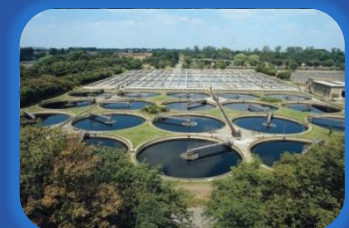


Pennar Industries Limited



Investor Presentation Q1FY18



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.

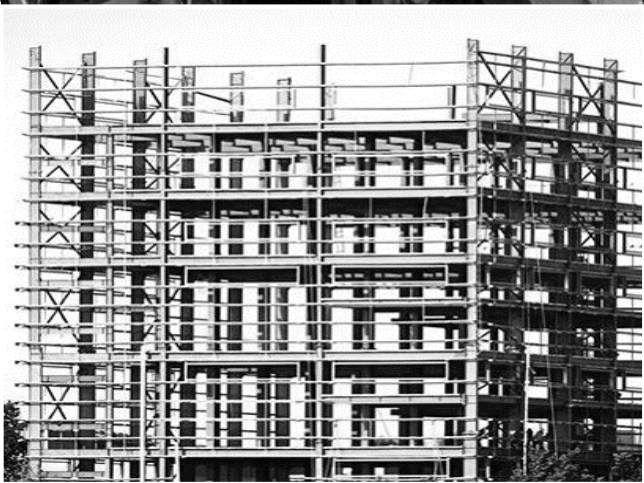
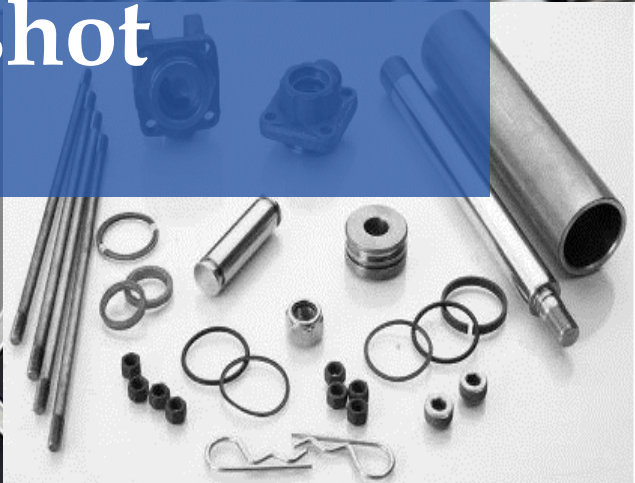
While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

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.



