



**Premier
Explosives
limited**

Q1FY17 RESULTS



CONTENTS



RESULTS SUMMARY



BUSINESS HIGHLIGHTS



FINANCIAL OVERVIEW



WAY FORWARD



APPENDIX

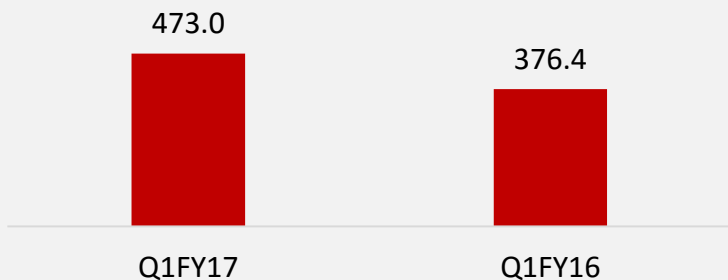
Note: All number mentioned are on Standalone basis.

Disclaimer: No part of this presentation is to be circulated, quoted, or reproduced for any distribution without prior written approval from Premier Explosives Limited, Secunderabad – 500 015, India. Statements in this presentation that describe the company's objectives, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied.

RESULTS SUMMARY

(INR mn)

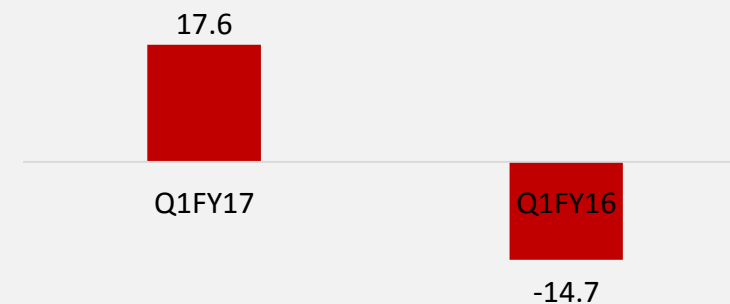
Revenue



Operating Profit



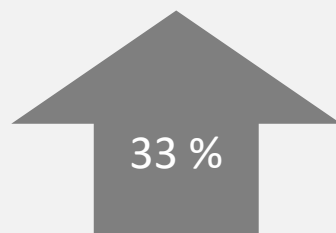
Profit After Tax



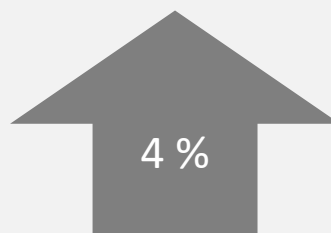
Revenue Breakup

*YoY Growth

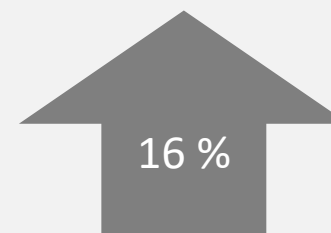
Explosives



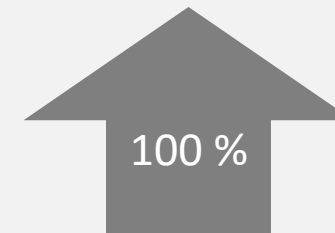
Defence



Services



Wind Power



Q1FY17

352.3

Q1FY16

265.3

73.0

70.5

45.2

38.9

1.4

0.7

Total Order book as on 30th June 2016 stands at INR 2,870 mn; Explosives - INR 1,850 mn; Defence - INR 720 mn; Services - INR 300 mn

