

Date: 10<sup>th</sup> February 2022

BSE Scrip Code: **533293**

NSE Scrip Code: **KIRLOSENG**

To  
Corporate Relationship Department  
BSE Limited  
1st Floor, Rotunda Building,  
Dalal Street, Fort,  
Mumbai – 400 001

To  
Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, C -1, Block G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051

Dear Sir/Madam,

This is to inform you that:

Pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 including amendments thereunder and in continuation of earlier communication vide letter dated 8<sup>th</sup> February 2022, we hereby inform that the Conference Call for Investors and Analysts was held on Thursday, 10<sup>th</sup> February 2022 at 05:30 p.m. IST to discuss Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31<sup>st</sup> December 2021.

The presentation discussed at the Conference Call is enclosed herewith. The same has been uploaded at the website of the Company viz. [www.koel.kirloskar.com](http://www.koel.kirloskar.com).

You are requested to take the same on your record.

Thanking you,

Yours faithfully,  
For Kirloskar Oil Engines Limited

Smita Raichurkar  
Company Secretary

# Earnings Call Presentation Q3 FY22

10<sup>th</sup> February 2022

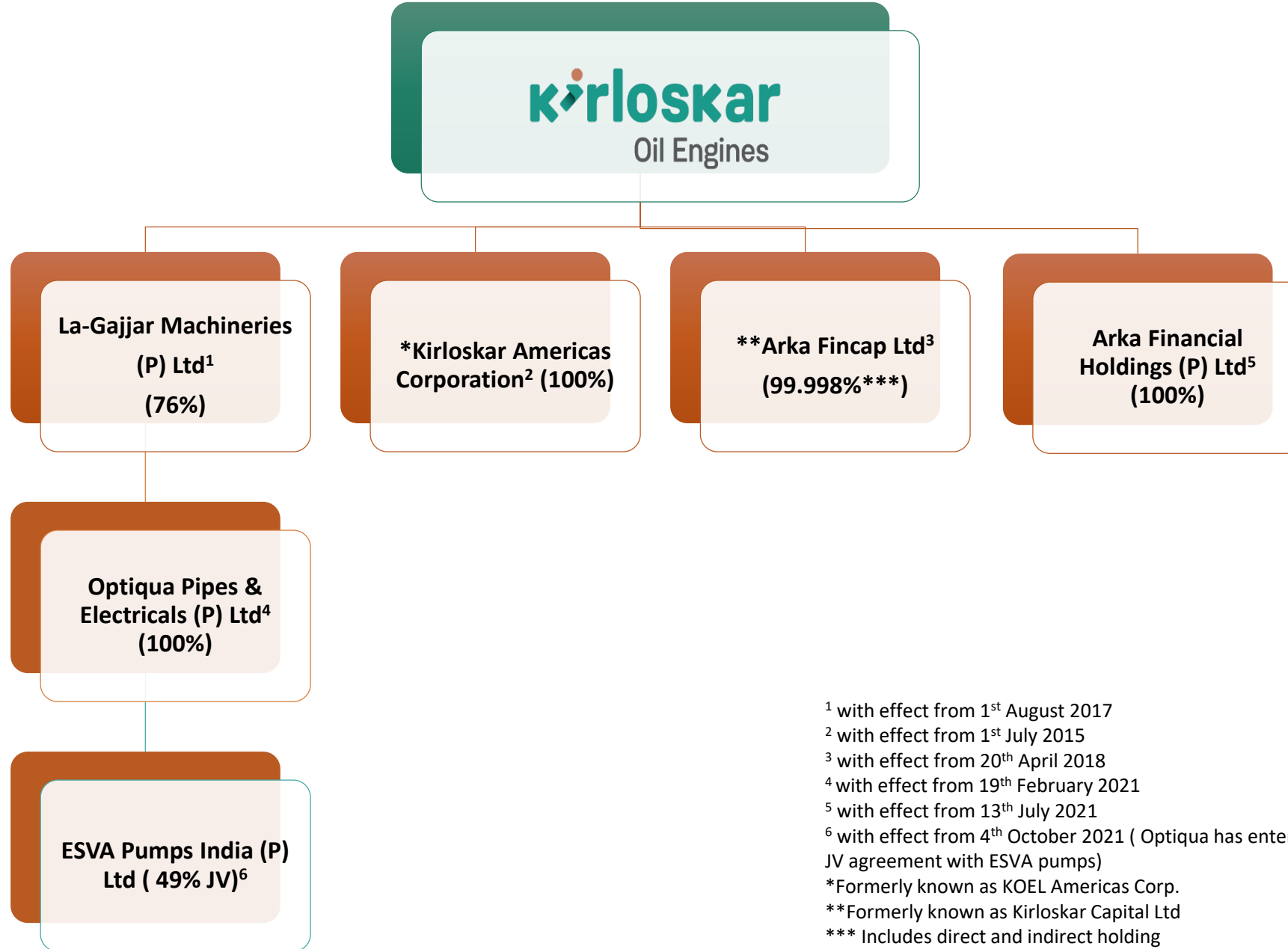
# DISCLAIMER & SAFE HARBOR STATEMENT

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.

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<sup>1</sup> with effect from 1<sup>st</sup> August 2017

<sup>2</sup> with effect from 1<sup>st</sup> July 2015

<sup>3</sup> with effect from 20<sup>th</sup> April 2018

<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)

\*Formerly known as KOEL Americas Corp.

\*\*Formerly known as Kirloskar Capital Ltd

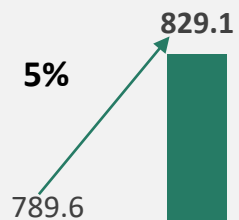
\*\*\* Includes direct and indirect holding

# CONTENT

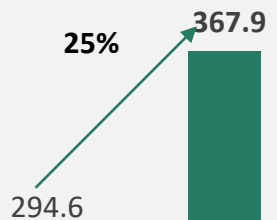
- **BUSINESS OVERVIEW**
  - STANDALONE
    - SALES HIGHLIGHTS
  - CONSOLIDATED
    - SEGMENT OVERVIEW
- FINANCIAL OVERVIEW
- ESG

