

Date: September 27, 2016

To,

M/s. Bombay Stock Exchange of India Limited
PJ Towers, Dalal Street
Mumbai Samachar Marg, Mumbai - 400 001

M/s. National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051

Dear Sir/Madam,

Subject: Analyst Meet Presentation

Reference: Company Name: Pennar Engineered Building Systems Limited
Security ID/ Symbol: PENPEBS
Security Code: 539333
ISIN: INE455O01019

Dear Sir/Madam,

With reference to our letter dated September 20, 2016, we are submitting Analyst Meet Presentation.”

Thanking you,

For Pennar Engineered Building Systems Limited



Subhash Kishan Kandrapu
Company Secretary & Compliance Officer
ACS 32743

Pennar Engineered
Building Systems Limited
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Pennar Engineered Building Systems Limited

Analyst Meet – September 2016



1

Industry Overview

2

Company Overview

3

Marquee Projects

4

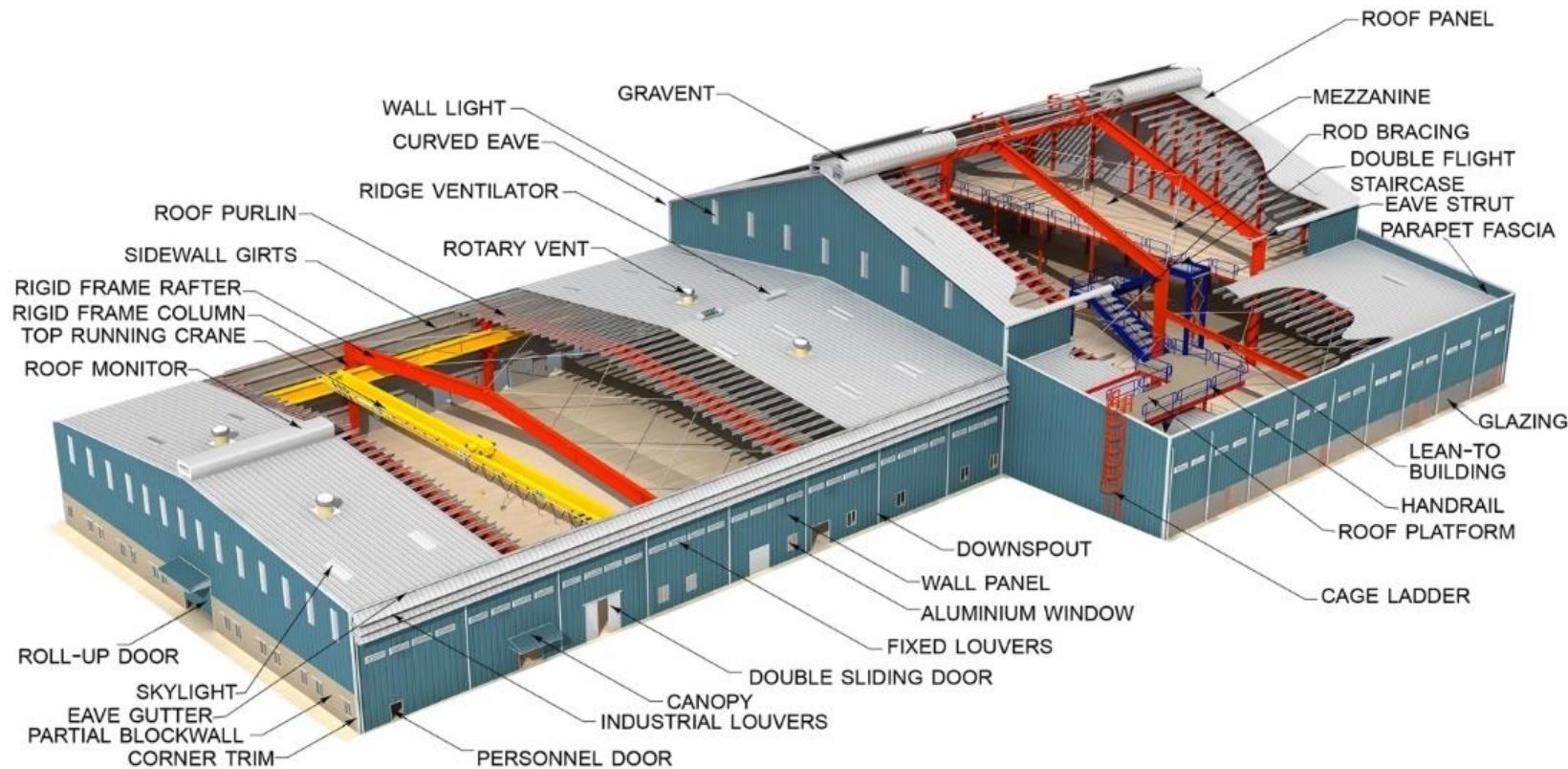
Growth Strategy

5

Shareholding Pattern

Typical PEB system

The pre-engineered steel building system offers advantages to the customer as a more feasible, practical and efficient alternative to conventional buildings. The system has earned acceptance across the world and is gaining rapid ground in India as well.



