

Earnings Call Presentation
Q1 FY23
11th August 2022



LIMITLESS

DISCLAIMER & SAFE HARBOR STATEMENT



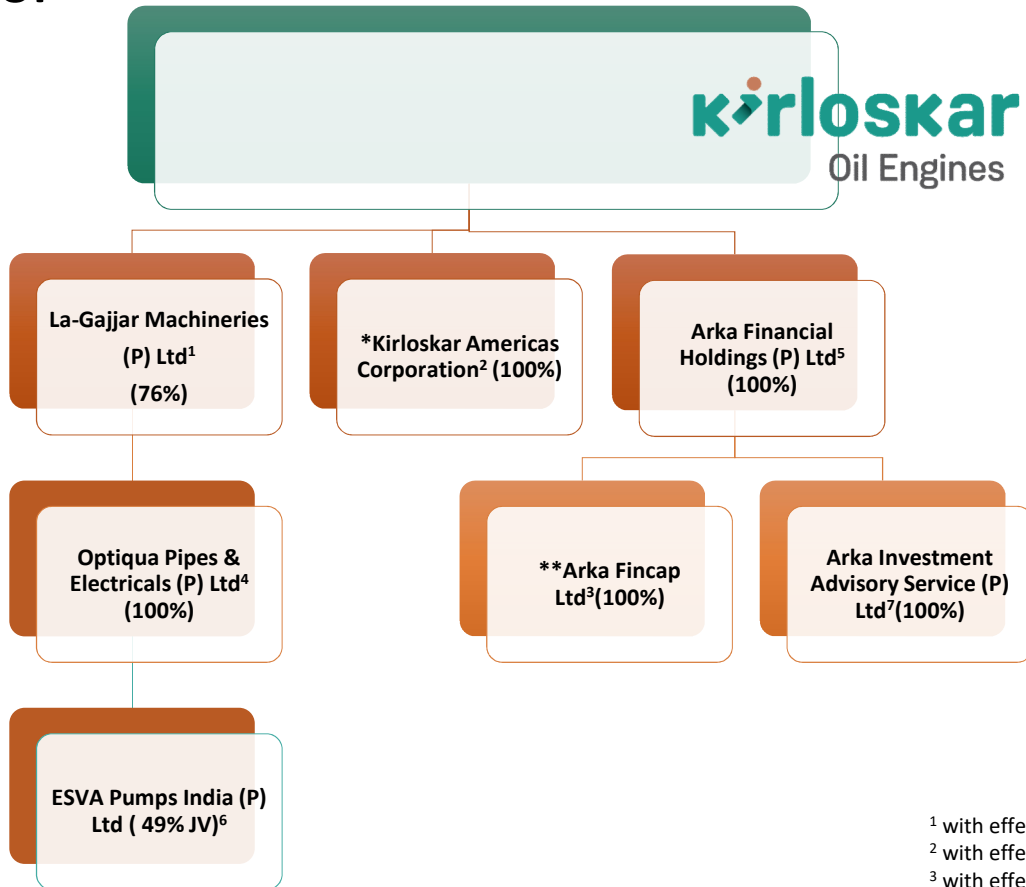
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KOEL GROUP



¹ with effect from 1st August 2017

² with effect from 1st July 2015

³ with effect from 20th April 2018

⁴ with effect from 19th February 2021

⁵ with effect from 13th July 2021

⁶ with effect from 4th October 2021 (Optiqua has entered JV agreement with ESVA pumps)

⁷ with effect from 30th March 2022

*Formerly known as KOEL Americas Corp.

