



Pennar Industries Limited



Investor Presentation

Q3FY16

PENNAR INDUSTRIES LIMITED

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.

1. Q3FY16 Performance

- Financial Performance
- Segment Composition
- Segment Highlights

2. Pennar Group

- Business Segments, Subsidiaries
- Distributed Manufacturing
- Business Structure
- Leadership Team
- Shareprice Movement



Q3FY16 Performance

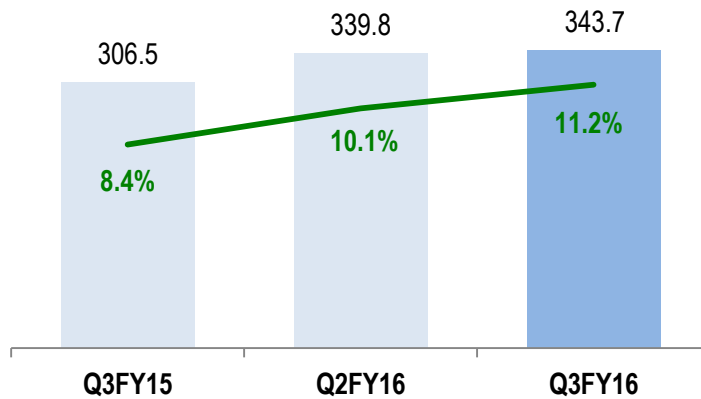


Financial Performance – Q3FY16

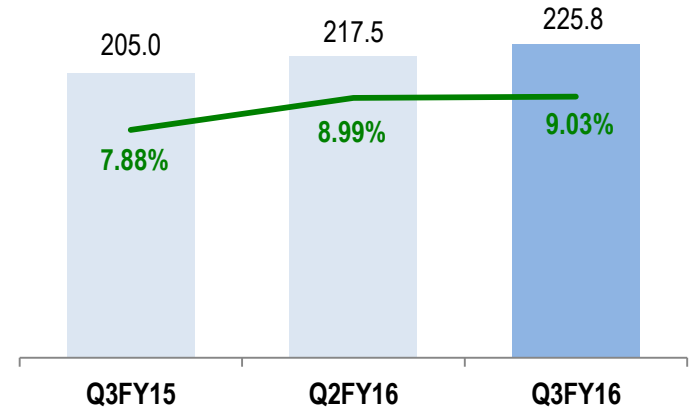


Net Revenues (Rs. Crores) and EBITDA margins (%)

