

PREMIER EXPLOSIVES LIMITED

FOR A PREMIER POSITION

INVESTOR PRESENTATION | May 2023



Agenda

- » Key Highlights – Q4 & FY23
- » Result Highlights – Q4 & FY23
- » Business Overview
- » Business Segments & Growth Strategy



Key Highlights – Q4 & FY23

▪ Financial Performance for Q4 & FY23

- Revenue growth of 1.40% for FY23 over FY 22 and 40% QoQ to Rs 52.32 Crore
- Improvement of EBIDTA Margin of 12.78% in FY 2023 as against 11.19% in FY 2022.
- Cash profit of Rs. 16.51 Crores

▪ Healthy Order Book of Rs. 521 Crore, about 2.58 times of FY23 Revenue

- Maintaining the **strong order book of Rs. 521 Crores**.
- Dispatched the first export shipment of Rocket Motors for the oversea entity in Feb – 2023
- Working towards securing further orders in Defense and Explosive Segments
- Order book as on 31-Mar-23 : Total order book in Explosives segment stands at **Rs. 90 Crores**, Defence stands at **Rs. 304 Crores** and Service segment stands at **Rs. 127 Crores**
- The only Qualified Indian company for Counter measures.
- The only Indian company which is into export of Fully assembled Rocket motors.

Results Highlight – Q4FY23

Financial Highlights

(Rs. Mn)	Operating revenue	Operating profit	PBT
Q4FY23	523.2	81.0	29.6
Q4FY22	604.5	49.3	13.4

Revenue Breakup

(Rs. Mn)	Explosives	Defence & Space services	Total
Q4FY23	233.8	289.4	523.2
Q4FY22	235.9	368.6	604.5

Results Highlight – FY23

Financial Highlights

(Rs. Mn)	Operating revenue	Operating profit	PBT
FY23	2,020.3	258.2	89.6
FY22	1,991.3	222.8	72.9

Revenue Breakup

(Rs. Mn)	Explosives	Defence & Space service	Total
FY23	1,036	984	2,020
FY22	731	1,260	1,991