Some of the distinct advantages include:

- **Durable** - Weather resistant, earthquake resistant
- **Faster** - Reduced construction time thus ensuring enhanced speed in delivery and erection
- **Flexible** - Easy to expand
- **Value** - Low project cost, maintenance costs
- **Aesthetics** - Gives the engineer enough flexibility to create unique structures
- **Lower Costs** – Lower maintenance costs and faster construction time has direct impact on revenue

PEB offers many advantages over conventional construction

Industry Growth

PEB industry growth expected to be substantial – driven by construction growth and higher PEBS penetration. Industrial (manufacturing, warehouses) segment to remain domination while infrastructure and retail segments to grow rapidly

Market Segments/ Application

PEB preferred for light weight structures mostly in industrial segments and low-rise commercial and infrastructure. Rising demand for complex warehouses (with specific requirements around height, span, positioning of columns, insulation, ventilation, etc.)

Design

Fast design turnaround. Modular designs – basic designs are re-used as far as possible

Fabrication

Fabrication is off-site in a plant – parts are assembled (bolted) on-site

Project Execution

Typically turnkey projects – design, fabrication and execution is handled by PEBS players

Timeline

PEBS has advantage of 40-50% shorter timelines compared to RCC

Cost

15-25% lower upfront cost than structural steel. For complex warehouses PEB becomes more cost competitive. Lower foundation costs as frames are at comparatively longer distance.

PEBS Sector – Potential Opportunities

Industrial

- Expected Investment of INR 2.5 trillion to create a potential market of INR 2,50,000 million*
 - Engineering and Capital Goods - Significant demand for manufacturing plants and sheds for PEB

Commercial

- Application across warehousing & FMCG retail shops
- Agri-warehousing
 - 10% of total warehousing in India - Strong potential demand for PEB
 - Expected demand of ~INR 20,000 million of silos every year
- Warehousing
 - Large clear-span storage buildings can be catered by PEB construction effectively
 - Requirement in FY14 is 919 million sq.ft., expected to grow at 9%*

Real Estate

- Government's scheme of affordable housing is expected to create potential demand of INR 180,000 million
- Commercial /High Rises Buildings
 - Availability of commercial space is expected to grow from 650 million sq.mt. in 2012 to 1,900 million sq.mt. in 2030
 - Creates a market potential of INR 55,000 million*

Infrastructure

- Investments expected to the tune of INR 65 trillion in FY 2012-17
 - Civil Aviation – Investment of INR 72,000 million
 - Metro Rail – Investment of INR 13,00,000 million
 - Power Plants – Investment of USD 250 Bn
 - Ports – Investment of USD 49.75 Bn

