



# Pennar Industries Limited

## Investor Presentation

Q1FY16



PENNAR INDUSTRIES LIMITED



# Disclaimer

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*This presentation 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 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. Q1FY16 Performance

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

## 2. Pennar Group

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

# Q1 FY16 Performance

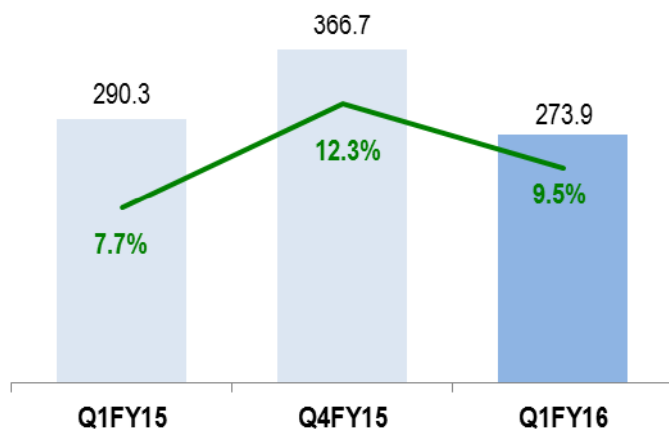




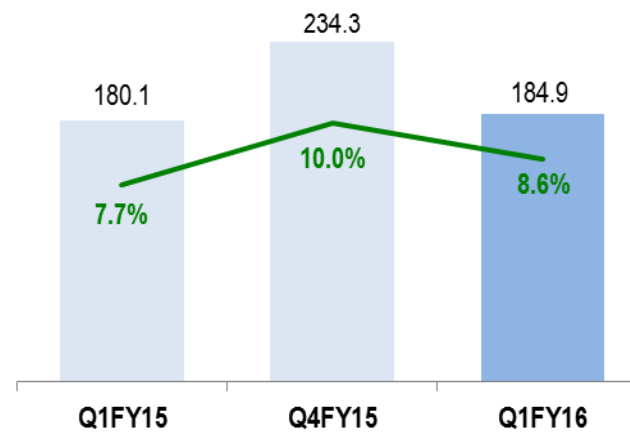
# Financial Performance – Q1FY16

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

## Consolidated



## Standalone

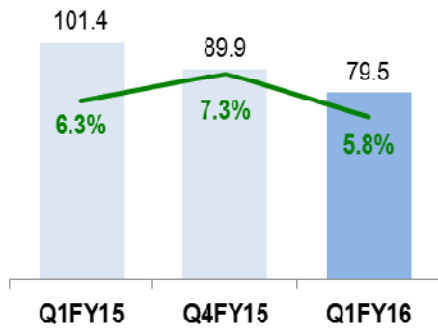


# Segment performance

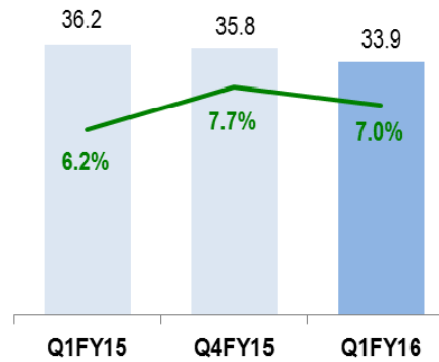
Net Revenues (Rs. Crores) and EBITDA margins (%)



