



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q3 - FY 2015-16

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.

Companywide Highlights



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- Company performance in the third Quarter was lower than planned due to shortfall in sales for small pumps channel business with in the product sectors, and power sector amongst the project sectors
- Recently, Union Cabinet has approved a proposal from the Ministry of Power for amendments in the Tariff Policy 2006, aimed at providing 24*7 power for all, reducing the cost of power through efficiency, promoting clean energy and improve ease of doing business to ensure financial viability of the sector
- In project sectors company continues to focus on selective orders depending upon customer financial position, pricing & terms of payment
- Company has launched several new initiatives for focused marketing to increase its market and customer reach, presence in global markets rationalization of product range etc
- Various Initiatives are under implementation for improving the performance in terms of product quality and vendor development to meet customers expectations



Sector Highlights

Irrigation:

- Sector has received a major order for supply of 17 Vertical Turbine Pump Sets
- Company completed supply of 20 Pump-sets for SAUNI project in Gujarat
- Berber Pumping station commissioned and site handed over to Al Rajhi, Sudan
- Diar Abu Hennes Intake and Inner pumping station handed over to Mechanical Engineering Department (MED), Egypt

Water Resource Management:

- Slow speed, high head pump introduced
- In this quarter, Sector commissioned its pumpsets for Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) Godavari Project



Sector Highlights

Power

- Sector received order for the Pelton turbine for a 3 x 5 MW hydro electric project in Himachal Pradesh.
- Cooling Water pumping system commissioned for 2 x 520 Megawatt Vizag Thermal Power Project of Hinduja National Power Corporation India Limited (HNPCL)

Oil & Gas

- Fertilizer segment witnessing resumption of business activity. Work has commenced on revival plan formulated by the Central Government for sick fertilizer units.

Sector Highlights



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Industry

- Received order for Sasol FLUOR for a Oil & Gas project in the USA
- Endurance test successfully conducted for Aircooled Thermic fluid pump - and received performance certificate

Building & Construction

- Received order for Hydro-Pneumatic System (HYPN) with Lowest Life Cycle (LLC) cost Pumps
- Received order for Factory Mutual (FM) and Underwriting Laboratories (UL) certified (FM/UL) fire fighting pumps from Bangladesh

Valves

- Strengthened existing channel network through Dealer meet.

Companywide Pending Orders



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Pending Order Board as on December 2015

Sector (Rs. Crs)	4Q Mar-15	1Q Jun-15	2Q Sep-15	3Q Dec-15	3Q % of Total
Irrigation	747	729	777	750	49%
Water Resource Mgmt	189	190	179	157	10%
Power	324	361	307	297	20%
Gas & Oil & Defence	76	47	38	29	2%
Marine & Defence		14	13	11	1%
Industry	66	76	35	32	2%
Building & Construction	38	35	25	28	2%
Distribution	41	38	40	39	3%
Customer Support & Spare	22	24	26	38	2%
Valves	88	88	70	45	3%
Export Excellence Cell (EEC)			65	88	6%
TOTAL	1,589	1,601	1,576	1,514	100%

Rs. In Crs

	Mar-15	Jun-15	Sep-15	Dec-15
KBL Standalone	Q 4	Q 1	Q 2	Q 3
Orders Received	532	463	344	530

Rs. In Crs

	Mar-15	Jun-15	Sep-15	Dec-15
KBL Consolidated	Q4	Q1	Q2	Q 3
Orders Received	682	752	612	624
Pending Orders on Hand	2,030	2,137	2,096	2,299

Orders of irrigation sector not commenced for execution amounting to Rs. 395 Crs are excluded from pending orders on hand



Q3 Financials – Standalone Highlights

Highlights: - Standalone KBL

- 7% rise in sales over PY.
- YTD Loss stands at Rs.13 Crs against Rs. 29 Crs in same period of PY
- Net working capital has gone up from Rs. 471 Crs in March 2015 to Rs. 519 Crs in Dec 2015 (rise of Rs. 48 Crs)
- Borrowings have gone up by Rs. 58 Crs over March 2015.

Sales:

- Product sectors sales are at Rs. 877 Crs as against Rs. 790 Crs in PY, (rise of 11%). Project sector sales are at Rs. 264 Crs as against Rs. 279 Crs in PY, (fall of 5%). The company in 2010 had project sales of 70% & product sales of 30% . The change in mix shows robust growth in the products division to counter issues on the projects and EPC business and improvement in cash flows

Material Cost:

- The composite material cost as a % to sales has increased to 65.7% from 64.6 % of previous year.



Q3 Financials – Standalone Highlights

Expenses:

- Total expenditure excluding depreciation and finance cost is Rs. 369 Crs as against Rs. 355 Crs PY. Major items are:
- Rise in Employee Related Expenses Rs. 8 Crs
- Expenses on Alstom Arbitration Rs. 4 Crs

Finance Cost:

- Total finance cost including bank charges is at Rs. 27 Crs as against Rs. 31 Crs in previous year. Reduction is on account lower rates and reduction in bank guarantee exposure.

Profit /Loss before Tax (PBT):

- Loss is Rs. 13 Crs as against loss of Rs. 29 Crs PY.

Q3 Key Financials – Standalone



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Rs. Crs

Particulars	Nine Months Ending			Year Ended Mar 31, 2015
	Dec-15	Dec-14	Dec-13	
Total Assets	1,083	1,052	1,104	1,035
Gross Current Assets	1,419	1,403	1,440	1,356
Gross Current Liabilities	900	916	895	885
Net Current Assets	520	487	545	471
Borrowings	296	283	296	238



Q3 Key Financials – Standalone

Rs. Crs

Particulars	Nine Months Ending			Year Ended Mar 31, 2015
	Dec-15	Dec-14	Dec-13	
KEY FINANCIALS				
Total Income	1,167	1,084	1,270	1,637
P B D I T	43	38	101	97
P B T	(13)	(29)	45	6
P A T	(9)	(28)	32	8
CASH PROFIT	20	9	59	58
KEY FINANCIAL RATIOS				
P B I D T % AGE	3.7%	3.5%	8.0%	5.9%
P B T % AGE	-1.1%	-2.7%	3.5%	0.3%
R O C E % AGE	1.7%	0.2%	9.1%	4.5%

Q3 Key Financials – Consolidated



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Rs. Crs

Particulars	Nine Months Ending			Year Ended Mar 31, 2015
	Dec-15	Dec-14	Dec-13	
Total Assets	1,330	1,438	1,379	1,296
Gross Current Assets	2,005	2,097	2,104	1,822
Gross Current Liabilities	1,264	1,257	1,326	1,116
Net Current Assets	741	839	779	706
Borrowings	389	419	389	297



Q3 Key Financials – Consolidated

Rs. Crs

Particulars	Nine Months Ending			Year Ended Mar 31, 2015
	Dec-15	Dec-14	Dec-13	
KEY FINANCIALS				
Total Income	1,831	1,786	1,964	2,745
P B D I T	32	66	99	208
P B T	(52)	(26)	51	63
P A T	(45)	(29)	31	45
CASH PROFIT	5	28	43	140
KEY FINANCIAL RATIOS				
P B I D T % AGE	1.8%	3.7%	5.0%	7.6%
P B T % AGE	-2.8%	-1.5%	2.6%	2.3%
R O C E % AGE	-1.8%	0.9%	8.2%	7.2%



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Thank You