PEB penetration stands low at ~20% presenting a Strong Opportunity

* In the next 5 years. Source: CARE Research

Agenda



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5

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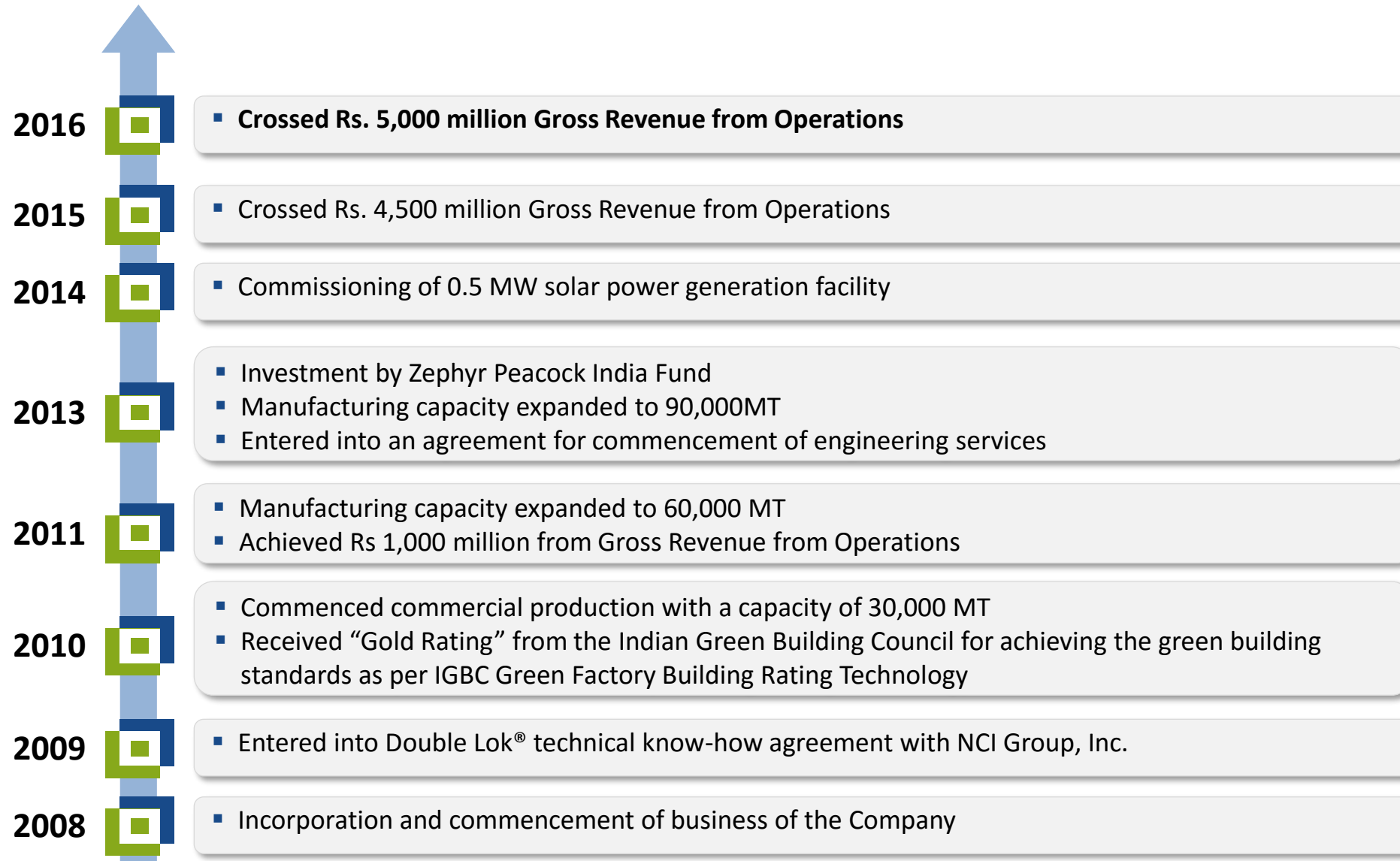
Pennar Engineered Building Systems Limited (PENPEBS) – Overview



- **One of the leading custom designed building systems solutions provider in India**
- Industry size of the Indian PEB was ~INR 55,000 million in FY14 with a 13% CAGR over 3 years
 - Pennar's market share was ~8%⁽¹⁾ in a fragmented industry in FY14
- Manufacturing facility equipped with high-precision machines to fabricate and supply quality-replete steel buildings
 - Production capacity of 110,000 MT p.a. (90,000 at Hyderabad & 20,000 at Baroda)
- One of the few companies that offers proven world class leak-proof roofing systems in India
 - Technical know-how licensing agreement with NCI Group Inc. USA
- Key customers include Ultratech Cement, Volvo India, Shapoorji Pallonji, Musaddilal Projects, Phoenix, Larsen & Toubro, Schindler, Tata Steel, Reliance Industries, Honda, Toyota, MRF and ITC, among others.

(1) Source: CARE Research, Report mandated by the company

Key Events and Milestones



Diversified Products and Solutions



Pre-Engineered Buildings

- Custom designed and fabricated, available in large multi-dimensional spans
- Offer enhanced speed, flexibility and capable of withstanding weather changes
- Top PEBs built:
 - Coal Storage Shed at Visakhapatnam;
 - Factory Building at Khopoli, Odisha
 - Warehouse Buildings at Dahej, Bangalore



Structural & High Rise Steel Buildings

- Comprising of steel and cement plants, multi-level car-parks, towers and high rise buildings
- Existing in-house capabilities for design and manufacture
- Installed two buildings:
 - G+7 – Multi Storied Building
 - G+10 – Multi Storied Building at Hyderabad



Solar Module Mounting Structures

- Design, supply and erect structures used for mounting solar modules
- Application in solar photo-voltaic plants, solar canal tops, solar roof tops, solar thermal plants and solar car parks



Design & Engineering Services

- Developing integrated and comprehensive engineering design solutions
- In-house engineering and design team comprising of 201 technical personnel
- Design services out-sourcing agreement with a US based entity

Ability to offer diversified products and solutions makes PENPEBS a preferred partner by key customers

