

Earnings Call Presentation Q3 FY25
12th February 2025



GROWTH

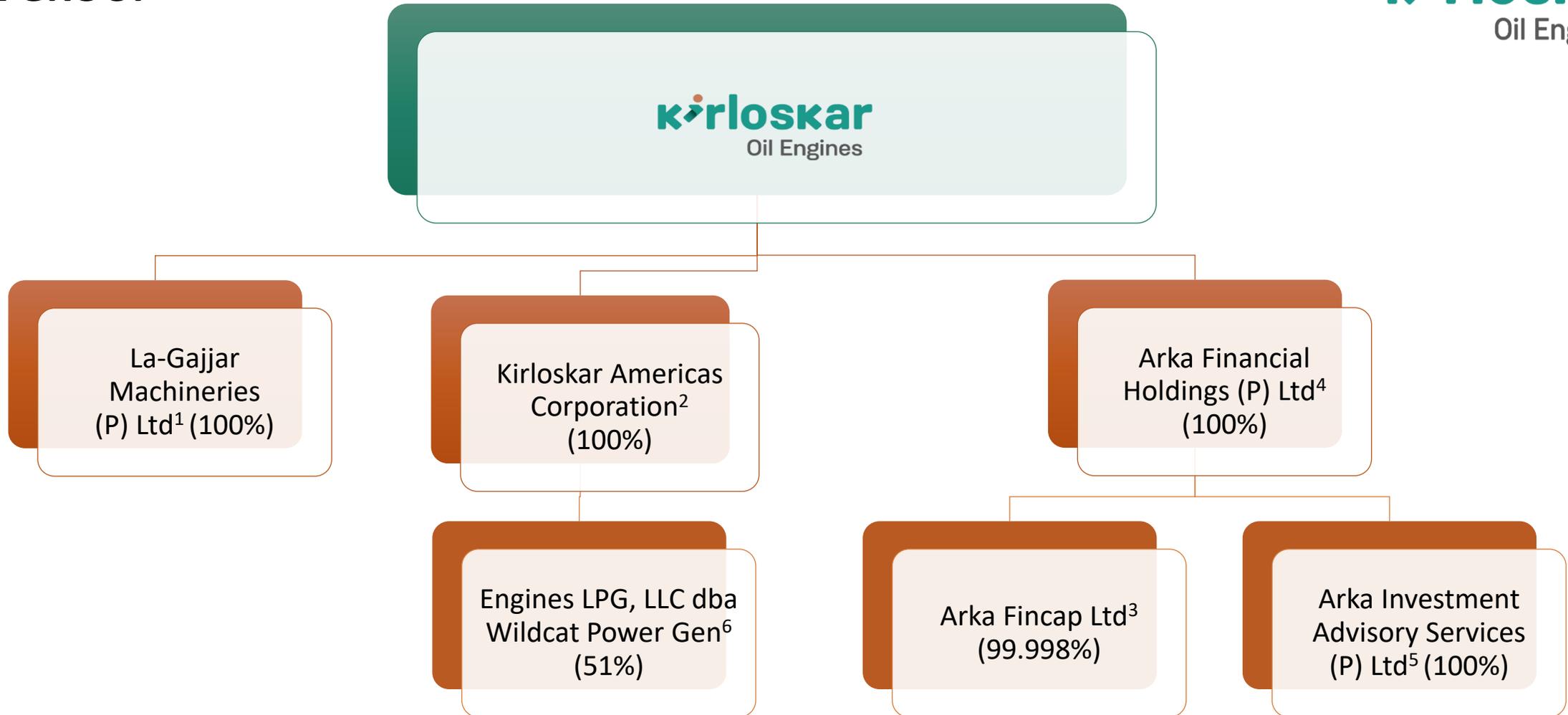
From Innovation to Impact

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1 76% with effect from 1st August 2017 and 100% with effect from 26th September 2022. Includes share of profit of ESVA Pumps India (P) Ltd (49% JV) upto 28th September 2024 [Optiqua Pipes and Electricals Private Limited 's (OPEPL) share of interest in joint venture was transferred to LGM w.e.f. 26th March 2024 on account of amalgamation of OPEPL with LGM].

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 30th March 2022.

6 with effect from 29th November 2023.

