



Pennar



PENNAR INDUSTRIES LIMITED

Q3 FY20 RESULT PRESENTATION

February 2020



This presentation and the accompanying slides (the “Presentation”) have been prepared by Pennar Industries Limited (“Pennar” or the “Company”) solely for information purposes and do not constitute an offer to sell or, recommendation or solicitation of an offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever.

The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the Presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.

You acknowledge and agree that the Company and/or its affiliated companies and/or their respective employees and/or agents have no responsibility or liability (express or implied) whatsoever and howsoever arising (including, without limitation for any claim, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this Presentation and neither the Company, its affiliated companies nor their respective employees or agents accepts any liability for any error, omission or misstatement, negligent or otherwise, in this Presentation and any liability in respect of the Presentation or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

Certain statements contained in this Presentation may be statements of the Company’s beliefs, plans and expectations about the future and other forward looking statements that are based on management’s current expectations or beliefs as well as a number of assumptions about the Company’s operations and factors beyond the Company’s control or third party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Forward looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward looking statements, which speak only as of the date of this Presentation.

Discussion Summary

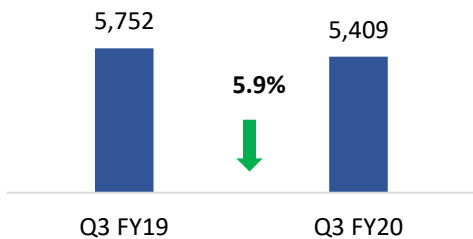
- ❖ **Results Update**
- ❖ Company Overview

Q3 & 9M FY20: Key Highlights

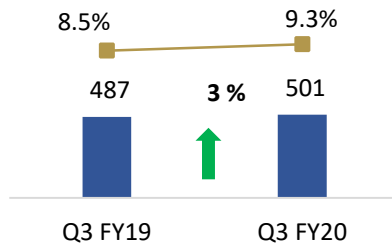
In Rs Mn

Q3 FY20

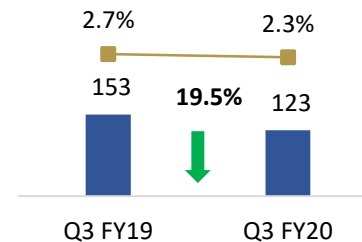
Total Income (Net)



EBITDA & EBITDA Margin

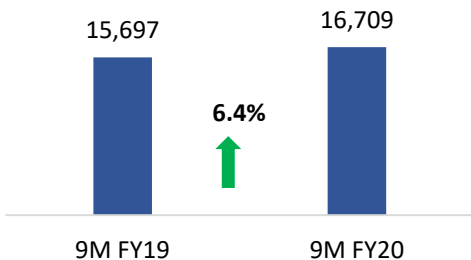


PAT & PAT Margin

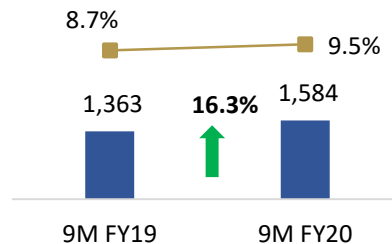


9M FY20

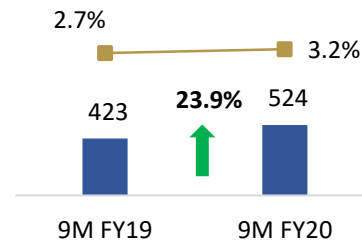
Total Income (Net)



EBITDA & EBITDA Margin



PAT & PAT Margin



Order book position as on December 31st , 2019

- **Robust order book position**
 - PEBS Division - Rs 4,550 Mn
 - Water Treatment solution - Rs 780 Mn
 - Railways division – Rs 2,700 Mn

Q3 & 9M FY20: Consolidated Profit & Loss Statement



Particulars (Rs. in Mn)	Q3 FY20	Q3 FY19	YoY%	9M FY20	9M FY19	YoY%	FY19
Revenue From Operations (Net of Taxes)	5,374	5,676	-5.3%	16,552	15,480	6.9%	21,331
Other Income	35	76	-53.3%	157	217	-27.4%	267
Total Income	5,409	5,752	-5.9%	16,709	15,697	6.4%	21,599
COGS	3,227	3,470	-7.0%	9,928	9,662	2.7%	13,155
Gross Profit	2,182	2,282	-4.4%	6,781	6,035	12.4%	8,443
Gross Margin %	40.3%	39.7%	67bps	40.6%	38.4%	214 bps	39.1%
Employee Expenses	454	403	12.8%	1,306	1,158	12.8%	1,529
Other Expenses	1,227	1,392	-11.9%	3,891	3,514	10.7%	4,915
EBITDA	501	487	3.0%	1,584	1,363	16.3%	1,999
EBITDA Margin %	9.3%	8.5%	81 bps	9.5%	8.7%	80 bps	9.3%
Depreciation	114	76	50.6%	313	208	51.0%	279
Finance Cost	226	194	16.6%	652	525	24.1%	752
PBT	161	217	-25.6%	619	630	-1.7%	968
Tax expense	39	65	-40.0%	95	207	-53.9%	302
PAT Before MI	123	152	-19.5%	524	423	23.9%	666
PAT Margin %	2.3%	2.7%	-39 bps	3.2%	2.7%	42 bps	3.1%

Acquisition - One works BIM Technologies Private Limited

- The board of director in today's meeting approved the acquisition of Oneworks BIM Technologies Private Limited (Oneworks).
- Oneworks is engaged in supporting clients through the technical processes of Building Information Modelling Management and Data Collection
- The services include developing, modelling, converting and mapping of buildings with seamless integration of building data in a 3D model and the major clients are from engineering and construction sectors
- The expected date of acquisition is 17th February 2020

