

Earnings Call Presentation Q2 FY25
13th November 2024



GROWTH

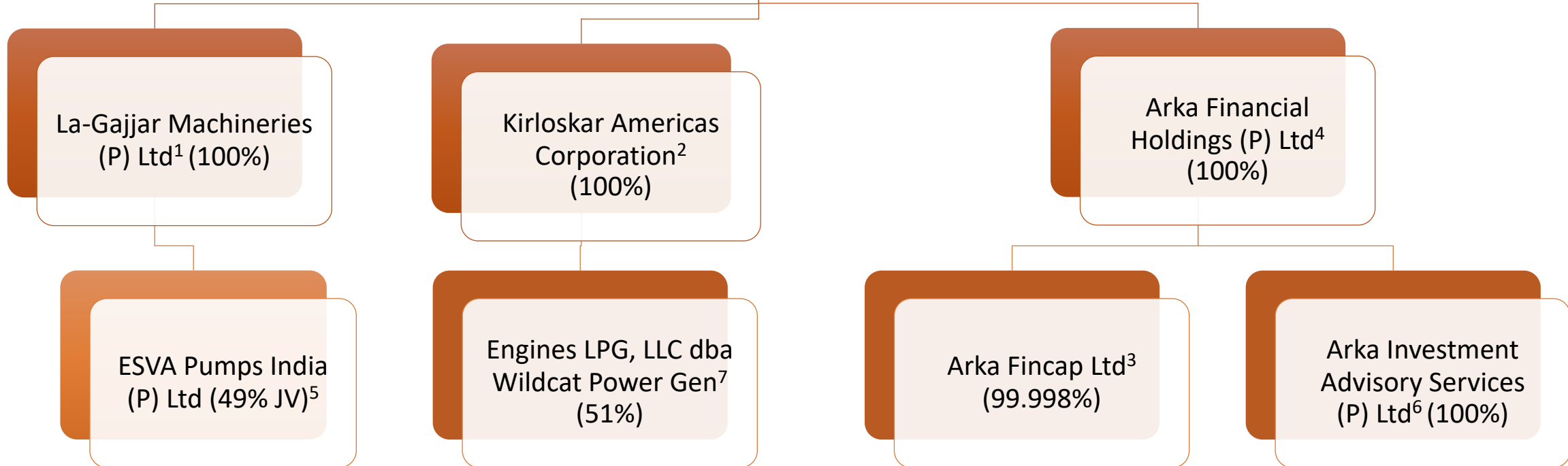
From Innovation to Impact

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.

The presentation has been prepared by the Company based on the information and data which the Company considers reliable, but the Company makes no representation or warranty, expressed or implied, whatsoever, and no reliance shall be placed on the truth, accuracy, completeness, fairness, and reasonableness of the contents of this presentation. This presentation may not be all inclusive and may not contain all the information that you may consider material. Any liability in respect of the contents of, or any omission from, this presentation is expressly excluded.

This presentation has been prepared solely for information purposes and do not constitute any offer, recommendation, or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract binding commitment whatsoever. No offering of the securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.



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 till 28th September 2024 (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.



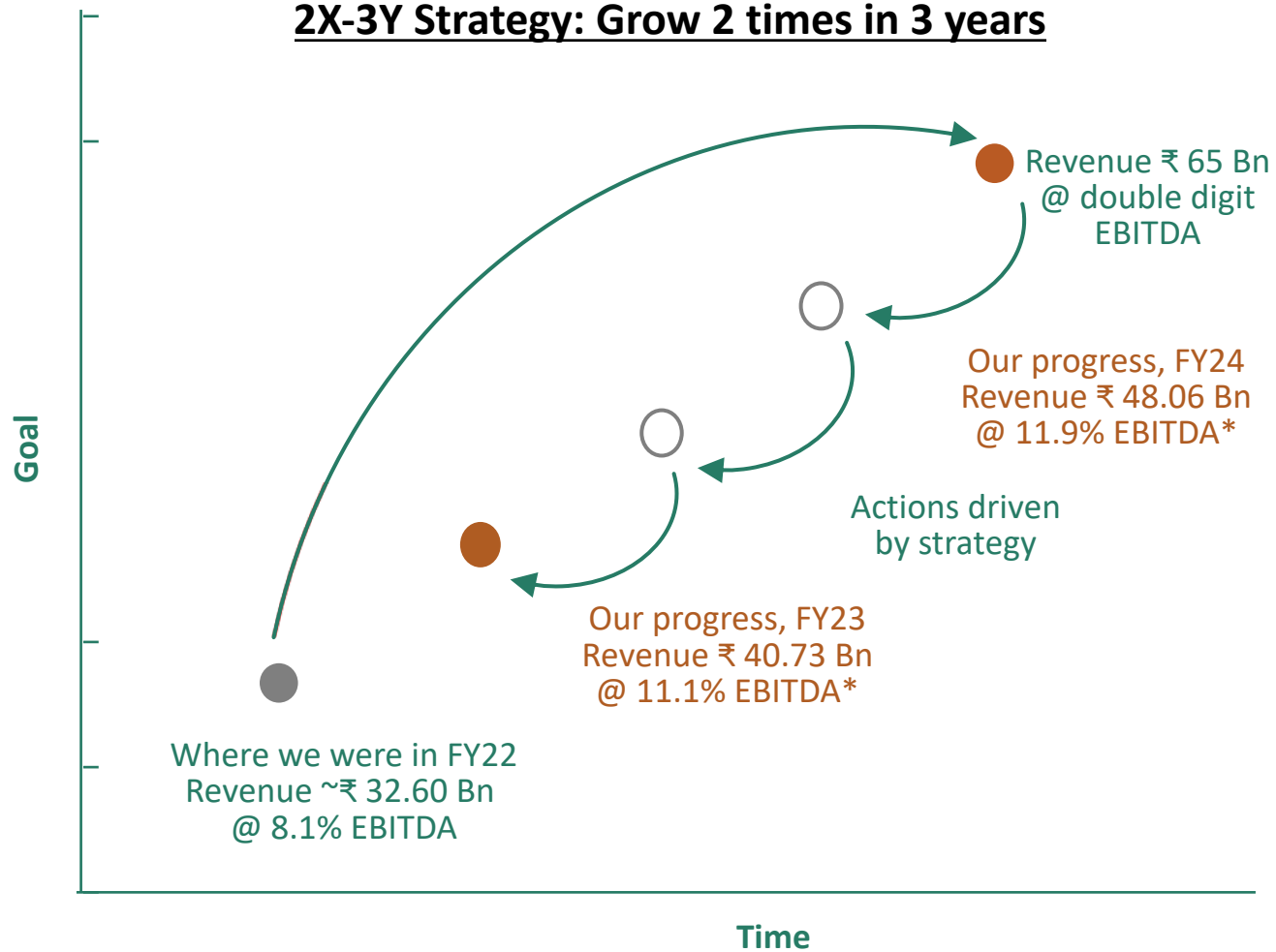
CONTENT

- **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.