Established Track Record for Timely Execution

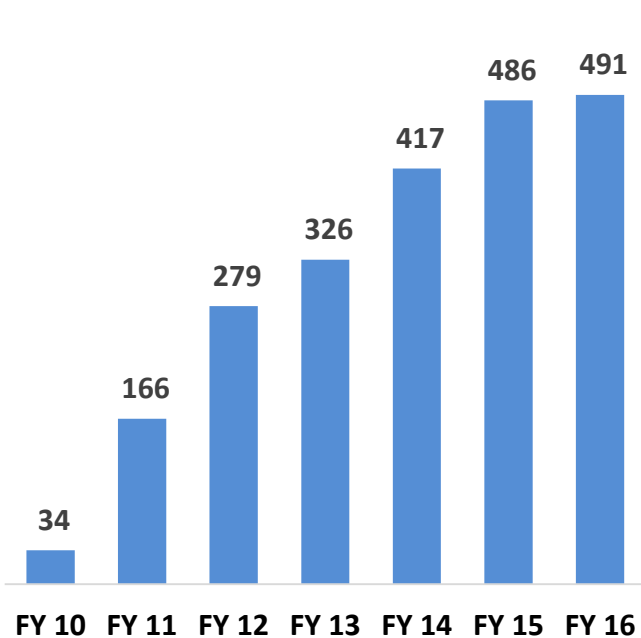
- Award winning and experienced in-house design and engineering team of 201 technical personnel
- **Technical arrangement with NCI Group Inc, USA for 'Double Lok®' Standing Seam Roofing System**
- Out-sourcing agreement with USA based company
- Licensed some of the latest and advanced software in CAD, Tekla technology and manufacturing
- Provides design and engineering services for projects executed by others as well

Strong Engineering & Design Capabilities and Technological Tie-Ups

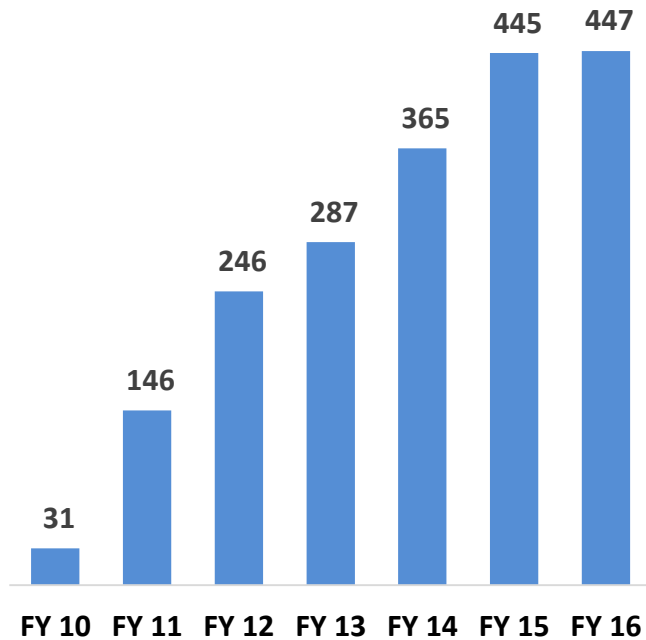
- **Timely execution of more than 750 projects in 5 years across various sectors**
- Strong supply chain relationships, network of sales offices and building
- Consolidation of order and project management departments into one ensures operational efficiencies

Financial Performance (1/5)

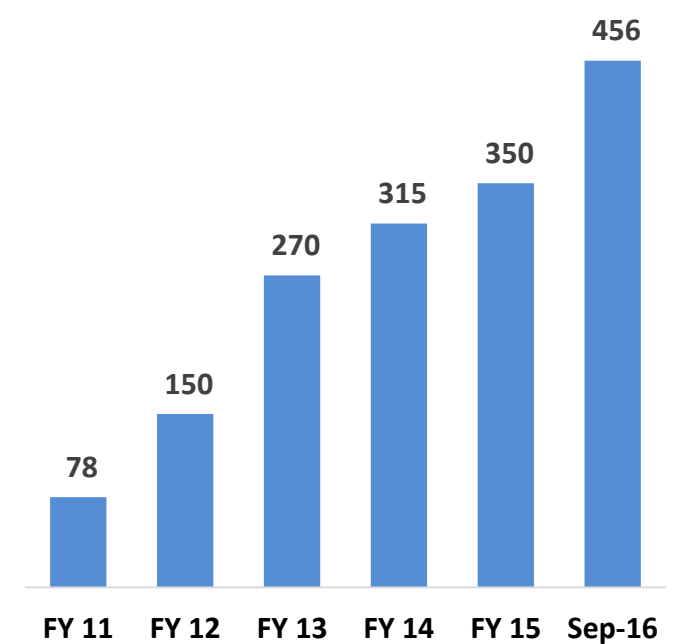
GROSS REVENUE (RS. CR.)



NET REVENUE (RS. CR.)

