



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q3 - 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

- Received order for Concrete Volute Pumps required at 2x660 MW Obra and 2x660 MW Jawaharpur projects from Doosan India

Irrigation

- Dispatched seven numbers of large Spiral casings and spares worth INR 200 M for Package III of Yattinohole Project and successfully commissioned seven numbers of metallic volute pumps at Yattinahole II site
- Received a major order for Odisha cluster projects.
- Binh-Bo Vietnam project is nearing completion with formal inauguration planned for March 18. The formal date of project completion has been extended with a commitment from the authorities to make available land for commissioning the balance canal and erecting the high-tension power line

Sector Highlights



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Water

- In the last quarter, sector achieved highest sales in last five years INR 448 M
- Bookings for Q3 however, were impacted due to delay in finalization of orders from the concerned authorities.
- In our efforts for selling value added products, we received orders for auto prime sets, mixed flow pumps for flood application etc.
- The sector was successful in securing two orders for replacement of existing pumps.

Project Execution

- The team physically closed one project and financially closed four more projects and exceeded its payment recovery target

Sector Highlights



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O&G

- Sector commissioned the sea water intake pump for CPCL Chennai and circulating water pumps for Exxon Mobil, Baytown USA project

Building and Construction

- Sector achieved 7% growth in order booking for Q3.
- Booking from value added products has shown growth of 26% over Q3 of last year. These orders consist of 21 sets of FM / UL, 38 sets of MSMO, 120 sets of HYPN and 111 units of the NS pumps
- RERA implementation and provisions for punitive actions against defaulters has slowed launching of new projects.

Engineering Services

- As part of customer connect program, the team conducted seminars at five coal related customer locations
- Both service divisions faced delay in order processing due to delay at PSU after GST implementation

Sector Highlights



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Industry

- Sector registered 48% growth in Q3 compared to same period PY
- Coal segment continued to be amongst the major revenue contributor with orders being placed by Singareni Collieries co Ltd; Neyveli Lignite Corporation and OEMs.
- “All India & Indian Subcontinents Channel Partners Meet” held in Q3. About 103 dealers participated in the meet

M&D

- Sector received major order to supply firefighting pump sets for Goa Shipyard.

Small Pump Business:

- SPB achieved 11% growth over last year for the same period.
- Solar Business has registered growth of 232% over LY in Q3.

Plant Highlights



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Kirloskarvadi:

1. KOV continued its growth and registered new highs on almost all parameters. KOV crossed INR 5,000 M dispatch till Dec-17, highest ever at KOV for first nine months.
1. KOV YTM Dec-17 export sale of INR 1,135 M is 21% higher than PY.

Kondhapuri:

1. In Q3, we completed development of larger size valves such as 2,400 mm BFV, 1,400 and 1,800 mm turbine inlet valves, 1800 mm MDNRV etc.

Small Pump Business Plants:

- In December SPB plants witnessed highest ever production.
- Dewas plant has started TPM autonomous maintenance.

Companywide Pending Orders



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Pending Order Board as on December 2017

Sector (Rs. Crs)	Q - 4 Mar-17	Q -1 Jun-17	Q -2 Sep-17	Q -3 Dec-17	Q - 3 % of Total
Irrigation	677	695	644	604	38%
Water Resource Mgmt	168	144	159	130	8%
Power	360	423	530	532	34%
Oil & Gas	36	36	32	29	2%
Marine & Defence	30	45	43	44	3%
Industry	61	95	-	76	5%
Building & Construction	42	40	83	43	3%
Customer Support & ESD	53	47	76	48	3%
Valves	85	80	84	79	5%
TOTAL	1,513	1,606	1,651	1,583	100%

	Mar-17	Jun-17	Sep-17	Dec-17
KBL Standalone	Q 4	Q 1	Q 2	Q 3
Orders Received	665	531	474	368

	Mar-17	Jun-17	Sep-17	Dec-17
KBL Consolidated	Q 4	Q 1	Q 2	Q 3
Orders Received	994	894	832	653
Pending Orders on Hand	2,136	2,309	2,432	2,181

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



Q3 Financials – Standalone Highlights

Highlights:

- Total income for nine months ended Dec 2017 is Rs.1,312 Cr as against Rs. 1,175 Cr in corresponding period in PY rise of 12%.
- Sale of Product sectors for nine months ended Dec 2017 is at Rs. 1,030 Cr as against Rs. 886 Cr in corresponding period in PY. Project sector sales are at Rs. 271 Cr as against Rs. 282 Cr in corresponding period in PY.
- Product sales in project sectors is 76% as against 73 % in PY.
- PBT of for nine months ended Dec 2017 is Rs. 42 Cr as against Rs. 23 Cr in in corresponding period in PY, mainly due to rise in sales.
- Net working capital is at Rs. 466 Cr, as against Rs. 475 Cr in March 2017.
- Total borrowings including term loan for capital expenditure (Rs. 50 Cr) are at Rs. 226 Cr, as against Rs. 189 Cr in March 2017.



Q3 Key Financials – Standalone

Rs. Crs

Particulars	Nine months ending			Year Ended Mar 31, 2017
	Dec-17	Dec-16	Dec-15	
KEY FINANCIALS				
Total Income	1,312	1,175	1,148	1,754
P B D I T	87	78	51	124
P B T	42	23	(6)	53
P A T	34	16	(6)	32
CASH PROFIT	61	47	24	72
KEY FINANCIAL RATIOS				
P B I D T % AGE	6.6%	6.6%	4.4%	7.1%
P B T % AGE	3.2%	1.9%	-0.5%	3.0%
R O C E % AGE	7.4%	6.1%	2.7%	8.3%

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



Q3 Key Financials – Standalone

Rs. Crs

Particulars	Nine months ending			Year Ended Mar 31, 2017
	Dec-17	Dec-16	Dec-15	
Total Assets	1,089	1,034	1,083	1,028
Gross Current Assets	1,499	1,414	1,419	1,379
Gross Current Liabilities	1,033	933	900	904
Net Current Assets	466	481	520	475
Borrowings	226	211	296	189



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Q3 Key Financials – Consolidated

Rs In Crs

Particulars	Nine months ending			Year Ended Mar 31,
	Dec-17	Dec-16	Dec-15	
KEY FINANCIALS				
Total Income	1,843	1,798	1,831	2,600
P B D I T	61	68	32	131
P B T	(11)	(15)	(52)	22
P A T	(13)	(16)	(45)	4
CASH PROFIT	32	35	5	69
KEY FINANCIAL RATIOS				
P B I D T % AGE	3.3%	3.8%	1.8%	5.0%
P B T % AGE	-0.6%	-0.8%	-2.8%	0.8%
R O C E % AGE	2.1%	1.7%	-1.8%	4.8%



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Q3 Key Financials – Consolidated

Rs. Crs

Particulars	Nine months ending			Year Ended Mar 31,
	Dec-17	Dec-16	Dec-15	
Total Assets	1,174	1,320	1,330	1,265
Gross Current Assets	2,303	2,112	2,005	1,907
Gross Current Liabilities	1,595	1,382	1,264	1,204
Net Current Assets	708	730	741	703
Borrowings	431	384	389	355



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Thank You