



Investors Meet Presentation

Q4 & FY 2020-21

May 14, 2021

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

Our Values



Enriching Lives



EXCELLENCE

In everything we do, quality without compromise



INTEGRITY

Say what we do, and do what we say



COLLABORATION

We grow with people and partners



EMPATHY

We always listen, and learn



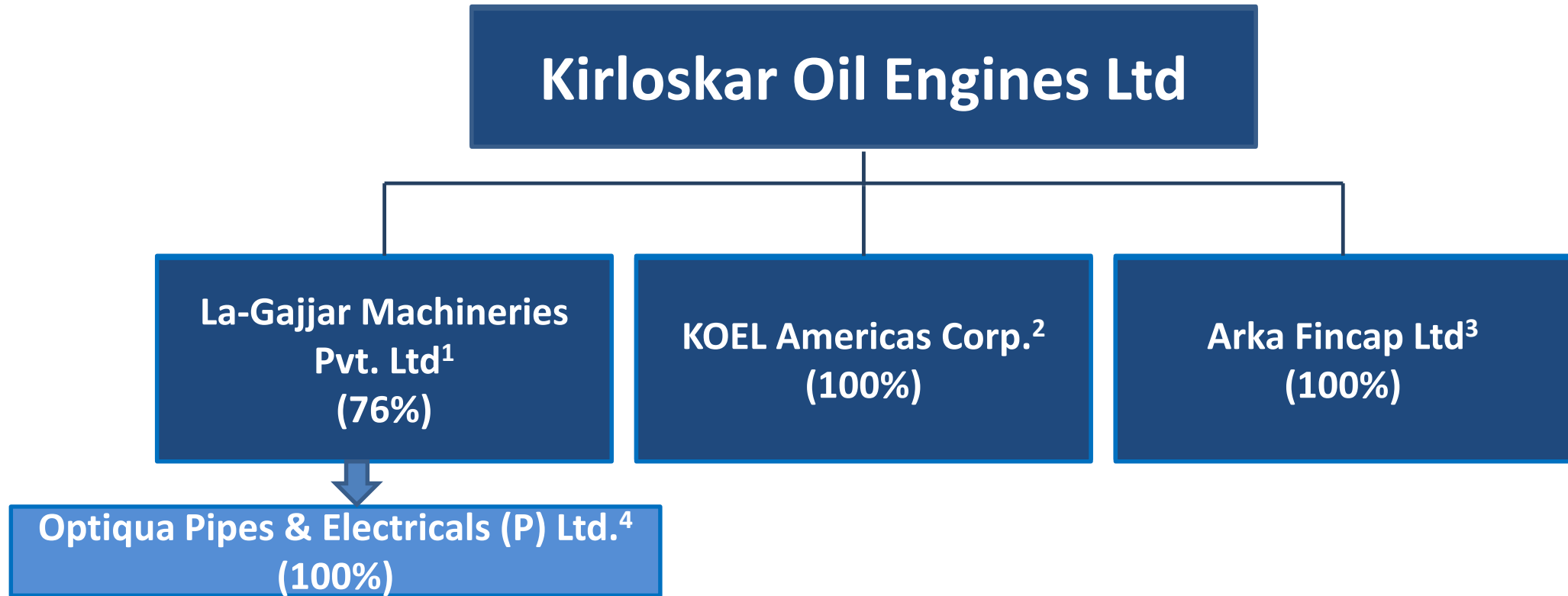
VALUE CREATION

We're building for a shared prosperous future



