

Earnings Call Presentation Q1 FY25
8th August 2024



GROWTH

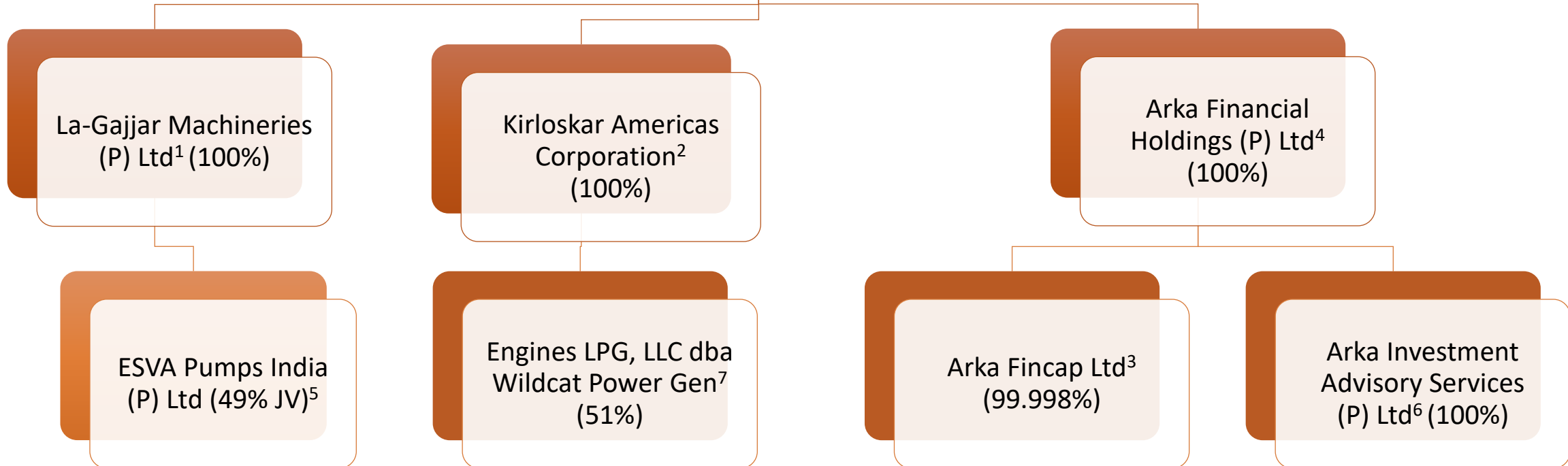
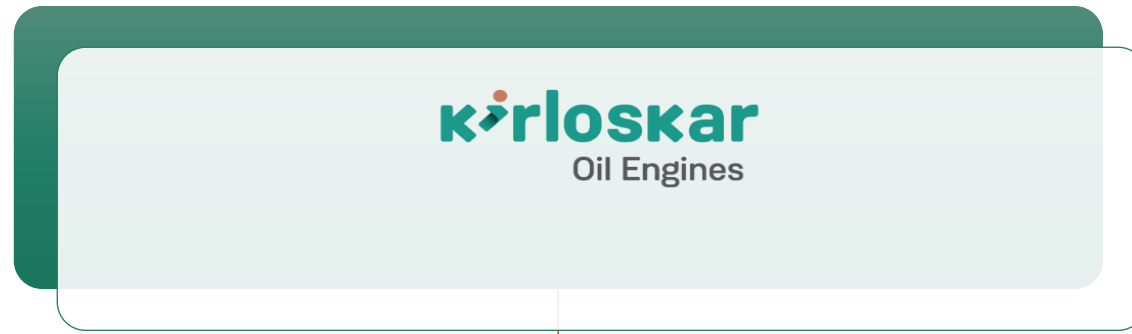
From Innovation to Impact

DISCLAIMER & SAFE HARBOR STATEMENT

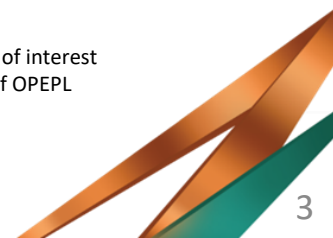
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1 76% with effect from 1st August 2017 and 100% with effect from 26th September 2022.
 2 with effect from 1st July 2015.
 3 with effect from 20th April 2018.
 4 with effect from 13th July 2021.
 5 with effect from 4th October 2021 (Optiqua Pipes and Electricals Private Limited 's (OPEPL) share of interest in joint venture has been transferred to LGM w.ef. 26th March 2024 on account of amalgamation of OPEPL with LGM).
 6 with effect from 30th March 2022.
 7 with effect from 29th November 2023.



