



PENNAR INDUSTRIES LIMITED

Q2 FY20 RESULT PRESENTATION

November 2019



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Discussion Summary

- ❖ **Results Update**

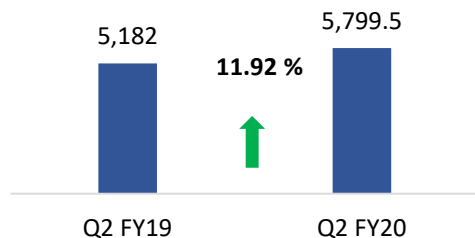
- ❖ Company Overview

Q2 & H1 FY20: Key Highlights

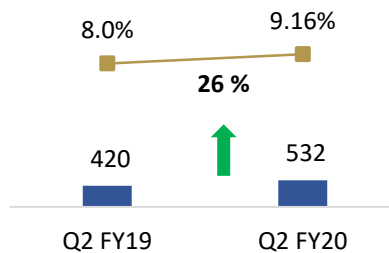
In Rs Mn

Q2 FY20

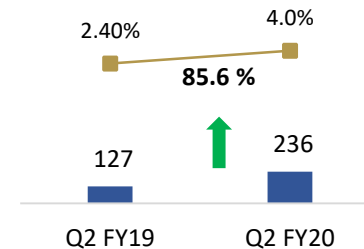
Total Income (Net)



EBITDA & EBITDA Margin

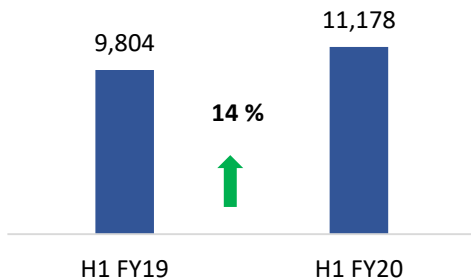


PAT & PAT Margin

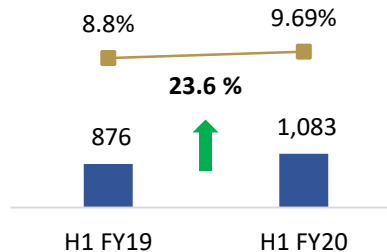


H1 FY20

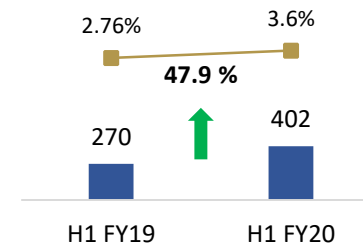
Total Income (Net)



EBITDA & EBITDA Margin



PAT & PAT Margin



Order book position as on September 30, 2019

- **Robust order book position**
 - PEBS Division - Rs 4,520 Mn
 - Water Treatment solution - Rs 1,010 Mn
 - Railways division – Rs 2200 Mn

Q2 & H1 FY20: Consolidated Profit & Loss Statement



Particulars (Rs. in Mn)	Q2 FY20	Q2 FY19	YoY%	H1 FY20	H1 FY19	YoY%	FY19
Revenue From Operations (Net of Taxes)	5,800	5,182	11.9%	11,178	9,804	14.0%	21,331
Other Income	86	98	-11.8%	122	140	-13.4%	267
Total Income	5,886	5,279	11.5%	11,299	9,944	13.6%	21,599
COGS	3,536	3,445	2.6%	6,700	6,191	8.2%	13,155
Gross Profit	2,350	1,834	28.1%	4,599	3,753	22.5%	8,443
Gross Margin %	39.9%	34.7%	519 bps	40.7%	37.7%	296 bps	39.1%
Employee Expenses	430	370	16.2%	852	755	13%	1,529
Other Expenses	1,389	1,044	33.0%	2,665	2,122	25.6%	4,915
EBITDA	532	420	26.5%	1,083	876	23.6%	1,999
EBITDA Margin %	9.16%	8.0%	107 bps	9.58%	8.8%	78 bps	9.3%
Depreciation	104	68	52.6%	199	132	51.3%	279
Finance Cost	227	173	31.2%	426	332	28.4%	752
PBT	201	179.00	12.1%	457.9	412.6	11.0%	968
Taxes	-35	52	-166.0%	57	142	-60.2%	302
PAT Before MI	235.2	126.6	0.858	401.3	270.5	0.5	667
PAT Margin %	4.06%	2.4%	161 bps	3.59%	2.76%	83 bps	3.1%