# STANDALONE SALES HIGHLIGHTS – Q3 FY22 Y-o-Y

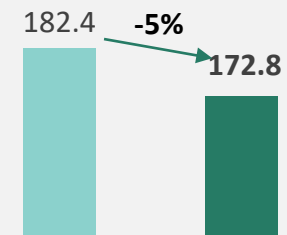
## Sales Performance



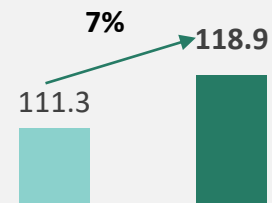
## Power Generation



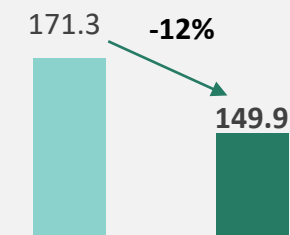
## Industrial



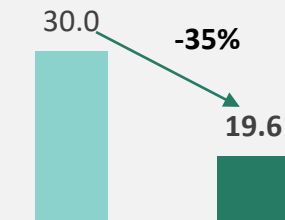
## Customer Support



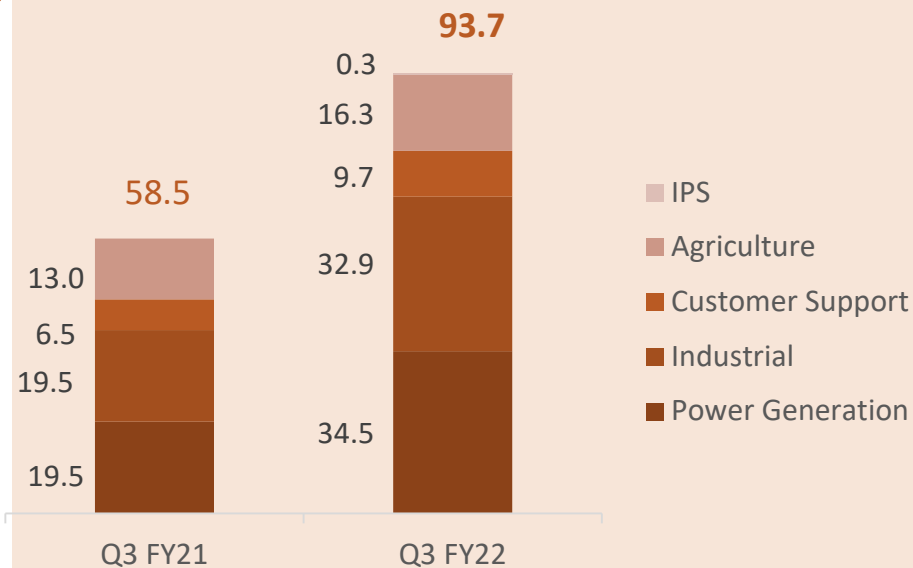
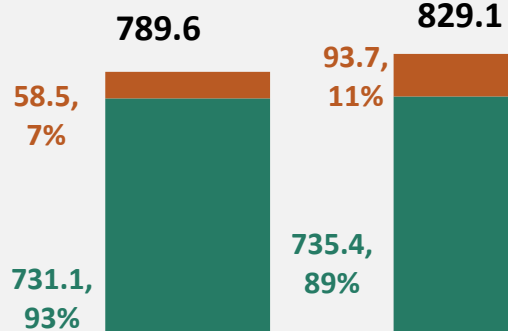
## Agriculture\*



## IPS (Large Engines)

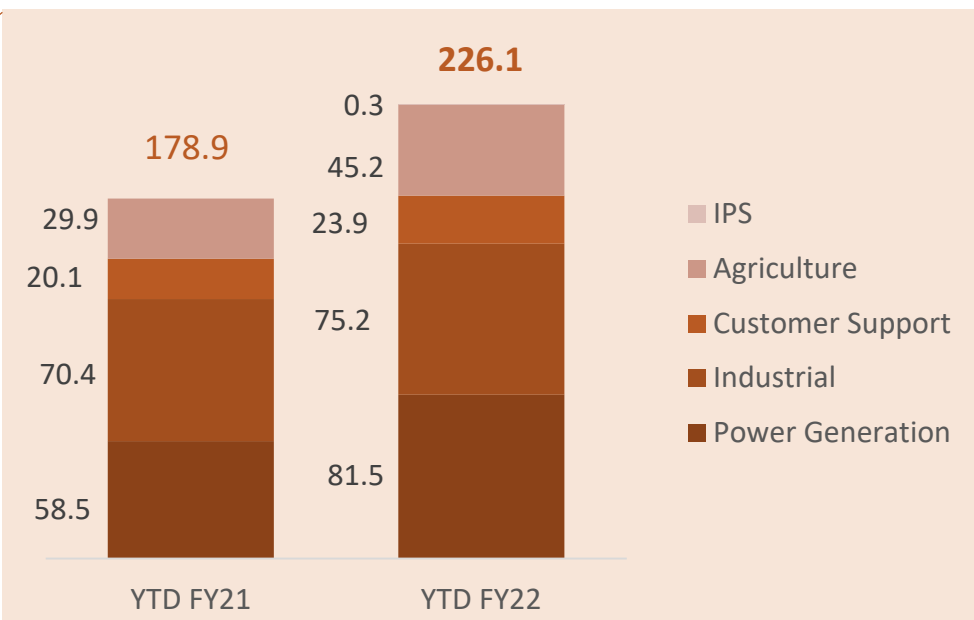
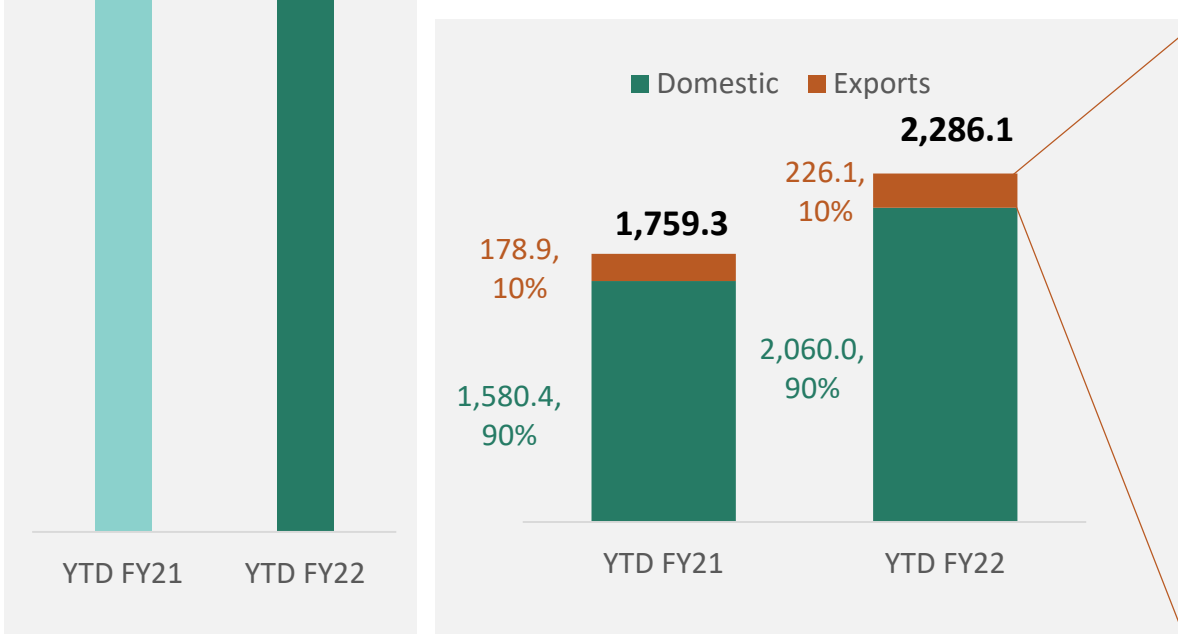
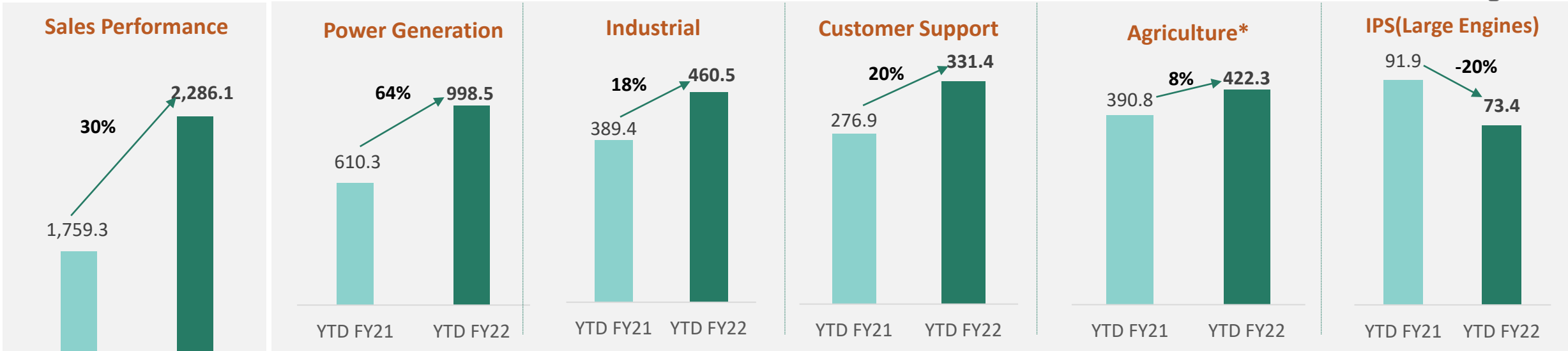


■ Domestic ■ Exports



\*Agriculture includes Agri Crop Irrigation, Farm Mechanization and 'Tractor Spares and Oil' Business divisions

