

Pennar Industries Limited



Investor Presentation Q3FY17



Disclaimer



This presentation contains “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pennar Industries Limited and its subsidiary companies’ (“Pennar”) future business developments and economic performance.

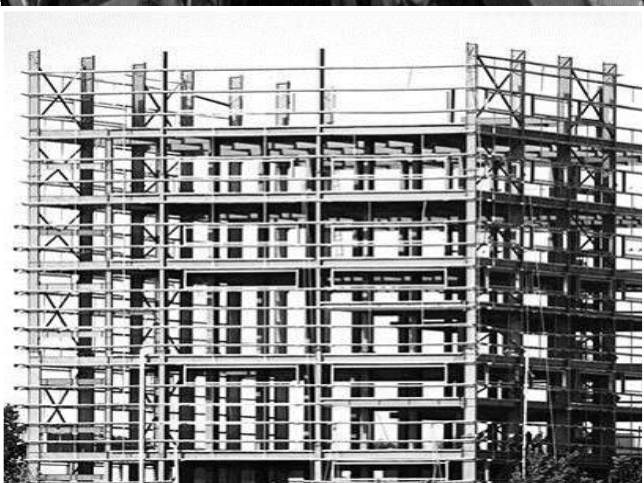
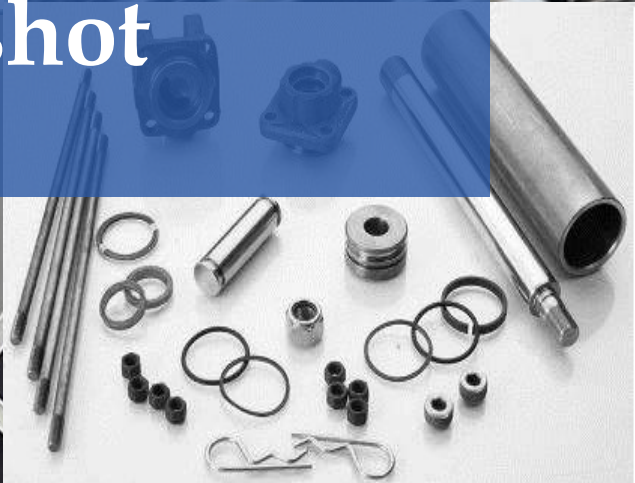
While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, 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 periodically revise any forward looking statements to reflect future / likely events or circumstances.