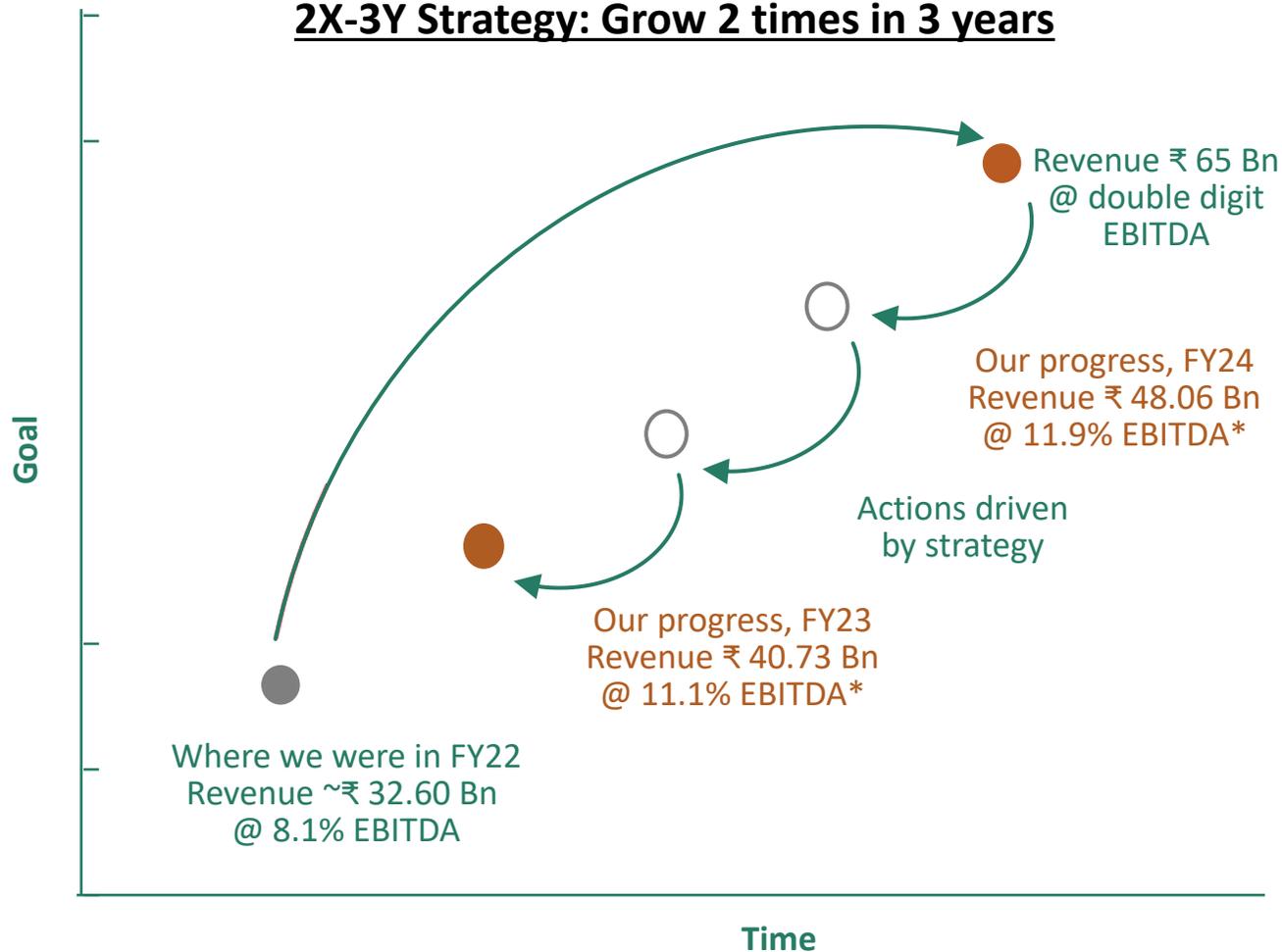
CONTENT

- **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



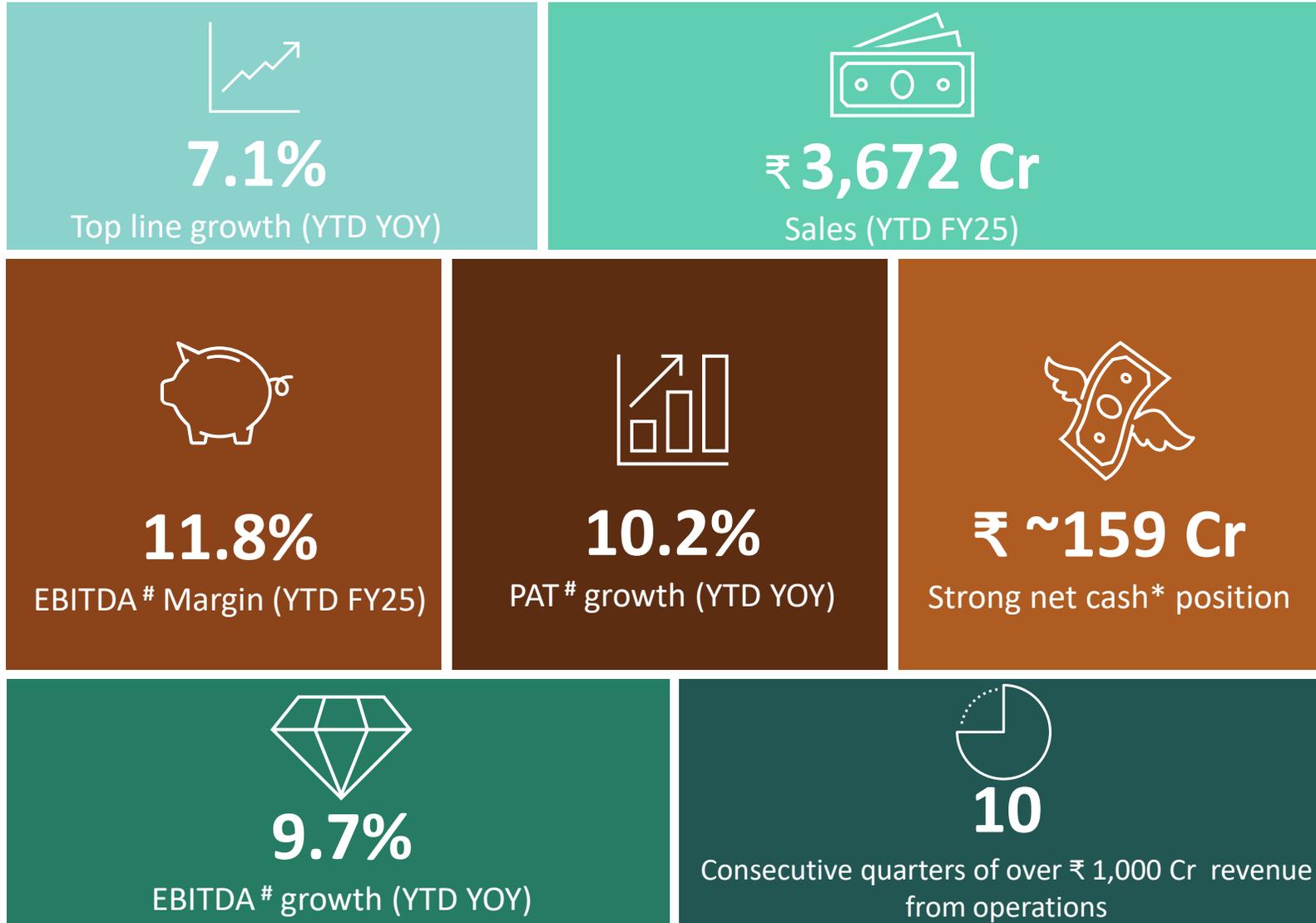
2X-3Y Strategy Pillars



* 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 – YTD 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 nine months ending period, including reversal for overdue receivable provision is 13%. 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

