

PENNAR INDUSTRIES LIMITED  
Q3 & 9M FY21 RESULT PRESENTATION  
February 2021



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# Discussion Summary

- ❖ **Q3 & 9M FY21 Highlights**
- ❖ Company Overview

# Q3 & 9M FY21: Consolidated Profit & Loss Statement



Particulars (Rs. in Mn)	Q3 FY21	Q3 FY20	YoY%	9M FY21	9M FY20	YoY%
Revenue From Operations (Net of Taxes)	4,119	5,374	-23%	9,685	16,552	-41.5%
Other Income	47	35	31%	97	157	-38.4%
<b>Total Income</b>	<b>4,166</b>	<b>5,409</b>	<b>-23%</b>	<b>9,782</b>	<b>16,709</b>	<b>-41.5%</b>
COGS	2,477	3,227	-23%	5,792	9,928	-41.7%
<b>Gross Profit</b>	<b>1,689</b>	<b>2,182</b>	<b>-23%</b>	<b>3,990</b>	<b>6,781</b>	<b>-41.2%</b>
<b>Gross Margin %</b>	<b>40.5%</b>	<b>40.3%</b>	<b>21 bps</b>	<b>40.8%</b>	<b>40.6%</b>	<b>21 bps</b>
Employee Expenses	376	454	-17%	1,030	1,306	-21.1%
Other Expenses	938	1,227	-24%	2,391	3,891	-38.5%
<b>EBITDA</b>	<b>375</b>	<b>501</b>	<b>-25%</b>	<b>569</b>	<b>1,584</b>	<b>-64.1%</b>
<b>EBITDA Margin %</b>	<b>9.0%</b>	<b>9.3%</b>	<b>-26 bps</b>	<b>5.8%</b>	<b>9.5%</b>	<b>-366 bps</b>
Depreciation	121	114	7%	364	313	16.3%
Finance Cost	220	226	-3%	615	652	-5.5%
<b>PBT</b>	<b>34</b>	<b>162</b>	<b>-79%</b>	<b>-410</b>	<b>619</b>	<b>-166.2%</b>
Tax expense	7	39	-81%	-102	95	-207.4%
<b>PAT Before MI</b>	<b>27</b>	<b>123</b>	<b>-78%</b>	<b>-307</b>	<b>524</b>	<b>-158.7%</b>
<b>PAT Margin %</b>	<b>0.7%</b>	<b>2.3%</b>	<b>-163 bps</b>	<b>-3.1%</b>	<b>3.1%</b>	<b>-628 bps</b>

- **Robust order book position as on 1<sup>st</sup> February 2021**

- PEBS Division - Rs. 4,340Mn
- Enviro Division- Rs. 460Mn
- Railways division – Rs. 2,000Mn

- Setting up a Body in White(BIW) plant in Chennai to cater the automobile industry. The first phase of commercial production likely to start in the month of March'21
- Pennar Global Metals, a wholly owned subsidiary of Pennar Global Inc has increased its market share in distribution of tubes and other products in US.
- Ascent Buildings LLC, a wholly owned subsidiary of Pennar Global Inc. is setting up a manufacturing plant in the USA to manufacture and sell metal buildings and building components. Commercial production is expected to start in the first quarter of 2021-22.

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# Diversified Engineering Company With End-To-End Capabilities



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

<b>Strong Pedigree &amp; Engineering Excellence</b>	<b>35+ Years of Experience</b>	<b>1,500+ Engineered Products</b>	<b>1,000+ Customers Across Industries</b>	<b>8 Manufacturing Plants</b>	<b>2,500+ Employee Base</b>	
<b>Extensive Product &amp; Service Offerings</b>	<b>Engineered Products *</b>			<b>Engineering Solutions**</b>		
	<ul style="list-style-type: none"> <li>• Wide range of customised engineering products catering to diverse sectors</li> <li>• Strong designing &amp; manufacturing capabilities</li> </ul>			<ul style="list-style-type: none"> <li>• Leading player in Pre-Engineered Buildings, Solar EPC, Designing &amp; Engineering Services with presence in USA</li> <li>• Water Treatment Solutions (EPC + O&amp;M), Water Treatment Chemicals &amp; Fuel Additives</li> </ul>		
<b>Exposure to High Growth Sectors</b>	<b>Automobiles</b>	<b>Construction &amp; Infrastructure</b>	<b>General Engineering</b>	<b>White Goods</b>	<b>Railways</b>	<b>Solar</b>
<b>Subsidiaries</b>	<b>One Works BIM Technologies</b>		<b>Enertech Pennar Defense and Engineering Systems Private Limited</b>		<b>Pennar GMBH</b>	<b>Pennar Global Inc</b>
<b>Prominent Clientele From Diverse Sectors</b>						

