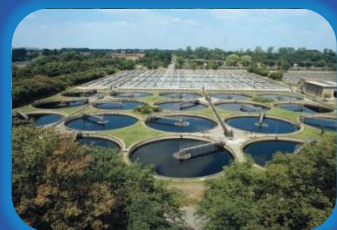




Pennar Industries Limited

Investor Presentation Q4FY16/FY16



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



1. Q4FY16 & FY16 Performance

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

2. Pennar Group

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

Q4FY16/FY16 Performance

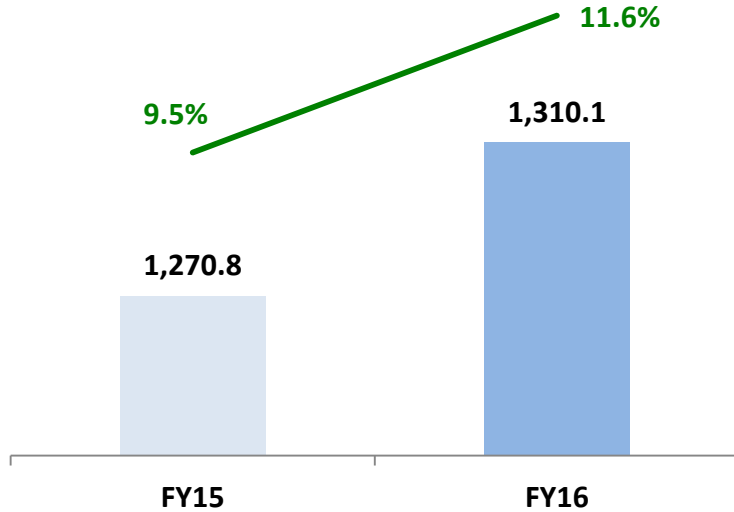


Financial Performance – FY16

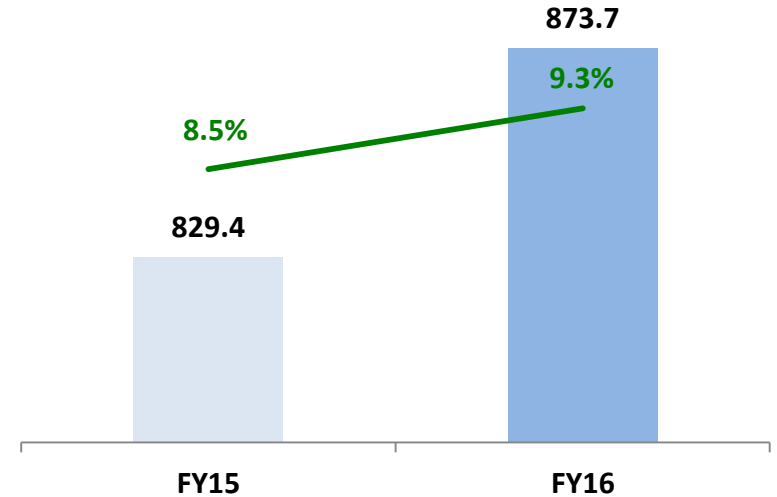


Net Revenues (Rs. Crores) and EBITDA margins (%)

