

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q4 - 2019 -20

Disclaimer



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These materials may contain forward-looking statements regarding Kirloskar Brothers Ltd. (KBL), our corporate plans, future financial condition, future results of operations, future business plans and strategies. All such forward-looking statements are based on our management's assumptions and beliefs in the light of information available to them at this time. These forward-looking statements are, by their nature, subject to significant risks and uncertainties and actual results, performance and achievements may be materially different from those expressed in such statements. Factors that may cause actual results, performance or achievements to differ from expectations include, but are not limited to, regulatory changes, future levels of industry product supply, demand and pricing, weather and weather related impacts, wars and acts of terrorism, development and use of technology, acts of competitors and other changes to business conditions. KBL undertakes no obligation to revise any such forward-looking statements to reflect any changes in KBL's expectations with regard thereto or any change in circumstances or events after the date hereof.

Sector Highlights



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Water and Irrigation - Major Orders Received:

1. Prestigious order received to supply 8 nos large split case type pumps for Public health department in Uttar Pradesh
2. Order for 38 nos VT pump sets for water supply authority from Gujrat
3. Order received for supply for Auto-prime type dewatering pumpsets for Agartala city
4. Order for supply of 6 nos large horizontal split case type pump sets Veeranam project in Tamilnadu
5. Order received to supply 38 nos small VT Pumpsets for project in UP
6. Order to supply 30 nos split case pumps for water supply project in Haryana
7. Order received for supply of 38 nos various type of pumpsets for water supply project in Pavagada, Karnataka

Sector Highlights



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Power – Major Orders Received

1. Micro Hydro Project Kerala - 02 Sets of 45 kW Pump as turbine package
2. Orders received to supply 2 nos. multistage Auxiliary Boiler feed Pump with motor and spare for 1X660 MW Panki thermal power plant

Industry

1. Several orders received for split case Pumpsets, HHHD Pump Set, HYPN Systems, FM/UL Systems etc

Building and Construction

1. Several orders received for KirloSmarrt for remote monitoring of HYPN systems, HYPN Systems, FM/UL Systems, Fire Pump Systems, etc

Sector Highlights



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Export Excellence Cell – Major Orders Received

1. Manhattan Project –FMUL Firefighting pump set and Jockey pump set with 296 HP engine
2. Order received to supply crude oil export pump sets for Nigeria
3. Project: Queen's Hill Project - RKB Pumps (35 Nos)

Marine and Defence

1. Major order received to supply 3 nos VT pumps for Cochin Shipyard New Dry Dock Project
2. Order to supply FM/UL approved fire fighting pump sets for a Naval ship yard

Companywide Pending Orders

Pending Order Board as on Mar 2020

Sector (Rs.Crs)	Q - 1 Jun-19	Q - 2 Sep-19	Q - 3 Dec-19	Q - 4 Mar-20	Q - 4 % of Total
Irrigation + Water Resource Mgmt	880	832	870	799	48%
Power	487	475	464	481	29%
Oil & Gas	60	68	67	64	4%
Marine & Defence	39	27	18	37	2%
Industry	74	74	58	120	7%
Building & Construction	86	89	52	96	6%
Customer Support & ESD	53	64	61	49	3%
Valves	68	52	36	36	2%
TOTAL	1,747	1,682	1,626	1,682	100%

	Jun-19	Sep-19	Dec-19	Mar-20
KBL Standalone	Q 1	Q 2	Q 3	Q 4
Orders Received	516	406	501	623

	Jun-19	Sep-19	Dec-19	Mar-20
KBL Consolidated	Q 1	Q 2	Q 3	Q 4
Orders Received	852	673	931	938
Pending Orders on Hand	2,341	2242	2207	2,247

* Excluding orders for which work not commenced Rs. 270 Cr

FY 2019 -20 - Standalone Financial Highlights



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Figures of current year are not comparable with previous year as current year performance is impacted by outbreak of Corona virus. All manufacturing plants and regional offices were closed for the last ten days of the year which is generally a crucial period for production, sale and recovery

1. Revenue from operations for FY 2019-20 are at Rs. 2,097 Cr as against Rs. 2,224 Cr in PY. Drop of 5.7% is mainly due to closure of operations from 22nd March onwards. If we reduce sale value during period 22nd March to 31st March 2019 Rs. 212 Cr, CY revenue is higher by 3.3%.
2. Revenues from Project activities in this period were 5.4% of total income.
3. Composite material cost in FY 2019-20 is lower by 4% over PY.
4. Material cost of manufactured products was lower at 54.1% from 58.5% and MSR of Trading sales has decreased to 53.7% as against 66.6% in PY.
5. Despite of our best efforts, performance of our subsidiary company The Kolhapur Steel Ltd. (TKSL) has not improved. We have made provision for impairment in TKSL investment amounting to Rs. 6 Cr which is considered as exceptional item.

FY 2019 -20 - Standalone Financial Highlights



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6. PBT before exceptional item for the year is marginally increased inspite of Corona outbreak to Rs 126 Cr from Rs 124 Cr in PY.
7. EBIDTA % has improved from 8.4% to 9.1% in CY
8. Inventories as at 31st March 2020 are higher by Rs. 53 Cr over 31st March 2019 mainly due to closure of operations in last week of March.
9. After corona virus breakout, in last week of March, to maintain sufficient liquidity and carry on operations, company availed short term borrowings of Rs. 225 Cr this has resulted into increase in total borrowings as at 31 March 2020 to Rs 309 Cr from Rs 160 Cr as at 31 March 2019.

