



Enriching Lives

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# Kirloskar Brothers Limited.

## Financial Analysts Presentation

### Q2 - 2018 -19



# 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 & Irrigation

1. Received LOI worth Rs. 1,999.81 M from MCGM to build pumping station.
2. We have also received various orders for supply of total 22 Auto-prime pump-sets.

## Power sector

Successfully manufactured and dispatched 2 Canned motor pumps worth Rs. 60 M.

## Project Execution

1. On the Project execution front, we achieved five physical and four financial closures in Q2.
2. In second quarter, we collected bank guarantees worth Rs 100 M The bank guarantees collection for H1 stands at Rs. 424 M.
3. On WIP front, we collected Rs. 144 M in Q2. For H1, the WIP collection stands to Rs. 165 M.
4. We surpassed the recovery target in Q2 by collecting Rs. 323 M. Our YTM recovery on project front is Rs. 644 M.

## Oil & Gas

Major orders booked in Q2 are from IOCL, HMEL etc. With continual efforts, we also bagged order from BPCL for supply of LLC pump set.

# Sector Highlights

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## **Valves**

Sector has achieved booking of Rs. 512 M in H1, with growth of 27% over PY.

## **Marine & Defense**

Sector bagged orders worth Rs. 125 M and has achieved the H1 booking target.

## **Export Excellence cell**

1. On the Export business front, we doubled the sales to Rs. 448 M for Q2 from Rs. 203 M for the PY.
2. Major orders dispatched in Q2 were supply of 3 nos large VT pumps for South Bangkok power plant and supply of 21 nos multistage pumps for MEDEA, Algeria.

## **Small Pump Business**

Solar business is also on the growth path. It has achieved sales of Rs. 62 M through sale of 3,545 pump units in H1 which is volumetric growth of about 55%.

# Plant Highlights



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## **Kirloskarvadi**

1. KOV plant achieved 11% YTM growth against PY.
2. In H1, LPD registered growth of 28%.

## **Small Pumps Business plants (Dewas, Sanand & Kaniyur)**

1. Dewas plant achieved growth of 19% over PY.
2. In Q2, Sanand plant achieved 20% growth over PY.
3. In Q2, Kaniyur plant achieved 10% growth over PY.

## **Kondhapuri**

In Q2, plant successfully executed large size valve orders such as 10 nos BFVs of 2400 mm size and 3 nos SLVs of 1500 mm size.

# Companywide Pending Orders



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## Pending Order Board as on Sept 2018

Sector (Rs.Crs)	Q -3 Dec-17	Q -4 Mar-18	Q -1 Jun-18	Q -2 Sep-18	Q - 2 % of Total
Irrigation	604	679	638	571	31%
Water Resource Mgmt	130	93	103	301	16%
Power	532	516	492	544	30%
Oil & Gas	29	15	79	73	4%
Marine & Defence	44	25	53	52	3%
Industry	76	53	78	88	5%
Building & Construction	43	35	62	70	4%
Customer Support & ESD	48	16	34	57	3%
Valves	79	50	86	80	4%
<b>TOTAL</b>	<b>1,583</b>	<b>1,482</b>	<b>1,625</b>	<b>1,835</b>	<b>100%</b>

	Dec-17	Mar-18	Jun-18	Sep-18
KBL Standalone	Q 3	Q 4	Q 1	Q 2
Orders Received	368	501	592	683

	Dec-17	Mar-18	Jun-18	Sep-18
KBL Consolidated	Q 3	Q 4	Q 1	Q 2
Orders Received	653	877	960	1,038
Pending Orders on Hand	2,181	2,149	2,320	2,582

\* Excluding Orders kept on hold Rs. 229 Cr, and orders for which work not commenced Rs. 284 Cr



# Q2- Standalone Financial Highlights

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## Highlights:

1. Profitability- PBT of Rs. 51 Cr in first half year is highest in last five years.
2. ROCE of 11.7 % which is highest in last five years
3. Sales for H1 FY 2018-19 are higher by 10% as compared H1 of FY 2017-18. This is after regrouping previous years' figures to make them comparable with current year. PY sales include sale of KPML motors of Rs. 35 Cr, if we remove this sale from PY, real growth in sales is 15%.
4. Sales for the current quarter were Rs.480 Cr against Rs. 430 Cr in same quarter in PY.
5. Revenues from Project activities in this period were 5% of total income.



# Q2- Standalone Financial Highlights

## Profitability:

1. Profit before tax is at Rs. 51 Cr as against of Rs. 30 Cr in PY. PBT has increased by 70% over PY.
2. CY PBT include impact of following items –
  - a. Net FOREX gain (realized and unrealized) of Rs. 10 Cr.
  - b. Interest received on income tax refund Rs. 8 Cr against Rs. 4 Cr in PY
  - c. Provision made for doubtful debts / Liquidated Damages / Credit loss is Rs. 23 Cr.

## Balance Sheet:

1. During the current year company has made an investment of Rs. 248 M (Euro 3.1 M) in Kirloskar Brothers International BV.
2. Debtors as well as creditors, in terms of number of days sales are lower than 31st March 2018.
3. Working capital borrowings are at Rs. 139 Cr as against Rs 118 Cr as on 31st March 2018 and Rs. 165 Cr as 30<sup>th</sup> September, 2017



# Q2 Key Financials - Standalone



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Rs. In Crs

Particulars	Half Year Ending			Year Ended Mar 31, 2018
	Sep-18	Sep-17	Sep-16	
<b>KEY FINANCIALS</b>				
Total Income	972	866	740	1,932
P B D I T	80	60	57	153
P B T	51	30	19	92
P A T	39	25	16	67
CASH PROFIT	56	42	37	102
<b>KEY FINANCIAL RATIOS</b>				
P B I D T % AGE	8.3%	6.9%	7.6%	7.9%
P B T % AGE	5.3%	3.5%	2.6%	4.8%
R O C E % AGE	11.7%	8.2%	6.6%	11.1%

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

# Q2 Key Financials - Standalone



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Rs. In Crs

Particulars	Half Year Ending			Year Ended Mar 31, 2018
	Sep-18	Sep-17	Sep-16	
Total Assets	1,072	1,019	1,066	1,061
Gross Current Assets	1,406	1,479	1,386	1,475
Gross Current Liabilities	956	1,011	869	1,003
Net Current Assets	450	468	518	471
Borrowings	180	166	244	165

# Q2 Key Financials - Consolidated



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Rs In Crs

Particulars				Year
	Sep-18	Sep-17	Sep-16	Ended Mar 31, 2018
<b>KEY FINANCIALS</b>				
Total Income	1,412	1,181	1,148	2,797
P B D I T	60	47	48	175
P B T	13	0	(8)	77
P A T	4	(2)	(9)	50
CASH PROFIT	33	27	26	109
<b>KEY FINANCIAL RATIOS</b>				
P B I D T % AGE	4.2%	4.0%	4.2%	6.3%
P B T % AGE	0.9%	0.0%	-0.7%	2.7%
R O C E % AGE	4.8%	2.7%	1.9%	9.0%

# Q2 Key Financials - Consolidated



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Rs In Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2018
	Jun-18	Jun-17	Jun-16	
<b>Total Assets</b>	1,224	1,328	1,344	1,292
<b>Net Current Assets</b>	667	731	737	734
<b>Total Borrowings</b>	317	439	396	346



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# Thank You

