

Press release

For immediate release



Pennar Industries' Q3FY17 Gross Sales at Rs. 440 Crores; up 14.3% YoY
Net Sales up 14.9% YoY, EBITDA up 14.5% YoY

Hyderabad, February 09, 2017: Pennar Industries Limited, one of India's leading industrial organizations offering specialized, engineered steel solutions, announced today their unaudited financial results for the quarter ended 31st December, 2016.

CONSOLIDATED FINANCIAL PERFORMANCE:

(Rs. Crore)	Consolidated							
	Q3		y-o-y Growth (%)	Q2	q-o-q Growth (%)	9 months		y-o-y Growth (%)
	FY2017	FY2016		FY2017		FY2017	FY2016	
Gross Sales	439.5	384.4	14.3%	420.2	4.6%	1,206.7	1,085.5	11.2%
Net Revenue	394.7	343.7	14.9%	380.7	3.7%	1,084.1	957.7	13.2%
EBITDA	43.9	38.3	14.5%	42.3	3.8%	124.4	98.9	25.8%
EBITDA Margin (%)	11.1%	11.2%		11.1%		11.5%	10.3%	
Cash Profit	18.4	18.5	(0.8)%	18.8	(2.6)%	53.9	44.5	21.2%
Cash Profit Margin (%)	4.6%	5.4%		4.9%		5.0%	4.6%	
Net Profit	10.7	12.6	(15.2)%	10.1	5.3%	28.6	27.6	3.8%
Net Profit Margin (%)	2.7%	3.7%		2.7%		2.6%	2.9%	
Basic EPS (Rs)	0.89	1.05	(15.2)%	0.84	5.3%	2.4	2.3	3.8%

STANDALONE FINANCIAL PERFORMANCE:

(Rs. Crore)	Standalone							
	Q3		y-o-y Growth (%)	Q2	q-o-q Growth (%)	9 months		y-o-y Growth (%)
	FY2017	FY2016		FY2017		FY2017	FY2016	
Gross Sales	275.1	252.8	8.8%	278.9	(1.4)%	793.0	714.3	11.0%
Net Revenue	245.5	226.0	8.7%	251.0	(2.2)%	709.4	628.8	12.8%
EBITDA	19.9	20.6	(3.1)%	21.9	(9.0)%	60.6	56.5	7.3%
EBITDA Margin (%)	8.1%	9.1%		8.7%		8.5%	9.0%	
Cash Profit	9.4	11.0	(14.8)%	11.4	(17.4)%	28.9	29.4	(1.9)%
Cash Profit Margin (%)	3.8%	4.9%		4.5%		4.1%	4.7%	
Net Profit	5.3	7.6	(30.0)%	6.4	(17.5)%	16.1	17.8	(9.4)%
Net Profit Margin (%)	2.2%	3.4%		2.6%		2.3%	2.8%	
Basic EPS (Rs)	0.44	0.63	(30.0)%	0.54	(17.5)%	1.34	1.48	(9.4)%

SEGMENT FINANCIAL PERFORMANCE (STANDALONE):

(Rs. Crore)	Sales			EBITDA			EBITDA Margin (%)		
	Q3			Q3			Q3		
	FY17	FY16	Growth (%)	FY17	FY16	Growth (%)	FY17	FY16	Growth (%)
Steel Products	71.4	77.3	(7.6)%	2.5	4.9	(49.9)%	3.5%	6.4%	(291)
Tubes	38.4	33.9	13.3%	3.3	2.6	28.5%	8.6%	7.5%	102
Industrial Components	15.3	12.6	22.0%	2.3	1.9	22.1%	15.1%	15.1%	1
Systems and Projects	113.4	94.8	19.7%	11.8	11.0	7.5%	10.4%	11.6%	(119)
Scrap Sales	7.1	7.4		0.0	0.0				
Total Standalone	245.5	225.8	8.7%	19.9	20.5	(3.1)%	8.1%	9.1%	(99)
Total Consolidated	394.7	343.7	14.8%	43.9	38.3	14.4%	11.1%	11.2%	(4)

BUSINESS HIGHLIGHTS FOR Q3FY17:

Systems & Projects: During the quarter, we received orders from the Integral Coach Factory (ICF), Modern Coach Factory (MCF), Texmaco Rail & Engineering, Hindustan Engineering, Cimmco and BEML. We received our first order for manufacturing and supply of CBC Headstock from ICF. Additionally, we added a new product, Modular Toilet, in this quarter. We also supplied coaches of Stainless Steel Sidewall & Roof Assemblies, CRF & Fabrication Items of Mild Steel & Stainless Steel, CRF Sections for Wagons & Metro Coaches during the quarter. In the Solar vertical, we received major orders from Sterling & Wilson, Mytrah Energy, L&T - Emami, Tata International, among others.