Consolidated



Standalone



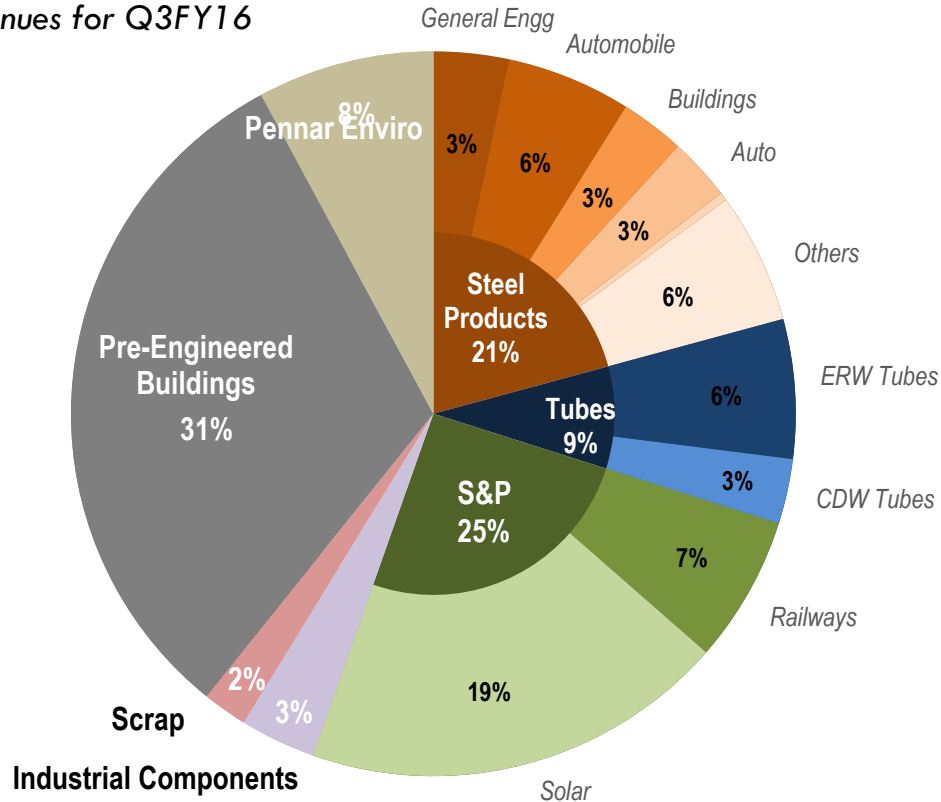
HIGHLIGHTS

- EBITDA Margin expands to double-digit at Consolidated level.

Segment Composition – Industry-wise break-up



Percentage of Consolidated Revenues for Q3FY16



Segment Highlights - Steel Products

Quarter performance

CRFS Orders :-

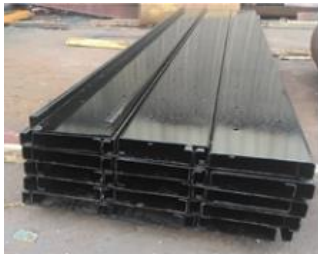
- Received orders from Hamon, Thermax for Collecting electrodes
- Received orders Tata Projects, Phenix Construction Tech, Taiin Steel Fab for Deck & Roofing Sheets.
- Received orders from Rithwik Projects, HCC for Sheet Piles.

New customers added

- Turbovent, NFF Industrial Corporation, Taiin Steel Fab, Phenix Construction Tech.

New Products added

- 4mm thickness IS2062 Top Hangers – Thermax Ltd.



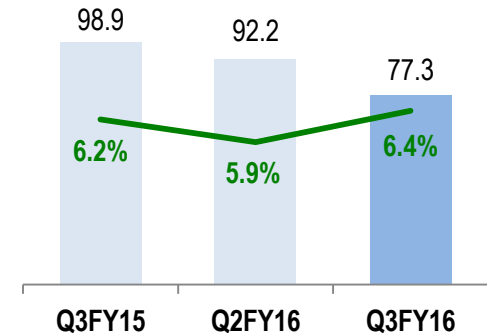
Sales for Q3FY16 is at
Rs. 77.3 crs

6.4 % EBITDA Margin

4 New Customers added



Steel Products



Segment Highlights – Tubes

Major Customers

- Auto, power, general engineering, textile and earth moving equipment industries.
- M/s.VECV, Mahindra, Gabriel, Endurance, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, Isgec, Rajwest, Hindalco, Tata Vendors.

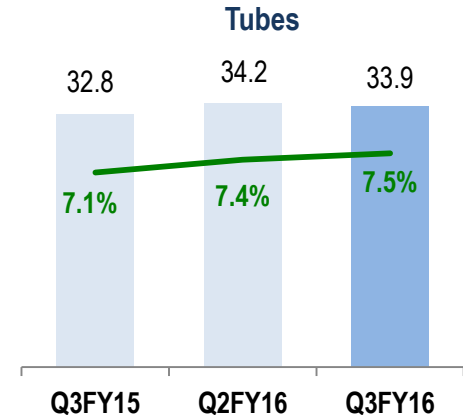
New Customers added

- M/s.Tenneco, M/s.Rajshriya, M/s.Sigma electric, M/s.SPIC, M/s.Mega rubber, Kerala Automobiles, Thai summit, Indian rubber, Susira, Presscomp.
- Approximately 5% of total billed quantity is from new customers added in Q3.

210 + customers in domestic & exports

10 new customers added

70% of the orders – from major OEAs



Segment Highlights - Industrial Components



Quarter Performance

- Wabco schedule has increased from Rs. 40 lacs per month to Rs. 100 lacs per month.

Major Customers

- Emerson Climate Technologies, Tecumseh, India
Nippon Electricals, Endurance, Wabco, Xylem & Bailey.