Q1FY18 Snapshot



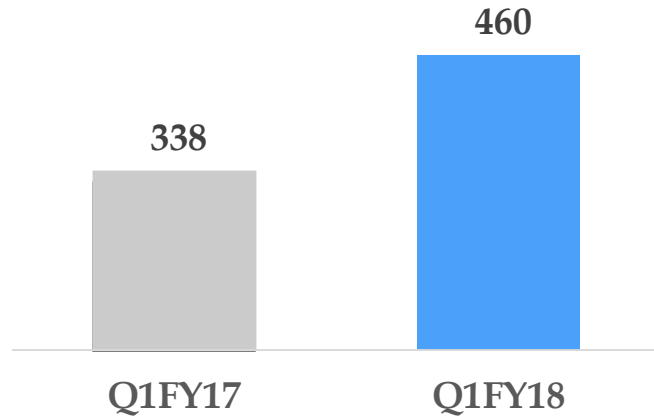
Financial Performance – Q1FY18



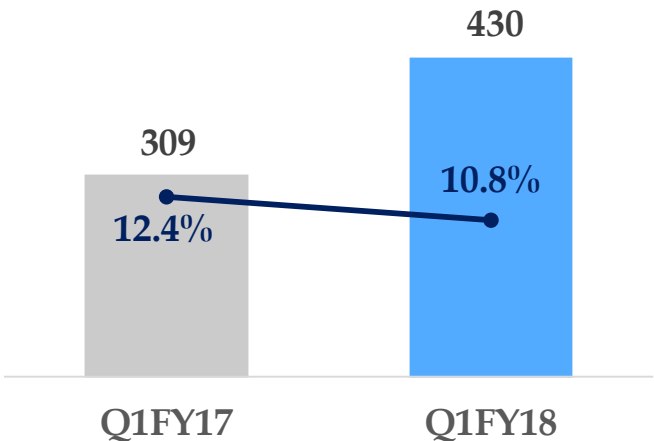
In Rs crs

Consolidated Performance

Gross Revenues

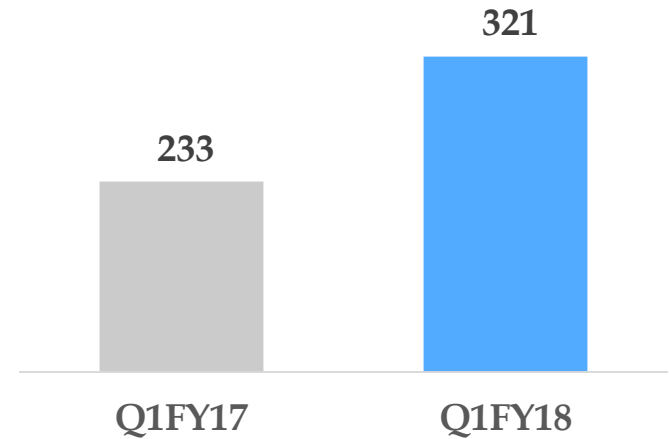


Net Revenue & EBITDA %

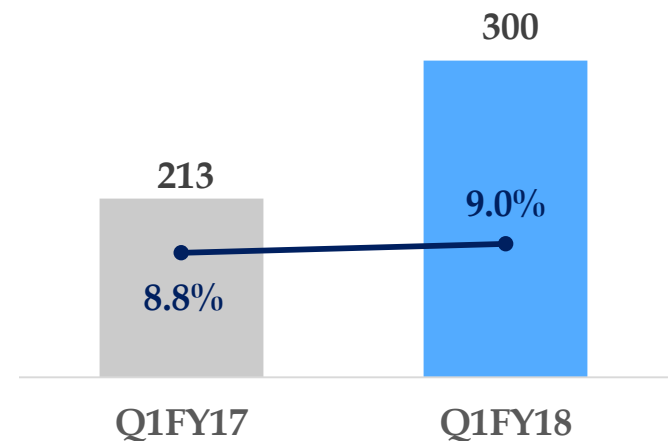


Standalone Performance

Gross Revenues



