

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q1 - 2020 - 21

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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 - Major Orders Received:

1. Prestigious order received to supply 24 nos vertical turbine type pumps for Public health department in Uttar Pradesh
2. Order for 25 nos multistage pumpsets for water supply authority from Gujarat
3. Order received for supply for Auto-prime type dewatering pumpsets for Dibrugarh
4. Order received to supply 27 nos metallic volute pumpsets for project in Tamilnadu
5. Order to supply 26 nos various types of pumpsets for TWAD board
6. Order received for supply of 6 nos large vertical turbine type pumpsets for water supply projects in Bihar and Meghalaya

Building and Construction

1. Several orders received for HYPN systems, firefighting pumpsets, dewatering pumpsets for Hospitals, Hotels, residential and commercial projects

Sector Highlights



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Export – Major Orders Received

1. Repeat order received to supply large Prestigious order to supply 114 nos FM/UL firefighting pumpsets for 58 Metro stations in Sino Thai Yellow & Pink Line Metro project, Bangkok
2. Order received for supply of 6 nos split case pumps for water supply project Al-Kamil, Jalan and Asillah Pump Stations in Oman
3. Order received from Bhutan for supply 72 nos agriculture and domestic pumps
4. e vertical turbine pumps for Water Link Notmeir project, Belgium
5. Order received to supply 27 nos pumps sets for Khairan mall, Kuwait
6. Order for 5 nos split case type pumps with engineered design, in special material for Kamphangphet project AND PT Indo Bharat Rayon, Thailand
7. Supply of 38 nos split case and end suction type pumps for steel mills in Bangladesh

Sector Highlights



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Industry

1. Order received from Essar Steel to supply 23 nos of split case, multistage and end suction pumpsets
2. Three major orders received to supply 38 nos multi stage pumpsets for mining application
3. Two major orders received for supply of 24 pumpsets for paper industry
4. Various orders received for supply of pumps in special moc for process industry application

Sector Highlights



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Valves

1. Order received from Tata Steel, Jamshedpur for supply of 396 valves
2. Bagged prestigious order to supply 257 nos electrically operated Butterfly valves for Kundalia Left bank project
3. Order received for 13 nos valves of 1800 mm size for MIDC, Mumbai project
4. Prestigious order received for 12 nos. “Hydraulically operated Butterfly valves size 2000 mm” for Althurpadu project
5. Order received to supply 241 nos CS Gate & Check Valves for a project in Himachal Pradesh
6. For Ganga Cleaning project bagged order to supply 68 nos valves in special grade material

Marine and Defence

1. Major orders finalised for 84 nos specially designed engineered pumps for Defence segment
2. Major order received to supply 7 nos split case pumps for Gujarat Maritime board

Companywide Pending Orders



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Pending Order Board as on June 2020

Sector (Rs.Crs)	Q - 2 Sep-19	Q - 3 Dec-19	Q - 4 Mar-20	Q - 1 Jun-20	Q - 1 % of Total
Irrigation + Water Resource Mgmt	832	870	799	802	50%
Power	475	464	481	450	28%
Oil & Gas	68	67	64	64	4%
Marine & Defence	27	18	37	33	2%
Industry	74	58	120	81	5%
Building & Construction	89	52	96	89	6%
Customer Support & ESD	64	61	49	21	1%
Valves	52	36	36	56	4%
TOTAL	1,682	1,626	1,682	1,597	100%

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-19	Dec-19	Mar-20	Jun-20
KBL Standalone	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Orders Received	406	501	623	174	673	931	938	458
					2242	2207	2,247	2,220

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

Q1- Standalone Financials Highlights



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Figures of current year are not comparable with previous year as current year performance is impacted by outbreak of Corona virus.

1. Although there is 44% drop in revenue which resulted in contribution loss of Rs. 92 Cr, swing in PBT was restricted to Rs. 22 Cr M. This was achieved by reduction in variable as well as fixed expenses including ERE.
2. Revenue from operations quarter ending June 2020 are at Rs. 263 Cr as against Rs. 473 Cr in PY. Drop of 44% is mainly due to closure of operations due to lockdowns imposed by central / state government.
3. Composite MSR is at 62.8% as against 59.8% in PY.
4. Loss for Q 1 FY 2020-21 is at Rs. 15 Cr as against PBT of Rs. 7 Cr in PY.
5. During current quarter, net reduction in WIP debtors is of Rs. 10 Cr M..
6. Inventories as at 30th June 2020 are lower by Rs. 44 Cr over 31st March 2020.
7. Short term borrowings as on 30th June were Rs.315 Cr M Out of this, Rs. 186 Cr M are in debt mutual fund and Rs. 35 Cr are kept in short term deposits with banks. Thus, net debt for working capital as on 30th June was of Rs.94 Cr. Increase in Total Net Debt in this quarter was of Rs 23 Cr. This increase is mainly to pay off creditors on due dates, though materials procured might have remained in inventory. However, once it gets converted into sales and is collected, there would be cash generation sufficient to bring down debts.

