



PENNAR INDUSTRIES LIMITED

Q1 FY21 RESULT PRESENTATION

August 2020



This presentation and the accompanying slides (the “Presentation”) have been prepared by Pennar Industries Limited (“Pennar” or the “Company”) solely for information purposes and do not constitute an offer to sell or, recommendation or solicitation of an offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever.

The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the Presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.

You acknowledge and agree that the Company and/or its affiliated companies and/or their respective employees and/or agents have no responsibility or liability (express or implied) whatsoever and howsoever arising (including, without limitation for any claim, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this Presentation and neither the Company, its affiliated companies nor their respective employees or agents accepts any liability for any error, omission or misstatement, negligent or otherwise, in this Presentation and any liability in respect of the Presentation or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

Certain statements contained in this Presentation may be statements of the Company’s beliefs, plans and expectations about the future and other forward looking statements that are based on management’s current expectations or beliefs as well as a number of assumptions about the Company’s operations and factors beyond the Company’s control or third party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Forward looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward looking statements, which speak only as of the date of this Presentation.

Discussion Summary

- ❖ **Q1 FY21 Highlights**
- ❖ Results Update
- ❖ Company Overview

- Consequent to the outbreak of the COVID-19 pandemic and the lockdown/curfew introduced by the Central and State Governments, the operations in the Company's Manufacturing facilities along with corporate offices and retail operations were fully shut down or were disrupted from 23rd March 2020 onwards and continued through the mid of May 2020.
- With the easing in the lockdown/curfew and the Governments permitting operations to be resumed with necessary permission from the local authorities, the Company has resumed operations from Mid of May 2020 onwards, in a partial manner.
- There is minimum disruption in the supply chain as most of the vendors have re-started their production and are ready to provide required supplies.
- The Board has considered and approved to sell 5 Acre and 2 guntas land at Patancheru, Hyderabad.
- The Board has also approved to form step down subsidiaries under Pennar Global INC, USA for distribution of steel products and setting up of manufacturing metal building systems & steel structures.

➤ **Effective Cost Control**

- The Company has embarked upon a Company-wide initiative to bring down costs and conserve cash.
- We have undertaken cost (payroll, & marketing and other overheads) reduction and rationalization measures including deferral of avoidable operating cost.

➤ **Operational Preparedness**

- We have trained our staff & increased safety & hygiene measures at our manufacturing facilities.
- The company has started SOP's awareness programs at the factories.



- The company has taken several proactive measures to safeguard the health of all our workers at the factory premises.
- Measures include providing masks, hand sanitizers, disinfectants and conducting regular temperature checks for workers and essential visitors at all our operational facilities.
- We have sufficient space for ensuring adequate distancing across all our factories. The workforce is placed in a manner that it does not lead to crowding during the beginning /end of a shift.

Discussion Summary

- ❖ Q1 FY21 Highlights
- ❖ **Results Update**
- ❖ Company Overview

Q1 FY21: Consolidated Profit & Loss Statement



Particulars (Rs. in Mn)	Q1 FY21	Q1 FY20	FY20	FY19
Revenue From Operations (Net of Taxes)	1,662	5,378	21,066	21,331
Other Income	28	35	203	267
Total Income	1,690	5,414	21,268	21,599
COGS	1,011	3,164	12,579	13,155
Gross Profit	679	2,249	8,690	8,443
Gross Margin %	40.2%	41.5%	40.9%	39.1%
Employee Expenses	311	422	1,618	1,529
Other Expenses	500	1,276	5,178	4,915
EBITDA	-133	552	1,894	1,999
EBITDA Margin %	-	10.2%	8.9%	9.3%
Depreciation	121	95	428	279
Finance Cost	198	199	835	752
PBT	-451	257	631	968
Tax expense	-110.7	91	97	302
PAT Before MI	-340.40	166.1	534	667
PAT Margin %	-	3.09%	2.5%	3.1%

