

**Earnings Call  
Presentation  
Q3 FY23  
10<sup>th</sup> February 2023**

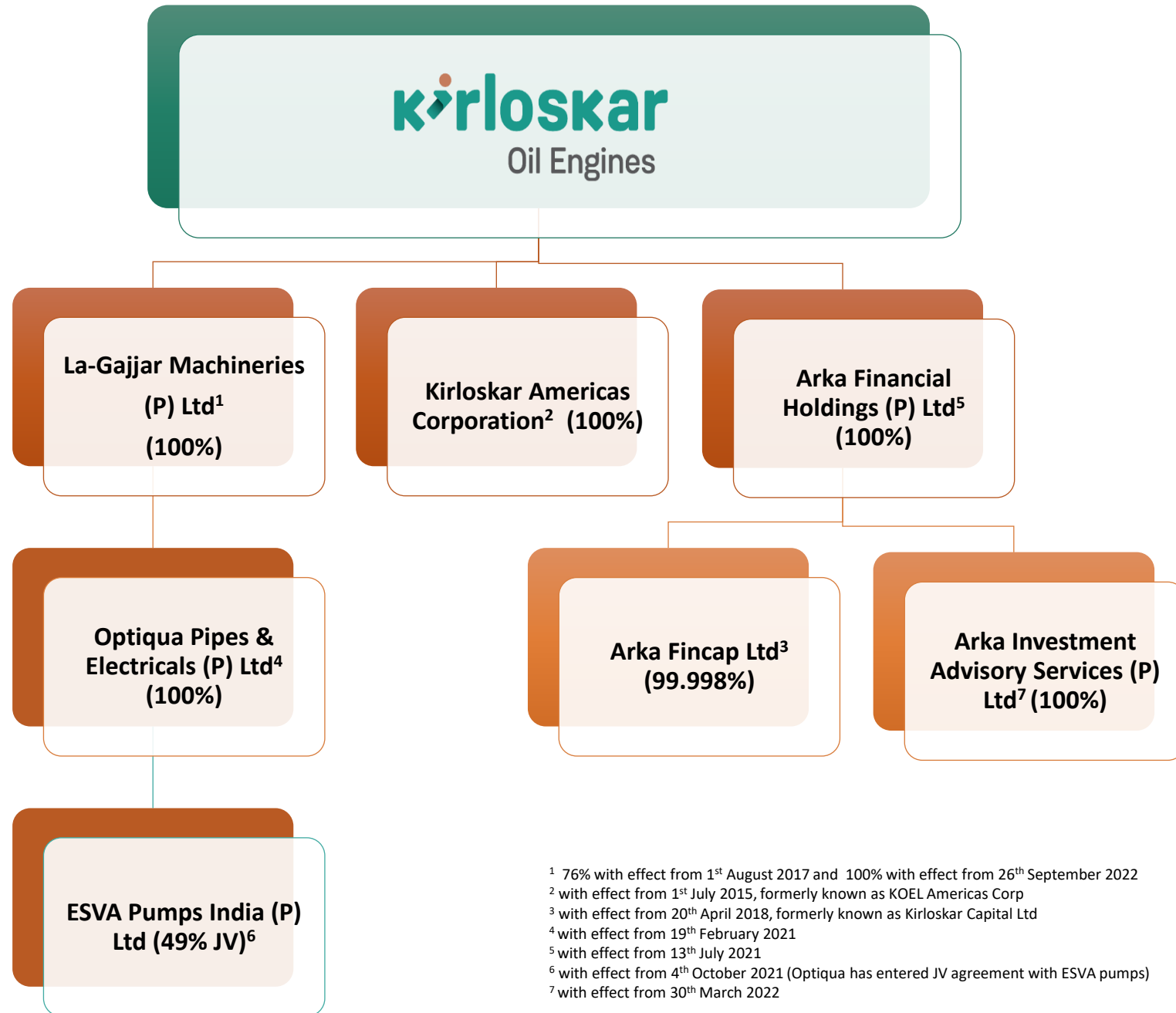


# DISCLAIMER & SAFE HARBOR STATEMENT

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. 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.

The presentation has been prepared by the Company based on the information and data which the Company considers reliable, but the Company makes no representation or warranty, expressed or implied, whatsoever, and no reliance shall be placed on the truth, accuracy, completeness, fairness, and reasonableness of the contents of this presentation. This presentation may not be all inclusive and may not contain all the information that you may consider material. Any liability in respect of the contents of, or any omission from, this presentation is expressly excluded.

This presentation has been prepared solely for information purposes and do not constitute any offer, recommendation, or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract binding commitment whatsoever. No offering of the securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.



<sup>1</sup> 76% with effect from 1<sup>st</sup> August 2017 and 100% with effect from 26<sup>th</sup> September 2022

<sup>2</sup> with effect from 1<sup>st</sup> July 2015, formerly known as KOEL Americas Corp

<sup>3</sup> with effect from 20<sup>th</sup> April 2018, formerly known as Kirloskar Capital Ltd

<sup>4</sup> with effect from 19<sup>th</sup> February 2021

<sup>5</sup> with effect from 13<sup>th</sup> July 2021

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

<sup>7</sup> with effect from 30<sup>th</sup> March 2022



# CONTENT

- **STRATEGY**
- BUSINESS OVERVIEW
- FINANCIAL OVERVIEW

# Our 2X-3Y Strategy: Looking to drive exponential growth over the next 3 years

## 2X-3Y Strategy: Grow 2 times in 3 years



## 2X-3Y Strategy Pillars



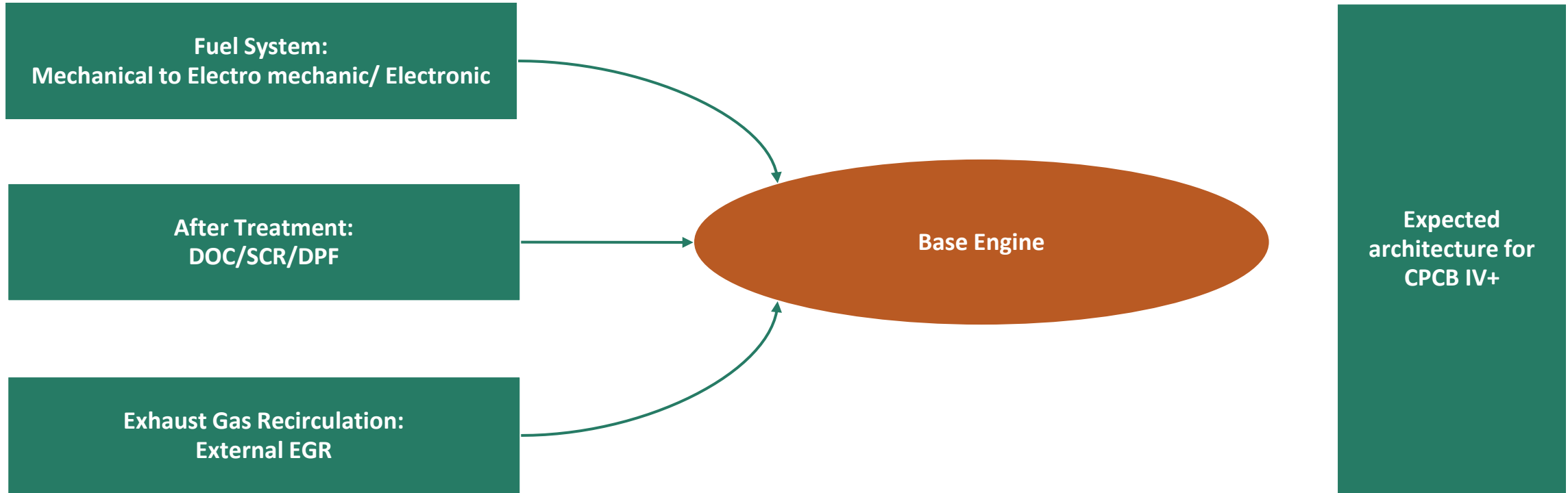
# Deploying the 2X-3Y strategy to deliver value to all stakeholders

