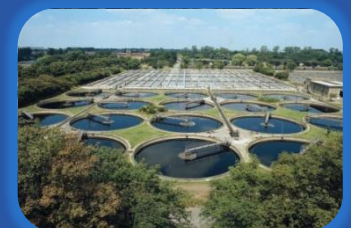


# Pennar Industries Limited



## Investor Presentation Q4FY17/ FY17



# 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.*

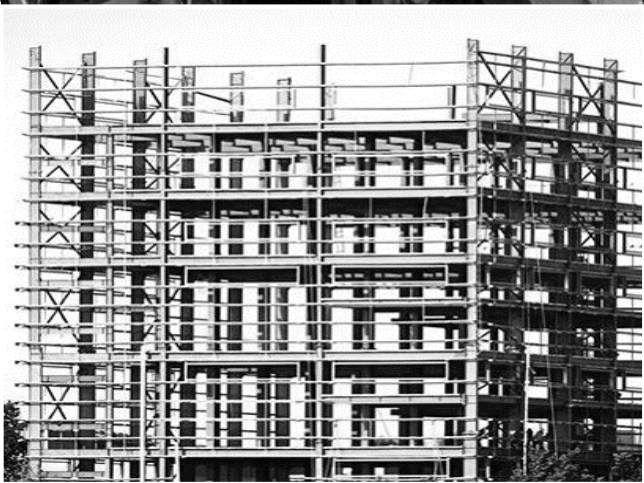
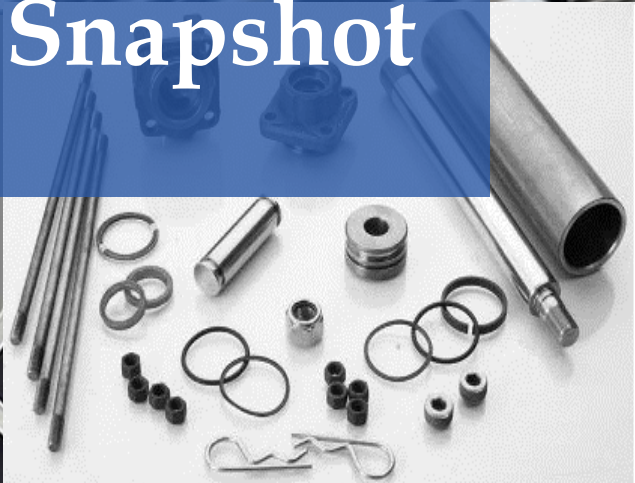
*While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.*

