

# **PREMIER EXPLOSIVES LIMITED**

FOR A PREMIER POSITION

INVESTOR PRESENTATION | July 2023



# Agenda

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- » Key Highlights – Q1FY24
- » Result Highlights – Q1FY24
- » Business Overview
- » Business Segments & Growth Strategy



# Key Highlights – Q1FY24

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## ▪ Financial Performance for Q1FY24

- Revenue growth of 20% YoY and 18% QoQ to Rs 61.95 Crore
- **Highest Ever EBIDTA Margin of 26.9%** in Q1FY24 as against 11.2% in Q1FY23
- **Highest Ever PAT Margin of 13.3%** in Q1FY24 as against 2.4% in Q1FY23
- Cash profit of **Rs. 10.91 Crore** for Q1FY24

## ▪ Strong Order Book of Rs. 1,108 Crore, ~ 5.5 times of FY23 Revenue

- Order Inflow in YTD FY24 **stands at Rs. 725 Crores**. These include orders from BDL, L&T and MoD (IAF) to be executed over the next 12-24 months. Working towards securing more orders in Defense and Explosive Segments
- Of the total order book, Defence segment forms the majority at **Rs. 907.72 Crores**, Explosives segment stands at **Rs. 77.13 Crores** and Service segment at **Rs. 123.00 Crores**
- **Domestic Order Book - 87%** and **Export Order Book - 13%** of the total Order Book
- The only Qualified Indian company for Counter measures
- The only Indian company which is into export of Fully assembled Rocket motors

# Results Highlight – Q1FY24

## Financial Highlights

(Rs. Mn)	Operating revenue	Operating profit	PBT
Q1FY24	619.5	166.5	113.8
Q1FY23	517.7	58.1	17.8

## Revenue Breakup

(Rs. Mn)	Explosives	Defence & Space services	Total
Q1FY24	249.7	369.8	619.5
Q1FY23	297.1	220.6	517.7