Consolidated



Standalone

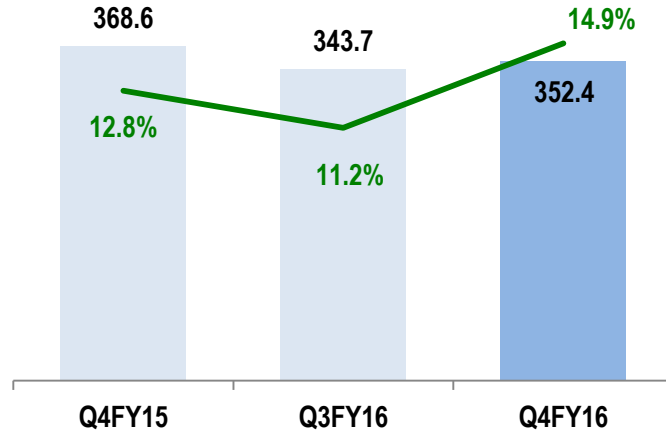


Financial Performance – Q4FY16

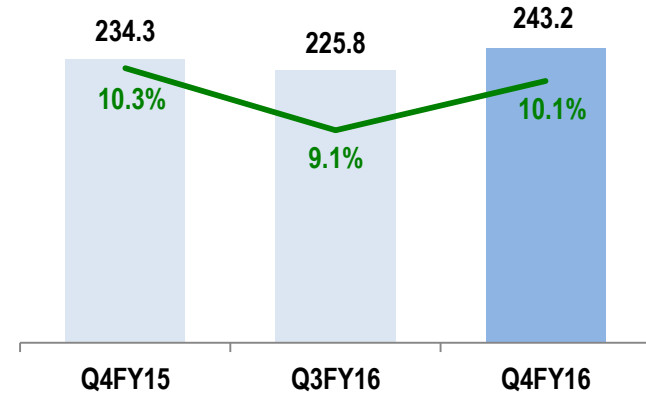


Net Revenues (Rs. Crores) and EBITDA margins (%)

Consolidated



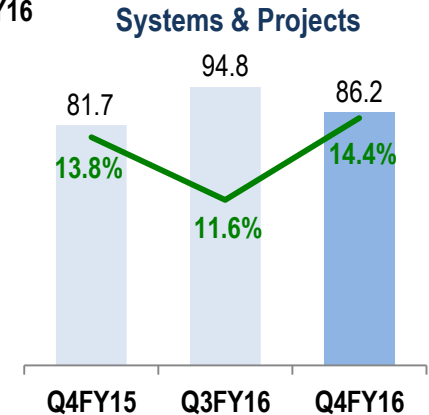
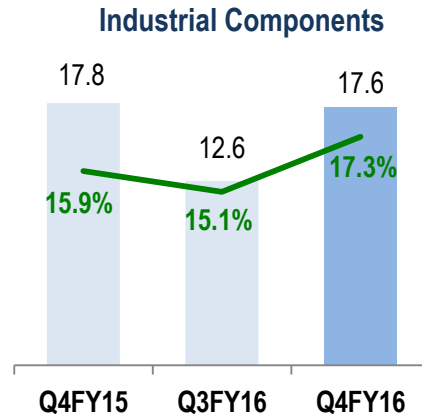
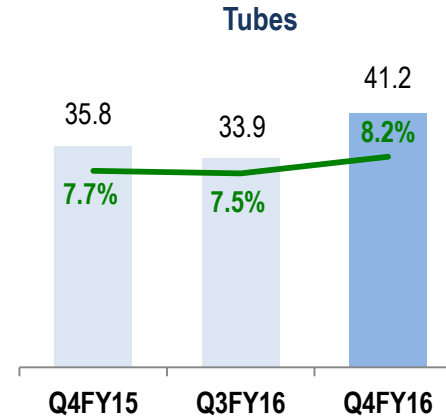
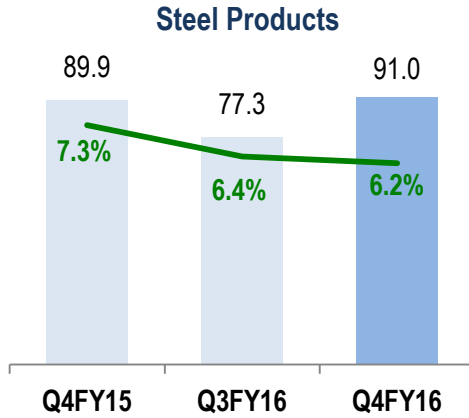
Standalone



