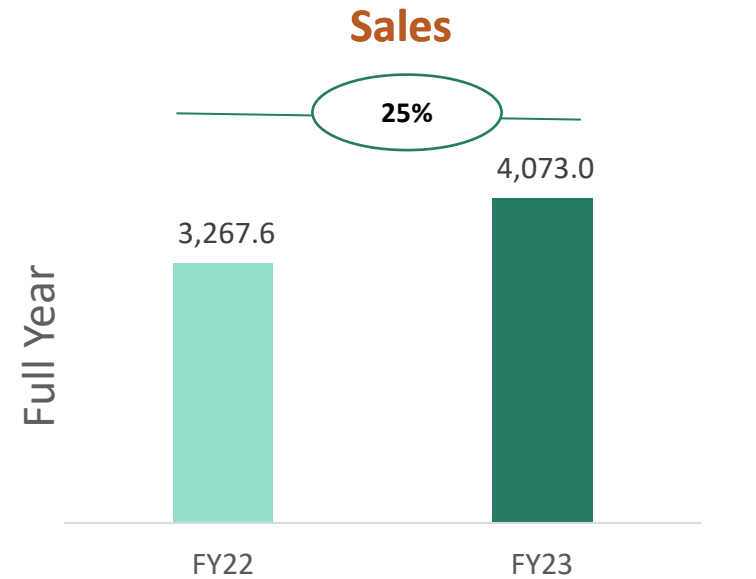
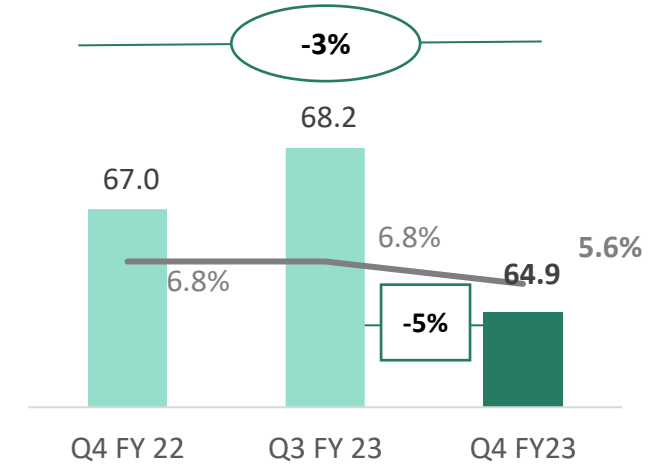
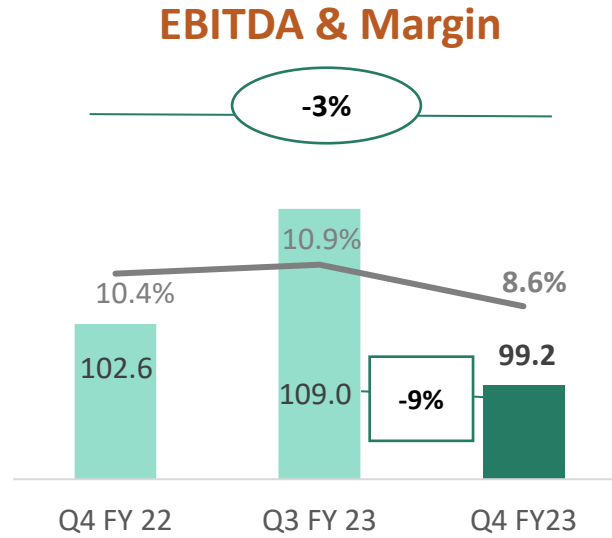
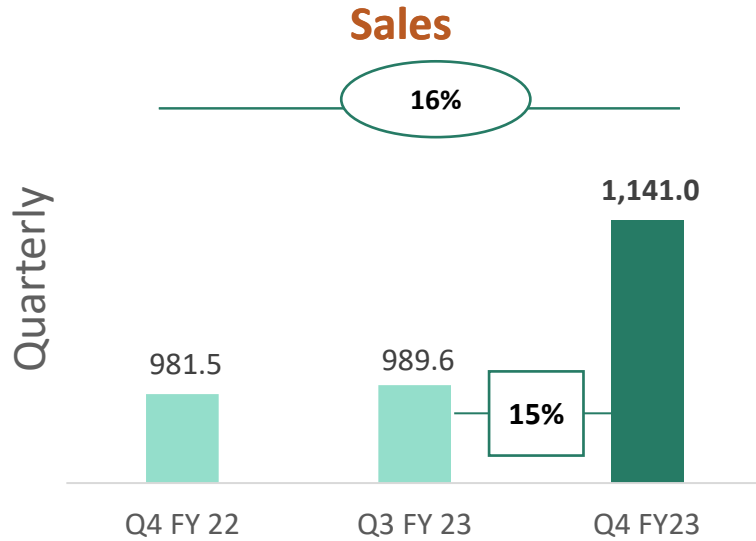
\*\* Excludes treasury assets

