



PENNAR INDUSTRIES LIMITED
Q4 & FY20 RESULT PRESENTATION

July 2020



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Discussion Summary

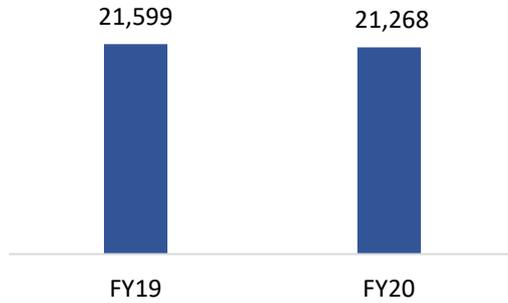
- ❖ **COVID19: Business Impact**
- ❖ Results Update
- ❖ Company Overview

- Consequent to the outbreak of the COVID-19 pandemic and the lockdown/curfew introduced by the Central and State Governments, the operations in the Company's Manufacturing facilities along with corporate offices and retail operations were fully shut down or were disrupted from 23rd March 2020 onwards and continued through the mid of May 2020.
- With the easing in the lockdown/curfew and the Governments permitting operations to be resumed with necessary permission from the local authorities, the Company from Mid of May onwards has resumed operations, in a partial manner.
- Manufacturing activities have commenced, production ramp-up will be based on the improvement in the overall economic activities, lifting of restrictions and Company's estimate of demand.
- The Company has a comfortable liquidity position and has adequate bank limits.
- The Company has embarked upon a Company-wide initiative to bring down costs and conserve cash.
- The drop in sales during the lockdown has impacted the Company's financial performance. These are early days, and the Company is not in a position to gauge with certainty the future impact on operations.
- Our business fundamentals remain strong, with a diversified client base and industry-wide presence Pennar Industries is well placed to overcome this situation.

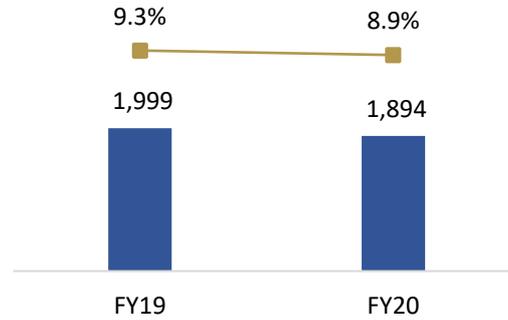
Discussion Summary

- ❖ COVID19: Business Impact
- ❖ **Results Update**
- ❖ Company Overview

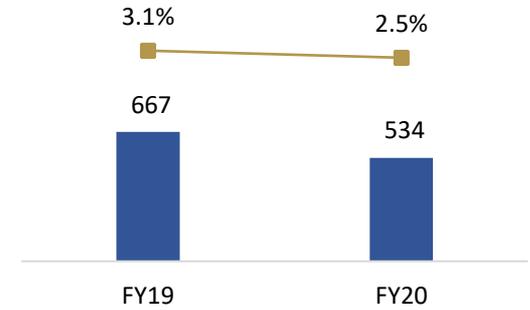
Total Income (Net)



EBITDA & EBITDA Margin



PAT & PAT Margin



Q4 & FY20: Consolidated Profit & Loss Statement



Particulars (Rs. in Mn)	Q4 FY20	Q4 FY19	YoY%	FY20	FY19	YoY%
Revenue From Operations (Net of Taxes)	4,514	5,851	-22.8%	21,066	21,331	-1.2%
Other Income	46	51	-10.4%	203	267	-24.2%
Total Income	4,560	5,902	-22.7%	21,268	21,599	-1.5%
COGS	2,651	3,493	-24.1%	12,579	13,155	-4.4%
Gross Profit	1,909	2,409	-20.7%	8,690	8,443	2.9%
Gross Margin %	41.9%	40.8%	106 bps	40.9%	39.1%	177 bps
Employee Expenses	313	372	-15.8%	1,618	1,529	5.8%
Other Expenses	1,286	1,401	-8.1%	5,178	4,915	5.3%
EBITDA	310	636	-51.4%	1,894	1,999	-5.2%
EBITDA Margin %	6.8%	10.8%	-400 bps	8.9%	9.3%	-35 bps
Depreciation	116	72	60.8%	428	279	53.5%
Finance Cost	183	226	-19.4%	835	752	11.0%
PBT	11	338	-96.6%	631	968	-34.7%
Tax expense	2	95	-98.1%	97	302	-67.8%
PAT Before MI	9	243	-96.1%	534	667	-19.7%
PAT Margin %	0.2%	4.1%	-391 bps	2.5%	3.1%	-57 bps

