



**Premier
Explosives
Limited**



Q3FY17 - RESULTS

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RESULTS SUMMARY



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FINANCIAL OVERVIEW



WAY FORWARD



APPENDIX

Note: All number mentioned are on Standalone basis.

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RESULTS SUMMARY

Revenue

560.3

Q3FY17

481.7

Q3FY16

Operating Profit

50.6

Q3FY17

48.4

Q3FY16

Profit After Tax

23.0

Q3FY17

18.5

Q3FY16

(INR mn)

Revenue Breakup

*YoY Growth

Explosives

21.7%

Q3FY17
393.6
Q3FY16
323.3

Defence

-2.6%

114.2
117.2

Services

16.1

46.2
39.8

Wind Power

150%

0.5
0.2

Total Order book as on 31st December 2016 stands at INR 2560 mn; Explosives - INR 1230 mn; Defence - INR 1120 mn; Services - INR 210 mn

RESULTS SUMMARY

Revenue

1,582.5

9MFY17

1,262.6

9MFY16

Operating Profit

145.0

9MFY17

106.7

9MFY16

Profit After Tax

64.6

9MFY17

22.7

9MFY16

(INR mn)

Revenue Breakup

*YoY Growth

Explosives

25.6%

9MFY17
9MFY161104.4
879.6

Defence

27.1%

328.7
258.7

Services

16.0%

136.5
117.7

Wind Power

50.0%

3.9
2.6

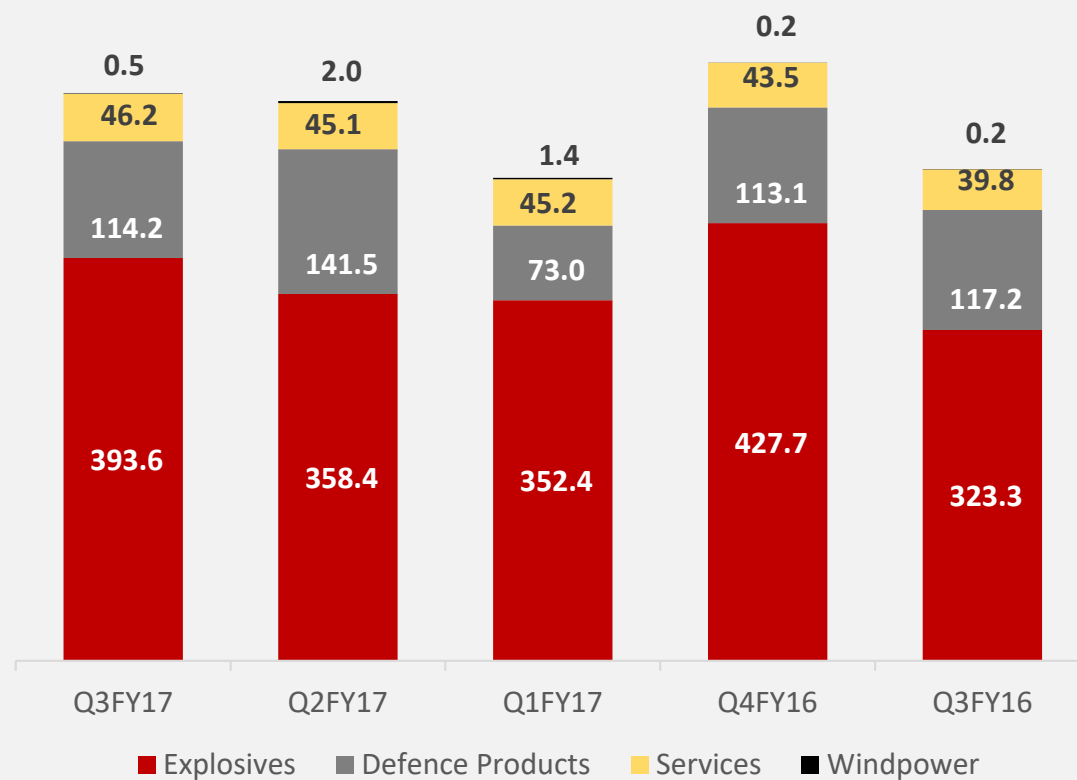
RESULT UPDATE

(INR mn)

