



Pennar



PENNAR INDUSTRIES LIMITED

Q2 & H1 FY19 RESULTS PRESENTATION

NOVEMBER 2018



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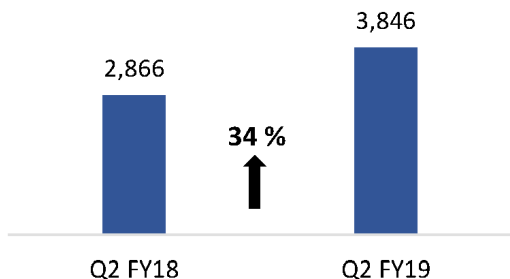
Discussion Summary

- ❖ **Quarterly Results Update**

- ❖ Company Overview

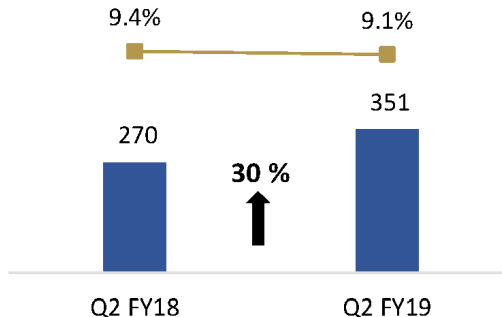
Q2 & H1 FY19: Key Highlights (Standalone)

Total Income (Net)

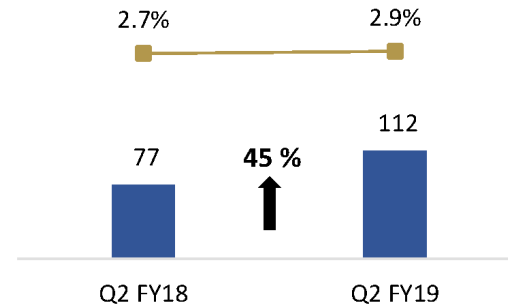


Q2 FY19 YoY Analysis

EBITDA & EBITDA Margin *

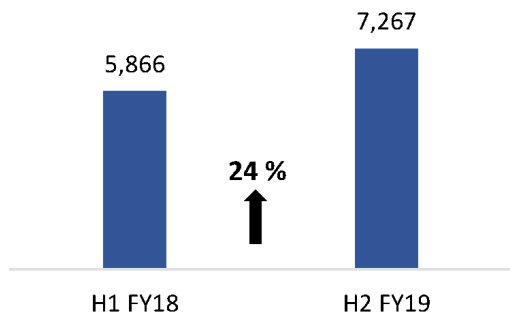


PAT & PAT Margin *



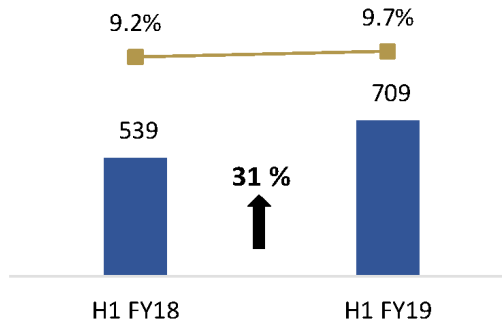
In Rs Mn

Total Income (Net)

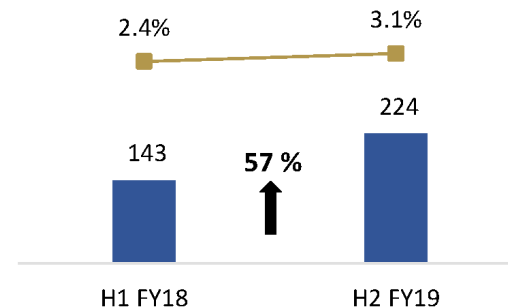


H1 FY19 YoY Analysis

EBITDA & EBITDA Margin *



PAT & PAT Margin *

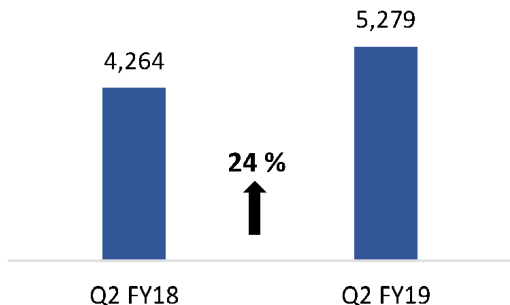


* Calculated on Total Income (Net)

Q2 & H1 FY19: Key Highlights (Consolidated)

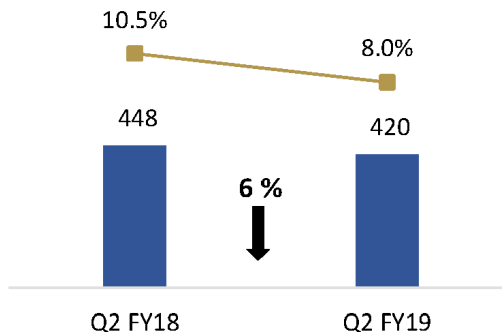
In Rs Mn

Total Income (Net)