*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.*



# Q4FY17/ FY17 Snapshot



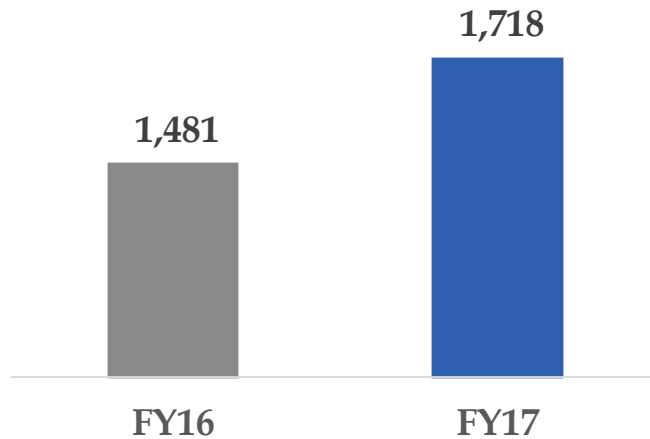
# Financial Performance -FY17



*In Rs crs*

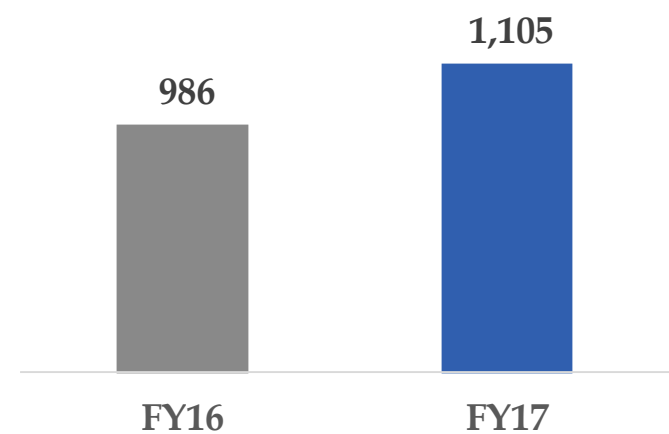
Consolidated Performance

## Gross Revenues

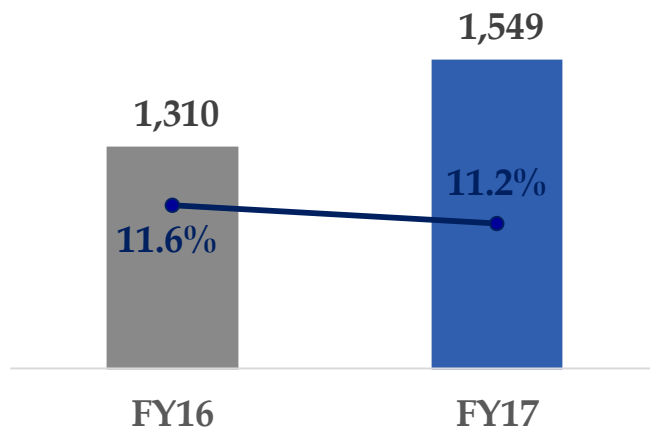


Standalone Performance

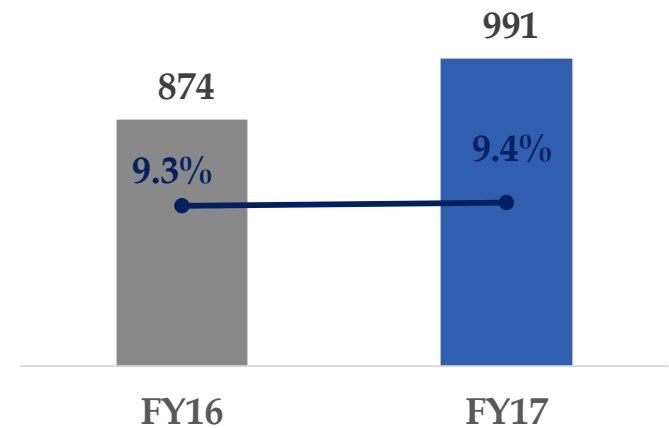
## Gross Revenues



## Net Revenue & EBITDA %



## Net Revenue & EBITDA %



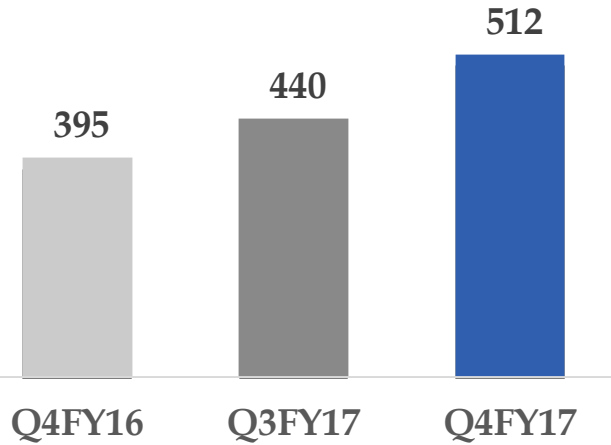
