

# Pennar Industries Limited



## Investor Presentation Q1FY17



PENNAR INDUSTRIES LIMITED

# 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.*

# Agenda

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## 1. Q1FY17 Performance

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

## 2. Pennar Group

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

# Q1FY17 Performance

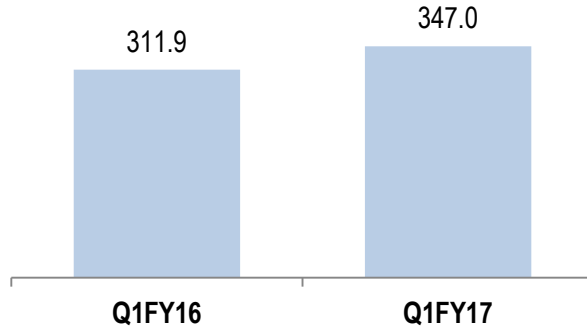


# Financial Performance – Q1FY17

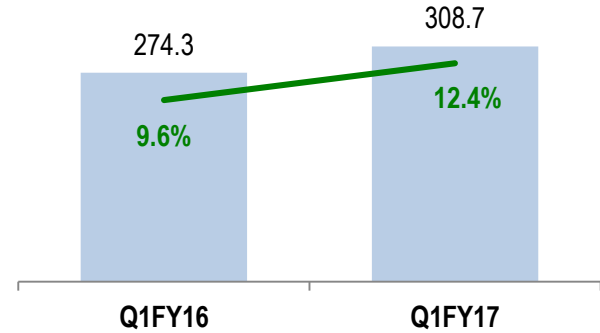


Consolidated

Gross Revenues (Rs Crs)

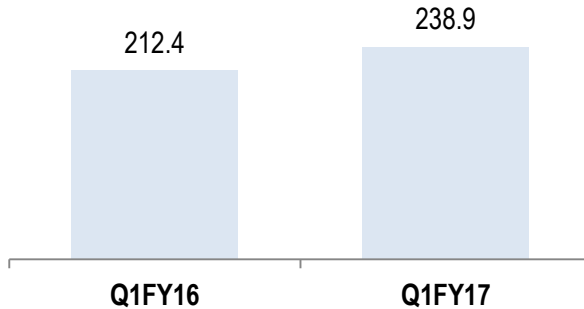


Net Revenues (Rs Crs) & EBITDA Margin

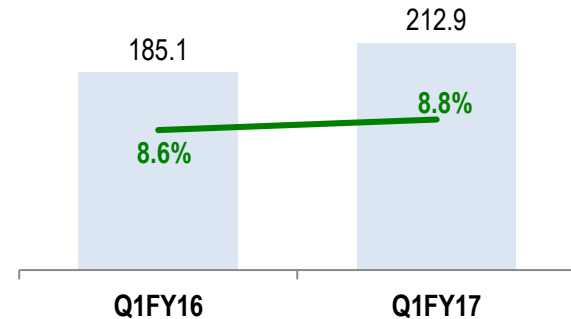


Standalone

Gross Revenues (Rs Crs)



Net Revenues (Rs Crs) & EBITDA Margin

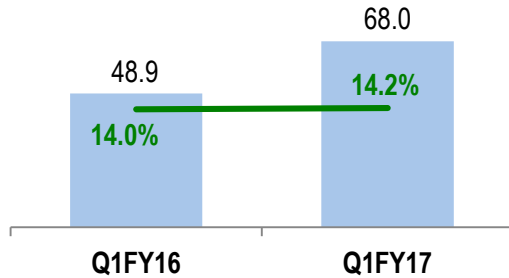


# Segment performance - Q1FY17

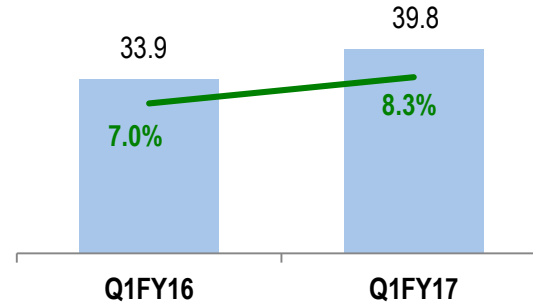


Net Revenues (Rs. Crores) and EBITDA margins (%)