Q3FY17 Snapshot



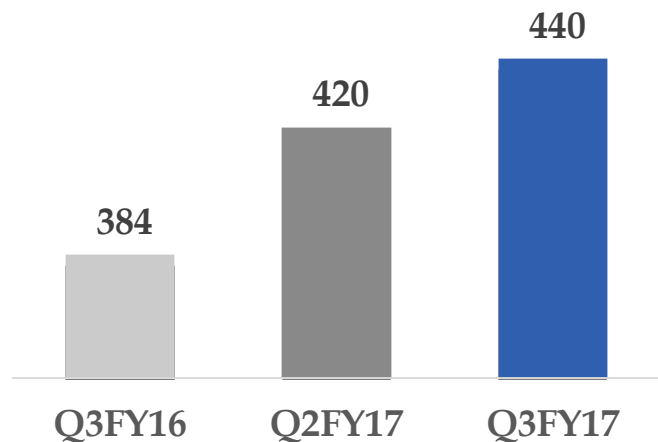
Financial Performance – Q3FY17



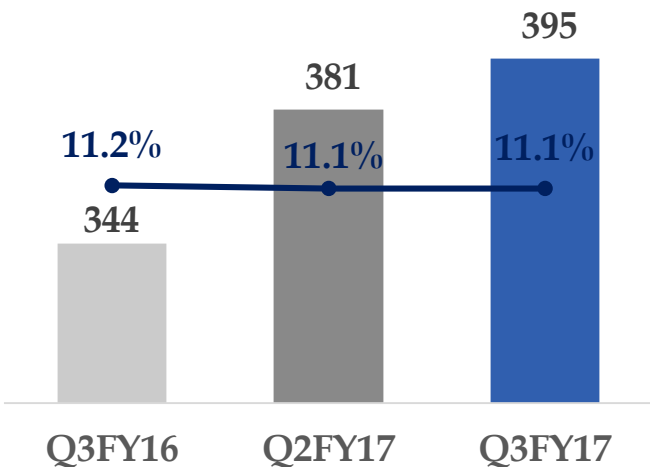
In Rs crs

Consolidated Performance

Gross Revenues

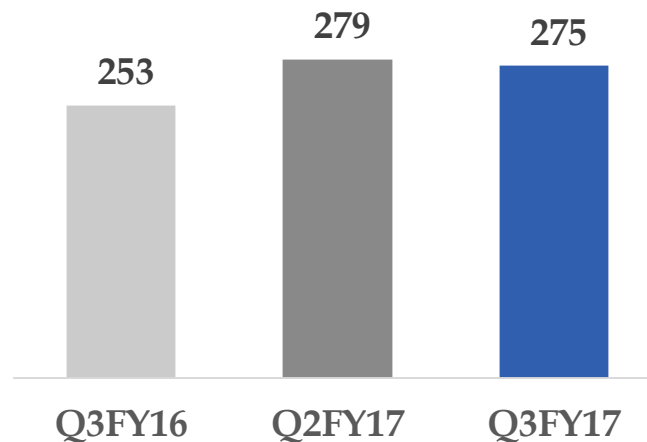


Net Revenue & EBITDA %

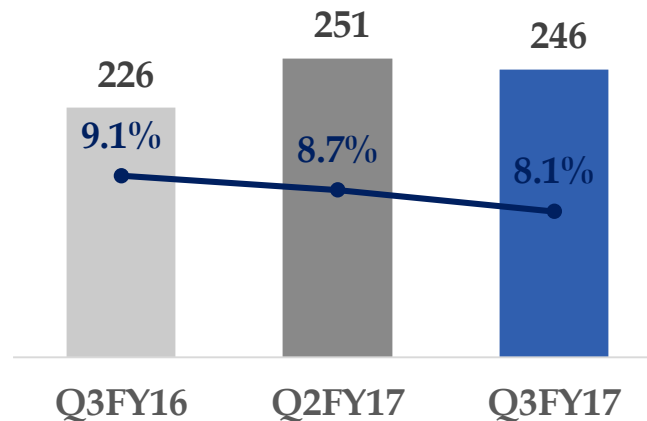


Standalone Performance

Gross Revenues



Net Revenue & EBITDA %



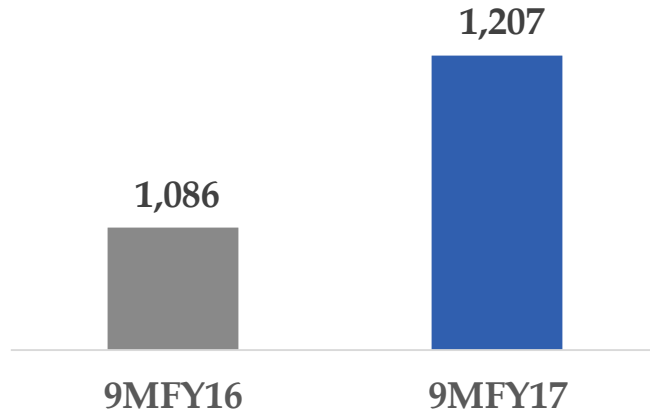
