

PREMIER EXPLOSIVES LIMITED

FOR A PREMIER POSITION

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INVESTOR PRESENTATION | January 2024



Agenda

- >> Key Highlights – Q3 & 9MFY24
- >> Company Overview
- >> Business Segments & Growth Strategy



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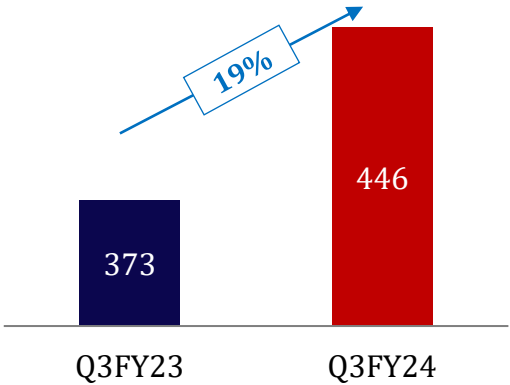
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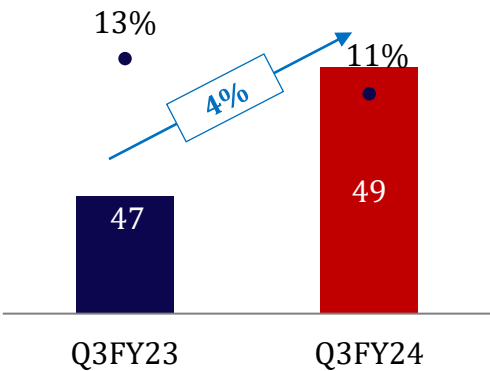
Financial Highlights – Q3 & 9MFY24

Revenue (Rs Mn)

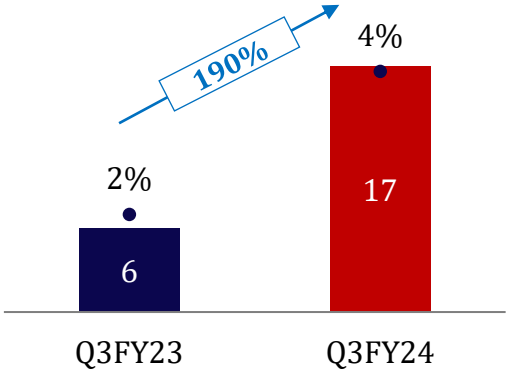
Q3FY24



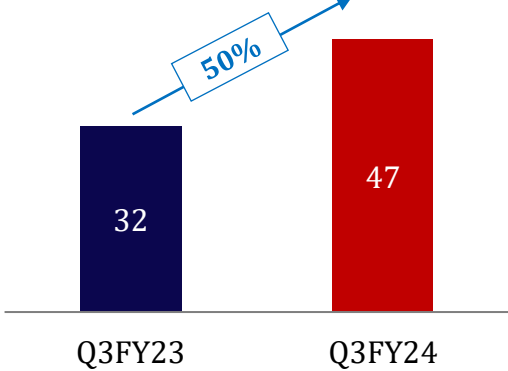
EBITDA (Rs Mn) & Margin (%)