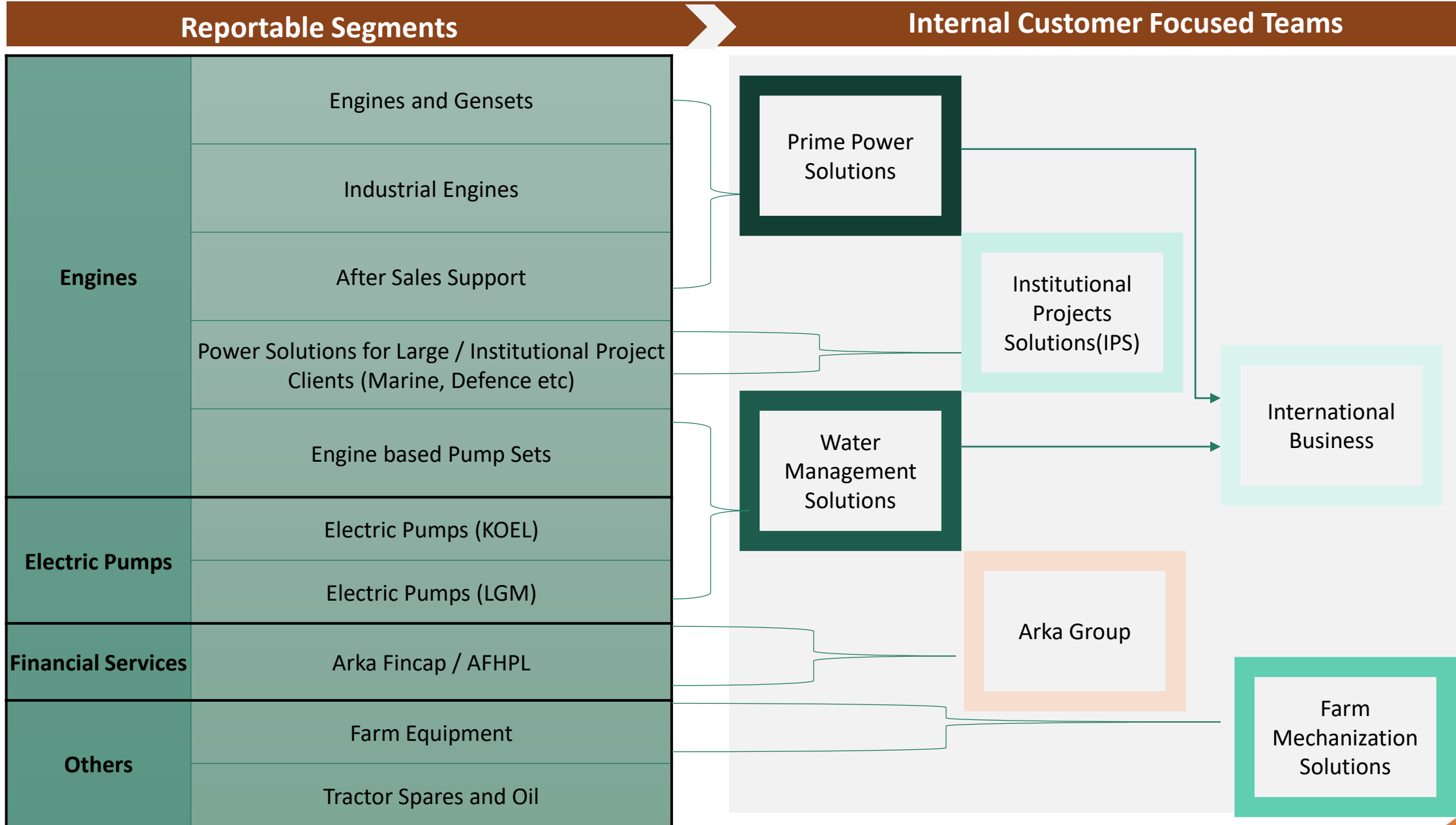
# STANDALONE SALES HIGHLIGHTS – YTD Dec FY22 Y-o-Y



\*Agriculture includes Agri Crop Irrigation, Farm Mechanization and 'Tractor Spares and Oil' Business divisions

KOEL- Earnings Call – Q3 FY22 – Standalone Business Overview

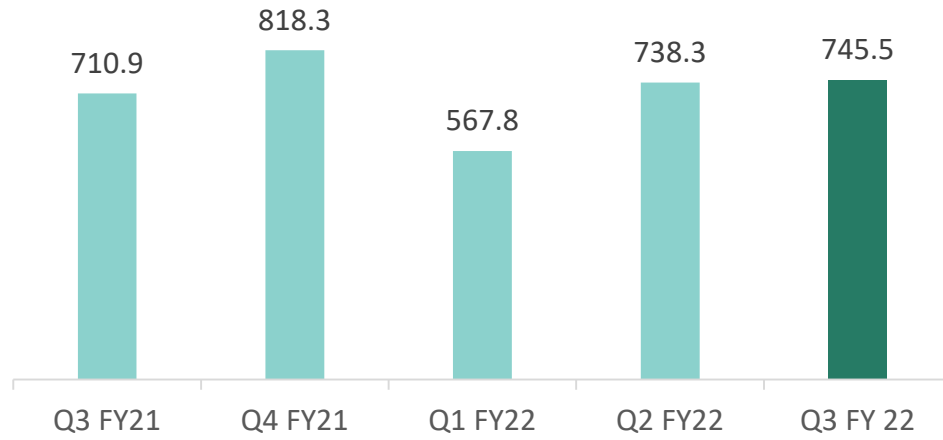
# Refocusing From Business Standpoint...



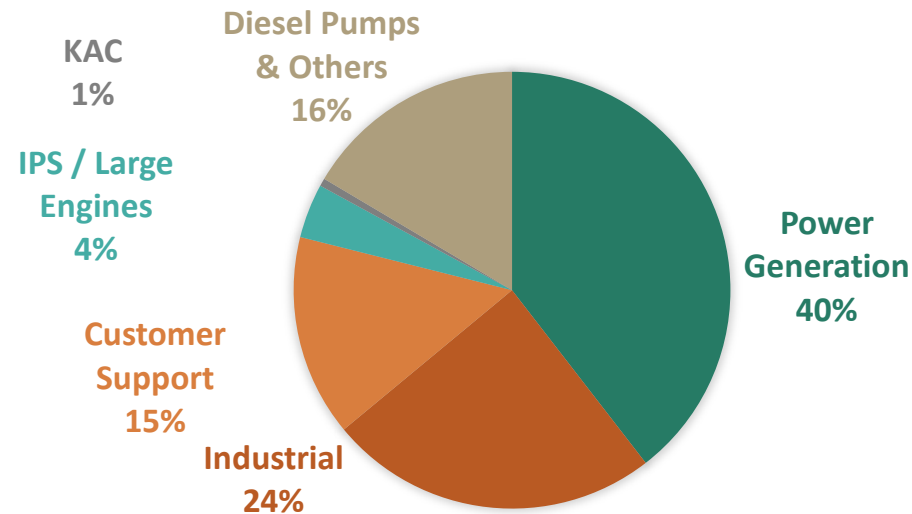


# SEGMENT PERFORMANCE OVERVIEW – ENGINES

## 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
- Exports sales have registered growth of ~77% Y-o-Y
- Won & executed orders from health care infra segment
- 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 5% Y-o-Y and growth of 7% Q-o-Q
- Kirloskar engine based firefighting pump set range launched in Q3 FY21; it is gaining good traction in market

### Customer Support Business -

- Business has registered sales growth of 7% Y-o-Y and decline of 3% Q-o-Q
- Continues to maintain healthy Customer Delight Index (CDI) score of more than 90
- Direct online AMC 'KOEL Bandhan' is gaining momentum, sales grew at 27% Y-o-Y

### Large Engines Business (IPS) -

- Business has registered sales decline of 35% Y-o-Y and 26% Q-o-Q. Restrictions to many customer premises due to COVID-19 impacted project execution
- Healthy order board in excess of ~ 150 Cr