Financial Performance – 9MFY17



In Rs crs

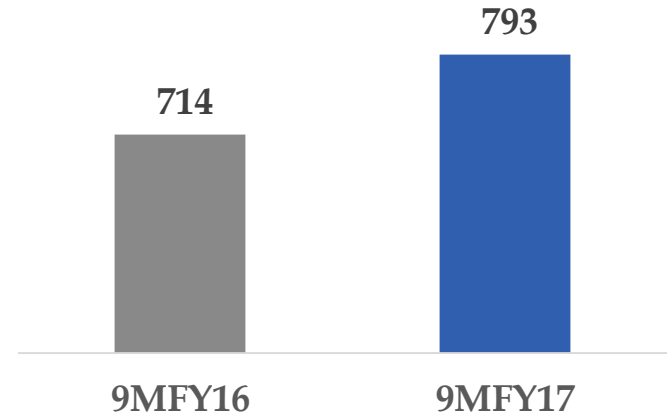
Consolidated Performance

Gross Revenues

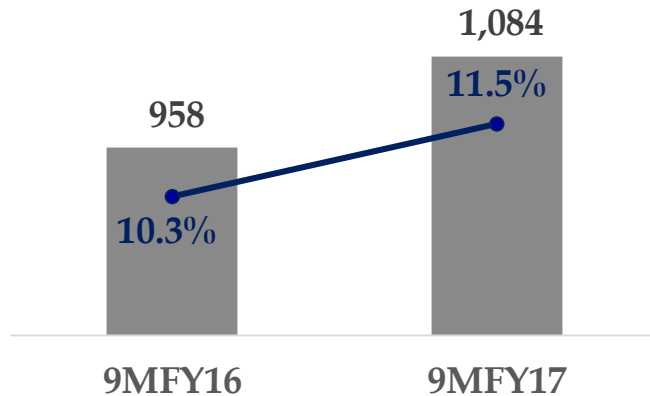


Standalone Performance

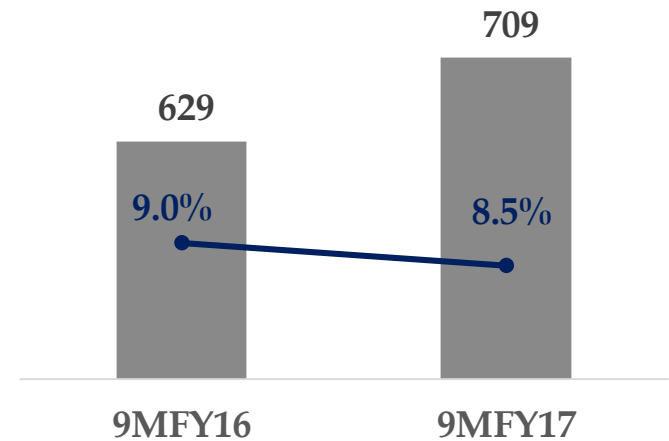
Gross Revenues



Net Revenue & EBITDA %



Net Revenue & EBITDA %

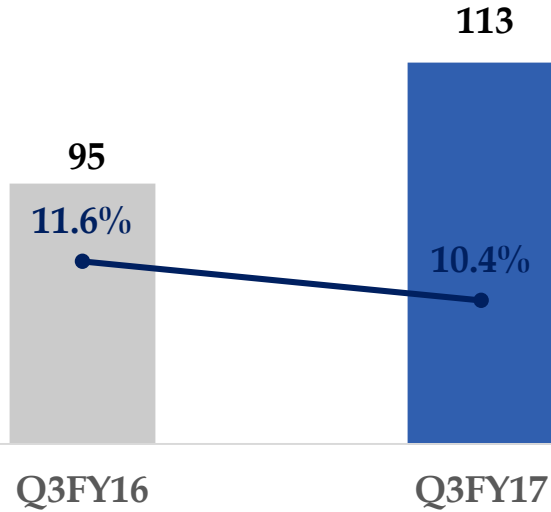


Segment Performance – Q3FY17

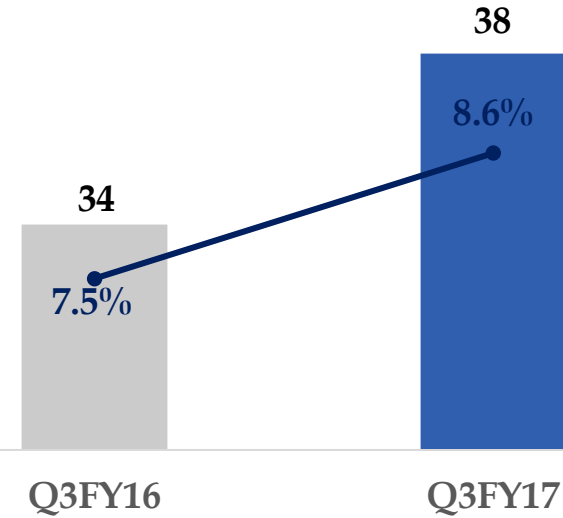


