



KIRLOSKAR BROTHERS LIMITED
A Kirloskar Group Company

Enriching Lives

SEC/ F:22

August 11, 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 with Analyst scheduled on 11th August,2022

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

In terms of the subject referred regulation read with Schedule III, Part A Para A of the same, please find enclosed a copy of the Investor Release for the Quarter ended on June 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 records.

Thanking you,

Yours faithfully,
For **KIRLOSKAR BROTHERS LIMITED**


Devang Trivedi
Company Secretary



Encl: As above

Investor Release

Kirloskar Brothers Limited Announces Q1 FY23 Results

- ✓ Consolidated revenue and Profit after tax grew by 25.1 % and 31.4 % YoY, respectively
- ✓ Consistent upward trajectory in the consolidated orderbook at ₹ 2,611 crores (20% YoY growth)
- ✓ Scaled up “AP-OEM Program” (Authorised Pumpset Original Equipment Manufacturers)

Pune, August 11, 2022: Kirloskar Brothers Limited (KBL) (NSE: KIRLOSBROS; BSE:500241), announced its financial results for the quarter ended 30th June 2022.

Particulars (In ₹ Crores) (Consol.)	Q1 FY23	Q1 FY22	YoY%
Revenue	784.1	626.6	25.1%
Gross Profit	379.2	309.9	22.4%
EBITDA	48.1	42.4	13.4%
EBITDA Margin %	6.1%	6.8%	-63bps
Profit After Tax (PAT)	15.5	11.8	31.4%
PAT Margin %	2.0%	1.9%	9bps
EPS (in ₹)	1.94	1.52	27.3%

Orderbook

Sector (In ₹ Crores)	Q1 FY23	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22
Irrigation + Water Resource Mgmt.	664	691	718	733	691
Power	491	485	490	460	460
Oil & Gas	91	69	68	42	36
Marine & Defence	83	63	76	48	50
Industry	137	128	111	98	87
Building & Construction	136	120	101	73	92
Customer Support & ESD	107	88	85	82	73
Valves	68	69	83	83	81
Total	1,777	1,713	1,732	1,619	1,570

KBL Standalone	Q1FY23	Q4FY22	Q3FY22	Q2FY21
Orders Received	596	721	624	524
KBL Consol.				
Orders Received	941	1,213	1,044	884
Pending Orders	2,611	2,470	2,346	2,183

Company Highlights

- The Company had a strong year on year growth in its revenue from operations at both standalone and consolidated level at 36.5% and 25.1%, respectively. During the quarter ended 30th June 2021, the company’s operations were partially affected by the second wave of COVID-19. YoY growth in the revenue from operations is partially on account of a lower base.
- The Company continued to witness robust operational performance with YoY pump production increasing by 103% at all plants put together.

- Old project closures – 2 closures achieved in Q1 FY23.
- Order intake in Q1 FY23 was ₹ 941 Crores (25% growth) at a consolidated level as compared to ₹ 753 Crores in Q1 FY22.
- At a consolidated level, the closing orderbook as of 30th June 2022 stood at ₹ 2,611 Crores as compared to ₹ 2,179 Crores as of 30th June 2021, a growth of 20% on a YoY basis.
- PAT at Standalone KBL level is after making a provision of ₹ 4.1 Crores in Q1 FY23 for partial impairment of investment in the subsidiary company “The Kolhapur Steel Limited”.

Sector Highlights:

- **Small Pumps Business:**
 - The sector witnessed a 24% YoY growth in sales.
 - Healthy growth in production and sales volume.
- **Water & Irrigation:**
 - This sector bagged orders to supply 2600+ Solar pump sets for various state projects and also for various water supply schemes through its dealers/integrators.
 - Further major orders received to supply 300 nos horizontal split case pumps and 80 plus vertical turbine type pumps for various Water and Irrigation projects through contractors.
 - This sector witnessed a YoY increase in Q1 FY23 Sales by 92%.
- **Building & Construction:**
 - The sector has performed well wherein sales increased by 53% on a YoY basis over Q1 FY22
 - There is a YoY 47% growth in the pending order book.
 - This Sector received orders for Autoprime dewatering pump sets, Hydro-pneumatic systems while also receiving orders for HYPN system order from various customers
- **Power:**
 - Executed prestigious orders for pumps required in a nuclear application.
- **Industry:**
 - Healthy order booking continue as the sector witnessed a 57% YoY growth in its order book.
 - This sector witnessed 91% growth in YoY sales.

- **Oil and Gas:**
 - Sector bagged order to supply 30 firefighting pumps for various locations for reputed state owned refineries as well as upstream oil companies.
 - Order book on YoY basis has witnessed growth of 156%.