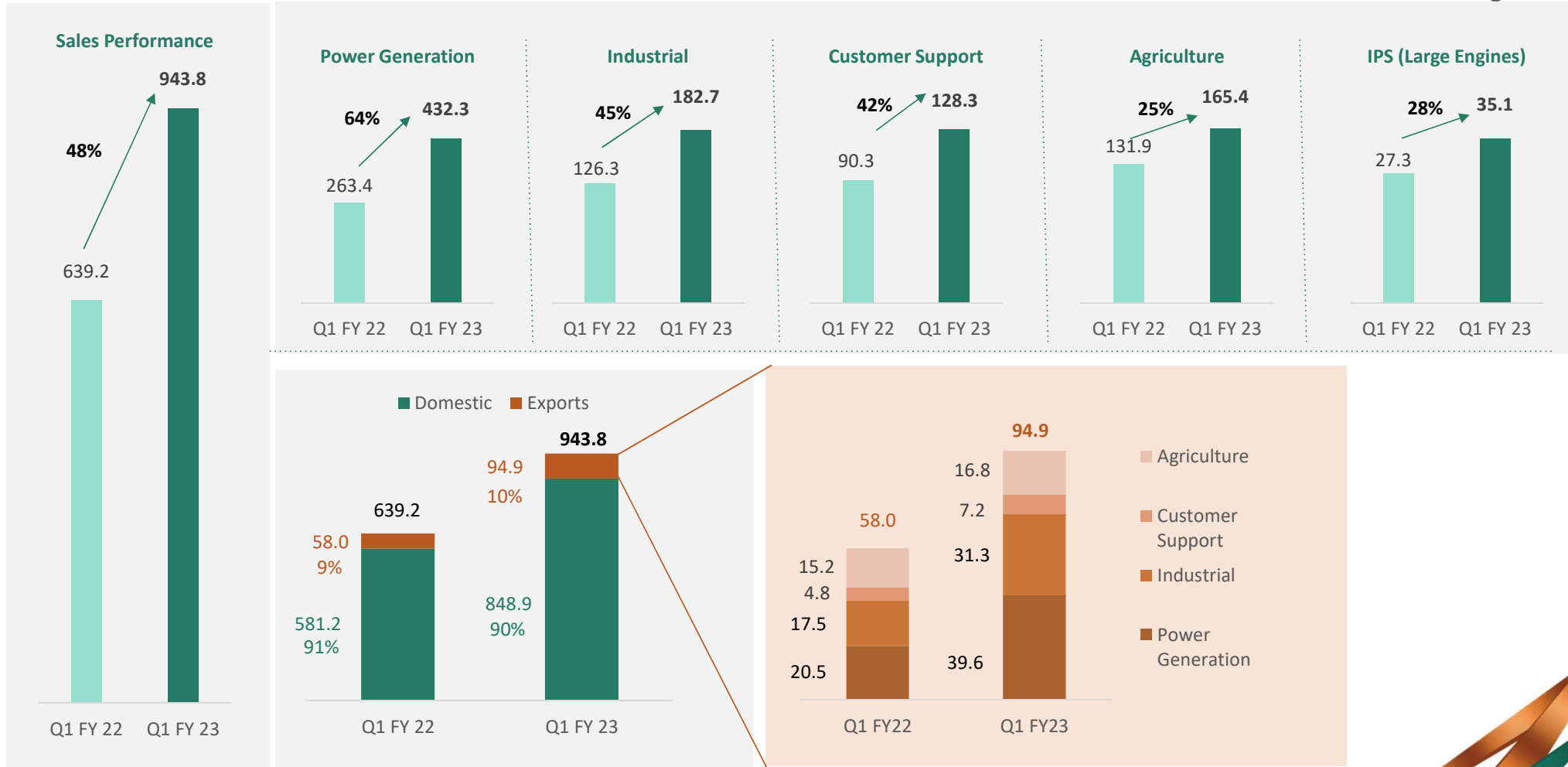
** Formerly known as Kirloskar Capital Ltd