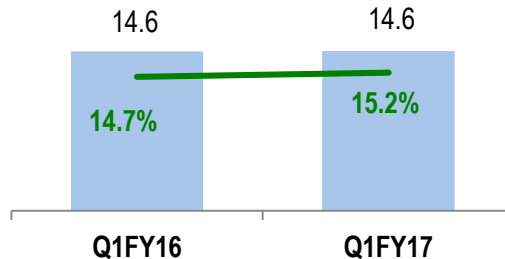
## Systems & Projects



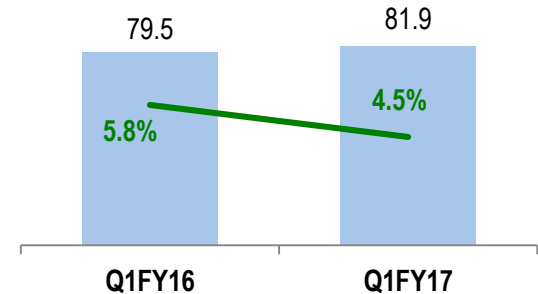
## Tubes



## Industrial Components



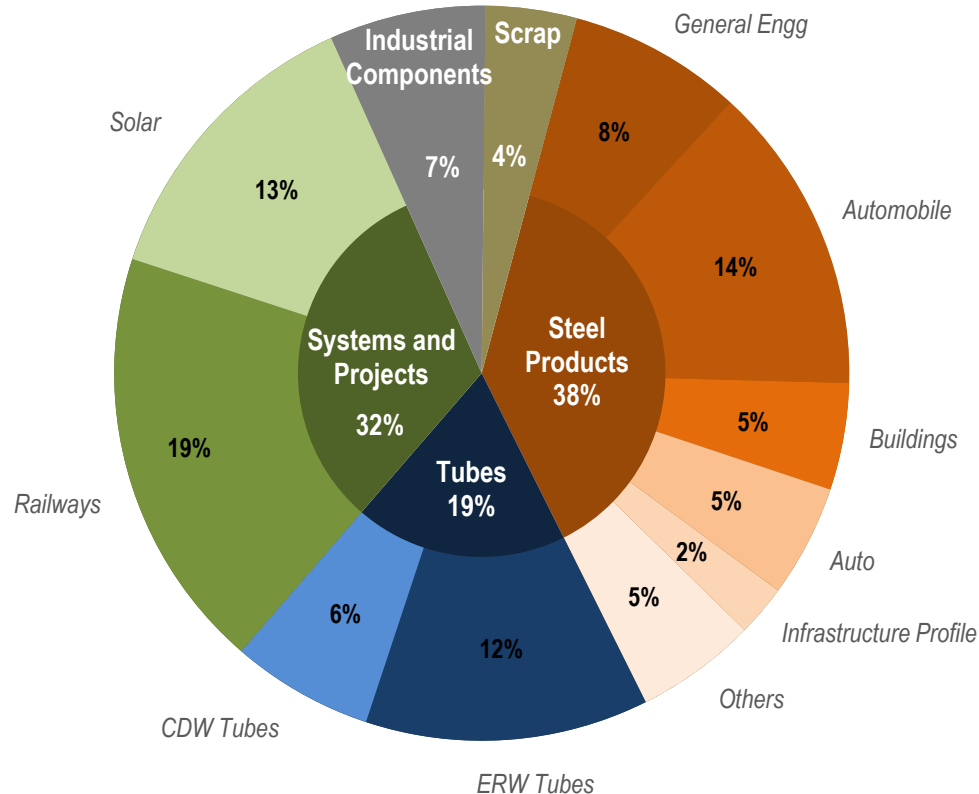
## Steel Products



# Segment Composition – Industry-wise breakup



Percentage of Standalone Revenues for Q1FY17



\* Percentages Rounded off

# Segment Highlights - Systems & Projects



In Railways vertical, repeat orders were booked from Integral Coach Factory, Modern Coach Factory, Texmaco Rail & Engineering, Hindustan Engineering India, and BEML

