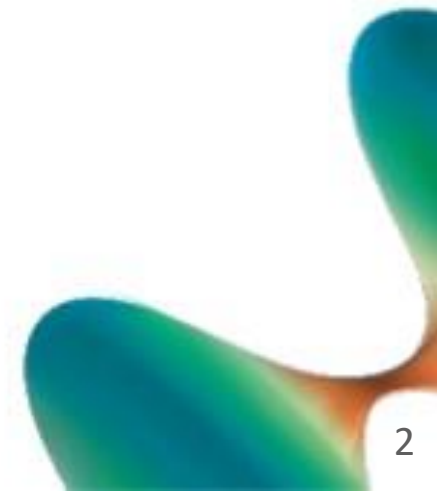


**B & K Securities Investor's Conference
2nd June 2023**

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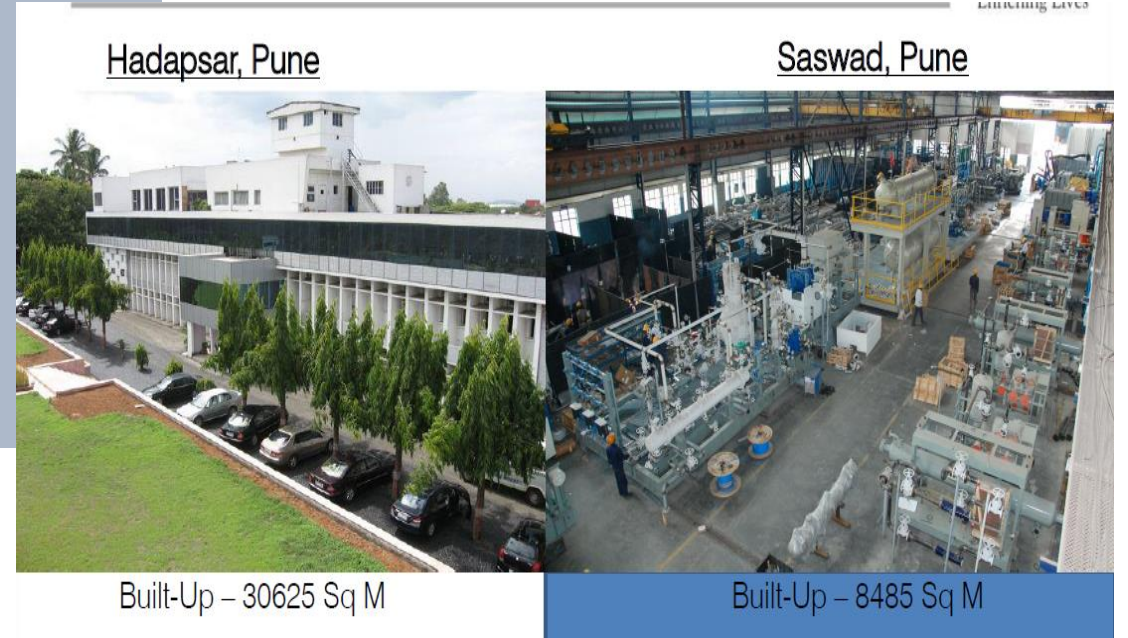


Kirloskar Pneumatic Company Ltd:

Three core business lines:

- Air Compressors
- Refrigeration Compressors & compression systems.
- Gas compressors & compression systems.
- Others

- 60 plus years in business.
- Debt free; strong dividend track record.
- 3 plants in Maharashtra; workforce of over 1500. Over 200 engineers .
- Strongly vertically integrated manufacture.
- Listed company with over 28K shareholders. Market cap: > Rs 3400 cr.
- Our current sales split is ~ 20% Air compressor; ~ 30 % Refrigeration compressors ~ 45% Gas compressor s/ systems



Air compressor:

General applications like shop air, instrumentation air, Painting, powertools, pneumatic drills, cleaning, packing etc

Also used in applications like: Air separation, handling hydrogen, CO₂, Nitrogen, LPG, etc. Process gases like BF₄, Methyl acetate etc

Screw compressors.

Generally 70% of the market; standard applications; efficient; Preferred for lower pressures (< 15 bar), continuous usage.



Reciprocating compressors.

Generally 20% of the market; special applications; customised; Preferred for Higher pressures (upto 300 bar), process usage.



Centrifugal compressors.

Generally 10% of the market; High volume applications; efficient; Preferred for lower pressures (< 30 bar), continuous usage.



Reciprocating Compressors

- ❖ **Segments where used:**
 - Oil & Gas, Chemical
 - Pharma, Food & beverage
 - Air – Separation, High Pressures
 - Railways – braking.



Centrifugal Compressors



- ❖ **Segments:**
 - Used in Steel, Power, Textile, Oil & gas.
 - Also used as an alternate to Dry Screw

Range of Screw Compressors: *Many applications....*

R3e Series, 30 kW To 55 kW

Shop air, instrumentation



R2 Series, 15 kW To 22 kW

Utility – power tools, painting etc



R1 Series, 7 kW To 11 kW

General Utility



❖ **Key Industries :**

- Core: Cement, Metals industry, power generation
- Engineering: Auto ancillary, textile, sugar, plastics, packaging & grain sorting.

INDIGENOUS AIREND AND ECONOMICAL PACKAGES

Air compressor:

Global market size : ~ US \$ 30 Bil

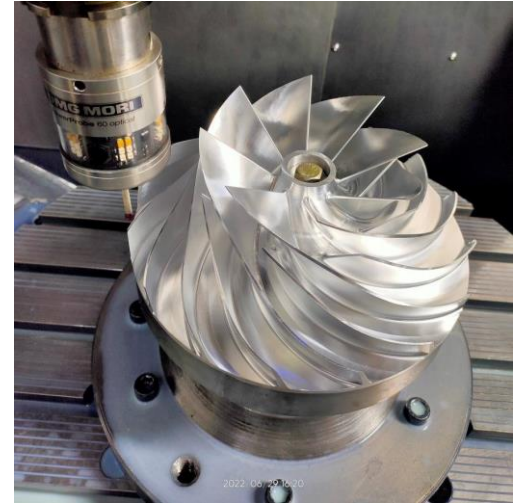
Indian market : > Rs 4000 crores.

Lead indicator : GDP +

Technological change / obsolescence – Low.

Nature of industry: ‘Local’ – need to be present locally to sell / service this.

Very fragmented.



What is KPCL's position:

- Full range of offering; more contemporary - late entrant in the Screw / Centri business.
- End – to – end value chain integrated manufacturer - right from design.
- Current focus : Indian market.
- Very strong after-sales service support.
- Leader in customised packages – strong engineering team.

Going forward:

- **New cost competitive standard offering .**

Refrigeration compressor / Compression system:

Process refrigeration

Here we offer Refrigeration packages for various processes in Oil & Gas sector, fertiliser, petrochemicals. We currently use Howden Screw compressors for this



Commercial Refrigeration.

We are a leading manufacturer of Air cooled, Ammonia refrigerant Based reciprocating compressors used in Cold rooms, Ice plants, Food processing, dairies, pharma etc. We have now launched the Khione screw to strengthen our position In this space and to meet the requirement of larger plants.



Comfort airconditioning.

Here we make specific packages for HVAC for Ships – mainly the Navy.



In addition to the above, we make Vapour Absorption Chillers that is used where process Steam or hot water is available . Primarily for cooling upto 10 deg.



Refrigeration & Air conditioning:

The global market for R&Ac compressors is about US\$ 34 bil.

Trend driving growth : Urbanisation.

Lead indicator: GDP +

Nature of business: 'Global' – can make at any place and sell across the world.

Technological changes / obsolescence: Medium – in refrigerants, energy etc.



KPCL's position:

- Leadership in ammonia reciprocating compressor – cost competitiveness / volume.
- Strong engineering / packaging capabilities – for process refrigeration.
- Good distribution / OEM tie-ups in India / SEA – spares / service.



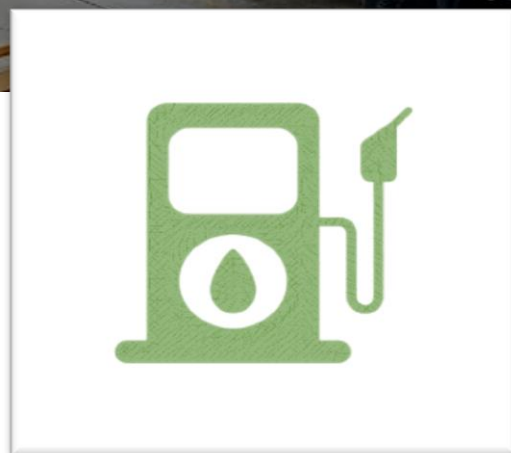
Going forward:

- New Mag bearing compressors
- Cost effective Screw compressor – Khione range

Process Gas Systems Business



GAS COMPRESSION SYSTEMS
UPSTREAM, MIDSTREAM, DOWNSTREAM



DISTRIBUTION
CNG, CBG, BOOSTER



SERVICE & SPARES

Gas compression systems:

CNG gas package

This is based on our own reciprocating compressor. Used to fill Natural Gas into vehicles from CNG pipelines. We sell, install and handle the O & M of these.



Gas packages

These are packages used in Upstream, mid stream and down stream of the O & G ecosystems. We make packages using Ariel compressors in most cases. Primarily for gas gathering, gas processing, gas pumping and gas injection etc.



Booster gas package

These are engineered and built by us for use in filling Vehicles from gas cascades at gas stations.



Bio gas package

We offer standardised low pressure + High pressure compressor packages for handling biogas from both routes – water scrubbed or membrane separated. These are reciprocating compressors Built by us.