New Customers

- FSTVS, Yamaha, Bailey Hydraulics and Letrika Roots.

Outlook

- Based on Bailey's success, taken up hydraulic requirement from Cargotec – under development.
- Farm sector is doing well, we plan to crack this segment through with leading tractor manufacturers in the country.
- With the new addition of 260T Link Motion Press, we are exploring new business opportunities with several auto companies.

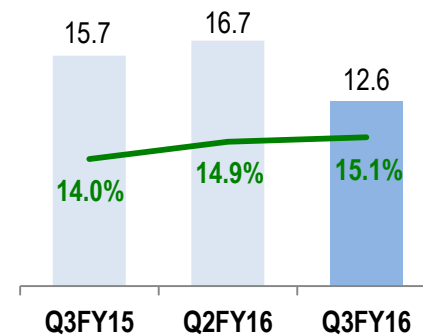
Sales for Q3FY16 is at
Rs. 12.6 crs

4 new customers added

White Goods Share of
Business - **75%**



Industrial Components



Segment Highlights - Systems & Projects (Railways)



Quarter Performance

- Ramped up the production of Stainless Steel Coach Supplied during Q3.

Railways – Major orders

- Wagon Builders, BEML for DMRC RS13 project

Outlook

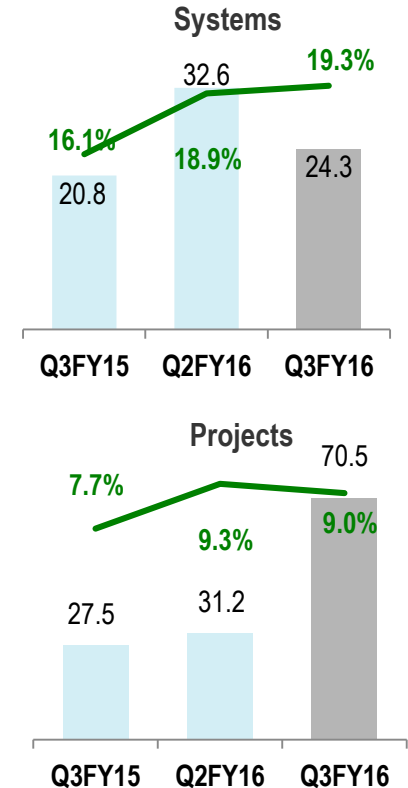
- To supply 25+ Coaches per month with the installation of new Spot Welding Machine at Chennai plant and Laser Cutting Machine at Patancheru plant.
- Production of stainless steel coaches to increase further in Q4..
- ICF approval for Patancheru plant is under process for manufacturing and supply of Stainless Steel Sidewall & Roof Assemblies.



**S&P (Railways + Solar)
sales for Q3FY16 at
Rs. 94.8 crs**

**Rs 46 crs orders for
various Coach
Applications in Q3**

**Rs 35 crs orders for
coach applications in
pipeline for Q4**



Segment Highlights - Systems & Projects (Solar)



Major Customers' List

- Sterling & Wilson, L&T, Mahindra Susten, Nuevosol, Sun Edison, Acme, Waaree Energies , Tata Power India Ltd.

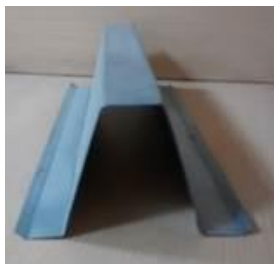
Received large orders from – Belectric, L&T, Waaree Energies, Nuevosol, Mahindra, VSM Weaves, RB Wovens and others.

New Customers added

- Belectric, VSM Weaves and RB Wovens.

New Products added:

- 0.9mm/1.0mm thickness Bare Galvalume Hat Sections.



**Solar sales for Q3FY16 at
Rs. 70.45 crs**

3 New Customers added

**Solar is 19% of
segment standalone
revenues**



Subsidiary Highlights – PEBS

Received Orders from -

- Pharma, Engineering & Construction Company, Electronics, Infrastructure and Tyre manufacturing companies.

