



Enriching Lives

KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company
SEC/ F:21

August 04, 2021

(BSE Scrip Code – 500241)

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

(NSE Symbol - KIRLOSBROS)

National Stock Exchange of India Ltd.,
5th Floor, Exchange Plaza,
Bandra (East)
Mumbai – 400 051

Dear Sir,

Sub.: Investor Release

Please find enclosed a copy of “Investor Release” for the Quarter ended June 30, 2021. The same will be uploaded on the Company’s website as well.

You are requested to take the same on record.

Due to temporary closure of our offices partially in light of outbreak of COVID-19, we are submitting this intimation in Sd/- mode.

This is for your information.

Thanking you,

Yours faithfully,
For **KIRLOSKAR BROTHERS LIMITED**

Sd/-
Raghunath Apte
Company Secretary

Encl: As above

Investor Release

Kirloskar Brothers Limited Announces Q1FY22 Results

Improved Product Mix and Inherent Execution Capabilities Drive the Performance

Strong trajectory of enquiry generation & orderbook growth continues

Pune, August 04, 2021: Kirloskar Brothers Limited (KBL) (NSE: KIRLOSBROS; BSE:500241), announced its financial results for the quarter ended 30th June 2021.

Particulars (In ₹ Crores) (Cons)	Q1 FY22	Q1 FY21	YoY%
Revenue	626.6	454.9	37.7%
Gross Profit	309.9	208.9	48.3%
EBITDA	42.4	12.4	241.9%
EBITDA Margin %	6.8%	2.7%	400bps
Profit After Tax (PAT)	10.7	(17.1)	162.6%
PAT Margin %	1.7%	(3.8) %	550bps
EPS (in ₹)	1.52	(2.27)	167.2%

Orderbook

Sector (In ₹ Crores)	Q1 FY22	Q4 FY21	Q3 FY21	Q2 FY21	Q1 FY21
Irrigation + Water Resource Mgmt.	691	733	746	773	802
Power	466	481	406	438	450
Oil & Gas	36	40	41	64	64
Marine & Defence	50	52	21	24	33
Industry	87	67	80	73	81
Building & Construction	92	82	88	78	89
Customer Support & ESD	73	17	20	22	21
Valves	81	79	66	56	56
Total	1,571	1,551	1,468	1,526	1,597

KBL Standalone	Q1FY22	Q4FY21	Q3FY21	Q2FY21
Orders Received	404	686	373	351
KBL Consol.				
Orders Received	753	1,118	671	639
Pending Orders	2,179	2,131	1,978	2,139

Consolidated Business Performance

- The company registered revenue of ₹ 626.6 crores compared to ₹ 454.9 crores in Q1FY21, a growth of 37.7%.
- EBITDA grew by 241.9% YoY to ₹ 42.4 crores from ₹ 12.4crores. EBITDA margin expanded by 400 bps to 6.8%.
- PAT grew by 162.6% from ₹ (17.1) crores in Q1FY21 to ₹ 10.7 crores in Q1FY22.

Company Highlights

- R&D department acquired patent for "Dual Voltage Controller".
- In this quarter orders booked for 30 Units of KirloSmart (Operating on IOT Platform for remote diagnosis) –taking total order booking to 88 nos since its launch.
- New Product development and readiness- Monoblock pumps with energy efficient IE4 motors, and range extension of KVM series vertical Inline pumps for RO application.

Sector Highlights

- **Water & Irrigation:**
 - Water & Irrigation sector received orders for supply of 400 plus large VT Pumps from EPC contractors for projects in Madhya Pradesh, Andhra Pradesh, Telangana and Gujarat.
- **Project Execution:**
 - 4 projects physically and 7 projects financially closed during this quarter
- **Building & Construction:**
 - Supplied fire pumps for 12 sites of a data center company.
 - Supplied FM/UL Fire Pumps for an International Airport in India and 18 HVAC pumps for an International Convention Centre.
- **Power:**
 - Shifting focus from Thermal to Hydro Power generation business from 0.5 Kw to 10 Mw and continuing Nuclear Product business for both critical and non-critical application.
 - Successful testing at our Kirloskarvadi Plant of boiler feed pump manufactured for a Nuclear Project at high temperature (160 ° C). This is first boiler feed pump totally designed and manufactured in India for 700 MWe PHWR.
- **Oil & Gas:**
 - Vendor registration Process completed for various project consultant like Petrofac, McDermott
 - Order received for Sea Water Intake Pump for a large refinery
- **Industry:**
 - Breakthrough order received for Industrial Desalination Project against stiff competition.
 - Order received for supply of 8 high head high discharge pump sets for a colliery
- **Marine & Defence:**
 - Marine & Defence sector booked important order to supply 5 UL listed vertical turbine pumps for firefighting application
- **Valve Sector:**
 - Valve sector booked major order 2,200+ resilient seated gate valves
- **Export Excellence Cell**
 - Received major order from water authority in Middle East region to supply 26 units of LLC series pumps showing preference for pumps of KBL's design.
 - Order received to supply 48 split case pumps for project in Malaysia for HVAC application in a mall
 - Order received from Turkey to supply 6 large split case pumps in special material of construction

- Orders received from customer in Nigeria to supply 30 end suction and multistage pumps for Oil & Gas project
- Order received to supply mixed flow pumps for Irrigation application in Guatemala
- **Manufacturing Plants:**
 - Implementation of Total Productivity Maintenance (TPM) initiatives at Dewas plant.

