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# **Kirloskar Oil Engines Limited**

## Earnings Update March 2013

# Disclaimer



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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.

# Financials



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All numbers in Rs. Crs	Q4 FY2013	Q4 FY2012	∂	FY 2013	FY 2012	∂
Net Sales	599	589	2%	2,357	2,326	1%
Raw Material	363	358	1%	1,444	1,391	4%
Employee Costs	36	39	-8%	154	175	-12%
Other Expenses	107	112	-4%	413	456	-9%
EBITDA	93	80	16%	346	304	14%
Non-Op.Income / ( Expenses )	9	18	-50%	20	84	-76%
Depreciation	23	20	13%	93	91	1%
Interest	0	4	-86%	3	16	-81%
<b>PBT</b>	<b>79</b>	<b>74</b>	<b>6%</b>	<b>271</b>	<b>281</b>	<b>-4%</b>
Tax	19	17	12%	72	89	-19%
PAT	59	57	4%	199	192	4%



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# Q4 FY2013 Segment Performance

All numbers in Rs. Crs	Q4 FY2013	Q4 FY2012	Δ
PowerGen - Private	238	236	1%
PowerGen - Cellular	5	7	-16%
Agricultural	76	84	-9%
Industrial	84	116	-28%
Customer Support	102	103	-1%
Large Engines	81	26	217%
Bearings	-	-	-
Total	588	574	2%

# FY2013 Segment Performance



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All numbers in Rs. Crs	YTD FY2013	YTD FY2012	Δ
PowerGen - Private	943	818	15%
PowerGen - Cellular	17	36	-53%
Agricultural	399	343	16%
Industrial	379	482	-21%
Customer Support	409	388	6%
Large Engines	168	141	20%
Bearings	-	62	-100%
Total	2,320	2,276	2%



# Key Financial Metrics

	YTD FY 2013	YTD FY 2012
EBITDA %	14.7%	13.1%
Inventory (Days)	23	20
Receivables (Days)	37	41
Creditors (Days)	58	53
Fixed Asset Turns	4.0	4.1
RoCE	23.7%	24.7%
Debt	-	169
Cash & Equivalents	442	555
Net Debt	-442	-386

## A. Power Generation (PG) Business

- Q4 demand was better as compared to earlier quarters in Bihar, Tamil Nadu & Andhra Pradesh
- Acceptance of portable genset continued to be good in South India markets and we have launched the product in other states as well.
- Most fuel efficient product in 125 kVA category – 4K, received very positive response in South and won orders against tough competition.
- Received order from Madhya Pradesh Laghu Udyog Nigam (MPLUN) for more than 200 Gensets of 15 kVA range.
- Good Order Board received from Corporate and institutional customers in Banking and Retail Sectors

## B. Industrial Business

- While demand for Construction & Earth moving equipment remained sluggish in Q4, KOEL has retained its market share across customer groups.
- Focus on “Bazar” ( Open Market ) sale of Engines, continued to yield good results in Q4

## C . Customer Support

- Received AMC contract for 2013-14 from ICICI Bank for maintenance of their entire Genset population.

## D. Export

- New markets opened in Mozambique & Tanzania by appointing dealers for these territories



## E . Others

- KOEL has received Rs.15.7 Crs towards Industrial Promotion Subsidy (IPS) for Kagal Plant for FY 11-12
- KOEL has received approval from Ministry of Science & Technology for 200% weighted deduction on eligible revenue & capital expenditure incurred on in house R & D for the period from 1.4.2011 to 31.3.2016
- The scheme for buyback of equity shares by way of open market purchases through stock exchange route was closed on 24 January 2013. KOEL has bought back 10,15,424 equity shares for total consideration of Rs. 15.67 Crs

# Thank You!



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