- STRATEGY
- BUSINESS OVERVIEW
- **FINANCIAL OVERVIEW**
  - **STANDALONE**
    - PERFORMANCE HIGHLIGHTS
    - PROFIT AND LOSS STATEMENT
    - WORKING CAPITAL AND NET CASH POSITION
  - **CONSOLIDATED**
    - PERFORMANCE HIGHLIGHTS
    - PROFIT AND LOSS STATEMENT
    - SEGMENT RESULTS



# STANDALONE – PERFORMANCE HIGHLIGHTS

All amounts are in “₹ Crore” Oil Engines  
**PAT & Margin#**



# Excluding exceptional items (Profit on sale of ARKA shares)

Note: Q4FY23 and FY23 Expenses include a one-time provision of INR 28.1 Cr for aged overdue receivables



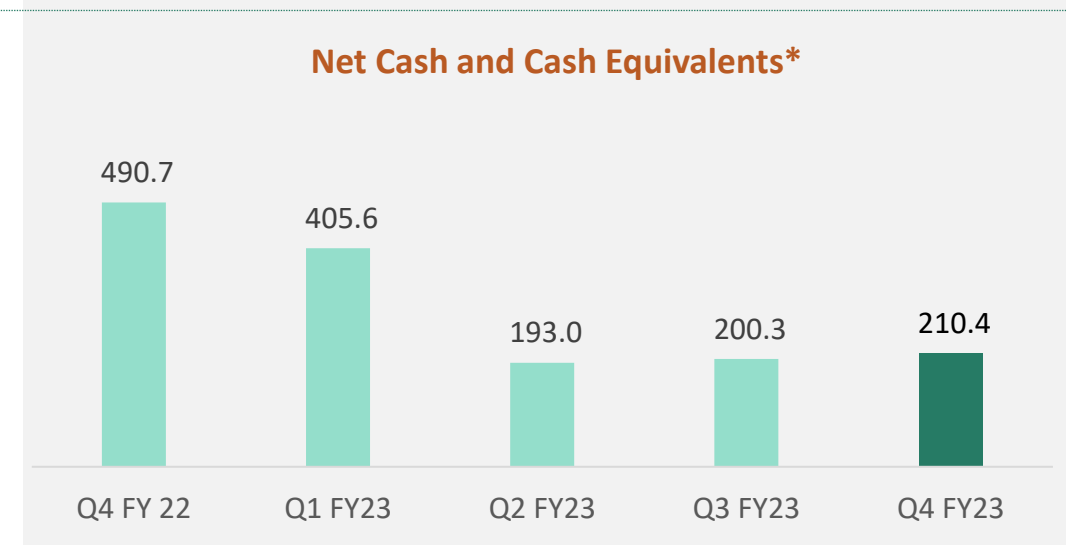
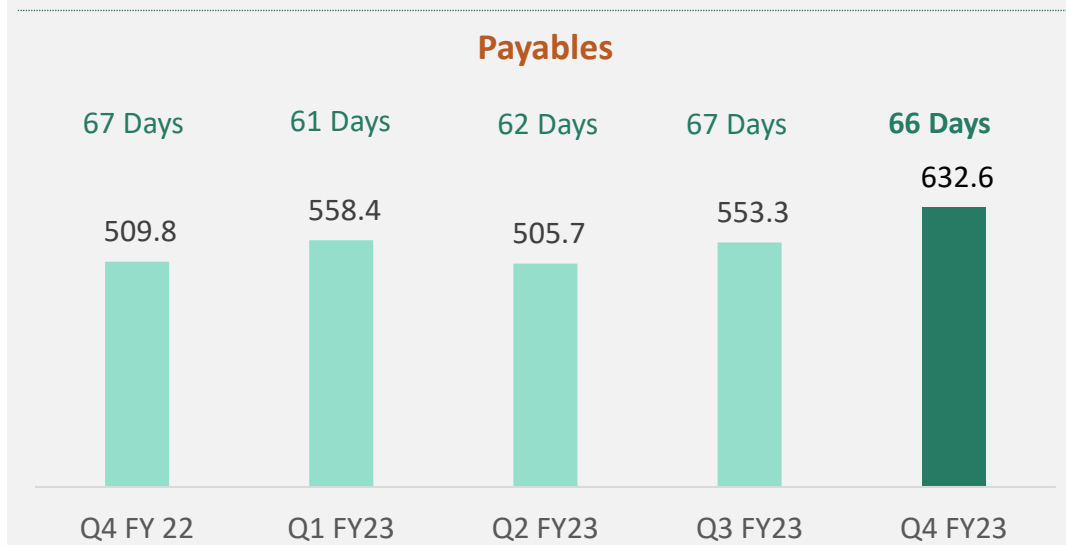
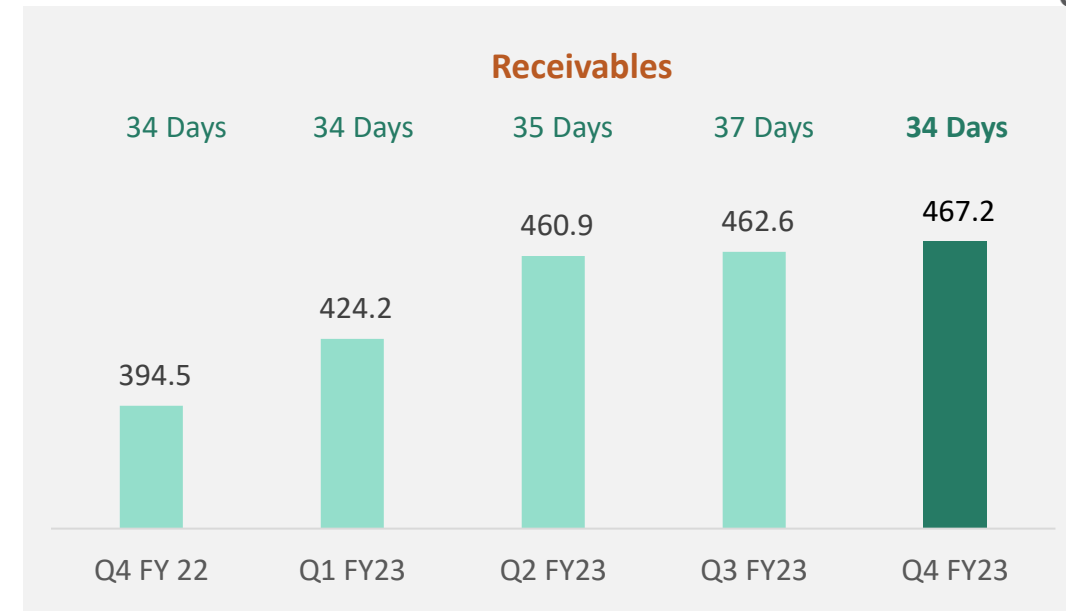
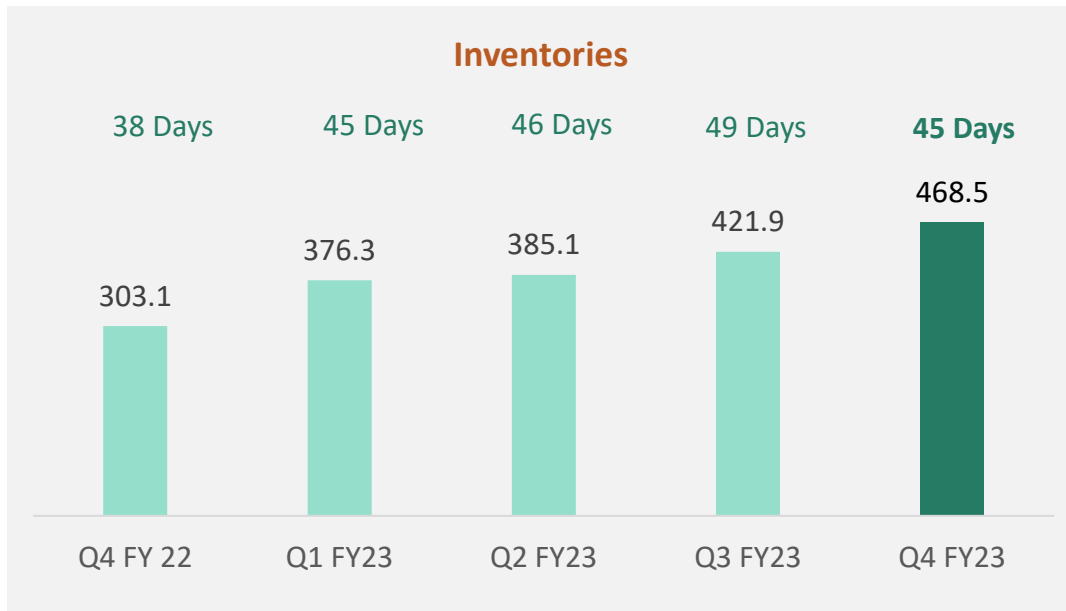
# STANDALONE - PROFIT AND LOSS STATEMENT