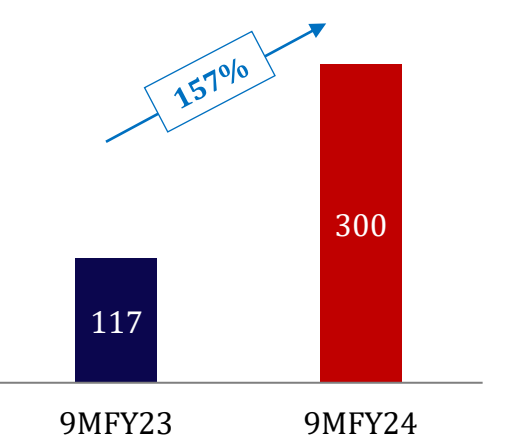
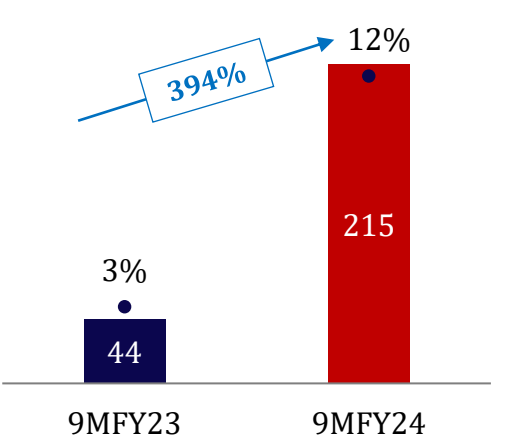
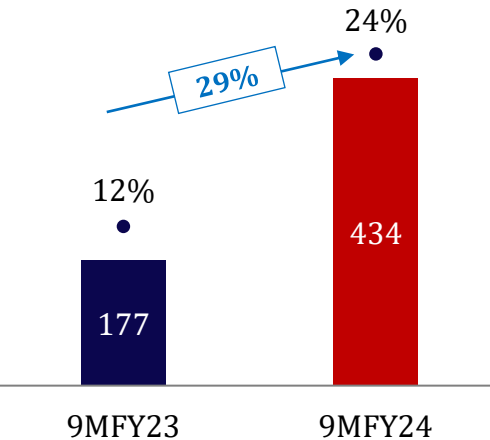
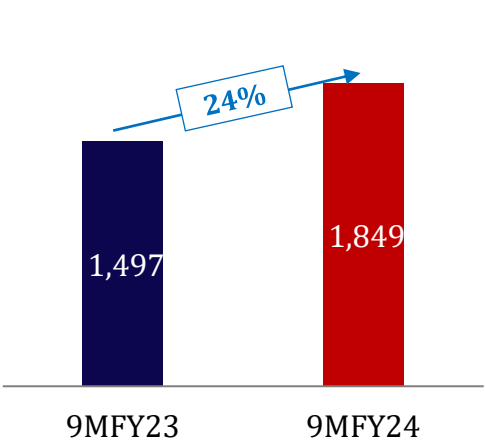
PAT (Rs Mn) & Margin (%)



Cash Profit (Rs Mn)



9MFY24



Revenue Break up – Q3 & 9MFY24

| Standalone (Rs. Mn) | Q3FY24* | Q3FY23 | Q2FY24 |
|--------------------------|---------|--------|--------|
| Explosives | 215.8 | 344.8 | 243.4 |
| Defence & Space services | 229.8 | 28.1 | 540.8 |
| Total | 445.6 | 372.9 | 784.2 |

| Standalone (Rs. Mn) | 9MFY24 | 9MFY23 | Y-o-Y (%) |
|--------------------------|---------|---------|-----------|
| Explosives | 708.9 | 802.3 | -12% |
| Defence & Space services | 1,140.4 | 694.7 | 64% |
| Total | 1,849.3 | 1,497.0 | 24% |

* Defence & Space segment revenue impacted Q-o-Q mainly on account of delayed billings for Israeli orders, led by the ongoing geopolitical crisis in the country; Explosives segment revenue remained largely in-line

Profit & Loss Statement

| Standalone (Rs. Mn) | Q3FY24 | Q3FY23 | Y-o-Y (%) | Q2FY24 | Q-o-Q (%) |
|--------------------------------|--------------|--------------|-------------|--------------|-------------|
| Revenue from Operations | 445.6 | 373.0 | 19% | 784.2 | -43% |
| Expenses | 396.7 | 326.0 | | 565.5 | |
| Operating profit | 48.9 | 46.9 | 4% | 218.7 | -78% |
| Operating Margins (%) | 11.0% | 12.6% | - | 27.9% | - |
| Other income | 28.8 | 7.8 | | 4.1 | |
| Depreciation | 30.6 | 25.8 | | 27.9 | |
| Interest | 23.3 | 22.2 | | 33.3 | |
| Profit Before Tax | 23.8 | 6.8 | 250% | 161.6 | -85% |
| Tax | 7.1 | 1.1 | | 45.5 | |
| Profit After Tax | 16.7 | 5.8 | 188% | 116.1 | -86% |
| EPS | 1.6 | 0.5 | | 10.8 | |

