



PENNAR INDUSTRIES LIMITED
Q4 & FY21 RESULT PRESENTATION

June 2021



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Discussion Summary

- ❖ **Results Update**
- ❖ Company Overview

Q4 & FY21: Consolidated Profit & Loss Statement



| Particulars (Rs. in Mn) | Q4 FY21 | Q4 FY20 | YoY% | FY21 | FY20 | YoY% |
|--|--------------|--------------|-----------------|---------------|---------------|-----------------|
| Revenue From Operations (Net of Taxes) | 5,568 | 4,514 | 23.4% | 15,254 | 21,066 | -27.6% |
| Other Income | 90 | 46 | 96.3% | 187 | 203 | -8.0% |
| Total Income | 5,658 | 4,560 | 24.1% | 15,440 | 21,268 | -27.4% |
| COGS | 3,407 | 2,651 | 28.5% | 9,199 | 12,578 | -26.9% |
| Gross Profit | 2,251 | 1,909 | 17.9% | 6,241 | 8,690 | -28.2% |
| Gross Margin % | 39.8% | 41.9% | -209 bps | 40.4% | 40.9% | -44 bps |
| Employee Expenses | 334 | 313 | 6.8% | 1,364 | 1,618 | -15.7% |
| Other Expenses | 1,371 | 1,287 | 6.5% | 3,762 | 5,178 | -27.3% |
| EBITDA | 546 | 310 | 76.4% | 1,115 | 1,894 | -41.1% |
| EBITDA Margin % | 9.7% | 6.79% | 286 bps | 7.2% | 8.9% | -168 bps |
| Depreciation | 118 | 115 | 2.3% | 482 | 428 | 12.5% |
| Finance Cost | 181 | 183 | -1.0% | 797 | 835 | -4.5% |
| Exceptional item | 200 | - | 100.0% | 200 | 0 | 100.0% |
| PBT | 447 | 11 | 3818.4% | 36 | 631 | -94.2% |
| Tax expense | 111 | 2 | 6061.1% | 8 | 97 | -91.7% |
| PAT Before MI | 336 | 10 | 3397.9% | 28 | 534 | -94.7% |
| PAT Margin % | 5.9% | 0.2% | 572 bps | 0.2% | 2.5% | -233 bps |

Q4 & FY20: Consolidated Balance Sheet Statement



| Particulars (Rs. in Mn) | FY21 | FY20 |
|---------------------------------------|---------------|---------------|
| Equity & Liabilities | | |
| Equity Share Capital | 711 | 726 |
| Other Equity | 6,248 | 6,277 |
| Shareholder's Equity | 6,958 | 7,003 |
| Non Controlling Interest | 9 | 6 |
| Total Equity | 6,967 | 7,009 |
| Non-Current Liabilities | | |
| Borrowings | 1,128 | 1,023 |
| Lease liability | 267 | 329 |
| Other Financial Liabilities | 99 | 92 |
| Provisions | 117 | 106 |
| Deferred Tax Liabilities (net) | 153 | 187 |
| Other Non-Current Liabilities | 16 | 28 |
| Total Non-Current Liabilities | 1,779 | 1,766 |
| Current Liabilities | | |
| Borrowings | 4,195 | 2,976 |
| Trade Payables | 4,427 | 4,789 |
| Lease liability | 63 | 39 |
| Other Financial Liabilities | 827 | 764 |
| Provisions | 64 | 60 |
| Income Tax Liabilities | 97 | 328 |
| Other Current Liabilities | 505 | 804 |
| Total Current Liabilities | 10,179 | 9,759 |
| Total Equity & Liabilities | 18,925 | 18,534 |

| Particulars (Rs. in Mn) | FY21 | FY20 |
|---------------------------------|---------------|---------------|
| Property, Plant And Equipment | 5,549 | 5,729 |
| Right use of asset | 315 | 353 |
| Capital Work-in-progress | 612 | 334 |
| Goodwill | 32 | 32 |
| Other Intangible Assets | 132 | 143 |
| Financial Assets | | |
| Investments | 0.2 | 0.2 |
| Trade Receivables | 175 | 411 |
| Other Financial Assets | 105 | 103 |
| Income Tax Assets (Net) | 33 | 282 |
| Other Non-current Assets | 121 | 148 |
| Total Non-Current Assets | 7,075 | 7,536 |
| Current Assets | | |
| Inventories | 4866 | 4398 |
| Investments | 176 | 451 |
| Trade Receivables | 4270 | 3961 |
| Cash And Cash Equivalents | 335 | 390 |
| Other Balances With Banks | 218 | 202 |
| Loans | 79 | 216 |
| Other Financial Assets | 589 | 484 |
| Other Current Assets | 1317 | 896 |
| Total Current Assets | 11,850 | 10,998 |
| Total Assets | 18,925 | 18,534 |