INNOVATIVE THINKING

Be bold and brave, & stay relevant



¹ with effect from 1st August, 2017

² with effect from 1st July 2015

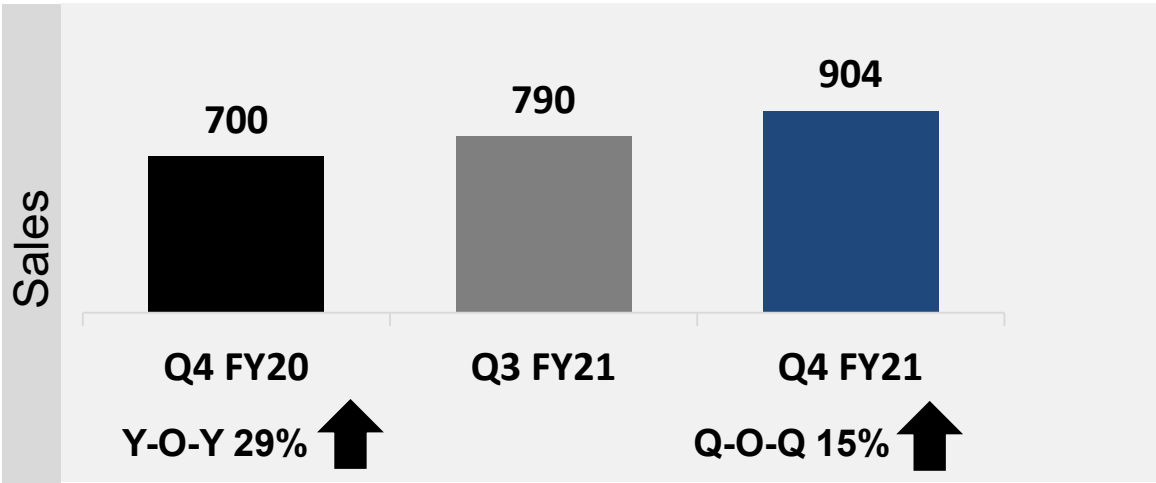
³ with effect from 20th April 2018

⁴ with effect from 19th February 2021

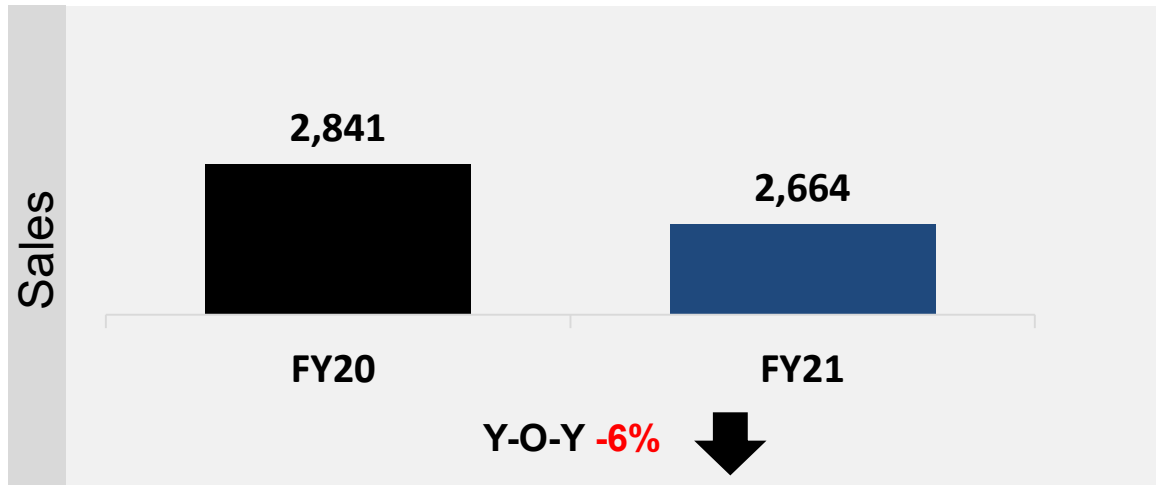
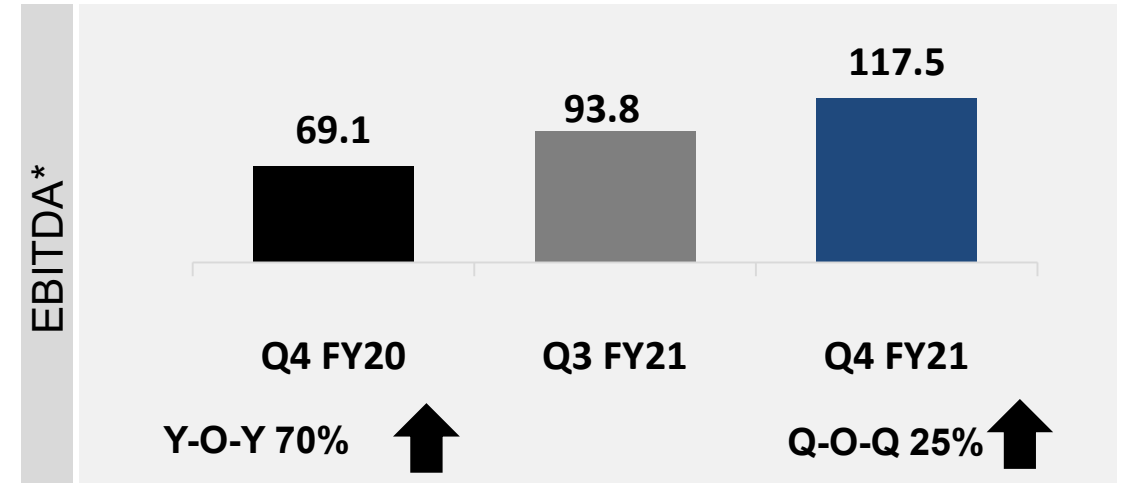
Result Snapshot - Standalone



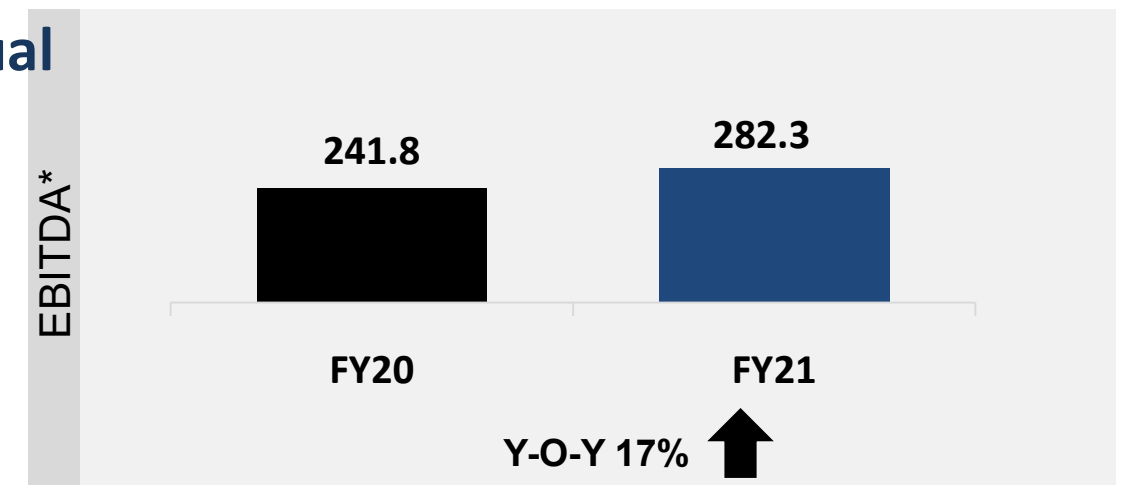
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Q4



