



Enriching Lives

KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

SEC/ F:22

November 12, 2022

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.

National Stock Exchange of India Ltd.,
5th Floor, Exchange Plaza,
Bandra (East)
Mumbai – 400 051.

(BSE Scrip Code – 500241)

(NSE Symbol - KIRLOSBROS)

Dear Sir/Madam,

Sub.: Investor Release-Conference Call scheduled with Analysts on 14th November, 2022.

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of the subject referred regulations, read with Schedule III Part A, Para A of the same please find enclosed a copy of the Investor Release for the quarter and half year ended on September 30, 2022.

Please note that the above will be uploaded on the Company's website as well.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,

For **KIRLOSKAR BROTHERS LIMITED**

Devang Trivedi
Company Secretary

Encl: As above

Investor Release

Kirloskar Brothers Limited Announces Q2 FY23 Results

- ✓ Consolidated revenue and Profit after tax grew by 15.0 % and 403% on a YoY basis over Q2 FY 22
- ✓ Healthy expansion in margins driven by operating leverage, improved product mix and cost rationalization
- ✓ Consistent upward trajectory in the consolidated orderbook at ₹ 2,848 crores (30% YoY growth)

Pune, November 12, 2022: Kirloskar Brothers Limited (KBL) (NSE: KIRLOSBROS; BSE:500241), announced its financial results for the quarter ended 30th September 2022.

Particulars (In ₹ Crores) (Consol.)	Q2 FY23	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%
Revenue	864.0	751.3	15.0%	1648.1	1377.9	19.6%
Gross Profit	408.4	327.0	24.9%	786.4	636.9	23.5%
EBITDA	66.6	38.7	72.1%	114.7	81.1	41.4%
EBITDA Margin %	7.7%	5.2%	256bps	7.0%	5.9%	107bps
Profit After Tax (PAT)	30.7	6.1	403.3%	46.2	17.9	158.1%
PAT Margin %	3.6%	0.8%	274bps	2.8%	1.3%	150bps
EPS (in ₹)	3.87	0.76	411.7%	5.81	2.29	153.6%

Orderbook

Sector (In ₹ Crores)	Q2 FY23	Q1 FY23	Q4 FY22	Q3 FY22	Q2 FY22
Irrigation + Water Resource Mgmt.	893	664	691	718	733
Power	486	491	485	490	460
Oil & Gas	91	91	69	68	42
Marine & Defence	61	83	63	76	48
Industry	146	137	128	111	98
Building & Construction	118	136	120	101	73
Customer Support & ESD	108	107	88	85	82
Valves	97	68	69	83	83
Total	2,000	1,777	1,713	1,732	1,619

KBL Standalone	Q2FY23	Q1FY23	Q4FY22	Q3FY22
Orders Received	814	596	721	624
KBL Consol.	Q2FY23	Q1FY23	Q4FY22	Q3FY22
Orders Received	1,267	941	1,213	1,044
Pending Orders	2,848	2,611	2,470	2,346

Note: Pending Orderbook does not include orders for small pump business as this is a made to stock business. Orders received include small pump business orders received and executed in the same month from stock.

Company Highlights

- The Company had a strong YoY growth in its Q2 revenue from operations at both standalone and consolidated level at 22.1% and 15.0% respectively.
- Order intake in Q2 FY23 was ₹ 1267 Crores (43% growth on YoY basis) at a consolidated level as compared to ₹ 884 Crores in Q2 FY22.
- At a consolidated level, the closing orderbook as of 30th September 2022 stood at ₹ 2,848 Crores as compared to ₹ 2,183 Crores as of 30th September 2021, a growth of 30% on a YoY basis.

Sector Highlights:

- **Small Pumps Business:**
 - The sector witnessed a 12% YoY growth in Q2 sales.
 - Healthy growth in production and sales volume.
- **Water & Irrigation:**
 - KBL received its first order from a large EPC contractor for more than 750 Solar pumps.
 - Sector received orders for 28 nos. of KirloSmart pump health monitoring unit for various projects.
 - Focussing on water supply business across the country, have booked 1000+ pumps (VT-94, HSC-430, Multistage – 480) for City level schemes from 21 different small and medium size contractors.
- **Building & Construction:**
 - Sales increased by 30% on a YoY basis over Q2 FY22
 - There is a YoY 62% growth in the pending order book.
 - This sector received prestigious orders for HYPN systems and Multistage – Multioutlet pump sets from various customers
- **Power:**
 - In this sector we are witnessing a turnaround in the business and sales in Q2 FY 23 have increased due to execution of few high value orders