Three Year Financials – Standalone



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Rs. In Crs

Year	FY 18	FY 19	FY 20
Revenue from operations	1,913	2,224	2,097
Domestic	1,780	2,010	1,833
Exports	133	214	264
Total Assets	1,061	1,100	1,286
Net Current Assets	494	498	642
Investment	273	298	292
Net Fixed Assets	293	304	353

Three Year Financials – Standalone

Rs. In Crs

Year	FY 18	FY 19	FY 20
Shareholder's Funds	896	940	977
Subscribed Capital	16	16	16
Reserves	880	924	961
Borrowings	165	160	309
Cash and cash equivalents including short term investment	61	35	242

Year	FY 18	FY 19	FY 20
EBDITA	153	187	190
% to Sales	8.0%	8.4%	9.1%
PBT	92	124	120
% to Sales	4.8%	5.6%	5.7%
PAT	66	87	79
% to Sales	3.4%	3.9%	3.8%
Cash Profit	101	124	119

Three Year Financials – Standalone



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Rs. In Crs

Year	FY 18	FY 19	FY 20
Earnings Per Share - Rs.	8.26	11.00	9.97
Cash Earnings Per Share - Rs.	12.7	15.6	15.0
Dividend Payout (Interim + Final)- Rs. In Crores	23	23	23
<i>Dividend - %</i>	<i>125%</i>	<i>125%</i>	<i>125%</i>
Book Value / Share - Rs. Per Share	113	118	123
Market Cap - Rs in Crores	2,467	1,299	706
No. of Employees	3,083	3,055	3142
Turnover / Employee - Rs in Crores	0.6	0.7	0.7

FY 2019 -20 – Consolidated Financials Highlights



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Figures of current year are not comparable with previous year as current year performance is impacted by outbreak of Corona virus

1. Current year results are not comparable with previous year's result as previous year's results include results of foreign subsidiaries for the period of 15 months ended March 2019.
2. Despite of corona outbreak, consolidated revenue from operations has marginally decreased to Rs 3135 Cr in 12 months ended March 2020 from Rs 3172 Cr in corresponding 12 months period.
3. Consolidated PBT has increased from Rs 63 Cr to Rs 121 Cr.
4. Sales of foreign subsidiaries has increased by 3 % in April to March 2020 from corresponding previous 12 months.
5. Losses from foreign operations has come down Rs 96 Cr in year ended March 2019 to Rs 14 Cr in CY.
6. Domestic subsidiaries have maintained their PBT at same level.
7. Total group borrowings stand at Rs 578 Cr as against Rs. 380 Cr in PY – the increase is mainly to maintain liquidity in corona outbreak period.

Three Year Financials – Consolidated



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Rs. In Crs

Year	FY 18	FY 19 (Including 15 months results of foreign subsidiaries)	FY 19 (12 Months ended March 2019)	FY 20 (12 Months ended March 2020)
Revenue from operations	2,742	3,349	3,172	3,135
Within India	1,856	2,056	2,056	1,916
Outside India	885	1,293	1,116	1,219
Total Assets	1,292	1,292	1,292	1,524
Net Current Assets	769	753	753	913
Investment	49	57	57	59
Goodwill	18	14	14	14
Net Fixed Assets	456	467	467	538

Three Year Financials – Consolidated

Rs. In Crs

Year	FY 18	FY 19 (Including 15 months results of foreign subsidiaries)	FY 19 (12 Months ended March 2019)	FY 20 (12 Months ended March 2020)
Shareholder's Funds	946	912	912	946
Subscribed Capital	16	16	16	16
Reserves	930	896	896	930
Borrowings	346	380	380	578
Cash and cash equivalents including short term investment	91	74	74	366

Year	FY 18	FY 19 (Including 15 months results of foreign subsidiaries)	FY 19 (12 Months ended March 2019)	FY 20 (12 Months ended March 2020)
EBDITA	175	163	180	248
% to Sales	6.4%	4.9%	5.7%	7.9%
PBT	73	41	63	121
% to Sales	2.7%	1.2%	2.0%	3.9%
PAT	50	3	23	72
% to Sales	1.8%	0.1%	0.7%	2.3%
Cash Profit	109	70	86	143

Consolidated Accounts 2019 -20



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Rs. in Cr

Particulars	Revenue from operations		Profit/ loss before tax	
	Year Ended March 2020	Year Ended March 2019	Year Ended March 2020	Year Ended March 2019
Parent company				
KBL	2,097	2,224	120	124
SUBSIDIARY COMPANIES				
KCPL	24	28	0	(1)
TKSL	31	36	(12)	(8)
KPML	322	325	27	24
KBIBV conso *	1,049	1,203	(14)	(99)
	3,524	3,816	122	41
Elimination/ Consol adjustment	(388)	(467)	(1)	(0)
TOTAL (KBL)	3,135	3,349	121	41
Share in profit after tax of Joint venture			4	8

* Previous year financials of KBIBV are for 15 months ended March 2019

Thank You