CONTENT

- **BUSINESS OVERVIEW**
 - STANDALONE
 - SALES HIGHLIGHTS
 - CONSOLIDATED
 - SEGMENT OVERVIEW
- FINANCIAL OVERVIEW

STANDALONE SALES HIGHLIGHTS – Q1 FY23 Y-o-Y

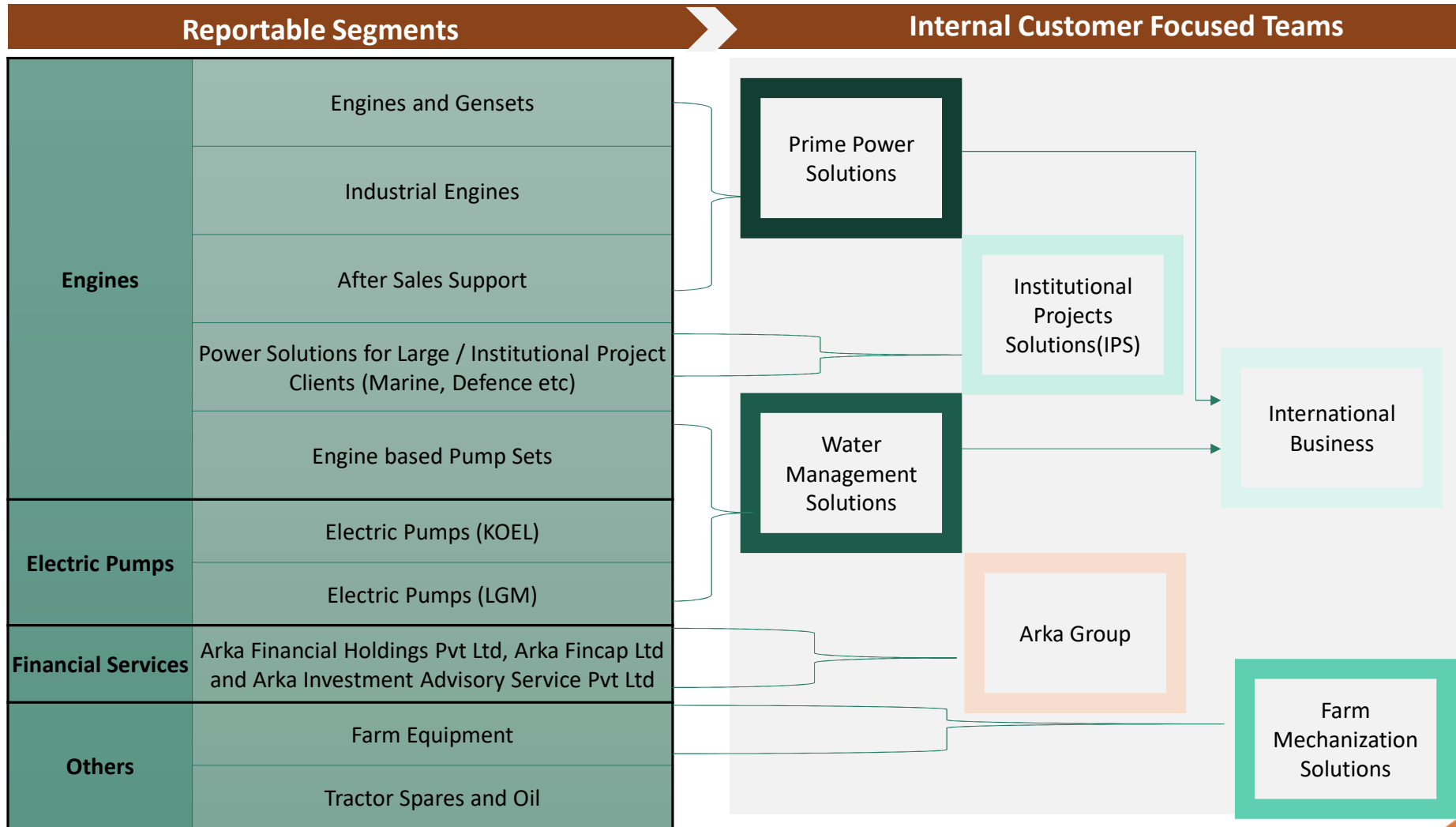
All numbers in INR Crores



*Agriculture includes KOEL Water Management Solutions (Diesel and Electric Pumps), Farm Mechanization and 'Tractor Spares and Oil' Business divisions

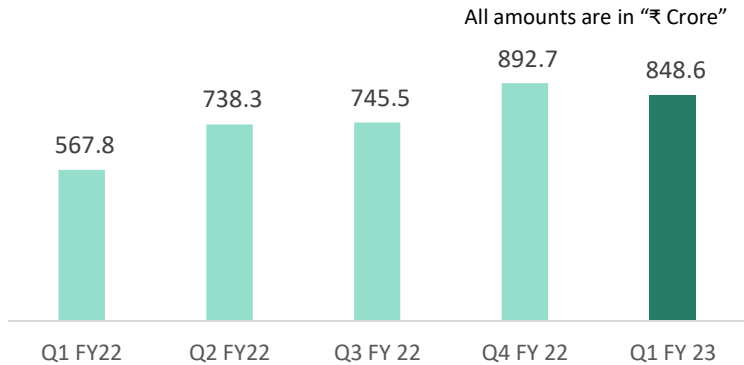


Refocusing From Business Standpoint...

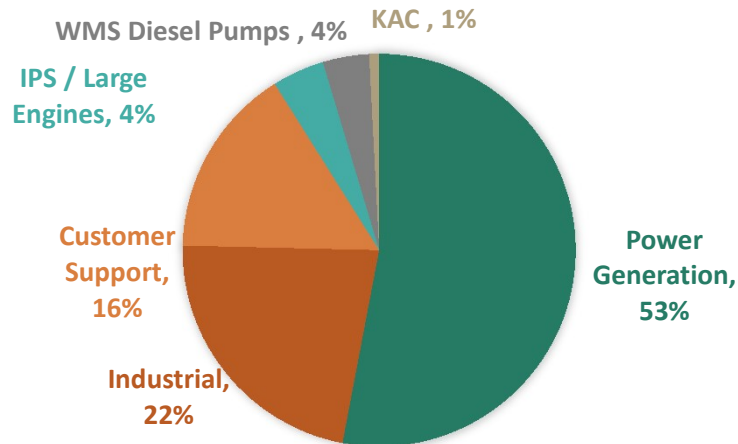


SEGMENT PERFORMANCE OVERVIEW – ENGINES

Segment Revenue Trend



Segment Revenue Composition For Current Quarter



Performance Updates

Power Generation Business -

- Business has registered sales growth of 64% Y-o-Y and nearly at same level Q-o-Q
- Exports sales have registered growth of 93% Y-o-Y and decline of 11% Q-o-Q
- Won & executed orders from health care infra segment
- New compact genset launched in 15 kVA range; export orders in excess of 25 Cr already received
- Strengthened presence in mobility segment with adding up installations in metros (Pune, Mumbai and Ahmedabad) and major airports
- i-Green* continues to be the market leader with significant improvements in IoT activations and is getting encouraging response from customers

Industrial Business -

- Business has registered sales growth of 45% Y-o-Y and 3% Q-o-Q

Customer Support Business -

- Business has registered sales growth of 42% Y-o-Y and a marginal decline of 3% Q-o-Q.
- Continues to maintain a healthy Customer Delight Index (CDI) score of more than 90
- Direct online AMC 'KOEL Bandhan' continued to gain momentum, sales grew at 31% Y-o-Y, however declined 12% Q-o-Q

Large Engines Business (IPS) -

- Business has registered sales growth of 28% Y-o-Y and a decline of 54% Q-o-Q.
- Healthy order board in excess of 175 Cr

Water Management Solutions (KOEL) Diesel Pumps -

- Business has registered sales growth of 35% Y-o-Y and decline of 3% Q-o-Q.

