



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q3 - 2020 - 21

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.

Vision & Mission



Enriching Lives

PURPOSE

Enriching Lives. Transcending Boundaries.

VISION

Enriching Lives across communities through innovative and sustainable engineering solutions.

MISSION

To lead the industry through reliable, intelligent hydraulic machines & systems providing superior value and ensuring customer delight.

VALUES

Teamwork with Mutual Trust and Empathy
Commitment towards the Environment
Integrity and Accountability
Speed and Accuracy
Progressive and Proactive
Process Centric

Issue No.: 10

Review Date: 1st January 2021

Next Review Date: 31st December 2022

A handwritten signature in black ink, appearing to read 'S. C. Kirloskar'.

Sanjay C. Kirloskar
Chairman and Managing Director

Company Highlights



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1. Strong order board to cover the sales target of Q4
2. Improvement in enquiry generation 74% growth over Q2, 50% growth over LY Q3 Improved order hit ratio; 42% (KBL level) against 32% for CY Q2 and 35% for LY Q3
3. Technical Paper Presentation at the 2nd Korea Tribology International Symposium – “Design and Development of Fluid Film Flat - Land Thrust”
4. Dewas plant received National Awards for Manufacturing Competitiveness (NAMC) 19-20 It is given to recognize the companies which have successfully deployed Manufacturing Excellence practices and been able to leverage on it in being extremely competitive in the Indian Manufacturing Sector.
5. Cross-pollination of 100 plus best practices among plants (TPM, waste reduction, Productivity, Quality, Maintenance, Safety, Digitization, Energy saving)

Sector Highlights



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Building & Construction sector

Purchase activities are on fast track for ongoing projects. Improvement in average order booking expected to continue in coming quarters

Order received to supply our firefighting pumps for the historic 'Atal Tunnel', world's longest underground highway 3000 mtr from the Mean Sea Level

Various orders received to supply HYPN systems, submersible dewatering and fire fighting pumpsets for warehousing, metro and Rail projects

Power sector

Electricity generation increased by 4.2 per cent in Dec 20 over Dec 19. However, it's cumulative index declined by 3.7 per cent during Apr to Dec 20 over the corresponding period of previous year. Major orders finalized in hydel sector

Oil & Gas Sector

For refinery production cumulative index dropped by 13.5%. In case of Fertilizer, the index increased by 3%. In Oil and Gas market, only small projects on plant upgradation, refurbishment, replacement projects expected during next couple of quarters

Sector Highlights



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Industry Sector

For Industry sector, the enquiry flow has increased by 40% as compared to Q2 and the trend continued in Jan 21. Although the order finalization by customers is getting delayed, we expect improvement over next two quarters

Steel production declined by 2.7% in Dec 20 over Dec 19. Its cumulative index declined by 16.7 per cent during April to Dec 20-21 over the corresponding period of previous year. Between Apr to Dec 20, there has been nominal capacity addition. Industry sector booked major order to supply 20 pumps for domestic steel project

Coal production in the country has increased by 2.2 % in Dec 20 over Dec 19. Though its cumulative index declined by 1.9% during Apr to Dec 20-21 over same period during last year. With coal mining being allowed to other than Steel and Power companies, we are expecting improvement in bookings from the Coal segment

Marine & Defence sector – Some major orders received are as below

Design and supply of highly engineered high pressure water mist system for fire fighting application

Major order received for supply of 586 HP engine driven VT type fire fighting pumps to be installed at Adani Hazira Port

Sector Highlights



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Water & Irrigation sector

1. Business continued to grow well with some of major orders as below
2. Major order received of 42 various pump-sets for project in Andhra Pradesh
3. Supply orders for 134 multistage, split case and vertical turbine type pump-sets for water supply projects in Rajasthan

Valves sector

1. Business continued with it's better performance in the third quarter. Following are few major orders booked recently
2. Order to supply 807 valves for water supply project in Odisha
3. Supply order of 503 valves for Vadodara smart city
4. Major order to supply 28 nos large sized Butterfly valves for Narmada Kshipra project
5. 70 nos various type of valves for a steel project and 171 valves for a Effluent Treatment Plant.
6. Valves upto 1400 mm size for a pumping station.

