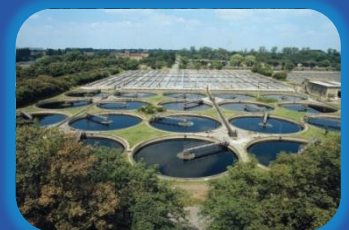


Pennar Industries Limited



Investor Presentation Q3FY15



PENNAR INDUSTRIES LIMITED

Disclaimer



This presentation 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 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.

Agenda

1. Q3FY15 Performance

- Financial Performance
- Segment Performance
- Segment Composition
- Segment Highlights

2. Pennar Group

- Business Segments, Subsidiaries
- Distributed Manufacturing
- Business Structure
- Leadership Team
- Share Price Performance

Q3FY15 Quarter Performance



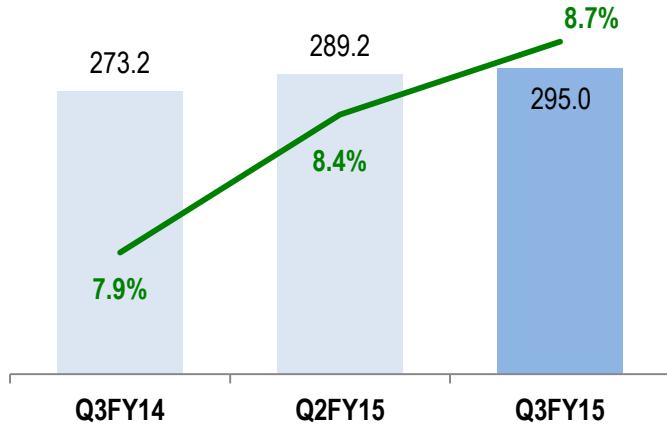
PENNAR INDUSTRIES LIMITED

Financial Performance

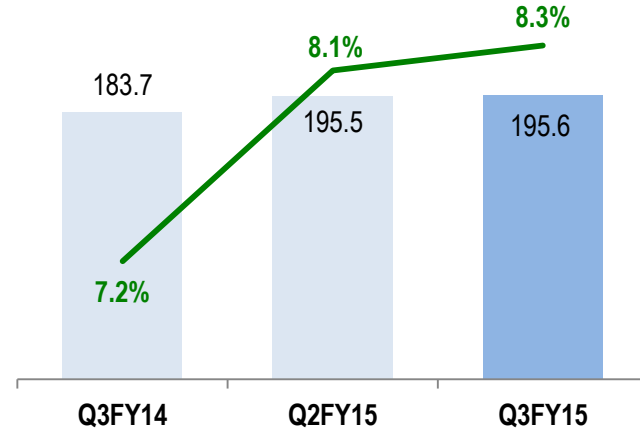


Net Revenues (Rs. Crores) and EBITDA margins (%)

Consolidated



Standalone



Highlights of Q3FY15 performance



Q3 HIGHLIGHTS

- Significant improvement in margins at Standalone and Consolidated levels on product-mix.

OTHER HIGHLIGHTS

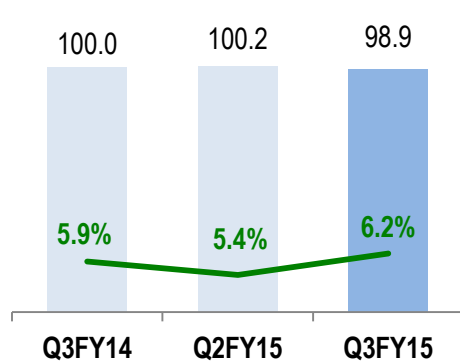
- Strong Balance Sheet.
- CAPEX for new products/business lines entirely funded via internal accruals.