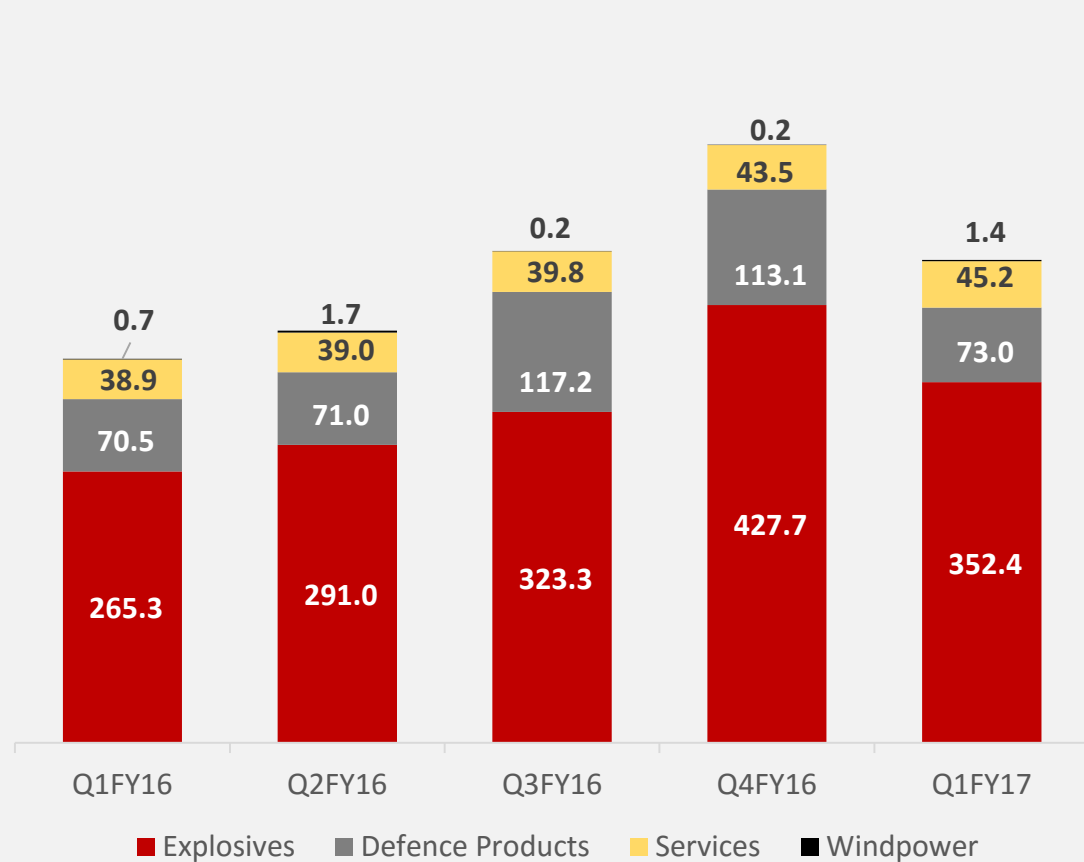
RESULT UPDATE

(INR mn)