Sector Highlights



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Export Excellence Cell

1. Order received to supply of 46 pumps for water supply project in Hong Kong
2. Order received from Mauritania to supply 44 Nos mixed flow pumps for Irrigation project
3. Supply order for 41 nos of various type of pumps for sewerage project in Zambia
4. Orders received to supply vertical turbine and split case pump for water supply project in North Africa
5. Supply order for split case pumps for water supply and irrigation project in the United Arab Emirates
6. Order for supply of 27 nos industrial application pumps for a project in Indonesia
7. Order received to supply 20 nos split case pumps for educational institute in the United Arab Emirates
8. Supply order for split case pumps of various split case pumps for recreation project in Kuwait

Companywide Pending Orders



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Pending Order Board as on Dec 2020

Sector (Rs.Crs)	Q - 4 Mar-20	Q - 1 Jun-20	Q - 2 Sep-20	Q - 3 Dec-20	Q - 3 % of Total
Irrigation + Water Resource Mgmt	799	802	773	746	51%
Power	481	450	438	406	28%
Oil & Gas	64	64	64	41	3%
Marine & Defence	37	33	24	21	1%
Industry	120	81	73	80	5%
Building & Construction	96	89	78	88	6%
Customer Support & ESD	49	21	22	20	1%
Valves	36	56	56	66	4%
TOTAL	1,682	1,597	1,526	1,468	100%

	Mar-20	Jun-20	Sep-20	Dec-20
KBL Standalone	Q 4	Q 1	Q 2	Q 3
Orders Received	623	174	351	373

	Mar-20	Jun-20	Sep-20	Dec-20
KBL Consolidated	Q 4	Q 1	Q 2	Q 3
Orders Received	938	458	639	671
Pending Orders on Hand	2,247	2,220	2,139	1,978

* Excluding orders where work not commenced of Rs 270 Cr.

Q3- Standalone Financials Highlights



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Figures of nine month ended December 2020 are not comparable with corresponding previous period as current year performance is impacted by outbreak of Corona virus

1. Although there is 24% drop in sales which resulted in contribution loss of Rs. 206.5 Cr, swing in PBT was restricted to Rs. 24.6 Cr. This was achieved by reduction in variable as well as fixed expenses including ERE.
2. Strict control on borrowing continues. Total short-term borrowings as on 31st December were Rs. 66 Cr. Out of this, Rs. 32.6 Cr were in debt mutual fund. Thus, net debt for working capital as on 31st Dec was of Rs.33.4 Cr.
3. YTD nine months sales ending December 2020 are at Rs. 1147.7 Cr as against Rs. 1507.1 Cr in PY (23.8% fall). Q3 sales ending December 2020 are at Rs. 460.4 Cr as against Rs. 559.1 Cr in PY (17.7% fall)
4. PBT for Q3 FY 2020-21 is at Rs. 32.4 Cr as against PBT of Rs. 44.5 Cr in PY.
5. PBT for nine months ending Dec 2020 is at Rs. 51.8 Cr as against PBT of Rs. 76.4 Cr in PY.
6. Inventories as at 31st Dec were lower by Rs. 52.9 Cr over 31st March 2020.
7. During nine months, net reduction in WIP debtors is of Rs. 44 Cr.

Q3- Consolidated Financials Highlights



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Figures of nine month ended December 2020 are not comparable with corresponding previous period as current year performance is impacted by outbreak of Corona virus

Kirloskar Corrocoat Private Limited (KCPL)

1. During the nine months, company has achieved turnover of Rs 11.3 Cr and made a loss of Rs 1.3 Cr
2. As at 31st Dec 2020, KCPL has order book of Rs 22.9 Cr. KCPL is in the business of supply and application of corrocoating material. Due to lockdown, as many customers have not given permission for accessing sites, hence turnover is lower despite strong order book.
3. During Q 3 KCPL has made marginal loss of Rs. 0.02 Cr

The Kolhapur Steel Limited (TKSL)