Current Order book position as on 1st August,2020

- **Robust order book position**

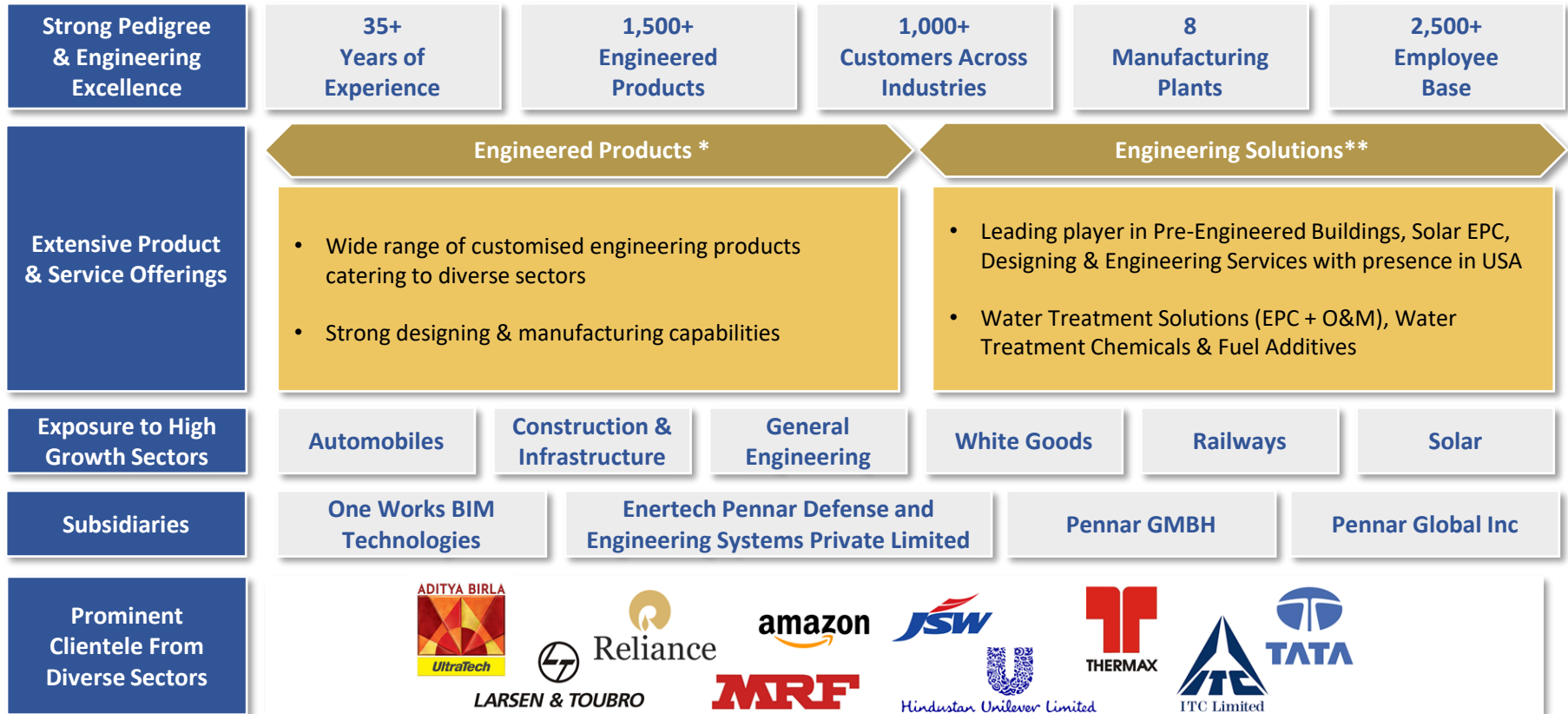
- PEBS Division - Rs 5,130 Mn
- Water Treatment solution - Rs 570 Mn
- Railways division – Rs 1,920 Mn

Discussion Summary

- ❖ COVID19: Business Impact
- ❖ Results Update
- ❖ **Company Overview**

Diversified Engineering Company With End-To-End Capabilities

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



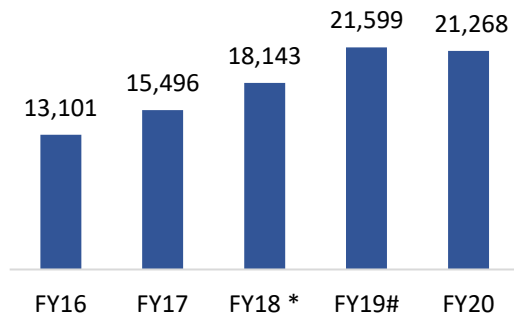
Strong Track Record: Consistent Growth & Improving Profitability

