

## Earnings Call Q1 FY 2021-22

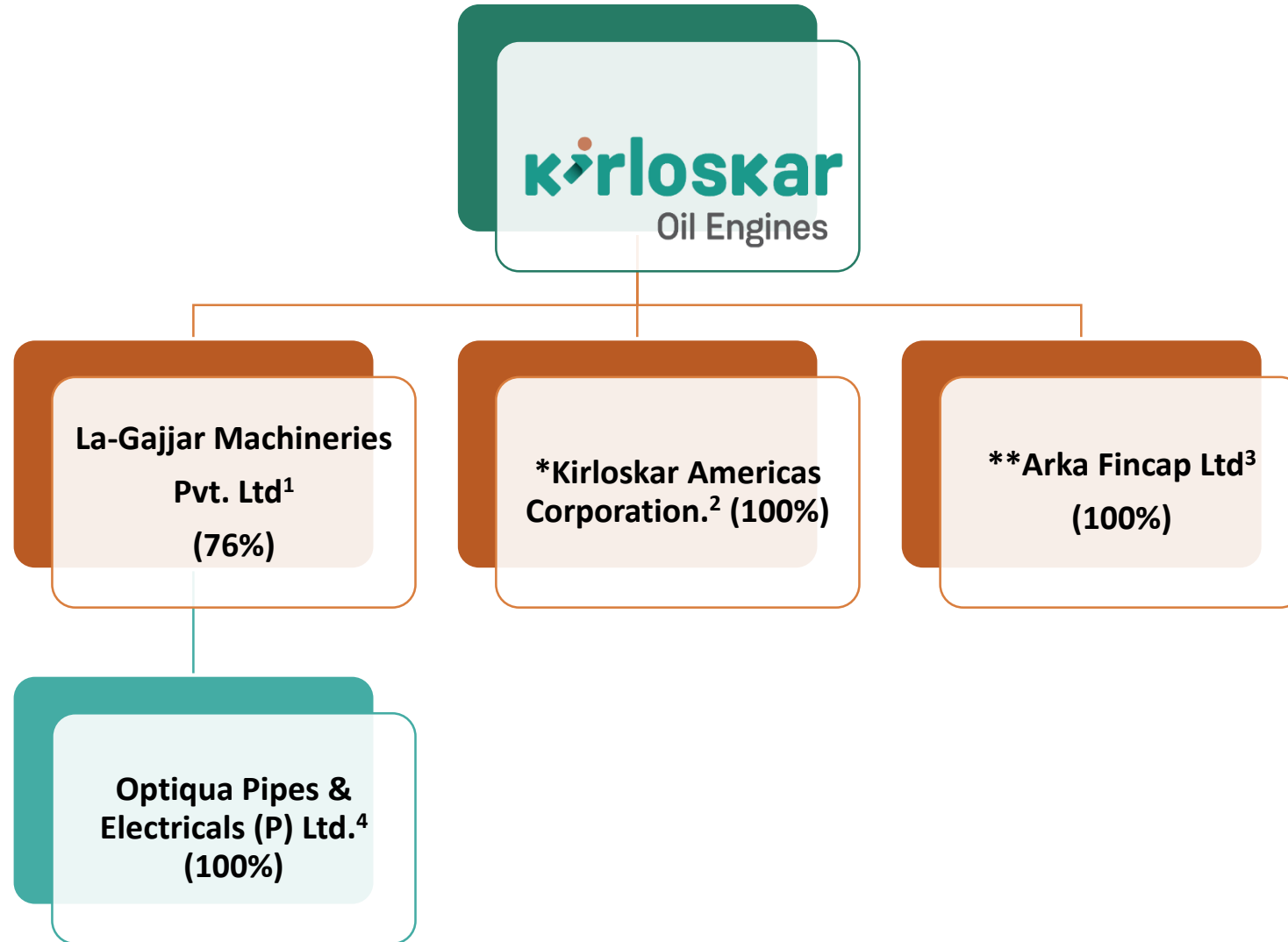
**13<sup>th</sup> August 2021**

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<sup>1</sup> with effect from 1<sup>st</sup> August 2017  
<sup>2</sup> with effect from 1<sup>st</sup> July 2015  
<sup>3</sup> with effect from 20<sup>th</sup> April 2018  
<sup>4</sup> with effect from 19<sup>th</sup> February 2021

\*Formerly known as KOEL Americas Corp  
\*\*Formerly known as Kirloskar Capital Ltd



# CONTENT

- **KIRLOSKAR- LIMITLESS**
- **BUSINESS OVERVIEW**
- **FINANCIAL OVERVIEW**
- **STRATEGIC DIRECTION**

- Brand Kirloskar refreshed with new logo and new business vision: limitless; on 16<sup>th</sup> July
- Campaign Brand refresh has been launched through TV, newspaper and social media
- What stays at the core of the group, for last 130 years, is to work towards progress of the society
- At Kirloskar we are engineered to always think about our customer, about society and what's next
- When you think about what's next, you inevitably unleash innate potential