Industrial Components: This segment witnessed a 22% YoY revenue growth despite the demonetisation impact pulling down the growth from two wheelers. There was excellent expansion in the Bailey business with standard and new customised cylinder business coming in. Bailey International sales increased substantially, along with an expansion in the Wabco and Yamaha businesses, along with a marginal growth in the Endurance business due to new additions. We added 4 new customers in this quarter in products like Yoke, Rollers, Stamped parts, Water heater covers and Coupler bars. We believe that there is good potential for this segment's export business and with the success of Bailey, we see several RFQ opportunities in the market.

Tubes: With over 255 customers in the domestic and export markets, this vertical covers sectors like Auto, Power, General Engineering, Textile, Earth Moving Equipment, etc. and includes major names like VECV, Mahindra, Gabriel, Endurance, Royal Enfield, Magna Closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco and Tata Vendors as customers. We saw revenue growth YoY inspite of reduced demand from Auto customers in December due to year-end and the demonetisation effect. During the quarter, we added 5 new customers - Shell & Flack Germany & CIE Automotive Spain in Europe and Vijayanagara Sugars, Bridge Stone, Forbes Marshal in India. We are likely to add a couple of export customers in the next quarter, as exports and new product development have been identified as priority areas.

Steel Products: In the CRFS segment, we received orders in buildings from Tata Projects -Darlipalli, Megha Engg, Rathi Iron & Steel and SMR Construction. We received an export order in ESP from Valmet Chennai and repeat orders from GE Power, Hammon, Thermax. During the quarter, 3 new customers - Presscom, Sarthak Metals and Rieter LMW were added. Some of the major customers include Thermax, GE Power, L&T, Ashok Leyland, VECV, Prabha Eng., RV Industries, Raghavendra Auto, Johnson Lifts, Tata Projects, & IVRCL. In the CRSS segment, in addition to the orders from regular customers as per given monthly schedules, we also received orders from Toshiba, IFB Industries, LGB and Luk India. We also received orders for Special Grade Material. During the quarter, 8 new customers - Valmet Chennai, Industrial (India) Enterprises, Rathi Iron & Steel, SMR Construction, Indmark Formtech, RDS Project , Bholenath Enterprises, Shri Shiridi Sai Electricals were added.

Pennar Enviro Limited: During the quarter, we received new orders from STEAG Energy Services (India), Sree Rayalaseema Hi-Strength Hypo, MRF Limited-BIAS in Chemicals. We also received a new order in Projects from Motherson Sumi. The major orders in this quarter were - Utkal Alumina International, SMK Petrochemicals India, Parry Sugar Refinery India in Chemicals and AGI Galspac, Motherson Sumi in Projects. During this quarter, we added a new product - I-Save (Energy Recovery Equipment, Danfosc) at Hetero's site. We also established our 1st recycling plant in the Hyderabad region at AGI Galspac. Additionally, Paper Chemical (Sizing Chemical) was established for the first time at a customer location.

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 its 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. 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

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.

Q3FY17 EARNINGS CONFERENCE CALL DETAILS:

Primary Number:	+91 22 3960 0734
Local Access Number: <i>Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune. (Accessible from all carriers)</i>	3940 3977
International Toll Free Numbers:	USA : 1 866 746 2133 UK : 0 808 101 1573 Singapore : 800 101 2045 Hong Kong : 800 964 448
Date:	Friday, 10 February 2017
Time:	10:30 AM to 11:30 AM IST 01:00 PM to 02:00 PM Singapore & HK 05:00 AM to 06:00 AM UK

For further enquiries, please contact:

Pennar Industries Ltd.

3rd Floor, DHFLVC Silicon Towers,

Kondapur, Hyderabad - 500 084.

Telangana, India.

Tel: +91 40 4006 1621 to 24

Fax: +91 40 4006 1618

Email: corporatecommunications@pennarindia.com

CIN: L27109AP1975PLC001919