



13th October, 2023



India's Best Performing and Most Customer Centric PMS

KSB Ltd, a prominent player in the industrial pump and valve industry, stands as a testament to innovation, precision engineering, and unwavering commitment to excellence. With a rich history spanning decades, KSB has solidified its position as a trusted name in the global market, catering to a diverse range of industries, including water supply, energy, agriculture, construction, oil and gas, and process industries. The company's relentless pursuit of quality and customer-centric approach has propelled it to the forefront of the industry. KSB Ltd's rich heritage, comprehensive product portfolio, robust financial performance, and commitment to innovation make it a compelling choice for investors seeking a trusted partner in the industrial pump and valve industry as it is poised for sustained growth and continued success in delivering value to its customers and shareholders.

Product Offerings: KSB Ltd takes pride in offering an extensive array of high-quality pumps and valves that address the unique needs of various sectors. Whether it's delivering water, managing energy, supporting agriculture, constructing vital infrastructure, facilitating oil and gas operations, or optimizing industrial processes, KSB's comprehensive product portfolio ensures that customers receive top-notch solutions tailored to their specific requirements..

Market Share: KSB Ltd's impressive market share of approximately 7.5% in the domestic pumps and valves industry speaks volumes about its competitive edge and customer trust. The company's commitment to quality, innovation, and customer satisfaction has undoubtedly propelled it to this enviable position in the market.

Distribution Network: KSB Ltd's extensive and well-structured distribution network plays a pivotal role in its success story. The company operates through four zonal offices, five service stations, 16 branch offices, 21 godowns, over 200 authorized service centers, and a network of over 1,000 authorized dealers throughout India. This comprehensive network ensures that customers have easy access to KSB's products and services, enhancing customer satisfaction and loyalty.

Future Plans: KSB Ltd is committed to continuous innovation and growth. The company is strategically focused on expanding its product range in key segments, including refinery and petrochemicals, water handling, and building services. It recognizes the growing demand for solutions in Flue Gas Desulfurization (FGD) power plants and aims to develop new hydraulics and sizes to meet market needs effectively.

Manufacturing Facilities: KSB's commitment to manufacturing excellence is underscored by its state-of-the-art facilities strategically located across India. With six production centers in Pimpri, Chinchwad, Khandala, Vambori, Sinnar, and Coimbatore, KSB ensures that its products meet the highest standards of quality and reliability.

Stock Data	
CMP	3,159
52 Week High/Low	3,347.95 / 1,717
Face Value	10
Market Cap (In Crs)	10,998
Enterprise Value (In Crs)	10,754
NSE	KSB
BSE	500249
Bloomberg	KSB:IN
Sector	Industrials

Shareholding Pattern (in %)		
	JUN 23	MAR 23
Promoter	66.69	66.69
FII	3.43	3.48
DII	10.3	10.41
Public	19.59	19.42
Others	0	0

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	-1.59%	10.79%	16.08%
KSB	16.79%	41.11%	53.05%

Key Ratios	
P/E	55.4
P/S	5.4
P/B	9.21
Debt To Equity	0
ROE	16.9 %
ROCE	23.2%
Dividend Yield	0.49%

Q1 FY 24 Result Update

Q1 FY24 Result Comparison (In Rs Cr)					
	Q1 FY24	Q4 FY23	Q1 FY23	QOQ	YOY
Sales	591	490	448	20.61%	31.92%
EBITDA	96	67	76	43.3%	26.32%
Net Profit	63	41	47	53.66%	34.04%
EPS	18.04	11.75	13.62	34.86%	32.45%

Result Highlights

KSB exhibited robust financial performance, with notable growth in sales, EBITDA, and net profit when compared to the preceding quarter and the same quarter of the previous year. Sales for Q1 FY24 reached Rs 591 crores, marking a substantial 20.61% increase from the previous quarter and an impressive 31.92% surge year-on-year. EBITDA also demonstrated substantial growth, totaling Rs 96 crores, representing a significant 43.3% increase from the previous quarter and a commendable 26.32% rise year-on-year. Net profit followed suit, reaching Rs 63 crores, reflecting a remarkable 53.66% surge from the previous quarter and a noteworthy 34.04% increase year-on-year. This impressive financial performance is further evidenced by the growth in earnings per share (EPS) to Rs 18.04, marking a 34.86% increase from the previous quarter and a commendable 32.45% rise year-on-year.

KSB's financial performance in the first quarter of FY24 underscores its resilience and capacity for sustained growth. The company's ability to deliver significant increases in sales, EBITDA, net profit, and EPS, both sequentially and on a year-on-year basis, reflects its strong market position and effective operational strategies. These results indicate a positive outlook for KSB, reaffirming its commitment to achieving consistent profitability and delivering value to its shareholders.

