



Enriching Lives

KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company
SEC/ F:21

October 30, 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

Pursuant to the Regulation 30 read with Schedule III, Part A Para A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of “Investor Release” for the quarter and half year ended on September 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 Q2 & H1 FY22 Results

- ✓ H1FY22 revenue, EBITDA and PAT grew by 26%, 6% and 114% on a YoY basis
- ✓ The sustained growth trajectory of enquiry generation & orderbook growth continues

Pune, October 30, 2021: Kirloskar Brothers Limited (KBL) (NSE: KIRLOSBROS; BSE:500241), announced its financial results for the quarter and half-year ended 30th September 2021.

Particulars (In ₹ Crores) (Consol.)	Q2 FY22	Q2 FY21	YoY%	H1FY22	H1FY21	YoY%
Revenue	751.3	642.0	17%	1,377.9	1,096.9	26%
Gross Profit	327.0	312.7	5%	636.9	521.6	22%
EBITDA	38.7	64.5	(40)%	81.1	76.9	6%
EBITDA Margin %	5.2%	10.0%	(489)bps	5.9%	7.0%	(112)bps
Profit After Tax (PAT)	3.8	23.9	(84)%	14.5	6.8	114%
PAT Margin %	0.5%	3.7%	(321)bps	1.1%	0.6%	44bps
EPS (in ₹)	0.76	3.24	(77)%	2.29	0.97	136%

Orderbook

Sector (In ₹ Crores)	Q2 FY22	Q1 FY22	Q4 FY21	Q3 FY21	Q2 FY21
Irrigation + Water Resource Mgmt.	733	691	733	746	773
Power	460	460	481	406	438
Oil & Gas	42	36	40	41	64
Marine & Defence	48	50	52	21	24
Industry	98	87	67	80	73
Building & Construction	73	92	82	88	78
Customer Support & ESD	82	73	17	20	22
Valves	83	81	79	66	56
Total	1,618	1,571	1,551	1,468	1,526

KBL Standalone	Q2FY22	Q1FY22	Q4FY21	Q3FY21
Orders Received	524	404	686	373
KBL Consol.				
Orders Received	884	753	1,118	671
Pending Orders	2,183	2,179	2,131	1,978

Company Highlights

- Material test lab at KOV plant has completed NABL accreditation in accordance with ISO/IEC 17025: 2017 standard for testing laboratories.
- Won the "Digital Technology Senate Award 21" under the Internet of Things category

Sector Highlights

- **Water & Irrigation:**
 - The water & Irrigation sector received multiple orders for the supply of pump sets and KirloSmart pump health monitoring systems for projects by Government agencies.

- **Project Execution:**
 - 5 projects physically and 4 projects financially closed during this quarter, Major bank guarantees worth ₹23 crores were released.
- **Building & Construction:**
 - B&C sector achieved major bookings for value-added products - Autoprime dewatering pump sets, Hydro-pneumatic systems, FM/UL approved fire pump sets, multistage – multioutlet pumps
- **Power:**
 - Successfully completed “Dry run test” and “Thermal shock test” on the booster pump of the development order for nuclear power plant boiler feed pump
- **Industry:**
 - Breakthrough order received for supply of 10 lowest life cycle cost (LLC) split case type pumps.
 - Order received for supply of 24 split case and vertical turbine pumps
- **Marine & Defence:**
 - First ballast pump successfully tested and dispatched
- **Valve Sector:**
 - Valves division successfully manufactured large valves - 1400 mm size sluice valve and 2 units of 2800 mm size butterfly valves for power plants
- **Export Excellence Cell**
 - Bagged major orders to supply 7 large split case pumps with high voltage motors for water pumping station projects in Israel and 26 horizontal split case pumps for water pumping project in Oman
 - Order received to supply 3 vertical turbine pumps for a pumping station in the UK
 - Prestigious order received to supply critical application – condensate extraction pumps for a combined cycle power plant in Russia
 - Received order to supply several vertical turbine pumps for the water project in Zambia
- **CSR Activities:**
 - Always standing by the nation in tough times, KBL's Kirloskarvadi plant team made arrangements to supply food and drinking water in the flood-affected areas of Sangli district under CSR activity. The plant team also cleaned villages after inundation conditions.