**It is this potential that makes opportunities** *limitless*

**kirloskar**  
*limitless*

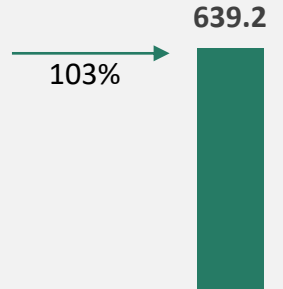


# CONTENT

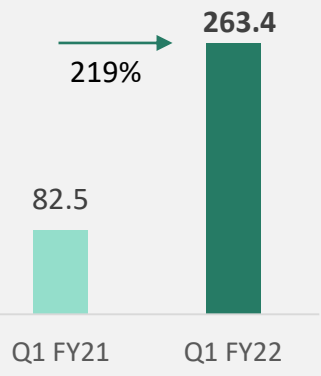
- KIRLOSKAR- LIMITLESS
- **BUSINESS OVERVIEW**
  - SALES HIGHLIGHTS
  - BUSINESS PERFORMANCE-  
DIVISION-WISE
- FINANCIAL OVERVIEW
- STRATEGIC DIRECTION

# SALES HIGHLIGHTS

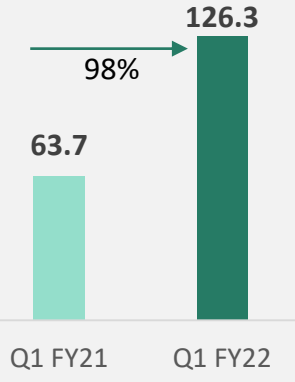
## Sales Performance



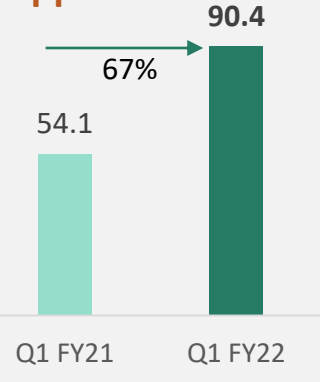
## Power Generation



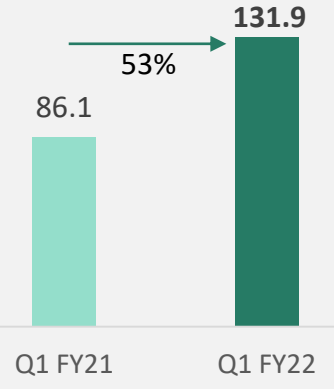
## Industrial



## Customer Support



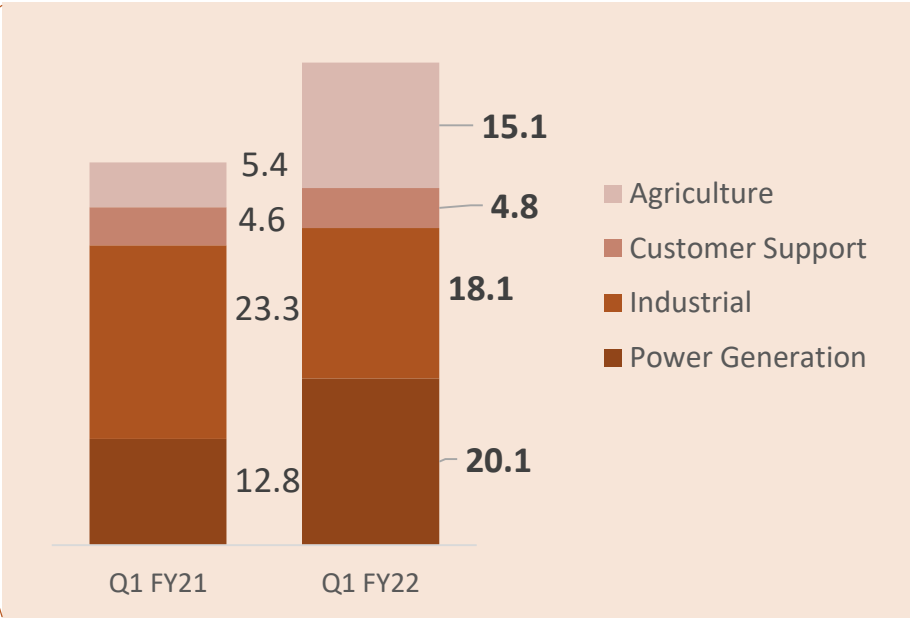
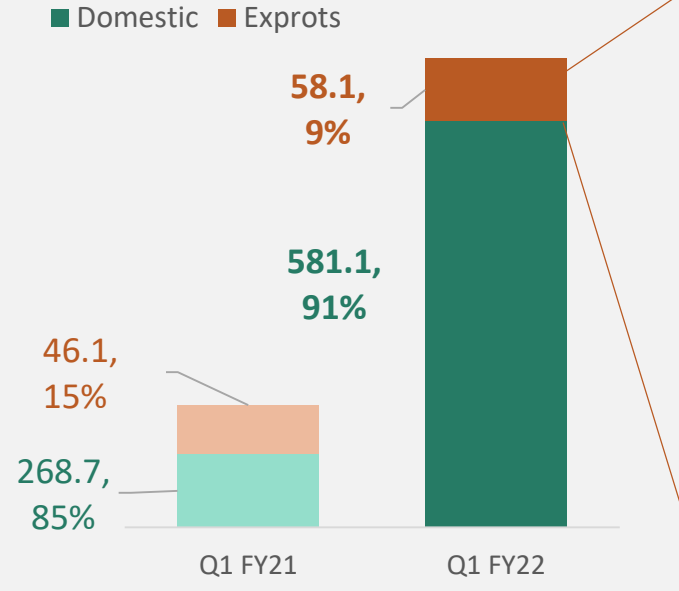
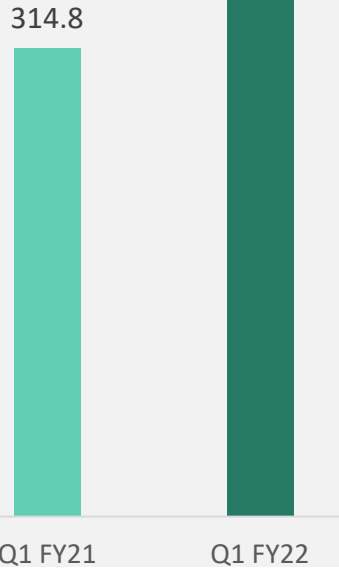
## Agriculture\*



