

Press release

For immediate release



**Pennar Industries' Highest ever Consolidated Gross Sales at Rs. 1718.2 Crores;**

**Highest ever EBITDA at Rs. 174.2 crores**

**FY17 Cash PAT at Rs. 74.9 Crores, up 15.2% YoY**

**Hyderabad, May 18, 2017:** Pennar Industries Limited, one of India's leading industrial organizations offering specialized, engineered steel solutions, announced today their audited financial results for the quarter ended 31<sup>st</sup> March, 2017.

**CONSOLIDATED FINANCIAL PERFORMANCE:**

(Rs. Crore)	Consolidated							
	Q4		y-o-y Growth (%)	Q3	q-o-q Growth (%)	Year		y-o-y Growth (%)
	FY2017	FY2016		FY2017		FY2017	FY2016	
Gross Sales	511.6	395.4	29.4%	439.5	16.4%	1,718.2	1,480.9	16.0%
Net Sales	465.3	352.4	32.0%	394.7	17.9%	1,549.4	1,310.1	18.3%
EBITDA	49.8	52.4	(5.0)%	43.9	13.5%	174.2	151.3	15.1%
EBITDA Margin (%)	10.7%	14.9%		11.1%		11.2%	11.6%	
Cash Profit	21.0	20.6	2.3%	18.4	14.6%	74.9	65.0	15.2%
Cash Profit Margin (%)	4.5%	5.8%		4.6%		4.8%	5.0%	
Net Profit	18.0	16.3	10.8%	10.7	68.7%	46.7	43.8	6.4%
Net Profit Margin (%)	3.9%	4.6%		2.7%		3.0%	3.3%	
Basic EPS (Rs)	1.50	1.35	10.8%	0.89	68.7%	3.88	3.64	6.4%

**STANDALONE FINANCIAL PERFORMANCE:**

(Rs. Crore)	Standalone							
	Q4		y-o-y Growth (%)	Q3	q-o-q Growth (%)	Year		y-o-y Growth (%)
	FY2017	FY2016		FY2017		FY2017	FY2016	
Gross Sales	312.0	271.4	14.9%	275.1	13.4%	1,104.9	985.6	12.1%
Net Sales	281.8	245.0	15.0%	245.5	14.8%	991.2	873.7	13.4%
EBITDA	32.8	24.5	34.1%	19.9	64.6%	93.4	80.9	15.4%
EBITDA Margin (%)	11.6%	10.0%		8.1%		9.4%	9.3%	
Cash Profit	14.9	10.5	41.1%	9.4	58.2%	43.8	40.0	9.4%
Cash Profit Margin (%)	5.3%	4.3%		3.8%		4.4%	4.6%	
Net Profit	14.0	9.3	50.8%	5.3	162.9%	30.1	27.0	11.2%
Net Profit Margin (%)	5.0%	3.8%		2.2%		3.0%	3.1%	
Basic EPS (Rs)	1.16	0.77	50.8%	0.44	162.9%	2.50	2.25	11.2%

## SEGMENT FINANCIAL PERFORMANCE (STANDALONE):

(Rs. Crore)

Business Units	Sales					EBITDA					EBITDA Margin (%)			
	Q4		y-o-y	Q3	q-o-q	Q4		y-o-y	Q3	q-o-q	Q4		Q3	q-o-q
	FY17	FY16	Growth (%)	FY17	Growth (%)	FY17	FY16	Growth (%)	FY17	Growth (%)	FY17	FY16	FY17	Growth (%)
Steel Products	78.2	91.0	(14.1)%	71.4	9.5%	4.9	5.6	(12.7)%	2.5	98.6%	6.3%	6.2%	3.5%	281
Tubes	36.3	41.2	(11.7)%	38.4	(5.3)%	3.7	3.4	9.0%	3.3	12.0%	10.1%	8.2%	8.6%	156
Industrial Components	15.5	17.6	(11.6)%	15.3	1.4%	2.5	3.0	(18.8)%	2.3	6.9%	15.9%	17.3%	15.1%	82
Systems and Projects	141.8	86.2	64.6%	113.4	25.0%	21.7	12.4	75.0%	11.8	83.6%	15.3%	14.4%	10.4%	489
Scrap	10.0	7.3		7.1		0.0	0.0							
<b>Total Standalone</b>	<b>281.8</b>	<b>245.0</b>	<b>15.0%</b>	<b>245.5</b>	<b>14.8%</b>	<b>32.8</b>	<b>24.4</b>	<b>34.1%</b>	<b>19.9</b>	<b>64.7%</b>	<b>11.6%</b>	<b>10.0%</b>	<b>8.1%</b>	<b>353</b>
<b>Total Consolidated</b>	<b>465.3</b>	<b>352.4</b>	<b>32.0%</b>	<b>394.7</b>	<b>17.9%</b>	<b>49.8</b>	<b>52.4</b>	<b>(5.0)%</b>	<b>43.9</b>	<b>13.5%</b>	<b>10.7%</b>	<b>14.9%</b>	<b>11.1%</b>	<b>(41)</b>

## BUSINESS HIGHLIGHTS FOR Q4FY17 AND OUTLOOK FOR FY18:

### SYSTEMS AND PROJECTS:

**A: RAILWAYS:** Major Customers include The Integral Coach Factory, Chennai; Modern Coach Factory, Raebareli; Texmaco Rail & Engineering Ltd., Kolkata; Hindustan Engineering India Ltd., Kolkata; Cimmco Ltd., Kolkata; BEML Ltd, Bangalore. Apart from supplying 20 Coaches per month to ICF Chennai, Pennar is supplying 30 Roof Assemblies per month to MCF, Raebareli. Approximately Rs. 25 Crores worth of orders for various coach applications are in pipeline to be booked for the tenders participated during Q4. Development orders of 15 under frames has been completed and supplied to ICF and MCF.