Q4 & FY20: Consolidated Balance Sheet Statement



Particulars (Rs. in Mn)	FY20	FY19
Equity & Liabilities		
Equity Share Capital	726	762
Other Equity	6,277	5,913
Shareholder's Equity	7,003	6,675
Non Cotrolling Interest	6	2
Total Equity	7,009	6,677
Non-Current Liabilities		
Borrowings	1,023	1,003
Lease liability	329	0
Other Financial Liabilities	92	51
Provisions	106	86
Deferred Tax Liabilities (net)	187	268
Other Non-Current Liabilities	28	60
Total Non-Current Liabilities	1,766	1,469
Current Liabilities		
Borrowings	2,976	3,129
Trade Payables	4,789	4,491
Lease liability	39	0
Other Financial Liabilities	764	566
Provisions	60	92
Income Tax Liabilities	328	156
Other Current Liabilities	804	856
Total Current Liabilities	9,759	9,290
Total Equity & Liabilities	18,534	17,436

Particulars (Rs. in Mn)	FY20	FY19
Property, Plant And Equipment	5,729	4,405
Right use of asset	353	0
Capital Work-in-progress	334	1,177
Goodwill	32	0
Other Intangible Assets	143	135
Financial Assets		
Investments	0.2	0.2
Trade Receivables	411	94
Other Financial Assets	103	82
Income Tax Assets (Net)	282	104
Other Non-current Assets	148	128
Total Non-Current Assets	7,536	6,125
Current Assets		
Inventories	4,398	4,386
Investments	451	521
Trade Receivables	3,961	4,637
Cash And Cash Equivalents	328	152
Other Balances With Banks	264	232
Loans	216	195
Other Financial Assets	484	308
Other Current Assets	896	881
Total Current Assets	10,998	11,311
Total Assets	18,534	17,436

Order book position as on June 30th, 2020

- **Robust order book position**
 - PEBS Division - Rs 3,350 Mn
 - Water Treatment solution - Rs 640 Mn
 - Railways division – Rs 3,030 Mn

Discussion Summary

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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
Subsidiaries	One Works BIM Technologies		Enertech Pennar Defense and Engineering Systems Private Limited		Pennar GMBH	Pennar Global Inc
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

