



## PENNAR INDUSTRIES LIMITED

Dated: 10<sup>th</sup> February, 2017

Place: Hyderabad

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400 001 K.A.: Ms Ishwari Vaidya	The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East Mumbai - 400 051 K.A.: Ms. Snehal	Metropolitan Stock Exchange Limited Exchange Square, CTS No.255 Suren Road, Andheri (East) Mumbai - 400 093 K.A.: Mr.Raviraj Nirbhawane
---	--	--

Dear Sir/Madam,

Sub : Investor Presentation Q3FY2017 - Reg.

BSE Scrip code: 513228 / NSE Symbol: PENIND / MCX Symbol: PENIND

Dear Sir/Madam,

With reference to the subject cited above, we hereby submit the presentation for Q3 FY2017 and the same will also be uploaded in the website of the company viz., [www.pennarindia.com](http://www.pennarindia.com).

Kindly take the same on your records.

Thanking you

Yours faithfully,

for Pennar Industries Limited

**Mirza Mohammed Ali Baig**  
Company Secretary & Compliance Officer  
ACS No. 29058



Manufacturers of Cold Roll Formed Sections, Cold Rolled Steel Strips, Metal Crash Barriers, Industrial Components, ERW and Precision Tubes, Solar Mounting Structures & Hydraulic Cylinders

Corp.Office & Works: IDA, Patancheru – 502 319, Medak District, Telangana State, INDIA

Tel: +91 8455 242184 to 242193, Fax: +91 8455 242424 / 242161, E-mail: [pilhyd@bsnl.in](mailto:pilhyd@bsnl.in), Website: [www.pennarindia.com](http://www.pennarindia.com)

Regd.Office: 3<sup>rd</sup> Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad – 500 084.