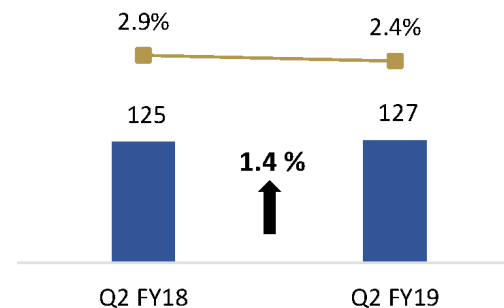


Q2 FY19 YoY Analysis

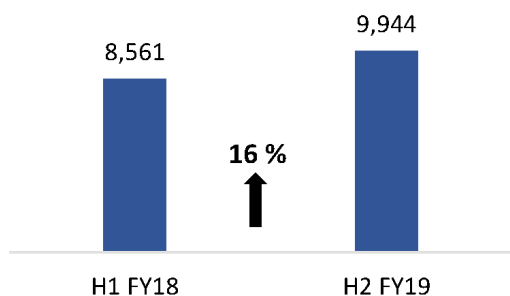
EBITDA & EBITDA Margin *



PAT & PAT Margin * @

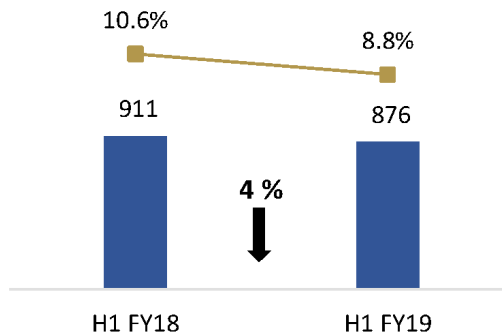


Total Income (Net)

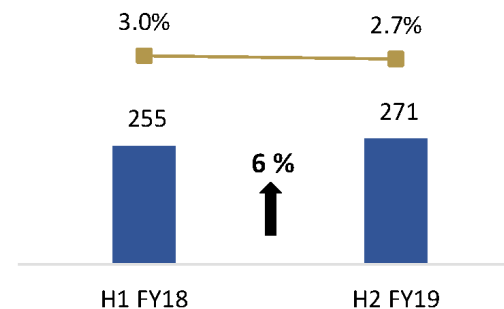


H1 FY19 YoY Analysis

EBITDA & EBITDA Margin *



PAT & PAT Margin * @



Engineering Products

Rising share of value-added & higher margin engineering products leading to improved gross margins

- Supply of critical structural railway components (coaches, wagons, other parts) generated gross revenues of Rs 936 Mn, delivering 126% YoY growth in Q2 FY19
- Supply of critical industrial components (to Automobile & White Goods sector) generated gross revenues of Rs 271 Mn, delivering 28% YoY growth in Q2 FY19
- Supply of precision tubes (to largely Automobile sector) generated gross revenues of Rs 822 Mn, delivering 44% YoY growth in Q2 FY19 led by increasing proportion of high margin CDW tubes
- Supply of other fabricated products like ESP electrodes, building materials, special grade CRSS, solar MMS etc. generated revenues of Rs 2,091 Mn, delivering 9% YoY growth in Q2 FY19
- **Robust momentum in new orders across all product segments from existing as well as new customers**

Engineering Solutions

PEBS Pennar:

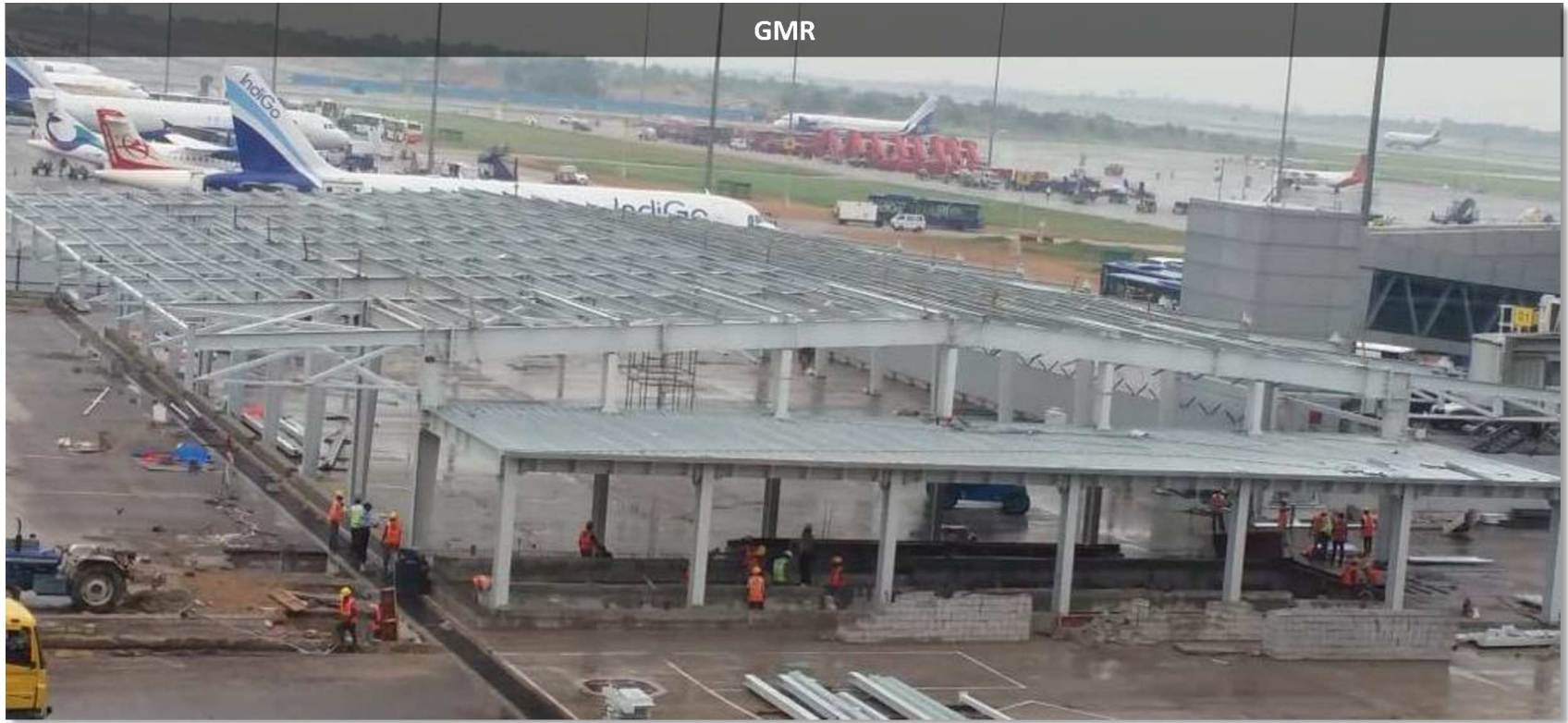
- Pre-engineered buildings generated gross revenues of Rs 1,387 Mn, delivering 25% YoY growth in Q2 FY19
- Solar MMS generated gross revenues of Rs 61 Mn in Q2 FY19
- Engineering Services generated Rs 64 Mn, delivering 46% YoY growth in Q2 FY19
- Robust order book at PEBS Pennar worth Rs 4,220 Mn backed by new order inflow worth Rs 614 Mn and repeat order inflow of Rs 625 Mn
- New customers added - Welspun India, Grasim Industries, Twenty One Sugars, Promea Therapeutics, RAIL – CII

Pennar Enviro:

- Sustained revenue growth backed by healthy project execution and consistent growth in order book
- Major New customers added - Mahindra World City (ORIGINS), Nirani Sugars, Tata Projects, Aarthi Steel, Parker Hannifin, NCL – Alltek and Secellor

Q2 FY19: Key Projects Under Execution (PEBS Pennar)





Hi-Rise Phoenix



Bosch



Q2 FY19: Key Projects Under Execution (Pennar Enviro)



Q2 & H1 FY19: Standalone Profit & Loss Statement

| Particulars (Rs. in Mn) | Q2 FY19 | Q2 FY18 | YoY% | H1 FY19 | H1 FY18 | YoY% | FY18 |
|--|--------------|--------------|----------------|--------------|--------------|----------------|---------------|
| Revenue From Operations (Net of Taxes) | 3,807 | 2,855 | 33.4% | 7,210 | 5,849 | 23.3% | 12,274 |
| Other Income | 39 | 11 | 246.8% | 58 | 17 | 242.9% | 60 |
| Total Income | 3,846 | 2,866 | 34.2% | 7,267 | 5,866 | 23.9% | 12,334 |
| COGS | 2,551 | 1,998 | 27.7% | 4,704 | 4,103 | 14.6% | 8,305 |
| Gross Profit | 1,295 | 869 | 49.1% | 2,564 | 1,763 | 45.4% | 4,029 |
| Gross Margin % | 33.7% | 30.3% | 336 bps | 35.3% | 30.1% | 521 bps | 32.7% |
| Employee Expenses | 229 | 167 | 37.7% | 464 | 336 | 38.2% | 711 |
| Other Expenses | 714 | 433 | 65.1% | 1,391 | 889 | 56.6% | 2,115 |
| EBITDA | 351 | 270 | 30.4% | 709 | 539 | 31.4% | 1,204 |
| EBITDA Margin % | 9.1% | 9.4% | -27 bps | 9.7% | 9.2% | 56 bps | 9.8% |
| Depreciation | 50 | 35 | 43.4% | 98 | 64 | 52.5% | 168 |
| Finance Cost | 141 | 101 | 39.5% | 260 | 191 | 36.4% | 434 |
| Exceptional Items | 0 | 0 | - | 0 | 0 | - | 213 |
| PBT | 160 | 133 | 20.1% | 351 | 285 | 23.3% | 815 |
| Taxes | 48 | 56 | -13.9% | 127 | 142 | -10.7% | 273 |
| PAT Before MI | 112 | 77 | 44.8% | 224 | 143 | 57.1% | 543 |
| PAT Margin % | 2.9% | 2.7% | 21 bps | 3.1% | 2.4% | 65 bps | 4.4% |