6.5K @  
double-  
digit  
EBITDA

Customer  
Delight

Employer  
of Choice

# CPCB IV+ : Significant system level changes have been identified to meet the stringent mission norms for <1000 kVA nodes



DOC: Diesel Oxidation Catalyst  
DPF: Diesel Particulate Filter  
SCR: Selective Catalytic Reduction  
EGR: Exhaust Gas Recirculation  
PFF: Partial Flow Filter  
POC: Partial Oxidation Catalyst

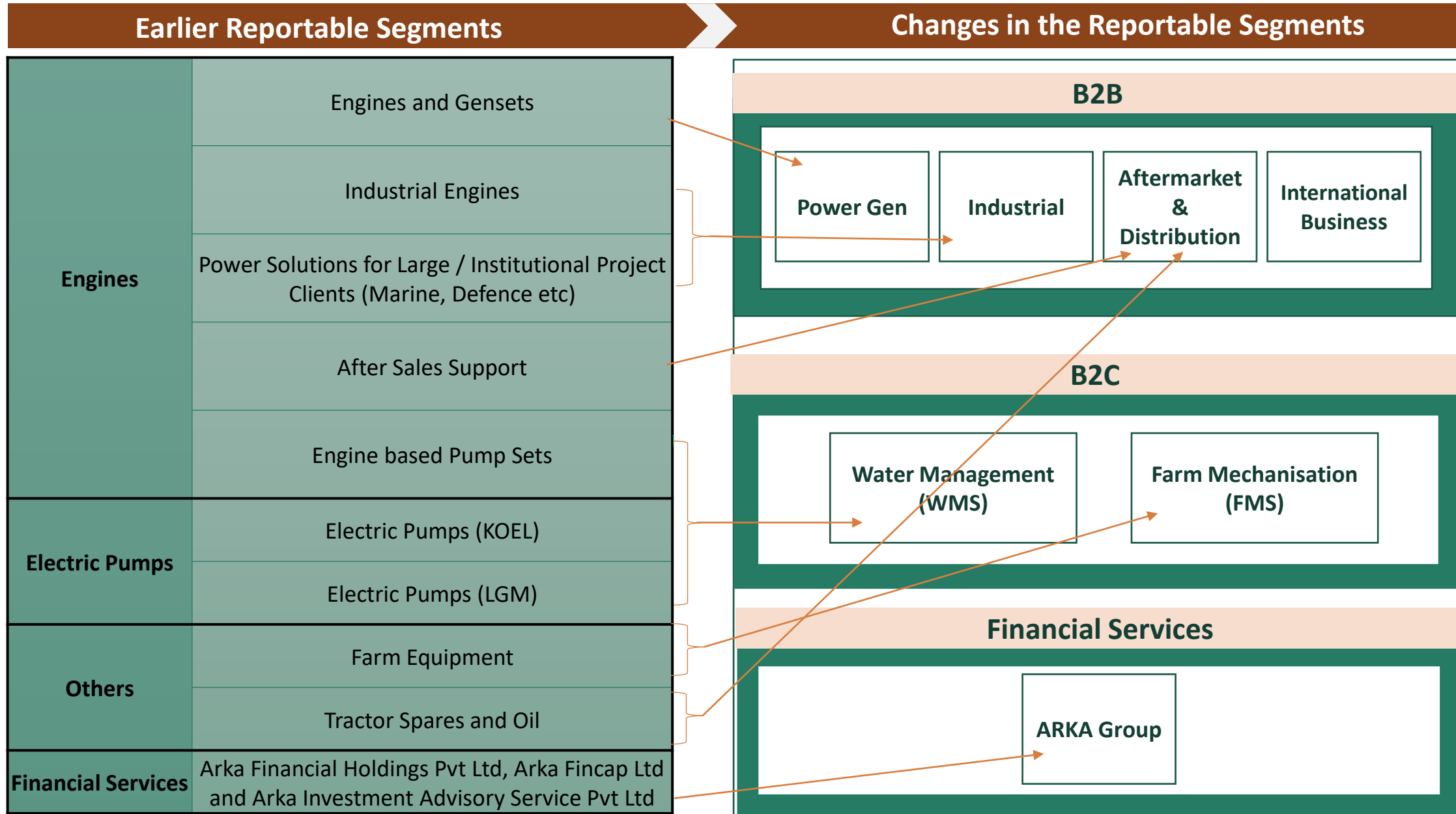


# CONTENT

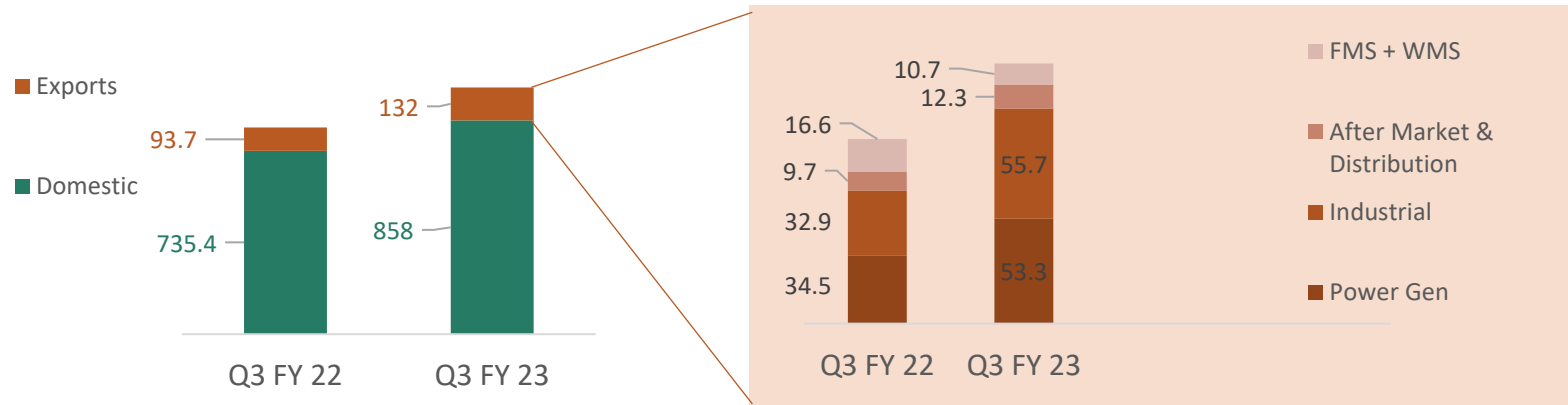
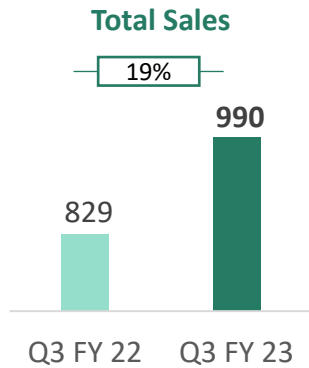
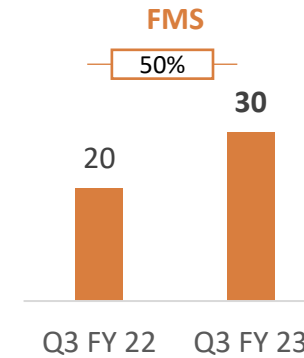
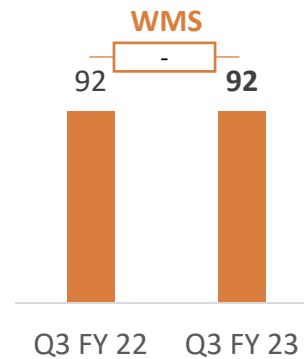
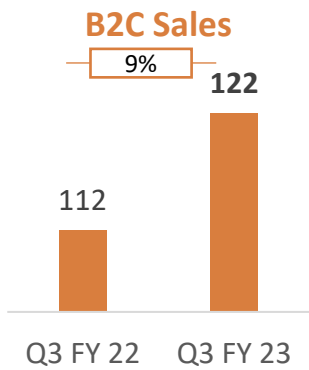
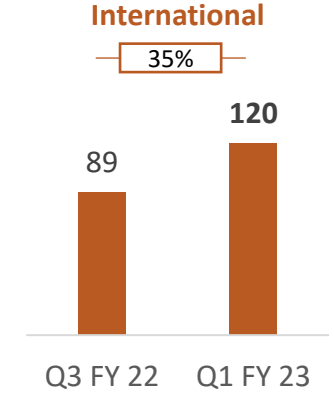
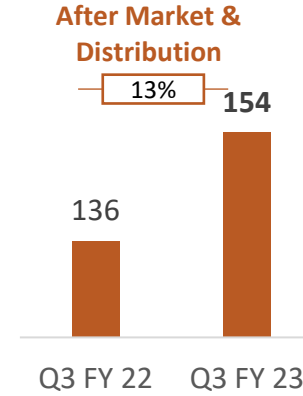
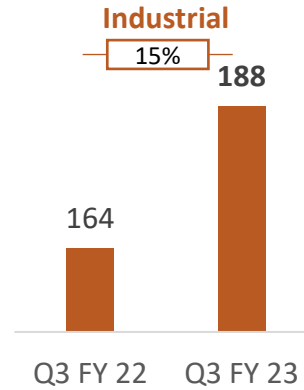
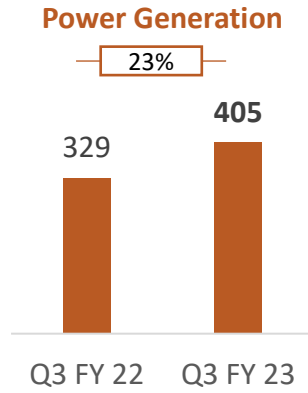
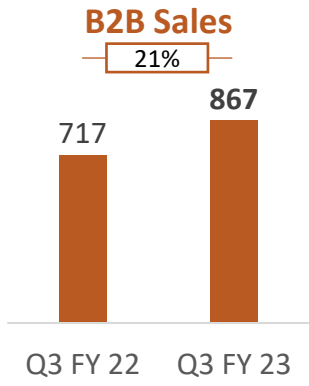
- STRATEGY
- **BUSINESS OVERVIEW**
  - STANDALONE
    - SALES HIGHLIGHTS
  - CONSOLIDATED
    - SEGMENT OVERVIEW
- FINANCIAL OVERVIEW