- **Industry:**
 - Healthy order booking continue as the sector witnessed a 49% YoY growth in its order book.
 - This sector witnessed 41% growth in YoY sales over Q2 FY 22.
- **Oil and Gas:**
 - Order book on YoY basis has witnessed growth of 119%.
 - Further sales growth on a YoY basis is 46% over Q2 FY 22
- **Marine & Defence:**
 - 26% YoY increase in order book.
- **Valve Sector:**
 - Significant shipments made in Q2. 3000 mm Butterfly Valves (BFV) manufactured and supplied to some big projects.
 - Order received for 26 nos large butterfly valves (3100 mm) for lift irrigation project.
- **Export Excellence Cell**
 - Order received to supply large solid handling pumpsets 42 Nos. and large vertical split case pump 8 No. for projects in Middle East.

Commenting on the results Mr. Sanjay Kirloskar, CMD – Kirloskar Brothers Limited said, *“The company reported a robust set of numbers notwithstanding the global geopolitical uncertainties, rising domestic interest rates, adverse currency movements and elevated input costs. The company’s performance improved significantly on financial as well as operational parameters. The growth was driven on account of operating leverage, improved product mix, continued traction in retail pumps and sharp recovery in key international geographies. As a result, the revenue, EBITDA and PAT grew by 15%, 72% and 403%, respectively. With softening commodity prices and other input costs along with already undertaken price hikes, we expect the performance of H2FY23 to be better than H1FY23.*

The traction in enquiry generation and order inflow continued to remain strong throughout H1FY23. The consolidated orderbook stood at ₹ 2,848 crores, up 30% YoY. The growth in orderbook is primarily driven by Oil & Gas, Industry, Irrigation and Building & Construction. Pick-up in orderbook for these industries reflects pick-up in private capex cycles across the geographies and the company remains confident of continuing the growth momentum in the orderbook.

The company is progressing well on the long-term strategic agenda of creating a sustainable value through financial prudence, lean balance sheet, cost optimization, digital initiatives and strategic product launches.”

Commenting on the international business, Mr. Alok Kirloskar, Managing Director – Kirloskar Brothers International B.V. said, *“The operational performance on the international subsidiaries front remained resilient amid various disruptions across the geographies where the company operates. The constant devaluation of currencies against the strengthening USD impacted the Mark to Market (MTM) positions, most of these forex losses are unrealised in nature arising out of MTM valuations.*

The company's Thai, UK and South African businesses have grown significantly in the past few quarters as the company continued to focus on the recurring business. The company is progressing well on turning around the Dutch business.

The orderbook has grown at a healthy rate of 43% on a YoY basis to ₹ 1,267 crores, driven by a significant pick-up across geographies led by robust growth in enquiries and conversions. The company has also grown services and subscription platform business considerably, which provides revenue scalability and sustainability without incurring any additional operating costs."

Commenting on the domestic business, Ms. Rama Kirloskar, Joint Managing Director of KBL & Managing Director of Kirloskar Ebara Pumps Limited said, "On the domestic operations front, the performance the company continued to witness a sustained growth trajectory driven by retail pumps as well as Industry segment. The company has also seen good order inflow in the valves business as there has been growing investment by the government in irrigation. We are witnessing a significant pickup across the segments and believe that the impact of covid-19 related disruptions is over.

The company's recently launched APOEM program has continued to gain traction from our dealer and distributors. The program which is aimed towards reducing the Turnaround time significantly allows the company and our distribution network to serve our customers more effectively and efficiently, thus increasing the stickiness of the customer base further. We firmly believe that this program would be a key enabler to drive the next leg of growth in domestic operations.

The Indian economy has shown strong resilience amid global uncertainties. Various high-frequency indicators across consumer and industrial sectors are indicating a significant pickup in the economy. The company remains well-positioned to reap the benefits of the huge opportunity that India offers."

About Kirloskar Brothers Limited

Kirloskar Brothers Limited (KBL) is a world-class pump manufacturing company with expertise in engineering and manufacture of systems for fluid management. Established in 1888 and incorporated in 1920, KBL is the flagship company of the \$ 2.1 billion Kirloskar Group. As the market leader in fluid management, KBL provides complete fluid management solutions for large infrastructure projects in the areas of water supply, power plants, irrigation, oil & gas and marine & defence. KBL engineers and manufactures industrial, agriculture & domestic pumps, valves and hydro turbines. KBL is the only pump manufacturing company in India and ninth in the world to be accredited with the N and NPT certification by the American Society of Mechanical Engineers (ASME).

For more information, please visit www.kirloskarpumps.com

Safe Harbour

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project-related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and

developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. 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.

For more information please contact:



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