Other Highlights -

- The margin expansion continues its upward trend.
- Opened Engineering office in Vishakhapatnam to provide engineering services to US based clients.
- Increased revenue from Engineering services division this quarter.
- Firming up plans to set up a North India plant.

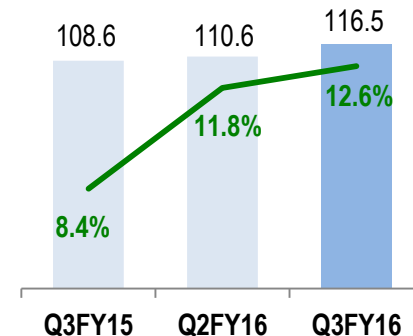
Sales for Q3FY16 at
Rs. 116.49 crs

Order book at
Rs. 415 crs

IEI Industry Excellence
Award 2015 - 3rd
consecutive time



Pre-Engineered Buildings



Subsidiary Highlights – Pennar Enviro



Major Orders :-

- JSW, Lanco Amarkantak, Lanco Babandh, Lanco Vidarbha, RL Finechem, JFE and SMK Petrochemicals.
- Projects - Repeat Orders from JSW and Lanco
- Chemicals & O&M - Repeat orders from MK Petrochemicals , MRF, USL and Silk Road Sugars

Major Customers :-

- Projects - Lanco, JSW Power, JFE, L&T, Essar Oil, RL Finechem, Hetero and Biological E.
- Chemicals & O&M - SMK Petrochemicals, MRF, Kottayam, Hatsun Agro – Palacode, Kothari Fermentation, USL and Silk Road Sugars.

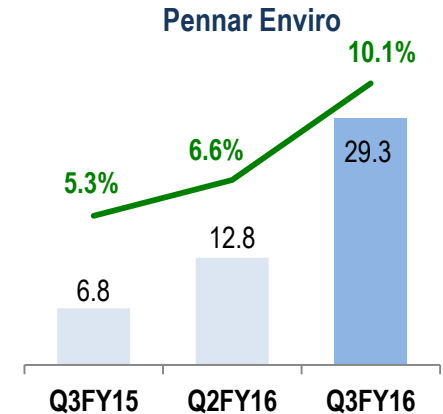
New Customers :-

- Projects - JFE and Biological E
- Chemicals & O&M - Mohit Paper, Harmony Air Conditioning, Prince TMT Steels, Aditya Aquachem.

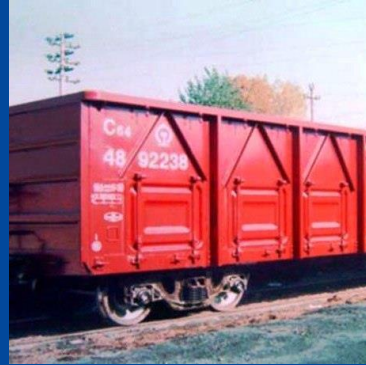
Sales for Q3FY16 at
Rs. 29.31 crs

EBITDA Margin at
10.1%

6 New customers



Pennar Group



30

YEARS OF
EXPERIENCE

1,000

PRECISION
ENGINEERED
PRODUCTS

600

CUSTOMERS

2,500

TOOLS &
DIES

2,000

EMPLOYEES AND
GROWING !



