



**Premier
Explosives
Limited**

Q3FY16 RESULTS

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FINANACIAL OVERVIEW



WAY FORWARD



APPENDIX

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RESULTS SUMMARY

(INR mn)

Particulars	Q3FY16	Q3FY15	YoY (%)	Q2FY16	QoQ (%)	9MFY16	9MFY15	YoY (%)
Revenue	481.7	368.3	30.8%	404.4	19.1%	1,262.6	1,072.8	17.7%
Operating profit	48.4	26.6	82.0%	28.4	70.4%	106.7	82.2	29.8%
Profit before Exceptional items	29.5	14.4	104.9%	14.2	109.2%	57.7	45.5	27.1%
PBT	29.5	14.4	104.9%	22.5	31.1%	29.0	45.5	(36.0%)
PAT	18.5	10.0	85.0%	18.9	-2.1%	22.7	33.0	(31.2%)

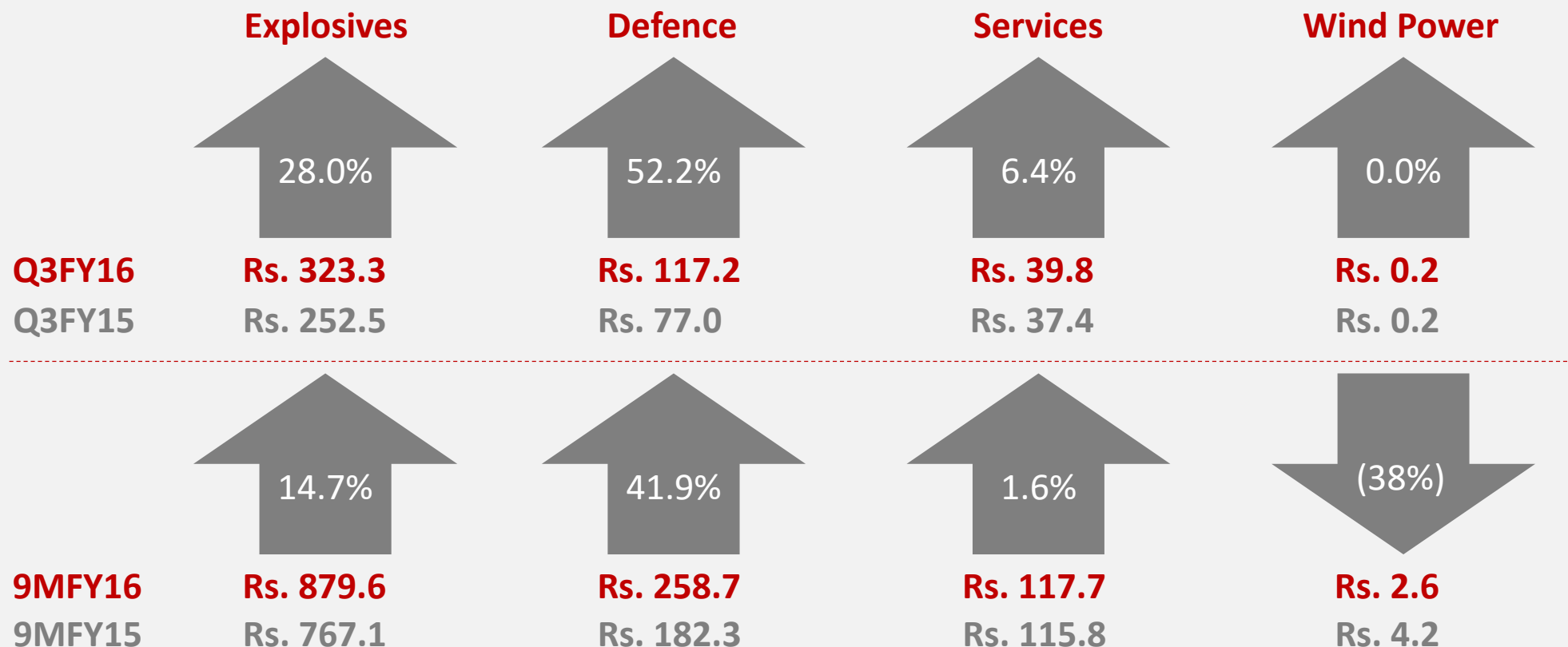
RESULT UPDATE – PROFIT & LOSS

(INR mn)