Net Revenue & EBITDA %

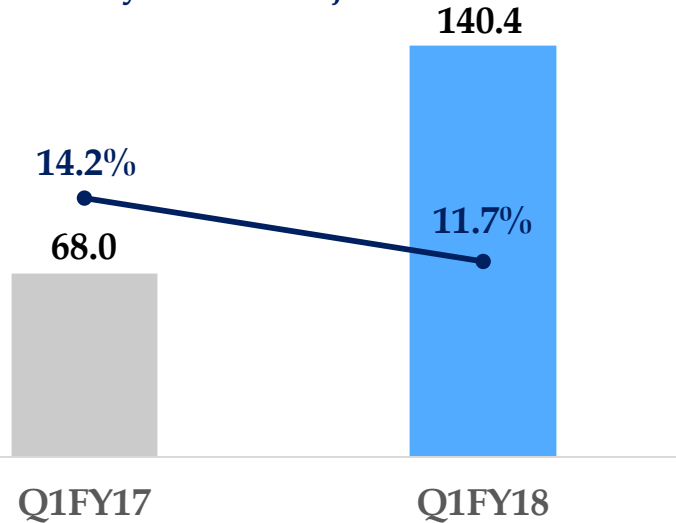


Segment Performance – Q1FY18

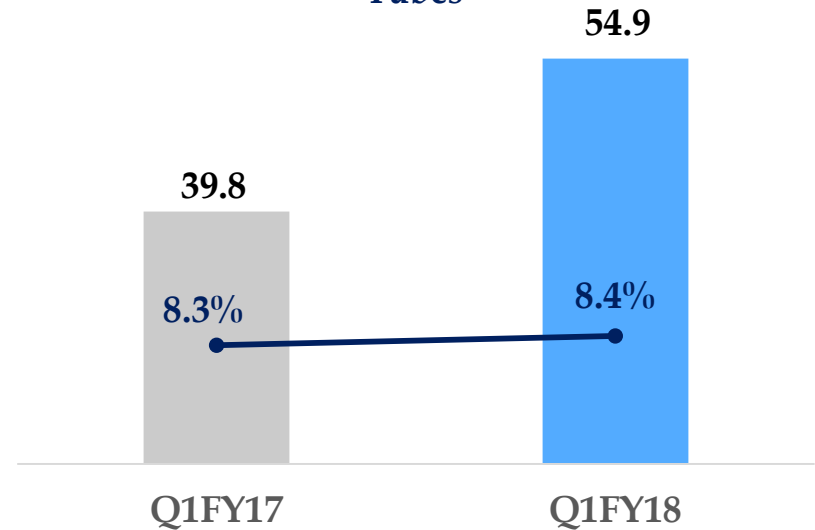


Net Revenues (Rs crs) & EBITDA Margin %

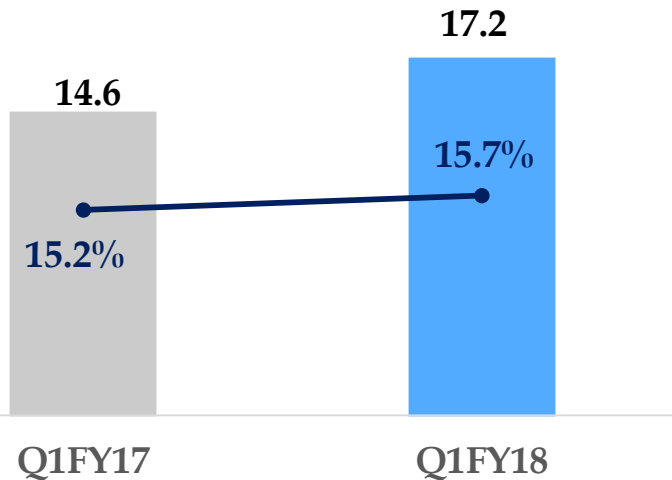
Systems & Projects



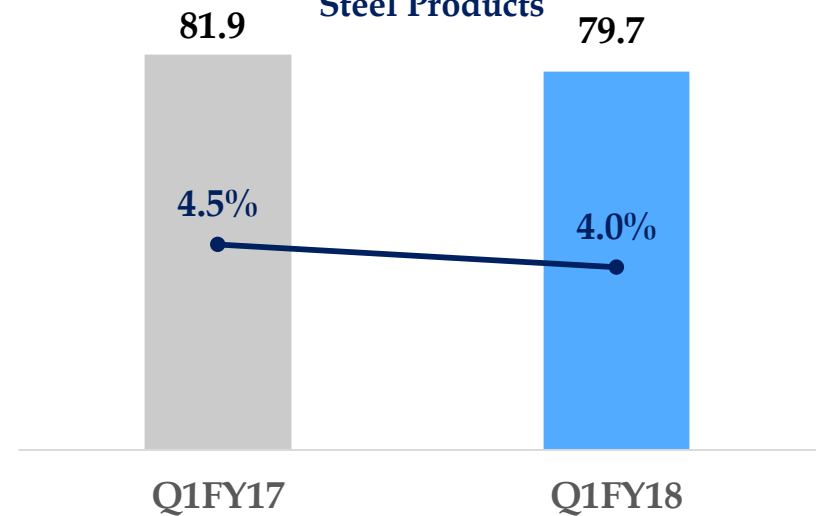
Tubes



Industrial Components



