



PENNAR INDUSTRIES LIMITED

Q1 FY20 RESULT PRESENTATION

June 2019



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Discussion Summary

- ❖ **Results Update**

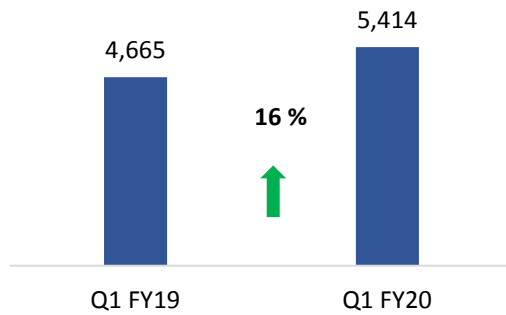
- ❖ Company Overview

Q1 FY20: Key Highlights

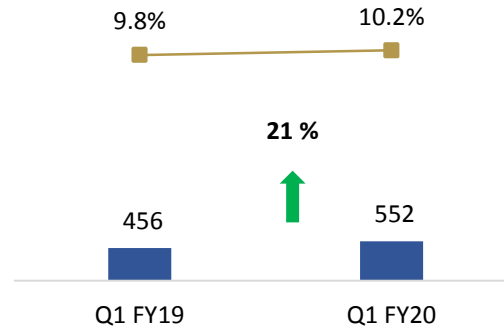


In Rs Mn

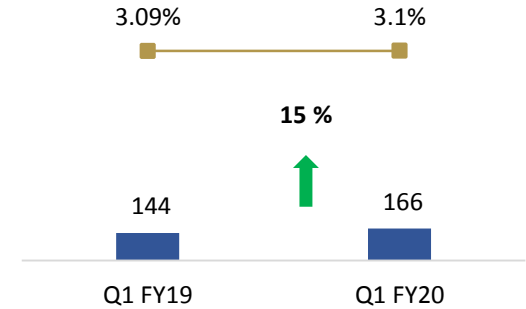
Total Income (Net)



EBITDA & EBITDA Margin



PAT & PAT Margin *



Engineering Products

- Supply of critical structural railway components (coaches, wagons, other parts) generated gross revenues of Rs 990 Mn in Q1 FY20. There are total 33 existing customers with major customers like Integral Coach Factory, Modern Coach Factory, Texmaco Rail & Engineering Ltd.
- Supply of critical industrial components (Automobile & White Goods sector) generated gross revenues of Rs 368.3 Mn. New orders received from ACE, Modern Age, Endurance, VRV Cryogenic Tanks. Repeat orders from Bailey, Tecumseh USA, Ashok Leyland.
- Supply of precision tubes generated gross revenues of Rs.680 Mn, adding new customers / new geography and getting into Non Auto sector
- Supply of other fabricated products like ESP electrodes, building materials, special grade CRSS, solar MMS etc. generated revenues of Rs 1900 Mn
- **Robust momentum in new orders across all product segments from existing as well as new customers**

Engineering Solutions

- Pre-engineered buildings generated gross revenues of Rs 1745 Mn,
- Solar MMS generated gross revenues of Rs 170 Mn in Q1 FY20
- Engineering Services generated Rs 60 Mn, in Q1 FY20
- Robust order book at Rs 5540 Mn as on 31st June 2019
- New customers added – FABS India, Wipro, Indian Corporation, Cyient Technologies, Wipro, Bharti Infra Pvt Ltd, Janamukhi Trading Co, Whitehouse India.

Q1 FY20: Consolidated Profit & Loss Statement



Particulars (Rs. in Mn)	Q1 FY20	Q1 FY19	YoY%	FY19	FY18
Revenue From Operations (Net of Taxes)	5,378	4,622	16.4%	21,331	17,681
Other Income	35	43	-17.1%	267	159
Total Income	5,414	4,665	16.0%	21,599	17,840
COGS	3,164	2,746	15.2%	13,155	10,776
Gross Profit	2,249	1,919	17.2%	8,443	7,063
Gross Margin %	41.5%	41.1%	41 bps	39.1%	39.6%
Employee Expenses	422	385	9.5%	1,529	1,228
Other Expenses	1,276	1,078	18.4%	4,915	3,618
EBITDA	552	456	21.0%	1,999	2,218
EBITDA Margin %	10.2%	9.8%	42 bps	9.3%	12.4%
Depreciation	95	63	49.8%	279	293
Finance Cost	199	159	25.4%	752	674
Exceptional Items	-	-	-	0	130
PBT	257	234	10.1%	968	1,381
Taxes	91	90	1.7%	302	476
PAT Before MI	166.1	143.9	15.4%	667	905
PAT Margin %	3.09%	3.11%	20 bps	3.1%	5.1%