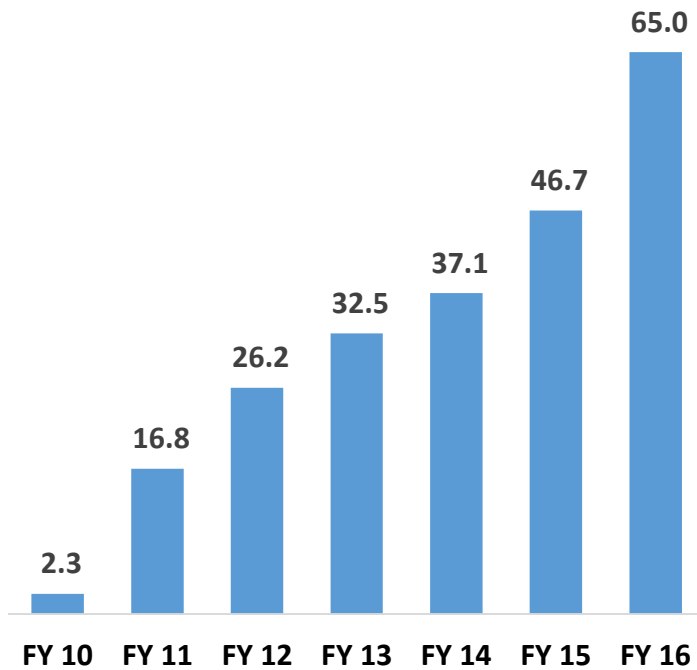


ORDER BOOK (RS. CR.)

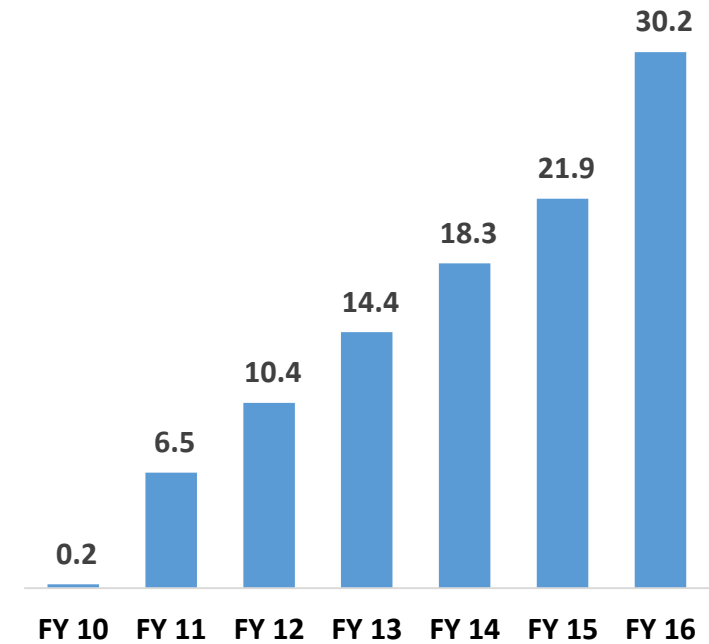


Financial Performance (2/5)

EBITDA (RS. CR.)

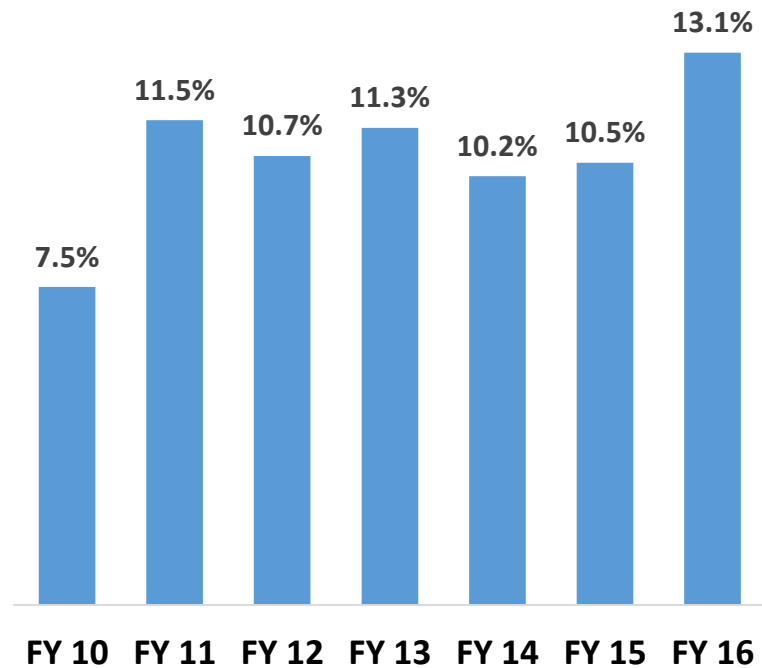


PROFIT AFTER TAX (RS. CR.)