# Financial Performance – Q4FY17



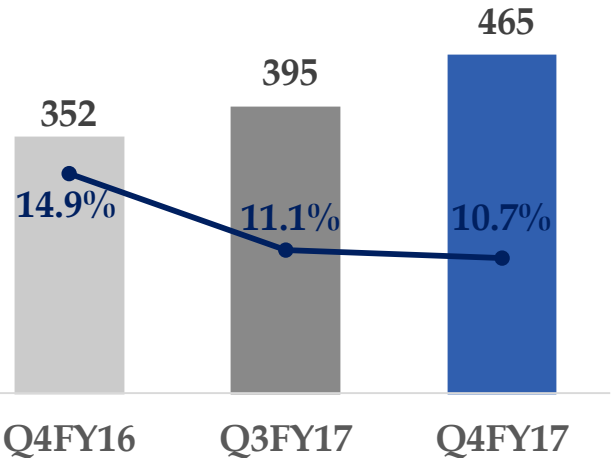
*In Rs crs*

Consolidated Performance

**Gross Revenues**

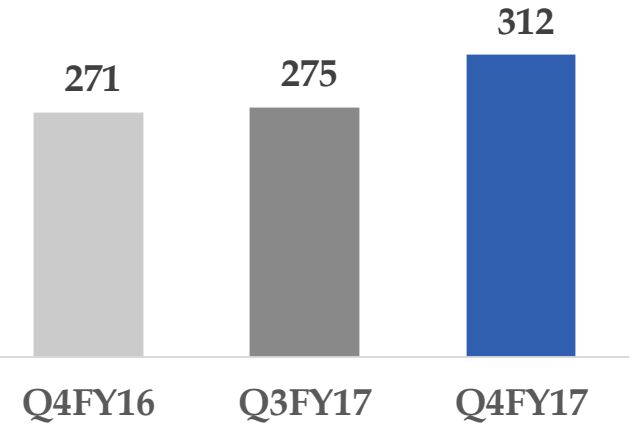


**Net Revenue & EBITDA %**

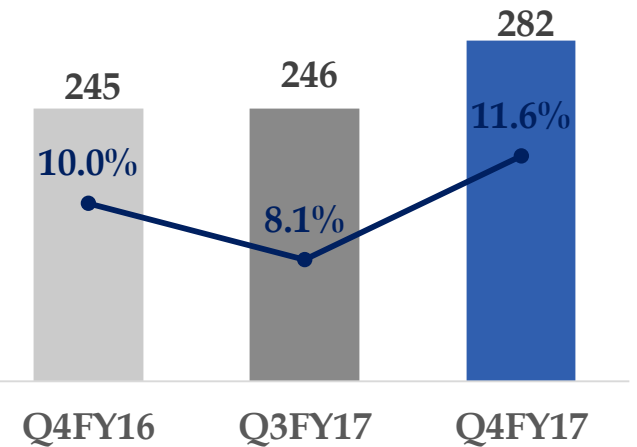


Standalone Performance

**Gross Revenues**



**Net Revenue & EBITDA %**

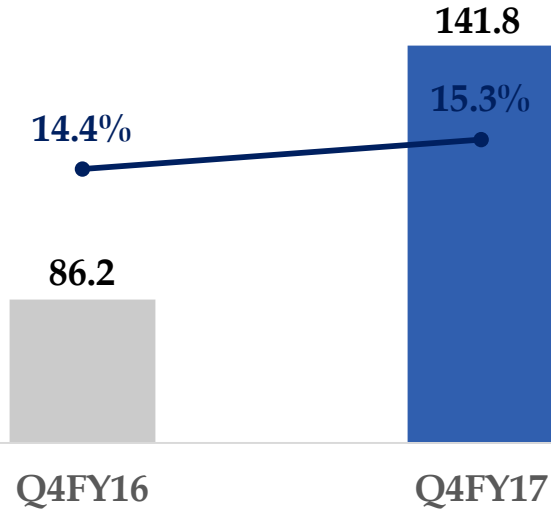


# Segment Performance – Q4FY17

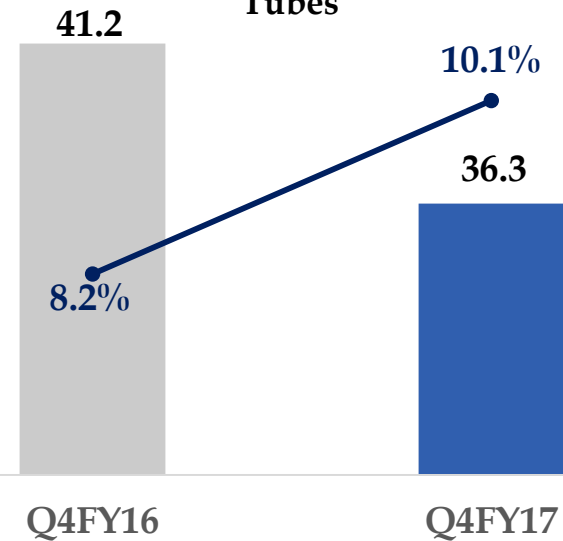