CNG Hydraulic
Booster compressor:
*Best in class
offering.*



COMPRESSED BIOGAS

- 5000 CBG Plants expected in 3 years under SATAT scheme to produce 15MMT CBG
- Oil & Gas Companies are entering into MoU with Sate Government for facilitating CBG Plants



Gas compression system:

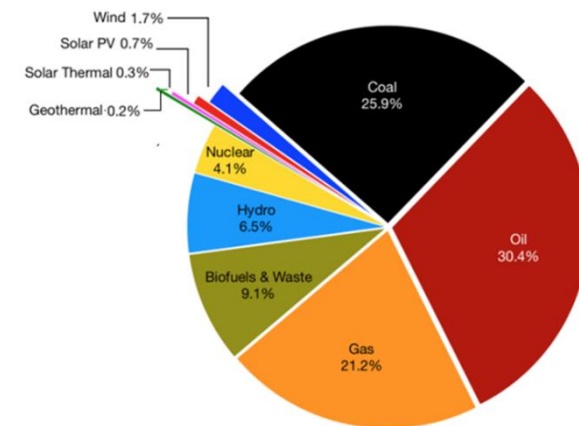
The market size for gas compressors is about US\$ 4,7 Bil and for the gas compression systems is about US\$ 24 Bil.

Nature of business: Global – based on Proven Track Record – PTR.

Entry barrier : API or other certifications.

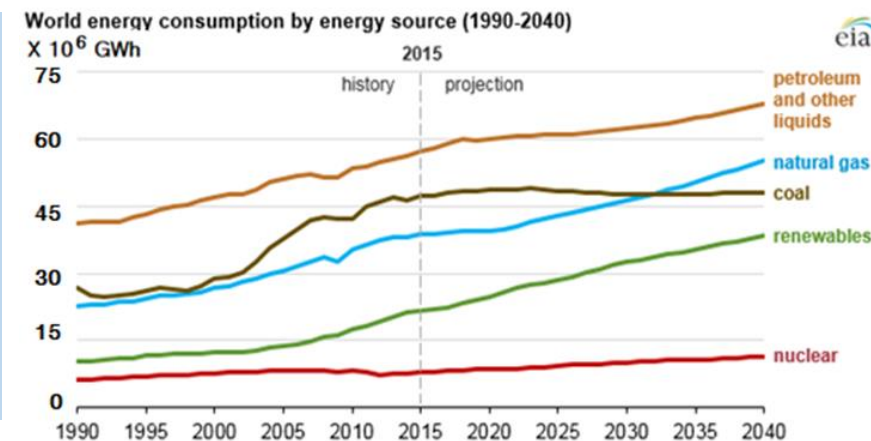
Global trend : Gasification of the energy basket; Environmental initiatives.

Lead indicator: Industrial growth rate +



KPCL's position:

- Strong Design & Engineering capability – own compressors for most applications.
- PTR; approvals
- O & M capabilities for the Indian market.



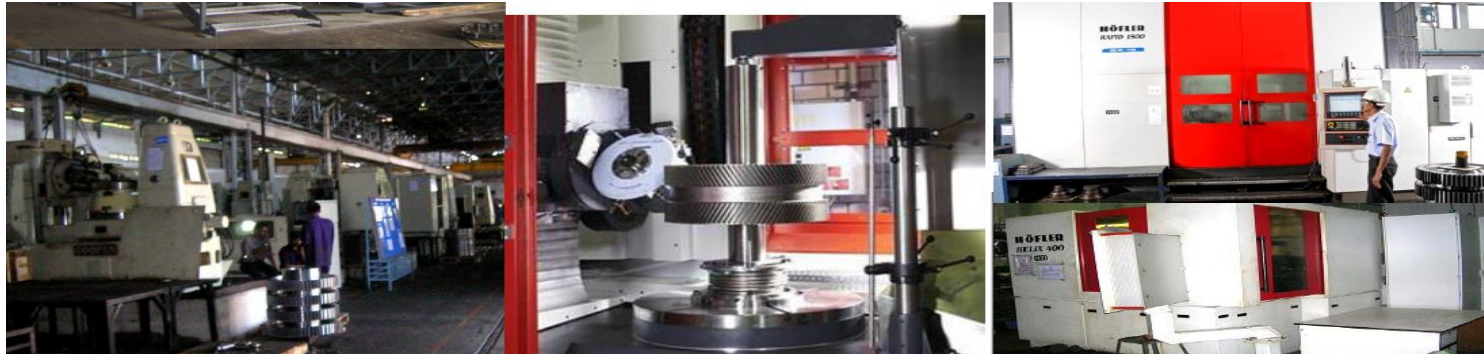
Going forward:

> Working on Hydrogen compressor – unique / cost effective

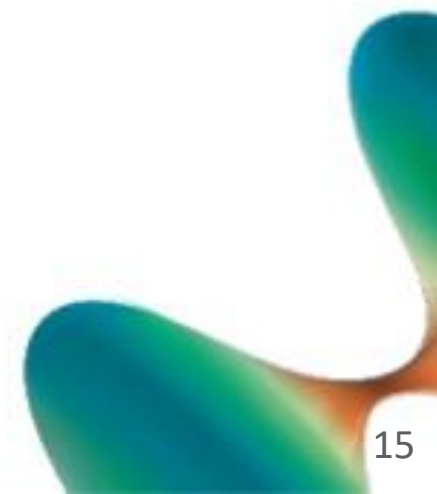
Value chain advantages:

At KPCL we have the following capabilities in house giving us value chain advantage:

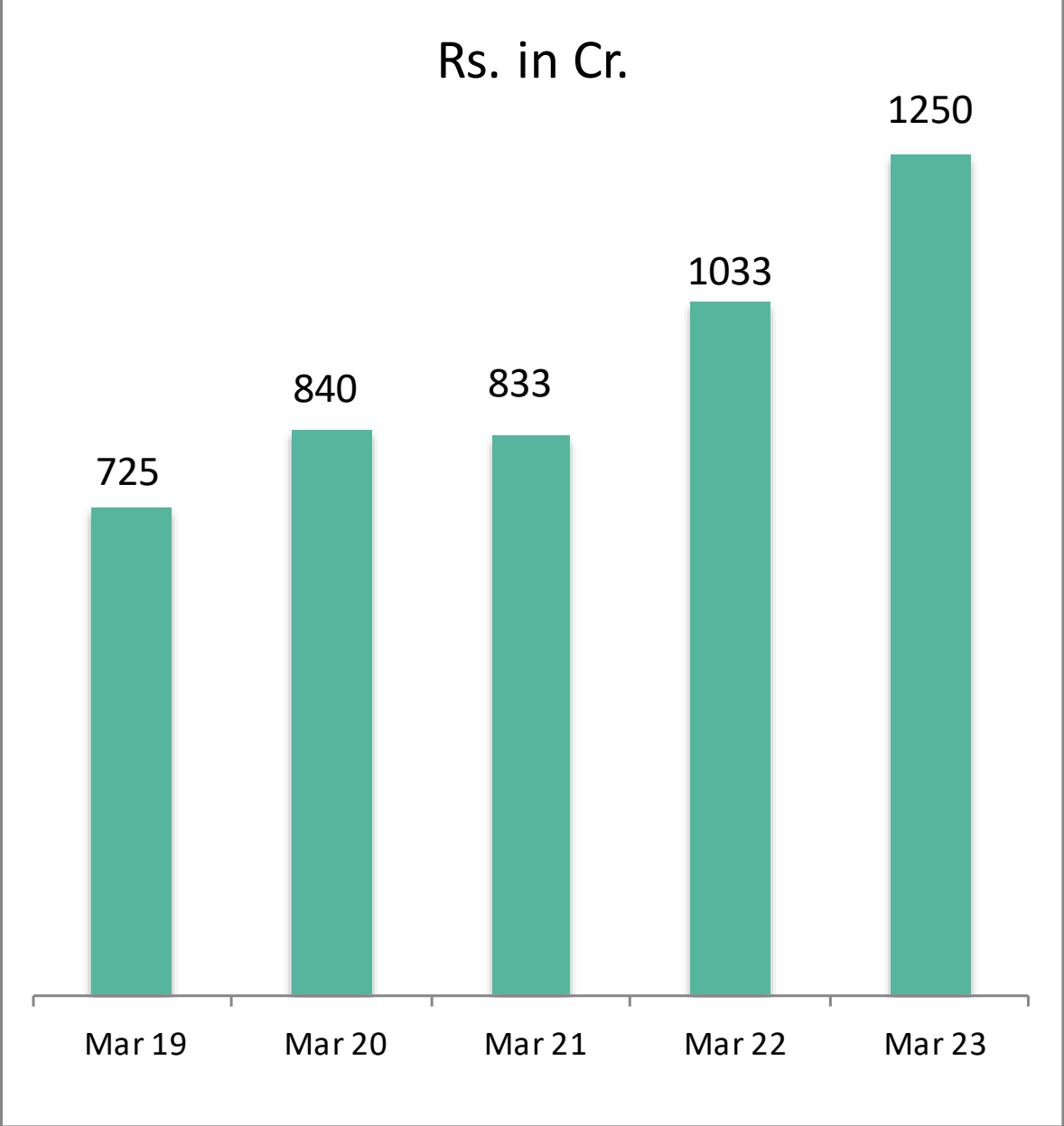
- Foundry – for CI, SG Iron and Aluminum alloys.
 - 32 Ton Counterblow hammer – one of its kind forging capacity to make Gear blanks, Rotors, etc.
 - Comprehensive fabrication facility – for base frames, pressure vessels etc.
 - High precision multi axis CNC machining capability – for housings, Impellers, Rotors, Screws etc.
 - Design & Engineering capabilities – over a 100 engineers in D&E with advanced software support, including a PLM.
- > Over 1200 associates across 15 states of India managing the O & M of all the CNG stations.