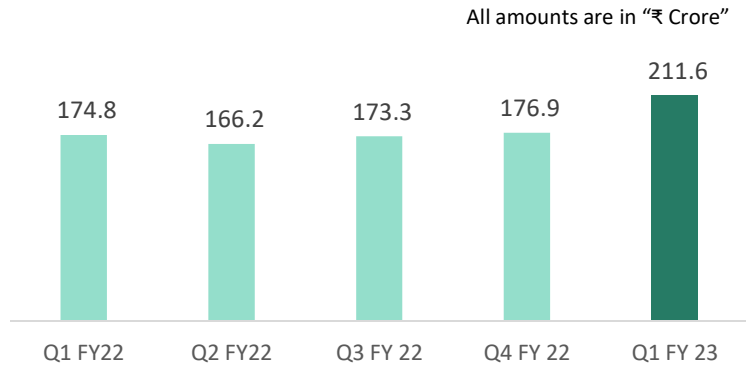
Kirloskar Americas Corporation (KAC) -

- Business has registered sales decline (INR) of 25% Y-o-Y and 27% Q-o-Q
- Growth is expected in gensets and G Drive engines in the US market in first half of FY23

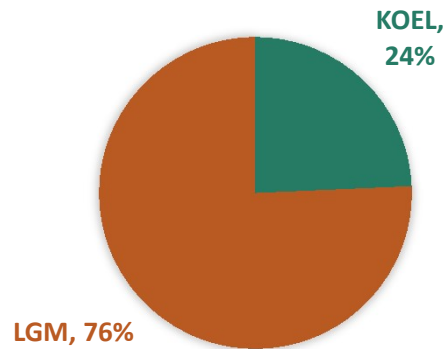


SEGMENT PERFORMANCE OVERVIEW – ELECTRIC PUMPS

Segment Revenue Trend



Segment Revenue Composition For Current Quarter



* Consolidated

Performance Updates

La-Gajjar Machinerics (P) Ltd ("LGM")*

- Business has registered sales growth of 20% Y-o-Y and 28% Q-o-Q
- EBITDA margin for the quarter improved mainly on account of better sales realization and softening of commodity prices.
- LGM has formed a wholly owned subsidiary i.e. Optiqua Pipes and Electricals (P) Ltd in February 2021 to tap the market opportunities in the "allied segment" and adjacencies in the Water Management Solution vertical
- Optiqua entered into a joint venture (JV) with ESVA Pumps India (P) Ltd by obtaining 49% equity stake on 4th Oct 2021.

Water Management Solutions (KOEL) - Electric Pumps

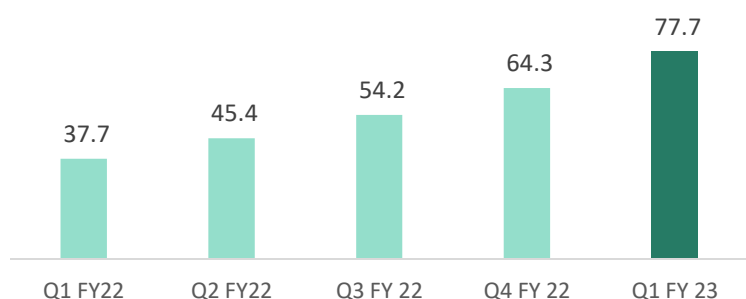
- Business has registered sales growth of 24% Y-o-Y and decline of 4% Q-o-Q



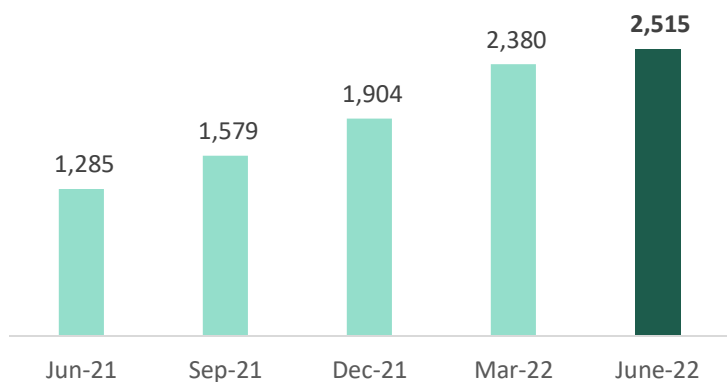
SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

Segment Revenue Trend

All amounts are in "₹ Crore"



AUM** Trend



Performance Updates

Arka Financial Holdings (P) Ltd ("AFHPL")*

- KOEL's total investment in AFHPL as on 30th Jun 22 stood at 936.6 Cr
- AFHPL formed a new subsidiary company Arka Investment Advisory Service (P) Ltd as on 30th Mar 22
- AFHPL revenue from operations stood at 77.7 Cr in Q1 FY23; growth of 106% Y-o-Y
- AFHPL PAT stood at 15.3 Cr in Q1 FY23; growth of 144% Y-o-Y
- Total Debt as on 30th Jun 22 stood at 1,815 Cr vs 1,734 as on 31st Mar 22
- Debt to Equity Ratio:
 - 30th Jun 22 1.9
 - 31st Mar 22 2.1
 - 31st Dec 21 1.6
- Total AUM* as on 30th Jun 22 includes:
 - Loan book - 2,416 Cr
 - NCD/PTC - 99 Cr
- No asset liability mismatch

