

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q3 - 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 and Irrigation

1. Sector received few major orders for supply of metallic volute pumps, for VT pumps and for supply of electro mechanical equipment a/c Parasdoh lift irrigation scheme.
2. Sector executed major order for supply of 81 VT pumps to be installed in 25 pumping stations under Odisha Cluster project.

Power sector

1. Successfully completed the critical development order for Shut Down Cooling application pump and dispatched the pump in Q3.
2. With satisfactory execution of contract for supervision services of 'pumps erection & commissioning' for ITER-France project, KBL has proved its capabilities to provide aftermarket services in international nuclear project arena.

Sector Highlights



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Project Execution:

1. The Project execution team has closed 3 projects physically and another 3 financially.
2. WIP payments worth Rs. 10.6 Cr were collected during the quarter. Total recovery of Rs. 97.1 Cr achieved in first 9 months.

Building and Construction

1. Sector has achieved impressive growth of 38% in sales and 20% in booking.
2. Sale of value added products increased by 23% vis-à-vis corresponding quarter of last year.

Industry

1. Order booking shows 19% growth over PY.
2. Focused approach towards new customers worked well.

Sector Highlights



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Oil & Gas sector

1. Received orders for our products, resulting into more than 50% growth over PY.

Valves

1. Sector has registered 45% growth in order booking.
2. Major orders received in Q3 are for 7 valves of 1300-2100 mm size, 756 resilient seated sluice valves, 1600 mm penstock protection BFV for a hydropower project in Vietnam, 8 NRSVs of 1200 mm size for a municipal corporation project.

Marine & Defense

1. Sector has achieved exponential growth of 50% in order booking over PY.
2. In Q3, we received a major order from Mazagaon Dock Shipbuilders Limited.

Customer Support Service

1. Have signed annual rate contract with a refinery plant for supply of spare parts.
2. Focus on retro fitment and refurbishment business has helped to secure orders from various customers in Water, Power and Oil & Gas segments.

Sector Highlights



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Export Excellence cell

1. On the Export business front, company registered 59% growth over PY.
2. In Q3, we received some major orders worth for supply of FM/UL fire pump-sets and process pump-sets for projects in North Africa.
3. The major orders dispatched in Q3 were, 59 submersible pumps for a project in Uzbekistan, 30 horizontal split case pump-sets for Kuwait University

Small Pump Business

1. In Q3, SPB has grown by 25% over PY.
2. With finalization of major tenders by institutional buyers, Solar business has registered 56% growth over PY.

Plant Highlights



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Kirloskarvadi

1. In Q3, plant registered 11% growth over PY.
2. In the month of Dec, KOV plant produced highest number of pumps manufactured in a month in SMPD.
3. In view of need for “Shared Leadership” and “Long Term sustainability”, succession planning initiatives like formation of Sub-Steering committee, introducing Management Development Program (MDP) has been started at KOV Plant.

Small Pumps Business plants (Dewas, Sanand & Kaniyur)

1. In Q3, Dewas plant achieved 10% growth over last year same period
2. December was month of all time high production. Single phase monoblock pumps and open well submersible pumps have constituted major chunk of these production.
3. Plant production of Sanand in December 18 exceeded earlier best figures recorded in June 18.
4. In Q3, Sanand plant output has shown 33% growth as compared to the PY.
5. Major growth was registered for 6” submersible pump-sets (111%) followed by 4” water filled submersible pump-sets (54%).
6. During Q3, Kaniyur plant also produced high number of pumps as planned.