Q2 & H1 FY20: Consolidated Balance Sheet



Particulars (Rs. in Mn)	H1 FY20	FY19
Equity & Liabilities		
Equity Share Capital	762	762
Other Equity	6,313	5,913
Shareholder's Equity	7,075	6,675
Non Cotrolling Interest	3	2
Total Equity	7,078	6,677
Non-Current Liabilities		
Borrowings	1,284	1,003
Lease liability	324	-
Provisions	120	86
Deferred Tax Liability	216	269
Other financial Liabilities	56	51
Other Non-Current Liabilities	35	60
Total Non-Current Liabilities	2,035	1,469
Current Liabilities		
Borrowings	2,848	3,129
Trade Payables	5,235	4,491
Lease liability	72	-
Other Financial Liabilities	657	566
Provisions	82	92
Income Tax Liabilities	311	156
Other Current Liabilities	859	856
Total Current Liabilities	10,064	9,290
Total Equity & Liabilities	19,177	17,436

Particulars (Rs. in Mn)	H1 FY20	FY19
Assets		
Non-Current Assets		
Property, Plant And Equipment	5,610	4,405
Right of use assets	393	-
Capital Work-in-progress	367	1,177
Other Intangible Assets	136	135
Loans	36	-
Trade Receivables	218	94
Investments	0.2	0.2
Other Financial Assets	94	82
Income Tax Assets (Net)	194	104
Other Non-current Assets	203	128
Total Non-Current Assets	7,251	6,125
Current Assets		
Inventories	4,663	4,386
Investments	378.9	521
Trade Receivables	4,970	4,636
Cash And Cash Equivalents	115	152
Other Balances With Banks	93	232
Loans	288	195
Other Financial Assets	516	308
Other Current Assets	902	881
Total Current Assets	11,926	11,311
Total Assets	19,177	17,436

Discussion Summary

- ❖ Quarterly Results Update
- ❖ **Company Overview**

Diversified Engineering Company With End-To-End Capabilities



Wide Spectrum of Engineered Products & Customised Turnkey Engineering Solutions Across Diverse Industries

Strong Pedigree & Engineering Excellence	35+ Years of Experience	1,500+ Engineered Products	1,000+ Customers Across Industries	8 Manufacturing Plants	2,500+ Employee Base	
Extensive Product & Service Offerings	Engineered Products *		Engineering Solutions **			
	<ul style="list-style-type: none"> Wide range of customised engineering products catering to diverse sectors Strong designing & manufacturing capabilities 		<ul style="list-style-type: none"> Leading player in Pre-Engineered Buildings, Solar EPC, Designing & Engineering Services with presence in USA Water Treatment Solutions (EPC + O&M), Water Treatment Chemicals & Fuel Additives 			
Exposure to High Growth Sectors	Automobiles	Construction & Infrastructure	General Engineering	White Goods	Railways	Solar
Prominent Clientele From Diverse Sectors						

Note: * includes revenues from Steel Products BU, Tubes BU, Industrial Components BU, Railways BU, ** includes revenues from PEBS Pennar, Pennar Enviro, Pennar Global subsidiaries