Diverse Product Portfolio: KSB boasts a diverse product portfolio serving various industries, including energy, industry, water, wastewater, construction, and Supreme Services. Their product range covers a wide spectrum, including high-pressure multistage pumps, vertical inline pumps, GGC and ball valves, and more. This diversity in offerings enables KSB to cater to a broad range of customer needs and market segments, enhancing its competitive advantage and revenue streams.

Global Expansion and Exports: KSB has been actively focusing on expanding its international footprint and exploring export opportunities. Recent successes, such as securing orders from Petrofac in Algeria, demonstrate KSB's growing competitiveness in the global export market. With a comprehensive product portfolio and market accessibility, KSB aims to capture a larger share of the export market within the KSB Group, paving the way for sustained growth and improved margins.

Innovation and Product Development: KSB is committed to innovation and product development. Notably, the company is actively developing products for firewater pumps, including the Omega pump designed for high-rise buildings. Additionally, they have received approval for FM Mutual Factory Mutual certification as an assembly packager. This dedication to product innovation positions KSB to meet evolving market demands and stay ahead in the industry.

Sustainability and Long-Term Vision: KSB's outlook is centered on sustainable growth in the long term. While they acknowledge significant opportunities in the export market, they remain cautious about factors like contractor selection and vendor approval. This prudent approach aligns with KSB's commitment to long-term sustainability, ensuring they maintain profitability and continue delivering value to shareholders.

Concall Highlights

Robust Regional Presence: KSB boasts a strong regional presence with multiple facilities, including seven manufacturing locations, four zonal offices, 14 branch offices, five service stations, over 200 authorized service centers, and more than 1,000 authorized dealers. They also operate in Bangladesh through a licensed office and conduct business through dealers in Nepal and Bhutan. This extensive network enables KSB to reach a wide customer base, ensuring a strong market presence.

Diverse Product Portfolio: KSB serves a variety of industries, including energy, industry, water, wastewater, SupremeServ and construction. Their product range encompasses high-pressure multistage pumps, vertical inline pumps, GGC and ball valves, and more. Applications span boiler feed, condensate extraction, irrigation, and various other sectors, reflecting the versatility of their product offerings.

Export Market Focus: KSB is increasingly directing its attention toward the export market, capitalizing on a robust product portfolio and improved market access. Recent achievements, such as securing orders from Petrofac in Algeria, highlight KSB's growing competitiveness in the export domain. The company is committed to enhancing its export performance, aligning with the objective of achieving both growth and improved margins.

Firewater Pump Development: KSB is actively involved in the development of products for firewater pumps, including the Omega pump, tailored for high-rise buildings. They have obtained approval for FM Mutual Factory Mutual certification as an assembly packager, demonstrating their commitment to product quality and safety. KSB plans to gradually introduce FM-certified products to the market, enhancing their offerings in firewater pump systems.

Competitive API Pumps Market: The API pumps market is highly competitive, featuring both international and Indian manufacturers vying for market share. KSB's strategic approach is to engage in projects offering profitable margins rather than pursuing market share at the expense of profitability. This focus ensures that KSB maintains a sustainable and profitable presence in the competitive API pumps sector.

Growth Through KSB Group Exports: With a comprehensive product portfolio and improved market access, KSB expects to capture a larger share of the export market within the KSB Group. Anticipated growth and enhanced margins are the outcomes of addressing the entire addressable market and expanding the international footprint. This strategic initiative aligns with KSB's objective of achieving sustainable long-term growth.

Factors Influencing Export Success: Export success for KSB is influenced by a combination of internal and external factors. Internally, the company focuses on strengthening its product portfolio, qualifications, PTRs (product technology reviews), and leveraging its extensive experience. Externally, KSB has restructured its operations into market segment areas, with dedicated emphasis on sectors such as energy and petrochemicals. This segmentation approach enables KSB to execute more targeted overseas development, supported by dedicated teams managing key accounts.

Domestic Market Growth: KSB has achieved noteworthy growth across diverse industry segments within the domestic market. Examples include the ethanol and distillery segments, which have experienced substantial expansion. The Pune IPD (Industrial Product Division) plant has witnessed significant growth, largely driven by investments in locomotives and other strategic areas. KSB's strength lies in its diverse portfolio, encompassing segments such as sugar, pulp and paper, chemical processing, and energy.

Stabilized Raw Material Prices: Recent stabilization in raw material prices presents a positive development for KSB. The company is actively engaged in negotiations with vendors to mitigate the impact of high commodity prices. KSB's goal is to either maintain or slightly improve gross margins in the future, taking advantage of stabilized raw material costs.

Aftermarket Opportunities for FGD Pumps: Flue Gas Desulfurization (FGD) pumps come with a minimum wear life of 14,000 hours. Aftermarket prospects encompass a range of services, including impellers, wear parts, mechanical seals, casing lining repairs, and more. The aftermarket business for FGD pumps is expected to grow substantially as more FGD pumps are commissioned, reflecting a promising revenue stream.