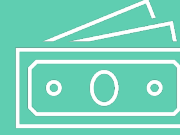


WE ARE PROGRESSING WELL – H1 FY25



9.3%

Top line growth (H1 YOY)



₹ 2,518 Cr

Revenue (H1 FY25)



12.7%

EBITDA # Margin (H1 FY25)



8.5%

PAT # growth (H1 YOY)



₹ ~213 Cr

Strong net cash* position



18.3%

EBITDA # growth (H1 YOY)



9

Consecutive quarters of over ₹ 1,000 Cr revenue from operations

* 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 half year including reversal for overdue receivable provision is 14.3%. 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

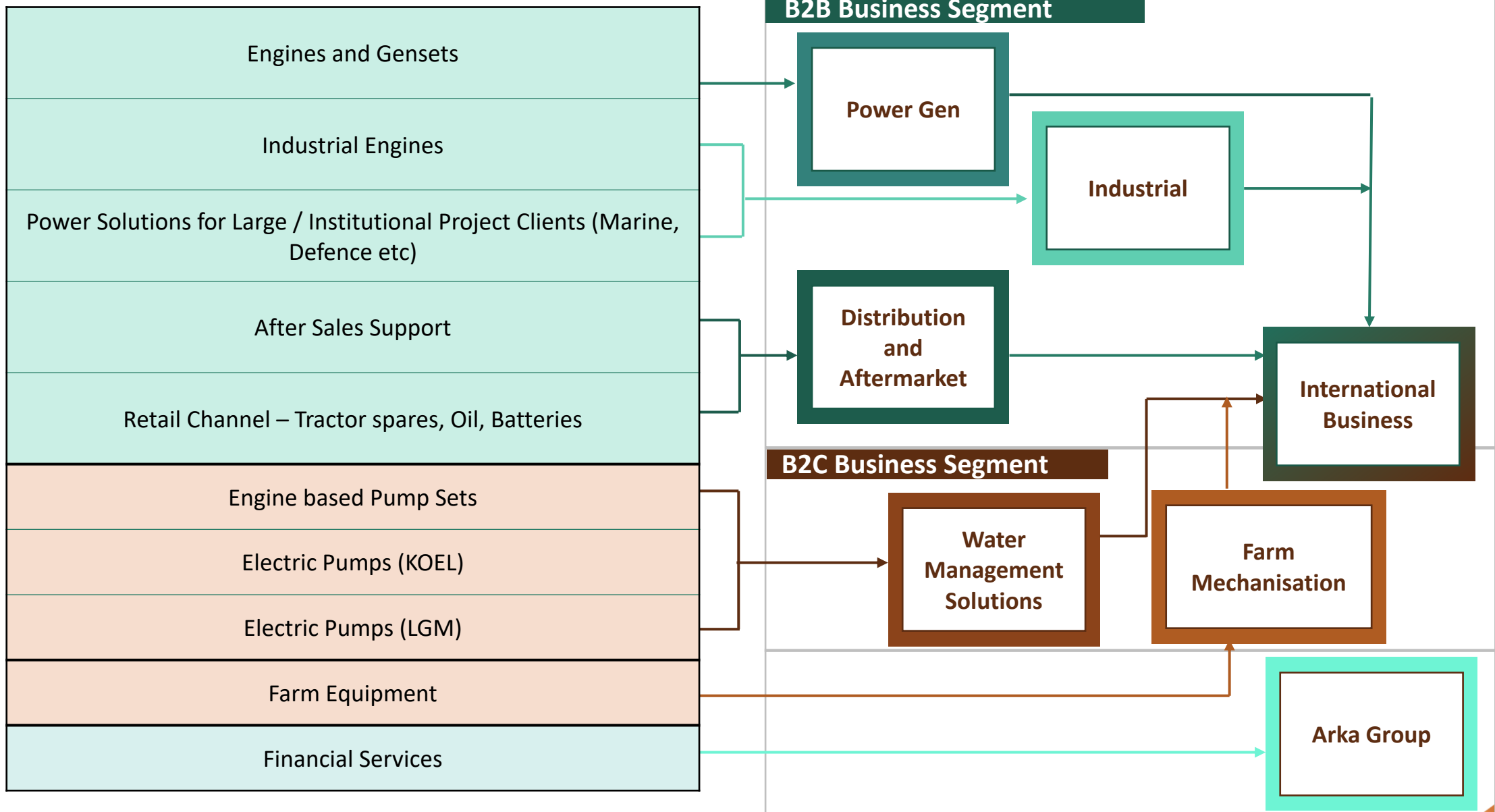
Employer
of Choice



CONTENT

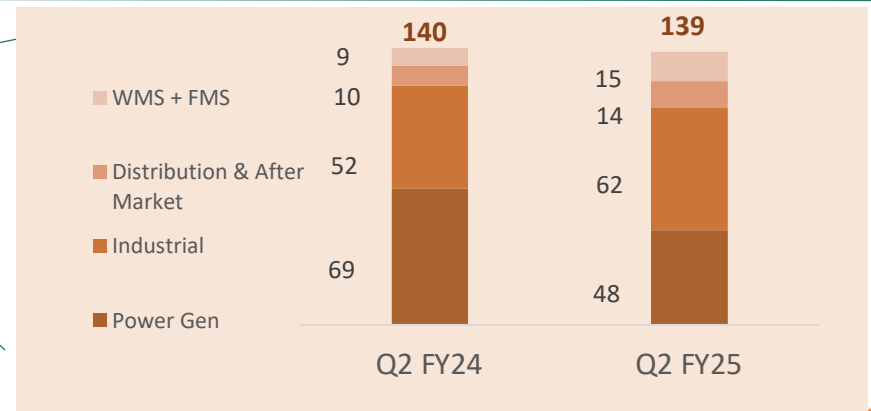
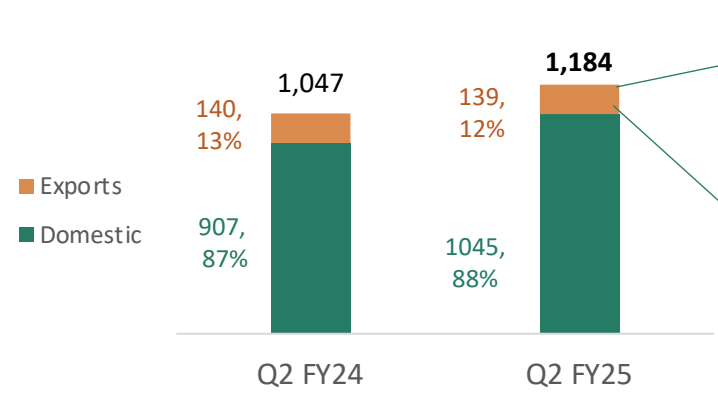
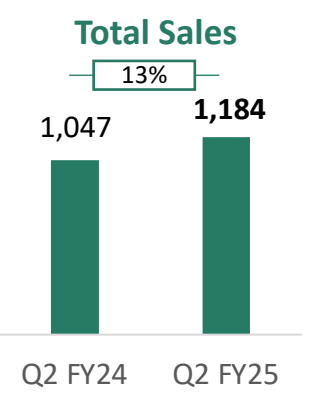
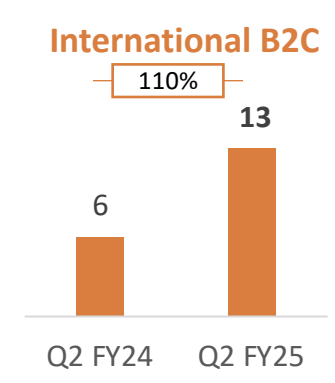
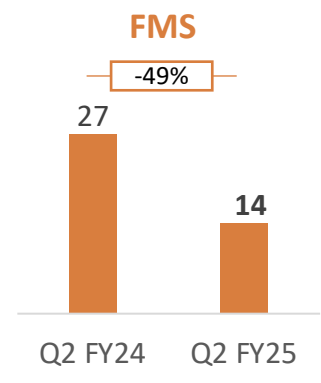
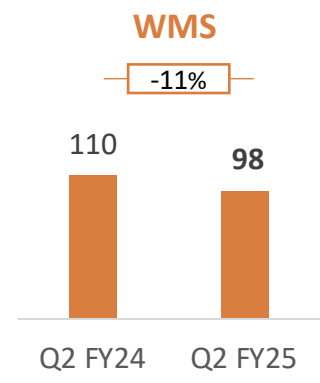
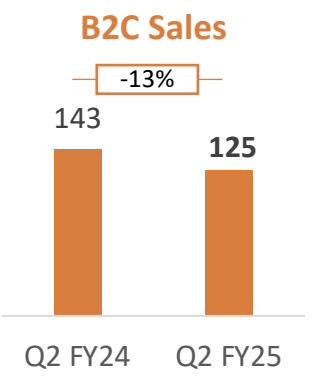
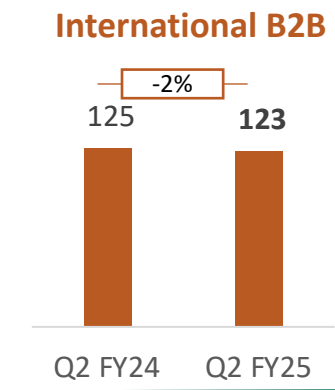
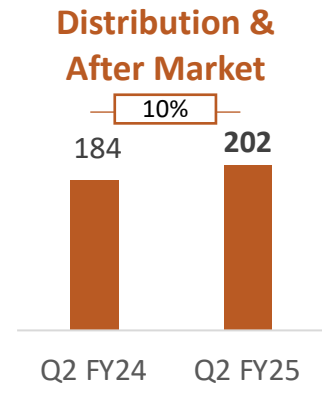
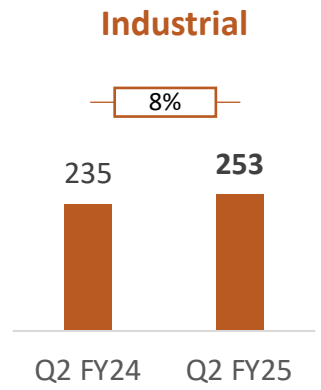
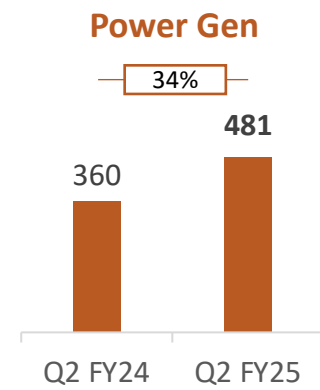
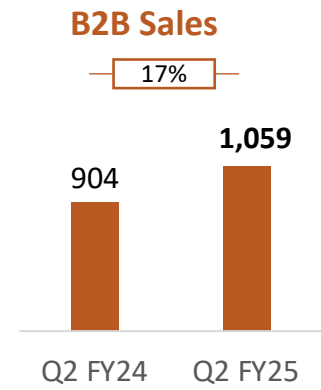
- STRATEGY
- **BUSINESS OVERVIEW**
 - STANDALONE
 - SALES HIGHLIGHTS
 - CONSOLIDATED
 - SEGMENT OVERVIEW
- FINANCIAL OVERVIEW
- LONG TERM STRATEGY