## New Products

- CRF sections to BOXNS Wagon

## Major Solar Customers

- Sterling & Wilson, L & T, Mahindra Susten, Nuevosol, Sun Edison, Acme, Sterling & Wilson, Tata Power India

## Received Solar orders from:

- Consol Energy
- Nexun Energy
- Traxun Energy
- Mahindra Susten
- Sterling & Wilson

## New Solar Customers added

- Consol Energy, Nexun Energy, Traxun Energy, Boruka Power

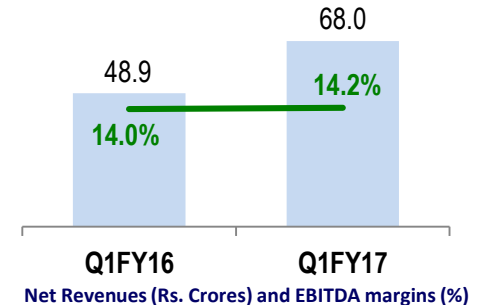
Improving  
EBITDA Margin at  
**14.2%**

Order Book at  
**Rs. 300 Crores**

**4** new customers in  
**Solar**



## Systems & Projects





# Segment Highlights – Tubes

## Major Customers

- Auto, Power, General Engineering, Textile, Earth Moving Equipment industries.
- VECV, Mahindra, Gabriel, Endurance, Royal Enfield, Magna Closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco, Tata Vendors, among others.

## New Customers added

- Andrew Race & Drive Lines (Australia), Royal Enfield, Rajshriya, Sourer (Germany), SPIC, Aditya Birla - Power division and KMA Seating – Ford Chennai, among others.

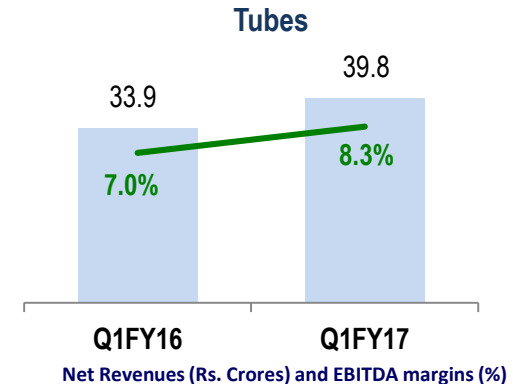
## Expansion

- Targeting to get the approval of TFF from major OEAs in the next two quarters.
- The plant expansion, which will increase capacity by 25%, is expected to be operational by March 2017.
- Exports and new product development have been identified as priority areas.

**Sales for Q1FY17 is at  
Rs. 39.8 cr**

**Auto sector  
business share has gone  
up and stabilised  
volumes**

**10 new customers  
added**



# Segment Highlights - Industrial Components



Expansion in the business with existing customers like Yamaha, among others.

## Major Customers

- Emerson Climate Technologies, Tecumseh, India Nippon Electricals, Endurance, Wabco, FSTVS, Xylem & Bailey.

## Product/Market Expansion

- The order from the Cargotec - Kalmar group for the cylinder prototype was booked. This marks the foray of our cylinders into the global market.
- The Bailey business is expected to increase with new cylinder variants
- With the new addition of 260T Link Motion Press, we are exploring new business opportunities with several auto companies.

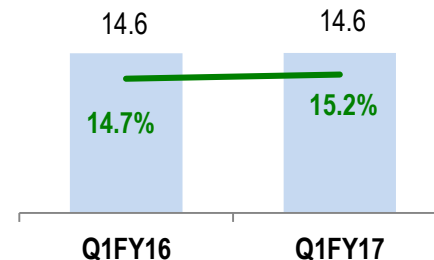
**15.2 %**  
**EBITDA Margin**

**Capacity Utilisation**  
**Chennai - 90%**  
**Patancheru - 65%**

**6 new projects active**



## Industrial Components



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

# Segment Highlights - Steel Products

## CRFS Orders:-

- Soma Enterprises, Thermax, Diamond Engineering.
- Repeat orders from IVRCL, Phoenix, Bhavani Erectors and Powermech Projects.

