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## Investors Meet Presentation

**Q3 & YTD Dec-20  
2020-21  
Feb 11, 2021**

(All amounts are in “Rs.Crore” unless otherwise stated)

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# Our Values



Enriching Lives



## EXCELLENCE

In everything we do, quality without compromise

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## INTEGRITY

Say what we do, and do what we say

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## COLLABORATION

We grow with people and partners

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## EMPATHY

We always listen, and learn

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## VALUE CREATION

We're building for a shared prosperous future

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## INNOVATIVE THINKING

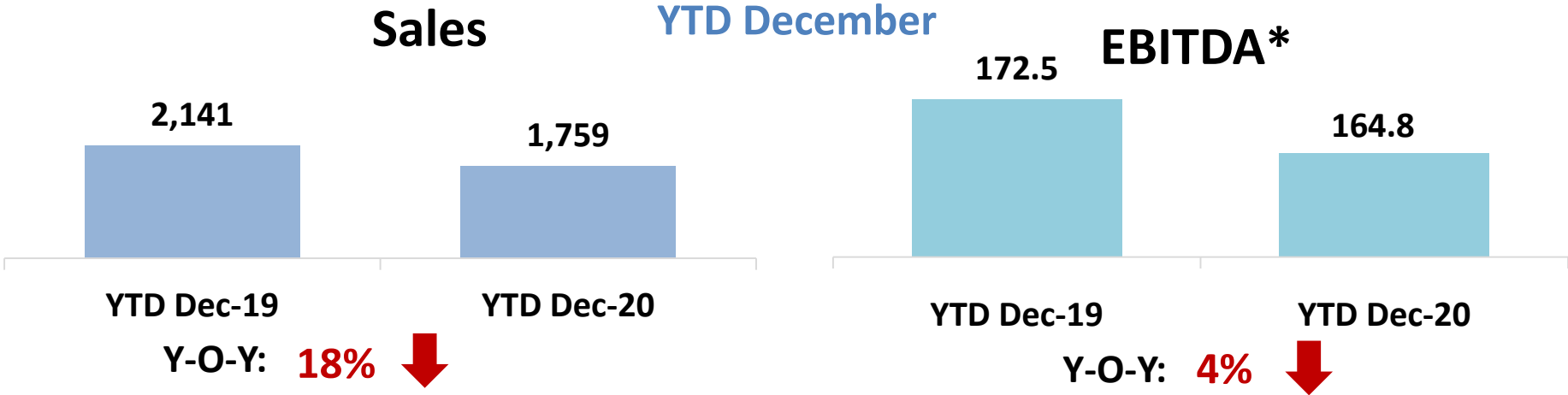
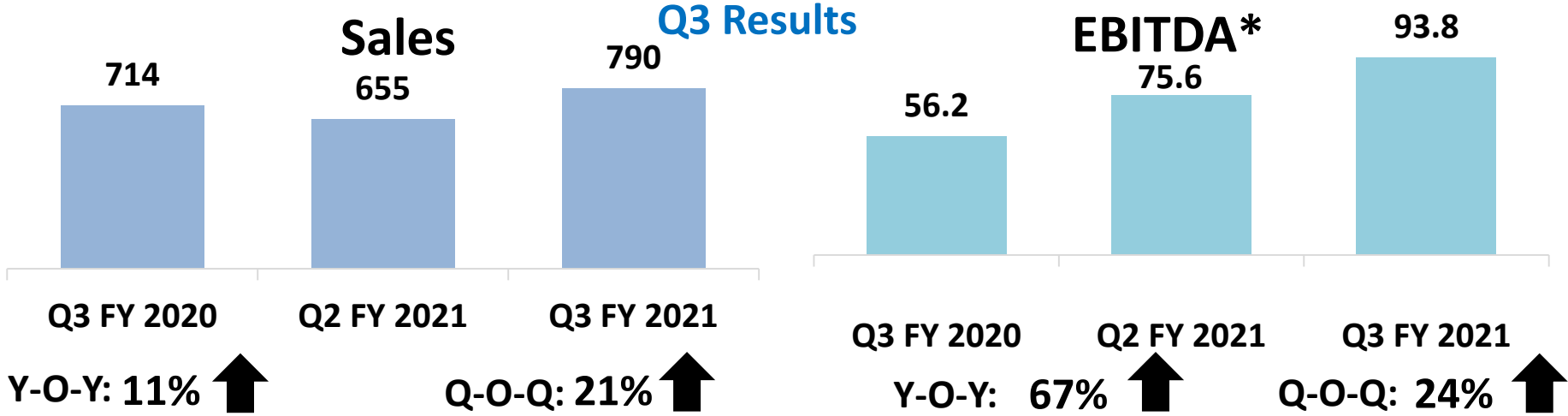
Be bold and brave, & stay relevant

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# Result Snapshot - Standalone



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Note: Figures for previous periods have been regrouped to make it comparable.