Strong Track Record: Consistent Growth & Improving Profitability

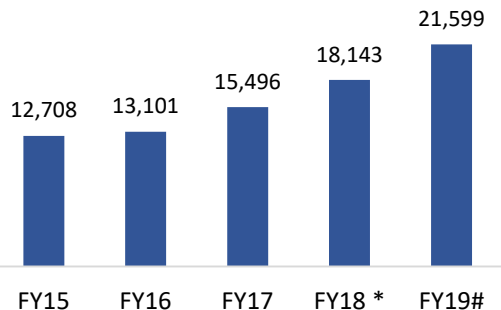


In Rs Mn

FY14-16 Figures are as per the I-GAAP, FY17-19 Figures are as per IND-AS

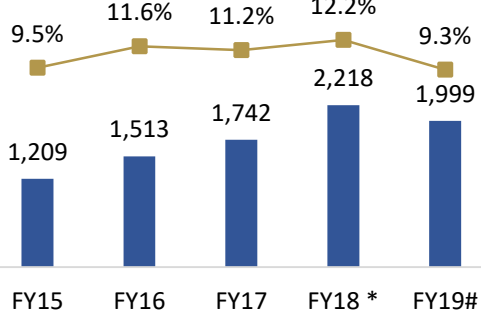
Total Revenues

CAGR: 14.9%



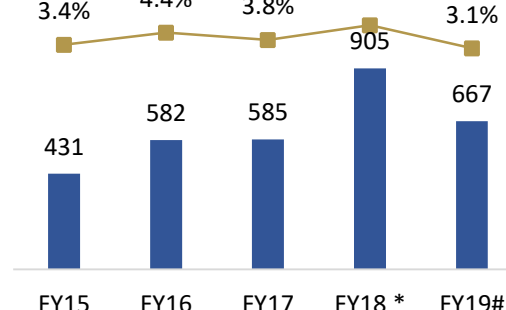
EBITDA & EBITDA Margin

CAGR: 9.3%

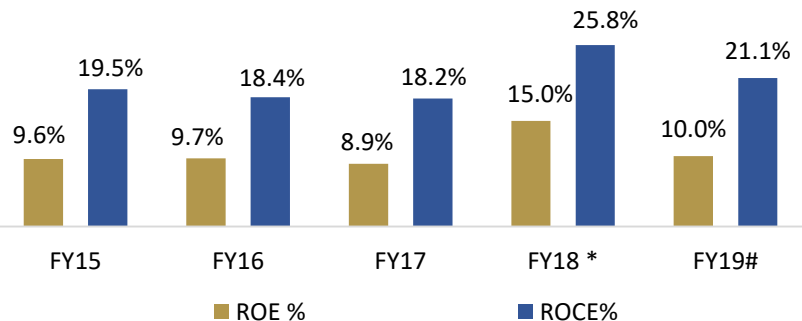


PAT Before MI & PAT Margin

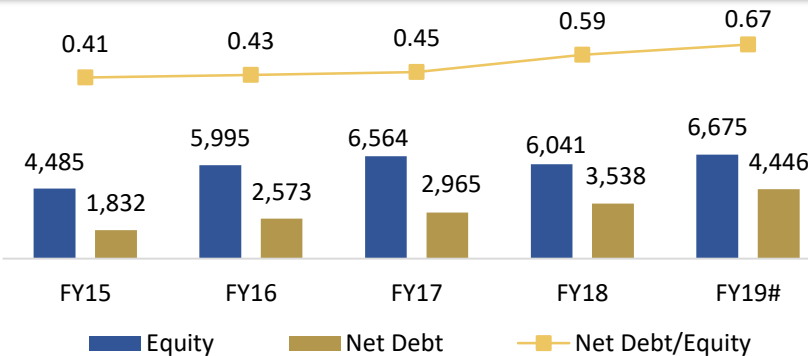
CAGR: 12%



Return Ratios



Leverage Analysis



* adjusted to exclude exceptional and non-recurring items

Post Merger

ROE = PAT / Avg. (Equity + MI), ROCE = EBIT / Avg. Capital Employed (Total Debt + Equity + MI)

Robust Manufacturing Facilities & Pan India Sales Network



Location	Products
Patancheru, Andhra Pradesh	Press Components, Profiles, ESP / Building Products, Sheet Piles / Solar, Railway Components, CRSS, Fabrication
Chennai, Tamil Nadu	Coaches, Auto Profiles, Components / Hydraulics, Building Products
Isnapur, Andhra Pradesh	CRSS, ERW / CDW Tubes, Profiles, Solar
Velchal, Telangana	Strip Galvanizing, Hot Dip Galvanizing
Tarapur, Maharashtra	Solar, Building Products, Auto Profiles, ESP
Sadashivpet, Telangana	Pre-Engineered Building Systems
Mallapur, Hyderabad	Fuel Additives, Water Treatment Chemicals & Solutions