Key Business Updates



- **Robust order book position as on 31st March 2021**

- PEBS Division - Rs. 3,690Mn
- Enviro Division- Rs. 590Mn
- Railways division – Rs. 1,650Mn

- The Company sold a freehold land situated at Bandalguda, Hyderabad. Upon sale, resultant profit of ₹ 1,996 lakhs has been disclosed as an exceptional item for the quarter and year ended March 31, 2021.
- Ascent Buildings LLC wholly owned subsidiary of the Company Pennar Global INC, USA to invest additional 4.3 Million USD for setting up PEB plant in USA.

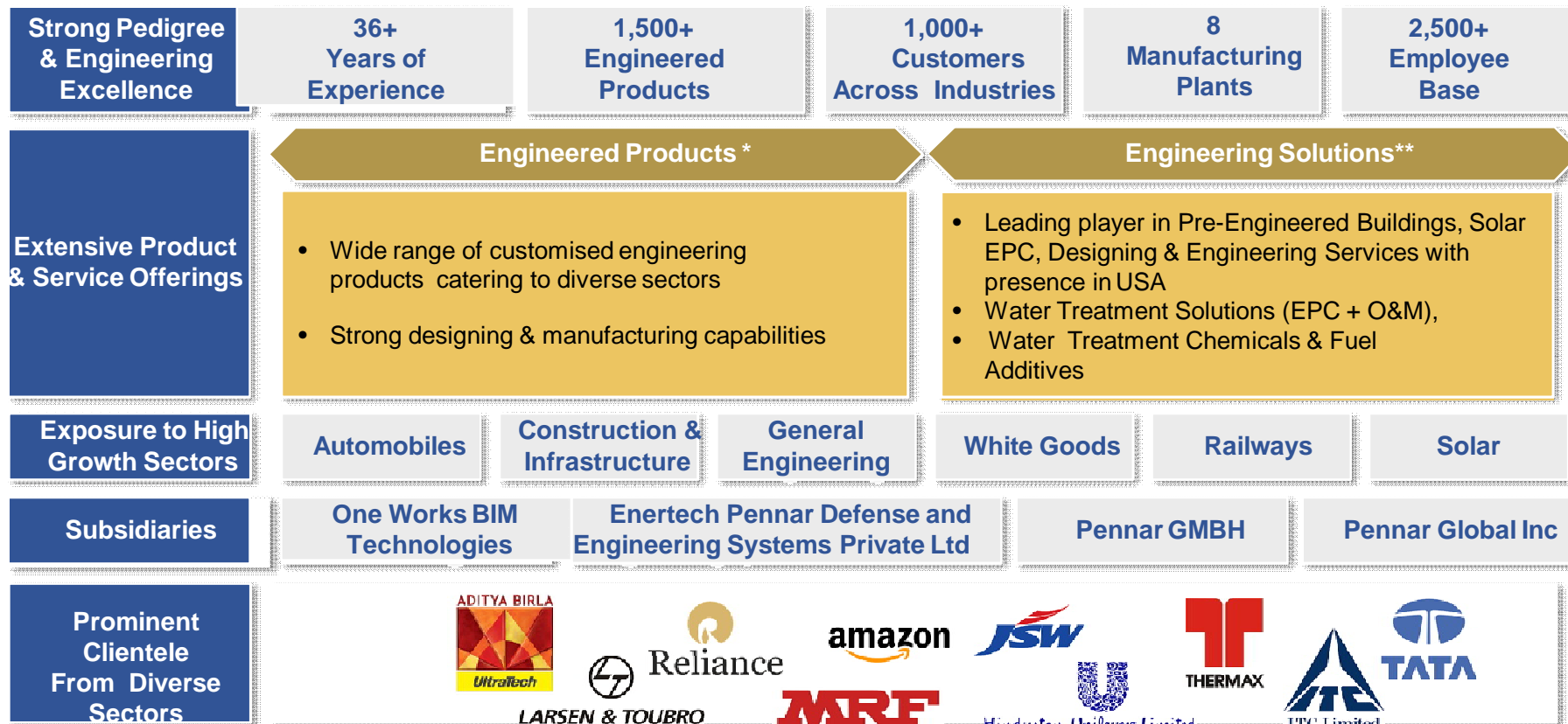
Discussion Summary

- ❖ Results Update
- ❖ **Company Overview**

Diversified Engineering Company With End-To-End Capabilities



Wide Spectrum of Engineered Products & Customised Turnkey Engineering Solutions Across Diverse Industries



Note: * includes Steel Products BU, Tubes BU, Industrial Components BU, Railways BU, ** includes PEBS Pennar, Pennar Enviro, Pennar Global subsidiaries

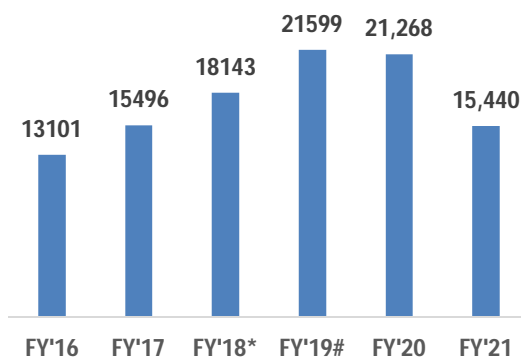
Strong Track Record: Consistent Growth & Improving Profitability