**Outlook for FY18:** Targeting an increased order book from Modern Coach Factory, Raebareli during FY18. In the pipeline - Development of CRF Sections for ongoing/upcoming Metro projects in India and abroad. Expanding production facility to cater new orders.

**B: SOLAR:** Repeat customers include Greenko Energy, Sterling Generators, Warea Energy, Tata Power. One new customer - Adani Enterprises Pvt Ltd - added. Major customers include L&T, Mahindra Susten, Nuevosol, Sterling & Wilson, Tata Power India Ltd., among others.

**Outlook for FY18:** Strong revenue growth of 50%, predicated on robust order book, capacity expansion that has been completed with three new mills added in Patancheru. Ongoing CAPEX - Cold rolling & skin pass mill strengthening and an additional hydrogen annealing furnace.

**TUBES:** About 70% of the orders are from Regular major OEAs in the form of monthly schedule and the balance 30% are project-based orders. Approximately 2% of the total billed quantity is from new customers added in Q4.

**Outlook for FY18:** Revenue is expected to grow 30% in FY18 on addition of new tube mill in Hyderabad; increase in CDW sales to 300 tons a month and a big thrust on exports. CAPEX: Adding a new tube mill, Annealing, ECT Straightener, Testing/Finishing line; To accelerate CDW growth plan from 1000T to 2000MT/month; Add continuous GP line for additional 700MT of GP tube.

**INDUSTRIAL COMPONENTS:** Strong growth is seen in the White goods segment in this quarter. Two-wheeler segment: Post demonetization, February & March showed signs of improvement. Consequently, Yamaha and INEL volumes are on an upswing. New product addition and two-wheeler growth helped swing Endurance revenue up by 20%. Exports ended up Rs. 6 Crores for the year. Exports

continue to remain a thrust area for the ICD vertical. New Customers include Comstar (Yoke), Hewlett Packard (Rollers), Venus (Water heater covers) and Dellner (Coupler bar).

Outlook for FY18: Strong market demand is seen from March'17 in the White goods segment and likely to continue to Q1 with a revenue growth of 30%. In the Two-wheeler segment, we expect FY18 to be buoyant with double-digit growth. In Commercial vehicles, huge demand inflow from Wabco Mahindra City exports is expected to drive growth up to H1FY18. In Hydraulics exports, we are showcasing Bailey's success story to other customers. In FY18, Bailey's business is expected to double.

**STEEL PRODUCTS:** CRFS: Order in ESP from Thermax, GE Power; Order in Buildings from SNC Pvt Ltd., BTL EPC Ltd.-NTPC Unchahar project, Indwell Construction, Power Mech-NTPC project; Repeat Orders from regular schedules of Auto & ESP for various projects. CRSS: Orders from Toshiba, IFB Industries, LGB, Luk India; Orders for Special Grade Material (JMT, KM Seat, Amvian, Promx, DVB, IFB, LGB); Monthly schedule from regular customers continues. New Customers: CRFS - BTP EPC Ltd., Naturo Speed Tech Pvt Ltd., Sreevas Roofing, Grupreet Galvanizing Pvt Ltd. And Aero Fibre Pvt Ltd.

Outlook for FY18: Robust growth is expected to be driven by a 20% increase in CRC. GP Strips are expected to be a major driver of revenues. The aim is to increase EBIDTA margin significantly in the Steel Products business unit.

#### **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, Pennar Renewables Private 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](http://www.pennarindia.com)

#### **DISCLAIMER:**

#### **Q4FY17 EARNINGS CONFERENCE CALL DETAILS:**

<b>Primary Number:</b>	<b>+91 22 3938 1006</b>
<b>Local Access Number:</b> <i>Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune. (Accessible from all carriers)</i>	<b>3940 3977</b>

<b>International Toll Free Numbers:</b>	<b>USA : 1 866 746 2133</b> <b>UK : 0 808 101 1573</b> <b>Singapore : 800 101 2045</b> <b>Hong Kong : 800 964 448</b>
<b>Date:</b>	<b>Friday, 19 May 2017</b>
<b>Time:</b>	<b>10:30 AM to 11:30 AM IST</b> <b>01:00 PM to 02:00 PM Singapore &amp; HK</b> <b>05:00 AM to 06:00 AM UK</b> <b>10.00 PM to 11.00 PM USA (Pacific time)</b>

**For further enquiries, please contact:**

**Pennar Industries Ltd.**

3rd Floor, DHFLVC Silicon Towers,  
Kondapur, Hyderabad - 500 084.

Telangana, India.

Tel: +91 40 4006 1621 to 24

Fax: +91 40 4006 1618

Email: [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com)

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