Q1- Consolidated Financials Highlights



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Figures of current year are not comparable with previous year as current year performance is impacted by outbreak of Corona virus.

Kirloskar Corrocoat Private Limited (KCPL)

1. During the quarter, company has achieved turnover of Rs 2 Cr M and made a loss of Rs 1 Cr M. KCPL is in the business of supply and application of corrocoating material. Due to lockdown, many customers had not given permission for accessing sites, as such turnover is lower despite having strong order book.

Kolhapur Steel Limited (TKSL)

1. During the quarter, company has achieved turnover of Rs 2 Cr M and made loss of Rs 3 Cr. Performance for the quarter was affected due to lockdown and non -availability of manpower for fettling.

Karad Projects and Motors Limited (KPML)

1. During the quarter, company has achieved turnover of Rs 23 Cr and made loss of Rs 2 Cr M. 80% of KPML's turnover is from sales to KBL. Since manufacturing activities of KBL's small pumps plants were closed during April – May, KPML's turnover was on lower side

Q1- Consolidated Financials Highlights



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Kirloskar Ebara Pumps Limited (KEPL) (Joint venture – 45%)

1. During the quarter, company has achieved turnover of Rs. 18.5 Cr and PBT of Rs. 3.7 Cr..
2. Company has order board of Rs. 200 Cr. In fact, company has received many good orders even during lock down period. With increased focus on spare sales, company expects to improve margins in current year.

Kirloskar Brothers International B.V. (KBIBV Consolidated)

1. Group has achieved turnover of Rs 200 Cr M and made marginal loss of Rs 1Cr (PY – Rs 14 Cr). Loss has come down mainly due to various cost reductions measures taken and subsidies received from government for salary support during Covid-19 Pandemic.
2. SPP group which is largest part of KBI BV, made a profit of Rs. 4.4 Cr. Due to losses at South Africa and Netherlands overall result for this quarter is a net loss of Rs. 2 Cr.

Q1 Key Financials - Standalone



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Standalone financials

Rs. Crs

Particulars	Quarter Ending			Year Ended
	Jun-20	Mar-20	Jun-19	Mar 31, 2020
KEY FINANCIALS				
Revenue from Operations	263	574	473	2,097
P B D I T	4	62	23	190
P B T	(15)	44	7	120
P A T	(12)	30	6	79
CASH PROFIT	(2)	40	17	119
KEY FINANCIAL RATIOS				
P B I D T % AGE	1.4%	10.8%	4.9%	9.1%
P B T % AGE	-5.8%	7.6%	1.4%	5.7%

Q1 Key Financials - Consolidated



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Consolidated financials

Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2020
	Jun-20	Mar-20	Jun-19	
KEY FINANCIALS				
Revenue from Operations	455	787	733	3,135
P B D I T	13	77	26	245
P B T	(19)	43	(4)	121
P A T	(18)	23	(6)	72
CASH PROFIT	(1)	46	10	143
KEY FINANCIAL RATIOS				
P B I D T % AGE	2.7%	9.8%	3.5%	7.8%
P B T % AGE	-4.2%	5.4%	-0.5%	3.9%

Q1 Key Financials – Subsidiaries performance



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Rs. Crs

Revenue from Operations	Quarter Ending			Year ended
	Jun-20	Mar-20	Jun-19	31 March 2020
KBL	263	574	473	2,097
KCPL	2	7	4	24
TKSL	2	6	9	31
KPML	23	99	98	322
KBIBV conso	200	218	271	1,049
Subtotal	489	905	855	3,524
Intragroup transactions elimination	(34)	(118)	(121)	(388)
	455	787	733	3,135

Q1 Key Financials – Subsidiaries performance



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Rs. Crs

PBT	Quarter Ending			Year ended
	Jun-20	Mar-20	Jun-19	31 March 2020
KBL	(15)	44	7	120
KCPL	(1)	0	(1)	0
TKSL	(3)	(4)	(3)	(12)
KPML	(2)	12	7	27
KBIBV conso	(1)	(20)	(14)	(14)
Subtotal	(22)	33	(4)	122
Intragroup transactions elimination	3	10	0	(1)
	(19)	43	(4)	121

Thank You