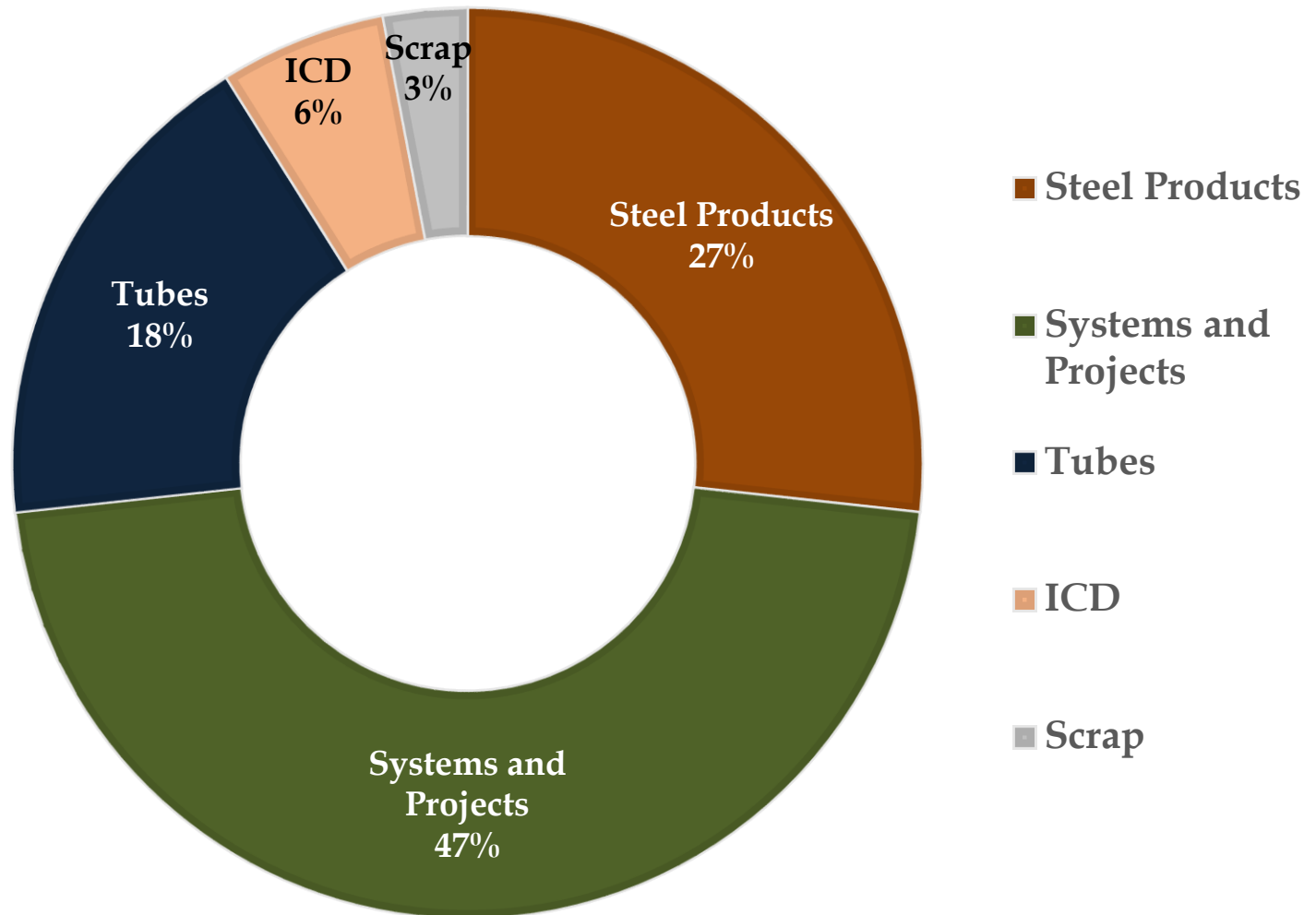
Steel Products



Evolving Business Mix (1/2)



As of 30th June, 2017

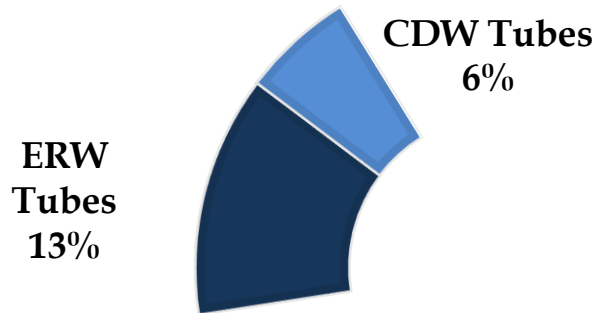


As a Percentage of Standalone Revenues for Q1FY18

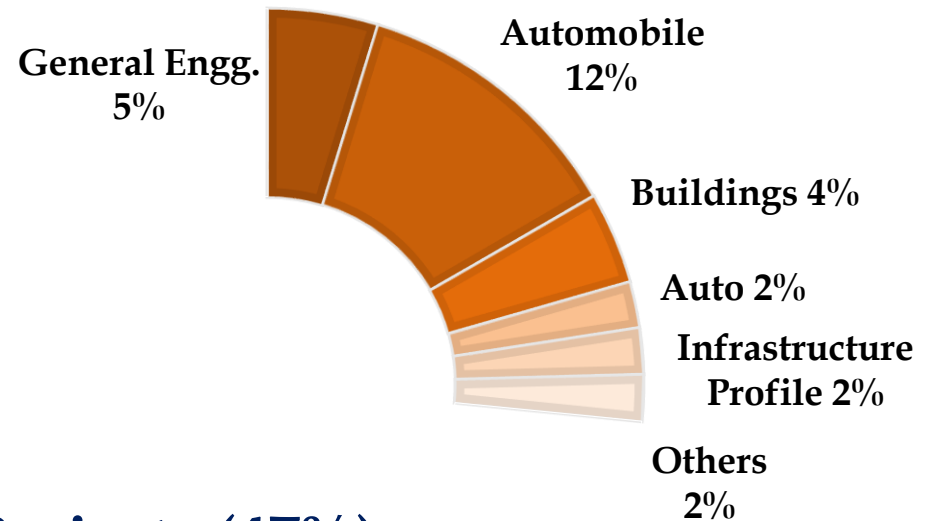
Evolving Business Mix (2/2)



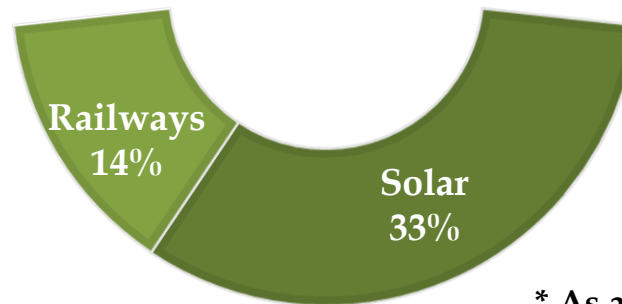
* Tubes (18%)