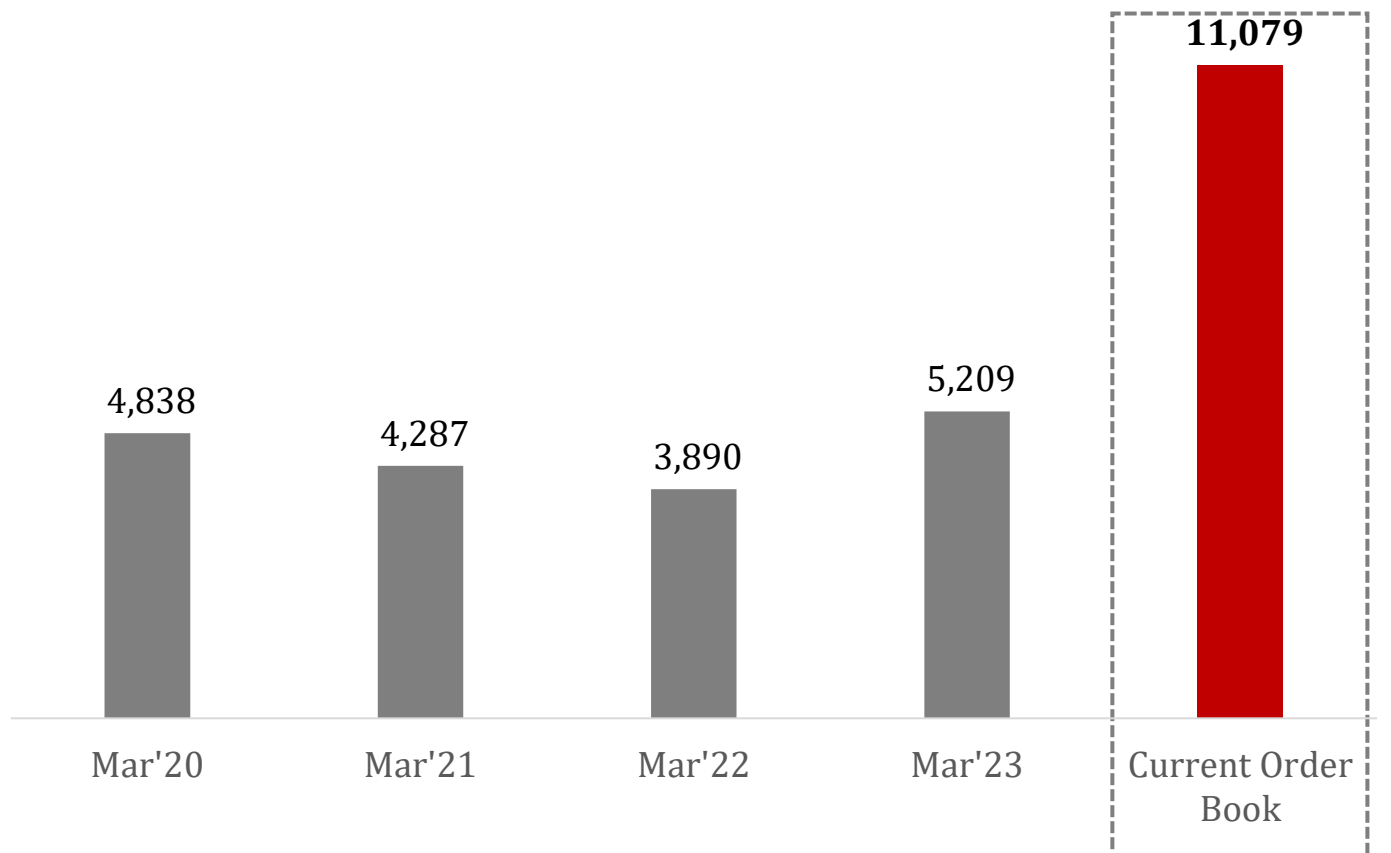
# Profit & Loss Statement

Particulars (Rs. Mn)	Q1FY24	Q1FY23	Y-o-Y (%)	Q4FY23	Q-o-Q (%)	FY23	Y-o-Y (%)
Revenue from Operations	619.5	517.7	20%	523.2	18%	2,020.3	2%
Expenses	453.0	459.7		442.1		1,762.1	
Operating profit	166.5	58.0	187%	81.1	105%	258.2	16%
Operating Margins (%)	26.9%	11.2%	1,567 bps	15.5%	1,138 bps	12.8%	159 bps
Other income	3.0	4.5		1.3		21.6	
Depreciation	27.0	23.7		24.7		98.2	
Interest	28.7	21.1		28.0		91.9	
Profit Before Tax	113.8	17.7	541%	29.6	284%	89.6	23%
Tax	31.7	5.1		6.3		22.7	
Profit After Tax	82.1	12.6	551%	23.3	252%	66.9	19%
EPS	7.64	1.17	551%	2.17	252%	6.22	19%

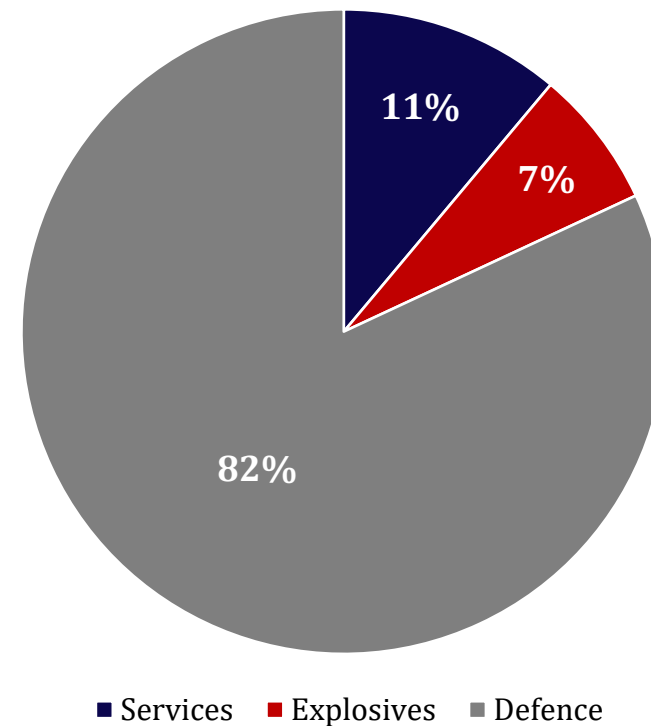
Standalone Numbers

# Improving Order Book

Order Book (Rs. Mn)