## CRSS Orders:-

- Monthly schedule from regular customers.
- Also from IFB Industries, LGB and Luk India.

## Major Customers

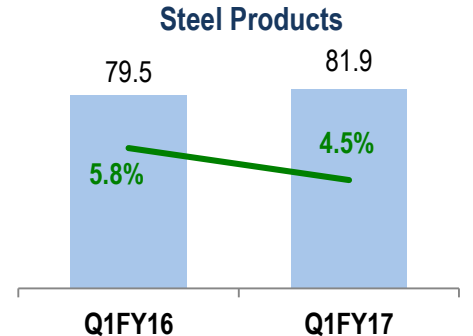
- Toshiba, IFB Industries, LGB, Luk India, Managal Precision, Bimetal, JM Frictech, RG Bronze and KM Seating, among others.



**Sales for Q1FY17 is at  
Rs. 81.9 cr**

**New Customers:  
CRFS - 8, CRSS - 3**

**Special Grade Steel  
volume up over  
40% QoQ**



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

# Subsidiary Highlights – PEBS

- New orders from Shapoorji & Pallonji, JBF Industries, HIL Ltd., AGI Glaspac, Musaddilal Properties, Tewari Warehouse, Vee Rubber, among others.
- Multiple high-rise building orders were received from customers like Reliance and Phoenix.
- Repeat orders from Ultratech Cement, RCC Infraventures, Phoenix, Hetero, among others.
- Engineering Services
  - Added 2 new clients
  - Increased revenue by 15% vs. Q4FY16
  - Adding significant manpower
  - Exploring the acquisition of a US-based Engineering services company
- Baroda plant begins operations - scales up to 1000 MT/Month.
- New manufacturing plant in Gujarat in the works.
- Received first Solar Tracking orders and received our first order from Hero Future.
- 5-year Strategy Plan initiated.

**Order book at  
Rs. 410 cr.**

**Expected revenue from  
Engg. Division in FY17  
~ Rs. 10 cr.**

**Solar order book at  
Rs. 32 cr; Expect 100%  
YoY revenue growth**



# Subsidiary Highlights – Pennar Enviro



During the quarter, we bid for large ticket orders in Water EPC and General EPC.

## Major Orders

- BHEL, Waterlife, Gamesa, HSIL Ltd. and Parry Sugar Refinery India Private Ltd.
- Repeat orders from United Spirits, I.G. Petrochemicals, United Breweries and Tube Products of India.

## New Product

- Paper Chemical (Sizing Chemical)

**Order Book at  
Rs. 300 Crores**

**4 New customers**

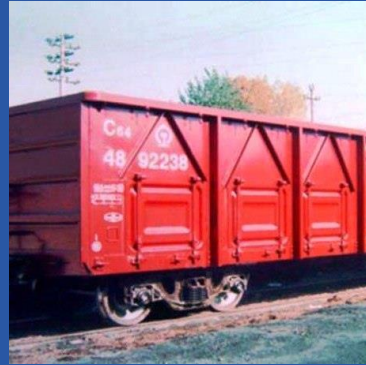
**New Customers**

**2 in Projects & 2 in  
Chemicals**





# Pennar Group



30

YEARS OF  
EXPERIENCE

1,000

PRECISELY  
ENGINEERED  
PRODUCTS

500

CUSTOMERS

2,500

TOOLS &  
DIES

2,000

EMPLOYEES AND  
GROWING !