Net Revenues (Rs crs) & EBITDA Margin %

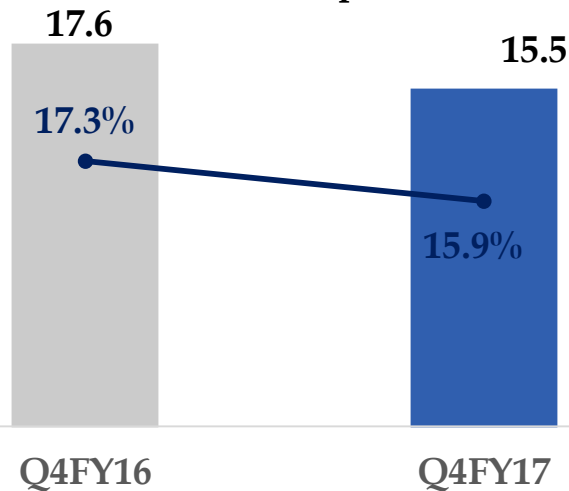
## Systems & Projects



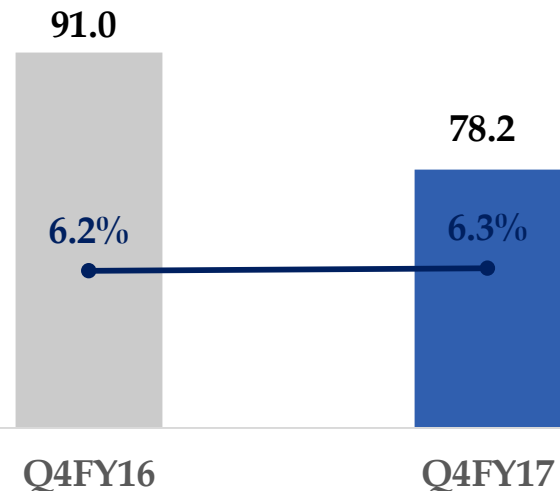
## Tubes



## Industrial Components

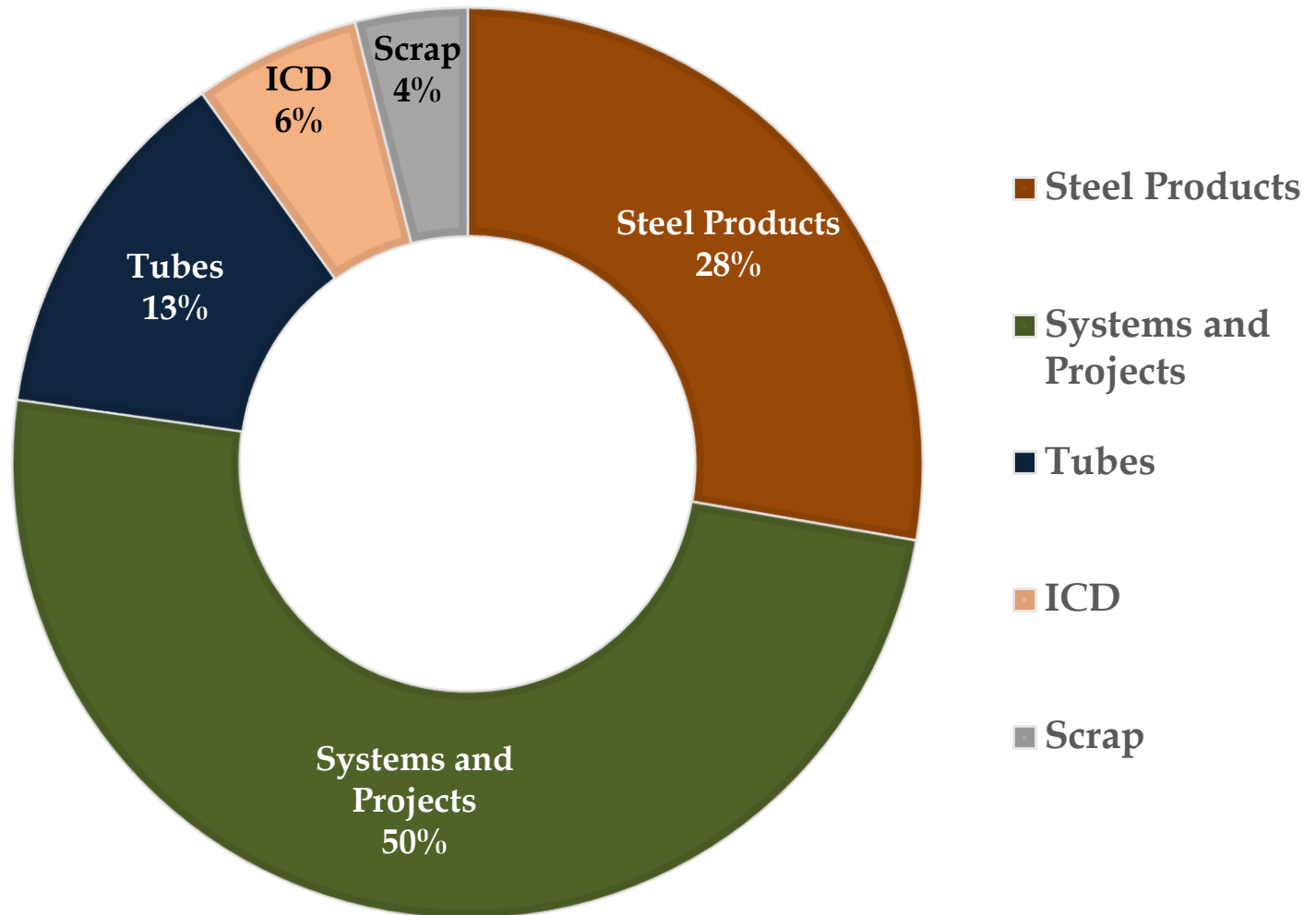


## Steel Products



# Evolving Business Mix (1/2)

As of 31<sup>st</sup> March, 2017

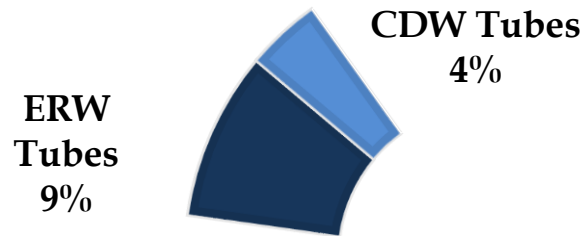


As a Percentage of Standalone Revenues for Q4FY17

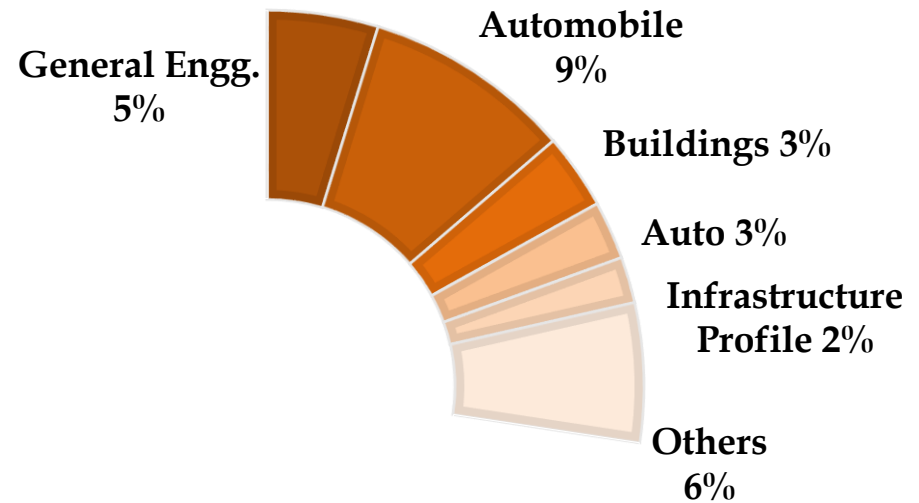
# Evolving Business Mix (2/2)