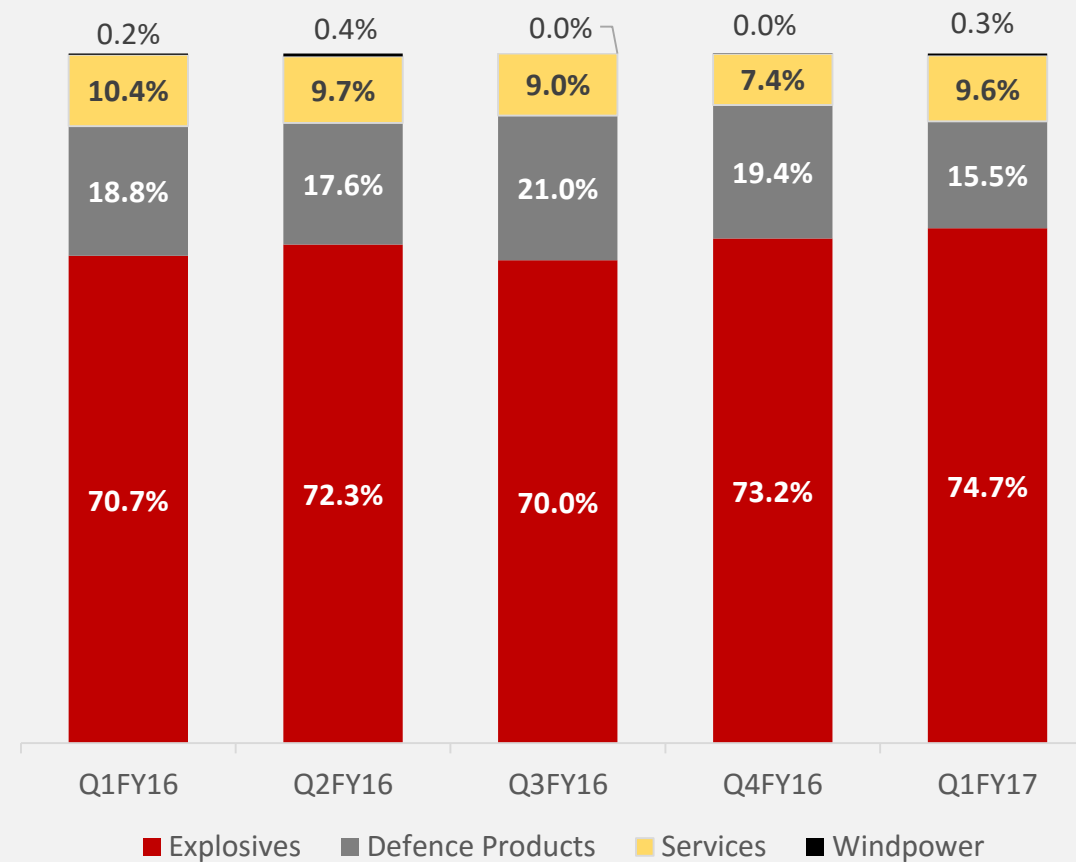
| Particulars | Q1FY17 | Q4FY16 | QoQ (%) | Q1FY16 | YoY (%) | FY16 | FY15 | YoY (%) |
|---------------------------------|--------|--------|---------|--------|---------|---------|---------|---------|
| Revenue | 473.0 | 587.2 | -19.5% | 376.4 | 25.7% | 1,849.8 | 1,494.9 | 23.7% |
| Total expenses | 430.6 | 517.8 | -16.8% | 346.7 | 24.2% | 1,673.7 | 1,369.5 | 22.2% |
| Operating profit | 42.4 | 69.4 | -38.9% | 29.8 | 42.8% | 176.1 | 125.4 | 40.4% |
| OPM (%) | 9.0% | 11.8% | -285bps | 7.9% | 108bps | 9.5% | 8.4% | 113bps |
| Other income | 1.3 | 1.2 | 8.3% | 0.7 | 85.7% | 4.6 | 7.4 | -37.8% |
| Depreciation | 8.6 | 8.3 | 3.7% | 8.2 | 5.0% | 33.3 | 33.0 | 0.9% |
| Interest | 9.5 | 10.0 | -4.8% | 8.3 | 14.7% | 37.4 | 23.6 | 58.5% |
| PB exceptional items and Tax | 25.6 | 52.3 | -51.1% | 14.0 | 82.6% | 110.0 | 76.2 | 44.4% |
| Exceptional items | | | | | | | | |
| Income - Profit on sale of land | - | 1.7 | - | - | - | 10.0 | - | - |
| Expense - VRS payments | - | - | - | (37.0) | - | (37.0) | - | - |
| PBT | 25.6 | 54.0 | -52.7% | (23.0) | - | 83.0 | 76.2 | 8.9% |
| Tax | 8.0 | 20.0 | -60.1% | (8.3) | - | 26.3 | 23.0 | 14.3% |
| PAT | 17.6 | 34.0 | -48.3% | (14.7) | - | 56.7 | 53.2 | 6.6% |
| PATM (%) | 3.7% | 5.8% | -207bps | - | - | 3.1% | 3.6% | -49bps |
| EPS (INR) | 1.99 | 3.84 | -48.3% | (1.66) | | 6.41 | 6.10 | 5.1% |

REVENUE BREAKUP

Revenue breakup (INR mn)



