



Press release

For immediate release

**Pennar Industries' Q1FY17 Gross Sales at Rs. 347 Crores; up 11.3% YoY**  
**EBITDA up 44.8% YoY at Rs. 38.2 Crores**  
**PAT up 18.3% YoY at Rs 7.8 Crores**

**Hyderabad, August 12, 2016:** Pennar Industries Limited, one of India's leading industrial organizations offering specialized, engineered steel solutions, today announced its unaudited financial results for the quarter ended 30<sup>th</sup> June, 2016.

**CONSOLIDATED FINANCIAL PERFORMANCE:**

(Rs. Crore)	Consolidated		
	Q1		y-o-y Growth (%)
	FY2017	FY2016	
Gross Sales	347.0	311.9	11.3%
Net Sales	308.7	274.3	12.6%
EBITDA	38.2	26.4	44.8%
<i>EBITDA Margin (%)</i>	12.4%	9.6%	
Cash Profit	16.7	12.1	38.1%
<i>Cash Profit Margin (%)</i>	5.4%	4.4%	
Net Profit	7.8	6.6	18.3%
<i>Net Profit Margin (%)</i>	2.5%	2.4%	
Basic EPS (Rs)	0.65	0.55	18.3%

**STANDALONE FINANCIAL PERFORMANCE:**

(Rs. Crore)	Standalone		
	Q1		y-o-y Growth (%)
	FY2017	FY2016	
Gross Sales	238.9	212.4	12.5%
Net Sales	212.9	185.1	15.0%
EBITDA	18.8	16.2	16.2%
<i>EBITDA Margin (%)</i>	8.8%	8.6%	
Cash Profit	8.1	7.9	2.0%
<i>Cash Profit Margin (%)</i>	3.8%	4.3%	
Net Profit	4.4	3.8	14.2%
<i>Net Profit Margin (%)</i>	2.0%	2.1%	
Basic EPS (Rs)	0.36	0.32	14.2%

PENNARINDUSTRIESLIMITED  
 Floor: 3, DHFLVC Silicon Towers  
 Kondapur, Hyderabad - 500 084, Telangana

CIN : L27109AP1975PLC 001919  
 www.pennarindia.com

## SEGMENT FINANCIAL PERFORMANCE (STANDALONE):

(Rs. Crore)	Sales			EBITDA			EBITDA Margin (%)	
	Q1		y-o-y	Q1		y-o-y	Q1	
	FY17	FY16	Growth (%)	FY17	FY16	Growth (%)	FY17	FY16
Systems and Projects	68.0	48.9	39.0%	9.6	6.9	40.4%	14.2%	14.0%
Tubes	39.8	33.9	17.4%	3.3	2.4	37.9%	8.3%	7.0%
Industrial Components	14.6	14.6	0.2%	2.2	2.2	3.4%	15.2%	14.7%
Steel Products	81.9	79.5	3.0%	3.6	4.6	(20.6)%	4.5%	5.8%
Scrap Sales	8.5	8.2						
<b>Total Standalone</b>	<b>212.9</b>	<b>185.1</b>	<b>15.0%</b>	<b>18.8</b>	<b>16.0</b>	<b>17.5%</b>	<b>8.8%</b>	<b>8.6%</b>
<b>Total Consolidated</b>	<b>308.7</b>	<b>274.3</b>	<b>12.6%</b>	<b>38.2</b>	<b>26.4</b>	<b>44.7%</b>	<b>12.4%</b>	<b>9.6%</b>

## BUSINESS HIGHLIGHTS FOR Q1FY17:

**Systems & Projects:** Repeat orders were booked from Integral Coach Factory, Modern Coach Factory, Texmaco Rail & Engineering, Hindustan Engineering India, and BEML. Additionally, a new product, CRF sections to BOXNS Wagon, was added. In the Solar vertical, 4 new customers, Consol Energy, Nexun Energy, Traxun Energy and Bhoruka Power, were added during the quarter. Some of the major customers include Sterling & Wilson, L & T, Mahindra Susten, Nuevosol, Sun Edison, Acme, Sterling & Wilson, Tata Power India, among others. During the quarter, we received major orders from Consol Energy, Nexun Energy, Traxun Energy, Mahindra Susten and Sterling & Wilson.

**Industrial Components:** Some of the major customers for this vertical include Emerson Climate Technologies, Tecumseh, India Nippon Electricals, Endurance, Wabco, FSTVS, Xylem and Bailey, among others. There has been an expansion in the business with existing customers like Yamaha in this quarter. With the new addition of the 260T Link Motion Press, we are exploring new business opportunities with several auto component companies. The Bailey business is expected to increase with our new cylinder variants. An order from the Cargotec –Kalmar group for a cylinder prototype has also been booked. This marks the foray of our cylinders into the global market.

