

Press release

For immediate release



Pennar Industries' Q2FY17 Gross Sales at Rs. 420.2 Crores; up 8% YoY

Net Sales up 12.1% YoY, EBITDA up 23.8% YoY

PAT up 14.1% YoY, Cash PAT up 31.3% YoY

Hyderabad, November 10, 2016: Pennar Industries Limited, one of India's leading industrial organizations offering specialized, engineered steel solutions, announced today their unaudited financial results for the quarter and half year ended 30th September, 2016.

CONSOLIDATED FINANCIAL PERFORMANCE:

(Rs. Crore)	Consolidated							
	Q2		y-o-y Growth (%)	Q1	q-o-q Growth (%)	H1		y-o-y Growth (%)
	FY2017	FY2016		FY2017		FY2017	FY2016	
Gross Sales	420.2	389.2	8.0%	347.0	21.1%	767.2	701.0	9.4%
Net Sales	380.7	339.8	12.1%	308.7	23.3%	689.4	614.0	12.3%
EBITDA	42.3	34.2	23.8%	38.2	10.7%	80.5	60.6	33.0%
EBITDA Margin (%)	11.1%	10.1%		12.4%		11.7%	9.9%	
Cash Profit	18.8	14.4	31.3%	16.7	12.8%	35.5	26.0	37.0%
Cash Profit Margin (%)	4.9%	4.2%		5.4%		5.2%	4.2%	
Net Profit	10.1	8.9	14.1%	7.8	29.8%	18.0	15.0	19.7%
Net Profit Margin (%)	2.7%	2.6%		2.5%		2.6%	2.4%	
Basic EPS (Rs)	0.8	0.7	14.1%	0.65	29.8%	1.49	1.25	19.7%

STANDALONE FINANCIAL PERFORMANCE:

(Rs. Crore)	Standalone							
	Q2		y-o-y Growth (%)	Q1	q-o-q Growth (%)	H1		y-o-y Growth (%)
	FY2017	FY2016		FY2017		FY2017	FY2016	
Gross Sales	278.9	249.0	12.0%	238.9	16.7%	517.9	461.5	12.2%
Net Sales	251.0	217.7	15.3%	212.9	17.9%	463.9	402.8	15.2%
EBITDA	21.9	19.8	10.7%	18.8	16.4%	40.7	35.9	13.2%
EBITDA Margin (%)	8.7%	9.1%		8.8%		8.8%	8.9%	
Cash Profit	11.4	10.5	8.7%	8.1	40.5%	19.5	18.4	5.8%
Cash Profit Margin (%)	4.5%	4.8%		3.8%		4.2%	4.6%	
Net Profit	6.4	6.4	1.1%	4.4	48.0%	10.8	10.2	6.0%
Net Profit Margin (%)	2.6%	2.9%		2.0%		2.3%	2.5%	
Basic EPS (Rs)	0.54	0.53	1.1%	0.36	48.0%	0.90	0.85	6.0%

SEGMENT FINANCIAL PERFORMANCE (STANDALONE):

(Rs. Crore)	Sales			EBITDA			EBITDA Margin (%)	
	Q2			Q2			Q2	
	FY17	FY16	Growth (%)	FY17	FY16	Growth (%)	FY17	FY16
Steel Products	78.2	92.2	(15.1)%	3.2	5.5	(41.0)%	4.1%	5.9%
Tubes	40.7	34.2	18.8%	3.3	2.5	28.9%	8.0%	7.4%
Industrial Components	12.6	16.7	(24.5)%	1.9	2.5	(24.0)%	15.0%	14.9%
Systems and Projects	111.2	63.9	74.0%	13.5	9.1	48.8%	12.1%	14.2%
Scrap Sales	8.4	10.7		0.0	0.0			
Total Standalone	251.0	217.7	15.3%	21.9	19.6	11.8%	8.7%	9.0%
Total Consolidated	380.7	339.8	12.0%	42.3	34.0	24.5%	11.1%	10.0%

BUSINESS HIGHLIGHTS FOR Q2FY17:

Systems & Projects: During the quarter, we received orders from Integral Coach Factory (ICF), Modern Coach Factory (MCF), Texmaco Rail & Engineering, Hindustan Engineering India, and BEML. We also supplied Coaches of Stainless Steel Sidewall and Roof Assemblies to ICF during the quarter. Additionally, a new product, Side Bearer (ICF), was added. In the Solar vertical, some of the major customers include Sterling & Wilson, L&T, Mahindra Susten, Nuevosol and Tata Power India, among others. We received major orders from Tata Power, BE Electric, Mytrah Energy, Greenko and Sterling & Wilson, among others. We added three new customers, Greenko, Premier Solar and Mytrah Energy, during the quarter.

Industrial Components: Some of the major customers for this vertical include Emerson Climate Technologies, Tecumseh, India Nippon Electricals, Endurance, Wabco, FSTVS, Xylem and Bailey, among others. There has been an expansion in the business with existing customers like Wabco and Yamaha in this quarter. Additionally, we added three new products - one each with Emerson, Tecumseh and Endurance, during the quarter. We added four new customers during the quarter. Bailey business is expected to increase with our new customised cylinder variants. The successful prototype completion of HP Steel Rollers has created new opportunities with other potential customers in the market.

Tubes: With over 255 customers in the domestic and export market, this vertical covers sectors like Auto, Power, General Engineering, Textile, Earth Moving Equipment, etc. and includes major names like VECV, Mahindra, Gabriel, Endurance, Royal Enfield, Magna Closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco and Tata Vendors as customers. 70% of the orders were received from regular major OEs in the form of monthly orders and the balance 30% were project-based orders. During the quarter, we added 9 new customers - IFFCO, Royal Enfield, I.M Gears, USAI International, Sourer (Germany), SPIC, Aditya Birla – Power Division, KMA Seating – Ford Chennai and Kirloskar Toyota Textiles, among others. We are focusing more on the CDW business expansion. We are targeting to get the approval of TFF from major OEs in the next two quarters.

We are also likely to add a couple of export customers in the third quarter, as exports and new product development have been identified as priority areas.

Steel Products: In the CRFS segment, we received orders from Energo Engineering and L&T Power, among others. Repeat orders from GE Power and Thermax for various projects, were also booked. Some of the major customers include Thermax, GE Power, L&T, Ashok Leyland, VECV, Prabha Eng., RV Industries, Raghavendra Auto, Johnson Lifts, Tata Projects, & IVRCL, among others. During the quarter, 6 new customers were added. In the CRSS segment, in addition to the orders from regular customers as per given monthly schedules, we also received orders from Toshiba, IFB Industries, LGB and Luk India. We also received orders for Special Grade Material. During the quarter, 4 new customers were added. Some of the major customers include Toshiba, IFB Industries, LGB, Luk India, Managal Precision, Bimetal, JM Frictech, RG Bronze and KM Seating, among others.

Pennar Enviro Limited: During the quarter, we received new orders from Sogex Oman India and Balaji Paper & Newsprint. We received repeat orders from Parry Sugar Refinery India, Hospira Healthcare India, Sneh Engineers and Lanco. During the quarter, we added 3 new customers in the Chemicals business. Additionally, a new product, Paper Chemical (Sizing Chemical), had a successful trial.

ABOUT PENNAR INDUSTRIES LIMITED:

Pennar Industries (NSE: PENIND, BSE: 513228) is one of India's leading industrial organizations offering specialized, engineered steel solutions. The Company has a strong presence across growth sectors in India through four business units, Steel Products, Tubes, Industrial Components and Systems & Projects, and its subsidiary companies, Pennar Engineered Building Systems Limited and Pennar Enviro Limited. All of Pennar's manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and six manufacturing plants located at Patancheru, Sadashivpet, Isnapur and Mallapur near Hyderabad, Chennai in Tamil Nadu and Tarapur in Maharashtra.

For more information, please visit www.pennarindia.com

DISCLAIMER:

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pennar's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Pennar undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

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