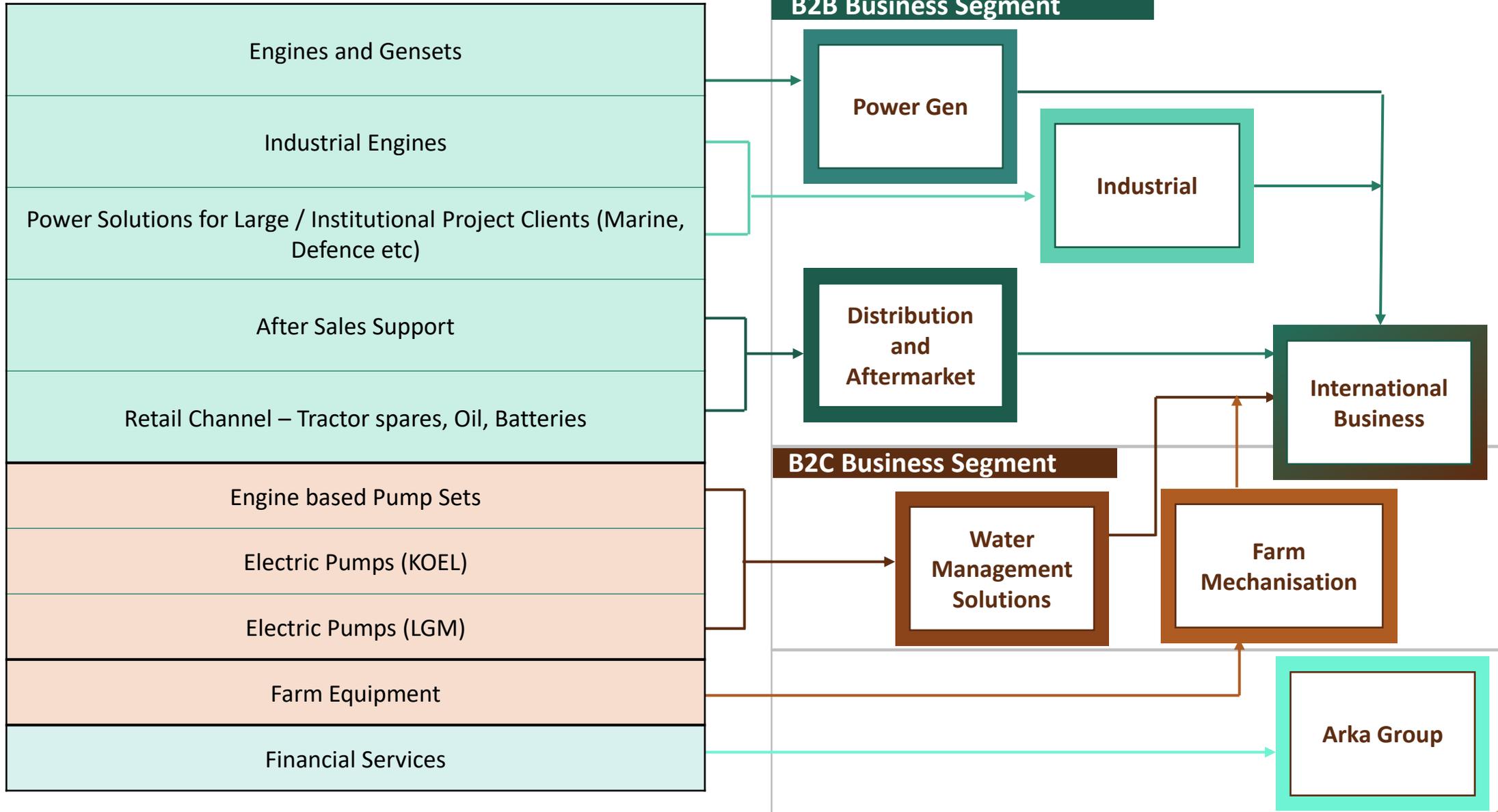
Employer
of Choice



CONTENT

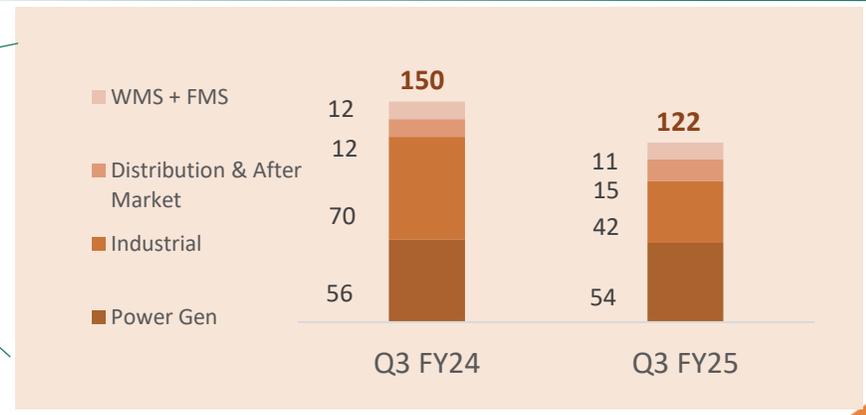
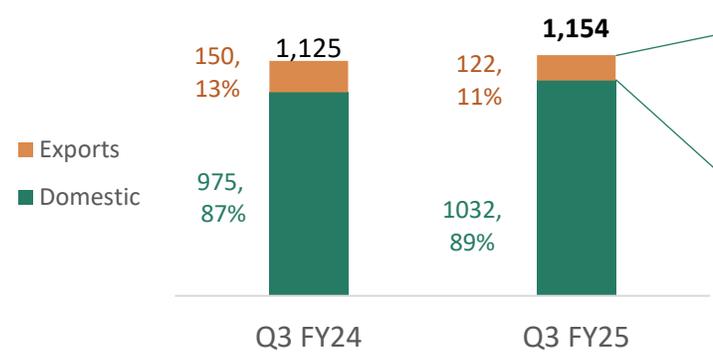
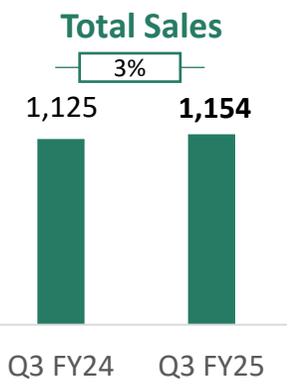
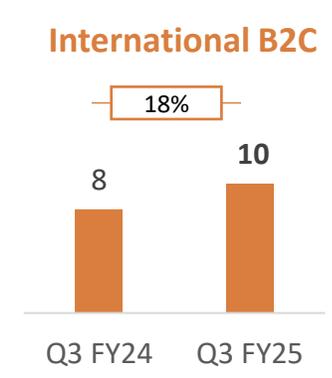
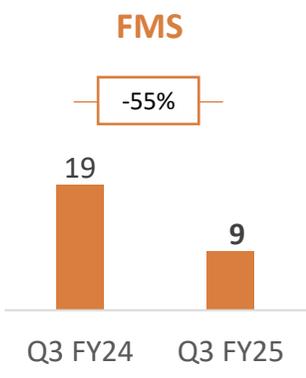
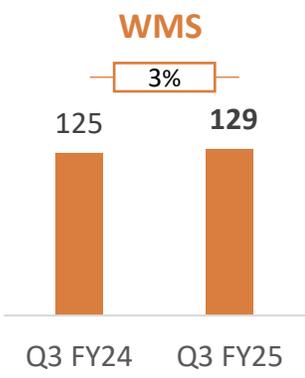
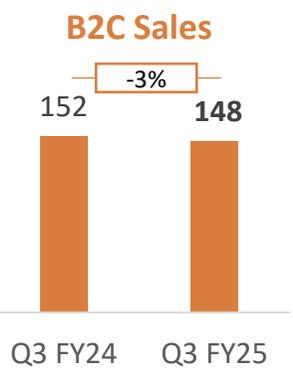
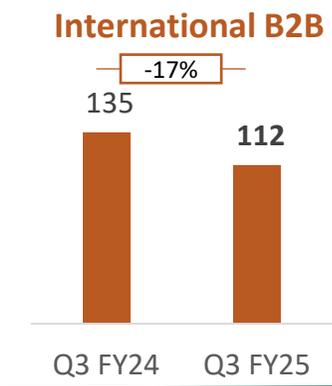
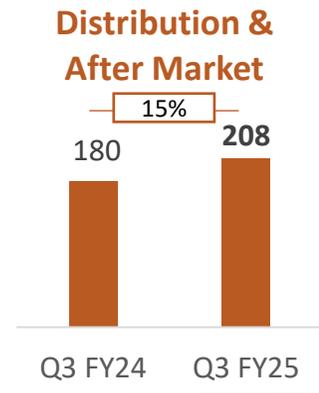
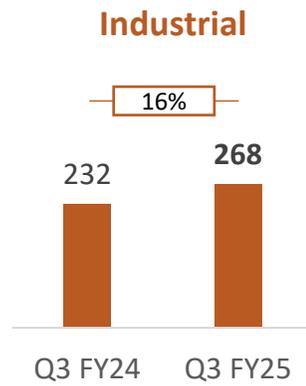
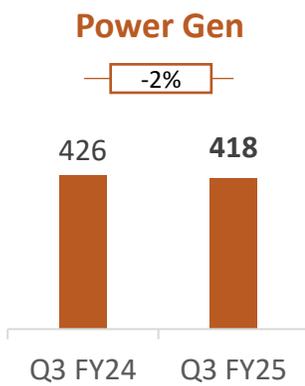
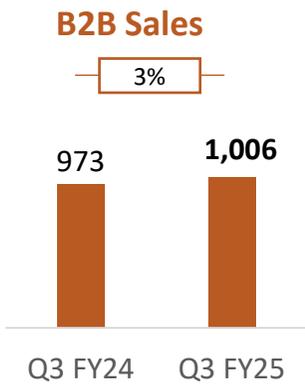
- STRATEGY
- **BUSINESS OVERVIEW**
 - STANDALONE
 - SALES HIGHLIGHTS
 - CONSOLIDATED
 - SEGMENT OVERVIEW
- FINANCIAL OVERVIEW
- LONG TERM STRATEGY

Products to Business Segments...