Order Break-up





## Company Overview



# Pioneer in Explosives & Defence Sector...



## A leading manufacturer of High Energy Materials

- **1<sup>st</sup> in India** to manufacture **Explosives** and **Detonating fuse** with **indigenous technology**
- **1<sup>st</sup> in the world** to produce **Safer and Greener NHN detonators** on **commercial scale**
- **1<sup>st</sup> Private Company** to manufacture **Solid Propellants** to India's missile programs

## Serving Defence & Space and Mining & Infrastructure Industries

- Participation in Defence and Space programs with Indigenous technology & Technology Transfer
- Owns Licenses for manufacturing & development products provides High Entry barrier

## Highly trained manpower in handling high energy chemicals

- Team Strength of over 800 trained people across various function

## State-of-the-art manufacturing facilities

- Seven Manufacturing facilities in Telangana, Madhya Pradesh, Maharashtra & Tamil Nadu



# Grew under leadership of Industry Veteran..



**Dr. A. N. Gupta**

*Non-Executive Chairman*

- Recipient of 'Udyog Rattan Award' & 'Pickering and ISM Medal'
- Member of Society of Explosives Engineers, U.S.A, Ex-Chairman of Explosives Development Council and Fellow of High Energy Materials Society of India (HEMSI)
- Written a number of Technical papers in national & international Seminars and Journals



**T V Chowdary**

*Managing Director*

- A Chemical Engineer with over 35 years of experience in production of Chemicals, Explosives and Solid Propellants.
- Having project execution as his forte, he is excellent in HR Management and is a steadfast trouble-shooter.
- Development of solid propellant products for export markets



**Y. Durga Prasad Rao**

*Director Operations*

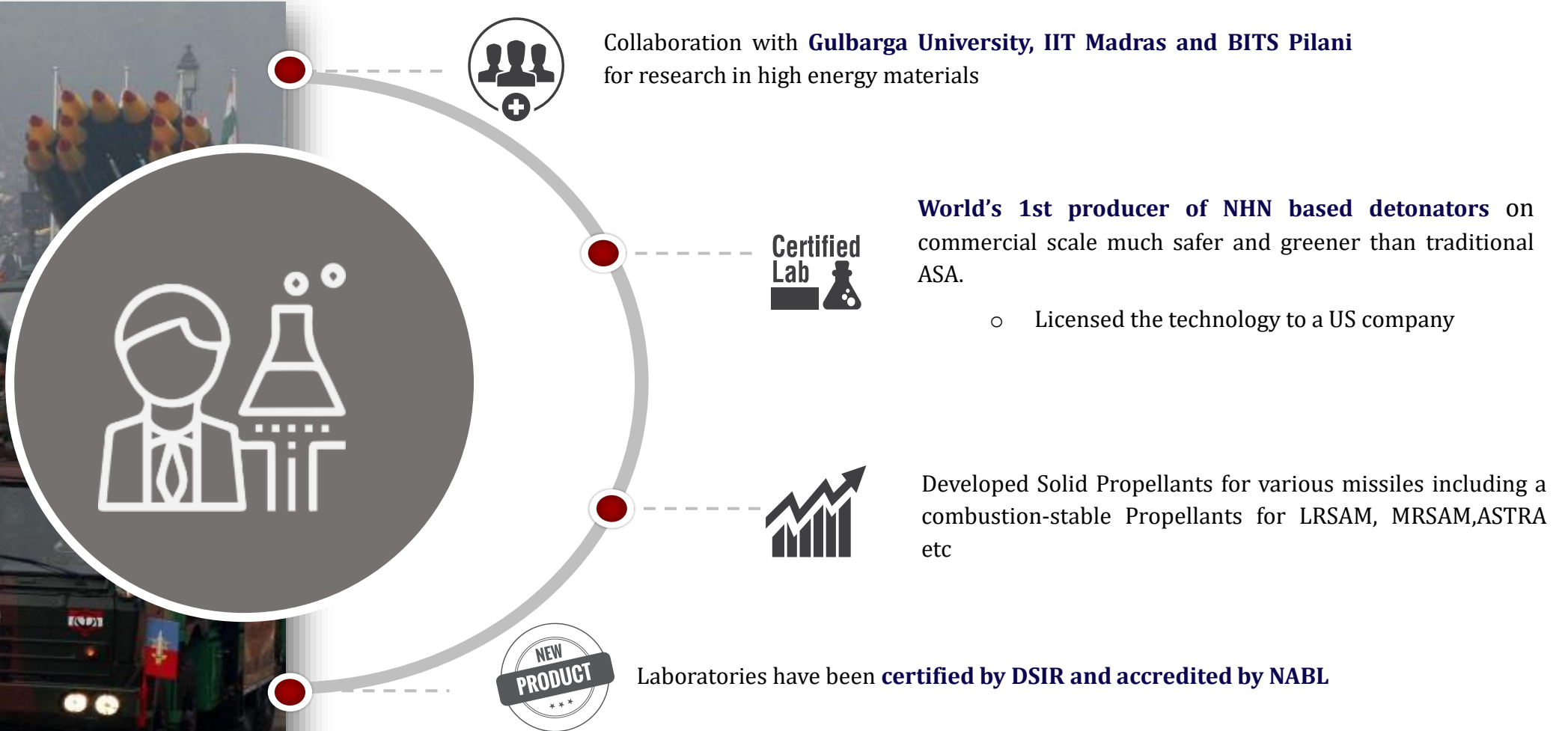
- A mechanical engineer having 34 years experience in manufacture of explosives, propellants, refractories and factory management