Tel: +91 40 4006 1621 to 24, Fax: +91 40 4006 1618

CIN No: L27109AP1975PLC001919

# Pennar Industries Limited



## Investor Presentation Q3FY17



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.*





# Q3FY17 Snapshot



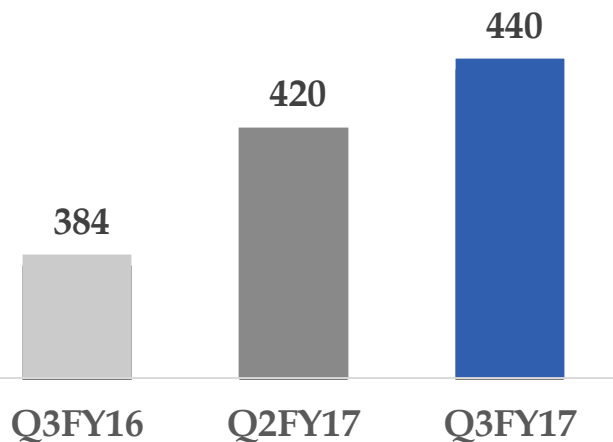
# Financial Performance – Q3FY17



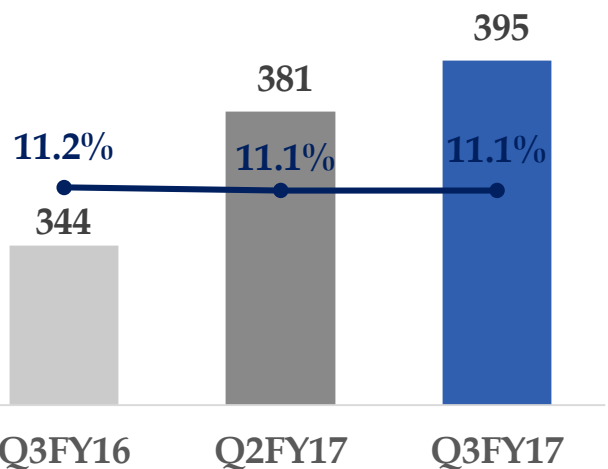
*In Rs crs*

Consolidated Performance

## Gross Revenues

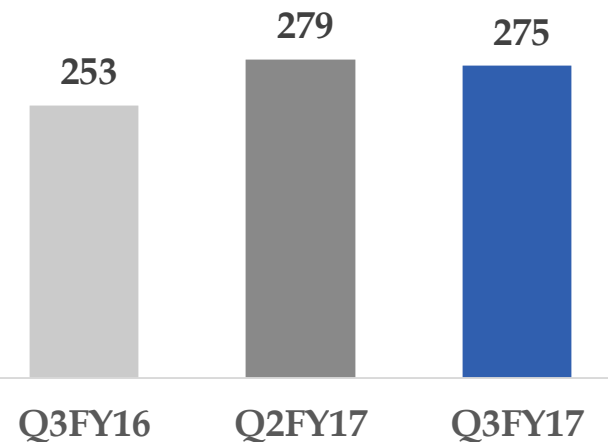


## Net Revenue & EBITDA %

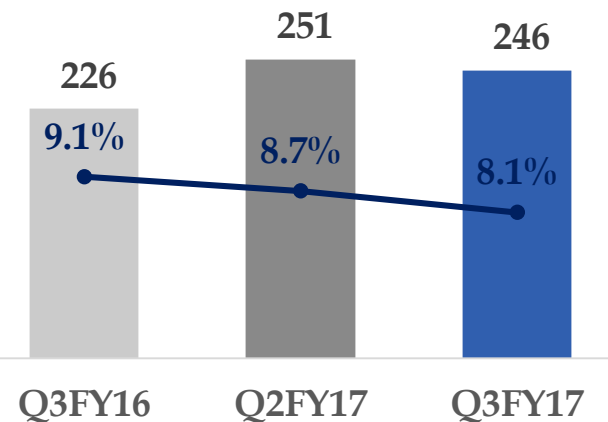


Standalone Performance

## Gross Revenues



## Net Revenue & EBITDA %



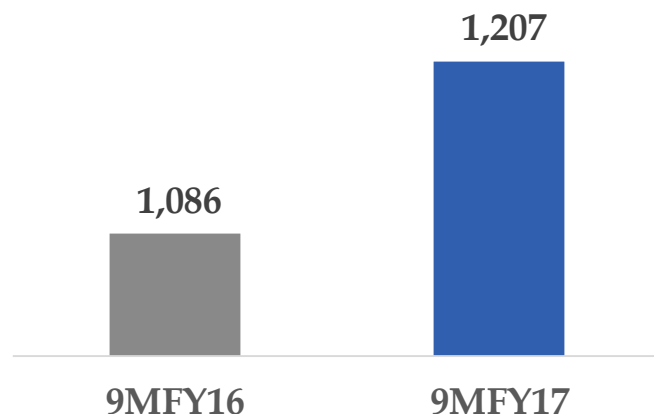
# Financial Performance – 9MFY17



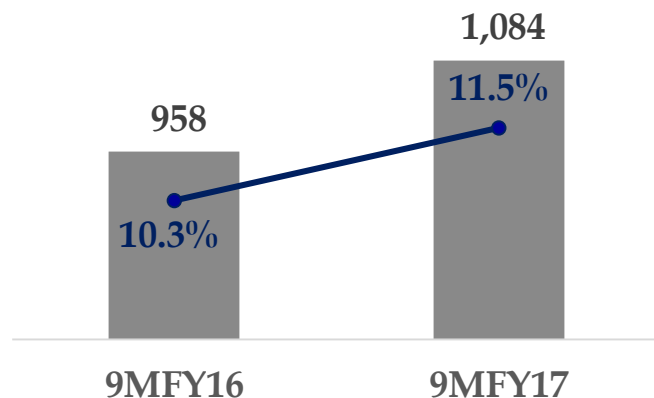
*In Rs crs*

Consolidated Performance

## Gross Revenues

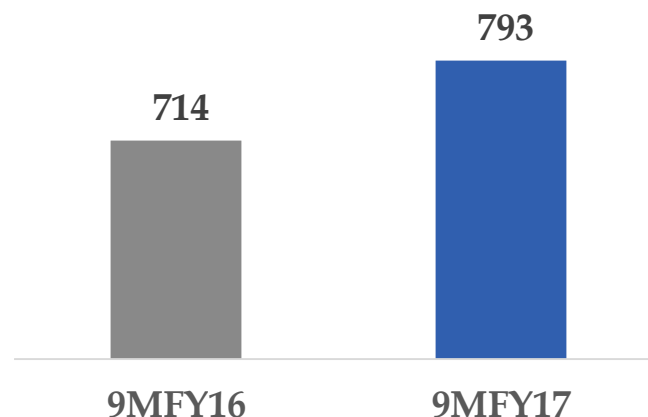


## Net Revenue & EBITDA %

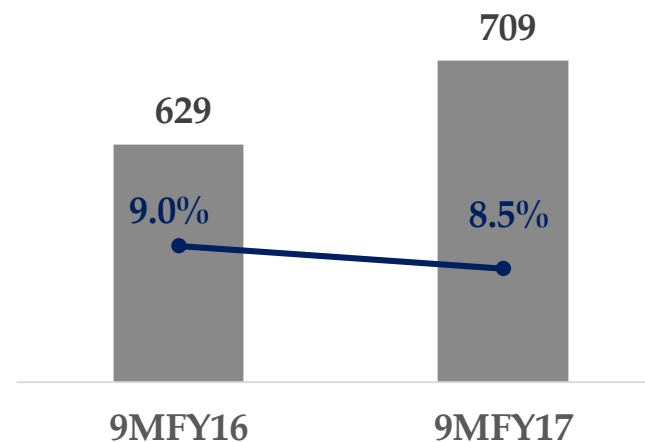


Standalone Performance

## Gross Revenues



## Net Revenue & EBITDA %

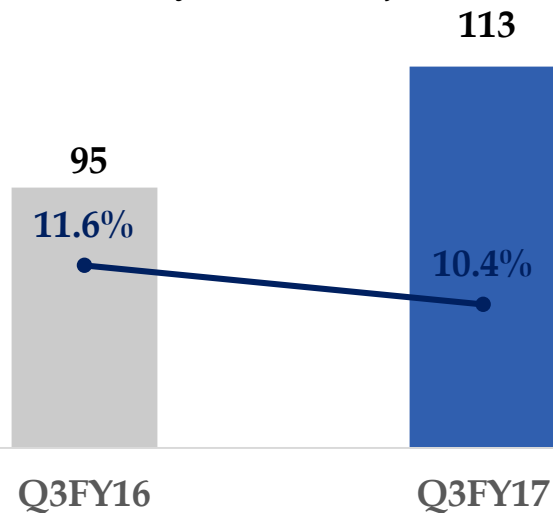


# Segment Performance – Q3FY17

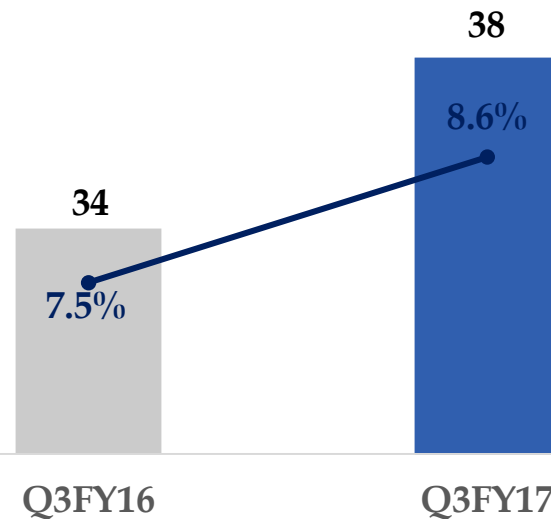


Net Revenues (Rs crs) & EBITDA Margin %

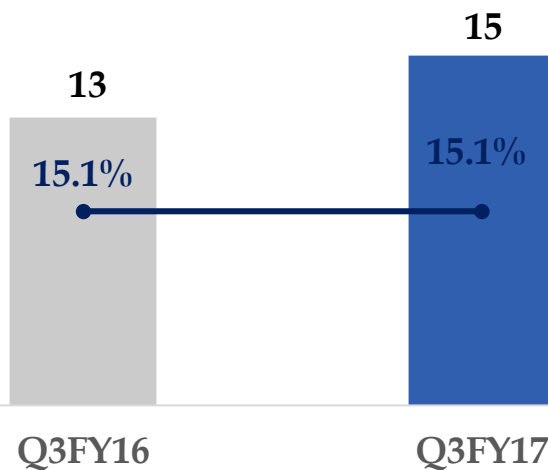
## Systems & Projects



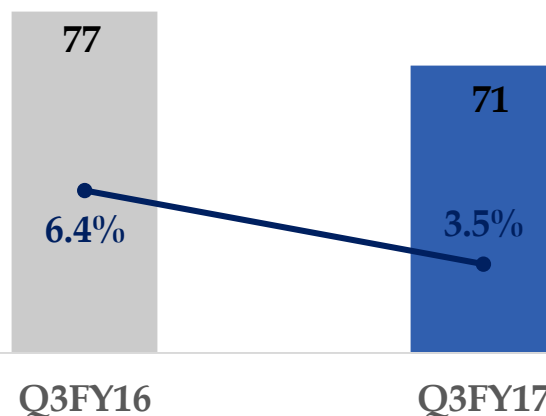