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

# Q3 : key Highlights



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## Sales

- Sales increased in Q3 by 21% Q-o-Q and Y-o-Y by 10%
- Highest ever sales for Industrial BU ~ Rs. 163 crs
- Highest ever sales for Electric Pumps ~ Rs. 38 crs
- Second highest quarterly sales of Rs.790 crs (Highest ever Rs. 812 Crs in Q1 FY-18-19)

## EBITDA

- Q3 EBITDA margin at 11.8% vs. 7.8% in Q3 of FY 20.
- EBITDA increased by 67% Y-o-Y [93.8 Cr vs. 56.2 Cr.]

## PAT

- Q3 PAT margin at 7.6% vs. 5.9% in Q3 of FY 20
- PAT increased by 42% Y-o-Y [60.6 Cr vs. 42.7 Cr]

# KOEL Sales Q3 FY 21 vs. FY 20



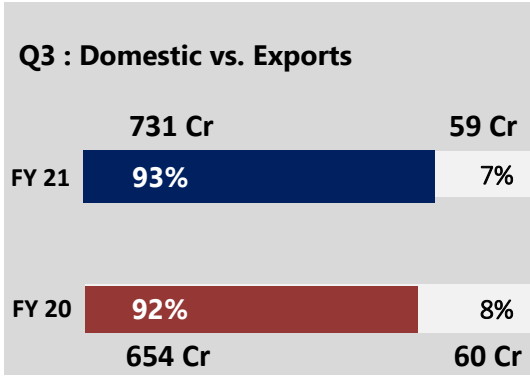
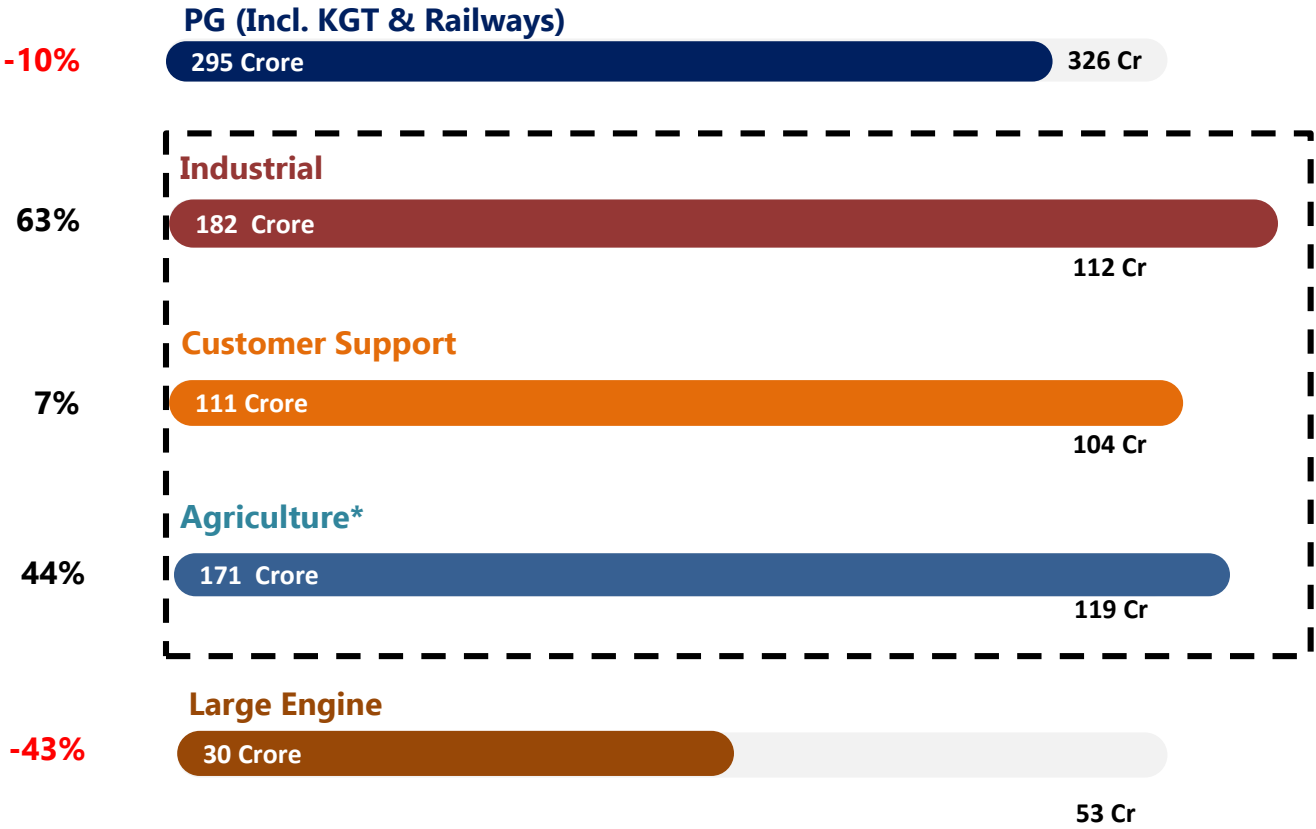
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**Q3 FY21**