Annual



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

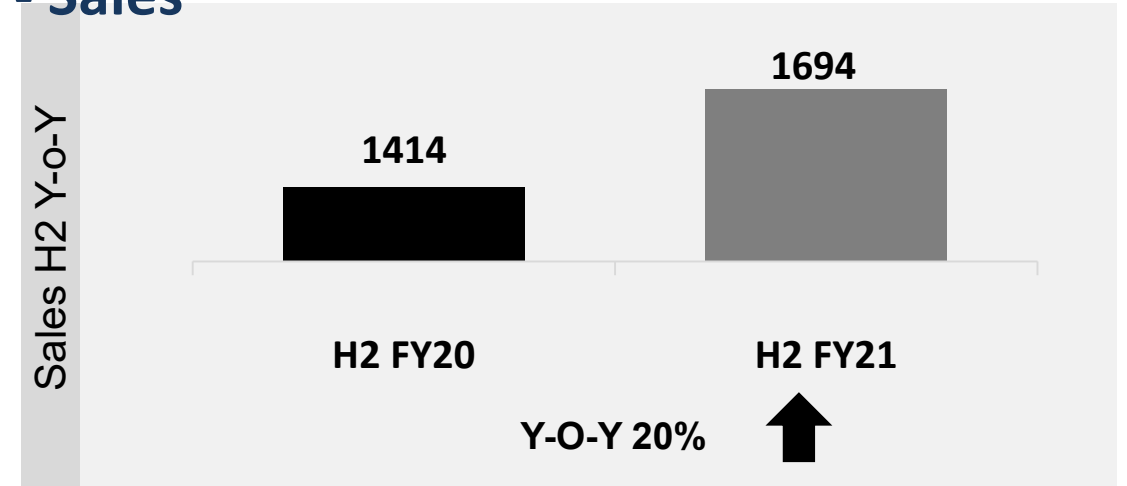
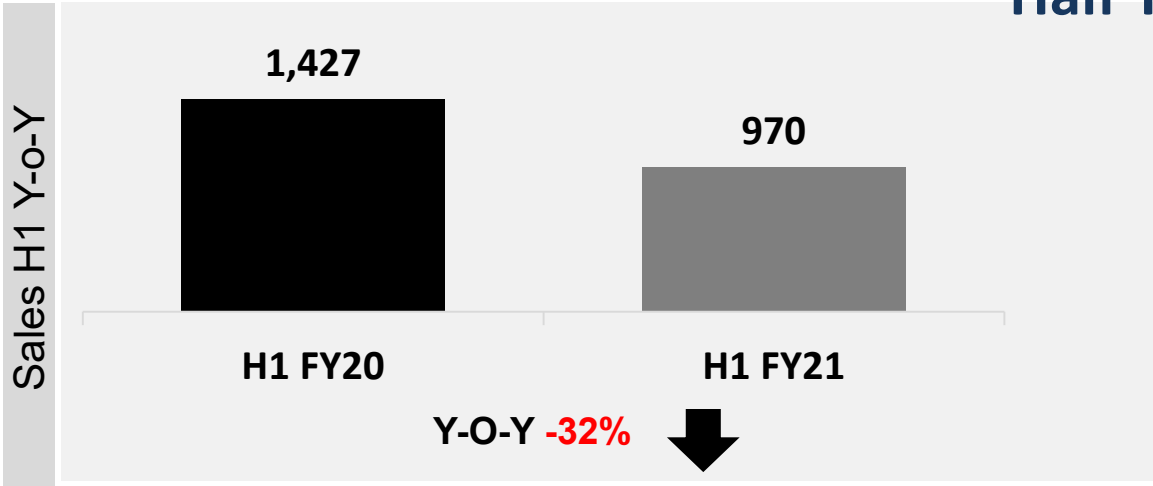
*EBITDA doesn't include other income and exceptional items

Result Snapshot – Standalone

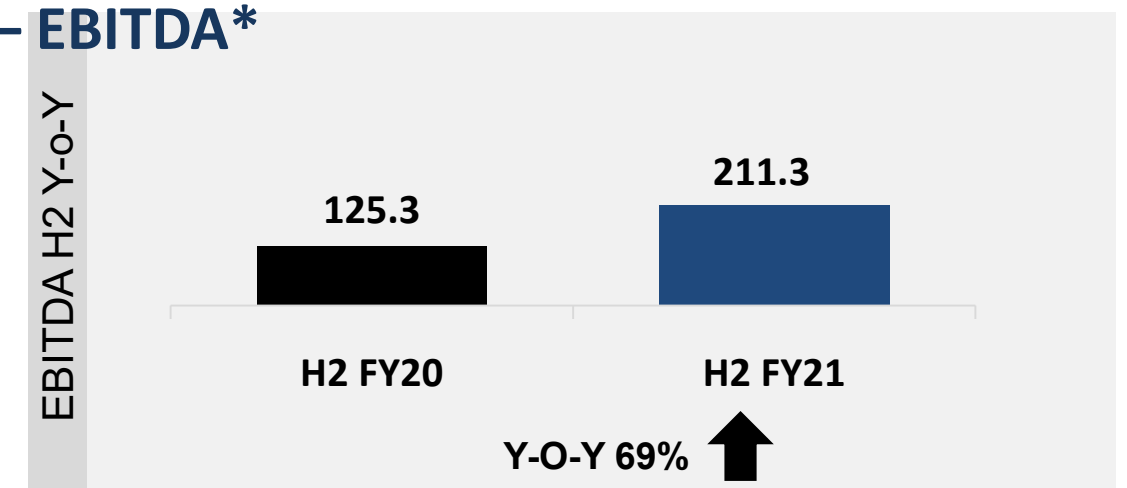
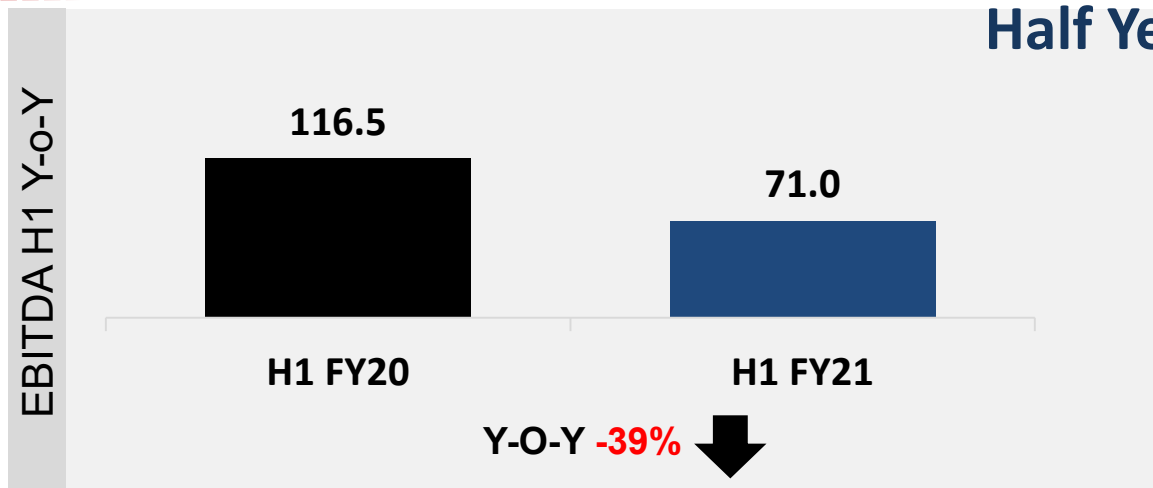


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Half Yearly - Sales



Half Yearly – EBITDA*



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

*EBITDA doesn't include other income and exceptional items

Q4 : Key Highlights



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Sales

- Sales increased in Q4 by 15% Q-o-Q and Y-o-Y by 29%
- Highest ever quarterly sales : Rs. 904 cr.
- Highest ever half yearly sales : Rs. 1,694 cr.

