

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q3 - 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 & Plant Highlights



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Water & Irrigation

- Orders received for 145 engineered pumps from major EPC contractors

Marine & Defence

- Successful development and supply completed for 'Bulkhead and Ladder Sprinkling System' order from Mazgaon Dock Ltd.
- Prestigious order received for 'Development, supply, installation and commissioning of Magazine Fire Fighting System.'

Oil & Gas

- Major orders received; L&T , Hindustan Petroleum, GACL

Sector & Plant Highlights



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Industry

- Improvement in Q3 sales (12% growth over PY)

Building and Construction

- Q3 Sales achieved significant growth over PY
- Sale of value-added products increased over PY Q3
- Major Orders booked; Chennai Airport, Bangalore Metro

Valves

- Successfully manufactured and supplied twelve Hydraulically Operated Discharge Valves (1200 mm) and three large Butterfly valves (2200mm) for Mundra TPP
- Major orders booked; MCGM, HN Construction, L&T

ESD & CSS

- New Annual rate contracts signed with various important customers
- Major orders received for Retro-fitment business

Sector & Plant Highlights



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Small Pump Business

- Increased proportion of new product sales. Sales from new products is now 20% of total Sales
- New products introduced – K-Booster, Range Extension - CMS and KVM series pumps for Reverse Osmosis application
- Implementation of TPM initiatives at Dewas plant has improved OEE.

EEC

- Successfully manufactured and dispatched engineered pumps for overseas projects; 10 VT pumps for Kar Electrical Power Production Trading, Iraq project and 14 Vertical Turbine pumps for Toshka Project, Egypt

Sector & Plant Highlights



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KOV

- Productivity at KOV plant has increased over PY
- Regular production started in the new Replicast facility.

Companywide Pending Orders



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Pending Order Board as on Dec 2019

Sector (Rs.Crs)	Q - 4 Mar-19	Q - 1 Jun-19	Q - 2 Sep-19	Q - 3 Dec-19	Q - 3 % of Total
Irrigation + Water Resource Mgmt	844	880	832	870	52%
Power	493	487	475	464	28%
Oil & Gas	66	60	68	67	4%
Marine & Defence	42	39	27	18	1%
Industry	65	74	74	58	3%
Building & Construction	87	86	89	52	3%
Customer Support & ESD	38	53	64	61	4%
Valves	60	68	52	36	2%
TOTAL	1,696	1,747	1,682	1626(*)	100%

	Mar-19	Jun-19	Sep-19	Dec-19
KBL Standalone	Q 4	Q 1	Q 2	Q 3
Orders Received	583	516	406	501

	Mar-19	Jun-19	Sep-19	Dec-19
KBL Consolidated	Q 4	Q 1	Q 2	Q 3
Orders Received	845	852	673	931
Pending Orders on Hand	2,335	2,341	2242	2,207

* Excluding orders for which work not commenced Rs. 270 Cr

Q3- Standalone Financials Highlights



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Financial Highlights

Standalone

1. 8.7 % rise in CY Q3 sales over Q3 of PY. YTD nine-month sale shows rise of 4.2% over PY.
2. Trend of reduction in material cost continued in Q3 also. Composite material cost for nine months has come down by 2.54% from corresponding nine months in PY.
3. CY nine-month PBT Rs. 764 M as against PY nine-month PBT of Rs. 683 M (12% rise).
4. During third quarter inventory is reduced by Rs. 67 M.

Consolidated

1. Significant improvement in performance of SPP group. Increase in sales by 27% in nine months as against PY nine months due to diversification of product range, cost reduction and better monitoring of new orders.
2. South Africa and Thailand operations have returned to profits and Europe operations have reduced losses significantly
3. 7% and 3% rise in in YTD nine months sales for KEPL and KPML respectively
4. KCPL has achieved breakeven for nine months period.
5. TKSL still continues to make losses on account of low orders intake.

Q3 Key Financials - Standalone



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Standalone financials

Rs. Crs

Particulars	Quarter Ending			Nine months ended		Year Ended Mar 31, 2019
	Dec-19	Sep-19	Dec-18	Dec-19	Dec-18	
KEY FINANCIALS						
Revenue from Operations	568	482	518	1,523	1,462	2,223
P B D I T	62	43	33	128	114	187
P B T	44	25	17	76	68	124
P A T	33	9	13	49	51	87
CASH PROFIT	43	19	22	79	78	124
KEY FINANCIAL RATIOS						
P B I D T % AGE	10.9%	9.0%	6.4%	8.4%	7.8%	8.4%
P B T % AGE	7.8%	5.2%	3.2%	5.0%	4.7%	5.6%

Q3 Key Financials - Consolidated



KIRLOSKAR BROTHERS LTD.



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Consolidated financials

Rs. Crs

Particulars	Quarter Ending			Nine months ended		Year Ended Mar 31, 2019 **
	Dec-19	Sep-19	Dec-18	Dec-19	Dec-18	
KEY FINANCIALS						
Revenue from Operations	895	721	817	2,349	2,185	3,349
P B D I T	106	36	19	168	79	151
P B T	74	8	(12)	79	(1)	41
P A T	62	(7)	(16)	49	(19)	3
CASH PROFIT	80	8	2	97	29	67
KEY FINANCIAL RATIOS						
P B I D T % AGE	11.8%	5.0%	2.3%	7.1%	3.6%	4.5%
P B T % AGE	8.3%	1.1%	-1.4%	3.4%	-0.1%	1.2%

** Column year ended 31 March 2019, includes results of 15 months for foreign subsidiaries from Jan 2018 to March 2019

Q3 Key Financials – Subsidiaries performance



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Rs. Crs

Sales	Quarter ended			Nine months ended		Year ended (**)
	31 Dec 2019	30 Sep 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 March 2019
KBL	568	482	518	1,523	1,462	2,224
KCPL	7	6	7	17	22	28
TKSL	5	11	10	24	24	36
KPML	72	53	81	222	217	325
KBIBV conso	338	230	313	840	761	1,203
Subtotal	990	782	929	2,627	2,486	3,816
Intragroup transactions elimination	(96)	(61)	(111)	(279)	(301)	(467)
	895	721	817	2,349	2,185	3,349

Q3 Key Financials – Subsidiaries performance



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Rs. Crs

PBT	Quarter ended			Nine months ended		Year ended (**)
	31 Dec 2019	30 Sep 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 March 2019
KBL	44	25	17	76	68	124
KCPL	0	0	(0)	0	(0)	24
TKSL	(3)	(2)	(2)	(8)	(8)	(1)
KPML	7	1	5	15	12	(8)
KBIBV conso	25	(6)	(29)	6	(72)	(99)
Subtotal	74	19	(10)	89	1	41
Intragroup transactions elimination	0	(11)	(2)	(10)	(2)	(0)
	74	8	(12)	79	(1)	41

** Column year ended 31 March 2019, includes results of 15 months for foreign subsidiaries from January 2018 to March 2019

Thank You