Products to Business Segments...



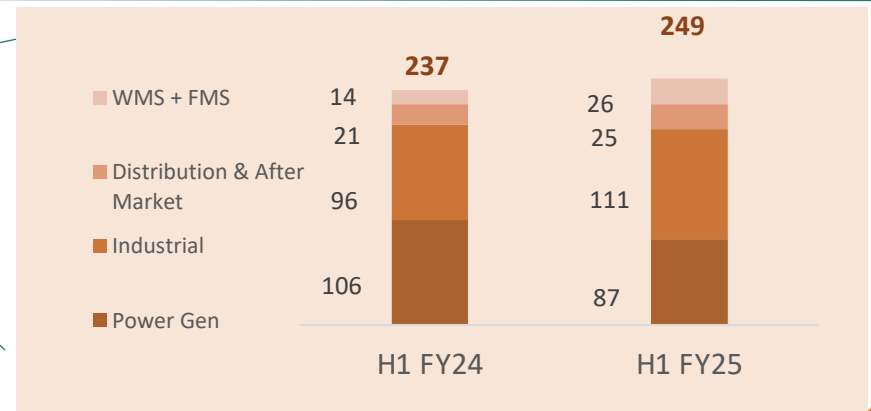
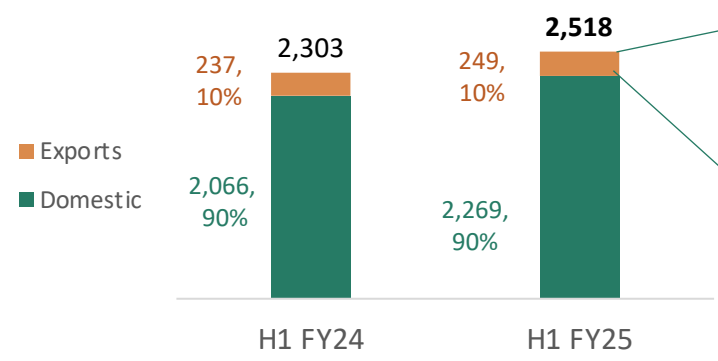
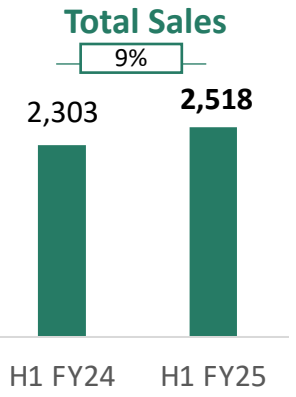
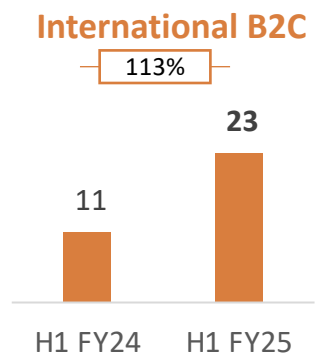
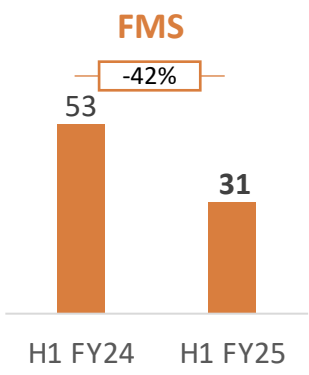
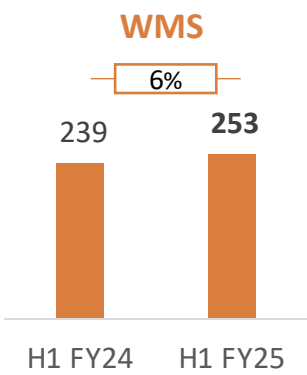
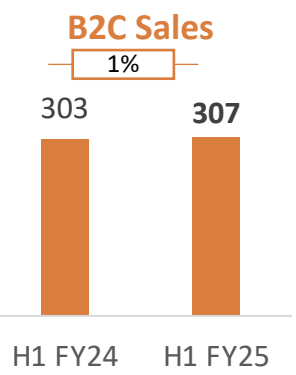
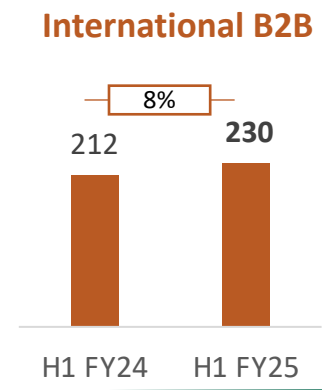
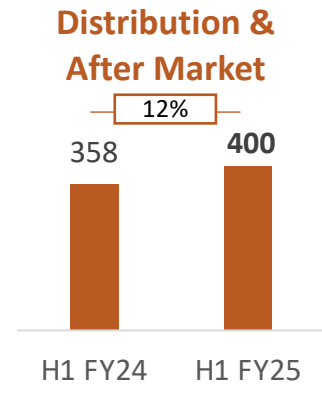
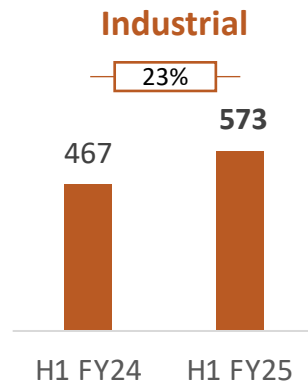
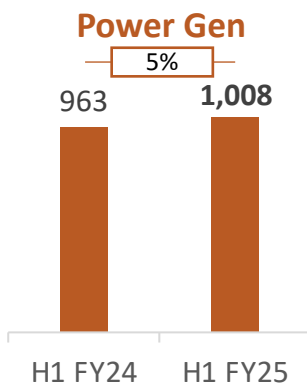
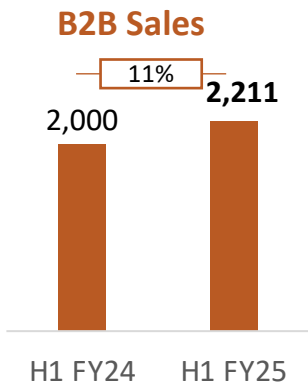
STANDALONE SALES HIGHLIGHTS – Q2 FY25 YoY