EBITDA

- Q4 EBITDA margin at 12.8% in Q4 of FY21 vs. 9.7% in Q4 of FY 20.
- EBITDA increased by 70% Y-o-Y [117.5 Cr vs. 69.1 Cr.]

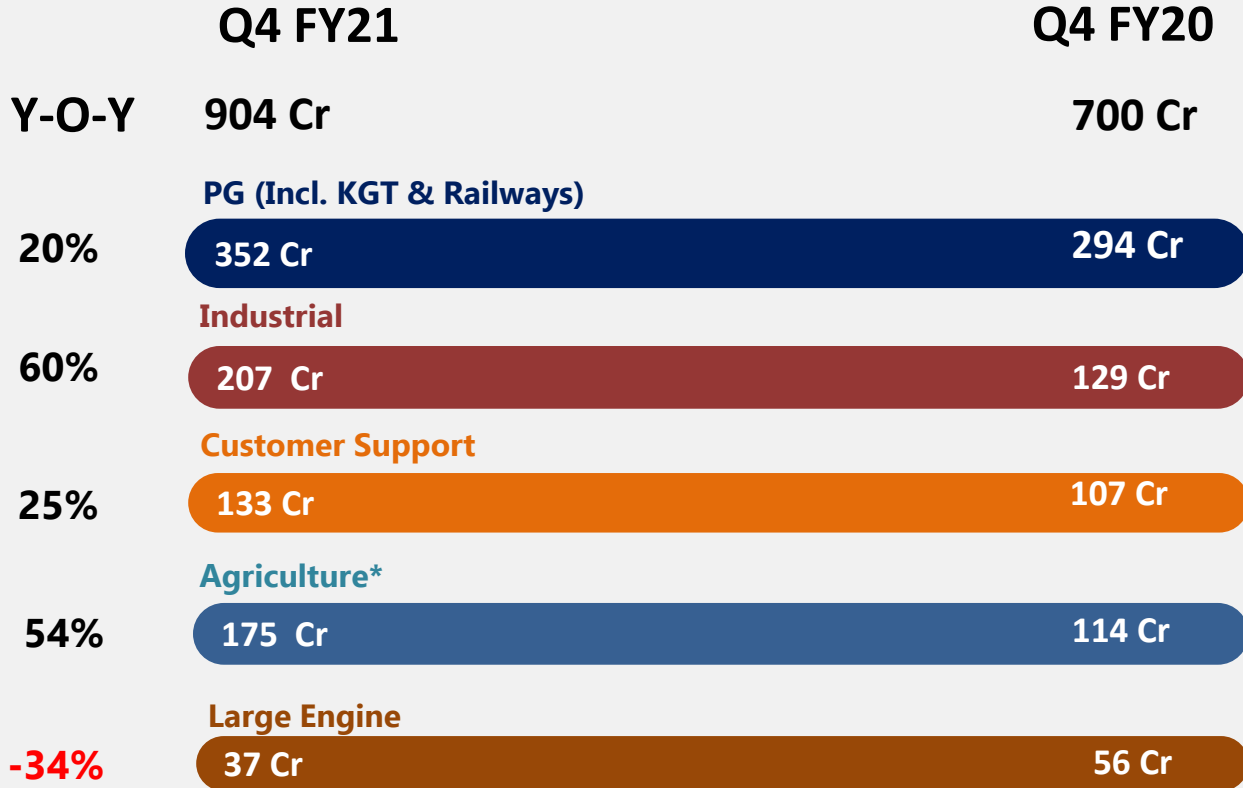
PAT

- Q4 PAT margin at 7.9% in Q4 of FY21 vs. 6.6% in Q4 of FY 20
- PAT increased by 56% Y-o-Y [72.7 Cr vs. 46.6 Cr]

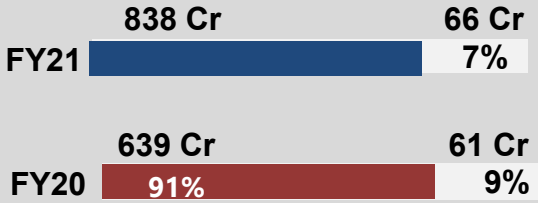
Sales Q4 : Business Divisions



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Q4 : Domestic vs. Exports



Export sales include:

- PG 20 Cr (34 Cr),
- Agri 14 Cr (8 Cr),
- Industrial 24 Cr (13 Cr), and
- Customer support 8 Cr (6 Cr)

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

Bars are not to scale

Standalone Financials- Q4



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Q3 FY21	Particulars	Q4 FY20	Q4 FY21	Y-o-Y Incr/(Decr) Rs	Y-o-Y %
790	Net Sales	700	904	204	29%
8	Other Operating Income	11	11		
798	Revenue from operation	711	915	204	29%
524	Raw Material	446	593	146	
56	Employee Costs	50	57	7	13%
124	Other Expenses	145	148	3	2%
94	EBITDA	69.1	117	48	70%
11.8%	EBITDA Margin	9.7%	12.8%		3.1%
7	Other Income	9	8		
15	Depreciation	16	17		
3	Interest	1	1		
-	Exceptional Item [#]	-	(8)	(8)	
82	PBT	61	99	38	62%
22	Tax	14	26		
61	PAT	47	73	26	56%
7.6%	PAT Margin (%)	6.6%	7.9%		1.3%

Q4' FY 21 Exceptional item represents VRS expense of Rs. 8.4 cr.