## Tubes



## Industrial Components

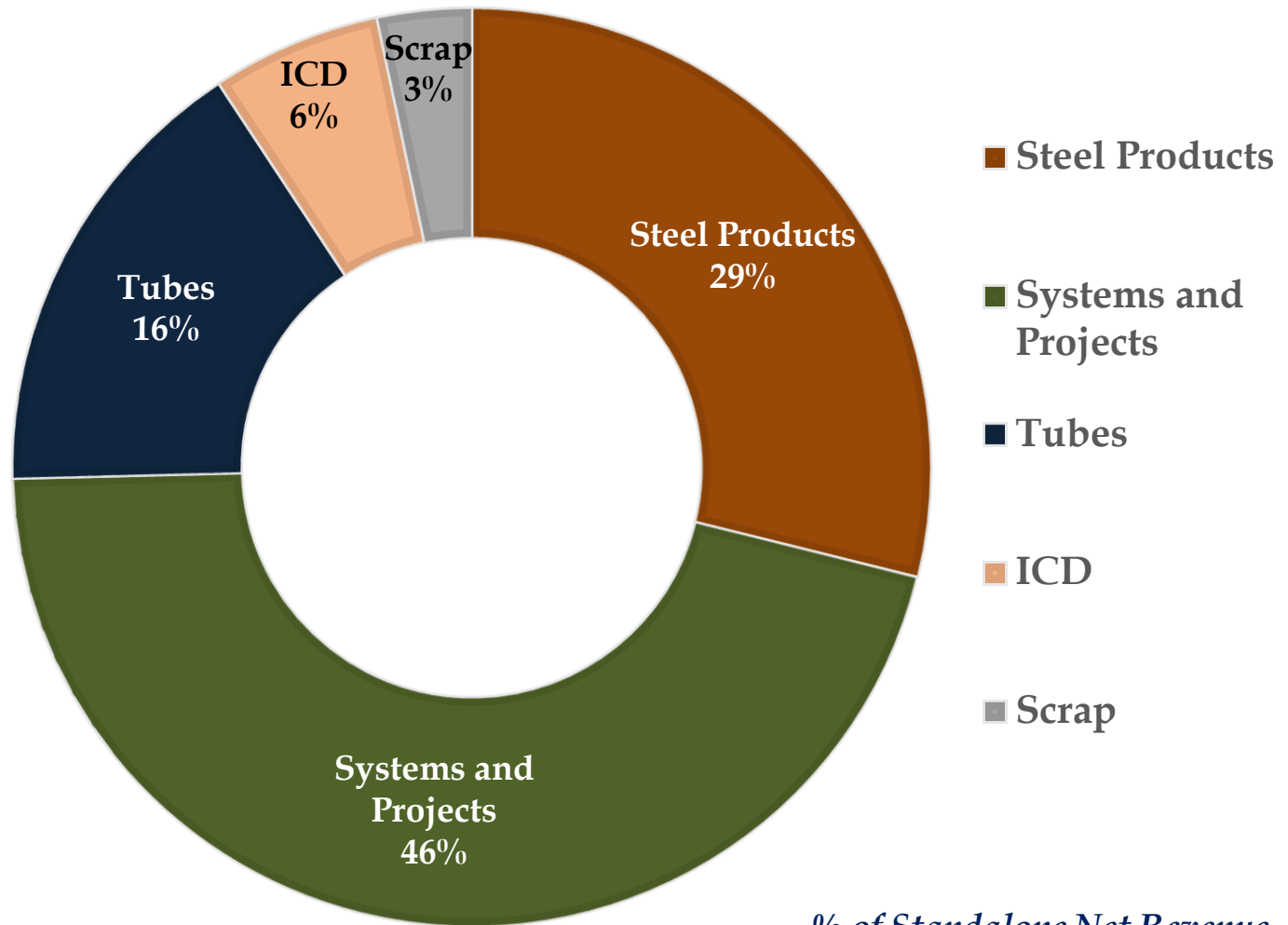


## Steel Products



# Evolving Business Mix (1/2)

As of 31<sup>st</sup> December, 2016



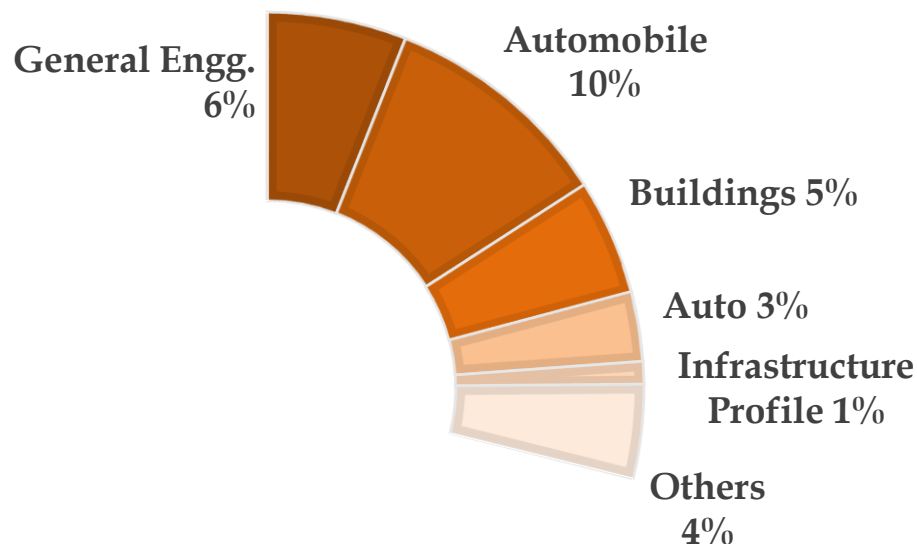


# Evolving Business Mix (2/2)

## Tubes (16%)



## Steel Products (29%)



## Systems and Projects (46%)



*% of Standalone Net Revenue*



# Segment Highlights



# Segment-wise Business Review

## Systems and Projects

Q3FY17 Sales at  
**INR 113.4**  
crores

Q3FY17 Sales,  
**up 19.7%**  
YoY

Railways - 26  
Total  
Customers

### Railways - Business Highlights

- First ever order received for manufacturing and supply of CBC Headstock from Integral Coach Factory, Chennai.
- Orders received from ICF for various coach applications.

### New Products

- CBC Headstock and Modular Toilet to ICF, Chennai.

### Major Customers

- Integral Coach Factory, Modern Coach Factory, Texmaco Rail & Engineering Ltd, Hindustan Engineering India Ltd, Cimmco Ltd, BEML Ltd

### Repeat Orders

- Stainless Steel Sidewall and Roof Assemblies, CRF and Fabrication Items of Mild Steel and Stainless Steel, CRF Sections for Wagons and Metro Coaches.

### Solar - Orders Received from

- M/s Sterling & Wilson, M/s Mytrah Energy, M/s L&T – Emami Project, M/s Tata International.