Net Revenues (Rs crs) & EBITDA Margin %

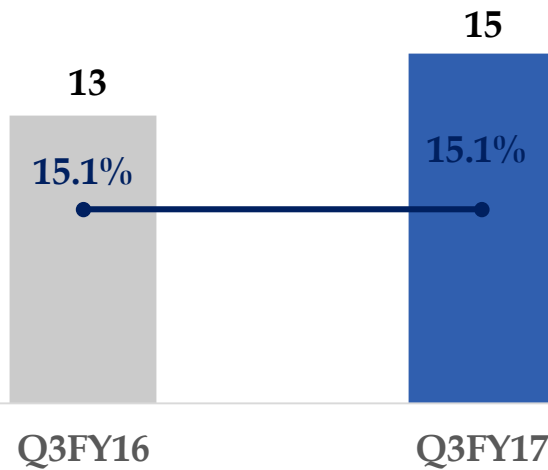
Systems & Projects



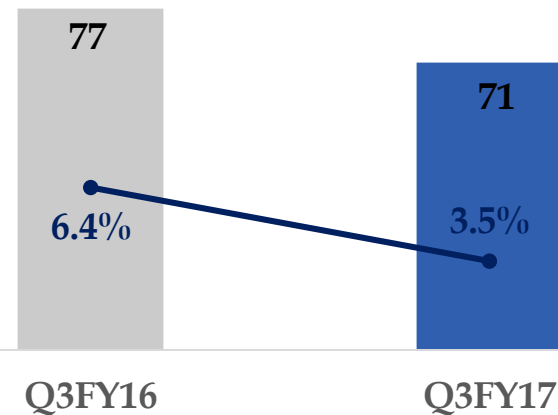
Tubes



Industrial Components



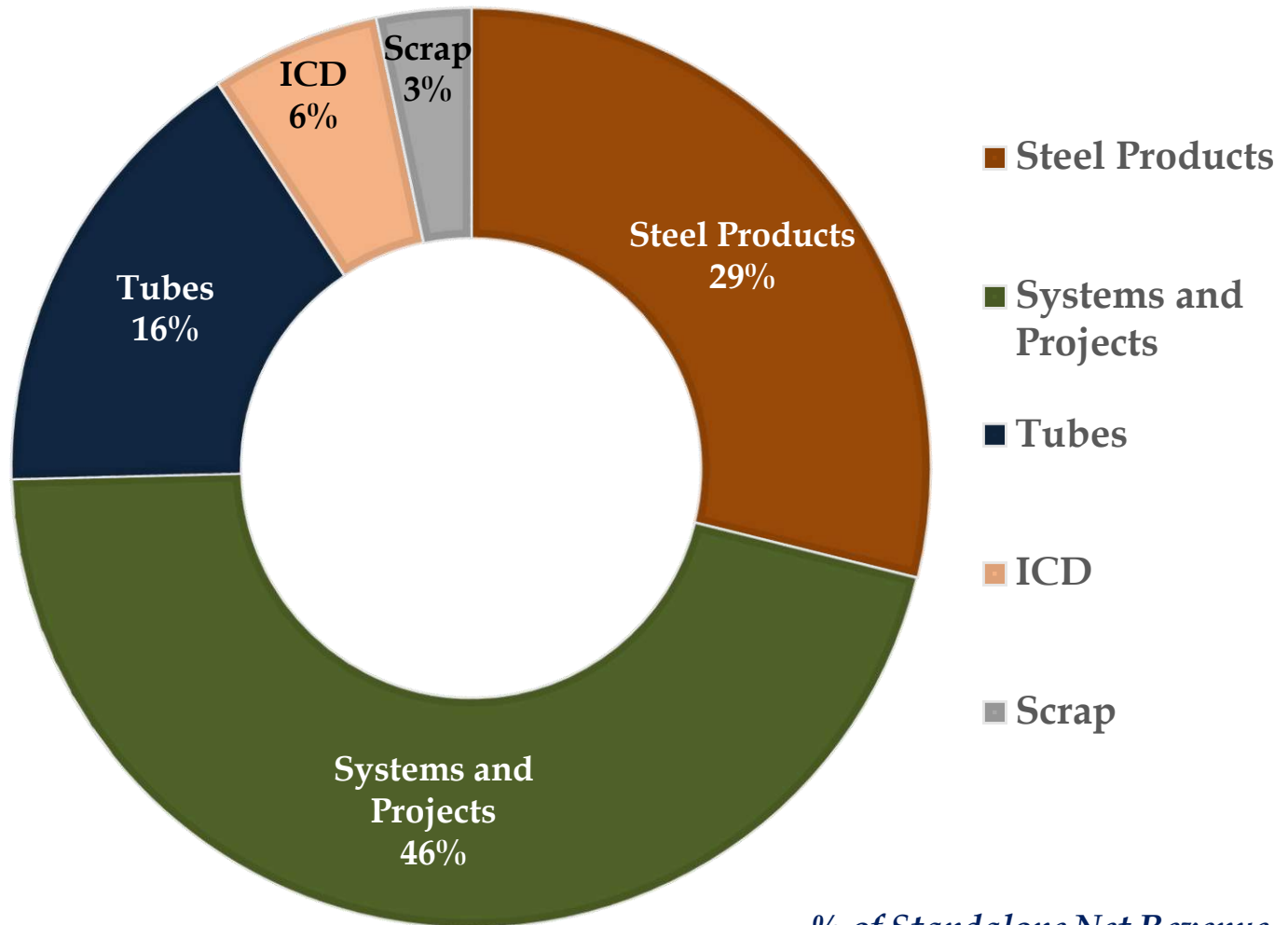
Steel Products



Evolving Business Mix (1/2)



As of 31st December, 2016



% of Standalone Net Revenue

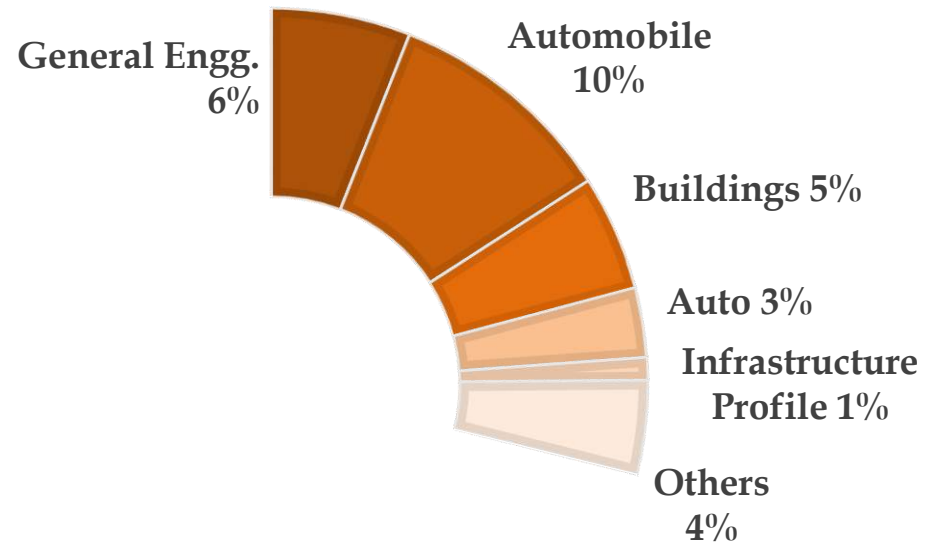
Evolving Business Mix (2/2)