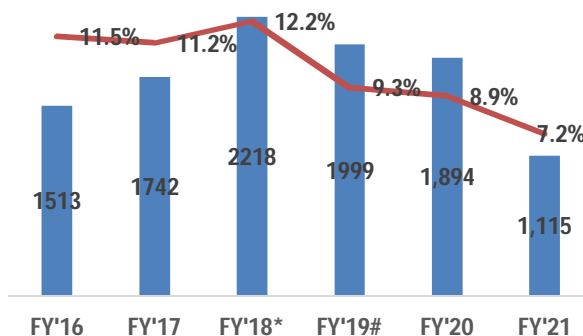
In Rs Mn

FY15-16 Figures are as per the I-GAAP, FY17-21 Figures are as per IND-AS

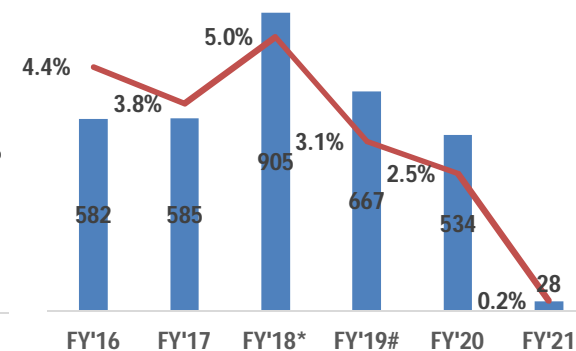
Total Revenues



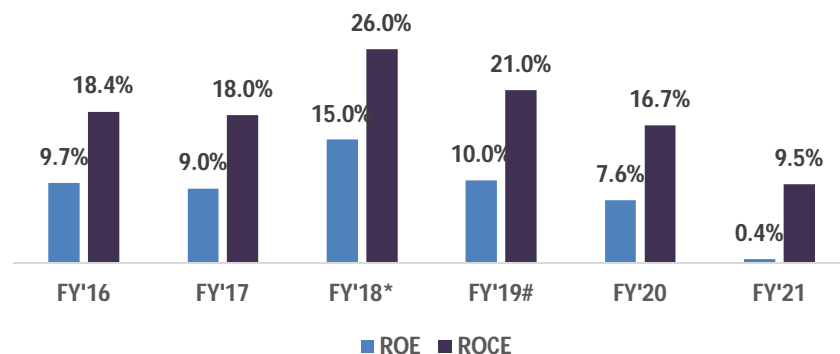
EBITDA & EBITDA Margin



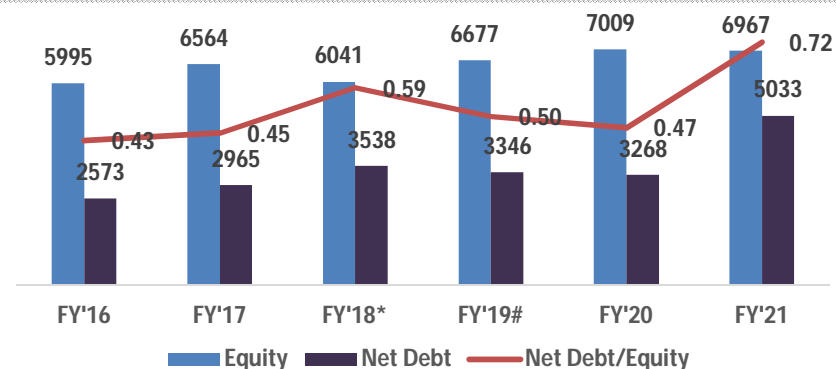