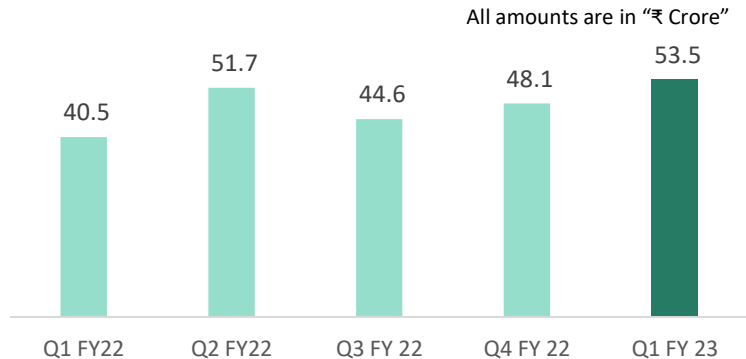
*Consolidated

** Excludes treasury assets

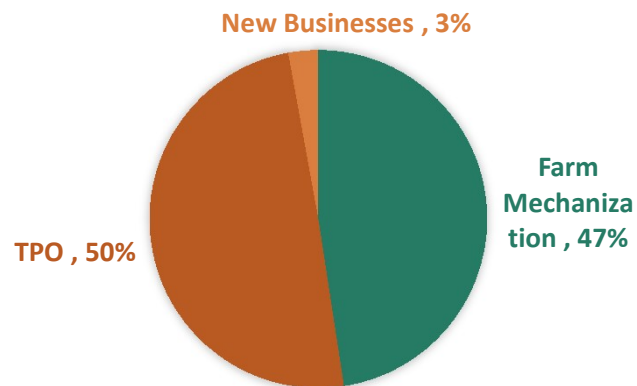


SEGMENT PERFORMANCE OVERVIEW – OTHERS

Segment Revenue Trend



Segment Revenue Composition For Current Quarter



Performance Updates

Farm Mechanization Business -

- Business has registered sales growth of 27% Y-o-Y and Q-o-Q
- Power Tiller segment registered a volume growth of 8% Y-o-Y and 41% Q-o-Q
- Power Weeder segment registered a volume growth of 49% Y-o-Y and decline of 18% Q-o-Q

Tractor Spares and Oil (TPO) -

- Business has registered growth of 30% Y-o-Y and decline of 3% Q-o-Q

New Businesses (Electric Motors & OWC) -

- Electric motors have seen good traction in the market
- OWC is a concept selling; will take time to gain meaningful traction



CONTENT

- BUSINESS OVERVIEW
- **FINANCIAL OVERVIEW**
 - **STANDALONE**
 - PERFORMANCE HIGHLIGHTS
 - PROFIT AND LOSS STATEMENT
 - WORKING CAPITAL AND NET CASH POSITION
 - **CONSOLIDATED**
 - PERFORMANCE HIGHLIGHTS
 - PROFIT AND LOSS STATEMENT
 - SEGMENT RESULTS