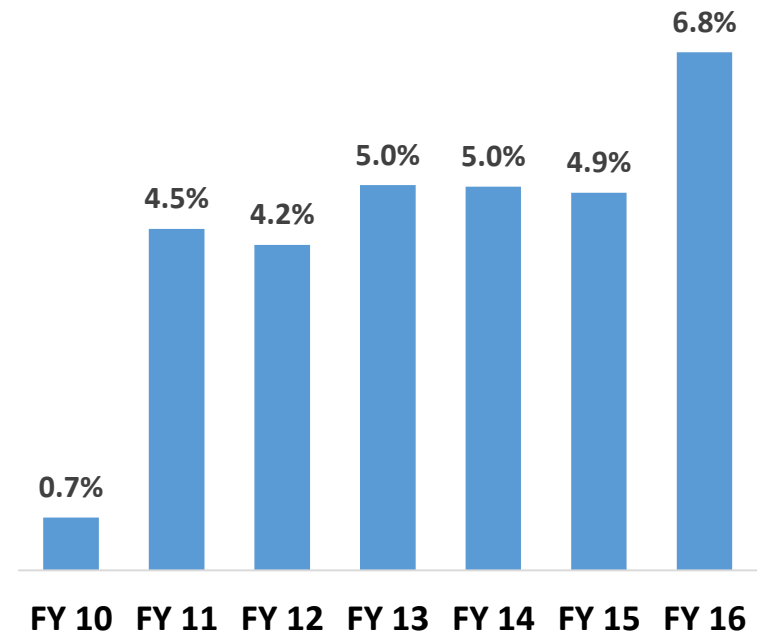


Financial Performance (3/5)

EBITDA MARGIN (%)

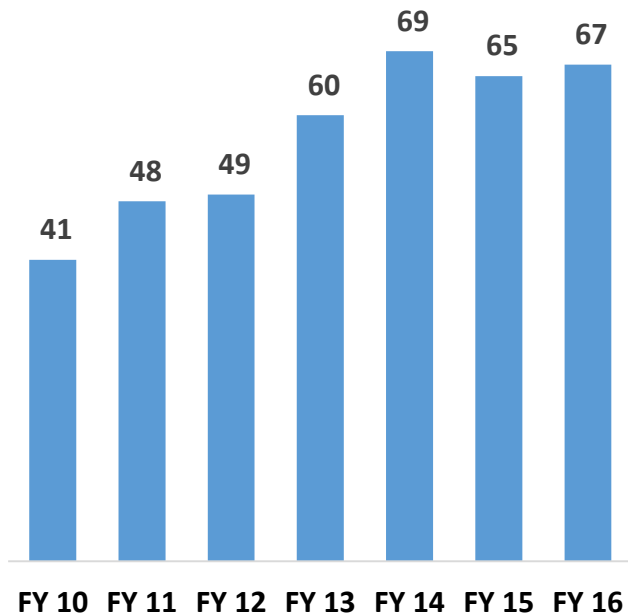


PROFIT AFTER TAX MARGIN (%)

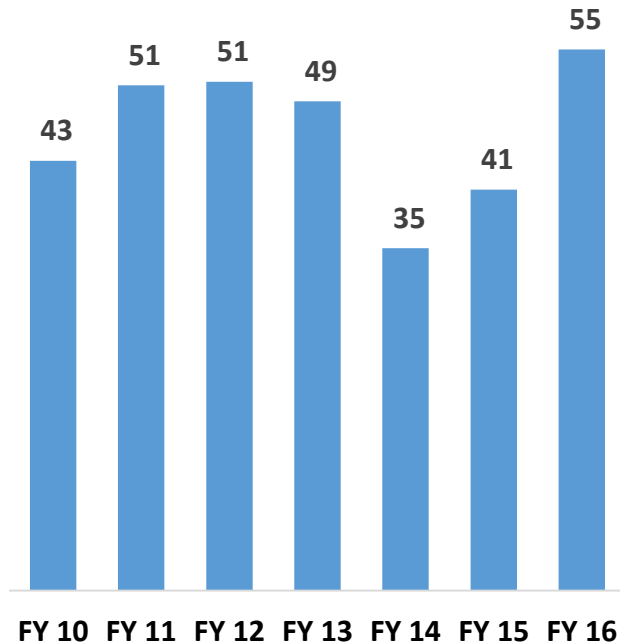


Financial Performance (4/5)

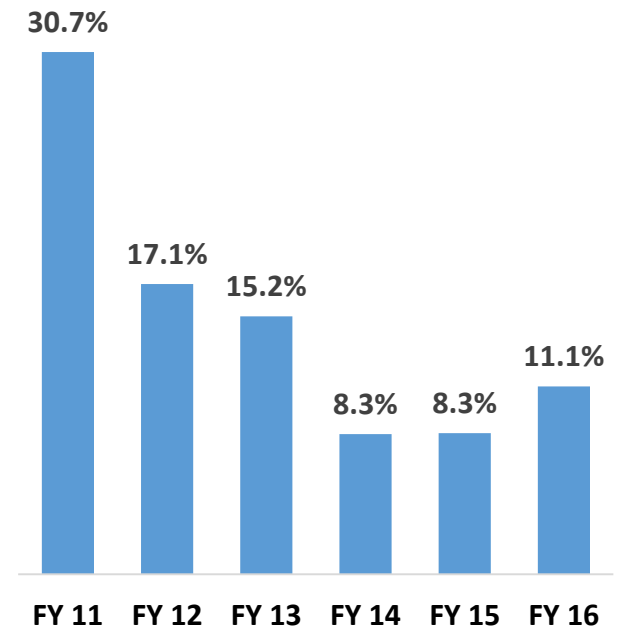
FIXED ASSETS (RS. CR.)