Segment Performance

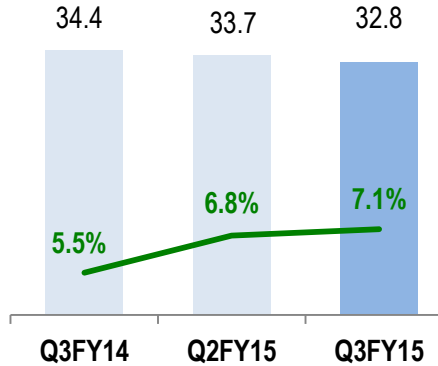
Net Revenues (Rs. Crores) and EBITDA margins (%)



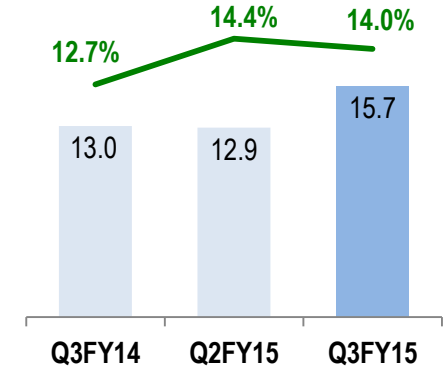
Steel Products



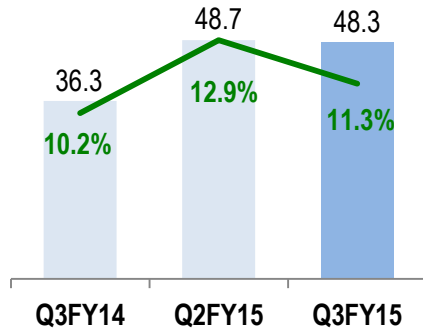
Tubes



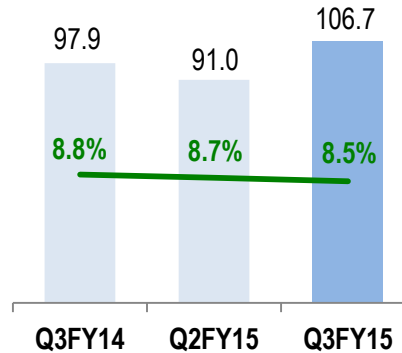
Industrial Components



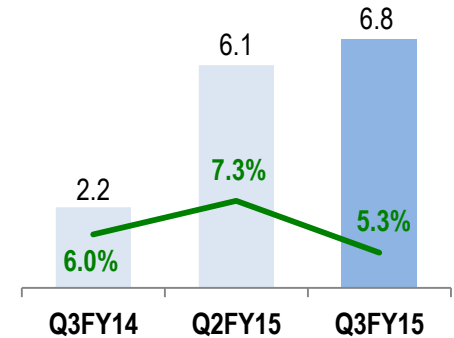
Systems & Projects



Pre-Engineered Buildings



Pennar Enviro

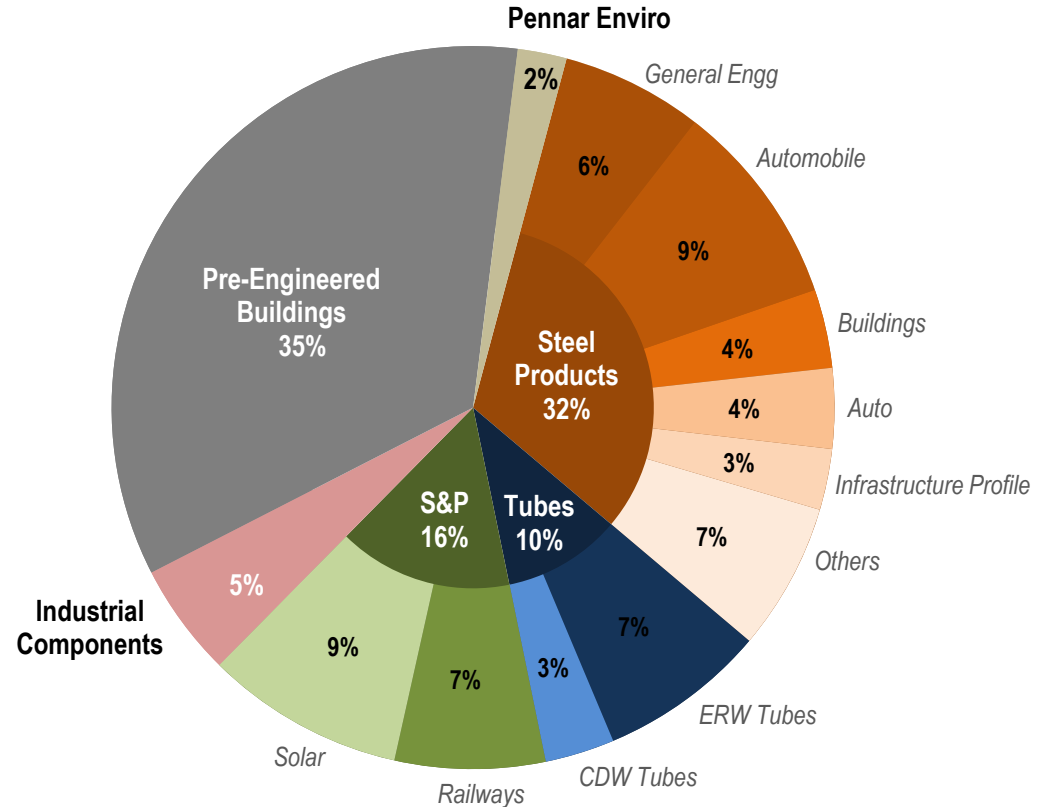


Segment Composition



Outlook

- PEBS, PEL and Systems & Projects' share of revenues will increase further as their growth rates are higher than the average growth rate.
- Tubes will maintain its revenue share while improving margins.
- Steel products will decline in revenue share as lower margin segments stagnate.



Segment Highlights - Steel Products

Quarter performance

Highlights

- Major orders received from L&T Geo, Thermax Ltd, Cethar, Hammon in ESPs and Sheet Piling
- Received repeat orders from Toshiba, HBL Ltd, IFB, Luk India etc.
- Developed new special grade steels for Swaraj Automotives, Shree Stampings, SS Fabcom etc.

Outlook

- To increase share of business from existing customers.
- Special Grades – Hydrogen annealing and upgrade HR, CR slitting.
- To increase market share