Q4FY16 Segment performance



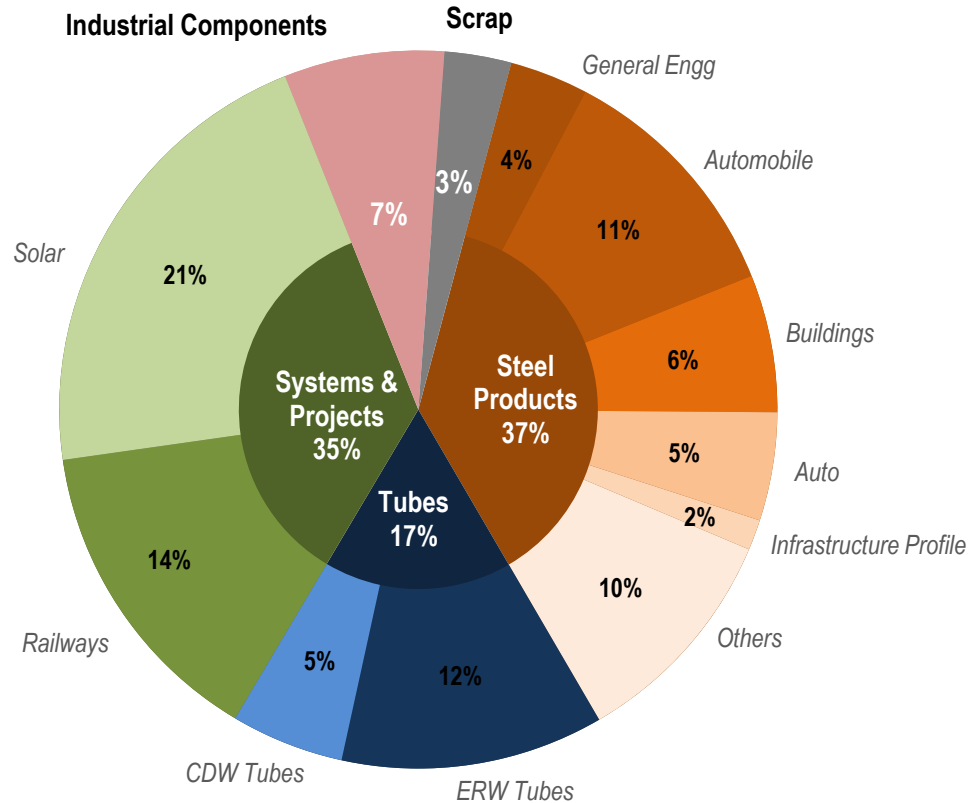
Net Revenues (Rs. Crores) and EBITDA margins (%)



Segment Composition – Industry-wise breakup



Percentage of Standalone Revenues for Q4FY16



Segment Highlights - Steel Products



CRFS Orders :-

- Hamon
- Helious Infra
- Bhavani Erectors
- Elecon EPC Projects
- Gammon India
- L&T
- RR Construction
- Repeat Orders from IVRCL, Phoenix Construction & Powermech Projects for various projects.

CRSS Orders:-

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

New customers added

- Shrivari Energy, Bhushan Power & Steel, Thiraviam Engineering, Bhavani Erectors, Elecon EPC Projects, CIPL JVK, Eminent Engineers.

Sales for Q4FY16 is at
Rs. 91 Crores

Customers -

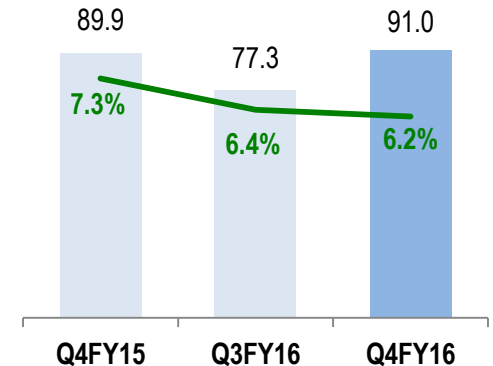
CRSS ~ **100**, CRFS ~
75

6.2 %

EBITDA Margin



Steel Products



Segment Highlights – Tubes

Major Customers

- Auto, Power, General Engineering, Textile, Earth Moving Equipment industries
- VECV, Mahindra, Gabriel, Endurance, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, Isgec, Rajwest, Hindalco, Tata Vendors

New Customers added

- Tenneco, Rajshriya, Sigma Electric, SPIC, Mega Rubber, Kerala Automobiles, Thai Summit, Indian Rubber, Susira and Presscomp
- 5% of total billed qty. is from new customers added in Q4

