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Kirloskar Oil Engines Limited

Earnings Update Sep 2012

Disclaimer



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Statements in this presentation, particularly those which relate to management's views and analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations.

Actual results might differ materially from those either expressed or implied.

Financials



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All numbers in Rs. Crs	Q2 FY2013	Q2 FY2012	∂	6M FY2013	6M FY2012	∂	FY 2012
Net Sales	614	578	6%	1,218	1,144	7%	2326
Raw Material	377	338	11%	750	660	14%	1391
Employee Costs	40	47	-16%	80	95	-15%	17 5
Other Expenses	106	122	-13%	209	234	-11%	455
EBITDA	90	70	29%	178	155	15%	304
Non-Op.Income / (Expenses)	10	51	-81%	1	56	-97%	84
Depreciation	22	24	-8%	46	47	-1%	91
Interest	(1)	5	-115%	2	9	-81%	16
PBT	78	92	-15%	132	156	-15%	281
Tax	23	35	-36%	37	56	-33%	89
PAT	56	57	-2%	95	100	-5%	192



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Q2 FY2013 Segment Performance

All numbers in Rs. Crs	Q2 FY2013	Q2 FY2012	Δ
PowerGen - Private	247	178	39%
PowerGen - Cellular	6	12	-51%
Agricultural	107	86	25%
Industrial	101	123	-18%
Customer Support	106	96	11%
Large Engines	37	33	12%
Bearings	-	33	-100%
Total	605	561	8%



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YTD FY2013 Segment Performance

All numbers in Rs. Crs	YTD FY2013	YTD FY2012	Δ
PowerGen - Private	505	376	34%
PowerGen - Cellular	9	17	-47%
Agricultural	190	149	28%
Industrial	214	242	-12%
Customer Support	213	193	10%
Large Engines	68	75	-9%
Bearings	-	62	-100%
Total	1,201	1,117	8%



Key Financial Metrics

	YTD FY 2013	YTD FY 2012
EBITDA %	14.6%	13.5%
Inventory (Days)	25	27
Receivables (Days)	42	43
Creditors (Days)	52	52
Fixed Asset Turns	4.4	4.0
RoCE	22.6%	22.4%
Debt	139	279
Cash & Equivalents	505	448
Net Debt	-366	-169

A. Power Generation (PG) Business

- Good demand during Q2 in Northern region especially in Punjab & Delhi
- Gained 3% market share in up to 30kVA segment
- “Kirloskar Chota Chilli”: 5 kVA DG sets, which were launched in Q1 continue to do well in selected markets
- Introduced 4R platform in 125 kVA segment which will enhance competitiveness of the business

B. Industrial Business

- Demand for Construction & Earth moving equipment further slipped down in Q2
- Most of the customers have shown decline in demand of more than 20%. However we have retained our market share with all our customers
- Greater focus on “Bazar” (Open Market) Sales of Engines in Q2

C. Agri Business

- Established Varsha 5 hp pump sets in market

D. Customer Support Business

- Substantial improvement in collection from customers of CAMC business
- Appointed 5 new dealers and upgraded 10 dealers in terms of competency during quarter
- Further enhanced competence of dealers for installation & commissioning for SL and DV series engines
- Service station for reconditioning of Engines has started in Noida

E. Others

- Government of Maharashtra sanctioned the balance 15% disbursal of Rs.12 Crs towards Industrial Promotion Subsidy (IPS) for Kagal Plant for FY 08-09 & 09-10
- As on 30th September 2012, Company has bought back 859,654 equity shares of Rs.2 each for a total consideration of Rs.13.08 Crs and out of which 786,488 equity shares are extinguished

Thank You!



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