## Supported by skilled workforce

- Over 850 Dedicated and Experienced Employees
- Team comprises of about 100 Engineers / Scientists
- About 550 people trained in Propellant and Pyrotechnic products

# with impetus on Research & Development...



*...thrives to remain at the forefront of technology and product development*

# & high focus on Safety at Manufacturing facilities



## ○ Bulk Explosives

- Singrauli (Madhya Pradesh)
- Chandrapur (Maharashtra)
- Godavarikhani (Telangana)
- Manuguru (Telangana)
- Neyveli (Tamil Nadu)



## ◆ Accessories & Defence Explosives

### • Peddakandukur (Telangana)

Detonator, Detonating fuse,  
Packaged Explosives,  
Pyrodevices  
Solid Proellants



### ▲ Katepally (Telangana)

Solid propellants  
HMX/RDX  
Ammunition  
Mines  
Warheads  
Bombs



# Greenfield expansion at Katepally



- **Katepally Solid Propellant Plant**

- Obtained License from Chief Controller of Explosives, Nagpur for production of solid propellant at the facility
- Facility will enable Company to manufacture Solid Propellant of larger size for ISRO & DRDO.

- Received order for production of **PSOM-XL (Solid Propellant)** for small satellite launch vehicles from Vikram Sarabhai Space Center (VSSC)

- Second PSOM -XL was delivered on 30.06.2021
- Third PSOM - XL order was received on 30.11.2022
- **Received orders for PSOM - XL motors on 09.06.2023 from Larsen & Toubro Ltd**

- **RDX & HMX Plant**

- Is commissioned and started meeting the in-house requirement and domestic market.
- Securing the orders for overseas markets.