### Agri Crop Irrigation Business (KOEL) Diesel Pumps -

- Business has registered sales decline of 32% Y-o-Y and growth of 9% Q-o-Q

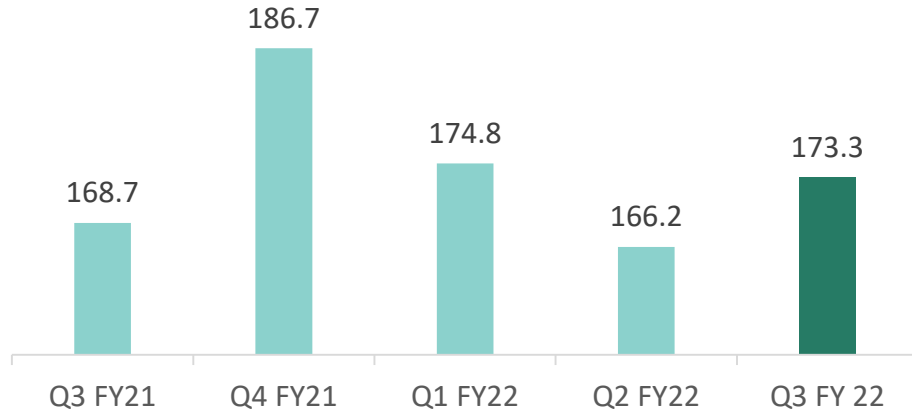
### Kirloskar Americas Corporation (KAC) -

- Business has registered sales decline of 55% Y-o-Y and 46% Q-o-Q
- Growth is expected in gensets and G Drive engines in the US market in Q4 FY22

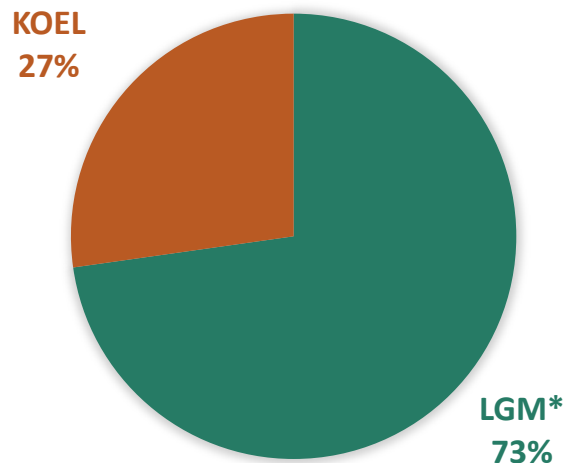


# SEGMENT PERFORMANCE OVERVIEW – ELECTRIC PUMPS

## Segment Revenue Trend



## Segment Revenue Composition For Current Quarter



\* Consolidated

## Performance Updates

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

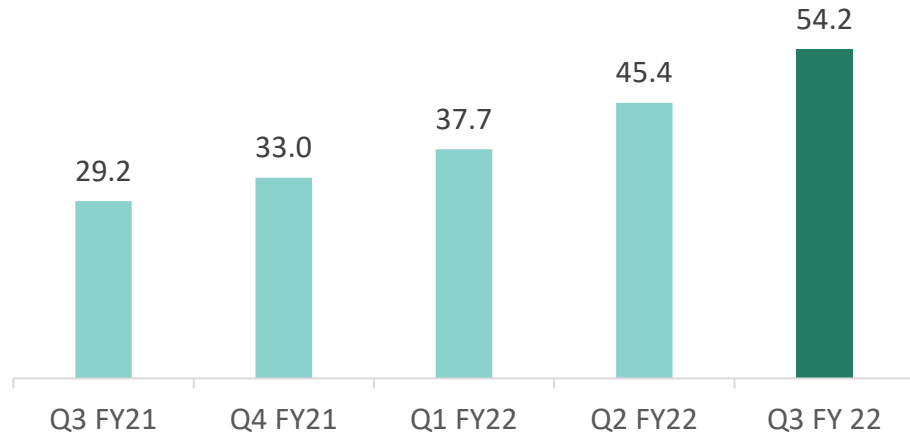
- Business has registered sales growth of 7% Y-o-Y and decline of 1% Q-o-Q
- EBITDA margin for the quarter continued to remain under pressure due to steep increase in commodity prices
- LGM has formed a wholly owned subsidiary i.e. Optiqua Pipes and Electricals (P) Ltd in February 2021 to tap the market 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.

### Agri Crop Irrigation Business (KOEL) - Electric Pumps

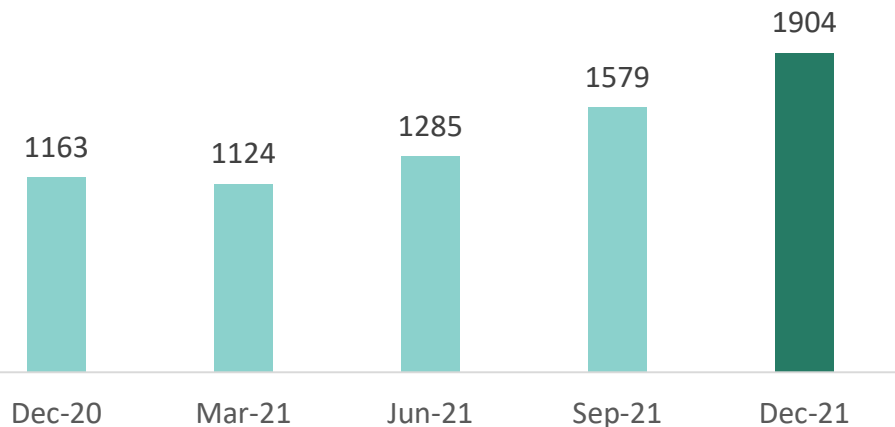
- Business has registered sales growth of 26% Y-o-Y and 27% Q-o-Q

# SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

## Segment Revenue Trend



## AUM\* Trend



## Performance Updates

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

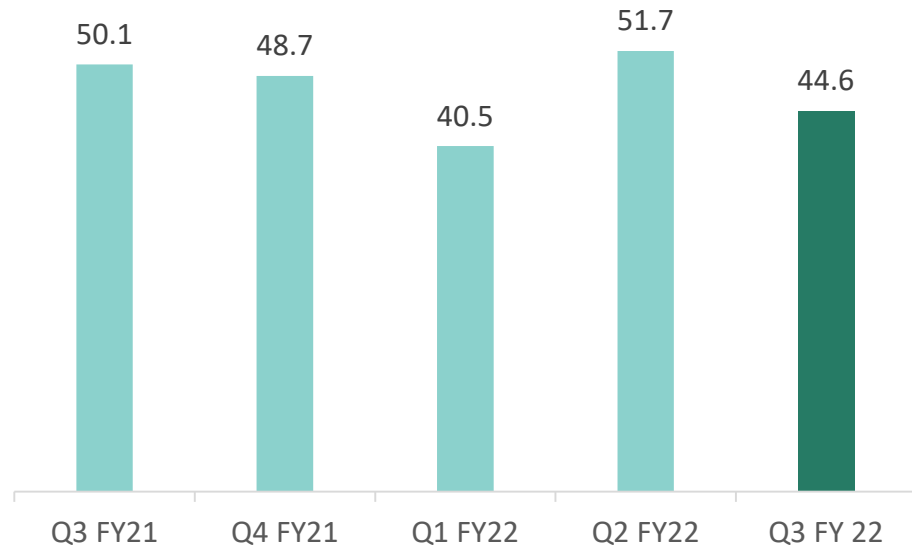
- KOEL’s total investment in AFL as on 31<sup>st</sup> Dec 21 stood at 701 Cr
- KOEL has infused equity share capital of 83 Cr in AFHPL in Q2 FY22
- AFHPL, in turn, infused 80 Cr of equity share capital in AFL
- AFL revenue from operations stood at 54.2 Cr in Q3 FY22; growth of 86% Y-o-Y and 19% Q-o-Q
- AFL PAT stood at 11.0 Cr in Q3 FY22; growth of 121% Y-o-Y and 23% Q-o-Q
- Total Debt as on 31<sup>st</sup> Dec 21 ~1,275 Cr vs 1,047 as on 30<sup>th</sup> Sep 21
- Debt to Equity Ratio:
  - 31<sup>st</sup> Dec 21 1.55
  - 30<sup>th</sup> Sep 21 1.29
  - 31<sup>st</sup> Dec 20 0.99
- Total AUM\* as on 31<sup>st</sup> Dec 21 includes:
  - Loan book - 1,854 Cr
  - NCD/PTC - 50 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 segment has registered sales growth of 36% Y-o-Y decline of 27% Q-o-Q
- Power Weeder registered sales of 1,130 quantities in Q3 FY22; growth of 27% Y-o-Y and 70% Q-o-Q
- Farm Mechanization business continued to be in loss due to steep increase in commodity prices
- Tractor Spares and Oil business has registered growth of 29% Y-o-Y and 3% Q-o-Q