- ~15 Solar Customers that include Sterling & Wilson, L&T, Mahindra Susten, Nuevosol, Tata Power India Ltd.





# Segment-wise Business Review

## Tubes

Q3FY17 Sales at  
**INR 38.4  
crores**

**255+**  
customers  
(Domestic +  
Export)

**5 New  
customers**

### Business Highlights

- Revenue growth YoY despite reduced demand from Auto customers in December due to year-end and demonetisation effects.

### Major Customers

- Auto, Power, General Engineering, Textile, Earth Moving Equipment industries. VECV, Mahindra, Gabriel, Endurance, Royal Enfield, Magna Closures, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco, Tata Vendors, among others.
- Majority orders are from OEAs in the form of monthly schedule.

### New Customers Added

- Europe - Shell & Flack Germany & CIE Automotive Spain.
- Domestic - Vijayanagara Sugars, Bridge Stone, Forbes Marshal.



# Segment-wise Business Review

## Industrial components

22% Revenue growth YoY

5 New Active projects

4 New Customers

### Business Highlights

- Demonetisation impact has pulled down the growth from two wheelers.
- Bailey business on a swing with standard and new customised cylinder business coming in.
- Bailey International sales increased substantially; expansion in Wabco business; increase in Yamaha business growth. Marginal growth in Endurance business also due to new additions.

### Product / Market Expansion

- 4 new customers added in the product space of Yoke, Rollers, Stamped parts, Water heater covers and Coupler bars.
- Good potential for export business, being explored on various fronts.
- Several RFQ opportunities with success of Bailey.





# Segment-wise Business Review

## Steel Products

Q3FY17 Sales at  
**INR 71.4  
crores**

Customers  
**CRFS: 75  
CRSS: 100+**

**3 New  
Grades  
added**

### CRFS Orders

- Orders in Buildings from Tata Projects - Darlipalli, Megha Engg, Rathi Iron & Steel, SMR Construction.
- Export Order in ESP from Valmet Chennai Pvt Ltd.
- Repeat Orders from GE Power, Hammon, Thermax.

### CRSS Orders

- Monthly schedule from Toshiba, IFB Industries, LGB, Luk India.
- For Special Grade Material

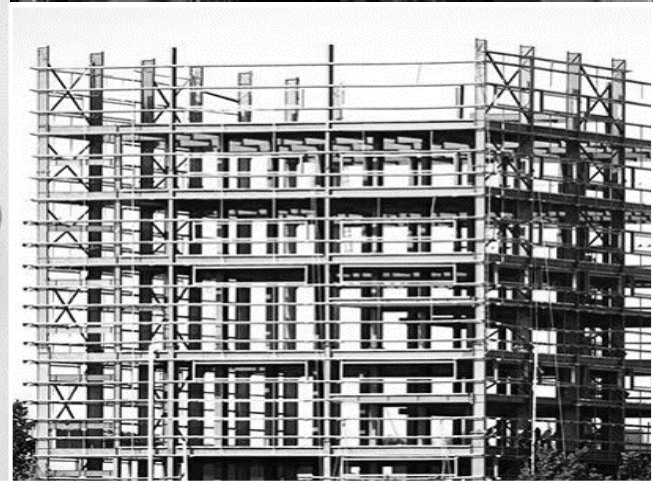
### New Customers

- CRSS – Presscom, Sarthak Metals, Rieter LMW.
- CRFS –Valmet Chennai, Industrial (India) Enterprises, Rathi Iron & Steel, SMR Construction, Indmark Formtech, RDS Project , Bholenath Enterprises, Shri Shiridi Sai Electricals.





