



**Earnings Call Presentation Q4 FY22**  
20<sup>th</sup> May 2022

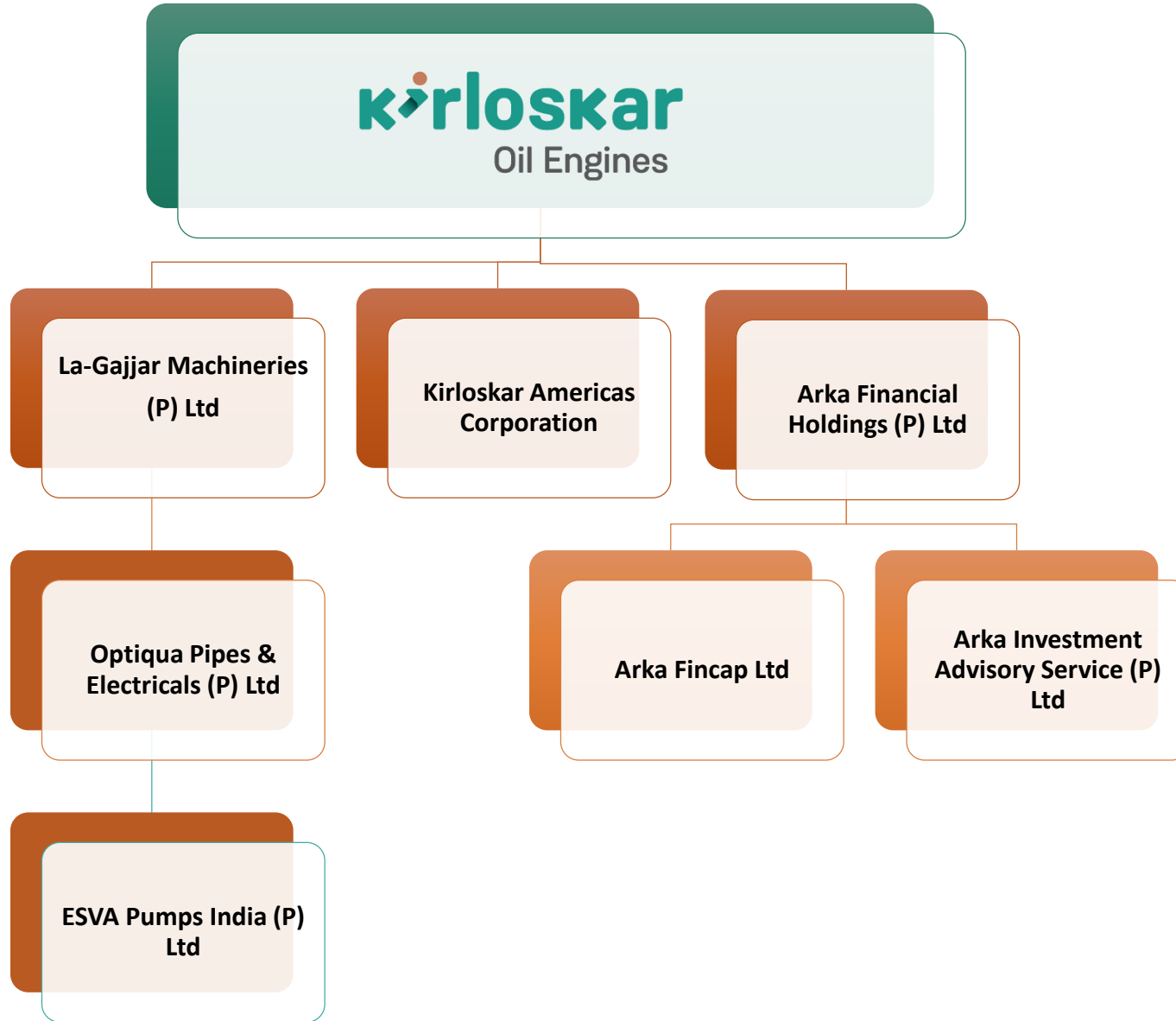
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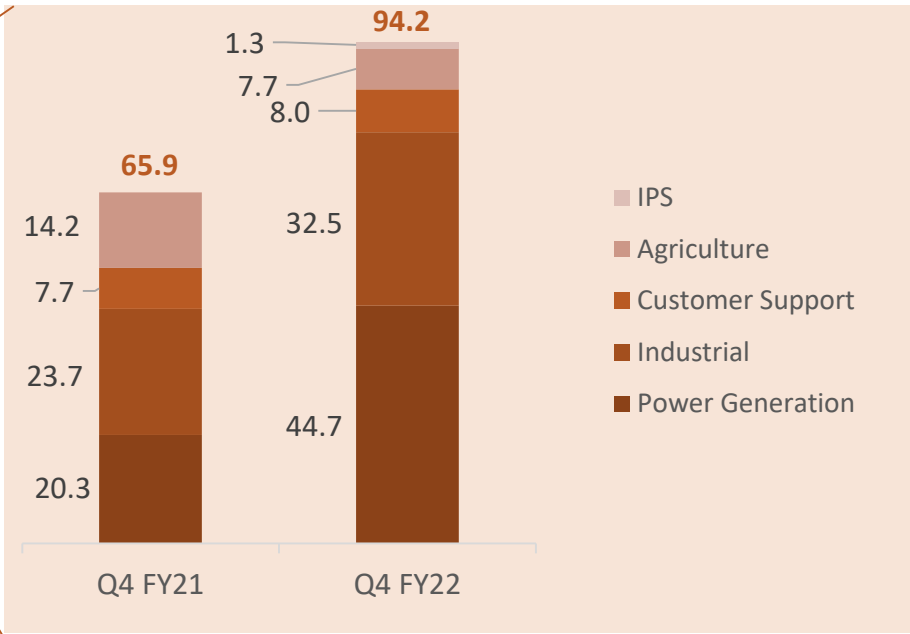
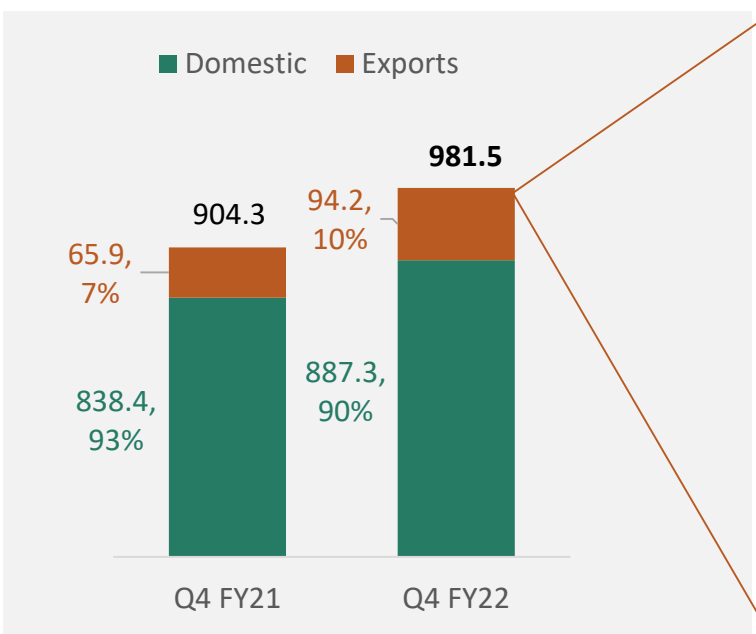
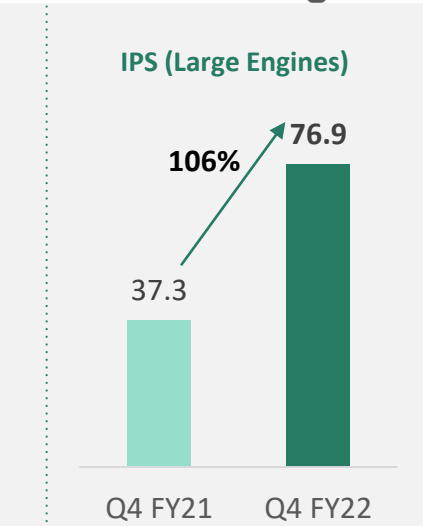
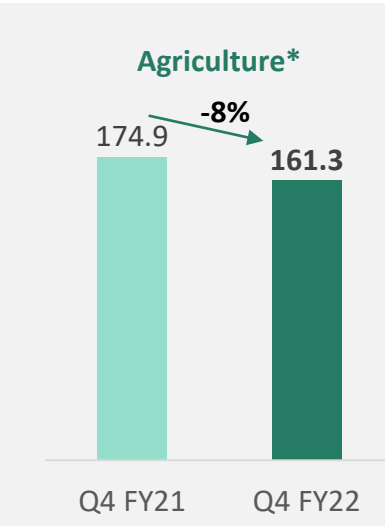
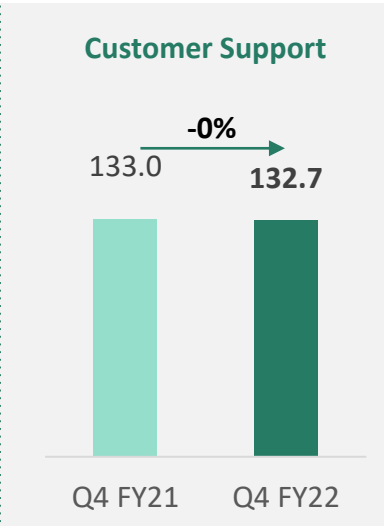
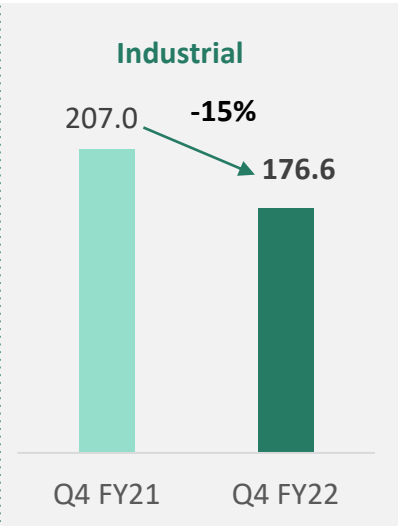
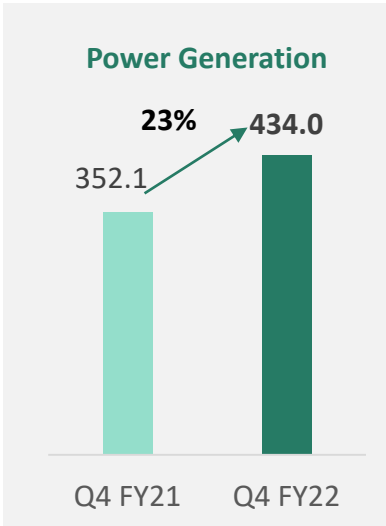




