



## Investor Meet Presentation

Q2 & H1 F.Y. 2020-21

Nov 4, 2020

- 
- ❑ Q2 & H1 Snapshot and Key highlights - Standalone
  - ❑ Q2 Sales performance
  - ❑ Working Capital & Cash Position
  - ❑ Business Highlights
  - ❑ Q2 & H1 Snapshot – Consolidated results
  - ❑ Subsidiaries Performance
  - ❑ Group Performance

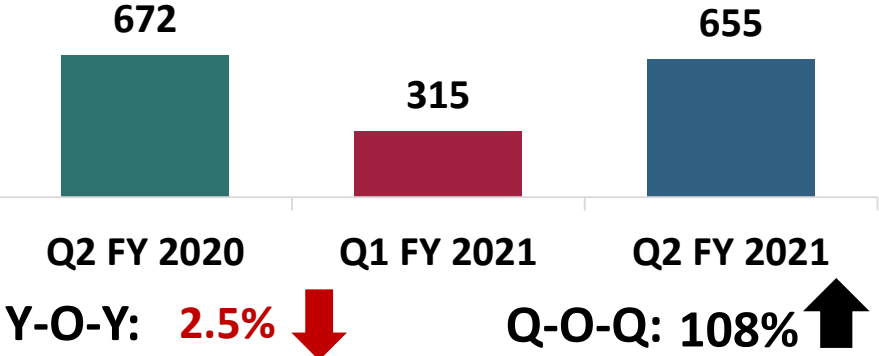
# Result Snapshot - Standalone



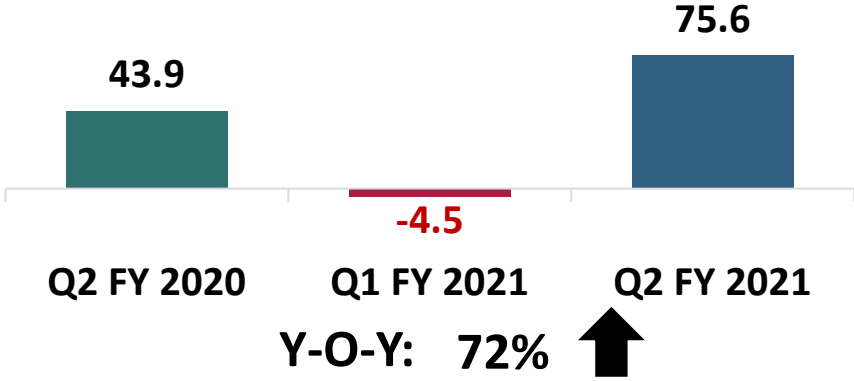
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## Q2 Results