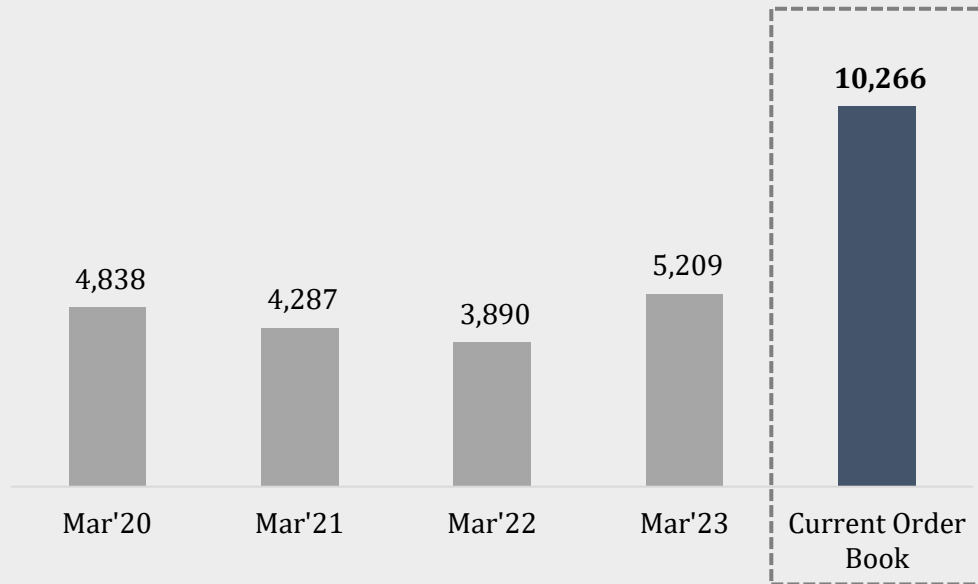
| 9MFY24 | 9MFY23 | Y-o-Y (%) |
|----------------|----------------|------------------|
| 1,849.3 | 1,497.1 | 24% |
| 1,415.1 | 1,320.0 | |
| 434.2 | 177.1 | 145% |
| 23.5% | 11.8% | 1,165 bps |
| 35.9 | 20.3 | |
| 85.5 | 73.5 | |
| 85.4 | 63.9 | |
| 299.2 | 59.9 | 399% |
| 84.2 | 16.4 | |
| 214.9 | 43.5 | 394% |
| 18.4 | 4.1 | |

Balance Sheet Highlights

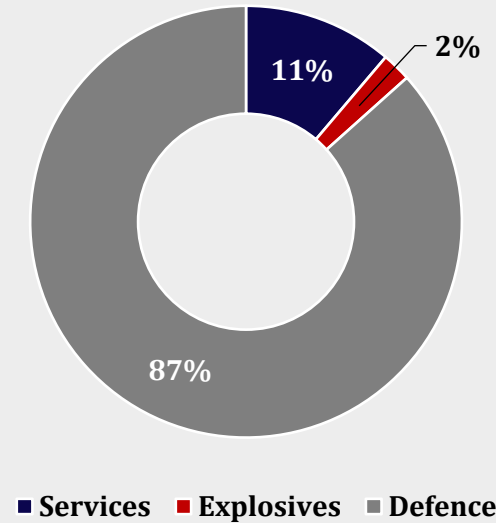
| Standalone (Rs. Mn) | Sep'23 | Mar'23 |
|--------------------------|----------------|----------------|
| Equity Share Capital | 107.5 | 107.5 |
| Other Equity | 2,019.3 | 1,843.0 |
| Non-current liabilities | 339.9 | 178.2 |
| Current liabilities | 1,964.7 | 1,461.2 |
| Total liabilities | 4,431.4 | 3,589.9 |
| Net Fixed Asset Block | 1,914.5 | 1,815.5 |
| CWIP | 11.8 | 18.1 |
| Other non-current Assets | 193.3 | 183.2 |
| Current assets | 2,311.8 | 1,573.1 |
| Total assets | 4,431.4 | 3,589.9 |