Particulars (INR mn)	Q3FY16	Q3FY15	YoY (%)	Q2FY16	QoQ (%)	9MFY16	9MFY15	YoY (%)
Net sales	481.7	368.3	30.8%	404.4	19.1%	1,262.6	1,072.8	17.7%
Total expenses	433.3	341.7	26.8%	376.0	15.2%	1,155.9	990.6	16.7%
Operating profit	48.4	26.6	82.0%	28.4	70.4%	106.7	82.2	29.8%
OPM (%)	10.0%	7.2%	283bps	7.0%	302bps	8.5%	7.7%	79bps
Other income	1.0	0.8	25.0%	1.7	(41.2%)	3.4	3.6	(5.6%)
Depreciation	8.2	7.5	9.3%	8.5	(3.5%)	25.0	25.0	0.0%
Interest	11.7	5.5	112.7%	7.4	58.1%	27.4	15.3	79.7%
PB exceptional items and Tax	29.5	14.4	104.9%	14.2	107.7%	57.7	45.5	26.8%
Exceptional items	-	-	-	-	-	-	-	-
Income - Profit on sale of land	-	-	-	8.3	NA	8.3	-	NA
Expense - VRS payments	-	-	-	-	-	(36.9)	-	NA
PBT	29.5	14.4	104.9%	22.5	31.1%	29.0	45.5	(36.0%)
Tax	11.0	4.4	150.0%	3.6	205.6%	6.3	12.5	(49.6%)
PAT	18.5	10.0	85.0%	18.9	(2.1%)	22.7	33.0	(30.9%)
PATM (%)	3.8%	2.7%	113bps	4.7%	(83bps)	1.8%	3.1%	(128bps)
EPS	2.09	1.15	81.7%	2.13	(1.9%)	2.57	3.78	(32.0%)

BUSINESS HIGHLIGHTS (INR mn)