* Steel Products (27%)



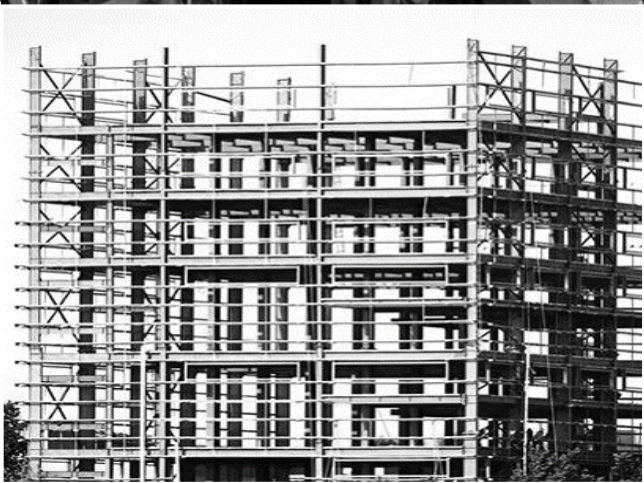
* Systems and Projects (47%)



* As a Percentage of Standalone Revenues for Q1FY18



Segment Highlights



Segment-wise Business Review; Outlook



Systems and Projects - Railways



27 Customers

Q1FY18
segment Sales
grew **106%**
YoY

Business Highlights

Major Customers: Integral Coach Factory, Chennai; Modern Coach Factory, Raebareli; Texmaco Rail & Engineering Ltd., Kolkata; Hindustan Engineering India Ltd., Kolkata; Cimmco Ltd., Kolkata; BEML Ltd, Bangalore

Repeat Orders:

- Stainless Steel Sidewall and Roof Assemblies – ICF/Chennai & MCF/Raebareli.
- CRF and Fabrication Items of Mild Steel and Stainless Steel – ICF/Chennai.
- CRF sections for Metro Coaches – BEML Ltd.

New products added: Under Frame Complete DETC/US.

- Orders worth 67 Cr. received from ICF for various Coach Applications.
- Orders worth 16 Cr. received from MCF for various Coach Applications.

Outlook

- In the pipeline - Development of CRF Sections for ongoing/upcoming Metro projects in India and abroad as a local supplier to BEML.

Systems and Projects - Solar



15
Customers

1 New customer
added in Q1

Solar

- Received orders from Belectric – KA & TS projects, Sterling & Wilson, L&T, Sri Chakra Cement.
- Major customers include Sterling & Wilson, L&T, Mahindra Susten, Nuevosol, Sterling & Wilson, Tata Power India Ltd among others.
- New customer added – Sri Chakra Cement.

Outlook

- Strong revenue growth of 50%, predicated on robust order book, capacity expansion that has been completed with three new mills added in Patancheru.
- Ongoing CAPEX - Cold rolling & skin pass mill strengthening and an additional hydrogen annealing furnace.

Segment-wise Business Review; Outlook



Tubes



255+
Customers
(Domestic &
Exports)

INR 54.9
crores sales,
with 37.7%
YoY growth

Business Highlights

- Major customers: VECV, Mahindra, Gabriel, Yamaha, Bridgestone, Endurance, Royal Enfield, Magna closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, Isgec, Rajwest, Hindalco, Tata Vendors among others.
- Exports - 4 new customers - Salem, Comprinox, Shell & Flack (Germany) & CIE Automotive (Spain).
- Received export orders for CDW tubes from USA, Europe, South Africa; with order booking up to Oct'17.
- New domestic customers - Yamaha, Tokai rubber, Bridgestone, K.Tech.
- Got plant approval from M/s. Bridgestone for CDW tubing. Plant approval by Yamaha and Tokai Rubber – a Tier 1 Toyota Vendor.

Outlook

- Autos - Volumes started picking up post GST to normal levels; expecting sector to pick up in Q2.
- Business priority - Export/New product development, target to add customers from N. America/ Europe in Q2.
- CDW Capacity Expansion planned by Jan/ Feb'18.

Segment-wise Business Review; Outlook



Industrial components



INR 17.2
crores
Q1FY18 Sales

17.6% YoY
growth

Business Highlights

- Strong market demand seen in White goods segment.
- Strong recovery in two wheeler segment post demonetization effect.

Outlook

- Growth trends likely to continue to Q2 also with multiple projects under development - Water heater cover, Clips for building systems, Coupler bar, Yoke, Jack assembly.



Segment-wise Business Review; Outlook



Steel Products – Steel



Customers
CRSS: 100
CRFS: 75

INR 79.7
crores
Q1FY18 Sales

CRFS Orders

- Order in ESP from Hamon, Valmet among others.
- Order in Buildings from Elecon, L&T power, Megha Engineering.
- Repeat Orders from regular schedules of Auto & ESP for various projects.