# CONTENT

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

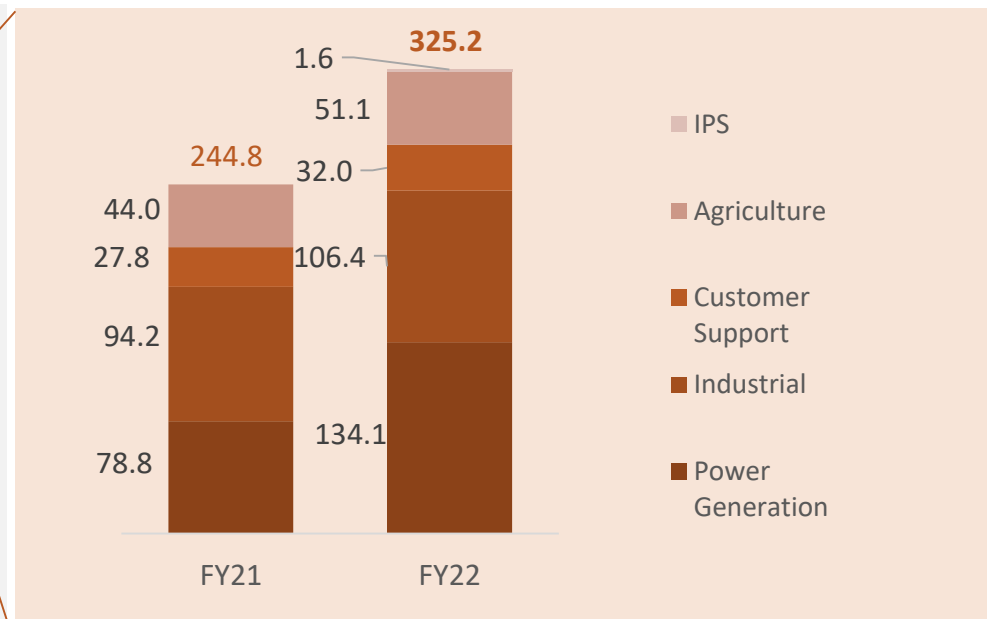
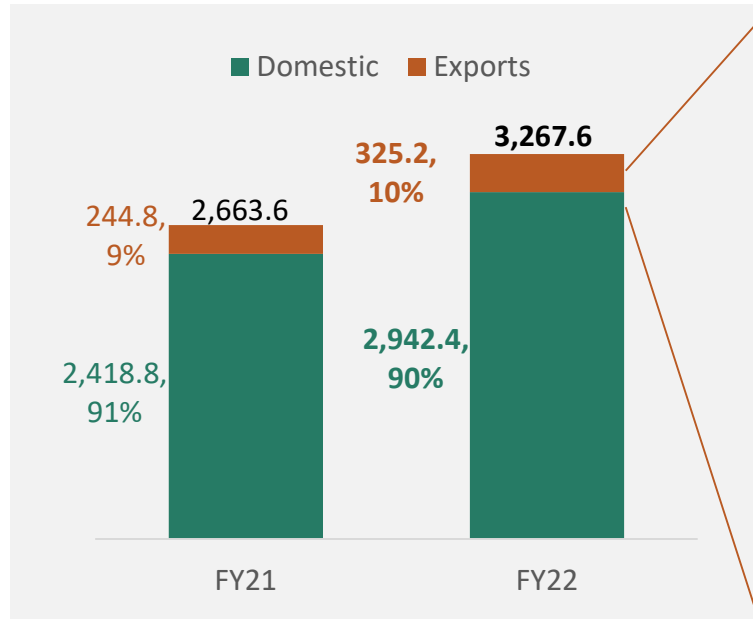
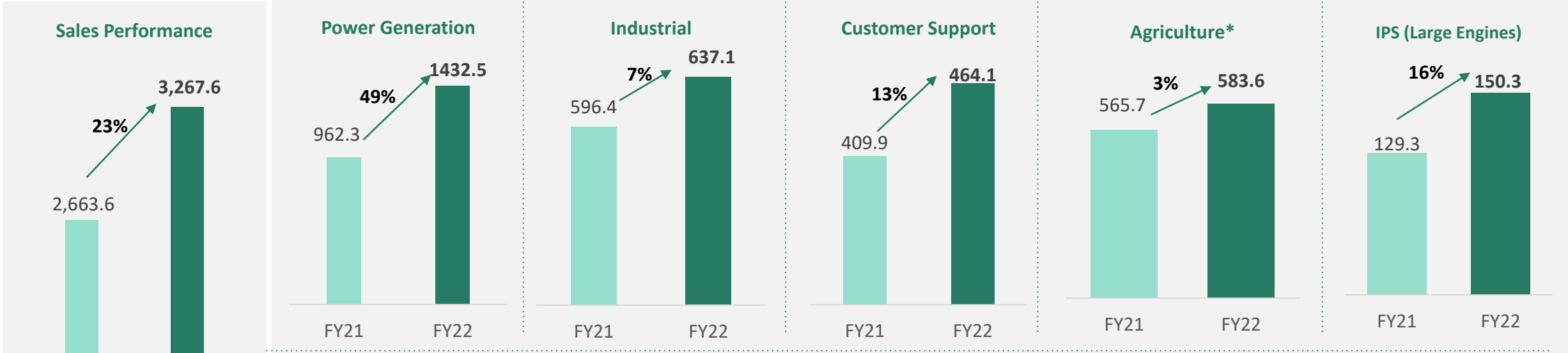
# STANDALONE SALES HIGHLIGHTS – Q4 FY22 Y-o-Y