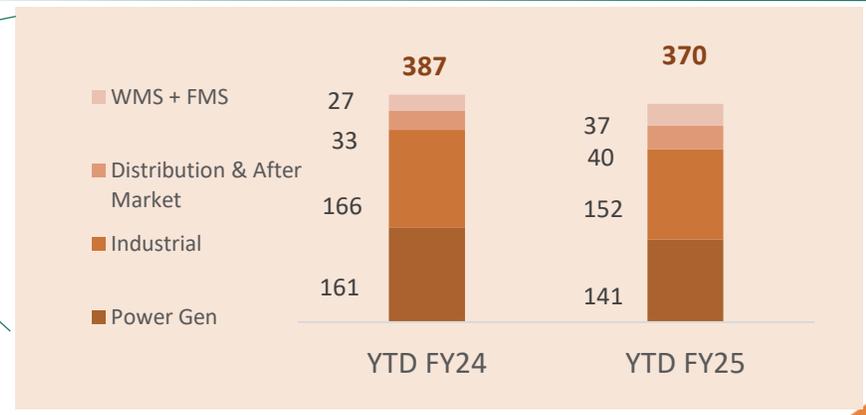
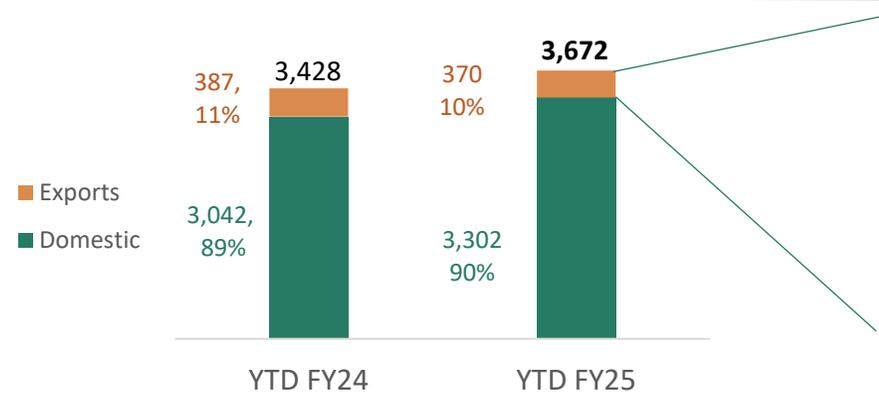
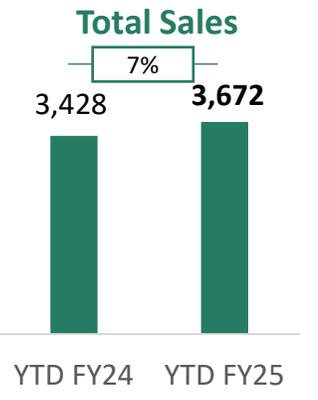
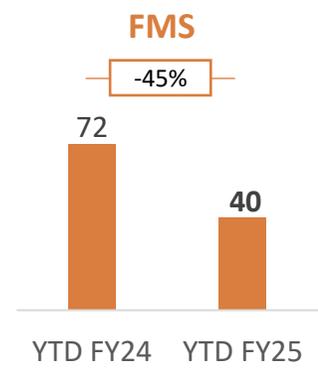
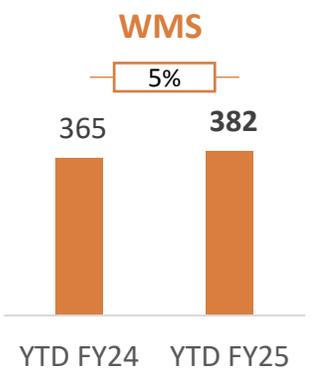
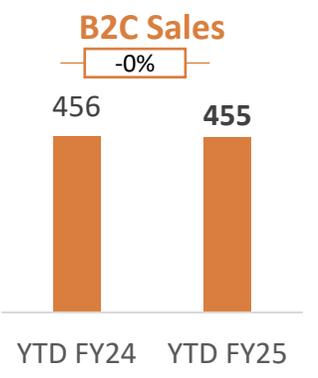
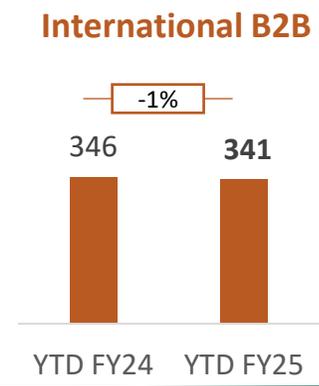
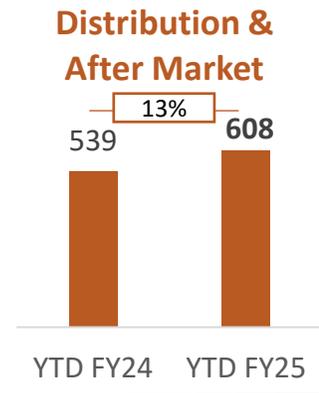
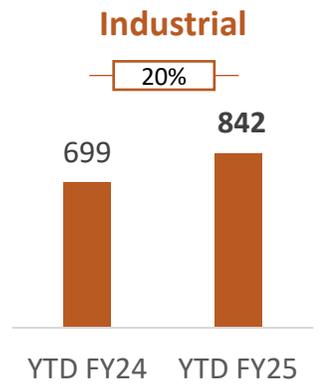
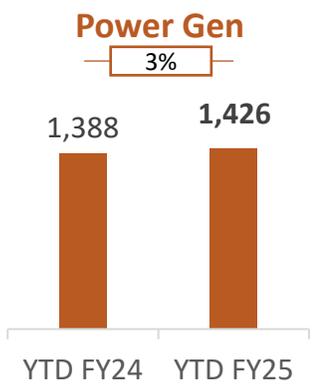
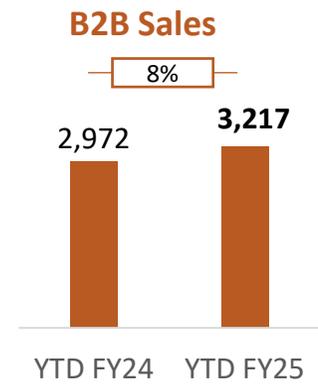
STANDALONE SALES HIGHLIGHTS – Q3 FY25 YoY

KOEL- Earnings Call – Q3 FY25 – Standalone Business Overview



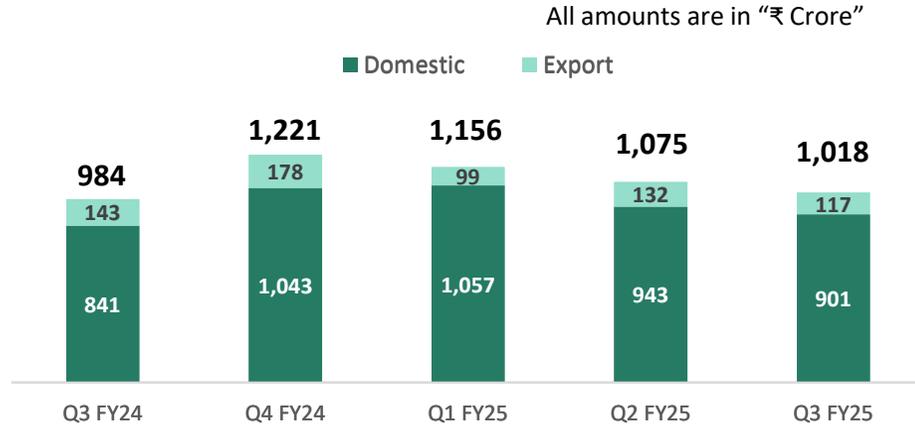
STANDALONE SALES HIGHLIGHTS – YTD FY25 YoY

KOEL- Earnings Call – Q3 FY25 – Standalone Business Overview

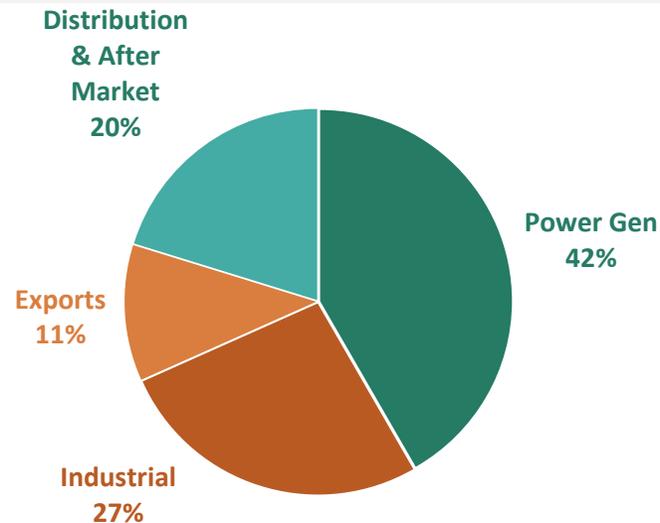


CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2B

Segment Revenue Trend



Segment Revenue Composition For Current Quarter



Performance Updates

- Subdued quarter with a 3% y-o-y growth in B2B
- Highest ever Q3 BU sales for Industrial, Distribution & Aftermarket BU (DABU), WMS & International B2C (IBG B2C) with double digit growth in Industrial, DABU & IBG B2C as compared to PY
- On YTD basis, all business except International B2B, delivered growth v PY; Industrial and Distribution & After Market delivered double digit growth

