



Kirloskar Brothers Limited.

Financial Analysts Presentation

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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Water

1. With focus on products business, this year the total booking done under Water sector is only for products business.
2. We continue to book orders for value added products like the LLC's & the Auto-primers
3. We commissioned specially designed largest HSC pump with bottom suction arrangement under Kolkata Environmental Improvement Investment Program

Irrigation

1. Despite stiff competition on price basis in domestic market, we were successful in booking product orders for projects like Souni, Piyaz & Orissa cluster
2. With increased focus on the orders for smaller and medium sized VT pumps, we booked various orders from Haryana and other states

Power

1. The low order intake is mainly because sluggish growth in the thermal power segment. Of the planned 15 Ultra-Mega Power Projects (UMPP) of 4,000 MW each, only 2 projects have been commissioned till date. All other UMPP's are on hold due to environmental, land & financial issues
2. On the backdrop of above scenario and continued stiff competition, we received order for supply of concrete volute pumps for Jawaharpur and Obra projects
3. The estimated potential of Small Hydro Projects (SHPs) in India is of about 21 GW. The Ministry of New & Renewable Energy (MNRE) has set up targets for adding about 5 GW per year through installation of new SHPs. However, the actual speed of project completion is very slow since the developers continues to face financial and project clearance issues, resulting in long delays in project initiation & execution

Sector Highlights



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Oil & Gas:

1. Prestigious order received for FM/UL pumps for Oil India Ltd

Marine and Defense

1. This year, we received major order to supply Water Mist System for a Defence project

Industry Sector

1. Successfully entered the critical application segment in steel plants with the order from Rourkela Steel Plant for Thermic fluid process pumps

Building and Construction

1. We continue to promote Hydro-pneumatic systems which has yielded good results.
2. We have received orders for Lucknow, Jaipur and Nagpur Metro projects
3. We have received order for fire sprinkler systems from SPP UK.

Sector Highlights



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Valve

1. Some major orders received in this year were PHED Rajasthan, Sauni Yojana, Mohanpura etc.

Small Pumps Business

1. Despite challenging market conditions posed due to the aftermath of demonetization coupled with the knee jerk reaction of market to adopt to the new tax regime, we have closed the year with a fair growth over Previous Year.
2. The new products introduced in the last 2 years and the current year have enabled us to improve our sales.

Plant Highlights



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Kirloskarvadi

1. This plant has registered 18% growth by value over PY
2. KOV plant has during the year executed several prestigious orders like the Yettinhole (Package I, II, III & IV), Al Majjis Oman, Telangana Project, Sonla Sugar Thailand etc.

Small Pumps Business (Dewas, Sanand & Kaniyur)

1. Dewas plant has been awarded with the GreenCo 'Gold' certification this FY by CII
2. With TPM being implemented and improvement initiatives in place this plant is expected to improve the production volumes to meet the market demand.
3. The plant capacity utilization has improved in the year.
4. A total of 30 new products have been developed and productionized during the year.

Kondhapuri

1. This year, we received approval from agencies such as AECOM, MJP and MIDC
2. Kondhapuri plant won 2nd prize in 12th state level awards for Excellence in Energy Conservation and Management under SME sector for FY 2016-17

Shirwal

1. KBL is the only company in India to have a fully automated test set-up for HYPN systems.
2. This year, plant manufactured new products; fire sprinkler system (FLD), skid mounted HYPN systems, CPBS – pump wave model.

Companywide Pending Orders



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Pending Order Board as on 31st March, 2018

Sector (Rs.Crs)	Q -1 Jun-17	Q -2 Sep-17	Q -3 Dec-17	Q -4 Mar-18	Q - 4 % of Total
Irrigation	695	644	604	679	46%
Water Resource Mgmt	144	159	130	93	6%
Power	423	530	532	516	35%
Oil & Gas	36	32	29	15	1%
Marine & Defence	45	43	44	25	2%
Industry	95	83	76	53	4%
Building & Construction	40	39	43	35	2%
Customer Support & ESD	47	37	48	16	1%
Valves	80	84	79	50	3%
TOTAL	1,606	1,651	1,583	1,482	100%

Rs. In Crs					Rs. In Crs				
	Jun-17	Sep-17	Dec-17	Mar-18		Jun-17	Sep-17	Dec-17	Mar-18
KBL Standalone	Q 1	Q 2	Q 3	Q 4	KBL Consolidated	Q 1	Q 2	Q 3	Q 4
Orders Received	531	474	368	501	Orders Received	894	832	653	877
					Pending Orders on Hand	2,309	2,432	2,181	2,149