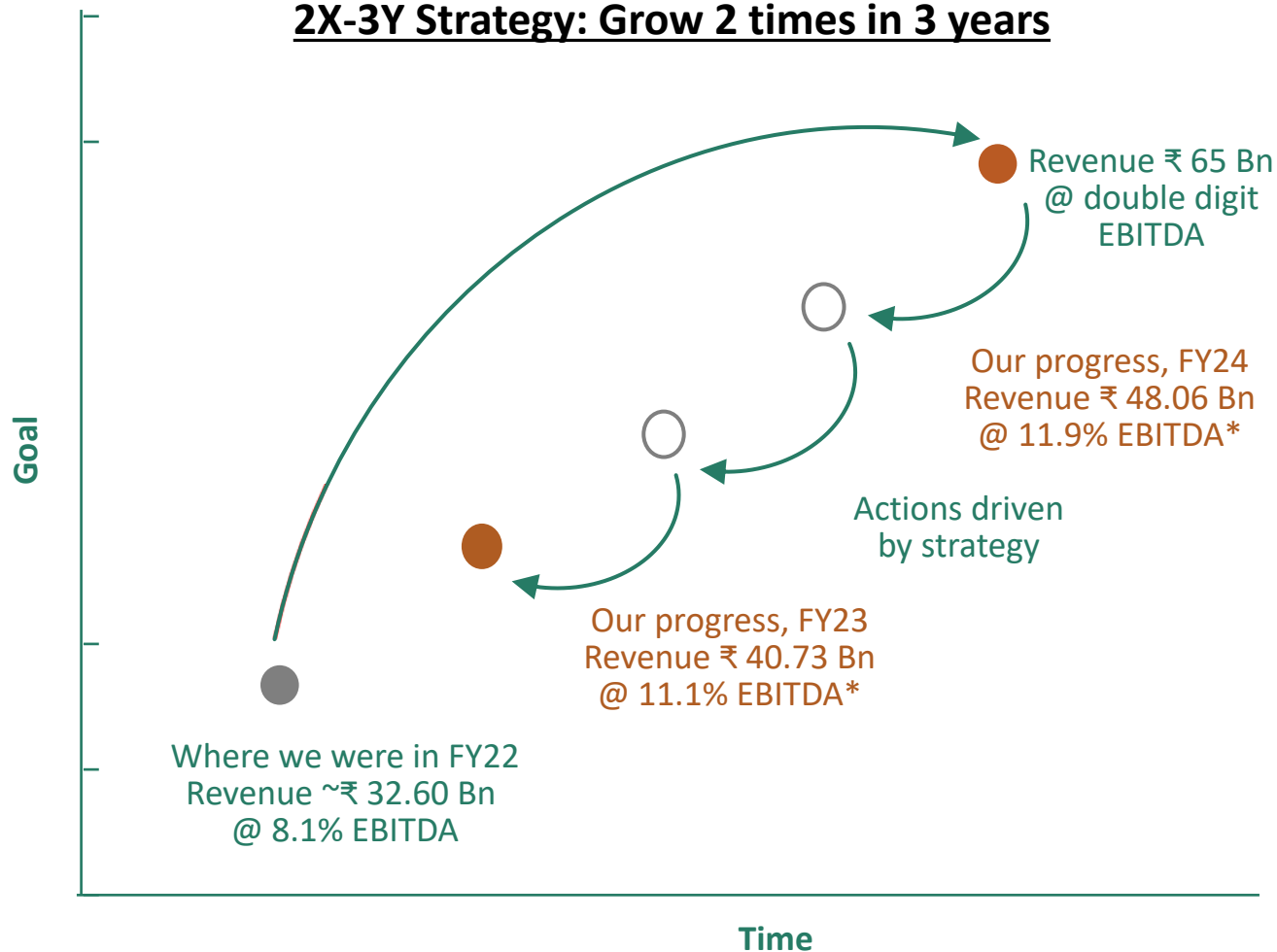
CONTENT

- **STRATEGY**
- BUSINESS OVERVIEW
- FINANCIAL OVERVIEW
- LONG TERM STRATEGY

OUR 2X-3Y STRATEGY

Looking to drive exponential growth from FY 2022 - FY 2025

2X-3Y Strategy: Grow 2 times in 3 years

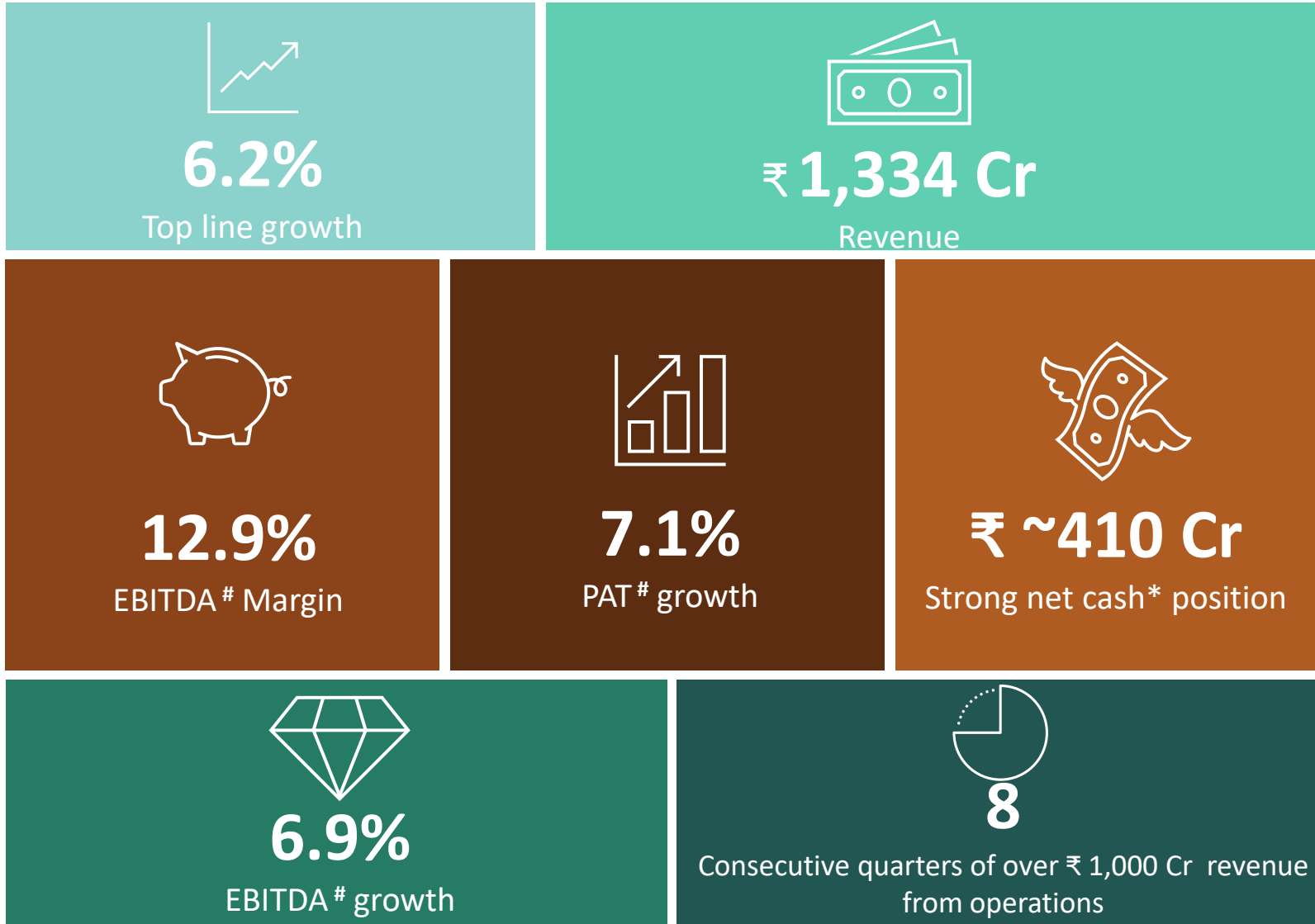


2X-3Y Strategy Pillars



* Numbers excluding provision/(reversal) for overdue receivables made for a customer towards sales made in the previous years. For details, please refer 'Note to the Unaudited Financial Results' published on the stock exchanges.

WE ARE PROGRESSING WELL - Q1 FY25



* Net of debt; includes treasury investments and excludes unclaimed dividends.

Numbers excluding provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. EBITDA margin for the current quarter including reversal for overdue receivable provision is 14.7%. For details, please refer 'Note to the Unaudited Financial Results' published on the stock exchanges.