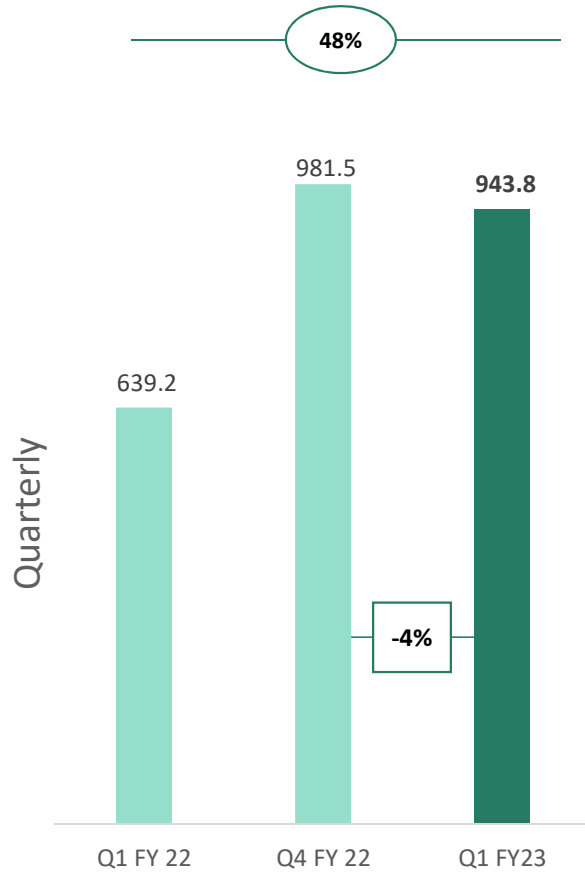
STANDALONE – PERFORMANCE HIGHLIGHTS



All amounts are in "₹ Crore" Oil Engines

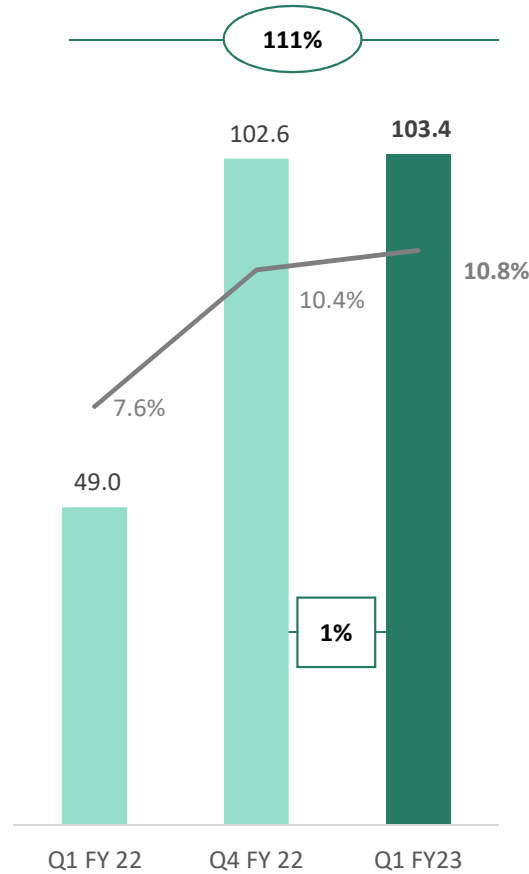
Sales

48%



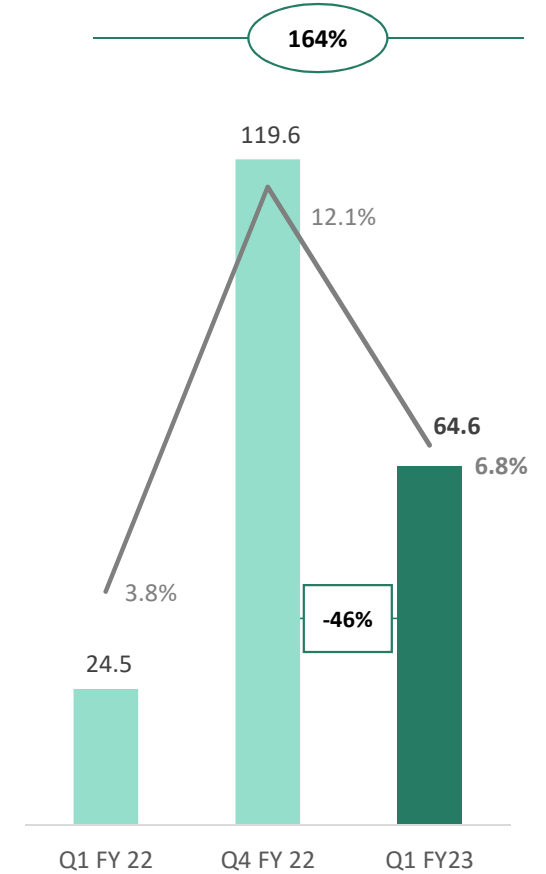
EBITDA & Margin

111%



PAT & Margin*

164%



*Decline in PAT Q-o-Q is mainly due to exceptional income (there was exceptional income of 52.7 Cr in Q4 FY22), normalized PBT before exceptional income declined by 3% Q-o-Q



STANDALONE - PROFIT AND LOSS STATEMENT

All amounts are in "₹ Crore"