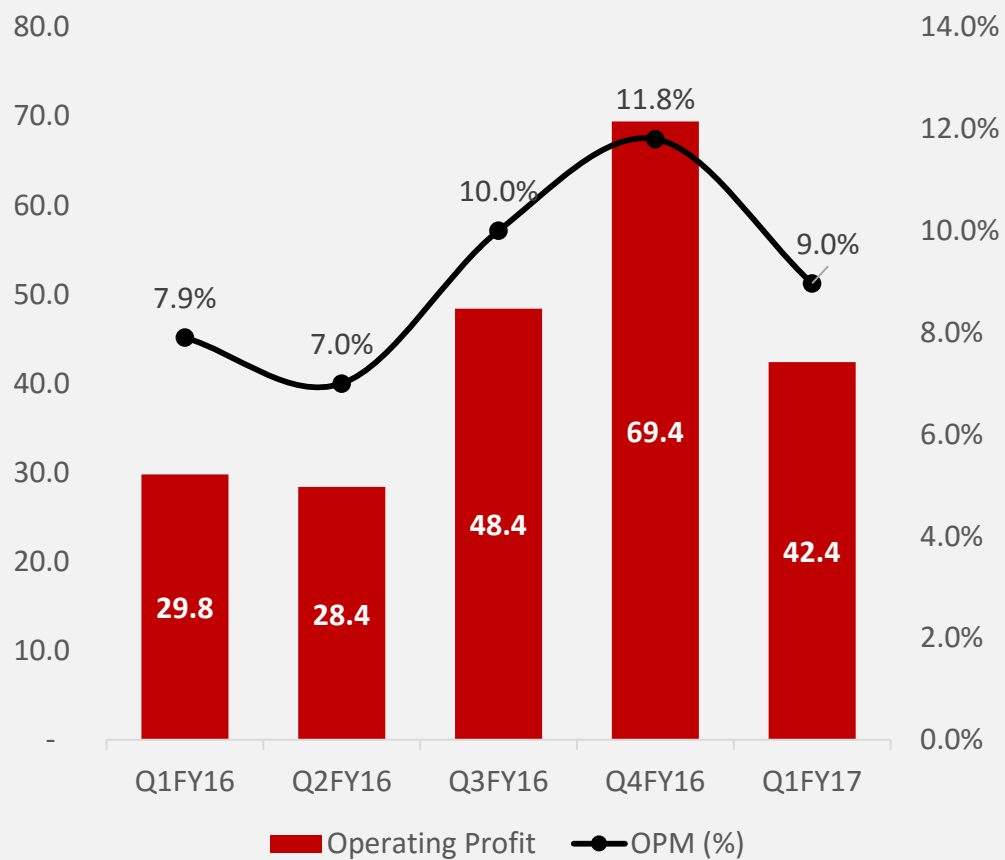
Revenue breakup (%)



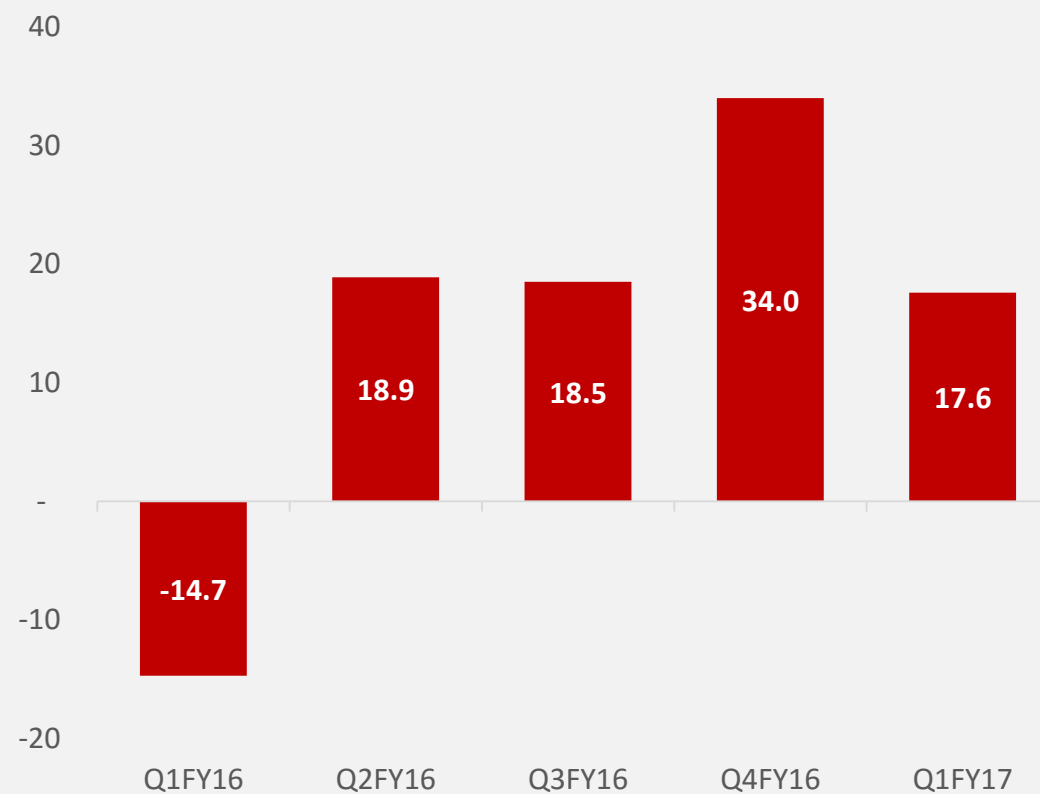
PERFORMANCE SNAPSHOT

(INR mn)