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

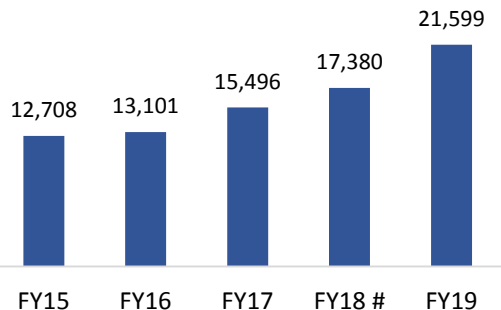


In Rs Mn

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

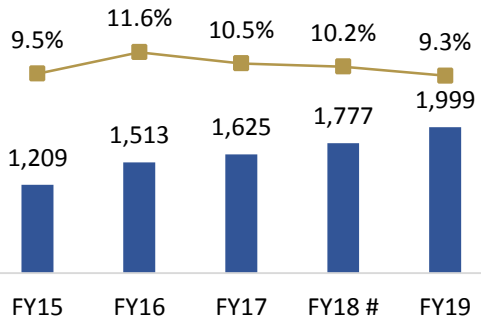
Total Revenues

CAGR: 14%



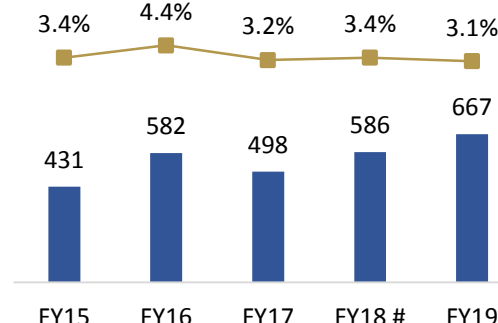
EBITDA & EBITDA Margin

CAGR: 13%

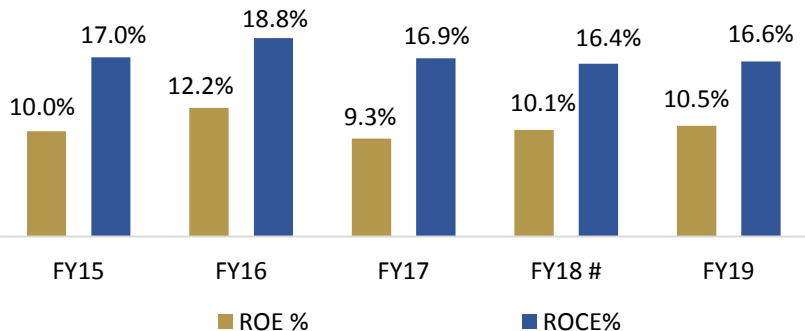


PAT Before MI & PAT Margin

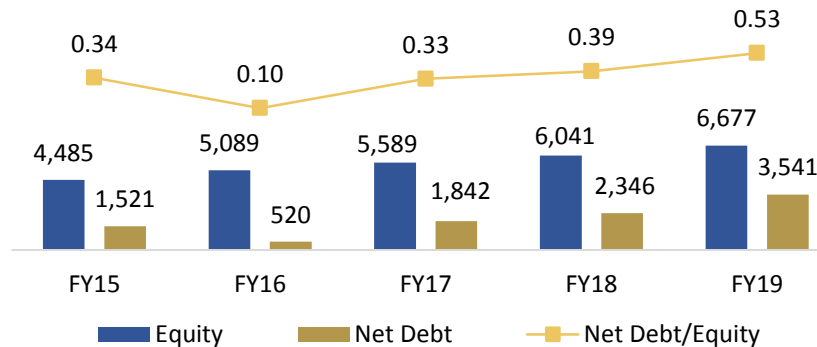
CAGR: 12%



Return Ratios



Leverage Analysis



FY18 figures are adjusted to exclude exceptional and non-recurring items

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



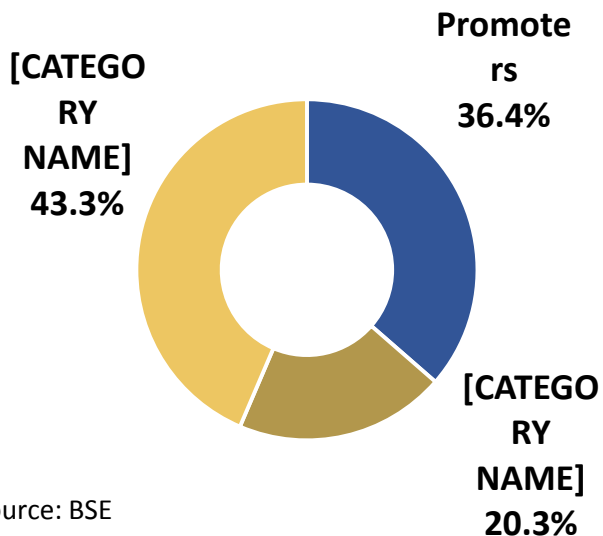
P. V. Rao
Joint Managing
Director



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 – June 2019



Source: BSE

Key Shareholders – June 2019

Saif India IV FI Holdings Limited	10.09%
Franklin India Smaller Companies Fund	7.22%
Ashmore India Opportunities Fund	1.35%



Pennar

Thanking You



Pennar

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DICKENSON

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