CRSS Orders

- Orders from IFB Industries, LGB, Luk India, JM Frictech, KM Seat.
- Orders for Special Grade Material (JMT, KM Seat, Wahi Sons, Promx, DVB, IFB, LGB).
- Monthly schedule from regular customers continues.

New Customers - CRSS – Renolds, Aditya Auto – Trichy

Outlook

- Robust growth is expected; GP Strips expected to be a major driver of revenues.
- Aim to increase EBIDTA margin significantly in the Steel Products business unit.



Subsidiary Highlights



Group Subsidiaries



Pennar Industries Limited

Market Cap as of 30th June 2017 - INR 629 crs



Pennar Engineering Building Systems

Pre-engineered building systems, Roof Top Solar, Solar EPC

Pennar Enviro

Industrial Water Treatment Solutions, Water Treatment Chemicals, Fuel Additives



Pennar Renewables Private Limited

Solar Power Plants

Subsidiary Highlights; Outlook



Pennar Enviro



7
New
Customers

New Orders:

Chemicals: Parry Sugar Refinery India Pvt Ltd, Hatsun Agro Products Ltd, Huntsman International (India) Pvt. Ltd, Megha Engineering & Infrastructure Ltd, MRF Ltd.

Projects: Ambience, Doosan.

New Customers:

Chemicals - Megha Engineering & Infrastructure, Sree Rengaraj Ispat Industries Pvt Ltd, Akanksha Industries, Madhucon Sugar & Power Industries Ltd, Vistar Metal Industries Pvt Ltd.

Projects - Ambience, Doosan.

New product: Pennar Agua Insta - Ready Test kit for testing water parameters developed in-house with QC.

Subsidiary Highlights, Outlook



PEBS Pennar



**Rs 380
crores**
current order
book

**Q1FY18 Gross
Revenue of Rs
138 crores**

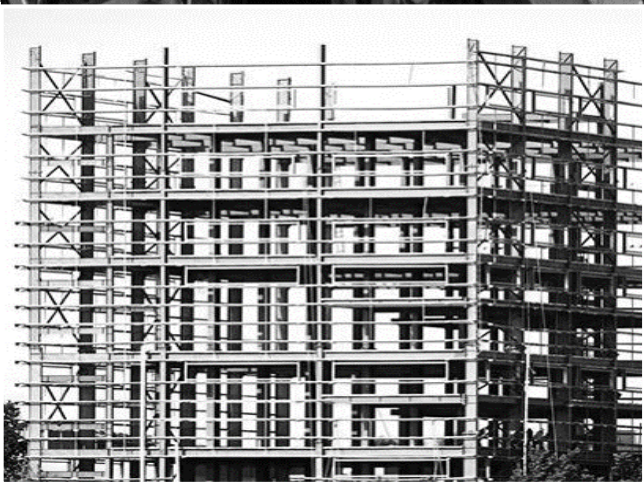
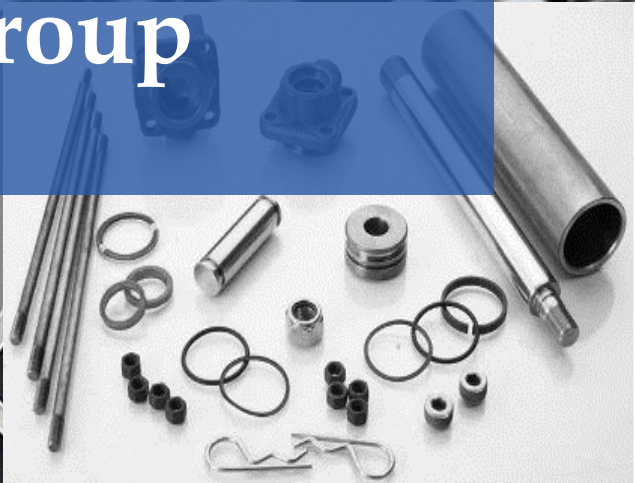
New Orders: JSW Cement - Factory building in Karnataka, Welspun India - Factory building in Gujarat, KIA Motors - Automotive plant at Hindupur, CFCL - Factory building in Maharashtra, Ikea - Warehouse building at Hyderabad, Phoenix - Multi-storey building at Hyderabad, Asian Fabtech - Solar module mounting structures in Karnataka.

Business Highlights

- Robust Order Book - Current Order Book at Rs. 380 Crores
- Engineering Services - Revenue increased to 3.27 crores, up 54% YoY. Current average revenue per month is 1.09 Crs.
- Solar division: The revenue in Q1FY18 increased to Rs. 17.96 crores, up by 332% YoY from Rs. 4.15 Crores in Q1FY17.