Profit & Loss Statement

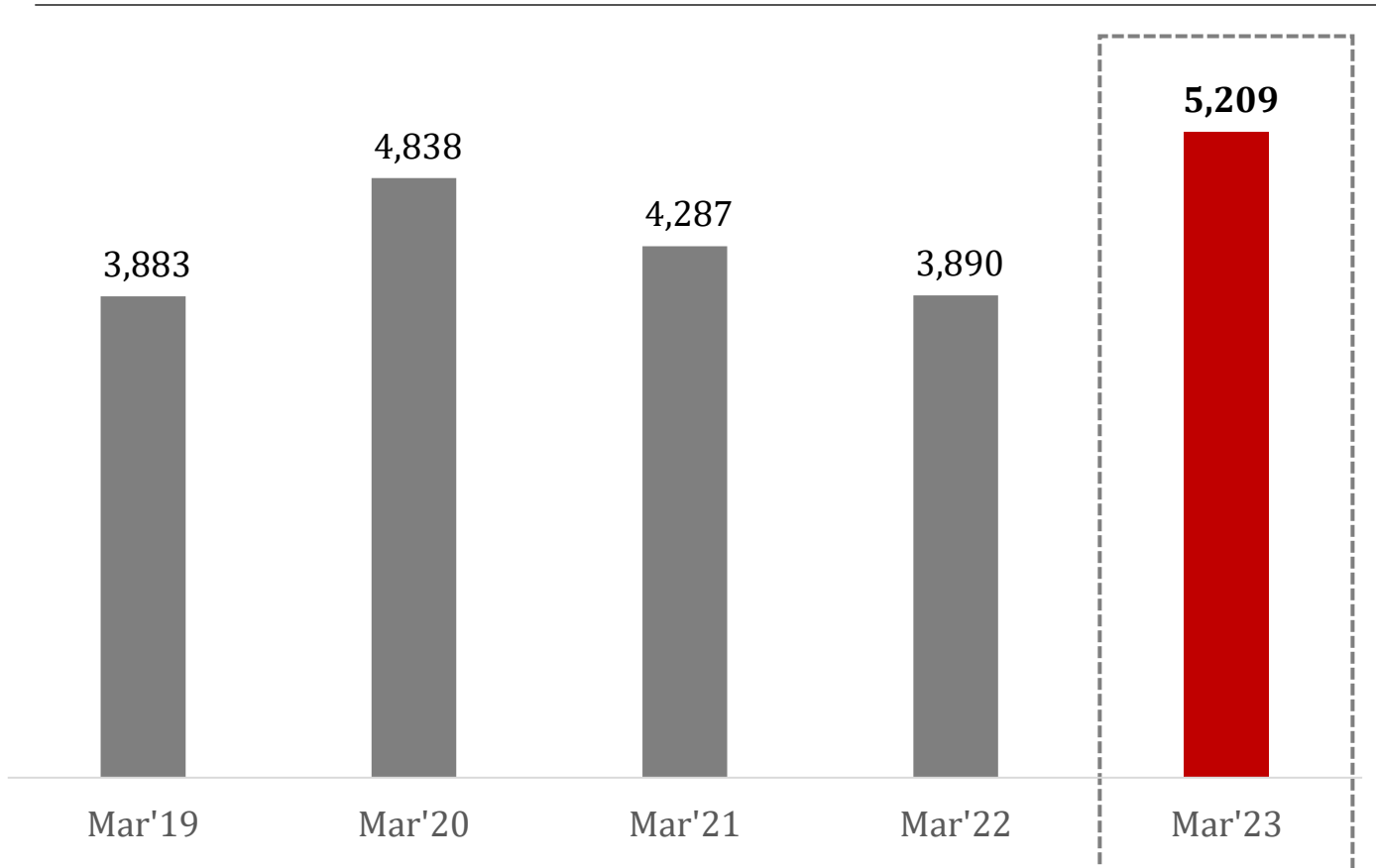
Particulars (Rs. Mn)	Q4FY23	Q4FY22	Q3FY23	FY23	FY22	Y-o-Y (%)
Revenue from Operations	523.2	604.5	373.0	2,020.3	1,991.3	1.46%
Expenses	442.1	555.2	326.0	1,762.1	1,768.4	(0.36%)
Operating profit	81.1	49.3	46.9	258.2	222.9	16%
Operating Margins (%)	15.5%	8.2%	12.6%	12.8%	11.2%	18%
Other income	1.3	6.6	7.8	21.6	18.9	14%
Depreciation	24.7	22.6	25.8	98.2	93.7	5%
Interest	28.0	19.9	22.2	91.9	75.1	22%
PBT	29.6	13.4	6.8	89.6	73	23%
Tax	6.3	1.6	1.1	22.7	16.8	35%
PAT	23.3	11.8	5.8	66.9	56.2	19%
EPS	2.2	1.1	0.5	6.22	5.23	19%