DEBT (RS. CR.)

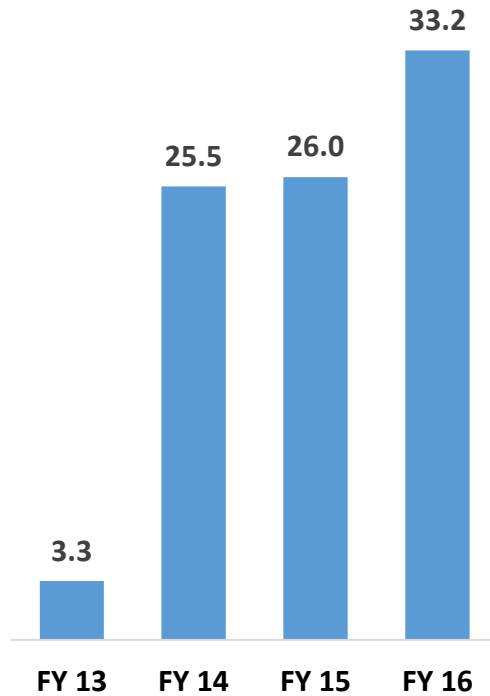


SHORT-TERM DEBT (AS % OF REVENUE)

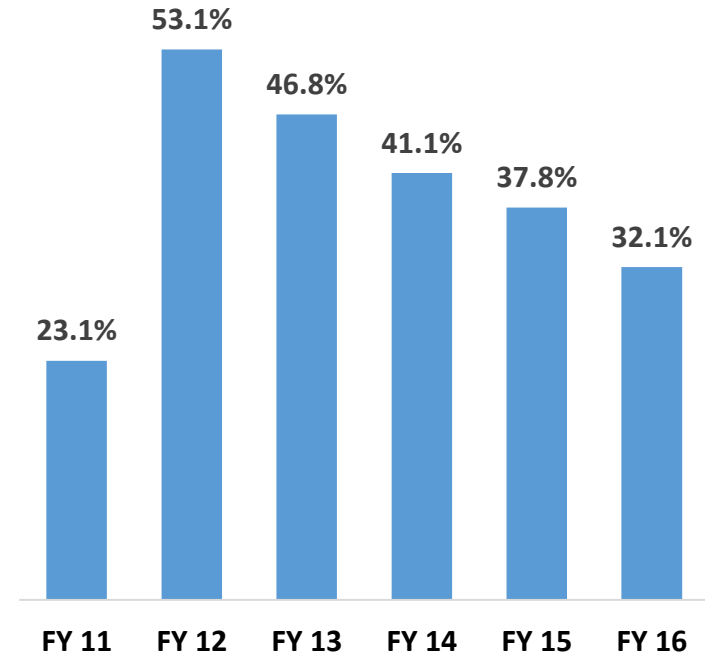


Financial Performance (5/5)

TREASURY (RS. CR.)



RETURN ON CAPITAL EMPLOYED (%)



Awards & Recognitions

Award	Category
Hyderabad Management Association (HMA) Awards 2013	Manager of the Year
Construction Week India Awards 2013	Infrastructure Company of the Year
Construction Week India Awards 2013	PEB Contractor of the Year
IEI Industry Excellence Awards 2013	Excellence Award
Business Today-YES Bank Award 2014	Excellence in Corporate Governance
IEI Industry Excellence Awards 2014	Excellence Award
INSDAG National Award 2014	Certificate of Commendation
VCCircle Award 2015	Manufacturing Company of the year
CIDC Vishwakarma Award 2015	Best Professionally managed company & Best PEB Building of the year
TV Business Leader Award 2015	Infrastructure Category (Medium)
IEI Industry Excellence Awards 2015	Excellence Award
CIDC Vishwakarma Award 2016	Best Professionally managed company
ACCE(I) Bhagawati Award	Outstanding Design of Industrial Plant
Construction World - Top Challenger Award 2015-16	Top Challenger
Construction Week India Awards 2016	PEB Project of the year - Runner up





1

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2

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4

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5

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Marquee Projects (1/3)

Kannur International Airport



ITC – Green Project, 12 Floors



Marquee Projects (2/3)

Module Mounting Structure



Saraf Agencies



Decathlon



MRF - Factory Warehouse



Marquee Projects (3/3)

Phoenix Residential Building



Ultratech - Rajshree Cements





- 1 Industry Overview
- 2 Company Overview
- 3 Marquee Projects
- 4 Growth Strategy**
- 5 Shareholding Pattern

Immediate priorities that will drive our growth



Robust Order Book to drive growth...



High-Margin Engineering Division scaling rapidly...