# Business Segments, Subsidiaries



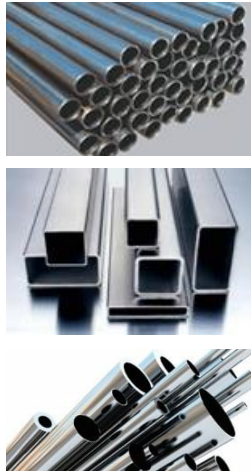
## STEEL PRODUCTS

- 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

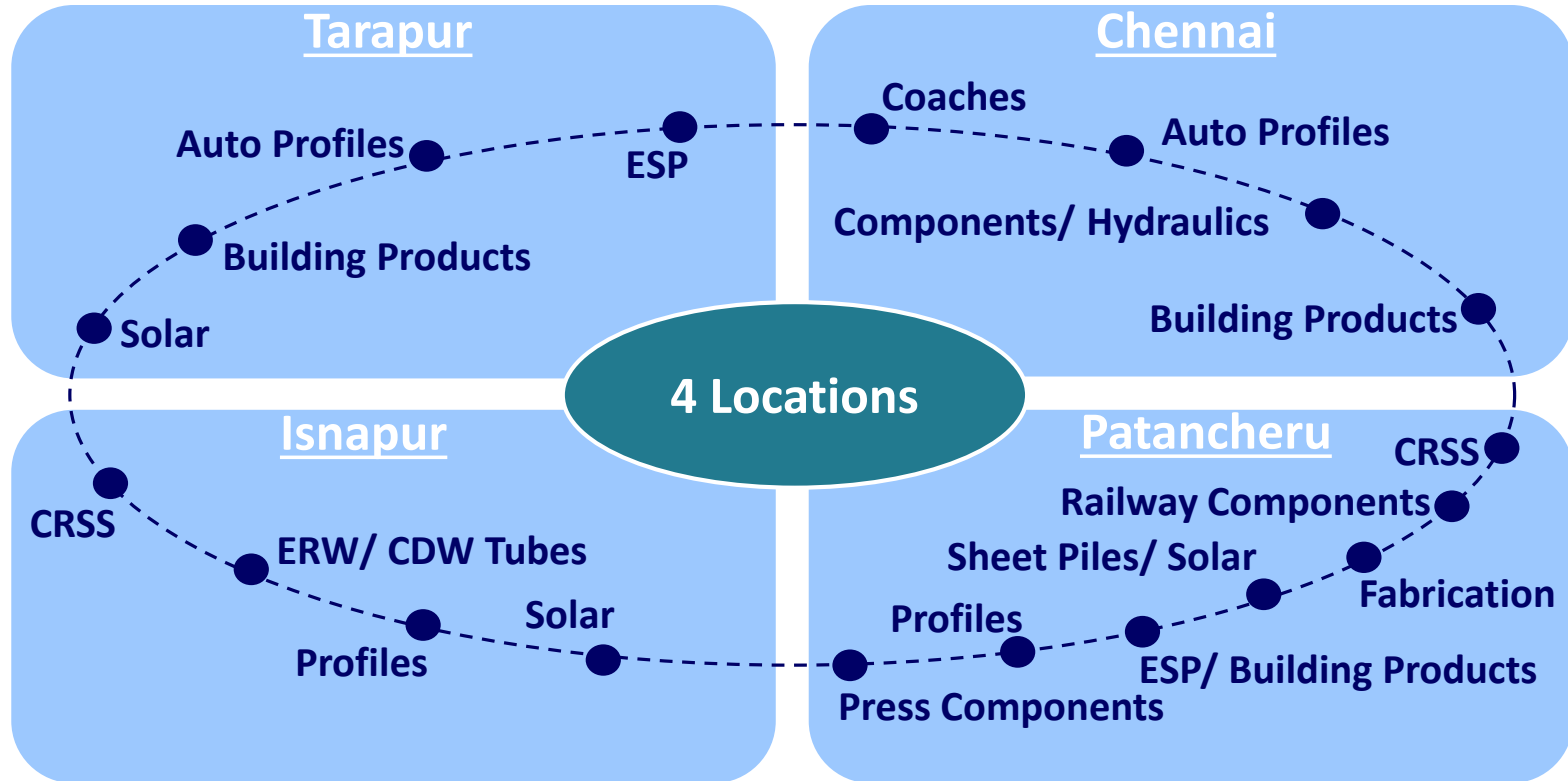


- EPC turnkey solutions - water and waste water treatment viz. WTPs, STPs, ETPs, ERPs, ZLDPs
- Manufacture and supply of fuel additive and water treatment chemicals