New Products in Development



Propeller Shaft



Drag Links Tubes



Front Fork

Market Share

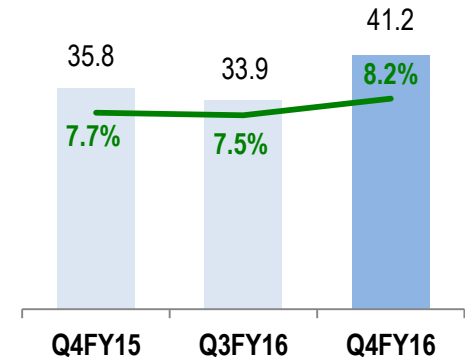
ERW: 5%; CDW: 6%

10 new customers added

70% of orders from regular major OEA's



Tubes



Segment Highlights - Industrial Components



- Expansion in the business with existing customers like WABCO and FSTVS

Major Customers

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

Outlook

- The Bailey business is expected to increase with new cylinder variants
- Based on Bailey's success, in the process of developing a hydraulic requirement from Cargotec.
- New projects like the Yoke (Comstar), Torque Arm (Bonfiglioli), Strainer (Xylem), Agri-components (TAFE), Rollers (HP), Beadplate (Firestone - USA), Piston, NPP and APP (Knorr Bremse - Czech) and Hydraulic Cylinders (Cargotec), are all expected to add to the growth of this vertical.

Sales for Q4FY16 is at
Rs. 17.6 crs

Capacity Utilisation

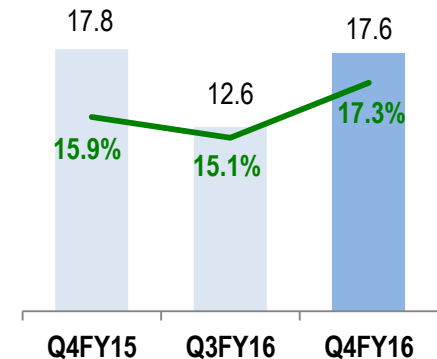
Chennai - 90%

Patancheru - 65%

10 new projects active



Industrial Components



Segment Highlights - Systems & Projects



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

Major Solar Customers

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

Received Solar orders from -

- Belectric
- L&T
- Sun Mount
- Nuevosol

New Customers added

- Sun Mount Engineering & Simha Solutions

New Products added

- 2mm Thickness Bare galvalume Hat sections

14.4 %

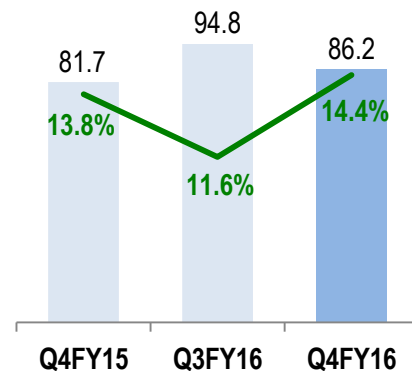
EBITDA Margin

Solar is **21%** of segment standalone revenues

Railways is **14%** of segment standalone revenues



Systems & Projects



Subsidiary Highlights – PEBS



Major Orders

- L&T Construction, TVS Infrastructure, Gamesa, My Home, Hetero Drugs, Annora Pharma, Himedia Laboratories, SRR Projects, RKV Developers, Indus Projects, Ashapura Group, Avenue Supermarts
- In Engineering Services, received new orders from Tekla Structures and Dollar General

Expansion

- Presently increasing manpower at Vishakhapatnam office to provide engineering services to our US-based clients
- Third-party Baroda factory taken for production (on job-work basis model) – Orders in and around Madhya Pradesh, Gujarat and North are being manufactured at this facility
- Board has approved the signing of a term sheet with an engineering services firm.

**Order book at
Rs. 424 Crs**



**Current Manpower for
NCI Jobs – 84 at both
locations**



Subsidiary Highlights – Pennar Enviro



Major Orders

- Hetero Labs, Gammesa, Lanco Infratech Ltd , Illioss Power and Snehi Engineers
- Repeat orders from Hetero, Lanco, Mishra Dattu Nigam Ltd. and Balaji Paper & Newsprint

Future Outlook

- Focus on the Municipal segment and large value jobs with the help of JVs.