KOEL- Earnings Call – Q2 FY25 – Standalone Business Overview



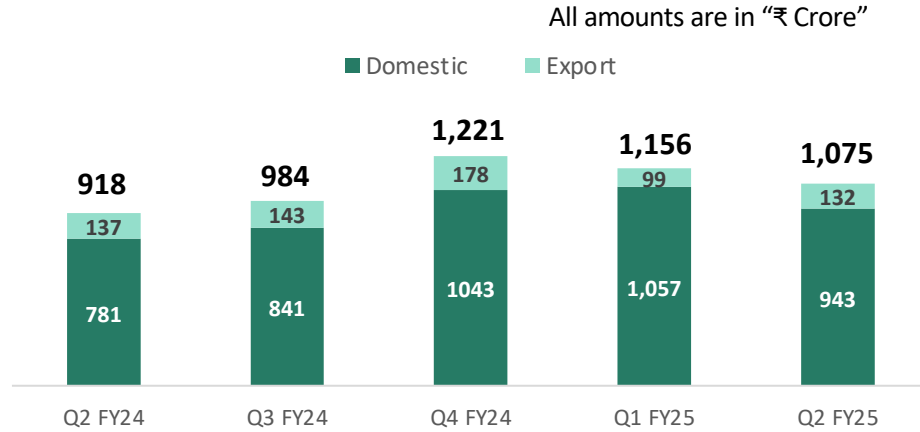
STANDALONE SALES HIGHLIGHTS – H1 FY25 YoY

KOEL- Earnings Call – Q2 FY25 – Standalone Business Overview



CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2B

Segment Revenue Trend



Performance Updates

- Highest ever Second Quarter (1,075 Cr with 17% growth v PY) and H1 Revenue (2,231 Cr with 10% growth v PY)
- On YTD basis, all business delivered growth v PY; Industrial and Distribution & After Market delivered double digit growth

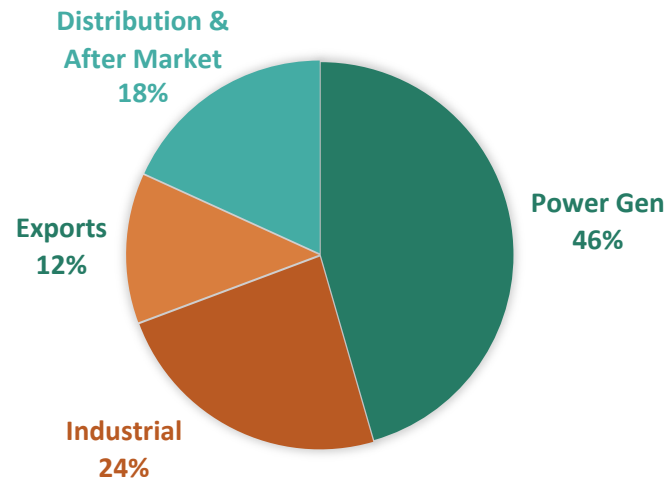
Domestic:

- Power Generation: First quarter post CPCB IV+ transition. Market will take 2-3 quarters to stabilize across the nodes
- Industrial: Continued strong demand from construction and infrastructure sectors. BS V program on track. Order board continues to be strong

International:

- Strong growth for our industrial & fire fighting products
- Powergen products facing slowdown due to changing power scenarios in key markets like South Africa

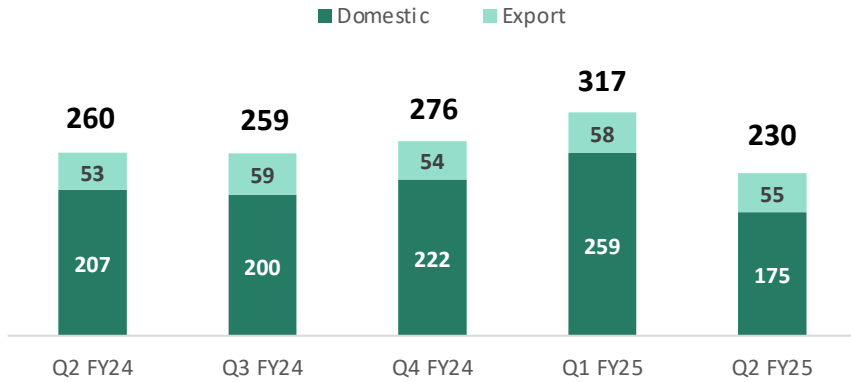
Segment Revenue Composition For Current Quarter



CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2C

Segment Revenue Trend

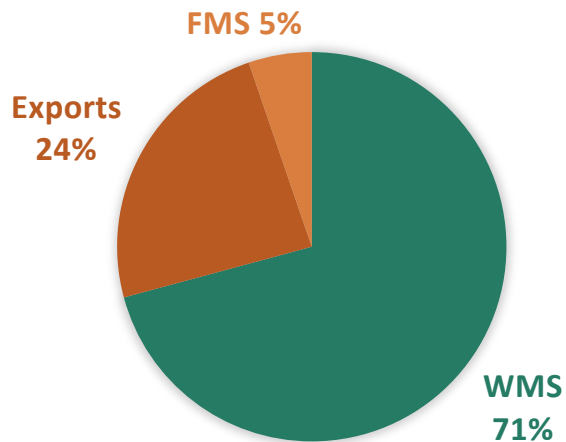
All amounts are in “₹ Crore”



Performance Updates

- Overall B2C sales registered degrowth due to production lag due to planned plant transition
- LGM, inaugurated its new plant on September 12th . Five existing manufacturing units were consolidated into a single, state-of-art facility at Sanand

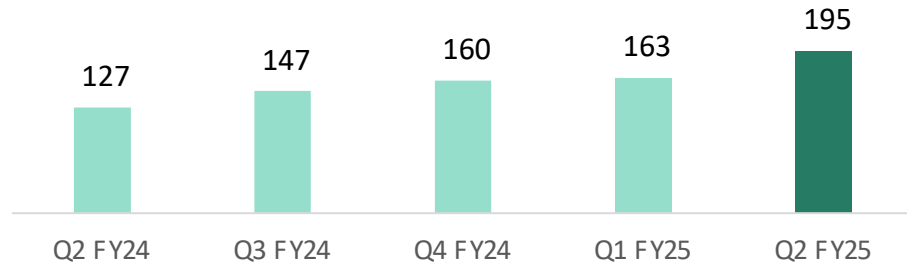
Segment Revenue Composition For Current Quarter



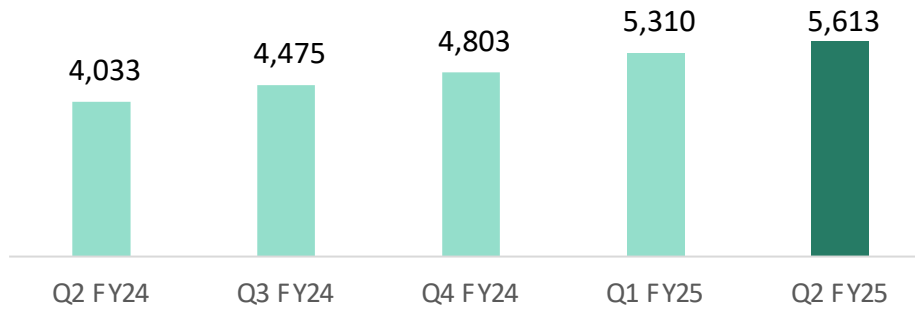
CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