\*Agriculture includes Water Management Solutions, Farm Mechanization and 'Tractor Spares and Oil' Business divisions

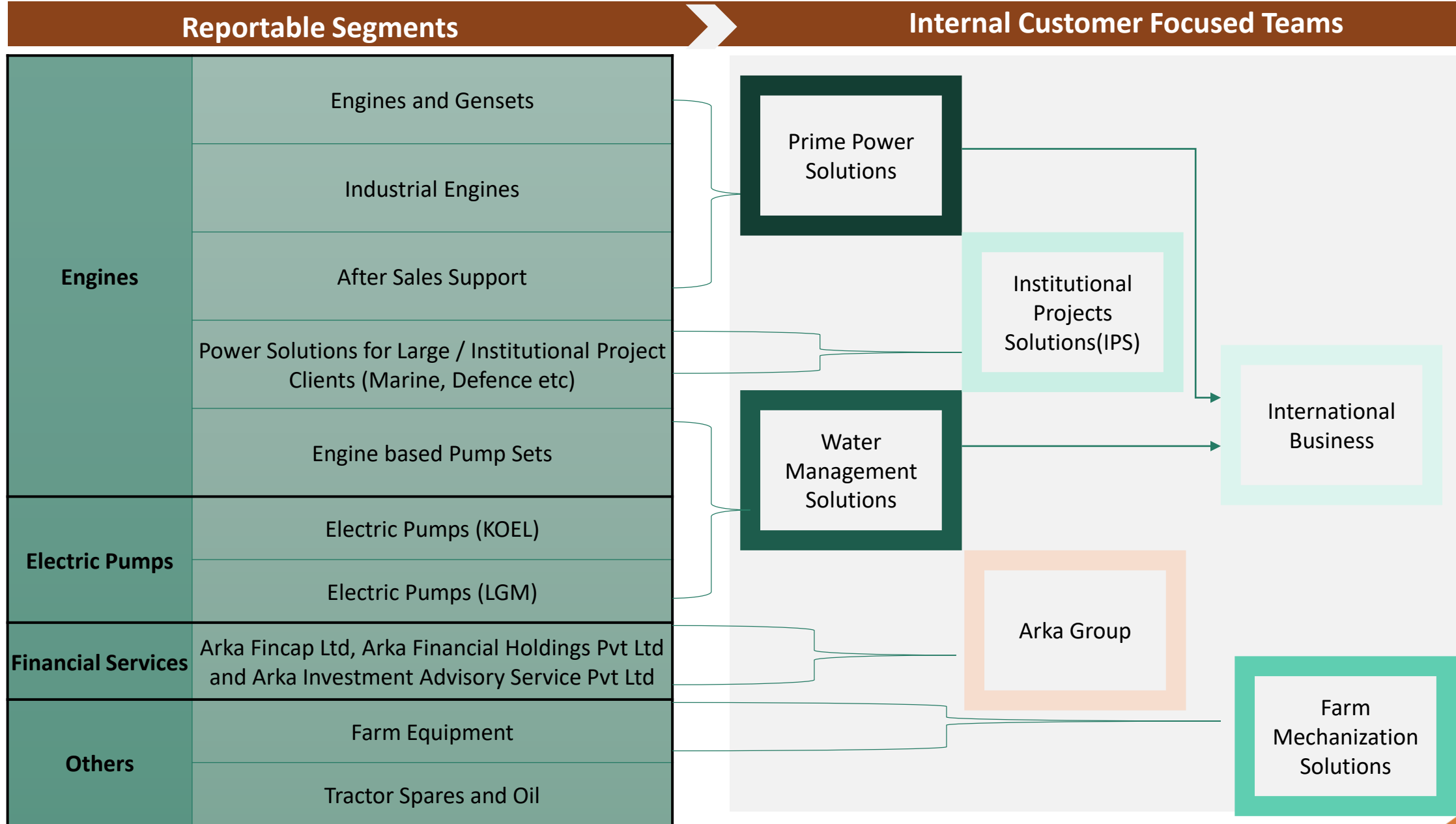


# STANDALONE SALES HIGHLIGHTS – FY22 Y-o-Y



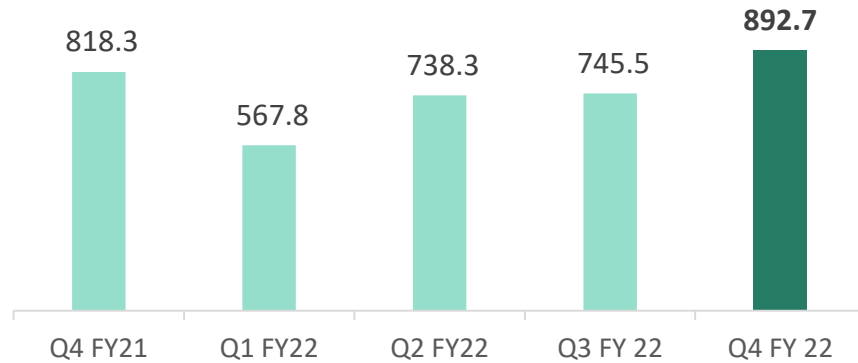
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# Refocusing From Business Standpoint...

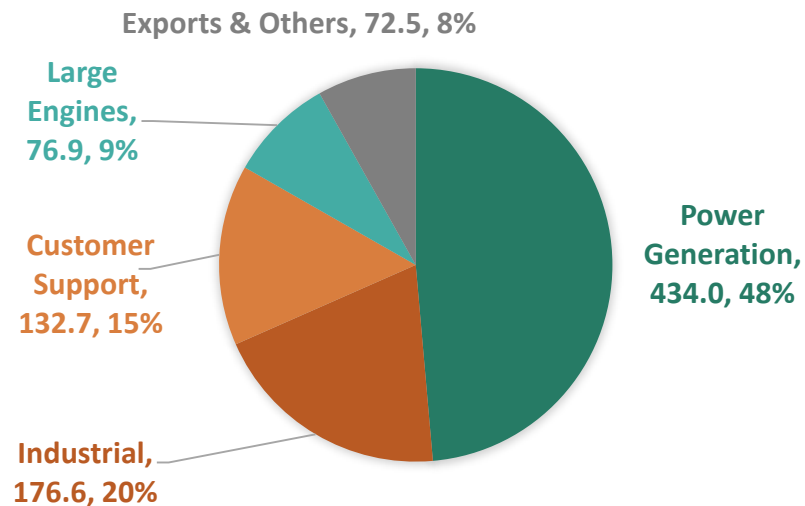


# SEGMENT PERFORMANCE OVERVIEW – ENGINES

## Segment Revenue Trend



## Segment Revenue Composition For Current Quarter



## Performance Updates

### Power Generation Business -

- All major sub segments have registered healthy double digit sales growth Y-o-Y and Q-o-Q
- Exports sales have registered growth of ~119% Y-o-Y
- Won & executed orders from health care infra segment
- 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 decline of 15% Y-o-Y and growth of 2% Q-o-Q
- Kirloskar engine based firefighting pump set range expansion completed, more than 300 pump sets supplied

### Customer Support Business -

- Business has registered sales at nearly same level Y-o-Y and growth of 12% Q-o-Q
- Continues to maintain healthy Customer Delight Index (CDI) score of more than 90
- Direct online AMC 'KOEL Bandhan' continued to gain momentum, sales grew at 27% Y-o-Y and 19% Q-o-Q