## IPS(Large Engines)



Earnings Presentation Q1 FY 22 - Business Overview



\*Agriculture includes Agri Crop Irrigation, Farm Mechanisation and 'Tractor Spares and Oil' Business divisions

## POWER GENERATION BUSINESS

- Business has registered growth at 249% Y-o-Y
- Ultra High Horsepower (UHHP\*) segment registered good growth.
- Won good orders from health care infra segment
- *i-Green* continues to be the market leader with significant improvements in IoT activations and is getting encouraging response from customers

\*UHHP – 750 kVA and above

## AGRI BUSINESS

- Strong growth witnessed in electric pumps; one of the fastest growing segments
- Mini monobloc electric pumps range on track as per expectations, submersible pumps sales growing well
- Diesel engines based pump sets registered growth
- Power tiller sales at Q1 FY22 838 Units vs Q1 FY21 1,133 Units, however retail market sales grew Y-o-Y
- Power Weeder sales grew at 81% Y-o-Y
- Developed new range of power tillers with “K-cool” engines (LV 12, LV 15); (Indigenously developed technology of engine in power tillers industry in India)



## INDUSTRIAL BUSINESS\*

- Sales grew in all business segments
- BSIV smooth ramp up with all OEMs
- Kirloskar Engines based Firefighting Pump sets range sales started in Q1 FY22
- All sub segments of Industrial engines have shown growth Y-o-Y
- Good demand continuing from the Tractor segments; sales more than doubled Y-o-Y

\* Industrial Business includes tractor engines, construction equipment, earth moving, fluid handling( fire fighting) and others.

## CUSTOMER SUPPORT BUSINESS

- On the back of increased service load & secondary consumption, sales shown good growth
- Digitization and Long term Customer Retention drives of last few years reaped benefits during COVID -19 Crisis
- Continue to maintain healthy Customer Delight Index (CDI) score
- Direct online AMC 'KOEL Bandhan' is gaining momentum
- Soft loans were made available to needy service dealers for business continuity of customer services

## EXPORT BUSINESS

- USA : First supplies of FM/UL\* approved engines to leading global OEMs; local package assembly on base frame to meet OEM requirements
- Business has registered good growth Y-o-Y.
- PG and Agri segments witnessing high demand and high growth Y-o-Y.
- Fire Fighting Engines are well accepted in UAE market