Deploying the 2X-3Y strategy to deliver value to all stakeholders

65Bn @
double
digit
EBITDA

Customer
Delight

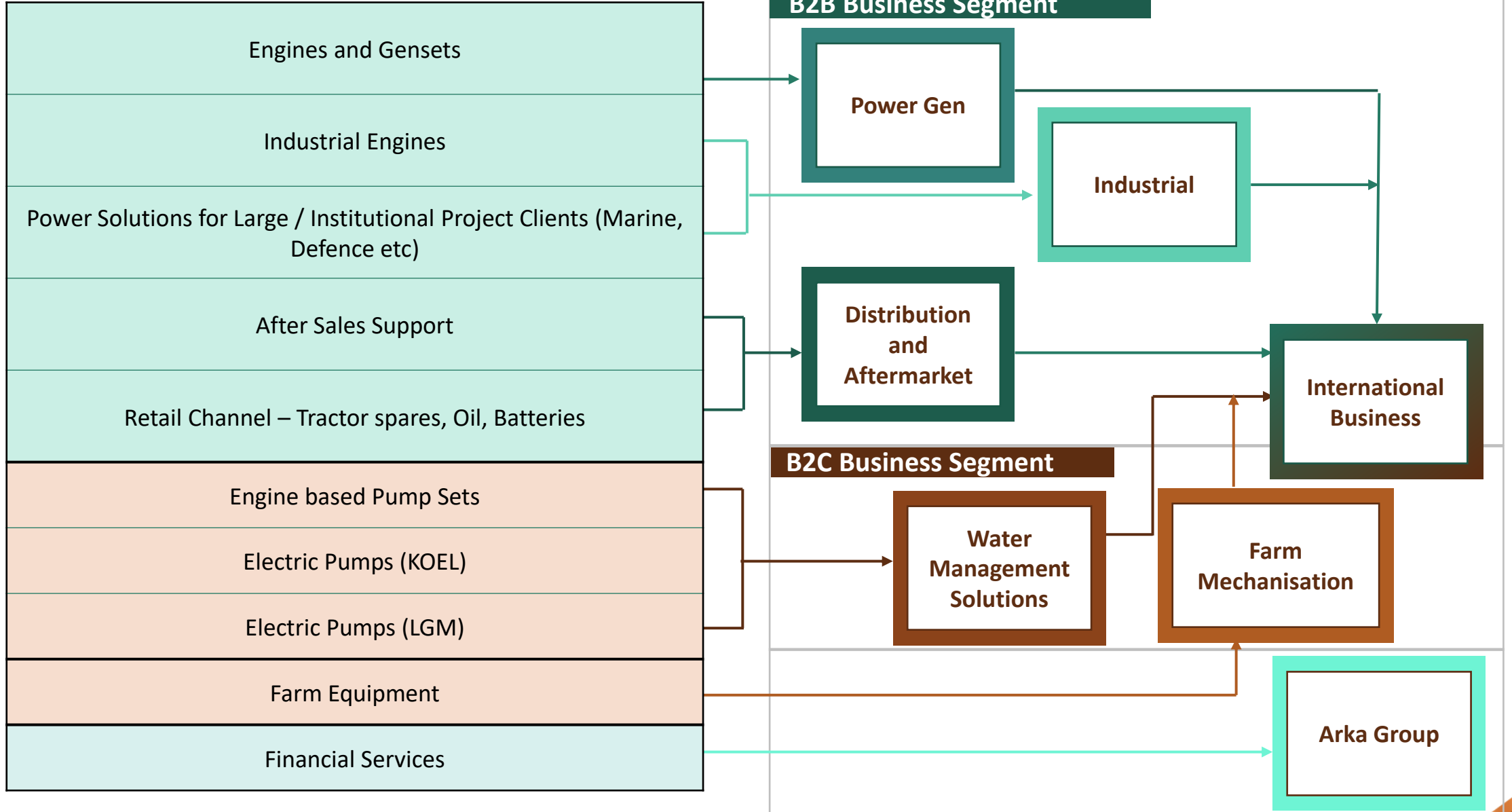
Employer
of Choice



CONTENT

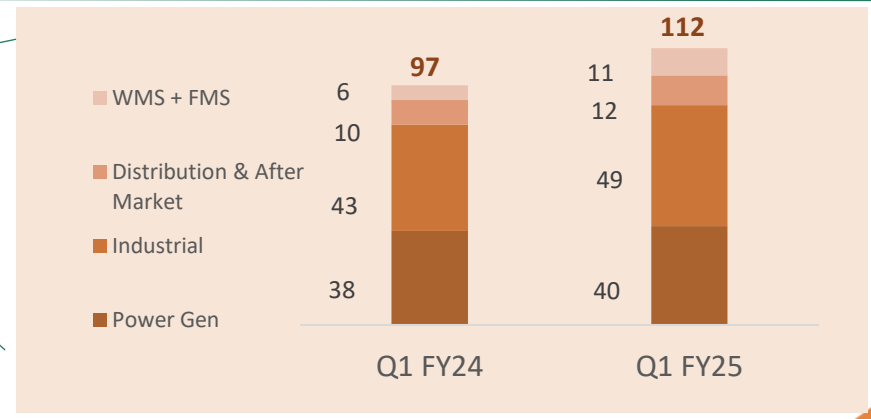
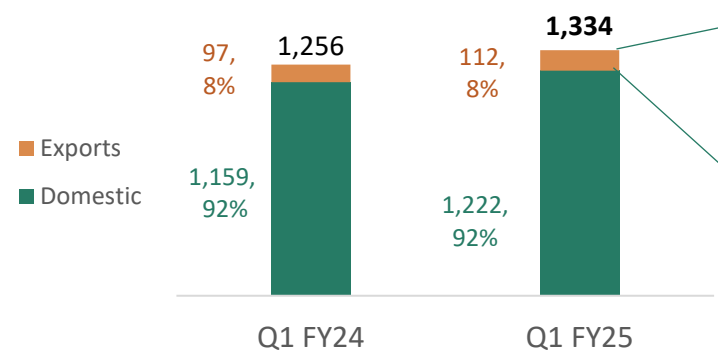
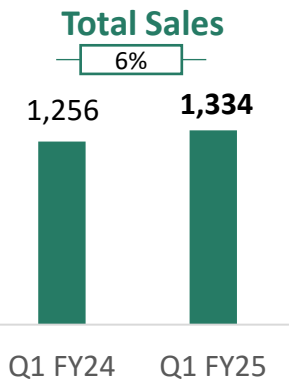
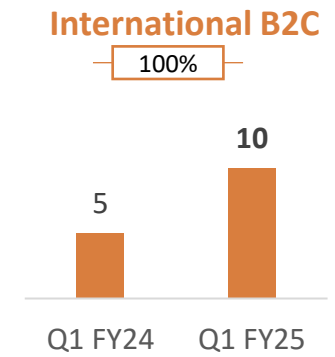
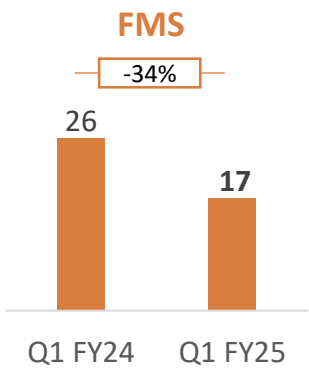
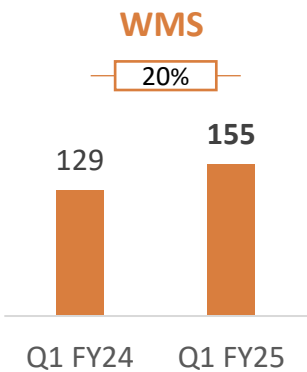
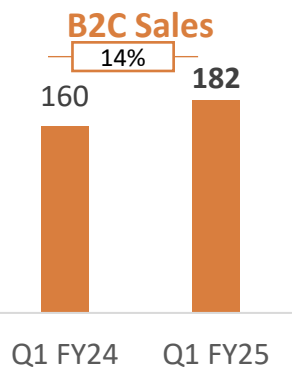
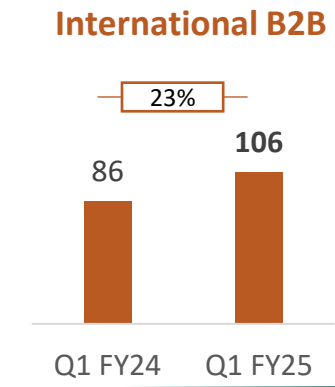
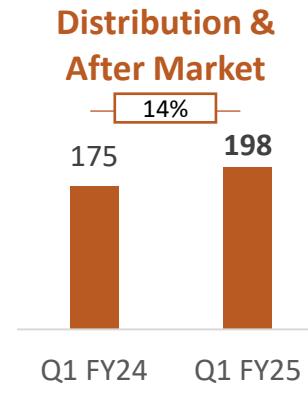
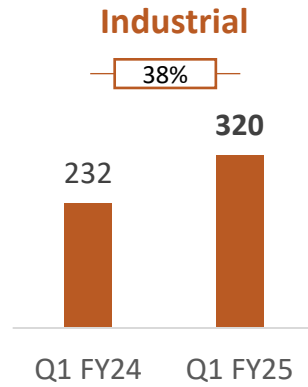
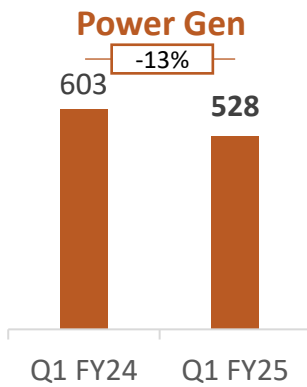
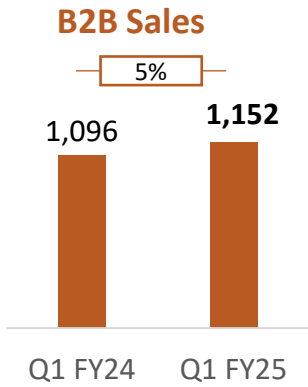
- STRATEGY
- **BUSINESS OVERVIEW**
 - STANDALONE
 - SALES HIGHLIGHTS
 - CONSOLIDATED
 - SEGMENT OVERVIEW
- FINANCIAL OVERVIEW
- LONG TERM STRATEGY