Balance Sheet Highlights

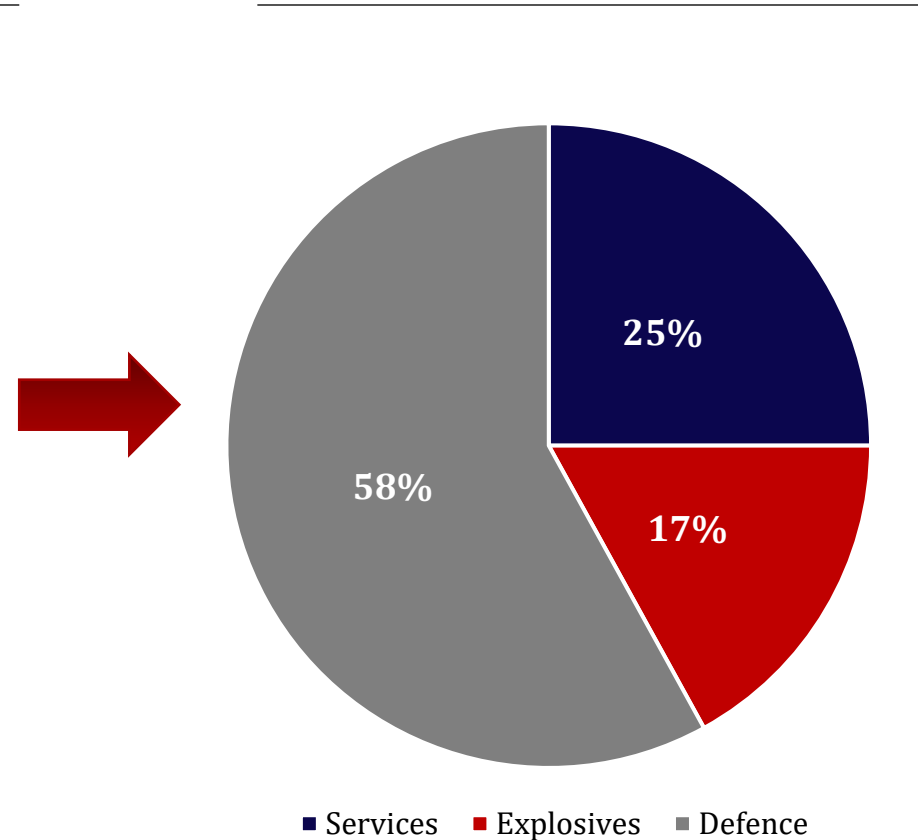
In (Rs. Mn)	Mar'23	Mar'22
Equity Share Capital	107.5	107.5
Other Equity	1,843.0	1,792.8
Non-current liabilities	178.2	173.4
Current liabilities	1,461.2	1,160.4
Total liabilities	3,589.9	3,234.1
Net Fixed Asset Block	1,815.5	1,720.3
CWIP	18.1	36.9
Other non-current Assets	183.2	239.5
Current assets	1,573.1	1,237.4
Total assets	3,589.9	3,234.1

Improving Order Book

Order Book (Rs. Mn)