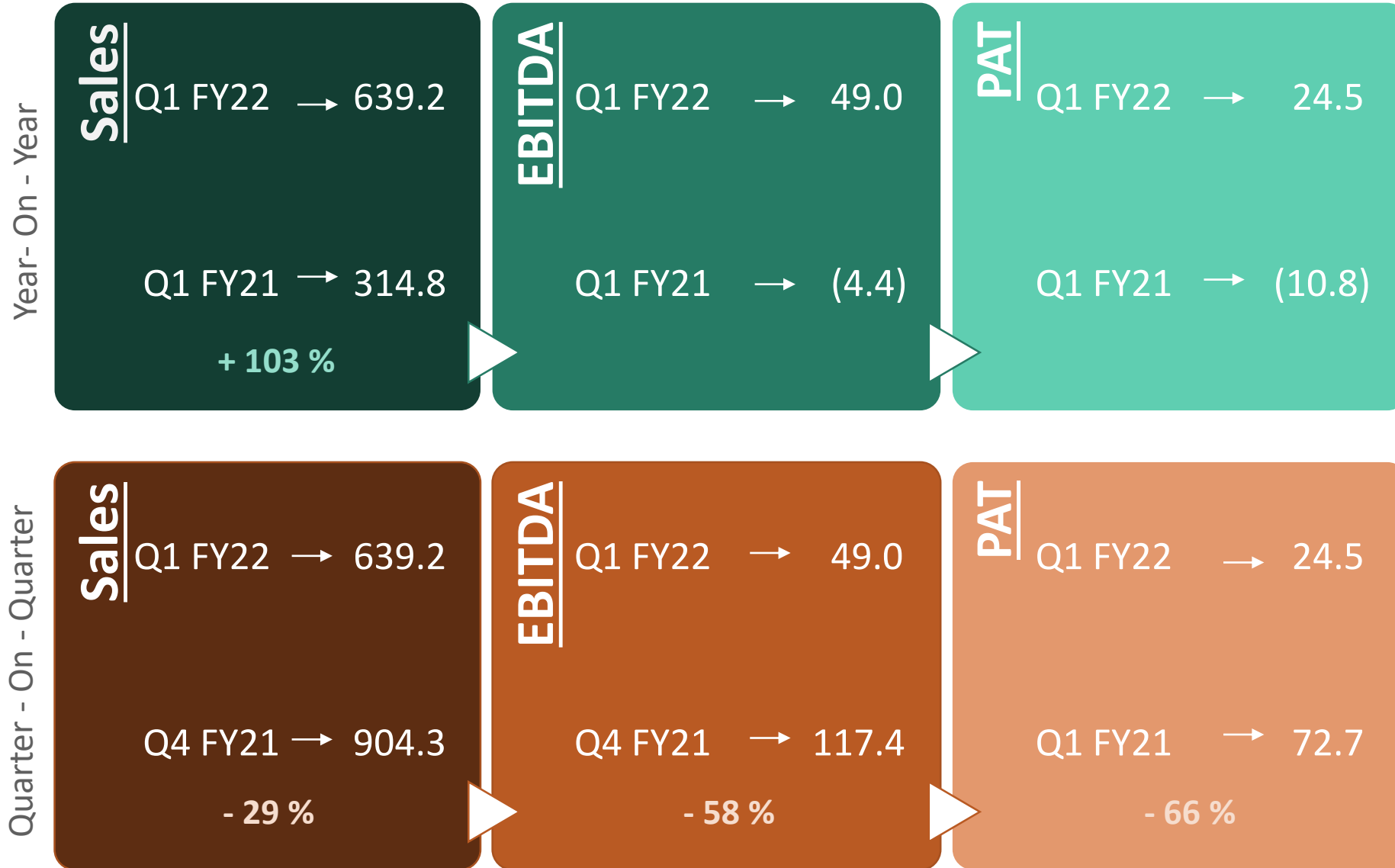
\* FM – Factory Mutual, UL- Underwriter's laboratories

## LARGE ENGINES BUSINESS

- Large Engine business saw a marginal decline of 4% Y-o-Y. Closure of many customer premises due to second wave of COVID -19 impacted project execution
- In fisheries boat engine segment, market share maintained at 25%
- Healthy order board in excess of ~ Rs 100 Cr

- KIRLOSKAR- LIMITLESS
- BUSINESS OVERVIEW
- **FINANCIAL OVERVIEW**
  - STANDALONE FINANCIAL PERFORMANCE
  - PERFORMANCE OF SUBSIDIARIES'
  - CONSOLIDATED FINANCIAL PERFORMANCE
- STRATEGIC DIRECTION