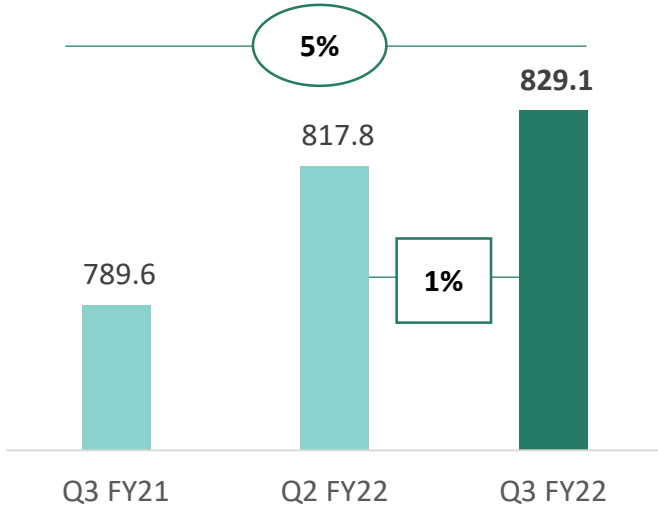
\*Others include Farm Mechanization and 'Tractor Spares and Oil' Business divisions

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

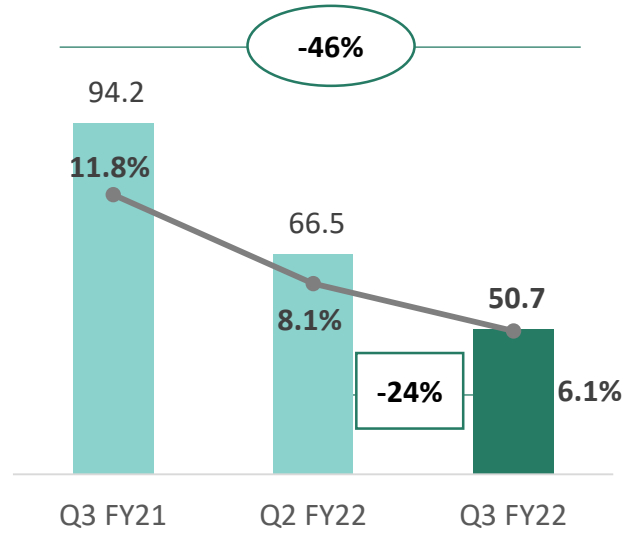
# STANDALONE – PERFORMANCE HIGHLIGHTS

## Sales

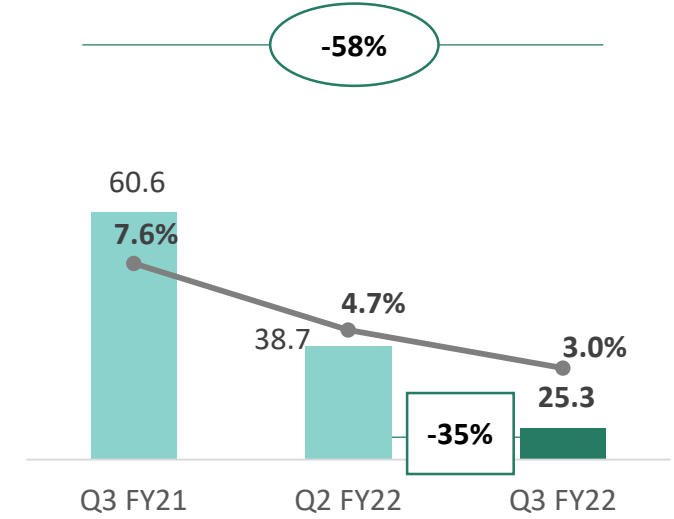
Quarterly