Domestic:

- Power Generation: Market correction in the LMHP segment due to pre buy and CPCB IV transition
- Industrial: Continued strong demand from construction and infrastructure sectors. Successful transition to CEV BS-V done, with satisfactory trials at customer end

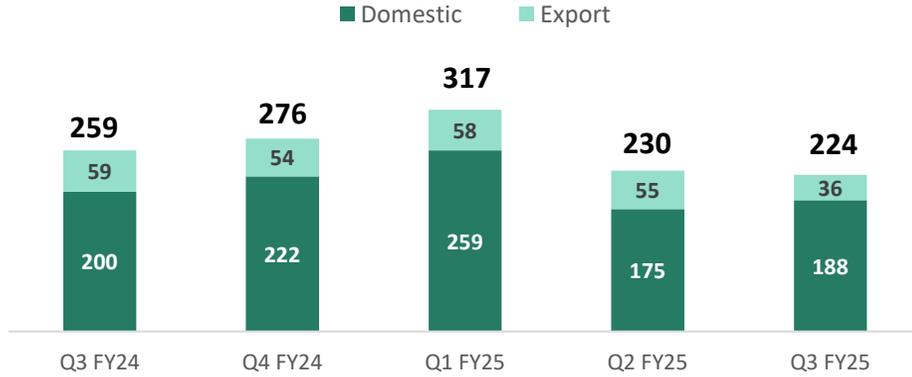
International:

- International sales saw a 18% YoY decline due to the absence of last year’s one-time large orders
- Restructuring in the international operations in progress

CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – B2C

Segment Revenue Trend

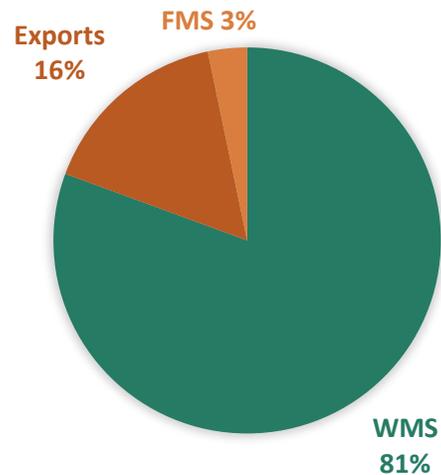
All amounts are in “₹ Crore”



Performance Updates

- LGM inaugurated its new plant on September 12th . Five existing manufacturing units were consolidated into a single, state-of-art facility at Sanand which affected production
- LGM plant stabilization and production ramp up going as planned

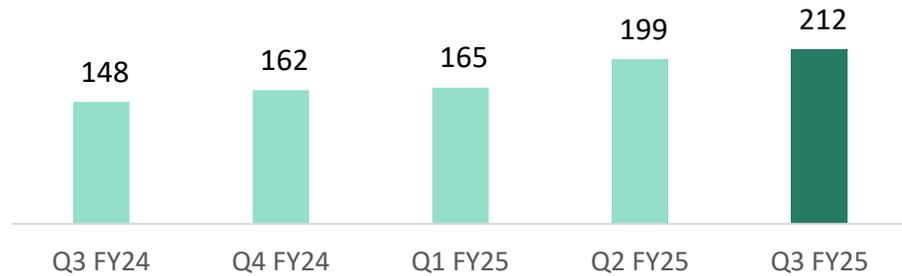
Segment Revenue Composition For Current Quarter



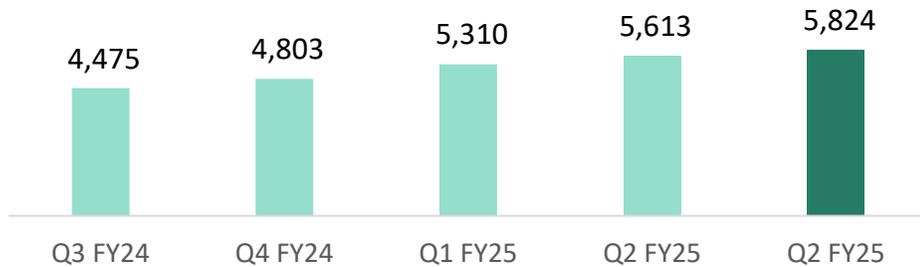
CONSOLIDATED SEGMENT PERFORMANCE OVERVIEW – FINANCIAL SERVICES

Segment Revenue Trend

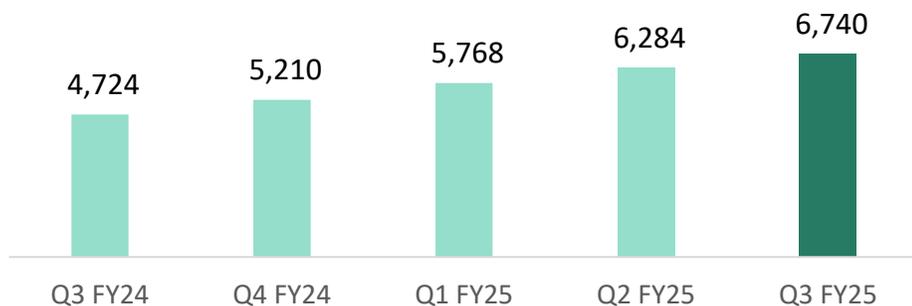
All amounts are in “₹ Crore”



Loan Book Trend



AUM* Trend



Performance Updates

- KOEL’s total investment in AFHPL as on 31st Dec 24 stood at 1,053 Cr[#]
- AFHPL revenue from operations stood at 212 Cr in Q3 FY25; a growth of 43% YoY
- AFHPL PAT** stood at 21 Cr in Q3 FY25; ~380% growth YoY
- Total Debt as on 31st Dec 24 stood at 5,042 Cr
- Debt to Equity Ratio:
 - 31st Dec 24 - 4.0
 - 30th Sep 24 - 4.1
 - 30th Jun 24 - 3.5
 - 31st Mar 24 - 3.3
 - 31st Dec 23 - 3.3
- Total AUM* as on 31st Dec 24 at Rs. 6,740 Cr

*Excludes treasury assets and includes off balance sheet loan book

** Q3 FY24 PAT was after Rs. 31 Cr provision made for investment in ARKA’s Alternate Investment Fund, due to regulatory changes announced in Dec 2023 (the same has been reversed subsequently 16 Cr in Q4 FY24; 7 Cr in Q1 FY25 and 8 Cr in Q2 FY25 due to subsequent changes).

[#] Includes profit of 53 Cr on holding structure change.

- Figures for the previous period have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation

- STRATEGY
- BUSINESS OVERVIEW
- **FINANCIAL OVERVIEW**
 - **STANDALONE**
 - PERFORMANCE HIGHLIGHTS
 - PROFIT AND LOSS STATEMENT
 - WORKING CAPITAL AND NET CASH POSITION
 - **CONSOLIDATED**
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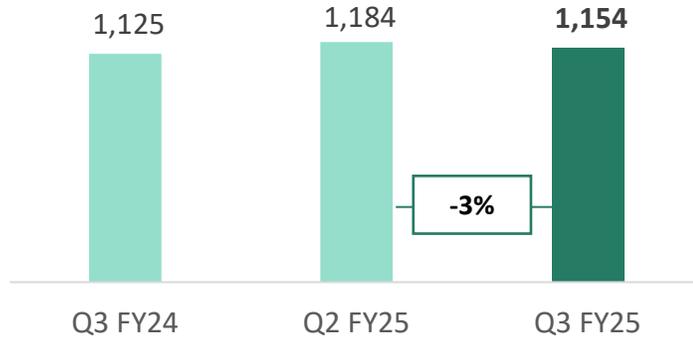
STANDALONE – PERFORMANCE HIGHLIGHTS