The Pennar Group





30

YEARS OF
EXPERIENCE

1,000

PRECISELY
ENGINEERED
PRODUCTS

500

CUSTOMERS

2,500

TOOLS &
DIES

2,000

EMPLOYEES AND
GROWING !



Business Segments

Steel Products

- Automobiles
- General Engineering
- Infrastructure
- White Goods

Systems and Projects

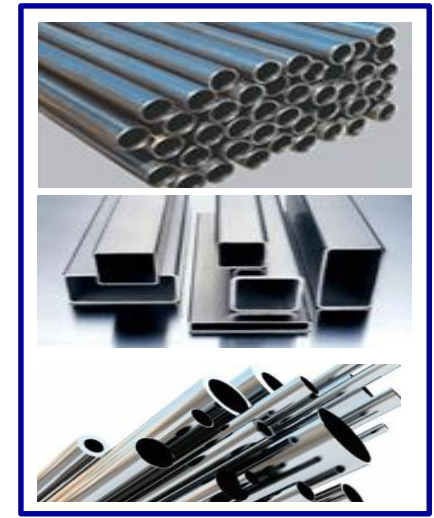
- Railway Coaches and Wagons
- Solar Mounting Structures

Industrial Components

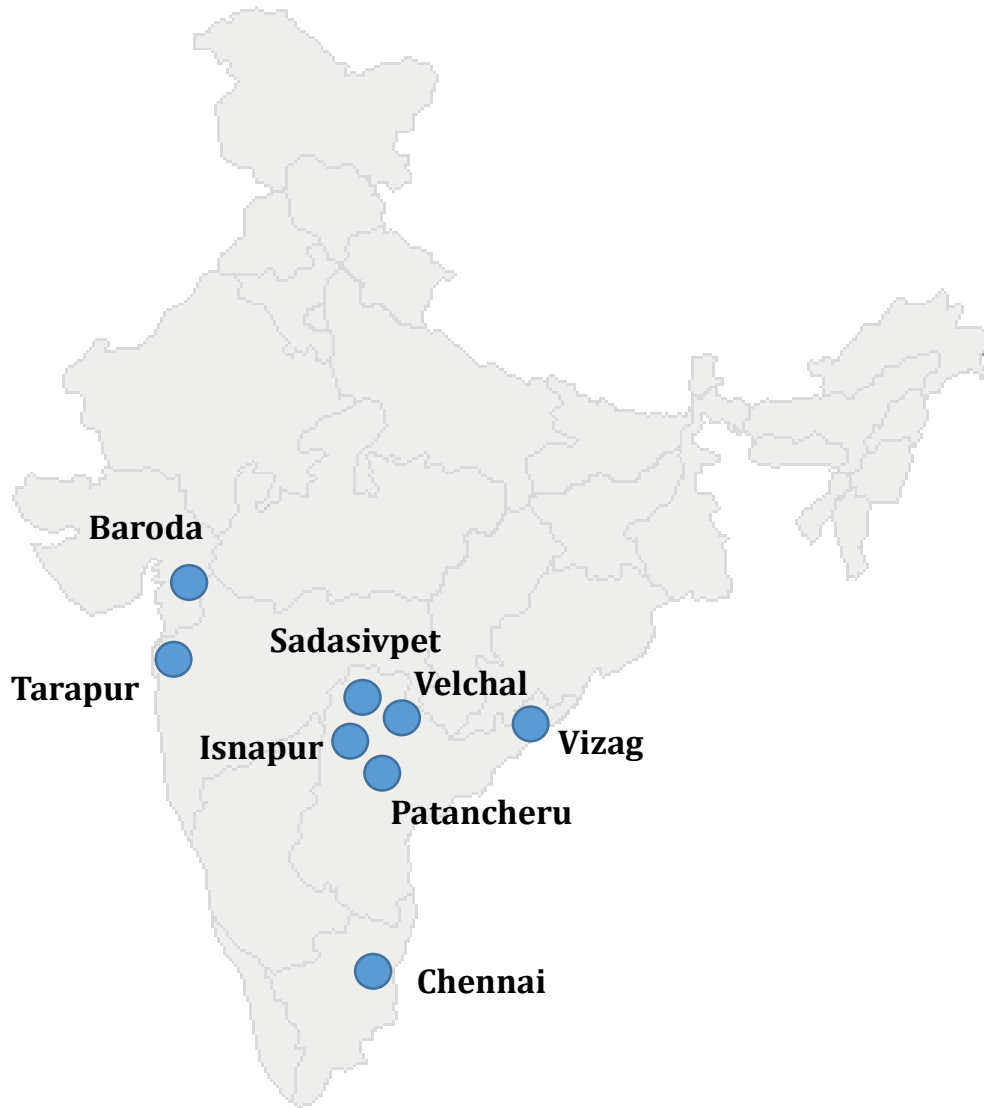
- Automobiles
- Industrial
- White Goods
- Hydraulics