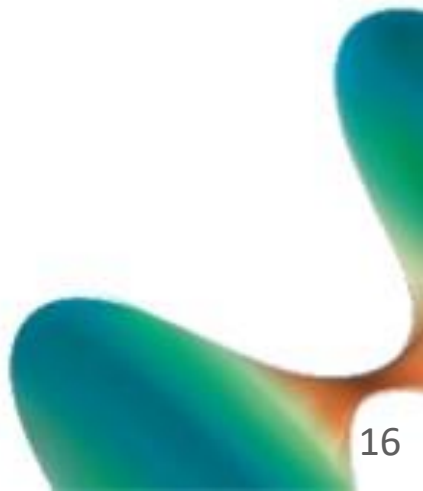
Financial Highlights



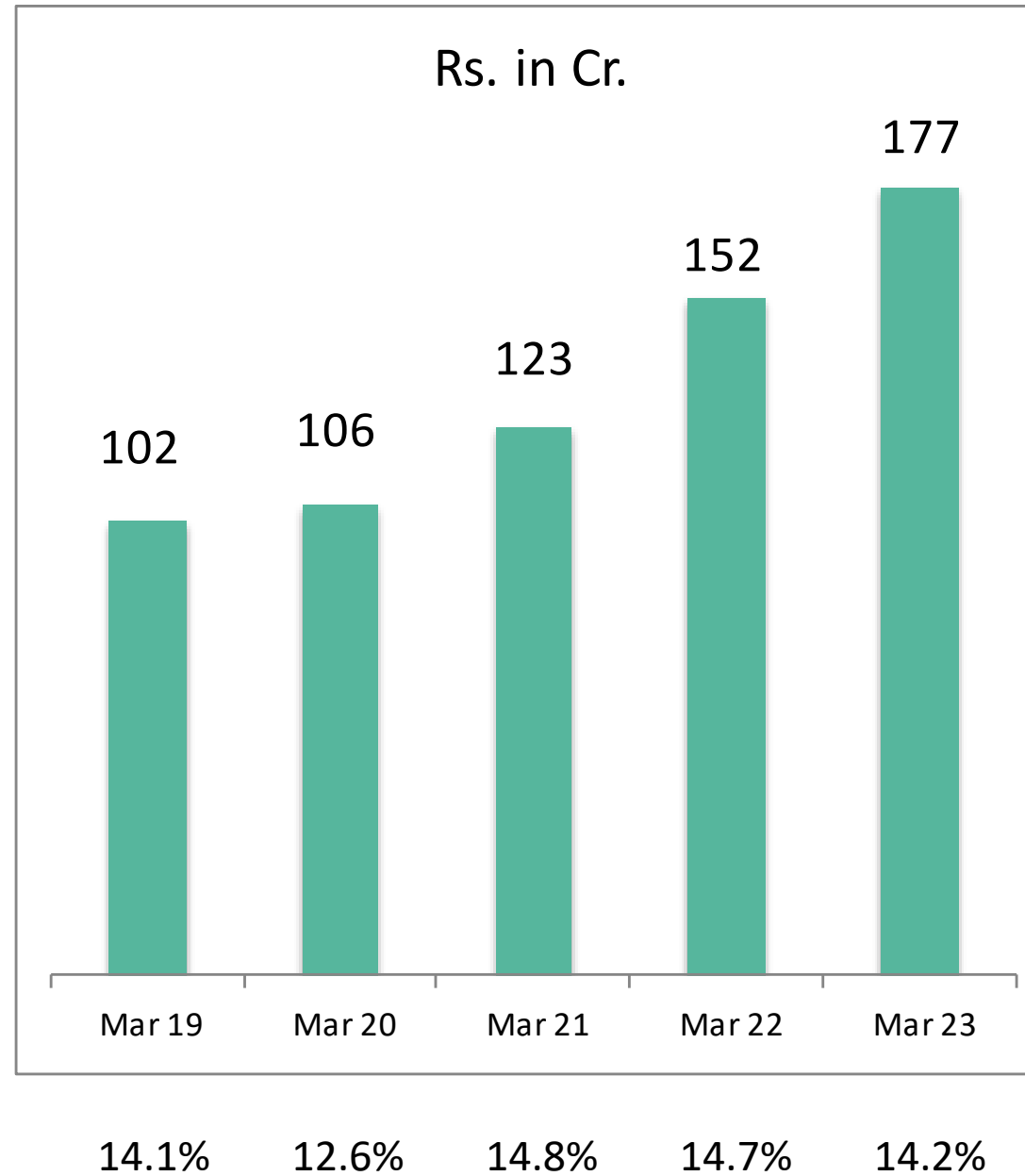
Sales Trend



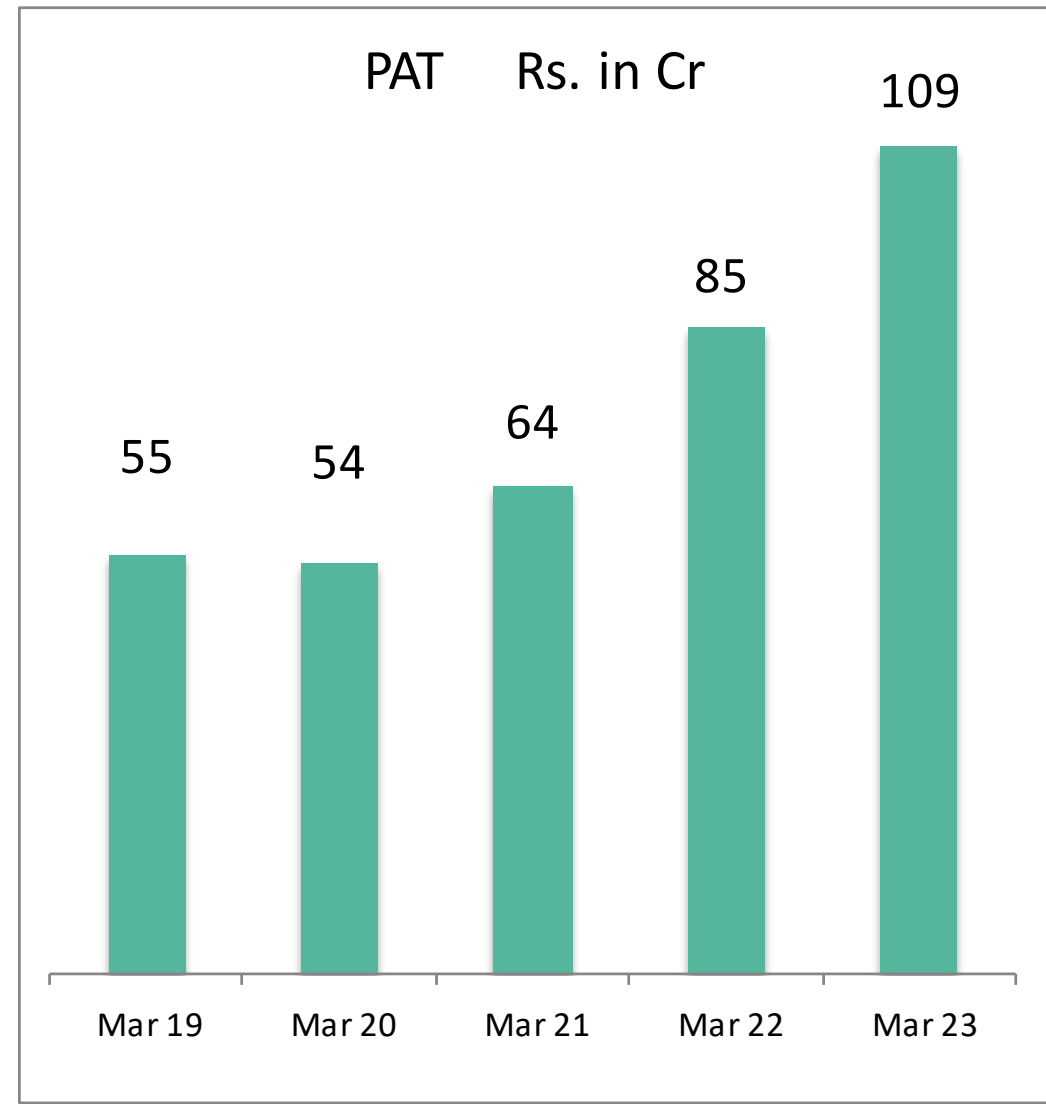
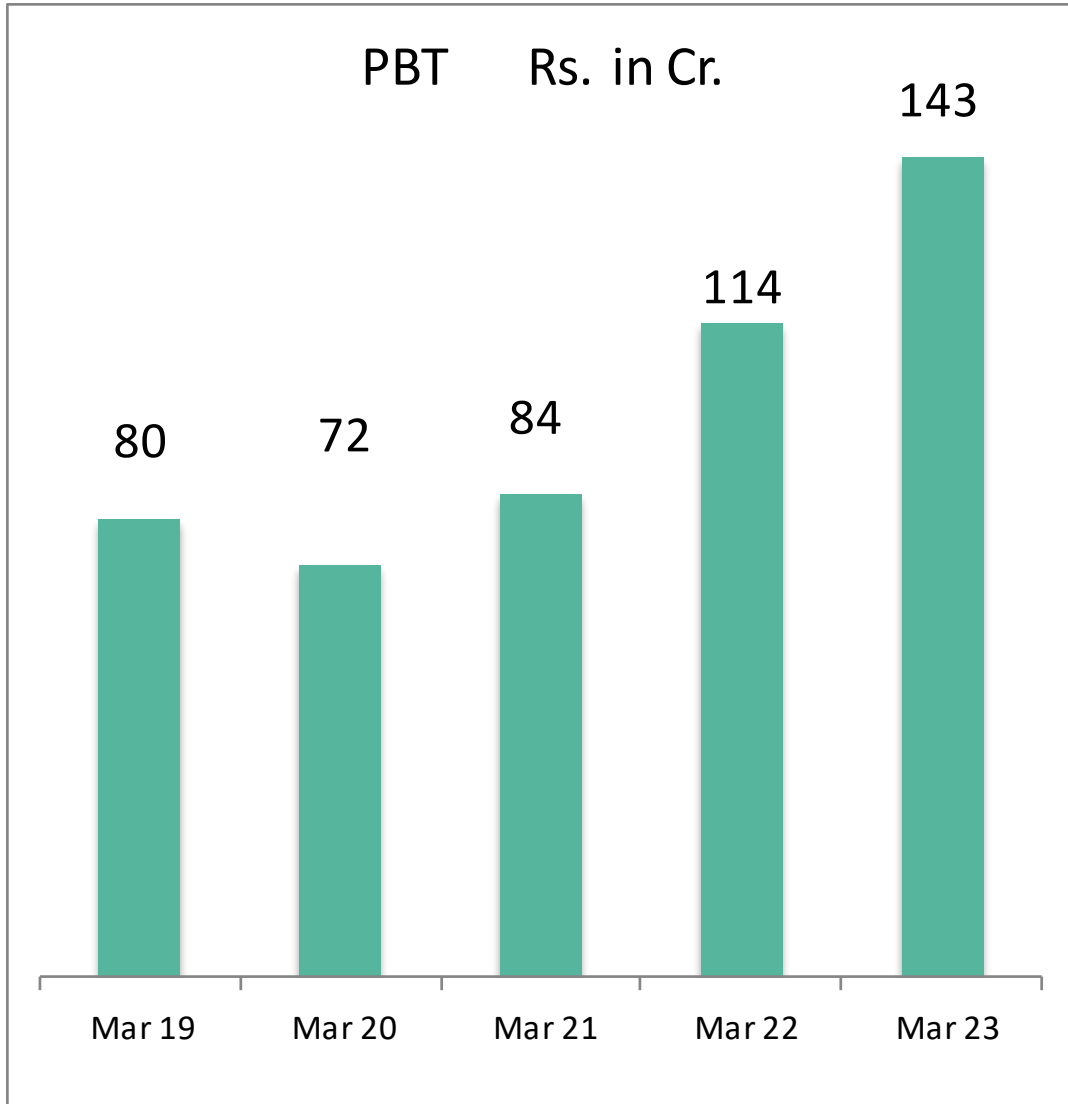
CAGR 14.6%