All amounts are in "₹ Crore"

Particulars	Q4 FY23	Q3 FY23	QoQ	Q4 FY22	YoY	FY23	FY22	YoY
<b>Net Sales</b>	<b>1,141.2</b>	<b>989.6</b>	<b>15%</b>	<b>981.5</b>	<b>16%</b>	<b>4,073.0</b>	<b>3,267.6</b>	<b>25%</b>
Other Operating Income	11.4	10.5	8%	8.6	33%	43.1	32.1	34%
<b>Revenue from operation</b>	<b>1,152.6</b>	<b>1,000.1</b>	<b>15%</b>	<b>990.0</b>	<b>16%</b>	<b>4,116.1</b>	<b>3,299.7</b>	<b>25%</b>
Raw Material	777.5	677.1	15%	679.6	14%	2,789.7	2,291.2	22%
Employee Costs	63.1	61.2	3%	48.9	29%	236.5	207.0	14%
Other Expenses	212.9	153.0	39%	158.9	34%	663.0	532.7	24%
<b>EBITDA</b>	<b>99.2</b>	<b>108.9</b>	<b>-9%</b>	<b>102.6</b>	<b>-3%</b>	<b>426.9</b>	<b>268.8</b>	<b>59%</b>
<b>EBITDA Margin %</b>	<b>8.6%</b>	<b>10.9%</b>	<b>-2.3%</b>	<b>10.4%</b>	<b>-1.8%</b>	<b>10.4%</b>	<b>8.1%</b>	<b>2.2%</b>
Other Income	11.4	6.0	89%	7.6	51%	27.3	24.8	10%
Depreciation	21.7	21.2	2%	19.1	13%	84.8	77.2	10%
Interest	1.3	1.9	-30%	1.5	-11%	5.4	6.2	-14%
<b>PBT</b>	<b>87.5</b>	<b>91.7</b>	<b>-5%</b>	<b>89.5</b>	<b>-2%</b>	<b>364.1</b>	<b>210.1</b>	<b>73%</b>
Exceptional income/(exp)	-			52.7			52.7	
Tax	22.6	23.6	-4%	22.6	0%	93.9	54.7	72%
<b>PAT</b>	<b>64.9</b>	<b>68.2</b>	<b>-5%</b>	<b>119.6</b>	<b>-46%</b>	<b>270.3</b>	<b>208.0</b>	<b>30%</b>
<b>PAT Margin %</b>	<b>5.6%</b>	<b>6.8%</b>	<b>-1.2%</b>	<b>12.1%</b>	<b>-6.4%</b>	<b>6.6%</b>	<b>6.3%</b>	<b>0.3%</b>