# RESULTS SNAPSHOT - STANDALONE



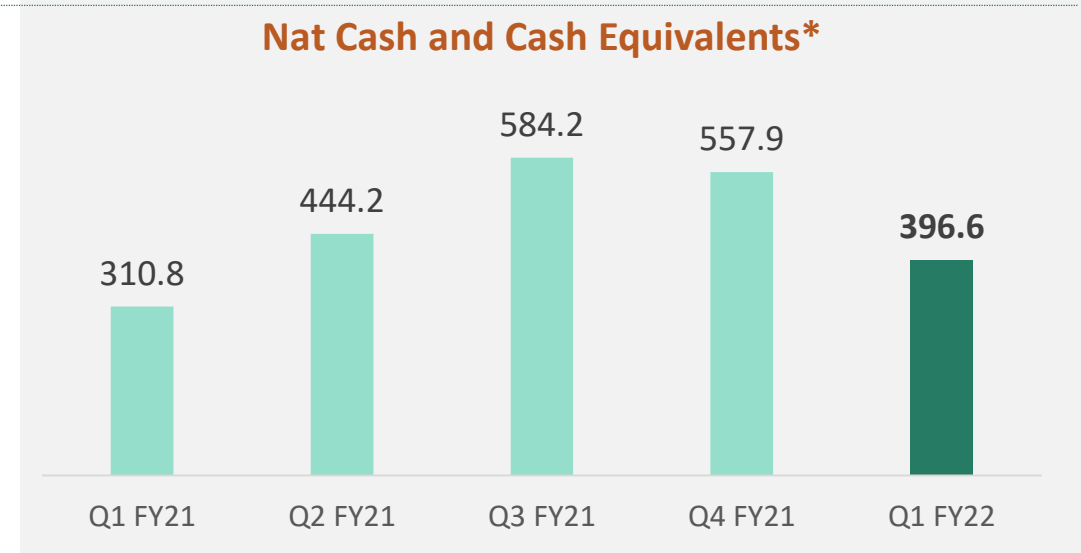
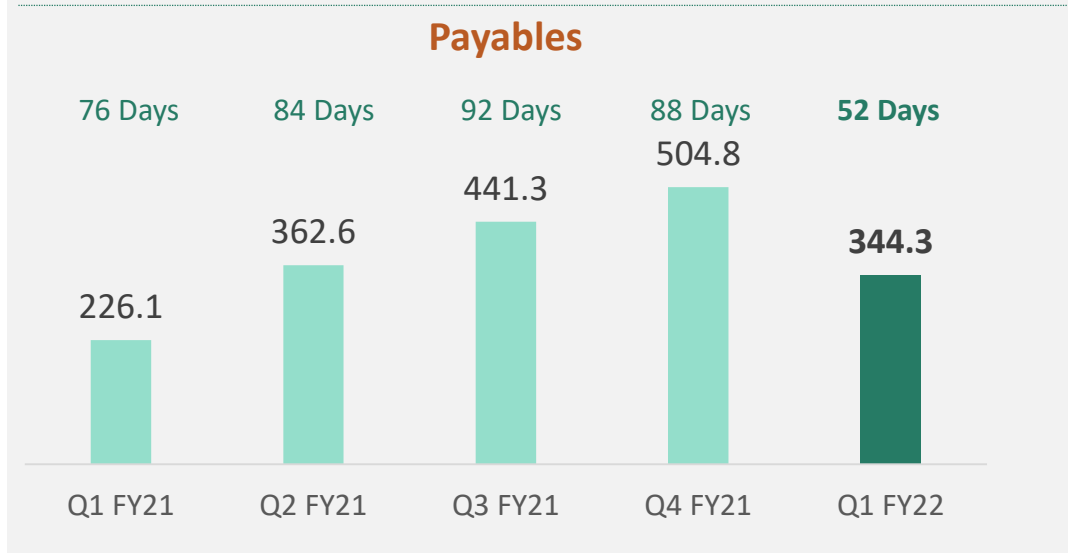
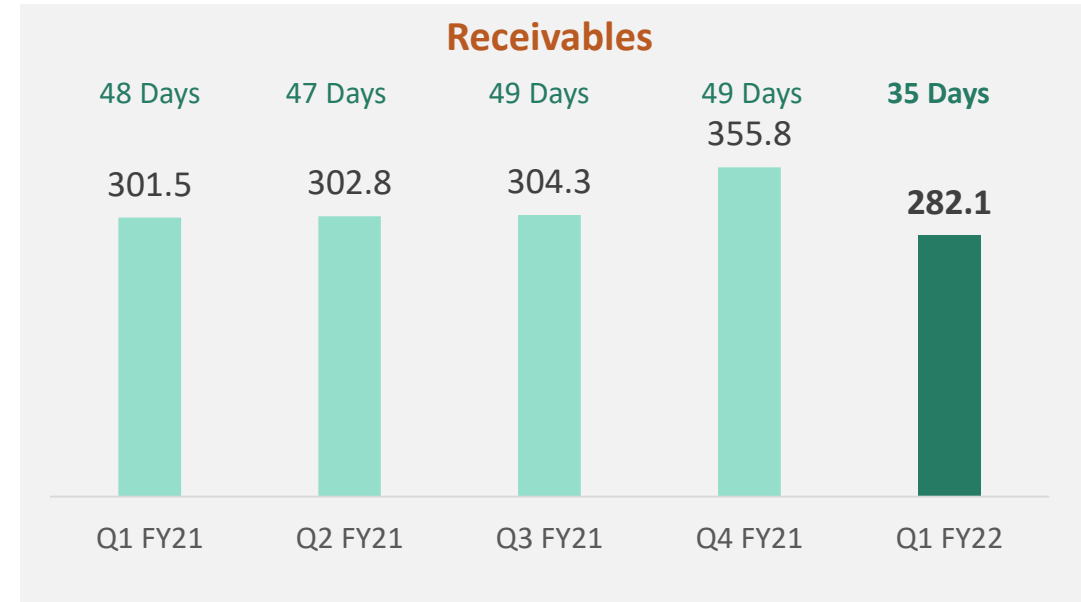
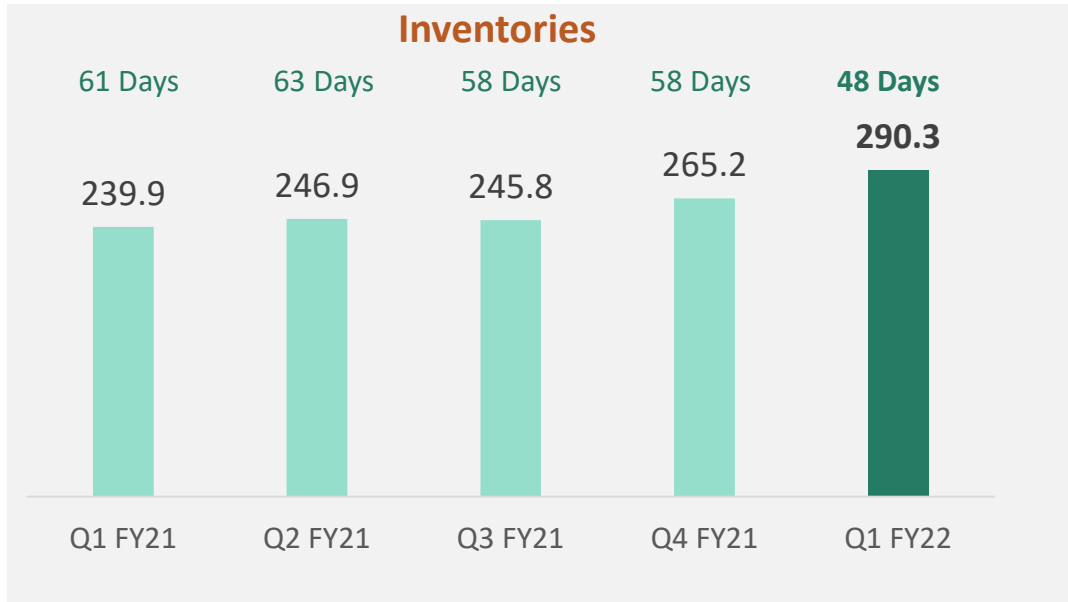
Notes: 1)EBITDA excludes other income and exceptional items 2)Figures of previous year regrouped to make it comparable.

