

Press release

For immediate release



Pennar Industries' Standalone Q3FY18 Net Revenues at Rs 300.9 Crores; up 22% YoY
Q3FY18 EBITDA Margin up 60 bps at 8.8%
Q3FY18 PAT up 72% YoY at Rs. 8.6 Crores

Hyderabad, February 12, 2018: 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 9 months ended 31st December 2017.

CONSOLIDATED FINANCIAL PERFORMANCE:

(Rs. Crore)	Consolidated					
	Q3		y-o-y	9Months		y-o-y
	FY2018	FY2017	Growth (%)	FY2018	FY2017	Growth (%)
Net Revenue	416.9	395.7	5.4%	1,272.9	1,085.2	17.3%
EBITDA	45.5	44.1	3.2%	136.6	126.0	8.4%
<i>EBITDA Margin (%)</i>	<i>10.9%</i>	<i>11.1%</i>		<i>10.7%</i>	<i>11.6%</i>	
Cash Profit	20.2	17.9	12.8%	62.4	54.0	15.6%
<i>Cash Profit Margin (%)</i>	<i>4.9%</i>	<i>4.5%</i>		<i>4.9%</i>	<i>5.0%</i>	
Net Profit	13.3	10.2	29.4%	34.4	27.3	26.0%
<i>Net Profit Margin (%)</i>	<i>3.18%</i>	<i>2.59%</i>		<i>2.70%</i>	<i>2.52%</i>	
Basic EPS (Rs)	1.10	0.85	29.4%	2.86	2.27	26.0%

STANDALONE FINANCIAL PERFORMANCE:

(Rs. Crore)	Standalone					
	Q3		y-o-y	9Months		y-o-y
	FY2018	FY2017	Growth (%)	FY2018	FY2017	Growth (%)
Net Revenue	300.9	245.9	22.4%	887.5	710.5	24.9%
EBITDA	26.4	20.2	31.0%	80.4	62.1	29.4%
<i>EBITDA Margin (%)</i>	<i>8.8%</i>	<i>8.2%</i>		<i>9.1%</i>	<i>8.7%</i>	
Cash Profit	13.4	9.2	46.3%	41.3	28.9	42.6%
<i>Cash Profit Margin (%)</i>	<i>4.5%</i>	<i>3.7%</i>		<i>4.7%</i>	<i>4.1%</i>	
Net Profit	8.6	5.0	72.4%	22.8	14.8	54.6%
<i>Net Profit Margin (%)</i>	<i>2.8%</i>	<i>2.0%</i>		<i>2.6%</i>	<i>2.1%</i>	
Basic EPS (Rs)	0.71	0.41	72.4%	1.90	1.23	54.6%

SEGMENT FINANCIAL PERFORMANCE (STANDALONE):

Particulars	Net Revenue (Rs in crores)		
	Q3		y-o-y
	FY18	FY17	Growth (%)
Steel Products	163.5	137.8	18.6%
Tubes	50.7	38.4	32.2%
Industrial Components	18.5	15.3	20.8%
Railways	54.7	47.0	16.5%
Scrap	13.4	7.1	
Total Standalone	300.9	245.9	22.4%
Total Consolidated	416.9	395.7	5.4%

BUSINESS HIGHLIGHTS FOR Q3FY18 AND OUTLOOK FOR FY18:

RAILWAYS: Railways division supplies Stainless Steel Sidewall, Roof Assemblies, Fabrication items etc to ICF/Chennai & MCF/Raebareli e.t.c. The division has an order book of Rs. 90 crores. There is a surge in Stainless Steel Coach demand by the Indian Railways.

TUBES: This division has about 255 customers in domestic and exports, covering the following industries - Auto, power, Gen Engineering, Textile and, earth moving equipment. Major customers in this vertical include VECV, Mahindra, Gabriel, Yamaha, Bridgestone, Endurance, Royal Enfield, Magna closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, Isgec, Rajwest, Hindalco, Tata Vendors among others. In the exports segment, Pennar has added 3 new customers - Metal One (USA), Stomet (Germany) and CIE Automotive (Spain). The new domestic customers include Hyundai Polytech, Puja fluids, K.Tech and Gaziabad Precision Engineering. Plant approvals came from the TVS Group and Bajaj for CDW/ERW tubing. Plant approval by Tokai Rubber – a Tier 1 Toyota Vendor - has been completed. CDW export order booking up to April 2018, and regular schedules are lined up for FY18. The focus is on CDW business expansion; expected to add additional export business in Q4FY18 from North America/ Europe/ Africa. The CDW capacity expansion is expected by March 2018. The division is also planning to add a 5th tube mill to get ready for the 2018-19 financial year and the project will kick off in May/ June 2018.

INDUSTRIAL COMPONENTS: New products in this quarter were Hoist Cylinder, Tie rod cylinders and Farm Equipment cylinders. The commercial segment continues to pull the volumes up and sequential orders from the Hydraulics segment continues to show a positive trend.

STEEL PRODUCTS: The New plant at Velchal, near Hyderabad has started production and has helped the division to secure new orders.

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 seven manufacturing plants located at Patancheru, Sadashivpet, Isnapur and Mallapur, Velchal 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.

Q3FY18 EARNINGS CONFERENCE CALL DETAILS:

Universal Access:	+ 91 22 3960 0734
Local Access Number: Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune. (Accessible from all carriers)	+91-7045671221
International Toll- Free Numbers:	USA : 1 866 746 2133 UK : 0 808 101 1573 Singapore : 800 101 2045 Hong Kong : 800 964 448
Date:	Wednesday, February 14, 2018
Time:	11:45 AM IST

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