## EBITDA & Margin

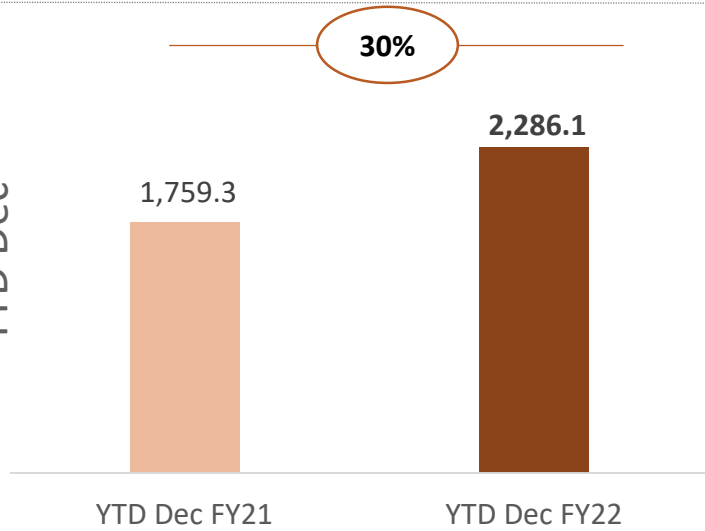


## PAT & Margin

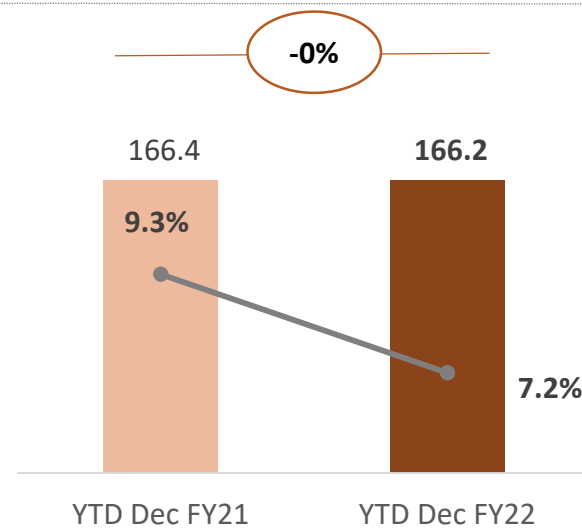


## 30%

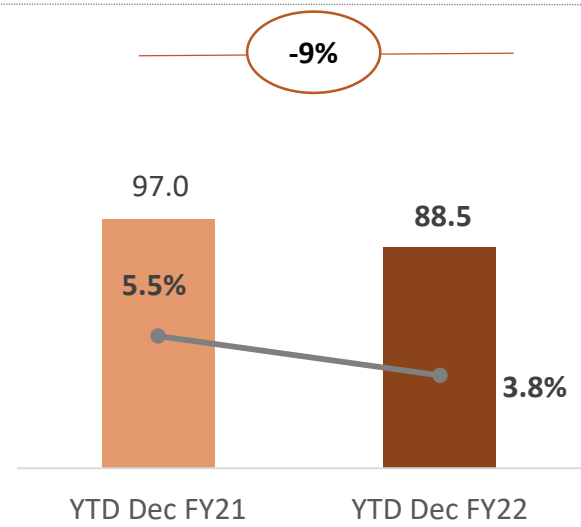
YTD Dec



## -0%



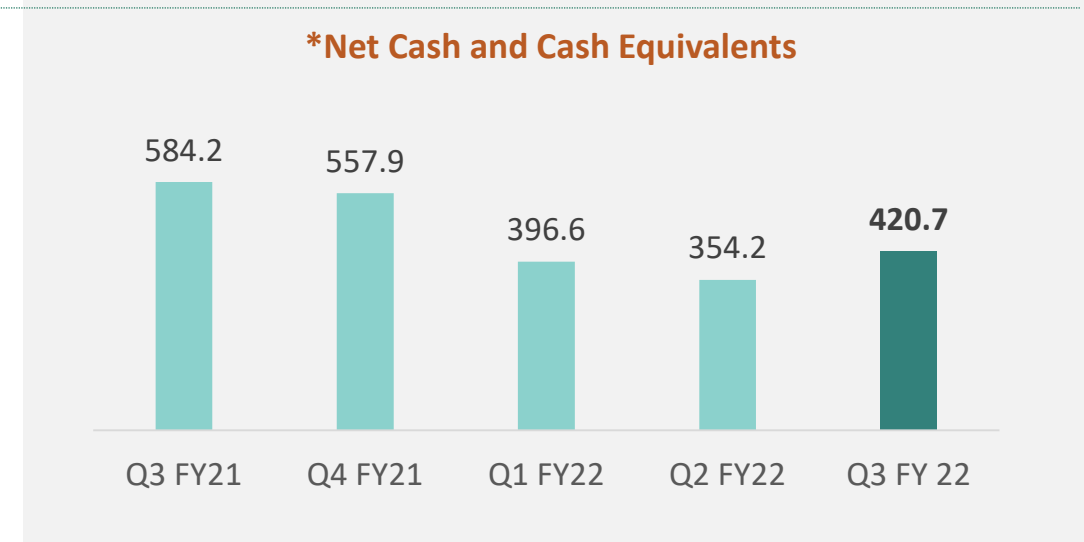
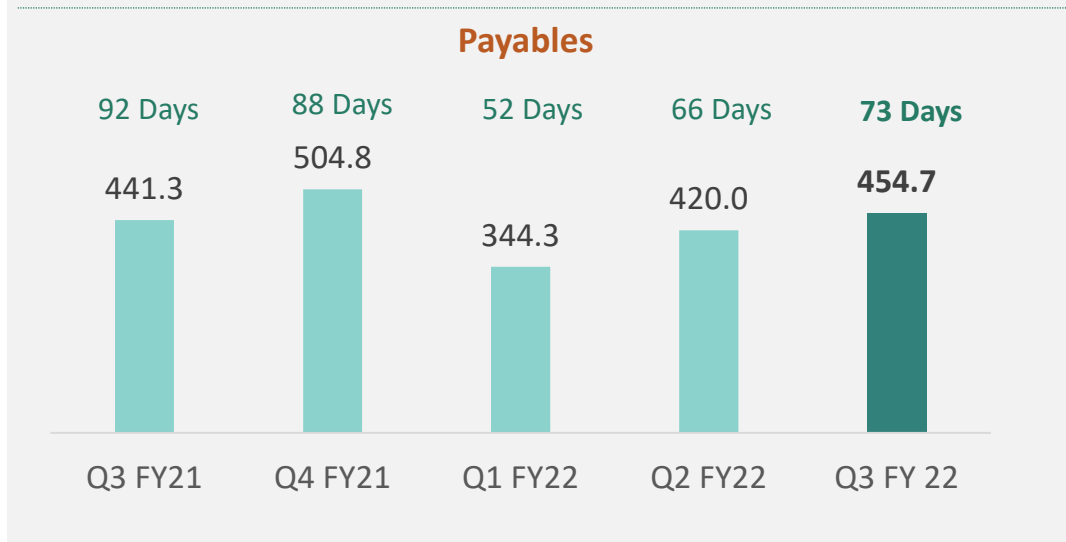
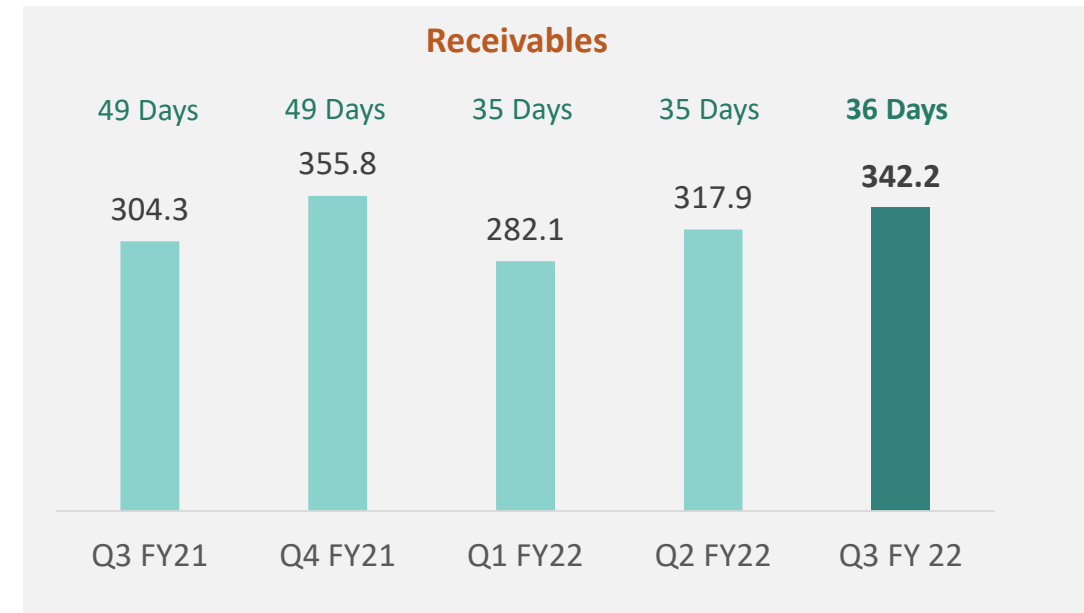
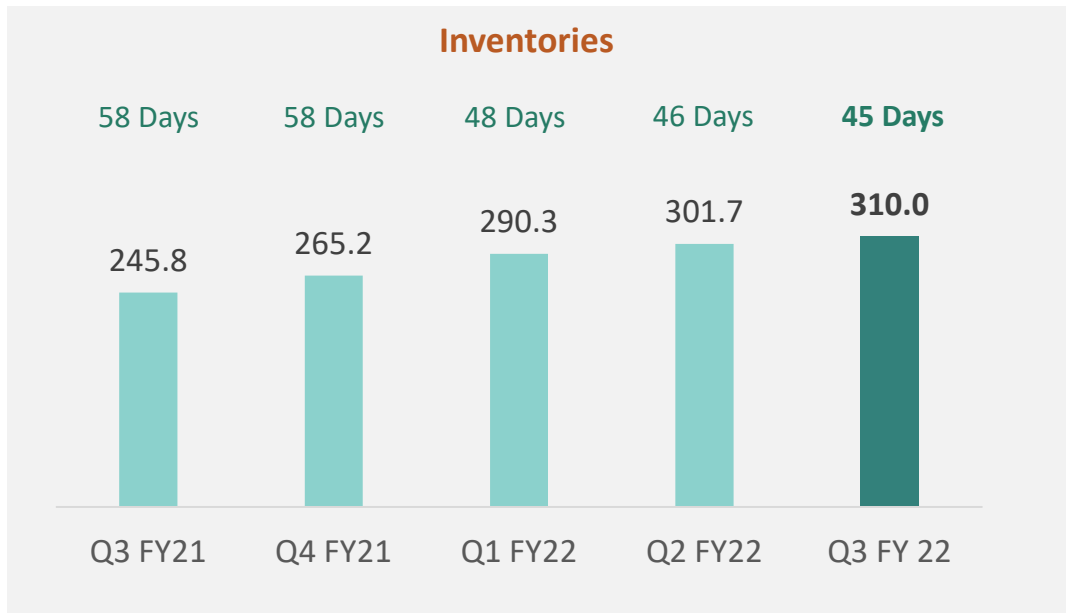
## -9%