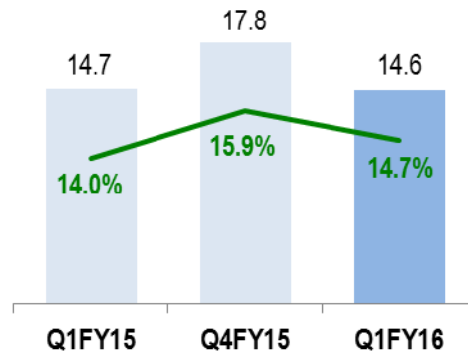
### Steel Products



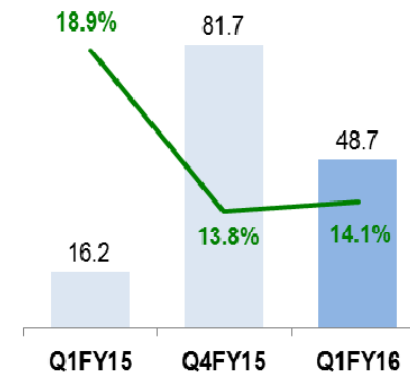
### Tubes



### Industrial Components



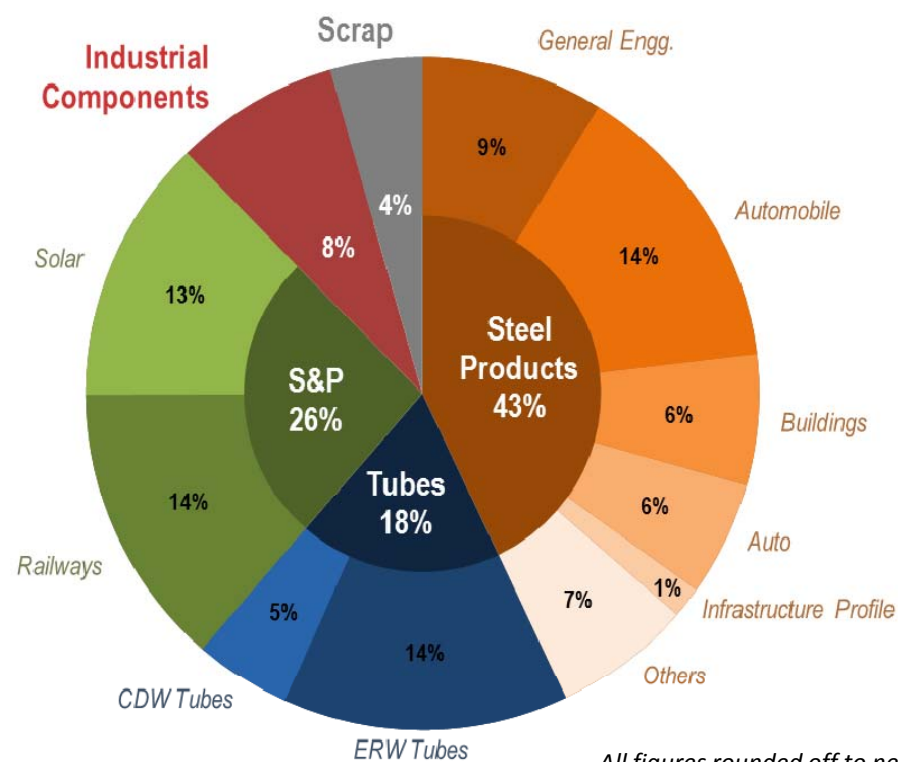
### Systems & Projects



# Segment Composition

## Outlook

- Tubes will maintain its revenue share while improving margins.
- Steel products will decline in revenue share as lower margin segments stagnate.



All figures rounded off to nearest decimal.

# Segment Highlights - Steel Products

## Quarter performance

### CRFS :-

- Received several orders in the ESP segment.
- Repeat orders Collecting Electrodes.
- New Orders for Decking & Roofing Sheets.

### CRSS:-

- Focused on increasing special grade volumes

### Large Customers

- CRSS – Toshiba , IFB Industries Ltd, LGB, LUK India, MIBA, Managal Precision, Bimetal, Rose Eng., JM Frictech.
- CRFS – Thermax, Alstom, L & T, Ashok Leyland, VECV, Prabha Eng., Schwing Stetter, Johnson Lifts, Logon Infra

## New Products added



MIBA - C62. (Friction Disc plate for Automotive)



Chromewell - C45 (Clutch plate for Automotive)

**PENNAR INDUSTRIES LIMITED**

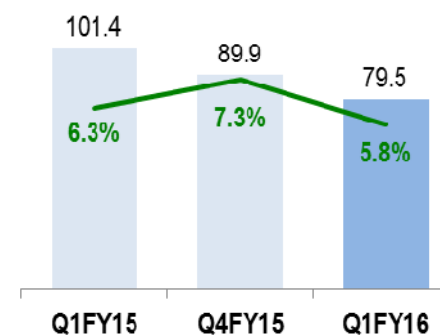
Sales for Q1FY16 is at  
**Rs. 79.5 Crores**

Customers -  
**CRSS ~110**  
**CRFS ~75**

**Capacity expansion for special grades ongoing**



**Steel Products**





# Segment Highlights - Tubes

## Quarter performance

>100 customers.

### Major customers:

Auto customers:

- Hyundai vendors-PHA/PHI.
- Mahindra Vendors: ALF, Gabriel
- Bajaj vendors, Endurance, VECV, M.G, Tata Vendors.