EBIDTA



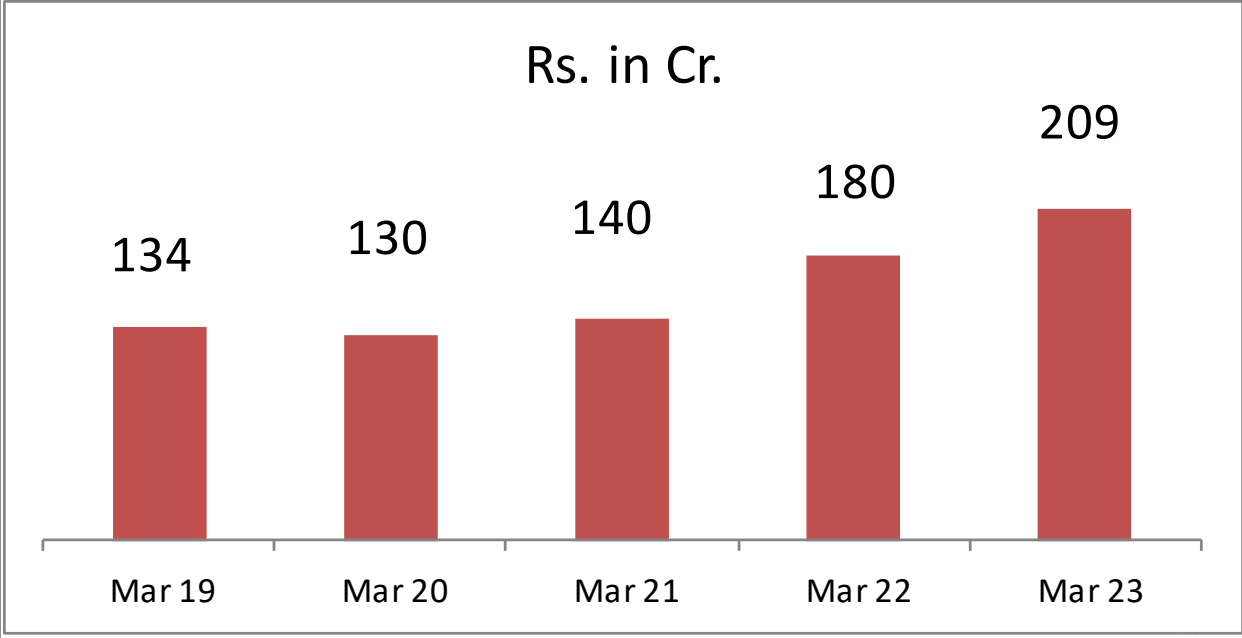
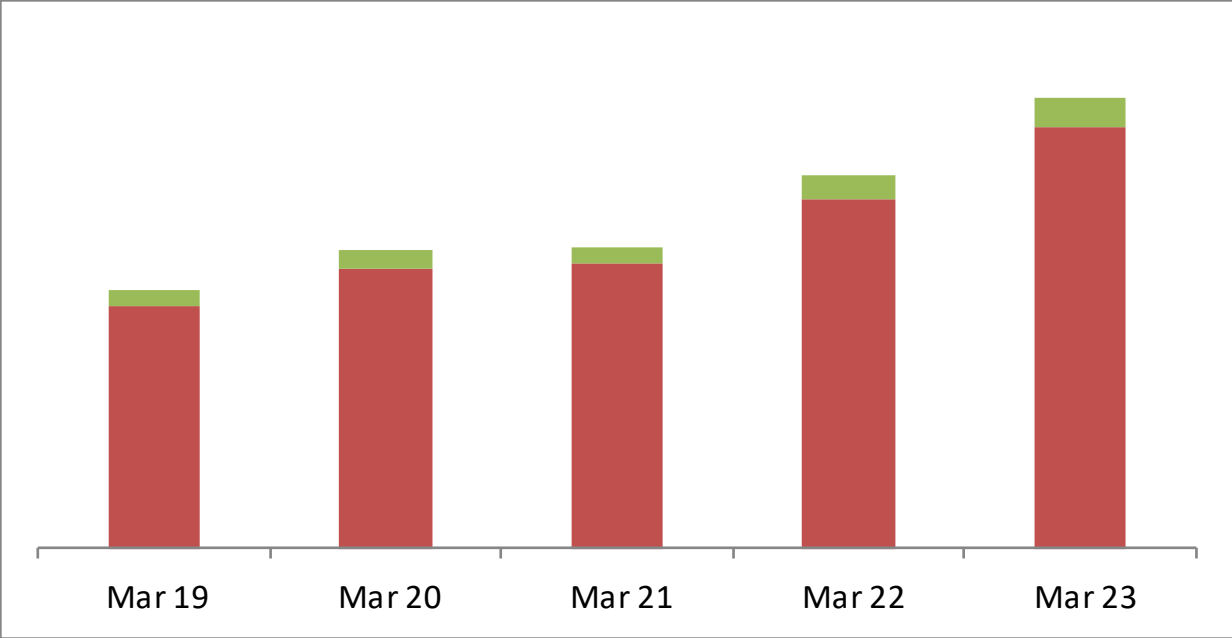
PBT & PAT