**Q3 FY20**

**Y-O-Y Total : 790 Cr**

**Total : 714 Cr**



*Bars are not to scale*

\*Agriculture includes Agri Crop Irrigation, Agri Farm Mechanization and TPO Business divisions; Tractor engines are included in Industrial BU

Rounded off to the nearest decimal.

# Standalone Financials- Q3



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Q2 FY21	Particulars	Q3 FY20	Q3 FY21	Y-o-Y Incr/(Decr) Rs	Y-o-Y ∅
655	<b>Net Sales</b>	<b>714</b>	<b>790</b>	<b>76</b>	<b>11%</b>
7	Other Operating Income	8	8		
662	<b>Revenue from operation</b>	<b>721</b>	<b>798</b>	<b>76</b>	<b>11%</b>
422	Raw Material	473	524	51	11%
42	Employee Costs	57	56	(1)	-2%
122	Other Expenses	135	124	(11)	-8%
76	<b>EBITDA</b>	<b>56</b>	<b>94</b>	<b>38</b>	<b>67%</b>
11.4%	<b>% to revenue from operations</b>	<b>7.8%</b>	<b>11.8%</b>		
6	Other Income	7	7		
15	Depreciation	17	15		
2	Interest	1	3		
65	<b>PBT</b>	<b>45</b>	<b>82</b>	<b>37</b>	<b>82%</b>
18	Tax *	3	22		
47	<b>PAT</b>	<b>43</b>	<b>61</b>	<b>18</b>	<b>42%</b>
7.1%	<b>PAT (%)</b>	<b>5.9%</b>	<b>7.6%</b>		

\* Note: The Company exercised the option under section 115BAA of the Income Tax Act in Q3 of FY 20

Figures for previous periods have been regrouped to make it comparable

# Standalone Financials- YTD December



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Particulars	YTD Dec-19	YTD Dec-20	Y-o-Y Incr/(Decr) Rs	Y-o-Y ∅
<b>Net Sales</b>	<b>2,141</b>	<b>1,759</b>	<b>(381)</b>	<b>-18%</b>
Other Operating Income	26	21	(6)	-22%
<b>Revenue from operation</b>	<b>2,167</b>	<b>1,780</b>	<b>(387)</b>	<b>-18%</b>
Raw Material	1,428	1,151	(277)	-19%
Employee Costs	168	142	(26)	-15%
Other Expenses	399	322	(77)	-19%
<b>EBITDA</b>	<b>173</b>	<b>165</b>	<b>(8)</b>	<b>-4%</b>
<b>% to revenue from operation</b>	<b>8.0%</b>	<b>9.3%</b>		
Other Income	28	18		
Depreciation	50	45		
Interest	2	5		
Exceptional Item	16	-		
<b>PBT</b>	<b>164</b>	<b>133</b>	<b>(32)</b>	<b>-19%</b>
Tax	41	35		
<b>PAT</b>	<b>124</b>	<b>97</b>	<b>(27)</b>	<b>-22%</b>
<b>PAT (%)</b>	<b>5.7%</b>	<b>5.5%</b>		

PAT for YTD Dec 20 includes an exceptional item of Rs 16.5 Cr on account of profit on sale of Land at Nagar