Business Segments, Subsidiaries



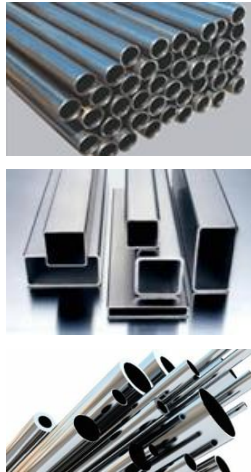
STEEL PRODUCTS

- Automobiles
- General Engineering
- Infrastructure
- White Goods



TUBES

- Automobiles
- Power



SYSTEMS & PROJECTS

- Railways: Coaches and Wagons
- Solar: Mounting Structures



INDUSTRIAL COMPONENTS

- Automobiles
- Industrial
- White Goods
- Hydraulics



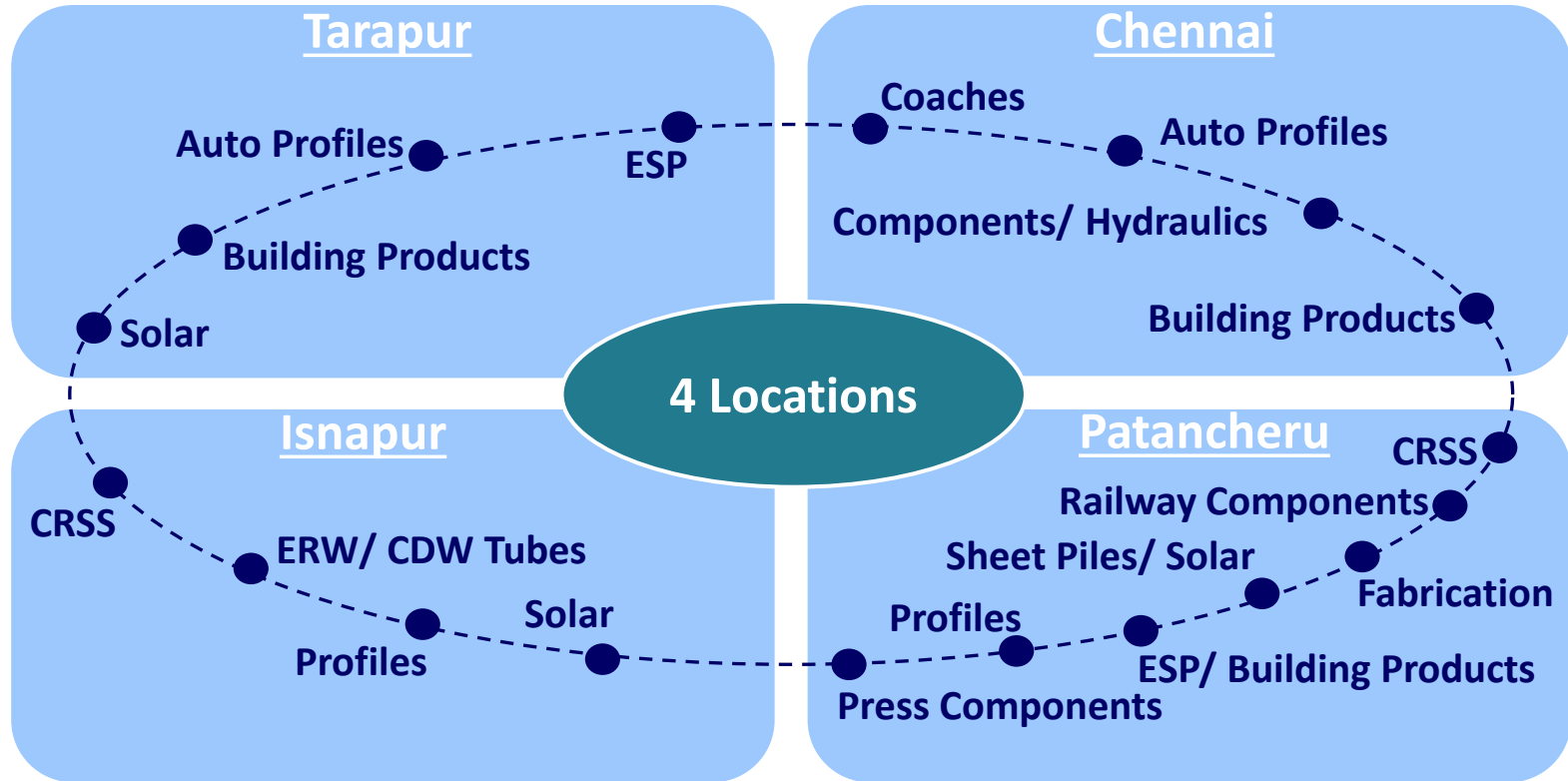
- Pre-engineered building structures
- Warehouses
- Airports and aircraft hangers
- Turnkey buildings
- Leak proof roofing sheets



- EPC turnkey solutions - water and waste water treatment viz. WTPs, STPs, ETPs, ERPs, ZLDPs
- Manufacture and supply of fuel additive and water treatment chemicals



Distributed Manufacturing



Business Structure



**Market Cap as of
December 31, 2015 (BSE):
~Rs. 664 Crores**

Pennar Industries Limited

Segments: Steel Products; Tubes;
Systems & Projects; Industrial
Components.