*YoY Growth

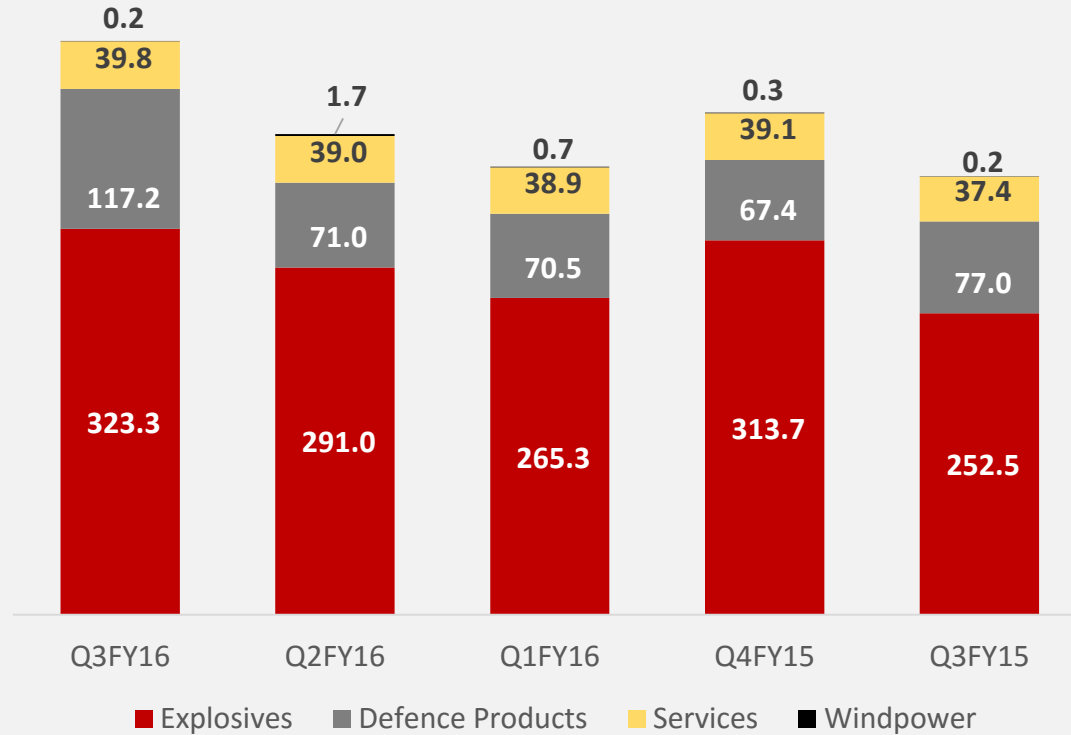


- **LRSAM / Barak (NG) missile successfully tested in December 2015.**
It is a missile jointly developed by Defence Research and Development Organisation (DRDO) and Israel Aerospace Industries (IAI).

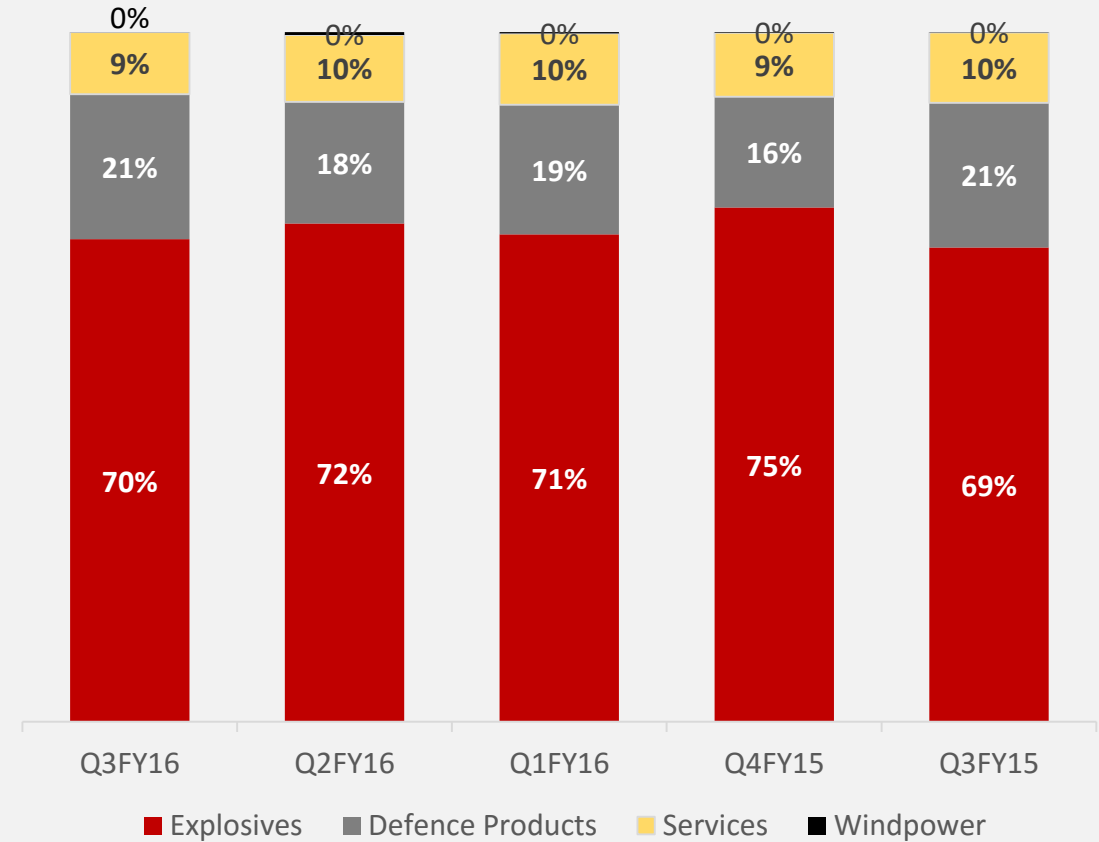
- **Premier is involved in development and has been supplying the solid propellants for this missile.**
- **Premier signed an MOU with IAI for exploring potential business opportunities.**