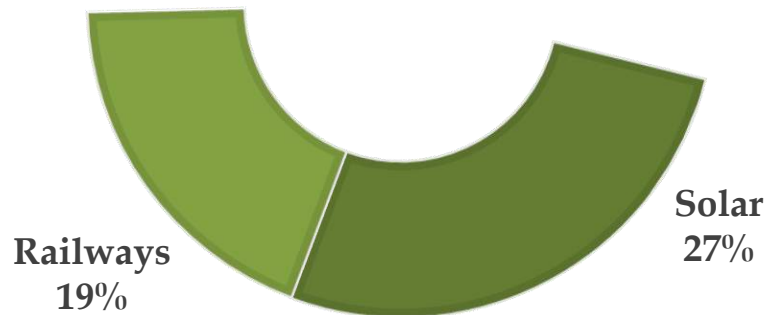
Tubes (16%)



Steel Products (29%)



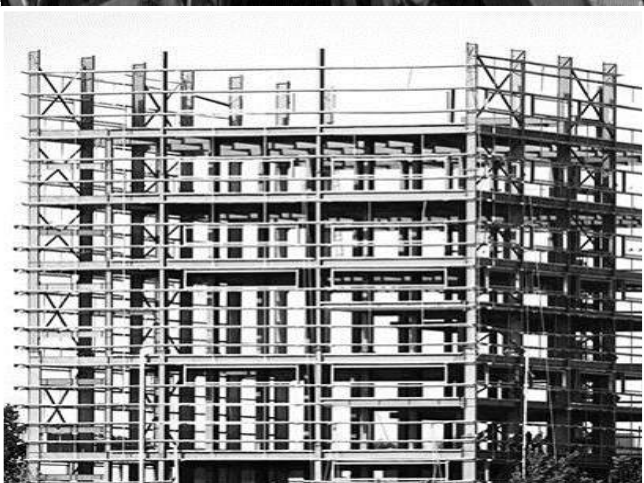
Systems and Projects (46%)



% of Standalone Net Revenue



Segment Highlights



Segment-wise Business Review



Systems and Projects

Q3FY17 Sales at
INR 113.4
crores

Q3FY17 Sales,
up 19.7%
YoY

Railways - **26**
Total
Customers

Railways - Business Highlights

- First ever order received for manufacturing and supply of CBC Headstock from Integral Coach Factory, Chennai.
- Orders received from ICF for various coach applications.

New Products

- CBC Headstock and Modular Toilet to ICF, Chennai.

Major Customers

- Integral Coach Factory, Modern Coach Factory, Texmaco Rail & Engineering Ltd, Hindustan Engineering India Ltd, Cimenco Ltd, BEML Ltd

Repeat Orders

- Stainless Steel Sidewall and Roof Assemblies, CRF and Fabrication Items of Mild Steel and Stainless Steel, CRF Sections for Wagons and Metro Coaches.

Solar - Orders Received from

- M/s Sterling & Wilson, M/s Mytrah Energy, M/s L&T – Emami Project, M/s Tata International.
- ~15 Solar Customers that include Sterling & Wilson, L&T, Mahindra Susten, Nuevosol, Tata Power India Ltd.



Segment-wise Business Review



Tubes

Q3FY17 Sales at
INR 38.4
crores

255+
customers
(Domestic +
Export)

5 New
customers

Business Highlights

- Revenue growth YoY despite reduced demand from Auto customers in December due to year-end and demonetisation effects.

Major Customers

- Auto, Power, General Engineering, Textile, Earth Moving Equipment industries. VECV, Mahindra, Gabriel, Endurance, Royal Enfield, Magna Closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco, Tata Vendors, among others.
- Majority orders are from OEAs in the form of monthly schedule.

New Customers Added

- Europe - Shell & Flack Germany & CIE Automotive Spain.
- Domestic - Vijayanagara Sugars, Bridge Stone, Forbes Marshal.



Segment-wise Business Review

Industrial components

22% Revenue growth YoY

5 New Active projects

4 New Customers

Business Highlights

- Demonetisation impact has pulled down the growth from two wheelers.
- Bailey business on a swing with standard and new customised cylinder business coming in.
- Bailey International sales increased substantially; expansion in Wabco business; increase in Yamaha business growth. Marginal growth in Endurance business also due to new additions.

Product / Market Expansion

- 4 new customers added in the product space of Yoke, Rollers, Stamped parts, Water heater covers and Coupler bars.
- Good potential for export business, being explored on various fronts.
- Several RFQ opportunities with success of Bailey.



Segment-wise Business Review



Steel Products

Q3FY17 Sales at
**INR 71.4
crores**

Customers
**CRFS: 75
CRSS: 100+**

**3 New
Grades
added**

CRFS Orders

- Orders in Buildings from Tata Projects - Darlipalli, Megha Engg, Rathi Iron & Steel, SMR Construction.
- Export Order in ESP from Valmet Chennai Pvt Ltd.
- Repeat Orders from GE Power, Hammon, Thermax.