Power customers:

- Isgec, thermax, Paharpur, BGR.

Gen engineering:

- Tele Systems, Pinnacle, Gatiman, LMW,KTTM.

## Outlook

- Expecting pick up for 2-wheeler, PV segment in festival season starting from September.
- Investment in CDW capacity addition to 850 MT.
- New export business of CDW to begin generating revenue in Q3.

Market Share

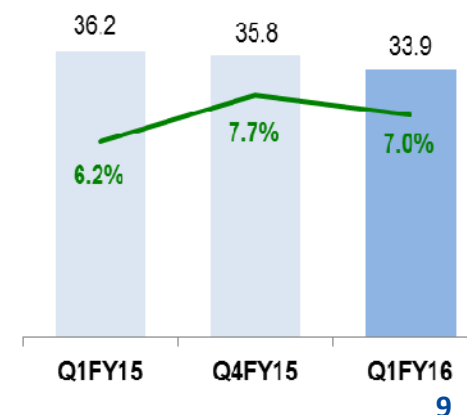
**ERW: 5%; CDW: 6%**

**20 new customers added**

**10% of revenue came from new customers**



Tubes



# Segment Highlights - Industrial Components

## Quarter performance

Expansion of business with current customers

- Yamaha volume ramped up.
- Wabco Business expanded to almost double in value.
- Bailey hydraulic cylinders' first shipment sailed to USA.

## Outlook

### Automotive

- Rotor cup market is growing. Technical expertise will bring us more business.
- Capacity expansion to expand business with Wabco.
- Identify global sourcing and deemed export opportunities.

### General Engineering

- Identify sub-assembly opportunities – leverage our capabilities of fabrication & pressed components.

### Hydraulics cylinders

- BEML business likely to grow this year by 30% from last year.
- New RFQ received from Kalmar Global for cylinders.

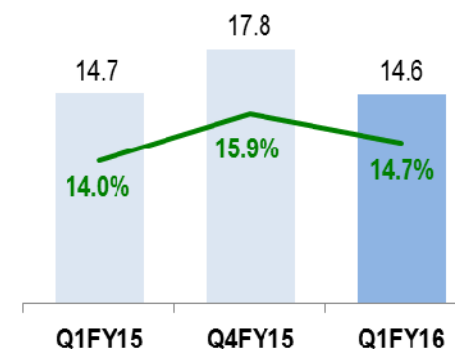
Sales for Q1FY16 is at  
**Rs. 14.6 Crores**

**White Goods**  
showing signs of  
recovery but still slow

**4 new customers added**



Industrial Components



# Segment Highlights - Systems & Projects

## Quarter Performance

### Railways

- Q1 began with an order book of Rs. 90 Crores.
- Orders worth Rs. 26 crores received for Coach Applications from ICF & other private customers
- Rs. 11 crores worth orders booked from Wagon Builders

### New Customers added

- Bhilai Engineering Corporation
- E C Blades & Tools Pvt. Ltd

### Solar

- Three new customers added in Q1
- Major Customers - Sterling & Wilson, L & T, Mahindra Susten, Nuevosol, Sun Edison, Photon India Ltd among others.
- Received orders from Sterling & Wilson, for 1600MT, Larsen & Toubro , for 600MT and Waaree Energies, for 580MT among others.

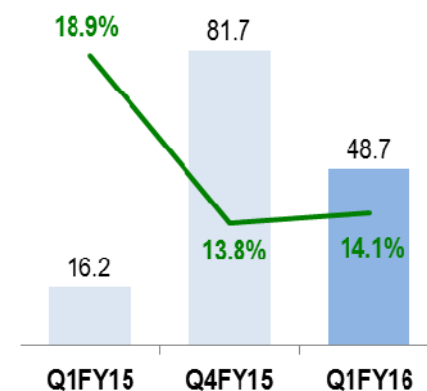
Sales for Q1FY16 at  
**Rs. 48.7 crores**

