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# Kirloskar Oil Engines Limited

## Earnings Update Jun 2012

# 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	Q1 FY2013	Q1 FY2012	Δ	FY 2012
Net Sales	603	566	6%	2326
Raw Material	373	322	16%	1391
Employee Costs	41	48	-15%	175
Other Expenses	101	112	-10%	455
EBITDA	88	85	4%	304
Non-Op. Income / ( Expenses )	(8)	6	-242%	84
Depreciation	24	22	7%	91
Interest	2	4	-41%	16
<b>PBT</b>	<b>54</b>	<b>64</b>	<b>-16%</b>	<b>281</b>
Tax	15	21	-29%	89
PAT	39	43	-10%	192



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# Q1 FY2013 Segment Performance

All numbers in Rs. Crs	Q1 FY2013	Q1 FY2012	ð
PowerGen - Private	259	199	30%
PowerGen - Cellular	3	4	-38%
Agricultural	83	63	30%
Industrial	113	119	-5%
Customer Support	106	98	9%
Large Engines	31	42	-26%
Bearings	-	29	-100%
Total	594	554	7%



# Key Financial Metrics

	YTD FY 2013	YTD FY 2012
EBITDA %	14.6%	14.9%
Inventory (Days)	25	31
Receivables (Days)	41	53
Creditors (Days)	53	55
Fixed Asset Turns	4.3	4.0
RoCE	23.2%	23.2%
Debt	146	239
Cash & Equivalents	551	283
Net Debt	-405	-44

## A. Power Generation (PG) Business

- Encouraging demand from Tamil Nadu and Andhra Pradesh
- A spurt in demand for lower kVA Gensets was witnessed during the quarter
- An order for Rs.6 Crores was received from Electronics Corporation of India; 115 Silent DG Sets, for the Delhi Police Digital Surveillance project
- “Kirloskar Chota Chilli” : 5 kVA DG sets, targeting retail and household segments, was launched. This product has also been introduced in South India to an encouraging response
- Introduced 380 kVA DG sets of DV series

## B. Industrial Business

- Demand was sluggish
- Most of the customers in this segment have revised their targets downward
- Successful implementation of online order booking for Industrial Segment customers

## C. Agri Business

- Growth in top line during Q1 is satisfactory

## D. Customer Support Business

- Rental demand for Construction equipment increased, generating good business for Spares
- Enhanced usage of DG Sets during summer also boosted demand for spares
- An improvement in collection from customers in the AMC segment is seen



## E. Others

- Received Regional EEPC Star Performer award for FY 2009-10. This is the 3<sup>rd</sup> consecutive year of receiving this award
- Concluded VRS for 233 team members at a cost of Rs.19.1 Crs
- As on 30<sup>th</sup> June 2012, Company has bought back 643,696 equity shares of Rs.2 each for a total consideration of Rs.9.72 Crs and out of which 608,083 equity shares are extinguished

# Thank You!



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