# STANDALONE - PROFIT AND LOSS STATEMENT

Particulars	Q3 FY22	Q2 FY22	Q-o-Q ∂ %	Q3 FY21	Y-o-Y ∂ %	YTD Dec FY22	YTD Dec FY21	Y-o-Y ∂ %
<b>Net Sales</b>	<b>829.1</b>	<b>817.8</b>	<b>1%</b>	<b>789.6</b>	<b>5%</b>	<b>2,286.1</b>	<b>1,759.3</b>	<b>30%</b>
Other Operating Income	7.8	7.7	1%	8.1	-4%	23.5	20.6	14%
<b>Revenue From Operations</b>	<b>836.9</b>	<b>825.5</b>	<b>1%</b>	<b>797.7</b>	<b>5%</b>	<b>2,309.6</b>	<b>1,779.9</b>	<b>30%</b>
Raw Material	594.1	571.7	4%	524.1	13%	1,611.6	1,150.6	40%
Employee Costs	54.9	54.3	1%	55.7	-2%	158.1	142.2	11%
Other Expenses	137.3	133.0	3%	123.8	11%	373.9	320.7	17%
<b>EBITDA</b>	<b>50.7</b>	<b>66.5</b>	<b>-24%</b>	<b>94.2</b>	<b>-46%</b>	<b>166.2</b>	<b>166.4</b>	<b>-0%</b>
<b>EBITDA Margin (%)</b>	<b>6.1%</b>	<b>8.1%</b>	<b>-2.0%</b>	<b>11.8%</b>	<b>-5.7%</b>	<b>7.2%</b>	<b>9.3%</b>	<b>-2.1%</b>
Other Income	4.8	6.7		6.2		17.2	16.3	
Depreciation	19.0	19.6		15.3		58.1	45.1	
Interest	2.2	0.9		2.7		4.8	5.0	
<b>PBT</b>	<b>34.3</b>	<b>52.7</b>	<b>-35%</b>	<b>82.4</b>	<b>-58%</b>	<b>120.5</b>	<b>132.5</b>	
Tax	9.0	14.0		21.8		32.1	35.5	
<b>PAT</b>	<b>25.3</b>	<b>38.7</b>	<b>-35%</b>	<b>60.6</b>	<b>-58%</b>	<b>88.5</b>	<b>97.0</b>	<b>-9%</b>
<b>PAT (%)</b>	<b>3.0%</b>	<b>4.7%</b>	<b>-1.7%</b>	<b>7.6%</b>	<b>-4.6%</b>	<b>3.8%</b>	<b>5.5%</b>	<b>-1.7%</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)