# Serving the critical needs of Industry

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## Commercial Explosives

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- Manufactures diverse range of commercial explosives for Mining & Infrastructure Industries
- Product range includes Bulk Explosives, Cartridge Explosives, Cast Booster, Detonators, Detonating Fuse, etc



## Defence & Aerospace

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- Manufacture of solid propellants for tactical missiles (Astra, Akash and LRSAM / MRSAM) strategic missiles (Agni) , Veda Etc.
- Entered in Indian Space programme as approved supplier of PSOM-XL Motor for use in Polar Satellite Launch Vehicle(PSLV) to ISRO
- Only domestic manufacturer supplying countermeasures like Chaffs and Flares to Indian defence
- Undertaking Operation & Maintenance services for solid propellant plants of ISRO at SHAR, Sriharikota and DRDO at ASL, Jagdalpur



# Business Segments

# Stable business of Commercial Explosives...

## Manufacturing Explosives Products ....

Bulk Explosives



Cast Boosters



Detonators



Detonating Fuse



## ...for Clients in Mining & Infrastructure Industries



**Cement  
Manufacturers**

### *Export to Countries*

*Israel, Greece, Jordan, Turkey, Nepal, Thailand,  
Philippines, Indonesia, Djibouti etc.*



# Building Defence & Aerospace segment...

## Manufacturing Products across segments ....

Propellants	Pyros	Explosives	Counter-measures
Pyrogen igniters	Pyro cartridges	CL – 20	Chaffs
Case-bonded propellants	Pyro actuators	HNS – IV	Flares
Free standing grains	Smoke / flash generators	HMX / RDX and their components	
Fuel rich, Grains	IR generators	Bombs, Warheads ammunition	
Gas generators	Specialized squibs	Mines	
Strap-on motors for PSLV.			

**...for various Defence & Space PSUs**



**First Private Manufacturer and Supplier of Solid Propellants in India**

# with focus on enhancing Technological Capabilities...

## *Unmatched Technological know-how and Research Capabilities....*

In-house development
<ul style="list-style-type: none"><li>• <b>Pyrogen Igniters</b> for Strategic missiles</li><li>• Non-Aluminised Propellant for <b>Astra</b></li><li>• <b>LRSAM</b> composition without Combustion Instability</li><li>• <b>Sledge</b> Rocket Motors</li><li>• IR flares</li><li>• Air Target Imitator</li><li>• Propellant for NGARM &amp; QRSAM Motors</li></ul>



Production under ToT
<ul style="list-style-type: none"><li>• Akash booster / sustainer grains</li><li>• ARM motors</li><li>• Pyrogen igniters for ANSP</li><li>• Daisy II motor for Agni</li><li>• Pinaka rockets – Mark I and II</li><li>• Astra motor</li><li>• Chaff</li><li>• IR flares</li></ul>

## *.... and Industrial Licences from DIPP*

Defence Industrial Licenses
<ul style="list-style-type: none"><li>• In Defence, received <b>Industrial Licenses from DIPP</b> for the following</li><li>• Few of the key licenses are:<ol style="list-style-type: none"><li>1. Rockets and Missiles</li><li>2. Bombs &amp; Mines for Defence</li><li>3. Ammunition.</li></ol></li></ul>

Preferred supplier to Defense : Sector with High-Entry Barriers

Continuous efforts towards strengthening the Intellectual Property (IP) for manufacturing of High-Energy material

# Enhancing product offering...

## for Indian Air Force

### On-going

Chaffs & Flares

Air Target Imitators (for Air Defence & Indian Army)

### Under Development

70 mm rockets

Air-Glide bombs

Re-graining of existing missiles

Indigenization of power cartridges

Canopy severance system

## for Missile Programme

### Expanding product portfolio

Solid Propellant

Rocket motor hardware

Thermal insulations & Hot integration

War-heads

Ammonium Perchlorate

HTPB & CL20

Pyrogen igniters



# Contributing to India's Prestigious Missile Programs

Missile	Type	Stage	Client	End user	PEL's contribution
<b>Akash</b>	Tactical, Surface to Air	Production	Bharat Dynamics Limited (BDL)	Indian Air Force and Indian Army	Supplied <b>2000+</b> booster grains and <b>450+</b> sustainer grains
<b>MRSAM</b>	Tactical, Surface to Air	Production from 2019	DRDO / BDL	Indian Army	100% requirements of solid propellants
<b>Agni</b>	Ballistic	Production	Advanced Systems Laboratory	Strategic Forces Command	Pyrogen igniter
<b>Brahmos</b>	Cruise, Air launched Anti-ship, Land attack	Production	HEMRL	Indian Air Force, Indian Navy and Indian Army	Transfer of technology is under induction
<b>LRSAM</b>	Tactical, Surface to Air	Production	DRDO	Indian Navy	100% requirements of solid propellants
<b>Astra</b>	Tactical, Air to Air	Production	DRDO	Indian Air Force	100% requirements of solid propellants