Pre-engineered building
systems (PEBS); Roof Top
Solar, Solar EPC.



Industrial water treatment
solutions, Water treatment
chemicals and Fuel additives.

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

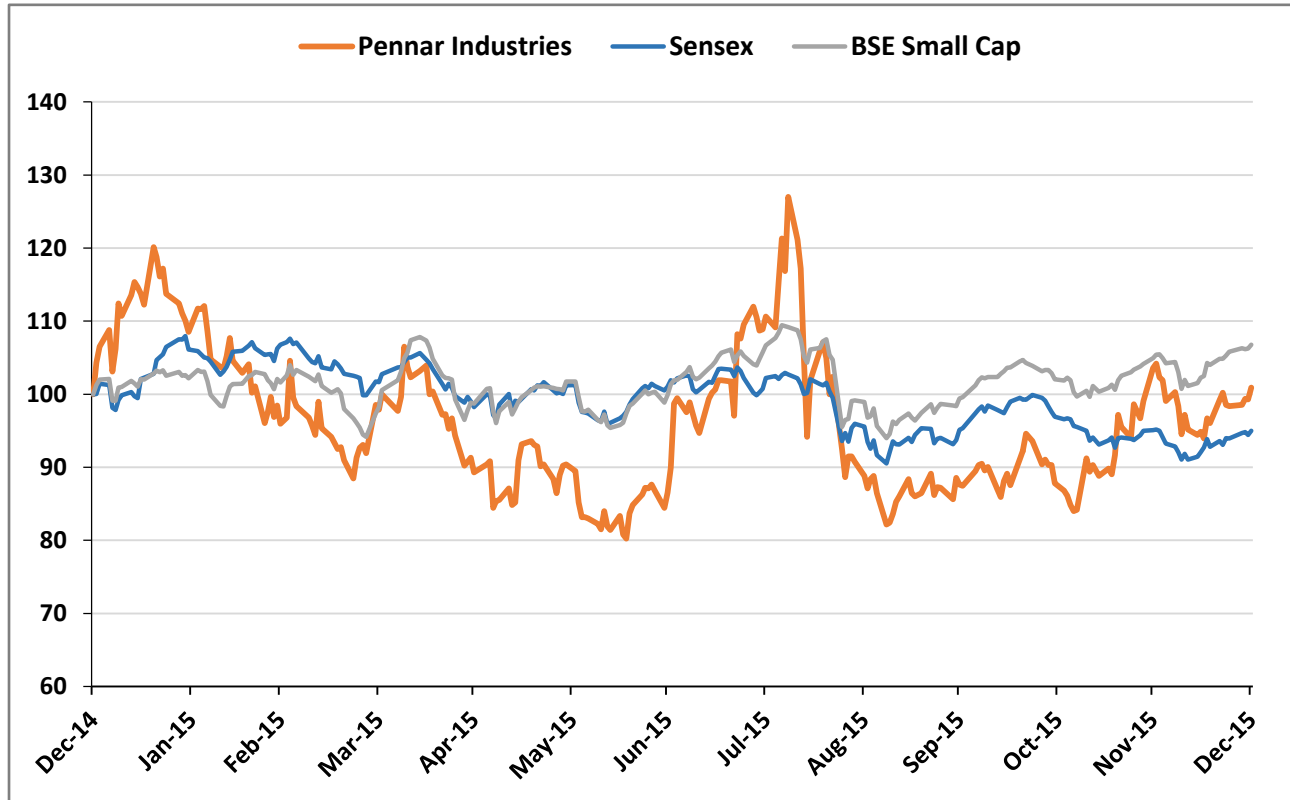


M. Bhoopal Reddy
Tubes



Shiva Kumar K
Industrial Components

Shareprice Movement



Rebased to 100



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