Segment Revenue Trend

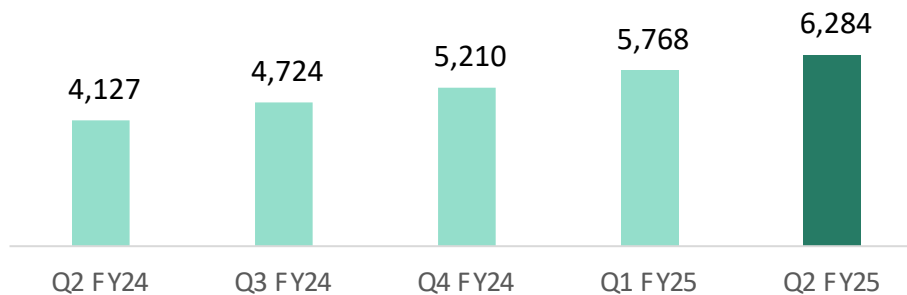
All amounts are in “₹ Crore”



Loan Book Trend



AUM* Trend



Performance Updates

- KOEL’s total investment in AFHPL as on 30th Sep 24 stood at 1,053 Cr[#]
- AFHPL revenue from operations stood at 195 Cr in Q2 FY25; a growth of 54% YoY
- AFHPL PAT** stood at 29 Cr in Q2 FY25; growth of 58% YoY
- Total Debt as on 30th Sep 24 stood at 5,103 Cr
- Debt to Equity Ratio:
 - 30th Sep 24 - 4.1
 - 30th Jun 24 - 3.5
 - 31st Mar 24 - 3.3
 - 31st Dec 23 - 3.3
 - 30th Sep 23 - 2.8
- Total AUM* as on 30th Sep 24 at Rs. 6,284 Cr

*Excludes treasury assets and includes off balance sheet loan book

** Above PAT is after including remaining provision reversal of Rs. 8 Cr (total provision made in Q3 FY 2024 was Rs. 30 Cr for investment in ARKA’s Alternate Investment Fund, due to regulatory changes announced in Dec 2023 and subsequent amendment in March 2024).

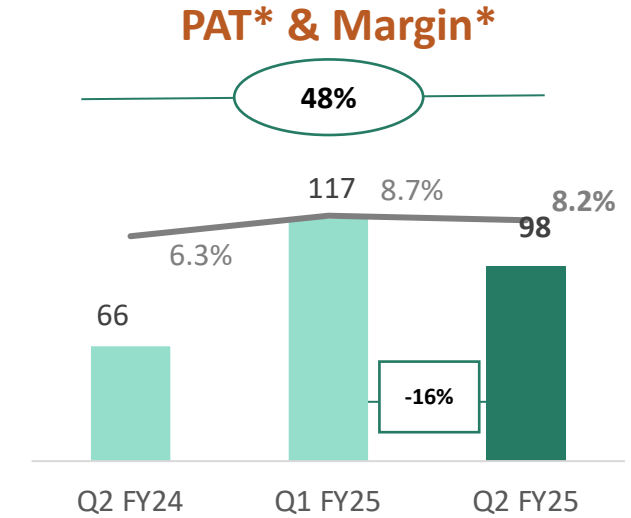
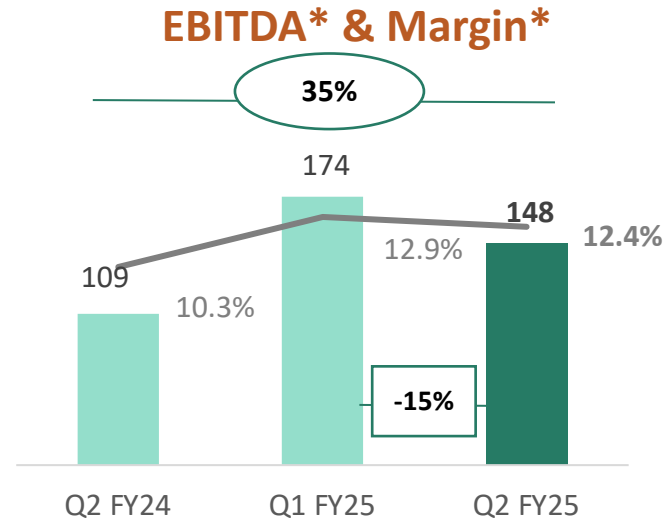
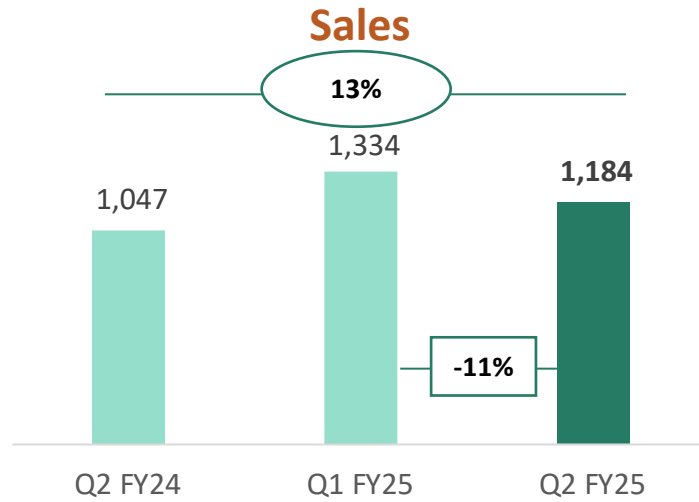
Includes profit of 53 Cr on holding structure change.

- 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

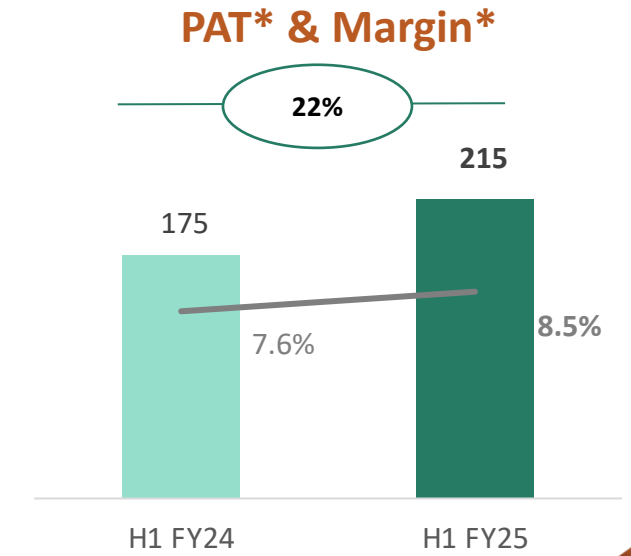
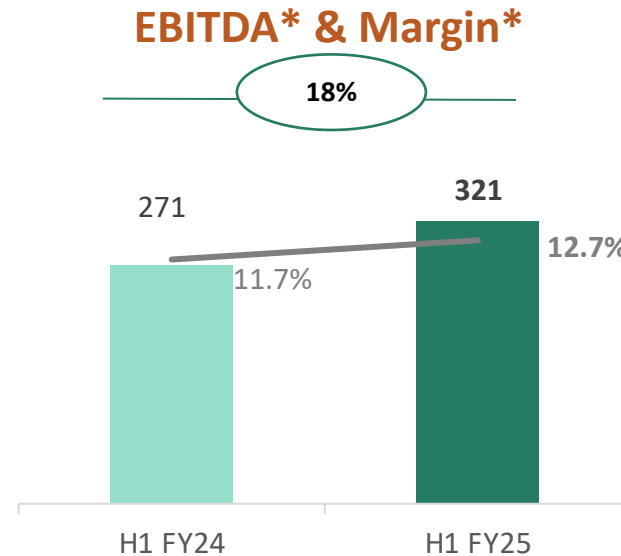
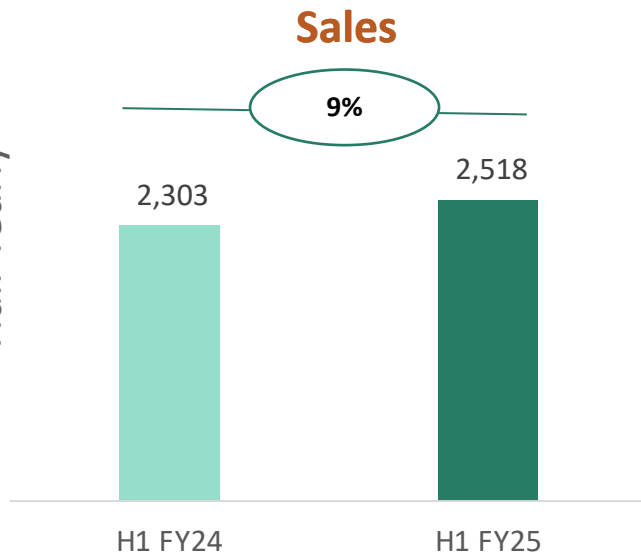
STANDALONE – PERFORMANCE HIGHLIGHTS