### Large Engines Business (IPS) -

- Business has registered sales growth of 106% Y-o-Y and 292% Q-o-Q.
- Healthy order board in excess of ~ 150 Cr

### Water Management Solutions (KOEL) Diesel Pumps -

- Business has registered sales decline of 14% Y-o-Y and growth of 6% Q-o-Q

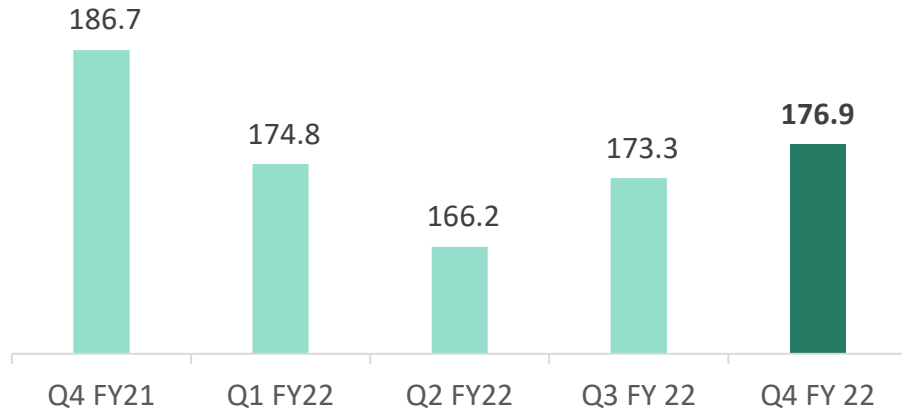
### Kirloskar Americas Corporation (KAC) -

- Business has registered sales growth (INR) of 14% Y-o-Y and 113% Q-o-Q
- Growth is expected in gensets and G Drive engines in the US market in first half of FY23

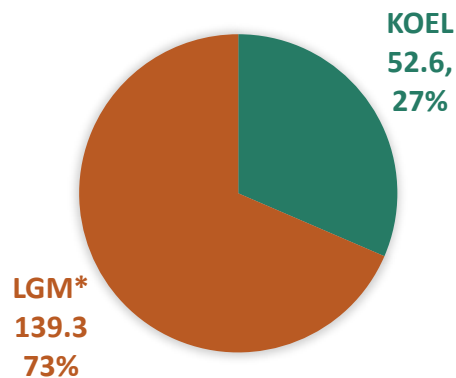


# SEGMENT PERFORMANCE OVERVIEW – ELECTRIC PUMPS

## Segment Revenue Trend



## Segment Revenue Composition For Current Quarter



\* Consolidated

## Performance Updates

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

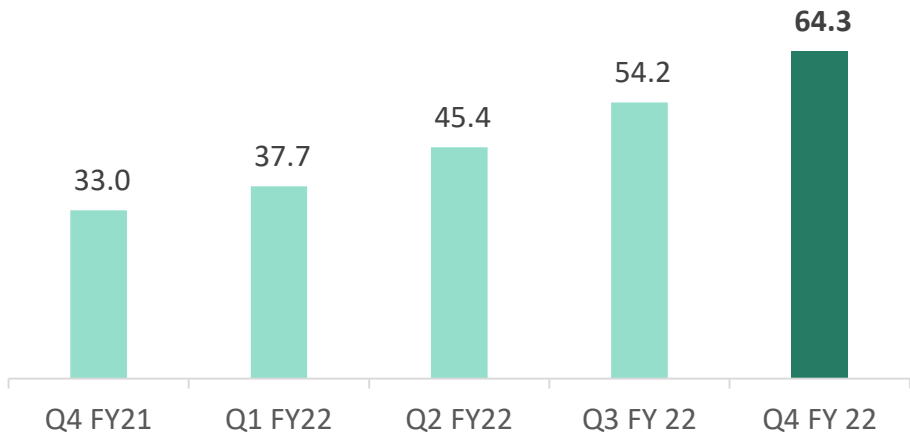
- Business has registered sales nearly at same level Q-o-Q and decline of 11% Y-o-Y
- EBITDA margin for the quarter continued to remain under pressure due to steep increase in commodity prices
- LGM has formed a wholly owned subsidiary i.e. Optiqua Pipes and Electricals (P) Ltd in February 2021 to tap 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 4<sup>th</sup> Oct 2021.

### Water Management Solutions (KOEL) - Electric Pumps

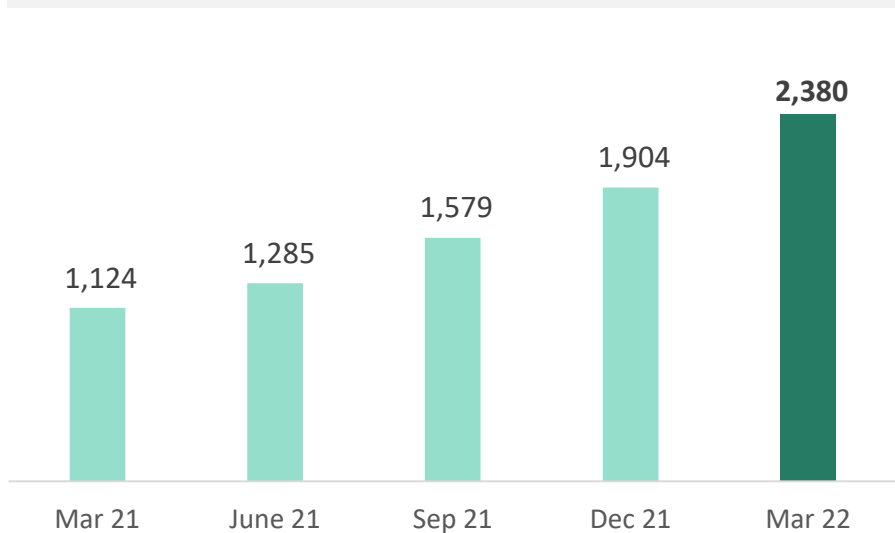
- Business has registered sales growth of 10% Y-o-Y and 19% Q-o-Q

# SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

## Segment Revenue Trend



## AUM\* Trend



## Performance Updates

### Arka Fincap Ltd (“AFL”)\*\* & Arka Financial Holdings (P) Ltd (“AFHPL”)

- KOEL’s total investment in AFHPL as on 31<sup>st</sup> Mar 22 stood at 837 Cr
- KOEL has infused equity share capital of 837 Cr in AFHPL in FY22
- AFHPL, in turn, invested 834 Cr in equity share capital of AFL (including transfer of equity shares from KOEL)
- AFHPL formed a new subsidiary company Arka Investment Advisory Service (P) Ltd as on 30<sup>th</sup> Mar 22
- AFL revenue from operations stood at 64.3 Cr in Q4 FY22; growth of 95% Y-o-Y and 19% Q-o-Q
- AFL PAT stood at 6.2 Cr in Q4 FY22; growth of 29% Y-o-Y and decline of 44% Q-o-Q
- Total Debt as on 31<sup>st</sup> Mar 22 stood at 1,734 Cr vs 1,275 as on 31<sup>st</sup> Dec 21
- Debt to Equity Ratio:
  - 31<sup>st</sup> Mar 22 2.1
  - 31<sup>st</sup> Dec 21 1.6
  - 31<sup>st</sup> Mar 21 1.0
- Total AUM\* as on 31<sup>st</sup> Mar 22 includes:
  - Loan book - 2,306 Cr
  - NCD/PTC - 74 Cr
- No asset liability mismatch