Strong Order Book of Rs. 10,266 Mn, ~5.1x of FY23 Revenue

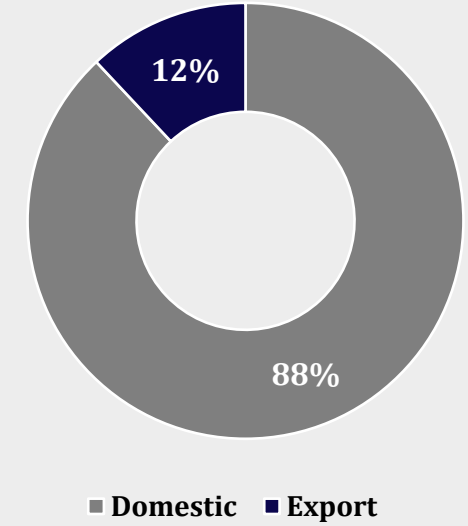
Order Book (Rs. Mn)...



...Segmental split



...Geographical split



- Order Inflow in YTD FY24 stands at ~Rs 6,320 Mn (Excl GST). These include orders from BDL, L&T and MoD (IAF), Elbit, IAI to be executed over the next 9-18 months. Working towards securing more orders in Defense and Explosive Segments.
- The only qualified Indian company for countermeasures also specializes in the export of fully assembled rocket motors.



Company Overview

Pioneer in Explosives & Defence Sector...



A leading manufacturer of High Energy Materials

- **1st in India** to manufacture **Explosives** and **Detonating fuse** with **indigenous technology**
- **1st in the world** to produce **Safer and Greener NHN detonators** on **commercial scale**
- **1st 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...



Collaboration with **Gulbarga University, IIT Madras and BITS Pilani** for research in high energy materials



World's 1st producer of NHN based detonators on commercial scale much safer and greener than traditional ASA.

- Licensed the technology to a US company



Developed Solid Propellants for various missiles including a combustion-stable Propellants for LRSAM, MRSAM, ASTRA etc



Laboratories have been **certified by DSIR and accredited by NABL**

...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



Commercial Explosives

- 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

- 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

Pyrogen igniters

Case-bonded propellants

Free standing grains

Fuel rich, Grains

Gas generators

Strap-on motors for PSLV.



Pyros

Pyro cartridges

Pyro actuators

Smoke / flash generators

IR generators

Specialized squibs



Explosives

CL – 20

HNS – IV

HMX / RDX and their components

Bombs, Warheads ammunition

Mines

Counter-measures

Chaffs

Flares

...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

- **Pyrogen Igniters** for Strategic missiles
- Non-Aluminised Propellant for **Astra**
- **LRSAM** composition without Combustion Instability
- **Sledge** Rocket Motors
- IR flares
- Air Target Imitator
- Propellant for NGARM & QRSAM Motors



Production under ToT

- Akash booster / sustainer grains
- ARM motors
- Pyrogen igniters for ANSP
- Daisy II motor for Agni
- Pinaka rockets – Mark I and II
- Astra motor
- Chaff
- IR flares

.... and Industrial Licences from DIPP

Defence Industrial Licenses

- In Defence, received **Industrial Licenses from DIPP** for the following
- Few of the key licenses are:
 1. Rockets and Missiles
 2. Bombs & Mines for Defence
 3. Ammunition.

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

- 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

- 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 Katepalley Plant

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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