### Sales

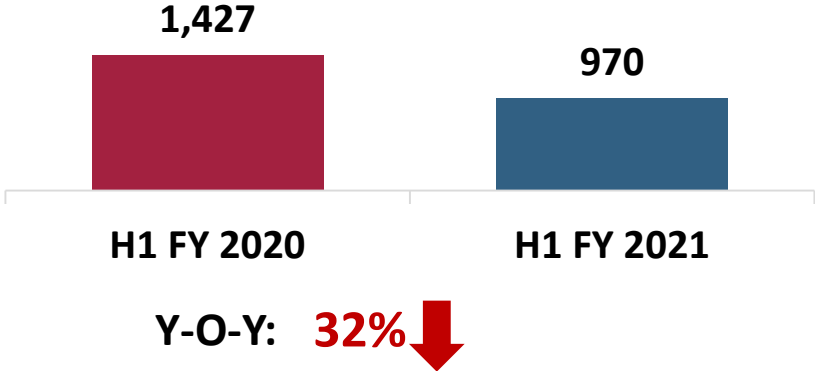


### EBITDA\*

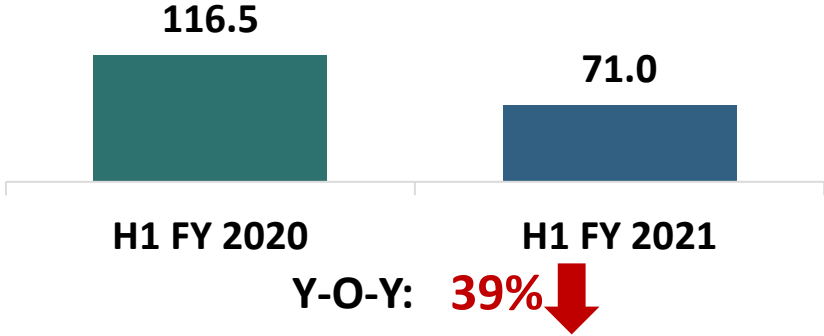


## H1 Results

### Sales



### EBITDA\*



\*EBITDA doesn't include other income and exceptional items

# Q2: Key Highlights



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- ❑ Sharp recovery seen in Q2; sales increased by 108% Q-o-Q.
  - ❑ All businesses except Power generation business of the Company grew in Q2 on YOY basis.
  - ❑ A number of measures taken by the Company for cost control including pay-cuts across board helped reduce
    - Employees costs by 27%
    - Other expenses by 10%
  - ❑ EBITDA Margin **11.4%** (Rs 75.6 Cr) in CY vis-à-vis EBITDA margin of 6.4% (Rs 43.9 Cr Profit) in Q2 of FY 2020.
  - ❑ Rs 9.2 Cr Provision for doubtful debts created in the quarter as per company's policy; however the amount is likely to get collected in subsequent quarters of FY 2021.  
These provisions are on account of delayed collection from mainly government / PSU customers.
  - ❑ PBT margin for the Q2 FY 2021 **9.8%** (Rs 65.1 Cr) compared to 7.6% (Rs 52.2 Cr) in Q2 FY 20.



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# KOEL Sales Q2 FY 21 vs. FY 20

Y-O-Y      Q2 FY21      Q2 FY20

### PG (Incl KGT & Railways)



### Industrial



### Customer Support



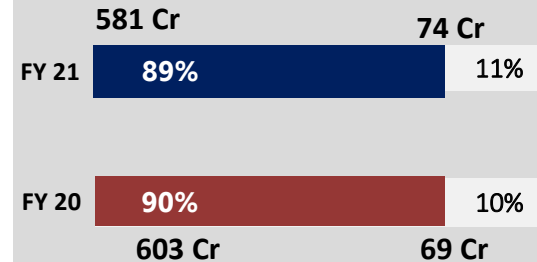
### Agriculture\*



### Large Engine



### Q2 : Domestic vs. Exports



Export sales are included: PG 26 Cr (31 Cr), Agri 11 Cr (7 Cr), Industrial 28 Cr (25 Cr), and CS 9 Cr (6 Cr)

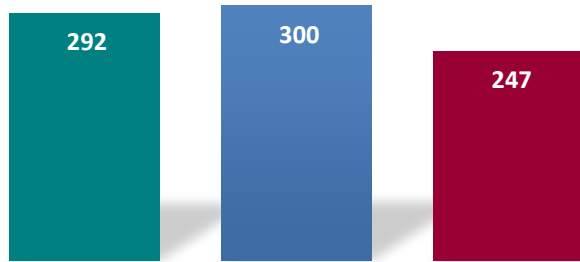
*Bars are not to scale*

# Working Capital & Cash Position



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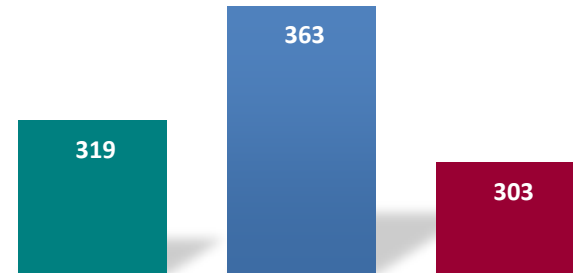
## Inventory