CRSS Orders

- Monthly schedule from Toshiba, IFB Industries, LGB, Luk India.
- For Special Grade Material

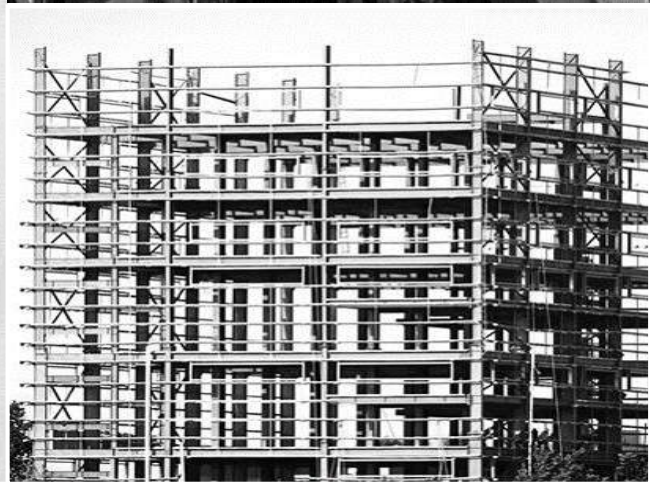
New Customers

- CRSS – Presscom, Sarthak Metals, Rieter LMW.
- CRFS –Valmet Chennai, Industrial (India) Enterprises, Rathi Iron & Steel, SMR Construction, Indmark Formtech, RDS Project , Bholenath Enterprises, Shri Shiridi Sai Electricals.





Subsidiary Highlights



Group Subsidiaries



Pennar Industries Limited

Market Cap as of 31st December, 2016 - INR 493.4 Crs



Pennar Engineering Building Systems

Pre-engineered building systems, Roof Top Solar, Solar EPC

Pennar Enviro

Industrial Water Treatment Solutions, Water Treatment Chemicals, Fuel Additives



Subsidiary Highlights



Pennar Enviro

4
New
Customers

Paper
Chemical
established for
1st time

New Customers

- Chemicals: STEAG Energy Services (India) Pvt. Ltd., Sree Rayalaseema Hi-Strength Hypo Ltd., MRF Limited – BIAS.
- Projects: Motherson Sumi

Major Orders

- Chemicals: Utkal Alumina International Ltd., SMK Petrochemicals India Pvt. Ltd., Parry Sugar Refinery India Private Ltd.
- Projects: AGI Galspac, Motherson Sumi.

New Product in Projects

- I-Save (Energy Recovery Equipment – Make: Danfosc) at Hetero site. This plant is currently under commissioning.
- 1st recycling plant in Hyderabad region from AGI Galspac.



Subsidiary Highlights



PEBS Pennar

Gross
Sales of Rs
156 crores

INR 410
crores
Order Book

Engineering
Services
scaled up well

New Orders

- Shahi Exports Private Ltd, Greenko Group, Hindusthan CoCa-Cola-Globej, Technico-Vithalapur in Gujarat

Repeat Orders

- TATA Projects, TOYO engineering, Azure Power, RCC Infra, SG Pharma

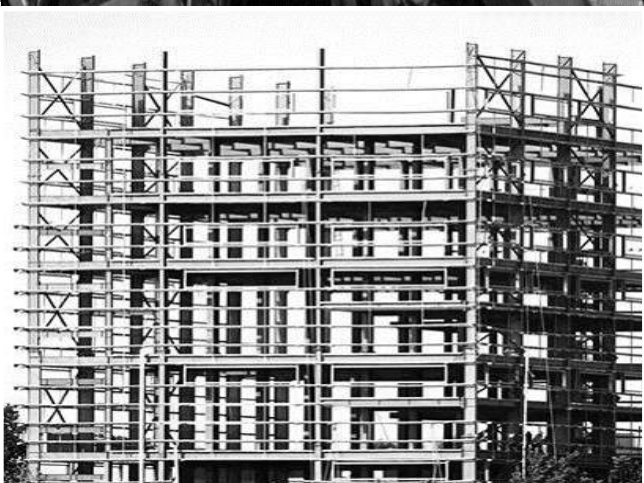
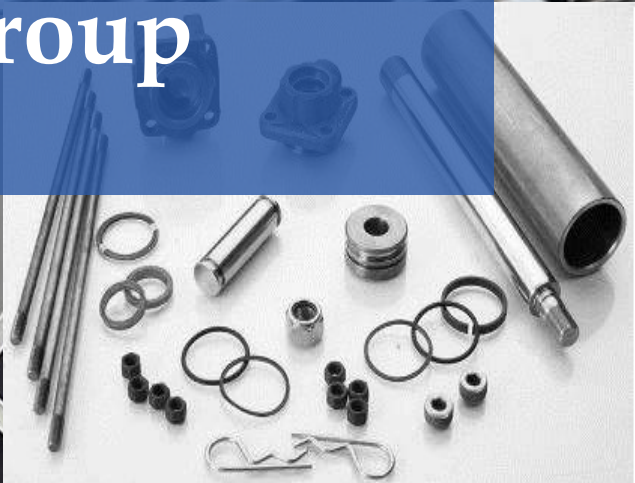
Business Highlights