1. During the nine months, company has achieved turnover of Rs 13.2 Cr and made loss of Rs 10.7 Cr.
2. Performance of current year is affected due to lockdown and non -availability of manpower for fettling.
3. Order on hand as at Dec 2020 are of Rs 15 Cr.
4. To support operation of TKSL, KBL has infused additional capital of Rs. 15 Cr

Q3- Consolidated Financials Highlights



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Karad Projects and Motors Limited (KPML)

1. During the nine months, company has achieved turnover of Rs 181.9 Cr and made PBT of Rs 12.9 Cr

Kirloskar Brothers International B.V. (KBIBV Consolidated)

1. Group has achieved turnover of Rs 718.5 Cr and made a profit of Rs 42.3 Cr (PY Rs 5.5 Cr)
2. Group's profit has substantially improved mainly due to various cost reductions measures taken and better product mix

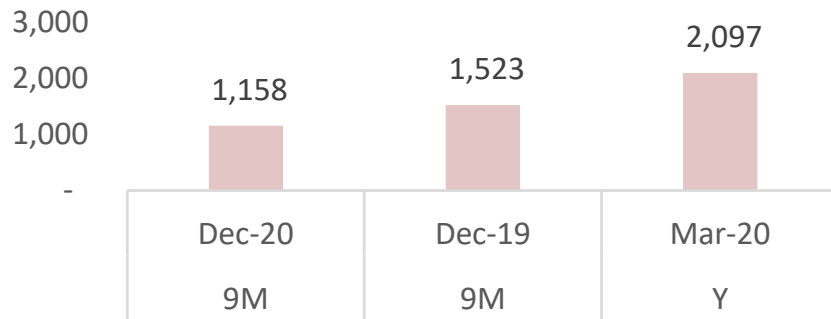
Kirloskar Ebara Pumps Limited (KEPL -45% JV)

1. During the nine months, company has achieved turnover of Rs 108.4 Cr and PBT of Rs 13.3 Cr.
2. Company has strong order board of Rs. 213.3 Cr. In fact, company has received many good orders even during lock down period.

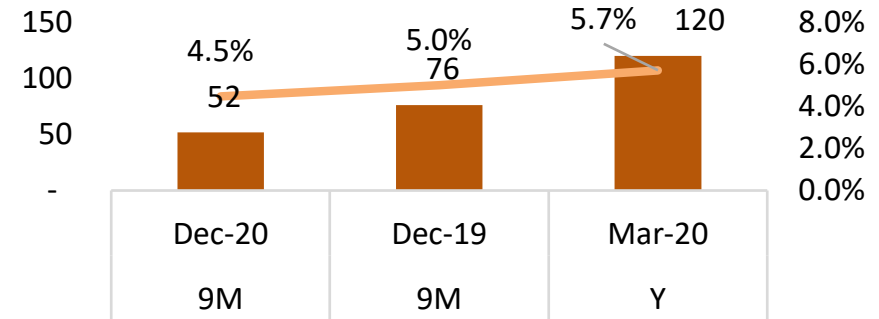


Q3- Standalone Financials - Graph

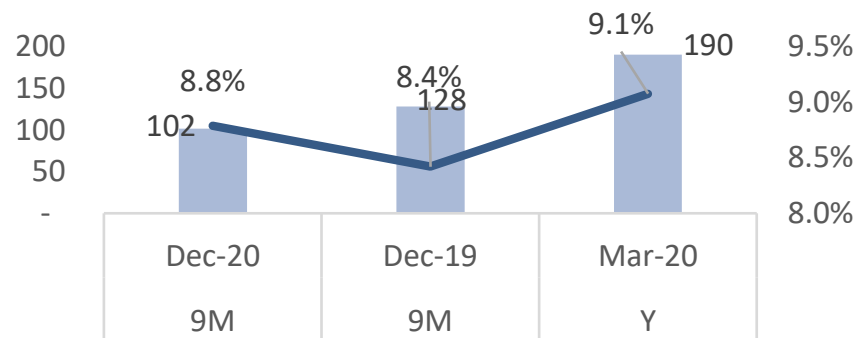
Revenue from Operations (In Crs.)



PBT (In Crs.)