Commenting on the results Mr. Sanjay Kirloskar, CMD – Kirloskar Brothers Limited said, “We are pleased with the resilient financial and operational performance across all the products and geographies despite facing multiple challenges during the quarter. H1FY22 revenue, EBITDA and PAT grew by 26%, 6% and 114% on a YoY basis, respectively. However, continued upwards momentum in the raw material prices, change in the product mix, higher level of inventory which wasn’t converted into sales impacted

the Gross and EBITDA margins in Q2FY22. Increase in production did not result in increase in sales as certain composite orders could not be dispatched due to supply chain disruptions. Although high freight costs and commodity prices are expected to taper off towards the end of FY22, the company is implementing all possible measures at its disposal to mitigate the higher input costs.

During the quarter, the company received orders worth ₹ 884 crores and the order flow is expected to remain robust based on the current enquiry flow and a sharp pick-up in the government spending. Enquiries and activity in the Industrial and large pumps space are expected to remain buoyant driven by stronger commodity prices and the recent pick-up in the capex cycle. The company has a robust, well-diversified orderbook of ₹ 2,183 crores, which does not include orders for made to stock products, that contribute substantially to the top-line. This robust orderbook provides strong revenue visibility, going forward.

KBL's strong brand recall coupled with a unique value proposition in terms of the end-to-end offering has resulted into providing a complete basket of solutions to the customers. Global existence with local presence across all major trading blocks and diversified presence across multiple segments and multiple business models have carved a niche that has ultimately resulted into countercyclical and consistent cashflows.

The performance is expected to improve driven by de-bottlenecking at various plants, continued robust pace of enquiry generation, pick-up in the government capex cycle and various digital initiatives undertaken by the company. Profitability and return ratios are also expected to improve due to operating leverage and turnaround at various key subsidiaries. The company continues to explore various growth opportunities in terms of geographic expansion and value addition to the existing customers."

Commenting on the international business, Mr. Alok Kirloskar, Managing Director – Kirloskar Brothers International B.V. said, *"In the international business, the company witnessed huge currency volatility especially in Thailand where profitability got impacted due to forex marked to market positions which are notional in nature. The company is focusing to stabilise the Dutch operations which had found it harder to deepen market presence during the pandemic. The other companies in the international business are doing better.*

The company is witnessing a significant pick-up across geographies led by robust growth in enquiries and conversion leading to a stronger order book, implying better revenue visibility for the short and medium-term. This will be further supported by our various innovative, advanced digital initiatives which will provide sustainability, stability and scalability along with improved profitability. The company will continue to leverage unique value proposition and technological initiatives to create value for the shareholders."

Commenting on the domestic business, Ms. Rama Kirloskar, Joint Managing Director of KBL & Managing Director of Kirloskar Ebara Pumps Limited said, *"In the domestic market, the momentum has picked up, especially in the retail business, notwithstanding the effects of the ongoing pandemic, incessant rains across the country and the seasonality. With a significant pick-up in government spending, the company is witnessing an uptake in demand for sectors that supply capital goods. The company has also seen more orders in the valves business as there has been investment by the government in irrigation and water projects and an increased flow of orders in the oil and gas sector for greenfield and expansion projects.*

As far as the domestic subsidiaries/joint ventures are concerned, Karad Projects and Motors Limited (KPML) has reported robust H1FY22 numbers. Kirloskar Ebara Pumps Limited (KEPL) has surpassed its revenue target for H1 in addition to having a healthy order book. As KEPL focuses on the downstream refinery segment, last year the company witnessed a lot of projects getting delayed or deferred due to budget constraints of a few international customers. However, these projects are expected to streamline and further bolster order booking. The Kolhapur Steel Limited continues to sail through troubled waters. The company is in the process of addressing its issues and should see an improvement in the coming quarters.”

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:



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