Note: Q4FY23 and FY23 Expenses include a one-time provision of INR 28.1 Cr for aged overdue receivables

# STANDALONE WORKING CAPITAL AND NET CASH POSITION



Notes :

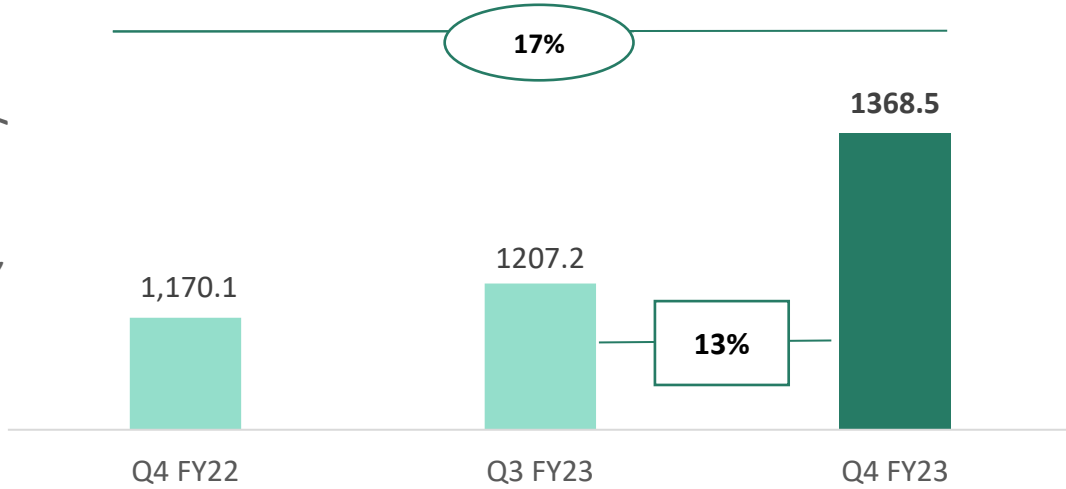
- 1) No. of days has been calculated using average value and TTM (Trailing Three Months method)
- 2) \*Above Cash position excludes unclaimed dividend and is net of debt; includes Company’s treasury investments (liquid & money market funds)