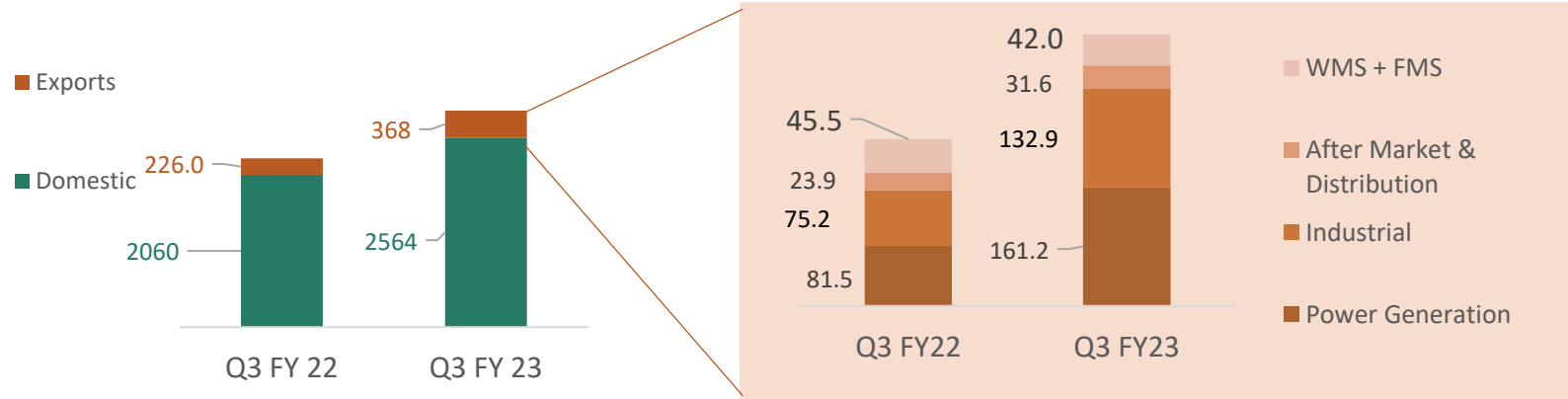
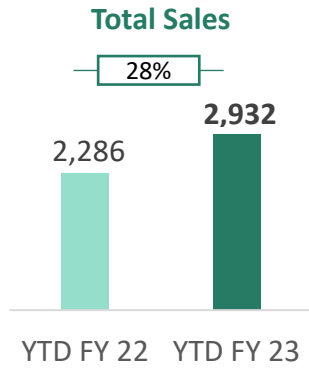
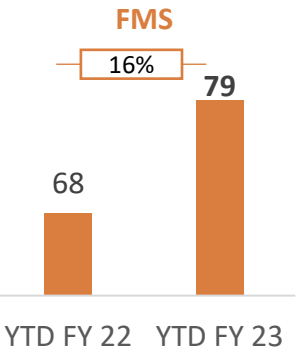
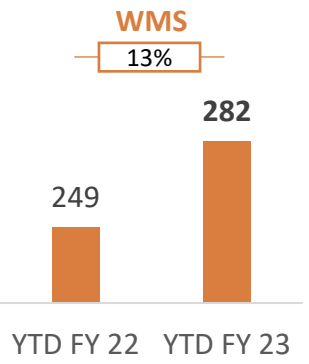
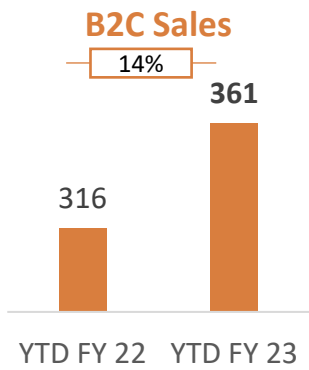
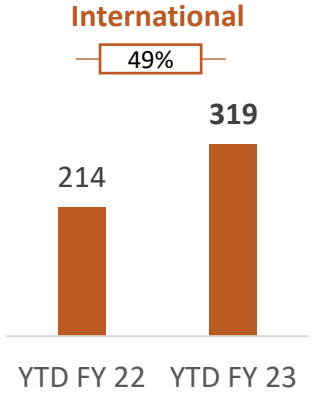
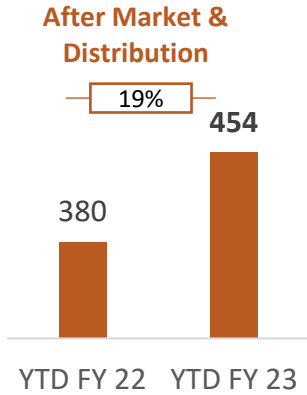
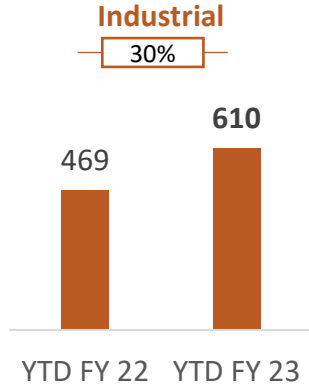
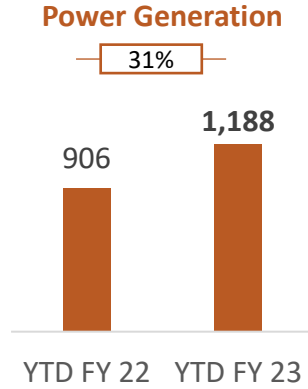
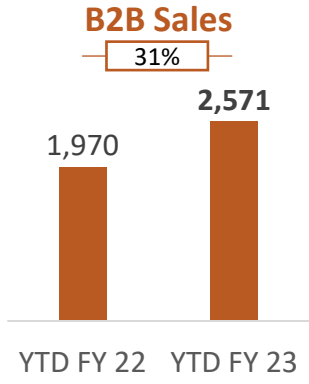
# Refocusing From Business Standpoint...