Sep 19      Mar 20      Sep 20

From  
March'20  
↓ 53 Cr

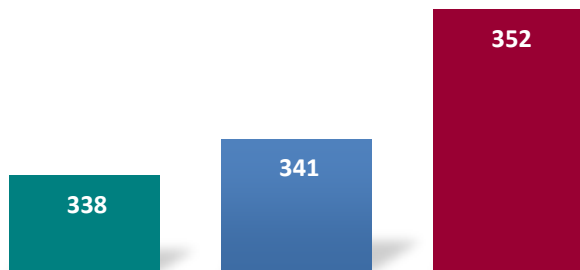
## Receivables



Sep 19      Mar 20      Sep 20

From  
March'20  
↓ 60 Cr

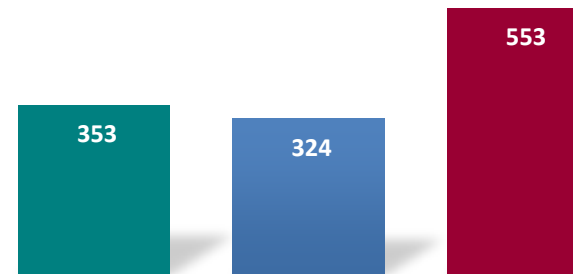
## Payables



Sep 19      Mar 20      Sep 20

From  
March'20  
↑ 11 Cr

## Cash & Equivalents



Sep 19      Mar 20      Sep 20

From  
March'20  
↑ 229 Cr

\* Cash and Cash equivalent includes short term FDR and investment in liquid funds. It does not include unclaimed dividend ~11-12.5 Cr.



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## Q2 Business Performance

- Retail, Corporate & Institutional segment indicating early signs of recovery.
- Secondary sales growing month on month level.
- i-Green continues to be the market leader with significant improvements in IoT activations and is getting encouraging response from customers.
- Remote monitoring activated for all Gensets on moving power car (Railways).



## Q2 Business Performance

- Power Tillers sold in Q2 FY21 1694 no's vs. 1155 no's in Q2 FY20 .  
(12 HP qty in Q2 FY21 grew from Q2 FY20 by 65%)
- 12HP Power Tiller SRFMTTI approved and enlisted under govt. subsidy schemes in major states.
- Electric Pump sale recorded double digit growth over Q2 PY.



# C. Industrial Business Highlights

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## Q2 Business Performance

- Industrial engines (Off – High way), Tractor and Fire fighting segments showing strong demand; overall sale grew more than 20% over Q2 FY20.
- Good demand coming from the Tractor market; sale of tractor engine in Q2 is one of the highest in recent times.
- Won some new business from Dynapac and Hyundai.
- BS-IV program progressing well and is on track.

# D. Customer Support Business Highlights

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## Q2 Business Performance

- Continued to Maintain Customer Delight Index (CDI) score of 90+ in Q2.
- On back of increased service load & secondary consumption, Sales have grown by 5% over Q2 FY 20.
- Direct online AMC 'KOEL Bandhan' is gaining momentum (growth of 30% over Q2 FY 20).

# E. Export Business Highlights

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## Q2 Business Performance

- Export sales grew by over 8% in Q2 FY21.
- Good sale growth in GCC countries and SE Asia.
- All segments (excluding PowerGen) within export grew over Q2 & H1 of PY.
- Almost 100% growth in FMUL engines.
- First FMUL engine order from USA.

# F. Large Engines Business Highlights



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## Q2 Business Performance

- Large Engine business saw a growth of 14% in Q2 YOY.
- In fisheries boat engine segment, market share grew to 25% (PY 12%).
- New defense orders received during the quarter.
- All tests for Navy project (Whale) completed successfully, order will be executed in Q3.

# Result Snapshot - Consolidated

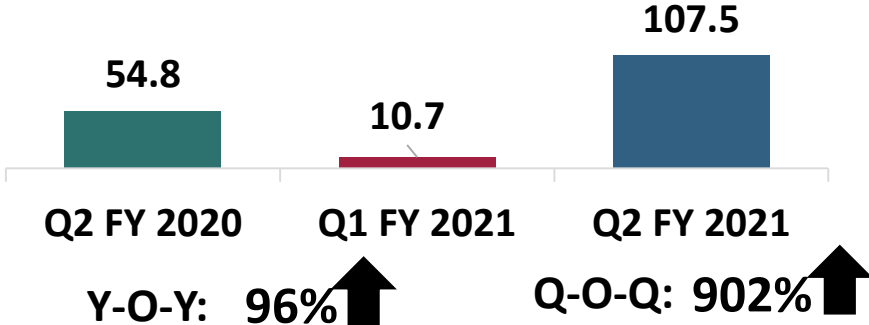
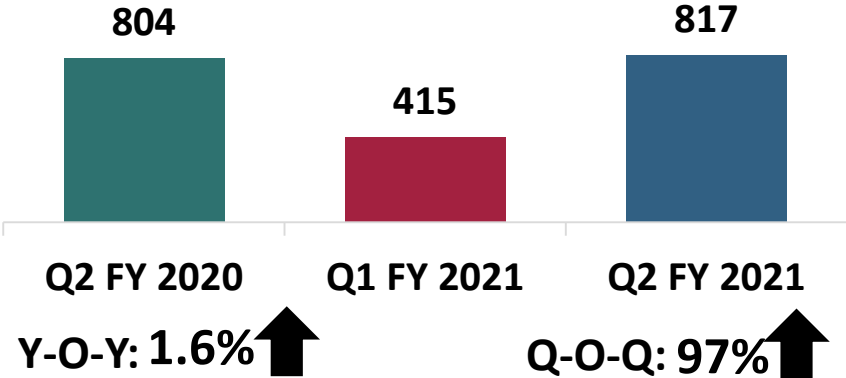