Products to Business Segments...



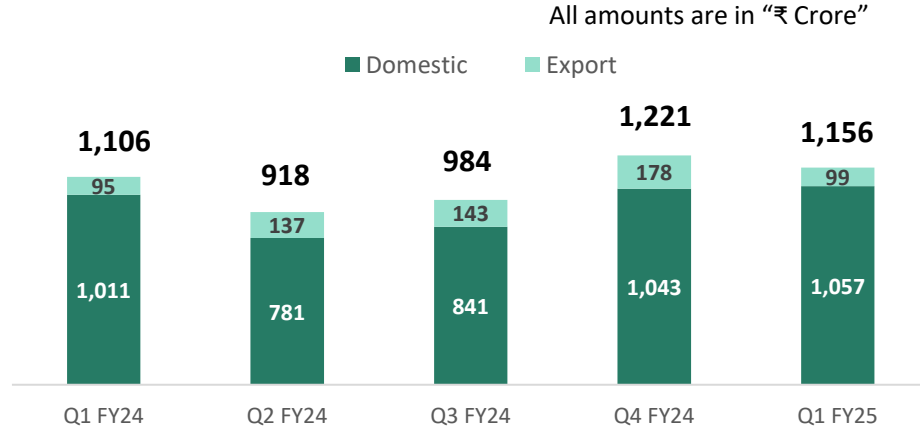
STANDALONE SALES HIGHLIGHTS – Q1 FY25 YoY

KOEL- Earnings Call – Q1 FY25 – Standalone Business Overview



CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2B

Segment Revenue Trend



Performance Updates

- Highest ever first quarter revenue with INR 1,156 Cr Sales in Q1 FY25 @ growth of 5% v PY (ex Pre buy growth 18% v PY)

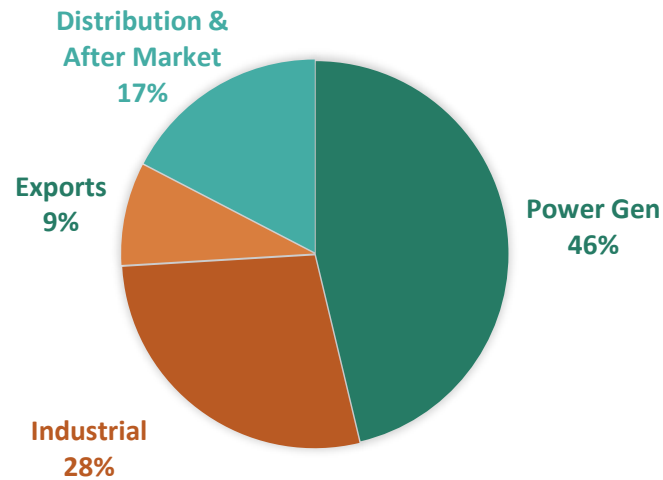
Domestic:

- Power Generation: Demand fulfilment for CPCB II and CPCB IV+ production ramp-up went smoothly. Majority of Gas Genset portfolio is also CPCB IV+ compliant
- Industrial: Demand continues to be strong on the back of continued investment in Infra development in the country. Traction from construction and railways segment. BSV program on track. Order board continues to be strong.

International:

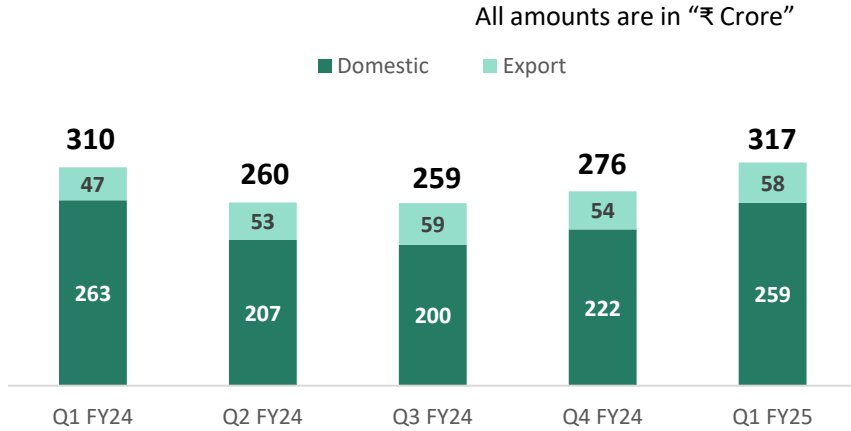
- Exports registered the highest ever first quarter sales. International business is amongst the fastest growing business in the B2B segment.