- Targeting a revenue increase of 30% next year.

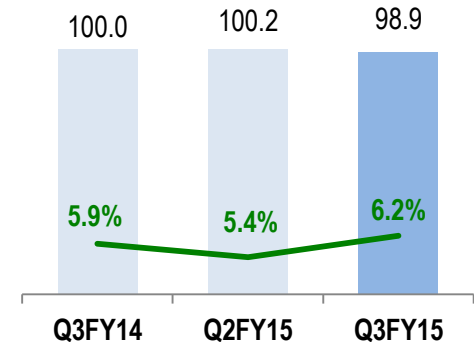
Sales for Q3FY15 is at
Rs. 99 Crores

30 % revenue growth
target for next year

Significant improvement
in **EBITDA Margin**



Steel Products



Segment Highlights - Tubes

Quarter performance

- New customers added in this quarter includes – Mitsubha, KTTM, Fine components, GI Auto, Bridge stone, STTI, Sigma electric etc.
- Major customers includes ALF, PHI, Thermax, Patton, VECV, KLT etc.
- New products been developed for 2 & 4 wheelers market.
- Completed capacity expansion in ERW, CDW. Further capex underway.

Outlook

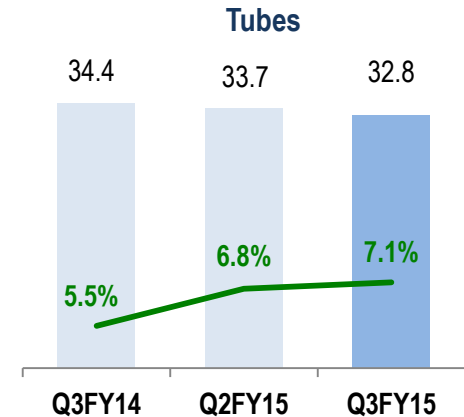
- Targeting exports.
- Stainless steel tubes entry in this fiscal.
- New tube plant in Chennai and expansion in Isnapur.

Market Share -

ERW: 5%; CDW: 6%

7 new customers added

CAPEX underway at Chennai and Isnapur



Segment Highlights - Industrial Components



Quarter performance

- Received repeat orders from INEL, Emerson, Tecumseh, Wabco, Endurance.
- Received new export orders from Xylem, FNSS, Firestone and others.
- Hydraulics trail production underway for a US based company.
- New opportunities like Palfinger, ACE, Metso, Grainger identified and RFQs received for next level revenue growth.