# Subsidiary Highlights



# Group Subsidiaries



## Pennar Industries Limited

Market Cap as of 31<sup>st</sup> December, 2016 – INR 493.4 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





# Subsidiary Highlights

## Pennar Enviro

4  
New  
Customers

Paper  
Chemical  
established for  
1<sup>st</sup> time

### New Customers

- Chemicals: STEAG Energy Services (India) Pvt. Ltd., Sree Rayalaseema Hi-Strength Hypo Ltd., MRF Limited – BIAS.
- Projects: Motherson Sumi

### Major Orders

- Chemicals: Utkal Alumina International Ltd., SMK Petrochemicals India Pvt. Ltd., Parry Sugar Refinery India Private Ltd.
- Projects: AGI Galspac, Motherson Sumi.

### New Product in Projects

- I-Save (Energy Recovery Equipment – Make: Danfosc) at Hetero site. This plant is currently under commissioning.
- 1st recycling plant in Hyderabad region from AGI Galspac.



# Subsidiary Highlights



**PEBS  
Pennar**

**Gross  
Sales of Rs  
156 crores**

**INR 410  
crores  
Order Book**

**Engineering  
Services  
scaled up well**

## New Orders

- Shahi Exports Private Ltd, Greenko Group, Hindusthan CoCa-Cola-Globej, Technico-Vithalapur in Gujarat

## Repeat Orders

- TATA Projects, TOYO engineering, Azure Power, RCC Infra, SG Pharma

## Business Highlights

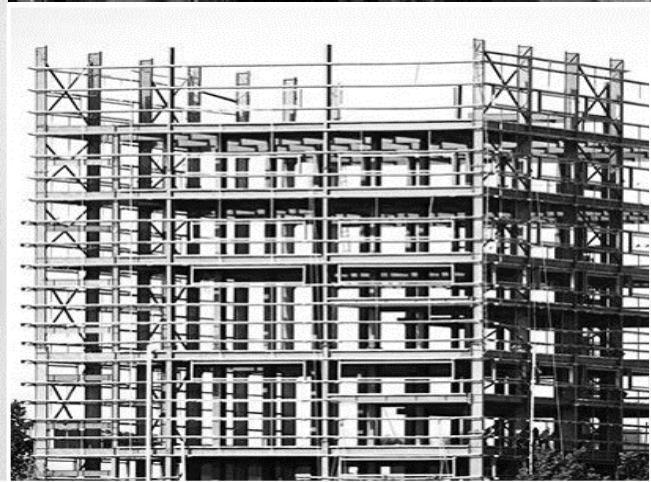
- Engineering Services Division improving revenues, increase in number of billable hours, adding new clients
- Initiated an asset-purchase and assignment agreement for acquiring the assets (customer orders, employee transfer) of a US entity. Awaiting approvals.
- Building engineering capabilities in newer products like Towers and High-Rise Buildings
- Exports – A big thrust area







