

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q1 - 2019 - 20

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. Strategy to focus on value added products business continues
2. External factors affecting execution of projects at MCGM-Versova, Senegal and Penganga
3. Order execution for RVR, Upper Pennar is on hold due to change in state governments.

Building and Construction

1. Sales for Q1 show 17% growth over PY.
2. Revenues from Tier-II cities have increased

Industry

1. This sector has achieved a growth in sales of 21% over Previous Year
2. Major orders received in Chemical segment.

Sector Highlights



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Power

1. Manufactured and dispatched for site testing 2 pumps A/c NPCIL
2. Display of PICO product in exhibition at Bangkok International Trade & Exhibition Centre
3. Order received for Supervision services at ITER France

Oil & Gas

1. Sales for Q1 have registered a growth of 132% over Previous year
2. EIL audit successfully concluded at KOV plant

Small Pump Business - High growth for Single phase Monoblock pumps, 3” submersible pump sets achieved in this quarter.

Kirloskarvadi

1. Plant has achieved 20% growth in dispatches.
2. Plant achieved 32% volumetric growth for Process pumps division

Small Pumps Business plants (Dewas, Sanand & Kaniyur)

Dewas

1. Plant Capacity utilization for Dewas improved.
2. Three Phase pumps production achieved major growth, followed by Single phase pumps production.

Sanand - KS 3” water filled pump-sets achieved major growth followed by KS 4” water filled pump-sets and KU 4” Oil filled pump-sets.

Kaniyur - Achieved highest monthly production in May’19

Companywide Pending Orders



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Pending Order Board as on June 2019					
Sector (Rs.Crs)	Q -2 Sep-18	Q -3 Dec-18	Q -4 Mar-19	Q - 1 Jun-19	Q - 1 % of Total
Irrigation + Water Resource Mgmt	872	946	844	880	50%
Power	544	518	493	487	28%
Oil & Gas	73	74	66	60	3%
Marine & Defence	52	47	42	39	2%
Industry	88	79	65	74	4%
Building & Construction	70	72	87	86	5%
Customer Support & ESD	57	52	38	53	3%
Valves	80	76	60	68	4%
TOTAL	1,835	1,864	1,696	1,747	100%

	Sep-18	Dec-18	Mar-19	Jun-19
KBL Standalone	Q 2	Q 3	Q 4	Q 1
Orders Received	683	540	583	516

	Sep-18	Dec-18	Mar-19	Jun-19
KBL Consolidated	Q 2	Q 3	Q 4	Q 1
Orders Received	1,038	872	845	852
Pending Orders on Hand	2,582	2,635	2,335	2,341

* Excluding orders kept on hold Rs. 74 Cr and order for which work not commenced Rs. 270 Cr

Q1- Standalone Financial Highlights



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Financial Highlights

Standalone

1. Sales for Q1 FY 2019-20 are higher by 4% as compared Q1 of FY 2018-19.
2. Stagnant contribution coupled with increase in various expenses and fall in other income has brought down profit before tax from Rs 25 Cr to Rs 7 Cr.
3. Increase in inventory and other current assets has resulted in increased borrowing for working capital.

Consolidated

1. KEPL a joint venture company has improved profitability to 8 %.
2. KPML a domestic subsidiary continues to maintain growth in sales and profitability.
3. Overseas companies have reported improvement in performance in this quarter as compared to same period in the previous year. Sales up by Rs. 35 Cr (15%) and losses lower by Rs. 2 Cr (12%)
4. TKSL and KCPL our domestic subsidiaries have reported losses in this quarter due to lower order booking.

Q1 Key Financial - Standalone



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Rs. Crs

Particulars	Quarter Ending		Year Ended Mar 31, 2019
	Jun-19	Jun-18	
KEY FINANCIALS			
Total Income	478	472	2,248
P B D I T	23	38	187
P B T	7	25	124
P A T	6	18	87
CASH PROFIT	17	27	124
KEY FINANCIAL RATIOS			
P B I D T % AGE	4.8%	8.1%	8.3%
P B T % AGE	1.4%	5.3%	5.5%

Q1 Key Financial - Consolidated



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Rs. Crs

Particulars	Quarter Ending		Year Ended Mar 31, 2019
	Jun-19	Jun-18	
KEY FINANCIALS			
Total Income	750	709	3,373
P B D I T	26	37	151
P B T	(3)	14	41
P A T	(6)	5	3
CASH PROFIT	10	20	67
KEY FINANCIAL RATIOS			
P B I D T % AGE	3.4%	5.2%	4.5%
P B T % AGE	-0.5%	1.9%	1.2%

Q1 Key Financials – Subsidiaries performance



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Rs. Crs

Sales	Quarter ended	Quarter ended	Year ended (**)
	30 June 2019	30 June 2018	31 March 2019
KBL	473	456	2,223
KPML	98	73	325
KCPL	4	7	28
TKSL	9	8	36
KBIBV consol	271	236	1,203
Subtotal	855	779	3,816
Intragroup transactions elimination	(121)	(85)	(467)
	733	694	3,349

** Includes foreign Subsidiary results for 15 Months

Q1 Key Financials – Subsidiaries performance



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Rs. Crs

PBT	Quarter ended	Quarter ended	Year ended (**)
	30 June 2019	30 June 2018	31 March 2019
KBL	7	25	124
KPML	7	5	24
KCPL	(1)	(0)	(1)
TKSL	(3)	(3)	(8)
KBIBV consol	(14)	(16)	(99)
Subtotal	(4)	11	41
Intragroup transactions elimination	1	3	(0)
	(3)	14	41

** Includes foreign Subsidiary results for 15 Months

Thank You