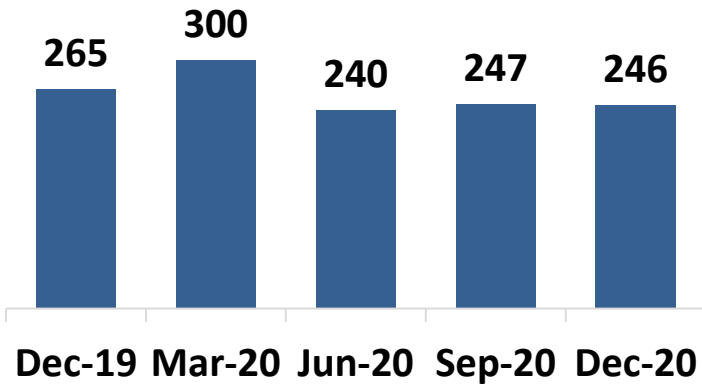
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# Working Capital & Cash Position



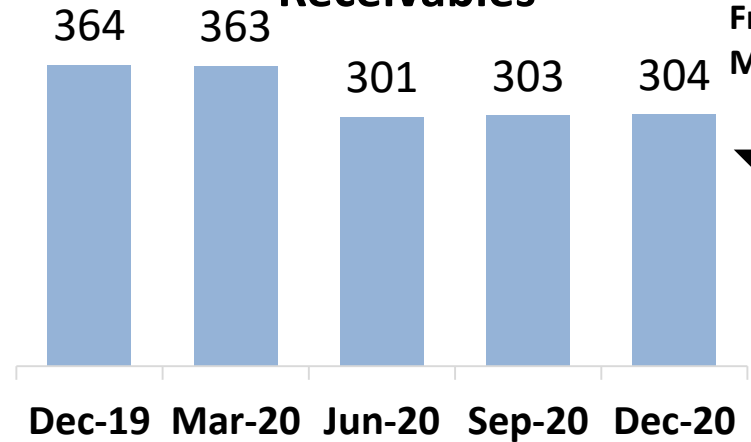
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## Inventory



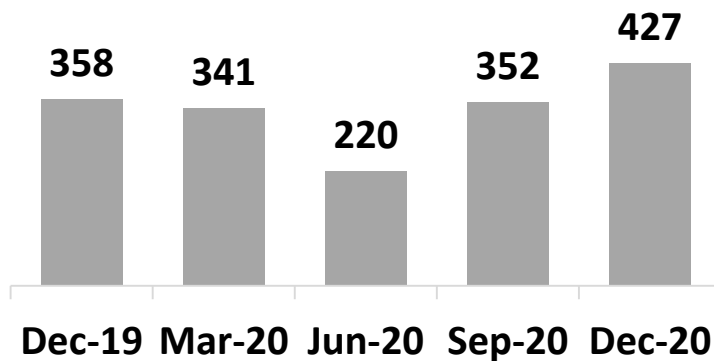
From March'20  
 ↓ 54 Cr

## Receivables



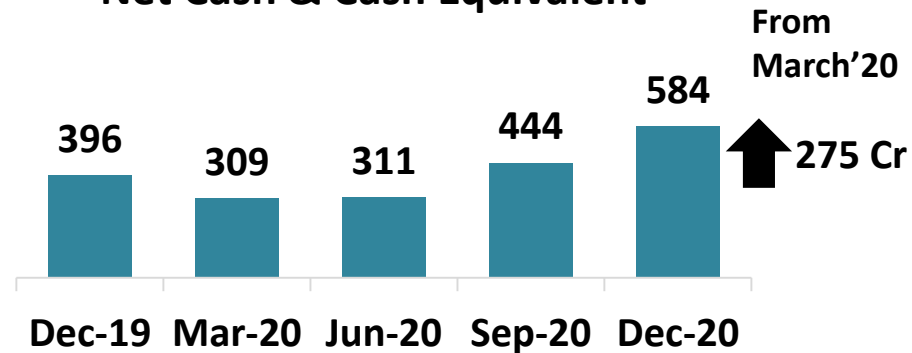
From March'20  
 ↓ 59 Cr

## Payable



From March'20  
 ↑ 86 Cr

## Net Cash & Cash Equivalent



From March'20  
 ↑ 275 Cr

\*Above Cash position excludes unclaimed dividend amount (Rs 11- 12 Cr) and is net of debt



# A. Power Generation Business

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## Q3 Business Performance

- All major segments have recovered.
- Business has registered growth YoY (excluding Railways).
- i-Green continues to be the market leader with significant improvements in IoT activations and is getting encouraging response from customers.
- Got order from Pune Metro.