Order Break-up





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

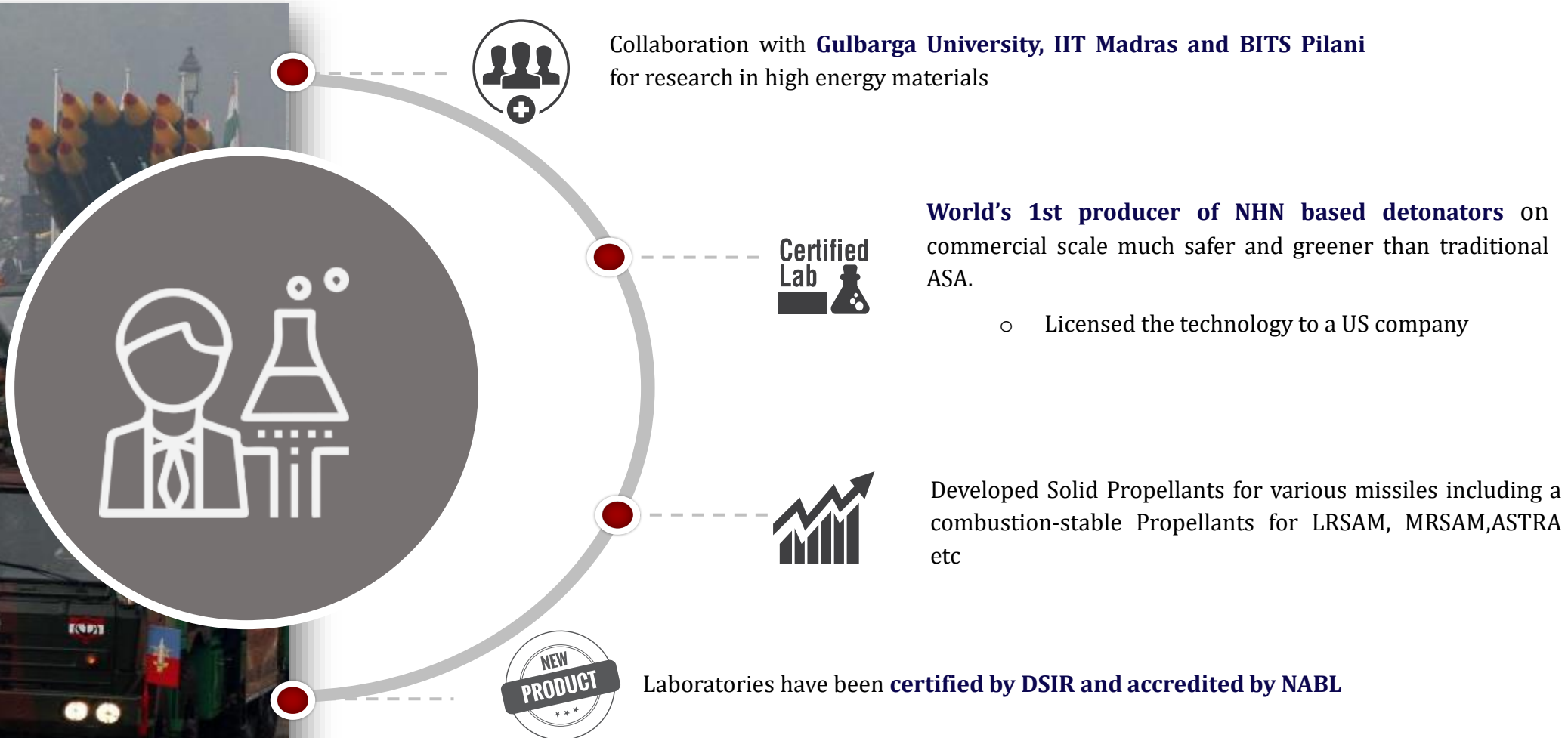
- A mechanical engineer having 34 years experience in manufacture of explosives, propellants, refractories and factory management



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...