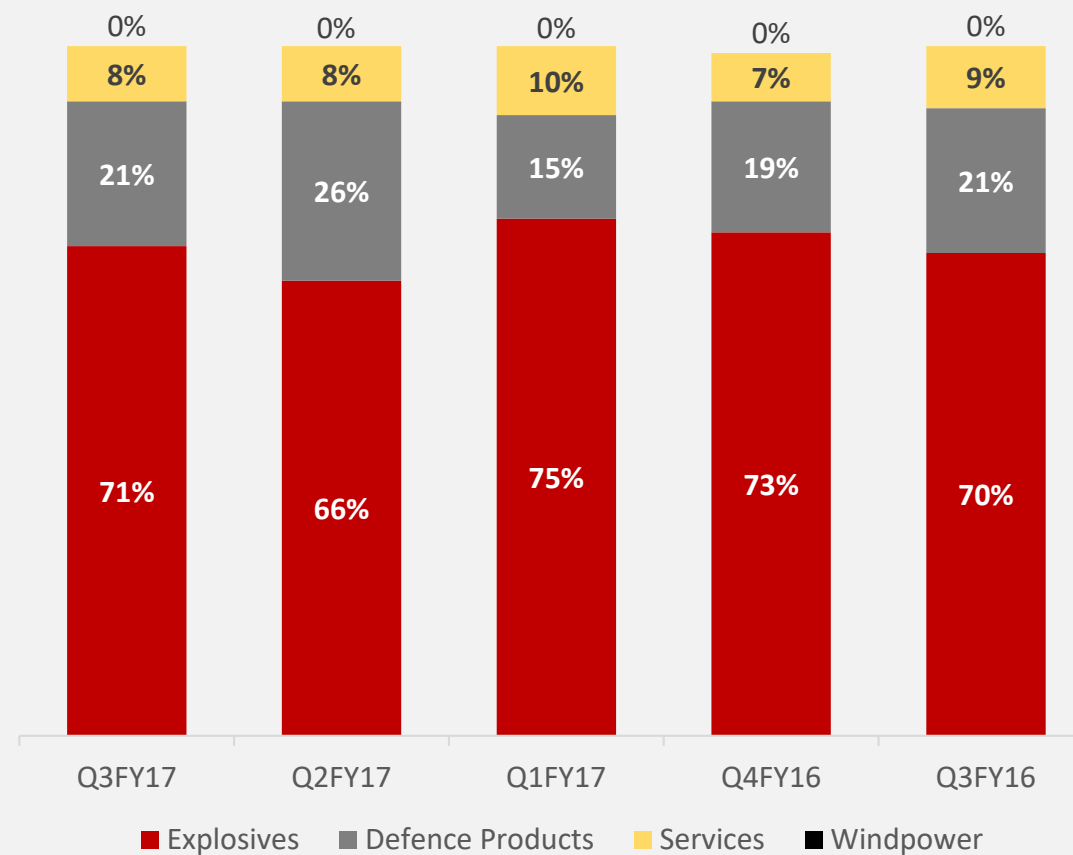
Particulars	Q3FY17	Q3FY16	YoY (%)	Q2FY17	QoQ (%)	9MFY17	9MFY16	YoY (%)
Revenue	560.3	481.7	16.3%	549.2	2.0%	1,582.5	1,262.6	25.3%
Total expenses	509.7	433.3	17.6%	497.2	2.5%	1,437.5	1,155.9	24.4%
Operating profit	50.6	48.4	4.5%	52.0	-2.7%	145.0	106.7	35.9%
OPM (%)	9.0%	10.0%	-100 bps	9.5%	-50 bps	9.0%	8.5%	50 bps
Other income	1.3	1.0	30%	1.5	-13.3%	4.1	3.4	20.6%
Depreciation	8.5	8.2	3.7%	8.4	1.2%	25.5	25.0	2.0%
Interest	10.3	11.7	-12.0%	9.0	14.4%	28.8	27.4	5.1%
PB exceptional items and Tax	33.1	29.5	12.2%	36.1	-8.3%	94.8	57.7	64.3%
Exceptional items								
Income - Profit on sale of land	-	-	-	-	-	-	8.3	-
Expense - VRS payments	-	-	-	-	-	-	(36.9)	-
PBT	33.1	29.5	12.2%	36.1	-8.3%	94.8	29.0	226.9%
Tax	10.1	11.0	-8.2%	12.10	-16.5%	30.2	6.3	379.4%
PAT	23.0	18.5	24.3%	24.0	-4.2%	64.6	22.7	184.6%
PATM (%)	4.1%	3.8%	30 bps	4.4%	30 bps	4.1%	1.8%	200 bps
EPS (INR)	2.60	2.09	24.4%	2.70	-3.7%	7.29	2.57	183.7%