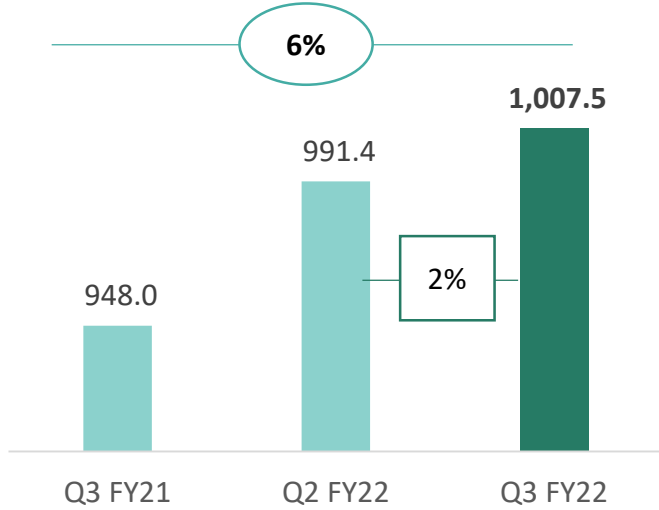




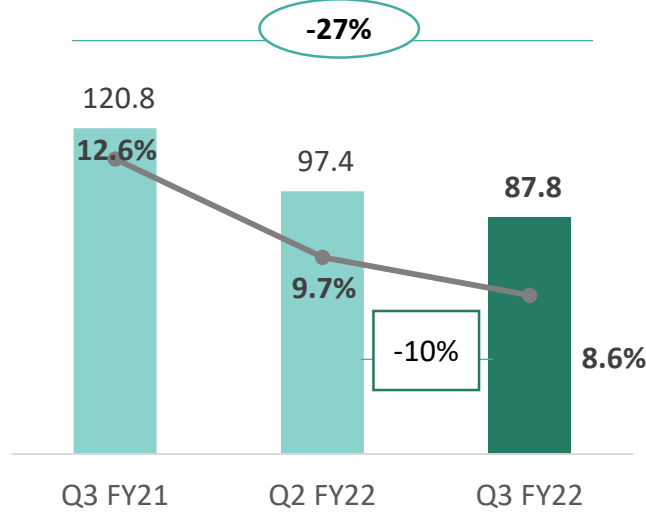
# CONSOLIDATED – PERFORMANCE HIGHLIGHTS

Quarterly

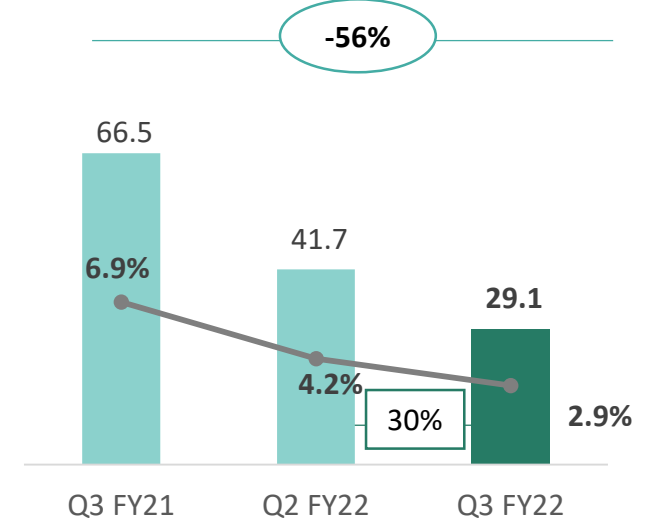
## Sales



## EBITDA & Margin

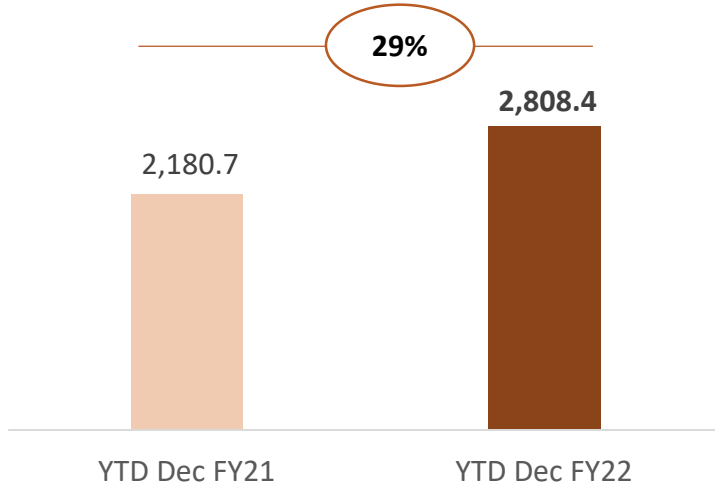


## PAT & Margin

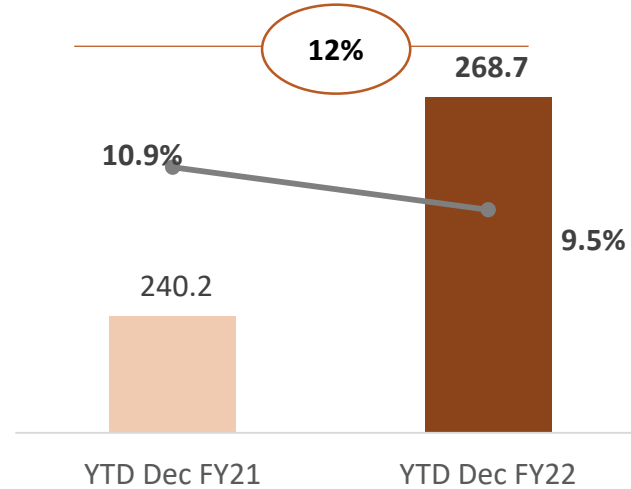


YTD Dec

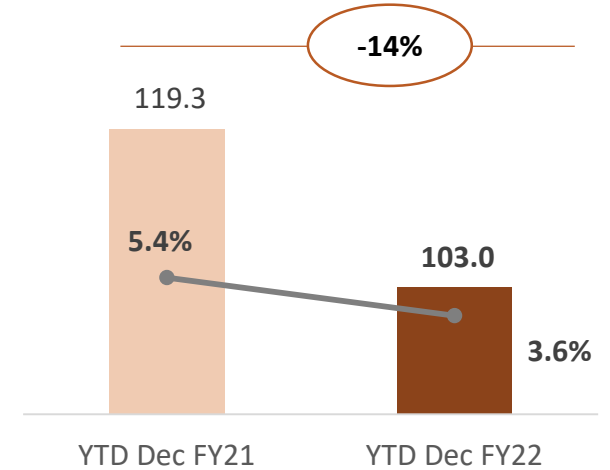
## 29%



## 12%



## -14%



# CONSOLIDATED - PROFIT AND LOSS STATEMENT

Particulars	Q3 FY22	Q2 FY22	Q-o-Q ∂ %	Q3 FY21	Y-o-Y ∂ %	YTD Dec FY22	YTD Dec FY21	Y-o-Y ∂ %
<b>Net Sales</b>	<b>1,007.5</b>	<b>991.4</b>	<b>2%</b>	<b>948.0</b>	<b>6%</b>	<b>2,808.4</b>	<b>2,180.7</b>	<b>29%</b>
Other Operating Income	10.3	10.0	3%	10.7	-4%	31.6	28.2	12%
<b>Revenue From Operations</b>	<b>1,017.8</b>	<b>1,001.4</b>	<b>2%</b>	<b>958.7</b>	<b>6%</b>	<b>2,840.0</b>	<b>2,208.9</b>	<b>29%</b>
Raw Material	683.8	656.3	4%	614.4	11%	1,872.5	1,385.7	35%
Employee Costs	73.1	71.9	2%	70.5		209.9	183.1	15%
Other Expenses	173.0	175.9	-2%	152.9	13%	488.9	400.1	22%
<b>EBITDA</b>	<b>87.8</b>	<b>97.4</b>	<b>-10%</b>	<b>120.8</b>	<b>-27%</b>	<b>268.7</b>	<b>240.2</b>	<b>12%</b>
<b>EBITDA Margin (%)</b>	<b>8.6%</b>	<b>9.7%</b>	<b>-1.1%</b>	<b>12.6%</b>	<b>-4.0%</b>	<b>9.5%</b>	<b>10.9%</b>	<b>-1.4%</b>
Other Income	5.3	7.4		7.3		18.9	18.1	
Depreciation	25.0	25.5		20.9		76.0	61.2	
Interest	28.4	22.0		16.2		70.8	33.3	
<b>PBT</b>	<b>39.7</b>	<b>57.3</b>		<b>90.9</b>		<b>140.9</b>	<b>163.9</b>	
Tax	10.6	15.6		24.4		37.9	44.6	
<b>PAT</b>	<b>29.1</b>	<b>41.7</b>	<b>-30%</b>	<b>66.50</b>	<b>-56%</b>	<b>103.0</b>	<b>119.3</b>	<b>-14%</b>
<b>PAT (%)</b>	<b>2.9%</b>	<b>4.2%</b>	<b>-1.3%</b>	<b>6.9%</b>	<b>-4.0%</b>	<b>3.6%</b>	<b>5.4%</b>	<b>-1.8%</b>

# SEGMENT RESULTS - CONSOLIDATED

Q2 FY22	Particulars	Q3 FY22	Q3 FY21	YTD Dec FY22	YTD Dec FY21
	<b>SEGMENT REVENUE</b>				
738	Engines	745	711	2,052	1,573
166	Electric Pumps	173	169	514	436
45	Financial Services	54	29	137	69
52	Others	45	50	137	131
-	Unallocated	0	(0)	0	1
<b>1,001</b>	<b>REVENUE FROM OPERATIONS</b>	<b>1,018</b>	<b>959</b>	<b>2,840</b>	<b>2,209</b>
	<b>SEGMENT RESULTS</b>				
54	Engines	37	79	125	128
(3)	Electric Pumps	(8)	6	(6)	21
29	Financial Services	40	19	93	41
(2)	Others	(3)	1	(6)	2
2	Unallocated	2	2	6	5
<b>79</b>	<b>Total</b>	<b>68</b>	<b>107</b>	<b>212</b>	<b>197</b>
	Less:				
22	Finance Costs	28	16	71	33
-	Exceptional Items	-	-	-	-
<b>57</b>	<b>PROFIT BEFORE TAX</b>	<b>40</b>	<b>91</b>	<b>141</b>	<b>164</b>

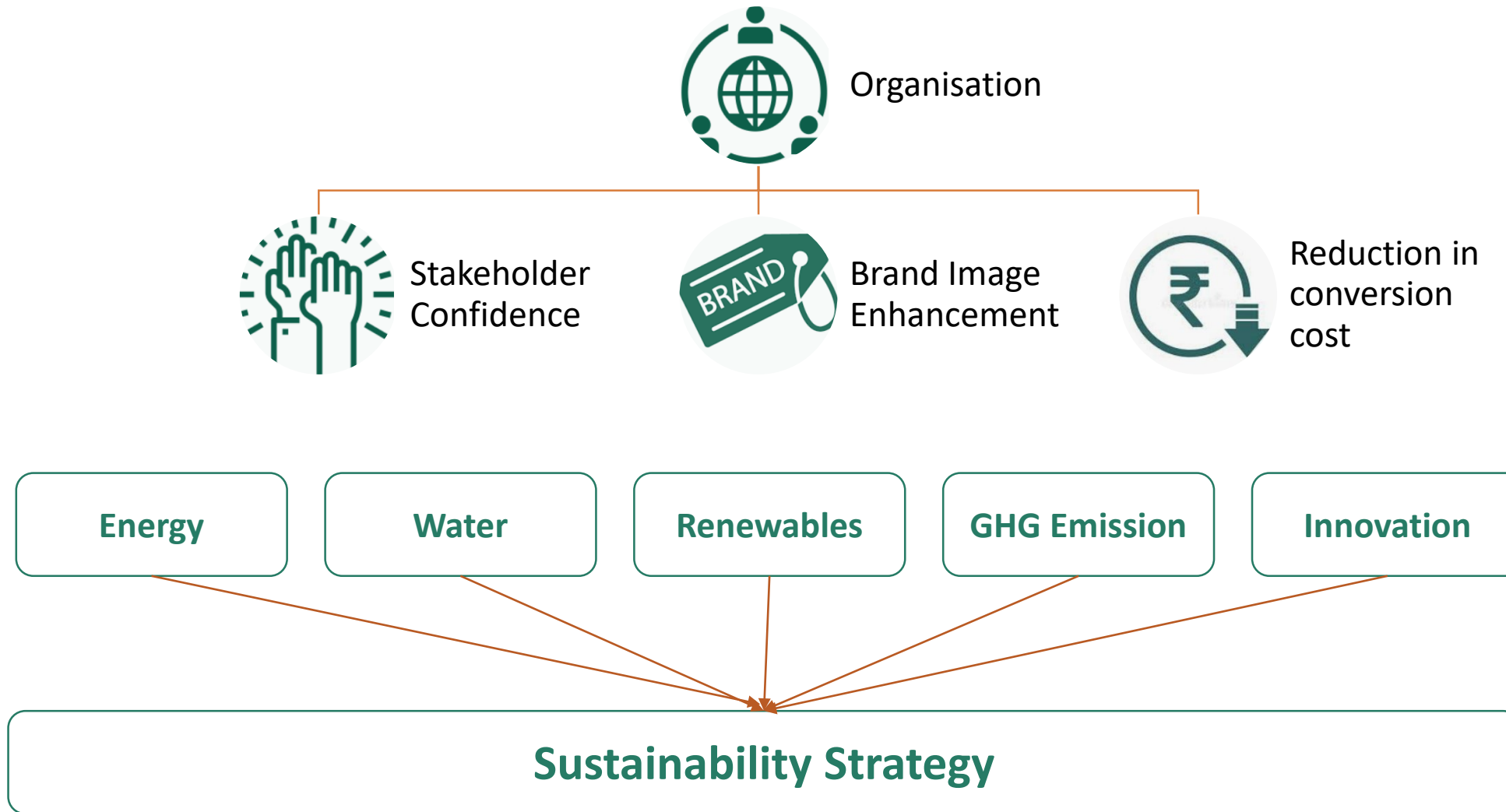
Notes:

- 1) Electric Pumps segment includes entire LGM (Consolidated) and Electric pumps segment of Agri Crop Irrigation division of KOEL
- 2) Financial Services division represents AFL & AFHPL
- 3) Others includes Farm Mechanization, Tractor Spares and Oil



# CONTENT

- BUSINESS OVERVIEW
- FINANCIAL OVERVIEW
- **ESG**



# THANK YOU

**For Further Information Please Contact:**

**KOEL Company Secretary**

Ms Smita Raichurkar

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