Standalone Financials – Full Year



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Particulars	FY20	FY21	Y-o-Y Incr/(Decr) Rs	Y-o-Y %
Net Sales	2,841	2,664	(177)	-6%
Other Operating Income	37	31	(6)	
Revenue from operation	2,877	2,694	(183)	-6%
Raw Material	1,874	1,743	(131)	
Employee Costs	218	199	(19)	-9%
Other Expenses	544	470	(74)	-14%
EBITDA	242	282	41	17%
EBITDA Margin (%)	8.4%	10.5%		2.1%
Other Income	37	26		
Depreciation	67	62		
Interest	4	6		
Exceptional Item*	16	(8)		
PBT	225	231	6	3%
Tax	55	62		
PAT	170	170	(1)	0%
PAT Margin (%)	5.9%	6.3%		0.4%

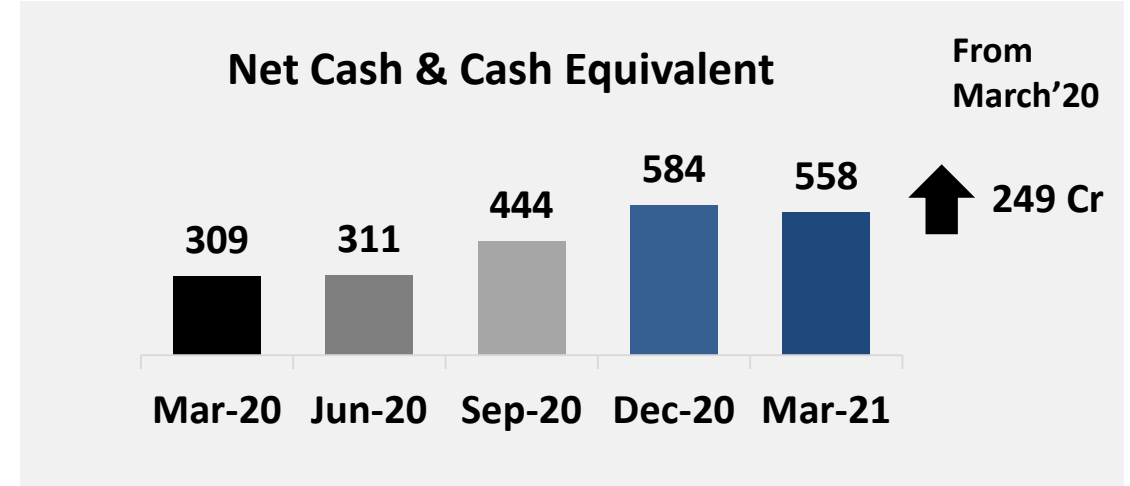
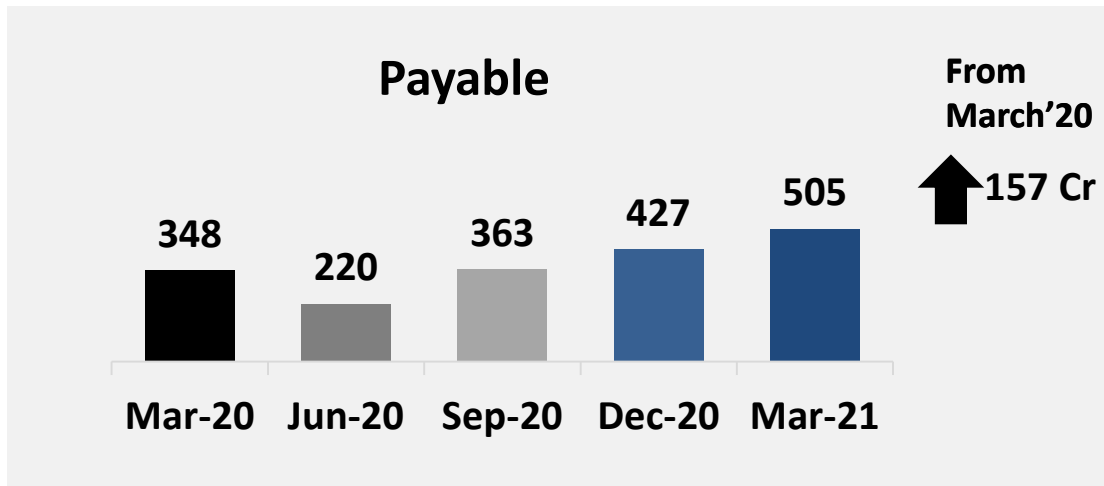
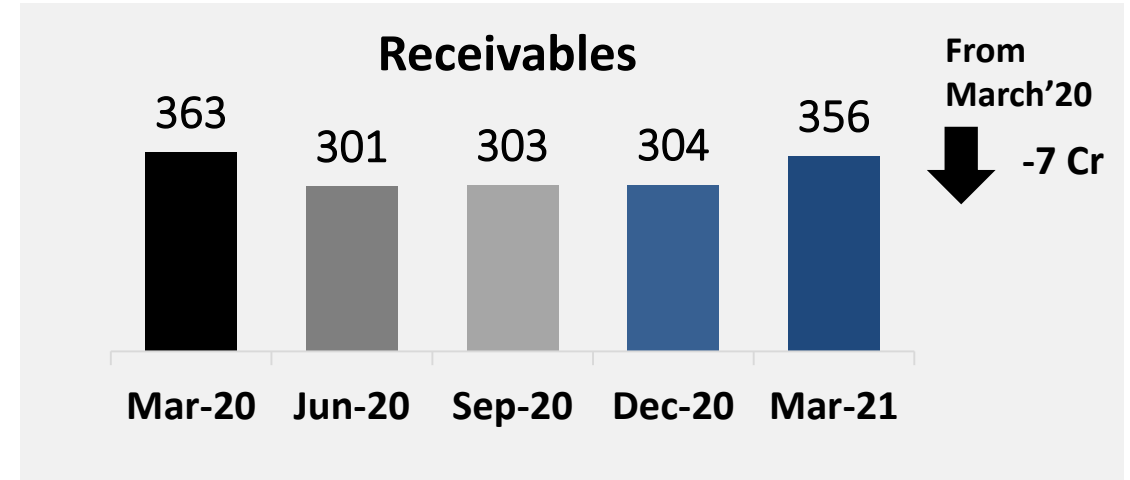
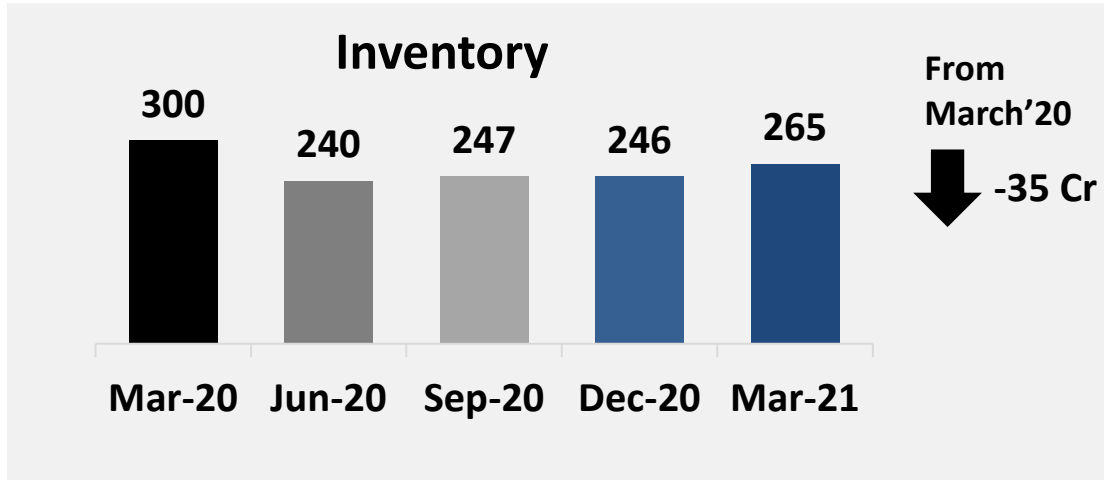
*FY 20 Exceptional Item represents gain on sale of land at Nagar