11.0% 8.6% 10.1% 11.0% 11.4%

7.6% 6.4% 7.7% 8.2% 8.7%

Segment Results

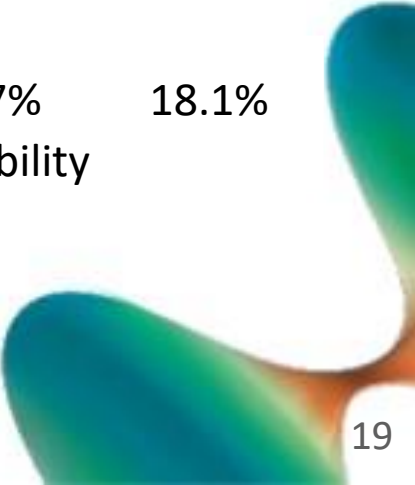


93% 94% 95% 94% 93%

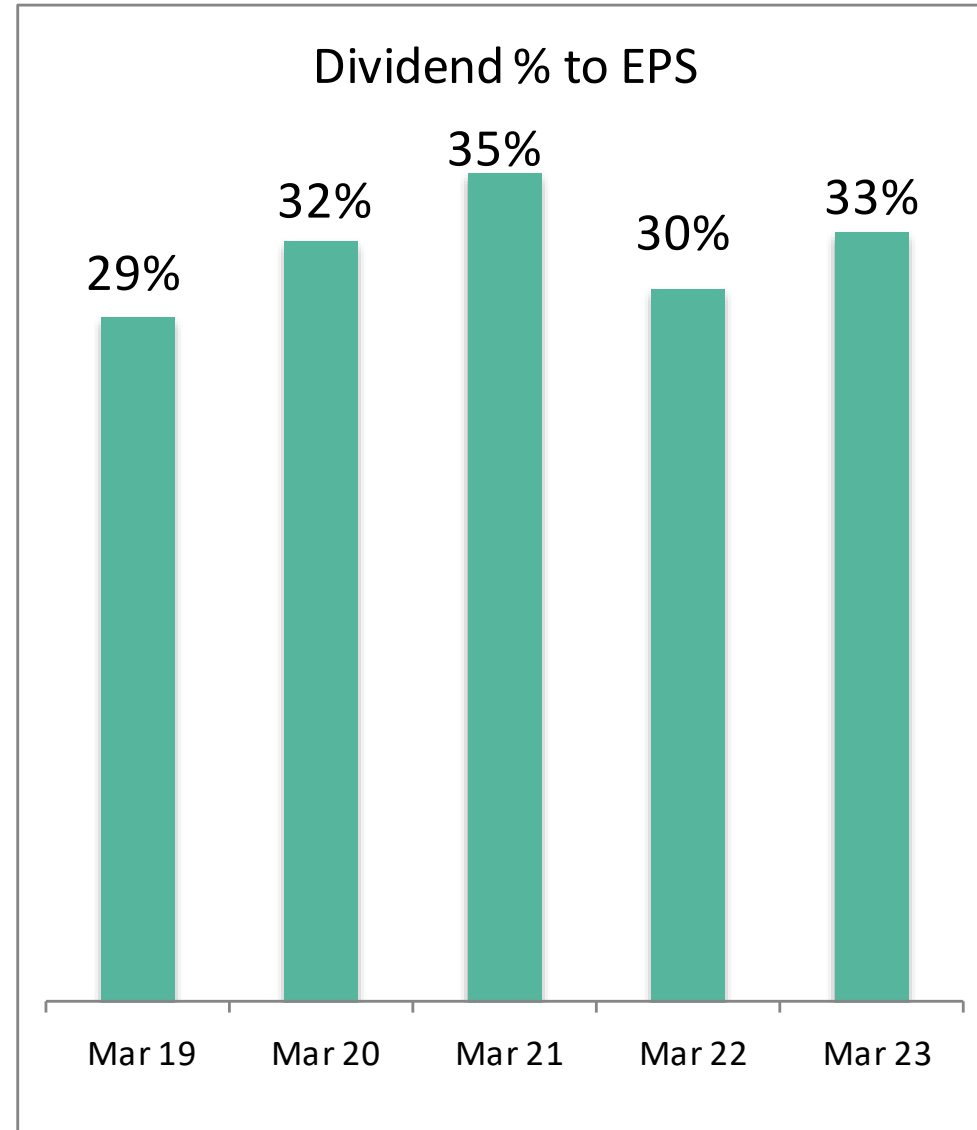
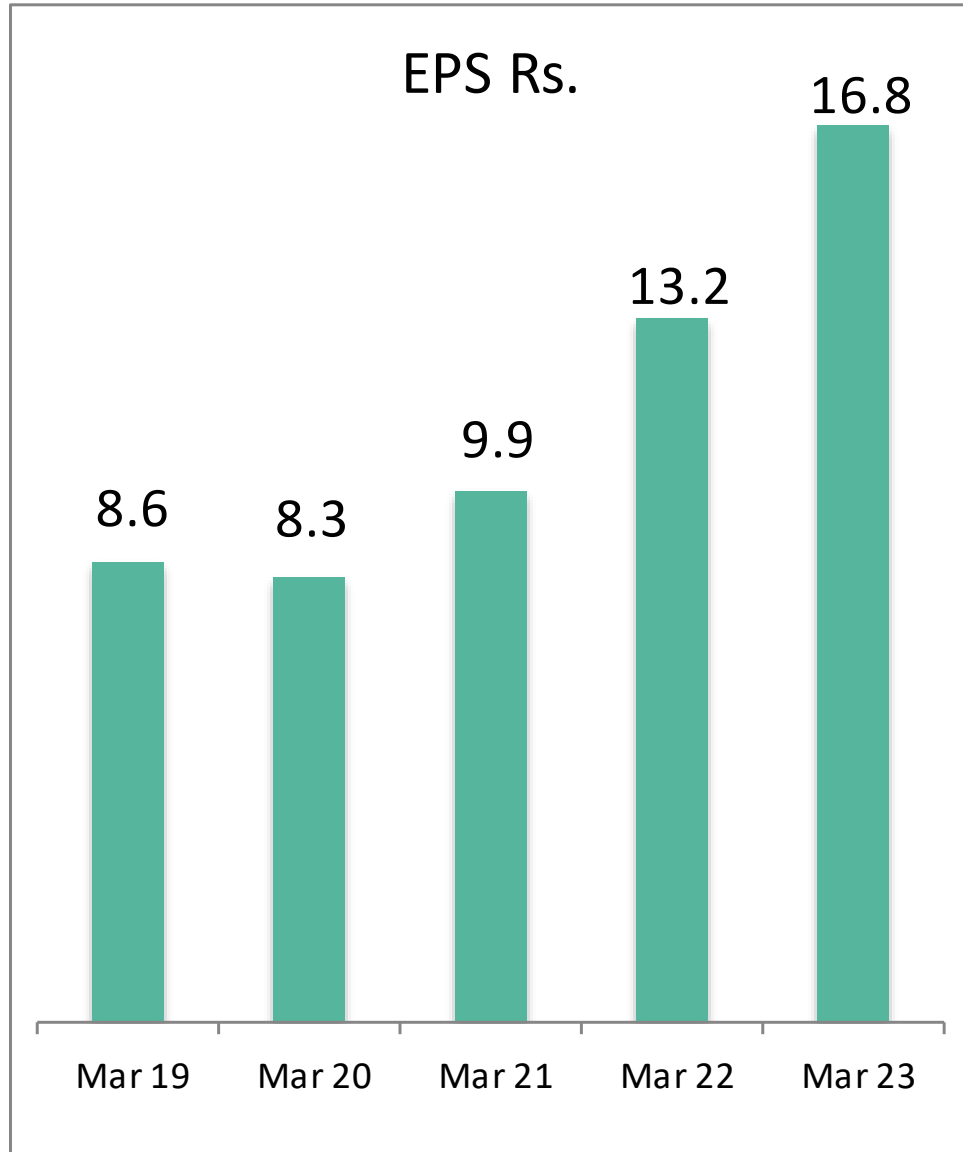
% of Compression business in total