All amounts are in “₹ Crore” Oil Engines

Sales

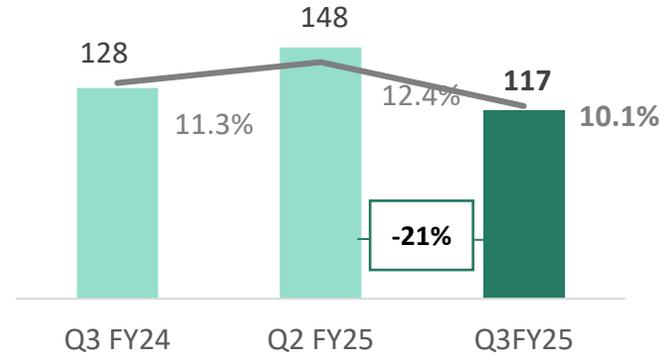
3%

Quarterly



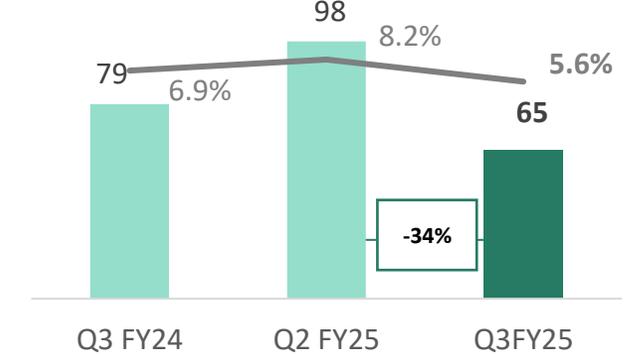
EBITDA* & Margin*

-9%



PAT* & Margin*

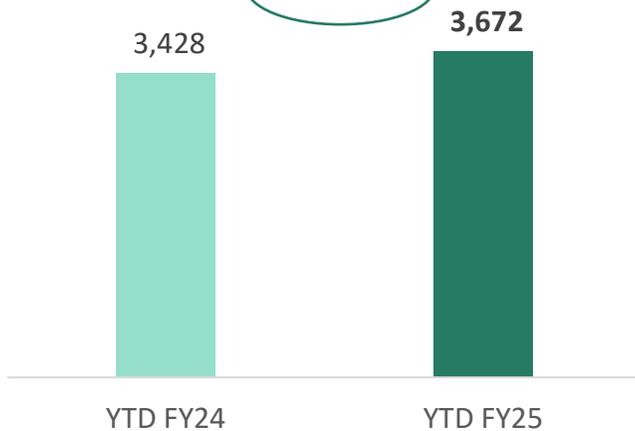
-17%



Sales

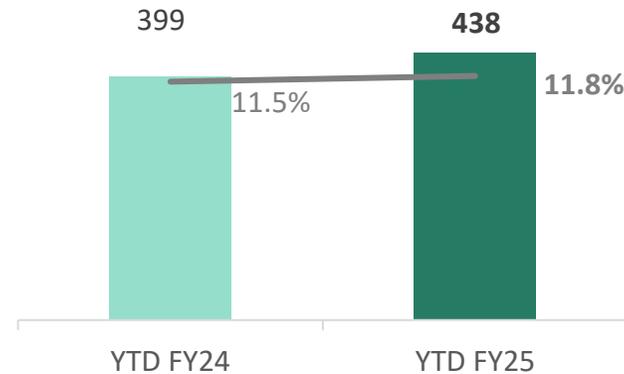
7%

YTD Dec



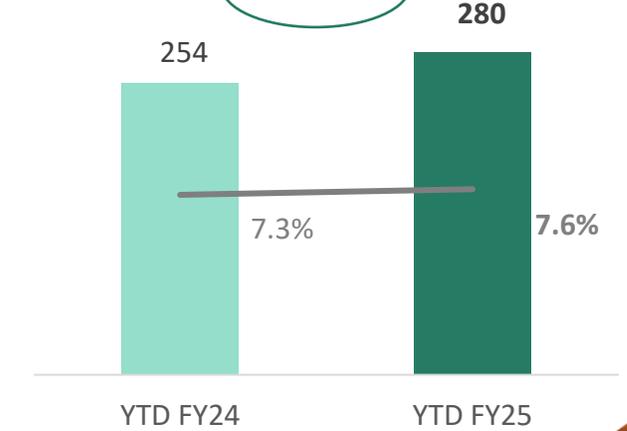
EBITDA* & Margin*

10%



PAT* & Margin*

10%



*Numbers excluding provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. EBITDA margin for the current quarter and nine months ending period, including reversal for overdue receivable provision is 10.1% and 13.0% 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.



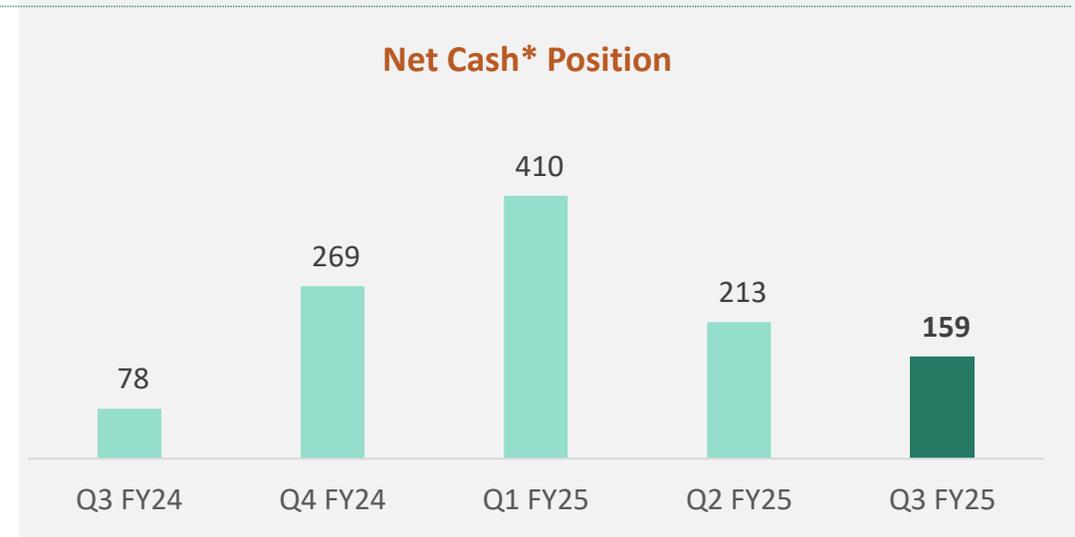
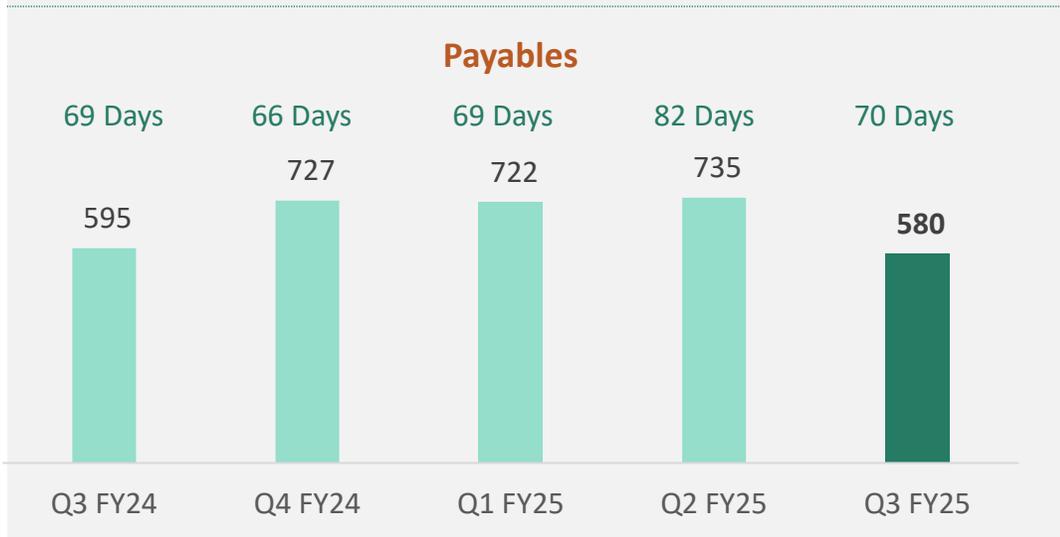
STANDALONE - PROFIT AND LOSS STATEMENT