# Distributed Manufacturing



# Business Structure



**Market Cap as of  
June 30, 2016 (BSE):  
~Rs. 546 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

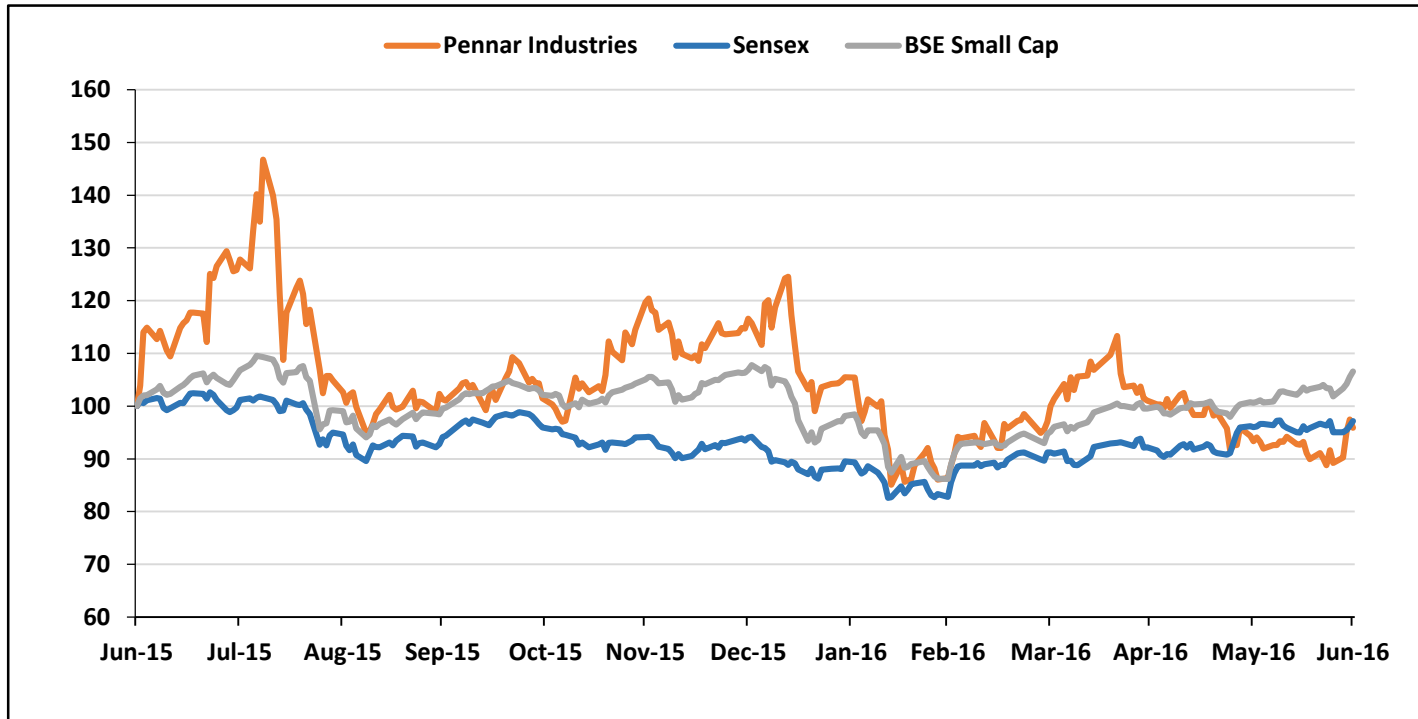


**M. Bhoopal Reddy**  
Tubes



**Shiva Kumar K**  
Industrial Components

# Share Price Movement



\*Rebased to 100



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