20.3% 16.9% 17.8% 18.7% 18.1%

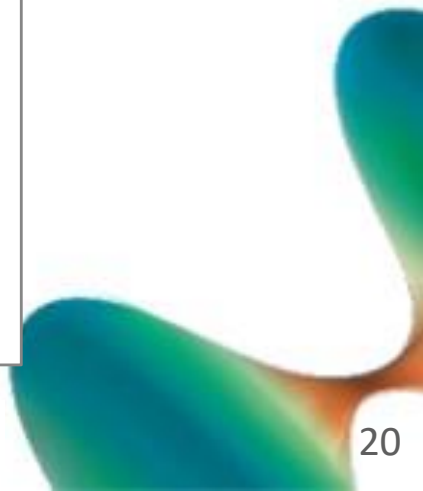
Compression segment profitability



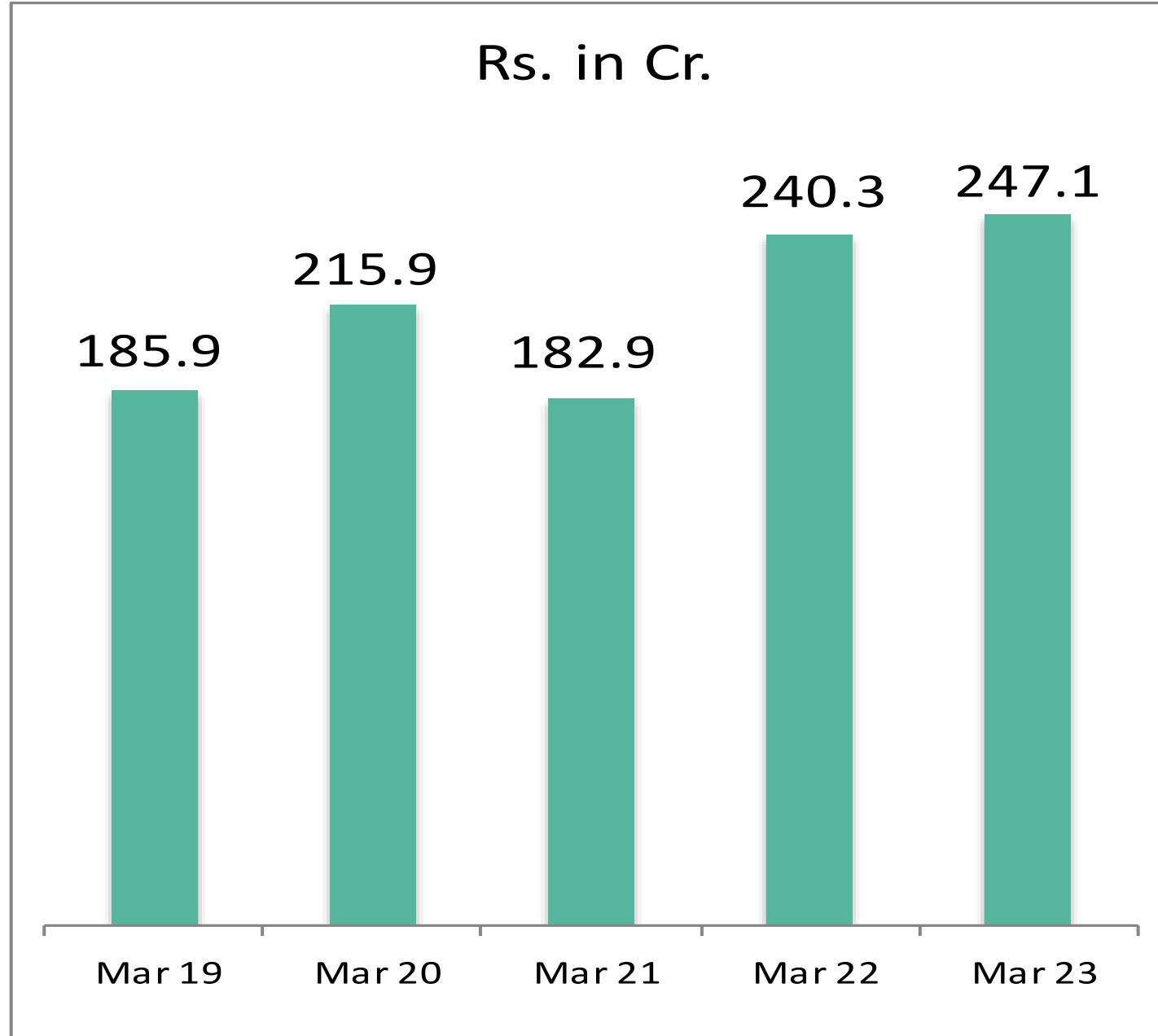
EPS & DIVIDEND



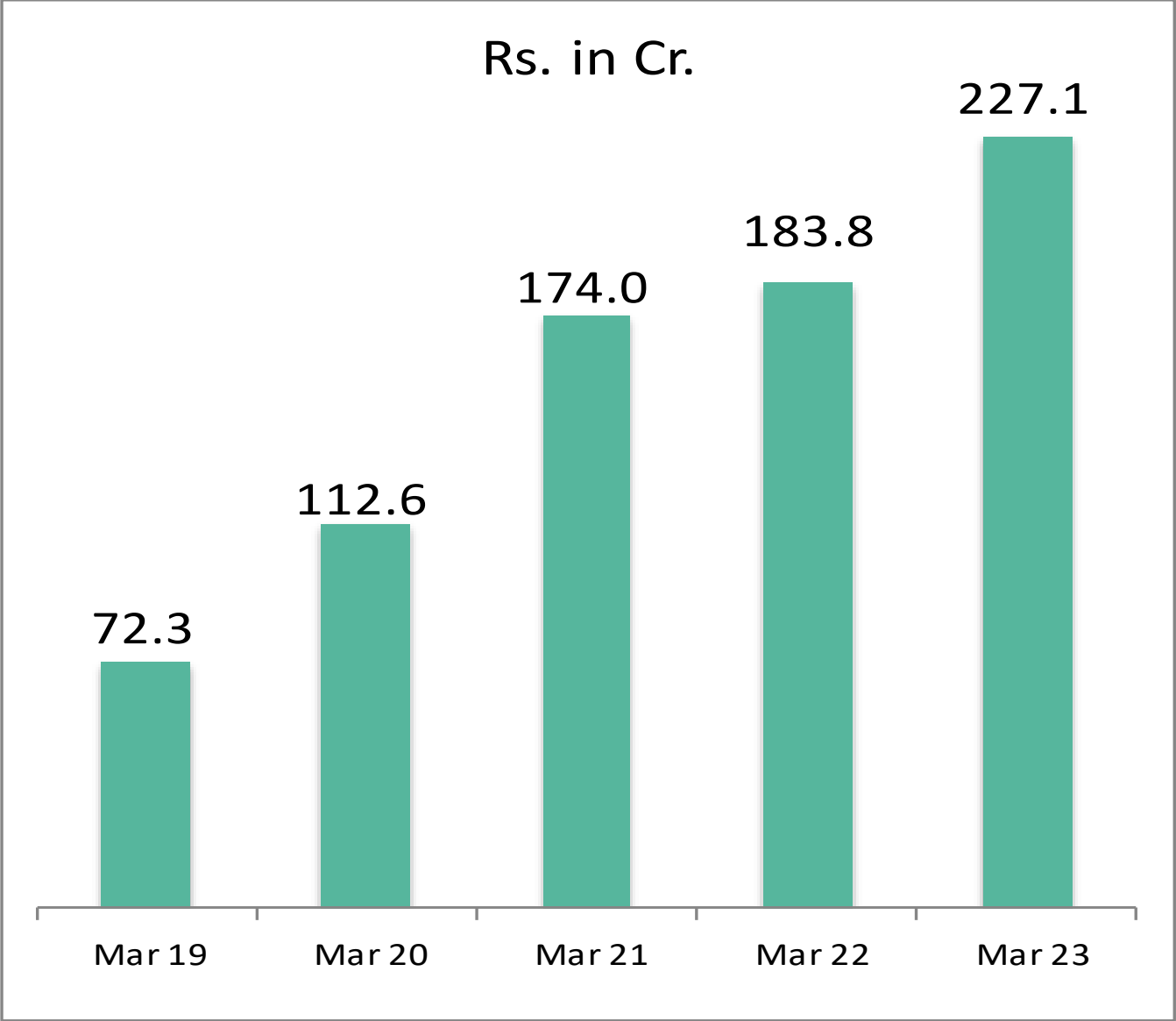
125% 135% 175% 200% 275%



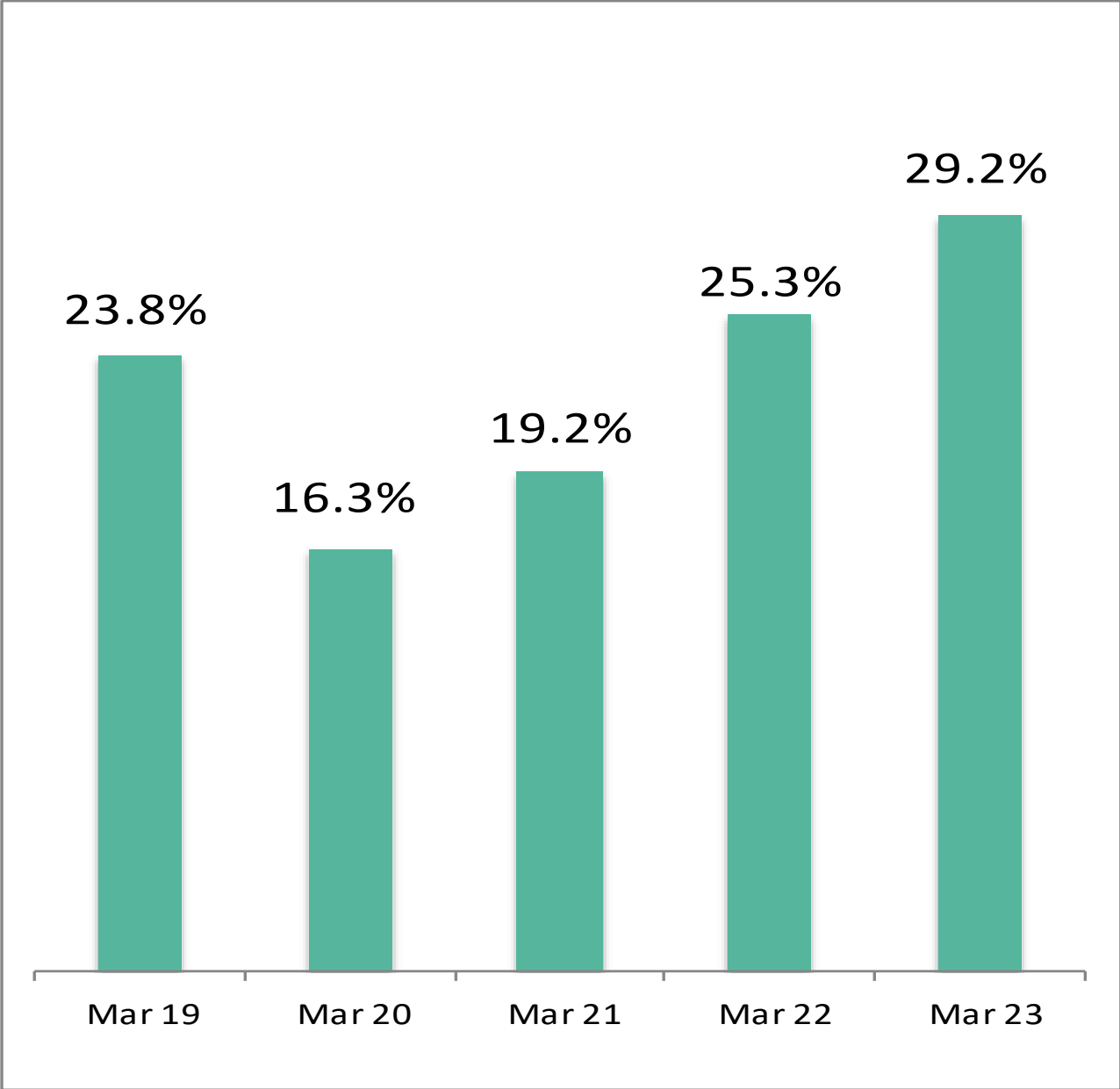
Fixed Assets



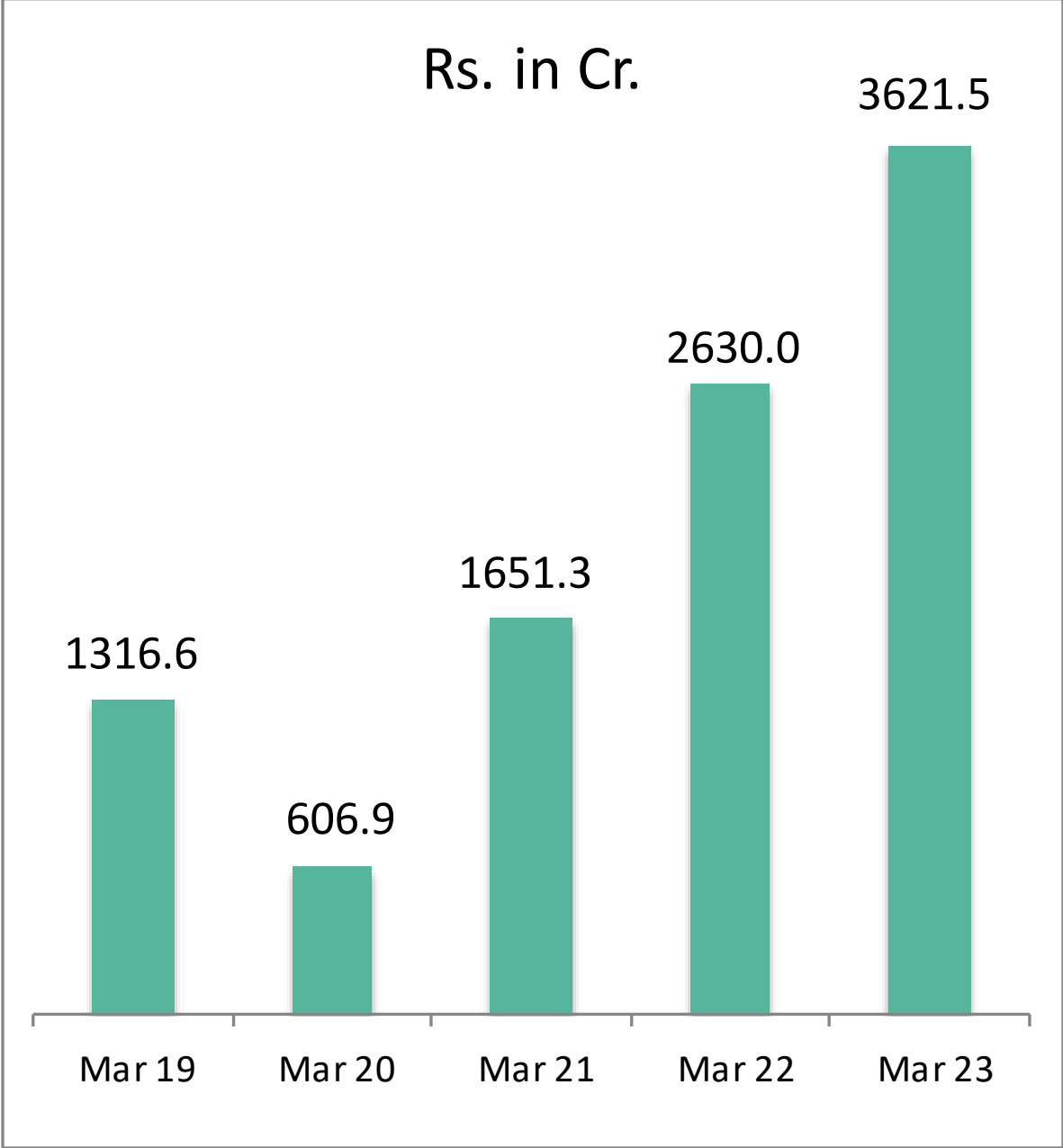
Net Working Capital



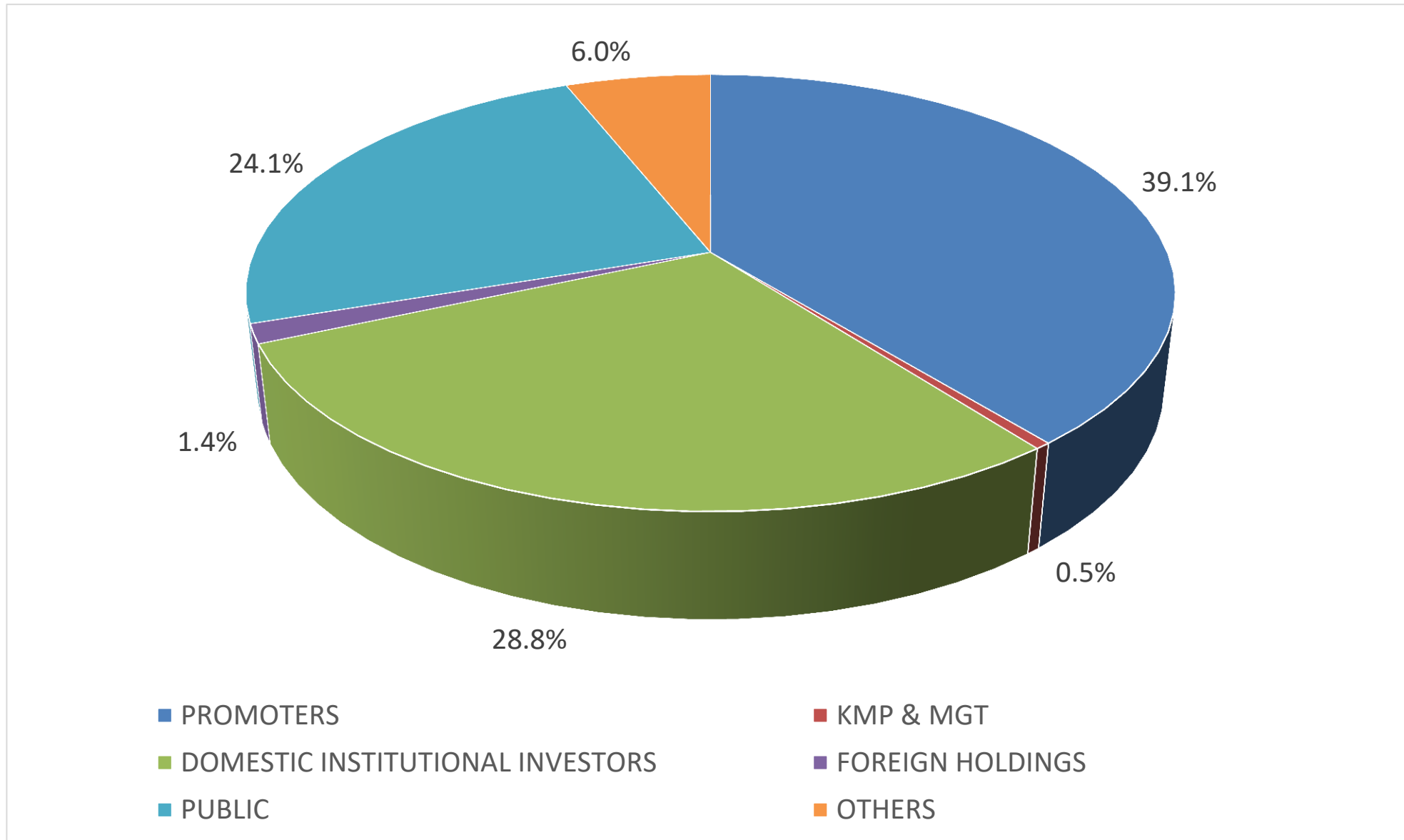
Operating ROCE



Market Cap



SHAREHOLDING PATTERN



IMS Certification

IMS : Integration of ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018



ISO 9001:2015



ISO 14001:2015




ISO 45001:2018



IMS

NABL Certification

  National Accreditation Board for
Testing and Calibration Laboratories

CERTIFICATE OF ACCREDITATION

**KIRLOSKAR PNEUMATIC CO. LTD. - METROLOGY
LABORATORY**

has been assessed and accredited in accordance with the standard
ISO/IEC 17025:2017
**"General Requirements for the Competence of Testing &
Calibration Laboratories"**
for its facilities at
HADAPSAR INDUSTRIAL ESTATE, SOLAPUR ROAD, PUNE, MAHARASHTRA, INDIA
in the field of
CALIBRATION

Certificate Number: CC-3503
Issue Date: 03/12/2022 Valid Until: 02/12/2024

This certificate remains valid for the Scope of Accreditation as specified in the annexure subject to continued satisfactory compliance to the above standard & the relevant requirements of NABL.
(To see the scope of accreditation of this laboratory, you may also visit NABL website www.nabl-india.org)

Name of Legal Identity : KIRLOSKAR PNEUMATIC COMPANY LIMITED
Signed for and on behalf of NABL




N. Venkateswaran
Chief Executive Officer

Accreditation of Metallurgy Laboratory in accordance with the standard **"ISO / IEC 17025:2017 - General requirements for the Competence of testing & calibration Laboratories"** in the field of **"Calibration"** for our Calibration facilities at Hadapsar Plant from National Accreditation Board for Testing & Calibration Laboratories.



2019



2020



2021



2022

"Prize for Leadership in HR Excellence"
for scoring 600+
consecutively fourth time.