# STANDALONE SALES HIGHLIGHTS – Q3 FY23 Y-o-Y

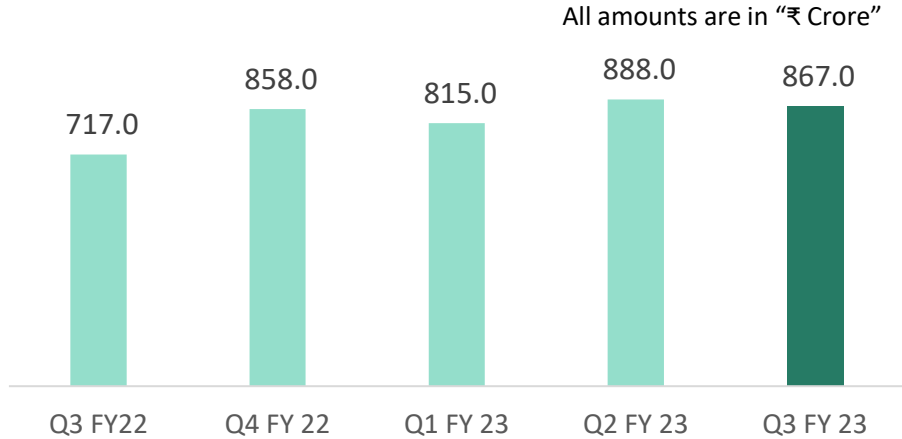


# STANDALONE SALES HIGHLIGHTS – YTD FY23 Y-o-Y

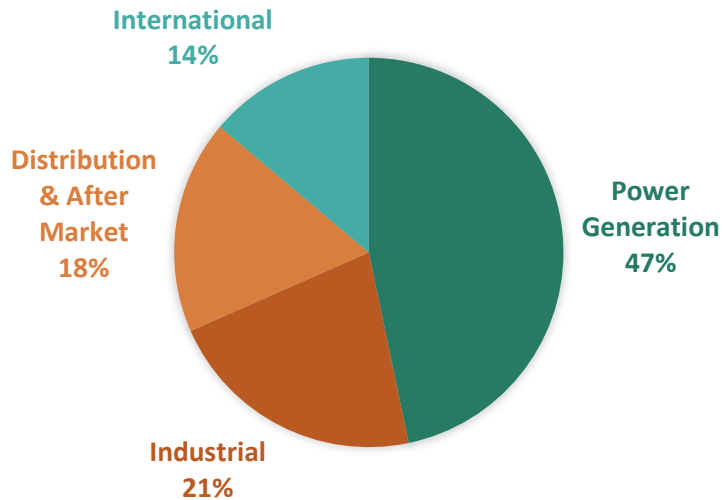


# CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2B

## Segment Revenue Trend



## Segment Revenue Composition For Current Quarter



## Performance Updates

### Power Gen

- Powergen continues to grow with ~23% Y-o-Y backed by robust demand, crossing INR 400 Cr in Q3
- Gas Gensets launched in Q2 generating interest in market
- Good traction in the telecom segment
- Rental variant of gensets launched, Good traction in the market

### Industrial

- MOU with RITES for joint engagement in the promotion of our products

### International Business

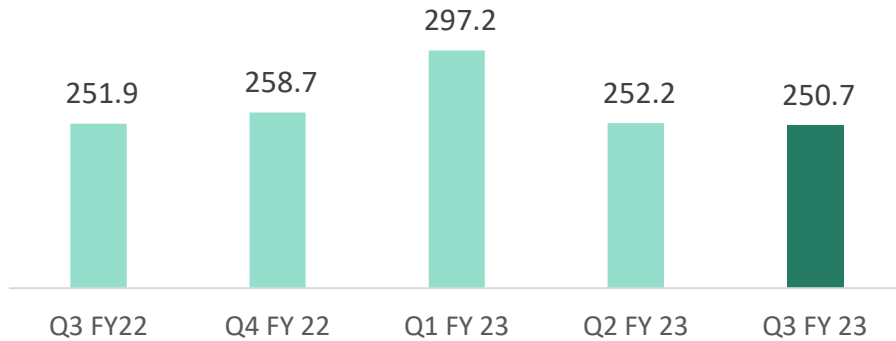
- Exports have 2nd best quarterly no's with 120 Cr+ sales; ~35% growth Y-o-Y
- Two new Fire Fighting models launched for international markets



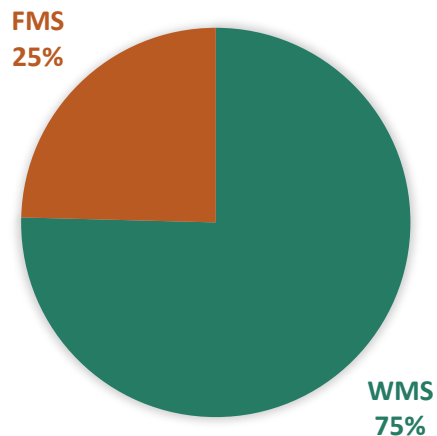
# CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2C

## Segment Revenue Trend

All amounts are in “₹ Crore”



## Segment Revenue Composition For Current Quarter



## Performance Updates

### WMS - La-Gajjar Machinerics (P) Ltd (“LGM”)\*

- For LGM, Dec was a good quarter where we turned EBITDA positive
- Traction in exports from LGM
- Focused efforts on reducing inventories with 3R initiative
- Margins have improved to 5% from -1.3% due to higher price realization, reach, cost control and international business
- We will continue to reform the both front end and back end to improve margins

### WMS –Standalone (KOEL)

- Introduced 3 new products in the diesel segment from Rajkot Plant
- Focus on widening and deepening of the market continues

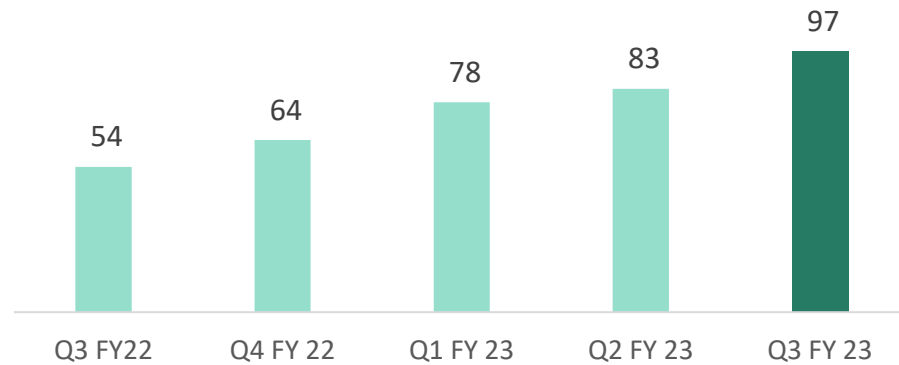
### FMS

- Successful trials of Innovative Harvester product in Paddy
- Channel expansion activities gaining momentum
- Participation in Kisan Mela; gained significant interest from market

