



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q2 - FY 2017 -18

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 Highlights



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Power

1. In the Thermal segment, the sector was successful in negotiating two packages with Doosan Power.

Irrigation

1. Successfully commissioned KBL's largest suspension length (30.3 Meters) vertical turbine pump at HNSS Pump Station in Andhra Pradesh
2. Execution of Senegal Project has commenced.

Water

1. Sector had success with Telangana Water Grid orders for supply of pumps. With order received for the second lot in Q2, we shall be supplying 364 nos HSC / VT / Multistage pumps in Q3

Project execution,

1. We physically closed 3 projects and financially closed 2 more.

Sector Highlights



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O&G

1. Chennai Petroleum Corporation Ltd.'s sea water intake pumps in Super Duplex stainless steel construction were shipped to site
2. Indian Oil Corporation Ltd.'s order for firefighting pumps package was executed to its satisfaction

Building and Construction

1. We experienced the market to be sluggish not only due to GST issues, but also due to the enforcement of Real Estate (Regulation and Development) Act 2016 as its provisions came into effect from July-17
2. Value added products like FM/UL Systems, MSMO Pump-sets, HYPN and Autoprime system contributed about 30 % of total booking in Q2

Engineering Services

1. Registered revenue of Rs. 278 M.

Sector Highlights



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Industry

1. Overall growth in booking for H1 is 11%.
2. Along with standard products, the sector is also actively pursuing opportunities for KEPL make boiler feed pumps.
3. A break-through order was received from for 18 HSC pump-sets & 11 solid handling pump-sets.
4. Apart from orders for standard pumps, we received orders for Lowest Life Cycle Cost (LLC) series pumps from Tata Steel, Jamshedpur and critical application Thermic fluid pumps from Rourkela Steel Plant

M&D

1. An order for CFD analysis of Water Mist Fire Fighting System has been successfully executed.

Small Pump Business:

1. The sector achieved 12% growth over P.Y though Market has been stagnant
2. SPB executed its first institutional order from the Bangladesh Water Board for Centrifugal Motor coupled end suction pumps.

Plant Highlights



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Kirloskarvadi:

1. With improved productivity, plant utilization and alignment of supply chain, KOV continued its growth trajectory and registered new highs on almost all parameters. Growth in production was 40% over Last Year

Kondhapuri:

1. The Kondhapuri plant, registered growth of 9% over PY.
2. A product conformity audit by Bureau Veritas was successfully completed for small and medium Butterfly valves.

Small Pump Business Plant:

1. Growth in production was 10 % over Last Year

Companywide Pending Orders



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Pending Order Board as on September 2017

Sector (Rs. Crs)	Q - 3 Dec-16	Q - 4 Mar-17	Q - 1 Jun-17	Q - 2 Sep-17	Q - 2 % of Total
Irrigation	681	677	695	644	39%
Water Resource Mgmt	178	168	144	159	10%
Power	321	360	423	530	32%
Oil & Gas	33	36	36	32	2%
Marine & Defence	10	30	45	43	3%
Industry	91	61	95	83	5%
Building & Construction	38	42	40	39	2%
Customer Support & ESD	44	53	47	37	2%
Valves	21	85	80	85	5%
TOTAL	1,417	1,513	1,606	1,651	100%

	Dec-16	Mar-17	Jun-17	Sep-17
KBL Standalone	Q 3	Q 4	Q 1	Q2
Orders Received	394	665	531	474

	Dec-16	Mar-17	Jun-17	Sep-17
KBL Consolidated	Q 3	Q 4	Q 1	Q2
Orders Received	660	994	894	832
Pending Orders on Hand	2,000	2,136	2,309	2,432

* Excluding Orders kept on hold Rs. 199 Cr, and orders for which work not commenced Rs. 354 Cr



Q2 Financials – Standalone Highlights

1. Total income in H1 of CY is Rs.866 Cr as against Rs. 740 Cr in PY a rise of 17%.
2. Sale of Product sectors is at Rs. 689 Cr as against Rs. 572 Cr in H1 of PY. Project sector sales are at Rs. 157 Cr as against Rs. 148 Cr in H1 of PY.
3. Sale of products with in project sector is Rs. 104 Cr (PY Rs. 98 Cr).
4. PBT of H1 is Rs. 30 Cr as against Rs. 19 Cr in H1 of PY.
5. Net working capital reduced from Rs. 475 Cr from end March 2017 to Rs. 468 Cr at the end of Sept 2017.
6. Borrowings are at Rs. 166 Cr at the end of 30th Sept, 2017 as against Rs. 189 Cr at 31st March 2017.



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Q2 Key Financials – Standalone

Rs. Crs

Particulars	Half Year Ending			Year Ended Mar 31, 2017
	Sep-17	Sep-16	Sep-15	
KEY FINANCIALS				
Total Income	866	740	745	1,754
P B D I T	60	57	41	124
P B T	30	19	3	53
P A T	25	16	6	32
CASH PROFIT	42	37	26	72
KEY FINANCIAL RATIOS				
P B I D T % AGE	6.9%	7.6%	5.5%	7.1%
P B T % AGE	3.5%	2.6%	0.4%	3.0%
R O C E % AGE	8.2%	6.6%	3.9%	8.3%

Note: Figures of total income are disclosed net of excise duty recovered.



Q2 Key Financials – Standalone

Rs. Crs

Particulars	Quarter Ending			Year Ended
	Sep-17	Sep-16	Sep-15	Mar 31, 2017
Total Assets	1,019	1,066	1,060	1,028
Gross Current Assets	1,479	1,386	1,358	1,379
Gross Current Liabilities	1,011	869	866	904
Net Current Assets	468	518	491	475
Borrowings	166	244	258	189



Q2 Key Financials – Consolidated

Rs In Crs

Particulars				Year Ended Mar 31,
	Sep-17	Sep-16	Sep-15	
KEY FINANCIALS				
Total Income	1,181	1,148	1,160	2,600
P B D I T	47	48	38	131
P B T	0	(8)	(19)	22
P A T	(2)	(9)	(16)	4
CASH PROFIT	27	26	19	69
KEY FINANCIAL RATIOS				
P B I D T % AGE	4.0%	4.2%	3.3%	5.0%
P B T % AGE	0.0%	-0.7%	-1.6%	0.8%
R O C E % AGE	2.8%	1.9%	0.6%	4.8%



Q2 Key Financials – Consolidated

Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31,
	Sep-17	Sep-16	Sep-15	
Total Assets	1,309	1,369	1,318	1,265
Gross Current Assets	2,232	2,084	1,907	1,907
Gross Current Liabilities	1,491	1,311	1,182	1,204
Net Current Assets	741	773	726	703
Borrowings	417	411	347	355



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Thank You