* Excluding Orders kept on hold Rs. 229 Cr, and orders for which work not commenced Rs. 321 Cr

FY 2017 -18 - Standalone Financial Highlights



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1. Revenue from operations was Rs. 1,913 Cr as against Rs. 1,736 Cr in the previous year, registering a rise of 10%.
2. Sale of product sector are at Rs 1,487 Cr as compared to Rs 1,281 Cr in PY showing increase of 16% .
3. Sales of project sector are at Rs 418 Cr as compared to Rs 453 Cr in showing decrease of 8%.
4. Ratio of Project sector sales to total sales now stands at 22% as against 26% in PY. Further, Product sales in project sector is 72% as against 66% in PY. Thus less than 7% revenue came from project activities.
5. KBL continued with the policy of dispatch only against recovery of money for projects business.
6. Composite material cost has increased by 1.8% over PY.
7. Material cost of manufactured products has increased to 53.9% from 50.5 % in PY. This is mainly due to
 - i. Change in product mix- Share of spares sale in total sales has come down as compared to last year.
 - ii. Impact of rise in input material prices
 - iii. PY Sales included execution of few sale orders where MSR was very low

FY 2017 -18 - Standalone Financial Highlights



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8. Finance cost and Depreciation for the year are at Rs 25 Cr and Rs 35 Cr as against Rs 32 Cr and Rs. 40 Cr in previous year.
9. Operating Profit for the year is at Rs. 96 Cr as against operating profit of Rs. 70 Cr in PY.
10. Profit before tax is at Rs. 92 Cr as against profit of Rs. 53 Cr with a rise of 74 % over PY.
11. Inventories have increased to Rs. 312 Cr from Rs. 260 Cr as on 31st March 2017.
12. Despite of rise in sales by 10% total receivables including retentions have remained at same level with decrease in retentions by Rs. 36 Cr.
13. Working capital borrowings as at end of the year were at Rs. 118 Cr as against Rs. 190 Cr in PY.
14. ROCE has improved to 11.1% from 8.3% in PY.

Three Year Financials - Standalone

Rs. In Crs

Year	FY 16	FY 17	FY 18
Turnover	1,639	1,736	1,913
Domestic	1,495	1,569	1,780
Exports	144	167	133
Total Assets	1,060	1,027	1,061
Net Current Assets	519	493	494
Investment	239	239	273
Net Fixed Assets	302	295	293

Three Year Financials - Standalone

Rs. In Crs

Year	FY 16	FY 17	FY 18
Shareholder's Funds	806	838	896
Subscribed Capital	16	16	16
Reserves	790	822	880
Borrowings	253	189	165

Rs. In Crs

Year	FY 16	FY 17	FY 18
EBDITA	86	124	153
<i>% to Sales</i>	5.3%	7.2%	8.0%
PBT	7	53	92
<i>% to Sales</i>	0.5%	3.1%	4.8%
PAT	11	33	66
<i>% to Sales</i>	0.7%	1.9%	3.4%
Cash Profit	52	73	101



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Three Year Financials - Standalone

Rs. In Crs

Year	FY 16	FY 17	FY 18
Earnings Per Share - Rs.	1.4	4.2	8.26
Cash Earnings Per Share - Rs.	6.5	9.2	12.7
Dividend Payout - Rs. In Crores	4	8	23
<i>Dividend - %</i>	25%	50%	125%
Book Value / Share - Rs. Per Share	102	106	113
Market Cap - Rs in Crores	937	2,014	2,467
No. of Employees	2,369	2,450	2,567
Turnover / Employee - Rs in Crores	0.7	0.7	0.7

FY 2017 -18 – Consolidated Financials Highlights



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1. Consolidated turnover has increased by 9% to Rs. 2,742 Cr in CY as against Rs. 2,526 Cr in PY.
2. Turnover of overseas subsidiary companies has increased by 8% to Rs. 847 Cr as against Rs. 786 Cr in PY.
3. PBT of domestic subsidiaries is Rs. 23 Cr as against Rs 8 Cr in PY
4. International subsidiaries made loss of Rs. 40 Cr as against the loss of Rs. 45 Cr in PY. With the stabilization/ uptrend in global oil prices, we expect further improvement in the performance of overseas subsidiaries.
5. Total consolidated PBT is at Rs. 73 Cr against Rs. 16 Cr in PY.
6. Total group borrowings stand at Rs 346 Cr as against Rs. 359 Cr in PY