# B. Agri Business Highlights

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## Q3 Business Performance

- Power Tillers sold in Q3 FY21 1511 no's vs. 517 no's in Q3 FY20 .  
(12 HP Power Tiller volume growth in Q3 FY21 ~400% YOY)
- 12HP (Light weight) Power Tiller enrolled for subsidy and launched in major states.
- Electric Pump sale recorded high double digit growth YOY.

# C. Industrial Business Highlights

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## Q3 Business Performance

- All sub segments of Industrial engines (Off – High way), showing strong demand driven by pre buying of BS-III; overall sale grew more than 70% YOY.
- Good demand continuing from the Tractor market; sale of tractor engine in Q3 is one of the highest in recent times.
- Launched KOEL Firefighting Pump sets in Dec'20
- BS-IV program progressing well and is on track.

# D. Customer Support Business Highlights

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## Q3 Business Performance

- Continued to maintain Customer Delight Index (CDI) score of 90+ in Q3.
- On back of increased service load & secondary consumption, Sales have grown by 7% YOY.
- Direct online AMC 'KOEL Bandhan' is gaining momentum (growth of 15% YOY).

# E. Export Business Highlights

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## Q3 Business Performance

- Export sales have been flattish in Q3 FY21.
- All sub-segments (excluding Power Gen) grew YOY basis.
- Almost 80% growth in FM UL engines.
- First FM UL engine order received from China for Project in Middle East.

# F. Large Engines Business Highlights

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## Q3 Business Performance

- Large Engine business saw a de-growth of 43% in Q3 YOY.
- In fisheries boat engine segment, market share grew to 25%.
- New defense orders received worth ~80 Cr during the quarter.



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

- Sales grew in Q3 FY21 by ~25% Y-o-Y and YTD by 1%.
  - All segments delivered growth in Q3 (Retail, Export, OEM & Govt.)
  - Except OEM, all other segments grew in nine months period ended Dec20 (YoY)
- EBITDA margin for the nine months ended Dec-20 @ 8.4% vs 7.7% for the same period in PY.
- PAT margin for the nine months ended Dec-20 @ 4.7% vs 4.0% for the same period in PY.
- Cash generated from operation for the nine month ended Dec-20 is Rs. 26 Cr vs Rs. 12 Cr for the same period in PY.
- New ERP implemented w.e.f. 1<sup>st</sup> Oct, 2020.

## KOEL Americas Corporation

- Sale grew by 77% in Q3 Y-o-Y and YTD Dec by 40% (in USD terms).
- Healthy order board at beginning of Q4 at \$ 750K.
- Growth in Q3 is led by Agri segment sales in Central America followed by Gensets and air-cooled industrial engine sales in Latin America.

# Arka Fincap Limited

(Formerly known as Kirloskar Capital Limited)