Particulars	Q3 FY25	Q2 FY25	Q-o-Q	Q3 FY24	Y-o-Y	YTD FY25	YTD FY24	Y-o-Y
Net Sales	1,153.8	1,184.1	-3%	1,125.4	3%	3,671.6	3,428.4	7%
Other Operating Income	9.8	10.3	-5%	9.8	0%	29.2	30.5	-4%
Revenue from operations	1,163.6	1,194.4	-3%	1,135.2	3%	3,700.9	3,458.9	7%
Raw Material	759.1	754.4	1%	749.3	1%	2,399.8	2,322.7	3%
Employee Costs	84.4	92.1	-8%	79.2	6%	259.5	219.4	18%
Other Expenses	203.2	182.8	11%	173.8	17%	561.9	530.7	6%
EBITDA	117.0	165.0	-29%	132.9	-12%	479.7	386.0	24%
EBITDA Margin %	10.1%	13.8%	-27%	11.7%	-14%	13.0%	11.2%	16%
Other Income	6.8	11.8	-42%	5.7	20%	29.3	19.0	54%
Depreciation	32.0	26.6	20%	25.7	25%	83.3	71.3	17%
Interest	3.1	2.6	19%	2.0	57%	8.5	4.9	71%
PBT	88.7	147.6	-40%	110.9	-20%	417.2	328.7	27%
Tax	23.6	36.5	-35%	28.7	-18%	106.4	84.7	26%
PAT	65.0	111.1	-41%	82.2	-21%	310.8	244.0	27%
PAT Margin (%)	5.6%	9.3%	-40%	7.2%	-23%	8.4%	7.1%	19%

#Numbers including provision/(reversal) for overdue receivables made for a customer towards sales made in previous years. EBITDA margin for the current quarter and nine months ending period, excluding reversal for overdue receivable provision is 10.1% and 11.8% 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.

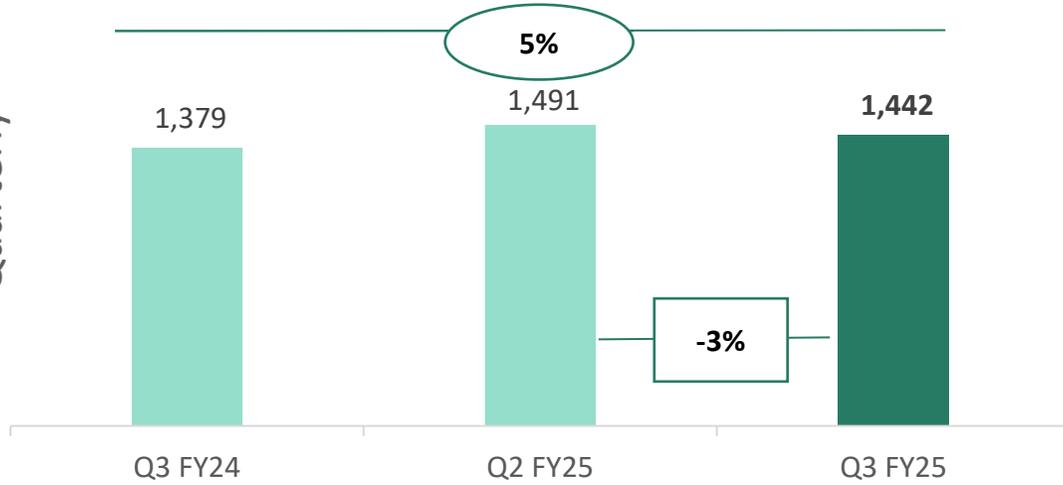


CONSOLIDATED – PERFORMANCE HIGHLIGHTS

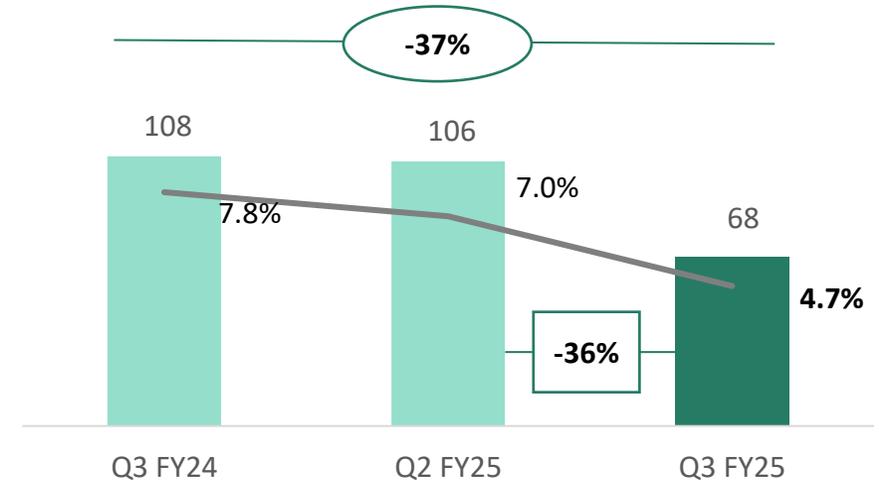
All amounts are in “₹ Crore” Oil Engines

Sales

Quarterly

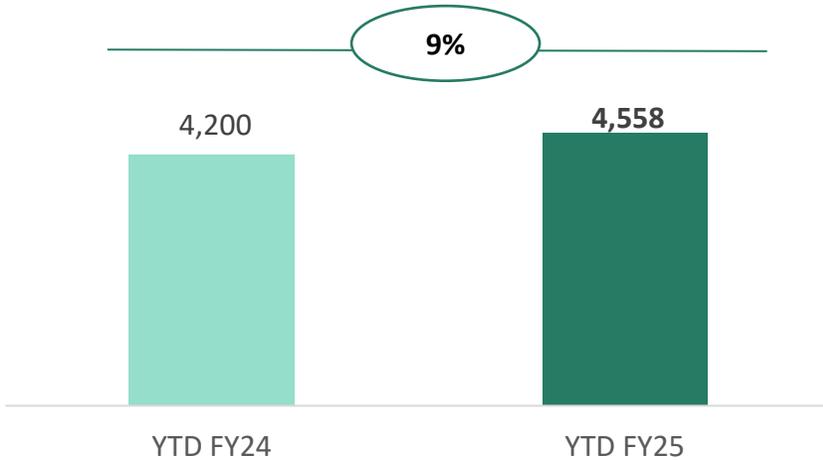


PAT* & Margin*

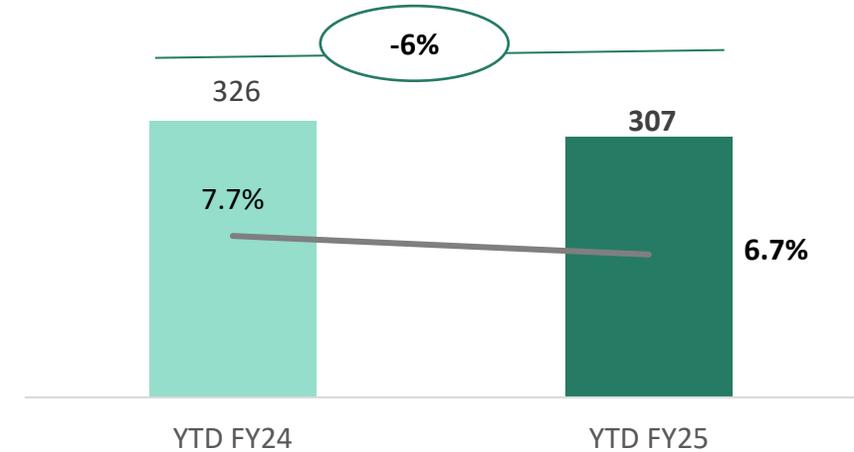


Sales

YTD Dec



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 nine months ending period including reversal for overdue receivable provision is 4.7% and 7.6% 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