- Engineering Services Division improving revenues, increase in number of billable hours, adding new clients
- Initiated an asset-purchase and assignment agreement for acquiring the assets (customer orders, employee transfer) of a US entity. Awaiting approvals.
- Building engineering capabilities in newer products like Towers and High-Rise Buildings
- Exports – A big thrust area



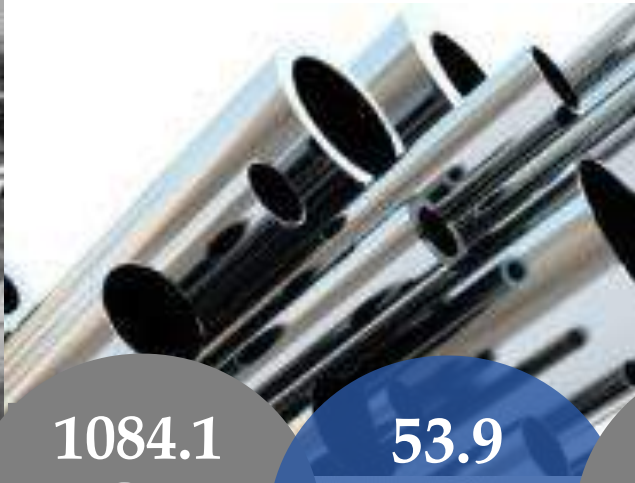


The Pennar Group





9MFY17
Performance



1084.1
Cr.
Net
Revenue



53.9
Cr
Cash
Profit



11.5%
EBITDA
Margin



124.4
Cr.
EBITDA



2.6%
PAT
Margin



28.6
Cr.
PAT



2.4
EPS





30

YEARS OF
EXPERIENCE

1,000

PRECISELY
ENGINEERED
PRODUCTS

500

CUSTOMERS

2,500

TOOLS &
DIES

2,000

EMPLOYEES AND
GROWING !



Business Segments

Steel Products

- Automobiles
- General Engineering
- Infrastructure
- White Goods

Systems and Projects

- Railway Coaches and Wagons
- Solar Mounting Structures

Industrial Components

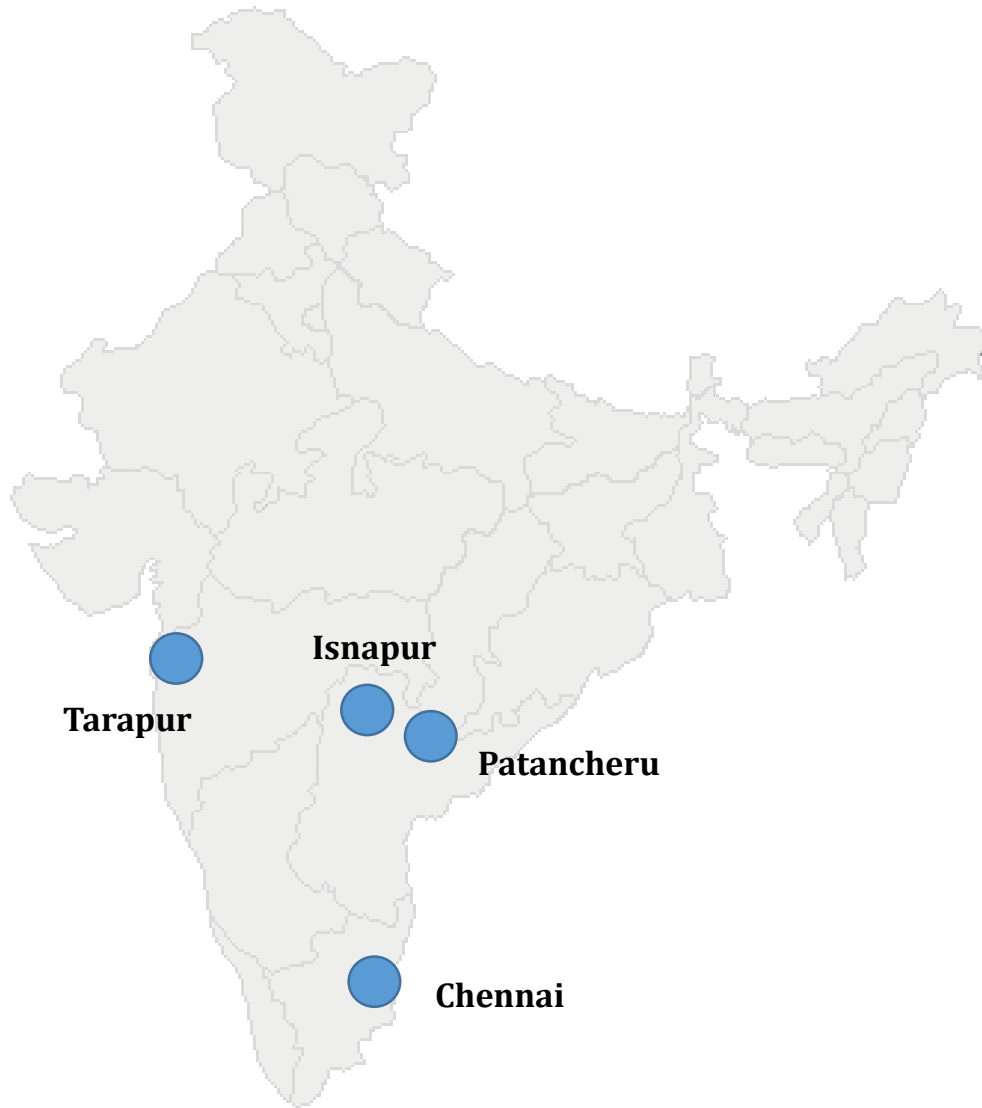
- Automobiles
- Industrial
- White Goods
- Hydraulics