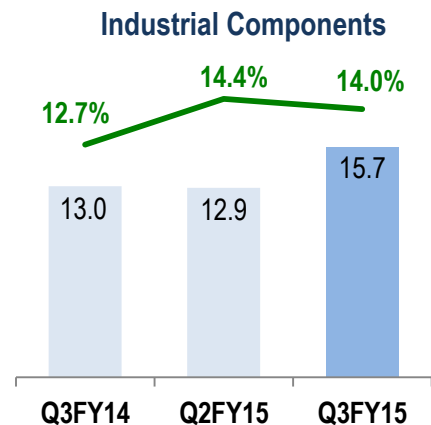
Outlook

- Hydraulics to drive growth this year.
- Focus on market share improvement in existing product line.

Sales for Q3FY15 is at
Rs. 15.7 Crores

Automotive
showing signs of mild
recovery

Growing Hydraulics
business



Segment Highlights - Systems & Projects



Quarter Performance

Railways –

- Improvement in Railways business
- New bay at Chennai plant under construction.

Outlook

- In talks for various metro rail projects
- Huge opportunity for manufacture of complete under frame as ICF proposes to outsource entire assembly of coaches.

Solar –

- Received major orders from Mahindra EPC, Azure Power, L&T construction, B Electric, Enrich.
- Developed special grade for BElectric

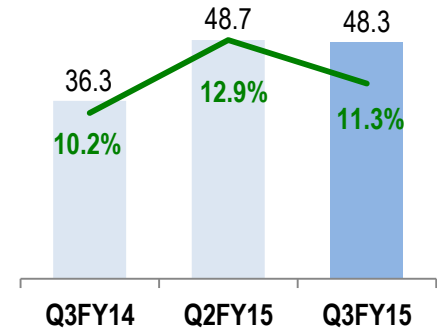
Sales for Q3FY15 at Rs.
Rs. 48.3 crores

Railway business
uptrend visible

Railways is **7 %** and Solar
is **9%** of segment
revenues



Systems & Projects



Subsidiary Highlights - PEBS



Quarter performance

Major Customers

- My Home, Ultratech Cements, Dr. Reddy's, L&T, Schwing Stetter, Reliance, ITC, Renault Nissan, Schneider India, Volvo India, Toyostu Rare Earth, Godrej, IOT Infra etc.

Repeat Orders

- L&T Metro, Ultratech Cements, EFC Logistics, Gupta Power, Etco Denim, Ethnic Tobacco, Prathamesh

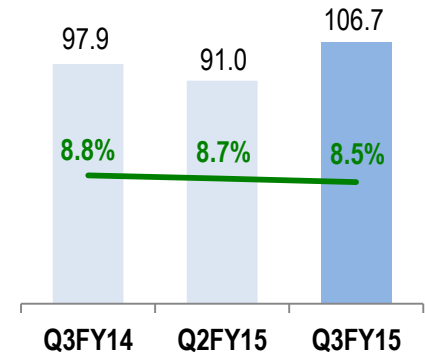
Sales for Q3FY15 is at
Rs. 107 Crores

Capacity **90,000 MT**

Strong **Order book** continues



Pre-Engineered Buildings



Subsidiary Highlights - Pennar Enviro

Quarter performance

New orders / major orders

- **Projects** - Dhunseri petro chemical, USL (united spirits)
- **O&M** - Pearlescent Minchem, Moksh Agarbatti, Biocon India, JSW, Parker Hannifin
- **Chemicals** - Maha Genco, SMK Petrochemicals, Divis labs

- **New Customers**
 - ✓ Biocon India, Moksh Agarbatti, Dhunseri Petro Chemical and others.

- **Repeat Orders**
 - ✓ United Spirits, Hetero Labs, Andhra Sugars, Silkroad Sugar