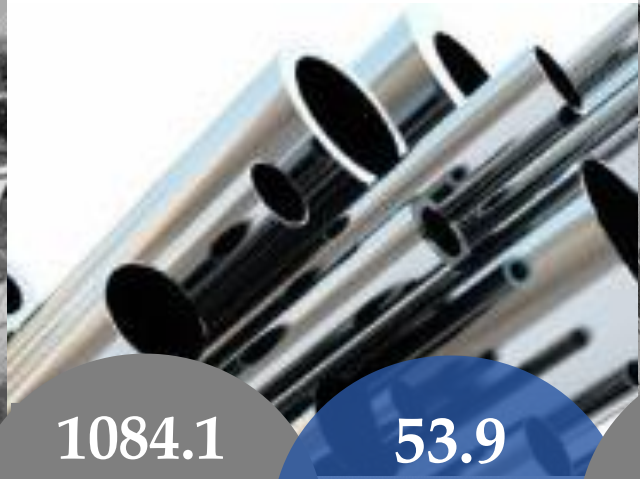
# The Pennar Group







**9MFY17**  
Performance



**1084.1**  
**Cr.**  
Net  
Revenue

**53.9**  
**Cr**  
Cash  
Profit



**11.5%**  
EBITDA  
Margin

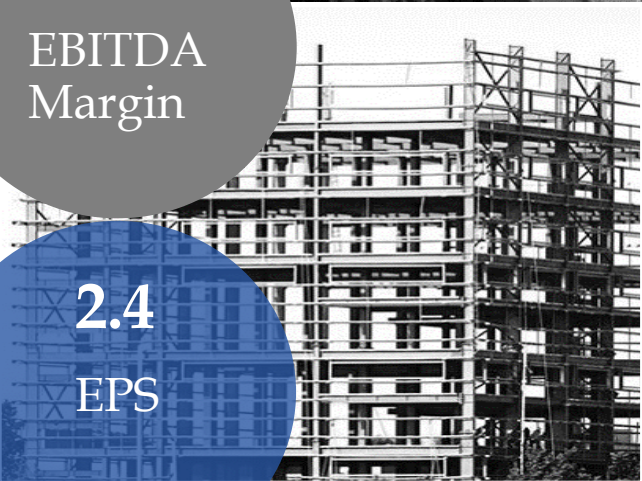


**124.4**  
**Cr.**  
EBITDA

**2.6%**  
PAT  
Margin

**28.6**  
**Cr.**  
PAT

**2.4**  
EPS





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

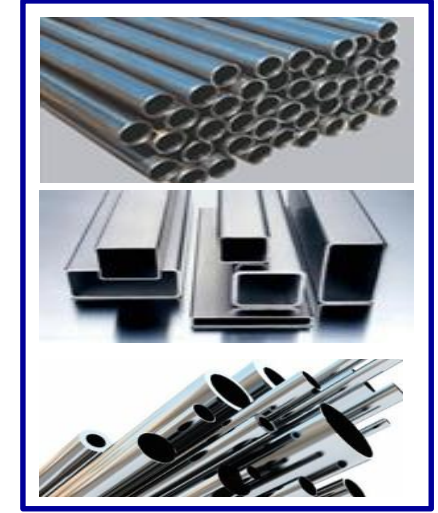
- Railway Coaches and Wagons
- Solar Mounting Structures