Segment Revenue Composition For Current Quarter



CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2C

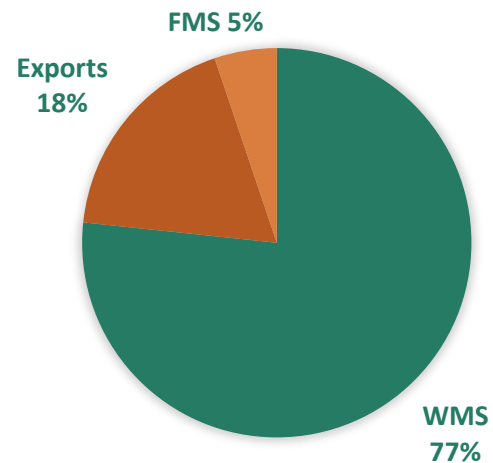
Segment Revenue Trend



Performance Updates

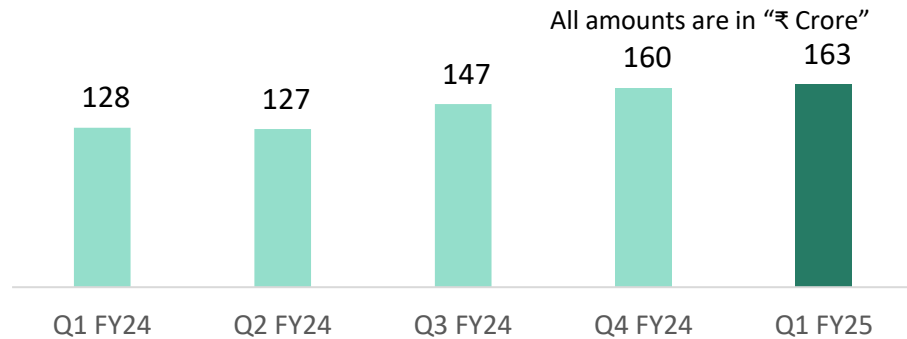
- WMS business grew by 20% in Q1 FY25 year on year
- Segment profit for Q1 FY25 grew by 53%
- LGM exports registered 11% sales growth year on year; small engine exports grew by more than 100%
- Channel Deepening & Widening initiatives under progress
- LGM new plant in Sanand is progressing well and is on time
- WMS and LGM reported double digit EBITDA

Segment Revenue Composition For Current Quarter

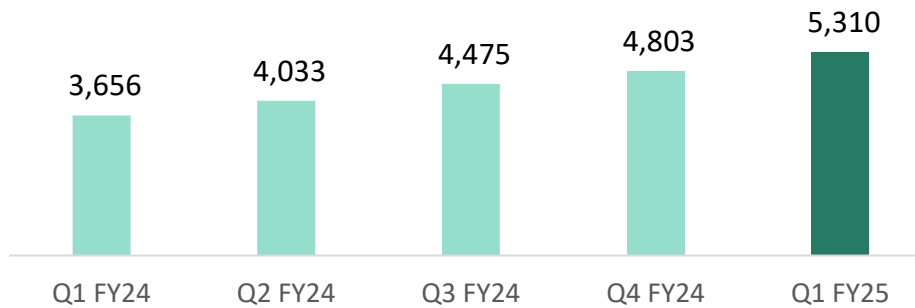


CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

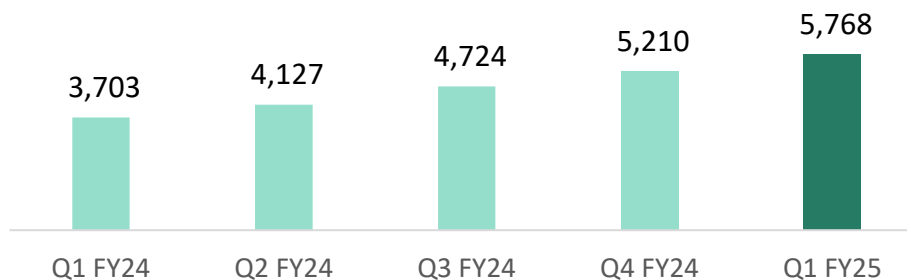
Segment Revenue Trend



Loan Book Trend



AUM* Trend



Performance Updates

- KOEL's total investment in AFHPL as on 30th Jun 24 stood at 1,053 Cr#
- AFHPL revenue from operations stood at 163 Cr in Q1 FY25; a growth of 27% YoY
- AFHPL PAT stood at 20 Cr in Q1 FY25; growth of 23% YoY
- Total Debt as on 30th Jun 24 stood at 4,255 Cr
- Debt to Equity Ratio:
 - 30th Jun 24 - 3.5
 - 31st Mar 24 - 3.3
 - 31st Dec 23 - 3.3
 - 30th Sep 23 - 2.8
 - 30th Jun 23 - 2.6
- Total AUM* as on 30th Jun 24 at Rs. 5,768 Cr

* Excludes treasury assets and includes off balance sheet loan book

Includes profit of 53 Cr on holding structure change.