Tubes

- Automobiles
- Power



Distributed Manufacturing



Tarapur

Solar, Building Products, Auto Profiles, ESP

Chennai

Coaches, Auto Profiles, Components / Hydraulics, Building Products

Patancheru

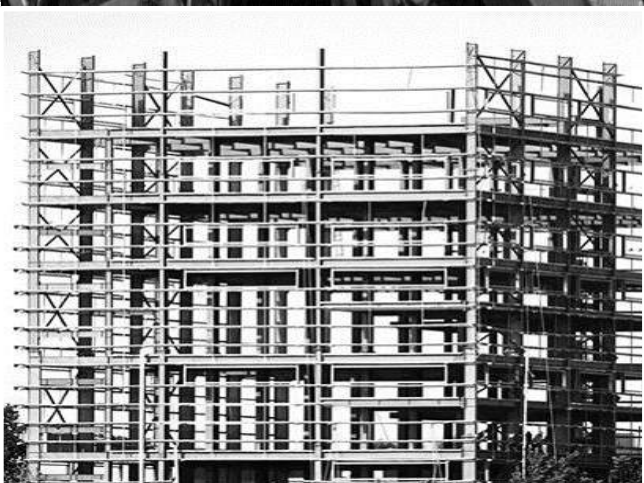
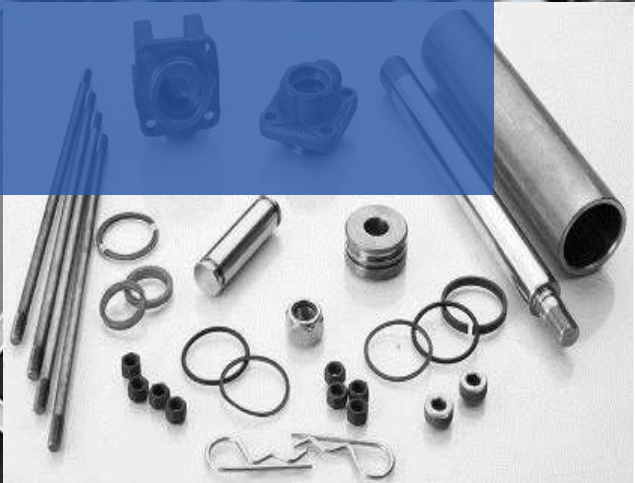
Press Components, Profiles, ESP / Building Products, Sheet Piles / Solar, Railway Components, CRSS, Fabrication

Isnapur

CRSS, ERW / CDW Tubes, Profiles, Solar



Projects



Projects - Pennar Industries



Railways - Front Part



Railways - Roof Assembly



Solar Module Mounting Structure



Solar Module Mounting Structure

Projects – Pennar Enviro



Projects - PEBS



Amazon (Hyderabad)



Asian Sealing



Reliance (Madhyamgram)



Kannur Airport



High Rise buildings

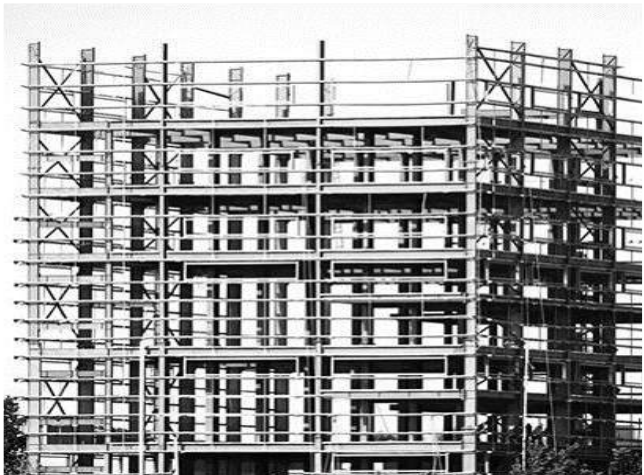


Export Projects - Bahari Oils





Management Team



Management Team



Leadership Team



Nrupender Rao
Executive Chairman
Pennar Group



Aditya N. Rao
Vice Chairman, Managing
Director, Pennar
Industries



P. V. Rao
Managing Director
PEBS Pennar



Shreepad Purkar
President and CEO
Pennar Enviro

Business Heads



Dayasagar Rao
Operations



Y Narasimha Rao
Steel Products



M. Bhoopal Reddy
Tubes



Shiva Kumar K
Industrial Components



THANK YOU

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