13th CII HR Excellence Assessment-2022

Featured HR Best Practices - Dun & Bradstreet (KPCL Practices) 2019



Employee Engagement

Kirloskar Pneumatic Company Limited

Hadapsar Industrial Estate, Hadapsar, Pune - 411013, Maharashtra
Tel: 020-26727000; Fax: 020-26870634 / 26870297
Email: ; Website: www.kirloskarkpcl.com

Dun & Bradstreet D-U-N-S® No 65-007-7977

Kirloskar Pneumatic's Rewards & Recognition Programme

Rewards and Recognitions (R&R) have a significant impact on employee engagement. Keeping this in mind, KPCL sought to improve its existing employee recognition programmes and to introduce new ones. The company implemented its new reward & recognition strategy in three steps - design, communicate and implement. Under design, the company prepared reward scheme posters and displayed them at key locations and on the intranet to create awareness among employees. It also introduced a non-monetary 'Thank You' card. Under communicate, the company created an R&R logo for branding and recall. The company also initiated a few changes in its R&R policy, such as making trainees eligible for R&R, same reward amount irrespective of designation, standardization of trophies and sending names of all awardees via email and also on the intranet every month. The new R&R policy also recognises CSR volunteers by awarding them certificates and gifts.



Performance Management

Kirloskar Pneumatic Company Limited

Hadapsar Industrial Estate, Hadapsar, Pune - 411013, Maharashtra
Tel: 020-26727000; Fax: 020-26870634 / 26870297
Email: ; Website: www.kirloskarkpcl.com

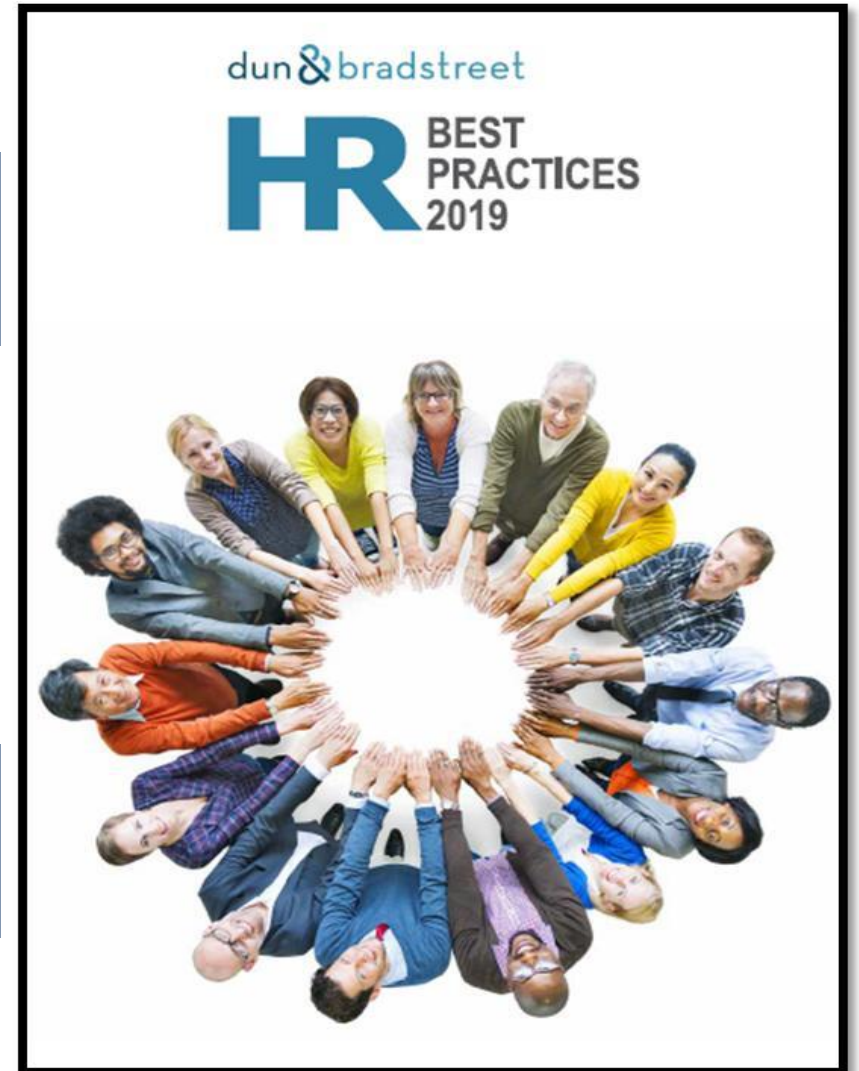
Dun & Bradstreet D-U-N-S® No 65-007-7977

Kirloskar Pneumatic's New Appraisal Process for Performance Management

Performance management is the set of activities that help employees as well the organisation in meeting their goals in an effective and efficient manner. Kirloskar Pneumatic aimed at improving its erstwhile performance appraisal system and introducing a new one in order to enhance its performance management. Hence, the company worked on a new performance appraisals process. The new appraisal process involved few changes like online oracle system for appraisals, keeping track of employee's performance history made easy, inclusion of subordinates' development activities in performance appraisal for managers, training on effective performance appraisal for managers, team working made part of performance appraisal, system alerts for pending appraisals and timely completion of performance appraisals. The new appraisal process has helped the company in timely completion of employees' performance appraisals.

KPCL Reward Practices

KPCL PMS Process



Commitment towards Environment



The Biggest Natural Vertical Green Wall
by
Asia Book of Records 2021



**Our Earth.
Our Pride.**

Kirloskar Pneumatic Co. Ltd
is the recipient of the prestigious

**Green Initiatives Award
in Maharashtra**

Instituted by Mahratta Chamber
of Commerce, Industries &
Agriculture (MCCIA).

The MCCIA Annual Awards
have been instituted since seven decades to
encourage MSMEs and recognise their efforts
across different business verticals.



Enriching Lives

“Green Initiatives in Industries” by
Mahratta Chamber of Commerce, Industries &
Agriculture (MCCIA) 2020

Environmentally Conscientious: ESG Approach

1 Solar (Renewable) Energy Focus

Solar electricity generation plant capacity

- 840 kWp
- Commissioning in April 2023

% Electricity generation of total electricity consumption

- 60%

Commercials

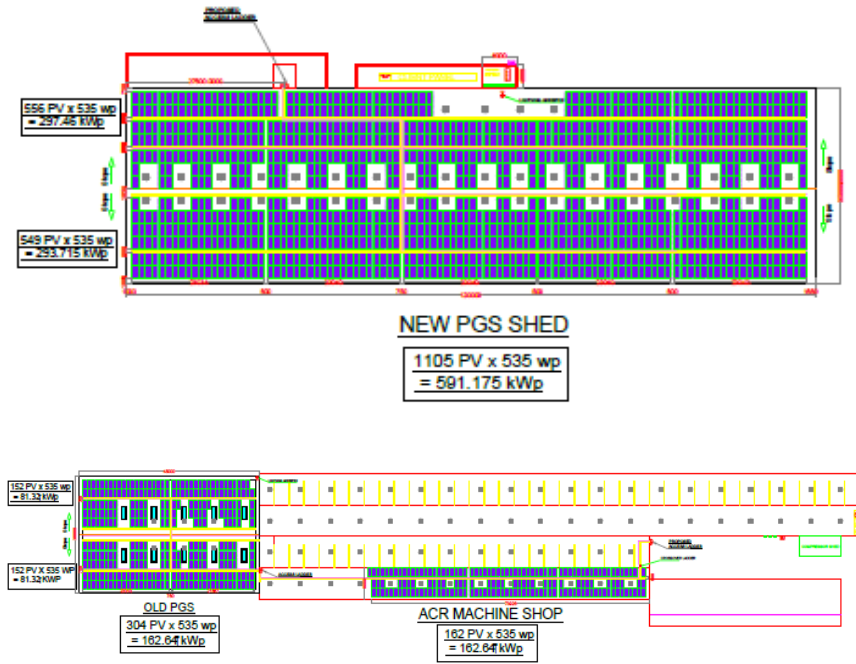
- Investment – 4 Cr
- Payback – 4 Years

2 Responsible Products: Natural Resource Conservation (R & D Focus)



Type	FY' 16	FY' 17	FY' 18	FY' 19	FY' 20	FY' 21	FY' 22	FY' 23
KC(Water Cooled)	54 %	25 %	13 %	10 %	9 %	3 %	7 %	10%
KCX(Air Cooled)	46 %	75 %	87 %	90 %	91 %	97 %	93 %	90%
Total Number of Compressors	1655	2022	2037	1610	1563	1331	1535	1615

3 Green & Clean Company: Plantation, Biodiversity Focus



Socially Engaged: Focus Areas 25,000 + beneficiaries in FY' 23

1 Education: Youth Skilling and Girls Education



38 students batch (40% girls) started

Collaboration with NTTF for Skilling Youth for Employability

2 Environment: Kirloskar Vasundhara Initiative



230 girls education



3,600 students from 12 schools



Ramnadi Restoration Mission: Supporting School Initiative

3 Community Health



11,083 benefitted

DISHA Initiative: HIV AIDS Awareness & Supports

4 School Health: Safe Drinking Water Facility



KaShi (Kanya Shiksha) & Bharari Initiative



10,140 students from 9 schools

Water Filtration Plant & Clean Drinking Water Facility created in 10 schools this year

Values – the basis of our existence and growth:



OUR VALUES



EXCELLENCE

In everything we do, Quality without compromise



INTEGRITY

Say what we do, and do what we say



COLLABORATION

We grow with People and Partners



EMPATHY

Towards all Stakeholders
We always Listen and Learn



VALUE CREATION

Towards all Stakeholders
We're bulding for a shared prosperous future



INNOVATIVE THINKING

Be Bold & Brave and stay Relevant

Thank You

www.kirloskarpneumatic.com