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Three Year Financials - Consolidated

Rs. In Crs

Year	FY 16	FY 17	FY 18
Turnover	2,518	2,526	2,742
Within India	1,579	1,658	1,856
Outside India	939	868	885
Total Assets	1,286	1,260	1,292
Net Current Assets	737	730	769
Investment	40	46	49
Goodwill	18	18	18
Net Fixed Assets	491	467	456

Three Year Financials - Consolidated

Rs. In Crs

Year	FY 16	FY 17	FY 18
Shareholder's Funds	925	901	946
Subscribed Capital	16	16	16
Reserves	909	885	930
Borrowings	362	359	346

Rs. In Crs

Year	FY 16	FY 17	FY 18
EBDITA	90	131	175
% to Sales	3.6%	5.2%	6.4%
PBT	(15)	16	73
% to Sales	-0.6%	0.6%	2.7%
PAT	(23)	4	50
% to Sales	-0.9%	0.1%	1.8%
Cash Profit	43	69	109



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Consolidated Accounts 2017 - 18

Rs.In Crs

PARTICULARS	TOTAL INCOME		PROFIT / LOSS BEFORE TAX		INCOME TAX		PROFIT AFTER TAX	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
PARENT COMPANY								
Kirloskar Brothers Ltd	1,932	1,753	92	53	27	20	66	33
SUBSIDIARY COMPANIES								
Kirloskar Corrocoat Ltd	33	29	2	(1)	1	(0)	2	(1)
The Kolhapur Steels Ltd	45	32	0	(5)	0	(0)	0	(4)
Karad Projects and Motors Ltd	327	300	20	13	4	0	16	13
Kirloskar International BV (Consolidated)	847	786	(40)	(45)	(4)	(4)	(36)	(41)
SUB TOTAL	1,252	1,147	(17)	(37)	0	(4)	(17)	(33)
JOINT VENTURE COMPANIES								
Kirloskar Ebara Pumps Ltd. (45%) share		-				-	3	5
TOTAL	3,185	2,899	75	16	27	16	52	5
Less : Inter group transactions/ consolidation adjustments	421	342	2	(0)	0	(2)	2	2
TOTAL (KBL)	2,763	2,557	73	16	27	18	50	4

Consolidated Accounts 2017 - 18



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Rs. In Crs

PARTICULARS	Net Worth		Borrowings		Current & Non Current Liabilities		Total Liabilities and Net worth	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
PARENT COMPANY								
Kirloskar Brothers Ltd	896	838	165	189	1,016	939	2,076	1,966
SUBSIDIARY COMPANIES								
Kirloskar Corrocoat Ltd	10	8	4	4	9	11	23	23
The Kolhapur Steels Ltd	(3)	(3)	11	6	20	20	28	22
Karad Projects and Motors Ltd	95	81	1	1	91	89	186	171
Kirloskar International BV (Consolidated)	174	172	167	160	313	279	654	611
SUB TOTAL	275	258	182	171	433	399	891	828
TOTAL	1,171	1,096	347	360	1,448	1,338	2,967	2,794
Less : Inter group transactions	225	195	1	1	162	114	389	311
TOTAL (KBL)	946	901	346	359	1,286	1,224	2,578	2,483

Consolidated Accounts 2017 - 18



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Rs. In Crs

PARTICULARS	Fixed Assets		Investments		Current & Non Current Assets		Total Assets	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
PARENT COMPANY								
Kirloskar Brothers Ltd	293	295	273	239	1,803	1,727	2,076	1,966
SUBSIDIARY COMPANIES								
Kirloskar Corrocoat Ltd	6	7			23	23	23	23
The Kolhapur Steels Ltd	11	12			28	22	28	22
Karad Projects and Motors Ltd	27	29	0	0	186	171	186	171
Kirloskar International BV (Consolidated)	119	125	0		654	611	654	611
SUB TOTAL	164	172	0	0	891	828	891	828
TOTAL	457	467	273	239	2,694	2,555	2,967	2,794
Less : Inter group transactions	1	1	224	193	165	118	389	311
TOTAL (KBL)	456	467	49	46	2,529	2,438	2,578	2,483



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Thank You