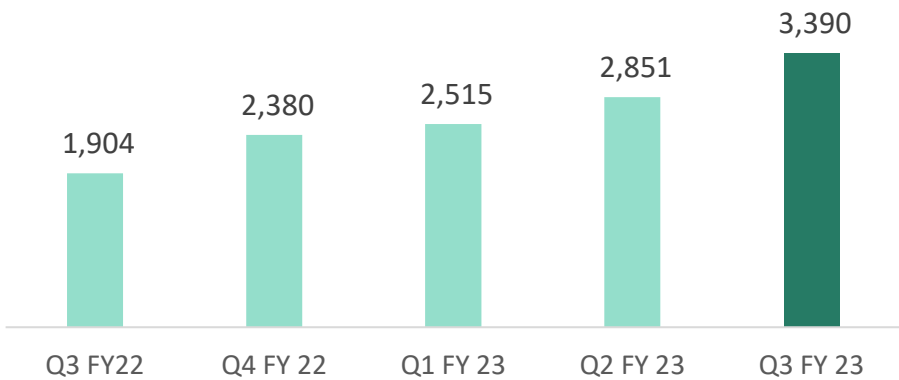
# SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

## Segment Revenue Trend

All amounts are in “₹ Crore”



## AUM\*\*Trend



## Performance Updates

- KOEL’s total investment in AFHPL as on 31<sup>st</sup> Dec 22 stood at 1,016.6 Cr#
- AFHPL formed a new subsidiary company Arka Investment Advisory Services (P) Ltd on 30<sup>th</sup> Mar 22 to act as the investment manager for Arka Credit Fund, it is category II debt AIF; SEBI approval received in Oct 22
- AFHPL revenue from operations stood at 96.9 Cr in Q3 FY23; a growth of 79% YoY
- AFHPL PAT stood at 18.4 Cr in Q3 FY23; growth of 67% YoY
- Total Debt as on 31<sup>st</sup> Dec 22 stood at 2,456 Cr vs 2,251 as on 30<sup>th</sup> Sep 22
- Debt to Equity Ratio:
  - 31<sup>st</sup> Dec 22 - 2.4
  - 30<sup>th</sup> Sep 22 - 2.2
  - 31<sup>st</sup> Mar 22 - 2.1
- Total AUM\* as on 31<sup>st</sup> Dec 22 at INR 3,390 Cr
- No asset-liability mismatch

\* Consolidated

\*\* Excludes treasury assets

# Includes profit on structure change



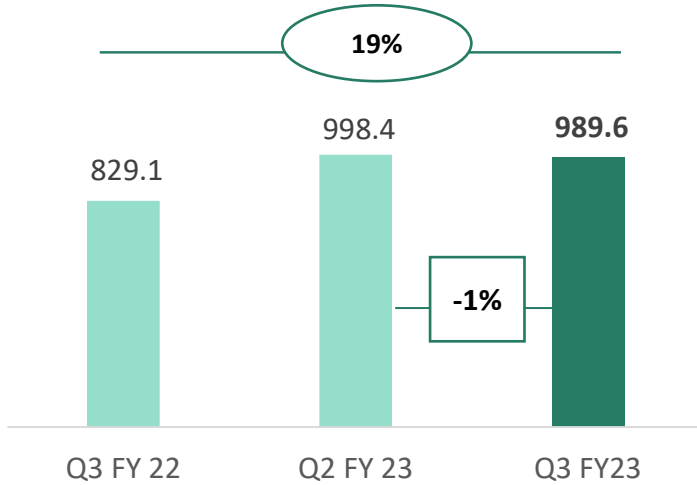
- STRATEGY
- BUSINESS OVERVIEW
- **FINANCIAL OVERVIEW**
  - **STANDALONE**
    - PERFORMANCE HIGHLIGHTS
    - PROFIT AND LOSS STATEMENT
    - WORKING CAPITAL AND NET CASH POSITION
  - **CONSOLIDATED**
    - PERFORMANCE HIGHLIGHTS
    - PROFIT AND LOSS STATEMENT
    - SEGMENT RESULTS

# STANDALONE – PERFORMANCE HIGHLIGHTS

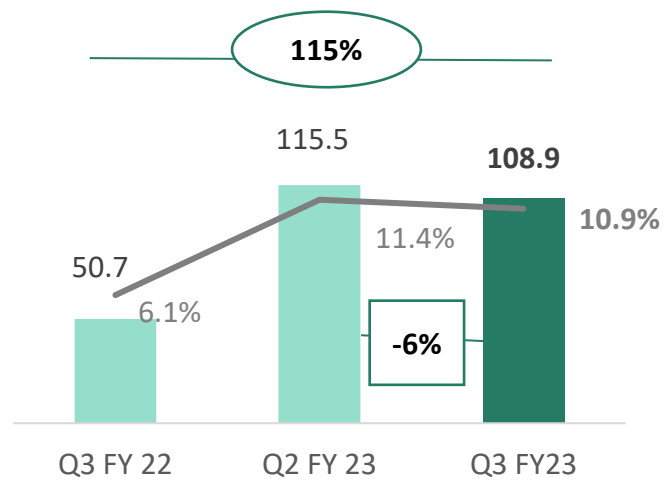
All amounts are in “₹ Crore” Oil Engines