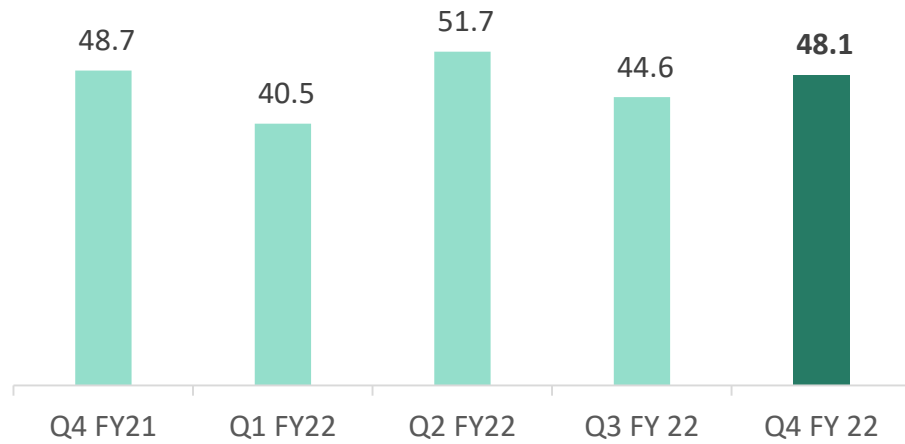
\*Excludes treasury assets

\*\* Formerly known as Kirloskar Capital Ltd



# SEGMENT PERFORMANCE OVERVIEW – OTHERS\*

## Segment Revenue Trend



## Performance Updates

- Power tiller retail segment has registered sales decline of 28% Y-o-Y and growth of 19% Q-o-Q
- Power Weeder registered sales of 1,252 units in Q4 FY22; growth of 24% Y-o-Y and 11% Q-o-Q
- Farm Mechanization business continued to be in loss due to increase in commodity input prices
- Tractor Spares and Oil business has registered growth of 31% Y-o-Y and 13% Q-o-Q

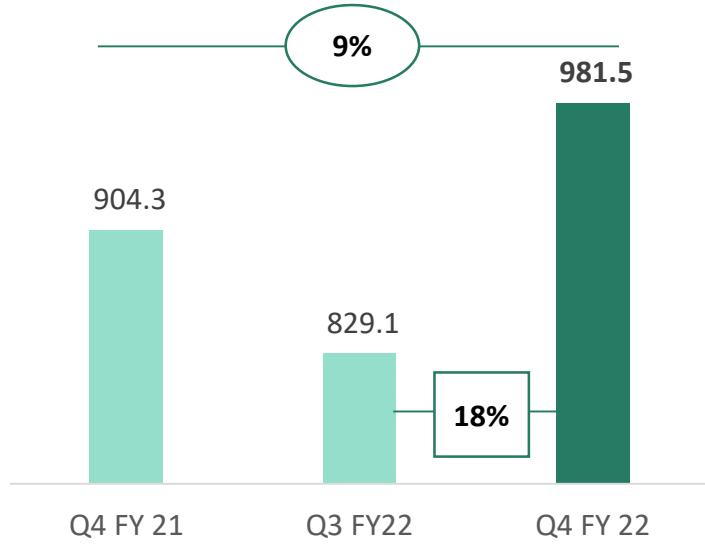
\*Others include Farm Mechanization and 'Tractor Spares & Oil', Electric Motors and OWC Business divisions