Tubes

- Automobiles
- Power



Distributed Manufacturing



Patancheru

Press Components, Profiles, ESP / Building Products, Sheet Piles / Solar, Railway Components, CRSS, Fabrication

Sadasivpet

High precision CNC machines, Roll formers

Isnapur

CRSS, ERW / CDW Tubes, Profiles, Solar

Velchal

Strip Galvanizing, Hot Dip Galvanizing

Chennai

Coaches, Auto Profiles, Components / Hydraulics, Building Products

Tarapur

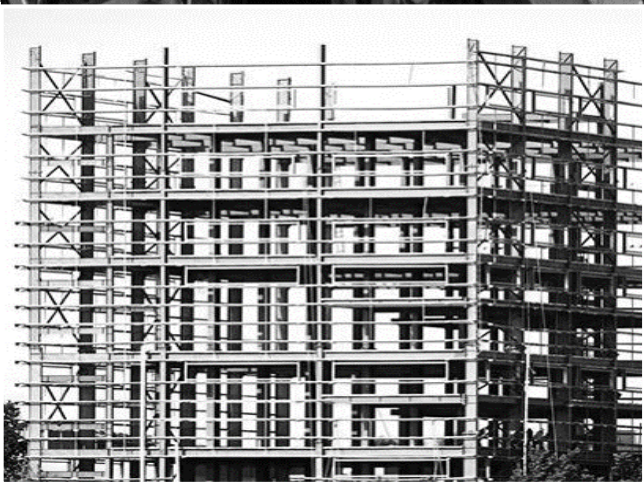
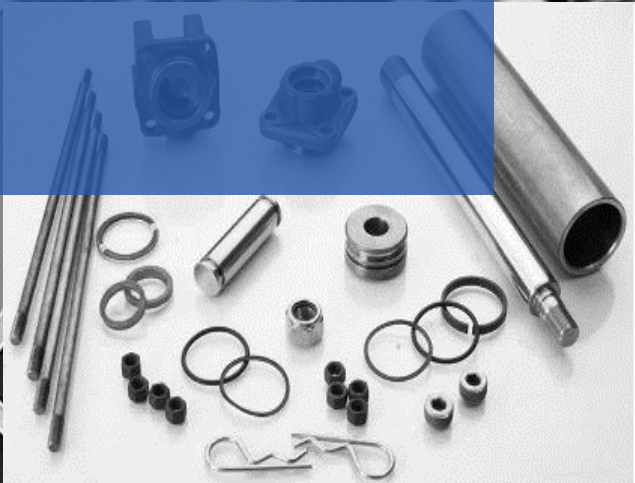
Solar, Building Products, Auto Profiles, ESP

Baroda

PEBS



Projects



Projects – Pennar Enviro

JBF Petrochemicals



BHEL Wanakbhoari



AGI Glaspac



ONGC



Projects – PEBS

Mylan Labs, Indore



Kongavi



ETNA, Hyderabad



Amazon, Hyderabad



HIL, Odisha



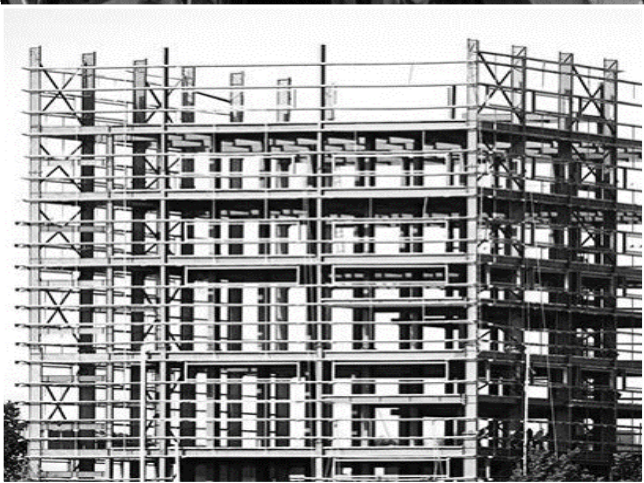
Toyo Engineering



Indus



Management Team



Management 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



THANK YOU

Contact Details:
Investor Relations - Jill Deviprasad
Cell: +91-7718834519
Email: jill@velresearch.com

Pennar Industries Limited
Floor: 3, DHFLVC Silicon Towers
Kondapur, Hyderabad - 500 084, Telangana
CIN : L27109AP1975PLC 001919