All amounts are in "₹ Crore"

Particulars	Q3 FY25	Q2 FY25	Q-o-Q	Q3 FY24	Y-o-Y	YTD FY25	YTD FY24	Y-o-Y
Net Sales*	1,441.5	1,490.6	-3%	1,378.6	5%	4,557.7	4,200.1	9%
Other Operating Income	12.2	14.0	-13%	12.7	-4%	38.6	40.7	-5%
Revenue from operations	1,453.7	1,504.6	-3%	1,391.3	4%	4,596.2	4,240.7	8%
Other Income	10.6	11.5	-7%	6.4	67%	31.6	19.0	66%
Total Income	1,464.3	1,516.1	-3%	1,397.7	5%	4,627.8	4,259.8	9%
Raw Material	803.2	823.5	-2%	804.7	0%	2,579.0	2,528.1	2%
Employee Costs	133.5	136.6	-2%	111.8	19%	395.1	305.1	29%
Other Expenses	262.3	246.9	6%	216.8	21%	744.5	679.9	9%
Depreciation	37.3	32.9	13%	31.0	20%	100.6	87.7	15%
Interest	133.4	117.6	13%	81.6	64%	352.4	232.2	52%
Share of net profit/(loss) of joint venture - [equity method (net of tax)]	-	0.0	-100%	0.7	-100%	0.7	1.0	-26%
PBT before exceptional items	94.6	158.5	-40%	152.5	-38%	457.1	427.8	7%
Exceptional items - (Expenses) / Income**	-	7.9	-100%	(30.9)	-100%	15.3	(30.9)	-149%
PBT	94.6	166.3	-43%	121.6	-22%	472.4	396.9	19%
Tax	26.7	41.4	-35%	32.2	-17%	123.1	104.0	18%
PAT	67.9	124.9	-46%	89.4	-24%	349.3	292.9	19%
PAT Margin (%)	4.7%	8.3%	-44%	6.4%	-27%	7.6%	6.9%	10%

*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 nine months ending period, excluding exceptional item and reversal for overdue receivable provision is 4.7% and 6.7% 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	Q3FY25	Q2FY25	Q-o-Q	Q3 FY24	Y-o-Y	YTD FY25	YTD FY24	Y-o-Y
Segment Revenue								
B2B	1,018.3	1,075.3	-5%	984.0	3%	3,249.2	3,007.2	8%
B2C	223.8	230.0	-3%	259.1	-14%	770.6	829.0	-7%
Financial Services	211.6	199.4	6%	148.2	43%	576.5	404.5	43%
Revenue From Operations	1,453.7	1,504.6	-3%	1,391.3	4%	4,596.2	4,240.7	8%
Segment Results[#]								
B2B	91.0	133.7	-32%	105.9	-14%	382.1	313.8	22%
B2C	(20.8)	(5.9)	253%	12.3	-269%	0.0	36.0	-100%
Financial Services ^{##}	28.6	30.7	-7%	37.0	-23%	78.3	83.6	-6%
Unallocated	1.7	5.5	-69%	0.6	177%	12.5	3.7	238%
Total	100.6	164.0	-39%	155.8	-35%	472.9	437.1	8%
Less:								
Finance Costs*	6.0	5.5	8%	3.4	77%	15.8	9.3	70%
Exceptional items ^{**} - (income)/expense	-	(7.9)	-100%	30.9	-100%	(15.3)	30.9	-149%
Profit Before Tax	94.6	166.3	-43%	121.6	-22%	472.4	396.9	19%

[#] 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.

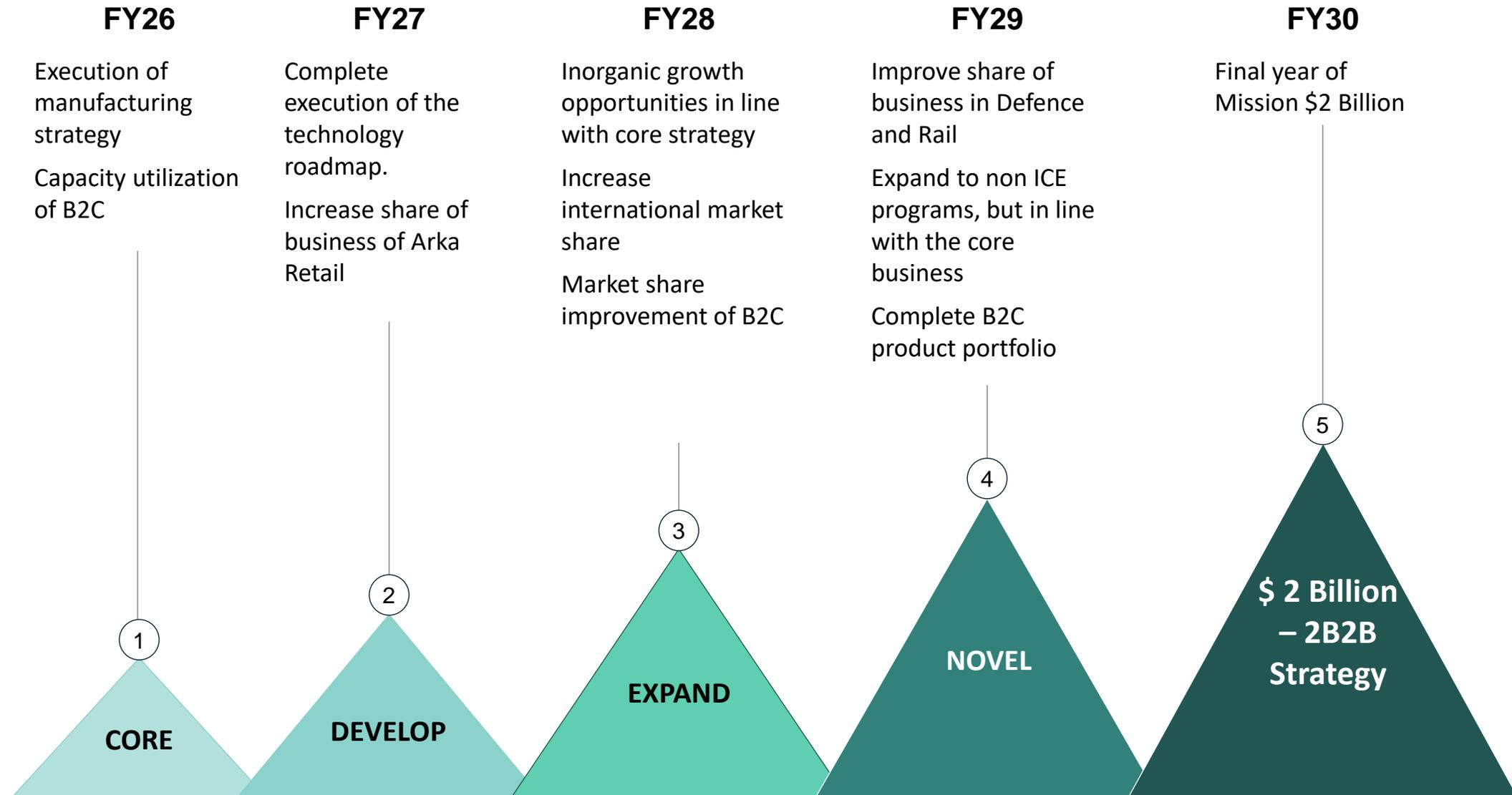
** Exceptional items relates to financial services business i.e. provision/(reversal) for the investment in alternative investment funds on account of regulatory change.

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

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



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