**Railways** has seen several new orders, momentum continues

Railways is **14 %** and Solar is **13%** of segment standalone revenues



Systems & Projects



# Pennar Group



# Business Segments, Subsidiaries

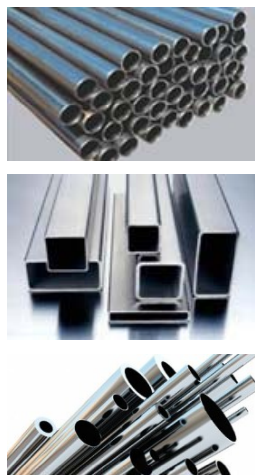
## STEEL PRODUCTS

- 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



## pebs pennar

SHAPING YOUR IMAGINATION

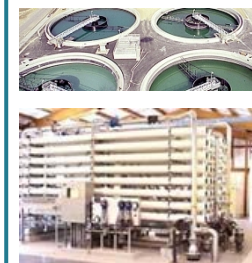
- Pre-engineered building structures
- Warehouses
- Airports and aircraft hangers
- Turnkey buildings
- Leak proof roofing sheets



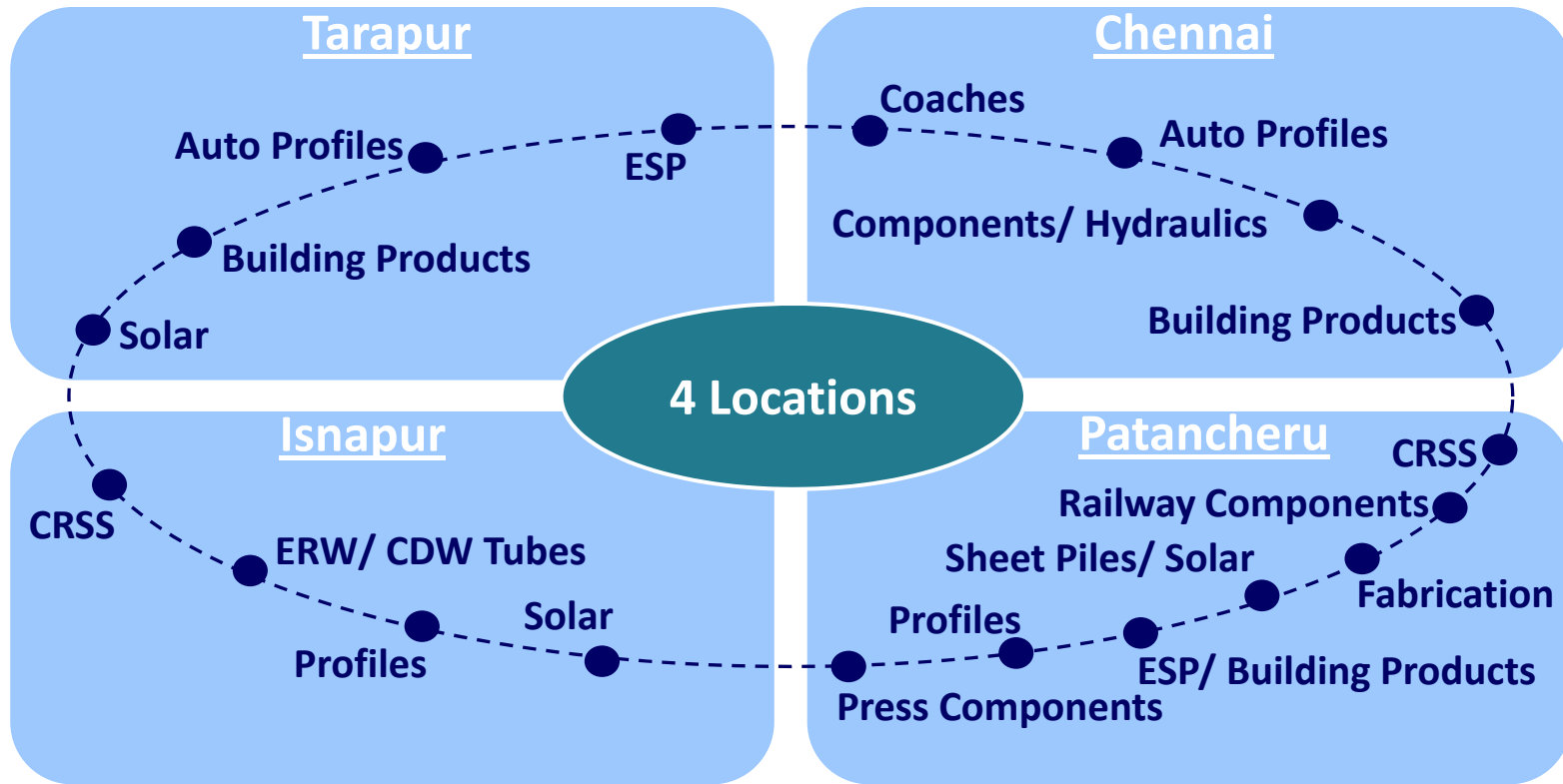
## PENNAR ENVIRO

Re-engineering Water, Environment & Energy

- 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, 2015 (BSE):  
~Rs.570 Cores