PAT Before MI & PAT Margin



Return Ratios

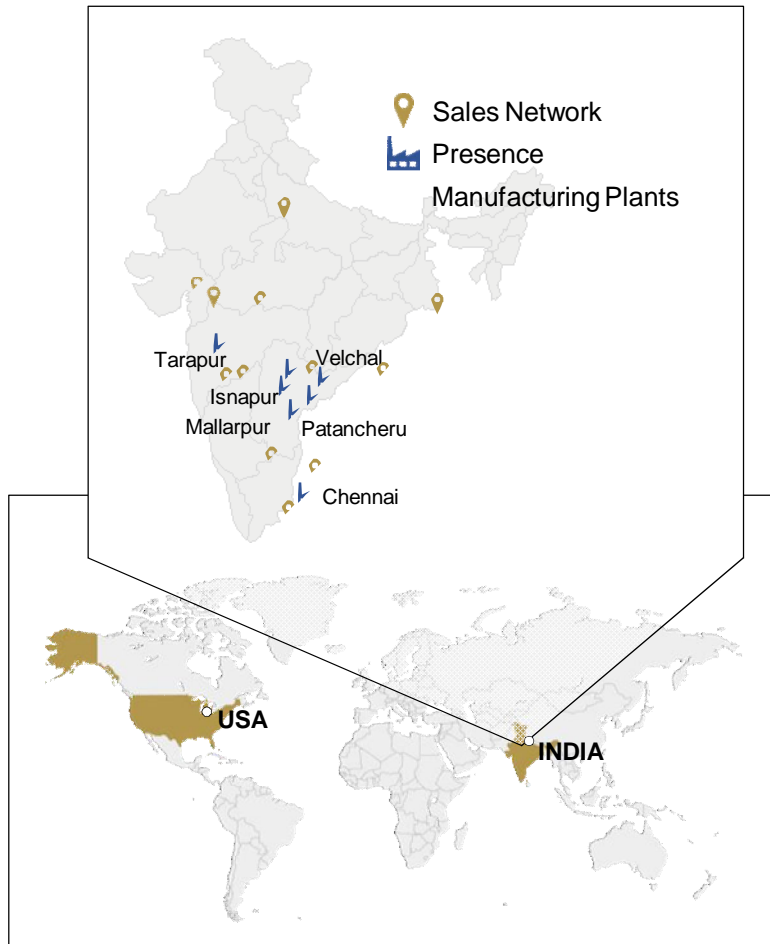


Leverage Analysis



* adjusted to exclude exceptional and non-recurring items # Post Merger ROE = PAT / Avg. (Equity + MI), ROCE = EBIT / Avg. Capital Employed (Total Debt + Equity + MI)

