



Press release

For immediate release

Pennar Industries' Q1FY16 EBITDA up 15.5% YoY; PAT up 19% YoY

Hyderabad, August 12, 2015: Pennar Industries Limited is one of India's leading industrial organizations offering specialized, engineered steel solutions announced today their unaudited financial results for the quarter ended 30th June, 2015.

Commenting on the results and performance, **Aditya Rao, – Vice-Chairman & Managing Director, Pennar Industries Limited**, said, "Our company has delivered strong profit growth in an environment of high volatility in steel prices. Our EBITDA margins have improved by 180 bps and our PAT is higher by 19%. With capacity expansion underway in all business divisions, we are on track and confident about achieving our growth targets for the financial year."

CONSOLIDATED FINANCIAL PERFORMANCE:

(Rs. Crore)	Consolidated				
	Q1		y-o-y	Q4	q-o-q
	FY2016	FY2015	Growth (%)	FY2015	Growth (%)
Gross Sales	311.9	332.2	(6.1)%	415.3	(24.9)%
Net Sales	273.9	290.3	(5.7)%	366.7	(25.3)%
EBITDA	26.0	22.5	15.5%	45.2	(42.6)%
EBITDA Margin (%)	9.5%	7.7%		12.3%	
Net Profit	6.6	5.5	19.0%	16.0	(58.8)%
Net Profit Margin (%)	2.4%	1.9%		4.4%	
Basic EPS (Rs)	0.55	0.46	19.2%	1.33	(58.8)%

SEGMENT FINANCIAL PERFORMANCE (STANDALONE):

(Rs. Crore)	Sales					EBITDA					EBITDA Margin (%)		
	Q1		y-o-y	Q4	q-o-q	Q1		y-o-y	Q4	q-o-q	Q1		Q4
	FY16	FY15	Growth (%)	FY15	Growth (%)	FY16	FY15	Growth (%)	FY15	Growth (%)	FY16	FY15	FY15
Steel Products	79.5	101.4	(21.6)%	89.9	(11.5)%	4.6	6.4	(28.6)%	6.6	(30.3)%	5.8%	6.3%	7.3%
Tubes	33.9	36.2	(6.3)%	35.8	(5.2)%	2.4	2.2	6.2%	2.7	(13.0)%	7.0%	6.2%	7.7%
Industrial Components	14.6	14.7	(0.5)%	17.8	(18.1)%	2.2	2.1	4.6%	2.8	(24.3)%	14.7%	14.0%	15.9%
Systems and Projects	48.7	16.2	201.1%	81.7	(40.4)%	6.9	3.1	123.9%	11.3	(39.1)%	14.1%	18.9%	13.8%
Scrap Sales	8.2	11.6		9.0									
Total Standalone	184.9	180.1	2.7%	234.3	(21.1)%	16.0	13.8	15.8%	23.4	(31.7)%	8.6%	7.7%	10.0%

PENNNARINDUSTRIESLIMITED

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BUSINESS HIGHLIGHTS FOR Q1FY16:

Systems & Projects: The Railways vertical began quarter one with an order book of Rs 90 crores. During the quarter, orders worth Rs. 26 crores were received for Coach Applications from ICF & other private customers. Additionally, orders to the tune of Rs. 11 crores were booked from Wagon Builders. Two new customers were added in this quarter - Bhilai Engineering Corporation and E C Blades & Tools Pvt. Ltd. In the Solar vertical, three new customers added in this quarter. Some of the major customers include Sterling & Wilson, L & T, Mahindra Susten, Nuevosol, Sun Edison and Photon India Ltd, among others. The following major orders were received during the quarter - Sterling & Wilson for 1600MT, Larsen & Toubro for 600MT and Waaree Energies for 580MT.

Industrial Components: This quarter saw significant expansion of business with several existing customers. Two milestones in this quarter include the ramping up of Yamaha's volumes and the Wabco business expansion to almost double in value in this quarter. Another significant milestone achieved during the quarter was the dispatch of Bailey hydraulic cylinders' first shipment to the US. Going forward, in the automotive space, the rotor cup market is growing and our technical expertise in this space can be leveraged to bring us more business. There is a plan to expand capacity in order to grow the business with Wabco. In parallel, the business unit is also identifying global sourcing and deemed export opportunities. In the general engineering industry, we are identifying sub-assembly opportunities where we can leverage our capabilities of fabrication & pressed components. In the growing Hydraulics cylinders segment, BEML's business is likely to post a very robust growth this year. Additionally, we have received a few more order requests for these cylinders.

Tubes: With over 100 customers, the tubes business unit has several customers in automotive like Hyundai vendors-PHA/PHI; Mahindra Vendors ALF, Gabriel; Bajaj vendors, Endurance, VECV, Tata Vendors and others. Some of the segment's power customers include Isgec, thermax, Paharpur and BGR. In the general engineering industry, some of Pennar's customers include Tele Systems, Pinnacle, Gatiman, LMW and KTTM. Going forward, there is some expectation of a pick-up in the 2-wheeler and PV segments owing to the festival season starting September. Additionally, the vertical is also investing in expanding the CDW capacity to 850 MT. A new export cell has been created for the CDW business and this is expected to begin generating revenue in Q3.

Steel Products: We are continuously maintaining our focus on special grades. In the CRFS segment, we received several orders for ESP. Repeat orders were also received for Collecting Electrodes and new orders were received for Decking & Roofing Sheets. In CRSS, the focus remained on increasing special grade volumes. Some of the large customers in CRSS include Toshiba, IFB Industries Ltd, LGB, LUK India, MIBA, Managal Precision, Bimetal, Rose Eng., JM Frictech and others. In CRFS, major customers include Thermax, Alstom, L & T, Ashok Leyland, VECV, Prabha Eng., Schwing Stetter, Johnson Lifts and Logon Infra among others.

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 two 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.

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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

For further enquiries, please contact:

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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.

Q1FY16 EARNINGS CONFERENCE CALL DETAILS:

Primary Number:	+91 22 6746 5816
Secondary Number:	+91 22 3938 1006
International Toll Free Numbers:	USA : 1 866 746 2133 UK : 0 808 101 1573 Singapore : 800 101 2045 Hong Kong : 800 964 448
Date:	Thursday, 13 August 2015
Time:	11 AM to 12 PM

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