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

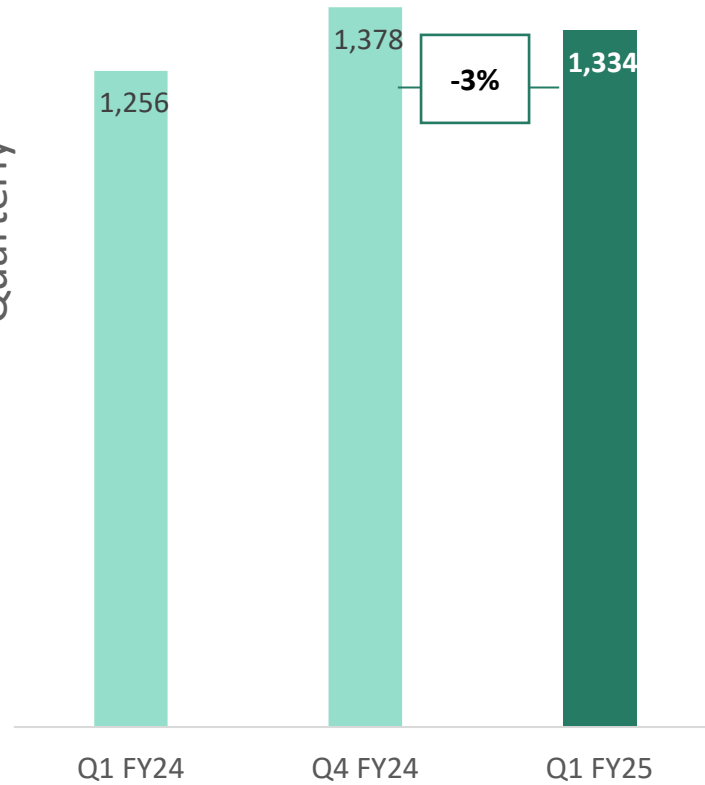
STANDALONE – PERFORMANCE HIGHLIGHTS

All amounts are in “₹ Crore” Oil Engines

Sales

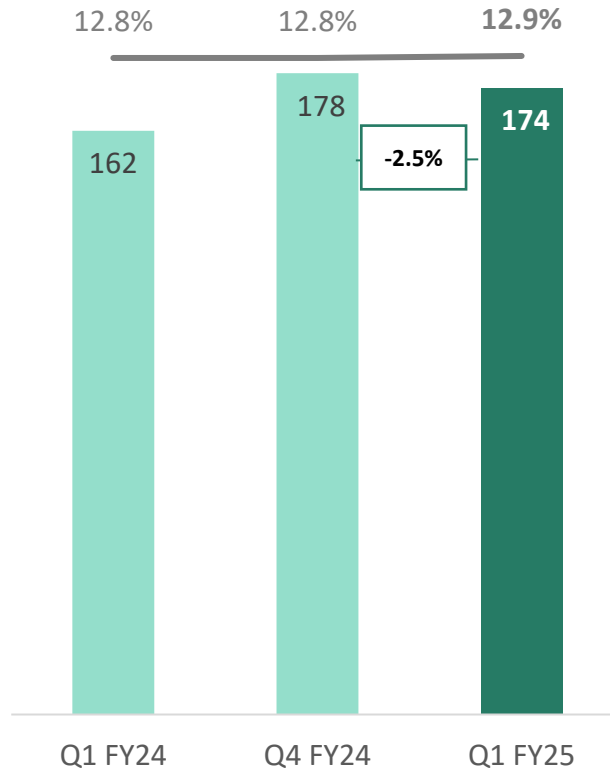
6%

Quarterly



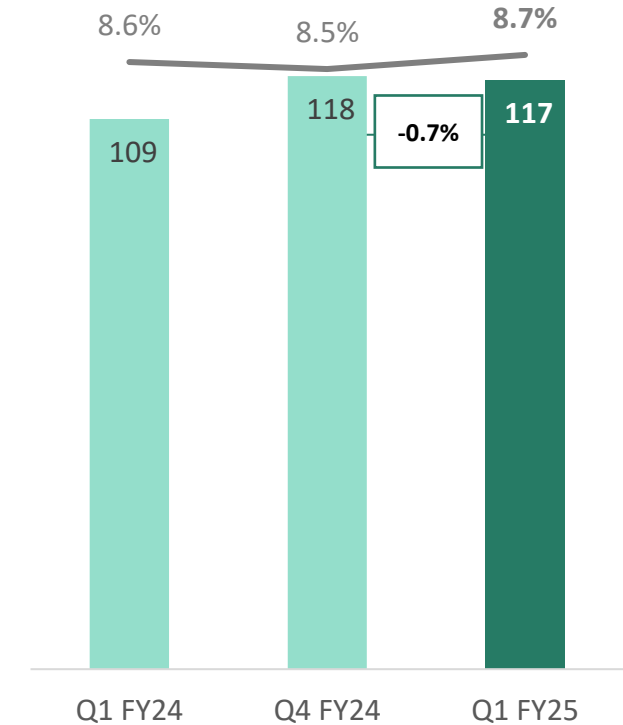
EBITDA* & Margin*

7%



PAT* & Margin*

7%



*Numbers excluding provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. EBITDA margin for the current quarter including reversal for overdue receivable provision is 14.7%. For details, please refer 'Note to the Unaudited Financial Results' published on the stock exchanges.

- Numbers for the previous quarters have been regrouped wherever required to make them comparable with those of the current quarter.

STANDALONE - PROFIT AND LOSS STATEMENT

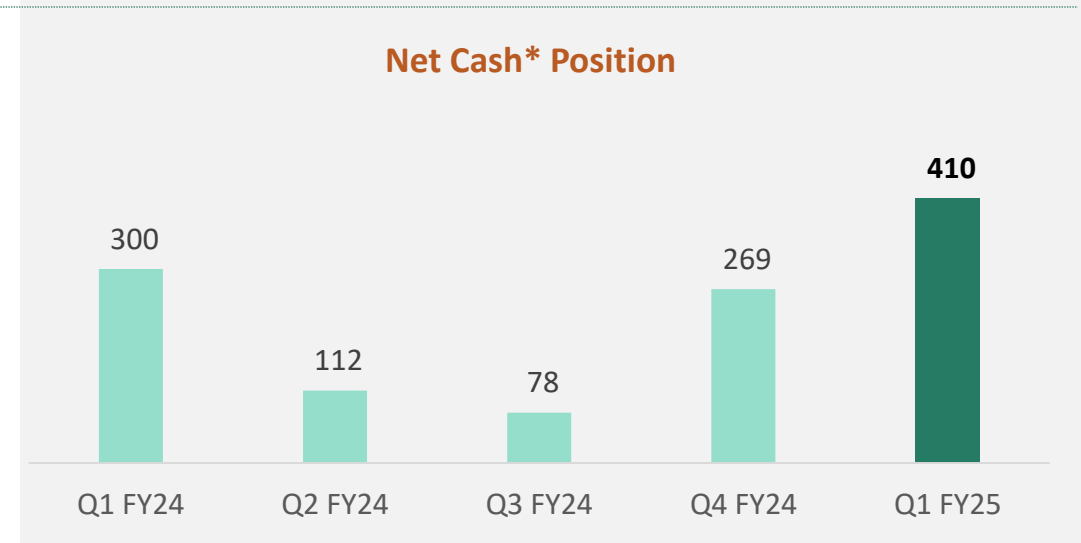
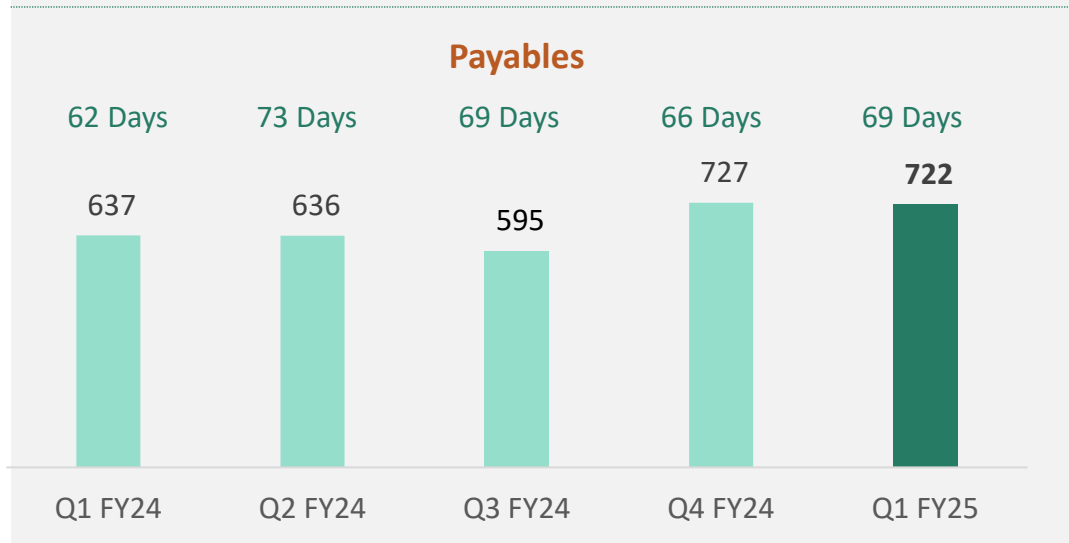
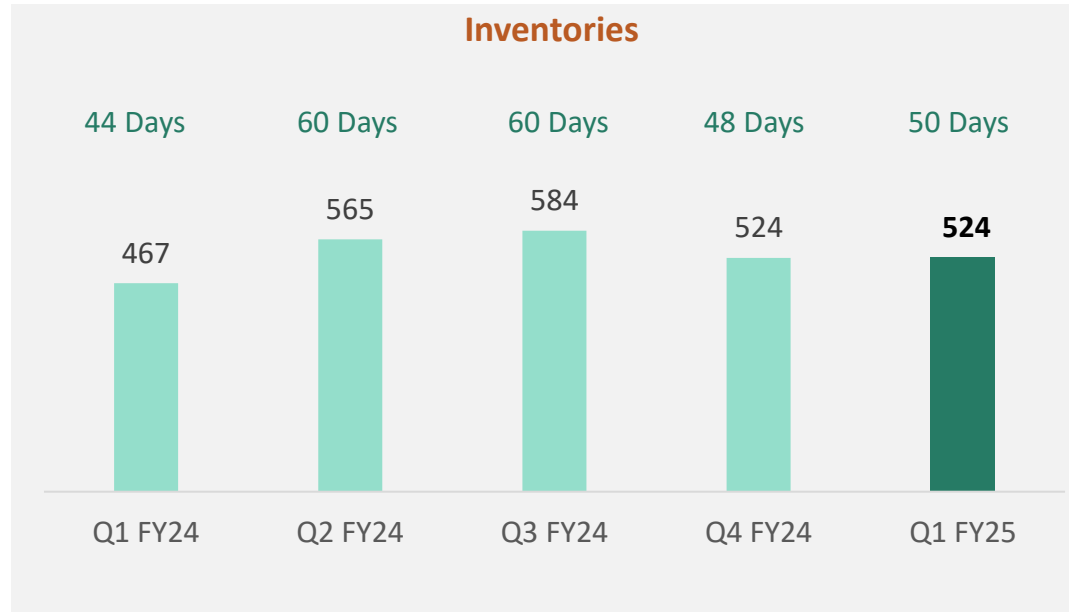
All amounts are in "₹ Crore"