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

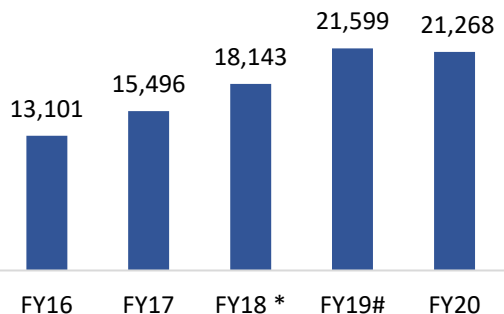


In Rs Mn

FY14-16 Figures are as per the I-GAAP, FY17-19 Figures are as per IND-AS

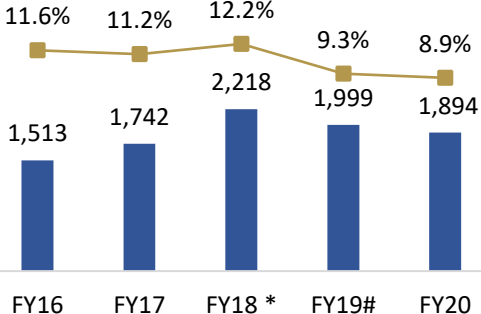
## Total Revenues

CAGR: 14.9%



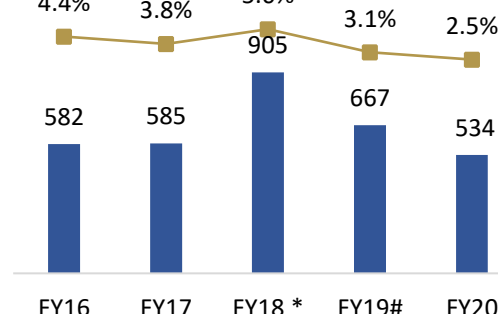
## EBITDA & EBITDA Margin

CAGR: 9.3%

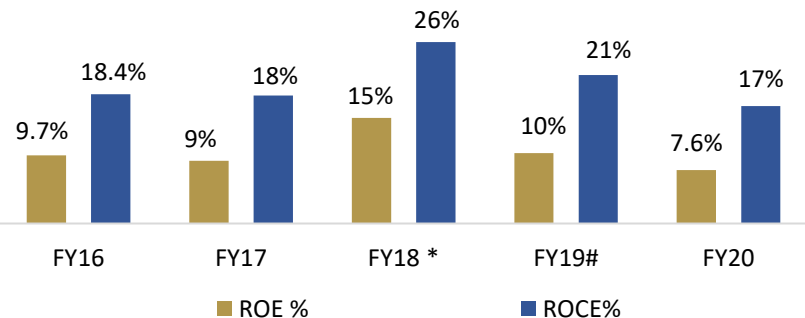


## PAT Before MI & PAT Margin

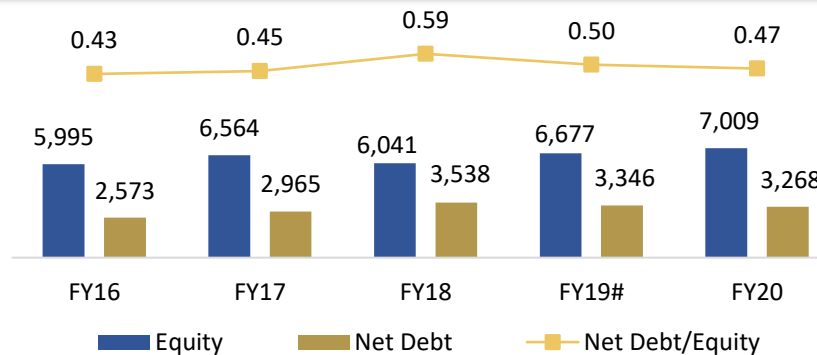
CAGR: 12%



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



**Nrupender Rao**  
Executive Chairman



**Aditya N. Rao**  
Vice Chairman,  
Managing Director



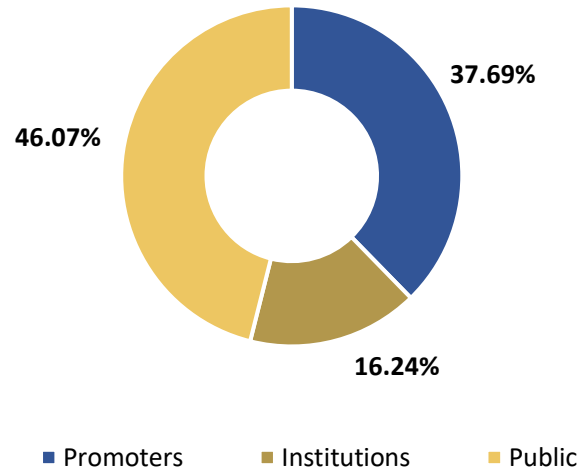
**P. V. Rao**  
Joint Managing  
Director



**K Lavanya Kumar**  
Executive Director

Name	Designation	Description
 <b>Eric James Brown</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>• President and CEO of Pennar Global, Inc.</li> <li>• 30+ years of experience</li> </ul>
 <b>Chandrasekhar Sripada</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• 40+ years corporate career in HRM across Public, Private and Multi-National Companies</li> <li>• MBA, MA &amp; PhD</li> </ul>
 <b>B Kamalaker Rao</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• Serving as Director on Boards of several Government and Public Sector Undertakings</li> <li>• Distinguished member of the AP Legislative Council and a Senior Spokesperson for his political party</li> </ul>
 <b>Manish Sabharwal</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• 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)</li> <li>• He is a member of the CII core group on labour reforms</li> </ul>
 <b>Varun Chawla</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• 9+ years of Investment Banking experience</li> <li>• He was one of the founders of myguesthouse.com, acquired by Make My Trip.</li> </ul>
 <b>Bharati Jacob</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• Extensive experience in venture investing, marketing and financial services.</li> <li>• Masters degrees from The Wharton School of University Pennsylvania and XLRI Jamshedpur</li> </ul>

## Shareholding Pattern – As on 31<sup>st</sup> December 2020



## Key Shareholders – As on 31<sup>st</sup> December 2020

### FPI

Saif India IV FI Holdings Limited	8.54%
Franklin India Smaller Companies Fund	5.97%

Source: BSE



*Pennar*

## Thanking You



*Pennar*

Sunil Kuram

Vice President

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