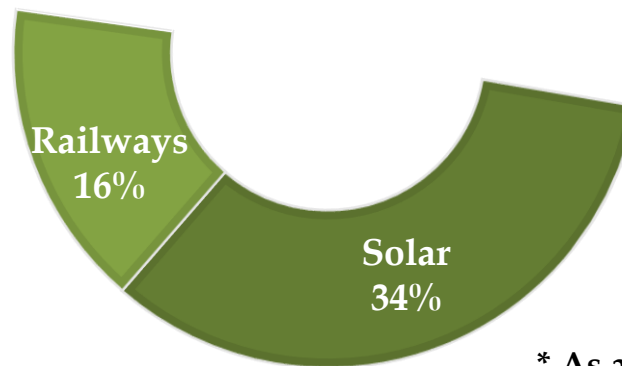
## \* Tubes (13%)



## \* Steel Products (28%)



## \* Systems and Projects (50%)

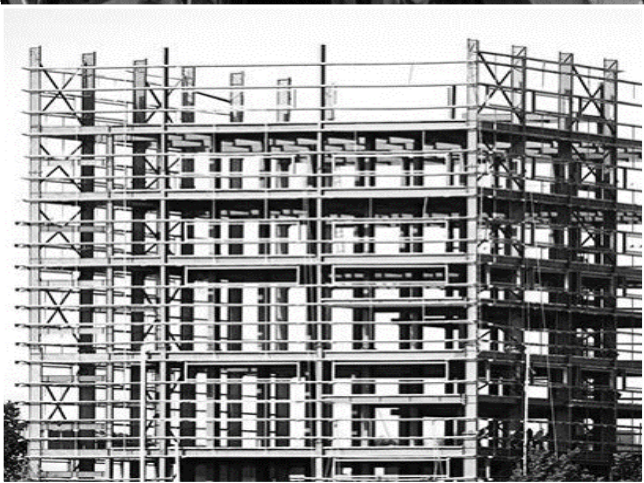


\* As a Percentage of Standalone Revenues for Q4FY17





# Segment Highlights



# Segment-wise Business Review; Outlook



## Systems and Projects - Railways



Market Share –  
25% Coaches;  
15% Wagons

INR 180.5  
crores  
FY17 Sales

### Business Highlights

Major Customers: Integral Coach Factory, Chennai; Modern Coach Factory, Raebareli; Texmaco Rail & Engineering Ltd., Kolkatta; Hindustan Engineering India Ltd., Kolkatta; Cimmco Ltd., Kolkatta; BEML Ltd, Bangalore

- Apart from supplying 20 Coaches per month to ICF, Chennai, Pennar is supplying 30 Roof Assemblies per month to MCF, Raebareli.
- Rs. 25 Crs. worth orders for various coach applications are in pipeline to be booked for the tenders participated during Q4.
- Development orders of 15 under frames 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.

# Segment-wise Business Review; Outlook



## Systems and Projects - Solar



15  
Customers

INR 253.9  
crores  
FY17 Sales

### Solar

- Repeat customers include Greenko Energy, Sterling Generators, Waree Energy, Tata Power. One new customer added - Adani Enterprises Pvt Ltd added.
- Major customers include Sterling & Wilson, 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 completed with three new mills in Patancheru.
- CAPEX plan - Cold rolling & skin pass mill strengthening and an additional hydrogen annealing furnace.

# Segment-wise Business Review; Outlook



## Tubes



Market share  
**CDW 8%**  
**ERW 5%**

**INR 155.2**  
crores  
FY17 Sales

### Business Highlights

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

### Outlook

- Revenue 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.

# Segment-wise Business Review; Outlook



## Industrial components



4 New Customers

INR 58.1  
crores  
FY17 Sales

### Business Highlights

- Strong growth seen in White goods segment.
- Two wheeler segment: Post demonetization, Feb & Mar showed signs of improvement. Consequently, Yamaha and INEL volumes are on an upswing.
- New product addition and two wheeler growth helped swing Endurance Revenue upwards by 20%.
- Exports ended up Rs. 6 Crs. for the year.
- New Customers – Comstar (Yoke), Hewlett Packard (Rollers), Venus (Water heater covers), Dellner (Coupler bar).

### Outlook

- White goods segment: Strong market demand is seen from March '17 and likely to continue to Q1 with revenue growth of 30%.
- Two wheeler segment: FY18 seems to be buoyant with double digit growth.
- Commercial vehicles: Huge demand inflow from Wabco Mahindra city exports which will drive growth upto H1 of FY18.
- Hydraulics exports: Bailey is a success story to showcase other customers. Bailey business in FY18 is likely to double with export opportunity to increase.

# Segment-wise Business Review; Outlook



## Steel Products - Steel



Customers  
CRSS: 100  
CRFS: 75

INR 309.7  
crores  
FY17 Sales

### CRFS Orders

- 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

- 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., 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.