All amounts are in “₹ Crore” Oil Engines

Quarterly



Half Yearly



*Numbers excluding provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. EBITDA margin for the current quarter and half year including reversal for overdue receivable provision is 13.8% and 14.3% respectively. For details, please refer 'Note to the Unaudited Financial Results' published on the stock exchanges
 - Numbers for the previous periods have been regrouped wherever required to make them comparable with those of the current periods.



STANDALONE - PROFIT AND LOSS STATEMENT

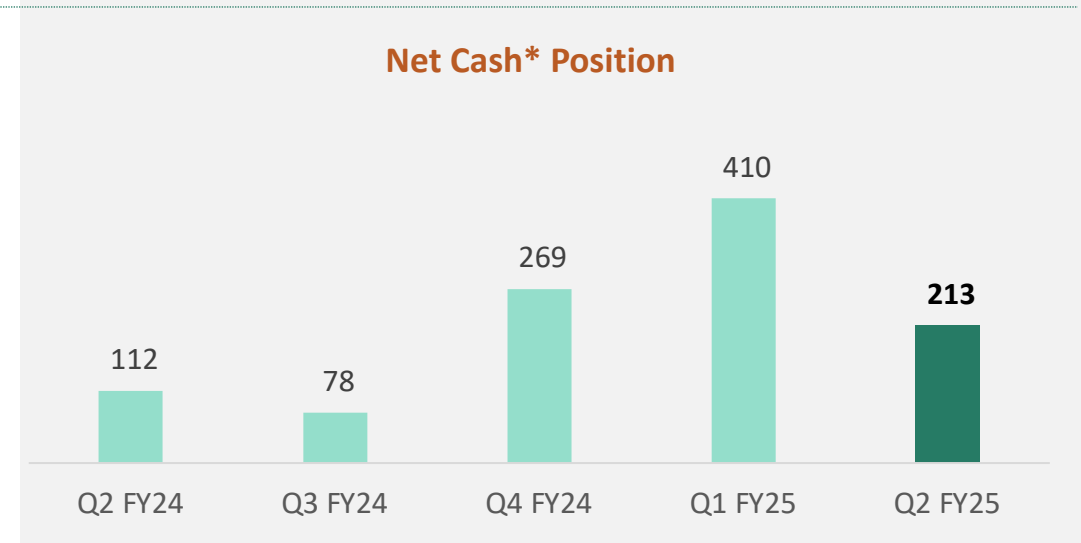
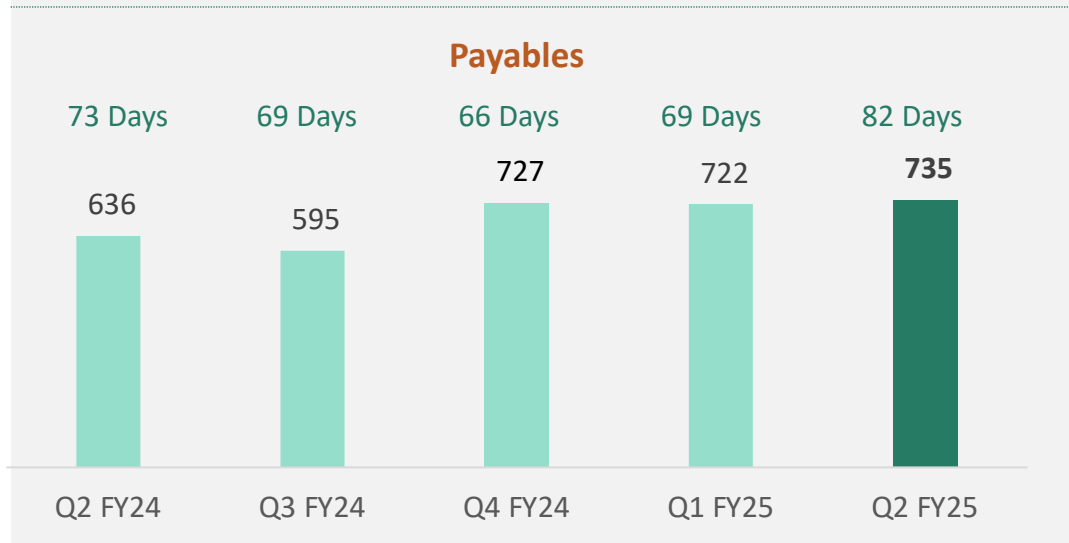
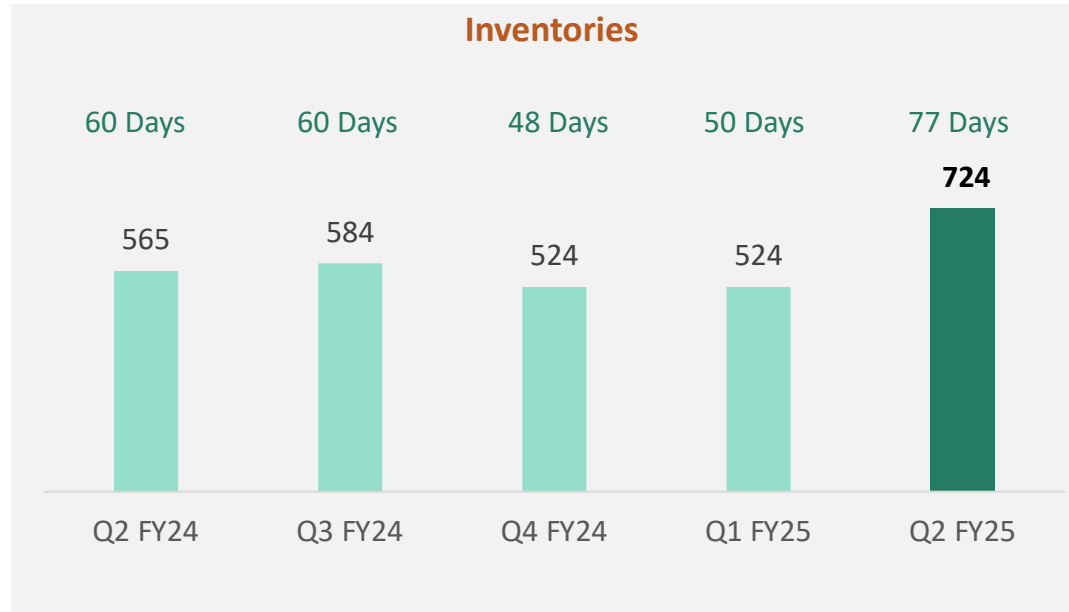
All amounts are in "₹ Crore"