REVENUE BREAKUP

Revenue breakup (INR mn)

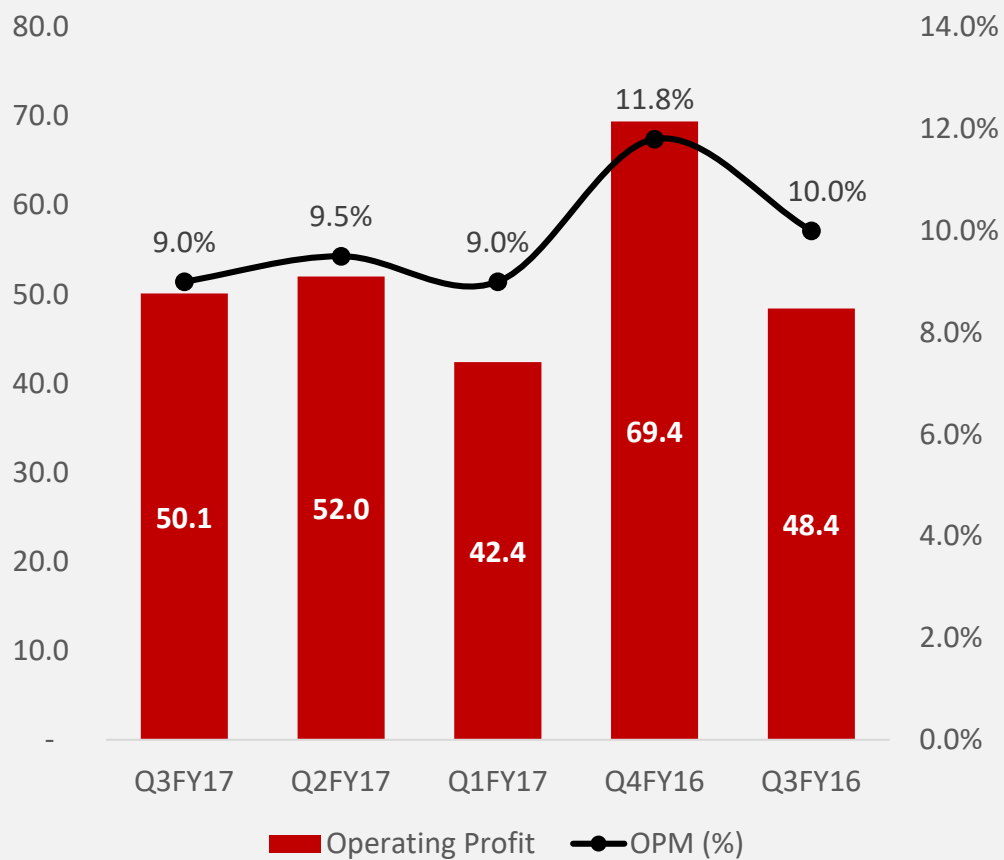


Revenue breakup (%)