# Subsidiary Highlights



# Group Subsidiaries



## Pennar Industries Limited

Market Cap as of 31<sup>st</sup> March, 2017 - 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



### Pennar Renewables Private Limited

Solar Power Plants



# Subsidiary Highlights

## Pennar Enviro



5  
New  
Customers

### **Repeat Orders:**

STEAG Energy Services (India) Pvt. Ltd; Parry Sugar Refinery India Private Ltd; Hatsun Agro Products Ltd; Covalent Laboratories Pvt. Ltd; Sigma Electric Manufacturing;

### **New Customers:**

Heubach Colour Pvt. Ltd., Bharat Oman Refineries Ltd., Sai Wardha Power Generation Ltd., India Power Corporation (Haldia) Ltd. and Motherson

**New product:** Cleaning Chemicals

# Subsidiary Highlights, Outlook



## PEBS Pennar



Rs 372  
crores  
Order Book

FY17 Gross  
Sales of Rs  
570.3 crores

**New Orders** : JSW Cement in Maharashtra, JSW's Paint in Karnataka, Toyo Engineering India Limited, Amplus Energy Solutions Pvt Ltd.'s solar project, Hetero Drugs Ltd. for Hyderabad, Aequs SEZ Pvt Ltd.'s Aero System for Bangalore, Shahi Exports Pvt. Ltd. for Ahmedabad and Walmart India Pvt Ltd.'s order in Delhi.

**Repeat Orders** : JSW Cement, Hetero Drugs, Shapoorji & Pallonji and Aequs SEZ Pvt Ltd.

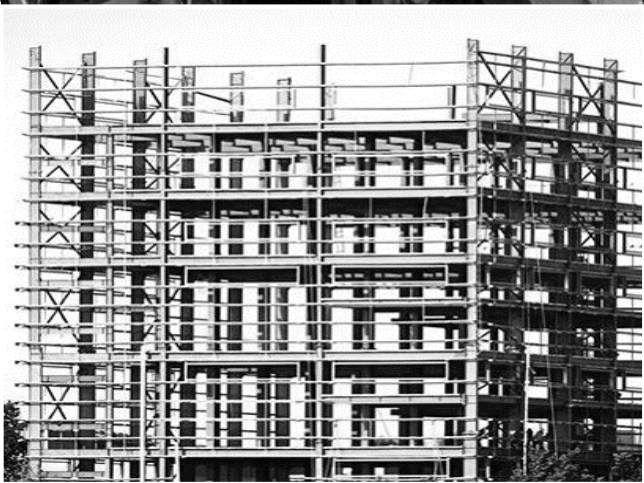
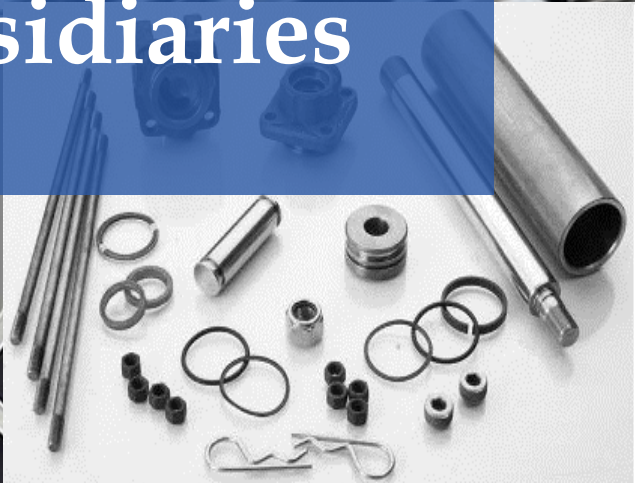
### **Business Highlights**

- High-Rise Buildings – The Company is currently executing six residential towers and one commercial tower.
- Telecom Towers - The Company is currently developing models for tower business.
- Exports – Focusing on export & executed orders worth of 6 Crores.
- Agreement with the Andhra Pradesh Government for engaging a 75-seater engineering office facility in Vizag (Andhra Pradesh) under the Software Export Promotion Program over a period of one year, in a phased manner.