- **Marine & Defence:**
 - 64% YoY increase in order book.

- **Valve Sector:**
 - Significant shipments made in Q1 - 2 Nos 3000 mm and 1 No 1400 mm Butterfly Valves (BFV) supplied to a critical project
 - 4 Nos 1400 mm Hydraulic operated Pump Discharge BFV and 1 No 2200 mm Electrically Operated Pump Discharge BFV supplied to Middle East for sea water application

- **Export Excellence Cell**
 - Order received from a reputed customer in Italy for 36 nos various pumpsets (End suction, Process, Submersible and VT pumps) for a Steel plant in South Africa
 - Order received to supply 9 nos Split Casing pumps for a water project in Middle East and to supply 6 nos. split casing pumps for R2 Reservoir project in Middle East

Commenting on the results Mr. Sanjay Kirloskar, CMD – Kirloskar Brothers Limited said, *“For the quarter, the top-line grew at a healthy pace driven by improved product mix and recovery in the key geographies along with robust momentum in B2C pumps in the domestic markets. However, the operating expenses registered a faster growth compared to the revenue growth mainly on account of raw materials and other key input costs which have risen sharply in the last 2-3 quarters. The company has undertaken multiple price hikes along with cost rationalisation to mitigate this impact. However, we are witnessing softening in the commodity prices and other key input costs, and we expect these costs to revert to their mean levels by the end of FY23.*

Over the past few quarters, the company has witnessed a consistent upward trajectory in the enquiries as well order inflow. The similar traction was continued in Q1FY23 and the consolidated orderbook stood at ₹ 2,611 crores, which does not include orders for made to stock products such as retail and Agri pumps that contribute substantially to the top-line. The company expects this traction to continue for the upcoming quarters as well driven by visible recovery in domestic capex as well as in some key international geographies. The company is closely tracking all the key geopolitical events including Russia- Ukraine war, tensions between China and USA, upheavals in Oil & Gas prices, exchange rates and trade barriers etc.

Commenting on the international business, Mr. Alok Kirloskar, Managing Director – Kirloskar Brothers International B.V. said, *“On the international operations front, there was growth momentum in UK, US and Thailand business on a YoY basis. Mark to Market (MTM) forex loss however impacted the profitability*

of international businesses though at an operational level, most international businesses registered healthy YoY growth. Most of these forex losses are unrealised in nature arising out of MTM valuations. The company continued to focus on the turnaround of the Dutch business which remains affected due to the ongoing pandemic and slowdown led by economic and geopolitical events.

The company is tracking all the key economic and geopolitical events closely and remains well-positioned to counter any impact which may arise in the future. However, despite these challenges, the company was successful in growing the orderbook and operational capabilities. The international orderbook grew 42% YoY to ₹ 747 crores. This robust orderbook provides strong revenue visibility, going forward.”

Commenting on the domestic business, Ms. Rama Kirloskar, Joint Managing Director of KBL & Managing Director of Kirloskar Ebara Pumps Limited said, *“In the domestic operations, the retail pumps business witnessed a robust growth along with other verticals such as Industrials and other capex driven sectors. The company has also conducted multiple marketing activities and distributor engagement programs to further enhance the brand equity. We firmly believe that these activities along with new product launches under the pipeline and ongoing debottlenecking activities would drive the revenue and profitability growth in the domestic operations.*

Over the years, the company has focused on innovation, investment in disruptive technologies and R&D. The company has recently started to scale up its game changer “AP-OEM Program”, which is aimed at reducing the turnaround time (TAT) from 3-5 weeks to 12 hours-2 weeks for the “Made to Order” products. The company has witnessed an initial success in terms of tremendous reduction in TAT and multiple layers in the supply chain along with improved distributor commitment. We firmly believe that once scaled up, the “AP-OEM Program” would be a key catalyst to drive the growth in domestic business.

On the key subsidiaries, Karad Projects and Motors Limited (KPML) continued its healthy growth pace. KPML’s revenue grew by 65%. While its PBT grew by 74%. Various initiatives are already underway to turnaround the Kolhapur Steel (TKSL) which is now witnessing growth in production and revenue.”

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:



Enriching Lives

Kirloskar Brothers Limited

CIN: L29113PN1920PLC000670

Mr. Chittaranjan Mate

Email: Chittaranjan.Mate@kbl.co.in

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Mr. Chinmay Madgulkar / Mr. Jigar Kavaia

Email: chinmay.m@sgapl.net / jigar.kavaia@sgapl.net

Contact no.: +91 9860088296 / +91 9920602034