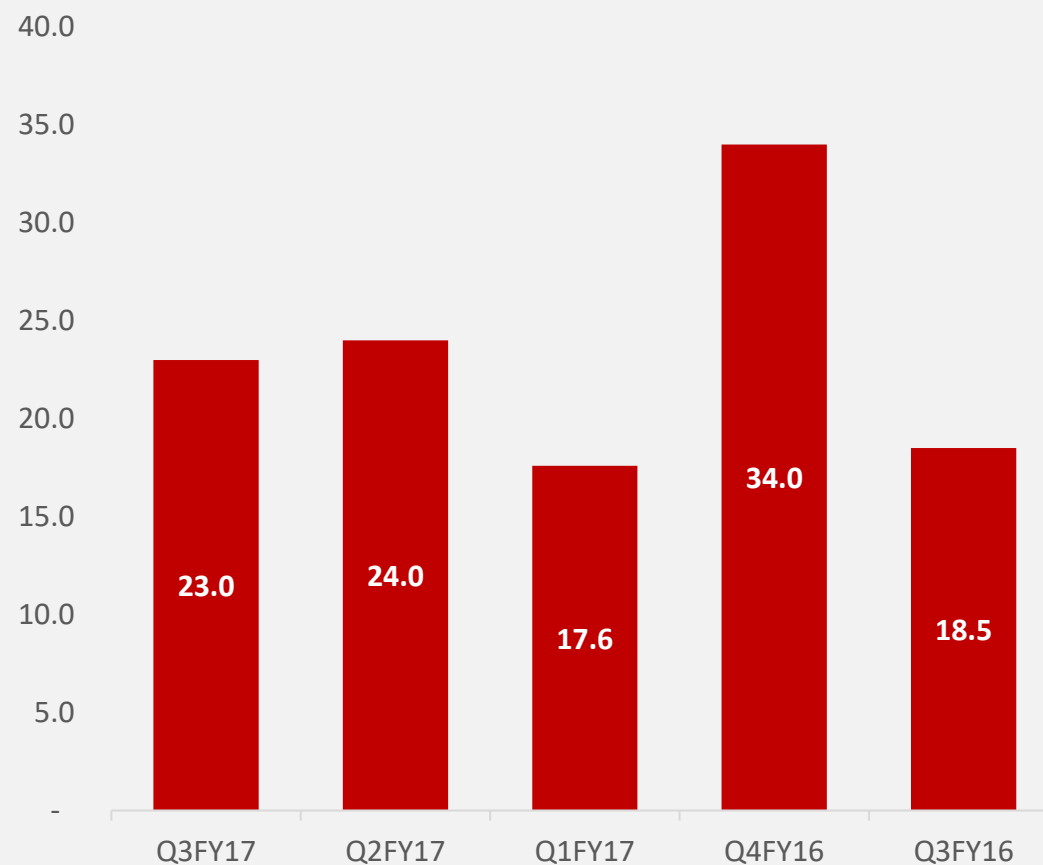


PERFORMANCE SNAPSHOT (INR mn)

Operating profit



Profit After Tax



PROFIT & LOSS - QUARTERLY

(INR mn)

Particulars	FY16				FY17		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	376.5	404.4	481.7	587.2	473.0	549.2	560.3
Total expenses	346.6	376.0	433.3	517.8	430.6	497.2	509.7
Operating profit	29.9	28.4	48.4	69.4	42.4	52.0	50.6
OPM (%)	7.9%	7.0%	10.0%	11.8%	9.0%	9.5%	9.00%
Other income	0.7	1.7	1.0	1.2	1.3	1.5	1.3
Depreciation	8.3	8.5	8.2	8.3	8.6	8.4	8.5
Interest	8.3	7.5	11.7	10.0	9.5	9.0	10.3
PB exceptional items and Tax	14.0	14.1	29.5	52.3	25.6	36.1	33.1
Exceptional items			-				
Income - Profit on sale of land		8.4	-	1.7	-	-	-
Expense - VRS payments	37.0	-	-	-	-	-	-
PBT	(23.0)	22.5	29.5	54.0	25.6	36.1	33.1
Tax	(8.3)	3.6	11.0	20.0	8.00	12.10	10.1
PAT	(14.7)	18.9	18.5	34.0	17.6	24.0	23.0
PATM (%)	(3.9%)	4.7%	3.8%	5.8%	3.7%	4.4%	4.1%
EPS (INR)	(1.66)	2.13	2.09	3.84	1.99	2.70	2.60