**Outlook for FY18** - Focus on improving margins



# Projects - Subsidiaries



# Projects – Pennar Enviro

JBF



ONGC



BIOLOGICAL E-PROJECT



AGI-CIVIL



HETERO



DHUNSERI



# Projects – PEBS

High-rise structure in Hyderabad



COCA COLA



TEXPORT



HIL



SHAPOORJI & PALLONJI



VEE RUBBER



TVS INFRA

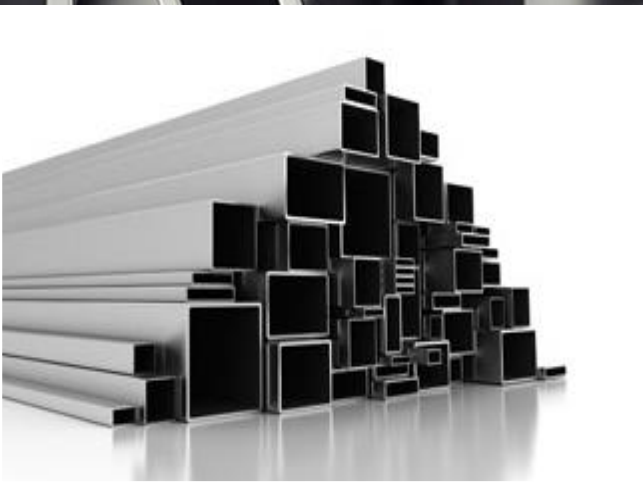
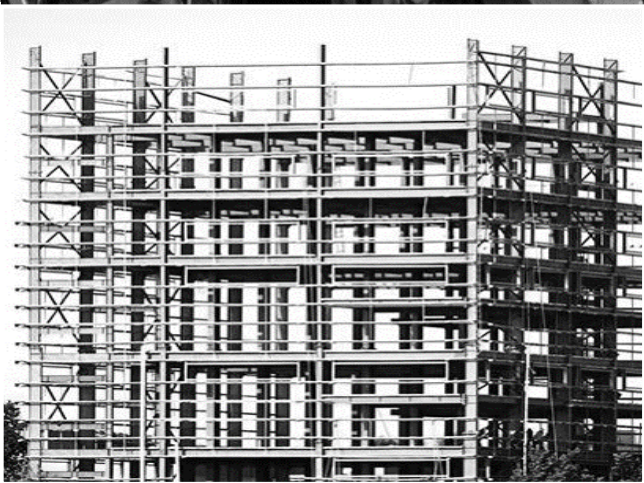
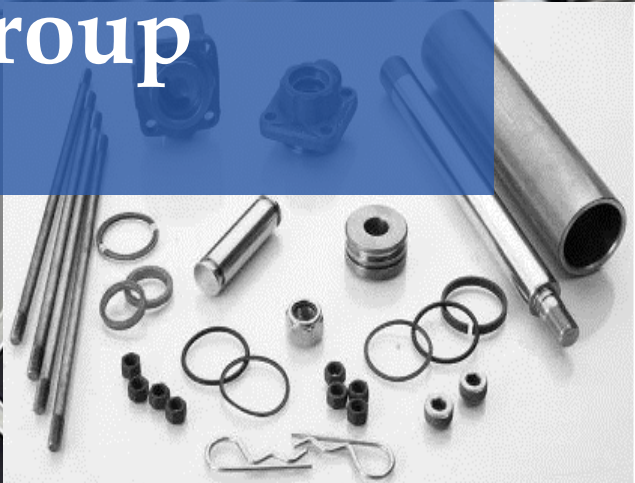