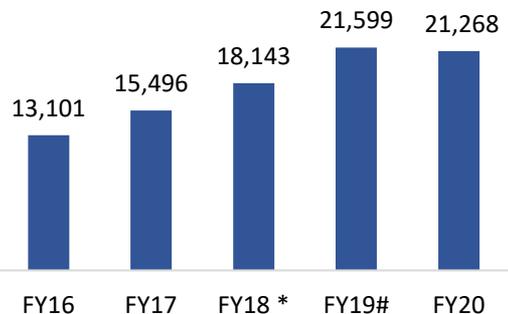


In Rs Mn

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

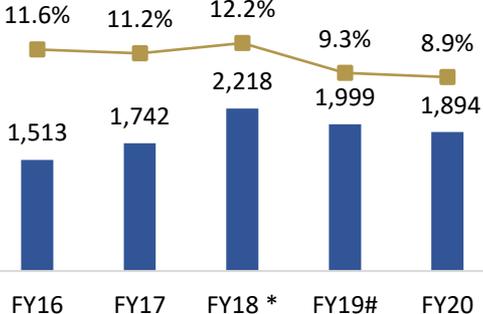
Total Revenues

CAGR: 14.9%



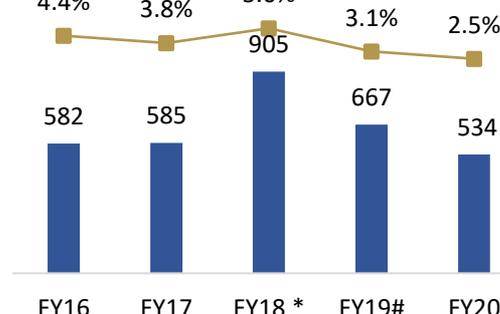
EBITDA & EBITDA Margin

CAGR: 9.3%

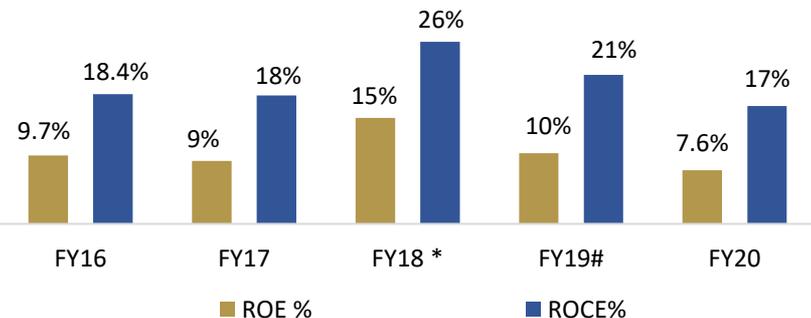


PAT Before MI & PAT Margin

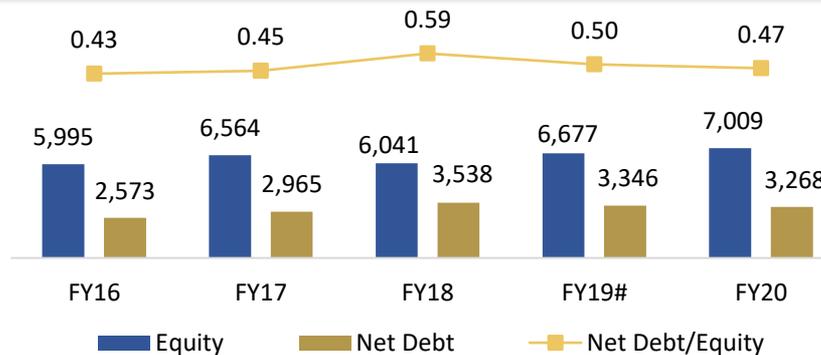
CAGR: 12%



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



Nrupender Rao
Executive Chairman



Aditya N. Rao
Vice Chairman,
Managing Director



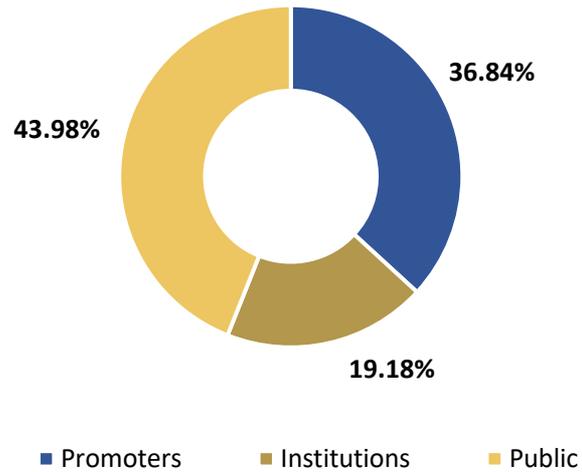
P. V. Rao
Joint Managing
Director



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 – As on 31st March 2020



Key Shareholders – As on 31st March 2020

FPI

Saif India IV FI Holdings Limited 8.33%

Mutual Fund

Franklin India Smaller Companies Fund 5.96%

DSP Midcap Fund 2.58%

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