*FY 21 Exceptional item represents VRS expense of Rs. 8.4 cr.

Working Capital & Cash Position



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*Above Cash position excludes unclaimed dividend amount (Rs 11- 12 Cr) and is net of debt; includes company's treasury investments (liquid & Money market funds)

Q4 Business Performance

- All major segments have recovered.
- Business has registered growth in Q4 Y-o-Y (excluding Railways).
- Ultra High Horse power (UHHP) segment registered healthy double digit growth over FY 20.
- i-Green continues to be the market leader with significant improvements in IoT activations and is getting encouraging response from customers.

B. Agri Business Highlights



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Q4 Business Performance

- Strong growth witnessed in electric pumps, it is one of the fastest growing segment.
- Electric Pump sales have crossed 100 Cr mark in KOEL.
- With continued focus on OEM onboarding, supporting market share in the small diesel engine segment increased by 5%.
- Power tiller sales Q4'FY21 Rs 20.3 Cr (1339 Units) vs Q4'FY20 Rs 14.0 Cr (900 Units).
- Developed new range of tillers with K-cool engine (LV 12, LV 15).
(Latest technology of engine in tillers industry in India)



C. Industrial Business Highlights

Q4 Business Performance

- Highest Quarterly sales, with successful execution of OEM's BS III pre buy ramp up volume demand in Q3 & Q4.
- BSIV transition successfully completed with OEM.
- Kirloskar Engines Based Firefighting Pumpset range launched in Q3; order booking and sale started in March '21.
- All sub segments of Industrial engines (Off – High way etc) have shown strong demand driven by pre buying of BS-III; overall sale in Q4 grew ~50% Y-o-Y.
- Good demand continuing from the Tractor market; sale of tractor engine in Q4 is one of the highest in recent times.

D. Customer Support Business Highlights



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Q4 Business Performance

- Digitization and Long term Customer Retention drives of last few years reaped benefits during Covid Crisis.
- Customer Delight Index (CDI) score of 92+ maintained through out the year after Qtr 1.
- On back of increased service load & secondary consumption, Sales have grown by 25% Y-o-Y in Q4.
- Direct online AMC 'KOEL Bandhan' is gaining momentum (Annual growth of 15% Y-o-Y).



E. Export Business Highlights

Q4 Business Performance

- USA : First supplies of FM/UL approved engines to leading global OEMs; local package assembly on baseframe to meet OEM requirements
- Business has registered growth Y-o-Y
- Fire Fighting and Agri segments have registered double digit growth Y-o-Y.
- Fire Fighting Engines very well accepted in UAE market .



F. Large Engines Business Highlights

Q4 Business Performance

- Large Engine business saw a decline of 34% in Q4 Y-o-Y. Closure of many customer premises and delayed decisions.
- In fisheries boat engine segment, market share grew to 25%.
- Healthy order board in excess of ~100 Cr.

La-Gajjar Machinerias Pvt Limited (“LGM”)

- Annual sales crossed mark of 500+cr for the first time since the acquisition.
- Sales grew in Q4 FY21 by ~52% and for the full year by 12% (Y-o-Y)
 - All segments delivered growth in Q4 (Retail, Export, OEM & Govt.)
- EBITDA margin for FY21 maintained slightly over 7%
- Supplied 10,000 nos of pump sets against State Govt orders. – highest ever in a year
- LGM has formed a wholly owned subsidiary i.e. Optiqua Pipes and Electricals Private Limited in February 2021 to tap the market opportunities in the “allied segment” and adjacencies in the Water Management Solution Vertical

KOEL Americas Corporation

- Sales at USD 3.8 Million in FY 2021; growth of 50% Y-o-Y
- Growth in Q4 is led by Agri segment sales in Central America followed by Gensets and air-cooled industrial engine sales in Latin America.
- Healthy Order Board of \$ 750,000 at the beginning of Q1 FY22
- Ground work completed for sales of gas-engines in the US market in early part of FY 2022