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

In Rs Mn

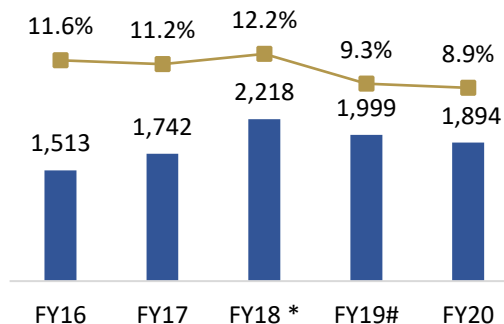
Total Revenues

CAGR: 14.9%



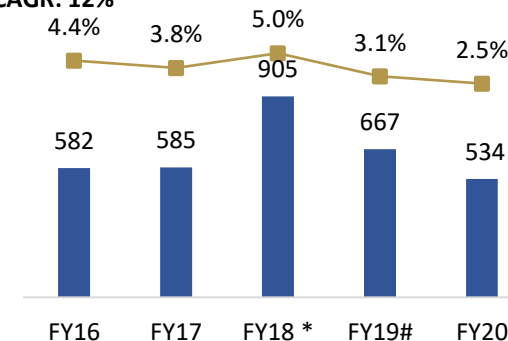
EBITDA & EBITDA Margin

CAGR: 9.3%

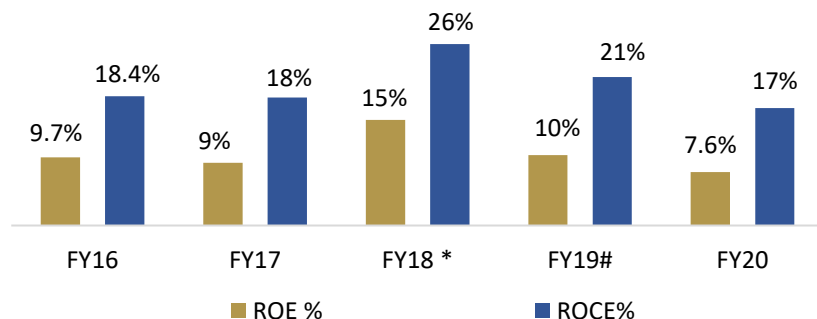


PAT Before MI & PAT Margin

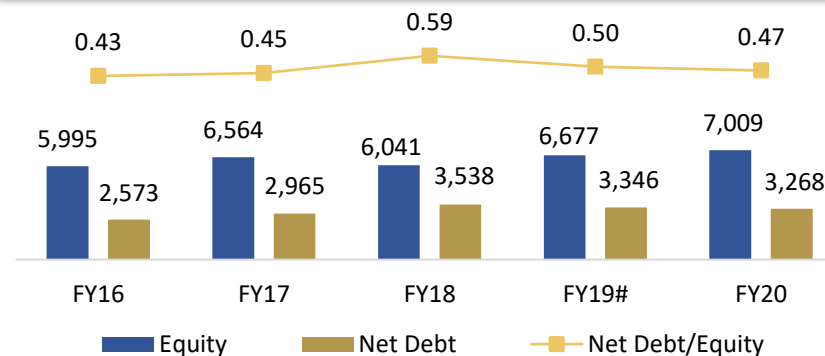
CAGR: 12%



Return Ratios



Leverage Analysis



Robust Manufacturing Facilities & Pan India 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
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



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
 Eric James Brown	Non-Executive Director	<ul style="list-style-type: none"> President and CEO of Pennar Global, Inc. 30+ years of experience
 Vishal Sood	Non-Executive Director	<ul style="list-style-type: none"> Managing Director at SAIF partners Earlier worked with Kotak, SSKI and SBI Capital Markets
 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



Dayasagar Rao
Business Head,
railways



Y Narasimha Rao
Business Head,
Steel Products



M. Bhoopal Reddy
Business Head,
Tubes

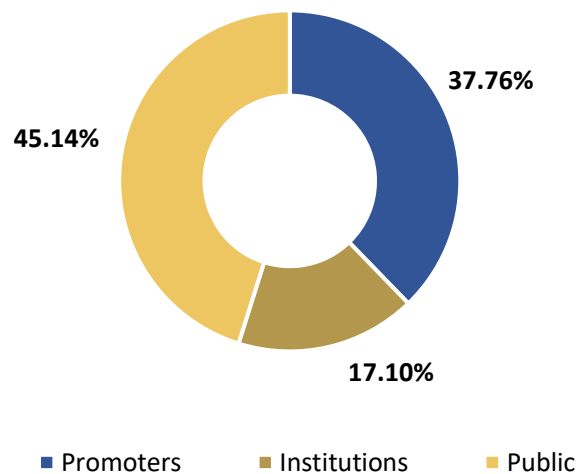


Shiva Kumar K
Business Head,
Industrial Components



K. Chakravarthy
Business head,
Enviro

Shareholding Pattern – As on 30th June 2020



Key Shareholders – As on 30th June 2020

FPI

Saif India IV FI Holdings Limited	8.5%
-----------------------------------	------

Mutual Fund

Franklin India Smaller Companies Fund	6.1%
---------------------------------------	------

Source: BSE



Thanking You



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

DICKENSON

Manasi Bodas / Mehul Mehta
IR Consultant
Contact No: 9821043510 / 9820280325
Email ID: pennar@dickensonworld.com