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## Sales

### Q2 Results

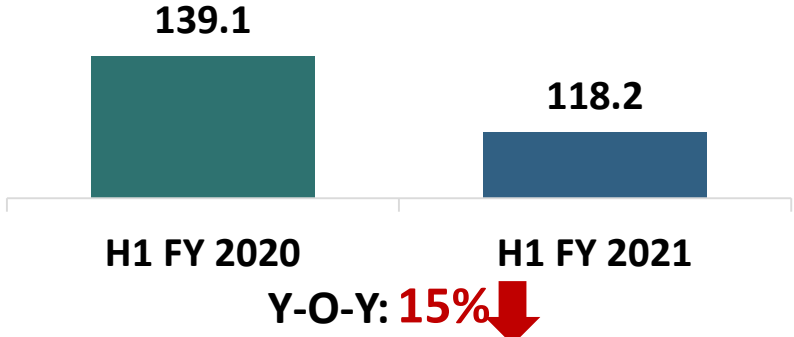
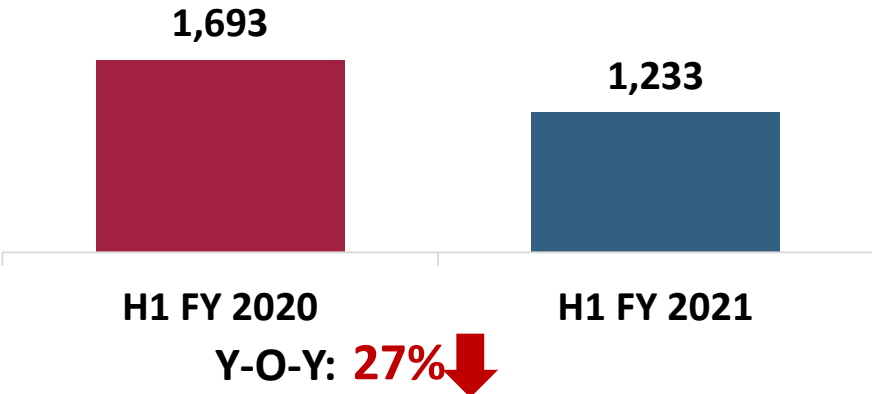
### EBITDA\*



## Sales

### H1 Results

### EBITDA\*



\*EBITDA doesn't include other income and exceptional items

## **La-Gajjar Machineries Pvt Limited (“LGM”)**

- Sales grew in Q2 FY21 by ~18% Y-o-Y.
- Tight cost control and efficient working capital management helped improve profitability and positive cash flows.
- Q2 EBITDA margin improved by ~3% Y-o-Y.
- Q2 PBT margin improved by ~3% Y-o-Y.

## **KOEL Americas Corporation**

- Sale grew by 89% in Q2 Y-o-Y and 18% in H1 (in USD terms).
- Healthy order board at beginning of Q3.
- Growth in Q2 is led by Agri. and Industrial segment.
- Sales of EPA certified G-drive engines and Gensets have been affected by slow movement in the market largely due to COVID-19 led market slowdown.