QUARTERLY – PROFIT & LOSS (INR mn)

Revenue breakup

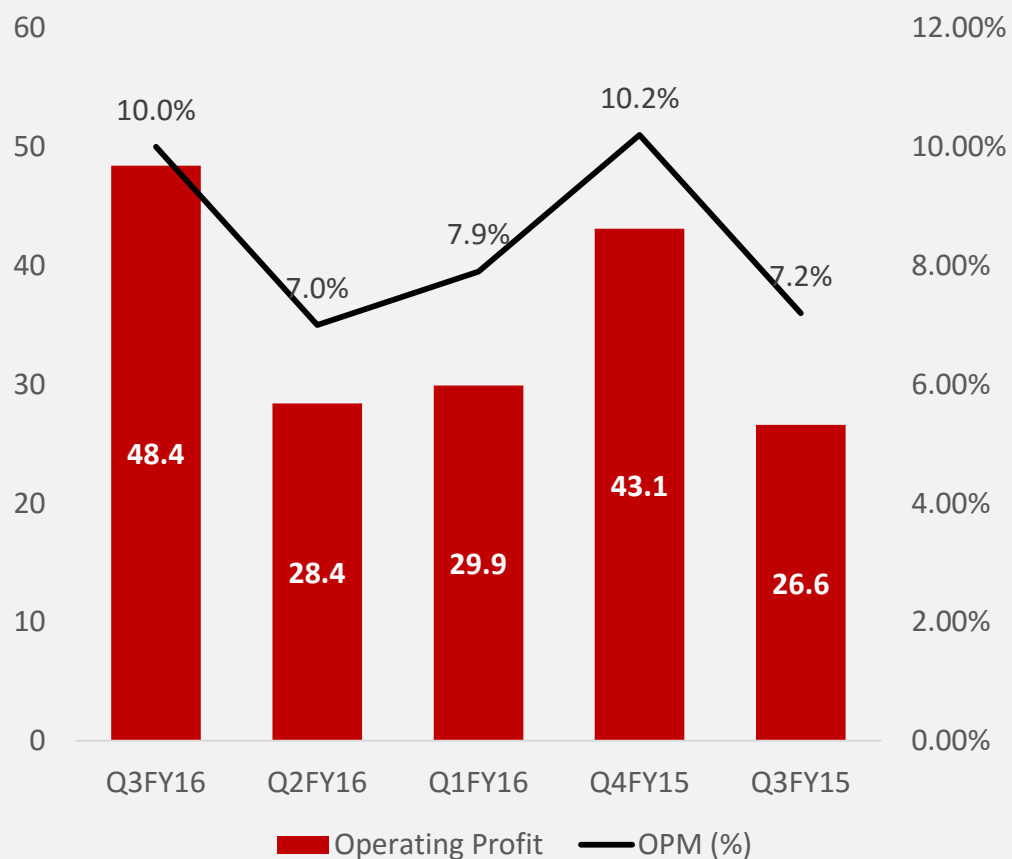


Revenue breakup (%)