Quarterly

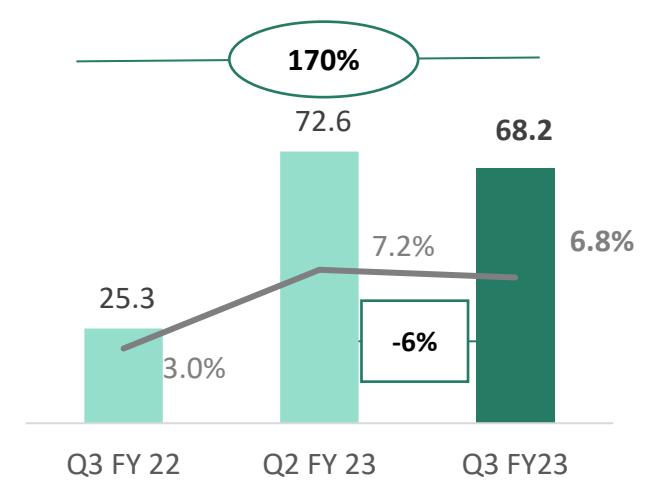
## Sales



## EBITDA & Margin

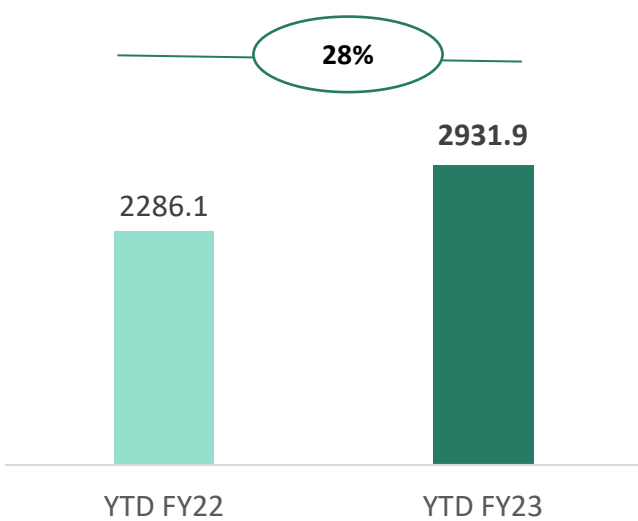


## PAT & Margin

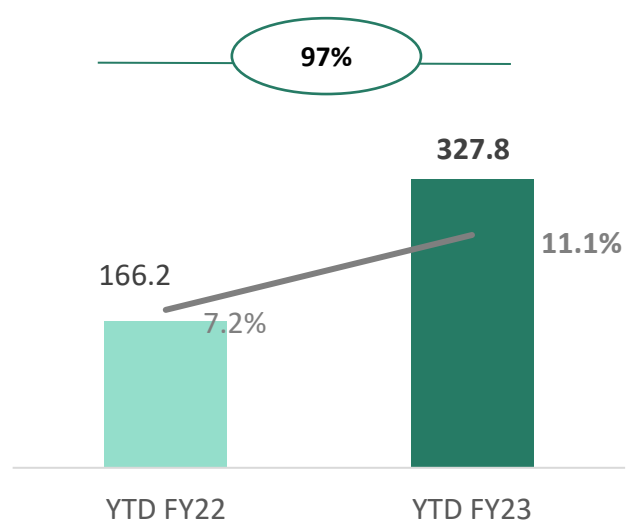


YTD Dec

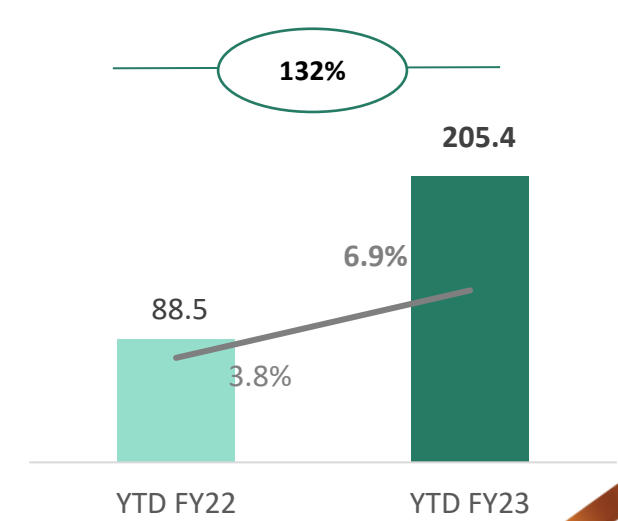
## Sales



## EBITDA & Margin



## PAT & Margin





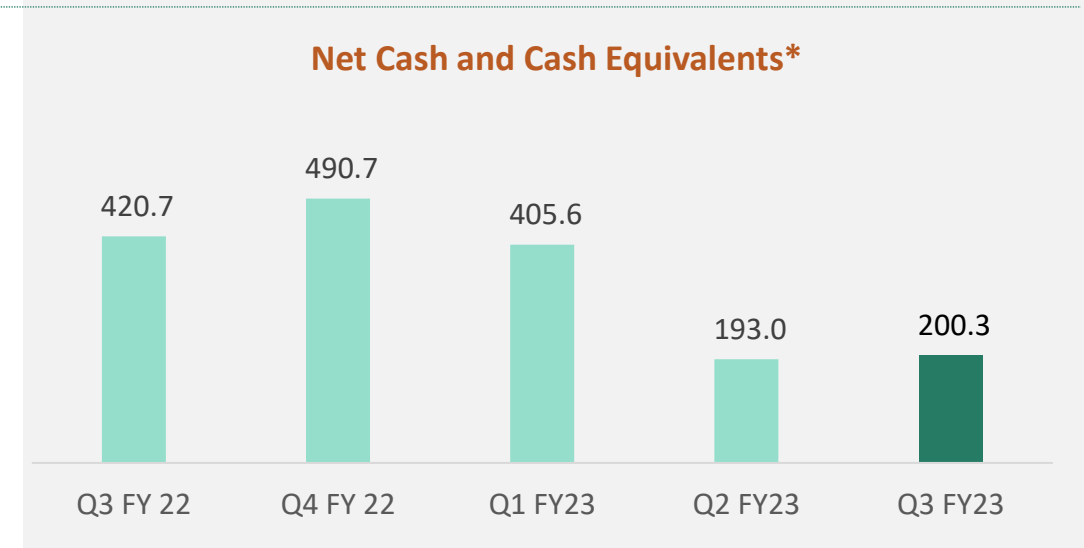
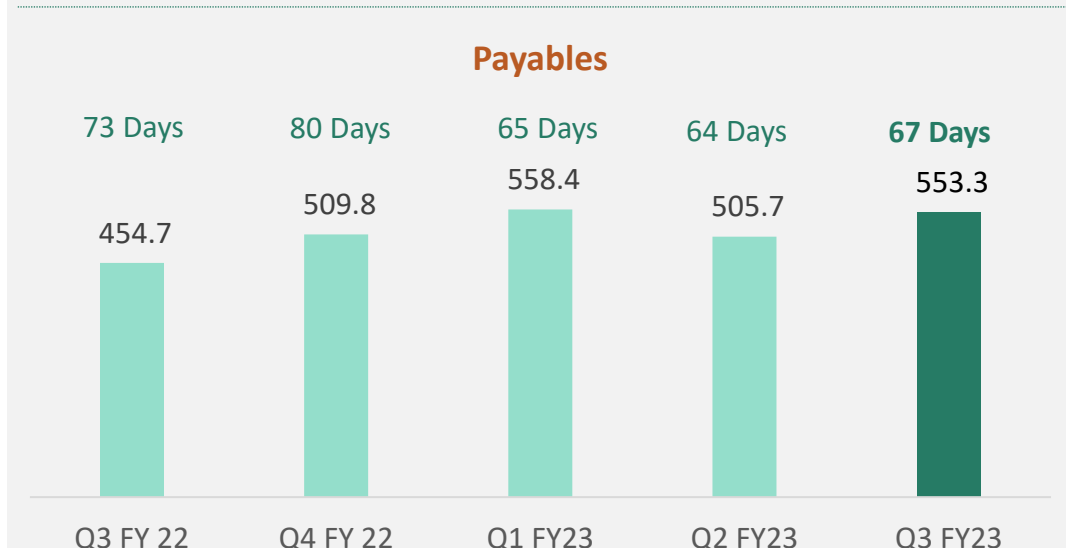
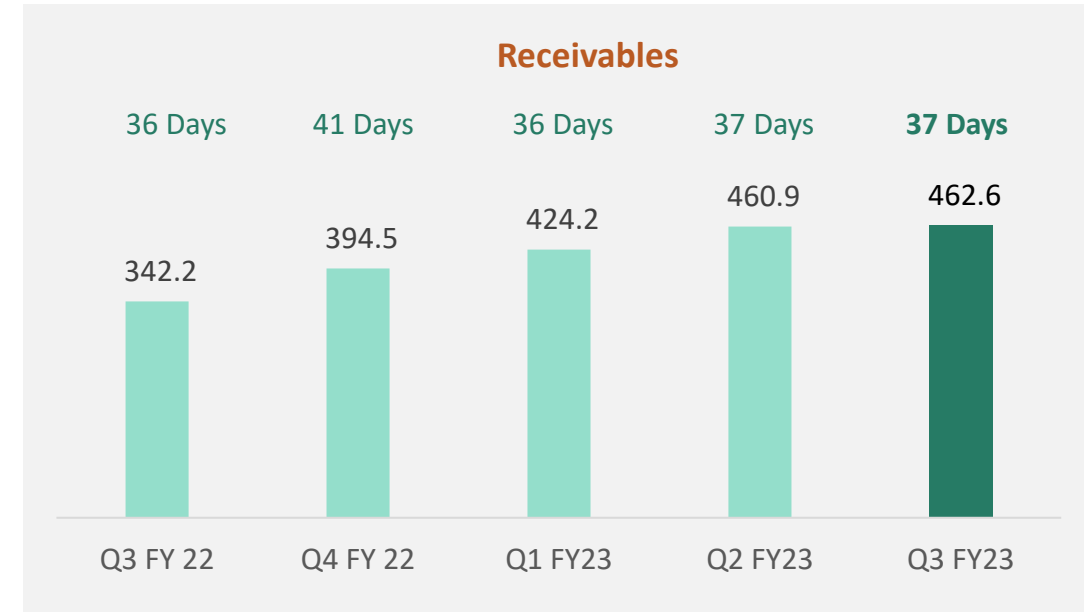
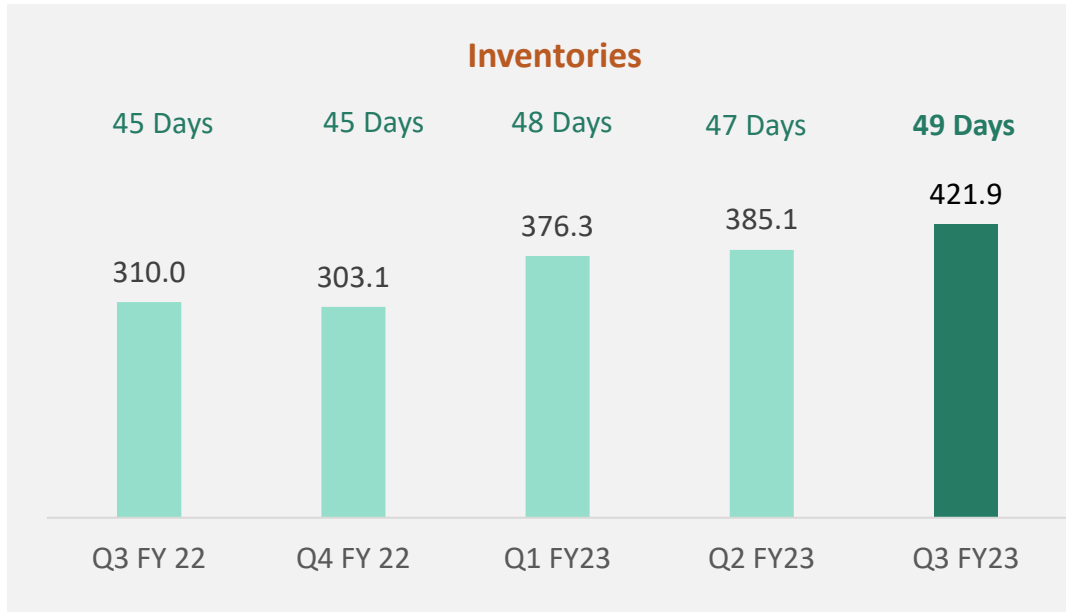
# STANDALONE - PROFIT AND LOSS STATEMENT