Commenting on the results Mr. Sanjay Kirloskar, CMD – Kirloskar Brothers Limited said, *“The second wave of Covid-19 was more severe and geographies in which the company operates in went through extended closures, impacting the business sentiments. Despite these challenges, we are pleased with the resilient financial and operational performance across all our products and geographies. This was primarily driven by improved product mix, robust orderbook and inherent execution capabilities across geographies. With improvement in product mix and strict control on various costs, our EBITDA margins showed a significant improvement of 400 bps YoY to reach at 6.8%. PAT grew by 162.6 % to ₹ 10.7 crores.*

During the quarter, the company received orders worth ₹ 753 crores and the order flow is expected to amplify further based on the current enquiry flow. The company has a robust, well-diversified orderbook of ₹ 2,179 crores across multiple product segments and geographies. This robust orderbook provides strong revenue visibility, going forward. Pending orders do not include orders for made to stock products, which contribute substantially to the top-line.

KBL’s unique value proposition in terms of the end-to-end offering has resulted into offering a complete basket of solutions to the customers across multiple industries across multiple geographies, global existence with local presence across all major trading blocks and diversified presence across multiple segments and multiple business models have carved a niche which has ultimately resulted into countercyclical and consistent cashflows.

Financial and operational performance is expected to improve further driven by robust enquiry generation pace, excellent execution capabilities, better product mix and de-bottlenecking of the facilities. Profitability and return ratios are also expected to improve due to operating leverage and turnaround at various key subsidiaries. We continue to explore various opportunities in terms of geographic expansion and value addition to our existing customers.”

Standalone Business Performance

- At a standalone level, the company registered revenue of ₹ 397.5 crores, compared to ₹ 262.9 crores in Q1FY21, a growth of 51.2%.
- EBITDA was at ₹ 21.3 crores from ₹ 3.8 crores in Q1FY21. EBITDA margin expanded by 400 bps to 5.4%.
- PAT grew by 146.7% from ₹ (12) crores in Q1FY21 to ₹ 5.6 crores in Q1FY22.

Commenting on the international business, Mr. Alok Kirloskar, Managing Director – Kirloskar Brothers International B.V. said, *“Performance of international subsidiaries was impacted due to disruptions caused by 2nd wave of Covid-19. However, the various initiatives undertaken by the company over the years have helped to counter these challenges. The company has reduced costs in the subsidiaries in the UK and USA through redundancies and has continued the push into the maintenance services business in the UK subsidiary which started in 2016. South African business continued to improve the product mix to*

counter the hurdles due to the BBEE regulations. Similarly, the Thai business continued to lower the lumpiness of the business by focusing on building a standard and engineered daily business. The Dutch business continues to struggle, and we are working to make it sustainable through a specialized product profile.

Continuous efforts to invest in various advanced digital initiatives and synergizing innovations and complementary solutions have boded us well. The company continues to penetrate international geographies further with more focus on margin lucrative products and services. The international business and SPP has been focused on the service business with a large number of framework contracts in place.

We are witnessing multiple green shoots across a few geographies led by robust growth in enquiries and conversion for certain business verticals leading to a stronger order book, which is giving better revenue visibility for the short and medium-term. The company continues to leverage our unique value proposition underpinned by our technological advances to create a value for all our stakeholders.”

Commenting on the domestic business, Ms. Rama Kirloskar, Joint Managing Director of KBL & Managing Director of Kirloskar Ebara Pumps Limited said, “Sudden surge of Covid-19 in its second wave, with severe mortality and infection rates, deepened the health risks and substantially affected the business operations and sentiments. As a result, domestic business witnessed multiple disruptions in terms of restricted access to customer sites and the non-availability of manpower at vendor’s places.

Partial Closure of warehouses for distributing our pumps affected our sales and disruptions in supply chain affected our manufacturing programs. However, sales, business development and marketing teams ensured the business continuity while following all the safety protocols. Cost reduction, de-bottlenecking and timely execution of the orderbook remained key thrust areas during the quarter.

Several cost reduction initiatives enabled to restrict the margin reduction. There has been significant reduction in working capital cycle from last year same period. There is a clear traction visible towards the end of the quarter with enquiry bank building up and customer site clearances have initiated albeit at a slow pace.

We remain confident of overcoming the near-term challenges. There is a noticeable recovery after the markets reopened in June 2021. With an aggressive vaccination drive by the government along with reducing mortality rates, the intensity of the pandemic is expected to lower in the second half of 2021. While Covid is likely to stay here for long term, wider vaccine penetration is expected to boost economic activities. With robust momentum of orderbook, the company remains confident that performance will improve significantly from H2FY22 onwards on account of expected economic recovery and improvement in utilization at the plants.”

About Kirloskar Brothers Limited

Kirloskar Brothers Limited (KBL) is a world-class pump manufacturing company with expertise in engineering and manufacture of systems for fluid management. Established in 1888 and incorporated in 1920, KBL is the flagship company of the \$ 2.1 billion Kirloskar Group. As the market leader in fluid management, KBL provides complete fluid management solutions for large infrastructure projects in the areas of water supply, power plants, irrigation, oil & gas and marine & defence. KBL engineers and manufactures industrial, agriculture & domestic pumps, valves and hydro turbines. KBL is the only pump manufacturing company in India and ninth in the world to be accredited with the N and NPT certification by the American Society of Mechanical Engineers (ASME).

For more information, please visit www.kirloskarpumps.com

Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project-related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

For more information please contact:



Enriching Lives

Kirloskar Brothers Limited

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