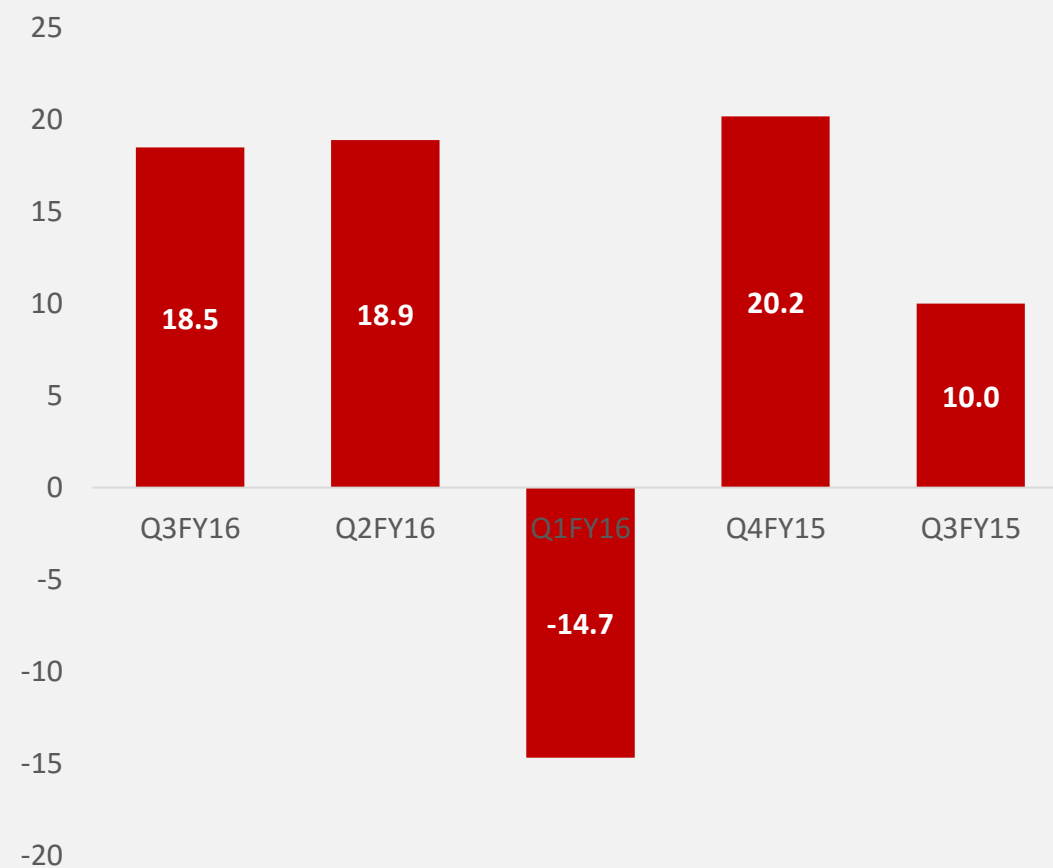


PERFORMANCE SNAPSHOT (INR mn)

Operating profit



Profit After Tax



PROFIT & LOSS - QUARTERLY

(INR mn)

Particulars	FY16			FY15			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	481.7	404.4	376.5	422.1	368.3	352.9	351.6
Total expenses	433.3	376.0	346.6	379.0	341.7	315.1	333.7
Operating profit	48.4	28.4	29.9	43.1	26.6	37.8	17.9
OPM (%)	10.0%	7.0%	7.9%	10.2%	7.2%	10.7%	5.1%
Other income	1.0	1.7	0.7	3.8	0.8	0.9	1.9
Depreciation	8.2	8.5	8.3	8.0	7.5	8.9	8.7
Interest	11.7	7.4	8.3	8.2	5.5	4.9	5.0
PB exceptional items and Tax	29.5	14.2	14.0	30.7	14.4	24.9	6.1
Exceptional items	-	0.0		-	-	-	-
Income - Profit on sale of land	-	8.3					
Expense - VRS payments	-	0.0	37.0				
PBT	29.5	22.5	(23.0)	30.7	14.4	24.9	6.1
Tax	11.0	3.6	(8.3)	10.5	4.4	7.4	0.7
PAT	18.5	18.9	(14.7)	20.2	10.0	17.5	5.4
EPS	2.09	2.13	(1.66)	2.32	1.15	2.01	0.65