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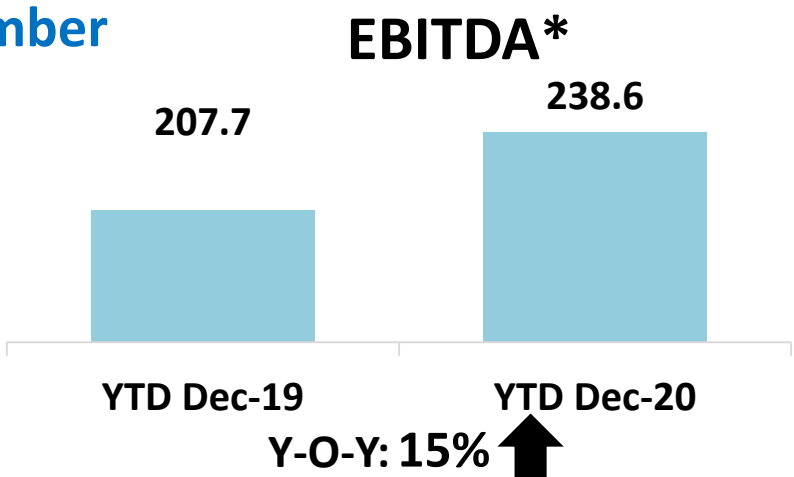
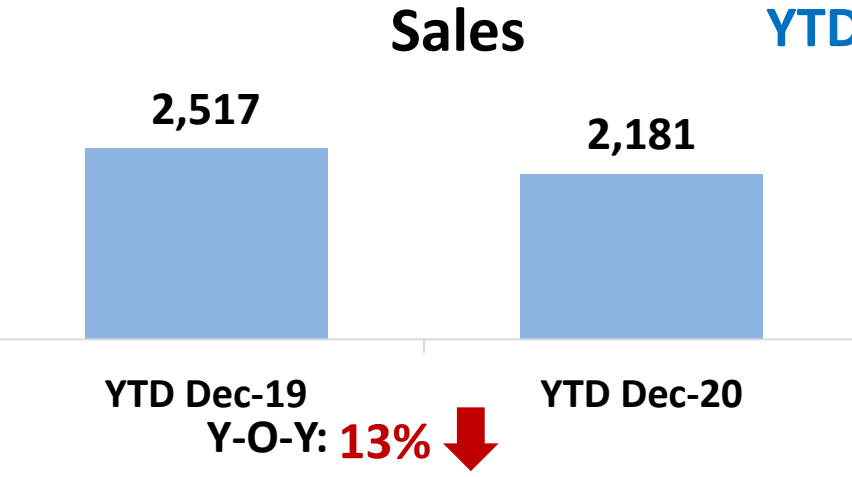
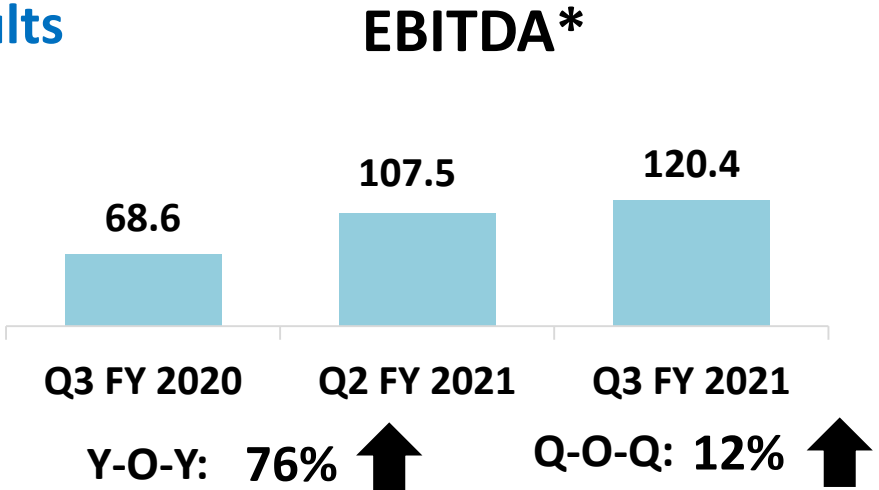
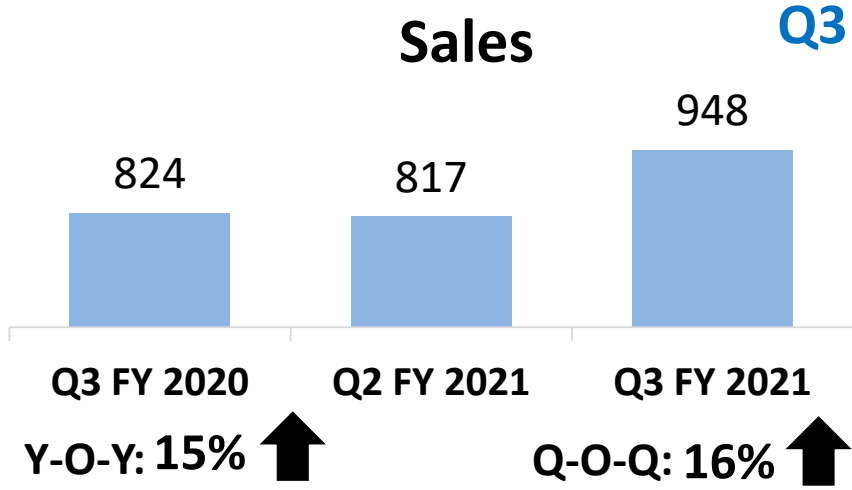
- Total Investment in Arka Fincap Limited as on 31<sup>st</sup> Dec 20 Rs 571.89 Cr
- In January 2021, the Company has further invested Rs.34.04 Crs. at Rs 3/- per share towards 1st Call Money.
- Revenue from operation grew in Q3 FY21 by 125% Y-o-Y and by 27% Q-o-Q basis.
- PAT for Q3 FY 2021 Rs 5 Cr vs. Rs 2 Cr in Q3 of FY 2020
- Debt Rating: Rs 795 Cr
  - 500 Cr Loans CRISIL AA-/ Stable
  - 245 Cr NCD CRISIL AA-/Stable
  - 50 Cr commercial Paper CRISIL A1+
- Total Debt as on 31<sup>th</sup> Dec 20 ~577 Cr.
- Total AUM 1163 Cr
  - Loan book- Rs 962 Cr
  - Treasury Rs. 201 Cr
- No Asset Liability mismatch.