**Repeat Orders
from Existing clients**

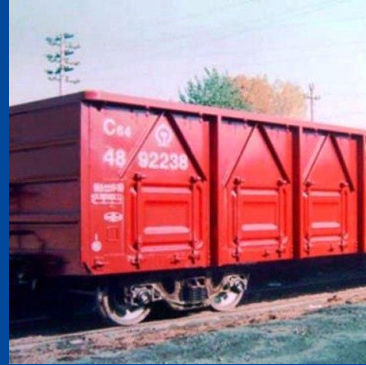
13 New customers

New Customers

**3 in Projects, 6 in
Chemicals & 4 in O&M**



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



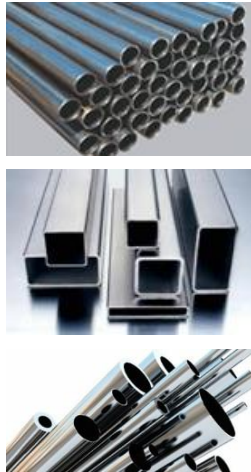
STEEL PRODUCTS

- 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



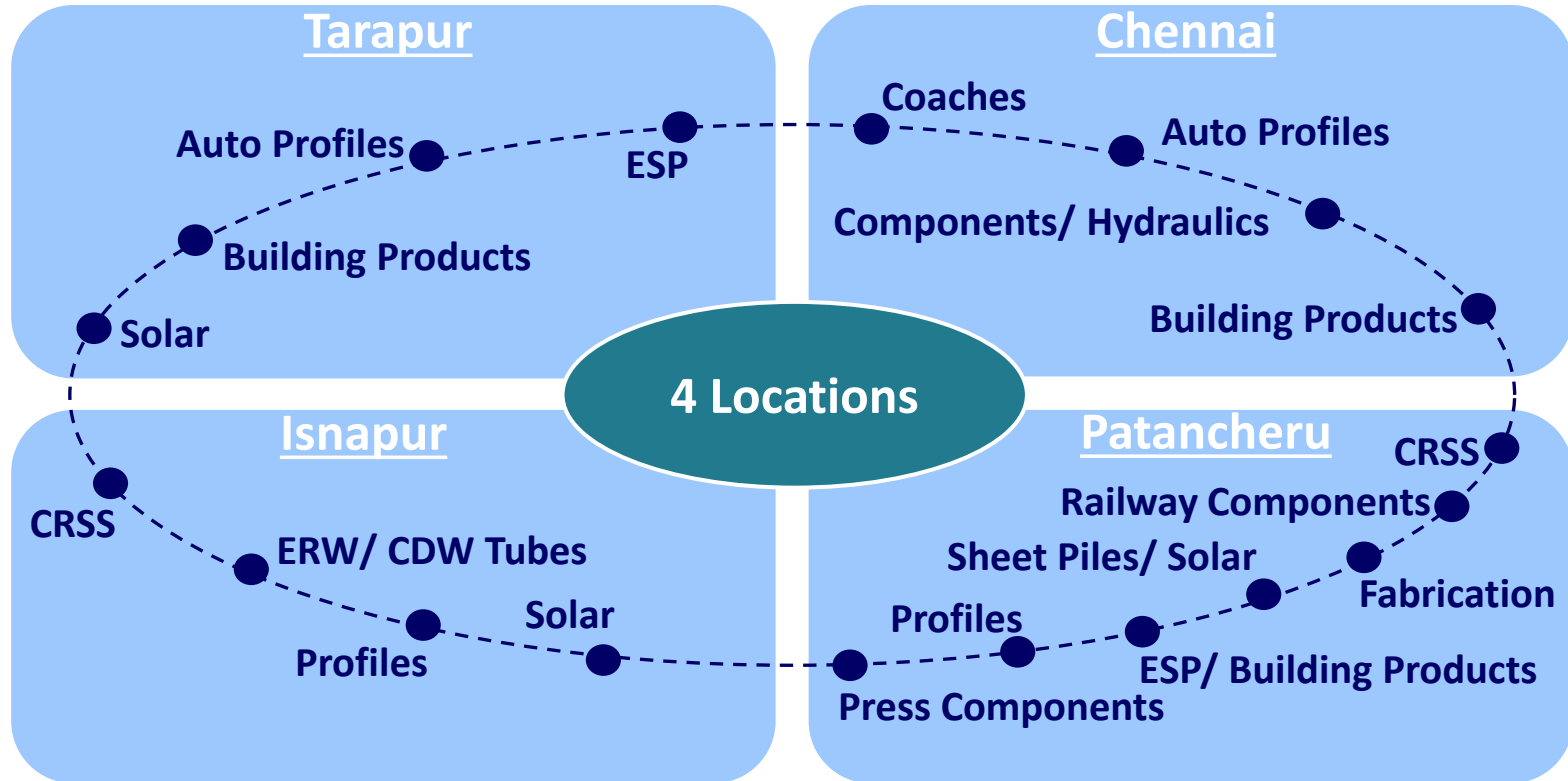
- Pre-engineered building structures
- Warehouses
- Airports and aircraft hangers
- Turnkey buildings
- Leak proof roofing sheets