All amounts are in "₹ Crore"

Particulars	Q3 FY23	Q2 FY23	QoQ	Q3 FY22	YoY	YTD FY23	YTD FY22	YoY
<b>Net Sales</b>	<b>989.6</b>	<b>998.4</b>	<b>-1%</b>	<b>829.1</b>	<b>19%</b>	<b>2,931.9</b>	<b>2,286.1</b>	<b>28%</b>
Other Operating Income	10.5	12.0	-12%	7.8	35%	31.7	23.5	35%
<b>Revenue from operation</b>	<b>1,000.1</b>	<b>1,010.4</b>	<b>-1%</b>	<b>836.9</b>	<b>20%</b>	<b>2,963.5</b>	<b>2,309.6</b>	<b>28%</b>
Raw Material	677.1	674.0	0%	594.1	14%	2,012.2	1,611.6	25%
Employee Costs	61.2	56.7	8%	54.9	12%	173.4	158.1	10%
Other Expenses	153.0	164.2	-7%	137.3	11%	450.1	373.9	20%
<b>EBITDA</b>	<b>108.9</b>	<b>115.5</b>	<b>-6%</b>	<b>50.7</b>	<b>115%</b>	<b>327.8</b>	<b>166.2</b>	<b>97%</b>
<b>EBITDA Margin %</b>	<b>10.9%</b>	<b>11.4%</b>	<b>-0.5%</b>	<b>6.1%</b>	<b>4.8%</b>	<b>11.1%</b>	<b>7.2%</b>	<b>3.9%</b>
Other Income	6.0	4.6	31%	4.8	25%	15.9	17.2	-7%
Depreciation	21.2	21.3	0%	19.0	12%	63.1	58.1	9%
Interest	1.9	1.0	84%	2.2	-14%	4.0	4.7	-15%
<b>PBT</b>	<b>91.7</b>	<b>97.8</b>	<b>-6%</b>	<b>34.3</b>	<b>167%</b>	<b>276.6</b>	<b>120.5</b>	<b>129%</b>
Tax	23.6	25.2	-6%	9.0	161%	71.3	32.1	122%
<b>PAT</b>	<b>68.2</b>	<b>72.6</b>	<b>-6%</b>	<b>25.3</b>	<b>170%</b>	<b>205.4</b>	<b>88.5</b>	<b>132%</b>
<b>PAT Margin %</b>	<b>6.8%</b>	<b>7.2%</b>	<b>-0.4%</b>	<b>3.0%</b>	<b>3.8%</b>	<b>6.9%</b>	<b>3.8%</b>	<b>3.1%</b>

# STANDALONE WORKING CAPITAL AND NET CASH POSITION

All amounts are in “₹ Crore” Oil Engines



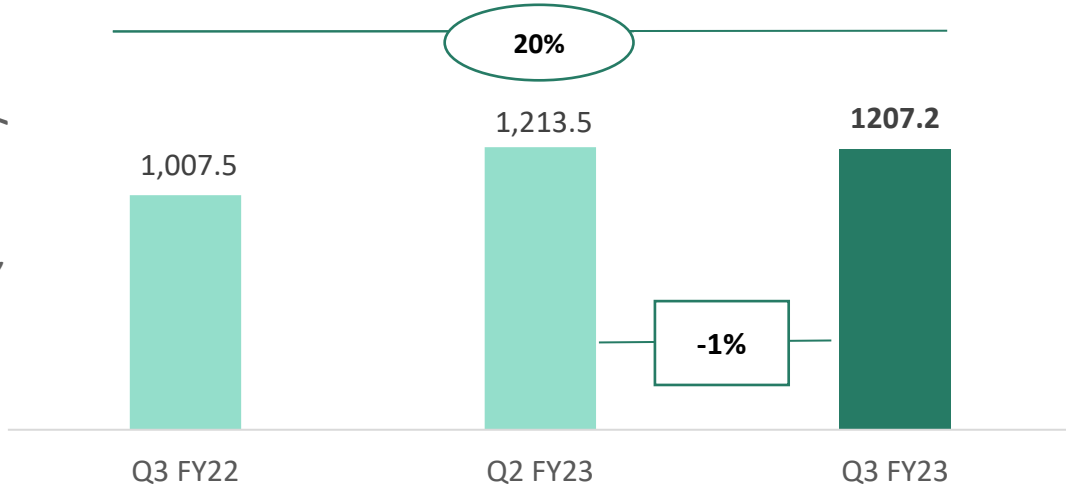
- Notes :
- 1) No. of days has been calculated using average value and TTM (Trailing Twelve Months method)
  - 2) \*Above Cash position excludes unclaimed dividend and is net of debt; includes Company's treasury investments (liquid & money market funds)