Particulars	Q1 FY25	Q4 FY24	Q-o-Q	Q1 FY24	Y-o-Y
Net Sales	1,333.8	1,377.9	-3%	1,255.7	6%
Other Operating Income	9.2	13.7	-33%	9.0	1%
Revenue From Operations	1,342.9	1,391.7	-4%	1,264.7	6%
Raw Material	886.4	921.2	-4%	865.3	2%
Employee Costs	83.0	87.5	-5%	65.8	26%
Other Expenses	175.9	204.8	-14%	179.1	-2%
EBITDA*	197.7	178.2	11%	154.5	28%
EBITDA Margin % *	14.7%	12.8%	15%	12.2%	21%
Other Income	10.8	8.5	27%	7.0	55%
Depreciation	24.7	25.7	-4%	21.3	16%
Interest	2.7	2.9	-4%	1.4	102%
PBT	181.0	158.1	14%	138.8	30%
Tax	46.2	40.5	14%	35.5	30%
PAT	134.7	117.6	15%	103.2	30%
PAT Margin (%)	10.0%	8.5%	19%	8.2%	23%

*Numbers including provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. EBITDA margin for the current quarter excluding reversal for overdue receivable provision is 12.9%. For details, please refer 'Note to the Unaudited Financial Results' published on the stock exchanges.

STANDALONE WORKING CAPITAL AND NET CASH POSITION

All amounts are in “₹ Crore” Oil Engines



Notes :

- 1) No. of days has been calculated using average value and TTM (Trailing Three Months method).
- 2) *Net of debt; includes treasury investments and excludes unclaimed dividends.

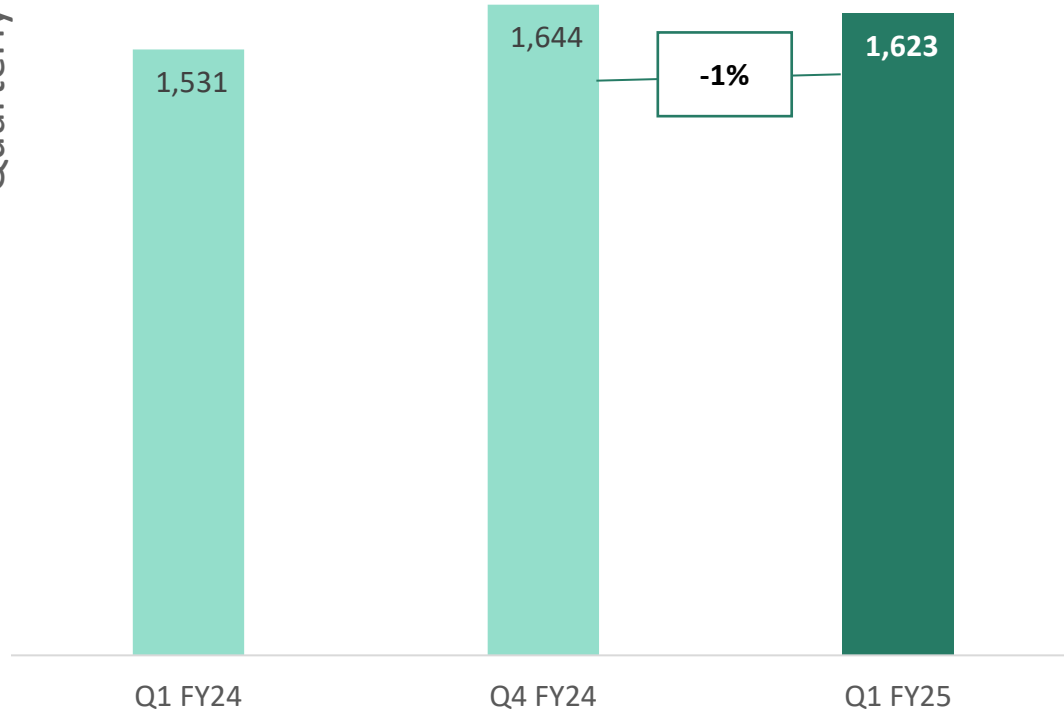


CONSOLIDATED – PERFORMANCE HIGHLIGHTS

Sales

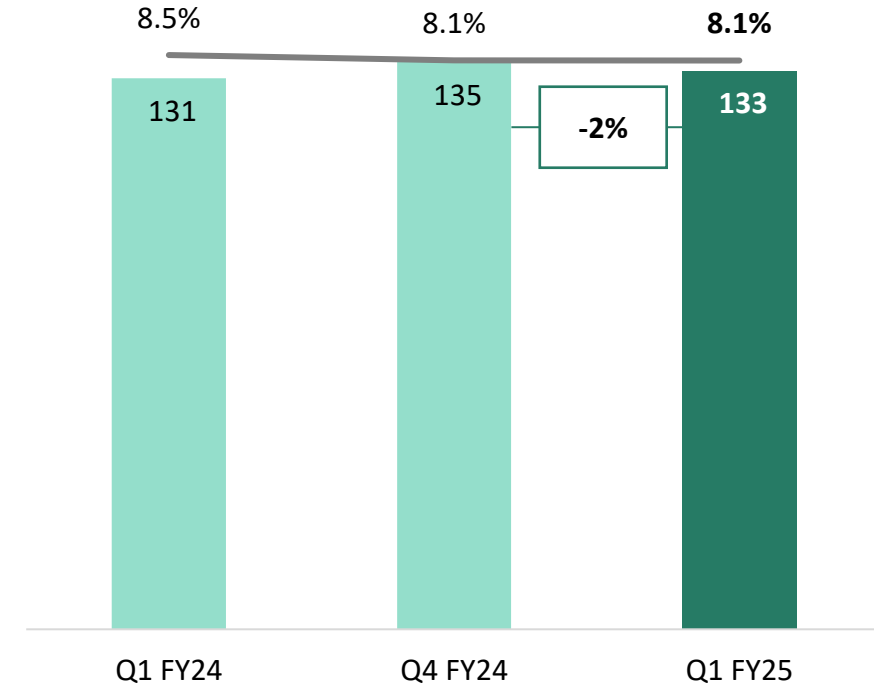
6%

Quarterly



PAT* & Margin*

1%



* Numbers excluding Exceptional items and provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. PAT margin for the current quarter including exceptional item and reversal for overdue receivable provision is 9.6%. For details, please refer 'Note to the Unaudited Financial Results' published on the stock exchanges.