- 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 March
31, 2016 (BSE):
~Rs. 569 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

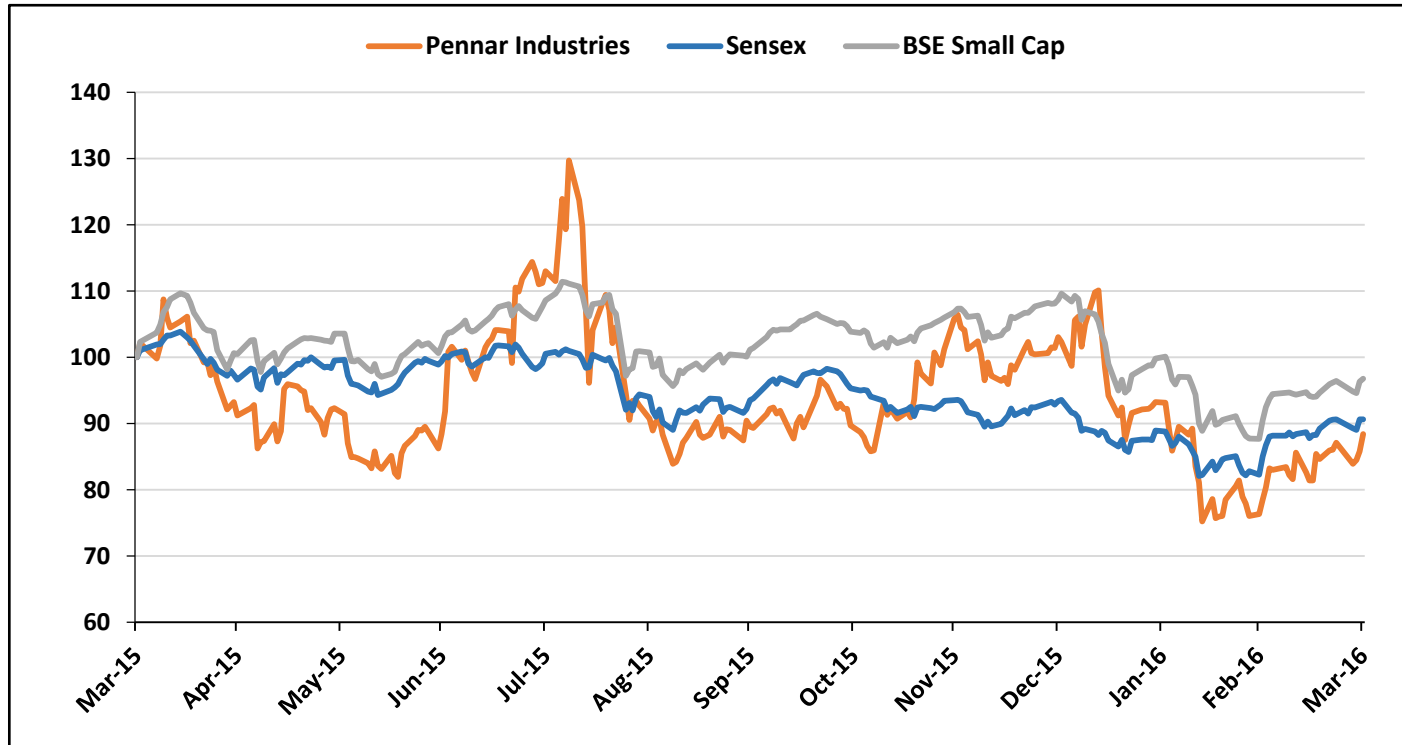


M. Bhoopal Reddy
Tubes



Shiva Kumar K
Industrial Components

Share Price Movement



*Rebased to 100



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