Particulars	Q2 FY25	Q1 FY25	Q-o-Q	Q2 FY24	Y-o-Y	H1 FY25	H1 FY24	Y-o-Y
Net Sales	1,184.1	1,333.8	-11%	1047.3	13%	2,517.8	2,303.0	9%
Other Operating Income	10.3	9.2	12%	11.7	-12%	19.5	20.7	-6%
Revenue From Operations	1,194.4	1,342.9	-11%	1059.0	13%	2,537.3	2,323.7	9%
Raw Material	754.4	886.4	-15%	708.1	7%	1,640.8	1,573.5	4%
Employee Costs	92.1	83.0	11%	74.4	24%	175.1	140.2	25%
Other Expenses	182.8	175.9	4%	177.8	3%	358.7	357.0	0%
EBITDA *	165.0	197.7	-17%	98.6	67%	362.6	253.1	43%
EBITDA Margin % *	13.8%	14.7%	-6%	9.3%	48%	14.3%	10.9%	31%
Other Income	11.8	10.8	9%	6.4	84%	22.5	13.3	69%
Depreciation	26.6	24.7	7%	24.3	9%	51.3	45.6	12%
Interest	2.6	2.7	-4%	1.6	63%	5.3	3.0	81%
PBT	147.6	181.0	-18%	79.1	87%	328.5	217.8	51%
Tax	36.5	46.2	-21%	20.5	78%	82.7	56.0	48%
PAT	111.1	134.7	-18%	58.6	90%	245.8	161.8	52%
PAT Margin (%)	9.3%	10.0%	-7%	5.5%	68%	9.7%	7.0%	39%

*Numbers including provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. EBITDA margin for the current quarter and half year excluding reversal for overdue receivable provision is 12.4% and 12.7% respectively. 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 :

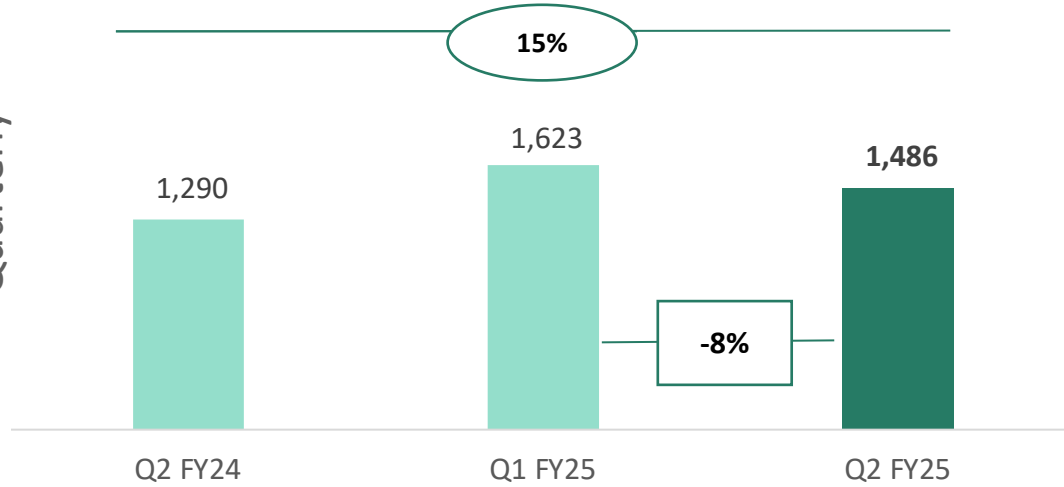
- 1) No. of days has been calculated using average value and TTM (Trailing Three Months method).
- 2) *Net of debt; includes treasury investments and excludes unclaimed dividends.



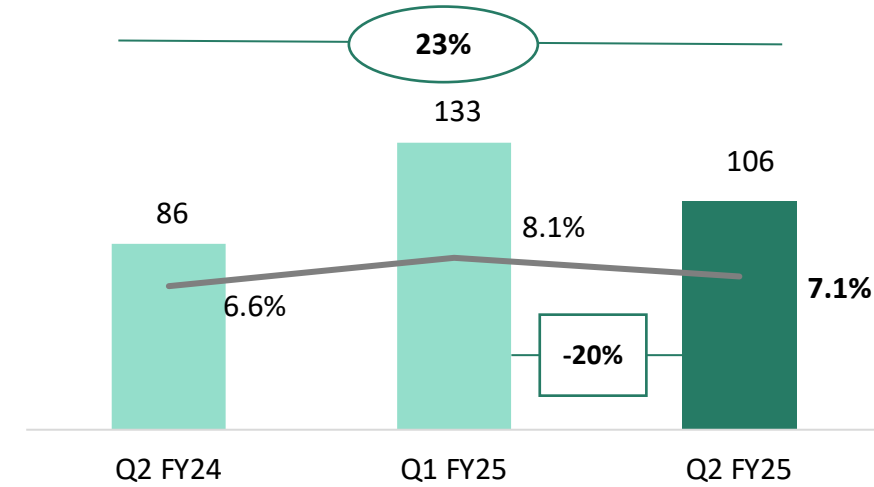
CONSOLIDATED – PERFORMANCE HIGHLIGHTS

Sales

Quarterly

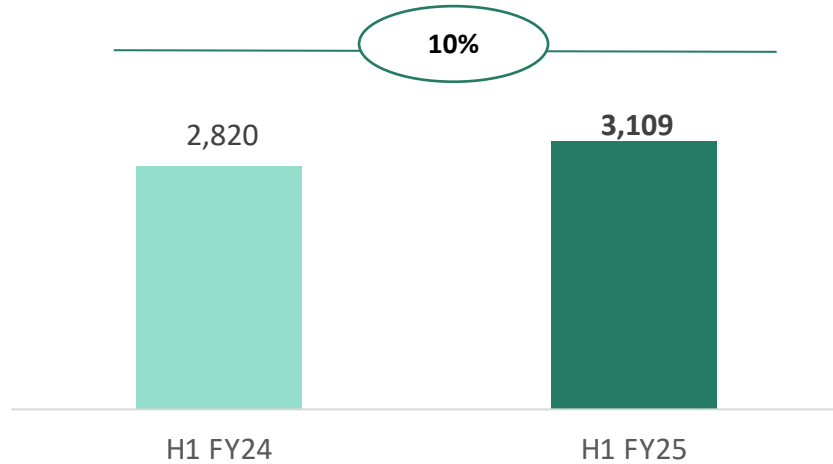


PAT* & Margin*

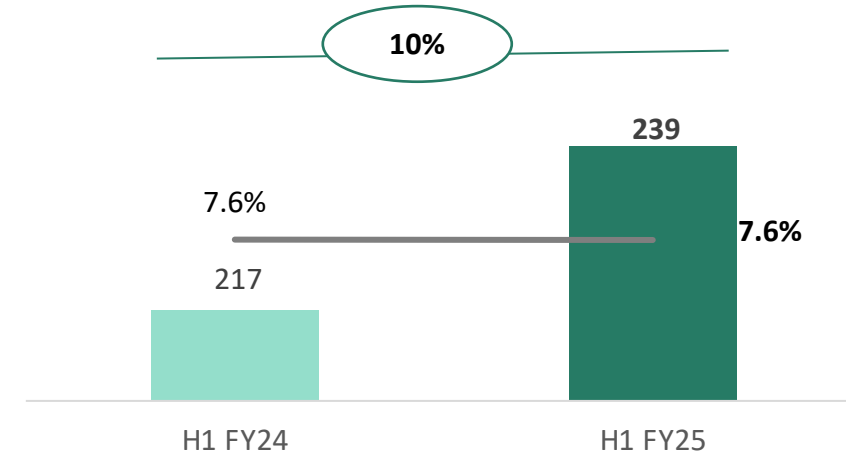


Sales

Half Yearly



PAT* & Margin*



*Numbers excluding provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. PAT margin for the current quarter and half year including reversal for overdue receivable provision is 8.3% and 9.0% respectively. For details, please refer 'Note to the Unaudited Financial Results' published on the stock exchanges