- 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

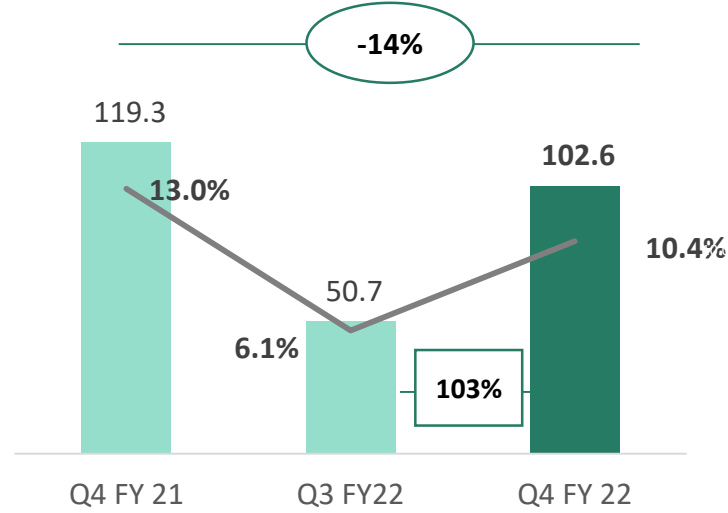
# STANDALONE – PERFORMANCE HIGHLIGHTS

## Sales

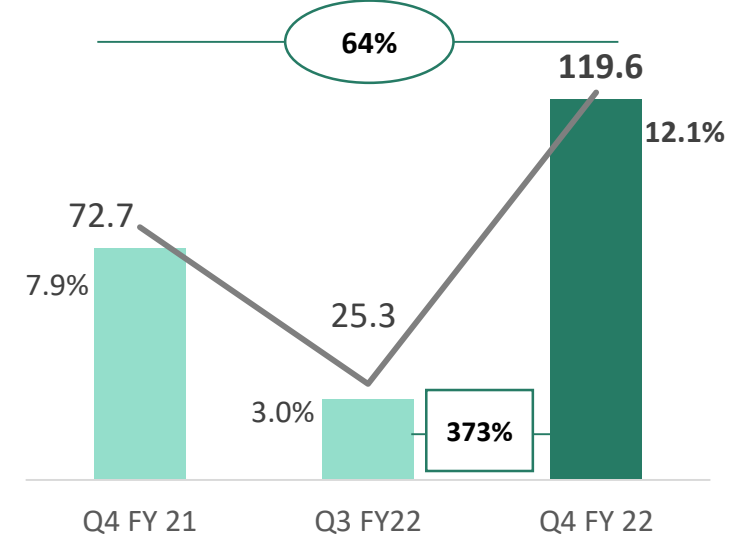
Quarterly



## EBITDA & Margin

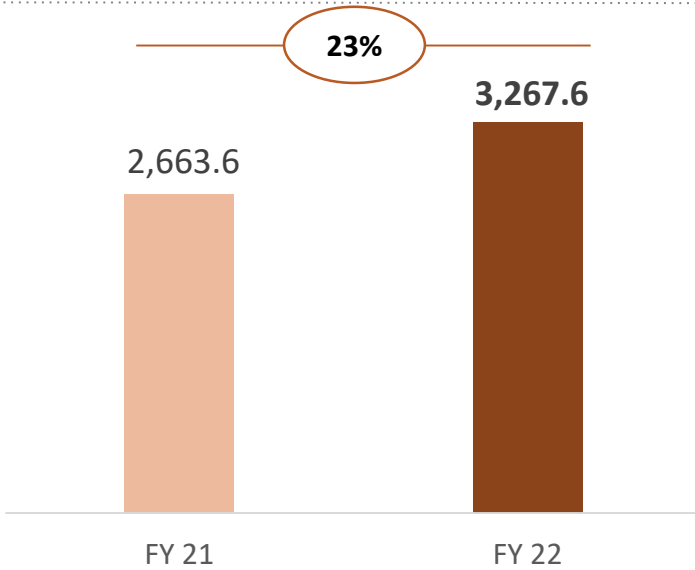


## PAT & Margin

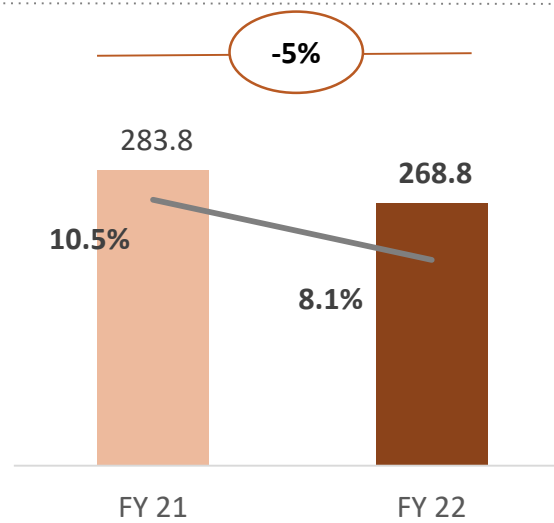


## 23%

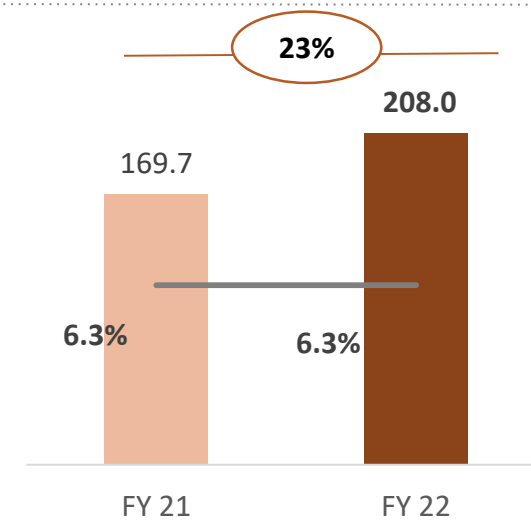
Full Year



## -5%



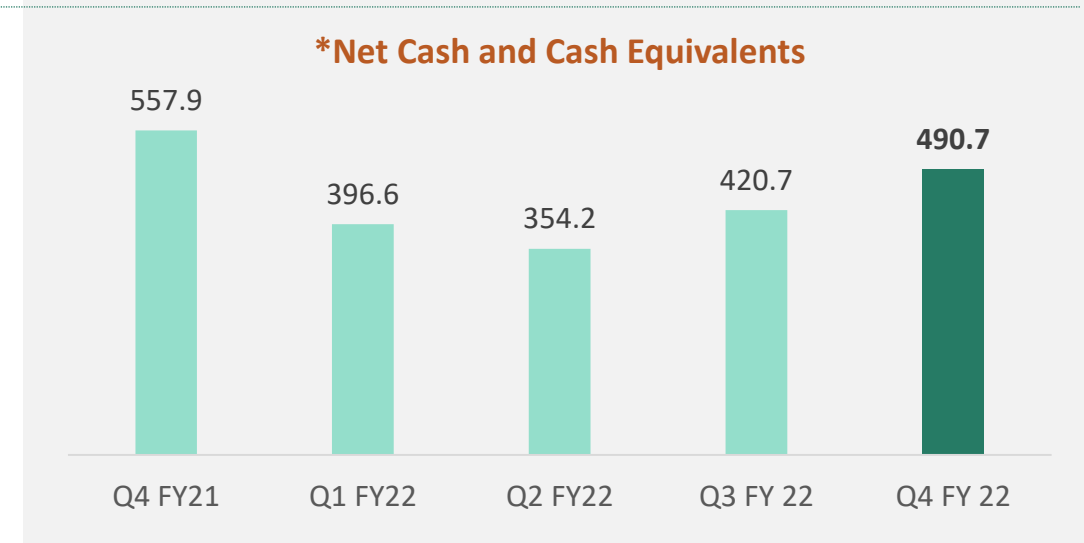
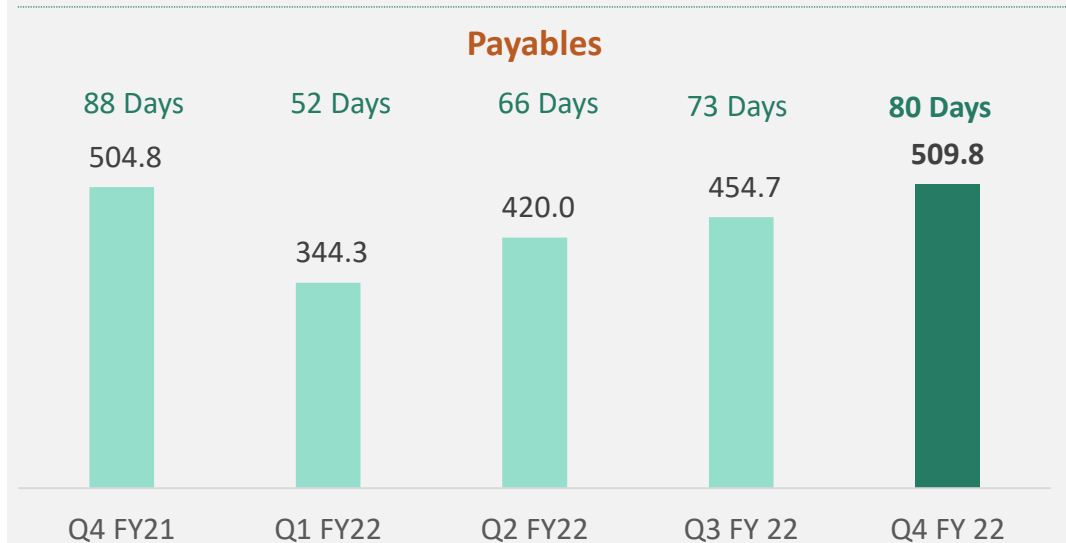
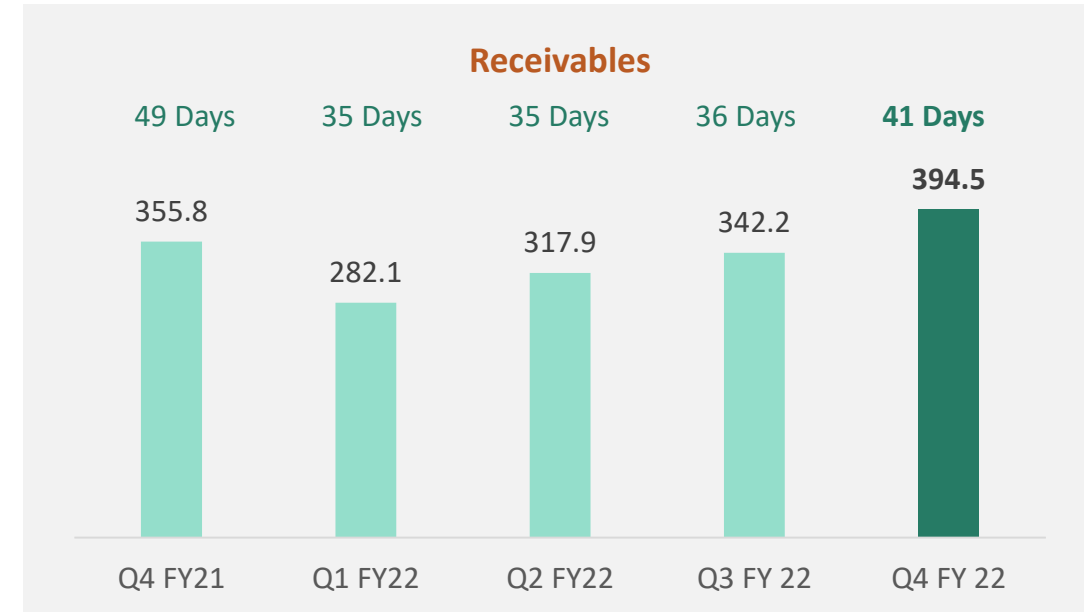
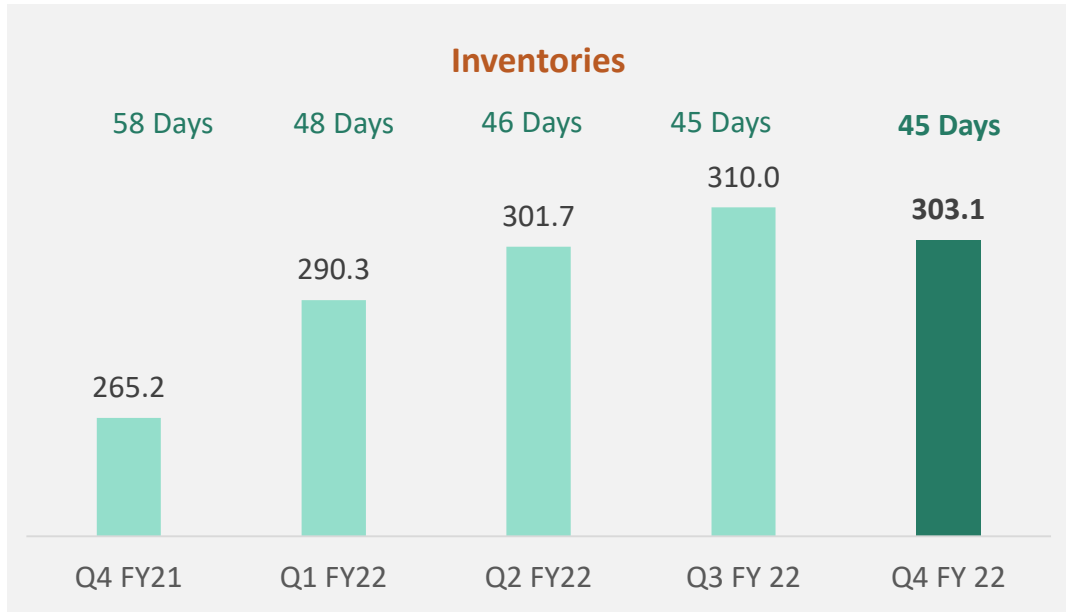
## 23%