- Numbers for the previous quarters have been regrouped wherever required to make them comparable with those of the current quarter.

CONSOLIDATED - PROFIT AND LOSS STATEMENT

All amounts are in “₹ Crore”

Particulars	Q1 FY25	Q4 FY24	Q-o-Q	Q1 FY24	Y-o-Y
Net Sales*	1,623.2	1,643.6	-1%	1,530.5	6%
Other Operating Income	12.4	16.4	-25%	12.9	-4%
Revenue From Operations	1,635.6	1,660.0	-1%	1,543.4	6%
Other Income	11.9	7.2	66%	6.1	95%
Total Income	1,647.4	1,667.2	-1%	1,549.5	6%
Raw Material	952.3	969.1	-2%	951.0	0%
Employee Costs	125.1	125.7	0%	89.4	40%
Other Expenses	235.1	262.5	-10%	236.5	-1%
Depreciation	30.3	31.1	-2%	26.8	13%
Interest	101.3	96.4	5%	76.5	32%
Share of profit/(loss) of joint venture accounted for using the equity method (net of tax)	0.7	0.4	97%	0.7	0%
PBT Before Exceptional Items	204.0	182.7	12%	170.0	20%
Exceptional Items** - (Expenses) / Income	7.42	15.6	-52%	-	100%
PBT	211.4	198.3	7%	170.0	24%
Tax	55.0	51.5	7%	44.5	24%
PAT[#]	156.5	146.8	7%	125.5	25%
PAT Margin (%)[#]	9.6%	8.8%	8%	8.1%	18%

*Net Sales includes revenue from financial services business.

** Exceptional items relates to financial services business i.e. (reversal)/provision recorded for the investment in alternative investment funds.

[#] Numbers including Exceptional items and provision/(reversal) for overdue receivables made for a customer towards sales made in previous year. PAT margin for the current quarter excluding exceptional item and reversal for overdue receivable provision is 8.1%.

SEGMENT RESULTS - CONSOLIDATED

All amounts are in "₹ Crore"

Particulars	Q1 FY25	Q4 FY24	QoQ	Q1 FY24	YoY
Segment Revenue					
B2B	1,155.6	1,221.2	24%	1,105.6	5%
B2C	316.8	276.3	7%	309.5	2%
Financial Services	163.1	162.5	11%	128.3	27%
Revenue From Operations	1,635.6	1,660.0	19%	1,543.4	6%
Segment Results[#]					
B2B	157.3	146.5	38%	132.4	19%
B2C	26.7	14.4	17%	17.4	53%
Financial Services ^{##}	19.1	22.2	-40%	21.5	-11%
Unallocated	5.3	3.7	492%	1.6	223%
Total	208.3	186.8	20%	172.9	21%
Less:					
Finance Costs*	4.3	4.1	21%	2.9	51%
Exceptional items** (Income)/Expense	(7.4)	(15.6)	-151%	-	-100%
Profit Before Tax	211.4	198.3	63%	170.0	24%

[#] Profit/(Loss) before tax and interest from each segment

^{##} Profit/(Loss) before tax and after interest.

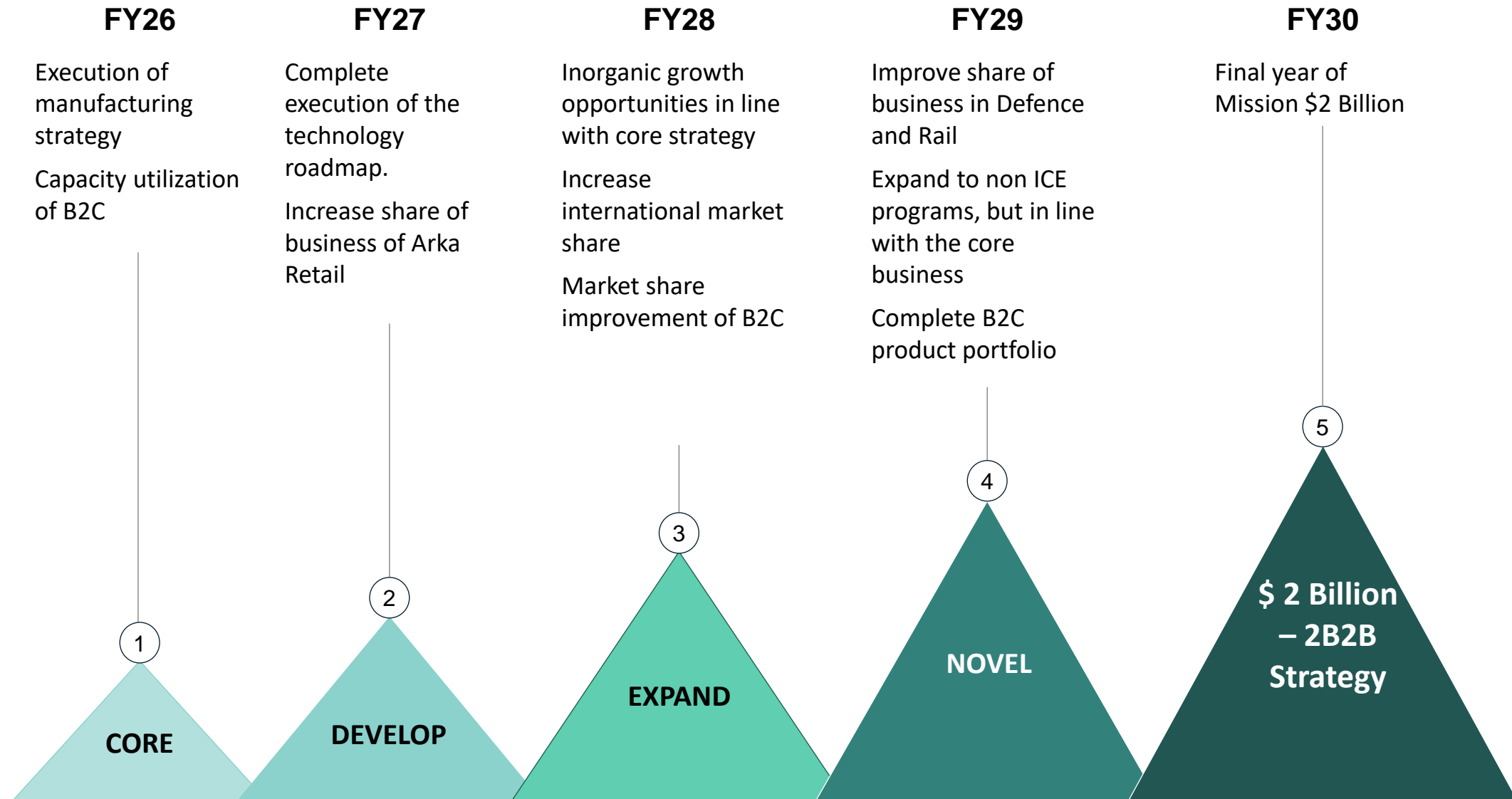
* Other than the interest pertaining to the "Financial Services" segment.

** Exceptional items relates to financial services business i.e. provision/(reversal) for the investment in alternative investment funds on account of regulatory change.

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- **LONG TERM STRATEGY**

2B2B Strategy - The Ambition: Grow the Kirloskar Oil Engines business to \$2 Billion in the next 5 years at a consolidated level



For Further Information Please Contact:

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