Robust Manufacturing Facilities & Strong Sales Network



| Location | Products |
|--------------------------------------|---|
| Patancheru, Andhra Pradesh | Press Components, Profiles, ESP / Building Products, Sheet Piles / Solar, Railway Components, CRSS, Fabrication |
| Chennai, Tamil Nadu | Coaches, Auto Profiles, Components / Hydraulics, Building Products, Body in white goods |
| Isnapur, Andhra Pradesh | CRSS, ERW / CDW Tubes, Profiles, Solar |
| Velchal, Telangana | Strip Galvanizing, Hot Dip Galvanizing, Pre engineered building systems |
| Tarapur, Maharashtra | Solar, Building Products, Auto Profiles, ESP |
| Sadashivpet, Telangana | Pre-Engineered Building Systems, Steel structures and Photo voltaic Module |
| Mallapur, Hyderabad | Fuel Additives, Water Treatment Chemicals & Solutions |

Board of Directors



| Name | Designation |
|-----------------|----------------------------------|
| Nrupender Rao | Executive Chairman |
| Aditya N. Rao | Vice Chairman, Managing Director |
| K Lavanya Kumar | Executive Director |

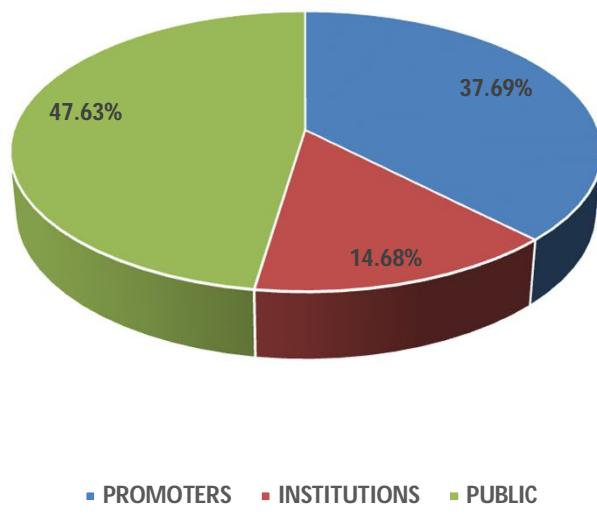
| Name | Designation | Description |
|--------------------------------------|---|---|
| P. V. Rao | Non-Executive Director | <ul style="list-style-type: none"> •Served as Ex Joint Managing Director of Pennar Industries Ltd. |
| Eric James Brown | Non-Executive Director | <ul style="list-style-type: none"> •President and CEO of Pennar Global, Inc. •30+ years of experience |
| Ravi Venkata Siva Ramakrishna | Additional Non-Executive Independent Director | <ul style="list-style-type: none"> •Appointed as the Managing Director of the Company in June 1999 and as Group President (APAC & MEA) i.e. Signode India, China, MEA, Japan, Korea and ASEAN in 2011. He retired from service on December 31st 2020 •Graduate in Engineering in Chemical Technology from Birla Institute of Technology and Science, Pilani |
| Chandrasekhar Sripada | Non-Executive Independent Director | <ul style="list-style-type: none"> •40+ years corporate career in HRM across Public, Private and Multi-National Companies •MBA, MA & PhD |
| B Kamalaker Rao | Non-Executive Independent Director | <ul style="list-style-type: none"> •Serving as Director on Boards of several Government and Public Sector Undertakings •Distinguished member of the AP Legislative Council and a Senior Spokesperson for his political party |
| Manish Sabharwal | Non-Executive Independent Director | <ul style="list-style-type: none"> •Member of the Prime Ministers Council on Skill Development and has served on the Planning Commission steering committee on labour and employment for the Eleventh five year plan (2007-12) •He is a member of the CII core group on labour reforms |
| Varun Chawla | Non-Executive Independent Director | <ul style="list-style-type: none"> •9+ years of Investment Banking experience •He was one of the founders of myguesthouse.com, acquired by Make My Trip. |
| Bharati Jacob | Non-Executive Independent Director | <ul style="list-style-type: none"> •Extensive experience in venture investing, marketing and financial services. •Masters degrees from The Wharton School of University Pennsylvania and XLRI Jamshedpur |

Independent Directors

Shareholding Structure



Shareholding Pattern – As on 31st March 2021



Source: BSE

Key Shareholders – As on 31st March 2021

FPI

| | |
|---------------------------------------|-------|
| Saif India IV FI Holdings Limited | 7.96% |
| Franklin India Smaller Companies Fund | 5.62% |



Thanking You



Sunil Kuram
Vice President
Email ID: sunil.kuram@pennarindia.com