Investing in growth... new Capacity at Baroda, Gujarat



Newer pastures...Solar Tracking Business

Immediate priorities that will drive our growth

Robust Order Book to drive growth...

- The current order book stands at Rs. 456 Crores
- New Orders: Major order from Shapoorji & Pallonji, JBF Industries, HIL Ltd, AGI Glaspac, Musaddilal Properties, Tewari Warehouse, Vee Rubber, among others
- Repeat Orders: From Ultratech Cement, RCC Infraventures, Phoenix, Hetero, among others
- Multiple high-rise building orders received from customers like Reliance and Phoenix
- High-margin warehousing orders to be executed

High-Margin Engineering Division scaling rapidly...

- The engineering services business has scaled well in terms of number of hours, sales and billing per hour
- The Company added two new clients in this division
- Significant additional manpower has been added at the Vishakhapatnam office to provide engineering services to US-based clients
- To acquire a US-based company for augmenting our engineering capabilities

Immediate priorities that will drive our growth

Investing in growth. New Capacity at Baroda, Gujarat

- This plant was taken on a job work basis and began production in May 2016
- Orders in and around Madhya Pradesh, Gujarat and North India are being catered to at this facility
- Monthly production is 800 MT achieved last quarter and has been ramped up to 1000MT/Month from July, 2016

Newer pastures... Solar Tracking Business

- Solar Single Axis Tracking technology has been imbibed
- Received our first order from Hero Future
- With the MMS market moving towards Single Axis Tracking, we are well positioned to rapidly scale our Solar MMS revenue
- Will be executing first Rooftop Solar Orders

Emerging Opportunities

- ▣ High-rise Buildings
- ▣ Solar Tracking Systems
- ▣ Rooftop Solar Systems
- ▣ Structural Engineering Services
- ▣ Automated Cold-form buildings
- ▣ Facade Systems

Five-year Strategy Plan...Focus on shareholder value creation

1

Build a high-growth Technology Company

2

Adopt, develop new products in PEB space

3

Strengthen Engineering capabilities in steel, concrete & composite construction

4

Build world-class engineering, R&D team for high growth

5

Global Presence



1

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2

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3

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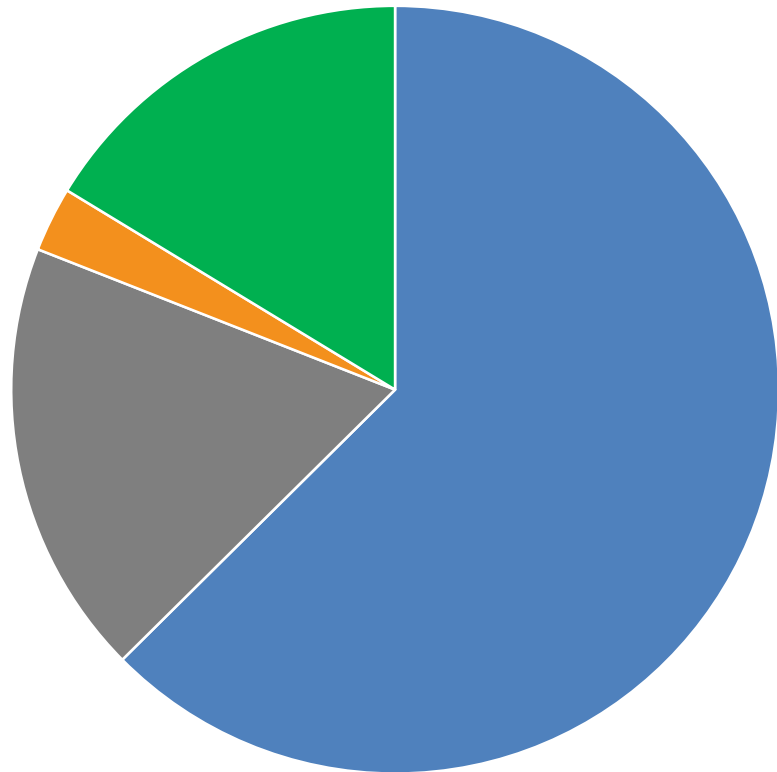
4

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5

Shareholding Pattern

Shareholding Pattern as of June 30, 2016



- Promoters (63%)
- Mutual Funds (18%)
- FPI (3%)
- Others (16%)

TOP PUBLIC SHAREHOLDERS

- ZEPHYR PEACOCK INDIA FUND
- BIRLA SUN LIFE MUTUAL FUND
- DSP BLACKROCK MUTUAL FUND
- KOTAK ASSET MANAGEMENT COMPANY
- HDFC MUTUAL FUND
- INVESCO ASSET MANAGEMENT
- EDELWEISS TRUSTESHIP COMPANY

Questions

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 Engineered Building Systems Limited’s 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 Engineered Building Systems Limited undertakes no obligation to periodically revise any forward looking statements to reflect future / likely events or circumstances.

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