# Arka Fincap Limited

(Formerly known as Kirloskar Capital Limited)



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- Total Investment in Arka Fincap Limited as on 30<sup>th</sup> Sep 20 Rs 571.89 Cr
- KOEL made Investment of Rs 45.39 Cr in ARKA during Q2.
- Operations on track, cautiously treading on the development in NBFC sector.
- Revenue from operation grew in Q2 FY21 by 120% Y-o-Y and by 38% Q-o-Q basis.
- PBT for Q2 FY 2021 Rs 5.2 Cr vs. Rs 1.1 Cr in Q2 of FY 2020 (Q1 FY21 Rs 5.05 Cr)
- Debt Rating:
  - Total Bank Loan Facilities rated Rs 500 Cr
    - Long term rating CRISIL AA-/ Stable
    - Short term rating CRISIL A1+
  - 175 Cr NCD CRISIL AA-/Stable
  - 50 Cr commercial Paper CRISIL A1+
- Total Debt as on 30<sup>th</sup> Sep 20 ~547 Cr.
- AUM (Loan, NCD and CP) of 1,119 Cr [31.3.20: ~450 Cr]
- No Asset Liability Mismatch

# Consolidated Financials

(Includes KOEL, LGM, KOEL Americas & Arka Fincap)



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Q1 FY21	Particulars	Q2 FY20	Q2 FY21	Incr/(Decr) Rs	∅
415	Net Sales	804	818	14	2%
7	Other Operating Income	13	10	(3)	-23%
422	Revenue from operation	817	828	11	1%
261	Raw Material	520	510	(9)	-2%
57	Employee Costs	71	55	(16)	-22%
93	Other Expenses	171	155	(17)	-10%
11	Operating EBITDA	55	108	53	
	2.6% % to revenue from operation	6.7%	13.0%	6%	
5	Other Income	11	7	(4)	-39%
20	Depreciation	21	20	(1)	-5%
5	Interest	3	12	9	302%
-	Exceptional Item	16	-	(16)	
(9)	PBT	58	82	24	
	-2.2% % to revenue from operation	7.0%	9.9%	3%	
(3)	Tax	17	23	5	
(7)	PAT	40	60	19	
	-1.6% % to revenue from operation	4.9%	7.2%	2%	



# Consolidated Financials

(Includes KOEL, LGM, KOEL Americas & Arka Fincap)



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Particulars	H1 FY20	H1 FY21	Incr/(Decr) Rs	∅
<b>Net Sales</b>	<b>1,693</b>	<b>1,233</b>	<b>(460)</b>	<b>-27%</b>
Other Operating Income	25	17	(8)	-32%
<b>Revenue from operation</b>	<b>1,718</b>	<b>1,250</b>	<b>(468)</b>	<b>-27%</b>
Raw Material	1,109	771	(338)	-30%
Employee Costs	135	113	(22)	-17%
Other Expenses	335	248	(87)	-26%
<b>Operating EBITDA</b>	<b>139</b>	<b>118</b>	<b>(21)</b>	
<b>% to Revenue from Operation</b>	<b>8.1%</b>	<b>9.4%</b>	<b>1%</b>	
Other Income	24	12	(12)	-50%
Depreciation	43	40	(3)	-7%
Interest	6	17	11	189%
Exceptional Item	16	-	(16)	
<b>PBT</b>	<b>130</b>	<b>73</b>	<b>(57)</b>	
<b>% to Revenue from Operation</b>	<b>7.6%</b>	<b>5.8%</b>	<b>-2%</b>	
Tax	42	20	(22)	
<b>PAT</b>	<b>88</b>	<b>53</b>	<b>(36)</b>	
<b>% to Revenue from Operation</b>	<b>5.1%</b>	<b>4.2%</b>	<b>-1%</b>	

# Consolidated Financials

## Segment Information



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Q1-21	Particulars	Q2-20	Q2-21	H1 -20	H1 -21
	<b>SEGMENT REVENUE</b>				
267	Engines	630	594	862	1,319
104	Electric Pumps	143	163	267	302
17	Financial Services	10	23	39	19
34	Others	33	47	81	77
1	Unallocated	1	0	1	1
<b>422</b>	<b>REVENUE FROM OPERATIONS</b>	<b>817</b>	<b>828</b>	<b>1,250</b>	<b>1,718</b>
	<b>SEGMENT RESULTS</b>				
(15)	Engines	31	64	96	49
2	Electric Pumps	7	13	15	15
8	Financial Services	1	14	3	22
(1)	Others	(5)	2	(8)	1
1	Unallocated	10	2	14	3
<b>(4)</b>	<b>Total</b>	<b>45</b>	<b>94</b>	<b>120</b>	<b>90</b>
	Less:				
5	Finance Cost	3	12	6	17
-	Exceptional Item	(16)	-	(16)	-
<b>(9)</b>	<b>Profit Before Tax</b>	<b>58</b>	<b>82</b>	<b>130</b>	<b>73</b>

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**Thank You**