Sales at

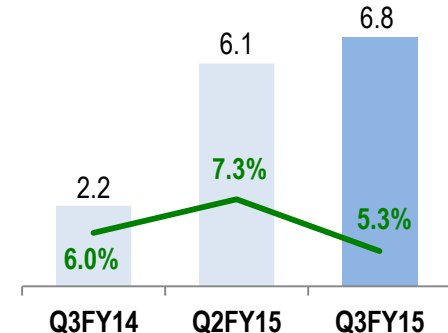
Rs. 6.8 Crores

Fastest growing segment of group

Customer base
Chemicals-200,
O&M-40 Projects - 30



Pennar Enviro



Pennar Group



PENNAR INDUSTRIES LIMITED

Business Segments, Subsidiaries



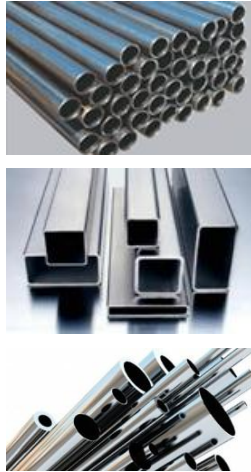
STEEL PRODUCTS

- 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



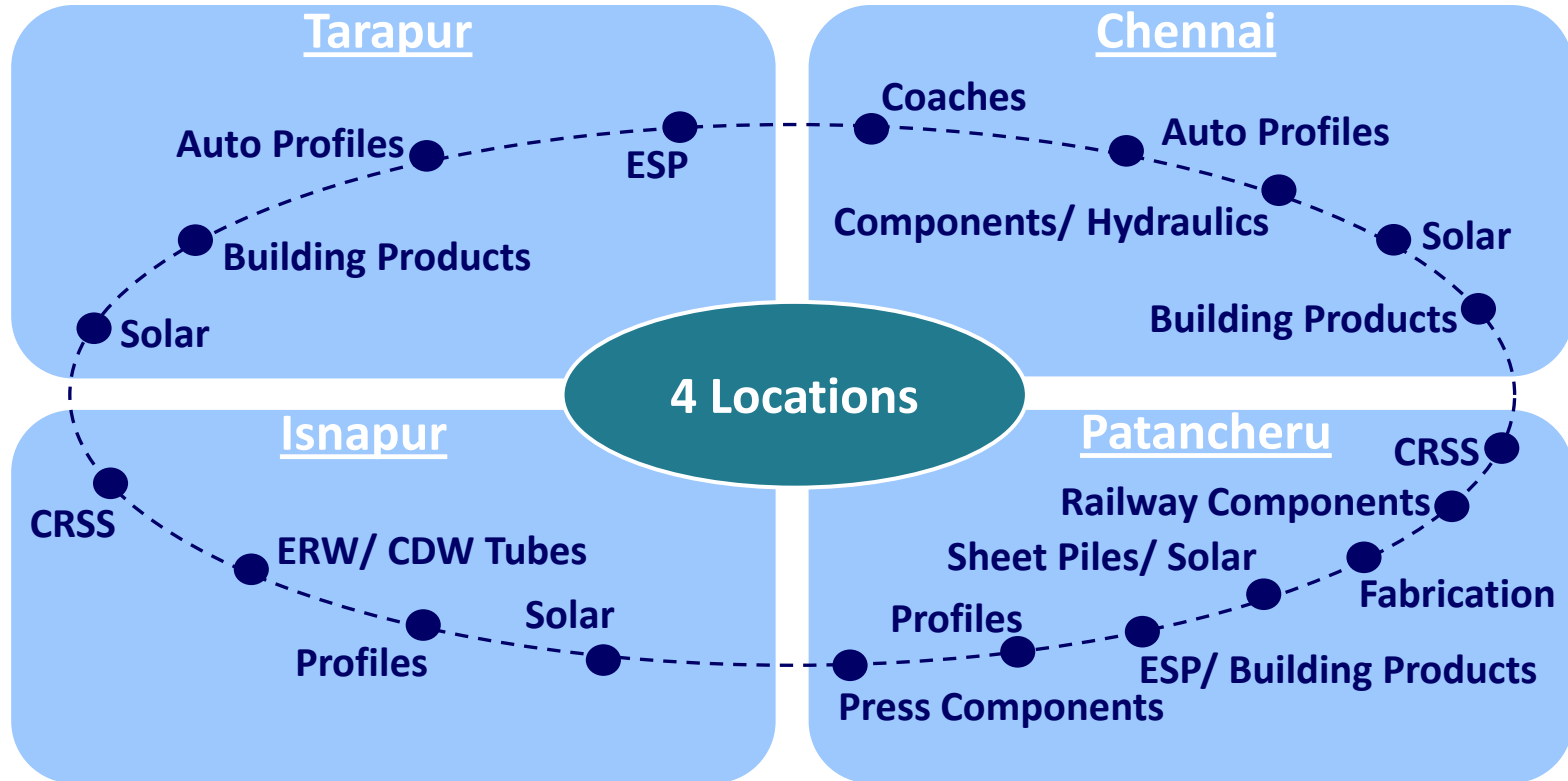
- Pre-engineered building structures
- Warehouses
- Airports and aircraft hangers
- Turnkey buildings
- Leak proof roofing sheets