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Market Penetration & Customer Segment



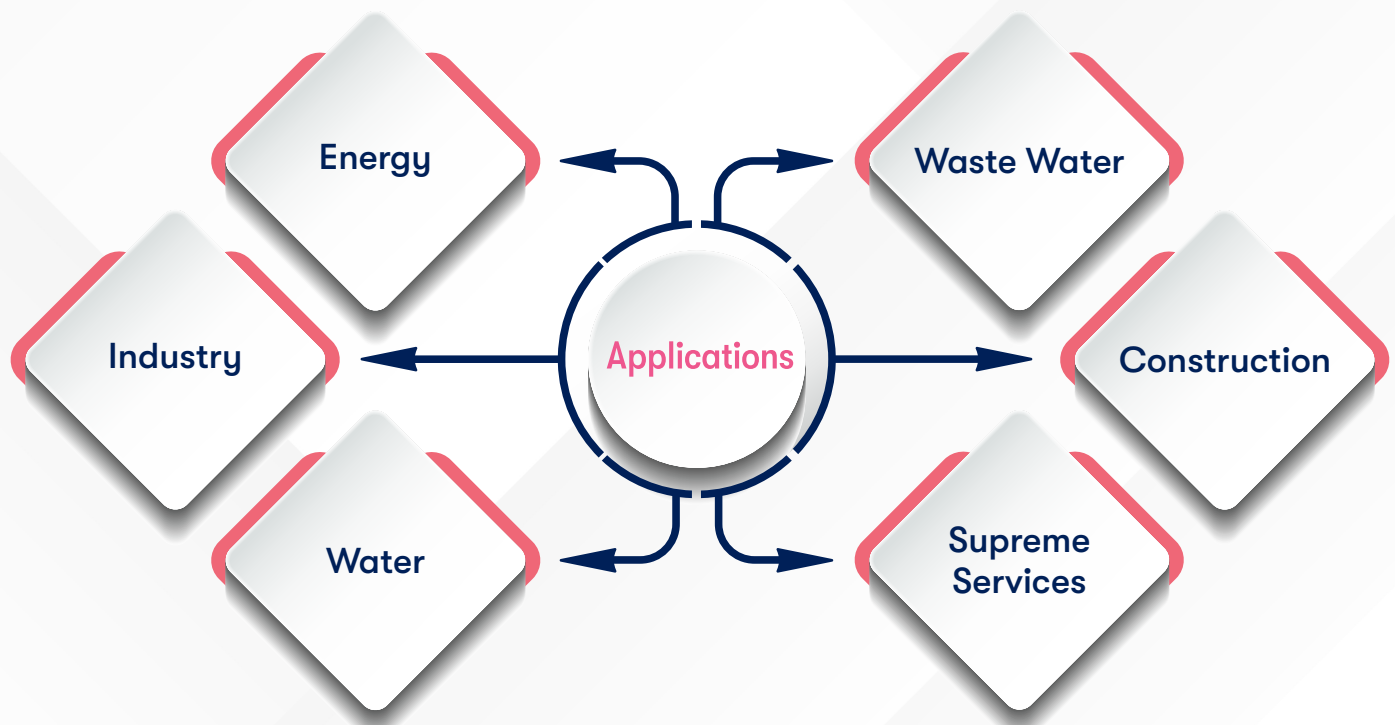
SIEMENS



न्यूक्लियर पावर कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Nuclear Power Corporation of India Limited