# Result Snapshot - Consolidated



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

# Consolidated Financials- Q3

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



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Q2 FY21	Particulars	Q3 FY20	Q3 FY21	Y-o-Y Incr/(Decr) Rs	Y-o-Y ∅
817	<b>Net Sales</b>	824	948	123	15%
11	Other Operating Income	11	11		
828	<b>Revenue from operation</b>	835	959	124	15%
510	Raw Material	532	614	83	16%
55	Employee Costs	71	71		
155	Other Expenses	164	153	(11)	-6%
108	<b>EBITDA</b>	69	120	52	76%
13.0%	<b>% to revenue from operations</b>	8.2%	12.6%		
7	Other Income	8	8		
20	Depreciation	22	21		
12	Interest	3	16		
82	<b>PBT</b>	51	91	39	78%
23	Tax	5	24		
60	<b>PAT</b>	46	66	20	43%
7.2%	<b>PAT (%)</b>	5.6%	6.9%		

Note: Figures for previous periods have been regrouped to make it comparable.

# Consolidated Financials- YTD December

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



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Particulars	YTD Dec-19	YTD Dec-20	Y-o-Y Incr/(Decr) Rs	Y-o-Y ∅
<b>Net Sales</b>	<b>2,517</b>	<b>2,181</b>	<b>(336)</b>	<b>-13%</b>
Other Operating Income	36	28	(7)	-21%
<b>Revenue from operation</b>	<b>2,553</b>	<b>2,209</b>	<b>(344)</b>	<b>-13%</b>
Raw Material	1,641	1,386	(255)	-16%
Employee Costs	206	183	(22)	-11%
Other Expenses	499	402	(97)	-19%
<b>EBITDA</b>	<b>208</b>	<b>239</b>	<b>31</b>	<b>15%</b>
<b>% to revenue from operations</b>	<b>8.1%</b>	<b>10.8%</b>		
Other Income	32	20		
Depreciation	66	61		
Interest	9	33		
Exceptional Item	16	-		
<b>PBT</b>	<b>181</b>	<b>164</b>	<b>(17)</b>	<b>-10%</b>
Tax	47	45		
<b>PAT</b>	<b>134</b>	<b>119</b>	<b>(15)</b>	<b>-11%</b>
<b>PAT (%)</b>	<b>5.3%</b>	<b>5.4%</b>		

Note: Figures for previous periods have been regrouped to make it comparable.

# Consolidated Financials

## Segment Information



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Q2-21	Particulars	Q3-20	Q3-21	YTD Dec-19	YTD Dec-20
	<b>SEGMENT REVENUE</b>				
594	Engines	674	711	1,993	1,573
163	Electric Pumps	121	169	423	436
23	Financial Services	13	29	32	69
47	Others	27	50	103	131
0	Unallocated	0	(0)	1	1
<b>828</b>	<b>REVENUE FROM OPERATIONS</b>	<b>835</b>	<b>959</b>	<b>2,553</b>	<b>2,209</b>
	<b>SEGMENT RESULTS</b>				
64	Engines	49	79	145	128
13	Electric Pumps	5	6	20	21
14	Financial Services	4	19	7	41
2	Others	(3)	1	(12)	2
2	Unallocated	(1)	2	14	5
<b>94</b>	<b>Total</b>	<b>54</b>	<b>107</b>	<b>174</b>	<b>197</b>
	Less:				
12	Finance Cost	3	16	9	33
-	Exceptional Item	-	-	(16)	-
<b>82</b>	<b>Profit Before Tax</b>	<b>51</b>	<b>91</b>	<b>181</b>	<b>164</b>

Note: Others include Farm mechanization & Tractor parts & Oil

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**Thank You**