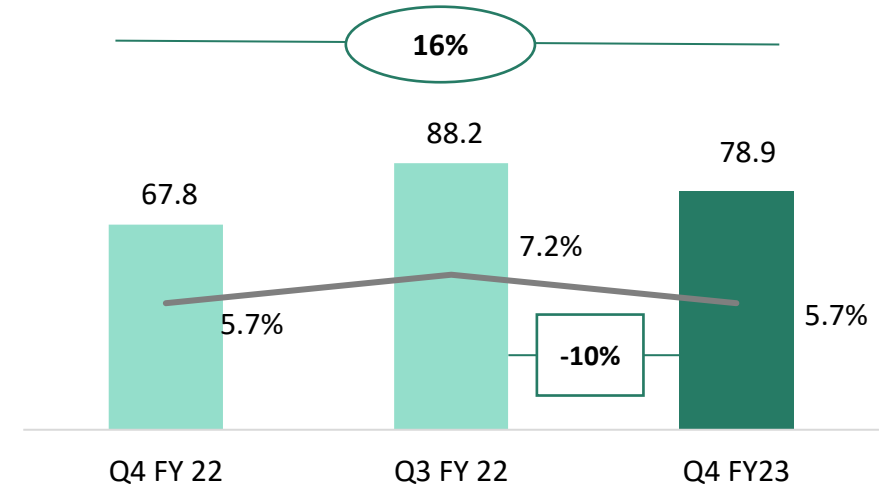
# CONSOLIDATED – PERFORMANCE HIGHLIGHTS

## Sales

Quarterly

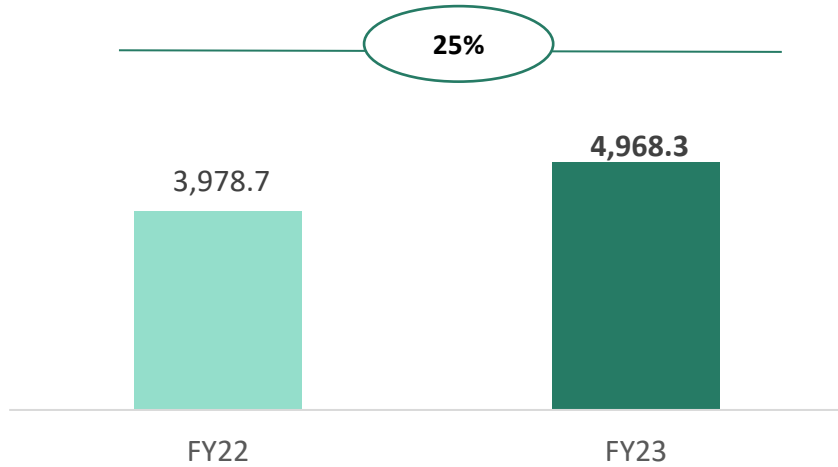


## PAT & Margin

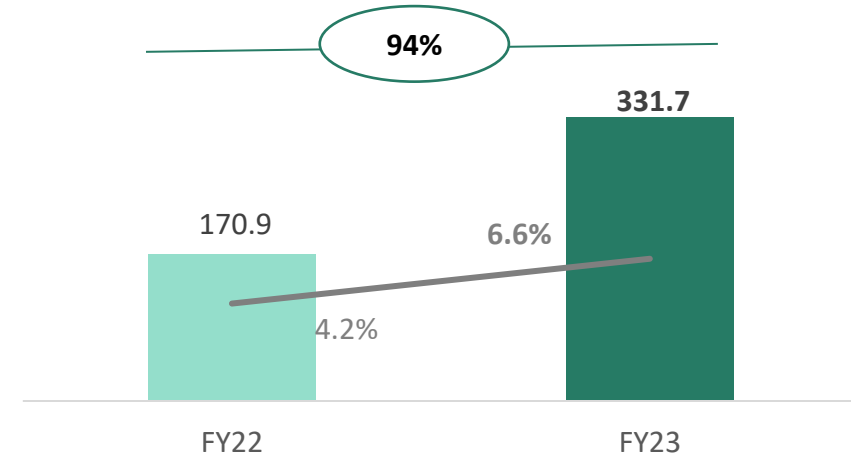


## Sales

Full Year



## PAT & Margin



Note: Q4FY23 and FY23 Expenses include a one-time provision of INR 28.1 Cr for aged overdue receivables

# CONSOLIDATED - PROFIT AND LOSS STATEMENT

All amounts are in "₹ Crore"