Operating profit



Profit After Tax



PROFIT & LOSS - QUARTERLY

(INR mn)

| Particulars | FY15 | | | | FY16 | | | | FY17 |
|---------------------------------|-------|-------|-------|-------|--------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Net sales | 351.6 | 352.9 | 368.3 | 422.1 | 376.5 | 404.4 | 481.7 | 587.2 | 473.0 |
| Total expenses | 333.7 | 315.1 | 341.7 | 379.0 | 346.6 | 376.0 | 433.3 | 517.8 | 430.6 |
| Operating profit | 17.9 | 37.8 | 26.6 | 43.1 | 29.8 | 28.4 | 48.4 | 69.4 | 42.4 |
| OPM (%) | 5.1% | 10.7% | 7.2% | 10.2% | 7.9% | 7.0% | 10.0% | 11.8% | 9.0% |
| Other income | 1.9 | 0.9 | 0.8 | 3.8 | 0.7 | 1.7 | 1.0 | 1.2 | 1.3 |
| Depreciation | 8.7 | 8.9 | 7.5 | 8.0 | 8.3 | 8.5 | 8.2 | 8.3 | 8.6 |
| Interest | 5.0 | 4.9 | 5.5 | 8.2 | 8.2 | 7.4 | 11.7 | 10.0 | 9.5 |
| PB exceptional items and Tax | 6.1 | 24.9 | 14.4 | 30.7 | 14.0 | 14.2 | 29.5 | 52.3 | 25.6 |
| Exceptional items | - | - | - | - | | 0.0 | - | | |
| Income - Profit on sale of land | | | | | | 8.3 | - | 1.7 | - |
| Expense - VRS payments | | | | | 37.0 | - | - | - | - |
| PBT | 6.1 | 24.9 | 14.4 | 30.7 | (23.0) | 22.5 | 29.5 | 54.0 | 25.6 |
| Tax | 0.7 | 7.4 | 4.4 | 10.5 | (8.3) | 3.6 | 11.0 | 20.0 | 8.00 |
| PAT | 5.4 | 17.5 | 10.0 | 20.2 | (14.7) | 18.9 | 18.5 | 34.0 | 17.6 |
| PATM (%) | 1.6% | 5.0% | 2.7% | 4.8% | - | 4.7% | 3.8% | 5.8% | 3.7% |
| EPS (INR) | 0.65 | 2.01 | 1.15 | 2.32 | (1.66) | 2.13 | 2.09 | 3.84 | 1.99 |

PROFIT & LOSS – YEARLY

(INR mn)

| Particulars | FY12 | FY13 | FY14 | FY15 | FY16 |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenue | 1,083.2 | 1,094.0 | 1,454.0 | 1,494.9 | 1,849.8 |
| Growth in net sales | 14.8% | 1.0% | 32.9% | 2.8% | 23.7% |
| Operating profit | 173.9 | 96.9 | 162.6 | 125.4 | 176.1 |
| OPM (%) | 16.1% | 8.9% | 11.2% | 8.4% | 9.5% |
| Other income | 17.0 | 20.6 | 14.0 | 7.4 | 4.6 |
| Depreciation | 18.7 | 21.4 | 23.5 | 33.0 | 33.3 |
| Interest | 10.2 | 18.0 | 23.6 | 23.6 | 37.4 |
| Profit before exceptional items | 162.0 | 78.1 | 129.5 | 76.2 | 110.0 |
| Profit before exceptional item (%) | 15.0% | 7.1% | 8.9% | 5.1% | 5.9% |
| Net exceptional items: Income / (Expense) | 3.9 | (3.7) | - | - | (27.0) |
| PBT | 165.9 | 74.4 | 129.5 | 76.2 | 83.0 |
| PBT (%) | 15.3% | 6.8% | 8.9% | 5.1% | 4.5% |
| Tax | 46.5 | 21.0 | 37.4 | 23.0 | 26.3 |
| PAT | 119.4 | 53.4 | 92.1 | 53.2 | 56.7 |
| PAT (%) | 11.0% | 4.9% | 6.3% | 3.6% | 3.1% |
| EPS (INR) | 14.69 | 6.57 | 11.17 | 6.10 | 6.41 |