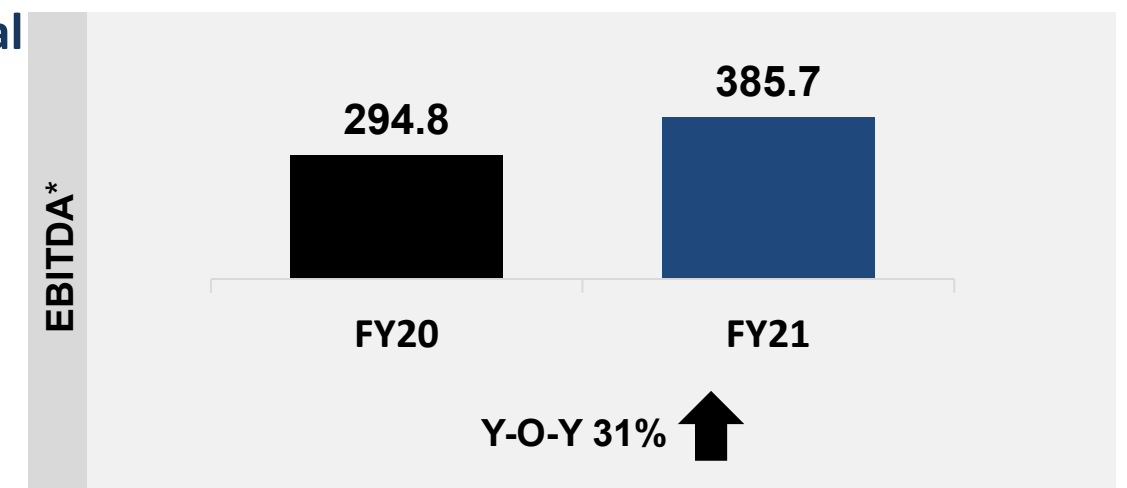
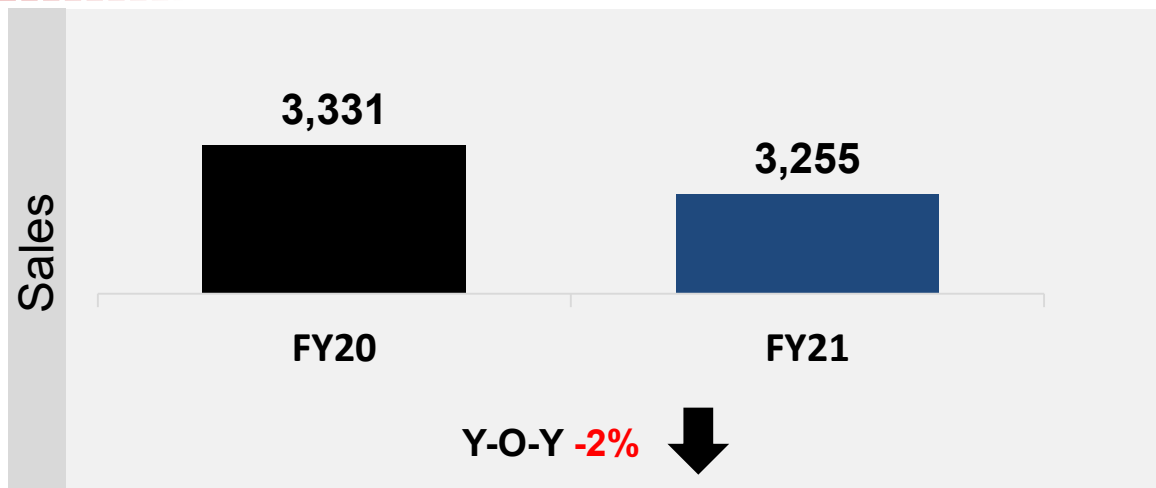
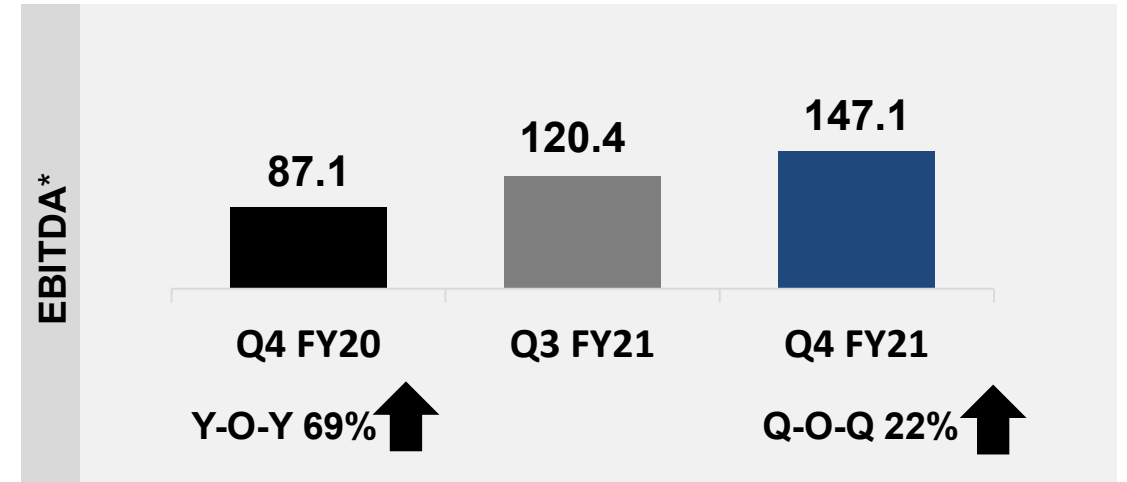
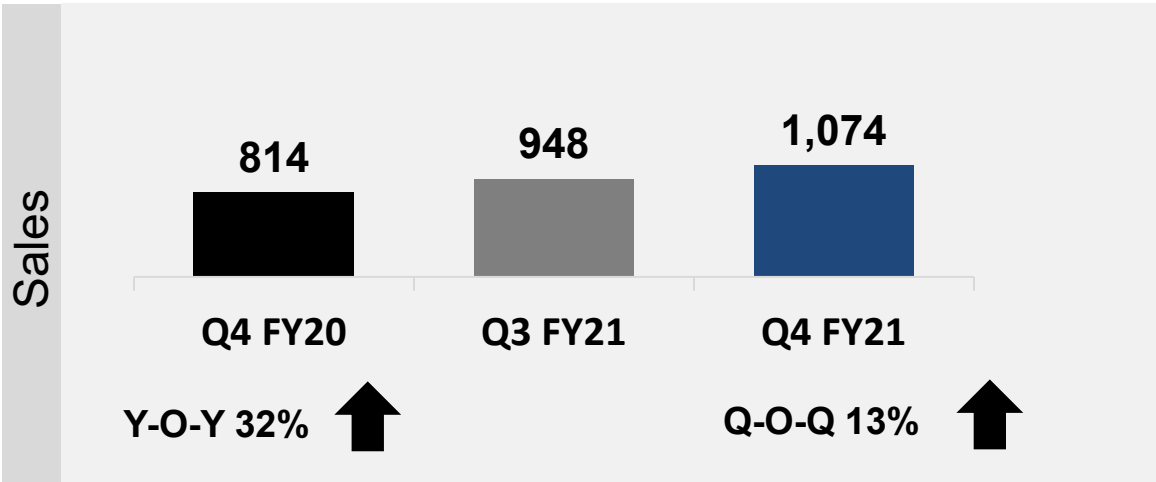
- KOEL infused Rs 124.82 Cr of share capital in ARKA in FY21. Total Investment in Arka Fincap Limited as on 31st Mar 21 stood at Rs 651.32 Cr.
- Revenue from operations at 102 Cr in FY 21; growth of 110% over last financial year.
- PAT for FY 21 Rs 17 Cr vs. Rs 6 Cr in FY 20; growth of 177% YoY
- Debt Rating: Rs 995 Cr
 - 700 Cr Loans CRISIL AA-/ Stable
 - 245 Cr NCD CRISIL AA-/Stable
 - 50 Cr commercial Paper CRISIL A1+
- Total Debt as on 31th Mar 21 ~666 Cr.
- Total AUM* 1124 Cr includes
 - Loan book- Rs 909 Cr
 - CP – Rs 138 Cr
 - NCD Rs. 77 Cr
- No Asset Liability mismatch