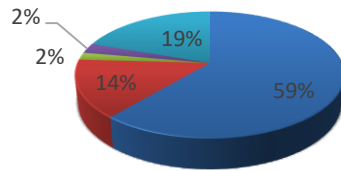
EBIDTA (In Crs.)





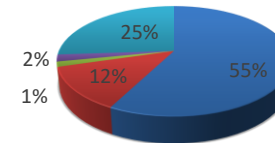
Q3- Standalone Financials - Graph

9M Dec-20 Expenses % to Sales



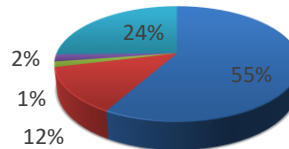
- Material Cost
- Employee Benefits Expense
- Finance Costs
- Dep. & Amortization
- Other Expenses

9M Dec-19 Expenses % to Sales



- Material Cost
- Employee Benefits Expense
- Finance Costs
- Dep. & Amortization
- Other Expenses

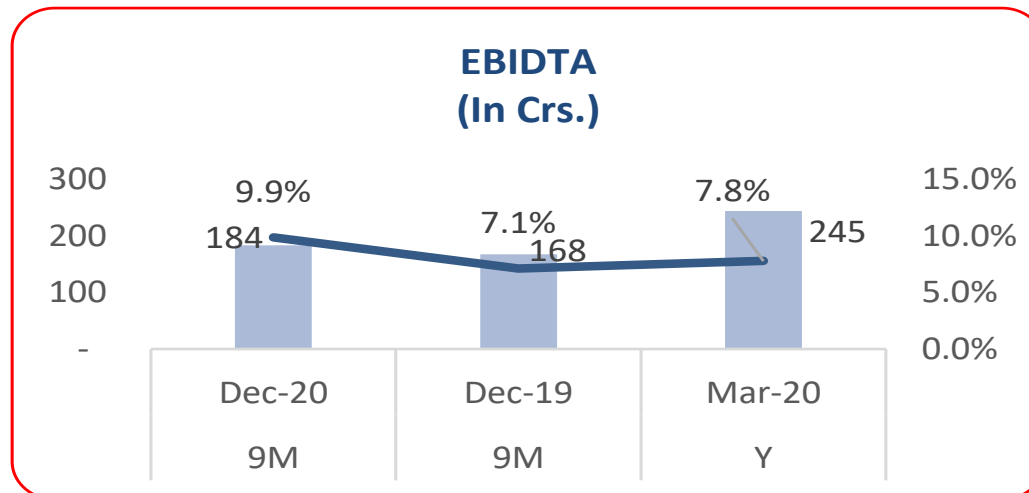
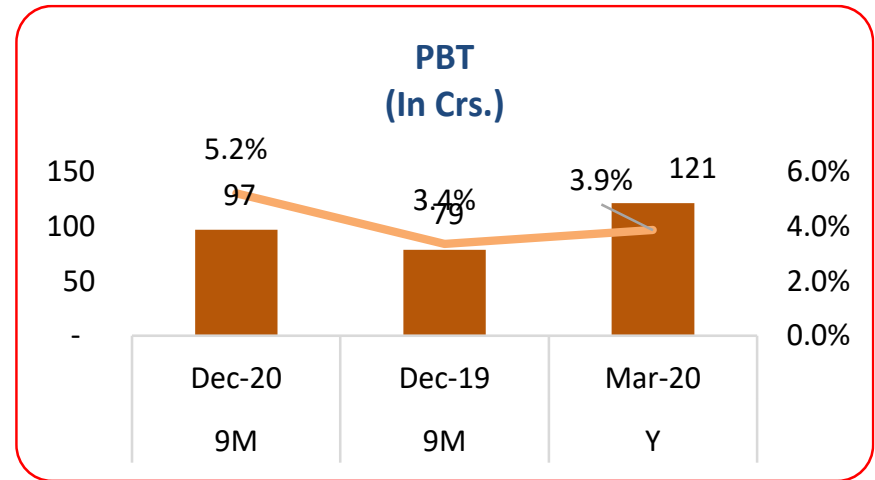
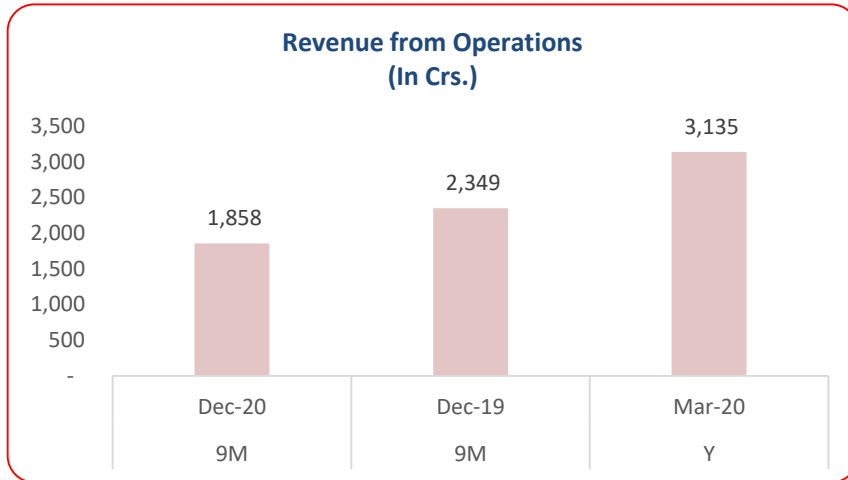
FY 2019-20 Expenses % to Sales