BALANCE SHEET

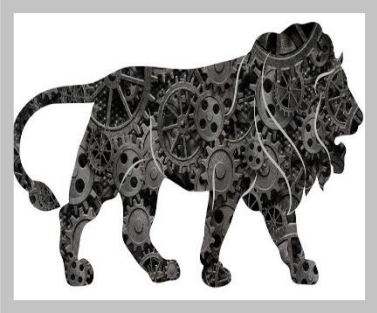
(INR mn)

| Particulars | Mar-12 | Mar-13 | Mar-14 | Mar-15 | Mar-16 |
|--------------------------|--------------|--------------|----------------|----------------|----------------|
| | Audited | Audited | Audited | Audited | Audited |
| Share Capital | 81.3 | 81.3 | 83.6 | 88.6 | 88.6 |
| Reserve & Surplus | 373.6 | 403.3 | 488.7 | 530.5 | 565.9 |
| Non Current Liabilities | 90.8 | 115.5 | 115.4 | 90.3 | 74.7 |
| Current Liabilities | 235.0 | 298.9 | 385.6 | 423.2 | 567.7 |
| Total Liabilities | 780.7 | 899.0 | 1,073.3 | 1,132.6 | 1,296.9 |
| Non Current Assets | 430.4 | 491.7 | 520.9 | 499.0 | 522.3 |
| Current Assets | 350.3 | 407.3 | 552.4 | 633.6 | 774.6 |
| Total Assets | 780.7 | 899.0 | 1,073.3 | 1,132.6 | 1,296.9 |

INDUSTRIAL LICENSES RECEIVED FROM DIPP

| Product | Award Date |
|--|------------|
| Site Mixed Explosives | 17-Jun-16 |
| Military fuses of all types including filling and assembling | 01-Jul-15 |
| Munition 20 mm and above including filling and assembling | 01-Jul-15 |
| War heads of all types including filling and assembling | 01-Jul-15 |
| Flexible Liner shape charge | 11-Jun-15 |
| Explosives Reacting Armour | 11-Jun-15 |
| Single Base Propellant | 11-Jun-15 |
| Ammunition of 40mm and above calibre | 12-May-15 |
| Rockets and Missiles | 12-May-15 |
| Mines related to Defence | 12-May-15 |
| Bombs related to Defence | 12-May-15 |
| Cartridge Explosives | 12-May-15 |
| Site Mixed Explosives | 01-May-15 |
| Mob Dispersion devices | 20-Apr-15 |

GROWTH DRIVERS



Defence Procurement Policy 2016; linking it to “Make in India” policy, created the top priority procurement category, Indigenously Designed Developed and Manufactured (IDDM), which will be an encouragement for local entrepreneurs.



Defence manufacturing in India is at inflection point, with capital expenditure expected at \$245 billion in next decade. At 30 % of this capex, offset market is estimated at \$75 billion (*Source: CII, Business Standard*)



Indian explosives industry, estimated to be INR 40 bn p.a., is considered among the top 5 in the world. Coal requirements for the power sector are projected to reach to about 1,070 MT by 2020. Out of this, domestic coal supply is projected to increase to 756 MT by 2022, (*Source: Industry*)



Having been a member of Missile Technologies Control Group (MTCR), India now can access advanced technologies.