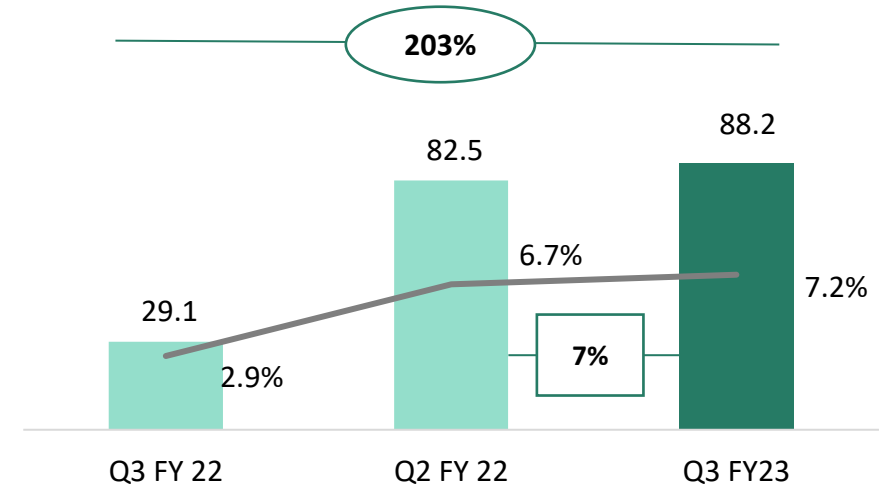
# CONSOLIDATED – PERFORMANCE HIGHLIGHTS

## Sales

Quarterly

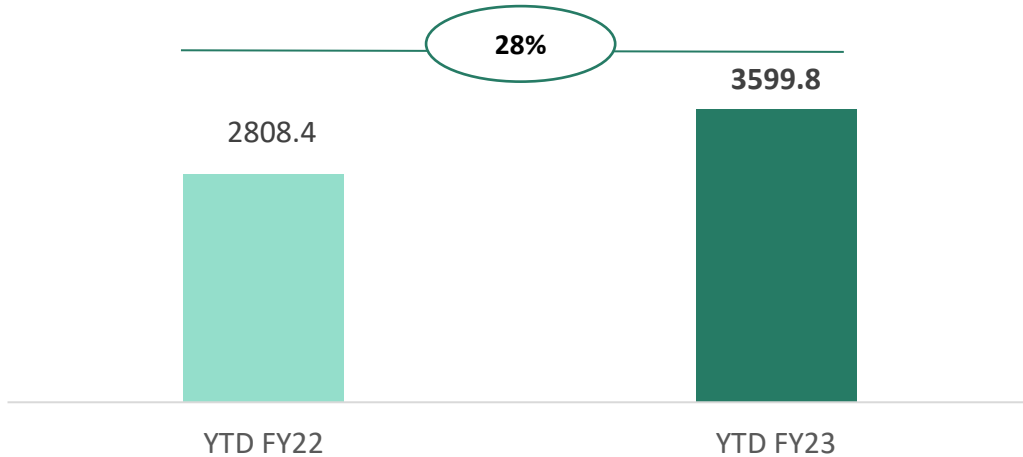


## PAT & Margin

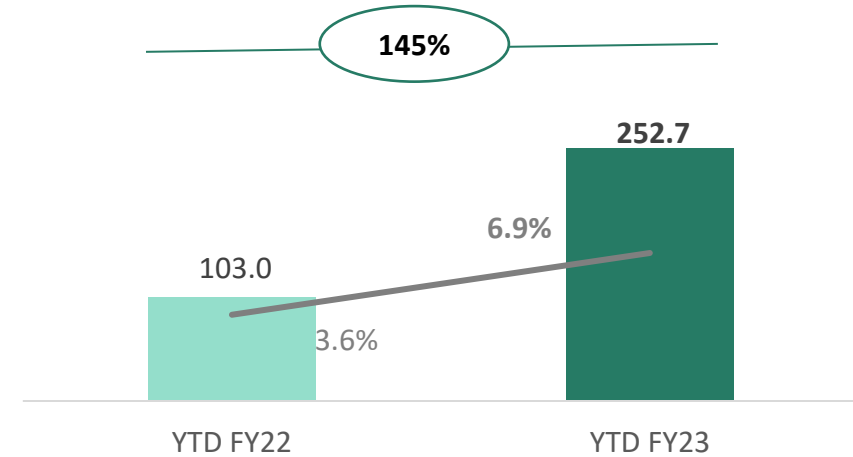


## Sales

YTD Dec



## PAT & Margin



# CONSOLIDATED - PROFIT AND LOSS STATEMENT

All amounts are in "₹ Crore"

Particulars	Q3 FY23	Q2 FY23	QoQ	Q3 FY22	YoY	YTD FY23	YTD FY22	YoY
<b>Net Sales*</b>	<b>1,207.2</b>	<b>1,213.5</b>	<b>-1%</b>	<b>1,007.5</b>	<b>20%</b>	<b>3,599.8</b>	<b>2,808.4</b>	<b>28%</b>
Other Operating Income	13.2	14.6	-10%	10.3	28%	40.1	31.6	27%
<b>Revenue from operation</b>	<b>1,220.4</b>	<b>1,228.1</b>	<b>-1%</b>	<b>1,017.8</b>	<b>20%</b>	<b>3,640.0</b>	<b>2,840.0</b>	<b>28%</b>
Other Income	6.8	5.4	26%	5.3	29%	17.7	18.9	-6%
<b>Total Income</b>	<b>1,227.2</b>	<b>1,233.5</b>	<b>-1%</b>	<b>1,023.0</b>	<b>20%</b>	<b>3,657.7</b>	<b>2,859.0</b>	<b>28%</b>
Raw Material	750.4	761.9	-2%	683.8	10%	2,276.6	1,872.5	22%
Employee Costs	86.7	78.7	10%	73.1	19%	243.1	209.9	16%
Other Expenses	191.2	206.8	-8%	173.0	10%	574.3	488.9	17%
Depreciation	25.6	26.3	-3%	25.0	3%	78.5	76.0	3%
Interest	57.2	46.8	22%	28.4	101%	145.9	70.8	106%
Share of net profit/(loss) of joint venture accounted for using the equity method (net of tax)	0.4	0.1	510%	0.0	13217%	0.9	-	NA
<b>PBT</b>	<b>116.5</b>	<b>113.1</b>	<b>3%</b>	<b>39.7</b>	<b>193%</b>	<b>340.1</b>	<b>140.9</b>	<b>141%</b>
Tax	28.4	30.6	-7%	10.6	167%	87.4	37.9	131%
<b>PAT</b>	<b>88.2</b>	<b>82.5</b>	<b>7%</b>	<b>29.1</b>	<b>203%</b>	<b>252.7</b>	<b>103.0</b>	<b>145%</b>
<b>PAT Margin %</b>	<b>7.2%</b>	<b>6.7%</b>	<b>0.5%</b>	<b>2.9%</b>	<b>4.4%</b>	<b>6.9%</b>	<b>3.6%</b>	<b>3.3%</b>

\*Net Sales includes revenue from financial service business



# SEGMENT RESULTS - CONSOLIDATED

All amounts are in "₹ Crore"

Particulars	Q3 FY23	Q2 FY23	QoQ	Q3 FY22	YoY	YTD FY23	YTD FY22	YoY
<b>Segment Revenue</b>								
B2B	872.8	892.8	-2%	711.7	23%	2,582.1	1,959.0	32%
B2C	250.7	252.1	-1%	251.9	0%	800.0	743.8	8%
Financial Services	96.9	83.2	16%	54.2	79%	257.9	137.2	88%
<b>Revenue From Operations</b>	<b>1,220.4</b>	<b>1,228.1</b>	<b>-1%</b>	<b>1,017.8</b>	<b>20%</b>	<b>3,640.0</b>	<b>2,840.0</b>	<b>28%</b>
<b>Segment Results</b>								
B2B	92.2	93.0	-1%	32.9	181%	261.1	114.0	129%
B2C	3.6	-1.2	NA	-6.7	NA	17.5	-1.7	NA
Financial Services	22.8	22.3	2%	15.1	51%	65.6	32.6	101%
Unallocated	2.3	2.7	-15%	2.2	4%	7.4	6.2	19%
<b>Total</b>	<b>120.9</b>	<b>116.7</b>	<b>4%</b>	<b>43.4</b>	<b>178%</b>	<b>351.6</b>	<b>151.1</b>	<b>133%</b>
Less:								
<b>Finance Cost</b>	<b>4.3</b>	<b>3.6</b>	<b>20%</b>	<b>3.7</b>	<b>16%</b>	<b>11.5</b>	<b>10.2</b>	<b>13%</b>
<b>Profit Before Tax</b>	<b>116.5</b>	<b>113.2</b>	<b>3%</b>	<b>39.7</b>	<b>194%</b>	<b>340.1</b>	<b>140.9</b>	<b>141%</b>

**For Further Information Please Contact:**

**KOEL Company Secretary**

Ms. Smita Raichurkar

Tel: (020) 25810341(Extn- 4461)

Email: [smita.raichurkar@kirloskar.com](mailto:smita.raichurkar@kirloskar.com)

**Group Investor Relations**

Ms. Mayura Bhusari

Tel: (020) 67060374

Email: [mayura.bhusari@kirloskar.com](mailto:mayura.bhusari@kirloskar.com)