*Excludes Treasury assets

Result Snapshot - Consolidated



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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

Consolidated Financials - Q4



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Q3 FY21	Particulars	Q4 FY20	Q4 FY21	Y-o-Y Rs Cr	Y-o-Y %
948	Net Sales	814	1,074	260	32%
11	Other Operating Income	13	13		
959	Revenue from operation	827	1,087	260	31%
614	Raw Material	501	664	163	
71	Employee Costs	65	74		
153	Other Expenses	173	201	28	16%
120.4	EBITDA	87.1	147.1	60	69%
12.6%	EBITDA Margin (%)	10.5%	13.5%		2.0%
8	Other Income	3	7		
21	Depreciation	22	23		
16	Interest	5	17		
-	Exceptional Item*	-	(8)	(8)	
91	PBT	63	106	41	67%
24	Tax	10	28		
66	PAT	54	78	25	46%
6.9%	PAT Margin (%)	6.5%	7.2%		0.7%

*Q4'FY 21 Exceptional item represents VRS expense of Rs. 8.4 cr..

Consolidated Financials – Full Year



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Particulars	FY20	FY21	Y-o-Y Rs Cr	Y-o-Y %
Net Sales	3,331	3,255	(76)	-2%
Other Operating Income	49	41	(7)	-15%
Revenue from operation	3,379	3,296	(83)	-2%
Raw Material	2,142	2,050	(92)	
Employee Costs	270	257	(13)	-5%
Other Expenses	672	603	(69)	-10%
EBITDA	295	386	91	31%
EBITDA Margin (%)	8.7%	11.7%		3.0%
Other Income	35	26		
Depreciation	87	84		
Interest	14	50		
Exceptional Item*	16	(8)		
PBT	245	270	26	10%
Tax	57	72		
PAT	188	197	10	5%
PAT Margin (%)	5.6%	6.0%		0.4%

*FY 20 Exceptional Item represents gain of Rs 16.5 Cr on sale of land at Nagar

*FY 21 Exceptional item represents VRS expense of Rs. 8.4 cr.

Consolidated Financials

Segment Information



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Q3 FY21 Particulars	Q4 FY20	Q4 FY21	YOY	FY 20	FY 21	YOY
SEGMENT REVENUE						
711 Engines	662	818	23.6%	2,655	2,391	-10.0%
169 Electric Pumps	118	187	57.7%	541	622	15.0%
29 Financial Services	16	33	103.3%	48	102	110.9%
50 Others	30	49	65.2%	133	180	35.6%
(0) Unallocated	1	0		2	1	
959 REVENUE FROM OPERATIONS	827	1,087	31.5%	3,379	3,296	-2.5%
SEGMENT RESULTS						
81 Engines	61	106		206	237	
6 Electric Pumps	0	4		21	25	
19 Financial Services	6	20		13	60	
1 Others	(3)	(0)		(15)	2	
(0) Unallocated	4	1		18	4	
107 Total	68	131	91.3%	242	328	35.4%
Less:						
16 Finance Cost	5	17		14	50	
- Exceptional Item	-	8		(16)	8	
91 Profit Before Tax	63	106	67.1%	245	270	10.2%

Note: 'Others' include Farm mechanization & Tractor parts & Oil business divisions

KOEL's Strategic Direction



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- Cleaner engines – most advanced emission norms, natural gas, biogas engines, petrol, hybrid industrial
- Leverage High Horse Power segment presence – beyond backup power into prime / cogeneration
- Grow electric segment – electric pumps, electric motors, battery based back-up
- Explore allied / adjacent spaces in water management solutions – cables, column pipes etc.
- Grow into small farm mechanization and implements to leverage existing channel strength
- Closely watch advancements in next gen technologies such as fuel cell

We aim to reduce engine dependent topline - from current 80% to 60% in 3-5 years timeframe.

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