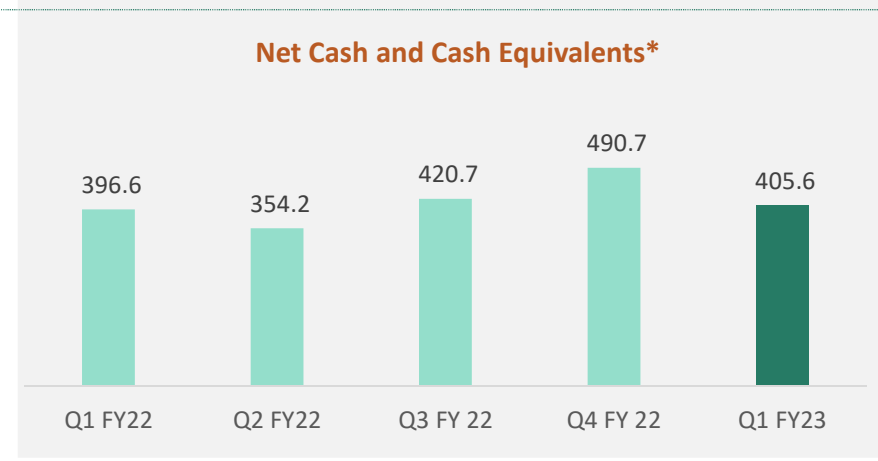
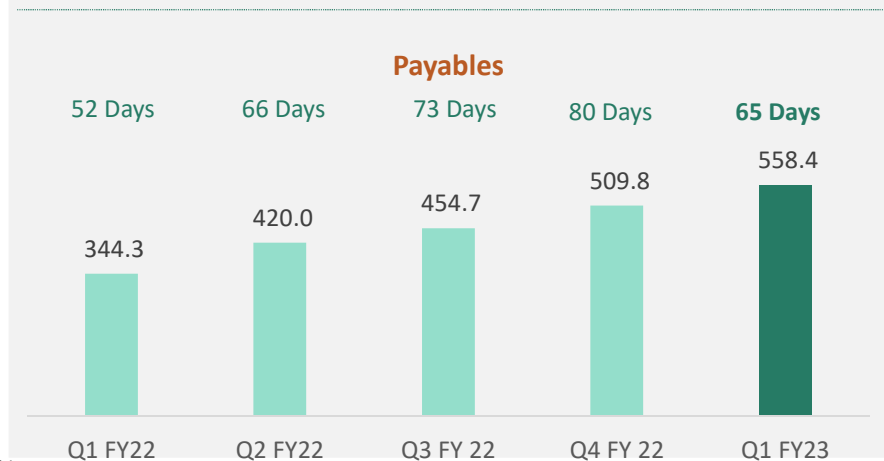
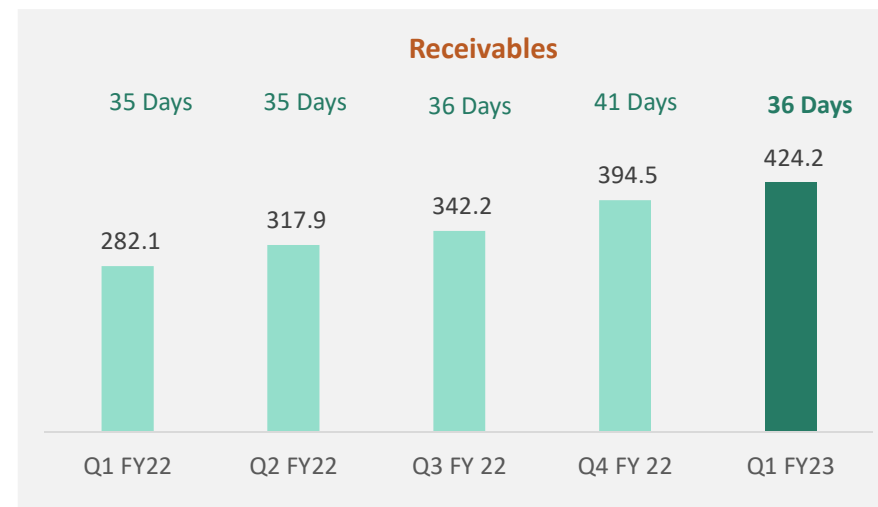
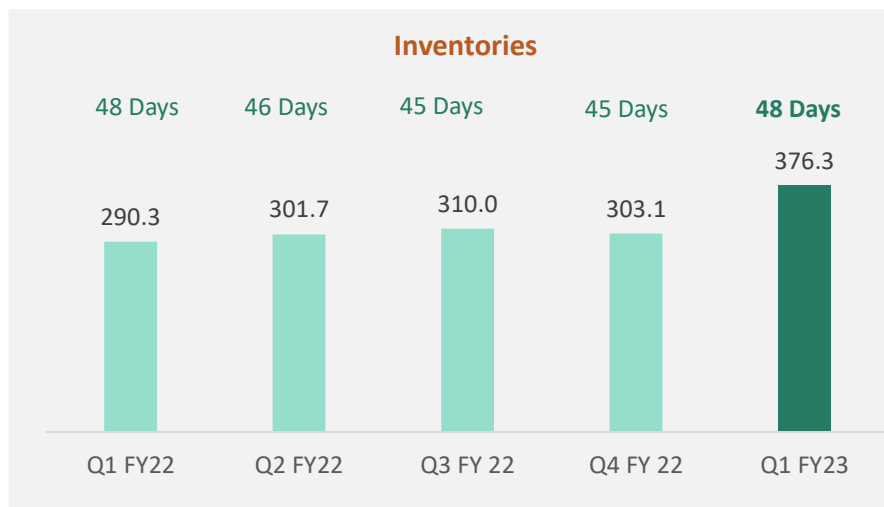
Particulars	Q1 FY23	Q4 FY22	Q-o-Q %	Q1 FY22	Y-o-Y %
Net Sales	943.8	981.5	-4%	639.2	48%
Other Operating Income	9.2	8.6	7%	8.1	14%
Revenue from operation	953.0	990.0	-4%	647.2	47%
Raw Material	661.1	679.6	-3%	445.8	48%
Employee Costs	55.5	48.9	13%	48.9	13%
Other Expenses	133.0	158.9	-16%	103.6	28%
EBITDA	103.4	102.6	1%	49.0	111%
EBITDA Margin (%)	10.8%	10.4%	0.4%	7.6%	3.2%
Other Income	5.4	7.6	-29%	5.7	-6%
Depreciation & Amortisation	20.5	19.1	7%	19.6	5%
Finance Cost	1.1	1.5	-27%	1.6	-32%
PBT before exceptional items	87.1	89.5	-3%	33.5	160%
Exceptional items – Income*	-	52.7	NA	-	NA
PBT	87.1	142.2	-39%	33.5	160%
Tax	22.5	22.6	0%	9.0	150%
PAT	64.6	119.6	-46%	24.5	164%
PAT Margin (%)	6.8%	12.1%	-5.3%	3.8%	3.0%