# PROFIT AND LOSS STATEMENT - STANDALONE

Q4 FY21	Particulars	Q1 FY21	Q1 FY22	Y-o-Y ∂ Amt	Y-o-Y ∂ %
<b>904.3</b>	<b>Net Sales</b>	<b>314.8</b>	<b>639.2</b>	<b>324.4</b>	<b>103%</b>
10.3	Other Operating Income	5.6	8.1	2.5	44%
<b>914.6</b>	<b>Revenue from operations</b>	<b>320.4</b>	<b>647.2</b>	<b>326.8</b>	<b>102%</b>
592.5	Raw Material	204.4	445.8	241.4	118%
56.7	Employee Costs	44.6	48.9	4.3	10%
147.9	Other Expenses	75.8	103.6	27.8	37%
<b>117.4</b>	<b>EBITDA</b>	<b>(4.4)</b>	<b>49.0</b>	<b>53.4</b>	<b>NA</b>
<b>12.8%</b>	<b>EBITDA Margin (%)</b>	<b>-1.4%</b>	<b>7.6%</b>	<b>NA</b>	<b>9.0%</b>
8.2	Other Income	4.7	5.7	1.0	19%
17.0	Depreciation	14.8	19.6	4.8	33%
1.3	Interest	0.5	1.6	1.1	204%
<b>(8.4)</b>	Exceptional Item*	-	-	-	-
<b>98.9</b>	<b>PBT</b>	<b>(15.0)</b>	<b>33.5</b>	<b>48.5</b>	<b>NA</b>
26.2	Tax	(4.2)	9.0	13.2	NA
<b>72.7</b>	<b>PAT</b>	<b>(10.8)</b>	<b>24.5</b>	<b>35.3</b>	<b>NA</b>
<b>7.9%</b>	<b>PAT Margin (%)</b>	<b>-3.4%</b>	<b>3.8%</b>	<b>NA</b>	<b>7.2%</b>

\* Q4 FY 21 Exceptional item represents VRS expense

# WORKING CAPITAL & NET CASH POSITION



- Notes :
- 1) No. of days have been calculated using average value and TTM (Trailing twelve months method)
  - 2) \*Above Cash position excludes unclaimed dividend and is net of debt; includes company's treasury investments (liquid & money market funds)



## La-Gajjar Machineries Pvt Limited (“LGM”)\*

- Sales at 141.2 Cr in Q1 FY22; growth of 64% Y-o-Y
  - All segments delivered growth in Q1 (except Govt.)
- EBITDA margin for Q1 FY22 is at 5.6%
- LGM has formed a wholly owned subsidiary i.e. Optiqua Pipes and Electricals Private Limited in February 2021 to tap the market opportunities in the “allied segment” and adjacencies in the Water Management Solution Vertical
- Optiqua has started Commercial sales in Q1 FY22

\*Consolidated

## Kirloskar Americas Corporation# (“KAC”)

- Sales at 8.9 Cr (USD 1.2 Million) in Q1 FY22; growth of 337% Y-o-Y
- Growth in Q1 is led by Agri segment sales in Central America followed by gensets and air-cooled industrial engine sales in Latin America
- Growth is visible in gensets and G Drive engines in the US market in FY22