**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

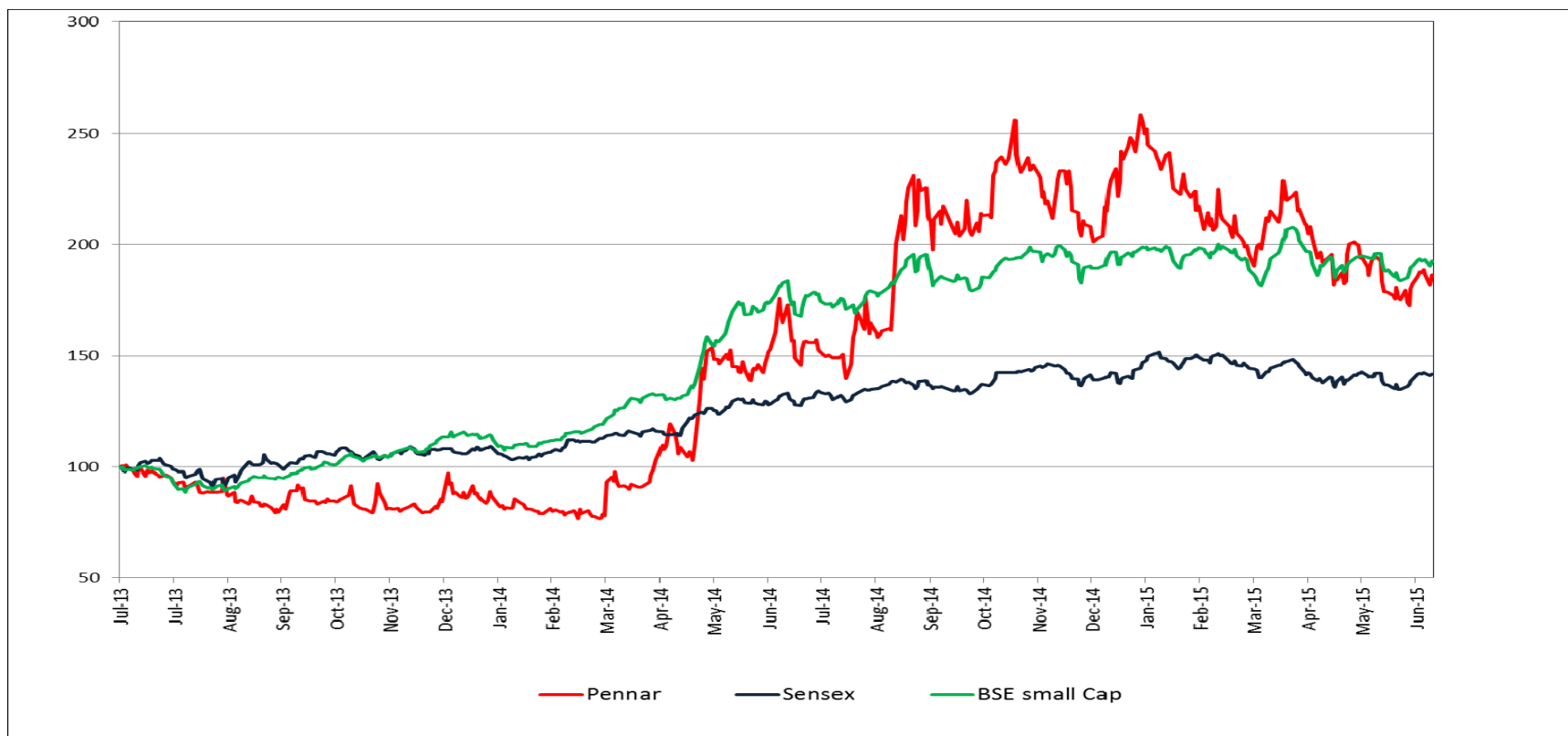


**Shiva Kumar K**  
Industrial Components





# Share Price Performance





# Investor Contacts

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