**Tubes:** With over 230 customers, this vertical covers sectors like Auto, Power, General Engineering, Textile, Earth Moving Equipment etc and includes major names like VECV, Mahindra, Gabriel, Endurance, Royal Enfield, Magna Closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco and Tata Vendors as customers. 70% of the orders were received from regular major OEAs in the form of monthly orders and the balance 30% were project-based orders. During the quarter, we added about 10 new customers - Andrew Race & Drive Lines (Australia), Royal Enfield, Rajshriya, Sourer (Germany), SPIC, Aditya Birla - Power division and KMA Seating – Ford Chennai, among others. We are focusing more on the CDW business expansion. We are targeting to get the approval of TFF from major OEAs in the next two quarters. The plant expansion, which will increase capacity by 25%, is expected to be operational by March 2017. We are planning to setup our fourth tube mill and an annealing furnace. We are also likely to add a couple of export

PENNNARINDUSTRIESLIMITED

Floor: 3, DHFLVC Silicon Towers

Kondapur, Hyderabad - 500 084, Telangana

CIN : L27109AP1975PLC 001919

www.pennarindia.com

customers in the second quarter, as exports and new product development have been identified as priority areas.

**Steel Products:** In the CRFS segment, we received orders from Soma Enterprises (Sheet Piles), Thermax (ESP segment) and Diamond Engineering (Buildings), among others. Repeat orders from IVRCL, Phenix, Bhavani Erectors & Powermech Projects, for various projects were also booked. Some of the major customers include Thermax, Alstom, L&T, Ashok Leyland, VECV, Prabha Eng., Raghavendra Auto, Johnson Lifts, Power Mech, Rithwik Projects, among others. During the quarter, 8 new customers were added. In the CRSS segment, we booked orders from regular customers as per given monthly schedules. We also received orders from IFB Industries, LGB and Luk India. During the quarter, 3 new customers, RG Bronze, KM Seating, Amvan Auto, were added. Some of the major customers include Toshiba, IFB Industries, LGB, Luk India, Managal Precision, Bimetal, JM Frictech, RG Bronze and KM Seating, among others.

**Pennar Engineered Building Systems Limited:** During the quarter, we received major orders from Shapoorji & Pallonji, JBF Industries, HIL, AGI Glaspac, Musaddilal Properties, Tewari Warehouse, Vee Rubber, among others. Multiple high-rise building orders were received from customers like Reliance and Phoenix. We also received repeat orders from Ultratech Cement, RCC Infraventures, Phoenix, Hetero, among others. The engineering services business has scaled well in terms of number of hours, sales and billing per hour. We added two new clients in this division. Significant additional manpower has been added at the Vishakhapatnam office to provide engineering services to US-based clients. We are exploring the acquisition of a US-based company for augmenting our engineering capabilities. In May 2016, we began production in the plant in Baroda, Gujarat, which was taken on a job-work basis. We are planning a new manufacturing plant in Gujarat. We have imbibed the Solar Single Axis Tracking technology and received our first order from Hero Future. Additionally, we have initiated a 5-Year Strategy plan which is focused on value creation for our shareholders.

**Pennar Enviro Limited:** During the quarter, we received new orders from BHEL, Waterlife, Gamesa, HSIL and Parry Sugar Refinery India. We received repeat orders from United Spirits, I.G. Petrochemicals, United Breweries, and Tube Products of India. During the quarter, we added 2 new customers in the Projects business and 2 new customers in the Chemicals business. During the quarter, we bid for large ticket orders in Water EPC and General EPC. Additionally, a new product, Paper Chemical (Sizing Chemical), had a successful trial.

#### **ABOUT PENNAR INDUSTRIES LIMITED:**

Pennar Industries (NSE: PENIND, BSE: 513228) is one of India's leading industrial organizations offering specialized, engineered steel solutions. The Company has a strong presence across growth sectors in India through four business units, Steel Products, Tubes, Industrial Components and Systems & Projects, and two subsidiary companies, Pennar Engineered Building Systems Limited and Pennar Enviro Limited. All of Pennar's manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and six manufacturing plants located at Patancheru, Sadashivpet, Isnapur and Mallapur near Hyderabad, Chennai in Tamil Nadu and Tarapur in Maharashtra.

**PENNARINDUSTRIESLIMITED**

Floor: 3, DHFLVC Silicon Towers

Kondapur, Hyderabad - 500 084, Telangana

CIN : L27109AP1975PLC 001919

[www.pennarindia.com](http://www.pennarindia.com)

For more information, please visit [www.pennarindia.com](http://www.pennarindia.com)

For further enquiries, please contact:

**Pennar Industries**

corporatecommunications@pennarindia.com

**Disclaimer:**

*This release 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’s 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, macroeconomic, 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 publicly revise any forward looking statements to reflect future / likely events or circumstances.*

**Q1FY17 EARNINGS CONFERENCE CALL DETAILS:**

<b>Primary Number:</b>	<b>+91 22 3938 1019</b>
<b>Secondary Number:</b>	<b>+91 22 6746 5819</b>
<b>International Toll Free Numbers:</b>	<b>USA : 1 866 746 2133</b> <b>UK : 0 808 101 1573</b> <b>Singapore : 800 101 2045</b> <b>Hong Kong : 800 964 448</b>
<b>Date:</b>	<b>Tuesday, 16 August 2016</b>
<b>Time:</b>	<b>10:30 AM to 11:30 AM IST</b> <b>01:00 PM to 02:00 PM Singapore &amp; HK</b> <b>06:00 AM to 07:00 AM UK</b>

PENNARINDUSTRIESLIMITED  
Floor: 3, DHFLVC Silicon Towers  
Kondapur, Hyderabad - 500 084, Telangana

CIN : L27109AP1975PLC 001919  
[www.pennarindia.com](http://www.pennarindia.com)