# Increasing participation in India's Space Program



## **Operations & Maintenance Under GOCO**

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- Operating and Maintaining Solid Propellant plant of ISRO at SHAR under GOCO Contract for 10 years in Jan'2019
- Operating and maintaining the solid propellant plant of Advance Systems Laboratory (ASL) at Solid Fuel Complex, Jagdalpur
- **Provides exposure to advanced processes in manufacture of solid propellants**



## **PSOM-XL for ISRO**

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- Trial order successfully tested in January 2018
- Successfully completed & delivered an order received from Vikram Sarabhai Space Centre (VSSC) for production of PSOM-XL (solid propellant) for the Satellite Launch Vehicle (SLV)
- The order was executed at Katepalle Plant



# Defence : Opportunity landscape

## Government enhances focus on “Make In India” in Defence

- Defence Ministry puts **‘101+ Defence items’** under import embargo under ‘Atmanirbhar Bharat Programme’
- Defence Ministry estimates that contracts worth almost **‘Rs. 4 lakh crore’** to be given to domestic industry in the next 5-7 years.
- **‘Defence Procurement Policy 2016’** linking to ‘Make in India’ Initiative to increase Self Reliance’ in Defence Products
- Offset Opportunities
- **‘Open General Export License’** scheme to be launched by Government of India to boost export of Defence Products in Long Term
  - In last 3 years, Exports have grown by 7 times to **Rs 10,745 crores**
- **National Advanced Surface to Air Missile System II (NASAMS II)**- India in the process of acquiring NASAMS II from US
- **‘Strategic Partnership’** policy would rope in large private corporates into Defence Production who in turn will create overall Defence ecology including MSMEs

## Well positioned to enhance participation

- Pioneer in manufacturing and supply solid propellants to India’s prestigious missile programs
- Possesses various Industrial license for production
- Member of Missile Technologies Control Group (MTCR), India provided access Advanced Technologies
- Tying-up with OEMs- in advance stage of negotiations
  - To Meet the Defence Offset Obligations
  - Forming Partnership to Manufacture in India
- Manufacturing facilities capable of handling higher volume and new product requirements
  - Greenfield project at Katepally (near Hyderabad) in about 150 acres. Another 100 acres of land available for further expansion

# Building Company with Vision - 2025



Continue the leadership in High Energy Materials for defence and space



Develop low cost processes and techniques for production of industrial explosives



Develop capacity for missile integration



Meet the full requirements of ISRO's strap-on motors



Enter export market for defence products and high energy components



# Awards & Appreciations

Year	Award	Awarded By
2019	SME - Empowering India Awards 2019 in the Defense & Aerospace (Mid - Corporate)	Hon'ble Union Minister of Steel
2016	HEMSI Honorary Fellowship to Dr. A.N.Gupta	High Energy Materials Society of India
2015	Outstanding Entrepreneur Award	Enterprise Asia
2014	Appreciation for development of Propellant composition for LRSAM without combustion instability	Director, DRDO
2013	Inc. India Innovative 100 Award for plant-scale manufacture of NHN detonators	Inc. India
2011	Appreciation for development of Propellant Casting of Motors and Igniters for First and Second Stages of Agni-4	Director, Advanced Systems Laboratory
2010	Appreciation for development of Pyrogen Igniters for Agni A4	ASL
2008	Appreciation for development of Pyrogen Igniters for Agni A3	ASL
2007	Defence Technology Absorption Award-2007, received from Dr. Manmohan Singh, Prime Minister of India	DRDO
2007	Best R&D Effort Award	AIMO
2005	Best Technology Development Award for R&D achievements	FAPCCI
2004 - 07	Best Greenery Development Award	AP Pollution Council



## Contact Us

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