#Formerly known as KOEL Americas Corp

## \*\*Arka Fincap Limited

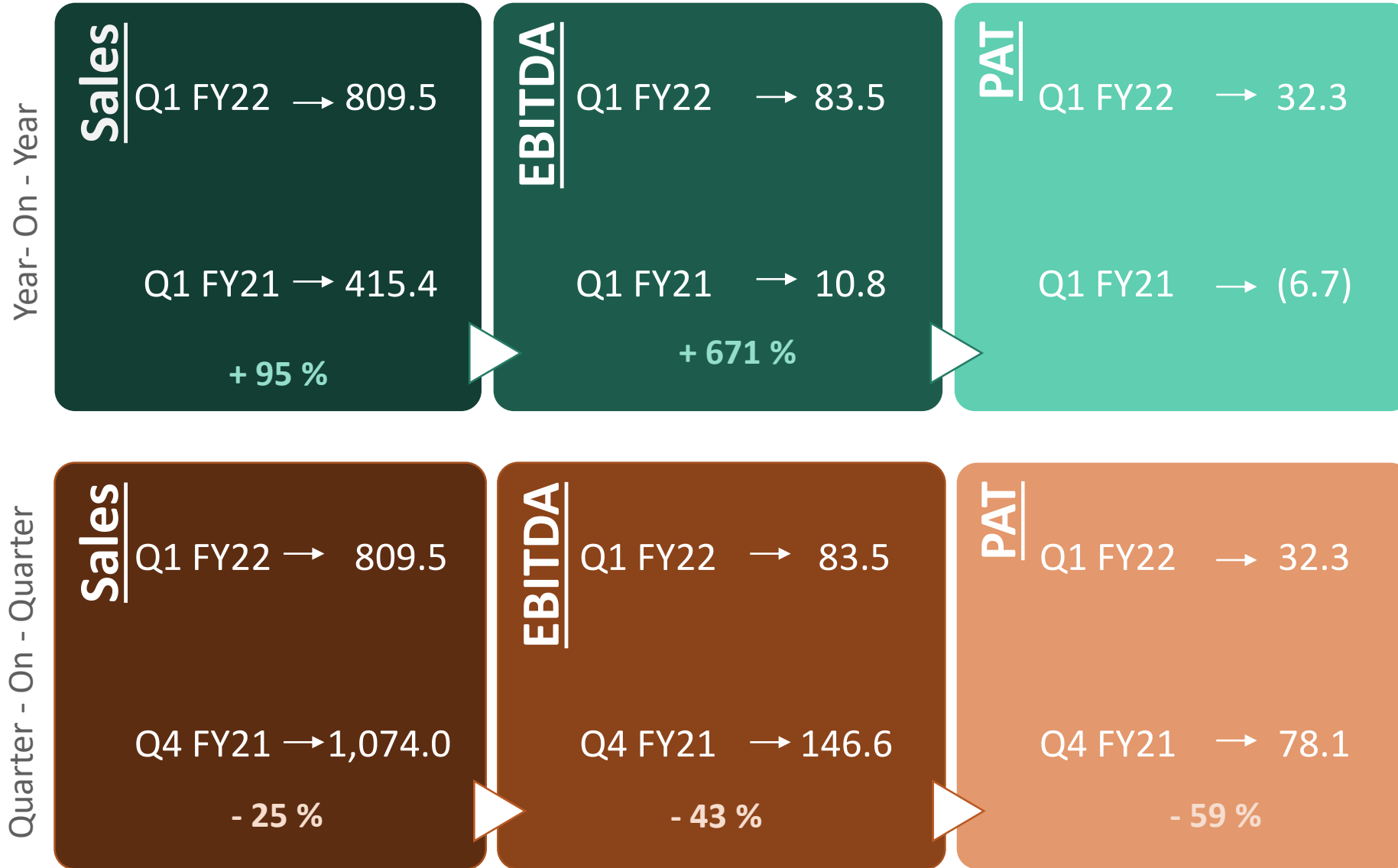
- KOEL infused Rs 50.0 Cr of share capital in Arka in Q1 FY22. Total Investment in Arka as on 30<sup>th</sup> June 21 stood at Rs 701.3 Cr
- Revenue from operations at 37.8 Cr in Q1 FY22; growth of 127% Y-o-Y
- PAT at Rs 6.3 Cr in Q1 FY22; growth of 76% Y-o-Y
- Debt Rating: Rs 965 Cr
  - 700 Cr Loans CRISIL AA-/ Stable
  - 195 Cr NCD CRISIL AA-/Stable
  - 70 Cr NCD INFOMERICS AA-/Stable
- Total Debt as on 30th June 21 ~Rs 715.2 Cr vs 665.7 as on 31st March 21
- Total AUM\* as on 30th June 21 Rs 1285 Cr (1124 Cr as on 31st March 21) includes:
  - Loan book- Rs 1190 Cr
  - CP – Rs 50 Cr
  - NCD Rs. 45 Cr
- No Asset Liability mismatch

\*Excludes Treasury assets

\*\*Formerly known as Kirloskar Capital Ltd



# RESULTS SNAPSHOT - CONSOLIDATED



Notes: 1) EBITDA excludes other income and exceptional items 2) Figures of previous year regrouped to make it comparable.