...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

- **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

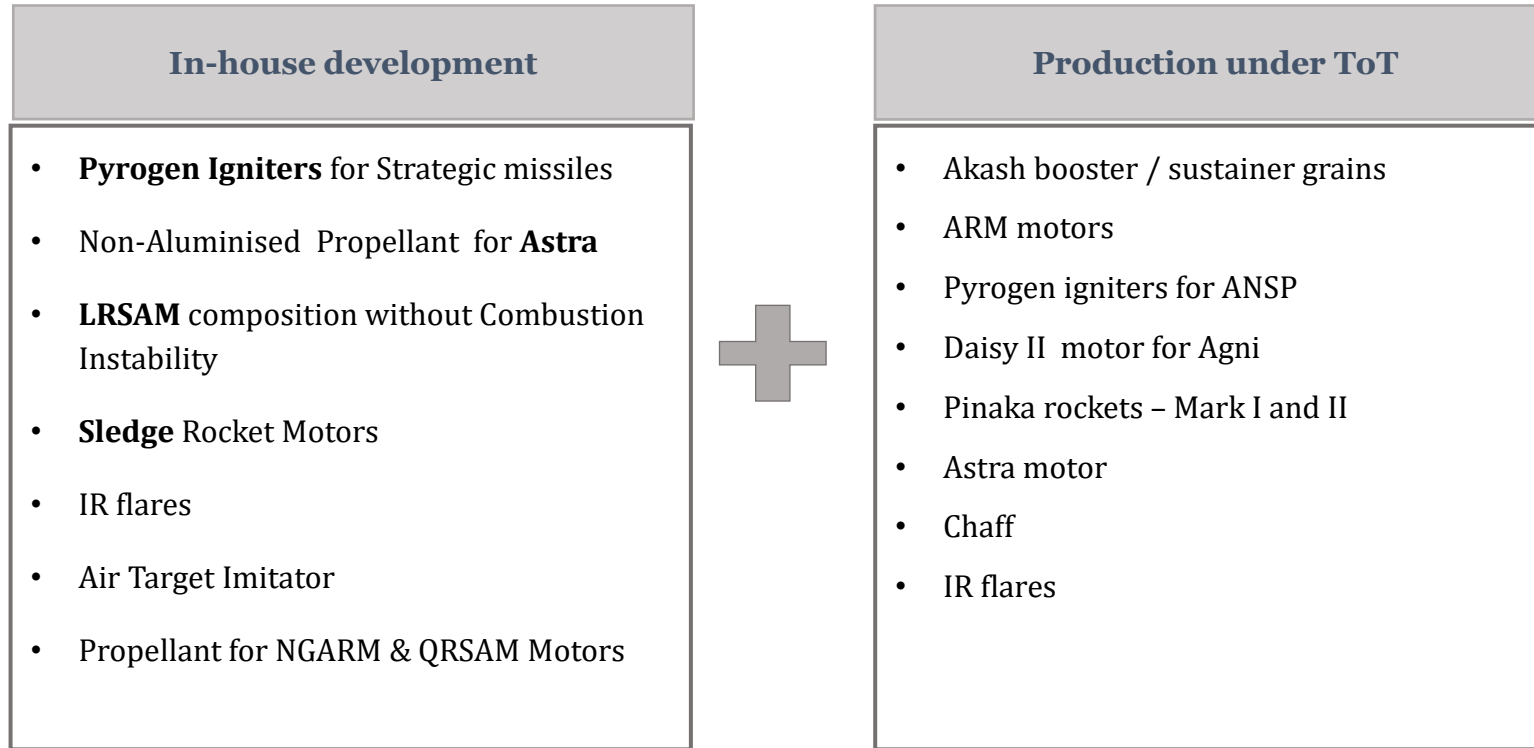
...for various Defence & Space PSUs



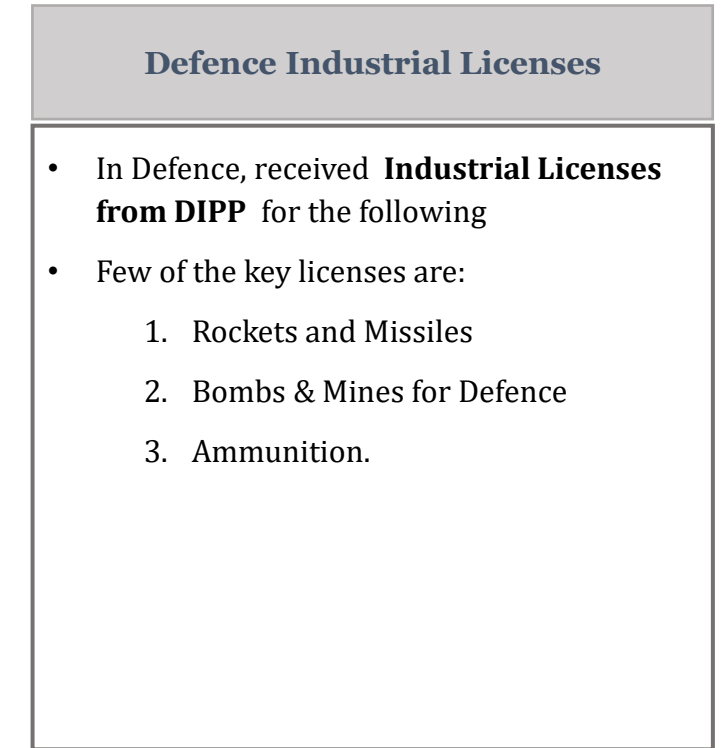
First Private Manufacturer and Supplier of Solid Propellants in India

with focus on enhancing Technological Capabilities...

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



.... and Industrial Licences from DIPP



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 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



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