ULTRATECH - TADIPATRI





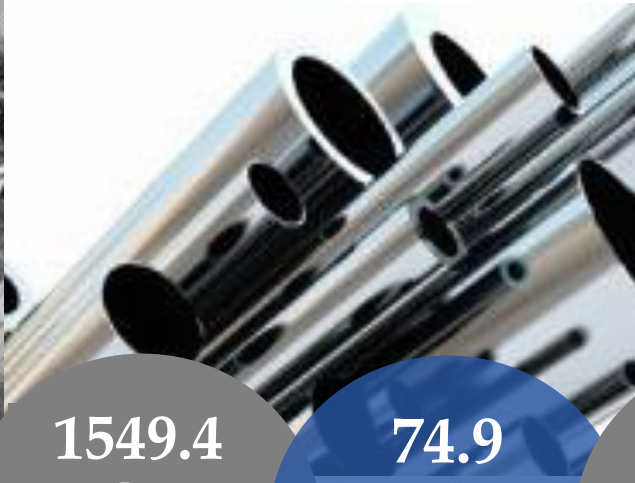
# The Pennar Group





**FY17**

Performance



**1549.4  
Cr.**

Net  
Revenue




**74.9  
Cr**

Cash  
Profit

**11.2%**

EBITDA  
Margin



**174.2  
Cr.**

EBITDA



**3 %**

PAT  
Margin



**46.7  
Cr.**

PAT

**3.88**

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

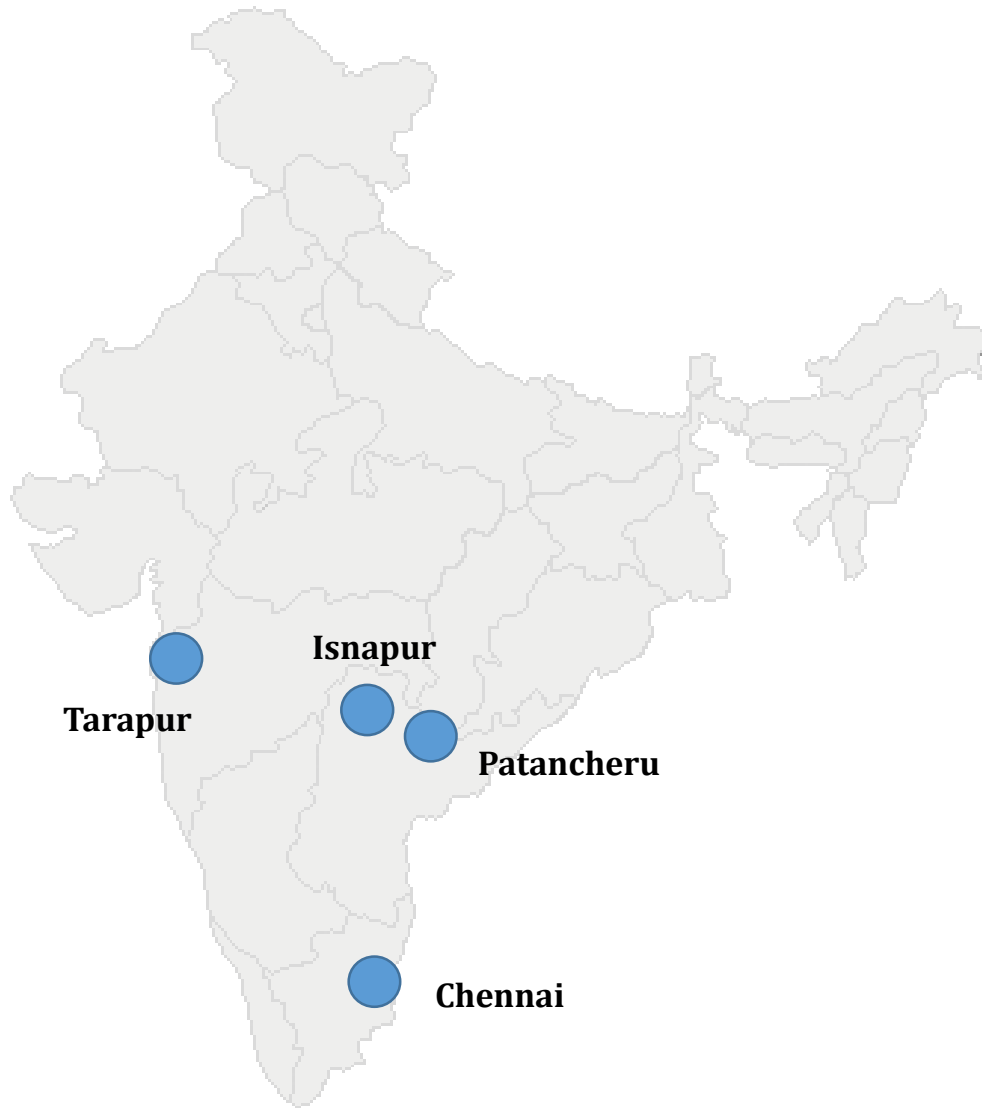
- Automobiles
- Industrial
- White Goods
- Hydraulics

## Tubes

- Automobiles
- Power



# Distributed Manufacturing



## **Tarapur**

Solar, Building Products, Auto Profiles, ESP

## **Patancheru**

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

## **Isnapur**

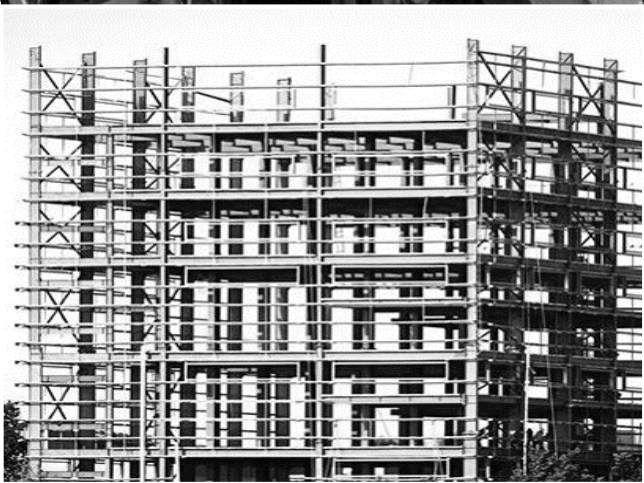
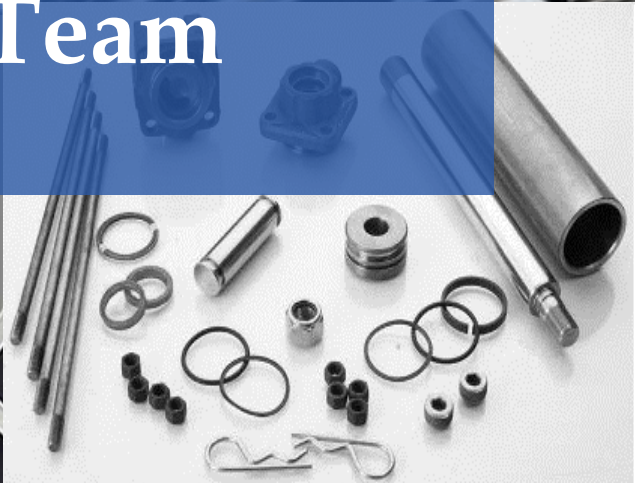
CRSS, ERW / CDW Tubes, Profiles, Solar

## **Chennai**

Coaches, Auto Profiles, Components / Hydraulics, Building Products



# 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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Email: [jill@velresearch.com](mailto:jill@velresearch.com)

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CIN : L27109AP1975PLC 001919