* Gain on transfer of Arka Fincap's ownership from KOEL to Arka Holdings



WORKING CAPITAL AND NET CASH POSITION

All amounts are in "₹ Crore" Oil Engines



- Notes :
- 1) No. of days has 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)



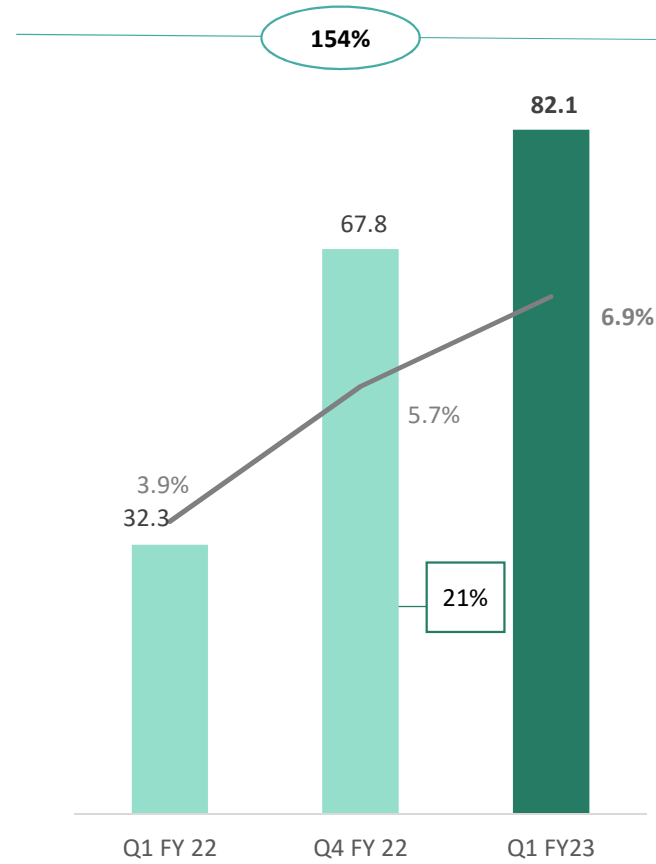
CONSOLIDATED – PERFORMANCE HIGHLIGHTS

Sales*



All amounts are in "₹ Crore"

PAT & Margin



*Sales includes revenue from financial service business



CONSOLIDATED - PROFIT AND LOSS STATEMENT

All amounts are in “₹ Crore”

Particulars	Q1 FY23	Q4 FY22	Q-o-Q %	Q1 FY22	Y-o-Y %
Net Sales*	1,179.2	1,170.3	1%	809.5	46%
Other Operating Income	12.3	11.7	5%	11.3	9%
Revenue from operation	1,191.4	1,182.0	1%	820.8	45%
Other Income	5.5	7.8	-29%	6.3	-12%
Total Income	1197.0	1189.8	1%	827.1	45%
Raw Material	764.3	765.1	0%	532.4	44%
Employee Costs	77.8	75.7	3%	64.9	20%
Other Expenses	176.4	197.7	-11%	140.0	26%
Depreciation & Amortisation	26.6	25.3	5%	25.5	4%
Finance Costs	41.9	35.3	19%	20.4	106%
PBT before share of net profit/(loss) of joint venture and exceptional items	110.0	90.6	21%	43.9	151%
Share of net profit/(loss) of joint venture accounted for using the equity method	0.4	0.3	22%	-	NA
PBT	110.4	91.0	21%	43.9	151%
Tax	28.4	23.1	23%	11.6	144%
PAT	82.1	67.8	21%	32.3	154%
PAT Margin (%)	6.9%	5.7%	1.2%	3.9%	3.0%

*Net Sales includes revenue from financial service business



SEGMENT RESULTS - CONSOLIDATED

All amounts are in "₹ Crore"

Q4 FY22	Particulars	Q1 FY22	Q1 FY23
	SEGMENT REVENUE		
892.7	Engines	567.8	848.6
176.9	Electric Pumps	174.8	211.6
64.3	Financial Services	37.7	77.7
48.1	Others	40.5	53.5
0.1	Unallocated	0.1	0.0
1,181.9	REVENUE FROM OPERATIONS	820.8	1,191.4
	SEGMENT RESULTS		
89.7	Engines	33.6	78.9
-1.0	Electric Pumps	4.6	10.5
39.4	Financial Services	24.6	58.9
-3.0	Others	-0.5	1.6
1.3	Unallocated	2.1	2.4
126.2	Total	64.3	152.3
	Less:		
35.3	Finance Cost	20.4	41.9
-	Exceptional Item	-	-
91.0	Profit Before Tax	43.9	110.4

Notes:

- 1) Electric Pumps segment includes entire LGM (Consolidated) and Electric pumps segment of Water Management Solutions division of KOEL
- 2) Financial Services division represents Arka Group
- 3) Others includes Farm Mechanization, Tractor Spares & Oil, Electric Motors and OWC



THANK YOU



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