PROFIT & LOSS

(INR mn)

Particulars	FY12	FY13	FY14	FY15	FY16	9MFY17
Revenue	1,083.2	1,094.0	1,454.0	1,494.9	1,849.8	1,582.5
Growth in net sales	14.8%	1.0%	32.9%	2.8%	23.7%	NA
Operating profit	173.9	96.9	162.6	125.4	176.1	145.0
OPM (%)	16.1%	8.9%	11.2%	8.4%	9.5%	9.0%
Other income	17.0	20.6	14.0	7.4	4.6	4.1
Depreciation	18.7	21.4	23.5	33.0	33.3	25.5
Interest	10.2	18.0	23.6	23.6	37.4	28.8
Profit before exceptional items	162.0	78.1	129.5	76.2	110.0	94.8
Profit before exceptional item (%)	15.0%	7.1%	8.9%	5.1%	5.9%	6.0%
Net exceptional items: Income / (Expense)	3.9	(3.7)	-	-	(27.0)	-
PBT	165.9	74.4	129.5	76.2	83.0	94.8
PBT (%)	15.3%	6.8%	8.9%	5.1%	4.5%	6.0%
Tax	46.5	21.0	37.4	23.0	26.3	30.2
PAT	119.4	53.4	92.1	53.2	56.7	64.6
PAT (%)	11.0%	4.9%	6.3%	3.6%	3.1%	4.1%
EPS (INR)	14.69	6.57	11.17	6.10	6.41	7.29

BALANCE SHEET

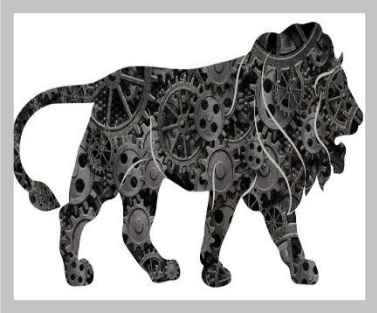
(INR mn)

Particulars	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Sep-16
	Audited	Audited	Audited	Audited	Audited	Unaudited
Share Capital	81.3	81.3	83.6	88.6	88.6	88.6
Reserve & Surplus	373.6	403.3	488.7	530.5	565.9	607.5
Non Current Liabilities	90.8	115.5	115.4	90.3	74.7	123.8
Current Liabilities	235.0	298.9	385.6	423.2	567.7	624.4
Total Liabilities	780.7	899.0	1,073.3	1,132.6	1,296.9	1,444.3
Non Current Assets	430.4	491.7	520.9	499.0	522.3	547.9
Current Assets	350.3	407.3	552.4	633.6	774.6	896.4
Total Assets	780.7	899.0	1,073.3	1,132.6	1,296.9	1,444.3

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



Backward integration for solid propellants – raw materials and insulation



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



Acquired 250 acres land for new defence projects



Signed NDAs and MOUs with global missile players



Plans to enter the ammunition business and negotiating for technological tie-up with foreign OEMs



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



Explore export opportunities for NHN based detonators



Capacity expansion in solid propellants and detonating fuse



Developing electronic detonator with new features



Reap offset opportunities



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



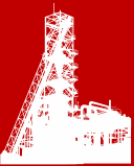
Who we are

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 February 2016 he was awarded Fellowship by High Energy Materials Society of India.



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.



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





Premier Explosives Limited



Contact

PREMIER EXPLOSIVES LIMITED

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



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

215, Shivshakti Industrial Estate, J. L.
Boricha Marg, Lower Parel (E),
Mumbai - 400 013.

Rahul Rajagopalan
rahul@s-ancial.com
022 6536 1001