Particulars	Q4 FY23	Q3 FY23	QoQ	Q4 FY22	YoY	FY23	FY22	YoY
<b>Net Sales*</b>	<b>1,368.5</b>	<b>1,207.2</b>	<b>13%</b>	<b>1,170.1</b>	<b>17%</b>	<b>4,968.3</b>	<b>3,978.7</b>	<b>25%</b>
Other Operating Income	15.3	13.2	16%	11.8	29%	55.5	43.3	28%
<b>Revenue from operation</b>	<b>1,383.8</b>	<b>1,220.4</b>	<b>13%</b>	<b>1,182.0</b>	<b>17%</b>	<b>5,023.8</b>	<b>4,022.0</b>	<b>25%</b>
Other Income	10.5	6.8	54%	7.8	34%	28.2	26.7	5%
<b>Total Income</b>	<b>1,394.3</b>	<b>1,227.2</b>	<b>14%</b>	<b>1,189.8</b>	<b>17%</b>	<b>5,052.0</b>	<b>4,048.7</b>	<b>25%</b>
Raw Material	841.2	750.4	12%	765.1	10%	3,117.8	2,637.6	18%
Employee Costs	96.6	86.7	11%	75.7	28%	339.7	285.6	19%
Other Expenses	258.0	191.2	35%	197.7	31%	832.3	686.6	21%
Depreciation	26.1	25.6	2%	25.3	3%	104.7	101.3	3%
Interest	64.0	57.2	12%	35.3	81%	209.9	106.0	98%
Share of net profit/(loss) of joint venture accounted for using the equity method (net of tax)	0.4	0.4	3%	0.3	29%	1.3	0.3	293%
<b>PBT</b>	<b>108.8</b>	<b>116.5</b>	<b>-7%</b>	<b>91.0</b>	<b>20%</b>	<b>448.9</b>	<b>231.9</b>	<b>94%</b>
Tax	29.9	28.4	5%	23.1	29%	117.3	61.0	92%
<b>PAT</b>	<b>78.9</b>	<b>88.2</b>	<b>-10%</b>	<b>67.8</b>	<b>16%</b>	<b>331.7</b>	<b>170.9</b>	<b>94%</b>
<b>PAT Margin %</b>	<b>5.7%</b>	<b>7.2%</b>	<b>-1.5%</b>	<b>5.7%</b>	<b>0.0%</b>	<b>6.6%</b>	<b>4.2%</b>	<b>2.4%</b>

\*Net Sales includes revenue from financial service business

Note: Q4FY23 and FY23 Expenses include a one-time provision of INR 28.1 Cr for aged overdue receivables

# SEGMENT RESULTS - CONSOLIDATED

All amounts are in "₹ Crore"

Particulars	Q4 FY23	Q3 FY23	QoQ	Q4 FY22	YoY	FY23	FY22	YoY
<b>Segment Revenue</b>								
B2B	1,000.1	872.8	15%	859.0	16%	3,582.1	2,818.0	27%
B2C	270.9	250.7	8%	258.7	5%	1,070.9	1,002.5	7%
Financial Services	112.9	96.9	17%	64.3	76%	370.8	201.5	84%
<b>Revenue From Operations</b>	<b>1,383.8</b>	<b>1,220.4</b>	<b>13%</b>	<b>1,182.0</b>	<b>17%</b>	<b>5,023.8</b>	<b>4,022.0</b>	<b>25%</b>
<b>Segment Results</b>								
B2B	75.4	92.2	-18%	89.9	-16%	336.5	203.9	65%
B2C	11.6	3.6	222%	-6.0	NA	29.1	-7.7	NA
Financial Services	16.6	22.8	-27%	8.2	102%	82.3	40.8	102%
Unallocated	7.4	2.3	222%	2.9	155%	14.8	9.1	63%
<b>Total</b>	<b>111.0</b>	<b>120.9</b>	<b>-8%</b>	<b>95.1</b>	<b>17%</b>	<b>462.7</b>	<b>246.2</b>	<b>88%</b>
Less:								
<b>Finance Cost*</b>	2.2	4.3	-49%	4.1	-46%	13.7	14.3	-4%
<b>Profit Before Tax</b>	<b>108.8</b>	<b>116.5</b>	<b>-7%</b>	<b>91.0</b>	<b>20%</b>	<b>448.9</b>	<b>231.9</b>	<b>94%</b>

\*Other than the interest pertaining to the "Financial Services" segment

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