- Material Cost
- Employee Benefits Expense
- Finance Costs
- Dep. & Amortization
- Other Expenses



Q3- Consolidated Financials - Graph



Q3 Key Financials - Standalone



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Standalone financials

Rs. Crs

Particulars	Quarter Ending		Nine Month Ended		Year Ended
	Dec-20	Dec-19	Dec-20	Dec-19	Mar-20
KEY FINANCIALS					
Revenue from Operations	464	568	1,158	1,523	2,097
P B D I T	46	62	102	128	190
P B T	33	44	52	76	120
P A T	24	33	39	49	79
CASH PROFIT	33	43	68	79	119
KEY FINANCIAL RATIOS					
P B I D T % AGE	9.8%	10.9%	8.8%	8.4%	9.1%
P B T % AGE	7.0%	7.8%	4.5%	5.0%	5.7%

Q3 Key Financials - Consolidated



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Consolidated financials

Rs. Crs

Particulars	Quarter Ending		Nine Month Ended		Year Ended
	Dec-20	Dec-19	Dec-20	Dec-19	Mar-20
KEY FINANCIALS					
Revenue from Operations	761	895	1,858	2,349	3,135
P B D I T	107	106	184	168	245
P B T	82	74	97	79	121
P A T	70	62	78	49	72
CASH PROFIT	88	80	129	97	143
KEY FINANCIAL RATIOS					
P B I D T % AGE	14.1%	11.8%	9.9%	7.1%	7.8%
P B T % AGE	10.7%	8.3%	5.2%	3.4%	3.9%

Q3 Key Financials – Subsidiaries Performance



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Rs. Crs

Revenue from operations	Quarter Ended		Nine Month Ended		Year Ended
	Dec-20	Dec-19	Dec-20	Dec-19	Mar-20
KBL	464	568	1,158	1,523	2,097
KCPL	5	7	11	17	24
TKSL	7	5	13	24	31
KPML	86	72	182	222	322
KBIBV conso	302	338	719	840	1,049
Subtotal	865	990	2,083	2,627	3,524
Elimination/ Consol adjustment	(104)	(96)	(225)	(279)	(388)
Total	761	895	1,858	2,348	3,135

Q3 Key Financials – Subsidiaries performance



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Rs. Crs

Profit Before Tax	Quarter Ended		Nine Month Ended		Year Ended
	Dec-20	Dec-19	Dec-20	Dec-19	Mar-20
KBL	32	44	52	76	120
KCPL	(0)	0	(1)	0	0.4
TKSL	(3)	(3)	(11)	(8)	(12)
KPML	8	7	13	15	27.1
KBIBV conso (*)	40	25	42	6	(14)
Subtotal	77	74	95	89	122
Elimination/ Consol adjustment	4	0	2	(10)	(1)
Total	81	74	97	79	121



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Thank You