- 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 Dec 31, 2014 (BSE):
Rs. 657 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



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

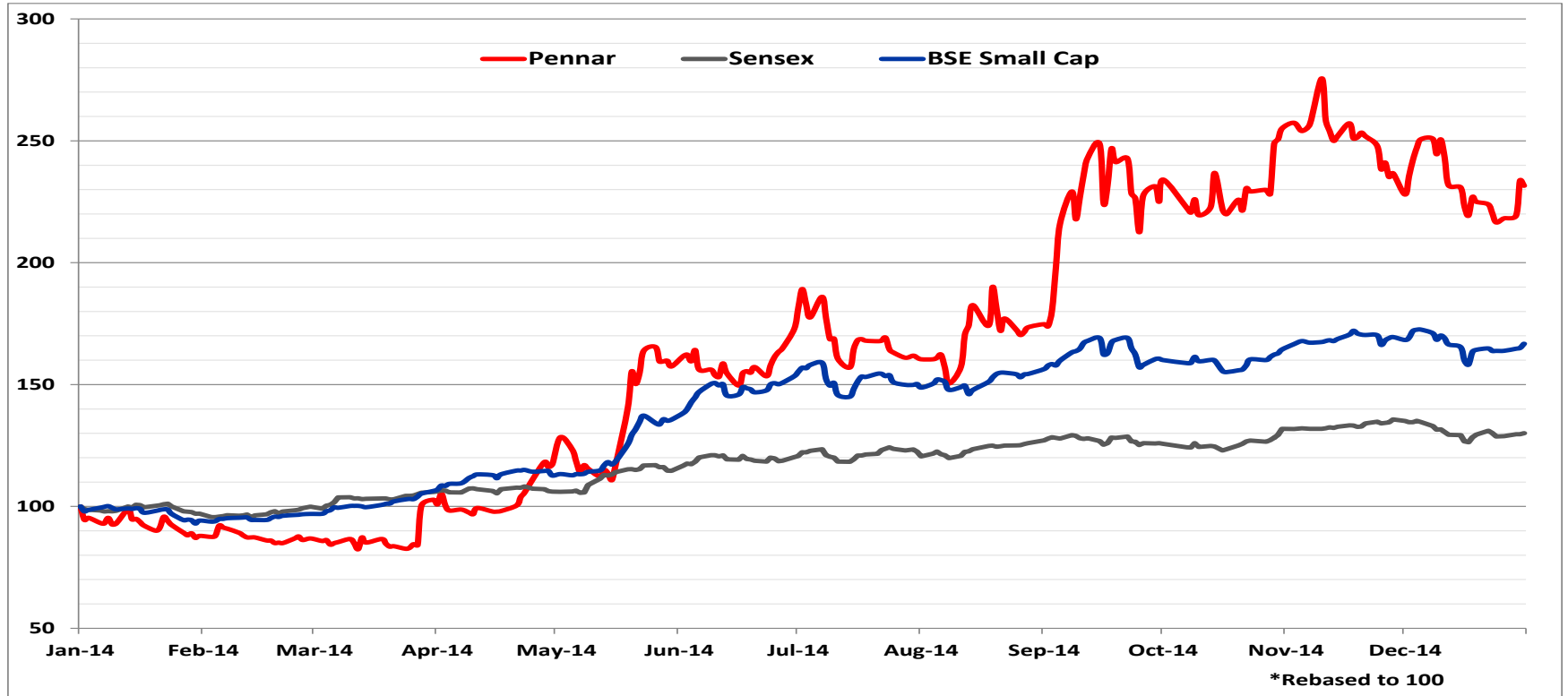


M. Bhoopal Reddy
Tubes



Shiva Kumar K
Industrial
Components

Share Price Performance





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