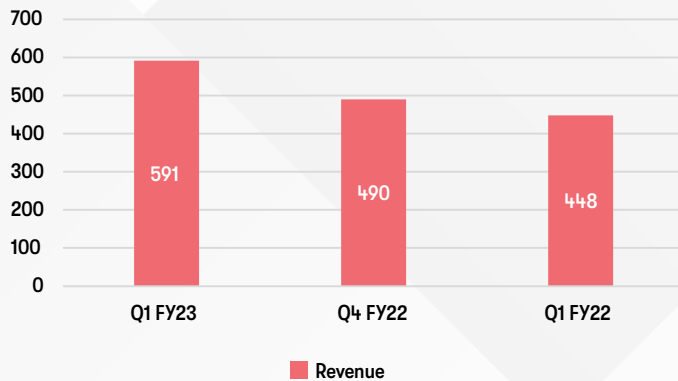


IndianOil

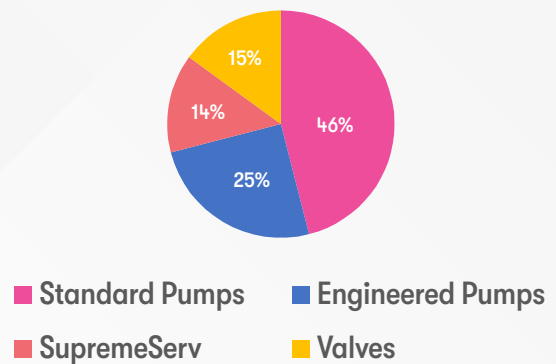


Story Through Charts

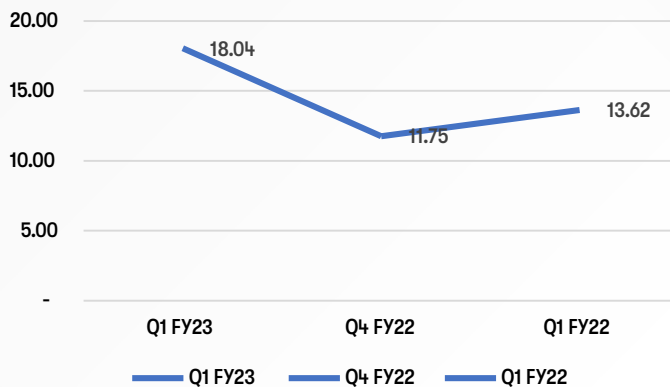
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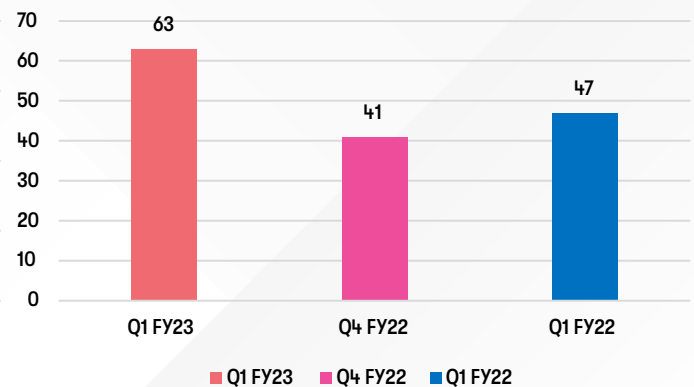
Order Intake



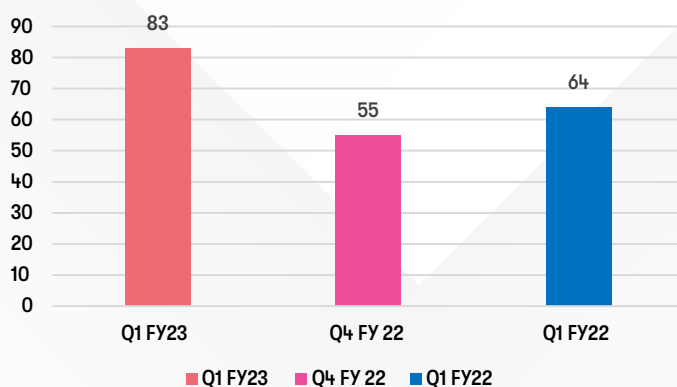
EPS



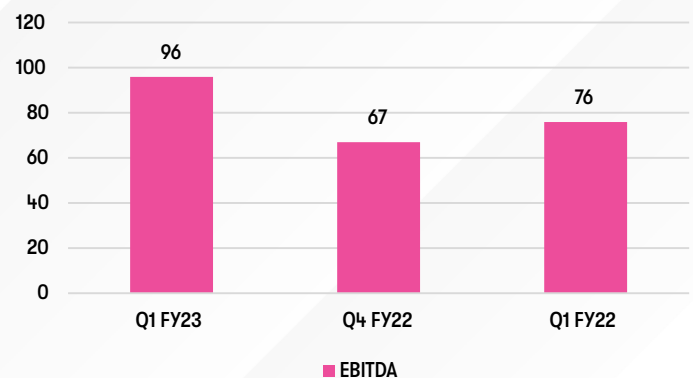
PAT (In Cr)



PBT (In Cr)



EBITDA



Technical Outlook



KSB Limited has made a significant breakout from a parallel trading channel, accompanied by substantial trading volumes on a weekly basis.

Moreover, it achieved a new all-time high last week and currently hovers around that price point, indicating the potential for further upward momentum. Daily and Weekly RSI above 60 Levels also indicate bullishness.

10 Days Moving Average > 20 Days Moving Average > 50 Days Moving Average > 100 Days Moving Average > 200 Days Moving Average indicates a strong sustainable buying in this counter.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	3088.5	3110.01
10	3052.68	3058.52
20	2963.45	2980.06
50	2796.57	2789.32
100	2475.82	2576.70
200	2238.23	2326.46

Pivot Levels : FIBONACCI		
R1 3075.97	Pivot 3023.08	S1 2970.20
R2 3108.65		S2 2937.52
R3 3161.53		S3 2884.63

Relative Strength Index (RSI)	Daily	Weekly
	65.84	75.34

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