Kondhapuri:

1. In Q3, revenues increased by 11% over PY.
2. On YTM Dec basis, plant has achieved volumetric growth of 17% over PY.

Companywide Pending Orders



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Pending Order Board as on Dec 2018

(Rs.Crs)

Sector	Q -4	Q -1	Q -2	Q -3	Q -3
	Mar-18	Jun-18	Sep-18	Dec-18	% of Total
Irrigation	679	638	571	611	33%
Water Resource Mgmt	93	103	301	335	18%
Power	516	492	544	518	28%
Oil & Gas	15	79	73	74	4%
Marine & Defence	25	53	52	47	3%
Industry	53	78	88	79	4%
Building & Construction	35	62	70	72	4%
Customer Support & ESD	16	34	57	52	3%
Valves	50	86	80	76	4%
TOTAL	1,482	1,625	1,835	1,864	100%

	Mar-18	Jun-18	Sep-18	Dec-18
KBL Standalone	Q 4	Q 1	Q 2	Q 3
Orders Received	501	592	683	540

	Mar-18	Jun-18	Sep-18	Dec-18
KBL Consolidated	Q 4	Q 1	Q 2	Q 3
Orders Received	877	960	1,038	872
Pending Orders on Hand	2,149	2,320	2,582	2,635

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

Q3- Standalone Financial Highlights



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Highlights:

1. Profitability- PBT of Rs. 68 Cr in first nine months.
2. ROCE of 11%.
3. Sales growth for nine months (without KPML motors) is at 17%. Q3 sales growth is 21% (excluding KPML motors sale of PY).
4. Revenues recognized in Current Year from Turnkey Project orders are 4% of total sales.

Profitability:

1. Profit before tax is at Rs. 68 Cr as against of Rs. 42 Cr in PY. PBT has increased by 57% over PY.
2. PBT for the quarter is Rs. 17 Cr as against Rs. 12 Cr in the same quarter in PY. PBT is after partial reversal (Rs. 6.5 Cr) of FOREX gain accounted in H1.

Balance Sheet:

1. Working capital borrowings are at Rs. 109 Cr as against Rs 118 Cr as on 31st March 2018 and Rs. 176 Cr in Dec 2017.

Q3 Key Financials - Standalone



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Rs. Crs

Particulars	Nine months ending			Year Ended Mar 31, 2018
	Dec-18	Dec-17	Dec-16	
KEY FINANCIALS				
Total Income	1,486	1,312	1,175	1,932
P B D I T	114	87	78	153
P B T	68	42	23	92
P A T	51	34	16	67
CASH PROFIT	78	61	47	102
KEY FINANCIAL RATIOS				
P B I D T % AGE	7.6%	6.6%	6.6%	7.9%
P B T % AGE	4.6%	3.2%	1.9%	4.8%
R O C E % AGE	11.0%	7.4%	6.1%	11.1%

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

Q3 Key Financials - Standalone



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Rs. Crs

Particulars	Nine months ending			Year Ended
	Dec-18	Dec-17	Dec-16	Mar 31, 2018
Total Assets	1,052	1,089	1,034	1,061
Gross Current Assets	1,460	1,499	1,414	1,475
Gross Current Liabilities	1,036	1,033	933	1,003
Net Current Assets	424	466	481	471
Borrowings	148	226	211	165

Q3 Key Financials - Consolidated



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Rs In Crs

Particulars	Nine months ending			Year Ended Mar 31, 2018
	Dec-18	Dec-17	Dec-16	
KEY FINANCIALS				
Total Income	2,094	1,843	1,798	2,797
P B D I T	75	61	68	175
P B T	2	(11)	(15)	77
P A T	(9)	(13)	(16)	50
CASH PROFIT	36	32	35	109
KEY FINANCIAL RATIOS				
P B I D T % AGE	3.6%	3.3%	3.8%	6.3%
P B T % AGE	0.1%	-0.6%	-0.8%	2.7%
R O C E % AGE	2.9%	2.1%	1.7%	8.8%

Q3 Key Financials - Consolidated



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Rs. Crs

Particulars	Nine months ending			Year Ended Mar 31, 2018
	Dec-18	Dec-17	Dec-16	
Total Assets	1,295	1,174	1,320	1,292
Gross Current Assets	2,307	2,303	2,112	1,996
Gross Current Liabilities	1,646	1,595	1,382	1,262
Net Current Assets	661	708	730	734
Borrowings	363	431	384	346

Thank You