# STANDALONE - PROFIT AND LOSS STATEMENT

Particulars	Q4 FY22	Q3 FY22	Q-o-Q Δ	Q4 FY21	Y-o-Y Δ	FY-22	FY-21	Y-o-Y Δ
<b>Net Sales</b>	<b>981.5</b>	<b>829.1</b>	<b>18%</b>	<b>904.3</b>	<b>9%</b>	<b>3,267.6</b>	<b>2,663.6</b>	<b>23%</b>
Other Operating Income	8.6	7.8	10%	10.3	-17%	32.1	30.8	4%
<b>Revenue from operation</b>	<b>990.0</b>	<b>836.9</b>	<b>18%</b>	<b>914.6</b>	<b>8%</b>	<b>3,299.7</b>	<b>2,694.4</b>	<b>22%</b>
Raw Material	679.6	594.1	14%	592.5	15%	2,291.2	1,743.1	31%
Employee Costs	48.9	54.9	-11%	56.7	-14%	207.0	198.9	4%
Other Expenses	158.9	137.3	16%	146.0	9%	532.7	468.6	14%
<b>EBITDA</b>	<b>102.6</b>	<b>50.7</b>	<b>103%</b>	<b>119.3</b>	<b>-14%</b>	<b>268.8</b>	<b>283.8</b>	<b>-5%</b>
<b>EBITDA Margin (%)</b>	<b>10.4%</b>	<b>6.1%</b>	<b>4.3%</b>	<b>13.0%</b>	<b>-2.6%</b>	<b>8.1%</b>	<b>10.5%</b>	<b>-2.4%</b>
Other Income	7.6	4.8	57%	6.3	21%	24.8	24.5	1%
Depreciation & Amortisation	19.1	19.0	1%	17.0	12%	77.2	62.2	24%
Finance Costs	1.5	2.2	-32%	1.3	14%	6.2	6.4	-2%
<b>PBT before exceptional items</b>	<b>89.5</b>	<b>34.3</b>	<b>161%</b>	<b>107.3</b>	<b>-17%</b>	<b>210.1</b>	<b>239.8</b>	<b>-12%</b>
Exceptional items - (Expenses) / Income	52.7	-		(8.4)		52.7	(8.4)	
<b>PBT</b>	<b>142.2</b>	<b>34.3</b>	<b>314%</b>	<b>98.9</b>	<b>44%</b>	<b>262.7</b>	<b>231.4</b>	<b>14%</b>
Tax	22.6	9.0		26.2		54.7	61.7	
<b>PAT</b>	<b>119.6</b>	<b>25.3</b>	<b>373%</b>	<b>72.7</b>	<b>64%</b>	<b>208.0</b>	<b>169.7</b>	<b>23%</b>
<b>PAT Margin (%)</b>	<b>12.1%</b>	<b>3.0%</b>	<b>9.1%</b>	<b>7.9%</b>	<b>4.2%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>0.0%</b>

# WORKING CAPITAL AND NET CASH POSITION



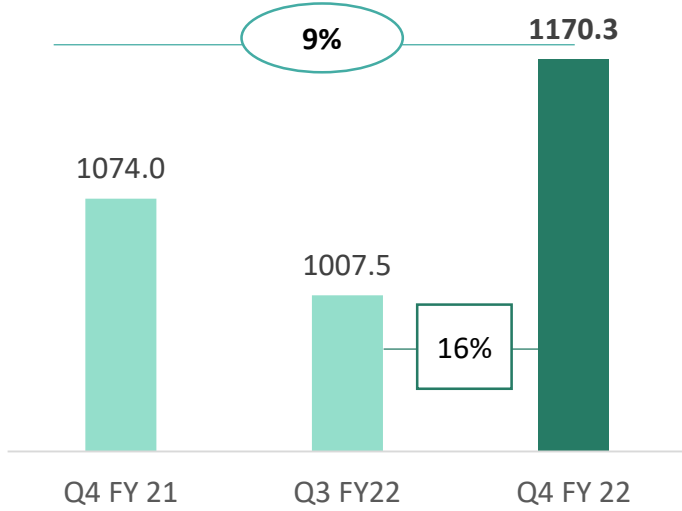
- Notes :
- 1) No. of days has been calculated using average value and TTM (Trailing Twelve Months method)
  - 2) \*Above Cash position excludes unclaimed dividend and is net of debt; includes Company's treasury investments (liquid & money market funds)