## Industrial Components

- Automobiles
- Industrial
- White Goods
- Hydraulics

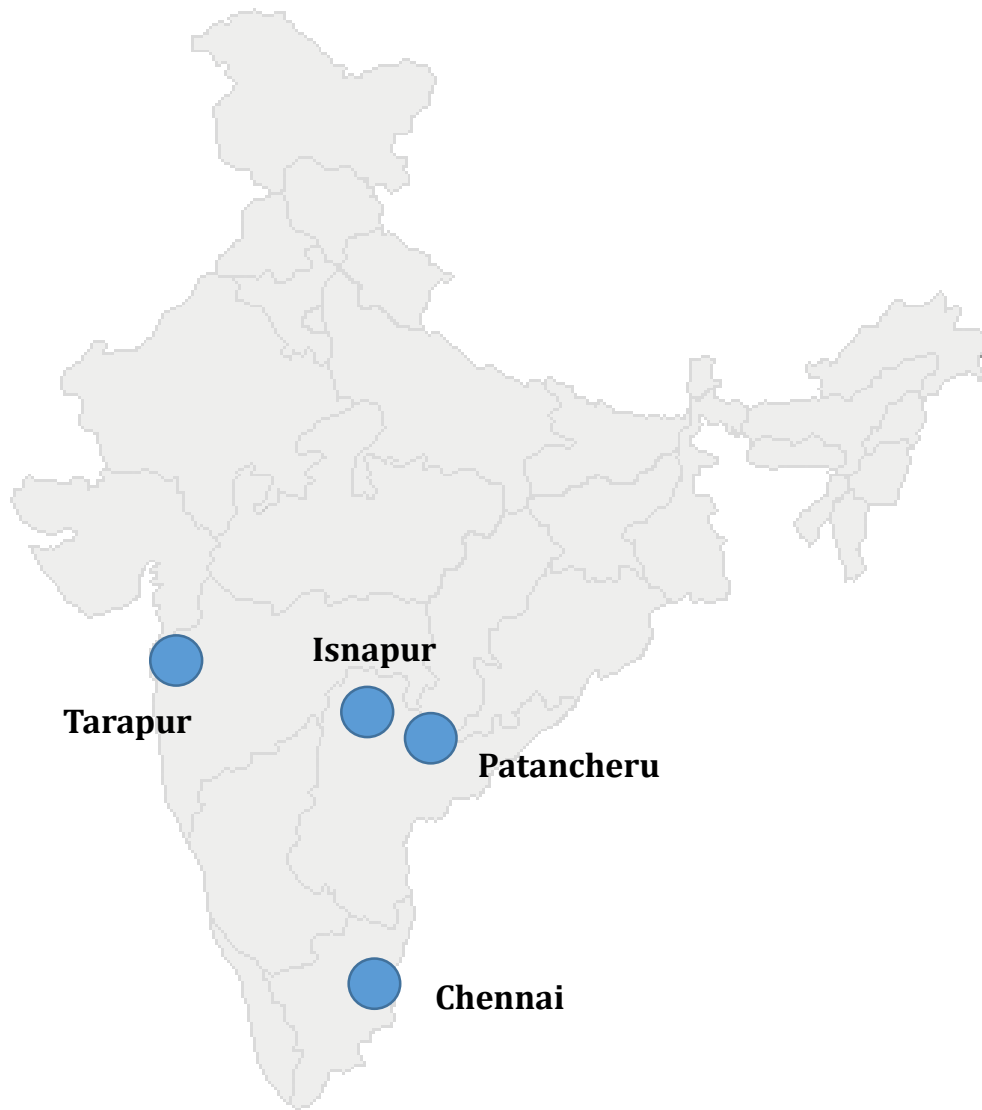
## Tubes

- Automobiles
- Power





# Distributed Manufacturing



## **Tarapur**

Solar, Building Products, Auto Profiles, ESP

## **Chennai**

Coaches, Auto Profiles, Components / Hydraulics, Building Products

## **Patancheru**

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

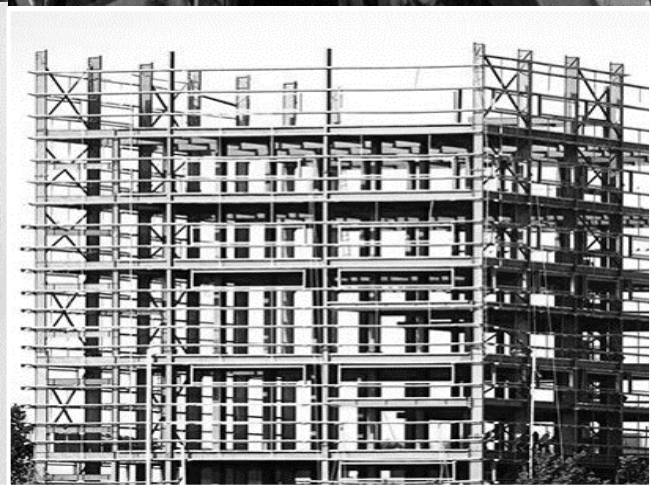
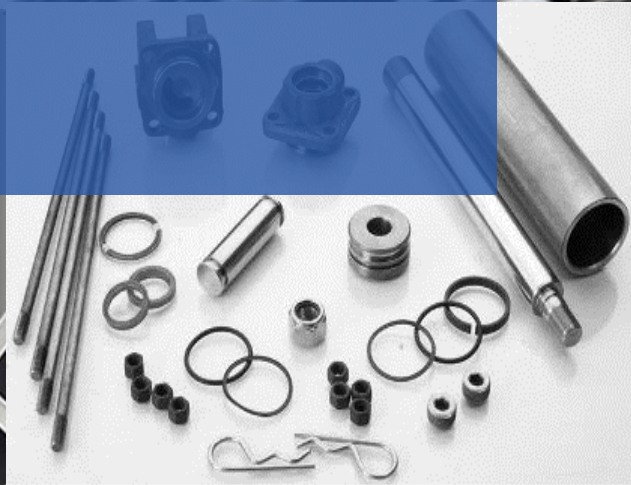
## **Isnapur**

CRSS, ERW / CDW Tubes, Profiles, Solar





# Projects





# Projects – Pennar Industries



**Railways - Front Part**



**Railways - Roof Assembly**



**Solar Module Mounting Structure**



**Solar Module Mounting Structure**

# Projects – Pennar Enviro





# Projects - PEBS



Amazon (Hyderabad)



Asian Sealing



Reliance (Madhyamgram)



Kannur Airport



High Rise buildings



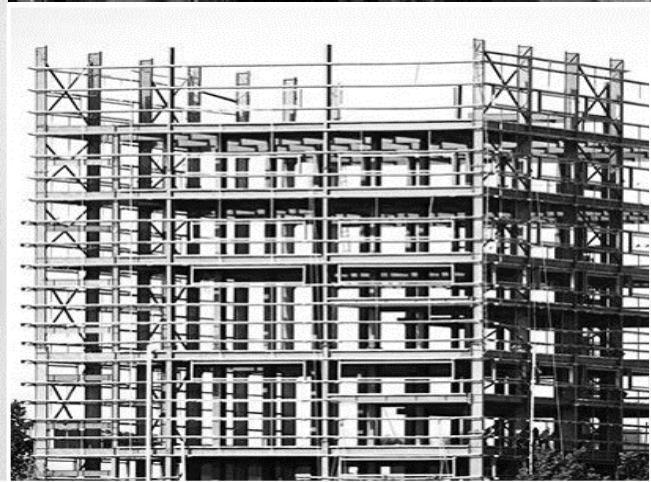
Export Projects  
- Bahari Oils







# 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 –  
[corporatecommunications@pennarinda.com](mailto:corporatecommunications@pennarinda.com)

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