Experienced Leadership & Management Team



Nrupender Rao
Executive Chairman



Aditya N. Rao
Vice Chairman &
Managing Director



P. V. Rao
Joint Managing Director



K. Chakravarthy
Business head,
Enviro



Dayasagar Rao
Operations



Y Narasimha Rao
Business Head,
Steel Products



M. Bhoopal Reddy
Business Head,
Tubes



Shiva Kumar K
Business Head,
Industrial Components

Board of Directors – Strong Corporate Governance



Nrupender Rao
Executive Chairman



Aditya N. Rao
Vice Chairman,
Managing Director



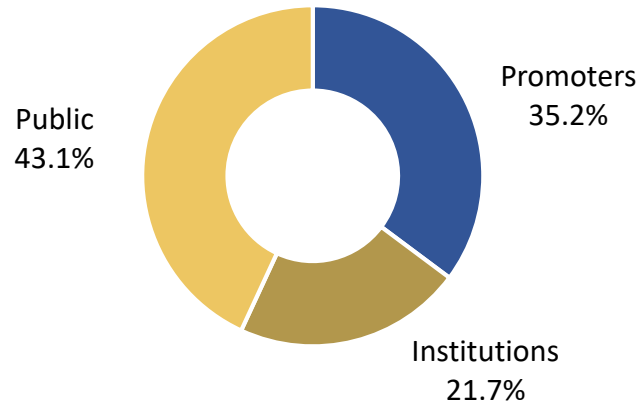
P. V. Rao
Joint Managing
Director



K Lavanya Kumar
Executive Director

Name	Designation	Description
 Eric James Brown	Non-Executive Director	<ul style="list-style-type: none"> President and CEO of Pennar Global, Inc. 30+ years of experience
 Vishal Sood	Non-Executive Director	<ul style="list-style-type: none"> Managing Director at SAIF partners Earlier worked with Kotak, SSKI and SBI Capital Markets
 Chandrasekhar Sripada	Non-Executive Independent Director	<ul style="list-style-type: none"> 40+ years corporate career in HRM across Public, Private and Multi-National Companies MBA, MA & PhD
 C Parthasarathy	Non-Executive Independent Director	<ul style="list-style-type: none"> One of the founders of Karvy Group and responsible for building Karvy as one of India's truly integrated financial services organizations He has been actively associated with various professional bodies in senior capacities over the last decade
 B Kamalaker Rao	Non-Executive Independent Director	<ul style="list-style-type: none"> Serving as Director on Boards of several Government and Public Sector Undertakings Distinguished member of the AP Legislative Council and a Senior Spokesperson for his political party
 Manish Sabharwal	Non-Executive Independent Director	<ul style="list-style-type: none"> Member of the Prime Ministers Council on Skill Development and has served on the Planning Commission steering committee on labour and employment for the Eleventh five year plan (2007-12) He is a member of the CII core group on labour reforms
 Varun Chawla	Non-Executive Independent Director	<ul style="list-style-type: none"> 9+ years of Investment Banking experience He was one of the founders of myguesthouse.com, acquired by Make My Trip.
 Bharati Jacob	Non-Executive Independent Director	<ul style="list-style-type: none"> Extensive experience in venture investing, marketing and financial services. Masters degrees from The Wharton School of University Pennsylvania and XLRI Jamshedpur

Shareholding Pattern – September 2019



Key Shareholders – September 2019

Saif India IV FI Holdings Limited	7.97%
Franklin India Smaller Companies Fund	5.7%
DSP Midcap Fund	2.7%
Aditya Birla Sunlife Trustee	1.56%
Ashmore India Opportunities Fund	1.14%

Source: BSE



Pennar

Thanking You



Pennar

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DICKENSON

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