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 * <ul style="list-style-type: none"> Wide range of customised engineering products catering to diverse sectors Strong designing & manufacturing capabilities 			Engineering Solutions** <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 Steel Products BU, Tubes BU, Industrial Components BU, Railways BU, ** includes PEBS Pennar, Pennar Enviro, Pennar Global subsidiaries

Strong Track Record: Consistent Growth & Improving Profitability

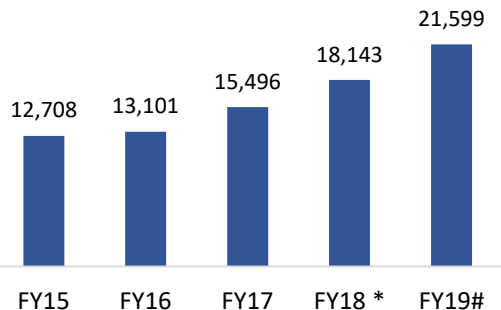


In Rs Mn

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

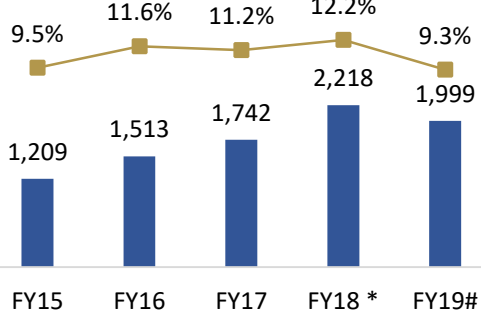
Total Revenues

CAGR: 14.9%



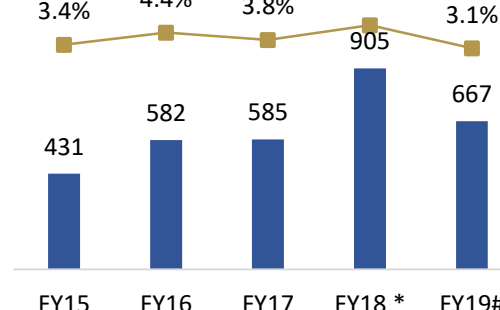
EBITDA & EBITDA Margin

CAGR: 9.3%

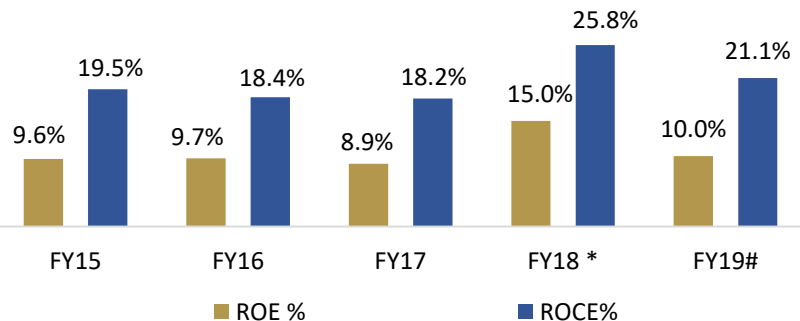


PAT Before MI & PAT Margin

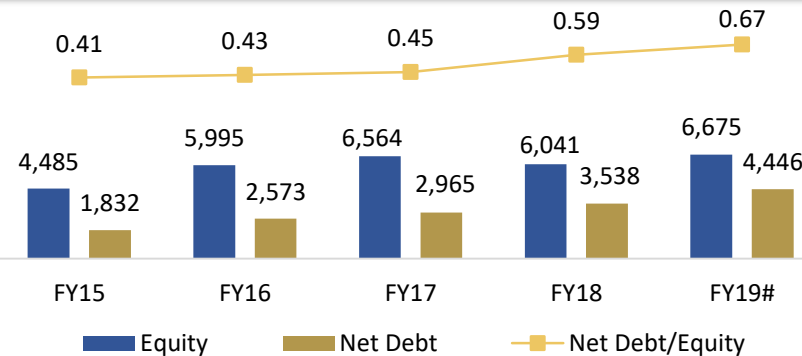
CAGR: 12%



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



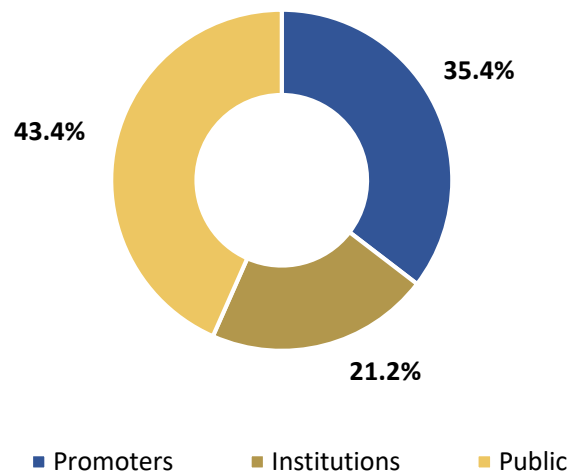
P. V. Rao
Joint Managing
Director



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
 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 – 31st December 2019



Key Shareholders – 31st December 2019

FPI

Saif India IV FI Holdings Limited 8.00%

Mutual Fund

Franklin India Smaller Companies Fund 5.73%

Ashmore India Opportunities Fund 0.98%

DSP Midcap Fund 2.71%

Aditya Birla Sun Life 1.22%

Source: BSE



Pennar

Thanking You



Pennar

Sunil Kuram

Vice President

Email ID: sunil.kuram@pennarindia.com

DICKENSON

Manasi Bodas / Mehul Mehta

IR Consultant

Contact No: 9821043510 / 9820280325

Email ID: pennar@dickensonworld.com