KEY STRATEGIES



Part of the **'Make in India'** initiatives



Market expansion in explosives and defence business with new Industrial licenses obtained



Signed NDAs and MOUs with global missile players



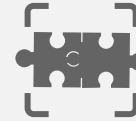
Incorporated a subsidiary company PELNEXT DEFENCE SYSTEMS PVT. LTD. for manufacture of ammunition



Capacity expansion and on going negotiations for technological tie-ups for new defence products



Reap offset opportunities



Backward integration for solid propellants – raw materials and insulation



Acquired 250 acres land for new defence projects



Explore export opportunities for NHN based detonators



Developing electronic detonator with new features



Focusing on exports to South East Asia and Africa

PREMIER EXPLOSIVES LIMITED

1st Company in India to have deployed indigenous technology for manufacturing explosives

1st Company in the world to produce safer and greener NHN detonators on commercial scale replacing ASA detonators

1st And only Indian private entity manufacturing and supplying solid propellants to India's prestigious missile programmes and reached a milestone of delivering 1000th Booster grain for Akash missile in July 2016



PREMIER EXPLOSIVES LIMITED



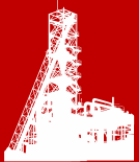
Who we are

A leading manufacturer of high energy materials for industrial and defence applications



Our facilities

Six manufacturing facilities located in M.P, Maharashtra, T.N. & Telangana



User industries

Defence, Mining and infrastructure sectors



People

Highly trained manpower in handling high energy chemicals

Technocrats at the Helm



Dr. A. N. Gupta | Chairman & Managing Director

Having earned his Masters degree in mining engineering, he has developed a penchant for learning and R&D. He has actively involved himself in product development projects of defence, new products and processes. A recipient of "Pickering and ISM Medal" from, Indian School of Mines, Dhanbad and Gold Medalist from Mining Geological and Metallurgical Institute of India. He is a Member of Society of Explosives Engineers, U.S.A. and was Chairman of Explosives Development Council constituted by Government of India and Chairman of Explosives Manufacturers Association of India. He has been given Asia Pacific Entrepreneurship Award 2015 in the Outstanding Category. He authored various articles about high energy materials including "Scaling up of CL-20 production to pilot plant scale" presented at the proceedings of National Symposium on Trends in Explosive Technology. He has been conferred Doctor of Science (Honoris Causa) by Gulbarga University in recognition of his rare distinction and distinguished contributions to the field of science and technology. In 2016, he has been awarded with an Honorary Fellowship'2016 by the High Energy Materials Society of India (HEMSI), for his outstanding contributions towards Establishment of Advanced Propellant Processing Technology.



Mr. T. V. Chowdary | Dy. Managing Director

A chemical engineer with over 33 years of experience in production of explosives, detonator, petrochemicals, coal tar pitches & enamels, mushrooms and solid propellants. Having project execution as his forte, he is excellent in HR management and is a steadfast trouble-shooter.



Dr. N. V. Srinivasa Rao | Director (Production)

He is a doctorate in chemistry with over 30 years of experience in the field of explosives & accessories and chemicals. He has published about 35 papers in various national and international journals. He is a member of High Energy Materials Society of India and also a Governing Body member there. HR management and is a steadfast trouble-shooter.



Col. Vikram Mahajan (Retd.) | Director (Marketing)

27 years of working with army, he holds an M.Tech & MBA in marketing. He has extensive knowledge about opportunities in defence sector.

Sharp research focus has lead PEL won several awards including the "Defence Technology Absorption Award 2007" from DRDO, presented by the Prime Minister of India

Research and Development

Company ensures and thrives to remain at the forefront of technology in its field and new product development



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



World-first in production of NHN based detonators on commercial scale. It is safer and greener than traditional ASA. Acknowledged as a break-through after about 75 years. Licensed the technology to a US company for a price of USD 100,000



Developed solid propellants for various missiles including a combustion-stable propellant for Long Range Surface to Air Missile (LRSAM)

Laboratories of the company have been certified by DSIR and accredited by NABL



Plant Locations



◆ Peddakandukur (Telangana)

Detonator, Detonating fuse,
Packaged explosives,
product research &
Special Products Divisions



○ Bulk Explosives

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



✦ Pushpathur (Tamil Nadu)

Windmill





Contact

PREMIER EXPLOSIVES LIMITED

“Premier House”, 11, Ishaq Colony, (Near AOC Centre),
Secunderabad – 500 015.

S-ANCIAL GLOBAL SOLUTIONS PVT. LTD. (Investor Relations)

301, C-Wing, Neelkanth Business Park, Vidyavihar (W),
Mumbai – 400 083.
milan@s-ancial.com | Contact No.: 022 6143 2314