PROFIT & LOSS – YEARLY

(INR mn)

Particulars	9MFY16	FY15	FY14	FY13	FY12
Net sales	1,262.6	1,494.9	1,454.0	1,094.0	1,083.2
Operating profit	106.7	125.4	162.6	96.9	173.9
OPM (%)	8.5%	8.4%	11.2%	8.9%	16.1%
Other income	3.4	7.4	14.0	20.6	17.0
Depreciation	25.0	33.0	23.5	21.4	18.7
Interest	27.4	23.6	23.6	18.0	10.2
Profit before exceptional items	57.7	76.2	129.5	78.1	162.0
Profit before exceptional item (%)	4.6%	5.1%	8.9%	7.1%	15.0%
Net exceptional items: Income / (Expense)	(28.7)	-	-	(3.7)	3.9
PBT	29.0	76.2	129.5	74.4	165.9
PBT (%)	2.3%	5.1%	8.9%	6.8%	15.3%
Tax	6.3	23.0	37.4	21.0	46.5
PAT	22.7	53.2	92.1	53.4	119.4
PAT (%)	1.8%	3.6%	6.3%	4.9%	11.0%
EPS	2.57	6.10	11.17	6.57	14.69

BALANCE SHEET

(INR mn)

Particulars	Dec-15	Mar-15	Mar-14	Mar-13	Mar-12
	Unaudited	Audited	Audited	Audited	Audited
Share Capital	88.6	88.6	83.6	81.3	81.3
Research & Surplus	534.7	530.5	488.7	403.3	373.6
Non Current Liabilities	78.0	90.3	115.4	115.5	90.8
Current Liabilities	444.9	423.2	385.6	298.9	235.0
Total Liabilities	1,146.2	1,132.6	1,073.3	899.0	780.7
Non Current Assets	500.3	499.0	520.9	491.7	430.4
Current Assets	645.9	633.6	552.4	407.3	350.3
Total Assets	1,146.2	1,132.6	1,073.3	899.0	780.7

INDUSTRIAL LICENSES RECEIVED LAST YEAR FROM DIPP

Product	Award Date
Military fuses of all types including filling and assembling	1-Jul-15
Munition 20 mm and above including filling and assembling	1-Jul-15
War heads of all types including filling and assembling	1-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 caliber	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	1-May-15
Mob Dispersion devices	20-Apr-15

GROWTH DRIVERS



The Ministry of defence is in process to make major changes in defence offset policy; seeks to link it to “Make in India” policy. Currently around 60% of India’s defence requirements are met through imports.



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 30 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*)



India is poised to build a vibrant local defence-industry ecosystem that could support both domestic and export demand, yielding material benefit to the industry and the nation

KEY STRATEGIES



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



Backward integration for solid propellants



Market expansion in explosives and defence business with new IL's obtained



Acquired 250 acres land for new defence projects



Signed NDAs and MOUs with global missile players



Explore export opportunities for NHN based detonators



Formed a JV with Kalyani group to participate in indigenisation of defence products



Developing electronic detonator with new features



Capacity expansion and technological tie-ups for new defence products



Focusing on exports to South East Asia



Reap offset opportunities

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



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

Mining, infrastructure and defence sectors



People

Highly trained manpower in handling high energy chemicals

Technocrats at the Helm



Dr. A. N. Gupta | Chairman Promoter

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.



Mr. T. V. Chowdary | Executive 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)

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



Mr. Vikram Mahajan | 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 and IIT Madras 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.

301, C-Wing, Neelkanth Business Park, Vidyavihar (W), Mumbai – 400 083.
saurabh@s-ancial.com | Contact No.: 022 6143 2368