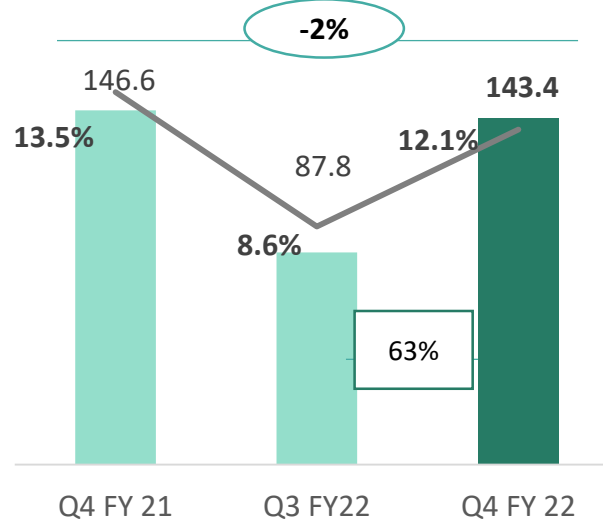
# CONSOLIDATED – PERFORMANCE HIGHLIGHTS

Quarterly

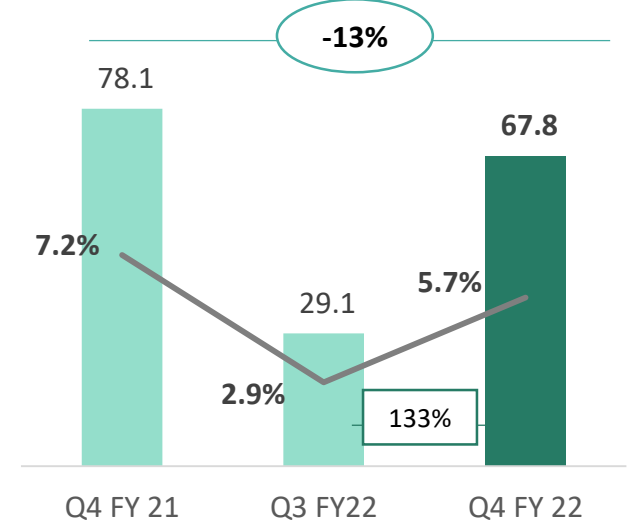
## Sales



## EBITDA & Margin

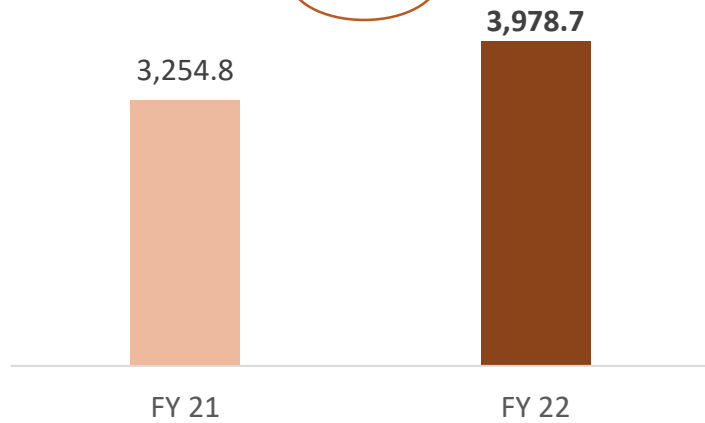


## PAT & Margin

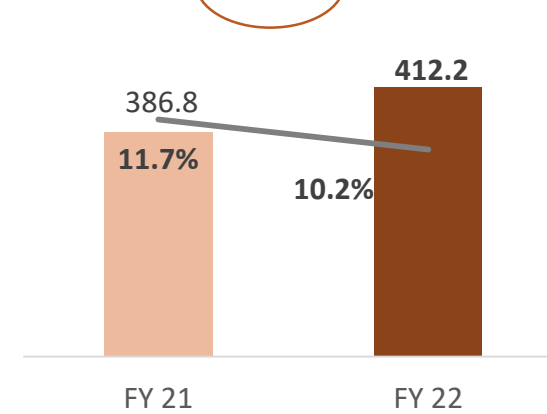


Full Year

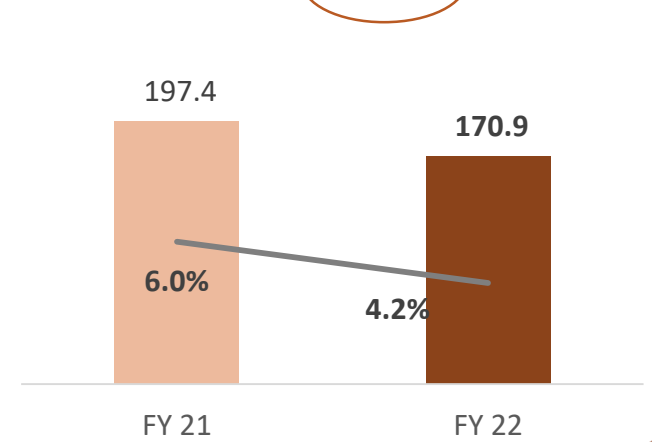
## 22%



## 7%



## -13%





# CONSOLIDATED - PROFIT AND LOSS STATEMENT

Particulars	Q4 FY22	Q3 FY22	Q-o-Q Δ	Q4 FY21	Y-o-Y Δ	FY-22	FY-21	Y-o-Y Δ
<b>Net Sales</b>	<b>1,170.3</b>	<b>1,007.5</b>	<b>16%</b>	<b>1,074.0</b>	<b>9%</b>	<b>3,978.7</b>	<b>3,254.8</b>	<b>22%</b>
Other Operating Income	11.7	10.3	16%	13.1	-9%	<b>43.3</b>	41.3	5%
Revenue from operation	<b>1,182.0</b>	<b>1,017.8</b>	<b>16%</b>	<b>1,087.2</b>	<b>9%</b>	<b>4,022.0</b>	<b>3,296.1</b>	<b>22%</b>
Raw Material	765.1	683.8	12%	664.4	15%	2,637.6	2,050.0	29%
Employee Costs	75.7	73.1	4%	74.4	2%	285.6	257.4	11%
Other Expenses	197.7	173.0	14%	201.8	-2%	686.6	601.9	14%
<b>EBITDA</b>	<b>143.4</b>	<b>87.8</b>	<b>63%</b>	<b>146.6</b>	<b>-2%</b>	<b>412.2</b>	<b>386.8</b>	<b>7%</b>
<b>EBITDA Margin (%)</b>	<b>12.1%</b>	<b>8.6%</b>	<b>3.5%</b>	<b>13.5%</b>	<b>-1.4%</b>	<b>10.2%</b>	<b>11.7%</b>	<b>-1.5%</b>
Other Income	7.8	5.3	48%	7.2	8%	26.7	25.4	5%
Depreciation & Amortisation	25.3	25.0	2%	22.8	11%	101.3	84.0	21%
Finance Costs	35.3	28.4	24%	16.9	109%	106.0	50.1	112%
<b>PBT before share of net profit/(loss) of joint venture and exceptional items</b>	<b>90.6</b>	<b>39.7</b>	<b>128%</b>	<b>114.2</b>	<b>-21%</b>	<b>231.6</b>	<b>278.1</b>	<b>-17%</b>
Share of net profit/(loss) of joint venture accounted for using the equity method	0.3	-		-		0.3	-	
<b>PBT before exceptional items</b>	<b>91.0</b>	<b>39.7</b>	<b>129%</b>	<b>114.2</b>	<b>-20%</b>	<b>231.9</b>	<b>278.1</b>	<b>-17%</b>
Exceptional items - (Expenses) / Income	-	-		(8.4)		-	(8.4)	
<b>PBT</b>	<b>91.0</b>	<b>39.7</b>	<b>129%</b>	<b>105.8</b>	<b>-14%</b>	<b>231.9</b>	<b>269.7</b>	<b>-14%</b>
Tax	23.1	10.6		27.7		61.0	72.3	
<b>PAT</b>	<b>67.8</b>	<b>29.1</b>	<b>133%</b>	<b>78.1</b>	<b>-13%</b>	<b>170.9</b>	<b>197.4</b>	<b>-13%</b>
<b>PAT Margin (%)</b>	<b>5.7%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>7.2%</b>	<b>-1.5%</b>	<b>4.2%</b>	<b>6.0%</b>	<b>-1.8%</b>

# SEGMENT RESULTS - CONSOLIDATED

Q3 FY22	Particulars	Q4 FY21	Q4 FY22	FY21	FY22
	<b>SEGMENT REVENUE</b>				
745.5	Engines	818.3	892.7	2,390.9	2,944.2
173.3	Electric Pumps	186.7	176.9	622.3	691.1
54.2	Financial Services	33.0	64.3	101.6	201.5
44.6	Others	48.7	48.1	180.2	184.9
0.2	Unallocated	0.5	0.1	1.1	0.3
<b>1,017.8</b>	<b>REVENUE FROM OPERATIONS</b>	<b>1,087.2</b>	<b>1,181.9</b>	<b>3,296.1</b>	<b>4,022.0</b>
	<b>SEGMENT RESULTS</b>				
37.5	Engines	106.4	89.7	236.7	214.4
(7.8)	Electric Pumps	4.5	(1.0)	25.2	(7.4)
39.7	Financial Services	19.9	39.4	60.6	132.6
(3.5)	Others	(0.4)	(3.0)	2.0	(9.1)
2.2	Unallocated	0.5	1.3	3.6	7.4
<b>68.1</b>	<b>TOTAL</b>	<b>131.0</b>	<b>126.2</b>	<b>328.2</b>	<b>337.9</b>
	Less:				
28.4	Finance Cost	16.9	35.3	50.1	106.0
-	Exceptional Item	8.4	-	8.4	-
<b>39.7</b>	<b>PROFIT BEFORE TAX</b>	<b>105.8</b>	<b>91.0</b>	<b>269.7</b>	<b>231.9</b>

Notes:

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

# THANK YOU

**For Further Information Please Contact:**

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