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

CONSOLIDATED - PROFIT AND LOSS STATEMENT

Particulars	Q2 FY25	Q1 FY25	Q-o-Q	Q2 FY24	Y-o-Y	H1 FY25	H1 FY24	Y-o-Y
Net Sales*	1,486.3	1,623.2	-8%	1,289.7	15%	3,109.4	2,820.2	10%
Other Operating Income	14.0	12.4	14%	15.1	-7%	26.5	28.0	-6%
Revenue From Operations	1,500.3	1,635.6	-8%	1,304.8	15%	3,135.9	2,848.2	10%
Other Income	15.8	11.9	32%	7.8	101%	27.6	13.9	98%
Total Income	1,516.1	1,647.4	-8%	1,312.7	15%	3,163.5	2,862.1	11%
Raw Material	823.5	952.3	-14%	772.4	7%	1,775.9	1,723.4	3%
Employee Costs	136.6	124.9	9%	103.5	32%	261.6	193.2	35%
Other Expenses	246.9	235.3	5%	227.1	9%	482.2	463.2	4%
Depreciation	32.9	30.3	9%	29.9	10%	63.3	56.7	12%
Interest	117.6	101.3	16%	74.1	59%	218.9	150.6	45%
Share of net profit/(loss) of joint venture accounted for using the equity method (net of tax)	0.0	0.7	-94%	(0.4)	-111%	0.7	0.3	135%
PBT Before Exceptional Items	158.5	204.0	-22%	105.3	50%	362.5	275.3	32%
Exceptional Items** - (Expenses) / Income	7.87	7.42	6%	-	-	15.3	-	-
PBT#	166.3	211.4	-21%	105.3	58%	377.8	275.3	37%
Tax	41.4	55.0	-25%	27.4	51%	96.4	71.8	34%
PAT#	124.9	156.5	-20%	78.0	60%	281.4	203.5	38%
PAT Margin (%) #	8.3%	9.6%	-13%	6.0%	39.4%	9.0%	7.1%	26%

*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 and half year excluding exceptional item and reversal for overdue receivable provision is 7.1% and 7.6% respectively.

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

SEGMENT RESULTS - CONSOLIDATED

All amounts are in "₹ Crore"

Particulars	Q2FY25	Q1FY25	QoQ	Q2 FY24	YoY	H1 FY25	H1 FY24	YoY
Segment Revenue								
B2B	1,075.3	1,155.6	-7%	917.6	17%	2,230.9	2,023.2	10%
B2C	230.0	316.8	-27%	260.4	-12%	546.8	569.9	-4%
Financial Services	195.1	163.1	20%	126.8	54%	358.2	255.1	40%
Revenue From Operations	1,500.3	1,635.6	-8%	1,304.8	15%	3,135.9	2,848.2	10%
Segment Results[#]								
B2B	133.7	157.3	-15%	75.5	77%	291.1	207.9	40%
B2C	(5.9)	26.7	-122%	6.3	-193%	20.8	23.7	-12%
Financial Services ^{##}	30.7	19.1	61%	25.1	22%	49.7	46.5	7%
Unallocated	5.5	5.3		1.4		10.8	3.1	
Total	164.0	208.3	-21%	108.4	51%	372.3	281.3	32%
Less:								
Finance Costs*	5.5	4.3	27%	3.0	81%	9.9	5.9	66%
Exceptional Items**	(7.9)	(7.4)	6%	-	-	(15.3)	-	-
Profit Before Tax	166.3	211.4	-21%	105.3	58%	377.8	275.3	37%

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

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

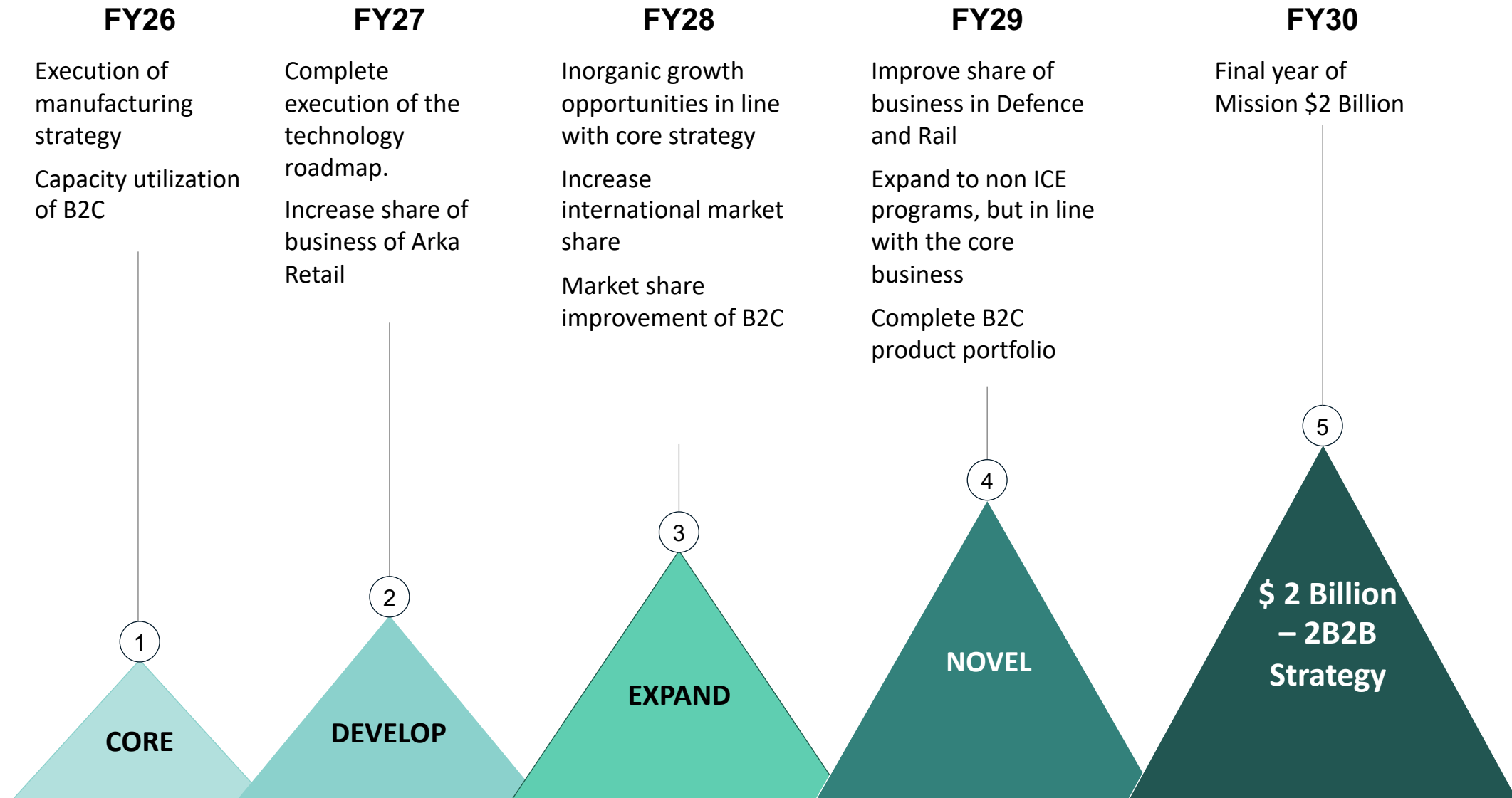
* Other than the interest pertaining to the "Financial Services" segment.

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

CONTENT

- STRATEGY
- BUSINESS OVERVIEW
- FINANCIAL OVERVIEW
- **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:

KOEL Company Secretary

Ms. Farah Irani

Tel: (020) 25810341(Extn- 4461)

Email: farah.irani@kirloskar.com

Group Investor Relations

Ms. Mayura Bhusari

Tel: (020) 67060374

Email: mayura.bhusari@kirloskar.com