# PROFIT AND LOSS STATEMENT - CONSOLIDATED

Q4 FY21	Particulars	Q1 FY21	Q1 FY22	Y-o-Y ∂ Amt	Y-o-Y ∂ %
<b>1,074.0</b>	<b>Net Sales</b>	<b>415.4</b>	<b>809.5</b>	<b>394.1</b>	<b>95%</b>
<b>13.1</b>	Other Operating Income	<b>7.0</b>	<b>11.3</b>	4.3	62%
<b>1,087.2</b>	<b>Revenue from operations</b>	<b>422.3</b>	<b>820.8</b>	<b>398.5</b>	<b>94%</b>
664.3	Raw Material	261.0	532.4	271.4	104%
74.4	Employee Costs	57.3	64.9	7.6	13%
201.8	Other Expenses	93.3	140.0	46.7	50%
<b>146.6</b>	<b>EBITDA</b>	<b>10.8</b>	<b>83.5</b>	<b>72.7</b>	<b>671%</b>
<b>13.5%</b>	<b>EBITDA Margin(%)</b>	<b>2.6%</b>	<b>10.2%</b>	<b>NA</b>	<b>7.6%</b>
7.2	Other Income	5.0	6.3	1.3	26%
22.8	Depreciation	19.9	25.5	5.6	28%
16.9	Interest	5.2	20.4	15.2	294%
<b>(8.4)</b>	Exceptional Item*	-	-	-	-
<b>105.8</b>	<b>PBT</b>	<b>(9.2)</b>	<b>43.9</b>	<b>53.1</b>	<b>NA</b>
27.7	Tax	(2.5)	11.6	14.1	NA
<b>78.1</b>	<b>PAT</b>	<b>(6.7)</b>	<b>32.3</b>	<b>39.0</b>	<b>NA</b>
<b>7.2%</b>	<b>PAT Margin (%)</b>	<b>-1.6%</b>	<b>3.9%</b>	<b>NA</b>	<b>5.5%</b>

\* Q4 FY 21 Exceptional item represents VRS expense

# SEGMENT RESULTS - CONSOLIDATED

Q4 FY21	Particulars	Q1 FY21	Q1 FY22	Y-o-Y Δ Amt	Y-o-Y Δ %
	<b>SEGMENT REVENUE</b>				
818.3	Engines	267.5	567.8	300.3	112%
186.7	Electric Pumps	103.6	174.8	71.2	70%
33.0	Financial Services	16.6	37.7	21.1	128%
48.7	Others	34.1	40.5	6.4	19%
0.5	Unallocated	0.6	0.1	(0.5)	NA
<b>1,087.2</b>	<b>REVENUE FROM OPERATIONS</b>	<b>422.3</b>	<b>820.8</b>	<b>398.5</b>	<b>94%</b>
	<b>SEGMENT RESULTS</b>				
106.4	Engines	(14.6)	33.6	48.2	NA
4.5	Electric Pumps	2.3	4.6	2.3	106%
19.9	Financial Services	7.8	24.6	16.8	216%
(0.4)	Others	(0.8)	(0.5)	0.3	NA
0.5	Unallocated	1.3	2.1	0.8	63%
<b>131.0</b>	<b>Total</b>	<b>(4.1)</b>	<b>64.3</b>	<b>68.4</b>	<b>NA</b>
	Less:				
(8.4)	Exceptional Item	-	-	-	-
16.9	Finance Cost	5.2	20.4	15.2	294%
<b>105.8</b>	<b>Profit Before Tax</b>	<b>(9.2)</b>	<b>43.9</b>	<b>53.1</b>	<b>NA</b>

Notes:

- 1) Electric Pumps segment includes LGM(Consolidated) and Electric pumps segment of Agri division of KOEL
- 2) Financial Services division represents ARKA
- 3) "Others" includes Farm Mechanization and Tractor spares & oil

# CONTENT

- KIRLOSKAR- LIMITLESS
- BUSINESS OVERVIEW
- FINANCIAL OVERVIEW
- **STRATEGIC DIRECTION**

- Cleaner engines – most advanced emission norms, natural gas, biogas engines, petrol, hybrid industrial
- Leverage High Horsepower segment presence – beyond backup power into prime / cogeneration
- Grow electric segment – electric pumps, electric motors, battery-based back-up
- Offer quality products in allied spaces in water management solutions – control panels , flat cables, column pipes
- Enhance product range and applications into small farm mechanization and implements space to leverage existing channel strength
- Closely watch advancements in next gen energy storage technologies such as fuel cells and identify KOEL role
- Leverage the refreshed Brand image of Kirloskar Limitless

**KOEL has worked out a plan to reduce engine dependent topline - from current 80% to 60% in 4-5 years timeframe**

**THANK YOU**